

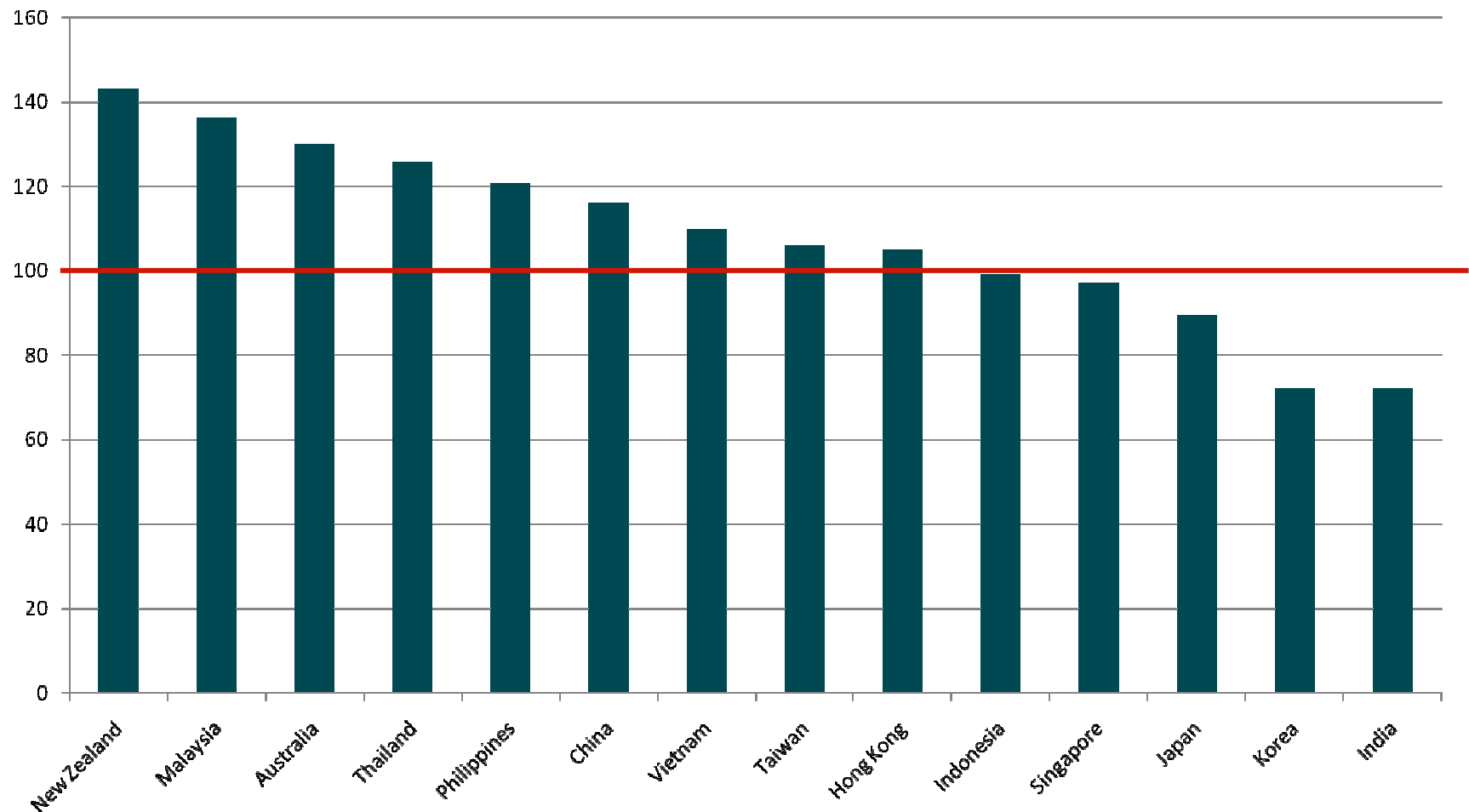


Diversity: Scorecard

Why Board Diversity Equals Success

Alicia Yi
Managing Director, Strategic Client Services
Korn/Ferry International

Women vs. Men's Tertiary Education



* The score above show the proportion of women to every 100 men.

** Source: MasterCard Worldwide Index of Women's Advancement

Asia's Growth Model is Shifting...

