

SpencerStuart



2018 Hong Kong  
Spencer Stuart  
Board Index

## ABOUT SPENCER STUART BOARD SERVICES

---

At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning 57 offices, 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment and many other facets of organizational effectiveness.

For more than 30 years, our Board Practice has helped boards around the world identify and recruit independent directors and provided advice to board chairs, CEOs and nominating committees on important governance issues. We serve a range of organizations across geographies and scale, from leading multinationals to smaller organizations. In the past year alone, we conducted more than 600 director searches worldwide, and more than one-third of those assignments were for companies with revenues under \$1 billion.

Our global team of board experts works together to ensure that our clients have unrivaled access to the best existing and potential director talent, and regularly assists boards in increasing the diversity of their composition. Globally we have helped place women in more than 2,000 director roles and recruited more than 600 diversity executives around the world.

For more information about Spencer Stuart and our Board Services, please visit [www.spencerstuart.com](http://www.spencerstuart.com) or [www.spencerstuart.cn](http://www.spencerstuart.cn).

### Social Media @ Spencer Stuart

Stay up to date on the trends and topics that are relevant to your business and career.

     @Spencer Stuart

© 2019 Spencer Stuart. All rights reserved.

For information about copying, distributing and displaying this work, contact: [permissions@spencerstuart.com](mailto:permissions@spencerstuart.com).

# Contents

<b>1</b>	<b>Foreword</b>
<b>2</b>	<b>Highlights</b>
<b>7</b>	<b>Methodology</b>
<b>10</b>	<b>Board Composition</b>
<b>15</b>	<b>Board Diversity</b>
<b>22</b>	<b>Board Meetings</b>
<b>24</b>	<b>Board Committees</b>
<b>25</b>	<b>Board Remuneration</b>
<b>26</b>	<b>Board Evaluation</b>
<b>31</b>	<b>Data Tables</b>
32	International Comparison
36	Board Directors, Diversity and Age
40	Board Tenure, Meetings and Remuneration



# Foreword

The Spencer Stuart 2018 *Hong Kong Spencer Stuart Board Index* is a comprehensive study of the governance practices of the constituent companies in the Hang Seng Composite LargeCap Index (HSLI). The board index provides a snapshot of key governance practices, including board structure and composition, diversity, committees, meetings, remuneration and evaluation, for HSLI companies.

This is the third edition of the *Hong Kong Spencer Stuart Board Index*. This year, the index studies the 105 HSLI companies, and includes comparisons between the HSLI companies which have market capitalization ranging from US\$3-370 billion and the 51 largest Hang Seng Index (HSI) companies which have market capitalization ranging from US\$7-370 billion.

Hong Kong aspires to be a leading financial center providing a robust platform for companies to grow and develop on the global stage. 61% of the HSLI companies are PRC companies. Along with the leading Hong Kong-headquartered companies, many of these companies have been very acquisitive overseas, and this trend is likely to continue. At the same time, HKEX (the Hong Kong Exchanges & Clearing) is ramping up a sustained effort to raise the international profile of this market. As such, we have included an international comparison table summarizing findings of the 19 countries where Spencer Stuart publishes board indexes.

This edition also includes an interview with Laura Cha, the first chairwoman of HKEX, on her strategic vision for HKEX, and the role of corporate governance in the continued development of Hong Kong's financial market.

# Highlights of the 2018 Hong Kong Spencer Stuart Board Index

## **SHRINKING BOARD SIZE**

The average board size for HSLI companies is 11.7, a decrease from 12.6 in 2015, consistent with a global trend towards smaller boards. There has been a marked reduction in the proportion of Hong Kong boards with 12 and more members, from 57% in 2015 to 48% in 2018. The proportion with eight or fewer members has increased from 10 % to 17%.

The average board size for HSI companies (the top 51 companies in the HSLI, or the Hang Seng Index companies) is 12.4, a slight decrease from 12.9 in 2015. There is a reduction in the proportion of Hong Kong boards with 12 or more members from 54% in 2015 to 51% in 2018. The proportion with eight or fewer members increased from 10% to 18%.

## **FEWER BOARDS SPLITTING THE CEO ROLES**

71.4% of the HSLI companies have separated the chair and CEO roles, a decrease from 76% in 2015, with three more companies combining the roles and four more companies separating the roles. 5% of chairs are independent.

There also has been a decrease in the number of HSI boards that separate the chair and CEO roles, from 76% in 2015 to 69% in 2018, with two more companies combining the roles and two separating the roles since our last study. 10% of HSI company chairs are independent.

## **MORE INDEPENDENT NON-EXECUTIVE DIRECTORS (INEDs)**

In 2018, 98% of HSLI boards have met the one-third INEDs requirement stipulated by HKEX in December 2013. There has been a slight increase in the percentage of INEDs, from 41% to 42% in that time frame.

The proportion of INEDs on HSI boards also increased, from 44% in 2015 to 46% in 2018.

When comparing with other countries, however, Hong Kong-listed companies still lag behind in terms of the proportion of INEDs, with 57.3% in Singapore, 61.3% in the UK and 85% in the U.S.

## **SLOW PROGRESS ON GENDER DIVERSITY**

Progress in increasing gender diversity on HSLI company boards has been frustratingly slow. The percentage of female directors inched up from 11% in 2015 to 11.9% in 2018. Progress was slightly better among the larger companies of the HSI, with the percentage of women directors increasing from 11% to 12.9% over the same period.

The percentage of women among newly appointed directors — those appointed in the previous 12 months — is slightly higher, at 17.6%. Of first-time directors, 23.2% are women.

In July 2018, HKEX published a Corporate Governance Code consultation conclusion to implement new measures for promoting gender diversity. HKEX has upgraded from a Code Provision to a Rule that requires listed companies, by 1 January 2019, to have a diversity policy and disclose the policy or a summary of the policy in the company's corporate governance reports. Hopefully, this will continue to encourage HSLI companies to pay more attention to gender diversity in Hong Kong.

## **RISING INDEPENDENT NON-EXECUTIVE DIRECTOR FEES, THOUGH STILL BELOW INTERNATIONAL NORMS**

The average total INED fees (excluding INED chairs, including both cash and equity) for HSLI board members are US\$85,000, a marked increase from US\$59,000 in 2015. Fees average US\$96,000 for HSI company board members in 2018, also a significant increase from US\$65,000 in 2015. The average total INED fees in the UK and in the U.S. are, respectively, 1.4 and 3.5 times that of the Hong Kong average. Similar to 2015, the average fees for INEDs on the boards of companies with diversified ownership are two to three times that of family-controlled companies and Chinese state-owned enterprises.

## **NOT ENOUGH FOCUS ON NOMINATION COMMITTEE**

Among the HSLI companies, six do not have nomination committees, five of which are family-controlled businesses.

Nomination committees of HSLI boards only meet 1.7 times a year on average, half as often as those in the U.S. and the UK. The nomination committee can perform a crucial role in board succession planning and renewal, therefore directly impacting the composition of the board. There still seems to be a lack of interest in adopting more structured approaches to conducting these processes in line with the evolving needs of the board and the strategy of the company.

## **BOARD EVALUATION — A MAJOR LAGGARD**

HKEX recommends that boards conduct a regular evaluation of their performance. Only 27% of HSLI companies reported performing a board evaluation, the majority of these are HSI companies. Only 8% have reported engaging an external facilitator, which is recommended every three years.

According to the Supervisory Policy Manual of Hong Kong Monetary Authority (HKMA), the board of financial institutions should undertake regular assessments (at least annually) of the effectiveness of the board as a whole and of its main committees. However, only 48% of the financial institutions have conducted an evaluation in 2018.

In comparison, more than 90% of the large listed companies in Singapore, the U.S. and the UK conduct board evaluations.

# Pioneering a New Era in Corporate Governance

## A Conversation with Ms. Laura Cha, Chairwoman of Hong Kong Exchange & Clearing (HKEX)

### INTRODUCTION

A well-known pioneer in international finance, Laura Cha was appointed in 2018 as the first woman to chair HKEX in the organization's 128-year history. During her illustrious career, Ms. Cha was also the first Hong Kong citizen and non-mainlander to take on a vice-ministerial position at the China Securities Regulatory Commission (CSRC). We spoke with Ms. Cha about her vision for HKEX and how her experiences as a board director on major international boards have shaped her views and aspirations for corporate governance, diversity and board effectiveness on corporate boards in Hong Kong.

### What is your vision for HKEX?

Hong Kong has come a long way and is now one of the world's leading international financial centers. However, compared with the exchanges in New York and London, HKEX still lags behind in international profile, in our reach and our product mix. HKEX is seen by some top issuers as being more about China, rather than being truly international like New York and London. Undoubtedly, China has successfully leveraged Hong Kong capital markets to foster reform of State-Owned Enterprises, which in turn has helped fuel HKEX's fast growth in the last two decades. My vision is to supplement this China-backed growth with greater international success and make it well-known to international investors that we are servicing more than just Chinese and Hong Kong companies.

We have had some success already in this regard in recent years. Building on the success of the Connect programs, we will continue with our efforts to raise the profile of HKEX as an international exchange — this is high on my priority list. I am meeting international investors and participating in investor relations programs. In January this year (2019), as part of our effort to raise our international profile, Charles Li, our CEO, and I participated in the Hong Kong delegation (led by the Chief Executive of HKSAR, Carrie Lam) representing HKEX at the World Economic Forum in Davos, Switzerland for the first time. We have also launched new initiatives such as attracting global biotech companies from Silicon Valley to Israel to China, to list in Hong Kong.

Closer to home, there are other areas in which I would like to see HKEX evolve. As a board, we need to better understand and manage how technology will impact our business and our markets. We have started an internal process to make better use of new financial technology, including block chain and AI and information architecture. We have also been reviewing our listing vetting process, which has largely stayed the same in the last 20 years.



## **How does corporate governance play a role in that vision?**

Since my days at the Securities and Futures Commission (SFC) and the CSRC, corporate governance in Hong Kong has evolved and progressed, but I still think we have a lot more room for improvement. And, I am committed to ensuring that HKEX leads by example in adopting best practices for corporate governance and board effectiveness and in encouraging progress in this area.. This includes improving board composition, increasing diversity (gender, experience and background), enhancing the oversight function of board committees, and improving board dynamics.

At HKEX, half of the directors are appointed by the government and half are elected by shareholders. We are making the selection of future board members more systematic and transparent, by adding Governance to the Nomination Committee. To improve our international profile and reach, as well as to get insights from the best minds, we have also formed an International Advisory Council that meets twice a year with the board to offer insight and international counsel.

We also want to continue to lead by example in Environmental, Social and Governance (ESG) practices. Although the HKEX ESG report has previously got high praise, I would like to see us doing even more on this, including thinking about how we encourage more green, sustainable finance products on our markets. We are also working on coordinating across business, communications, finance and human resources on themes that uniformly promote the HKEX brand. We are doubling our efforts in supporting programmes that promote financial literacy in our communities by providing vulnerable groups and young people with the essential skills in how to manage their personal finances.

## **Since January 2019, HKEX listed companies have been required to outline their diversity policy. But gender diversity is moving slowly on Hong Kong company boards. How are you leading by example there?**

Gender diversity is indeed moving slowly on Hong Kong company boards (at the time of this interview, gender diversity has only increased by 0.1% in the last 12 months according to Community Business). While we do not believe in quotas, we are driving initiatives to inspire companies to act. We are initiating and participating in more public forums where we showcase our women directors and we are vocally promoting the value that women bring to the board. There are a few of us women directors who get mentioned a lot, but there are lots of others who are skilled directors, and I want to promote them and make them known. An issue is that people look for known names, and that defeats the purpose. Those who are known get more requests than they can handle. Those who are not as well-known need to have more opportunities created for them.

We also want to be part of a collective effort to go out to encourage and mentor women executives so that they can be directors. I want to see women directors take on mentoring roles. Mentorship depends on chemistry and the time you have available to devote to it. One mentee is ideal, two are manageable, but beyond that may be too many. Mentorship comes in all sizes and shapes, it can be across companies, even across countries. We can also encourage women executives to sit on subsidiary boards.

Gender diversity and board diversity more generally is a topic that we have to talk about again and again, pound it into people's heads, but not in an offensive way that might turn people off. We will be taking some actions in the second half of this year. We hope to inspire companies to act.

**Going by corporate governance best practices, a board’s nomination committee plays a pivotal role in board composition and appointing directors to the board. What are your thoughts on HKEX companies that do not have nomination committees? What is your view on tenure?**

Family-controlled companies can be more reluctant to have nomination committees, and some of them may have the committee in name only. Even with non-family-controlled boards, they tend to look for people they know and can trust. There are reasons for that, but this needs to change. At HKEX, we have added “Governance” to the Nomination Committee to show the linkage and ensure that there is a systematic and transparent process on new director’s selection.

Regarding tenure at HKEX, shareholder-elected directors commonly have a tenure of 12 years. In order to lead by example, we have recently shortened that to nine years. Government-appointed directors are normally appointed for a term of approximately two years with a maximum tenure of six years and are subject to re-election/re-appointment at regular intervals. This way, we would give enough time for any director to learn about the business and contribute, but also opportunity for us to refresh the board from time to time. The staggered structure also allows for regular evaluation of the mix of skills and experience of the board and enables the board to change its composition in an orderly manner over time while maintaining leadership stability and continuity.

**What is your view on board assessment? For example, leading companies on HKEX are significantly behind companies in developed markets, including on the Singapore Exchange, in this practice.**

Again this is another area that we would like to lead by example. HKEX did an internal assessment in 2018, and we will be doing a professionally led assessment in 2019. An assessment gives a board a proper sense of where improvements can be made. We should adopt this routinely if we want to be considered best-in-class. We would encourage companies listed on our market to adopt the same best practice.

**You have a great deal of experience serving on large global boards. What is your advice for the owners, shareholders and chairmen of Hong Kong boards?**

I feel as though the sense of being a public company is sometimes lost. When you take capital from the market, you have certain responsibilities as a listed company. The quality of the market is only as good as the quality of its companies. Raising our governance standards for everyone is essential for the journey ahead, there has been good effort in the past, but there is much more we need to do.

Boards need to recognize that times have changed. Institutional investors are paying more attention and asking more questions around board composition, board diversity, board assessment and succession planning, as well as ESG.

At HKEX, we want to encourage companies to pay greater attention to improving board governance and important areas such as diversity. We need to get the message out that it is not that painful to actively manage a board, to promote diversity and to do board assessments. In fact, there are many benefits. We need to keep working on that. Transparency and accountability start with the chairman of the board.

