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CORPORATE PROFILE

Minority Shareholder Watchdog Group (MSWG), or Badan Pengawas Pemegang Saham Minoriti Berhad, was set up in the year 2000 as a Government initiative to be part of a broader Capital Market framework to bring about awareness primarily on minority shareholders interest and corporate governance matters through shareholder activism and engagement with stakeholders. MSWG is a professional body licensed under the Capital Markets and Services Act 2007. It is a self-governing and non-profit body, funded substantially by the Capital Market Development Fund (CMDf). It is an important channel of market discipline, encouraging good governance with the objective of creating long term sustainable value.

Over the last twelve years of its operations, MSWG has evolved into an independent corporate governance research and monitoring organisation in the capital market. It highlights and provides independent view to investors and guidance on the voting of resolutions at company meetings.

The current founding members of the company are:

- Armed Forces Fund Board (Lembaga Tabung Angkatan Tentera)
- Pilgrimage Board (Lembaga Tabung Haji)
- National Equity Corporation (Permodalan Nasional Berhad)
- Social Security Organisation (Pertubuhan Keselamatan Sosial)

FOREWORD

MSWG is pleased to present the Malaysia-ASEAN Corporate Governance Report based on the inaugural corporate governance (CG) ranking where the assessment had been shifted to using an ASEAN Corporate Governance Scorecard as a tool. This Report provides an assessment of the state of CG practices of the top 500 public listed companies according to market capitalisation as at 30 June 2012 based upon globally accepted parameters of CG using the OECD Principles and other international best practices. As the objectives of the ASEAN CG Scorecard and the ranking exercise are to showcase and enhance the visibility as well as investability of well-governed companies within the ASEAN region, the parameters used in the Scorecard reflects global principles and internationally recognised practices which exceed the current local legislative requirements and recommended standards. We, in MSWG have agreed to undertake this project as we believe that it would enhance the companies' awareness of the intricacy of CG and the expectations from an international perspective.

In today's dynamic environment, directors, management and other stakeholders involved in CG will benefit from having the latest insights and trends from the findings on critical matters affecting their roles such as board diversity, succession planning, shareholders' engagement, disclosure and transparency as well as sustainability initiatives.

Policymakers and regulators are continuing to focus on changes to CG practices to enhance board transparency and accountability as well as to give greater voice to shareholders over critical boardroom decisions. As the directors' role in governance has been heightened, directors need to be cognisant of the international best practices and standards.

We hope that this Report would be able to provide an impetus for directors to improve their governance and accountability, thus increasing investors' confidence. The findings revealed that Malaysian companies scored well in areas dealing with equitable treatment of shareholders and disclosure & transparency. However, gaps in areas of shareholders rights, sustainability strategies and board responsibilities need to be addressed.

My sincere appreciation goes to the Capital Market Development Fund for funding the project and seeing the importance of this ASEAN methodology which has transitioned from the MCG Index methodology introduced in 2009 by Malaysia, thus recognising the role of MSWG in this project. My appreciation also goes to the Securities Commission for giving recognition to MSWG as the Domestic Ranking Body (DRB).

I would also like to thank the Board of Directors of MSWG for their encouragement and invaluable support.

Lastly, I wish to extend my heartfelt appreciation to my Management Team and staff for their dedication and commitment as well as to MSWG's associates, friends and partners for the support given.

RITA BENOY BUSHON
Chief Executive Officer

EXECUTIVE SUMMARY

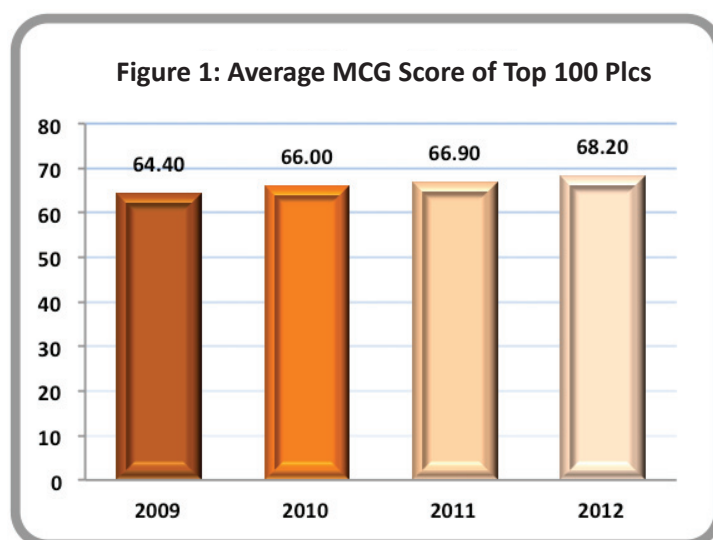
The year 2012 was the year when the Malaysian Corporate Governance Index switched to the ASEAN Corporate Governance (CG) Scorecard ("**Scorecard**") as the primary tool to assess public listed companies' ("companies") adoption of and compliance with corporate governance (CG) recommended principles and best practices. The ASEAN CG Scorecard was initiated by the ASEAN Capital Markets Forum (ACMF) and funded by the Asian Development Bank (ADB). MSWG was appointed the Domestic Ranking Body (DRB) by the Securities Commission hence the authorised organisation to use the **Scorecard**¹.

The Scorecard was based on methodology that was purely on disclosures mainly in the annual reports and company websites comprising 183 items under Level 1 and 34 bonus & penalty items under Level 2, whereas Malaysian Corporate Governance Index Scorecard comprising 133 items and 40 bonus & penalty items, had performance measures and certain elements of analyst input included to gauge substance. Thus, is not entirely comparable due to differences in the methodology. However, particularly the use of a new scorecard for 2012, it would still be worthwhile to compare the overall average results of 2012 against that of earlier years, i.e. 2009 to 2011.

THE TOTAL AVERAGE SCORE FOR TOP 100 COMPANIES WAS 68.20

Between 2009 and 2011, the Malaysian Corporate Governance (MCG) Index was based, among others, on the scores achieved by the top 100 companies only. For comparison purposes, the average score of the top 100 companies in the current review is presented in **Figure 1**. **Figure 1** reveals that the average score of the top 100 companies in 2012 had in fact improved to 68.20 points compared to 66.90 points in 2011 and had been on an upward trend since 2009, albeit marginally.

This result, thus suggests that the top companies in Malaysia have improved their corporate governance practices and disclosures despite the expectations brought about by the **Code** in 2012 and the current **Scorecard's** onerous assessment criterion on companies.



¹ The methodology of the current review is discussed in the "Methodology" section which is located at the end of this report. Readers are advised to read this section carefully in order to understand the similarities and differences between the current and prior years methods including the different scorecards used in the current and prior years reviews.

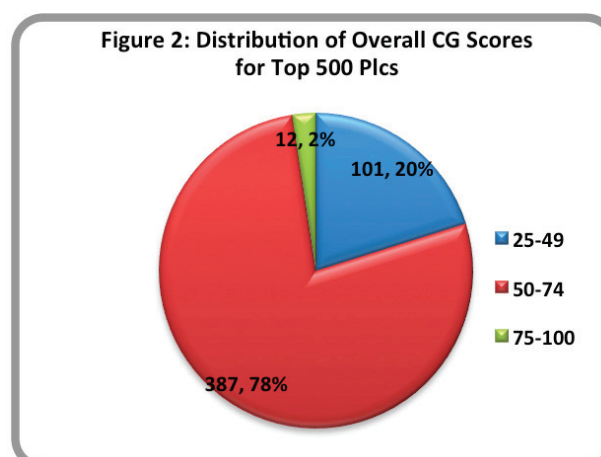
THE TOTAL AVERAGE SCORE FOR TOP 500 COMPANIES WAS 56.70

Table 1 shows the trend on the average base score over the four years, i.e. 2009 to 2012.

Table 1: Trend on Average Base Score from 2009 to 2012				
	2009	2010	2011	2012
No. of Companies Assessed	899	898	864	500
Average Base Score	52.00	55.60	57.50	56.70
Maximum Base Score	82.10	88.70	92.80	91.49
Minimum Base Score	22.00	29.20	31.80	35.00

In terms of the overall findings of **top 500** companies based on **market capitalisation**, the average score was **56.70** points with maximum and minimum scores of **91.49** points and **35** points respectively.

Figure 2 reveals that 387 or 78 per cent of the companies were in the 50 to 74 points range. Furthermore, 12 companies had scores of more than 75 points.



SUMMARY OF SALIENT FINDINGS

The salient findings of the assessment from each of the section of the **Scorecard** are as follows:

Part A – Rights of Shareholders

(i) Disclosure of AGM Minutes

- One company had disclosed the minutes of AGM showing on record the following :-
 - ✓ Opportunity allowing shareholders to ask questions or to raise issues;
 - ✓ The questions and answers;
 - ✓ The attendance record of board members present at the AGM; and
 - ✓ The presence of chairman of the board, the CEO and the chairman of audit committee at the AGM.

- (ii) **Opportunity to shareholders to approve directors' remuneration**
 - 212 or 42 per cent of companies provided the opportunity to shareholders to approve remuneration or any increases in remuneration for non-executive directors.
- (iii) **Voting by Poll and disclosure of voting results for each agenda item**
 - Four companies voted by poll as opposed to by show of hands and disclosed the voting results including approving, dissenting and abstaining votes for each agenda item.
- (iv) **At Least 28 days' notice period for AGM**
 - 50 or 10 per cent of companies had at least 28 days' notice period for their AGM.
- (v) **Pyramid ownership structure and/or cross holding structure**
 - Eight per cent of companies had pyramid ownership structure and/or cross holding structure.

Part B – Equitable Treatment of Shareholders

- (i) **Voting rights attached to each class of shares**
 - Six companies with more than one class of shares had publicised the voting rights attached to each class of shares.
- (ii) **Bundling of resolutions**
 - None of the companies assessed practised bundling of resolutions.
- (iii) **AGM notices in English**
 - AGM notices of all the 500 companies were fully translated into English and published on the same date as the local language version.
- (iv) **Directorships in listed companies**
 - 81 or 16 per cent of companies did not provide sufficient details of directors separating the directorships in listed and non-listed companies.
- (v) **Explanation on dividend policy and amount payable**
 - 424 or 85 per cent of companies did not explain their dividend policy. However, 238 or 69 per cent out of 344 companies disclosed the amount payable for the final dividends.

Part C – Role of Stakeholders

- (i) **Disclosure of Policy on customer's health and safety/environmentally friendly value chain**
 - 123 or 25 per cent of companies disclosed a policy that addresses customers' health and safety and 266 or 53 per cent of companies disclosed a policy that describes the company's efforts to ensure that its value chain was environmentally friendly and consistent with promoting sustainable development.

(ii) Disclosure of sustainability agenda

- 375 or 75 per cent of companies described their sustainability policies and activities.
- In terms of health, safety and welfare for employees, 219 or 44 per cent of companies explicitly disclosed such policies with even fewer number of companies disclosing quantifiable data on employees' health, safety and welfare.

(iii) Violation of Laws

- Four companies had violated certain laws pertaining to labour, employment, consumer, insolvency, commercial, competition or environmental issues.

Part D – Disclosure and Transparency**(i) Disclosure related to ownership structure**

- All companies revealed the identity of beneficial owners of shareholders with five per cent shareholding or more.
- Almost all companies disclosed the direct and indirect shareholdings of substantial shareholders and directors.
- Nine companies disclosed the direct and indirect shareholdings of senior management.
- Almost all companies disclosed details of the identity and shareholding interest of the parent/holding company, subsidiaries, associates and joint ventures.

(ii) Disclosure of key risks, corporate objectives, dividend policy, whistleblowing policy and detailed remuneration of individual directors

- 69 or 14 per cent of companies disclosed in their annual reports the key risks beyond the financial risks.
- 57 or 11 per cent of companies disclosed corporate objectives in their annual reports.
- 86 or 17 per cent of companies disclosed dividend policy in their annual reports.
- 67 or 13 per cent of companies disclosed details of whistleblowing policy in their annual reports.
- 72 or 14 per cent of companies disclosed detailed remuneration of their CEO and each member of their board of directors.

(iii) Disclosure of full compliance with the Code

- 130 or 26 per cent of companies disclosed its full compliance with the **Code** and where there were instances of non-compliance, it was identified and explained.
- The requirement to mandatorily disclose how the company comply with the **Code** or explain their non-compliance was only effected from 1 January 2013.

(iv) Disclosure of Audit and Non-Audit services/fees

- 459 or 92 per cent of the companies either disclosed the non-audit fees or declared that the audit firm did not provide non-audit services.
- Ernst & Young dominated the external audit market with the firm's market share being 32 per cent.
- In terms of audit and non-audit fees, the market was dominated by PricewaterhouseCoopers.

(v) Disclosure of up-to-date information on company website

- More than half of the companies assessed disclosed up-to-date information on, amongst others, business operations, financial statements, group corporate structure, downloadable annual report.
- 12 or two per cent of the companies' websites disclosed their company's constitution, i.e. company's By-Laws and Memorandum & Articles of Association.

(vi) Gender Diversity

- 105 or 21 per cent of companies had at least one female independent director in their board.
- 328 or nine per cent out of 3,819 directors are female directors, out of which 175 or 53 per cent are female executive directors and 153 or 47 per cent are female non-executive directors.

(vii) Emphasis of matter

- Two companies received qualified 'emphasis of matter' audit opinion.

Part E – Board Responsibilities

(i) Disclosure on the roles and responsibilities of the board/Board Charter

- 405 or 81 per cent of companies had clearly stated the roles and responsibilities of the board of directors with 83 or 17 per cent of companies having established and disclosed their board charter.

- (ii) **Adoption of term limit of nine years for independent directors**
- 12 or two per cent of companies adopted the term limit of nine years for independent directors. This was a positive finding as the nine year term limit was only introduced in the **Code** under **Recommendation 3.2** in March 2012.
- (iii) **Limit of Directorships in listed companies**
- 97 or 19 per cent of companies have independent directors who served more than five boards of public-listed companies.
- (iv) **Establishment of Nominating Committee (NC)**
- 462 or 92 per cent of companies assessed had established NC even though **LR** only mandated the establishment of a Nominating Committee (NC) on 1 June 2013.
 - 380 or 82 per cent of the NC were chaired by independent directors.
 - 211 or 42 per cent of NC comprised entirely independent directors.
 - 295 or 64 per cent of companies disclosed the terms of reference or governance structure or charter of the NC.
- (v) **Separation of role of chairman and CEO**
- 425 or 85 per cent of companies had different persons assuming the roles of chairman and CEO.
 - 328 or 66 per cent of companies had chairmen who were non-executive directors.
 - 186 or 37 per cent of companies had chairmen who were independent directors.
- (vi) **Performance assessment**
- 88 or 18 per cent of companies did gap assessment.
 - One company appointed external consultant for Board assessment.
 - 300 or 60 per cent of companies commented on adequacy of company's internal control and risk management.

MAIN FINDINGS

OVERVIEW

The ASEAN Corporate Governance Scorecard is one of the initiatives under the ASEAN Capital Markets Forum (ACMF) aimed at raising CG standards and practices of ASEAN companies and to showcase well-governed companies internationally as well as to make these companies more visible and investable to global investors which will improve their liquidity and valuation.

This initiative is undertaken in parallel with the efforts to achieve convergence in ASEAN countries by year 2015 as an economic community. For the region to be branded as an asset class based on corporate governance, the development of the corporate governance framework was coordinated at the regional level. Having this in mind and understanding the need for such cooperation on a macro level, the ASEAN members had encapsulated this Agenda in the ASEAN Economic Community, which includes regional capital market integration. The methodology adopted was developed using the already adopted methodology in some of the ASEAN countries by domestic bodies.

For Malaysia, MSWG as the appointed Domestic Ranking Body (DRB) has transited from the MCG Index where the previous methodology was using mostly local **LR** and CG practices as a base. The bonus and penalty was added together which are practices that are aspirational and penalty where it was deemed negative. Analyst inputs were also included to gauge substance. Whereas, for the ASEAN CG Scorecard methodology, there are six (6) main items assessed in Level 1 and Bonus & Penalty items under Level 2.

Level 1

Comprised 183 items and divided into five parts :

- Rights of Shareholders (Part A)
- Equitable Treatment of Shareholders (Part B)
- Role of Stakeholders (Part C)
- Disclosure and Transparency (Part D)
- Responsibilities of the Board (Part E)

Level 2

- Bonus and Penalty (34 items)

The universe was top 500 companies listed on the Exchange based on market capitalisation as at 30 June 2012. The methodology and parameter of all these items are as per **Appendix 1** and reference had been made on the numbering of the parameters throughout the document.

The results of the 100 companies in alphabetical order and top 20 companies according to rank are shown in **Appendix 2** and **Appendix 3**, respectively.

SALIENT FINDINGS

Table 2 reports the average score for 500 PLCs and top 100 PLCs in respect of their performance in each of the major sections of the **Scorecard**, i.e. **Parts A** to **E** and compared them against the maximum possible. Based on the results presented in **Table 2**, it is clear that Malaysian companies were stronger in **Parts B** and **D**; that is, the parts dealing with equitable treatment of shareholders and disclosure and transparency respectively. There is room for improvement in the remaining three parts especially **Part E** which deals with responsibilities of the board.

Table 2: Average Scores by Parts of the Scorecard						
Score	Part A	Part B	Part C	Part D	Part E	Total Average Scores
Average (All 500 plcs)	4.9	13.0	3.2	14.8	20.4	56.65
Average (Top 100 plcs)	5.3	13.4	5.5	16.8	25.0	68.20
Maximum possible	10	15	10	25	40	100.0

PART A: RIGHTS OF SHAREHOLDERS

From a total of 25 items in the **Scorecard**, eight were considered as default response items. Hence, all companies were given one point for these items. The following discussions relate to the remaining voluntary items; that is, recommended principles and best practices based on OECD Principles as well as other international best practices, not currently enjoined by the prevailing provisions.

Basic Shareholder Rights

One of the basic shareholder rights is the right to participate in the profits of the company. However, the manner, in terms of the timing shareholders receive the payments of dividends, may indicate the company's observance to the principle of treating all shareholders equally (**A.1.1**)². The current review revealed that out of the 500 companies, 78 or 16 per cent of the companies did not pay any dividends (interim or final) during the year under review. Of the remaining that paid dividends, 132 or 26 per cent of companies paid within 30 days after being (i) declared for interim dividends; and (ii) approved at the AGM for final dividends. 289 or 58 per cent of companies had delayed (that is, more than 30 days) payment of dividends.

² The alphanumeric refers to the respective item (descriptor) in the **Scorecard**.

Rights to Participate Effectively and Vote in General Meeting of Shareholders

The **Scorecard** examined various aspects on the conduct of AGM that would indicate the quality of AGM and its impact on shareholder rights to participate effectively in AGM. Generally, the performance of listed companies, represented by the 500 companies in the review, was less than encouraging. Only four companies assessed disclosed the minutes of AGM³. However, only one company had demonstrated practices that were expected such as :-

- Disclosure of the voting and vote tabulation procedures used, and declaring both before the meeting proceeded (**A.3.4**); and
- Disclosure of the minutes of AGM that included, showing on record :
 - The opportunity allowing for shareholders to ask questions or to raise issues (**A.3.5**);
 - The questions and answers(**A.3.6**);
 - The attendance record of board members present at the AGM (**A.3.9**); and
 - The presence of chairman of the board (**A.3.10**), the CEO (**A.3.11**) and the chairman of audit committee at the AGM (**A.3.12**).

Further findings with respect to the conduct of AGM revealed that,

- 212 or 42 per cent of companies gave the opportunity to shareholders, evidenced by an agenda item, to approve remuneration or any increases in remuneration for the non-executive directors (**A.3.1**);
- 397 or 79 per cent of companies disclosed the outcome of the recent AGM which included the resolutions (**A.3.7**);
- 463 or 93 per cent organised their AGMs in easy to reach location (**A.3.13**);
- One company claimed to have appointed an independent party (scrutineer/inspector) to count and/or validate the votes at the AGM (**A.3.16**). This practice would certainly enhance the credibility of the conduct and process of the AGM;
- 366 or 73 per cent of companies made publicly available by the next working day the results of the votes taken in the AGM for all resolutions (**A.3.17**);
- 96 or 19 per cent of companies provided the rationale and explanation for each agenda item which required shareholders' approval in the notice of AGM, circulars and/or the accompanying statement (**A.3.19**); and
- Four companies that (i) voted by poll (as opposed to by show of hands) for all resolutions at the AGM (**A.3.15**) and (ii) disclosed the voting results including approving, dissenting and abstaining votes for each agenda item for the AGM (**A.3.8**). These companies demonstrated the spirit of transparency with regard to voting conduct and process in the AGM.

³ It should be noted that the situation relating to disclosure of minutes of AGM has improved since. There have been increasing number of companies putting into the public domain the minutes (or summarised minutes) of AGM.

By virtue of **Section 145(2A)** of the **Companies Act** and **Paragraphs 7.15** and **9.19(6)** of the **Listing Requirements ("LR")** of **Bursa Malaysia Securities** (the "**Exchange**"), item **A.3.18** was considered as a default response item. However, during the assessment, it was discovered that for three companies the notice periods for their AGMs were in fact less than 21 days. The information on the number of days for the notice period for AGM was further analysed. It was found that 447 or 90 per cent of companies had notice period ranging between 21 days and 27 days inclusive. It was encouraging to observe that 50 or 10 per cent of companies had the notice period of at least 28 days or more. Indeed, three companies had the longest notice period of more than 50 days.

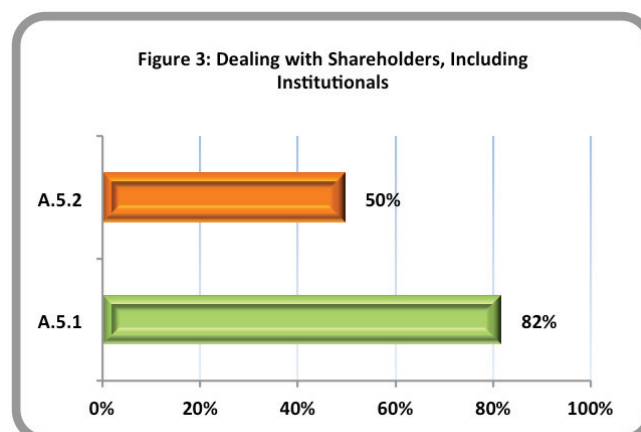
Dealing with Shareholders Including Institutional Shareholders

Institutional investors have the potential to exert significant influence in the corporate governance landscape; more so for institutional investors that hold significant shareholdings in the companies they invest in. The **Annotations** to the **OECD Principles of Corporate Governance (OECD, 2004)** is depicted below :

"the effectiveness and credibility of the entire corporate governance system and company oversight will . . . to a large extent depend on institutional investors that can make informed use of their shareholder rights and effectively exercise their ownership functions in companies in which they invest." (OECD, 2004)

The **Code** goes further to recommend that "The board should take reasonable steps to encourage shareholder participation at general meetings" (**Recommendation 8.1**).

Hence, **Figure 3** presents the results of the items that dealt with institutional investors in the **Scorecard** which showed that 408 or 82 per cent of companies had publicly disclosed policies encouraging shareholders, including institutional shareholders, to attend the AGMs (**A.5.1**). The high number of companies with such noteworthy effort was inspiring given that 248 or 50 per cent of companies had institutional investors other than controlling shareholders, having share ownership of more than five per cent (**A.5.2**).



Part B: Equitable Treatment of Shareholders

This section of the **Scorecard** had 17 items of which seven of them were considered default response items and hence all companies were deemed to score one point for each of these items. The ensuing discussions deal with the items that were not within the prevailing mandatory requirements.

Shares and Voting Rights

Out of the 500 companies reviewed, six of them had more than one class of shares and had publicised the voting rights attached to each class of shares (**B.1.2**). The controlling shareholders of these GLCs hold the 'Special Rights Redeemable Preference Share'. This share though does not have voting rights, has other special rights attached to it.

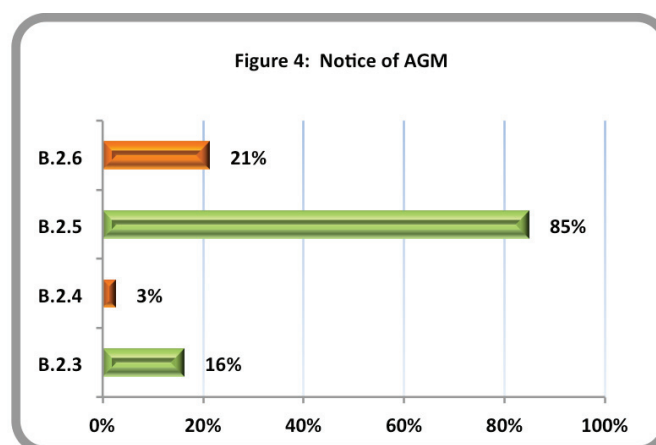
Notice of AGM

The quality of notice of AGM is important as a clear notice may help shareholders to decide whether to attend the AGM or otherwise. In this respect, the current assessment of 500 companies during the year under review found that:

- None of the companies practised bundling of several items into the same resolution (**B.2.1**);
- The notice of the AGM of all companies was fully translated into English and published on the same date as the local language version (**B.2.2**); and
- The proxy documents were made easily available by all companies (**B.2.7**).

There were other aspects of the notice of AGM that were not practised by all companies. Specifically, the current review as summarised in **Figure 4** revealed that,

- 81 or 16 per cent of companies did not provide sufficient details of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) who were seeking election/re-election (**B.2.3**);
- 15 or three per cent of companies did not clearly identify the auditor seeking appointment/re-appointment (**B.2.4**);



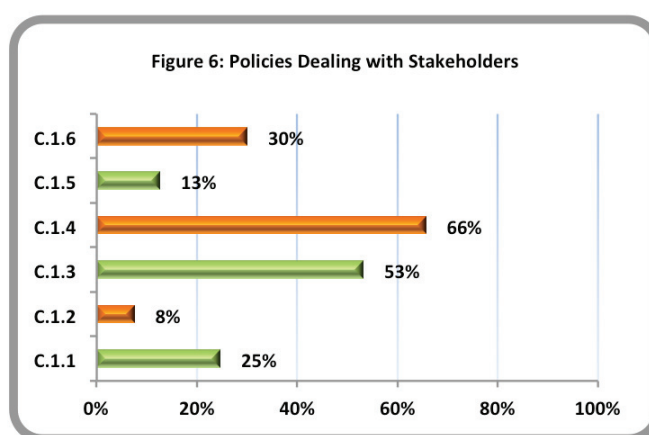
- 424 or 85 per cent of companies did not explain their dividend policy (**B.2.5**); and
- 106 or 31 per cent out of 344 companies that appeared to have proposed final dividends, did not disclose the amount payable for final dividends (**B.2.6**).

Part C: Role of Stakeholders

The **Code**, in its latest version, has also recognised and brought the sustainability agenda into the boardroom level. Specifically, **Recommendation 1.1** of the **Code** states that “The board should ensure that the company’s strategies promote sustainability.”

