

Submitted via Qualtrics**Langham Hospitality Investments and Langham Hospitality Investments Limited****Company/Organisation view****Listed Company****Question 1**

Do you agree with our proposal to introduce a new Code Provision (CP) under the Corporate Governance Code (CG Code) requiring issuers without an independent board chair to designate one independent non-executive director (INED) as a Lead INED to enhance engagement with investors and shareholders?

No

Please provide reasons for your views.

While we recognise the reason behind for designating a Lead INED is to provide shareholders with independent insight on an issuer's governance, we have the following issues for consideration:

1. The current governance structure of the Board and various Board committees already facilitates communication and engagement with shareholders. Designating a Lead INED could result in duplicate responsibilities, causing confusion and reducing the efficiency and effectiveness of existing committee chairpersons. This might also potentially overshadow the contributions of other Board members, including Executive Directors who are more familiar with the issuer's strategies and operations. It is suggested for shareholders to effectively utilise the current communication channels.

2. All important information has already been disclosed in compliance with the Listing Rules and announcements for major transactions have also undergone scrutiny. Therefore, appointing a Lead INED to meet with shareholders or investors for further explanations seems unnecessary. Concerns of dissatisfied investors expressing their frustrations towards the Lead INED might also arise.

3. INEDs generally focus on compliance, risk assessments, and control issues of the issuer. However, since they have limited involvement in the Group's operational aspects, they may not be able to answer detailed questions about business operations. Although the regulator would not expect a Lead INED to discuss the issuer's potential and actual

results and operational issues with investors or shareholders, such questions might still arise. This could potentially embarrass the Lead INED and lead to inadvertent disclosure of sensitive information if the Lead INED is pressured by activist shareholders.

4. Acting as an intermediary between directors and shareholders, objectivity and impartiality of the Lead INED could be compromised due to pressure from some particular groups of minority shareholders with differing investment philosophies or objectives.

Question 2(a)

Regarding continuous professional development for directors, do you agree with our proposal to make continuous professional development mandatory for all existing directors, without specifying a minimum number of training hours?

Please provide reasons for your views.

Question 2(b)

Regarding continuous professional development for directors, do you agree with our proposal to require First-time Directors to complete a minimum of 24 hours of training within 18 months following their appointment?

Yes

Please provide reasons for your views.

We agree with the proposal to require First-time Directors to complete at least 24 hours of training within 18 months of their appointment. This will enable them to gain a comprehensive understanding of the issuer's business and history, thereby enhancing the independent perspectives and oversight, and fostering collaborative working relationships of the Board.

Question 2(c)

Regarding continuous professional development for directors, do you agree with our proposal to define "First-time Directors" to mean directors who (i) are appointed as a director of an issuer listed on the Exchange for the first time; or (ii) have not served as a director of an issuer listed on the Exchange for a period of three years or more prior to their appointment?

Please provide reasons for your views.

Question 2(d)

Regarding continuous professional development for directors, do you agree with our proposal to specify the specific topics that must be covered under the continuous professional development requirement?

Please provide reasons for your views.

Question 3

Do you agree with the proposed consequential changes to Principle C.1 and CP C.1.1 of the CG Code?

Please provide reasons for your views.

Question 4

Do you agree with our proposal to upgrade the current Recommended Best Practice (RBP) in the CG Code to a CP requiring issuers to conduct regular board performance reviews at least every two years and make disclosure as set out in CP B.1.4?

No

Please provide reasons for your views.

While we recognise the need for transparency in corporate governance, we believe that the Board performance review and mandatory disclosure on the findings of the Board performance review may not be necessary based on the following reasons:

1. Publicly disclosing the findings of a Board performance review could potentially create divisions and conflicts among Board members. Confidentiality helps maintain Board unity by avoiding public scrutiny and allowing for open discussions without the fear of reputational damage or negative perceptions.