MARKET SHIFT	ASIA 1.0 (1985 – 2005)	THE IMPETUS FOR CHANGE	ASIA 2.0 (2006 – 2020)
CONSUMER SHIFT	MADE IN ASIA	<ul style="list-style-type: none"> — Reduced Western Consumer Spending — Emerging Consumerism in Asia 	MADE FOR ASIA
INNOVATION SHIFT	THE WORLD'S FACTORY and BACK OFFICE	<ul style="list-style-type: none"> — Shifting R&D investments — Asia's drive to innovate — Asia's need to move up the value chain 	THE WORLD'S LABORATORY and KNOWLEDGE OFFICE
JOBS SHIFT	CHEAP and PRODUCTIVE WORKFORCE	<ul style="list-style-type: none"> — Unemployment in the west — Western companies Asianizing — Asian companies globalizing 	CREATIVE and INNOVATIVE TALENT

Asia Advancing - Innovation



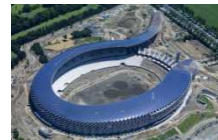
Tata Nano : the \$3,000 car was conceived and developed in India



LG LX9500 : the world's first 3D LED TV



Mac 400 : a hand-held cardiogram (\$800) developed by GE in India



Kaohsiung Stadium : World's first solar powered stadium – in Taiwan



The USB Credit Card : developed by Shinhan Card in Korea



Eko Hybrid: World's first hybrid 2-wheeler (\$500) – in Bangalore



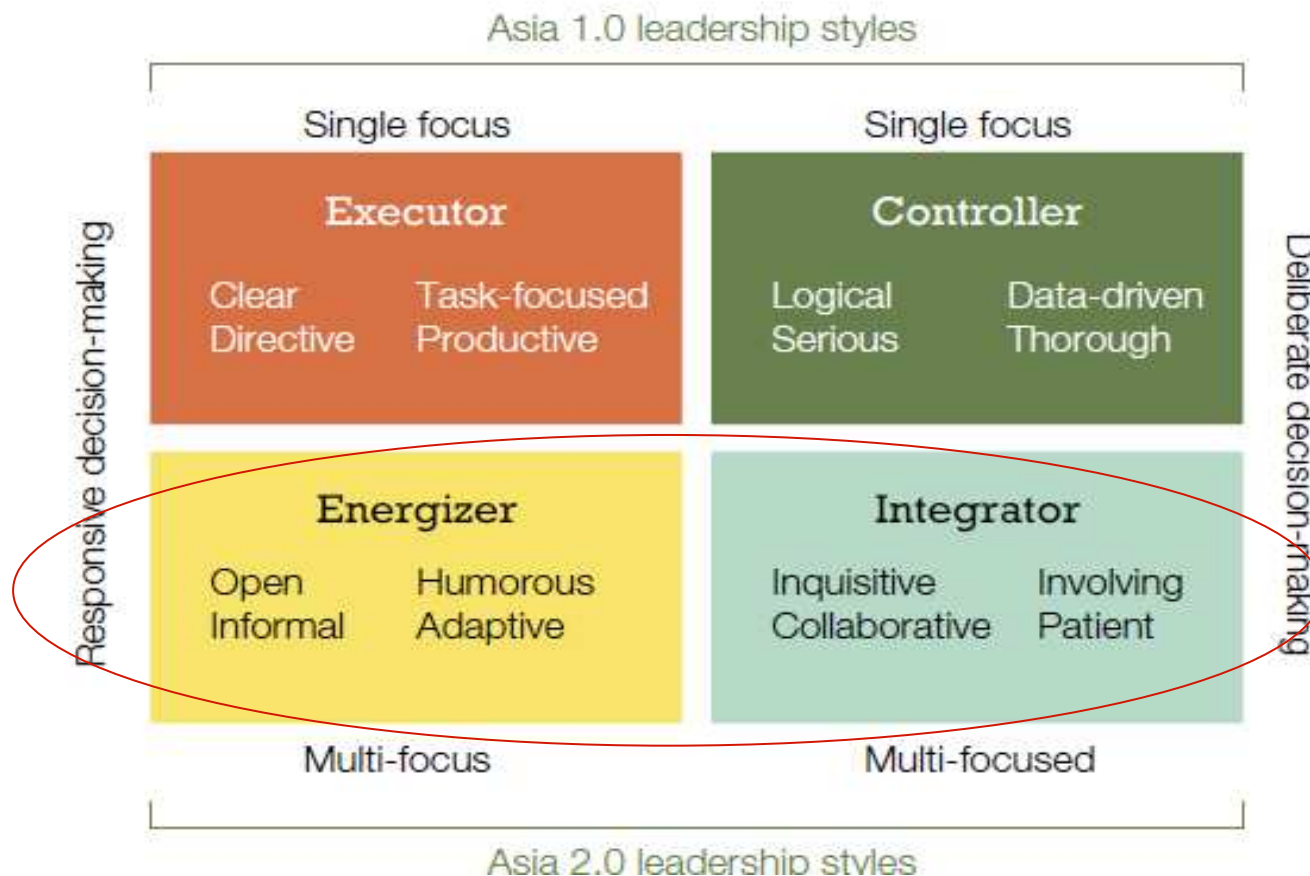
F1 Night Race : World's first night race in Singapore



