

# Findings on the Singapore GTI 2015

*Pushing to a New Frontier of Corporate Governance*

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Director

Centre for Governance, Institutions and Organisations  
NUS Business School

18 August 2015



# Governance & Transparency Index (GTI)

## A Collaboration Between



(Sponsor)



Centre for Governance, Institutions & Organisations  
NUS Business School

THE BUSINESS TIMES

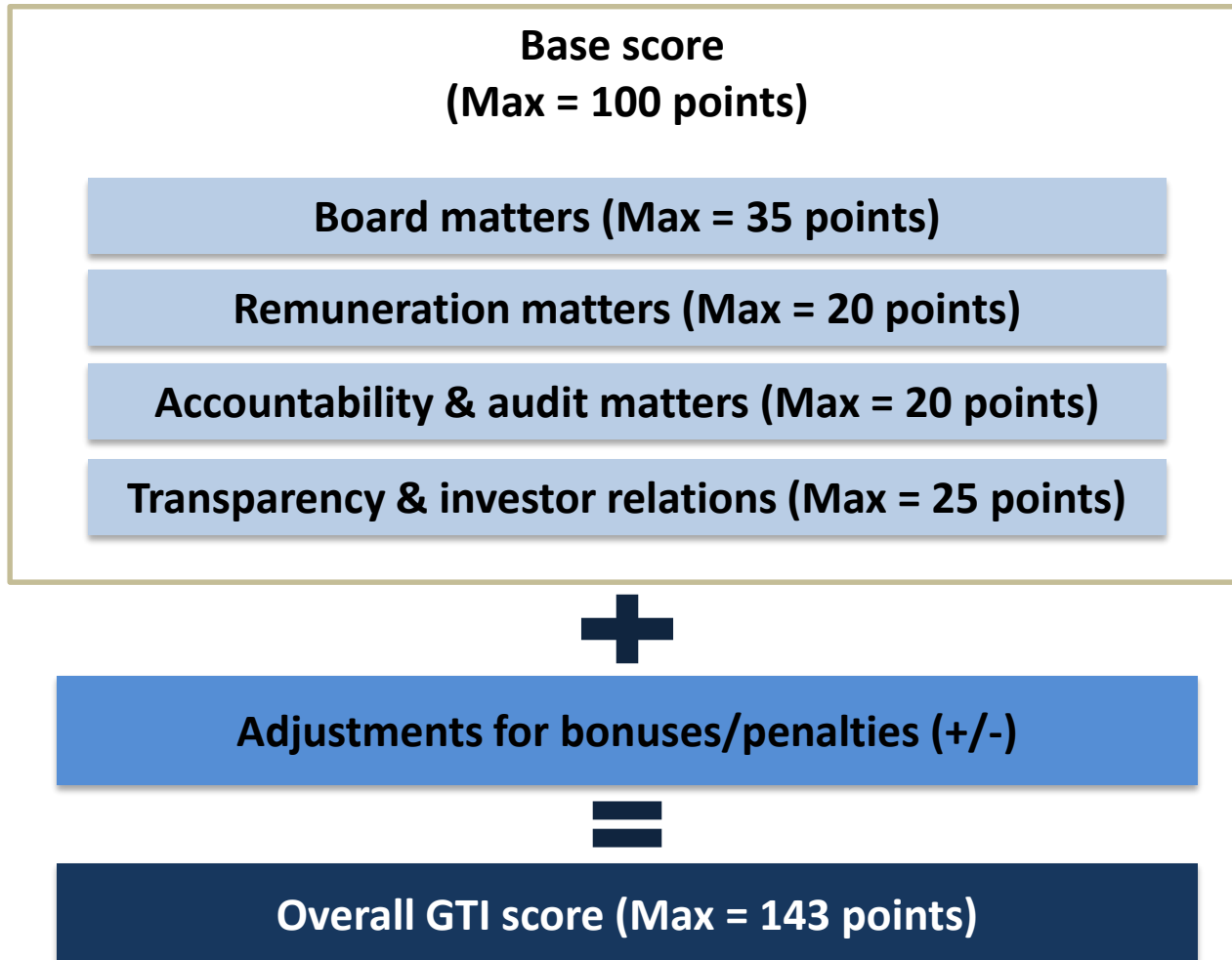
A publication of **sph**

## Supported By

AUSTRALIAN INSTITUTE  
of COMPANY DIRECTORS



# GTI Structure



# GTI Methodology

## Data Coverage

- 639 companies that released annual reports for FY-end 2014
- Cut-off date for annual report release: 31 May 2015
- 139 companies excluded
  - Newly-listed companies that do not have a full year's financial report (25)
  - Secondary listing (35)
  - Company that primarily complied with another code in addition to Singapore's Code of Corporate Governance (1)
  - Exchange Traded Funds (7)
  - REITS and Business Trusts (44)
  - Suspended (22)
  - Delisted (4)
  - Company that did not release annual report for the last two years (1)

# GTI Methodology

## Information Source

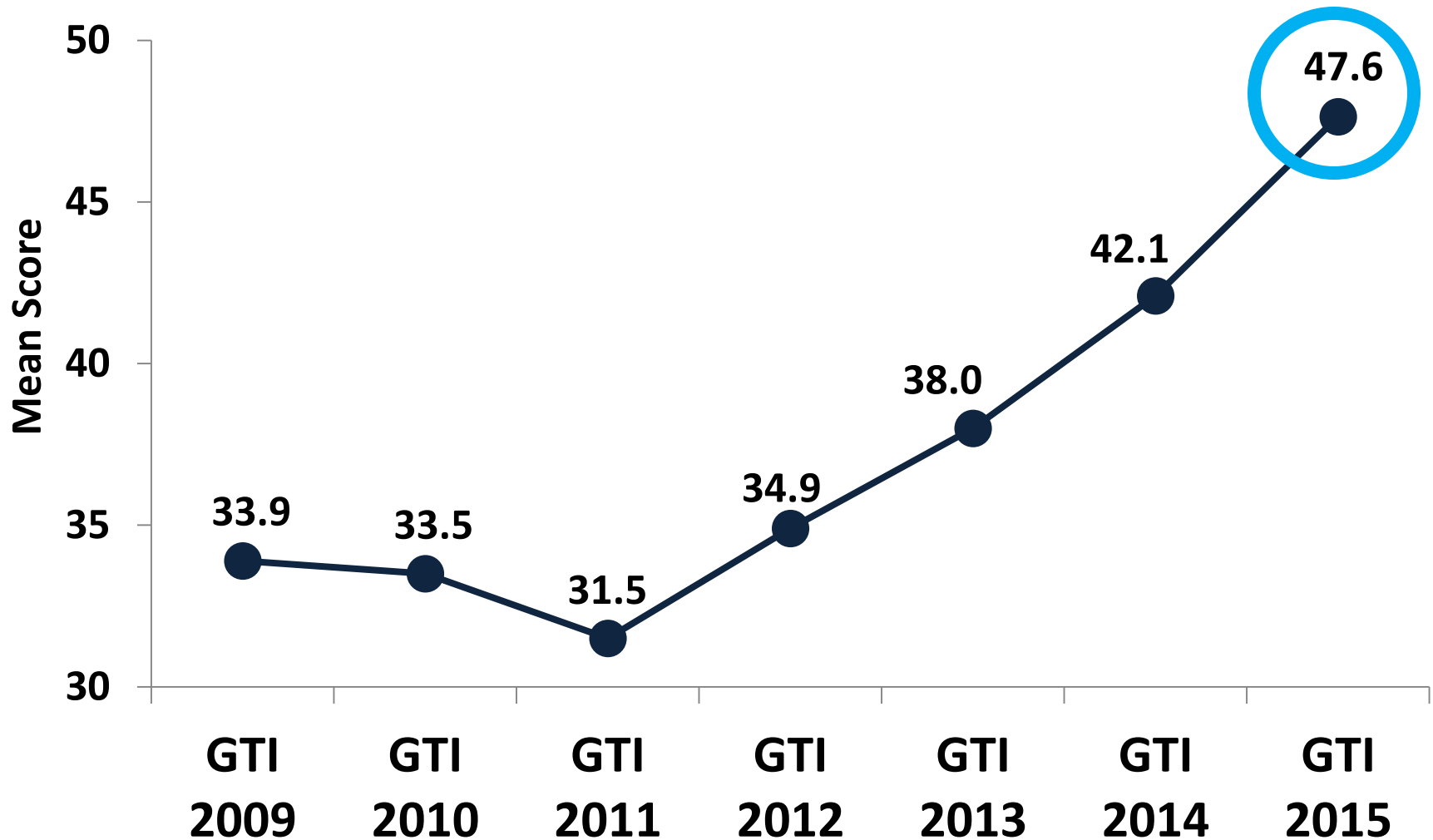
1. Annual reports
2. Corporate websites
3. Investor relations information
4. Company announcements on SGX: 1 Jan 2013 to 31 Dec 2014
5. Media articles: 1 Jan 2013 to 31 May 2015

# GTI Advisory Panel

- **Mr Alvin Tay**, *Editor*, The Business Times
- **Mr Ang Hao Yao**, *Chairman*, Sata CommHealth
- **Mr Chaly Mah**, *Chairman*, Deloitte Singapore
- **Mrs Lee Suet Fern**, *Managing Partner*, Morgan Lewis Stamford
- **Mr Loh Hoon Sun**, *Managing Director*, Phillip Securities

