

**ASDAN CORPORATE GOVERNANCE SCORECARD**

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D.	Responsibilities of the Board	
D.1	Board Duties and Responsibilities	Guiding Reference
<b>Clearly define board responsibilities and corporate governance policy</b>		
D.1.1	Does the company disclose its corporate governance policy / board charter?	G20/OECD Principles of Corporate Governance (2023): IV. Disclosure and transparency IV.A. Disclosure should include, but not be limited to, material information on: 9. Governance structures and policies, including the extent of compliance with national corporate governance codes or policies and the process by which they are implemented.
D.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	G20/OECD Principles of Corporate Governance (2023): V. The responsibilities of the board V.D. The board should fulfil certain key functions, including: 1. Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures. 2. Reviewing and assessing risk management policies and procedures. 3. Monitoring the effectiveness of the company's governance practices and making changes as needed. 4. Selecting, overseeing and monitoring the performance of key executives, and, when necessary, replacing them and overseeing succession planning. 5. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. 6. Ensuring a formal and transparent board nomination and election process. 7. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions. 8. Ensuring the integrity of the corporation's accounting and reporting systems for disclosure, including the independent audit, and that appropriate systems of control are in place, in compliance with the law and relevant standards. 9. Overseeing the process of disclosure and communications.
D.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	
<b>Corporate Vision/Mission</b>		
D.1.4	Does the company have an updated vision and mission statement?	G20/OECD Principles of Corporate Governance (2023): V. The responsibilities of the board V.D. The board should fulfil certain key functions, including: 1. Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.
D.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?	
D.1.6	Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy?	ICGN (2021) PRINCIPLE 1: Board role and responsibilities 1.1 Responsibilities The board is accountable to shareholders and relevant stakeholders for preserving and enhancing sustainable value over the long-term in alignment with a company's purpose and long-term strategy. G20/OECD Principles of Corporate Governance (2023): V. The responsibilities of the board V.D. The board should fulfil certain key functions, including: 1. Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.

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D.2	Board structure	Guiding Reference
<b>CodD of Ethics or Conduct</b>		
D.2.1	Are the details of the code of ethics or conduct disclosed?	<p>G20/OECD Principles of Corporate Governance (2023):  V: The responsibilities of the board  V.C. The board should apply high ethical standards.</p> <p>The board has a key role in setting the ethical tone of a company, not only through 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, among others, professional standards and sometimes broader codes of behaviour, and to communicate them throughout the organisation. This may include a commitment by the company (including its subsidiaries) to comply with the OECD Guidelines for Multinational Enterprises and associated due diligence standards. Similarly, jurisdictions are increasingly demanding that boards oversee the lobbying, finance and tax planning strategies, thus providing authorities with timely and targeted information and discouraging practices, for example the pursuit of aggressive tax planning schemes, that do not contribute to the long-term interests of the company and its shareholders, and can cause legal and reputational risks.</p> <p>Company-wide codes serve as a standard for conduct by both the board and key executives, setting the framework for the exercise of judgement in dealing with varying and often conflicting constituencies. At a minimum, the code of ethics 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>
D.2.2	Are all directors/commissioners, senior management and employees required to comply with the code/s?	
D.2.3	Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?	
<b>Board Structure &amp; Composition</b>		
D.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?	<p>G20/OECD Principles of Corporate Governance (2023):  V: The responsibilities of the board  V.E. The board should be able to exercise objective independent judgement on corporate affairs.</p>
D.2.5	Does the company have a term limit of nine years or less or 2 terms of five years each for its independent directors/ commissioners? 1 The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011	<p>G20/OECD Principles of Corporate Governance (2023):  V: The responsibilities of the board  V.E. The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>... While national approaches to defining independence vary, a range of criteria are used, such as the absence of relationships with the company, its group and its management, the external auditor of the company and substantial shareholders, as well as the absence of remuneration, directly or indirectly, from the company or its group other than directorship fees. The board may also be required to make an affirmative finding that a director is independent of the company because they have no material relationship with the company or that the director has no relationship which would interfere with the exercise of independent judgement in carrying out the responsibilities of a director. Many jurisdictions also set a maximum tenure for directors to be considered independent.)</p> <p>ICGN (2021) PRINCIPLE 3:  Composition and appointment  3.4 Tenure  Independent non-executive directors should serve for an appropriate length of time to ensure they contribute an impartial perspective to board discussion and decision-making. Term limits, where they exist, and the identity of directors who have exceeded such limits (and thus no longer deemed independent) should be disclosed. Director tenure should be reviewed by the Nomination Committee annually and director re-election contingent on a satisfactory evaluation of his or her contribution to the board.</p>
D.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	<p>G20/OECD Principles of Corporate Governance (2023):  V: The responsibilities of the board  V.E. The board should be able to exercise objective independent judgement on corporate affairs.  V.E.3 Board members should be able to commit themselves effectively to their responsibilities.</p> <p>Service on too many boards or committees can interfere with the performance of board members. Some jurisdictions 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 and committee memberships and chair responsibilities to shareholders is therefore a key instrument to improve board and committee 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.</p>
D.2.7	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	

