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Session 5: The Role of Stock Exchanges in Promoting Corporate Governance in Asia – ten years from now?

Asian Roundtable on Corporate Governance 10-year Anniversary

9-10 September 2009 - Manila, Philippines
The Role of Stock Exchanges in Promoting Corporate Governance in Asia – ten years from now?

CORPORATE GOVERNANCE IN ASIA:
10 Years from Now
Manila, Philippines,
Peninsula Hotel
9-10 September 2009
CG Development in Thai Capital Market

- Thai government has declared 2002 as a year of good CG, and set up the National Corporate Governance Committee to set out policies, measures, and scheme to upgrade the level of corporate governance in Thai business.
- SET CG center was set up for helping listed companies to develop their own corporate governance system.

2002 - Director Accredited Program course launched
- First year of SET CG Award

2003 - SEC announced assessment result of World Bank’s CG ROSC

2005 - SET publicized new CG codes that are up to par with OECD

2005 - 2006 - SET encourage to make CGR on yearly basis to establish CG baseline and its utilization

2006 - SEC & SET promote shareholders’ right through improvement of AGM process

2008 - SET publicized new CG codes that are up to par with OECD

2009 - SEC & SET promote shareholders’ right through improvement of AGM process
Highlights in CG Developments

- Emerging listed companies to continually develop their own CG with CG assessment (Corporate Governance Report of Thai Listed Companies - CGR) {5 surveys}

- 3,536 directors of listed companies attended the Director Accredited Program [80% of all listed companies directors]

- Launching the AGM Assessment Project by SEC with cooperation of the Thai Investors Association and the Thai Listed Companies Association to increase awareness of the AGM [4 parts / 90 clauses]

- CG Academy in university
  {1 university in 2008, 2nd semester, at Thammasat}
Highlights in CG Developments

Awards and Recognition
+ Top CG Report Awards [in 2008 / 11 awards]
+ CSR Awards [in 2008 / 3 awards]

Amendment of SEC Act, effective in Sep, 2008
+ More duties and responsibilities of directors and management
+ More protection of the right of shareholders

Promote proper roles of keyed associations in CG Ecosystems

CSRI Forum

In 2007: Thailand was scored by CLSA on CG Category Scores by Country in ranking No. 2 [56.7%]
Step Forward: 10 Yrs. from now

Direction of CG Development

Rule-Based
- Just form & Common Practices
- Lack of Consciousness in mind
- Law Inpretation
- Burden of Law Enforcement

Principle-Based
- Confidence & Reliabilities
- Self Awareness
- Recognition
- Motivation of Best Practices
- Morality
- Ethics in Mind
Step Forward: 10 Yrs. from now

Corporate Governance Report - CGR

CGR in Asian Country: who’s already done….

Altogether set up Asian CG Benchmark ??
Step Forward: 10 Yrs. from now

Promote proper roles of keyed associations in CG Ecosystems

Support and promote related alliances for CG development:

- Thai Listed Companies Association
- Association of Securities Companies
- Association of Investment Management Companies
- Thai Investors Association
- Investors Relation Club
- Thai Institute of Directors Association
- Corporate Social Responsibility Institute
- Thai Chamber of Commerce
- Etc.
Step Forward: 10 Yrs. from now

Role of SET as Gatekeeper of CG Practices

Create more qualities for listed companies such as:
- Auditor approved by SEC
- Audit committee at least 3
- Independent Directors: 1/3 of BOD
- No conflict of interest
- Disclosure of info.: accuracy, adequacy, timeliness and fairness to all parties

Size of Exchange in each category: it doesn’t matter!!
- Same treatment
- Same monitor, supervision & control
- Same enforcement

Encourage non listed companies to aware and realize to cherish in CG best practices and CSR
Step Forward: 10 Yrs. from now

CG: Sustainability

CG Best Practices

CSR Strengthen

Sustainability

Values to stakeholders
For future contact:
Good Governance & Alliances Department
Tel. 02-229-2604-7

Thank You!