

Reform and Practice of Corporate Governance in China

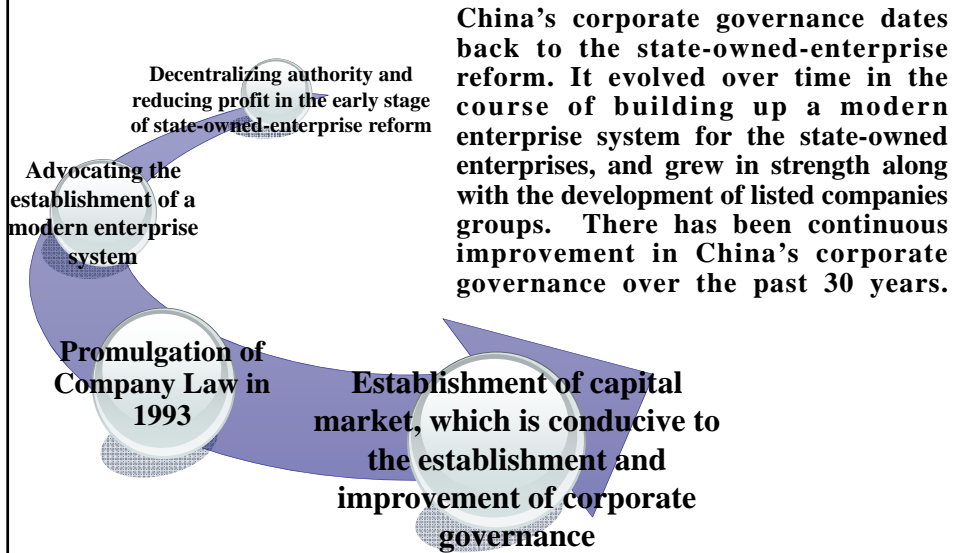
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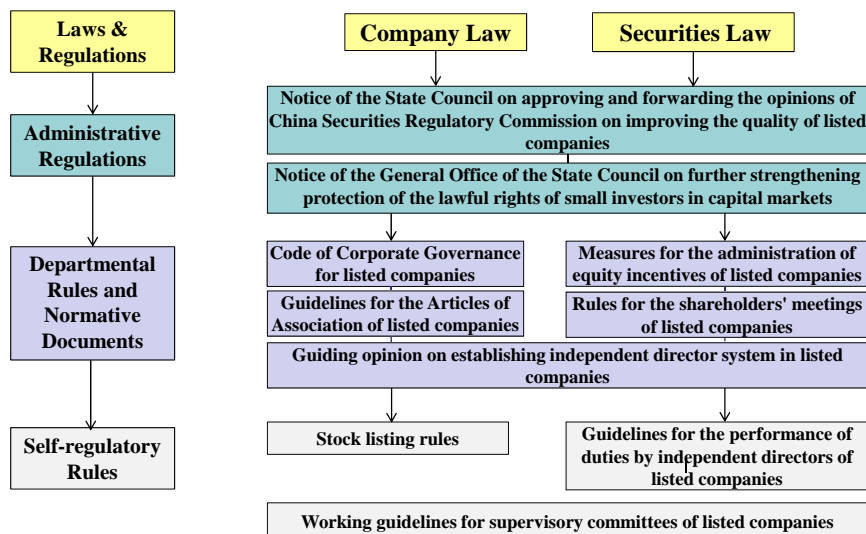
1. Development of Corporate Governance in China

---- History

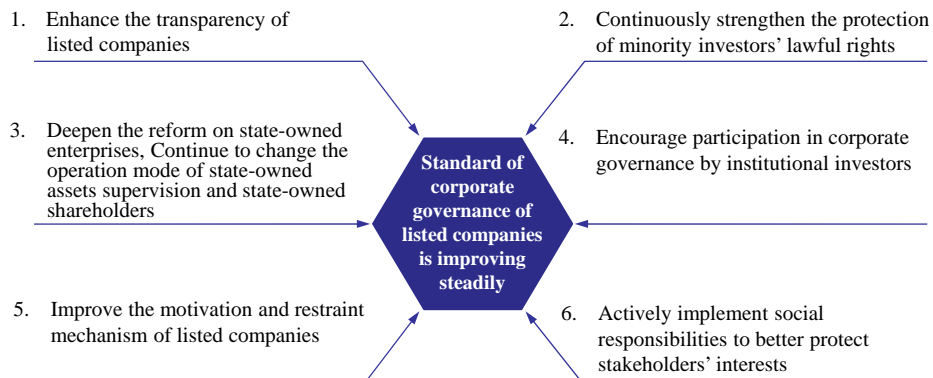


1. Development of Corporate Governance in China

---- Regulatory Framework



2. Practice of Corporate Governance of Listed Companies in China



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2. Practice of Corporate Governance of Listed Companies in China

