<u>Submitted via Qualtrics</u>

The Women's Foundation

Company/Organisation view

Others (please specify)

<u>Question 1</u>

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.

Yes, we support this proposal.

We recommend further clarity be given for the lead INED role and that the CP be edited to also include:

o Approving the quality, quantity, appropriateness and timeliness of information sent to the board as well as approving meeting agenda items;

o Chairing all meetings of the board at which the chair is not present, including sessions of the independent directors;

o They should agree to and document the split roles between a non-independent chair, the CEO and the lead independent director and have this published on the company's website so that shareholders can understand the division of responsibilities

o Principal liaison on board-wide issues between the independent directors and the chair;

o Calling meetings of the independent directors;

o Facilitating the board’s approval of the number and frequency of board meetings, as well as meeting schedules to assure that there is sufficient time for discussion of all agenda items;

o Retain outside advisors and consultants who report directly to the board of directors on board-wide issues;

o Ensuring they be available, if requested by shareholders, when appropriate, for consultation and direct communication;

The size of a company should be considered and for smaller companies this should be a recommendation rather than a CP.

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.

Yes, we agree with the proposals in (a), (b) and (c). We further recommend that the type of training be specified, and that a Hong Kong specific training be recommended for non-HK directors who have served on boards elsewhere and prescribed in a way that does not deter candidates from international markets or major listed companies globally.

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.

Yes, we agree with the proposals in (a), (b) and (c). We further recommend that the type of training be specified, and that a Hong Kong specific training be recommended for non-HK directors who have served on boards elsewhere and prescribed in a way that does not deter candidates from international markets or major listed companies globally.

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.

Yes, we agree with the proposals in (a), (b) and (c). We further recommend that the type of training be specified, and that a Hong Kong specific training be recommended for non-HK directors who have served on boards elsewhere and prescribed in a way that does not deter candidates from international markets or major listed companies globally.

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.

Yes, we agree with the proposals in (a), (b), (c) and (d). We further recommend that the type of training be specified, and that a Hong Kong specific training be recommended for non-HK directors who have served on boards elsewhere and prescribed in a way that does not deter candidates from international markets or major listed companies globally.

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.

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.

<u>Question 5</u>

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.

Yes, we agree. However, given the relatively low percentage of INEDs on Hong Kong boards i.e. 1/3rd the skills matrix may be misleading as it includes the many skills of executive directors whereas investors are more interested in INED skills. As such, we recommend that there be two skills matrices – one for executive directors and one for INEDs, or simply just one covering INEDs. Such disclosures will provide much more informative information to investors on the INEDs.

<u>Question 6(a)</u>

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.

Yes, we agree. We believe listed issuer directorships should be capped at 6 boards for INEDs/NEDs. The time commitment expected for a director for each board, including directorships for offshore companies, should be made public to ensure transparency.

Chairperson roles should be distinguished with a limit of 2 Chairperson roles. The time commitment expected for a director for each board, including directorships for offshore companies, should be made public for transparency.

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, we agree. We believe listed issuer directorships should be capped at 6 boards for INEDs/NEDs. The time commitment expected for a director for each board, including directorships for offshore companies, should be made public to ensure transparency.

Chairperson roles should be distinguished with a limit of 2 Chairperson roles. The time commitment expected for a director for each board, including directorships for offshore companies, should be made public for transparency.

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.

Yes, please see answer to question 6. We also recommend the issuer be required to determine and disclose its assessment of the time commitment expected for a director for each board, including directorships for offshore companies. This is important when considering the appointment of new directors. Issuers should also be required to disclose their assessment of time commitments to prospective directors. Undertaking such a process will not only help the issuer and directors to consider duties and responsibilities and associated time commitments and whether existing directors are meeting such requirements.

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.

Yes, we support this proposal. We recommend the proposal be strengthened to specify that a director may not serve on a board of the same or connected group during the cooling off period.

A 9-year rule leads to effective succession planning and aligns with many jurisdictions round the world.

We further recommend that:

The independent shareholder vote should be disclosed separately on the re-election of all NEDs. Where there is not majority support for the re-election of NEDs (by independent shareholders) a CP should require that the issuer report back to HKEX within 30 days of the meeting the Board's rationale for the continuation of that director in office.

The purpose of this recommendation is that it is important for the views of independent shareholders to be understood by issuers regarding the election of directors.

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?

Yes

Please provide reasons for your views.

Yes, we support this proposal. We recommend the proposal be strengthened to specify that a director may not serve on a board of the same or connected group during the cooling off period.

