

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?

Please give reasons for your views.

Question 2a

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

Please give reasons for your views.

Question 2b

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

Please give reasons for your views.

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?

Please give reasons for your views.

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?

Please give reasons for your views.

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?

Please give reasons for your views.

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?

Please give reasons for your views.

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?

Please give reasons for your views.

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)?

Please give reasons for your views.

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?

Please give reasons for your views.

Question 6d

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

Please give reasons for your views.

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?

Please give reasons for your views.

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.

1. In response to Proposal - Paragraph 99

- In principle, the HKIRA agrees the upgrade of CP to a MDR to require disclosure of the issuer's shareholder communication policy. Regarding the annual review of such policy to ensure its effectiveness, the HKIRA would like to clarify any quantitative measurements or marking schemes for companies to benchmark how they can review the effectiveness of the policy on an annual basis. The consultation recommendations are heading to this direction but not definite enough. HKIRA suggests each listed issuer to have a named contact person with email address, phone number instead of merely stating that the listed company should establish a channel meaning that many of them can just provide the public with a generic email under info@listco.com or a phone number to a voice mail or PR firm to take calls from investors. This named contact person can be the "Qualified Senior Investor Relations Officer" referred under Paragraph 102.

2. In response to Proposal - Paragraph 100

- The HKIRA supports HKEX to provide more guidance on what need to be / should be reported and disclosed..

3. In response to Proposal - Paragraph 101

- The HKIRA echoes concerns from market about difficulties in finding candidates who are willing to take up the position as a lead or senior INED and is uncertain on how such position can facilitate communication with investors. INEDs by default are non-executive who may not be as well-versed in the issuer's business, operations and strategies. Hence, it is impractical to expect even a senior/lead INED to be equipped to answer investor questions on the items listed out in Paragraph 100.

4. In response to Proposal - Paragraph 102

- The HKIRA suggests that the Shareholder Communication Policy should mandate the appointment of a dedicated "Qualified Senior Investor Relations Officer" which has access to the board to be contacted by investors at all times. This person's contact information should be posted on the website of the listed company. This dedicated "Qualified Senior Investor Relations Officer" can either be an employee, an officer, or a director of the listed company. The Shareholder Communication Policy should specifically state the functions of this dedicated "Qualified Investor Relations Officer" is to handle the daily communications with investors and the public, including but not limited to answering questions on the announcements, circulars, and other documents such as financial reports and ESG reports published by the listed companies, in addition to solicit and understand the views of shareholders and stakeholders. The Board should ensure this Shareholder Communication Policy is being implemented by the listed company at all times.

- Besides, the HKIRA thinks more clarity is needed regarding constitute suitable qualifications for the position "Qualified Senior Investor Relations Officer". The HKIRA believes that if a Company Secretary who handles the governance of the board requires a professional qualification, it is equally important that a "Qualified Senior Investor Relations Officer" should also require a professional qualification. HKIRA is prepared to assist the HKEX to provide the necessary framework including code of ethics, guidelines, certification, accreditation, and continuing professional education to such "Qualified Senior Investor Relations Officer".

- As for "formalised periodic meetings with stakeholders", "stakeholders" cover a much broader scope than shareholders; for shareholders there is already the requirement to hold AGM, the HKIRA would like to clarify what other stakeholders is HKEX referring to.

Other comments

- In the consultation paper, it appears that the recommendation is only on establishing a channel for shareholders to communicate their views on "matters affecting the issuer, as well as steps taken to solicit and understand the views of shareholders and stakeholders". It does not appear that the Exchange is addressing the daily needs of the public to communicate their "daily investor relations needs".

- The Listing Rules require that each listed company must appoint two "Authorized Representatives" to allow the Exchange to have instant contact of the listed company at all times. It is important that the Exchange can see such arrangement is as important for investors and the public. HKIRA believes the "Qualified Senior Investor Relations Officer" can take up this responsibility.

Question 9

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

Please give reasons for your views.

Question 10

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

Please give reasons for your views.

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?

Please give reasons for your views.

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?

Please give reasons for your views.

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?

Please give reasons for your views.

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?

Please give reasons for your views.

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?

Please give reasons for your views.

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?

Please give reasons for your views.