

# ASEAN Corporate Governance Scorecard

## Singapore Results 2015

**Assoc Prof Lawrence Loh**

Director, CGIO,  
NUS Business School,  
National University of Singapore

**Presented on 31 March 2016**

## Background

- Started in early 2011
- Based on OECD Principles of Corporate Governance 2004

## Rationale

- Reflect global practices
- Universal and applicable to different markets

## Objectives

- Promoting ASEAN asset class
- Aligning domestic capital market for regional integration



# Scorecard Framework



# Scorecard Methodology

## Level 1 score (Max = 100 points)

Rights of shareholders (10)

Equitable treatment of shareholders (15)

Role of stakeholders (10)

Disclosure and transparency (25)

Responsibilities of the board (40)



## Level 2 score

Bonus (+26)

Penalty (-59)

**Total score**  
**(Max = 126 points)**

# Assessment Process

## Shortlist

Top 100 companies by market capitalization

## Analyze

100 companies using Scorecard

## Peer-review

Top 35 Singapore companies by governance performance

## Publish

Companies by rank based on total scores

# Total Score

Description	Singapore 2015*
Mean	78.11
Median	76.19
Maximum	115.95
Minimum	48.96

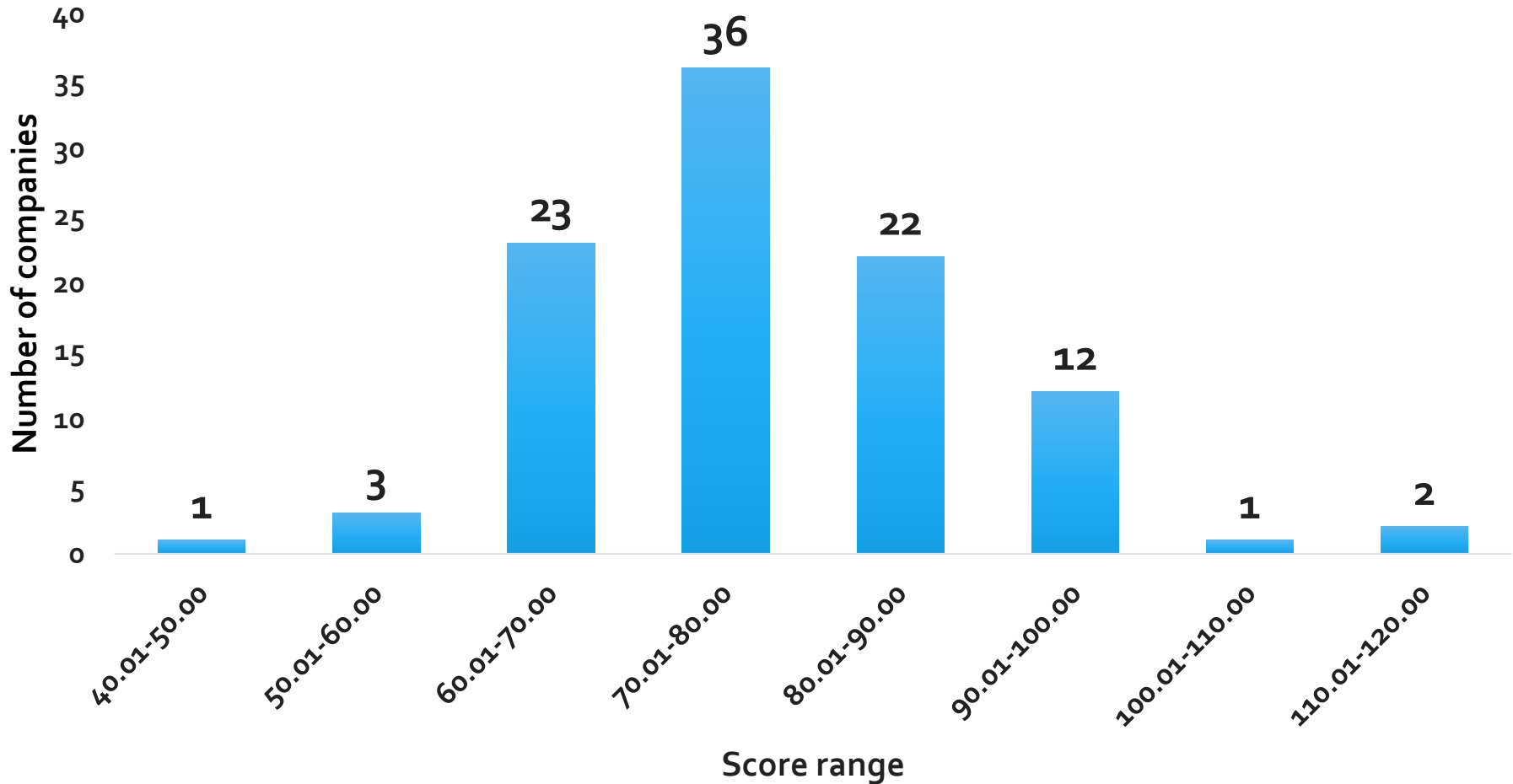
\* Out of a maximum total score of 126 points

