

# SID BOARD OF DIRECTORS SURVEY 2022

## *Key Findings*

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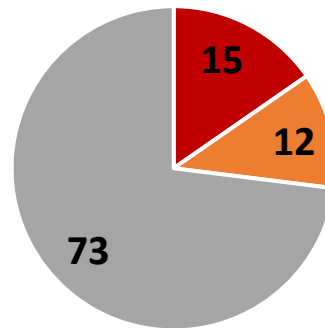
Nov 11, 2022

## Methodology

- 671 questionnaires sent out
- 150 responses (22.35% response rate)

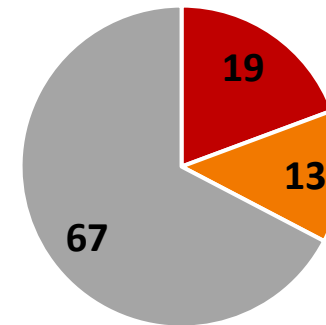
## By Market Capitalisation

Breakdown of Population Firms by Market Cap (in %)



■ Large Cap ■ Mid Cap ■ Small Cap

Breakdown of Respondent Firms by Market Cap (in %)

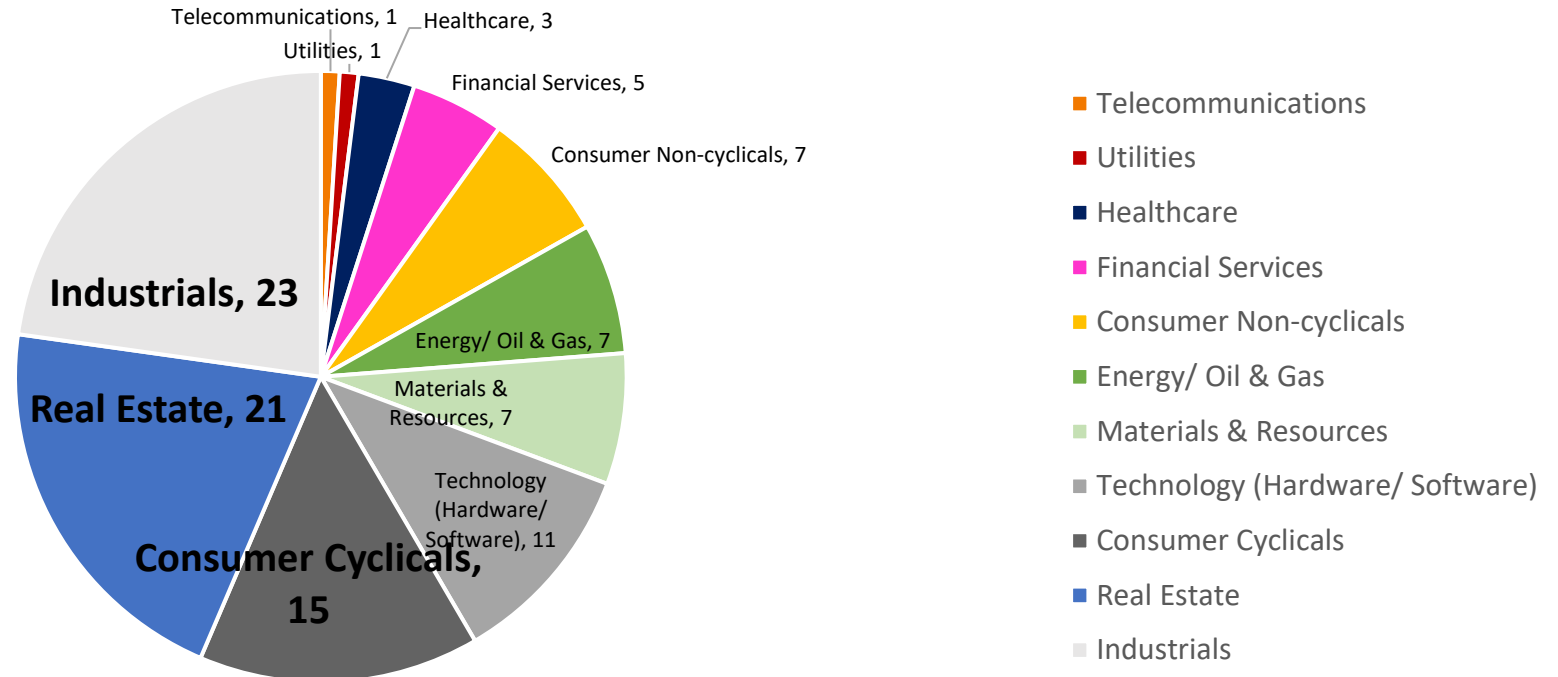


■ Large Cap ■ Mid Cap ■ Small Cap

- Respondents: 29 large cap, 20 mid cap, 101 small cap

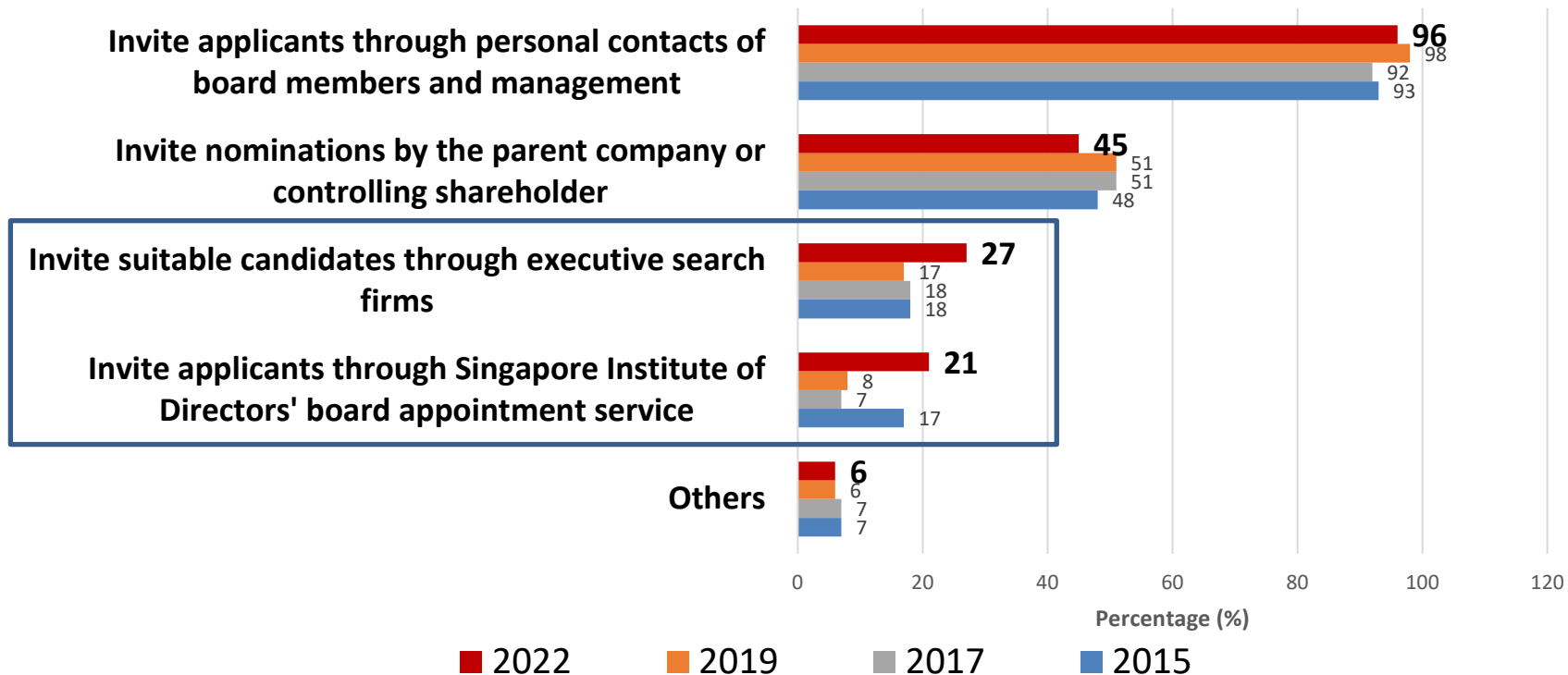
## By Industry

Breakdown of Respondent Firms by Industry Sectors (in %)



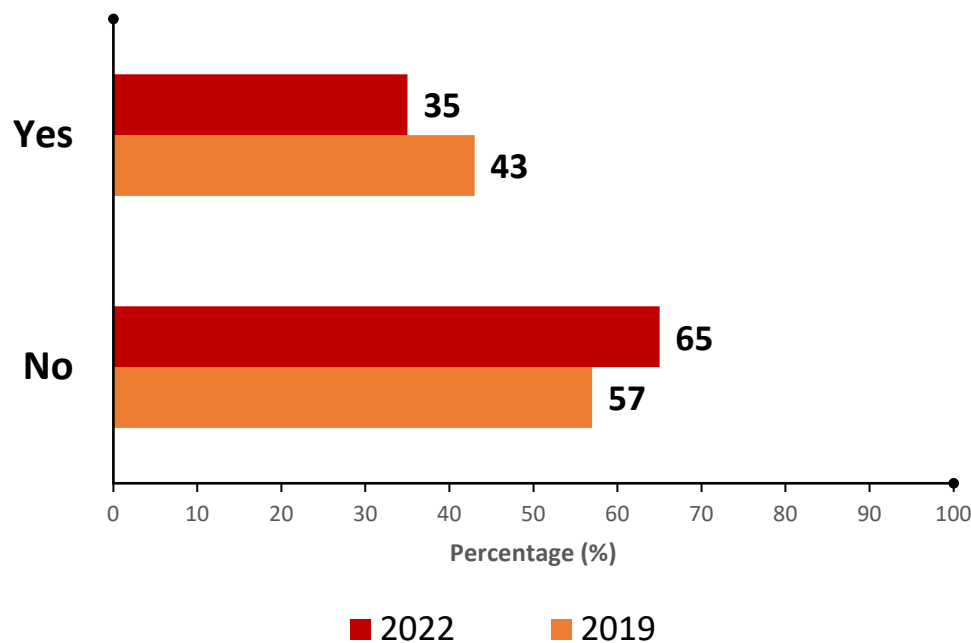
## Succession Planning

How does your company identify potential non-executive directors?  
(% of 150)

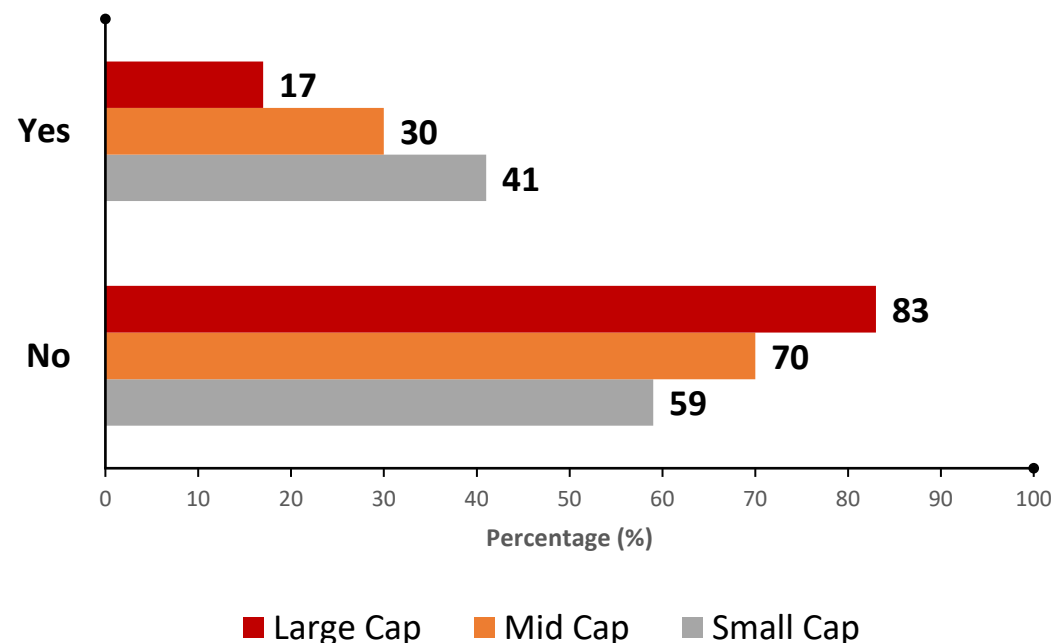


## Nine-year Rule for Independent Directors

Does your board currently have any independent director who has served more than 9 years? (% of 150)

