



Institute  
and Faculty  
of Actuaries

## A05: The Role of NEDs in China



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# The Roles of NEDs in China

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Corporatization in the 1980s  
Stock market listing in the 1990s  
Corporate Governance in the 2000s  
“M&A War” from 2010 onwards

## The Evolution of NED in China

“Vases” appointed by Government  
Low-priced advisors hired by CEOs  
Agents sent by shareholders  
Professionals selected

Conflict of interests  
Connected transactions  
Professional judgment  
On standby for regulators and minority shareholders

## The Work of NEDs

Judging right and wrong & pros and cons analysis  
A means rather than an end  
Mentality of the founders and managers  
A process rather than an act

“Game” with regulators  
Market innovation pressure  
Incentive for NEDs  
Corporate conspiracy

## The difference between Mainland China & HK

China's special characters & global standard  
Market economy enlightenment in China  
Risks and opportunities

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Thank you!