ASIAN ROUNDTABLE ON CORPORATE GOVERNANCE

Shanghai, People’s Republic of China, Grand Hyatt Hotel

16-17 December 2010

AGENDA

Co-hosted by

上海证券交易所

SHANGHAI STOCK EXCHANGE

深圳证券交易所

SHENZHEN STOCK EXCHANGE
Background and Objectives of the Asian Roundtable on Corporate Governance

Good corporate governance is a key to the integrity of corporations, financial institutions and markets, and central to the health of our economies and their stability. This meeting marks a milestone for the Asian Roundtable on Corporate Governance (ARCG), established at the time of the Asian financial crisis, and seeks to build consensus on new corporate governance reform priorities in Asia. It will be based on a Stock-Taking Report that summarizes Asia’s track-record in implementing the 2003 Asian White Paper recommendations, identifying key developments and impediments as well as an updated Asian White Paper that addresses emerging challenges in the region’s corporate governance landscape. Given the new global financial context, this is a critical time to review and evaluate implementation of corporate governance standards and practices as a vital step to reinforcing market integrity. We will spend considerable time reflecting on what the next decade of corporate governance in Asia may look like, new priorities, obstacles and how OECD can help.

Established in 1999, the ARCG serves as a regional forum for exchanging experiences and advancing the reform agenda on corporate governance while promoting awareness and use of the OECD Principles of Corporate Governance. The ARCG gathers the most prominent, active and influential policy makers, practitioners and experts on corporate governance in the region, from OECD countries and relevant international institutions.¹

The overall goal of the ARCG is to support decision-makers in their efforts to improve corporate governance in the region. This is achieved through informal peer review of corporate governance policy frameworks and practices in the region, benefitting from international experience. Participants seek to raise awareness of major developments and challenges, evaluate implementation and enforcement as well as discuss and analyse policy options to support viable and effective corporate governance reforms.

The ARCG agreed on an action plan in 2003 for improving corporate governance in Asia; the White Paper on Corporate Governance in Asia. The White Paper is a consensus document that identifies policy objectives and formulates a practical reform agenda to improve corporate governance in the region, using the OECD Principles on Corporate Governance as a reference.

Following broad endorsement of the White Paper, the ARCG decided to focus its work on how to translate broad policy objectives into practical measures. Recent examples include: a “Guide on Fighting Abusive Related Party Transactions in Asia” in 2009 and a Policy Brief on Corporate Governance of Banks (2006). In 2007, the Roundtable developed some important comparative publications on key issues, such as “Enforcement of Corporate Governance in Asia: the Unfinished Agenda” and “Asia: Overview of Corporate Governance Frameworks in 2007”. Considering the relevance of state ownership in the region, the Roundtable set-up in 2006 the “Asia Network on Corporate Governance of State-Owned Enterprises” to engage the appropriate audience and to address the specific policy challenges using the OECD Guidelines on Corporate Governance of State-Owned Enterprises as a reference.

Guidance for chairs, moderators, speakers and Roundtable participants

Chairs are invited to encourage open discussion among all participants, to maintain the focus on the theme of their session and to be strict in managing time. The objective is to stimulate reflection and encourage the exchange of views and experience on these complex issues among all participants. Speakers are invited to highlight the main challenges related to the specific theme, provide some elements to answer the related questions, and illustrate with their country experience. These initial presentations should last no more than 15 minutes each. Please limit the use of slides to a maximum of 8 slides and circulate descriptive documentation in advance. Introductory comments should be about 15 minutes and help frame the discussion. Discussants are invited to encourage open discussion. Roundtable participants are invited to react, expose their views and discuss the issues raised by speakers and related to the issues provided in the agenda. All participants are encouraged to actively and openly participate in discussions to provide the whole Roundtable with their country experience.

Acknowledgements

With the financial support of the Government of Japan and the Asian Development Bank

¹The participating Asian economies include: Bangladesh, People’s Republic of China, Hong Kong China, India, Indonesia, Korea, Malaysia, Pakistan, the Philippines, Singapore, Chinese Taipei, Thailand and Vietnam.
Wednesday 15 December 2010

19:00 Welcome Cocktail (Grand Ballroom I, Podium Level 2, Grand Hyatt Shanghai)

Thursday 16 December 2010 - Day 1
(Grand Ballroom I & II, Podium Level 2, Grand Hyatt Shanghai)

8:30 – 9:00 Registration

9:00 – 10:00 Inaugural Session

Chair: Mr. Hua YANG, Director General, CSRC

- Mr. XinYi ZHUANG, Vice Chairman, China Securities Regulatory Commission (CSRC)
- Ms. Liping SONG, President, Shenzhen Stock Exchange
- Mr. Qinye ZHOU, Executive Vice President, Shanghai Stock Exchange
- Dr. Marcello BIANCHI, Chair, Organisation for Economic Co-operation and Development (OECD) Corporate Governance Committee, Head of Regulation Impact Analysis Office, Commissione Nazionale per le Societa e la Borsa

