

SpencerStuart



2021 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 more than 70 offices, over 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, employee engagement and many other facets of organizational effectiveness.

For more than 35 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.

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.

1,400

We've **conducted more than 1,400 director searches** worldwide in the past year alone.

3,000

We've helped place **over 3,000 women** in corporate board roles around the world.

1,000

We've helped place **more than 1,000 directors from historically underrepresented racial and ethnic groups** in corporate board roles worldwide.

In Hong Kong itself, our team has helped many clients enhance their board composition, in particular, increasing their gender diversity. In the last five years, women have made up a growing share of our board placements, increasing from 33% to 50%, and 18% of the women placed are first-time directors.

2017	2018	2019	2020	2021
33%	25%	40%	40%	50%

In addition to our work with clients, Spencer Stuart has long played an active role in corporate governance by exploring the key concerns of boards and providing innovative solutions to the challenges they face. Publishing the *Hong Kong Spencer Stuart Board Index*, now in its fourth edition, is just one of our many ongoing efforts. We host regional chair and director seminars and are a strategic partner to Women Corporate Directors (WCD) Foundation.

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Contents

1	Foreword
2	Spencer Stuart Perspective for 2021
3	Hong Kong Spencer Stuart Board Index 2021 Highlights
8	Trends over Three and Six Years — Hang Seng Index (HSI)
9	Methodology
13	Board Composition
13	Board size
14	Chair
15	Independent non-executive directors
16	Director tenure
19	Board Diversity
19	Age
19	Foreign directors
20	Female directors
23	Women in senior management
24	Diversity policy
25	Directors with technology experience
26	New board directors
28	Board Organization and Process
28	Board meetings
29	Board committee meetings
30	Nomination committee and chair
31	ESG committee
31	Board evaluation
33	Board Remuneration
33	Chairs
33	Independent non-executive directors
35	2021 Nomination Committee Members & Independent Non-Executive Directors Survey
40	Comparative Board Data
41	Board directors, diversity and age
44	Board tenure, meetings and remuneration

Foreword

The 2021 *Hong Kong Spencer Stuart Board Index* is a comprehensive study of the governance practices of the constituent companies in the Hang Seng Index (HSI) and 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 board evaluation, for HSI and HSLI companies.

This is the fourth edition of the *Hong Kong Spencer Stuart Board Index*. It analyzes data from the 58 HSI companies, which have a market capitalization ranging from US\$7–562 billion, and compares that to data from the 119 companies in the broader-based HSLI, which have a market capitalization ranging from US\$4–562 billion.

An increasing number of mainland Chinese companies, especially in the new economy sector, have been raising funds in the Hong Kong market. In 2021, more than 72% of the HSLI companies are mainland China-headquartered companies, versus 63% when we last did this study in 2018. Many of these companies, as well as the leading Hong Kong-headquartered companies, have become more international. For comparison, you can visit our online international comparison table summarizing findings from the countries where Spencer Stuart publishes board indexes.

To gain first-person perspectives on the trends and priorities of local boards, we surveyed members of board nomination committees and independent non-executive directors (INEDs) of HSLI companies in early 2021, and the results are included in this Board Index.

Spencer Stuart Perspective for 2021

Corporate boards around the world have been reshaping their composition in recent years, adding new skills and perspectives. For example, in the U.S., the boards of S&P 500 companies achieved a new milestone in gender diversity in 2021, with women now representing 30% of board directors. Among Hong Kong boards, by comparison, advances in gender diversity seem to be moving very slowly, even when compared to Singapore and India, both of which have a higher percentage of women on boards. Based on our survey of nominating committee members and INEDs, it does seem that gender diversity is at least among the top five priorities of boards, alongside adding experience in technology and ESG. We certainly hope that our Hong Kong boards will take action on their priorities, truly reflecting our status as a top international financial center.

Making meaningful progress on recruiting priorities — and ensuring they continually have the right perspectives around the boardroom table in a dynamic business environment — will require many boards to embrace a new mindset. While mandatory retirement or term limits can be effective mechanisms to encourage turnover, forward-looking boards will adopt a refreshment mindset and an intentional and ongoing process for evaluating whether they have the right expertise in the boardroom.

These boards will compare the skills and attributes of current directors with those that are critical to the company's long-term strategy to identify and address any gaps or overcapacity. Tools such as board and director assessments and director skill matrices can be useful for evaluating whether the current board members are still the right ones to address the organization's strategy. When they are not, or director performance is lacking, these boards will have the courage and culture to make a change. They will create the expectation that directors' continued service depends on their performance and the value and relevance of their skills on a forward-looking basis.

Boards that take this approach will be well-positioned to regularly inject new and needed perspectives into their deliberations. They also will reduce reliance on the retirement-based refreshment approach that many boards take today, in which the oldest person on the board rolls off, regardless of his or her contribution. And when boards adopt a refreshment mindset and more frequent turnover, directors are less likely to feel the perceived stigma of leaving a board before retirement age.

Establishing a refreshment mindset also aligns boards with investors, who expect boards to regularly refresh their skill sets based on the forward-looking strategy. Many investors have expressed a preference for a mix of tenures in the boardroom: roughly a third each of short-, medium- and long-tenured directors. As boards increase their refreshment, they also should ensure that they are preparing a diverse pipeline of directors for board leadership roles. Diversity in leadership can elevate important perspectives and increase the sense of belonging in the boardroom for all directors. Boards typically tap experienced directors for key leadership roles because they already have institutional knowledge of the company, familiarity with the key issues, and relationships with other board members and management. Forward-looking board succession planning anticipates the departure of board and committee leaders and ensures that the board has someone with the right skills, capacity and commitment to serve.

To help develop directors for board leadership, committee chairs will ensure that newer members gain deeper exposure to committee responsibilities and develop a perspective on which committee members could be strong committee chairs. The use of "board buddies" — pairing longer-tenured directors with new directors — can help new directors more quickly get up to speed on board culture, issues and responsibilities, while enabling established directors to see where they might best serve in future leadership roles.

Hong Kong Spencer Stuart Board Index 2021 Highlights

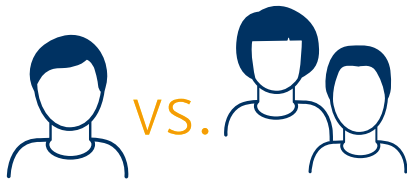




Trending toward smaller board size

The average board size for HSI companies is 11.3 directors, a decrease from 12.4 directors in 2018, consistent with a global trend towards smaller boards. The share of HSI boards with eight or fewer directors increased from 18% to 21%, while the percentage of boards with 12 or more directors decreased from 51% to 41%.

The trend is similar among the broader group of HSLI companies. The average board size of HSLI companies also decreased — to 10.7 directors in 2021, compared with 11.7 directors in 2018. The percentage of boards with eight or fewer directors increased from 17% to 25% this year, while the share of boards with 12 or more directors decreased from 48% in 2018 to 34% in 2021. The 41 new companies included in the HSLI since 2018 have an average of 8.9 directors, consistent with the trend of smaller boards. Based on our experience globally, most boards consider around 10 directors the optimal size.



More HSI boards splitting the chair and CEO roles

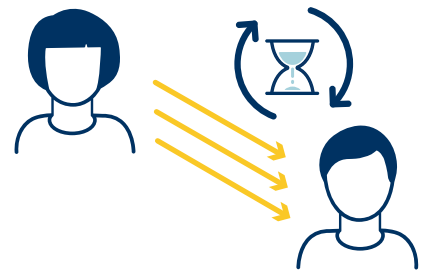
There has been a slight increase in the number of HSI boards with separate chair and CEO roles — from 69% in 2018 to 71% in 2021. Four more companies split the roles, but one company combined the roles since our last study. This is a positive trend as good corporate governance suggests a separation of the two roles to maintain a healthy system of checks and balances. Only 9% of HSI company chairs are independent.

We nonetheless see an opposite trend among the broader HSLI companies. 68% of the HSLI companies have separate chair and CEO roles, a decrease from 71% in 2018. The decline is largely driven by the new companies into the index, half of which have combined roles. Only 6% of chairs are independent.



Downward trend in board tenure

HKEX recently revised the Corporate Governance Code and the Listing Rules: effective as of January 2023, independent non-executive directors (INEDs) who are serving more than nine years will be regarded as “long-serving INEDs,” and if all INEDs on the board are long-serving INEDs, the board will be required to appoint a new INED at the forthcoming annual general meeting (AGM).



INEDs at HSI companies have an average tenure of 7.5 years, compared with 8.3 years in 2018, while INEDs at HSLI companies have an average tenure of 6.9 years, compared with 7.7 years in 2018. Six HSLI boards have all long-serving INEDs.

Only five companies in both indexes have explicit term limits for their INEDs. With a very low rate of board evaluation, Hong Kong boards might be missing a mechanism to trigger board refreshment. As indicated in our survey early this year with nomination committee members and INEDs, boards seem to rely on voluntary retirement even with non-performing board members.

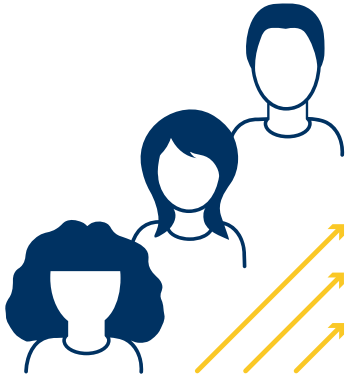
Very slow progress on gender diversity

Progress on gender diversity in Hong Kong remains embarrassingly slow, far behind countries like the U.S. and the UK, and even behind Singapore. The representation of female directors on HSI boards inched up from 12.9% in 2018 to 13.9% in 2021, and from 11.9% to 14% on the broader base HSLI boards over the last three years. 28% of HSI companies and 27% of HSLI companies have no female directors.



The picture on the representation of women among senior management, which provides a talent pipeline for women on boards, is not much better — only 16.6% and 17.8% of the senior executives of HSI and HSLI companies, respectively, are women.





Gender diversity among new directors is only slightly better

176 new directors were appointed by HSLI companies in the past financial year. Overall, the representation of first-time directors among new directors has increased from 34% in 2018 to 43% in 2021. The percentage of first-time INEDs has increased from 16% to 29% during the same period, indicating that boards are looking for new blood.

However, female directors only account for 18% of the new class of directors, with no movement at all from 2018. We note that close to 50% of the S&P 500 new director class are women, helping S&P 500 boards reach 30% female representation in 2021. HKEX has recently mandated NO single gender boards by 31 December 2024, the first major exchange that has mandated such. If HSLI boards get more ambitious and work toward ensuring that 50% of new directors are women, they can reach 30% female representation by 2026 even if 25% of the retiring directors each year are women.



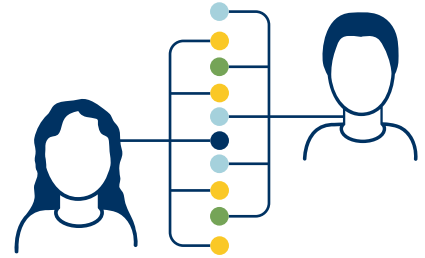
Boards met more often, but NOMCO activities stay low

In a year of unprecedented changes, boards met more often, going from six meetings in 2018 to 7.3 and 7.1 for HSI and HSLI boards, respectively. Nomination committees, which generally are accountable for reviewing board composition, met less often, typically having two meetings a year. While HKEX has recently made it mandatory for the nomination committee to be chaired by either the board chair or an INED, it should be noted that currently only 56% and 54% of the nomination committees of HSI and HSLI companies, respectively, are chaired by INEDs.



Increase in ESG committees

Expanding/enhancing environmental, social and governance (ESG) oversight features as the 4th highest priority in our survey of nomination committee directors and INEDs. While the trend was very nascent in 2018, currently 48% of HSI companies have an ESG committee at the board level, and 31% have an ESG committee at the executive level. Among the HSLI, 33% have a board-level ESG committee and 33% have an executive-level ESG committee.



A decline in board evaluations

While an annual board evaluation is often the norm in many other countries, it is a bit disconcerting to see the prevalence of board evaluations decline among Hong Kong boards, from 39% (both internally and externally facilitated) in 2018 to 28% in 2021 for HSI companies, and from 27% to 20% for HSLI companies.



Average INED compensation has stayed generally flat

While average INED compensation has increased 48% from 2015, it has stayed flat from 2018 at US\$96,000 for HSI companies and increased slightly from US\$85,000 to US\$95,000 for the broader-based HSLI companies.



Trends over Three and Six Years — Hang Seng Index (HSI)

	2015	2018	2021	3-year % change	6-year % change
Board composition					
Average board size	12.9	12.4	11.3	-9%	-12%
Split CEO and chair roles	76%	69%	71%	3%	-7%
Independent chairs	6%	10%	9%	-10%	50%
Independent non-executive directors (INEDs)	44%	46%	45%	-2%	2%
Board tenure					
Average director tenure	8.5	8.8	8.3	-6%	-2%
Average INED tenure (excluding independent chairs)	6.7	8.3	7.5	-10%	12%
Age					
Average age of chairs	64	61	61	0%	-5%
Average age of INEDs	64	65	66	2%	3%
Foreign directors					
% foreign directors: all	18%	19%	17%	-11%	-6%
Boards with at least one foreign director	68%	69%	57%	-17%	-16%
Female directors					
% women directors: all	11%	12.9%	13.9%	8%	26%
% women directors: INEDs	14%	15%	16%	7%	14%
Female chairs	2%	2%	7%	250%	250%
Companies with at least one female director	74%	78%	72%	-8%	-3%
Remuneration					
Average total INED compensation (US\$)	65,000	96,000	96,000	0%	48%
Meetings and board evaluation					
Average number of board meetings	6.5	6	7.3	22%	12%
% Boards with externally facilitated evaluation	8%	8%	7%	-13%	-13%

Methodology

The 2021 *Hong Kong Spencer Stuart Board Index* is the fourth edition of our regular report on the governance practices of Hong Kong-listed companies. 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 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.

We continue to define the scope of our study to the 119 constituent companies of the Hang Seng Composite Large-Cap Index (HSLI) so as to have a broader base. All of the Hang Seng Index (HSI) constituent companies are also constituent companies of the HSLI. Since we last published the index in 2018, the number of constituent companies of HSLI has increased from 105 to 119, while that of Hang Seng Index (HSI) increased from 51 to 58 companies. For context, the market capitalization of HSLI companies ranges from US\$4 billion to US\$562 billion, and HSI companies range from US\$7 billion to US\$562 billion in market capitalization.

There are 41 new entries and 27 exits in the HSLI since 2021.

Entries

Chinese Mainland headquartered companies

- » Alibaba Group Holding
- » Alibaba Health Information Technology
- » Anhui Conch Cement
- » Baidu
- » Beigene
- » Bilibili
- » Blue Moon Group Holdings
- » BYD
- » China Feihe
- » China Resources Mixc Lifestyle Services
- » China Tower
- » Country Garden Services Holdings
- » Evergrande Property Services Group
- » GDS Holdings
- » Haidilao International Holding
- » Hansoh Pharmaceutical Group
- » JD Health International
- » JD.com
- » Kuaishou Technology
- » Li Ning
- » Logan Group
- » Meituan
- » Ming Yuan Cloud Group Holdings
- » NetEase
- » New Oriental Education and Technology Group
- » Nongfu Spring
- » Ping An Healthcare and Technology
- » Pop Mart International Group
- » Semiconductor Manufacturing International
- » Smoore International Holdings
- » WuXi Biologics
- » Xiaomi
- » Xinyi Solar Holdings
- » Yihai International Holding
- » Zhongsheng Group Holdings
- » ZTO Express

Hong Kong/Macau/Overseas headquartered companies

- » Budweiser Brewing Company APAC
- » HK Electric Investments
- » HKT
- » Prada
- » United Company RUSAL

Exits

Chinese Mainland headquartered companies

- » Beijing Enterprises Group
- » Beijing Enterprises Water Group
- » Brilliance China Automotive Holdings
- » China Cinda Asset Management
- » China Communications Construction
- » China Everbright International
- » China Hongqiao Group
- » China Huarong Asset Management
- » China Literature
- » China Merchants Port Holdings
- » China Minsheng Bank
- » China Resources Pharmaceutical Group
- » China Resources Power Holdings
- » China State Construction International Holdings
- » China Telecom
- » Fullshare Holdings
- » Haier Electronic Group
- » Haitong Securities

Hong Kong/Macau/Overseas headquartered companies

- » Cathay Pacific Airways
- » Hang Lung Group
- » Kerry Properties
- » MGM China Holdings
- » NWS Holdings
- » Shangri-La Asia
- » Swire Pacific
- » Wheelock and Company
- » Yue Yuen Industrial Holdings

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. For further details, one can visit spencerstuart.com/BATW for our online international comparison table summarizing findings of the countries where Spencer Stuart publishes board indexes.

