

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please reply to the questions below on the proposed change discussed in the Consultation Paper downloadable from the HKEx website at: <http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201209q.doc>.

Where there is insufficient space provided for your comments, please attach additional pages.

1. Do you agree that the Exchange should promote board diversity?

Yes

No

Please give reasons for your views.

The Hong Kong Institute of Chartered Secretaries (HKICS) is at the forefront of promoting the interests of the Chartered Secretary profession (with over 5,600 members and 3,200 students), the role of company secretaries and good corporate governance.

In relation to the Consultation Paper on Board Diversity issued by The Exchange, we have actively promoted this topic amongst our members and the general community for some time, including dedicating significant importance to the topic at our biennial Corporate Governance Conference in October 2012.

We agree that board diversity is important for the reasons identified under the Consultation Paper and also serves to enhance corporate governance based on the added diversity of perspectives on relevant issues. Further, diversity is not limited to gender and age but also other factors like cultural, education and professional experiences. It is for each listed issuer to take into account its own business model and specific needs and disclose the rationale for the factors it uses.

We overwhelmingly support the proposal for establishing a Code as set out under the Consultation Paper for listed issuers to adopt a policy concerning diversity of board members and to disclose the summary or policy in the corporate governance report, or to explain otherwise. The nomination committee in its selection process should give adequate consideration to the diversity of perspectives.

2. If your answer to Q.1 is “yes”, do you agree that our Corporate Governance Code and Corporate Governance Report is the appropriate place for the new measures on board diversity?

Yes

No

Please give reasons for your views.

3. Do you agree with our proposal to introduce CP A.5.6 (*the nomination committee or the board should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report*)? Please give reasons for your views.

Yes

No

Please give reasons for your views.

4. Do you agree (i) with our proposal to introduce a note under CP A.5.6 to clarify what we mean by diversity; and (ii) with the content of the note? Please give reasons for your views.

(i)

Yes

No

(ii)

Yes

No

Please give reasons for your views.

5. Do you agree with our proposal to introduce a new mandatory disclosure provision in the Code stating that if the issuer has a policy concerning diversity, it should disclose details of the board's policy or a summary of the policy on board diversity, including any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives? Please give reasons for your views.

Yes

No

Please give reasons for your views.

6. Which of the following would you prefer as the implementation date of the amendments set out in this paper?

1 January 2013

1 April 2013

1 June 2013

1 September 2013

Other, please specify and give reasons.

- End -