



SpencerStuart

2015

Hong Kong Board Index

Contents

Foreword	1
Highlights of the 2015 <i>Hong Kong Board Index</i>	2
In the spotlight: What do boards need to know about corporate culture?	4
Methodology	9
Board composition	11
Board diversity	17
Board meetings	21
Board remuneration	22
Board committees	24
Board evaluation	25
Data table: International comparison	26
Highlights of the 2015 <i>UK Board Index</i>	31
Highlights of the 2015 <i>US Board Index</i>	33
In the spotlight: Diversity – a shareholder’s view	35
Data table: Board composition, committees and remuneration	38
About Spencer Stuart Board Services	44

Foreword

The Spencer Stuart 2015 *Hong Kong Board Index* is a comprehensive study of the governance practices of the constituent companies in the Hang Seng Composite LargeCap Index (HSLI), with market capitalisation ranging from US\$4 billion to US\$270 billion.

This is the second edition of our *Hong Kong Board Index*. Based on readers' feedback, we have expanded our research from the 50 constituent companies of the Hang Seng Index (HSI) to the 88 constituent companies of the Hang Seng Composite LargeCap Index (HSLI), providing a snapshot of the key elements of their governance practices including board structure and composition, diversity, committees, meetings, remuneration and evaluation.

60% of the HSLI companies are PRC companies. Many of these companies have been very acquisitive overseas. As such, we have included an international comparison table summarising findings of the countries where Spencer Stuart has published board indexes.

Lastly, this edition also includes an article on corporate culture, an emerging topic in the boardroom, and another one on diversity contributed by Legal & General Investment Management (LGIM), one of the world's largest and fastest-growing asset managers. The former shares findings of years of research by Spencer Stuart in this regard – what board needs to know about corporate culture, and how it can help nurture the right corporate culture for business performance. The latter presents a shareholder's view on diversity.

Highlights of the 2015 *Hong Kong Board Index*

12.6

Average board size

BOARD SIZE

The average board size for HSLI 88 companies is 12.6. There has been a marked reduction in the proportion of Hong Kong boards with 15 or more members for HSI 50 – from 34% in 2013 to 24% in 2015. This is a welcome change as the global trend is moving towards smaller boards for better and more robust board discussions. Our study of the most experienced chairmen internationally suggest that eight to 12 members is the optimal size for a board.

4%

Proportion of boards with an independent chairman

CHAIRMAN/CEO SPLIT

76% of the HSLI 88 companies have separated the chairman and CEO roles, although it should be noted that only 4% of HSLI boards have an independent chairman. There has been a slight decrease in the number of HSI 50 boards that separate the chairman and CEO roles from 80% in 2013 to 76% in 2015, with two more companies combining the roles since our last study.

41%

Proportion of INEDs on boards

INDEPENDENT NON-EXECUTIVE DIRECTORS (INEDS)

In 2015, 98% of HSLI 88 boards have met the one-third INEDs requirement stipulated by Hong Kong Exchanges and Clearing (HKEx) in December 2013. It is good to see the average proportion of INEDs on HSI 50 boards have progressed from 39% in 2010 to 42% in 2013 and 44% in 2015. It is encouraging that the HSLI 88 companies have on average 41% of their directors as INEDs. This is an indication that more companies recognise that a healthy proportion of INEDs can help improve the governance and performance of the company.

11%

Proportion of women on boards

GENDER DIVERSITY

The progress of gender diversity on Hong Kong's largest boards, HSI 50, has been very slow, from 9% in 2010 to 9.5% in 2013 and 11% in 2015. Gender diversity remains a key discussion point in Hong Kong and around the world, with much focus on building the pipeline into executive roles, a key source for board talent. HKEx's Code Provision required listed companies to have, on a comply or explain basis, a diversity policy by 1 September 2013, yet progress in gender diversity on Hong Kong boards remains marginal. Most Hong Kong boards consider diversity in a broader view, focusing on diversity in experience and capabilities. Gender diversity is yet to come on the top agenda.

US\$59,000

Average INED fee

INDEPENDENT NON-EXECUTIVE DIRECTOR FEE

The average INED fee for HSLI 88 companies is US\$59,000, and US\$65,000 for HSI 50 companies in 2015, lower than US\$67,000 in 2013. The Hong Kong INED fee remains one-third less than the retainer fee paid to the UK and the US independent directors. Similar to 2013, the average fee for INEDs on the board of companies with diversified ownership remains two to three times that of family-controlled companies and the Chinese state-owned enterprises.

2

Average number of times
nomination committees
meet annually

COMMITTEE MEETINGS

89% of HSLI 88 companies have a nomination committee in addition to the two HKEx-mandated audit and remuneration committees. Nomination committees only meet twice a year on average, half as often as in the UK and the US. 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 a lack of interest in a more structured way to conduct these processes in line with the evolving needs of the board and the strategy of the company.

21%

Proportion of boards
which have performed
board evaluation

BOARD EVALUATION

HKEx recommends that boards conduct a regular evaluation of their performance. 21% of HSLI 88 companies reported performing board evaluation, the majority of these are by the HSI 50 companies. The proportion of HSI 50 companies which have performed board evaluation has registered marked increase from 26% in 2013 to 32% in 2015. Out of these, 8% engaged an external facilitator. Of the 38 companies in the HSLI 88 but outside of the HSI 50 companies, only 5% (two companies) reported conducting a board evaluation, using internal resources. Board evaluation continues to gain importance across markets, where a structured process gives the board a health check and identifies areas for improvement. Board directors in Hong Kong have commented that more boards are embracing the practice, yet it will still take more open-minded chairmen who are committed to the continuous improvement of the board for robust evaluation to be undertaken.

What do boards need to know about corporate culture?

Boards can help foster long-term shareholder value by deepening their understanding of their company's culture, placing it on the board agenda and ensuring management is forging a culture aligned with the business strategy.

Corporate boards continue to become more engaged, independent and effective stewards of business performance and shareholder value. In the past decade, boards have recognised the need for greater board oversight of critical levers of business performance such as strategy, risk, major transactions and “people” — including succession planning and executive compensation. Moreover, they have adopted more rigorous and transparent processes around these levers.

One lever of performance, however, rarely appears on board agendas: culture. Despite its sizable contribution to business results, few boards oversee culture with anything like the rigor they do strategy, risk or CEO succession planning.

A company's culture can make or break even the most insightful strategy or the most experienced executives. Cultural patterns can produce innovation, growth, market leadership, ethical behaviour and customer satisfaction. On the other hand, a damaged culture can impede strategic outcomes, erode business performance, diminish customer satisfaction and loyalty, and discourage employee engagement.

If “culture eats strategy for breakfast,” as the saying goes, why then are boards not more actively engaged in its oversight? We see several reasons for this:

LACK OF BOARD OWNERSHIP: No one exerts more influence over corporate culture than the company's leaders. The CEO and management team own culture, not the board. As a result, boards tend to give the issue of culture a wide berth, expecting the CEO to raise cultural issues when needed.

LACK OF BOARD VISIBILITY INTO THE CULTURE: Directors rely on the management team to bring information about corporate culture to the board. Distant from the day-to-day activities of the organisation, it is not easy for directors to gain a clear perspective on the company's culture.

LACK OF A DEFINED BOARD ROLE: The board's role in cultural oversight is not as clearly defined — by rule or practice — as areas such as executive compensation or risk oversight.

LACK OF A SHARED VOCABULARY: Without a shared language or framework to discuss culture — or data about the health of the culture — directors and executives do not know where to start or how to have a productive conversation about it.

Nonetheless, boards can help foster long-term shareholder value by deepening their understanding of culture, placing it on the board agenda and ensuring management is forging a culture that is aligned with the business strategy. Boards that want to improve their oversight of this important performance lever can work with the management team to define the current culture and understand how it does and does not support the strategy.

In our work with boards, we have found that having a framework for understanding organisation culture is critical to this effort. Boards can ensure that the CEO and executive team have the cultural fluency needed to define culture, and that they are attentive to culture and its impact on business performance. To this end, boards may decide to consider an executive's ability to manage culture as part of individual performance reviews and the succession planning process. Just as they evaluate the soundness of the business strategy and challenge its underlying assumptions, boards should be willing to spark discussion about the need for culture change when necessary. Finally, directors should consider how their own actions and behaviours contribute to the culture and whether they are modeling the desired behaviours.

Spencer Stuart has found the following questions to be powerful in helping directors better understand culture and ensure the company is on the right path when it comes to culture.

What is the current culture of the organisation?

Culture is not the aspirational values posted on the break room wall. Culture is the culmination of the shared values, beliefs and assumptions that shape the behaviour of the organisation. These “unwritten rules” guide the thousands of decisions employees throughout the company make every day. Boards should ask: What are those unwritten rules that everyone just knows but cannot necessarily articulate clearly?

How well-aligned is our corporate culture with our strategy?

A high-performing organisation with a strong alignment between culture and strategy produces more financial growth and better employee engagement. By contrast, a troubled or misaligned culture can result in prolonged underperformance by the business or specific business units, low levels of customer satisfaction and loyalty, internal conflicts and poor employee engagement. Boards can probe on the health of the culture by asking questions such as: What organisational behaviours are required to achieve our strategy — keeping in mind that culture guides employee behaviour? How well do we demonstrate those behaviours today? What do we measure to understand the extent to which those behaviours are happening — for example, where product innovation and a learning culture are keys to the strategy, is a larger percentage of revenue coming from new products? What do these findings tell us about our culture relative to our strategy? Where do organisational behaviours open us up to risk?

What is the difference between our current and ideal corporate culture?

Effective leaders can describe both the culture as it currently exists and the culture to which the organisation aspires. This ability is sometimes called “cultural fluency,” and it is a critical skill for leading on culture. Board can assess management’s cultural fluency with questions such as: What is the difference between our current and ideal culture? What cultural impediments do we face and how will we overcome them? Where do our most influential people, those who “get” our ideal culture, reside within the organisation? Are they being deployed effectively?

How well do our organisational structure and practices support our ideal culture?

Structures, processes and practices exert significant influence on shared behaviours, and business success can be impeded when these are not aligned with the ideal culture. This lack of alignment can become most apparent when a company is making a change to its organisational structure or processes. For example, a company seeking to centralise core functions in a culture characterised by autonomy will be at risk. Similarly, a company creating a new role for an “innovation leader” will encounter cultural roadblocks in an organisation characterised by order and stability. Boards can better understand the cultural impact of these organisational factors by asking questions such as: When a necessary and thoughtfully planned organisation change is not going well, what aspects of the culture could be getting in the way? How might different compensation structures help shape different types of organisational culture over time?

How do we consider culture in our succession plans?

Culture evolves over time. The next set of leaders will drive performance in a cultural context that may not yet exist, and today’s talent management systems, employee evaluations and executive recruiting may or may not contribute to the future corporate culture. Therefore, boards will want to understand how these processes are likely to shape the future culture of the company. In succession planning discussions, directors can ask: To what extent do individual’s leadership styles contribute to the culture we strive to achieve? Where are the gaps in our leadership capabilities and how will we close them? How does our talent development process advance our ideal culture?

How can we contribute to the right tone at the top?

While board behaviours have less influence on culture than those of the CEO and management team, boards do set a tone at the top which, in turn, has an impact on the company’s culture. Boards should be aware of what the tone is and how they contribute to it. They can ask themselves: How do our boardroom behaviours advance the right tone at the top? What changes would we like to make in our behaviour or composition to enhance our contribution to setting the right tone for the company?

