

Key recommendations to enhance CG

EFFECTIVE AND FUTURE-READY BOARDS

Aim: To have well-rounded and competent boards with diverse perspectives

- Rationalise tests of independence
- Reduce shareholding threshold from 10% to 5%
- 9-year rule for independent directors (IDs): Two-tier shareholders' vote by (i) all shareholders; and (ii) all shareholders excluding directors/CEO (and associates)*
- At least one-third of board to comprise IDs*
- Majority of board to comprise IDs, where Chairman is not independent
- Majority of board to comprise non-executive directors^
- Disclose board diversity policy and progress made^

ENGAGED STAKEHOLDERS

Aim: For an inclusive approach beyond shareholders

- Consider and balance needs and interests of material stakeholders^

TRANSPARENT REMUNERATION PRACTICES

Aim: To align remuneration to long-term objectives and performance

- Disclose relationship between remuneration and value-creation
- Disclose remuneration of employees who are substantial shareholders or their immediate family members^

SUPPORTIVE ECOSYSTEM

Aim: To have advocacy initiatives to support companies

- Establish an industry-led Corporate Governance Advisory Committee to promote good practices

FACILITATIVE FRAMEWORK

Aim: To support constructive and purposeful corporate governance practices

- Net reduction of 3 Principles and 31 Provisions
- More concise and less prescriptive, to encourage thoughtful application and move away from a box-ticking mindset
- Clarify expectations on compliance and acceptable variations from the Code

* To be shifted to the SGX Listing Rules

^ To be introduced in the Code of Corporate Governance for the first time