

Submitted via Qualtrics

(Anonymous)

Company/Organisation view

Listed Company

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?

Please provide reasons for your views.

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?

Please provide reasons for your views.

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?

Please provide reasons for your views.

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?

Please provide reasons for your views.

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?

Please provide reasons for your views.

Question 3

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

Please provide reasons for your views.

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?

Please provide reasons for your views.

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?

Please give reasons for your views.

Under current corporate and financial reporting requirements, disclosure of profiles of individual directors are mandatory. Individual skills and experiences are provided for inspection. Compilation of skill matrix and disclosure have disadvantages. Unless there is uniform template, matrices of different companies may differ in scope and terminology. It is not unlikely that the same person may have different matrices in different company reports. Yet one template does not necessarily fit all. The proposal is giving rise of more questions than answers. Also, if the board of a listed issuer already had the skills matrix that the board of the issuer considers it appropriate, CP B.1.5(c) would not be relevant. It is suggested that the disclosure under CP B.1.5(c) shall only be required if it is applicable. Otherwise, a negative statement would be adequate.

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?

No

Please provide reasons for your views.

INEDs, who are also the directors of the issuer, are required to perform their directors' duties and contribution to the board.

In addition, INEDs should have independence. They can exercise independent judgement, assess the issues of the issuers faced, provide perspectives and views, then make recommendations and advice to the board.

Such high-quality recommendations and valuable advice are based on their skills, well knowledge, professional qualifications, positions of the other jobs and duties, work experience and the valuable experience in particular sections. The valuable contribution is their performance to the board.

“Time commitment” and “hard cap” are the measurement tools. The available time, the willing time involvement, and the time for task completion for each director for different size and nature of the issuers are not the same.

It is not fair to limit the INEDs and impose a “hard cap” of six listed issuer directorships for the INEDs who have relevant skills, knowledge and experience and are willing to contribute to the board.

The requirements of independent directors are already demanding in identity, character, knowledge and skill. There is a defined population of persons qualified and eligible for the job. The proposed hard caps on individuals would unduly reduce choices available to companies in search of competency. Above all, it contradicts the policy of promoting Hong Kong as the premier choice of listing.

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?

Please provide reasons for your views.

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?

Please provide reasons for your views.

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?

No

Please give reasons for your views.

INEDs should have independence and independent is qualification that may not and could not be invalidated by reference to time. Even if time is a cause for concern, there is no absolute time beyond which independence might be reasonably disqualified. The assumption of three terms of three years would impair independence is not supported by evidence.

The long serving INEDs would have well knowledge and valuable experience in particular sections accumulated during their tenure. They can exercise independent judgement, assess the issues of the issuers faced, provide perspectives and views, then make high-quality recommendations and valuable contribution to the board. The retirement of the Long Serving INEDs may not be in the best interests of the issuers and its shareholders.

The requirements of independent directors are already demanding in identity, character, knowledge and skill. There is a defined population of persons qualified and eligible for the job. The proposed hard caps on individuals would unduly reduce choices available to companies in search of competency. Above all, it contradicts the policy of promoting Hong Kong as the premier choice of listing.

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.

Please refer to 8(a).

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?

Please provide reasons for your views.

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?

Please provide reasons for your views.

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?

Please provide reasons for your views.

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)?

No

Please provide reasons for your views.

The directors, together with the senior management are in the high-level management of the issuers and the size of the senior management is different from company to company, depending on the requirements of the operations of the company and its subsidiaries which shall be decided by the board. Therefore, it is more suitable to have the diversity policy for the board members together with the senior management instead.

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?

Please provide reasons for your views.

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?

Please provide reasons for your views.

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?

Please provide reasons for your views.

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?

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?

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?

Please provide reasons for your views.

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?

Please provide reasons for your views.

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?

Please provide reasons for your views.

Question 19

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

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?

Please provide reasons for your views.

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?

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?

Please provide reasons for your views.