

SINGAPORE GOVERNANCE AND TRANSPARENCY INDEX (SGTI)

A Collaboration Between



Centre for Governance and Sustainability
NUS Business School



Strategic Media Partner

THE BUSINESS TIMES

The Singapore Governance and Transparency Index (SGTI) is aimed at assessing companies on their corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of their financial results announcements. The SGTI is a joint initiative of CPA Australia, NUS Business School's Centre for Governance and Sustainability (CGS), and Singapore Institute of Directors, supported by The Business Times.

The SGTI score has two components: the base score and the adjustment for bonuses and penalties. The base score contains 5 domains: board responsibilities (35% of base score), rights of shareholders (10% of base score), ESG and stakeholders (20% of base score), accountability and audit (10% of base score), and disclosure and transparency (25% of base score). The aggregate of the bonuses and penalties (positive or negative) is incorporated to the base score to arrive at the company's overall SGTI score.

Singapore Governance and Transparency Index (SGTI)

SGTI ASSESSMENT FRAMEWORK			
Section	Questions	Points {maximum}	Remarks
A.	Board Responsibilities - 35%		
	Board size		
	Number of directors on board	1	If the board comprises of at least 6 members but not more than 11.
	Board independence		
	Number of independent directors on board	{3}	3 points, if proportion of independent directors on board is more than 50%
	Proportion of independent directors on board		2 points, if proportion of independent directors on board is equal to 50%.
	CEO-Chairman separation		
	Is the chairman an independent director?	{3}	3 points, if chairman is independent
	Is the chairman a non-executive director and not related to the CEO?		2 points, if chairman is non-independent and lead independent director is appointed
	Does the company have a lead independent director?		1 point, if chairman is executive and lead independent director is appointed.
	Board competencies		
	Does the company have a board of directors diversity policy?	1	
	Does the company disclose measurable objectives for implementing its board diversity policy?	2	

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
	Board and committee meetings		
	How many times did the board meet during the year?	1	If the board meets at least 4 times during the year.
	How many times did the remuneration committee meet during the year?	1	If the remuneration and nominating committee each meet at least 2 times during the year.
	How many times did the nomination committee meet during the year?		
	How many times did the audit committee meet during the year?	1	If the audit committee meets at least 4 times during the year.
	Nominating Committee		
	Number of members in the nomination committee	2	
	Number of independent members in the nomination committee		
	Is the nomination committee chairman independent?		
	Selection of directors		
	Is the skills/experience sought during director selection disclosed?	1	
	Board and individual director appraisal		
	For board appraisal, is the process disclosed in detail?	1	
	For individual director appraisal, is the process disclosed in detail?	1	Both the questions should be "Y", in order to get 1 point.
	For individual director appraisal, is the criteria disclosed?		
	Is an external party used at least periodically to conduct the board and/or individual director appraisal?	1	
	Is an annual performance assessment conducted of the board of directors committees?	1	

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
	Remuneration Committee		
	Number of members in the remuneration committee	2	
	Number of independent members in the remuneration committee		
	Is the remuneration committee chairman independent?		
	Executive director/Top 5 executives' remuneration		
	Is the remuneration of executive directors disclosed?	{2}	2 points, if exact remuneration of executive directors is disclosed 1 point, if the disclosure is in bands
	Is the remuneration CEO disclosed?	{2}	2 points, if exact remuneration is disclosed 1 point, if the disclosure is in bands
	Is the remuneration of top 5 executives disclosed?	2	2 points, if exact remuneration of key executives is disclosed
	Are the names of the top 5 executives given?		1 point, if the disclosure is in bands, and the total remuneration of key executives and key executives' names are provided.
	Did the company disclose in aggregate the total remuneration paid to the top five key management personnel?		
	Did the company disclose information on the link between remuneration paid to the executive directors and key management personnel, and performance?	2	
	Is there contractual provisions to allow the company to reclaim incentive components of remuneration from executive directors and key management personnel?	1	
	Did Remuneration Committee seek expert advice / remuneration consultant at least periodically to decide on remuneration of all directors?	2	

