



MALAYSIA-ASEAN CORPORATE GOVERNANCE REPORT **2019**



CREATING OPPORTUNITIES, GROWING VALUE

The pulse of our marketplace is defined by the vibrant entrepreneurial spirit of our traders, investors and fundraisers.

We uncover an evolving myriad of opportunities that connects investors and businesses. Opportunities that create value for everyone.

www.bursamalaysia.com



DISCLAIMER:

This Report and the contents thereof and all rights relating thereto including all copyrights are owned by the Minority Shareholders Watch Group (MSWG). While every care has been taken in the preparation of this publication, no claim can be made on the accuracy of the data. The MSWG and/or its directors, employees and associates shall not be held liable in any way and/or for anything appearing in this publication. The use and interpretation of the data and analyses in this publication is solely and exclusively at the risk of the user. The data and analyses contained in this publication may, however, be quoted with proper acknowledgement of MSWG.

Copyright © 2020 by the Minority Shareholders Watch Group





You can now open deposit accounts via online!

Our new online deposit account opening allows new or existing customers to open Current Account-i or Savings Account-i from the comfort of your homes, offices or while on the move.



Simple



Fast



Convenient



Secured

Open your deposit account by visiting the [Current Account-i page](#) or [Savings Account-i page](#) on our website!



Current Account-i and Savings Account-i are protected by PIDM up to RM250,000 for each depositor

Terms and Conditions apply



03-2096 3000



www.mbsbbank.com



MBSB Bank

TABLE OF CONTENTS

MESSAGE FROM MSWG CEO	4-5
EXECUTIVE SUMMARY	7
CG DEVELOPMENTS IN 2019/2020	9-10
ABOUT THE ASSESSMENT	10-11
KEY FINDINGS	13-15
REAL ESTATE INVESTMENT TRUSTS (REITs)	15
PART A: RIGHTS OF SHAREHOLDERS	17-19
PART B: EQUITABLE TREATMENT OF SHAREHOLDERS	19-20
PART C: ROLE OF STAKEHOLDERS	20-23
PART D: DISCLOSURE & TRANSPARENCY	23-28
PART E: RESPONSIBILITIES OF THE BOARD	29-40
BONUS	41-44
PENALTY	45-46
CONCLUDING REMARKS	46
REFERENCES	48
GLOSSARY	49
APPENDICES	
Appendix 1: Methodology – ASEAN CG Scorecard	50-78
Appendix 2: List of Default Responses Items	79-80
Appendix 3: Members of Adjudication Committee	81
Appendix 4: MSWG-ASEAN CG Award Winners 2019	82
Appendix 5: List of Top 100 Companies for CG Disclosure (By Rank)	83
Appendix 6: List of Top 100 Companies for Overall CG & Performance (By Rank)	84

MESSAGE FROM MSWG CEO

A MID OUR fragile economic landscape with the COVID-19 pandemic disrupting businesses of all shapes and sizes, moving beyond boilerplate statements and practicing corporate governance (CG) in substance does not just benefit a company and its stakeholders, but leads to a climate of collective confidence in Malaysian public listed companies (PLCs).

This will ultimately strengthen Malaysia's position as a global player from a financial and economic standpoint which in turn will open up a host of business opportunities for the PLCs through increased international and domestic investor interests.

MSWG has since its inception in 2000 taken the lead to champion the rights of shareholders and be a driver of PLCs governance practices through constructive company engagements, CG scorecard assessments, thought leadership sessions, AGM questions and interactions, investor forums and publication of CG related reports, with our main annual publication being the **Malaysia-ASEAN CG Report**.

In line with its overarching objective of lifting the CG standards in Malaysia, MSWG continues to forge partnerships with various key stakeholders – from market regulators to the PLCs and investor fraternity – in pursuit of our advocacy efforts to champion CG.

Corporate boards need to make substantial progressive shift in their monitoring trends to deal with uncertainties in the economical environment, particularly the adverse effect of the health crisis stemming from the COVID-19 pandemic which may bring about significant changes to business direction and forward-looking prospects. Companies need to keep abreast with the latest developments – be it information or technological advancement – to maintain a vibrant and sustainable business model for shareholders.

It has become apparent that the COVID-19 pandemic has confronted companies of all sizes and stature with a host of challenges that can be disruptive to their business survival. To enhance their chances of business survival while operating in the new normal, it has become inevitable for companies to augment their existing business continuity plans with specific pandemic preparedness tools and crisis management solutions.

Doubtlessly, today's company chieftains are facing a once-in-a-generation scrutiny of their managerial tenacity in dealing with this crisis while having to address areas of judgement and uncertainties and their implications on financial reporting.

The ASEAN CG Scorecard assessment is a well-established ASEAN initiative whereby the Scorecard reflects global principles and internationally recognised best practices. As the Domestic Ranking Body, we are encouraged with the overall scores of 74.84 points for all companies in 2019 compared to 67.22 points in 2018, while that of the top 100 companies rose to 98.40 points from 94.95 points in 2018 and bottom 100 increased to 58.75 points from 50.11 points in 2018.

This improvement demonstrates the need to realise a seismic shift in corporate culture with PLCs continuing to demonstrate efforts to revamp their practices and disclosures to align with the best practices espoused in the ASEAN CG scorecard.

An important facet of our strategy is to advocate good governance by engaging with specific PLCs on the results of their respective scorecard assessments. The scorecard is not intended to be a box ticking exercise but an influencer of exemplary governance practices. Companies are encouraged to use the scorecard to assess their own state of internal governance and to address areas which are at odds with the best practices promulgated in the scorecard.

We wish to emphasise that the ultimate beneficiaries of the scorecards are the PLCs themselves. Measuring CG helps companies to know where they stand, thus enabling them to improve their business performance through better strategy, decision making, risk management and financial control, among others.

In closing, MSWG gratefully acknowledges the Capital Market Development Fund for their continued funding and support for this Malaysia-ASEAN CG Scorecard assessment project.



DEVANESAN EVANSON
Chief Executive Officer

Bank On The Strength Of Decades Of Excellence



As one of Malaysia's top-tier banks, you can count on banking excellence that is people-centric, catering for the needs of customers at different stages of their lives.

The Public Bank Group provides a comprehensive range of innovative financial products and services, coupled with superior customer service and an efficient delivery system. In 2000, Public Bank was the first bank to have all its banking halls to acquire ISO certification. Today, Public Bank has continuously achieved the ISO 9001:2008 certification by SIRIM for "Provision of Customer Service at Front Service" and "Provision of Customer Service in Loan Delivery".

Public Bank. Giving your banking experience the edge in excellence. Call or visit us today.



PUBLIC BANK
Excellence Is Our Commitment

Head Office: Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur. Tel: 603 2163 8888 / 8899 Fax: 603 2163 9917. www.publicbankgroup.com

EXECUTIVE SUMMARY

GOVERNANCE ISSUES such as board quality, pay for performance and directors tenure continues to create significant headwinds to shareholders across all facets of the market. Due to its complexity, there is a rising need for a systematic and quantitative evaluation approach for corporate governance (CG).

This is the eighth year that MSWG has implemented the ASEAN CG Scorecard methodology to measure governance disclosures and practices among PLCs. Scorecards generate important information on the quality of governance practices and compliance to the recommended CG code. MSWG hopes that PLCs would use the scorecard assessment findings to identify issues and make informed governance decisions as the data in this report goes a long way towards improving awareness and encouraging company transparency.

Companies are able to use the scorecard as a reference point to evaluate their own CG policies and practices while identifying gaps and improvement steps. In a way, outcomes from our findings reflect the positioning of a company alongside its peers, hence the intention to spur companies to veer towards higher governance scores.

The assessment findings have also enabled regulators and other related agencies to raise their awareness level to areas that may require intervention or reform.

This report is suited for companies looking to implement a more holistic CG practices within their organisations. Companies will find practical advice in this report while those who have already embarked on such journey can use it to assess their current approach and to support future enhancement.

Based on the assessment using the ASEAN CG Scorecard of 866 companies, the overall Corporate Governance Score (CG Score) as well as the CG Score of the top 100 companies (based on CG ranking) and the scores of bottom 100 companies (based on CG ranking) have all increased in 2019.

Commendable improvements in 2019 include:

- ◆ Improved disclosures on policies and practices of stakeholders' rights;
- ◆ More companies disclosing non-financial performance indicators;
- ◆ Disclosure of process followed in new board appointments; and
- ◆ Disclosure of CEO remuneration details.

Delivering Sustainable Futures

A partner of choice in Asia Pacific



4 Core Businesses

18 Countries

20,000 Employees

One Vision for the Future

110 years of success

We are a partner of choice for the world's best brands in the Industrial and Motors sectors. With operations in 18 countries and territories across Asia Pacific, we continue to grow, delivering sustainable value to our stakeholders through operational excellence, high performance standards and good corporate governance.

www.simedarby.com



CG DEVELOPMENTS IN 2019/2020

RECENT REFORMS and proposals to strengthen governance policies and practices include the following:

Malaysia

Bursa Malaysia had in December 2019, amended the Main Market Listing Requirements to encapsulate anti-corruption measures in support of the National Anti-Corruption Plan. The amendments include, among others requiring boards of companies to establish and maintain policies and procedures on anti-corruption and whistle-blowing, and to conduct periodic review of such policies and procedures, and to publish them on their websites (to also include corruption risk in their annual risk assessment framework).¹

Earlier in August 2019, Bursa Malaysia has proposed amendments relating to enhancing the presentation and contents of announcements and circulars, and allowing the announcement of the issue price for shares from Dividend Reinvestment Schemes at a later date as well as to impose a limit to an exercise or conversion of convertible equity securities to mitigate the dilution effect on shareholders.

Also amendments were proposed to enhance board integrity for greater shareholder protection by enhancing transparency on material loan covenants, conditions or restrictions linked to controlling shareholders, enhancing transparency and regularisation requirements for unlisted subsidiaries or associated companies undertaking corporate rescue mechanisms under the Companies Act 2016 and to strengthen the definition of independent directors.²

In November 2019, the Companies Commission of Malaysia issued a Consultation Document termed “Exposure Draft: Guidelines for the Reporting Framework for Beneficial Ownership of Legal Persons”. The Exposure Draft provides guidance on companies that will be required to make enquiries on beneficial owners (BO), the requisite information for completing the register of beneficial ownership and the documents required to be maintained as evidence of steps taken to verify the BOs.

In February 2020, the Securities Commission (SC) released the AGM CG Checklist developed in collaboration with MSWG and the Institutional Investors Council Malaysia. The AGM CG Checklist provides guidance to shareholders on key issues to be considered or raised at an AGM before exercising their voting rights.³

In April 2020, the SC’s Audit Oversight Board issued a circular to auditors and audit committees regarding the importance of ensuring high quality of audits in light of numerous challenges posed by the COVID-19 pandemic.⁴

ASEAN

In January 2020, the Philippines Securities and Exchange Commission issued the Code of Corporate Governance for Public Companies and Registered Issuers. The Code promotes 16 principles across different CG subjects, namely Board’s governance responsibilities, disclosure and transparency, internal control and risk management frameworks, cultivating a synergic relationship with shareholders/members, and duties to stakeholders.

Among others, the code recommends that board of directors of the covered companies should have a policy on diversity to avoid groupthink and to ensure that optimal decision-making is achieved. To reinforce its independence, the board should also be composed of a majority of non-executive directors

¹ https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/5df9ef6a5b711a6ac3afccca/files/MainPLC_Circular_Anti-corruption_Amendments_fair-18Dec2019.pdf?1576661823

² https://www.bursamalaysia.com/about_bursa/media_centre/bursa-malaysia-seeks-public-feedback-on-proposed-rule-amendments-to-the-main-market-and-ace-market-listing-requirements

³ <https://www.sc.com.my/resources/media-releases-and-announcements/sc-releases-agm-cg-checklist-to-enhance-shareholder-activism>

⁴ <https://www.sc.com.my/resources/media-releases-and-announcements/scs-aob-emphasise-the-need-for-high-quality-audit-in-light-of-covid-19>

and to have at least two independent directors, or such number as to constitute at least one-third of the members of the board, whichever is higher.

The code further encourages the establishment of board committees such as the audit committee, CG committee and board risk oversight committee to support an effective performance of the board's functions.⁵

Global (UK and Australia)

The new UK Stewardship Code which took effect in 2020 include among others, the need to report annually on stewardship activity, to report on company purpose, values and culture, extension of scope to asset classes beyond listed equity, expectations for different entities in the investment chain, and integration of environmental, social and governance (ESG) issues.

On 12 August 2019, the Australian Securities & Investments Commission released updates on two important Regulatory Guides (RGs) to formally include climate change as a risk that issuers should consider disclosing in a prospectus for retail clients (RG228) or in a company's operating and financial review (RG247).⁶

ABOUT THE ASSESSMENT

THE ASEAN Corporate Governance Scorecard (Scorecard) is a landmark strategy by the ASEAN Capital Markets Forum and the Asian Development Bank to create a common benchmark for rating the corporate governance (CG) of public listed companies (PLCs) in the ASEAN region. The participating countries are Malaysia, Indonesia, the Philippines, Singapore, Thailand and Vietnam. The Scorecard espouses Principles of Corporate Governance by the Organisation for Economic Co-operation and Development (OECD) and has been developed based on international best practices with due recognition to the domestic laws of the respective ASEAN country.

The scoring provides recognition to PLCs that achieve outstanding commitment to shareholder rights, compliance, integrity, fairness, responsibility, accountability, transparency, board independence and leadership, and sustainability.

There are two levels of scoring which is designed to capture the implementation of the substance of good CG and not merely boilerplate statements. The 2019 assessment is based on disclosures in the latest annual report, CG report and sustainability report published on and before 31 July 2019. Other sources of information include companies' websites, their announcements to Bursa Malaysia, and any other publicly available information, including media and analysts' reports.

Since the assessment is an unsolicited initiative, all PLCs are in principle eligible for consideration. Out of 915 companies listed on Bursa (excluding LEAP Market) as at 31 March 2019, 866 companies were included in the 2019 assessment. A total of 49 companies were exempted for various reasons, including being newly listed companies in 2018/2019, delisted in 2019 or being subject to the PN17/GN3 classification. This is also the first year MSWG has included real estate investment trusts (REITs) in the 2019 assessment with 17 listed REITs assessed.

Using the OECD Principles of Corporate Governance as the main benchmark, the ASEAN CG Scorecard encompasses five areas of the OECD Principles while adopting two levels of scoring so as to rate the actual implementation of the substance of good governance practices.

⁵ <https://business.mb.com.ph/2020/01/26/sec-issues-corporate-governance-code/>

⁶ <https://www.bakermckenzie.com/en/insight/publications/2019/08/what-asics-updated-climate-change-guidelines-mean>

Level 1 comprises items that are indicative of the laws, rules, regulations, requirements, and expectations of the respective country's domestic and OECD Principles. Each part carries 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 1
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

Level 1 has been grouped into five categories that correspond to the G20/OECD Principles as follows:

FIGURE 1: ASEAN CORPORATE GOVERNANCE SCORECARD

PART A : Rights of Shareholders
<i>Principle II - The rights of shareholders and key ownership functions</i> The corporate governance framework should protect and facilitate the exercise of shareholder's rights.
PART B : Equitable Treatment of Shareholders
<i>Principle III - The equitable treatment of shareholders</i> 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.
PART C : Role of Stakeholders
<i>Principle IV - The role of stakeholders in corporate governance</i> 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.
PART D : Disclosure and Transparency
<i>Principle V - Disclosure and transparency</i> 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.
PART E : Responsibilities of the Board
<i>Principle VI - The responsibilities of the board</i> 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.

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 emerging exemplary 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 give the final Corporate Governance Score (CG Score) for the company.

**MALAYSIA'S PREMIER
SHARIAH-COMPLIANT
FINANCIAL SERVICES GROUP**



بي إم بي هولدنجس بر حد

**THE ONLY PUBLIC-LISTED ISLAMIC
FINANCIAL HOLDING COMPANY
IN MALAYSIA**

BANK ISLAM

FIRST ISLAMIC BANK IN MALAYSIA



**FIRST AND ONLY PUBLIC-LISTED
TAKAFUL OPERATOR IN MALAYSIA**



بي إم بي سيكورتيز
BIMB SECURITIES SDN BHD (MISC)

**FIRST FULL-FLEDGED, SHARIAH-COMPLIANT
STOCK BROKING COMPANY IN MALAYSIA**



بي إم بي هولدنجس بر حد

BIMB Holdings Berhad
Level 31, Menara Bank Islam
22, Jalan Perak
50450 Kuala Lumpur
☎ 603 2781 2999
🌐 www.bimbholdings.com



CAHYA MATA SARAWAK

**MEMBER OF
BURSA MALAYSIA'S
GREEN LANE POLICY
FOR
CORPORATE
GOVERNANCE**

**TOP 4
EMPLOYER OF
CHOICE IN
SARAWAK:
JOBSTREET.COM**



**WINNER
OF
GLOBAL
CSR LEADERSHIP
GOLD AWARD**



- Cement & Clinker
- Construction
- Construction Materials Trading & Agencies
- Education
- Ferrosilicon & Manganese Alloys Smelting
- Financial Services
- Industrialised Building System (IBS) Products & Solutions
- Precast Concrete Products
- Premix
- Project Management
- Road Maintenance
- Steel Fabrication & Engineering
- Steel Pipe Manufacturing & Laying
- Stone Aggregates
- Township & Property Development
- Wire Mesh
- Hotel & Workers' Accommodation
- Telecommunications Infrastructure

CAHYA MATA SARAWAK BERHAD
Registration No: 197401003655 (21076-T)

Wisma Mahmud, Jalan Sungai Sarawak 93100 Kuching, Sarawak, Malaysia
Tel : +60 82 238 888 | Fax : +60 82 333 828 | Email : www.cmsb.my
www.cmsb.my

KUCHING • SIBU • BINTULU • MIRI

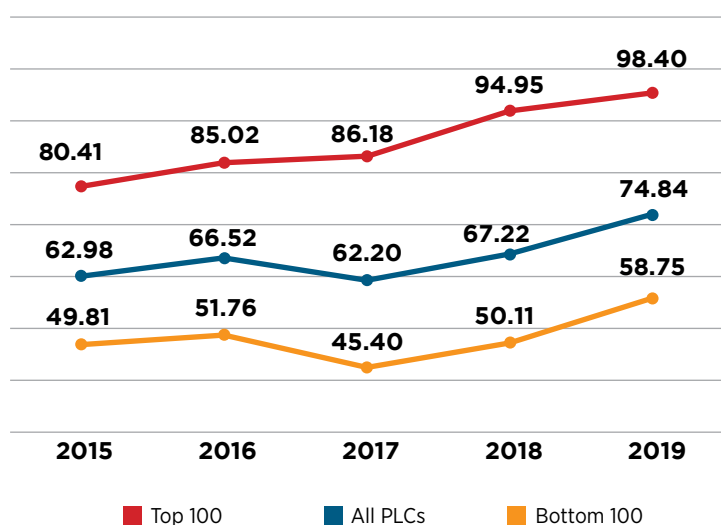
SARATOK | SIMUNJAN | KOTA SAMARAHAN | MAMBONG | LUNDU | BAU | TAPAH | SERIAN | BETONG
SAMALAJU | LAWAS | KUALA BARAM | LIMBANG | SG. ASAP | KAPIT

KEY FINDINGS

BASED ON the assessment using the ASEAN Corporate Governance Scorecard of 866 companies, the overall Corporate Governance Score (CG Score) was 74.84 points. While this score is commendable as it marks an increase from 2018 (67.22 points), PLCs must continue to take steps to further align their governance measures with the best CG practices.

