

# Code of Corporate Governance for Public Listed Companies

Forth Edition 2010

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**To: Chairmen and Members of the board,  
CEOs and GMs of companies listed in MSM,  
Auditors,  
Legal Advisors  
After Compliments,**

**Sub: Code of Corporate Governance of public listed companies**

It has been CMA's endeavor to ensure that the governance structure of public companies in Oman provides basis for efficient functioning with a view to give equitable treatment to all stake-holders and maximize the value creation accruing to improved operational and financial performance, is essential for restoring the confidence of the investors in the market. The process of creating public awareness was started with CMA having organized a seminar of corporate governance in June 2001, As follow up, CMA constituted a committee comprising representatives of various sections of the economy including private sector. This committee was entrusted with the task of framing a code, drawing from the best practices globally, suitably adapted to the local needs. The purpose was to ensure that without restraining the business initiative. We are happy to place before you the code of corporate governance, which tries to address these concerns.

**The salient features of the code are as below:**

1. The code uses two new nomenclatures for the directors viz. non-executive directors and independent directors. Non-executive director is one who is not a regular employee of the company and therefore does not oversee the routine functions of the company on daily basis. This category of directors ensures its independence from the management. Independent directors form a subset of the non-executive directors and they are expected to be not only free from the influence of the management but at the same time not having any material pecuniary relationship or transaction with the company. It is clarified that a shareholder merely because of his/its

substantial shareholding does not become disqualified to be called as independent director. He shall, however, cease to be independent when as a result of material transaction with the company; a conflict of interest arises.

2. The non-executive directors of the board are not required to involve themselves in the routine functioning of the company. They should inculcate the culture of accountability on the part of CEO and seek meetings. The executive directors, while working as salaried employees of the company should confine their activities to their assigned areas of responsibility in accordance with organization chart of their company.
3. The role of the audit committee, comprised of majority of independent director, is considered vital in the code under reference. The audit committee is expected to ensure compliance with regulatory prescriptions and enhance the effectiveness of internal and external auditors through interacting with them and insulation them from the undue influence of the management. They are expected to play a critical role in award of non-audit consulting assignments to the auditors and ensure that their independence is not compromised in any manner. It may kindly be noted that an independent director shall chair this committee.
4. The directors are expected to play a more vigilant role. Article 10 of the code obligates them to conduct annual review of the company's system of internal control and make a mention in their report to the shareholders that they have done so.
5. The management of the company is required to make an annual management discussion and analysis report to the shareholders in which the present state of affairs and the future prospect of the company shall be dealt in more concrete terms. This report is expected to contain factual details without impinging on the competitive advantage of the company.
6. Rules for related party transactions( Article 19 to 25 ) shall replace CMA's earlier circulars in this matter.

7. We draw your attention to Articles 26, 27 and 28 in terms of which the companies are required to report on corporate governance practices in their company and auditors are required to certify about the report being free from any material misrepresentation. The first portion will be descriptive in which the company is required to explain as to how they have implemented the broad principles of corporate governance as stated in annexure 1. The second portion of the report I required under point 2 to point 8 of annexure 4 would form the substance of the second portion.
8. A system of rotation of the auditors every four years has been prescribed in the code. An auditors who has already served for 4 consecutive years shall not be eligible for reappointment for the fifth term unless a cooling off period of 2 years is gone through. This shall come into effect for all the annual general meetings convened on 1 January 2003 and thereafter.
9. The present code prescribes only the minimum requirements. The companies are also required to follow the instructions and provisions of other regulatory authorities.

We appreciate your constructive cooperation. The companies are also encouraged to adopt still higher and better practices voluntarily best suited to their companies.

Any query for clarification may be directed to the Directorate of Company Compliance and Inspection of CMA. The Areabic and English tests of the code are available at CMA Website : [www.cma.gov.om](http://www.cma.gov.om)

Regards

**Yours faithfully,**  
**Yahya bin Said bin Abdullah Al-Jabri**  
**Executive President**

Issued on: 3 June 2002

**To: Chairmen and Members of the board,  
CEOs and GMs of companies listed in MSM,  
Auditors,  
Legal Advisors  
After Compliments,**

**Reference is made to the Code of Corporate Governance issued  
by Circular NO. 11/2002 dated June 3<sup>rd</sup> 2002.**

CMA has received queries from some quarters regarding the effective date of the application of the captioned cod.

