



ICGN GLOBAL GOVERNANCE PRINCIPLES MATRIX

Non compliant	Partly Compliant	Fully compliant	Non available/ applicable

- The ICGN Global Governance Principles (“the Principles”) describe the responsibilities of boards of directors and investors respectively, and aim to enhance dialogue between the two parties. They embody ICGN’s mission to inspire effective standards of governance and to advance efficient markets world-wide. The Principles are the ICGN’s primary standard for well governed companies and set the framework for a global work program focused around influencing public policy, connecting peers around the world and informing governance debate.
- The combination of responsibilities of boards of directors and investors in a single set of Principles emphasizes a mutual interest in protecting and generating sustainable corporate value.
- Sustainability implies that the company must manage effectively the governance, social and environmental aspects of its activities as well as financial operations. In doing so, companies should aspire to meet the cost of capital invested and generate a return over and above such capital.
This is achievable if the focus on economic returns and strategic planning includes the effective management of company relationships with stakeholders such as employees, suppliers, customers, local communities and the environment as a whole.
- First initiated at the founding of the ICGN in 1995, this is the fourth edition of the Principles. They generally reflect the views of the ICGN membership, the majority being institutional investors (asset owners and asset managers) responsible for assets under management in excess of US\$26 trillion. The recommendations are therefore substantively developed from an investor perspective, while taking into account other relevant parties including company directors, professional advisors and the standard-setting community.



Principle	Compliance level	Explanation	Relevance
<p>The board of directors act on an informed basis and in the best long term interests of the company with good faith, care and diligence, for the benefit of shareholders, while having regard to relevant stakeholders.</p>			
<p>The board of directors is accountable to investors and relevant stakeholders and responsible for protecting and generating sustainable value over the long term.</p> <p>In fulfilling the role effectively, board members:</p>			
<p>a) guide, review and approve corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments;</p>			
<p>b) monitor the effectiveness of the company's governance, environmental impacts, and social practices, and adhere to applicable laws;</p>			
<p>c) embody high standards of business ethics and oversee the implementation of codes of conduct that engender a corporate culture of integrity;</p>			
<p>d) oversee the management of potential conflicts of interest, such as those which may arise around related party transactions;</p>			
<p>e) oversee the integrity of the company's accounting and reporting systems, its compliance with internationally accepted standards, the effectiveness of its systems of internal control, and the independence of the external audit process;</p>			



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f) oversee the implementation of effective risk management and proactively review the risk management approach and policies annually or with any significant business change;			
g) ensure a formal, fair and transparent process for nomination, election and evaluation of directors;			
h) appoint and, if necessary, remove the chief executive officer (CEO) and develop succession plans;			
i) align CEO and senior management remuneration with the longer term interests of the company and its investors; and			
j) conduct an objective board evaluation on a regular basis, consistently seeking to enhance board effectiveness.			
<p>1.3 Dialogue</p> <p>The board of directors make available communication channels for dialogue on governance matters with investors and stakeholders as appropriate. Board can clearly explain such procedures to investors including guidance relating to compliance with disclosure and other relevant market rules.</p>			
<p>1.4 Commitment</p> <p>The board of directors meets regularly to discharge its duties and directors allocate adequate time to meeting preparation and attendance. Board members know the business, its operations and senior management well enough to contribute effectively to board discussions and decisions.</p>			



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<p>1.5 Directorships The number, and nature, of board appointments an individual director holds (particularly the chair and executive directors) are carefully considered and reviewed on a regular basis and the degree to which each individual director has the capacity to undertake multiple directorships are clearly disclosed.</p>			
<p>1.6 Induction There is a formal process of induction for all new directors so that they are well-informed about the company as soon as possible after their appointment. Directors are also enabled to regularly refresh their skills and knowledge to discharge their responsibilities.</p>			
<p>1.7 Committees Committees are established to deliberate on issues such as audit, remuneration and nomination. Where the board chooses not to establish such committees, the board discloses the fact and the procedures it employs to discharge its duties and responsibilities effectively.</p>			
<p>1.8 Advice The board of directors receive advice on its responsibilities under relevant law and regulation, usually from the company secretary or an in-house general counsel. In addition, the board has access to independent advice as appropriate and at the company's expense.</p>			