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<b>Nominating Committee</b>		
D.2.8	Does the company have a Nominating Committee?	G20/OECD Principles of Corporate Governance (2023): II: The rights and equitable treatment of shareholders and key ownership functions II.C.5 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. ... With respect to nomination of candidates, boards in many companies have established nomination committees to ensure proper compliance and transparency with established nomination procedures and to facilitate and co-ordinate the search for a balanced, diverse and qualified board. It is regarded as good practice for independent board members to have a key role on this committee. To further improve the selection process, the Principles also call for full and timely 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
D.2.9	Is the Nominating Committee comprised of a majority of independent directors/commissioners?	
D.2.10	Is the chairman of the Nominating Committee an independent director/commissioner?	
		suitability of each candidate. It is required or considered good practice in some jurisdictions to also disclose information about any other board positions or committee memberships that nominees hold, and in some jurisdictions also positions that they are nominated for. G20/OECD Principles of Corporate Governance (2023): V: The responsibilities of the board V.E.1 Boards should consider assigning a sufficient number of independent board members capable of exercising independent judgement to tasks where there is a potential for conflicts of interest. Examples of such key responsibilities are ensuring the integrity of financial and other corporate reporting, the review of related party transactions, and nomination and remuneration of board members and key executives.
D.2.11	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	G20/OECD Principles of Corporate Governance (2023): V: The responsibilities of the board V.E The board should be able to exercise objective independent judgement on corporate affairs. V.E.2. Boards should consider setting up specialised committees to support the full board in performing its functions, in particular the audit committee – or equivalent body – for overseeing disclosure, internal controls and audit-related matters. Other committees, such as remuneration, nomination or risk management, may provide support to the board depending upon the company’s size, structure, complexity and risk profile. Their mandate, composition and working procedures should be well defined and disclosed by the board which retains full responsibility for the decisions taken. Where justified in terms of the size, structure, sector or level of development of the company as well as the board’s needs and the profile of its members, the use of committees may improve the work of the board and allow for a deeper focus on specific areas. In order to evaluate the merits of board committees, it is important that the market receives a full and clear picture of their mandate, scope, working procedures and composition. Such information is particularly important in the many jurisdictions where boards are required to establish independent audit committees with powers to oversee the relationship with the external auditor.
D.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?	
<b>Remuneration Committee / Compensation Committee</b>		
D.2.13	Does the company have a Remuneration Committee?	G20/OECD Principles of Corporate Governance (2023): V: The responsibilities of the board V.D. The board should fulfil certain key functions, including: V.D.5 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, as well as to disclose their remuneration levels set pursuant to this policy. Such policy statements may specify, especially with respect to executives, the relationship between remuneration and performance with ex ante criteria linked to performance, and include measurable standards that emphasise the long-term interests of the company and the shareholders over short-term considerations. Such measurable standards among others may relate to total shareholder return and appropriate sustainability goals and metrics. 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 options. In some jurisdictions, policy statements also provide guidance on the payments to be made when hiring and/or terminating the contract of an executive. The board may also monitor the implementation of the policy statement on remuneration.
D.2.14	Is the Remuneration Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners ?	
D.2.15	Is the chairman of the Remuneration Committee an independent director/commissioner?	
		Many jurisdictions recommend or require 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.

