

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.

We agree in general with the proposal to introduce a CP requiring an issuer's board to elucidate culture in alignment with issuer's purpose, value and strategy. We note that there is no accepted definition of "culture" and welcome the Exchange to publish further guidance in relation to how a company may define its culture and extent of disclosure required.

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.

We agree with the proposal to introduce a CP requiring the establishment of an anti-corruption policy. We welcome the Exchange to provide further guidance on the elements to be taken into account when formulating an anti-corruption policy.

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.

We agree with the proposal to upgrade a RBP to CP requiring establishment of a whistleblowing policy. We welcome the Exchange to provide further guidance on the elements to be taken into account when formulating an whistleblowing policy. In particular, the Exchange may consider whether adequate protection of whistleblower(s) should be one of the key elements in relation to an issuer's whistleblowing policy.

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?

Yes

Please give reasons for your views.

We agree with the 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. This confers greater transparency and in turn shareholders' confidence in decision(s) made by the board.

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.

We agree with the proposal to require (i) independent shareholders' approval and (ii) Additional Disclosure to be made in relation to the re-election of Long Serving INEDs. Whether a Long Serving INED remains a suitable candidate to bring in fresh perspectives to the board should be subject to independent shareholders' decision on a regular basis.

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.

We agree with the proposal to require an issuer to appoint a new INED at the forthcoming AGM where all the INEDs on the board are Long Serving INEDs, and disclosing the length of tenure of Long Serving INEDs on the board on a named basis in the shareholders' circular. Shareholders should receive all

relevant information (including the tenure of each Long Serving INED) to consider the independence of a Long Serving INED and make an informed decision.

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?

Yes

Please give reasons for your views.

We agree with the new RBP proposal that an issuer generally should not grant equity-based remuneration with performance-related elements to INEDs. In addition, if an issuer decides to remunerate INEDs on an equity or performance-related basis, we suggest that such an issuer should explain (1) the justification(s) for linking INED's remuneration with the issuer's performance; and (2) why this remuneration structure would not compromise the relevant INED's independence and/or objectivity.

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.

We agree with the proposal to highlight that diversity is not considered to be achieved by a single gender board in the note of the Rule. In addition, an issuer should be allowed to have a reasonable timeline to identify suitable candidate to constitute a board with diversity.

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.

We agree with the proposed introduction of a MDR requiring all listed issuers to set and disclose

numerical targets and timelines for achieving diversity at the board level and across the workforce.

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.

We agree with the proposed introduction of a CP requiring an annual review of the implementation and effectiveness of the board's diversity policy to increase transparency in the interest of shareholders.

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.

We agree with the proposed amendment to the relevant forms to include directors' gender information.

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.

We agree with the proposal to upgrade a CP to Rule requiring issuers to establish a NC chaired by an INED and comprising a majority of INEDs. Independence (as reflected by a majority of INEDs) is integral to a NC, which plays a pivotal role in board recruitment, appointment and succession planning.

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.

We agree with the proposal to upgrade a CP to a MDR to require disclosure of the issuer's shareholders communication policy and annual review of such policy to encourage shareholders' input and increase transparency.

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.

We agree with the proposed introduction of a Rule requiring disclosure of directors' attendance in the poll results announcement to hold directors accountable to shareholders.

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.

We agree with the proposed deletion of the CP that requires issuers to appoint NEDs for a specific term on the basis that NEDs are subject to retirement by rotation under CP A.4.2 of the current version of Appendix 14 (or the corresponding CP in the re-arranged version).

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.

We agree with the proposed elaboration on the linkage between CG and ESG by (a) setting out the CG-ESG relationship in the introductory section and (b) including ESG risks in the context of risk management under the Code to reflect the importance of ESG in the context of corporate governance and risk management.

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?

Yes

Please give reasons for your views.

We agree with the proposed amendment to align the time of publication of annual reports and ESG reports on the basis that ESG reports and annual reports together provide a holistic evaluation of the issuer's performance and should be communicated to shareholders in a timely manner.

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.

We have no comment on the drafts of re-arranged Code set out in Appendices III and IV.

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?

No

Please give reasons for your views.

We have no comment.

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.

We agree with the proposed implementation dates of (a).

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.

We agree with the proposed implementation dates of (b).