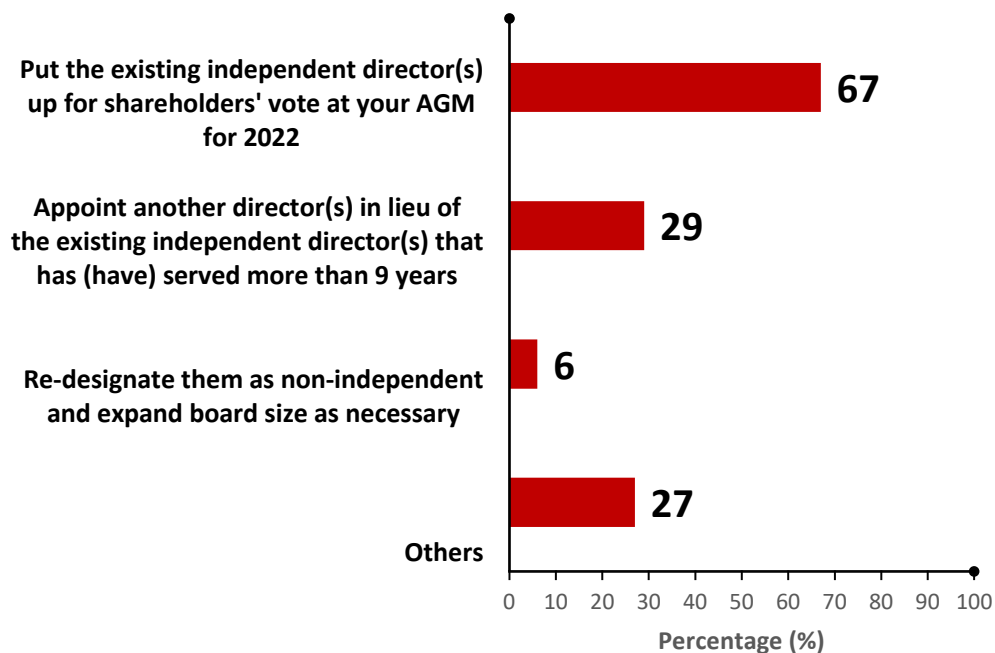


Does your board currently have any independent director who has served more than 9 years? (% by Market Cap)

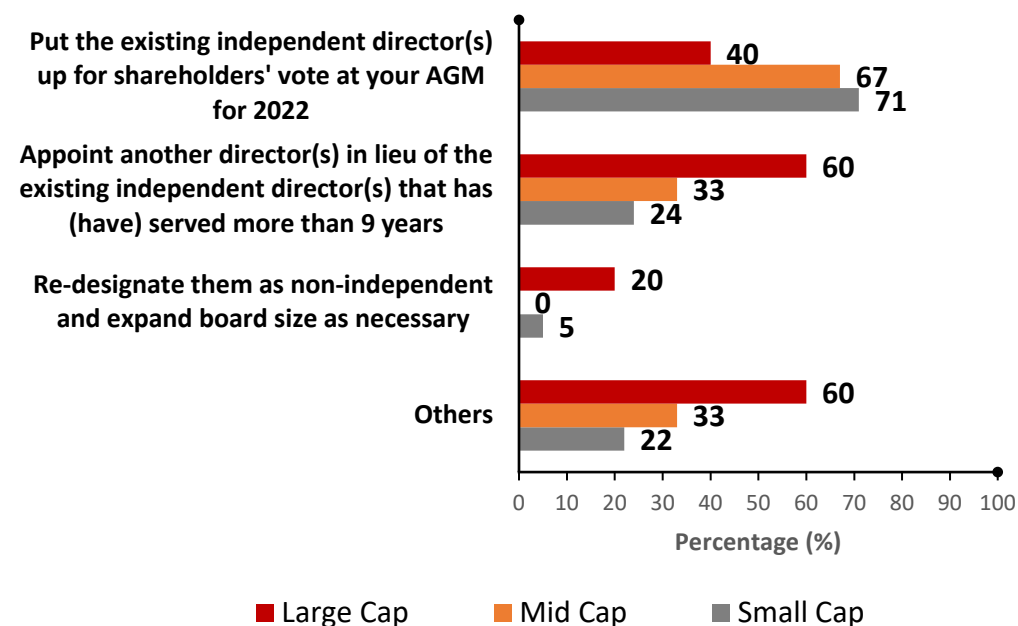


## Nine-year Rule

If your answer is "Yes", which of the following action(s) does your company intend to take with respect to your existing independent director(s) that has (have) served more than 9 years? (% of 52)

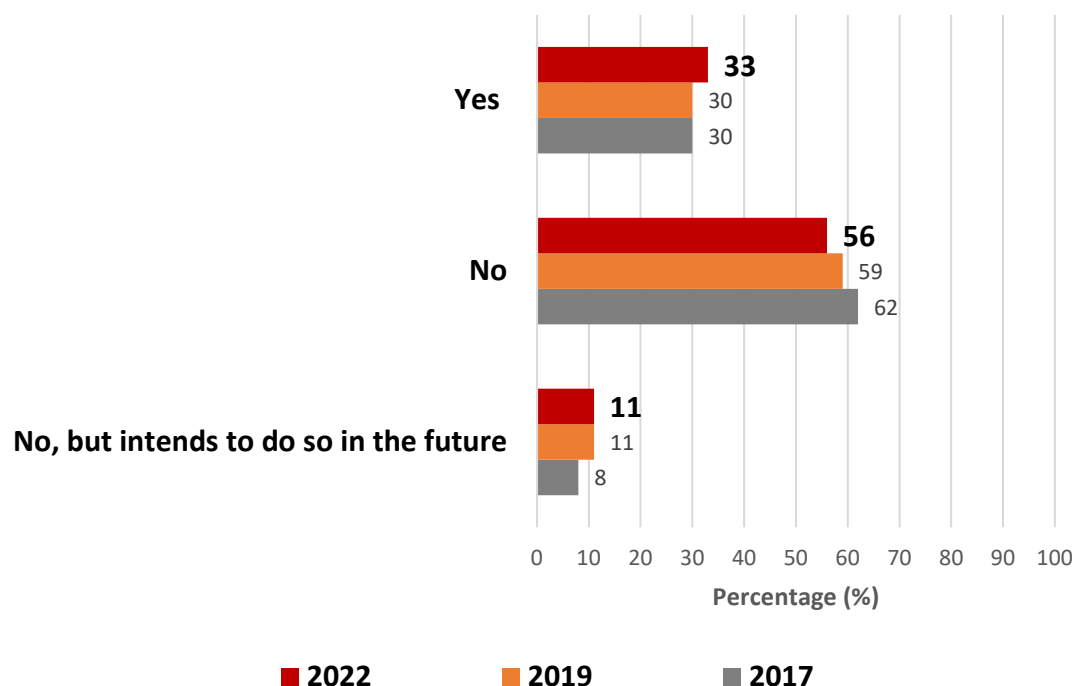


If your answer is "Yes", which of the following action(s) does your company intend to take with respect to your existing independent director(s) that has (have) served more than 9 years? (% by Market Cap)



## Restrictions on Directors' Appointments

Does the board or nominating committee have a limit on the total number of listed company directorships that an *executive* director can hold? (% of 150)

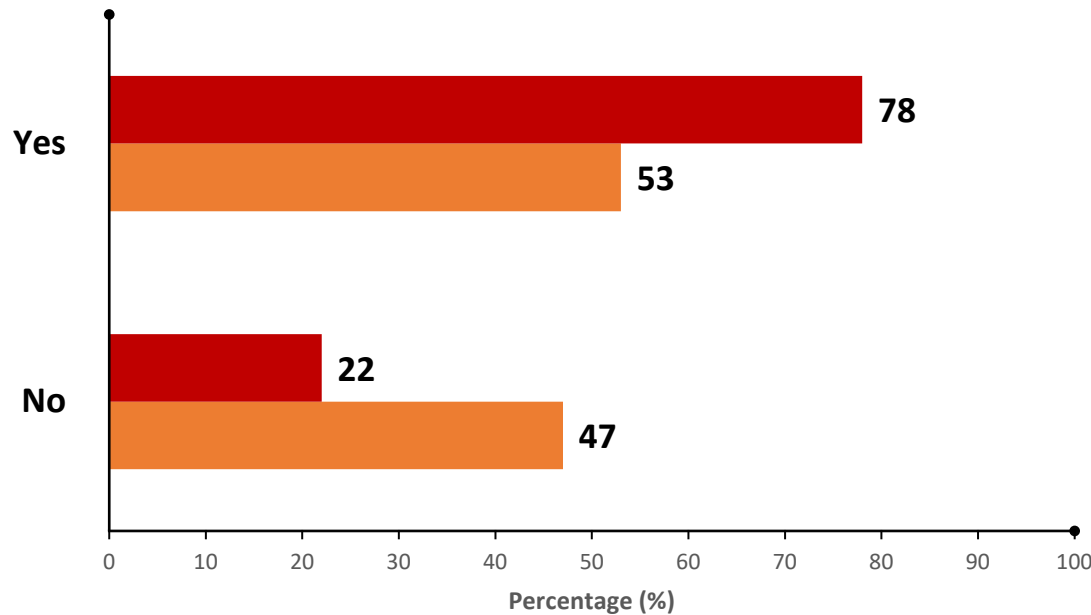


Number of listed company directorships allowed for Executive Directors	0	1	2	3	4	5	6	7	8	9	10
% of companies (N=50)	2	14	6	12	10	32	22	0	0	2	0



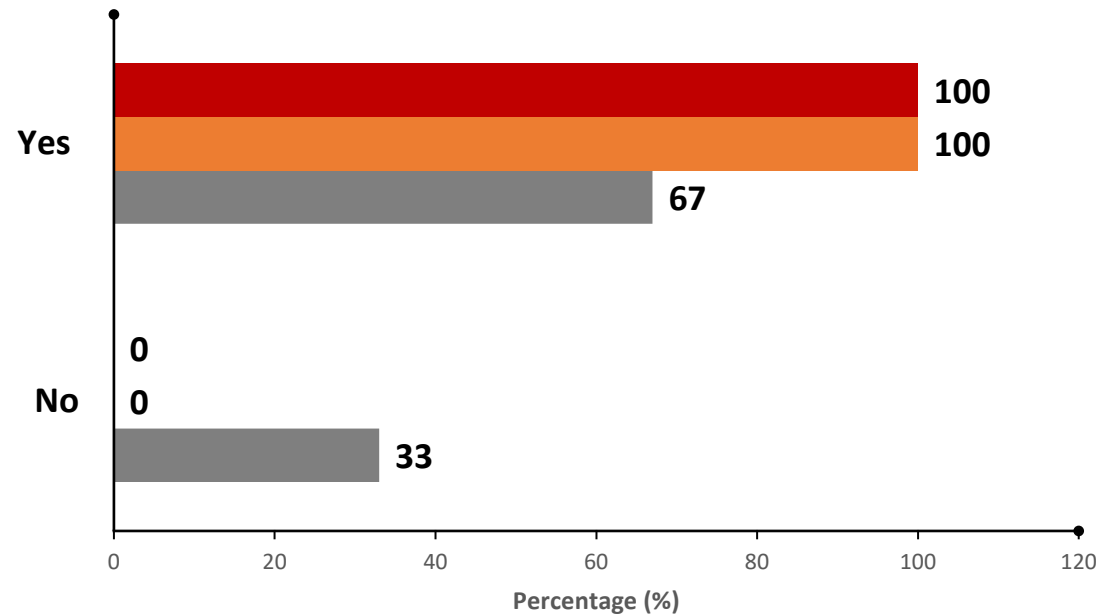
## Board Diversity

Does your company have a board diversity policy?  
(% of 150)