Dealing with External Stakeholders

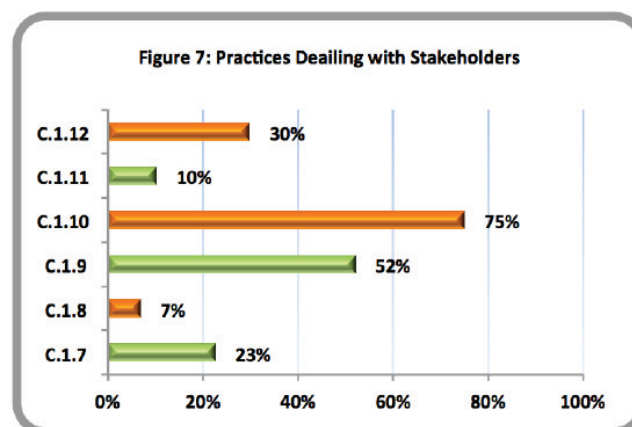
The **Scorecard** recognises that a company should take into account the interests of customers, suppliers, creditors, and the community in its conduct. This would suggest that a company ought to have the appropriate policies and evidenced by implementation of the policies into actual practices in order to reflect coherent sustainable business conduct. In terms of policies, the current review of the 500 companies found (as presented in **Figure 6**) that,



- 123 or 25 per cent of companies disclosed a policy that stipulates the existence and scope of the company’s effort to address customers’ health and safety) (**C.1.1**);
- 38 or eight per cent of companies disclosed a policy that explains the supplier/contractor selection practice (**C.1.2**);
- 63 or 13 per cent of companies disclosed the existence of policy that directs the company’s anti-corruption programmes and procedures (**C.1.5**);
- 150 or 30 per cent of companies disclosed a policy that describes how creditors’ rights were safeguarded (**C.1.6**);
- 266 or 53 per cent of companies described the policy on the company’s efforts to ensure that its value chain was environmentally friendly or was consistent with promoting sustainable development(**C.1.3**); and
- 328 or 66 per cent of companies elaborated the policy on the company’s efforts to interact with the communities in which it operated (**C.1.4**).

With regard to the implementation of the above mentioned policies into actual activities or practices, the current review revealed that (see **Figure 7**),

- 113 or 23 per cent of companies disclosed the activities on Customer health and safety (**C.1.7**);
- 34 or seven per cent of companies disclosed the practices on supplier/contractor criteria and selection (**C.1.8**);
- 51 or 10 per cent of companies had anti-corruption programmes and procedures (**C.1.11**);



- 149 or 30 per cent of companies had activities on creditors' rights (**C.1.12**);
- 260 or 52 per cent of companies described the activities on environmentally friendly value chain (**C.1.9**); and
- 375 or 75 per cent of companies had activities to interact with communities (**C.1.10**).

Based on the preceding findings, it is clear that in terms of both policies and practices, the aspects of the environment and the community were the most popular sustainability agenda embraced by the majority of companies. It is also apparent that the other limbs of the sustainability agenda had not received due consideration and action. This could have been due to lack of awareness and/or resources needed to deal with the other aspects of the sustainability agenda.

The **LR** requires a company to have in its annual report "A description of the corporate social responsibility activities or practices undertaken ... or if there is none, a statement to that effect" (**Appendix 9C**). To this end, it was found that 377 or 75 per cent of companies had separate corporate responsibility (or sustainability) report or section describing their sustainability policies and activities (**C.1.13**).

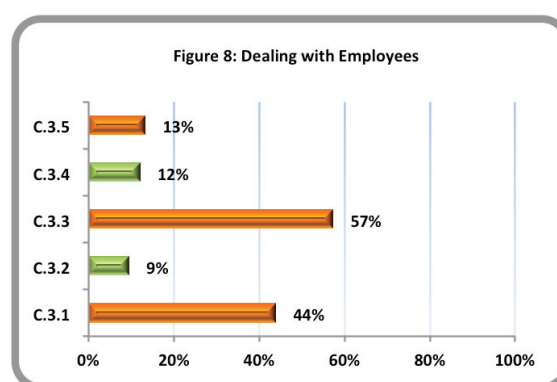
Communication Channels for Stakeholders

In addition to having the policies and practices that promote and safeguard the interest of external stakeholders, a company should provide a clear channel of communication for stakeholders to use. To this end, 139 companies or 39 per cent of companies reviewed provide the contact details on the company's website or annual report which stakeholders (for example, customers, suppliers, and general public) can use to voice their concerns and/or complaints for possible violation of their rights (**C.2.1**).

Dealing with Employees

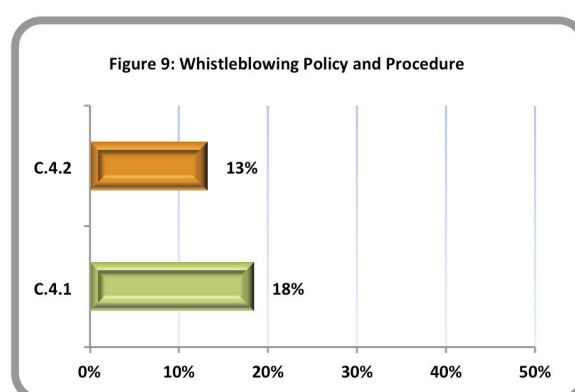
Every company would claim that employees are the company's greatest asset. This claim would be more credible if it was supported by clear and coherent policies and practices that promote and safeguard employees' interest. In this respect, the review of the 500 companies' disclosure on employees revealed, as summarised in **Figure 8**, the following :

- In terms of health, safety and welfare for employees, 219 or 44 per cent of companies explicitly disclosed such policies (**C.3.1**) with 47 or nine per cent of companies disclosed specific and quantifiable data on employees' health, safety and welfare (**C.3.2**);
- With regard to training and development programmes for employees, 286 or 57 per cent of companies appeared to have some form. However, only 60 companies or 12 per cent of companies disclosed specific and quantifiable data on employees' training and development (**C.3.4**); and
- Finally, 66 or 13 per cent of companies were considered to have employees' compensation policy that accounts for the performance of the company beyond short-term financial measures (**C.3.5**). Such a policy would help to align the interest of employees with that of the company.



Open and frank communication between employees and company would mitigate the risk of wrongdoings or unethical behaviour from taking place in the organisation. To this end, it would be necessary for a company to have a whistleblowing policy which should clearly articulate the procedures for reporting and protecting the reporting employee from retaliation. In this respect, the current assessment found that (*see Figure 9*),

- 92 or 18 per cent of companies had procedures for complaints by employees concerning illegal (including corruption) and unethical behaviour (**C.4.1**); and
- 66 or 13 per cent of companies had policy and procedures to protect an employee who reported the illegal and/or unethical behaviour from retaliation (**C.4.2**).

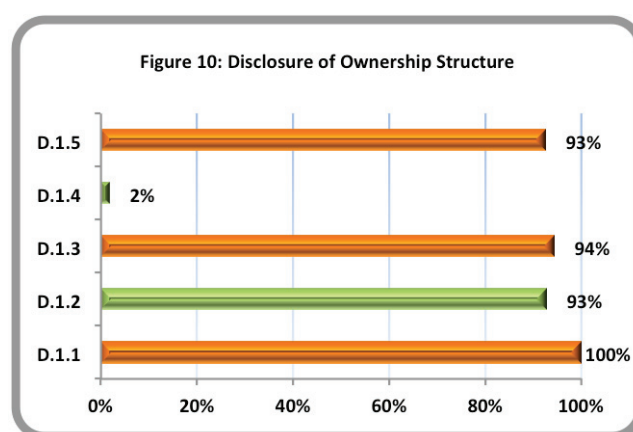


Part D: Disclosure and Transparency

Transparency is a pivotal element of effective corporate governance system as it influences shareholders' ability to exercise their ownership rights on an informed basis. Given its importance, perhaps it was reasonable to find that the **Part D** on disclosure and transparency had the highest number of items after **Part E**.

Transparent Ownership Structure

Transparent ownership structure was one aspect that the **Scorecard** greatly encouraged as such information would enhance the investment decision-making process of current and potential investors. Based on the review of disclosures related to ownership structure made by the 500 companies, it was found that (see **Figure 10**),



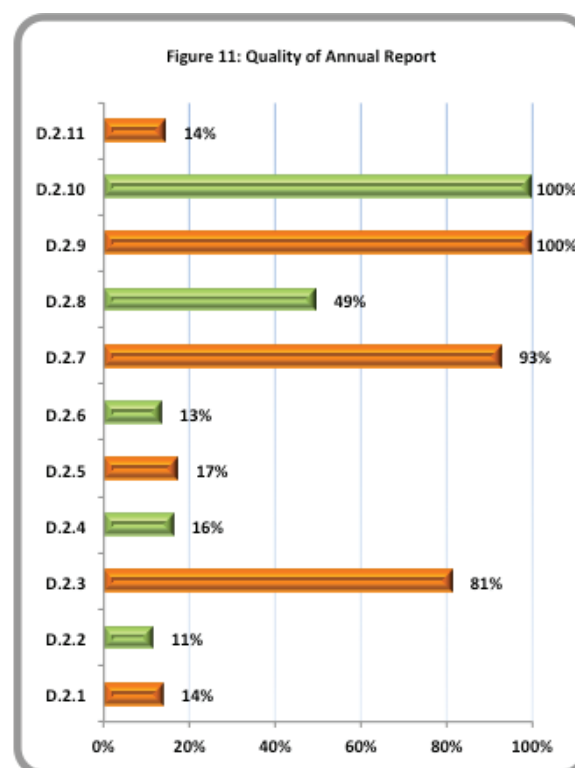
- All companies revealed the identity of beneficial owners of shareholders with five per cent shareholding or more (**D.1.1**)⁴;
- 464 or 93 per cent of companies disclosed the direct and indirect (deemed) shareholdings of substantial shareholders (**D.1.2**);
- 472 or 94 per cent of companies disclosed the direct and indirect (deemed) shareholdings of directors (**D.1.3**);
- Nine companies disclosed the direct and indirect (deemed) shareholdings of senior management (**D.1.4**); and
- 463 or 93 per cent of companies disclosed details on the identity and shareholding interest of the parent/holding company, subsidiaries, associates, joint ventures and special purpose entities/vehicles (SPE/SPV) (**D.1.5**).

⁴ This was rather an expected finding given the requirements of sections 69(E) and 69 (L) of the Companies Act 1965.

Quality of Annual Report

The corporate annual report remains a primary tool for a company to communicate with its shareholders primarily and its stakeholders generally. Hence, the overall quality of the annual report could potentially facilitate or otherwise the message contained therein from a company to the readers of its annual report. In this regard, the **Scorecard** reviewed the annual reports of the 500 companies to determine whether the key desirable information was evidenced or otherwise. The review, as presented in **Figure 11**, found that,

- 69 or 14 per cent of companies disclosed key risks, that is, various risks beyond the financial risk (**D.2.1**);
- 57 or 11 per cent of companies disclosed their corporate objectives (**D.2.2**);
- 86 or 17 per cent of companies disclosed dividend policy (**D.2.5**);
- 67 or 13 per cent of companies disclosed details of whistleblowing policy (**D.2.6**);
- 72 or 14 per cent of companies disclosed details of remuneration of the CEO and each member of the board of directors (**D.2.11**);



- Whilst 406 or 81 per cent of companies disclosed in their annual reports the financial performance indicators (**D.2.3**), only 80 or 16 per cent of companies disclosed the non-financial performance indicators (**D.2.4**);
- 247 or 49 per cent of companies disclosed the training and/or continuing education programme attended by each director during the year (**D.2.8**);
- 463 or 93 per cent of companies disclosed in their annual reports the biographical details (at least age, qualification, date of first appointment, relevant experience, and directorships in other listed companies) of the directors (**D.2.7**); and
- Almost all companies disclosed in their annual reports the number of board of directors meetings held during the year and the attendance details of each director in respect of meetings held (**D.2.10**)⁵.

⁵ The sole company did not disclose in its annual report the number of board of directors meeting held during the year and the attendance of such meeting because the company was listed on the **Exchange** in July 2011 and its financial year end was June 2011.

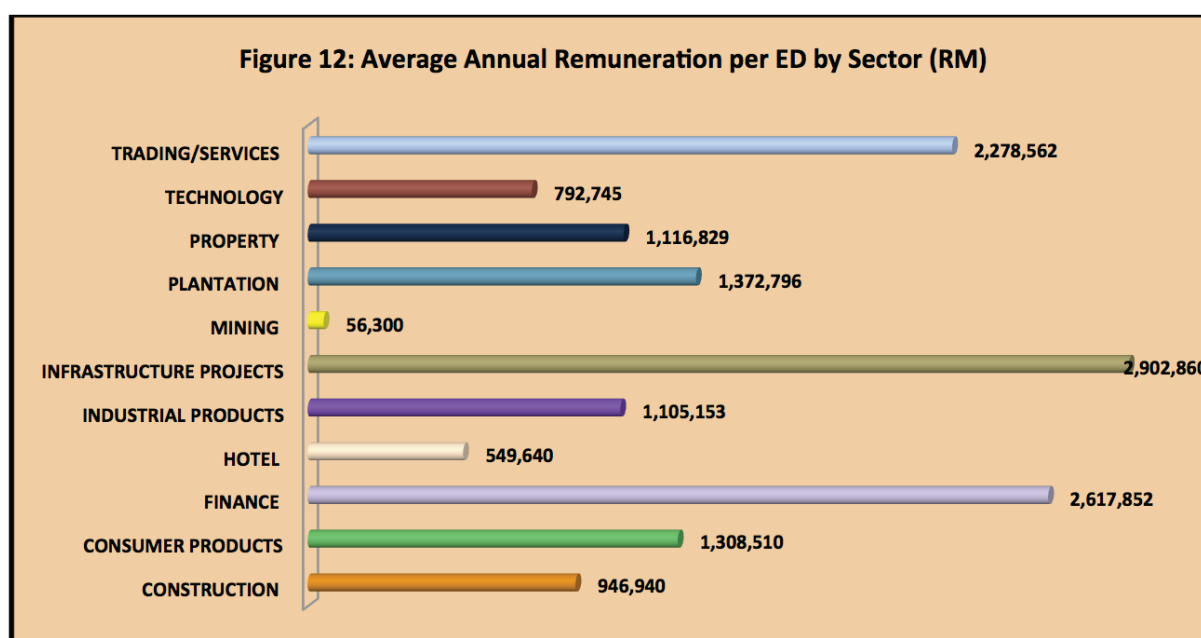
“Comply or explain” appears to be the dominant basis of reporting of the code on corporate governance of many countries including that of Malaysia and its peers in the ASEAN region. Hence, it was reasonable to expect a company to make a statement in the annual report confirming its full compliance with the **Code** and where there were instances of non-compliance, to identify and explain reasons for each such non-compliance. In this respect, 130 or 26 per cent of companies made such declaration during the period under review (**D.2.12**). As for the remaining companies, stakeholders were not provided with such comfort and assurance. This could be because the **LR** made it mandatory to disclose how the company comply with the **Code** or explain their non-compliance effective from 1 January 2013 which means that only Annual Report published in 2013 would be required to mandatorily make the disclosure.

Directors’ Remuneration

On the matter of directors’ remuneration, the broad summary statistics are presented in **Table 3**. Based on the analysis of 500 companies, the average remuneration per ED was RM1,253,306 and the average remuneration per NED was RM150,390.

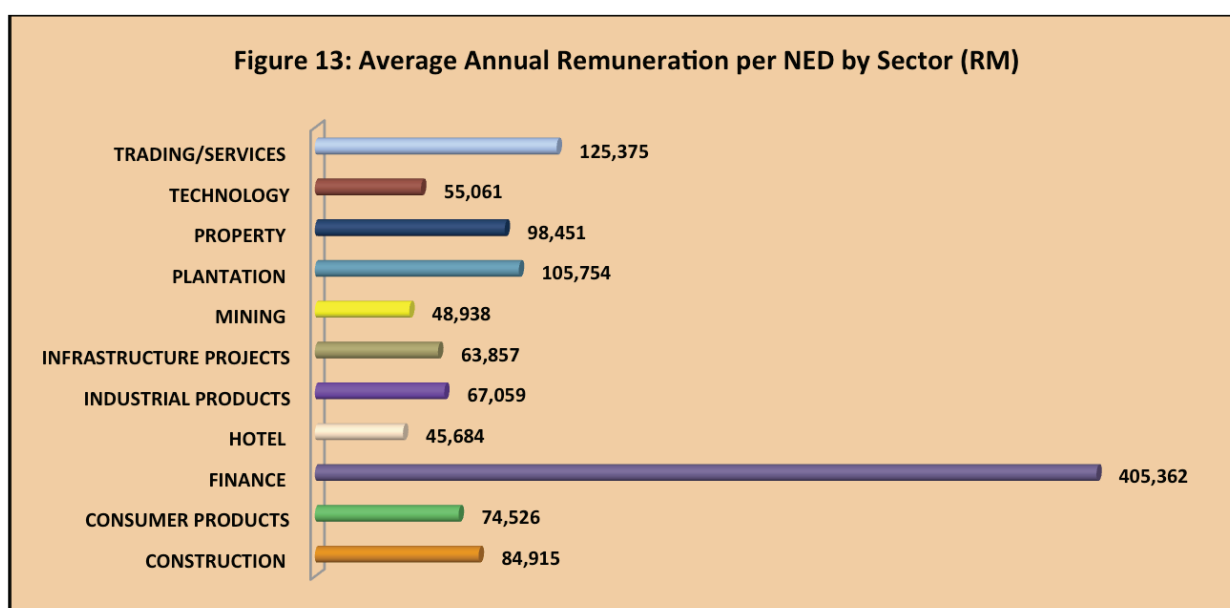
	Average (RM)	Minimum (RM)	Maximum (RM)
Executive Directors Remuneration	1,253,306	27,500	112,236,000
Non-Executive Director Remuneration	150,390	4,000	53,128,000

Figure 12 shows the average annual remuneration per ED by sector which revealed that three sectors⁶ had higher-than-average remuneration per ED, namely Infrastructure Projects, Finance and Trading/Services. The highest paid EDs were those in the Infrastructure Projects with an average annual ED remuneration of RM2.9 million, followed by Finance and Trading/Services of RM2.6 million and RM2.3 million respectively.



⁶ Sector categorization according to Bursa’s classification.

Figure 13 shows the average annual remuneration per NED by sector which revealed that three sectors had higher-than-average remuneration per NED, namely, Finance, Trading/Services and Plantation. The highest paid NEDs were those in the Finance, Trading/Services and Plantation with an average annual NED remuneration of RM405,362 followed by Trading/Services and Plantation of RM125,375 and RM105,754 respectively.



Disclosure of Related Party Transactions (RPTs)/Recurrent Related Party Transactions (RRPTs) and Self-Dealing by Insiders

Minority shareholders need to be assured that if the company was to undertake any RPTs/RRPTs during the year, the company would make an open declaration that the said transactions were conducted in such a way that they were fair and at arms' length.

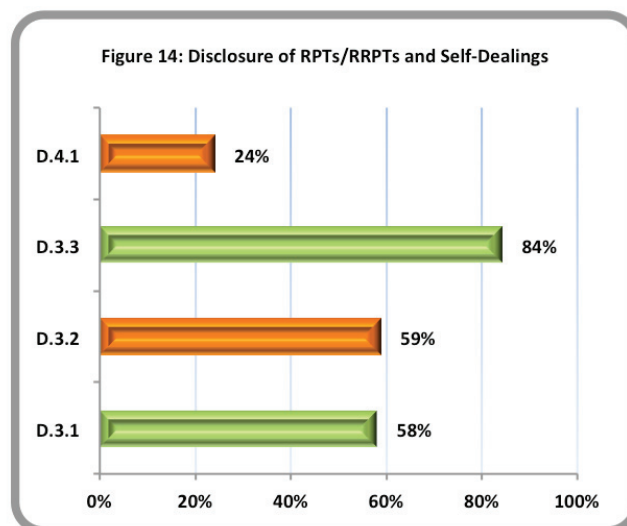
In this respect, among the 500 companies reviewed, 421 companies had undertaken the RPTs/RRPTs of which 256 companies declared that the transactions were fair and conducted at arms' length (**B.5.2**). 199 or 40% of companies had provided financial assistance to entities other than their wholly-owned subsidiary companies (**B.5.1**).

RPTs/RRPTs and dealings in shares of the company by the insiders⁷ could potentially be abusive to minority shareholders. These transactions could lead to the risk of being abusive but could be mitigated by disclosure of timely relevant information.

⁷ The **Scorecard** defined insiders as directors, members of management or key officers (senior members of management one level below the board), major shareholders and connected persons.

In this respect, the current assessment of the 500 companies showed that (see **Figure 14**),

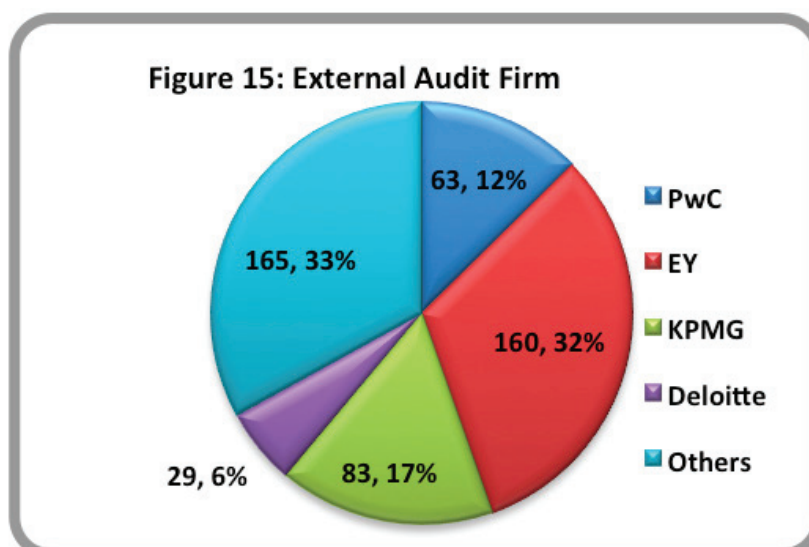
- 290 or 58 per cent of companies disclosed the policy covering the review and approval of material RPTs/RRPTs (**D.3.1**);
- In terms of the specifics relating to RPTs/RRPTs, 294 companies or 59 per cent disclosed the names of related parties and their relationship for each material RPTs (**D.3.2**) and 421 or 84 per cent of companies even disclosed the nature and value of each material RPTs/RRPTs (**D.3.3**); and
- 120 or 24 per cent of companies reported the trading in the company's shares by insiders (**D.4.1**).



External Auditor and Auditor Report

The disclosure of both the statutory audit fees and non-audit fees is a mandatory requirement of the **Companies Act 1965 (Ninth Schedule)** and the **LR** respectively. Hence, it was expected to find that all 500 companies disclosed the audit fees (**D.5.1**). With regard to the disclosure of non-audit fees, 459 or 92 per cent of companies either disclosed the non-audit fees or declared that the audit firm did not provide non-audit services during the year under review (**D.5.2**). It was further discovered that 36 companies had the non-audit fees exceeded the audit fees and the vast majority of companies did not have the non-audit fees exceeding the audit fees (**D.5.3**).

Figure 15 reveals that EY dominated the external audit market for the 500 companies assessed. The firm's market share was 32 per cent; the largest for a single firm with 160 client companies. Deloitte was the smallest among the Big-4 firms with a market share of six per cent (29 client companies). However, in terms of fees – audit or non-audit, the market as shown in **Table 4** was dominated by PwC.



Further analysis, as shown in **Table 4**, revealed that PwC relatively had more clients whose non-audit fees were more than their audit fees.

Table 4: Audit and Non-Audit Fees by Firms			
	No. of clients	Ave. audit fees (RM)	Ave. non-audit fees (RM)
PwC	63	1,269,068	810,018
EY	160	608,346	166,592
KPMG	83	406,165	165,249
Deloitte	29	311,340	107,500
Others	165	271,212	48,690

Medium of Communication

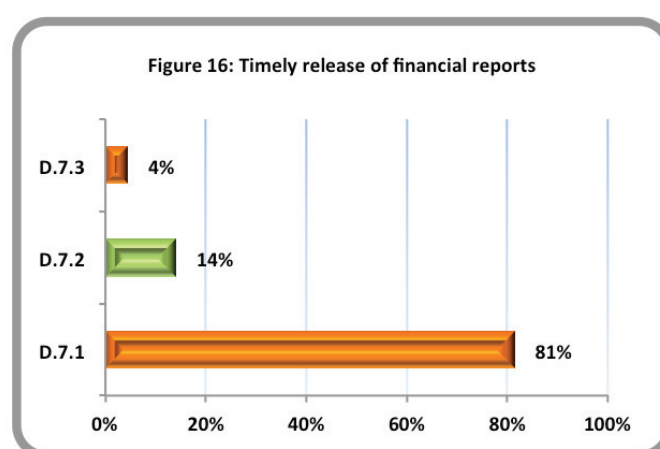
There are at least four mediums of communication that a company should utilise as means to communicate and engage with shareholders and stakeholders. All of the 500 companies reviewed had used, during the period under review, quarterly reporting (**D.6.1**) and company website (**D.6.2**).

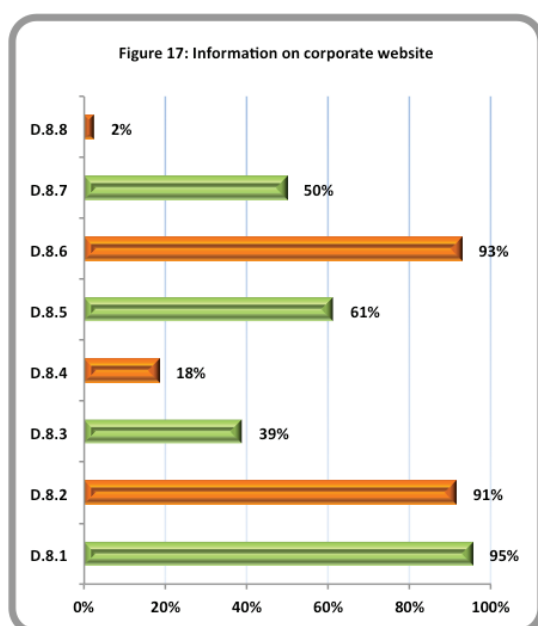
219 or 44 per cent of companies had used analyst's briefing as a communication means (**D.6.3**). 190 or 38 per cent of companies had arranged for media briefings or press conferences during the year period under review (**D.6.4**). Normally, the media briefings/press conferences were conducted following the AGM or EGM. Whilst costs may be a factor discouraging companies, especially the smaller ones to undertake such activities, the lack of interest by analysts and media has also been cited as likely reasons for these smaller companies to do away with analyst's and media briefings.

