

2026 Edition

# THE SINGAPORE REPORT ON REMUNERATION PRACTICES: **PAYING FOR VALUE OR JUST PAYING MORE?**

What investors, issuers and regulators should know about remuneration practices in listed issuers in Singapore

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## **THE SINGAPORE REPORT ON REMUNERATION PRACTICES**

**2026 Edition**

**Paying for Value or Just Paying More?**

**AUTHOR**

**MAK YUEN TEEN**

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# EXECUTIVE SUMMARY

This study on remuneration practices covers 510 issuers with a primary listing on SGX that published an annual report for financial years ending on or after 31 December 2024 by February 2026, comprising 469 companies and 41 real estate investment trusts (REITs), business trusts and stapled trusts. We analyse the remuneration practices of the two groups separately because of differences in governance structures. This report covers our findings for listed companies. A separate supplement will be released for trusts.

While there is now greater transparency about remuneration amounts paid to directors and CEOs, there remains a lack of transparency on remuneration paid to key management personnel (KMP) and employees who are related to substantial shareholders, directors and CEOs. This creates a risk of expropriation of minority shareholders through unearned or excessive remuneration.

Companies that have executive directors (EDs) who are substantial shareholders (SSHs) or related to SSHs paid relatively more remuneration to EDs than companies without such EDs.

Disclosures on remuneration policies are particularly poor, making it difficult for investors to understand the link between remuneration paid and long-term value creation.

## Other key findings from the study include:

- All companies have formed a Remuneration Committee (RC) or equivalent, with 12 companies having an ED on the RC and one RC chaired by a Non-Independent Non-Executive Director (NINED).
- 72.3% of RCs met only once during the year.
- Only 9.8% of companies said they engaged remuneration consultants to advise on senior executive remuneration during the year, while 4.3% disclosed they did so for advising on NED remuneration.
- Only 12 companies and 8 companies respectively disclosed peers used for benchmarking senior executive and NED remuneration, with no company naming the specific peers used.
- All the companies disclosed the exact remuneration of each director and the CEO as now required by the listing rules, but 88 companies with KMP did not disclose the total remuneration paid to KMP in aggregate as recommended by the Code.
- The mean and median total remuneration for executive chairmen are \$1.18 million and \$596,476 respectively. For independent chairmen, the mean and median are \$129,138 and \$57,750 respectively, while for non-independent non-executive chairmen, they are \$195,461 and \$70,333 respectively.
- For the companies where there is a separate CEO/MD, the mean and median CEO remuneration are \$1.24 million and \$572,169 respectively.
- The mean and median remuneration per non-executive director (NED) are \$58,155 and \$41,325 respectively.
- Share-based remuneration makes up about 19% of the total remuneration for large cap CEOs based on amounts disclosed in the remuneration table.

- Disclosure of performance measures for the annual bonus for EDs is poor, with 284 companies not disclosing any information at all. For the rest, 22 companies disclosed using only financial measures, while 146 disclosed using both financial and non-financial measures. 2 companies disclosed the use of only non-financial measures.
- For companies that disclosed specific performance measures for awarding the annual bonus, Leadership, Talent and Human Capital measures were cited most frequently, followed by financial measures of profitability and earnings performance, such as pre-tax profit or profit after tax. In comparison, measures such as ROE, ROIC and TSR are much less frequently mentioned, as are ESG-type measures.
- 266 companies of the 469 companies covered disclosed using LTIPs for their EDs. Only 26 of these companies disclosed performance measures for grants, with Leadership, Talent and Human Capital most widely used.
- Only 34 companies disclosed performance shares for vesting of awards under LTIPs, with investor and shareholder returns type measures such as ROE, ROIC and TSR most frequently cited.

Based on this study, the following are the recommendations for improving remuneration practices and to better align remuneration to long-term value creation:

- 01 The listing rules should require RCs to be made up only of NEDs, with the majority, including the Chairman, being IDs.
- 02 The identity of the remuneration consultants should be disclosed in the remuneration section of the corporate governance report.
- 03 Companies should disclose more information about peers that are used for benchmarking executive and NED remuneration.
- 04 The total remuneration paid to KMP in aggregate should be made a mandatory disclosure under the listing rules.
- 05 The total remuneration paid in aggregate to employees who are substantial shareholders, or who have immediate family relationships with these substantial shareholders, directors or the CEO, should be at least a recommended disclosure in the SCCG. The role of such employees in the company should also be disclosed.
- 06 The SCCG should be enhanced to recommend that companies provide more information on how remuneration amounts are determined and why they are justified given the performance of the company.
- 07 There should be more guidance on the use of performance-based remuneration for management who are significant shareholders and how they can be designed to better align their interests with those of minority shareholders.
- 08 The SCCG should recommend that companies disclose more information on specific performance measures used for executive remuneration and explain how these measures are aligned with long-term value creation.

- 09 RCs should be mindful of the risks that can be created through an excessive focus on profit-sharing plans or incentive plans linked to short-term profitability measures.
- 10 Companies should disclose the fee structure for NEDs.
- 11 Companies that use LTIPs should disclose key features such as performance measures for grants and vesting, vesting periods, and method of vesting.
- 12 The SCCG should recommend that independent directors should not participate in performance-related share plans and other performance-related remuneration schemes.

# INTRODUCTION

In 2018, when Chew Yi Hong and I published the first-ever report covering remuneration practices of companies with a primary listing on the Singapore Exchange (SGX), we faced a significant challenge. Many issuers did not disclose the exact remuneration of each individual director and CEO. Even though the 2012 Code of Corporate Governance applicable at that time recommended the disclosure of exact remuneration of each individual director and the CEO, only 36% of issuers did so for the Chairman, 30% for the CEO, 27% for executive directors (EDs), 42% for non-executive directors (NEDs), and 38% for independent directors (IDs). The majority of companies disclosed by bands, with a small minority using unlimited bands or not disclosing at all.

Fast forward to 2025, and there is now more transparency about remuneration practices, particularly remuneration amounts for individual directors and CEOs. This followed SGX's decision to make such disclosures mandatory for all annual reports for financial years ending on or after 31 December 2024.

The improved transparency allowed us to undertake a detailed analysis of remuneration amounts in this report. Nevertheless, remuneration disclosures remain a “glass half full” situation, as disclosures on remuneration policies remain generally poor.

Transparency around remuneration policies is just as important as transparency regarding remuneration amounts, arguably even more so. Importantly, remuneration policies should be aligned with long-term value creation for shareholders and stakeholders. Lack of information on remuneration policies makes it difficult for investors to assess whether such an alignment exists. On their own, remuneration amounts may be poor indicators of whether remuneration is fair or excessive.

Many developed Western markets require extensive disclosure of remuneration policies to allow investors to assess how remuneration amounts are linked to corporate performance and value creation. “Say on pay” requirements in most markets give shareholders a non-binding (advisory) vote on remuneration amounts, but some markets provide that shareholders should have a binding vote on remuneration policy – an indication of the relative importance that regulators in these markets place on remuneration policies.

In this latest report, we provide information on how much chairmen, CEOs, EDs and NEDs are paid, using exact amounts disclosed by issuers. We also provide information on remuneration paid to key management personnel (KMP) other than directors and CEOs, and family members of directors, CEOs and substantial shareholders, although information for these individuals is less transparent. We compare remuneration amounts, remuneration mix and other remuneration practices across issuers based on factors such as size and performance. We also compare remuneration paid to EDs and KMP who are substantial shareholders or related to them, against other who are not.

We then analyse the disclosures relating to remuneration policies, such as fee structure for NEDs, use of long-term incentives, types of share-based remuneration, and performance measures used for awards/vesting of short-term and/or long-term incentives. For those who disclose, we examine the specifics of these policies.

The next step in Singapore’s journey to better remuneration practices should involve more transparency relating to remuneration policies, more accountability of directors to minority shareholders for remuneration amounts and policies, and greater linkage between remuneration and long-term value creation.

Giving minority shareholders a “say on pay” vote, particularly in cases where management are controlling shareholders or related to controlling shareholders, should be considered. This can be based on similar principles to interested person transactions requiring independent shareholders’ approval when they cross a certain threshold - so only outsized remuneration is subject to such approval.

# COVERAGE

The study covers all issuers with a primary listing on SGX that published an annual report for financial years ending on or after 31 December 2024 by February 2026.

All issuers are included except: (a) secondary listings; (b) dual primary listings; (c) new listings that have not yet published an annual report; and (d) issuers that are suspended or whose annual reports are delayed.

In total, 510 issuers are included in our study, comprising 469 companies and 41 real estate investment trusts (REITs), business trusts and stapled trusts. We analyse the remuneration practices of the two groups separately because of differences in governance structures. This report covers our findings for listed companies. A separate supplement will be released for trusts.

Information is obtained from annual reports and, for directors' remuneration approved by shareholders, from the notice of annual general meetings (for the relevant financial years).

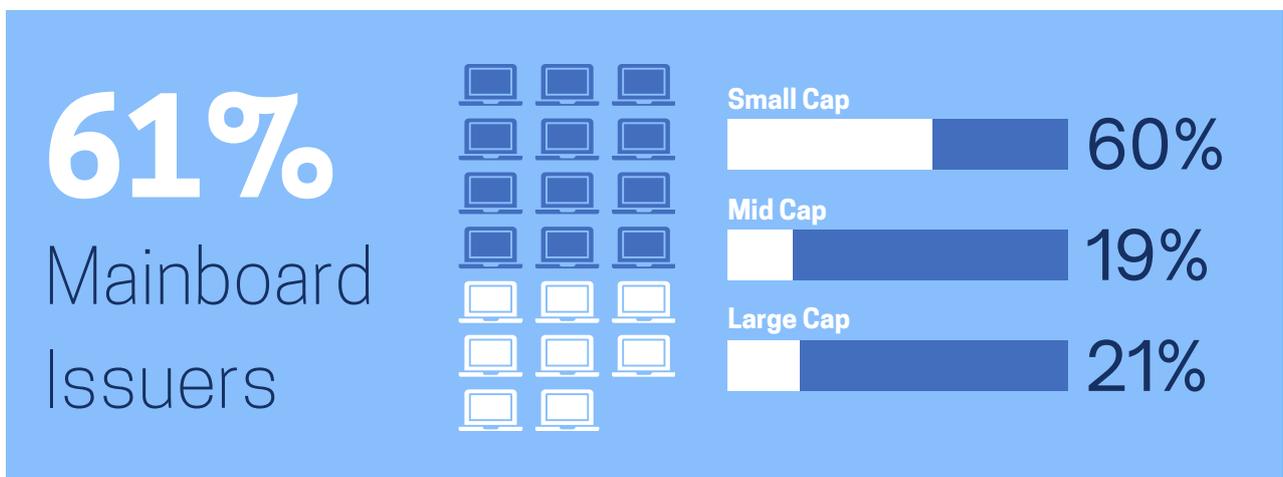
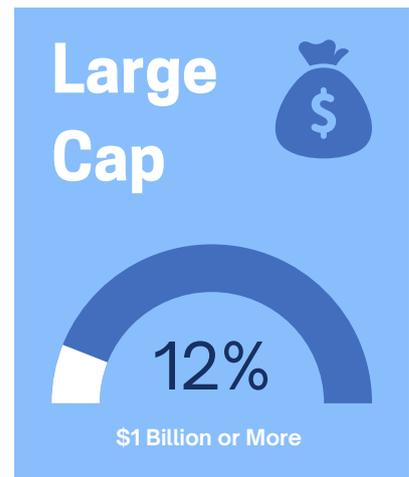


