

Section or page #	Comments
<p data-bbox="201 275 252 297">p. 7</p> <p data-bbox="201 338 339 398">Ownership and control</p>	<p data-bbox="384 275 1393 331">These OECD Guidelines as a very important document for improving corporate governance in all OECD countries.</p> <p data-bbox="384 371 1027 398">Precise wording helps to avoid any possible interpretation.</p> <p data-bbox="384 439 1393 589">The proposed wording on "indirect control" ("indirectly holding the majority of the share capital") will create opportunities for states to intervene in the governance of subsidiaries by regulating, through national legislation, aspects that must be within the competence of the parent company - the shareholder or at the discretion of the subsidiaries' collegial bodies.</p> <p data-bbox="384 629 1393 745">Without clarification, these provisions would constitute excessive State interference and defeat the purpose of the Guidelines: "They are the internationally agreed standard for how governments should exercise the state ownership function to avoid the pitfalls of both passive ownership and excessive state intervention".</p>
<p data-bbox="201 768 323 824">Long-term interest remuneration</p>	<p data-bbox="384 768 1393 891">Executives and employees of state-owned listed enterprises should be entitled to stock option schemes, just as in private companies. This is linked to the achievement of long-term objectives. However, in many cases, national governments have avoided this for political reasons (although this would not reduce the state's shareholding).</p> <p data-bbox="384 931 1393 987">If this were to be provided for in these Guidelines, it would bring state-owned enterprises closer to best practice worldwide.</p> <p data-bbox="384 1028 1393 1238"><i>E.g. G20/OECD Principles of Corporate Governance IV.A.6. Remuneration of members of the board and key executives. Information about board and executive remuneration is also of concern to shareholders, including the link <u>between remuneration and the company's long-term performance, sustainability and resilience. [...]</u>, so that investors can assess the costs and benefits of remuneration plans and the <u>contribution of incentive schemes, such as stock option schemes, to company performance.</u></i></p>
<p data-bbox="201 1261 268 1283">p. 19</p> <p data-bbox="201 1323 268 1346">VI. E.</p>	<p data-bbox="384 1261 1393 1346">"Politicians who are in a position to influence materially the operating conditions of SOEs should not serve on their boards. Former such persons should be subject to predetermined cooling-off periods."</p> <p data-bbox="384 1386 1393 1471">I would like to propose that <u>this provision (in bold) would be eliminated. Otherwise, it will create an opportunity for a step backwards</u> in countries where politicians are not board members.</p> <p data-bbox="384 1489 1393 1574">It should be noted that politicians, although they are not in a position to influence materially the operating conditions of SOEs, are linked to a large circle of influence, such as political parties etc.</p>