

## Singapore Board Index 2018

# Inching Forward on Gender Diversity

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*The 2018 Singapore Spencer Stuart Board Index is a review of governance practices in the 30 constituent companies of the FTSE Straits Times Index (STI). It offers a useful comparison against similar board index reports from other countries. Key findings from this third edition of the report are summarised below. Select indicators of board composition, board performance and director remuneration are shown for each of the 30 companies listed in the table on the next page.*

### Key findings

- **More women on boards**

The representation of women on the boards of the top 30 Singapore firms with the largest market capitalisation has been on a modest upward trend since 2014, increasing from 8 per cent in 2014 to 12 per cent in 2018. However, only 67 per cent of STI30 boards have at least one woman director, compared to 73 per cent in 2016.

- **Average age of directors flatlines**

The average age of STI30 directors has remained about 62 years old since 2014, and a large proportion of the board members are between 56 and 75 years old.

- **Dip in proportion of independent directors**

On average, 57 per cent of directors on the boards of the STI30 are independent, down from 63 per cent in 2016 and 65 per cent in 2014.

- **Independent director tenure below 9 years**

The average tenure among independent

directors of the STI30 is 5.9 years, with about a third of independent directors serving less than three years. The average tenure of non-executive directors of STI30 companies is 7.3 years. Seventy-six per cent of non-executive directors have a tenure of 10 years or less, compared with 81 per cent in 2016.

- **Upward trend in board retainer fees**

Board retainer fees for chairs and members across board and board committees (audit, remuneration and nominating) have been rising steadily since 2014. Directors on remuneration committees showed the greatest percentage increase (11 per cent) from 2016 to 2018.

- **Most boards perform some form of annual assessment**

A substantial majority, 90 per cent of the STI30 companies had some form of board assessment, whether executed internally by their nominating committee or an external facilitator. Interestingly, 20 per cent of STI30 companies engaged a third party to carry out their board assessment, compared to 33 per cent in 2016.

### Improving board effectiveness

Many of the changes stipulated in the revised Code of Corporate Governance issued in August 2018 will require companies to not only evolve, but revolutionise their current practices. Board diversity and director independence remain critical agenda items, and the new Code aims to enable companies to make continued progress. ■

## Board Composition, Performance and Remuneration of FTSE-STI30 Companies

Company	Board Composition					Board Performance		Remuneration (Retainer Fee, S\$)	
	Board Size	Women Dirs	IDs	Avg Age	Chair	No. of Bd Mtgs	Board Eval	Chair	Member
Ascendas REIT	9	2	6	60.6	ID	7	INT	50,000	40,000
CapitalLand Commercial Trust	9	2	5	52.0	ID	5	INT	ND	ND
CapitalLand Ltd	12	2	11	62.8	ID	6	EXT	750,000	78,000
CapitalLand Mall Trust	10	0	5	58.9	ID	4	INT	ND	ND
City Developments Ltd	7	1	5	62.1	ED	6	INT	ND	60,000
ComfortDelGro Corp Ltd	9	2	8	65.7	ID	7	INT	110,000	55,000
DBS Group Holdings	10	2	6	62.1	ID	5	INT	1,350,000	80,000
Genting Singapore PLC	6	0	4	65.8	ED	4	INT	ND	150,000
Golden Agri-Resources Ltd	8	0	4	62.3	ED	5	INT	ND	ND
Hongkong Land Holdings Ltd	16	0	0	62.8	ED	4	ND	ND	ND
Hutchison Port Holdings Trust	9	3	5	67.6	NI-NED	4	INT	ND	ND
Jardine Cycle & Carriage Ltd	13	2	8	60.8	NI-NED	4	EXT	140,000	70,000
Jardine Matheson Holdings Ltd	15	0	0	59.5	ED	4	ND	ND	ND
Jardine Strategic Holdings Ltd	11	0	0	62.9	ED	4	ND	ND	ND
Keppel Corp Ltd	9	1	7	62.6	ID	13	EXT	750,000	108,000
Oversea-Chinese Banking Corp	10	1	7	64.3	ID	5	INT	1,400,000	45,000
SATS Ltd	11	2	10	61.9	ID	7	INT	85,000	45,000
Sembcorp Industries	10	1	8	63.8	ID	6	INT	750,000	75,000
Singapore Airlines Ltd	8	0	7	63.6	ID	4	EXT	750,000	90,000
Singapore Exchange Ltd	9	3	7	64.4	ID	4	INT	750,000	55,000
Singapore Press Holdings Ltd	9	3	8	57.9	ID	10	INT	115,000	60,000
Singapore Tech Engineering Ltd	13	1	8	56.0	ID	4	INT	600,000	72,000
Singapore Telecommunications Ltd	9	3	6	59.6	NI-NED	9	EXT	960,000	110,000
StarHub Ltd	12	2	6	61.6	NI-NED	5	EXT	165,000	65,000
Thai Beverage Ltd	18	2	7	69.7	ED	5	INT	ND	ND
United Overseas Bank Ltd	12	1	9	64.1	ID	6	INT	700,000	90,000
UOL Group Ltd	9	0	5	67.9	NI-NED	4	INT	ND	ND
Venture Corp Ltd	8	1	7	71.5	ED	4	INT	NA	60,000
Wilmar International Ltd	13	0	6	62.6	ED	4	INT	NA	80,000
Yangzijiang Shipbuilding Holdings Ltd	4	0	2	61.0	ED	4	INT	ND	ND

## Legend:

ED: Executive Director

EXT: External

ID: Independent Director

INT: Internal

NA: Not Applicable

NI-NED: Non-Independent Non-Executive Director

ND: Not Disclosed