Harmony Express: World's fastest train (394 kmph) in China

Four Leadership Styles

Leaders most likely to succeed in Asia 2.0 will be open and adaptable
“Energizers” and collaborative “Integrators”

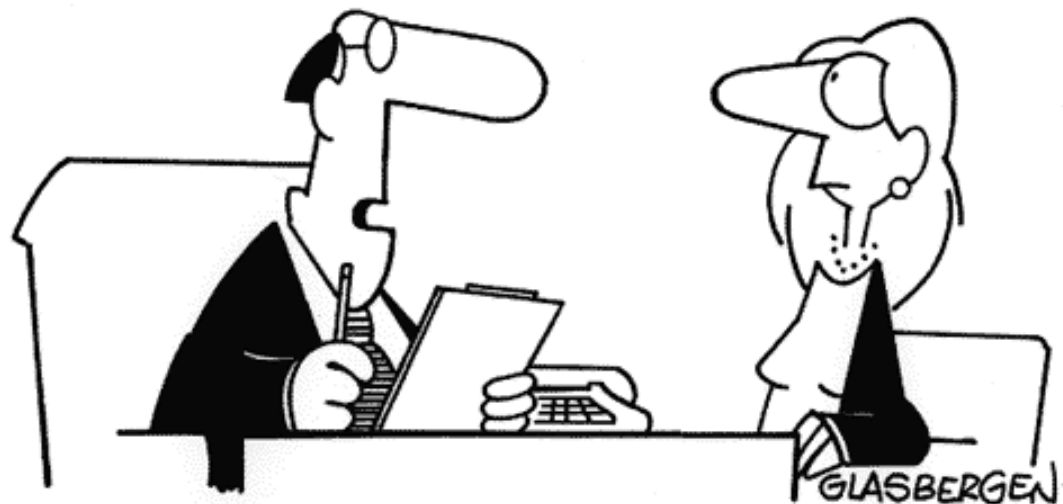


Asia 2.0-Ready Talent Across the Region

Reviewing 1,246 executives and 642 managers who were finalists for top-level jobs, few had the competencies needed for the future

	Clear strength in Asia 2.0	Some strength can be developed	Less developed for Asia 2.0
China (executives)	1%	16%	83%
China (managers)	1%	10%	89%
India (executives)	8%	21%	72%
India (managers)	8%	13%	79%
Rest of Asia (executives)	5%	19%	76%
Rest of Asia (managers)	4%	19%	77%

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**“I’m disappointed in your job performance.
It’s been ages since you’ve brought me
an innovative idea to ignore.”**

*“Be the change that you
want to see in the world.”*

Mohandas Gandhi



The Case for Diverse Boards and Study of Gender Diversity in Asia- Pacific

A/P Mak Yuen Teen

NUS Business School

National University of Singapore

Introduction

- The objective of corporate governance is to increase long-term shareholder value, whilst taking into account the interests of other stakeholders (customers, employees, business partners, community, etc.)
- In making decisions, the board needs to be cognisant of the interests of different stakeholders