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D.2.16	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	G20/OECD Principles of Corporate Governance (2023): V. The responsibilities of the board V.E. The board should be able to exercise objective independent judgement on corporate affairs. V.E.2. Boards should consider setting up specialised committees to support the full board in performing its functions, in particular the audit committee – or equivalent body – for overseeing disclosure, internal controls and audit-related matters. Other committees, such as remuneration, nomination or risk management, may provide support to the board depending upon the company’s size, structure, complexity and risk profile. Their mandate, composition and working procedures should be well defined and disclosed by the board which retains full responsibility for the decisions taken. Where justified in terms of the size and structure of the company and its board, as well as the company’s sector or level of development, 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 are required to establish independent audit committees with powers to oversee the relationship with the external auditor. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system.
D.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?	
<b>Audit Committee</b>		
D.2.18	Does the company have an Audit Committee?	G20/OECD Principles of Corporate Governance (2023): V. The responsibilities of the board V.E. The board should be able to exercise objective independent judgement on corporate affairs. V.E.1 Boards should consider assigning a sufficient number of independent board members capable of exercising independent judgement to tasks where there is a potential for conflicts of interest. Examples of such key responsibilities are ensuring the integrity of financial and other corporate reporting, the review of related party transactions, and nomination and remuneration of board members and key executives.
D.2.19	Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	G20/OECD Principles of Corporate Governance (2023): V. The responsibilities of the board V.E. The board should be able to exercise objective independent judgement on corporate affairs. V.E.1 Boards should consider assigning a sufficient number of independent board members capable of exercising independent judgement to tasks where there is a potential for conflicts of interest. Examples of such key responsibilities are ensuring the integrity of financial and other corporate reporting, the review of
D.2.20	Is the chairman of the Audit Committee an independent director/commissioner?	related party transactions, and nomination and remuneration of board members and key executives. ICGN (2021) PRINCIPLE 8: Internal and external audit 8.3. Audit committee The board should establish an audit committee comprised entirely of independent non-executive directors. At least one member of the audit committee should have recent and relevant financial expertise and all audit committee members should be financially literate, including a basic understanding of accounting. Audit committees should also have a clear understanding of how sustainability factors can impact the company’s financial statements. The terms of reference for the committee should be publicly disclosed and include...
D.2.21	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	
D.2.22	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	ICGN (2021) PRINCIPLE 8: Internal and external audit 8.3. Audit committee The board should establish an audit committee comprised entirely of independent non-executive directors. At least one member of the audit committee should have recent and relevant financial expertise and all audit committee members should be financially literate, including a basic understanding of accounting. Audit committees should also have a clear understanding of how sustainability factors can impact the company’s financial statements. The terms of reference for the committee should be publicly disclosed and include...
D.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?	
D.2.24	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	ICGN (2021) PRINCIPLE 8: Internal and external audit 8.3 Audit committee The board should establish an audit committee comprised entirely of independent non-executive directors. At least one member of the audit committee should have recent and relevant financial expertise and all audit committee members should be financially literate, including a basic understanding of accounting. Audit committees should also have a clear understanding of how sustainability factors can impact the company’s financial statements. The terms of reference for the committee should be publicly disclosed and include: (f) recommending the appointment, reappointment and, if necessary, the removal of the external auditor, as well as the approving audit fees. Any non-audit fees should normally be less than the audit fee and, if not, there should be a clear explanation as to why it was necessary for the auditor to provide these services and how the independence and objectivity of the audit was assured;

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D.3	Board Processes	Guiding Reference
<b>Board Meetings and Attendance</b>		
D.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.
D.3.2	Does the board of directors/commissioners meet at least six times during the year?	G20/OECD Principles of Corporate Governance (2023): V. The responsibilities of the board V.E.3 Board members should be able to commit themselves effectively to their responsibilities. "... 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." ICGN (2021) PRINCIPLE 1: Board role and responsibilities 1.5 Commitment The board should meet regularly to discharge its duties and directors should commit adequate time to board meeting preparation and attendance.
D.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	G20/OECD Principles of Corporate Governance (2023): V. The responsibilities of the board V.E. The board should be able to exercise objective independent judgement on corporate affairs. V.E.3 Board members should be able to commit themselves effectively to their responsibilities. Service on too many boards or committees can interfere with the performance of board members. Some jurisdictions 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 and committee memberships and chair responsibilities to shareholders is therefore a key instrument to improve board and committee 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.
D.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	
D.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	G20/OECD Principles of Corporate Governance (2023): V. The responsibilities of the board V.E. The board should be able to exercise objective independent judgement on corporate affairs. "... 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." ICGN (2021) PRINCIPLE 2: Leadership and independence 2.7. Independent meetings The chair should regularly hold meetings with the non-executive directors without executive directors present. In addition, the non-executive directors (led by the LID) should meet at least annually, without the chair present, to appraise the chair's performance or as appropriate.
<b>Access to Information</b>		
D.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?	G20/OECD Principles of Corporate Governance (2023): V. The responsibilities of the board V.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, for example, 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 have access to and ensure that they obtain accurate, relevant and timely information. In cases when a publicly traded company is a part of a group, the regulatory framework should also ensure board members' access to key information about the activities of its subsidiaries to manage group-wide risks and implement group-wide objectives. At the same time, the regulatory framework should maintain safeguards to ensure that insiders will not use such information for their personal gain or of others. Where companies rely on complex risk management models, board members should be made aware of the possible shortcomings of such models.