- 1. Enhance the transparency of listed companies**
 - ✓ Continuously improve the information disclosure system of listed companies
 - ✓ Consistently improve the quality of information disclosure of listed companies
- 2. Consistently improve the quality of information disclosure of listed companies**
 - ✓ More regulation on the operation of shareholders' general meetings, boards of directors and supervisory committees
 - ✓ Refine the profit allocation policy of listed companies
 - ✓ Enhance civil mediation
- 3. Deepen the reform on state-owned enterprises, Continue to change the operation mode of state-owned assets supervision and state-owned shareholders**
 - ✓ Effecting changes in state-owned assets supervision to enhance the independence of state-owned enterprise
 - ✓ Continue to deepen the mixed ownership reform

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2. Practice of Corporate Governance of Listed Companies in China

4. Encourage participation in corporate governance by institutional investors

- ✓ Participation in corporate governance of listed companies through voting in important matters and nomination of directors, etc.

5. Improve the motivation and restraint mechanism of listed companies

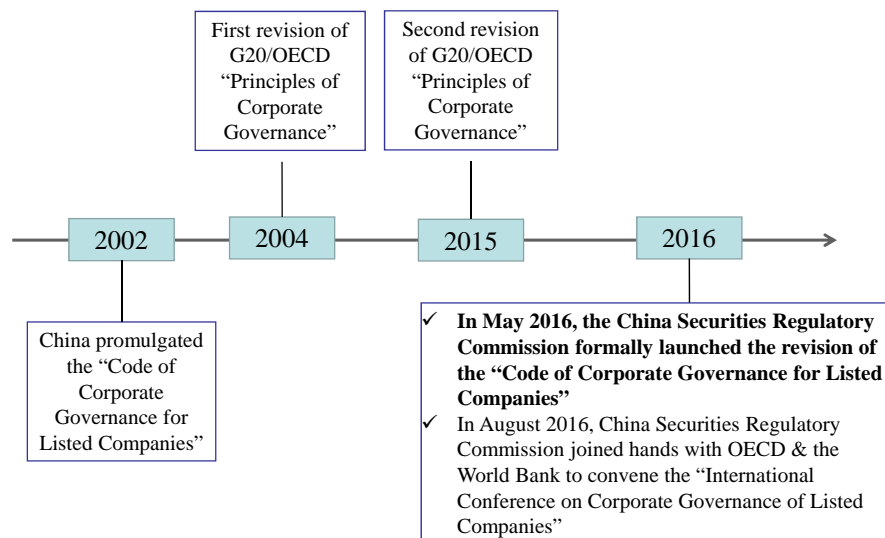
- ✓ In July 2016, the China Securities Regulatory Commission promulgated the “Measures for the Administration of Equity Incentives of Listed Companies”
- ✓ Increased number of listed companies implementing equity incentives plans
- ✓ Continue to push forward the Employee Stock Ownership Plan

6. Actively implement social responsibilities to better protect stakeholders’ interests

- ✓ Encourage listed companies to disclose the measures on pollution prevention, ecological protection, etc.
- ✓ Define the employee representation system by laws to safeguard employees’ right to participate in corporate governance

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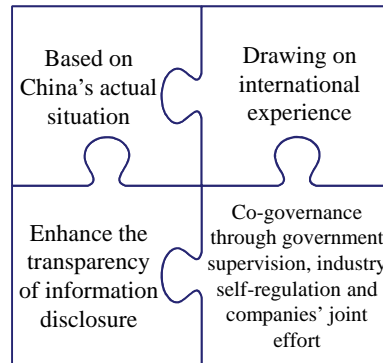
3. Reform on Corporate Governance of Listed Companies



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3. Reform on Corporate Governance of Listed Companies

Being the advocator and supporter of G20/OECD “Principles of Corporate Governance”, China is and will be dedicated to revising the “Code of Corporate Governance for Listed Companies”.



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Thank you!