A 9-year rule leads to effective succession planning and aligns with many jurisdictions round the world.

We further recommend that:

The independent shareholder vote should be disclosed separately on the re-election of all NEDs. Where there is not majority support for the re-election of NEDs (by independent shareholders) a CP should require that the issuer report back to HKEX within 30 days of the meeting the Board’s rationale for the continuation of that director in office.

The purpose of this recommendation is that it is important for the views of independent shareholders to be understood by issuers regarding the election of directors.

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.

Yes, we support this proposal. We recommend the proposal be strengthened to specify that a director may not serve on a board of the same or connected group during the cooling off period.

A 9-year rule leads to effective succession planning and aligns with many jurisdictions round the world.

We further recommend that:

The independent shareholder vote should be disclosed separately on the re-election of all NEDs. Where there is not majority support for the re-election of NEDs (by independent shareholders) a CP should require that the issuer report back to HKEX within 30 days of the meeting the Board’s rationale for the continuation of that director in office.

The purpose of this recommendation is that it is important for the views of independent shareholders to be understood by issuers regarding the election of directors.

<u>Question 9</u>

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.

<u>Question 10</u>

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.

Yes, we agree with this proposal. Please see our other recommendations in relation to board gender diversity as this proposal should be considered in that context. Where there is only one person of a different gender on the board, the proposed requirement of a person of a different gender on the nomination committee should not apply. It should only apply if there are at least two or more directors of a different gender on the board.

<u>Question 11</u>

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.

Yes, we strongly support this proposal for issuers to have and disclose a diversity policy for their workforce, including senior management which is a previous recommendation from The Women's Foundation. Gender diversity across the organisation is critical and will also increase the pool of suitable qualified female candidates to move from management into executive and non-executive director roles.

Research shows that when diversity on boards is considered whilst setting the same objectives and targets for senior management levels and beyond, it is much more likely that the 'trickle-down effect' will have an impact. The issue of increased diversity must be tackled at all levels.

As such, we believe HKEX must now go much further.

The Women's Foundation recommends clarifying the mandatory disclosure requirement on measurable objectives and targets in the proposed rule requiring issuers to have and disclose a diversity policy for their workforce. We urge HKEX to require issuers to set targets of 30% gender diversity at senior management level by 2027.

We recommend proposed J (b) be revised with our drafting suggestions further below.

Board gender diversity – extend no single gender board rule

In addition, The Women's Foundation strongly recommends that the no single-gender boards rule be extended to 30% representation of women on boards by 2027 and that overall HKEX be aiming for gender parity.

Board diversity promotes effective decision making and enhances corporate governance and is an increasingly important factor when investors make their investment decisions. Evidence demonstrates that 30% is the required critical mass for groups to stop thinking about having a "minority" of women and instead think inclusively about the Board as a whole, operating together regardless of gender. It helps erode homogeneity and ultimately promotes better governance (Joecks J, Pull K and Vetter K (2013) Gender diversity in the boardroom and firm performance: what exactly constitutes a 'critical mass'? Journal of Business Ethics, 118(1), 61-72). Of course, 30% is not an upper limit and we ultimately should be aiming for gender parity. A truly diverse board that reflects different perspectives and experiences has a higher probability of business success and is better positioned to navigate the serious challenges in these volatile and disruptive times.

We warmly welcomed the Listing Rule dictating that single-gender boards will no longer be acceptable by the end of 2024. However, HKEX must now go further. The single gender boards requirement has had an impact in terms of an increase in the number of female board appointments and a significant decrease in single gender boards. We have previously raised our concern that the end of single gender boards as required by the HKEX rule runs the risk of issuers simply appointing one woman per board to meet the mandatory requirement – in effect a token female director. Unfortunately, this is now borne out by statistics: since 2021, issuers with 1 female director have increased by almost 10%. Issuers with more than 1 female director has only increased by 6%.2. The board gender diversity percentage for the HSI is still at only 19%. As only one issuer is still to meet the no single gender board requirement, the no single gender board requirement will have a minimal impact on the overall percentage of women on boards in Hong Kong.