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D.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>V: The responsibilities of the board</p> <p>V.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, for example, 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.</p> <p>ICGN (2021) PRINCIPLE 1: Board role and responsibilities</p> <p>1.8. Advice</p> <p>The board should have adequate resources to fulfil its responsibilities efficiently and effectively under relevant law and regulation. The board should have access to advice from a company secretary (or general counsel) and/or independent advice as appropriate at the company's expense.</p>
D.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	
<b>Board Appointment and Re-election</b>		
D.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>II. The rights and equitable treatment of shareholders and key ownership functions</p> <p>II.C.5 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>Electing the members of the board is a basic shareholder right. For the election process to be effective, shareholders should be able to participate in the nomination of board members and vote on individual nominees or on different lists of them. To this end, shareholders have access in a number of countries to the company's voting materials which are made available to shareholders, subject to conditions to prevent abuse. With respect to nomination of candidates, boards in many companies have established nomination committees to ensure proper compliance and transparency with established nomination procedures and to facilitate and co-ordinate the search for a balanced, diverse and qualified board. It is regarded as good practice for independent board members to have a key role on this committee. To further improve the selection process, the Principles also call for full and timely 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. It is required or considered good practice in some jurisdictions to also disclose information about any other board positions that nominees hold, and in some jurisdictions also positions that they are nominated for.</p> <p>G20/OECD Principles of Corporate Governance (2023):</p> <p>V: The responsibilities of the board</p> <p>V.D. The board should fulfil certain key functions, including:</p> <p>V.D.6 Ensuring a formal and transparent board nomination and election process.</p> <p>The Principles promote an active role for shareholders in the nomination and election of board members. The board, with the support of a nomination committee if established, has an essential role to play in ensuring that the nomination and election processes are respected. First, while actual procedures for nomination may differ among countries, the board has the responsibility to make sure that established procedures are transparent and respected. Second, the board has a key role in defining the general or individual profile of board members that the company may need at any given time, considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board. Third, the board or nomination committee has the responsibility to identify potential candidates to meet desired profiles and propose them to shareholders, and/or consider those candidates advanced by shareholders. The board's engagement and dialogue with shareholders is considered good practice in this process, provided that the board ensures transparency, equal treatment and that inside and business sensitive information is not disclosed. It is considered good practice to conduct open search processes extending to a broad range of backgrounds to respond to diversity objectives and the evolving nature of risks.</p>
D.3.10	Did the company describe the process followed in appointing new directors/commissioners?	
D.3.11	Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years <sup>2</sup> each? 2 The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011	<p>ICGS (2021) PRINCIPLE 3: Composition and appointment</p> <p>3.7 Director election process</p> <p>Directors should be elected to the board preferably on an annual basis, or stand for election once every three years, and be accountable to shareholders by approval of a majority of shares voted in favour on each resolution.</p>
<b>Remuneration Matters</b>		
D.3.12	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>V: The responsibilities of the board</p> <p>V.D. The board should fulfil certain key functions, including:</p> <p>V.D.5. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>ICGN (2021) PRINCIPLE 5: Remuneration</p> <p>Remuneration should be designed to equitably and effectively align the interests of the CEO, executive officers and workforce with a company's strategy and purpose to help ensure long-term sustainable value preservation and creation. Aggregate remuneration should be appropriately balanced with the payment of dividends to shareholders and retention of capital for future investment and the level of quantum should be defensible relative to social considerations relating to income inequality.</p>