# Methodology

The 2018 *Hong Kong Spencer Stuart Board Index* is the third edition of our regular report on the governance practices of Hong Kong listed companies. We continue to define the scope of our study to the 105 constituent companies of the Hang Seng Composite LargeCap Index (HSLI) as at the end of March 2018. Since we last published the index in 2015, the number of constituent companies of HSLI has increased from 88 to 105, while that of Hang Seng Index (HSI) increased from 50 to 51 companies. All of the HSI constituent companies are also constituent companies of the HSLI. For context, the market capitalization of HSI companies range from US\$7 billion to US\$370 billion, and HSLI companies range from US\$3 billion to US\$370 billion in market capitalization.

There are 24 new entries and six exits in the HSLI since 2015.

## CHINA-HEADQUARTERED COMPANIES

### Entries

- » Anta Sports Products
- » Beijing Enterprises Water Group
- » China Communications Constructions
- » China Everbright International
- » China Hongqiao Group
- » China Huarong Asset Management
- » China Literature
- » China Resources Beer Holdings
- » China Resources Pharmaceutical Group
- » China Taiping Insurance Holdings
- » CSPC Pharmaceutical Group
- » Dali Foods Group
- » Geely Automobile Holdings
- » Haitong International Securities Group
- » Postal Savings Bank of China
- » Shenzhou International Group Holdings
- » Sino Biopharmaceutical
- » Sunac China Holdings

### Exits

- » China Resources Cement
- » China Resources Enterprise
- » Hanergy Thin Film Power
- » Sihuan Pharmaceutical Holdings

## HONG KONG-HEADQUARTERED COMPANIES

### Entries

- » CK Asset Holdings
- » Fullshare
- » Hang Lung Group
- » Sunny Optical Technology Group
- » Techtronic Industries
- » Wharf Real Estate Investment

### Exits

- » Belle International
- » Li & Fung

CK Holdings and Hutchison Whampoa merged to become CK Hutchison Holdings in 2015. China Merchants Holdings (International) changed its name to China Merchants Port Holdings in 2016.

The purpose of this study is to provide a comprehensive review of the governance practices of the largest companies listed in Hong Kong during a financial year, to compare it with our last study in 2015 and to identify major trends. Information was compiled from publicly available sources, principally annual reports published by the companies, and from BoardEx, a global board intelligence database.

Throughout our analysis, we compare practices in Hong Kong with four other countries — Japan and Singapore within the Asia Pacific region, which have developing governance practices; and the United Kingdom (UK) and the United States (U.S.), which are considered to have more established governance practices. Comparative data are taken from the most recent Spencer Stuart board indexes of each country, which analyze the NIKKEI 225, STI 30, FTSE 150 and S&P 500, respectively.

Following the analyses, we publish detailed tables containing relevant data for each company included in the board index, and an international comparison table comparing aggregated data from 19 countries where Spencer Stuart has published board indexes.

Throughout the index, data in some charts may not total 100% due to rounding.

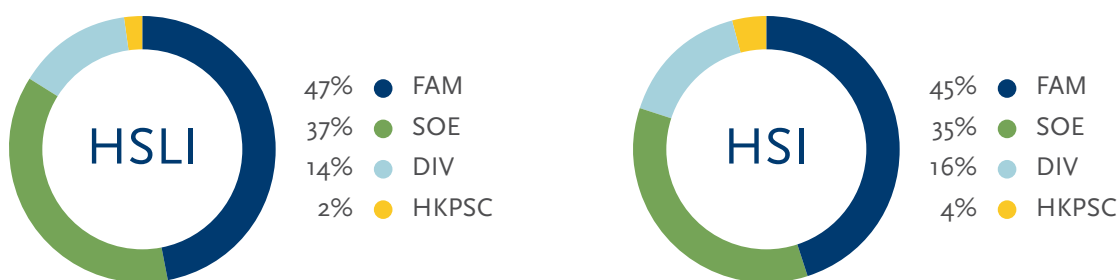
## SHAREHOLDING STRUCTURE

We continue to observe four categories of shareholding structure in the companies studied: Chinese state-owned enterprises (largely controlled by the local, provincial or national governments of China); companies with diversified ownership; Hong Kong public sector companies (largely controlled by the Hong Kong government); and family-controlled companies (founding family with substantial stakes and influence in the company).

- » 47% of the HSLI companies are family-controlled businesses (FAM).
- » Chinese state-owned enterprises (SOEs) make up the second largest category at 37%.
- » Companies with a diversified shareholding structure (DIV), which is the norm for listed western companies, represent 14% of the HSLI companies.
- » Hong Kong public sector companies (HKPSC) account for 2%.

We see a similar distribution among the largest companies in Hong Kong by market capitalization: 45.1 % of the companies in the HSI are family-controlled businesses (FAM). 35.3% are Chinese stated-owned enterprises (SOEs). Companies with diversified shareholding structure (DIV) make up 15.7% of the companies. The rest (4%) are Hong Kong public sector companies (HKPSC).

## Shareholding Structure — Consituent Companies in 2018



This year, we also look at the industries HSLI companies are in. The largest share of the companies are in the financial services industry (26%). There are equal numbers of companies in the consumer and property/infrastructure industries (23%). Industrial companies account for 8% of the HSLI, and 6% are utilities. The remaining are conglomerates (5%) and in the information technology (4%), telecommunications (3%) and healthcare (2%) sectors.

In comparison with our last study in 2015, there are 2% more Chinese companies in HSLI. The number of consumer companies has nearly doubled.

### Distribution of the HSLI and HSI by Industry

	HSLI	HSI
Financial services	26%	28%
Property and infrastructure	23%	29%
Consumer	23%	14%
Industrial	8%	8%
Utilities	6%	6%
Conglomerates	5%	4%
Information technology	4%	8%
Telecommunications	3%	4%
Healthcare	2%	0%

# Board Composition

## BOARD SIZE

The average board size of the HSLI companies is 11.7, while HSI companies average 12.4 members in 2018, a slight decrease from 2015. There are relatively more boards with eight or fewer directors, and fewer boards with 12 or more directors, in line with the international trend toward smaller boards.

CK Hutchison and MTR have the largest boards with 20 members each. Fullshare has the smallest board with six members.

### Board Size

	2018		2015		2013	2010
	HSLI	HSI	HSLI	HSI	HSI	HSI
Average	11.7	12.4	12.6	12.9	12.8	12.8
8 or fewer directors	17%	18%	10%	10%	6%	10%
9 to 11	35%	33%	33%	32%	32%	24%
12 or more	48%	51%	57%	54%	62%	66%

Comparing the average size of both HSI and HSLI boards with the regional and global averages, we note that the Hong Kong average is marginally higher at 12.4 and 11.7 respectively. However, it is noticeable that Hong Kong has a higher percentage of companies with larger boards (boards with 12 or more members).

### THE BROADER VIEW: Board Size

	HK — HSLI	HK — HSI	Japan	Singapore	UK	U.S.
Average	11.7	12.4	10.9	10.3	10.1	10.8
8 or fewer directors	17%	18%	22.2%	20%	22.7%	11%
9 to 11	35%	33%	38.2%	50%	56%	75%*
12 or more	48%	51%	39.6%	30%	21.3%	-

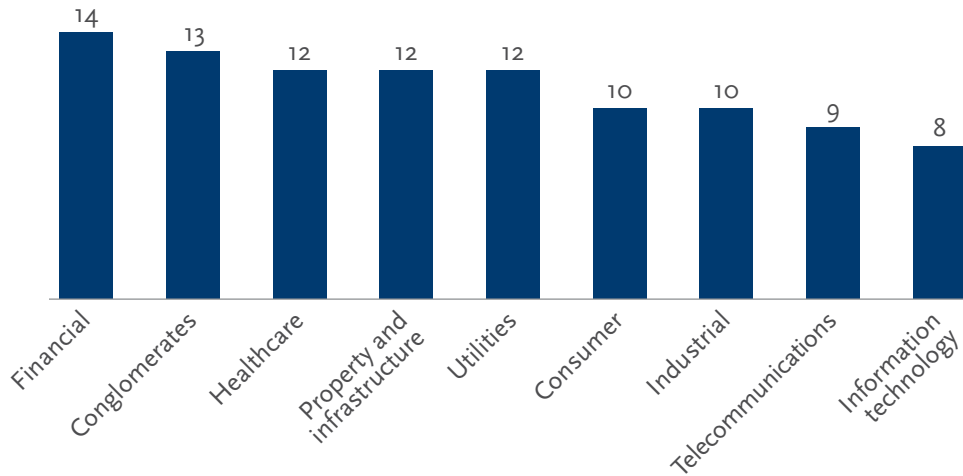
\* Ratio based on 9 to 12 members.

We also look at the board size by industry and shareholding structure. Within the HSLI, HKPSC companies tend to have a larger average board size. This may be due to the fact that some of their directors are government appointed. Financial services companies tend to have the largest board size (averaging 14 members) among all the industries.

## Number of Directors by Shareholding Structure in HSLI

	Average board size	Smallest board size	Largest board size
DIV	12	7	18
FAM	11.5	6	20
HKPSC	16.5	13	20
SOE	11.5	7	17

## Average Number of Board Directors by Industry — HSLI 2018

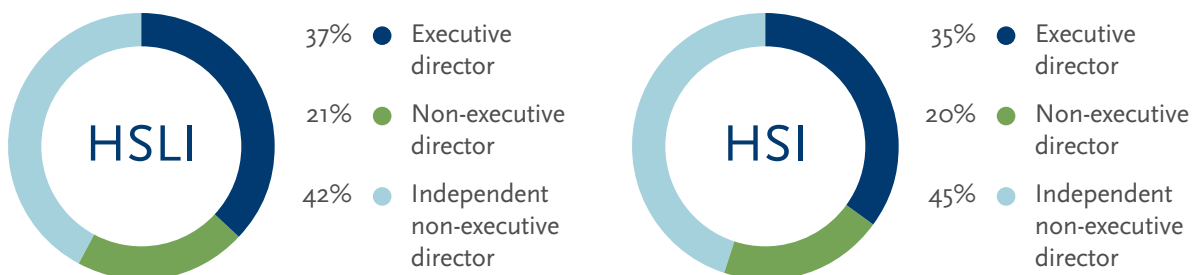


## BOARD STRUCTURE

Unlike in some jurisdictions where non-executive directors are all independent, Hong Kong companies have two categories of non-executive directors — independent non-executive directors (INEDs) and non-independent non-executive directors (NEDs). The NEDs tend to be executives from a sister company within the group, representatives of one of the major shareholders or executives who have recently retired from the company. It can be argued that companies can benefit from having the insights into possible synergies with other group companies and from the experience of recently retired company executives. It does seem, though, that the INEDs do have to carry the burden of mitigating conflicts between shareholder groups and counterbalancing the influence of the major shareholders for the benefit of the minority shareholders.

In 2018, the composition of directors on the boards of HSLI companies (including chairs) is as follows: 37% executive directors (EDs), 21% NEDs and 42% INEDs.

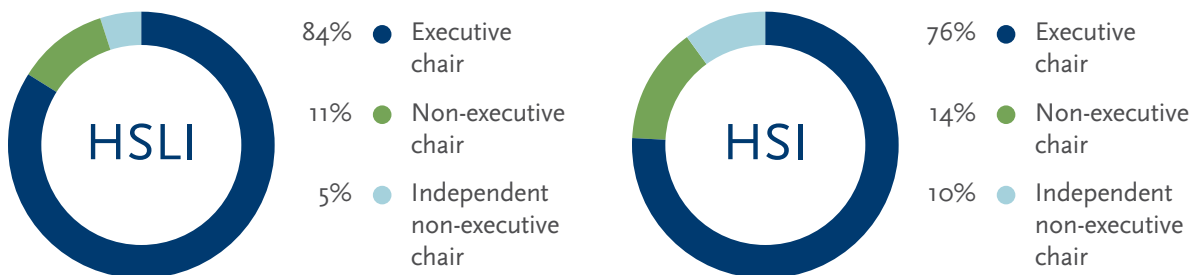
Board Composition Distribution (Including Chairs) in 2018



CHAIRMEN

84% of HSLI boards have an executive chair, 11% have a non-executive chair and 5% have an independent non-executive chair.

Chairs



71.4% of the HSLI companies have separated the chair and CEO roles, a decrease from 76% in our 2015 study. Four of the companies from our last study have since separated the two roles — Shangri-La Asia, Tingyi Cayman Islands Holdings Corporation, Haier and China Resources Power. Meanwhile, The Wharf Holdings, Kerry Properties and China Resources Land have since combined these roles since our last study.

THE BROADER VIEW: Separated Chair and CEO

	HK — HSLI	HK — HSI	Japan	Singapore	UK	U.S.
Percentage	71.4%	68.6%	-	87%	99.3%	50.1%



## INDEPENDENT NON-EXECUTIVE DIRECTORS

According to the independence requirement set out in the Main Board Listing Rule of HKEX, which took effect on 31 December 2012, INEDs should represent at least one-third of board members.

INEDs, including chairs, account for 42% of all HSLI board directors. HSLI boards have five INEDs and three NEDs on average.

Amongst the HSI boards, INEDs make up 46% of all directors, the highest level since 2010.

### Percentage of INED

	2018		2015		2013	2010
	HSLI	HSI	HSLI	HSI	HSI	HSI
Average	42%	46%	41%	44%	42%	39%
Fewer than 33%	2%	0%	2%	2%	4%	24%
33% to 49%	77%	71%	80%	72%	72%	52%
50% to 65%	15%	18%	11%	14%	18%	22%
66% or more	6%	12%	7%	12%	6%	2%

There is still one company, Cathay Pacific Airways, that has not complied fully with the independent requirement. However, it has been granted a waiver by HKEX.

Comparing regionally and globally, we note that Hong Kong companies generally have a lower percentage of independent directors.

### THE BROADER VIEW: Percentage of Independent Directors

	HK — HSLI	HK — HSI	Japan	Singapore	UK	U.S.
Percentage	42%	45.7%	31.1%	57.3%	61.3%	85%

Starting from January 2019, HKEX will require boards to explain how proposed INEDs who hold seven or more directorships would be able to devote sufficient time to the board. In 2017, 8.7% of HSLI INEDs (44) held seven or more public directorships. The highest number of public board directorships held is 19. INEDs of HSLI companies sit on three public boards on average.