Roles of the Board (UK/Singapore Code)

- Provide entrepreneurial leadership, set strategic aims and, ensure that the necessary financial and human resources are in place for the company to meet its objectives; **[Performance]**
- Establish a framework of prudent and effective controls which enables risk to be assessed and managed; **[Risk]**
- Review management performance; and **[Accountability]**
- Set the company's values and standards and ensure that obligations to shareholders and others are understood and met. **[Values]**

Evolving Views On Appropriate Board Composition



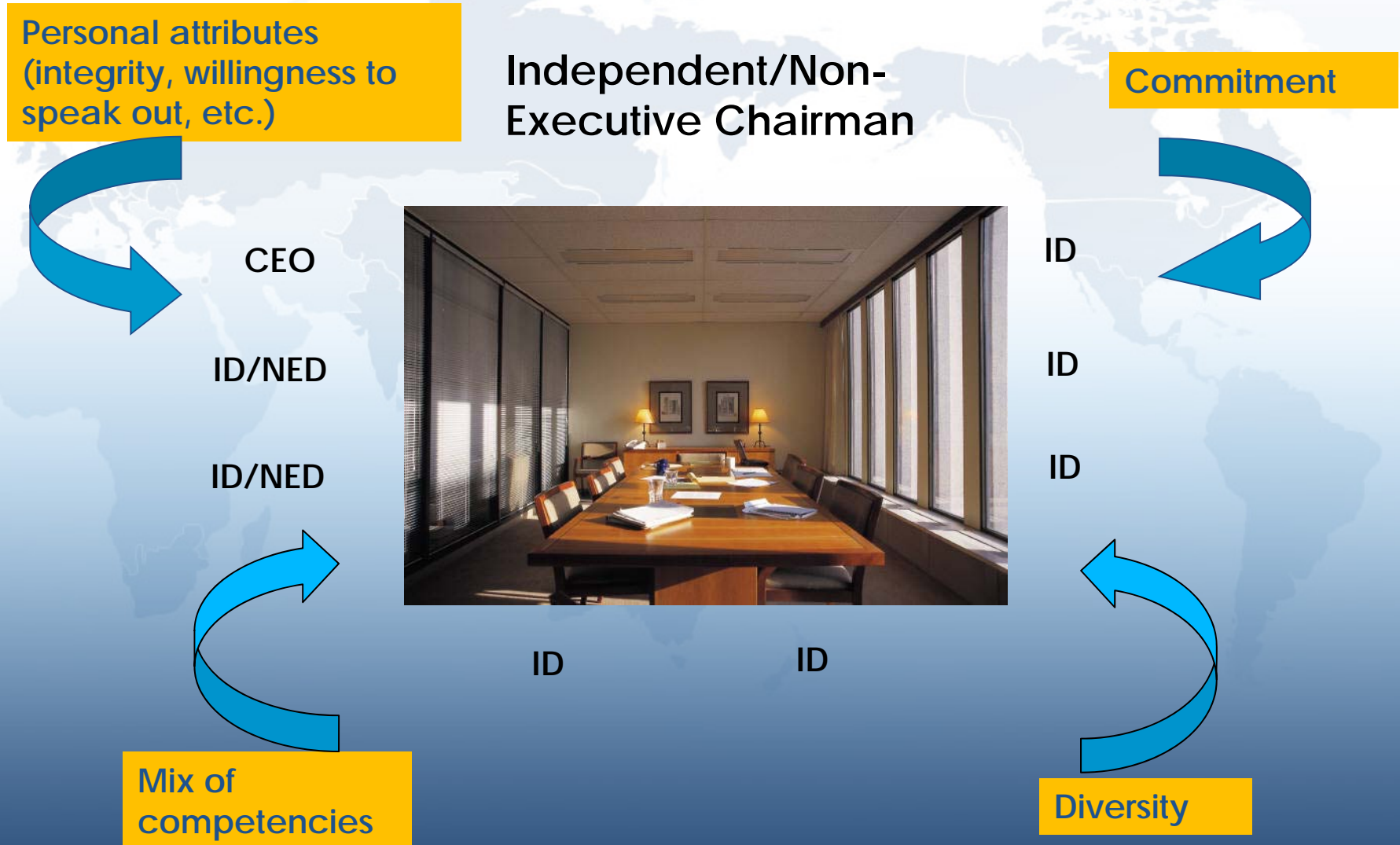
Independence

Competencies

Commitment

Diversity

Profile of an Effective Board



Why Diversity Matters

- Better board diversity helps ensure that board decisions adequately take into account the interests of different stakeholders. This is important with gender- and racially-diverse, and multi-generational, workforces and consumers.
- Diversity of viewpoints is critical for the board to have a robust “challenge function” and this is more likely if directors do not have very similar demographic profiles, life and work experiences, etc.
- Better board diversity improves the utilisation of talent.