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<p>2.1 Chair and CEO The board of directors has independent leadership. There is a clear division of responsibilities between the chairmanship of the board and the executive management of the company's business.</p>			
<p>2.2 Lead independent director The chair is independent on the date of appointment. If the chair is not independent, the company should adopt an appropriate structure to mitigate any potential challenges arising from this, such as the appointment of a lead independent director. In that case the board should explain the reasons why this leadership structure is appropriate and keep the structure under review.</p>			
<p>2.3 Succession If the board of directors decides that a CEO should succeed to become chair, the board should communicate appropriately with owners in advance setting out a convincing rationale and providing detailed explanation in the annual report.</p>			
<p>2.4 Effectiveness The chair is responsible for leadership of the board of directors and ensuring its effectiveness. The chair is ensuring a culture of openness and constructive debate that allows a range of views to be expressed. This includes setting an appropriate board agenda and ensuring adequate time is available for discussion of all agenda items. There are also opportunities for the board to hear from an appropriate range of senior management.</p>			



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<p>2.5 Independence</p> <p>The board of directors identifies in the annual report the names of the directors considered by the board to be independent and who are able to exercise independent judgment free from any external influence. The board states its reasons if it determines that a director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, including if the director:</p>			
<p>is or has been employed in an executive capacity by the company or a subsidiary and there has not been an appropriate period between ceasing such employment and serving on the board;</p>			
<p>is or has within an appropriate period been a partner, director or senior employee of a provider of material professional or contractual services to the company or any of its subsidiaries;</p>			
<p>receives or has received additional remuneration from the company apart from a director's fee, participates in the company's share option plan or a performance-related pay scheme, or is a member of the company's pension scheme;</p>			
<p>has or had close family ties with any of the company's advisers, directors or senior management;</p>			
<p>holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;</p>			



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is a significant shareholder of the company, or an officer of, or otherwise associated with, a significant shareholder of the company;			
is or has been a nominee director as a representative of minority shareholders or the state;			
has been a director of the company for such a period that his independence may have become compromised.			
<p>2.6 Independent meetings</p> <p>The chair regularly holds meetings with the non-executive directors without executive directors present. In addition, the non-executive directors should meet as appropriate, and at least annually, without the chair present.</p>			



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<p>3.1 Composition The board of directors is comprised of a majority of non-executive directors, the majority of whom are independent, noting that practice may legitimately vary from this standard in controlled companies where a critical mass of the board is preferred to be independent. There is a sufficient mix of individuals with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion and objective decision-making.</p>			
<p>3.2 Diversity There is a policy on diversity which includes measurable targets for achieving appropriate diversity within its senior management and board (both executive and non-executive) and report on progress made in achieving such targets. Aspects of diversity include gender, nationality, and special skills required by the board.</p>			
<p>3.3 Tenure Non-executive directors should serve for an appropriate length of time to properly serve without compromising the independence of the board. The length of tenure of each director should be reviewed regularly by the nomination committee to allow for refreshment and diversity.</p>			
<p>3.4 Appointment process The process for director nomination and election/re-election should be disclosed, along with information about board candidates which includes:</p>			
<p>a) board member identities and rationale for appointment;</p>			



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b) core competencies, qualifications, and professional background;			
c) recent and current board and management mandates at other companies, as well as significant roles on non-profit/charitable organizations;			
d) factors affecting independence, including relationship(s) with controlling shareholders;			
e) length of tenure;			
f) board and committee meeting attendance; and			
g) any shareholdings in the company.			
<p>3.5 Nominations</p> <p>Shareholders are able to nominate candidates for board appointment. Such candidacies should be proposed to the appropriate board committee and, subject to an appropriate nomination threshold, be nominated directly on the company's proxy.</p>			
<p>3.6 Elections</p> <p>Board directors should be conscious of their accountability to investors. Accountability mechanisms may require directors to stand for election on an annual basis or to stand for election at least once every three years. Shareholders should have a separate vote on the election of each director, with each candidate approved by a simple majority of shares voted.</p>			