We take the financial year-end of the companies as the cut-off date for data collection, with information compiled no later than March 31st, 2021. Throughout the index, data in some charts may not total 100% due to rounding.

HSI and HSLI shareholding structure

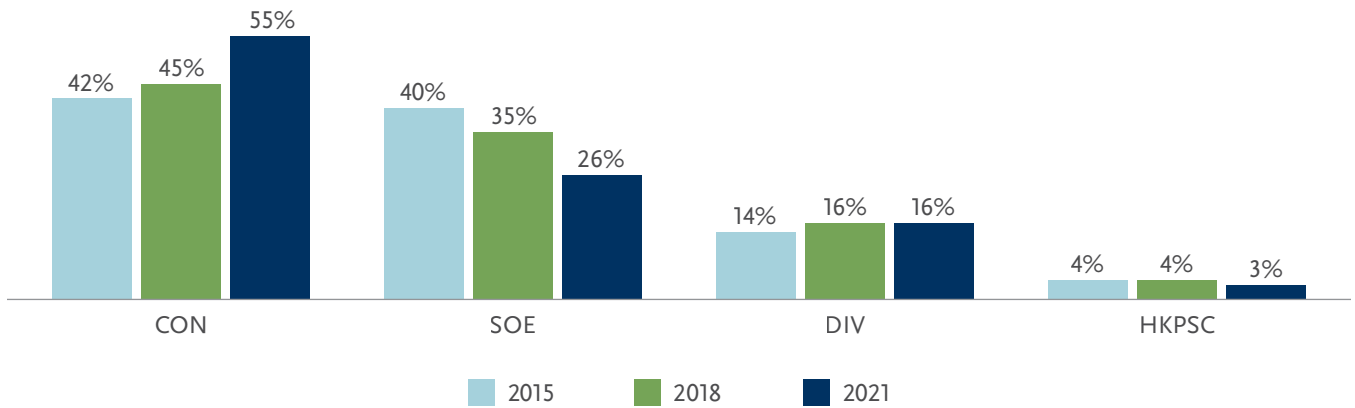
We continue to observe four categories of shareholding structure in the companies studied: companies with concentrated ownership¹ (family members or individuals with 15% or above of shares in the company) which also include privately owned enterprises (POE) headquartered in the mainland; companies with diversified institutional ownership; Hong Kong public sector companies (largely controlled by the Hong Kong government — only 2 companies in our data set); and Chinese state-owned enterprises (largely controlled by the local, provincial or national governments of China).

¹ Known as family-controlled companies in our previous editions.

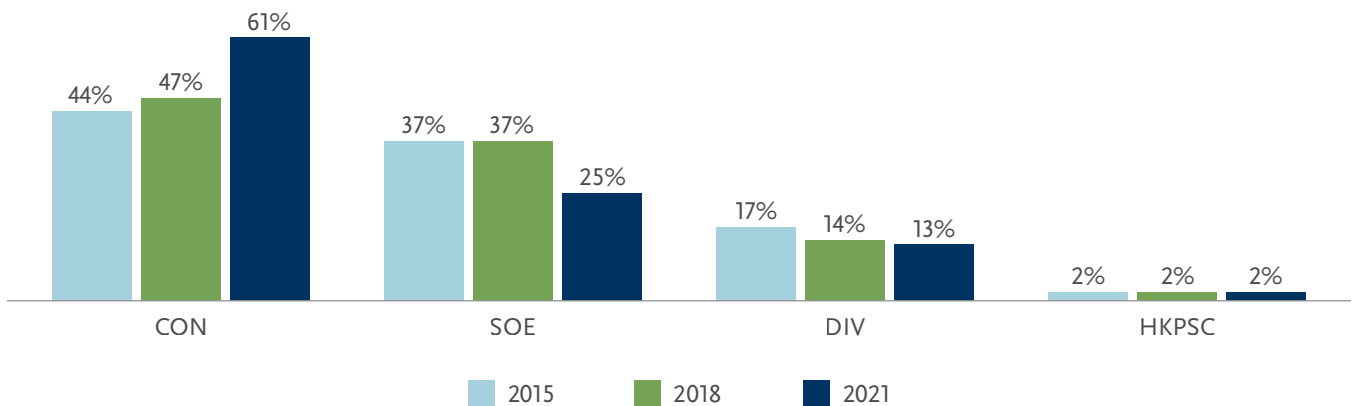
- » 55% of the HSI companies are companies with concentrated ownership (CON), up from 45% in 2018, while the percentage of Chinese state-owned enterprises (SOE) decreased from 35% to 26%.
- » Companies with diversified institutional ownership (DIV), which is the norm for listed Western companies, account for 16% of the HSI companies.
- » Hong Kong public sector companies (HKPSC), which include only MTR Corporation and HKEX, represent 3%.

The shareholding structure distribution within the broader group of HSLI companies is similar to that of HSI companies: 61% of the HSLI companies have concentrated ownership (CON). Chinese state-owned enterprises (SOE) continue to make up the second-largest category at 25%. Companies with diversified institutional ownership (DIV) represent 13% of the companies, and the rest (2%) are Hong Kong public sector companies (HKPSC).

HSI SHAREHOLDING STRUCTURE



HSLI SHAREHOLDING STRUCTURE



HSI and HSLI by industry

The largest constituency of the HSI companies is the property and infrastructure industry (22%). Financial services companies make up the second-largest category at 19%, followed by consumer and utilities industries (12%), then information technology and industrial sectors (10%). The remaining are in the healthcare (7%), conglomerates (3%), and telecommunications sectors (3%). In the broader HSLI index, there seem to be more consumer and information technology companies than in HSI, largely because of some of the new economy companies.

HSI AND HSLI COMPANIES BY INDUSTRY — 2021

	HSI	HSLI
Property and infrastructure	22%	18%
Financial services	19%	16%
Consumer	12%	19%
Utilities	12%	11%
Information technology	10%	13%
Industrial	10%	9%
Healthcare	7%	7%
Conglomerates	3%	3%
Telecommunications	3%	3%

HSI and HSLI by headquarters location

62% and 72%, respectively, of the HSI and HSLI companies are headquartered in mainland China. This is up from 51% of HSI companies and 63% of HSLI companies in 2018.

Board Composition

Board size

The average board size of the HSI companies is 11.3 directors, while the average of the HSLI companies is 10.7 directors, a slight decrease from 2018. There are relatively more boards with eight or fewer directors. In contrast, the percentage of HSI companies with boards comprising more than 12 directors has decreased substantially, from 51% in 2018 to 41% in 2021, which is in line with the global trend of decreasing the size of the board.

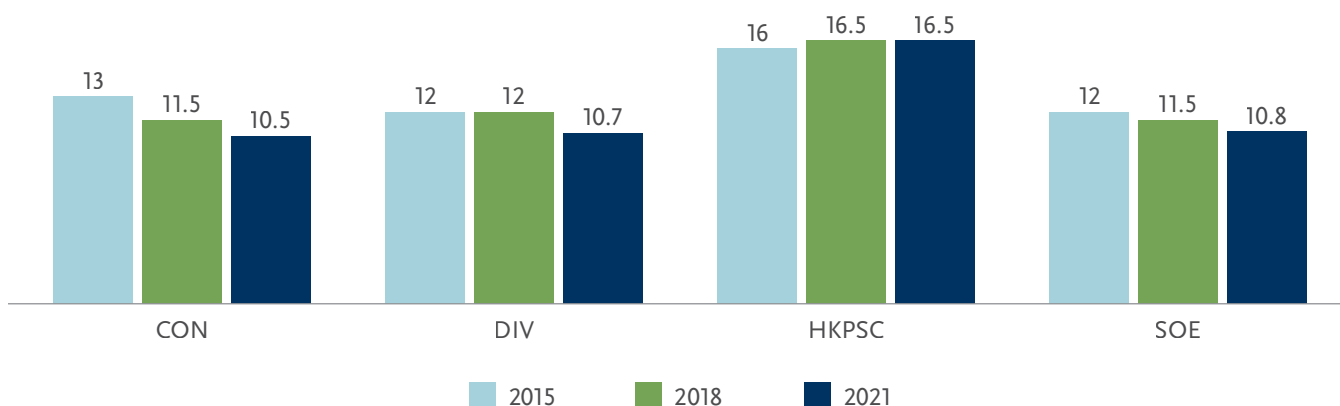
MTR Corporation and Sun Hung Kai Properties top the list of the largest boards, with 20 members each, and both are Hong Kong-headquartered companies. Baidu and JD.com, both mainland China-headquartered and new economy companies, have the smallest boards, with five members each.

BOARD SIZE

	2015		2018		2021		Change from 2015 to 2021	
	HSI	HSLI	HSI	HSLI	HSI	HSLI	HSI	HSLI
Average	12.9	12.6	12.4	11.7	11.3	10.7	-12%	-15%
% of 8 or fewer directors	10%	10%	18%	17%	21%	25%	110%	150%
% of 9 to 11	32%	33%	33%	35%	38%	41%	19%	24%
% of 12 or more directors	54%	57%	51%	48%	41%	34%	-24%	-40%

Average board size, irrespective of shareholding structure, has been decreasing over the past six years. The exception is the two Hong Kong public sector companies, MTR Corporation and HKEX, both of which have a number of government-appointed directors. Their average size remains at 16.5.

AVERAGE NUMBER OF BOARD DIRECTORS BY SHAREHOLDING STRUCTURE — HSLI



Comparing the average size of HSI boards with the regional and global averages, we note that the Hong Kong average is slightly higher at 11.3, but the difference is small. Interestingly, the percentage of companies in Hong Kong with larger boards (12 members or more) is significantly higher than in Singapore and U.S.

THE BROADER VIEW: BOARD SIZE

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Average size	11.3	10.7	10.7	10.4	10.1	10.8
% of 8 or fewer directors	21%	25%	23%	20%	30%	13%
% of 9 to 11	38%	41%	77%*	57%	70%*	71%
% of 12 or more directors	41%	34%	-	23%	-	16%

* Ratio based on 9 to 12 members.

Chair

To establish a healthy checks and balances, HKEX has encouraged the separation of the board chair and CEO roles. It is great to see an increase in the number of HSI boards that have separated the chair and CEO roles, from 69% in 2018 to 71% in 2021. Four of the companies from our last study have since separated the two roles — China Overseas Land and Investment, China Petroleum & Chemical, China Resources Land and Ping An Insurance Group, all mainland China-headquartered companies. Meanwhile, CK Asset Holdings has combined these roles since our last study.

While the number of companies separating the chair and CEO roles has increased, the percentages of HK companies with independent chairs remain very low — 9% and 6%, respectively, for HSI and HSLI companies. 7% of the chairs of HSI companies are female, and Laura Cha, the chairwoman of HKEX, is the only female independent non-executive chair among all companies, as of the cut-off date.²

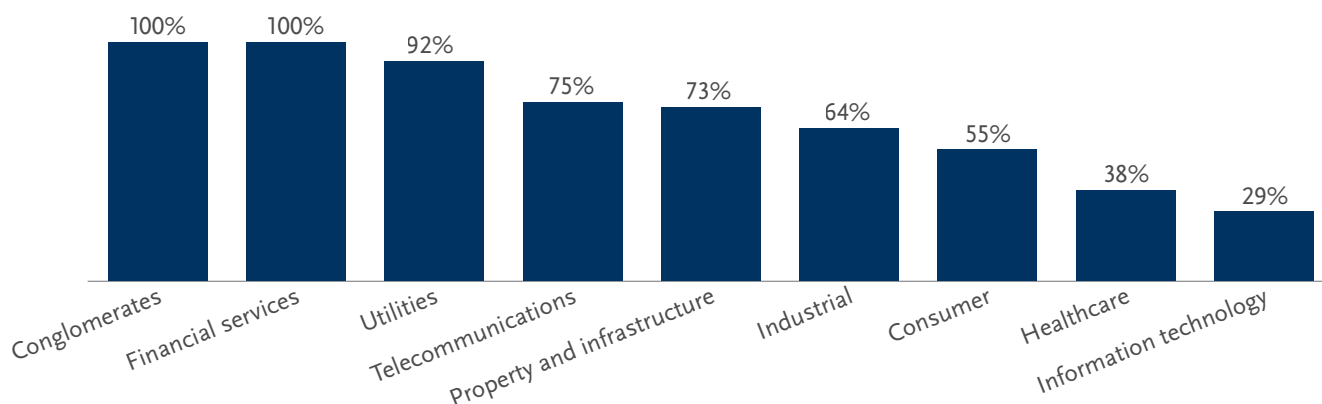
CHAIRS

	2018		2021	
	HSI	HSLI	HSI	HSLI
Separate chair and CEO	69%	71%	71%	68%
Independent chair	10%	5%	9%	6%
Female chair	-	-	7%	7%

All the conglomerates and financial services companies have separated the two roles, while only 38% and 29%, respectively, of healthcare and information technology sector companies — both newer economy industries — have separated both roles.

² Irene Lee was appointed as the independent non-executive chair of Hang Seng Bank on 27th May 2021.

COMPANIES WITH SEPARATE CHAIR AND CEO ROLES BY INDUSTRY — HSLI 2021



Compared to regional and global companies, Hong Kong companies have a much lower percentage of chairs who are independent.

THE BROADER VIEW: CHAIRS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Separate chair and CEO roles	71%	68%	-	83%	100%	59%
Independent chair	9%	6%	10%	43%	71%	37%

Independent non-executive directors

Unlike jurisdictions where non-executive directors are all independent, Hong Kong-listed companies have two categories of non-executive directors — non-independent non-executive directors (NEDs) and independent non-executive directors (INEDs). 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 insights into possible synergies with other group companies and from the experience of recently retired company executives. It does seem 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.

According to the independence requirement set out in the Main Board Listing Rules of HKEX, boards are required to appoint INEDs representing at least one-third of the board. All the boards fulfilled the requirement.

INEDs, including chairs, account for 45% of all HSI board directors, a small decrease from 46% in 2018. It was the first time that the INED percentage has declined since 2010. The percentage of companies with over two-thirds of INEDs has also decreased from 12% to 9%. The INED percentage might have been diluted by the 16 new HSI companies, which on average have 39% of INEDs on the boards — generally just enough to meet the exchange rules.

PERCENTAGE OF INEDS

	2010	2013	2015		2018		2021	
	HSI	HSI	HSI	HSLI	HSI	HSLI	HSI	HSLI
Average	39%	42%	44%	41%	46%	42%	45%	43%
Fewer than 33%	24%	4%	2%	2%	0%	2%	0%	0%
33% to 49%	52%	72%	72%	80%	71%	77%	72%	78%
50% to 65%	22%	18%	14%	11%	18%	15%	19%	15%
66% or more	2%	6%	12%	7%	12%	6%	9%	8%

Compared to regional and global boards, Hong Kong companies generally have a lower percentage of independent directors.

THE BROADER VIEW: PERCENTAGE OF INDEPENDENT DIRECTORS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Percentage	45%	43%	39%	57%	70%	85%

Overboarding

According to the revised Code Provision A.5.5 of HKEX, which came into effect in January 2019, companies are required to explain how proposed INEDs who hold seven or more directorships would be able to devote sufficient time to the board. INEDs of HSLI companies sit on 2.5 public boards on average. 3% (12) of HSLI INEDs held seven or more public directorships in 2021, lower than 9% (44) in 2018 — a positive trend. The most public board directorships held by a director is 19.

Director tenure

The average tenure for directors of HSI boards is 8.3 years, a slight decrease from 8.8 years in 2018. The board of Henderson Land Development has the highest average director tenure of 22.6 years. The Honorable Sir Michael Kadoorie at CLP Power Hong Kong is the longest-serving director, approximately 54 years.

