



**Welcome Remarks
by Tan Sri Zarinah Anwar,
Chairman, Institute of Corporate Directors Malaysia (ICDM)**

**International Directors Summit 2019
Monday, 14 October 2019**

Bismillah Al-Rahman Al-Rahim

YBhg Datuk Syed Zaid Albar

Chairman, Securities Commission Malaysia

Your Excellencies

Distinguished speakers and delegates

Members of the media

Ladies and Gentlemen

Good morning

1. On behalf of the Institute of Corporate Directors Malaysia, I would like to welcome all of you to our inaugural International Directors Summit.
2. Let me first of all, express my gratitude to YBhg Datuk Syed Zaid Albar, Chairman, Securities Commission Malaysia for taking time from his busy schedule to be with us this morning.

3. I would also like to record our heartfelt appreciation to Yang Berhormat Tuan Lim Guan Eng, the Honourable Minister of Finance, Malaysia for graciously accepting our invitation to deliver the Keynote address for the Summit. Due to his commitments, YB Tuan Lim will be joining us in the afternoon of tomorrow. We are also grateful that the Attorney General, Yg Bhg Tan Sri Tommy Thomas, will deliver the closing remarks at the end of the Summit tomorrow.
4. I would also like to express our appreciation to all speakers and delegates, our sponsors and supporting partners and everyone who has helped to make this Summit happen.

Ladies and Gentlemen

5. This International Directors Summit is a pivotal part of ICDM's ongoing mission to prepare boards and directors to develop their capacity to be effective stewards of the companies they lead. We aim to nurture a community of competent directors, capable of exercising self-discipline in upholding exemplary standards of conduct and professional competence, in discharging their duty to guide their companies towards sustainable growth.

Competent directors are a key pillar of board effectiveness

6. We operate today in an era of uncertainty; tougher competition, greater operational complexity and disruption of legacy business models. The old architecture of board governance most of us are accustomed to, is being challenged

7. Traditional responsibilities of boards have rapidly expanded to include new areas of potential risks that boards are increasingly expected to address but of which they have little or no experience. Cybersecurity risks, climate risks, the impact of disruptive technologies, board's increasing role in crisis and reputation management and investor relations, all impose expectations of board accountability which directors are expected to rapidly become experts in.
8. It is apparent that boards and directors have to prepare ourselves adequately for these new realities, to enable us to best make that leadership difference. The ability to navigate through the abundance of data while responding to heightened scrutiny in an increasingly complex landscape requires relentless focus on finding innovative solutions that empowers boards to make the best possible decisions. Commitment to continuous education is therefore a key imperative. Competent directors are a critical pillar of board effectiveness, significantly reducing a company's risks by having the confidence to ask the right questions, require the right information, challenge a viewpoint and hold management accountable.
9. Towards this end, the ICDM was established by the SC to serve as a vehicle for strengthening governance standards through enhancing director and board effectiveness, to facilitate the upgrading of skills, the diversity of board composition and the independent evaluation of board and director effectiveness.
10. As part of this mission, we also aim to ensure corporate directors are equipped with a 21st century mindset and the skills to seize the upside of disruption and steer their companies towards sustainable success.

11. I am very pleased that we have been able to reach out to assist a range of clients from both the public, and private sectors. Since our official launch last October, ICDM has put together close to 30 training programmes for clients ranging from PLCs to SMEs as well as government agencies. We have an international network of associates with whom we work collaboratively to develop courses that are truly transformative. It is obvious that fundamental changes in the way we now have to do business and paramount shifts in stakeholder expectations require long-term strategic adjustments and heavy investments in capacity building.

Ladies and Gentlemen

The quality of boards is enhanced by its diversity

12. The ensemble of new responsibilities required of corporate boards necessitates diversity and inclusiveness in all its forms. Boards must continually assess the range of skills, perspectives and experience they require to remain competitive.
13. Diversity is a crucial enabler of good governance. In fact, diversity is today regarded as an important risk management tool. I am very pleased to note that we are making good progress with gender diversity on boards of our public listed companies. As of today, we have no all-male boards amongst our Top 100 PLCs. However, the demands of today's reality require us to seriously look at other aspects of diversity.
14. PwC's Annual Corporate Directors' Survey 2018 highlighted the importance of adding younger corporate board members who are better skilled to contribute to a company's digital transformation, and help boards oversee new opportunities and challenges to drive business growth.

Younger directors bring increasingly non-traditional backgrounds and skills to the table and are more likely, than other generations, to support impact investing and care about sustainable products. It is worth noting that the average age of the CEOs of Apple, Microsoft, Alphabet, Facebook and Amazon is 46. Between them they control a market cap of US\$2.379 trillion.

Building a corporate culture that engenders trust

15. The rules of success have altered significantly. The pressure on boards is enormous to steer their corporations towards making good their fundamental promises to stakeholders - to deliver economic value, to comply with the letter and spirit of the law and to behave ethically, so we can preserve trust and retain our licence to operate.
16. Trust is the enabler of business; the essential ingredient crucial to maintaining productive relationships with stakeholders. It is dependent on a clear purpose and tone from the top that helps shape corporate motivation; through a corporate culture that is rooted in the authenticity of our values, beliefs and practices. It requires paying equal attention to all the stakeholders of our corporations, ensuring sound environmental, social and governance practices while maximising shareholder returns.
17. We have organised this Summit to serve as a reality check for boards and directors, to provoke the consciousness, to offer a platform for you to evaluate your positions from various perspectives, to facilitate the exchange of ideas and hopefully, to enable you to find new motivations to formulate the best way forward for yourselves and your boards in your journey towards better governance.
18. On that note, I wish you a productive Summit. Thank you.