## DIRECTOR TENURE

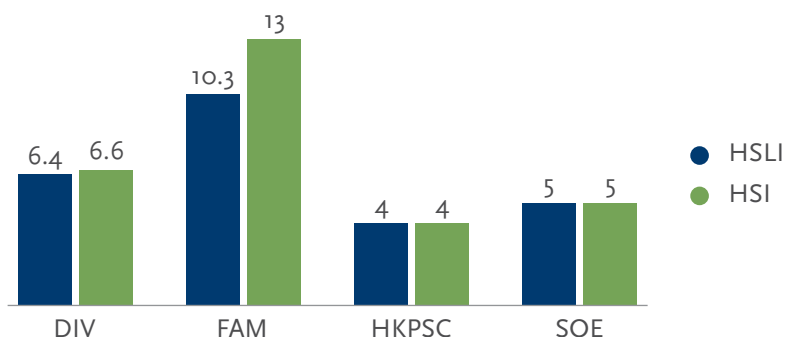
The average tenure for board directors is 7.7 years for HSLI boards and 8.8 years for HSI boards. The Hong Kong and China Gas board has the highest average director tenure of 27.6 years. The Honorable Sir Michael Kadoorie at CLP Power Hong Kong has the longest tenure, 50.9 years.

INEDs have an average tenure of 7.7 years for HSLI boards and 8.3 years for HSI boards.

The average tenure of chief executives is 9.6 years. 35 CEOs have been in their roles for more than 10 years and four for more than 30 years.

Across the four categories of shareholding structures, the average tenure of directors of family-controlled businesses stands at 10 years for HSLI boards and 13 years for HSI boards, which is approximately twice the average of the other three categories.

Average Tenure for Board Directors by Shareholding Structure



To enhance the board renewal process and preserve independent judgment, Link REIT has a self-imposed maximum nine-year tenure limit for INEDs, which includes the independent non-executive chair. Hong Kong Exchanges and Clearing and Lenovo Group have set maximum tenure for elected INEDs at nine years<sup>1</sup> and 12 years, respectively.

<sup>1</sup>Hong Kong Exchanges and Clearing has changed the term from 12 years to 9 years at the end of 2018.

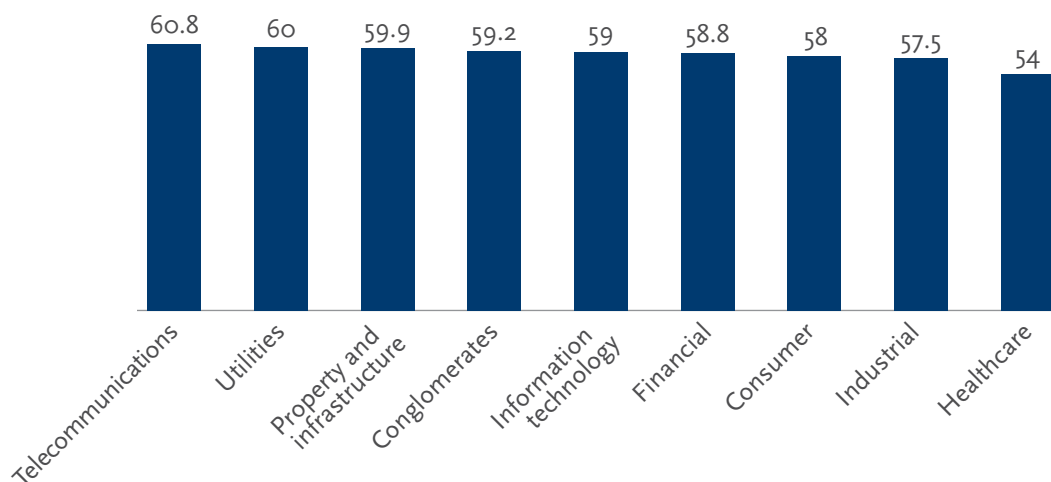
# Board Diversity

## AGE

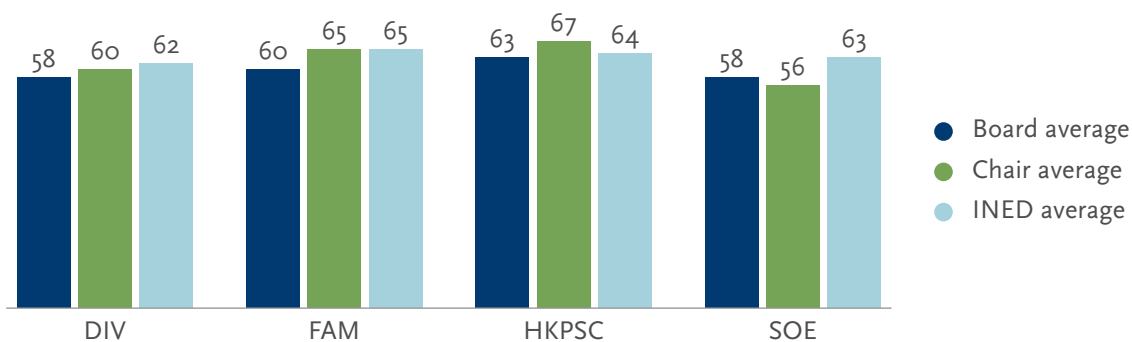
The average ages for HSLI and HSI chairs are 59 years and 61 years, respectively. Overall, the oldest chair is Stanley Ho at SJM Holdings (96) while the youngest is Theresa Tse at Sino Biopharmaceutical (25). The average age of INEDs is 64 years for HSLI boards and 65 years for HSI boards. Overall, the oldest INED is Anthony Yeh (94) at CK Asset and the youngest is Daryl Ng at Bank of East Asia and Lily Cheng at Swire Properties (both 39).

Chairmen of companies in the telecommunications sector are oldest on average, and healthcare sector company chairs are youngest on average. Across the shareholding structures, it is interesting to note that SOE chairs are youngest on average because of the retirement age requirements in China, and SOE INEDs are on average 7 years older than the chair. China Literature is the only company with an average director age under 50 years, compared with three companies in our 2015 index.

Average Age of Board Directors by Industry — HSLI



Average Age of HSLI Boards



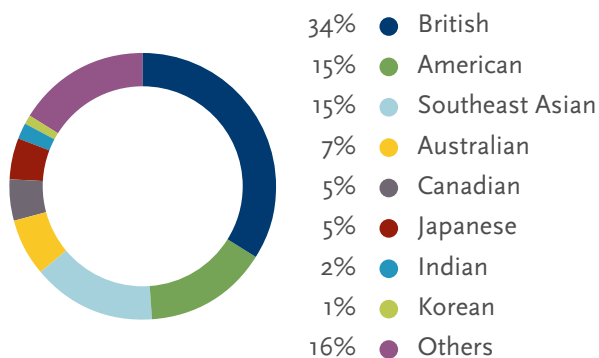
**FOREIGN DIRECTORS**

14% of all HSLI directors and 18.6% of all HSI directors are foreign directors.<sup>2</sup> The number of HSLI companies with at least one foreign national board director has decreased from 56% in 2015 to 45% in 2018, whereas the number of HSI companies with at least one foreign board director slightly increased from 68% in 2015 to 69% in 2018.

Foreign EDs, NEDs and INEDs account for 8.2%, 15.5% and 18.7% of all HSLI company directors, respectively.

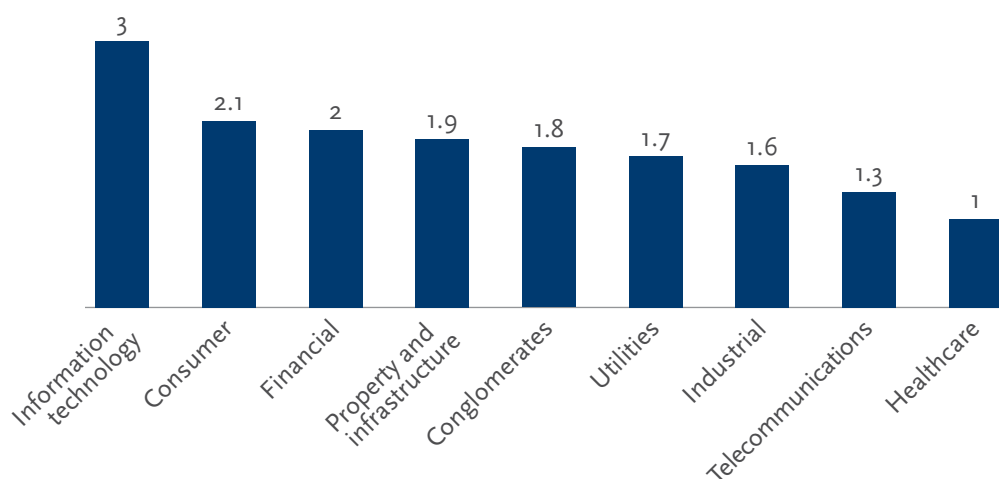
The average number of nationalities on each board is 2.5. The board of AIA has six different nationalities, representing the regional nature of the company. Information technology companies have the highest average number of nationalities of board directors, but none of the healthcare companies have foreign directors on their boards. More than half (55.2%) of HSLI boards have only one nationality (Chinese).

Distribution of Nationalities of Foreign Directors — HSLI



<sup>2</sup>Foreign Directors are defined as ethnic background other than mainland Chinese, Hong Kong Chinese or Taiwanese.

## Average Number of Nationalities of Board Directors by Industry — HSLI



## FEMALE DIRECTORS

Among all directors of HSLI companies, 11.9% are women. 72.4% of companies have at least one female director on the board. 10% of EDs, 11.7% of NEDs and 13.6% of INEDs are women.

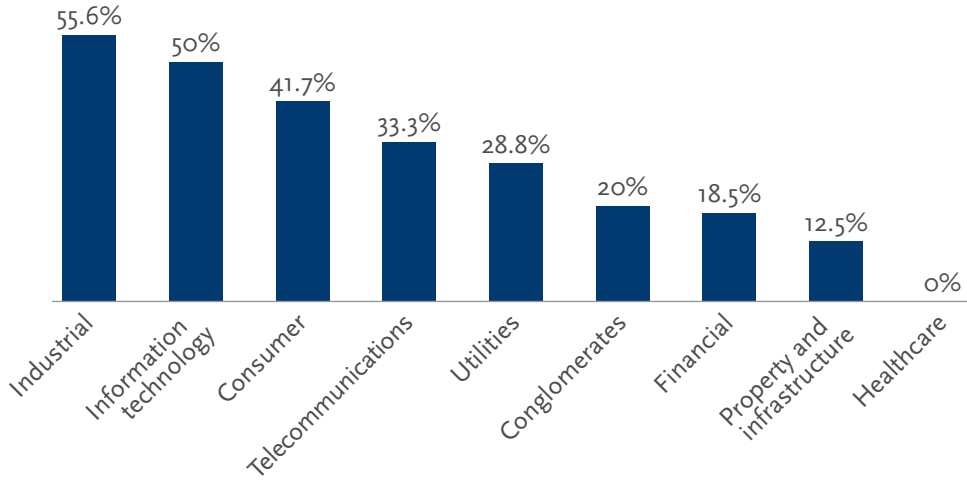
### Female Representation

	2018		2015		2013	2010
	HSLI	HSI	HSLI	HSI	HSI	HSI
Women on HSLI boards	11.9%	12.9%	11%	11%	9.5%	9%
Boards with no female directors	27.6%	21.6%	27.3%	26%	-	-
Boards with two or more female directors	39%	43.1%	36.4%	34%	-	-
Female executive directors	10%	11%	7.5%	7.6%	-	-
Female non-executive directors	11.7%	10.9%	11.1%	9.4%	-	-
Female independent non-executive directors	13.6%	15.1%	14.3%	14.3%	-	-

The representation of women on the top 51 boards in Hong Kong (HSI) has continued to grow at a slow pace and increased only three percentage points over the last five years. Women account for 12.9% of all HSI directors, up from 11% in 2015, 9.5% in 2013 and 9% in 2010. As at November 2018, representation of women for HSI reached 13.8%, registering a one percentage point increase since the March 2018 cut-off date for data collection.

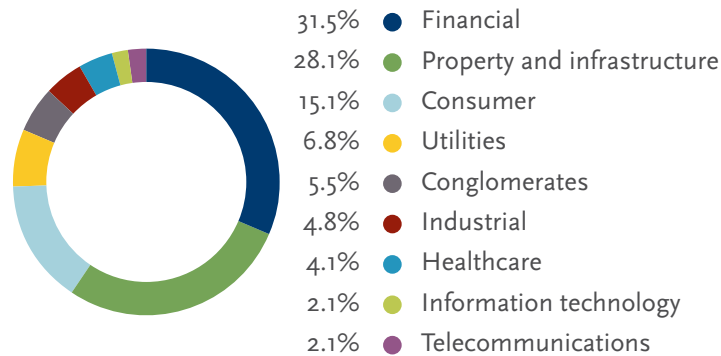
28 HSLI boards, 27.6%, have no female directors, compared to 27.3% in 2015. Looking through the industry lens, it is surprising to see that more than 40% of consumer companies have no women on their boards.

Percentage of Companies with No Female Directors by Industry



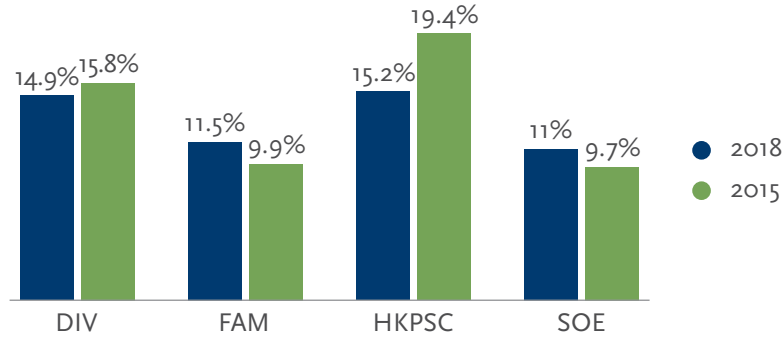
More than one-third of HSLI companies, 39%, up from 36.4% in 2015, have two or more women on the board. With five women on its board, Hang Seng Bank has the highest number of female directors amongst all HSLI boards. With three women on its board, China Shenhua Energy has the highest percentage of female directors (43%).

Distribution of Female Directors by Company Industry



In terms of shareholding structure, FAM, SOE and DIV boards have registered an increase in female directors. Only HKPSC boards saw a reduction of female directors from 19.4% in 2015 to 15.2% in 2018.

### Female Directors by Shareholding Structure — HLSI



Although Hong Kong companies have similar female representation as their counterparts in Singapore, comparing to the companies in the developed markets like UK and U.S., Hong Kong lags far behind in female representation on boards.