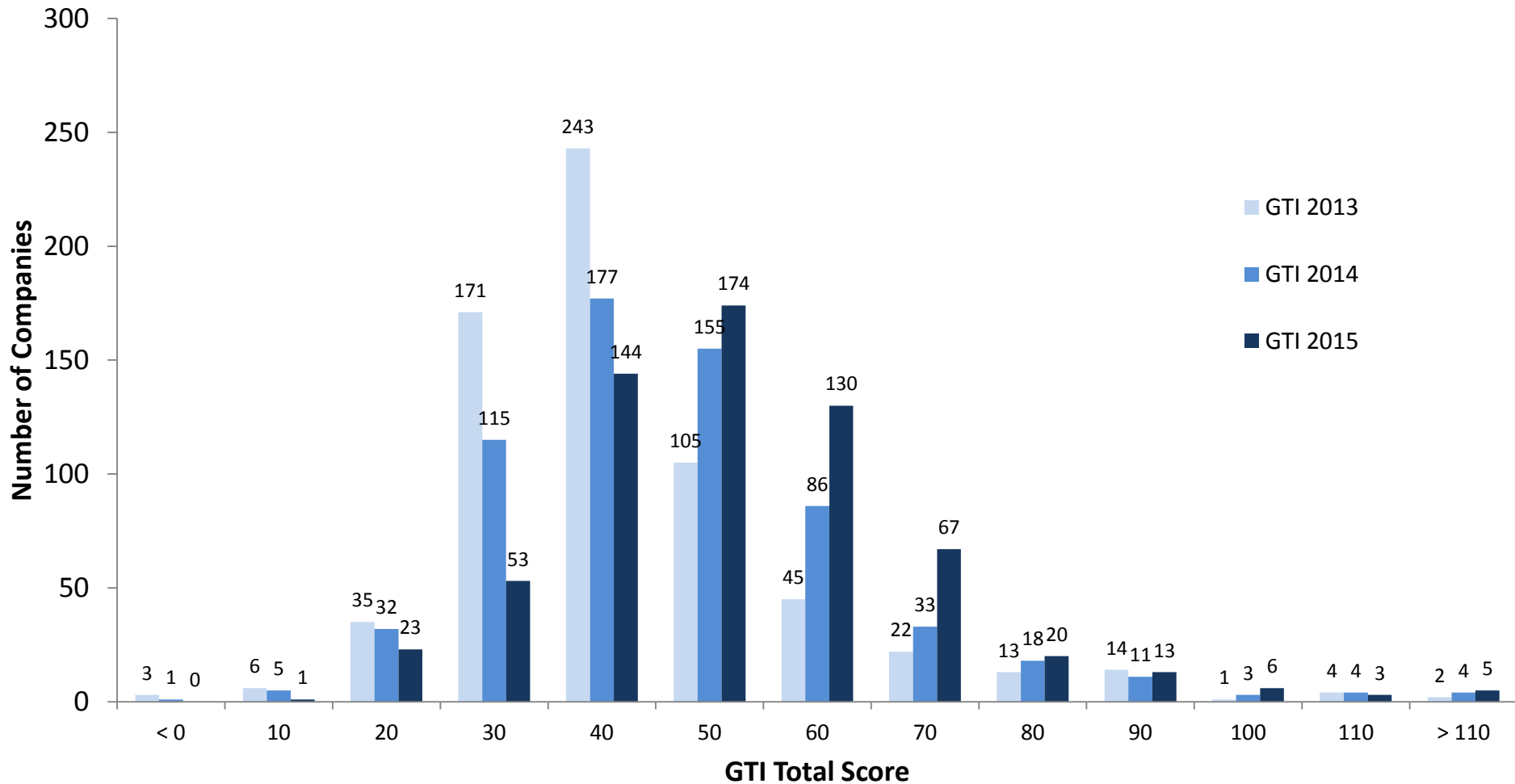
# GTI 2015 Key Findings

# GTI Scores

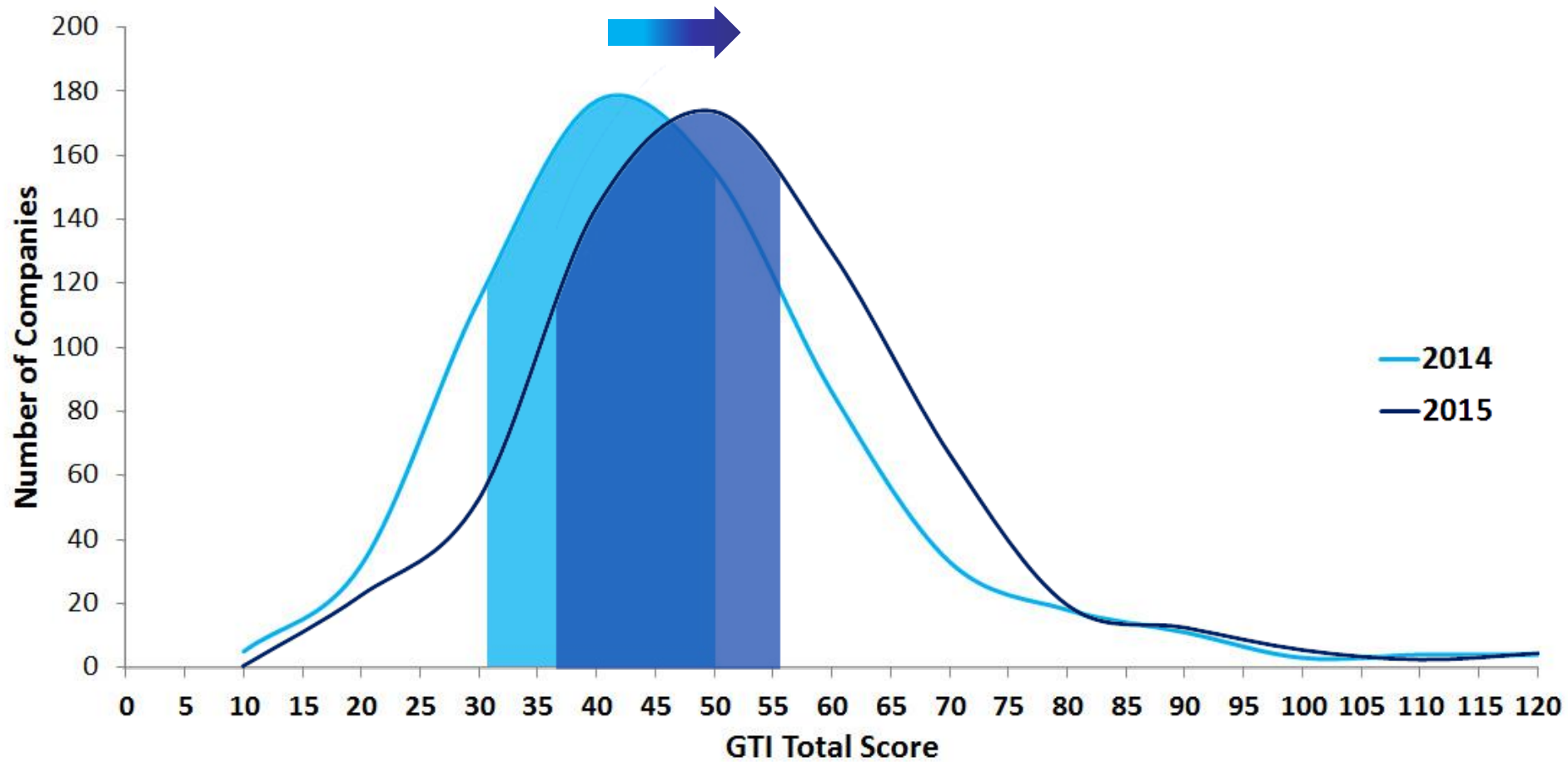




# GTI Score Distribution

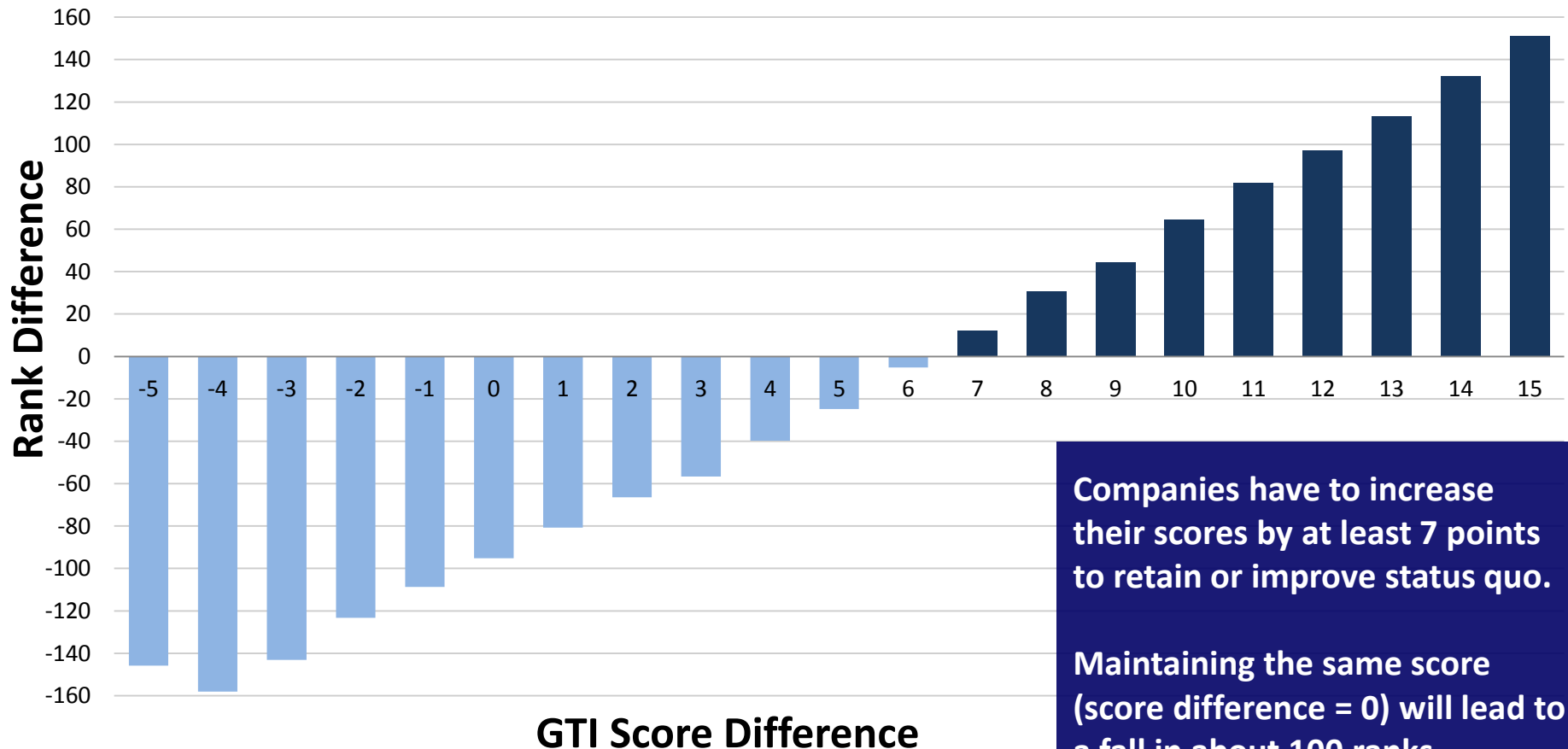


# The Curve Effect



# Increasing Competition

Score vs Rank Difference  
(Middle Range (25<sup>th</sup> to 75<sup>th</sup> percentile) of Companies)



Companies have to increase their scores by at least 7 points to retain or improve status quo.