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<p>3.7 Evaluation The nomination committee should evaluate the process for a rigorous review of the performance of the individual directors, the company secretary (where such a position exists), the board's committees and the board as a whole prior to being proposed for re-election. The board of directors should also periodically (preferably every three years) engage an independent outside consultant to undertake the evaluation.</p> <p>The non-executive directors, led by the lead independent director, should be responsible for performance evaluation of the chair, taking into account the views of executive officers. The board should disclose the process for evaluation and, as far as reasonably possible, any material issues of relevance arising from the conclusions and any action taken as a consequence.</p>			
<p>3.8 Nomination committee A nomination committee should be comprised of non-executive directors, the majority of whom are independent. The main role and responsibilities of the nomination committee should be described in the committee's terms of reference. This includes:</p>			
<p>a) developing a skills matrix, by preparing a description of the desired roles, experience and capabilities required for each appointment, and then evaluating board composition.</p>			
<p>b) leading the process for board appointments and putting forward recommendations to shareholders on directors to be elected and re-elected;</p>			
<p>c) upholding the principle of director independence by addressing conflicts of interest (and potential conflicts of interest) among committee members and between the committee and its advisors during the nomination process;</p>			



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d) considering and being responsible for the appointment of independent consultants for recruitment or evaluation, including their selection, and terms of engagement and publicly disclosing their identity and consulting fees;			
e) entering into dialogue with shareholders on the subject of board nominations either directly or via the board; and			
f) board succession planning.			



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<p>4.1 Codes of conduct/ethics High standards of business ethics should be adopted through codes of conduct/ethics (or similar instruments) and oversee a culture of integrity, notwithstanding differing ethical norms and legal standards in various countries. This should permeate all aspects of the company's operations, ensuring that its vision, mission, business model and objectives are ethically sound and demonstrative of its values. Codes should be effectively communicated and integrated into the company's strategy and operations, including risk management systems and remuneration structures.</p>			
<p>4.2 Bribery and corruption The board of directors should ensure that management has implemented appropriately stringent policies and procedures to mitigate the risk of bribery and corruption or other malfeasance. Such policies and procedures should be communicated to investors and other interested parties.</p>			
<p>4.3 Whistle-blowing There should be an independent, confidential mechanism whereby an employee, supplier or other stakeholder can raise (without fear of retribution) issues of particular concern with regard to potential or suspected breaches of a company's code of ethics or local law.</p>			
<p>4.4 Political lobbying In jurisdictions where corporate political donations are allowed, a policy should exist on political engagement, covering lobbying and donations to political causes or candidates where allowed under law. The policy should ensure that the benefits and risks of the approach taken are understood, monitored, transparent and regularly reviewed.</p>			



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<p>4.5 Employee share dealing</p> <p>There should be clear rules regarding any trading by directors and employees in the company's own securities. Individuals should not benefit directly or indirectly from knowledge which is not generally available to the market.</p>			
<p>4.6 Behavior and conduct</p> <p>A corporate culture should be fostered which ensures that employees understand their responsibility for appropriate behavior. There should be appropriate board level and staff training in all aspects relating to corporate culture and ethics. Due diligence and monitoring programs should be in place to enable staff to understand relevant codes of conduct and apply them effectively to avoid company involvement in inappropriate behavior.</p>			



