

Suggested workshop / seminar agenda

Corporate Governance for Microfinance Institutions and SME banks

as of: May 2014

The general idea of our Corporate Governance seminars and workshops is to deliver first class know-how and principles on Corporate Governance to our clients, based on the highest standards used in the financial industry. This gives our clients the option to select the level of complexity of solutions, which is adequate to their current business needs and regulatory requirements, and which allows them to grow their related capacities in line with further development of their business.

The below is a suggested list of agenda points for a Corporate Governance workshop for an MFI or an SME bank. Obviously, the focus of a customised training program or workshop shall be agreed upon individually to ensure the specific needs and regional context of the client institution are fully covered.

1 Overview on Corporate Governance

- What is Corporate Governance?
- Examples of Governance failures

2 Commitment to good Corporate Governance

- Why is the "tone at the top" so decisive for the successful implementation of all CG elements?
- How much is the institution willing to invest in the development of its Corporate Governance system?

3 Principles and Statutes

- Principles and statutes form the fundamental basis for the institution and all elements of Corporate Governance – how should they be set up and what should be included (e.g. code of conduct to promote ethical standards for all employees)

4 Shareholder and Stakeholder Practices

- What is the role of members or shareholders and what should it be?

5 Board Effectiveness

- The reasons for having a board and its main tasks
- One tier vs. two-tier systems

5.1 General Board Standards

- General board standards as a binding framework to ensure a common understanding of all board members
- Key organizational aspects to ensure an effective, professional and independent work of the board, e.g. role of the board, processes incl. meeting frequency and meeting preparation, composition, succession planning and compensation, decisions or committees



5.2 Board Responsibilities

- Setting the general strategy and steering the institution
- Safeguarding high level control and supervision activities
- Empower, guide and control management to run the institution

5.3 Board Composition and Qualification

- The right people for representing, administering, steering and supervising the institution. What are the necessary skills?
- The right size of the Board
- Regulatory requirements

5.4 Board Committees

- Which Board Committees are required?
- How should Board Committees be organised?

6 Corporate Structure

- What has the legal set up of the institution to do with its business activities?

7 Compensation

- Compensation as one factor to help attract skilled people for Board, management and on staff level
- Incentives and their impact on performance on all levels

8 Reporting, Disclosure and Transparency

- Establishing and maintain the right internal and external reporting mechanisms

9 Executive Management

- How to support Executive Management acting in the interest of the institution
- Mission drift or other principle-agent problems
- Control of Executive Management through the Board and Board involvement

10 Risk Management and Internal Control

- Independent Risk Management as a key function in financial services
- Internal control as a process effected by the Board, management and other staff
- The fiduciary responsibilities to be ensured by regular controls
- Risk Management standards as a prerequisite for licensing

11 Internal Audit

- Independent Internal Audit role and set up
- Basics of a professional Internal Audit function
- The difference between Audit and Risk Management and Control

12 Documentation

- Documentation to share information with different stakeholders
- Transparency and stakeholder relations
- Documentation to support the work of board, management, auditors, risk management, and operational staff of all areas

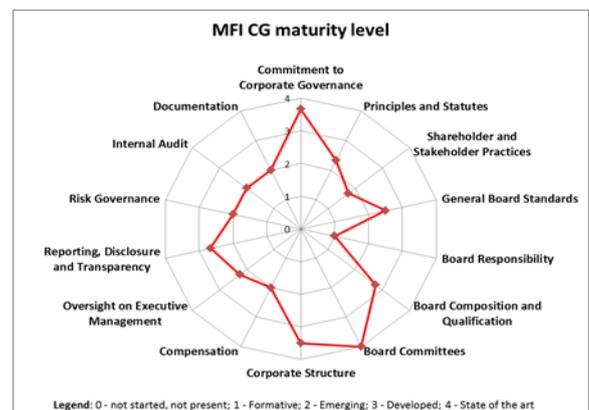
13 The advantages on investing in Corporate Governance

- The value of constant challenge of management,
- Efficiency gains,
- Profitability increase by reduction of finance cost,
- Reduction of losses and inefficiencies by better control,
- Economic gains for the country, which may lead to positive effects for the MFI.

14 Additional Workshop Option

Analysis of the MFI's Corporate Governance system during the seminar and summary in a diagram for the MFI

The Corporate Governance diagram will provide an overview of how the institution is developed in the different areas. It will be generated during the above described workshop topics by doing qualitative assessments on the various governance categories at the institution. The generation of such diagram will visualise the current state of the Corporate Governance functions at the MFI bank and help to set the focus for its future development.



Contact us for more information

If you are interested in setting up a Corporate Governance Seminar or Workshop for your institution, please contact us to discuss further details. We are looking forward to hearing from you via e-mail at info@nomorisk.com or over the telephone on +49 (0)69 17554020-0.

For further information on other training programs and services please visit our website: www.nomorisk.com