### THE BROADER VIEW: Women on Boards

	HK — HSLI	HK — HSI	Japan	Singapore	UK	U.S.
Percentage	11.9%	12.9%	6.5%	12%	27.5%	24%

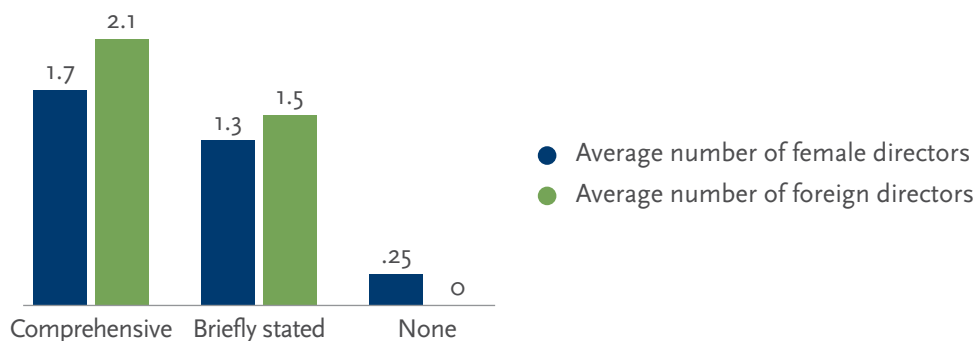
There are five executive chairwomen and two female chief executives. Three of the five chairwomen chair family-owned companies. Data has shown companies led by a female chairperson or CEO have tended to have a greater number of female board directors than companies led by a male chairperson or CEO. Among HSLI boards, the percentages are 18.8% and 11.9%, respectively.

## Companies with Women Chair or CEO

Company	Chair	CEO	Total number of directors excluding chair/CEO	Number of female directors excluding chair/CEO
Sino Biopharmaceutical	Theresa Tse	-	10	3
Shangri La Asia	Hui Kwong Kuok	-	7	0
Longfor Properties	Yajun Wu	-	7	0
China CITIC Bank	Qingping Li	-	9	3
China Resources Power	Junqing Zhou	-	9	2
Hang Seng Bank	-	Louisa Cheang	15	4
Yue Yuen	-	Patty Tsai	12	1

Beginning January 2019, HKEX requires listed companies to establish a diversity policy and to disclose a summary of the policy in the corporate governance report. Based on our study, companies that articulated a comprehensive diversity policy had a higher average number of female directors than those that only mentioned diversity briefly in their corporate governance report, 1.7 versus 1.3.

## Adoption of Diversity Policy Versus Average Number of Female and Foreign Directors



Note:

- **Comprehensive:** Companies adopted a diversity policy and disclosed their diversity progress comprehensively with details of figures and graphs.
- **Briefly stated:** Companies mentioned the diversity policy with brief headlines in the corporate governance report.
- **None:** Companies did not mention having a diversity policy in the corporate governance report.



## NEW BOARD MEMBERS

170 new board appointments were made by HSLI companies in the 12 months prior to March 2018. Among these new board members, 17.6% are women, 12.3% are non-Chinese, and 32.9% are appointed as INEDs. The average age of new board members is 53.8 years old, and 34.5% are younger than 50.

### New Director Independence

New directors	New INEDs	New EDs	New NEDs
170	32.9%	35.3%	31.8%

### New Director Backgrounds

	All new directors	All new INEDs
Total	170	56
% of first-time directors	34.1%	16.1%
% of female directors	17.6%	23.2%
% of foreign directors	12.3%	23.2%

The percentage of female directors among new directors is higher than the overall representation of women, raising hope that the number of female board members will rise, despite the slow progress to date. By comparison, women represent 35.7% and 40%, respectively, of new directors on boards of UK and U.S. companies.

### THE BROADER VIEW: Percentage of New Female Board Directors

	HK — HSLI	HK — HSI	Japan	Singapore	UK	U.S.
Percentage	17.6%	21.6%	-	20%	35.7%	40%

# Board Meetings

## BOARD MEETINGS

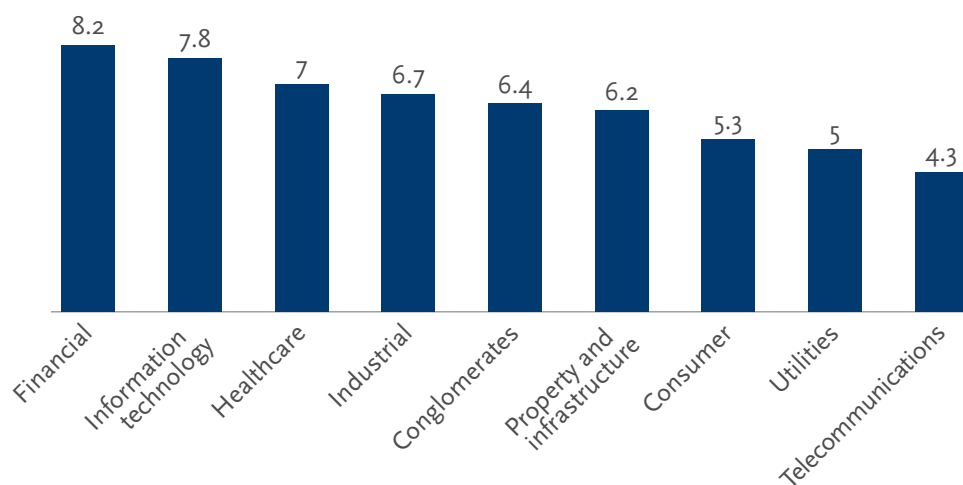
HSLI boards had an average of six meetings per year, compared to seven in 2015. 51% of HSI boards met five or fewer times, compared with 34% of HSI companies. Link REIT board met 25 times throughout the financial year.

### Board Meeting Distribution

	2018		2015	
	HSLI	HSI	HSLI	HSI
Average board meetings	6	6	7	6.5
5 or fewer board meetings	34%	51%	48%	44%
6 to 9 board meetings	39%	35.3%	37%	46%
13 or more board meetings	27%	13.8%	15%	10%

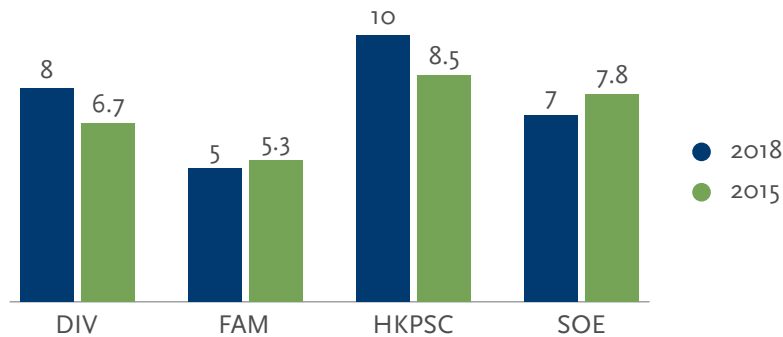
Not surprisingly, financial services sector companies meet the most frequently, followed by information technology and healthcare companies.

### Average Number of Board Meetings by Industry — HSLI



Of the four shareholding structure categories, Hong Kong public sector companies (HKPSC) convened the most, averaging 10 meetings. Family-controlled companies (FAM) met the least, averaging five meetings. Companies with diversified shareholding structure (DIV) met eight times on average, an increase from 6.7 times three years ago.

Average Number of Board Meetings by Shareholding Structure — HSLI



Comparing across the globe, Hong Kong companies' meeting cadence is on par with that of companies in other countries.

**THE BROADER VIEW: Average Number of Board Meetings**

	HK — HSLI	HK — HSI	Japan	Singapore	UK	U.S.
Average	7	6	14.1	5.4	7.3	8

# Board Committees

## BOARD COMMITTEE MEETINGS

Hong Kong boards on average convened four audit committee meetings, two remuneration committee meetings and two nomination committee meetings. The number of remuneration committee meetings is 0.5 fewer than three years ago, and much less than that in companies in the UK and the U.S., where institutional shareholders routinely challenge the pay for the chief executive.

### THE BROADER VIEW: Average Number of Board Committee Meetings

	HK — HSLI	HK — HSI	Japan	Singapore	UK	U.S.
Audit	4.1	4	NA	4.6	5.2	8.4
Remuneration	2	2.2	NA	2.9	5.2	6.2
Nomination	1.7	1.9	NA	2.5	4	4.6

Six companies do not have a nomination committee, five of which are family-controlled businesses: Swire Pacific, CK Asset, CK Hutchison, CK Infrastructure and Power Assets. One of them is a state-owned enterprise, China Petroleum & Chemical Corporation. All of them have explained that it would be in the best interest for the company for all members of the board to collectively review the structure, size and composition of the board, and approve the appointment of any new directors.

Among HSLI companies, there is a wide range in the number of meetings held by the main committees.

### Average Number of Board and Committee Meetings

	DIV	FAM	HKPSC	SOE
Full board	7	5	10	7
Audit committee	4.6	3.3	4	4.7
Remuneration committee	2.9	1.6	3.5	2.1
Nomination committee	2.3	1.3	1.5	1.8

# Board Remuneration

## CHAIRMEN

The average total compensation for the five independent non-executive chairs of HSLI boards is US\$322,000, and individual compensation ranges from US\$104,000 to US\$679,000. The average total fees for non-executive chairs are US\$80,000, with fees ranging from US\$0 to US\$491,000. Almost all non-executive chairs of SOEs do not get paid.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

The total average board compensation for HSLI company INEDs, including committee fees and equity, and excluding independent chairs, is US\$85,000<sup>3</sup>, and US\$96,000.

In Hong Kong, the INEDs of companies with diversified ownership are paid the highest average fees, while compensation is lowest for INEDs of Chinese SOEs. Eleven companies include equity as part of the directors' fee. Tencent is particularly unique in this respect — in 2018, three quarters of the INED fee was in the form of equity.

### Average Total INED Fees by Shareholding Structure (US\$)

	Average INED fees	Lowest total INED fees	Highest total INED fees
DIV	183,000	35,000	558,000
FAM	71,000	7,000	297,000
HKPSC	97,000	59,000	136,000
SOE	46,000	4,000	144,000

### THE BROADER VIEW: Independent Directors Fees (US\$)

	HK — HSLI	HK — HSI	Japan	Singapore	UK	U.S.
Total Average Fee	85,000 <sup>3</sup>	96,000	NA	93,481	119,954	300,332
Average Retainer Fee	76,000 <sup>3</sup>	89,000	NA	NA	88,406	125,096

<sup>3</sup>Data of 103 companies only; WH group has no specific data; China Literature's data was not for full year as it was only listed in the year of our study.

# Board Evaluation

## BOARD EVALUATION

Board evaluation is slowly gaining adoption among HSI companies. 39% of HSI companies reported conducting a board evaluation in 2018, versus 26% in 2013, and 32% in 2015. Four of these companies (8%) also reported engaging an external facilitator to conduct the board evaluation. HKEX, HSBC, Link REIT reported undertaking externally facilitated board evaluation in 2017, our year of study whereas CLP Power conducted one the prior year (Note: Externally facilitated board evaluation is normally conducted on a 3 year cycle). Only 27% of HSLI companies undertook board evaluation in 2018, indicating that the practice is most common among the largest companies.

### Internal Versus External Evaluation

	2018		2017	
	HSLI	HSI	HSLI	HSI
Internal evaluation	23%	31%	16%	24%
External evaluation	4%	8%	5%	8%

### THE BROADER VIEW: Board Evaluation

	HK — HSLI	HK — HSI	Japan	Singapore	UK	U.S.
Boards conducting an evaluation	27 %	39%	NA	90%	98.7%	98%

Around the world, board evaluation has grown to be a critically important exercise for boards to identify opportunities for improvement. Board evaluations typically look at board process, board dynamics, the board agenda, and the board's increasingly important role in helping the leadership team set strategy and conduct succession planning. Boards also need to play a stewardship role for the company. Despite board evaluation being a best practice under the HKEX code, surprisingly few Hong Kong companies have adopted the practice, especially compared to those in other countries, including Singapore.

# Corporate Governance in the U.S.

## Perspectives from the 2018 *U.S. Spencer Stuart Board Index*

New faces are increasingly joining U.S. boardrooms. But the chronic low rate of director turnover is bringing about only gradual shifts in the overall complexion of U.S. boards. And the modest pace of change is likely to persist, yielding a continued incremental evolution of corporate boardrooms.

Faced with a variety of forces — including an increasingly complex business environment with an unprecedented pace of change and disruption; a growing number and variety of business risks; and intensifying investor focus on the composition, diversity and quality of the boardroom — S&P 500 boards are gradually reshaping.

Recognizing the strategic imperative for new perspectives and experience in the boardroom, boards are increasingly adding directors with backgrounds in tech, digital, consumer marketing and other areas of emerging importance. They are casting a wider and deeper net to identify director talent who are available and interested in taking on board roles.

Experience as a CEO or on a public company board is no longer a must-have credential. One-third of the incoming class are serving on their first public company board, and only 35.5% of the new S&P 500 directors are active or retired CEOs and other CEO-level leaders, down significantly from a decade ago.

Financial talent remains a priority. Boards continue to be more focused on recruiting financial experts with experience as CFOs/finance executives or investment professionals, and less interested in accounting and banking backgrounds.

Tech savvy, “digital” directors are also in high demand, and boards are increasingly tapping younger, “next-gen” candidates with these skills.

For the second consecutive year, women and minorities composed half of the incoming class of S&P 500 directors. But progress on the diversity front was mixed. Female directors made real strides, while male minorities saw their advancement in the boardroom slow. Ongoing low turnover in U.S. boardrooms continues to slow down the advancement of women and minorities on boards.

Though the boardroom evolution is modest at an aggregate level, the 2018 *U.S. Spencer Stuart Board Index* finds progress on many fronts.

For more detailed analysis please refer to the 2018 *U.S. Spencer Stuart Board Index*.

# Corporate Governance in the UK

## Perspectives from the *2018 UK Spencer Stuart Board Index*

2017 was a year of consultation and proposals; 2018 has seen the publication of new and updated codes and legislation and the implementation of previously announced initiatives. Inevitably, further consultations are ongoing.

The new codes and regulations have a focus on long-term success, sustainability and stakeholders. Following the collapse of Carillion at the beginning of the year, which brought into even sharper focus the responsibilities and behaviours of directors these new codes and regulations also aim to (re)build trust in companies and the bodies which oversee their regulation. The current UK Corporate Governance Code (the “Code”) emerged out of consultation, but also built on government-backed proposals, including the 2016 paper on corporate culture from the Financial Reporting Council (FRC), the Hampton-Alexander Review reports on gender diversity, and the Parker Review on ethnic diversity.

The FRC published the new Code in July 2018, together with the updated Guidance on Board Effectiveness. The FRC took the opportunity to refashion the Code, with some issues now covered in its Guidelines, resulting in a “shorter, sharper” Code. There is more emphasis on companies reporting on how they have applied the Code rather than merely explaining where they have diverged from it. Although the new Code applies to financial years starting after January 2019, the content was widely anticipated, and it will be interesting to see how companies are already incorporating the new principles and provisions in their 2018 reporting.

