

Effective Board Leadership Companies Registry Corporate Governance Roundtable - 13 March 2017

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Attribute 1: Hard Working

- Value proposition
- Not ceremonial
- Active interest in the company's affairs (LR3.08)

Attribute 2: Engaging

- Engaging with business
- Key drivers of business
- Set the strategy
- Thorough engagement with management

Attribute 3: Diversity

- Add value
- Slow decision, more correct
- Prevent group thinking
- Strategy and regulatory expertise
- For example, a Chinese company that invested in the US

Attribute 4: Shareholder Concerns

- Interests of our shareholders
- Maximizing value for shareholders
- Management to support

Attribute 5: Think Long Term

- Think in longer term horizon
- ESG related issues
- Allocation of resources
- Prioritise strategic objectives and goals

Challenges to Board Effectiveness



- Activism
- Shareholder communications
- HKICS research in September 2016 suggests:
 - investor relations strategy
 - shareholders' base
 - develop communications
 - engagement policies

Challenges (cont'd)



- Lack of consideration of risk mitigations at board level
- HKICS/KPMG joint report in October 2015 suggests:
 - risk management should be a boardroom agenda, amongst other suggestions
- Enterprise risk management
 - technology risks

Overall



- Long term topic
- Role of Nomination Committee
- Board evaluation
- Company Secretaries' contributions
 - General governance
 - Shareholder communications
 - Risk management
 - Internal/external roles



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Thank you