# 01 COMPANIES



# ABOUT THE COMPANIES

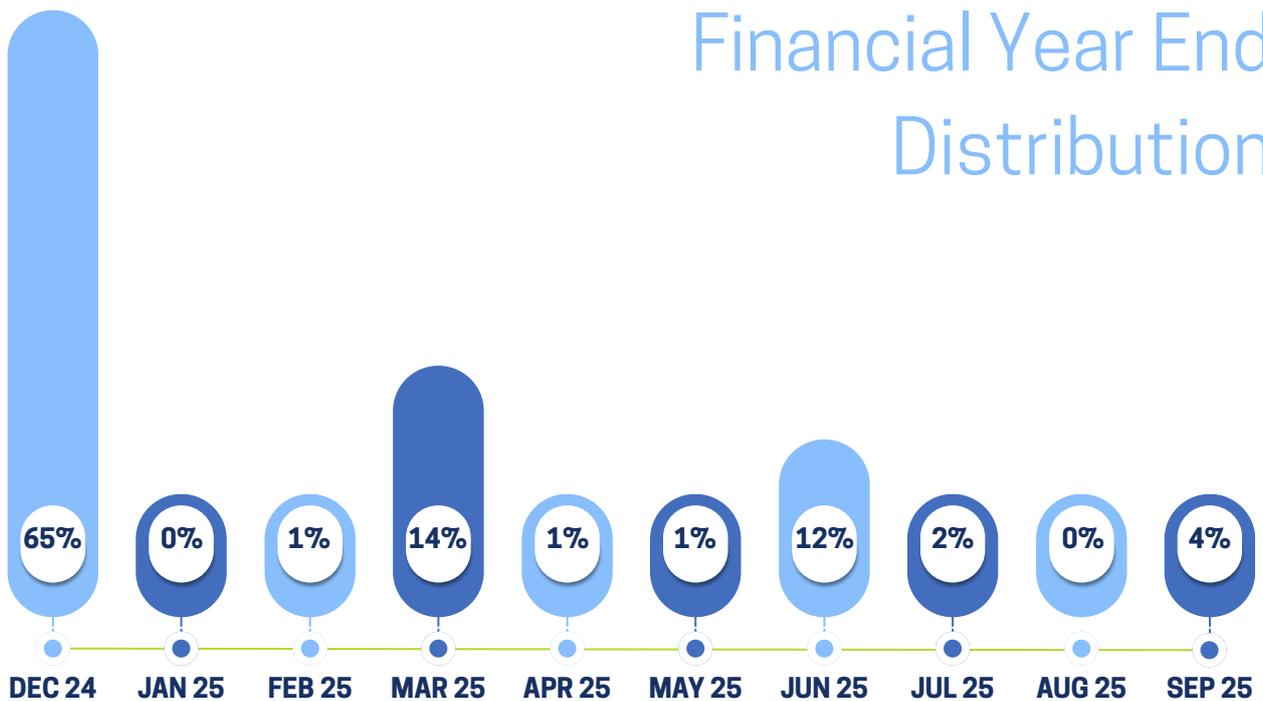
## Market Capitalisation



# Companies by Sector



# Financial Year End Distribution

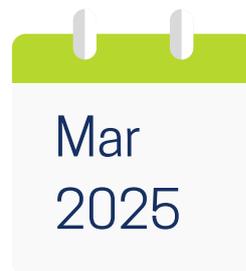


## Period Under Review

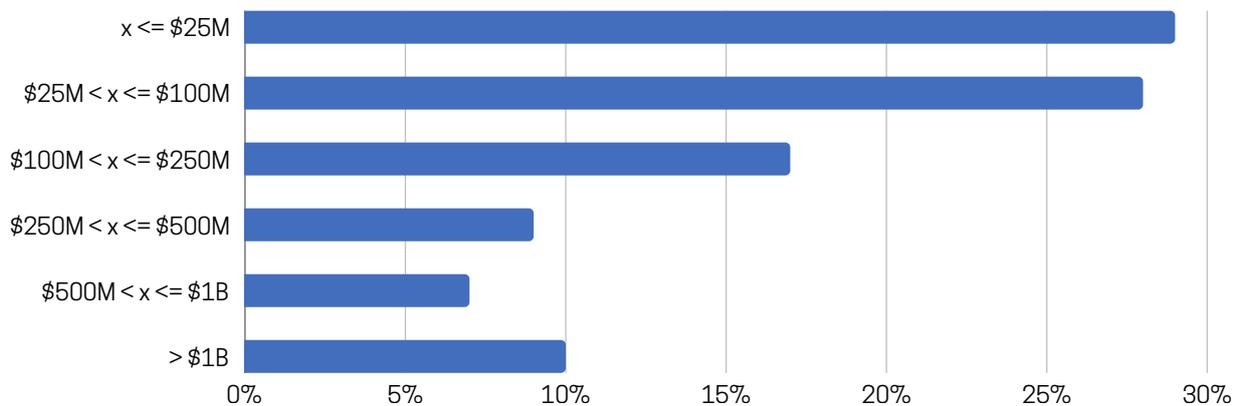
FY Year End



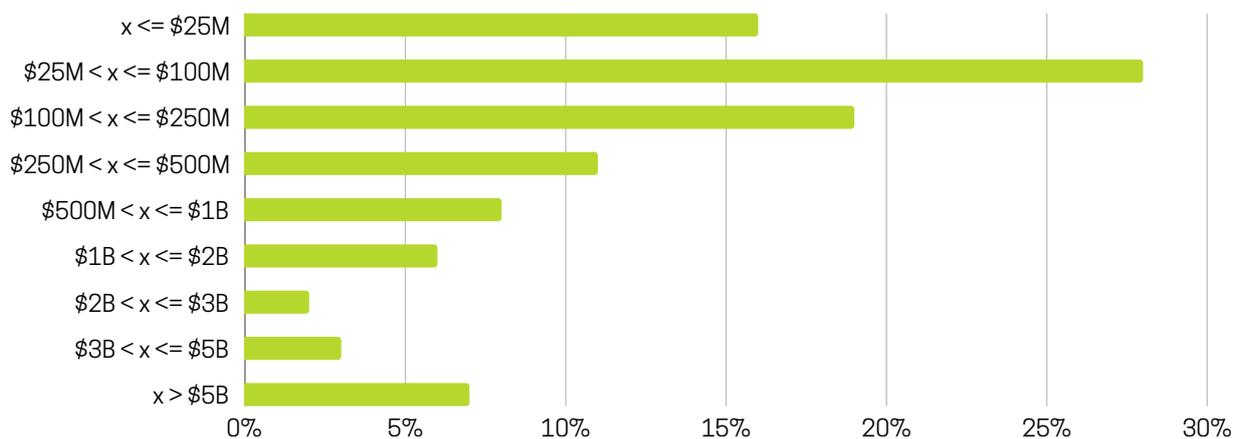
Annual Reports Published



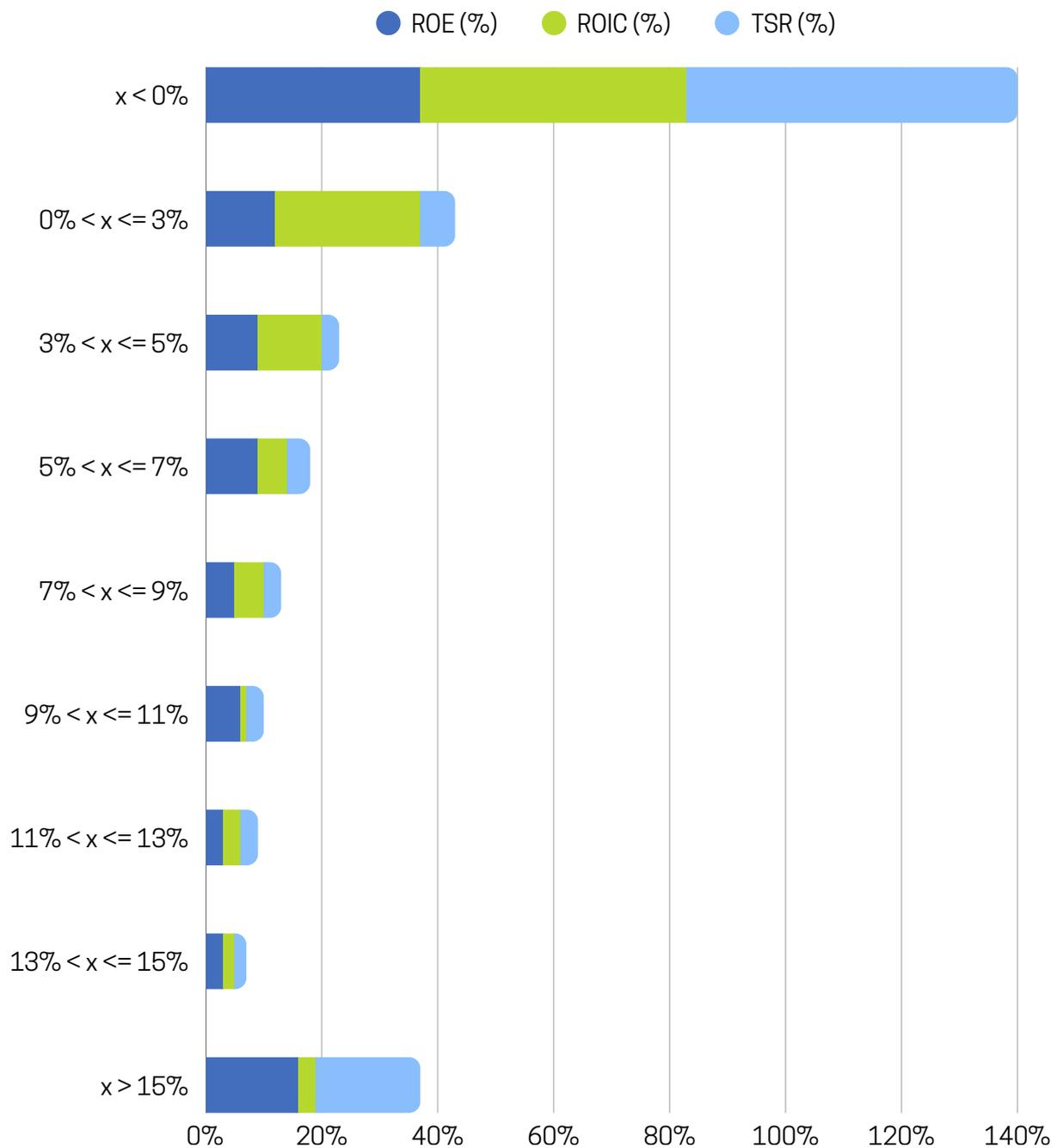
## Companies by Revenue



## Companies by Total Assets



# Distribution of Companies by 3-Year Average Performance



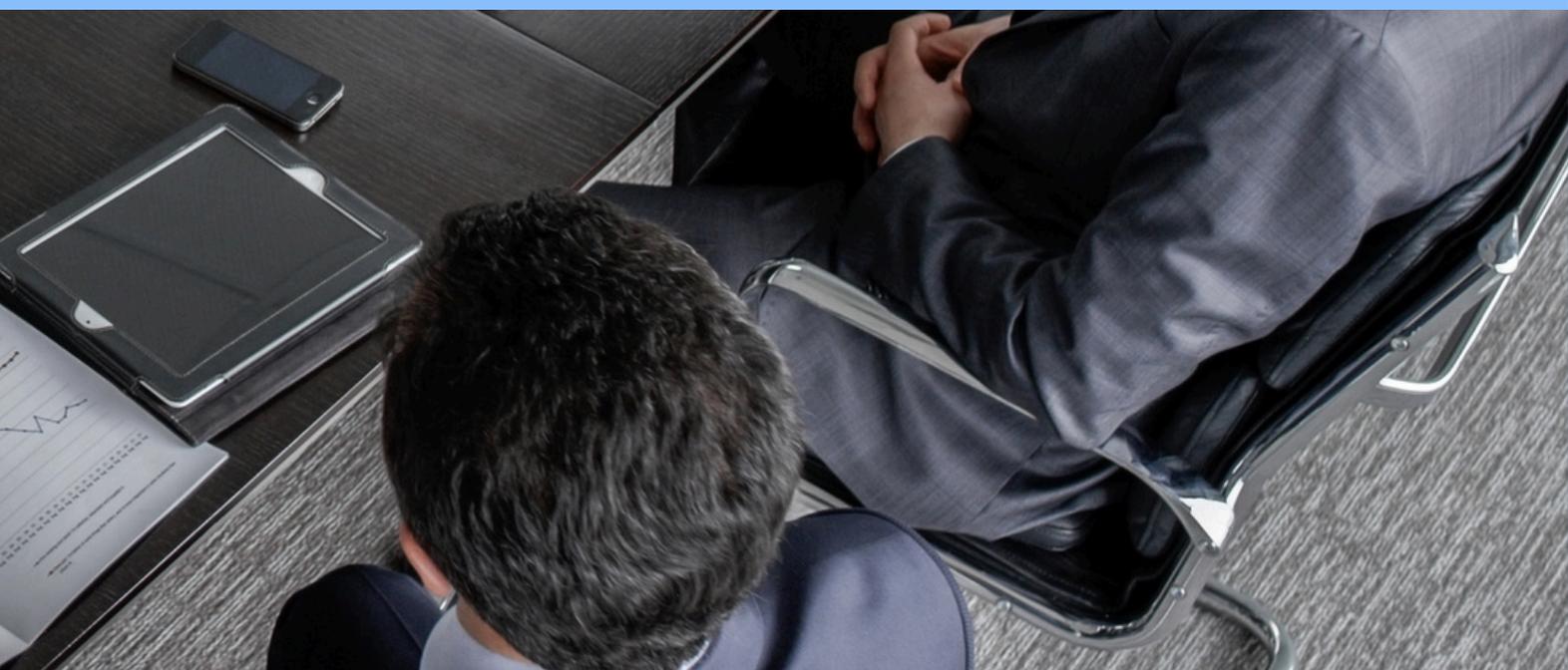
**Note:**

- x represents the company's 3-year average performance metric.
- In the ROE chart, x refers to the 3-year average Return on Equity (ROE).
- In the ROIC chart, x refers to the 3-year average Return on Invested Capital (ROIC).
- In the TSR chart, x refers to the 3-year average Total Shareholder Return (TSR).
- Percentages indicate the proportion of companies falling within each performance range.
- Sample sizes: ROE (n = 459), ROIC (n = 467), TSR (n = 459).



02

# ABOUT THE BOARDS AND SENIOR MANAGEMENT



# Board Size

How many directors are there on the board?

469

Total Companies

6.11 6

Mean

Median

3 to 16

Total Number of Directors

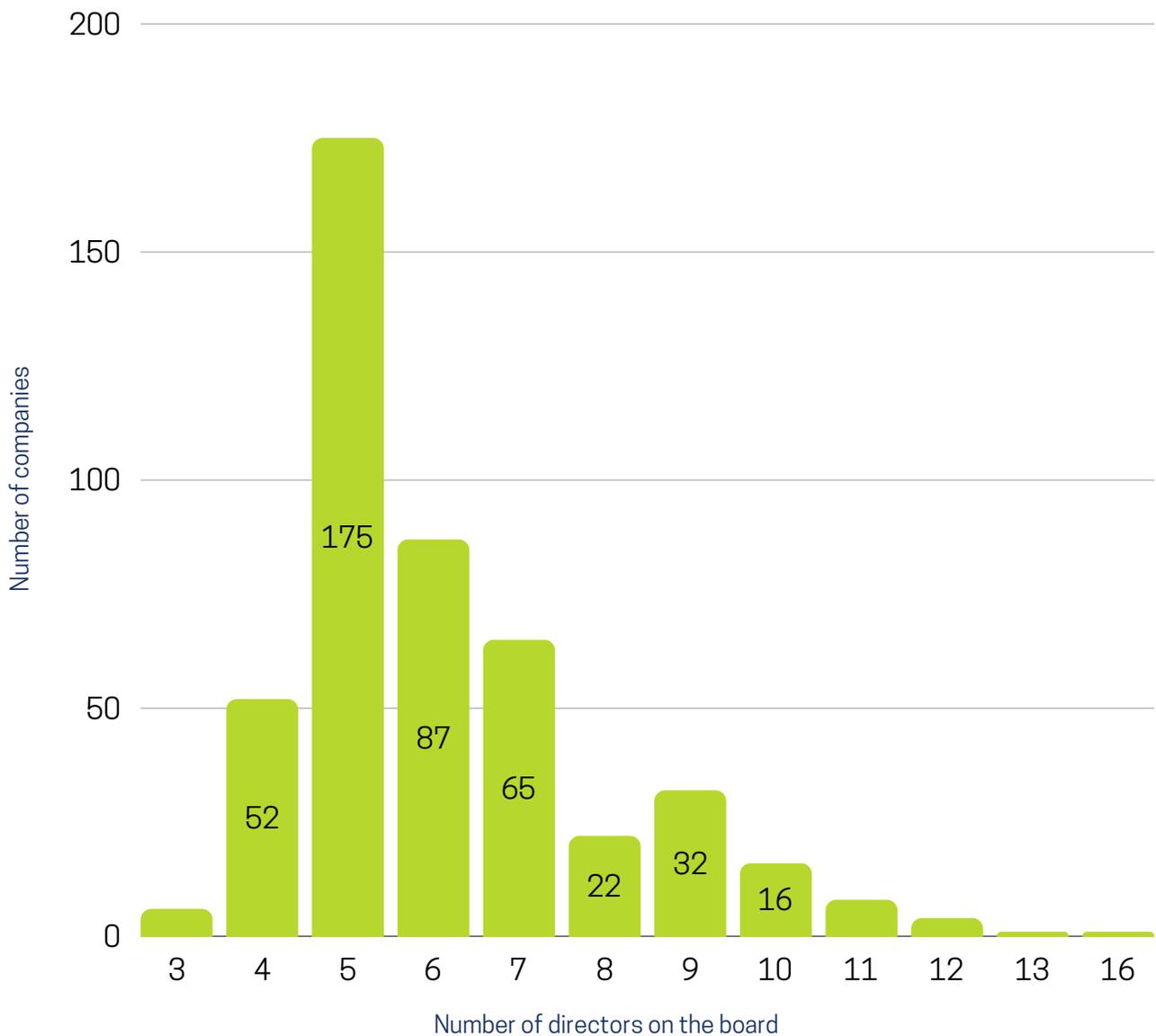


Figure 2.1 Board Size

# Board Composition

## Board Composition of EDs, IDs and NINEDs Categorised by Board Size

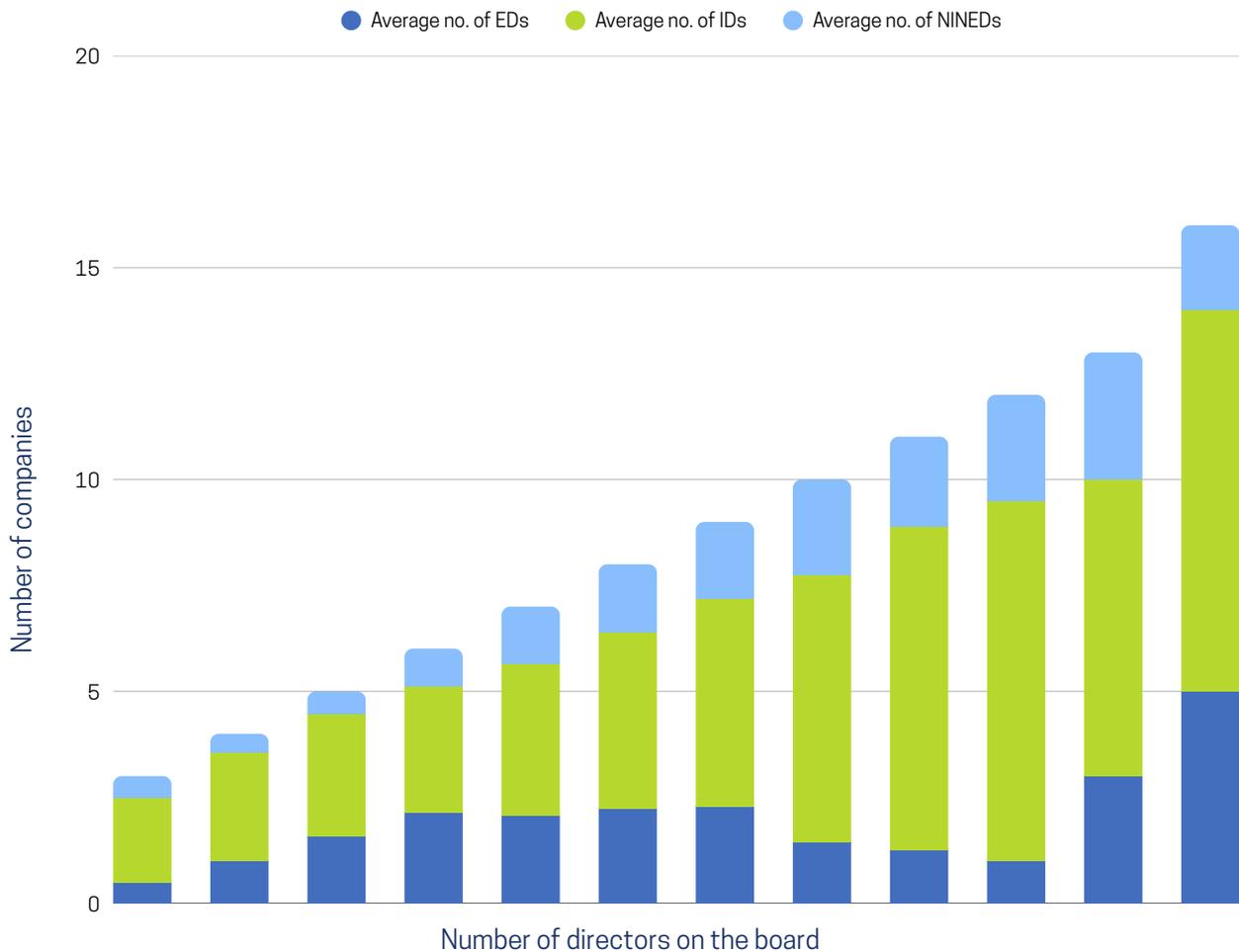


Figure 2.2 Board Composition by Type of Directors

On average

**55.8%**

Independent Directors (IDs)

**28.7%**

Executive Directors (EDs)

**15.5%**

Non-Independent Non-Executive Directors (NINEDs)

**18** companies have a CEO who is not an ED

One characteristic of SGX-listed companies is that many EDs are substantial shareholders (SSHs) or family members of SSHs. There are 473 EDs in 332 companies who are SSHs or related to the SSHs, with only 22.5% of EDs not falling into this category.

