



**Revision 5.0**  
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# **TEMPLATE FOR COUNTRY ASSESSMENT OF CORPORATE GOVERNANCE**

**This template, based on the revised OECD Principles of Corporate Governance, is designed for use as the diagnostic tool for assessing the strengths and weaknesses of the corporate governance framework in a particular country, by identifying:**

- the key features of the ownership and control pattern of publicly listed companies and a description of the capital market structure and relevant institutions;
- the main elements of the legal and regulatory systems affecting corporate governance;
- specific provisions which offer protection to shareholders, particularly minorities;
- the role of stakeholders in relation to corporate governance;
- material financial and non-financial disclosures relevant to corporate governance;
- the functions and responsibilities of the board of the corporation.

**Country:**

**Date of Preparation**

**Prepared By:**

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### ***Instructions:***

- *Where appropriate, please mark the Yes/No box with a “Y” or an “N.”*
- *With some questions, it might be easier or more effective to present responses in a table. If you choose to do this, please specify this in the “Response/Comments” section.*
- *If available, please use World Bank data. Where data, information or comment is provided by third parties, please use full reference for the source and a date.*
- *Please indicate exchange rate and date when converting local currency into USD.*
- *In the Response/Comments sections, please do not feel limited to the space provided.*
- *Please assist us in improving this diagnostic tool by providing comments on the Template in Section Vii. Thank you.*

## CORPORATE GOVERNANCE LANDSCAPE

1. Ownership and Control				
№	Question	Y/N	Response/Comments	Legal Reference or Source
	<b>(I) The Structure of Ownership and Its Concentration</b>			
1.	Please estimate the average percentages of the listed sector owned by: domestic investors, families/individuals, non financial firms, public sector (including government, local authorities, and other public sector bodies), foundations, foreign investors, and financial intermediaries including pensions; banks; insurance companies; and collective investments.			
2.	What is the average free float? If official data are not available, please provide the stock exchange estimate.			
3.	Using most recent available data please provide for the largest ten companies:			
	a. Market capitalization as a percent of total market capitalization.			
	b. Trading volume as a percent of total trading volume.			
	c. Names of the first, second, third and fourth biggest shareholders, and specify their ownership positions. Please use ultimate shareholder information, if available.			
	d. The size of the board (supervisory and management boards) for each company.			
	e. The names of the board members of each company.			
4.	For each of the last five years (and the most recent available month), please provide:			
	a. The number of state-owned and privately held companies that are candidates for new listings. Indicate how are they are expected to be listed on the exchange (obligatory listing by state, IPO <sup>1</sup> or secondary offer, listing by shareholders and brokers).			
	b. Please provide an inventory of domestic financial institutions and institutional investors (pension funds, mutual funds, banks, insurance companies), explaining their structure and size (by assets under management) and the extent of their equity holdings and involvement in the equity market.			
5.	In general is ownership concentrated in the hands of a few families/investor groups/oligarchs?		<i>(If yes, how many?)</i>	
6.	If there are any available academic or market research reports on the ownership structure of listed companies, please provide them in English. If not			

<sup>1</sup> Initial Public Offering.

1. Ownership and Control				
No	Question	Y/N	Response/Comments	Legal Reference or Source
	available in English, please summarize.			
	<b>Capital Market Background</b>			
7.	For each type of company form, including listed companies, please provide any available data on:			
	a. The total number of companies/economic entities.			
	b. Number of employees			
	c. Economic activity carried out by each company form (depending on available data, e.g. GDP, turnover, total sales/revenues, and exports).			
	d. Provide any other meaningful statistic which, in your opinion, provides information regarding the role of the listed sector in the country's economy.			
8.	For each of the last five years (and the most recent available month), please provide a table containing the following data. Please note sources for each.			
	a. The level of the most widely used equity market index at the end-of-period.			
	b. Number of listed companies at end-of-period (please provide separate details for different listing tiers or types of listed companies).			
	c. Market capitalization at end of period, in local currency and in US\$.			
	d. Market capitalization to GDP ratio at the end of period (please indicate source of GDP estimates).			
	e. Trading volume for each period.			
	f. Market turnover ratio for each period (trading volume divided by market capitalization at end of year).			
9.	Are any companies listed on foreign exchanges?			
	a. If so, please specify whether ordinary shares, GDRs or ADRs are listed on foreign exchanges.			
	b. Please specify if these are Level I, II, III or SEC Rule 144A/Reg S Depositary Receipts.			
	c. Please compare the trading volume for all dual listed companies on foreign markets vs. aggregate volume for these firms on the dominant local exchange.			
10.	Are multiple listings permitted on domestic exchanges?			
11.	How many companies offer bonds on the market?			
12.	For each of the last five years (and the most recent available month), please provide a table containing the following data. Please note sources for each			
	a. The number of new listings.			

<b>1. Ownership and Control</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
	b. The number of de-listings.			
	c. The value and number of new equity issues (both initial public offerings and secondary offerings).			
	d. What was the value of corporate bond offerings for each period?			
	e. Please comment on reasons for trends in entry/exit to the market over the period.			
13.	Is there an informal market/economy in the country? If so, what is its trading volume?			
	<b>(II) Instruments of Control</b>			
14.	Please comment on the prevalence of pyramid structures <sup>2</sup> and cross shareholdings <sup>3</sup> . Include quantitative data for the market as a whole, if available.			
15.	Can companies issue shares with varying voting rights (for example preferred shares, founders shares, non-voting shares, multiple voting rights, removable voting rights)? Please explain the typical rights of each class of shares			
	a. How frequently is each of these types of shares used in practice?			
	<b>(III) Exercise of Control</b>			

<b>2. Legal and regulatory framework</b>				
<i>Please provide copies in English of relevant laws and regulations or a reference to the websites from where they can be downloaded.</i>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
16.	Provide a brief summary of the legal framework and institutions governing listed companies. Please list all laws relevant to the governing of listed companies.			
17.	Summarize recent significant legal developments affecting corporate governance (especially company law, securities law and listing rules).			
18.	What are the securities market regulator's main registration requirements for companies?			
	a. How do these vary for non-listed public and listed companies?			
19.	Are there different listing segments on the stock exchange?			

<sup>2</sup> Pyramid structures are structures of holdings and sub holdings by which ownership and control are built up in layers. They enable certain shareholders to maintain control through multiple layers of ownership, while at the same time sharing the investment and the risk with other shareholders at each intermediate ownership tier.

<sup>3</sup> Cross-shareholdings are reciprocal shareholdings between two companies.

	a. If yes, please describe, focusing on corporate governance.			
20.	Describe the main requirements of the stock exchange for a company to become listed, including the initial requirements and continuing obligations.			
21.	Does a corporate governance code of good practice exist?			
	a. If yes, who participated in the code's preparation (e.g. securities market regulator, stock exchange, Center for Corporate Governance, etc.?).			
	b. Who issued the code?			
	c. Is it voluntary or mandatory?			
	d. Must corporations disclose their degree of compliance ("comply or explain")?			
	e. On average/in percentage, how many companies comply with the code?			
	f. How effective is it in practice?			
	g. Is there any precedent of non-compliance?			
	h. What are the legal and pecuniary consequences/sanctions in case of non-compliance?			
	i. Are the sanctions adequate/meaningful according to the operational costs of the company?			
22.	Which bodies in the public and private sectors (both domestic and foreign) have been active in promoting corporate governance reform? (For example, institutes of directors, centers / institutes of corporate governance, associations of shareholders, or chambers of commerce).			
23.	Please briefly describe their objectives, activities and achievements, and provide their contact details.			
24.	Please list in a table the different corporate forms which are allowed under the law.			
	a. Explain the main differences (e.g. partnerships, limited liability, joint stock, public limited).			
	b. Which types can be listed?			
	c. Which entities oversee other company forms?			
25.	Please indicate which authority supervises the different company forms (including listed companies).			
26.	Please describe in a table their role/mission, responsibility, and the entities they supervise (please add any if missing).			
	a. Company Registry/Companies House			
	b. Stock Exchanges (identify the major one) and over the counter markets.			
	c. Securities Regulator			
	d. Banking Regulator			

	e. Insurance Regulator			
	f. Pension Funds Regulator			
	g. other			
27.	According to the company law and/or corporate governance framework, please describe how powers are distributed in the company among board, general assembly, and senior management.			
28.	Please describe any serious corporate governance scandal that has occurred in the past four years in the country, and provide written analyses in English.			
	a. Please list any key court ruling in the area of corporate governance that sets precedent on the interpretation of the law.			
	b. How transparent is the legal reform process? Does it allow all affected parties to fully understand the new laws and regulations?			
29.	Please provide a list of alternative methods to settle commercial disputes (contractual provisions to settle abroad, arbitration, etc.) used by listed companies.			
30.	Please comment on the frequency and importance of the different methods.			
31.	Please, indicate in real terms by providing examples burden and adequacy of the sanctions.			

<b>3. Historical influences on the current corporate governance system.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
32.	If there are any available academic or market research reports on privatization trends, please provide them in English. If not available in English, please summarize.			
33.	If there are any available academic or market research reports on industrial policies please provide them in English. If not available in English, please summarize.			
34.	If there are any available academic or market research reports on fiscal policies in general, and in particular tax treatment of inter corporate dividends and capital gains, please provide them in English. If not available in English, please summarize.			
35.	If present, please indicate legal and regulatory provisions governing ownership and control relationships of listed companies with banks and other financial institutions. Please, also indicate academic or market research reports on the related governing policies.			

## CHAPTER I. ENSURING THE BASIS FOR AN EFFECTIVE CORPORATE GOVERNANCE FRAMEWORK

Corporate governance framework should promote transparent and efficient markets, be consistent with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory, and enforcement authorities.

<b>A Corporate governance framework should be developed with a view to its impact on overall economic performance, market integrity and the incentives it creates for the market participants and the promotion of transparent efficient markets.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
36.	Do authorities have a strong commitment to improve the strength of corporate governance in public sector companies/enterprises?			
37.	Do authorities develop policy, laws and regulations etc., for the corporate governance framework on the basis of effective and ongoing consultations with the public, corporations and shareholders?			
38.	Please describe the consultation process for recent pieces of laws related to corporate governance.			

