



Press Release

Listed Companies Mark Solid CG Scores Despite More Demanding Criteria To Meet ASEAN Standard

October 22, 2014 -- The Thai Institute of Directors Association (IOD), with support from the Stock Exchange of Thailand (SET), Wednesday released CGR scores of 550 listed companies in Thailand at an average of 72%, which is considered satisfactory despite application of more demanding criteria to meet the ASEAN CG Scorecard standard. The solid performance reflected value of corporate governance development cherished by Thai listed companies in order to bolster sustainable growth and boost confidences among domestic and international investors.

Dr. Bandid Nijathaworn, the IOD President and CEO, said at a seminar on the release of Corporate Governance Report of Thai listed Companies 2014 that average score of Thai listed firms remains satisfactory even under an upgraded criteria. Despite application of 237 criteria, up sharply from 148 in 2013, and the adjustment of category weighting and calculation method, the 550 listed companies made an average score of 72%, fairly good under the strict criteria, but down from 78% (average of 526 listed companies) in 2013.

Average scores of three categories breached 70% including Equitable Treatment to Shareholders (91%), Rights of Shareholders (87%), and Disclosure & Transparency (77%). Yet, two categories fell short of 60% mark including the Board Responsibilities (63%) and the Role of Stakeholders (62%). Thus, further development is required in these particular areas.

According to the 2014 report, 308 listed companies scored over 70%. Of the total, 30 companies (5%) were scored excellence with scores of 90% and above, 107 companies (20%) were scored very good with scores at 80-89%, and 171 companies (31%) were scored good with scores at 70-79%.

“This is another year that the CGR project has made a major progress in terms of criteria development to meet the ASEAN standard. The new criteria demanded more details in many aspects such as requirement of individual performance evaluation for each board member, requirement to comply with business ethics and anti-corruption practices, requirement of at least two third board members’ presence in order to vote, and the establishment of a nine-year ceiling for term of independent directors. Although companies need to make adjustment to comply with these additional requirements, the overall score remains good,” Dr. Bandid said.

The IOD will assist listed companies, particularly small firms, to develop corporate governance standard, especially in putting policies into practices and reporting result of such implementation. It will work with the SET and the Securities and Exchange Commission to promote knowledge about corporate governance standard development and compliance with such standard to listed companies.

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SET President Kesara Manthusree said, “SET has been committed to supporting IOD as CGR organizer since 2001. The CGR score has been continuously higher every year. Some years it might have dropped due to new adjusted criteria. This year’s score was placed at a satisfactory level on average, even though the new adjusted criteria are more detailed in accordance with international standard of ASEAN CG Scorecard. This reflects that the Thai listed companies have placed importance and priority on developing good corporate governance. SET continues to promote good CG among Thai firms so as to build sustainable growth with recognition at international level. We use integrated media and activities to enhance understanding and improve best practice such as professional manuals, prestigious awards to honor companies as role models and many others.

Today’s event held by SET aims to enhance CG skills through a seminar on “Board Assessment and Remuneration”. Board of directors and top executives of leading Thai listed companies have jointly shared views and experiences with professionalism. The seminar expects to stimulate companies to value the performance evaluation of the boards which will help enhance good CG in responsibility category.

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