

ALL TRAINED UP WITH NO PLACE TO GO?

The Challenges Aspiring Directors Face

By Mak Yuen Teen

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Introduction

There are currently two mandatory programmes for first-time directors of listed issuers in Singapore. Many aspiring directors also spend thousands of dollars on programmes offered by various organisations, hoping that this will open the door to a paid directorship, particularly in listed issuers here.

But what are the actual board opportunities in Singapore listed issuers for aspiring directors?

In this issue of Viewpoint, we present findings from research by the Centre for Investor Protection on the appointment of independent directors (IDs) to Singapore Exchange (SGX) listed issuers from 1st January 2021 through 30th April 2026. Over this period, there were 1,639 ID appointments.

We examine trends in ID appointments and the proportion of first-time versus experienced directors. Directors are designated “first time” if they have not previously served as an ID in any listed issuer, and “experienced” otherwise. Only ID appointments are included as most aspiring directors are looking to be appointed as IDs.

We extrapolate the trends to estimate the number of ID appointments, and the opportunities for first time directors, for the whole of 2026 and 2027.

We also examine the age of IDs appointed and country of principal residence, and profiles of companies appointing experienced and first-time IDs.

Five-Year Trend

For the complete five-year period from 2021 to 2025, there were 1,565 ID appointments, or an annual average of 313. However, there was significant year-on-year volatility which was due to regulatory changes.

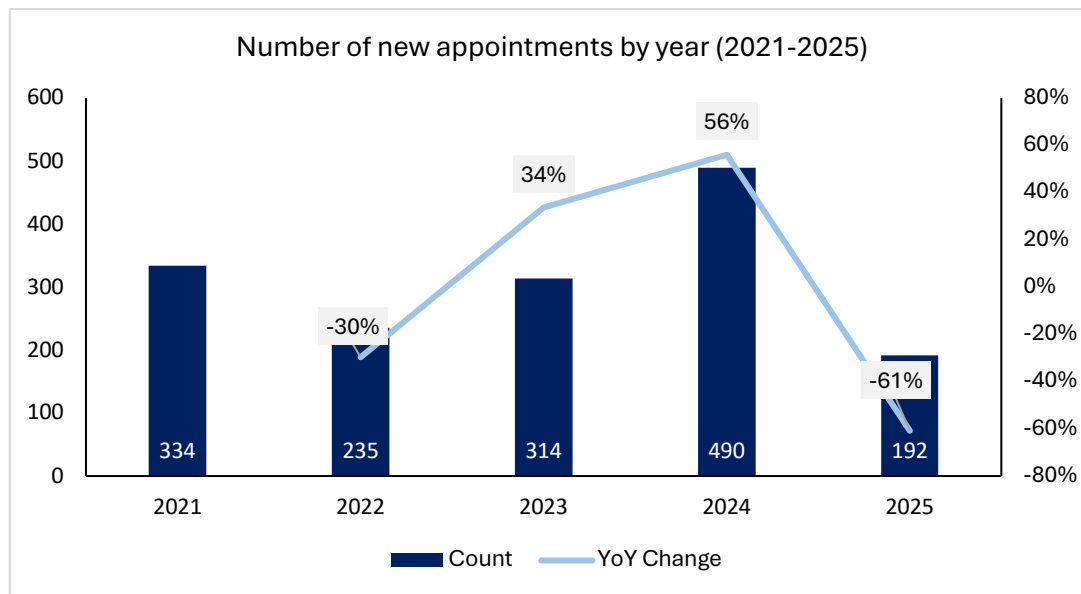


Figure 1: Annual independent director appointments

First, 2022 saw a steep decline of 29.6%, from 334 in 2021 to 235 ID appointments. In 2018, SGX revised its listing rules to require IDs who have served nine years or more to be approved by a two-tier vote by shareholders if they were to continue as IDs. This rule became effective in January 2022. Many issuers may have appointed more new IDs in 2021 just ahead of the effective date of the two-tier vote rule.