Where in the board agenda should we put questions about culture?

As expectations on boards continue to grow, so has the board agenda. Given their current demands, boards are unlikely to tackle questions about company culture unless the issue is explicitly part of the agenda. Because of the importance of aligning culture and strategy, the annual strategy retreat or strategy review may be the right time to discuss culture. To make sure culture is on the agenda, boards can ask: Where on the annual board calendar should culture fall? What culture models or frameworks could be useful to adopt? Are we embarking on a period of change — the arrival of a new CEO, a crisis, a new strategy or a merger — that could influence our values and culture?

A framework for thinking about culture

What role does culture play in the performance — or underperformance — of a business? Whether the goal is to sustain company performance or implement transformational change, the company culture must be aligned with the strategy, the organisational structure and operational practices. Otherwise, performance is likely to suffer and strategic goals will be unmet.

Consider the example of a private-equity-backed global manufacturer of specialised consumer products. Two years into the firm's five-year investment, the company was plagued by stagnant performance and an uncertain identity and struggled with a leadership transition. Although the company strategy emphasised growth through product innovation, our assessment revealed that the company had a culture built around results and stability, more in keeping with a sales and distribution company than an innovative products company. By fine-tuning the strategy, reassigning a few executives as part of a larger organisational restructuring, and promoting a culture that emphasised learning and experimentation, the company got back on track.

Spencer Stuart's framework for assessing organisational culture is rooted in the insight that a surprisingly limited set of rules can result in highly complex and diverse behavioural patterns. Every organisation, and every executive, must address the inherent tension between two critical dimensions of organisational dynamics:

ATTITUDE TOWARDS CHANGE: Open to change (flexibility, innovation, enquiry) versus managing change (stability, proven processes, control).

ATTITUDE TOWARDS PEOPLE: Internal orientation (independence, individual initiative, self-empowerment, act) versus external orientation (interdependence, collaboration, power through groups, interact).

A company's culture is defined by where an organisation falls on these two dimensions, and this reflects how thousands of employees make individual decisions to manage the costs and benefits associated with those tensions over time.

Applying this insight, our culture model and diagnostic tools help companies understand their current culture, identify the cultural styles that support their strategic imperatives and diagnose how the culture may need to evolve in order to align with strategy.

Conclusion

While board behaviours have less influence on culture than those of the CEO, corporate culture is one of several critical levers for creating shareholder value — one that many companies underutilise. By placing culture on the board agenda and asking the right questions, boards can do more to help ensure that senior management is effectively monitoring and guiding corporate culture and making the most of this important contributor to business performance, while preserving the boundary between governance and management.

Methodology

The Spencer Stuart *2015 Hong Kong Board Index* is the second edition of research, providing an analysis of the corporate governance practices of the 89 largest companies by market value listed in Hong Kong at the end of March 2015.

We have expanded the scope of our study from the 50 constituent companies of the Hang Seng Index (HSI) in 2013 to the 89 constituent companies of the Hang Seng Composite LargeCap Index (HSLI). All of the HSI constituent companies are also constituent companies of the HSLI. At the time of publication, one company, Tianhe Chemicals Group, had not published its annual report for the year ended 31 December 2014. As a result, the sample size of this study has been reduced from 89 to 88 companies (HSLI 88).

There are four company changes since two years ago in the Hang Seng Index. New entrants include China Mengniu Dairy, Galaxy Entertainment Group, Lenovo Group and Link REIT; while the four exits are Aluminum Corporation of China, China Coal Energy, COSCO Pacific and Esprit Holdings.

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 2013, 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 five other countries – India, Japan and Singapore within the Asia Pacific region, which have developing governance practices; and the United Kingdom (UK) and the United States (US), which are considered to have more established governance practices. Comparative data is taken from the most recent Spencer Stuart board indexes of each country, which analyse the BSE 100, NIKKEI 225, STI 30, FTSE 150 and S&P 500, respectively.

Following the analysis, we publish detailed tables containing relevant data for each company included in the board index, and an international comparison table comparing aggregated data from the 20 countries where Spencer Stuart has published board indexes.

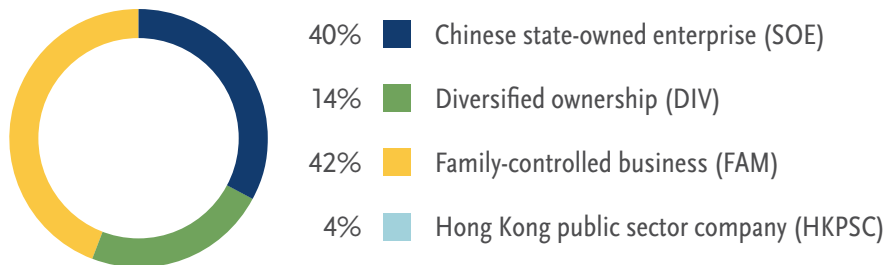
SHAREHOLDING STRUCTURE

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).

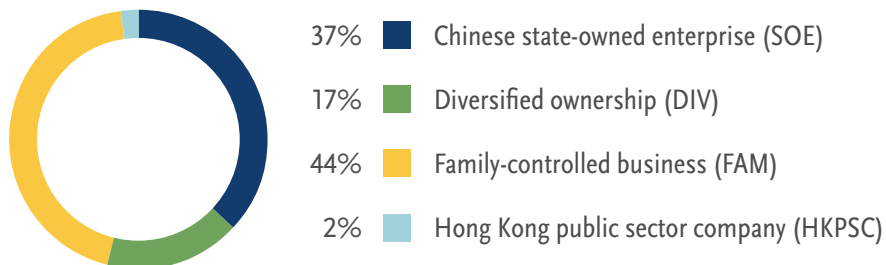
42% of the HSI 50 companies are family-controlled businesses. Chinese state-owned enterprises (SOEs) make up the second largest category at 40%. Companies with a diversified shareholding structure, which is the norm for listed western companies, represent 14% of the HSI 2015 companies, while Hong Kong public sector companies account for 4%.

As we expand the sample size from 50 to 88 companies, we note that the portion of family-controlled businesses increases to 44%. Chinese SOEs still make up the second-largest category at 37%. Companies with a diversified shareholding structure represent 17% of the HSLI 88 companies, and 2% are Hong Kong public sector companies.

Hang Seng Index 2015 constituent companies (HSI 50)



Hang Seng Composite LargeCap Index 2015 constituent companies (HSLI 88)



Board composition

BOARD SIZE

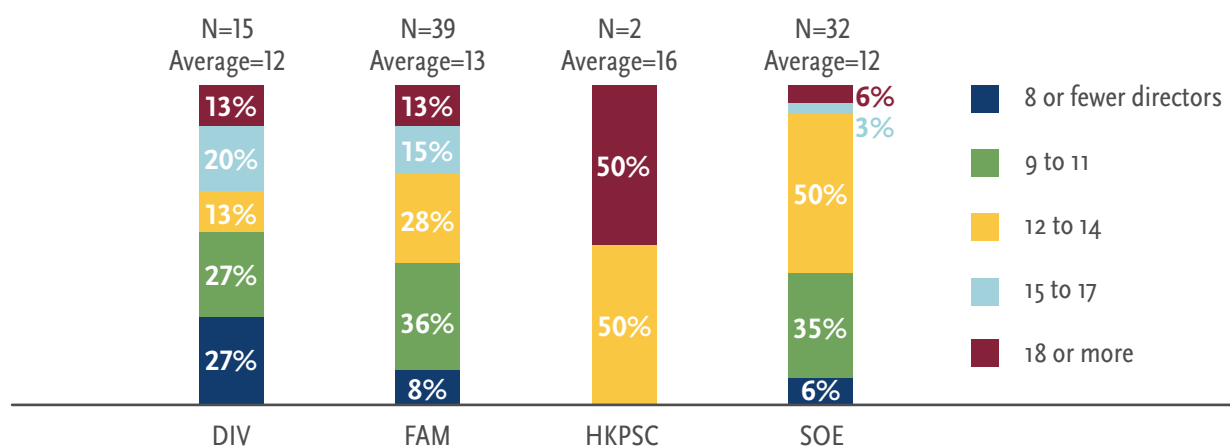
The average board size of the HSLI 88 companies is 12.6, while HSI 50 companies average 12.9 members in 2015, a slight increase from 12.8 in 2013. There is an increase in boards with eight or fewer members, and in boards with between 12 and 14 members. The percentage of boards with 15 or more members has declined.

Henderson Land Development and Country Garden Holdings top the list of largest boards with 22 members. AAC Technologies Holdings, Kunlun Energy and Tencent Holdings are the smallest boards with seven members.

Board size	2010	2013	2015	
	HSI 50	HSI 50	HSI 50	HSLI 88
Average	12.8	12.8	12.9	12.6
8 or fewer directors	10%	6%	10%	10%
9 to 11	24%	32%	32%	33%
12 to 14	32%	28%	34%	34%
15 or more	34%	34%	24%	23%

A closer examination of board size across companies of different ownership structures indicates that Hong Kong public sector companies have the biggest boards on average. The four companies that have boards between 20 and 22 members are all family-controlled businesses.¹

Board size across shareholding structure



¹ Companies that have boards between 20 and 22 members include Cheung Kong Holdings, Country Garden Holdings, Henderson Land Development and Sun Hung Kai Properties.

Comparing the average size of HSI boards with the regional and global averages, we note that the Hong Kong average is marginally higher at 12.6. It is also interesting to note that the percentage of companies in Hong Kong with super-large boards (15 members or more) is significantly higher than in the UK and the US, where board sizes have been shrinking, a trend observed also in India, Japan and Singapore.

THE BROADER VIEW: Board size						
	HK	INDIA	JAPAN	SINGAPORE	UK	US
Average	12.6	10.3	11	10.8	10.3	10.8
8 or fewer directors	10%	22%	23%	13%	24%	9%
9 to 11	33%	48%	-	53%	47%	59%
12 to 14	34%	27%	-	27%	23%	28%
15 or more	23%	3%	-	7%	6%	4%

BOARD STRUCTURE

Unlike in some jurisdictions where non-executive directors are 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. As such, companies can benefit from insights into possible synergies with other group companies and from the experience of recently retired company executives. It does seem though 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 2015, the composition of directors on the boards for the HSLI 88 companies (including chairmen) is as follows: 36% executive directors (EDs), 23% NEDs and 41% INEDs.

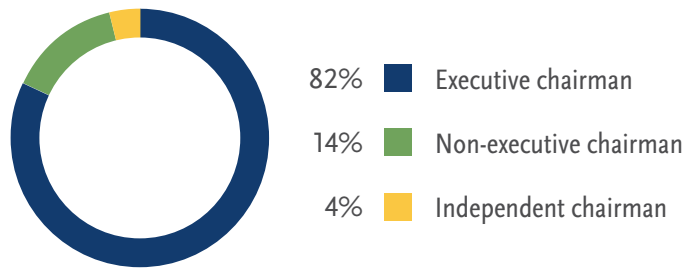
2015 board distribution (including chairmen)



CHAIRMEN

82% of HSLI 88 boards have an executive chairman, 14% have a non-executive chairman and 4% have an independent non-executive chairman.