<b>B The legal and regulatory requirements that affect corporate governance practices in a jurisdiction should be consistent with the rule of law, transparent and enforceable.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
39.	Are laws, regulations, and voluntary codes clearly written and well understood?			
40.	Are corporate governance regulations predictable (i.e. not subject to important temporary decrees and back-dated amendments)?			
41.	Are laws and regulations consistent with one another, or do you know of cases where a law or regulation contradicts or is inconsistent with another law or regulation?			
42.	Do you think laws and regulations related to corporate governance are enforceable? Are they difficult to enforce for some reason: complicated, vague, overreaching, etc?			
43.	Does the market consider that the authorities responsible for overseeing the corporate governance framework (including the courts) act arbitrarily, or in a manner that sometimes seems to indicate that they are not acting in accordance with the rule of law?			

**C The division of responsibilities among different authorities in a jurisdiction should be clearly articulated and ensure that the public interest is served.**

№	Question	Y/N	Response/Comments	Legal Reference or Source
44.	Have Memorandums of Understanding been signed among the supervising entities?		<i>If so, what are they?</i>	
45.	Which are the main tenets of the memorandums?			
46.	To what extent are the memorandums effective?			
47.	How often do the supervisory authorities share information about companies?			
48.	Is there any precedent of examinations jointly coordinated by two or more supervisory authorities? Please describe.			
49.	Does the division of supervisory responsibility lead to weak enforcement?			
50.	If enforcement is weak, please comment on the reasons (e.g. lack of effective powers or sanctions, shortage of qualified personnel or monitoring capacity).			
51.	Please comment on the effectiveness of coordination of the supervisory authorities in your jurisdiction.			
52.	Are there key inconsistencies/overlaps in the laws and regulations which apply to listed companies? Please describe them.			
53.	Is the cost of compliance proportionate and appropriate? Does it often create duplications? Please provide three examples (i.e., accounting standards, disclosure, etc.)			
54.	In your opinion, is the legal framework efficient?			
55.	If any oversight over the corporate governance framework has been delegated to self-regulatory organizations (e.g. stock exchanges), does the market consider that these organizations work transparently and in the public interest?			
56.	Overall, what are the main supervisory concerns/complaints listed companies tend to express?			

**D Supervisory, regulatory, and enforcement authorities should have the authority, integrity, and resources to fulfill their duties in a professional and objective manner. Moreover, their rulings should be timely, transparent, and fully explained**

*This section should be completed with the assistance of the various supervisory agencies*

№	Question	Y/N	Response/Comments	Legal Reference or Source
	<b><i>On Companies Registry/Companies House</i></b>			
57.	Is there a centralized institution(s) where companies (listed and/or non-listed) have to file their fundamental documents (such as by-laws, initial board			

	members, shareholder registry) as well as company financial information?			
	a. Please describe the nature of the documentation lodged as well as who has access to it and how.			
	b. What are the costs (if any) associated with consulting/copying/reviewing this information?			
	c. What are its enforcement powers in cases of non-compliance with filing requirements?			
	d. Please indicate on average number, and categories/types of sanctions and the total amount for the past two years.			
58.	To whom does the Companies Registry report to?			
59.	Please comment on the institution's overall effectiveness.			
	<b>On Securities Market Regulator</b>			
60.	Does it oversee business conduct of the parties that fall under its oversight?			
61.	Can the securities market regulator intervene on behalf of shareholders in corporate disputes?			
62.	What is the governance structure of the securities market regulator?			
63.	What is its legal form?			
64.	Is it a commission, an agency or a division of the finance ministry?			
65.	How many members does the governing body of the regulator have?			
66.	What do formal criteria exist for the selection of commission members?			
67.	What is the process for selecting members?			
68.	How is the chairman or chief executive selected and removed?			
69.	How long is the chairman or chief executive's term?			
70.	To whom does the securities market regulator report to?			
71.	How does the decision-making process of the securities market regulator's board work?		<i>(If there are different procedures for different issues, please explain them.)</i>	
72.	Can the finance minister, the central bank, executive branch, or parliament direct the securities market regulator to take an action?		<i>(If yes, please specify.)</i>	
73.	Must the securities market regulator seek approval of any other governmental body before it takes action, e.g. before it institutes proceedings for violations of regulations?			
74.	As an indicator of regulatory capacity, state how many employees work for the securities regulator?			
75.	Have there been any changes in the number of specialized/skilled employees?			
76.	What is the relative pay scale in relation to: comparable private sector employment and to other regulatory bodies, like the Central Bank?			

77.	What was the budget of the securities market regulator over the last five years?			
78.	How is the securities market regulator funded? (i.e. is it funded through budget allocation from the government, or does it retain its fees and fines?)			
79.	Are employees of securities market regulator regularly trained? If available, please name three mandatory trainings employees have been required to attend.			
80.	Have employees been required to attend specific corporate governance trainings as well?			
81.	What role does the securities market regulator have in the recommendation, drafting and proposing of rules, regulations and statutes?			
	a. Does it have the power to issue prudential rules and other regulations?		<i>(If no, who does?)</i>	
	b. Are those rules posted for public consultation before they go into effect?			
	c. What are the means market participants have to have their voice heard in the consultation process?			
	d. Have they been effective in producing regulatory changes? Please name two instances.			
82.	How many employees in the securities market regulator act as "inspectors"?			
83.	Does the securities market regulator have full access to a registrant's books and records?			
84.	Can the securities market regulator subpoena documents from registrants and their employees, even if located off-site?			
85.	Can the securities market regulator subpoena documents from issuers, non-registrants or third parties, such as phone records, email records or bank records?			
86.	Can the securities market regulator question registrants and their employees regarding their activities?			
87.	Can the securities market regulator question non-registrants (e.g. broker dealers who are not registered, client of a brokerage house, issuer) and third-parties (e.g. phone companies, Internet service providers and banks)?			
88.	Describe the internal procedures for an administrative proceeding in the securities market regulator:			
	a. Who adjudicates the proceeding?			
	b. Is a finding appealed administratively or through the court system?			
	c. Describe the appeal process and whether it is used frequently/almost always and whether decisions are reversed.			
	d. Is the administrative sanction enforced/collected (e.g. does the fine have to be paid) before the appeal process?			
89.	Can the securities market regulator take emergency action on its own decision,		<i>(If yes, describe the extent of its authority and any limitations.)</i>	

	such as issuing a trading halt, issuing a moratorium on mutual fund redemptions or suspending operations of a broker / dealer?			
	a. List and explain each time it has used such authority in the last three years.			
90.	Describe the type and range of sanctions that can be imposed:			
	a. Directly by the securities market regulator (such as suspensions of licenses, fines, injunctions, and receiverships).			
	b. By other entities on the advice of the securities market regulator.			
	c. By other entities, on their own decision, without the advice of the regulator, for violations of the securities market regulator's laws and regulations.			
91.	Does the securities market regulator publish enforcement statistics in its annual report?		<i>(Please provide a copy of the annual report.)</i>	
92.	Please provide statistics on investigations and proceedings, answering the following questions:			
	a. Average length of time from inception of violation to investigation, to initiation of proceeding and end of proceedings.			
	b. Number of investigations by type over the last three years.			
	c. Number of administrative proceedings, civil cases and criminal prosecutions by type over the last three years.			
	d. Please provide statistics over the last three years regarding the imposition of sanctions by year, type and severity.			
	e. Please provide statistics over the last three years the percentage of sanctions paid partially or in full, length of time for payment, number of violations of suspensions and injunctions.			
	f. Are rulings publicly available (i.e. on the website) and are they explained?			
93.	What government entity brings criminal cases for violations of the securities and corporate laws?			
	a. Over the last three years, please provide how many cases were brought, the nature of the violation and the penalty imposed.			
94.	Do commercial, corporate or securities arbitration exist?		<i>(If yes, how does it work?)</i>	
95.	How commonly is it used as a means of action against board members or controlling shareholders?			
96.	Are arbitration decisions binding and final?			
	<b>On Stock Exchange</b>			
97.	Please briefly describe the governance structure of the stock exchange.			
98.	To what authority does the Stock Exchange report to?			
99.	What powers does the stock exchange have if the listing requirements are breached? (Specify sanctions or incentives, such as warnings, delistings,			

	finances, references for prosecutions, awards, and lower listing fees).			
	a. If the stock exchange does have such powers, please provide examples of when it has exercised those powers in the past five years to sanction companies, including the outcome in each case (e.g. companies involved, listing requirements breached, description of circumstances surrounding the breach, proceedings undertaken, and any sanctions or penalties imposed).			
	b. How many involuntary delistings have occurred in the last three years, and what were the reasons?			
100.	Is there a specific department in the stock exchange responsible for electronic surveillance of trading activities, which is linked to the securities market regulator?			
101.	Is there a specific department within the stock exchange with responsibility for monitoring and enforcing listing requirements?			
102.	Please comment upon capacity and track record.			
	a. Is the surveillance automatic or manual?			
	b. Is the surveillance conducted in real time?			
	c. How many people conduct surveillance?			
	d. What procedures are in place to handle "alerts" when they are generated?			
	e. How many alerts were generated in the last year, and what actions were taken?			
	f. Does the securities market regulator have any surveillance capacity?			
	g. How do the securities market regulator and the stock exchange divide responsibilities for market surveillance?			
103.	Does the law permit other bodies to be licensed as self-regulatory organizations (SROs)?			
	a. Under this definition, what entities are licensed as SROs?			

## II. THE RIGHTS OF SHAREHOLDERS AND KEY OWNERSHIP FUNCTIONS

The corporate governance framework should protect and facilitate the exercise of shareholders' rights.

