



BRUNSWICK

Hong Kong Exchanges and Clearing Limited
12th Floor, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

9 November 2012

Re: Consultation Paper on Board Diversity

Brunswick Group is pleased to submit comments on the consultation paper issued by Hong Kong Exchanges and Clearing Limited (HKEx) on 7 September 2012.

I wish to reiterate our support for the proposal. We're thrilled to see Hong Kong encouraging board diversity and greater participation of women on boards as one facet of improved corporate governance. We believe that flexible requirements such as the ones you are introducing encourage grassroots initiatives and dialogue which can educate the business community on the benefits of adopting higher corporate governance standards. However, the Listing Committee will have to monitor compliance over time to evaluate whether any stronger measures are appropriate.

As a leading corporate and financial communications firm in Hong Kong, we have the privilege to work with some of Hong Kong's finest publicly listed companies, including family-controlled companies, multinationals, and red chips/SOEs.

In our work, we run across board-ready female clients, executives, and advisors on a daily basis in Hong Kong. We are convinced that the pool of qualified female candidates who can make outstanding contributions to company boards is large.

Brunswick supports gender diversity at all levels and is a strong supporter of The Women's Foundation. We wish to point out that Brunswick's Vice Chair (one of our three founders) is a woman, as is our CEO. Over 60% of Brunswick Group's partners are women, and over 70% of our partners and directors are women. Our Chairman Alan Parker is one of the fifty or so UK Chairmen who is a member of the 30% Club in the UK, which is devoted to increasing the proportion of female directors serving on public company boards to over 30%.

From time to time, we make our clients aware of critical corporate governance developments in Hong Kong, and we have shared news of this market consultation, as well as recent changes to the corporate governance code, with our clients and contacts, encouraging them to share their views.

Yours sincerely,



Brunswick Group Limited

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/cp201209g.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.

Ample evidence supports the view that more diversity in the boardroom promotes valuable independent thinking, which can help raise the quality of a company's corporate governance.

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.

Yes, as this is typical practice in other mature financial jurisdictions. The Corporate Governance Code is one of a number of mechanisms to promote board diversity. There may also be additional appropriate forums to raise the topic that are not legislative or code-based in nature.

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.

Articulating a board diversity policy in writing and sharing it transparently with shareholders and the public is a valuable exercise for companies, as it indicates a company's values and corporate culture.

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.

This definition is a good start, but we think the Listing Committee should keep it under active review. "Diversity of perspectives" may not go far enough in explaining what diversity means, particularly with regard to gender.

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.

From our perspective as communications advisors, it is very common to use statistically measurable data to simplify and illustrate complex concepts. We believe in transparently measuring progress against specific objectives, as it is easier to hold a company to account.

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.

We believe that the changes should be implemented as soon as is practical. Assuming that the consultation conclusions are not issued until late December, some time must be given for boards to vote on their diversity policy, so we suggest April rather than January. A company's diversity policy need not be very long and can easily be included in the corporate governance report. The more difficult prerequisite to such a policy will be the board-level conversations and consensus that make it possible to articulate such a policy, but we see no reason why this cannot be put on each company's next board meeting agenda.

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