Second, 2023 recovered to 314 appointments (+33.6%), broadly in line with the 2021 baseline. In January 2023, SGX amended its rules again, imposing a mandatory nine-year tenure limit for IDs and removing two-tier voting. The new rule took effect for annual general meetings (AGMs) for the financial year ending on or after 31 December 2023, although transitional arrangements applied. It likely caused the surge in ID appointments in 2023.

Third, the surge became an exceptional spike in 2024, when there was a five-year high of 490 appointments (+56.1%). 2024 was when many long-tenure IDs had to leave, unless they were re-designated to non-independent.

Fourth, the high in 2024 was followed by a five-year low in 2025, which recorded the sharpest single-year correction over the five-year period, falling to 192 appointments (-60.8%), below the previous low of 235 in 2022. This steep decline likely was caused by most issuers having already replaced their long-serving IDs.

Monthly Patterns

ID appointments were closely linked to AGM cycles. SGX-listed companies with December financial year-ends mostly hold AGMs in April; secondary clusters appear in July (March FYE) and October (June FYE).

Month	2021	2022	2023	2024	2025	2026	Total
Jan	30	30	15	35	17	12	139
Feb	14	18	17	12	21	17	99
Mar	27	10	27	32	11	14	121
Apr	40	28	26	133	23	31	281
May	26	14	33	50	16	-	139
Jun	22	19	26	29	21	-	117
Jul	34	21	36	47	19	-	157
Aug	16	29	29	32	9	-	115
Sep	27	18	26	26	12	-	109
Oct	19	15	22	38	22	-	116
Nov	15	14	28	28	11	-	96
Dec	64	19	29	28	10	-	150
Total	334	235	314	490	192	74	1,639

Figure 2: Monthly appointments by year

April accounted for around 16.0% of all appointments from the 2021-2025 period (250 out of 1,565 total appointments, roughly double the share of most other months). The 2024 April figure of 133, 27.1% of that year's total, shows how extreme this concentration can get. July (10.0%) and December (9.6%) form the secondary and third peaks; together these three months accounted for approximately 36% of annual activity in a typical year.

In contrast, February and November were consistently well below the monthly average, the quietest months for ID appointments.

First-Time vs Experienced Directors

For the five full years from 2021 to 2025, first-time appointments represented an average of 46.4% of all ID appointments.