Figure 2 depicts the trend in the CG Score over the last five years. The overall CG Score for all companies

FIGURE 2: FIVE YEAR TREND CG SCORE (2015-2019)



as well as the CG Score of the top 100 companies (“Top 100”) and the scores of the bottom 100 companies (“Bottom 100”) have all increased in 2019 from 2018. References to the Top 100 and Bottom 100 companies in this report are by CG scores ranking and not by market capitalisation.

The average CG Score for the Top 100 PLCs has consistently trended upward from 80.41 points in 2015 to 94.95 points in 2018, and has further risen to 98.40 points in 2019. For all companies, the average CG Score has increased from 67.22 points in 2018 to 74.84 points in 2019. For the Bottom 100 companies, the CG Score has increased from 50.11 in 2018 to 58.75 in 2019.

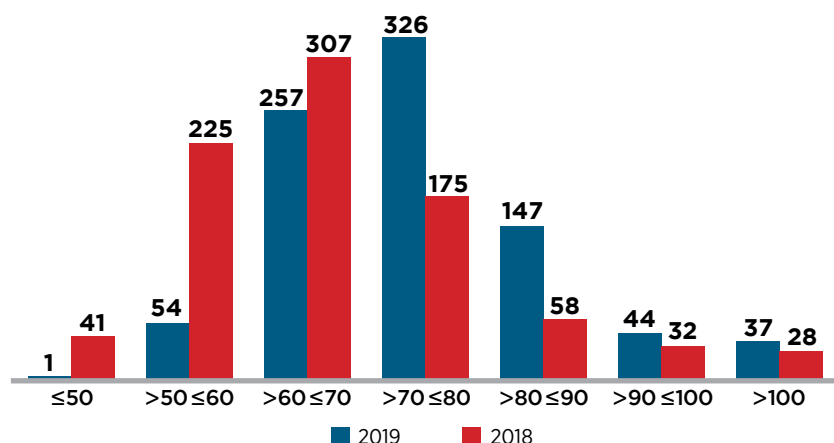
The increase reflects the steps taken by companies to further improve their CG practices, policies and disclosures as well as MSWG’s unwavering advocacy efforts for companies to adopt the substance of CG.

The average score with regard to each component of the scorecard for all PLCs in 2018 and 2019 has shown improvement (see **Figure 3**) except for Part B which posted a similar score for both years.

FIGURE 3: ASEAN CORPORATE GOVERNANCE SCORECARD

Year	Part A	Part B	Part C	Part D	Part E	Bonus	Penalty	CG Score
2019	7.76	8.83	9.30	16.00	27.98	8.10	-3.13	74.84
2018	8.01	8.82	7.08	14.66	26.06	6.06	-3.47	67.22

FIGURE 4: DISTRIBUTION OF CG SCORE



Based on the data in **Figure 4**, the trend shows there has been an overall increase in the number of companies with scores above 70 points in 2019 which is very encouraging as well as a significant reduction in the number of companies with scores below 70 points.

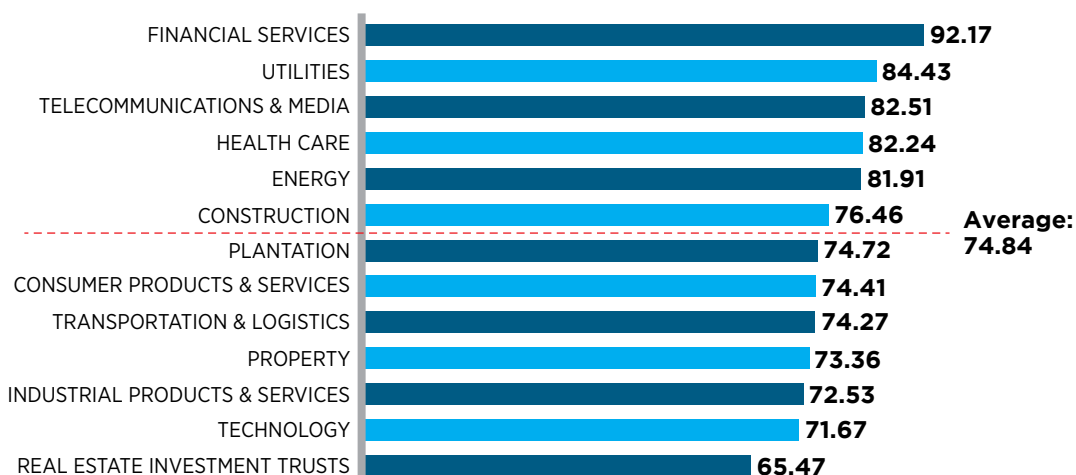
Additionally, the following 37 companies achieved CG Score of more than 100 points which was an encouraging result, compared to 28 companies in 2018:

ALLIANCE BANK MALAYSIA BHD	MALAYSIA BUILDING SOCIETY BHD
ALLIANZ MALAYSIA BHD	PETRONAS CHEMICALS GROUP BHD
AMMB HOLDINGS BHD	PETRONAS DAGANGAN BHD
ASTRO MALAYSIA HOLDINGS BHD	PETRONAS GAS BHD
AXIATA GROUP BHD	PUBLIC BANK BHD
BIMB HOLDINGS BHD	RHB BANK BHD
BRITISH AMERICAN TOBACCO (MALAYSIA) BHD	SIME DARBY BHD
BUMI ARMADA BHD	SIME DARBY PLANTATION BHD
BURSA MALAYSIA BHD	SIME DARBY PROPERTY BHD
CAHYA MATA SARAWAK BHD	S P SETIA BHD
CIMB GROUP HOLDINGS BHD	SUNWAY BHD
DIGI.COM BHD	SUNWAY CONSTRUCTION GROUP BHD
FGV HOLDINGS BHD	TELEKOM MALAYSIA BHD
IJM CORPORATION BHD	TENAGA NASIONAL BHD
KUB MALAYSIA BHD	TOP GLOVE CORPORATION BHD
LOTTE CHEMICAL TITAN HOLDING BHD	TUNE PROTECT GROUP BHD
LPI CAPITAL BHD	UEM SUNRISE BHD
MALAYAN BANKING BHD	UMW HOLDINGS BHD
MALAYSIA AIRPORTS HOLDINGS BHD	

It is hoped that more companies will follow the footsteps of outstanding companies which have achieved scores of above 100 points by taking actions to implement good CG practices as espoused by the scorecard.

Nevertheless, as shown in **Figure 4**, out of the 866 companies evaluated, only one company scored less than 50 points in their CG Score which is a clear improvement from 41 companies in 2018. In all fairness, none of the 2019 assessed companies scored below 50 points as the company which scored less than 50 points is a REIT company that was being assessed for the first time.

FIGURE 5: AVERAGE CG SCORE BY SECTOR ON BURSA



As shown in **Figure 5**, the leading sectors in terms of sectoral CG Score which is higher than the overall CG Score of 74.84 points were Financial Services, Utilities, Telecommunication & Media, Healthcare, Energy and Construction. Meanwhile, the underperformers were from the Plantation, Consumer Products & Services, Transportation & Logistics, Property, Industrial Products & Services, Technology and REITs sectors.

Real Estate Investment Trusts (REITs)

THIS IS the first year MSWG has included REITs in the assessment. REITs comply with the requirements of the Guidelines on Listed Real Estate Investment Trusts by the Capital Markets and Services Act 2007 for listing on Bursa Malaysia.

In April 2018, the market regulator announced enhancements to the regulatory framework for listed collective investment scheme (CIS) and business trusts. The CIS includes REITs, Exchange Traded Funds and Closed-End Funds. Among others, the enhancements were intended to strengthen the corporate governance (CG) of REITs, to instill greater investor confidence and to enhance the periodic reporting framework for CIS and business trust to improve quality of disclosures.

The 17 listed REITS scored an average CG score of 65.47 points. Sunway REITS scored 94.11 points and is on the top spot in 2019 while Atrium REITS scored the lowest at 49.87 points.

If the 17 REITs had been excluded from the total 866 PLCs assessed in 2019, the average CG score for all companies would be 75.03 points in 2019 as opposed to 74.84 points if the REITs were included.

Since the REITs were being assessed for the first time, there was no comparison to be made. An analysis of the scores of the respective Parts indicate that REITs generally scored lower than other PLCs for each Part except for Part B. Given the current environment that REITs do have some flexibility and are not expected to comply with all the CG requirements, it is hoped that they will take the necessary steps to enhance their CG practices and disclosures.

	Part A	Part B	Part C	Part D	Part E	Bonus	Penalty	CG Score
REITs	7.43	8.89	7.11	14.84	20.78	9.24	-2.82	65.47
PLCs (excluding REITs)	7.77	8.83	9.35	16.02	28.12	8.07	-3.13	75.03
All PLCs	7.76	8.83	9.30	16.00	27.98	8.10	-3.13	74.84



DIVERSITY IS OUR STRENGTH

DRB-HICOM Berhad is one of Malaysia's leading organisations listed on the Main Board of Bursa Malaysia. As a local conglomerate, it plays an integral role in supporting Malaysia's transformation into a competitive, knowledge-based and high-income nation. With more than 90 operating companies, the Group provides employment to over 60,000 people.

The Group's business activities are organised under three core sectors - Automotive; Services and Properties. We draw our strength from being a diversified yet integrated Group.

Today, DRB-HICOM has emerged as one of the more exciting companies listed on the Main Board of Bursa Malaysia due to its diverse portfolio. It has the advantage of being able to capitalise on synergistic opportunities, making it an important contributor to national development and economic growth.



AUTOMOTIVE • SERVICES • PROPERTIES

DRB-HICOM BERHAD
(203430-W)

Level 5, Wisma DRB-HICOM, No.2, Jalan Usahawan U1/8, Section U1
40150 Shah Alam, Selangor Darul Ehsan, Malaysia

Tel: (03) 2052 8000 Fax: (03) 2052 8118 www.drb-hicom.com



**DUOPHARMA
BIOTECH
BERHAD**

Smarter Solutions. Healthier Life.

Duopharma Biotech Group ("Duopharma Biotech" or "the Company") began with the establishment of Duopharma (M) Sendirian Berhad in 1979. Duopharma Biotech was incorporated in 2000 and is today one of Malaysia's leading pharmaceutical companies listed on the Main Market of Bursa Malaysia Berhad.

Duopharma Biotech has core competencies in the pharmaceutical industry inclusive of Manufacturing, Research & Development and Commercialisation & Marketing of over 300 generic drugs such as Omesec and Prelica as well as Consumer Healthcare ("CHC") products including CHAMPS®, FLAVETTES®, PROVITON® and Uphamol, which are well-recognised and accepted by consumers in Malaysia, regionally and globally. The Company has also diversified into the biosimilars space with technology and commercialisation collaborations with credible and strong international partners.

Headquartered in Kuala Lumpur, Malaysia, Duopharma Biotech owns and operates three manufacturing plants in Klang, Bangi and Glenmarie, Selangor. Duopharma Biotech also has subsidiary companies in the Philippines and Singapore. A subsidiary of Duopharma Biotech Berhad has a representative office in Jakarta, Indonesia.

Flavettes®



PROVITON
DAILY MULTIVITAMINS



DUOPHARMA BIOTECH BERHAD

Registration No: 200001021664 (524271-W)

Suite 18.06, Level 18, Kenanga International, No. 26, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.
General line +603 2162 0218 Fax +603 2161 0507

PART A: RIGHTS OF SHAREHOLDERS

THE 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 requirements unless there was evidence to the contrary.

Based on the evaluation of 866 companies, the average, minimum and maximum scores for this section were as follows:

	2019	2018
Average Score	7.76	8.01
Min Score	6.15	6.15
Max Score	10.0	10.0

Basic shareholder rights via equitable and timely dividend payments

Strong and consistent dividend payments sometimes signal the confidence that directors have in their business and companies that pay dividends tend to attract a premium for their shares. A company's ability to pay steady dividends in a timely manner provides a good indicator about its fundamentals.

Companies that are still in the growth phase may, however, not offer dividends as they may need to reinvest all of their profits to support their growth strategy.

With respect to basic shareholders rights, all dividends must be paid in an equitable and timely manner for the benefit of all shareholders. In the case of cash dividends, 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 866 companies assessed, 47% (n=406) did not pay any dividend during the period under review. Out of the remaining companies that paid dividend during financial year 2019 (n=460), about 24% (n=111) had complied with the expectation of concluding the payment within 30 days or 60 days for cash dividends and reinvested dividends respectively. It is quite disconcerting that a large number of 349 companies (76%) took longer than the expected period to effect their payment of dividends.

FIGURE 6: EQUITABLE PAYMENT OF DIVIDENDS

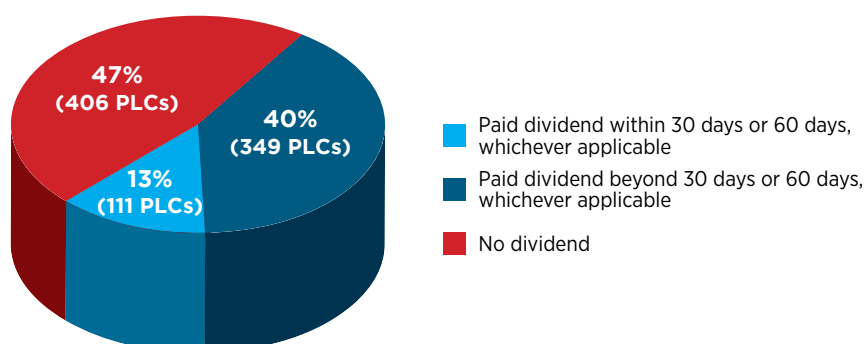
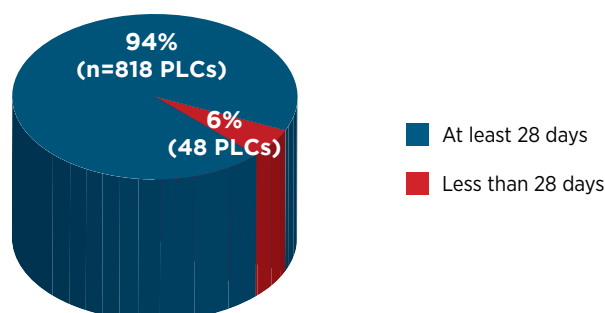


FIGURE 7: AGM NOTICE PERIOD



In terms of the notice period for annual general meeting (AGM), Para. 7.15 of the Main Market Listing Requirements (MMLR) requires at least 21 days for an AGM. **Figure 7** shows that 94% (n=818) of companies had a notice period with detailed agendas and explanatory circulars of at least 28 days or more.

When drafting the notice of shareholders' meeting, companies should be mindful of the way in which the notice is drafted. This is to ensure that the notice of meeting is clear, concise and effective in communicating relevant information for informed voting decisions.

An examination of the notices of AGM revealed that most companies (n=847; 98%) provided the rationale and explanation for each agenda item that required shareholders' approval in their notice of AGM and/or the accompanying statements.

Among the agenda items that require shareholders' approval, the matter of director remuneration is a key agenda that shareholders pay greater attention to in recent times.

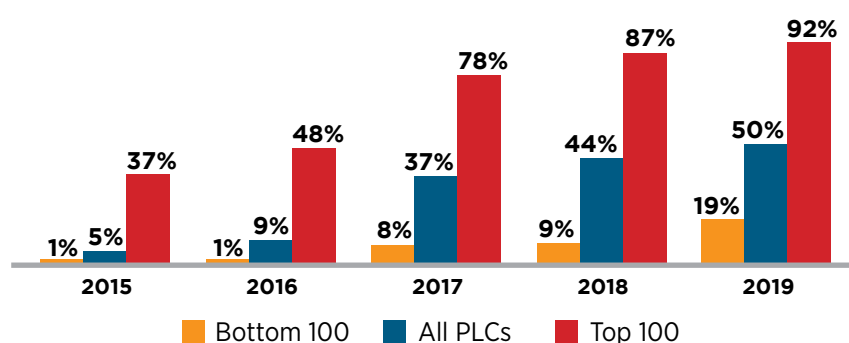
Right to participate and vote in general shareholders meetings

AGMs provides a platform for individual shareholders to hold the board accountable for the strategic decisions and policies that they have made during the year while presenting an opportunity for shareholders to pose questions to the board.

BOX 1: AGM MINUTES

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

FIGURE 8: PUBLICATION OF AGM MINUTES



A review of the 430 companies (50%) which published AGM minutes and key matters revealed that 393 companies (91%) granted shareholders the opportunity to ask questions or raise issues which were then recorded together with the responses. MSWG recommends that all companies should record the questions raised by shareholders and the company's responses in their AGM minutes for the benefit of those who were unable to attend (especially with regard to responses to critical company matters).

The Philippines CG Code Recommendation 13.3 provides among others, that the Minutes of the Annual and Special Shareholders' Meeting should be made available on the company's website within five business days from the end of the meeting.⁷

Given the importance of AGMs, it is pertinent that all directors be present at AGMs. Out of the companies which published AGM minutes, it was found that only 239 companies (56%) disclosed the names of board members who attended the most recent AGM. It was further revealed that in terms of attendance of directors and CEO (if he is not a board member), 170 companies (39%) disclosed full attendance of board members and CEO (if he is not a board member).

A total of 397 companies (46%) disclosed the voting procedures used before the start of the AGM. A company needs to be clear about voting procedures to shareholders as laid out by its constitution before the start of the AGM.

All companies disclosed the voting results comprising approving, dissenting and abstaining votes for each agenda item for their most recent AGM.

