

Ms. Katherine Ng
Senior Vice President
Head of Policy, Listing Department
Hong Kong Exchanges and Clearing Ltd
12th Floor, One International Financial Centre
1 Harbour View Street
Central, Hong Kong

15th December 2017

By letter and email: [REDACTED]

Dear Ms. Ng,

Subject: Consultation Paper on Review of the Corporate Governance Code and Related Listing Rules

Thank you for the opportunity to respond to the Hong Kong Exchange Consultation Paper on Review of the Corporate Governance Code and Related Listing Rules.

Robeco is an asset manager with approximately USD 140 billion of assets under management, with a significant investment in Hong Kong-listed equities. Robeco is also committed to being an active steward of our assets behalf of our clients, and is a signatory of the stewardship and governance codes of the Hong Kong, the Netherlands, the UK, Japan and Taiwan. Robeco is committed to being an active steward of our assets behalf of our clients, and is a signatory of the stewardship and governance codes of the UK, the Netherlands, Japan, Hong Kong, Singapore, Taiwan and Korea. We are also a member of the Asian Corporate Governance Association.

We wish to broadly endorse the responses provided by the Asian Corporate Governance Association (“ACGA”) which were submitted to you on 14th December and copied to its members. Hence this letter is to address topics on which we wish to communicate a different response from ACGA, or to expand on certain views.

Topic 1.2: Board Diversity Question 2: Do you agree with our proposals to upgrade CP A.5.6 to a Rule (Rule 13.92) requiring issuers to have a diversity policy and to disclose the policy or a summary of it in their corporate governance reports?

We agree with the proposals to upgrade the board diversity policy from a Code Provision to a Listing Rule, and to mandate disclosure of it.

Recent studies by Robeco and Morgan Stanley (p. 26 on the attached report “Board Quality: A Review of Good Practice”) have concluded that companies with more diverse boards to outperform both financially as well as outperform companies with less diverse boards. The focus in recent years on board diversity has focused on gender. However, company boards must also strive to be diverse in the broadest sense, for example on nationality, age and sector experience.

Topic 1.3: Factors affecting INED’s independence/Question 5: Do you agree with our proposal to revise Rule 3.13 (3) so that there is a three-year cooling off period for professional advisers before they can be considered independent, instead of the current one year?

We agree with the proposal and that a three-year cooling off period for professional advisers is adequate, and an improvement on the current one year.

I attach a copy of a Robeco paper which gives some background on our thinking on corporate governance and what we consider to be best practice. Please feel free to reach out to me for any questions or feedback.

Yours sincerely, /



Ronnie Lim

Active Ownership

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