A Best Practice CG Framework

This Framework has been used as the basis of our surveys. Our conclusion: the region is still at an evolving stage.

**Good board practices**
- Roles and authorities are clearly defined
- Duties and responsibilities of directors understood
- Board is well structured
- Appropriate composition and mix-of-skills
- Appropriate board procedures in place
- Director remuneration in-line with best practice
- Board self-evaluation and training conducted

**Control environment and processes**
- Independent audit committee established
- Risk management framework/structure present
- Internal control procedures in place
- Internal audit function in place
- Independent external auditor conducts audits
- Management information systems established
- Compliance function established

**Disclosure and transparency**
- Financial information disclosed
- Non-financial information disclosed
- Financials prepared according to IFRS
- High-quality annual report published
- Web-based disclosure and investor site in place

**Shareholder rights**
- Minority shareholder rights are formalized
- Well organized general assembly conducted
- Policy on related party transactions in place
- Policy on extraordinary transactions in place
- Clearly defined and explicit dividend policy

**Commitment**
- Board discusses corporate governance issues and has created corporate governance committee
- Company has nominated a corporate governance champion
- Corporate governance improvement plan is in place
- Appropriate resources are committed to corporate governance
- Policies and procedures have been formalized and distributed to relevant staff
- Company has developed corporate governance code or guidelines
- Company is publicly recognized as a corporate governance leader
Corporate Governance is a Journey

Reflect the evolutionary needs of the company.
- Ownership
- Advise
- Growth Plans

Reflect the priorities of the company.
- Oversight
- Control
- Strategy
- Business Development

Institutionalizing the corporate governance framework.
- Succession
- Continuity
- Alignment with overall vision
- Telling your corporate governance story
What Should my Company’s CG Look and Feel Like?

**Ownership Arrangements**
- Constitutive Documents
- Shareholder Agreements
- Family governance arrangements (family council, family constitution, family employment policy, etc.)
- Succession planning

**Board**
- Spectrum of no board to a full board
- Role of the chairman or entrepreneur
- Powers of the board
- Processes of decision making
- Delineation of powers between board and executives
- Who should be in the board?
- How would you assess the board’s effectiveness?
- Need for committees, Company secretary?

**Corporate Governance Documentation**
- Board and committee charters
- Corporate governance framework

**Executive Oversight and Control**
- Executives and committee structure
- How should control framework be designed?
- Delegation of authority
- Reporting structure

**Disclosure and Transparency**
- Who to disclose?
- What to disclose?
- How and how often to disclose?
- Fully understand: Why disclose?
Evolution of Hawkamah's Benchmarking Work

Hawkamah IFC
Regional Survey

LC's
BASIC

Banks
Bank CG awards

ESG Index
Shareholder Rights

You have scored a total of 49/61 in Commitment to Good Corporate Governance

Your Score (80.33%)

Industry Average (69.15%)

Issues to explore with the Board:
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Good Practices at the bank:
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Hawkamah Bank Corporate Governance Awards 2012
Environmental, Social and Governance Index
THANK YOU FOR YOUR SUPPORT IN HELPING US BUILD INSTITUTIONS FOR THE REGION

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