



CORPORATE GOVERNANCE TRAINING FOR ASSET MANAGERS

Good corporate governance—well-defined shareholder rights, a solid control environment, high levels of transparency and disclosure, and an empowered board of directors—make a company both more attractive to investors and lenders. As more and more companies from the MENA countries engage in cross border investments, particularly in other emerging markets, leading companies have realized that examining good corporate governance practices are key in minimizing the company's risks.

Hawkamah and the Institute of International Finance (IIF) have designed a corporate governance training program for asset managers, recognizing the key role asset managers play in advancing corporate governance and risk management. The main objective of the training program is to educate asset managers on corporate governance, as well as work with firms to develop a corporate governance questionnaire as part of the risk assessment strategy for companies. Building on experiences from emerging markets, the program will take the asset managers through the corporate governance assessment process and eventually work with them to develop an assessment framework suitable for their companies.

Who Should Attend:

- Asset managers of investment companies
- Mutual fund managers
- CEOs/CFOs

Why attend:

- Introduce key theories of corporate governance
- Provide analysts with a framework to assess corporate governance in companies
- Develop an awareness of practical problems associated with interaction of the board, CEO, management and shareholder in a company
- Highlight common corporate governance concerns or red-flags in emerging market companies
- Help analysts develop skills necessary to evaluate the corporate governance of a company from the perspective of an investor or potential investor in the company.
- Introduce practical solutions to increase net worth of companies through improved corporate governance

Take Away:

- ✓ What is corporate governance?
- ✓ Why is it important to analyze corporate governance of a potential acquisition?
- ✓ How should an analyst assess the governance of a potential acquisition or company?
- ✓ What are common corporate governance-related concerns or red-flags in emerging market companies?
- ✓ What corporate-governance related improvements can be introduced by asset managers to increase returns on investments?



The practical program can take the form of one to two days, tailor made for the needs of the company. Hawkamah and IIF use a case study approach to its programs, and as such produces a highly interactive and educational learning environment.

Module 1: Introduction to Corporate Governance

What is corporate governance? Why does it matter?

Concepts of corporate governance

- Fiduciary duty
- Principle-agent relationship
- Independence
- Executive vs. Non-executive directors
- Outside vs. Inside directors

Framework of corporate governance in countries

Module 2: Tenets of Good Corporate Governance

Minority shareholder rights

- Voting rights
- Shareholders meeting

Structure and responsibilities of the board of directors

- Board structure
- Other responsibilities

• Disclosure

Accounting and Auditing/Financial transparency

- Standards
- Audit Committee

Transparency of Ownership and Control

Regulatory Environment

Module 3: Corporate Governance concerns in emerging market companies

Family controlled companies

- One man show – need to change culture
- Lack of independence on board –providing outside opinion
- Experience and skill of directors – directors to be appointed, some countries require genuine independent directors
- Conflicts of interest/Related party transactions – need to improve financial dealings
- Transfer pricing
- Cross-holdings
- Compensation package – personal expenses
- Off-balance sheet transactions
- 2nd and 3rd generation infighting
- Succession issues

State controlled companies

- Appointment of senior staff
- Incentive systems
- Conflicts of interest/ Related party transactions
- Succession issues

Complex organization structure – tax benefits, holding company structure

Poor financial disclosure – change financial staff, post acquisition audits,

Lack of MIS/internal audits etc. – establish system

Module 4: Case-study

Participants to evaluate corporate governance in a company using framework provided by IIF and Hawkamah

Module 5: Wrap-up

Develop questionnaire to assess corporate governance in potential target companies