



Singapore Exchange Regulation Pte. Ltd.  
11 North Buona Vista Drive  
06-07 The Metropolis Tower 2  
Singapore 138589  
(Attention: Listing Policy & Product Admission)

23 November 2022

## Consultation Paper on “Board Renewal and Remuneration Disclosures”

Dear Sir or Madam,

The Asian Corporate Governance Association (ACGA) is a non-profit membership association founded in 1999. We conduct research on corporate governance and ESG in 12 markets in Asia-Pacific and advocate at the regulatory and corporate level across the region to improve standards and practices. ACGA is entirely funded by a network of 113 member firms, of which 70% are institutional investors with more than US\$40 trillion in assets under management globally.

We welcome the opportunity to respond to the consultation paper *Board Renewal and Remuneration Disclosures* published on 27 October 2022. In particular, we have a few high-level comments:

### Board renewal

ACGA supports a proposal by SGX to put a hard nine-year limit on the tenure of independent directors (Question 1), and to have this embedded in its Listing Rules. We see it as a measure which would bring simplicity to the board refreshment process and encourage issuers to be more proactive in looking outside their immediate networks during the nomination process. Ultimately, we hope this improves the situation of entrenched independent directors at Singapore firms, as identified in the KPMG report cited in the consultation. We also note that Singapore would be setting the bar higher in the region than a number of its Asian peers by providing a hard stop at nine years.

While we have no specific comments on the proposed transition of one year (Question 2) we would agree that independent directors who have served beyond the nine-year limit be redesignated as ‘non-independent’.

### Remuneration Disclosures

We also welcome a proposal to require disclosure on a named basis of the remuneration of each director, and the CEO, of Singapore issuers. ACGA has long held the view that disclosure of remuneration on a named basis of the top earners at listed companies is a vital piece of the corporate governance landscape. This is becoming increasingly important to investors as they expect executive pay to reflect key performance indicators on ESG. ACGA supports mandatory disclosure in these companies’ annual reports (Question 3).



If we can assist any further, please do not hesitate to get in touch.

Best regards,

A handwritten signature in black ink, appearing to read 'Jane Moir', written in a cursive style.

Jane Moir  
Head of Research  
[jane@acga-asia.org](mailto:jane@acga-asia.org)