



Hong Kong Exchanges and Clearing Limited 8th Floor,  
Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

Date: 29 May 2020

**Re: Corporate WVR CP**

By email to: [response@hkex.com.hk](mailto:response@hkex.com.hk)

Dear Sir/Madam

**USS Response to the Consultation Paper on Corporate Weighted Voting Rights Beneficiaries  
(Corporate WVR CP)**

We welcome the opportunity to respond to the above Consultation and hope our comments below will be useful in your deliberations as you consider the way forward for the WVR proposals.

**Background to USS**

By way of background, Universities Superannuation Scheme (the "Scheme") was established in 1974 as the principal pension scheme for universities and other higher education institutions in the UK. It has more than 400,000 members across more than 350 institutions and is one of the largest pension schemes in the UK, with total fund assets of more than £68 billion (as at 31 March 2019).

The Scheme's trustee is Universities Superannuation Scheme Limited, a corporate trustee which provides scheme management and trusteeship from its offices based in Liverpool and London in the UK. The trustee company delegates implementation of its investment strategy to a wholly-owned investment management subsidiary company - USS Investment Management Limited - which provides in-house investment management and advisory services. The purpose of the trustee company is to work with higher education employers to build a secure financial future for our members and their families.

As an institutional investor that takes seriously its fiduciary obligations, USS aims to be an active, engaged and responsible steward of the companies and assets in which it invests directly, through its FCA authorised and regulated subsidiary investment manager, USS Investment Management, and through the external asset management services we procure. We devote substantial resources to implementing an active approach towards stewardship and responsible investment across all the scheme's assets – an approach which the trustee company expects both to protect and enhance the value of the scheme's investments in the long-term.

**Universities Superannuation Scheme Ltd**

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Head Office: Royal Liver Building, Liverpool L3 1PY Tel: +44 (0)151 227 4711 Local: 0845 068 1110 Fax: +44 (0)151 236 3173 Website: [www.uss.co.uk](http://www.uss.co.uk)

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**USS view on WVR**

As a point of principle USS does not support differential voting rights in any form. It is our belief that all shareholders should get equal treatment in the governance structure of any publically listed company in which we invest. This belief applied in all the marked in which we invest, including Hong Kong. We therefore believe that the proposal to introduce WVR potentially disadvantage minority shareholders and, as such, we do not support proposal as it stands.

Given these points we are writing to echo and support the comments contained in the detailed submissions made by the Asian Corporate Governance Association (ACGA) of which USS is a member. This includes both the covering letter (<http://www.acga-asia.org/pdf/2020-04-30-acga-letter-corporate-wvr-cp>) and the more detailed submission (<http://www.acga-asia.org/pdf/2020-04-30-acga-questionnaire-wvr-cp>).

Yours sincerely,