Maintaining the same score (score difference = 0) will lead to a fall in about 100 ranks.

# Presentation Overview



Board Matters



Nomination  
Matters



Remuneration  
Matters



Accountability &  
Audit



Transparency &  
Investor Relations

# Board Matters



Board Matters



Nomination  
Matters



Remuneration  
Matters



Accountability &  
Audit



Transparency &  
Investor Relations

# Board Matters: Overview



Board Matters

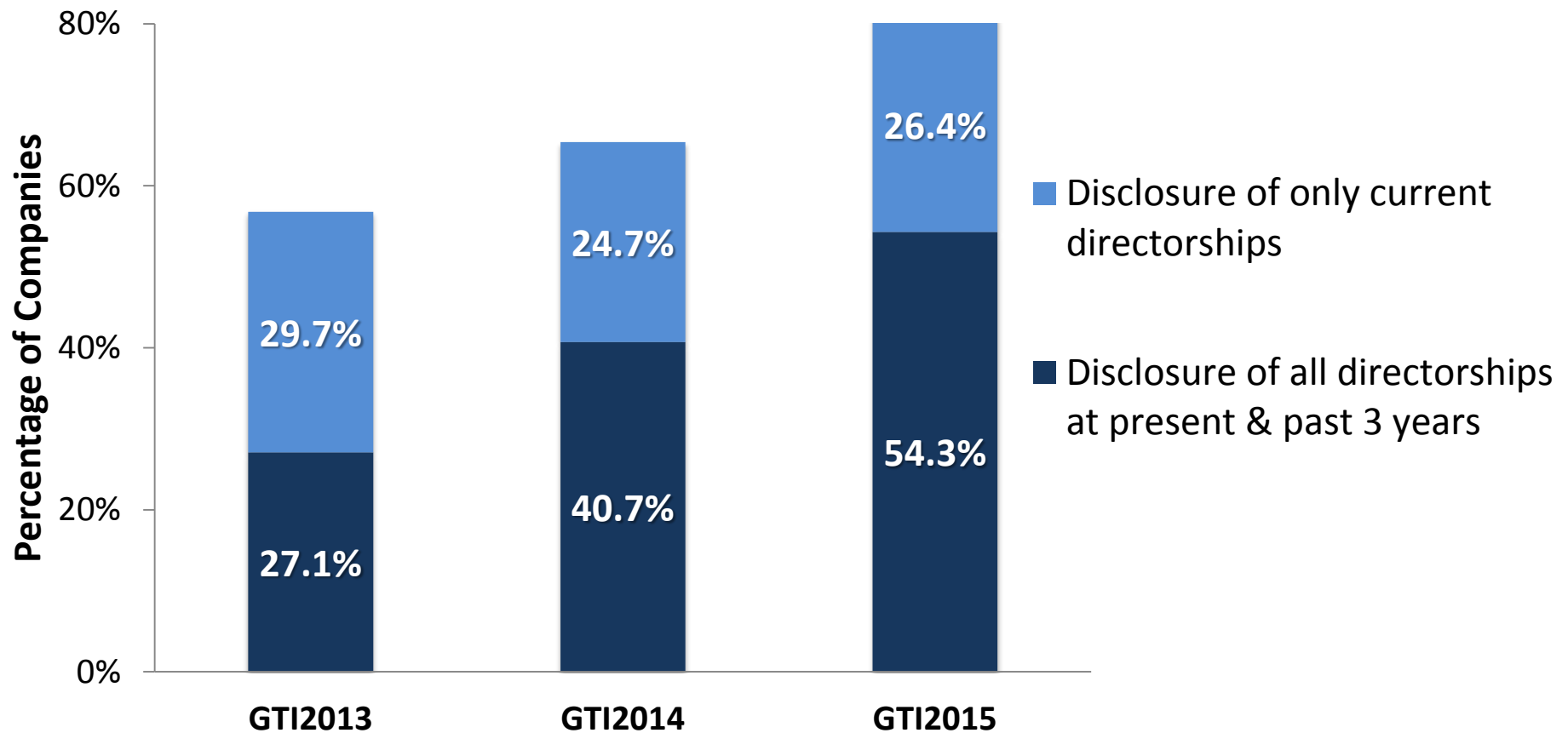
Disclosure of directorships in listed companies

Have lead independent director where chairman is non-independent

Disclosure of director training

# Board Matters

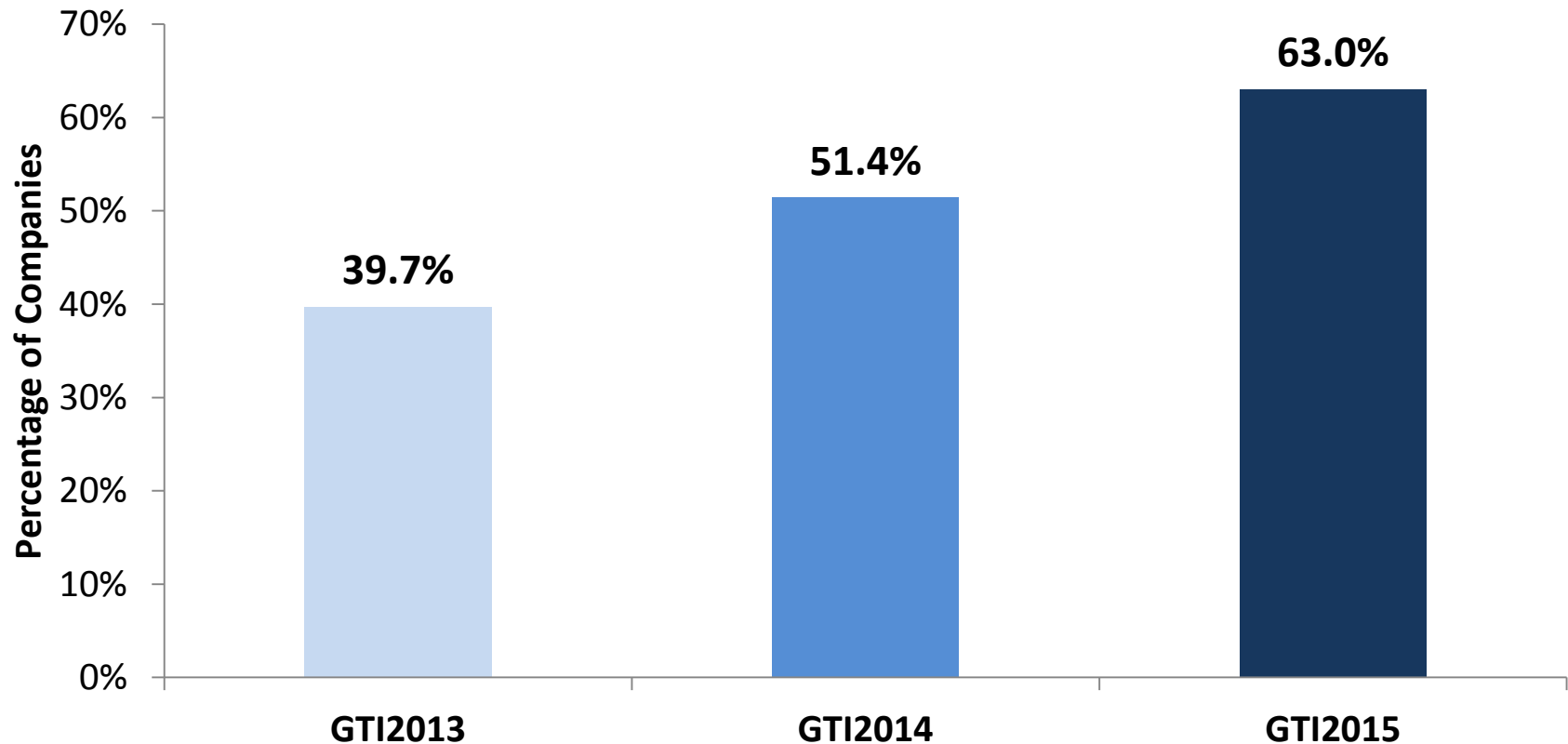
## Disclosure of directorships in listed companies





