

# Corporate Governance Document and Information Request List for Listed Companies

Incoming Monthly





© International Finance Corporation 2018. All rights reserved.  
2121 Pennsylvania Avenue, N.W.  
Washington, D.C. 20433  
Internet: [www.ifc.org](http://www.ifc.org)

The material in this work is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. IFC encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly, and when the reproduction is for educational and non-commercial purposes, without a fee, subject to such attributions and notices as we may reasonably require.

IFC does not guarantee the accuracy, reliability, or completeness of the content included in this work, or for the conclusions or judgments described herein, and accepts no responsibility or liability for any omissions or errors (including, without limitation, typographical errors and technical errors) in the content whatsoever or for reliance thereon. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of the World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries. The findings, interpretations, and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of the World Bank or the governments they represent.

The contents of this work are intended for general informational purposes only and are not intended to constitute legal, securities, or investment advice, an opinion regarding the appropriateness of any investment, or a solicitation of any type. IFC or its affiliates may have an investment in, provide other advice or services to, or otherwise have a financial interest in, certain of the companies and parties (including named herein).

All other queries on rights and licenses, including subsidiary rights, should be addressed to IFC's Corporate Relations Department, 2121 Pennsylvania Avenue, NW, Washington, DC 20433 USA.

International Finance Corporation is an international organization established by Articles of Agreement among its member countries, and a member of the World Bank Group. All names, logos, and trademarks are the property of IFC, and you may not use any of such materials for any purpose without the express written consent of IFC. Additionally, "International Finance Corporation" and "IFC" are registered trademarks of IFC and are protected under international law.



## Document Request

To prepare a Corporate Governance Assessment (CGA), please provide the company documents noted below, as applicable, in English. If requested documents are currently being developed, such as for greenfield operations or newly acquired operations, please provide draft or specimen versions.

- 1. Ownership Structure:** Chart setting out the shareholdings, holding companies, affiliates, and subsidiaries of the company, indicating ultimate beneficial ownership and percentages held by each.
- 2. Governance Structure:** Chart setting out the governance structure of the company, indicating the principle organs of the company's governance and to whom each reports (including the state and its affiliates); shareholders' assembly or general meeting; board of directors; any board committees; senior management; internal audit; external audit; and principal management units.
- 3. Organic Documents:** Company's charter/bylaws/statutes and other organic documents with amendments to date.
- 4. Corporate Governance Code, Code of Ethics, Conflict of Interest Policy, and other written policies, codes, or manuals** that set out the company's approach to governance; roles of its governance bodies; responsibilities and composition of the board, including copies of policies or bylaws relating to the practices of the board of directors, charters/TORs (terms of reference) for board committees, and outline of current membership of committees established; disclosure and transparency practices; and treatment of minority shareholders.
- 5. ESG Policies:** Written environmental and social (E&S) policy or environmental, social, and governance (ESG) code addressing, at a minimum, compliance with E&S laws and regulations; stakeholder engagement; integration of ESG in business activities; extent of board oversight of ESG issues.
- 6. Annual Report and Financial Statements:** Copies of the annual report and annual financial statements, quarterly statements, and auditor's opinions for the last three years.
- 7. Designated Officer Responsible for Corporate Governance Policies and Practices:** TORs/document defining the person/body responsible for the corporate governance (CG) policy in the company, such as the corporate secretary.
- 8. Current Board and Senior Management:** List of the current members of the board as well as senior management, with summary CVs indicating, at a minimum, the name; position(s) currently held in the company; position(s) currently held in other companies; affiliations with the company, management, and controlling shareholders, and other companies on which such persons sit as board members; age and qualifications; and shareholder agreements or provisions of company's charter that specify which shareholders appoint directors.
- 9. Board Procedures:** Annual calendar of board meetings and minutes of board meetings for the past year.
- 10. Management Policies:** The charter/bylaws on the CEO and bylaws on the management board, if any.
- 11. Non-Executive Director Remuneration and Executive Director Compensation:** Principles of non-executive remuneration and executive compensation received by directors and senior management for their services.
- 12. Employee Stock Ownership and Stock Options:** Descriptions (including approval processes, disclosure, and accounting treatment) of any employee stock ownership or stock options plans in place at the company during the last five years; and amounts and value of securities of the company distributed to executives and employees (and options exercised) pursuant to such plans.
- 13. Management Succession Plan** (or outline of main principles on succession).
- 14. Internal Control, Internal Audit, and Risk Management Policies:** Policies on internal control, internal audit (for example, an internal audit charter), and risk management; and TORs for the chief of internal control and chief risk officer. Also, include any separate policies on the integration of the Environmental and Social Management System (ESMS), approval

criteria for E&S risks, and industry standards on E&S risk management adhered to (such as ISO14001 or other).<sup>1</sup>