A. Basic shareholder rights should include the right to:				
No	Question	Y/N	Response/Comments	Legal Reference or Source
<b>1. Secure methods of ownership registration.</b>				
104.	Please explain the process of share registration (shareholder record keeping) for listed companies, unlisted public companies, and other large companies			
105.	What is the legal evidence of share ownership?			
106.	Is there a Central Depository?		<i>(If yes, please provide a description of basic functionality.)</i>	
107.	How does registration in the Central Depository relate to proof of ownership?			
108.	Does the legislation recognize the concept of nominee ownership (e.g. where shares are held by one party, but in reality controlled by another party)?			
109.	Do financial institutions (custodians) hold shares on behalf of shareholders?			
110.	Are custodians regulated under law? Please describe the duties of the custodian under law, and protection for the shareholder in the event of bankruptcy of the custodian.			
111.	Can any shareholder or a party acting on the shareholder's behalf inspect the list of shareholders to verify the shareholder's own holdings?			
112.	Please describe any reported problems with shareholder registration, including unjustified registration of new shareholders (perhaps during a takeover struggle), shareholders disappearing from the registry, or over-issuance (when the register of shareholders exceeds the total shares issued by the company),			
113.	Please describe shareholder redress in the case of problems with the registry, and who is liable.			
<b>2. Convey or transfer shares.</b>				
114.	Please explain the process of clearing and settlement, describing the movement of cash and securities.			

<b>A. Basic shareholder rights should include the right to:</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
115.	Does clearing and settlement take place in DVP (delivery versus payment)?			
116.	Is the central depository considered to operate according to international good practice? Please provide copies or links to any studies (if available) that compare the clearing and settlement framework to international good practice (e.g. ISSA, G30, etc.)		<i>(If no, please explain.)</i>	
117.	Are shares of listed / public companies freely transferable?		<i>(If no, please explain the limitations.)</i>	
118.	Do the management or current shareholders of listed / public companies have discretion over who can become a shareholder? If yes, please explain company powers, and any right of redress which shareholders have.			
119.	To what extent can free transferability of shares of listed / public companies be restricted by specific provisions in company articles?			
120.	Can the free transferability of shares of listed / public companies be restricted by private contractual agreements?			
<b>3. Obtain relevant and material information on the corporation on a timely and regular basis.</b>				
121.	Can shareholders obtain relevant and material information from the company, specifically including: company charters/articles/bylaws, financial statements, minutes of shareholder meetings and the capital structure of the company?			
122.	Can shareholders obtain this information, in a timely fashion, and without undue cost? Please provide examples of procedural malfunction, poor dissemination, and/or administration.			
<b>4. Participate and vote in general shareholder meetings.</b>				
123.	Do shareholders have a general right to attend shareholder meetings?			
124.	Are preferred shareholders and/or non-voting shareholders allowed to attend shareholder meetings, even if they cannot vote?			
125.	Are there procedural and/or legal mechanisms that allow a company to impede entitled shareholders from participating and voting in a general shareholder meeting?			
126.	What legal action can shareholders take if they are not allowed to vote in a GMS?			

<b>A. Basic shareholder rights should include the right to:</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
127.	Have you witnessed/read/heard in the past instances of impediments to shareholders' attendance to GMSs? If so, please briefly describe.			
128.	What is the level of shareholder participation at meetings?			
<b>5. Elect and remove members of the board.</b>				
129.	Please explain the rights of shareholders to elect board members.			
130.	Can shareholders nominate board members? Is there a minimum percentage of capital necessary for shareholders to nominate a board member?			
131.	Can shareholders remove board members?		<i>(If yes, what is the process?)</i>	
132.	Are minority shareholders able to pool their votes for certain board candidates (for example, through cumulative voting)?		<i>(If yes, please explain the process, and provide examples of companies where this has taken place.)</i>	
133.	Can ownership of a certain proportion of shares convey the right to elect a board member (i.e. proportional representation)?			
134.	Are there procedural and/or legal mechanisms that allow a company to impede eligible shareholders from participating and voting in a general shareholder meeting on election of board members?			
135.	What legal action can shareholders take if they are not allowed to elect or remove board members?			
<b>6. Share in the profits of the corporation.</b>				
136.	How are company dividends determined and distributed? Please explain the rules governing this process.			
137.	Can shareholders vote on the distribution of profits?			
138.	Can shareholders instruct management to pay or increase a dividend?		<i>(If so, what is the procedure?)</i>	
139.	Does law or regulation provide for a mandatory minimum dividend?		<i>(If so, please specify).</i>	
140.	What legal action (or other actions) can shareholders take if rights to dividends have been violated?			

<b>A. Basic shareholder rights should include the right to:</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
141.	Are the legal rules that define how decisions are made about dividends and the distribution of profits <u>transparent</u> and <u>enforceable</u> ?			
142.	Are shareholders of the same class treated equally and in accordance with the rights of the respective share classes with respect to the distribution of profits?			
143.	In practice, do listed companies declare dividends in a timely manner?			

<b>B. Shareholders should have the right to participate in, and be sufficiently informed on, decisions concerning fundamental corporate changes such as:</b>				
<b>1. Amendments to the statutes or articles of incorporation or similar governing documents of the company.</b>				
144.	Does the shareholder meeting have the right to vote on amendments to company articles / statutes or bylaws?			
145.	Is this the exclusive power of the shareholder's meeting, or can be delegated to the board by charter?			
146.	Please specify any special requirements for shareholder voting to amend company statutes including: any special timetables, costs, quorums, thresholds or supermajorities.			
147.	Can companies adopt procedural rules to frustrate the exercise of these rights?			
148.	Is information provided to shareholders sufficiently in advance of the GMS to permit considered decisions?			
149.	Can shareholders challenge actions concerning fundamental corporate changes? In what cases they can call for annulment and/or invalidation of corporate decisions?			
150.	Can shareholders challenge companies' decisions if they did not receive sufficient and timely information about the proposed decisions?			
151.	Are these mechanisms for challenging fundamental decisions effective in practice?			

**B. Shareholders should have the right to participate in, and be sufficiently informed on, decisions concerning fundamental corporate changes such as:**

**2. The authorization of additional shares.**

152.	In the law, is there a concept of authorized capital?			
153.	What are the provisions for changing the level of authorized capital?			
154.	What are the provisions for issuing new shares?			
	a. How much time does the board and management have to issue new shares, do they have to issue all the shares approved by the shareholders at the GMS.			
155.	Can companies adopt procedural rules to allow capital to be increased without shareholder consent?			
156.	Do companies provide full information sufficiently in advance of the relevant shareholder meeting to permit considered decisions?			
157.	Do existing shareholders have pre-emptive rights in the event of a capital increase? In what cases are shareholders prohibited by law or statute to use them?			
158.	Are there any effective means of redress where procedures have not been followed?		<i>(Please specify).</i>	

**3. Extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company.**

159.	Are there any special rules that govern the approval of large or extraordinary transactions?			
160.	Are there any special rules that govern the approval of related-party transactions?			
161.	In practice, are boards or management able to carry out extraordinary transactions or transactions without the approval of shareholders?			
	a. Is information about the proposed transaction provided sufficiently in advance of the shareholder meeting to permit considered decisions?			
162.	Are there effective means of redress where procedures have not been followed?		<i>(Please specify).</i>	

**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.**

**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.**

№	Question	Y/N	Response/Comments	Legal Reference or Source
163.	Explain the rules which govern shareholder participation in shareholder meetings, with particular reference to:			
	a. Timing of the annual GMS.			
	b. Notice of both general and extraordinary shareholders meetings.			
	c. Threshold provisions for calling such meetings.			
	d. Content and circulation of agenda and background information.			
	e. Rules specifying meeting location.			
	f. Quorum requirements.			
	g. If a quorum for the first meeting is not met, is another meeting held? Please describe the requirements for this second meeting.		<i>(If so, please specify.)</i>	
164.	Specify the rights of shareholders to obtain the following information in advance of the meeting:			
	a. Meeting agenda.			
	b. Relevant company documents, including the company charter, report and accounts.			
	c. Share register.			
	d. Proposed auditors.			
	e. Proposed board members' details.			
165.	Please comment on listed company compliance with the rules, procedures, and recommendations for shareholders' meetings.			
166.	Are meeting decisions considered valid even if proper procedures have not been followed or required information provided?			

**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.**

167.	What redress mechanisms do shareholders have in case of violation of the above provisions?			
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**2. Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.**

168.	Does the corporate governance framework require or encourage companies to allow shareholders to ask questions at the shareholder meeting?		<i>(If yes, are there any limitations?)</i>	
169.	Can shareholders question the external auditor?			
170.	Do shareholders report any problems with asking questions? If the requirement is voluntary, do most companies follow the recommendation?			
171.	Can shareholders propose new proposals or resolutions to the board or management BEFORE the first agenda is published? Does the law specify shareholding threshold?			
172.	Can shareholders propose new proposals or resolutions to the board or management AFTER the first agenda is published? If so, is the new agenda recirculated? Does the law specify shareholding threshold?			
173.	Do shareholders have any redress or rights of appeal if their rights are violated?			

**3. Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.**

174.	Are there any special rules governing shareholder participation in key corporate governance decisions such as nomination and election of board members?			
175.	Do legislation and/or code provisions provide for shareholder input into the board member nomination/election process? Do boards of some companies seek shareholder input when it is not required?			
176.	Do any rules govern shareholder approval of remuneration for board members and key executives?			
177.	In practice, do shareholders approve general remuneration policy for board members and or management, or for the members of supervisory and or management board in a dual board system?			

**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.**

178.	In practice, do shareholders of any companies approve actual remuneration packages?			
179.	Are there provisions for shareholders to explicitly approve equity-based compensation schemes? Can this power be delegated to the board?			
180.	In your experience, are general shareholder meetings well attended?			
181.	Do retail investors typically attend the GMS?			
182.	Do institutional investors typically attend the GMS?			
183.	Do controlling shareholders tend to monopolize the meeting?			
184.	Does management “play games” with the meeting location?			
185.	Has shareholder activism succeeded in improving attendance?			