The consultation for the Code included questions regarding a future update to the Stewardship Code. Informed by the responses, proposals for the updated Stewardship Code will be published in late 2018.

One aspect of the new Code that’s particularly worth noting as reference is around board composition. The Code is keen to encourage better board succession planning and a clearer definition of important issues to be considered when appointing directors. Chair tenure has been redefined; there is further guidance on the identification of conflicts of interest; and boards are urged to examine closely the capability of directors to devote sufficient time to the role.

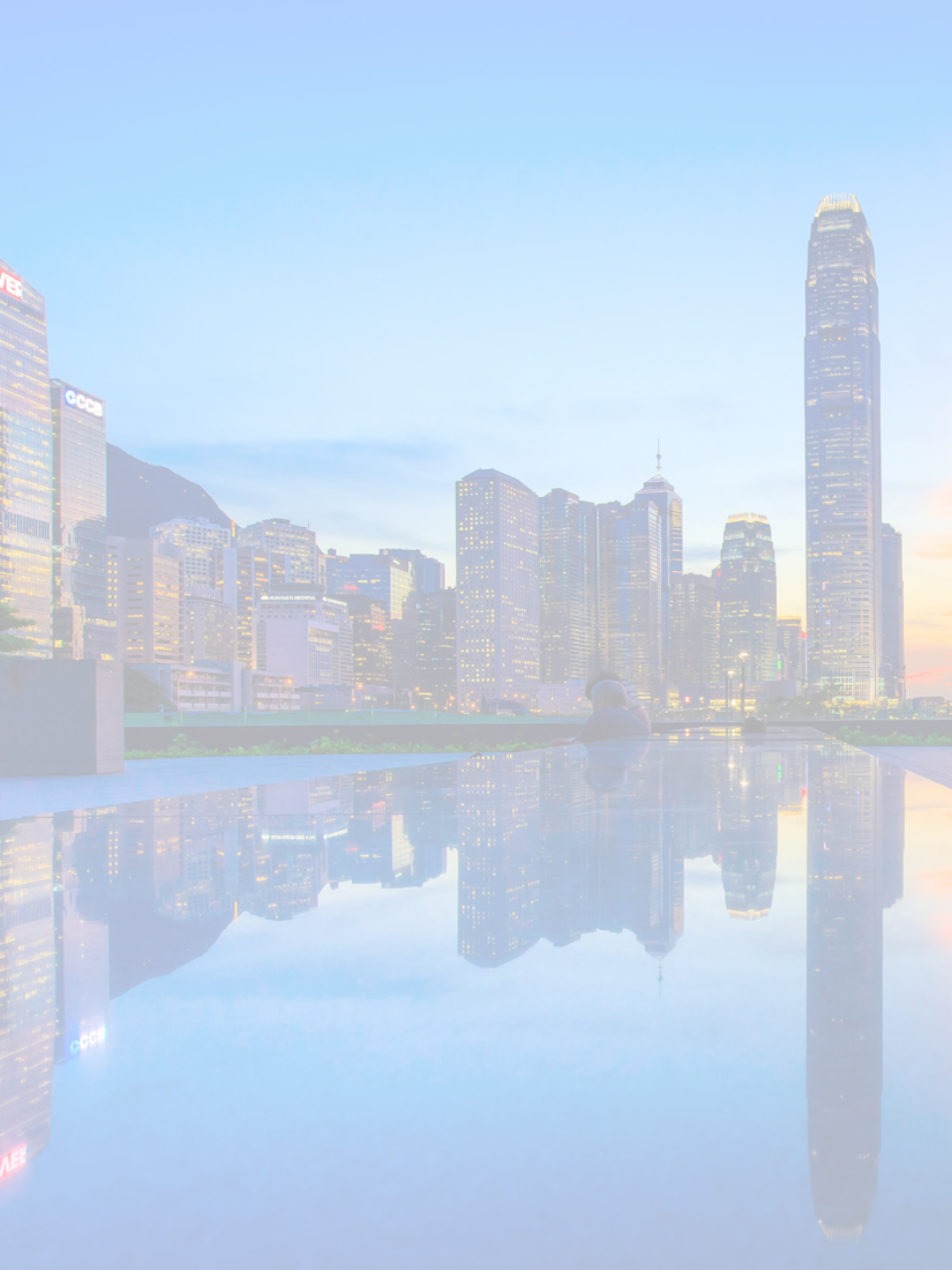
For many years the audit committee has been required to include a financial expert, and it is hoped that the performance of remuneration committees will be improved by the requirement to appoint as chair a director who has previously served on a remuneration committee for at least a year.



The question of employee directors has gained further traction, with companies given a choice as to how this might be implemented. How companies choose to organise this remains to be seen. Of the Board Index constituents, only Capita has so far announced that employees are to be invited to apply for two board seats.

Companies continue to work towards attaining the targets set by the Hampton-Alexander and Parker reviews on gender and ethnic diversity respectively. The latest figures from Hampton-Alexander, published in June, show that while FTSE 100 companies are on track to achieve the 2020 target of 33% of board and senior positions to be held by women, FTSE 250 companies are lagging behind, and pressure will increase to recruit further women directors.

For more detailed analysis of the key parameters of corporate governance in the UK please refer to the 2018 *UK Spencer Stuart Board Index*.



# Data Tables

# International Comparison

In this edition of the *Hong Kong Spencer Stuart Board Index*, we provide two sets of tables. In addition to the detailed company data for HSLI, we are publishing a chart comparing aggregated data from 19 countries.

All data is taken from individual country Board Indexes published by Spencer Stuart in 2018.

Visit the Spencer Stuart website and discover “Boards Around the World,” a visual tool that compares the composition, diversity, compensation and board evaluation practices of different countries.

## Composition information

BELGIUM	BeL20 + BelMid
DENMARK	OMX Copenhagen (25 companies)
FINLAND	OMX Helsinki (25 companies)
FRANCE	CAC40
GERMANY	DAX30
HONG KONG	Hang Seng Composite LargeCap Index
INDIA	BSE 100
ITALY	37 (FTSE MIB) + 63 (Mid Cap, Small Cap, Other)
JAPAN	NIKKEI 225
NETHERLANDS	AEX (21 companies) + AMX (21 companies) + eight further large listed companies
NORWAY	OBX (25 companies)
POLAND	WIG 20
RUSSIA	Russia Trading System Index
SINGAPORE	STI30
SPAIN	IBEX-35 + top companies by market cap
SWEDEN	OMX Stockholm
TURKEY	BIST 30
UK	Top 150 FTSE companies excluding investment trusts
USA	S&P 500

Denmark, Finland, Norway and Sweden’s top companies are analyzed together in the *Nordic Spencer Stuart Board Index*.

## INTERNATIONAL COMPARISON FOOTNOTES

- General**  
N/A = Not applicable.  
A blank cell denotes that either the information is not available or we did not include it our research.
- Belgium**  
1 7% did not disclose  
2 One company did not disclose  
3 Based on six companies only  
4 Two chairs are not paid  
5 Nine companies do not pay audit co members  
6 10 companies do not pay rem co fees  
7 14 companies do not pay nom co fees
- Denmark**  
8 All calculations exclude employee representatives  
9 One executive director in the sample  
10 Six companies did not disclose
- Finland**  
11 Only one CEO in sample
- France**  
12 75% of CAC 40 companies conduct an external evaluation at least every three years; in 2017, 75% of these were conducted by Spencer Stuart  
13 According to Afep/Medef corporate governance code  
14 Non-executive chairs only  
15 47.5% of rem and nom cos are merged, with an average fee of 17,254 €
- Germany**  
16 Average minimum proportion of members that should be independent  
17 Shareholder representatives only  
18 Remuneration committees are very rare in Germany  
19 Except for banks, German nominations committees only deal with non-executive director nominations and committee membership is rarely compensated  
20 Supervisory Board only
- Italy**  
21 Includes some CEOs who are also chairs.
- Netherlands**  
22 Includes executive board members  
23 Non-executives only  
24 Includes executive directors on two-tier boards  
25 Includes directors of executive boards  
26 Seven companies did not disclose the information
- Norway**  
27 Seven companies did not disclose  
28 Only one executive director  
29 Excludes one executive chair
- Poland**  
30 Six companies have employee representatives (ER) on the board. ERs are excluded from subsequent figures  
31 One board does not disclose; all directors are therefore classified as non-independent  
32 Excludes 141 out of 302 directors (age not disclosed)  
33 Excludes 16 chairs (age not disclosed)  
34 Excludes 15 CEOs (age not disclosed; two are co-CEOs) and two companies with no CEO  
35 Excludes 125 out of 265 directors (age not disclosed)  
36 Excludes two companies: one had no chair and one chair could not be identified  
37 Includes one company where all directors (8) were appointed during the year, due to formation of a new board/company.  
38 Five companies do not disclose  
39 Figure unavailable for 24 companies: year not served in full (9); person not remunerated (6); no vice chair (9)  
40 Insufficient disclosure  
41 Conversion at av. 2017 annual rate: PLN/EUR = 4.257
- Russia**  
42 Excluding Unipro PAO from sample  
43 Average in-person board meetings. Average number of meetings including meetings held in absentia: 20.8.  
44 Three companies do not disclose.  
45 Excludes 15 directors (age not disclosed)  
46 Excludes 2 chairs (age not disclosed)  
47 Excludes one CEO (age not disclosed)  
48 Excludes 9 directors (age not disclosed)  
49 Excludes 4 directors (age not disclosed)  
50 Magnit appointed a female CEO after cut-off date  
51 Nine companies do not disclose specified amounts  
52 28 companies do not disclose individual figures  
53 35 companies do not disclose, or figure is not available for the year  
54 32 companies do not disclose, or figure is unavailable for the year  
55 Includes 24 companies only  
56 Includes 22 companies only  
57 All 12 exco members of one Dutch company are foreign  
58 Conversion at av. 2017 annual rate set by the Central Bank of the Russian Federation: RUB/EUR = 66.0305, RUB/USD = 58.2982, RUB/GDP = 75.2038
- Spain**  
59 Top 50 companies only  
60 Includes both executive and non-executive directors  
61 The average additional fee paid to the SID was 31,645€  
62 Only 14% of companies in Spain have separated nominations & remunerations (N&R) committee into two. Average fee for N&R co members is 23.632 €
- Turkey**  
63 Excludes Koza Altin and Koza Anadolu Metal  
64 Three companies held over 40 meetings per year, one held 92. Seven companies do not disclose  
65 Excludes 17 directors (age is not disclosed)  
66 Excludes one chair (age is not disclosed)  
67 Excludes one CEO (age is not disclosed)  
68 Turkish dual nationals not counted as foreign  
69 Four companies do not disclose, or not available  
70 Conversion at av. 2017 annual rate: TRY/EUR = 4.120
- UK**  
71 Four companies did not have a SID either due to a recent retirement and an ongoing search for a replacement or the application of a foreign corporate governance code.  
72 The exchange rate used is 1 EUR = 1.141317 GBP  
73 SIDs only; those who served the full year  
74 Includes 140 part-time chairs. Eight chairs are full-time and paid on a different basis. Two chairs receive no fee.  
75 FTSE 100 only
- USA**  
76 Percentage of S&P 500 boards that disclose  
77 All CEOs sit on the company board  
78 Top 200 only of S&P 500 companies  
79 CEOs only  
80 Average tenure of independent directors only  
81 Non-executive chairs only
- Hong Kong**  
82 Include chair  
83 INED Chairman only  
84 Data of 103 companies only; WH group has no specific data; China Literature's data was not for full year as it was only listed in the year of our study.

