

Corporate governance score: Singtel is No. 1 again

SOME locally listed companies fared well in the 2014 rankings for corporate governance, but others are falling behind while their counterparts across the region are catching up.

The top 100 of the 766 Singapore firms assessed scored between 43.9 and 105.5 out of a possible 128 points, with a mean score of 70.7. Singtel was the top firm for the second year in a row.

When it came to basic governance requirements, the 100 firms achieved an average of 67 points out of 100, up from 65.1 points in 2013.

The scorecard was disclosed at a forum organised by Singapore Institute of Directors (SID) and National University of Singapore Business School's Centre for Governance, Institutions and Organisations (CGIO) yesterday.

The scorecard is a joint initiative of the Asian Development Bank and Asean Capital Market Forum. The rankings for Singapore are compiled by SID and CGIO, which assessed the firms in five categories: Shareholder

Top 10

1. Singtel
2. Singapore Exchange
3. DBS Group Holdings
4. SMRT Corp
5. Singapore Press Holdings
6. CapitaLand
7. Keppel Land
8. SIA Engineering Co
9. OCBC Bank
10. Keppel Corp

rights, equitable treatment of shareholders, role of stakeholders, disclosure and transparency, and the board's responsibilities.

Singapore firms are making progress in the first three categories, but their scores in the last two are approaching a plateau.

SID's immediate past chairman John Lim, who is Singapore's corporate governance expert for the scorecard, noted: "Our (Asean) neighbours have

made very significant improvements in the past one year." He urged companies to go beyond updating shareholders on past developments and to disclose future plans and prospects.

However, the chairman of Clifford Capital and Singtel's lead independent director, Mr Kai Nargolwala, told a panel discussion that companies might not reveal data such as salary targets for fear of giving competitors an edge. Still, companies should strive to be "seen to do the right thing" in order to upkeep investor confidence, he added.

He noted investors now have more choices, and so Asean must compete through good corporate governance. Although Singapore already upholds high standards, it needs to work on disclosure.

Ms Yeo Lian Sim, Singapore Exchange's chief regulatory officer, went further and called for greater board diversity and sustainability reporting, which involves firms disclosing economic and environmental performance.