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
	Non-Executive director fees		
	Is the fees of non-executive directors disclosed?	1	Exact remuneration should be disclosed to get the point
	Is the fee structure disclosed?	1	
	Board Duties and Responsibilities		
	Are the roles and responsibilities of the board of directors clearly stated?	1	
B.	Rights of Shareholders - 10%		
	General shareholder meetings		
	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	2	
	Does the company disclose that the chairman of the board of directors attended the most recent AGM?	2	
	Did the CEO/Managing Director/President attend the most recent AGM?	2	
	Did the chairman of the Audit Committee attend the most recent AGM?	2	
	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	2	
	Shareholder participation		
	Is detailed information on each item in the agenda for the AGM disclosed in the Notice?	1	
	Does the company publish detailed information of the vote results?	1	

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
	Dividend payment		
	Did the company pay dividend?	4	
	If the company has paid dividend, did the company disclose a policy on payment of dividends?		
	Where dividends are not paid, did the company disclose the reasons?		
C.	ESG and Stakeholders - 20%		
	Material environmental, social and governance factors		
	Does the company identify/report ESG topics that are material to the organization's strategy?	1	
	Whether there is mention of the selection process of ESG factors and the reasons for selection?	1	
	Climate-related disclosures		
	Does the company identify climate change as a material issue?	1	
	Whether the processes of identifying and assessing climate-related risks is described in the report?	1	
	Does the company disclose how it manages climate-related risks and opportunities?	1	
	Does the company disclose board's oversight of climate-related issues?	1	
	Sustainability targets		
	Does the company disclose next year quantitative sustainability target?	1	
	Does the company disclose mid/long term quantitative sustainability target?	1	

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
	Policies, practices and performance		
	Whether the report discloses information on unfavourable aspects?	1	
	Framework		
	Does the company explain reasons for choosing the sustainability framework(s)?	1	
	Board statement and associated governance structure for sustainability practices		
	Does the company have a board member/ committee who is specifically responsible to manage sustainability matters?	1	
	Assurance		
	Does the company disclose that its sustainability reporting process is internally reviewed?	1	
	Does the company disclose that its sustainability report is externally assured?	2	
	Rights of stakeholders established through law and mutual agreements upheld		
	Does the company disclose a policy and its relevant activities that explains supplier/contractor selection practice?	1	
	Does the company disclose a policy and its relevant activities that elaborates its efforts to interact with the communities in which it operates?	1	
	Does the company describe its anti-corruption programmes and procedures?	1	
	Does the company describe how creditors' rights are safeguarded?	1	

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
	Performance enhancing mechanisms for employee participation		
	Does the company publish relevant information relating to health, safety and welfare of its employees?	1	
	Whistleblowing policy		
	Does the company have a whistleblowing policy?	2	
	Does the company allow anonymous reporting under its whistleblowing policy?	1	
D.	Accountability and Audit - 10%		
	Composition of the audit committee		
	Are all the audit committee members independent?	{3}	3 points, if all the members are independent
	Are all the audit committee members non-executive with an independent chairman?		1 point, if all the audit committee members are non-executive with an independent chairman.
	Does the majority of the audit committee members have an accounting or finance background?	1	
	Does the audit committee chairman have an accounting or finance background?	1	
	Risk management and internal controls		
	Is there disclosure of the process and framework used to assess the adequacy of internal control systems and risk management?	2	
	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	1	
	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	2	

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
E.	Disclosure and Transparency- 25%		
	Quality of Annual Report		
	Does the company's annual report disclose the following item: Are key risks (including operational risks) disclosed and how these risks are assessed and managed?	2	
	Does the company's annual report disclose the following item: Financial performance indicators?	1	
	Disclosure of related party transactions (RPT)		
	Does the company disclose that RPTs are conducted in such a way as to ensure that they are fair and at arms' length?	2	
	Does the company disclose the name of the related party and relationship for each material/significant RPT/IPT?	1	
	Does the company disclose the nature and value for each material/significant RPT/IPT?	1	
	Does the company discloses the type of material transactions that require board approval?	1	
	Does the company discloses the threshold of material transactions?	1	
	Timeliness of release of results		
	Financial year end	{3}	3 points, if released with 30 days
	Results release date		2 points, if financial statements released within 31-60 days.
	Was the audited financial report released within 60 days from the financial year end?	3	
	Corporate website		
	Are details of its code of conduct or ethics disclosed?	3	