Types of chairman in Hong Kong



76% of the HSLI 88 companies have separated the chairman and CEO roles. There has been a slight decrease in the number of HSI 50 boards that separate the chairman and CEO roles, from 80% in 2013 to 76% in 2015, with China Overseas Land and Investment and China Resources Power Holdings having both roles combined since our last study. Of the 38 companies in the HSLI 88 but outside of the HSI 50, 76% of the boards have also separated the chairman and CEO roles.

Of the 21 HSLI 88 companies where the two roles are held by the same person, 10 are family-controlled businesses, five are Chinese SOEs, and six are companies with diversified ownership.

INDEPENDENT NON-EXECUTIVE DIRECTORS

According to the independent requirement set out in the Main Board Listing Rule of HKEx, boards are required to appoint INEDs representing at least one-third of the board since the rule took effect on 31 December 2012.

INEDs, including chairmen, account for 41% of all HSLI 88 board directors. HSLI 88 boards have five INEDs and three NEDs on average.

Among HSI 50 boards, INEDs make up 44% of all directors, the highest level since 2010. Of the total directorships across the 38 companies in the HSLI 88 but outside of the HSI 50, 37% are held by INEDs. It appears that the smaller companies are doing the minimum required by HKEx whereas larger companies (HSI 50) are making good progress.

Percentage of INED	2010	2013	2015	
	HSI 50	HSI 50	HSI 50	HSLI 88
Average	39%	42%	44%	41%
Fewer than 33%	24%	4%	2%	2%
33-49%	52%	72%	72%	80%
50-65%	22%	18%	14%	11%
66% or more	2%	6%	12%	7%

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

THE BROADER VIEW: Percentage of independent directors

HK	INDIA	JAPAN	SINGAPORE	UK	US
41%	53%	24%	65%	61%	84%

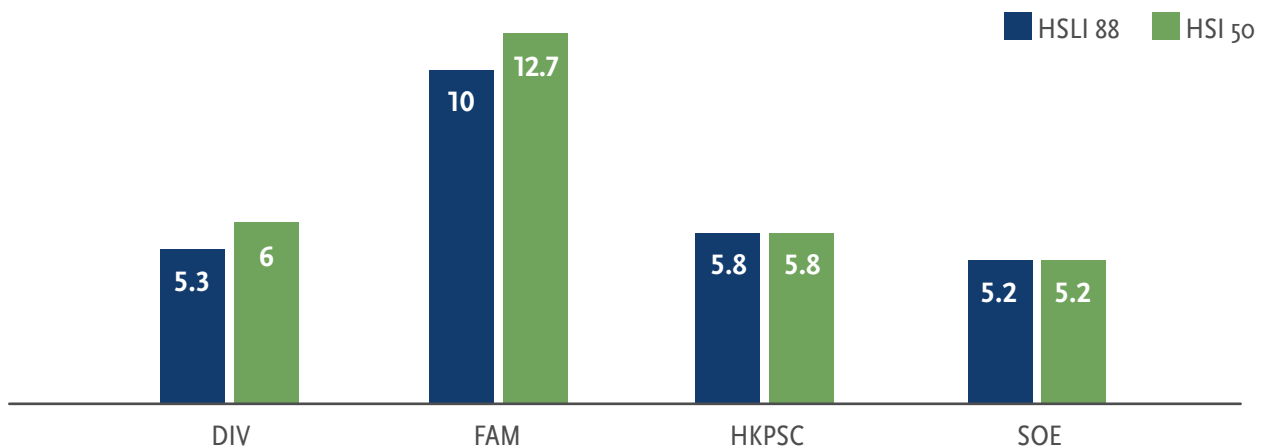
TERM OF OFFICE

The average tenure is 7.4 years for HSLI 88 boards and 8.5 years for HSI 50 boards. The board with the longest average tenure of all its directors is 21.8 years, and the longest-tenured director has served 47.5 years.

INEDs have an average tenure of 6.7 years for HSI 50 boards and 7.9 years for HSLI 88 boards, respectively. 44% of HSI 50 INEDs have an average tenure between six and 10 years, which is a 6% increase from 2013.

The average tenure of chief executives is 8.8 years. 21 CEOs have been in position for more than 10 years and three for more than 30 years. The longest-tenured CEO has served 38.5 years. In contrast, 18 CEOs have been in their roles for less than three years.

Average tenure (years)



Across the four categories of shareholding structure, the average tenure of directors on family-controlled businesses stands at 10 years for HSLI 88 boards and 12.7 years for HSI 50 boards, which is approximately the double of the average of the other three categories.

To enhance the board renewal process and preserve independent judgment, among the HSLI 88 companies, Link REIT has self-imposed a maximum nine-year term limit, which includes the independent non-executive chairman, while HKEx has set a maximum tenure of 12 consecutive years for its own INEDs.

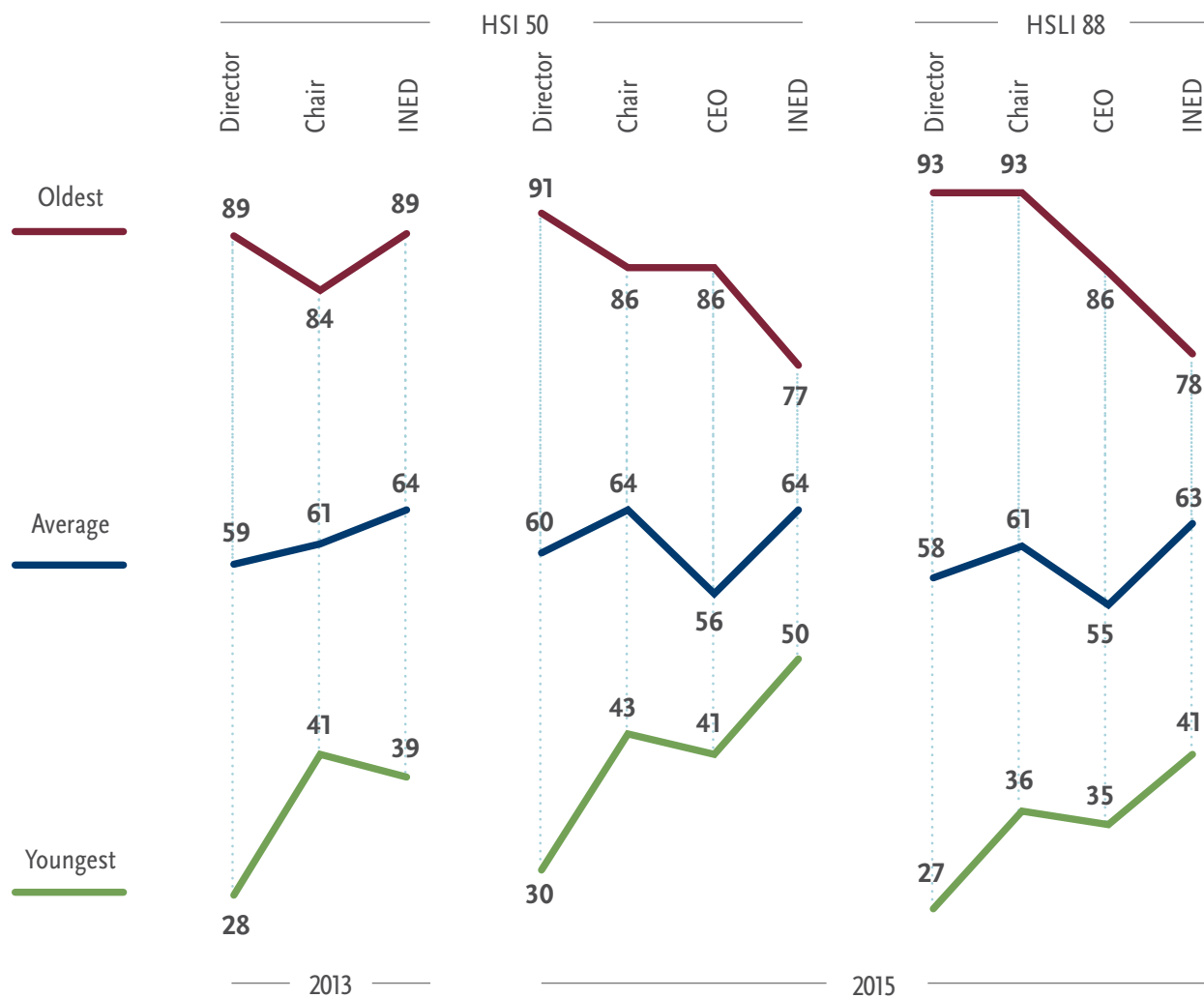
Board diversity

AGE

The average age of HSLI 88 and HSI 50 chairmen is 61 years and 64 years, respectively. Overall, the oldest chairman is 93 years old while the youngest is 36 years old. The average age of INEDs is 63 years for HSLI 88 boards and 64 years for HSI 50 boards. Overall, the oldest INED is 78 years old and the youngest is 41 years old.

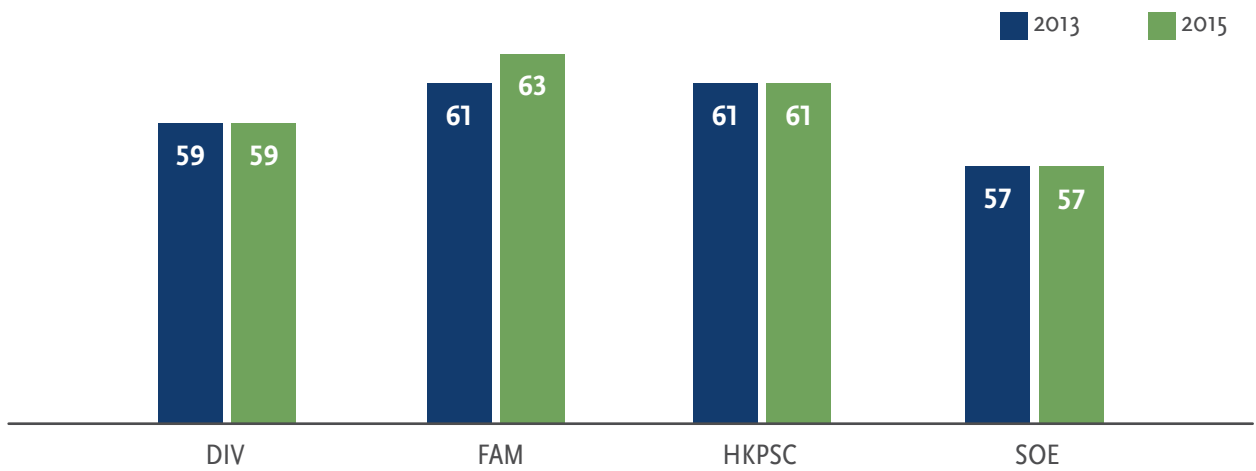
It is interesting to note that three companies in our sample have an average director age under 50 years: ENN Energy Holdings, Hanergy Thin Film Power Group and Longfor Properties.

Average age comparison (years)



The average age of the boards has barely changed among the four ownership structures of HSI 50 companies. The average ages of boards with diversified ownerships, Hong Kong public sector companies and Chinese SOEs are exactly the same as in 2013. Family-controlled businesses have the highest average age at 63 years while Chinese SOEs having the lowest average at 57 years.

Average age of HSI 50 boards



FOREIGN DIRECTORS

15.4% of all HSLI 88 directors and 18.3% of all HSI 50 directors are foreign directors,³ the latter has remained steady for several years. The number of HSI 50 companies with at least one board director who is a foreign national increased to 68% in 2015 from 64% in 2013 and 62% in 2010. 56% of HSLI 88 companies have at least one foreign board director.

