



## مركز المشروعات الدولية الخاصة

### ملحوظة

في حالة ظهور رموز غير مفهومة في النص الذي بين يديك يرجع هذا إلى خطأ في الطباعة وبيعادة طباعته بصورة سليمة يرجى زيارة الرابط الآن [www.cipe-arabia.org/pdfhelp.asp](http://www.cipe-arabia.org/pdfhelp.asp)

**Note: The following is an example of a corporate governance improvement program designed and negotiated by IFC with a family-owned and managed Latin American concern. Although there were public shareholders of the company, the structure of the company's existing governance and its practices were not very advanced, even by local standards. This was identified as a risk to IFC's potential operation with the company. The focus of this program was to help the company replace the its current governance structure with one in which the company could gradually separate the functions of ownership, oversight (the board) and management, and improve its internal controls and transparency to outside sources of finance. The content and sequencing of any corporate governance improvement program will vary depending on the nature of the client, the particularities of the legal framework, the business environment, and the company's future operational and financing plans. This example is presented solely for illustrative purposes.**

## **CORPORATE GOVERNANCE IMPROVEMENT PROGRAM**

### Phase I: Short-term Actions

- The Company will adopt and publicly disclose a written corporate governance policy, which will cover: role, composition and compensation of the Board of Directors; the creation of an **Advisory Board**, communications with, and treatment of, minority shareholders; accounting, transparency and disclosure; treatment of other stakeholders; role of *sindico*; appointment of independent auditors; publication of calendar of corporate events. (*IFC to provide models.*)
- The corporate governance policy will provide for the creation a three to five-member transitional Advisory Board within one year. The purpose of the Advisory Board will be: (i) assist in the decision-making process by providing management and the Board of Directors with an informed, objective and independent perspective on key areas of company strategy and operations; and (ii) provide the company's shareholders with potential candidates for independent members of the Board of Directors.
- The corporate governance policy will also provide for the appointment of a **Corporate Secretary** responsible for preparation and execution (including taking of minutes) of Board of Directors meetings, Annual General Meeting of Shareholders and Advisory Board meetings.
- The company will appoint a **professional CEO** from the marketplace.
- The company will adopt and publicly disclose an environmental/social corporate citizenship policy.
- The Company's organic documents (including by-laws and charter) will ensure equitable treatment of minority shareholders.

## Phase II: Medium-Term

- The corporate governance policy will provide for the formation of Advisory Board within one year, which Advisory Board with meetings held at least four times per year. (Company to provide agenda and background materials to Advisory Board members in advance of meetings.)
- The corporate governance policy will provide for the appointment of one **independent, non-executive Director** to the Board within one year (possibly a member of the Advisory Board), and for the appointment of a second independent, non-executive Director to the Board within two years (possibly also a member of the Advisory Board).
- The corporate governance policy will establish that all Directors of the Company shall receive **periodic training** on the role and responsibilities of Board members (*IFC will assist in identifying qualified director training materials or program*)
- The Company will disclose in its annual report to shareholders the content of, and extent of implementation of, its written corporate governance policy and environmental/social corporate citizen policy.
- The Company will disclose in its annual report the extent to which it complies with the National Code of Best Corporate Governance Practices, with explanations for any divergences from compliance.