Exercise of ownership rights by shareholders

Boards should have an ongoing commitment to transparency and openness with shareholders. It is essential that companies outline an effective strategy which encompasses methods of communication, objectives and frequency to successfully communicate with their shareholders.

Typically, the boards of larger companies meet with investors more frequently than smaller ones usually through quarterly investor briefings, investor roadshows and informal shareholder meetings.

About 20% of companies (n=181; 21%) were found to have disclosed their practices to encourage shareholders to engage with the company beyond the AGM. It is recommended that other companies take steps to develop policies and practices to encourage shareholders engagement.

PART B: EQUITABLE TREATMENT OF SHAREHOLDERS

T HIS IS the second section of the CG Scorecard which has 15 items contributing 10% to the **Level 1** score. Based on the evaluation of 866 companies, the average, minimum and maximum scores for this section were as follows:

	2019	2018
Average Score	8.83	8.82
Min Score	7.78	7.78
Max Score	10.0	10.0

⁷ http://www.sec.gov.ph/wp-content/uploads/2019/11/2016_memo_circular_no.19.pdf

Shares and voting rights

Out of the 866 companies evaluated, 837 companies (97%) had only one class of shares. All the remaining companies that have more than one class of shares, (3% or n=29) disclosed the voting rights attached to each class of shares.

Based on the assessment of the notices and their accompanying documents of 866 companies, it was found that all assessed companies did not practice bundling of resolutions in the most recent AGM and had the notice of the most recent AGM and relevant circulars available in English and the proxy form was made easily available through appending it to the notice of AGM.

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

- ◆ With respect to profile of directors for directors seeking election or re-election, more than half of the companies (n=483) had disclosed the age, academic qualification, date of first appointment, experience and directorships in other companies clearly (by distinguishing directorships held in PLCs and non-listed public companies).
- ◆ Almost all companies (n=838; 97%) disclosed the name of the audit firm seeking appointment or re-appointment.

Protecting minority shareholders' interests in related party transactions

It is good governance for companies to have in place a policy or process for managing related party transactions (RPTs) to reduce corporate risk and protect shareholders interests.

Based on the analysis of 866 companies, it was found that only 112 companies (13%) disclosed in the Notes to the Financial Statements on RPT that RPTs were conducted in such a way to ensure that they were fair and at arms' length.

Another 747 companies (86%) did not disclose clearly such policy with most companies disclosing in the notes to the financial statements that their RPTs were conducted on a negotiated basis, terms agreed between the parties or have been entered into during the ordinary course of business. Such disclosure lacks transparency and clarity.

PART C: ROLE OF STAKEHOLDERS

THE THIRD section of the CG Scorecard has 13 items that contribute to 15 % to the **Level 1** score. Based on the evaluation of 866 companies, the average, minimum and maximum scores for this section were as follows:

	2019	2018
Average Score	9.30	7.08
Min Score	0.94	0
Max Score	15.0	15.0

Boards are expected to strengthen their oversight and knowledge of material sustainability matters and disclose their connection to the business in the form of risks and opportunities. Boards should also ensure they have insights into their shareholder priorities and benchmark themselves to good sustainability oversight practices among peers.

Spain is the first country to mandate shareholder votes on “non-financial” environmental, social, and governance (ESG) reporting whereby large companies must provide a report on non-financial information to be put to shareholder vote as a separate item in the AGM.

In our assessment of PLCs on sustainability disclosures, the challenge is differentiating actual sustainability practices from greenwashing. Although the assessment awards points based on disclosures, there is a risk that the write-ups in the sustainability report is a public relations or marketing tool rather than sustainability policies and activities for the benefit of all stakeholders. MSWG expects companies to be transparent and factual in their sustainability reporting.

It is noted that in some smaller PLCs, disclosures on sustainability are generally fragmented with minimal disclosures that comprise a few lines on environmental efforts, e.g. reduced printing, switching off lights, etc and social activities such as ad hoc donations and internships for university students.

Nevertheless, it is encouraging to note that 854 companies (99%) had a separate report or section that discusses their efforts on environment/economic and social issues.

Progressive investors from countries leading practices in corporate reporting have confirmed their investment processes require information on business models, strategy, and the resources on which these rely. They confirm their belief that better reporting on the key resources of a business, which integrated reporting can deliver, is important to their understanding of businesses and their allocation of capital. They also believe that the management processes reflected in this reporting can drive the development of more sustainable and stable businesses in the longer term.⁸

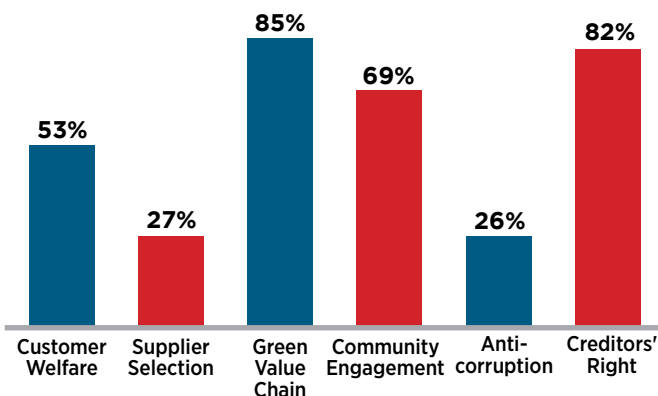
It is inspiring to note that in 2019, 22 companies adopted the integrated reporting framework and reported accordingly compared to only six companies in 2018.

The 22 companies are as follows:

ASTRO MALAYSIA HOLDINGS BHD	MSM MALAYSIA HOLDINGS BHD
AXIATA GROUP BHD	PETRONAS CHEMICALS GROUP BHD
BIMB HOLDINGS BHD	PETRONAS DAGANGAN BHD
BURSA MALAYSIA BHD	PETRONAS GAS BHD
CAHYA MATA SARAWAK BHD	SIME DARBY BHD
FGV HOLDINGS BHD	SIME DARBY PLANTATION BHD
HEINEKEN MALAYSIA BHD	SIME DARBY PROPERTY BHD
KPJ HEALTHCARE BHD	S P SETIA BHD
LOTTE CHEMICAL TITAN HOLDING BHD	TELEKOM MALAYSIA BHD
MALAYSIA MARINE AND HEAVY ENGINEERING HOLDINGS BHD	TENAGA NASIONAL BHD
MAXIS BHD	UEM EDGENTA BHD

⁸ <https://integratedreporting.org/wp-content/uploads/2020/07/Investor-statement-2020.pdf>

FIGURE 9: STAKEHOLDER RIGHTS - POLICIES AND PRACTICES



As can be seen from **Figure 9**, more than half of the 866 companies assessed (n=461; 53%) had undertaken some efforts on customers welfare by disclosing their policies. Examples include product safety and quality, responsible product marketing, product recall policies, customers satisfaction surveys, etc. Making transparent the supplier selection process is increasingly becoming the primary value driver in a company's supply chain management. In this regard, 27% of the companies (n=230) have disclosed their supplier selection procedures.

Another 69% (n=601) had some form of community engagement policies and practices.

It is heartening to note that 736 companies (85%) described their policies and practices in dealing with environmental-friendly practices or green value chain.

Interestingly, 26% (n=228) of the companies disclosed anti-corruption procedures and programmes. With Bursa Malaysia amending the listing requirements with effect from 1 June 2020 by requiring PLCs and their boards to ensure that the policies and procedures on anti-corruption and whistle-blowing are established and maintained, we can expect to see a large increase in disclosures of anti-corruption procedures.

For the record, Bursa Malaysia's amendment is pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which came into effect on 1 June 2020. The new law establishes a new corporate liability offence for corruption in Malaysia whereby commercial organisations can be found criminally liable for bribery.

Additionally, 707 companies (82%) had put in practice and disclosed the appropriate policies to safeguard creditors' rights.

Facilitation of stakeholders' rights

There must be appropriate mechanisms that would allow stakeholders to report to the company on any improper practices or have the opportunity to obtain effective redress for violation of their rights. In this respect, companies were assessed whether they provided contact details via their websites or annual reports through which stakeholders (e.g. customers, suppliers and general public) could use to voice their concerns about possible violation of their rights.

The current evaluation found that more than half of the companies (n=457; 53%) had facilitated such requirement by providing the necessary contact information. It is recommended that all companies provide relevant contact details on their websites or annual reports to enable stakeholders to seek relief for any violation of rights.

Employees' welfare

A sustainable and healthy workplace produces motivated workers, thus raising the level of employee

productivity with fewer work-related hazards, illnesses, and mishaps. The greatest benefit for driving employee development is to shape a more efficient, effective and engaged workforce.

Towards this end, the assessment found that:

- ◆ More than half of the companies (n=547; 63%) explicitly disclosed the health, safety and welfare policy of their employees and published the relevant information; and
- ◆ 387 companies (45%) had training and development programmes for their employees and published the relevant data and statistics on such training activities.

Some companies may have longer term compensation policy that is intended to reward executives for achieving their strategic objectives of maximising shareholders' value. These may be provided in the form of stock-based compensation such as stock options, share grants, etc with long vesting period. Less than one-quarter of companies (n=188; 22%) had in place a reward or compensation policy that accounts for the performance of the companies beyond short-term financial measures.

Whistleblowing is an essential safety channel, an important constituent in a healthy corporate culture, and should be part of the internal control environment.

The current study found more than one-half of companies, 584 companies (67%) and 597 companies (69%), 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 revealed illegal and/or unethical behaviour from retaliation.

PART D: DISCLOSURE & TRANSPARENCY

THE FOURTH section of the CG Scorecard has 32 items that contribute 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.

Based on the evaluation of 866 companies, the average, minimum and maximum scores for this section were as follows:

	2019	2018
Average Score	14.0	14.64
Min Score	9.38	6.88
Max Score	25.0	23.75

Transparent ownership structure

Disclosure of share ownership is pertinent as the composition of shareholders may influence valuation, free float, liquidity and its strategic direction.

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

The Stock Exchange of Thailand requires that boards should disclose the indirect (deemed) shareholdings of major and/or substantial shareholders, directors, and senior management.⁹

However, only a handful of companies (n=68; 8%) disclosed the direct and indirect (deemed) shareholding of senior management defined as C-level officers of a company. Other companies should follow suit in the disclosure of senior management ownership in the interest of transparency and good governance.

Quality of annual report

The annual report is the main document through which companies convey information of their undertakings, financial results, governance and strategies to shareholders and other stakeholders. There are views that availability of real-time information in the digital age has led to some decrease in alignment of annual reports that are published once a year.

The assessment revealed that all companies had disclosed in their annual reports the attendance details at board of directors' meetings held during the year.

A PLC's corporate objectives entails the outcome the PLC envisages to achieve in a particular year. Having a comprehensive list of corporate objectives creates the tenets that serve as the base for business planning. Examples include targets for cost control measures, market share, sustainable growth index, etc. The assessment revealed that 341 companies (39%) disclosed some form of corporate objectives.

Pertaining to the disclosure of biographical details of all directors, companies must disclose among others, the age, qualifications, date of first appointment, relevant experience, and other directorships by clearly distinguishing listed and non-listed companies (n=383; 44%).

Every company disclosed their financial performance indicators. With respect to disclosure of non-financial performance indicators, it is important for companies to keep track of non-financial performance indicators because they do affect business performance. Examples include the link between high employee turnover rate and the exorbitant hiring cost or the customer satisfaction index. More than one-third of companies disclosed non-financial performance indicators in their annual reports (n=338; 39%).

A sound dividend policy normally augurs well for shareholders as this indicates some certainty as well as creates a benchmark for companies to do well. Slightly more than 10% of the companies disclosed their dividend policy in the annual report (n=134; 15%).

Robust remuneration governance arrangements are critical to support effective and informed board decision making that is appropriate to a company's changing circumstances. This includes decisions that may appear counterintuitive or unconventional, but that are in the company's long-term interests.

Importantly, decision making on variable pay – a key influencer of behaviour – can send strong signals to executives about conduct and performance that are consistent with the long-term interests of the company. It also signals to investors the type of performance and conduct that is being rewarded in the current environment.¹⁰

⁹ https://www.set.or.th/sustainable_dev/en/cg/disclosure_p1.html

¹⁰ <https://asic.gov.au/regulatory-resources/corporate-governance/executive-remuneration/board-oversight-of-executive-variable-pay-decisions-during-the-covid-19-pandemic/>

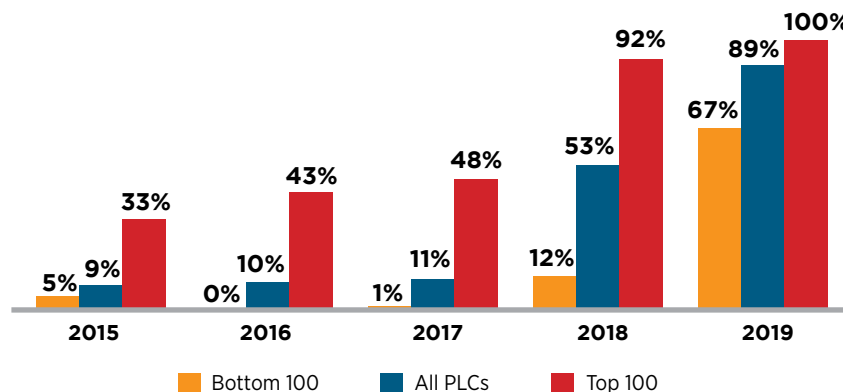
A total of 773 companies (89%) disclosed details of remuneration of each member of the board of directors compared to 456 companies (53%) in 2018. This significant improvement is expected as reporting of individual remuneration is mandatory pursuant to the 2017 amendments to the MMLR.

The remaining 93 companies are still reluctant to disclose individual remuneration of each board member. A common reason offered was that “The Company opts not to disclose the remuneration package of the Board of Directors on individual named basis as it is not in the best interest of the Company”. In essence, some companies still consider information on the remuneration of their boards of directors as sensitive and proprietary.

BOX 2: DISCLOSURE OF DIRECTORS' REMUNERATION

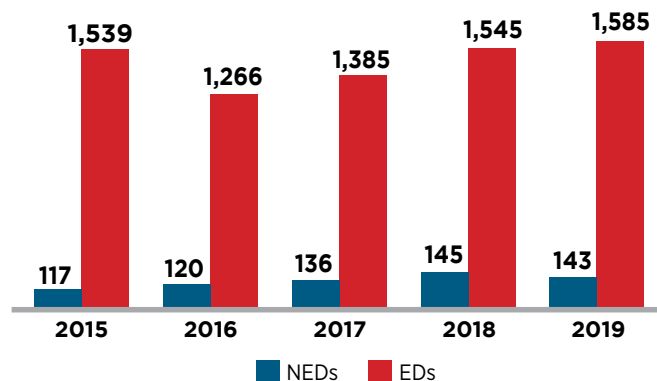
Figure 10 reveals an improvement in the incidence of disclosing individual director's remuneration among the Top 100, Bottom 100 and among all companies.

FIGURE 10: DISCLOSURE OF INDIVIDUAL DIRECTOR'S REMUNERATION



BOX 3: DIRECTORS' REMUNERATION (GROUP)

FIGURE 11: DIRECTORS' REMUNERATION (RM'000)



AVERAGE ANNUAL REMUNERATION OF EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS BY SECTOR (RM)

SECTOR	2019	
	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
CONSTRUCTION	1,460,000	116,000
CONSUMER PRODUCTS & SERVICES	1,875,000	102,000
ENERGY	1,878,000	170,000
FINANCIAL SERVICES	4,260,000	646,000
HEALTH CARE	2,560,000	137,000
INDUSTRIAL PRODUCTS & SERVICES	1,148,000	93,000
PLANTATION	2,277,000	214,000
PROPERTY	1,870,000	148,000
REAL ESTATE INVESTMENT TRUSTS	1,686,000	71,000
TECHNOLOGY	764,000	71,000
TELECOMMUNICATIONS & MEDIA	806,000	153,000
TRANSPORTATION & LOGISTICS	1,008,000	127,000
UTILITIES	4,931,000	131,000

Corporate governance confirmation statement

This assessment criteria requires that PLCs annual report contain a statement confirming the company's full compliance with the code of corporate governance (CG) and where there is non-compliance, identify and explain reasons for each such issue.

Following enhancement to the Malaysian Code on Corporate Governance (MCCG) in April 2017, companies with financial year-end of 31 December 2017 onwards need to provide specific disclosures in the application of each practice with detailed explanation on adoption of CG practices set out in the MCCG during the financial year in a prescribed format (Corporate Governance Report) which is to be announced concurrently with the annual report.

The MMLR provides that REITs, closed-end funds and business trusts are only required to provide a CG Overview Statements in their annual reports and do not need to announce the CGR. Although not a requirement, four REITs published the Corporate Governance Report.

Disclosure of related party transactions (RPTs) and share trading by insiders

The Audit Committee is tasked under the MMLR to review and report to the board on any RPTs (including recurrent related party transactions) and conflict of interest situations. The audit committee should therefore ensure that the transactions carried out are in the best interest of the PLC and not detrimental to the minority shareholders. Most companies disclosed the policy covering the review and approval of material or significant RPTs (n=845; 98%).

More than one-third of companies (n=303; 35%) disclosed the name, relationship, nature and value of the related party and relationship for each of the material or significant RPT.

In connection with disclosure of trading in the company's shares by insiders such as C-suite officers, major shareholders and connected persons, only 11 companies (1%) disclosed such information. Other companies are encouraged to emulate such transparent disclosure.

External auditors and audit fees

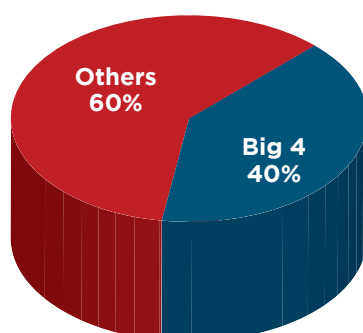
About a quarter of all ASX200 companies spend more than 40% of their fees with their auditor on non-audit work, creating concern about the independence of the financial inspection work. The 2018 financial reports of the 200 largest listed companies revealed Crown Resorts, Qantas, Whitehaven Coal and Webjet were among more than 50 companies where the auditor was almost as likely to be doing non-audit work as they were to be carrying out their statutory auditing role.¹¹

The current study found that 28 companies (3%) disclosed non-audit fees which exceeded their audit fees.

BOX 4: EXTERNAL AUDIT FIRMS

For the 2019 assessment year, the Big-4 had a 40% 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%, of which PwC's market share of audit fees stood at 33%.

FIGURE 12: MARKET SHARE OF EXTERNAL AUDIT FIRM



Medium of communication

All companies posted their quarterly reports on their websites or linked them to their quarterly announcements on Bursa Malaysia's website.