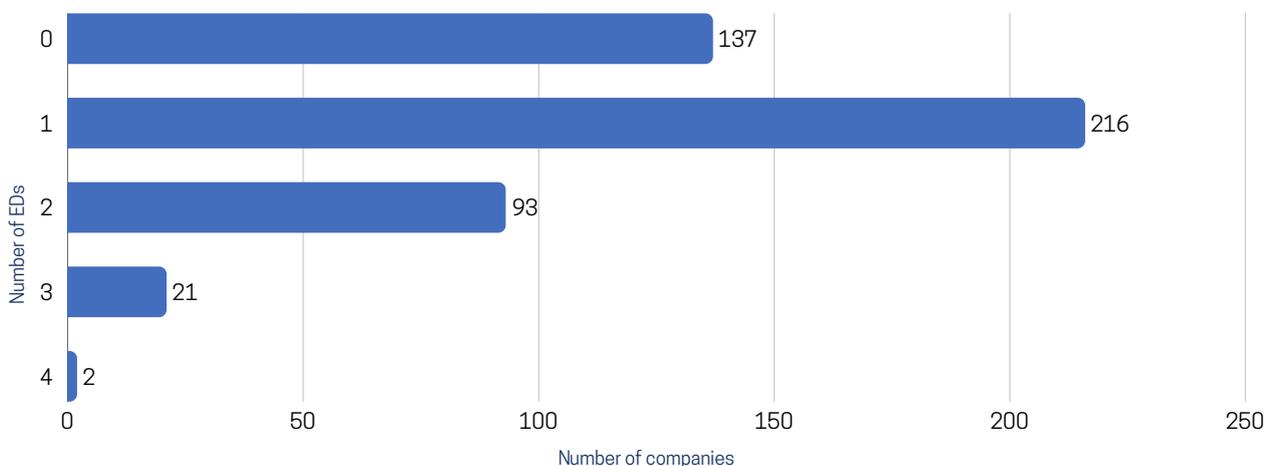


Figure 2.3 Number of Companies with EDs Who are Substantial Shareholders or Their Family Members

Figure 2.3 shows the number of companies with one or more EDs who are SSHs or family members of SSHs. About 70.8% of companies have at least one ED who is a SSH or related to a SSH. These characteristics mean that many EDs may have a significant influence on the appointment of IDs, including those who serve on the Remuneration Committee (RC), and may therefore have indirect influence on the setting of the EDs' remuneration.

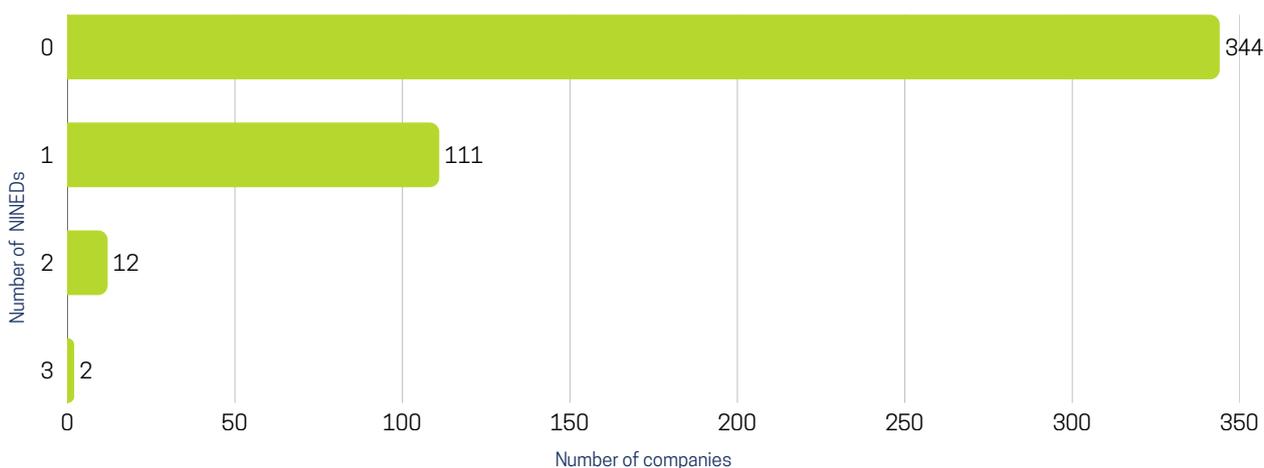


Figure 2.4 Number of Companies with NINEDs Who are Substantial Shareholders or Their Family Members

About 26.7% of companies have at least one NINED who is a SSH or related to the family of the SSH (Figure 2.4). This may also allow family members to influence the remuneration of other family members who are EDs.

# Board Leadership

30%

Independent Chairman

49%

Executive Chairman

19%

Non-Independent Non-Executive Chairman

Including one with an ED and NINED as joint Chairmen (Table 2.1).  
7 companies have a vacant Chairman position.

Table 2.1 Type of Chairmen

Type of Chairman	Number of companies
Executive Director (ED)	231
Independent Director (ID)	142
Non-Independent Non-Executive Director (NINED)	88
ED and NINED (Joint Chairmen)	1
No Chairman	7

Of the 233 companies with an ED as Chairman, 52.4% of these Chairmen also hold the Chief Executive Officer (CEO) role. For companies with an Executive Chairman who is also not the CEO, 88% have a separate CEO.

One-third of the companies have appointed a lead or senior independent director.

# Key Management Personnel (KMP)

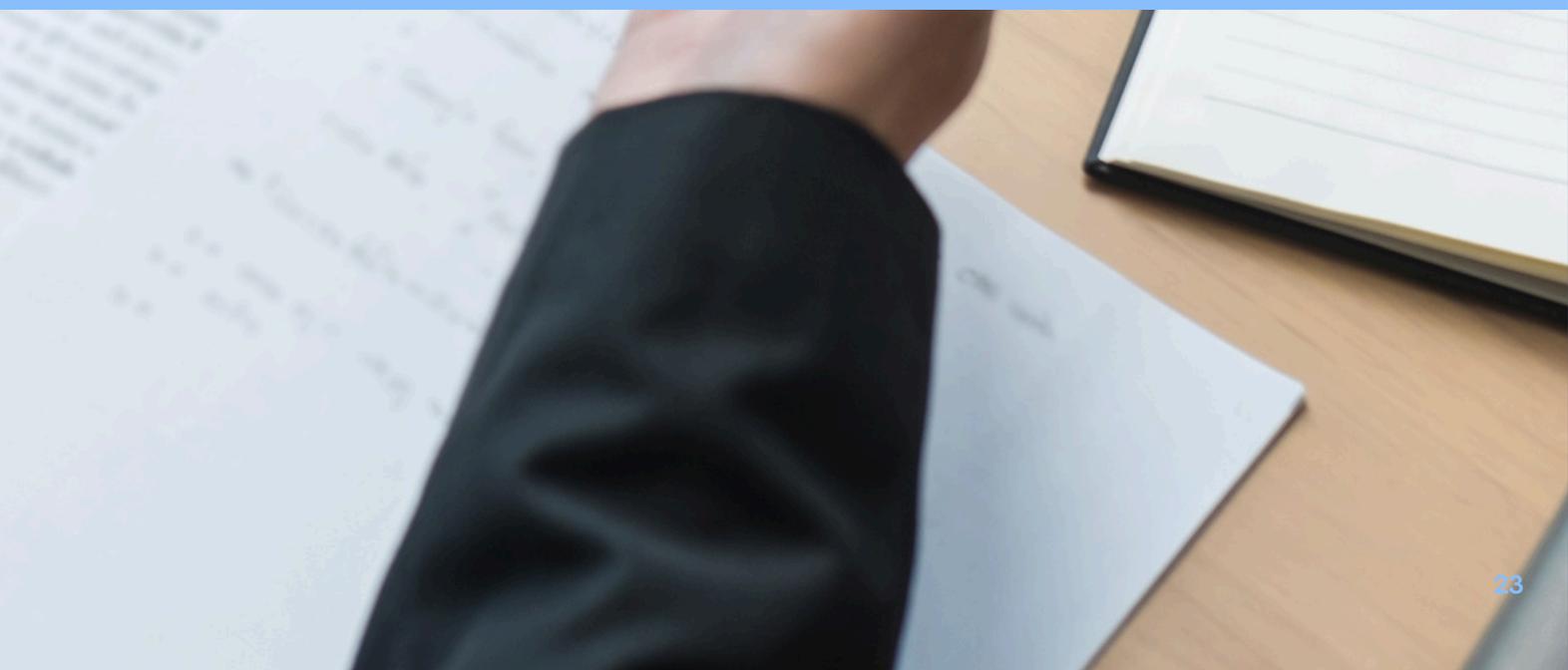
About 21% of companies also have one or more KMP who are SSHs or related to SSHs (Table 2.2).

Table 2.2 Number of Companies with KMP Who are Substantial Shareholders or Their Family Members

Number of KMP Who are SSHs or Related to Substantial Shareholders	No. of companies
0	359
1	61
2	26
3	6
4	2
5	2
6	1
N.D.	12



# 03 REMUNERATION GOVERNANCE



All the companies have formed a Remuneration Committee (RC) or equivalent.

A small minority of companies adopt different names for the RC, indicating responsibilities beyond remuneration, such as human resource, management development, organisation development, and industrial relations. 18 companies have merged the Nominating Committee (NC) and RC to form a combined Nominating and Remuneration Committee (NRC) or equivalent.

31 companies (6.6%) disclosed they have a separate board committee responsible for granting shares or share options to directors/management.

# Size and Composition of RCs

The number of members on the RC ranges from 2 to 6 members, with a mean and median of 3.23 and 3 members, respectively.

All the RCs are chaired by an ID, except for 1 company, which has a NINED as RC Chairman.

There are 72 companies (15.4%) where the Board Chairman also chairs the RC and 126 companies (26.9%) where the Board Chairman serves as a RC member.

12 companies have an ED on the RC, which is contrary to the recommendation of the Singapore Code of Corporate Governance (SCCG) 2018.

## **Box 3.1 Companies with an ED on RC**

ABR Holdings, AP Oil, Ascent Bridge, Golden Agri, Hotel Properties, Meta Health, Rex International, Sakae Holdings, Santak Holdings, SIIC Environment, Travelite Holdings, Wilton Resources.

## **Recommendation**

The listing rules should require RCs to be made up only of NEDs, with the majority, including the Chairman, being IDs.

In the case of ACs, the Chairman usually has experience in accounting or financial management expertise or experience, as this is recommended by the SCCG. In the case of the RC, the SCCG is silent on the experience of the Chairman and members. Based on a review of the background of the RC chairmen, we found that only 30 RC chairmen (6.4%) have specific human capital or remuneration expertise or experience.

## RC Meetings

In terms of meeting frequency for RCs, 72.3% met only once during the year, while 3 RCs did not meet at all, although 2 of these companies are recent listings (Figure 3.1).

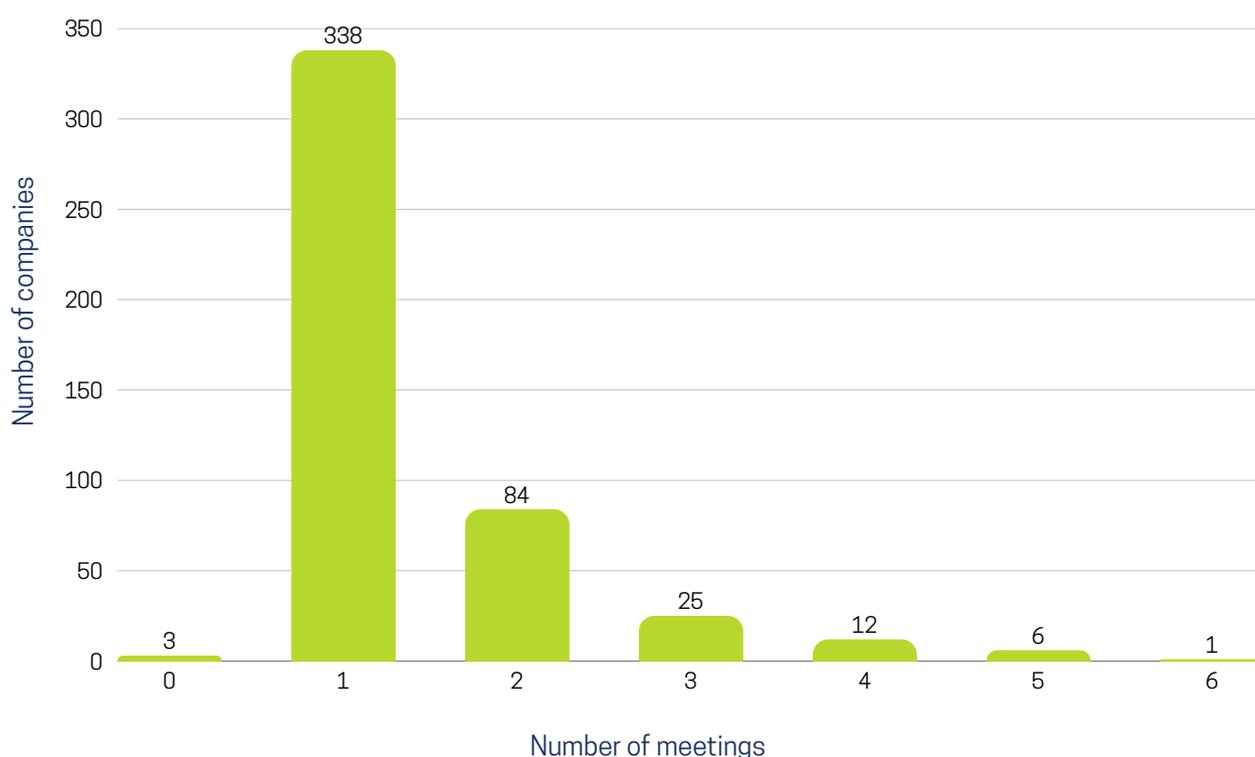


Figure 3.1 Number of RC Meetings

Although it is relatively rare for EDs to be members of the RC, 52.7% of companies invited the Executive Chairman, CEO and/or EDs attending RC meetings by invitation. RCs should be mindful that the NEDs on the RC are able to discuss executive remuneration matters without management exerting undue influence on their own remuneration by virtue of their presence.

# Remuneration Consultants

Only a minority of companies disclosed that they use remuneration consultants to advise on senior executive or NED remuneration. For senior executive remuneration, 61 companies (13%) disclosed using remuneration consultants, although only 46 companies (9.8%) said that they used them during the financial year. Of the 61 companies that said they used external consultants for senior executive remuneration, 11 companies did not disclose the names of these consultants.

For NED remuneration, 28 companies (6%) disclosed using remuneration consultants, with 20 companies (4.3%) disclosing that they used them during the financial year. 22 companies disclosed the identity of the remuneration consultants.

## **Box 3.2 Consult or Not?**

We observed several commonly recurring patterns in how companies report the use of external consultants for senior executive remuneration:

Companies that engage external consultants, disclose the consultant's name, and confirm that the consultant was used in the current financial year.

Companies that engage external consultants and disclose the consultant's name, but indicate that the consultant was not used in the current financial year.

Companies that do not clearly disclose whether external consultants were used at any point in time, do not provide a consultant name, but indicate that no consultant was used in the current financial year.

No specific disclosure on the use of a remuneration consultant.

Guideline 7.3 of the 2012 SCCG states: “If necessary, the RC should seek expert advice inside and/or outside the company on remuneration of all directors. The RC should ensure that existing relationships, if any, between the company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The company should also disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the company.”

In the 2018 SCCG, Provision 6.4 simply states: “The company discloses the engagement of any remuneration consultants and their independence in the company’s annual report.” The recommendation to disclose the names and firms of the remuneration consultants was removed from the main Code and inserted in the Practice Guidance. We believe that this should be at least a recommended disclosure under a Code Provision.

Given that remuneration matters are often technical, RCs and boards often place considerable reliance on remuneration consultants. RCs should satisfy themselves that the remuneration consultants they engage have the necessary competencies and are truly independent.

### **Recommendation**

The identity of the remuneration consultants should be disclosed in the remuneration section of the corporate governance report.

# Remuneration Benchmarking

Although companies often said they use benchmarking, only 12 companies and 8 companies, respectively, disclosed the peers that were used in benchmarking senior executive and NED remuneration, with no company naming the specific peers used (Table 3.1 and 3.2).

