

Comments from SSE China

Q: Shall legislators and standard setters try to regulate further the composition, qualifications and size of boards in public companies?

My comment:

I think it is important to make the nominees of directors to know their duties clearly. Especially in emerging market countries, the nominees should get qualifications from IOD or other institutes, or spend enough time to take part in the training program. The training should not be on-off, because the new regulations are issued continuously.

As for the companies investing in complex financial products, the directors should meet higher standards that they should be provided with the knowledge of risk management and the working background in financial fields.

To maintain the independence of independent directors, the shareholders should have the right to inquiry actively if there are associated relationships between nominees of IDs and their nominators before the nomination is passed. The remuneration of IDs also should be decided mainly by the AGM not by the board.