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**HONG KONG STOCK EXCHANGE  
CORPORATE GOVERNANCE CODE  
AND  
RELATED LISTING RULE CHANGES  
EFFECTIVE 1 JULY 2025**



# CORPORATE GOVERNANCE FRAMEWORK FOR HONG KONG-LISTED COMPANIES

- Corporate governance obligations and disclosure requirements:
  - Main Board / GEM Listing Rules; and
  - Corporate Governance Code (Appendix C1)

## Principles

### Mandatory Disclosure Requirements

- compulsory for all listed companies
- non-compliance is a breach of the Listing Rules

### Code Provisions

- comply or explain basis
- must give reasoned explanation for any deviation

### Recommended Best Practices

- Voluntary guidelines





# CORPORATE GOVERNANCE CODE AND LISTING RULE AMENDMENTS

- Consultation Paper in June 2024 → consultation ended in December 2024
- Basis for Amendments:
  - Analysis of 2022 compliance by listed companies;
  - Review of governance requirements in UK, Singapore, Australia, Malaysia, and Mainland China; and
  - Stakeholder feedback
- Aim of the consultation: Strengthen corporate governance practices
  - ✓ Improve board effectiveness and independence
  - ✓ Increase board and workplace diversity
  - ✓ Enhance risk management and internal control provisions
  - ✓ Encourage better capital management through enhanced dividend policy and dividend decision disclosures





# CONSULTATION OUTCOMES

- A majority of 261 respondents supported the amendments
- Almost all proposals adopted with modifications and clarifications
- Change in the implementation date:
  - **Changed to 1st July 2025 (originally 1st January 2025)**
  - Amendments will apply to corporate governance reports and annual reports for financial years starting on or after 1st July 2025
    - Note: Transition periods for certain rules related to INEDs
- Stock Exchange will publish guidance in the Corporate Governance Portal
  - To be published in **first half of 2025**
  - Addresses respondent requests for clarification and guidance
  - Supersedes the December 2021 Corporate Governance Guide for Boards and Directors



# IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

## DESIGNATION OF LEAD INED

- New RBP C.1.8:
  - Encourages listed companies with a non-INED board chairman to appoint a Lead INED
- Role of Lead INED:
  - ✓ Act as an intermediary for directors and shareholders
  - ✓ Provide an alternative communication channel when normal channels are inadequate
- Lead INED Proposal
  - Investor concerns → Lack of access to boards and INEDs
  - Especially in family-controlled companies or where the chairman and CEO roles are combined
- Objective:
  - Enhance communication between shareholders (especially minority shareholders) and INEDs
  - Improve transparency in INEDs' responsibilities





# IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

## DESIGNATION OF LEAD INED (CONT'D)

- Majority Support
  - Majority of respondents supported the Lead INED provision
  - Some proposed making it mandatory rather than “comply or explain”
- Opposition Concerns:
  - Existing shareholder communication policies already in place ([MDR L](#))
  - Limited benefit for companies with concentrated shareholding structures
- Lead INED provision to be introduced as a Recommended Best Practice (not a Code Provision) when the board chairman is not an INED



# IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

## DESIGNATION OF LEAD INED (CONT'D)

- New Corporate Governance Guide:
  - will provide guidance on the role and functions of Lead INED
  - will clarify the differences between Lead INED and board chair responsibilities
- Consultation Conclusions:
  - Encouraged investors to communicate their expectations on the responsibilities of Lead INEDs
  - No increased liability → Lead INEDs have the same fiduciary duties as other directors
  - No announcement required under [MB Rule 13.51\(2\)](#) / [GEM Rule 17.50\(2\)](#) for designation
    - [CP B.1.2](#): Changes in Lead INED designation must be reflected in updated list of directors on their website and HKEX website
    - [MDR B\(a\)](#): Appointment of Lead INED must be disclosed in corporate governance reports



# DESIGNATION OF LEAD INED (CONT'D)

## LEAD INED REQUIREMENTS IN OTHER JURISDICTIONS

### London Stock Exchange

Corporate Governance Code:

- Lead INED required on a “comply or explain” basis
- Role:
  - Provide a sounding board for the chairman
  - Act as intermediary for shareholders



### Singapore Exchange

- Lead INED required on a “comply or explain” basis
- Lead INED required only if the chairman is conflicted or not independent