Table 3.1 Disclosure of Peers Used in Benchmarking Executive Remuneration

Local companies in the same industry	3
Local companies in the same industry and international peers	1
Companies in local index	3
Companies in a local index and international peers	3
Companies in a local index and local companies in the same industry	1
Companies in local index, local companies in the same industry, and international peers	1

Table 3.2 Disclosure of Peers Used in Benchmarking NED Remuneration

Local companies in the same industry	3
Local companies in the same industry and international peers	1
Companies in local index	3
Companies in a local index and international peers	1

### **Box 3.3 Benchmarking and the Mysterious Peers**

In 2022, the Securities Investors Association (Singapore) (SIAS) questioned then SGX-listed Best World on the remuneration of the three EDs. The company responded that the incentives of the EDs “are directly linked to the Group’s profitability (i.e., profit before tax excluding any exceptional items) in accordance with their service contracts.” It added: “At the initiative of the RC, a benchmarking exercise was conducted in the year 2019. The competitive study was undertaken based on a peer group of 22 SGX-listed companies of the same size, where the executive directors were also controlling shareholders. From the study, the current pay for the three executive directors was comparable to the benchmarks.”

Professor Mak Yuen Teen selected SGX-listed issuers that he believed met the criteria stated in the company’s response. He concluded: “It is impossible to reconcile my findings on the company’s remuneration with its statement that ‘... the current pay for the three executive directors was comparable to the benchmarks’ and added that the ‘peer group of 22 SGX-listed companies of the same size’ that was supposedly used in the benchmarking study in FY2019 remains a mystery.”

In developed markets, companies are expected to disclose the peer companies used in benchmarking. Such a requirement would have made it easy for shareholders to assess the validity of the company’s statement.

Source: Mak Yuen Teen, Best World: Ugly Time for Minority Shareholders, Governance for Stakeholders, 11 April 2024.

[BEST WORLD: UGLY TIME FOR MINORITY SHAREHOLDERS Posted by Mak Yuen Teen | Apr 11, 2024 | Articles By Mak Yuen Teen](#)

### **Recommendation**

Companies should disclose more information about the peers that are used for benchmarking executive and NED remuneration.

RCs critically evaluate the reasonableness of benchmarking and not be over-reliant on benchmarking.

### **Box 3.4 Five Questions to Ask About Benchmarking**

1. How many companies are in the peer group?
2. How are peer companies selected and are they comparable?
3. Does the peer group include international peers and if so, how are differences in norms, cost of living and other factors taken into account?
4. Are there changes in peer companies and what are the reasons for changes?
5. Are the responsibilities of the individuals being compared similar?

### **Box 3.5 Five Principles for Thoughtful Use of Benchmarking**

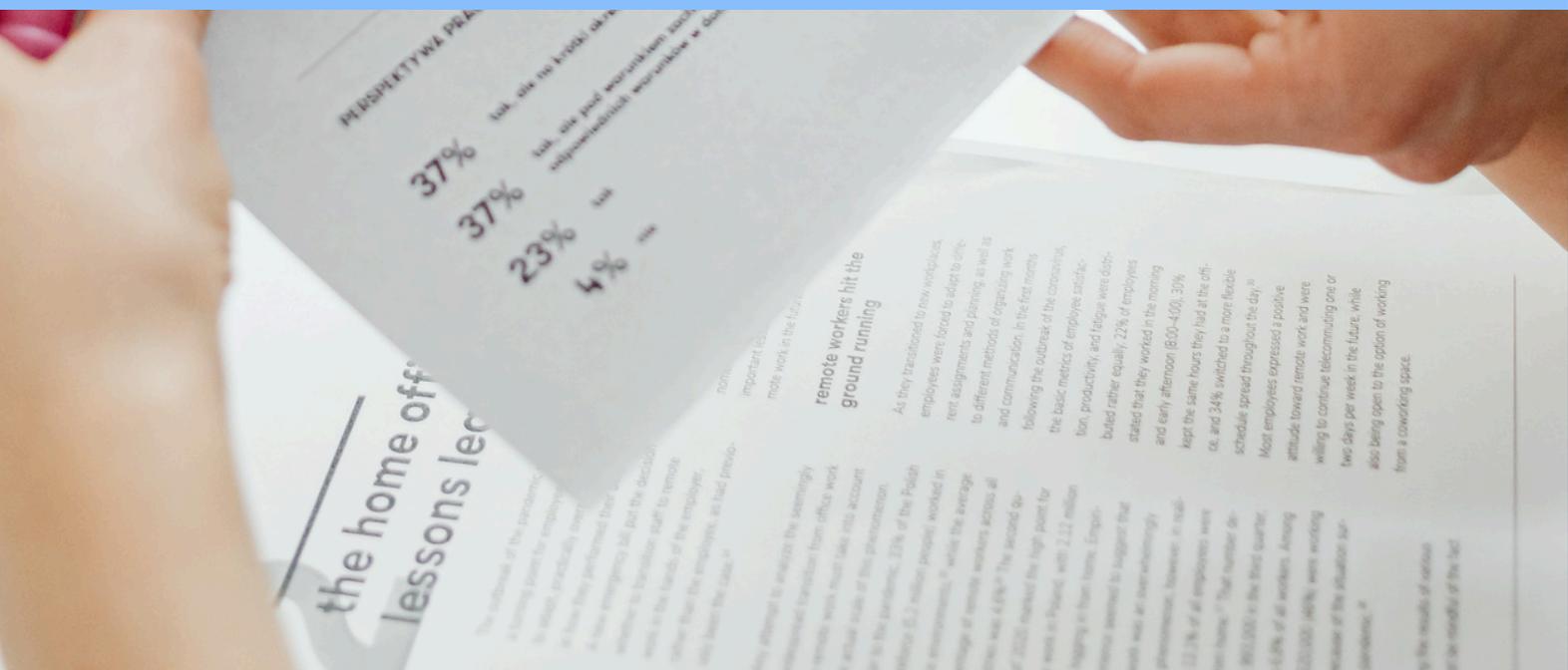
1. Use judgement – adjust pay using common sense and sound judgement rather than strictly adhering to benchmarks
2. Avoid false precision - use a range (e.g., +/- 10%)
3. Choose peers rigorously
4. Maintain year-to-year consistency – make it clear to employees that target bonus and long-term incentive opportunities will remain constant until the market presents a strong rationale for adjustments
5. Pay below the median when warranted – given that some jobs are smaller or less strategic than others

Source: Adapted from Greg Arnold and Semier Brossy, 5 Principles for Successful Executive Pay Benchmarking, Workspan, 02/2015.

[5 Principles for Successful Executive Pay Benchmarking](#)



# 04 REMUNERATION DISCLOSURES



# CEO Remuneration

One company recently appointed its CEO and did not disclose his remuneration, while 26 companies do not have a separate CEO. All the other companies covered in this report disclosed the exact remuneration of the CEO. 6 companies – AMOS Group, Aspen Group Holdings, Camsing Healthcare, King Wan Corporation, NSL, and Raffles Education – initially disclosed in bands but subsequently disclosed in exact amounts in response to queries from SGX Regco.

# ED Remuneration

163 companies have no EDs other than the CEO. The other 306 companies covered in this report disclosed exact remuneration, although several only did so after queries by SGX.

# NED Remuneration

All the companies disclosed exact remuneration for each NED, except for one company which was a new listing and only appointed the NEDs after the financial year end covered.

---

Del Monte Pacific disclosed remuneration of its three EDs, including the CEO, in an unlimited band of “Above \$500,000”. This was even after it was queried by SGX Regco. The company cited personal security reasons and said: “While Singapore is considered one of the of the safest countries globally, some of our directors and CEO reside in jurisdictions where disclosure of detailed remuneration information may pose security risks.” It eventually disclosed after an application for a waiver was denied. However, it was excluded from this report because it has a dual listing.

# KMP Remuneration

For KMP other than directors and the CEO, the Code recommends the disclosure of the remuneration of at least the top five KMP in bands no wider than S\$250,000, and the total remuneration paid in aggregate to these KMP.

Figure 4.1 shows how the companies disclosed KMP remuneration. 24 companies disclosed exact remuneration for each KMP, exceeding the recommendation of the Code. Some used narrower bands than recommended. 341 companies (72.7%) disclosed using the bands recommended. 8 companies used bands with no upper limit, 43 companies did not make any disclosures for KMP (“ND”), while 8 companies specifically said that they have no KMP who are not directors or the CEO (“NA”). Several exceeded the bands in the Code.

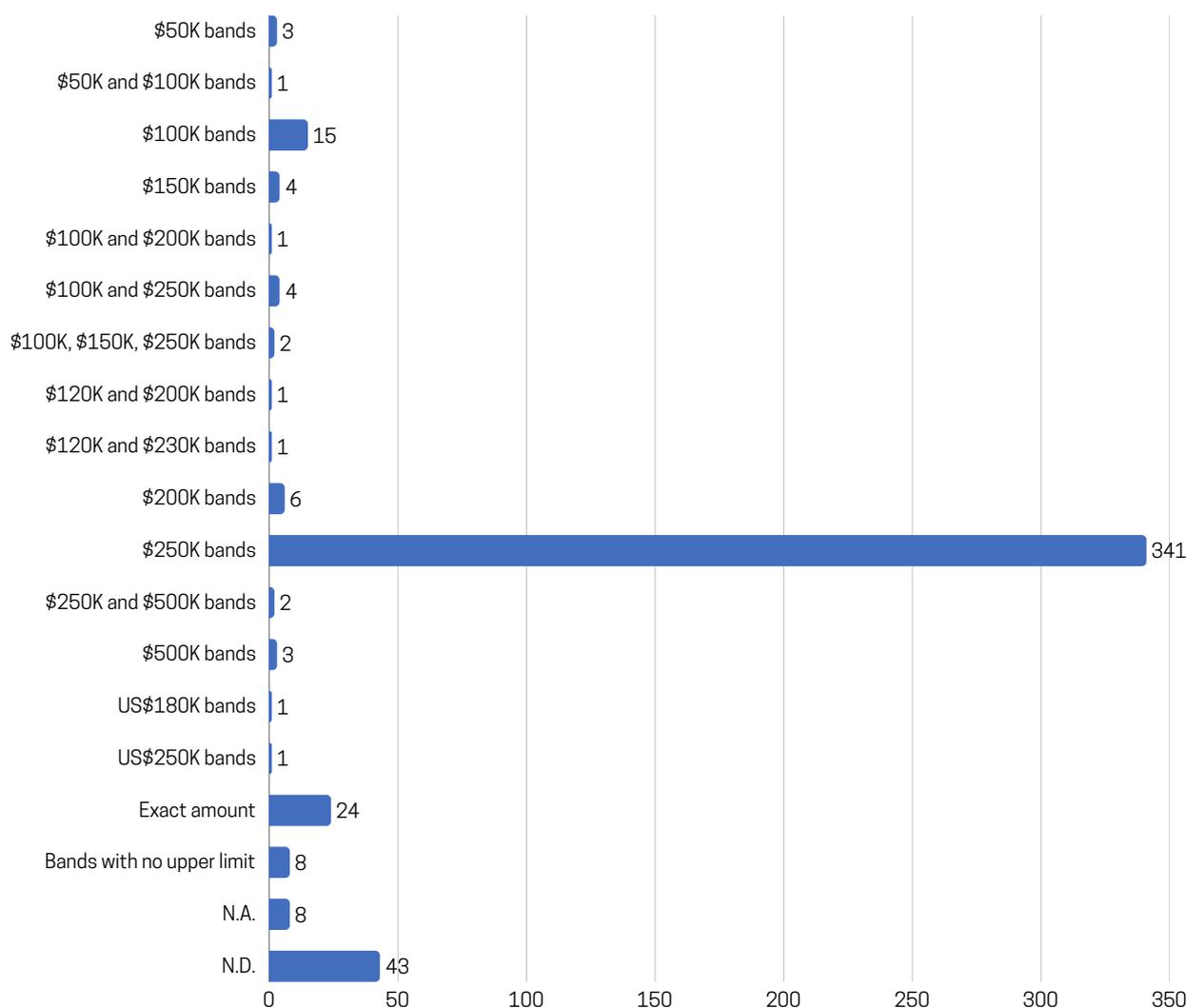


Figure 4.1 Disclosure of KMP Remuneration

For companies that disclosed that they have KMP, the number of KMP (excluding CEOs and EDs) ranges from 1 to 21.

Although the Code recommends that total remuneration paid to KMP in aggregate be disclosed, 88 companies (other than the 8 which stated they have no KMP) did not do so. Another 3 disclosed this in bands of below \$250,000 (1 company) and below \$500,000 (2 companies).

### **Recommendation**

The total remuneration paid to KMP in aggregate should be made a mandatory disclosure under the listing rules.

# Related Employees

The Code (Provision 8.2) recommends that companies disclose “the names and remuneration of 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 S\$100,000 during the year, in bands no wider than S\$100,000.” It also recommends that the disclosure “states clearly the employee’s relationship with the relevant director or the CEO or substantial shareholder.”

This Provision is intended to address the risk of undisclosed or excessive remuneration being paid to employees who are SSHs, or who have family relationships with these SSHs, directors or the CEO.

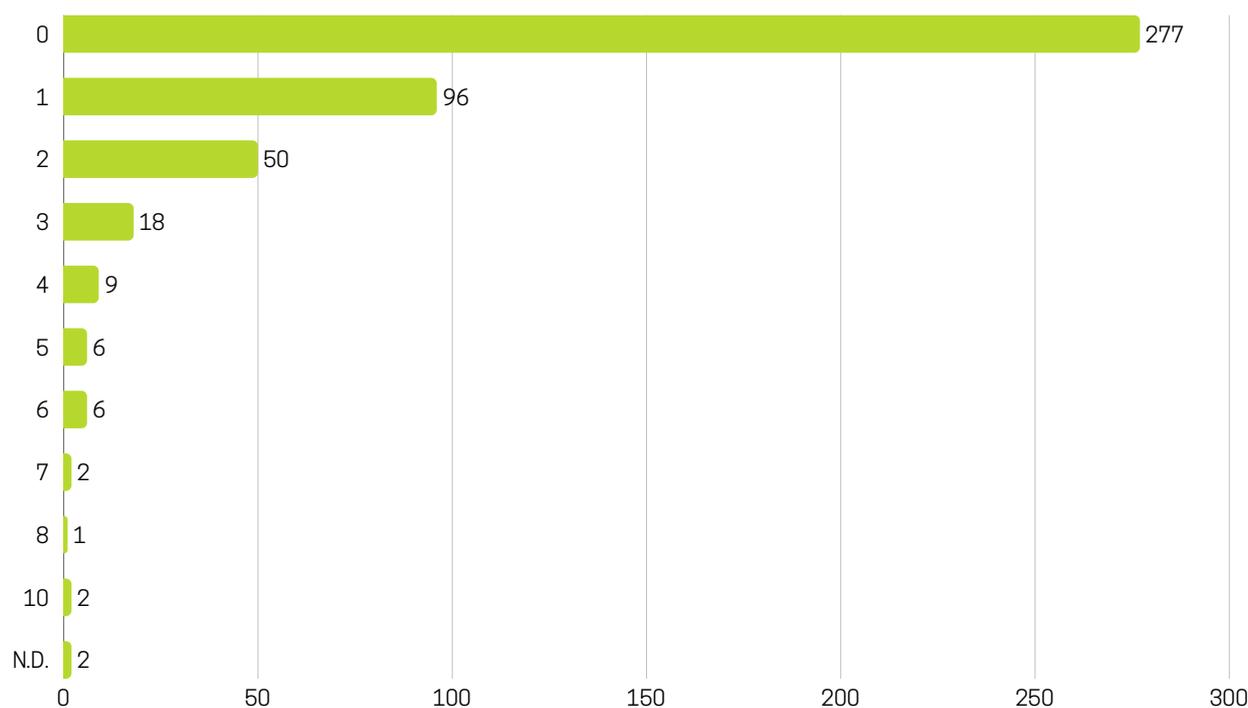


Figure 4.2 Total Number of Employees Who are Substantial Shareholders, or Related to a Director, the CEO or a Substantial Shareholder

Figure 4.2 shows that there are 277 companies (59.1%) that disclosed they do not have such employees. 2 companies did not disclose whether they have any such employees. For the other 190 companies, the number of such employees ranged from 1 to 10.

Twelve companies disclosed the exact remuneration paid to each of these employees, which goes beyond the Code requirements, and this allows the aggregate remuneration paid to these related employees to be computed. Other companies disclosed in bands. 4 companies disclosed remuneration in bands starting from less than \$100,000, which is above the Code's recommendation for disclosure to be made only if remuneration exceeds \$100,000 for the year. 15 companies use bands of \$50,000 rather than the Code's recommended band of \$10,000. 8 companies use bands wider than \$100,000.

97 companies either did not disclose any information on this, or have several such employees and disclose only in bands for each individual, making it difficult for investors to determine the total amount paid in aggregate to these employees.