Nearly all companies (n=860; 99%) have corporate websites. It is useful for PLCs to manage the content of their websites by ensuring they are regularly updated and easy to navigate. In this regard, the websites of six PLCs could not be accessed at the time of our assessment.

It is also of paramount important that PLCs deepen their relationships with analysts and influencers by furnishing the latter with the required insights to offer constructive feedback or to provide the right perspectives for the broader market.

Investor feedback is also deemed a valuable information for the board as it provides powerful insights into the way a company is being perceived in the market.

It is therefore a 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, facsimile number and/or e-mail address to

¹¹ <https://www.afr.com/companies/professional-services/asx200-face-enron-risk-with-non-audit-work-20190813-p52gho>

facilitate the communication between investors and the company. The current assessment found that more than half of the companies (n= 529; 61%) disclosed such details.

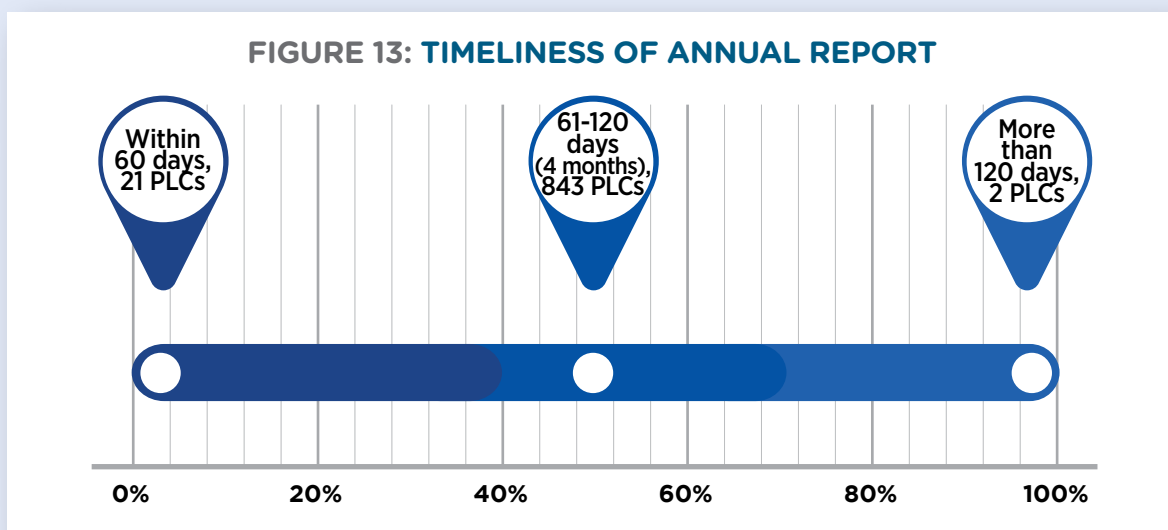
Out of the 866 companies assessed, less than one fifth of the companies (n=113; 13%) used analysts' briefings as an additional mode of communication. Even lesser number of companies conducted media briefings or press conferences except for the larger PLCs (n=54; 6%).

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 (864 companies; 100%). Only two companies were not able to submit their annual reports within 120 days or four months.

BOX 5: TIMELINESS OF ANNUAL REPORT

All companies released their annual reports within 120 days or four months after their FYE except for two PLCs. A total of 21 companies released their annual reports within 60 days after their FYE, which included REITs. It is a requirement for REITS to announce their annual reports within two months of their FYE. The companies other than REITS which announced their annual reports within 60 days are Bursa Malaysia Bhd, Petronas Dagangan Bhd, Petronas Chemicals Group Bhd and United Plantations Bhd. At the other end of the divide, Pasdec Holdings Bhd took 162 days.

FIGURE 13: TIMELINESS OF ANNUAL REPORT



Company website

The current evaluation found that nearly all companies disclosed up-to-date information on the following:

- ◆ Downloadable annual report (n=837; 97%); latest quarterly financial statements (n=831; 96%); and Notice of AGM and/or EGM (n=829; 96%);
- ◆ One-tenth of companies (n=84; 10%) disclosed materials provided in briefings to analysts and media;
- ◆ 50% of companies (n=430) disclosed minutes of AGM and/or EGM and about one-fifth of companies (n=179; 21%) posted the company's Constitution on their websites.

PART E: RESPONSIBILITIES OF THE BOARD

THE FIFTH and final section of the **Level 1** CG Scorecard has 65 items that contributed to 40% to the **Level 1** score. Out of these 65 items, nine items were default items.

Based on the evaluation of 866 companies, the average, minimum and maximum scores for this section were as follows:

	2019	2018
Average Score	27.98	26.06
Min Score	13.51	16.0
Max Score	39.49	39.46

Duties and Responsibilities of the Board

Clearly defined board responsibilities and corporate governance (CG) policy

A board charter is defined as a written policy document that clearly sets out the respective roles, responsibilities and authorities of the board of directors (both individually and collectively) and management in setting the direction and the control of the company.

The disclosure level for board charters was commendable which revealed the following:

- ◆ Disclosed the board charter/CG policy (n=812; 94%);
- ◆ Clearly stated the roles and responsibilities of the board of directors (n=857; 99%); and
- ◆ Disclosed the types of decisions requiring approval by the board of directors (n=774; 89%).

Corporate vision and mission

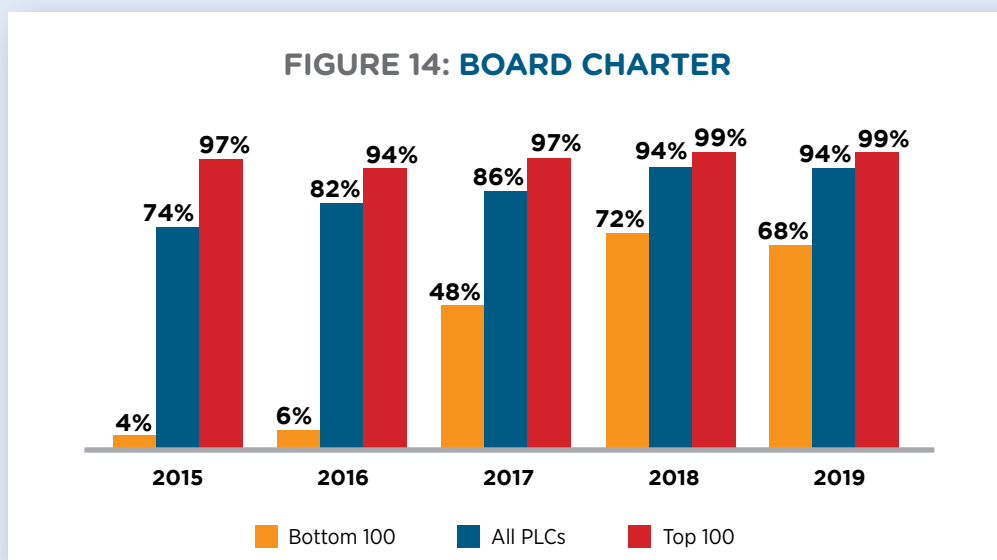
Crafting and articulating a vision statement is the first step towards developing business goals and milestones. On the same note, mission statements are action-oriented and are often written declarations of a company's core purpose and focus.

More than half of the companies (n=481; 56%) had an updated vision and mission while an impressive 840 companies (97%) disclosed that their boards had played a leading role in the process of developing and reviewing their companies' strategy.

Boards must be fully engaged with the management by providing effective oversight on the development and implementation of the strategic plan of companies. More than half of the companies (n=519; 60%) disclosed that their boards had a process to review, monitor and oversee the implementation of their corporate strategies.

BOX 6: BOARD CHARTER

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



Board Structure

Code of ethics

A well communicated code of ethics clarifies a company's values and principles, linking them with standards of professional conduct, and articulates the values that the organisation wishes to foster in its leaders and employees.

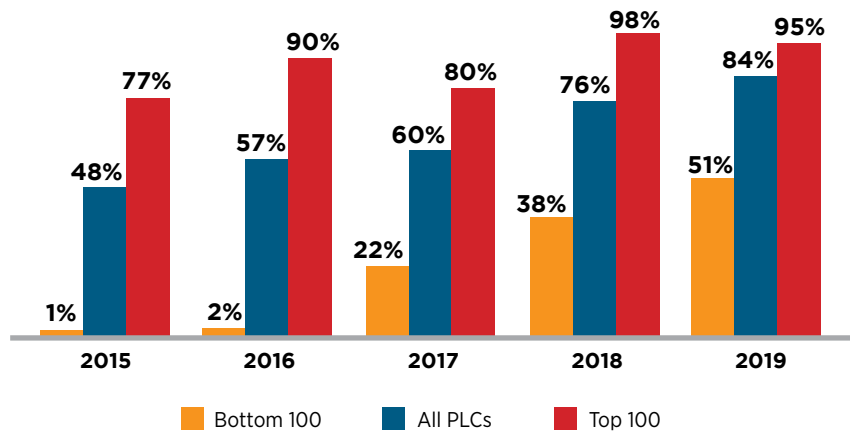
Based on the current assessment, more than three-quarter of the companies (n=733; 85%) had in place a code of ethics that disclosed details on how breaches should be handled.

It is imperative that a company either has a combined code of ethics applicable to both employees and directors or a distinct code for directors and employees, and that such code of ethics is implemented and its compliance monitored.

In this regard, companies are advised to implement a code of ethics applicable to their business operations for their directors instead of just stating in their annual reports or websites that they have adopted the code of ethics issued by the Companies Commission of Malaysia.

The assessment revealed that more than half of all companies had a code of ethics which required all directors, senior management and employees to comply with such code (n=482; 56%); and nearly half of companies disclosed how the company implemented and monitored compliance of the code of ethics (n=418; 48%).

FIGURE 15: CODE OF ETHICS



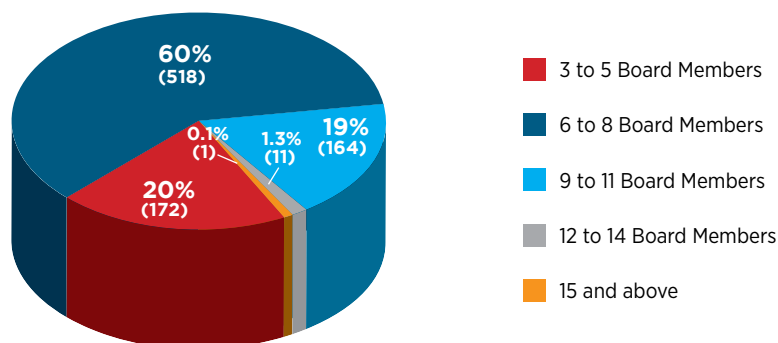
Board structure and composition

Board member renewal and the skills matrix are critical and deliberate decisions. Board composition is best when aligned to the organisation's short and long-term strategy. Board quality requires more than drawing on certain job titles, career paths and whether those already on the board know the director candidate.¹²

BOX 7: BOARD COMPOSITION

A typical board comprised six directors. One company had three directors while another company had 15 directors, respectively. **Figure 16** shows that 60% of companies had board size of between six and eight directors.

FIGURE 16: BOARD SIZE



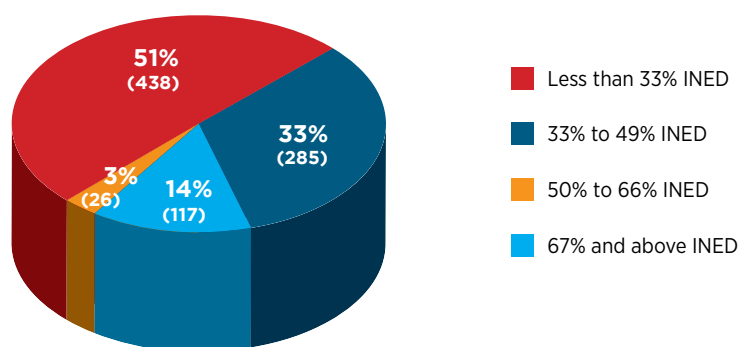
¹² <https://aicd.companydirectors.com.au/membership/company-director-magazine/2019-back-editions/april/how-to>

BOX 8: INDEPENDENT DIRECTORS (INEDs)

The Main Market Listing Requirements (MMLR) prescribes that independent directors should make up one-third of board members. **Figure 17** reveals that there were seven companies that had boards with less than one-third independent non-executive directors (INEDs). 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.

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. Three companies had boards made up entirely of INEDs. A typical company had INEDs comprising about 50% of the board and a typical INED had served about seven years in the board of a company.

FIGURE 17: PROPORTION OF INDEPENDENT DIRECTORS

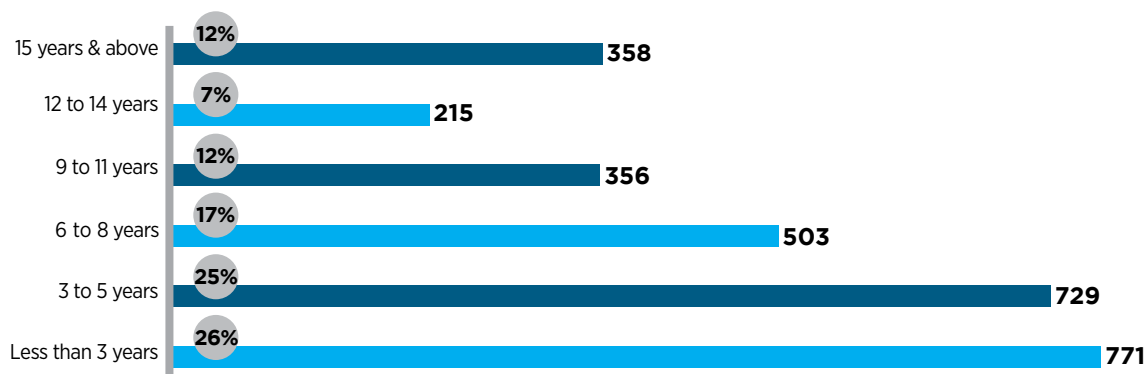


Globally, board composition changes are gaining traction by the use of more extensive refreshment practices that are intended to advance the achievement of term limits and diversity goals.

BOX 9: INDEPENDENT DIRECTOR'S LENGTH OF SERVICE (YEARS)

Overall, there were 6,090 director positions during the period under review. About 51% of these appointments were for the position of INEDs. In terms of length of service of INEDs, the shortest was less than one year while the longest length of service was 41 years. A typical INED's length of service was seven years. **Figure 18** shows that 32% of INED positions were occupied by individuals who had served more than nine years.

FIGURE 18: INED LENGTH OF SERVICES (YEARS)



The Malaysian Code on Corporate Governance (MCCG) 2012 has set 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 remains unchanged, but shareholders' annual approval is required from nine to 12 years only. A total of 52 companies (6%) had adopted a strict tenure limit of nine years for their independent directors.

From the 13th year onwards, companies are expected to apply the newly introduced two-tier voting process, whereby the large shareholders (not less than 33% of the voting shares) will cast their votes under tier-1 while other shareholders will follow suit under tier-2. A majority vote at both levels is required for an independent director to be re-elected.

On this note, a total of 160 companies (18%) carried out a two-tier voting to retain their independent directors beyond the 12th year. Certain companies, however, stated the following as the reason for not undertaking the two-tier voting:

The Board is of the opinion that the two-tier voting outlined in the MCCG 2017 is not compatible with the provisions in the Companies Act 2016 and the Company's Constitution as the right of the shareholders, including the right to vote, shall rank *pari passu*. An ordinary resolution which is passed by a majority of shareholders must be regarded as having been validly passed as a matter of law irrespective of whether a majority of both the large shareholders and other shareholders had voted in favour of such a resolution as required under the MCCG.

The Securities Commission (SC) in its "Frequently Asked Questions" section on MCCG 2017 states the following with respect to the two-tier voting system:

"Section 291 of Companies Act 2016 defines the application of ordinary resolution of members or a class of members of a company; that an ordinary resolution is passed by a simple majority of more than half of such members. It does not specifically deal with the appointment or re-appointment of directors. Section 202(2) of Companies Act 2016 states that the appointment of any subsequent director may be appointed by an ordinary resolution."

By interpretation, the use of the word 'may' in a statutory provision would not by itself show that the provision is directory in nature. Therefore, companies are allowed to determine the manner in which shareholders will exercise their rights in relation to the appointment or re-appointment of directors.

Moreover, the two-tier voting process is also consistent with the rights and powers attached to shares as accorded in the Companies Act 2016. In exercising the votes under the two-tier voting process, each shareholder continues to have only one vote for each share held.

Finally, it was found that there were three companies, albeit a small number, that had any of their executive directors serving on more than two boards of listed companies outside of the group. Our concern is that it is incomprehensible to have two executive positions.

Directors who are accountants seem to take the lead, followed by those with financial literacy, engineers and architects, and lawyers. The 'Other Backgrounds' category refers to qualifications other than those listed in **Figure 19**.

FIGURE 19: BACKGROUND OF DIRECTORS

QUALIFICATIONS	NO. OF DIRECTORS
Accountants	1,594
Finance Literate (Business Studies, Actuary Science, Economics, Commerce, CFA, CFP)	1,277
Engineers and Architect	590
Legal	586
Technology	96
Public Administration	65
Medical/Pharmaceutical	61
Marketing	42
Agricultural	16
Other Backgrounds	1,770

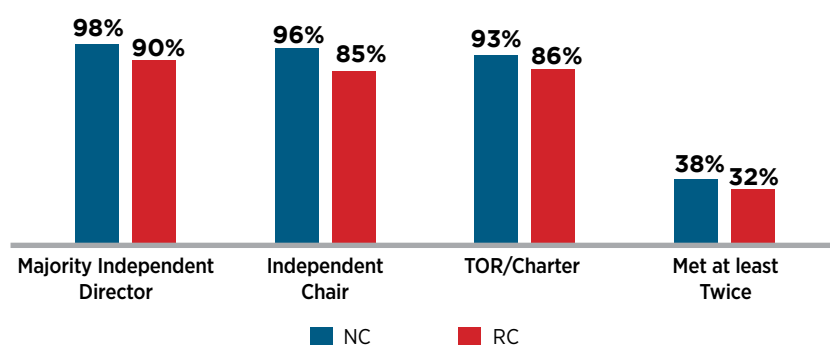
Nomination and remuneration committee

The Nomination Committee is mandated by the MMLR since 1 June 2013. MCCG Practice 6.2 stipulates that the board has a Remuneration Committee to implement its policies and procedures on remuneration, including reviewing and recommending matters relating to the remuneration of board and senior management.

