

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 to the proposal as the board plays an important role in setting and promoting a company's culture (i.e. tone from the top) which will be crucial in supporting the company's purpose, value and strategy and driving the correct behaviors across the listed group.

At AIA, we believe that leading by example would demonstrate to stakeholders, both internal and external, that AIA's leadership embraces and consistently reinforces the purpose, value and strategy and act as role model for the rest of the company. Acting lawfully, ethically and responsibly is already embedded within AIA's mandatory Code of Conduct which sets out the specific standards of behaviour every employee and stakeholder must follow.

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.

AIA agrees that measures to address anti-corruption and whistleblowing are instrumental to establishing and maintaining a healthy corporate culture and high standards of behaviour. AIA has a Group Anti-Corruption Policy and compulsory trainings on these areas are provided to all of our employees.

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.

At AIA, we believe that it is fundamental to provide channels for our stakeholders to raise concerns

about any violation of the AIA Code of Conduct or other behaviour which falls short of the high standards demanded by AIA. We have a Group Whistleblower Protection Policy and a comprehensive whistleblower programme is maintained by AIA, designed to handle reports of alleged misconduct and inappropriate behaviour with multiple reporting channels.

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.

AIA agrees that board independence is critical to effective corporate governance. We are of the view that effective independence can be demonstrated in a variety of ways, one of which would be to have a policy aimed to ensure independent views and input being made available to the Board, as proposed in the Consultation Paper. However, this can also be achieved through the Board composition with an appropriate number of INEDs (Independent Non-Executive Directors) appointed to the Board. At AIA, ten out of current eleven Board members are INEDs, underscoring AIA's strong commitment to operating according to international best practice. We have also adopted a Board Charter which mandates the number of INEDs on our Board and spells out the responsibilities of our INEDs. We would suggest that issuers should be permitted to determine how best to achieve board independence in a robust and demonstrable way.

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.

AIA would agree with the additional disclosure requirement set out in the proposed CP B.2.3 as to why the Board (or the nomination committee) is of the view that a Long Serving INED is still independent and should be re-elected, including the factors considered, the process and the discussion of the Board (or the nomination committee) in reaching such determination.

On a separate note, under paragraph 75 of the Consultation Paper, it was stated that “Recognising the impact of our issuers, our proposals adopt a progressive approach. We may consider phasing out all Long Serving INEDs gradually in the long run”. We will ask the Exchange to give more clarity to this last statement. For AIA, given that our Board consists of a large majority of INEDs (i.e. 10 INEDs and only one executive director), it is possible that we will have Long Serving INEDs on our Board from time to time. Please refer to our Corporate Governance Report (in particular, pages 98 and 99) as set out in our 2020 Annual Report for our views on the benefits of having Long Serving INEDs on our Board. Although serving on the board for more than nine years could be relevant to the determination of a INED’s independence, we also recognise that an individual’s independence cannot be determined arbitrarily on the basis of a set period of time. Our Board considers that it has benefited greatly from the contribution from our INEDs who have over time gained valuable insight into AIA Group’s very complex operations and markets. We do not agree to the proposal of imposing a fixed term limit on the tenure of our INEDs.

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?

No

Please give reasons for your views.

AIA would respectfully suggest that rather than being introduced as a CP, it can be introduced as an RBP (Recommended Best Practice) as appointing a single new INED may not of itself necessarily achieve the desired board refreshment. We agree with the proposed disclosure of the length of tenure of each existing INED on a named basis in the shareholders’ circular.

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.

While we generally support the proposal, we are of the view that an issuer’s board should have the discretion and is in the best position to decide whether an INED is still considered independent despite such INED is being granted equity-based remuneration with performance-related elements.

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.

AIA would respectfully agree with the proposed addition to MB 13.92 that diversity is not considered to be achieved for a single gender board. Our view is that board diversity is important to ensure robust corporate governance and decision-making and this includes gender diversity. AIA is a member of the Hong Kong chapter of the Bloomberg Women's Buy-side Network with and our Group Chief Investment Officer is its official representative. Further, AIA is a member of the Hong Kong chapter of the Women in Finance Asia Network, as well as the 30% Club which work to develop a diverse pool of talent for all businesses to enhance gender balance at all levels of organisations.

