

**Submitted via Qualtrics**

**Copeland and Partners Limited**

**Company/Organisation 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.**

It is critical for the credibility of the company, and to ensure accountability and transparency, to have an independent representative engaged in the oversight of the company's risks and opportunities to ensure sound ESG practices, for the benefit of shareholders, including investors, and other stakeholders.

**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.**

It is essential that directors are aware of the latest trends, regulatory landscape, investor and other stakeholder expectations and in particular, risks and opportunities facing the company. While training should be mandatory, with a minimum number of hours set for annual updates, additional training hours should be commensurate with the nature of the company's business and evolving landscape.

**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.**

This is essential for the effective functioning of new directors and this training must include the ESG landscape with regard to regulatory and stakeholder expectations, including reviews of industry and peer best practices.

**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?**

No

**Please provide reasons for your views.**

Training for all "first-time" directors of a company should be required to ensure that new directors are made aware of the ESG risks and opportunities and related, unique regulatory and stakeholder expectations of the company based on its operations, status and sector.

**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.**

A minimum set of topics that are relevant to all companies on E, S and G should be required.

**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.**

The issuer should be responsible for ensuring that directors have the capacity to effectively perform their oversight role.

**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.**

To help ensure Board effectiveness, performance reviews of the board and individual directors should be conducted at least every two years, with annually preferred. These reviews should be conducted by an independent, third party at least every two years.

**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.**

To understand the evolving skills of directors and ensure competent boards, this is essential. It is also critical for the Nomination Committee to have this information in assessing board diversity from all angles, including relevant skill sets.

**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.**

Absolutely. This is essential for ensuring diversity across boards in Hong Kong and critical to enhance the effectiveness of directors' contributions. Hong Kong boards are renowned for having the same directors on multiple boards.

**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?**

No

**Please provide reasons for your views.**

Boards in Hong Kong are renowned for being entrenched and lacking all aspects of diversity. Having a transition period did not inspire quick action on moving from single gender boards. Change is urgently needed to equip boards to effectively perform their ESG oversight responsibilities.

**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 will help with accountability and transparency. Directors have a responsibility to shareholders and stakeholders to fulfil their responsibilities.

**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.**

Absolutely. Hong Kong boards are renowned for not being independent and HKEX should follow best practice in limiting tenure with this hard cap.

**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.**

Boards need a mix of directors with legacy experience (accumulated over nine years) and directors with diversity of thought. INEDs that have served their terms can make beneficial contributions to other boards.

**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?**

No

**Please provide reasons for your views.**

For all the reasons shared earlier, a transition period of more than a year is not desirable.

**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.**

Absolutely this level of transparency is critical.

**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.**

Absolutely. Diversity in all forms, including gender diversity, enhances decision making. Boards need effective directors that can bring the necessary diversity of thought, experience and skills. Recommending new directors is a critical role of the nomination committee and having gender diversity on the committee will enhance this process for the benefit of shareholders, other stakeholders and the effective execution of the board's oversight role, which in turn will help future proof the company, enhance its resilience and create shared value.

**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.**

Absolutely. A diversity policy is the first step in laying out the path for change to enhance the operation of a company, and holding a company accountable.

### **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.**

Reviewing the effectiveness of this policy (and all policies) is essential for determining if commitments are met, providing the foundation for progress and for furthering continual improvement.

### **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.**

Yes, this, as with the other HKEX proposal, would bring Hong Kong companies in line with international disclosure best practice on this aspect. It is also critical for inspiring and monitoring progress and helping to ensure companies have the foundation to walk the talk and benefit from diversity in management.

### **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 will help ensure that the deviations are minimised and well managed.

### **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.**

Absolutely. The effectiveness of the board's oversight of ESG risks and opportunities is critical to ensure that companies' are able to future proof their operations to the extent possible (due diligence) and respond effectively when challenges/crises arise. Being accountable for this is essential and reviews of performance will help ensure board's fulfill their fiduciary responsibilities effectively.

**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.**

Absolutely. The effectiveness of the board's oversight of ESG risks and opportunities is critical to ensure that companies' are able to future proof their operations to the extent possible (due diligence) and respond effectively when challenges/crises arise. Being accountable for this is essential and reviews of performance will help ensure board's fulfill their fiduciary responsibilities effectively.

**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.**

Absolutely. The effectiveness of the board's oversight of ESG risks and opportunities is critical to ensure that companies' are able to future proof their operations to the extent possible (due diligence) and respond effectively when challenges/crises arise. Being accountable for this is essential and reviews of performance will help ensure board's fulfill their fiduciary responsibilities effectively.

**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.**

Absolutely. Transparency is critical for accountability. These disclosures will help ensure board's fulfill their fiduciary responsibilities effectively.

**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.**

Yes, transparency and established procedures are critical for accountability.

**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.**

Yes, transparency furthers accountability.

**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.**

Yes, transparency and established procedures and expectations for committee functioning furthers accountability and effectiveness.

**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.**

Yes, transparency and established procedures and expectations for committee functioning furthers accountability and effectiveness.

**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.**

Change is needed!