

ASSIGNMENT: CORPORATE GOVERNANCE ANALYSIS

“Corporate governance means the process and structures used to direct and manage the business and affairs of the corporation with the objective of enhancing shareholder value; which includes ensuring the financial viability of the business. The process and structure define the division of power and establish mechanisms for achieving the accountability among shareholders, the board of directors and management. The direction and management of the business should take into account the impact on other stakeholders such as employees, customers, suppliers and communities”.

Requirements: In this assignment you will research and prepare a 3 to 5 page report card on the state of corporate governance in a publicly traded company of your choice. (see the reverse to find a company’s information). As the criteria for your *report card* use the 14 guidelines to corporate governance as published by the TSX, corporate governance lessons in class and the Canadian Coalition for Good Governance.

Decide what you to believe should be the top ten rules for a public company’s corporate governance practices; for each of your rules, you are required to:

- Comment on the importance of the guideline in general - explain why the selected guideline is important for any publicly traded company.
 - Report on the specific company in question as to the state of affairs of each guideline. Does the company abide by the guideline? Does the company go *beyond* the requirements or do they not even address the issue?
 - For each of the guidelines give the company a “*grade*” with respect to their corporate governance – back up your grade with reasoning.
 - How does the company’s position on each corporate governance issue affect the average investor? Why should the average investor care?
- ➔ Each issue should be one to two paragraphs. Choose the criteria that you believe to be the most important to the average investor.

In addition your assignment needs to have:

- a) A one paragraph **introduction** that includes an explanation of what is *corporate governance*, and why investors should be concerned and / or aware of their companies’ corporate governance policies.
 - b) A **conclusion** that gives an overall *grade* of the corporate policies of your company and both areas where the company is performing well and where the company needs improvement with regard to its corporate governance.
- ➔ **Source your work** / use references: footnotes or embedded references are required.
- ➔ **Include** a copy of the company’s stated corporate governance practices from the company’s website, annual report or proxy circular.

EVALUATION ➔ *on the back side* ➔ **you must include this evaluation page with your assignment!**

Useful links:

1. Canadian Coalition for Good Governance: www.ccg.ca
 - ➔ *Guidelines: corporate governance practices*
 - ➔ *best practices*
2. Toronto Stock Exchange www.tsx.com
3. Ontario Teachers pension plan www.otpp.com
 - ➔ *Governance*
 - ➔ *Speeches and presentations*

To find a Canadian company’s corporate governance practices:

Most companies list their practices with an explanation in the **proxy circular** that is published for their shareholders and the public at their year end. To find a Canadian company’s most recent proxy circular:

1. Go to www.sedar.com this is the electronic data service for all documents for all public companies on the TSX
2. Go to <company profiles> find the company; listed alphabetically.
3. <view company’s documents>
4. Scroll down to find the **management proxy information circular**; open it → an adobe file
5. Use the booklets index to find the corporate governance practices.
6. You may also go directly to the company’s website and look under investor information.

**EVALUATION
CORPORATE GOVERNANCE ANALYSIS ASSIGNMENT**

1. INTRODUCTION /5

- explanation of what is *corporate governance*
- importance to an investor

2. TOP 10 CORP. GOV. RULES

- general importance of the specific guideline – *in your own words explain why the rule is matters*
- Does the company abide by the guideline, do they go beyond the requirements or do they not even address the issues.
- Give the company a “grade” - *back up your grade with reasoning.*
- *Explain* How does the company’s position on each corporate governance issue affect the average investor? Should the average investor care?
- one to two paragraphs per issue

4 marks per rule

1.	2.	3.	4.	5.
6.	7.	8.	9.	10.

SUB TOTAL: /40

3. CONCLUSION /10

- * summary of the key features of the firms’ corporate governance policies
- * an overall *grade* of the corporate policies of your company
- * areas where the company is performing well and where the company needs improvement

4. OVERALL effort appearance /5

- sources cited

TOTAL	/60
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