



ผลสำรวจการกำกับดูแลกิจการบริษัทจดทะเบียนไทย
ตาม ASEAN CG Scorecard ประจำปี 2556/57

19 มิถุนายน 2557

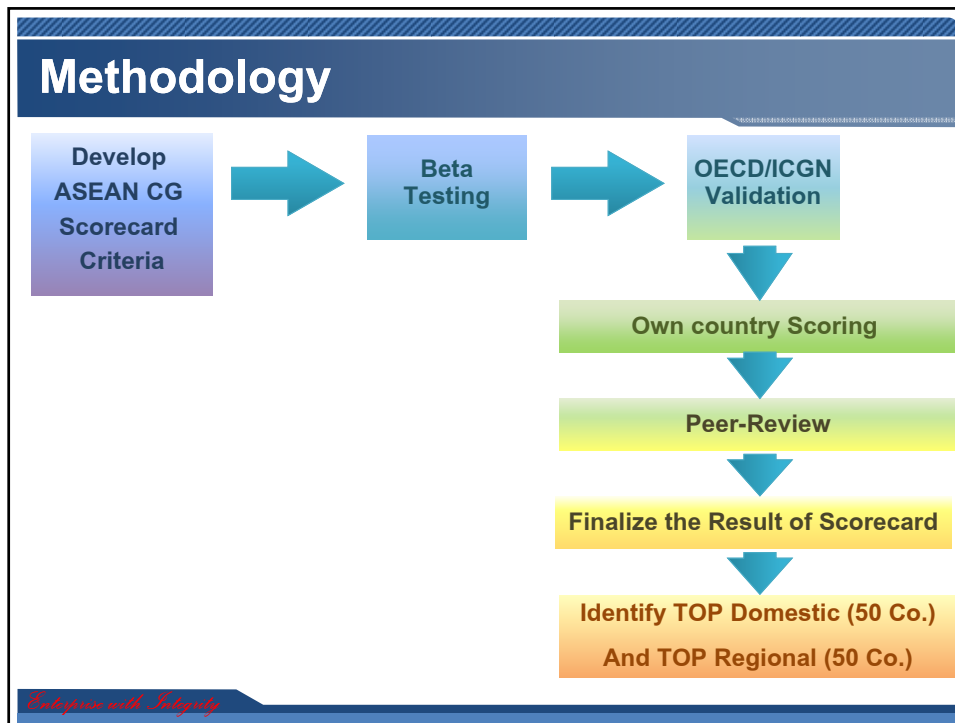
Integrity with Integrity

About ASEAN CG Scorecard


- Introduced in 2011
- Initiative of the Association of Southeast Asian Nations (ASEAN), under the ASEAN Capital Markets Forum (ACMF)
- Objective
“To raise CG standards of publicly listed companies in ASEAN countries and increase their visibility to investors”
- Participating Countries

1. Indonesia	2. Malaysia	3. Philippines
4. Singapore	5. Thailand	6. Vietnam

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Methodology



Surveyed Companies


- Top 100 listed companies by market capitalization (as of 30 April 2013) that posted their annual reports in English on their websites.

Accessibility of Information

- Rely on primarily on information from annual report and company website. Other sources of information are company announcement, articles of association, notice and minute of shareholders' meeting, CG policy, code of conduct, and sustainability reports. Only information that is publicly available and easily accessible and understood is used.