### NASDAQ / NYSE

- No requirement for Lead INED
  - Many companies appoint one voluntarily
  - especially when CEO and chairman roles are combined
- Lead INED role developed in the 1990s to counter-balance CEO-chair duality and enhance board independence
- Scope of duties typically included in Lead Independent Director Charter



## IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

# DISCLOSURE REQUIREMENTS REGARDING HKEX-LISTED COMPANIES' SHAREHOLDER ENGAGEMENT

- **New CP F.1.1:**
  - Requires boards (especially INEDs) to be accessible to shareholders
  - To facilitate constructive engagement and understanding of shareholder views on:
    - Governance matters; and
    - Performance against corporate strategy
- **New MDR L(d):**
  - Requires disclosure in the corporate governance report on:
    - i. Nature, number, or frequency of shareholder engagements
    - ii. Groups of shareholders and company representatives involved
    - iii. The company's approach to following up on engagement outcomes



# IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

## **MANDATORY CONTINUOUS PROFESSIONAL DEVELOPMENT FOR LISTED COMPANY DIRECTORS**

- **New MB Rule 3.09F / GEM Rule 5.02F:**
  - Directors must complete mandatory CPD annually on specified topics
  - No minimum CPD hours
    - Objective → To ensure directors stay updated on regulatory developments and ensure regulatory compliance by listed companies
- **Mandatory CPD Topics (MB Rule 3.09G / GEM Rule 5.02G):**
  - a. Roles, functions, and responsibilities of the board, committees, and directors and board effectiveness
  - b. Legal and regulatory obligations under Hong Kong law and Listing Rules, including updates
  - c. Corporate governance and ESG matters (e.g., sustainability, climate-related risks and opportunities)
  - d. Risk management and internal controls
  - e. Updates on relevant industry-specific developments, business trends, and strategies
- **Note:** Does not apply to overseas companies with secondary listings ([MB Rule 19C.11](#))



## IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

### MANDATORY CPD FOR “FIRST-TIME DIRECTORS”

- MB Rule 3.09H / GEM Rule 5.02H:
  - First-time directors must complete 24 hours of CPD within 18 months of appointment on specific topics
- Definition of First-time Directors:
  - Never served as a director of a Hong Kong-listed company;
  - Have not served as a director of a Hong Kong-listed company in last 3 years.
- Reduced Requirement:
  - 12 hours for directors with experience on an overseas exchange in the last 3 years
- **Current CP C.1.1:** Requires induction training for new directors  
CPD training will be in addition to existing induction requirement





# IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

## MANDATORY CPD FOR “FIRST-TIME DIRECTORS”

### (CONT'D)

- Resignation and Re-appointment:
  - If a First-time director resigns before completing CPD and is re-appointed **within 3 years** → must complete the remaining hours within 18 months of re-appointment
- Training from professional organisations (e.g., solicitors, accountants) can be counted
- Training as a director of other listed companies can be counted if it:
  - Covers the specified topics;
  - Is not company-specific; and
  - Includes Hong Kong-specific requirements





# IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

## MANDATORY DISCLOSURE OF DIRECTOR TRAINING

- **New MDR B(i):**
  - Listed companies must disclose directors' CPD details in their corporate governance reports
    - Confirmation: All directors have fulfilled CPD requirements during the reporting period
    - First-time Directors: Confirmation of minimum CPD hours completed (MB Rule 3.09H/ GEM Rule 5.02H)
    - Details for Each Director:
      1. Total CPD hours completed
      2. Format/mode of CPD (external, internal, or self-study)
      3. Number of hours completed for each mode
      4. Training topics covered
      5. Description of training provider(s) (name/type, where applicable)
- **Flexibility in CPD Format:**
  - Companies can choose external, internal, or self-study formats
  - HKEX Recommendation:
    - Use internal training for company- or industry-specific topics
    - Use external providers for regulatory and legal topics



# IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

## BOARD PERFORMANCE REVIEW

- New CP B.1.4:
  - Listed companies must conduct a formal board performance review at least every 2 years
  - replace current RBP encouraging “regular” evaluations
  - rationale: will help boards identify areas for improvement
- Disclosure Requirements for Board Performance Reviews
  - a. Confirm whether a review was conducted during the reporting period
    - If not, disclose when the next review will occur
  - b. Disclose details of the review:
    - i. Whether conducted internally or by an external provider;
    - ii. Scope of the review and participants; and
    - iii. If external review → disclose the relationship between the provider and the company/directors
  - c. Disclose findings of the review:
    - i. Significant areas of improvement identified
    - ii. Measures taken or planned as a result of the review





# IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

## BOARD PERFORMANCE REVIEW (CONT'D)

- New CP B.3.1(e):
  - Nomination committee must support the regular evaluation of the board's performance
- New Corporate Governance Guide:
  - HKEX will provide guidance on the scope of reviews and level of detail required in disclosures
- Key Features of Board Performance Reviews:
  - Review of the board's performance as a whole, not individual directors
  - Companies can choose to conduct reviews internally or externally
  - Reviews can be structured to suit the company's specific circumstances





## IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

### **BOARD PERFORMANCE REVIEW (CONT'D)**

- London, Australian, and Singapore Stock Exchanges:
  - Board performance reviews and disclosure on a “comply or explain” basis

**UK**

- Reviews required annually
- External reviews recommended regularly
- FTSE 350 companies → must conduct external reviews at least every 3 years

**US**

- Corporate governance guidelines of the companies listed on NYSE must require annual self-evaluation of board performance



# IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

## DISCLOSURE OF LISTED COMPANY BOARD SKILLS MATRIX

- **New CP B.1.5:**
  - Listed companies must maintain and disclose a board skills matrix in their corporate governance reports
- **Minimum Information to Include:**
  - Current mix of skills on the board;
  - Explanation of how the board's skills, experience, and diversity support the company's purpose, values, strategy, and desired culture;
  - Additional skills the board aims to acquire;
  - Plans to acquire those skills;
  - Progress on acquiring additional skills in previous years
- **Amended CP B.3.1:**
  - Nomination committee must assist the board in maintaining the skills matrix





# IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

## CAP ON CONCURRENT DIRECTORSHIPS FOR LISTED COMPANY INEDS

- [New MB Rule 3.12A/ GEM Rule 5.07A:](#)
  - Hard cap of 6 on number of concurrent Hong Kong-listed company directorships for INEDs
  - Includes executive, non-executive, and INED roles
- Rationale:
  - 31 December 2023 → 23 INEDs held 7+ directorships on 181 listed company boards
  - Concerned that INEDs are serving on too many boards → insufficient time to serve each board
    - INEDs are expected to scrutinise listed companies' performance
    - The demands on listed company boards have become more complex and time-consuming





## IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

### CAP ON CONCURRENT DIRECTORSHIPS FOR LISTED COMPANY INEDS (CONT'D)

- Three-Year Transition Period:
  - INEDs with more than 6 directorships must comply by the end of the first AGM after 1 July 2028
- Current Requirements (Until 30 June 2028):
  - Companies proposing to appoint an INED with  $\geq 7$  directorships must explain how the INED can devote sufficient time in the shareholder circular or explanatory statement (CP B.3.4(b))
- New Listing Applicants (From 1st July 2025):
  - No listing applicant can have an INED with more than 6 HKEX listed company directorships
  - Applicants must ensure proposed INEDs have no more than 5 other HKEX listed company directorships





## IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

### **CAP ON CONCURRENT DIRECTORSHIPS FOR LISTED COMPANY INEDS (CONT'D)**

- Most exchanges (e.g., Australia, Singapore, UK, US) do not impose a cap on directorships.
  - they require disclosure of material directorships
- Some NASDAQ and NYSE impose caps → different for each company:
  - Apple Inc.: Caps directorships at five.
  - Microsoft Corporation: Caps directorships at four



# IMPROVING BOARD EFFECTIVENESS FOR HKEX-LISTED COMPANIES

## DISCLOSURE RE. ASSESSMENT OF DIRECTORS' TIME COMMITMENT

- Amended MDR E(d)(iii):
  - Nomination committee must annually assess each director's:
    - i. Time commitment;
    - ii. Board contribution; and
    - iii. Ability to discharge responsibilities effectively
  - Disclose results of the assessment in the corporate governance report
    - No need to make disclosure for each director by name
- Factors to consider in the assessment:
  - a. Nature of the director's involvement on the board;
  - b. Professional qualifications and work experience;
  - c. Other Hong Kong-listed company directorships;
  - d. Significant external time commitments
    - e.g., directorships of companies listed on other overseas exchanges, full-time roles, major consultancy work, public service, directorships of statutory bodies, directorships of non-profit organisations





