# Corporate Governance Questionnaire*

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<th>CG Attribute/Risk</th>
<th>Questions to Ask</th>
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| Commitment to CG  | • Does the company have a charter or articles of incorporation according to local legislation, with provisions on: (i) the protection of shareholder rights and the equitable treatment of shareholders; (ii) distribution of authority between the Annual General Meeting of Shareholders, the Board of Directors and executive bodies, and (iii) information disclosure and transparency of the company’s activities?  
• Are the Board of Directors and the senior management familiar with the voluntary code of corporate governance for the country (if such a code exists)? To what extent does the company comply with the provisions of this code? How is this compliance disclosed?  
• Does the company have a corporate governance code and/or policies? What are the procedures for monitoring compliance with these? Who does the monitoring?  
• Does the company disclose the extent to which it is complying with its corporate governance policies and procedures?  
• Does the company have a code of ethics?  
• Does the company have a designated officer responsible for ensuring compliance with the company’s corporate governance policies and code of ethics?  
• Does the management/Board of Directors approve the annual calendar of corporate events (Board meetings, General Shareholder Meeting, etc.)? | • Documents: Articles of incorporation, CG code, CG articles, CG committee charter, CG code of ethics, audit committee charter, Internal control and risk management  
• Interviews: Board chair, CEO, compliance or CG officer |
<p>| Key Risk: The company and its shareholders have not demonstrated a commitment to implementing high quality CG policies and practices | * Adapted by the DFIs Working Group on Corporate Governance from the IFC Corporate Governance Methodology © |</p>
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| company’s risk management and controls are insufficient to ensure sound stewardship of the company’s assets and compliance with relevant regulations | - Does the Board of Directors set the company’s risk appetite and periodically review the risk management system?  
- Does the company have an internal audit (IA) function? Does the IA function have a charter that is approved by the Audit Committee or Board of Directors? Does the IA function have full access to records, property and personnel relevant to their audit?  
- To whom does the IA function report? Is the IA chief independently hired and dismissed with the consent of the Board of Directors?  
- Does the Board of Directors monitor management’s response to deficiencies and weaknesses identified by the IA function and/or external auditors?  
- Does the company have a risk management system? Who is responsible for developing it? How are the risks identified and compared with industry standards?  
- Does the company have a compliance program or procedures that include the training of employees, auditing and monitoring systems, and a company “hotline” for reporting violations?  
- Were there any significant problems reported in internal controls, risk management and compliance in the past 5 years?  
- Is the company’s external audit in line with International Standards on Auditing (ISA)?  
- Who, formally and in practice, selects the external auditors and to whom are they accountable? Is there a policy to rotate the external auditors or the engagement audit partners?  
- Has the external auditor ever issued a Qualified, Adverse, or Disclaimer of Opinion on the financial statements? Why? | - Interview: Board chair, Audit Committee chair, CFO, internal audit chief, risk officer, compliance officer, external auditor |
| Transparency and Disclosure | - Are the financial statements prepared in keeping with internationally recognized accounting standards (e.g., IFRS or U.S. GAAP)?  
- Were there any material re-statements of the company’s financial statements in the past 5 years? Please specify.  
- Does the company disclose major transactions, related party transactions, off-balance sheet activities, and other material events? How (e.g., Annual Report, website)?  
- Does the Board of Directors/Audit Committee review key elements of the company’s financial statements? How often?  
- Does the company have a written information disclosure policy that seeks to make all material information (financial and non-financial) fully, timely and equally available to all stakeholders?  
- If the company is publicly listed:  
  - Are periodic meetings with securities analysts held? Who participates in such meetings?  
  - Has the regulator or the exchange ever required the company to provide additional information or clarification in the annual report, financial statements or other disclosure? On what elements?  
  - Has the company ever been sanctioned or censured by the regulator or the exchange for any failure or delay in disclosing required information to the public? | - Documents: financial statements, information disclosure policy  
- Interview: audit committee chair, CFO, external auditor, chief of investor relations |
| Rights of Minority Shareholders | - Are there differences between the voting rights and cash flow rights of the company’s various classes of equity and quasi-equity securities (as different from the “one share, one vote” principle)?  
- Do minority shareholders have any mechanisms to nominate members of the Board of Directors (e.g., cumulative voting, block voting, etc.)? Have such rights been exercised?  
- Is ultimate beneficial ownership of shares disclosed by controlling shareholders and management?  
- Are there any minority shareholders protection mechanisms in place?  
- How will minority shareholders be treated in the event of a change of control of the company (e.g., tag-along rights)?  
- Does the preparation and calling of annual and extraordinary shareholders meetings enable the participation of all shareholders (sufficient notice; agenda and supporting materials; proposing agenda items; participation personally or through proxy; the right to ask questions; dissemination of the results of the meeting)?  
- Has the company ever been subject to investigation into its treatment of shareholders? How have shareholder disputes been resolved? | - Documents: articles of association, annual report, by-laws on shareholders’ meeting  
- Interview: controlling shareholders, minority shareholders, Board chair, corporate secretary |

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