Necessary clarifications on the above issues are as under:

1. The code is mandatory and it applies to all public companies listed in MSM and mutual funds organized as public company. This code is part of listing requirements. CMA is empowered to prescribe the listing requirements under Article 50 (8) of CMA Law 1998.
2. The system of rotation of auditors shall come into effect in all the annual general meetings pertaining to financial periods ending 1 January 2003 and thereafter ( Point no.8 of the English version of CMA Circular 11/2002 erroneously mentions it as all general meetings convened on 1 January 2002 and thereafter. This may kindly be corrected ).
3. This code is effective from the date of issue i.e 3 June 2002. The provisions relating to election of independent directors shall be applicable from the date of election of the new board of the respective companies. The companies are however strongly encouraged to apply at an early date wherever feasible.
4. The definition of Independent Director under article (1) shall be amended as following: ( A director shall be independent if he or she or any of his/her first degree have not occupied any senior position ( such as the Chief Executive Officer, the General Manager or similar posts ) in the company for the last two years. Also he or she should not have had any relations with the company, its parent company or its affiliated or sister companies which could result in financial transaction).

5. Definition of Independent Director mentioned in above item used the expression ( Financial Transactions ). It is clarified that , financial transactions are those transaction, which do not conform to the definition of small value transaction specified in the procurement manual of the respective companies, a copy of which shall be filed in advance with CMA. In addition, the following transactions are also exempted: The contracts and transaction entered through open tendering , the normal contracts and transactions in ordinary course of business.
6. The item (8) of the English version of the role of audit committee listed in annexure (3) may kindly be numbered as (9). The following provision, erroneously excluded from the English translation earlier, may kindly be inserted and numbered as inserted and numbered as item 8. ( Reviewing risk management policies and looking into the reasons of defaults in payment obligations of the company, if any).
7. Report on corporate governance as prescribed under Article 26 and 27 of the code shall form part of the annual report for the periods ending 31 December 2003 or thereafter.
8. Certificate of the auditors, as required under Article 28 of the code, shall apply to all financial statements pertaining to periods beginning of or after 1 January 2003.

We look forward to your valued cooperation.

Best regards,

**Yahya Bin Said Bin Abdullah Al Jabri**  
**Executive President**

Issued on: 11 January 2003

## General Definition

**Article (1):** Unless otherwise specified, the words and expressions used in this code shall have the same meaning as specified under Commercial Companies Law 4/74 and Capital Market Law 80/98. The following words and expressions shall carry the meanings as specified hereunder unless the context gives other meaning:

### **Independent Director\*:**

A director shall be independent if he or she or any of his/her first degree have not occupied any senior position (such as the Chief Executive Officer, the General Manager or similar posts) in the company for the last two years. Also he or she should not have had any relations with the company, its parent company or its affiliated or sister companies which could result in financial transactions.

### **Financial Transactions\*\*:**

Financial transactions are those transactions, which do not conform to the definition of small value transactions specified in the procurement manual of the respective companies, a copy of which shall be filed in advance with CMA. **In addition, the following transactions are also exempted:**

- The contracts and transaction entered through open tendering.
- The normal contracts and transactions in ordinary course of business.

### **Related Party:**

**It shall include the following:**

1. Any person who was director in the last 12 months in the company/ parent of the company/ subsidiaries/ fellow subsidiaries, or
2. Chief Executive Officer or any employee reporting directly to the board, or
3. Any person who holds or controls 10% or more of the voting power of the Company or any other company which is its subsidiary undertaking or parent undertaking or is a fellow subsidiary undertaking of its parent undertaking, or

\* Amended by circular No. ( 1/2003 )

\*\* Added by circular No. ( 1/2003 )

## Composition of the Board of Directors

4. Any person who is an associate of any natural person as mentioned under 1,2 and 3 above. Associate shall include parents, sons, daughters, spouses and business entities wherein 25% or more of the voting power is controlled collectively or individually, or
5. Any person who is an associate of any juristic person as mentioned under 1,2 and 3 above. Associate shall include parent company, subsidiaries, fellow subsidiaries and business entities wherein the concerned juristic person controls 25% or more of the voting power. It shall also include companies whose majority of the directors act as per the wishes of the concerned company.

### **Non-executive Director:**

The member of the board who is not a whole time director (employee director) and/or does not draw any fixed monthly or annual salary from the company.

**Article (2):** The provisions of this code shall apply to Publicly listed companies and mutual funds organised as public companies.