Timely Release of Annual/Financial Reports

In this sub-section of the **Scorecard**, companies were assessed in terms of the timely release of annual audited accounts "AAA" (or annual reports "AR", where companies opted to dispense with AAA but issued only AR) during the period under review. The results, as summarised in **Figure 16**, are as follows:

- 22 or four per cent of companies assessed released the AAA/AR within 60 days from the financial year end (**D.7.3**);
- 71 companies or 14 per cent released the AAA/AR within 90 days from the financial year end (**D.7.2**); and
- The remaining 407 or 81 per cent of companies released AAA/AR within 120 days from the financial year end (**D.7.1**).





An affirmation of the true and fairness of the financial statements by the board of directors (or the appointed directors and/or officer of the company) is another layer of assurance available to shareholders. Given that it is requirement pursuant to **Section 169(15)** of the **Companies Act**, it was perhaps as expected that all 500 companies provided a declaration by the board of directors affirming the true and fairness of the annual financial statements (**D.7.4**).

Company Website

Since all companies were expected to have corporate websites, as per the **Code** and the **LR**⁸, the **Scorecard** assessed the presence or otherwise specific desirable characteristics in corporate websites. It was found, as shown in **Figure 17**, that,

- 477 or 95 per cent of the companies' websites disclosed their business operations (**D.8.1**) and 306 or 61 per cent of companies had group corporate structure on their websites (**D.8.5**);
- 457 or 91 per cent of the companies' websites had the current and prior years financial statements (**D.8.2**);
- 464 or 93 per cent of companies had downloadable annual report (**D.8.6**), whilst 240 or 50 per cent of companies had notice of AGM and/EGM on their websites (**D.8.7**);
- 194 or 39 per cent of companies published materials for the analysts and media briefings on their websites (**D.8.3**);
- 92 or 18 per cent of companies had their shareholding structure on their websites (**D.8.4**); and
- 12 or two per cent of companies' websites had company's constitution, e.g. company's By-Laws, Memorandum or Articles of Association (n = 12; two per cent) (**D.8.8**).

⁸ **Recommendation 7.2** of the **Code** states that "The board should encourage the company to leverage on information technology for effective dissemination of information". The **LR** goes further and states under Para. 9.21(1) that "Every listed issuer must have its own website".

Investor Relations Contact

The disclosure of contact details (for example, telephone, facsimile and/or email) of the officer responsible for investor relations would certainly be welcomed by stakeholders, particularly the shareholders of the company. However, the current assessment found that only 123 or 25 per cent of companies had in fact disclosed such information (**D.9.1**). The shareholders of remaining 377 or 75 per cent of companies would face difficulty in communicating with the companies because they did not know how and to whom they could raise their concerns and/or questions.

Part E: Responsibilities of the Board

The board of directors is a very important organ of a corporation. Though the legal duties and responsibilities of a board are codified in the **Companies Act**, the challenge facing the board and the individual directors is how to play the respective roles effectively so as to discharge their duties and responsibilities. Against this backdrop, this section of the **Scorecard** was the biggest section in terms of the number of items; signifying the important roles of the directors and the board. This section comprises 81 items in total.

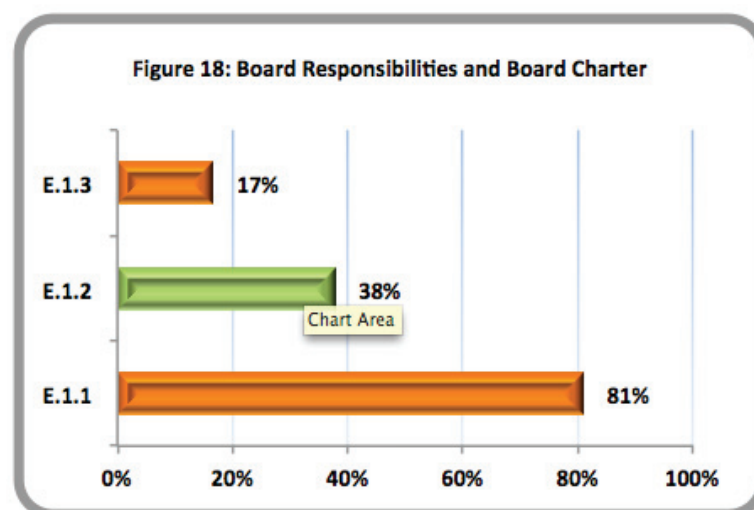
Board Duties and Responsibilities

Clearly Defined Board Responsibilities and Corporate Governance Policy

The first two recommendations of the **Code** state that “The board should establish clear functions reserved for the board and those delegated to management” (**Recommendation 1.1**) and “The board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions” (**Recommendation 1.2**).

With regard to the former, as shown in **Figure 18**, the review revealed that 189 companies or 38 per cent disclosed the types of decisions requiring board of directors’ approval (**E.1.2**). In terms of the latter, 405 or 81 per cent of companies had clearly stated the roles and responsibilities of the board of directors (**E.1.1**).

The **Code** also recommends that “The board should formalise, periodically review and make public its board charter.” (**Recommendation 1.7**) Based on the disclosure made by the 500 companies, 83 or 17 per cent of companies declared to have established and in fact disclosed their board charters (**E.1.3**). Kudos to these 83 companies for taking the lead in adopting this best practice!



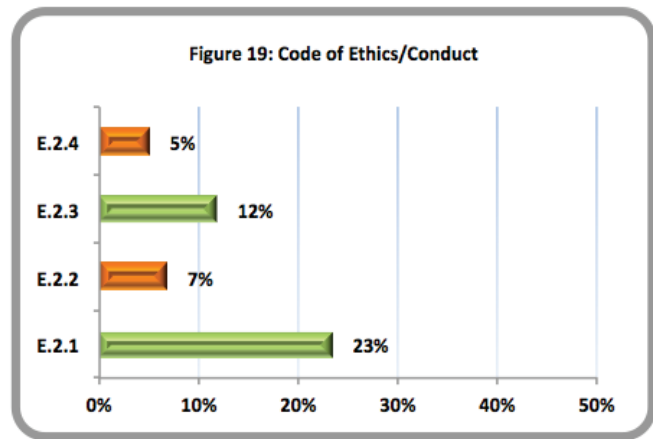
Corporate Vision and Mission

One of the four key tasks of the board identified by the UK’s Institute of Directors is to: “Establish and maintain vision, mission and values”. However, among the 500 companies reviewed, only seven or one per cent of them asserted that their boards of directors had periodically (at least once in the last five years) reviewed and approved the vision and mission (E.3.1). Could this indifferent board attitude be due to the lack of awareness on the importance of reviewing the company’s vision and mission?

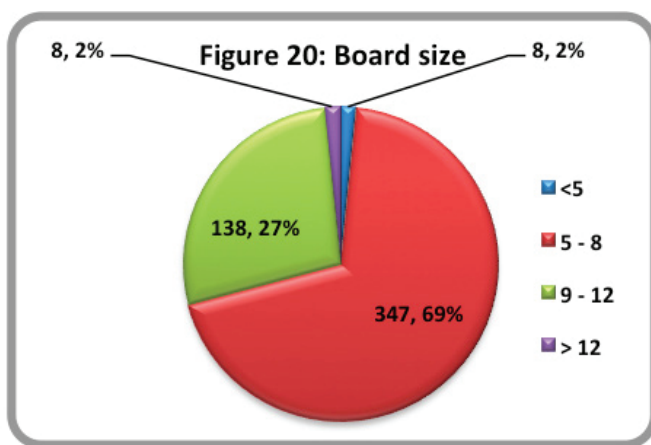
Board Structure

Code of Ethics/Conduct

The Code’s Recommendation 1.3 states that “The Board should formalise ethical standards through a code of conduct and ensure its compliance.” In this respect, as shown in Figure 19, 117 or 23 per cent of companies reviewed claimed to have a code of ethics (E.2.1). However, only 59 or 12 per cent of the companies that had code of ethics disclosed that all directors, senior management and employees were required to comply with the code (E.2.3). Furthermore, whilst only 34 or seven per cent of these companies had publicly disclosed details of the code of ethics (E.2.2), 25 or five per cent of companies disclosed how it implemented and monitored compliance with the code of ethics (E.2.4).



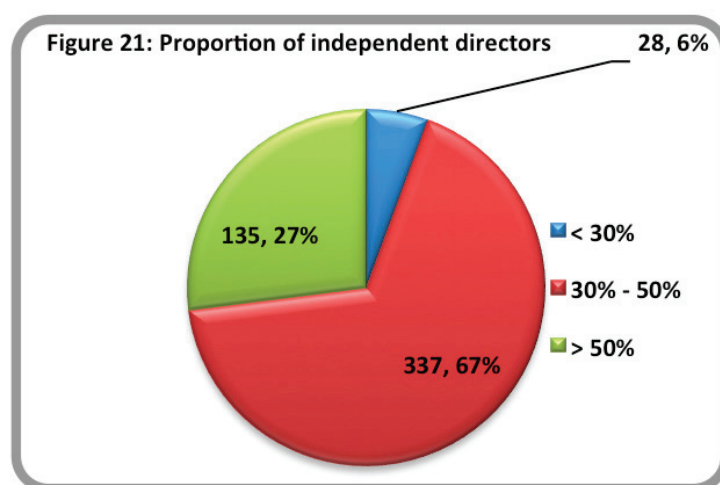
Board Structure and Composition



The general principle is that a board of directors should be of sufficient size. The CG Blueprint 2011 (published by the Securities Commission) is of the view that size may be a contributory factor in governance issues but not the root cause. Nevertheless, a board should neither be too small nor too large. In this regard, as presented in Figure 20, 485 or 96 per cent of companies had boards comprised between five and 12 directors (E.4.1). Out of the remaining 15 companies, eight of them had only four directors during the year under review and eight of them had more than 12 directors.

347 or 69 per cent of companies had board size ranging from five to eight directors. In fact, the average size of a typical board was 7.6 directors⁹. The largest and smallest boards comprised 15 directors and four directors respectively.

In relation to the size of the board, particularly with regard to the representation of independent directors, the **LR** requires independent directors to comprise at least one-third of the board or minimum two independent directors. However, the **Code** also suggests that as a best practice “The board must comprise a majority of independent directors where the chairman of the board is not an independent director” (**Recommendation 3.5**).



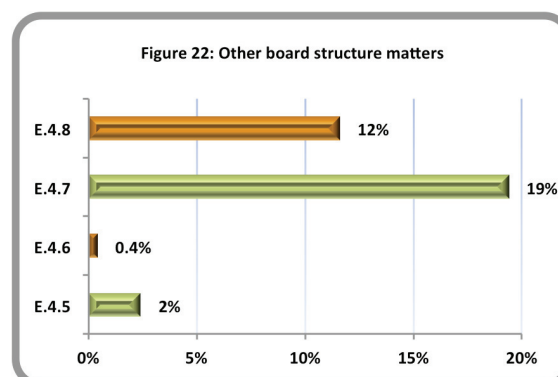
In this respect, the current assessment of the 500 companies revealed, as presented in **Figure 21**, that 135 or 27 per cent of companies had independent directors making up the majority of the board (**E.4.2**). **Figure 20** also reveals that 337 or 67 per cent of companies had **INEDs** comprising between one-third and one-half of the boards. There were 28 companies that had **INEDs** comprising less than one-third of the boards. Nevertheless, these companies were in compliance with the **LR** because each of them had at least two **INEDs** during the year under review. For the year under review, there was only one company having its board comprised entirely of **INEDs**.

Recommendation 3.1 of the **Code** states that “The board should undertake an assessment of its independent directors annually”. To undertake such an assessment, it would be helpful if the company had defined the concept of independence and disclosure of the definition in the annual report. It was perhaps not surprising that only 43 or nine per cent of companies provided a definition of independence in the annual report (**E.4.3**). The high number of companies that did not provide any definition of independence might be of the view that since the **LR** already provides a definition, it was not necessary to do so. However, 286 or 57 per cent of companies claimed that their independent directors were independent of management and substantial shareholders (**E.4.4**).

⁹ The average board size of 7.6 directors was in line with the average board size in prior years; 2009 = 7.31 directors and 2011 = 7.29 directors.

Other findings in relation to best practices concerning board structure and composition were as shown in **Figure 22**:

- The assessment found that only 12 companies or two per cent adopted the term limit of nine years for independent directors (**E.4.5**). This was a positive finding as the nine-year term limit was only introduced in the **Code** under **Recommendation 3.2** in March 2012;
- Only two companies had set a limit of five board seats in public listed companies that an individual director may hold simultaneously (**E.4.6**). These two companies took the lead ahead of adopting and disclosing this best practice as it would only become a requirement in the **LR** with effect from June 2013;
- 403 or 81 per cent of companies did not have any independent director who served more than five boards of public listed companies (**E.4.7**); and
- 442 or 88 per cent of companies did not have any executive directors who served on more than two boards of listed companies outside the group (**E.4.8**).



Nominating Committee

With effect from 1 June 2013, the **LR** mandates the establishment of a Nominating Committee. This is consistent with **Recommendation 2.1** of the **Code** which states that “The board should establish a Nominating Committee (NC) which should comprise exclusively of non-executive directors, a majority of whom must be independent”. However, during the year under review, the current assessment found that 462 or 92 per cent of companies had already established NC (**E.11.1**). The remaining 38 or eight per cent of companies would need to follow suit in order to comply with the new provision in the **LR**.

In terms of the composition and structure of NC, the findings were as follows:

- 438 or 95 per cent of the NC were made up of majority of independent directors (**E.11.2**);
- 380 or 82 per cent of the NC were chaired by independent directors (**E.11.3**);
- 295 or 64 per cent of companies that had NC disclosed the terms of reference or governance structure or charter of the NC (**E.11.4**);
- 265 or 57 per cent of companies that had NC disclosed the number of NC meetings convened during the year (**E.11.5**);
- 113 or 24 per cent of the NC met at least twice during the year (**E.11.6**); and
- 165 or 36 per cent of the companies that had NC disclosed the attendance record of members of NC (**E.11.7**).

Remuneration Committee

Though not directly a recommendation, the commentary to **Recommendation 2.3** of the **Code** states that “*The board should establish a Remuneration Committee*” (“RC) which should consist exclusively or a majority of non-executive directors. The function of the RC is to establish formal and transparent remuneration policies and procedures to attract and retain directors. The current assessment found that during the year under review, 470 or 94 per cent of the companies had already established RC (**E.17.1**). The remaining 30 or six per cent of companies, perhaps did not see the need to have RC. In terms of the composition and structure of RC, the findings were as follows:

- 486 or 82 per cent of the RC were made up of majority of independent directors (**E.17.2**);
- 361 or 77 per cent of the RC were chaired by independent directors (**E.17.3**);
- 261 or 56 per cent of companies that had RC disclosed the terms of reference or governance structure or charter of the RC (**E.17.4**);
- 287 or 61 per cent of companies that had RC disclosed the number of RC meetings convened during the year (**E.17.5**);
- 102 or 22 per cent of the RC met at least twice during the year (**E.17.6**); and
- 164 or 35 per cent of the companies that had RC disclosed the attendance record of members of RC (**E.17.7**).

There was one company in which its RC comprised all seven members of the board of directors. This seems to be rather peculiar as all directors of the board served in the RC too.

Audit Committee

The requirement of having an Audit Committee (AC), including its structure and process, are extensively provided for by the **LR**. In fact, seven of the 10 items that dealt with AC were default response. In terms of the remaining three voluntary best practices items, the findings were positive. Specifically, the review found that,

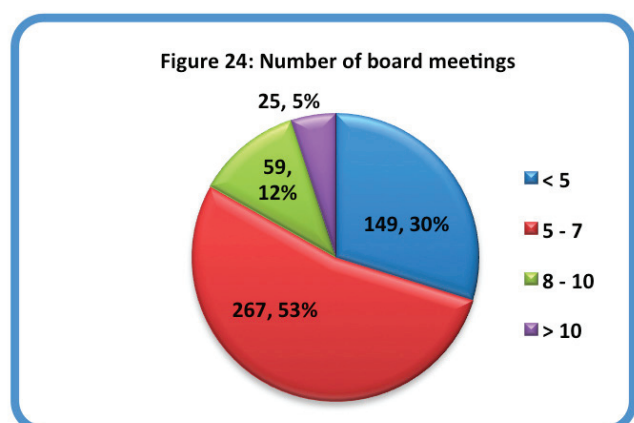
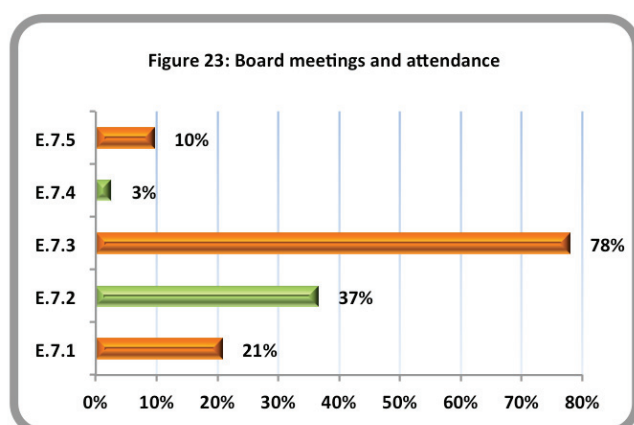
- 456 companies or 91 per cent disclosed the profiles or qualifications of the AC members (**E.19.5**);
- 473 companies or 95 per cent had at least four AC meetings during the year (**E.19.8**); and
- AC of 433 of 87 per cent of the companies had the primary responsibility to recommend the appointment, re-appointment and removal of the external auditor (**E.19.10**).

With regard to AC meetings, there were in fact two companies whose AC did not meet even once during the year under review as they were recently listed on the **Exchange**. The highest number of AC meetings convened by the AC with 16 meetings.

Board Processes

Board Meeting and Attendance

Diligence, as measured by frequency among others, has been argued to be a dimension of effectiveness (DeZoort et al., 2002). In the context of the **Scorecard**, apart from the frequency of the board meetings, the policy and practices relating to board meetings were also assessed. During the period under review, it was found that (see **Figure 23**):



- 105 or 21 per cent of companies claimed to have board meetings scheduled either before or at the beginning of the year (**E.7.1**);
- 185 or 37 per cent of companies had convened at least six board meetings during the year (**E.7.2**);
- 390 or 78 per cent of companies recorded that each director attended at least 75 per cent of all board meetings held during the year (**E.7.3**);
- 13 companies or three per cent asserted a minimum quorum of at least two-thirds for board decisions (**E.7.4**); and
- 48 or 10 per cent of companies convened at least one in-camera or executive session during the year (**E.7.5**). This in-camera or executive session refers to a meeting where non-executive directors meet on their own without management or any other non-board member present.

With regard to the number of board meetings, a typical (average) company would convene 5.75 board meetings during the year under review. Based on the information presented in **Figure 24**, a majority of companies convened between five to seven board meetings during the year¹⁰. Two companies were found to have convened the least number of board meetings. At the other end, three companies convened the most number of 16 board meetings.

¹⁰ The average number board meetings of 5.75 meetings was marginally higher than in prior years; 5.4 meetings in 2009 and 5.5 meetings in 2011.

Access to Information

Provision of timely relevant information is essential to allow the board of directors to play its role effectively. However, based on the review of the disclosure of the 500 companies, it was found that only 75 or 15 per cent of companies had claimed to have board papers for board meetings distributed to the board at least five business (or clear) days in advance of the board meeting (**E.10.1**).

There is no question about the qualification of company secretary as it is regulated under section 139A of the **Companies Act**. However, close review of the disclosures made in the annual report of the 500 companies on the duties of the company secretary revealed that 132 or 26 per cent of companies were thought to have company secretaries who played significant role in supporting the board in discharging its responsibilities (**E.10.2**).

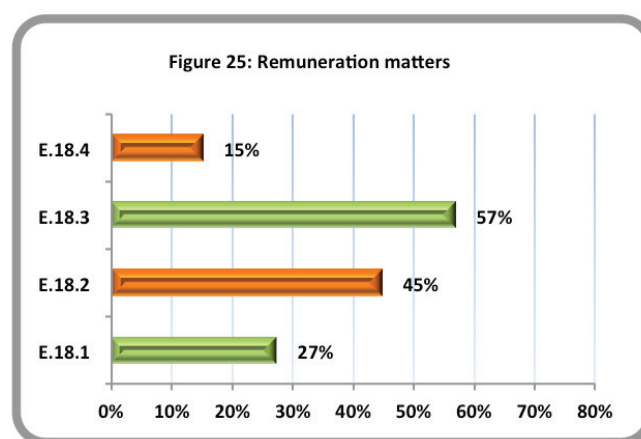
Board Appointment and Re-Election

One key task of the Nominating Committee is to “develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors” (**Recommendation 2.2** of the **Code**). Apart from having developed the recruitment criteria and process, a company as a matter of best practice should also disclose the information accordingly. To this end, the current assessment found that 94 or 19 companies disclosed the criteria used in selecting new directors (**E.12.1**). Even lesser number of companies, i.e. 72 or 14 per cent of companies disclosed the process in appointing new directors (**E.12.2**). Clearly, a significant number of companies did not see the need either to develop the recruitment criteria and process or to share with stakeholders such details.

Remuneration Matters

The issue to attract and retain individuals wanting to serve as directors, especially in the non-executive capacity, continues to be a challenging issue, more so when there is an increasing expectation of the role and responsibilities of directors. In this context, **Recommendation 2.3** of the **Code** affirms that “**The board should establish formal and transparent remuneration policies and procedures to attract and retain directors**” and that such policies and procedures should be disclosed. A close review of the disclosures by the 500 companies revealed the following findings summarised in **Figure 25**.

- 137 or 27 per cent of companies had disclosed the remuneration policy for executive directors and CEO (**E.18.1**);
- 224 or 45 per cent of companies had made known the fee structure for non-executive directors who were generally remunerated mostly in directors fees (**E.18.2**); and
- 284 or 57 per cent of companies had the board of directors approving the remuneration of executive directors and the senior executives (**E.18.3**).



The assessment also revealed that 74 or 15 per cent of companies had either as a matter of policy or practice, awarded options, performance shares or bonuses to their independent directors (**E.18.4**). The ICGN has a stricter policy that does not “support performance measures in non-executive director remuneration, including cash bonus schemes and equity vesting requirements” (ICGN, 2010; page 12).

Internal Audit

The internal audit function is an element of the overall sound corporate governance framework. In this respect, **Recommendation 6.2** of the **Code** states that “**The board should establish an internal audit function which reports directly to the Audit Committee.**” This expectation has been fully reflected in the **LR** of the **Exchange**. However, when specific matters pertaining to the independence of the said function were examined, it was found that

- 132 or 26 per cent of companies had disclosed either the identity of the head of internal audit or, if outsourced the name of the external firm that provides such service (**E.20.2**); and
- 330 or 66 per cent of companies had a policy requiring the approval of the Audit Committee to appoint or to remove the internal auditor (**E.20.3**).

Figure 26 summarises the types of set-up for the internal audit function across the 500 companies reviewed. 270 or 54 companies claimed to have in-house internal audit function. Whilst 204 or 41 per cent of the companies outsourced the internal audit function, the internal audit function set-up of the remaining 25 or five per cent of companies was in “others” category. This category mainly referred to internal audit role is played by the parent/holding company as a centralised function of the group of companies. Interestingly, there was one company that did not have an internal audit function. Stating that, during the year under review, it was still a Special Purpose Acquisition Company (SPAC).

In terms of the costs associated with internal audit function, **Table 5** presents the overall statistics according to the types of internal audit function set-up. Evidently, larger companies tended to have the internal audit function as an in-house unit. This could explain the higher average costs of in-house internal audit function compared to other types of internal audit function set-ups.

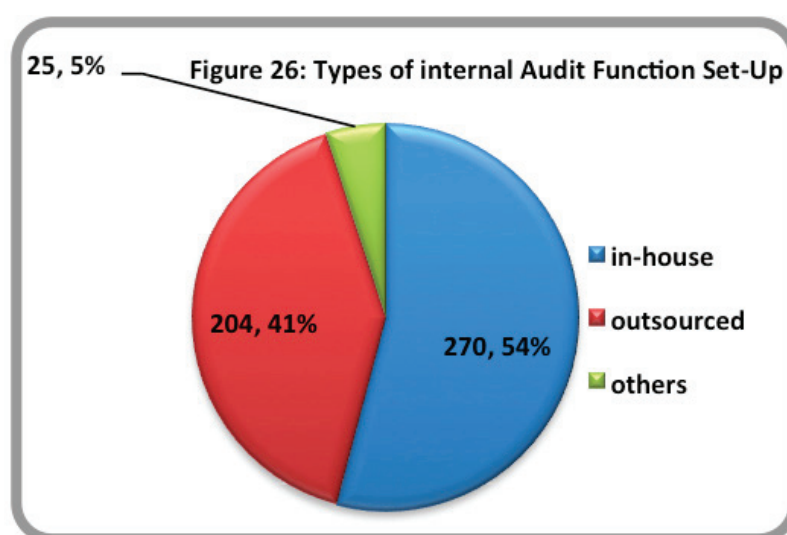


Table 5 also shows the costs associated with types of internal audit function set-up. Certainly, a question can be raised in terms of kind of services and quality of services a company could get for a fee of RM3,000!

Table 5: Internal Audit Function Cost			
	Average	Minimum	Maximum
In-house	RM1,382,031	RM15,000	RM28,800,000
Outsourced	RM91,112	RM3,000	RM1,525,000
Others	RM142,537	RM8,160	RM416,000

Risk Oversight

As a matter of principle and best practice, the **Code** maintains that “The board should establish a sound framework to manage risk” (**Recommendation 6.1**). The **Code** further suggests, in its commentary, that “The board should disclose in the annual report the main features of the company’s risk management framework and internal controls system”. Whilst 417 or 83 per cent of companies had disclosed the internal controls procedures and risk management systems that were in place (**E.21.1**), only 189 or 38 per cent of companies revealed how the company managed its key risks (**E.21.3**). Despite being a best practice, 304 or 61 per cent of companies disclosed that the board of directors had conducted a review of the company’s material controls (including operational, financial and compliance controls) and risk management systems (**E.21.2**).

People on the Board

Board Chairman

The important role of the chairman of the board of directors is recognised by the **Code**. **Recommendation 3.4** of the **Code** states that “The positions of chairman and CEO should be held by different individuals, and the chairman must be a non-executive member of the board.” The **Code** further states in **Recommendation 3.5** that “The board must comprise a majority of independent directors where the chairman of the board is not an independent director.” A review of the board practices of the 500 companies revealed the following findings:

- 425 or 85 per cent of companies had different persons assuming the roles of chairman and CEO during the year (**E.6.1**)¹¹;
- 328 or 66 per cent of companies had chairmen who were non-executive directors (**E.6.2**);
- 186 or 37 per cent of companies had chairmen who were independent directors (**E.6.3**);
- 123 or 25 per cent of companies had chairmen who were the immediate past CEO of the companies (**E.6.4**); and
- 196 or 39 per cent of companies had disclosed the role and responsibilities of the chairman (**E.6.5**).