A faint, light blue world map is visible in the background, centered on the Pacific Ocean. The map shows the outlines of continents and major countries. The title text is overlaid on the map, specifically over the Asia-Pacific region.













Korn/Ferry Study on Board Diversity in Asia-Pacific

About the Study and Sample













- Study is on board diversity, including diversity in gender, age, ethnicity and other demographic characteristics
- This presentation focuses on gender diversity, with some analysis of differences in demographics between female and male directors
- Study covered six countries in the Asia Pacific: Australia, Hong Kong, India, Malaysia, New Zealand and Singapore
- Largest 100 domestic companies by market capitalization in each country as at 31 December 2009
- A total of 4,663 directors holding a total of 5,384 directorships in these companies were included in the study

Gender Diversity In Each Country













Directors by gender

88.8%		Australia		11.2%
91.4%		Hong Kong		8.6%
95.3%		India		4.7%
92.2%		Malaysia		7.8%
92.5%		New Zealand		7.5%
93.6%		Singapore		6.4%













Executive Director by gender

96.7%		Australia		3.3%
90.6%		Hong Kong		9.4%
97.9%		India		2.1%
92.4%		Malaysia		7.6%
96.6%		New Zealand		3.4%
91.3%		Singapore		8.7%

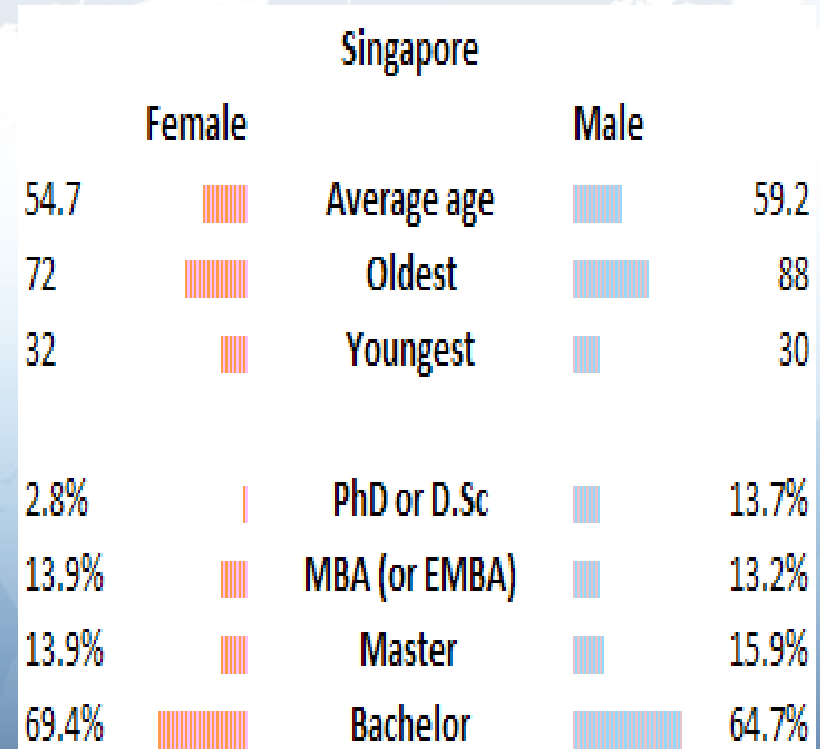
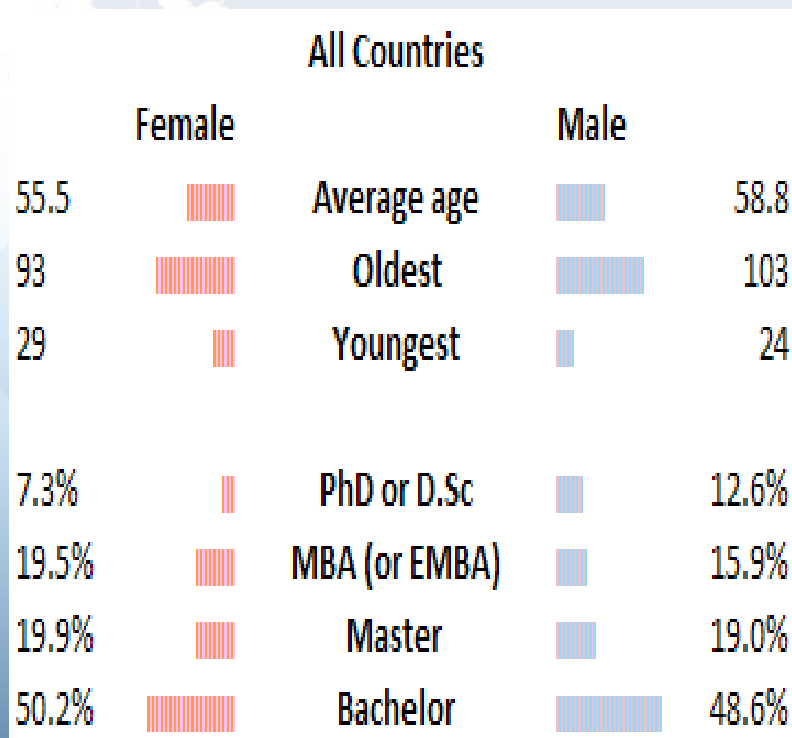
Non-Executive Directors by gender