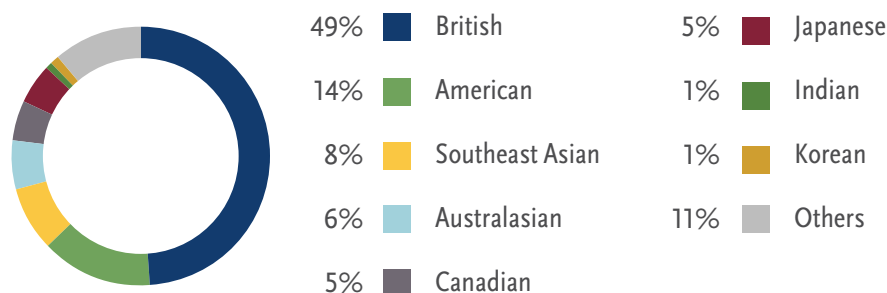
Out of the total number of directorships across the boards of HSLI 88 companies, foreign EDs, NEDs and INEDs account for 10.3%, 19% and 17.8%, respectively.

There are 11 foreign chairmen and nine foreign chief executives in the HSLI 88 companies. On seven of the boards, both the chairman and chief executive are foreign.

The average number of nationalities on each board is two. The boards of Sands China and Shangri-La Asia each have six different nationalities represented among their 11 and 10 directors, respectively. By contrast, 67% of boards have no more than two nationalities.

Foreign directors

Most common nationalities of non-Chinese nationals



³ Foreign directors are defined as ethnic background other than mainland Chinese, Hong Kong Chinese or Taiwanese.

FEMALE DIRECTORS

Since our last publication, HKEx has introduced a Code Provision on board diversity requiring listed companies to have, on a comply or explain basis, a diversity policy by 1 September 2013.

Among all the directors in the HSLI 88 companies, 11% are women. 72.7% of companies have at least one female director on the board. 7.5% of EDs, 11.1% of NEDs and 14.1% of INEDs are women.

The representation of women on the top 50 boards in Hong Kong has continued to grow at a slow pace and increased only two percentage points over the last five years. Women account for 11% of all HSI 50 directors, up from 9.5% in 2013 and 9% in 2010.

24 HSLI 88 boards, 27.3%, have no female directors. Boards without female representation are mostly from the financial services, consumer, energy or family conglomerate sectors. More than one-third of HSLI 88 companies, 36.4%, have two or more women on the board. With six women on its board, HSBC Holdings has the highest number of female directors amongst all HSLI 88 boards.

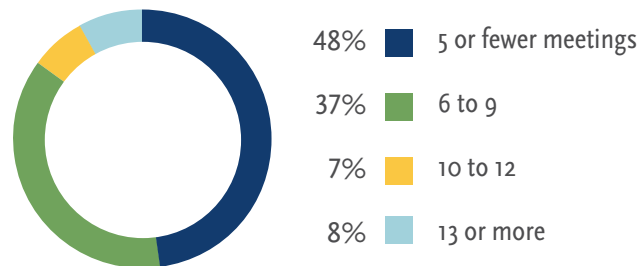
There is one chairwoman who is also chief executive, two executive chairwomen and four female chief executives in the HSLI 88 companies. Traditionally, companies led by a female chairperson or CEO have tended to have a greater number of female board directors than companies led by a male chairperson or CEO. The percentages are 18.8% and 10%, respectively.

THE BROADER VIEW: Women on boards					
HK	INDIA	JAPAN	SINGAPORE	UK	US
11%	12.3%	4%	7.9%	23%	20%

Board meetings

The average number of board meetings is seven per year, the same as two years ago. The majority of boards, 48%, met five or fewer times. One board met 21 times throughout the financial year.

Distribution of board meetings



Of the four categories of shareholding structure, board meetings were convened most frequently among the Hong Kong public sector companies, at an average of 9 times, down from 11 two years ago. Family-controlled companies met the least, at an average of five times, down from six two years ago.

THE BROADER VIEW: Average number of board meetings					
HK	INDIA	JAPAN	SINGAPORE	UK	US
7	8	14	6	8	8

Board remuneration

As in previous years, we analyse remuneration fees on the basis of the basic remuneration fee and board committees fee where specified by the companies. It is not a common practice in Hong Kong for boards to compensate directors for board meeting attendance. INEDs generally receive their compensation in cash without any equity compensation.

CHAIRMEN

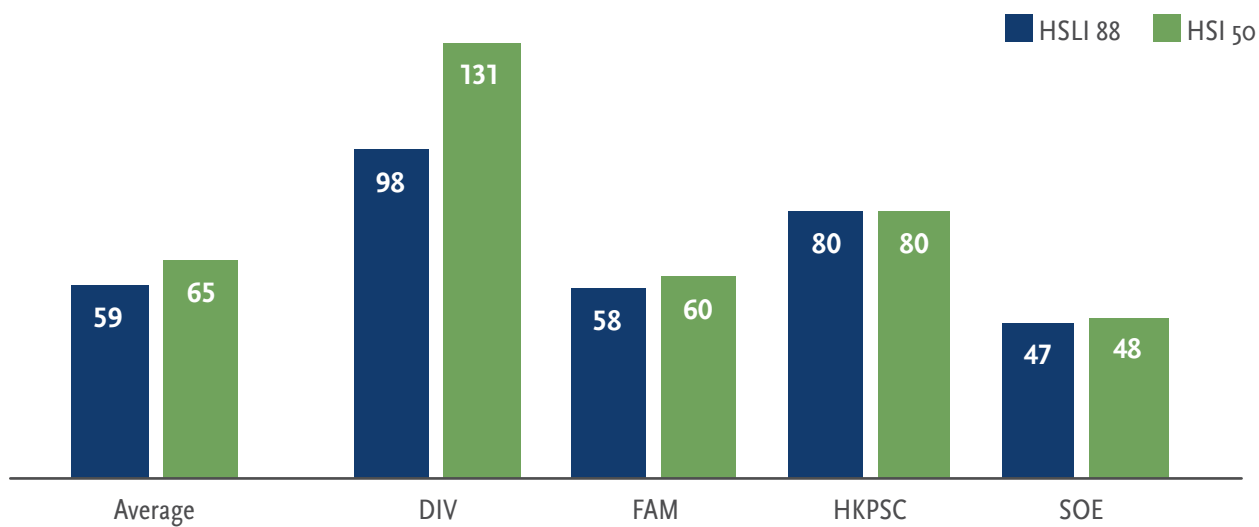
The average board fee for the four independent non-executive chairmen of the HSLI 88 boards is US\$193,000, and fee ranges from US\$95,000 to US\$305,000. The average fee for non-executive chairmen of the HSLI 88 boards is US\$179,000, and fee ranges from US\$24,000 to US\$575,000.

The top three companies with the highest chairman's fee are AIA Group (non-executive chairman), Hong Kong Exchanges and Clearing (independent non-executive chairman) and Link REIT (independent non-executive chairman).

INDEPENDENT NON-EXECUTIVE DIRECTORS

The average board fee for INEDs, excluding independent chairmen, is US\$65,000 for HSI 50 companies and US\$59,000 for HSLI 88 companies. The range is US\$15,000 to US\$300,000 for the INEDs of the top 50 companies of our study sample, and US\$14,000 to US\$146,000 for the next 38 companies. In Hong Kong, the INEDs of companies with diversified ownership are paid the highest average fee, while INEDs of Chinese SOEs are paid the lowest.

Average INED fee (US\$ '000)



THE BROADER VIEW: Independent directors fee (US\$)

HK	INDIA	JAPAN	SINGAPORE	UK	US
59,000	35,000	-	50,000	94,000	112,000

Board committees

A majority of HSLI 88 boards, 89%, have more than the two HKEx-mandated audit and remuneration committees.

The most common committee beyond the audit and remuneration committees is the nomination committee. 89% of companies have a nomination committee.

Among the 88 companies, there is a wide range in the number of meetings held by the main committees. The range for audit committees is two to 11 meetings; for remuneration committees the range is zero to 11 meetings; and for nomination committees the range is zero to six meetings.

Average number of board meetings

	HSLI 88	DIV	FAM	HKPSC	SOE
Full board	7	6	5	9	8
Audit committee	4	5	3	4	5
Remuneration committee	2	4	2	7	2
Nomination committee	2	2	1	3	2

Boards convened on average four audit committee meetings, two remuneration committee meetings and two nomination committee meetings. The numbers remain unchanged from the previous study two years ago. Hong Kong boards convened less than half the number of remuneration and nomination committee meetings in the UK and the US in 2015.

THE BROADER VIEW: Average number of board committee meetings

	HK	INDIA	JAPAN	SINGAPORE	UK	US
Audit	4	-	-	4	5	9
Remuneration	2	-	-	3	5	6
Nomination	2	-	-	3	4	5

Board evaluation

Evaluation of the board and individual directors has grown in practice among the HSI 50 companies from 26% in 2013 to 32% in 2015, with 8% (four companies) engaging an external facilitator to conduct the board effectiveness review and 24% managing the process internally.

21% of HSLI 88 companies undertook board evaluation in 2015. It is interesting to note that only 5% (two companies, China Merchants Bank and Kerry Properties) of the 38 companies in the HSLI 88 but outside of the HSI 50 undertook a board evaluation, using internal resources. Board evaluation is still very much a nascent practice in Hong Kong.

THE BROADER VIEW: Board evaluation

HK	INDIA	JAPAN	SINGAPORE	UK	US
21%	N/A	N/A	90%	98%	98%

To more progressive boards, board evaluation is considered a health check for the board, and can identify opportunities for improvement in the board processes, board dynamics, the board agenda, and the board's role in strategy and succession planning. It is encouraging to see that more of the largest boards in Hong Kong are conducting board evaluations. Some of these may lack robustness in design and execution by focusing initially on compliance issues. It is a good start nevertheless.

International comparison

In this edition of the *Hong Kong Board Index* we provide two sets of tables.

In addition to the detailed company data for the HSLI (beginning on page 38), we are publishing a chart comparing aggregated data from 20 countries (pages 27-30). All data is taken from the 2015 board indexes published by Spencer Stuart including the forthcoming South Africa edition and the 2013 edition for Singapore.

