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SID
Singapore Institute of Directors

Revised Corporate Governance Code
Taking It To The Next Level

Singapore Institute of Directors

MISSION STATEMENT

To promote the professional development of directors and corporate leaders and encourage the highest standards of corporate governance and ethical conduct

THE INSTITUTE'S OBJECTIVES ARE:

- To be the national association of company directors for the local business community. The SID works closely with its network of members, professionals such as accountants and lawyers, and the authorities to identify ways to uphold and enhance standards of corporate governance.
- To act as a forum for exchange of information on issues relating to corporate governance and directorship in Singapore. The SID plays a leading role in holding discussions and providing feedback to the authorities on matters of concern.
- To organise and conduct professional training courses and seminars to meet the needs of its members and company directors generally. Such courses aim to continually raise the professional standards of directors in Singapore by helping them raise their effectiveness through acquisition of knowledge and skills.
- To regularly publish newsletters, magazines and other publications to update members on relevant issues, keeping them informed of latest developments. These publications also serve as reference materials for company directors.
- To be responsible for the discipline of members. The SID has drawn up a code of conduct for directors in Singapore setting out the standards to ensure they discharge their responsibilities dutifully and diligently.

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FROM THE EDITOR

Welcome to latest issue of the Directors' Bulletin! This issue is released at the end of the 3rd quarter into the beginning of the final quarter of 2011. The state of the global economy remains uncertain, and seemingly appears to be taking a turn to the worst. But this appears to be the environment within which directors have had to operate for some time now.

Add to the uncertainty the fact that directors are facing a time of changing rules and regulations, in the form of the proposed revisions to the Code of Corporate Governance and the recommended changes to the Companies Act, just to name two, and it would appear that the challenges for directors become visibly enhanced.

Yet, not is all bad. The aim of the regulators is really to provide for a playing field where there is equilibrium – equilibrium in that the guardians are regulated adequately where they face consequences for non-compliance with the primary aim of protecting the various stakeholders of a corporate entity, and yet in a moderate manner so as not to unduly curtail the guardians. By guardians, I refer to the directors and officers of the corporate entity. Many of the changes being proposed in fact assist directors through the provision of greater clarity on their roles and responsibilities and through the guidance on how to undertake certain tasks.

Of course, the very essence of making decisions for the corporate entity is left entirely in the realm of the director's individual thought process – how he perceives matters, what further queries and clarifications did he raise or has requested for, did he truly understand the issues as he made the decision and more. It is this process that leads to the eventual decision making that strictly speaking is regulated. It is for this reason that an non-prescriptive approach to regulating directors is important.

In keeping with the new rules and regulations being proposed, we felt that it was useful to provide quick insights into some of the key areas being changed; not the proposed changes themselves. The actual changes will be discussed in the next issue of the Bulletin. Each of the articles touch on independence of directors, risk management concerns, disclosure issues and shareholder outreach. They each provide a flavour of the current thinking and issues in the specific areas.

Separate from each of the articles that have direct bearing on the structure of the Code of Corporate Governance in Singapore, another critical article that we have included is that relating to the newly introduced UK Bribery Act, which has bearing on all UK citizens as well as corporations operating across the world. It is important for directors to be aware of the provisions of the UK Bribery Act as the liabilities can be personal.

The feedback provided in relation to the Code have been considered and the final proposals have now been issued. We await the date when the final changes come through.

The articles in this issue aside, I provide just a quick insight into the Institute's recently concluded 2nd Directors' Conference 2011. The Conference was very well attended and exceeded that in 2010. Titled Heat & Hope: The New realities In Corporate Governance, the conference, through a number of key note addresses and three panel discussions, addressed critical current issues facing directors. These included issues relating to training, the remuneration of directors and officers, who should undertake the function of reviewing the performance of directors, having more engaged auditors, having sustainability in your genes, and that sustainability does add to the long term value of the company. Whilst many of the issues may appear dated and archaic even, the contrary is in fact true. Each of the topics has evolved and there are fresh angles to how the issues are to be viewed. The discussions at the Conference brought out these fresh perspectives.

All said, the single critical point for directors is how they go about making their decisions. This single function in fact encapsulates all of the points stated in the preceding paragraph and more. Who can the directors rely on when they make their decisions; how do they balance the multiple interests facing the company; and how do they manage the different stakeholders. Directors are often pushed against the wall when the decisions they make are perceived to be wrong. However, it is not the wrong decision that will result in violations and penalties, because directors can make mistakes. If the directors can show that they relied reasonably, whether on external advisers or internal employees, that the particular choice was made on balance with a true reflection of what was in the best interest of the company as the director understood it, and that whilst there were divergent interest between multiple stakeholders, the particular decision arrived at was the one that provided the best balance between the multiple interests, then the director ought not to face liability.

Before I leave the Directors' Conference, let me just thank each and everyone of you who attended, the Conference Organising Committee, chaired by Willie Cheng, and the institute's Secretariat for their efforts. Do keep an eye out for the 3rd Directors' Conference in 2012, and if you have a suggestion as to what we could talk about, or even what we could have done better, please drop the Institute's Secretariat an email.

Finally, a note of thanks to all the contributors to this issue of the Bulletin.

Kind regards,

Kala Anandarajah
Editor

CHAIRMAN'S MESSAGE

Dear fellow members,

Since my message in the 3rd edition of this Bulletin published in early September, we have had a very successful annual conference which was attended by some 350 corporate leaders, directors, regulators, professionals, senior managers and academics. I would like to take this opportunity to put on record our thanks to our conference organizing chairman Willie Cheng, committee member Ms Kala Anandarajah and our Secretariat for their hard work in ensuring its success. Preliminary work on next year's conference in mid-September 2012 under the chairmanship of Ms Kala Anandarajah has already begun and it is our goal to present an even bigger and more interactive event.

We have also on 15th November held our Annual General Meeting at which 2 members, Kevin Kwok and Soh Gim Teik, were elected to the Governing Council. Both have been active members and I congratulate and welcome them and look forward to their playing an even bigger role in our institute as we continue to introduce new relevant initiatives aimed at helping companies to better identify and appoint appropriately trained and competent directors and improve the effectiveness of their boards. In this regard we expect to formally introduce at the end of this year our director accreditation scheme which was also announced at the recent graduation ceremony for the joint Singapore Management University (SMU) - SID Executive diploma and executive certificate in directorship programme. This director accreditation programme is designed to assist companies to identify which directors have received relevant corporate training and have acquired a certain amount of board experience in Singapore listed companies.

To further help raise the competence of directors here your Institute is also planning to introduce new courses using the case study teaching method in the first quarter of 2012. These programmes will use both local and foreign cases to broaden participants' knowledge and capability in board deliberations and improve their ability to relate principles to practice in real situations.

The need to continually enhance the skills and knowledge of directors and to emphasize their obligation to always ensure they are fully able to commit their time and best efforts to effectively meet their requirements in their role as directors of the company is taking on even more urgency as increasingly greater responsibility and accountability are placed on boards to raise and sustain high standards of corporate governance in Singapore.

The final proposals to the revision of our Code of Corporate Governance 2005 were announced on 22nd November and have been submitted to the Monetary Authority of Singapore (MAS) by the Corporate Governance Council for approval. Far reaching changes have been made and in order to assist members to have a good understanding of these proposed changes and their implications this issue of our Bulletin has devoted a significant portion of its content to some of the more important changes. It is also the intent of SID to hold a seminar on this revised CG Code in the near future.

In the last few months the global economy has further worsen and tough times ahead have been widely predicted. The slow down in both the US and European economies and the continued Euro debt crisis will have an adverse impact on Asia given its high export dependence on these countries. Our own Singapore economy is not likely to be spared. While it has registered a decent 5.4% growth in the first 9 months of this year, the 4th quarter is likely to grow at less than 4% with a projected full year growth of about 5% for 2011. Growth in 2012 is, however, expected to be sluggish at between 1 and 3% and the Ministry of Trade and Industry has warned that it may be even weaker if Europe's debt crisis worsens. Some Increase in retrenchment is anticipated in the next 12 months. While demand in Asia is expected to provide some buffet it is not likely to "fully mitigate" the fall in global demand.

Given the uncertain times ahead, the role of the Board in effectively steering the Company takes on even greater significance. In this regard I would like to quote from a Business Times report on 16th November 2011 comments attributed to a director and senior corporate executive who was participating in the SMU-SID panel discussion the previous day. She said, "If a director believes he's on the board to ensure good governance alone, then I think he's totally wrong. Good governance is about making sure that there are timely disclosures and transparency in the ways things are done. But at the same time, your role on the board is also to ensure that the company survives in the long term."

It would serve all of us who are directors well to remember this timely reminder as we seek to meet the many challenges that many of our companies will face in the coming months and to effectively fulfill the role we have all been elected to play.

As we approach the end of the year I would like to thank all of you once again for your strong support and to say that it has been a privilege for my Governing Council and I to have had the opportunity to serve you and to help our Institute play an important role in helping Singapore to achieve and maintain her foremost ranking in corporate governance in Asia.

Warm regards,

John KM Lim
Chairman

SID Governing Council 2011/2012

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The Singapore Code Of Corporate Governance – Its Evolution

By Adrian Chan
Senior Partner
Lee & Lee

The History

The Code of Corporate Governance ("Code") is the bedrock and foundation of corporate governance in Singapore. The first code was introduced by the Corporate Governance Committee in March 2001 and came into effect on 1 January 2003, being applicable to listed companies in Singapore on a "comply or explain" basis. In 2005, the Council of Corporate Disclosure and Governance ("CCDG") undertook a review of the Code, and a revised Code was subsequently issued by the Ministry of Finance in July 2005.

With the dissolution of the CCDG in 2007, the Corporate Governance Council ("Council") was established in February 2010 with the objective to continue the effort in promoting a high standard of corporate governance among listed companies in Singapore. After conducting a comprehensive review of the Code over a 18 month period, taking into account corporate governance developments in other leading jurisdictions and feedback received from stakeholders, the Council finally issued a consultation paper in June 2011, setting out proposed revisions to the Code and inviting interested parties to submit their views and comments on the proposed revisions to the Council before 31 July 2011. The Institute has submitted its response to the Council pursuant to this consultation exercise and if any reader is interested to obtain a copy of the Institute's submission, please contact our Secretariat at secretariat@sid.org.sg.

In proposing changes to the Code, the Council sought to adapt, rather than replicate, relevant practice of other jurisdictions. The Council is of the view that the objective of enhancing

> With the dissolution of the CCDG in 2007, the Corporate Governance Council ("Council") was established in February 2010 with the objective to continue the effort in promoting a high standard of corporate governance among listed companies in Singapore.