97.4%		Australia		2.6%
89.1%		Hong Kong		10.9%
91.8%		India		8.2%
88.4%		Malaysia		11.6%
88.6%		New Zealand		11.4%
90.1%		Singapore		9.9%

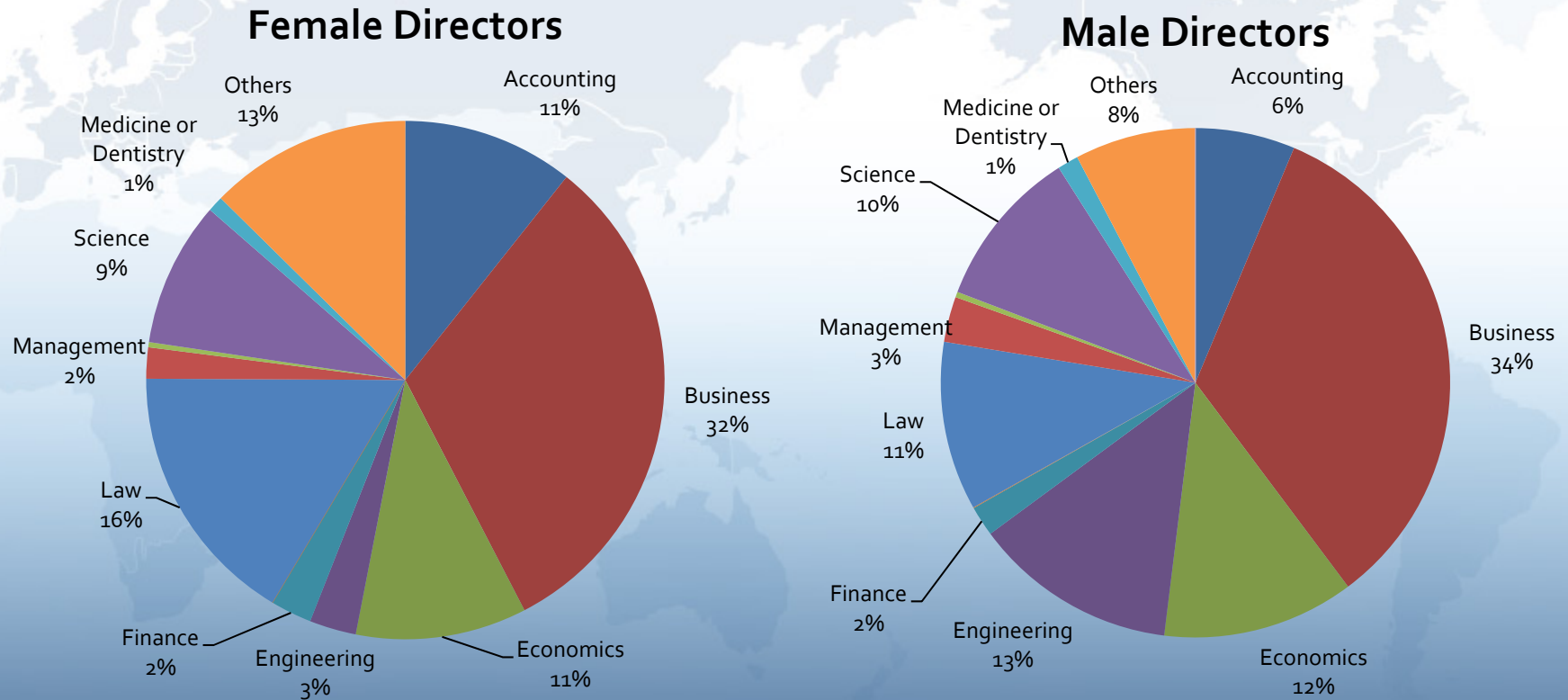
Independent Non-Executive Directors by gender