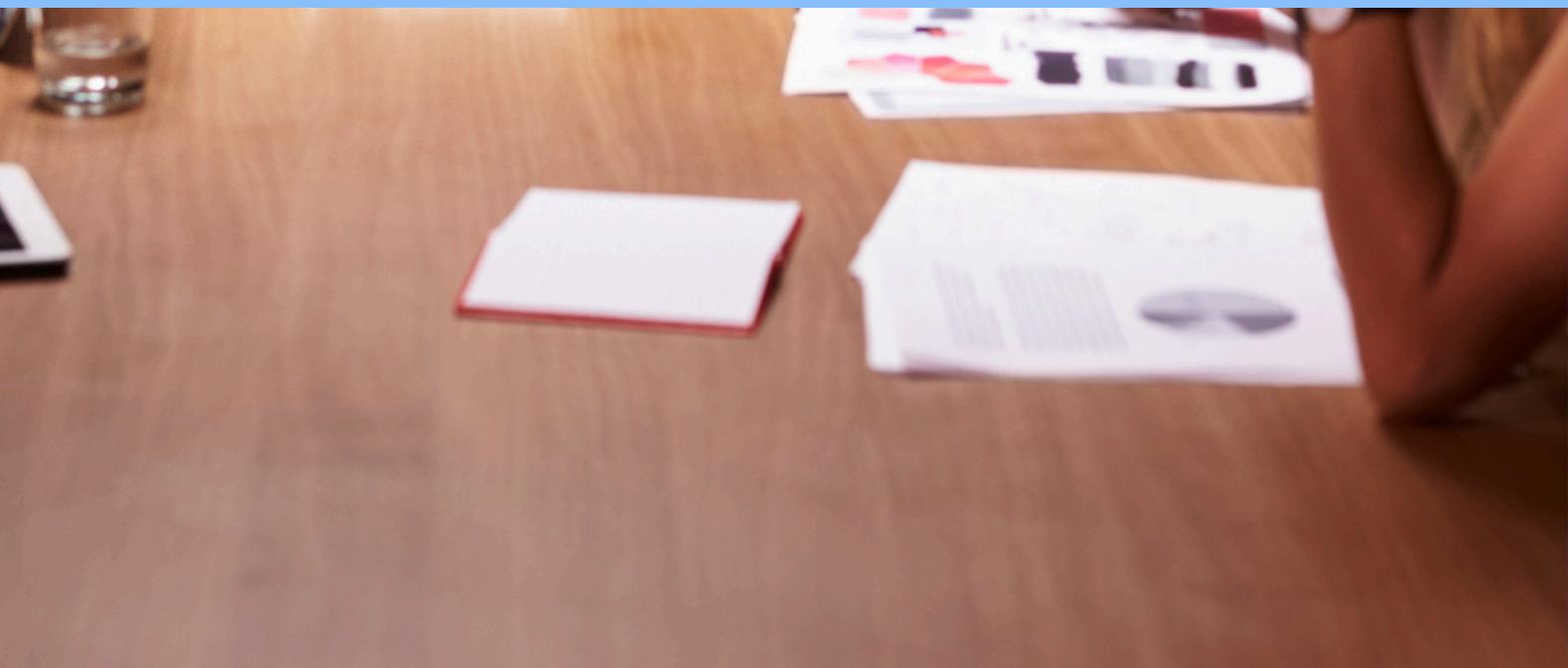
## **Recommendation**

The total remuneration paid in aggregate to employees who are substantial shareholders, or who have immediate family relationships with these substantial shareholders, directors or the CEO, should be at least a recommended disclosure in the SCCG. The role of such employees in the company should also be disclosed.

BOARDROOM



# 05 REMUNERATION AMOUNTS



In this part of the report, we examine the remuneration amounts for different categories of directors and management.

# Board Chairman

Figure 5.1 shows the mean and median remuneration for different types of Chairman. The mean and median total remuneration for executive chairmen are \$1.18 million and \$596,476, respectively, with a maximum of \$12.33 million.

For independent chairmen, the mean and median total remuneration are \$129,138 and \$57,750, respectively, with a maximum of \$2.25 million.

Mean and median total remuneration for non-independent non-executive chairmen are \$195,461 and \$70,333, respectively, with a maximum remuneration of \$1.99 million.

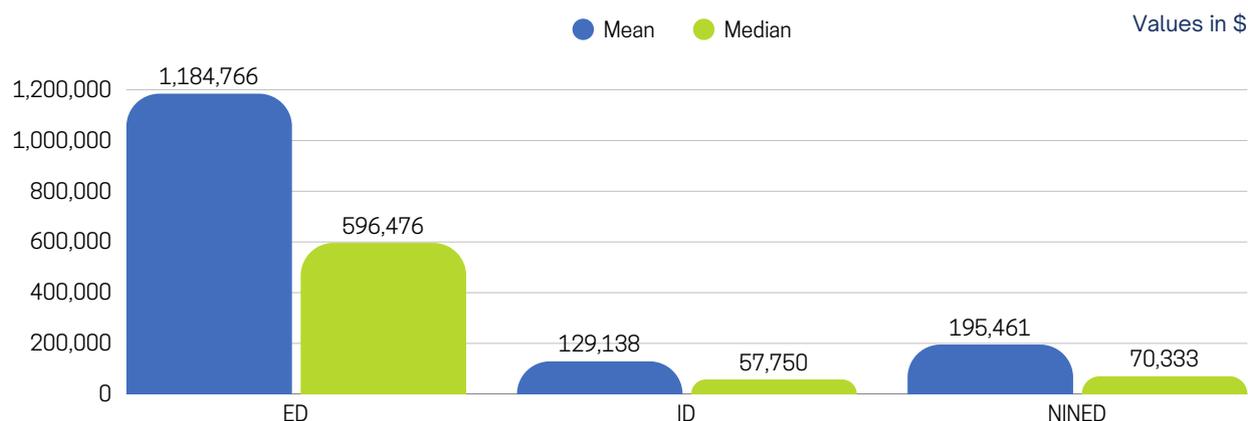


Figure 5.1 Chairman Remuneration by Type

The median remuneration for different types of Chairman for large cap (>\$1b), mid cap (\$300m to \$1b) and small cap (<\$300m) companies is shown in Table 5.1.

Table 5.1 Median Chairman Remuneration by Type for Large, Mid and Small Cap Companies

	Large Cap	Mid Cap	Small Cap
All Chairmen	\$736,086	\$409,739	\$125,000
ED	\$2,535,332	\$1,402,596	\$493,733
ID	\$186,571	\$76,000	\$50,000
NINED	\$180,000	\$179,000	\$51,550

# CEOs

There are 30 companies with no separate CEO/MD, and 114 companies where the Chairman and CEO are the same person. 1 company with a newly appointed CEO did not disclose the CEO's remuneration.

For the remaining 324 companies where there is a separate CEO/MD, there is a wide range of CEO remuneration as shown in Figure 5.2. The mean and median CEO remuneration for these companies are \$1.24 million and \$572,169, respectively, with a maximum of S\$17.58 million.

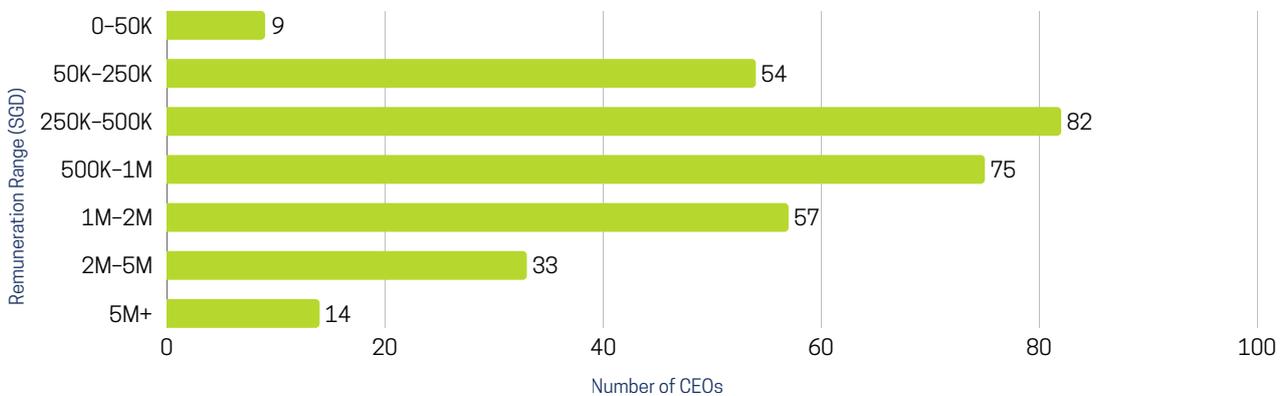


Figure 5.2 CEO Remuneration for Companies with Separate CEO

The median remuneration for CEOs of large, mid and small cap companies are \$2.61 million, \$1.13 million and \$431,000 respectively.

For companies where there is an Executive Chairman and a separate CEO, the CEO may not have the typical responsibilities of a CEO and may be more like a Chief Operating Officer (COO). Figure 5.3 shows CEO remuneration for companies without an Executive Chairman.

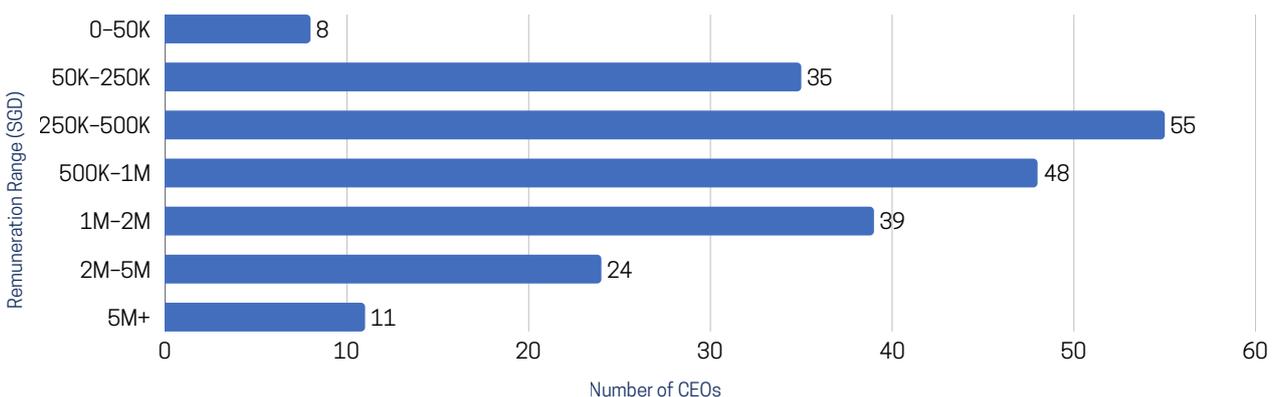


Figure 5.3 CEO Remuneration for Companies Without an Executive Chairman

## *Are CEOs rewarded for good performance?*

Table 5.2 shows the median CEO remuneration in absolute amount and as a percentage of revenue, for companies in different market cap categories with different levels of performance, as measured by three-year average return on equity (ROE), return on invested capital (ROIC) and total shareholder return (TSR).

Comparing across market cap categories, it is clear that CEO remuneration in absolute amount increases with company size as measured by market cap.

Looking at median CEO remuneration across performance tiers, comparisons should be interpreted with caution. However, given that companies at the lower end of performance are likely to have generated negative returns, investors may reasonably question whether levels of pay for these companies are justified.

Note: The table is not intended to demonstrate a direct relationship between CEO remuneration and company performance.



Table 5.2 CEO Remuneration for Companies With Different Performance Levels

Large Cap Companies – Median CEO Remuneration (Absolute and Relative to Revenue)					
	Bottom 20%	20-40%	40-60%	60-80%	Top 20%
3-year Average ROE	\$1,662,579	\$2,887,000	\$2,212,136	\$3,613,105	\$4,498,202
(% of revenue)	0.18%	0.08%	0.11%	0.09%	0.41%
3-year Average ROIC	\$4,238,000	\$3,188,716	\$2,952,089	\$1,509,591	\$2,883,235
(% of revenue)	0.09%	0.06%	0.10%	0.17%	0.38%
3-year Average TSR	\$1,411,677	\$3,610,383	\$2,283,969	\$4,456,202	\$4,829,000
(% of revenue)	0.18%	0.08%	0.16%	0.05%	0.10%
Mid Cap Companies – Median CEO Remuneration (Absolute and Relative to Revenue)					
	Bottom 20%	20-40%	40-60%	60-80%	Top 20%
3-year Average ROE	\$897,500	\$1,374,120	\$1,424,993	\$1,006,496	\$1,389,047
(% of revenue)	0.33%	0.60%	0.25%	0.53%	0.76%
3-year Average ROIC	\$712,364	\$849,670	\$1,374,120	\$1,256,471	\$1,389,047
(% of revenue)	0.29%	0.34%	0.52%	0.53%	0.88%
3-year Average TSR	\$1,808,673	\$782,885	\$1,148,222	\$1,899,586	\$1,134,509
(% of revenue)	0.71%	0.23%	0.34%	0.56%	0.58%
Small Cap Companies – Median CEO Remuneration (Absolute and Relative to Revenue)					
	Bottom 20%	20-40%	40-60%	60-80%	Top 20%
3-year Average ROE	\$345,361	\$331,568	\$394,790	\$498,547	\$604,731
(% of revenue)	3.27%	1.03%	0.98%	0.57%	1.01%
3-year Average ROIC	\$300,891	\$331,568	\$437,000	\$443,060	\$598,462
(% of revenue)	2.22%	0.91%	1.42%	0.52%	1.09%
3-year Average TSR	\$345,361	\$394,040	\$443,060	\$501,012	\$517,012
(% of revenue)	1.47%	0.93%	0.70%	0.98%	1.01%

# Performance-Based or Relationship-Based Remuneration?

As mentioned at the beginning of this report, there are 473 EDs in 332 companies – 77.5% of all EDs - that are SSHs or related to the SSHs. These EDs or their families may be able to influence the setting of the EDs’ remuneration, such as through their power to appoint and remove directors who serve on the RC.

Table 5.4 shows the median remuneration relative to market capitalisation and revenue for companies with EDs who are SSHs or family members of SSHs, compared to companies without such EDs. It is evident that the former group of companies paid relatively higher remuneration across large-cap, mid-cap and small-cap companies. This raises the question of potentially excessive ED remuneration for such companies.

Table 5.4 Remuneration for Companies With Connected and Unconnected EDs

	Market capitalisation	Median remuneration as a percentage of market cap	Median revenue per remuneration dollar	n
Companies with EDs who are substantial shareholders or family members of substantial shareholders	All companies	1.50%	\$64	332
	Small cap	2.10%	\$51	266
	Mid cap	0.50%	\$129	39
	Large cap	0.20%	\$177	27
Companies without EDs who are substantial shareholders or from the family of substantial shareholders	All companies	0.60%	\$119	122
	Small cap	1.40%	\$55	73
	Mid cap	0.20%	\$288	19
	Large cap	0.10%	\$1,002	30

### **Box 5.1 Perfect Family Storm**

In January 2026, Corporate Monitor Limited (CML) released a report on Hong Fok Corporation titled “Pay Without Performance” that highlights excessive remuneration at the family-controlled and managed company. With almost 70% of the outstanding ordinary shares of the company held directly or indirectly by the Cheong family, all the directors, including those who serve on the RC, are effectively appointed by the family.

Members of the Cheong family account for six of the top 10 highest-paid executives, and received aggregate remuneration of around S\$16.5 million, or 16% of Hong Fok’s revenues in 2024. Hong Fok’s co-CEOs, who are family members, rank among the top in terms of dollar remuneration, compared to similar family-controlled listed companies on SGX. Many of Hong Fok’s peers also have much larger revenues, which means that their executive remuneration translates to a far lower percentage of revenue compared to Hong Fok. The four senior executives who are not related to the Cheong family occupied more junior roles and received considerably lower remuneration.

Excessive remuneration and meagre dividends are issues that have dominated Annual General Meetings (AGMs) of Hong Fok since 2012. Minority shareholders’ discontent was also fuelled by Hong Fok’s lack of growth, as its last development project was completed in 2014. Property investment, which essentially consists of rental income, now contributes 74% of revenues. The Company has kept the dividend per share constant at 1 cent per year for the past five years. The average 5-year dividend yield of just 1.2% is significantly lower than the dividend yield of the Straits Times Index ETF of 3.9%. Hong Fok’s share price is also languishing at S\$0.825 (as of 7 January 2026), about 20% of the Company’s net asset value per share of S\$3.61.

CML concluded that the excessive remuneration is not justified by Hong Fok’s performance. Hong Fok’s gross and net operating yields (2% and 1% respectively) are much lower than its sector peers (4.5% and 3% respectively). Over the last five years, this peer group also saw yields (both gross and net) and asset values increase at a faster rate than Hong Fok’s.