# Results over the Years

Year	Max Possible Total Score	Total Score Range	Average Total Score	Average Level 1 Score*
<b>2012</b>	117	37.9 - 81.7	55.7	56.4
<b>2013</b>	142	46.8 - 105.0	71.7	65.1
<b>2014</b>	128	43.9 - 105.5	70.7	67.0
<b>2015</b>	126	49.0 - 116.0	78.1	74.6

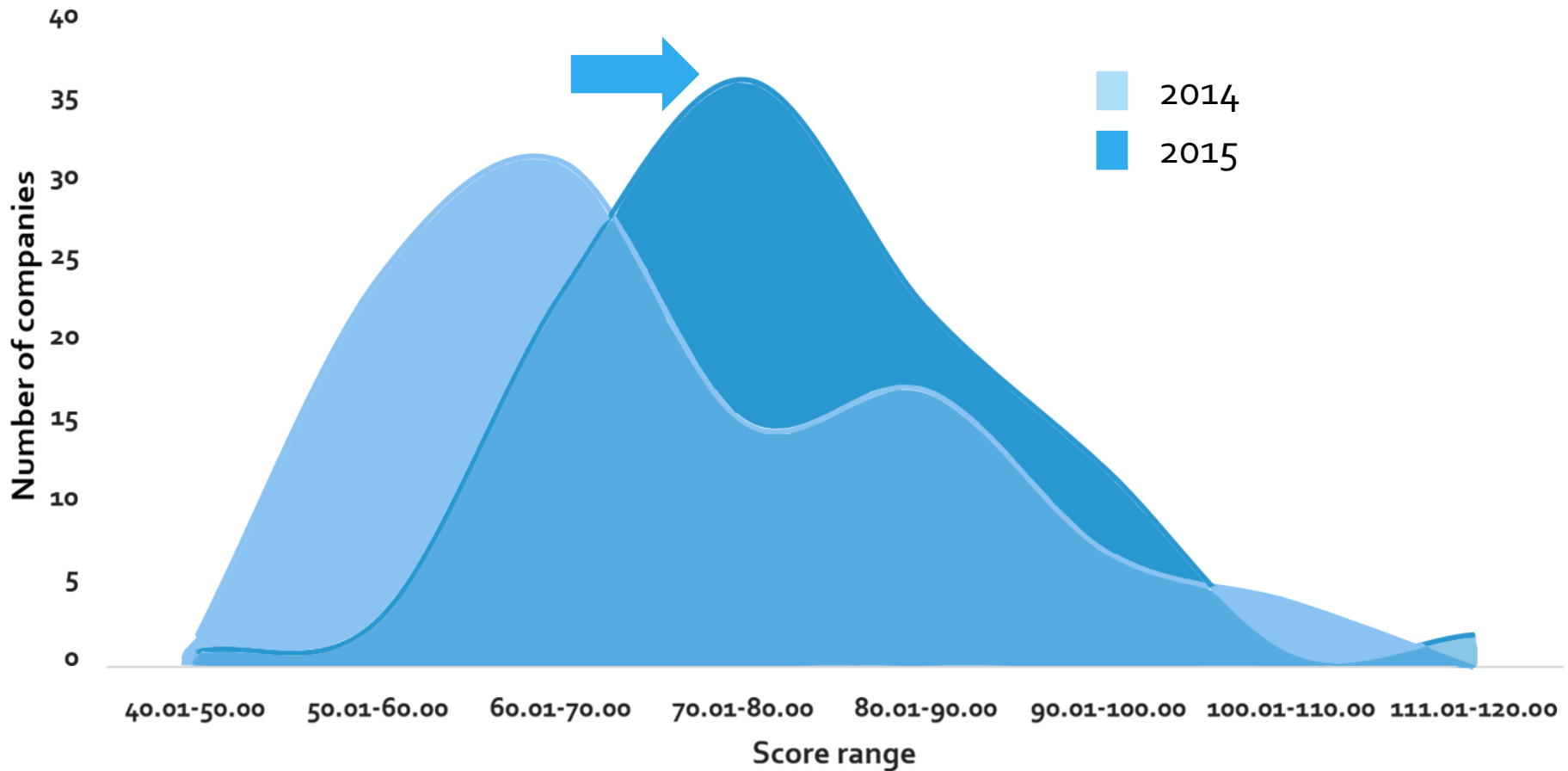
\* Out of a maximum Level 1 score of 100 points