# Board Matters

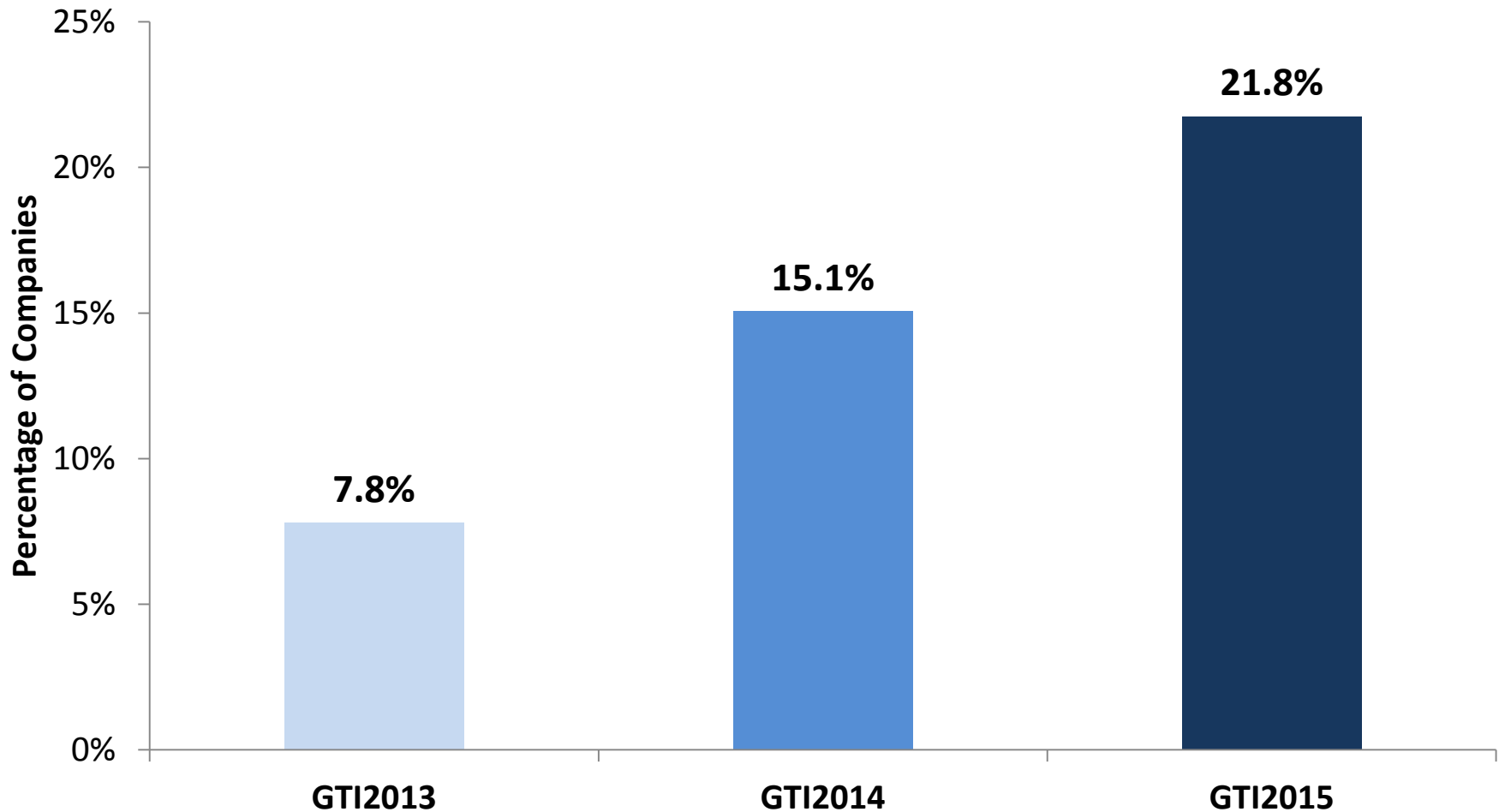
Have lead independent director where chairman is non-independent





# Board Matters

## Disclosure of director training



# Nomination Matters



Board Matters



Nomination  
Matters



Remuneration  
Matters



Accountability &  
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Investor Relations