INTERNATIONAL COMPARISON

	HONG KONG	INDIA	JAPAN	SINGAPORE	BELGIUM	DENMARK	FINLAND	FRANCE	GERMANY	
GENERAL INFORMATION	Size of sample	105	100	225	30	59	25	25	40	70
	Supervisory board/unitary board of directors	-	N/A	N/A	0/30	1/58	25/0	0/25	7/33	70/0
	Average number of board meetings per year	6	7.4	14.1	5.4	8.4	8.2	10.8	9.1	6.8
	% companies that conducted an external board evaluation	3.8%	N/A	N/A	20%	5.1% <sup>1</sup>	8.3%	17.4%	30% <sup>12</sup>	17%
	Combined chair and CEO	28.6%	-	-	13%	1.7%	0%	0%	52.5%	0%
	% boards with senior independent director (SID)	-	N/A	N/A	33%	1.7%	0%	0%	52.5%	0%
	% of boards with vice/deputy chairs	-	N/A	N/A	23%	20.3%	100%	92%	35%	100%
BOARD	Average board size (total)	11.7	11.4	10.9	10.3	10	9.8 <sup>8</sup>	8.1	13.7	13.8
	Average board size (excl. employee representatives)	N/A	N/A	N/A	N/A	10	6.8	7.9	12	7.5
	Average number of independent board members	4.9	6	3.4	5.9	4.5	5.2	6.4	7	N/A
	% independent board members	42%	52.8%	31.1%	57.3%	49.2%	77.1%	80.8%	58%	60% <sup>16</sup>
	Average number of non-executive directors	2.5	7.9	3.5	2.2	7.7	5.8	6.8	11	6.5 <sup>17</sup>
	Average number of executive directors	4.4	3.5	7.3	2	1.4	0.04	0.1	1	N/A
AGE	Average age: all directors	59	61.9	63.1	62.6	57.7	58.9	58.5	58.9	58
	Average age chairs	59	64.1	-	70	61.8	62	61.3	61.4	66
	Average age CEOs who sit on the board	56.6	-	-	58	53.8	N/A	58.4 <sup>11</sup>	59	N/A
	Average age all CEOs, including those not on the board	56.6	-	61.4	-	54	55	56.7	57.9	55
	Average age: non-executive directors	64 <sup>82</sup>	63.6	67.1	60	57.7	58.5	58.2	59	60 <sup>17</sup>
	Average age: executive directors	55.2	-	61.1	60	54.5	47.6 <sup>9</sup>	51.5	57.8	53.2
FOREIGN	% foreign board members (all)	14%	7.6%	3.3%	-	30.4%	39.4%	33.8%	35%	25.3%
	% foreign chairs	10.5%	-	-	-	15.3%	28%	16%	17.5%	13%
	% foreign non-executive directors	15.5% <sup>82</sup>	9.6%	4.9%	-	32.7%	39.6%	36.8%	37%	26% <sup>17</sup>
	% foreign executive directors	8.2% <sup>82</sup>	3.9%	2.5%	-	27.2%	0%	0%	2%	N/A
	Average # nationalities represented on the board	2.5	N/A	N/A	-	3.1	3.4	2.92	4.3	2.5 <sup>17</sup>
GENDER	% female board directors (all)	11.9%	14.7%	6.5%	12%	32.1%	27.6%	33.3%	42.5% <sup>13</sup>	32% <sup>20</sup>
	% female chairs	4.8%	4%	-	3%	5.1%	0%	0%	42%	4%
	% female CEOs	2%	7%	0.4%	4.3%	7.9%	0%	4.2%	2.5%	0%
	% female non-executive directors	13.6% <sup>82</sup>	18.6%	18.4%	8.5%	38.6%	27.8%	38.6%	45.3%	32% <sup>17</sup>
	% female executive directors	10%	8.2%	0.8%	4.9%	14.5%	0%	0%	0.3%	10.4%
	% boards with at least one female director	72.4%	100%	56.4%	66.7%	100%	88%	100%	100%	99%
NEW MEMBERS	% new board members	13.8%	-	-	8.1%	10.5%	12.9%	14.1%	13.5%	20% <sup>20</sup>
	% women among new board members	17.5%	-	-	20%	46.8%	22.7%	32.1%	41.9%	26% <sup>20</sup>
	% non-nationals among new board members	12.3%	-	-	-	32.3%	45.5%	32.1%	36.8%	12% <sup>20</sup>
OTHER BOARDS	Average # quoted boards per director (total)	-	-	-	3	1.9	1.9	1.8	1.3	N/A
	Average # quoted boards per chair (total)	-	-	-	3	2.3	2	2.1	2.3	2.8
	% executive directors with an outside board	-	-	-	24.6%	28.4%	0%	33.3%	58%	22%
	% non-executives with a full-time executive role	-	-	-	-	63.2%	62.5%	48%	54%	42% <sup>17</sup>
TENURE/RETIREMENT	% companies with a mandatory retirement age	N/A	N/A	N/A	N/A	47.5%	63.2% <sup>10</sup>	0%	45%	88%
	Average mandatory retirement age	N/A	N/A	N/A	N/A	70.6	70.1	N/A	71.6	72
	Average tenure (chair and non-executives)	7.4	N/A	N/A	7.5	5.1	5.3	4.8	5.7	5.7
REMUNERATION	Average retainer for non-executive directors (excluding chair and vice chair/SID)	€66,950	-	-	-	€29,847 <sup>2</sup>	€52,263	€58,436	€24,449	€75,507
	Average total fees for non-executive directors (excluding chair and vice chair/SID)	€74,878 <sup>84</sup>	-	-	€82,391	€55,623	€83,573	€72,972	€85,165	N/A
	Average total fee for vice chair (or SID)	-	-	-	-	€98,817 <sup>3</sup>	€133,487	€92,022	€143,509	N/A
	Average total fee for chairs	€282,651 <sup>83</sup>	-	-	€892,215	€121,100 <sup>4</sup>	€210,682	€141,358	€627,954 <sup>14</sup>	€291,226
	Average fee for audit committee membership	-	-	-	€21,266	€11,762 <sup>5</sup>	€23,212	€5,877	€22,642	€31,552
	Average fee for remuneration committee membership	-	-	-	€13,311	€8,174 <sup>6</sup>	€20,402	€4,467	€14,542 <sup>15</sup>	N/A <sup>18</sup>
	Average compensation for nomination committee membership	-	-	-	€11,395	€8,365 <sup>7</sup>	€21,649	€4,215	€12,294 <sup>15</sup>	N/A <sup>19</sup>
EXCOM	Average board size of executive committee	-	N/A	N/A	-	6.3	5.2	9.6	12.5	5.1
	% foreigners on the executive committee	-	N/A	N/A	-	34.1%	39.2%	27.1%	32%	25%
	% women on the executive committee	-	N/A	N/A	-	18.5%	11.5%	19.2%	16%	10%

	ITALY	NETHERLANDS	NORWAY	POLAND	RUSSIA	SPAIN	SWEDEN	TURKEY	UK	USA	
GENERAL INFORMATION	Size of sample	100	50	25	40	42 <sup>42</sup>	100	25	28 <sup>63</sup>	150	485
	Supervisory board/unitary board of directors	1/99	44/6	25/0	40/0	6/36	0/100	0/25	0/28	1/149	0/485
	Average number of board meetings per year	11.2	7.4	8.5	8.7	6.5 <sup>43</sup>	11.1	10.3	19.7 <sup>64</sup>	7.3	8
	% companies that conducted an external board evaluation	38%	30%	22.2% <sup>27</sup>	N/A	17% <sup>44</sup>	34%	16.7%	N/A	44%	9% <sup>76</sup>
	Combined chair and CEO	17%	0%	0%	0%	0%	54%	4%	10.7%	.7%	49.9%
	% boards with senior independent director (SID)	34%	6%	0%	0%	17.1%	68%	4%	0%	97.3% <sup>71</sup>	80%
	% of boards with vice/deputy chairs	49%	74%	56%	80%	34.1%	67%	48%	96%	14.7%	-
BOARD	Average board size (total)	11.5	9.3 <sup>22</sup>	8.1	8	10.4	10.9	10.6	9.8	10.1	10.8
	Average board size (excl. employee representatives)	N/A	9.3 <sup>22</sup>	5.96	7.55 <sup>30</sup>	N/A	N/A	8.8	N/A	10.1	N/A
	Average number of independent board members	5.9	5.7	4.5	3.4 <sup>31</sup>	4	4.8	6.1	3.3	6.2	9.2
	% independent board members	51%	87.1% <sup>23</sup>	75.8%	45% <sup>31</sup>	38.1%	45%	69.1%	33.1%	61.3%	85%
	Average number of non-executive directors	8.8	6.5	5	6.6	7.9	8.6	7.2	7.9	6.6	9.2
	Average number of executive directors	2.3	2.8 <sup>24</sup>	0.04	N/A	1.6	1.8	0.6	1.1	2.5	1
AGE	Average age: all directors	58	60.7	57.3	55.6 <sup>32</sup>	54.5 <sup>45</sup>	60.3	58.9	58.7 <sup>65</sup>	59	-
	Average age chairs	65	66.9	62.3	53.8 <sup>33</sup>	59.3 <sup>46</sup>	63.8	63.6	58.3 <sup>66</sup>	65.4	-
	Average age CEOs who sit on the board	57	59	N/A	N/A	52.3	54.7 <sup>59</sup>	54.9	55.2	55	57.6
	Average age all CEOs, including those not on the board	N/A	56	55.5	50.4 <sup>35</sup>	51.8 <sup>47</sup>	-	54.1	54.6 <sup>67</sup>	55.3	57.6 <sup>77</sup>
	Average age: non-executive directors	61	60.7	56.3	55.9 <sup>35</sup>	54.4 <sup>48</sup>	-	58.7	59.4	60	63
	Average age: executive directors	60	54.2 <sup>25</sup>	66 <sup>28</sup>	N/A	52.3 <sup>49</sup>	-	53.9	54.4	54.2	-
FOREIGN	% foreign board members (all)	10.1%	39%	28.2%	26.8%	25.8%	19.8%	33.6%	17.1% <sup>68</sup>	33.3%	8.2% <sup>78</sup>
	% foreign chairs	5.7%	18%	16%	18.4% <sup>36</sup>	28.6%	7%	12%	10.7%	21.3%	-
	% foreign non-executive directors	8.1%	42.6%	30.6%	28%	29.7%	21.6%	38.3%	19%	39%	-
	% foreign executive directors	5.6%	30.4% <sup>25</sup>	0%	N/A	4.5%	7.7%	12.5%	6.3%	25.1%	-
	Average # nationalities represented on the board	2.2	3.1	2.28	1.95	3.2	-	3.6	2	3.7	-
GENDER	% female board directors (all)	32.3%	21.3%	45.6%	15.2%	7.8%	19.5%	39.1%	17.1%	27.5%	24%
	% female chairs	9%	4%	16%	15.8%	0%	7%	12%	10.7%	3.9%	4.1%
	% female CEOs	6%	6%	4.2%	5.6%	0% <sup>50</sup>	2%	8%	0%	5.3%	5.4%
	% female non-executive directors	39%	27.3%	51.6%	15.2%	9.4%	21.3%	45%	19.9%	38.6%	-
	% female executive directors	9%	7.2% <sup>25</sup>	0%	N/A	4.5%	7.2%	12.5%	6.3%	8.4%	-
	% boards with at least one female director	99%	86%	100%	67.5%	50%	92%	100%	82.1%	100%	99.4%
NEW MEMBERS	% new board members	15.4%	14.7%	16.1%	23.2% <sup>37</sup>	22.1%	11.4%	15%	20%	13.6%	8.4%
	% women among new board members	48%	19.5%	45.8%	15.7%	9.3%	31%	36.4%	27.3%	35.7%	40%
	% non-nationals among new board members	9%	49.4%	37.5%	25.7%	21.6%	24%	33.3%	20%	37.7%	10.5%
OTHER BOARDS	Average # quoted boards per director (total)	3.2	1.9	1.8	1.27	1.7	1.1	2.5	1.8	2.2	2.1
	Average # quoted boards per chair (total)	3.6	2.02	2.24	1.3	1.9	1.3	2.92	1.3	2.2	1.5 <sup>79</sup>
	% executive directors with an outside board	52.7%	37.5%	100% <sup>28</sup>	N/A	22.7%	10.6%	50%	21.9%	30.4%	40%
	% non-executives with a full-time executive role	-	34.8%	71%	74.6%	71.2%	-	40%	54.8%	36.8%	-
TENURE/RETIREMENT	% companies with a mandatory retirement age	4%	N/A	N/A	N/A	N/A	21%	N/A	N/A	0%	71%
	Average mandatory retirement age	75.5	N/A	N/A	N/A	N/A	71.9	N/A	N/A	N/A	73.5
	Average tenure (chair and non-executives)	6.5	4.5	4.3	4.2	4.3	6.3 <sup>60</sup>	5.7	5.3	4.6	8.1 <sup>80</sup>
REMUNERATION	Average retainer for non-executive directors (excluding chair and vice chair/SID)	€59,000	€56,987	€34,030	€33,872 <sup>41</sup>	€107,242 <sup>51,58</sup>	€73,380	€64,844	€60,633 <sup>69,70</sup>	€77,887 <sup>72</sup>	€110,229
	Average total fees for non-executive directors (excluding chair and vice chair/SID)	€90,000	€71,878	€53,910	€31,984 <sup>38,41</sup>	€149,001 <sup>52,58</sup>	€121,020	€78,322	N/A	€105,892 <sup>72</sup>	€265,124
	Average total fee for vice chair (or SID)	€452,000	€84,453	€42,280	€25,724 <sup>39,41</sup>	N/A <sup>53</sup>	€154,526 <sup>61</sup>	€116,821	N/A	€128,038 <sup>72,73</sup>	-
	Average total fee for chairs	€903,000 <sup>21</sup>	€154,517 <sup>26</sup>	€71,854 <sup>29</sup>	€47,468 <sup>41</sup>	€238,080 <sup>54,58</sup>	€374,845	€250,179	N/A	€477,176 <sup>72,74</sup>	€389,540 <sup>81</sup>
	Average fee for audit committee membership	€22,000	€9,895	€7,808	N/A <sup>40</sup>	€15,502 <sup>55,58</sup>	€30,081	€19,354	N/A	€17,472 <sup>72</sup>	€12,172
	Average fee for remuneration committee membership	€17,000	€7,550	€4,773	N/A <sup>40</sup>	€16,380 <sup>56,58</sup>	€34,737 <sup>62</sup>	€11,046	N/A	€14,868 <sup>72</sup>	€10,751
	Average compensation for nomination committee membership	€17,000	€7,059	N/A	N/A <sup>40</sup>	€16,380 <sup>56,58</sup>	€33,888 <sup>62</sup>	N/A	N/A	€11,183 <sup>72</sup>	€8,359
EXCOM	Average board size of executive committee	4.9	6.6	7.7	5.8	9.7	-	9.4	9.3	9.9 <sup>75</sup>	-
	% foreigners on the executive committee	7.2%	42.7%	19.2%	14.3%	6.9% <sup>57</sup>	-	18.3%	6.1%	37.6% <sup>75</sup>	-
	% women on the executive committee	14.6%	14.9%	24.4%	13.4%	13.3%	-	24.7%	9.2%	18.6% <sup>75</sup>	-

# Board Directors, Diversity and Age

COMPANY NAME	HSLI / HSLI	FINANCIAL YEAR	OWNERSHIP	NUMBER OF DIRECTORS				CHAIR TYPE	CHAIR / CEO	DIVERSITY		AGE		
				TOTAL	ED	NED	INED			FEMALE	FOREIGN	CHAIR	BOARD (AVERAGE)	INED (AVERAGE)
AAC Technology Holdings	HSI / HSLI	12/2017	FAM	7	2	1	4	Independent non-executive	Separate	2	3	67	60	68
Agricultural Bank of China	HSLI	12/2017	SOE	14	3	6	5	Executive director	Separate	1	0	60	57	59
AIA Group	HSI / HSLI	11/2017	DIV	11	1	0	10	Independent non-executive	Separate	1	7	80	65	66
Anta Sports Products	HSLI	12/2017	FAM	9	6	0	3	Executive director	Same	0	0	47	51	52
Bank of China	HSI / HSLI	12/2017	SOE	13	3	5	5	Executive director	Separate	3	1	58	57	59
Bank of Communications	HSI / HSLI	12/2017	SOE	17	3	8	6	Executive director	Separate	3	0	56	57	62
Beijing Enterprises Holdings	HSLI	12/2017	SOE	11	6	0	5	Executive director	Same	0	0	52	62	73
Beijing Enterprises Water Group	HSLI	12/2017	SOE	15	10	0	5	Executive director	Separate	1	0	56	52	52
BOC Hong Kong Holdings	HSI / HSLI	12/2017	SOE	9	2	3	4	Non-executive	Separate	1	1	57	59	63
Brilliance China Automotive Holdings	HSLI	12/2017	DIV	7	4	0	3	Executive director	Separate	1	0	56	59	66
Cathay Pacific Airways	HSLI	12/2017	FAM	17	5	8	4	Executive director	Same	2	7	61	54	61
China Cinda Asset Management	HSLI	12/2017	SOE	12	2	6	4	Executive director	Separate	0	0	62	56	58
China CITIC Bank Corporation	HSLI	12/2017	SOE	10	2	3	5	Executive director	Separate	4	0	55	55	58
China Communications Constructions	HSLI	12/2017	SOE	9	4	2	3	Executive director	Separate	0	0	60	59	60
China Construction Bank Corporation	HSI / HSLI	12/2017	SOE	15	4	6	5	Executive director	Separate	3	3	57	59	66
China Everbright International	HSLI	12/2017	SOE	9	5	1	3	Executive director	Separate	0	0	46	60	66
China Gas Holdings	HSLI	03/2018	DIV	15	6	4	5	Executive director	Separate	2	1	61	55	58
China Hongqiao Group	HSLI	12/2017	FAM	10	4	2	4	Executive director	Separate	1	0	71	55	59
China Huarong Asset Management	HSLI	12/2017	SOE	10	2	4	4	Executive director	Separate	1	0	56	58	68
China Life Insurance	HSI / HSLI	12/2017	SOE	11	4	3	4	Executive director	Separate	1	1	62	60	65
China Literature	HSLI	12/2017	DIV	9	2	4	3	Non-executive	Separate	3	1	44	48	58
China Mengniu Dairy	HSI / HSLI	12/2017	SOE	10	2	4	4	Non-executive	Separate	1	3	54	54	53
China Merchants Port Holdings	HSI / HSLI	12/2017	SOE	13	8	0	5	Executive director	Separate	1	0	58	59	67
China Merchants Bank	HSLI	12/2017	SOE	15	2	7	6	Non-executive	Separate	2	0	61	59	64
China Minsheng Banking Corporation	HSLI	12/2017	DIV	18	3	9	6	Executive director	Separate	0	0	61	58	59
China Mobile	HSI / HSLI	12/2017	SOE	8	4	0	4	Executive director	Separate	0	0	62	62	67
China Overseas Land & Investment	HSI / HSLI	12/2017	SOE	7	3	1	3	Executive director	Same	1	0	51	59	66
China Pacific Insurance Group	HSLI	12/2017	SOE	14	2	7	5	Executive director	Separate	1	0	57	53	58