2. Disclosing the process and findings of a Board performance review might trigger external stakeholders to exert influence or pressure on the Board's functioning. Confidentiality safeguards the Board's independence, enabling it to make decisions solely in the best interest of the issuer, free from external interference. We consider that the performance assessment should be handled internally by the Board rather than being assessed externally.

Question 5

Do you agree with our proposal to introduce a new CP requiring issuers to maintain a board skills matrix and make disclosure set out in CP B.1.5?

No

Please give reasons for your views.

We agree with the proposed new Code Provision to require issuers to disclose skill mix of their boards and elaborate how the combination of skills, experience and diversity of their directors serves the purpose, values, strategy and desired culture of the issuer. However, we consider that the issuer should have the autonomy to determine the appropriate skill matrix for the Boards and mandatory disclosure of details and plans to acquire further skills seems unnecessary as such disclosure could be demotivating for existing Board members.

Question 6(a)

In relation to our proposal to introduce a “hard cap” of six listed issuer directorships that INEDs may hold, do you agree with the hard cap to ensure that INEDs are able to devote sufficient time to carry out the work of the listed issuers?

No

Please provide reasons for your views.

While the intention to introduce a “hard cap” on the number of directorships that INEDs may hold to ensure that they are able to devote sufficient time to their roles is understandable, there are several issues to be considered:

1. Directors have a personal fiduciary duty to act in the best interests of each listed issuer they serve. It is also their own responsibility to manage their commitments effectively, ensuring sufficient time and attention to meet their obligations to each Board. Imposing regulations on overboarding might appear as an unnecessary intervention to

the director's personal judgment and professional capacity to manage multiple roles responsibly.

2. By serving on multiple boards, INEDs can apply their valuable expertise and experiences from different sectors or industries and contribute their diverse perspectives and knowledge to various issuers' strategic decision-making. Regulating overboarding might limit the issuers' access to this expertise, potentially resulting in a narrower pool of candidates and reduced diversity.

3. Shareholders and stakeholders can express their concerns and exercise their voting rights during Board elections to hold directors accountable. Allowing market forces to shape regulate director commitments and overboarding issues enables issuers to adapt to the changing shareholders' expectations and demands without regulatory intervention.

4. Imposing regulations on overboarding may discourage experienced and highly qualified individuals from taking up the roles of INEDs. The restriction may limit the pool of available talents, especially niche industries or specialised sectors.

Question 6(b)

In relation to our proposal to introduce a “hard cap” of six listed issuer directorships that INEDs may hold, do you agree with the proposed three-year transition period to implement the hard cap?

Please provide reasons for your views.

Question 7

Do you agree with the proposal to introduce a new Mandatory Disclosure Requirement (MDR) in the CG Code to require the nomination committee to annually assess and disclose its assessment of each director's time commitment and contribution to the board?

Please provide reasons for your views.

Question 8(a)

In relation to our proposal to introduce a “hard cap” of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree with the proposed hard cap to strengthen board independence?

No

Please give reasons for your views.

We consider that the value of long-term experience and independent mind are more important instead of imposing a “hard cap” of nine years on the tenure of INEDs. Our views are based on the following reasons:

1. INEDs contribute valuable experience to the Board. Their long tenure enables them to gain a thorough understanding of the issuer’s operations, industry dynamics, and governance practices. Without the constraint of a hard cap, the expertise and insights of experienced INEDs can be retained, thereby enhancing decision-making and continuity.
2. Independence of mind is far more crucial than tenure. Rather than imposing a limit in tenure, regular assessments of INEDs’ contributions, independence and commitment can help identify any potential concerns or issues.

Question 8(b)

In relation to our proposal to introduce a “hard cap” of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree that a person can be re-considered as an INED of the same issuer after a two-year cooling-off period?

Please provide reasons for your views.

Question 8(c)

In relation to our proposal to introduce a “hard cap” of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree with the proposed three-year transition period in respect of the implementation of the hard cap?

Please provide reasons for your views.

Question 9

Do you agree with the proposal to require all issuers to disclose the length of tenure of each director in the CG Report?