**4. Shareholders should be able to vote in person or in absentia and equal effect should be given to votes whether cast in person or in absentia.**

186.	Can shareholders vote in absentia? If yes, please explain (for example, rights to appoint a representative to vote on their behalf, with discretionary powers or as a proxy).			
187.	Is a proxy's vote fully equivalent to a vote cast by shareholders present at the meeting?			
188.	In practice, are the options for absentee voting widely used?			
189.	Are there any restrictions as to who may be appointed a proxy?		<i>(If yes, please specify, e.g. must be natural persons, shareholders, board members, etc.)</i>	
190.	Is there any requirement for a proxy appointment to be notarized?			
191.	Is electronic voting (or submission of proxies) permitted?		<i>(If so, is it done in practice?)</i>	
192.	Is voting by mail/post (or submission of proxies) permitted?		<i>(If so, is it done in practice?)</i>	
193.	Do shareholders have an effective remedy against the company if it does not provide the options prescribed by law?			

**D. Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.**

№	Question	Y/N	Response/Comments	Legal Reference or Source
194.	Do golden shares exist?			
195.	Are voting caps <sup>4</sup> allowed?			
196.	Does the corporate governance framework require or encourage companies to disclose the structure of company groups and the nature of material intra-group relations?			
197.	Are companies required to disclose:			
	a. Voting rights attached to different classes of shares			
	b. Caps on voting rights			
	c. Cross share holdings			
	d. Inter-group shareholdings (if part of a group)			
	e. Who controls the company?			
	f. When and how do companies disclose this information?			
	g. In general, how do investors get information on the voting rights attached to different kinds of shares?			
198.	What are the effective mechanisms for enforcing disclosure requirements?			
199.	Please describe the nature of typical shareholders agreements, e.g. lock-ins, selection of board chairmen, block voting and right of first refusal.			
200.	Are shareholders required to disclose shareholder agreements to the company, the authorities and/or to other shareholders?			
201.	Please overall comment effective enforcement of provisions on disclosure of capital structures and their related comprehensibility.			

<sup>4</sup> Voting caps place a limitation on voting rights regardless of shares owned.

<b>E. Markets for corporate control should be allowed to function in an efficient and transparent manner.</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
<b>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.</b>				
202.	Provide a summary of mergers and acquisitions, takeover and other restructuring activities involving listed companies over the last five years, including identity of buyers and acquires, size of transactions, and any regulatory intervention. For each instance, describe the manner of takeover: hostile takeover, friendly merger, block sale.			
203.	Did these transactions take place on or off the stock exchange?			
204.	Are there legal or regulatory restrictions affecting changes of control such as competition policy, government ownership provisions, or regulatory permission required?			
205.	Who is responsible for oversight of changes in control and what law or regulations apply?			
206.	Are there rules governing the substantial acquisition of shares?			
207.	Do these rules govern the disclosure by shareholders of ultimate beneficial ownership?			
	a. Please specify who monitors their compliance and who sanctions wrongdoers?			
208.	Are there provisions requiring bidders to offer to purchase the shares at a particular price (i.e. mandatory tender offer rules)?			
	a. If yes, does the tender have to be for 100 percent of shares?		<i>(If not, please specify threshold.)</i>	
	b. Is there a provision that minorities receive the same price as the controlling owner?			
	c. Please describe the rules that set prices at which tender offers must take place.			
	d. Do these rules apply to non-voting shareholders?			

<b>E. Markets for corporate control should be allowed to function in an efficient and transparent manner.</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
	e. In general, are shareholders of the same class treated equally during changes of control?			
	f. Please specify and provide examples of how these have operated in recent cases.			
209.	Are the plans and financing of the transaction clearly known to both the shareholders of the offering enterprise when it is a public company as well as to those of the target company? Is there sufficient time and information for stakeholders to make an informed decision?			
210.	Based on your observations, do shareholders understand their rights and recourse in changes in control?			
211.	Please comment on the efficiency of the market for corporate control in your country. Do the rules governing the substantial acquisition of shares ensure that transactions occur under fair conditions in practice?			
212.	To which authorities can shareholders appeal in pursuit of redress during changes of control? Please provide examples of any recent successful or failed attempts to pursue redress.			
213.	Are there rules and regulations governing the delisting of companies?		<i>(If so, please specify).</i>	
214.	If a controlling shareholder is unsuccessful in acquiring all the outstanding shares of a company, is there a threshold at which the outstanding shareholders can be squeezed out?		<i>(If so, please specify).</i>	
215.	Is there a specific threshold at which the minority shareholder can require the majority to buy their shares?		<i>(If yes, please specify the threshold and sell-out price).</i>	
216.	Are share buy-backs allowed?		<i>(If so, under what conditions or limitations?)</i>	
217.	Are those rules clearly articulated and disclosed?			
<b>2. Anti-take-over devices should not be used to shield management and the board from accountability.</b>				
218.	Please describe any rules, regulations, or recommendations that govern the board's behavior during a takeover.			

<b>E. Markets for corporate control should be allowed to function in an efficient and transparent manner.</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
219.	Are there any fiduciary-type duties that govern the conduct of the board during the consideration of a takeover proposal?			
220.	What powers do boards have to affect the outcome of takeover bids (such as requirements for board recommendations)?			
221.	Are 'poison pills,' 'golden parachutes,' variation of voting rights and other anti-takeover devices common?			
	a. Are they disclosed to investors?			
	b. Does their adoption/rescission require GMS approval?			

<b>F. The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
<b>1. Institutional investors acting in a fiduciary capacity should disclose their overall corporate governance and voting policies with respect to their investments, including the procedures that they have in place for deciding on the use of their voting rights.</b>				
222.	Are there any restrictions on share transfer prior to a shareholder meeting? (If yes, please specify).			
223.	Is there a date of record or reference date that establishes the list of shareholders eligible to attend the annual meeting?			
224.	Are any of these procedures considered to be a disincentive to the exercise of voting rights?			
225.	Is the institutional investment industry regulated with respect to corporate governance (e.g. fiduciary duties to policy holders and segregation of assets)? Please specify for pension funds and mutual funds.			
	a. Which supervisory authority regulates the pension fund industry?			
226.	Are institutional investors required or encouraged to disclose any aspects of their voting policies and activities? Please specify for pension funds and mutual funds.		<i>(If so, please specify to whom).</i>	

<b>F. The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
227.	Does the legal and regulatory system including court rulings, clearly recognize the duty of institutional investors acting in a fiduciary capacity to consider whether and under what conditions they should exercise the voting rights attaching to the shares held on behalf of their clients?			
228.	Do institutional investors use their share voting rights actively?		<i>(Please explain.)</i>	
<b>2. Institutional investors acting in a fiduciary capacity should disclose how they manage material conflicts of interest that may affect the exercise of key ownership rights regarding their investments.</b>				
229.	What rules are in place regarding potential conflicts of interests involving institutional investors? Examples of such conflicts include institutional investors also managing funds or providing investment banking services for portfolio companies.			
230.	Does the corporate governance framework require or encourage institutional investors to develop a policy for dealing with conflicts of interest?			
	a. Does the corporate governance framework require or encourage institutional investors to disclose these policies?			
231.	Please comment on institutional investors' compliance with the disclosure requirements.			

<b>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.</b>				
232.	Are shareholders limited in any way or prohibited from consulting with each other on corporate governance issues?			
	a. Do the rules for proxy solicitation prevent shareholders from consulting with each other (for example, to elect or remove board members)?			
	b. Do market trading rules prevent any consultations between shareholders?			

### III. THE EQUITABLE TREATMENT OF SHAREHOLDERS

The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights.

A. All shareholders of the same series of a class should be treated equally.				
No	Question	Y/N	Response/Comments	Legal Reference or Source
<b>1. Within any series of a class, all shares should carry the same rights. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase. Any changes in voting rights should be subject to approval by those classes of shares which are negatively affected.</b>				
233.	Within each share class, do all shares carry the same rights?			
234.	Are investors able to obtain information about the voting rights attached to all classes of shares before they purchase them?			
	a. If so, where can this information be obtained?			
	b. Does this information bear a cost?			
235.	Are any changes in share class rights subject to approval by class shareholders? Or by the GMS?			
236.	What are the legal actions shareholders can pursue if procedural rules have not been followed (i.e. inadequate notice of meeting)? Do they differ based on the items in the GMS agenda?			
<b>2. Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.</b>				
237.	What provisions of the law can be used by dissenting or absent shareholders to overturn or invalidate improper shareholder meeting decisions?			
238.	To the extent not discussed above, are the following legal protections available to shareholders in your jurisdiction?			
	<b>Ex ante</b>			
	a. Pre-emptive rights to acquire shares during share offerings.			
	b. Qualified majorities for certain shareholder decisions (please specify which decisions)			

<b>A. All shareholders of the same series of a class should be treated equally.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
	c. Ability to convene an extraordinary meeting of shareholders			
	d. Cumulative voting, proportional representation, or similar devices that allow (minority) shareholders to be represented on boards.			
	<b>Ex-post</b>			
	e. Shareholder lawsuits against other shareholders (for damages)			
	f. Shareholder lawsuits directly against the company (for damages)			
	g. Class action lawsuits against the company			
	h. Shareholder lawsuits against the company to overturn meeting decisions			
	i. Derivative lawsuits (shareholder suits against board members on behalf of the company)			
	j. Shareholder lawsuits directly against board members			
	k. Shareholder request for companies to carry out special investigation or audit			
	l. Shareholder request authorities (Registrar, securities regulator, etc.) to carry out special audit or investigation			
239.	What remedies are available to the shareholders? Do they include:			
	a. Monetary damages.			
	b. Injunction against the corporation or others to act in accordance with the law or the corporation's by-laws regarding the annual meeting.			
	c. Cancellation or rescission of improper contracts or conveyances.			
	d. Injunction to pay dividends.			
240.	What powers do the authorities have, such as adjudication, administrative hearings or arbitration in case of violation of shareholder rights?			
241.	How effective is the court system?			

