

**Submitted via Qualtrics**

**(Anonymous)**

**Personal view**

**Others (please specify)**

**Question 1**

**Do you agree with our proposal to introduce a new Code Provision (CP) under the Corporate Governance Code (CG Code) requiring issuers without an independent board chair to designate one independent non-executive director (INED) as a Lead INED to enhance engagement with investors and shareholders?**

Yes

**Please provide reasons for your views.**

I think it is important to establish bridges between the different sets of stakeholders and a lead INED (with a clear description of the role & responsibilities) would help give structure & transparency to what otherwise may appear as opaque to investors & shareholders.

**Question 2(a)**

**Regarding continuous professional development for directors, do you agree with our proposal to make continuous professional development mandatory for all existing directors, without specifying a minimum number of training hours?**

Yes

**Please provide reasons for your views.**

We operate in a context of ongoing changes and it is important for board directors to continue to invest in themselves to:

- remain current with the requirements enabling them to deliver on their responsibilities
- make contributions to the board from a place of responsible leadership.

To achieve this, there ought to be a philosophy of ongoing professional & mindset development for all board members & chairs.

**Question 2(b)**

**Regarding continuous professional development for directors, do you agree with our proposal to require First-time Directors to complete a**

**minimum of 24 hours of training within 18 months following their appointment?**

Yes

**Please provide reasons for your views.**

I would suggest we drive the requirement further & no new board member should be appointed without taking a course on fundamentals of board directorship.

The responsibility & potential impact of board members is too great for them not to be aware of before they accept the position.

**Question 2(c)**

**Regarding continuous professional development for directors, do you agree with our proposal to define “First-time Directors” to mean directors who (i) are appointed as a director of an issuer listed on the Exchange for the first time; or (ii) have not served as a director of an issuer listed on the Exchange for a period of three years or more prior to their appointment?**

Yes

**Please provide reasons for your views.**

This seems a logical suggestion.

**Question 2(d)**

**Regarding continuous professional development for directors, do you agree with our proposal to specify the specific topics that must be covered under the continuous professional development requirement?**

Yes

**Please provide reasons for your views.**

It is important to establish a clear curriculum allowing access to the profession, giving every board member a common base & language to operate from.

**Question 3**

**Do you agree with the proposed consequential changes to Principle C.1 and CP C.1.1 of the CG Code?**

Yes

**Please provide reasons for your views.**

This seems a logical suggestion.

**Question 4**

**Do you agree with our proposal to upgrade the current Recommended Best Practice (RBP) in the CG Code to a CP requiring issuers to conduct regular board performance reviews at least every two years and make disclosure as set out in CP B.1.4?**

Yes

**Please provide reasons for your views.**

I support this suggestion as it will help elevate the quality & effectiveness of boards.

**Question 5**

**Do you agree with our proposal to introduce a new CP requiring issuers to maintain a board skills matrix and make disclosure set out in CP B.1.5?**

Yes

**Please give reasons for your views.**

Not only do I support this proposal, but I was surprised it isn't the case already. I have served on several NGO boards, which already maintained a board skills matrix. This helped us gain clarity as to the nature, experience & skillset required for new board members, hence helping us ensure the board was as strong & effective as possible.

I think it is even more important to adopt this practice in commercial boards.

For clarity, all board members should be included in this matrix: chairperson (I think the appendix refers to chairman - this is now recognised as an obsolete terminology) , INEDs as well as executives on the board.

**Question 6(a)**

**In relation to our proposal to introduce a “hard cap” of six listed issuer directorships that INEDs may hold, do you agree with the hard cap to ensure that INEDs are able to devote sufficient time to carry out the work of the listed issuers?**

Yes

**Please provide reasons for your views.**

I would suggest reducing the 'hard cap' to 4 listed issuer directorships, as this would be quite demanding in terms of time.

In addition, I'd suggest that the different time commitment expected for each board be made transparent upfront, to ensure candidates are able to make an informed decision on whether they would be able to dedicate time & energy to each of the board they are part of.

**Question 6(b)**

**In relation to our proposal to introduce a “hard cap” of six listed issuer directorships that INEDs may hold, do you agree with the proposed three-year transition period to implement the hard cap?**

Yes

**Please provide reasons for your views.**

Yes, the proposal is sensible & appeared practical from an execution standpoint.

**Question 7**

**Do you agree with the proposal to introduce a new Mandatory Disclosure Requirement (MDR) in the CG Code to require the nomination committee to annually assess and disclose its assessment of each director’s time commitment and contribution to the board?**

Yes

**Please provide reasons for your views.**

This is important upfront, so that board candidates are aware of the expectations & responsibilities they would have to comply with, if offered a seat at the board.

In addition, this disclosure will shed light on any board members who are not meeting expectations.

This proposal seems important from a transparency perspective.

**Question 8(a)**

**In relation to our proposal to introduce a “hard cap” of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree with the proposed hard cap to strengthen board independence?**

Yes

**Please give reasons for your views.**

9 years is too long in my view & I would support a shorter tenure (6 years) beyond which an INED would no longer be considered independent. The perspective an INED brings to the board is the voice of independent shareholders - as such, they should be positioned to ensure this independence isn't compromised.

