

CORPORATE GOVERNANCE QUESTIONNAIRE

Introduction

CMDA has introduced a corporate governance framework in 2007 with the aim of improving corporate governance practices in the country. Broadly defined, Corporate Governance is the system by which organizations are directed and controlled. As such, the code has provisions that promote key elements of good corporate governance principles such as integrity, openness, performance, responsibility and accountability,

This questionnaire is prepared only for the purpose of gathering information to ascertain corporate practices in the Maldives. It is assured that the data furnished and the identity of the respondents will be kept strictly confidential.

General

1. What is the main business of the company?

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2. What is the nature of the company?

(i) Private

(ii) Public

(iii) Listed

(iv) State owned

(v) Others

RESPONSIBILITY

3. To what extent do members of the board understand their responsibilities?

(i) Strongly

(ii) Moderately

(iii) Not at all

4. Are board members and management staff responsibilities clearly set out in writing?

(i) Yes

(ii) No

If no please state the reasons for omitting to do so.

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5. Does the company differentiate between what the board can do, and what managers and employees of the company can do?

- (i) Yes
- (ii) No

6. Do the Board and the relevant sub-committees have clearly defined roles

- (i) Yes
- (ii) No
- (iii) Not applicable

AUDIT

7. Is there an Audit committee?

- (i) Yes
- (ii) No

8. Is there an external auditor of the company?

- (i) Yes
- (ii) No

9. Is there an independent internal audit function within the company?

- (i) Yes
- (ii) No

10. Are there any provisions in the Companies Articles of Association mandating rotation of external auditors?

- (i) Yes
- (ii) No

11. Does the Audit Committee produce a report on the internal audit function?

- (i) Yes
- (ii) No
- (iii) Not Applicable

12. Is it mandatory to prepare an internal audit plan?

- (i) Yes
- (ii) No

13. Is the internal audit plan reviewed on an annual basis?

- (i) Yes
- (ii) No

COMPOSITION OF THE BOARD

14. What is the size of the board?

- (i) 5
- (ii) 7
- (iii) 10
- (iv) Other

15. What do you think should be the ideal size of a board?

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16. What is the composition of the Board?

- (i) Executive directors only
- (ii) Non-executive directors only
- (iii) Independent directors only
- (iv) Mix of i, ii & iii
- (v) Others

17. Does the organization have any kind of mechanism for rotating board members?
If the answer is No, please skip Q. 18.

- (i) Yes
- (ii) No

18. How often are board members rotated?

- (i) Every one year
- (ii) Every two years
- (iii) Every three years
- (iv) Others

BOARD AND SENIOR MANAGEMENT REMUNERATION

19. Is there a remuneration committee?

- (i) Yes
- (ii) No

20. What is the composition of the remuneration committee?

- (i) Executive directors only
- (ii) Non-executive directors only
- (iii) Independent directors only
- (iv) Others

21. What is the size of the remuneration committee?

- (i) 3 directors
- (ii) 4 directors
- (iii) 5 directors
- (v) Others

22. Is there a written remuneration policy?

- (i) Yes
- (ii) No

23. Does the company disclose the remuneration policy in the annual report?

- (i) Yes
- (ii) No

24. Does the company disclose remuneration of individual board members and senior management?

- (i) Yes
- (ii) No

MEETINGS

25. Is there a set quota for meetings of the board?

- (i) Yes
- (ii) No

26. How often do board and sub-committees conduct meetings?

- (i) Every one month
- (ii) Every quarter
- (iii) Twice a year
- (iv) Others

27. What are the quorum requirements for board and board committees?

- (i) Majority
- (ii) Two Third of the members
- (iii) Others

INFORMATION

28. How are the public kept informed of company information(s)?

- (i) News bulletin
- (ii) Daily newspapers
- (iii) Website
- (iv) Email
- (vi) Others

29. Is there an information disclosure policy, which dictates the type of information that could be disclosed to the public? If the answer is No, please skip Q 30.

- (i) Yes
- (ii) No

30. What type of information can be disclosed to the public pursuant to the information disclosure policy?

- (i) Company's success stories
- (ii) Business contracts
- (iii) Change in key management position
- (iv) Others

31. What information is provided to the board of directors in advance of board meetings?

- (i) Agenda
- (ii) Board papers
- (iii) Minutes of previous meetings
- (iv) Others

32. What information is revealed to shareholders in advance of the Annual General Meeting (AGM)?

- (i) Agenda
- (ii) Annual Reports
- (iii) Minutes of previous meetings
- (iv) Others

33. Who is responsible for recording minutes of meetings?

- (i) Managing Director
- (ii) Company Secretary
- (iii) Clerk
- (iv) Others

34. Are minutes of the previous meeting approved at the following meeting?

- (i) Yes
- (ii) No

35. Is responsibility for action clearly indicated in the minutes?

- (i) Yes
- (ii) No

36. Does the organization undertake a review to ensure that actions decided at meetings have been taken?

- (i) Yes
- (ii) No

37. How does the company disclose transactions made by directors or management that conflicts with the interests of the company or that has the potential for Conflicts of interest?