Many countries in the region are quickly catching up to or surpassing Hong Kong on board gender diversity including Singapore at 23.7% female representation on boards and a 25% target by end-2025, Malaysia at 30.9% and a target of 30% introduced in 2017, Thailand at 19% female representation on boards, Japan at 19.6% with a target of 30% by 2030 and India at 20% female representation. Hong Kong's standing as a preeminent global financial centre is at risk. and it should thus be a matter of deep disappointment and concern to HKEX and to the business and investment community that the percentage of women on boards in Hong Kong remains very low – despite the no single gender board requirement. Our corporate governance standards must align with global best practices. If Hong Kong wants to maintain its reputation and position as a leading global financial centre the standard must be raised. That is why The Women's Foundation would like to see the no single-gender boards rule be extended to 30% representation of women on boards by 2027, with the aim of parity.

The Women's Foundation's recommended edits to 13.92:

(2) Board diversity differs according to the circumstances of each issuer. While diversity of board members can be achieved through consideration of a number of factors (including but not limited to gender, age, cultural and educational background, or professional experience), the Exchange will not consider diversity to be achieved for a single gender board. Further, by 31 December, 2027, the Exchange will not consider diversity to be achieved with less than 30% directors of different genders. If issuer is unable at any time to meet the requirement to have directors of different genders on the board and the requirement to have 30% of directors of different genders by 31 December, 2027, it must immediately publish an announcement containing the relevant details and reasons. The issuer must use all reasonable endeavours to appoint appropriate member(s) to the board to meet such

requirement on a timely basis, and in any case within three months after being unable to meet such requirement.

The Women's Foundation recommended edits to C1 – J Diversity in relation to diversity policies including workforce:

a) (i) The issuer's policy on board diversity or a summary of the policy, which should include information on measurable objectives including targets of at least 30% board gender diversity by 31 December, 2027 for the promotion of gender diversity on its board and the measures the issuer has adopted to develop a pipeline of potential successors to the board to achieve gender diversity; and (ii) the results of issuer's review of the implementation of its board diversity policy conducted during the year (including progress towards the issuer's objectives and the aforementioned target and how the issuer has arrived at its conclusion);

(b) the issuer's policy on diversity in the workforce (including senior management) or a summary of the policy, including plans or measurable objectives the issuer has set for achieving gender diversity, including targets of at least 30% gender diversity in senior management by 2027 and progress on achieving those objectives including the aforementioned target. Where applicable, issuers may disclose any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant; and

(c) the gender ratio of: (i) senior management; and (ii) the workforce (excluding senior management).

Note: In this Corporate Governance Code, "senior management" refers to the same persons referred to in the issuer's annual report and required to be disclosed under paragraph 12 of Appendix D2.

Gender Neutral Board Chair

In keeping with the adjustments to the Listing Rules over recent rounds to adjust gender specific language we strongly recommend that Appendix C1

Part 1 C. CHAIRMAN AND CHIEF EXECUTIVE be amended to read: BOARD CHAIR AND CHIEF EXECUTIVE

The identity of the board chair and chief executive.

We further recommend associated drafting recommendations throughout the Listing Rules such that Chairman is amended to Chair or Chairperson.

<u>Question 12</u>

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.

Yes, we agree with this proposal. The Women's Foundation has been a long-term advocate for the inclusion of measurable objectives in board diversity and workforce policies. As such, we are pleased to see that they are no longer optional however, we do urge HKEX to go further. For the reasons set out in our answer to question 11, the no single-gender boards rule must be extended to 30% representation of women on boards by 2027. HKEX and the market should be aiming for gender parity on Hong Kong boards.

We urge HKEX to now require issuers to set a target of at least 30% board gender diversity by 31 December, 2027 in preparation for our recommended amendment to Rule 13.92 and that this requirement be included in amendments to the proposed MDR as drafted below and in question 11.

The Women's Foundation's recommended edits to C1 – J Diversity in relation to diversity policies including workforce:

a) (i) The issuer's policy on board diversity or a summary of the policy, which should include information on measurable objectives including targets of at least 30% board gender diversity by 31 December, 2027 for the promotion of gender diversity on its board and the measures the issuer has adopted to develop a pipeline of potential successors to the board to achieve gender diversity; and (ii) the results of issuer's review of the implementation of its board diversity policy conducted during the year (including progress towards the issuer's objectives and the aforementioned target and how the issuer has arrived at its conclusion);

(b) the issuer's policy on diversity in the workforce (including senior management) or a summary of the policy, including plans or measurable objectives the issuer has set for achieving gender diversity, including targets of at least 30% gender diversity in senior management by 2027 and progress on achieving those objectives including the aforementioned target. Where applicable, issuers may disclose any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant; and

(c) the gender ratio of: (i) senior management; and (ii) the workforce (excluding senior management).