Indonesia with Integrity

Criteria

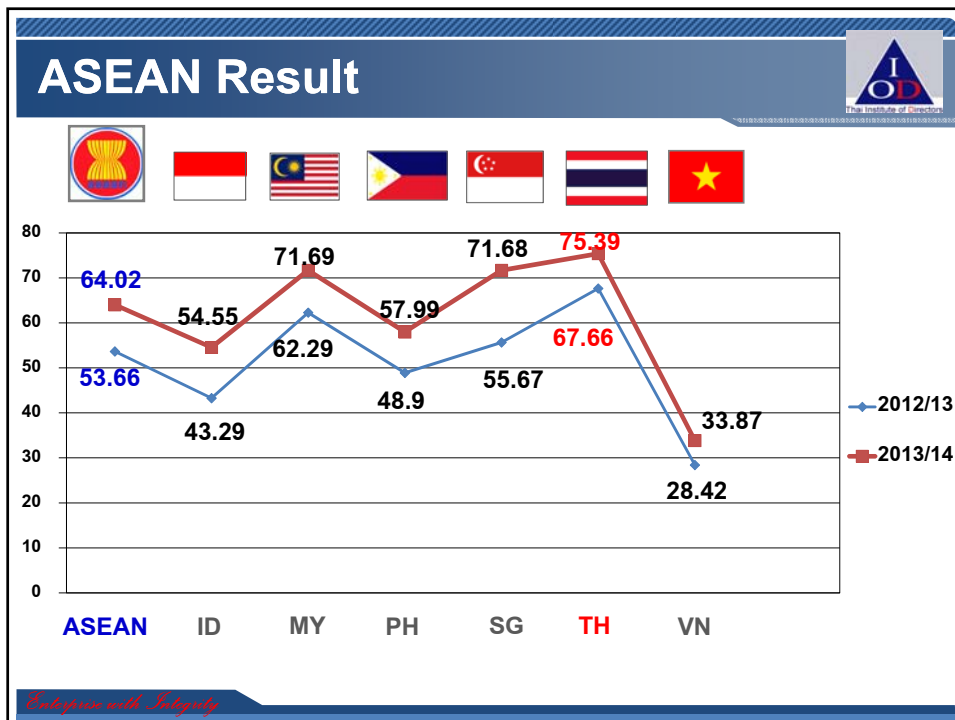


The Institute of Directors


Level 1	Part	Weight (%) 2012-2013	Number of Questions	
			2012/13	2013/14
			Rights of Shareholders	10
Equitable Treatment of Shareholders	15	17	17	
Role of Stakeholders	10	21	21	
Disclosure and Transparency	25	42	40	
Board Responsibilities	40	79	76	
Total		100	185	179

Level 2	Part	Number of Question		Maximum Score	
		2012/13	2013/14	2012/13	2013/14
		Bonus	11	9	17
Penalty	23	21	-90	-53	

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ASEAN Result




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Part	Full Score	ASEAN	ID	MY	PH	SG	TH	VN
Rights of Shareholders	10	5.70	4.15	5.18	5.55	5.80	8.62	4.90
Equitable Treatment of Shareholders	15	10.64	7.74	12.81	11.06	11.40	14.24	6.60
Role of Stakeholder	10	4.99	5.84	5.88	4.85	4.50	5.64	3.20
Disclosure and Transparency	25	15.97	15.88	17.23	16.03	17.40	17.17	12.10
Board Responsibilities	40	20.22	19.51	25.19	19.71	26.00	22.60	8.30

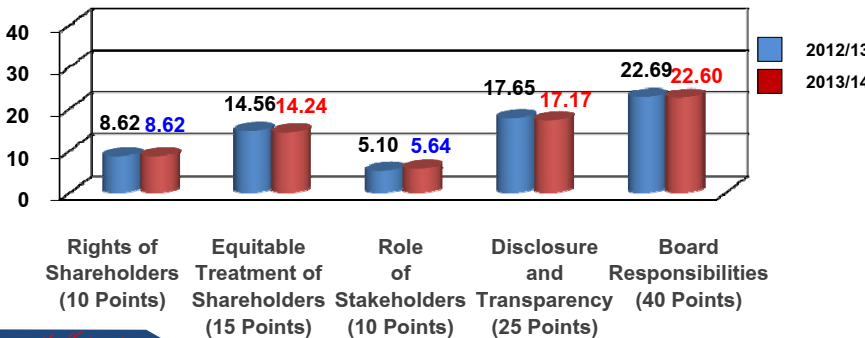
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Thailand Result



The Institute of Directors


	Total Scores		Level 1 Scores		Level 2 Scores			
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14		
Average	67.66	75.39	Average	68.64	68.26	Average	-0.99	7.16
Maximum	84.57	104.17	Maximum	85.67	89.91	Maximum	5	28.00
Minimum	43.45	46.03	Minimum	46.45	44.03	Minimum	-7	0.00




Rights of Shareholders (10 Points)	Equitable Treatment of Shareholders (15 Points)	Role of Stakeholders (10 Points)	Disclosure and Transparency (25 Points)	Board Responsibilities (40 Points)
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Thailand – Rights of Shareholders





Strengths




Areas for Improvement


- Shareholders are allowed to elect directors individually.
- Names of board members attending the annual general meeting (AGM) are disclosed in the AGM minutes.
- AGM minutes show that there is an opportunity for shareholders to ask questions and record the questions and answers.
- The voting results, including approving, dissenting, and abstaining votes, are disclosed for each agenda item.
- The outcome of the AGM is disclosed by the next working day.
- The rationale and explanation for each agenda item is provided in the notice of AGM.

- All forms of director remuneration should be proposed for shareholders' approval in the AGM.
- Independent parties have not yet been appointed to count votes at AGMs.