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REGISTER OF INTERESTS

38. Are there policies/ rules which require directors to disclose personal interest in the company?

- (i) Yes
- (ii) No

39. What type of personal interest is required to be disclosed?

- (i) Ownership of Shares of the company/subsidiary companies
- (ii) Dealings with the company
- (iii) Investments in the company/subsidiary companies
- (iv) Others

40. Does the company maintain a register of interests? If the answer is No, please skip Q. 40 and Q.41.

- (i) Yes
- (ii) No

41. How is the register of interest reviewed and updated?

- (i) Annual basis
- (ii) Every two years
- (iii) Others

42. Is it mandatory for members to sign the register?

- (i) Yes
- (ii) No

SYSTEM TO RAISE CONCERNS

43. Does the organization have an established system to raise concerns? If the answer is No, please skip **Q 43, Q. 44 and Q. 45.**

- (i) Yes
- (ii) No

44. What type of system has been established to raise concerns?

- (i) Suggestion box
- (ii) Website
- (iii) Email
- (iv) Others

45. Is the system reviewed regularly to ascertain effectiveness?

- (i) Yes
- (ii) No

46. Who is responsible for reviewing the system?

- (i) Board of Directors
- (ii) Managing Director
- (iii) Auditors
- (iv) Others

PERFORMANCE MEASUREMENT/REVIEW

47. How is the performance of the board/ subcommittees/ management reviewed?

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48. Does the organization undertake a review of terms of reference of Board, sub-committees? If the answer is No, please skip Q. 49.

- (i) Yes
- (ii) No

49. How often is the review undertaken?

- (i) Annually
- (ii) Every two years
- (iii) Others

50. Are there set performance indicators?

- (i) Yes
- (ii) No

51. Are reports produced detailing the Board's/subcommittees/management's objectives for the year and progress against these objectives?

- (i) Yes
- (ii) No

52. Who evaluates the Board?

- (i) Board members themselves
- (ii) Independent party
- (iii) External Auditor
- (iv) Others

53. How often is the review undertaken?

- (i) Annually
- (ii) Semi annually
- (iii) Others

54. Does the organization benchmark the policies for review of the board against international Best Practices?

- (i) Yes
- (ii) No

VOTING AT SHAREHOLDERS MEETINGS

55. Does the company have proxy voting guidelines or rules?

- (i) Yes
- (ii) No

56. Are shareholders allowed to vote in absentia?

- (i) Yes
- (ii) No

57. How are resolutions put before shareholders for voting?

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58. Are there separate resolutions for separate matters?

- (i) Yes
- (ii) No

FINANCIAL STATEMENTS

59. Does the company apply International Accounting Standards (IAS) in the preparation of financial statements?

- (i) Yes
- (ii) No

60. Are financial statements, balance sheets and profit and loss accounts signed by Chairman, CEO and CFO?

- (i) Yes
- (ii) No

61. How does the company maintain accounting records?

- (i) Manually
- (ii) Software
- (iii) Excel sheet
- (iv) Others

BOARD APPOINTMENT

62. Does the organization have a Nominations Committee, which is responsible for Board nominations? If the answer is No, please skip Q. 63.

- (i) Yes
- (ii) No

63. Does the organization have a written nomination policy for board appointments?

- (i) Yes
- (ii) No

64. Who makes recommendations for the appointment of board directors?

- (i) Shareholders
- (ii) Directors
- (iii) Chairman
- (iv) Others

65. Is there a formal process for application to the Board?

- (i) Yes
- (ii) No

66. How does the nomination committee ensure that potential members are suitable to serve on the board?

- (i) Based on the requirements set forth in the nomination policy
- (ii) through interview
- (iii) Others

67. Is the background of the potential board members investigated?

- (i) Yes
- (ii) No

68. How is it ensured that only individuals with the right skills and attitudes are selected?

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69. How are members inducted?

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70. Are the board members trained during their term of office? If the answer is No, please skip Q. 70.

- (i) Yes
- (ii) No

71. How does the organization ensure that training is suitable or effective?

- (i) Yes
- (ii) No

COMPANY SECRETARY

72. Is the company secretary required to have formal qualifications pursuant to the Articles of Association of the Company? **If the answer is No, please skip Q. 73.**

- (i) Yes
- (ii) No

73. What kind of qualification is required for Company Secretaries by the Articles of Association?

- (i) Degree in Business or related area
- (ii) Degree in law
- (iii) Degree in Accounting
- (iv) Others

74. Are there clearly written down responsibilities for the company secretary?

- (i) Yes
- (ii) No

75. Does he/she hold any other posts in the company or provide any other services to the Company? If the answer is Yes, please state the posts or services provided by the Company Secretary

- (i) Yes
- (ii) No