

**From:** Angela Pober [angepober@gmx.com]

**Sent:** 01 February 2010 09:24

**To:** Stewardship Code

**Subject:** stewardship code comment

Hello

I have read the consultation document and have the following comment.

I believe that this code seems to define stewardship in terms of investment practices. 99% of the code focus on investing and one small point on page 27:

'.....seek to satisfy themselves, to the extent possible, that the investee company's board and sub-committee structures are effective, and that independent directors provide adequate oversight...' refers to oversight and governance structures.

This is the largest rock to look under when it comes to an institutional investor. I am a new non-executive director at a £3.4bn pension fund and, irrespective of the actual investments, it is the decision making and decision-making processes of the Board and sub-committee that ought to be subject to a 'comply or explain' good practice guide. Here is where an adviser's or agent's advice must be probed and deliberated, discussed in depth before being voted on. This simply does not happen - to the detriment of members but to the benefit of closing the meeting on time.

Stewardship starts with a decision, and the code seems to think it starts after the decision and when in management mode. In future when more class actions are instigated for mal-administration the lawyers will turn to the trustees' decisions and to audit the way those decisions were made. They will uncover Trustee failings in duty to debate matters to ensure their decisions were 'reasonable' according to Wednesbury principles.

In defining 'effective' and 'adequate' this is where the Stewardship code needs to start.

Rgds A Pober

Click [here](#) to report this email as spam.