**Question 8(b)**

**In relation to our proposal to introduce a “hard cap” of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree that a person can be re-considered as an INED of the same issuer after a two-year cooling-off period?**

No

**Please provide reasons for your views.**

I think that if the proposal goes through with a 9 years cap on the tenure of an INED, it is likely that they would already have lost their full independence. With this in mind, I do not think that a 2 year cooling off period would be sufficient to help the INED regain their independence.

Instead, the seat should be given to a new INED.

**Question 8(c)**

**In relation to our proposal to introduce a “hard cap” of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree with the proposed three-year transition period in respect of the implementation of the hard cap?**

Yes

**Please provide reasons for your views.**

That said, I would prefer to see an accelerated transition period - why wouldn't this be possible to achieve in 18 months?

**Question 9**

**Do you agree with the proposal to require all issuers to disclose the length of tenure of each director in the CG Report?**

Yes

**Please provide reasons for your views.**

Good business practice in terms of transparency.

**Question 10**

**Do you agree with our proposal to introduce a CP requiring issuers to have at least one director of a different gender on the nomination committee?**

Yes

**Please provide reasons for your views.**

To reduce the risk of this person of a different gender being considered a minority, my suggestion would be to have at least 2 directors of a different gender on the nomination committee

**Question 11**

**Do you agree with our proposal to introduce a Listing Rule to require issuers to have and disclose a diversity policy for their workforce (including senior management)?**

Yes

**Please provide reasons for your views.**

As suggested in my previous responses, I think we need to go further: we are in 2024 after all!

The diversity policy should include clear targets, in line with commitments in HK: 30% of every board should be of a different gender by end of 2027.

**Question 12**

**Do you agree with our proposal to upgrade from a CP to a MDR the requirement on the annual review of the implementation of an issuer's board diversity policy?**

Yes

**Please provide reasons for your views.**

Annual review & status update against the 30% target.

**Question 13**

**Do you agree with our proposal to require as a revised MDR separate disclosure of the gender ratio of: (i) senior management; and (ii) the workforce (excluding senior management) in the CG Report?**

Yes

**Please provide reasons for your views.**

I would suggest that, in the spirit of transparency, this information is published in the public domain.

**Question 14**

**Do you agree with our proposal to codify the arrangements during temporary deviations from the requirement for issuers to have directors of different genders on the board as set out in draft Main Board Listing Rule 13.92(2) in Appendix I?**

Yes

**Please provide reasons for your views.**

This seems a sensible way forward during a transition period. Something that wasn't clear to me is how non compliance would be dealt with by HKEX.

**Question 15(a)**

**Do you agree with our proposal to emphasise in Principle D.2 the board's responsibility for the issuer's risk management and internal controls and for the (at least) annual reviews of the effectiveness of the risk management and internal control systems?**

Yes

**Please provide reasons for your views.**

**Question 15(b)**

**Do you agree with our proposal to upgrade the requirement to conduct (at least) annual reviews of the effectiveness of the issuer's risk management and internal control systems to mandatory and require the disclosures set out in MDR paragraph H?**

Yes

**Please provide reasons for your views.**

**Question 16**

**Do you agree with our proposal to refine the existing CPs in section D.2 of the CG Code setting out the scope of the (at least) annual reviews of the risk management and internal control systems?**

Yes

**Please provide reasons for your views.**

I feel this would create a sense of transparency and clearer expectations. The question remaining in my mind after reading the consultation paper is whether HKEX would define the concept of materiality for risks & incidents, or whether this definition would be left to the individual boards.

**Question 17**

**Do you agree with our proposal to introduce a new MDR requiring specific disclosure of the issuer's policy on payment of dividends and the board's dividend decisions during the reporting period?**

Yes

**Please provide reasons for your views.**

Support the transparency

**Question 18**

**Do you agree with our proposal to introduce a Listing Rule requirement for issuers to set a record date to determine the identity of security holders eligible to attend and vote at a general meeting or to receive entitlements?**

Yes

**Please provide reasons for your views.**

Again, I agree with the sentiment of transparency.

**Question 19**

**Do you agree with our proposal to codify our recommended disclosures in respect of issuers' modified auditors' opinions into the Listing Rules?**

Yes

**Please provide reasons for your views.**

**Question 20**

**Do you agree with our proposal to clarify our expectation of the provision of monthly updates in CP D.1.2 and the note thereto?**

Yes

**Please provide reasons for your views.**

Again, clarity is key

**Question 21**



**Do you agree with our proposal to align requirements for the nomination committee, the audit committee and the remuneration committee on establishing written terms of reference for the committee and the arrangements during temporary deviations from requirements as set out in draft Main Board Listing Rules 3.23, 3.27, 3.27B, 3.27C and 8A.28A in Appendix I?**

Yes

**Please provide reasons for your views.**

**Question 22**

**Do you agree with the proposed implementation date of financial years commencing on or after 1 January 2025, with transitional arrangements as set out in paragraphs 182 to 183 of the Consultation Paper?**

Yes

**Please provide reasons for your views.**

My only question is whether we have fully thought through the practical implications in the transitional arrangements.