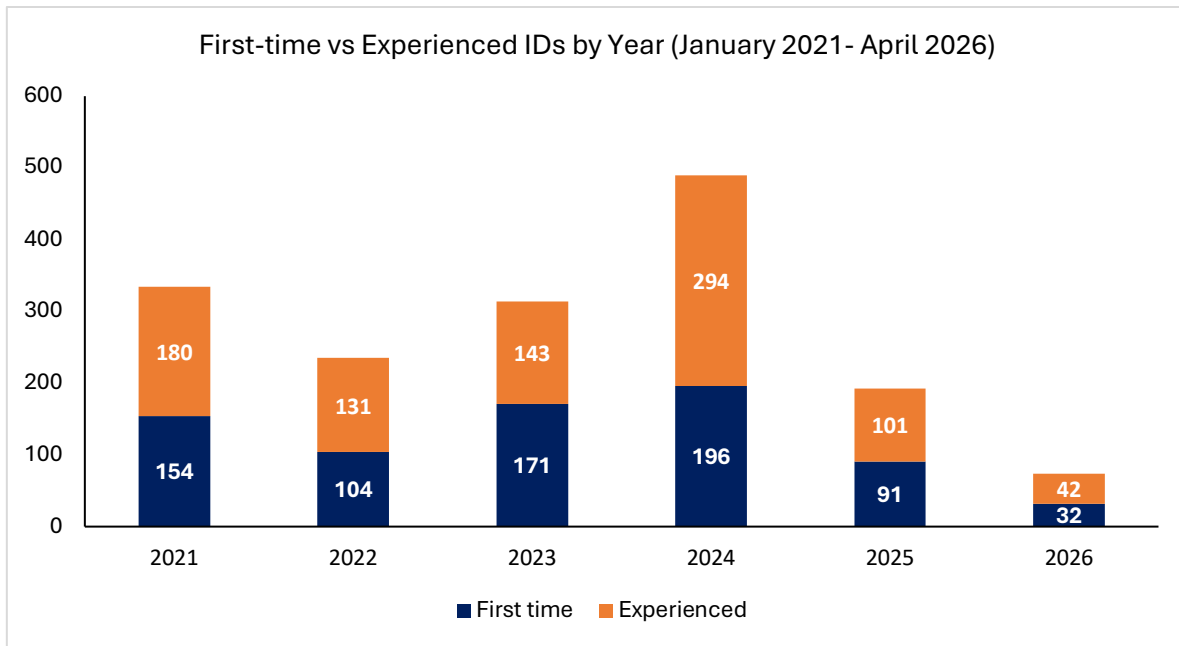


Figure 3: First-time vs experienced directors by year

2023 was the only year in which first-time appointments exceeded experienced ones (171 vs. 143, or 54.5%). This was the year with the initial surge in ID appointments, prior to the impending mandatory nine-year rule taking effect.

However, 2023 was an outlier year, as the following year's spike in overall number of ID appointments was driven disproportionately by experienced directors (294 vs. 196), pushing the first-time directors' share that year to a five-year low of 40.0%.

2025 and 2026 year-to-date reverted toward the long-run mean, with experienced directors accounting for 52.6% and 56.8% respectively.

2026 and Beyond

Based on the January-April 2026 data (74 appointments), the full-year 2026 count is projected at approximately 190 to 210 ID appointments. This estimate uses the historical trend for the first four months of the year, which accounted for an average of 35.5% of annual appointments. This would be largely similar to the 192 appointments in 2025, with the possibility of some increase, but well below the five-year average of 313.

If the percentage of first-time directors for the entire 2026 follows the trend of the first four months of 2026, which is broadly in line with historical trends (except the outlier year of 2024), we would expect about 82 to 92 first-time IDs to be appointed in 2026. 2027 is likely to follow a similar trend.



However, the number of first-time directors may be lower if issuers prefer those with prior experience as directors of listed issuers, as recently appointed first-time directors are now technically “experienced” directors, may pursue more directorships, and remain “underboarded”.

Looking further ahead, more listings will of course increase the number of ID appointments but this may be offset by delistings. There may also be more opportunities for first-time IDs if there are regulatory changes, such as limiting number of directorships or stricter rules on independence. Singapore’s rules and guidelines on independence of directors are weak, scattered through prescriptive listing rules and non-prescriptive Code Provisions and Practice Guidance. For example, we have seen in the latest IPO, JustCo, how directors who are associated with major shareholders can still be deemed to be independent.

Another peak in ID appointments is anticipated in 2033, assuming IDs tend to serve close to the maximum permitted tenure. Given the maximum tenure of nine years, the exceptionally large cohort of 490 IDs appointed in 2024 - the largest single-year intake on record - will reach their mandatory tenure limit in 2033.

Age

The age distribution of newly appointed IDs over the period from January 2021 to April 2026 shows a clear bell-curve pattern. The most common age ranges are 50-55, 55-60 and 60-65, which together accounted for 55.4% of all appointments. The 65-70 age range accounted for 13.9% of all appointments, while 7.6% of appointments were for directors aged 70 and above, with five appointments in the 80-85 age range.

Appointments below age 40 were rare, with 67 in total (4.1%).