¹¹ The incidence where different individuals held the roles of chairman and CEO appeared to have improved marginally. In 2009, the proportion was 59.5 per cent and in 2011, the proportion was 82.6 per cent.

Skills and Competencies

The board of directors should comprise individuals of relevant skills and competencies. In this regard, at least one non-executive director should be an individual having prior working experience in the major industry the company is operating in. 348 or 70 per cent of companies had met this expectation (**E.5.1**).

The Commentary to **Recommendation 2.2** of the **Code** states that the *“The board should establish a policy formalising its approach to boardroom diversity”*. In addition, it is also stated that *“The board ... should take steps to ensure that women candidates are sought as part of its recruitment exercise.”* In this respect, 14 or three per cent of companies disclosed a board of directors’ diversity policy (**E.5.2**).

Board Performance

Directors’ Development

In terms of orientation programme for newly appointed directors, 121 or 24 per cent of companies appeared to have such programme of substance (**E.8.1**). It was encouraging to note that 328 or 66 per cent of companies had a policy that encourages directors to attend continuing professional education programme during the year under review (**E.9.1**). The latter finding was evidence of practice as per **Recommendation 4.2** of the **Code** which states that *“The board should ensure its members have access to appropriate continuing education programmes.”*

Both the directors and shareholders of companies that neither had orientation programme nor a policy that encouraged continuing education for directors should be on alert as to whether the directors of these companies had been properly apprised and updated with changes in the business and economic landscapes and therefore they are able to discharge their obligations effectively.

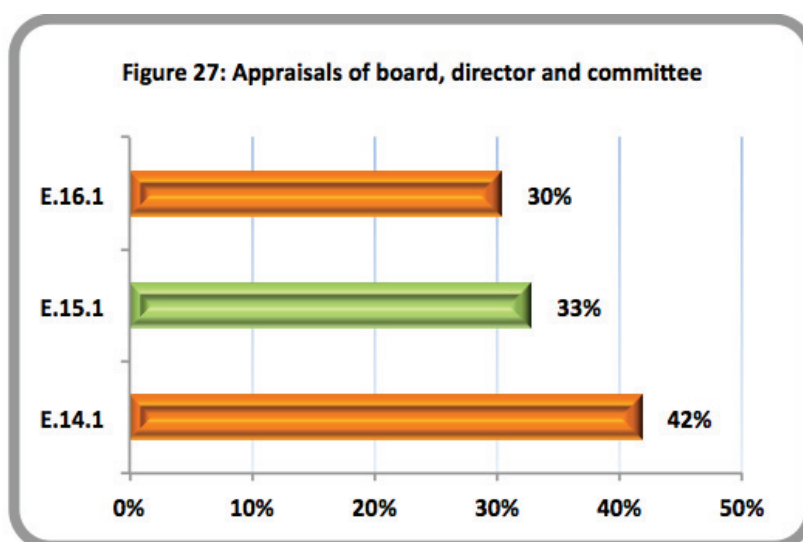
CEO Appointment and Performance

Among others, the aspects of succession planning and annual performance assessment were considered crucial in relation to the CEO and senior management. The review of 500 companies revealed that only one company disclosed sufficient details on how the board plans for the succession of the CEO and other key senior management (**E.13.1**).

In terms of the annual performance assessment of the CEO, 64 or 13 per cent of companies had claimed to have done so during the year under review (**E.13.2**).

Board Appraisal

The performance of the board as a whole ought to be assessed periodically; at least annually. Despite this strong recommendation, **Figure 27** shows that 209 or 42 per cent of companies conducted annual performance assessment of the board during the year (**E.14.1**). 30 or six per cent of companies had disclosed the process followed in conducting board assessment (**E.14.2**); and 37 or seven per cent of companies disclosed the criteria used in conducting the board assessment (**E.14.3**).



Director Appraisal

It is a best practice to undertake annual performance assessment of individual director every year.

Recommendation 2.2 of the Code states that “the Nominating Committee should develop, maintain and review the criteria to be used in the ... annual assessment of directors.”

However, as shown in **Figure 27**, 164 or 33 per cent of companies had disclosed that such an assessment was conducted during the year (**E.15.1**). It was noted with concern that only 21 companies or four per cent of companies had disclosed the process followed in conducting director assessment (**E.15.2**); and 30 or six per cent disclosed the criteria used in the director assessment (**E.15.3**).

Committee Appraisal

Earlier results show that almost all of the 500 companies had established one or more board committees. Whilst the Audit Committee is a mandatory requirement, the formation of Nominating Committee and Remuneration Committee is voluntary and was only made mandatory effective 1 June 2013. However, it was a concern to note that only 152 or 30 per cent of companies had indicated that annual performance assessment of the board committees was conducted during the period under review (**E.16.1**).

Bonus

There were 11 bonus items in the **Scorecard** of which none of the 500 companies reviewed appeared to have practised five of these items. Specifically, it was found that none of the 500 companies appeared to have,

- Allowed the use of secure electronic voting in absentia at the general meetings of shareholders (**A.1.1(B)**);
- A policy requiring directors and key officers to notify the board or its delegate at least one day before they dealt in the company shares (**B.2.1(B)**);
- Disclosed the identity of advisers/consultants to the RC appointed by the board and whether they were deemed independent or they had declared any conflicts of interests (**D.1.1(B)**);
- Used professional search firms or other external sources of candidates when searching for candidates to the board of directors (**E.3.2(B)**); and
- Set a limit of five directorships in listed companies and unlisted subsidiaries of the listed companies (**E.5.1(B)**).

As for the remaining six bonus items in the **Scorecard**, the review found instances of companies adopting these best practices.

- **At least 28 days' notice period for AGM**

Institutional investors, particularly the foreign-based, prefer longer period between the date of the notice of the AGM and the date of the AGM. In the recent CLSA-ACGA bi-annual CG Watch 2012 report (CLSA-ACGA, 2012), at least 28-days' notice period was the recommended best practice. In this regard, 50 or 21 per cent of the companies were noted to have adopted this best practice during the year under review (**B.1.1(B)**). For most companies, the practice was to comply with the minimum notice period as required by the law.¹²

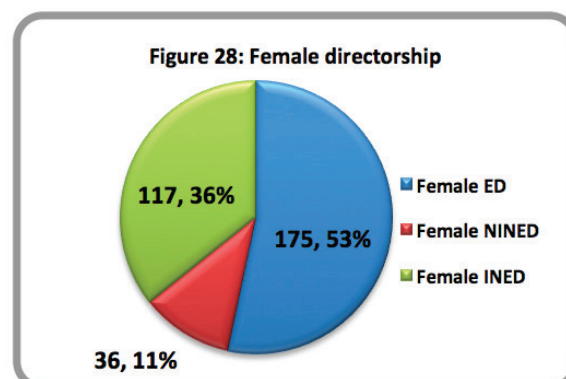
- **Gender diversity – 20% had two women directors**

There is persuasive evidence in the literature suggesting the benefits of gender diversity in the boards of companies; specifically on having women on boards (Curtis et al., 2012). The **Scorecard** recognised this aspect and gave bonus two points to any company that had at least one female independent director in their board. Out of the 500 companies assessed, 104 or 21 per cent of companies had met with this expectation (**E.1.1(B)**). Further analysis of female directorships is presented in **Figure 28**.

¹² See the discussion on notice period for AGM in Part A for further analysis of the matter of interest.

- **Women on Board – 8.6%**

From a total 3,819 directorships across the 500 companies, females accounted to 328 or approximately nine per cent directorships; 175 or 53 per cent female executive directorships '**Female EDs**' and 153 or 47 per cent female non-executive directorships '**Female NEDs**'. Further, out the 153 Female **NEDs**, 36 or 24 per cent of them were non-independent non-executive directorships '**NINEDs**' and the remaining 117 or 76 per cent were independent non-executive directorships '**INEDs**'. Evidently, females remained well under-represented at the corporate board level in all categories of directorships.



- **42% of NC entirely independent**

Given its important role, it was considered as an exemplary practice if a company's NC comprised entirely of independent directors. It was found that the NC of 211 or 42 per cent of companies were in fact comprised entirely independent directors (**E.2.1(B)**). One bonus point was given to each of these companies accordingly.

- **18% of companies did gap assessment**

The process that a company undertakes prior to nominating a particular individual for election or re-election to the board is extremely important as it has the potential to influence the board dynamics ultimately. It was regarded as useful and desirable if the company had compiled a board profile when considering board candidates. Specifically, the process would include identifying the professional skills and personal characteristics present on the current board, identifying the missing skills and characteristics, and nominate the individuals who could fill the possible gaps. The current review found 88 companies or 18 per cent were considered to have undertaken the said process and hence were given one bonus point (**E.3.1(B)**).

- **One out of 500 companies appointed external consultant for Board assessment**

In addition to conducting annual board performance assessment, it would be desirable if the company appointed an external consultant to facilitate the board assessment at least once every three years. The aim of this practice is to enhance the credibility of the board performance assessment exercise. To this end, only one company adopted this recommended practice (**E.5.1(B)**).

- **60% of companies commented on adequacy of company's internal control and risk management**

It was considered as a best practice for the board of directors to comment on the adequacy and effectiveness of the risk management and internal control system in the board's annual statement of the same. However, the current assessment revealed that 300 or 60 per cent of the companies had in their annual reports a statement from the board of directors (or the Audit Committee) commenting on the adequacy of the company's internal control and risk management system (**E.6.1(B)**). For these companies, two bonus points were awarded for this exemplary practice.

Penalty

The Penalty section had a total of 23 items of undesirable practices. From the review of the 500 companies, it was found that only eight items had instances where companies demonstrated these undesirable practices. As for the remaining 15 items, none of the companies had evidence of the following :

- Failed or neglected to offer equal treatment for share repurchases to all shareholders **(A.1.1(P))**;
- No evidence of barriers that prevented shareholders from communicating or consulting with other shareholders **(A.2.1(P))**;
- Included any additional agenda item at the most recent AGM for which due notice has not been given **(A.3.1(P))**;
- Existence of shareholders' agreement **(A.4.1(P))**, Voting cap **(A.4.2(P))** and Multiple voting rights **(A.4.3(P))**;
- Any conviction of insider trading involving directors, management and employees in the past three years **(B.1.1(P))**;
- Any cases of non-compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years **(B.2.1(P))**;
- Any sanctions by the regulator(s) for failure to make announcements within the requisite time period for materials events **(C.2.1(P))**;
- Received any "adverse opinion" **(D.1.2(P))** or "disclaimer opinion" **(D.1.3(P))** in its external audit report;
- Failed to disclose the date of first appointment of each independent director **(E.2.3(P))** or the identity of the independent director **(E.2.4(P))**; and
- Any of the directors or senior management a former employee or partner of the current external auditor (in the past two years) **(E.3.1(P))**.

The preceding findings were indeed encouraging and reflected well on Malaysian listed companies generally. However, the ensuing discussion refers to instances where there was evidence of undesirable practices among the 500 companies reviewed.

- **8% of companies had pyramid ownership structure and/or cross-holding structure**

Based on the disclosure made on the ownership and shareholding structures by the 500 companies, 40 or eight per cent of them were considered to have pyramid ownership structure and/or cross-holding structure **(A.5.1(P))**. These structures were considered as enablers for certain shareholders to obtain a degree of control disproportionate to their equity ownership. Hence, these 40 or eight per cent companies were given three penalty points each.

- **Violation of laws**

It was rather unfortunate to find several instances of failure to safeguard the interests of external stakeholders. In this regard, four companies were found to have violated certain laws, namely, breach of conditions of National Land Code, sanction by Department of Environment and penalties imposed by Employees Provident Fund and Inland Revenue.

- **Emphasis of Matter**

Out of the 500 companies assessed during the year under review, two companies received qualified "emphasis of matter" audit opinion (**D.1.1(P)**). Nevertheless, the financial statements of these two companies were considered to give a true and fair view of the financial position, financial performance and cash flows for the year ended under review.

During the year under review, there was one company that had revised its financial statements for reasons other than changes in accounting policies (**D.1.4(P)**). This company was also the single company that was considered to have experienced a major corporate scandal that pointed to weak oversight by the board of directors (**E.1.3(P)**). As a result of this failure, a piece of 234-hectare land was forfeited by the local authority for breaches of certain provisions of the National Land Code.

There were three companies that were given three penalty points because they did not comply with any listing rules and regulations over the past year apart from disclosure rules (**E.1.1(P)**). All three companies were given public reprimand by the **Exchange** for breaches of **Para 9.16(1)(a)** of the **LR**. Five penalty points were given to each company accordingly.

The latest **Code** has for the first time introduced as best practice, a tenure ship limit for independent director where it should not exceed a cumulative term of nine years (**Recommendation 3.2**). However, the **Code** notes that in exceptional cases it may be justifiable for the said director to continue serving as independent directors. In this regard, **Recommendation 3.3** states that "The board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine years." For the purpose of the **Scorecard**, failure to conform to any of these best practices deserved penalty points.

The CG Blueprint 2011 (SC, 2011) noted that in 2009, 37.3 per cent of all listed companies in Malaysia had independent directors who served on boards more than nine years. The findings of the current assessment based on 500 companies revealed a deteriorating situation whereby 271 or 54 per cent of companies had one or more independent directors who had served more than nine years (**E.2.1(P)**). Furthermore, it was also found that 206 of the 271 companies failed to provide justification and obtain shareholders' approval to retain the concerned independent directors beyond nine years (**E.2.2(P)**). One penalty point was given for each independent director who served more than nine years and for failure to justify and seek shareholders' approval for re-appointment respectively.

CONCLUDING REMARKS

The year 2012 was momentous because of the several key developments in the corporate governance landscape in Malaysia. This was the year when many of recommendations of the CG Blueprint 2011 were translated into implementation plans and became deliverables; the new Malaysian Code on Corporate Governance ('**Code**') released in March 2012 and amendments to the Listing Requirements ('**LR**') of Bursa Malaysia Securities. The country's efforts toward strengthening the corporate governance culture have been recognised by external stakeholders. These included Malaysia's improved ranking in CG performance in the bi-annual CG Watch 2012 report by CLSA-ACGA and the World Bank's CG ROSC 2012.

Malaysia also played the leading role in the CG landscape in ASEAN in terms of spearheading the ASEAN CG Scorecard ('**Scorecard**') initiative and subsequently being among the pioneer countries in ASEAN to use the said **Scorecard** in assessing listed companies' adoption of and disclosure with the recommended CG principles and best practices. To this end, this report highlights Malaysian companies' progress in this respect.

The overall findings have been positive amidst the increasing expectations for companies to improve their CG by virtue of the recommendations of the CG Blueprint, the new **Code**, the revised **LR**, and the expectations enjoined by the new Scorecard. Specifically, based on the results of **Level 1** of the **Scorecard**, there were two areas of strengths for Malaysian companies generally; with respect to aspects of equitable treatment to shareholders and disclosure & transparency. At the same time, the findings thus far, revealed that more need to be done in the aspects of rights of shareholders (particularly in the conduct AGM and its ancillary activities), dealing with other stakeholders, and the responsibilities of the board.

The findings from the **Bonus** and **Penalty** sections of the **Scorecard (Level 2)** suggest many ways for companies to enhance their CG practices and to avoid undesirable practices respectively.

Thus, the challenge facing companies is how to further improve their CG policies and practices within the framework of costs and benefits consideration. A practical strategy is to start off with the low hanging fruits. In this regard, the conduct of AGM and the process and activities before and after the AGM (as reflected in **Part A** of the **Scorecard**) are examples of such low hanging fruits. In addition, companies need to lay out the implementation plan including the implementation time table which they need to share by engaging with the relevant stakeholders.

Many quarters including directors and senior management would argue that some if not many of the recommended CG policies and practices were already in practice. If this was indeed the case, then these companies needed to be transparent by disclosing the relevant information through the communication medium, particularly the corporate website and annual report.

With the ASEAN Economic Community ('**AEC**') coming into a reality in 2015, it is compelling that companies step up their performances, including that related to CG, so that they will remain relevant and attractive to current and potential investors. It is strongly believed that the Scorecard can help companies to progress in their corporate governance journey.

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- MCG Index 2009 – 2011 Report & Findings – Methodology

GLOSSARY

AAA	Annual Audited Accounts
AC	.....	Audit Committee
AGM	.....	Annual General Meeting
AEC	.....	ASEAN Economic Committee
ACGA	.....	Asian Corporate Governance Association
ACMF	.....	ASEAN Capital Markets Forum
AR	.....	Annual Report
ASEAN	.....	Association of South East Asian Nations
CEO	.....	Chief Executive Officer
CFO	.....	Chief Financial Officer
CG	.....	Corporate Governance
CG Blueprint	.....	Corporate Governance Blueprint released by Securities Commission Malaysia in July 2011
Code	.....	Malaysian Code on Corporate Governance first released in 2000 and subsequently revised in 2007 and 2012
CLSA	.....	Credit Lyonnais Securities Asia
CMDF	.....	Capital Market Development Fund
Company	.....	A company listed in the Exchange. Also called a public listed company or PLC.
DRB	.....	Domestic Ranking Body
ED	.....	Executive Director
EGM	.....	Extraordinary General Meeting
Exchange	.....	Bursa Malaysia Berhad
GLC	.....	Government Linked Company
ICGN	.....	International Corporate Governance Network
IR	.....	Investor Relations
INED	.....	Independent Non-Executive Director
LR	.....	Listing Requirements
MEAN	.....	The most common method of finding a typical value for a list of numbers. Found by adding up all the values then dividing by the number of items. Also Called the "Average"
MSWG	.....	Minority Shareholder Watchdog Group
MCG Index	.....	Malaysian Corporate Governance Index
MD	.....	Managing Director
NC	.....	Nomination Committee
NED	.....	Non-Executive Director
NINED	.....	Non-Independent Non-Executive Director
OECD	.....	Organisation for Economic Co-operation and Development
PLC	.....	Public Listed Company
RC	.....	Remuneration Committee
RPT	.....	Related Party Transaction
SC	.....	Securities Commission Malaysia

Appendix 1

Methodology

The year 2012 represented a transitional period when the ASEAN Capital Markets Forum (ACMF) recognised MSWG as the authorised entity to use the ASEAN Corporate Governance Scorecard (**'Scorecard'**).¹³

With this appointment, several changes were made to the methodology in the current review¹⁴ where the main tool used in the annual Malaysian Corporate Governance (MCG) Index would be transitioned to the new Scorecard. There were some differences between the new **Scorecard** and the MCG Index Scorecard from 2009 – 2011 in terms of (i) the area of emphasis where it is entirely disclosure-based compared to the MCG Index 2009-2011 where performance measures were included; and (ii) the measures on performance. Certain elements of analyst input were included to gauge substance. It was felt that this element of analyst input was difficult to be adopted by the other ASEAN countries, thus MSWG agreed to adopt a standard methodology as a base which can be applied throughout the ASEAN countries.

The Scorecard essentially has two parts which are referred to as **Level 1** and **Level 2**. The descriptions and the mechanics in arriving the final score for each company are as follows.

Level 1

Level 1 comprised 183 items and they were divided into five parts corresponding with the **OECD Principles**. Each part carried different weights based on the relative importance of the area. **Table 6** shows the number of items in each part and the weights attached to each part.

	Part A	Part B	Part C	Part D	Part E	Total
No. of items	26	16	21	41	79	183
Weights	10%	15%	10%	25%	40%	100%

Each item in **Level 1** carried one point. Some items may also provide for a "Not Applicable" option. Where a practice was mandated by laws, regulations or listing rules in a country, the company is assumed to have adopted the practice unless there was evidence to the contrary. These items were referred to as 'default response items'.

The overall score in each part of **Level 1** was then computed by adding all the points in that part, adjusting for items which were not applicable to the company. The total score for a company was then computed by weighting the scores for each part according to the relative importance and totaling the weighted scores.

¹³ Further details about ACMF and the ASEAN Corporate Governance Scorecard initiative are available at www.theacmf.org and www.mswg.org.my

¹⁴ The MCG Index Scorecard can be viewed at www.mswg.org.my

Level 2

Level 2 contains 34 bonus and penalty items collectively, each with a different number of points. The bonus items were to recognise companies which went beyond items in **Level 1** by adopting other emerging good practices. The penalty items were designed to downgrade companies with poor governance practices which are not reflected in their scores for **Level 1**, such as being sanctioned by regulators for breaches of listing rules. The bonus and penalty items were designed to enhance the robustness of the **Scorecard** in assessing the extent to which companies apply the spirit of good corporate governance.

The total bonus and penalty points are added to or subtracted from the total score in **Level 1** to give the final score for the company.

Readers of this report should take note that the **Scorecard** relied heavily on disclosures made by companies. In this regard, the accessibility of information disclosed is of utmost importance.

Accessibility of Information

The assessment of companies by way of the **Scorecard** relied primarily on information contained in annual reports and company websites. Other sources of information included company announcements, circulars, articles of association, minutes of shareholders' meetings, corporate governance policies, codes of conduct, and sustainability reports. Only information which was publicly available and which was easily accessible and understood was used in the assessment. To be given points in the **Scorecard**, disclosure must be unambiguous and sufficiently complete. To be assessed and ranked, most of this information should be in English.

Sample Size

The current assessment was based on a subset of all listed companies on the **Exchange**. Specifically, only the top 500 companies based on market capitalisation as at 30 June 2012 were selected for the assessment.¹⁵

¹⁵

Apart from the use of a new **Scorecard**, the number of companies analysed was also different from those of previous years. Hence, readers are advised to exercise caution when comparing the results and findings from the current assessment to those of prior MCG Index assessments.

Country
 PLCName
 StockCode
 Expert Name
 Sector
 Year
 Date of Financial Year End

Source Document/ Location of Information

Guiding Reference

Rights of Shareholders			
A			
Basic Shareholder Rights			
A.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by annual general meeting (AGM) for final dividends?	OECD Principle II: The Rights of Shareholders and Key Ownership Functions (A) Basic shareholder rights should include the right to, amongst others: (6) share in the profits of the corporation.	Dividends announcement
A.1.1			

Right to participate in decisions concerning fundamental corporate changes.

A.2			
Do shareholders have the right to participate in:			
A.2.1	Amendments to the company's constitution?	OECD Principle II (B) Shareholders should have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as: (1) amendments to the statutes, or articles of incorporation or similar governing documents of the company	Annual Report/Company website/Articles of Association.
A.2.2	The authorisation of additional shares?	OECD Principle II (B): (2) the authorisation of additional shares	
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	OECD Principle II.(B): (3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company	

A Rights of Shareholders

A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.

A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	OECD Principle II (C): (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.	Announcement of AGM/Articles of Association/Annual Report/Company website.
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?		Annual Report/Company website/Articles of Association.
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?		Minutes of AGM/Result announcement of AGM/Articles of Association/Annual Report/Website.
A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	OECD Principle II (C): Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.	AGM Minutes/Articles of Association/Company website.
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?		
A.3.6	Do the minutes of the most recent AGM record questions and answers?	OECD Principle II (C): (2) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.	
A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)?		AGM Minutes/ Summary of Minutes
A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?		
A.3.9	Does the company disclose the list of board members who attended the most recent AGM?	OECD Principle II (C); and ICGN 2.4.2:	
A.3.10	Did the chairman of the board of directors/commissioners attend the most recent AGM?	All directors need to be able to allocate sufficient time to the board to perform their responsibilities effectively, including allowing some leeway for occasions when greater than usual time demands are made.	
A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?		
A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?		
A.3.13	Did the company organise their most recent AGM in an easy to reach location?	OECD Principle II (C)	Notice of AGM/Company website.

Rights of Shareholders			
A	A.3.14	Does the company allow for voting in absentia?	<p>OECD Principle II (C): (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.</p> <p>AGM Announcement/AGM Minutes/Articles of Association</p>
	A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	AGM Minutes.
	A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	AGM Minutes.
	A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	Company announcement/Company website.
	A.3.18	Do companies provide at least 21 days notice for all resolutions?	Company announcements/Articles of Association/Annual Report/Company website.
	A.3.19	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	Company announcements/Articles of Association/Annual Report/Company website.

A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner.

A.4	A.4.1	<p>OECD Principle II (E): Markets for corporate control should be allowed to function in an efficient and transparent manner.</p> <p>(1) The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.</p>	<p>Merger announcement/Company Report on the merger.</p>
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Rights of Shareholders

The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.

A

A.5

<p>A.5.1</p>	<p>Does the company publicly disclose policies to encourage shareholders including institutional shareholders to attend the AGM?</p>	<p>OECD Principle II (F): The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</p>	<p>Annual Report/Company website.</p>
<p>A.5.2</p>	<p>Is the share ownership by institutional investors, other than controlling shareholders, greater than 5%?</p>	<p>OECD Principle II (F): The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</p>	<p>Annual Report/Company website.</p>

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B **Equitable Treatment of Shareholders** **Guiding Reference** **Source Document/ Location of Information**

B.1		Shares and voting rights	
B.1.1	Do the company's ordinary or common shares have one vote for one share?	<p>OECD Principle III (A) All shareholders of the same series of a class should be treated equally. (1) Within any series of a class, all shares should carry the same rights. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase. Any changes in voting rights should be subject to approval by those classes of shares which are negatively affected.</p> <p>ICGN 8.3.1 Unequal voting rights Companies ordinary or common shares should feature one vote for one share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power which is disproportionate to their equity ownership should be both disclosed and justified.</p>	Annual Report / Company website / announcement
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?		Annual Report / Company website / announcement

B.2		Notice of AGM	
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	<p>OECD Principle III (C) Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern shareholder meetings: (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.</p> <p>OECD Principle III (A) All shareholders of the same series of a class should be treated equally. (4) Impediments to cross border voting should be eliminated.</p> <p>ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors in an individual basis and also the right to appoint external auditor.</p> <p>ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.</p>	Notice of AGM
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?		Notice of AGM
B.2.3	Does the notice of AGM/circulars have the following details: Are the profiles of directors/commissioners (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?		Notice of AGM/Annual Report
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?		Notice of AGM/Annual Report
B.2.5	Has an explanation of the dividend policy been provided?		Notice of AGM
B.2.6	Is the amount payable for final dividends disclosed?		Notice of AGM

Equitable Treatment of Shareholders		Guiding Reference		Source Document/ Location of Information
B				
B.2.7	Documents required to be proxy/ Were the proxy documents made easily available?			Notice of AGM
B.3 Insider trading and abusive self-dealing should be prohibited.				
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	<p>OECD Principle III (B) Insider trading and abusive dealing should be prohibited</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p> <p>ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	Annual Report / Company website / announcement	
B.3.2	Are the directors and commissioners required to report their dealings in company shares within 3 business days?			Annual Report / Company website / announcement
B.4 Related party transactions by directors and key executives.				
B.4.1	Are directors and commissioners required to disclose their interest in transactions and any other conflicts of interest?		<p>OECD Principle III (C) Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.</p> <p>ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p>ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p>	Annual Report / Company website / announcement
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?			Annual Report / Company website / announcement
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?			Annual Report / Company website / announcement
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates.			Annual Report / Company website / announcement

Guiding Reference

Protecting minority shareholders from abusive actions	
<p>B.5</p> <p>B.5.1</p> <p>Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?</p>	<p>OECD Principle III</p> <p>(A) All shareholders of the same series of a class should be treated equally.</p> <p>(2) Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.</p> <p>ICGN 2.11.1 Related party transactions</p> <p>Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p>ICGN 2.11.2 Director conflicts of interest</p> <p>Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p>ICGN 8.5 Shareholder rights of action</p> <p>Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p> <p style="text-align: right;">Annual Report / Company website / announcement / Media</p>
<p>B.5.2</p> <p>Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?</p>	<p>ICGN 8.5 Shareholder rights of action</p> <p>Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p> <p style="text-align: right;">Annual Report / Company website / announcement</p>

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C Role of Stakeholders

C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected.

