

News Release

28 May 2015

More Search Firms Partnering Diversity Action Committee in Pro-Diversity Effort

Singapore's Diversity Action Committee (DAC) announced that 6 more executive search firms have signed up to its Statement of Good Practice in Executive Search for Board Directors.

Global Search Partners, Harvey Nash, NQ International, Profile Search and Selection, Robert Walters and Straits Talent join the five leading executive search firms – Egon Zehnder, Heidrick & Struggles, Korn Ferry, Russell Reynolds Associates and Spencer Stuart – in committing to prescribe the best practices for board appointments supportive of gender diversity. Collectively, the 11 executive search firms bring with them their extensive network of candidates to serve companies ranging from large billion dollar institutions to companies listed on Catalist.

Magnus Böcker, Chairman of DAC¹, said, "I am pleased to see that more members from the Executive Search community will support greater boardroom diversity and participation of women. Using executive search services for recruiting board directors is not just for the large companies but those desiring to bring best talents to the top table in addition to the existing recruitment channels. These active partnerships between companies and search firms support an increased understanding of the business benefits of diversity. DAC looks forward to a continuous increase of women directors."

Summary on the Statement of Good Practice in Executive Search for Board Directors

The Statement was launched on 15 January 2015. The Statement of good practice sets out a comprehensive process from the start of the search assignment to appointment of director and post-appointment follow-up.

It advocates that search firms first consider the existing strengths of the board and define the complementary capabilities required to serve the corporate strategy. It encourages boards to widen candidate pool to include top calibre and diverse candidates (including women). Particular attention should be paid to candidates with relevant experience in emerging industries and areas of specialisation.

The Statement also emphasises the importance of comprehensive induction programmes for new directors and post-appointment follow-up with the whole board in order for companies to benefit more fully from board diversity.

The full Statement and more information about the Diversity Action Committee can be found in the attachments or at www.diversityaction.sg

¹ The DAC is chaired by Mr Magnus Böcker, CEO of Singapore Exchange. Madam Halimah Yacob, Speaker of Parliament of Singapore is adviser to DAC. The DAC, comprising business leaders from both large and small organisations and professionals from the private, people and public sectors, is appointed to build up the representation of women directors on boards of companies.

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Statement of Good Practice in Executive Search for Board Directors

The Diversity Action Committee, together with five leading international executive search firms, namely Egon Zehnder, Heidrick & Struggles, Korn Ferry, Russell Reynolds Associates and Spencer Stuart, have come together to define the best practices in search criteria and processes relating to board appointments in Singapore. This initiative recognises the importance of director choice in improving board effectiveness and corporate governance. Collectively, we share our convictions with companies who use our services in order that they may join us in subscribing to the professional practices and processes outlined below:

1. Board Composition & Progressive Board Renewal

When taking a specific brief, the executive search firm should regard the assignment in the context of the needs of the Board as a whole to serve the interest of the company going forward. The firm should support the Board in performing an analysis of what other capabilities are or will be required to serve corporate strategy in the immediate future as well as medium term. The conclusions will be reflected in the competencies used to guide the selection of new directors.

Risk management considerations should be raised if not already covered in the brief. With ever shorter product lifecycles and proliferation of disruptive competition, Boards that draw their directors from different pools of experience, expertise and social background, would be better equipped to recognise and meet their challenges. Search firms should encourage Boards to actively pursue diversity.

Search firms should also engage with clients in developing a board renewal plan that would allow both broadening and progressive rebalancing of capabilities within the board for its continued optimal functioning to serve the interests of the company.

2. Broadening Candidate Pool and Selection Criteria

To widen the pool of top calibre and diverse candidates for evaluation, search firms should encourage clients to define a broader set of search criteria in addition to having candidates with prior experience as a board member/CEO. Particular attention should be paid to candidates with relevant experience in emerging industries and areas of specialisation.

Non-traditional sources should be tapped whilst bearing in mind that candidates should have both depth of expertise as well as sufficient breadth of knowledge and skills to contribute across the entirety of the board agenda.

3. Supporting Diversity with Women on Boards

Women represent an increasing share of purchasing power at wholesale and retail levels. Yet many companies have an under-representation of women in their boards. To assist their clients in rectifying the situation and providing diverse slates of candidates, search firms should ensure that 20-25% of the candidates are women. Search firms should also aim to have clients interview at least one qualified woman candidate.