# Total Score Distribution 2015

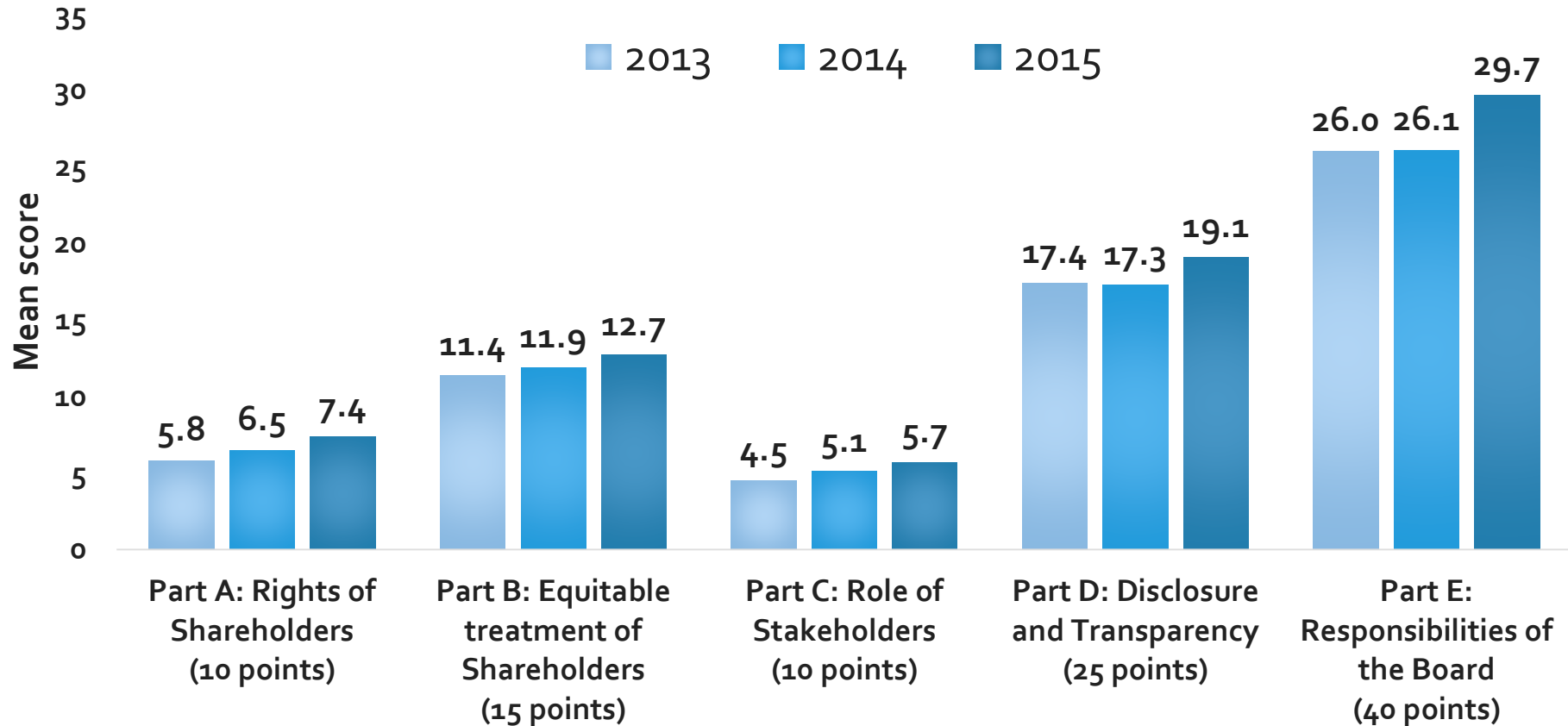




# Total Score Distribution Curve

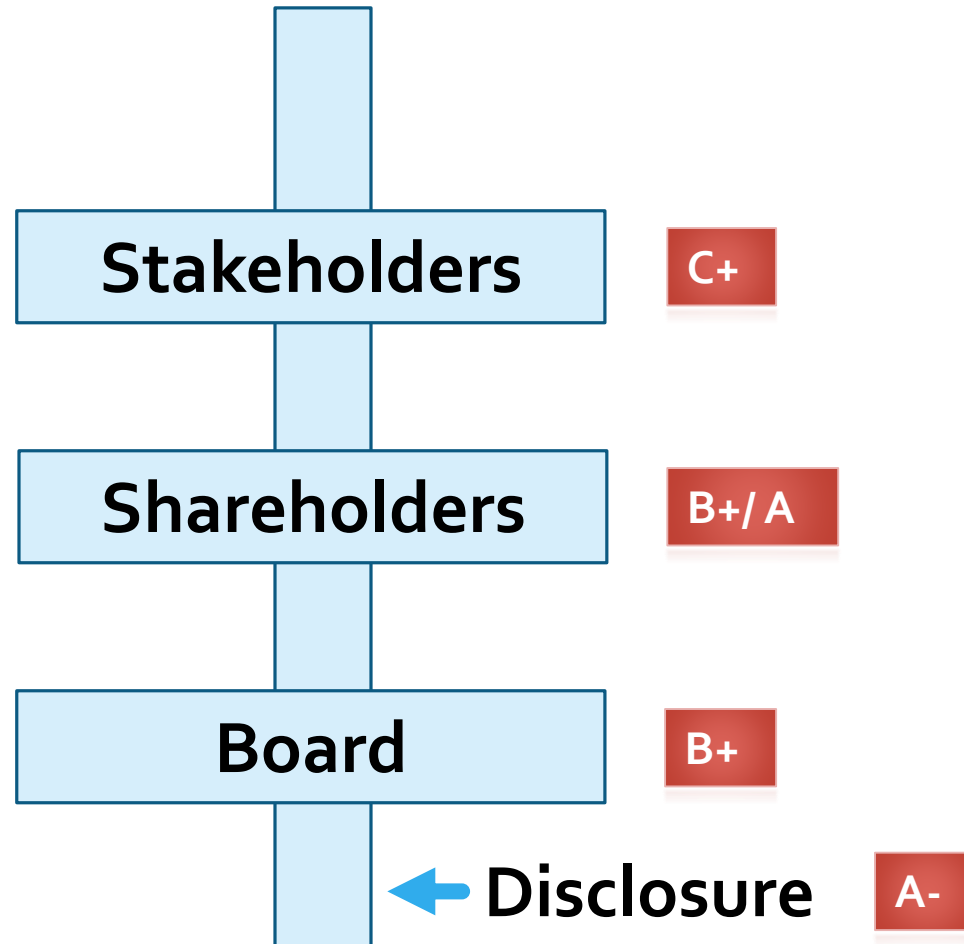


# Scores by Component



Component	2014			2015		
	Score	Percentage	Grade	Score	Percentage	Grade
<b>Part A:</b> Rights of Shareholders	6.5 / 10	65.0%	<b>B</b>	7.4 / 10	74.0%	<b>B+</b>
<b>Part B:</b> Equitable Treatment of Shareholders	11.9 / 15	79.3%	<b>A-</b>	12.7 / 15	84.7%	<b>A</b>
<b>Part C:</b> Role of Stakeholders	5.1 / 10	51.0%	<b>C</b>	5.7 / 10	57.0%	<b>C+</b>
<b>Part D:</b> Disclosure and Transparency	17.3 / 25	69.2%	<b>B</b>	19.1 / 25	76.4%	<b>A-</b>
<b>Part E:</b> Responsibilities of the Board	26.1 / 40	65.3%	<b>B</b>	29.7 / 40	74.3%	<b>B+</b>
<b>Overall</b>	67.0 / 100	67.0%	<b>B</b>	74.6 / 100	74.6%	<b>B+</b>

# Assessment Ideogram



# Notable Improvements Made in 2015

Component	Improvements made
<b>Part A:</b> Rights of Shareholders	<ul style="list-style-type: none"> <li>- Disclosed voting and vote tabulation procedures</li> <li>- Voted by poll for all resolutions</li> </ul>
<b>Part B:</b> Equitable Treatment of Shareholders	<ul style="list-style-type: none"> <li>- Included profiles of directors in AGM notice</li> <li>- Made proxy documents easily available</li> </ul>
