

## Corporate Governance Assessment

as of: May 2014

A Corporate Governance Assessment by **NOMORISK** provides certainty within a few days about how well the Corporate Governance System of your institution is in compliance with internal and external standards or market practices.

The analysis method for such assessment has been developed by our company merging the best of suggested standards and is therefore unique in its comprehensive scope and level of detail. The assessment will be conducted by way of interviews with key company representatives from Management and Board, and also at the operational level. Our experts will look at the following areas, which we think are key elements of a CG System at a financial institution in traditional market economy:

1. Principles and statutes of the institution
2. Executive Management and its responsibilities
3. Corporate Structure / Legal Entity Structure
4. Compensation system / Incentives
5. Documentation
6. Members and Shareholders
7. The Board (Organisation, Composition and Responsibilities)
8. Reporting and Disclosure
9. Risk Management and Internal Control (focus on Risk Governance)
10. Internal Audit

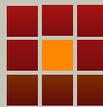


Of course, this standard set of elements will be adjusted to the specifics of the institution's economy, taking into account conventions of the local financial sector. As a result, a comprehensive overview report on the Corporate Governance System will be generated, describing how the above "standard" elements are established and where differences have been identified with good practice governance solutions for "standard" financial institutions.

The CG analysis is carried out in a 4-step process from Preparation over Assessment and Analysis to the generation of a Report. The report is the result of the Assessment and provides the current status of an institution's CG system, including areas of weakness and recommended action. This report serves as the basis of a subsequent project to overhaul the CG System as per the institution's requirements.

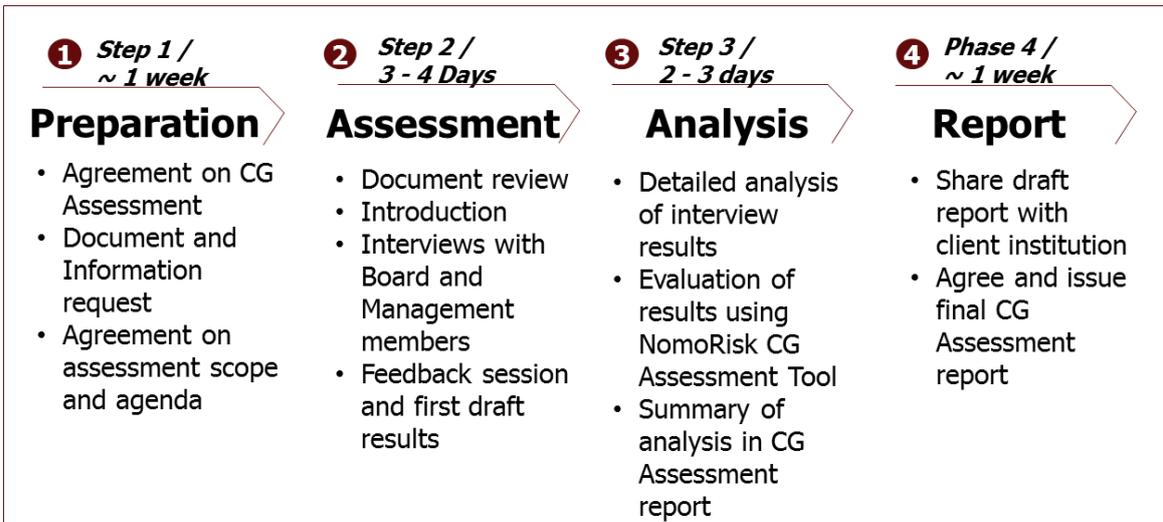
If requested, **NOMORISK** can support the institution after the CG Assessment in defining a detailed Corporate Governance development plan.

Overall, a Corporate Governance assessment for a medium sized institution will not take more than 10 working days and can be finalised within 3 - 4 weeks. As CG is one of the key duties and responsibilities of the Chairperson of the board, (s)he or a comparable representative of the MFI should be available as project sponsor and contact person to support the assessment process.

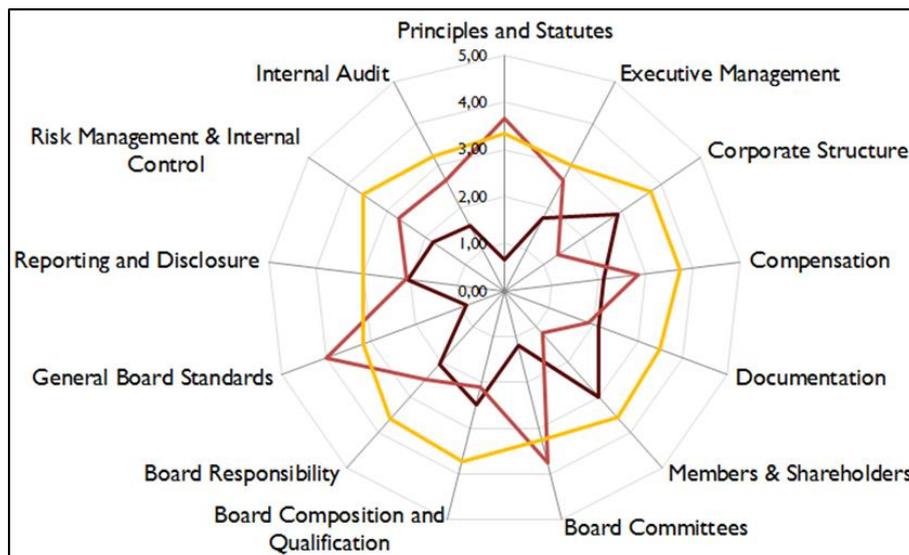


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The assessment report constitutes the main result of the risk assessment. It confirms the assessment scope, the assessment results and related recommendations. It is discussed and agreed with the responsible managers before its final presentation and hand over to the client. A sample review result with random figures is given in the following chart.



The advantages of a Corporate Governance Assessment done by **NOMORISK** can be summarised as follows:

- An unbiased analysis of the institution's governance system by experienced and independent experts;
- Minimised requirement for client staff to invest time and effort to develop and execute such assessment;
- Quick and detailed results including recommendations within only a few business days;
- Comprehensive and audit proof documentation of the areas assessed.

You have further questions on our Corporate Governance Assessment offer or would like to have such assessment executed at or for your institution? Please don't hesitate to contact us. We are looking forward to speaking to you over the phone on +49 (0)69-17554020-0 or receiving your e-mail at [info@nomorisk.com](mailto:info@nomorisk.com).