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<p>5.1 Proactive oversight The board of directors should proactively oversee, review and approve the approach to risk management regularly or with any significant business change and satisfy itself that the approach is functioning effectively. Strategy and risk are inseparable and should permeate all board discussions and, as such, the board should consider a range of plausible outcomes that could result from its decision-making and actions needed to manage those outcomes.</p>			
<p>5.2 Comprehensive approach A comprehensive approach to the oversight of risk which includes all material aspects of risk should be adopted, including financial, strategic, operational, environmental, and social risks (including political and legal ramifications of such risks), as well as any reputational consequences.</p>			
<p>5.3 Risk culture The board of directors should lead by example and foster an effective risk culture that encourages openness and constructive challenge of judgments and assumptions. The company's culture with regard to risk and the process by which issues are escalated and de-escalated within the company should be evaluated periodically.</p>			
<p>5.4 Dynamic process Risk should be reflected in the company's strategy and capital allocation. It should be managed accordingly in a rational, appropriately independent, dynamic and forward-looking way. This process of managing risks should be continual and include consideration of a range of plausible impacts.</p>			



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<p>5.5 Risk committee While ultimate responsibility for a company's risk management approach rests with the full board, having a risk committee (be it a stand-alone risk committee, a combined risk committee with nomination and governance, strategy, audit or other) can be an effective mechanism to bring the transparency, focus and independent judgment needed to oversee the company's risk management approach.</p>			



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<p>6.1 Alignment</p> <p>Remuneration should be designed to effectively align the interests of the CEO and executive officers with those of the company and its investors. The board is responsible to ensure that remuneration should be reasonable and equitable in both structure and quantum, and should be determined within the context of the company as a whole.</p>			
<p>6.2 Performance</p> <p>Performance measurement should integrate risk considerations so that there are no rewards for taking inappropriate risks at the expense of the company and its investors. Performance related elements should be rigorous and measured over timescales, and with methodologies which help ensure that performance pay is directly correlated with sustained value creation. Companies should include provisions in their incentive plans that enable them to withhold the payment of any sum ('malus'), or recover sums paid ('clawback'), in the event of serious misconduct or a material misstatement in the company's financial statements.</p>			
<p>6.3 Disclosure</p> <p>A clear, understandable and comprehensive remuneration policy should be disclosed, which is aligned with the company's long-term strategic objectives. The remuneration report should also describe how awards granted to individual directors and the CEO were determined and deemed appropriate in the context of the company's underlying performance in any given year. This extends to non-cash items such as director and officer insurance, fringe benefits and terms of severance packages if any.</p>			



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<p>6.4 Share ownership</p> <p>The company policy concerning ownership of shares by the CEO and executive officers should be disclosed. This should include the company policy as to how share ownership requirements are to be achieved and for how long they are to be retained. The use of derivatives or other structures that enable the hedging of an individual's exposure to the company's shares should be discouraged.</p>			
<p>6.5 Shareholder approval</p> <p>Shareholders should have an opportunity to vote on the remuneration policies, particularly where significant change to remuneration structures is proposed or where significant numbers of shareholders have opposed a remuneration resolution. In particular, share-based remuneration plans should be subject to shareholder approval before being implemented.</p>			
<p>6 Employee incentives</p> <p>Remuneration structures for company employees should reinforce, and not undermine, sustained value creation. Performance-based remuneration for staff should incorporate risk, including measuring risk-adjusted returns, to help ensure that no inappropriate or unintended risks are being incentivized. While a major component of most employee incentive remuneration is likely to be cash-based, these programs should be designed and implemented in a manner consistent with the company's long-term performance drivers.</p>			
<p>6.7 Non-executive director pay</p> <p>Pay for a non-executive director and/or a non-executive chair should be structured in a way which ensures independence, objectivity, and alignment with investors' interests. Performance-based pay should not be granted to non-executive directors and non-executive chairs.</p>			



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<p>6.8 Remuneration committee A remuneration committee should be established and comprised of non-executive directors, the majority of whom are independent. The main role and responsibilities of the remuneration committee should be described in the committee terms of reference. This includes:</p>			
<p>a) determining and recommending to the board the remuneration philosophy and policy of the company;</p>			
<p>b) designing, implementing, monitoring and evaluating short-term and long-term share-based incentives and other benefits schemes including pension arrangements, for all executive officers;</p>			
<p>c) ensuring that conflicts of interest among committee members and between the committee and its advisors are identified and avoided;</p>			
<p>d) appointing any independent remuneration consultant including their selection and terms of engagement and disclosing their identity and consulting fees; and</p>			
<p>e) maintaining appropriate communication with shareholders on the subject of remuneration either directly or via the board.</p>			