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D.3.13	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>G20/OECD Principles of Corporate Governance (2023):</p> <p>V. The responsibilities of the board</p> <p>V.D. The board should fulfil certain key functions, including:</p> <p>V.D.5 Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>Many jurisdictions recommend or require 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>ICGN (2021) PRINCIPLE 5:</p> <p>Remuneration</p> <p>5.4 Malus and clawback</p> <p>Companies should include provisions in their incentive plans that enable the company to withhold the payment of any sum ('malus'), or recover sums paid ('clawback'), in the event of serious misconduct or a material misstatement in the company's financial statements.</p>
<b>Internal Audit</b>		
D.3.14	Does the company have a separate internal audit function?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>V. The responsibilities of the board</p> <p>V.D. The board should fulfil certain key functions, including:</p> <p>V.D.8. Ensuring the integrity of the corporation's accounting and reporting systems for disclosure, including the independent audit, and that appropriate systems of control are in place, in compliance with the law and relevant standards.</p> <p>The board should demonstrate a leadership role to ensure that an effective means of risk oversight is in place. Ensuring the integrity of the essential reporting and monitoring systems will require that the board sets and enforces clear lines of responsibility and accountability throughout the organisation. The board will also need to ensure that there is appropriate oversight by senior management.</p> <p>Normally, this includes the establishment of an internal audit function. This function can play a critical role in providing ongoing support to the audit committee of the board or an equivalent body of its comprehensive oversight of the internal controls and operations of the company. The role and functions of internal audit vary across jurisdictions, but they can include assessment and evaluation of governance, risk management, and internal control processes.</p>
D.3.15	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	<p>Companies often disclose that they have an internal audit but, in practice, it is not uncommon for it to exist more in form than in substance. For example, the in-house internal audit may be assigned to someone with other operational responsibilities. As internal audit is unregulated, unlike external audit, there are firms providing outsourced internal audit services which are not properly qualified to do so. Making the identity of the head of internal audit or the external service provider public would provide some level of safeguard that the internal audit is substantive.</p>
D.3.16	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>V. The responsibilities of the board</p> <p>V.D. The board should fulfil certain key functions, including:</p> <p>V.D.8. Ensuring the integrity of the corporation's accounting and reporting systems for disclosure, including the independent audit, and that appropriate systems of control are in place, in compliance with the law and relevant standards.</p> <p>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 co-ordinated response by the board.</p>
<b>Risk Oversight</b>		
D.3.17	Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>V. The responsibilities of the board</p> <p>V.D. The board should fulfil certain key functions, including:</p> <p>V.D.2. Reviewing and assessing risk management policies and procedures.</p> <p>V.D.8. Ensuring the integrity of the corporation's accounting and reporting systems for disclosure, including the independent audit, and that appropriate systems of control are in place, in compliance with the law and relevant standards.</p> <p>ICGN (2021) PRINCIPLE 6:</p> <p>Risk oversight</p> <p>The board should proactively oversee the assessment and disclosure of the company's key risks and approve the approach to risk management and internal controls regularly with any significant business change and satisfy itself that the approach is functioning effectively.</p>
D.3.18	Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	<p>ICGN (2021) PRINCIPLE 6:</p> <p>Risk oversight</p> <p>The board should proactively oversee the assessment and disclosure of the company's key risks and approve the approach to risk management and internal controls regularly with any significant business change and satisfy itself that the approach is functioning effectively.</p>