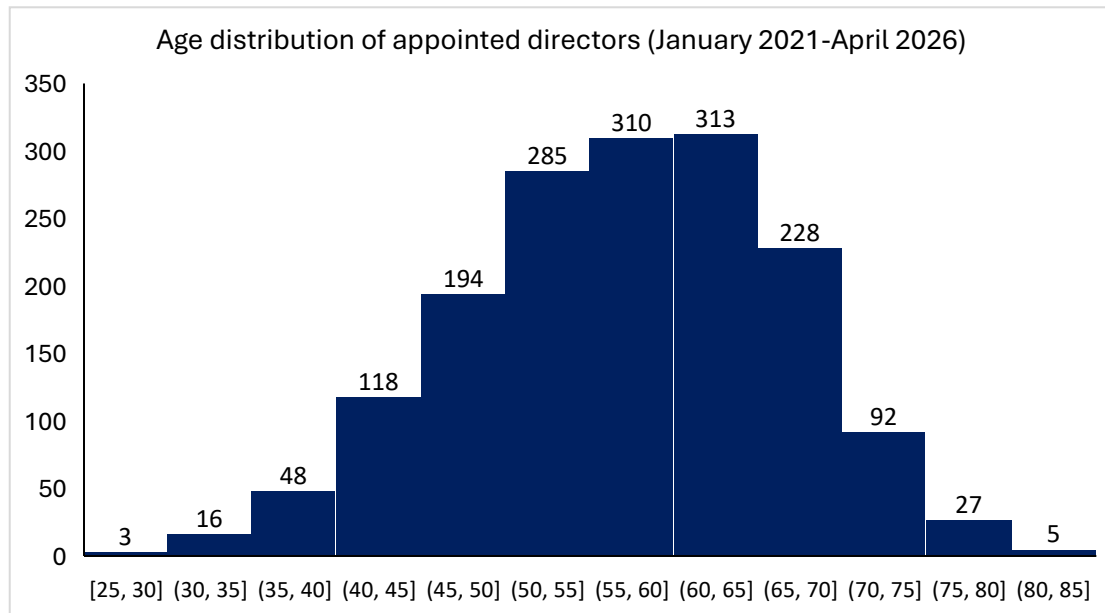


Figure 4: Age distribution of appointed independent directors

Not surprisingly, first-time directors tend to be younger. They are heavily concentrated in the younger age groups, peaking at [55, 60] (155), then declining after 60, and particularly sharply after 65.

Experienced directors, on the other hand, are more dominant in the middle-to-older brackets, peaking at [60, 65] (180) and remaining high for the [65,70] age group (163).

Age range	First time	Experienced
[25, 30]	3	0
[30, 35]	11	5
[35, 40]	40	8
[40, 45]	72	46
[45, 50]	114	80
[50, 55]	123	162
[55, 60]	155	155
[60, 65]	133	180
[65, 70]	65	163
[70, 75]	25	67
[75, 80]	6	21
[80, 85]	1	4
Total	748	891

Figure 5: Age distribution of first time and experienced independent directors
(January 2021 - April 2026)

While I would not describe Singapore as having an ageing director pool at this point, I believe Singapore would benefit if more listed issuers focus on appointing younger directors, such as those who are 55 years or younger, rather than drawing their IDs from the pool of older directors, particularly those who are already on multiple listed boards.

Appointing more first-time directors would improve age diversity. However, younger directors need to have the necessary skills and experience, the ability to exercise sound judgement, and the matured confidence to have their voices heard in the boardroom.

Country of Principal Residence

Not surprisingly, ID appointments are overwhelmingly dominated by Singapore-resident directors.