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)?

No

Please give reasons for your views.

Our Board of eleven members is composed of ten INEDs which far exceeds the standard for independence required under the Listing Rules. It includes individuals with deep experience in a variety of our markets and represented amongst the Board is a history of business, government, regulatory and public policy experience from a variety of contexts and each Director has broad experience and expertise relevant to the business, operations and development of the Group. We believe that good diversity has been demonstrated with respect to multiple diversity perspectives.

For AIA, we are very conscious of the multitude of communities (we operate in 18 markets in Asia-Pacific) in which we operate and therefore over the years, we have actively sought for appropriate expertise from a number of communities in extending invitations to join our Board. While our focus has been and will remain on identifying the most qualified individuals for our Board that we believe can best serve the interests of our shareholders with due regard for the interests of our policyholders, within that broader mandate we seek to be inclusive and will continue to focus on the experience that is valuable to the Group while having regard to gender, ethnicity or other such diversity factors.

With the above focus as highlighted when selecting our Board members, while we see the benefits of gender diversity, it will be impractical for AIA to set arbitrary numeral targets and timelines for achieving further Board gender diversity, taking into account also the rather limited qualified female pool in our markets where we operate.

With respect to senior management, due regard has to be given to different industries where listed issuers are operating in and there could be limited qualified female senior executives in certain industries.

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.

AIA would agree with a requirement whereby the Board would need to review the implementation and effectiveness of its board diversity policy on an annual basis, both to reinforce its commitment to board diversity, to determine the effectiveness of the policy as demonstrated through proof points and to ensure the currency of its policy, particularly with changing industry trends, stakeholder demands and other relevant factors.

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.

In principle, and as a general matter, AIA agrees with disclosing certain board diversity information, however there may be circumstances where the disclosure of such may be sensitive. In such circumstances, issuers should be afforded the discretion to elect non-disclosure of certain personal information on an exceptional basis.

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?

No

Please give reasons for your views.

While supporting the spirit of the proposal, we strongly suggest that it should remain as a Code Provision (as opposed to a Listing Rule requirement) as flexibility should be given to issuers, depending on their circumstances, to “comply or explain” with respect to the Chairmanship and composition of their Nomination Committees. There may be circumstances where chairing of the Nomination Committee by an INED or having the Committee comprised of a majority of INEDs is not feasible. The disclosure or “comply or explain” basis, as also adopted in Australia, Singapore and the UK, is more suitable to Hong Kong.

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.

AIA would submit that ongoing investor dialogue is not only healthy and sustainable in the long-term but provides a forum for the company to solicit feedback and better gauge how the company is perceived by its shareholders and stakeholders. The two-way communication can provide insights into future corporate development and strategy, particularly if some thematic areas are raised consistently by an issuer’s investors as being particularly relevant and important to them.

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.

AIA is of the view that this enhanced transparency measure would enhance investors and other stakeholders’ ability to assess the commitment of directors in the issuers’ affairs and by bringing this forward to the poll results announcements rather than in the Corporate Governance report to be issued many months later, this would not only demonstrate the importance an issuer views the attendance by its directors at its general meetings, but also its commitment to deliver timely and transparent

disclosure.

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 support the proposed deletion as we agree that the CP requiring every director to retire by rotation at least once every three years has already achieved the objective under the Specific Term CP.

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 support the proposals as we agree that an issuer's board is responsible for evaluating and determining the nature and extent of risks it is willing to take in achieving its strategic objectives and such risks should include those relating to ESG.

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.

Publication of both reports at the same time will provide stakeholders a holistic view of an issuer's financial performance and ability to address material governance and sustainability issues.

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.

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 however noted from Appendix III of the Consultation Paper that a new RBP requiring the disclosure of “the number of shares held by each of the senior management member of an issuer” to be disclosed in the Corporate Governance Report (F.1.2(d)). We are strongly against this proposed RBP as interest in AIA shares (whether they are ordinary shares, share options issued under our share option scheme or restricted share units (“RSU”) issued under our RSU scheme are personal and sensitive information of senior management members.

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.

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.