■ 2022 ■ 2019

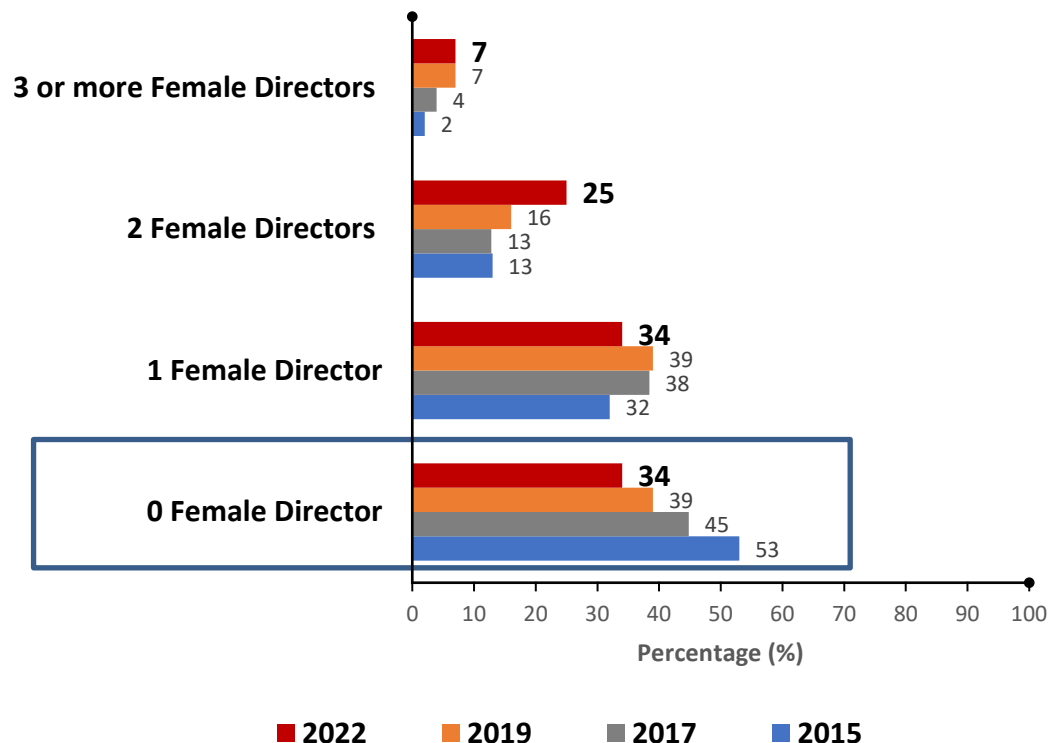
Does your company have a board diversity policy?  
(% by Market Cap)



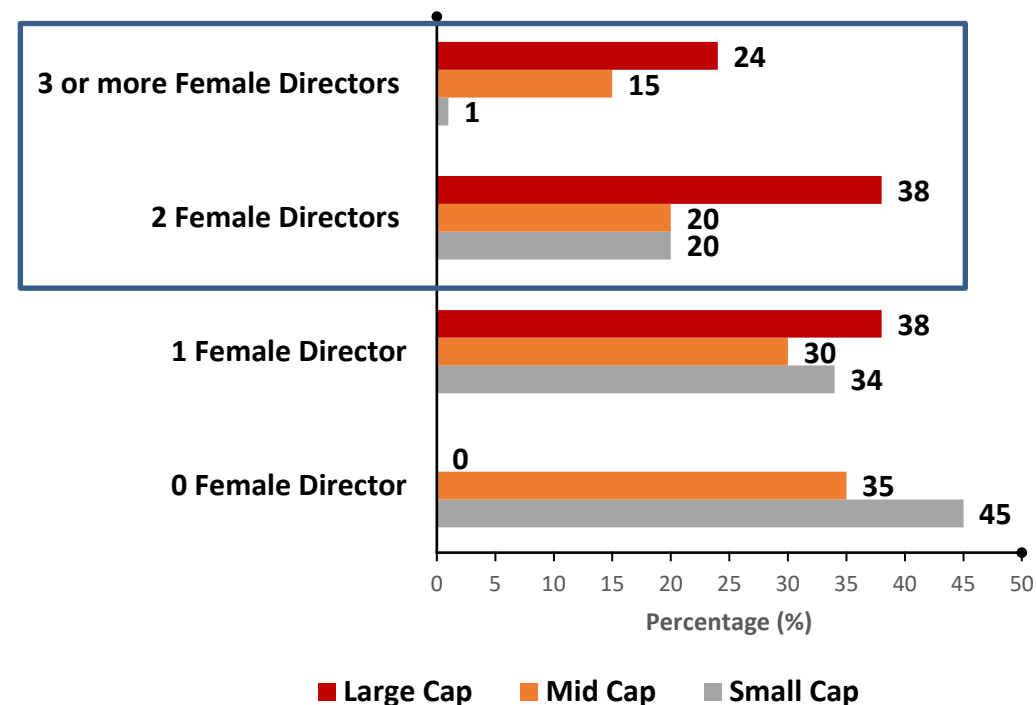
■ Large Cap ■ Mid Cap ■ Small Cap

## Board Diversity - Gender

How many female directors does the board **currently** have? (% of 148)

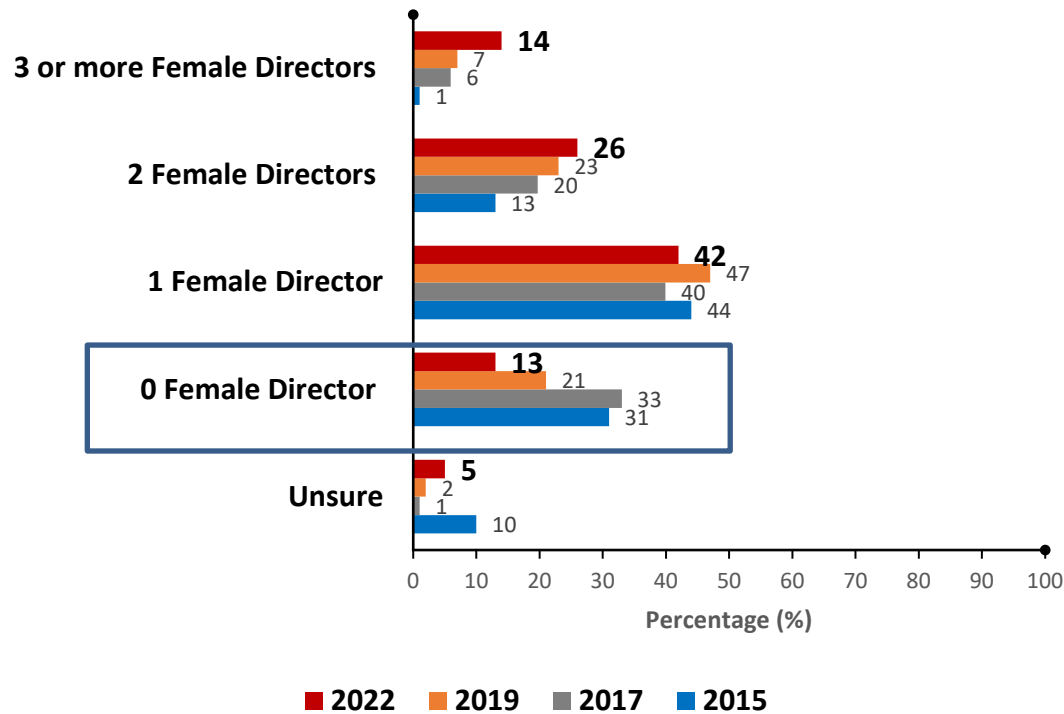


How many female directors does the board **currently** have? (% by Market Cap)

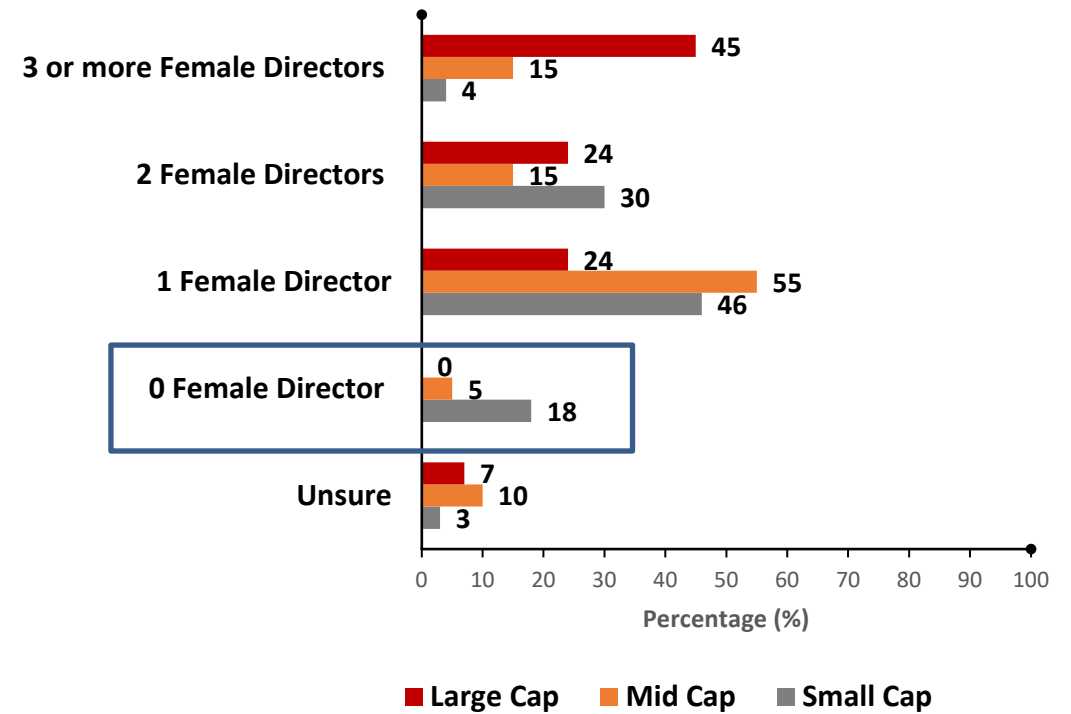


## Board Diversity - Gender

How many female directors does the board **intend** to have?  
(% of 150)

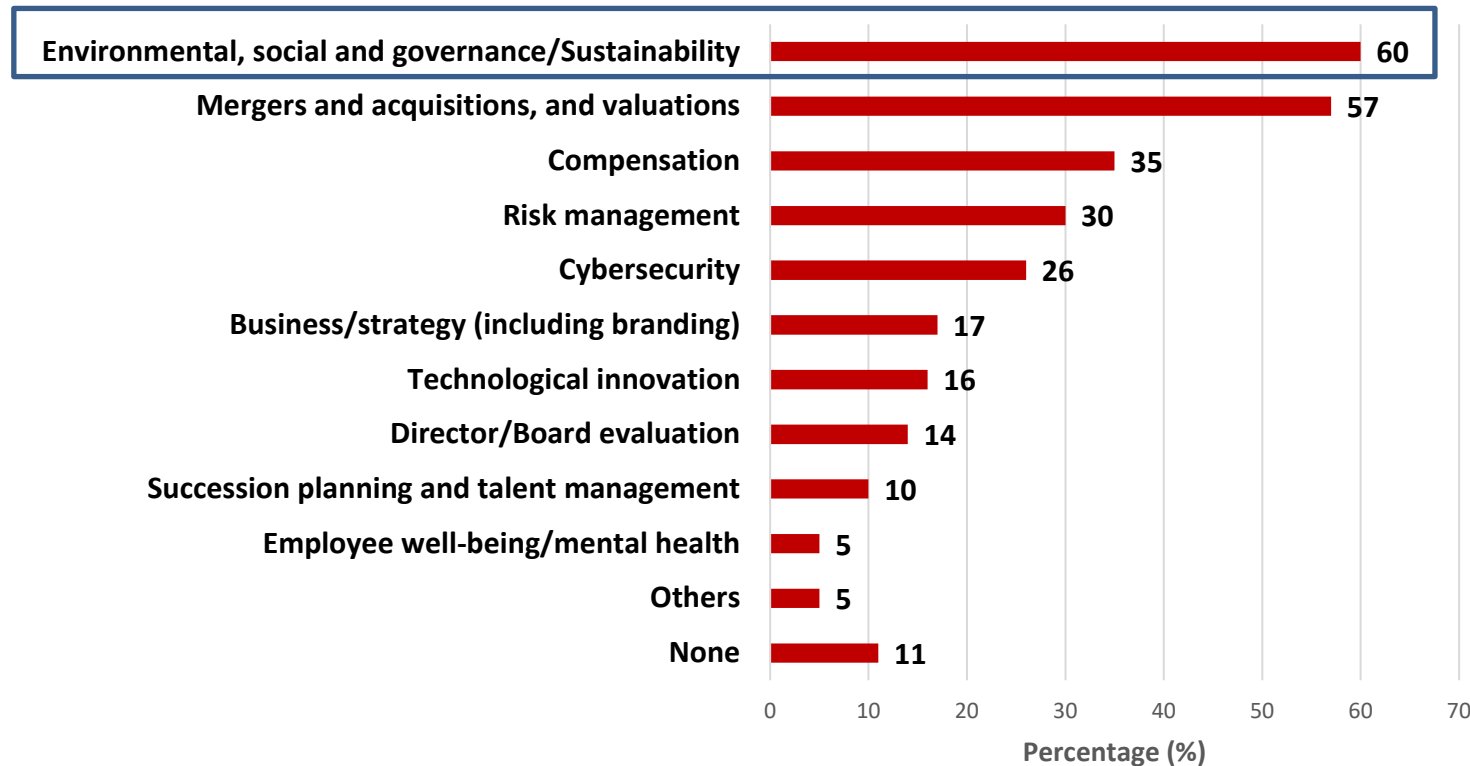


How many female directors does the board **intend** to have?  
(% By Market Cap)