<b>A. All shareholders of the same series of a class should be treated equally.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
242.	How long does private shareholder litigation take on average?			
243.	Can shareholders recover the cost of litigation if they are successful? What fraction of costs do they pay in the case of failure?			
244.	Do specialized commercial courts exist? If so, do they deal with cases involving shareholder disputes?			
<b>3. Votes should be cast by custodians or nominees in a manner agreed upon with the beneficial owner of the shares.</b>				
245.	Do financial institutions, which hold shares in custody for investors, provide shareholders with information concerning their options in the use of their voting rights?			
246.	Can custodians vote the shares of their clients without specific instructions?			
247.	Can beneficial owners choose whether to delegate voting rights to the custodian/nominee or give instructions on a case by case basis regarding how to vote the shares? Do the instructions legally bind the custodian/nominee?			
248.	Does the procedure mentioned above differ in the case of foreign investors?			
249.	Are the proxy materials sent out sufficiently in advance of the meeting to allow investors to make informed decisions?			
250.	How are blank votes or votes of shareholders present at the meeting who abstain counted?			
251.	Are the votes of shareholders not present at the meeting automatically cast in favor of management?			
<b>4. Impediments to cross border voting should be eliminated.</b>				
252.	Do any companies issue ADR/GDR?			
253.	Which institutions in your country act as ADR/GDR depositories?			
254.	Does the legal framework require that depositary receipt holders can issue binding voting instructions on all issues with respect to their shares to depositories?			

<b>A. All shareholders of the same series of a class should be treated equally.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
255.	Are depository voting rights disclosed clearly to the holder of depository receipts?			
256.	If any shares are held in ADR/GDR form, are there any legal impediments to their right to vote?			
257.	Are there any other impediments to cross-border voting (or complaints by foreign investors) not identified above?			
258.	Are foreign investors provided by law with sufficient notice of meetings? Does the law set a different time frame for foreign investors?			
<b>5. 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.</b>				
259.	Are there any other costs to voting not mentioned above?		<i>(If so, please specify)</i>	
260.	Are there barriers to voting for certain classes of shareholders? If so, please specify general issues or those for certain categories of shareholders.			
261.	Is voting at shareholder meetings generally done with a formal poll or is it by "show of hands"?			
262.	Do management or controlling shareholders make it difficult or expensive for minority shareholders or foreign shareholders to cast their votes?			
263.	Are companies required to communicate and make available the voting results to shareholders on a timely basis?			
264.	What legal actions can shareholders take if limits to vote are violated and/or voting results communications are not timely?			

<b>B. Insider trading and abusive self-dealing should be prohibited.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
265.	Are there legal or regulatory provisions which relate to insider trading?			

<b>B. Insider trading and abusive self-dealing should be prohibited.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
	a. Please specify the relevant rule or legislation and the penalties attached (administrative, civil or criminal).			
	b. How recent and effective is existing legislation?			
	c. Which regulatory body is responsible for enforcement?			
	d. Is enforcement of insider trading rules considered effective?			
	e. In the past five years, how many cases have been pursued, and how many have resulted in prosecution? Please provide examples.			
266.	Are board members, senior managers or controlling shareholders required to disclose transactions in their company's shares?			
	a. Is this information available in a timely manner to shareholders and stakeholders (e.g. in a newspaper or on the stock exchange website)?			
	b. Are there closed periods during which board members and executives are not entitled to deal in company shares?			
267.	Do the regulatory bodies continuously collect and analyse trading data and insider transactions in listed company?			
268.	What legal actions can shareholders and stakeholders take in the case abusive self-dealing and insider trading is detected?			

<b>C. Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
269.	Are company insiders [including members of the board (supervisory board in a two-tiered board structure) and senior managers (management board in a two-tiered board structure)] required to disclose potential conflicts of interest in transactions or matters affecting the corporation?			
	a. If yes, how are conflicts of interest defined. Do they include transactions			

**C. Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.**

№	Question	Y/N	Response/Comments	Legal Reference or Source
	involving relatives of the board member?			
	b. If yes, how, when and to whom (e.g. the board, shareholders, stock exchange, regulator) is this information disclosed?			
270.	Are there exemptions to these rules and how are they granted?			
271.	Do board members and senior management generally comply with them? Please explain and provide examples.			
272.	What are the penalties for non-compliance?			
273.	Do the disclosure requirements equally apply to large/controlling shareholders?			
274.	Are company insiders [including members of the board (supervisory board in a two-tiered board structure) and senior managers (management board in a two-tiered board structure)] required to disclose board memberships on the boards of companies, lenders or issuers?			
275.	Is the board explicitly responsible for managing conflict of interest?			
276.	Are companies permitted to make loans to senior management, boards or large shareholders?			
	<p>a. If yes, what procedures are to be followed? Be sure to address the following issues:</p> <ul style="list-style-type: none"> <li>• required approvals (by shareholder assembly/meeting, board of board members, etc.); required disclosures (to the public, to stock exchange regulator, etc.)</li> <li>• the list of parties to which such disclosures and approvals apply (senior management, board members, large shareholders, immediate family members, other family members, affiliated companies);</li> <li>• whether loan proceeds can be used to buy company shares.</li> </ul>			

## IV. THE ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE

“Stakeholders” include constituencies other than shareholders, such as employees, trade unions, creditors, customers, suppliers, consumers, and the community.

A. The rights of stakeholders that are established by law or through mutual agreements are to be respected.				
№	Question	Y/N	Response/Comments	Legal Reference or Source
277.	Do any laws provide rights to stakeholders (employees, trade unions, creditors, customers, suppliers, consumers, and the community) to participate or have input in the corporate governance of the company?			
278.	Are there voluntary codes of practice or recommendations on relations with stakeholders developed by either business or NGOs?			
	a. If so, please indicate the range of content (e.g. business ethics, human rights, the environment, bribery and corruption, employee and community relations.)			
	b. To what extent are these codes put into practice?			
	c. To what extent do major companies put into practice their own policies even where national codes may not exist?			
279.	Please provide a brief overview of labor relations and employee rights in your jurisdiction, including the structure of labour unions and the power of labour unions or works councils.			
280.	Please discuss any specific employee rights, e.g. the right to be represented on boards (supervisory board) or consultation with trade unions during restructuring.			
281.	How would you characterize the level of awareness of corporate social responsibility issues? Please provide some examples of companies that are well known for their corporate social responsibility.			

B. Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.				
№	Question	Y/N	Response/Comments	Legal Reference or Source
282.	What are the mechanisms for stakeholders to seek redress in case of violation of their rights? (Please distinguish between different stakeholders: employees, creditors, environmental groups, customers, suppliers and governments).			
283.	Can the company board members or managers be held liable for violation of stakeholder rights?			

284.	Is there any examples of stakeholders (employees, trade unions, creditors, customers, suppliers, consumers and the community) taking legal action for violation against their rights?			
	a. Please provide some examples of high profile cases in recent years.			

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

No	Question	Y/N	Response/Comments	Legal Reference or Source
285.	Are there mechanisms to allow for employees to participate in the company:		<i>(If so, please explain and provide examples.)</i>	
	a. By sharing profits			
	b. By owning shares			
	c. By owning share options			
	d. By including employee representatives on the board			
	e. By committing the company in pension plans/funds			
	f. By establishing work councils to have employee's voice heard			
	g. Are any of the above disclosed in the annual report?			
286.	If one of all of the above exist:			
	a. How are such schemes regulated?			
	b. Are they approved by shareholders at the GMS?			
	c. Are they tied to specific performance goals?			
	d. Are they disclosed in the notes to the financial statements?			
	e. Are they expensed in the income statement?			
	f. Are earnings per share calculated on a fully diluted basis?			
287.	Please describe the typical governance structure of employer sponsored pensions funds.			
	a. For employer sponsored pensions funds, are companies required to nominate a trustee capable of exercising independent judgment?			

**D. Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.**

No	Question	Y/N	Response/Comments	Legal Reference or Source
288.	Do stakeholders have special access to corporate information?		<i>(If so, please explain).</i>	
289.	Are there reporting practices, either voluntary or required, on matters relating to a company's relations with stakeholders? (e.g. publication of a social balance sheet or a discussion in the annual report on stakeholder relations.)		<i>(If so, please specify and provide examples).</i>	

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

No	Question	Y/N	Response/Comments	Legal Reference or Source
290.	Do any provisions in the law protect "whistleblowers" (employees and other stakeholders that file complaints/voice concerns regarding unethical or illegal practices by corporate officers)?			

**F. The corporate governance framework should be complemented by an effective, efficient insolvency framework and by effective enforcement of creditor rights.**

No	Question	Y/N	Response/Comments	Legal Reference or Source
291.	Please comment on your assessment of whether creditor rights are effectively enforced in your country during the normal course of business.			
292.	Please comment on whether the insolvency law favors debtors or creditors.			
293.	Does the insolvency system define the different rights of different classes of creditors?			
294.	Are there rules allowing creditors to block a dividend distribution?			
295.	If applicable, what are the notification requirements or winding up provisions if the equity capital falls below the stipulated legal capital? Does the legal regime restrict trading in the companies stock when it is effectively insolvent?			
296.	What are the circumstances whereby the board's normal duty to its shareholders and/or employees shift to creditors when a company becomes financially distressed, illiquid or unable to pay debts as they become due?			
297.	Please provide any study or documentation on the effectiveness of the insolvency			

**F. The corporate governance framework should be complemented by an effective, efficient insolvency framework and by effective enforcement of creditor rights.**

№	Question	Y/N	Response/Comments	Legal Reference or Source
	proceedings in settling creditor's disputes.			
298.	What are the redress mechanisms shareholders have when insolvency rules are violated?			

## V. DISCLOSURE AND TRANSPARENCY

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.