# Nomination Matters: Overview



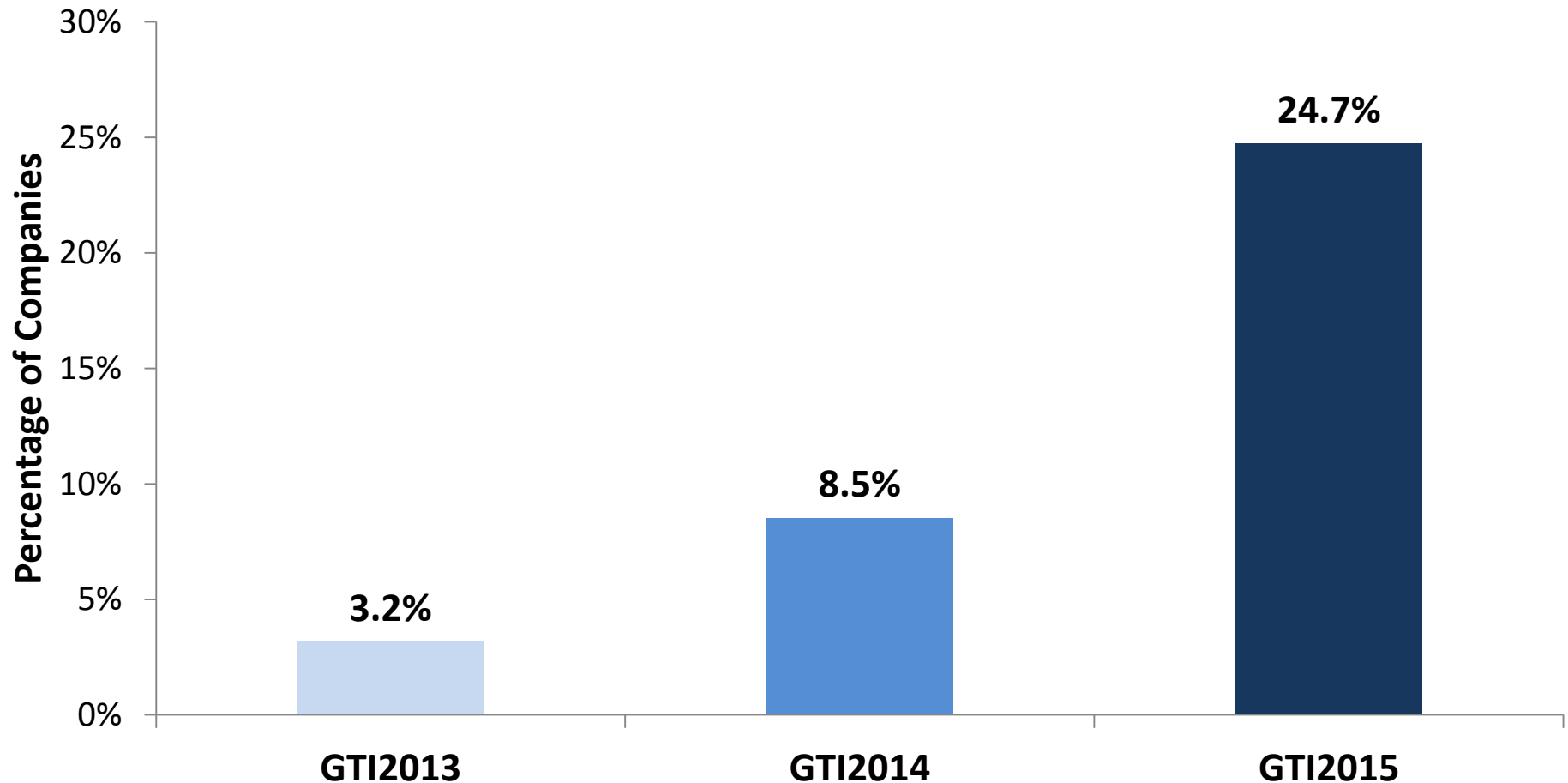
Nomination  
Matters

Disclosure of directorship limits

Director appraisal

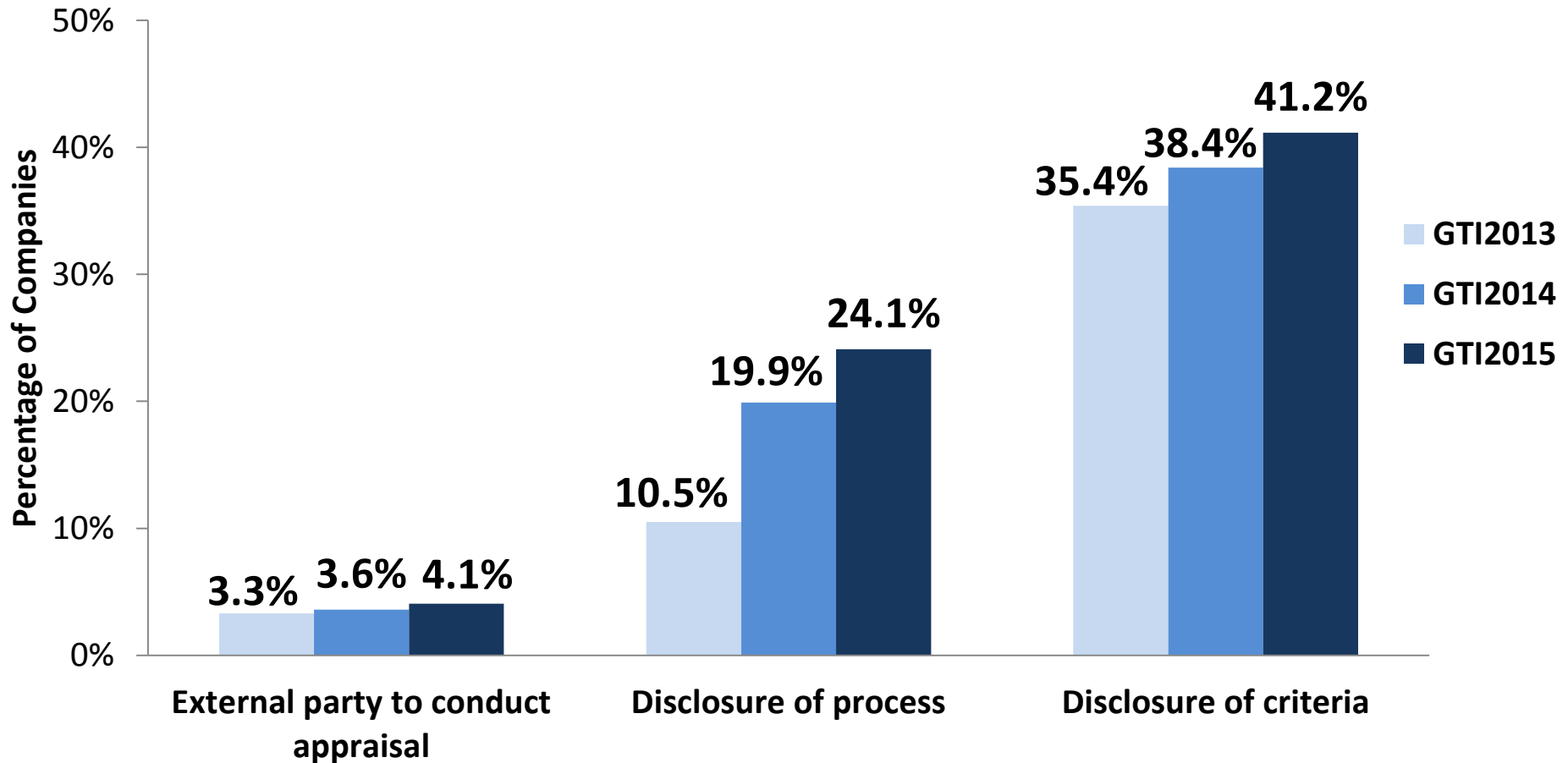
# Nomination Matters

## Disclosure of directorship limits



# Nomination Matters

## Director appraisal



# Remuneration Matters



Board Matters



Nomination  
Matters



Remuneration  
Matters



Accountability &  
Audit



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Investor Relations

# Remuneration Matters: Overview



Remuneration  
Matters

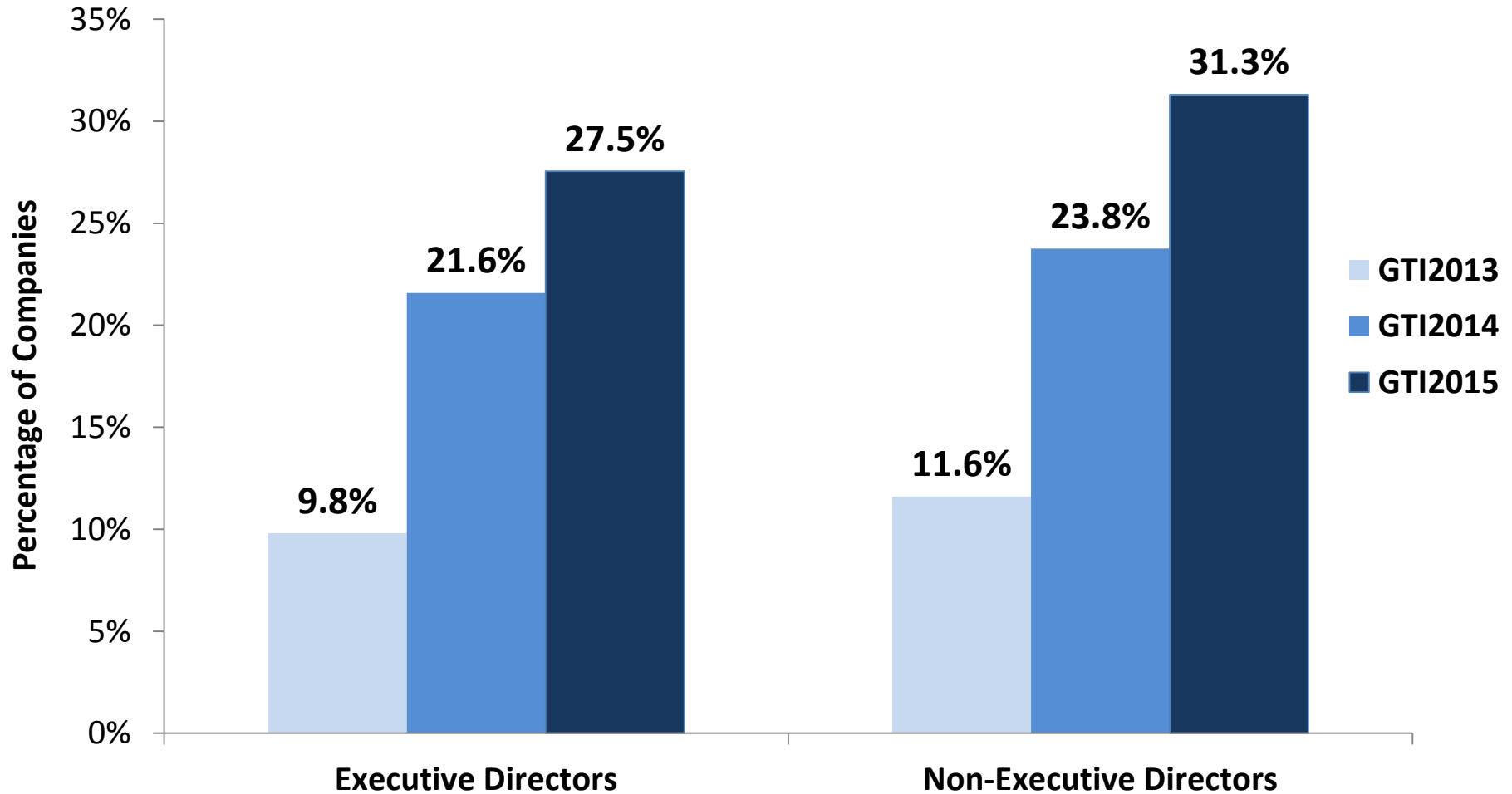
Disclosure of exact director remuneration

Disclosure of exact executive remuneration

Disclosure of link between remuneration & performance

# Remuneration Matters

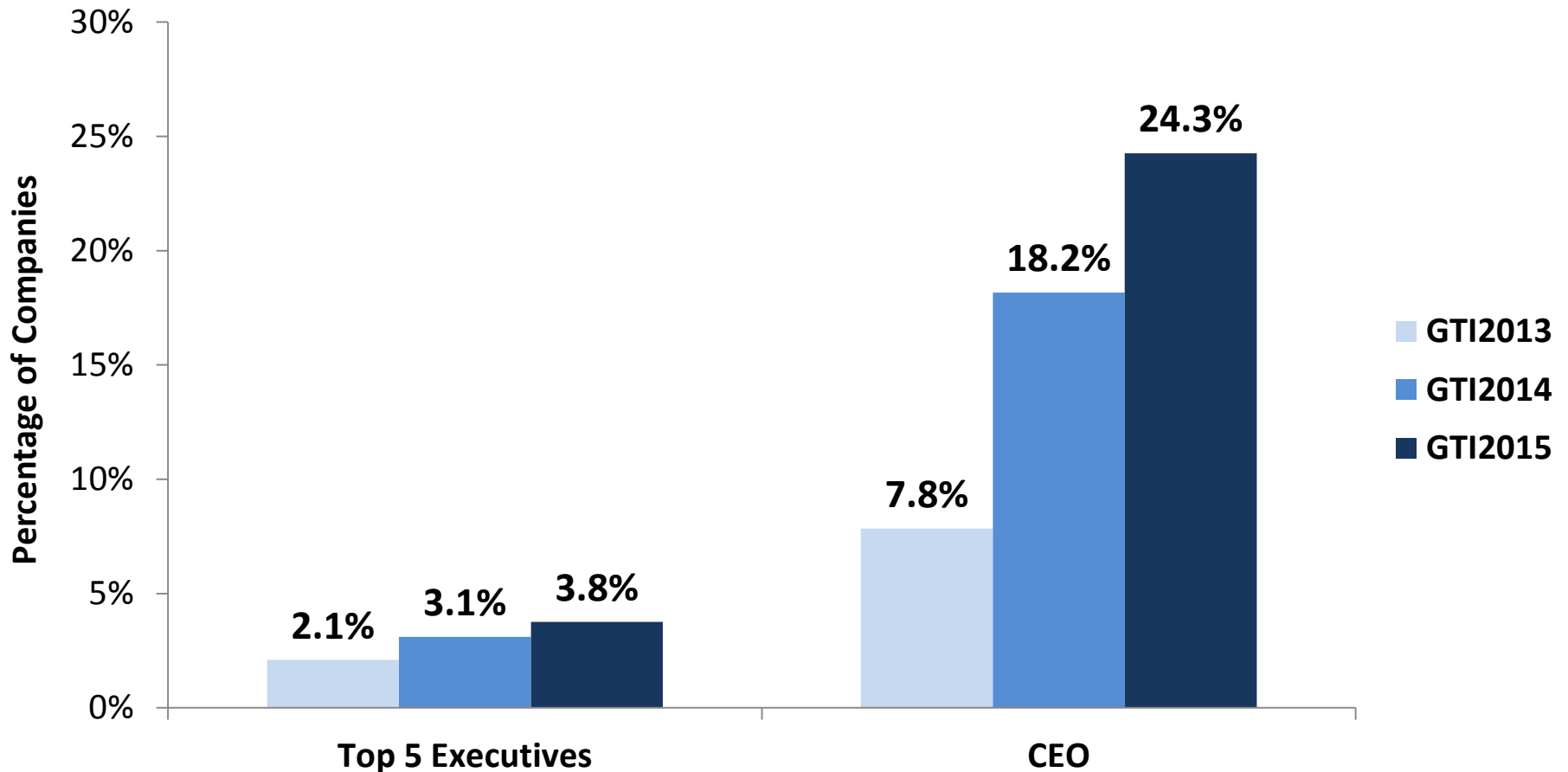
## Disclosure of exact director remuneration