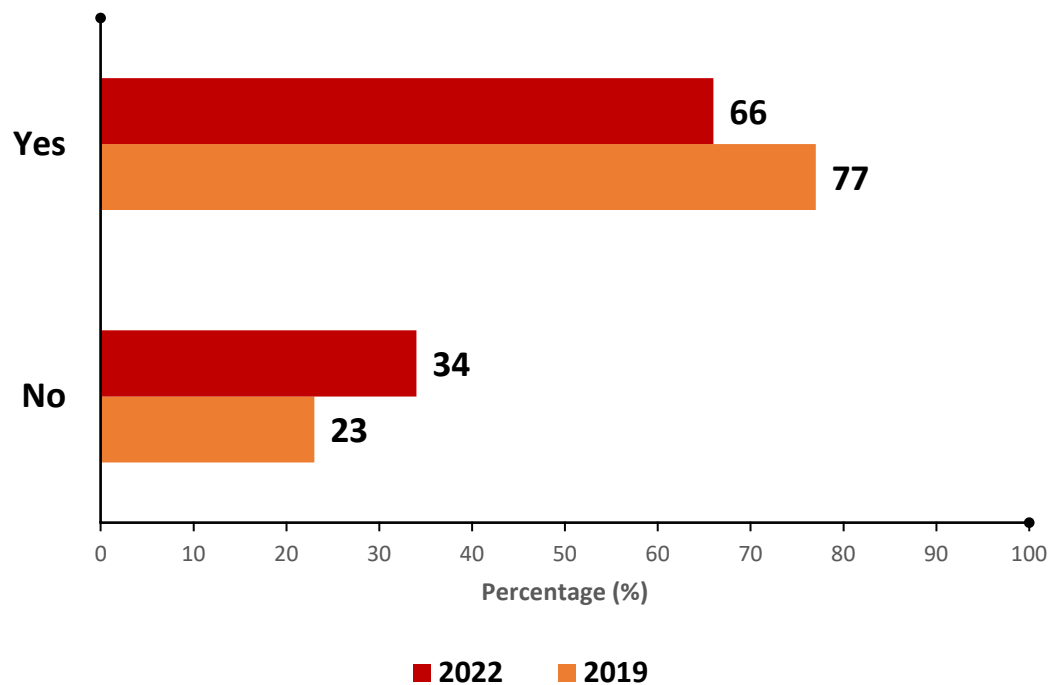
## Seeking Professional Advice

What other types of professional advice has the board sought from external advisors in the last 12 months? (% of 150)

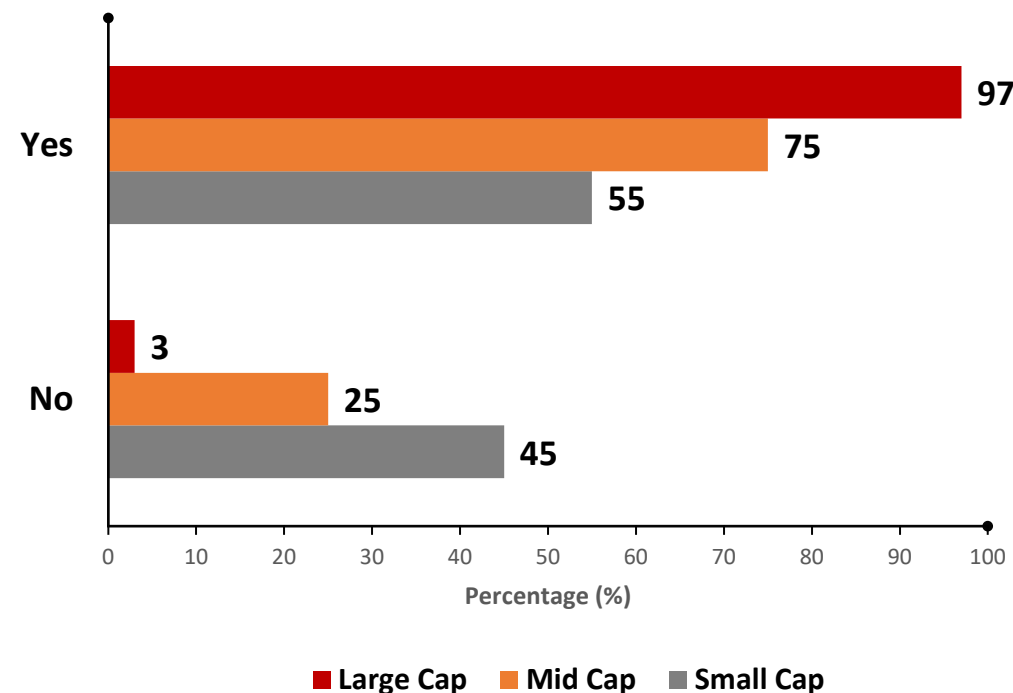


## Director Training

Does your company provide or arrange training for your directors? (% of 150)

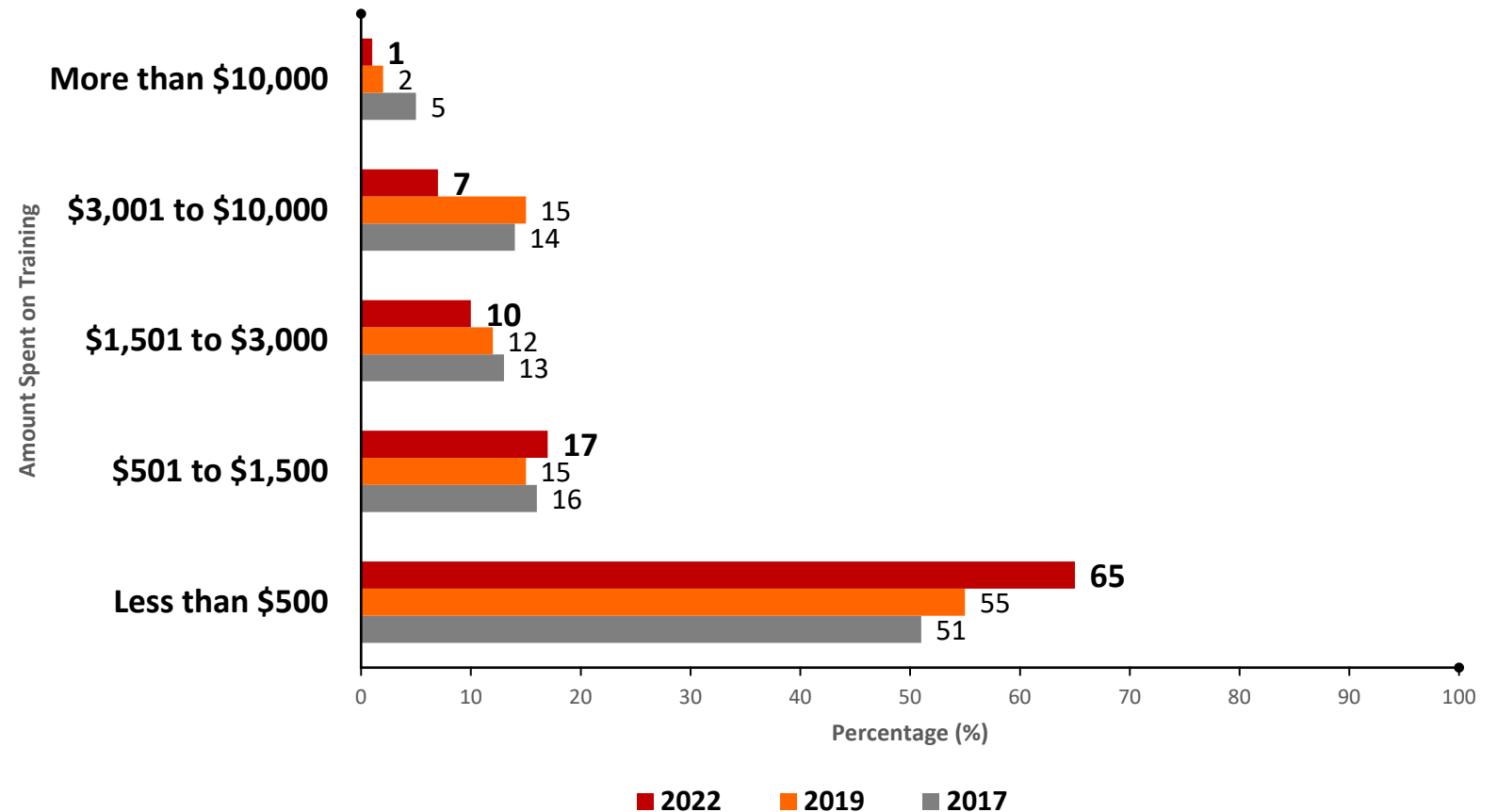


Does your company provide or arrange training for your directors? (% by Market Cap)



## Director Training

On average, how much did your company spend on external training per *executive* director in the last twelve months? (% of 150)



## Director Training

What types of training (other than orientation and induction) did the company provide or arrange for your directors in the last 12 months? (% of 150)