Singapore's corporate governance standards and reputation as a trusted financial hub is better achieved with a set of recommendations that has wide acceptance as being pragmatic and workable in practice.

The Proposed Changes

The Council has proposed changes to 14 of the principles in the Code and their accompanying guidelines, introduced two new principles and eliminated the various commentaries in the Code. The Council has also included a statement on "The Role of Shareholders" as an annexure to the Code, taking into account the increasing acceptance that shareholders have an important role in creating an environment that fosters good corporate governance.

These proposed changes are quite far-reaching and deal with diverse topics such as Director independence, Board composition, Director training, multiple directorships, remuneration practices and disclosures, as well as risk management.

Over the next few pages, various contributors from the Institute have summarised and discussed in more detail the proposed changes to the Code as recommended by the Council in four main areas :

- Director independence
- Disclosure of remuneration
- Risk management
- Shareholder rights

There is of course no certainty that the revised Code will, when it is eventually issued by the Ministry of Finance, take the form as set out in the public consultation paper issued by the Council or will be varied to the extent of comments or feedback received by the Council during the recent consultation exercise. All we know for sure is that the new revised Code (which will be its 3rd edition) will represent significant steps forward in the development of corporate governance in Singapore with a view to enhancing Singapore's reputation as a leading and trusted international financial centre.

Shareholder Rights And Responsibilities In The Proposed Revised Code Of Corporate Governance

By Annabelle Yip
Partner
Wong Partnership LLP

Introduction

The Corporate Governance Council had on 14 June 2011 released a consultation paper (the "Consultation Paper") on proposed revisions to the Code of Corporate Governance (the "Code"). Several key proposals were recommended in the Consultation Paper, including the introduction of (i) a new principle on "Shareholder Rights" in the Code; (ii) a provision that companies should put all resolutions to vote by poll and announce detailed results of the poll; and (iii) a statement on the role of shareholders as an annexure to (but not forming part of) the Code. This article summarises the key proposed amendments regarding the rights and responsibilities of shareholders in the Code, and compares those proposed amendments with international practices.

New Principle On Shareholder Rights

A new principle on "Shareholder Rights" has been introduced in the proposed revised Code to "spur companies towards good corporate governance practices in their engagement with shareholders".[1] The proposed Principle 14 on "Shareholder Rights" reads as follows:

"Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements."

Provisions of a similar nature can be found in the OECD Principles of Corporate Governance 2004 (the "OECD Principles"), which states that the exercise of ownership rights by shareholders should be facilitated,[2] and shareholders of a same series of a class should be treated equally.[3] The Australian Corporate Governance

> "Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements."

Principles and Recommendations 2010 (the "Australian Principles") also briefly states that companies should respect the rights of shareholders, and facilitate the effective exercise of shareholder rights.[4]

The proposed Guidelines under Principle 14 further reflect some of the provisions found in the OECD Principles. The OECD Principles state that shareholders should have the right to be sufficiently informed on decisions concerning fundamental corporate changes,[5] and should have the opportunity to participate effectively and vote in general meetings, and be informed of the rules that govern the meetings.[6] These principles are reflected in Guidelines 14.1 and 14.2 of the proposed Code respectively.

In line with the proposed amendment to the Singapore Companies Act as contained in the Report of the Steering Committee for Review of the Companies Act, Guideline 14.3 provides that companies should allow corporations providing nominee or custodial services to appoint more than two proxies to enable shareholders holding their shares through such corporations to attend and participate in general meetings.

Amendments To Existing Principles

Several amendments are also proposed to existing principles regarding shareholder rights in the Code. In particular, emphasis has been placed on having an investor relations policy to address the relationship of the company with its shareholders. The reference to a "policy" implies that communications with shareholders are not to be ad hoc arrangements but rather should be systematic and coherent, a set of principles or rules to guide the company's decisions in the area of investor relations.

Under the proposed amendment to the Principle on "Communication with Shareholders" (the "Revised Principle 15"), companies should put in place an investor relations policy to promote communication with shareholders. This is similar to Recommendation 6.1 in the Australian Principles that companies design a communications policy for promoting effective communication with shareholders.

Three new Guidelines are proposed under the Revised Principle 15. The proposed Guideline 15.3 is similar to Principle E1 of the Hong Kong Code of Corporate Governance Practices (the "Hong Kong Code", found in the Hong Kong Exchange's Mainboard Listing Rules), in stating that the board should maintain on-going dialogue with shareholders. Guideline 15.3 goes somewhat beyond the Hong Kong Code, in that the latter states that in particular the board should use annual general meetings and other general meetings to do so, whereas Guideline 15.3 expressly extends the dialogue beyond just general meetings. Proposed Guideline 15.4 states that the board should state in the annual report the steps it has taken to solicit and understand the view of shareholders, and is similar to Principle E.1.2 of the UK Corporate Governance Code (the "UK Code").

In addition, companies are also recommended to communicate their policy on payment of dividends to shareholders under the proposed Guideline 15.5.

The revised Principle 16 on "Conduct of Shareholder Meetings" has undergone an amendment to extend its scope to include all general meetings, and not only annual general meetings. Under proposed Principle 16, companies should encourage greater shareholder participation at all general meetings of shareholders, and allow shareholders the opportunity to communicate their views on matters affecting the company. The Australian Principles has a similar provision requiring companies to encourage shareholder participation in general meetings.[7] Guideline 16.1 is proposed to be amended to reflect this change accordingly.

The scope of proposed Guideline 16.3 (previously Guideline 15.3) is also widened to require all directors to be present at general meetings. This is similar to Principle E.2.3 of the UK Code,[8] but is wider than the Hong Kong Code, which requires only the chairman of the board and the chairmen of the audit, remuneration and nomination committees to attend annual general meetings, a position similar to that in the current 2005 Code.[9]

Compulsory Poll Voting And Announcement Of Poll Results

The amendment to introduce poll voting for all resolutions, and for companies to announce the detailed results of the poll, is found in proposed Guideline 16.5. This amendment tracks an equivalent proposal to amend the Listing Manual of the Singapore Exchange ("SGX Listing Rules" and "SGX" respectively) in a consultation paper released by SGX on 2 June 2011 (the "SGX Consultation Paper"). The introduction of poll voting for all resolutions follows the "fundamental premise that shareholders should be accorded rights proportionate to their shareholding and economic interest at stake."[10] It is also reasoned in the SGX Consultation Paper that voting by poll encourages higher levels of shareholder participation as institutional

and overseas shareholders will actively participate in general meetings via their proxies.[11]

The introduction of the requirement for companies to announce detailed results of the poll enhances the transparency of the voting process at general meetings.[12] The proposed amendments to the SGX Listing Rules are more detailed than that of the Code, the former setting out a detailed list of information that companies are to announce immediately after each general meeting.

In the event that the SGX Listing Rules are amended according to the SGX Consultation Paper, poll voting will become compulsory on all shareholders' resolutions for companies listed on the SGX. For as long as the SGX Listing Rules have not been amended and the Guideline 16.5 comes into effect, Guideline 16.5, like the rest of the Code, will be implemented on a "comply or explain" basis, i.e. companies will be required under Rule 710 of the SGX Listing Rules to describe their corporate governance practices with specific reference to the principles of the Code in their annual report and to disclose any deviation from any guideline of the Code together with an appropriate explanation.

Compulsory poll voting and the announcement of poll results may result in some additional costs and administration for companies, but their introduction should serve to enhance corporate governance in public corporations listed in Singapore. Compulsory poll voting and announcement of detailed poll results have already been introduced in Hong Kong in the Hong Kong Exchange's Main Board Listing Rules.[13]

As stated in the Consultation Paper, there is a growing recognition that a company's corporate governance framework should involve its shareholders. By improving on the principles of accountability and transparency, the proposed amendments to the Code will further empower shareholders to exercise their rights in companies, thereby strengthening the environment for good governance.

Statement On The Role Of Shareholders

A statement on the role of shareholders in engaging with the companies in which they invest (the "Statement") has also been proposed to be included as an annexure to the Code. The Consultation Paper states that as there are different groups of shareholders, each with differing investment objectives, the Statement is intended to serve only as a guide for companies in their engagement with their shareholders.[14] The Statement is therefore presented only as an annexure, and does not form part of the Code proper.

The Statement sets out some of the roles of a shareholder in listed companies. It encourages a constructive relationship between shareholders and boards of corporations, and states inter alia that shareholders should exercise their rights to attend general meetings and vote responsibly, and should, where relevant, communicate to the board and management their reasons for disagreeing with any proposal tabled at general meetings. Specific shareholder groups are also encouraged to adopt international best practices.

The Statement does not go anywhere as far as the Stewardship Code of the United Kingdom which was published in July 2010 and was intended to enhance the quality of engagement between institutional investors and companies.

Conclusion

As stated in the Consultation Paper, there is a growing recognition that a company's corporate governance framework should involve its shareholders. By improving on the principles of accountability and transparency, the proposed amendments to the Code will further empower shareholders to exercise their rights in companies, thereby strengthening the environment for good governance.

The consultation on the proposed changes to the Code has closed. The finalised Code is presently anticipated to be issued before the end of 2011, and it is widely anticipated that the final version of the Code will improve and strengthen the relationship between companies and their shareholders and improve the accountability and transparency of boards and management.

Endnotes:

1. Consultation Paper, para. 34
2. Principle II.F of OECD Principles
3. Principle III.A of the OECD Principles
4. Principle 6 of the Australian Principles
5. Principle II.B of the OECD Principles
6. Principle II.C of the OECD Principles
7. Recommendation 6.1 of Principle 6 of the Australian Principles
8. Although Principle E.2.3 of the UK Code only applies to annual general meetings
9. Principle E.1.2 of the Hong Kong Code
10. SGX Consultation Paper, p. 3
11. supra
12. SGX Consultation Paper, p. 4
13. Rule 13.39(4) and (5)
14. Consultation Paper, para. 35

Proposed Changes To The Definition Of "Independence"

By Adrian Chan
Senior Partner
Lee & Lee

Introduction

Guideline 2.1 of the existing Code of Corporate Governance 2005 (the "Code") defines an "independent" Director as one who has no relationship with the company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the company.

When the Council for Corporate Disclosure and Governance ("CCDG") was first tasked with reviewing the Code, its recommendations to the Ministry of Finance in June 2005 included tightening the definition of "independent Director" to exclude Directors who are, or directly associated with, substantial shareholders. This expanded definition would have gone beyond the current test in Guideline 2.1 which merely measures independence from management, and would have been consistent with the approach taken in other major capital market jurisdictions such as the UK, Hong Kong and Australia. The tighter definition of independence was recommended to be applied to all the various Board committees such as the Nominating, Remuneration and Audit Committees. The intention of CCDG was to prevent potential mismanagement by excluding Directors who may be influenced by any relationship with interested parties, and to ensure that no particular shareholder group's interests dominate. The key principle subscribed to by the CCDG was that of ensuring fairness and equality across the shareholder spectrum. This principle was seen to be particularly important where controlling shareholders may be able to select, or influence the selection of, all Board members.

