

### **Question 1**

**Do you agree with our proposal to introduce a code provision ("CP") requiring an issuer's board to set culture in alignment with issuer's purpose, value and strategy?**

Yes

**Please give reasons for your views.**

I believe culture in the boardroom is of critical importance. Although it is hard to be dictated or measured, company directors need an open forum where they can speak up and ask questions about the company's purpose, values and strategies. How many boards in Hong Kong are having these conversations? Too few, I believe, as the executives and controlling shareholders feel vulnerable doing so with the board.

### **Question 2a**

**Do you agree with our proposal to introduce a CP requiring establishment of an anti-corruption policy?**

Yes

**Please give reasons for your views.**

Yes, I think it should be a mandatory disclosure obligation and that it be reviewed and measured for effectiveness. Material breaches of the policy need to be reported to the board.

### **Question 2b**

**Do you agree with our proposal to upgrade a Recommended Best Practice ("RBP") to CP requiring establishment of a whistleblowing policy?**

Yes

**Please give reasons for your views.**

Yes, and I believe that the Audit Committee or another committee with a majority of INEDs be mandated to receive all complaints and concerns so that material issues and incidents can be addressed and policies may be adjusted. Whistleblowers should be protected by having an independent review or investigation (independent of management)

### **Question 3**

**Do you agree with our proposal to introduce a CP requiring disclosure of a policy to ensure**

**independent views and input are available to the board, and an annual review of the implementation and effectiveness of such policy?**

No

**Please give reasons for your views.**

How can you be sure that an independent view is not sought out for the wrong reasons by someone not wishing to consult their own INEDs? I think the exchange is better off strengthening the requirements related to independent directors rather than encouraging views from non-board members, which may dilute the role and importance of INEDs

#### **Question 4a**

**Do you agree with our proposal regarding re-election of an independent non-executive director serving more than nine years ("Long Serving INEDs") to revise an existing CP to require (i) independent shareholders' approval; and (ii) additional disclosure on the factors considered, the process and the board or nomination committee's discussion in arriving at the determination in the explanation on why such Long Serving INED is still independent and should be re-elected?**

Yes

**Please give reasons for your views.**

This would be in line with other best-in-class jurisdictions and the proxy advisors who frown upon service longer than 9 years, though it may be justified in some cases, and in those cases additional disclosure and justification is warranted.

#### **Question 4b**

**Do you agree with our proposal to introduce a CP requiring an issuer to appoint a new independent non-executive director ("INED") at the forthcoming annual general meeting where all the INEDs on the board are Long Serving INEDs, and disclosing the length of tenure of the Long Serving INEDs on the board on a named basis in the shareholders' circular?**

Yes

**Please give reasons for your views.**

A board with only Long Serving INEDs will lose its independence and becomes entrenched, and it also fails to promote succession planning and open up slot for turnover, new blood, and diverse points of view.

#### **Question 5**

**Do you agree with our proposal to introduce a new RBP that an issuer generally should not grant equity-based remuneration (e.g. share options or grants) with performance-related elements to INEDs as this may lead to bias in their decision-making and compromise their objectivity and independence?**

No

**Please give reasons for your views.**

I believe this should be left up to companies. I also think that Directors take on a lot of responsibility and risk for relatively little pay and it is okay to grant stock options to not only reward them but align them with the company's results and value creation.

#### **Question 6a**

**Do you agree with our proposal to highlight that diversity is not considered to be achieved by a single gender board in the note of the Rule?**

Yes

**Please give reasons for your views.**

Agree wholeheartedly with this. Boards should have an adequate mix of men and women at both board and staff/executive level. Single gender boards cannot possibly achieve a diverse mix of views and I think 30%, or a headcount of three women, should be a minimum goal. I believe that HK issuers have been far too slow to adapt to best practice and I would not be opposed to requiring companies to set board diversity targets, nor even to gender diversity quotas which are advocated by The Women's Foundation and the 30% Club after watching a decade of glacially slow progress.