Chairs have an average tenure of 8.9 years for HSI boards. 21 (36%) chairs of HSI companies have been in position for 10 years or more. The longest-tenured chair has been serving for 36 years. In contrast, 22 (38%) chairs have been in their roles for less than three years.

The average tenure of HSI company CEOs is 7.4 years. 18 (31%) CEOs have a tenure of 10 years or more.

To ensure the INEDs retain their independence and remain capable of bringing fresh perspectives to the board, HKEX recently revised the Corporate Governance Code and the Listing Rules: effective January 2023, independent non-executive directors (INEDs) who are serving more than nine years will be regarded as “long-serving INEDs,” and if all INEDs on the board are long-serving INEDs, the board will be required to appoint a new INED at the forthcoming annual general meeting (AGM).

Among HSI companies, the average INED tenure, excluding independent chairs, declined to 7.5 years in 2021, a slight decrease from 8.3 in 2018.

20 (35%) companies have an average INED tenure of nine years or above. All the INEDs of Galaxy Entertainment Group and Longfor Group Holdings have served for more than nine years. Bank of Communications and Ping An Insurance Group have now joined HKEX, Link REIT and Lenovo Group in establishing a tenure limit for INEDs.

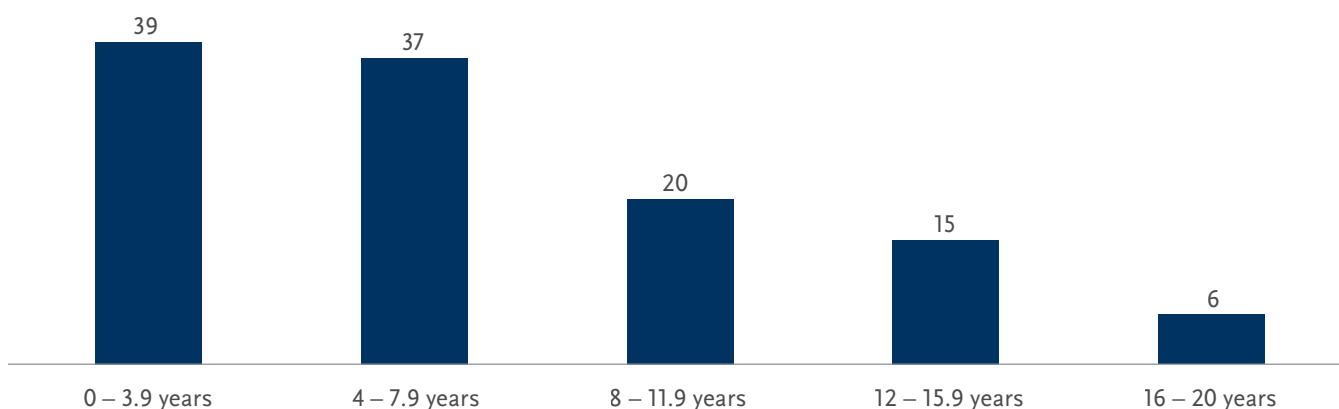
HONG KONG BOARDS WITH TERM LIMITS FOR INEDS — 2021

Companies	Tenure Limit
Bank of Communications	6 years
Ping An Insurance Group	6 years
HKEX	9 years
Link REIT	9 years
Lenovo Group	12 years

INED TENURE (YEARS)

	2021	
	HSI	HSLI
Average INED tenure (excluding independent chairs)	7.5	6.9
Companies with an INED average tenure 9 years or above	35%	29%
Companies with all INEDs serving over 9 Years	3%	5%

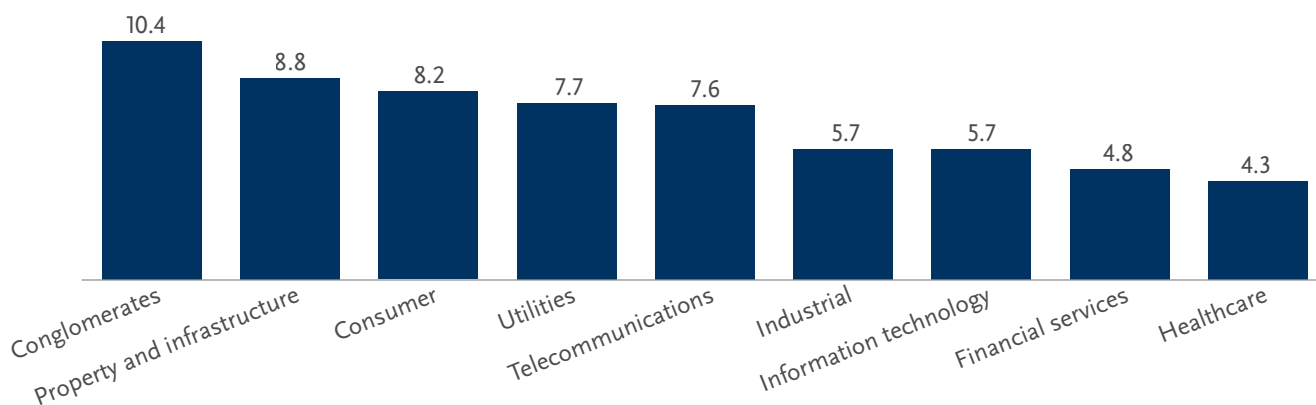
AVERAGE TENURE OF INED (NUMBER OF COMPANIES) — HSLI 2021*



* Data of 117 companies only; two companies' data was not for the full year as their boards were only formed in the year of our study.

The average tenure of INEDs serving on the boards of conglomerates companies stands at 10.4 years, which is the highest among all the industries, while the healthcare businesses, which are newcomers into the indexes, have the lowest average tenure at 4.3 years. Financial services companies also have a relatively low average tenure of INEDs at 4.8 years, as reflected by the guidance of the Hong Kong Monetary Authority (HKMA) that the INEDs should not serve for over nine years to maintain the independence of the boards.

AVERAGE TENURE OF INED BY INDUSTRY (EXCLUDING INDEPENDENT CHAIRS) — HSLI 2021



THE BROADER VIEW: AVERAGE TENURE OF INDEPENDENT DIRECTORS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Tenure of independent director (years)	7.5	6.9	-	5.2	4.2	7.9

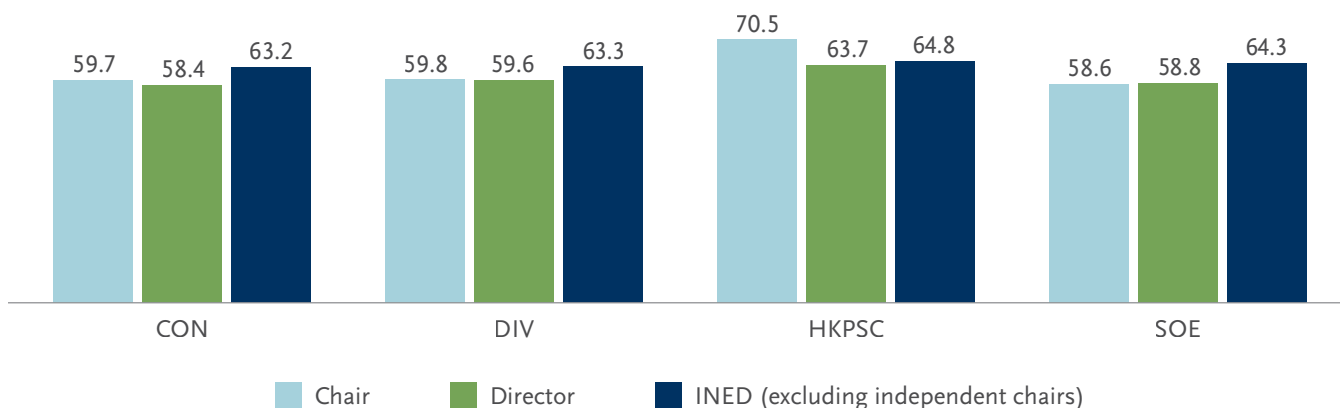
Board Diversity

Age

The average ages of HSI and HSLI directors are 61 and 59 years old, respectively. The average ages for HSI and HSLI chairs are 61 years old and 60 years old. The oldest chair is Chi Woo Lui at Galaxy Entertainment Group (92) while the youngest is Theresa Tse at Sino Biopharmaceutical (29). The average age of INEDs is 66 years old for HSI boards and 64 years old for HSLI boards. The oldest INED is Stanley Kwok³ (95) at CK Hutchison Holdings and the youngest is Gary Ngan at Pop Mart International Group (38). It is also interesting to note that the average age of Hong Kong/Macau-headquartered companies is 66 years old, which is significantly older than the Chinese mainland-headquartered companies at 56 years old.

Across the shareholding structures, SOE chairs and CEOs are the youngest on average because of the retirement age requirements in China. Generally, INEDs are older on average than all directors.

AVERAGE AGE OF BOARD DIRECTORS BY SHAREHOLDING STRUCTURE (YEARS OLD) — HSLI 2021



Foreign directors

17% of all HSI directors are foreign directors,⁴ a decrease from 19% in 2018. The number of HSI companies with no foreign board director has significantly increased from 31% in 2018 to 43% in 2021, whereas the number of HSLI companies with no foreign board director slightly decreased from 55% in 2018 to 52% in 2021.

Foreign EDs, NEDs and INEDs account for 9%, 18% and 24% of all HSI company directors, respectively.

The average number of nationalities on each board of HSI companies is 2.4, similar to 2.5 in 2018. The board of CLP Holdings has seven different nationalities represented among its 14 directors — driven by the regional nature of the company business across Greater China, India, Australia, etc.

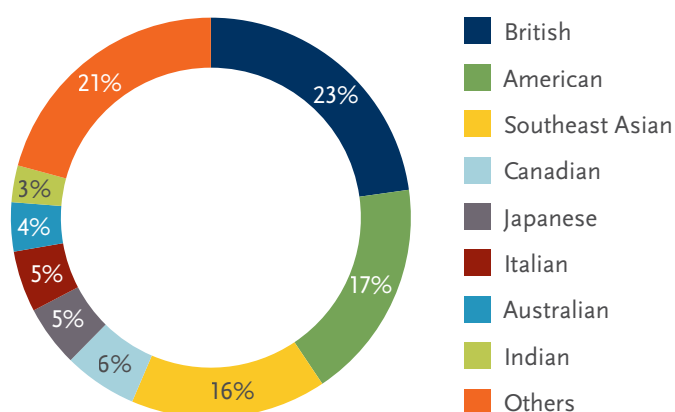
³ Stanley Kwok retired from the board on 13 May 2021.

⁴ Foreign directors are defined as ethnic background other than mainland Chinese, Hong Kong Chinese or Taiwanese.

FOREIGN REPRESENTATION

	2021	
	HSI	HSLI
Foreign directors on the boards	17%	15%
Foreign executive directors	9%	8%
Foreign non-executive directors	18%	17%
Foreign independent non-executive directors	24%	20%
Companies with no foreign director	43%	52%
Average number of nationalities represented	2.4	2.1

DISTRIBUTION OF NATIONALITIES OF FOREIGN DIRECTORS BY PERCENTAGE — HSLI 2021



Female directors

The progress of gender diversity in Hong Kong remains very slow, increasing by only five percentage points over the last 11 years. Women account for 13.9% of all HSI directors, up from 12.9% in 2018, 11% in 2015, 9.5% in 2013, and 9% in 2010. The representation of female INEDs on HSI companies grew at a particularly slow pace, from 14% in 2015 to 16% in 2021. There seem to be slightly more gains among the female EDs and NEDs.

HKEX is strongly encouraging companies to rid of single-gender boards to create cognitive diversity in the boardroom and break down a tendency towards “group think.” Effective January 2022, HKEX requires all single-gender boards appoint at least one director of the absent gender in the next three years, and that no IPO applicants will have single-gender boards after July 2022. In 2021, 16 HSI boards, 28%, have no female directors, an increase from 22% three years ago! The financial services sector is the only industry that has no single-gender boards.

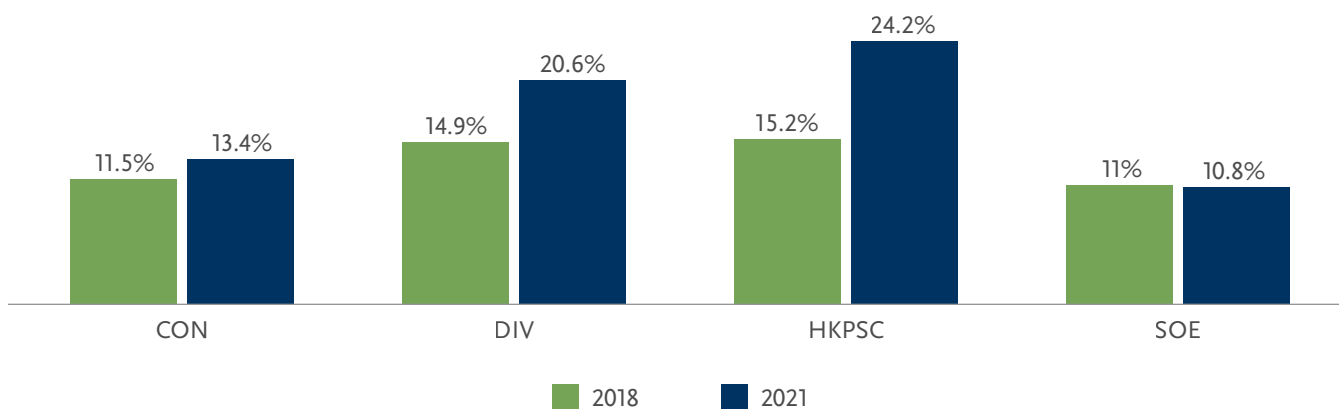
40% of HSI companies, down from 43% in 2018, have two or more female directors. Among all the HSLI companies, Hang Seng Bank, HSBC Holdings and MTR Corporation have the highest number of female directors, each with five women on their boards, while Hansoh Pharmaceutical Group, whose chair and CEO is a woman, has the highest percentage of female directors at 57%, with four women on its board.

FEMALE REPRESENTATION ON HONG KONG BOARDS

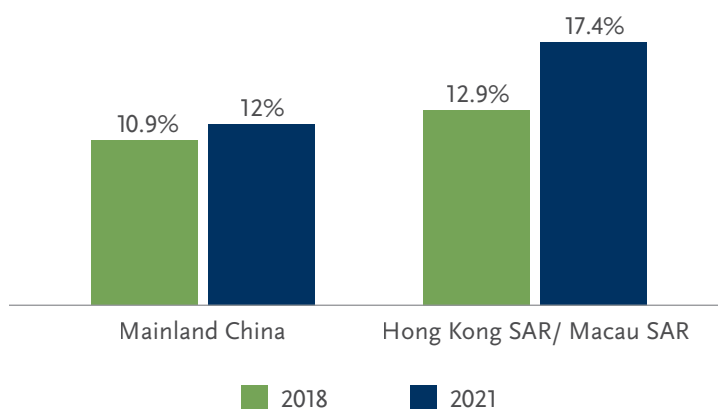
	2010	2013	2015		2018		2021	
	HSI	HSI	HSI	HSLI	HSI	HSLI	HSI	HSLI
Women on boards	9%	9.5%	11%	11%	12.9%	11.9%	13.9%	14%
Boards with two or more female directors	-	-	34%	36%	43%	39%	40%	41%
Boards with no female directors	-	-	26%	27%	22%	28%	28%	27%
Female executive directors	-	-	8%	8%	11%	10%	11%	13%
Female non-executive directors	-	-	9%	11%	11%	12%	14%	13%
Female independent non-executive directors	-	-	14%	14%	15%	14%	16%	15%

In terms of shareholding structure, CON, DIV and HKPSC boards have registered an increase in the percentage of female directors. SOE boards, which account for a quarter of the HSI and HSLI indexes, actually have a slight reduction of female directors from 11% in 2018 to 10.8% in 2021. Looking through the headquarters location lens, the average female representation of the Hong Kong/Macau-headquartered companies is 17.4% in 2021, higher than the average of the Chinese mainland-headquartered companies at 12%.