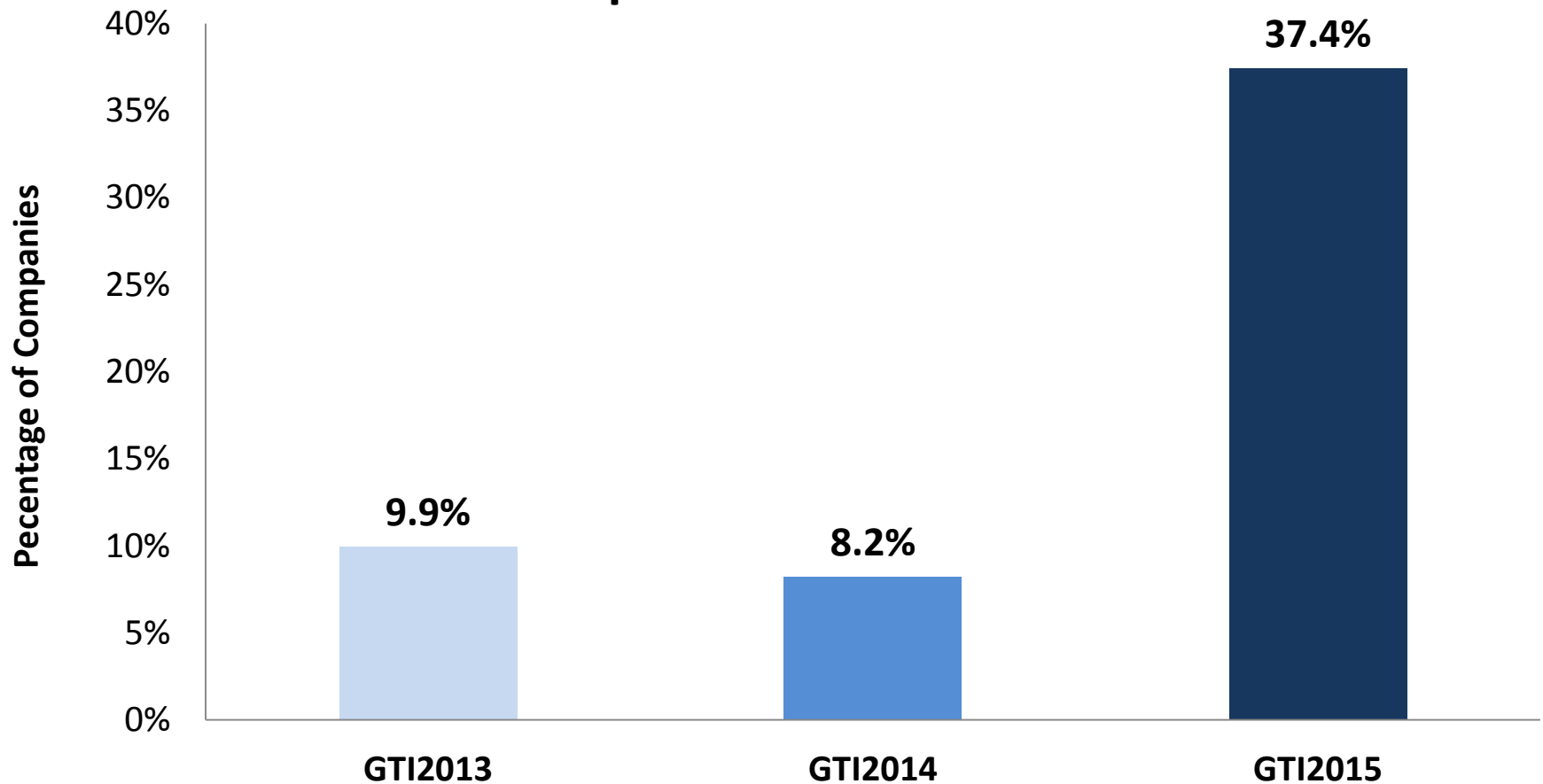
# Remuneration Matters

## Disclosure of exact executive remuneration



# Remuneration Matters

## Disclosure of link between remuneration & performance



# Accountability & Audit Matters



Board Matters



Nomination  
Matters



Remuneration  
Matters



Accountability &  
Audit



Transparency &  
Investor Relations

# Accountability & Audit Matters: Overview



Accountability  
& Audit

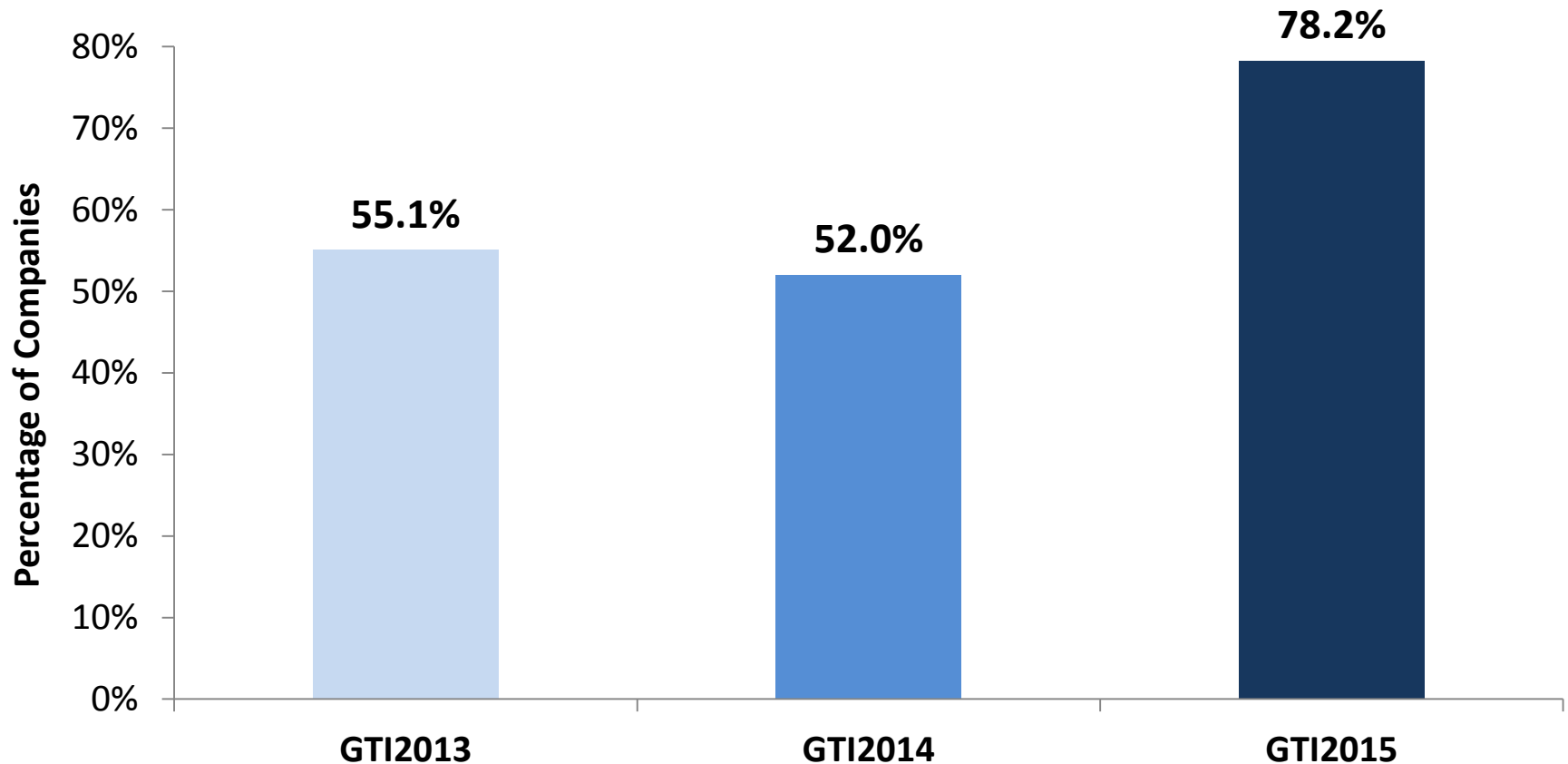
At least half of audit committee members have accounting/finance background