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Thailand – Equitable Treatment of Shareholders





Strengths



Areas for Improvement

- There is no bundling of several items into the same agenda in the notice.
- Details of the auditor and dividend are provided in the notice of call to annual general meeting.
- Companies disclose that related party transactions are fair and at arm's length.

- Companies should disclose information about date of first appointment and directorship in other publicly listed companies of individuals seeking director election or reelection in the notice of call to annual general meeting.

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Thailand – Role of Stakeholders



The Institute of Directors

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Strengths

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Areas for Improvement


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- There is a policy on the treatment of stakeholders.
- There is a separate corporate responsibility report or section in the annual report.

- There is a lack of disclosure of practices dealing with customer welfare, supplier selection, environmentally friendly value chain, communities interactions, and creditors' rights.
- There is a lack of disclosure of information relating to employees' health, safety, and welfare, as well as training and development.
- Procedures for dealing with complaints by employees concerning illegal and unethical behavior should be disclosed.
- A policy or procedure should be provided to protect a person who reveals illegal or unethical behavior from retaliation.

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Thailand – Disclosure and Transparency



The Institute of Directors

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Strengths

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Areas for Improvement

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- Websites are of good quality.
- Corporate group structure is disclosed.
- Policy and details of related party transactions are disclosed.
- Audit fees are disclosed.
- Contact details of investor relations are disclosed.

- There is a lack of disclosure of direct and indirect shareholdings of the board and senior management.
- There is a lack of disclosure of trading in the company's shares by directors and senior management.
- There is a lack of disclosure of corporate objectives and nonfinancial performance indicators in the annual report.
- There is a lack of disclosure of directors' date of first appointment directorship in other listed companies, and training and education obtained in the most recent financial year in the annual report.

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Thailand – Board Responsibilities




Strengths

- The roles and responsibilities of the board are clear.
- The company's corporate governance policy and code of conduct are disclosed.
- The chair and chief executive officer are separated.
- Board meetings are held at least six times per year.
- Orientation programs are provided for new directors.
- Board provides a review of the internal control and risk management system.

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Thailand – Board Responsibilities





Areas for Improvement

- There is a lack of disclosure of code of ethics with its implementation and monitoring.
- There is a lack of disclosure of the review and monitoring of the implementation of the corporate strategy.
- There is a lack of disclosure of the types of decisions requiring board approval.
- There is a lack of disclosure of board diversity policy.
- There is a lack of disclosure of the role and responsibilities of the Chair.
- There is no policy on the term limit of 9 years for independent directors.
- There is no policy on the limit of five seats in publicly listed companies that a director may hold simultaneously.
- There is no evaluation criteria and process for the board, individual directors, and board committees.

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Thailand – Bonus and Penalty





Strengths

- The notice of the annual general meeting, as announced to the Stock Exchange, is released at least 28 days before the date of the meeting.
- The audited annual financial report or statement is released within 60 days from the financial year end.




Areas for Improvement

- There are independent directors who have served for more than nine years.

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Observation



1. As average score increases, there is still room for further improvement in the Role of Stakeholder and Board Responsibilities.
2. There is a possibility that other countries may improve their CG practices and move up to the No. 1 position.
3. Should focus more on the standard CG practices showing in the level 1 criteria rather than aiming for Bonuses in level 2.
4. Should emphasize the substance (implementation and procedures) of the written governance policies (form).
5. Should give more attention to website disclosure and make its corporate information available in English.

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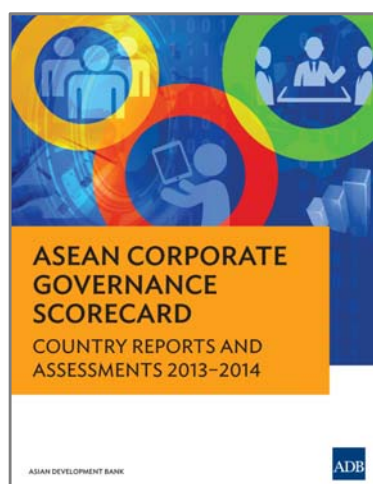
Quick Improvements



1. Disclosure of appointment an independent party to count the votes at the AGM.
2. Disclosure of practices dealing with customer, environmentally friendly value chain, community interactions, employees' training and development.
3. Disclosure of trading in the company's shares by directors and senior management.
4. Disclosure of the role and responsibilities of the chair
5. Disclosure of the evaluation criteria and process for the board.

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ASEAN CG Scorecard 2013/14



<http://www.thai-iod.com>

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