FEMALE DIRECTORS BY SHAREHOLDING STRUCTURE — HSLI



FEMALE DIRECTORS BY HEADQUARTERS LOCATIONS — HSLI



Within the HSLI, there is one woman who serves as chair and chief executive, seven chairwomen and four female CEOs. Six of the eight women serving as chairs are either founders, owners or close relatives of owners of the companies with concentrated ownership. HSLI companies led by a female chair or CEO tend to have a higher percentage of female board directors than companies led by a male chairperson or CEO — 28% versus 12%.

COMPANIES WITH WOMEN SERVING AS CHAIR OR CEO

Companies	Chair	CEO	Total number of directors excluding chair/CEO	Number of female directors excluding chair/CEO	Percentage of female directors excluding chair/CEO
Hansoh Pharmaceutical Group	Huijuan Zhong	Huijuan Zhong	6	3	50%
Blue Moon Group Holdings	Dong Pan	-	8	3	38%
China CITIC Bank	Qingping Li	-	9	2	22%
Country Garden Services Holdings	Huiyan Yang	-	8	1	13%
Hong Kong Exchanges and Clearing	Laura Cha	-	12	2	17%
Longfor Group Holdings	Yajun Wu	-	7	0	0%
Sino Biopharmaceutical	Theresa Tse	-	13	3	23%
SJM Holdings	Daisy Ho	-	11	3	27%
Hang Seng Bank ⁵	-	Louisa Cheang	11	4	36%
HKT	-	Susanna Hui	10	1	10%
Ping An Insurance Group	-	Jessica Tan (Co-CEO)	12	1	8%
Prada	-	Miuccia Prade Bianchi (Co-CEO)	8	1	13%

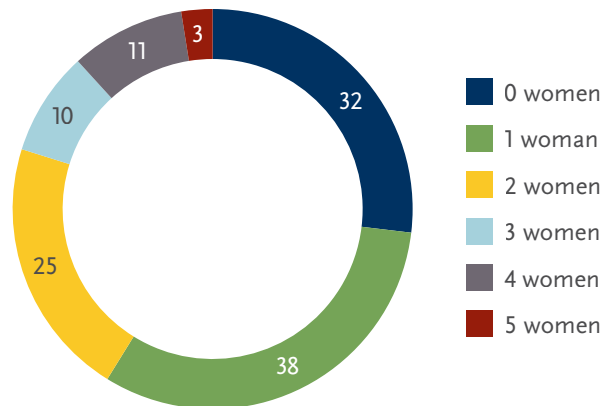
Compared to boards in the region and in the developed markets like UK and U.S., Hong Kong seriously lags behind in gender diversity on boards. If we continue at this pace without any changes, we estimate it will take HSI and HSLI companies until 2057 to reach 30% women on boards — unacceptable for a financial center. There are many ways to improve our situation — more board refreshment, ensuring a higher percentage of women are being considered for new director roles — whether for companies going through refreshment or going IPO.

THE BROADER VIEW: WOMEN ON BOARDS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Percentage	13.9%	14%	11%	16%	33.8%	30%

⁵ Irene Lee was appointed as the independent non-executive chair of Hang Seng Bank on 27th May 2021. Diana Cesar was appointed as the CEO on 1st September 2021.

NUMBER OF FEMALE DIRECTORS (NUMBER OF COMPANIES) — HSLI 2021



Women in senior management

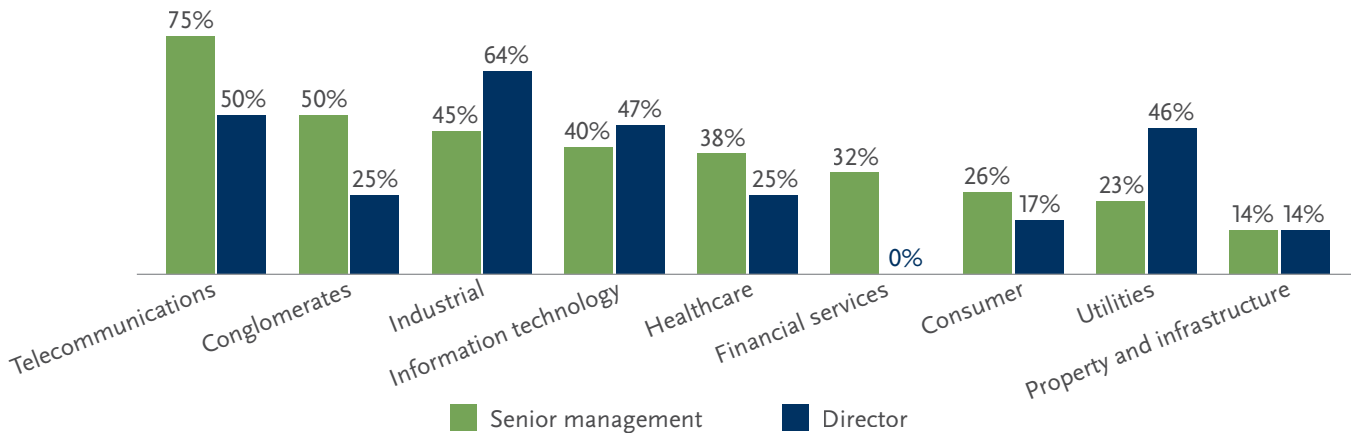
Senior executives are often the talent pipeline for future board directors. On this score, Hong Kong companies are also low — only 16.6% of all HSI senior management and 17.8% of all HSLI senior management are women.

FEMALE SENIOR MANAGEMENT

	2021 senior management		2021 board of directors	
	HSI	HSLI	HSI	HSLI
% female	16.6%	17.8%	13.9%	14%
% of companies with at least two women	43%	41%	40%	41%
% of companies with no women	31%	31%	28%	27%
# of companies with no women	18	37	16	32

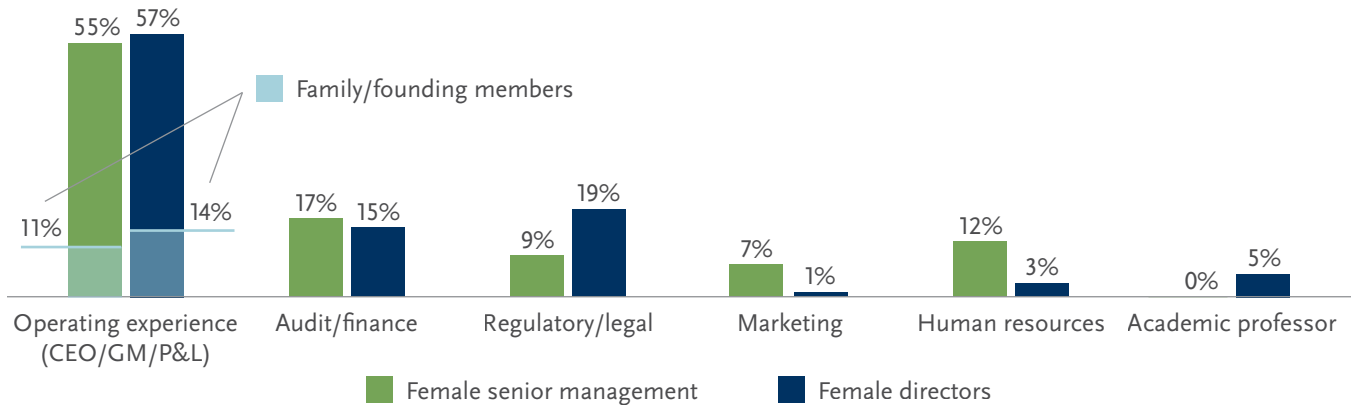
Overall, 31% (37) of the HSLI companies have no senior female executives. Telecommunications companies have the highest percentages of companies with no woman executives (75%) or directors (50%). It is also surprising to see that although all financial services boards have women directors, 32% of the companies have single-gender senior management.

PERCENTAGE OF COMPANIES WITH NO FEMALE SENIOR MANAGEMENT OR DIRECTORS BY INDUSTRY — HSLI 2021



What does it take for a woman to get to become senior management and/or a board director? Within the HSLI, 11% of the women executives and 14% of the women directors are either family members or founding members of the companies, compared with 13% of men. Excluding that, not surprisingly, the most important background is P&L operating experience, followed by finance and HR for senior management, and legal/regulatory and finance for board directors.

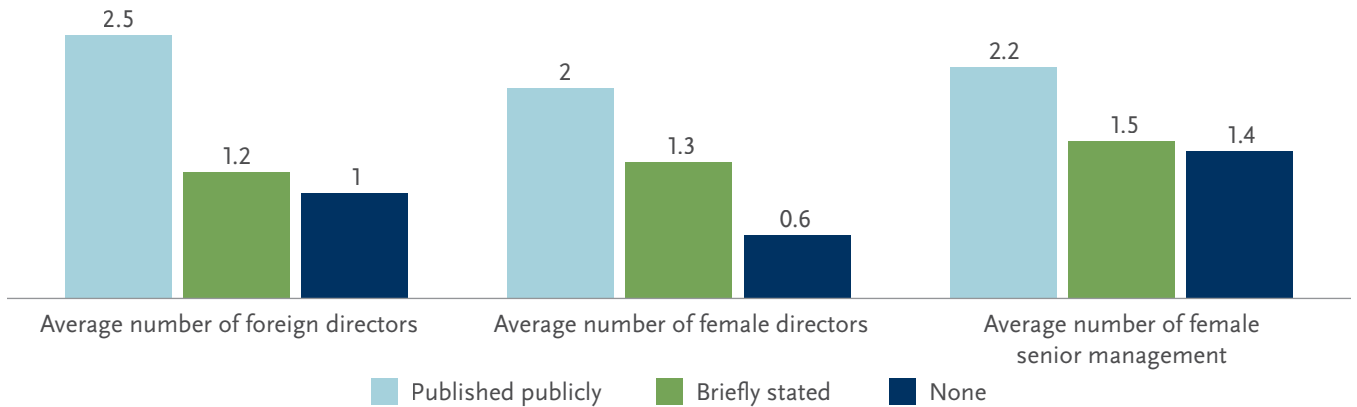
BACKGROUNDS OF FEMALE SENIOR MANAGEMENT AND DIRECTORS — HSLI 2021



Diversity policy

Effective since January 2019, HKEX has required listed companies to establish a diversity policy and to disclose a summary of the policy in the corporate governance report. Not surprisingly, companies that articulated a comprehensive diversity policy had a higher average number of foreign directors, female directors and female executives than those that only mentioned diversity briefly in their corporate governance report.

ADOPTION OF DIVERSITY POLICY VERSUS AVERAGE NUMBER OF FOREIGN DIRECTORS, FEMALE DIRECTORS AND SENIOR MANAGEMENT — HSLI 2021



Published publicly: Companies adopted a diversity policy and disclosed the policy on the websites.

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.

Directors with technology experience

In our survey of nomination committee members and INEDs in early 2021, cybersecurity and digital disruption was identified as the third most important board priority. Having digital, technology and social media experience was the second-most desired background in new directors.

Nevertheless, technology directors only account for 11% of all HSI directors and 13% of all HSLI directors. Based on our experience, there is sometimes a gap between the desire and the ability to find the right candidate with a technology background who fits with the board. To fill the gap, some companies have set up technology advisory boards to provide strategic advice on technology, digital and business transformations to the board and executive committees.

TECHNOLOGY DIRECTORS — 2021

	2021	
	HSI	HSLI
Technology/digital directors		
% of technology directors	11%	13%
% of companies with no technology director	53%	54%

New board directors

176 new board appointments were made among HSLI companies in the past financial year — 39% of these are EDs, 24% are NEDs and 37% are INEDs. Among these new board members, similar to 2018, 18% are women and 11% are foreigners. 26% of the new directors are younger than 50 versus 17% of all HSLI directors. This represents a decrease from 35% in 2018, but the proportion of first-time directors⁶ has increased from 34% to 43%.

With no increase in the representation of women in the new director class compared with 2018, it will be difficult to make progress on gender diversity. We note that among S&P 500 boards, which finally achieved 30% representation of women on boards in 2021, close to 50% of its most recent new director class are women. Going forward, if 50% (instead of 18%) of the new directors are women, HSLI boards can reach 30% female representation by 2026, even if 25% of retiring directors are women!

NEW DIRECTOR INDEPENDENCE — HSLI 2021

New directors	New EDs	New NEDs	New INEDs
176	39%	24%	37%

NEW DIRECTOR SNAPSHOT — HSLI

	2018		2021	
	New directors	New INEDs	New directors	New INEDs
Total	170	56	176	66
Average age	53.8	-	53.9	57.6
% younger than 50	35%	-	26%	18%
% female directors	18%	23%	18%	20%
% foreign directors	12%	23%	11%	17%

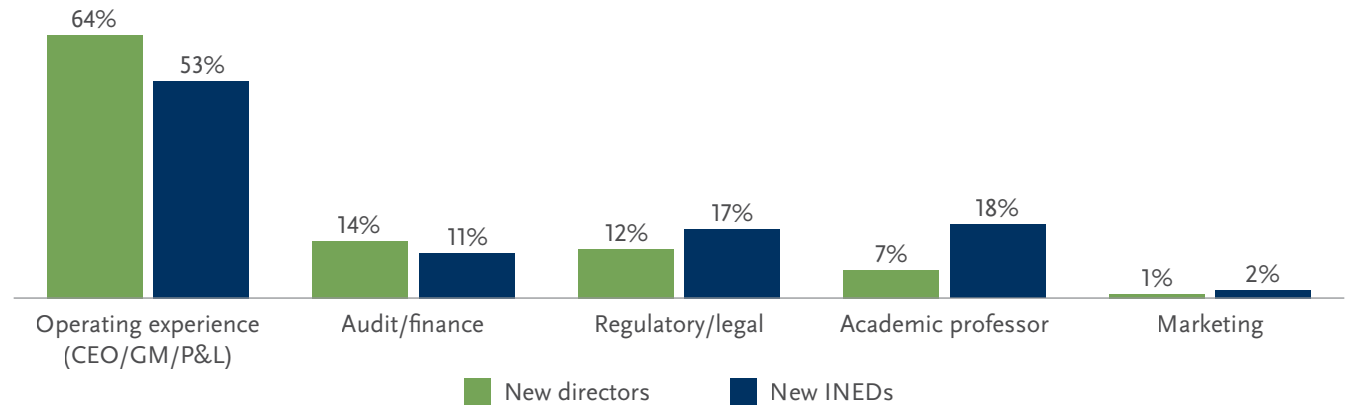
FIRST-TIME DIRECTOR SNAPSHOT — HSLI

	2018		2021	
	New directors	New INEDs	New directors	New INEDs
% of first-time directors	34%	16%	43%	29%
Average age of first-time directors	-	-	51.3	55.6
% of first-time female directors	-	-	20%	11%

⁶ First-time directors are defined as the new directors who have no prior public board experience before.

Respectively, 64% and 53% of all new directors and new INEDs are executives who have prior operating experience, consistent with overall director profile. It is interesting to note that 18% of the new INEDs are academic professors.

BACKGROUNDS OF NEW DIRECTORS — HSLI 2021



Although the percentage of female directors among new directors is higher than the overall percentage of women directors, Hong Kong boards significantly lag the boards of the UK and the U.S. when it comes to the gender diversity of the newest class of directors. The U.S. (S&P 500) has in 2021 finally reached the target of 30% of women on boards through accelerating the recruitment of women for all new board positions.

