

From: Patrick Soenen
To: Secretary
Subject: Comments on the 2008 update of the Corporate Governance Code

Dear members of the Corporate Governance Committee,

I would like to congratulate for the work accomplished by the committee to further improve the Corporate Governance Codes and make the text more understandable. All the proposed changes in the area of social responsibility, the role of the company secretary, the board evaluation, disclosure guidelines, remuneration dispositions further contribute to improve the governance rules.

I'm however surprised to see that the criteria for independent directors still mentions that one of the criteria is "not being a controlling shareholder or a shareholder with a shareholding of more than 10%, or a director or executive officer of such a shareholder". The 10 % threshold is very company dependent and a shareholder having (just under) 10 % of Fortis, just to take an example, could be very influential. If for some reasons the threshold of 10% cannot be modified in the code, a more open option could be adopted by requesting the board of directors to set the threshold. This board can then justify its decision. The statement could be something like in the Australian code of governance, without mentioning an explicit threshold:

When determining the independent status of a director, the board should consider whether the director is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company. (no threshold is mentioned)

Best regards,



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