## INDEPENDENCE OF INEDS

# NEW 9-YEAR CAP ON LISTED COMPANY INEDS' TENURE

- [New MB Rule 3.13A / GEM Rule 5.09A](#):
  - 9-year hard cap on INED tenure for Hong Kong-listed companies
- Supporting respondents: ensures periodic board refreshment and brings fresh perspectives to the board
- Opposing respondents: Long-Serving INEDs bring valuable insights based on experience and knowledge of the listed company
- As of December 2023:
  - 1,500 directorships held by Long-Serving INEDs
  - 810 listed companies (31% of all Hong Kong-listed companies) had Long-Serving INED(s)
  - 30 listed companies had Long-Serving INEDs only
- HKEX: Long-Serving INEDs may lose independence and objectivity

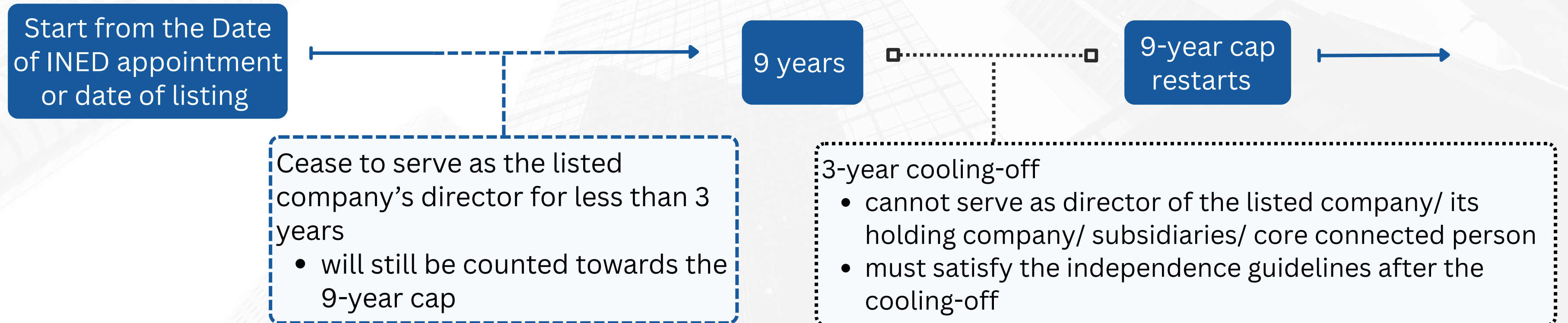




## INDEPENDENCE OF INEDS

# NEW 9-YEAR CAP ON LISTED COMPANY INEDS' TENURE (CONT'D)

- Aims to encourage board refreshment and prevent “groupthink”
- [New MB Rule 3.13A/ GEM Rule 5.09A](#):
  - not allowed to have INEDs who have already served > 9 years as an INED
    - must remove Long-Serving INEDs at the first AGM after the 9th year



## INDEPENDENCE OF INEDS

# NEW 9-YEAR CAP ON LISTED COMPANY INEDS' TENURE (CONT'D)

- Transition Period → [Note 1 to MB Rule 3.13A / GEM Rule 5.09A](#):
  - Two-phase approach over 6 years:
    - By 1st AGM after 1 July 2028: Majority of INEDs must have served less than 9 years
    - By 1st AGM after 1 July 2031: No Long-Serving INEDs allowed
- Current requirements will continue to apply during the transition:
  - [CP B.2.4](#): Companies with all Long-Serving INEDs must disclose tenure lengths and appoint a new INED at next AGM
- For AGMs held on or before 30 June 2031 → [CP B.2.3](#):
  - Long-Serving INEDs must be re-appointed via a separate shareholders' resolution
  - Shareholder papers must explain why the INED is still considered independent





## NEW 9-YEAR CAP ON LISTED COMPANY INEDS' TENURE (CONT'D)

### Singapore

- 9-year cap

### Malaysia

- 12-year cap

### Mainland China

- 6-year cap

### Australia

- No cap
- tenure over 10 years may impact independence

### UK

- No cap
- tenure over 9 years may impact independence

### NASDAQ /NYSE

- No cap, but companies may impose their own limits
- Examples:
  - JP Morgan Chase: Lead Independent Director served over 20 years
  - Apple, Microsoft, Nvidia: Highlight benefits of long-serving directors



## INDEPENDENCE OF INEDS

# DISCLOSURE OF ALL LISTED COMPANY DIRECTORS' TENURE

- Amended MDR B(a):
  - Must disclose the length of tenure and current period of appointment of all directors by name in the corporate governance report