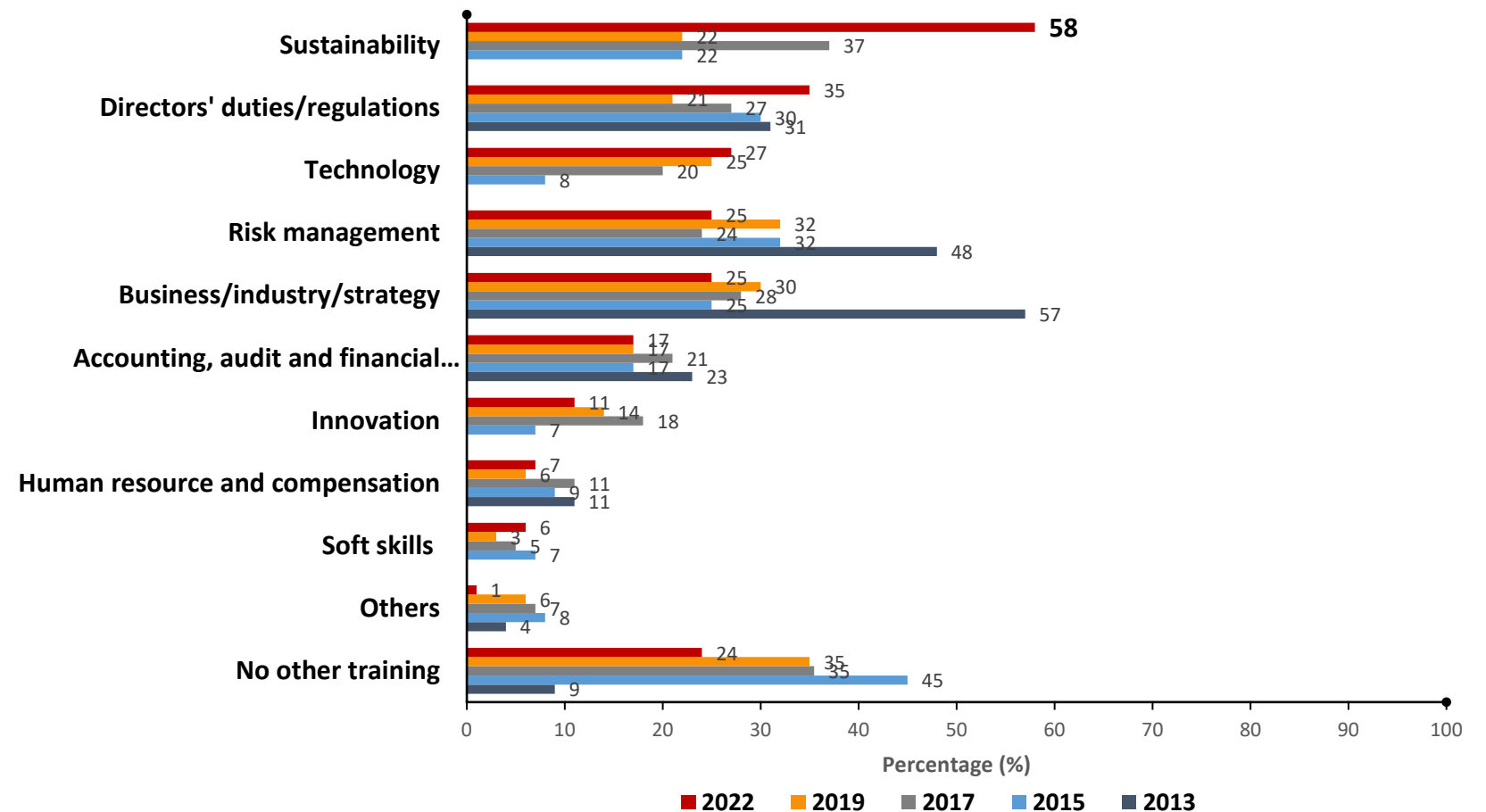
## Director Training



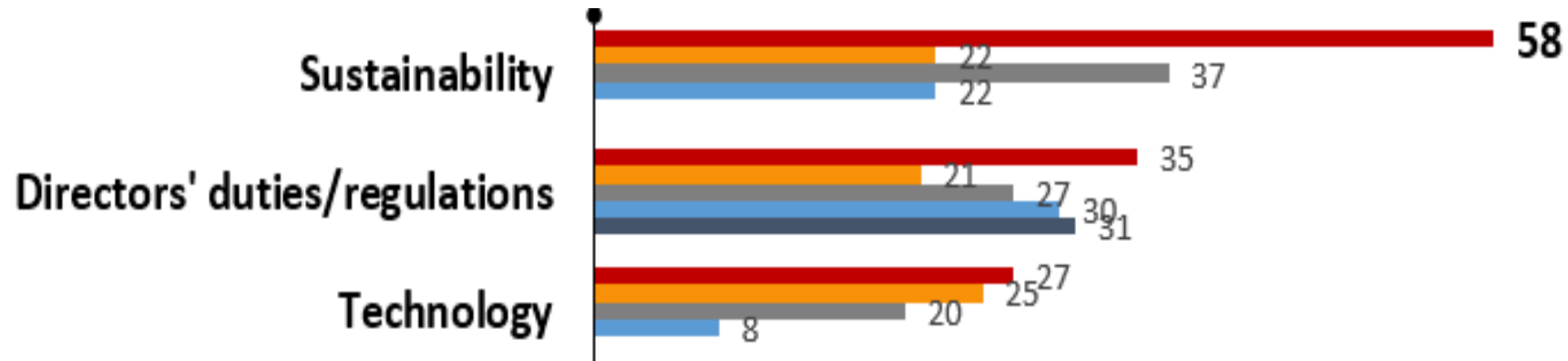


## Director Training

What types of training (other than orientation and induction) do you think are needed for your directors? (% of 150)

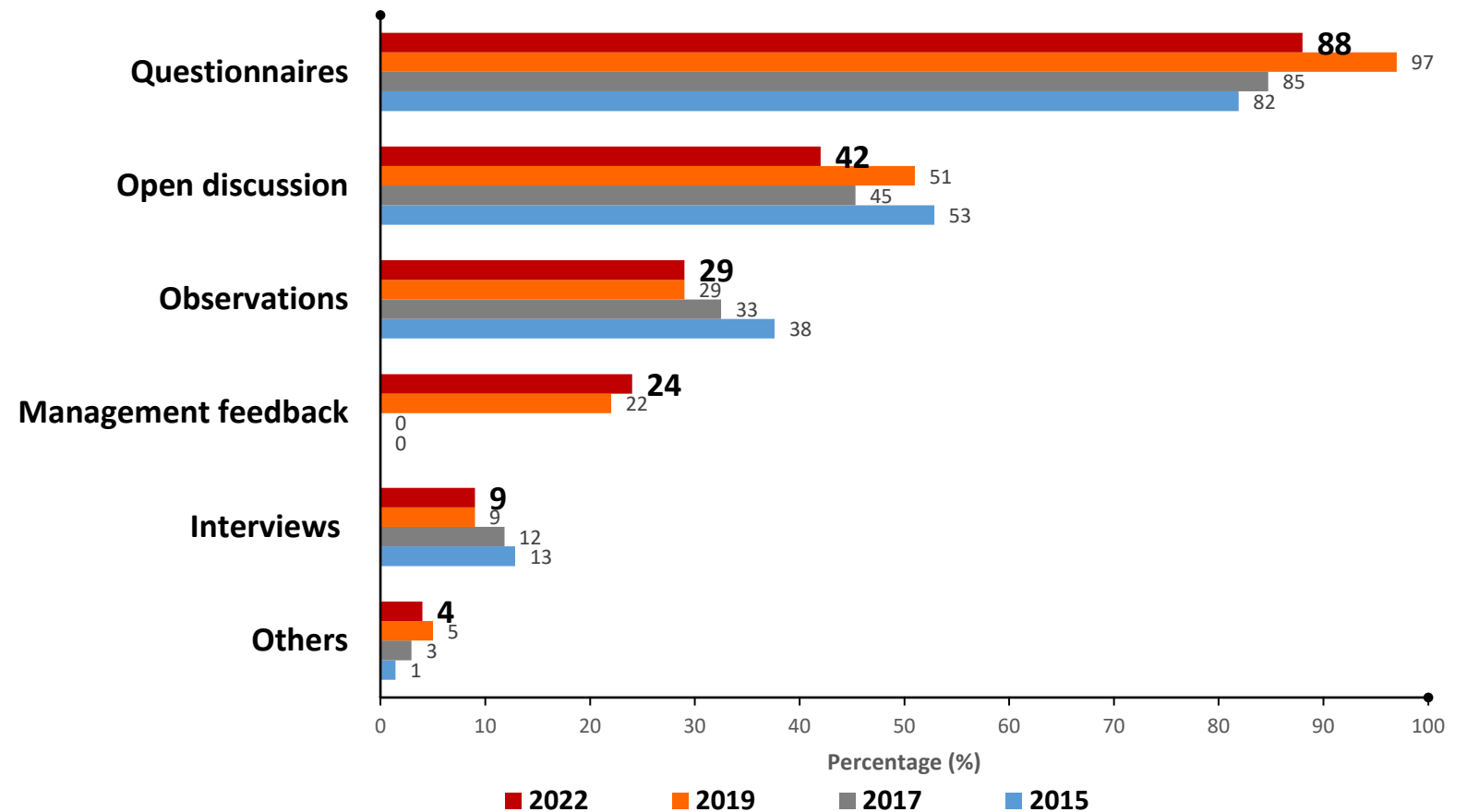


## Director Training



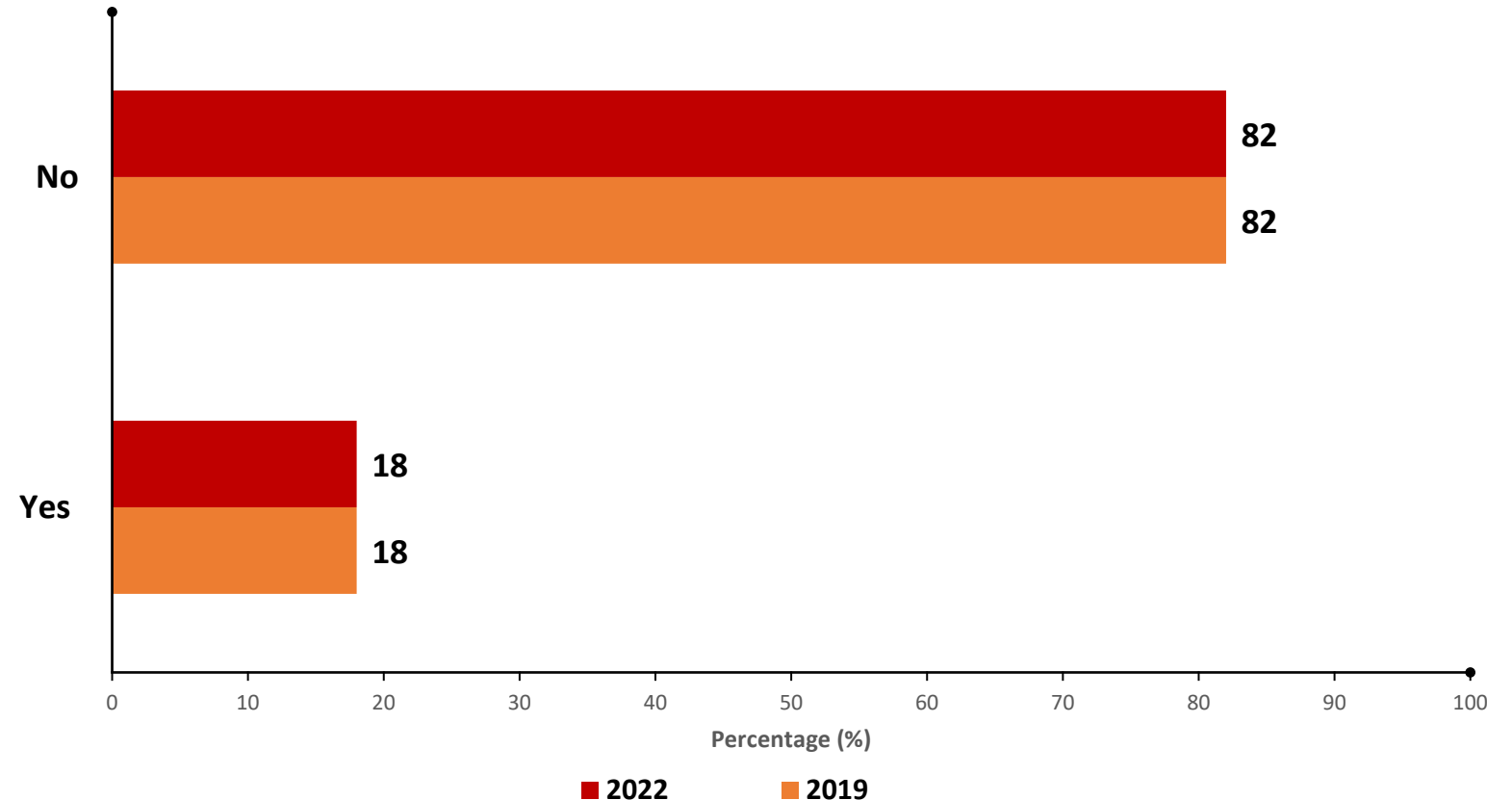
## Board Evaluation

Which of the following methods does your company use to assess the performance of your board, board committees, and individual directors? (% of 142)



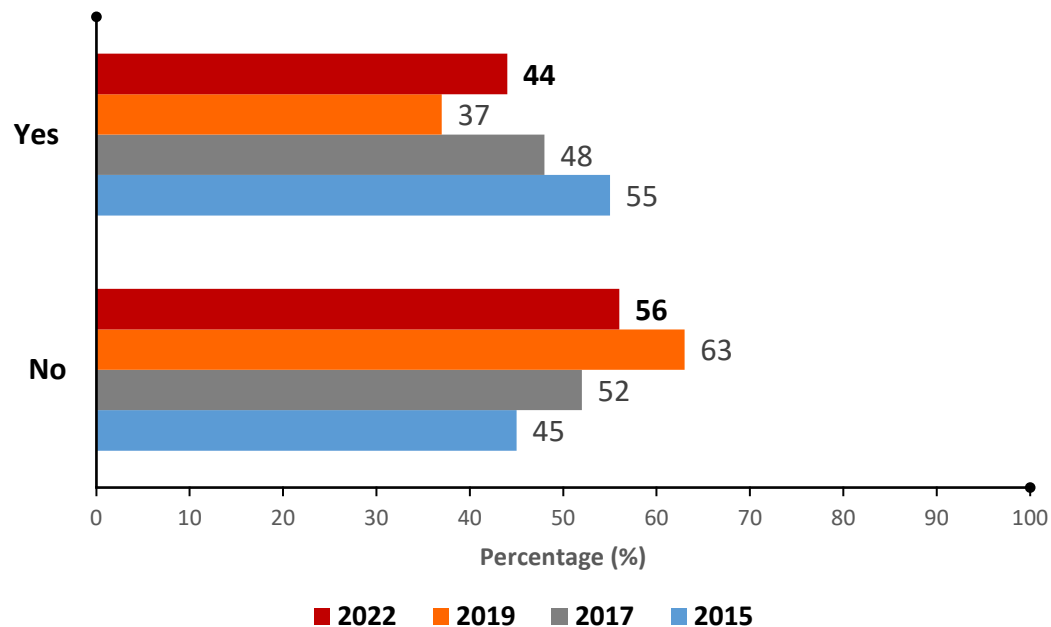
## Board Evaluation

Does your company engage an external facilitator/consultant to facilitate the performance assessment of your board, board committees, and individual directors? (% of 142)