The Government however did not accept this recommendation in 2005. The Government, in its response to the CCDG report, said that the critical feature for Directors to be able to exercise their duties effectively is independence of mind and independence from management, rather than independence from substantial shareholding per se. It maintained that substantial shareholders

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do not pose the kind of principal-agent problems that executive Directors can potentially pose, and to equate them by treating both as non-independent Directors would not be right. The view then was that substantial shareholders have a greater stake in the success of the company and their interests, more often than not, will be aligned with those of all the shareholders in the company. Furthermore, there are already sufficient provisions in the Companies Act and the SGX Listing Rules on conflicts of interests and related party transactions to safeguard against mismanagement by substantial shareholders or vested interests.

Another concern that the Government had then was that tightening the definition would deprive companies, especially those with substantial shareholders which are large establishments, of the pool of talent from the shareholder companies which can enhance the quality of the Directors on the Boards and committees of the companies. Given Singapore's relatively small and young economy, there was seen to be only a limited pool of talent from which to draw keen and well-qualified Directors, and the tighter definition could in turn lower the standard of corporate governance. The Government assessed that there was a risk that companies, especially the large companies and conglomerates, which find it unduly onerous to meet the tightened definition of independent Directors proposed by the CCDG, may just decide to list their subsidiaries in alternative jurisdictions.

Key Changes Proposed for the Revised Code on the Test of "Independence"

The proposed changes to be made by the Corporate Governance Council ("CGC") to the definition of an "independent" Director under the Code include making the following relationships as additional instances where a Director will be deemed non-independent:

- if the Director is or was, in the current or any of the past three financial years, a substantial shareholder, partner, executive officer, or Director of organisations to which the company or any of its related corporations made, or received significant payments or material services in the current or immediate past financial year;
- if the Director is a substantial shareholder or an immediate family member of a substantial shareholder of the company;
- if the Director is or has been directly associated with a substantial shareholder of the company in the current or any of the past three financial years; and
- if the Director has served on the Board for more than nine years from the date of his or her first election.

These changes acknowledge that in some circumstances, relationships with substantial shareholders may influence an independent Director's exercise of objective judgement. The CGC has accordingly recognised that to enable independent Directors to act effectively in companies, it is important that independent Directors do not possess any relationship with stakeholders such as substantial shareholders or organisations providing material services to the companies.

This view reflects the reality that Singapore's securities markets are sufficiently mature, and the domestic pool of experienced professionals and business executives wide and deep enough to provide a sufficiently large reservoir of talent from which to draw experienced independent Directors. As such, there would be no reason to consider people linked to substantial shareholders as being independent, since only independent Directors who are not aligned with major shareholders can be relied upon to look after the interests of all shareholders, big and small. It is difficult to expect an independent Director to exercise his or her mind impartially against the wishes or interests of the majority shareholder, when the tenure of his or her office depends on their appointment by the majority shareholder.

The CGC has also propounded the view that the independence of Directors may be compromised after a long period of service due to their friendship and collegiality with management. The CGC considers nine years as an appropriate tenure for the board to deliberate afresh the issue of independence of a Director, while the Nominating Committee retains the responsibility and prerogative to decide if a Director remains independent beyond the nine years, taking into account the differing circumstances for each Director.

This proposal can said to have attracted a significant amount of controversy. Although some Directors may be overstaying their welcome and term limits can ensure a regular infusion of new thinking into the Board, the danger in setting nine years as an

arbitrary limit may result in Boards being overly fixated on tenure as a measurement of independence.

The benefits to having long serving Directors include continuity of organizational and historical knowledge, a harmonious and collegiate environment, credibility in the market, Board stability and improved board dynamics. The Institutional Shareholder Services (a US-based provider of corporate governance solutions to the global financial community) Proxy Voting Manual states:

"Although establishing limits on the number of times a Director may be elected to the board provides a mechanical or 'bloodless' means for addressing a real or potential performance issue with a Director, it does not take into consideration the fact that a board member's effectiveness does not necessarily correlate with the length of board service."

That said, is there an optimum tenure of service that can apply to all Boards and is nine years that limit? In fact, an optimum tenure presumes that up to that time, Board members add value and enhance performance, but beyond that period, their value contribution declines as their independence may be compromised. This may not necessarily be the case all the time.

For example, if the argument is that the relationship between the independent Director and management may become too "cosy" after a long-standing relationship on the Board, thereby "dulling" the independence of the independent Director, would this argument still apply if there has been a change in control or change in major shareholders over the course of the nine year period such that management has also been overhauled? That way, it cannot be said that an overly collegiate atmosphere will have necessarily developed between the independent Directors and management since there is a break in the chain of management serving over the nine years.

One view is that Boards should be encouraged to not just over-emphasize or focus on tenure in isolation but instead focus more broadly on Board talent management. Criteria like tenure should be placed in the broader context of strategic succession management for the Board. Companies that manage Board talent effectively focus on ensuring that the company has the right number of Directors and the right type and quality of Director talent at any point in time. This means balancing tenure and skills so that the distribution of length of tenure across Board members represents a good mix of "old" and "new" thinking, and skill sets are appropriately diverse. Length of service should only be one of the elements that are assessed to enhance overall Board effectiveness.

The SID Board of Directors Survey 2010 shows that 22% of independent Directors on the Boards of respondent companies have served on their Boards for more than nine years and only 7% of companies set a mandatory retirement age and/or specified period for non-executive Directors to leave the Board. These results are consistent with a study conducted by Aon Hewitt on the 2010 Annual Reports of listed companies in Singapore, in which a total of 24% of all the independent Directors (amounting to a surprisingly large number of 513 Directors in aggregate) were found to be serving on a listed Board for nine years or more.

Having said this, instead of setting nine years as an arbitrary limit to the independence of a Director, perhaps all Boards should be required to disclose the period of service of each Director on the Board to-date and articulate in sufficient detail in the company's annual report what is its specific Board composition strategy and how it plans to approach Board tenure and rotation as part of an overall plan to manage Director contributions. Having Boards address their minds to the issue of tenure and disclosing their position on a mandatory retirement age will be an approach that is consistent with that already taken in the proposed changes to Guideline 4.4 of the Code where the Board is tasked with deciding for itself and disclosing the maximum limit of listed company directorships that Directors may hold without the Code imposing an arbitrary limit on all Boards, regardless of size and circumstance.

The Audit Committee Guidance Committee Guidebook provides useful further direction for companies to consider when determining the independence or otherwise of Directors. It states that the consideration of independence is often a matter of substance rather than of strict compliance with specific rules. The individual Director would be in the best position to determine his independence having regard to his circumstances and relationships with the company and related parties. However, there are additional factors set out in a non-exhaustive list in the Guidebook which Directors could consider when confirming their independence. For example:

- Gift or financial assistance: The receipt of shares or other securities in the company by way of a gift or financial assistance from the company or its major shareholders for the purchase of shares/securities in the company other than pursuant to an approved scheme.
- Business dealings: Material business dealings or involvement with the company or its related parties in the recent past.
- Financial dependence: Financial dependence on the listed issuer or its related parties, e.g. if a Director has no other major sources of income and is financially dependent on the fees, he would need to carefully consider whether he can indeed exercise the independent judgement required of him.

Proposed SCCG Changes To Disclosure Of Remuneration – Will The Challenge Be Taken Up?

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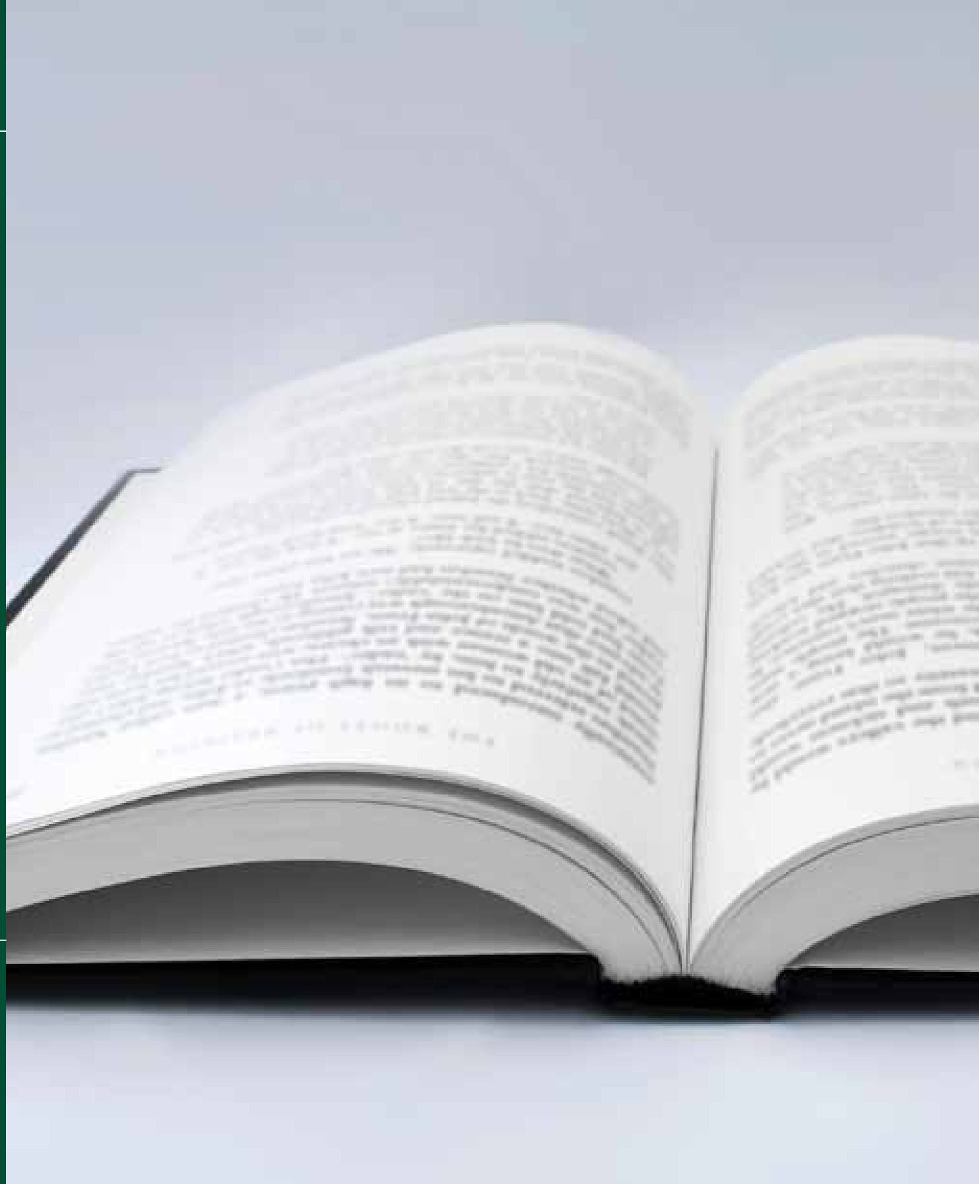

Introduction

The early years of this millennia were rocked by numerous high-profile corporate scandals and collapses in developed financial markets, many of which brought to the fore flaws in the way that senior executives were being compensated. These scandals precipitated revelations of practices which included excessive compensation unrelated to corporate performance, unreasonably high severance pay packages, the manipulation of financial accounts to maintain the value of stock options and the back-dating of stock options.