A. Disclosure should include, but not be limited to, material information on:				
№	Question	Y/N	Response/Comments	Legal Reference or Source
<b>1. The financial and operating results of the company.</b>				
299.	Please prepare a schedule of the requirements for periodic disclosure of financial and non-financial information by issuers.			
	a. Specify the origins of these provisions in each case (statutory, regulatory, company articles of association).			
	b. Explain to whom these disclosures should be made and with what frequency (annually, semi-annually, quarterly).			
300.	Can filing with the securities market regulator be made through electronic means (e.g. an EDGAR-type system)?		<i>(Please comment)</i>	
301.	Are companies required to publish an annual report?			
302.	Does the annual report include:			
	a. balance sheet.			
	b. profit and loss statement.			
	c. cash flow statement.			
	d. statement of changes in ownership equity.			
	e. notes to the financial statements.			
	f. an audit report.			
303.	Are companies required to submit a board report with the annual report (sometimes called a chairman's review, directors' report, management discussion and analysis, etc.)? Please provide a detailed description of the required contents (if any) of the board report. Does the board report specifically include:			
	a. management assessment of the factors that affected the company's financial condition,			
	b. known trends that may affect company's financial condition in the future.			
304.	Are companies required to file consolidated financial statements?			

<b>A. Disclosure should include, but not be limited to, material information on:</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
305.	What are the costs of compliance with reporting requirements for a typical listed company (e.g. cost of preparing necessary documentation or reports, cost of audit, cost of publishing financial statements in the official gazette, etc.) relative to the companies earnings or assets?			
	a. Do issuers believe the compliance burden is excessive?			
306.	How does the securities market regulator monitor the compliance of listed companies with reporting requirements (e.g. on-site inspection/sampling)?		<i>(Please comment and provide examples.)</i>	
	a. What are the sanctions for non-compliance? E.g. warning, fines, suspension of trading, public reprimand, restatements, civil penalties, criminal penalties, etc.			
	b. How frequently are they applied in practice? Please provide statistics over the past five years by type of sanction.			
	c. Please answer the same questions for the stock exchange.			
	d. According to market participants (issuers and investors), how effective is the supervision of information disclosure?		<i>(Please rate as "Poor," "Fair" or "Excellent.")</i>	
307.	Are there effective mechanisms for those harmed by inadequate disclosure?			
308.	How do investors perceive the general adherence of companies to the rules regarding reporting of financial and non-financial information? Please provide data on compliance, if available.		<i>(Please rate as "Poor," "Fair" or "Excellent.")</i>	
<b>2. Company objectives.</b>				
309.	Does the legal and regulatory framework require companies to disclose in detail their commercial and non-commercial objectives?			
<b>3. Major share ownership and voting rights.</b>				
310.	Please describe the requirements for ownerships information to be disclosed by owners/shareholders.			
	a. Who has the responsibility to disclose and to whom?			
	b. How is the information disclosed and disseminated?			
	c. What are the ownership thresholds of disclosure?			
	d. Does the disclosure requirements cover direct and indirect shareholding structures, including situations where shareholders are acting in concert?			
311.	Can regulatory and enforcement agencies (including the securities commission and/or banking supervisor) obtain information about ultimate ownership?			

<b>A. Disclosure should include, but not be limited to, material information on:</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
312.	Please describe the requirements for the disclosure of ownership and control by companies in their periodic disclosures:			
	a. Are companies required to disclose their significant shareholders? What are the thresholds of disclosure?			
	b. Do disclosure requirements cover direct and indirect shareholding structures, including situations where shareholders are acting in concert?			
	c. Voting rights attached to different classes of shares			
	d. Caps on voting rights			
	e. Cross share holdings			
	f. Inter-group shareholdings (if part of a group)			
	g. Who controls the company?			
	h. When and how do companies disclose this information?			
313.	Do the rules allow shareholders to understand the mechanisms of the company?			
314.	Please describe any information or impression on company compliance with these regulations.			
<b>4. Remuneration policy for members of the board and key executives, and information about board members, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board.</b>				
315.	Do companies disclose (in annual reports or shareholder's meetings) about board members:			
	a. their qualifications and other memberships?			
	b. the selection process?			
	c. their independence?			
	d. other material information?			
316.	Does the corporate governance framework require or recommend that board members and key executives periodically disclose their ownership stakes in the company?			
317.	Are board members and key executives required to disclose transactions in their company's securities on a timely basis (including transactions by their close family members or associates)?			
318.	Is disclosure of remuneration of board members and key executives required in the annual report? Please explain which elements of remuneration must be			

<b>A. Disclosure should include, but not be limited to, material information on:</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
	disclosed (salary, benefits, bonuses, share awards, stock options, loans and SARs <sup>5</sup> ) and whether these are disclosed for each individual, or in the aggregate.			
319.	Are companies required to disclose their remuneration policies?			
320.	Are companies required to disclose the link between remuneration and company performance?			
321.	Are companies required to disclose the different forms of requirements such as pension benefits and deferred remuneration?			
<b>5. Related party transactions.</b>				
322.	Are there any requirements for companies to disclose potential related party transactions before they take place?			
323.	Is there a requirement for companies to disclose information on related party transactions on a periodic basis?			
324.	Are companies required to disclose the identity of controlling shareholder(s) (even if there were no transactions between the related parties)?			
325.	When related party transactions are disclosed, are listed companies required to describe:			
	a. Type of transactions with related parties. <sup>6</sup>			
	b. Details of the transaction(s) including whether it was at market price.			
326.	What are the administrative penalties the company may incur if it does not observe related party transaction rules?			
327.	Is there a requirement to disclose borrowing from a related bank (a bank with a major shareholder in common with the company) or other related financial institution in the annual report or through another channel?			
328.	In your professional opinion, do related party transactions take place under transparent conditions, and are they sufficiently disclosed in practice? Please explain and provide examples.			
329.	Are the following entities treated as related parties? <sup>7</sup> Please indicate the legal source for each requirement (e.g. securities law, accounting regulations, listing rules, etc.)			
	a. Controlling shareholder / holding company / controlling entity			

<sup>5</sup> Stock Appreciation Rights.

<sup>6</sup> Under IAS items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the reporting enterprise.

<sup>7</sup> The following questions are based on IAS 24.

<b>A. Disclosure should include, but not be limited to, material information on:</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
	b. Company subsidiaries			
	c. Fellow subsidiaries (i.e. an entity under common control with the reporting entity).			
	d. Associates (i.e. an enterprise, other than a subsidiary or a joint venture, over which the investor has significant influence. Significant influence means the power to participate in financial and operating policy decisions. Such influence is presumed to exist if the investor owns more than 20 percent of voting rights).			
	e. Individuals who, through ownership, have significant influence over a company and close members of their families.			
	f. Key management personnel (including executive and non-executive board members) and their close families.			
	g. Enterprises in which a substantial interest is owned by any of the individuals included above.			
	h. Parties with joint control over the reporting enterprise, co-ventures with the reporting enterprise in joint venture, and close family members of those parties if they are individuals.			
	i. Linked Pension plans.			
<b>6. Foreseeable risk factors.</b>				
330.	Is there a requirement for companies to disclose in their annual reports:			
	a. their policies and procedures on risk management			
	b. their material foreseeable risk factors, including risks that are specific to the industry or geographical areas in which the company operates; dependence on commodities; financial market risk including interest rate or currency risk; risk related to derivatives and off-balance sheet transactions; and risks related to environmental liabilities			
<b>7. Issues regarding employees and other stakeholders.</b>				
331.	Is there a requirement or recommendation to disclose material issues regarding employees (e.g. human resources policies and information on other stakeholders (e.g. creditors, suppliers or local communities)?			
	a. To whom and through what channels should disclosure be made?			
<b>8. Governance structures and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</b>				
332.	Are there requirements for disclosure relating to company governance structures			

<b>A. Disclosure should include, but not be limited to, material information on:</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
	and policies? (In particular, the division of authority between shareholders, management and board members.)			
333.	Do companies regularly disclose their compliance with a code of corporate governance?			
	a. How frequently is this disclosure made?			
	b. Do they have to explain areas of non-compliance?			
	c. Does any authority confirm or audit this disclosure?			

<b>B. Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosure.</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
334.	What accounting standards are required for listed companies?			
	a. How do these compare to International Financial Reporting Standards (IFRS)? Are they a recent translation, an old translation, harmonized in some other way, or distinct?			
	b. Are there any reports or other research that compare national standards to local standards, if so please provide.			
	c. Please comment on compliance of listed companies with the Accounting Standards.			
335.	How are the domestic accounting standards determined? How often are they reviewed? When the standards were last redrafted?			
	a. What is the standard setting body and does it have the appropriate power and funding to carry out its duties?			
	b. Does it have statutory authority and resources to enable to carry out its mission?			
336.	Please describe the standard setting process and comment on it.			
337.	What determines <i>non-financial</i> disclosure by companies: accounting standards, company law, a corporate governance code, something else?			
338.	What are the mechanisms used to effectively punish companies which disclose accounting information in inadequate or misleading fashion?			

**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.**

№	Question	Y/N	Response/Comments	Legal Reference or Source
339.	Is there a requirement that listed companies have their annual financial statements externally audited?			
340.	What are audit standards used?			
	a. How do local Auditing Standards differ from the International Audit Standards?			
341.	Is the independence of the external auditor defined? If so, specify how and by which law or institution.			
342.	How do independence requirements differ with the IFAC independence requirements of the code of ethics?			
343.	Are listed firms required to rotate auditors every certain number of years?		<i>(If yes, does this apply to the specific partner in charge or to the firm?)</i>	
344.	Please describe any restrictions on non-audit services that may be carried out by auditors for their audit clients			
345.	Is there a cooling-off period before a member of the audit engagement team may accept employment with the client?		<i>(If yes, how long is this period?)</i>	
346.	Please describe the market share of the top four auditing companies for listed company audits.			
347.	Is there a second tier of reputable and quality auditing firms?			
348.	What are the licensing and certification requirements for external auditors of listed companies?			
349.	What are the educational requirements to become an auditor of listed companies?			
350.	What organization is responsible for developing and interpreting audit standards? Please briefly describe its institutional history and governance.			
	a. Is the organization responsible for setting auditing standards independent of the audit profession?			
	b. Does the organization have appropriate powers and funding to undertake the mission of setting auditing standards?			
	c. Does it consult with the public during the development of audit standards?			
	d. In general, does it appear to act in the public interest?			
351.	What organization(s) are responsible for enforcing/monitoring compliance with the audit standards?			
	a. Does the organization have appropriate powers and funding to undertake the mission of enforcing auditing standards?			