## BOARD & WORKFORCE DIVERSITY PROPOSALS

# AT LEAST ONE DIRECTOR OF A DIFFERENT GENDER ON THE NOMINATION COMMITTEE

- Current Requirements:
  - Listed companies must have a board diversity policy
  - At least one female director must have been appointed by 31 December 2024
- **New CP B.3.5:**
  - At least one director of a different gender must be appointed to the nomination committee
- Rationale:
  - To improve board diversity and broaden exposure to potential director candidates
- Current Statistics (December 2023):
  - 17% of Hong Kong-listed company directors are women
  - 19% of Hong Kong-listed companies have all-male boards





## BOARD & WORKFORCE DIVERSITY PROPOSALS

### WORKFORCE DIVERSITY POLICY

- [MB Rule 13.92\(1\)](#) / [GEM Rule 17.104\(1\)](#) / [MDR J\(b\)](#)
  - Listed companies must maintain and disclose a workforce diversity policy
    - To promote inclusion and diversity across the entire workforce
- Disclosure Requirements:
  - Full policy or summary in the corporate governance report, including:
    - i. Any plans or measurable objectives (e.g., numerical targets, timelines);
    - ii. Progress on achieving objectives; and
    - iii. Mitigating factors (if applicable)
- Note: Setting measurable objectives is not compulsory
  - May be challenging for some companies due to size and industry





## BOARD & WORKFORCE DIVERSITY PROPOSALS

# ANNUAL REVIEW OF LISTED COMPANY BOARD DIVERSITY POLICY

- **MDR J(a):**
  - Must review their board diversity policy annually and disclose results
- Disclosure Requirements:
  - a. Measurable objectives to promote gender diversity (e.g., numerical targets, timelines);
  - b. Measures to develop a pipeline of potential successors;
  - c. Review results, including:
    - Progress in achieving the objectives
    - How the conclusion is reached
- Note: Annual reviews will still be required even if the listed company has already achieved its current board diversity objectives
- Rationale: to ensure adherence to and meeting of diversity goals







## BOARD & WORKFORCE DIVERSITY PROPOSALS

# SEPARATE DISCLOSURE OF SENIOR MANAGEMENT AND WORKFORCE GENDER RATIOS

- **MDR J(c):**
  - Separate disclosure of gender ratios of senior management + workforce (excluding senior management)
- To provide investors clearer insights into the effectiveness of diversity strategies





## BOARD & WORKFORCE DIVERSITY PROPOSALS

# **CODIFICATION OF ARRANGEMENTS DURING TEMPORARY DEVIATIONS**

- [MB Rule 13.92\(2\)/ GEM Rule 17.104\(2\)](#):
  - Codifies existing guidance on temporary deviations from gender diversity requirements
- When unable to have at least 1 director of a different gender:
  - Immediate announcement explaining the breach;
  - Reasonable endeavours to re-comply as soon as possible;
  - Must re-comply within 3 months



## RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

### EMPHASIS ON BOARD RESPONSIBILITY FOR RISK MANAGEMENT & INTERNAL CONTROL SYSTEMS AND MANDATORY ANNUAL REVIEW

- **New MDR H:**
  - Annual Review: Listed companies must conduct at least an annual review of risk management and internal control (RMIC) systems
- **Amendments to Principle D2 and CP D.2.1:**
  - Board Responsibility for RMIC
  - Require annual reviews (at least) to be conducted
- **Rationale:**
  - To ensure timely identification and remediation of risks
  - To provide shareholders with greater insight into RMIC





## RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

### EMPHASIS ON BOARD RESPONSIBILITY FOR RISK MANAGEMENT & INTERNAL CONTROL SYSTEMS AND MANDATORY ANNUAL REVIEW (CONT'D)

- **MDR H:** Key Disclosures in Corporate Governance Reports:
  - a. Board Statement → Board's responsibility for RMIC + confirm that the RMIC systems are appropriate and effective;
  - b. RMIC system features → Processes for identifying, evaluating, and managing risks;
  - c. Significant changes in the assessment;
  - d. Presence or absence of an internal audit function;
  - e. Responsibilities of internal departments and external providers;
  - f. Frequency and methodology of reviews;
  - g. Confirmations from management, committees, auditors, and external providers on the board's conclusion;
  - h. Review scope; and
  - i. Control failings, weaknesses, and remedial actions
- **Amended CP D.2.1:**
  - Should cover all material controls of listed companies and their subsidiaries including financial, operational and compliance controls
  - Must ensure adequate resources are allocated to the review



