



MINORITY SHAREHOLDERS WATCH GROUP

MALAYSIA-ASEAN

CORPORATE

GOVERNANCE REPORT

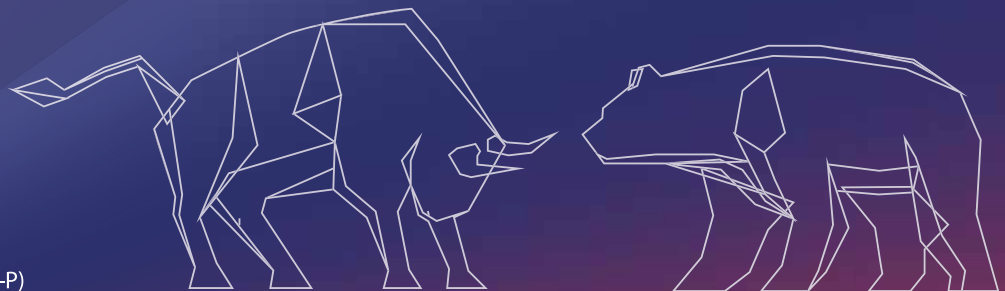
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# TABLE OF CONTENTS

<b>FOREWORD</b>	<b>05</b>
<b>CG DEVELOPMENTS</b>	<b>07</b>
<b>OVERVIEW AND KEY FINDINGS</b>	<b>08</b>
Methodology Employed	08
Highlights of Key Findings	11
<b>PART A: RIGHTS OF SHAREHOLDERS</b>	<b>13</b>
<b>PART B: EQUITABLE TREATMENT OF SHAREHOLDERS</b>	<b>16</b>
<b>PART C: ROLE OF STAKEHOLDERS</b>	<b>18</b>
<b>PART D: DISCLOSURE &amp; TRANSPARENCY</b>	<b>20</b>
<b>PART E: RESPONSIBILITIES OF THE BOARD</b>	<b>25</b>
<b>BONUS</b>	<b>37</b>
<b>PENALTY</b>	<b>41</b>
<b>CONCLUDING REMARKS</b>	<b>43</b>
<b>REFERENCES</b>	<b>45</b>
<b>GLOSSARY</b>	<b>47</b>
<b>APPENDICES</b>	<b>49</b>
Appendix 1: Methodology – ASEAN CG Scorecard	49
Appendix 2: List of Default Responses Items	78
Appendix 3: Members of Adjudication Committee	80
Appendix 4: MSWG-ASEAN CG 2018 Award Winners	81
Appendix 5: List of Top 100 Companies For CG Disclosure (By Rank)	82
Appendix 6: List of Top 100 Companies Overall CG & Performance (By Rank)	83
Appendix 7: Key Corporate Governance Statistics (2014-2018)	84

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# FOREWORD

**E**CONOMIC indicators and political developments suggest that we are at a time of increased disruptions and business uncertainty which exacerbate the challenges faced by directors in providing effective oversight. Hence, the investing community can do without corporate governance statements comprising largely 'boilerplate' disclosure reiterated year after year.

In its sustained efforts to elevate Malaysia's corporate governance level, MSWG is pleased to present the seventh report of the 2018 Malaysia-ASEAN Corporate Governance assessment. This report sets out the findings from extensive assessments into the corporate governance disclosures and practices of Malaysian-listed companies.

Assessment of companies using the ASEAN Corporate Governance scorecard reflects MSWG's continuous efforts to influence PLCs to progress with the voluntary adoption of international corporate governance and sustainability best practices. The scorecard combines traditional governance indicators with a measure of the substance of corporate governance.

The scorecard examines and ranks the listed companies on their performance in addition to looking at key areas such as the rights and equitable treatment of shareholders, role of stakeholders, as well as the responsibilities of the companies' boards.

Results from the assessment show an overall improvement rate for all listed companies of 67.22 points in 2018 compared to 62.20 points in 2017. This shows that companies are increasingly having a better understanding of corporate governance and are implementing encouraging levels of good corporate governance practices which are key to ensuring economic stability and confidence.

At the recent ASEAN CG Awards held in November 2018, 14 Malaysian PLCs made the top-50 companies in ASEAN after having undergone a rigorous assessment and external validation process, thus achieving a significant milestone by being benchmarked to be at the forefront in the region for good corporate governance practices. This is a very positive leap compared to Malaysia's performance at the inaugural ASEAN CG Awards in 2015 where only 6 Malaysian PLCs made the Top 50 list.

MSWG is the domestic ranking body for Malaysia for the ASEAN Corporate Governance Awards which is held bi-annually. This is a further reflection of MSWG's unwavering efforts in being a part of promoting a common governance framework across ASEAN to address the rapidly changing corporate landscape and to strengthen our region's global competitiveness.

Malaysia ranked fourth out of 12 Asia-Pacific economies in terms of market accountability and transparency, according to the *2018 CG Watch Report* published by the Asian Corporate Governance Association and CLSA. Interestingly, the report specifically made reference to MSWG's efforts and this is further testament to our endeavours to promote high standards of corporate governance among our PLCs.

We hope this report will provide useful insights into exemplary disclosures and practices of listed companies. Companies are encouraged to use the scorecard as a governance check of their boards' effectiveness as well as their corporate governance structures and processes.



DEVANESHAN EVANSON  
Chief Executive Officer



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# CG DEVELOPMENTS

**I**N 2017, the SC announced its Corporate Governance Strategic Priorities (2017-2020) (CG Priorities) which included the development of an internal web-based system that leverages advanced analytics capabilities to analyse both quantitative and qualitative data on corporate governance.

In the CG Priorities, the SC committed to publish its analysis and observations through the release of a Corporate Governance Monitor (CG Monitor) publication. Through the CG Monitor, the SC aims to provide data and observations to facilitate stakeholders including boards, management, shareholders and the investment community in driving corporate governance excellence. The CG Monitor will be produced annually by the SC to present the overall state of play in relation to the adoption of the Malaysian Code on Corporate Governance (MCCG). The inaugural CG Monitor was launched in May 2019.

In December 2018, the SC released the revised Prospectus Guidelines and Equity Guidelines to enhance the disclosure requirements of abridged prospectuses and for circulars related to proposals that would result in a significant change in the business direction or policy of a listed company, including back-door listings and reverse take-overs. These amendments are effective from 13 March 2019.

Similarly, the ASX Corporate Governance Council issued the fourth edition of the ASX Corporate Governance Principles and Recommendations, which takes effect on or after 1 January 2020 to emphasise the matters to be addressed in an entity's Board charter as well as the composition and roles of Board committees, including audit, risk, nomination and remuneration.

The Monetary Authority of Singapore (MAS) released in August 2018 the revised Singapore Corporate Governance Code which provides clearer guidance on director independence, objectivity and value-driven effectiveness. It also places more emphasis on improving assurance systems and stakeholder engagement through sustainability reporting.

In February 2019, MAS announced that it will establish an independent Corporate Governance Advisory Committee (CGAC) to advocate good corporate governance practices among listed companies in Singapore. The CGAC will monitor companies' implementation of the Code and provide support to companies by promulgating good practices and highlighting areas for improvement.

Elsewhere, the Financial Reporting Council (FRC) released the revised UK Corporate Governance Code (UK Code), which took effect on 1 January 2019. The new UK Code focuses on more engagement with shareholders and workforce, Chairman's independence, board diversity, directors' overboarding and stringent rules for remuneration.

In January 2019, the FRC commenced consultation process for proposed changes to the UK Stewardship Code which sets higher expectations for investor stewardship policy and practice, thus focusing on how effective stewardship delivers sustainable value for beneficiaries, the economy and society.

On 1 June 2018, the Tokyo Stock Exchange announced revisions to Japan's Corporate Governance Code. The Code provides that listed companies should take additional measures, including not only mere disclosure, but also additional board involvement in assessment and decision-making in order to handle the following issues:

- Existence of cross-shareholdings;
- Inadequate measures for and disclosure of CEO appointment, dismissal, and training;
- Diversity and experience of the board of directors and statutory auditors;
- Expertise in handling corporate pension funds;
- Conflicts of interest; and

- Inadequate management decisions in response to changes in the business environment and non-standardised investment decisions in fixed assets, R&D, and human resources in tandem with an increase in internal reserves.<sup>1</sup>

On 27 July 2018, the Stock Exchange of Hong Kong Limited published the conclusion of its consultation on its Corporate Governance Code (CG Code). The CG Code introduces new measures to:

- Strengthen the accountability of the board and the nomination committee;
- Improve transparency of independent non-executive directors' (INEDs) relationships with issuers;
- Enhance the independence criteria for assessing potential INED candidates;
- Promote board diversity including gender diversity; and
- Enhance transparency of dividend policy.

The amended Rules and CG Code took effect on 1 January 2019.

In March 2019, the Office of Insurance Commission of Thailand introduced the New Good Corporate Governance Rules for Insurance Companies. The Rules prescribe the structure, composition, qualifications, duties and responsibilities of directors of insurance companies.<sup>2</sup>

# OVERVIEW AND KEY FINDINGS

## METHODOLOGY EMPLOYED

**A**s an organisation with a mandate to protect rights of minority shareholders, various initiatives are promulgated to foster sustainable high-performance governance practices with the objective of increasing long-term value creation. One such approach is the ASEAN Corporate Governance Scorecard (Scorecard), a landmark strategy by the ASEAN Capital Markets Forum and the Asian Development Bank to create a common instrument for assessing and benchmarking the corporate governance of PLCs in the ASEAN region. The participating countries include Malaysia, Indonesia, the Philippines, Singapore, Thailand and Vietnam. The Scorecard espouses the OECD Principles of Corporate Governance as its main reference given its global recognition. The Scorecard has been developed based on international best practices but at the same time conscious of the complexities of the ASEAN corporate environment.

This is the seventh year that MSWG has introduced the scorecard methodology to measure the corporate governance disclosures and practices of PLCs. Companies are able to utilise the scorecard as a reference point to evaluate their own corporate governance standards and identify gaps and refinement areas. It clearly indicates a company's standing with its peers and thus can propel companies to improve their governance. The results have also enabled regulators to determine the degree of governance conformance by listed companies.

There are two levels of scoring which is designed to evaluate the substance of good corporate governance.

**Level 1** has been grouped into five categories corresponding to the G20/OECD principles. It comprises descriptors or items that are, in essence, indicative of the laws, rules, regulations, and requirements of each ASEAN member state as espoused below:

<sup>1</sup> <https://www.whitecase.com/publications/alert/japans-corporate-governance-code-revised-require-cost-capital-consideration>

<sup>2</sup> <https://www.bakermckenzie.com/en/insight/publications/2019/03/oic-introduces-new-good-corporate>

**FIGURE 1:** ASEAN Corporate Governance Scorecard

SECTION	AREA	OECD PRINCIPLES OF CORPORATE GOVERNANCE
<b>PART A</b>	Rights of Shareholders	<p><b><i>Principle II – The rights of shareholders and key ownership functions</i></b></p> <p>The corporate governance framework should protect and facilitate the exercise of shareholder's rights.</p>
<b>PART B</b>	Equitable Treatment of Shareholders	<p><b><i>Principle II – The equitable treatment of shareholders</i></b></p> <p>The corporate governance framework should ensure the equitable treatment of shareholders including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights.</p>
<b>PART C</b>	Role of Stakeholders	<p><b><i>Principle IV – The role of stakeholders in corporate governance</i></b></p> <p>The corporate governance framework should recognise that rights of stakeholders established by law or through mutual agreements and encourage active co-operation between corporations and stakeholders in creating wealth, jobs and the sustainability of financially sound enterprises.</p>
<b>PART D</b>	Disclosure and Transparency	<p><b><i>Principle V – Disclosure and transparency</i></b></p> <p>The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership and governance of the company.</p>
<b>PART E</b>	Responsibilities of the Board	<p><b><i>Principle VI – The responsibilities of the board</i></b></p> <p>The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board's accountability to the company and the shareholders.</p>

The respective governance components of each Part are as follows:

## **PART A**

### **Rights of shareholders and key ownership functions – Principle II**

- Protection and facilitation of the exercise of shareholders' rights;
- Equal rights to share in profits;
- Rights to participate in general meetings;
- Rights to approve remuneration for non-executive directors;
- Voting process;
- Disclosure of voting results;
- Voting in absentia; and
- Engagement practices beyond the AGM.



## PART B

### Equitable treatment of shareholders – Principle II

- Opportunity to obtain effective redress for violation of shareholders rights;
- Voting rights;
- Timely information for effective decision making by shareholders;
- Disclosure on any material interest or conflict of interest by board members; and
- Disclosure of related party transactions and whether they are fair and conducted at arms' length.

## PART C

### Role of stakeholders in corporate governance – Principle IV

- Separate corporate social responsibility (CSR)/sustainability report;
- Company's efforts on environmentally-friendly value chain and sustainable development;
- Company's efforts to interact with the communities;
- Company's efforts with supplier management;
- Company's commitment towards broader stakeholders; and
- Procedures for complaints by relevant stakeholders.

## PART D

### Disclosure and transparency – Principle V

- Disclosure on shareholding information, including beneficial owner;
- Disclosure of direct and indirect shareholdings of directors;
- Disclosure of corporate objectives;
- Disclosure of audit and non-audit fees;
- Channel for communication; and
- Release of financial reports.

## PART E

### Responsibilities of the board – Principle VI

- Role and responsibilities of the board;
- Board charter and code of ethics;
- Term limit of independent directors;
- Remuneration policy;
- Board diversity;
- Board meetings and attendance;
- Board committees;
- Board evaluation;
- Risk oversight;
- Succession planning.

**Level 2** consisted of bonus and penalty items with each item assigned positive and negative points respectively. The bonus items were to recognise companies that went beyond items in **Level 1** by adopting and implementing other emerging good practices. The penalty items were designed to relegate companies based on evidence of actions and events that were indicative of poor governance.

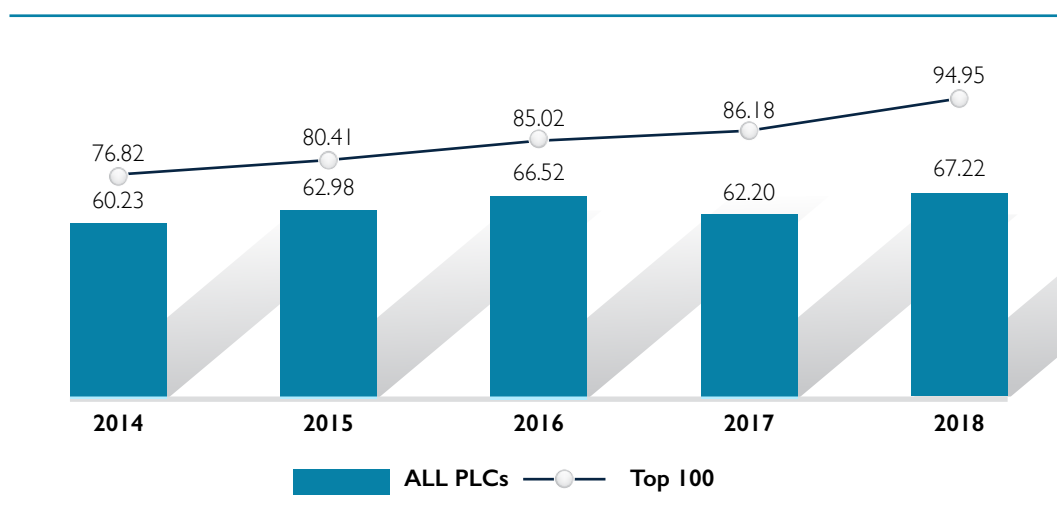
The Scorecard is based on disclosures in the annual reports and company websites. Other sources of information include announcements to Bursa Malaysia Securities (Bursa), circulars, constitutions, minutes of shareholders meetings, governance policies, codes of conduct, sustainability reports and any other publicly available information. For 2018 assessment, the cut-off date for annual reports was 30 June 2018.



## HIGHLIGHTS OF KEY FINDINGS

Based on the assessment using the ASEAN Corporate Governance Scorecard of 866 companies, the overall Corporate Governance Score (CG Score) was 67.22 points. This score represents an increase of five points (2017: 62.22 points), which is commendable as PLCs become increasingly familiar with the expectations of the Scorecard, thus adopting and disclosing corporate governance practices accordingly.

**FIGURE 2:** Five-Year CG Score Trend



**FIGURE 2** showcases the trend in the CG Score over the last five years. The overall CG Score for all companies as well as the CG Score of the top 100 companies with good disclosures (Top 100) has increased in 2018 from 2017.

Average CG Score for the Top 100 PLCs has consistently trended upward from 76.82 points in 2014 to 86.18 points in 2017, and further risen to 94.95 points in 2018. For all companies, the Average CG Score has increased from 62.20 points in 2017 to 67.22 points in 2018. This reflects the efforts taken by companies to improve their CG practices, policies and disclosures as well as MSWG's resolute advocacy efforts for companies to embrace the substance of CG.

Commendable improvements include increase in the number of companies adopting an internationally recognised reporting framework for sustainability, large increase in the number of companies disclosing CEOs' remuneration, greater number of companies releasing their AGM notices at least (or more than) 28 days before the meeting, as well as an increase in the number of companies disclosing policies with measurable objectives and implementation progress for board diversity.

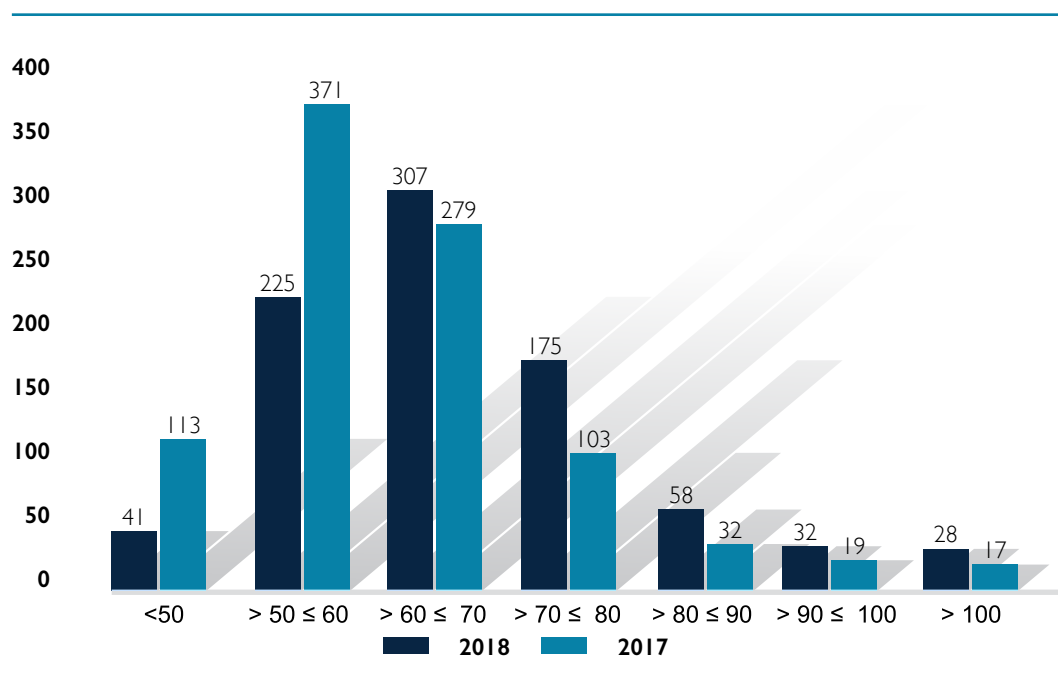
Other impressive achievements include more companies disclosing their remuneration policies, more female independent directors on boards, more companies disclosing their board charters and a higher number of companies with at least 50% independent directors.

**FIGURE 3:** Average Score for all PLCs

YEAR	PART A	PART B	PART C	PART D	PART E	BONUS	PENALTY	CG SCORE
2018	8.01	8.82	7.08	14.66	26.06	6.06	-3.47	67.22
2017	7.42	8.82	6.10	14.53	24.52	4.48	-3.67	62.20

**FIGURE 3** highlights that the average score of each component of the scorecard for all PLCs in 2017 and 2018 and indicates improvement in each component except for Part B which has the same score for both years.

**FIGURE 4:** Distribution of CG Score



Data in **FIGURE 4** shows a rising trend in the number of companies with scores of 60 points and above in 2018. This is very encouraging as it resulted in a significant reduction in the number of companies with scores of below 60 points. There were 28 companies (as indicated below in alphabetical order) that achieved CG Score of more than 100 points in 2018 compared to only 17 companies in 2017.