Some companies choose to combine their Nominating and Remuneration Committees. However, if the Remuneration Committee and Nomination Committee are combined, the board must ensure that the combined Committee provides dedicated and adequate attention to discuss matters relating to nomination and remuneration.

The assessment revealed that a number of companies combined the functions of Nomination Committee and Remuneration Committee into a single Nomination and Remuneration Committee. This explained why the proportion of remuneration committee mirrored closely with that of nomination committee. In 2019, all companies had established a Nomination Committee and 97% of companies had a Remuneration Committee.

A review of **Figure 20** reveals that in all instances, the proportion of Nomination Committee adopting identified best practices was higher than that of Remuneration Committee and there were areas where further improvements were needed. That is, only about 38% of Nomination Committee (n=326) and 32% (n=273) of Remuneration Committee met at least twice during the year and disclosed meeting attendance.

FIGURE 20: CHARACTERISTICS OF NOMINATION COMMITTEE & REMUNERATION COMMITTEE

Audit committee

The audit committee plays a key role in assisting the board to fulfill its oversight responsibilities on a company's financial reporting, internal control systems, risk management systems and its internal and external audit functions.

Audit committees of 849 companies (98%) met at least four times during the year; and nearly all companies (n=840; 97%) had at least one independent director with accounting expertise (that is accounting qualification or experience) on their audit committees; while more than three-quarter of the companies' audit committees (n=676; 78%) had the primary responsibility of recommending the appointment or removal of the external auditors.

Board Processes

Board meetings and attendance

A board meeting typically aims to make decisions, set policies, plan future strategies and evaluate and monitor the exercise of any delegated authority. As such, it becomes imperative that board meetings are held periodically.

About one-third of companies (n=285; 33%) scheduled their board of directors' meeting before the start of financial year, with roughly a similar percentage of companies having their board of directors (n=294; 34%) convening at least six meetings during the financial year.

Slightly more than three-quarter of companies (n=695; 80%) had directors who attended at least 75% of all board meetings held during the year; 27 companies required a quorum of at least two-third for board decisions; and 111 companies disclosed that their non-executive directors met separately at least once during the year without the presence of any executive counterparts.

Access to information

The agenda and materials set the structure for board meetings and should be sent to the directors well in advance of the meetings to ensure they have ample time to review the materials for the upcoming meeting. The current assessment found that more than half of the companies (n=533; 62%) disclosed that board papers for meetings were provided to the board at least five business days in advance.

Although all company secretaries were presented as qualified, not all companies (n=845; 98%) declared that their company secretaries played a significant role in supporting the boards in discharging their responsibilities.

Board appointment and re-election

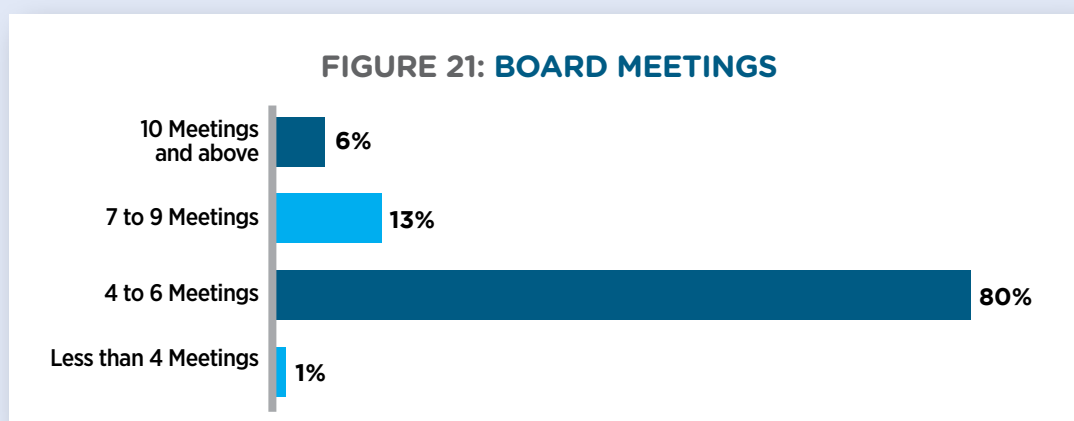
It is encouraging to note that most companies (n=800; 92%) disclosed the criteria used in selecting new directors. However, less than half of the companies (n=404; 47%) disclosed the process of appointing new directors.

A formal and transparent procedure as well as the criteria used for the selection and appointment of directors, including whether recruitment consultants or shareholders bodies are used to identify candidates to the board, goes a long way in promoting investor understanding and confidence.

BOX 11: BOARD MEETINGS

In terms of frequency of board meetings, nearly one-third of the PLCs disclosed that they had convened at least six board meetings during the year of assessment. Our 2019 assessment revealed that Vizione Holdings Bhd and Kein Hing International Bhd did not disclose the number of board meetings held either in their annual reports or CG Reports. In fact, one company, Securemetric Bhd, had only one board meeting during the year of assessment.

Further analysis of **Figure 21** reveals that the highest number of board meetings was 19 by the boards of Malaysia Airports Holdings Bhd and Public Bank Bhd, followed by FGV Holdings Bhd which had 17 meetings. CIMB Group Holdings Bhd, Affin Bank Bhd and Versatile Creative Bhd had 16 meetings. On average, a company convened six board meetings during the year.



Remuneration matters

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

The current assessment found the following:

- ◆ 213 companies (25%) disclosed remuneration policy especially in relation to the use of short-term and long-term incentives and performance measures for its executive directors and CEO; and
- ◆ 164 companies (19%) disclosed the fee structure for non-executive directors.

It was also found that most companies (n=840; 97%) adopted the best practice of having the board of directors or shareholders approve the remuneration of executive directors and/or senior management.

An appropriate advice by PWC in this COVID-19 environment:

Review existing framework and guidelines around the application of discretion (including malus and clawback) and target setting to ensure they are robust. If such framework does not currently exist, consider developing one to support the board/remuneration committee's decision-making.¹³

¹³ <https://www.pwc.com.au/publications/10-minutes-program/10-minutes-on-reward-and-performance-in-a-covid-19-environment-apr20.pdf>

It was revealed that 15 companies (2%) 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 clawback provision and deferred bonuses.

The companies which had such provisions and should be lauded are Affin Bank Bhd, Alliance Bank Malaysia Bhd, AMMB Holdings Bhd, British American Tobacco (M) Bhd, Careplus Group Bhd, CIMB Group Holdings Bhd, George Kent (M) Bhd, Hong Leong Bank Bhd, Hong Leong Financial Group Bhd, Malayan Banking Bhd, Public Bank Bhd, RHB Bank Bhd, Sime Darby Bhd, S P Setia Bhd and Tenaga Nasional Bhd.

It is hoped that other companies will emulate the above-mentioned PLCs by introducing similar clawback provisions especially in the face of current economic uncertainties.

Internal audit

All companies appeared to have a separate internal audit function (IAF) with almost 527 companies (61%) outsourced their internal audit functions as depicted in **Figure 22**. A total of 758 companies (88%) disclosed the identity of the head of IAF or the name of the external firm engaged in the outsourcing of the internal audit function.

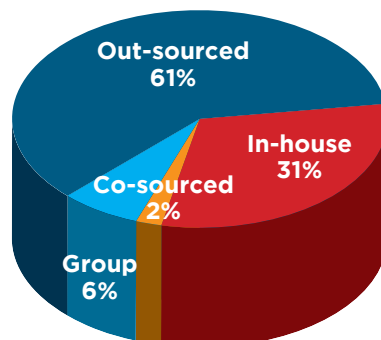
BOX 12: INTERNAL AUDIT FUNCTION (IAF)

In terms of the cost incurred for IAF, the average cost of in-house and outsourced IAF was RM2,304,000 and RM54,000 respectively. It was also found that 351 companies reported that their IAF cost was less than RM50,000 during the year of assessment.

Of these, 16 companies reported their IAF cost was less than RM10,000. The quality of the internal audit service maybe debatable with such a low internal audit fee.

The lowest IAF cost was RM1,488.

FIGURE 22: TYPE OF IAF SET-UP



While more than half of the companies (n=516; 60%) maintained that the appointment and removal of the internal auditor required approval of their audit committees, it was not clear who had the authority to appoint or remove the internal auditor for the remaining 350 companies.

Oversight risk

All 866 companies assessed disclosed the internal control procedures or risk management systems that were in place and almost all companies disclosed that their boards of directors had conducted a review of the companies' operational, financial and compliance controls as well as risk management system (n=864; 100%). However, only 566 companies (65%) had in their annual reports a statement by their board of directors or audit committees commenting on the adequacy of the company's internal controls and risk management system.

Advancing technologies, emerging business models and inter-related supply chains continue to add to the complexity of business operations and the risks inherent in those operations. It is therefore pertinent that companies disclose the key risks that they are materially exposed to.

However, only 575 companies (66%) were found to have disclosed their key risks.

People on the Board

Board chairman

The role of the chairman has been evolving, in the process assuming greater significance. The role of the chairman is now one of leading, facilitating and encouraging, rather than directing or instructing.

A push by regulators and shareholders to untangle the chairman and chief executive positions in the quest to counter-balance imperialism is gaining momentum. This separation provides a more balanced governance structure by removing a potential conflict of interest if one person occupies both the CEO and chairman's position.

The 2019 OECD Corporate Governance Factbook states that the percentage of jurisdictions requiring or encouraging the separation of the board chair and the CEO has risen sharply in recent years to 70%. India and Singapore encourage separation of the two posts through an incentive mechanism by requiring a higher minimum ratio (50% instead of 33%) of independent directors on boards where the chair is also the CEO.¹⁴

More than three-quarter of companies (n=661; 76%) had different individuals assuming the roles of chairman and CEO.

A total of 407 companies (47%) had a chairman who is an independent director while most companies (n=831; 96%) disclosed the roles and responsibilities of the chairman.

Senior independent director

Companies which do not have an independent chairman are expected to appoint a senior independent director and to define his/her role. Less than one-quarter of companies (n=193; 22%) had appointed a senior independent director and clearly defined his/her role.

Skills and competencies

In terms of skills and competencies of the board of directors, 82% of companies (n=707) had at least one non-executive director who possessed prior working experience in the major sector that the companies are operating in.

¹⁴ <http://www.oecd.org/daf/ca/Corporate-Governance-Factbook.pdf>

FIGURE 23: SEPARATION OF CHAIR & CEO

Figure 23 shows that larger companies had a higher incidence of separating the positions of chairman of the board and CEO but such likelihood is very low for the Bottom 100.

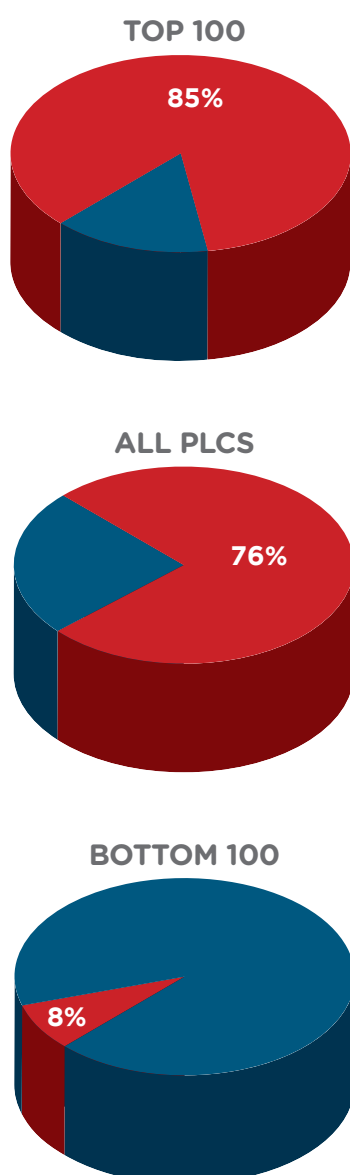
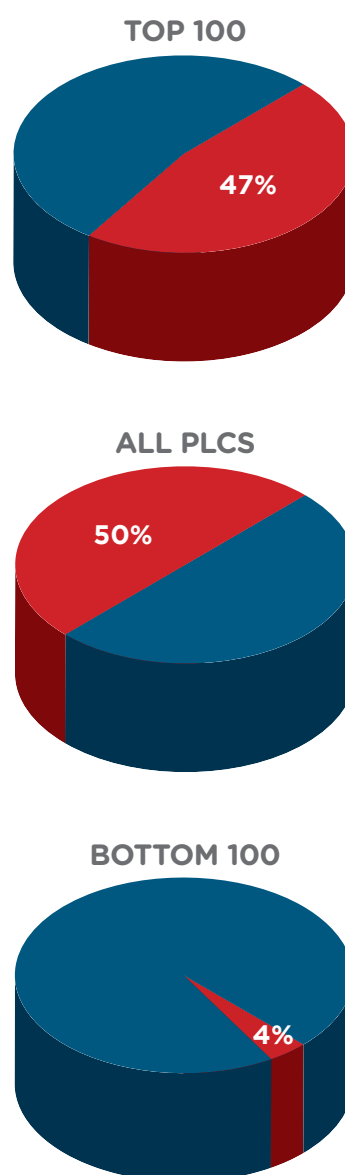


FIGURE 24: INDEPENDENT CHAIR

It appeared that the practice of having an independent chairman was nearly similar for Top 100 PLCs and all listed companies. The bottom 100 had a very low likelihood of having an independent chairman.



Board Performance

Directors' development

An “on-boarding” new board members session should be formally structured to ensure that an incoming board member will become knowledgeable and even conversant in the ways and culture of the board.

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

- ◆ 346 companies (40%) disclosed that they have orientation programmes for new directors appointed during the year; and
- ◆ Nearly three-quarters of companies (n=630; 73%) had a policy that encouraged directors to attend on-going or continuous professional education programmes and provided evidence that all directors had attended training.

Succession planning for CEO & key management/CEO performance assessment

The main objective of succession planning is to identify gaps in positions well in advance while developing the right skill set to ensure a flawless transition to the vacant key positions in the future.

As the CEO is the deemed link between the board and the management in the governance structure of a company, the board has a vested interest in the CEO being effective. An annual performance review and evaluation process of the CEO might include, among others, an assessment of past performance and the setting of key performance indicators to align performance expectations with the company's strategic objectives. Many companies are known to incorporate the CEO's annual remuneration review in that process.

It was found that slightly more than one-tenth of companies:

- ◆ Disclosed how the board of directors planned for the succession of the CEO and key management (n=110; 13%); and
- ◆ Disclosed an annual performance assessment of the CEO (n=101; 12%).

Appraisal of the board, director and board committees

Effective board evaluations can drive better board performance. In fact, shareholders are continuing to challenge boards to examine and explain board performance and composition especially during re-elections at general meetings.

In terms of appraising the performance of the board, directors and board committees, our assessment found that about half of the companies had an annual performance assessment conducted with the criteria and process disclosed of the board of directors (n=503; 58%), of individual director (n=489; 56%), and of the board committees (n=420; 48%).

BONUS

THE OBJECTIVE of this section of the scorecard was to acknowledge the exemplary efforts of companies which adopted governance policies and practices that transcend beyond those identified in **Level 1**. There were in total 13 bonus items with a maximum achievable score of 30 bonus points.

Companies are awarded bonus points for exemplary practices pertaining to board diversity, AGM notice period, adoption of global reporting frameworks for sustainability reporting, separate board level risk committee, use of independent channels for board appointments, etc.

Rights of shareholders

Companies should remove artificial barriers for participation in general meetings by facilitating the use of secure electronic voting in absentia.

Credit goes to Bursa Malaysia Bhd which facilitated the use of secure electronic voting in absentia at the general meetings of its shareholders. Such voting mechanism is expected to increase in our next assessment as more companies have also facilitated voting in absentia via virtual AGMs as a result of movement restrictions due to the COVID-19 pandemic.

Equitable treatment of shareholders

It is encouraging to note that most companies (n=801; 92%) released their notice of AGM (with detailed agenda and explanation circulars) vis-à-vis Bursa Malaysia filing at least 28 days prior to the date of the meeting.

Roles of stakeholders

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

- ◆ 169 companies (20%) adopted the GRI G4, IR or SASB Conceptual Framework for sustainability reporting; and
- ◆ One company adopted the GRI G3 framework for sustainability reporting and was awarded partial bonus points.

Disclosure and transparency

A total of 21 companies (2%) out of which 17 were REITs displayed exemplary practices by releasing their audited financial statements within 60 days from their financial year end (REITs are required to publish their annual report within two months of their financial year end). The names of the companies other than REITs which have released their audit financial statements within 60 days are listed in Part D of this report.

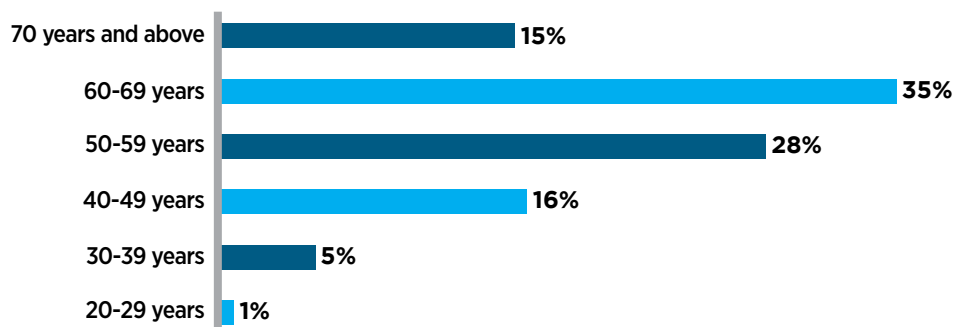
The other bonus item under this category was the disclosure of details pertaining to the CEO's remuneration. It was found that 624 companies (72%) disclosed such details.

Responsibilities of the board

Board diversity

Boards need to ensure a diversity of skills, composition and experience that align to the company's evolving strategy and risk profile.

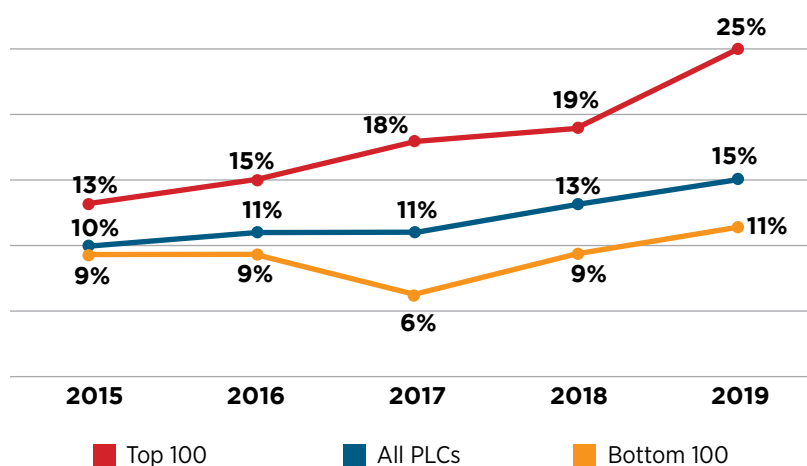
FIGURE 25: AGE OF DIRECTORS



Women on board

The Securities Commission's inaugural *Corporate Governance Monitor 2019* revealed that participation of women on the boards of the top 100 listed companies rose to 23.68% in 2018 from 16.6% in 2016.