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D.3.19	Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>IV: Disclosure and Transparency</p> <p>IV. A Disclosure should include, but not be limited to, material information on:</p> <p>IV.A.8 Foreseeable risk factors</p> <p>Users of financial information and market participants need information on reasonably foreseeable material risks that may include: risks that are specific to the industry or the geographical areas in which the company operates; dependence on commodities and value chains; financial market risks including interest rate or currency risk; risks related to derivatives and off-balance sheet transactions; business conduct risks; digital security risks; and sustainability risks, notably climate-related risks.</p> <p>The Principles envision the disclosure of sufficient and comprehensive information to fully inform investors and other users of the material and foreseeable risks of the company. Disclosure of risk is most effective when it is tailored to the particular company and industry in question. Disclosure about the system for monitoring and managing risk is increasingly regarded as good practice, including the nature and effectiveness of related due diligence processes.</p>
D.3.20	Does the Annual Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>V. The responsibilities of the board</p> <p>V.D. The board should fulfil certain key functions, including:</p> <p>V.D.8 Ensuring the integrity of the corporation's accounting and reporting systems for disclosure, including the independent audit, and that appropriate systems of control are in place, in compliance with the law and relevant standards.</p> <p>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 co-ordinated response by the board. Both internal and external audit functions should be clearly articulated so that the board can maximise the quality of assurance it receives. It should also be regarded as good practice for the audit committee, or equivalent body, to review and report to the board the most critical policies which are the basis for financial and other corporate reports. However, the board should retain final responsibility for oversight of the company's risk management system and for ensuring the integrity of the reporting systems. Some jurisdictions have provided for the chair of the board to report on the internal control process.</p>
D.4	People on the Board	Guiding Reference
<b>Board Chairman</b>		
D.4.1	Do different persons assume the roles of chairman and CEO?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>V. The responsibilities of the board</p> <p>V.E. The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>In jurisdictions 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 Chair. 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 capacity for decision making independent of management. The designation of a lead director who is independent of management is also regarded as a good practice alternative in some jurisdictions if that role is defined with sufficient authority to lead the board in cases where management has clear conflicts. Such mechanisms can also help to ensure high quality governance of the company and the effective functioning of the board. The chair or lead independent director may, in some jurisdictions, be supported by a company secretary.</p> <p>ICGN (2021) PRINCIPLE 2: Leadership and independence 2.1 Independent leadership</p> <p>There should be a clear division of responsibilities between the role of the chair of the board and the CEO to avoid unfettered powers of decision-making in any one individual. This is particularly relevant in controlled companies when either the chair or CEO are significant shareholders. The Board should be chaired by an independent director who should be independent on the date of appointment. Should the role of the chair and CEO be combined, the board should explain the reasons why this is in the best interests of the company in the annual report and keep the structure under review. The responsibilities of the chair, CEO, lead independent director and committee chairs should be clearly described and publicly disclosed.</p>
D.4.2	Is the chairman an independent director/commissioner?	
D.4.3	Is any of the directors a former CEO of the company in the past 2 years?	<p>ICGN (2021) PRINCIPLE 2: Leadership and independence 2.5 CEO succession to Chair</p> <p>The practice of a company's retiring CEO remaining on the board as a director should be discouraged, regardless of any cooling off period, or in the event this practice does take place, the retiring CEO should not serve on board committees that require independent representation. If, exceptionally, the board decides that a retiring CEO should succeed to become chair, the board should consult with shareholders in advance setting out a convincing rationale and provide detailed explanation in the annual report. Unless there are extraordinary circumstances, there should be a break in service between the roles (e.g., a period of two years)</p>
D.4.4	Are the roles and responsibilities of the chairman disclosed?	<p>ICGN (2021) PRINCIPLE 2: Leadership and independence 2.3 Role of the Chair</p> <p>The chair should lead the board and ensure its effectiveness while inspiring a shared commitment among directors to the company's purpose and long-term strategy. This includes encouraging a culture of openness to allow a range of views to be expressed and adequate time for discussion of all agenda items. The chair should set the meeting agenda, ensuring that board members have sufficient and timely information to constructively challenge and debate managerial proposal.</p>