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
	Are the latest financial results available on the website?	2	
	Is the latest annual report available on the website?	1	
	Does the company website or annual report have a section on business operations?	1	
	Results briefings		
	The Board should state in the company's annual report the steps it has taken to solicit and understand the views of the shareholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings.	2	
	Did the company have an effective investor relations policy to regularly convey pertinent information to shareholders?	2	
ADD	BONUSES		
	Does the company disclose information on succession planning for the board and senior management?	6	
	Having a fully independent board-level risk committee	6	
	Are the names, remuneration and employee's relationship in the annual report for employees who are substantial shareholders of the company or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds \$100,000 during the year disclosed?	6	
	Did all directors attend the AGM?	6	
	Is an external search done when appointing new directors?	4	
	Disclosing information on director training	4	
	Did the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	5	

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
	Did the Board/RC consider linking risk management with remuneration, ensuring that the level and structure of remuneration is aligned with the long-term interest and risk policies of the company?	6	
LESS	PENALTIES		
<i>The following are some of the issues which will enable a company to incur penalty points. This list is not exhaustive and will also be reviewed periodically.</i>			
	Non-disclosure of director information • Academic and professional qualifications • Date of first appointment as a director • Date of last re-election as a director	1	
	Tenure of independent directors (more than 9 years)	{2}	1 point deducted if there is one independent director with tenure of more than 9 years 2 points deducted if there are two or more independent directors with tenure of more than 9 years
	Same independent directors sitting on the nominating, remuneration and audit committees	1	
	CEO/MD/ED not subject to re-election	1	
	Lead independent director (LID) is not a member of the NC OR independent directors/non-executive directors (including LID) didn't meet regularly without the presence of Management.	1	
	Issuance of a profit warning within 30 days after the IPO or after a results announcement	2	
	Earnings restatements	{3}	2 points deducted if the earnings for one year are to be restated 3 points deducted if earnings of more than one year are to be restated

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
	Frequent turnover of senior management (CEO, Executive Directors & CFO) (more than one change within a year)	1	For each position
	Resignation of senior management (CEO, executive directors & CFO) without adequate disclosure of information regarding the circumstances, search for replacement and expected time frame for appointing a new person	{3}	1 point for each person Penalty is capped at 3 points
	Other directors resigning without disclosure of reasons	1	For each director
	Appointments or resignations of independent directors who are closely linked to controlling shareholders	1	For each appointment
	Directors or senior management resigning and raising corporate governance-related concerns	{6}	4 points deducted if 1 person resigning and raises corporate governance-related concerns 6 points deducted if 2 or more persons resign during the same time period and cite similar reasons
	External auditors unable to issue an opinion or raises red flag, allegations of fraud reported, unauthorized trading	Start from 2 points	For each issue: 2 points deducted 6 points deducted if allegation involves directors/senior management/controlling shareholders
	Breach of listing rules	Starts from 1 point	1 point deducted if one issue 2 points deducted if two or more issues
	Retention or appointment of directors or senior management who have been subjected to regulatory actions	Starts from 1 point	For each person: 1 point deducted if the person is being investigated 2 points deducted if the person is charged 4 points deducted if the person is convicted and continues to stay on the board

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
	Significant interested party transactions involving major shareholders, directors or senior management or evidence of serious conflicts of interest	Starts from 1 point	1 point deducted if more than 5 percent but less than or equal to 10 percent of net tangible assets (NTA) in one year 2 points deducted if more than 10 percent of NTA: 1 point deducted for every 5 percent increase beyond 10 percent
	Issue of share options when stock prices are at or near year end lows	2	
	Late announcement of stock option grants	{2}	1 point deducted if one late announcement is made 2 points deducted if two or more late announcements are made
	Investor relations issues	{2}	1 point deducted if one issue 2 points deducted if two or more issues Points are deducted for issues such as errors in the annual report, errors and corrigendum in announcements that are not rectified immediately
	Appointment of alternate IDs, insufficient disclosure of nominating process	1	
	Query on trading activity	1	
	Does the non-audit fees exceed the audit fees given that the audit firms engaged are the same?	2	
	Has the chairman been the company CEO in the last three years?	1	
	Is a pyramid ownership structure and/or cross holding structure apparent?	1	

Singapore Governance and Transparency Index (SGTI)

Section	Questions	Points {maximum}	Remarks
	Have there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues?	2	
	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	1	
	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	1	

Prepared by Centre for Governance and Sustainability, NUS Business School
4 August 2026