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<p>7.1 Comprehensive disclosure</p> <p>A balanced and understandable assessment of the company's position and prospects should be presented in the annual report and accounts in order for investors to be able to assess the company's performance, business model, strategy and long-term prospects.</p>			
<p>7.2 Materiality</p> <p>Relevant and material information should be disclosed on a timely basis so as to allow investors to take into account information which assists in identifying risks and sources of wealth creation. Issues material to investors should be set out succinctly in the annual report, or equivalent disclosures, and approved by the board itself.</p>			
<p>7.3 Affirmation</p> <p>The board of directors should affirm that the company's annual report and accounts present a true and fair view of the company's position and prospects. As appropriate, taking into account statutory and regulatory obligations in each jurisdiction, the information provided in the annual report and accounts should:</p>			
<p>a) be relevant to investment decisions, enabling investors to evaluate risks, past and present performance, and to draw inferences regarding future performance;</p>			
<p>b) enable investors, who put up the risk capital, to fulfill their responsibilities as owners to assess company management and the strategies adopted;</p>			



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c) be a faithful representation of the events it purports to represent;			
d) generally be neutral and report activity in a fair and unbiased way except where there is uncertainty. Prudence should prevail such that assets and income are not overstated and liabilities and expenses are not understated. There should be substance over form. Any off-balance sheet items should be appropriately disclosed;			
e) be verifiable so that when a systematic approach and methodology is used the same conclusion is reached;			
f) be presented in a way that enables comparisons to be drawn of both the entity's performance over time and against other entities; and			
g) recognize the 'matching principle' which requires that expenses are matched with revenues.			
<p>7.4 Solvency risk</p> <p>The board of directors should confirm in the annual report that it has carried out a robust assessment of the state of affairs of the company and any material risks, including to its solvency and liquidity that would threaten its viability. The board should state whether, in its opinion, the company will be able to meet its liabilities as they fall due and continue in operation for the foreseeable future, explaining any supporting assumptions and risks or uncertainties relevant to that and how they are being managed. In particular, disclosure on risk should include a description of:</p>			



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a) risk in the context of the company's strategy;			
b) risk to returns expected by investors with a focus on key consequences;			
c) risk oversight approach and processes; d) how lessons learnt have been applied to improve future outcomes; and			
e) the principal risks to the company's business model and the achievement of its strategic objectives, including risks that could threaten its viability.			
<p>7.5 Non-financial information</p> <p>An integrated report that puts historical performance into context should be published and portray the risks, opportunities and prospects for the company in the future, helping investors and stakeholders understand a company's strategic objectives and its progress towards meeting them. Such disclosures should:</p>			
a) be linked to the company's business model;			
b) be genuinely informative and include forward-looking elements where this will enhance understanding;			
c) describe the company's strategy, and associated risks and opportunities, and explain the board's role in assessing and overseeing strategy and the management of risks and opportunities;			
d) be accessible and appropriately integrated with other information that enables investors to obtain a picture of the whole company;			

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e) include environmental, social and governance related information that is material to the company's strategy and performance;			
f) use key performance indicators that are linked to strategy and facilitate comparisons;			
g) use objective metrics where they apply and evidence-based estimates where they do not; and			
h) be strengthened where possible by independent assurance that is carried out annually having regard to established disclosure standards.			
<p>7.6 Internal controls</p> <p>The board of directors should oversee the establishment and maintenance of an effective system of internal control which should be measured against internationally accepted standards of internal audit and tested periodically for its adequacy. Where an internal audit function has not been established, full reasons for this should be disclosed in the annual report, as well as an explanation of how adequate assurance of the effectiveness of the system of internal controls has been obtained.</p>			
<p>7.7 Independent external audit</p> <p>The report from the external auditor should provide an independent and objective opinion whether the accounts give a true and fair view of the financial position and performance of the company. The engagement partner should be named in the audit report and the company should publish its policy on audit firm rotation. If the auditor resigns then the reasons for the resignation should be publicly disclosed by the resigning auditor.</p>			