ALLIANCE BANK MALAYSIA BHD	PETRONAS DAGANGAN BHD
AMMB HOLDINGS BHD	PETRONAS GAS BHD
ASTRO MALAYSIA HOLDINGS BHD	PUBLIC BANK BHD
AXIATA GROUP BEHAD	RHB BANK BHD
BRITISH AMERICAN TOBACCO (M) BHD	SIME DARBY BHD
BUMI ARMADA BHD	SIME DARBY PLANTATION BHD
BURSA MALAYSIA BHD	SIME DARBY PROPERTY BHD
CIMB GROUP HOLDINGS BHD	SUNWAY BHD
IJM CORPORATION BHD	SUNWAY CONSTRUCTION GROUP BHD
IJM PLANTATIONS BHD	TELEKOM MALAYSIA BHD
KUB MALAYSIA BHD	TENAGA NASIONAL BHD
LPI CAPITAL BHD	TOP GLOVE CORPORATION BHD
MALAYAN BANKING BHD	UEM SUNRISE BHD
PETRONAS CHEMICALS GROUP BHD	UMW HOLDINGS BHD

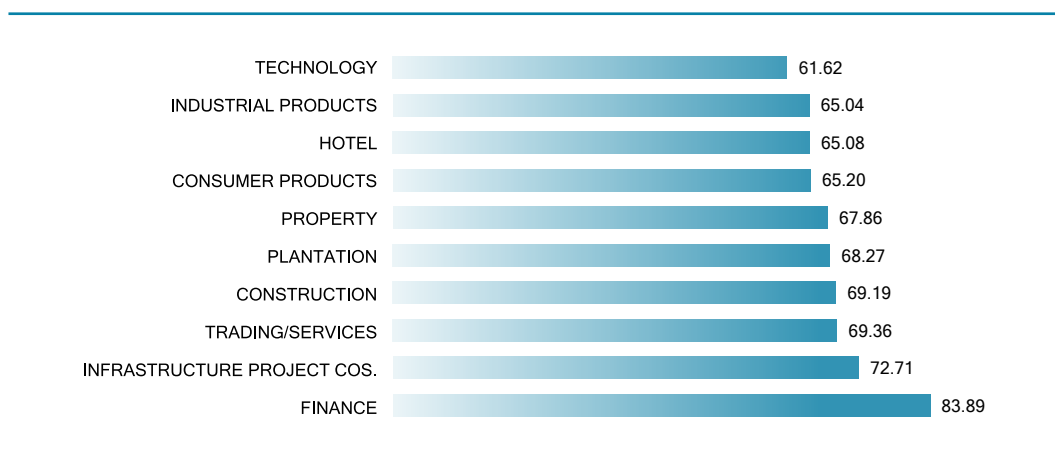
It is hoped that other companies will emulate these exemplary companies which have achieved scores of above 100 points by taking steps to move up the CG ladder by implementing good CG practices as recommended by the Scorecard.

Nevertheless, as shown in **FIGURE 4**, out of the 866 companies evaluated, there are still 41 companies (5%) which obtained less than 50 points in their CG Score although this is a definite improvement

from 113 companies in 2017. A strategy of focused consultation and guidance on good governance disclosures and practices may be needed to bring these companies to a higher level.

As shown in **FIGURE 5**, the leading sectors in terms of sectoral CG Score higher than the overall CG Score of 67.22 points were Finance (83.89 points), Infrastructure Project Companies (72.71 points), Trading & Services (69.36 points), Construction (69.19 points), Plantation (68.27 points) and Property (67.86 points).

**FIGURE 5:** Average CG Score by Sector on Bursa



The sectors posting CG Score below the overall CG Score were Consumer Products (65.20 points), Hotel (65.08 points), Industrial Products (65.04 points) and Technology (61.62 points).

## PART A: RIGHTS OF SHAREHOLDERS

**T**HE first section of the CG Scorecard has 21 items that contributed to 10% of the **Level 1** score. Out of the 21 items, 12 items were default items which means that the companies were assumed to have adopted the policy/practices mandated by law, regulations or listing rules unless there was evidence to the contrary. The maximum attainable points for Part A is 10.00 points.

Based on the evaluation of 866 companies, the minimum, maximum and average scores for this section were 6.15 points, 10.00 points and 8.01 points, respectively.

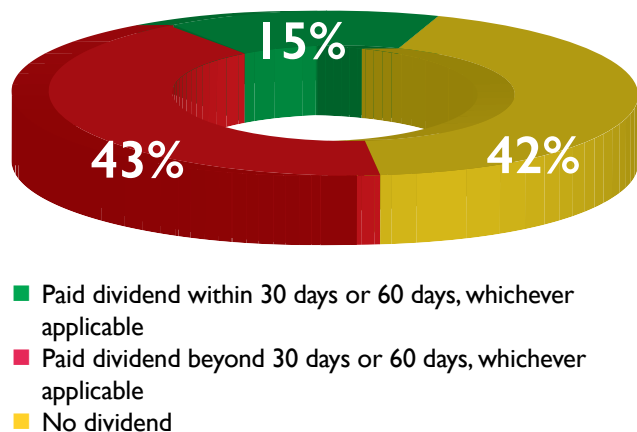
### Basic shareholder rights via equitable and timely dividend payments

Investors are now very conscious about investing in companies that are able to pay dividends. Dividends have become an important driver of investments, especially in the current low-interest rate environment. However, companies that are still in the growth phase may not offer dividends as they opt to reinvest all of their profits to help sustain high growth.

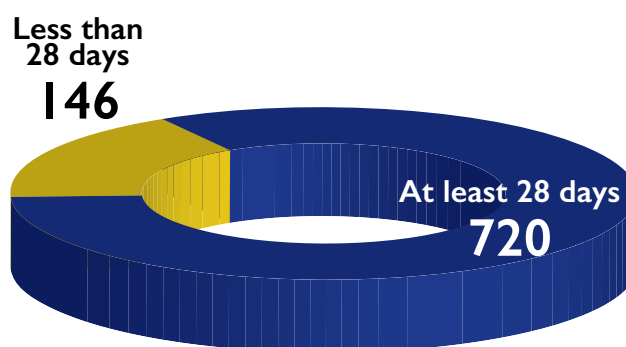
For shareholders, it is important that payment of dividends (interim and/or final) are done in equitable and timely manner for the benefit of all shareholders. In the case of cash dividend, the distribution should be concluded within 30 days after being (i) declared (for interim dividends) and (ii) approved by shareholders at general meetings (for final dividends). As for dividend reinvestment scheme, the distribution should be concluded within 60 days after being approved by shareholders.

**FIGURE 6** reveals that out of the 866 companies assessed, 42% (n=367) did not pay any dividend during the period under review. Out of the remaining companies that paid dividend during FY2017/2018, about 25% of them had complied with the expectation of concluding the payment within 30 days for cash dividend or 60 days for script dividend and dividend reinvestment schemes, respectively. It is quite alarming that a large number of 373 companies (43%) took longer than the expected period to make their dividend payment.

**FIGURE 6:** Equitable Payment of Dividends



**FIGURE 7:** AGM notice period



In terms of the notice period for annual general meeting (AGM), Para. 7.15 of the Main Market Listing Requirements (MMLR) requires at least a 21-day notice for an AGM. It is remarkable that 83% (n=721) companies had a notice period of 28 or more days.



In Singapore, the notice has to be sent out a minimum of 14 days prior to the AGM (in the case of business requiring the passing of an ordinary resolution), 21 days before an AGM where special resolutions will be used, and 28 days if there is a special notice requirement.

Information in the notice must be presented in a transparent, concise and comprehensive manner and not be ambiguous. Directors must ensure that the accompanying statement and material provide information that will fully and fairly inform shareholders of what is to be considered at the meeting so as to enable them to make a properly informed voting decision.

Analysis of the notices of AGM revealed that most companies (n=836; 97%) provided the rationale and explanation for each agenda item that required shareholders' approval in the notice of AGM and/or the accompanying statements.

Among the agenda items that require shareholders' approval, the matter of director remuneration is normally a key agenda item which attracts active participation by shareholders. The current study found that all companies accorded shareholders the opportunity (evidenced by an agenda item) to approve remuneration (fees, allowances, benefits-in-kind and other emoluments) as required by Section 230(1) of the Companies Act 2016.



In the Australian Securities and Investments Commission's (ASIC) report which provides an overview of the annual general meeting season in 2018 for S&P/ASX 200 listed entities, one of the key observations was that remuneration remained a key issue with shareholders continuing to voice concerns about the amount, structure and transparency of executive remuneration. Issues raised by shareholders included the complexity of remuneration structures (particularly 'combined' plans which amalgamate long-term and short-term incentives) and a sense of inequality where wage growth of other company employees is low or stagnant.<sup>3</sup>

## Right to participate in and vote in general shareholders meetings

Shareholder input and engagement is important at AGMs with a clear message that directors are being held accountable when shareholders vote through 'against' votes on their re-election.

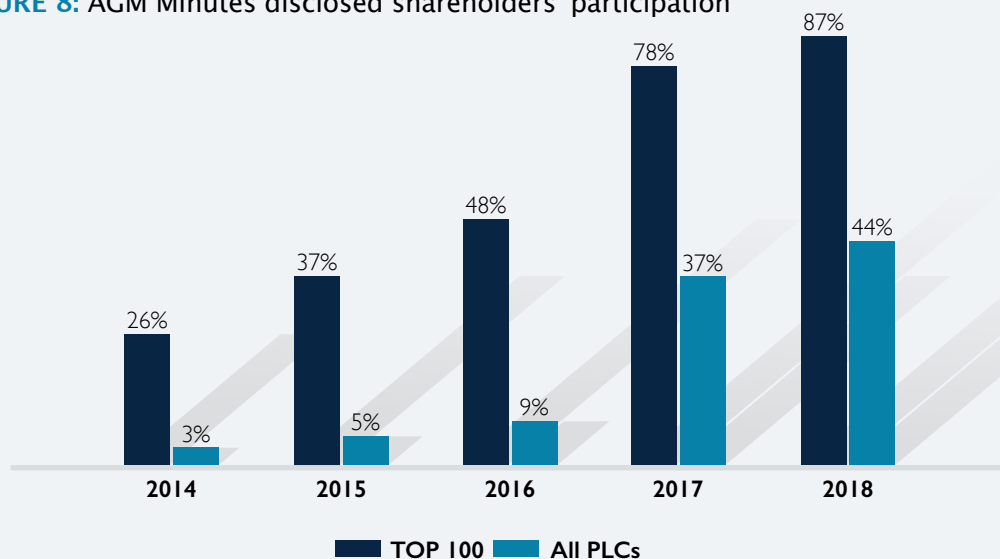


Under the AGM Checklist Guidelines issued jointly by the Stock Exchange of Thailand (SET), the Thai Investors Association and the Thai Listed Company Association, listed companies are required to deliver a copy of meeting minutes to shareholders within 14 days from the shareholders' meeting date (for both ordinary and extraordinary shareholders' meeting) via the SET portal.

### BOX 1: AGM Minutes

As shown in **FIGURE 8** below, the likelihood of companies publishing their AGM minutes has increased over the past five years. Whilst the increase in minutes prepared and published on the companies' website may be attributed to Para. 9.21(2) of the MMLR that requires PLCs to publish a summary of key matters discussed at AGMs, companies must ensure that their minutes clearly capture the essence of the discussions and include all relevant questions raised and board's responses as well as names of board members who attended the AGM.

**FIGURE 8:** AGM Minutes disclosed shareholders' participation



<sup>3</sup> <https://download.asic.gov.au/media/4997407/rep609-published-31-january-2019.pdf>

A review of the published AGM minutes revealed that only 377 companies (44%) documented that they granted opportunities for shareholders to ask questions or raise issues and even included the questions and responses. This is encouraging and MSWG recommends that all companies emulate such good practices so that there is documentary evidence that shareholders, especially the minority shareholders, were empowered to participate in the AGM. Moreover, the minutes also provide a record of proceedings for those who were unable to attend and for the reference of other stakeholders.

Given the significance of AGMs, it is essential for all directors to be present at the event. However, the current assessment found only 208 companies (24%) disclosed the names of board members who attended the most recent AGM. It was further found that in terms of attendance of directors and CEO (if he is not a board member) at the most recent AGM, 163 companies (19%) disclosed full attendance of board members and CEO (if he is not a board member).

It is encouraging to find that almost all of the 866 companies (n=846; 98%) disclosed the voting procedures before the start of the AGM.

The small number of remaining 20 companies should adopt this good practice to inform shareholders attending the AGM of the voting procedures, hence ensuring a smooth voting process.

All companies (n=866) disclosed the voting results that showed the approving and dissenting votes for each agenda item for the most recent AGM.

### Exercise of ownership rights by shareholders

Generally, shareholder engagements have largely been geared towards those with the most voting capacity. The importance of having a meaningful shareholder engagement strategy should apply to retail shareholders and institutional investors alike. Companies should ensure that their periodic shareholder engagement strategies are robust and structured.

About one-third of companies (n=295; 34%) were found to have disclosed their practices to encourage shareholders to engage with them beyond their AGM. It is recommended that other companies take similar steps to develop policies and practices to encourage shareholder engagement.

## PART B: EQUITABLE TREATMENT OF SHAREHOLDERS

**T**HIS is the second section of the CG Scorecard which has 15 items that contribute 10% to the **Level 1** score. The maximum attainable points for Part B is 10.00 points.

Based on the evaluation of 866 companies, the minimum, maximum and average for this section was 7.78 points, 10.00 points and 8.82 points, respectively.

### Shares and voting rights

Out of the 866 companies evaluated, 846 companies (98%) had only one class of shares. As for the remaining 20 companies that appeared to have more than one class of shares, 85% adopted the practice of publicising the voting rights attached to each class of shares while three companies did not publicise such voting rights.

## Notice of Annual General Meeting



Thailand's SET regulations provide that, "To comply with the good governance principle on shareholders' rights, the management can notify shareholders in advance via the SET Portal prior to holding the board meeting to determine agendas at the shareholders' meeting the following year. This is intended to include shareholders in proposing the agenda as well as nominating board members for the consideration of the management."<sup>4</sup>

Based on an assessment of the notices and their accompanying documents of 866 companies, it was found that all assessed companies did not practice the bundling of resolutions in their most recent AGM.

All companies assessed had:

- The notice of the most recent AGM and relevant circulars available in English; and
- The proxy appointing document made easily available by appending it to the notice of AGM.

In other aspects pertaining to the quality of AGM notice, our evaluation found that:

- Nearly half of the companies (n=404) had included in their AGM notice, the profile of directors (at least age, academic qualification, date of first appointment, experience and directorships in other listed companies) seeking election or re-election. Companies are encouraged to distinguish between directorships held in listed companies and non-listed public companies;



In the United Kingdom, the Financial Conduct Authority published a rule in May 2014 that provides additional voting power to minority shareholders in the election of independent directors for a premium listed company where a controlling shareholder is present ("dual voting mechanism"). It requires independent directors to be separately approved both by the shareholders as a whole and the independent shareholders as a separate class.<sup>5</sup>

- Almost all (n=854; 99%) the AGM notices of companies clearly identified their respective auditors who were seeking appointment or re-appointment.

## Protecting minority shareholders' interests in related-party transactions



With regard to Related Party Transactions (RPTs) and the adequacy of protection for minority shareholders, the International Corporate Governance Network (ICGN) Viewpoints (short and topical reports) states that, "A key concern about related party transactions is that they might not be undertaken at market prices, but can be influenced by the relationship between the two sides of a transaction which eventually sparked a conflict of interest for some person(s) in the company. For both the inside block holders and other insiders such as the management, RPTs can be used as a mechanism for extracting private benefits of control at the cost of other shareholders. This can range from mild to extreme degrees of expropriation."<sup>6</sup>

<sup>4</sup> [https://www.set.or.th/en/regulations/simplified\\_regulations/meeting\\_pl.html](https://www.set.or.th/en/regulations/simplified_regulations/meeting_pl.html)

<sup>5</sup> <https://www.oecd.org/daf/ca/Corporate-Governance-Factbook.pdf>

<sup>6</sup> <https://www.icgn.org/related-party-transactions-how-ensure-adequate-protection-minority-shareholder-rights>

Based on the analysis of 866 companies, 11 companies did not have any RPTs. Out of the remaining 855 companies, it was found that only 151 companies (18%) disclosed that their RPTs were conducted in such a way to ensure that they were fair and at arm's length. Another 704 (82%) of the companies did not disclose clearly such policy with most companies revealing that their RPTs were conducted on a "negotiated" basis. Lacking transparency and clarity, such disclosure does not equate to fair and at arm's length.

## PART C: ROLE OF STAKEHOLDERS

**T**HE third section of the CG Scorecard had 13 items that contributed to 15% of the **Level 1** score. Based on the evaluation of 866 companies, the minimum, maximum and average for this section was 0 point, 15.00 points and 7.08 points, respectively. The maximum attainable points for Part C is 15.00 points.

Bursa Malaysia has in 2018 issued the second edition of the Sustainability Reporting Guide which includes more current case studies, reference to the UN Sustainable Development Goals and the Task Force on Climate-related Financial Disclosures recommendations, in addition to some guidance on integrated reporting as well as a new chapter on assurance to provide guidance on how sustainability reporting may be conducted.<sup>7</sup>

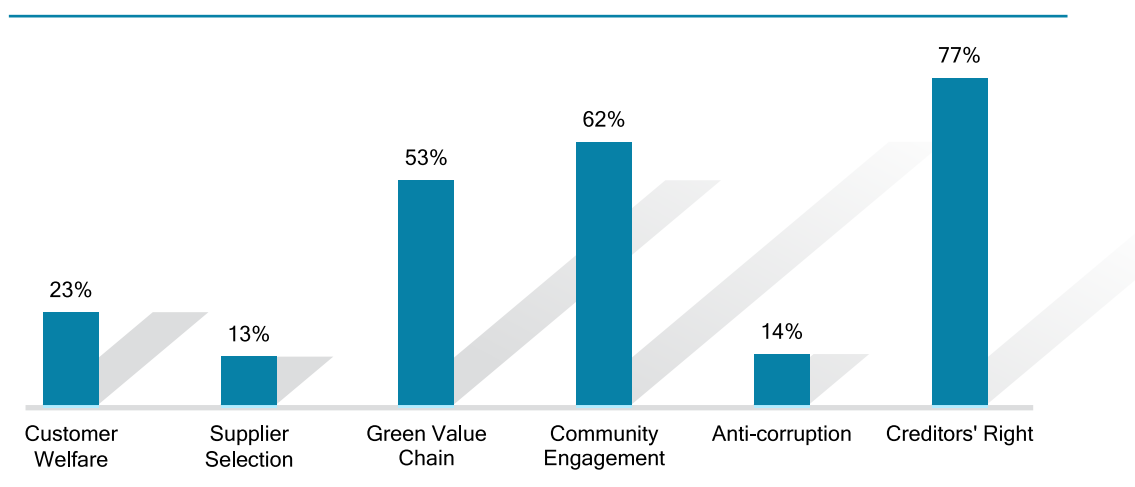
Our assessment revealed that 701 companies (81%) had a separate report/section that discusses its efforts on environment/economic and social issues.

For the year under review, a total of 24 companies produced stand-alone sustainability/corporate responsibility or corporate social responsibility reports.



In a study dated November 2018 on sustainability reporting practices among the five ASEAN countries, Malaysia took the lead in the level of sustainability disclosures, followed closely by Singapore and Thailand. Malaysia demonstrated the highest disclosure rate on both sustainability drivers and Economic, Environmental and Social (EES) performance. Nevertheless, 22% of Thai listed companies conducted external verification on sustainability information disclosure compared to only 12% of Malaysian listed companies.<sup>8</sup>

**FIGURE 9: Stakeholder rights – policies and practices**



<sup>7</sup> <https://bursasustain.bursamalaysia.com/droplet-details/resources/sustainability-reporting-guide>

<sup>8</sup> [https://www.asean-csr-network.org/c/images/Resources/Reports/2018\\_Sustainability\\_Reporting\\_in\\_ASEAN\\_Countries.pdf](https://www.asean-csr-network.org/c/images/Resources/Reports/2018_Sustainability_Reporting_in_ASEAN_Countries.pdf)



As can be seen in **FIGURE 9**, 537 companies assessed (62%) had some form of community engagement policies and practices. A total of 460 companies (53%) described their policies and practices in dealing with environmentally friendly practices or green value chain. A total of 664 companies (77%) had put in practice the appropriate policy to safeguard creditors' rights.

A smaller number of companies appeared to be dealing with another three of the identified criteria, namely efforts to address customers' welfare, supplier/contractor selection process, and the company's anti-corruption programmes and procedures.

Boards should work with the management to identify key sustainability issues most pertinent to the company's business strategies and stakeholders, and to oversee implementation of policies and processes for assessing, monitoring and managing sustainability risks.

Boards need to focus on the needs of different stakeholders, particularly those that enable prioritisation of and allocation of resources to ESG matters that are material to the business (a critical element to drive shareholders' value).

### Facilitation of stakeholders' rights

In cases where their interests are protected by the law, stakeholders should have the opportunity to obtain effective redress for violation of their rights. In this respect, companies were assessed whether they have provided contact details via their websites or annual reports which stakeholders (e.g. customers, suppliers and general public) could leverage to voice their concerns and/or to complain about possible violation of their rights.