4. Evaluation & Selection

Search firms will prepare candidates for interviews and guide them through the process. Particular attention will be paid to first-time candidates.

Search firms will assist clients in their evaluation of each candidate on the shortlist, with advice and comparative reference material, highlight areas in candidates' profile for attention and clarification in order to make a fair and objective evaluation.

In addition to evaluating candidates' skills and experience, search firms will point out the team dynamics of current boards and how shortlisted candidates' personal characteristics could complement the boards. Desired personal characteristics for board appointments include courage, diplomacy, wisdom and integrity.

In the final selection, search firms will always remind clients to check if the final selection is aligned with the board composition and progressive board renewal planned at the beginning of the search process.

5. On-boarding/Follow-up Processes

Search firms should advise clients on the changes in team dynamics when diversity is introduced and how best to induct a new director and prepare the board in order to benefit more fully from diversity. Search firms may offer other services as an on-going support to diversity on the board.

Signing Up to the Statement

We welcome other executive search firms or organisations who have a good track record of providing board search to join in this effort of raising the standards of executive search for Board Directors. By signing up to the Statement, they are signaling their commitment to clients their service excellence and also to increasing board diversity for superior corporate governance.

For those who are interested, please contact the Diversity Action Committee Secretariat at DAC_Secretariat@sgx.com. Those interested are encouraged to contact the Secretariat to DAC for more details. A pre-signing discussion with the Secretariat is required before formalizing the signing up process.

About Diversity Action Committee

The Diversity Action Committee (DAC) was formed in August 2014 with the objective of building up the representation of women directors on boards of companies in Singapore. Mr Chan Chun Sing, Minister for Social and Family Development, established the Committee on the recommendation of the Diversity Task Force regarding Women on Boards, as the key driver in a multi-stakeholder approach to addressing the under-representation of women directors.

Increased diversity on boards heightens the robustness of decision making and broadens the catchment of risk awareness and response, resulting in superior corporate governance. A larger number of women directors on corporate boards answers the economic reality of women increasingly deciding on business and consumer purchases. For the economy as a whole, underutilizing women at the apex of corporate decision making could hinder competitiveness. Hence the work of DAC addresses a business imperative.

Adopting a multi-stakeholder approach, the Committee will raise awareness of the importance and benefits of gender diverse boards, champion best practices that support gender diversity and inspire relevant stakeholders toward appointing women board directors. It is working with various institutions to expand the pool of board-ready women and will have regular communication with the business community.

The Diversity Action Committee is chaired by Mr Magnus Bocker, Chief Executive Officer Singapore Exchange Ltd, and its Adviser is Madam Halimah Yacob, Speaker of Parliament of Singapore. The Committee comprises 15 leaders from both large and small organisations, and professionals from the private, people and public sectors. The members are:

Mr Magnus Böcker (Chair)	Chief Executive Officer, Singapore Exchange Limited
Mr Simon Israel	Chairman, Singapore Telecommunications Ltd
Ms Cheng Woei Fen	Executive Chairman, Mun Siong Engineering Ltd
Mr Philip Ng	Chief Executive Officer, Far East Organization
Mr Ciliandra Fangiono	Chief Executive Officer, First Resources Ltd
Mr Tang Kin Fei	Group President & Chief Executive Officer, Sembcorp Industries Ltd
Ms Claire Chiang	Senior Vice President, Banyan Tree Holdings Ltd
Mrs Lee Suet Fern	Managing Partner, Morgan Lewis Stamford LLC
Ms Yeo Lian Sim	Chief Regulatory Officer, Singapore Exchange Ltd
Ms Lim Soo Hoon	Permanent Secretary (Finance)(Performance), Ministry of Finance
Ms Ong Toon Hui	Deputy Secretary, Ministry of Social and Family Development
Ms Teo Swee Lian	Special Advisor, Monetary Authority of Singapore
Ms Junie Foo	Co-Chair, BoardAgender
Mr Teo Siong Seng	Chairman, Singapore Business Federation
Mr Willie Cheng	Chairman, Singapore Institute of Directors

The work of the DAC is supported by a Secretariat ([DAC Secretariat@sgx.com](mailto:DAC_Secretariat@sgx.com)). For more details, please visit www.diversityaction.sg