Note: In this Corporate Governance Code, "senior management" refers to the same persons referred to in the issuer's annual report and required to be disclosed under paragraph 12 of Appendix D2.

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. The Women's Foundation has long advocated for diversity policies to be applicable across and issuer and for disclosure of diversity statistics and more.

We strongly urge HKEX to consider expanding its (very useful) Diversity Portal so these gender ratio statistics are visible and measurable across the whole market distinguishing between workforce and senior management. We recommend a target of 30% women in senior management by 2027 for all issuers and that the adjustments to the Diversity Portal include this target and market tracking. C-Suite and senior management ratios are also important as an indication of a pipeline for director appointments.

Other jurisdictions now also measure gender ratio at senior management and C-Suite as part of overall commitments to gender diversity across issuers and a market.

The following are The Women's Foundation's additional comments for HKEX's consideration:

• Low numbers of women in the workforce: Despite Hong Kong women graduating from universities in record numbers (54%) and the fact that women are entering the workforce in near equal numbers to men, we have a low female workforce participation rate of only 48% which is lower than many of our neighbours.

• Gender Pay Gap: Hong Kong's gender pay gap is 21.1%4 and wider than ten years ago and higher than Singapore and the UK.

• Burden of care: 30% of Hong Kong working women drop out of the workforce due to caring responsibilities.

• "Motherhood penalty" at work: According to a study released by the Equal Opportunities Commission in 2018, more than 50% of employers surveyed in Hong Kong stated they would not hire women with children. Due to caring responsibilities, lack of flexible work and gender biases, we see a significant drop off in women as they move through the workforce pipeline.

• Sexual violence - 1 in 3 women in will experience sexual assault in her lifetime either at or outside the workplace.

Rates for women who experience sexual harassment at work range from 10%-80% depending on the industry with the F&B industry at the higher end of the spectrum. The Women's Foundation remains concerned about the level of underreporting by victims due to limitations in legal remedies, paucity of workplace policies and procedures in place to support victims and also prevent cases of sexual harassment. Given the global #MeToo movement, this issue must remain high on Government, corporate, investor, civil society and employees' agendas.

For issuers, sexual harassment and assault in the workplace is a significant risk issue as it can significantly damage employees and wider employee morale. Sexual harassment cases can also raise significant reputational risk to issuers (including loss of shareholder value) particularly if an issuer has deficient policies and practices or if it does not treat complainants with fairness or takes no action against perpetrators.

Lack of flexible work in Hong Kong has been cited as one of the key barriers to developing the pipeline of female talent and leaders and despite flexible work being adopted during Covid-19 it remains to be seen if companies will adopt wholesale changes. Women have been disproportionately impacted by Covid-19 from additional care responsibilities, job losses in female dominated sectors and rising reports of domestic and sexual violence.

With increased focus and expectations by the community, investors and stakeholders on overall workplace diversity, board diversity and a rising focus on the role of companies in society and increased focus on ESG issues, these statistics highlight a significant risk to Hong Kong issuers. This is not only in terms of human capital risk but includes diversity and social risk overall which we believe should be addressed by the boards of Hong Kong issuers through the establishment of overall diversity policies, setting measurable objectives to achieving greater workforce diversity, and disclosing the make-up of their workforce at general, management, senior management and board level by gender. Other markets such as the U.K. and Australia have implemented similar wholesale approaches, guided by regulation, which has led to board gender diversity levels in both markets reaching approximately 30% without the need for quotas.

• Aging Population and Eldercare Risk

As Hong Kong's population is set to age dramatically in the next few years and its workforce decrease, the ability to attract and retain talent as well as manage the escalating costs of eldercare will pose significant business risks to companies. The Women's Foundation, in conjunction with the Sau Po Centre on Aging at The University of Hong Kong and HSBC Life, conducted a pioneering study in 2019 to understand and quantify the need and cost of eldercare in Hong Kong today and in just over 40 years' time.

The study aimed to understand how many Hong Kong people are giving and receiving eldercare now and in the future, and the subsequent costs to society, employers and individuals. The results are significant for Hong Kong, among them:

• With the population of eldercare recipients set to more than double from 5% to 11% by 2060, the cost to society will increase by 6 times from HK$39 billion to HK$222 billion.

• The cost of eldercare to employers is anticipated to grow approximately five times from 2018 to 2060.

• The overall cost of eldercare to individuals will quadruple from HK$1.8 billion to HK$7.2 billion, with women bearing a disproportionate share of this burgeoning cost as 62% of caregivers are expected to be women in 2060.