THE BROADER VIEW: Composition information		
BELGIUM		BEL 20 + BEL MID 33
FRANCE		CAC 40
GERMANY		DAX 30
HONG KONG		HSLI 88
INDIA		BSE 100
ITALY		FTSE MIB 38 + Top 62 by market cap
JAPAN		NIKKEI 225
NETHERLANDS		AEX 25
NORDICS	DENMARK	OMX Copenhagen 25
	FINLAND	OMX Helsinki 25
	NORWAY	OBX 25
	SWEDEN	OMX Stockholm 50
RUSSIA		Top 47 of Expert 400 by market cap
SINGAPORE		STI 30
SOUTH AFRICA		JSE 40 + Top 34 by market cap + 5 SOEs
SPAIN		IBEX 35 + Top 60 by market cap
SWITZERLAND		SMI 20
TURKEY		BIST 30
UNITED KINGDOM		FTSE 150
UNITED STATES		S&P 500

	BELGIUM	FRANCE	GERMANY	HONG KONG	INDIA	ITALY	JAPAN
GENERAL INFORMATION	Size of sample	53	40	30	88	97 ⁹	225
	Supervisory board/unitary board of directors	1/52	4/36	30/0	-	N/A	3/97
	Average number of board meetings per year	9.5	9	6.5	6.5	7.8	11.1
	Percentage of companies conducted external board evaluation	1.9%	30%	23.3%	5%	N/A	35%
	Combined chairman and CEO	7.5%	62.5%	N/A	23%	-	22%
	Percentage of boards with senior independent director, lead director or equivalent	0%	70%	0%	N/A	N/A	43%
BOARD	Average board size (total)	10.3	14.3	16.2	12.6	10.3	11.0
	Average board size (excluding employee representatives)	10.2	12.7	8.2	-	N/A	N/A
	Average number of independent board directors	4.4	8.4	N/A	5.2	5.4	5.8
	Percentage of independent board directors	43.3%	58%	60% ³	41%	52.8%	49.2%
	Average number of non-executive directors	7.8	11.2	7.3 ⁴	5 ⁸	-	9.3
	Average number of executive directors	1.6	1.2	0.0	5	-	2.6
AGE	Average age of all directors	56.9	59.7	-	57.5	61.2	58.9
	Average age of non-executive directors	57.4	60.9	61.4 ⁵	63 ⁸	63.4	59.0
	Average age of executive directors	54.1	58.4	N/A	-	56.7	60.2
FOREIGN	Percentage of foreign board directors (all)	32.6%	33%	N/A	15.4%	7.6%	7.7%
	Percentage of foreign non-executive directors	33%	37%	18.1%	17.8%	9.4%	9%
	Percentage of foreign executive directors	32.6%	12%	n/a	10.3%	5.6%	3.1%
	Average number of nationalities represented on the board	3.1	4.6	2.8 ⁶	2.1	-	1.7
GENDER	Percentage of female board directors (all)	24.2%	34.3%	-	11%	12.3%	22.4%
	Percentage of female non-executive directors	26.7%	37%	24.9%	14.1% ⁸	16.1%	26.2%
	Percentage of female executive directors	10.5%	4%	N/A	7.5%	6.4%	8.2%
	Percentage of companies with at least one woman on the board	96.2%	100%	93%	72.7%	94%	96%
NEW MEMBERS	Percentage of new board members	12.5%	8%	10.3%	-	-	18.2%
	Percentage of women among new board members	44.1%	62% ¹	24%	-	-	33.8%
	Percentage of non-nationals among new board members	50%	47%	20%	-	-	10.2%
OTHER BOARDS	Average number of boards per director (total)	1.9	2.1	3 ⁷	-	-	3.5
	Percentage of executive directors with an outside board	31.4%	71%	N/A	-	-	56.8%
	Percentage of non-executive directors with full-time executive role	65.2%	49%	37.9%	-	-	N/A
RETIREMENT AGE	Percentage of companies with a mandatory retirement age	41.5%	33%	73.4%	N/A	-	4%
	Average mandatory retirement age	70.1	72.4	73	N/A	-	72
REMUNERATION	Average retainer for non-executive directors	€ 32,646	€ 72,608 ²	€ 70,000	€ 52,150 ⁸	-	€ 43,000
	Average fee for audit committee membership	€ 22,513	€ 18,460	€ 34,500	-	-	€ 17,000
	Average fee for remuneration committee membership	€ 32,834	€ 13,997	-	-	-	€ 10,000
	Average compensation for nomination committee membership	€ 12,016	€ 15,106	€ 23,250	-	-	€ 13,000
EXCO	Average board size of ExCo	6.3	12.5	-	-	N/A	5.4
	Percentage of foreigners on the ExCo	31.9%	28.5%	-	-	N/A	3.6%
	Percentage of women on ExCo	16.1%	11.6%	-	-	N/A	8.6%

		NORDICS					
		NETHERLANDS	DENMARK	FINLAND	NORWAY	SWEDEN	RUSSIA
GENERAL INFORMATION	Size of sample	25	25	25	25 ¹⁴	50	47
	Supervisory board/unitary board of directors	18/7	25/0	1/24	0/25	1/49	4/43
	Average number of board meetings per year	8.5	9.3	10.6	10.9	9.4	6.8 ²⁰
	Percentage of companies conducted external board evaluation	28%	17%	0%	0%	11%	8.5%
	Combined chairman and CEO	4%	0%	0%	0%	0%	0%
	Percentage of boards with senior independent director, lead director or equivalent	60%	0%	0%	4%	0%	14.9%
BOARD	Average board size (total)	10.7	9.9	7.9	8.2	9.7	10.3
	Average board size (excluding employee representatives)	N/A	7	7.8	5.8	8.1	8.6
	Average number of independent board directors	7.2	4.6	6.4	4.7	5.0	3.6
	Percentage of independent board directors	66.8%	76%	84%	80%	62%	35%
	Average number of non-executive directors	6.9	6	6.6	4.8	6.4	7.1
	Average number of executive directors	3	0.0	0.1 ¹¹	0.2 ¹⁵	0.7 ¹⁸	1.6
AGE	Average age of all directors	58.7	57.2	57.3	55.3	57.3	53.1
	Average age of non-executive directors	61.3	57.2	57.3	55.2	57.7	53.7
	Average age of executive directors	52	N/A	55	59.3	53.9	49.5
FOREIGN	Percentage of foreign board directors (all)	42.7%	42%	35%	29.6%	24%	22.2%
	Percentage of foreign non-executive directors	45.8%	42%	35%	28.9%	25%	26.2%
	Percentage of foreign executive directors	33.3%	N/A	0%	50%	14%	2.6%
	Average number of nationalities represented on the board	4.4	3.3	3.1	2.6 ¹⁶	2.8	2.8
GENDER	Percentage of female board directors (all)	21.6%	23%	30%	42%	35%	7.6%
	Percentage of female non-executive directors	26.4%	23%	30%	43%	37%	7.7%
	Percentage of female executive directors	9.3%	N/A	0%	0%	8%	6%
	Percentage of companies with at least one woman on the board	80%	88%	100%	96%	100%	38%
NEW MEMBERS	Percentage of new board members	16.8%	15%	15%	21%	9%	20.2%
	Percentage of women among new board members	33.3%	31%	33%	48%	57%	2%
	Percentage of non-nationals among new board members	44.1%	50%	43%	26%	50%	3.5%
OTHER BOARDS	Average number of boards per director (total)	2.1	2	1.9	1.7	2.6	1.5
	Percentage of executive directors with an outside board	30.7%	N/A	33%	25%	59%	16.7%
	Percentage of non-executive directors with full-time executive role	30.6%	59%	49% ¹²	56% ¹⁷	44% ¹⁹	9%
RETIREMENT AGE	Percentage of companies with a mandatory retirement age	4.0%	68%	8%	0%	0%	0%
	Average mandatory retirement age	70	70.6	68.5	N/A	N/A	N/A
REMUNERATION	Average retainer for non-executive directors	€64,383	€47,835	€52,644	€35,319	€49,032	€144,104
	Average fee for audit committee membership	€11,551	€19,728	€4,533 ¹³	€9,063	€11,460	-
	Average fee for remuneration committee membership	€7,710	€15,458	€3,573 ¹³	€6,486	€7,319	-
	Average compensation for nomination committee membership	€6,972	€11,443	€1,620 ¹³	€2,532	N/A	-
EXCO	Average board size of ExCo	7.1 ¹⁰	7.6	9.5	8	9.2	10.2
	Percentage of foreigners on the ExCo	47.4% ¹⁰	32%	31%	21%	27%	5.2%
	Percentage of women on ExCo	12.9% ¹⁰	10%	15%	20%	22%	11.3% ²¹

	SINGAPORE	SOUTH AFRICA	SPAIN	SWITZERLAND	TURKEY	UK	US	
GENERAL INFORMATION	Size of sample	30 ²²	79	95	20	30	150	486
	Supervisory board/unitary board of directors	0/30	0/79	0/95	0/20	0/30	1/149 ²⁵	0/486
	Average number of board meetings per year	5.8	6.1	10.7	9.9	20	7.6	8.1
	Percentage of companies conducted external board evaluation	23%	17.7%	15%	5%	-	44%	26
	Combined chairman and CEO	10%	5.1%	57%	0%	7%	1.3%	52%
	Percentage of boards with senior independent director, lead director or equivalent	30.0%	55.7%	27%	20%	N/A	98.7%	89%
BOARD	Average board size (total)	10.8	12.5	10.9	10.3	9.8	10.3	10.8
	Average board size (excluding employee representatives)	N/A	N/A	10.9	10.2	8.8	10.3	N/A
	Average number of independent board directors	6.7	7.2	4.2	9.1	3.2	6.3	9.1
	Percentage of independent board directors	65%	58.1%	39%	88.3%	33%	60.5%	84%
	Average number of non-executive directors	-	8.6	8.6	9.8	8.7	6.7	-
	Average number of executive directors	-	2.9	1.9	0.45	1.1	2.7	-
AGE	Average age of all directors	62.0	56.8	60	60.5	57.6	57.5	-
	Average age of non-executive directors	63.3	58.2	N/A	60.5	58.3	59.2	63.1 ²⁷
	Average age of executive directors	54.9	52.5	N/A	58.7	54.9	52.6	-
FOREIGN	Percentage of foreign board directors (all)	-	21.3%	12.5%	62%	15%	32.1%	-
	Percentage of foreign non-executive directors	-	23.3%	14%	61.7%	18%	35.3%	8.2% ²⁸
	Percentage of foreign executive directors	-	14.6%	4%	66.7%	10%	23%	-
	Average number of nationalities represented on the board	-	2.9	-	6.1	1.87	3.2	-
GENDER	Percentage of female board directors (all)	7.9%	20.9%	14%	19%	9.5%	23%	19.8%
	Percentage of female non-executive directors	8.4%	24.8%	16%	19.9%	11.2%	28.4%	-
	Percentage of female executive directors	5%	8%	3%	0%	6.7%	7.9%	-
	Percentage of companies with at least one woman on the board	57%	97.5%	74%	90%	57%	99.3%	97.3%
NEW MEMBERS	Percentage of new board members	-	9.6%	14%	11.7%	16%	14.4%	7.1% ²⁷
	Percentage of women among new board members	-	28%	18%	29.2%	6%	35.7%	31% ²⁷
	Percentage of non-nationals among new board members	-	30%	28%	70.8%	18.8%	43.3%	9% ²⁷
OTHER BOARDS	Average number of boards per director (total)	-	2.1	1.13	2.4	1.5	2.0	2.1 ²⁷
	Percentage of executive directors with an outside board	-	27%	10%	22.2%	24%	28.4%	43% ²⁹
	Percentage of non-executive directors with full-time executive role	-	36.1%	N/A	46.9%	16% ²⁴	36.5%	-
RETIREMENT AGE	Percentage of companies with a mandatory retirement age	N/A	6%	24%	65%	34%	N/A	73%
	Average mandatory retirement age	N/A	70.4	71.6	71	60.9	N/A	73.1
REMUNERATION	Average retainer for non-executive directors	€ 45,858	€ 26,830	€ 67,686	€ 127,346 ²³	€ 51,450	€ 80,874	€ 91,857
	Average fee for audit committee membership	€ 18,896	€ 9,253	€ 25,118	€ 35,288 ²³	-	€ 16,669	€ 10,178
	Average fee for remuneration committee membership	€ 11,214	€ 7,129	-	€ 25,839 ²³	-	€ 14,387	€ 9,646
	Average compensation for nomination committee membership	€ 10,353	€ 5,689	€ 21,094	€ 25,035 ²³	-	€ 9,484	€ 7,311 ³⁰
EXCO	Average board size of ExCo	-	10.4	-	9.4	11.9	10.3	-
	Percentage of foreigners on the ExCo	-	16.8%	-	67.6%	2.3%	28.2%	-
	Percentage of women on ExCo	-	13.5%	-	6.4%	9.8%	17.3%	-

NOTES FOR INTERNATIONAL COMPARISON TABLE

GENERAL

N/A = Not applicable.

