

(Sample)

Self Assessment of Board of Directors

The Stock Exchange of Thailand

February 2015



The Stock Exchange of Thailand

Sample

Self Assessment of the Listed Companies' Board of Directors

Objectives

1. According to the Principles of Good Corporate Governance for Listed Companies 2012, it is suggested that listed companies' board of directors and committee members should assess their performance once a year. The assessment should be conducted as a whole as well as on an individual basis.
2. To encourage the annual assessment conducted by listed companies, The Stock Exchange of Thailand has issued 4 self-assessment forms as follows:
 - Form 1 "Self Assessment for the board of directors as a whole"
 - Form 2 "Self Assessment for the board of directors as a whole – Concise version" (This simple version is designed for users who are not familiar with the assessment or will be conducting it for the first time.)
 - Form 3 "Self Assessment of committee as a whole"
 - Form 4 "Self Assessment of the board of directors and of committee members on an individual basis"

Please note that these four forms are simply basic guidelines. Adjustments to fit specific industry or related factors are recommended.

3. To ensure year-to-year comparison, scoring can be marked in different methods but standardized. Here is the sample of scoring system from 0 to 4.

- 0 = Strongly disagree or never conducted
- 1 = Disagree or seldom conducted
- 2 = Fair or moderately conducted
- 3 = Agree or well conducted
- 4 = Strongly agree or excellently conducted

CG Center
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Form 1:

Self Assessment of the board of directors as a whole

Criteria	Score					Comment
	0	1	2	3	4	
1. Board structure and qualifications						
1.1 The board size suits the core business and supports the board's performance effectively.						
1.2 The board is composed of diversely skilled and experienced directors who support the board's activities effectively.						
1.3 The number of independent directors suits the current board size and supports the board's activities effectively.						
1.4 The number of non-executive directors suits the current board size and supports the board's activities effectively.						
1.5 The number of executive directors suits the current board size and supports the board's activities effectively.						
1.6 When considering the core business, the qualifications of an independent director are suitable.						
1.7 The nomination process of qualified director is transparent, fair and free from influence.						
1.8 Qualifications of audit committee are suitable, allowing the committee to act effectively as stated in the charter.						
1.9 Qualifications of remuneration committee are suitable, allowing the committee to act effectively as assigned by the board.						
1.10 Qualifications of nomination committee are suitable, allowing the committee to act effectively as assigned by the board.						
1.11 Directors manage the commitment well, with limitation in number of their board seats at other listed companies.						
1.12 The formation of committee is sufficient for the operation.						
1.13 The appointment and qualification review of corporate secretary is carried out by the board.						
2. Roles, duties and responsibilities of the board						
2.1 The board gives priority and devotes sufficient time to consider the business direction, business strategy and business plan.						
2.2 The board gives priority and devotes sufficient time to consider and review the corporate governance policy.						
2.3 The board gives priority and devotes sufficient time to ensure that the corporate governance policy, determined by the board, is complied.						

Criteria	Score					Comment
	0	1	2	3	4	
2.4 The board gives priority and devotes sufficient time to consider and review the business code of conduct.						
2.5 The board gives priority and devotes sufficient time to ensure that the business code of conduct, determined by the board, is complied.						
2.6 The board establishes procedures to consider any transaction with conflict of interests on an arm's length basis.						
2.7 Any transaction with conflict of interests, on established procedures, is to be considered by the board, in order to maintain company's benefits.						
2.8 The board reviews related parties transactions to ensure compliance with all relevant regulations.						
2.9 The board gives priority and devotes sufficient time to ensure that internal control system is sufficient and can achieve its objectives.						
2.10 The board gives priority and devotes sufficient time to consider and review risk management policy and risk mitigation.						
2.11 The board gives priority and devotes sufficient time to evaluate the efficiency of risk mitigation conducted by the management.						
2.12 The board arranges effective whistleblowing, and monitors blower protection policy.						
2.13 The board monitors the implementation of management team to ensure compliance with policy and the board's resolution.						
2.14 The board gives priority and devotes sufficient time to supervise the financial statement is carried out under generally accounting standards.						
2.15 The board gives priority and devotes sufficient time to oversee accurate, timely disclosure according to related rules.						
2.16 The board gives priority and devotes sufficient time to establish fair and optimal procedures of remuneration consideration.						
2.17 The board gives priority and devotes sufficient time to consider directors' remuneration prior to proposing to the shareholders' meeting.						
2.18 The board gives priority and devotes sufficient time to consider management's remuneration.						
2.19 The board gives priority and devotes sufficient time to establish criteria for CEO assessment.						
2.20 The board gives priority and devotes sufficient time to assess CEO's						

