

Corporate Governance Progression Matrix*

CG Attributes	LEVEL 1 Basic CG Practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
A. Commitment to Corporate Governance	<ul style="list-style-type: none"> The company has a charter or articles of incorporation, with provisions on: <ul style="list-style-type: none"> the protection of shareholder rights and the equitable treatment of shareholders, the distribution of authority between the Annual General Meeting of Shareholders, the Board of Directors and executive bodies; and information disclosure and transparency of the company's activities. 	<ul style="list-style-type: none"> The company has a written code of ethics approved by the Board of Directors. The company has a designated officer responsible for ensuring compliance with the company's corporate governance policies and also has a compliance officer responsible for ensuring compliance with its code of ethics. Management/Board of Directors approves annual calendar of corporate events (Board meetings, General Shareholders' Meeting, etc.). 	<ul style="list-style-type: none"> The company has a written corporate governance code. The company periodically discloses to shareholders its corporate governance code and practices and the extent to which such practices conform to the country's voluntary code of best practices, if applicable. 	<ul style="list-style-type: none"> Applicable corporate governance, accounting, external and internal auditing, internal controls, and shareholder information practices are equivalent to those in place at best practice public companies (i.e., little would need to be done to qualify to make a public offering). The company fully complies or explains any deviations from all applicable provisions of the voluntary code of best practices of the country (some elements of which may be applicable only to public companies).
B. Structure and Functioning of the Board of Directors	<ul style="list-style-type: none"> The Board of Directors is constituted, meets periodically and deliberates independently of executive management. Board members are given sufficient information and time to prepare for Board meetings. Board members exercise their duties of management oversight and developing the company's direction and strategy. 	<ul style="list-style-type: none"> The Board includes members who are neither executives of the company and its affiliates, nor controlling shareholders. Board meetings are held according to a regular schedule (at least 4 times a year), the agenda is prepared in advance, and minutes are recorded and approved. Board composition (competencies / skill mix) is adequate for its strategy and oversight duties. 	<ul style="list-style-type: none"> The Board of Directors has an Audit Committee - chaired by an independent Director; - composed of a majority of independent Directors; - includes at least one financial expert; and - all members should be at least financially literate. The Board of Directors and executive management receive induction and regular training. The Board of Directors is elected on a regular basis. 	<ul style="list-style-type: none"> The Board of Directors is composed of a majority of independent Directors. The audit committee is composed <i>entirely</i> of independent Directors. The Board has a Nominating Committee. The Board has a Compensation Committee. The Board of Directors is elected annually. The performance of the Board as well as each individual director is reviewed annually. The company has an established succession plan for the CEO.
C. Control Environment and Processes	<ul style="list-style-type: none"> An adequate internal control system is in place, documented and periodically reviewed by an independent internal audit function. 	<ul style="list-style-type: none"> The internal control system is in accordance with the highest national standards. The internal audit function is established and is in accordance with the highest national standards. The Board of Directors approves and regularly monitors the company's risk management and compliance policies and procedures. 	<ul style="list-style-type: none"> The company has a comprehensive compliance program that is annually reviewed. The internal audit function is independent and overseen and reports directly to the Audit Committee. 	<ul style="list-style-type: none"> The internal controls system and the internal audit function are risk-based and in accordance with <i>highest international standards</i>.

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D. Transparency and Disclosure	<ul style="list-style-type: none"> Financial statements are prepared in accordance with the highest national accounting standards, and audited by a recognized independent external auditing firm. The company complies with all disclosure requirements under applicable law, regulations and listing rules (fair disclosure). Shareholders are provided with information and documentation upon their request and as specified by applicable law. 	<ul style="list-style-type: none"> The company prepares and presents all financial statements and reporting in accordance with a widely accepted, internationally recognized system of accounting (IFRS or U.S. GAAP). The company's financial statements are audited in accordance with <i>International Standards on Auditing</i>. The company discloses information on: <ul style="list-style-type: none"> affiliated parties and the affiliation of members of the Board of Directors; and In meetings of the Board of Directors and Annual General Meeting of Shareholders. All disclosure to and communications with shareholders (e.g., materials for the shareholders' meetings, minutes of the most recent meetings etc.) are made available on the internet in a timely fashion. 	<ul style="list-style-type: none"> The company discloses information on the remuneration of the members of the Board of Directors and senior management. The company publishes a comprehensive annual report that includes a corporate governance section. The company rotates its external auditors or at least rotates its audit engagement partner. The company discloses its beneficial owners. 	<ul style="list-style-type: none"> Financial and non-financial disclosure practices are in accordance with <i>highest international standards</i>.
E. Rights of Minority Shareholders	<ul style="list-style-type: none"> Minority shareholders are provided with adequate notice and an agenda of the shareholders' meetings; and are permitted to participate and vote at such shareholders' meetings. All shareholders' meetings are convened at an easily accessible location. All shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights. Shareholders are provided with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates (ownership concentration). 	<ul style="list-style-type: none"> Shareholders have the opportunity to propose items to the agenda and to ask questions at the shareholders' meetings. Effective representation of minority shareholders is provided by cumulative voting or similar mechanisms. The company has a well understood policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management (conflicts of interest). The company has a dividend policy which is disclosed to shareholders. 	<ul style="list-style-type: none"> The company has effective shareholder voting mechanisms in place to protect minority shareholders against unfairly prejudiced actions of controlling shareholders where ownership is especially concentrated or controlling shareholders have strong conflicts of interest (e.g., super-majority or "majority of minority" provisions). The company has clearly articulated and enforceable policies with respect to the treatment of minority shareholders in changes of control situations (tag-along rights). The annual report clearly discloses the principal risks to minority shareholders associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company. The company pays dividends shortly after a decision to declare dividends is made. 	<ul style="list-style-type: none"> Shareholders have the opportunity to use electronic means of communication (including the internet) for voting. The company has a system of registering shareholders complaints and effectively regulating corporate disputes. The company's history of equitable treatment of shareholders demonstrates consistent conformance with international market expectations. The company has a well understood policy and practice of full and timely disclosure to shareholders of all material shareholder agreements.