

## Corporate Governance Questionnaire\*

CG Attribute/Risk	Questions to Ask	Answer Source
<p><b>Commitment to CG</b></p> <p><b>Key Risk: The company and its shareholders have not demonstrated a commitment to implementing high quality CG policies and practices</b></p>	<ul style="list-style-type: none"> <li>• Does the company have a charter or articles of incorporation according to local legislation, with provisions on: (i) the protection of shareholder rights and the equitable treatment of shareholders; (ii) distribution of authority between the Annual General Meeting of Shareholders, the Board of Directors and executive bodies, and (iii) information disclosure and transparency of the company's activities?</li> <li>• Are the Board of Directors and the senior management familiar with the voluntary code of corporate governance for the country (if such a code exists)? To what extent does the company comply with the provisions of this code? How is this compliance disclosed?</li> <li>• Does the company have a corporate governance code and/or policies? What are the procedures for monitoring compliance with these? Who does the monitoring?</li> <li>• Does the company disclose the extent to which it is complying with its corporate governance policies and procedures?</li> <li>• Does the company have a code of ethics?</li> <li>• Does the company have a designated officer responsible for ensuring compliance with the company's corporate governance policies and code of ethics?</li> <li>• Does the management/Board of Directors approve the annual calendar of corporate events (Board meetings, General Shareholder Meeting, etc.)?</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Documents:</i> Articles of incorporation, CG code, CG section of the annual report</li> <li>• <i>Interviews:</i> Board chair, CEO, compliance or CG officer</li> </ul>
<p><b>Structure and Functioning of the Board of Directors</b></p> <p><b>Key Risk: The Board of directors is not up to the task of overseeing the strategy, management and performance of the company</b></p>	<ul style="list-style-type: none"> <li>• How is the composition of the Board of Directors determined?</li> <li>• Are there any shareholder agreements, provisions of the company's charter, or informal understandings that specify which shareholders appoint directors?</li> <li>• Are there any independent directors? How were they selected? How, if at all, does the company define "independent" director?</li> <li>• Does the company have Board Committees? If so, how are they established, who sits on them, and how do they function?</li> <li>• How often does the Board of Directors meet?</li> <li>• Is an agenda prepared and distributed in advance of Board meetings? Are minutes prepared and approved after Board meetings?</li> <li>• Does the company have a corporate secretary? If not, who organizes Board meetings?</li> <li>• What is understood as the role of the Board of Directors vis-à-vis management, particularly with respect to the following? (1) Setting strategy and vision of the company; (2) Selection and compensation of the CEO and senior management; (3) Risk Management, oversight of internal controls, external audit and preparation of financial statements; and (4) Major capital expenditures and large-value transactions.</li> <li>• How does the current mix of skills/experience on the Board of Directors serve the company's interests?</li> <li>• Are directors appointed on the basis of a clear job description which identifies the required directors' background and expertise?</li> <li>• Does the Board of Directors review material transactions that involve conflicts of interest and related parties?</li> <li>• Does the company offer induction and/or regular training to members of the Board?</li> <li>• Does the Board of Directors conduct self-evaluations or other reviews of its effectiveness? How and when are such reviews conducted and with whom are the results shared?</li> <li>• Have any of the Board Directors ever been sanctioned for violating any of his/her duties?</li> <li>• How often is the Board of Directors elected? Is there a maximum number of terms that a Director can serve?</li> <li>• Does the company have a formal or informal succession plan for its current CEO? How much longer does the current CEO intend to remain in this position?</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Documents:</i> Articles of incorporation, Board charter, directors' profiles, calendar of Board meetings, Board minutes, related party transactions table</li> <li>• <i>Interviews:</i> Board chair, corporate secretary, Committee chairmen, CEO, CFO</li> </ul>
<p><b>Control Environment and Processes</b></p> <p><b>Key Risk: The</b></p>	<ul style="list-style-type: none"> <li>• Does the company have adequate internal controls in place? Are they properly documented and periodically reviewed?</li> <li>• Does the company have an Audit Committee? What is the role of the Audit Committee and the Board of Directors in ensuring that proper internal controls are maintained, risks are managed and that the company is in compliance with all relevant laws and regulations?</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Documents:</i> audit committee charter, internal control and risk management</li> </ul>