**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.**

No	Question	Y/N	Response/Comments	Legal Reference or Source
	b. Does the organization have disciplinary powers? Please provide examples of cases in the last five years and their outcome.			
	c. In general, does it appear to act in the public interest?			
	d. Do financial sector regulators get involved in approving certify the auditors working in their respective fields?			
352.	Are company's boards (or Audit Committees or equivalent body) by law or regulation required or recommended to report to the shareholders on:			
	a. Actions taken and bases upon which the oversight body deems the auditor independent and qualified?			
	b. Actions taken and bases upon which the board deems the auditor to have acted with due professional care?			
	c. The value of non-audit work completed by the auditor for the company?			

**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.**

No	Question	Y/N	Response/Comments	Legal Reference or Source
353.	Does the corporate governance framework clearly provide that external auditors are accountable to the company's shareholders in respect to the performance of their audit functions?			
354.	Who has the final authority to approve the appointment and dismissal of the external auditor (e.g. management, board, audit committee, GMS)?			
	a. In case the appointment is made by the GMS, is it your perception that shareholders always approve board recommendations?			
355.	To which company organ do auditors report (i.e. management, board, audit committee of the board)?			
356.	Is there a requirement for external auditors to inform the board, shareholders and/or the supervisory authorities about any involvement of board members or senior management in illegal activities, fraud or insider abuse?			
357.	Are auditors required to purchase an insurance policy against lawsuits?		<i>(If so, please provide details and illustrate how common it is.)</i>	
358.	Are the following liable for false or misleading statements? Please differentiate between civil and criminal liability, and between company and personal liability.			
	a. Board members/directors.			

**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.**

No	Question	Y/N	Response/Comments	Legal Reference or Source
	b. External auditors.			
	c. Senior management (CEO, CFO, etc).			
359.	Can shareholders and/or stakeholders sue external auditors?			
	a. Are there examples of auditors being sued successfully or unsuccessfully under these rules?		<i>(If so, please give examples.)</i>	
	b. Are there preset liabilities or maximum penalties in case of negligence or fraud?			
360.	Do shareholders have the right to request an independent audit at company expense if they doubt the accuracy of the auditor's findings?			

**E. Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.**

No	Question	Y/N	Response/Comments	Legal Reference or Source
361.	Does the corporate governance framework prevent selective disclosures by companies, board members and other insiders of material non-public information except for clearly defined exceptions?			
362.	Is there a requirement in securities regulations or listing rules for companies to continuously disclose all material information?			
	a. How is materiality defined?			
	b. How much time do issuers have to make disclosure of material information and to whom?			
	c. Is the announcement pre-vetted by the stock exchange?			
	d. Is trading suspended?			
	e. how do investors perceive the general adherence of companies to the disclosure requirements?			
	f. Are there effective mechanisms for those harmed by inadequate disclosure?			
363.	Please describe how can shareholders obtain the following types of information. Please comment on cost, ease of access, and availability of information.			
	a. Annual Report.			
	b. Material evident disclosure.			
	c. Articles of association.			

**E. Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.**

No	Question	Y/N	Response/Comments	Legal Reference or Source
	d. Minutes of board meetings.			
	e. Board attendance.			
	f. GMS minutes.			
364.	In practice, do companies publish the full financial statements on their websites?			
365.	Does the Stock Exchange maintain a website with information disclosed by companies?			
366.	Does the Securities and Exchange Commission maintain website information disclosed by companies?			

**F. The corporate governance framework should be complemented by an effective approach that addresses and promotes the provision of analysis or advice by analysts, brokers, rating agencies and others, that is relevant to decisions by investors, free from material conflicts of interest that might compromise the integrity of their analysis or advice.**

No	Question	Y/N	Response/Comments	Legal Reference or Source
367.	Are there credit rating agencies operating in your country?			
368.	Is there any regulation which deals with credit rating agencies' conflict of interest?			
369.	Are the regulations in adherence with the <i>IOSCO Statement of Principles regarding Activities of Credit Rating Agencies</i> of September 2003?			
370.	Are conflicts of interest of securities analysts from investment banks, brokers, rating agencies and others regulated / disclosed?			
371.	How do credit rating agencies and its analysts/employees operate independently, timely, and in a transparent manner?			
372.	Have credit rating agencies operating in your country adopted the self-regulatory code of conduct as prescribed by the <i>IOSCO Code of Conduct Fundamentals for Credit Rating Agencies</i> of December 2004?			
373.	How do the regulator, SROs, and brokerage firms ensure that their analysts' trading and financial interests are free of conflict of interest?			
374.	Do securities firms fully implement the <i>IOSCO Statement of Principles for Addressing Sell-side Securities Analyst Conflict of Interest</i> ?			
375.	What are the measures in place which ensure that analysts' potential conflict of interest is accurately identified, monitored, and timely disclosed?			
376.	Please comment on the general independence of brokerage research.			

## VI. THE RESPONSIBILITIES OF THE BOARD

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.

### A. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.

№	Question	Y/N	Response/Comments	Legal Reference or Source
377.	How does the legislation (law and regulation) define the fiduciary duties of care and loyalty for board members? In the case of two-tiered boards, please discuss each board separately.			
378.	Do board members have to act in good faith and in the interest of the company?			
379.	Please indicate and comment if any jurisprudence (court rulings) and other legal prescents have has further defined the duties of board members.			
380.	What actions can shareholders take if board members violate their fiduciary duties? Examples include direct suits, class actions, and derivative suits.			
381.	Does the legislation include a "business judgment rule," which protects board decisions if informed and disinterested?			
382.	Is board member liability insurance available? Is it mandatory?			
383.	On average/percentage, how many board members are typically covered by an insurance policy that protects them in the course of their duties as board members?			
384.	Do independent board members carry particular liabilities?			
385.	Are there cases where board members have been brought before the courts for breach of fiduciary duties?			
386.	If so, what were the sanctions? Please comment on the adequacy of the sanctions.			
387.	Are reputations of board members seriously damaged when sued in court?			

### B. Where board decisions may affect different shareholder groups differently, the board should treat all shareholders fairly.

№	Question	Y/N	Response/Comments	Legal Reference or Source
388.	What duties do boards owe to shareholders where they make a decision that may affect groups differently? In the case of two-tiered boards, please discuss each board separately.			

<b>B. Where board decisions may affect different shareholder groups differently, the board should treat all shareholders fairly.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
389.	Do minority shareholders have the right to take legal action against board members, company, and group's controlling shareholders for abusive actions taken against them?			
390.	If so, please indicate and comment any precedent in the jurisprudence.			

<b>C. The board should apply high ethical standards. It should take into account the interests of stakeholders.</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
391.	Are companies required by law, regulation, or recommended by a code to have codes of ethics?			
392.	Is the company required by law to regularly report compliance with the code of ethics?			
393.	Do companies usually have codes of ethics? If yes, are they typically posted on company websites?			
394.	Are boards required to take the interests of stakeholders (e.g. employees, creditors, consumers, suppliers, local communities) into account in making corporate decisions? In the case of two-tiered boards, please discuss each board separately.		<i>(If so, please set out the relevant provisions, and provide examples.)</i>	
395.	If so, is the related disclosure required? What enforcement mechanisms can apply?			
396.	What processes or procedures ensure that boards monitor compliance with the applicable laws (e.g. tax, competition, labor, environmental, equal opportunity, and health and safety laws)?			

<b>D. The board should fulfill certain key functions, including:</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
<b>1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.</b>				
397.	Do key board responsibilities include the following, please specify if required by law or regulation or recommended by a code in the case of two-tier boards.			

<b>D. The board should fulfill certain key functions, including:</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
	a. Reviewing and guiding corporate strategy and major plans of action.			
	b. Risk policy.			
	c. Annual budgets.			
	d. Business plans.			
	e. Setting performance objectives.			
	f. Monitoring implementation and corporate performance.			
	g. Overseeing major capital expenditures, acquisitions and divestitures.			
	h. Please provide some general comments on compliance with rules or guidelines in these areas.			
398.	Are there additional responsibilities laid out in the law, listing requirements, code of good practice, or internal company procedures?		<i>(If yes, please provide details.)</i>	
399.	What are boards required to disclose to investors about their processes leading to major acquisitions, capital expenditures, and divestitures?			
400.	Please indicate and comment on recent instances of corporate scandals and/or corporate collapses where boards did not conduct due diligence about significant expenditures and/or acquisitions.			
<b>2. Monitoring the effectiveness of the company's governance practices and making changes as needed.</b>				
401.	Is there a board or board committee within companies designated to oversee compliance with company governance standards?			
402.	If a board committee is present, please define its role and responsibilities as proscribed/recommended by law.			
403.	Do boards evaluate their performance on a regular basis and make changes as needed? In the case of two-tiered boards, please discuss each board separately.			
404.	Are boards required to disclose governance practices? Please comment on whether the information disclosed the way it is presented is meaningful to investors.			
<b>3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.</b>				
405.	What role do boards play in the selection, compensation, monitoring and replacement of key executives?		<i>(In the case of two-tiered boards, please specify the responsibilities of each board.)</i>	
406.	Are boards/companies required to have specific succession, compensation, and monitoring policies?			

<b>D. The board should fulfill certain key functions, including:</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
407.	Are there any regulators or guidelines in these practices? Please describe			
<b>4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</b>				
408.	How is executive remuneration determined?			
	a. Is there a law or regulation that sets board remuneration?			
	b. In practice how is board remuneration determined?			
	c. Is board remuneration high enough to ensure that board members devote sufficient time to their duties?			
409.	Are boards required to develop and publicly disclose a remuneration policy covering key executives and board members that aligns, and explains how it aligns, remuneration with the longer term interest of the company and its shareholders? In the case of two-tiered boards, please specify the responsibilities of each board.		<i>(If yes, please provide details.)</i>	
410.	Does the law or regulation recommend the establishment of a remuneration committee? If so, please describe its role, responsibility, and composition.			
<b>5. Ensuring a formal and transparent board nomination and election process.</b>				
411.	Explain how board members are appointed and removed, and specify where such powers reside. In the case of two-tiered boards, please discuss each board separately.			
	a. What methods are used by companies to ensure transparency of the nomination process of board members (such as providing CVs including information on board members' experience, current commitments to other companies as board members etc.)?			
	b. Are there any minimum qualifications/professional and educational background required or recommended by law for board members?			
	c. Does the law limit the number of board appointments?			
	d. In cases where a company is part of a group, are there limitations on the participation of group executives or group board members serving on multiple boards in the group?			
412.	Does the law require or recommend a Code for the establishment of a board nomination committee? If so, please describe its role, responsibility, and composition.			
413.	What is the maximum board term permitted by statute or other regulation? In the case of two-tiered boards, please discuss each board separately.			