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D.4.5	If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined?	ICGN (2021) PRINCIPLE 2: Leadership and independence 2.4 Lead independent director The Board should appoint a Lead Independent Director (LID) even when the chair is independent. The LID provides shareholders, relevant stakeholders and directors with a valuable channel of communication to discuss matters that may involve a conflict of interest for the board chair which may include significant shareholders if there is a connection between them. The LID should not have directorship tenure in the company that raises questions as to the LID's independence as set out in Guidance 2.6.h. In a two-tier board the LID role could be assumed by a vice chair.
<b>Skills and CompDtDncIDs</b>		
D.4.6	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	ICGN (2021) PRINCIPLE 3: Composition and appointment The Board should comprise a sufficient mix of directors with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion and objective decision-making in alignment with the company's purpose, long-term strategy and relevant stakeholders.
D.5	Board Performance	Guiding Reference
<b>DirDctors DDvDlopDnt</b>		
D.5.1	Does the company have orientation programmes for new directors/commissioners?	ICGN (2021) PRINCIPLE 1: Board role and responsibilities 1.5 Commitment The board should meet regularly to discharge its duties and directors should commit adequate time to board meeting preparation and attendance. There should be a formal induction for all new board directors to ensure they have a comprehensive understanding of the company's purpose, business model and strategy as soon as possible after their appointment.
D.5.2	Does the company have a policy and actual practice and programs that encourages directors/commissioners to attend on-going or continuous professional education programmes?	G20/OECD Principles of Corporate Governance (2023): V. The responsibilities of the board V.E. The board should be able to exercise objective independent judgement on corporate affairs. V.E.4 Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences, including with respect to gender and other forms of diversity. In order to improve board practices and the performance of its members, an increasing number of jurisdictions now encourage companies to engage in board and committee evaluation and training. Many corporate governance codes recommend an annual evaluation of the board, which may periodically be supported by external facilitators to increase objectivity. Unless certain qualifications are required, such as for financial institutions, this might include that board members acquire appropriate skills upon appointment. Thereafter, board members should remain abreast of relevant new laws, regulations, and changing commercial and other risks.
<b>CDO/DxDeutivD ManagDmDnt AppointmDnts and PDrformancD</b>		
D.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 Principles of Corporate Governance (2023): V. The Responsibilities of the Board V.D. The board should fulfil certain key functions, including: V.D.4 Selecting, overseeing and monitoring the performance of key executives, and, when necessary, replacing them and overseeing succession planning.
D.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	V.D. The board should fulfil certain key functions, including: V.D.3 Monitoring the effectiveness of the company's governance practices and making changes as needed. Monitoring of governance by the board includes continuous review of the internal structure of the company to ensure that there are clear lines of accountability for management throughout the organisation. Such monitoring should also include whether the company's governance framework remains appropriate in light of material changes to the company's size, complexity, business strategy, markets, and regulatory requirements. In addition to requiring the monitoring and disclosure of corporate governance practices on a regular basis, at least in summary form, many jurisdictions have moved to recommend, or indeed mandate, assessment by boards of their performance and of the performance of their committees, individual board members, the chair and the CEO.
<b>Board Appraisal</b>		
D.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 Principles of Corporate Governance (2023): V. The Responsibilities of the Board V.D. The board should fulfil certain key functions, including: V.D.3 Monitoring the effectiveness of the company's governance practices and making changes as needed. ICGN (2021) PRINCIPLE 3: Composition and appointment 3.3 Evaluation Board evaluation should be conducted annually to review composition in alignment with the company's long-term strategy, succession planning and policy on diversity, equity and inclusion. The board should undertake a rigorous review of its performance (as a collective body), the company secretary (where such a position exists), the board's committees and individual directors prior to being proposed for election. The board should periodically (preferably every three years) engage an independent outside consultant to undertake an external evaluation. The Lead Independent Director and Nomination Committee should be responsible for performance evaluation of the chair. The board should disclose the process for evaluation and, as far as reasonably possible, any material issues of relevance arising from the conclusions and/or actions taken as a consequence.

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**Director Appraisal**

D.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?	<p>G20/OECD Principles of Corporate Governance (2023):  V: The Responsibilities of the Board  V.D. The board should fulfil certain key functions, including:  V.D.3 Monitoring the effectiveness of the company's governance practices and making changes as needed.  ICGN (2021) PRINCIPLE 3:  Composition and appointment  3.3 Evaluation  Board evaluation should be conducted annually to review composition in alignment with the company's long-term strategy, succession planning and policy on diversity, equity and inclusion. The board should undertake a rigorous review of its performance (as a collective body), the company secretary (where such a position exists), the board's committees and individual directors prior to being proposed for election. The board should periodically (preferably every three years) engage an independent outside consultant to undertake an external evaluation. The Lead Independent Director and Nomination Committee should be responsible for performance evaluation of the chair. The board should disclose the process for evaluation and, as far as reasonably possible, any material issues of relevance arising from the conclusions and/or actions taken as a consequence.</p>
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**Committee Appraisal**

D.5.7	Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?	<p>G20/OECD Principles of Corporate Governance (2023):  V: The Responsibilities of the Board  V.D. The board should fulfil certain key functions, including:  V.D.3 Monitoring the effectiveness of the company's governance practices and making changes as needed.  ICGN (2021) PRINCIPLE 3:  Composition and appointment  3.3 Evaluation  Board evaluation should be conducted annually to review composition in alignment with the company's long-term strategy, succession planning and policy on diversity, equity and inclusion. The board should undertake a rigorous review of its performance (as a collective body), the company secretary (where such a position exists), the board's committees and individual directors prior to being proposed for election. The board should periodically (preferably every three years) engage an independent outside consultant to undertake an external evaluation. The Lead Independent Director and Nomination Committee should be responsible for performance evaluation of the chair. The board should disclose the process for evaluation and, as far as reasonably possible, any material issues of relevance arising from the conclusions and/or actions taken as a consequence.</p>
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