FIGURE 26: WOMEN ON BOARD



With respect to the government's agenda to have at least 30% women in leadership positions in the corporate sector by 2020, **Figure 26** indicates that during the year of assessment, the larger companies are inching closer to the 30% target whereas all Bursa Malaysia-listed PLCs are half-way to achieving the target. Meanwhile, the Bottom 100 companies had only achieved slightly more than one-third of the 30% target.

Based on the data analysed for all PLCs for 2019, there were 36 women who were chairpersons and 21 women holding the CEO portfolio in the board of PLCs.

FIGURE 27: BREAKDOWN OF FEMALE DIRECTORS

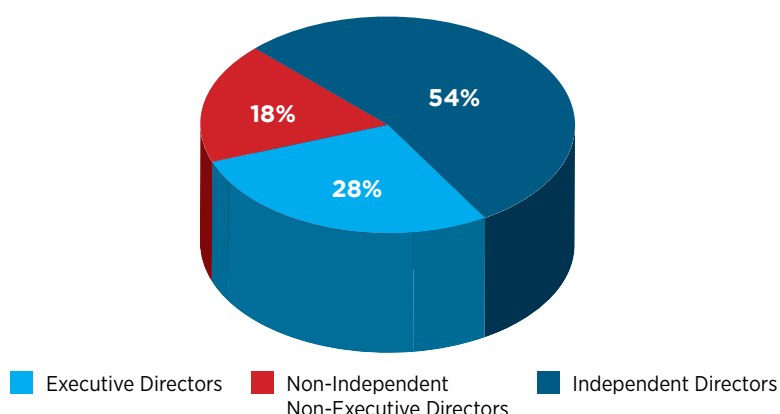


FIGURE 28: WOMEN ON BOARD

NO. OF FEMALE DIRECTORS APPOINTED IN 2019	No.	%
No. of new female ED appointed in the year	22	11%
No. of new female NINED appointed in the year	27	14%
No. of new female INED appointed in the year	144	75%
	193	

Based on the number of new female directors appointed in 2019, it is clear from **Figure 28** that companies are taking steps to appoint more female independent directors and this bodes well for PLCs in the quest to achieve board diversity.

Having at least one female independent director is a commendable practice. Out of the 866 companies reviewed, about one-third of companies (n=285; 33%) had at least one female independent director on their board of directors and 100 companies (12%) had two or more female independent directors.

In terms of promoting board diversity, there were 153 companies (18%) which have established clear policies. Moreover, there were 14 companies (2%) which disclosed policies as well as measurable objectives such as gender diversity targets. Another 38 companies (4%) had policies, measurable objectives and were reporting such progress in their annual reports.

Our findings nevertheless indicate that efforts to bolster the number of women on the boards of PLCs are taking longer than it should. Nevertheless, it is certainly encouraging that many companies are gradually joining their peers to accelerate board diversity.

Board structure

In terms of bonus points for exemplary practices of the Nomination Committee, more than half of the companies (n=522; 60%) had Nomination Committees comprised entirely of independent directors.

A small number of companies (n=57; 7%) disclosed that their Nomination Committees undertook the process of identifying the quality of directors aligned with the company's strategic direction.

An example of an exemplary disclosure of the above bonus criteria can be found in the CG manual of PLDT Inc of the Philippines as follows:

The Committee shortlists the nominees to be recommended to the Board, and in doing so, ensures that the Board's composition reflects an effective and balanced mix of knowledge, expertise, experience and skill, and diversity in terms of, among others, age, gender and ethnicity; and is aligned and consistent with the company's mission/vision and strategic directions, and the Board's duties and responsibilities.¹⁵

Board appointments

Companies are encouraged to use external and independent channels to source potential candidates for directorships. The current evaluation found that 382 companies (44%) disclosed their policy of using 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. However, our assessment revealed that only 27 companies had actually relied on external sources when searching for candidates.

Companies that had independent directors as the majority of their boards alongside an independent chairman were given bonus points. Out of the 866 companies, more than one-fifth of them (n=203; 23%) had independent directors making up more than 50% of the board of directors with an independent chairman.

Risk oversight

With cyber security continuing to be a global threat, stakeholders will want to gauge how well boards of companies are responding to cyber-attacks by putting in place preventative measures to ensure that customers' data remain secure.

Moreover, boards need to embrace the latest technological advancements as well as having both in-depth knowledge and effective oversight on how the various emerging technologies will affect their business continuity and strategies.

In this regard, only 104 companies (12%) described their governance process around IT (information technology) issues, including disruption, cyber security, disaster recovery, etc to ensure all key risks are well-managed.

The final bonus point was the establishment of a separate board level risk committee. It was found that 171 companies (20%) had such risk committee in the year under review. As for the Top 100 companies, 59 companies had a board-level risk committee. All financial institutions had adopted this best practice.

¹⁵ <http://pldt.com/docs/default-source/corporate-governance-files/cg-manual-/pldt-manual-on-corporate-governance.pdf?sfvrsn=0>

PENALTY

THE 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 points.

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 crucial that chairman of the board, chairman of the audit committee and the CEO attend the AGM. A total of 645 companies were penalised for non-disclosure of the attendance of these key persons at the AGM in the AGM minutes.

Equitable treatment of shareholders

During the period under review:

- ◆ One company had a conviction of insider trading involving directors, management and employees in the past three years;
- ◆ There was no case of non-compliance with the laws, rules and regulations pertaining to material related party transactions (RPTs) in the past three years; and
- ◆ There was no company which had RPTs that can be classified as financial assistance (i.e. not conducted at arm's length) to companies other than wholly owned subsidiary companies.

Role of stakeholders

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

Additionally, two companies were 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 poor performance or bad governance.

The following were found in the current assessment:

- ◆ 12 companies received a qualified audit opinion;
- ◆ None of the 866 companies received an adverse audit opinion;
- ◆ No 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

The following penalty items are under the ambit of responsibilities of the board. The current evaluation found the following:

- ◆ Four companies appeared to have not complied with certain provisions of the Main Market Listing Requirements (MMLR) other than disclosure requirements over the past year;
- ◆ No company had the situation where non-executive directors had resigned and raised any issues of governance-related concerns;
- ◆ 182 companies (21%) had on their boards one independent director who had served for more than nine years in the same capacity and 275 companies (32%) had two or more independent directors who had served more than nine years;
- ◆ No 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
- ◆ A small number of companies (n=39; 5%) adopted the debatable and contentious practice of granting options, performance shares or bonus to independent non-executive directors.

CONCLUDING REMARKS

S **HAREHOLDERS PLAY** an important role in governance as they need to ensure that balanced, competent and diverse directors are appointed to their boards. Demand from investors for effective boards, clear strategies and environmental, social and governance (ESG) oversight will continue to accelerate.

This scorecard would enable companies to easily assess the reach and quality of their own governance, and at the same time allow investors to set minimum scores for governance as part of general investment decision making.

Key areas for improvement identified from MSWG's assessment include:

- | | |
|--|---|
| 1: The linkage and consistency of information between the annual report and the CG report as inconsistencies have been noted. | into consideration emergency vacancies which may arise during the year. |
| 2: The disclosure of the criteria and process for board evaluations should be sufficiently comprehensive and not a replication of disclosures of evaluations of other PLCs. | 4: Lack of disclosure of measurable objectives for board diversity. |
| 3: Disclosure of a clear succession planning process for CEO and key management and not general statements. This should take | 5: Clear remuneration policy: No clear link between pay and performance. Policies, short and long-term incentives and performance measures were not disclosed. |
| | 6: Lack of senior management shareholdings disclosure. |

MSWG will relentlessly continue with its corporate governance (CG) advocacy efforts and look forward to engaging with PLCs to facilitate a better understanding on the requirement of the ASEAN CG scorecard, thus bolstering governance practices. MSWG also encourages REITs to further improve their governance practices and disclosures although they currently enjoy some flexibility on CG practices and disclosures.



MMC Corporation Berhad is a leading utilities and infrastructure group with diversified businesses under four divisions, namely Ports and Logistics, Energy and Utilities, Engineering and Industrial Development.



www.mmc.com.my

Every stitch counts as we build this nation together

Since 1955, YTL has been building schools, hospitals and roads for our young nation. Today, we supply electricity, water, sewerage and environmental services, provide technology, build homes and operate award-winning hotels and resorts.

We continue to look to empower and equip nations to build a better future for all.



YTL GROUP
Building The Right Thing



REFERENCES

1. https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/5df9ef6a5b711a6ac3afccea/files/MainPLC_Circular_Anti-corruption_Amendments_fair-18Dec2019.pdf?1576661823
2. https://www.bursamalaysia.com/about_bursa/media_centre/bursa-malaysia-seeks-public-feedback-on-proposed-rule-amendments-to-the-main-market-and-ace-market-listing-requirements
3. <https://www.sc.com.my/resources/media-releases-and-announcements/scs-aob-emphasise-the-need-for-high-quality-audit-in-light-of-covid-19>
4. <https://www.sc.com.my/resources/media-releases-and-announcements/sc-releases-agm-cg-checklist-to-enhance-shareholder-activism>
5. <https://business.mb.com.ph/2020/01/26/sec-issues-corporate-governance-code/>
6. <https://www.bakermckenzie.com/en/insight/publications/2019/08/what-asics-updated-climate-change-guidelines-mean>
7. http://www.sec.gov.ph/wp-content/uploads/2019/11/2016_memo_circular_no.19.pdf
8. <https://integratedreporting.org/wp-content/uploads/2020/07/Investor-statement-2020.pdf>
9. https://www.set.or.th/sustainable_dev/en/cg/disclosure_p1.html
10. <https://asic.gov.au/regulatory-resources/corporate-governance/executive-remuneration/board-oversight-of-executive-variable-pay-decisions-during-the-covid-19-pandemic/>
11. <https://www.afr.com/companies/professional-services/asx200-face-enron-risk-with-non-audit-work-20190813-p52gho>
12. <https://aicd.companydirectors.com.au/membership/company-director-magazine/2019-back-editions/april/how-to>
13. <https://www.pwc.com.au/publications/10-minutes-program/10-minutes-on-reward-and-performance-in-a-covid-19-environment-apr20.pdf>
14. <http://www.oecd.org/daf/ca/Corporate-Governance-Factbook.pdf>
15. <http://pldt.com/docs/default-source/corporate-governance-files/cg-manual-/pldt-manual-on-corporate-governance.pdf?sfvrsn=0>

GLOSSARY

AGM Annual General Meeting

ASEAN Association of Southeast Asian Nations

ASX Australian Stock Exchange

Bursa Bursa Malaysia Securities

CG Corporate Governance

CGR Corporate Governance Report

CIS Collective investment scheme

EGM Extraordinary General Meeting

ESG Environmental, Social and Governance

FYE Financial Year End

GLCs Government Linked Companies

GRI Global Reporting Initiative

IAF Internal Audit Function

IR Integrated Reporting

MCCG Malaysian Code on Corporate Governance 2017

MMLR Main Market Listing Requirements

OECD Organisation for Economic Co-operation and Development

PLCs Public Listed Companies

REITs Listed Real Estate Investment Trusts

RG Regulatory Guides

RPT Related Party Transactions

SASB Sustainability Accounting Standards Board



The Genting Group is recognised as one of Malaysia's best managed conglomerates. The Group comprises Genting Berhad and its listed subsidiaries Genting Malaysia Berhad, Genting Plantations Berhad and Genting Singapore Limited, as well as its wholly owned unlisted subsidiary Genting Energy Limited. Led by Tan Sri Lim Kok Thay, the Group is involved in leisure & hospitality, oil palm plantations, power generation, oil and gas, property development, life sciences and biotechnology activities, with operations spanning across the globe. Backed by strong financials and international credit ratings, as well as a work culture of professionalism and good governance, the Genting Group is committed to grow in strength as a leading multinational corporation.

Appendix 1: METHODOLOGY – ASEAN CG SCORECARD

THE MALAYSIA-ASEAN CORPORATE GOVERNANCE 2019 assessment is based on disclosures in the latest annual report, corporate governance (CG) report and sustainability report published on and before 31 July 2019. Other sources of information include companies' websites, their announcements to Bursa Malaysia, and any other publicly available information, including media and analysts' reports.

Since the assessment is an unsolicited initiative, all PLCs are in principle eligible for consideration. Out of 915 companies listed on Bursa (excluding LEAP Market) as at 31 March 2019, 866 companies were included in the 2019 assessment. A total of 49 companies were exempted for various reasons, including being newly listed companies in 2018/2019, delisted in 2019 or being subject to the PN17/GN3 classification. This is also the first year MSWG has included real estate investment trusts (REITs) in the 2019 assessment with 17 listed REITs assessed.

Using the OECD Principles of Corporate Governance as the main benchmark, the ASEAN CG Scorecard encompasses five areas of the OECD Principles while adopting two levels of scoring so as to rate the actual implementation of the substance of good governance practices.

Level 1 comprises items that are indicative of the laws, rules, regulations, requirements, and expectations of the respective country's domestic and OECD Principles. Each part carries 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:

	PART A	PART B	PART C	PART D	PART E	LEVEL 1
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 emerging exemplary 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 give the final Corporate Governance Score (CG Score) for the company.

A. RIGHTS OF SHAREHOLDERS		
A.1 BASIC SHAREHOLDER RIGHTS		
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends, and (ii) approved by 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?	<p>G20/OECD (2015) Principle II: The rights and equitable treatment of shareholders and key ownership functions</p> <p>(A) Basic shareholder rights should include the right to: (6) share in the profit of the corporation.</p> <p>Dividend announcement / Annual CG Report / Minutes of AGM / Company website / Exchange website</p>
A.2 RIGHT TO PARTICIPATE IN DECISIONS CONCERNING FUNDAMENTAL CORPORATE CHANGES		
A.2.1	Amendments to the company's constitution?	<p>G20/OECD (2015) Principle II</p> <p>(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.</p> <p>Annual Report / Company website / Articles of Association</p>
A.2.2	The authorisation of additional shares?	<p>G20/OECD (2015) Principle II (B):</p> <p>(2) the authorisation of additional shares.</p>
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	<p>G20/OECD (2015) Principle II (B):</p> <p>(3) extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the company.</p>
A.3 RIGHT TO PARTICIPATE EFFECTIVELY IN AND VOTE IN GENERAL SHAREHOLDER MEETINGS AND SHOULD BE INFORMED OF THE RULES, INCLUDING VOTING PROCEDURES, THAT GOVERN GENERAL SHAREHOLDER MEETINGS		
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	<p>G20/OECD (2015) Principle II (C):</p> <p>(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.</p> <p>Announcement of AGM / Articles of Association / Annual Report / Company website</p>
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	Annual Report / Company website / Articles of Association / Annual CG Report
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	Minutes of AGM / Result announcement of AGM / Articles of Association / Annual Report / Company website / AGM Notice
A.3.4	Does the company disclose the voting procedures used before the start of meeting?	AGM Minutes / Articles of Association / Company website / AGM Notice

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?	G20/OECD (2015) Principle II (C): (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?	G20/OECD (2015) Principle II (C); and ICGN (2014) 1.4: 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?	G20/OECD (2015) Principle II (C): (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?	G20/OECD (2015) Principle II (C)	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?	G20/OECD (2015) Principle II (C): (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.	Company announcement / Company website
A.3.13	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?	G20/OECD (2015) Principle II (C): (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
A.4 MARKETS FOR CORPORATE CONTROL SHOULD BE ALLOWED TO FUNCTION IN AN EFFICIENT AND TRANSPARENT MANNER			
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	G20/OECD (2015) Principle II (H): 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
A.5 THE EXERCISE OF OWNERSHIP RIGHTS BY ALL SHAREHOLDERS, INCLUDING INSTITUTIONAL INVESTORS, SHOULD BE FACILITATED			
A.5.1	Does the company disclose its practices to encourage shareholders to engage with the company beyond AGM?	G20/OECD (2015) Principle II (D): 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			
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?	<p>OECD Principle II</p> <p>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.</p> <p>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.</p> <p>ICGN Principle 9.1 Share classes</p> <p>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.</p>	Annual Report / Company website / Announcement
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website/reports/the stock exchange/the regulator's website)?		Annual Report / Company website / Announcement
B.2 NOTICE OF AGM		Notice of AGM	
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e. there is no bundling of several items into the same resolution?	<p>OECD Principle II</p> <p>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:</p> <p>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.</p> <p>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.</p> <p>4. Effective shareholder participation in key corporate governance decisions such as the nomination and election of board members should be facilitated.</p> <p>5. Shareholders should be able to vote in person or in absentia.</p> <p>ICGN Principle</p> <p>3.1 Composition (Board)</p> <p>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> <p>3.4 Appointment process</p> <p>The process for director nomination and election/re-election should be disclosed, along with information about board candidates which includes:</p> <p>a) board member identities and rationale for appointment;</p> <p>b) core competencies, qualifications, and professional background;</p> <p>c) recent and current board and management mandates at other companies, as well as significant roles on non-profit/charitable organisations;</p> <p>d) factors affecting independence, including relationship(s) with controlling shareholders, and</p> <p>e) length of tenure.</p> <p>9.2 Major decisions</p> <p>Shareholders should have the right to vote on major decisions which may change the nature of the company in which they have invested.</p>	Notice of AGM
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?		Notice of AGM
B.2.3	<i>Does the notice of AGM/circulars have the following details:</i> 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>OECD Principle III E. Insider trading and market manipulation should be prohibited and the applicable rules enforced.</p> <p>ICGN Principle 4. Corporate Culture 4.5 Employee share dealing 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>	Annual Report / Company website / Announcement
B.3.2	Are the directors/commissioners required to report their dealings in company shares within three business days?		Annual Report / Company website / Announcement / Annual CG Report
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?	<p>OECD Principle II 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.</p> <p>1. Conflicts of interest inherent in related-party transactions should be addressed.</p> <p>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>ICGN Principle 9.3 Conflicts of interest 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>9.4 Related party transactions 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>	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