The current evaluation found that about one-third of the companies (n=274; 32%) had facilitated by providing the relevant contact information. It is recommended that all companies provide the contact details on their websites or annual reports to enable stakeholders to engage with the companies where their rights have been affected.

### Employees' Welfare

Employees' welfare refers to those efforts taken by companies to promote the physical, psychological, and general well-being of their employees, hence it is pertinent for companies to have in place relevant policies and practices to recognise employees' welfare. Upskilling your employees and taking measures to enhance their knowledge can grow business and boost competitiveness.

The assessment found that:

- About one-third of companies (n=303; 35%) explicitly disclosed the company's policies and practices regarding the health, safety and welfare of their employees.
- 232 companies (27%) had training and development programmes for their employees and described the company's training and development programmes for its employees with the disclosure of some statistics on its training activities; and
- Less than one-quarter of companies (n=195; 23%) had in place reward/compensation policy that accounted for the performance of the companies beyond short-term financial measures. Such compensation policies encourage continued employment, focus on desired results and balances short- and long-term decision making.

Early identification of unethical issues in a company is critical with employees and stakeholders being the ones most likely to be aware of wrongdoings. To report the occurrence of illegal or unethical practices, it is necessary that a company has in place a mechanism for employees and other stakeholders to communicate their concerns with the condition that the reporting person's rights are not compromised.

In this regard, the current study found that 519 companies (60%) and 501 companies (58%), respectively had:

- Procedures for complaints by employees/other stakeholders concerning illegal (including corruption) and unethical behaviour; and
- Policy or procedures to protect an employee/person who reveal illegal and/or unethical behaviour from retaliation.

## PART D: DISCLOSURE & TRANSPARENCY

**T**HIS fourth section of the CG Scorecard had 32 items that contributed to 25% of the **Level 1** score. There were no default items under this section. It is a section of the Scorecard that assessed a company's policies and practices in relation to disclosure and transparency of various aspects. The maximum attainable points for Part D is 25.00 points.

Based on the evaluation of 866 companies, the minimum, maximum and average for this section was 6.88 points, 23.75 points and 14.64 points, respectively.

### Transparent ownership structure



When an individual is the ultimate beneficial owner, the disclosure of Singaporean companies is clear and straightforward. For instance, Genting Singapore offers more direct information about the ultimate beneficial owner in its annual report than its listed parent company in Malaysia.<sup>9</sup>

All companies disclosed their shareholdings by revealing the identity of beneficial owners who hold 5% shareholding or more in addition to the direct and indirect (deemed) shareholdings of major and/or substantial shareholders, and the direct and indirect (deemed) shareholdings of directors.

Only a handful of companies (n=35; 4%) disclosed the direct and indirect (deemed) shareholding of senior management staff who are defined as C-level officers of a company. Kudos to these 35 companies for being transparent. The remaining companies have not been explicit in the disclosure of their senior management shareholdings.

### Quality of Annual Report

The annual report is the primary source of information about a company's financial position, governance and strategies.

The assessment using the Scorecard reveals that all companies (except those newly listed or no physical board meeting) disclosed in their annual reports, the attendance details of their board members at their board of directors' meetings held during the year under review (n=864).

All companies disclosed their financial performance indicators.

About one-third of companies disclosed in their annual reports:

- Corporate objectives which are essentially about what the business wants to achieve including performance targets or long-term goals (n=294; 34%); and

<sup>9</sup> <http://www.oecd.org/daf/ca/Beneficial-Ownership-Disclosure-in-Asian-Publicly-Listed-Companies.pdf>.

- Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors (n=289; 33%). As stated earlier in Part B, companies are encouraged to differentiate separately other directorships between listed and non-listed companies.

About one-fifth of companies disclosed in their annual reports the non-financial performance indicators (n=176; 20%) and slightly more than one-tenth of companies disclosed their dividend policy (n=113; 13%).

A total of 456 companies (53%) disclosed details of remuneration of each member of their board of directors compared to 99 companies (11%) in 2017. This drastic improvement is expected as reporting of individual remuneration is mandatory pursuant to the amendments to the MMLR.

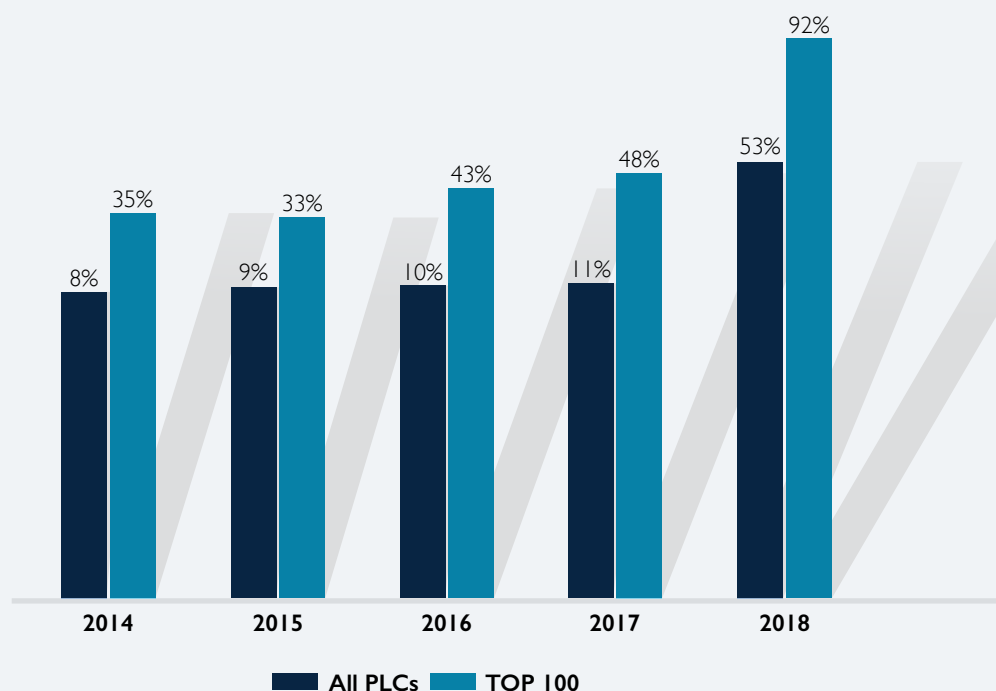
Practice 6.1 of the MCCG states that it is incumbent upon the board to put in place policies and procedures to determine the remuneration of directors and senior management, and that such policies and procedures be made available on the PLCs' websites.

Practice 7.2 of the MCCG required companies to disclose the detailed remuneration of the top five senior management members in bands of RM50,000.

#### BOX 2: Disclosure of directors' remuneration

**FIGURE 10** reveals that the incidence of disclosing individual director's remuneration has increased among the larger companies (Top 100) and among all companies pursuant to the amendments to the MMLR.

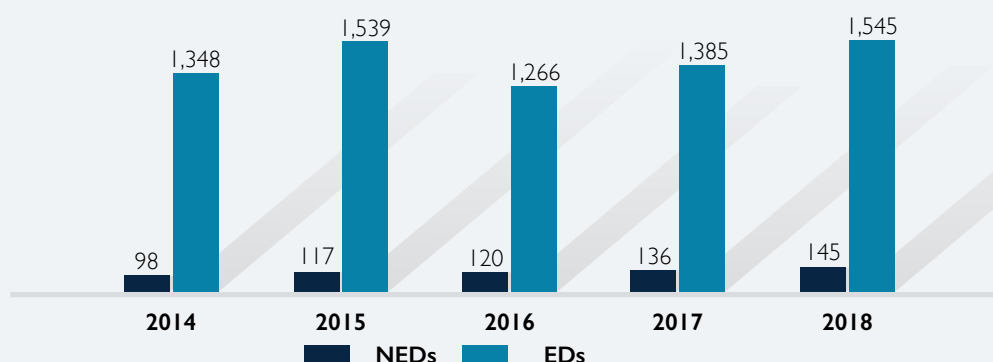
**FIGURE 10:** Disclosure of Individual Director's Remuneration



### BOX 3: Directors' remuneration

Between 2017 and 2018, there has been an increase in the average remuneration for the executive directors (EDs) and non-executive directors (NEDs) with increasing responsibilities, time commitment and risk.

FIGURE 11: Directors' Remuneration (RM'000)



### AVERAGE ANNUAL REMUNERATION BY SECTOR (RM)

SECTOR	EDs (RM)	NEDs (RM)
CONSTRUCTION	1,428,000	118,000
CONSUMER PRODUCTS	1,208,000	89,000
FINANCE	4,814,000	827,000
HOTEL	1,071,000	58,000
INDUSTRIAL PRODUCTS	1,132,000	82,000
INFRASTRUCTURE PROJECT COS.	2,085,000	151,000
MINING	161,000	59,000
PLANTATION	1,692,000	160,000
PROPERTY	2,020,000	133,000
TECHNOLOGY	653,000	60,000
TRADING/SERVICES	2,776,000	116,000

## Corporate Governance Compliance Statement

Even though Para. 15.25(1) of the MMLR requires the board of directors of a company to provide a Corporate Governance Statement, it is encouraging to note that more than half of the companies (n=559; 65%) moved beyond and provided a statement confirming full compliance with the MCCG and where there were non-compliances, these companies identified and explained reasons for each non-compliance.

With respect to the above, companies with financial year end of 31 December 2017 onwards need to disclose the application of each practice set out in the MCCG during the financial year in a prescribed format (Corporate Governance Report [CGR]) which is to be announced concurrently with the annual report.

## Disclosure of Related Party Transactions (RPTs) and Trading of Shares by Insiders

Most companies disclosed the policy covering the review and approval of material or significant RPTs (n=800; 92%). The MMLR provides that the audit committees must review related party transactions and to ensure that the transactions are carried out in normal commercial terms, and hence are not prejudicial to shareholders.

About one-third of companies (n=279; 32%) disclosed the name, relationship, nature and value relating to the RPT and transaction for each of the material or significant RPT.

In respect of the disclosure of trading in the company's shares by insiders such as C-suite officers, major shareholders and connected persons, only six companies (1%) disclosed such information. Other companies should emulate such transparent disclosure.

## External Auditors and Audit fees



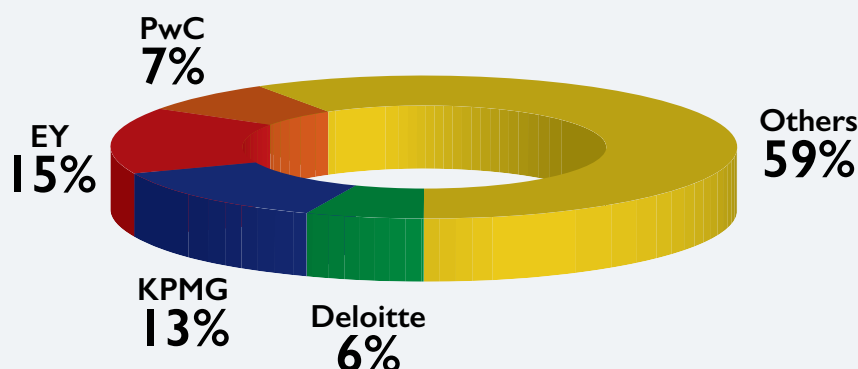
In January 2019, the Australian Securities and Investments Commission (ASIC) has fired a warning shot over the big accounting firms and their lucrative consulting businesses, highlighting cases where auditors have compromised the "appearance of independence".<sup>10</sup>

The current study found that 43 companies (5%) had non-audit fees exceeded their audit fees. In such instances, there is a risk that the independence of these audit firms may be compromised due to their dependence on fees from non-audit work.

### BOX 4: External audit firms

For the year of assessment, the Big-4 had a 41% market share of external audit services engagement as shown in **FIGURE 12**. However, in terms of audit fees, the Big-4's market share was 78%.

**FIGURE 12:** Market Share of External Audit Firms



<sup>10</sup> <https://www.afr.com/business/accounting/auditors-compromised-by-providing-consulting-work-asic-20190124-h1agav>

## Medium of Communication

Due to the requirement of the MMLR, all companies announced their quarterly reports accordingly.

It is also heartening to note that nearly all (n=858; 99%) companies had corporate websites though the websites of the larger companies tend to boast higher quality content or were easier to navigate compared to those of the medium and small-cap companies.

Analyst and media briefings are important as both analysts and the media have good understanding of the marketplace, including the competitive landscape, and are thus able to help PLCs to better shape their positioning in the market.

Out of the 866 companies assessed, less than one fifth of companies (n=145; 17%) used analysts' briefings as an additional mode of communication. Even lesser number of companies (n=59; 7%) – usually the larger companies – leveraged media briefings or press conferences for exposure.

The MMLR mandates listed companies to issue their annual reports which include annual audited financial statements within four months of their financial year end (FYE). The current assessment found that nearly all companies released their annual reports within 120 days or four months from their financial year end (860 companies; 99%).

### BOX 5: Timeliness of annual report

The average time taken to release an annual report was 115 days during the year of assessment. Except for six PLCs, all companies released their annual reports within 120 days or four months after their financial year end (FYE). Only four companies released their annual reports within 60 days after their FYE.

FIGURE 13: Timeliness of Annual Report



## Company Website

Companies must have in place user-friendly websites which are accessible to all users, in addition to a well-planned information architecture as well as an updated and well-formatted content.

The current evaluation found that nearly all companies disclosed updated information on the following:

- Downloadable annual report (n=831; 96%); financial statements (current and prior years) (n=824; 95%) and Notice of AGM and/or EGM (n=780; 90%)

- Slightly more than one-tenth of companies (n=93; 11%) disclosed material provided in briefings to analysts and the media.
- 45% of companies (n=390) disclosed minutes of their AGM and/or EGM and about one-tenth of companies (n=104; 12%) posted their constitution on the websites.

### Medium of communication

An Investor Relations Officer typically handles investor enquiries and investor meetings, provides feedback to the management, and facilitates communication during crisis management.

It is good practice that a company not only has an Investor Relations Officer, but also to disclose the said officer's contact details such as telephone number, fax number and/or e-mail address to facilitate communication between investors and the company. However, the current assessment found that only slightly more than half of companies (n=481; 56%) disclosed such details.

## PART E: RESPONSIBILITIES OF THE BOARD

**T**HE fifth and final section of **Level 1** CG Scorecard has 65 items that contributed to 40% of the **Level 1** score. Out of these 65 items, nine items were default items. The maximum attainable points for Part E is 40.00 points.

Based on the evaluation of 866 companies, the minimum, maximum and average for this section was 16 points, 39.46 points and 26.06 points, respectively.

### Duties and responsibilities of the board

#### Clearly defined board responsibilities and corporate governance policy

A board charter is a governance document which describes the roles, duties, responsibilities and authority of the board, including delegation to management, thus setting the direction, management and control of the company.

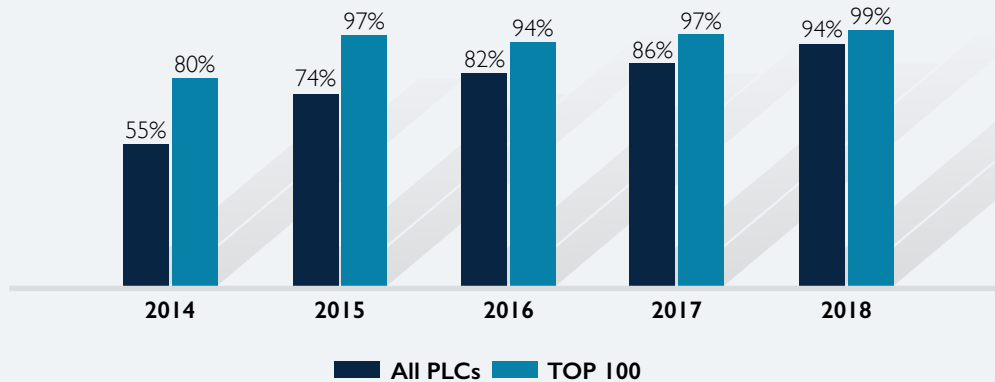
The disclosure level was commendable with the following revelation:

- Disclosure of the board charter/corporate governance policy (n=810; 94%);
- Clearly stating the roles and responsibilities of the board of directors (n=850; 98%); and
- Disclosing the types of decisions requiring approval by the board of directors (n=747; 86%).

#### BOX 6: Board Charter

**FIGURE 14** reveals the trend of more companies disclosing their board charter. However, there was one Top-100 company which did not disclose its board charter.

**FIGURE 14:** Board Charter



#### Corporate vision and mission

A vision statement is forward-looking by creating a representation of the ideal state that the company wishes to achieve which is aspirational. On the other hand, a mission statement explains reasons behind the company's existence as well as describing its purpose and intention.

Nearly half of the companies' (n=411; 47%) had an updated vision and mission statement while an impressive 819 companies (95%) had the board playing a leading role in the process of developing and reviewing their business strategy.

Nearly half of the companies (n=382; 44%) stated that the process of corporate strategy had been reviewed, monitored and overseen by the board.

#### Board Structure

##### Code of ethics

The advantages for companies to have in place code of ethics are that:

- It strengthens the company's core values while setting the right culture;
- It guides the company and its directors and employees against violating laws and regulations; and
- It fosters an environment of trust and ethical behaviour.

Based on the current assessment, three-quarters of the companies (n=655; 76%) appeared to have disclosed some form of code of ethics.

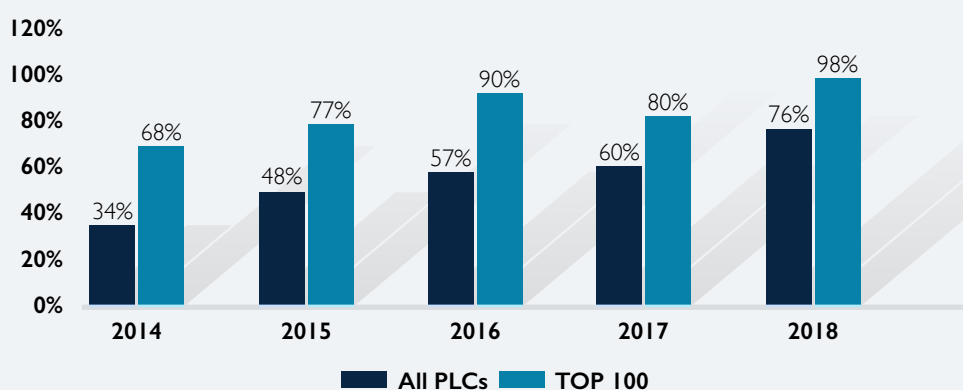


It is pertinent that a company either has a single code of ethics that is applicable to all employees and directors or a separate code for directors and employees, and that the said code of ethics is implemented and its compliance is regularly monitored. Companies are expected to develop code of ethics applicable to their specific operations and nature of business for their directors instead of just adopting the code of ethics issued by the Companies Commission of Malaysia.

In this regard, our assessment revealed that half of all companies had a code which required compliance by all directors, senior management and employees (n=437; 50%), and about one-third of companies disclosed how they implemented the code of ethics as well as how they monitored its compliance (n=278; 32%).

#### BOX 7: Code of Ethics

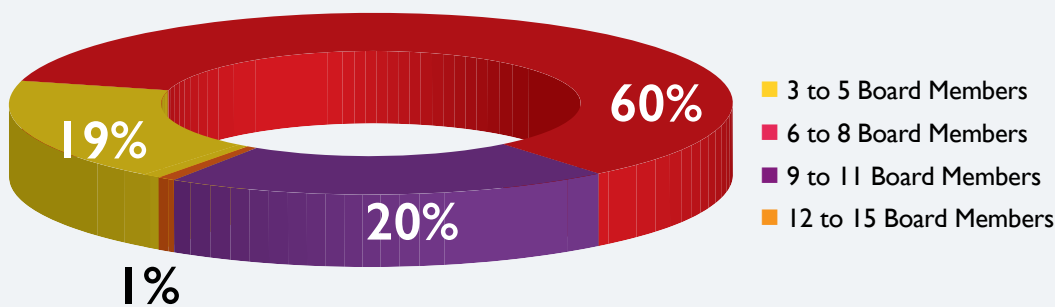
FIGURE 15: Code of Ethics



**BOX 8:** Board composition and Independent Non-Executive Directors (INEDs)

A typical board comprised seven directors. The smallest board was with three directors while larger boards can have as many as 15 directors. **FIGURE 16** shows that 60% of companies had board size of between six and eight directors.

