

Submitted via Qualtrics

Champion Real Estate Investment Trust

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.

While the intention behind designating a Lead INED is commendable, aiming to provide shareholders/unitholders with independent insights on governance, there are several concerns to consider:

1. **Role and Responsibilities of INEDs:** INEDs typically focus on compliance, risk assessment, and control matters. The nature of their involvement restricts their ability to address detailed business questions. Although regulators do not expect a Lead INED to discuss operational matters, such inquiries may still arise, causing potential embarrassment.
2. **Existing Governance Structure:** The current governance framework, including the Board and its committees, already facilitates communication and engagement with shareholders/unitholders. Introducing a Lead INED could duplicate responsibilities, create confusion, and impede the efficiency of existing committee chairs.
3. **Objectivity and Impartiality:** Acting as an intermediary between directors and shareholders/unitholders may compromise the Lead INED's objectivity. They could face pressure from a particular group of minority shareholders/unitholders who may have different investment philosophies that are not necessarily in the best interest of the Trust as a whole, potentially affecting their impartiality.

4. Disclosure and Transparency: All important information is already disclosed in accordance with Listing Rules, and major transaction announcements undergo scrutiny. Therefore, appointing a Lead INED to meet with shareholders/unitholders or investors for explanations seems unnecessary.

In conclusion, while the proposal aims to enhance engagement, it may introduce more challenges than benefits, potentially disrupting the existing governance structure and creating unnecessary complications.

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?

No

Please provide reasons for your views.

While we recognize the importance of transparency in corporate governance, we believe that mandatory disclosure of the process, and findings of Board performance reviews may not be necessary.

1. Board Unity and Confidentiality: Publicly disclosing the findings of a Board performance review could create divisions and conflicts among Board members. Confidentiality helps preserve Board unity by avoiding public scrutiny and allowing for open discussions without fear of reputational damage or negative perceptions.

2. Independence from External Influence: Disclosing the process and findings of a Board performance review opens the door for external stakeholders to exert influence or pressure on the Board's functioning. Confidentiality

safeguards the Board's independence, allowing it to make decisions solely in the best interest of the Trust, free from external interference.

3. Internal Assessment: We strongly believe that performance assessments should be a matter for the Board to consider internally rather than being assessed externally and openly. This approach ensures that the Board can address performance issues candidly and constructively without external pressures.

In conclusion, while the proposal aims to enhance transparency, mandatory disclosure of Board performance reviews may introduce more challenges than benefits, potentially disrupting Board unity and independence.

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.

The proposed new Code Provision to require listed issuers to disclose the skill mix of their boards and explain how the combination of skills, experience, and diversity of their directors aligns with the purpose, values, strategy, and desired culture of the Trust is agreeable. However, we believe that disclosing details and plans to acquire further skills is unnecessary, as such disclosure can be demotivating for existing Board members.

1. Skill Mix Disclosure: We support the idea of disclosing the current skill mix of the board. This transparency helps stakeholders understand how the board's collective expertise supports the Trust's objectives.

2. Impact on Board Members: Disclosing plans to acquire further skills may inadvertently lead shareholders to believe that the current Board members are not competent. It might affect their morale and engagement.

In conclusion, while the proposal to disclose the board's skill mix is beneficial for transparency, detailing plans to acquire further skills may have unintended negative consequences on Board members' motivation and shareholders' expectations.

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 proposal to introduce a hard cap on the number of directorships that INEDs may hold purportedly aims to ensure they can devote sufficient time to their roles. While the intention is understandable, there are several factors to consider.

1. **Directors' Fiduciary Duty:** Directors have a personal fiduciary duty to act in the best interests of each company they serve. It is their responsibility to manage their commitments effectively, ensuring they have sufficient time and attention for each Board. Imposing regulations on overboarding may be seen as an unnecessary intrusion into the director's personal judgment and professional capacity.
2. **Valuable Expertise:** Many INEDs bring valuable expertise from different sectors. Serving on multiple boards allows them to leverage their diverse perspectives and knowledge. Regulating overboarding may limit companies' ability to tap into this expertise, potentially leading to a narrower pool of candidates and reduced diversity.
3. **Market Self-Regulation:** The market can self-regulate director commitments. Shareholders/unitholders and stakeholders can voice concerns and exercise voting rights during Board elections to hold directors accountable. This allows companies to adapt to evolving expectations without regulatory intervention.

4. Unintended Consequences: Imposing regulations on overboarding may discourage experienced and highly qualified individuals from taking up INED roles, particularly in niche industries or specialized sectors.

In conclusion, the number of directorships does not correlate with dedications and productivity. Regulating the number of directorships is unnecessary, it may introduce more challenges than benefits, potentially limiting the pool of experienced and diverse candidates.

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.

The proposal to introduce a hard cap on the tenure of INEDs purportedly aims to strengthen board independence. However, there are important considerations regarding the value of long-term experience and independence of mind.

1. Valuable Experience: INEDs often bring valuable experience to the boardroom. Their long tenure allows them to develop a deep understanding of the Trust's operations, industry dynamics, and governance practices. Removing the constraint of a hard cap allows companies to retain the expertise and insights of experienced INEDs, contributing to effective decision-making and continuity.

2. Independence of Mind: Independence of mind is far more important than tenure. Instead of imposing a blanket tenure limit, regular assessments of INEDs' contributions, independence, and commitment can help identify any potential concerns or issues.

While the proposal aims to enhance board independence, a hard cap on tenure may overlook the benefits of long-term experience and the importance of regular assessments. In view of the above, we consider that it is not necessary to impose a hard cap of nine years on the tenure of INEDs. The market can self-regulate and set their governance practice tailored for their specific situation.

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?

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?

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?

No

Please provide reasons for your views.

The proposal to require issuers to have at least one director of a different gender on the nomination committee aims to promote gender diversity. While this is a positive step, broader diversity considerations should also be taken into account.

1. Broader Diversity Considerations: While gender diversity is an important aspect of Board composition, it is just one element of a diverse and inclusive Board. Boards should strive for diversity in terms of skills, backgrounds, experiences, and perspectives. A narrow focus on gender representation on the nomination committee may overshadow the need for broader diversity considerations, potentially limiting the Board's ability to benefit from a wide range of perspectives.

2. Voluntary Diversity Initiatives: Many companies are already voluntarily implementing diversity initiatives and setting their own targets for gender representation on boards. Encouraging and recognizing these voluntary efforts can be more effective than imposing a mandatory requirement. Companies should have the flexibility to develop their own diversity strategies and tailor them to their specific needs and circumstances.

3. Selection Based on Merit: Requiring a specific gender representation on the nomination committee may restrict the pool of eligible candidates, potentially limiting the committee's access to directors with the necessary competence, experience, and qualifications. Companies should have the

freedom to select directors based on their individual merits and contributions to the Board, rather than being constrained by gender requirements.

In conclusion, while promoting gender diversity is important, it should be part of a broader strategy to enhance overall Board diversity in terms of skills, backgrounds, and experiences.

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)?

Please provide reasons for your views.

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.