THE BROADER VIEW: PERCENTAGE OF WOMEN AMONG NEW BOARD DIRECTORS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Percentage	19%	18%	-	21%	50%	47%

Board Organization and Process

Board meetings

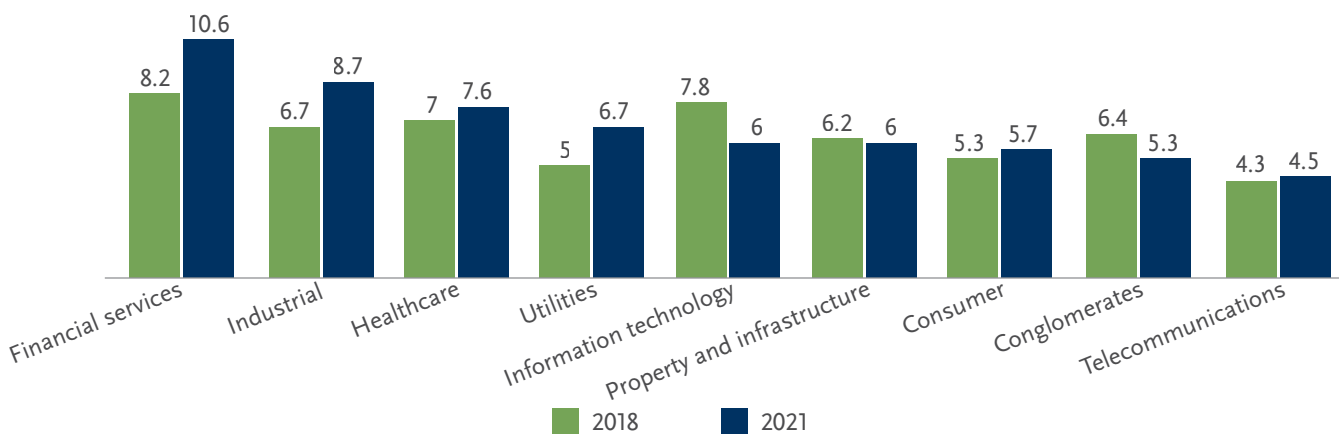
In a year when businesses were buffeted by a pandemic and geopolitics, HSI boards met more often, holding 7.3 meetings⁷ on average versus six in 2018. 44% of HSI boards met five or fewer times, while 23% met 10 or more times. Geely Automobile Holdings met 23 times, versus two times of Anhui Conch Cement, throughout the last financial year.

BOARD MEETING DISTRIBUTION

	2018		2021	
	HSI	HSLI	HSI	HSLI
Average board meetings	6	6	7.3	7.1
5 or fewer board meetings	51%	34%	44%	44%
6 to 9 board meetings	35%	39%	33%	35%
10 or more board meetings	14%	27%	23%	21%

As in 2018, the boards of financial services companies met the most frequently, followed by industrial and health-care company boards.

AVERAGE NUMBER OF BOARD MEETINGS BY INDUSTRY — HSLI



⁷ Data of 102 companies only; nine companies' data was not for the full year as they were only listed in the year of our study; eight companies have no specific data.

The meeting cadence of Hong Kong company boards is on par with that of the boards of companies in other countries.

THE BROADER VIEW: AVERAGE NUMBER OF BOARD MEETINGS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Percentage	7.3	7.1	14	5.7	7.7	7.9

Board committee meetings

HSI boards on average convened four audit committee meetings, two to three remuneration committee meetings, and two nomination committee⁸ meetings throughout the financial year. The number of committee meetings of Hong Kong boards is on par with companies in Singapore, and much less than companies in the U.S.

THE BROADER VIEW: AVERAGE NUMBER OF BOARD COMMITTEE MEETINGS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Audit committee	4.1	4.4	-	4.8	5.2	8.2
Remuneration committee	2.4	2.3	-	2.9	5.2	5.9
Nomination committee	2.1	2	-	2.4	4	4.5

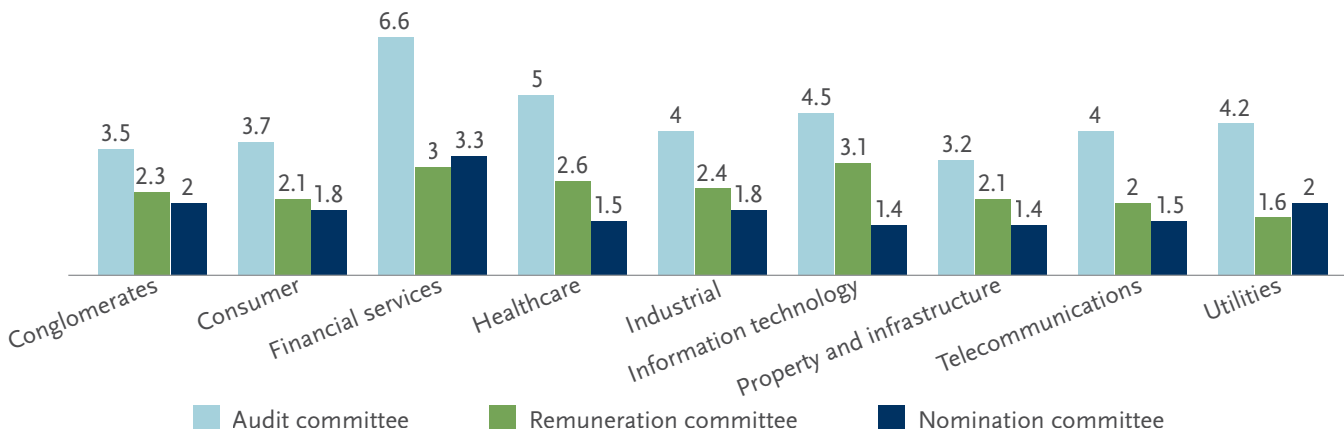
While audit committees across all shareholding structures are busy, we notice that the remuneration committees and nomination committees of companies with diversified institutional ownership (DIV) and Hong Kong public service companies (HKPSC) meet just as frequently, probably reflecting a trend that institutional investors and government stakeholders are increasingly focused on executive compensation and the composition of boards. Not surprisingly, committees of financial service companies that are highly regulated have the most meetings.

AVERAGE NUMBER OF COMMITTEE MEETINGS BY SHAREHOLDING STRUCTURE — HSLI 2021

	CON	DIV	HKPSC	SOE
Audit committee	3.5	5.9	4	5.4
Remuneration committee	1.9	4.1	4.5	2.2
Nomination committee	1.4	3.1	4	2.4

⁸ 10% (6) and 12% (14) of HSI and HSLI companies merged remuneration and nomination into one committee.

AVERAGE NUMBER OF COMMITTEE MEETINGS BY INDUSTRY — HSLI 2021

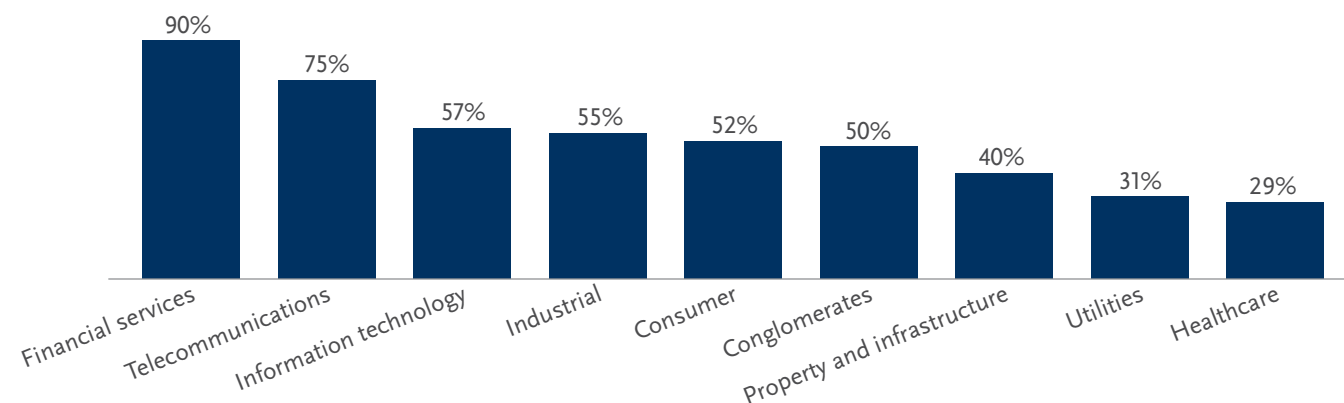


Nomination committee and chair

To emphasize the importance of oversight of board nomination and succession planning, HKEX has recently made it mandatory for the nomination committee to be chaired by either the board chair or an INED. As of our cut-off date, three companies do not have a nomination committee, compared to six in 2018. All of them are companies with concentrated ownership: Hansoh Pharmaceutical Group, Longfor Group, and Swire Properties. They have explained in their annual reports that it would be in the best interest of 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.

56% of HSI companies and 54% of HSLI companies have an INED as their nomination committee chair. In terms of industry, the financial services sector has the highest percentage (90%) of companies with INED as nomination committee chairs, while healthcare companies, most of which are still founder-led, have the least at 29%.

PERCENTAGE OF COMPANIES WITH INED NOMINATION COMMITTEE CHAIRS BY INDUSTRY — HSLI 2021



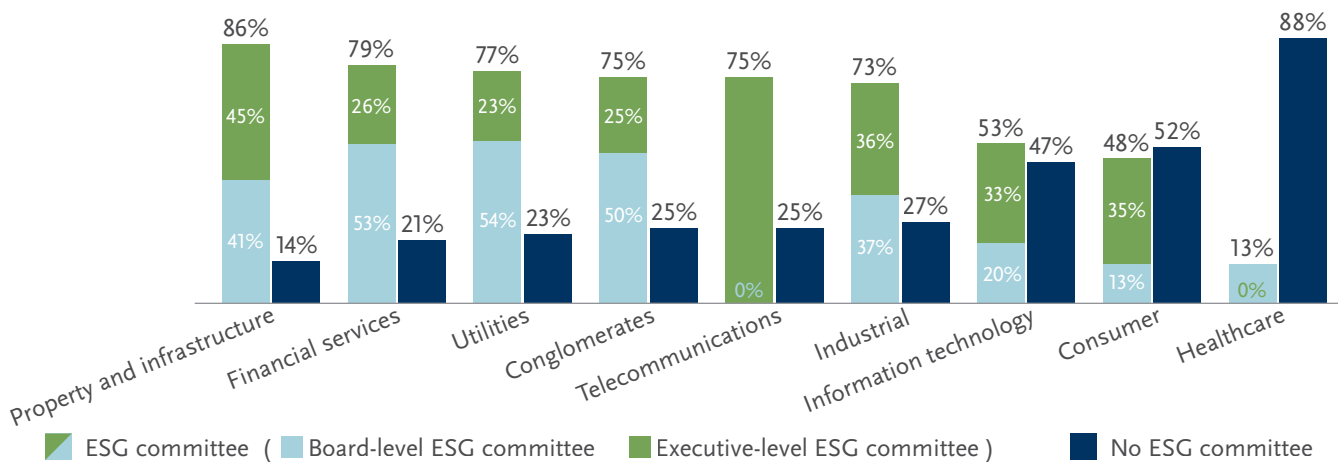
ESG committee

Although it is not mandatory, establishing an environmental, social and governance (ESG) committee is suggested by the HKEX Listing Committee as it helps a listed company ensure its ESG implementation is keeping pace with external trends.

Among all the HSI companies, 48% have an ESG committee at the board level, and 31% have the ESG committees at the executive level. Committees have a variety of names, including “corporate social responsibility committee,” “health, safety and environmental committee” and “sustainable development committee.” For the HSLI boards, 33% have a board-level ESG committee and 33% have an executive-level ESG committee. Compared to Singapore, only 20% of the STI companies have an ESG committee.

86% of property and infrastructure and 79% of financial services companies have established an ESG committee, either at the board level or at the executive level. Meanwhile, only 13% of healthcare companies have done so.

PERCENTAGE OF COMPANIES WITH ESG COMMITTEES BY INDUSTRY — HSLI 2021



Board evaluation

28% of HSI companies reported conducting a board evaluation in 2021, a decrease from 39% in 2018, with four companies (7%) engaging an external facilitator to conduct the board evaluation. AIA Group, CLP Holdings, HSBC Holdings and MTR Corporation reported undertaking an externally facilitated board evaluation during the financial year.

Only 20% of HSLI companies undertook a board evaluation in 2021, indicating that the practice is most common among the largest companies.

INTERNAL VERSUS EXTERNAL EVALUATION

	2018		2021	
	HSI	HSLI	HSI	HSLI
Board evaluation — externally facilitated	8%	4%	7%	3%
Board evaluation — internally facilitated	31%	23%	21%	17%

Around the world, board evaluation has grown to be a critically important exercise for boards to improve the dynamics of the board, helping to crystallize strategic focus, progress and direction of the board. 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. Despite board evaluation being a best practice under the HKEX code, only very few companies in Hong Kong have adopted the practice, especially compared to those in other countries, including Singapore.

THE BROADER VIEW: BOARD EVALUATION

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Boards conducting an evaluation	28%	20%	-	86%	98%	98%

Board Remuneration

Chairs

The average total compensation for the seven INED chairs⁹ of HSLI boards is US\$658,000, a huge increase from US\$322,000 in 2018. The range is very wide, from US\$132,000 for Hang Seng Bank to US\$1,445,000 for Rusal.¹⁰

Independent non-executive directors

The total average board compensation for HSI company INEDs (excluding independent chairs), including committee fees and equity is US\$96,000, the same as the average of 2018, while the total compensation for HSLI company INEDs has increased from US\$85,000 to US\$95,000¹¹ over the past three years.

AVERAGE TOTAL INED COMPENSATION (US\$)

	2015		2018		2021	
	HSI	HSLI	HSI	HSLI	HSI	HSLI
Average INED compensation	65,000	59,000	96,000	85,000	96,000	95,000
Lowest INED compensation	15,000	14,000	7,000	4,000	11,000	11,000
Highest INED compensation	300,000	300,000	558,000	558,000	630,000	630,000

In Hong Kong, the INEDs of information technology boards have the highest average compensation, two times higher than the average of financial services companies, while compensation is lowest for INEDs of telecommunication boards. Only seven companies include equity as part of INED compensation, and four of them are information technology companies. Beigene is particularly unique in this respect — 85% of the INED fee was in the form of equity.

COMPANIES WITH EQUITY AS PART OF INED COMPENSATION — HSLI 2021

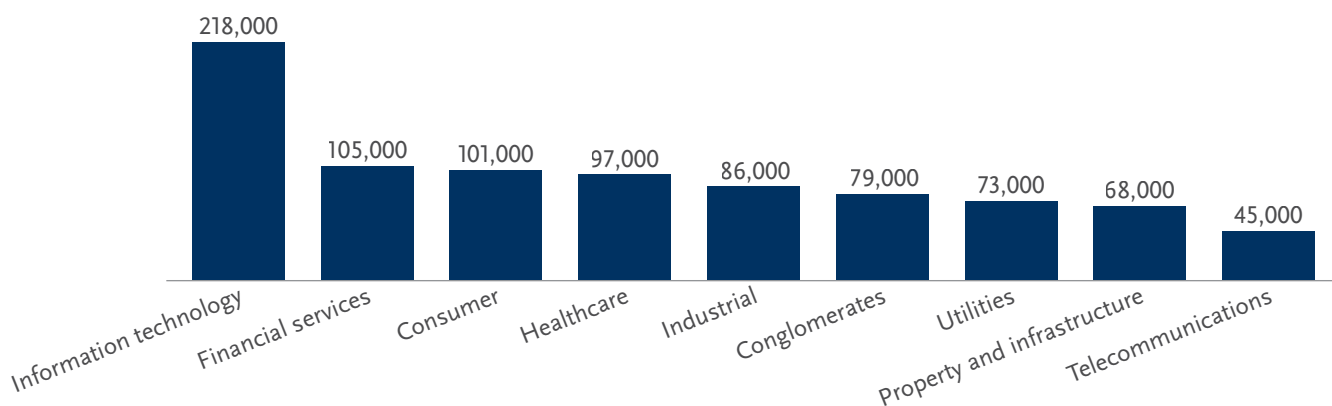
Companies	Approximate percentage
Beigene	85%
Tencent Holdings	65%
ENN Energy	42%
Techtronic Industries	40%
WuXi Biologics	Varies
New World Development	Varies
Semiconductor Manufacturing International	Varies

⁹ The companies with INED chairs include AAC Technologies, AIA, Hang Seng Bank, HKEX, Link REIT, RUSAL, and Wynn Macau.

¹⁰ Excluding RUSAL, the average total compensation for the INED chairs is US\$526,000, and individual compensation ranges from US\$132,000 to US\$926,000.

¹¹ Data of 100 companies only; all the INEDs of BYD and China Shenhua Energy were newly appointed to the boards, and nine companies' data was not for the full year as they were only listed in the year of our study; eight companies have no specific data.