The regulatory response to this in the US, Europe and Australia was to require a more transparent disclosure regime governing executive compensation, with some jurisdictions going further and requiring companies to put executive compensation packages to a non-binding shareholder vote to give shareholders a voice on the matter. This tide of requiring more detailed disclosure of executive (and directorial) compensation has also reached the shores of the Asian financial markets. Amendments were made to the Listing Rules of the HKEx in 2004 to mandate the full disclosure of directors' emoluments on a named basis and in 2010, Japan implemented compulsory disclosure of the details of remuneration packages of top executives where they earn more than $100 million yen.

Not many, however, are aware that the Singapore Companies Act actually gives the right to members of forming at least 10% of the total number of members in the company or who hold at least 5% of the total number of shares of the company to require full disclosure of directors' emoluments and benefits on an audited basis. Apart from this legislative provision, which applies only to companies registered in Singapore, there has yet to be any moves towards making full disclosure of executive

compensation mandatory, leading some commentators to suggest that our regulators can and should do more in this area. Indeed, when the Singapore Code of Corporate Governance (the "Code") was amended in 2005, the only additional requirement relating to the principle on Disclosure and Remuneration (Principle 9 of the Code) was to require companies to disclose their remuneration policies "so as to enable investors to understand the link between remuneration paid to directors and key executives, and performance".

The continued spotlight on irresponsible compensation practices in the corporate arena in global financial markets, however, has precipitated a stronger response in the current proposed amendments to the Code.

Key Changes Proposed For The Revised Code On Disclosure Of Remuneration

CEO Remuneration

Principle 9 of the Code presently does not make any specific reference to disclosure of CEO remuneration. The assumption appears to be that the CEO would either be a director or would be regarded as one of the "five top executives" of the company. There is a slight difference, however, in what the Code currently recommends for directors and the top five executives. It encourages full disclosure of directors' remuneration on a named basis but remains silent on this for that of the executives.

The proposed changes will make it clear that remuneration of the CEO is to be subjected to the same disclosure requirements as those applicable to directors (which, as we shall see below, is proposed to be subject to higher standards) regardless of whether or not the CEO is a member of the board.

Top Five "Management Personnel"

There is also a proposal to apply disclosure requirements to the remuneration received by at least the top five management personnel (as opposed to executives) who are not also directors or the CEO. Queries have been raised as to how the "top five" is to be determined, an issue which also exists under the present wordings. The question is whether the top five should be with reference to the management reporting structure being held or the quantum of remuneration being paid to them as, while it is often the case that the top five in the company's management structure will also be the most highly remunerated in the company, this may not necessarily be so.

The use of the term "management personnel" appears to suggest that the focus should be on those who bear responsibility for management of the company as the company's performance is most attributable to this group and not necessarily the top five earners. This is because the main rationale behind remuneration disclosure is to provide accountability in the context of pay for performance and to provide transparency to guard against management unduly rewarding themselves.

In light of this, it is suggested here that the disclosure should apply to the remuneration of what is commonly referred to as the 'C-suite' officers (the CFO, COO, CIO etc) and anyone in a similar office who are either on par with the CEO or immediately under the CEO in the organisational hierarchy.

There should also not be too much focus on the number 'five' as sizes of management teams in companies differ. In companies with a large C-Suite, perhaps the remuneration of all the team members should be disclosed. In cases where the team comprises less than five members, the small size of the team may be used as an explanation as to why the disclosure is limited to less than the required number under the Code.

Higher Level Of Disclosure Required

Under the existing code, disclosure of remuneration for directors is to be in bands of $250,000. Full disclosure of the remuneration of each individual director is, however, encouraged as best practice. The proposals seek to make full disclosure of the remuneration for individual directors on a named basis a requirement under the Code. This is also to apply to the CEO's remuneration.

While disclosure of remuneration of the "top five" is to remain to be in bands of $250,000, there is an additional requirement proposed for companies to disclose the aggregate total paid to the "top five", with encouragement for full disclosure of the individual remuneration received by each.

Additional Components Of Compensation To Be Disclosed

The proposals also include additional matters relating to the remuneration which should be disclosed. First, due to the increasing use of performance share award plans by many listed companies, "share-based incentives and awards" has been added to the list of items which are to comprise the breakdown of the remuneration packages of directors, the CEO and the "top five". Companies may also disclose the breakdown in dollar terms instead of in percentage terms if they so wish.

Secondly, it is also proposed that the annual remuneration report include the aggregate amount of termination or post-employment benefits which may be granted to the directors, the CEO and the "top five". An interesting point to note in relation to this is that such disclosure would not give investors an idea of the cost to the company should any individual concerned resign and / or retire. Instead, this would provide potential hostile acquirers (albeit a rarity in Singapore) with information on the cost of replacing the entire management team. It is highly doubtful that this is the intent behind this proposal.

Remuneration Of directors' And CEO's Immediate Family Members

The threshold and manner of disclosure

of remuneration of the immediate family members of directors and CEO is to be altered. Instead of a S$150,000 per annum threshold, disclosure will be required for persons whose remuneration exceeds S$50,000. The proposal is also for this disclosure to be on a named basis with the disclosure to be made in incremental bands of S$50,000.

Link Between Remuneration And Performance

The final key proposal made in this context is for disclosure of more information of the link between pay and performance. The proposal calls for the annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subject, an explanation on why such performance conditions were chosen, and a summary of the methods to assess whether such performance conditions are met.

Taking Up The Challenge

Sceptics have opined that the "comply or explain" approach of the Code will severely diminish the efficacy of any proposal to enhance disclosure of remuneration and that assertions of potential "poaching" and "wage-inflation" will continue to be cited as reasons given by companies for not making full disclosure of the remuneration paid to executives. Some are also querying as to why no moves are as yet being made by the regulators to mandate such disclosure to bring Singapore in line with the rest of the key financial markets in the world.

Be that as it may, it is submitted that proposals are a significant step forward and provide a good opportunity for Boards (and in particular Remuneration Committee members) of listed companies to prove their worth. While compliance with disclosure requirements under the new proposals themselves would go far in providing greater transparency and accountability to investors, another key benefit of compliance is the discipline which this will force on Remuneration Committees. Full disclosure of executive remuneration packages together with the requirement for a more comprehensive discussion of the link between remuneration policy would result in greater scrutiny of the work done by such committees by analysts and investors. While this may entail greater responsibility on the part of Remuneration Committees, those which can do this well will stand to set themselves apart. What remains to be seen is the number who will take up the challenge.

Summary of Key Recommended Changes Relating to Disclosure of Remuneration (Principle 9 of the Code)

1	Specific reference to full disclosure of CEO remuneration;
2	Reference to top five "management personnel" instead of "executives". Clarification that this does not include the CEO;
3	Full disclosure of individual directors' (and CEO's) remuneration on a named basis required;
4	Disclosure of aggregate total paid to top five management personnel required; full disclosure of remuneration for each individual encouraged;
5	"Share-based incentives and awards" added to the list of remuneration components which needs to be disclosed;
6	Breakdown of remuneration components may be in dollar terms instead of percentage terms;
7	Disclosure of aggregate amount of termination or post-employment benefits which may be granted to the directors, the CEO and the top five management personnel required;
8	Remuneration threshold for disclosure of remuneration of immediate family members of directors, the CEO and the top five management personnel reduced to $50,000. Disclosure to be on a named basis in incremental bands of $50,000
9	More detailed disclosure of the link between pay and performance required.

Weathering The Perfect Storm

Organisational Resilience Through Enterprise Risk Management

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The Spotlight On Risk

Risk is pervasive. It always has been. Yet only in recent times has the concept of risk management taken centre stage and given due recognition.

The raison d'être of any risk management system is to improve the survivability of the entity that implements it. The ultimate test of a resilient organisation is one that stands up to a "perfect storm", brought about by a rare combination of a number of negative and unpredictable factors.

All of us manage risk, albeit to varying degrees. In fact, many organisations today have developed and implemented their own risk management systems and processes to deal with uncertainties facing their strategies and objectives.

Despite the apparent safeguards, we see that major events such as the Fukushima nuclear disaster or the Eurozone debt crisis still occurring. It is in this context that we have to recognise that problems like these were not due to the absence of risk management systems, but rather their ineffectiveness in dealing with the circumstances.

An integrated, enterprise-wide approach towards managing risks has gained a lot of traction in recent years as the panacea for success in the increasingly volatile and uncertain business environment. While it is heartening that a growing number of organisations have acknowledged this heightened focus on managing risks, simply jumping on the Enterprise Risk Management (ERM) bandwagon without properly thinking it through is a risk in itself.

Reshaping The Paradigm

Most organisations look for a standard model that they can adopt for their ERM framework. The truth is that there is no one-size-fits-all model, by virtue of the fact that every organisation is different. In designing the ERM framework, one should also take into account certain "softer" aspects of the organisation, such as culture.

We also have to accept that it is impossible to fully eliminate risk, and in fact it is unhealthy to even try. The correct approach is to determine and achieve the right balance of mitigating the downside of risks to an acceptable level whilst still exploiting opportunities. That means we need to be exposed to

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risk regardless, without being reckless in so doing.

The risk-resilient organisation is one that has successfully embedded an awareness of risk within its DNA, such that risk management becomes second-nature in everything they do.

Think of it as this: activities such as brushing our teeth or locking our doors before going out are examples of embedded processes to managing risk in our everyday lives. We do not think twice about doing so, and even adapt these practices when and where necessary.

Extend the above concept to running an organisation, and you basically have the principles of effective risk management.

Tackling Cognitive Biases

One of the key challenges in implementing an effective ERM programme is overcoming existing cognitive biases. Nassim Nicholas Taleb's "black swans" are made in reference to the fact that Europeans once assumed that all swans were white – until explorers in Australia discovered black ones.