C.1.1	Does the company disclose a policy that :	Stipulates the existence and scope of the company's efforts to address customers' health and safety?		
C.1.2		Explains supplier/contractor selection practice?		
C.1.3		Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?		
C.1.4		Elaborates the company's efforts to interact with the communities in which they operate?		Annual Report/Company website/Sustainability or Corporate Responsibility Report (CSR)
C.1.5		Directs the company's anti-corruption programmes and procedures?	<p>OECD Principle IV (A): The rights of stakeholders that are established by law or through mutual agreements are to be respected. In all OECD countries, the rights of stakeholders are established by law (e.g. labour, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholder interests are not legislated, many firms make additional commitments to stakeholders, and concern over corporate reputation and corporate performance often requires the recognition of broader interests.</p> <p>Global Reporting Initiative: Sustainability Report (C1.1 - C.15) International Accounting Standards 1: Presentation of Financial Statements</p>	

C		Role of Stakeholders	Guiding Reference	Source Document/ Location of Information
C.1.6	Describes how creditors' rights are safeguarded?			Annual Report/Company website/financial statements
Does the company disclose the activities that it has undertaken to implement the above mentioned policies?				
C.1.7	Customer health and safety			
C.1.8	Supplier/Contractor selection and criteria			
C.1.9	Environmentally-friendly value chain			Annual Report/company website/Sustainability or CR Report
C.1.10	Interaction with the communities			
C.1.11	Anti-corruption programmes and procedures			
C.1.12	Creditors' rights			Annual Report/Company website/financial statements
C.1.13	Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?		<p>OECD Principle IV (A) & Global Reporting Initiative</p> <p>OECD Principle V (A): Disclosure should include, but not be limited to, material information on: (7) Issues regarding employees and other stakeholders. Companies are encouraged to provide information on key issues relevant to employees and other stakeholders that may materially affect the long term sustainability of the company.</p>	Annual Report/Company website/Sustainability or CR Report.

C.2 Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.

C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?		<p>OECD Principle IV (B): Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights. The governance framework and processes should be transparent and not impede the ability of stakeholders to communicate and to obtain redress for the violation of rights.</p>	Company website/Annual Report.
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C Role of Stakeholders

C.3 Performance-enhancing mechanisms for employee participation should be permitted to develop.

C.3.1	Does the company explicitly disclose the health, safety, and welfare policy for its employees?	<p>OECD Principle IV (C): Performance-enhancing mechanisms for employee participation should be permitted to develop. In the context of corporate governance, performance enhancing mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills.</p> <p>Firm specific skills are those skills/competencies that are related to production technology and/or organizational aspects that are unique to a firm.</p> <p>Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as works councils that consider employee viewpoints in certain key decisions. With respect to performance enhancing mechanisms, employee stock ownership plans or other profit sharing mechanisms are to be found in many countries.</p>	Annual Report/Company website/ separate CR or ESG report as the case may be
C.3.2	Does the company publish data relating to health, safety and welfare of its employees?		Annual Report/Company website/ separate CR or ESG report as the case may be
C.3.3	Does the company have training and development programmes for its employees?		Annual Report/Company website/ separate CR or ESG report as the case may be
C.3.4	Does the company publish data on training and development programmes for its employees?		Annual Report/Company website/ separate CR or ESG report as the case may be
C.3.5	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?		Annual Report/Company website/ separate CR or ESG report as the case may be

C.4 Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.

C.4.1	Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behaviour?	<p>OECD Principle IV (E): Stakeholders, including individual employees and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.</p>	Annual Report/Company website
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?		Annual Report/Company website

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Source Document/ Location of Information

Guiding Reference

D		Disclosure and Transparency		Source Document/ Location of Information	
D.1		Transparent ownership structure		Guiding Reference	
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?				Annual Report
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?			OECD Principle V: Disclosure and Transparency (A) Disclosure should include, but not limited to, material information on: (3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, and beneficial ownership.	Annual Report
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?			ICGN 7.6 Disclosure of ownership ... the disclosure should include a description of the relationship of the company to other companies in the corporate group, data on major shareholders and any other information necessary for a proper understanding of the company's relationship with its public shareholders.	Annual Report
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?				Annual Report
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?				Annual Report
D.2		Quality of Annual Report		"OECD Principle V (A): (1) The financial and operating results of the company; (2) Company objectives, including ethics, environment, and other public policy commitments; (3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership; (4) Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board; (6) Foreseeable risk factors, including risk management system; (7) Issues regarding employees and other stakeholders; (8) Governance structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented. OECD Principle V (E): Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users. ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence	
	Does the company's annual report disclose the following items:				
D.2.1	Key risks				Annual Report
D.2.2	Corporate objectives				Annual Report
D.2.3	Financial performance indicators				Annual Report
D.2.4	Non-financial performance indicators				Annual Report
D.2.5	Dividend policy				Annual Report
D.2.6	Details of whistle-blowing policy				Annual Report

D	Disclosure and Transparency	Guiding Reference	Source Document/ Location of Information
D.2.7	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	ICGN 5.0 Remuneration ICGN 5.4 Transparency	Annual Report
D.2.8	Training and/or continuing education programme attended by each director/commissioner	UK Corporate Governance Code (2010) A.1.2 - the number of meetings of the board and those committees and individual attendance by directors.	Annual Report
D.2.9	Number of board of directors/commissioners meetings held during the year	CLSA-ACGA (2010) CG Watch 2010 - Appendix 2 (I) CG rules and practices	Annual Report
D.2.10	Attendance details of each director/commissioner in respect of meetings held	(19) Disclose the exact remuneration of individual directors. "	Annual Report
D.2.11	Details of remuneration of the CEO and each member of the board of directors/commissioners		Annual Report
	Corporate Governance Confirmation Statement		
D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	<p>OECD PRINCIPLE V (A) (8)</p> <p>UK CODE (JUNE 2010): Listing Rules 9.8.6 R (for UK incorporated companies) and 9.8.7 R (for overseas incorporated companies) state that in the case of a company that has a Premium listing of equity shares, the following items must be included in its Annual Report and accounts: a statement of how the listed company has applied the Main Principles set out in the UK CG Code, in a manner that would enable shareholders to evaluate how the principles have been applied; a statement as to whether the listed company has complied throughout the accounting period with all relevant provisions set out in the UK CG Code; or not complied throughout the accounting period with all relevant provisions set out in the UK CG Code, and if so, setting out: (i) those provisions, if any, it has not complied with; (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and (iii) the company's reasons for non-compliance.</p> <p>ASX CODE: Under ASX Listing Rule 4.10.3, companies are required to provide a statement in their Annual Report disclosing the extent to which they have followed the Recommendations in the reporting period. Where companies have not followed all the Recommendations, they must identify the Recommendations that have not been followed and give reasons for not following them. Annual Reporting does not diminish the company's obligation to provide disclosure under ASX Listing Rule 3.1.</p>	Annual Report

D Disclosure and Transparency

D.3. Disclosure of related party transactions (RPT)			
D.3.1	Does the company disclose its policy covering the review and approval of material/significant RPTs?	OECD Principle V: Disclosure and Transparency (A) Disclosure should include, but not limited to, material information on: (5) Related party transactions ICGN 2.11.1 Related party transactions The company should disclose details of all material related party transactions in its Annual Report.	Annual Report
D.3.2	Does the company disclose the name of the related party and relationship for each material/significant RPT?		Annual Report
D.3.3	Does the company disclose the nature and value for each material/significant RPT?		Annual Report
D.4 Directors and commissioners dealings in shares of the company			
D.4.1	Does the company disclose trading in the company's shares by insiders?	OECD Principle V (A): (3) Major share ownership and voting rights ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. ICGN 5.5 Share ownership Every company should have and disclose a policy concerning ownership of shares of the company by senior managers and executive directors with the objective of aligning the interests of these key executives with those of shareholders.	Annual Report
D.5 External auditor and Auditor Report			
D.5.1	Are audit fees disclosed? Where the same audit firm is engaged for both audit and non-audit services,	OECD Principle V (C): An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.	Annual Report
D.5.2	Are the non-audit fees disclosed?		Annual Report

Disclosure and Transparency		Source Document/ Location of Information
D.5.3	Does the non-audit fees exceed the audit fees?	<p>OECD Principle V (D): External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.</p> <p>ICGN 6.5 Ethical standards (Audit) The auditors should observe high-quality auditing and ethical standards. To limit the possible risk of possible conflicts of interest, non-audit services and fees paid to auditors for non-audit services should be both approved in advance by the audit committee and disclosed in the Annual Report.</p>

Medium of communications		Source Document/ Location of Information
D.6	Does the company use the following modes of communication?	
D.6.1	Quarterly reporting	Announcement / Company website
D.6.2	Company website	Company website
D.6.3	Analyst's briefing	Annual Report / Announcement / Company website
D.6.4	Media briefings /press conferences	Annual Report / Announcement / Company website

Timely filing/release of annual/financial reports		Source Document/ Location of Information
D.7	Is the audited annual financial report released within 120 days from the financial year end?	<p>OECD Principle V (C)</p> <p>OECD Principle V (E)</p> <p>ICGN 7.2 Timely disclosure</p> <p>ICGN 7.3 Affirmation of financial statements The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.</p>
D.7.1	Is the audited annual financial report released within 90 days from the financial year end?	Announcement
D.7.2	Is the audited annual/financial report released within 60 days from the financial year end?	Announcement
D.7.3		Announcement

D	Disclosure and Transparency	Guiding Reference	Source Document/ Location of Information
D.7.4	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?		Annual Report

D.8	Company website	Guiding Reference	Source Document/ Location of Information
	Does the company have a website disclosing up-to-date information on the following:		
D.8.1	Business operations		Company website
D.8.2	Financial statements/reports (current and prior years)		Company website
D.8.3	Materials provided in briefings to analysts and media	OECD Principle V (A)	Company website
D.8.4	Shareholding structure	OECD Principle V (E)	Company website
D.8.5	Group corporate structure	ICGN 7.1 Transparent and open communication	Company website
D.8.6	Downloadable annual report	ICGN 7.2 Timely disclosure	Company website
D.8.7	Notice of AGM and/or EGM		Company website
D.8.8	Company's constitution (company's by-laws, memorandum and articles of association)		Company website
D.8.9	All of the above (D.8.1 to D.8.8) are available in English		Company website

D.9	Investor relations	Guiding Reference	Source Document/ Location of Information
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer responsible for investor relations?	ICGN 7.1 Transparent and open communication	Annual Report / Company website

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E	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.1	Clearly defined board responsibilities and corporate governance policy		
E.1.1	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	<p>OECD PRINCIPLE VI: The Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <ol style="list-style-type: none"> 1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures. 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. 3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning. 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. 5. Ensuring a formal and transparent board nomination and election process. 6. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions. 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. 8. Overseeing the process of disclosure and communications. 	Annual Report/website
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	OECD PRINCIPLE VI (D)	Annual Report/website
E.1.3	Does the company disclose its corporate governance policy / board charter?	<p>OECD PRINCIPLE V: Disclosure and Transparency (A) Disclosure should include, but not be limited to, material information on:</p> <ol style="list-style-type: none"> 8. Governance structures and policies, in particular, the content of any corporate governance code of policy and the process by which it is implemented. 	Annual Report/website

Responsibilities of the Board

E

Responsibilities of the Board		Guiding Reference	Source Document/ Location of Information
E.2	Code of ethics or conduct		
E.2.1	Does the company have a code of ethics or conduct?		Annual Report/website
E.2.2	Are the details of the code of ethics or conduct disclosed?	<p>OECD PRINCIPLE VI (C) The board should apply high ethical standards. It should take into account the interests of stakeholders. The board has a key role in setting the ethical tone of a company, not only by its own actions, but also in appointing and overseeing key executives and consequently the management in general. High ethical standards are in the long term interests of the company as a means to make it credible and trustworthy, not only in day-to-day operations but also with respect to longer term commitments. To make the objectives of the board clear and operational, many companies have found it useful to develop company codes of conduct based on, inter alia, professional standards and sometimes broader codes of behaviour. The latter might include a voluntary commitment by the company (including its subsidiaries) to comply with the OECD Guidelines for Multinational Enterprises which reflect all four principles contained in the ILO Declaration on Fundamental Labour Rights.</p>	Annual Report/website
E.2.3	Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code?		Annual Report/website
E.2.4	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?	<p>Company-wide codes serve as a standard for conduct by both the board and key executives, setting the framework for the exercise of judgement in dealing with varying and often conflicting constituencies. At a minimum, the ethical code should set clear limits on the pursuit of private interests, including dealings in the shares of the company. An overall framework for ethical conduct goes beyond compliance with the law, which should always be a fundamental requirement.</p>	Annual Report/website
E.3	Corporate Vision/Mission		
E.3.1	Does the board of directors/commissioners periodically review and approve the vision and mission?	<p>While not explicitly stated in most codes of corporate governance, this is consistent with most codes specifying the roles of the board as including setting the direction and providing strategic leadership.</p>	Annual Report/website

	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.4	Board Structure & Composition		
E.4.1	Does the board of directors/ commissioners comprise at least five members and no more than 12 members? (i.e., between 5 - 12 members)	<p>UK Code B.1 Supporting Principle states: The board should be of sufficient size that the requirements of the business can be met and changes to the board's composition and that of its committees can be managed without undue disruption, and should not be so large as to be unwieldy. Most codes of corporate governance specify that the board should be of appropriate size but should not be too large.</p>	Annual Report
E.4.2	Do independent, non-executive directors/commissioners number at least three and make up more than 50% of the board of directors/commissioners?	<p>OECD PRINCIPLE VI (E) In order to exercise its duties of monitoring managerial performance, preventing conflicts of interest and balancing competing demands on the corporation, it is essential that the board is able to exercise objective judgement. In the first instance this will mean independence and objectivity with respect to management with important implications for the composition and structure of the board. Board independence in these circumstances usually requires that a sufficient number of board members will need to be independent of management. The ASX Code recommends at least a majority of independent directors, while the UK Code recommends at least half of the board, excluding the Chairman, be independent directors. The minimum of three independent directors is to ensure that companies with small boards have enough independent directors (note that stock exchange rules often require at least two independent directors).</p>	Annual Report
E.4.3	Does the company provide a definition of independence in its Annual Report?	<p>OECD PRINCIPLE VI: (E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>In defining independent members of the board, some principles of corporate governance have specified quite detailed presumptions for nonindependence which are frequently reflected in listing requirements. While establishing necessary conditions, such 'negative' criteria defining when an individual is not regarded as independent can usefully be complemented by 'positive' examples of qualities that will increase the probability of effective independence.</p> <p>Independent board members can contribute significantly to the decision-making of the board. They can bring an objective view to the evaluation of the performance of the board and management.</p>	Annual Report

	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.4.4		<p>OECD PRINCIPLE VI (E) In order to exercise its duties of monitoring managerial performance, preventing conflicts of interest and balancing competing demands on the corporation, it is essential that the board is able to exercise objective judgement. In the first instance this will mean independence and objectivity with respect to management with important implications for the composition and structure of the board. Board independence in these circumstances usually requires that a sufficient number of board members will need to be independent of management.</p> <p>The variety of board structures, ownership patterns and practices in different countries will thus require different approaches to the issue of board objectivity. In many instances objectivity requires that a sufficient number of board members not be employed by the company or its affiliates and not be closely related to the company or its management through significant economic, family or other ties. This does not prevent shareholders from being board members. In others, independence from controlling shareholders or another controlling body will need to be emphasised, in particular if the ex ante rights of minority shareholders are weak and opportunities to obtain redress are limited. This has led to both codes, and the law in some jurisdictions, to call for some board members to be independent of dominant shareholders; independence extending to not being their representative or having close business ties with them.</p>	Annual Report
E.4.5	Does the company have a term limit of nine years or less for its independent directors/commissioners?	<p>UK CODE (JUNE 2010): Non-executive directors should be appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director. Any term beyond six years for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board and to succession for appointments to the board and to senior management, so as to maintain an appropriate balance of skills and experience within the company and on the board.</p>	Annual Report/website
E.4.6	Has the company set a limit of five board seats in publicly-listed companies that an individual director/commissioner may hold simultaneously?		Annual Report
E.4.7	Does the company have any independent directors/commissioners who serve on more than five boards of publicly-listed companies?	<p>OECD PRINCIPLE VI (E) (3) Board members should be able to commit themselves effectively to their responsibilities. Service on too many boards can interfere with the performance of board members. Companies may wish to consider whether multiple board memberships by the same person are compatible with effective board performance and disclose the information to shareholders.</p>	Annual Report
E.4.8	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?		Annual Report

Guiding Reference		Source Document/ Location of Information
E	Responsibilities of the Board	
E.5	Skills and Competencies	
E.5.1	Does at least one non-executive director/commissioner have prior working experience in the major industry the company is operating in?	<p>ICGN: 2.4.3 Independence Alongside appropriate skill, competence and experience, and the appropriate context to encourage effective behaviours, one of the principal features of a well-governed corporation is the exercise by its board of directors of independent judgement, meaning judgement in the best interests of the corporation, free of any external influence on any individual director, or the board as a whole. In order to provide this independent judgement, and to generate confidence that independent judgement is being applied, a board should include a strong presence of independent non-executive directors with appropriate competencies including key industry sector knowledge and experience. There should be at least a majority of independent directors on each board.</p>
E.5.2	Does the company disclose a board of directors/commissioners diversity policy?	<p>ASX Code Recommendation 3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.</p> <p>Regulations and codes of corporate governance in many developed markets now incorporate board diversity as a consideration in board composition</p>
E.6	Board Chairman	
E.6.1	Do different persons assume the roles of chairman and CEO?	Annual Report/website
E.6.2	Is the chairman a non-executive director/commissioner?	Annual Report/website
E.6.3	Is the chairman an independent director/commissioner?	Annual Report/website

	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.6.4	Is the chairman the current or immediate past CEO?	<p>UK Code (June 2010) A.3.1 The chairman should on appointment meet the independence criteria set out in B.1.1 below. A chief executive should not go on to be chairman of the same company. If, exceptionally, a board decides that a chief executive should become chairman, the board should consult major shareholders in advance and should set out its reasons to shareholders at the time of the appointment and in the next Annual Report.</p> <p>ASX Code Recommendation 3.2 The chief executive officer should not go on to become chair of the same company. A former chief executive officer will not qualify as an "independent" director unless there has been a period of at least three years between ceasing employment with the company and serving on the board.</p>	Annual Report/website
E.6.5	Are the role and responsibilities of the chairman disclosed?	<p>ICGN: 2.5 Role of the Chair The chair has the crucial function of setting the right context in terms of board agenda, the provision of information to directors, and open boardroom discussions, to enable the directors to generate the effective board debate and discussion and to provide the constructive challenge which the company needs. The chair should work to create and maintain the culture of openness and constructive challenge which allows a diversity of views to be expressed...The chair should be available to shareholders for dialogue on key matters of the company's governance and where shareholders have particular concerns.</p>	Annual Report/website
E.7	Board meetings and attendance		
E.7.1	Are the board of directors/commissioners meetings scheduled before or at the beginning of the year?	Scheduling board meetings before or at the beginning of the year would allow directors to plan ahead to attend such meetings, thereby helping to maximise participation, especially as non-executive directors often have other commitments. Additional ad hoc meetings can always be scheduled if and when necessary. It is common practice for boards in developed markets to schedule meetings in this way.	Annual Report
E.7.2	Does the board of directors/commissioners meet at least six times per year?	<p>WORLD BANK PRINCIPLE 6 (VI.1.24) Does the board meet at least six times per year?</p> <p>INDO SCORECARD E.10. How many meetings were held in the past year? If the board met more than six times, the firm earns a 'Y' score. If four to six meetings, the firm was scored as 'fair', while less than four times was scored as 'N'</p>	Annual Report

Guiding Reference		Source Document/ Location of Information
E	Responsibilities of the Board	
E.7.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	<p>OECD PRINCIPLE VI (E) (3) Board members should be able to commit themselves effectively to their responsibilities.</p> <p>Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders. Achieving legitimacy would also be facilitated by the publication of attendance records for individual board members (e.g. whether they have missed a significant number of meetings) and any other work undertaken on behalf of the board and the associated remuneration.</p>
E.7.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	<p>WORLD BANK PRINCIPLE 6 (VI.1.28) Is there a minimum quorum of at least 2/3 for board decisions to be valid?</p>
E.7.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	<p>WORLD BANK PRINCIPLE 6 (VI.E.1.6) Does the corporate governance framework require or encourage boards to conduct executive sessions?</p>
E.8	Orientation Programme for New Directors	
E.8.1	Does the company have orientation programmes for new directors/commissioners?	<p>This item is in most codes of corporate governance.</p> <p>Annual Report</p>
E.9	Director Training	
E.9.1	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	<p>OECD PRINCIPLE VI (E) (3) Board members should be able to commit themselves effectively to their responsibilities.</p> <p>In order to improve board practices and the performance of its members, an increasing number of jurisdictions are now encouraging companies to engage in board training and voluntary self-evaluation that meets the needs of the individual company. This might include that board members acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training and external courses.</p> <p>Annual Report</p>

Responsibilities of the Board		Guiding Reference	Source Document/ Location of Information
E.10	Access to information		
E.10.1	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	<p>OECD PRINCIPLE VI (F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.</p> <p>Board members require relevant information on a timely basis in order to support their decision-making. Non-executive board members do not typically have the same access to information as key managers within the company. The contributions of non-executive board members to the company can be enhanced by providing access to certain key managers within the company such as, for example, the company secretary and the internal auditor, and recourse to independent external advice at the expense of the company. In order to fulfil their responsibilities, board members should ensure that they obtain accurate, relevant and timely information.</p> <p>WORLDBANK PRINCIPLE 6 (VI.F.2) Does such information need to be provided to the board at least five business days in advance of the board meeting?</p>	Annual Report
E.10.2	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	<p>OECD PRINCIPLE VI (F)</p> <p>ICSA Guidance on the Corporate Governance Role of the Company Secretary</p>	Annual Report
E.10.3	Is the company secretary trained in legal, accountancy or company secretarial practices?	<p>WORLDBANK PRINCIPLE 6 (VI.D.2.12) Do company boards have a professional and qualified company secretary?</p>	Annual Report

E	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.1.1	Nominating Committee		
E.1.1.1	Does the company have a Nominating Committee (NC)?	<p>OECD PRINCIPLE II (C)</p> <p>(3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.</p> <p>With respect to nomination of candidates, boards in many companies have established Nominating Committees to ensure proper compliance with established nomination procedures and to facilitate and coordinate the search for a balanced and qualified board. It is increasingly regarded as good practice in many countries for independent board members to have a key role on this committee. To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.</p> <p>OECD PRINCIPLE VI (E)</p> <p>(1) Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.</p>	Annual Report
E.1.1.2	Does the Nominating Committee comprise of a majority of independent directors/commissioners?		Annual Report
E.1.1.3	Is the chairman of the Nominating Committee an independent director/commissioner?	This item is in most codes of corporate governance.	Annual Report
E.1.1.4	Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?		Annual Report/website

	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.11.5	Does the Annual Report disclose the number of Nominating Committee meetings held?	OECD PRINCIPLE VI (E) (2) When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board. While the use of committees may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members. In order to evaluate the merits of board committees it is therefore important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in an increasing number of jurisdictions where boards are establishing independent Audit Committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Other such committees include those dealing with nomination and compensation. The accountability of the rest of the board and the board as a whole should be clear. Disclosure should not extend to committees set up to deal with, for example, confidential commercial transactions	Annual Report
E.11.6	Did the Nominating Committee meet at least twice during the year?	Given the responsibilities of the NC spelt out in codes of corporate governance, the NC is unlikely to be fulfilling these responsibilities effectively if it is only meeting once a year. Globally, the NC of large companies would meet several times a year.	Annual Report
E.11.7	Is the attendance of members at Nominating Committee meetings disclosed?		Annual Report

E.12	Board Appointments and Re-Election		
E.12.1	Does the company disclose the criteria used in selecting new directors/commissioners?	OECD PRINCIPLE II (C) (3) To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.	Annual Report/website
E.12.2	Does the company disclose the process followed in appointing new directors/commissioners?	OECD Principle VI (D) (5) Ensuring a formal and transparent board nomination and election process. These Principles promote an active role for shareholders in the nomination and election of board members. The board has an essential role to play in ensuring that this and other aspects of the nominations and election process are respected. First, while actual procedures for nomination may differ among countries, the board or a nomination committee has a special responsibility to make sure that established procedures are transparent and respected. Second, the board has a key role in identifying potential members for the board with the appropriate knowledge, competencies and expertise to complement the existing skills of the board and thereby improve its value-adding potential for the company. In several countries there are calls for an open search process extending to a broad range of people.	Annual Report/website

E	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.12.3	Are all the directors/commissioners subject to re-election at least once every three years?	<p>ICGN: 2.9.1 Election of directors: Directors should be conscious of their accountability to shareholders, and many jurisdictions have mechanisms to ensure that this is in place on an ongoing basis. There are some markets however where such accountability is less apparent and in these each director should stand for election on an annual basis. Elsewhere directors should stand for election at least once every three years, though they should face evaluation more frequently.</p> <p>WORLD BANK PRINCIPLE 6 (VI.1.18) Can the re-election of board members be staggered over time? (Staggered boards are those where only a part of the board is re-elected at each election, e.g. only 1/3 of directors are re-elected every year.)</p>	Annual Report/website

E.13	CEO/Executive Management Appointments and Performance		
E.13.1	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	<p>OECD PRINCIPLE VI (D) (3) Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing the succession planning.</p> <p>In two tier board systems the supervisory board is also responsible for appointing the management board which will normally comprise most of the key executives.</p>	Annual Report/website
E.13.2	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	<p>OECD PRINCIPLE VI (D) (2). Monitoring the effectiveness of the company's governance practices and making changes as needed.</p> <p>Monitoring of governance by the board also includes continuous review of the internal structure of the company to ensure that there are clear lines of accountability for management throughout the organisation. In addition to requiring the monitoring and disclosure of corporate governance practices on a regular basis, a number of countries have moved to recommend or indeed mandate self-assessment by boards of their performance as well as performance reviews of individual board members and the CEO/Chairman.</p>	Annual Report