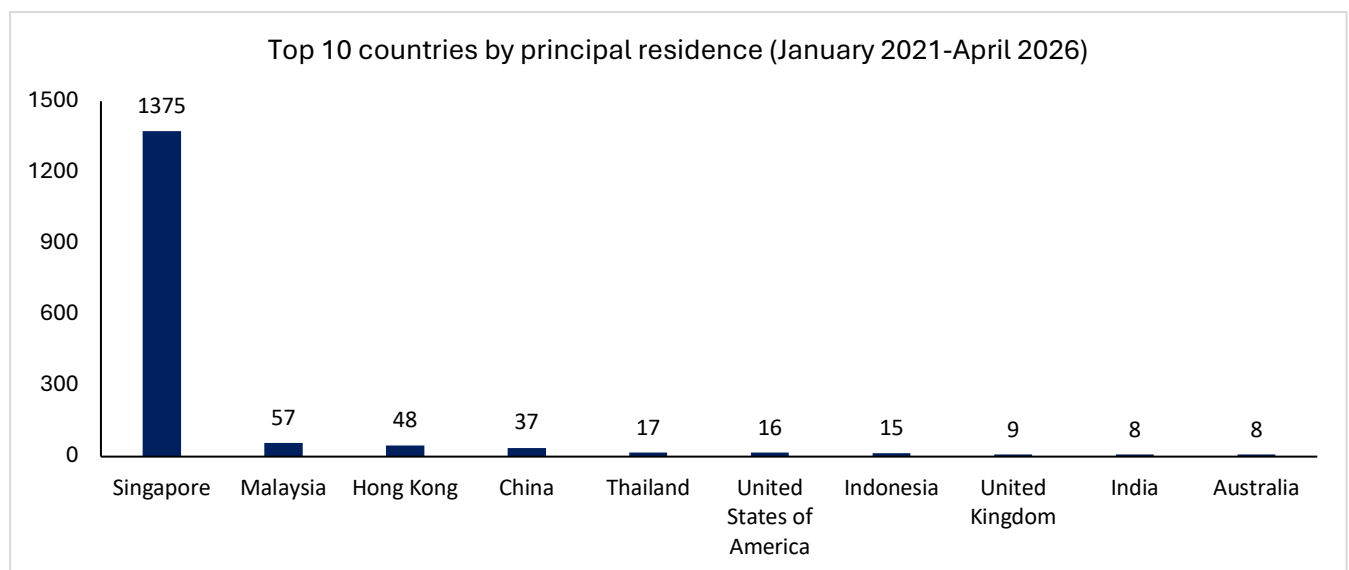


Figure 6: Top 10 countries of principal residence

Singapore-resident directors accounted for 1,375 appointments (83.9%). Malaysia is a distant second, at 57 appointments (3.5%), followed by Hong Kong (48, 2.9%), and China (37, 2.3%).

Singaporean listed issuers may benefit from better geographical diversity among IDs, especially if their major markets extend beyond Singapore. While some current IDs may have international experience, IDs who are resident overseas may have deeper current market knowledge. Geographical diversity may also bring other forms of diversity, such as ethnic and cultural diversity. Foreign directors may also be less bound by local

norms and preserving relationships, making them more willing to express different views.

Listed issuers in other countries can likewise benefit from such diversity. For example, it may be beneficial for both Singaporean and Malaysian listed issuers to appoint more IDs from the opposite end of the Causeway.

Mainboard vs Catalist

Mainboard-listed issuers accounted for 1,147 appointments (70.0%) and while Catalist accounted for 492 appointments (30.0%), broadly reflecting the relative number of issuers listed on the two boards on SGX.