A blank cell denotes that either the information is not available or we did not include it in our research.

Fees for committee membership are based on those boards which provide a separate breakdown. We exclude fees where committees are combined, for example Nomination Committee and Remuneration Committee in the Nordics.

FRANCE

- 1 Only includes new directors appointed after the 2015 AGM.
- 2 Total average remuneration.

GERMANY

- 3 According to goals regarding the portion of independent shareholder representatives.
- 4 Shareholder representatives only.
- 5 Chairperson only.
- 6 Total average remuneration is €132,896. Half of the DAX companies offer directors equity-linked performance-related pay.
- 7 Only three companies have a remuneration committee.

HONG KONG

- 8 Independent directors only.

INDIA

- 9 Data is not available for three companies.

NETHERLANDS

- 10 Excluding Luxembourg-based ArcelorMittal which is a statistical outlier. Its ExCo has 29 members, none of whom are from Luxembourg.

FINLAND

- 11 Only three executive directors.
- 12 Excluding non-executives holding academic or government posts.
- 13 Figures based on meeting fees multiplied by the number of meetings.

NORWAY

- 14 Excluding Olav Thon Eiendomsselskap ASA.
- 15 Only four executive directors, including two executive chairmen.
- 16 Only four executives in total.
- 17 Excluding non-executives holding academic or government posts.

SWEDEN

- 18 Including two executive chairmen.
- 19 Excluding non-executives holding academic or government posts.

RUSSIA

- 20 In-person meetings only. The average number of meetings in total, including absentee votes, is 21.
- 21 9.5% if two companies listed outside Russia are included.

SINGAPORE

- 22 Data is from the 2014 *Singapore Board Index*.

SWITZERLAND

- 23 Only includes cash element of fees. 15 companies also pay directors in shares.

TURKEY

- 24 18% excluding chairmen.

UK

- 25 TUI AG has a supervisory board.

US

- 26 98% of S&P 500 boards conduct some type of evaluation; 33% conduct an evaluation on the full board, committees and directors – not possible to confirm what percentage are conducted externally.
- 27 Independent directors only.
- 28 Top 200 S&P 500 companies only.
- 29 CEOs only. On most US boards, the CEO is the only executive director.
- 30 Average for all committees when paid the same amount.

Highlights of the 2015 UK Board Index

The last year has been one of consolidation. Following the publication by the Financial Reporting Council (FRC) of the new UK Corporate Governance Code in September 2014, companies have been working on how best to implement its recommendations.

The pressing issues for boards in 2015 and 2016, therefore, are similar to those of 2014:

- **Risk management:** Attention will focus on expanding beyond capital and financial risk to a more holistic approach, including digital/technology risk and reputational risk, where damage can easily outweigh the original problem.

In September 2014, the FRC also published new Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. This updated and brought together the 2005 Turnbull Guidance and 2009 Going Concern Guidance.

- **Improving the quality of explanation:** While most companies in the FTSE 350 do comply with almost all of the Code's provisions, there is room for improvement in the quality of explanations where they fail to do so.
- **Board succession:** Longer-term thinking in the recruitment of new directors will continue to move up the agenda. Boards are planning beyond just replacing board members as they retire, but further ahead to identify long-range challenges facing the board. They are assessing the balance of skills and expertise required to address these challenges, and asking how they can start early to attract and engage with the right potential candidates. This approach also broadens the diversity debate.
- **A diverse pipeline:** The target of 25% women on boards of FTSE100 companies by 2015, set by the Davies Review in 2011, was reached in July. This was achieved largely by non-executive appointments; the important issue of women in the senior executive pipeline remains. It will be a focus of the Steering Group, which is due to issue its next report soon after the publication of the 2015 UK Board Index.

On the EU front, the FRC and Government are working on the implementation of the 2014 Audit Directive and Regulation and the implications of the Directive on disclosure of non-financial and diversity information. This directive aims to improve and make more consistent social and environmental reporting by larger entities.

Globally, the OECD launched a new edition of its Principles of Corporate Governance at the G20 meeting in September 2015. These principles, first published in 1999, aim to provide recommendations on shareholder rights, remuneration, disclosure, institutional investors and how stock markets should function. The G20/OECD hope that by promoting good governance, countries will be able to create a business environment conducive to investment and economic growth.

At the time of publication for the Spencer Stuart *UK Board Index 2015*, the FRC is asking for contributions to its Culture Project. The project involves a group of work streams that will in due course produce material that will replace the existing Guidance on Board Effectiveness. Key topics include the relationship between performance drivers and values, and how companies' behaviour measures up against the culture, values and ethics they purport to espouse. They will also examine how a company's culture stands up under pressure; ask if different parts of a business can have different cultural approaches, as well as looking at how the induction of new hires ensures that the culture is embedded in the entire workforce.

Highlights of the 2015 US Board Index

Investor attention to board performance and governance has escalated in the past several years, and it is not just activists who have raised their expectations. “Passive” investors are becoming decidedly less passive in articulating their expectations for boards in areas such as board composition, disclosure and shareholder engagement. Large institutional shareholders of companies across industries and market caps are increasingly asking: How is the board performing? Moreover many expect to engage with boards on a range of issues, including board succession and refreshment, compensation, risk management as well as strategic and governance concerns.

A particular focus has been board composition. Traditional institutional investors have become more explicit in calling on boards to demonstrate that they are being thoughtful about who is sitting around the board table and that directors are contributing. Firms such as State Street, BlackRock and Vanguard have put boards on notice that they are looking more closely at disclosures related to board refreshment, shareholder engagement, board performance and assessment practices, in some cases establishing formal policies.

- State Street Global Advisors established a voting policy on director tenure in 2014, intended to encourage boards with predominately long-tenured directors to better address director succession planning. The policy calls on boards to focus on the refreshment of director skills and plan for director succession in an orderly manner, and it articulates the ways tenure issues may influence State Street’s voting decisions.
- Vanguard has outlined six principles of governance, which it has communicated in various forums, including letters to independent leaders of the boards of its largest holdings. In particular, the firm has emphasised its expectation that directors will engage with shareholders. Chairman and CEO F. William McNabb III explained in a Financial Times article, “Independent directors are doing a good job, but we find they are not as engaged with shareholders as they should be. Directors are standing in on behalf of owners — it is an important concept — and there are many independent directors who have never met an investor.”

What is driving this attention to corporate governance by these long-term, passive investors? Precisely because they are focused on long-term growth, they want to provide input to the board, and they rely on boards to oversee management and its strategy. The cornerstone of a board’s ability to provide independent oversight is appropriate board composition. For this reason, expectations are growing that boards will provide greater transparency about the skills directors bring and why they collectively possess the right expertise in light of the company’s strategic direction. They also want to know that boards are assessing their performance and holding directors to high standards.

Our analysis of the proxies of S&P 500 companies shows that some companies have become more transparent with shareholders about their composition and how they think about director succession planning. While boards are required to describe the skills and expertise each director brings, it is more common today for boards to provide detailed skill matrices in their proxies. Furthermore some boards address topics such as director tenure and board succession strategies in their proxies. Nevertheless, in general, a gap remains between what boards are communicating and what shareholders want to know.

Diversity – a shareholder’s view

Investors want companies to do well and to yield rewards over the long term. It is in everyone’s interests to have well-structured boards made up of directors who bring a variety of skill sets and thought processes and who can challenge the status quo as well as provide support and identify new opportunities.

Thankfully, most people today see diversity in board composition in terms of business success rather than political correctness. Diversity helps a board improve its decision-making, minimise risk, create opportunities, sustain profit growth and maximise long-term returns. It is more common now for boards to view diversity in terms that go beyond gender, encompassing skill sets, experience, nationality and knowledge of different geographies and international markets.

New candidates for board positions may not always come from traditional sources; companies need to be prepared to look beyond the normal pools to get the right person. Having practising executives on the board as non-executive directors is also important as they bring current ideas and awareness of new risks to the table. However, getting the right diversity should not mean increasing the size of the board as a large board can come with its own set of problems.

We are still concerned that the quality of reporting on the nomination process, board composition and diversity remains variable – the manner in which a company reports on the skills of its board members and its nomination process for board refreshment is a reflection of how much this matters to the board.

Another way we can judge a good board and its attitude to board composition is how seriously it takes board evaluation. We consider this to be a positive exercise since it demonstrates that a board is continuing to review how effectively it functions and that it is striving to improve. In the past, some companies have seen external board evaluation in a negative light; as a process designed to reveal the shortcomings of board members. This is not the point. All boards can improve. An experienced professional who has observed many types of functioning boards can help to identify skills mismatches and potential opportunities for succession. By embracing constructive criticism a board can show investors that it is functioning effectively.

The tenure of directors is a good indication of how serious a company is about optimising its board; it is also a good way for investors to measure the board’s commitment to diversity. Acting in the best interests of the board, the chair should not wait for directors to reach the informal nine-year tenure rule to make changes, but ensure that board skills are constantly refreshed in preparation for as yet unidentified challenges.

We still want to see long-term experience on the board because corporate memory is vital to help a company navigate through cycles it may have seen before or that may have occurred in another sector. Company secretaries should not be overlooked as advisers to the board, since they possess vital knowledge and experience of the company and usually have more corporate memory than board members.

Until recently, the diversity debate has focused largely on the board, which is ultimately the responsibility of the board's chair. However, the conversation has moved beyond the board and on to the executive pipeline. Improving diversity across an entire business is the responsibility of the CEO, supported by a strong and committed leadership team.

The CEO needs to understand the business as a whole – not just its strategy, but how its people interlock with this strategy and the future direction of the company. If the company's employees reflect the diversity of its customer base and of the regions in which it operates, it will be able to manage risks more effectively, harness opportunities and achieve success. Employees need to believe that the purpose of the business is reflected in diversity at all levels in the organisation, not just on the board.

It is the job of leadership to ensure that there is a strong diversity policy operating at every level of the business, backed up by measurable targets. This policy should be consistent with the company's strategy and be geared towards ensuring long-term success.

A commitment to diversity can entail a significant shift in the corporate culture, which will take time and financial resources. As investors, we understand there is no easy answer, no quick fix, but equally we want to see some tangible evidence of change. The culture of a company should be centred on employees as an important asset, rather than simply a cost. Some of the best companies have set up executive diversity committees, getting their talented employees to identify problems of diversity in the organisation and find the solution.

The most successful CEOs are committed to cultural change and see it as a legacy issue, aiming to leave the company in better shape for their successors. Investors can play a part in supporting change that can bring about long-term gain: they need to question CEOs more deeply about diversity and push them to provide data for all levels of the business. CEOs shouldn't wait to be asked by investors, but present to them on diversity just as they would on any other strategic objectives, ideally with case studies that provide insight into how the company is addressing this important issue.

Employees at all levels want to work for a committed employer that cares about them and recognises their worth. The way to achieve this is through a strong and committed leadership whose vision and mission is to ensure the company is in a strong position for the future.

