

Singapore Corporate Governance Award – Big Cap

Shortlisting requirements:

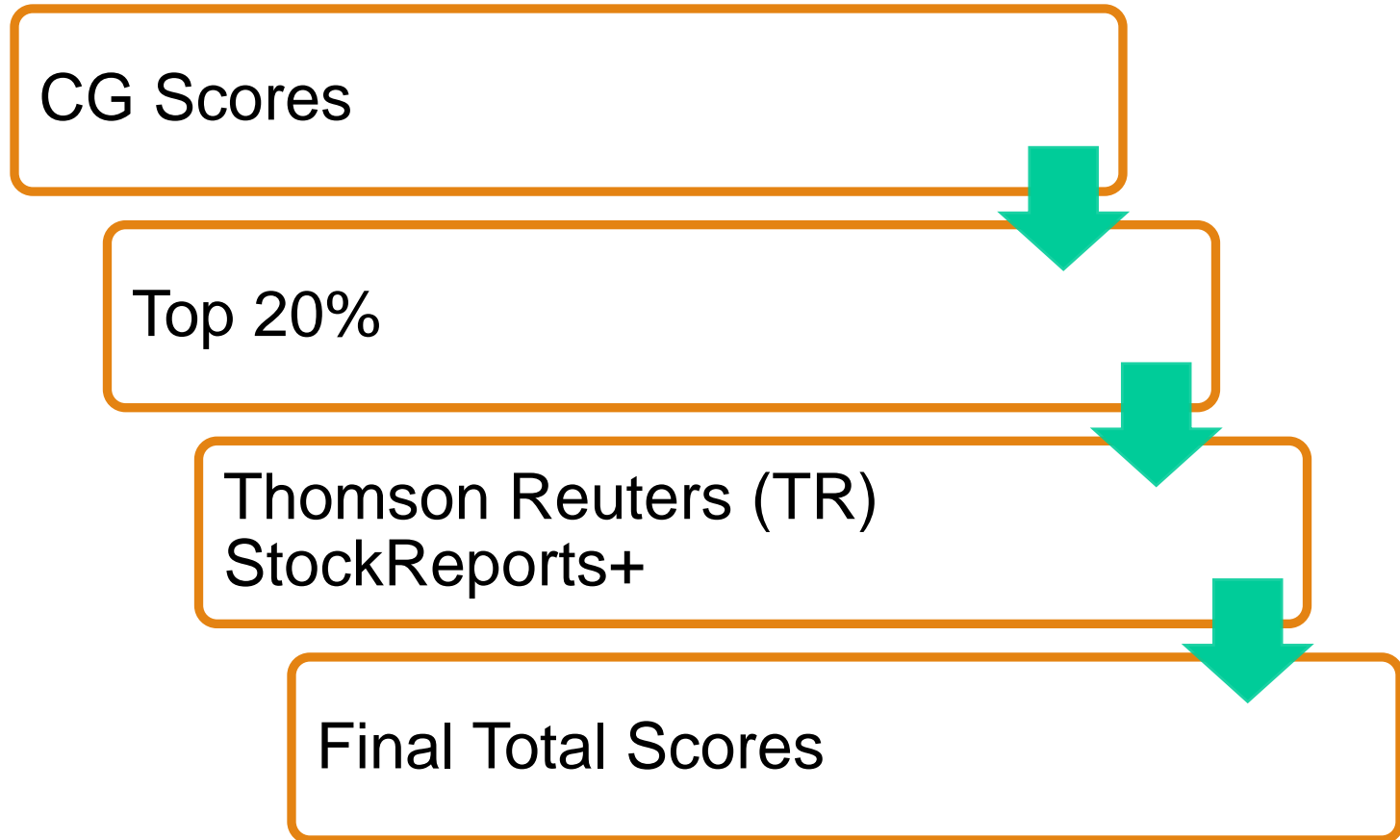
- Companies with market capitalisation above \$500 million
- Achieved high standards of corporate governance practices
- Delivered good financial performance for shareholders

Assessment instruments:

- CGIO's investor-centric corporate governance (CG) scorecard
- Stock reports from Thomson Reuters StockReports+

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Assessment process:



CG Scorecard Framework



Shareholders' rights and equitable treatment

Transparency and disclosure

Accountability and audit

Responsibilities of the board

Stakeholders' roles

CG Scorecard Framework

Areas of assessment	Weightage
Shareholders' rights and equitable treatment	35%
Transparency and disclosure	15%
Accountability and audit	10%
Responsibilities of the board	25%
Stakeholders' roles	15%
Total	100%

CG Scorecard – Part 1: Shareholders' Rights and Equitable Treatment

Illustrative questions

- *Fundamental ownership rights and right to participate effectively and vote in general shareholder meetings:*
 - Does the notice to shareholder meetings show detailed information for each item in the agenda?
 - If the company have paid dividend, did the company disclose a policy on payment of dividends?
 - If the company did not pay dividend, did the company disclose the reasons?
- *Conduct of shareholder meetings to allow for equitable treatment of shareholders:*
 - Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?
 - Are shareholders given the opportunity to ask questions in the most recent AGM, and are these questions and answers recorded in the minutes?
- *Proper management of conflict of interest:*
 - Does the company have a policy requiring board members (directors) to abstain from participating in the board discussion on a particular agenda when they are conflicted?

CG Scorecard – Part 2: Transparency & Disclosure

Illustrative questions

- *Quality of annual report:*
 - Does the company's annual report disclose the followings?
 - Corporate objectives
 - All the directorships and chairmanships held by its directors at present and over the past 3 years
 - Identification of key risks (including operational risks) and how these risks are assessed and managed?
- *Transparency in executive directors' remuneration:*
 - Did the company disclose in aggregate the total remuneration paid to the top five key management personnel?
- *Transparent ownership structure:*
 - Does the company disclose the direct and indirect shareholdings of directors?

CG Scorecard – Part 3: Accountability & Audit

Illustrative questions

- *Risk management and internal control systems:*
 - Is there disclosure of the process and framework used to assess the adequacy of internal control systems and risk management?

- *Internal Audit:*
 - Does the company have a separate or outsource internal audit function??

- *External Audit:*
 - Does the Audit Committee have primary responsibility for recommendation on the appointment, re-appointment and removal of the external auditor?

CG Scorecard – Part 4: Responsibilities of the Board

Illustrative questions

- *Board independence:*
 - Number of directors on board?
 - Number of independent directors on board?
- *Board Duties and Responsibilities:*
 - How many times did the board meet during the year?
 - Are the roles and responsibilities of the board of directors clearly stated?
- *Formal and transparent process for director appointment/re-appointment:*
 - Is the process and criteria for selection of directors disclosed?
 - Disclosing information on the succession planning for the board and senior management?

CG Scorecard – Part 5: Stakeholders' Roles

Illustrative questions

- *Roles and rights of stakeholders established through law and mutual agreements upheld:*
 - Does the company explicitly disclose the health, safety, and welfare policy for its employees?
 - Does the company make effort to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?
- *Stakeholders' avenue for redress for violation of rights:*
 - Does the company provide contact details via the company's website or annual report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?
- *Code of conduct or ethics:*
 - Does the company disclose details of its code of conduct or ethics in the annual report or on company's website?