CEO/CFO certification of financial statements

Disclosure of whistleblowing policy details

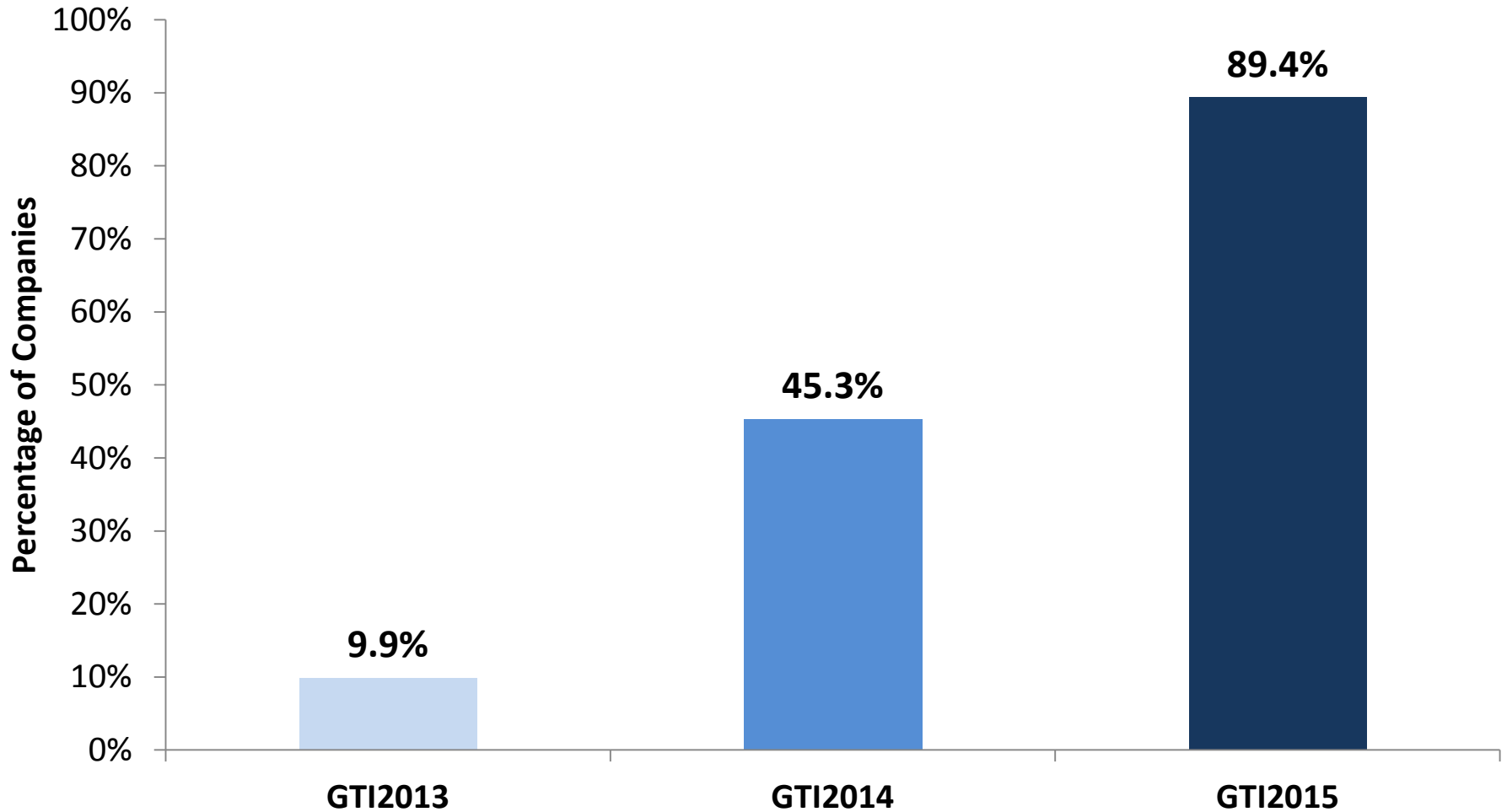
# Accountability & Audit Matters

**At least half of audit committee members have accounting/finance background**



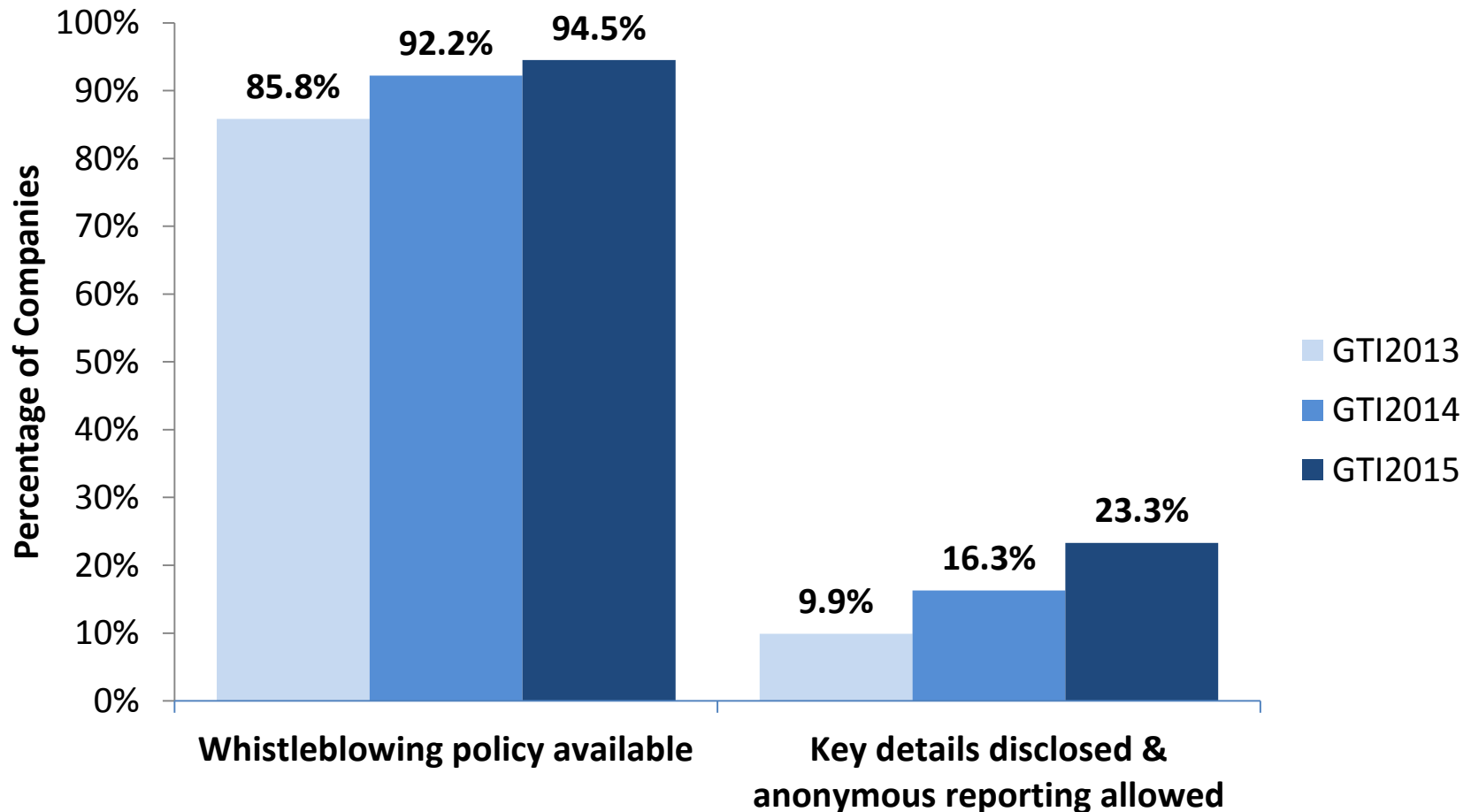
# Accountability & Audit Matters

## CEO/CFO certification of financial statements



# Accountability & Audit Matters

## Whistleblowing policy



# Transparency & Investor Relations



Board Matters



Nomination  
Matters



Remuneration  
Matters



Accountability &  
Audit



Transparency &  
Investor Relations



# Transparency & Investor Relations: Overview



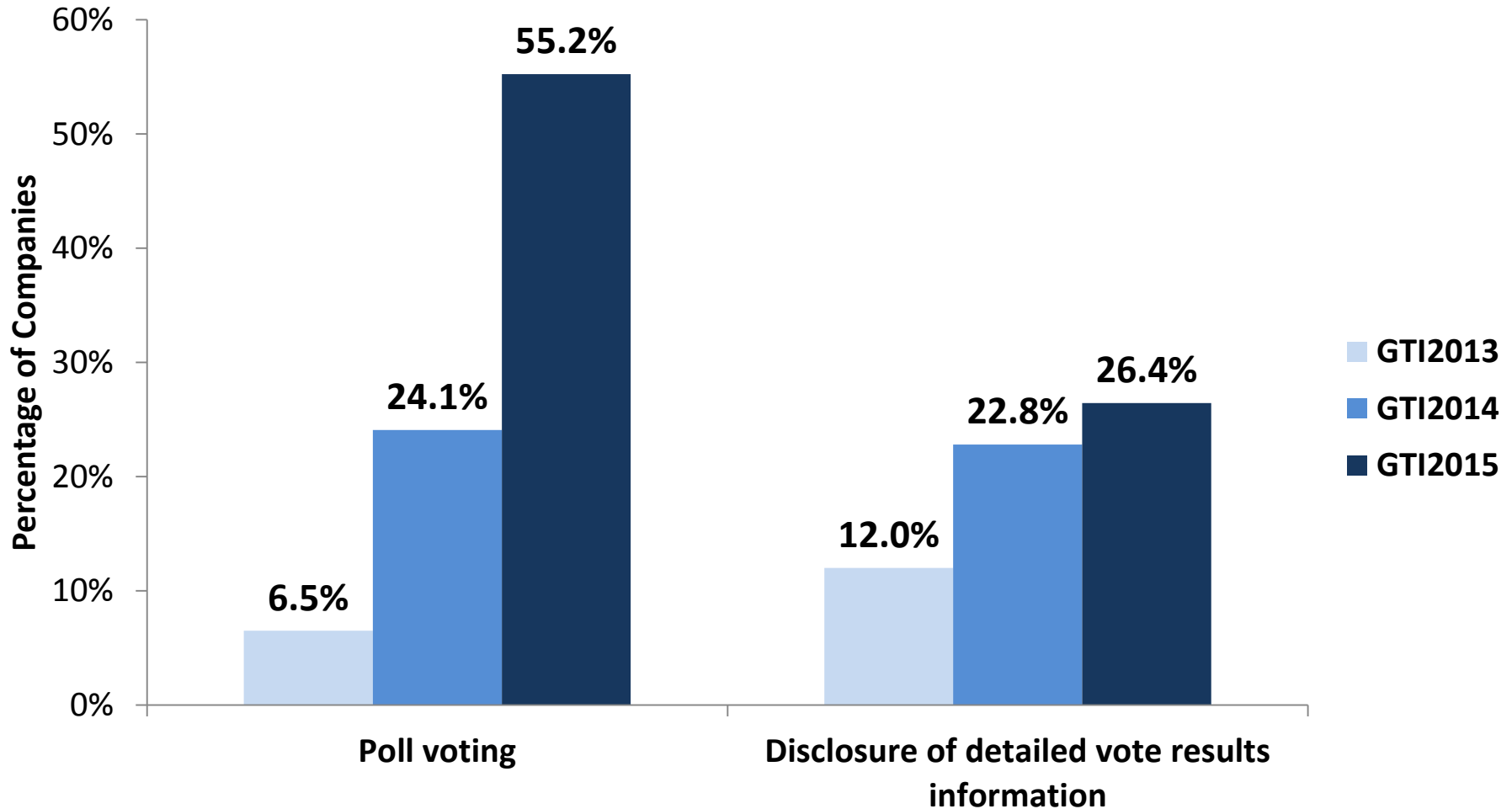
Transparency  
& Investor  
Relations

Voting at general meetings

Investor relations

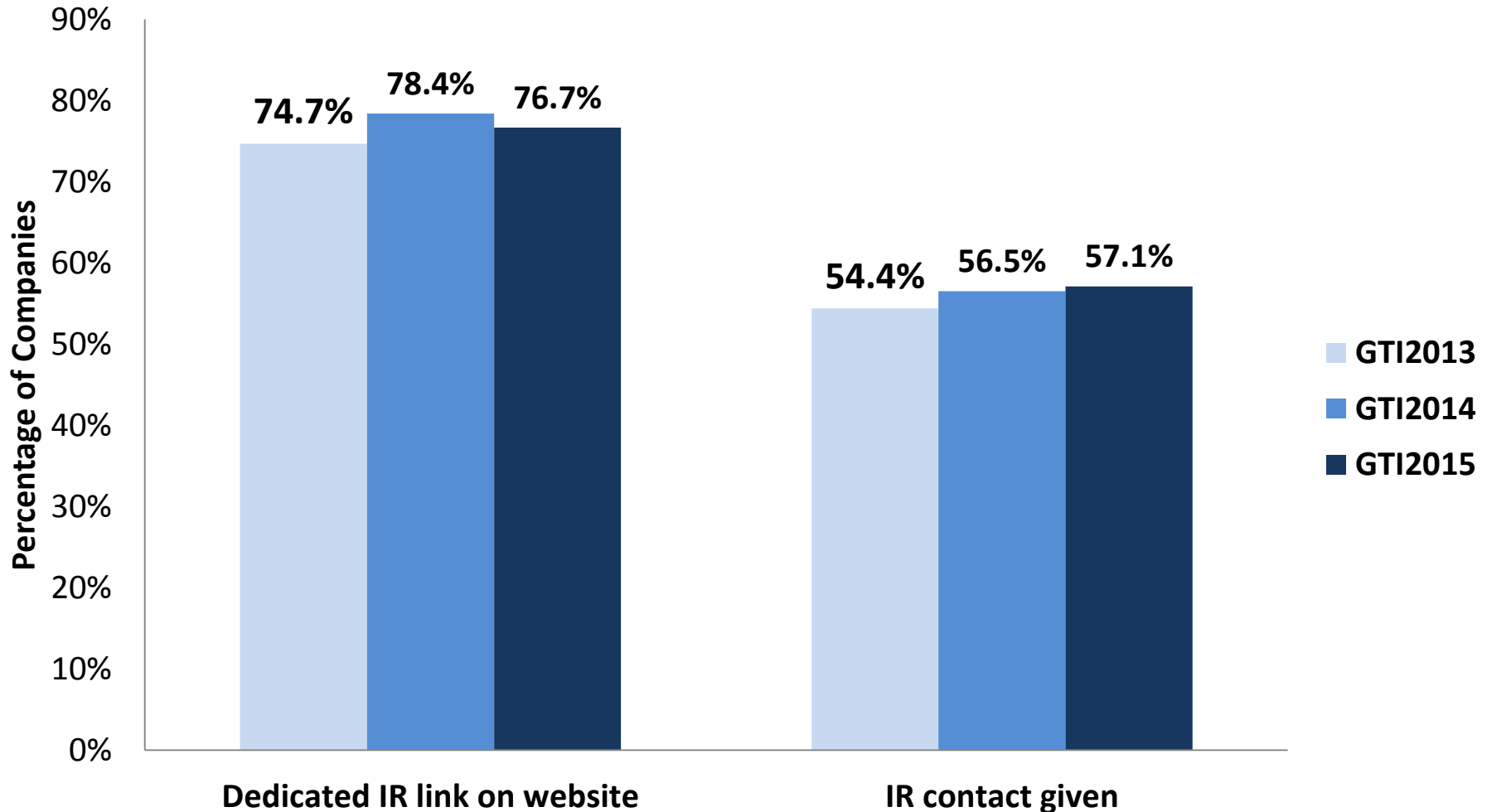
