

Luxembourg Fund Directors
Industry Consultation
June 19, 2008



Institut Luxembourgeois
des Administrateurs

Agenda

Welcome

Introduction to ILA and overview of the governance agenda

Introduction to the Investment Fund Committee of ILA

Current initiatives and needs

John Parkhouse

Patrick Zurstrassen

John Parkhouse

Open forum

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Institut Luxembourgeois des Administrateurs

- Legal incorporation as non-profit “asbl” under dynamism of Luxembourg Presidency and with strong founders board
- Inauguration at the occasion of the Second European CG Conference
- Its strategic objectives are to foster the development, the best execution and the promotion of the profession of corporate directors. Its denomination of “Institute” stems from its mission of research and education
- Two types of members:
 - Regular individual members
 - Affiliated “Group” corporate members
- Three governing bodies:
 - The General Assembly
 - The Board of Directors
 - The Executive Committee
- General Secretary: Marie Chambourdon
- Hosted by the Chamber of Commerce of Luxembourg



Institut Luxembourgeois des Administrateurs: Its board of directors

Romain BAUSCH (Société Européenne des Satellites)

Marie-Jeanne CHEVREMONT (Arendt & Medernach)

André ELVINGER (Avocat)

Alain GEORGES (BIP SA)

Pierre GRAMEGNA (Chambre de Commerce de Luxembourg)

Michel MAQUIL (Bourse de Luxembourg)

Didier MOUGET (PricewaterhouseCoopers)

André ROELANTS (Clearstream)

Charles RUPPERT (Groupe St Paul)

Raymond SCHADECK (Ernst & Young)

François TESCH (Foyer SA)

Eric VAN DE KERKHOVE (Deloitte)

Michel WURTH (Arcelor)

Patrick ZURSTRASSEN (The Directors' Office) [Chairman]