- 15. Compliance Program:** Details of the compliance program; compliance register; and TORs for the chief compliance officer and chief ethics officer.
- 16. Management Letters from the external auditor for the past three years.**
- 17. Information Disclosure Policy.**
- 18. Shareholders Agreements:** Agreements, links, or other informal arrangements among all or some shareholders.
- 19. Shareholders Meetings:** Charter/bylaws on the shareholders' meetings; and summary of attendance and results of all shareholders' meetings (annual and extraordinary) for the past three years, including dates, type (annual and extraordinary), number of shares represented, number of shareholders represented, agenda items, and record of votes.
- 20. Policy on Related-Party Transactions** and list of transactions that required shareholder and/or board review and approval in the past three years.
- 21. Minority Shareholder Rights:** Timeline of major transactions and material events for the past five years (in particular, corporate acquisitions, mergers, restructurings, and sales or purchases of major assets, etc.) and a summary of such transactions in the past three years that have been subject to special review by the regulator or the exchange.
- 22. Dividend Policy:** The company's formal policy on declaring and distributing dividends.

<sup>1</sup> Note: If this is for an IS transaction, consult with the E&S specialist, who should make a similar request.

<sup>2</sup> Consult with assigned E&S specialist, who may have requested/obtained these documents.

- 23. Stakeholder Engagement Policy:** Policy, strategy, and procedures, describing stakeholder engagement; persons and operational team(s) accountable for stakeholder relationship, and their reporting line to management and board; and standards adhered to for stakeholder engagement and reporting (such as AA 1000, ISO 26000, etc.).<sup>2</sup>

## Information Request

*Please provide the additional information noted below, as applicable, in English. If requested policies and procedures are currently being developed, please provide information on the company's expected plans and timeline for implementation.*

### A: Commitment to Good Corporate Governance

- 1. Ownership and Governance Structure:** Are the everyday, practical governance of the firm and the exercise of ownership rights consistent with the formal documentation submitted? If not, how does the actual practice differ?
- 2. Company Corporate Governance Code:** What are the company's procedures for monitoring its compliance with the company corporate governance code and policies? Who in the company is primarily responsible for ensuring that the company complies with policies regarding corporate governance? Does the company periodically disclose the extent to which it is complying with its corporate governance policies and procedures?

### B: Structure and Functioning of the Board of Directors

- 1. Composition of the Board:** How is the composition of the board determined? Are there any shareholder agreements or provisions of the company's charter that specify which shareholders nominate directors? Are there any informal understandings?
- 2. "Independent" Board Members:** How, if at all, does the company define "independent" with regard to board members? What compensation do independent (and other) directors receive for their services? Do independent members tend to meet separately from other board members?
- 3. The Board and the Management Team:** Are senior managers members of the board or do they, in any case, routinely attend board meetings? If so, does the board regularly hold "executive sessions" without the presence of management?
- 4. Audit and Other Standing Committees:** Do the board committees have their own budgets, and can they acquire internal and external consultancy on issues under their scope of authority? Does the company ensure that each committee has independent members, or are a majority of members independent and have relevant expertise? Do committees undergo an annual evaluation, and is the evaluation conducted internally or by a third party?
- 5. ESG Oversight by Board:** Has a dedicated ESG committee of the board been established, and if so, what is the role and composition of the committee? Does the board formally approve ESG strategy and E&S policies adopted by the company? Does the board ensure that manage-

ment systems are in place to identify and manage E&S risks and impacts, and if so, how is this done? Does the board review independent audits of the effectiveness of the ESMS adopted by the company? Describe the extent and frequency of training offered to the board on ESG risk issues (both for industry-specific and general risks). Do individual board members have sufficient experience in evaluating E&S issues? What is the frequency of inclusion of ESG issues on the board meeting agenda (over the past three years)?

- 6. Board Evaluation:** Does the board conduct self-evaluations or formal reviews of its effectiveness? How are such reviews conducted, and with whom are the results shared?

### **C: Control Environment: Internal Control Systems (IC), Internal Audit Function (IA), External Audit (EA), Risk Governance, and Compliance**

- 1. Internal Control System:** Describe how the company's IC (operational, financial, and for the company's highly automated systems) are developed and implemented. Are the existing controls documented and the documentation reviewed periodically? Do the board and management appropriately consider control issues when planning new strategies, activities, and products? Does the external auditor report on the adequacy of the company's IC? Are there areas of IC deficiency reported repeatedly by the external auditors? Are the controls risk-based? Does the company undertake self-assessments of IC?
- 2. Internal Audit Function:** How often does the IA chief privately meet with the board and with the audit committee? Does IA have any operational responsibilities in addition to its audit role?

Are the internal auditors rotated periodically to different areas of audit responsibility? Have IA staff reported any conflicts of interests, and if yes, how have these been handled? Are IA work plans and audits conducted in accordance with local or international standards? Does the board monitor management's response to deficiencies and weaknesses identified by the IA? Are internal audits risk-based? Describe the (operational and financial) competencies and skills of the IA staff. Does the audit committee review the resources available to IA? What has been the turnover in IA over the last three years? Does IA conduct IT audits? Has IA undergone a quality assessment within the last five years? Is IA or any of its work outsourced, and what is the company's policy regarding the selection of IA service providers? Does the provider have any association with the external auditor and/or are there any other services provided to the company?