**FIGURE 16:** Board Size

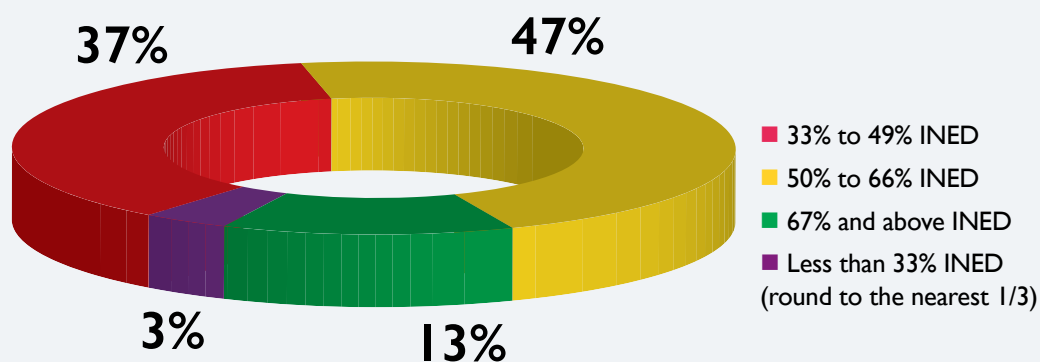


The MMLR prescribes that independent directors make up one-third of a company's board. The MMLR also allows that if the number of directors of the listed issuer is not three or a multiple of three, then the number nearest to one-third can be used.

**FIGURE 17** reveals that 27 companies (3%) have applied the number nearest to 1/3 computation. Para.15.02(3) of the MMLR states that in the event of any vacancy in the board of directors, a listed issuer must fill the vacancy within three months. Three companies had boards made up entirely of INEDs. A typical company had about 49% INEDs sitting on their board with a typical INED having board exposure of about seven years.

Slightly more than half of the companies (n=517; 60%) had independent directors making up at least 50% of their board of directors.

**FIGURE 17:** Proportion Of INEDs





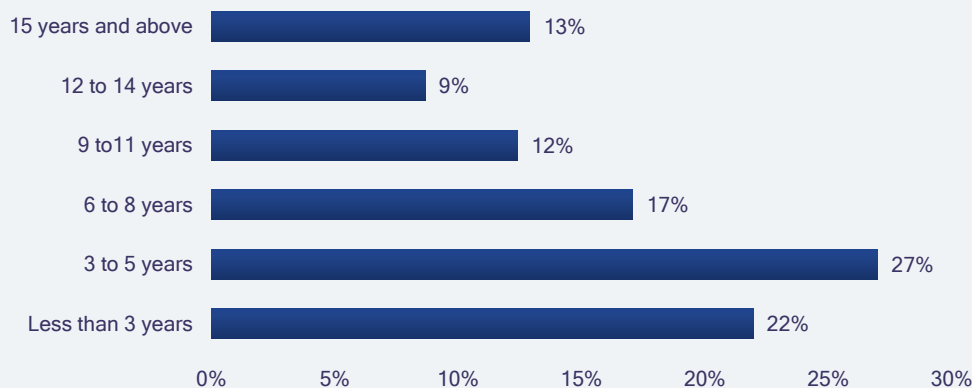
Norges Bank Investment Management, the world's largest sovereign wealth fund, has set a new standard for at least two independent directors with relevant industry experience on each of their 9,000 investee boards.<sup>11</sup>

A recent Harvard Law School Forum noted that on the overall, “a director must be able to contribute something other than independence alone, whether that is in the form of sector knowledge, commercial experience, international experience, technical skills or other areas that support the board’s oversight of company management.”<sup>12</sup>

#### BOX 9: Independent director’s length of service (years)

Overall, there were 6,131 director positions during the period under review, of which INEDs made up about 49% of the appointees. In terms of length of service of INEDs, the shortest was less than one year while the longest was 47 years. A typical INED’s length of service was seven years. **FIGURE 18** shows that 34% of INED positions were occupied by INEDs who had served more than nine years.

**FIGURE 18:** INED Length of Service (Year)



The Malaysian Code on Corporate Governance 2012 (MCCG 2012) sets a tenure limit of nine years for independent directors, after which shareholders’ approval is required annually for the tenure to be extended. Under the MCCG 2017, the length of the tenure requiring shareholders’ annual approval remains at nine years and beyond. However, after the twelfth year, companies are expected to apply the newly introduced two-tier voting process, whereby the large shareholders (as defined by the MCCG) will cast their votes under tier-1, while the other shareholders will vote under tier-2. A majority vote at both levels is required for an independent director to be re-elected. A total of 41 companies (5%) had adopted a strict tenure limit of nine years for independent directors.

It was found that there were four companies with one or more executive director/s serving on more than two boards of listed companies outside the group. Although the number is not alarming, this can nevertheless give rise to potential conflicts and time commitment issues.

<sup>11</sup> <https://corpgov.law.harvard.edu/2018/12/30/2019-global-regional-trends-in-corporate-governance/>

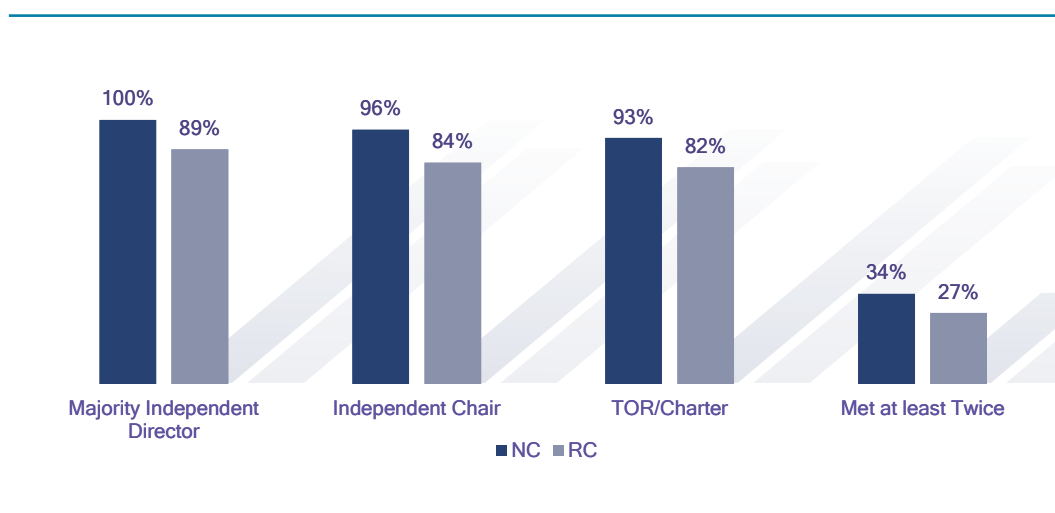
<sup>12</sup> <https://www.dilitrust.com/en/blog/three-key-corporate-governance-issues-that-will-dominate-2019/>

The Nominating Committee is mandated by the MMLR since 1 June 2013. The MCCG further enumerates that the board establish a Remuneration Committee to implement policies and procedures on remuneration, including reviewing and recommending matters relating to the remuneration of board and senior management. However, if the Remuneration Committee and Nominating Committee are combined, the board must ensure that the committee provides dedicated attention to discuss matters relating to remuneration of directors and senior management.

In many instances, companies tend to combine the functions of Nominating Committee and Remuneration Committee into a single nominating and remuneration committee. This explained why the proportion of remuneration committee mirrored closely that of the nominating committee. For example, it was found in 2018 that all companies had established nominating committee while 97% of companies had remuneration committee.

A review of **FIGURE 19** reveals that in many instances, the proportion of the Nominating Committee adopting identified good practices was higher than that of the Remuneration Committee. There were a couple of matters where further improvement could take place. One is that only about 34% of NC (n=295) and 27% (n=232) of RC, respectively met at least twice during the year and disclosed meeting attendance of members of the respective committees.

**FIGURE 19:** Characteristics of NC and RC



### Audit committee

Audit committees provide crucial oversight of a company's financial reporting processes, internal controls and internal and external auditors.

A total of 846 company audit committees (98%) met at least four times during the year, and nearly all companies (n=835; 96%) had at least one independent director with accounting expertise (that is accounting qualification or experience) in the audit committee; while three-quarter of the company audit committees (n=661; 76%) had the primary responsibility for recommending the appointment and removal of the company's external auditor.

## Board processes

### Board meetings and attendance

It is imperative that board meetings are held periodically so that directors can discharge their responsibilities effectively to manage the company's overall strategy and policy as well as to monitor the exercise of any delegated authority.

Slightly less than one-third of companies (n=231; 27%) scheduled the board of directors' meeting before the start of financial year while more than one-third of companies had their board of directors (n=317; 37%) convening at least six meetings during the financial year.

Three-quarter of companies (n=651; 75%) had their directors attending at least 75% of all board meetings held during the year; only three companies required a quorum of at least two-third for board decisions while 84 companies disclosed that their non-executive directors met separately at least once during the year without the presence of any executives.

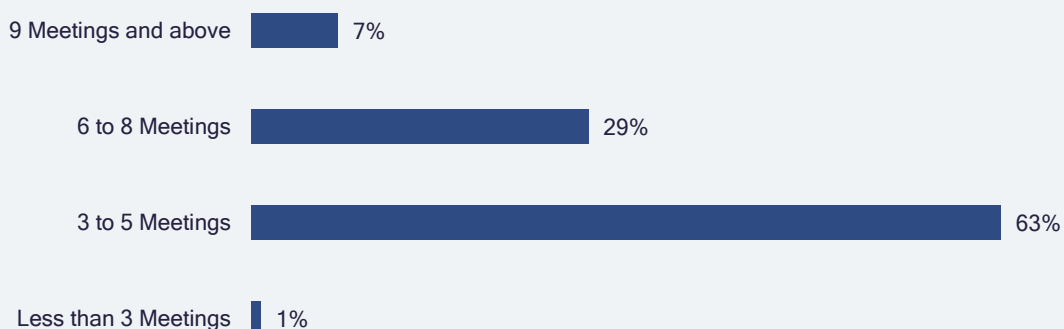
#### Access to information

As the agenda and materials set the structure for board meetings, they should be sent to the directors well in advance of the scheduled meetings to enable each director to review the material in detail to enable them to engage effectively during discussions at their respective board meetings. The current assessment found that nearly half of the companies (n=408; 47%) claimed that board papers for their board meetings were provided to the board at least five business days in advance. Although all company secretaries were presented as qualified, only 825 companies (95%) declared that their company secretaries played a significant role in supporting the boards in discharging their responsibilities.

#### **BOX 10:** Board meetings

In terms of frequency of board meetings, more than one-third of the PLCs disclosed that they had convened at least six board meetings during the year of assessment. Two companies did not convene any board meeting during the year, one of which was newly listed and the other one claimed that all resolutions were passed by way of circular resolutions. Analysis of frequency of the board meetings reveals that the highest number of board meetings was 25, followed by 21 meetings (two companies) and 20 meetings (two companies).

**FIGURE 20:** Board meetings



### Board appointment and re-election

It is interesting to note that more than three-quarter of companies (n=726; 84%) disclosed the criteria used in selecting new directors. However, less than one-third of companies (n=246; 28%) disclosed the process of appointing new directors.

It will be useful for boards to engage in a more structured and professional process for director selection. Such processes should take into account alignment of skills with strategic direction and the value added to the current board composition. It can also be useful to reflect on any gaps in skills and competencies that may be created by a forthcoming retirement of directors or any change in the company's strategic direction.

Companies are encouraged to provide greater transparency of the criteria and processes which the Board adopts in filling board vacancies or appointing additional directors, including whether recruitment consultants or shareholder-bodies are used to identify candidates.

### Remuneration matters

There is intense scrutiny of executive remuneration as investors look for assurance that executive pay practices are driving/reflect company's sustainable value.

The current assessment found the following:

- 121 companies (14%) disclosed remuneration policies especially in relation to the use of short-term and long-term incentives and performance measures for its executive directors and CEO; and
- 207 companies (24%) disclosed the fee structure for non-executive directors.

It was also found that most companies (n=769; 89%) adopted the best practice of having the board of directors or shareholders approve the remuneration of executive directors and/or senior management.

It was revealed that 12 companies (1%) have measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interests of the company such as claw-back provision and deferred bonuses. The companies which had such provisions include Affin Bank Bhd, Alliance Bank Malaysia Bhd, AMMB Holdings Bhd, CIMB Group Holdings Bhd, Genting Bhd, Hong Leong Bank Bhd, Hong Leong Financial Group Bhd, Malayan Banking Bhd, Public Bank Bhd, RHB Bank Bhd, Sime Darby Bhd and Sime Darby Plantation Bhd. It is hoped that other companies will follow suit by introducing such claw-back provisions for the executive to reimburse the company if a triggering event specified in the clawback provision occurs.

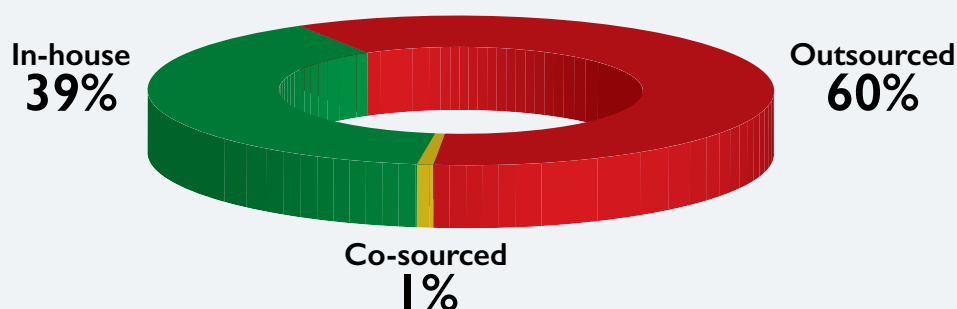
### Internal audit

All companies appeared to have a separate internal audit function (IAF). 522 companies (60%) outsourced their internal audit functions (**FIGURE 21**). More than half of the companies (n=554; 64%) disclosed the identity of the head of IAF or if outsourced, the name of the external firm engaged for internal audit function.

### BOX 11: Internal Audit Fees (IAF)

In terms of the cost incurred for the IAF, the average cost of in-house and outsourced IAF was RM1,946,000 and RM56,000 respectively. It was also found that 362 companies reported their IAF cost to be less than RM50,000 during the year of assessment. Of these, 21 companies reported their IAF cost to be less than RM10,000. The lowest in-house and outsourced IAF cost was RM5,385 and RM3,074 respectively. The quality of the internal audit service may be questionable with such a low internal audit fee.

FIGURE 21: Type of IAF Set-up



Whilst more than half of the companies (n=532; 61%) maintained that the appointment and removal of the internal auditor required approval of the audit committee, it was not apparent who had the authority to appoint or to remove the internal auditor for the remaining 334 companies.

#### Risk oversight

All companies assessed disclosed the internal control procedures or risk management systems that were in place and almost all companies disclosed that their board of directors had conducted a review of material controls (including operational, financial and compliance controls) and risk management systems (n=858; 99%). However, only 441 companies (51%) had in their annual reports a statement from the board of directors or audit committee commenting on the adequacy of their internal controls and risk management systems.

It is important that companies disclose the key risks that they are materially exposed to. Only 442 companies (51%) were found to have disclosed such risks.

Companies that disclose clearly all the factors that may have an adverse effect on their results and operations for shareholders' understanding is itself a fine reflection of good governance.

### People on the board

#### Board Chairman

The Chairman's primary role is to ensure that the Board is effective in undertaking the setting and implementation of a company's direction and strategy.

A separation of Chairman and CEO roles is the cornerstone of good governance, hence having the same individual holding both positions is never a good practice.

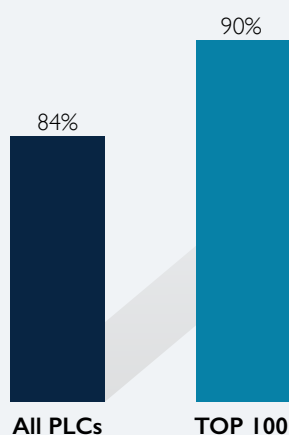
More than three-quarter of companies (n=724; 84%) had different individuals assuming the roles of Chairman and CEO. Companies with Executive Chairman were deemed not to have practised separation of roles. Below are a few other related observations:

- A total of 407 companies (47%) had independent Chairmen;
- A handful of companies (n=23; 3%) had the former CEO of the company in the past two years in the board; and
- More than three-quarter of companies (n=768; 89%) disclosed the roles and responsibilities of their Chairmen.

It is pertinent that companies establish and disclose clearly the Chairman's roles and responsibilities.

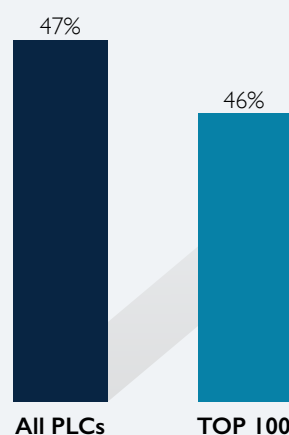
Larger companies had a higher incidence of separating positions of Chairman of the board and CEO.

**FIGURE 22: Separation of Chair & CEO**



It appeared that the practice of having an independent Chairman was nearly similar for Top 100 PLCs and all listed companies.

**FIGURE 23: Independent Chair**



### Senior Independent Director

Companies which do not have an independent Chairman are expected to appoint a Senior Independent Director and define his/her role. Only one-quarter of companies (n=221; 26%) had appointed a Senior Independent Director with the role clearly defined.



The Lead Independent Director (LID) is a highly versatile intermediary between the chair, the board and the board's stakeholders. In normal times, they contribute to the good relationships and functions of the board, but in periods of stress, the LID is expected to assist in facilitating the resolution of any situation.<sup>13</sup>

<sup>13</sup> <https://corpgov.law.harvard.edu/2018/11/25/the-role-of-the-lead-independent-director/>



### Skills and Competencies

In terms of skills and competencies of the board of directors, 87% of companies (n=754) had at least one non-executive director who possessed prior working experience in the major sector that the companies were operating in.

## Board Performance

### Director's Development

Board orientation programme is a key part of board effectiveness as it provides important information about the company and about the director's roles and responsibilities.

With regard to directors' development, the current assessment found that:

- More than one-quarter of companies (n=294; 34%) disclosed that they have orientation programmes for new directors appointed during the year; and
- Nearly three-quarters of companies (n=620; 72%) had a policy that encouraged directors to attend on-going or continuous professional education programmes and even provided evidence that all directors had attended such training.

### Succession Planning for CEO & Key Management/CEO Performance Assessment

Boards have to plan for orderly succession of CEO and key management to minimise business disruption in the event of a departure.

Performance assessment of the CEO is an important process for the board to provide feedback about the CEO's effectiveness in discharging his/her responsibilities.

It was found that only a small number of companies:

- Disclosed how the board of directors planned for the succession of the CEO and key management (n=54; 6%); and
- Conducted an annual performance assessment of the CEO (n=73; 8%).

### Appraisal of the board, director and board committees

A well-conducted board appraisal will assist in benchmarking the board's performance against best practices and evaluate the ways in which the board contributes to the overall goals and strategy of the company.

In terms of appraising performance of the Board, individual director and board committees, the study found that about one-third of the companies had an annual performance assessment conducted (n=301; 35%) on individual director (n=280; 32%) and on the board committees (n=244; 28%) with disclosure on the criteria and processes.

The integrity of any performance assessment would very much depend on the processes and criteria used in conducting such assessment.

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# BONUS

**T**HE aim of this section of the Scorecard is to recognise the exemplary efforts of companies which adopted governance practices that were above and beyond those identified in **Level 1**. There were in total 13 bonus items with a maximum attainable score of 30 bonus points.

## Rights of shareholders

No company practised secure electronic voting in absentia at the general meetings of shareholders.

## Equitable treatment of shareholders

More than three-quarters of the companies (n=720; 83%) released their notice of AGM (with detailed agenda and explanation circulars) as announced to Bursa Malaysia at least 28 days before the date of the meeting.

## Roles of stakeholders

With respect to companies which adopted an internationally recognised reporting framework for sustainability, i.e. Global Reporting Initiative (GRI), Integrated Reporting (IR) or Sustainability Accounting Standards Board (SASB), the results were as follows:

- 86 companies (10%) adopted the GRI G4, IR or SASB Conceptual Framework for sustainability reporting.
- Two companies adopted the GRI G3 framework for sustainability reporting, hence were awarded partial bonus points.

## Disclosure and transparency

Four companies were exemplary in releasing their audited financial statements within 60 days from their financial year end.

The other bonus item under this category was the disclosure of details of CEO remuneration. It was found that 371 companies (43 %) disclosed such details.

## Responsibilities of the board

Having at least one female independent director is a commendable practice. About one-third of the companies reviewed (n=231; 27%) had one female independent director on their board of directors while 71 companies (8%) had two or more female independent directors.

In terms of promoting board diversity, there were 79 companies (9%) that had established clear policies. A total of 25 companies (3%) disclosed policies as well as measurable objectives such as gender diversity targets while 24 companies (3%) had policies, measurable objectives and reported the progress in embracing board diversity in their annual reports. These findings indicate that efforts to bolster the number of women on the boards of PLCs is taking longer than it should. But it is certainly encouraging that more companies are joining their peers to accelerate board diversity.