### **Article (3): Composition of the Board of Directors**

Subject to compliance of the provisions of the Commercial Companies Law, the following shall apply:

1. The board shall be comprised of a majority of non-executive directors.
2. The roles of CEO/General Manager and chairman shall not be combined.
3. A minimum of 1/3rd of the total strength of the board (subject to a minimum of 2) shall comprise of independent directors.
4. Non-executive directors and independent directors shall (as specified in 1,3 above ) be identified in the annual report. If an independent director resigns or is removed from the office, the company shall notify CMA/MSM of the reasons.

**Article (4):** The board shall meet at least 4 times in a year with a maximum time gap of 4 months between any two consecutive meetings. The minimum information required to be placed before the board shall

## Functions of the Board of Directors

be as stated in the annexure 2. The board may decide to exclude any of these matters to be placed before it if concern for confidentiality warrants so.

### **Article (5): Functions of the Board of Directors:**

1. Approving the business and financial policy of the company to meet the objectives of the business and to maximize the shareholders' value.
2. Reviewing and approving the company's financial objectives, plans and actions.
3. Approving the internal regulations of the company regarding routine activities and specifying the responsibilities and the authorities of the management.
4. Approving and implementing the disclosure policy of the company and monitoring its compliance with the regulatory requirements.
5. Approving the delegation of power to the management; delegation of power shall specify clearly the level of the approving authority and modes of tendering with appropriate limits. Circumstances under which tender other than the lowest tender can be accepted shall be clearly spelt out. The management shall record reasons in writing for ignoring the lowest bid.
6. Reviewing the company's performance to evaluate whether the business is properly managed according to the company's objective and ensuring compliance with the laws and regulations through proper internal control systems.
7. Reviewing material transactions with the related party, which are not in the ordinary course of business prior to the same being brought before the general meeting of the company.
8. Approving and presenting information accurately and timely to shareholders according to disclosure requirements.....by CMA.
9. Reviewing the company's performance to evaluate whether the

## The Board Secretariat and the Minutes

business is properly managed.

10. Nominating the members of the subcommittees and specifying their roles, responsibilities and power.
11. Selecting the CEO/General Manager and other key executives and specifying their roles, responsibilities and power.
12. Evaluating the functions of the sub-committees, CEO and key employees.
13. Approving interim and annual financial statements.
14. Reporting to the shareholders, in the annual report, about the going concern status of the company with supporting assumptions and qualification as necessary.

### **Article (6): Directors Secretary and the Minutes:**

1. The board, immediately after its composition, shall appoint a secretary to the board.
2. The secretary shall draw the minutes of the each board meeting mentioning the subjects discussed, decisions reached, names of the members present and vote cast by each member. The minutes shall bear the serial number and date.
3. The secretary of the board or any other person so authorized by the board shall make proper disclosure board resolutions according to the provisions relating to disclosures under various laws and regulations.

### Article (7): Audit Committee:

The board shall set up an audit committee in accordance with the following guidelines:

- a. The committee shall comprise of at least 3 members (all being non-executive directors), a majority of them being independent.
- b. The chairman of the committee shall be an independent director.
- c. At least one member shall have finance and accounting expertise.
- d. The audit committee shall meet at least 4 times a year with majority of independent directors remaining present.
- e. The decision of setting up the committee shall also specify the terms of reference, place and quorum of the meeting and description of the method of discharge of the responsibilities.
- f. The board shall approve the working plan of the committee prepared by it in clear terms. The plan should specify objectives, membership, powers, date of the meetings, tenure, responsibilities, liabilities and remuneration of its members. The audit committee shall have powers including the following:
  - Seeking the presence of the finance head and head of the internal audit department as invitees in the meetings of the audit committee. Where further notes are required.
  - Seeking information from any employee of the company.
  - Securing the advice and attendance of outsiders with relevant expertise if considered necessary.
- g. The audit committee shall hear the views of the external auditors before forwarding the annual accounts to the board for approval.
- h. The audit committee shall hear the views of internal and external auditors separately, at least once every year.