Organisations often get lulled into complacency thinking that the risk management systems they have in place work, and will continue to do so ad infinitum. We have to be mindful that as the business landscape evolves, so too do the risks.

The other area where cognitive biases tend to be present is in strategy. More often than not, risk analysis is relegated to the sideline when it comes to business decisions. Gut-feel usually drives decision-making without due consideration of risks. Given that the 2008 PwC State of the Internal Audit Profession Study highlighted that nearly 60% of the time, strategic or business factors are behind rapid declines in shareholder value[i], shouldn't risk management instead be an integral part of an organisation's strategy-making process?

Systems-Thinking

ERM introduces the concept of what engineers refer to as "systems-thinking" into the management of risks. Systems-thinking is the process of understanding how things influence one another within a whole. It focuses on cyclical rather than linear cause and effect.

System-thinking approaches problem-solving by considering problems from the perspective of an overall system and its inter-relationships. In the context of risk management, this means that risk is considered from the perspective of the entire organisation, rather than individual departments.

Moving away from the "silo" mentality is essential because departments within organisation are naturally linked like a system; an activity in one part of the system could potentially affect other parts. By adopting a framework that focuses on risk at an enterprise level, we can improve the quality and resilience of solutions developed to mitigate the risks faced by the organisation as a whole.

The Push For Risk Governance

The recent events that led to global financial crisis and economic downturn have driven many countries to relook at their corporate governance codes, with the aim of instilling a stronger culture around risk management in corporate entities.

Singapore likewise, has also moved in the same direction. In February 2010, the Corporate Governance Council was set up to review Singapore's Code of Corporate Governance. A key recommendation made by the Council in the recent consultation paper[ii] issued by the Monetary Authority of Singapore called for greater emphasis on risk governance by the board.

Should the above-mentioned change be approved, Singapore will have taken a significant step towards introducing better risk management practices in its corporate scene.

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ERM In Singapore

A state of ERM survey[iii] conducted in 2010 by the Singapore Institute of Directors (SID) revealed that 54% of companies listed in the Singapore Exchange did not have a formal ERM framework. Of these, 32% had no intention of implementing one.

One of the possible explanations for this is that ERM is often perceived as a "good to have", instead of a "must have". It is seen as an initiative that consumes considerable resource and has nothing to show for it (except when things go wrong). The irony of this is that the nature business essentially revolves around risk-taking.

There is a Chinese saying: "麻雀虽小五脏俱全" which translated says that "the sparrow may be small, but it still has five organs complete". Put in the context of ERM, it means that regardless of the size of the organisation, there should be a framework of risk management as an integral part of doing business.

Evidently, there is a need for a mindset change towards ERM. We need to champion the adoption of ERM as a necessity; something that is able to enhance performance and more importantly, strengthen organisational resilience in the long term.

Maintaining The Brakes

The economist Joseph Alois Schumpeter once said that "motorcars travel faster than they otherwise would because they are provided with brakes."

Building on his analogy, we also need to ensure that these brakes are constantly maintained. After all, ERM programmes are as good as they are relevant. In fact, poorly-maintained braking systems pose a greater risk than having no brakes at all as the driver will be under impression that his brakes work fine.

We often see a mismatch of resource allocation to Enterprise Risk Management, particularly amongst organisations that embarked on their ERM journey a while back. More often than not, organisations such as these tend to perceive establishing the ERM function as a one-off initiative, thus seeing little need to allocate resources into maintaining it.

Organisations need to ensure that their ERM frameworks, processes and structures are kept up-to-date with the current developments. There is little value in creating a risk register if the information in it is irrelevant and no one sees any use in it.

Just as importantly, there also needs to be linkage between risk management and performance to inculcate the desired behaviours. After all, we know for a fact that what gets measured gets done.

Taking On The Perfect Storm

The UK Walker Report in 2009 highlights that "Boards must look at future risks not just current risks".

For effective risk management, organisations need to be adaptable and agile, especially when encountering new emerging risks (often referred to as the "unknown unknowns"). They need to be on a lookout for potential developments that can significantly affect their business models or worse still, have the potential put them out of business.

The perfect storm almost always manifests itself when we least expect it, with its consequence going beyond what we anticipate. We need to be constantly on our toes, scanning the horizon, keeping abreast with latest developments, all in the name of Enterprise Risk Management. The price of organisational resilience is vigilance.

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Endnotes:

(i) PwC state of the Internal Audit Profession Stidy, 2008

(ii) Consultation paper; Proposed Revisions to the Code of Corporate Governance, Monetary Authority of Singapore, June 2011

(iii) Singapore Board of DIrectors Survey 2010, SID SGX et al

Singapore Board Of Directors Survey 2010/2011

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Introduction

The Singapore Institute of Directors ("SID"), in conjunction with Singapore Exchange Ltd., Aon Hewitt (Global Research Centre), Singapore Management University, Egon Zehnder International and PricewaterhouseCoopers announced the findings of their latest survey on Board practices among listed companies in Singapore on 12 July 2011.

The survey was conducted from November 2010 to February 2011. The survey was based on practices that existed primarily in 2010. It was the seventh in a series of regular surveys conducted by the SID on Board practices among listed companies in Singapore. The objective of the survey was to assess current Board practices, particularly in relation to the recommendations of the Singapore Code of Corporate Governance 2005 (the "Code"), and to reveal any changes in Board practices since the last such survey was conducted in relation to practices in 2008 with survey results reported in 2009 (the "2008 survey").

This article provides a summary of the findings of the latest survey conducted, as well as comments comparing the results with the 2008 survey.

The approach of the survey mirrored the structure and format of the Code. The report of the findings were organised based on the principles of the Code, thus enabling analysis of the extent to which provisions of the Code were being adhered to by listed companies in Singapore, and providing a rough gauge of the corporate governance standards of the Boards of such companies.

Methodology

SID sent approximately 700 questionnaires asking company Chairmen, CEOs as well as secretaries of Singapore-listed companies to participate in the survey, out of which there were finally 68 survey participants representing a diverse mix of industry and company size. Companies from various industry sectors participated in the survey. There was a higher representation from the manufacturing sector, similar to the situation in the 2008 survey. Compared to the respondents in the 2008 survey, the present survey

garnered a higher representation from companies in the manufacturing and finance industries.

About a quarter of the participating companies in the present survey had an annual turnover above S$750 million, much higher than 17% in 2008 and 13% in 2005. Similar to the 2008 survey, 84% of the survey participants were listed on the Main Board of the Singapore Exchange ("SGX").

Summary Of Some Of The Key Survey Findings

Principle 1: The Board's Conduct Of Affairs

The Code provides that every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and Management remains accountable to the Board.

Board Leadership

Of the companies that responded to this section of the survey, less than a quarter (24%) had an independent Chairman, a drop from 27% from the 2008 survey. On the other hand, the proportion of companies with a lead independent director increased slightly from 43% in 2008 to 49% in 2010. As Commentary 3.3 of the Code recommends the appointment of a lead independent director where the Chairman and the CEO is the same person, where the Chairman and the CEO are related by close family ties, or where the Chairman and the CEO are both part of the executive management team i.e. in cases where the Chairman is generally not independent, the increase in proportion of companies with a lead independent director could be linked to the decrease in proportion of companies with an independent Chairman, thus demonstrating that many companies are cognizant of the recommendation in Commentary 3.3 and may comply with it. Where there is a lead independent director, he/she often holds the position as the Chairman of the audit committee.

Executive Succession Planning

Succession planning of the CEO and top executive leadership is done by the Board as a whole in 20% of companies, followed by the Chairman of the Board (10%) and the Nominating Committee (10%). 85% of the companies surveyed have plans for the development of the CEO and top executive leadership, with 27% having a formal process in place. CEO evaluation is done on a periodic basis by 93% of the companies surveyed, with 27% doing so formally.

Code Of Ethics

43% of the companies that responded to the present survey have a code of ethics for their employees, with a quarter of these having a process to monitor and enforce compliance with the code of ethics.

Principles 2 & 3: Board Composition And Guidance; Chairman And Chief Executive Officer

The Code provides that there should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making. There should be a clear division

Fig (1): Most important knowledge and skills needed by Directors, 2010/11 Results
Top 5 most Important Additional Knowledge And Skills Needed On Board* (N=57)

	Most Important				Least Important
	1	2	3	4	5
Regional Business Exposure	16%	12%	18%	9%	9%
Law	5%	2%	12%	9%	4%
Finance/Accounting	5%	11%	4%	5%	21%
Risk Management	26%	16%	18%	16%	7%
Business Management	7%	16%	11%	4%	12%
Industry Knowledge	26%	23%	12%	16%	5%
Strategic Planning Experience	11%	16%	16%	16%	12%
Technology	0%	4%	5%	9%	7%
Human Resource	2%	2%	0%	11%	11%
Others	2%	0%	0%	0%	0%

*Percentages will not add up to 100% as some knowledge/skills were given the same ranking or less than 5 knowledge/skills were ranked by the respondent

of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business - which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Board Size And Independence

In the 2010/11 survey, a majority (82%) of the companies surveyed have 5 to 10 members. A majority (77%) of the companies also disclosed that more than half of the Board members are non-executive members, with 37% of the companies having more than half of the Board members as independent directors and 60% of the companies having between 33% (the Code-recommended percentage) and 50% as independent directors. As in previous years, in relation to the number of independent directors, the companies surveyed this year fall comfortably within the guidelines set by the Code, with 97% of them having independent directors that constitute more than one-third of the Board.

63% of the companies surveyed applied the relationships under Guideline 2.1 of the Code without exception in determining independence of their directors.

In 48% of the companies surveyed, Board members held more than 25% stake in the company.

Principle 4: Board Membership

The Code provides that there should be a formal and transparent process for the appointment of new directors to the Board.

Directorships And Director Selection

97% of the companies surveyed have a nominating committee to assume various responsibilities including knowing the number of directorships of their directors and decide whether to set a limit based on the appraisal results of the whole Board and/or individual

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directors. In the 2010/11 survey, a large majority (93%) of companies stated that they do not set a mandatory retirement age or specified period for non-executive directors to leave the Board, and less than 10% of companies set a limit set on the number of directorships a director can hold.

22% of independent non-executive directors have served on the Board for more than 9 years, an increase over the 17% in the 2008 survey.

97% of the companies identify potential non-executive directors through personal contacts, other Board members or the nominating committee. 40% of the companies invite nomination by the parent company or controlling shareholder, an increase from 36% in 2008 and 7% in 2005.

Consistent with findings in the previous year, a majority of 82% of the companies (a slight decrease from the 85% in 2008) assess the suitability of directors formally through approaches such as interviews by the nominating committee (used by 43% of the companies). 66% of the companies (up from 58% in 2008) issue a formal appointment letter to their directors, which outlines the directors' duties and obligations.