AVERAGE TOTAL INED COMPENSATION BY INDUSTRY — HSLI 2021 (US\$)



THE BROADER VIEW: INDEPENDENT DIRECTORS TOTAL COMPENSATION (US\$)

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Total average fee	96,000	95,000	114,000	96,000	122,000	309,000

2021 Nomination Committee Members & Independent Non-Executive Directors Survey

Addressing ESG issues and strengthening technology capabilities have risen to the top of board priorities, with a growing sentiment toward increasing gender diversity.

As a leader in corporate governance, Spencer Stuart has been surveying nominating/governance committees of boards worldwide to gain first-person perspectives on trends and priorities. In early 2021, we surveyed 40 HSLI nomination committee members and INEDs to find out what is top of mind in the wake of the pandemic.

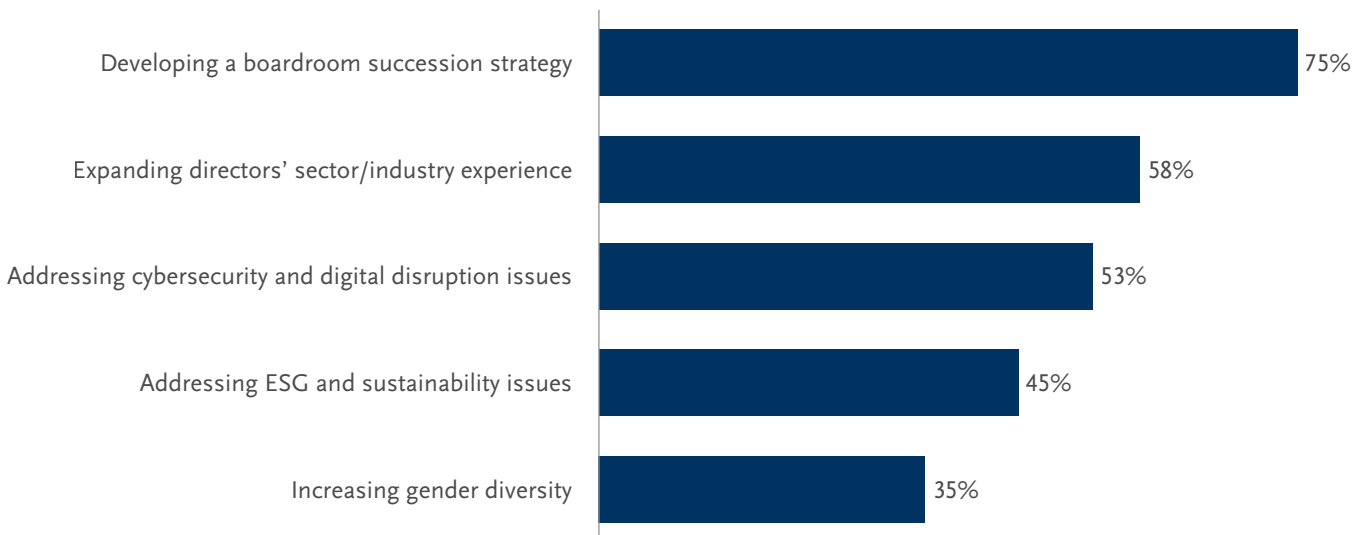
Here are the highlights.



Nomination committee priorities

HKEX recently revised the Corporate Governance Code and the Listing Rules to adopt a couple of new measures to enhance the corporate governance standards, board independence and diversity of listed companies in Hong Kong, such as requiring the single-gender boards to appoint at least one director of the absent gender and mandating a nomination committee chaired by either the board chair or an INED. Developing a boardroom succession strategy tops the list of nomination committee priorities in this increasingly volatile, uncertain, complex and ambiguous external environment. Expanding directors' sector/industry experience, addressing cybersecurity and digital disruption issues, addressing ESG and sustainability issues, and increasing gender diversity round out the top 5 list. It is also interesting to note that among the 10 options offered, establishing term limits to speed board refreshment is at the bottom of the list, with only 2% of directors selecting it as a priority.

TOP FIVE NOMINATION COMMITTEE PRIORITIES OVER THE NEXT THREE YEARS



Board succession

18%

Have detailed, well-prepared and forward-thinking succession planning

38%

Review succession planning at least once a year

33%

Have succession planning but it is not a priority on the board

8%

Do not have succession planning at all

18% of directors shared that their board had one or more underperforming directors in the past three years, which is similar to the result of our annual survey of S&P 500 nominating/governance committee chairs in 2021. The survey found that underperforming directors typically are not asked to leave; more than 70% of respondents reported that the boards decided to wait for the directors' retirement to trigger turnover. Only 14% said their boards would address the underperformance by working with directors to change their behavior.

18%

Had one or more underperforming directors in the past three years

14%

Would address the underperformance and try to change their behavior

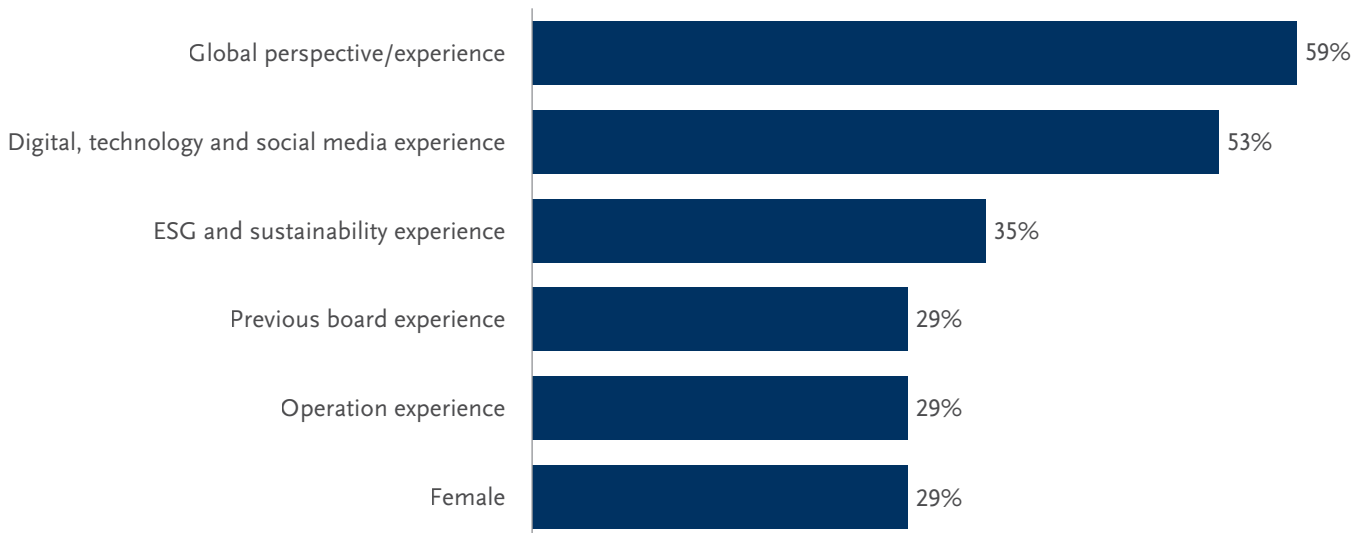
70%

Would wait for the underperforming directors to retire

Recruiting and refreshment

When the opportunity to recruit new directors arises, directors see global perspective/experience, digital, technology and social media experience, as well as ESG and sustainability experience as their top three priorities when recruiting for new directors. Previous board experience, operational experience and gender diversity get an equal mention.

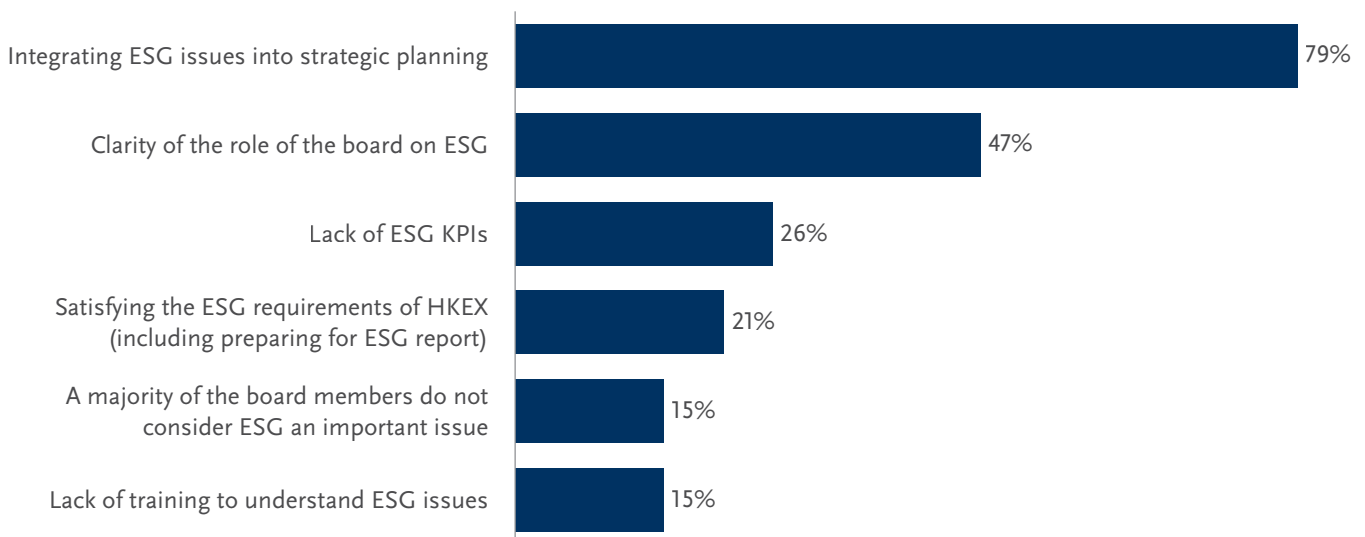
TOP BOARD RECRUITING PROFILES OVER THE NEXT THREE YEARS



ESG

Expanding/enhancing ESG oversight tops the list of priorities in our survey of S&P 500 nomco chairs. It also the fourth highest priority in our Hong Kong survey. In December 2019, HKEX amended the ESG reporting requirements and related listing rules. Hong Kong directors now have greater responsibility in the governance of ESG matters. When asked about the greatest ESG challenges, about 80% of directors considered integrating ESG issues into strategic planning as one of the biggest ESG challenges. Half of those surveyed expressed that having clarity on the role of the board on ESG is needed. Nevertheless, most directors see a real positive purpose for ESG focus. More pertinent education of the directors on the implementation will probably enhance Hong Kong’s ESG development.

TOP ESG CHALLENGES FOR THE BOARD



BIGGEST MOTIVATION FOR ESG FOCUS

59%

Satisfying the expectations from employees, investors and the general public

50%

Enhancing business performance

47%

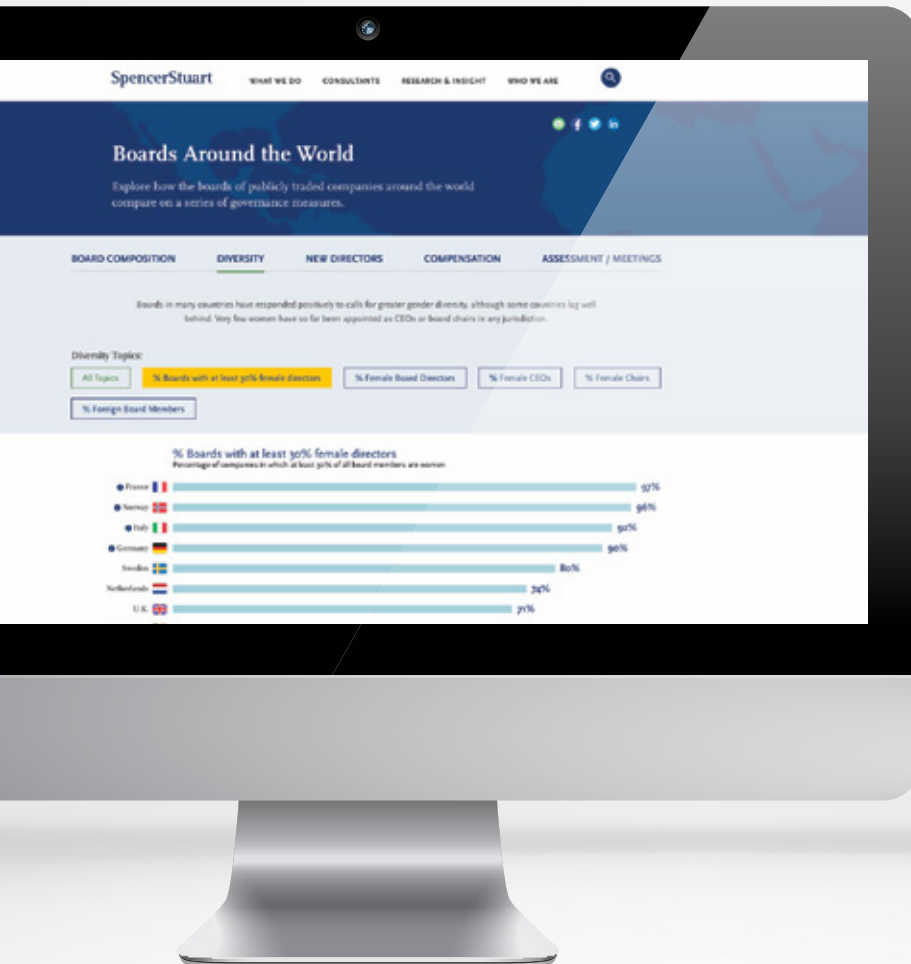
Ensuring the sustainability of the company

26%

Satisfying HKEX's requirement

Boards Around the World

Spencer Stuart publishes Board Indexes covering more than 25 countries around the world. The majority of these Board Indexes are published annually, with a few appearing on alternate years.



We have compiled key data from all these countries into our **Boards Around the World** feature — an interactive data exploration tool.

Compare nationally aggregated data from leading companies from North and South America, Europe and Asia Pacific across a wide range of measures.

Our more detailed International Comparison data set, previously published in printed editions of our Board Indexes, is now available online only.

Visit spencerstuart.com/BATW for more details.