Hong Fok does not disclose the basis and key performance indicators for remuneration, except to justify that the 2024 bonus was based on the average of three years' net profit. However, more than 80% of net profit is made up of investment property revaluation gains.

Since Hong Fok has not undertaken any property development since 2014, CML said that it is a stretch to argue that this increase in valuation is due to the EDs' efforts or decision-making.

Source: Corporate Monitor Limited, "Hong Fok Corporation Limited: Pay Without Performance", January 2026.

[Hong Fok Corporation Ltd – Pay Without Performance 22 January 2026](#)

### **Recommendation**

The SCCG should be enhanced to recommend that companies provide more information on how remuneration amounts for CEOs and EDs are determined and why they are justified given the performance of the company.

# NEDs

The total amount of directors' remuneration approved by shareholders at the AGMs held for 467 companies, which had a resolution approving directors' remuneration for the most recent financial year, was S\$172.97 million, which works out to a mean of S\$370,380 for each company, with a median of exactly \$200,000. The remuneration approved would include fees paid to EDs by the 71 companies that have the practice of paying EDs separate director fees.

Based on fees paid only to NEDs disclosed in the remuneration table, the total amount paid for the financial year was \$163.71 million. The mean and median remuneration per NED were \$58,155 and \$41,325, respectively. The minimum average remuneration per NED paid by a company was \$6,900, and the maximum was \$757,061 for OCBC Bank, which was boosted by the \$2.25 million remuneration for the independent Chairman.

Table 5.5 shows the average remuneration per NED in bands of \$10,000 and the number of companies paying NEDs within each band.

Table 5.5 Average Remuneration Per NED

Average remuneration per NED	Number of companies
<\$10,000	5
\$10,000-\$20,000	32
\$20,000-\$30,000	75
\$30,000-\$40,000	106
\$40,000-\$50,000	72
\$50,000-\$60,000	50
\$60,000-\$70,000	31
\$70,000-\$80,000	24
\$80,000-\$90,000	20
\$90,000-\$100,000	7
>\$100,000	46

Table 5.6 Median Fee Per NED for Different Market Cap Companies and Board Sizes

	<\$100m	\$100m - <\$300m	\$300m - <\$500m	\$500m - <\$700m	\$700m - <\$1b	\$1b - <\$5b	\$5b - <\$10b	>\$10b
2	\$43,513	\$7,200	-	-	-	-	-	-
3	\$38,088	\$80,533	\$56,667	\$42,968	\$73,667	-	-	-
4	\$36,150	\$48,750	\$65,000	\$61,250	\$50,053	\$70,091	-	\$85,500
5	\$31,600	\$42,265	\$43,500	\$57,113	\$102,723	\$78,688	-	-
6	\$29,217	\$46,253	\$48,436	\$79,621	\$50,833	\$64,569	\$239,500	\$128,667
7	\$19,600	\$51,143	\$80,042	\$35,871	\$61,857	\$64,569	\$134,286	-
8	\$31,042	\$56,750	\$67,474	\$70,926	\$99,596	\$67,875	-	\$304,835
9	\$16,659	\$38,099	-	\$65,451	-	\$184,028	\$275,667	\$458,719
10	-	-	-	-	-	\$98,223	\$169,933	\$279,600
11	-	-	-	-	-	\$152,437	-	\$241,100
12	-	-	-	-	-	-	-	\$185,437
15	-	-	-	-	-	-	-	\$59,493
Overall median	\$35,254	\$47,544	\$55,643	\$61,438	\$62,321	\$72,131	\$177,161	\$274,437

Smaller companies may actually require more time commitment from their NEDs because they have less developed systems and policies, and the work is often shared among fewer directors. While there have been calls for better remuneration for NEDs in light of growing responsibilities, such calls may be more applicable to NEDs who serve on smaller boards of smaller companies. However, any proposal to increase NED remuneration must come with adequate accountability for NEDs.

### Box 5.2 Fees for NEDs in Australia and United Kingdom

A report by Australian proxy advisor, Ownership Matters, published in October 2025 based on remuneration data for 2024, showed that average NED fees for ASX100 companies was A\$287,219, compared to A\$178,207 for ASX200 companies and A\$166,437 for ASX300 companies.

Source: Ownership Matters, Board Composition, Director Pay and ‘Skin in the Game’ in the ASX300, 19 September 2025.

Board composition, director pay and ‘skin in the game’ in the ASX300 in 2024  
By Theresa Bowden • September 19, 2025

A report published by Mercer in January 2025 provides information on NED remuneration in the UK. Figure ? shows the base fee for NEDs for companies of different sizes.

	As a whole – Lower Quartile			Top-Half – Lower Quartile			Bottom-Half – Lower Quartile		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
FTSE 100	71	79	90	76	86	95	68	73	79
FTSE 250	56	60	68	57	63	70	54	58	62
FTSE SmallCap	50	54	60	52	55	61	47	51	55

Source: Mercer, UK Non-Executive Directors’ Remuneration Guide, January 2025.

UK Non-Executive Directors Remuneration Guide FTSE 350 and FTSE Small Cap January 2025

### **Box 5.3 Perspectives from Malaysia: EPF's views on remuneration for Malaysian public listed companies (PLCs)**

As an active steward of the Malaysian capital market, EPF continues to observe notable shifts in remuneration practices across Malaysian public listed companies (PLCs).

In 2025, a rising number of PLCs sought shareholder approval for revisions to fees for Non-Executive Directors (NEDs), with proposed increases ranging from 10% to above 50%. While EPF is supportive of market-aligned adjustments, it has voted against several proposals where the quantum lacked sufficient justification, benchmarking transparency, or evidence of increased board responsibilities.

The Malaysian Board & Senior Management Remuneration Practices Report (2023) notes that directors' remuneration has grown at a compound annual growth rate (CAGR) of 5.3% from 2009 to 2023, representing cumulative growth of approximately 105%. Chairperson remuneration typically exceeds that of directors by 40% to 80%, with the Financial Services sector recording the highest levels, followed by Telecommunications & Media and Utilities.

In absolute terms, Malaysian board remuneration remains comparatively modest relative to developed markets. However, EPF's concern is not primarily on the quantum, but more on how remuneration adjustments are governed. While increasing regulatory demands and oversight complexity may justify progressive revisions, sustained upward trends reinforce the need for transparent benchmarking, clear justification and proportionality to company performance.

EPF's surveillance of investee companies indicates that disclosure practices have not kept pace with structural developments. Remuneration reporting remains uneven in depth and comparability. Companies often provide limited explanation for fee increases, benchmarking methodology, committee workload, or changes in time commitment.

The remuneration landscape is also becoming more complex with the increasing adoption of Long-Term Incentive Plans (LTIPs). While primarily designed for executives, such schemes are increasingly part of board-level discussions. EPF's internal review of its investee companies indicates that LTIP adoption has nearly doubled over the past decade. However, disclosure on vesting and performance calibration remains inconsistent. This limits investors' ability to evaluate whether such mechanisms genuinely reinforce long-term value creation or risk compromising board independence.

In light of these developments, EPF's stewardship efforts in 2026 will continue to focus on strengthening remuneration governance through structured engagement with investee companies, constructive dialogue with regulators and market participants, and ongoing review and enhancement of its stewardship policies to reflect evolving corporate governance expectations.

### **EPF's concerns with regards to remuneration packages**

Drawing from its stewardship engagements, voting experience and internal analysis, EPF has identified several recurring concerns across both NED and executive remuneration structures:

#### **1. Upward NED fee revisions not aligned with financial resilience and returns**

From 2009 to 2023, average NED remuneration has risen from RM89,000 to RM183,000 (5.3% CAGR; TG 105%). Over the same period, FTSE Bursa Malaysia KLCI benchmark grew at materially slower pace, around 1% CAGR with TG 14.3%.

While governance complexity, regulatory demands and time commitments have increased, EPF's analysis shows that firm size (Total Assets) is the most consistent and statistically significant driver of NED remuneration. By contrast, traditional shareholder value indicators (TSR, ROE, and EPS) exhibit weak or insignificant correlation.

In 2025 AGM cycle, EPF observed proposed fee increases ranging from 10% to above 50%, including instances where 3-year TSR lagged sector peers. This pattern suggests that remuneration adjustments are often anchored to scale and benchmarking dynamics rather than demonstrable value creation.

## **2. Practice of gratuity and ex-gratia payments with unclear justification**

EPF observed an increasing use of gratuity and ex gratia payments that lack clear justification or formal policy grounding, sometimes alongside broader fee revisions. In several cases, these payments were proposed during periods of modest financial performance or weak TSR, without clearly articulated criteria or structured governance frameworks to support it.

## **3. Limited avenue for shareholders to exercise rights on executive remuneration**

In Malaysia, there is currently no formal mechanism for shareholders to express views on executive remuneration, particularly at the quantum and design level for CEOs and Executive Directors. While directors' fees are subject to shareholder approval, executive pay frameworks are not directly put to a vote.

In response, EPF has engaged companies on executive remuneration matters, particularly LTIPs, advocating for clearer performance alignment and stronger disclosure. EPF has encouraged the inclusion of shareholder-centric metrics such as TSR within incentive structures, alongside greater transparency on KPI selection and vesting conditions to ensure alignment with long-term value creation.

At the policy level, EPF has recommended in the recent Malaysian Code on Corporate Governance (MCCG) consultation that the Securities Commission explores the feasibility of a phased "Say on Pay" framework beginning with capacity building, investor education and market readiness, before formal implementation.

#### **4. Fragmented remuneration structures**

EPF has observed cases where Executive Directors receive both salary and performance-linked bonuses, with separate board fees.

This dual structure can obscure total remuneration transparency and raises questions around role delineation. Company should clearly articulate the governance rationale and ensure no duplication of remuneration for overlapping duties. Remuneration assessment should be conducted holistically at total package level.

#### **5. Limited disclosure on LTIP performance metrics and vesting structures**

LTIPs are increasingly prevalent, yet disclosure quality remains uneven. In several instances, key elements such as performance calibration, KPI weighting, strategic relevance and vesting architecture, are not sufficiently articulated to allow shareholders to meaningfully assess alignment.

Through EPF's engagements with the investee companies, it has consistently sought greater transparency on the construction of performance metrics, the benchmarking rationale and the linkage between incentives and long-term value drivers. Where disclosure is limited, it becomes difficult to distinguish whether the LTIP operates as a disciplined performance-based mechanism or functions primarily as a retention instrument.

The concern, therefore, is not the adoption of LTIPs in itself, but whether their structure, calibration and safeguards genuinely align executive incentives with sustainable long-term shareholder value creation.

#### **EPF's expectations on the directors' remuneration moving forward**

EPF believes that directors' remuneration should reinforce accountability, support effective oversight, and align with long-term shareholder value creation. Remuneration packages must be fair, proportionate, transparent and structured in a manner that preserves board independence.

### **For NEDs:**

- Remuneration should be structured clearly, with a defined base director's fee and additional premiums for chairmanship and committee roles that reflects to board complexity, time commitment and fiduciary responsibilities, including ESG oversights and role expectations.
- In group structures, remuneration should appropriately distinguish between parent and subsidiary board roles to avoid unintended duplication or disproportionate accumulation of fees.
- Any differentiation based on specialised expertise must be supported by credible benchmarking and transparent disclosure.
- While equity-based remuneration for NEDs has gained traction in certain developed markets, any consideration of introducing such structures should be carefully assessed against prevailing market norms, regulatory expectations and independence safeguards.

### **For Executive Directors:**

- Remuneration structures should be clearly linked to sustainable long-term value creation. While directors are remunerated based on their roles and responsibilities, companies should also incorporate broader performance considerations when determining incentive-based remuneration. Companies may consider adopting a balanced scorecard approach that incorporates financial metrics alongside strategic operational goals and ESG-related indicators, enabling a more holistic assessment of performance and ensuring that remuneration outcomes are aligned with long-term value creation.
- Companies may consider incorporating appropriate clawback or malus provisions within incentive frameworks. Such mechanisms would allow for the adjustment or recovery of incentive-based remuneration under defined circumstances, including financial restatements, misconduct or events that result in significant reputational harm to the company. The inclusion of such safeguards can strengthen accountability and enhance the credibility of performance-linked remuneration structures.

- LTIPs should be accompanied by comprehensive disclosure of their design, performance metrics, and vesting architecture to enable shareholders to assess alignment with strategic objectives.
- EPF recognises that strengthening shareholder oversight of executive remuneration, including the introduction of a “Say on Pay” framework, will be a progressive journey. EPF believes a phased approach would be appropriate, with regulators taking the initial lead in enhancing and standardising remuneration policies and disclosures to improve transparency and comparability across companies, before the market gradually evolves towards a phased “Say on Pay” framework as regulatory readiness and market maturity develop.

Overall, EPF believes that meaningful and transparent disclosure is fundamental to informed shareholder decision-making.

### **EPF’s voting on directors’ remuneration**

In 2025, EPF reviewed more than 200 remuneration-related resolutions tabled at shareholder meetings (AGM/EGM). The vast majority were supported where proposals were assessed to be proportionate, adequately justified and supported by sufficient disclosure. Approximately 2% were not supported where in EPF’s assessment, the remuneration structures did not demonstrate appropriate alignment with long-term shareholder value creation.

EPF’s voting decisions are contextual and principles-based. In practice, it has taken a more critical stance in situations where fee revisions were substantial relative to company performance, benchmarking transparency is limited, or remuneration outcomes appear disconnected from longer-term returns to shareholders.

EPF has not supported discretionary or one-off payments that lacked a clear policy foundation, defined performance linkage or robust governance justification. Its position consistently emphasised structured frameworks and accountability in remuneration decisions.

## Conclusion

EPF believes directors' remuneration should reinforce board's accountability and deliver sustainable long-term shareholder value. Remuneration frameworks must demonstrate proportionality, transparency and clear alignment with governance responsibilities and performance outcomes.

Well-structured and well-disclosed remuneration strengthens investor confidence and supports effective stewardship, while poorly calibrated or weakly justified structures risk undermining trust and accountability. As a long-term institutional investor, EPF remains committed to engaging constructively with investee companies to promote remuneration practices that uphold governance discipline and support enduring value creation.

Source: Based on views shared by Employees Provident Fund (EPF) of Malaysia in March 2026 and used with permission.

### Box 5.4 T-Rex NED remuneration

At SGX-listed Rex International Holding Limited (RIHL), which count two brothers as controlling shareholders, the remuneration of the NEDs became a source of contention in 2023. On 28 April 2023, the company sought shareholders' approval for the payment of directors' fees totalling S\$807,433 for FY ending 31 December 2023. RIHL had, in the preceding year's AGM, already approved the payment of directors' fees of S\$621,383 for FY2022. Given the enlarged board size in FY2022, another resolution proposed additional directors' fees of S\$95,830. A further resolution sought authorisation for the payment of additional remuneration, amounting to S\$675,000, to its NEDs as a performance bonus for the FY ending on 31 December 2022. The remuneration was said to be in alignment with the achievement of the performance target set and approved by the RC and the Board. Approval of the latter resolution would grant each of the five NEDs, including four IDs, an equal amount of S\$135,000 in 2023. All the resolutions were approved.

Concerns regarding the significant performance bonus were flagged by various stakeholders, questioning numerous aspects such as the role of the RC and the performance targets.

RIHL's profit after tax had collapsed from US\$78.939 million in FY2021 to US\$353,000 in FY2022. The company only reached a profit after utilising its tax credit of US\$6.961 million, narrowly averting a loss. The earnings per share had decreased by 101.6%.

Moreover, three of the NEDs receiving the performance bonuses were only appointed in May 2022. Yet, RIHL determined that they should receive the same performance bonus as other NEDs.

Another controversy was that the Executive Chairman was a member of the RC, which was contrary to the Singapore Code of Corporate Governance.

In the company's Corporate Governance Report, it was stated that IDs and NINEDs receive directors' fees based on their responsibilities, effort, and time spent. These fees were said to be recommended by the RC and endorsed by the board for approval by the shareholders at the AGM. There was no mention or rationale provided for the performance bonuses payable to NEDs, except that they were subject to shareholders' approval at the upcoming AGM. Furthermore, the remuneration policy did not specify the details of the performance targets set by the RC and how they ensured the absence of conflicts in setting and approving these targets, which would also determine the performance bonus of the two IDs who were members of the RC.

Amidst the controversy surrounding NED remuneration, RIHL also drew attention for having one of the most highly-paid CEOs, ranking 16th among the top 20 highest-paid CEOs in 2022, according to an analyst.

Source: Centre for Investor Protection, "Rex International: Change the Game", Corporate Governance and Ethics: Case Studies, 2024 Series: Volume 1, Professor Mak Yuen Teen (Ed.), p. 116-134, August 2024.

[Corporate Governance and Ethics Case Studies, 2024 Series, Volume 1](#)



06

# REMUNERATION MIX



In this section, we examine the remuneration mix for executive chairmen, CEO and EDs, and also the fee structure for NEDs.