<b>D. The board should fulfill certain key functions, including:</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
414.	Can the re-election of board members be staggered <sup>8</sup> over time?			
<b>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.</b>				
415.	Please describe the regime governing the review and approval of related party transactions. In the case of two-tiered boards, please discuss each board separately.			
	a. Please describe how the corporate governance framework defines related party transactions?			
	b. What transactions are by law defined as related party transactions? Has this list been expanded by court rulings?			
	c. By law, who reviews and approves related party transactions? And who submits related party transactions for approval?			
	d. Is there a legal threshold beyond which related party transactions require shareholders approval?			
	e. Please specify the steps/procedures the board has to take to identify, authorize and monitor related party transactions and conflicts of interest). In the case of two-tiered boards, please discuss each board separately.			
416.	Are there rules governing the conduct of board members who are connected to major shareholders or other bodies with a vested interest in the outcome of board decisions?		(	
417.	How are related party approval procedures monitored and enforced and by whom? Does the internal auditor play a role?			
418.	Can shareholders request an inspection of documents related to the transaction before it takes place?			
<b>7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</b>				
419.	Does the corporate governance framework require or encourage the board to oversee the administration of internal controls? Please specify legal or regulatory requirements.			
420.	What are the respective roles of boards and executive managers in the financial reporting process?			
421.	Does the law, regulation, or regulatory recommendation identify the main			

<sup>8</sup> Staggered boards are those where only a part of the board is (re)elected at each election.

<b>D. The board should fulfill certain key functions, including:</b>				
<b>№</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
	components of internal controls?			
422.	Does the corporate governance framework require companies to establish internal audit departments/functions?			
423.	Does the corporate governance framework indicate who the internal audit function should report to (a specific board committee, the board itself, or the CEO)?			
424.	Can the head of internal audit attend board or audit committee's meetings?			
425.	How do the internal auditors relate with external auditors? Is the board or management required to officially certify the final statements. Please describe;			
426.	Does the corporate governance framework require the board to manage the overall relationship with the external auditors so as to be reasonably satisfied that the audit of the financial statements has been conducted in an independent and competent manner?			
427.	Are there statutory or regulatory requirements to set up a committee of shareholders to oversee the governing bodies, such as a fiscal board or audit commission?		<i>(If yes, please specify.)</i>	
428.	How are they selected?			
429.	What are their powers and duties?			
430.	Do their decisions have to be unanimous or can dissenting voices be communicated to shareholders?			
431.	Do they have other duties apart from oversight of financial accounts?		<i>(If yes, please specify.)</i>	
432.	Does the corporate governance framework require or encourage boards to set up internal programmes and procedures to promote compliance with applicable laws, regulations and standards, including the company's code of ethics?			
<b>8. Overseeing the process of disclosure and communications.</b>				
433.	Are boards (in the case of two-tiered boards, please discuss each board separately) required by law, regulation or listing rule to oversee the process of disclosure and communications?			

<b>E. The board should be able to exercise objective independent judgment on corporate affairs.</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
<b>1. Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgment 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.</b>				
434.	Are there any rules or recommendations regarding the composition of boards, e.g. on the balance between executive and non executive board members?		<i>(Please describe.)</i>	
435.	In case of two tier board system, please describe the rules governing the supervisory board?			
436.	Is there a requirement for independent board members on (supervisory) boards?			
437.	If so, how is independence defined (for example under law, regulation or good practice recommendations by professional bodies)?			
438.	Is the CEO role separated from the Board chairman role?			
439.	In your opinion, are the current arrangements sufficient to ensure the (supervisory) board's independence vis-à-vis management? Can boards exercise judgment independently from controlling shareholders?		<i>(If no, please comment.)</i>	
440.	Are shadow directors/board members (i.e. controlling shareholders who do not sit on boards but de facto act as board members) regulated?		<i>(If yes, please describe.)</i>	
441.	Are independent board members involved in the company's relationship with the external auditor? If so, at what level and how?			
442.	How would you characterize the typical power relationships between management, minority shareholders, majority shareholders, the State, other stakeholders and boards?			
<b>2. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</b>				
443.	Is it customary for companies to set up (supervisory) board sub-committees? (e.g. audit, remuneration/compensation, nomination, risk management, corporate governance or other). Please explain whether there are statutory or regulatory requirements or good practice recommendations to set up such committees.		<i>(If so, please specify.)</i>	
444.	When board committees are established, are their mandate, composition and working procedures well-defined and disclosed by the boards?			
445.	Are there any specific committee composition requirements e.g. a minimum number of non-executive board members or independent board members?			
446.	Please comment on practices and the effectiveness of such structures.			
447.	If an audit committee of the board is required by law or regulation or recommended by a corporate governance code, please answer the following:			
448.	How is the audit committee members selected?			
449.	Is there a legislative requirement for Audit Committee members to be			

<b>E. The board should be able to exercise objective independent judgment on corporate affairs.</b>				
<b>No</b>	<b>Question</b>	<b>Y/N</b>	<b>Response/Comments</b>	<b>Legal Reference or Source</b>
	"independent" of management and how is the word independent defined in the law?			
450.	Are there size requirements for the audit committee?			
451.	Are members of the audit committees full board members with voting rights?			
452.	Are there any rules regarding the composition of the audit committee, i.e. stipulating a certain number of percentages of non-executive board members or requiring a financial expert?			
453.	Is there annual performance evaluation of the audit committee?			
454.	What are the duties and responsibilities of the audit committee?			
455.	Specifically, please comment the committee's role on conflict of interest, external auditor selection, internal control/audit monitoring.			
<b>3. Board members should be able to commit themselves effectively to their responsibilities.</b>				
456.	Are there any rules or recommendations regarding the maximum number of board positions that can be held by any individual?		<i>(If so, please specify and provide examples.)</i>	
457.	Is there a requirement that board members disclose:		<i>(If so, please specify.)</i>	
	a. their attendance at board meetings;			
	b. length of service;			
	c. basic information about primary employment;			
	d. other board position held currently;			
	e. any other work undertaken on behalf of the board and the associated remuneration?			
458.	Are there requirements for boards to meet regularly?		<i>(If yes, please specify.)</i>	
459.	Is there an institutional organization (e.g. chamber of commerce, institute of directors) which provides recommendations on good practice?			
460.	Does any institutional organization provide training for board members? Please comment on types of trainings board members are offered / required to attend, and frequency.			
461.	Is there a formal process of board member accreditation?			

**F. In order to fulfill their responsibilities, board members should have access to accurate, relevant and timely information.**

№	Question	Y/N	Response/Comments	Legal Reference or Source
462.	Do non-executive and independent board members have the right and ability to obtain relevant information on the corporation on a timely and regular basis?		<i>(If not, please comment and provide examples.)</i>	
463.	Does the company's code of ethics prohibit withholding or delayed disclosure of relevant information to the board?			
464.	If so, what are the mechanisms board members have at their disposal to enforce such provisions?			
465.	Do boards and individual members have access to professional advice at the expense of the corporation in regard to company matters?		<i>(If yes, please provide examples of when this has been used.)</i>	

## **VII. COMMENTS ON THE TEMPLATE**

Please provide suggestions as to the content of this template. Are there any additional questions which would assist the assessment process? Please provide suggestions on structuring and wording.

## VIII. GLOSSARY

*ADR:* American Depositary Receipt. A special, negotiable certificate issued by a US depository bank which represents a specific number of shares of stock issued in a foreign country and traded on a US stock exchange.

*GMS:* General Meeting of Shareholders. A company gathering, usually held at the end of each fiscal year, at which shareholders and management discuss the previous year and the outlook for the future, board members are elected and other shareholder concerns are addressed.

*Business judgment rule:* Rule granting board members of publicly listed companies' immunity from liability if their actions were executed in good faith, using sound business judgment and exercised with reasonable care.

*Cash flow rights:* In the context used, cash flow rights refer to the right to receive dividends, relating to the ownership of the firm; as opposed to voting rights which relate to control of the firm.

*Central Depository:* A facility for holding securities, either in certificated or uncertificated form, which enables book entry transfer of those securities. It may perform comparison and clearance functions in addition to safekeeping.

*Class action lawsuits:* A lawsuit filed by one or more persons on behalf of a group of individuals all having the same grievance.

*Derivative suits:* A lawsuit brought by a shareholder on behalf of a corporation to protect the corporation from wrongs committed against it.

*EDGAR:* The U.S. Securities and Exchange commission's Electronic Data Gathering, Analysis, and Retrieval system, used by all public companies to electronically transmit required filings and ongoing disclosure obligations.

*Statutory examiner (also known as a fiscal board, comisario, censor, revisor fiscal, sindico):* Civil law concept. Refers to a person or group of persons appointed by shareholders, other than the board, who monitor management and review financial reporting on behalf of shareholders. They may sometimes play a complementary role in protecting the interests of particularly vulnerable minorities, such as non-voting shares. However, they are not a substitute for the audit committee of the board.

*GDR:* Global Depositary Receipt. A negotiable certificate held in the bank of one country representing a specific number of shares of a stock traded on an exchange of another country. This makes it easier for individuals to invest in foreign companies, due to the widespread availability of price information, lower transaction costs, and timely dividend distributions.

*Supervisory Authority:* The principle government regulator of the securities market, in many countries called "securities commission" or "securities regulator".

*Turnover ratio:* Trading volume during the year as a percentage of market capitalization as of the end of the year.