With effect from 2019, Boards of the Top 500 listed companies in India will need to ensure that they have at least one independent female director.<sup>14</sup>

#### BOX 12: Board Diversity

FIGURE 24: Age of Directors

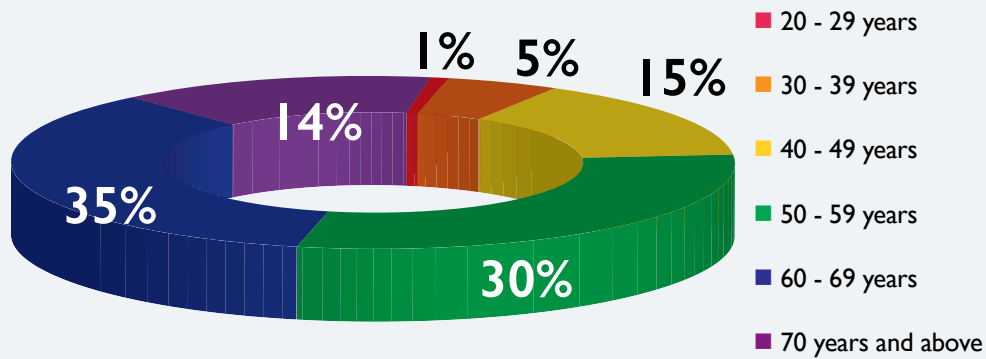
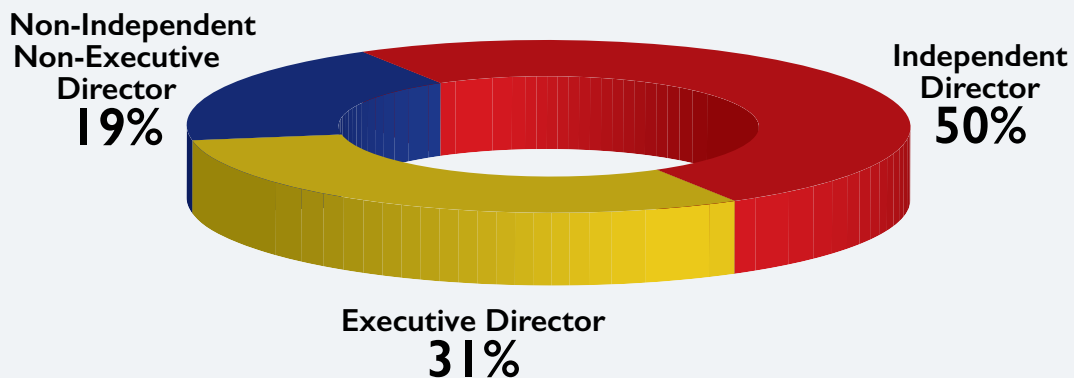
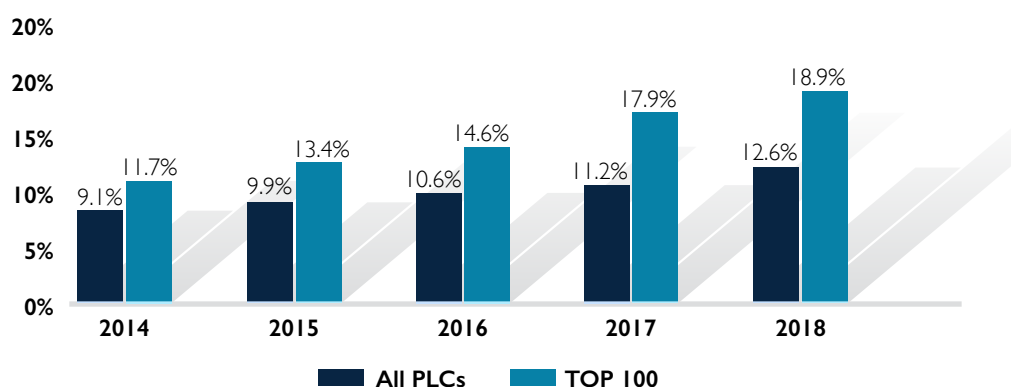


FIGURE 25: Breakdown of Female Director Appointment



<sup>14</sup> <https://www.moneycontrol.com/news/business/companies/sebi-wants-one-woman-independent-director-in-top-500-listed-companies-is-it-feasible-2539047.html> lead-independent-director/

**FIGURE 26: Women on Board**



With regard to the government's agenda to have at least 30% women in leadership positions in the corporate sector by 2020, **FIGURE 26** indicates that for the year of assessment 2018, the larger companies are more than half way through to achieving the 30% target compared to slightly more than one-third of the way for all companies put together.

Based on the data analysed for all PLCs, there were 34 women chair and 16 women CEOs on the Boards of PLCs listed on Bursa Malaysia.

In terms of bonus points for exemplary practices of the Nominating Committee, more than half of the companies (59%) had Nominating Committees comprising entirely of independent directors. A small number of companies (n=22, 3%) disclosed that their Nominating Committees undertook the process of identifying the quality of directors aligned with their companies' strategic directions.

Companies are encouraged to use diverse methods to source potential candidates for directorships. The current evaluation found that 27 companies (19%) disclosed their policy of using professional search firms or other external sources (such as director databases set up by director or shareholder bodies) when searching for candidates for their board of directors. However, only 21 companies had implemented the policy during the year under review.

Companies that had independent directors as the majority in their Boards alongside an independent chairman were given bonus points. Out of the 866 companies, at least one-fifth of them (n=166; 19%) had independent directors making up more than 50% of the board of directors with an independent chairman.

Data Analytics and Blockchain will soon be an integral part of businesses with cybersecurity being a constant focus. Typically, governance weaknesses are discovered soon after, hence a clarion call for shareholders to pay close attention to crisis response and board oversight.

Therefore, companies must have in place a crisis management and response plan to mitigate any risks that may result from cyber incidents. Only 78 companies (9%) had disclosed that an IT policy has been established and effectively implemented.

The final bonus point was accorded to the establishment of a separate board level risk committee. It was found that 130 companies (15%) had such risk committee in the year under review. As for the Top 100 companies, 48 companies (48%) had a board-level risk committee. All financial institutions had adopted this best practice.



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## SUSTAINABILITY AS THE HALLMARK OF DEVELOPMENT

From its humble beginnings as a small trading company in the mid 1980's, Ta Ann's core businesses have expanded into logging operations, downstream timber processing, forest plantation, oil palm plantation, shipping and milling of crude palm oil. In February 1997, Ta Ann Holdings Berhad was incorporated as a holding company and listed on the Main Market of Bursa Malaysia on 23 November 1999.

The principal activities of resource-based Ta Ann are centred around sustainable harnessing of timber resources and value adding downstream activities such as the manufacturing of veneer, plywood, coated plywood, eco plywood, laminated veneer lumber, film faced plywood, bracing plywood, floor base, sawn timber, laminated moulding as well as furniture products.

In response to the calls from the state government for all Forest Timber Licences (FTLs) to undergo Sustainable Forest Management certification, Ta Ann has consolidated its FTLs and Licences for Planted Forest in the Song - Kapit region into 3 Forest Management Units (FMUs) namely: Kapit FMU, Pasin FMU and Raplex FMU. Ta Ann is working towards attaining PEFC-MTCS certification for its Kapit FMU by 2017 and the other two by 2020.



Logging Area



Inspection on the area

Since 2000, Ta Ann has diversified substantially into oil palm plantations. The Group has a planted oil palm land bank of above 42,000 ha spread across Sarawak. Ta Ann also owns 2 palm oil mills with a combined capacity of 180 MT / hr, located in Naman & Igan. Ta Ann aims to have all its oil palm entities certified under MSPO certification. To date, 7 of the Group's oil palm entities have obtained MSPO certification, including its 2 palm oil mills. Corporate social responsibility will remain as an integral part of the Ta Ann's way of doing business as the Group strives to make a positive difference in the communities in which it operates. At present, the Group has more than 7,000 staff.



Recognition Award from  
YAB Minister of Sarawak  
to Kapit FMU for obtaining  
Sustainable Forest Management certification

The Group has also embarked on Research and Development programmes to produce improved tree planting materials such as Acacia Mangium Superbulk which has higher yields for veneer production. Such initiative is in tandem with the Group's plan to gradually shift to plantation-based resources. To date, the Group has planted over 35,000 ha of predominantly Acacia species.



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# PENALTY

**T**HE penalty items were designed to downgrade companies based on evidence of actions and events that were indicative of poor governance. There were in total 25 penalty items with maximum penalty points of -60.

## Rights of shareholders

None of the 866 companies demonstrated the following poor governance practices:

- Failed or neglected to offer equal treatment for share repurchases to all shareholders;
- Inclusion of any additional and unannounced agenda item into the notice of AGM/EGM;
- Evidence of barriers that prevented shareholders from communicating or consulting with other shareholders; and
- Failure to disclose existence of shareholders agreement or voting cap or multiple voting rights.

It is of vital importance that the Chairman of the Board, Audit Committee Chairman and CEO attend the AGM. However, 187 companies (22%) did not have one of these key persons attending their most recent AGM. Failure to disclose the attendance of the directors and CEO at the AGM would be deemed as non-attendance.

One company had an apparent pyramid ownership or cross-holding structure.

## Equitable treatment of shareholders

During the period under review:

- The directors, management and employees of two companies had been convicted for insider trading in the past three years;
- There was one case of non-compliance with the laws, rules and regulations pertaining to material Related Party Transaction (RPT) in the past three years; and
- There were two companies that had RPTs that can be classified as financial assistance (i.e. not conducted at arm's length) to companies other than their wholly owned subsidiary companies.

## Role of stakeholders

In terms of dealing with stakeholders, there were cases of poor governance practices whereby three companies were found to have violated laws pertaining to labour, employment, consumer, insolvency, commercial, competition and/or environmental issues.

It is commendable that no company was reported to have faced sanctions by regulators for failure to make announcements within the requisite time for material events.

## Disclosure and transparency

Incidences of an audit opinion other than an unqualified opinion by external auditors on financial statements are recognised as indicative of heightened risk when it came to reliability on financial statements and/or going concern.



The following were found in the current assessment:

- Nine companies received qualified audit opinions;
- None of the 866 companies received an adverse audit opinion;
- One company received a disclaimer audit opinion; and
- One company in the past year revised its financial statement for reasons other than changes in accounting policies.

#### Responsibilities of the board

As revealed by the current evaluation, the following penalty items are deemed to be under the ambit of Board responsibilities:

- Eight companies appeared to have not complied with certain provisions of the MMLR (other than disclosure requirements) over the past year;
- No company was in the situation where non-executive directors had resigned and raised issues of governance-related concerns;
- 171 companies (20%) had on their Boards one independent director who had served for more than nine years in the same capacity while 314 companies (36%) had two or more independent directors who had served more than nine years;
- One company was found to have members of the board of directors or senior management who were former employees or partners of the current external audit firm in the past two years; and
- Slightly more than one-tenth of the companies (n=100; 12%) had Chairman of the board who was the company's CEO in the past three years.

However, a very small number of companies (n=25) adopted an arguably controversial practice of granting options, performance shares or bonus to independent non-executive directors.

# CONCLUDING REMARKS

**L**ONG-TERM success in the backdrop of ever-changing corporate dynamics requires companies to ensure that the core values of good governance remain a fundamental focus.

MSWG will continue with its endeavours to encourage transparent and tangible governance practices which would improve the value of disclosures made by the listed companies.

The ultimate purpose of this assessment is to identify the nature and extent of specific strengths and weaknesses in corporate governance of public listed companies, and thereby identify initiatives leading to improvements in corporate governance.

Investors can use the Corporate Governance scores to benchmark their portfolio. The scores will enable them to convert the perceived level of governance in their investee companies to a measurable benchmark. Additionally, the scores will also aid institutional investors in discharging their stewardship responsibilities by being able to have constructive and tangible conversation with their investee companies on governance-related matters.

Gaps identified from the assessment include boilerplate statements for sustainability policies and practices; inadequate disclosures linking companies' sustainability and strategy; remuneration policies which do not link remuneration to performance, and failure to facilitate electronic voting which allows for more efficient conduct of poll voting.

Elsewhere, an absence of clear information on Board's succession planning process for key management (these being critical roles) – if unfilled for a prolonged period of time – could leave a company vulnerable. Another observation was the lack of transparency in ownership structure with respect to disclosure of shareholdings of senior management.

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# GLOSSARY

<b>AGM</b>	Annual General Meeting
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>ASX</b>	Australian Stock Exchange
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Bursa</b>	Bursa Malaysia Securities
<b>CG</b>	Corporate Governance Guide
<b>CGAC</b>	Corporate Governance Advisory Committee
<b>EGM</b>	Extraordinary General Meeting
<b>ESG</b>	Environmental, Social and Governance
<b>EU</b>	European Union
<b>FRC</b>	Financial Reporting Council
<b>FYE</b>	Financial Year End
<b>GRI</b>	Global Reporting Initiative
<b>IAF</b>	Internal Audit Function
<b>ICGN</b>	International Corporate Governance Network
<b>IR</b>	Integrated Reporting
<b>MAS</b>	Monetary Authority of Singapore
<b>MMLR</b>	Main Market Listing Requirements
<b>MCCG</b>	Malaysian Code on Corporate Governance 2017
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PLCs</b>	Public Listed Companies
<b>RPT</b>	Related Party Transactions
<b>SASB</b>	Sustainability Accounting Standards Board
<b>SET</b>	Stock Exchange of Thailand



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# APPENDIX I: METHODOLOGY – ASEAN CG SCORECARD

**T**HE Malaysia-ASEAN Corporate Governance Report (CGR) 2018 is based on the latest publicly available information concerning listed companies (till 30 June 2018). The assessment is mainly based on disclosures in annual reports and company websites. Other sources of information include filings and/or announcements to Bursa Malaysia Securities (the Exchange), circulars, articles of association, minutes of shareholders' meeting, corporate governance policies, codes of conduct, sustainability reports and any other publicly available information which is easily accessible.

Since the Malaysia-ASEAN CG assessment is an unsolicited initiative, all publicly listed companies are – in principle – eligible for consideration. As of end-March 2018, there were 925 companies listed on Bursa. However, 59 companies had to be excluded for various reasons including being newly listed companies in 2017/2018, delisted in 2017/2018 or subject to PN17/GN3 classification. Hence, 866 companies were subjected to the rigorous evaluation process using the ASEAN CG Scorecard.

Based on the OECD Principles of Corporate Governance as the main benchmark, the ASEAN CG Scorecard covered five areas of the OECD Principles while adopting two levels of scoring to better capture the actual implementation of the substance of good corporate governance.

**Level 1** comprised items that were, in essence, indicative of the laws, rules, regulations, requirements and expectations of both the country and OECD Principles. Each part carried different weights based on the relative importance of the area. The table below shows the number of items as well as weightage accorded to each part.

**ASEAN CORPORATE GOVERNANCE SCORECARD**

	PART A	PART B	PART C	PART D	PART E	LEVEL I
Total No. of Question/Maximum Attainable Points per Section	21/26	15/20	13/16	32/40	65/75	146/177
Weightage (%)	10	10	15	25	40	100

For each item in **Level 1**, score of either “1” or “2” was given if the company has substantially complied to the items in the scorecard and disclosed such compliance accordingly. If an item did not deserve a point, it was marked as “0”. There were also several items that provide for a “Not Applicable” option. In addition, where a policy or a practice was mandated by laws, regulations or listing rules, the company was assumed to have adopted the policy or practice unless there was evidence to the contrary. These items were referred to as “default response items”.

**Level 2** consisted of bonus and penalty items with each item assigned with different number of positive and negative points, respectively.

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 based on evidence of actions and events that were indicative of poor governance.

The total bonus and penalty points were added to or subtracted from the **Level 1** score to derive the final Corporate Governance Score (CG Score) for the company.

## A. RIGHTS OF SHAREHOLDERS

## A.1 BASIC SHAREHOLDER RIGHTS

A.1	BASIC SHAREHOLDER RIGHTS	G20/OECD (2015) Principle II: The rights and equitable treatment of shareholders and key ownership functions	Dividend announcement / Annual CG Report / Minutes of AGM / Company website / Exchange website
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 shareholders at general meetings for final dividends? In the case that the company has offered Scrip dividend, did it pay the dividend within 60 days?	(A) Basic shareholder rights should include the right to: (6) share in the profit of the corporation.	

## A.2 RIGHT TO PARTICIPATE IN DECISIONS CONCERNING FUNDAMENTAL CORPORATE CHANGES

Do shareholders have the right to participate in:

A.2	RIGHT TO PARTICIPATE IN DECISIONS CONCERNING FUNDAMENTAL CORPORATE CHANGES		Annual Report / Company website / Articles of Association
A.2.1	Amendments to the company's constitution?	<b>G20/OECD (2015) Principle II</b> (B) Shareholders should be sufficiently informed about, and have the right to approve or participate in, decisions concerning fundamental corporate changes such as (1) amendments to the statutes, or articles of incorporation or similar governing documents of the company.	
A.2.2	The authorisation of additional shares?	<b>G20/OECD (2015) Principle II (B):</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?	<b>G20/OECD (2015) Principle II (B):</b> (3) extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the company.	

## 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	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		Announcement of AGM / Articles of Association / Annual Report / Company website
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?	<b>G20/OECD (2015) Principle II (C):</b> (4) 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, including through votes at shareholder meetings; on the remuneration of board members and/or key executives, as applicable. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.	Annual Report / Company website / Articles of Association / Annual CG Report
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?		Minutes of AGM / Result announcement of AGM / Articles of Association / Annual Report / Company website / AGM Notice / Annual CG Report
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?		AGM Minutes / Articles of Association / Company website / AGM Notice
A.3.4	Does the company disclose the voting procedures used before the start of meeting?	<b>G20/OECD (2015) Principle II (C):</b> 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.	

A.3.5	Do the minutes of the most recent AGM record that shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	<b>G20/OECD (2015) Principle II (C):</b> (3) 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.	AGM Minutes / Summary of Minutes / Annual CG Report / Company website
A.3.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?		
A.3.7	Does the company disclose the list of board members who attended the most recent AGM?	<b>G20/OECD (2015) Principle II (C); and ICGN (2014) 1.4:</b> The board of directors should meet regularly to discharge its duties and directors should allocate adequate time to meeting preparation and attendance. Board members should know the business, its operations and senior management well enough to contribute effectively to board discussions and decisions.	
A.3.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?		
A.3.9	Does the company allow voting in absentia?	<b>G20/OECD (2015) Principle II (C):</b> (5) 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 / Company website / AGM Notice
A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	<b>G20/OECD (2015) Principle II (C)</b>	AGM Minutes / Annual CG Report / Announcements / Company website
A.3.11	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 / Annual CG Report / Notice of AGM / Announcements/ Company website
A.3.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?	<b>G20/OECD (2015) Principle II (C):</b> (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.3.13	Does the company provide at least 21 days notice for all AGMs and EGMs?		Company announcements / Articles of Association / Annual Report / Company website
A.3.14	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 / Notice of AGM
A.3.15	Does the company provide opportunity for shareholder to place item/s on the agenda of AGM?	<b>G20/OECD (2015) Principle II (C):</b> (3) Shareholders should have the opportunity to pose 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.	Articles of Association / Company website / AGM Notice
<b>A.4 MARKET'S FOR CORPORATE CONTROL SHOULD BE ALLOWED TO FUNCTION IN AN EFFICIENT AND TRANSPARENT MANNER</b>			
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	<b>G20/OECD (2015) Principle II (H):</b> 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 / Exchange website
<b>A.5 THE EXERCISE OF OWNERSHIP RIGHTS BY ALL SHAREHOLDERS, INCLUDING INSTITUTIONAL INVESTORS, SHOULD BE FACILITATED</b>			
A.5.1	Does the company disclose its practices to encourage shareholders to engage with the company beyond AGM?	<b>G20/OECD (2015) Principle II (D):</b> 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.	Annual Report / Company website / Exchange website