COMPANY NAME	HSI / HSLI	FINANCIAL YEAR	OWNERSHIP	NUMBER OF DIRECTORS				CHAIR TYPE	CHAIR / CEO	DIVERSITY		AGE		
				TOTAL	ED	NED	INED			FEMALE	FOREIGN	CHAIR	BOARD (AVERAGE)	INED (AVERAGE)
China Petroleum & Chemical Corporation	HSI / HSLI	12/2017	SOE	10	6	0	4	Executive director	Same	0	0	54	60	63
China Resources Beer Holdings	HSLI	12/2017	SOE	10	3	2	5	Executive director	Separate	0	0	52	57	64
China Resources Gas Group	HSLI	12/2017	SOE	10	3	3	4	Executive director	Separate	1	0	54	56	62
China Resources Land	HSI / HSLI	12/2017	SOE	15	6	4	5	Executive director	Same	1	0	46	52	60
China Resources Pharmaceutical Group	HSLI	12/2017	SOE	12	3	5	4	Non-executive	Separate	2	0	61	54	61
China Resources Power Holdings	HSI / HSLI	12/2017	SOE	10	4	2	4	Executive director	Separate	3	0	63	61	73
China Shenhua Energy	HSI / HSLI	12/2017	SOE	7	3	1	3	Executive director	Same	3	0	54	60	61
China State Constuction International Holdings	HSLI	12/2017	SOE	11	7	0	4	Executive director	Same	0	0	47	56	65
China Taiping Insurance Holdings	HSLI	12/2017	SOE	12	4	4	4	Executive director	Separate	0	0	59	58	63
China Telecom Corporation	HSLI	12/2017	SOE	10	5	1	4	Executive director	Same	2	0	55	59	69
China Unicom Hong Kong	HSI / HSLI	12/2017	SOE	9	4	1	4	Executive director	Same	1	1	59	61	65
Chow Tai Fook Jewellery Group	HSLI	03/2018	FAM	15	9	1	5	Executive director	Separate	0	0	71	59	71
CITIC	HSI / HSLI	12/2017	SOE	16	4	6	6	Executive director	Separate	3	1	61	59	65
CK Asset Holdings	HSI / HSLI	12/2017	FAM	15	9	0	6	Executive director	Separate	3	2	89	70	74
CK Hutchison Holdings	HSI / HSLI	12/2017	FAM	20	8	5	7	Executive director	Separate	4	3	89	74	77
CK Infrastructure Holdings	HSI / HSLI	12/2017	FAM	17	8	2	7	Executive director	Separate	4	7	53	68	73
CLP Holdings	HSI / HSLI	12/2017	FAM	14	2	5	7	Non-executive	Separate	3	9	76	65	66
CNOOC	HSI / HSLI	12/2017	SOE	9	2	3	4	Non-executive	Separate	0	1	57	63	71
Country Garden Holdings	HSI / HSLI	12/2017	FAM	14	8	1	5	Executive director	Separate	1	0	63	53	63
CSPC Pharmaceutical Group	HSLI	12/2017	FAM	14	8	1	5	Executive director	Same	0	0	64	54	60
Dali Foods Group	HSLI	12/2017	FAM	8	3	2	3	Executive director	Same	3	0	60	53	60
ENN Energy Holdings	HSLI	12/2017	FAM	8	4	1	3	Executive director	Separate	0	0	54	52	60
China Evergrande Group	HSLI	12/2017	FAM	9	6	0	3	Executive director	Separate	2	0	59	52	58
Fosun International	HSLI	12/2017	FAM	13	8	0	5	Executive director	Separate	1	0	50	51	58
Fullshare Holdings	HSLI	12/2017	FAM	6	3	0	3	Executive director	Same	0	0	49	51	60
Galaxy Entertainment Group	HSI / HSLI	12/2017	FAM	8	4	1	3	Executive director	Separate	1	1	88	71	71
Geely Automobile Holdings	HSI / HSLI	12/2017	FAM	12	7	1	4	Executive director	Separate	0	1	54	55	58
Guangdong Investment	HSLI	12/2017	SOE	14	4	5	5	Executive director	Separate	2	0	59	59	70

BOARD DIRECTORS, DIVERSITY AND AGE

COMPANY NAME	HSLI / HSLI	FINANCIAL YEAR	OWNERSHIP	NUMBER OF DIRECTORS				CHAIR TYPE	CHAIR / CEO	DIVERSITY		AGE		
				TOTAL	ED	NED	INED			FEMALE	FOREIGN	CHAIR	BOARD (AVERAGE)	INED (AVERAGE)
Haier Electronics Group	HSLI	12/2017	DIV	9	2	4	3	Executive director	Separate	3	0	51	52	62
Haitong Securities	HSLI	12/2017	SOE	13	2	6	5	Executive director	Separate	2	0	50	56	62
Hang Lung Group	HSLI	12/2017	FAM	11	4	3	4	Executive director	Separate	0	0	68	61	67
Hang Lung Properties	HSI / HSLI	12/2017	FAM	10	4	0	6	Executive director	Separate	1	0	68	64	69
Hang Seng Bank	HSI / HSLI	12/2017	DIV	16	2	5	9	Independent non-executive	Separate	5	1	66	62	62
Henderson Land Development	HSI / HSLI	12/2017	FAM	18	10	2	6	Executive director	Same	2	0	89	69	70
Hengan International Group	HSI / HSLI	12/2017	FAM	14	9	0	5	Executive director	Separate	1	0	68	53	57
Hong Kong Exchanges and Clearing	HSI / HSLI	12/2017	HKPSC	13	1	0	12	Independent non-executive	Separate	1	5	67	60	61
HSBC Holdings	HSI / HSLI	12/2017	DIV	17	3	1	13	Non-executive	Separate	4	15	60	62	63
Industrial and Commercial Bank of China	HSI / HSLI	12/2017	SOE	16	4	6	6	Executive director	Separate	2	1	53	57	64
Kerry Properties	HSLI	12/2017	FAM	7	3	1	3	Executive director	Same	1	3	66	60	68
Kunlun Energy	HSLI	12/2017	SOE	9	6	0	3	Executive director	Separate	0	0	60	58	61
Lenovo Group	HSI / HSLI	03/2018	DIV	11	1	2	8	Executive director	Same	1	6	53	61	63
Link REIT	HSI / HSLI	03/2018	DIV	13	2	1	10	Independent non-executive	Separate	3	7	63	60	61
Longfor Properties	HSLI	12/2017	FAM	8	4	0	4	Executive director	Separate	1	1	53	52	56
MGM China Holdings	HSLI	12/2017	DIV	12	5	3	4	Executive director	Separate	1	7	56	59	59
MTR Corporation	HSI / HSLI	12/2017	HKPSC	20	1	5	14	Non-executive	Separate	4	2	66	65	67
New World Development	HSI / HSLI	06/2017	FAM	14	6	2	6	Executive director	Separate	2	0	70	62	68
NWS Holdings	HSLI	06/2017	FAM	15	6	4	5	Executive director	Separate	1	0	70	63	69
PetroChina	HSI / HSLI	12/2017	SOE	14	3	6	5	Executive director	Separate	1	1	61	57	65
PICC Property and Casualty	HSLI	12/2017	SOE	10	3	1	6	Executive director	Same	1	0	55	61	63
Ping An Insurance Group Company of China	HSI / HSLI	12/2017	DIV	17	6	5	6	Executive director	Same	2	2	62	57	64
Postal Savings Bank of China	HSLI	12/2017	SOE	15	3	7	5	Non-executive	Separate	2	0	58	55	59
Power Assets Holdings	HSI / HSLI	12/2017	FAM	11	6	1	4	Executive director	Separate	0	3	66	66	74
Sands China	HSI / HSLI	12/2017	FAM	9	2	2	5	Executive director	Same	0	6	84	64	59
Shangri-La Asia	HSLI	12/2017	FAM	8	3	1	4	Executive director	Separate	1	5	40	62	65
Shenzhou International Group Holdings	HSLI	12/2017	FAM	8	5	0	3	Executive director	Separate	1	0	54	56	63
Shimao Property Holdings	HSLI	12/2017	FAM	8	4	1	3	Executive director	Same	2	0	67	54	57

COMPANY NAME	HSI / HSLI	FINANCIAL YEAR	OWNERSHIP	NUMBER OF DIRECTORS				CHAIR TYPE	CHAIR / CEO	DIVERSITY		AGE		
				TOTAL	ED	NED	INED			FEMALE	FOREIGN	CHAIR	BOARD (AVERAGE)	INED (AVERAGE)
Sino Biopharmaceutical	HSLI	12/2017	FAM	11	7	0	4	Executive director	Separate	4	0	25	54	59
Sino Land	HSI / HSLI	06/2017	FAM	11	6	1	4	Executive director	Same	1	4	65	60	61
SJM Holdings	HSLI	12/2017	FAM	12	7	1	4	Executive director	Separate	2	0	96	70	74
Sun Art Retail Group	HSLI	12/2017	DIV	9	2	4	3	Non-executive	Separate	1	5	63	58	60
Sun Hung Kai Properties	HSI / HSLI	06/2017	FAM	18	8	3	7	Executive director	Same	1	0	64	65	67
Sunac China Holdings	HSLI	12/2017	FAM	12	8	0	4	Executive director	Separate	0	0	55	50	63
Sunny Optical Technology Group	HSI / HSLI	12/2017	FAM	7	3	1	3	Executive director	Separate	0	0	52	56	57
Swire Pacific	HSI / HSLI	12/2017	FAM	11	4	2	5	Executive director	Separate	2	8	61	57	65
Swire Properties	HSLI	12/2017	FAM	12	3	4	5	Executive director	Separate	4	7	61	52	51
Techtronic Industries	HSLI	12/2017	FAM	12	5	2	5	Executive director	Separate	0	8	73	64	70
Tencent Holdings	HSI / HSLI	12/2017	DIV	8	2	2	4	Executive director	Same	0	4	46	59	67
The Bank of East Asia	HSI / HSLI	12/2017	FAM	17	3	6	8	Executive director	Same	1	2	79	62	62
The Hong Kong and China Gas	HSI / HSLI	12/2017	FAM	9	2	4	3	Non-executive	Separate	0	0	89	70	80
The Wharf Holdings	HSI / HSLI	12/2017	FAM	10	5	0	5	Executive director	Same	2	2	65	65	67
Tingyi Cayman Islands Holdings Corporation	HSLI	12/2017	FAM	9	6	0	3	Executive director	Separate	0	4	64	64	76
Want Want China Holdings	HSI / HSLI	03/2018	FAM	14	5	4	5	Executive director	Same	0	2	61	59	68
WH Group	HSI / HSLI	12/2017	DIV	9	5	1	3	Executive director	Same	0	1	77	55.9	59.3
Wharf Real Estate Investment	HSI / HSLI	12/2017	FAM	8	4	0	4	Executive director	Same	2	2	65	65	69
Wheelock and Company	HSLI	12/2017	FAM	13	5	1	7	Executive director	Same	2	0	39	66	68
Wynn Macau	HSLI	12/2017	FAM	9	3	2	4	Executive director	Same	1	7	76	61	66
Yue Yuen Industrial Holdings	HSLI	12/2017	FAM	13	8	0	5	Executive director	Separate	2	0	64	53	60

