

### **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.**

Culture is difficult to set or measure but would suggest the Corporate Governance code to require the issuer's board to establish a set of principles and standards and a clear framework for behaviors or conduct that are aligned with these values to set the "tone from the top". Such framework should include for example, requirements for the board to i) articulate and disclose its purpose, principles and values ii) establish and disclose a Code of Conduct and Ethics to guide behavior of employees and directors.

### **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.**

In addition, we urge the HKEX to i) add a requirement that the policy be communicated, implemented and reviewed for effectiveness at least every 2 years. ii) material breaches of the policy be reported to the Board in order that material issues and incidents be addressed quickly.

### **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.**

In addition, we urge HKEX to i) add a requirement that the policy be communicated, implemented and reviewed for effectiveness at least every 2 years ii) add an obligation that the Audit committee should receive all material issues, incidents and complaints as well as assessing the effectiveness of the various policies. lii) larger issuers to establish an independent whistleblowing process whereby complaints are independently reviewed and investigated and reported to the Audit Committee.

### **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.**

In addition, we urge HKEX to seek independent views and input from INED's and continue to strengthen requirements in relation to INED's which includes term limits.

### **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.**

In addition, we urge HKEX to introduce strict 9 year limits for INEDs and that this should be introduced within 3 years as independence is key to enhancing corporate governance. Introducing stricter limits will enhance board turnover and board refreshment which will improve overall board diversity and quality. We also believe that independent shareholder vote should be disclosed separately on the re-election of all INED's and the issuer should report to the Exchange within 30 days the rationale for continuation of that director in the office in the event there is no majority support for the re-election of the INED

### **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.**

In addition, we urge HKEX to i) introduce a strict 9 year limits for INEDs and that this should be introduced within 3 years as independence is key to enhancing corporate governance ii) introduce a requirement to appoint a Lead INED as a CP in view of the significant presence of block shareholders in HK iii) introduce a CP for INED's to meeting on their own at least twice per year iv) require board to lay out a transition plan for long serving INED within 3 years.

#### **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 would urge HKEX to make this requirement a CP rather than a RBP.

#### **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.**

In addition, we urge HKEX to i) include the proposed statement in rule 13.92 rather than in the notes ii) amend rule 13.92 to require an issuer to have a diversity policy that is applicable across all levels within the issuer's company. The board should also be required to set measurable objectives for achieving gender diversity and also consider other aspects of diversity including race. Iii) set targets of 30% within 6 years with an interim of 25% by 2025 which will also bring HK into alignment with other key markets such as US, UK, Europe and Australia. Iv) requirements on single gender boards should be effective as soon as the new proposals are effective and if HKEX does introduce a transition period, we recommend 1 year maximum which should be included in Rule 13.92 or another regulation rather than a statement of intention only.

#### **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.**

In addition, we urge HKEX to requiring issuers to achieve board gender diversity of at least 25% by 2025. If 80% of all issuers fail to meet the target by 2025 then HKEX will introduce mandatory quotas with penalties for issues to fail to meet the targets. We also suggested that HKEX should raise the target in 2025 to 30% by 2027. Iii) diversity should be across all levels of the issuer not just in relation to the board. Issuers must establish a diversity policy with clear targets and timelines to be achieved for workforce gender diversity across the whole company. Iv) require issuers to disclose in each reporting period objectives set for that period to achieve gender diversity, progress towards achieving those objects and respective proportions of men and women on board especially in senior management positions across the whole 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.**

**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 addition, we urge HKEX to ensure that i) gender information includes non-binary gender options. Ii) director's information should include a summary of background and skill set in addition to gender Iiii) establish public database to include data such as % of women on HSI boards, boards across all issuers, appointed to new IPO issuers and appointed to boards in the future in comparison to men.

**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.**

**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.**

**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.**

No comments.

**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.**

No comments.

**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, we urge HKEX to require the issuers' board to disclose whether it has any material exposure to environmental or social risks and if so, the plans to manage or mitigate those 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?**

Yes

**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.**

No comments.

**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.**

No comments.

**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.**

For proposals on long serving INEDs, it should commence on 1 Jan 2023.