E		Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.14	Board Appraisal			
E.14.1	Is an annual performance assessment conducted of the board of directors/commissioners?	<p>OECD PRINCIPLE VI (D) (2)</p>		Annual Report
E.14.2	Does the company disclose the process followed in conducting the board assessment?			Annual Report/website
E.14.3	Does the company disclose the criteria used in the board assessment?			Annual Report/website
E.15	Director Appraisal			
E.15.1	Is an annual performance assessment conducted of individual director/commissioner?	<p>OECD PRINCIPLE VI (D) (2)</p>		Annual Report
E.15.2	Does the company disclose the process followed in conducting the director/commissioner assessment?			Annual Report/website
E.15.3	Does the company disclose the criteria used in the director/commissioner assessment?			Annual Report/website
E.16	Committee Appraisal			
E.16.1	Is an annual performance assessment conducted of the board of directors/commissioners committees?	<p>UK CODE (JUNE 2010) B.6 Evaluation: The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.</p>		Annual Report

E	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.17	Remuneration Committee/ Compensation Committee		
E.17.1	Does the company have a Remuneration Committee?	OECD PRINCIPLE VI (D)	Annual Report
E.17.2	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?	(4) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. It is considered good practice in an increasing number of countries that remuneration policy and employment contracts for board members and key executives be handled by a special committee of the board comprising either wholly or a majority of independent directors. There are also calls for a Remuneration Committee that excludes executives that serve on each others' Remuneration Committees, which could lead to conflicts of interest.	Annual Report
E.17.3	Is the chairman of the Remuneration Committee an independent director/commissioner?		Annual Report
E.17.4	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	OECD PRINCIPLE VI (E) (2) When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.	Annual Report/website
E.17.5	Does the Annual Report disclose the number of Remuneration Committee meetings held?	While the use of committees may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members. In order to evaluate the merits of board committees it is therefore important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in an increasing number of jurisdictions where boards are establishing independent Audit Committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Other such committees include those dealing with nomination and compensation. The accountability of the rest of the board and the board as a whole should be clear. Disclosure should not extend to committees set up to deal with, for example, confidential commercial transactions	Annual Report
E.17.6	Did the Remuneration Committee meet at least twice during the year?		Annual Report
E.17.7	Is the attendance of members at Remuneration Committee meetings disclosed?	Given the responsibilities of the Remuneration Committee (RC) which are spelt out in codes of corporate governance, the RC is unlikely to be fulfilling these responsibilities effectively if it only meets once a year. Globally, the RC of large companies would meet several times a year.	Annual Report

Responsible Party		Guiding Reference		Source Document/ Location of Information
E	Responsibilities of the Board			
E.18	Remuneration Matters			
E.18.1	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	<p>OECD PRINCIPLE VI (D) (4) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>In an increasing number of countries it is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations. Policy statements generally tend to set conditions for payments to board members for extra-board activities, such as consulting. They also often specify terms to be observed by board members and key executives about holding and trading the stock of the company, and the procedures to be followed in granting and re-pricing of options. In some countries, policy also covers the payments to be made when terminating the contract of an executive.</p>	Annual Report/website	
E.18.2	Is there disclosure of the fee structure for non-executive directors/commissioners?	<p>UK CODE (JUNE 2010) D.1.3 Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role.</p> <p>Disclosure of fee structure for non-executive directors allows shareholders to assess if these directors are remunerated in an appropriate manner, for example, whether they are paid for taking on additional responsibilities and contributions, such as chairing committees.</p>	Annual Report	
E.18.3	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	<p>OECD PRINCIPLE VI. (D.4) The Board should fulfill certain key functions including aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>ICGN 2.3 (D) and (E) D. Selecting, remunerating, monitoring and where necessary replacing key executives and overseeing succession planning. E. Aligning key executives and Board remuneration with the longer term interest of the company and its shareholders.</p>	Annual Report/Notice to AGM	

	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.18.4	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	<p>UK CODE (JUNE 2010) (D.1.3) Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for non-executive directors should not include share options or other performance-related elements. If, by exception, options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the non-executive director leaves the board. Holding of share options could be relevant to the determination of a non-executive director's independence (as set out in provision B.1.1).</p> <p>ASX CODE Box 8.2: Guidelines for non-executive director remuneration Companies may find it useful to consider the following when considering non-executive director remuneration: 1. Non-executive directors should normally be remunerated by way of fees, in the form of cash, noncash benefits, superannuation contributions or salary sacrifice into equity; they should not normally participate in schemes designed for the remuneration of executives. 2. Non-executive directors should not receive options or bonus payments. 3. Non-executive directors should not be provided with retirement benefits other than superannuation.</p>	Annual Report/Notice to AGM/Announcements
E.19	Audit Committee		
E.19.1	Does the company have an Audit Committee?	<p>OECD PRINCIPLE VI (E) (1) Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.</p>	Annual Report
E.19.2	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	<p>OECD PRINCIPLE VI (E) (2) When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p> <p>While the use of committees may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members. In order to evaluate the merits of board committees it is therefore important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the increasing number of jurisdictions where boards are establishing independent Audit Committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Other such committees include those dealing with nomination and compensation. The accountability of the rest of the board and the board as a whole should be clear. Disclosure should not extend to committees set up to deal with, for example, confidential commercial transactions.</p>	Annual Report
E.19.3	Is the chairman of the Audit Committee an independent director/commissioner?		Annual Report

E	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.19.4	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?		Annual Report/website
E.19.5	Does the Annual Report disclose the profile or qualifications of the Audit Committee members?	Most codes specify the need for accounting/finance expertise or experience.	Annual Report
E.19.6	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	UK CODE (JUNE 2010) C.3.1. The board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience. As many of the key responsibilities of the Audit Committee are accounting-related, such as oversight of financial reporting and audits, it is important to have someone specifically with accounting expertise, not just general financial expertise.	Annual Report
E.19.7	Does the Annual Report disclose the number of Audit Committee meetings held?		Annual Report
E.19.8	Did the Audit Committee meet at least four times during the year?	OECD PRINCIPLE VI (E) (2)	Annual Report
E.19.9	Is the attendance of members at Audit Committee meetings disclosed?		Annual Report

	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.19.10	Does the Audit Committee have primary responsibility for recommendation on the appointment, re-appointment and removal of the external auditor?	UK CODE (JUNE 2010) C.3.6 The Audit Committee should have primary responsibility for making a recommendation on the appointment, re-appointment and removal of the external auditor. If the board does not accept the Audit Committee's recommendation, it should include in the Annual Report, and in any papers recommending appointment or re-appointment, a statement from the Audit Committee explaining the recommendation and should set out reasons why the board has taken a different position.	Annual Report/website
E.20	Internal Audit		
E.20.1	Does the company have a separate internal audit function?	OECD PRINCIPLE VI (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. Ensuring the integrity of the essential reporting and monitoring systems will require the board to set and enforce clear lines of responsibility and accountability throughout the organisation. The board will also need to ensure that there is appropriate oversight by senior management. One way of doing this is through an internal audit system directly reporting to the board.	Annual Report
E.20.2	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	Companies often disclose that they have an internal audit but, in practice, it is not uncommon for it to exist more in form than in substance. For example, the in-house internal audit may be assigned to someone with other operational responsibilities. As internal audit is unregulated, unlike external audit, there are firms providing outsourced internal audit services which are not properly qualified to do so. Making the identity of the head of internal audit or the external service provider public would provide some level of safeguard that the internal audit is substantive.	Annual Report
E.20.3	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	OECD PRINCIPLE VI (D) (7) In some jurisdictions it is considered good practice for the internal auditors to report to an independent Audit Committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. WORLD BANK PRINCIPLE 6 (VI.D.7.9) Does the internal auditor have direct and unfettered access to the board of directors and its independent Audit Committee? ASX Principles on CG "...companies should consider a second reporting line from the internal audit function to the board or relevant committee." Under the ASX Principles it is also recommended that the Audit Committee have access to internal audit without the presence of management, and that "the audit committee should recommend to the board the appointment and dismissal of a chief internal audit executive."	Annual Report

Responsibilities of the Board		Guiding Reference	Source Document/ Location of Information
E.21	Risk Oversight		
E.21.1	Does the company disclose the internal control procedures/risk management systems it has in place?	OECD PRINCIPLE 6 (VI) (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.	Annual Report/website
E.21.2	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	UK CODE (JUNE 2010) C.2.1 The board should, at least annually, conduct a review of the effectiveness of the company's risk management and internal control systems and should report to shareholders that they have done so. The review should cover all material controls, including financial, operational and compliance controls.	Annual Report
E.21.3	Does the company disclose how key risks are managed?	OECD PRINCIPLE V (A) (6) Foreseeable risk factors. Disclosure of risk is most effective when it is tailored to the particular industry in question. Disclosure about the system for monitoring and managing risk is increasingly regarded as good practice.	Annual Report/website

Country
 PLCName
 StockCode
 Expert Name
 Sector
 Year
 Date of Financial Year End

Level 2		Guiding Reference		Source Document/ Location of Information	
Bonus Items					

A					
Rights of shareholders					
A.1		Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.			
A.1.1(B)		Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders?		<p>OECD Principle II (C) (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.</p>	Source: Annual Report/Company website/Articles of Association/announcement of AGM/Minutes of Meeting.

B					
Equitable treatment of shareholders					
B.1		Notice of AGM			
B.1.1(B)		Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?		<p>OECD Principle II (C) (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.</p> <p>OECD Principle III (A)</p> <p>ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors.</p> <p>ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.</p> <p>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2. (I) CG rules and practices (25) Do companies release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?</p>	Notice of AGM / announcement

Level 2		Guiding Reference		Source Document/ Location of Information	
B.2	Insider trading and abusive self-dealing should be prohibited.				
B.2.1(B)	Does the company have a policy requiring directors / Commissioners and key officers to notify the Board or its delegate at least one day before they deal in the company shares?	<p>OECD Principle III (B) Insider trading and abusive dealing should be prohibited</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p> <p>ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>			Annual Report / Company website
D	Disclosure and transparency				
D.1	Quality of Annual Report				
D.1.1(B)	Does the company disclose the identity of advisers/consultants to the remuneration/compensation committee appointed by the board and whether they are deemed independent or they have declared any conflicts of interests?	<p>OECD Principle V (F): The corporate governance framework should be complemented by an effective approach that addresses and promotes the provision of analysis or advice by analysts, brokers, rating agencies and others, that is relevant to decisions by investors, free from material conflicts of interest that might compromise the integrity of their analysis and advice.</p>			Annual Report
E	Responsibilities of the Board				
E.1	Board Competencies and Diversity				
E.1.1(B)	Does the company have at least one female independent director/commissioner?	<p>ICGN 2.4.1 Skills and experience The board should consist of directors with the requisite range of skills, competence, knowledge, experience and approach, as well as a diversity of perspectives, to set the context for appropriate board behaviours and to enable it to discharge its duties and responsibilities effectively.</p>			Annual Report

Guiding Reference		Source Document/ Location of Information
Level 2	Bonus Items	
E.2	Nominating Committee	
E.2.1(B)	Does the Nominating Committee comprise entirely of independent directors/commissioners?	ICGN 2.4.4 Composition of board committees The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners. Annual Report
E.3	Board Appointments and Re-Election	
E.3.1(B)	Does the company compile a board profile when considering candidates to the board (i.e., identify the professional skills and personal characteristics present on the current board; identify the missing skills and characteristics; and nominate individuals who could fill possible gaps)?	ASX Code Selection and appointment process and re-election of directors • Disclosure of board selection processes - companies are encouraged to provide greater transparency of the processes which the board adopts in searching for and selecting new directors to the board and to report to shareholders on the processes. Such reporting could include the following: – details as to whether the company develops a board skills matrix and uses this matrix to identify any 'gaps' in the skills and experience of the directors on the board – the process by which candidates are identified and selected including whether professional intermediaries are used to identify and/or assess candidates – the steps taken to ensure that a diverse range of candidates is considered – the factors taken into account in the selection process. Annual Report/Company website
E.3.2(B)	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?	WORLD BANK PRINCIPLE 6 (VI.1.21) Are boards known to hire professional search firms when proposing candidates to the board? Annual Report/Company website
E.4	Board Structure & Composition	
E.4.1(B)	Has the company set a limit of five board seats in PLCs including its unlisted subsidiaries?	Pls include a guiding reference Annual Report

Level 2		Bonus Items	Guiding Reference	Source Document/ Location of Information
E.5	Board Appraisal			
E.5.1(B)	Does the company appoint an external consultant to facilitate the board assessment at least once every three years?	Does the company appoint an external consultant to facilitate the board assessment at least once every three years?	UK CODE (JUNE 2010) B.6.2 Evaluation of the board of FTSE 350 companies should be externally facilitated at least every three years. A statement should be made available of whether an external facilitator has any other connection with the company	Annual Report/Company website
E.6	Risk Oversight			
E.6.1 (B)	Does the Annual Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	Does the Annual Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	OECD PRINCIPLE 6 (VI) (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. In some jurisdictions it is considered good practice for the internal auditors to report to an independent audit committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. It should also be regarded as good practice for this committee, or equivalent body, to review and report to the board the most critical accounting policies which are the basis for financial reports. However, the board should retain final responsibility for ensuring the integrity of the reporting systems. Some countries have provided for the chair of the board to report on the internal control process.	Annual Report

Country
 PLCName
 StockCode
 Expert Name
 Sector
 Year
 Date of Financial Year End

Level 2		Penalty	Guiding Reference	Source Document/ Location of Information
A Rights of shareholders				
A.1 Basic shareholder rights				
A.1.1(P)	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?		OECD Principle II (A)	Repurchase Notice/announcement, Annual Report
A.2	Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse. Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?		OECD Principle II (G)	Annual Report/Company website.
A.2.1(P)			Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.	
A.3	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.			
A.3.1(P)	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?		OECD Principle II (C) 2	Minutes of Meeting, Meeting results notice
A.4	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.			
A.4.1(P)	Did the company fail to disclose the existence of: Shareholders agreement?			
A.4.2(P)	Voting cap?			
A.4.3(P)	Multiple voting rights?		OECD Principle II (D)	Annual Report/Company website/articles of association/Company announcement/Media

Guiding Reference		Source Document/ Location of Information	
Level 2	Penalty		
A.5	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.	<p>OECD Principle II (D): Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</p> <p>Some capital structures allow a shareholder to exercise a degree of control over the corporation disproportionate to the shareholders' equity ownership in the company. Pyramid structures, cross shareholdings and shares with limited or multiple voting rights can be used to diminish the capability of noncontrolling shareholders to influence corporate policy.</p>	To check for the existence of pyramid & cross holding structure(s): Disclosure in Annual Report/website of the company. It may be directly reported by the company or it may be disclosed in the form of Group Structure that reveals the ownership of the controlling shareholder(s) in companies belonging to the group. Other sources: Check on ownership structures of chains of entities that directly/indirectly owns the listed company.
A.5.1(P)	Is a pyramid ownership structure and/ or cross holding structure apparent?		
B	Equitable treatment of shareholders		
B.1	Insider trading and abusive self-dealing should be prohibited.	<p>OECD Principle III: The Equitable Treatment of Shareholders (B) Insider trading and abusive dealing should be prohibited.</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p> <p>ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	Annual Report / Company website / announcement / Media
B.1.1(P)	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?		

Level 2		Guiding Reference		Source Document/ Location of Information
B.2	<p>Penalty</p> <p>Protecting minority shareholders from abusive action</p>	<p>OECD Principle III (B) Insider trading and abusive dealing should be prohibited</p> <p>ICGN 2.1.1.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p>ICGN 2.1.1.2 Director conflicts of interest Companies should have a process for identifying and managing any conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p>ICGN 8.5 Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	<p>Annual Report / Company website / announcement / Media</p>	
B.2.1(P)	<p>Has there been any cases of non compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years?</p>			
C				
Role of stakeholders				
C.1	<p>The rights of stakeholders that are established by law or through mutual agreements are to be respected.</p>			
C.1.1(P)	<p>Has there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues?</p>	<p>OECD Principle IV (A) The rights of stakeholders that are established by law or through mutual agreements are to be respected.</p>	<p>Sanction(s) from Regulator(s)/Media coverage/Company announcement/Annual Report/Company website</p>	

Guiding Reference		Source Document/ Location of Information	
Level 2	Penalty		
C.2	Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.		
C.2.1(P)	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	<p>OECD Principle IV</p> <p>(B) Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.</p>	Sanction(s) from Regulator(s)/Media/Company announcement/Annual Report/Company website
D	Disclosure and transparency		
D.1	Sanctions from regulator on financial reports		
D.1.1(P)	Did the company receive a "qualified opinion" in its external audit report?	<p>OECD Principle V: Disclosure and Transparency</p> <p>(B) Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosures.</p> <p>(C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>(D) External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.</p>	Annual Report - see Independent Auditor's Report accompanying the company's financial statements.
D.1.2(P)	Did the company receive a "adverse opinion" in its external audit report?	<p>ICGN 6.2 Annual audit</p> <p>The annual audit carried out on behalf of shareholders is an essential part of the checks and balances required at a company. It should provide an independent and objective opinion that the financial statements fairly represent the financial position and performance of the company in all material respects, give a true and fair view of the affairs of the company and are in compliance with applicable laws and regulations.</p>	Annual Report - see Independent Auditor's Report accompanying the company's financial statements.
D.1.3(P)	Did the company receive a "disclaimer opinion" in its external audit report?	<p>ICGN 7.3 Affirmation of financial statements</p> <p>The board of directors and the appropriate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.</p>	Annual Report - see Independent Auditor's Report accompanying the company's financial statements.
D.1.4(P)	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?	<p>International Auditing Standard (ISA) No. 705 "Modifications to the Opinion in the Independent Auditor's Report" (2009).</p> <p>Paras 7, 8 and 9 specify the three types of modifications to the auditor's opinion; that is, Qualified opinion, Adverse opinion, and Disclaimer opinion respectively.</p>	Media / announcement

Level 2		Penalty		Source Document/ Location of Information	
Responsibilities of the Board					
Compliance with listing rules, regulations and applicable laws					
E.1	E.1.1(P)	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	<p>OECD Principle VI (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>Companies are also well advised to set up internal programmes and procedures to promote compliance with applicable laws, regulations and standards, including statutes to criminalise bribery of foreign officials that are required to be enacted by the OECD Anti-bribery Convention and measures designed to control other forms of bribery and corruption. Moreover, compliance must also relate to other laws and regulations such as those covering securities, competition and work and safety conditions. Such compliance programmes will also underpin the company's ethical code.</p>	Company announcements to the exchange/Media	
E.1.2(P)		Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	<p>UK CODE (JUNE 2010) A.4.3 Where directors have concerns which cannot be resolved about the running of the company or a proposed action, they should ensure that their concerns are recorded in the board minutes. On resignation, a non-executive director should provide a written statement to the chairman, for circulation to the board, if they have any such concerns.</p>	Company announcements to the exchange/Media	
E.1.3(P)		Have there been major corporate scandals that point to weak board of directors/commissioners oversight?	<p>OECD PRINCIPLE VI.D.7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>Ensuring the integrity of the essential reporting and monitoring systems will require the board to set and enforce clear lines of responsibility and accountability throughout the organisation. The board will also need to ensure that there is appropriate oversight by senior management.</p>	Company announcements to the exchange/Media reports	

Level 2		Guiding Reference		Source Document/ Location of Information
Penalty				
E.2	Board A			
E2.1(P)	Does the Company have any independent directors/commissioners who have served for more than nine years?	<p>OECD Principle V (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.</p>	Annual report/Company website	
E2.2(P)	Did the company fail to provide justification and obtain shareholder's approval for retaining the independent director(s)/commissioner(s) beyond nine years?	<p>Malaysian Code on Corporate Governance Recommendation 3.3: The board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine years.</p> <p>Singapore Code of Corporate Governance Paragraph 2.4: The independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.</p>	Annual report/Company website/Notice of AGM/Announcement of outcome of AGM/Minutes of AGM	
E2.3(P)	Did the company fail to disclose the date of first appointment of each independent directors(s)/commissioner(s)?		Annual report/Company website/Notice of AGM	

Level 2		Penalty		Guiding Reference		Source Document/ Location of Information	
E2.4(P)	Did the company fail to disclose the identity of the independent director(s)/commissioner(s)?			<p>ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence</p>		Annual Report	
E.3	External Audit						
E.3.1(P)	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?			<p>OECD Principle V (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.</p>		Annual Report	

Appendix 2

RESULTS OF TOP 100 COMPANIES IN ALPHABETICAL ORDER

(Assessment as per ASEAN CG Scorecard on Top 500 Companies According to Market Capitalisation as at 30 June 2012)

- | | | |
|----------|----------|----------------------------------|
| | A | |
| | 1 | AIRASIA BHD |
| | 2 | ALLIANCE FINANCIAL GROUP BHD |
| | 3 | AMMB HOLDINGS BHD |
| | 4 | AMWAY (M) HOLDINGS BHD |
| | 5 | AXIATA GROUP BHD |
| B | | |
| 6 | | BIMB HOLDINGS BHD |
| 7 | | BOUSTEAD HOLDINGS SENDIRIAN BHD |
| 8 | | BRITISH AMERICAN TOBACCO (M) BHD |
| 9 | | BUMI ARMADA BHD |
| 10 | | BURSA MALAYSIA BHD |
| | C | |
| | 11 | C.I.HOLDINGS BHD |
| | 12 | CAHYA MATA SARAWAK BHD |
| | 13 | CARLSBERG BREWERY MALAYSIA BHD |
| | 14 | CCM DUOPHARMA BIOTECH BHD |
| | 15 | CIMB GROUP HOLDINGS BHD |
| | 16 | CNI HOLDINGS BHD |
| D | | |
| 17 | | DEGEM BHD |
| 18 | | DIGI.COM BHD |
| 19 | | DIJAYA CORPORATION BHD |
| 20 | | DRB-HICOM BHD |
| | E | |
| | 21 | ETI TECH CORPORATION BHD |
| | 22 | EVERSENDAI CORPORATION BHD |

RESULTS OF TOP 100 COMPANIES IN ALPHABETICAL ORDER

(Assessment as per ASEAN CG Scorecard on Top 500 Companies According to Market Capitalisation as at 30 June 2012)

F

23 FABER GROUP BERHAD

24 FIMA CORPORATION BHD

G

25 GUINNESS ANCHOR BHD

H

26 HEITECH PADU BHD

27 HELP INTERNATIONAL CORPORATION BHD

28 HONG LEONG BANK BHD

I

29 IJM CORPORATION BHD

30 IJM LAND BERHAD

31 IJM PLANTATIONS BHD

J

32 JAVA BERHAD

K

33 KIM LOONG RESOURCE BHD

34 KULIM (M) BHD

RESULTS OF TOP 100 COMPANIES IN ALPHABETICAL ORDER

(Assessment as per ASEAN CG Scorecard on Top 500 Companies According to Market Capitalisation as at 30 June 2012)

M

- 40 MAGNA PRIMA BHD
- 41 MALAYAN BANKING BHD
- 42 MALAYSIA AIRPORT HOLDINGS BHD
- 43 MALAYSIA BUILDING SOCIETY BHD
- 44 MALAYSIA MARINE AND HEAVY ENGINEERING BHD
- 45 MALAYSIA SMELTING CORPORATION BHD
- 46 MALAYSIA STEEL WORKS (KL) BHD
- 47 MALAYSIAN AIRLINE SYSTEM BHD
- 48 MALAYSIAN RESOURCES CORP NHD
- 49 MAXIS BHD
- 50 MAXWELL INTERNATIONAL HOLDINGS BHD
- 51 MBM RESOURCES BHD
- 52 MEDIA PRIMA BHD
- 53 MHC PLANTATIONS BHD
- 54 MUDA HOLDINGS BHD
- 55 MULPHA INTERNATIONAL BHD
- 56 MULTI SPORTS HOLDINGS BHD

L

- 35 LINGUI DEVELOPMENT BHD
- 36 LION DIVERSIFIED HOLDINGS BHD
- 37 LION INDUSTRIES CORPORATION BHD
- 38 LPI CAPITAL BHD
- 39 LUXCHEM CORPORATION BHD

N

- 57 NESTLE (M) BHD
- 58 NEW HONG FATT HOLDINGS BHD

O

- 59 OLDTOWN BHD

P

- 60 PARAMOUNT CORPORATION BHD
- 61 PETRONAS CHEMICALS GROUP BHD
- 62 POWER ROOT BHD
- 63 PRESS METAL BHD
- 64 PROGRESSIVE IMPACT CORPORATION BHD
- 65 PUBLIC BANK BHD

RESULTS OF TOP 100 COMPANIES IN ALPHABETICAL ORDER

(Assessment as per ASEAN CG Scorecard on Top 500 Companies According to Market Capitalisation as at 30 June 2012)

R

- 66 REDTONE INTERNATIONAL BHD
- 67 RHB CAPITAL BHD

S

- 68 SAAG CONSOLIDATED BHD
- 69 SALCON BHD
- 70 SAPURA INDUSTRIAL BHD
- 71 SARAWAK PLANTATION BHD
- 72 SCICOM (MSC) BHD
- 73 SCOMI MARINE BHD
- 74 SHELL REFINING CO. (F.O.M.) BHD
- 75 SIME DARBY BHD
- 76 SIN HENG CHAN (MALAYA) BHD
- 77 SPRITZER BHD
- 78 SUBUR TIASA HOLDINGS BHD
- 79 SUNWAY BHD

T

- 80 TA GLOBAL BHD
- 81 TAMBUN INDAH LAND BHD
- 82 TASCOC BHD
- 83 TEBRAU TEGUH BHD
- 84 TELEKOM MALAYSIA BHD
- 85 TENAGA NASIONAL BHD
- 86 TEO SENG CAPITAL BHD
- 87 TIEN WAH PRESS HOLDINGS BHD
- 88 TOMEI CONSOLIDATED BHD
- 89 TOP GLOVE CORPORATION BHD

U

- 90 UAC BHD
- 91 UEM LAND HOLDINGS BHD
- 92 UMW HOLDINGS BHD
- 93 UNIMECH GROUP BHD
- 94 UNITED MALAYAN LAND BHD
- 95 UNITED PLANTATIONS BHD
- 96 UNITED U-LI CORPORATION BHD

U

- 97 VITROX CORPORATION BHD

Y

- 98 YEE LEE CORPORATION BHD
- 99 YEO HIAP SENG (M) BHD

Z

- 100 ZHULIAN CORPORATION BHD

Country
 PLCName
 StockCode
 Expert Name
 Sector
 Year
 Date of Financial Year End

Source Document/ Location of Information

Guiding Reference

Rights of Shareholders		Source Document/ Location of Information
A		
A.1 Basic Shareholder Rights		
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by annual general meeting (AGM) for final dividends?	<p>OECD Principle II: The Rights of Shareholders and Key Ownership Functions</p> <p>(A) Basic shareholder rights should include the right to, amongst others: (6) share in the profits of the corporation.</p> <p>Dividends announcement</p>

A.2 Right to participate in decisions concerning fundamental corporate changes.