# Board Tenure, Meetings and Remuneration

COMPANY NAME	HSI / HSLI	FINANCIAL YEAR	OWNERSHIP	TENURE			NUMBER OF BOARD MEETINGS					REMUNERATION (US\$'000)	
				BOARD	CHAIR	INED	FULL BOARD	AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE	TOTAL COMMITTEE MEETINGS	CHAIR <sup>a</sup>	INED <sup>b</sup>
AAC Technology Holdings	HSI / HSLI	12/2017	FAM	11.1	13.1	9.3	12	4	2	1	7	149	71
Agricultural Bank of China	HSLI	12/2017	SOE	2.7	1.4	3.2	14	6	5 (combined)		11	106	52
AIA Group	HSI / HSLI	11/2017	DIV	4	7.2	4.4	6	4	3	6	13	679	207
Anta Sports Products	HSLI	12/2017	FAM	14.8	23.4	10.1	4	2	1	1	4	268	34
Bank of China	HSI / HSLI	12/2017	SOE	2.4	3.7	3.2	10	4	7 (combined)		11	113	75
Bank of Communications	HSI / HSLI	12/2017	SOE	3.1	4.1	3.2	6	4	6 (combined)		10	109	27
Beijing Enterprises Holdings	HSLI	12/2017	SOE	6.8	5.8	6.5	2	2	2	1	5	387	31
Beijing Enterprises Water Group	HSLI	12/2017	SOE	7.9	3.2	8.9	4	2	0 <sup>c</sup>	0	2	17	20
BOC Hong Kong Holdings	HSI / HSLI	12/2017	SOE	6.2	6	7.1	6	6	2	2	10	0	80
Brilliance China Automotive Holdings	HSLI	12/2017	DIV	11.3	23.9	13.7	8	3	2	1	6	1,328	35
Cathay Pacific Airways	HSLI	12/2017	FAM	4.7	10.4	5.4	5	3	-	2	5	863	99
China Cinda Asset Management	HSLI	12/2017	SOE	1.2	1.5	1.3	6	4	3 (combined)		7	87	40
China CITIC Bank Corporation	HSLI	12/2017	SOE	2.5	3.8	2.9	10	9	5 (combined)		14	NA	48
China Communications Constructions	HSLI	12/2017	SOE	3.3	6.9	1.3	14	10	1	3	14	132	4
China Construction Bank Corporation	HSI / HSLI	12/2017	SOE	1.6	0.2	2.2	9	6	6 (combined)		12	44	61
China Everbright International	HSLI	12/2017	SOE	10.9	1.1	13.4	5	3	2	2	7	NA	54
China Gas Holdings	HSLI	03/2018	DIV	8.4	4.6	10.1	4	2	2	2	6	0	319
China Hongqiao Group	HSLI	12/2017	FAM	5.5	6.9	5.2	11	7	1	3	11	259	24
China Huarong Asset Management	HSLI	12/2017	SOE	1.7	2.2	1.9	10	7	6 (combined)		13	102	40
China Life Insurance	HSI / HSLI	12/2017	SOE	3.1	5.6	2.2	6	4	4 (combined)		8	259	50
China Literature	HSLI	12/2017	DIV	0.5	0.5	0.5	0	0	0	0	0	NA	NA
China Mengniu Dairy	HSI / HSLI	12/2017	SOE	5.3	1.8	8.9	6	3	2	3	8	24	21
China Merchants Port Holdings	HSI / HSLI	12/2017	SOE	8.5	3.3	14.6	10	2	1	1	4	NA	35
China Merchants Bank	HSLI	12/2017	SOE	6.4	3.4	4.1	12	7	0	2	9	0	78
China Minsheng Banking Corporation	HSLI	12/2017	DIV	4.7	13.9	1.8	11	8	4	4	16	715	138
China Mobile	HSI / HSLI	12/2017	SOE	8.1	2.3	8.9	4	5	1	1	7	145	66
China Overseas Land & Investment	HSI / HSLI	12/2017	SOE	8	0.9	9.3	11	4	2	4	10	676	65
China Pacific Insurance Group	HSLI	12/2017	SOE	2.4	0.5	3.7	13	7	9 (combined)		16	129	45
China Petroleum & Chemical Corporation	HSI / HSLI	12/2017	SOE	4.7	11.6	4.1	5	4	-	1	5	134	48
China Resources Beer Holdings	HSLI	12/2017	SOE	9.8	5.3	15.8	6	2	1	2	5	NA	26
China Resources Gas Group	HSLI	12/2017	SOE	7.5	9.1	9.4	4	3	1	1	5	NA	23
China Resources Land	HSI / HSLI	12/2017	SOE	5.6	4.5	6.8	6	2	1	2	5	1,287	42
China Resources Pharmaceutical Group	HSLI	12/2017	SOE	1.8	3	1.2	9	3	1	5	9	0	32
China Resources Power Holdings	HSI / HSLI	12/2017	SOE	6	6.2	7.5	12	2	1	1	4	711	43
China Shenhua Energy	HSI / HSLI	12/2017	SOE	3.5	13.1	0.5	2	10	3	1	14	NA	30
China State Constuction International Holdings	HSLI	12/2017	SOE	9	13.7	12.4	4	4	1	2	7	361	43
China Taiping Insurance Holdings	HSLI	12/2017	SOE	5.2	5.9	7.4	7	2	1	1	4	96	42
China Telecom Corporation	HSLI	12/2017	SOE	5.8	13.2	9.3	4	4	1	1	6	137	47
China Unicom Hong Kong	HSI / HSLI	12/2017	SOE	7.5	2.3	9.9	5	4	1	1	6	107	57

COMPANY NAME	HSI / HSLI	FINANCIAL YEAR	OWNERSHIP	TENURE			NUMBER OF BOARD MEETINGS					REMUNERATION (us\$'000)	
				BOARD	CHAIR	INED	FULL BOARD	AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE	TOTAL COMMITTEE MEETINGS	CHAIR <sup>a</sup>	INED <sup>b</sup>
Chow Tai Fook Jewellery Group	HSLI	03/2018	FAM	6.2	6.7	6.2	4	3	2	2	7	1,248	68
CITIC	HSI / HSLI	12/2017	SOE	4.3	17.9	4.3	5	4	1	1	6	107	71
CK Asset Holdings	HSI / HSLI	12/2017	FAM	2.5	2.5	2.1	4	2	-	1	3	1	51
CK Hutchison Holdings	HSI / HSLI	12/2017	FAM	25.5	45.1	20.7	4	4	-	1	5	1	42
CK Infrastructure Holdings	HSI / HSLI	12/2017	FAM	15.7	21.6	13.2	4	2	-	2	4	4,207	18
CLP Holdings	HSI / HSLI	12/2017	FAM	14	50.9	8.8	5	6	1	3	10	94	67
CNOOC	HSI / HSLI	12/2017	SOE	6.9	12.3	11.4	4	3	1	3	7	0	144
Country Garden Holdings	HSI / HSLI	12/2017	FAM	7.3	11	8.3	6	3	1	3	7	1,632	47
CSPC Pharmaceutical Group	HSLI	12/2017	FAM	9.2	29.9	5.9	4	4	2	2	8	1,732	17
Dali Foods Group	HSLI	12/2017	FAM	2.6	3.1	2.3	4	2	1	1	4	321	30
ENN Energy Holdings	HSLI	12/2017	FAM	7.6	16.6	3.7	7	4	1	2	7	913	59
China Evergrande Group	HSLI	12/2017	FAM	7	8.1	7.2	8	2	1	1	4	36	77
Fosun International	HSLI	12/2017	FAM	4.2	10.4	5.2	5	3	1	1	5	1,448	115
Fullshare Holdings	HSLI	12/2017	FAM	3.9	4	4	11	4	1	2	7	50	50
Galaxy Entertainment Group	HSI / HSLI	12/2017	FAM	16.9	26.3	12	4	2	1	1	4	6,743	66
Geely Automobile Holdings	HSI / HSLI	12/2017	FAM	9.1	12.5	9.7	5	3	1	4	8	50	42
Guangdong Investment	HSLI	12/2017	SOE	10.7	9.5	16.1	7	4	2	3	9	25	94
Haier Electronics Group	HSLI	12/2017	DIV	5.3	8.1	6.2	4	3	2	2	7	1,842	100
Haitong Securities	HSLI	12/2017	SOE	2.5	1.2	3.1	7	5	2 (combined)		7	149	37
Hang Lung Group	HSLI	12/2017	FAM	10.2	26.9	7.2	6	4	1 (combined)		7	5,148	124
Hang Lung Properties	HSI / HSLI	12/2017	FAM	14.6	31.9	16	6	4	1 (combined)		5	5,018	119
Hang Seng Bank	HSI / HSLI	12/2017	DIV	9.3	10.3	11.2	8	5	3	4	12	104	94
Henderson Land Development	HSI / HSLI	12/2017	FAM	24.1	41.9	14.9	5	3	2	1	6	3,589	91
Hengan International Group	HSI / HSLI	12/2017	FAM	16.5	32.9	11.2	4	2	2	1	5	62	17
Hong Kong Exchanges and Clearing	HSI / HSLI	12/2017	HKPSC	4.2	5.7	3.9	9	4	1	3	8	421	136
HSBC Holdings	HSI / HSLI	12/2017	DIV	4.1	0.3	3.5	8	8	7	7	22	491	321
Industrial and Commercial Bank of China	HSI / HSLI	12/2017	SOE	2.2	4.4	2.8	9	5	4	3	12	101	65
Kerry Properties	HSLI	12/2017	FAM	11.1	21.9	8.9	4	4	1	1	6	4,170	75
Kunlun Energy	HSLI	12/2017	SOE	5.6	1.8	11.8	4	3	1	1	5	NA	36
Lenovo Group	HSI / HSLI	03/2018	DIV	8.5	20.3	6.8	8	4	2	4	10	18,752	297
Link REIT	HSI / HSLI	03/2018	DIV	5.2	2.1	3.8	25	4	3	4	11	257	86
Longfor Properties	HSLI	12/2017	FAM	6.4	10	7.7	4	2	-	2	4	1,858	57
MGM China Holdings	HSLI	12/2017	DIV	6.1	6.5	5.3	5	5	1	3	9	NA	99
MTR Corporation	HSI / HSLI	12/2017	HKPSC	3.9	4.4	3.9	10	4	2	4	10	221	59
New World Development	HSI / HSLI	06/2017	FAM	15.8	44.7	19.2	5	2	1	1	4	1,326	107
NWS Holdings	HSLI	06/2017	FAM	10.8	17.3	9.6	7	2	2	1	5	1,941	113
PetroChina	HSI / HSLI	12/2017	SOE	2.4	2.5	1.7	8	6	5	1	12	NA	37
PICC Property and Casualty	HSLI	12/2017	SOE	2.8	2.5	2.3	14	12	6 (combined)		18	221	34
Ping An Insurance Group Company of China	HSI / HSLI	12/2017	DIV	5.7	13.5	3.6	5	5	1	2	8	813	75
Postal Savings Bank of China	HSLI	12/2017	SOE	1	1.3	1	9	7	4 (combined)		11	0	43
Power Assets Holdings	HSI / HSLI	12/2017	FAM	16.8	32.9	18.3	4	3	-	1	4	16	17
Sands China	HSI / HSLI	12/2017	FAM	4.1	8.1	3.9	8	11	2	2	15	4,584	146

**BOARD TENURE, MEETINGS AND REMUNERATION**

COMPANY NAME	HSLI / HSLI	FINANCIAL YEAR	OWNERSHIP	TENURE			NUMBER OF BOARD MEETINGS				REMUNERATION (us\$'000)		
				BOARD	CHAIR	INED	FULL BOARD	AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE	TOTAL COMMITTEE MEETINGS	CHAIR <sup>a</sup>	INED <sup>b</sup>
Shangri-La Asia	HSLI	12/2017	FAM	8.7	3.2	6.2	4	4	3	2	9	2,518	44
Shenzhou International Group Holdings	HSLI	12/2017	FAM	7.8	12.1	5.1	4	2	1	1	4	251	11
Shimao Property Holdings	HSLI	12/2017	FAM	10.3	13.1	12.1	4	2	1	1	4	936	48
Sino Biopharmaceutical	HSLI	12/2017	FAM	7.4	2.5	7.7	5	4	0	1	5	1,419	45
Sino Land	HSI / HSLI	06/2017	FAM	12.6	36.4	8.3	4	4	1	1	6	202	30
SJM Holdings	HSLI	12/2017	FAM	9.5	11.9	10.9	4	4	1	2	7	20	280
Sun Art Retail Group	HSLI	12/2017	DIV	6.4	6.7	6.5	8	7	3	1	11	0	50
Sun Hung Kai Properties	HSI / HSLI	06/2017	FAM	14.7	36.4	8.3	4	3	1	1	5	455	73
Sunac China Holdings	HSLI	12/2017	FAM	5.7	7.9	7.9	4	2	2	2	6	1,918	54
Sunny Optical Technology Group	HSI / HSLI	12/2017	FAM	8.7	10.6	4.6	7	2	2	2	6	503	13
Swire Pacific	HSI / HSLI	12/2017	FAM	6.5	11.6	8.6	5	3	-	2	5	2,874	103
Swire Properties	HSLI	12/2017	FAM	4.9	3.8	4.3	5	2	-	2	4	242	78
Techtronic Industries	HSLI	12/2017	FAM	15.4	27.9	13.7	5	4	2	2	8	14,756	177
Tencent Holdings	HSI / HSLI	12/2017	DIV	11.1	13.5	10.6	4	8	1	3	12	7,350	558
The Bank of East Asia	HSI / HSLI	12/2017	FAM	9.4	40.9	6.3	5	3	3	3	9	6,097	84
The Hong Kong and China Gas	HSI / HSLI	12/2017	FAM	27.6	39.9	26.6	4	2	1	1	4	139	82
The Wharf Holdings	HSI / HSLI	12/2017	FAM	13.5	28.9	12.4	4	4	0	3	7	11,977	31
Tingyi Cayman Islands Holdings Corporation	HSLI	12/2017	FAM	9.6	23.9	12.4	7	4	1 (combined)		5	1,594	70
Want Want China Holdings	HSI / HSLI	03/2018	FAM	10.8	31	9.5	7	5	2	3	10	5,644	51
WH Group	HSI / HSLI	12/2017	DIV	4.9	10.2	3.4	5	3	1	1	5	293	NA
Wharf Real Estate Investment	HSI / HSLI	12/2017	FAM	0.3	0.7	0.2	1	0	0	0	0	197	7
Wheelock and Company	HSLI	12/2017	FAM	9.6	4.9	7.2	4	5	0	1	6	2,228	35
Wynn Macau	HSLI	12/2017	FAM	7	8.3	8.3	5	4	2	2	8	NA	297
Yue Yuen Industrial Holdings	HSLI	12/2017	FAM	7.6	21.8	6.4	8	4	1	2	7	988	35

<sup>a</sup> Total retainer fee includes cash and equity.

<sup>b</sup> Exclude independent non-executive chair.

<sup>c</sup> During the year, no nomination committee meeting was held but by way of one unanimous written resolutions, the nomination committee had made recommendation to the board on the new appointment.

# Board Governance Trends: A Global View



Spencer Stuart Board Governance Trends is an exclusive source of insight into the way board practices are changing around the world and how they compare across countries. It is a one-stop online resource for the latest data in board composition, governance practices and director compensation among leading public companies in more than 20 countries.

[www.spencerstuart.com/research-and-insight/board-indexes](http://www.spencerstuart.com/research-and-insight/board-indexes)

Visit [spencerstuart.com](http://spencerstuart.com) for more information.

Amsterdam  
Atlanta  
Bangalore  
Barcelona  
Beijing  
Bogotá  
Boston  
Brussels  
Buenos Aires  
Calgary  
Chicago  
Copenhagen  
Dallas  
Dubai  
Düsseldorf  
Frankfurt  
Geneva  
Hong Kong  
Houston  
Istanbul  
Johannesburg  
Lima  
London  
Los Angeles  
Madrid  
Melbourne  
Mexico City  
Miami  
Milan  
Minneapolis/St. Paul  
Montreal  
Moscow  
Mumbai  
Munich  
New Delhi  
New York  
Orange County  
Paris  
Philadelphia  
Prague  
Rome  
San Francisco  
Santiago  
São Paulo  
Seattle  
Shanghai  
Silicon Valley  
Singapore  
Stamford  
Stockholm  
Sydney  
Tokyo  
Toronto  
Vienna  
Warsaw  
Washington, D.C.  
Zürich



SpencerStuart