**Article (8):** The role of the audit committee shall be as per annexure (3).

## External Auditors and Internal Audit

### External Auditor and Internal Control systems.

**Article (9):** The annual general meeting shall appoint external auditors. The following shall apply:

- a. The board shall recommend the name of the auditor for election after considering the proposed recommendation of the audit committee.
- b. The auditor shall be appointed for one financial year. The same firm shall not be appointed as external auditors for more than 4 consecutive financial years. After completion of fourth consecutive term, the firm will be eligible for reappointment as external auditors only after a cooling off period of 2 years.
- c. The auditor shall not be allowed to provide non-audit services, which might affect their independence and impartiality.
- d. The external auditors, as part of their audit procedure, shall report to the shareholders any significant concern(s) that come to their attention on:-
  - Adequacy and efficacy of the internal control systems in place.
  - Whether the business is a going concern. (separately from directors' assumption of going concern)
  - The company's compliance with setting up internal systems and regulations and their adequacy to the company and their implementation.
- e. Frauds detected or suspected by the external auditors shall be reported to the board of the company. However if the fraud is material, he shall report the fraud to respective regulators of the company.

**Article (10):** The directors shall, at least annually, conduct a review of the effectiveness of the company's systems of internal control and state in their report to the shareholders that they have done so.

## The Management

### Management:

**Article (11):** The executive management shall be appointed under contractual arrangement specifying the terms of the appointment.

**Article (12):** The board shall appoint and strive towards promoting competence in the management to gain trust of the board and shareholders.

**Article (13):** The management shall be accountable to the board and the subcommittee of the board. Non-executive members and the chairman shall not interfere in the routine matters of the company on daily basis. The articles of the company may provide for designating an employee as managing director on whole time basis.

**Article (14):** Management shall function according to the duty cast on them as per organizational manual approved by the board specifying the full gamut of the roles and responsibilities. The board shall approve a delegation of power to frame the above responsibilities.

**Article (15):** The management shall follow the instructions of the board and its sub-committees in order to put its policies into effect. The management shall be responsible for that towards the board .

**Article (16):** Without compromising the competitive advantage of the company or releasing any information or data given by the management that may harm the company's interest in case of disclosure , the annual report shall contain a management discussion and analysis (MD&A) report, in addition to the director's opinion, containing discussions on the following matters:

- Industry structure and development
- Opportunities and threats
- Analysis of segment and product wise performance
- Outlook
- Risks and concerns
- Internal control systems and their adequacy
- Discussion on financial and operational performance.

## The Management

**Article (17):** Disclosure shall be made, by the management to the board, relating to all financial and commercial transactions, where they have personal interest (for self and relatives up to first degree) that may have potential conflict with the interest of the company at large (e.g. dealing in company's shares and commercial dealings with bodies which have shareholding of management and their relatives).

**Article (18):** Information like quarterly results, Statement, explanations and analyses made by company shall be put on the company's website if any and send soft copy on CD to CMA.

# Rules For Related Party Transactions

## Rules For Related Party Transactions

**Article (19):** The related party shall not have any direct or indirect interest in the transactions with the company except as under:

**First:** The normal contracts and transactions in ordinary course of business without any differential advantage accruing to the related party. The AGM shall be notified of these transactions on ex post-facto basis every year. The normal transaction shall mean routine transactions carried out on regular basis in order to achieve the company's major objectives (absence of such transactions may lead to non-attainment of the company's objective).

**Second :** Contracts entered through a transparent mode of open tendering or limited tendering after obtaining and evaluating at least 3 independent bids in accordance with the guidelines prescribed by the audit committee. Provided that the best tender shall be chosen. Such transactions shall be disclosed in AGM.

**Third :** The board may approve the related party transactions, based on the recommendation of the audit committee, in case of small value transactions within the monetary limits prescribed in the procurement manual of the company.

**Fourth :** Through prior approval of the general meeting of the company after due recommendation by the audit committee. The following shall apply:

- a. The notice to the shareholders shall contain the following details besides the opinion of audit committee and the board of the transaction and responsibility of executing it as approved :
  - The name of the beneficiary related party.
  - Nature and extent of the interest of such party in the transaction.
  - Value of the transaction.
  - Validity period of the proposed arrangement.
  - Any other relevant information
  - In the case of an acquisition or disposal of assets, an independent valuation.

## Rules For Related Party Transactions

- b. The approval shall be obtained prior to start of the execution of the transaction.
- c. The approval shall not be of general nature.
- d. The approval shall be explicit for each transaction with full specific details.
- e. The concerned related party is not allowed to participate in the voting on the transaction .

**Article (20):** The full details of the terms of the transaction shall be sent to all the shareholders as part of the notice for general meeting with the statement from the board (other than related party) that the transaction is fair and reasonable so far as the interests of the shareholders of the company are concerned.