82.3%		Australia		17.7%
91.6%		Hong Kong		8.4%
95.5%		India		4.5%
93.0%		Malaysia		7.0%
91.5%		New Zealand		8.5%
94.8%		Singapore		5.2%

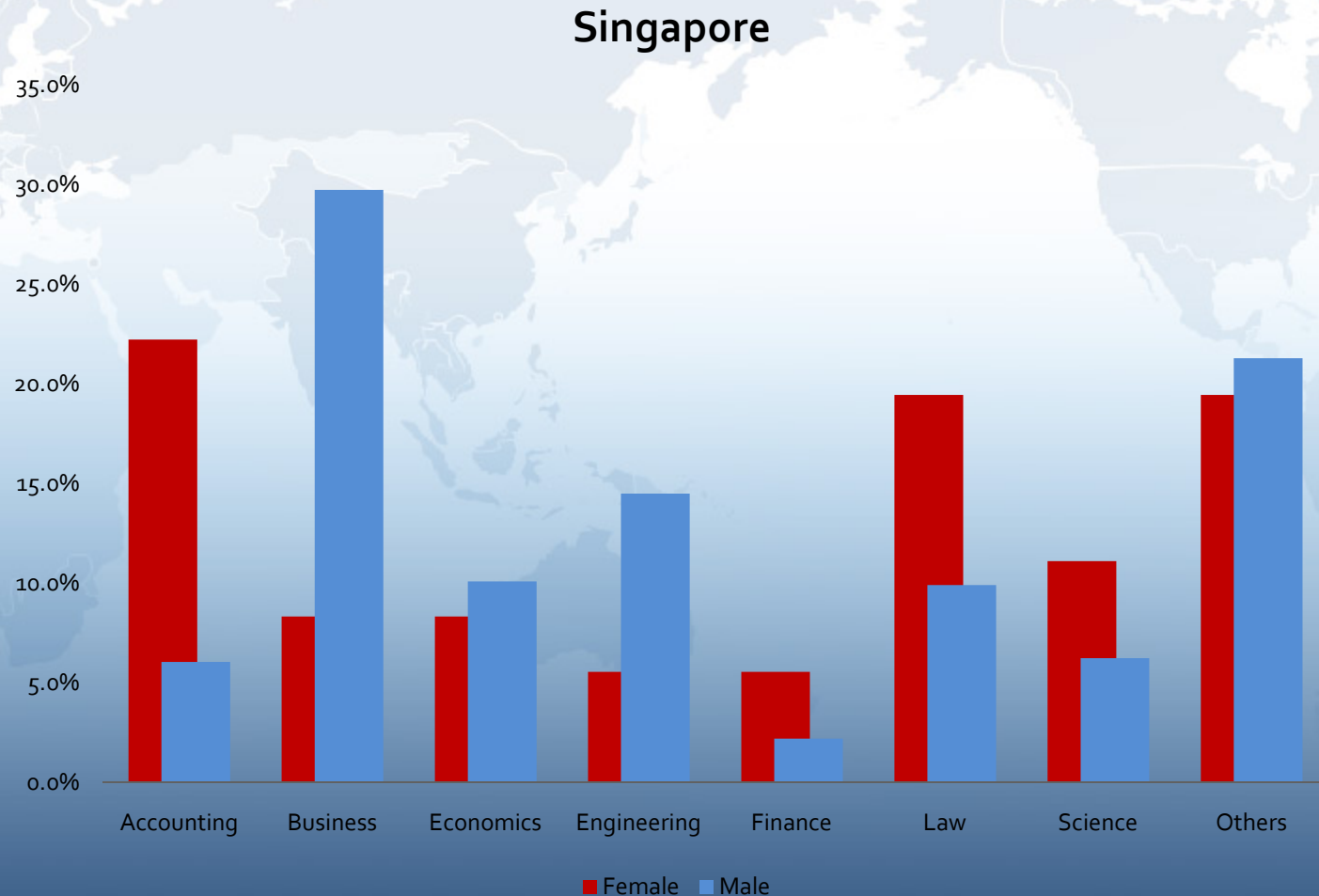
Demographic Profiles of Female and Male Directors – All Countries and Singapore