Criteria	Score					Comment
	0	1	2	3	4	
performance, and applies the assessment to determine CEO's remuneration.						
3. The board meeting						
3.1 The board is notified the date of board meeting in advance, ensuring the attendance of directors.						
3.2 The frequency of board meeting is appropriate, ensuring that the board runs the business operation efficiently.						
3.3 The agenda of the board meeting is properly proposed, allowing directors to run their duties efficiently.						
3.4 The meeting invitation and related information are distributed to directors in advance, giving sufficient time to study prior to the meeting.						
3.5 Information presented in the meeting invitation is sufficient to make decision.						
3.6 The board is able to request additional information to support their decision making.						
3.7 The meeting environment supports the sharing and discussion among directors. No one director dominates the meeting.						
3.8 Directors can freely discuss in the meeting.						
3.9 Particular director does not attend the meeting and abstains from voting on a particular agenda in which he or she has a conflict of interest.						
4. Duties of directors						
4.1 Prior to the meeting, directors prepare and study information.						
4.2 Directors regularly attend the meeting.						
4.3 Directors can express opinion independently.						
4.4 Directors are neutral and independently vote for each agenda.						
4.5 Opinions from directors are useful for the business.						
4.6 Directors understand the key points of discussed issues and devote sufficient time to find out solutions.						
4.7 Directors can accept different opinions without controversy among directors.						
5. Relationship with management						
5.1 Directors can frankly discuss critical issues with CEO.						
5.2 The relationship between the board and management team is smooth.						
5.3 Upon request, CEO can receive recommendations from directors.						
5.4 The board does not intervene the normal operation done by						

Criteria	Score					Comment
	0	1	2	3	4	
management team.						
5.5 In case action plan or budget plan is unattained, the board can properly engage in solving problems.						
6. Director's self improvement and management training						
6.1 Directors understand their role, duties and responsibilities.						
6.2 Directors understand the nature of business, capable of running their duties efficiently.						
6.3 Directors are alert in the change of economic and industry condition, competition, the rule amendment, capable of running their duties efficiently.						
6.4 The board encourages training and development for directors.						
6.5 Once a new director is appointed, the related information (presented in a document or shared in an orientation) of being a director, including roles and responsibilities, are provided.						
6.6 The board has the succession plan to ensure business continuity.						

Form 2:

Self Assessment of the board of directors as a whole (Concise)

Criteria	Score					Comment
	0	1	2	3	4	
1. Board structure and qualifications						
1.1 The board size suits the core business and supports the act of the board effectively.						
1.2 The board consists of diversely skilled and experienced directors who support the act of the board the board's performance effectively.						
1.3 The number of independent directors suits the current board size and supports the board's activities effectively.						
1.4 Each type of directors such as Non-executive directors, Executive directors, Independent directors is suitable.						
1.5 When considering the core business, the qualifications of an independent director are suitable.						
1.6 The nomination process of a qualified director is transparent, fair and free from influence.						
1.7 Directors manage the commitment well, with limitation in number of their board seats at other listed companies.						
1.8 The formation of committee is suitable for the business.						
1.9 The appointment and qualification review of corporate secretary is carried out by the board.						
2. The board meeting is conducted under the following conditions:						
2.1 The board is notified the date of the board meeting in advance, ensuring the attendance of directors.						
2.2 The frequency of board meetings is appropriate.						
2.3 Each agenda is discussed with sufficient time allocated.						
2.4 The meeting invitation and related information are distributed to directors in advance, giving sufficient time to study prior to the meeting.						
2.5 The meeting environment supports the sharing and discussion among directors.						
2.6 Particular director does not attend the meeting and abstains from voting on a particular agenda in which he or she has a conflict of interest.						
3. In line with the duties and responsibilities of the board of directors, the board gives priority and devotes sufficient time in the following issues:						
3.1 Business direction, business strategy, and business plan						
3.2 Company's corporate governance policy						

Criteria	Score					Comment
	0	1	2	3	4	
3.3 Business code of conduct						
3.4 Transaction with conflicts of interests on an arm's length basis						
3.5 Related parties transactions to be considered under related rules						
3.6 Internal control						
3.7 Risks and risk management						
3.8 Whistleblowing, monitoring, blower protection policy						
3.9 Monitoring the implementation of management team						
3.10 Financial statement done under generally accounting standards						
3.11 Remuneration of the board and management team						
3.12 CEO annual performance evaluation						
4.Others						
4.1 The relationship between the board and management team is smooth. The board does not intervene the normal operation of management team.						
4.2 Directors' self-development and training are encouraged.						