# Executive Chairmen

For executive chairmen, the breakdown of total remuneration into different components varies between small, mid and large cap companies, with salary comprising a smaller component as companies are larger (Table 6.1).

Table 6.1 Remuneration Mix for Executive Chairmen

	Fixed salary	Annual bonus	Benefits	Director fees	LTIs
Small Cap	63%	29%	5%	2%	0%
Mid Cap	37%	59%	3%	1%	0%
Large Cap	24%	70%	4%	1%	0%

# CEOs

Similar to executive chairmen, the breakdown of total remuneration into different components vary between small, mid and large cap companies, with salary comprising a smaller component for larger companies (Table 6.2).

Table 6.2 Remuneration Mix for CEOs

	Fixed salary	Annual bonus	Benefits	Director fees	LTIs
Small Cap	55%	32%	5%	3%	4%
Mid Cap	46%	49%	2%	0%	3%
Large Cap	24%	47%	2%	1%	26%

# EDs

Similarly, the breakdown of total remuneration into different components for EDs also vary between small, mid and large cap companies, with salary comprising a smaller component for larger companies (Table 6.3).

Table 6.3 Remuneration Mix for EDs

	Fixed salary	Annual bonus	Benefits	Director fees	LTIs
Small Cap	56%	36%	4%	2%	2%
Mid Cap	38%	55%	5%	1%	1%
Large Cap	33%	58%	4%	2%	2%

The general finding that fixed salary tends to be a larger percentage of total remuneration for executive chairmen, CEOs and EDs for smaller companies, compared to larger companies, is likely due to the fact that a certain minimal amount of base salary tends to be paid regardless of company size. However, differences in ownership structures may also be a factor. Smaller companies are more likely to be founder- or family-controlled and managed, where management may already have significant stakes incentivising them to improve the performance of the company. There may therefore be less need for incentives that are linked to company performance in such circumstances.

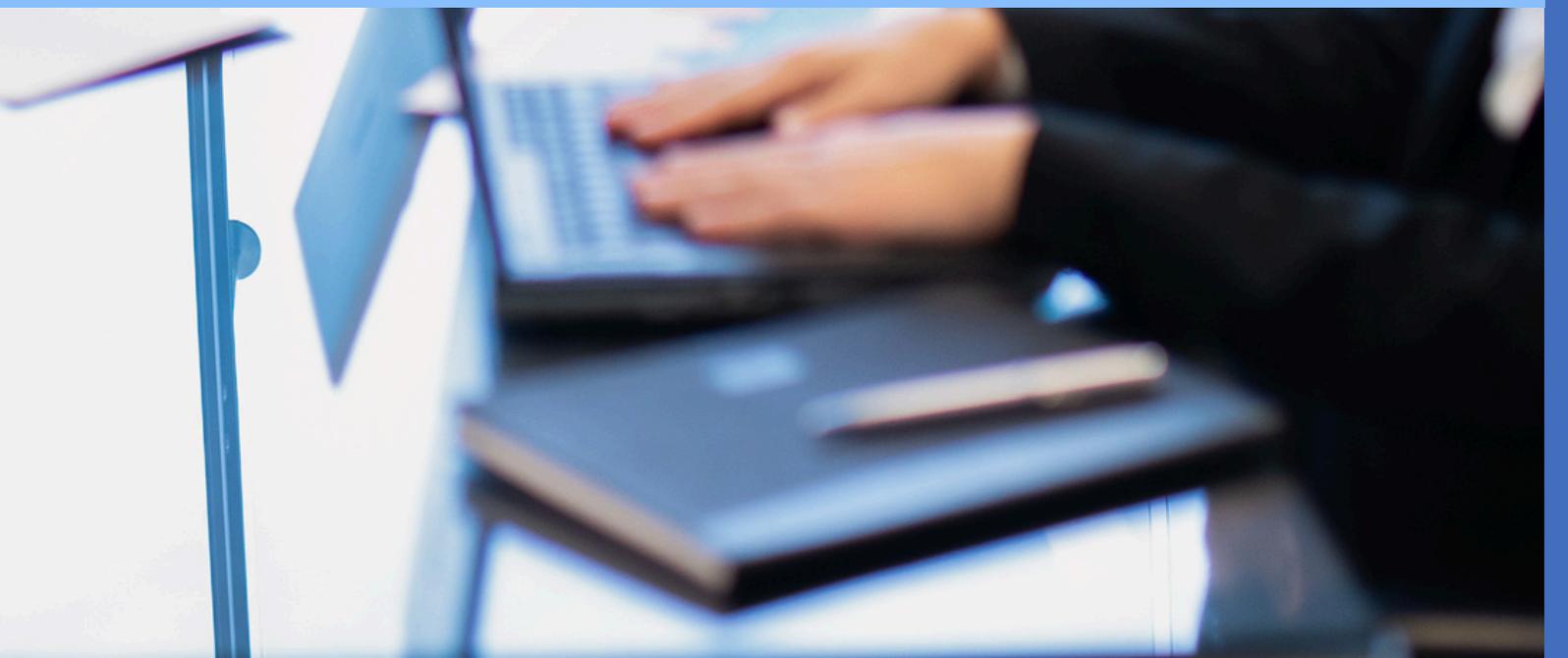
Provision 7.1 of the SCCG 2018 recommends that “a significant proportion of executive directors’ and key management personnel’s remuneration is structured so as to link rewards to corporate and individual performance.” An important question for companies with management who are major shareholders or related to them is this: what are appropriate measures of corporate and individual performance for such individuals? Arguably, the appropriate performance measures may be different for EDs and KMP who are SSHs or related to SSHs, compared to those who are not.

## Recommendation

There should be more guidance on the use of performance-based remuneration for management who are significant shareholders and how they can be designed, to better align their interests with those of minority shareholders.



# 07 REMUNERATION FRAMEWORK



In this section, we look into the remuneration framework – also often referred to as remuneration policy - used by companies for EDs and NEDs.

# Performance Measures for Remuneration of EDs

## Annual bonus/short-term incentives

Disclosure of performance measures for the annual bonus or short-term incentives (STIs) for EDs is poor, with 284 companies not disclosing any information at all. For the rest, 22 companies disclosed using only financial measures, while 146 disclosed using both financial and non-financial measures. 2 companies disclosed the use of only non-financial measures.

For most companies, a combination of financial and non-financial measures makes sense because an excessive reliance on financial measures may lead to a lack of attention on key non-financial value drivers that affect the long-term value of a company. However, non-financial measures are often more subjective and may also not have clear links to long-term value creation.

Only 4 companies disclosed the weightings for different types of performance measures, but even in such cases, the weightings disclosed are for broad and generic categories such as business outcomes; financial and operational performance; traditional KPIs, customer, process and people; sustainability; and digitalisation and innovation.

There were 112 companies (24%) that disclosed specific measures used for awarding the annual bonus, and these companies disclosed a total of 634 measures, or an average of about 5.66 measures per company (Figure 7.1). Leadership, talent and human capital measures were cited most frequently with 198 mentions, followed by financial measures of profitability and earnings performance (119), such as pre-tax profit or profit after tax, which do not directly take into account the level of investment. Other financial-type measures, such as revenue and growth (54), which may also not be linked to value creation, and investor and shareholder return measures (35 measures), were next most frequently mentioned. Investor and shareholder return measures, such as ROE, ROIC and TSR, have stronger linkages to value creation than profitability and revenue measures.

Given the recent focus on environmental, social and governance (ESG) issues, it is somewhat surprising that ESG measures were only mentioned 29 times.

No company disclosed the weighting for these specific measures.

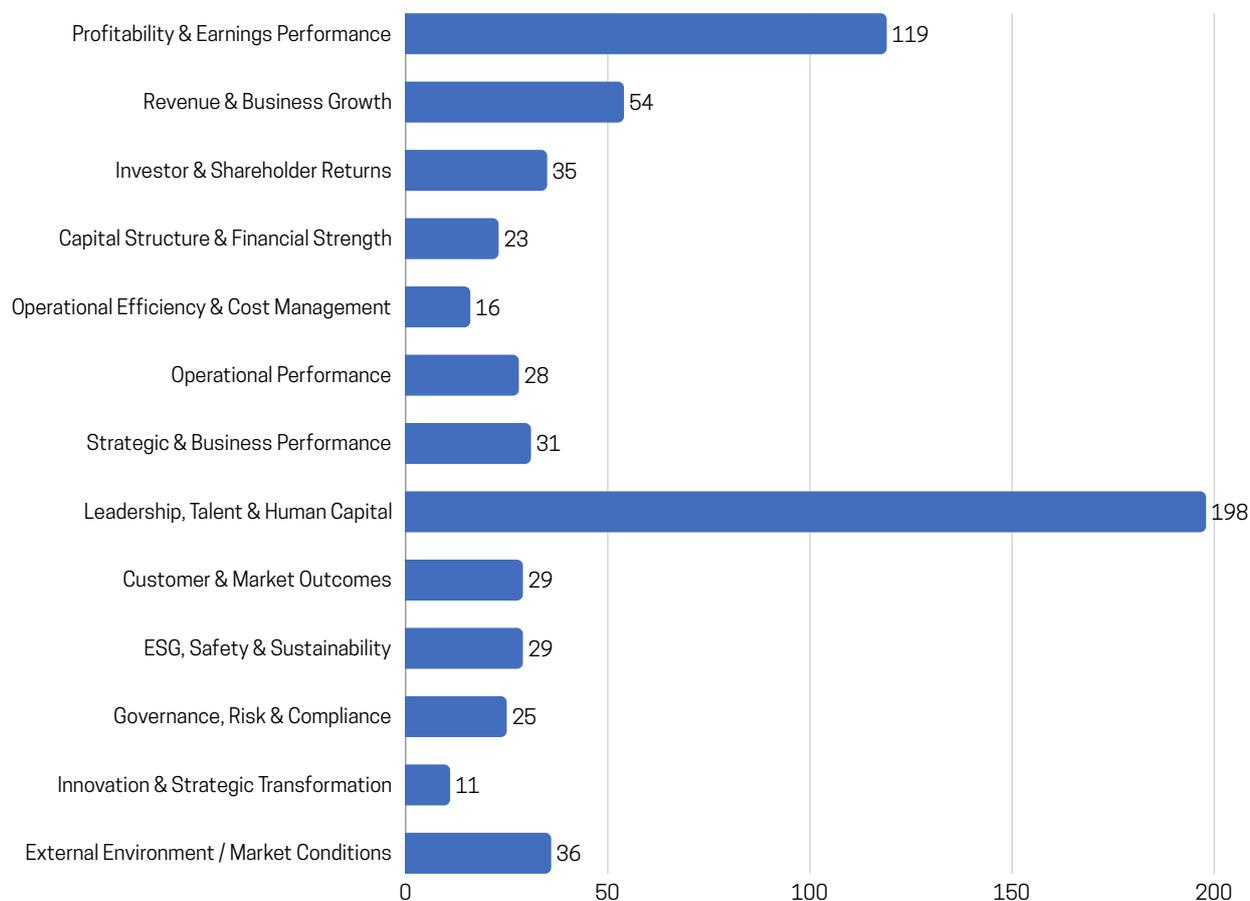


Figure 7.1 Specific Performance Measures for Awarding Annual Cash Bonuses

## Recommendation

The SCCG should recommend that companies disclose more information on specific performance measures for awarding short-term incentives and explain how these measures are aligned with long-term value creation.

# Profit sharing

There were 12 companies that specifically disclosed profit sharing as part of the breakdown of remuneration for EDs in the remuneration table. 7 companies specifically mentioned that they did not use profit sharing.

## Box 7.1 What profit? Controversies relating to profit-sharing plans

In 2015, a public spat broke out at then SGX-listed Lian Beng after two IDs cited “differences in opinion from the management over certain company affairs” as the reason for their resignations. It turned out that the differences in opinion were about the computation of the performance bonuses for the three EDs.

The service agreements signed with the EDs since the company’s listing in 1999 stipulated that the performance bonus is based on “net profits of the group before tax and before extraordinary items as reflected in the audited accounts of the group”. This had been interpreted as group net profit before tax and before minority interest over the years. The two IDs had felt that the performance bonus for the latest financial year 2024 should instead be based on group net profit before tax and after minority interest. They also wanted the re-computation of all past performance bonuses of the EDs since the company was listed on the same basis. The company’s financial statements showed that “minority interest” became significant in FY2014.

The original service agreement for the MD also included the term “extraordinary items”. However, extraordinary items no longer appear in today’s income statements.

Source: Mak Yuen Teen, Performance Bonus Spat May Be Just The Tip Of The Iceberg, Governance for Stakeholders, 24 August 2015. First published in The Business Times.

Some other recent controversies relating to how profit is determined in profit-sharing plans and profit-based bonus plans for EDs include the inclusion of fair value gains on investment properties; Jobs Support Scheme (JSS) grants during Covid-19; and an arbitral award from a company winning a lawsuit against its contractors for an accident which resulted in deaths and serious injuries to workers and employees being sent to jail.

10 companies disclosed the profit sharing percentage.

A heavy reliance on absolute profit or profit sharing for determining short-term incentives, especially in the absence of any long-term incentives (LTIs), may lead to an excessive focus on increasing absolute short-term profit which may not lead to long-term value creation.

Annual bonus and profit sharing plans, in the absence of deferrals or stringent clawback provisions, may also encourage excessive risk-taking due to the asymmetric nature of their payoffs.

## Box 7.2 Risks of profit-sharing plans

When China Aviation Oil (Singapore) (CAO) listed on SGX in December 2001, the prospectus disclosed the following terms of the service agreement for its then CEO.

Pursuant to his Service Agreement, the Appointee will receive an annual salary of \$480,000.00. The annual salary of the Appointee shall be reviewed annually and shall be adjusted by an amount as may be determined by our Remuneration Committee. The Appointee, who has an interest in the subject matter, will abstain from the participation in the review and from making any recommendation in relation to himself. The Appointee is also entitled to an annual wage supplement equivalent to three month's salary for every 12 months of service. In addition, Mr Chen is also entitled to a share of our profits, to be calculated as follows:-

Our Company's profits before tax (based on audited consolidated profits of our Company before profit sharing and tax and after minority interest and extraordinary items) '\$	Percentage of profits (per year)
First S\$12 million (Up to S\$12 million)	0%
Next S\$8 million (More than S\$12 million and up to S\$20 million)	7%
Next S\$15 million (More than S\$20 million and up to S\$35 million)	9%
Thereafter (More than S\$35 million)	10%

The only incentive plan for the CEO was a profit-sharing plan, under which the CEO was entitled to an increasing share of the annual profit as the annual profit increases. There was no LTI. Such a plan could have incentivised the CEO to maximise annual profit by taking on excessive risk, without sufficient consideration of the long-term consequences of decisions. For normal profit-based plans without deferral, such as the CAO plan, the payoff is asymmetric.

Did the profit-sharing plan incentivise the CEO to engage in speculative trading in oil derivatives and contribute to the US\$550 million loss that nearly caused the collapse of the company?

## Recommendation

RCs should be mindful of the risks that can be created through an excessive focus on profit-sharing plans or incentive plans linked to short-term profitability measures.

# NEDs

Pre-approval of directors' fees/emoluments at AGMs is now the norm, with 302 companies (64.4%) doing so.

A total of 103 out of the 469 companies covered in this study disclosed the fee structure for NEDs.

## Basic retainer

The base fee for NEDs for these companies ranged from S\$10,000 to S\$120,000 with 6 companies had base fees of above \$120,000 (Table 7.1).

Table 7.1 Base Fee Structure for NEDs

Base fee for NEDs	Number of Companies
< \$20,000	5
\$20,000 - \$40,000	26
\$40,000 - \$60,000	36
\$60,000 - \$80,000	17
\$80,000 - \$100,000	8
\$100,000 - \$120,000	5
> \$120,000	6

## Chairman fee

For the companies that disclosed a fee structure for NEDs, 47 disclosed a separate fee for the Chairman, ranging from \$2,500 to \$2.1 million (Table 7.2).

33 of these companies disclosed that the Chairman's fee is in addition to the basic retainer fee for NEDs. In 4 companies, it was disclosed that the Board Chairman receives additional fees for chairing or serving on board committees or meeting fees, while in one other company, it was not clearly disclosed.

Table 7.2 Base Fee Structure for Board Chairman (NEDs)

Base fee for Board Chairman (NEDs)	Number of Companies
< \$50,000	30
\$50,000 - \$100,000	19
\$100,000 - \$150,000	4
\$150,000 - \$200,000	6
\$200,000 - \$300,000	1
\$300,000 - \$400,000	3
> \$500,000	11

## Lead independent director fee

48 companies disclosed the additional fee they pay to the lead independent director, ranging from \$2,000 to \$144,000 (Table 7.3).