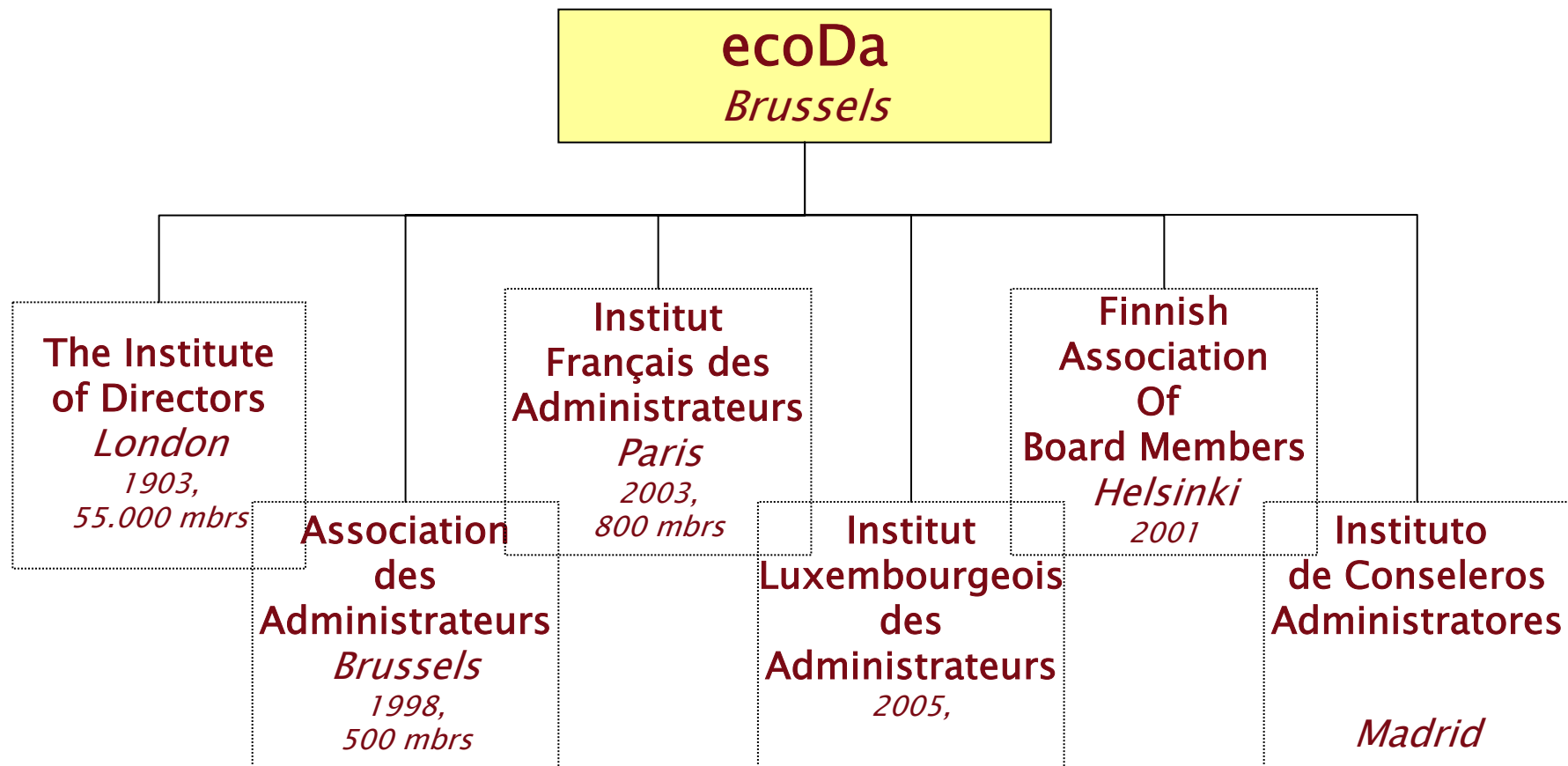


The “Institut Luxembourgeois des Administrateurs”: its working committees

Type		Chair	Master Corporate Member
Regular Committees			
	Law & Practices	Philippe Hoss	EHP
	External Relations & Communications	Pierre Margue	SES
Sectorial Committees			
	State owned bodies	Jeannot Weyer	Ernst & Young
	Listed Companies	Christophe Jung	Arcelor Mittal
	Investment Companies	John Parkhouse	PwC
	Finance Companies	Jean-Philippe Drescher	Deloitte
Committees on Board Activities			
	Audit Committee	John Li	KPMG
	Remuneration Committee	Yves Bartholmé	Solvay



ecoDa: The European Confederation of Directors' Associations



+ Czech Republic, Poland & Slovenia.

ILA Institut Luxembourgeois des Administrateurs

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- » Présentation
- » Les commissions
- » News
- » ILA et ecoDa
- » Les sociétés membres
- » Devenir membre
- » ILA et les Institutions Européennes
- » Les autres associations

ILA: Une association pour aider et accompagner les administrateurs dans l'exercice de leur fonction

ILA est une association à but non lucratif créée le 14 avril 2005 et inaugurée au Luxembourg à l'issue de la Deuxième Conférence Européenne sur le Gouvernement d'Entreprise organisée conjointement par la Présidence Européenne et la Commission Européenne.

L'association, qui regroupe des administrateurs de sociétés, a pour vocation d'informer les administrateurs sur les sujets d'actualité les concernant, leur apporter une formation sur les droits et responsabilités auxquels ils doivent faire face, les représenter et les défendre auprès des divers décideurs institutionnels publics et privés.

Le travail de l'ILA s'effectue au travers de différentes commissions. La principale mission des commissions est d'organiser des travaux de réflexion, d'assurer le partage d'expérience sur des thèmes liés à l'exercice de la fonction d'administrateur, du rôle du Conseil d'Administration et plus généralement de tout aspect se rapportant au gouvernement d'entreprise.

Composition du [Conseil d'administration](#)

- » 26 Jun 2007 - Assemblée Générale de l'ILA: Chambre de Commerce de Luxembourg
- » 06 Jun 2007 - Conférence ILA-PwC : Les nouveaux défis des administrateurs de fonds d'investissement

6 juin 2007 de 9h à 14h à la Chambre de Commerce de Luxembourg. [Programme & présentation](#)