Form 3:

Self Assessment of committee as a whole

Criteria	Score					Comment
	0	1	2	3	4	
1. Board structure and qualifications						
1.1 The size of committee suits and supports the committee's performance effectively.						
1.2 The committee consists of diversely skilled and experienced members who support the committee's activities effectively.						
1.3 The number of independent directors in the committee is suitable.						
1.4 Each type of directors such as Non-executive directors, Executive directors, Independent directors is suitable.						
1.5 When considering the core business, the qualifications of an independent director are suitable.						
1.6 The nomination process of qualified member is transparent, fair and free from influence.						
1.7 Members manage the commitment well, with limitation in number of their board seats at other listed companies.						
2. The committee meeting is conducted under the following conditions:						
2.1 Members are notified the date of the committee meeting in advance.						
2.2 The frequency of committee meetings is appropriate.						
2.3 Each agenda is discussed with sufficient time allocated.						
2.4 The meeting invitation and related information are distributed to members in advance, giving sufficient time to study prior to the meeting.						
2.5 The meeting environment supports the sharing and discussion among members.						
2.6 Particular member does not attend the meeting and abstains from voting on a particular agenda in which he or she has a conflict of interest.						
3. In line with the duties and responsibilities of particular committee, the member gives priority and devotes sufficient time in the following issues:						
3.1 Audit committee						
3.1.1 Review and ensure the accuracy and reliability of financial reports.						
3.1.2 Review the compliance with laws and rules.						
3.1.3 Review the efficiency of established internal control system.						
3.1.4 Consider related parties transactions and conflict-of-interests transactions to meet compliance.						

Criteria	Score					Comment
	0	1	2	3	4	
3.1.5 Advise the appointment and / or removal of the head of internal audit department.						
3.1.6 Consider the appointment, removal of external auditor, including the amount of auditing fee.						
3.1.7 Ensure procedures for complaint mitigation are carried out by management.						
3.2 Nomination committee						
3.2.1 Identify qualifications of director and top management, consistent with related laws and business.						
3.2.2 Consider a list of qualified persons and propose it to the board of directors to finalize.						
3.2.3 Initiate a succession plan for directors and top management.						
3.2.4 Establish continuous training programs for directors.						
3.3 Remuneration committee						
3.3.1 Consider procedures to determine remuneration for directors and top management whether it is paid in cash or non-cash.						
3.3.2 Set up criteria to determine fair remuneration. For example, the paid amount is comparable to the peer in the same industry.						
3.4 Corporate governance committee						
3.4.1 Initiate CG policy and give advice to the board on CG-related issues.						
3.4.2 Supervise the board and management team to ensure the compliance with CG policy.						
3.4.3 Review existing CG policy and study the change of CG worldwide to enhance standard.						
3.4.4 Set up the policy and practices of corporate social responsibility (CSR) and oversee the implementation.						
3.4.5 Form the policy and best practice of anti-corruption.						
3.5 Risk management committee						
3.5.1 Manage the implementation of risk management to be in line with the planned strategy, goal and changing environment.						
3.5.2 Give advice, monitor and evaluate risk management system.						
3.5.3 Consider emerging risks and control system.						
3.5.4 Assist the operation of Chief Risk Officer (CRO).						
3.5.5 Report the performance to the board.						

Form 4:

**Self Assessment of the board of directors
and of committee members on an individual basis**

Criteria	Score					Comment
	0	1	2	3	4	
1. Board structure and qualifications						
1.1 Knowledge and experience of a director are fit with business.						
1.2 For any formed committee, members' knowledge and experience are appropriate to the assigned duties and responsibilities.						
2. The board meeting						
2.1 Prior to the meeting, a director prepares and studies information.						
2.2 Opinions from a director are useful for the business.						
2.3 Particular director does not attend the meeting and abstains from voting on a particular agenda in which he or she has a conflict of interest.						
2.4 Chairman or an assigned person can conduct efficient meetings.						
3. Roles, duties and responsibilities of the board						
3.1 A director complies with related rules, laws and charter, and performs his duty well.						
3.2 A director devotes time for his duties.						
3.3 A director does not intervene the normal operation carried out by management team.						
3.4 A director properly supervises and monitors management's operation.						
3.5 A director is enthusiastic about continuous development.						