

Listing Decisions Series 11-2 - Whether Mr X, who had until just one month previously held several directorships in companies controlled by connected persons of Company A, could act as an independent non-executive director of Company A (February 2000) (Withdrawn in September 2009)

[The principle underlying this Listing Decision was codified in Main Board Rule 3.13(7) in March 2004.]

Summary	
Name of Party	Company A - a listed company Mr X - a proposed independent non-executive director of Company A
Subject	Whether Mr X, who had until just one month previously held several directorships in companies controlled by connected persons of Company A, could act as an independent non-executive director of Company A
Listing Rule	Rule 3.11
Decision	Mr X would not be acceptable as an independent non-executive director for Company A

Summary of Facts

Company A proposed to appoint Mr X to act as one of its independent non-executive directors. Mr X had no shareholding interest in Company A and no past or present financial interest in its business. However, he had until just one month previously held several directorships in companies controlled by connected persons of Company A. Apart from this, he did not have any past or present connection with any connected person of Company A.

Analysis

Due to his recent tenure of directorships in companies controlled by connected persons of Company A, it would be difficult for Mr X to exercise independent judgement in the affairs of Company A, especially on connected transactions involving those connected persons. The requirements of Rule 3.11 of the Listing Rules could therefore not be met.

Decision

Mr X would not be acceptable to the Exchange as an independent non-executive director for Company A.