# Transparency & Investor Relations

## Voting at general meetings

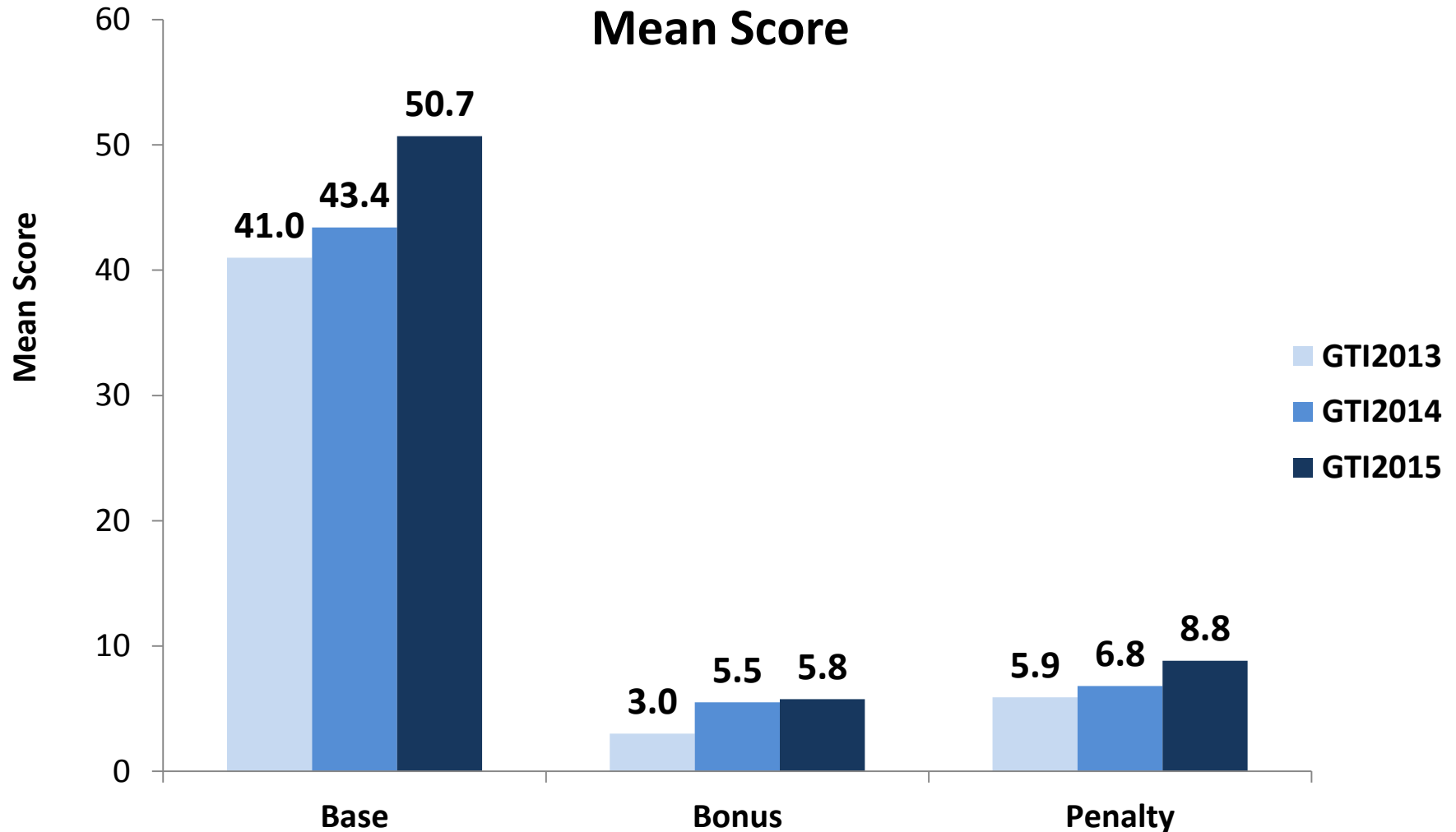


# Transparency & Investor Relations

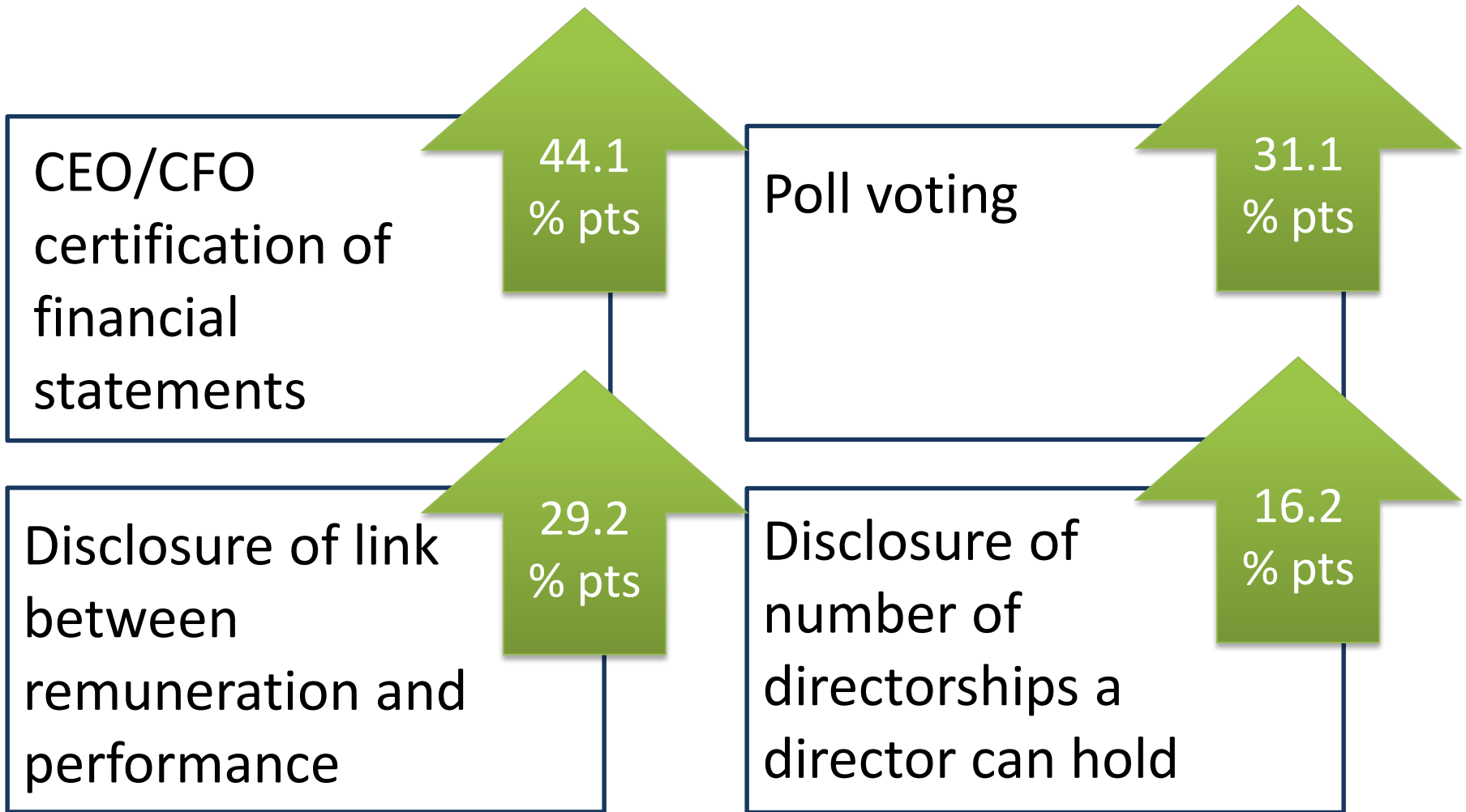
## Investor relations




# GTI Score Overview



# Improvements



 Percentage points of companies

# Room for Improvement

Disclosure of director trainings

21.8  
%

Company has whistleblowing policy in place, discloses key details and anonymous complaints allowed

23.3  
%

Investor relations contact given

57.1  
%



Percentage of companies complied

# GTI2015 Summary

- Average overall GTI points at all-time high of 47.6
- Visible impact of more widespread adoption of the Code
- Significant progress in disclosures and practices but there is still room for improvement



**Board**



**Stakeholders**



**Pushing to a New Frontier of  
Corporate Governance**