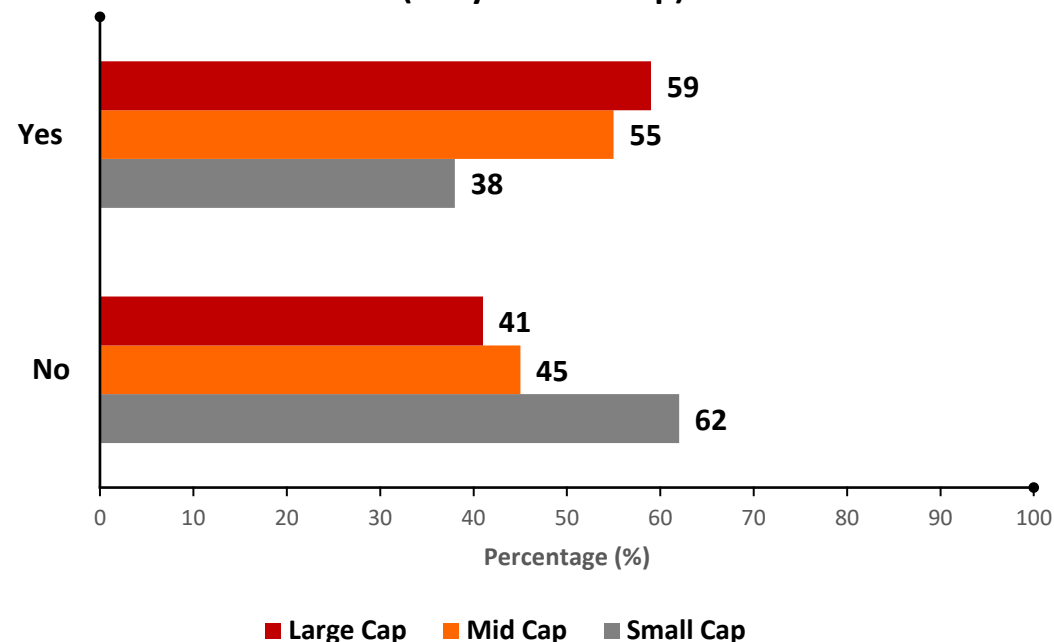


## Board Strategy Sessions

In the last 12 months, has the board held board sessions dedicated to strategy only, without inclusion of any other items on the agenda (eg. board retreats)?  
(% of 150)



In the last 12 months, has the board held board sessions dedicated to strategy only, without inclusion of any other items on the agenda (eg. board retreats)?  
(% By Market Cap)



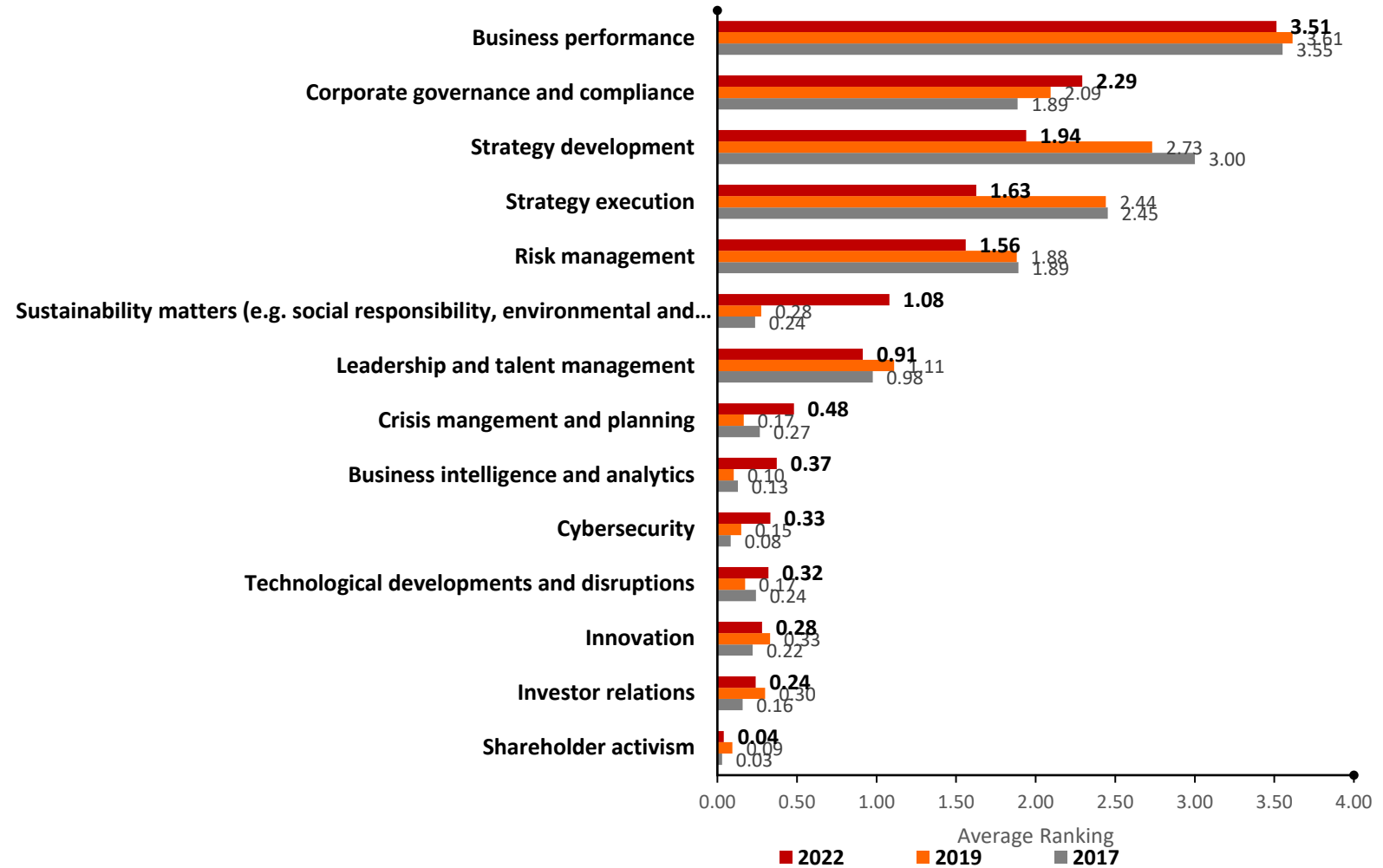
### Board Strategy Sessions

- 51% stated “the board leaves it largely to the management to develop and execute the strategy” as a reason for not conducting dedicated strategy sessions.
- 60% of small cap and 44% of mid cap, versus just 8% of large cap stated this as a reason.

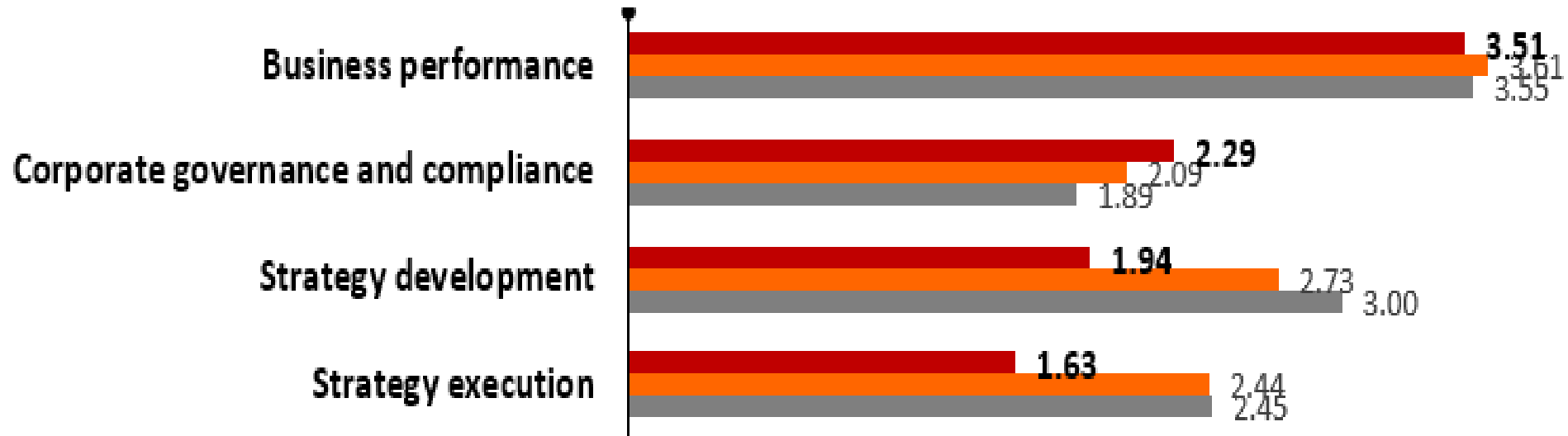
# Section 3 – Strategy and Execution

## Board Focus

Which of the following areas does the board consider to be most important? (% of 150)



## Board Focus



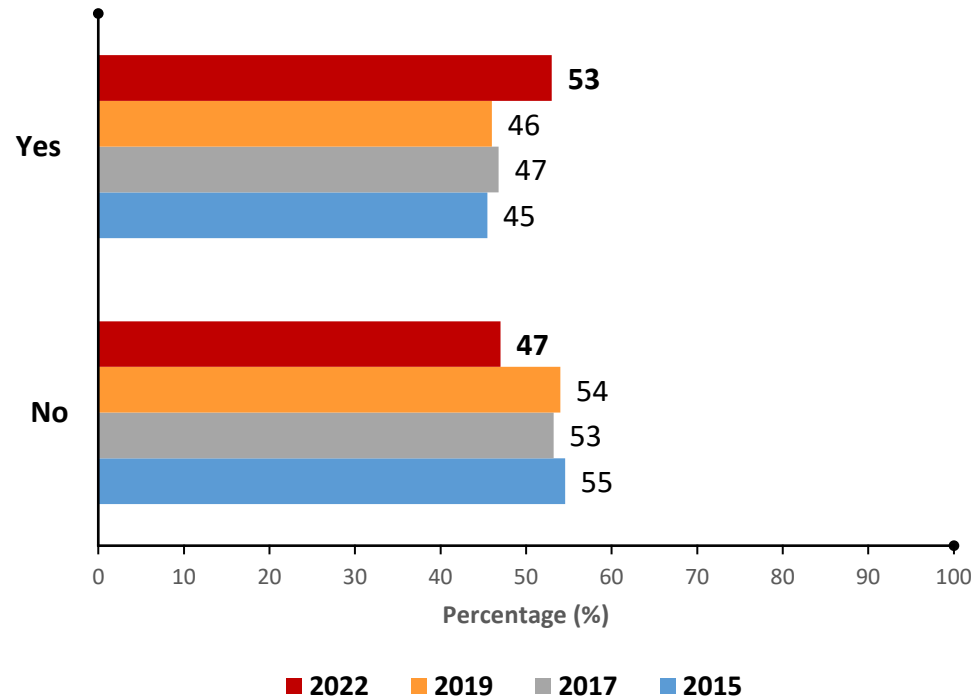


## Board Focus

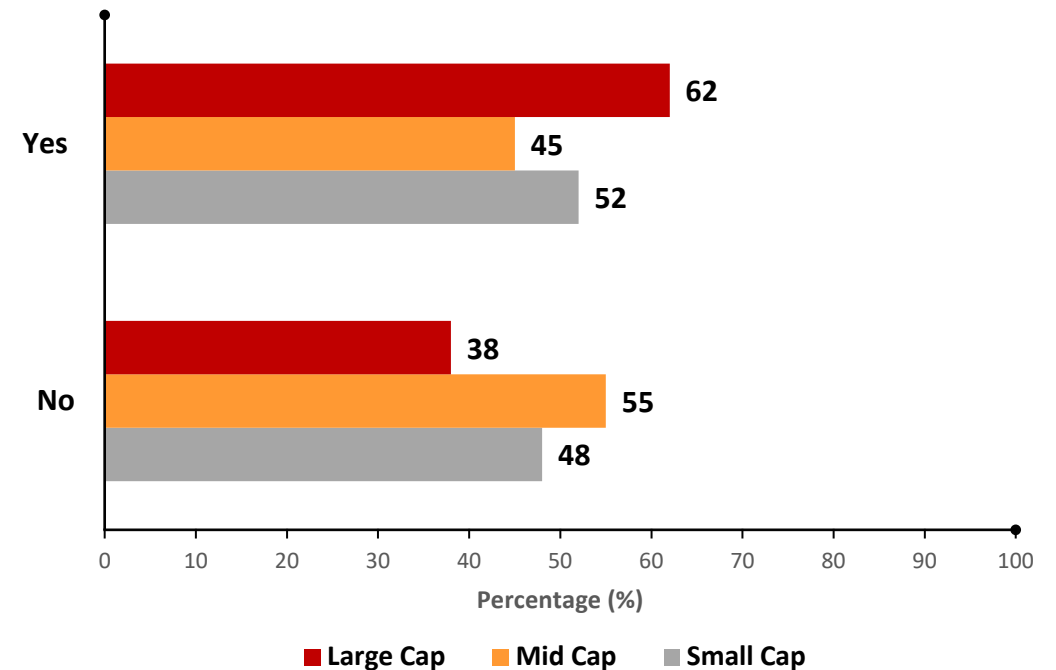


## Remuneration Disclosure

Does your company fully disclose the detailed remuneration (as provided under Provision 8.1(a) of the Code of Corporate Governance) of each individual director and the CEO on a named basis? (% of 150)