Do shareholders have the right to participate in:		<p>OECD Principle II</p> <p>(B) Shareholders should have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as: (1) amendments to the statutes, or articles of incorporation or similar governing documents of the company</p> <p>Annual Report/Company website/Articles of Association.</p>
A.2.1	Amendments to the company's constitution?	<p>OECD Principle II (B):</p> <p>(2) the authorisation of additional shares</p>
A.2.2	The authorisation of additional shares?	<p>OECD Principle II (B):</p> <p>(3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company</p>
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	

A Rights of Shareholders

A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.

A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	OECD Principle II (C): (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.	Announcement of AGM/Articles of Association/Annual Report/Company website.
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?		Annual Report/Company website/Articles of Association.
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?		Minutes of AGM/Result announcement of AGM/Articles of Association/Annual Report/Website.
A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	OECD Principle II (C): Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.	AGM Minutes/Articles of Association/Company website.
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?		
A.3.6	Do the minutes of the most recent AGM record questions and answers?	OECD Principle II (C): (2) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.	
A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)?		
A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?		AGM Minutes/ Summary of Minutes
A.3.9	Does the company disclose the list of board members who attended the most recent AGM?	OECD Principle II (C); and ICGN 2.4.2: All directors need to be able to allocate sufficient time to the board to perform their responsibilities effectively, including allowing some leeway for occasions when greater than usual time demands are made.	
A.3.10	Did the chairman of the board of directors/commissioners attend the most recent AGM?		
A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?		
A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?		
A.3.13	Did the company organise their most recent AGM in an easy to reach location?	OECD Principle II (C)	Notice of AGM/Company website.

A		Rights of Shareholders	
A.3.14	Does the company allow for voting in absentia?	OECD Principle II (C): (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.	AGM Announcement/AGM Minutes/Articles of Association
A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	OECD Principle II (C)	AGM Minutes.
A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	OECD Principle II (C)	AGM Minutes.
A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	OECD Principle II (C): (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.	Company announcement/Company website.
A.3.18	Do companies provide at least 21 days notice for all resolutions?	OECD Principle II (C): (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.	Company announcements/Articles of Association/Annual Report/Company website.
A.3.19	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	OECD Principle II (C): (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.	Company announcements/Articles of Association/Annual Report/Company website.

A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner.

A.4.1	In cases of mergers, acquisitions and/or takeovers, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?	OECD Principle II (E): Markets for corporate control should be allowed to function in an efficient and transparent manner. (1) The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.	Merger announcement/Company Report on the merger.
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Rights of Shareholders

The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.

A

A.5

<p>A.5.1</p>	<p>Does the company publicly disclose policies to encourage shareholders including institutional shareholders to attend the AGM?</p>	<p>OECD Principle II (F): The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</p>	<p>Annual Report/Company website.</p>
<p>A.5.2</p>	<p>Is the share ownership by institutional investors, other than controlling shareholders, greater than 5%?</p>	<p>OECD Principle II (F): The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</p>	<p>Annual Report/Company website.</p>

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Guiding Reference

B Equitable Treatment of Shareholders

B.1 Shares and voting rights

B.1.1	Do the company's ordinary or common shares have one vote for one share?	<p>OECD Principle III (A) All shareholders of the same series of a class should be treated equally. (1) Within any series of a class, all shares should carry the same rights. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase. Any changes in voting rights should be subject to approval by those classes of shares which are negatively affected.</p>	Annual Report / Company website / announcement
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	<p>ICGN 8.3.1 Unequal voting rights Companies ordinary or common shares should feature one vote for one share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power which is disproportionate to their equity ownership should be both disclosed and justified.</p>	Annual Report / Company website / announcement

B.2 Notice of AGM

B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	<p>OECD Principle III (C) Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern shareholder meetings: (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.</p>	Notice of AGM
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	<p>OECD Principle III (A) All shareholders of the same series of a class should be treated equally. (4) Impediments to cross border voting should be eliminated.</p>	Notice of AGM
B.2.3	Does the notice of AGM/circulars have the following details: Are the profiles of directors/commissioners (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	<p>ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors in an individual basis and also the right to appoint external auditor.</p>	Notice of AGM/Annual Report
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	<p>ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.</p>	Notice of AGM/Annual Report
B.2.5	Has an explanation of the dividend policy been provided?		Notice of AGM
B.2.6	Is the amount payable for final dividends disclosed?		Notice of AGM

Equitable Treatment of Shareholders		Guiding Reference		Source Document/ Location of Information
B				
B.2.7	Documents required to be proxy/ Were the proxy documents made easily available?			Notice of AGM
B.3 Insider trading and abusive self-dealing should be prohibited.				
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?		<p>OECD Principle III (B) Insider trading and abusive dealing should be prohibited</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p> <p>ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	Annual Report / Company website / announcement
B.3.2	Are the directors and commissioners required to report their dealings in company shares within 3 business days?			Annual Report / Company website / announcement
B.4 Related party transactions by directors and key executives.				
B.4.1	Are directors and commissioners required to disclose their interest in transactions and any other conflicts of interest?		<p>OECD Principle III (C) Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.</p> <p>ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p>ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p>	Annual Report / Company website / announcement
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?			Annual Report / Company website / announcement
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?			Annual Report / Company website / announcement
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates.			Annual Report / Company website / announcement

Guiding Reference

B.5	Protecting minority shareholders from abusive actions		
<p>B.5.1</p> <p>Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?</p>	<p>OECD Principle III (A) All shareholders of the same series of a class should be treated equally. (2) Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.</p> <p>ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p>ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p>ICGN 8.5 Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>		<p>Annual Report / Company website / announcement / Media</p>
<p>B.5.2</p> <p>Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?</p>			<p>Annual Report / Company website / announcement</p>

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C Role of Stakeholders

C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected.

C.1.1	Does the company disclose a policy that :	Stipulates the existence and scope of the company's efforts to address customers' health and safety?		
C.1.2		Explains supplier/contractor selection practice?		
C.1.3		Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?		Annual Report/Company website/Sustainability or Corporate Responsibility Report (CSR)
C.1.4		Elaborates the company's efforts to interact with the communities in which they operate?		<p>OECD Principle IV (A): The rights of stakeholders that are established by law or through mutual agreements are to be respected. In all OECD countries, the rights of stakeholders are established by law (e.g. labour, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholder interests are not legislated, many firms make additional commitments to stakeholders, and concern over corporate reputation and corporate performance often requires the recognition of broader interests.</p> <p>Global Reporting Initiative: Sustainability Report (C1.1 - C.15) International Accounting Standards 1: Presentation of Financial Statements</p>
C.1.5		Directs the company's anti-corruption programmes and procedures?		

C		Role of Stakeholders	Guiding Reference	Source Document/ Location of Information
C.1.6	Describes how creditors' rights are safeguarded?			Annual Report/Company website/financial statements
Does the company disclose the activities that it has undertaken to implement the above mentioned policies?				
C.1.7	Customer health and safety			
C.1.8	Supplier/Contractor selection and criteria			
C.1.9	Environmentally-friendly value chain			Annual Report/company website/Sustainability or CR Report
C.1.10	Interaction with the communities		OECD Principle IV (A) & Global Reporting Initiative	
C.1.11	Anti-corruption programmes and procedures			Annual Report/Company website/financial statements
C.1.12	Creditors' rights			
C.1.13	Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?		OECD Principle V (A): Disclosure should include, but not be limited to, material information on: (7) Issues regarding employees and other stakeholders. Companies are encouraged to provide information on key issues relevant to employees and other stakeholders that may materially affect the long term sustainability of the company.	Annual Report/Company website/Sustainability or CR Report.

C.2 Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.

C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?		OECD Principle IV (B): Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights. The governance framework and processes should be transparent and not impede the ability of stakeholders to communicate and to obtain redress for the violation of rights.	Company website/Annual Report.
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C Role of Stakeholders

C.3 Performance-enhancing mechanisms for employee participation should be permitted to develop.

C.3.1	Does the company explicitly disclose the health, safety, and welfare policy for its employees?	<p>OECD Principle IV (C): Performance-enhancing mechanisms for employee participation should be permitted to develop. In the context of corporate governance, performance enhancing mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills.</p> <p>Firm specific skills are those skills/competencies that are related to production technology and/or organizational aspects that are unique to a firm.</p> <p>Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as works councils that consider employee viewpoints in certain key decisions. With respect to performance enhancing mechanisms, employee stock ownership plans or other profit sharing mechanisms are to be found in many countries.</p>	Annual Report/Company website/ separate CR or ESG report as the case may be
C.3.2	Does the company publish data relating to health, safety and welfare of its employees?		Annual Report/Company website/ separate CR or ESG report as the case may be
C.3.3	Does the company have training and development programmes for its employees?		Annual Report/Company website/ separate CR or ESG report as the case may be
C.3.4	Does the company publish data on training and development programmes for its employees?		Annual Report/Company website/ separate CR or ESG report as the case may be
C.3.5	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?		Annual Report/Company website/ separate CR or ESG report as the case may be

C.4 Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.

C.4.1	Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behaviour?	<p>OECD Principle IV (E): Stakeholders, including individual employees and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.</p>	Annual Report/Company website
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?		Annual Report/Company website

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D		Disclosure and Transparency	Guiding Reference	Source Document/ Location of Information
D.1 Transparent ownership structure				
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	<p>OECD Principle V: Disclosure and Transparency (A) Disclosure should include, but not limited to, material information on: (3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, and beneficial ownership.</p> <p>ICGN 7.6 Disclosure of ownership ... the disclosure should include a description of the relationship of the company to other companies in the corporate group, data on major shareholders and any other information necessary for a proper understanding of the company's relationship with its public shareholders.</p>	Annual Report	
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?		Annual Report	
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?		Annual Report	
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?		Annual Report	
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?		Annual Report	
D.2 Quality of Annual Report				
Does the company's annual report disclose the following items:		<p>"OECD Principle V (A): (1) The financial and operating results of the company; (2) Company objectives, including ethics, environment, and other public policy commitments; (3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership; (4) Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board; (6) Foreseeable risk factors, including risk management system; (7) Issues regarding employees and other stakeholders; (8) Governance structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</p> <p>OECD Principle V (E): Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</p> <p>ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence</p>	Annual Report	
D.2.1	Key risks		Annual Report	
D.2.2	Corporate objectives		Annual Report	
D.2.3	Financial performance indicators		Annual Report	
D.2.4	Non-financial performance indicators		Annual Report	
D.2.5	Dividend policy		Annual Report	
D.2.6	Details of whistle-blowing policy	Annual Report		

D		Disclosure and Transparency	Guiding Reference	Source Document/ Location of Information
D.2.7	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	ICGN 5.0 Remuneration ICGN 5.4 Transparency	Annual Report	
D.2.8	Training and/or continuing education programme attended by each director/commissioner	UK Corporate Governance Code (2010) A.1.2 - the number of meetings of the board and those committees and individual attendance by directors.	Annual Report	
D.2.9	Number of board of directors/commissioners meetings held during the year	CLSA-ACGA (2010) CG Watch 2010 - Appendix 2 (I) CG rules and practices	Annual Report	
D.2.10	Attendance details of each director/commissioner in respect of meetings held	(19) Disclose the exact remuneration of individual directors.	Annual Report	
D.2.11	Details of remuneration of the CEO and each member of the board of directors/commissioners	"	Annual Report	
	Corporate Governance Confirmation Statement			
D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	<p>OECD PRINCIPLE V (A) (8)</p> <p>UK CODE (JUNE 2010): Listing Rules 9.8.6 R (for UK incorporated companies) and 9.8.7 R (for overseas incorporated companies) state that in the case of a company that has a Premium listing of equity shares, the following items must be included in its Annual Report and accounts: a statement of how the listed company has applied the Main Principles set out in the UK CG Code, in a manner that would enable shareholders to evaluate how the principles have been applied; a statement as to whether the listed company has complied throughout the accounting period with all relevant provisions set out in the UK CG Code; or not complied throughout the accounting period with all relevant provisions set out in the UK CG Code, and if so, setting out: (i) those provisions, if any, it has not complied with; (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and (iii) the company's reasons for non-compliance.</p> <p>ASX CODE: Under ASX Listing Rule 4.10.3, companies are required to provide a statement in their Annual Report disclosing the extent to which they have followed the Recommendations in the reporting period. Where companies have not followed all the Recommendations, they must identify the Recommendations that have not been followed and give reasons for not following them. Annual Reporting does not diminish the company's obligation to provide disclosure under ASX Listing Rule 3.1.</p>	Annual Report	

D Disclosure and Transparency

D.3. Disclosure of related party transactions (RPT)			
D.3.1	Does the company disclose its policy covering the review and approval of material/significant RPTs?	<p>OECD Principle V: Disclosure and Transparency (A) Disclosure should include, but not limited to, material information on: (5) Related party transactions</p> <p>ICGN 2.11.1 Related party transactions The company should disclose details of all material related party transactions in its Annual Report.</p>	Annual Report
D.3.2	Does the company disclose the name of the related party and relationship for each material/significant RPT?		Annual Report
D.3.3	Does the company disclose the nature and value for each material/significant RPT?		Annual Report
D.4 Directors and commissioners dealings in shares of the company			
D.4.1	Does the company disclose trading in the company's shares by insiders?	<p>OECD Principle V (A): (3) Major share ownership and voting rights</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities.</p> <p>ICGN 5.5 Share ownership Every company should have and disclose a policy concerning ownership of shares of the company by senior managers and executive directors with the objective of aligning the interests of these key executives with those of shareholders.</p>	Annual Report
D.5 External auditor and Auditor Report			
D.5.1	Are audit fees disclosed?	<p>OECD Principle V (C): An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p>	Annual Report
	Where the same audit firm is engaged for both audit and non-audit services,		
D.5.2	Are the non-audit fees disclosed?		Annual Report

D	Disclosure and Transparency	Guiding Reference	Source Document/ Location of Information
D.5.3	Does the non-audit fees exceed the audit fees?	<p>OECD Principle V (D): External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.</p> <p>ICGN 6.5 Ethical standards (Audit) The auditors should observe high-quality auditing and ethical standards. To limit the possible risk of possible conflicts of interest, non-audit services and fees paid to auditors for non-audit services should be both approved in advance by the audit committee and disclosed in the Annual Report.</p>	Annual Report
D.6	Medium of communications		
	Does the company use the following modes of communication?		
D.6.1	Quarterly reporting	<p>OECD Principle V (E): Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</p>	Announcement / Company website
D.6.2	Company website	<p>ICGN 7.1 Transparent and open communication Every company should aspire to transparent and open communication about its aims, its challenges, its achievements and its failures.</p>	Company website
D.6.3	Analyst's briefing	<p>ICGN 7.2 Timely disclosure Companies should disclose relevant and material information concerning themselves on a timely basis, in particular meeting market guidelines where they exist, so as to allow investors to make informed decisions about the acquisition, ownership obligations and rights, and sales of shares.</p>	Annual Report / Announcement / Company website
D.6.4	Media briefings /press conferences		Annual Report / Announcement / Company website
D.7	Timely filing/release of annual/financial reports		
D.7.1	Is the audited annual financial report released within 120 days from the financial year end?	<p>OECD Principle V (C) OECD Principle V (E) ICGN 7.2 Timely disclosure</p>	Announcement
D.7.2	Is the audited annual financial report released within 90 days from the financial year end?	<p>ICGN 7.3 Affirmation of financial statements The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.</p>	Announcement
D.7.3	Is the audited annual/financial report released within 60 days from the financial year end?		Announcement

D Disclosure and Transparency		Source Document/ Location of Information
D.7.4	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?	Annual Report

D.8 Company website		Source Document/ Location of Information
	Does the company have a website disclosing up-to-date information on the following:	
D.8.1	Business operations	Company website
D.8.2	Financial statements/reports (current and prior years)	Company website
D.8.3	Materials provided in briefings to analysts and media	Company website
D.8.4	Shareholding structure	Company website
D.8.5	Group corporate structure	Company website
D.8.6	Downloadable annual report	Company website
D.8.7	Notice of AGM and/or EGM	Company website
D.8.8	Company's constitution (company's by-laws, memorandum and articles of association)	Company website
D.8.9	All of the above (D.8.1 to D.8.8) are available in English	Company website

D.9 Investor relations		Source Document/ Location of Information
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer responsible for investor relations?	Annual Report / Company website

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Responsibilities of the Board		Guiding Reference	Source Document/ Location of Information
E.1	Clearly defined board responsibilities and corporate governance policy		
E.1.1	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	<p>OECD PRINCIPLE VI: The Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <ol style="list-style-type: none"> 1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures. 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. 3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning. 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. 5. Ensuring a formal and transparent board nomination and election process. 6. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions. 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. 8. Overseeing the process of disclosure and communications. 	Annual Report/website
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	OECD PRINCIPLE VI (D)	Annual Report/website
E.1.3	Does the company disclose its corporate governance policy / board charter?	<p>OECD PRINCIPLE V: Disclosure and Transparency (A) Disclosure should include, but not be limited to, material information on:</p> <ol style="list-style-type: none"> 8. Governance structures and policies, in particular, the content of any corporate governance code of policy and the process by which it is implemented. 	Annual Report/website

Responsibilities of the Board		Guiding Reference	Source Document/ Location of Information
E.2	Code of ethics or conduct		
E.2.1	Does the company have a code of ethics or conduct?		Annual Report/website
E.2.2	Are the details of the code of ethics or conduct disclosed?	<p>OECD PRINCIPLE VI (C) The board should apply high ethical standards. It should take into account the interests of stakeholders. The board has a key role in setting the ethical tone of a company, not only by its own actions, but also in appointing and overseeing key executives and consequently the management in general. High ethical standards are in the long term interests of the company as a means to make it credible and trustworthy, not only in day-to-day operations but also with respect to longer term commitments. To make the objectives of the board clear and operational, many companies have found it useful to develop company codes of conduct based on, inter alia, professional standards and sometimes broader codes of behaviour. The latter might include a voluntary commitment by the company (including its subsidiaries) to comply with the OECD Guidelines for Multinational Enterprises which reflect all four principles contained in the ILO Declaration on Fundamental Labour Rights.</p>	Annual Report/website
E.2.3	Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code?		Annual Report/website
E.2.4	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?	<p>Company-wide codes serve as a standard for conduct by both the board and key executives, setting the framework for the exercise of judgement in dealing with varying and often conflicting constituencies. At a minimum, the ethical code should set clear limits on the pursuit of private interests, including dealings in the shares of the company. An overall framework for ethical conduct goes beyond compliance with the law, which should always be a fundamental requirement.</p>	Annual Report/website
E.3	Corporate Vision/Mission		
E.3.1	Does the board of directors/commissioners periodically review and approve the vision and mission?	<p>While not explicitly stated in most codes of corporate governance, this is consistent with most codes specifying the roles of the board as including setting the direction and providing strategic leadership.</p>	Annual Report/website

	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.4	Board Structure & Composition		
E.4.1	Does the board of directors/ commissioners comprise at least five members and no more than 12 members? (i.e., between 5 - 12 members)	<p>UK Code B.1 Supporting Principle states: The board should be of sufficient size that the requirements of the business can be met and changes to the board's composition and that of its committees can be managed without undue disruption, and should not be so large as to be unwieldy. Most codes of corporate governance specify that the board should be of appropriate size but should not be too large.</p>	Annual Report
E.4.2	Do independent, non-executive directors/commissioners number at least three and make up more than 50% of the board of directors/commissioners?	<p>OECD PRINCIPLE VI (E) In order to exercise its duties of monitoring managerial performance, preventing conflicts of interest and balancing competing demands on the corporation, it is essential that the board is able to exercise objective judgement. In the first instance this will mean independence and objectivity with respect to management with important implications for the composition and structure of the board. Board independence in these circumstances usually requires that a sufficient number of board members will need to be independent of management. The ASX Code recommends at least a majority of independent directors, while the UK Code recommends at least half of the board, excluding the Chairman, be independent directors. The minimum of three independent directors is to ensure that companies with small boards have enough independent directors (note that stock exchange rules often require at least two independent directors).</p>	Annual Report
E.4.3	Does the company provide a definition of independence in its Annual Report?	<p>OECD PRINCIPLE VI: (E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>In defining independent members of the board, some principles of corporate governance have specified quite detailed presumptions for nonindependence which are frequently reflected in listing requirements. While establishing necessary conditions, such 'negative' criteria defining when an individual is not regarded as independent can usefully be complemented by 'positive' examples of qualities that will increase the probability of effective independence.</p> <p>Independent board members can contribute significantly to the decision-making of the board. They can bring an objective view to the evaluation of the performance of the board and management.</p>	Annual Report

E	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.4.4		<p>OECD PRINCIPLE VI (E) In order to exercise its duties of monitoring managerial performance, preventing conflicts of interest and balancing competing demands on the corporation, it is essential that the board is able to exercise objective judgement. In the first instance this will mean independence and objectivity with respect to management with important implications for the composition and structure of the board. Board independence in these circumstances usually requires that a sufficient number of board members will need to be independent of management.</p> <p>The variety of board structures, ownership patterns and practices in different countries will thus require different approaches to the issue of board objectivity. In many instances objectivity requires that a sufficient number of board members not be employed by the company or its affiliates and not be closely related to the company or its management through significant economic, family or other ties. This does not prevent shareholders from being board members. In others, independence from controlling shareholders or another controlling body will need to be emphasised, in particular if the ex ante rights of minority shareholders are weak and opportunities to obtain redress are limited. This has led to both codes, and the law in some jurisdictions, to call for some board members to be independent of dominant shareholders; independence extending to not being their representative or having close business ties with them.</p>	Annual Report
E.4.5	Are the independent directors/commissioners independent of management and major/ substantial shareholders?	<p>UK CODE (JUNE 2010): Non-executive directors should be appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director. Any term beyond six years for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board and to succession for appointments to the board and to senior management, so as to maintain an appropriate balance of skills and experience within the company and on the board.</p>	Annual Report/website
E.4.6	Does the company have a term limit of nine years or less for its independent directors/commissioners?		Annual Report
E.4.7	Has the company set a limit of five board seats in publicly-listed companies that an individual director/commissioner may hold simultaneously?	<p>OECD PRINCIPLE VI (E) (3) Board members should be able to commit themselves effectively to their responsibilities. Service on too many boards can interfere with the performance of board members. Companies may wish to consider whether multiple board memberships by the same person are compatible with effective board performance and disclose the information to shareholders.</p>	Annual Report
E.4.8	Does the company have any executive directors who serve on more than five independent boards of publicly-listed companies?	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	Annual Report

Guiding Reference		Source Document/ Location of Information
E	Responsibilities of the Board	
	Skills and Competencies	
E.5		
E.5.1	Does at least one non-executive director/commissioner have prior working experience in the major industry the company is operating in?	<p>ICGN: 2.4.3 Independence Alongside appropriate skill, competence and experience, and the appropriate context to encourage effective behaviours, one of the principal features of a well-governed corporation is the exercise by its board of directors of independent judgement, meaning judgement in the best interests of the corporation, free of any external influence on any individual director, or the board as a whole. In order to provide this independent judgement, and to generate confidence that independent judgement is being applied, a board should include a strong presence of independent non-executive directors with appropriate competencies including key industry sector knowledge and experience. There should be at least a majority of independent directors on each board.</p>
E.5.2	Does the company disclose a board of directors/commissioners diversity policy?	<p>ASX Code Recommendation 3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.</p> <p>Regulations and codes of corporate governance in many developed markets now incorporate board diversity as a consideration in board composition</p>
E.6	Board Chairman	
E.6.1	Do different persons assume the roles of chairman and CEO?	Annual Report/website
E.6.2	Is the chairman a non-executive director/commissioner?	Annual Report/website
E.6.3	Is the chairman an independent director/commissioner?	Annual Report/website

E	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.6.4	Is the chairman the current or immediate past CEO?	<p>UK Code (June 2010) A.3.1 The chairman should on appointment meet the independence criteria set out in B.1.1 below. A chief executive should not go on to be chairman of the same company. If, exceptionally, a board decides that a chief executive should become chairman, the board should consult major shareholders in advance and should set out its reasons to shareholders at the time of the appointment and in the next Annual Report.</p> <p>ASX Code Recommendation 3.2 The chief executive officer should not go on to become chair of the same company. A former chief executive officer will not qualify as an "independent" director unless there has been a period of at least three years between ceasing employment with the company and serving on the board.</p>	Annual Report/website
E.6.5	Are the role and responsibilities of the chairman disclosed?	<p>ICGN: 2.5 Role of the Chair The chair has the crucial function of setting the right context in terms of board agenda, the provision of information to directors, and open boardroom discussions, to enable the directors to generate the effective board debate and discussion and to provide the constructive challenge which the company needs. The chair should work to create and maintain the culture of openness and constructive challenge which allows a diversity of views to be expressed...The chair should be available to shareholders for dialogue on key matters of the company's governance and where shareholders have particular concerns.</p>	Annual Report/website
E.7	Board meetings and attendance		
E.7.1	Are the board of directors/commissioners meetings scheduled before or at the beginning of the year?	Scheduling board meetings before or at the beginning of the year would allow directors to plan ahead to attend such meetings, thereby helping to maximise participation, especially as non-executive directors often have other commitments. Additional ad hoc meetings can always be scheduled if and when necessary. It is common practice for boards in developed markets to schedule meetings in this way.	Annual Report
E.7.2	Does the board of directors/commissioners meet at least six times per year?	<p>WORLD BANK PRINCIPLE 6 (VI.1.24) Does the board meet at least six times per year?</p> <p>INDO SCORECARD E.10. How many meetings were held in the past year? If the board met more than six times, the firm earns a 'Y' score. If four to six meetings, the firm was scored as 'fair', while less than four times was scored as 'N'</p>	Annual Report

Guiding Reference		Source Document/ Location of Information
E	Responsibilities of the Board	
	E.7.3 Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year? OECD PRINCIPLE VI (E) (3) Board members should be able to commit themselves effectively to their responsibilities. Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders. Achieving legitimacy would also be facilitated by the publication of attendance records for individual board members (e.g. whether they have missed a significant number of meetings) and any other work undertaken on behalf of the board and the associated remuneration.	Annual Report
	E.7.4 Does the company require a minimum quorum of at least 2/3 for board decisions? WORLD BANK PRINCIPLE 6 (VI.1.28) Is there a minimum quorum of at least 2/3 for board decisions to be valid?	Annual Report/website (In board charter/articles)
E.7.5 Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present? WORLD BANK PRINCIPLE 6 (VI.E.1.6) Does the corporate governance framework require or encourage boards to conduct executive sessions?	Annual Report	
E.8	Orientation Programme for New Directors	
E.8.1	Does the company have orientation programmes for new directors/commissioners? This item is in most codes of corporate governance.	Annual Report
E.9	Director Training	
E.9.1	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes? OECD PRINCIPLE VI (E) (3) Board members should be able to commit themselves effectively to their responsibilities. In order to improve board practices and the performance of its members, an increasing number of jurisdictions are now encouraging companies to engage in board training and voluntary self-evaluation that meets the needs of the individual company. This might include that board members acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training and external courses.	Annual Report