Area of Education of Female and Male Directors – All Countries



Area of Education of Female and Male Directors – Singapore



Gender Diversity – Company Analysis

	Australia	Hong Kong	India	Malaysia	New Zealand	Singapore
All Male boards	29	43	57	56	65	59
With 1 Female Director	44	31	30	26	23	30
With 2 Female Directors	26	20	13	13	11	10
With 3 Female Directors	1	4	0	4	1	1
With 4 Female Directors	0	2	0	1	0	0

Gender Diversity – Company Analysis

	Australia	Hong Kong	India	Malaysia	New Zealand	Singapore
Companies with No Female Independent Directors	32	80	84	78	73	77
With 1 Female Independent Director	44	17	14	18	24	20
With 2 Female Independent Directors	23	3	2	4	3	3
With 3 Female Independent Directors	1	0	0	0	0	0

Leadership Positions Held by Female Directors

	Australia	Hong Kong	India	Malaysia	New Zealand	Singapore
Percentage of Female Chair	4%	3%	2%	2%	4%	3%
Percentage of Female CEO	3%	2%	2%	6%	0%	5%
Percentage of Audit Committee with Female Chair	16.7%	1.1%	1.0%	4.1%	4.9%	5.6%
Percentage of Remuneration Committee with Female Chair	12.2%	4.2%	1.5%	1.2%	13.1%	5.6%
Percentage of Nominating Committee with Female Chair	8.8%	4.8%	0.0%	1.2%	5.3%	4.5%



Steps To Improving Diversity and Building Better Boards

How Do We Build Such a Board?

Personal attributes
(integrity, willingness to
speak out, etc.)

Independent/Non-
Executive Chairman

Commitment

CEO

ID/NED

ID/NED

ID

ID

ID

ID

ID

Mix of
competencies

Diversity



Steps To Improving Diversity and Building Better Boards

- Boards should adopt robust search and nomination processes for directors.
- These should include a formal assessment of skills and experience gaps on the board, clear specifications of desired attributes of director candidates, and a comprehensive search for directors who best meet the desired attributes.
- Improving the search process for directors is likely to result in boards drawing from a larger pool of potential directors, which is likely to enhance board diversity.
- Common prevailing practices of recruiting directors through personal contacts or networks are unlikely to lead to high-performing boards – and improve board diversity.

Key Messages

- A robust “challenge function” and diversity of viewpoints are critical for an effective board.
- Current search and nomination processes result in companies drawing from a limited pool of talent, which result in boards lacking the right mix of competencies, directors who may not be independent or committed, and boards lacking a diversity of viewpoints.
- Regulators and investors need to take steps to improve diversity and the overall composition of boards.

Thank you!

Q & A

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