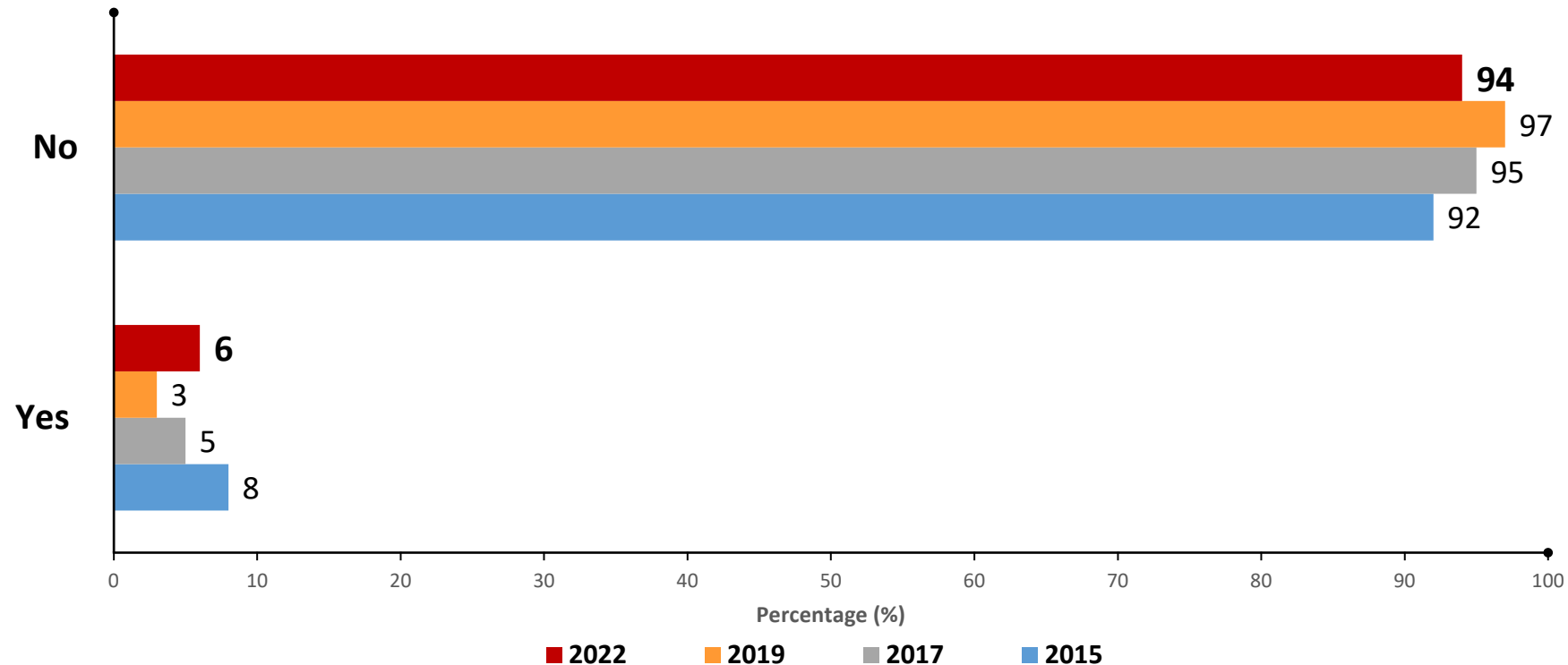


Does your company fully disclose the detailed remuneration (as provided under Provision 8.1(a) of the Code of Corporate Governance) of each individual director and the CEO on a named basis? (% by Market Cap)



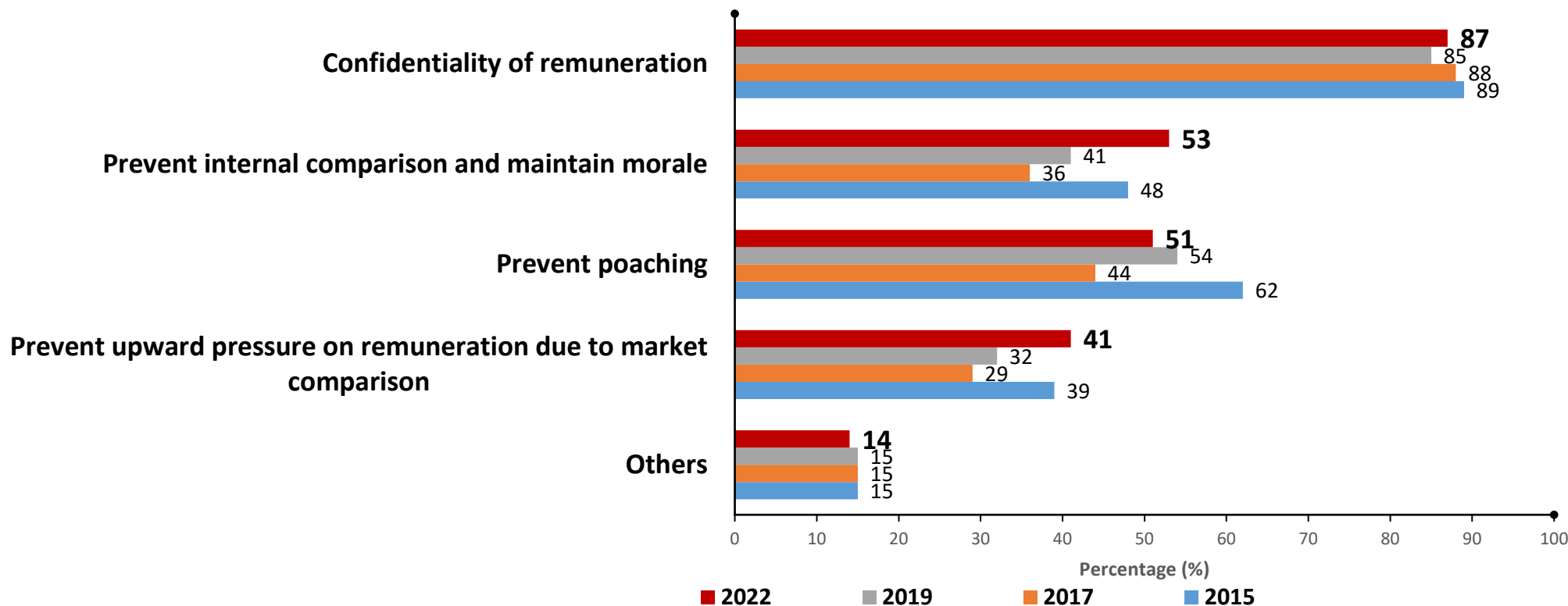
## Remuneration Disclosure

Does your company intend to make such disclosure within the next two years?  
(% of 70)



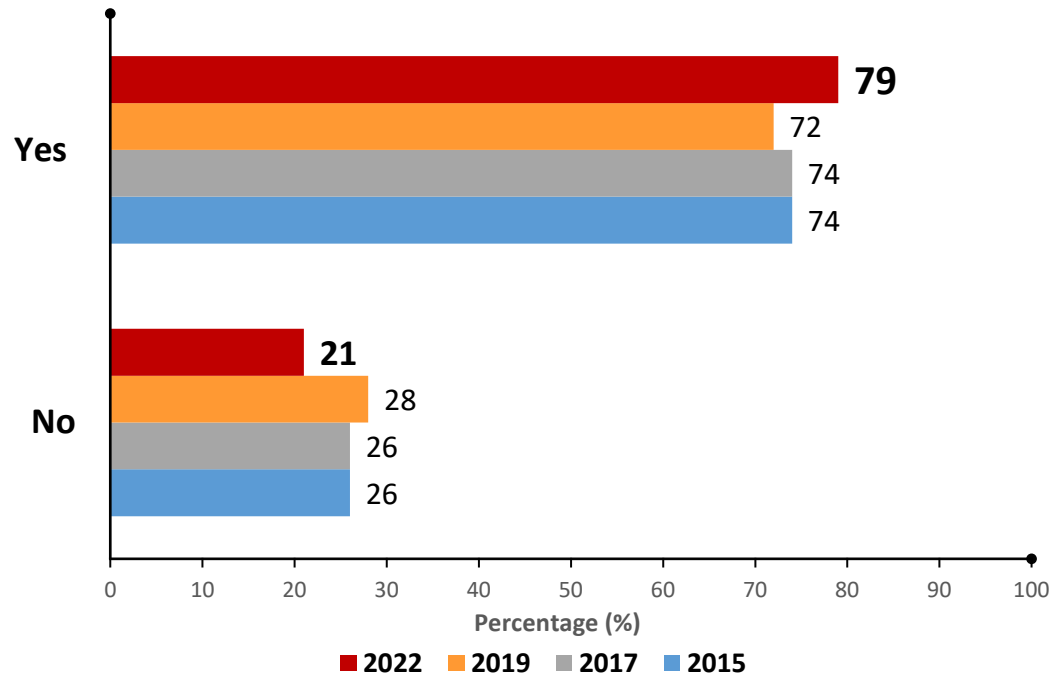
## Remuneration Disclosure

What are the reasons that the company does not fully disclose the detailed remuneration of each individual director and the CEO on a named basis? (% of 70)

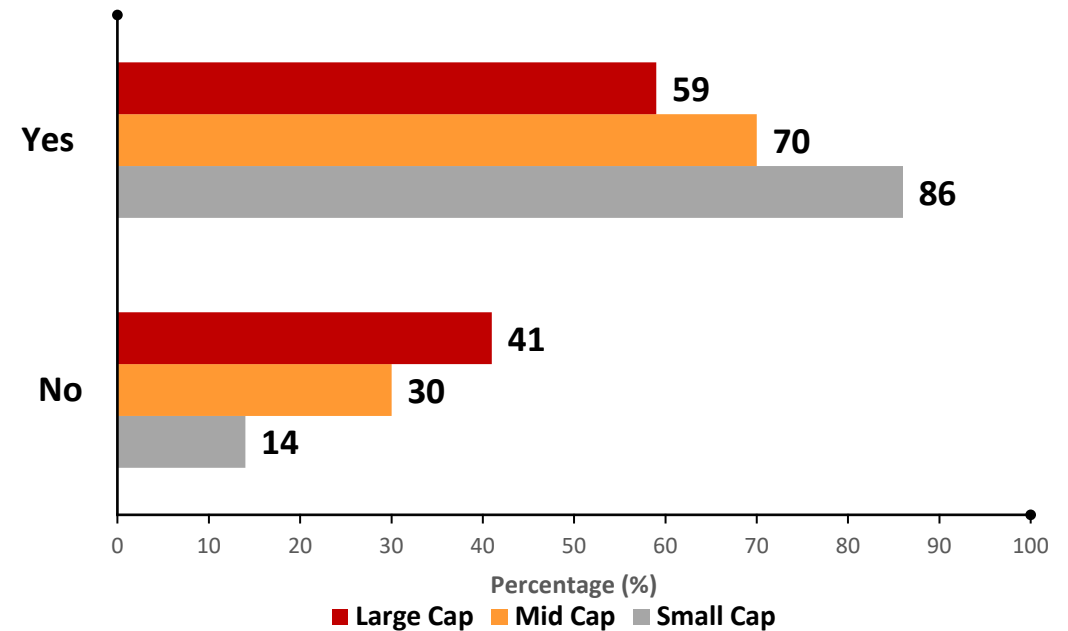


## Remuneration Disclosure

Does your company fully disclose the detailed remuneration (as provided under Provision 8.1(b) of the Code of Corporate Governance)? (% of 150)