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<p>7.8 Non-audit fees The audit committee should, as far as practicable, approve any non-audit services and related fees provided by the external auditor to ensure that they do not compromise auditor independence. The non-audit fees should be disclosed in the annual report with explanations where appropriate. Non-audit fees should normally be less than the audit fee and, if not, there should be a clear explanation as to why it was necessary for the auditor to provide these services and how the independence and objectivity of the audit was assured.</p>			
<p>7.9 Audit committee The audit committee should be comprised of non-executive directors, the majority of whom are independent. At least one member of the audit committee should have recent and relevant financial experience. The chair of the board should not be the chair of the audit committee, other than in exceptional circumstances which should be explained in the annual report. The main role and responsibilities of the audit committee should be described in the committee's terms of reference. This includes:</p>			
<p>a) monitoring the integrity of the accounts and any formal announcements relating to the company's financial performance, and reviewing significant financial reporting judgments contained in them;</p>			
<p>b) maintaining oversight of key accounting policies and accounting judgments which should be in accordance with generally accepted international accounting standards, and disclosing such policies in the notes to the company's accounts</p>			
<p>c) agreeing the minimum scope of the audit as prescribed by applicable law and any further assurance that the company needs. Shareholders (who satisfy a reasonable threshold shareholding) should have the opportunity to expand the scope of the forthcoming audit or discuss the results of the completed audit should they wish to;</p>			

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<p>d) assuring itself of the quality of the audit carried out by the external auditors and assessing the effectiveness and independence of the auditor each year. This includes overseeing the appointment, reappointment and, if necessary, the removal of the external auditor and the remuneration of the auditor. There should be transparency in advance when the audit is to be tendered so that investors can engage with the company in relation to the process should they so wish;</p>			
<p>e) having appropriate dialogue with the external auditor without management present and overseeing the interaction between management and the external auditor, including reviewing the management letter provided by the external auditors and overseeing management's response; and</p>			
<p>f) reporting on its work and conclusions in the annual report.</p>			



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<p>8.1 Shareholder identification The company should maintain a record of the registered owners of its shares or those holding voting rights over its shares. Registered shareholders, or their agents, should provide the company (where anonymity rules do not preclude this) with the identity of beneficial owners or holders of voting rights when requested in a timely manner. Shareholders should be able to review this record of registered owners of shares or those holding voting rights over shares.</p>			
<p>8.2 Notice The general meeting agenda should be posted on the company’s website at least one month prior to the meeting taking place. The agenda should be clear and properly itemized and include the date and location of the meeting as well as information regarding the issues to be decided at the meeting.</p>			
<p>8.3 Vote deadline A date by which shareholders should cast their voting instructions should be clearly published. The practice of share blocking or requirements for lengthy share holdings should be discontinued.</p>			
<p>8.4 Vote mechanisms Efficient and accessible voting mechanisms should be promoted that allow shareholders to participate in general meetings either in person or remotely (preferably by electronic means or by post) and should not impose unnecessary hurdles.</p>			



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<p>8.5 Vote disclosure</p> <p>Equal effect should be given to votes whether cast in person or in absentia and all votes should be properly counted and recorded via ballot. The outcome of the vote, the vote instruction (reported separately for, against or abstain) and voting levels for each resolution should be published promptly after the meeting on the company website. If a board- endorsed resolution has been opposed by a significant proportion of votes, the company should explain subsequently what actions were taken to understand and respond to the concerns that led shareholders to vote against the board’s recommendation.</p>			