Comparative Board Data

Board Directors, Diversity and Age

COMPANY	HSI/HSLI	FINANCIAL YEAR	OWNERSHIP	NUMBER OF DIRECTORS				CHAIR		DIVERSITY			AGE		
				BOARD SIZE (YEAR END)	#ED	#NED	#IN ED	CHAIR TYPE	DIFFERENT CH & CEO	FEMALE DIRECTORS	FOREIGN DIRECTORS	FEMALE ED + SENIOR MANAGEMENT	BOARD (AVERAGE)	CHAIR	INED (AVERAGE)
AAC Technologies	HSI/HSLI	Dec-20	CON	7	2	1	4	INED	Separate	1	0	1	58	61	61
Agricultural Bank of China	HSLI	Dec-20	SOE	13	3	5	5	ED	Separate	2	0	0	58	64	60
AIA Group	HSI/HSLI	Dec-20	DIV	10	1	0	9	INED	Separate	1	6	2	69	83	69
Alibaba Group Holding	HSI/HSLI	Mar-21	DIV	11	5	1	5	ED	Same	2	4	5	59	49	65
Alibaba Health Information Technology	HSI/HSLI	Mar-21	DIV	7	2	2	3	ED	Same	1	0	0	52	50	58
Anhui Conch Cement	HSLI	Dec-20	SOE	8	4	1	3	ED	Separate	1	0	0	54	60	53
Anta Sports Products	HSI/HSLI	Dec-20	CON	9	5	1	3	ED	Same	0	0	0	56	51	60
Baidu	HSLI	Dec-20	CON	5	1	0	4	ED	Same	0	2	1	55	53	56
Bank of China	HSI/HSLI	Dec-20	SOE	15	4	5	6	ED	Separate	4	0	0	56	60	56
Bank of Communications	HSI/HSLI	Dec-20	SOE	14	2	6	6	ED	Separate	1	0	0	58	58	64
Bank of East Asia	HSLI	Dec-20	CON	15	3	6	6	ED	Separate	1	1	0	65	82	64
Beigene	HSLI	Dec-20	DIV	11	1	2	8	ED	Same	1	7	1	59	53	58
Bilibili	HSLI	Dec-20	CON	7	3	0	4	ED	Same	1	0	1	46	43	53
Blue Moon Group Holdings	HSLI	Dec-20	CON	9	5	1	3	ED	Separate	4	1	4	52	56	59
BOC Hong Kong Holdings	HSI/HSLI	Dec-20	SOE	9	1	3	5	NED	Separate	1	1	4	62	60	67
Budweiser Brewing Company APAC	HSI/HSLI	Dec-20	DIV	7	1	3	3	ED/NED	Separate	3	5	0	58	52.5	66
BYD	HSI/HSLI	Dec-20	CON	6	1	2	3	ED	Same	0	0	2	56	55	55
China CITIC Bank	HSLI	Dec-20	SOE	10	3	3	4	ED	Separate	3	0	2	57	59	59
China Construction Bank	HSI/HSLI	Dec-20	SOE	13	2	5	6	ED	NCE	2	4	1	61	61	68
China Evergrande Group	HSLI	Dec-20	CON	9	6	0	3	ED	Separate	1	0	3	54	63	62
China Feihe	HSLI	Dec-20	CON	11	5	2	4	ED	Same	2	2	1	52	52	57
China Gas Holdings	HSLI	Mar-21	DIV	12	5	3	4	ED	Same	3	1	2	55	58	59
China Life Insurance	HSI/HSLI	Dec-20	SOE	11	3	4	4	ED	Separate	1	1	2	61	63	69
China Mengniu Dairy	HSI/HSLI	Dec-20	SOE	10	2	4	4	NED	Separate	0	3	1	57	56	57
China Merchants Bank	HSLI	Dec-20	SOE	17	3	8	6	NED	Separate	1	1	1	57	56	61
China Mobile	HSI/HSLI	Dec-20	SOE	8	4	0	4	ED	Separate	0	0	0	62	59	67
China Overseas Land and Investment	HSI/HSLI	Dec-20	SOE	9	4	2	3	ED	Separate	1	0	1	53	55	62
China Pacific Insurance Group	HSLI	Dec-20	SOE	8	2	3	3	ED	Separate	1	0	0	59	61	63
China Petroleum & Chemical	HSI/HSLI	Dec-20	SOE	9	4	2	3	NED	Separate	0	0	1	58	59	61
China Resources Beer Holdings	HSLI	Dec-20	SOE	11	3	3	5	NC	NC	0	1	0	60	NC	68
China Resources Gas Group	HSLI	Dec-20	SOE	11	2	5	4	NED	Separate	1	0	1	55	58	64
China Resources Land	HSI/HSLI	Dec-20	SOE	15	5	5	5	NED	Separate	0	0	0	56	58	63
China Resources Mixc Lifestyle Services	HSLI	Dec-20	SOE	10	4	2	4	NED	Separate	3	0	2	54	50	61
China Shenhua Energy	HSLI	Dec-20	SOE	7	3	1	3	ED	Separate	0	0	1	56	59	56
China Taiping Insurance Holdings	HSLI	Dec-20	SOE	11	3	4	4	ED	NCE	2	0	0	59	60	67
China Tower	HSLI	Dec-20	SOE	8	2	3	3	ED	Separate	0	0	0	61	63	67
China United Network Communications Group	HSI/HSLI	Dec-20	SOE	8	4	0	4	ED	Same	1	0	0	62	63	69
Chow Tai Fook Jewellery Group	HSLI	Mar-21	CON	16	9	1	6	ED	Separate	2	0	4	60	75	70
CITIC Group	HSI/HSLI	Dec-20	SOE	14	3	6	5	ED	Separate	2	2	1	62	53	70

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COMPANY	HSI/ HSLI	FINANCIAL YEAR	OWNERSHIP	NUMBER OF DIRECTORS				CHAIR TYPE	CHAIR	DIVERSITY			AGE		
				BOARD SIZE (YEAR END)	#ED	#NED	#INED			DIFFERENT CH & CEO	FEMALE DIRECTORS	FOREIGN DIRECTORS	FEMALE ED + SENIOR MANAGEMENT	BOARD (AVERAGE)	CHAIR (AVERAGE)
CK Asset Holdings	HSI/ HSLI	Dec-20	CON	14	8	0	6	ED	Same	3	3	5	70	57	72
CK Hutchison Holdings	HSI/ HSLI	Dec-20	CON	19	7	5	7	ED	Separate	4	4	1	74	57	75
CK Infrastructure Holdings	HSI/ HSLI	Dec-20	CON	17	8	2	7	ED	Separate	4	8	2	72	57	77
CLP Holdings	HSI/ HSLI	Dec-20	CON	14	2	5	7	NED	Separate	4	11	4	63	80	64
CNOOC	HSI/ HSLI	Dec-20	SOE	9	2	3	4	NED	Separate	1	0	1	62	59	73
Country Garden Holdings	HSI/ HSLI	Dec-20	CON	13	7	1	5	ED	Separate	2	0	6	57	67	69
Country Garden Services Holdings	HSI/ HSLI	Dec-20	CON	9	3	3	3	NED	Separate	2	0	0	48	40	52
CSPC Pharmaceutical Group	HSI/ HSLI	Dec-20	CON	15	9	1	5	ED	Same	0	0	0	57	68	64
Dali Foods Group Company	HSLI	Dec-20	CON	8	3	2	3	ED	Same	3	0	2	56	63	63
ENN Energy Holdings	HSLI	Dec-20	CON	10	4	2	4	ED	Separate	1	0	5	54	57	60
Evergrande Property Services Group	HSLI	Dec-20	CON	7	4	0	3	ED	Separate	1	0	1	47	57	50
Fosun International	HSLI	Dec-20	CON	14	6	3	5	ED	Separate	2	0	0	55	54	61
Galaxy Entertainment Group	HSI/ HSLI	Dec-20	CON	9	4	2	3	ED	NCE	1	2	1	75	92	75
GDS Holdings	HSLI	Dec-20	CON	11	2	4	5	ED	Same	2	7	4	61	54	57
Geely Automobile Holdings	HSI/ HSLI	Dec-20	CON	11	7	0	4	ED	Separate	1	0	1	58	58	62
Guangdong Investment	HSLI	Dec-20	SOE	12	4	3	5	ED	Separate	0	0	0	61	59	73
Haidilao International Holding	HSI/ HSLI	Dec-20	CON	8	4	1	3	ED	Same	2	2	3	54	51	66
Hang Lung Properties	HSI/ HSLI	Dec-20	CON	11	4	1	6	ED	Separate	1	0	4	66	72	73
Hang Seng Bank	HSI/ HSLI	Dec-20	DIV	12	2	4	6	INED	Separate	5	1	8	64	69	64
Hansoh Pharmaceutical Group	HSLI	Dec-20	CON	7	3	1	3	ED	Same	4	0	3	56	60	70
Henderson Land Development	HSI/ HSLI	Dec-20	CON	18	10	2	6	ED	Same	2	0	4	71	54	71
Hengan International Group	HSI/ HSLI	Dec-20	CON	15	10	0	5	ED	Separate	1	1	3	57	71	64
HK Electric Investments	HSLI	Dec-20	CON	17	5	6	6	ED	Separate	0	4	0	68	70	77
HKT	HSLI	Dec-20	CON	11	2	5	4	ED	Separate	2	4	5	63	55	73
Hong Kong Exchanges and Clearing	HSI/ HSLI	Dec-20	HKPSC	13	1	0	12	INED	Separate	3	4	4	63	72	62
HSBC Holdings	HSI/ HSLI	Dec-20	DIV	14	2	1	11	NED	Separate	5	11	4	63	64	63
Industrial and Commercial Bank of China	HSI/ HSLI	Dec-20	SOE	13	3	5	5	ED	Separate	2	1	1	60	61	69
JD Health International	HSLI	Dec-20	CON	9	1	5	3	NED	Separate	3	0	0	48	48	52
JD.com	HSLI	Dec-20	CON	5	1	1	3	ED	Same	0	0	2	53	48	57
Kuaishou Technology	HSLI	Dec-20	CON	9	2	4	3	ED	Same	0	0	0	46	39	49
Kunlun Energy	HSLI	Dec-20	SOE	7	4	0	3	ED	Separate	0	0	0	58	56	65
Lenovo Group	HSLI	Mar-21	DIV	10	1	2	7	ED	Same	1	4	3	62	57	63
Li Ning	HSLI	Dec-20	CON	7	3	0	4	ED	Separate	1	1	0	58	58	66
Link REIT	HSI/ HSLI	Mar-21	DIV	13	2	1	10	INED	Separate	4	8	3	62	66	62
Logan Group	HSLI	Dec-20	CON	8	4	1	3	ED	Separate	2	0	1	52	55	60
Longfor Group	HSI/ HSLI	Dec-20	CON	8	4	0	4	ED	Separate	1	1	4	56	57	60
Meituan	HSI/ HSLI	Dec-20	CON	8	3	2	3	ED	Same	0	1	0	49	42	56
Ming Yuan Cloud Group Holdings	HSLI	Dec-20	CON	9	4	2	3	ED	Separate	1	0	0	46	51	45
MTR Corporation	HSI/ HSLI	Dec-20	HKPSC	20	1	5	14	NED	Separate	5	1	4	65	69	68
NetEase	HSLI	Dec-20	CON	7	1	0	6	NC	NC	1	0	0	58	NC	59

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COMPANY	HSI/HSLI	FINANCIAL YEAR	OWNERSHIP	NUMBER OF DIRECTORS				CHAIR		DIVERSITY			AGE		
				BOARD SIZE (YEAR END)	#ED	#NED	#INED	CHAIR TYPE	DIFFERENT CH & CEO	FEMALE DIRECTORS	FOREIGN DIRECTORS	FEMALE ED + SENIOR MANAGEMENT	BOARD (AVERAGE)	CHAIR	INED (AVERAGE)
New Oriental Education and Technology Group	HSLI	May-20	CON	6	2	1	3	ED	Separate	0	0	0	56	59	55
New World Development	HSI/HSLI	Jun-20	CON	16	7	3	6	ED	Separate	4	0	4	64	75	71
Nongfu Spring	HSLI	Dec-20	CON	9	5	1	3	ED	Same	1	0	2	54	67	61
PetroChina	HSI/HSLI	Dec-20	SOE	11	2	4	5	ED	Separate	1	2	0	62	58	68
PICC Property and Casualty	HSLI	Dec-20	SOE	9	3	1	5	NC	NC	2	0	1	63	NC	67
Ping An Healthcare and Technology	HSLI	Dec-20	DIV	10	1	5	4	ED	Same	3	1	1	55	48	64
Ping An Insurance Group	HSI/HSLI	Dec-20	DIV	13	5	3	5	ED	Separate	2	2	3	57	66	62
Pop Mart International Group	HSLI	Dec-20	CON	9	4	2	3	ED	Same	2	0	2	40	34	48
Postal Savings Bank of China	HSLI	Dec-20	SOE	13	3	5	5	NED	Separate	2	0	2	58	52	61
Power Assets Holdings	HSI/HSLI	Dec-20	CON	11	6	1	4	ED	Separate	0	2	1	68	70	74
Prada	HSLI	Dec-20	CON	9	4	1	4	ED	Separate	2	8	13	67	75	69
Sands China	HSI/HSLI	Dec-20	CON	8	2	2	4	ED	Same	1	5	0	70	88	65
Semiconductor Manufacturing International	HSLI	Dec-20	DIV	14	5	5	4	ED	Separate	0	1	2	61	65	66
Shenzhou International Group Holdings	HSI/HSLI	Dec-20	CON	9	5	0	4	ED	Separate	1	0	0	59	57	64
Shimao Property Holdings	HSLI	Dec-20	CON	7	4	0	3	ED	Separate	2	0	1	55	71	61
Sino Biopharmaceutical	HSI/HSLI	Dec-20	CON	14	9	0	5	ED	Separate	4	0	5	56	29	64
Sino Land	HSLI	Jun-20	CON	11	6	1	4	ED	Same	0	2	0	64	69	65
SJM Holdings	HSLI	Dec-20	CON	12	6	2	4	ED	Separate	4	0	3	68	57	75
Smoore International Holdings	HSLI	Dec-20	CON	7	3	1	3	ED	Same	0	0	0	49	46	47
Sun Art Retail Group	HSLI	Mar-21	DIV	7	2	2	3	ED	Same	1	0	1	57	66	61
Sun Hung Kai Properties	HSI/HSLI	Jun-20	CON	20	8	3	9	ED	Same	1	0	1	66	68	69
Sunac China Holdings	HSLI	Dec-20	CON	12	8	0	4	ED	Separate	0	0	3	52	58	63
Sunny Optical Technology	HSI/HSLI	Dec-20	CON	7	3	1	3	ED	Separate	0	0	2	59	55	61
Swire Properties	HSLI	Dec-20	CON	12	3	4	5	ED	Separate	4	5	5	56	48	55
Techtronic Industries	HSI/HSLI	Dec-20	CON	12	5	2	5	ED	Separate	0	8	0	67	77	70
Tencent Holdings	HSI/HSLI	Dec-20	DIV	9	2	2	5	ED	Same	1	4	0	63	50	69
The Hong Kong and China Gas	HSI/HSLI	Dec-20	CON	9	3	3	3	NED	Separate	0	0	1	69	54	78
Tingyi Holding	HSLI	Dec-20	CON	9	6	0	3	ED	NCE	1	4	1	62	44	80
United Company RUSAL	HSLI	Dec-20	CON	14	3	3	8	INED	Separate	1	13	1	60	65	68
Want Want China	HSLI	Mar-21	CON	15	7	3	5	ED	Same	1	2	3	58	64	61
WH Group	HSI/HSLI	Dec-20	CON	9	5	1	3	ED	Same	0	1	2	58	81	63
Wharf Holdings	HSLI	Dec-20	CON	11	5	1	5	ED	Same	3	2	1	68	69	70
Wharf Real Estate Investment	HSI/HSLI	Dec-20	CON	9	5	0	4	ED	Same	2	1	2	68	69	73
WuXi Biologics	HSI/HSLI	Dec-20	CON	9	2	4	3	NED	Separate	0	2	1	57	54	67
Wynn Macau	HSLI	Dec-20	CON	9	3	1	5	INED	Separate	2	6	2	61	72	67
Xiaomi	HSI/HSLI	Dec-20	CON	7	3	1	3	ED	Same	0	1	0	55	52	64
Xinyi Solar Holdings	HSI/HSLI	Dec-20	CON	9	4	2	3	ED	Separate	0	0	0	59	69	61
Yihai International Holding	HSLI	Dec-20	CON	9	5	1	3	ED	Separate	2	0	1	52	51	60
Zhongsheng Group Holdings	HSLI	Dec-20	CON	12	6	2	4	ED	Separate	0	1	4	56	59	58
ZTO Express	HSLI	Dec-20	CON	9	3	2	4	ED	Same	0	0	1	51	51	52

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Board Tenure, Meetings and Remuneration

