



Press Release

Thai Listed Companies Adjust to More Stringent Corporate Governance (CG) Criteria

Average scores remain high in latest survey, but ongoing development is still required

Bangkok, 16 December 2011 – Thai listed companies' corporate governance standards remain high despite the use of more stringent criteria in the latest edition of the **Corporate Governance Report of Thai Listed Companies**, **Dr Bandid Nijathaworn, President and CEO of the Thai Institute of Directors Association (Thai IOD)**, said at a seminar held today to present the annual survey. The 497 companies surveyed in 2011 received an average score of 77 percent, which is considered satisfactory, although that average score dropped from 80 percent in 2010, when 480 companies were scored according to a narrower set of criteria.

When considering the number of surveyed companies ranked according to the ranking standards of the National Committee on Corporate Governance, it appears that 73 percent of Thai listed companies surveyed this year received a score higher than the 70 percent level, which is considered satisfactory, and 47 companies (9 percent of the total surveyed companies) scored at or above 90 percent, which is considered as excellent. That group of highest scoring companies includes 30 large companies listed in the SET 100 Index, as well as 10 medium-sized companies and 7 small companies.

The Corporate Governance Report of Thai Listed Companies has been surveyed and ranked annually by the Thai IOD since 2001. The companies' CG is calculated based on a list of criteria divided in five categories (Rights of shareholders; Equitable treatment of shareholders; Role of stakeholders; Disclosure and transparency; and Board responsibilities). The list of criteria is itself updated regularly to meet both local needs and rising international standards. The expanded list of criteria used in 2011 included 148 items, compared to 132 criteria in 2010, due to the inclusion of more stringent criteria combined with a higher weight in areas such as corporate social responsibility (CSR). This year, the companies were also asked for the first time to state if they have an anti-corruption policy in place.

If still using last year's criteria, surveyed Thai Listed Companies overall received an average of 82 percent this year, which is higher than 80 percent in 2010.

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"The success of this project cannot be measured only by an increase in the scores of the surveyed companies. What is important is the emphasis Thai listed companies are giving to compliance with the rules and their ongoing efforts to improve corporate governance." Dr. Bandid said. "The Thai IOD will continue to work closely with the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC) to ensure the continued development of corporate governance standard and compliance by listed companies."

The results of the 2011 survey show that the category in which companies received the highest average score is still the "Rights of shareholders", with an average score of 90 percent. Meanwhile, the category in which companies surveyed received the lowest average score, at 61 percent, is the "Role of stakeholders," which includes CSR. This is also the category with the widest spread between the highest score, 100 percent, and the lowest score, 7 percent. The low average score in this category had a major impact in bringing the overall average score lower.

"Since the start of this project, the category that measures how companies are taking into account the role of stakeholders has seen low average scores, yet we see this year that a number of companies are doing well and got a full mark in this category." Dr. Bandid said. "We are confident that next year, more Thai listed companies will have the opportunity to build up higher average scores in this category and overall as they progressively meet the more stringent CSR criteria."

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