- 3. External Audit:** What is the company's policy for the selection of external auditors? What other services does the external auditor perform for the company? How does the board ensure that the management takes appropriate measures to address deficiencies identified in Management Letters?
- 4. Risk Management:** Who is responsible for developing and implementing the risk management system? Does the company have a dedicated chief risk officer (CRO)? Does the CRO report directly to the board, or to the board's risk committees? How are the risks identified and risk appetite set? Does the board periodically review the risk management systems? What is the role of IA in relation to risk management? Do strategy and risk management include or fully integrate E&S issues and risks?

- 5. Compliance Program:** Does the company have a dedicated chief compliance officer (CCO)? To whom does the CCO/function report? What information does the company provide to the shareholders regarding its compliance program and its results? How is the quality of and compliance with the code of ethics considered within the scope of the enterprise risk management system of the company? What best practices/framework is the compliance program based on? Does the compliance function maintain a compliance register? What type of compliance training does the compliance program deliver to employees?

### **D: Disclosure and Transparency**

- 1. Review of Financial Statements:** Does the audit committee review audit adjustments proposed by the external auditors? Is the audit committee made aware of any changes made to accounting policies and their impact on the current financial statements? Does the audit committee review major accounting estimates and major assumptions made in the financial statements with the external auditors? Is the audit committee briefed on planned changes to accounting and regulatory rules that may have an impact on the financial statements in the next two years, including any changes in IFRS and/or ISA?
- 2. Shareholders Agreements:** Are shareholders agreements with or among the controlling shareholders disclosed to all shareholders? Are shareholders agreements registered with the securities regulator?
- 3. Disclosure of Major Transactions and Material Events:** What is the procedure for drafting and approving disclosure of major transactions and other material events? What limits and thresholds have been adopted to disclose and seek approval for related-party transactions?

- 4. **Regulatory and Self-Regulatory Review:** What has been the company's experience with review of its periodic disclosure by the securities regulator and the exchange? Have there been any regulatory actions imposed by the exchange or securities regulator (if yes, describe)?
- 5. **Nonfinancial Reporting:** Does the company make meaningful periodic reports on its ESG data and performance, in line with minimum national reporting requirements (if any)? What ESG/sustainability reporting standards does the company adhere to in addition to national requirements (for example, those set by GRI, IIRC, SASB, or other organizations)? Is ESG information included in the company's annual report? Are ESG data subject to an annual audit/evaluation by an independent provider? Are ESG reports subject to board-level review (if yes, how, and by what committee)?

#### **E: Treatment of Minority Shareholders**

- 1. **Shareholders Meetings:** Who in the company is responsible for calling, organizing, and reporting the results of annual and extraordinary shareholders meetings? How can shareholders add items to the agenda? Are shareholders consulted on major issues, such as executive compensation, and is shareholder approval required for compensation?

- 2. **Changes of Control:** Are there tag-along rights for minority shareholders that would obligate a new controlling interest to make an offer to purchase their shares at the same price and conditions and/or any other to make a tender offer concurrent with or following the change of control of the company?
- 3. **Minority Shareholder Rights:** Are there any types of transactions or other events that require special voting procedures (such as supermajority approval by the shareholders, or majority vote of minority shareholders)? Is there any history of disputes or legal action from any shareholders (if yes, describe)? Is there a program for engaging minority shareholders?

#### **F: Governance of Stakeholder Engagement**

- 1. **Stakeholder Identification:** Describe the stakeholder identification process.
- 2. **Stakeholder Relationships and External Communication:** Who or what department/unit is accountable for stakeholder relationships and external communication, and what is their reporting line to management and the board? Is there a senior executive responsible (if so, who)?
- 3. **Strategy and Target Setting:** Does the company integrate stakeholder engagement into strategy and target setting?

- 4. **Board Decision Making:** Are stakeholder engagement activities and outcomes included in board decision making?
- 5. **Communication with Stakeholders:** How does the company communicate its commitment to stakeholder engagement to staff, contractors, and primary suppliers?
- 6. **Grievance Mechanisms:** Is there an HR policy/procedure for worker engagement and a grievance mechanism for workers? Is there a grievance mechanism for dealing with Affected Communities? Please describe. How are stakeholder issues resolved?
- 7. **External Communications Mechanism:** Is there an External Communications Mechanism? If so, is it externally and publicly available?
- 8. **Affected Communities Engagement:** Do personnel designated to engage with Affected Communities have clearly defined responsibilities, training, and reporting lines to senior management and the board?
- 9. **International Standards:** Has the company implemented any international standards related to stakeholder engagement (AA 1000 Standards on Stakeholder Engagement and Accountability Principles and ISO 26000)? Does senior management participate actively in international industry discussions on related topics?



2121 Pennsylvania Avenue, NW  
Washington, DC 20433 USA

Tel: +1 (202) 458-8097

[www.ifc.org/corporategovernance](http://www.ifc.org/corporategovernance)  
[www.ifc.org/sustainability](http://www.ifc.org/sustainability)

September 2018