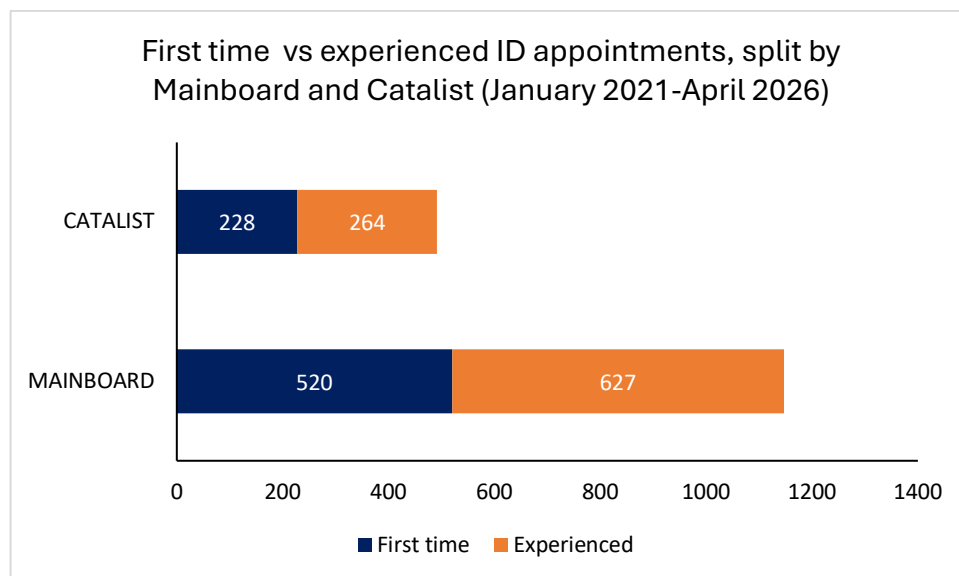


Figure 7: First time vs experienced ID appointments for Mainboard and Catalist

Across the entire period, the overall first-time appointment rates are nearly identical across both boards, 45.3% for Mainboard (520 of 1,147) and 46.3% for Catalist (228 of 492). However, this was mostly due to an “outlier” year in 2023, when Mainboard issuers recorded an unusually high first-time rate of 56.4% versus Catalist's 49.4%.

Catalist issuers had a slightly higher first-time rate than Mainboard issuers in most other years, including 2021 (52.7% vs 43.6%), 2025 (53.6% vs 44.9%), and 2026 year-to-date (48.3% vs 40.0%).

Catalist issuers may be less able to attract experienced directors because of perceptions that such issuers are of lower quality.



Market Capitalisation

We next look at ID appointments by market capitalisation of issuers. We use the following three market capitalisation tiers: Small cap (below S\$300mn), Mid cap (S\$300mn-S\$1bn), and Large cap (above S\$1bn).

The earlier analysis was based on the full dataset of 1,639 ID appointments from 1st January 2021 to 30th April 2026. Due to lack of historical market capitalisation data for issuers that are no longer listed, this part of the analysis is based only on currently listed issuers. For these issuers, there were 1,496 ID appointments.

Given the high number of small cap issuers on SGX, it is not surprising that these issuers dominated appointment volumes, accounting for 1,074 appointments (71.8%). Mid cap issuers accounted for 149 ID appointments (10.0%), and large cap issuers for 273 (18.2%).

However, perhaps surprisingly, the first-time appointment rate is slightly higher for large cap issuers. Large cap issuers have a first-time appointment rate of 49.8% (136 of 273), followed by mid cap issuers at 46.3% (69 of 149) and small cap issuers at 44.3% (476 of 1,074).

One might have expected larger issuers to be able to attract more experienced ID candidates. However, it may be that larger issuers have bigger boards with sufficient numbers of IDs who have experience in listed issuers, and therefore feel more able to appoint IDs from a wider pool, including those without such experience.

However, it needs to be said that first time directors for large caps accounted for only 136 ID appointments, or 9.1% of all ID appointments over the period.

The Reality for Aspiring Directors

The current reality is that aspiring directors who invest in board training programs hoping to serve as directors of Singapore listed issuers may be disappointed by the limited availability of board seats.

One experienced board chairman here said that he believes that every board should seek to appoint a first-time director. For the long-term good of the Singapore market, I would also like to see more first-time directors be given the opportunity, provided they possess the essential qualities of integrity, courage, professionalism, appropriate competencies and commitment, and the ability to exercise sound judgement. Nominating committees should look for these qualities and not over-weight prior experience in listed issuers.



On their part, aspiring directors should do proper research on the issuer and its major shareholder, board and management, and assess if they are likely to be able to discharge their responsibilities and add value.



About the author:

The author is Professor (Practice) of Accounting and Director of the Centre for Investor Protection at NUS Business School. He is also the Chairman of GDInstitute Ltd (GDI) and a director of Corporate Monitor Ltd (CML). The views expressed in this article are his personal views. He acknowledges the excellent research assistance provided by Thach Ngoc Anh, a final year BBA First Class Honours student in Finance at NUS Business School.

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