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>OECD Principle II 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>ICGN Principle 9.3 Conflicts of interest 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>9.4 Related party transactions 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>ICGN Principle 9.5 Shareholder approval 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>ICGN Principle 9.10 Equality and redress 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>OECD Principle II 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>ICGN Principle 9.5 Shareholder approval 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>ICGN Principle 9.10 Equality and redress 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			
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	OECD Principle IV (A): The rights of stakeholders that are established by law or through mutual agreements are to be respected. In all OECD countries, the rights of stakeholders are established by law (e.g. labour, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholder interests are not legislated, many firms make additional commitments to stakeholders, and concern over corporate reputation and corporate performance often requires the recognition of broader interests.		Annual Report / Company website / Sustainability or Corporate Responsibility Report (CSR) / Annual CG Report
C.1.1	The existence and scope of the company's efforts to address customers' welfare?	OECD Principle IV (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.	Annual Report / Company website / Financial statements / Annual CG Report
C.1.2	Supplier/contractor selection procedures?		Annual CG Report
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?		Annual Report / Company website / Sustainability or CR Report
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?		
C.1.6	How creditors' rights are safeguarded?		
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		Company website / Annual Report
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?		
C.3	MECHANISMS FOR EMPLOYEE PARTICIPATION SHOULD BE PERMITTED TO DEVELOP		Annual Report / Company website / Separate CR or ESG report as the case may be / Annual CG Report
C.3.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	OECD Principle IV (C): 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			
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 (SPVs)/(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:			
D.2.1	Corporate objectives	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 (i) CG rules and practices (19) Disclose the exact remuneration of individual directors.	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

Corporate Governance Confirmation Statement		Annual Report
D.2.8	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	<p>OECD PRINCIPLE V (A) (8) UK CODE (JUNE 2010): Listing Rules 9.8.6 R (for UK incorporated companies) and 9.8.7 R (for overseas incorporated companies) state that in the case of a company that has a Premium listing of equity shares, the following items must be included in its Annual Report and accounts: a statement of how the listed company has applied the Main Principles set out in the UK CG Code, in a manner that would enable shareholders to evaluate how the principles have been applied; a statement as to whether the listed company has complied throughout the accounting period with all relevant provisions set out in the UK CG Code; or not complied throughout the accounting period with all relevant provisions set out in the UK CG Code, and if so, setting out:</p> <ul style="list-style-type: none"> (i) those provisions, if any, it has not complied with; (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and (iii) the company's reasons for non-compliance. <p>ASX CODE: Under ASX Listing Rule 4.10.3, companies are required to provide a statement in their Annual Report disclosing the extent to which they have followed the Recommendations in the reporting period. Where companies have not followed all the Recommendations, they must identify the Recommendations that have not been followed and give reasons for not following them. Annual Reporting does not diminish the company's obligation to provide disclosure under ASX Listing Rule 3.1.</p>
D.3 DISCLOSURE OF RELATED PARTY TRANSACTIONS (RPT)		
D.3.1	Does the company disclose its policy covering the review and approval of material RPTs?	Annual Report / Annual CG Report / Company website
D.3.2	Does the company disclose the name, relationship, nature and value for each material RPTs?	Annual Report / Annual CG Report / Company website
D.4 DIRECTORS AND COMMISSIONERS DEALINGS IN SHARES OF THE COMPANY		
D.4.1	Does the company disclose trading in the company's shares by insiders?	Annual Report / Annual CG Report

D.5 EXTERNAL AUDITOR AND AUDITOR REPORT <i>Where the same audit firm is engaged for both audit and non-audit services</i>			Annual Report
D.5.1	Are the audit and non-audit fees disclosed?	OECD Principle V (C): An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. OECD Principle V (D): External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit. ICGN 6.5 Ethical standards (Audit) The auditors should observe high-quality auditing and ethical standards. To limit the possible risk of possible conflicts of interest, non-audit services and fees paid to auditors for non-audit services should be both approved in advance by the audit committee and disclosed in the Annual Report.	Annual Report
D.5.2	Does the non-audit fee exceed the audit fees?		Annual Report
D.6 MEDIUM OF COMMUNICATIONS <i>Does the company use the following modes of communication?</i>			Announcement / Company website
D.6.1	Quarterly reporting	OECD Principle V (E) Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users. ICGN 7.1 Transparent and open communication Every company should aspire to transparent and open communication about its aims, its challenges, its achievements and its failures. ICGN 7.2 Timely disclosure Companies should disclose relevant and material information concerning themselves on a timely basis, in particular meeting market guidelines where they exist, so as to allow investors to make informed decisions about the acquisition, ownership obligations and rights, and sales of shares.	Company website
D.6.2	Company website		Annual Report / Announcement / 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			Announcement / Company website / Exchange website
D.7.1	Are the audited annual financial report/statement released within 120 days from the financial year end?	OECD Principle V (C) OECD Principle V (E) OECD Principle V-(A). ICGN 7.2 Timely disclosure ICGN 7.3 Affirmation of financial statements The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.	Annual Report / Company 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 <i>Does the company have a website disclosing up-to-date information on the following:</i>			Company website
D.8.1	Financial statements/reports (latest quarterly)	OECD Principle V (A) OECD Principle V (E) ICGN 7.1 Transparent and open communication ICGN 7.2 Timely disclosure	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?	ICGN 7.1 Transparent and open communication
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?	G20/OECD PRINCIPLE V: Disclosure and Transparency (A) Disclosure should include, but not be limited to, material information on: 9. Governance structures and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 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.
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 Annual Report / Company website / Annual CG Report / Board Charter
Corporate Vision/Mission		
E.1.4	Does the company have an updated vision and mission statement?	G20/OECD PRINCIPLE VI: Responsibilities of the Board ICGN (2014): 4.1 Codes of Conduct/Ethics 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.
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?	G20/OECD PRINCIPLE VI: Responsibilities of the Board D. The board should fulfil certain key functions, including: Reviewing and guiding corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.
		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>ICGN (2014): 4.1 Codes of Conduct/Ethics 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>ICGN (2014): 1.2 Responsibilities 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 <i>Code of Ethics or Conduct</i>		
E.2.1	Are the details of the code of ethics or conduct disclosed?	<p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (C) The board should apply high ethical standards. It should take into account the interests of stakeholders. The board has a key role in setting the ethical tone of a company, not only by its own actions, but also in appointing and overseeing key executives and consequently the management in general. High ethical standards are in the long term interests of the company as a means to make it credible and trustworthy, not only in day-to-day operations but also with respect to longer term commitments. To make the objectives of the board clear and operational, many companies have found it useful to develop company codes of conduct based on, inter alia, professional standards and sometimes broader codes of behaviour. The latter might include a voluntary commitment by the company (including its subsidiaries) to comply with the OECD Guidelines for Multinational Enterprises which reflect all four principles contained in the ILO Declaration on Fundamental Labour Rights. 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>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</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? * The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011	<p>UK CODE (2016): 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 / Company website / Annual CG Report

E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	G20/OECD PRINCIPLE VI: Responsibilities of the Board (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. 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
Nominating Committee			
E.2.8	Does the company have a Nominating Committee?	G20/OECD PRINCIPLE II: The Rights and Equitable Treatment of Shareholders and Key Ownership Functions	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?	G20/OECD PRINCIPLE VI (E) 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?	G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs. 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>G20/OECD PRINCIPLE VI (E)</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>	
	Remuneration Committee/ Compensation Committee	
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?	
	<p>G20/OECD PRINCIPLE VI: Responsibilities of the Board</p> <p>(D) The board should fulfil certain key functions, including:</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
		Annual Report / Company website / Annual CG Report
		Annual Report / Company website / Annual CG Report

E.2.16	Does the company disclose the terms of reference/governance structure/charter of the Remuneration Committee (RC)?	<p>G20/OECD PRINCIPLE VI: Responsibilities of the Board</p> <p>(E) The board should be able to exercise objective independent judgement on corporate affairs.</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
	<i>Audit Committee</i>		Annual Report / Company website / Annual CG Report
E.2.18	Does the company have an Audit Committee?	<p>G20/OECD PRINCIPLE VI: Responsibilities of the Board</p> <p>(E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>(1) Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.</p>	Annual Report / 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?	<p>G20/OECD PRINCIPLE VI: Responsibilities of the Board</p> <p>(E) The board should be able to exercise objective independent judgement on corporate affairs.</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.2.20	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)?	UK CODE (2016) 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?	UK CODE (2016) 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
E.3 BOARD PROCESSES <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?	WORLD BANK PRINCIPLE 6 (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?	G20/OECD PRINCIPLE VI: Responsibilities of the Board (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?	WORLD BANK PRINCIPLE 6 (VI.1.28) Is there a minimum quorum of at least 2/3 for board decisions to be valid?	Annual Report / Website (In board charter/articles) / 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?	WORLD BANK PRINCIPLE 6 (VI.E.1.6) Does the corporate governance framework requires or encourages boards to conduct executive sessions? G20/OECD PRINCIPLE VI (E) 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>G20/OECD PRINCIPLE VI: Responsibilities of the Board (F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information. 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>WORLD BANK PRINCIPLE 6 (VI.F.2) Does such information need to be provided to the board at least five business days in advance of the board meeting?</p> <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information. ICSA Guidance on the Corporate Governance Role of the Company Secretary WORLD BANK PRINCIPLE 6 (VI.D.2.12) Do company boards have a professional and qualified company secretary?</p>
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	Annual Report / Company website / Annual CG Report
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	Annual Report / Company website / Annual CG Report
Board Appointments and Re-Election		Annual Report / Company website / Annual CG Report
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	Annual Report / Company website / Annual CG Report
E.3.10	Did the company describe the process followed in appointing new directors/commissioners?	Annual Report / Company website / Annual CG Report

E.3.11	<p>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?</p> <p>*The five-year term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011</p>	<p>ICGN (2014): 3.6 Elections 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.</p> <p>WORLD BANK PRINCIPLE 6 (VI.1.18) Can the re-election of board members be staggered over time? (Staggered boards are those where only a part of the board is re-elected at each election, e.g. only 1/3 of directors are re-elected every year.)</p>	Annual Report / Company website / Annual CG Report
Remuneration Matters			
E.3.12	<p>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?</p>	<p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 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.</p>	Annual Report / Company website / Annual CG Report
E.3.13	<p>Is there disclosure of the fee structure for non-executive directors/commissioners?</p>	<p>UK CODE (2016) 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.</p>	Annual Report / Company website / Annual CG Report
E.3.14	<p>Do the shareholders or the board of directors approve the remuneration of the executive directors and/or the senior executives?</p>	<p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. ICGN (2014): 6.1 Alignment 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.</p>	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>ASX CODE (2016) 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>G20/OECD PRINCIPLE VI (D) 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
Internal Audit			
E.3.16	Does the company have a separate internal audit function?	<p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 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?	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.	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>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 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>WORLD BANK PRINCIPLE 6 (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>ASX (2016) Principle 4: Safeguard integrity in corporate reporting Recommendation 4.1 Commentary: If the entity has an internal audit function: <ul style="list-style-type: none"> • The appointment or removal of the head of internal audit; • The scope and adequacy of the internal audit work plan, and • The objectivity and performance of the internal audit function. </p>	Annual Report

Risk Oversight		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>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 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>G20/OECD PRINCIPLE VI (D) 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> <p>UK CODE (2016) 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> <p>G20/OECD PRINCIPLE V: Disclosure and Transparency (A) Disclosure should include, but not be limited to, material information on: 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> <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 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>
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?	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)?	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?	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>G20/OECD PRINCIPLE VI: Responsibilities of the Board</p> <p>(E) The board should be able to exercise objective independent judgement on corporate affairs.</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>UK Code (2016)</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>ASX (2016)</p> <p>Recommendation 2.5</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>ICGN (2014): Leadership and Independence</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?	<p>Lead Independent Director</p> <p>If the Chairman is not independent, has the board appointed a lead/senior independent director and has his/her role been defined?</p>	Annual Report / Company website / Annual CG Report / Board Charter
E.4.5		<p>King Code 2009</p> <p>2. Boards and directors</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>ICGN (2014): 2.2 Lead independent director</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
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>ICGN (2014): 3.1 Composition</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 / Annual CG Report

E.5 BOARD PERFORMANCE <i>Directors Development</i>			Annual Report / Annual CG Report / Company website
E.5.1	Does the company have orientation programmes for new directors/commissioners?	This item is in most codes of corporate governance.	Annual 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?	G20/OECD PRINCIPLE VI: Responsibilities of the Board (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. 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.	
<i>CEO/Executive Management Appointments and Performance</i>			Annual Report / Company website / Annual CG Report
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?	G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 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?	G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 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.	
<i>Board Appraisal</i>			Annual Report / Company website / Annual CG Report
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?	G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. G20/OECD PRINCIPLE VI (E) 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
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?	G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. G20/OECD PRINCIPLE VI (E) 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.	

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?	UK CODE (2016) 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.
LEVEL 2 - BONUS ITEMS		
(B)A. RIGHTS OF SHAREHOLDERS		
(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	Annual Report / Company website / Articles of Association / Announcement of AGM / Minutes of Meeting
(B)A.1.1	Does the company practice secure electronic voting in absentia at the general meetings of shareholders?	OECD Principle II (C) (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.
(B)B. EQUITABLE TREATMENT OF SHAREHOLDERS		
(B)B.1	Notice of AGM	Notice of AGM / Announcement
(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?	OECD Principle II (C) (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions such as the nomination and election of board members should be facilitated. OECD Principle III (A) ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions such as the right to nominate, appoint and remove directors on an individual basis as well as the right to appoint external auditors. ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote. CLSA-ACGA (2010) CG Watch 2010 - Appendix 2 (I) CG rules and practices (25) Do company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?
(B)C. ROLES OF STAKEHOLDERS		
(B)C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected	
(B)C.1.1	Does the company adopt an internationally recognised reporting framework for sustainability (i.e. GRI, Integrated Reporting or SASB)?	OECD - IV. The role of Stakeholders Annual report / Company website

DISCLOSURE AND TRANSPARENCY			Announcement / Company website / Exchange website
(B)D.	(B)D.1	Quality of Annual Report	
(B)D.1.1	Are the audited annual financial report/statement released within 60 days from the financial year end?	<p>OECD Principle V (A) (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>OECD Principle V (E) ICGN 7.2 Timely disclosure ICGN 7.3 Affirmation of financial statements The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.</p>	
(B)D.1.2	Does the company disclose details of remuneration of the CEO?	<p>OECD Principle V (A) (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
RESPONSIBILITIES OF THE BOARD			Annual Report / Annual CG Report
(B)E.	(B)E.1	Board Competencies and Diversity	
(B)E.1.1	Does the company have at least one female independent director/commissioner?	<p>OECD Principle VI (E) (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.</p>	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?	<p>OECD Principle VI (E) (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.</p>	Annual Report / Annual CG Report
Board Structure			Annual Report / Annual CG Report
(B)E.2.1	Is the Nominating Committee comprise entirely of independent directors/commissioners?	<p>ICGN 2.4.4 Composition of board committees The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.</p>	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?	<p>OECD Principle VI (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.</p>	Annual Report / Annual CG Report

(B)E.3 Board Appointments and Re-Election		Annual Report / Company website / Annual CG Report
(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?	
	OECD Principle VI (D) (5) 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. WORLDBANK PRINCIPLE 6 (VI.1.21) Are boards known to hire professional search firms when proposing candidates to the board?	
(B)E.4 Board Structure & Composition		Annual Report / Annual CG Report
(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?	
	OECD Principle VI (E) (1) Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.	
(B)E.5 Risk Oversight		Annual Report / Annual CG Report
(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?	
	King Code 2009 5. The governance of information technology The board should be responsible for information technology (IT) governance 5.1.1. The board should assume the responsibility for the governance of IT and place it on the board agenda. 5.1.2. The board should ensure that an IT charter and policies are established and implemented.	
(B)E.6 Board Performance		Annual Report / Company website / Annual CG Report
(B)E.6.1	Does the company have a separate board level Risk Committee?	
	ICGN 5.5 Risk Committee While ultimate responsibility for a company's risk management approach rests with the full board, having a Risk Committee (be it a stand-alone risk committee, a combined risk committee with nomination and governance, strategy, audit or others) can be an effective mechanism to bring the transparency, focus and independent judgement needed to oversee the company's risk management approach.	
LEVEL 2 - PENALTY		
(P)A. RIGHTS OF SHAREHOLDERS		
(P)A.1 Basic shareholder rights		
(P)A.1.1	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	Repurchase Notice / Announcement / Annual Report
(P)A.2	Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to prevent abuse.	Annual Report / Company website
(P)A.2.1	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	
	OECD Principle II (G) 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.	
(P)A.3 Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.		
(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?	OECD Principle II (D) 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.	OECD Principle II (D): Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed. 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)A.5.1 Is a pyramid ownership structure and/ or cross holding structure apparent?		

(P)B. EQUITABLE TREATMENT OF SHAREHOLDERS		Annual Report / Company website / Announcement / Media
(P)B.1 Insider trading and abusive self-dealing should be prohibited.	OECD Principle III: The Equitable Treatment of Shareholders (B) Insider trading and abusive dealing should be prohibited. ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, they must seek to ensure individuals do not benefit from knowledge which is not generally available to the market. ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.	
(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.2 Protecting minority shareholders from abusive action.		Annual Report / Company website / Announcement / Media
(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?	OECD Principle III (B) Insider trading and abusive dealing should be prohibited. ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company, and if so to determine what terms are fair. ICGN 2.11.2 Director's conflicts of interest Companies should have a process for identifying and managing any conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest. ICGN 8.5 Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.	

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

(P)E. RESPONSIBILITIES OF THE BOARD		Company announcements to the exchange / Media
(P)E.1	Compliance with listing rules, regulations and applicable laws	
(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?	
(P)E.1.2	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	
(P)E.2	Board structure	Company announcements to the exchange / Media
(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? * The five-year term must be required by legislation which pre-existed before the introduction of the ASEAN Corporate Governance Scorecard in 2011	
(P)E.2.2	Did the company fail to identify who are the independent director(s)/ commissioner(s)?	
(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?	
(P)E.3	External Audit	Annual Report
(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)?	

