

Dear Sirs

We appreciate the opportunity to comment on ISS's 2013 draft voting policies, and set out below are some of our views on the following proposals:

1. Director Over-boarding (Hong Kong & Singapore)

[Proposal: To set a limit of six boards for directors at Hong Kong and Singapore companies, and recommend votes AGAINST directors who sit on more than six public company boards.]

Our response: In December 2010, Hong Kong Exchanges and Clearing Limited (HKEx) published a consultation paper (with relevant links as set out below) to seek market views on proposed changes to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules) with a view to promoting higher corporate governance standards among Hong Kong listed companies. In the consultation, one of addressed issues (consultation question 11) is "Do you consider that there should be a limit on the number of INED [Independent Non-executive Directors] positions an individual may hold?" HKEx received an overwhelming majority of respondents opposing a cap on the number of INED positions an individual may hold, and the reasons given are summarised on page 22 of the Consultation Conclusions. We therefore encourage ISS to consider and incorporate the views of these respondents when formulating this proposal.

Information about the consultation are set out below:

- [Consultation Paper on Review of the Code on Corporate Governance Practices and Associated Listing Rules](#)
- [Responses to the Consultation Paper](#)
- [Consultation Conclusions on Reivew of the Corporate Governance Code and Associated Listing Rules](#)

As an listed issuer, we believe that the appointment of non-executive directors would help contribute independent challenge and rigour to the board's deliberations. We also consider that the requirements in the Listing Rules (including the following as set out in the [Corporate Governance Code and Corporate Governance Report](#) (Appendix 14 to the Listing Rules)) have placed sufficient emphasis on the contribution and attention required from directors to perform their duties and responsibilities:

- regularly review of the contribution required from directors (Principle A.1)
- directors are required to give sufficient time and attention to issuers' affairs (Code provision A.6.3)
- disclosure of offices held by directors in other organisations (Code provision A.6.6)
- regular board evaluation (Recommended Best Practice B.1.9)
- disclosure of directors' attendance (Paragraph I(c))

2. Board Tenure Exceeding Nine Years (Hong Kong & Singapore)

[Proposal: To classify an "independent non-executive director" as non-independent if such director serves on the board for more than nine years, where the board either fails to provide any reason for considering the director to still be independent, or where the stated reasons raise concerns among investors as to the director's true level of independence.]

Our response: We support that the board should provide reason(s) for considering a director serving for more than 9 years to be independent, which is in line with the Listing Rules (ie, Code Provision A.4.3 of Appendix 14).

What does your organization consider to be an acceptable reason(s) or strong rationale for viewing a director as independent despite long tenure?

Our response: We follow the requirements under the Listing Rules (including fulfilling criteria for independence as set out in Rule 3.13, assessment and confirmation of independence by the Nomination Committee) for determining a director's independence. In addition, we consider a director independent if he continues giving objective views and independent guidance and demonstrating the required character and integrity to fulfill the role of an independent non-executive director.

3. Board Nominee Disclosure (Global)

[Proposal: To recommend AGAINST the election of directors at all companies if nominee names are not disclosed in a timely manner prior to the meeting.]

Our response: We follow the requirement under the Listing Rules (Rule 13.70) that issuers are required to give shareholders at least 10 business days for considering the nominees' information.

Yours faithfully
Joseph Mau
Company Secretary
Hong Kong Exchanges and Clearing Limited