B. EQUITABLE TREATMENT OF SHAREHOLDERS			Annual Report / Company website / Announcement
B.1 SHARES AND VOTING RIGHTS			Annual Report / Company website / Announcement
B.1.1	Does the company's ordinary or common shares have one vote for one share?	<b>OECD Principle II</b> <b>E. All shareholders of the same series of a class should be treated equally. Capital structures and arrangements that enable certain shareholders to obtain a degree of influence or control disproportionate to their equity ownership should be disclosed.</b> 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 economic or voting rights should be subject to approval by those classes of shares which are negatively affected. <b>ICGN Principle 9.1 Share classes</b> Sufficient information about the material attributes of all of the company's classes and series of shares should be disclosed on a timely basis. Ordinary or common shares should feature one vote for each share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power disproportionate to their economic interests should be disclosed and explained. Dual class share structures should be kept under review and should be accompanied by commensurate extra protections for minority shareholders, particularly in the event of a takeover bid.	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>B.2 NOTICE OF AGM</b>			
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?	<b>OECD Principle II</b> <b>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:</b> 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. 2. Processes and procedures for general shareholder meetings should allow for equitable treatment of all shareholders. Company procedures should not make it unduly difficult or expensive to cast votes. 4. Effective shareholder participation in key corporate governance decisions such as the nomination and election of board members should be facilitated. 5. Shareholders should be able to vote in person or in absentia. <b>ICGN Principle</b> <b>3.1 Composition (Board)</b> There should be a sufficient mix of individuals with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion and objective decision-making. <b>3.4 Appointment process</b> The process for director nomination and election/re-election should be disclosed, along with information about board candidates which includes: a) board member identities and rationale for appointment; b) core competencies, qualifications, and professional background; c) recent and current board and management mandates at other companies, as well as significant roles on non-profit/charitable organisations; d) factors affecting independence, including relationship(s) with controlling shareholders, and e) length of tenure. <b>9.2 Major decisions</b> Shareholders should have the right to vote on major decisions which may change the nature of the company in which they have invested.	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	<b>Does the notice of AGM/circulars have the following details:</b> Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) who seek election/re-election included?		Notice of AGM / Annual Report
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?		Notice of AGM
B.2.5	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><b>OECD Principle III</b> E. Insider trading and market manipulation should be prohibited and the applicable rules enforced.</p> <p><b>ICGN Principle 4. Corporate Culture</b> <b>4.5 Employee share dealing</b> There should be clear rules regarding any trading by directors and employees in the company's own securities. Individuals should not benefit directly or indirectly from knowledge which is not generally available to the market.</p>
B.3.2	Are the directors/commissioners required to report their dealings in company shares within three business days?	
B.4 RELATED PARTY TRANSACTIONS BY DIRECTORS AND KEY EXECUTIVES		
B.4.1	Does the company have a policy requiring directors/commissioners to disclose their interest in transactions and any other conflicts of interest?	Annual Report / Company website / Announcement
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?	Annual Report / Company website / Announcement / Annual CG Report
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
		<p><b>OECD Principle II</b> <b>F. Related-party transactions should be approved and conducted in a manner that ensures proper management of conflict of interest and protects the interest of the company and its shareholders.</b> 1. Conflicts of interest inherent in related-party transactions should be addressed. 2. 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><b>ICGN Principle</b> <b>9.3 Conflicts of interest</b> Policies and procedures on conflicts of interest should be established, understood and implemented by directors, management, employees and other relevant parties. If a director has an interest in a matter under consideration by the board, then the director should promptly declare such an interest and be precluded from voting on the subject or exerting influence.</p> <p><b>9.4 Related party transactions</b> The process for reviewing and monitoring related party transactions should be disclosed. For significant transactions, a committee of independent directors should be established to vet and approve the transaction.</p>



B.5 PROTECTING MINORITY SHAREHOLDERS FROM ABUSIVE ACTIONS		Annual Report / Company website / Announcement
B.5.1	Does the company disclose that related party transactions (RPTs) are conducted in such a way to ensure that they are fair and at arms' length?	<p><b>OECD Principle II</b> E. All shareholders of the same series of a class should be treated equally. F. Related party transactions should be approved and conducted in a manner that ensures proper management of conflict of interest and protects the interest of the company and its shareholders. G. 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. Abusive self-dealing should be prohibited.</p> <p><b>ICGN Principle</b> <b>9.3 Conflicts of interest</b> Policies and procedures on conflicts of interest should be established, understood and implemented by directors, management, employees and other relevant parties. If a director has an interest in a matter under consideration by the board, then the director should promptly declare such an interest and be precluded from voting on the subject or exerting influence.</p> <p><b>9.4 Related party transactions</b> The process for reviewing and monitoring related party transactions should be disclosed. For significant transactions, a committee of independent directors should be established to vet and approve the transaction.</p> <p><b>ICGN Principle 9.5 Shareholder approval</b> Shareholders should have the right to approve significant related party transactions and this should be based on the approval of a majority of disinterested shareholders.</p> <p><b>ICGN Principle 9.10 Equality and redress</b> 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>
B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	<p><b>OECD Principle II</b> G. 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. Abusive self-dealing should be prohibited.</p> <p><b>ICGN Principle 9.5 Shareholder approval</b> Shareholders should have the right to approve significant related party transactions and this should be based on the approval of a majority of disinterested shareholders.</p> <p><b>ICGN Principle 9.10 Equality and redress</b> 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>
		Minutes of AGM / Annual Report / AGM Circular

C. ROLE OF STAKEHOLDERS			
C.1 THE RIGHTS OF STAKEHOLDERS THAT ARE ESTABLISHED BY LAW OR THROUGH MUTUAL AGREEMENTS ARE TO BE RESPECTED <i>Does the company disclose a policy and practices that address:</i>			
C.1.1	The existence and scope of the company's efforts to address customers' welfare?	<b>OECD Principle IV (A):</b> 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.	Annual Report / Company website / Sustainability or Corporate Responsibility Report (CSR) / Annual CG Report
C.1.2	Supplier/contractor selection procedures?		
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?		
C.1.4	The company's efforts to interact with the communities in which they operate?		
C.1.5	The company's anti-corruption programmes and procedures?		Annual Report / Company website / Financial statements / Annual CG Report
C.1.6	How creditors' rights are safeguarded?		Annual Report / Company website / Sustainability or CR Report
C.1.7	Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?		
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?	<b>OECD Principle IV (B):</b> The legal framework and process 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
C.3 MECHANISMS FOR EMPLOYEE PARTICIPATION SHOULD BE PERMITTED TO DEVELOP			
C.3.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	<b>OECD Principle IV (C):</b> The degree to which employees participate in corporate governance depends on national laws and practices, and may vary from company to company as well. In the context of corporate governance, mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills. Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as work councils that consider employee viewpoints in certain key decisions. International conventions and national norms also recognise the rights of employees to information, consultation and negotiation. With respect to performance enhancing mechanisms, employee stock ownership plans or other profit sharing mechanisms are to be found in many countries. Pension commitments are also often an element of the relationship between the company and its past and present employees. Where such commitments involve establishing an independent fund, its trustees should be independent of the company's management and manage the fund for all beneficiaries.	Annual Report / Company website / Separate CR or ESG report as the case may be / Annual CG Report
C.3.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?		Annual Report / Company website / Separate CR or ESG report as the case may be / Annual CG Report
C.3.3	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 / Annual CG Report



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			Annual Report / Company website / Annual CG Report
C.4.1	Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report	OECD Principle IV (E): Unethical and illegal practices by corporate officers may not only violate the rights of stakeholders but also be to the detriment of the company and its shareholders in terms of reputation effects and an increasing risk of future financial liabilities. It is therefore to the advantage of the company and its shareholders to establish procedures and safe-harbours for complaints by employees, either personally or through their representative bodies, and others outside the company, concerning illegal and unethical behaviour.	Annual Report / Company website / Annual CG Report
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?		Annual Report / Company website / Annual CG Report
D. DISCLOSURE AND TRANSPARENCY			
D.1 TRANSPARENT OWNERSHIP STRUCTURE			
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners holding 5% shareholding or more?	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.  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 / Annual CG Report / Announcements / Company website
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?		Annual Report / Annual CG Report / Announcements / Company website
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?		Annual Report / Annual CG Report / Announcements / Company website
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?		Annual Report / Annual CG Report / Announcements / Company website
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 / Annual CG Report / Announcements / Company website
D.2 QUALITY OF ANNUAL REPORT			
	Does the company's Annual Report disclose the following items:	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 ICGN 5.0 Remuneration ICGN 5.4 Transparency UK Corporate Governance Code (2010) A.1.2 - the number of meetings of the board and those committees and individual attendance by directors. CLSA-ACGA (2010) CG Watch 2010 - Appendix 2 (f) CG rules and practices (19) Disclose the exact remuneration of individual directors.	Annual Report
D.2.1	Corporate objectives		Annual Report
D.2.2	Financial performance indicators		Annual Report
D.2.3	Non-financial performance indicators		Annual Report
D.2.4	Dividend policy		Annual Report
D.2.5	Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/commissioners		Annual Report
D.2.6	Attendance details of each director/commissioner in all directors/commissioners meetings held during the year		Annual Report
D.2.7	Total remuneration of each member of the board of directors/commissioners	Annual Report	

D.2.8	<p><b>Corporate Governance Confirmation Statement</b></p> <p>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>	<p><b>OECD PRINCIPLE V (A) (8)</b>  <b>UK CODE (JUNE 2010): Listing Rules</b>            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.  <b>ASX CODE:</b>            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
<b>D.3</b>	<b>DISCLOSURE OF RELATED PARTY TRANSACTIONS (RPT)</b>	<b>OECD Principle V: Disclosure and Transparency</b>	Annual Report / Annual CG Report / Company website
D.3.1	Does the company disclose its policy covering the review and approval of material RPTs?	(A) Disclosure should include, but not limited to, material information on:	Annual Report / Annual CG Report / Company website
D.3.2	Does the company disclose the name, relationship, nature and value for each material RPTs?	(5) Related party transactions <b>ICGN 2.11.1 Related party transactions</b> The company should disclose details of all material related party transactions in its Annual Report.	
<b>D.4</b>	<b>DIRECTORS AND COMMISSIONERS DEALINGS IN SHARES OF THE COMPANY</b>	<b>OECD Principle V (A):</b>	Annual Report / Annual CG Report
D.4.1	Does the company disclose trading in the company's shares by insiders?	(3) Major share ownership and voting rights <b>ICGN 3.5 Employee share dealing</b> Companies should have clear rules regarding any trading by directors and employees in the company's own securities. <b>ICGN 5.5 Share ownership</b> 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.	

D.5 EXTERNAL AUDITOR AND AUDITOR REPORT Where the same audit firm is engaged for both audit and non-audit services			
D.5.1	Are the audit and non-audit fees disclosed?	<b>OECD Principle V (D):</b> 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. <b>OECD Principle V (D):</b> 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. <b>ICGN 6.5 Ethical standards (Audit)</b> 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.	Annual Report
D.5.2	Does the non-audit fee exceed the audit fees?		Annual Report
D.6 MEDIUM OF COMMUNICATIONS Does the company use the following modes of communication?			
D.6.1	Quarterly reporting	<b>OECD Principle V (E)</b> Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users. <b>ICGN 7.1 Transparent and open communication</b> Every company should aspire to transparent and open communication about its aims, its challenges, its achievements and its failures. <b>ICGN 7.2 Timely disclosure</b> 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.	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
D.7 TIMELY FILING/RELEASE OF ANNUAL/FINANCIAL REPORTS			
D.7.1	Are the audited annual financial report/statement released within 120 days from the financial year end?	<b>OECD Principle V (C)</b> <b>OECD Principle V (E) OECD Principle V-(A).</b> <b>ICGN 7.2 Timely disclosure</b> <b>ICGN 7.3 Affirmation of financial statements</b> 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.	Announcement / Company website / Exchange website
D.7.2	Is the annual report released within 120 days from the financial year end?		Annual Report / Company website
D.7.3	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 / Company website
D.8 COMPANY WEBSITE Does the company have a website disclosing up-to-date information on the following:			
D.8.1	Financial statements/reports (latest quarterly)	<b>OECD Principle V (A)</b> <b>OECD Principle V (E)</b> <b>ICGN 7.1 Transparent and open communication</b> <b>ICGN 7.2 Timely disclosure</b>	Company website
D.8.2	Materials provided in briefings to analysts and media		Company website
D.8.3	Downloadable annual report		Company website
D.8.4	Notice of AGM and/or EGM		Company website
D.8.5	Minutes of AGM and/or EGM		Company website
D.8.6	Company's constitution (company's by-laws, memorandum and articles of association)		Company website

D.9 INVESTOR RELATIONS		Annual Report / Company website
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and e-mail) of the officer/office responsible for investor relations?	Annual Report / Company website
E. RESPONSIBILITIES OF THE BOARD		
E.1 BOARD DUTIES AND RESPONSIBILITIES <i>Clearly defined board responsibilities and corporate governance policy</i>		
E.1.1	Does the company disclose its corporate governance policy/board charter?	Annual Report / Company website / Annual CG Report
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	Annual Report / Company website / Annual CG Report / Board Charter
E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	Annual Report / Company website / Annual CG Report / Board Charter
<p><b>G20/OECD PRINCIPLE V: Disclosure and Transparency</b>  <b>(A) Disclosure should include, but not be limited to, material information on:</b>            9. Governance structures and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</p> <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b>  <b>(D) The board should fulfil certain key functions, including:</b>            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.</p>		Annual Report / Company website / Annual CG Report
Corporate Vision/Mission		
E.1.4	Does the company have an updated vision and mission statement?	Annual Report / Company website / Annual CG Report
E.1.5	Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually?	Annual Report / Company website / Annual CG Report / CG Manual

E.1.6	Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy?	<p><b>ICGN (2014): 4.1 Codes of Conduct/Ethics</b></p> <p>The board should adopt high standards of business ethics through codes of conduct/ethics (or similar instrument) and oversee a culture of integrity, notwithstanding differing ethical norms and legal standards in various countries. This should permeate all aspects of the company's operations, ensuring that its vision, mission and objectives are ethically sound and demonstrative of its values. Codes should be effectively communicated and integrated into the company's strategy and operations, including risk management systems and remuneration structures.</p> <p><b>ICGN (2014): 1.2 Responsibilities</b></p> <p>The board is accountable to shareholders and relevant stakeholders and is responsible for protecting and generating sustainable value over the long term. In fulfilling their role effectively, board members should:</p> <p>a) guide, review and approve corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments</p>	Annual Report / Annual CG Report / Company website
E.2 BOARD STRUCTURE			
Code of Ethics or Conduct			
E.2.1	Are the details of the code of ethics or conduct disclosed?	<p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p><b>(C) The board should apply high ethical standards. It should take into account the interests of stakeholders.</b></p> <p>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> <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 / Company website / Annual CG Report
E.2.2	Are all directors/commissioners, senior management and employees required to comply with the code/s?		Annual Report / Company website / Annual CG Report
E.2.3	Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?		Annual Report / Company website / Annual CG Report
Board Structure & Composition			
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?	<p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p><b>(E) The board should be able to exercise objective independent judgement on corporate affairs.</b></p> <p><b>UK CODE (2016):</b></p> <p>B.2.3 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 / Annual CG Report / Company website
E.2.5	Does the company have a term limit of nine years or less or two terms of five years* each for its independent directors/commissioners?		Annual Report / Company website / Annual CG Report
* The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011			



E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	<b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> <b>(E) The board should be able to exercise objective independent judgement on corporate affairs.</b> 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. Some countries have limited the number of board positions that can be held. Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders. Disclosure about other board memberships to shareholders is therefore a key instrument to improve board nominations. 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 / Company website / Annual CG Report
E.2.7	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?		Annual Report / Company website / Annual CG Report
<b>Nominating Committee</b>			
E.2.8	Does the company have a Nominating Committee?	<b>G20/OECD PRINCIPLE II: The Rights and Equitable Treatment of Shareholders and Key Ownership Functions</b>	Annual Report / Company website / Annual CG Report
E.2.9	Is the Nominating Committee comprised of a majority of independent directors/commissioners?	(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:  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. The recognition of Independent Party in the composition of the Nomination Committee can be counted as committee members. However, to score "Y", the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board.	Annual Report / Company website / Annual CG Report
E.2.10	Is the Chairman of the Nominating Committee an independent director/commissioner?	<b>G20/OECD PRINCIPLE VI (E)</b> 1. Boards should consider assigning a sufficient number of nonexecutive 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.	Annual Report / Company website / Annual CG Report
E.2.11	Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?	<b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> <b>(E) The board should be able to exercise objective independent judgement on corporate affairs.</b> 2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well-defined and disclosed by the board. Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system.	Annual Report / Company website / Annual CG Report
E.2.12	Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?		Annual Report / Company website / Annual CG Report

		<p>Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions.</p> <p>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.</p> <p><b>G20/OECD PRINCIPLE VI (E)</b></p> <p>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p>	Annual Report / Company website / Annual CG Report
		<p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p><b>(D) The board should fulfil certain key functions, including:</b></p> <p>4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>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.</p> <p>In some countries, policy also covers the payments to be made when hiring and/or terminating the contract of an executive. In large companies, it is considered good practice that remuneration policy and 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 and excluding executives that serve on each other's remuneration committees, which could lead to conflicts of interest. The introduction of malus and claw-back provisions is considered good practice. They grant the company the right to withhold and recover compensation from executives in cases of managerial fraud and other circumstances, for example when the company is required to restate its financial statements due to material noncompliance with financial reporting requirements.</p> <p>The recognition of Independent Party in the composition of the Remuneration Committee can be counted as committee members. However, to score "Y", the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board.</p>	Annual Report / Company website / Annual CG Report
		<p><b>Remuneration Committee/ Compensation Committee</b></p>	
E.2.13	Does the company have a Remuneration Committee?		
E.2.14	Is the Remuneration Committee comprised of a majority of independent directors/commissioners?		
E.2.15	Is the Chairman of the Remuneration Committee an independent director/commissioner?		



E.2.16	Does the company disclose the terms of reference/governance structure/charter of the Remuneration Committee (RC)?	<p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p><b>(E) The board should be able to exercise objective independent judgement on corporate affairs.</b></p> <p>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p> <p>Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently.</p> <p>Audit committees should also be able to oversee the effectiveness and integrity of the internal control system. Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions.</p> <p>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.</p>	Annual Report / Company website / Annual CG Report
E.2.17	Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year?		Annual Report / Company website / Annual CG Report
E.2.18	<p><b>Audit Committee</b></p> <p>Does the company have an Audit Committee?</p>	<p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p><b>(E) The board should be able to exercise objective independent judgement on corporate affairs.</b></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> <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p><b>(E) The board should be able to exercise objective independent judgement on corporate affairs.</b></p> <p>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p> <p>Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition.</p> <p>Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system. Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear.</p> <p>Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions. The recognition of Independent Party in the composition of the Remuneration Committee can be counted as committee members. However, to score "Y", the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board.</p>	Annual Report / Company website / Annual CG Report
E.2.19	Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	Annual Report / Company website / Annual CG Report	
E.2.20	Is the chairman of the Audit Committee an independent director/commissioner?	Annual Report / Company website / Annual CG Report	
E.2.21	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	Annual Report / Company website / Annual CG Report	

E.2.22	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	<b>UK CODE (2016)</b> C.3.1 The board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience.	Annual Report / Company website / Annual CG Report
E.2.23	Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year?	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 / Company website / Annual CG Report
E.2.24	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	<b>UK CODE (2016)</b> C.3.6 The Audit Committee should have primary responsibility for making a recommendation on the appointment, reappointment 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 / Company website / Annual CG Report
<b>E.3 BOARD PROCESSES</b> <i>Board meetings and attendance</i>			
E.3.1	Are the board of directors meeting scheduled before the start of financial 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 / Company website / Annual CG Report
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	<b>WORLDBANK PRINCIPLE 6</b> (VI.1.24) Does the board meet at least six times per year?	Annual Report / Company website / Annual CG Report
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	<b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> (E) The board should be able to exercise objective independent judgement on corporate affairs. 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 / Company website / Annual CG Report
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	<b>WORLDBANK PRINCIPLE 6</b> (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) / Annual CG Report
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	<b>WORLDBANK PRINCIPLE 6</b> (VI.E.1.6) Does the corporate governance framework requires or encourages boards to conduct executive sessions? <b>G20/OECD PRINCIPLE VI (E)</b> 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. In addition, they can play an important role in areas where the interests of management, the company and its shareholders may diverge such as executive remuneration, succession planning, changes of corporate control, take-over defences, large acquisitions and the audit function. In order for them to play this key role, it is desirable that boards declare who they consider to be independent and the criterion for this judgement. Some jurisdictions also require separate meetings of independent directors on a periodic basis.	Annual Report / Company website / Annual CG Report

Access to information		Annual Report / Company website / Annual CG Report
E.3.6	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><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p><b>(F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.</b></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 the company secretary, the internal auditor, and the head of risk management or chief risk officer, 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. Where companies rely on complex risk management models, board members should be made aware of the possible shortcomings of such models.</p> <p><b>WORLD BANK PRINCIPLE 6</b></p> <p><b>(VI.F.2) Does such information need to be provided to the board at least five business days in advance of the board meeting?</b></p>
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	<p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p><b>(F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.</b></p> <p><b>ICSA Guidance on the Corporate Governance Role of the Company Secretary</b></p>
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	<p><b>WORLD BANK PRINCIPLE 6</b></p> <p><b>(VI.D.2.12) Do company boards have a professional and qualified company secretary?</b></p>
E.3.9	<p><b>Board Appointments and Re-Election</b></p> <p>Does the company disclose the criteria used in selecting new directors/commissioners?</p>	Annual Report / Company website / Annual CG Report
E.3.10	Did the company describe the process followed in appointing new directors/commissioners?	<p><b>G20/OECD PRINCIPLE II (C) (4):</b></p> <p>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><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p><b>(D) The board should fulfil certain key functions, including:</b></p> <p>5. Ensuring a formal and transparent board nomination and election process.</p> <p>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 defining the general or individual profile of board members that the company may need at any given time, considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board. Third, the board or nomination committee has the responsibility to identify potential candidates to meet desired profiles and propose them to shareholders, and/or consider those candidates advanced by shareholders with the right to make nominations. There are increasing calls for open search processes extending to a broad range of people.</p>