CHAMBRE DE COMMERCE LUXEMBOURG

PRICEWATERHOUSECOOPERS PwC

Latest news

- » **Conférence ecoDa**
13 Nov 2007
Londres - 9h00 - 16h00
[Plus...](#)
- » **Article Luxemburger Wort : Les revenus des dirigeants**
06 Jul 2007
[Plus...](#)
- » **Assemblée Générale de l'ILA**
26 Jun 2007
Chambre de Commerce de Luxembourg
[Plus...](#)
- » **Conférence ILA-PwC : Les nouveaux défis des administrateurs de fonds d'investissement**
06 Jun 2007
Chambre de Commerce de Luxembourg
[Plus...](#)
- » **Conférence organisée par EcoDa "CSR : what's in for directors?"**
17 Apr 2007
Residence Palace, Bruxelles 14h-18h30
[Plus...](#)

ILA: Institut L... Microsoft Power... 17:57



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ILA Investment Fund Committee

- Formed Q1 2008
- Members:
 - John Parkhouse Chair, PricewaterhouseCoopers
 - Alan Crutchett Independent Director
 - Richard Goddard Independent Director, The Directors' Office
 - Graham Goodhew Dirigeant JPMorgan Asset Management Europe
 - Henry Kelly Independent Director, KellyConsult
 - Bill Lockwood Dirigeant Franklin Templeton, Chair ALFI Dirigeant Forum
 - José Longrée Managing Director CACEIS and chair of ALFI code of conduct committee
 - Jérôme Wigny Elvinger, Hoss & Prussen



Objectives of the group

- Lead development of the governance framework at board level for all regulated Luxembourg funds
- Provide technical and market support for directors of Luxembourg funds
- Liaise with respective stakeholders as needed (ALFI, CSSF etc) on behalf of the Luxembourg fund directors community
- Implement ILA level initiatives within the fund environment as relevant
- Ensure close interactions with ALFI initiatives



Current Initiatives and needs

Open Forum



Current initiatives

- Guiding principles
- Code of Conduct
- Vade Mecum
- Surveys
- Events



Guiding principles

Proposal:

To establish core principles for Luxembourg fund Directors that are tailored to Luxembourg funds and can be used as a basis for a code of conduct for directors

Directors of regulated investment funds owe important fiduciary duties to their investors, the market, the industry and society at large. Where these duties are set out in law or regulation, the investment fund director must always comply with the requirements in an open and transparent manner.

- Directors should act fairly, independently and with integrity in the best interest of the investors.
- Directors should act with due care and diligence in the performance of their duties.
- Directors should identify and manage fairly and effectively, to the best of their ability, any actual, potential or apparent conflict of interest
- Directors should ensure that investors are properly informed ; are fairly and equally treated; and receive the benefits and services to which they are entitled.
- Directors should have a good professional standing and appropriate experience and use their efforts to ensure the Board is collectively competent to fulfil its responsibilities, including the effective oversight of delegated functions.
- Directors should ensure the protection of confidential information about the fund and its investors.



Code of Conduct

Proposal:

To establish a code of best practice guidance using the guiding principles as a basis

Considerations:

- Is such a code needed/would it be useful for fund directors?
- Leverage draft ALFI code
- Work with ALFI to establish a joint code
- Any specific areas requiring focus



Vade Mecum

Proposal:

To establish a practical guide to be a director, such as AIMA's Offshore Alternative Fund Directors' Guide

Considerations:

- Need for Vade Mecum in Luxembourg?
- Leverage other Vade Mecums?
- Any specific areas requiring focus



Surveys

Current surveys underway:

- **ILA Directors survey**
 - Objective: to understand profile and functioning of fund directors in Luxembourg
 - Targets individual directors
 - Relatively high-level
- **ILA/PwC corporate Governance survey**
 - Objective: to benchmark Governance practices at the fund-level across the Luxembourg (and Irish) fund industry
 - Targets institutions
 - In-depth survey on board functioning, practices and areas of focus/concern
 - 4th survey



Events

Objectives: to establish a series of topical seminars to assist fund directors in technical and best practice matters

Events planned (2008)

- Risk Management: what questions should directors and dirigeants be asking – held May 28th
- SIFs and the role of directors – planned October 6th
- Governance implications of private equity funds (TBD)
- Presentation of survey results – December 15th
- Roles and responsibilities of fund directors (TBD)
- Other needs?



Other considerations

- News alerts
- Involvement of non-resident directors
- Interaction with the regulator