10:00 – 10:15 Coffee/Tea Break


Chair: Mr. Daochi TONG, Director General, International Affairs, CSRC

Speakers:
- Mr. Hua YANG, Director General, CSRC
- Mr. Hungru IZU, Chairman of Capital Market Research Association
- Mr. Shi WANG, Chairman Vanke Limited.Co
- Mr. Ben CUSHMAN, Vice Chair, OECD Corporate Governance Committee, International Economist, U.S. Department of the Treasury

Open discussion

Background/Issues for discussion: This session will address corporate governance developments in China, with reference to the Report on Corporate Governance in China. This report is an output of the OECD-China Policy Dialogue on Corporate Governance, providing a detailed self-assessment based on the OECD Principles of Corporate Governance and was discussed by the OECD Corporate Governance Committee.
**Session 2: Corporate Governance Developments in Asia and Launch of “Corporate Governance in Asia: Progress and Challenges”**

**Chair:** Mr. Liyang JIN, Director, Research Institute, Shenzhen Stock Exchange

- **Overview** by Ms. Fianna JESOVER, Senior Policy Analyst, Corporate Affairs Division, OECD
- **Introduction** by Mr. Andreas GRIMMINGER, Director of Communication and Co-Head of Research, eStandards Forum

**Discussants:**
- **Experience from Asia**, Dr. Nik Ramla MAHMOOD, Managing Director, Securities Commission Malaysia, Malaysia
- **Sharing international experience** by Mr. Patrice AGUESSE, Director, Regulatory Policy Division, Autorité des Marchés Financiers, France

**Open Discussion**

**Background:** Since the Asian Roundtable was established in 1999 and issued a White Paper on Corporate Governance in Asia in 2003, there has been a marked improvement in corporate governance. This session will share progress of corporate governance reform in Asia with a launch of the “Stock-Taking Report: Implementing the Asian White Paper”, which specifies developments and remaining impediments to the White Paper recommendations, based on a questionnaire to all Roundtable economies. The discussion should highlight some of the issues participants will discuss in the following drafting sessions on the updated White Paper.

**Session 3: Revision of the White Paper - Drafting Session (I) Challenges: Effective Implementation and Enforcement**

- **Overall introduction to Drafting Sessions** by Ms. Fianna JESOVER, Senior Policy Analyst, Corporate Affairs Division, OECD

**Chair:** Mrs. Selvarany RASIAH, Chief Regulatory Officer, Bursa Malaysia Bhd, Malaysia

- **Introduction** by Dr. Mak Yuen Teen, Founding Director of the Corporate Governance and Financial Reporting Centre, Singapore

**Discussants:**
- **Ms. Anne MOLYNEUX**, Director, Consultants and Strategists International, United Kingdom
- **Ms. Hasnah OMAR**, Senior Financial Sector Specialist, Asian Development Bank (ADB)

**Open discussion**

**Background/Issues for discussion:** Previous Asian Roundtable discussions, a Working Group meeting last May and the Stock-Taking Report highlighted effective implementation and enforcement of the legal and regulatory framework on corporate governance as one of the biggest remaining challenges in Asia. Beyond issues related to resource constraints of regulatory and enforcement authorities, what can be the drivers of change? Should one institution take a lead? What is an appropriate balance
between private and public sector roles?

15:30 – 16:00 **Coffee/Tea Break**

16:00 – 17:30 **Session 4: Revision of the White Paper - Drafting Session (II) Developing Shareholder Engagement and Responsibility**

**Chair:** Dr. Pradnya SARAVADE (Ms.), Executive Director, Securities and Exchange Board of India, India

- **Introduction** by Mr. Jisoo LEE, Analyst, Centre for Good Corporate Governance, Korea

**Discussants:**
- Mr. Toshiaki OGUCHI, Representative Director, Governance for Owners Japan, Japan
- Mr. Charles LEE, Advocacy Manager, Asian Corporate Governance Association

**Open discussion**

**Background/Issues for discussion:** This theme has received a great deal more focus, not only because of the global financial crisis but also given its increasing relevance in Asia. This session will share the importance of active shareholder engagement with companies in promoting good corporate governance and discuss effective means to facilitate engagement, in the context of controlling shareholders. What are the key issues to be considered? What obstacles need to be tackled in order to facilitate active shareholder engagement? What effective strategies can be adopted?