E.3.11	Are all directors/commissioners subject to re-election every three years; or five years for listed companies in countries whose legislation prescribes a term of five years* each?  *The five-year term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011	<b>ICGN (2014): 3.6 Elections</b> Board members should be conscious of their accountability to shareholders. Accountability mechanisms may require directors to stand for election on an annual basis or to stand for election at least once every three years. Shareholders should have a separate vote on the election of each director, with each candidate approved by a simple majority of shares voted. <b>WORLD BANK PRINCIPLE 6</b> (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.)	Annual Report / Company website / Annual CG Report
<b>Remuneration Matters</b>			
E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	<b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> <b>(D) The board should fulfil certain key functions, including:</b> 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. 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 hiring and/or terminating the contract of an executive.	Annual Report / Company website / Annual CG Report
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	<b>UK CODE (2016)</b> D.1.3 Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. 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.	Annual Report / Company website / Annual CG Report
E.3.14	Do the shareholders or the board of directors approve the remuneration of the executive directors and/or the senior executives?	<b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> <b>(D) The board should fulfil certain key functions, including:</b> 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. <b>ICGN (2014): 6.1 Alignment</b> Remuneration should be designed to effectively align the interests of the CEO and senior management with those of the company and its shareholders. Remuneration should be reasonable and equitable, and the quantum should be determined within the context of the company as a whole.	Annual Report / Notice to AGM / Company website / Annual CG Report

E.3.15	Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interests of the company such as claw back provision and deferred bonuses?	<p><b>ASX CODE (2016)</b> Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> <p>The disclosures regarding the remuneration of executive directors and other senior executives should include a summary of the entity's policies and practices regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in the entity's financial statements.</p> <p><b>G20/OECD PRINCIPLE VI (D)</b> 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. 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.</p>	Annual Report / Company website / Annual CG Report
<b>Internal Audit</b>			Annual Report
E.3.16	Does the company have a separate internal audit function?	<p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> <b>(D) The board should fulfil certain key functions, including:</b> 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
E.3.17	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, an 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 / Annual CG Report
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	<p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> <b>(D) The board should fulfil certain key functions, including:</b> 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>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><b>WORLD BANK PRINCIPLE 6</b> (VI.D.7.9) Does the internal auditors have direct and unfettered access to the board of directors and its independent Audit Committee?</p> <p><b>ASX (2016)</b> <b>Principle 4: Safeguard integrity in corporate reporting</b> <b>Recommendation 4.1</b> Commentary: If the entity has an internal audit function:</p> <ul style="list-style-type: none"> <li>• The appointment or removal of the head of internal audit;</li> <li>• The scope and adequacy of the internal audit work plan, and</li> <li>• The objectivity and performance of the internal audit function.</li> </ul>	Annual Report



<b>Risk Oversight</b>		Annual Report / Company website	
E.3.19	Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework?	<p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b>  <b>(D) The board should fulfil certain key functions, including:</b>            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><b>G20/OECD PRINCIPLE VI (D)</b>            1. An area of increasing importance for boards and which is closely related to corporate strategy is oversight of the company's risk management. Such risk management oversight will involve oversight of the accountabilities and responsibilities for managing risks, specifying the types and degree of risk that a company is willing to accept in pursuit of its goals, and how it will manage the risks it creates through its operations and relationships.</p>	
E.3.20	Does the Annual Report/Annual CG 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><b>UK CODE (2016)</b>            C.2.3 The board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness, and report on that review in the annual report.</p> <p>14. The monitoring and review should cover all material controls, including financial, operational and compliance controls.</p>	Annual Report / Annual CG Report / Board Charter
E.3.21	Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?	<p><b>G20/OECD PRINCIPLE V: Disclosure and Transparency</b>  <b>(A) Disclosure should include, but not be limited to, material information on:</b>            7. 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 / Company website
E.3.22	Does the Annual Report/Annual CG 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?	<p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b>  <b>(D) The board should fulfil certain key functions, including:</b>            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.</p>	Annual Report / Annual CG Report



E.4 PEOPLE ON THE BOARD			Annual Report / Company website / Annual CG Report	
Board Chairman			Annual Report / Company website / Annual CG Report	
E.4.1	Do different persons assume the roles of Chairman and CEO?	<p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p><b>(E) The board should be able to exercise objective independent judgement on corporate affairs.</b></p> <p>In a number of countries with single tier board systems, the objectivity of the board and its independence from management may be strengthened by the separation of the role of chief executive and Chairman, or, if these roles are combined, by designating a lead non-executive director to convene or chair sessions of the outside directors. Separation of the two posts may be regarded as good practice, as it can help to achieve an appropriate balance of power, increase accountability and improve the board's capacity for decision making independent of management.</p> <p><b>UK Code (2016)</b></p> <p>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><b>ASX (2016)</b></p> <p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p> <p><b>ICGN (2014): Leadership and Independence</b></p>	Annual Report / Company website / Annual CG Report	
E.4.2	Is the Chairman an independent director/commissioner?		Annual Report / Company website / Annual CG Report	
E.4.3	Is any of the directors a former CEO of the company in the past two years?		Annual Report / Company website / Annual CG Report	
E.4.4	Are the roles and responsibilities of the Chairman disclosed?		Annual Report / Company website / Annual CG Report / Board Charter	
<b>Lead Independent Director</b>			Annual Report / Company website / Annual CG Report	
E.4.5	If the Chairman is not independent, has the board appointed a lead/senior independent director and has his/her role been defined?	<p><b>King Code 2009</b></p> <p><b>2. Boards and directors</b></p> <p>Role and function of the board – The board should elect a Chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfill the role of the Chairman of the board.</p> <p>2.16.3 A lead independent director should be appointed in the case where an executive Chairman is appointed or where the Chairman is not independent or conflicted.</p> <p><b>ICGN (2014): 2.2 Lead independent director</b></p> <p>The chair should be independent on the date of appointment. If the chair is not independent, the company should adopt an appropriate structure to mitigate any potential challenges arising from this, such as the appointment of a lead independent director. The board should explain the reasons why this leadership structure is appropriate and keep the structure under review. A lead independent director also provides shareholders and directors with a valuable channel of communication should they wish to discuss concerns relating to the chair.</p>	Annual Report / Company website / Annual CG Report	
<b>Skills and Competencies</b>			Annual Report / Company website / Annual CG Report	
E.4.6	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	<p><b>ICGN (2014): 3.1 Composition</b></p> <p>The board should comprise a majority of non-executive directors, the majority of whom are independent, noting that practice may legitimately vary from this standard in controlled companies where a critical mass of the board is preferred to be independent. There should be a sufficient mix of individuals with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion and objective decision-making.</p>	Annual Report / Company website / Annual CG Report	

E.5 BOARD PERFORMANCE			
Directors Development			
E.5.1	Does the company have orientation programmes for new directors/commissioners?	This item is in most codes of corporate governance.	Annual Report / Annual CG Report / Company website
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	<b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> <b>(E) The board should be able to exercise objective independent judgement on corporate affairs.</b> 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 / Company website
<b>CEO/Executive Management Appointments and Performance</b>			
E.5.3	Does the company disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	<b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> <b>(D) The board should fulfil certain key functions, including:</b> 3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning. 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.	Annual Report / Company website / Annual CG Report
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/managing director/president?	<b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> <b>(D) The board should fulfil certain key functions, including:</b> 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. 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.	Annual Report / Company website / Annual CG Report
<b>Board Appraisal</b>			
E.5.5	Did the company conduct an annual performance assessment of the board of directors/commissioners and disclose the criteria and process followed for the assessment?	<b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> <b>(D) The board should fulfil certain key functions, including:</b> 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. <b>G20/OECD PRINCIPLE VI (E)</b> 4. Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences. In order to improve board practices and the performance of its members, an increasing number of jurisdictions now encourage companies to engage in board training and voluntary board evaluation that meet the needs of the individual company.	Annual Report / Company website / Annual CG Report
<b>Director Appraisal</b>			
E.5.6	Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment?	<b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b> <b>(D) The board should fulfil certain key functions, including:</b> 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. <b>G20/OECD PRINCIPLE VI (E)</b> 4. Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences. In order to improve board practices and the performance of its members, an increasing number of jurisdictions now encourage companies to engage in board training and voluntary board evaluation that meet the needs of the individual company.	Annual Report / Company website / Annual CG Report

Committee Appraisal			Annual Report / Company website / Annual CG Report
E.5.7	Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?	<b>UK CODE (2016)</b> 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.	
<b>LEVEL 2 - BONUS ITEMS</b>			
<b>(B)A. RIGHTS OF SHAREHOLDERS</b>			
<b>(B)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</b>			
(B)A.1.1	Does the company practice secure electronic voting in absentia at the general meetings of shareholders?	<b>OECD Principle II (C)</b> (5) The objective of facilitating shareholder participation suggests that jurisdictions and/or companies promote the enlarged use of information technology in voting, including secure electronic voting in all listed companies. The principles recommend that voting by proxy be generally accepted. Indeed, it is important to the promotion and protection of shareholders rights that investors can place reliance upon directed proxy voting.	Annual Report / Company website / Articles of Association / Announcement of AGM / Minutes of Meeting
<b>(B)B. EQUITABLE TREATMENT OF SHAREHOLDERS</b>			
<b>(B)B.1 Notice of AGM</b>			
(B)B.1.1	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?	<b>OECD Principle II (C)</b> (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. <b>OECD Principle III (A)</b> <b>ICGN 8.3.2 Shareholder participation in governance</b> 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 as well as the right to appoint external auditors. <b>ICGN 8.4.1 Shareholder ownership rights</b> 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. <b>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2</b> <b>(I) CG rules and practices</b> (25) Do company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?	Notice of AGM / Announcement
<b>(B)C. ROLES OF STAKEHOLDERS</b>			
<b>(B)C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected</b>			
(B)C.1.1	Does the company adopt an internationally recognised reporting framework for sustainability (i.e. GRI, Integrated Reporting or SASB)?	<b>OECD - IV. The role of Stakeholders</b>	Annual report / Company website

<b>(B.D. DISCLOSURE AND TRANSPARENCY</b>			Announcement / Company website / Exchange website
<b>(B.D.1</b>	<b>Quality of Annual Report</b>		
(B.D.1.1	Are the audited annual financial report/statement released within 60 days from the financial year end?	<p><b>OECD Principle V (A)</b> (1) The financial and operating results of the company. Audited financial statements showing the financial performance and the financial situation of the company (most typically including the balance sheet, the profit and loss statement, the cash flow statement and notes to the financial statements) are the most widely used source of information on companies.</p> <p><b>OECD Principle V (E)</b> <b>ICGN 7.2 Timely disclosure</b> <b>ICGN 7.3 Affirmation of financial statements</b> 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> <p><b>OECD Principle V (A)</b> (4) Disclosure on an individual basis (including termination and retirement provisions) is increasingly regarded as good practice and is now mandated in many countries. In these cases, some jurisdictions call for remuneration of a certain number of the highest paid executives to be disclosed, while in others, it is confined to specified positions.</p>	Annual Report
(B.D.1.2	Does the company disclose details of remuneration of the CEO?		
<b>(B.E. RESPONSIBILITIES OF THE BOARD</b>			Annual Report / Annual CG Report
<b>(B.E.1</b>	<b>Board Competencies and Diversity</b>		
(B.E.1.1	Does the company have at least one female independent director/commissioner?	<b>OECD Principle VI (E)</b> (4) Countries may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhance gender diversity on boards and in senior management.	Annual Report / Annual CG Report
(B.E.1.2	Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?	<b>OECD Principle VI (E)</b> (4) Countries may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhance gender diversity on boards and in senior management.	Annual Report / Annual CG Report
<b>(B.E.2</b>	<b>Board Structure</b>		Annual Report / Annual CG Report
(B.E.2.1	Is the Nominating Committee comprise entirely of independent directors/commissioners?	<b>ICGN 2.4.4 Composition of board committees</b> 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 / Annual CG Report
(B.E.2.2	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?	<b>OECD Principle VI</b> (5) Ensuring a formal and transparent board nomination and election process. 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. The board or nominating committee has a key role in (but not limited to): (i) Defining the general or individual profile of board members that the company may need at any given time; (ii) Considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board; (iii) Identifying potential candidates to meet desired profiles and proposing them to shareholders, and/or (iv) Considering those candidates advanced by shareholders with the right to make nominations.	Annual Report / Annual CG Report

(B)E.3	<b>Board Appointments and Re-Election</b>		
	(B)E.3.1	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?	Annual Report / Company website / Annual CG Report
(B)E.4	<b>Board Structure &amp; Composition</b>		
	(B)E.4.1	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners for a company with independent chairman?	Annual Report / Annual CG Report
(B)E.5	<b>Risk Oversight</b>		
	(B)E.5.1	Does the board describe its governance process around IT issues including disruption, cybersecurity and disaster recovery, to ensure that all key risks are identified, managed and reported to the board?	Annual Report / Annual CG Report
(B)E.6	<b>Board Performance</b>		
	(B)E.6.1	Does the company have a separate board level Risk Committee?	Annual Report / Company website / Annual CG Report
<b>LEVEL 2 - PENALTY</b>			
(P)A.	<b>RIGHTS OF SHAREHOLDERS</b>		
	(P)A.1	Basic shareholder rights	Repurchase Notice / Announcement / Annual Report
(P)A.1.1		Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	
(P)A.2	<b>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.</b>		
	(P)A.2.1	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	Annual Report / Company website
(P)A.3	<b>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.</b>		
	(P)A.3.1	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?	Minutes of Meeting / Meeting results notice
(P)A.3.2		Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?	AGM minutes



(P/A.4)	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed. <i>Did the company fail to disclose the existence of:</i>		Annual Report / Company website / Articles of association / Company announcement / Media
(P/A.4.1)	Shareholders agreement?	<p><b>OECD Principle II (D)</b></p> <p><b>OECD Principle II (D):</b> Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed. 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 non-controlling shareholders to influence corporate policy.</p>	To check for the existence of pyramid & cross holding structure(s): Disclosure in Annual Report / company website. 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.
(P/A.4.2)	Voting cap?		
(P/A.4.3)	Multiple voting rights?		
(P/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/A.5.1)	Is a pyramid ownership structure and/ or cross holding structure apparent?		
(P/B.)			
(P/B.1)	EQUITABLE TREATMENT OF SHAREHOLDERS		
(P/B.1.1)	Insider trading and abusive self-dealing should be prohibited.		
(P/B.1.1)	Has there been any conviction of insider trading involving directors/ commissioners, management and employees in the past three years?	<p><b>OECD Principle III: The Equitable Treatment of Shareholders</b> (B) Insider trading and abusive dealing should be prohibited.</p> <p><b>ICGN 3.5 Employee share dealing</b> Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, they must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p> <p><b>ICGN 8.5 Shareholder rights of action</b> ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	Annual Report / Company website / Announcement / Media
(P/B.2)	Protecting minority shareholders from abusive action.		
(P/B.2.1)	Has there been any cases of non-compliance with the laws, rules and regulations pertaining to material related party transactions in the past three years?	<p><b>OECD Principle III</b> (B) Insider trading and abusive dealing should be prohibited.</p> <p><b>ICGN 2.11.1 Related party transactions</b> 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><b>ICGN 2.11.2 Director's conflicts of interest</b> 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><b>ICGN 8.5 Shareholder rights of action</b> 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>	Annual Report / Company website / Announcement / Media



(P)B.2.2	Were there any related party transactions (RPTs) that can be classified as financial assistance (i.e not conducted at arms length) to entities other than wholly-owned subsidiary companies?	<b>OECD Principle III (G)</b> 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. Abusive self-dealing should be prohibited.	Annual Report / Company website / Announcement / Media
<b>(P)C. ROLE OF STAKEHOLDERS</b>			
(P)C.1	<b>The rights of stakeholders that are established by law or through mutual agreements are to be respected.</b>		
(P)C.1.1	Have there been any violations of any laws pertaining to labour/employment/consumer/insolvency/ commercial/competition or environmental issues?	<p><b>OECD Principle IV</b></p> <p>(A) The rights of stakeholders that are established by law or through mutual agreements are to be respected.</p> <p>OECD Principle IV (D) (7) Companies are also well advised to establish and ensure the effectiveness of internal controls, ethics, and compliance programmes or measures to comply with applicable laws, regulations, and standards, including statutes criminalising the bribery of foreign public officials, as required under the OECD Anti-Bribery Convention, and 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.</p> <p><b>OECD Principle IV</b></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 coverage / Company announcement / Annual Report / Company website
(P)C.2	<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.</b>		
(P)C.2.1	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?		Sanction(s) from Regulator(s) / Media / Company announcement / Annual Report / Company website
<b>(P)D. DISCLOSURE AND TRANSPARENCY</b>			
(P)D.1	<b>Sanctions from regulator on financial reports</b>		
(P)D.1.1	Did the company receive a "qualified opinion" in its external audit report?	<p><b>OECD Principle V: Disclosure and Transparency</b></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> <p><b>ICGN 6.2 Annual audit</b></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> <p><b>ICGN 7.3 Affirmation of financial statements</b></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> <p><b>International Auditing Standard (ISA) No. 705 "Modifications to the Opinion in the Independent Auditor's Report" (2009).</b></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>	Annual Report – see Independent Auditor's Report accompanying the company's financial statements
(P)D.1.2	Did the company receive an "adverse opinion" in its external audit report?		
(P)D.1.3	Did the company receive a "disclaimer opinion" in its external audit report?		
(P)D.1.4	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?		
			Media / Announcement

<b>(P)E. RESPONSIBILITIES OF THE BOARD</b>			
<b>(P)E.1</b>	<b>Compliance with listing rules, regulations and applicable laws</b>		
(P)E.1.1	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	<b>OECD Principle VI (D)</b> (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. 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.	Company announcements to the exchange / Media
(P)E.1.2	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	<b>UK CODE (JUNE 2010)</b> 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.	Company announcements to the exchange / Media
<b>(P)E.2</b>	<b>Board structure</b>		
(P)E.2.1	Does the company have any independent directors/commissioners who have served for more than nine years or two terms of five years each (whichever is higher) in the same capacity?*	<b>ICGN 3.3 Tenure</b> Non-executive directors should serve for an appropriate length of time to properly serve the board without compromising the independence of the board. The length of tenure of each director should be reviewed regularly by the nomination committee to allow for board refreshment and diversity.	Annual report / Company website
(P)E.2.2	* The five-year term must be required by legislation which pre-existed before the introduction of the ASEAN Corporate Governance Scorecard in 2011 Did the company fail to identify who are the independent director(s)/ commissioner(s)?	<b>ICGN 2.5 Independence</b>	Annual Report
(P)E.2.3	Does the company have any independent directors/non-executive/commissioners who serve on a total of more than five boards of publicly-listed companies?	<b>OECD PRINCIPLE VI (E)</b> (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.	Annual Report / Annual CG Report
<b>(P)E.3</b>	<b>External Audit</b>		
(P)E.3.1	Is there any director or senior management personnel who was a former employee or partner of the current external auditor (in the past two years)?	<b>OECD Principle V</b> (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

(P)E.4 Board structure and composition			
(P)E.4.1	Has the chairman been the company CEO in the last three years?	<p><b>OECD Principle VI (E)</b> The board should be able to exercise objective independent judgement on corporate affairs. In countries with single tier board system, the objectivity of the board and its independence from management may be strengthened by the separation of the role of chief executive and Chairman. Separation of the two posts is generally regarded as good practice as it can help to achieve an appropriate balance of power, increase accountability and improve the board's capability for decision making independent management. The presence of a recent CEO as Chairman may unduly influence the views of the board.</p>	Annual report
(P)E.4.2	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	<p><b>UK CODE (JUNE 2010)</b> (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><b>ASX CODE</b> <b>Box 8.2: Guidelines for non-executive director remuneration</b> Companies may find it useful to consider the following when considering non-executive director's remuneration:</p> <ol style="list-style-type: none"> <li>1. Non-executive directors should normally be remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity; they should not normally participate in schemes designed for the remuneration of executives.</li> <li>2. Non-executive directors should not receive options or bonus payments.</li> <li>3. Non-executive directors should not be provided with retirement benefits other than superannuation.</li> </ol>	Annual Report / Notice to AGM / Announcements

## APPENDIX 2: LIST OF DEFAULT RESPONSES ITEMS

<b>A.2</b>	<b>Right to participate in decisions concerning fundamental corporate changes.</b>
	Do shareholders have the right to participate in:
A.2.1	Amendments to the company's constitution?
A.2.2	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?
<b>A.3</b>	<b>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.</b>
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?
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?
A.3.9	Does the company allow voting in absentia?
A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?
A.3.11	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?
A.3.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?
A.3.15	Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?
<b>A.4</b>	<b>Markets for corporate control should be allowed to function in an efficient and transparent manner.</b>
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?
<b>B.1</b>	<b>Shares and voting rights</b>
B.1.1	Does the company's ordinary or common shares have one vote for one share?
<b>B.3</b>	<b>Insider trading and abusive self-dealing should be prohibited.</b>
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?
B.3.2	Are the directors/commissioners required to report their dealings in company shares within three business days?