## DIVIDEND-RELATED PROPOSALS

### DISCLOSURE OF DIVIDEND POLICY AND BOARD DIVIDEND DECISIONS

- **New MDR M:**
  - If a listed company has a dividend policy, it must disclose:
    - The policy or a summary of it;
    - Aim or objective of the policy;
    - Board's key considerations for dividend decisions; and
    - Confirmation of adherence to the policy or explanation of any deviations
  - If no dividend policy:
    - Disclose reasons for not having one
- If the board has declared a dividend:
  - Must explain material variations in dividend rate compared to the previous period
- If no dividend is declared:
  - Disclose reasons and any alternative measures to enhance investor returns







## DIVIDEND-RELATED PROPOSALS

### **DISCLOSURE OF DIVIDEND POLICY AND BOARD DIVIDEND DECISIONS (CONT'D)**

- Rationale:
  - To help investors make informed investment decisions about listed companies
- Tokyo and South Korean stock exchanges:
  - Taken steps to encourage listed companies' management to increase shareholder value
  - Encourages focusing on cost of capital and profitability



## OTHER MINOR LISTING RULE CHANGES

# NEW REQUIREMENT TO SET A RECORD DATE

- MB Rule 13.66(1) / GEM Rule 17.78(1):
  - Codifies guidance on setting record dates for shareholder eligibility for attending meetings and entitlements
  - Need to announce record date and any change to announced record date
- Announcement Requirements:
  - Rights Issues: Announce record date at least 6 business days in advance
    - If books will be closed → book closure & record date must be announced at least 6 business days before book closure
  - Other Cases: Announce record date at least 10 business days in advance
    - If books will be closed → book closure & record date must be announced at least 10 business days before book closure
- Encourages setting record dates close to general meetings or entitlement payment dates





## Other Minor Listing Rule Changes

# MODIFIED AUDITORS' OPINIONS DISCLOSURE REQUIREMENTS

- Current Rules:
  - Must provide detailed information if financial statements do not give a true and fair view of company's affairs
  - No specific disclosure requirements for modified auditors' opinions
- [Amended MB Rule Appendix D2, Para 3.1/ Note to GEM Rule 18.47:](#)
  - Information to be disclosed in annual reports if the listed company receives a modified auditors' opinion:
    - i. Details of modifications and impact on financial position;
    - ii. Management's position and basis for major judgmental areas;
    - iii. Difference in the views of the management and the auditors
    - iv. Audit Committee's view;
    - v. Proposed plans to address modifications
- Aims to provide critical information to shareholders
  - "Major judgmental areas" → e.g. management disagreed with the auditor's request for information or audit evidence





## OTHER MINOR LISTING RULE CHANGES

# **PROVISION OF MONTHLY FINANCIAL INFORMATION TO THE LISTED COMPANY BOARD**

- [Amended CP D.1.2:](#)
  - Management should provide directors with monthly management accounts and updates (if available) on:
    - finances, operating performance, future prospects
- Directors have the right to and should request this information if not provided by management



## OTHER MINOR LISTING RULE CHANGES

# ALIGNMENT OF LISTED COMPANIES' NOMINATION, AUDIT AND REMUNERATION COMMITTEE REQUIREMENTS

1

Written terms of reference requirement for nomination committee

- New MB Rule 3.27B / GEM Rule 5.36B:
  - Nomination committee must have written terms of reference setting out its authority and duties

2

Arrangements on temporary deviation from mandatory committee requirements

- New MB Rule 3.27C/ GEM Rule 5.36C:
  - If the Company is unable to meet requirements to set up a nomination committee or meet the composition requirements or have written terms of reference
  - Must publish an announcement and re-comply within 3 months
- Weighted voting rights → MB Rule 8A.28A

3

Changes to the provisions on audit and remuneration committees

- To align the requirements in the case of a temporary deviation from the requirements for these committees





## OTHER COMMENTS RECEIVED AND OTHER CONSEQUENTIAL AMENDMENTS

- Other comments from respondents→ may be considered in the future:
  - Increase minimum INEDs from one-third to a majority of the board;
  - Require nomination committee to be chaired by an INED (aligning with audit and remuneration committees);
  - Conduct a market survey on INED remuneration and set requirements in the Listing Rules to ensure appropriate compensation