(P)E.4 Board structure and composition			Annual report
(P)E.4.1	Has the chairman been the company CEO in the last three years?	<p>OECD Principle VI (E)</p> <p>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> <p>UK CODE (JUNE 2010)</p> <p>(D.1.3) Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for non-executive directors should not include share options or other performance-related elements. If, by exception, options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the non-executive director leaves the board. Holding of share options could be relevant to the determination of a non-executive director's independence (as set out in provision B.1.1).</p> <p>ASX CODE</p> <p>Box 8.2: Guidelines for non-executive director remuneration</p> <p>Companies may find it useful to consider the following when considering non-executive director's remuneration:</p> <ol style="list-style-type: none"> 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. 2. Non-executive directors should not receive options or bonus payments. 3. Non-executive directors should not be provided with retirement benefits other than superannuation. 	
(P)E.4.2	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?		Annual Report / Notice to AGM / Announcements

Appendix 2: LIST OF DEFAULT RESPONSES ITEMS

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

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?

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

A.3.1 Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?

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 provide the opportunity for its shareholders to place item/s on the agenda of AGM?

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

A.4.1 In cases of mergers, acquisitions and/or takeovers 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.1 Shares and voting rights

B.1.1 Does the company's ordinary or common shares have one vote for one share?

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?

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 its 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?

E.2 Board Structure

Board Structure & Composition

- E.2.6** Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?

Nominating Committee

- E.2.8** Does the company have a Nominating Committee?

Audit Committee

- 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?

E.3.8 Board Process

Access to information

- E.3.8** Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?

Board Appointments and Re-Election

- 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 year^{s2} each?

² The five -year term is a requirement by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011

Internal Audit

- E.3.16** Does the company have a separate internal audit function?

Appendix 3: MEMBERS OF ADJUDICATION COMMITTEE

Mr. Devanesan Evanson
Chairman
Minority Shareholders Watch Group

Dato' Dr. Suzana Idayu Wati Binti Osman
Member
Social Security Organisation

Prof. Dr. Norman Mohd Saleh
Member
Universiti Kebangsaan Malaysia

Mr. Gerald Ambrose
Member
Aberdeen Standard Islamic Investments (Malaysia) Sdn Bhd

Mr. Sharath Martin
Member
Association of Chartered Certified Accountants, Malaysia

Mr. Tan Sai Hup
Member
Malaysian Investor Relations Association

En. Salleh Hassan
Member
Securities Industry Development Corporation

Mr. Alan Chang Kong Chong
Member
The Institute of Internal Auditors Malaysia

Secretariat
Ms Hoo Ley Beng, Linnert
Minority Shareholders Watch Group

Appendix 4: MSWG-ASEAN CG AWARD WINNERS 2019

EXCELLENCE AWARD FOR OVERALL CG & PERFORMANCE

1. MALAYAN BANKING BHD
2. PETRONAS DAGANGAN BHD
3. BRITISH AMERICAN TOBACCO (MALAYSIA) BHD
4. PETRONAS CHEMICALS GROUP BHD
5. AMMB HOLDINGS BHD

EXCELLENCE AWARD FOR CG DISCLOSURE

1. MALAYAN BANKING BHD
2. AMMB HOLDINGS BHD
3. PETRONAS DAGANGAN BHD
4. RHB BANK BHD
5. AXIATA GROUP BHD

EXCELLENCE AWARD FOR CG DISCLOSURE (MARKET CAP BELOW RM1 BILLION)

CATEGORY

MARKET CAP BELOW RM100 MILLION

1. CONNECTCOUNTY HOLDINGS BHD
2. OSK VENTURES INTERNATIONAL BHD

CATEGORY

MARKET CAP BETWEEN RM100 MILLION TO RM300 MILLION

1. KUB MALAYSIA BHD
2. AWC BHD

CATEGORY

MARKET CAP BETWEEN RM300 MILLION TO RM1 BILLION

1. TUNE PROTECT GROUP BHD
2. DUOPHARMA BIOTECH BHD

MERIT AWARD FOR MOST IMPROVED CG DISCLOSURE

1. TUNE PROTECT GROUP BHD
2. JF TECHNOLOGY BHD
3. TMC LIFE SCIENCES BHD

EXCELLENCE AWARD FOR LONG TERM VALUE CREATION

1. DIGI.COM BHD
2. NESTLE (MALAYSIA) BHD
3. C. I HOLDINGS BHD

INDUSTRY EXCELLENCE AWARD

CONSTRUCTION

1. IJM CORPORATION BHD
2. SUNWAY CONSTRUCTION GROUP BHD

CONSUMER PRODUCTS & SERVICES

1. PETRONAS DAGANGAN BHD
2. UMW HOLDINGS BHD
3. SIME DARBY BHD
4. BRITISH AMERICAN TOBACCO (MALAYSIA) BHD

FINANCIAL SERVICES

1. MALAYAN BANKING BHD
2. AMMB HOLDINGS BHD
3. RHB BANK BHD
4. MALAYSIA BUILDING SOCIETY BHD
5. ALLIANZ MALAYSIA BHD
6. BIMB HOLDINGS BHD
7. ALLIANCE BANK MALAYSIA BHD

HEALTHCARE

1. TOP GLOVE CORPORATION BHD

INDUSTRIAL PRODUCTS & SERVICES

1. PETRONAS CHEMICALS GROUP BHD
2. SUNWAY BHD
3. CAHYA MATA SARAWAK BHD

PLANTATION

1. SIME DARBY PLANTATION BHD

PROPERTY

1. SIME DARBY PROPERTY BHD
2. S P SETIA BHD

TELECOMMUNICATIONS & MEDIA

1. AXIATA GROUP BHD
2. TELEKOM MALAYSIA BHD
3. DIGI.COM BHD

UTILITIES

1. TENAGA NASIONAL BHD
2. PETRONAS GAS BHD

Note:

Bursa Malaysia Bhd, being the frontline regulator of PLCs, has voluntarily recused itself from participation in the MSWG-ASEAN CG Awards 2019.

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

1.	MALAYAN BANKING BHD	52.	UEM EDGENTA BHD
2.	AMMB HOLDINGS BHD	53.	FRASER & NEAVE HOLDINGS BHD
3.	PETRONAS DAGANGAN BHD	54.	GENTING PLANTATIONS BHD
4.	RHB BANK BHD	55.	MALAYSIA MARINE AND HEAVY ENGINEERING HOLDINGS BHD
5.	AXIATA GROUP BHD	56.	KLCC PROPERTY HOLDINGS BHD
6.	PETRONAS CHEMICALS GROUP BHD	57.	TIME DOTCOM BHD
7.	TELEKOM MALAYSIA BHD	58.	CHEMICAL COMPANY OF MALAYSIA BHD
8.	SIME DARBY PLANTATION BHD	59.	MSM MALAYSIA HOLDINGS BHD
9.	MALAYSIA BUILDING SOCIETY BHD	60.	OSK HOLDINGS BHD
10.	SIME DARBY PROPERTY BHD	61.	TMC LIFE SCIENCES BHD
11.	TENAGA NASIONAL BHD	62.	MALAKOFF CORPORATION BHD
12.	UMW HOLDINGS BHD	63.	GADANG HOLDINGS BHD
13.	SIME DARBY BHD	64.	GAS MALAYSIA BHD
14.	IJM CORPORATION BHD	65.	MATRIX CONCEPT HOLDINGS BHD
15.	PETRONAS GAS BHD	66.	AFFIN BANK BHD
16.	ALLIANZ MALAYSIA BHD	67.	MANULIFE HOLDINGS BHD
17.	BIMB HOLDINGS BHD	68.	HEINEKEN MALAYSIA BHD
18.	ALLIANCE BANK MALAYSIA BHD	69.	ECO WORLD DEVELOPMENT GROUP BHD
19.	BRITISH AMERICAN TOBACCO (MALAYSIA) BHD	70.	CONNECTCOUNTRY HOLDINGS BHD
20.	SUNWAY BHD	71.	DRB-HICOM BHD
21.	S P SETIA BHD	72.	MALAYSIA AIRPORTS HOLDINGS BHD
22.	SUNWAY CONSTRUCTION GROUP BHD	73.	BERMAZ AUTO BHD
23.	DIGI.COM BHD	74.	KENANGA INVESTMENT BANK BHD
24.	TOP GLOVE CORPORATION BHD	75.	SAPURA ENERGY BHD
25.	CAHYA MATA SARAWAK BHD	76.	NESTLE (MALAYSIA) BHD
26.	PUBLIC BANK BHD	77.	TSH RESOURCES BHD
27.	ASTRO MALAYSIA HOLDINGS BHD	78.	KUALA LUMPUR KEPONG BHD
28.	UEM SUNRISE BHD	79.	GENTING MALAYSIA BHD
29.	LPI CAPITAL BHD	80.	OSK VENTURES INTERNATIONAL BHD
30.	KUB MALAYSIA BHD	81.	GENTING BHD
31.	TUNE PROTECT GROUP BHD	82.	STAR MEDIA GROUP BHD
32.	BUMI ARMADA BHD	83.	MNRB HOLDINGS BHD
33.	IJM PLANTATIONS BHD	84.	GAMUDA BHD
34.	YINSON HOLDINGS BHD	85.	HIBISCUS PETROLEUM BHD
35.	IHH HEALTHCARE BHD	86.	BERJAYA CORPORATION BHD
36.	VELESTO ENERGY BHD	87.	QL RESOURCES BHD
37.	WESTPORTS HOLDINGS BHD	88.	AWC BHD
38.	MALAYSIAN RESOURCES CORPORATION BHD	89.	UNISEM (M) BHD
39.	DUOPHARMA BIOTECH BHD	90.	LEON FUAT BHD
40.	DELEUM BHD	91.	ECONPILE HOLDINGS BHD
41.	MISC BHD	92.	MUDAJAYA GROUP BHD
42.	ECO WORLD INTERNATIONAL BHD	93.	RANHILL UTILITIES BHD (formerly known as RANHILL HOLDINGS BHD)
43.	IOI CORPORATION BHD	94.	AEON CREDIT SERVICE (M) BHD
44.	KPJ HEALTHCARE BHD	95.	FIMA CORPORATION BHD
45.	MAXIS BHD	96.	HENGYUAN REFINING COMPANY BHD
46.	KUMPULAN PERANGSANG SELANGOR BHD	97.	CARLSBERG BREWERY MALAYSIA BHD
47.	HONG LEONG BANK BHD	98.	RHONE MA HOLDINGS BHD
48.	IOI PROPERTIES GROUP BHD	99.	VITROX CORPORATION BHD
49.	SYARIKAT TAKAFUL MALAYSIA KELUARGA BHD	100.	MAH SING GROUP BHD
50.	SUNWAY REAL ESTATE INVESTMENT TRUST		
51.	PARAMOUNT CORPORATION BHD		

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

1.	MALAYAN BANKING BHD	51.	CHEMICAL COMPANY OF MALAYSIA BHD
2.	PETRONAS DAGANGAN BHD	52.	HENGYUAN REFINING COMPANY BHD
3.	BRITISH AMERICAN TOBACCO (MALAYSIA) BHD	53.	GAS MALAYSIA BHD
4.	PETRONAS CHEMICALS GROUP BHD	54.	QL RESOURCES BHD
5.	AMMB HOLDINGS BHD	55.	ECONPILE HOLDINGS BHD
6.	DIGI.COM BHD	56.	SUNWAY REAL ESTATE INVESTMENT TRUST
7.	ALLIANZ MALAYSIA BHD	57.	IJM PLANTATIONS BHD
8.	SIME DARBY PLANTATION BHD	58.	DELEUM BHD
9.	RHB BANK BHD	59.	GADANG HOLDINGS BHD
10.	SUNWAY CONSTRUCTION GROUP BHD	60.	MATRIX CONCEPT HOLDINGS BHD
11.	SIME DARBY PROPERTY BHD	61.	RANHILL UTILITIES BHD (formerly known as RANHILL HOLDINGS BHD)
12.	MALAYSIA BUILDING SOCIETY BHD	62.	MALAYSIAN RESOURCES CORPORATION BHD
13.	BIMB HOLDINGS BHD	63.	IHH HEALTHCARE BHD
14.	TOP GLOVE CORPORATION BHD	64.	GDB HOLDINGS BHD
15.	PETRONAS GAS BHD	65.	PRESS METAL ALUMINIUM HOLDINGS
16.	SIME DARBY BHD	66.	MISC BHD
17.	ASTRO MALAYSIA HOLDINGS BHD	67.	DRB-HICOM BHD
18.	TELEKOM MALAYSIA BHD	68.	KLCC PROPERTY HOLDINGS BHD
19.	TENAGA NASIONAL BHD	69.	RCE CAPITAL BHD
20.	ALLIANCE BANK MALAYSIA BHD	70.	OSK HOLDINGS BHD
21.	IJM CORPORATION BHD	71.	BUMI ARMADA BHD
22.	SUNWAY BHD	72.	NOVA WELLNESS GROUP BHD
23.	PUBLIC BANK BHD	73.	MALAYSIA AIRPORTS HOLDINGS BHD
24.	LPI CAPITAL BHD	74.	KUB MALAYSIA BHD
25.	SYARIKAT TAKAFUL MALAYSIA KELUARGA BHD	75.	ECO WORLD INTERNATIONAL BHD
26.	UMW HOLDINGS BHD	76.	DUFU TECHNOLOGY CORP. BHD
27.	AXIATA GROUP BHD	77.	AFFIN BANK BHD
28.	YINSON HOLDINGS BHD	78.	LEON FUAT BHD
29.	S P SETIA BHD	79.	UCHI TECHNOLOGIES BHD
30.	WESTPORTS HOLDINGS BHD	80.	7-ELEVEN MALAYSIA HOLDINGS BHD
31.	NESTLE (MALAYSIA) BHD	81.	INARI AMERTRON BHD
32.	HEINEKEN MALAYSIA BHD	82.	VELESTO ENERGY BHD
33.	CAHYA MATA SARAWAK BHD	83.	DATASONIC GROUP BHD
34.	MAXIS BHD	84.	KUMPULAN PERANGSANG SELANGOR BHD
35.	BERMAZ AUTO BHD	85.	RHONE MA HOLDINGS BHD
36.	PARAMOUNT CORPORATION BHD	86.	AWC BHD
37.	CARLSBERG BREWERY MALAYSIA BHD	87.	LINGKARAN TRANS KOTA HOLDINGS BHD
38.	HIBISCUS PETROLEUM BHD	88.	IOI PROPERTIES GROUP BHD
39.	HONG LEONG BANK BHD	89.	HONG LEONG FINANCIAL GROUP BHD
40.	DUOPHARMA BIOTECH BHD	90.	KUALA LUMPUR KEPONG BHD
41.	IOI CORPORATION BHD	91.	MYNEWS HOLDINGS BHD
42.	VITROX CORPORATION BHD	92.	SEG INTERNATIONAL BHD
43.	TUNE PROTECT GROUP BHD	93.	BERJAYA SPORTS TOTO BHD
44.	AEON CREDIT SERVICE (M) BHD	94.	DUTCH LADY MILK INDUSTRIES BHD
45.	FRASER & NEAVE HOLDINGS BHD	95.	APEX HEALTHCARE BHD
46.	UEM SUNRISE BHD	96.	JF TECHNOLOGY BHD
47.	KPJ HEALTHCARE BHD	97.	GABUNGAN AQRS BHD
48.	HARTALEGA HOLDINGS	98.	GENTING PLANTATIONS BHD
49.	TIME DOTCOM BHD	99.	MI TECHNOVATION BHD
50.	UEM EDGENTA BHD	100.	KENANGA INVESTMENT BANK BHD





BUILDING VISIONS,
CREATING REALITY

**Integrated Facility Management
Construction & Civil Engineering**

Concession management | Waste Management | Railway Infrastructure



Delivery Service YOU TRUST





TROPICANA

10TEN

EX10SION

0% HASSLE, 100% FLEXIBILITY

www.tropicanaCorp.com.my/10Ten

10 REASONS FOR YES

 RM 1,000 LOW BOOKING FEE	 FLEXI-BUY	 10% DISCOUNT	 FURNISHING PACKAGE	100% 100% FINANCING
 10:90 SCHEME	 EASY PAYMENT SCHEME	 FREE MOT	 MORATORIUM	 DOUBLE REFERRAL REWARDS

Terms & Conditions apply, Applicable to selected properties only*

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

(Incorporated in Malaysia • Company Registration No. : 20-0001022382 (524989-M))

ORDER FORM

PUBLICATION	PRICE (RM)	QUANTITY	AMOUNT (RM)
Malaysia-ASEAN Corporate Governance Report 2019	150.00		
TOTAL			

CONTACT DETAILS

Name : _____

Organisation : _____

Address : _____

E-mail : _____

Tel. No : _____ Fax No : _____

Signature : _____

PAYMENT

- 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**Minority Shareholders Watch Group (MSWG)**11th Floor, Bangunan KWSP, No. 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 Kuala Lumpur

Tel. No : 03-2070 9090

Fax. No : 03-2070 9107

E-mail : sharongoh@mswg.org.my / mages@mswg.org.my

Website : www.mswg.org.my



[THIS PAGE IS INTENTIONALLY LEFT BLANK]

TOP GLOVE

TOP QUALITY, TOP EFFICIENCY

The World's Largest Manufacturer of Gloves

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, exercise bands and face mask towards serving its customers better.

Since its inception in 1991, it has expanded from one factory to 46 factories with 722 advanced production lines with a production capacity of 85.2 billion gloves a year. Currently, the company exports to more than 195 countries worldwide.



Glove Products



Non-glove Products



Scan for
TG Website



Scan for
Product Info



Corporate Office, Setia Alam

TOP GLOVE TOWER
Level 21, Top Glove Tower,
16, Persiaran Setia Dagang,
Setia Alam, Seksyen U13,
40170 Shah Alam,
Selangor D.E., Malaysia.
Tel : +603-3362 3098
Email : sales@topglove.com.my

U.S.A. Marketing Office

TG Medical (U.S.A.) Inc.,
155, North Aspan Avenue,
Azusa CA 91702 U.S.A.
Tel : +1-626 969 8808
Email : sales@topgloveusa.com

Germany Marketing Office

Top Glove Europe GmbH,
Bliersheimer Str. 80 A,
47229 Duisburg,
North Rhine-Westphalia, Germany.
Tel : +49 (0) 2065 76421 0
Email : tp@topglove.de

Brazil Marketing Office

Kevenoll Do Brasil Produtos
Medicos Hospitalares Ltda.
Rodovia Antonio Heil, 1001, KM 01
Complemento 203
Itaipava, Itajai SC Cep 88316-001, Brasil.
Tel : +5547 3349 6168
Email : kevenoll@kevenoll.com.br

MINORITY SHAREHOLDERS WATCH GROUP

11th Floor, Bangunan KWSP
No. 3, Changkat Raja Chulan, Off Jalan Raja Chulan
50200 Kuala Lumpur

Tel: (603) 2070 9090 Fax: (603) 2070 9107

www.mswg.org.my