This article is contributed by Sacha Sadan, Director of Corporate Governance, and Clare Payn, Head of Corporate Governance, North America at Legal & General Investment Management.

Board composition, committees and remuneration

COMPANY	HSI/HSLI	FINANCIAL YEAR	OWNERSHIP CATEGORY	NUMBER OF DIRECTORS				CHAIRMAN TYPE	CHAIRMAN/CEO	DIVERSITY		AGE			TENURE			NUMBER OF BOARD MEETINGS				REMUNERATION (US\$ '000)		BOARD EVALUATION
				TOTAL	ED	NED	INED			FEMALE DIRECTOR	FOREIGN DIRECTOR	BOARD	CHAIRMAN	INED	BOARD	CHAIRMAN	INED	TOTAL	AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE	CHAIRMAN	INED	
AAC Technologies Holdings	HSLI	DEC-14	FAM	7	2	1	4	Independent non-executive	Separate	2	3	57	64	65	8	10	4.8	6	4	1	1	118	56	None
Agricultural Bank of China	HSLI	DEC-14	SOE	13	3	5	5	Executive	Separate	0	1	58	53	61	3.3	0	3.9	14	4	2.5	2.5	29	61	None
AIA Group	HSI/HSLI	NOV-14	DIV	8	1	1	6	Non-executive	Separate	0	4	63	77	62	2.7	4	2.3	5	4	1	4	575	175	Internal
Bank of China	HSI/HSLI	DEC-14	SOE	14	3	6	5	Executive	Separate	1	2	59	55	64	2.5	1.5	2.3	21	6	3	3	188	72	Internal
Bank of Communications	HSI/HSLI	DEC-14	SOE	18	4	8	6	Executive	Separate	4	2	57	58	60	3.4	5	2	7	5	2.5	2.5	133	28	None
Beijing Enterprises Holdings	HSLI	DEC-14	SOE	16	8	1	7	Executive	Separate	0	2	60	49	67	5.9	5	5.1	3	2	1	1	525	24	None
Belle International Holdings	HSI/HSLI	FEB-15	FAM	9	3	2	4	Non-executive	Separate	1	1	54	80	54	6.8	7.5	7.5	4	4	1	2	N/A	21	None
BOC Hong Kong Holdings	HSI/HSLI	DEC-14	SOE	11	4	3	4	Executive	Separate	1	2	58	55	61	6.1	1.5	7.4	6	5	4	1	N/A	41	Internal
Brilliance China Automotive Holdings	HSLI	DEC-14	DIV	8	4	1	3	Executive	Separate	0	1	58	53	63	9.9	20.5	10.3	6	2	2	1	1,224	31	None
Cathay Pacific Airways	HSI/HSLI	DEC-14	FAM	17	5	8	4	Executive	Separate	1	3	57	58	66	4.8	0.5	8.5	5	3	N/A	2	642	98	None
Cheung Kong Holdings	HSI/HSLI	DEC-14	FAM	21	8	6	7	Executive	Separate	4	3	70	86	74	20.6	43	15.7	4	2	N/A	2	1,288	38	None
Cheung Kong Infrastructure Holdings	HSLI	DEC-14	FAM	17	8	3	6	Executive	Separate	4	4	67	50	72	14.5	18.5	12	4	2	N/A	2	3,102	19	None
China Cinda Asset Management	HSLI	DEC-14	SOE	12	3	5	4	Executive	Separate	2	1	56	58	61	2.7	4.5	2.8	4	5	1.5	1.5	139	40	None
China CITIC Bank Corporation	HSLI	DEC-14	SOE	11	2	5	4	Non-executive	Separate	2	2	57	58	57	2.1	0	2.5	13	11	3	3	N/A	39	None
China Construction Bank Corporation	HSI/HSLI	DEC-14	SOE	14	4	4	6	Executive	Separate	3	4	59	60	63	2	2.5	1.1	7	6	2.5	2.5	128	65	Internal
China Gas Holdings	HSLI	MAR-14	DIV	15	8	2	5	Executive	Separate	3	2	52	57	54	4.2	0.5	6.8	13	2	6	3	N/A	57	None
China Life Insurance	HSI/HSLI	DEC-14	SOE	11	4	3	4	Executive	Separate	0	2	58	59	63	2.6	2.5	2.5	7	4	2.5	2.5	71	31	None
China Mengniu Dairy	HSI/HSLI	DEC-14	SOE	13	2	6	5	Non-executive	Separate	2	4	52	56	50	4.2	5	5.3	5	3	1	3	24	35	None
China Merchants Bank	HSLI	DEC-14	SOE	18	3	11	4	Non-executive	Separate	4	1	56	58	60	4.4	0	2.3	16	8	3	4	N/A	48	Internal
China Merchants Holdings International	HSI/HSLI	DEC-14	SOE	12	7	0	5	Executive	Separate	0	1	58	58	65	8.6	4	11.4	5	2	2	1	N/A	33	None
China Minsheng Banking Corporation	HSLI	DEC-14	DIV	18	3	9	6	Executive	Separate	1	1	53	57	54	5.8	10.5	3.7	10	7	6	5	671	130	None
China Mobile	HSI/HSLI	DEC-14	SOE	10	6	0	4	Executive	Separate	1	1	61	63	67	9.9	3	12.1	6	5	1	2	247	50	None
China Overseas Land and Investment	HSI/HSLI	DEC-14	SOE	12	7	1	4	Executive	Same	1	1	54	50	60	6.2	9	7.1	6	4	2	2	1,119	43	None
China Pacific Insurance Group	HSLI	DEC-14	SOE	14	2	7	5	Executive	Separate	2	1	54	58	57	3.2	7	1.3	5	8	2	2	419	39	None
China Petroleum and Chemical Corporation	HSI/HSLI	DEC-14	SOE	14	4	5	5	Non-executive	Separate	1	1	59	63	63	5.1	3.5	3.5	9	6	N/A	1	N/A	48	None
China Resources Cement Holdings	HSLI	DEC-14	SOE	12	3	4	5	Executive	Separate	0	1	54	54	61	5.1	11.5	5.1	6	4	1	2	369	26	None
China Resources Enterprise	HSI/HSLI	DEC-14	SOE	14	4	5	5	Executive	Separate	0	1	54	49	61	8	5.5	12.6	8	4	2	2	340	24	None
China Resources Gas Group	HSLI	DEC-14	SOE	12	4	4	4	Executive	Separate	1	1	52	51	59	5.2	6	6.3	8	4	2	1	313	19	None

COMPANY	HSI/HSLI	FINANCIAL YEAR	OWNERSHIP CATEGORY	NUMBER OF DIRECTORS				CHAIRMAN TYPE	CHAIRMAN/CEO	DIVERSITY		AGE			TENURE			NUMBER OF BOARD MEETINGS				REMUNERATION (US\$ '000)		BOARD EVALUATION
				TOTAL	ED	NED	INED			FEMALE DIRECTOR	FOREIGN DIRECTOR	BOARD	CHAIRMAN	INED	BOARD	CHAIRMAN	INED	TOTAL	AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE	CHAIRMAN	INED	
China Resources Land	HSI/HSLI	DEC-14	SOE	13	2	6	5	N/A	Separate	0	1	54	N/A	64	7.1	N/A	8.2	6	2	2	3	N/A	26	None
China Resources Power Holdings	HSI/HSLI	DEC-14	SOE	11	3	4	4	Executive	Same	3	1	56	61	70	4.8	3	4.4	7	3	4	1	733	34	Internal
China Shenhua Energy	HSI/HSLI	DEC-14	SOE	8	4	1	3	Executive	Separate	1	1	60	52	67	5.2	10.5	4.5	8	9	2	2	N/A	72	None
China State Construction International Holdings	HSLI	DEC-14	SOE	11	6	1	4	Executive	Same	0	1	54	44	62	6.5	10.5	9.4	4	4	1	1	845	43	None
China Telecom Corporation	HSLI	DEC-14	SOE	12	7	1	4	Executive	Same	3	1	58	56	66	7.3	10	6.1	4	4	1	1	131	36	None
China Unicom Hong Kong	HSI/HSLI	DEC-14	SOE	11	4	1	6	Executive	Same	1	3	59	58	59	5.7	10	6.3	5	4	3	1	158	52	Internal
Chow Tai Fook Jewellery Group	HSLI	MAR-14	FAM	15	8	2	5	Executive	Separate	0	1	58	68	68	3.3	3.5	2.9	4	3	1	2	1,082	54	None
CITIC	HSI/HSLI	DEC-14	SOE	14	4	5	5	Executive	Separate	1	3	58	58	62	2.6	5.5	5.3	7	6	2	0	276	42	Internal
CLP Holdings	HSI/HSLI	DEC-14	FAM	14	1	6	7	Non-executive	Separate	2	5	64	73	63	13.3	47.5	5.6	6	6	1	3	81	118	Internal
CNOOC	HSI/HSLI	DEC-14	SOE	10	2	4	4	Non-executive	Separate	0	2	60	58	67	5.6	3.5	8.5	5	4	1	2	134	126	None
Country Garden Holdings	HSLI	DEC-14	FAM	22	14	0	8	Executive	Separate	2	1	52	60	55	4.3	8	3.9	7	3	2	4	1,596	43	None
ENN Energy Holdings	HSLI	DEC-14	FAM	13	5	3	5	Executive	Separate	1	2	50	51	53	5.5	13.5	5.1	11	3	2	2	395	26	None
Evergrande Real Estate Group	HSLI	DEC-14	FAM	9	6	0	3	Executive	Separate	2	1	51	58	54	3.7	5	4	8	2	1	1	38	57	None
Fosun International	HSLI	DEC-14	FAM	11	6	1	4	Executive	Separate	0	1	50	47	56	10	20	3.3	4	2	2	1	1,265	70	None
Galaxy Entertainment Group	HSI/HSLI	DEC-14	FAM	8	4	1	3	Executive	Separate	1	3	67	85	68	14.8	23	9	4	2	1	2	5,151	64	None
Guangdong Investment	HSLI	DEC-14	SOE	14	3	6	5	Executive	Separate	1	1	57	56	67	8.8	6	12.7	5	4	1	3	N/A	116	None
Haier Electronics Group	HSLI	DEC-14	DIV	9	1	5	3	Executive	Same	4	1	51	48	59	3.7	5	3	4	3	1	1	155	37	None
Hanergy Thin Film Power Group	HSLI	DEC-14	FAM	11	7	0	4	Executive	Separate	1	1	50	47	57	1.8	0.5	1.6	4	2	1	2	32	14	None
Hang Lung Properties	HSI/HSLI	DEC-14	FAM	11	3	1	7	Executive	Separate	1	1	68	65	72	14.8	23.5	18.7	6	4	0.5	0.5	4,636	105	None
Hang Seng Bank	HSI/HSLI	DEC-14	DIV	16	3	4	9	Independent non-executive	Separate	4	2	59	63	58	6.7	7	8.1	7	4	2	2	95	78	None
Henderson Land Development	HSI/HSLI	DEC-14	FAM	22	12	2	8	Executive	Same	2	1	66	86	66	18.5	38.5	6	5	3	3	1	2,432	76	None
Hengan International Group	HSI/HSLI	DEC-14	FAM	14	9	0	5	Executive	Separate	1	1	51	65	54	12.6	29.5	7.9	4	2	1	2	53	15	None
Hong Kong Exchanges and Clearing	HSI/HSLI	DEC-14	HKPSC	13	1	0	12	Independent non-executive	Separate	1	2	59	64	60	6	2.5	6.5	10	4	2	4	305	127	External
HSBC Holdings	HSI/HSLI	DEC-14	DIV	16	4	0	12	Executive	Separate	6	4	59	59	60	5	19.5	4.1	8	7	4	11	3,694	299	External
Hutchison Whampoa	HSI/HSLI	DEC-14	FAM	14	7	2	5	Executive	Separate	2	4	69	86	73	19.4	35.5	13.8	4	4	N/A	1	6,439	24	None
Industrial and Commercial Bank of China	HSI/HSLI	DEC-14	SOE	11	2	3	6	Executive	Separate	2	2	58	61	63	3.4	9	3.5	10	5	3	4	140	72	None
Kerry Properties	HSLI	DEC-14	FAM	8	4	0	4	Executive	Separate	1	1	62	63	68	9.1	18.5	7	4	4	1	1	3,699	64	Internal
Kunlun Energy	HSI/HSLI	DEC-14	SOE	7	4	0	3	Executive	Separate	0	1	58	55	68	9.5	1	15.7	8	2	2	1	N/A	43	None
Lenovo Group	HSI/HSLI	MAR-15	DIV	11	1	2	8	Executive	Same	1	4	60	50	63	7.9	17	7.1	7	4	2	4	7,078	96	Internal
Li & Fung	HSI/HSLI	DEC-14	FAM	10	3	1	6	Executive	Separate	1	3	63	66	66	13.3	28.5	10.7	7	4	4	3	3,167	64	Internal

