

## **FINANCIAL REPORTING COUNCIL**

### **Guidelines on Compliance with the Code of Corporate Governance**

Pursuant to Sections 6(2)(f) and 75 of the Financial Reporting Act, the Financial Reporting Council has issued Guidelines on Compliance with the Code of Corporate Governance.

#### **1. Title**

These Guidelines may be cited as the Financial Reporting Council (Compliance with the Code of Corporate Governance) Guidelines 2013.

#### **2. Interpretation**

In these Guidelines –

“Act” means the Financial Reporting Act;

“annual report” has the same meaning as in the Companies Act;

“Code” means the Code of Corporate Governance issued by the National Committee on Corporate Governance and published as General Notice No 844 of 2005;

“Council” means the Financial Reporting Council;

“PIE” means a public interest entity as defined in section 2 and specified in the First Schedule to the Act.

#### **3. Adopting the Code of Corporate Governance**

3.1 Section 75(2) of the Act stipulates that every PIE shall adopt corporate governance in accordance with the Code of Corporate Governance.

3.2 Every PIE shall demonstrate that it complies with the requirements of the Code of Corporate Governance.

#### **4. Submission of Statement of Compliance**

4.1 Section 75(3) of the Act stipulates that every PIE shall submit to the Council a statement of compliance with the Code of Corporate Governance.

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- 4.2 The Statement of Compliance shall be submitted together with the Corporate Governance Report and the Annual Report by the PIE.
  - 4.3 The Statement of Compliance to be submitted by the PIE shall be in the form set out in **Annex I** to these Guidelines.
  - 4.4 The Statement of Compliance shall state the extent of compliance by the PIE with the requirements of the Code of Corporate Governance, (which are not exhaustive) as per **Annex II**.
  - 4.5 The Directors of the PIE shall ensure that the PIE has complied with the requirements of the Code throughout the financial year.
  - 4.6 In case of non-compliance with any requirement, the PIE shall give explanations in the Statement of Compliance as to why it has not complied with that requirement.
5. These Guidelines shall become effective on **15 April 2013**.

**Made by the Council on 27 March 2013.**

**STATEMENT OF COMPLIANCE**  
**(Section 75 (3) of the Financial Reporting Act)**

**Name of PIE:** .....

**Reporting Period:** .....

We, the Directors of [PIE], confirm that to the best of our knowledge:

**\***

(i) the PIE has complied with all of its obligations and requirements under the Code of Corporate Governance; or

(ii) the PIE has not complied with .....(insert the Sections of the Code). Reasons for non-compliance are annexed to this Statement; or

(iii) the PIE has not complied with the Code at all. Reasons for non-compliance are annexed to this Statement

**SIGNED BY:**

**Chairperson and one Director**

**Names:** .....

.....

**CHAIRPERSON**

**DIRECTOR**

**DATE:** .....

**DATE:** .....

*\* Delete as appropriate.*

<b>Sections of the Code</b>	<b>Code of Corporate Governance in the issued by the National Committee of Corporate Governance (General Notice No. 844 of 2005)</b>
<b>Section 2</b>	<b>Boards and Directors</b>
2	Role and Function of the Board
2.1	Structure of the Board
2.2	Composition of the Board
2.3	Role of the Board
2.4	Conflicts of Interest
2.5	Role and Function of the Chairperson
2.6	Role and Function of the Chief Executive Offer
2.7	Role of the Executive, Non-Executive and Independent Non-Executive Director
2.8	Remuneration of Directors
2.9	Director Selection, Training and Development
2.10	Board and Director Appraisal
<b>Section 3</b>	<b>Board Committees</b>
3.1	Accountability and Responsibility for performance
3.2	Terms of Reference for Board Committees
3.3	Transparency and Disclosures from Board Committees to Board
3.4	Composition of Board Committees
3.5	Audit Committee and Corporate Governance Committee
3.6	Other Committees
3.7	Independence of Board Committees
3.8	Secretary of Committees
3.9.1	The Audit Committee
3.9.2	The Corporate Governance Committee
3.9.3	Board Risk Committee
3.9.4	The Remuneration Committee
3.9.5	The Nomination Committee
<b>Section 4</b>	<b>Role and Function of the Company Secretary</b>
<b>Section 5</b>	<b>Risk Management, Internal Control and Internal Audit</b>
5.1	Risk Management
5.2	Internal Control
5.3	Internal Audit
5.4	Reporting and Disclosure
<b>Section 6</b>	<b>Accounting and Auditing</b>
6.1	Accounting
6.2	Audit
6.3	Non-Audit services

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<b>Section 7</b>	<b>Integrated Sustainability Reporting</b>
7.1	Social and economic responsibilities of companies
7.2	Policies in respect of ethics, environment, health and safety
7.3	Ethics
7.4	Environment
7.5	Health and safety
7.6	Social Issues
<b>Section 8</b>	<b>Communication and Disclosure</b>
8.1	Board should address the shareholders and stakeholders on matters of material interest
8.2	Annual Report
8.3	Directors' Responsibilities
8.4	Corporate Governance Report
8.5	Funding
<b>Section 9</b>	<b>Relationship with shareholders</b>