<b>B.4</b>	<b>Related party transactions by directors and key executives.</b>
B.4.1	Does the company have a policy requiring directors/commissioners to disclose their interest in transactions and any other conflicts of interest?
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?
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?
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?
<b>E.2</b>	<b>Board Structure</b>
	<b>Board Structure &amp; Composition</b>
E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?
	<b>Nominating Committee</b>
E.2.8	Does the company have a Nominating Committee?
	<b>Audit Committee</b>
E.2.18	Does the company have an Audit Committee?
E.2.19	Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?
E.2.20	Is the chairman of the Audit Committee an independent director/commissioner?
E.2.21	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?
<b>E.3</b>	<b>Board Process</b>
	<b>Access to information</b>
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?
	<b>Board Appointments and Re-Election</b>
E.3.11	Are all directors/commissioners subject to re-election every three years; or five years for listed companies in countries whose legislation prescribes a term of five years <sup>2</sup> each?
	<sup>2</sup> The five-year term is required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011
	<b>Internal Audit</b>
E.3.16	Does the company have a separate internal audit function?

## APPENDIX 3: MEMBERS OF ADJUDICATION COMMITTEE

1. **Mr. Devanesan Evanson**  
Chairman  
Minority Shareholders Watch Group
2. **Dato' Dr. Suzana Idayu Wati Binti Osman**  
Member  
Social Security Organisation
3. **Prof. Dr. Norman Mohd Saleh**  
Member  
Universiti Kebangsaan Malaysia
4. **Mr. Gerald Ambrose**  
Member  
Aberdeen Standard Islamic Investments (Malaysia) Sdn Bhd
5. **Mr. Sharath Martin**  
Member  
Association of Chartered Certified Accountants, Malaysia
6. **Mr. Tan Sai Hup**  
Member  
Malaysian Investor Relations Association Berhad
7. **En. Salleh Hassan**  
Member  
Securities Industry Development Corporation
8. **Mr. Alan Chang Kong Chong**  
Member  
The Institute of Internal Auditors Malaysia

### Secretariat

1. **Ms. Hoo Ley Beng, Linnert**  
Minority Shareholders Watch Group



# APPENDIX 4: MSWG-ASEAN CG 2018 AWARD WINNERS

## EXCELLENCE AWARD FOR OVERALL CG & PERFORMANCE

- 1 PETRONAS DAGANGAN BHD
- 2 SUNWAY CONSTRUCTION GROUP BERHAD
- 3 LPI CAPITAL BERHAD
- 4 CIMB GROUP HOLDINGS BERHAD
- 5 TENAGA NASIONAL BERHAD

## EXCELLENCE AWARD FOR CG DISCLOSURE

- 1 CIMB GROUP HOLDINGS BERHAD
- 2 PETRONAS DAGANGAN BHD
- 3 AMMB HOLDINGS BERHAD
- 4 PETRONAS GAS BERHAD
- 5 TENAGA NASIONAL BERHAD
- 6 AXIATA GROUP BERHAD
- 7 SIME DARBY BERHAD
- 8 MALAYAN BANKING BERHAD
- 9 SUNWAY BERHAD
- 10 IJM CORPORATION BERHAD
- 11 UMW HOLDINGS BERHAD
- 12 SUNWAY CONSTRUCTION GROUP BERHAD
- 13 KUB MALAYSIA BERHAD
- 14 LPI CAPITAL BERHAD
- 15 BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

## EXCELLENCE AWARD FOR LONG TERM VALUE CREATION

- 1 DIGI.COM BERHAD
- 2 BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD
- 3 NESTLE (MALAYSIA) BERHAD

## EXCELLENCE AWARD FOR OVERALL CG & PERFORMANCE (MARKET CAP BELOW RM1 BILLION)

### CATEGORY:

#### MARKET CAP BELOW RM100 MILLION

- 1 CABNET HOLDINGS BERHAD
- 2 A-RANK BERHAD

### CATEGORY:

#### MARKET CAP BETWEEN RM100 MILLION TO RM300 MILLION

- 1 KUB MALAYSIA BERHAD
- 2 NEW HOONG FATT HOLDINGS BERHAD

### CATEGORY:

#### MARKET CAP BETWEEN RM300 MILLION TO RM1 BILLION

- 1 DAIBOCHI BERHAD

## INDUSTRY EXCELLENCE AWARD

- 1 **PROPERTY**
  - I. UEM SUNRISE BERHAD
  - II. S P SETIA BERHAD
- 2 **CONSTRUCTION**
  - I. IJM CORPORATION BERHAD
- 3 **TECHNOLOGY**
  - I. PRESTARIANG BERHAD
  - II. UNISEM (M) BERHAD
- 4 **FINANCIAL SERVICES**
  - I. CIMB GROUP HOLDINGS BERHAD
- 5 **ENERGY & UTILITIES**
  - I. PETRONAS GAS BERHAD
- 6 **PLANTATION**
  - I. IJM PLANTATIONS BERHAD
- 7 **TELECOMMUNICATION & MEDIA**
  - I. AXIATA GROUP BERHAD
- 8 **TRANSPORTATION & LOGISTICS**
  - I. MALAYSIA AIRPORTS HOLDINGS BERHAD
- 9 **HEALTH CARE**
  - I. TOP GLOVE CORPORATION BERHAD
- 10 **INDUSTRIAL PRODUCTS & SERVICES**
  - I. SUNWAY BERHAD
  - II. KUB MALAYSIA BERHAD
  - III. PETRONAS CHEMICALS GROUP BERHAD
- 11 **CONSUMER PRODUCTS & SERVICES**
  - I. PETRONAS DAGANGAN BHD
  - II. SIME DARBY BERHAD

## NEW COMPANY EXCELLENCE AWARD

- 1 ECO WORLD INTERNATIONAL BERHAD
- 2 CABNET HOLDINGS BERHAD

## MERIT AWARD FOR MOST IMPROVED CG DISCLOSURE

- 1 AHMAD ZAKI RESOURCES BERHAD
- 2 GLOMAC BERHAD
- 3 GABUNGAN AQRS BERHAD

## APPENDIX 5: LIST OF TOP 100 COMPANIES FOR CG DISCLOSURE (BY RANK)

1	CIMB GROUP HOLDINGS BERHAD	51	FRASER & NEAVE HOLDINGS BHD
2	PETRONAS DAGANGAN BHD	52	NESTLE (MALAYSIA) BERHAD
3	AMMB HOLDINGS BERHAD	53	WESTPORTS HOLDINGS BERHAD
4	PETRONAS GAS BERHAD	54	DRB HICOM BERHAD
5	TENAGA NASIONAL BHD	55	GAMUDA BERHAD
6	AXIATA GROUP BERHAD	56	POS MALAYSIA BERHAD
7	SIME DARBY BERHAD	57	KLCC PROPERTY HOLDINGS BERHAD/KLCC REIT
8	MALAYAN BANKING BERHAD	58	STAR MEDIA GROUP BERHAD
9	SUNWAY BERHAD	59	DAMANSARA REALTY BHD
10	IJM CORPORATION BERHAD	60	AIRASIA X BERHAD
11	UMW HOLDINGS BERHAD	61	PROGRESSIVE IMPACT CORPORATION BERHAD
12	SUNWAY CONSTRUCTION GROUP BERHAD	62	HENGYUAN REFINING COMPANY BERHAD
13	KUB MALAYSIA BERHAD	63	GENTING BERHAD
14	LPI CAPITAL BHD	64	UNISEM (M) BERHAD
15	BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD	65	GABUNGAN AQRS BERHAD
16	PUBLIC BANK BERHAD	66	PARAMOUNT CORPORATION BERHAD
17	PETRONAS CHEMICALS GROUP BERHAD	67	MMC CORPORATION BERHAD
18	ASTRO MALAYSIA HOLDINGS BERHAD	68	HEINEKEN MALAYSIA BERHAD
19	TOP GLOVE CORPORATION BHD	69	MALAYSIA MARINE AND HEAVY ENGINEERING HOLDINGS BERHAD
20	ALLIANCE BANK MALAYSIA BERHAD	70	VELESTO ENERGY BERHAD
21	IJM PLANTATIONS BERHAD	71	DUOPHARMA BIOTECH BERHAD
22	RHB BANK BERHAD	72	CARLSBERG BREWERY MALAYSIA BERHAD
23	UEM SUNRISE BERHAD	73	MAH SING GROUP BERHAD
24	BUMI ARMADA BERHAD	74	MALAKOFF CORPORATION BERHAD
25	MALAYSIA BUILDING SOCIETY BERHAD	75	C.I HOLDINGS BERHAD
26	BIMB HOLDINGS BERHAD	76	MISC BERHAD
27	S P SETIA BERHAD	77	WCT HOLDINGS BERHAD
28	IHH HEALTHCARE BERHAD	78	LOTTE CHEMICAL TITAN HOLDING BERHAD
29	ALLIANZ MALAYSIA BERHAD	79	AFFIN BANK BERHAD
30	FGV HOLDINGS BERHAD	80	LBS BINA GROUP BERHAD
31	MALAYSIA AIRPORTS HOLDINGS BERHAD	81	MUDAJAYA GROUP BERHAD
32	IOI CORPORATION BERHAD	82	MNRB HOLDINGS BHD
33	CHEMICAL COMPANY OF MALAYSIA BERHAD	83	AMWAY (MALAYSIA) HOLDINGS BERHAD
34	DIGI.COM BERHAD	84	KPJ HEALTHCARE BERHAD
35	MALAYSIAN RESOURCES CORPORATION BERHAD	85	KUALA LUMPUR KEPONG BERHAD
36	CAHYA MATA SARAWAK BERHAD	86	MILUX CORPORATION BERHAD
37	IOI PROPERTIES BERHAD	87	QL RESOURCES BERHAD
38	MSM MALAYSIA HOLDINGS BERHAD	88	TALIWORKS CORPORATION BERHAD
39	DAIBOCHI BERHAD	89	AEON CREDIT SERVICE (M) BERHAD
40	SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD	90	ECO WORLD INTERNATIONAL BERHAD
41	OSK HOLDINGS BERHAD	91	AIRASIA GROUP BERHAD
42	YINSON HOLDINGS BERHAD	92	EVERGREEN FIBERBOARD BERHAD
43	PRESTARIANG BERHAD	93	MGB BERHAD
44	GENTING MALAYSIA BERHAD	94	NEW HOONG FATT HOLDINGS BERHAD
45	MEDIA PRIMA BERHAD	95	KOSSAN RUBBER INDUSTRIES BERHAD
46	KUMPULAN PERANGSANG SELANGOR BERHAD	96	CABNET HOLDINGS BERHAD
47	UEM EDGENTA BERHAD	97	GLOBETRONICS TECHNOLOGY BERHAD
48	DELEUM BERHAD	98	MATRIX CONCEPTS HOLDINGS BERHAD
49	GENTING PLANTATIONS BERHAD	99	HIBISCUS PETROLEUM BERHAD
50	MAXIS BERHAD	100	PMB TECHNOLOGY BERHAD

### Notes:

1. Bursa Malaysia Bhd, being the frontline regulator of PLCs, has voluntarily recused itself from participation in the MSWG-ASEAN CG Awards 2018.
2. Sime Darby Property Bhd and Sime Darby Plantation Bhd were demerged from Sime Darby Bhd and were only listed separately in November 2017.

## APPENDIX 6: LIST OF TOP 100 COMPANIES FOR OVERALL CG & PERFORMANCE (BY RANK)

1	PETRONAS DAGANGAN BHD	51	UEM SUNRISE BERHAD
2	SUNWAY CONSTRUCTION GROUP BERHAD	52	MALAYSIA BUILDING SOCIETY BERHAD
3	LPI CAPITAL BHD	53	C.I. HOLDINGS BERHAD
4	CIMB GROUP HOLDINGS BERHAD	54	KOSSAN RUBBER INDUSTRIES BERHAD
5	TENAGA NASIONAL BHD	55	RHB BANK BERHAD
6	PETRONAS GAS BERHAD	56	GLOBETRONICS TECHNOLOGY BERHAD
7	TOP GLOVE CORPORATION BHD	57	IOI PROPERTIES BERHAD
8	AMMB HOLDINGS BERHAD	58	DELEUM BERHAD
9	SUNWAY BERHAD	59	SERBA DINAMIK HOLDINGS BERHAD
10	PUBLIC BANK BERHAD	60	MSM MALAYSIA HOLDINGS BERHAD
11	BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD	61	AMWAY (MALAYSIA) HOLDINGS BERHAD
12	PETRONAS CHEMICALS GROUP BERHAD	62	GABUNGAN AQRS BERHAD
13	ASTRO MALAYSIA HOLDINGS BERHAD	63	QL RESOURCES BERHAD
14	MALAYAN BANKING BERHAD	64	HSS ENGINEERS BERHAD
15	SIME DARBY BERHAD	65	DUOPHARMA BIOTECH BERHAD
16	SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD	66	OSK HOLDINGS BERHAD
17	BIMB HOLDINGS BERHAD	67	PRESTARIANG BERHAD
18	S P SETIA BERHAD	68	POS MALAYSIA BERHAD
19	AXIATA GROUP BERHAD	69	MB WORLD GROUP BERHAD
20	NESTLE (MALAYSIA) BERHAD	70	BUMI ARMADA BERHAD
21	IJM CORPORATION BERHAD	71	PARAMOUNT CORPORATION BERHAD
22	KUB MALAYSIA BERHAD	72	STAR MEDIA GROUP BERHAD
23	DIGI.COM BERHAD	73	KLCC PROPERTY HOLDINGS BERHAD/KLCC REIT
24	ALLIANZ MALAYSIA BERHAD	74	DATASONIC GROUP BERHAD
25	DAIBOCHI BERHAD	75	GENTING PLANTATIONS BERHAD
26	ALLIANCE BANK MALAYSIA BERHAD	76	CABNET HOLDINGS BERHAD
27	HENGYUAN REFINING COMPANY BERHAD	77	DUTCH LADY MILK INDUSTRIES BERHAD
28	FRASER & NEAVE HOLDINGS BHD	78	LBS BINA GROUP BERHAD
29	HEINEKEN MALAYSIA BERHAD	79	KUALA LUMPUR KEPONG BERHAD
30	CARLSBERG BREWERY MALAYSIA BERHAD	80	FGV HOLDINGS BERHAD
31	WESTPORTS HOLDINGS BERHAD	81	KUMPULAN PERANGSANG SELANGOR BERHAD
32	YINSON HOLDINGS BERHAD	82	TALIWORKS CORPORATION BERHAD
33	MALAYSIAN RESOURCES CORPORATION BERHAD	83	DAGANG NEXCHANGE BERHAD
34	UEM EDGENTA BERHAD	84	GAMUDA BERHAD
35	AEON CREDIT SERVICE (M) BERHAD	85	EVERGREEN FIBREBOARD BERHAD
36	MAXIS BERHAD	86	HAP SENG CONSOLIDATED BERHAD
37	CAHYA MATA SARAWAK BERHAD	87	PETRON MALAYSIA REFINING & MARKETING BHD
38	IHH HEALTHCARE BERHAD	88	ECONPILE HOLDINGS BERHAD
39	UMW HOLDINGS BERHAD	89	MAH SING GROUP BERHAD
40	GENTING MALAYSIA BERHAD	90	NEW HOONG FATT HOLDINGS BERHAD
41	MATRIX CONCEPTS HOLDINGS BERHAD	91	PADINI HOLDINGS BERHAD
42	MALAYSIA AIRPORTS HOLDINGS BERHAD	92	GENTING BERHAD
43	VITROX CORPORATION BERHAD	93	HARTALEGA HOLDINGS BERHAD
44	IJM PLANTATIONS BERHAD	94	PMB TECHNOLOGY BERHAD
45	AIRASIA GROUP BERHAD	95	UNITED PLANTATIONS BERHAD
46	UNISEM (M) BERHAD	96	TAMBUN INDAH LAND BERHAD
47	IOI CORPORATION BERHAD	97	ANN JOO RESOURCES BERHAD
48	UCHI TECHNOLOGIES BERHAD	98	BERMAZ AUTO BERHAD
49	CHEMICAL COMPANY OF MALAYSIA BERHAD	99	ADVANCECON HOLDINGS BERHAD
50	MGB BERHAD	100	MISC BERHAD

# APPENDIX 7: KEY CORPORATE GOVERNANCE STATISTICS (2014-2018)

## CG Scorecard Assessment by Minority Shareholders Watch Group (2014-2018)

### I. MACRO STATISTICS

PUBLIC LISTED COMPANIES	2018	2017	2016	2015	2014
Total No. of Listed Companies	925	918	920	927	906
No. of Companies Covered	866	880	868	870	873
Companies Covered (%)	94%	96%	94%	94%	96%

MARKET CAPITALISATION	2018	2017	2016	2015	2014
All Public Listed Companies (RM billion)	1,872	1,778	1,654	1,718	1,683
Top 100 in Corporate Governance Score (RM billion)	1,268	1,215	1,116	1,161	1,304
Top 100 in Corporate Governance Score (%)	68%	68%	67%	68%	77%

### 2. CORPORATE GOVERNANCE STATISTICS

CORPORATE GOVERNANCE BASE SCORE	2018	2017	2016	2015	2014
No. of Companies Covered	866	880	868	870	873
Average Base Score for all Companies	67.22	62.20	66.52	62.98	60.23
Average Base Score for Top 100	94.95	86.18	85.02	80.41	76.82

### 3. SUMMARY OF FINDINGS FOR THE TOP 100 COMPANIES

KEY BOARD STATISTICS	2018	2017	2016	2015	2014
Average board size (intentionally did not round up)	8.6	8.6	8.4	8.1	8.6
Average no. of board meetings	8.4	7.5	7.7	7.9	7.6
Separation of Chairman & CEO	90%	98%	89%	96%	95%
Independent Chairman	46%	50%	41%	45%	45%
Board Balance: ≥50% INEDs	76%	64%	61%	66%	51%
Board assessments carried out	71%	71%	97%	95%	81%
Tenureship of INEDs > 9 years	33%	39%	37%	44%	46%
Average INED tenureship (Year)	5	5	5	6	6
Existence of Nominating Committee	100%	100%	100%	100%	100%
NC comprised majority of INEDs	100%	100%	100%	96%	99%
Existence of Remuneration Committee	100%	100%	99%	99%	98%
RC comprised majority of INEDs	96%	92%	90%	86%	86%

Women on Boards	2018	2017	2016	2015	2014
No. of Women on Boards					
Female EDs on boards	15	12	14	12	15
Female NINEDs on boards	35	36	28	25	26
Female INEDs on boards	114	106	81	71	60
Total No. of Women on boards	164	154	123	108	101
Women on Boards (%)					
Female EDs on boards	1.8%	1.4%	1.7%	1.5%	1.7%
Female NINEDs on boards	4.1%	4.2%	3.3%	3.1%	3.0%
Female INEDs on boards	13.3%	12.4%	9.6%	8.8%	7.0%
Total No. of Women on boards	19.2%	17.9%	14.6%	13.4%	11.7%

OTHER DISCLOSURES	2018	2017	2016	2015	2014
Companies having Board Charter	99%	97%	94%	97%	80%
Companies having Code of Ethics	98%	80%	90%	77%	68%
Companies that published AGM Minutes	87%	78%	48%	37%	26%
Companies that published M&A	56%	52%	41%	28%	22%
Companies disclosing individual director remuneration	92%	48%	43%	33%	35%
Companies with Dividend Policy	42%	41%	41%	38%	35%
Companies with Whistle Blowing Policy	94%	84%	86%	70%	51%
Companies with Corporate Responsibility Policy	100%	98%	94%	93%	97%
Companies disclosing training attended by each Director	89%	95%	80%	65%	59%
Annual Report released within 4 months	100%	100%	99%	99%	82%
Risk Management	2018	2017	2016	2015	2014
Board review of material control & risk management systems	100%	100%	100%	86%	63%
Establishment of board-level Risk Management Committee	49%	41%	36%	47%	35%

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**MINORITY SHAREHOLDERS WATCH GROUP***Shareholder Activism and Protection of Minority Interest***BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

(Incorporated in Malaysia • Company No : 524989 M)

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- 1) Cheque payments to be made payable to "Badan Pengawas Pemegang Saham Minoriti Berhad"
- 2) Online payment to be made to our Maybank account number 564155124857

***For further inquiries, please contact us at  
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# TOP GLOVE

TOP QUALITY, TOP EFFICIENCY



Top Glove is the world's largest manufacturer of gloves, producing high quality Latex Examination, Nitrile, Surgical, Polyisoprene, Chloroprene, Vinyl, Household, Cleanroom, Cast Polyethylene (CPE), Thermoplastic Elastomer (TPE) and Industrial Gloves, commanding 26% of the world market share. Its enhanced product portfolio also includes condoms, dental dams and exercise bands towards serving its customers better.

Since its inception in 1991, it has expanded from one factory to 41 factories with 670 advanced production lines with a production capacity of 62.7 billion gloves a year. Currently, the company exports to more than 195 countries.



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