COMPANY	HSI/HSLI	FINANCIAL YEAR	OWNERSHIP CATEGORY	NUMBER OF DIRECTORS				CHAIRMAN TYPE	CHAIRMAN/CEO	DIVERSITY		AGE			TENURE			NUMBER OF BOARD MEETINGS				REMUNERATION (US\$ '000)		BOARD EVALUATION
				TOTAL	ED	NED	INED			FEMALE DIRECTOR	FOREIGN DIRECTOR	BOARD	CHAIRMAN	INED	BOARD	CHAIRMAN	INED	TOTAL	AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE	CHAIRMAN	INED	
Link REIT	HSI/HSLI	MAR-15	DIV	12	2	1	9	Independent non-executive	Separate	3	2	60	65	62	4.8	7.5	3.9	6	4	3	2	254	80	External
Longfor Properties	HSLI	DEC-14	FAM	9	5	0	4	Executive	Separate	1	2	49	50	53	4.4	7	4.6	4	2	N/A	3	1,596	44	None
MGM China Holdings	HSLI	DEC-14	DIV	12	5	3	4	Executive	Separate	2	3	56	53	56	3.1	3.5	2.3	6	6	3	3	N/A	51	None
MTR Corporation	HSI/HSLI	DEC-14	HKPSC	18	0	4	14	Non-executive	Separate	5	2	63	63	65	5.5	16.5	5.1	7	4	3	9	155	33	External
New World Development	HSI/HSLI	JUN-14	FAM	14	7	2	5	Executive	Separate	2	1	58	67	65	11.8	41.5	16.4	5	2	0	1	8,230	59	None
NWS Holdings	HSLI	JUN-14	FAM	13	5	3	5	Executive	Separate	0	2	61	67	68	10	14	8.9	5	2	1	1	1,597	50	None
PetroChina	HSI/HSLI	DEC-14	SOE	10	3	3	4	Executive	Separate	0	2	57	62	62	2.4	10.5	1.1	11	6	N/A	1	N/A	27	None
PICC Property and Casualty	HSLI	DEC-14	SOE	11	3	4	4	Executive	Separate	1	1	59	54	64	6.8	11.5	5.8	13	7	1.5	1.5	N/A	36	None
Ping An Insurance Group Company of China	HSI/HSLI	DEC-14	DIV	19	6	6	7	Executive	Same	3	3	54	59	61	5.1	26.5	2.7	5	5	1	3	982	47	None
Power Assets Holdings	HSI/HSLI	DEC-14	FAM	12	6	2	4	Executive	Separate	0	4	63	63	71	13.7	29.5	15	4	3	N/A	1	23	16	None
Sands China	HSI/HSLI	DEC-14	FAM	11	2	4	5	Non-executive	Separate	1	6	64	81	61	3.2	5	3.7	10	5	2	2	N/A	112	Internal
Shangri-La Asia	HSLI	DEC-14	FAM	10	4	2	4	Executive	Same	1	6	61	60	66	9.7	17	8.8	4	4	0	1	2,291	55	None
Shimao Property Holdings	HSLI	DEC-14	FAM	9	6	0	3	Executive	Same	2	1	51	64	54	6.4	10	9	4	2	1	2	1,007	42	None
Sihuan Pharmaceutical Holdings Group	HSLI	DEC-14	DIV	8	3	2	3	Executive	Same	0	1	53	53	58	3.2	4	1.8	7	3	3	3	5,523	38	None
Sino Land	HSI/HSLI	JUN-14	FAM	9	5	1	3	Executive	Same	1	2	57	62	58	11.8	33	7	4	4	1	1	163	28	None
SJM Holdings	HSLI	DEC-14	FAM	12	7	1	4	Executive	Separate	1	2	70	93	71	7	8.5	7.5	4	4	1	2	4,224	135	None
Sun Art Retail Group	HSLI	DEC-14	DIV	9	2	4	3	Non-executive	Separate	1	3	56	60	57	4.2	3.5	3	6	6	2	2	N/A	40	None
Sun Hung Kai Properties	HSI/HSLI	JUN-14	FAM	20	9	4	7	Executive	Same	1	1	66	62	64	12.9	23.5	5.1	5	4	2	1	355	64	None
Swire Pacific	HSI/HSLI	DEC-14	FAM	17	7	4	6	Executive	Separate	3	3	60	58	63	11.5	8.5	10.8	5	3	N/A	2	1,090	101	None
Swire Properties	HSLI	DEC-14	FAM	15	6	4	5	Executive	Separate	1	4	57	58	58	6.6	0.5	4.4	5	3	N/A	2	59	89	None
Tencent Holdings	HSI/HSLI	DEC-14	DIV	7	2	2	3	Executive	Same	0	4	56	43	65	10	15.5	10.5	9	7	1	4	4,386	90	None
The Bank of East Asia	HSI/HSLI	DEC-14	FAM	18	3	7	8	Executive	Same	0	4	65	75	71	11.9	37.5	14.3	4	3	4	4	3,117	58	Internal
The Hong Kong and China Gas	HSI/HSLI	DEC-14	FAM	9	2	4	3	Non-executive	Separate	0	1	67	86	77	21.8	36.5	23.2	4	2	1	1	103	77	None
The Wharf Holdings	HSI/HSLI	DEC-14	FAM	15	6	1	8	Executive	Separate	2	3	64	68	66	11	32.5	8	4	4	0	2	4,197	15	None
Tingyi Cayman Islands Holdings Corporation	HSI/HSLI	DEC-14	FAM	9	6	0	3	Executive	Same	0	2	66	61	73	12.7	20.5	9.3	6	4	0.5	0.5	1,611	57	None
Want Want China Holdings Ltd	HSI/HSLI	DEC-14	FAM	13	5	3	5	Executive	Same	0	2	55	58	64	6.3	7	6	5	4	4	4	6,716	38	None
WH Group	HSLI	DEC-14	DIV	9	5	1	3	Executive	Same	0	2	53	74	56	2.8	7	0	2	2	0	0	N/A	N/A	None
Wheelock and Company	HSLI	DEC-14	FAM	14	5	2	7	Executive	Same	2	2	63	36	65	8	1	3.3	4	4	0	3	1,623	16	None
Wynn Macau	HSLI	DEC-14	FAM	9	4	1	4	Executive	Same	1	5	58	73	63	4.1	5	5	6	3	1	3	N/A	146	None
Yue Yuen Industrial Holdings	HSLI	DEC-14	FAM	14	9	0	5	Executive	Separate	2	1	55	61	57	7.4	0.5	3.1	13	4	1	1	641	33	None

About Spencer Stuart Board Services

At Spencer Stuart, we know how much leadership matters. We are trusted by organisations 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 56 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 organisational effectiveness.

For more than 30 years, our Board Practice has helped boards around the world identify and recruit independent directors and provided advice to chairmen, CEOs and nominating committees on important governance issues. We have placed more than 6,000 directors globally, including more than 300 in Asia Pacific.

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. We have helped place women in more than 1,400 board director roles around the world, of which more than 140 are from Asia Pacific.

In addition to our work with clients, Spencer Stuart has long played an active role in corporate governance by exploring — both on our own and with other prestigious institutions — key concerns of boards and innovative solutions to the challenges facing them. Publishing the *Hong Kong Board Index* is just one of our many ongoing efforts.

We also publish a wide range of articles and publications on boards and governance issues. For more information on Spencer Stuart, please visit www.spencerstuart.com or www.spencerstuart.cn.

AMSTERDAM T 31 (0) 20.305.73.05	FRANKFURT T 49 (0) 69.61.09.27.0	MINNEAPOLIS/St. PAUL T 1.612.313.2000	SAO PAULO T 55 11.2050.8000
ATLANTA T 1.404.504.4400	GENEVA T 41 22.312.36.38	MONTREAL T 1.514.288.3377	SEATTLE T 1 206.224.5660
BANGALORE T 91 80.6660.5713	HONG KONG T 852.2521.8373	MOSCOW T 7 495.797.36.37	SHANGHAI T 86 21.2326.2828
BARCELONA T 34.93.487.23.36	HOUSTON T 1.713.225.1621	MUMBAI T 91 22 6616.1414	SILICON VALLEY T 1.650.356.5500
BEIJING T 86.10.6535.2100	ISTANBUL T 90 212.315.0400	MUNICH T 49 (0) 89.45.55.53.0	SINGAPORE T 65 6586.1186
BOGOTA T 57 1.618.2488	JOHANNESBURG T 27.11.557.5300	NEW DELHI T 91.124.485.4444	STAMFORD T 1.203.324.6333
BOSTON T 1.617.531.5731	LIMA T 51 1.710.3297	NEW YORK T 1.212.336.0200	STOCKHOLM T 46 8.5348015 0
BRUSSELS T 32.2.732.26.25	LONDON T 44 20 7298.3333	ORANGE COUNTY T 1.949.930.8000	SYDNEY T 61.2.9240.0100
BUENOS AIRES T 54.11.4310.9100	LOS ANGELES T 1.310.209.0610	PARIS T 33 (0) 1.53.57.81.23	TOKYO T 81 3.5223.9510
CALGARY T 1.403.538.8658	MADRID T 34.91.745.85.00	PHILADELPHIA T 1.215.814.1600	TORONTO T 1.416.361.0311
CHICAGO T 1.312.822.0080	MELBOURNE T 61.3.8661.0100	PRAGUE T 420.221.411.341	VIENNA T 43.1.36.88.700.0
COPENHAGEN T 45 3334.6700	MEXICO CITY T 52.55.5002.4950	ROME T 39.06.802071	WARSAW T 48.22.321.02.00
DALLAS T 1.214.672.5200	MIAMI T 1.305.443.9911	SAN FRANCISCO T 1.415.495.4141	WASHINGTON, D.C. T 1.202.639.8111
DUBAI T 971.4.426.6500	MILAN T 39.02.771251	SANTIAGO T 56.2.2.940.2700	ZURICH T 41.44.257.17.17

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