19:00 **Dinner** (Grand Ballroom I & II, Podium Level 2, Grand Hyatt)
Friday 17 December 2010 - Day 2  
(Grand Ballroom I & II, Podium Level 2, Grand Hyatt Shanghai)

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<td>9:00 – 10:30</td>
<td><strong>Session 5: Revision of the White Paper - Drafting Session (III) Enhancing Disclosure and Transparency</strong></td>
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<td><strong>Chair:</strong> Prof. Ruyin HU, Director, Research Center, Shanghai Stock Exchange, China</td>
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<td>- <strong>Introduction</strong> by Mr. Charles GRIEVE, Senior Director, Corporate Finance Division, Securities &amp; Futures Commission, Hong Kong, China</td>
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<td><strong>Discussants:</strong></td>
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<td>- Mr. Fuad HASHIMI, President &amp; CEO, Pakistan Institute of Corporate Governance, Pakistan</td>
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<td>- Ms. Etty Retno WULANDARI, Head of Accounting Standard and Disclosure Bureau, Indonesian Capital Market and Financial Institutions Supervisory Agency, Indonesia</td>
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<td><strong>Background/Issues for discussion:</strong></td>
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<td>On the one hand, the presence of controlling shareholders requires more detailed information regarding conflicts of interest, such as related party transactions. On the other hand, requirements for disclosure keep increasing with longer reports that few understand or have time to digest. This session will discuss future steps to be considered in monitoring corporate governance practices effectively by Asian Roundtable jurisdictions. What are the key issues on current disclosure regime in Asia? How to encourage accurate and timely disclosure, especially of sensitive information about the company?</td>
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<td>10:30 – 11:00</td>
<td><strong>Coffee/Tea Break</strong></td>
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<td>11:00 – 12:30</td>
<td><strong>Session 6: Revision of the White Paper - Drafting Session (IV) Enhancing Board Quality and Effectiveness</strong></td>
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<td><strong>Chair:</strong> Mr. John Kok Min LIM, Chairman, Singapore Institute of Directors, Singapore</td>
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<td>- <strong>Introduction</strong> by Dr. Jesus ESTANISLAO, Chairman, Institute of Corporate Directors, Philippines</td>
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<td><strong>Discussants:</strong></td>
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<td>- Mr. Rashedur RAHMAN, Project manager, Bangladesh Enterprise Institute, Bangladesh</td>
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<td>- Dr. Piman LIMPAPHAYOM, Professor, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Thailand</td>
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<td>Board members should act in the best interest of the company and its shareholders. The board should be able to exercise objective independent judgement on corporate affairs. Given a predominance of controlling shareholders, how are directors nominated, elected and removed? Do board members have sufficient access to relevant information in a timely manner to fulfil</td>
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their responsibilities? Is it time to introduce an independent chairperson and a decision-making process with a majority of disinterested board members?

12:30 – 14:00 Lunch (Grand Ballroom III, Podium Level 2, Grand Hyatt)

14:00 – 15:00 Session 7: Implementing the OECD Principles of Corporate Governance – Peer Review: Board Practice and Executive Remuneration

Chair: Dr. Marcello BIANCHI, Chair, OECD Corporate Governance Committee

Speakers:
- Mr. Grant KIRKPATRICK, Head, Corporate Affairs Division, OECD
- Mr. Atsushi SAITO, President & CEO, Tokyo Stock Exchange Group, Inc.(TSE), Japan
- Mr. Dov RAWET, Analyst, CFA, Corporate Finance Division, Securities and Exchange Commission, Brazil

Open Discussion

Background/Issues for discussion: This session will introduce the OECD Corporate Governance Committee’s work since the global financial crisis and the way ahead – Peer Reviews. The first thematic review was undertaken with five countries including Japan and Brazil focusing on board practices and executive remuneration. The speakers will share their analysis and experience with recent corporate governance reforms. What are some of the lessons to be drawn from the Asian Roundtable?

15:00 – 15:30 Coffee/Tea Break

15:30 – 17:00 Concluding Session and ‘tour de table’

Chair: Dr. Daochi TONG, CSRC

- Update on Asia SOE Network activities by Mr. John Kok Min LIM, Chair, Asia SOE Network
- New OECD-ADB Work Shop Program by Ms. Hasnah OMAR, ADB
- Sharing recent corporate governance initiatives across Asia by Mr. Kha Loon LEE, Head, Asia Pacific, Standards and Financial Market Integrity, CFA Institute. And international community by Mr. Carl ROSEN, Executive Director, International Corporate Governance Network
- Indonesia ROSC by Mr. David ROBINETT, Senior Private Sector Development Specialist, Corporate Governance, World Bank Group
- Thai corporate governance scorecard, by Mr. Charuvastr CHARNCHAI, President, Thai Institute of Directors, Thailand
- Main highlights from the meeting and future steps by Mr. Grant KIRKPATRICK, Head, Corporate Affairs Division,OECD
- Next meeting of the Asian Roundtable in Tokyo by Mr. Atsushi SAITO, President & CEO, Tokyo Stock Exchange Group, Inc.(TSE), Japan

Closing remarks by Mr. Richard BOUCHER, Deputy Secretary General, OECD