Director Training And Skills

82% of the companies that participated in the 2010/11 survey have a formal induction program for new directors. The most common components of the induction program are presentation on business activities (84%), tours of facilities/factories (66%), and update on industry trends and developments (50%). Fig (1) shows the perceived importance of the type of knowledge and skills required for new directors for the companies that responded to the 2010/11 survey.

Principle 5: Board Performance

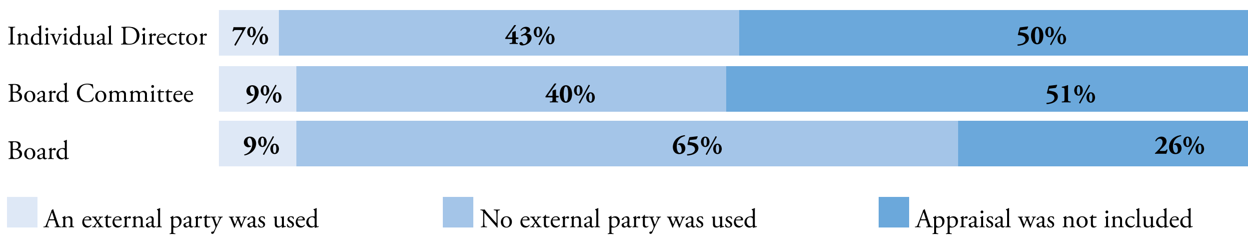
The Code states that there should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

Board And Director Appraisal

The proportion of companies that assessed the performance of the Board as a whole, Board committees or individual directors showed a marked increase from 72% in 2008 to 87% in 2010. In keeping with findings from previous years, performance appraisals of the Board, Board committees and individual directors are most commonly conducted by either the entire Board or the nominating committee. Furthermore, a growing percentage of companies engage an external party to conduct performance appraisals of the Board and Board committees (9% in 2010 compared to 6% in 2008). Fig (2) shows the percentages of companies that had conducted the appraisals and whether they had used an external party to do so.

Fig (2): Performance Appraisal of Board, Board Committee and Individual Directors, 2010/11 results

Performance Appraisal Of Board, Board Cmmittee And Individual Directors (N=68)



The top three popular criteria employed or to be employed by companies to assess the effectiveness of the Board were constructive discussions and interactions among directors (72%), the Board's contributions towards the development of company strategies (71%), and the Board's response to crises and urgent issues (66%).

The top 3 popular criteria to assess the effectiveness of individual directors were the director's participation at Board or committee meetings, the director's knowledge contribution, and the director's willingness to ask questions and give constructive suggestions.

Results from individual director evaluation were typically used for the purpose of considering whether to nominate directors for reappointment (44%) and also shared with the individual directors to assist them in improving their contributions (40%).

Regarding the performance criteria used to determine the performance of the CEO and executive directors, operating result-oriented (e.g. Revenue Growth, Margins, Costs, Productivity) performance measured are used by 83% of the companies, followed by value-oriented measures (e.g. Economic Value Added, Cash Value Added, Economic Profit, Cash Flow Return on Investment) (47%) and market-oriented (e.g. Total Shareholders' Return, Wealth Added) measures (41%).

Principle 6: Access To Information

The Code provides that in order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

Information Access

Principle 6 of the Code provides that Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis in order to fulfil their responsibilities. It is therefore encouraging to note that all the companies reported that their non-executive directors have direct access to senior management to obtain information when there is a need. 66% of non-executive directors typically contact the CFO for information, followed by the CEO (37%) and other senior management executives (36%). Non-executive directors in 92% of the companies have direct access to independent advisors when necessary and appropriate. Of these companies, the key expertise sought after was legal (44%) and audit (41%).

Principle 7: Procedures For Developing Remuneration Policies

The Code recommends that there should be a formal and transparent procedure for developing policy on executive compensation and for fixing the remuneration packages of individual directors, and no director should be involved in deciding his own remuneration.

Remuneration Policies

The most popular short-term variable compensation tool provided to executive directors is bonus in cash, and the most popular long-term variable compensation tools were stock options and performance shares which were adopted by 33% and 25% of the companies respectively. In 63% of the companies, non-executive directors are not provided with any type of variable compensation. Among companies which provided stock-based compensation to directors, 4% of the companies provided stock ownership guidelines and 6% of them provided stock retention requirements (i.e. requiring directors to hold a certain amount of stock for a specified time period, often going beyond retiring from the board).

Principle 8 & 9: Level, Mix And Disclosure of Remuneration

The Code provides that the level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

Executive Directors' Remuneration

Base salary represents 57% of total compensation for the CEO, and represents 70% of that for the executive directors and senior executives. The compensation mix for CEOs and other Top 4 executive directors or senior executives has changed with variable

components carrying a higher weight than before; an increase of 5% from the last survey for both CEOs and Top 4 executive directors or senior executives. Around 50% of the companies provide long-term incentive awards to the CEO and executive directors, and the most prevalent long-term incentive vehicles are stock options and performance shares.

41% of the CEOs are paid more than S$1 million per annum. The CEO total remuneration in 2010 has increased from the level in 2008. CEOs in only 7% of the companies receives less than $250,000 per annum (down from 18% in 2008). Similar to the trend of CEO compensation, only 32% of top 4 executive directors and/or senior executives receive less than $250,000 (down from 43% in 2008). On the other hand, 10% of executive directors and/or senior executives receive more than $1 million per annum (same as in 2008).

The highest quantum of remuneration for executive directors is around S$12 million, and the highest level for non-executive directors is S$375,000. Fig (3) summarizes and tabulates the highest and lowest remuneration paid to directors in 2008 and 2010.

Non-Executive Directors' Remuneration

52% of companies compensate non-executive directors with the basic fee per annum between S$25,000 and S$50,000 (Fig (4) sets out a graph of the brackets of salaries paid to non-executive directors). More than half of the companies pay additional fees for non-executive directors for assuming the responsibilities as Chairman of the audit committee (79%), remuneration committee (65%), and nominating committee (63%). In addition, more than half of the companies provide additional fee to non-executive directors for assuming the responsibilities as members of the three committees. Meeting attendance fee is only paid by 24% of the companies. In addition, 27% of companies made an upward adjustment to the base fee for non-executive directors in the last 12 months.

Principle 10: Accountability

The Code provides that the Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Managing Company's Performance

Regarding the indicators discussed in regular meetings of the board or board committees, 97% of the companies use operating-result oriented indicators such as revenue growth, margins and costs. Yield-oriented (e.g. return on capital employed, return on assets) and value-oriented indicators are also used by 66% and 50% of the companies respectively.

Directors' And Officers' Liability Insurance

An increasing proportion of companies provide directors' and officers' (D&O) liability insurance as a matter of company policy (96%, compared to 90% in 2008 and 81% in 2005). Among those companies that provide D&O liability insurance, the insurance coverage is below $10 million for 38% of them, and within the range of $10 million to $30 million for 39% of them, with the coverage for the rest in excess of $30 million.

Principles 11, 12 &13: Audit Committee, Internal Controls, And Internal Audit

The Code recommends that the Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties. Secondly, the Board is also responsible for ensuring that the Management maintains a sound system of internal controls to safeguard the shareholders' investment and the company's assets. Finally, the Code advises that the company should establish an internal audit function that is independent of the activities it audits.

Internal Controls

95% of the companies have a whistle-blowing policy in place to allow employees to protect employees against reprisals. (up from 70% in 2008 and 20% in 2005) 61% of the survey respondents have attended a practical training program on risk management and internal control.

Risk Management

98% of companies have a risk management policy. 46% of the companies have a formal enterprise-

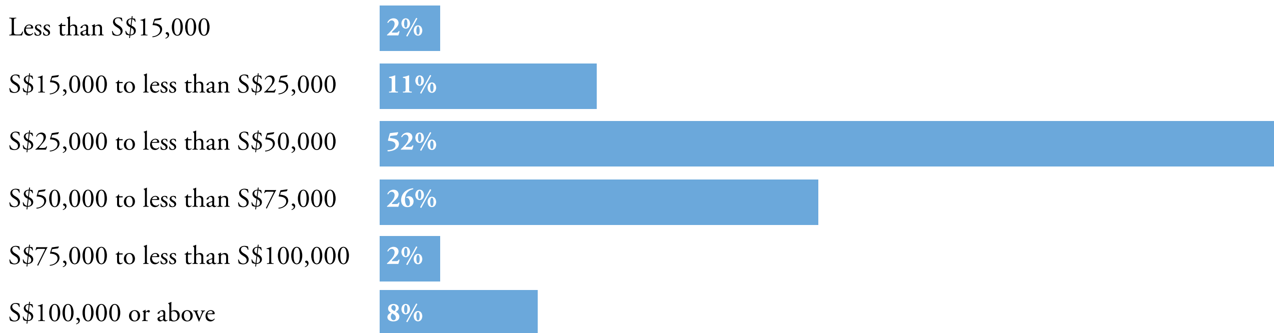
Fig (3): Highest and Lowest Remuneration paid to Directors per annum.
Highest and Lowest Total Remuneration Paid to Directors Per Annum

		2008	2010
Executive director	Highest	$8.8 million	$11.7 million
	Lowest	$10,000	$30,000
Non-executive director	Highest	$385,000	$375,000
	Lowest	$2,000	$4,000

**Executive director N (highest) =104/49 (2008/2010), and N (lowest) =93/39 (2008/2010); Non-executive director N (highest) =111/60 (2008/2010), and N (lowest) =113/57 (2008/2010).*

Fig (4): Remuneration received by non-executive directors.

Level Of Basic Fee Paid To Non-executive Directors Per Annum* (N=65)



*Percentages will not add up to 100% due to rounding

wide management (ERM) program for identifying, assessing, managing and monitoring risks, up from 41% in 2008. For those that do not have an ERM program, 68% plan to implement the program in the future (compared to 41% in 2008).

Additionally, for four consecutive surveys, "people" has been identified as the most challenging factor hindering the identification and management of enterprise-wide risks. Other challenges include the necessary level of investment and the availability of information. Only 31% of the companies feel that they have the information needed to manage risk at an enterprise-wide level, and even less, only 27% of them adopt a common terminology and set of standards to manage risks.

Capital availability, credit risk and investment performance are ranked as the top 3 risks by 32%, 32% and 26% of the companies respectively. 87% of respondents have indicated senior management provides some sort of formal certification that all key risks have been identified and an adequate programme risk management program has been established in respect of them.