Please provide reasons for your views.

Question 10

Do you agree with our proposal to introduce a CP requiring issuers to have at least one director of a different gender on the nomination committee?

No

Please provide reasons for your views.

While we agree with the proposal as a positive step to promote gender diversity, there are several issues to be considered:

1. Notwithstanding that gender diversity is an important aspect of Board composition, it is just one element of a diverse and inclusive Board. Boards should seek diversity in terms of skills, backgrounds, experiences, and perspectives. Focusing solely on gender representation on the nomination committee may overshadow the broader diversity considerations, potentially limiting the Board's access to a wide range of perspectives.
2. Many issuers have already been proactively adopting diversity initiatives and setting their own gender representation targets for Boards. Encouraging and acknowledging these voluntary efforts could be more effective than enforcing a mandatory requirement. Issuers should have the freedom flexibility to set and customise their own diversity strategies to suit their unique needs and circumstances.
3. Mandatory requirement of a specific gender representation on the nomination committee may limit the pool of eligible candidates, potentially restricting the access to directors with the required skills, experience and qualifications. Issuers should have the

flexibility to select directors based on their individual merits and contributions to the Board, without specific gender constraints.

Question 11

Do you agree with our proposal to introduce a Listing Rule to require issuers to have and disclose a diversity policy for their workforce (including senior management)?

Please provide reasons for your views.

Question 12

Do you agree with our proposal to upgrade from a CP to a MDR the requirement on the annual review of the implementation of an issuer's board diversity policy?

Please provide reasons for your views.

Question 13

Do you agree with our proposal to require as a revised MDR separate disclosure of the gender ratio of: (i) senior management; and (ii) the workforce (excluding senior management) in the CG Report?

Please provide reasons for your views.

Question 14

Do you agree with our proposal to codify the arrangements during temporary deviations from the requirement for issuers to have directors of different genders on the board as set out in draft Main Board Listing Rule 13.92(2) in Appendix I?

Please provide reasons for your views.

Question 15(a)

Do you agree with our proposal to emphasise in Principle D.2 the board's responsibility for the issuer's risk management and internal controls and for the (at least) annual reviews of the effectiveness of the risk management and internal control systems?

Please provide reasons for your views.

Question 15(b)

Do you agree with our proposal to upgrade the requirement to conduct (at least) annual reviews of the effectiveness of the issuer's risk management and internal control systems to mandatory and require the disclosures set out in MDR paragraph H?

Please provide reasons for your views.

Question 16

Do you agree with our proposal to refine the existing CPs in section D.2 of the CG Code setting out the scope of the (at least) annual reviews of the risk management and internal control systems?

Please provide reasons for your views.

Question 17

Do you agree with our proposal to introduce a new MDR requiring specific disclosure of the issuer's policy on payment of dividends and the board's dividend decisions during the reporting period?

Please provide reasons for your views.

Question 18

Do you agree with our proposal to introduce a Listing Rule requirement for issuers to set a record date to determine the identity of security holders eligible to attend and vote at a general meeting or to receive entitlements?

Please provide reasons for your views.

Question 19

Do you agree with our proposal to codify our recommended disclosures in respect of issuers' modified auditors' opinions into the Listing Rules?

Please provide reasons for your views.

Question 20

Do you agree with our proposal to clarify our expectation of the provision of monthly updates in CP D.1.2 and the note thereto?

Please provide reasons for your views.

Question 21

Do you agree with our proposal to align requirements for the nomination committee, the audit committee and the remuneration committee on establishing written terms of reference for the committee and the arrangements during temporary deviations from requirements as set out in draft Main Board Listing Rules 3.23, 3.27, 3.27B, 3.27C and 8A.28A in Appendix I?

Please provide reasons for your views.

Question 22

Do you agree with the proposed implementation date of financial years commencing on or after 1 January 2025, with transitional arrangements as set out in paragraphs 182 to 183 of the Consultation Paper?

Please provide reasons for your views.