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<p>9.1 Share classes Sufficient information about the material attributes of all of the company's classes and series of shares should be disclosed on a timely basis. Ordinary or common shares should feature one vote for each share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power disproportionate to their economic interests should be disclosed and explained. Dual class share structures should be kept under review and should be accompanied by commensurate extra protections for minority shareholders, particularly in the event of a takeover bid.</p>			
<p>9.2 Major decisions Shareholders should have the right to vote on major decisions which may change the nature of the company in which they have invested. Such rights should be clearly described in the company's governing documents and include:</p>			
<p>a) amendments to governing documents of the company such as articles or by-laws;</p>			
<p>b) company share repurchases (buy-backs);</p>			
<p>c) any new share issues. The board should be mindful of dilution of existing shareholders and provide full explanations where pre-emption rights are not offered;</p>			
<p>d) shareholder rights plans ('poison pills') or other structures that act as anti-takeover mechanisms. Only non-conflicted shareholders should be entitled to vote on such plans and the vote should be binding. Plans should be time limited and put periodically to shareholders for re-approval;</p>			



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e) proposals to change the voting rights of different series and classes of shares; and			
f) material and extraordinary transactions such as mergers and acquisitions.			
<p>9.3 Conflicts of interest</p> <p>Policies and procedures on conflicts of interest should be established, understood and implemented by directors, management, employees and other relevant parties. If a director has an interest in a matter under consideration by the board, then the director should promptly declare such an interest and be precluded from voting on the subject or exerting influence.</p>			
<p>9.4 Related party transactions</p> <p>The process for reviewing and monitoring related party transactions should be disclosed. For significant transactions, a committee of independent directors should be established to vet and approve the transaction. This can be a separate committee or an existing committee comprised of independent directors, for example the audit committee. The committee should review significant related party transactions to determine whether they are in the best interests of the company and, if so, to determine what terms are fair and reasonable. The conclusion of committee deliberations on significant related party transactions should be disclosed in the company's annual report to shareholders.</p>			



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<p>9.5 Shareholder approval</p> <p>Shareholders should have the right to approve significant related party transactions and this should be based on the approval of a majority of disinterested shareholders. The board should submit the transaction for shareholder approval and disclose (both before concluding the transaction and in the company's annual report):</p>			
<p>a) the identity of the ultimate beneficiaries including, any controlling owner and any party affiliated with the controlling owner with any direct/indirect ownership interest in the company;</p>			
<p>b) other businesses in which the controlling shareholder has a significant interest; and</p>			
<p>c) shareholder agreements (e.g. commitments to related party payments such as license fees, service agreements and loans).</p>			
<p>9.6 Shareholder questions</p> <p>There should be a reasonable opportunity for the shareholders as a whole at a general meeting to ask questions about or make comments on the management of the company, and to ask the external auditor questions related to the audit.</p>			
<p>9.7 Shareholder resolutions</p> <p>Shareholders should have the right to place items on the agenda of general meetings, and to propose resolutions subject to reasonable limitations. Shareholders should be enabled to work together to make such a proposal.</p>			



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<p>9.8 Shareholder meetings Shareholders, of a specified portion of its outstanding shares or a specified number of shareholders, should have the right to call a meeting of shareholders for the purpose of transacting the legitimate business of the company.</p>			
<p>9.9 Thresholds Any threshold associated with shareholder resolutions, shareholder proposals or other such participation, should balance the need to ensure the matter under consideration is likely to be of importance to all shareholders and not only a small minority.</p>			
<p>9.10 Equality and redress Shareholders of the same series or class should be treated equally and afforded protection against abusive or oppressive conduct by the company or its management, including market manipulation, false or misleading information, material omissions and insider trading. 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. Proper remedies and procedural rules should be put in place to make the protection effective and affordable. Where national legal remedies are not afforded the board is encouraged to ensure that sufficient shareholder protections are provided in the company's bylaws.</p>			



The term “governance” comes from the classical Greek “kubernetes”, the art of steering a ship. Governance, like sailing, is all about team work, effective communication, setting direction and strict monitoring, in ever changing conditions.