**Article (21):** The company shall prepare written policy and procedures on tenders and procurement. A copy of it shall be filed with CMA.

**Article (22):** The auditors during the subsequent year shall report about the proper discharge of the responsibilities of the related party under the contract and any other transaction to which it was a party.

**Article (23):** The above rules and guidelines are not meant to be exhaustive. The additional stipulations as mentioned under IAS, if any, shall also apply.

**Article (24):** The above stipulations are in addition to the disclosure requirements of CMA.

**Article (25):** Any transaction, in violation of these guidelines, shall be null and void and will not affect the shareholders adversely. The damages if any shall be born by the concerned related parties.

## Report on Corporate Governance

### Report on Corporate Governance:

**Article (26):** There shall be a separate chapter on corporate governance in the annual reports of the company highlighting the non-compliance with any requirement.

**Article (27):** The items as detailed in annexure 4 shall be included in the report on corporate governance. This includes a descriptive report on how the company has applied the principles of corporate governance as stated in annexure ( 1,4 ).

**Article (28):** The company shall obtain a certificate from the auditors of the company regarding report on corporate governance being free from any material misrepresentation.

# ANNEXURES

## Annexure (1): Principles of Corporate Governance

**1.a.** The board shall strive to seek candidates possessing the following characteristics:

1. High ethical standards and integrity in their personal and professional dealings.
2. Possession of high intelligence and wisdom and who apply it in decision making.
3. Capacity to read and understand financial statements.
4. Potential to contribute towards effective stewardship of the company.
5. Capacity to approach others assertively, responsibly and supportingly.
6. Capacity to activate and consult employees to attain high standards of management.

**b.** The board shall strive to achieve the following core competency, for the board as a whole.

1. Strategic insight and ability to direct by encouraging innovation and continuously challenging the organization to sharpen its vision.
  2. Expertise in financial accounting and corporate finance.
  3. Understanding of management trends in general and concerned industry in particular.
  4. Ability to perform during periods of both short term and prolonged crises.
  5. Appropriate and relevant industry specific knowledge.
  6. Business expertise in international markets if the company operates in international markets.
- 2.** The board shall review on annual basis the appropriate skills and characteristics required of the board members in the context of the assessment of the perceived needs of the board and recommend suitable names to the shareholders for election.
- Shareholders retain the power of electing any candidate to the board
- 3.** Comprehensive information on the affairs of the company should be

## Annexure (1): Principles of Corporate Governance

made available to all directors in general and non-executive directors in particular with a view to enable them discharge their duties effectively.

4. The company should arrange a process of induction for newly appointed directors. This may include some form of internal and external training particularly in the areas of financial and legal affairs.
5. The corporate frame-work should provide adequate avenues to the shareholders for effective contribution in the governance of the company without getting involved in the routine functioning of the company. The forum of general meetings should be used effectively to communicate with the shareholders.
6. The company should be ready, where practicable, to enter into a dialogue with institutional shareholders based on mutual understanding of objectives.
7. Annual and interim financial statements, price sensitive public reports and the reports to the regulators prepared by the board should contain balanced and understandable assessment.
8. The board should be consciously aware of its responsibility for preparing the accounts which, in no case, is less onerous than the reporting responsibilities of external auditors.
9. The board should ensure effective internal control in all areas of company's operations including financial, operations related, compliance and risk management.
10. The board should, in consultation with the audit committee, adopt a transparent policy in the matter of relationship with the external auditors specially in the area of award of consultancy assignments. The guiding principle should be presurance of independence in absolute sense as well as in the views of the investing public.
11. Every public company shall establish, maintain and enforce written policies, procedures and systems of supervision (related to fair disclosure) reasonably designed to:

## Annexure (1): Principles of Corporate Governance

- Ensure the fair and timely release of material information about the company.
  - Ensure that the information it releases about the company is honest, correct, straightforward, and reasonably complete.
  - Ensure that the information it releases does not intentionally or unintentionally mislead investors.
  - Prevent dealing in the shares of the company on the basis of undeclared or unrevealed information, by those who are, by virtue of their position, aware of such information.
- 12.** The company should develop a transparent and credible policy for determining the remuneration of directors and key executives. Performance related elements of remuneration should form a significant portion of the total remuneration package of the CEO, executive directors and key executives.
- 13.** The board should approve a proper «delegation of power» to executives. The manual on delegation of power should cover entire range of functions like administrative powers, financial powers and personnel powers .... etc.