The study recommends urgent action by employers and the Hong Kong SAR Government to implement policies and practices to alleviate the financial and human resources burden on companies, and to support employees with eldercare responsibilities. Many of the solutions to mitigate the eldercare risk will also support greater diversity in Hong Kong's workforce.

The Women's Foundation has highlighted above some of the systemic issues and challenges Hong Kong is facing in relation to its aging population including the cost to Hong Kong, companies and individuals associated with eldercare; Hong Kong's low female workforce participation rate and the significant drop out rate of women as they progress through the workplace due to caring responsibilities, the "Motherhood Penalty", the lack of flexible work and the overall significant gender pay gap in Hong Kong. The Women's Foundation considers these to be significant risks and social issues that should be managed and addressed by all issuers. In order to address, manage and mitigate these issues the first step is disclosure and transparency.

We further recommend disclosures on:

- turnover and attrition rates by gender at each of general, management and senior management levels

- ratio of new job applications to new employment contracts signed by gender

- percentage of promotions in the issuers main employee categories by gender

- Disclosure on its anti-discrimination policies in relation to gender, age, race, marital status and sexual identity

- Gender pay gap: Issuer to disclose its policies in relation to fair and equal payment of employees including a disclosure on the ratio of the remuneration by employee category by gender and disclosure of the mean and median pay gap across an issuer by gender.

- Flexible Work Practices: Issuer to disclose its approach to flexible work schedules and the extent to which these are offered to employees by the issuer and the uptake rate of flexible working arrangements by gender.

- Caring responsibilities: Issuer to disclose its initiatives and policies on maternity/paternity/parental/eldercare leave and other policies it has to support caregivers such as eldercare support. Issuer to also disclose its maternity/paternity/parental/eldercare and other leave return rates by gender.

-Sexual harassment: Issuer to disclose its initiatives to provide information, education and training on sexual harassment in the workplace and to disclose the total number of incidents of sexual harassment by gender and associated action taken.

- Suppliers/Products: Issuer to disclose its approach to assessing diversity and equality considerations including gender diversity in its supplier or procurement practices as well as product development and advertising including:

a) the percentage of suppliers that have diversity particularly gender diversity policies or programmes b) the percentage of suppliers that report on their diversity policies and practices c) gender composition of supplier workforce including at management and Board level d) policies and practices the issuer has implemented in relation to non-discriminatory products, services and advertising.

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.

Yes, we agree. We also recommend there should be additional consequences for deviating from the requirement such as fees and also additional consequences for continued or ongoing breaches. Please publish all temporary deviations onto the Diversity Portal.

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.

Yes, we agree with these proposals. We recommend these sections be revised to include that the Board be required to disclose its view of material risks and how it manages or intends to manage such risks.

The Women's Foundation reiterates from previous submissions the importance of both whistle blowing and anti-corruption policies to overall governance. We were pleased to see the requirement to establish such policies included in Principles D2.6 and D2.7. We recommend further enhancements to these policies below:

(1) Principle D2.6 be amended to include a requirement that the issuer disclose a whistleblowing policy, ensure the Board or a Committee of the Board is informed of material incidents reported under the policy

(2) Principle D2.7 be amended to include a requirement that the issuer disclose an anti-corruption policy, ensure the Board or Committee of the Board is informed of any breaches of the policy

(3) That these policies above be reviewed on a regular basis and at least every two years.

<u>Question 15(b)</u>

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.

Yes, we agree with these proposals. We recommend these sections be revised to include that the Board be required to disclose its view of material risks and how it manages or intends to manage such risks.

The Women's Foundation reiterates from previous submissions the importance of both whistle blowing and anti-corruption policies to overall governance. We were pleased to see the requirement to establish such policies included in Principles D2.6 and D2.7. We recommend further enhancements to these policies below:

(1) Principle D2.6 be amended to include a requirement that the issuer disclose a whistleblowing policy, ensure the Board or a Committee of the Board is informed of material incidents reported under the policy

(2) Principle D2.7 be amended to include a requirement that the issuer disclose an anti-corruption policy, ensure the Board or Committee of the Board is informed of any breaches of the policy

(3) That these policies above be reviewed on a regular basis and at least every two years.

<u>Question 16</u>

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.

<u>Question 17</u>

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.

<u>Question 18</u>

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.

<u>Question 19</u>

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.

<u>Question 20</u>

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.

<u>Question 21</u>

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.

<u>Question 22</u>

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.