#### **Question 6b**

**Do you agree with our proposal to introduce a Mandatory Disclosure Requirement ("MDR") requiring all listed issuers to set and disclose numerical targets and timelines for achieving gender diversity at both: (a) board level; and (b) across the workforce (including senior management)?**

Yes

**Please give reasons for your views.**

I do think setting targets and measuring them annually is the way to go. I would not be opposed to HKEX setting targets, for example, 25% by 2025.

#### **Question 6c**

**Do you agree with our proposal to introduce a CP requiring the board to review the implementation and effectiveness of its board diversity policy annually?**

Yes

**Please give reasons for your views.**

Yes, but I think this goes beyond gender and should include age, race, geography, experience, and skillset. This should be reviewed every year. Otherwise, what is the NomComm's job?

**Question 6d**

**Do you agree with our proposal to amend the relevant forms to include directors' gender information?**

Yes

**Please give reasons for your views.**

Unless you disclose this, it is hard to guess. Especially for Chinese names.

**Question 7**

**Do you agree with our proposal to upgrade a CP to Rule requiring issuers to establish a nomination committee chaired by an INED and comprising a majority of INEDs?**

Yes

**Please give reasons for your views.**

I do agree with this but I think that the Chairman's and Vice Chairman's views should be considered, as the board needs to have good chemistry and trust to work together.

**Question 8**

**Do you agree with our proposal to upgrade a CP to a MDR to require disclosure of the issuer's shareholders communication policy (which includes channels for shareholders to communicate their views on various matters affecting issuers, as well as steps taken to solicit and understand the views of shareholders and stakeholders) and annual review of such policy to ensure its effectiveness?**

Yes

**Please give reasons for your views.**

Some rigor on investor communications policies is a good idea, as it gets companies in the habit of answering to their key stakeholders, asking their opinions, and disclosing how often they do so.

**Question 9**

**Do you agree with our proposal to introduce a Rule requiring disclosure of directors' attendance in the poll results announcements?**

Yes

**Please give reasons for your views.**

Yes, but allow Zoom attendance.

**Question 10**

**Do you agree with our proposal to delete the CP that requires issuers to appoint non-executive directors for a specific term?**

Yes

**Please give reasons for your views.**

Yes, it is always good to re-evaluate. No one should be appointed in perpetuity to key NED roles.

**Question 11**

**Do you agree with our proposal to elaborate the linkage in the Code by (a) setting out the relationship between corporate governance and environmental, social and governance ("ESG") in the introductory section; and (b) including ESG risks in the context of risk management under the Code?**

Yes

**Please give reasons for your views.**

In addition to evaluating the nature and extent of risk, we urge HKEX to require disclosure of material exposure to environmental or social or data governance risks, and how it intends to manage such risks.

**Question 12**

**Do you agree with our proposal to amend the Rules and the ESG Guide to require publication of ESG reports at the same time as publication of annual reports?**

No

**Please give reasons for your views.**

I think it's good discipline to require the report be published once a year but I don't think it should be mandatory to come out at the same time of the annual report or integrated into that report.

**Question 13**

**Do you have any comments on how the re-arranged Code is drafted in the form set out in Appendices III and IV to the Consultation Paper and whether it will give rise to any ambiguities or unintended consequences?**

No

**Please give reasons for your views.**

I thought it was well done.

**Question 14**

**In addition to the topics mentioned in the Consultation Paper, do you have any comments regarding what to be included in the new guidance letter on corporate governance (i.e. CG GL) which may be helpful to issuers for achieving the Principles set out in the Code?**

Yes

**Please give reasons for your views.**

Suggest that new directors be placed immediately on a board committee when appointed.

**Question 15a**

**Do you agree with our proposed implementation dates for all proposals (except the proposals on Long Serving INED): the financial year commencing on or after 1 January 2022?**

Yes

**Please give reasons for your views.**

Seems reasonable and plenty of notice

**Question 15b**

**Do you agree with our proposed implementation dates for proposals on Long Serving INED: the**

**financial year commencing on or after 1 January 2023?**

Yes

**Please give reasons for your views.**

That's fine although I would wish it to be even sooner.