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<p><b>company's risk management and controls are insufficient to ensure sound stewardship of the company's assets and compliance with relevant regulations</b></p>	<ul style="list-style-type: none"> <li>• Does the Board of Directors set the company's risk appetite and periodically review the risk management system?</li> <li>• Does the company have an internal audit (IA) function? Does the IA function have a charter that is approved by the Audit Committee or Board of Directors? Does the IA function have full access to records, property and personnel relevant to their audit?</li> <li>• To whom does the IA function report? Is the IA chief independently hired and dismissed with the consent of the Board of Directors?</li> <li>• Does the Board of Directors monitor management's response to deficiencies and weaknesses identified by the IA function and/or external auditors?</li> <li>• Does the company have a risk management system? Who is responsible for developing it? How are the risks identified and compared with industry standards?</li> <li>• Does the company have a compliance program or procedures that include the training of employees, auditing and monitoring systems, and a company "hotline" for reporting violations?</li> <li>• Were there any significant problems reported in internal controls, risk management and compliance in the past 5 years?</li> <li>• Is the company's external audit in line with International Standards on Auditing (ISA)?</li> <li>• Who, formally and in practice, selects the external auditors and to whom are they accountable? Is there a policy to rotate the external auditors or the engagement audit partners?</li> <li>• Has the external auditor ever issued a Qualified, Adverse, or Disclaimer of Opinion on the financial statements? Why?</li> </ul>	<p>policies, management letters, compliance program</p> <ul style="list-style-type: none"> <li>• <i>Interviews:</i> Board chair, Audit Committee chair, CFO, internal audit chief, risk officer, compliance officer, external auditor</li> </ul>
<p><b>Transparency and Disclosure</b></p> <p><b>Key Risk: The company's financial disclosures are not a relevant, faithful, and timely representation of its economic transactions and resources</b></p>	<ul style="list-style-type: none"> <li>• Are the financial statements prepared in keeping with internationally recognized accounting standards (e.g., IFRS or U.S. GAAP)?</li> <li>• Were there any material re-statements of the company's financial statements in the past 5 years? Please specify.</li> <li>• Does the company disclose major transactions, related party transactions, off-balance sheet activities, and other material events? How (e.g., Annual Report, website)?</li> <li>• Does the Board of Directors/Audit Committee review key elements of the company's financial statements? How often?</li> <li>• Does the company have a written information disclosure policy that seeks to make all material information (financial and non-financial) fully, timely and equally available to all stakeholders?</li> <li>• <i>If the company is publicly listed:</i> <ul style="list-style-type: none"> <li>- <i>Are periodic meetings with securities analysts held? Who participates in such meetings?</i></li> <li>- <i>Has the regulator or the exchange ever required the company to provide additional information or clarification in the annual report, financial statements or other disclosure? On what elements?</i></li> <li>- <i>Has the company ever been sanctioned or censured by the regulator or the exchange for any failure or delay in disclosing required information to the public?</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <i>Documents:</i> financial statements, information disclosure policy</li> <li>• <i>Interviews:</i> audit committee chair, CFO, external auditor, chief of investor relations</li> </ul>
<p><b>Rights of Minority Shareholders</b></p> <p><b>Key Risk: The company's minority shareholders' rights are inadequate or abused</b></p>	<ul style="list-style-type: none"> <li>• Are there differences between the voting rights and cash flow rights of the company's various classes of equity and quasi-equity securities (as different from the "one share, one vote" principle)?</li> <li>• Do minority shareholders have any mechanisms to nominate members of the Board of Directors (e.g., cumulative voting, block voting, etc.)? Have such rights been exercised?</li> <li>• Is ultimate beneficial ownership of shares disclosed by controlling shareholders and management?</li> <li>• Are there any minority shareholders protection mechanisms in place?</li> <li>• How will minority shareholders be treated in the event of a change of control of the company (e.g., tag-along rights)?</li> <li>• Does the preparation and calling of annual and extraordinary shareholders meetings enable the participation of all shareholders (sufficient notice; agenda and supporting materials; proposing agenda items; participation personally or through proxy; the right to ask questions; dissemination of the results of the meeting)?</li> <li>• Has the company ever been subject to investigation into its treatment of shareholders? How have shareholder disputes been resolved?</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Documents:</i> articles of association, annual report, by-laws on shareholders' meeting</li> <li>• <i>Interviews:</i> controlling shareholders, minority shareholders, Board chair, corporate secretary</li> </ul>