<b>Part C:</b> Role of Stakeholders	<ul style="list-style-type: none"> <li>- Provided IR contact details</li> <li>- Stipulated efforts to address customers' welfare</li> </ul>
<b>Part D:</b> Disclosure and Transparency	<ul style="list-style-type: none"> <li>- Disclosed detailed remuneration of each board member</li> <li>- Disclosed trading in the company's shares by insiders</li> </ul>
<b>Part E:</b> Responsibilities of the Board	<ul style="list-style-type: none"> <li>- Conducted annual assessments of boards and their committees and directors</li> <li>- Disclosed nine-year tenure limit for independent directors</li> </ul>

## Part A: Rights of Shareholders

- To disclose AGM attendance of all board members
- To appoint an independent party – scrutineers - to count the votes at AGM
- To record questions and answers in the meeting minutes

## Part B: Equitable Treatment of Shareholders

- To disclose a policy requiring directors to abstain from participating in board discussion when they are conflicted
- To provide a detailed dividend policy

## Part C: Roles of Stakeholders

- To disclose supplier/contractor selection and criteria
- To publish information relating to health, safety and welfare of its employees
- To disclose anti-bribery and corruption policy and practices
- To introduce sustainability reporting



## Part D: Disclosure and Transparency

- To disclose non-financial performance indicators in annual reports
- To make AGM and EGM minutes public
- To make company's memorandum and articles of association available on company website

## Part E: Responsibilities of the Board

- To disclose details and implementation of code of ethics or conduct
- To disclose training or education programmes attended by each director
- To disclose how key risks are managed

# Moving Forward

- Increased adoption of ASEAN Corporate Governance Scorecard
- Continued disclosure of top-performing companies by rank
- SID-CGIO and Monetary Authority of Singapore ready to assist Singapore companies by conducting developmental sessions

# Top 5 Singapore Companies

Ranking	Company Name	Total Score*
1	Singapore Telecommunications Limited	115.95
2	DBS Group Holdings Limited	113.46
3	Singapore Exchange Limited	107.65
4	CapitaLand Limited	99.23
5	Singapore Press Holdings Limited	98.70

\* Out of a maximum total score of 126 points