Solution spotlight
Leading practice in corporate governance

keypoint

Corporate governance is the framework which monitors the activities and conduct of a company to protect the interests of all its stakeholders. Promoting sufficient corporate governance principles can help enhance stakeholder confidence and foster economic development.

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What are some key focus areas for corporate governance?
- Building a basis for effective corporate governance frameworks
- Key ownership functions
- Rights of shareholders
- Roles of other stakeholders
- Disclosure and transparency
- Board responsibilities

What are some factors to consider when selecting directors?
- Board size
- Number of executive and non-executive directors (NEDs)
- Skills sets - subject matter and sector expertise - of directors
- Nature of operations (including size of transactions, delegated authority limits and locations)
- Local regulations (laws and regulators' expectations)

Why are board committees required?
Board committees help:

- Distribute workloads among directors
- Allow issues to be discussed more granularly by directors with relevant knowledge
- Establish objectivity - required to assess company performance
- Develop NEDs' knowledge of company operations

What board committees should companies have?
Leading practice suggests a minimum of four board sub-committees:

- Audit committee (AC)
- Corporate governance committee (CGC)
- Nomination committee
- Remuneration committee

What are some general principles when establishing board committees?
- Appoint directors with a broad skills base
- Appoint a majority of NEDs

How can Keypoint add value to your corporate governance efforts?
With bilingual corporate governance consultants working from our offices in Bahrain, Saudi Arabia and Jordan, we can:
- Benchmark requirements and assess compliance
- Assess boards' - and committees' - roles and responsibilities
- Develop organisation and governance structures
- Evaluate board performance
- Design roles and responsibilities to directors, senior management and the board secretary
- Develop or review board charters, codes of conduct and conflict of interest and insider trading policies
- Document performance evaluation and disclosure policies
- Support and improve stakeholder reporting – in English and Arabic