Principles 14 & 15: Communication With Shareholders

The Code provides that companies should engage in regular, effective and fair communication with shareholders. Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Investor Relations Function

The 2010 survey showed around half of the companies have a designated Investor Relations person or unit that is accessible to investors. Additionally, most of the companies provide multiple channels for shareholders to access corporate information, with annual reports adopted as the main vehicle by 97% of the companies, followed by corporate website and analyst briefings.

Conclusion

The 2010/11 Survey has indicated that general compliance with Singapore's Code of Corporate Governance by companies has improved since the previous survey. Iit is an encouraging sign of the progress that companies are making towards more effective and efficient governance, and demonstrates a growing awareness of the importance of proper corporate governance by the Singapore corporate community.

Although most of the principles of the Code have been adhered to by the companies that responded to the survey, there is room for improvement in some crucial areas such as the implementation of risk management programs.

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UK's Bribery laws And Their Impact On Asian Trading Partners: Muddled Thinking Or Reputational Opportunity?

By Robbie Knight
Asia Pacific Regional Managing Partner, And
David Peters
Regional Managing Partner
Heidrick & Struggles

Introduction

Britain's anti-bribery legislation has passed into law in July 2011, delivering a governance burden – or opportunity – to all of Britain's trading partners from Hong Kong and Singapore through to Australia.

The legislation was introduced against a background of scandals large and small, from last year's prosecution of the arms manufacturer BAE Systems for paying bribes to a Saudi prince, to members of parliament abusing their expense accounts and the "cash for peerages" affair.

While the Bribery Act 2011 deals only with bribery, not other forms of white-collar crime, it does criminalise this form of corruption and catches everyone doing substantive business with the UK, whether or not they are British citizens. The aim of the legislation is to move, over time, to zero tolerance for bribes or "facilitation payments" paid to foreign government officials in the course of routine business. The law is tougher than that elsewhere. The Foreign Corrupt Practices Act in the United States bans bribes but allows the payment of small sums to ease transactions in countries in which they are seen as customary.

In conversations with chairmen and directors in the UK and Asia, we have found deep skepticism that the legislation can succeed, comments that it is poorly defined, and irritation that it will place yet-another burden on directors. One chairman told us: "We have to assume the question really is one of definition, or degree. While it might not be bribery to take several clients to Wimbledon, host them for a day, give them a nice lunch and hospitality costing say a couple of thousand pounds per head, it might indeed be bribery to fly a client and his wife to the Bahamas for a so-called business meetings taking up to a week in an expensive hotel. But no-one really knows for sure." The chairman said that unfortunately, the law would need to be tested case-by-case through the courts, as definitions were explored - an expensive and time-consuming exercise.

In the words of a non-executive director we interviewed, "It's impossible to make a law for countries where the rules are different. It's not necessarily a matter

of law, but of custom and practice. It may be that some form of friendly inducement is regarded as not only legal but perfectly acceptable.”

For generations, British companies have made use of different customs and practices to gain commercial or competitive advantage. But overnight, this has to come to an end.

The consensus from our meetings with directors and chairs is that the new legislation is “well-intentioned but vague and not properly defined - possibly because it can’t be” and will result in volumes of trial-and-error case law to decide what is legal and what is not.

Boards Know About Bribery

One of the world’s leading experts on boards, Professor Andrew Kakabadse, of the Cranfield University School of Management in the UK, told us that the law was probably impossible to enforce.

“What you are likely to have is a few token cases to make everybody feel good, but the reality is you would have to put something like 15,000 directors into prison this year if this Act was going to be exercised appropriately.”

Professor Kakabadse, author of 37 books including ‘Leading the Board: The Six Disciplines of World Class Chairmen’ says his research on bribery has reached three conclusions:

1) Most boards and top teams are aware of bribery: “They may not be able to tell you the date or the exact time it happens, but the fact that it is happening as a form of market transaction is abundantly clear and the reason for it, is that it’s just common commercial sense. It doesn’t take much to recognise what it takes to do business in some environments - Nigeria, Uganda, Ecuador, Chile, you name it.”

> In the words of a non-executive director we interviewed, “It’s impossible to make a law for countries where the rules are different. It’s not necessarily a matter of law, but of custom and practice. It may be that some form of friendly inducement is regarded as not only legal but perfectly acceptable.”

2) Bribery is practiced in many or most countries, with the lowest payment at 5 percent of the transaction and the highest, “market-entrance” transactions where a company is given privileged access to a particular sector, running up to 80 percent of the deal size. The United States and UK corporations are world-leaders in bribery, which takes place most often in countries with weak institutions, and where “facilitation payments” are a way of life.

3) The arms industry, agriculture and pharmaceuticals sectors often involve governments - “and governments put the private sector to shame when it comes to bribery” with deals in the multi-millions of dollars.

Professor Kakabadse adds: “When I was doing research in other countries, particularly in the non-Anglo or European countries, one of the comments by both private sector and by public servants was that ‘there’s no point in being high and mighty with us when your own government is showing the way on how to bribe better than anybody else’.”

In our conversations with Asian directors it is often pointed out that the squeaky-clean image portrayed by UK citizens when comparing their country to Asia, is no longer justifiable. In fact, many commentators point to the UK and the United States as world leaders in corruption.

Singapore “Very Clean”

When Singapore attained self-government from Britain in 1959, it inherited a system of endemic corruption, mainly due to low salaries, high opportunity, and low risk of detection and punishment. The government responded by introducing the Prevention of Corruption Act (“POCA”) and strengthened the Corrupt Practices Investigation Bureau (“CPIB”).

Today we are world leaders in governance, as indicated by the latest “perception of corruption” global survey by Transparency International (TI).

On a map of Asia published by TI[1], Singapore is a bright speck of yellow (“very clean”) in a sea of red (“highly corrupt”) nations. The index says that Singapore, New Zealand and Denmark are the least corrupt nations on earth with a score of 9.3 (10 being zero corruption), followed by Finland

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“The question for the high-quality governance regimes is not that you are a clean country - that’s a red herring. The question is what you do when you have a governance regime and a culture and a political system that is so far away from yours, and where, if you didn’t bribe, your company goes bankrupt? That’s the dilemma.”

and Sweden (9.2), Canada (8.9), the Netherlands (8.8), Australia (8.7), Switzerland (8.7), Norway (8.6), Iceland (8.5), Luxembourg (8.5), Hong Kong (8.4) and Ireland (8.0).

The United Kingdom is well down the list in 20th place (7.6), just above Chile (7.2) and Belgium (7.1), with the United States in 22nd place (7.1), just above Uruguay (6.0) and France (6.8).

But Professor Kakabadse says the question is rather what happens outside a company’s national borders.

“In Singapore, where you have a high governance standard and you are trading within your own borders, there is a very good chance that bribery is absolutely at a minimum. It is an isolated event between individuals, but it is not a practice.”

“The question for the high-quality governance regimes is not that you are a clean country - that’s a red herring. The question is what you do when you have a governance regime and a culture and a political system that is so far away from yours, and where, if you didn’t bribe, your company goes bankrupt? That’s the dilemma.”

In our conversations with boards across the world, from Asia to Europe, the Middle East and the Americas, we hear of a reluctant acceptance of bribery as a way of doing business.

Proper Procedures Reduce Risk

But the good news about the new United Kingdom legislation is that it will, or should, facilitate a public debate about bribery.

Some will see it as a cost-benefit issue related to the corporate brand: “How much business will we lose if we don’t bribe?” versus “How much damage will be done to the brand if we do bribe and are found out, and then, ultimately, how much business will we lose?”

The UK legislation will certainly see greater publicity and brand damage for companies who practice bribery. And with a beefed-up Serious Fraud Office (SFO), this will undoubtedly take place over the next few years. Senior management and any complicit directors won’t just be sacked - they will be jailed, with the SFO having the power to prosecute a company with links to the UK even though it may be headquartered overseas.

For that reason, we recommend boards in this situation ensure that proper risk management procedures are implemented. They need to ask themselves:

- Are our procedures proportionate to the bribery risk and the nature of the company’s activities?
- Is there a clear, unambiguous message from management, that bribery will not be tolerated?
- Has the company assessed the risk of bribery in all of its markets and does it regularly update this assessment?
- Does the company have procedures for conducting due diligence on service providers and business partners to mitigate bribery risks?
- Do we have training and communication tools in place to ensure anti-corruption policies are embedded and understood?

If adequate anti-corruption procedures are established, companies can escape liability for corrupt activities carried out by its employees by showing they have done everything possible to prevent it.

However, we believe that Westminster has an obligation to provide guidance on what constitutes “adequate procedures” so that directors can do their job of governance, while also looking at the bigger picture of how to operate ethically and make a profit in a globalised environment.

In our conversations with boards across the world, from Asia to Europe, the Middle East and the Americas, we hear of a reluctant acceptance of bribery as a way of doing business.

Endnotes:

1. See the 2010 survey results - http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results

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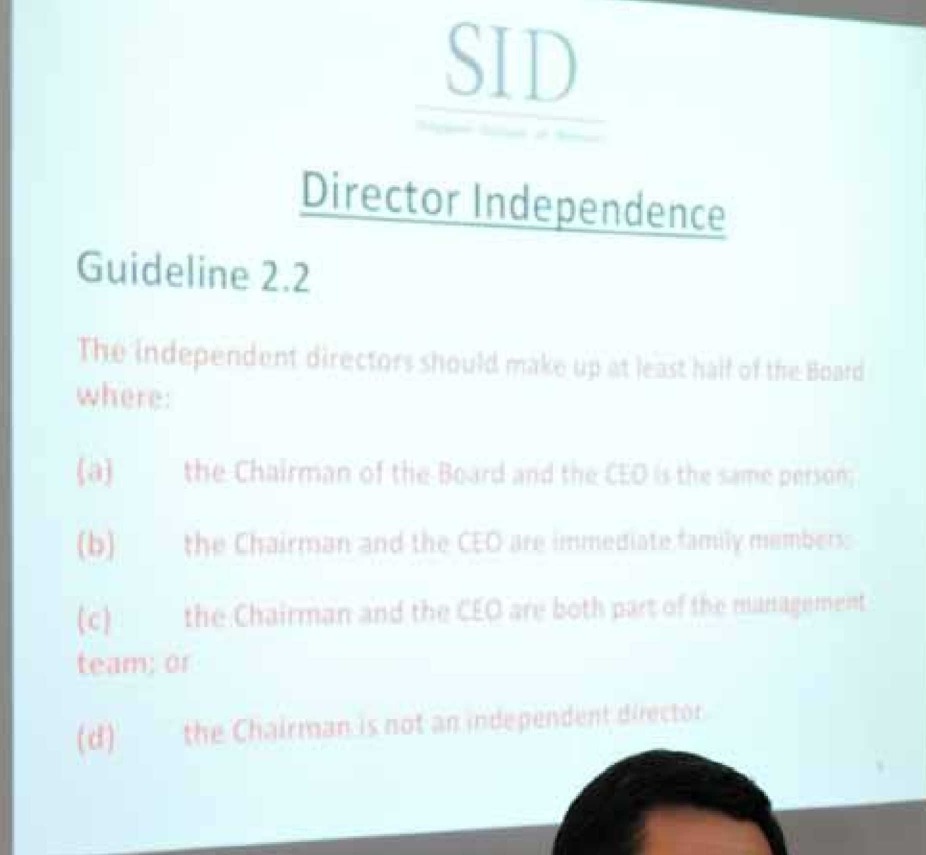
Feedback Session On The Consultation Paper On Proposed Revisions To The CG Code



Following the recent release of the Consultation Paper on Proposed Revision to the Code of Corporate Governance, the Institute held a feedback session on 5 July 2011 to hear from members their views and concerns with regard to the proposed changes. The session was chaired by the Institute's Chairman, Mr John Lim.