Table 7.3 Additional Fees for LIDs

Additional Fee for LID	Number of Companies
< \$10,000	14
\$10,000 - \$20,000	17
\$20,000 - \$30,000	7
\$30,000 - \$40,000	2
\$40,000 - \$100,000	4
> \$100,000	4

# Committee fees

Table 7.4 shows the additional fees for chairing or serving on certain board committees disclosed by companies. Risk Committee Chairs, followed by AC/ARC Chairs, have the highest mean and median fees, while Risk Committee members, followed by AC/ARC members, have the highest committee member fees.

Table 7.4 Additional Fees by Committees

Additional Fees	Min	Mean	Median	Max
AC/ARC Chair	\$2,500	\$33,653	\$27,537	\$120,000
AC/ARC Member	\$2,000	\$22,192	\$19,000	\$80,000
NC/NRC Chair	\$2,500	\$18,672	\$16,000	\$65,000
NC/NRC Member	\$1,500	\$12,211	\$10,110	\$45,000
RC Chair	\$2,500	\$20,178	\$18,000	\$70,000
RC Member	\$1,500	\$12,314	\$11,250	\$45,000
Risk Committee Chair	\$11,250	\$45,630	\$45,000	\$110,000
Risk Committee Member	\$8,000	\$28,083	\$24,500	\$70,000
Board Sustainability Chair	\$10,000	\$32,046	\$29,000	\$70,000
Board Sustainability Member	\$5,000	\$19,042	\$18,000	\$45,000

# Meeting fees

21 companies which disclosed a fee structure stated that they pay meeting/attendance fees for board and/or committee meetings. The fees may vary for local and foreign directors, and for meetings held locally or overseas. Some also pay different fees for meetings attended by teleconference.

For regular local board meetings attended in person by a local director, the fee ranged from \$500 to \$5,000 per meeting, while for local committee meetings attended in person by a local director, it ranged from \$500 to \$4,000. For the companies that disclosed fees for board meetings by teleconference, this range from \$1,000 to \$5,000, and for committee meetings, from \$500 to \$3,000.

## **Recommendation**

Companies should disclose the fee structure for NEDs.



08

# LONG-TERM INCENTIVE PLANS AND SHARE-BASED REMUNERATION



In this section, we report on the use of long-term incentive plans (LTIPs) for EDs and also share-based remuneration for NEDs.

# EDs

## Long-Term Incentive Plans (LTIPs)

For the financial year covered, 266 companies disclosed using LTIPs for their EDs.

Table 8.1 shows the names of different LTIPs and number of these plans. There were a total of 413 LTIPs used by these companies (one company did not disclose what LTIP it used), with some companies using multiple plans. The most common LTIP used was a Performance Share Plan (PSP), followed by Employee Share Option Scheme or Plan (ESOS or ESOP).

Table 8.1 LTIPs Used By Companies

Category	Number of Plans
Employee Incentive / Bonus Plan	10
Long-Term Incentive Plan (LTIP)	5
Other Executive / Transformation Plan	1
Performance Share Plan (PSP)	187
Restricted Share Plan (RSP)	34
Employee Share Option Scheme (ESOS / ESOP)	157
Share Purchase / Award Plan	19

Of the 265 companies which disclosed their LTIPs, 243 said they were paid in shares, 7 said they were paid in cash, and 15 said they were paid in both shares and cash. One company did not disclose whether they were paid in shares or cash.

# Performance measures for awards

Table 8.2 shows the performance measures used for granting LTIs disclosed for various plans. These were disclosed by 26 companies. The mostly widely used measure for grants was Leadership, Talent & Human Capital.

Table 8.2 Performance Measures for Awards Under LTIPs

Category	PSP	ESOS / ESOP	RSP	LTIP	Share Purchase / Award
Investor & Shareholder Returns	7	3	1	0	0
Profitability & Earnings Performance	7	4	2	1	1
Revenue & Business Growth	2	0	0	0	0
Operational Performance	1	1	1	0	0
Leadership, Talent & Human Capital	49	34	0	0	8
Innovation & Strategic Transformation	3	0	0	0	0
External Environment / Market Conditions	16	14	0	0	0

There is a range of prior years' performance disclosed by 29 companies for grants under their LTIPs, with the median being generally three years.

Table 8.3 Prior Years' Performance for Awards Under LTIPs

(in years)	Mean	Median	Min	Max
Employee Incentive / Bonus Plan	1.9	1.5	1.0	3.0
Long-Term Incentive Plan (LTI)	3.7	3.0	3.0	5.0
Other Executive / Transformation Plan	4.7	4.0	2.0	6.0
Performance Share Plan (PSP)	3.3	3.0	3.0	5.0
Performance Unit Plan (PUP)	3.0	3.0	3.0	3.0
Restricted Share Plan (RSP)	1.6	1.0	1.0	4.0
Restricted Unit Plan (RUP)	1.0	1.0	1.0	1.0
Share Option Scheme (ESOS / ESOP)	1.0	1.0	1.0	1.0
Share Purchase / Award Plan	2.8	3.0	1.0	4.0

Table 8.4 shows the performance measures for subsequent vesting of awards under LTIPs disclosed for various plans. These were disclosed by 34 companies. Investor and shareholder returns was the most commonly used measure for vesting of awards.

Table 8.4 Performance Measures for Subsequent Vesting for Awards LTIPs

Category	PSP	ESOS / ESOP	Employee Incentive / Bonus	RSP	LTIP	Share Purchase / Award	Other
Investor & Shareholder Returns	23	4	3	9	3	9	1
Revenue & Business Growth	7	1	2	2	0	3	0
Profitability & Earnings Performance	7	3	6	3	2	1	0
Capital Structure & Financial Strength	0	0	1	0	1	0	0
Operational Efficiency & Cost Management	3	0	1	1	0	2	0
Operational Performance	0	0	0	1	0	0	0
Strategic & Business Performance	9	0	1	1	1	1	0
Leadership, Talent & Human Capital	9	7	3	3	0	0	0
ESG, Safety & Sustainability	7	0	4	1	3	3	0
Governance, Risk & Compliance	1	0	1	0	0	0	0
Customer & Market Outcomes	1	2	1	0	0	0	0
Innovation & Strategic Transformation	0	0	1	0	0	0	0
External Environment / Market Conditions	2	3	0	0	0	0	0

A total of 93 companies that used LTIPs disclosed the vesting periods for awards under these LTIPs. As shown in Table 8.5, they ranged from 1 to 6 years.

Table 8.5 Vesting Periods for Awards Under LTIPs

(in years)	Mean	Median	Min	Max
Employee Incentive / Bonus Plan	2.9	3.0	1.5	4.0
Long-Term Incentive Plan (LTI)	3.4	3.0	3.0	4.5
Other Executive / Transformation Plan	4.3	3.0	3.0	5.5
Performance Share Plan (PSP)	2.6	3.0	1.0	5.5
Restricted Share Plan (RSP)	3.2	3.0	1.0	6.0
Share Option Scheme (ESOS / ESOP)	2.5	2.0	1.0	5.5
Share Purchase / Award Plan	2.7	2.8	1.0	4.0

When companies use LTIPs, they may vest on a staggered basis (i.e., a certain proportion vests each year) or a cliff basis (i.e., all vest at the end of a specified period). Of the 265 companies that disclosed that LTIPs were used, 75 disclosed whether they vest on a staggered or cliff basis. Some have different plans with different methods of vesting. Overall, 56 companies disclosed the use of staggered vesting, 8 disclosed cliff vesting, and 11 disclosed both types of vesting.

### Recommendation

Companies that use LTIPs should fully disclose key features such as performance measures for grants and vesting, vesting periods, and method of vesting.

### **Box 8.1 Do shareholders GET it?**

In CDL's FY2024 annual report, the remuneration table shows that the company's Group CEO, Mr Sherman Kwek (SK), was paid S\$2,974,065.45 for FY2024. Under the column "LTI" (for Long-Term Incentive), it shows "Volunteered to forgo". The footnote to the table states: "Mr Sherman Kwek, the Group CEO, has voluntarily elected to forgo his 2024 LTI grant of \$1.35 million. The NRC acknowledged his decision and expressed appreciation for his leadership and dedication to the Group".

The LTI was introduced in FY2022. SK was granted a LTI of S\$1.35 million that year and the same amount in FY2023. There appears to be no performance conditions for the LTI grant since it is the same amount each year.

For FY2022 and FY2023, SK's LTI grant was not included in his total remuneration shown in the remuneration table. Rather, it was disclosed as a footnote to the remuneration table. The footnote states that the LTI grant of S\$1.35 million was in addition to the remuneration in the remuneration table. It also states that the final payment to be vested is contingent on the achievement of pre-determined targets over a three-year performance period, which will range from 0% to 200% of the award.

There was a lack of information about the LTI grants given in FY2022 and FY2023. It is unclear whether the FY2022 and FY2023 grants are likely to vest and if so, how much. It could be as much as 200% of the LTI grants given to him in FY2022 and FY2023.

CDL states: "LTI payments are not guaranteed and are subject to Management achieving the performance conditions based on Board-approved targets and strategy. LTI payment will be made at the end of the three-year assessment period if performance conditions are met."

The specific performance measures and targets, including for the vesting of the LTI, are unclear.

The LTI for SK is paid in cash, not shares. These are sometimes referred to as “phantom shares”. CDL states: “Being a cash-based award, the LTI is not dilutive to current shareholders”. The fact that CDL chose to use a cash-based award for its LTI may be because CDL is a family-controlled business with many different family shareholders. Family shareholders may not want their stakes to be diluted and SK’s stake to increase over time.

Source: Centre for Investor Protection, “City Developments: Governance Gets Bitten”, Corporate Governance and Ethics: Case Studies, 2025 Series: Volume 1, Professor Mak Yuen Teen (Ed.), p. 21-48, September 2025.

[Corporate Governance and Ethics: Case Studies, 2025 Series, Volume 1](#)

## NEDs

The UK Corporate Governance Code 2024 (Provision 34) states: “Remuneration of NEDs should not include share options or other performance-related elements.” It also states under Provision 10 that one of the circumstances which is likely to impair an NED’s independence is participation in the company’s share option or performance-related pay scheme. While such participation may help align the interests of NEDs with the interests of shareholders, the fact that payoffs are linked to share price or company performance may compromise an NED’s broader oversight responsibilities.

Similarly, under the Corporate Governance Principles and Recommendations 2019 (4th Edition) issued by the ASX Corporate Governance Council for ASX-listed issuers, Box 2.3 states that one of the factors relevant to assessing the independence of a director is the receipt of performance-based remuneration (including options or performance rights) from, or participation in an employee incentive scheme of the entity.

In November 2025, the Financial Reporting Council (FRC) in the UK updated its Guidance on NED remuneration under the UK Corporate Governance Code. Paragraph 324 of the Guidance states: “In some circumstances, boards may consider that alternative approaches to remuneration of independent non-executive directors are desirable. In doing so, they should take care to preserve director independence. For this reason, performance-related remuneration is not appropriate, as it may compromise the director’s ability to provide oversight and challenge when considering executive decisions. If companies consider offering independent non-executive directors options or similar rights to acquire shares, they should not be performance-related (for example, they should not have a meaningful exercise price which would impair director independence). In all circumstances, care should be taken to ensure the structure does not incentivise short-term decision making, create conflicts of interest or impair independence... Companies are encouraged to set out the approach in their annual report.”

For the companies covered in this report, about 83.8% do not have NINEDs participating in share-based plans. 4 companies allow IDs only to participate in these plans, 14 allow NINEDs but not IDs, while 58 allow both NINEDs and IDs to do so.”

6 companies disclosed that they recommend their NEDs to use part of their fees to buy shares of the company, and 3 require them to do so.

### **Recommendation**

The SCCG should recommend that independent directors should not participate in performance-related share plans or other performance-related remuneration schemes.

## **Box 8.2 Vested Before Vesting**

Yoma Strategic Holdings (YSH) started seeking shareholders' approval to grant "performance shares" to its NEDs at its January 2021 AGM. The shares had no performance conditions but with vesting periods imposed, and were to be released in three tranches, with dates not specified. Seventeen percent of shares voted against this resolution.

At its AGM in July 2023, YSH again sought shareholders' approval to grant performance shares to the NEDs. This time, the resolution stated that the dates of vesting of the shares were 33% on 26 May 2024, 33% on 26 May 2025, and 34% on 26 May 2026. There was again pushback from minority shareholders, with 18.47% of the shares voting against the resolution.

The first tranche of 33% duly vested on 29 May 2024 for each of the four NEDs. While the 2023 resolution regarding the Yoma PSP stipulated that the second tranche of shares would vest on 29 May 2025, the second tranche was vested instead on 1 August 2025, a day after YSH's 2025 AGM. The second tranche included a total of 2,403,000 shares vested, for two IDs who both retired on 31 July 2025 and two other IDs who remained. Of the shares that vested, 1,776,000 shares appears to have been for the two retiring IDs.

However, based on what shareholders approved in the July 2023 AGM, only another 396,000 shares each were supposed to vest for the two retiring IDs – or a total of 792,000 shares. It therefore appears that the vesting of the remaining shares for them were accelerated when they retired. No resolutions were proposed to ask shareholders to approve a change in the dates of the vesting of the performance share awards that were stipulated during YSH's AGM in July 2023.

In the remuneration section of its Corporate Governance Report for FY ending 31 March 2023, YSH disclosed the fee structure for NED fees and cash fees paid to NEDs. This disclosure includes the value of the performance share awards to each of the NEDs (subject to the resolution to grant the performance shares being approved at the AGM in July 2023). It was disclosed that these share awards will only be released in accordance with the prescribed vesting schedules.

Was the accelerated vesting of the shares to the two retiring IDs in breach of what was disclosed and the mandate obtained from shareholders, since shareholders' approval for the grant of the performance shares had stipulated that the last tranche would only vest on 26 May 2026, but were instead vested on 1 August 2025? Why did the company delay the vesting of the second tranche from 29 May 2025 to 1 August 2025, the day after the AGM?

Source: Centre for Investor Protection, "Yoma Strategic Holdings: Fall From Grace", Corporate Governance and Ethics: Case Studies, 2025 Series: Volume 1, Professor Mak Yuen Teen (Ed.), p. 83-116, September 2025.

[Centre for Investor Protection, "Yoma Strategic Holdings: Fall From Grace", Corporate Governance and Ethics: Case Studies, 2025 Series: Volume 1, Professor Mak Yuen Teen \(Ed.\), p. 83-116, September 2025.](#)

# RECOMMENDATIONS

Based on this study, the following are the recommendations for improving remuneration practices and to better align remuneration to long-term value creation:

- 01 The listing rules should require RCs to be made up only of NEDs, with the majority, including the Chairman, being IDs.
- 02 The identity of the remuneration consultants should be disclosed in the remuneration section of the corporate governance report.
- 03 Companies should disclose more information about the peers that are used for benchmarking executive and NED remuneration.
- 04 The total remuneration paid to KMP in aggregate should be made a mandatory disclosure under the listing rules.
- 05 The total remuneration paid in aggregate to employees who are substantial shareholders, or who have immediate family relationships with these substantial shareholders, directors or the CEO, should be at least a recommended disclosure in the SCCG. The role of such employees in the company should also be disclosed.
- 06 The SCCG should be enhanced to recommend that companies provide more information on how remuneration amounts are determined and why they are justified given the performance of the company.
- 07 There should be more guidance on the use of performance-based remuneration for management who are significant shareholders and how they can be designed to better align their interests with those of minority shareholders.
- 08 The SCCG should recommend that companies disclose more information on specific performance measures used for awarding short-term incentives and explain how these measures are aligned with long-term value creation.

- 09 RCs should be mindful of the risks that can be created through an excessive focus on profit-sharing plans or incentive plans linked to short-term profitability measures.
- 10 Companies should disclose the fee structure for NEDs.
- 11 Companies that use LTIPs should disclose key features such as performance measures for grants and vesting, vesting periods, and method of vesting.
- 12 The SCCG should recommend that independent directors should not participate in performance-related share plans and other performance-related remuneration schemes.

# CONCLUSION

This study on remuneration practices covers 510 issuers with a primary listing on SGX that published an annual report for financial years ending on or after 31 December 2024 by February 2026, comprising 469 companies and 41 real estate investment trusts (REITs), business trusts and stapled trusts. We analyse the remuneration practices of the two groups separately because of differences in remuneration practices. This report covers our findings for listed companies. A separate supplement will be released for trusts.

While there is now greater transparency about remuneration amounts paid to directors and CEOs, there remains a lack of transparency on remuneration paid to key management personnel (KMP) and employees who are related to substantial shareholders, directors and CEOs. This creates a risk of expropriation of minority shareholders through unearned or excessive remuneration.

Our study shows that executive directors (EDs) who are substantial shareholders (SSHs) or related to SSHs, are paid relatively more than their peers in similar-sized companies.

Disclosures on remuneration policies are particularly poor, making it difficult for investors to understand the link between remuneration paid and long-term value creation.