## Annexure (2): Minimum Information to be Placed Before the Board

1. Capital and operating budgets and any updates.
2. Quarterly results of the company.
3. Minutes of the meetings of the audit committee and other committees of the board.
4. Information on recruitment, resignation, removal and remuneration of key executives.
5. Show cause or penalty notices which are material.
6. Serious accidents, dangerous occurrences and pollution problems.
7. Material default in financial obligations to or by the company.
8. Issues involving possible public or product liability claims of substantial nature.
9. Joint venture agreements.
10. Transactions involving substantial payment towards intellectual property/ goodwill/ brand equity.
11. Any significant industrial relations problem including new wage agreement.
12. Sale of investments, assets and divisions which are not in the normal course of business.
13. Compliance and Non-compliance with any regulatory requirement.
14. Details of any foreign exchange exposure and steps taken to hedge the risks.

## Annexure (3): The Role of the Audit Committee

1. Considering the name of the auditor in the context of their independence (particularly with reference to any other non audit services), fee and terms of engagement and recommending its name to the board for putting before AGM for appointment.
2. Reviewing audit plan and results of the audit and as to whether auditors have full access to all relevant documents.
3. Checking financial fraud particularly fictitious and fraudulent portions of the financial statement. They should put in place an appropriate system to ensure adoption of appropriate accounting policies and principles leading to fairness in financial statements.
4. Oversight of the internal audit function with reference to reviewing of scope of internal audit plan, reviewing the reports of internal auditors pertaining to critical areas, reviewing the efficacy of the internal auditing and reviewing as to whether internal auditors have full access to all relevant documents.
5. Oversight of the adequacy of the internal control system through the regular reports of the internal and external auditors. They may appoint external consultants if the need arose.
6. Oversight of financial statements and with reference to review of annual and quarterly financial statements before issue, review of qualifications in the draft financial statements and discussion of accounting principles. In particular, change in accounting policies, principles and accounting estimates, any departure from International Accounting Standards (IAS) and non-compliance with disclosure requirements prescribed by CMA should be critically reviewed.
7. Serving as a channel of communication between external auditors and the board and also internal auditors and the board.
8. Reviewing risk management policies and looking into the reasons of defaults in payment obligations of the company, if any.
9. Reviewing proposed specific transactions with related parties for making suitable recommendations to the board and setting rules for entering into small value transactions with related parties without obtaining prior approval of audit committee and the board.

## Annexure (4): The List of Items to be Covered in Report on Corporate Governance

**1. Company's philosophy on code of governance and a descriptive report on how the company has applied the principles of corporate governance as stated in annexure (1).**

**2. Board of Directors:**

2. 1. Composition and category of directors for example executive, non-executive, independent and nominee director (with institution represented as Lender or as equity investor).
2. 2. Attendance of each director at the board meetings and the last AGM.
2. 3. Number of other boards or board committees he/she is a member or chairperson.
2. 4. Number of board meetings held and dates of the meetings.

**3. Audit Committee and Other Committees:**

3. 1. Brief description of terms of reference.
3. 2. Composition, name of members and Chairperson.
3. 3. Meetings and attendance during the year.

**4. Nomination Procedures of the Board of Directors.**

**5. Remuneration Matters:**

5. 1. Details of remuneration to all directors and top 5 officers individually including salary, benefits, perquisites, bonuses, stock options, gratuity and pensions etc...
5. 2. Details of fixed component and performance linked incentives along with the performance criteria.
5. 3. Service contracts, notice period and severance fees.

**6. Details of Non-Compliance by the Company:**

Penalties, strictures imposed on the company by MSM/CMA or any statutory authority, on any matter related to capital markets, during the last three years.

## **Annexure (4): The List of Items to be Covered in Report on Corporate Governance**

### **7. Means of Communication with the Shareholders and Investors:**

7. 1. Whether half-yearly results were sent to the each shareholder.
7. 2. Name of the web-site where these were posted.
7. 3. Whether the web-site of the company displays official news releases.
7. 4. Presentations made to institutional investors or to the analysts.
7. 5. Whether MD&A is a part of annual report or not.

### **8. Market Price Data:**

8. 1. High / low price during each month in the last financial year.
8. 2. Performance in comparison to broad based index of MSM (relevant sector).
8. 3. Distribution of shareholding .
8. 4. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

### **9. Specific areas of non-compliance with the provisions of corporate governance and reasons.**

### **10. Professional profile of the statutory auditor.**

### **11. Any other important aspect.**