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?

No

Please provide reasons for your views.

We think it is not practical because INEDs are usually not familiar with Issuer's daily operation and management and may not act effieciently as a Lead INED. Instead Issuer's management will introduce shareholders' concern in the board meeting for discussion between the directors.

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.

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.

We would request the Exchange to clarify that, in excluding "general induction training provided by an issuer to newly appointed directors" from this 24 hour requirement, this would exclude only internal general training matters

provided by the issuer itself, and would not exclude training provided by professional advisors, such as sponsors, compliance advisors and legal counsel on relevant Listing Rules and regulatory matters, which is commonly given to directors of a company preparing for listing and should constitute appropriate professional development training.

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.

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?

No

Please provide reasons for your views.

Every issuer will have its own considerations and topics relevant to its business and operating environment that will be of relevance to directors.

Question 3

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

No

Please provide reasons for your views.

It is not necessary to disclose on an individual named basis such extensive details of training including the topics, format and training providers. Not only is this information immaterial to investors and excessively detailed, it may also contain confidential information of the listed issuer, such as which matters were considered of concern to directors for the purposes of training and the identity of external training providers which may include professional advisory firms whose relationship with the issuer is confidential.

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.

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?

No

Please give reasons for your views.

It is unclear from the proposals precisely what is meant by a "board skills matrix" in detailed and specific terms in a manner that would facilitate compliance by listed issuers, nor is it clear why this level of detail of regulation is necessary as it appears to extend into micromanagement of a listed issuer's internal board/HR processes.

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.

The number of directorships that INEDs may hold should depend on whether individual INEDs are able to devote sufficient time to carry out the work of different listed issuers. Both the time and capacity of INEDs, as well as the workload and devotion required for different listed issuers, may be different. As such, we do not agree that a standard "hard cap" of six listed issuer directorships should be imposed across the board for all INEDs and listed issuers. Instead, we suggest that this should continue to be a requirement under the CG Code and should be considered by listed issuers and INEDs on a case by case basis.

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.

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?

No

Please provide reasons for your views.

While we do not disagree in principle with the requirement to undertake the assessment, we disagree with the requirement to disclose such assessment. It is unclear what form this assessment and disclosure would take in practice. Given that the requirement is apparently for disclosure on an individual, named basis of each director's time commitment and contribution, we request that the Exchange clarify the format and measures (including qualitative and quantitative) this disclosure should take, also having regard to the practical concern that listed companies are unlikely to publish information that may cause embarrassment to directors, resulting in only generic or anodyne disclosures that will not be helpful to investors. We submit that any disclosure should therefore be on a collective basis relating to the board as a whole, and not an individual assessment of "each director". We also request the Exchange to clarify, if this proposal is adopted, who should assess the performance of each member of the nomination committee.

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.

Rule 3.13 of the Listing Rules already provides sufficient guidance as to the factors that should be considered when assessing an INED is independent. The mere fact that an INED has been serving on the board of a listed issuer for nine years or longer, without any other factor that may affect her or his independence, should not be a sufficient reason to justify the conclusion that such INED is no longer independent. We are of the view that the existing requirement under the CG Code that the further appointment of a Long Serving INED should be subject to a separate shareholders' resolution is sufficient and already provides the shareholders the opportunity to consider the re-appointment of Long Serving INEDs.

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.

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.

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.

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?

No

Please provide reasons for your views.

The issue of board diversity should be considered based on the composition of the whole board, rather than individual committees. Such a requirement will also limit listed issuers' ability to identify and appoint candidates with the most suitable experience to serve on their 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)?

No

Please provide reasons for your views.

The Company has diversity about the workforce. It would be burdensome to make a diversity policy and make the disclosure.

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.

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.

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.

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.

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?

No

Please provide reasons for your views.

This proposal, by requiring issuers to disclose and justify when they are not paying dividends or do not have a dividend policy, over-emphasizes dividends as the primary measure of investor value and does not give adequate consideration to whether dividend payments are indeed desirable or appropriate, leading to misunderstandings among investors and the market.

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.

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?

No

Please provide reasons for your views.

By amending "may" to "should" in the note to D.1.2, the list of information to be provided becomes overly prescriptive and unnecessarily burdensome to listed issuers.

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.