Responsibilities of the Board		Guiding Reference	Source Document/ Location of Information
E.10	Access to information		
E.10.1	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	<p>OECD PRINCIPLE VI (F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.</p> <p>Board members require relevant information on a timely basis in order to support their decision-making. Non-executive board members do not typically have the same access to information as key managers within the company. The contributions of non-executive board members to the company can be enhanced by providing access to certain key managers within the company such as, for example, the company secretary and the internal auditor, and recourse to independent external advice at the expense of the company. In order to fulfil their responsibilities, board members should ensure that they obtain accurate, relevant and timely information.</p> <p>WORLDBANK PRINCIPLE 6 (VI.F.2) Does such information need to be provided to the board at least five business days in advance of the board meeting?</p>	Annual Report
E.10.2	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	<p>OECD PRINCIPLE VI (F)</p> <p>ICSA Guidance on the Corporate Governance Role of the Company Secretary</p>	Annual Report
E.10.3	Is the company secretary trained in legal, accountancy or company secretarial practices?	<p>WORLDBANK PRINCIPLE 6 (VI.D.2.12) Do company boards have a professional and qualified company secretary?</p>	Annual Report

	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E	Nominating Committee		
E.1.1		<p>OECD PRINCIPLE II (C)</p> <p>(3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.</p>	
E.11.1	Does the company have a Nominating Committee (NC)?	<p>With respect to nomination of candidates, boards in many companies have established Nominating Committees to ensure proper compliance with established nomination procedures and to facilitate and coordinate the search for a balanced and qualified board. It is increasingly regarded as good practice in many countries for independent board members to have a key role on this committee. To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.</p> <p>OECD PRINCIPLE VI (E)</p> <p>(1) Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.</p>	Annual Report
E.11.2	Does the Nominating Committee comprise of a majority of independent directors/commissioners?		Annual Report
E.11.3	Is the chairman of the Nominating Committee an independent director/commissioner?	This item is in most codes of corporate governance.	Annual Report
E.11.4	Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?		Annual Report/website

		Guiding Reference	Source Document/ Location of Information
E	Responsibilities of the Board		
	E.11.5 Does the Annual Report disclose the number of Nominating Committee meetings held?	OECD PRINCIPLE VI (E) (2) When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board. While the use of committees may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members. In order to evaluate the merits of board committees it is therefore important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in an increasing number of jurisdictions where boards are establishing independent Audit Committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Other such committees include those dealing with nomination and compensation. The accountability of the rest of the board and the board as a whole should be clear. Disclosure should not extend to committees set up to deal with, for example, confidential commercial transactions	Annual Report
	E.11.6 Did the Nominating Committee meet at least twice during the year?	Given the responsibilities of the NC spelt out in codes of corporate governance, the NC is unlikely to be fulfilling these responsibilities effectively if it is only meeting once a year. Globally, the NC of large companies would meet several times a year.	Annual Report
E.11.7 Is the attendance of members at Nominating Committee meetings disclosed?		Annual Report	

E.12	Board Appointments and Re-Election		
	E.12.1 Does the company disclose the criteria used in selecting new directors/commissioners?	OECD PRINCIPLE II (C) (3) To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate. OECD Principle VI (D) (5) Ensuring a formal and transparent board nomination and election process. These Principles promote an active role for shareholders in the nomination and election of board members. The board has an essential role to play in ensuring that this and other aspects of the nominations and election process are respected. First, while actual procedures for nomination may differ among countries, the board or a nomination committee has a special responsibility to make sure that established procedures are transparent and respected. Second, the board has a key role in identifying potential members for the board with the appropriate knowledge, competencies and expertise to complement the existing skills of the board and thereby improve its value-adding potential for the company. In several countries there are calls for an open search process extending to a broad range of people.	Annual Report/website
	E.12.2 Does the company disclose the process followed in appointing new directors/commissioners?		Annual Report/website

E	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.12.3	Are all the directors/commissioners subject to re-election at least once every three years?	<p>ICGN: 2.9.1 Election of directors: Directors should be conscious of their accountability to shareholders, and many jurisdictions have mechanisms to ensure that this is in place on an ongoing basis. There are some markets however where such accountability is less apparent and in these each director should stand for election on an annual basis. Elsewhere directors should stand for election at least once every three years, though they should face evaluation more frequently.</p> <p>WORLD BANK PRINCIPLE 6 (VI.1.18) Can the re-election of board members be staggered over time? (Staggered boards are those where only a part of the board is re-elected at each election, e.g. only 1/3 of directors are re-elected every year.)</p>	Annual Report/website

E.13	CEO/Executive Management Appointments and Performance		
E.13.1	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	<p>OECD PRINCIPLE VI (D) (3) Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing the succession planning.</p> <p>In two tier board systems the supervisory board is also responsible for appointing the management board which will normally comprise most of the key executives.</p>	Annual Report/website
E.13.2	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	<p>OECD PRINCIPLE VI (D) (2). Monitoring the effectiveness of the company's governance practices and making changes as needed.</p> <p>Monitoring of governance by the board also includes continuous review of the internal structure of the company to ensure that there are clear lines of accountability for management throughout the organisation. In addition to requiring the monitoring and disclosure of corporate governance practices on a regular basis, a number of countries have moved to recommend or indeed mandate self-assessment by boards of their performance as well as performance reviews of individual board members and the CEO/Chairman.</p>	Annual Report

E		Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.14	Board Appraisal			
E.14.1	Is an annual performance assessment conducted of the board of directors/commissioners?	OECD PRINCIPLE VI (D) (2)		Annual Report
E.14.2	Does the company disclose the process followed in conducting the board assessment?			Annual Report/website
E.14.3	Does the company disclose the criteria used in the board assessment?			Annual Report/website
E.15	Director Appraisal			
E.15.1	Is an annual performance assessment conducted of individual director/commissioner?	OECD PRINCIPLE VI (D) (2)		Annual Report
E.15.2	Does the company disclose the process followed in conducting the director/commissioner assessment?			Annual Report/website
E.15.3	Does the company disclose the criteria used in the director/commissioner assessment?			Annual Report/website
E.16	Committee Appraisal			
E.16.1	Is an annual performance assessment conducted of the board of directors/commissioners committees?	UK CODE (JUNE 2010) B.6 Evaluation: The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.		Annual Report

E		Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.17		Remuneration Committee/ Compensation Committee		
E.17.1		Does the company have a Remuneration Committee?	OECD PRINCIPLE VI (D) (4) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.	Annual Report
E.17.2		Does the Remuneration Committee comprise of a majority of independent directors/commissioners?	It is considered good practice in an increasing number of countries that remuneration policy and employment contracts for board members and key executives be handled by a special committee of the board comprising either wholly or a majority of independent directors. There are also calls for a Remuneration Committee that excludes executives that serve on each others' Remuneration Committees, which could lead to conflicts of interest.	Annual Report
E.17.3		Is the chairman of the Remuneration Committee an independent director/commissioner?		Annual Report
E.17.4		Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	OECD PRINCIPLE VI (E) (2) When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.	Annual Report/website
E.17.5		Does the Annual Report disclose the number of Remuneration Committee meetings held?	While the use of committees may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members. In order to evaluate the merits of board committees it is therefore important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in an increasing number of jurisdictions where boards are establishing independent Audit Committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Other such committees include those dealing with nomination and compensation. The accountability of the rest of the board and the board as a whole should be clear. Disclosure should not extend to committees set up to deal with, for example, confidential commercial transactions	Annual Report
E.17.6		Did the Remuneration Committee meet at least twice during the year?		Annual Report
E.17.7		Is the attendance of members at Remuneration Committee meetings disclosed?	Given the responsibilities of the Remuneration Committee (RC) which are spelt out in codes of corporate governance, the RC is unlikely to be fulfilling these responsibilities effectively if it only meets once a year. Globally, the RC of large companies would meet several times a year.	Annual Report

Responsibilities of the Board		Guiding Reference	Source Document/ Location of Information
E.18	Remuneration Matters		
E.18.1	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	<p>OECD PRINCIPLE VI (D) (4) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>In an increasing number of countries it is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations. Policy statements generally tend to set conditions for payments to board members for extra-board activities, such as consulting. They also often specify terms to be observed by board members and key executives about holding and trading the stock of the company, and the procedures to be followed in granting and re-pricing of options. In some countries, policy also covers the payments to be made when terminating the contract of an executive.</p>	Annual Report/website
E.18.2	Is there disclosure of the fee structure for non-executive directors/commissioners?	<p>UK CODE (JUNE 2010) D.1.3 Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role.</p> <p>Disclosure of fee structure for non-executive directors allows shareholders to assess if these directors are remunerated in an appropriate manner, for example, whether they are paid for taking on additional responsibilities and contributions, such as chairing committees.</p>	Annual Report
E.18.3	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	<p>OECD PRINCIPLE VI. (D.4) The Board should fulfill certain key functions including aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>ICGN 2.3 (D) and (E) D. Selecting, remunerating, monitoring and where necessary replacing key executives and overseeing succession planning. E. Aligning key executives and Board remuneration with the longer term interest of the company and its shareholders.</p>	Annual Report/Notice to AGM

	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.18.4		<p>UK CODE (JUNE 2010) (D.1.3) Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for non-executive directors should not include share options or other performance-related elements. If, by exception, options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the non-executive director leaves the board. Holding of share options could be relevant to the determination of a non-executive director's independence (as set out in provision B.1.1).</p> <p>ASX CODE Box 8.2: Guidelines for non-executive director remuneration Companies may find it useful to consider the following when considering non-executive director remuneration: 1. Non-executive directors should normally be remunerated by way of fees, in the form of cash, noncash benefits, superannuation contributions or salary sacrifice into equity; they should not normally participate in schemes designed for the remuneration of executives. 2. Non-executive directors should not receive options or bonus payments. 3. Non-executive directors should not be provided with retirement benefits other than superannuation.</p>	Annual Report/Notice to AGM/Announcements
E.19	Audit Committee		
E.19.1	Does the company have an Audit Committee?	<p>OECD PRINCIPLE VI (E) (1) Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.</p>	Annual Report
E.19.2	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	<p>OECD PRINCIPLE VI (E) (2) When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p> <p>While the use of committees may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members. In order to evaluate the merits of board committees it is therefore important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the increasing number of jurisdictions where boards are establishing independent Audit Committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Other such committees include those dealing with nomination and compensation. The accountability of the rest of the board and the board as a whole should be clear. Disclosure should not extend to committees set up to deal with, for example, confidential commercial transactions.</p>	Annual Report
E.19.3	Is the chairman of the Audit Committee an independent director/commissioner?		Annual Report

	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.19.4	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?		Annual Report/website
E.19.5	Does the Annual Report disclose the profile or qualifications of the Audit Committee members?	Most codes specify the need for accounting/finance expertise or experience.	Annual Report
E.19.6	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	<p>UK CODE (JUNE 2010) C.3.1. The board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience.</p> <p>As many of the key responsibilities of the Audit Committee are accounting-related, such as oversight of financial reporting and audits, it is important to have someone specifically with accounting expertise, not just general financial expertise.</p>	Annual Report
E.19.7	Does the Annual Report disclose the number of Audit Committee meetings held?		Annual Report
E.19.8	Did the Audit Committee meet at least four times during the year?	OECD PRINCIPLE VI (E) (2)	Annual Report
E.19.9	Is the attendance of members at Audit Committee meetings disclosed?		Annual Report

	Responsibilities of the Board	Guiding Reference	Source Document/ Location of Information
E.19.10	Does the Audit Committee have primary responsibility for recommendation on the appointment, re-appointment and removal of the external auditor?	<p>UK CODE (JUNE 2010)</p> <p>C.3.6 The Audit Committee should have primary responsibility for making a recommendation on the appointment, re-appointment and removal of the external auditor. If the board does not accept the Audit Committee's recommendation, it should include in the Annual Report, and in any papers recommending appointment or re-appointment, a statement from the Audit Committee explaining the recommendation and should set out reasons why the board has taken a different position.</p>	Annual Report/website
E.20	Internal Audit		
E.20.1	Does the company have a separate internal audit function?	<p>OECD PRINCIPLE VI (D)</p> <p>(7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>Ensuring the integrity of the essential reporting and monitoring systems will require the board to set and enforce clear lines of responsibility and accountability throughout the organisation. The board will also need to ensure that there is appropriate oversight by senior management. One way of doing this is through an internal audit system directly reporting to the board.</p>	Annual Report
E.20.2	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	<p>Companies often disclose that they have an internal audit but, in practice, it is not uncommon for it to exist more in form than in substance. For example, the in-house internal audit may be assigned to someone with other operational responsibilities. As internal audit is unregulated, unlike external audit, there are firms providing outsourced internal audit services which are not properly qualified to do so. Making the identity of the head of internal audit or the external service provider public would provide some level of safeguard that the internal audit is substantive.</p>	Annual Report
E.20.3	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	<p>OECD PRINCIPLE VI (D) (7)</p> <p>In some jurisdictions it is considered good practice for the internal auditors to report to an independent Audit Committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board.</p> <p>WORLDBANK PRINCIPLE 6</p> <p>(VI.D.7.9) Does the internal auditor have direct and unfettered access to the board of directors and its independent Audit Committee?</p> <p>ASX Principles on CG</p> <p>"...companies should consider a second reporting line from the internal audit function to the board or relevant committee." Under the ASX Principles it is also recommended that the Audit Committee have access to internal audit without the presence of management, and that "the audit committee should recommend to the board the appointment and dismissal of a chief internal audit executive."</p>	Annual Report

Responsibilities of the Board

E

E.21	Risk Oversight		
E.21.1	Does the company disclose the internal control procedures/risk management systems it has in place?	<p>OECD PRINCIPLE 6 (VI) (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p>	Annual Report/website
E.21.2	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	<p>UK CODE (JUNE 2010) C.2.1 The board should, at least annually, conduct a review of the effectiveness of the company's risk management and internal control systems and should report to shareholders that they have done so. The review should cover all material controls, including financial, operational and compliance controls.</p>	Annual Report
E.21.3	Does the company disclose how key risks are managed?	<p>OECD PRINCIPLE V (A) (6) Foreseeable risk factors. Disclosure of risk is most effective when it is tailored to the particular industry in question. Disclosure about the system for monitoring and managing risk is increasingly regarded as good practice.</p>	Annual Report/website

Country
 PLCName
 StockCode
 Expert Name
 Sector
 Year
 Date of Financial Year End

Source Document/ Location of Information

Guiding Reference

Level 2
Bonus Items

A		Rights of shareholders	
A.1	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.		
A.1.1(B)	Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders?	OECD Principle II (C) (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.	Source: Annual Report/Company website/Articles of Association/announcement of AGM/Minutes of Meeting.
B		Equitable treatment of shareholders	
B.1	Notice of AGM		
B.1.1(B)	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	OECD Principle II (C) (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. OECD Principle III (A) ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors. ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote. CLSA-ACGA (2010) CG Watch 2010 - Appendix 2. (I) CG rules and practices (25) Do companies release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?	Notice of AGM / announcement

Level 2		Guiding Reference		Source Document/ Location of Information	
Bonus Items					
B.2	Insider trading and abusive self-dealing should be prohibited.				
B.2.1(B)	Does the company have a policy requiring directors / Commissioners and key officers to notify the Board or its delegate at least one day before they deal in the company shares?	<p>OECD Principle III (B) Insider trading and abusive dealing should be prohibited</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p> <p>ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>			Annual Report / Company website
D Disclosure and transparency					
D.1	Quality of Annual Report				
D.1.1(B)	Does the company disclose the identity of advisers/consultants to the remuneration/compensation committee appointed by the board and whether they are deemed independent or they have declared any conflicts of interests?	<p>OECD Principle V (F): The corporate governance framework should be complemented by an effective approach that addresses and promotes the provision of analysis or advice by analysts, brokers, rating agencies and others, that is relevant to decisions by investors, free from material conflicts of interest that might compromise the integrity of their analysis and advice.</p>			Annual Report
E Responsibilities of the Board					
E.1	Board Competencies and Diversity				
E.1.1(B)	Does the company have at least one female independent director/commissioner?	<p>ICGN 2.4.1 Skills and experience The board should consist of directors with the requisite range of skills, competence, knowledge, experience and approach, as well as a diversity of perspectives, to set the context for appropriate board behaviours and to enable it to discharge its duties and responsibilities effectively.</p>			Annual Report

Guiding Reference		Source Document/ Location of Information
Level 2	Bonus Items	
E.2	Nominating Committee	
E.2.1(B)	Does the Nominating Committee comprise entirely of independent directors/commissioners?	ICGN 2.4.4 Composition of board committees The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners. Annual Report
E.3	Board Appointments and Re-Election	
E.3.1(B)	Does the company compile a board profile when considering candidates to the board (i.e., identify the professional skills and personal characteristics present on the current board; identify the missing skills and characteristics; and nominate individuals who could fill possible gaps)?	ASX Code Selection and appointment process and re-election of directors <ul style="list-style-type: none"> • Disclosure of board selection processes - companies are encouraged to provide greater transparency of the processes which the board adopts in searching for and selecting new directors to the board and to report to shareholders on the processes. Such reporting could include the following: <ul style="list-style-type: none"> – details as to whether the company develops a board skills matrix and uses this matrix to identify any 'gaps' in the skills and experience of the directors on the board – the process by which candidates are identified and selected including whether professional intermediaries are used to identify and/or assess candidates – the steps taken to ensure that a diverse range of candidates is considered – the factors taken into account in the selection process. Annual Report/Company website
E.3.2(B)	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?	WORLDBANK PRINCIPLE 6 (VI.1.21) Are boards known to hire professional search firms when proposing candidates to the board? Annual Report/Company website
E.4	Board Structure & Composition	
E.4.1(B)	Has the company set a limit of five board seats in PLCs including its unlisted subsidiaries?	Pls include a guiding reference Annual Report

Level 2		Guiding Reference		Source Document/ Location of Information	
Bonus Items		Guiding Reference		Source Document/ Location of Information	
Board Appraisal		Guiding Reference		Source Document/ Location of Information	
E.5	Does the company appoint an external consultant to facilitate the board assessment at least once every three years?	UK CODE (JUNE 2010) B.6.2 Evaluation of the board of FTSE 350 companies should be externally facilitated at least every three years. A statement should be made available of whether an external facilitator has any other connection with the company	Annual Report/Company website		
E.6	Risk Oversight Does the Annual Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	OECD PRINCIPLE 6 (VI) (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. In some jurisdictions it is considered good practice for the internal auditors to report to an independent audit committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. It should also be regarded as good practice for this committee, or equivalent body, to review and report to the board the most critical accounting policies which are the basis for financial reports. However, the board should retain final responsibility for ensuring the integrity of the reporting systems. Some countries have provided for the chair of the board to report on the internal control process.	Annual Report		

Country
 PLCName
 StockCode
 Expert Name
 Sector
 Year
 Date of Financial Year End

Level 2		Penalty	Guiding Reference	Source Document/ Location of Information
A				
Rights of shareholders				
A.1				
Basic shareholder rights				
A.1.1(P)	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?		OECD Principle II (A)	Repurchase Notice/announcement, Annual Report
A.2	Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse. Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?		OECD Principle II (G)	Annual Report/Company website.
A.2.1(P)			Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.	
A.3	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.			
A.3.1(P)	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?		OECD Principle II (C) 2	Minutes of Meeting, Meeting results notice
A.4	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.			
A.4.1(P)	Did the company fail to disclose the existence of:			
	Shareholders agreement?			
A.4.2(P)	Voting cap?			
A.4.3(P)	Multiple voting rights?		OECD Principle II (D)	Annual Report/Company website/articles of association/Company announcement/Media

Guiding Reference		Source Document/ Location of Information	
Level 2	Penalty		
A.5	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.	<p>OECD Principle II (D): Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</p> <p>Some capital structures allow a shareholder to exercise a degree of control over the corporation disproportionate to the shareholders' equity ownership in the company. Pyramid structures, cross shareholdings and shares with limited or multiple voting rights can be used to diminish the capability of noncontrolling shareholders to influence corporate policy.</p>	To check for the existence of pyramid & cross holding structure(s): Disclosure in Annual Report/website of the company. It may be directly reported by the company or it may be disclosed in the form of Group Structure that reveals the ownership of the controlling shareholder(s) in companies belonging to the group. Other sources: Check on ownership structures of chains of entities that directly/indirectly owns the listed company.
A.5.1(P)	Is a pyramid ownership structure and/ or cross holding structure apparent?		
B	Equitable treatment of shareholders		
B.1	Insider trading and abusive self-dealing should be prohibited.	<p>OECD Principle III: The Equitable Treatment of Shareholders (B) Insider trading and abusive dealing should be prohibited.</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p> <p>ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	Annual Report / Company website / announcement / Media
B.1.1(P)	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?		

Level 2		Penalty	
B.2		Protecting minority shareholders from abusive action	
		<p>OECD Principle III (B) Insider trading and abusive dealing should be prohibited</p> <p>ICGN 2.1.1.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p>ICGN 2.1.1.2 Director conflicts of interest Companies should have a process for identifying and managing any conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p>ICGN 8.5 Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	<p>Annual Report / Company website / announcement / Media</p>
B.2.1(P)	Has there been any cases of non compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years?		

C Role of stakeholders

C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.		
C.1.1(P)	Has there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues?	<p>OECD Principle IV (A) The rights of stakeholders that are established by law or through mutual agreements are to be respected.</p>	<p>Sanction(s) from Regulator(s)/Media coverage/Company announcement/Annual Report/Company website</p>

Level 2		Guiding Reference		Source Document/ Location of Information	
Penalty					
C.2	Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.				
C.2.1(P)	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	OECD Principle IV (B) Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.		Sanction(s) from Regulator(s)/Media/Company announcement/Annual Report/Company website	
D Disclosure and transparency					
D.1 Sanctions from regulator on financial reports					
D.1.1(P)	Did the company receive a "qualified opinion" in its external audit report?	OECD Principle V: Disclosure and Transparency (B) Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosures. (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. (D) External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.		Annual Report - see Independent Auditor's Report accompanying the company's financial statements.	
D.1.2(P)	Did the company receive a "adverse opinion" in its external audit report?	ICGN 6.2 Annual audit The annual audit carried out on behalf of shareholders is an essential part of the checks and balances required at a company. It should provide an independent and objective opinion that the financial statements fairly represent the financial position and performance of the company in all material respects, give a true and fair view of the affairs of the company and are in compliance with applicable laws and regulations.		Annual Report - see Independent Auditor's Report accompanying the company's financial statements.	
D.1.3(P)	Did the company receive a "disclaimer opinion" in its external audit report?	ICGN 7.3 Affirmation of financial statements The board of directors and the appropriate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.		Annual Report - see Independent Auditor's Report accompanying the company's financial statements.	
D.1.4(P)	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?	International Auditing Standard (ISA) No. 705 "Modifications to the Opinion in the Independent Auditor's Report" (2009). Paras 7, 8 and 9 specify the three types of modifications to the auditor's opinion; that is, Qualified opinion, Adverse opinion, and Disclaimer opinion respectively.		Media / announcement	

Level 2		Penalty		Source Document/ Location of Information	
Responsibilities of the Board					
Compliance with listing rules, regulations and applicable laws					
E.1					
E.1.1(P)	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	<p>OECD Principle VI (D)</p> <p>(7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>Companies are also well advised to set up internal programmes and procedures to promote compliance with applicable laws, regulations and standards, including statutes to criminalise bribery of foreign officials that are required to be enacted by the OECD Anti-bribery Convention and measures designed to control other forms of bribery and corruption. Moreover, compliance must also relate to other laws and regulations such as those covering securities, competition and work and safety conditions. Such compliance programmes will also underpin the company's ethical code.</p>			Company announcements to the exchange/Media
E.1.2(P)	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	<p>UK CODE (JUNE 2010)</p> <p>A.4.3 Where directors have concerns which cannot be resolved about the running of the company or a proposed action, they should ensure that their concerns are recorded in the board minutes. On resignation, a non-executive director should provide a written statement to the chairman, for circulation to the board, if they have any such concerns.</p>			Company announcements to the exchange/Media
E.1.3(P)	Have there been major corporate scandals that point to weak board of directors/commissioners oversight?	<p>OECD PRINCIPLE VI.D.7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>Ensuring the integrity of the essential reporting and monitoring systems will require the board to set and enforce clear lines of responsibility and accountability throughout the organisation. The board will also need to ensure that there is appropriate oversight by senior management.</p>			Company announcements to the exchange/Media reports

Level 2		Guiding Reference		Source Document/ Location of Information
Penalty				
E.2	Board A			
E2.1(P)	Does the Company have any independent directors/commissioners who have served for more than nine years?	<p>OECD Principle V</p> <p>(C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.</p>	Annual report/Company website	
E2.2(P)	Did the company fail to provide justification and obtain shareholder's approval for retaining the independent director(s)/commissioner(s) beyond nine years?	<p>Malaysian Code on Corporate Governance</p> <p>Recommendation 3.3: The board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine years.</p> <p>Singapore Code of Corporate Governance</p> <p>Paragraph 2.4: The independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.</p>	Annual report/Company website/Notice of AGM/Announcement of outcome of AGM/Minutes of AGM	
E2.3(P)	Did the company fail to disclose the date of first appointment of each independent directors(s)/commissioner(s)?		Annual report/Company website/Notice of AGM	

Level 2		Guiding Reference		Source Document/ Location of Information	
Penalty					
E2.4(P)	Did the company fail to disclose the identity of the independent director(s)/commissioner(s)?	ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence		Annual Report	
E.3	External Audit				
E.3.1(P)	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	OECD Principle V (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.		Annual Report	

Appendix 3

RESULTS OF TOP 20 COMPANIES ACCORDING TO RANK

(Assessment as per ASEAN CG Scorecard on Top 500 Companies According to Market Capitalisation as at 30 June 2012)

Name of PLCs

- 1 Bursa Malaysia Berhad
- 2 CIMB Group Holdings Berhad
- 3 Malayan Banking Berhad
- 4 Telekom Malaysia Berhad
- 5 Maxis Berhad
- 6 Axiata Group Berhad
- 7 RHB Capital Berhad
- 8 UMW Holdings Berhad
- 9 Shell Refining Co. (F.O.M.) Berhad
- 10 Media Prima Berhad
- 11 DiGi.Com Berhad
- 12 IJM Corporation Berhad
- 13 Malaysia Airport Holdings Berhad
- 14 Public Bank Berhad
- 15 British American Tobacco (M) Berhad
- 16 AMMB Holdings Berhad
- 17 Sime Darby Berhad
- 18 LPI Capital Berhad
- 19 DRB-HICOM Berhad
- 20 IJM Plantations Berhad