COMPANY	HSI/ HSLI	FINANCIAL YEAR	OWNERSHIP	TENURE			NUMBER OF BOARD MEETINGS				REMUNERATION (us\$'000)	
				BOARD (AVERAGE)	CHAIR	INED (AVERAGE)	BOARD MEETINGS	AUDCOM MEETINGS	NONCOM MEETINGS	REMCOM MEETINGS	CHAIR	INED (EXCLUDING CHAIR)
AAC Technologies	HSI/ HSLI	Dec-20	CON	8.5	0.5	2.7	6	4	1	2	136	107
Agricultural Bank of China	HSLI	Dec-20	SOE	2.5	4.5	3.4	13	6	3 (combined)		119	59
AIA Group	HSI/ HSLI	Dec-20	DIV	7.0	10.0	7.4	6	4	1	5	828	238
Alibaba Group Holding	HSI/ HSLI	Mar-21	DIV	6.5	1.5	6.3	ND	ND	ND	ND	ND	ND
Alibaba Health Information Technology	HSI/ HSLI	Mar-21	DIV	3.6	1.0	5.3	8	3	2	1	1,883	59
Anhui Conch Cement	HSLI	Dec-20	SOE	4.0	4.5	3.5	2	4	1 (combined)		0	23
Anta Sports Products	HSI/ HSLI	Dec-20	CON	10.2	14.0	4.8	6	2	1	1	259	93
Baidu	HSLI	Dec-20	CON	9.6	21.0	6.8	ND	6	1	5	ND	ND
Bank of China	HSI/ HSLI	Dec-20	SOE	2.1	1.5	2.2	8	6	7 (combined)		120	83
Bank of Communications	HSI/ HSLI	Dec-20	SOE	2.0	1.0	1.9	10	5	6 (combined)		120	36
Bank of East Asia	HSLI	Dec-20	CON	12.4	23.5	7.4	9	4	2	2	2,699	116
Beigene	HSLI	Dec-20	DIV	5.0	10.0	4.8	14	14	2	7	15,809	379
Bilibili	HSLI	Dec-20	CON	4.4	6.0	2.9	ND	ND	ND	ND	ND	ND
Blue Moon Group Holdings	HSLI	Dec-20	CON	4.7	13.0	0.5	N/A	N/A	N/A	N/A	N/A	N/A
BOC Hong Kong Holdings	HSI/ HSLI	Dec-20	SOE	5.4	1.5	8.5	5	5	2 (combined)		0	80
Budweiser Brewing Company APAC	HSI/ HSLI	Dec-20	DIV	1.2	1.3	1.5	8	4	4	4	949	89
BYD	HSI/ HSLI	Dec-20	CON	9.5	18.5	0.5	22	4	0	2	824	New INED
China CITIC Bank	HSLI	Dec-20	SOE	3.8	4.5	3.9	20	13	5 (combined)		0	45
China Construction Bank	HSI/ HSLI	Dec-20	SOE	2.2	3.0	2.6	11	7	9 (combined)		121	65
China Evergrande Group	HSLI	Dec-20	CON	10.1	25.0	10.2	8	2	1	1	39	56
China Feihe	HSLI	Dec-20	CON	4.8	8.0	1.5	5	2	2	2	8,359	55
China Gas Holdings	HSLI	Mar-21	DIV	8.7	8.0	12.3	4	4	2	2	2,339	92
China Life Insurance	HSI/ HSLI	Dec-20	SOE	3.5	2.0	5.3	10	6	4 (combined)		0	49
China Mengniu Dairy	HSI/ HSLI	Dec-20	SOE	8.0	1.5	11.9	6	4	2	3	0	20
China Merchants Bank	HSLI	Dec-20	SOE	4.4	0.5	3.6	14	7	4	4	0	70
China Mobile	HSI/ HSLI	Dec-20	SOE	4.9	2.0	8.0	5	5	2	4	152	53
China Overseas Land and Investment	HSI/ HSLI	Dec-20	SOE	5.3	3.5	6.8	8	4	3	4	1,159	69
China Pacific Insurance Group	HSLI	Dec-20	SOE	2.8	3.5	1.5	10	6	5 (combined)		162	35
China Petroleum & Chemical	HSI/ HSLI	Dec-20	SOE	2.4	1.0	3.5	11	6	5	1	0	54
China Resources Beer Holdings	HSLI	Dec-20	SOE	10.8	NC	18.8	4	3	2	4	NC	43
China Resources Gas Group	HSLI	Dec-20	SOE	6.8	8.5	8.8	6	3	0	1	0	32
China Resources Land	HSI/ HSLI	Dec-20	SOE	7.1	1.0	9.8	7	2	1	1	0	55
China Resources Mixc Lifestyle Services	HSLI	Dec-20	SOE	0.7	0.5	0.5	N/A	N/A	N/A	N/A	N/A	N/A
China Shenhua Energy	HSLI	Dec-20	SOE	0.6	1.5	0.5	7	7	2	2	0	New INED
China Taiping Insurance Holdings	HSLI	Dec-20	SOE	2.5	0.5	5.0	6	3	1	1	111	41
China Tower	HSLI	Dec-20	SOE	2.1	3.0	1.8	5	4	2	1	185	17
China United Network Communications Group	HSI/ HSLI	Dec-20	SOE	8.8	5.5	12.9	4	4	1	1	162	66
Chow Tai Fook Jewellery Group	HSLI	Mar-21	CON	8.2	9.5	8.1	4	3	3	2	1,658	69
CITIC Group	HSI/ HSLI	Dec-20	SOE	4.1	1.0	5.6	5	4	1	1	76	70

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COMPANY	HSI/HSLI	FINANCIAL YEAR	OWNERSHIP	TENURE			NUMBER OF BOARD MEETINGS				REMUNERATION (US\$'000)	
				BOARD (AVERAGE)	CHAIR	INED (AVERAGE)	BOARD MEETINGS	AUDCOM MEETINGS	NONCOM MEETINGS	REMCOM MEETINGS	CHAIR	INED (EXCLUDING CHAIR)
CK Asset Holdings	HSI/ HSLI	Dec-20	CON	5.3	2.5	4.4	4	3	1	1	11,593	48
CK Hutchison Holdings	HSI/ HSLI	Dec-20	CON	18.3	2.5	9.7	4	4	2	1	7,759	39
CK Infrastructure Holdings	HSI/ HSLI	Dec-20	CON	18.4	24.5	16.3	4	3	1	1	3,344	17
CLP Holdings	HSI/ HSLI	Dec-20	CON	13.3	24.0	6.3	7	6	2	3	110	153
CNOOC	HSI/ HSLI	Dec-20	SOE	6.9	1.0	13.5	6	4	1	2	0	144
Country Garden Holdings	HSI/ HSLI	Dec-20	CON	10.2	14.0	10.3	10	3	1	4	2,364	45
Country Garden Services Holdings	HSI/ HSLI	Dec-20	CON	2.8	3.0	2.5	13	3	1	1	0	31
CSPC Pharmaceutical Group	HSI/ HSLI	Dec-20	CON	9.8	23.0	8.4	4	4	2	2	1,827	20
Dali Foods Group Company	HSLI	Dec-20	CON	5.6	6.0	5.5	4	2	1	1	321	29
ENN Energy Holdings	HSLI	Dec-20	CON	6.3	20.5	5.6	4	4	1	1	874	128
Evergrande Property Services Group	HSLI	Dec-20	CON	0.5	0.5	0.5	N/A	N/A	N/A	N/A	N/A	N/A
Fosun International	HSLI	Dec-20	CON	7.1	16.0	7.1	7	2	3	4	3,130	114
Galaxy Entertainment Group	HSI/ HSLI	Dec-20	CON	17.9	29.5	15.0	4	2	1	1	9,638	0
GDS Holdings	HSLI	Dec-20	CON	6.0	18.0	3.2	ND	ND	ND	ND	ND	ND
Geely Automobile Holdings	HSI/ HSLI	Dec-20	CON	12.5	15.5	12.8	23	3	1	6	56	25
Guangdong Investment	HSLI	Dec-20	SOE	10.8	1.5	19.1	5	4	2	3	0	93
Haidilao International Holding	HSI/ HSLI	Dec-20	CON	3.1	5.5	2.5	6	4	3	3	7,506	137
Hang Lung Properties	HSI/ HSLI	Dec-20	CON	12.9	30.0	13.3	7	4	2 (combined)		5,500	122
Hang Seng Bank	HSI/ HSLI	Dec-20	DIV	11.7	13.5	14.8	9	4	3	3	132	137
Hansoh Pharmaceutical Group	HSLI	Dec-20	CON	3.5	5.0	1.5	4	2	NN	1	2,745	37
Henderson Land Development	HSI/ HSLI	Dec-20	CON	22.6	1.5	11.3	4	3	2	2	2,979	120
Hengan International Group	HSI/ HSLI	Dec-20	CON	14.0	22.5	12.3	4	2	1	1	63	17
HK Electric Investments	HSLI	Dec-20	CON	5.9	7.0	6.5	4	3	1	1	113	15
HKT	HSLI	Dec-20	CON	7.7	9.0	7.5	4	3	1	2	0	44
Hong Kong Exchanges and Clearing	HSI/ HSLI	Dec-20	HKPSC	5.6	2.5	5.4	10	4	6	5	634	201
HSBC Holdings	HSI/ HSLI	Dec-20	DIV	3.7	3.0	4.1	17	13	9	5	1,822	492
Industrial and Commercial Bank of China	HSI/ HSLI	Dec-20	SOE	2.8	1.5	3.5	12	7	8	4	120	72
JD Health International	HSLI	Dec-20	CON	0.7	0.5	0.5	N/A	N/A	N/A	N/A	N/A	N/A
JD.com	HSLI	Dec-20	CON	7.4	14.0	5.3	ND	ND	ND	ND	ND	ND
Kuaishou Technology	HSLI	Dec-20	CON	3.6	7.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kunlun Energy	HSLI	Dec-20	SOE	4.3	0.5	7.7	6	2	3	1	0	42
Lenovo Group	HSLI	Mar-21	DIV	10.0	9.5	7.2	7	4	2	4	26,166	328
Li Ning	HSLI	Dec-20	CON	11.5	17.0	14.8	5	3	1	2	7,657	129
Link REIT	HSI/ HSLI	Mar-21	DIV	6.1	5.0	5.3	6	4	5	7	505	170
Logan Group	HSLI	Dec-20	CON	6.8	7.0	7.0	7	3	2	3	3,385	65
Longfor Group	HSI/ HSLI	Dec-20	CON	9.0	13.0	10.6	4	2	NN	3	1,986	54
Meituan	HSI/ HSLI	Dec-20	CON	3.5	5.0	2.5	6	4	1	1	801	174
Ming Yuan Cloud Group Holdings	HSLI	Dec-20	CON	0.9	1.5	0.5	N/A	N/A	N/A	N/A	N/A	N/A
MTR Corporation	HSI/ HSLI	Dec-20	HKPSC	3.4	1.5	4.1	15	4	2	4	206	56
NetEase	HSLI	Dec-20	CON	18.0	NC	17.5	ND	ND	ND	ND	NC	ND

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BOARD TENURE, MEETINGS AND REMUNERATION

COMPANY	HSI/HSLI	FINANCIAL YEAR	OWNERSHIP	TENURE			NUMBER OF BOARD MEETINGS				REMUNERATION (us\$'000)	
				BOARD (AVERAGE)	CHAIR	INED (AVERAGE)	BOARD MEETINGS	AUDCOM MEETINGS	NONCOM MEETINGS	RECOM MEETINGS	CHAIR	INED (EXCLUDING CHAIR)
New Oriental Education and Technology Group	HSLI	May-20	CON	13.6	19.0	13.3	ND	ND	ND	ND	ND	ND
New World Development	HSI/HSLI	Jun-20	CON	15.1	8.5	19.3	5	2	1	1	7,273	103
Nongfu Spring	HSLI	Dec-20	CON	3.6	19.5	1.3	N/A	N/A	N/A	N/A	N/A	N/A
PetroChina	HSI/HSLI	Dec-20	SOE	2.3	1.0	2.3	9	7	5	1	0	51
PICC Property and Casualty	HSLI	Dec-20	SOE	5.1	NC	5.3	11	9	4 (combined)		NC	39
Ping An Healthcare and Technology	HSLI	Dec-20	DIV	2.3	0.5	2.5	9	4	4 (combined)		521	60
Ping An Insurance Group	HSI/HSLI	Dec-20	DIV	6.4	26.5	2.7	10	6	4	4	745	78
Pop Mart International Group	HSLI	Dec-20	CON	1.0	1.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Postal Savings Bank of China	HSLI	Dec-20	SOE	2.9	1.5	2.1	11	10	4 (combined)		0	54
Power Assets Holdings	HSI/HSLI	Dec-20	CON	16.4	15.0	12.5	4	3	1	1	15	18
Prada	HSLI	Dec-20	CON	11.2	7.0	9.8	6	7	1	2	1,010	86
Sands China	HSI/HSLI	Dec-20	CON	7.6	11.5	7.8	6	6	1	1	0	215
Semiconductor Manufacturing International	HSLI	Dec-20	DIV	5.4	6.0	3.5	10	4	2	5	1,583	214
Shenzhou International Group Holdings	HSI/HSLI	Dec-20	CON	9.8	15.5	6.4	4	2	1	1	748	11
Shimao Property Holdings	HSLI	Dec-20	CON	12.4	16.0	15.2	4	3	2	2	985	51
Sino Biopharmaceutical	HSI/HSLI	Dec-20	CON	7.6	5.5	8.5	9	4	0	1	4,710	53
Sino Land	HSLI	Jun-20	CON	14.8	29.5	11.3	5	4	1	1	118	42
SJM Holdings	HSLI	Dec-20	CON	10.0	2.5	10.9	5	4	1	2	2,146	296
Smoore International Holdings	HSLI	Dec-20	CON	0.9	1.5	0.5	N/A	N/A	N/A	N/A	N/A	N/A
Sun Art Retail Group	HSLI	Mar-21	DIV	2.1	0.5	4.0	9	6	4	4	1,649	51
Sun Hung Kai Properties	HSI/HSLI	Jun-20	CON	13.3	8.5	9.3	4	3	1	1	496	68
Sunac China Holdings	HSLI	Dec-20	CON	8.5	13.5	8.3	4	3	2	2	2,963	56
Sunny Optical Technology	HSI/HSLI	Dec-20	CON	9.9	9.0	7.5	4	2	2	2	636	13
Swire Properties	HSLI	Dec-20	CON	6.1	2.5	3.7	5	4	NN	3	208	89
Techtronic Industries	HSI/HSLI	Dec-20	CON	19.2	36.0	13.5	5	4	2	3	17,880	188
Tencent Holdings	HSI/HSLI	Dec-20	DIV	13.2	22.0	11.1	5	8	1	4	9,063	630
The Hong Kong and China Gas	HSI/HSLI	Dec-20	CON	19.0	1.5	16.3	4	2	1	1	116	94
Tingyi Holding	HSLI	Dec-20	CON	9.0	2.0	15.5	7	3	1 (combined)		1,399	66
United Company RUSAL	HSLI	Dec-20	CON	3.2	2.0	3.6	8	9	4	4	1,445	307
Want Want China	HSLI	Mar-21	CON	9.2	13.5	6.9	6	6	2	3	19,025	44
WH Group	HSI/HSLI	Dec-20	CON	7.1	10.0	6.5	5	3	1	1	ND	ND
Wharf Holdings	HSLI	Dec-20	CON	14.1	5.5	15.2	5	4	0	1	2,346	50
Wharf Real Estate Investment	HSI/HSLI	Dec-20	CON	2.8	3.5	2.9	5	4	0	1	1,483	49
WuXi Biologics	HSI/HSLI	Dec-20	CON	4.7	7.0	2.5	5	4	1	4	0	67
Wynn Macau	HSLI	Dec-20	CON	9.0	3.0	9.0	7	4	1	2	922	433
Xiaomi	HSI/HSLI	Dec-20	CON	5.6	10.5	2.2	4	4	1	2	0	64
Xinyi Solar Holdings	HSI/HSLI	Dec-20	CON	8.1	9.5	7.0	4	3	1	1	0	34
Yihai International Holding	HSLI	Dec-20	CON	3.8	3.0	4.5	6	3	2	2	4,883	52
Zhongsheng Group Holdings	HSLI	Dec-20	CON	5.6	12.5	4.6	5	2	1	1	5,829	47
ZTO Express	HSLI	Dec-20	CON	5.4	7.5	4.1	ND	ND	ND	ND	1,327	50

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Research and Insights

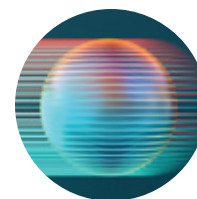
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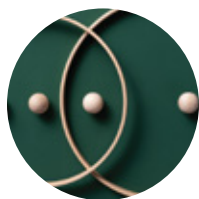
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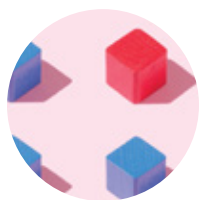
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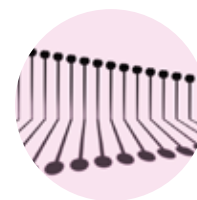
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