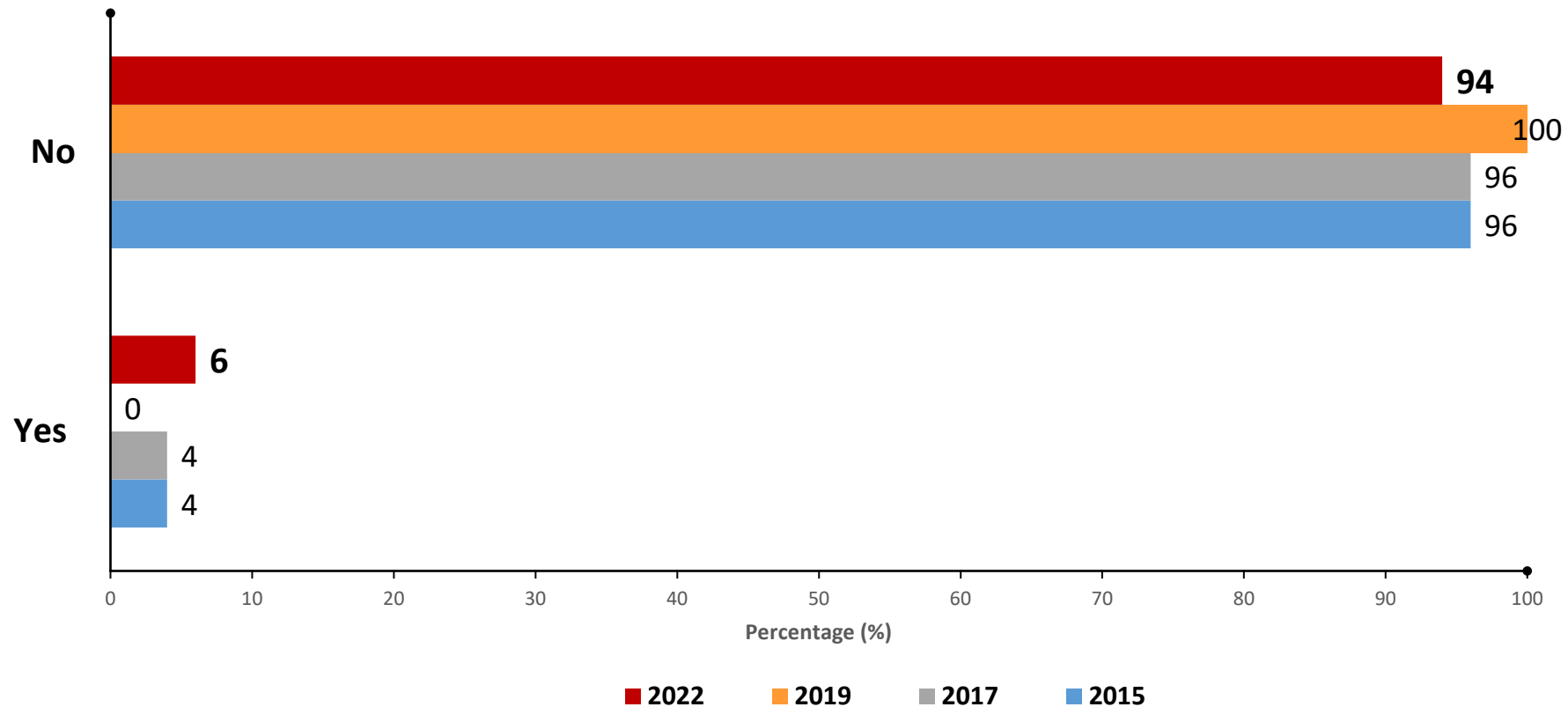


Does your company fully disclose the detailed remuneration (as provided under Provision 8.1(b) of the Code of Corporate Governance)? (% by Market Cap)



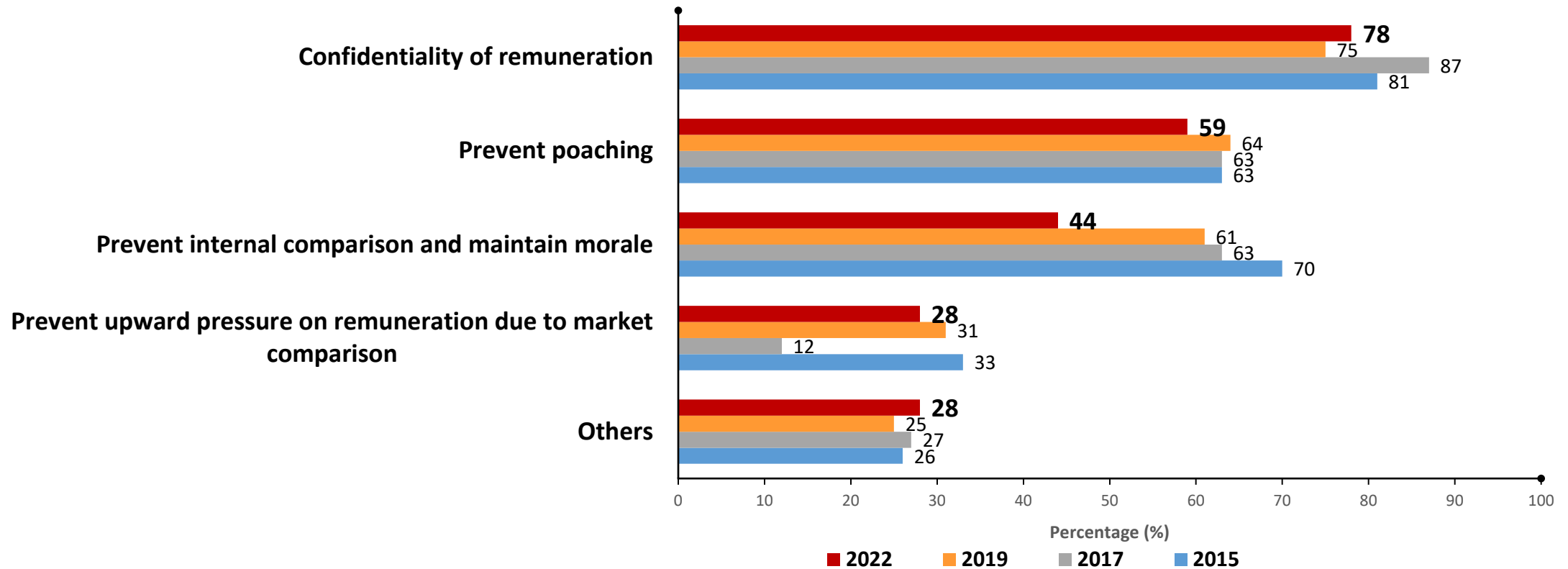
## Remuneration Disclosure

Does your company intend to make such disclosure within the next two years? (% of 32)



## Remuneration Disclosure

What are the reasons that the company does not fully disclose the remuneration in bands of top five key personnel? (% of 32)



### Internal Audit and Reporting Lines

- The audit comm/audit comm chairman primarily decides on the internal auditor's remuneration for only 65% of respondents
- 85% of respondent boards rely on internal auditor to ensure adequacy and effectiveness of risk mgt and internal control systems.
  - 81% on external auditor
  - 30% on risk officer

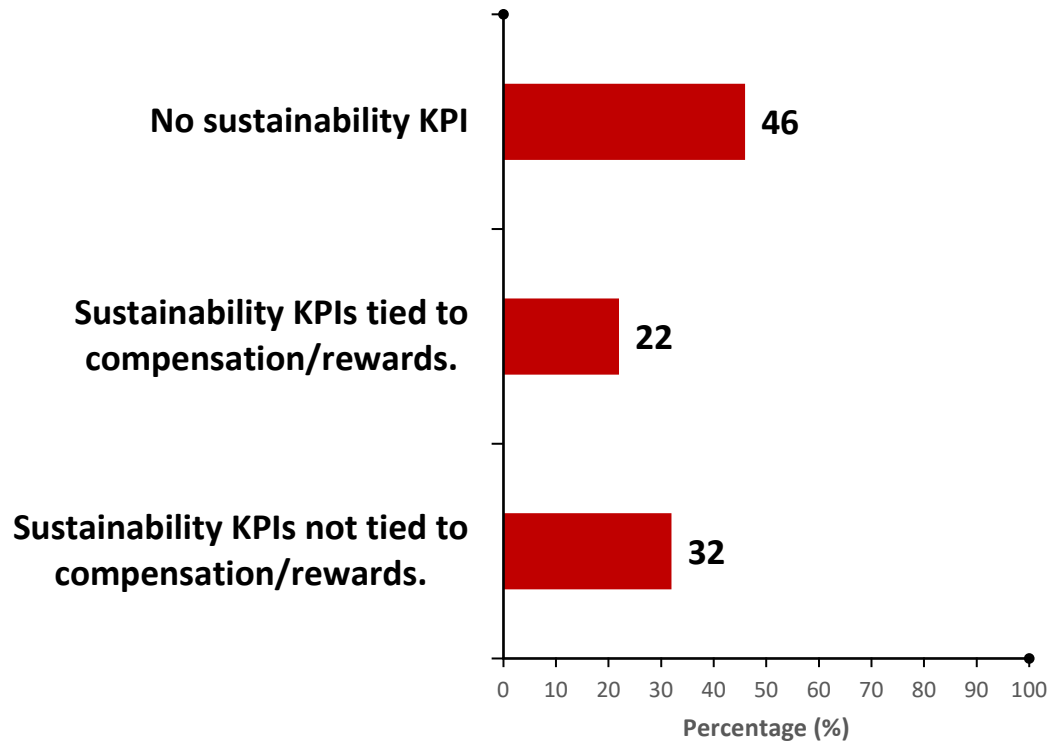


### Stakeholders Engagement

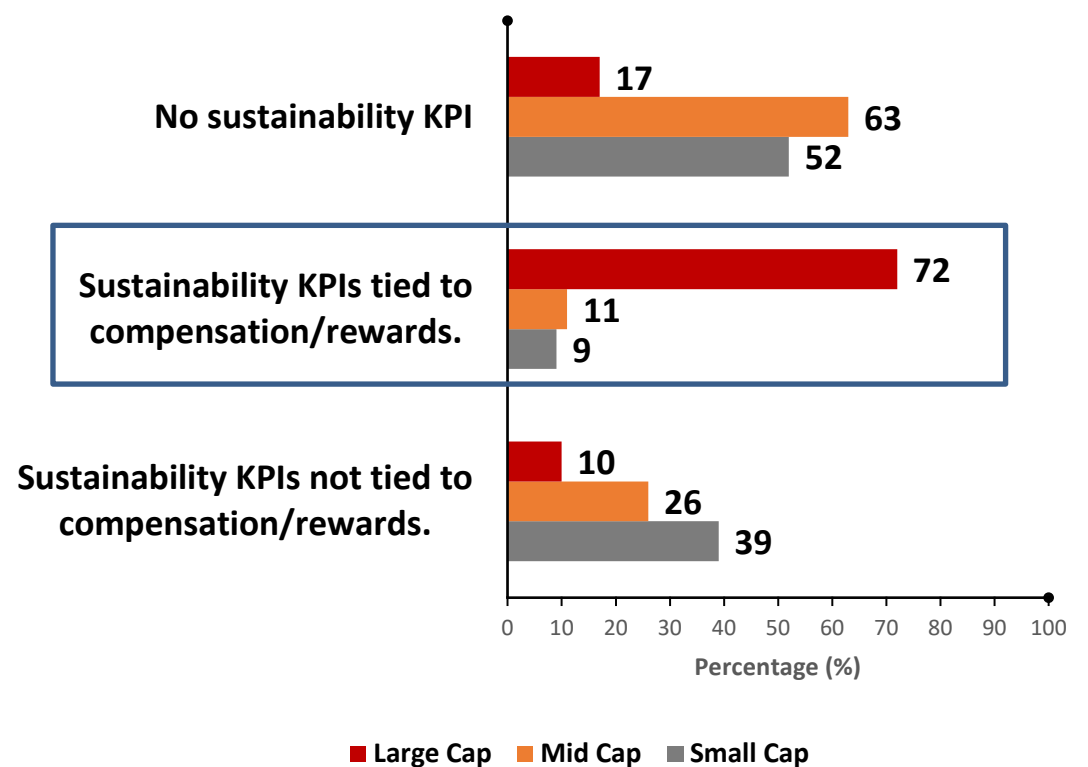
- 87% of boards have oversight of stakeholder engagement and communication.
- AGM and/or EGM continues to be the main mode of communication with investors and other stakeholders. (99%)
- SGXNet (82%) and company website (75%)

## Key Performance Indicators

Have these sustainability KPIs been tied to compensation and rewards? (% of 147)



Have these sustainability KPIs been tied to compensation and rewards? (% by Market Cap)



### Controls

- 59% of respondents have not subjected their sustainability reporting process to internal review by internal audit.
- Only 20% of respondents conducted independent external assurance on their sustainability reports.
  - Of these 30 companies, 50% use a Big Four firm and 50% use a specialist sustainability assurance provider

# Thank You!