The Institute's Vice-Chairman Mr Adrian Chan took the meeting through some of the proposed changes, namely those concerning the board's role, director training, director independence – composition of the board and new definition, requirements for lead independent directors, multiple directorships and alternate directors, and risk management.

Discussions were lively with many members expressing their views and concerns about the likely effects of some of the proposed changes if they were adopted. Members' views were collated and formed the basis for the Institute's response to the relevant authority.

The session, held at The Executives' Club, was attended by about 50 members.

Announcing The Findings Of The Seventh Singapore Board Of Directors Survey 2010

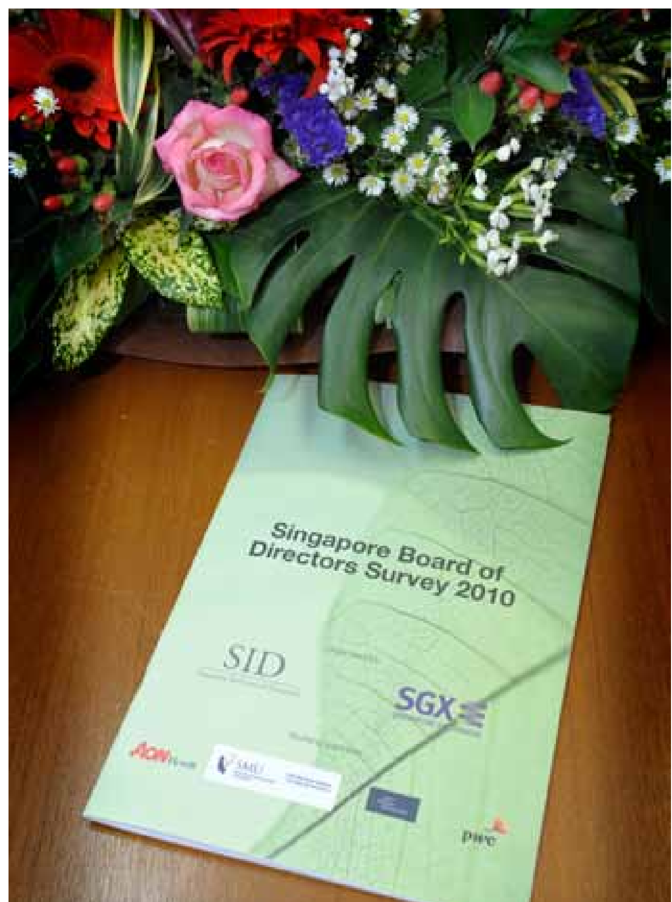
The findings of the Seventh Singapore Board of Directors Survey 2010 were announced at press conference held at the Institute's secretariat on 12 July 2011.

The survey, a joint effort of SID, SGX and Aon Hewitt with the support of Egon Zehnder International, PwC and the Sim Kim Boon Institute for Financial Economics at SMU, was conducted between November 2010 and February 2011. It was based primarily on Board practices of Singapore listed companies in 2010.

The press briefing was hosted by Mr John Lim from SID, Ms Yeo Lian Sim from SGX, Mr Na Boon Chong from Aon Hewitt and Messrs KK Lam and Joshua Teo from Egon Zehnder. It was attended by journalists from Channel News Asia, LianHe Zaobao, The Business Times and The Straits Times.

At the press briefing Mr John Lim said, "The survey, besides being findings on current Board practices, is the Institute's continuing effort to provide listed company boards with information to benchmark themselves against the best and to identify areas for improvement."

A summary of the survey findings can be found on Page 19 of this bulletin.



Review Of The Companies Act

A briefing cum feedback session on the recent Consultation Paper on the Proposed Revisions to the Companies Act was held for members on 25 July 2011.

The Institute's Vice-Chairman, Mr Lee, Adrian Chan, took the meeting through some of the proposed recommendations, in particular those that would directly impact directors and directorships, such as the proposed repealing of Section 153, the recommendation that the effectiveness of a director's resignations should not be conditional upon the company's acceptance, that the disclosure requirements under Sections 156 and 165 should be extended to the CEO of a company, and, that the duty to act honestly and use reasonable diligence in Section 157 (1) should be extended to the CEO of a company.

The session, held at The Executives' Club, was attended by about 40 members.

1-Day LCD Programme In Xiamen, China

To further promote good corporate governance, Singapore Exchange ("SGX") and SID once again organised the Singapore Listed Company Director Essentials Programme in Xiamen, China, on 25 August 2011. Conducted in Mandarin, the 1-day programme was designed for the China-based board and senior management of SGX listed companies to enhance their appreciation and understanding of the Singapore regulatory environment.

Mr Lloyd Loh, Chief Representative, SGX Beijing Representative Office, gave the opening address. The speakers were Mr Hee Theng Fong, Senior Partner, RHT Law LLP, and Mr Ng Siew Quan, Partner, PricewaterhouseCoopers LLP.

It was an interactive session which included updates on SGX Regulations, insights on the value and benefits of strong investor relations practices for listed companies.

SID thanks SGX for co-organising the programme with the Institute, and Mr Hee and Mr Ng for their kind contribution.

Upcoming Talks/ Courses

Upcoming Events

DECEMBER 2011

Tuesday, 6 December	**Effective Internal Audit** By RSM Ethos
Thursday, 8 December	**"No room for no comment": Where Communications and Law connect** By Drew and Napier & Ogilvy Public Relations Worldwide

Personal D & O Insurance

Many Singapore company directors worry that their company does not buy or renew D&O Liability insurance, that the coverage is not adequate, or that the policy may not be activated to protect them when the need arises. For directors who resign or retire, there is no guarantee that cover will be still be available should they be subsequently targeted in a legal action.

Wouldn't it be nice if you could buy an extra level of protection on your own?

NOW YOU CAN. Aon Singapore in partnership with the Singapore Institute of Directors (SID) has developed Singapore's first ever Personal D&O Insurance policy. With a limit of up to S$1 million and cover for up to 3 separate directorships, you can now decide for yourself the level of protection you desire.

This policy covers costs incurred in defending a claim, plus settlements and awards of damages and costs. It is exclusively underwritten by Allianz Insurance Company of Singapore for members of SID (SID has arranged this coverage as an additional service to its members and has no financial benefits whatsoever in this arrangement).

If you have always wanted a D&O policy with your name printed on it and a limit that will be there when you need it, then this policy is for you. Because when it comes to protecting your personal assets, sometimes you need something all to yourself.

Please contact SID at telephone no. 6227 2838 for more information or call Ms Gladys Ng, Aon Singapore at telephone no. 6239 8880 for an over-the-phone quotation.

Welcome Aboard

July 2011

Surname	Given name
Ang	Han Cheng
Batka	Richard
Chee	Chun Woei
Chew	Moi Ying
Chuah	Seong Phaik
Goh	Joo Chuan
Gwee	Siew Ping
Kobayashi	Hirotake
Kohler	Kuno
Kulbrandstad	Omar
Lee	Su Nie
Lim	Siew Koon
Lim	Chu Sing
Lim	Boon Kwee Dave
Oh	Beng Teck Danny
Ong	Meng Eng Phyllis
Phuah	Peng Hock
Pickard	Charles Angus
Richards	Matthew Paul
Singh	Kunwar Digvijay
Tan	Thomas
Tan	Peter
Tan	Suan Bee Eric
Taylor	Janet
Wong	Su-Yen
Yap	Tuck Kong Jimmy
Yeap	Ban Hwa Linda

August 2011

Surname	Given name
Chua	Tze Wee Keegan
Chua	Hock Tong
Clarke	Peter
Finch	Stephen
Foo	George
Fujikawa	Hiroshi
Heng	Chee Ooi Alan
Jaffar	Siti Aishah
Koh	Keith
Kong	Eng Huat
Liang	Hongbo
Liew	Bernard
Lim	Huay Hua Johnny
Lim	Chye Hoon Eileen
Lim	Sim Keat
Lim	Yu Neng Paul
Luy	Chester
Ng	Chong Khim
Ng	Kok Kee Dennis
Ong	Seow Eng
Ooi	Koon Hean
Pascal	Eric
Soon	Kwang Wei Danny
Tan	Boon Leng Tony
Ter	Kim Cheu
Wong	Heng Tew
Wong	Wendell
Yong	Thiam Fook Alan
Veerasamy	Bhuvaneswaran
Whitehead	Robert Dale
Wong	Kean Shyong
Yadav	Anita
Ying	Wei Hsein Leslie

September 2011

Surname	Given name
Campos	Conrad
Chan	Hock Eng
Chen	Yan
Chua	Yang Hong
Chur	Soo Sia
Gattie	Robert
Hing	Yih Peir Jeffrey
Joe	Augyawati
Kit	Tiong Soon
Knox	Aliza
Lee	Yeow Lian Jerry
Lee	Weng Chong
Lillelund	Thomas
Lim	Choon Hian
Low	Chee Chiew
Mahendran	Sahaya Francis J
Ong	Kah Chun
Prabhu	Manjeshwar Suresh
Purwanto	Oki
Rahardjo	Rudy
Sharma	Manish
Sim	Joo Lay
Soon	Kian Lee
Tan	Thai Ngee
Tan	Chow Khong
Tay	Tsui Eng Florence
Tok	Soon Leong
Wong	Heang Tuck
Wong	Weng Sun
Wong	Loke Tan
Woo	Shea Leen

Call for articles, thoughts, snippets, etc.

The institute would like to hear from you. Send us aricles, thoughts or even short snippets of issues that you are keen on, that you want to share about, or that keeps you awake at night. It only needs to relate to directors and/or corporate governance. For articles, keep it to 1200 to 1500 words at most. Send your materials by email to the Institute at secretariat@sid.org.sg

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