Professional Board Member Education Program

Spring, 2018

BALTIC
INSTITUTE
OF CORPORATE GOVERNANCE

About the BICG

- **Baltic Institute of Corporate Governance (BICG)** is a non-profit, non-governmental initiative with strong involvement from the Baltic business and political leaders.

- **BICG** is leading the way in Baltic business universe by helping to create better governed public and private companies.

- **BICG** as an association is governed by its members. The relationship between the members, Board, management and other stakeholders is regulated in the bylaws of the association.

More about the BICG: www.bicg.eu

BALTIC INSTITUTE OF CORPORATE GOVERNANCE

Mission, Vision, Values

Mission
BICG delivers value to its stakeholders by promoting global competitiveness of Baltic companies through adoption of leading corporate governance practices.

Vision
BICG and its community are locally and internationally recognized drivers of the best corporate governance practices in the Baltic region.

Values
Integrity, Excellence, Transparency & Leadership

Background of the Education Program

Topics of the Education Program are compiled based on principles and recommendations on Corporate Governance by International Finance Corporation of World Bank Group (IFC) and Organization for Economic Co-operation and Development (OECD).

Goals of the Education Program

1. Improve understanding of corporate governance and of board member, shareholder, top management responsibilities;

2. Develop competencies needed for implementation of the best corporate governance practices;

3. Create corporate governance practices and rules that are understandable and easy to implement in any kind and any size of a business.

Benefits and reasons to participate

Education Program is beneficial for all the top levels of a business entity:

1. Shareholders;
2. Members of boards and councils;
3. Top management.

All of them will gain knowledge for making business more transparent, more efficient and more valuable.

Education helps shareholders to...

- Monitor the company more effectively;
- Ensure that it is run as efficiently as possible in the interests of shareholders;
- Increase transparency;
- Boost access to capital and financial markets;
- Elevate the confidence of potential partners;
- Raise the value of the company;
- Enhance and safeguard company reputation;
- Develop the long-term prosperity of the company.

Education helps members of boards and councils to...

- Improve top level decision making processes;
- Build up better control environments;
- Develop better internal practices and compliance;
- Reduce potential fraud and conflicts of interest;
- Ensure higher level of protection for all investors;
- Build effective, transparent and ethical business;
- Improve relationships among the management, board, shareholders and stakeholders;
- Contribute to the long-term, sustainable growth of the company;
- Encourage effective succession planning for top and senior management;
- Serve professionally on the boards in all three Baltic States and globally.

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Education helps top management to...

- Minimize losses, corruption, risks and mismanagement;
- Improve everyday interactions with shareholders, board and council;
- Ensure continual achievement of shareholders' goals;
- Obtain more favorable lending as a result of greater transparency and confidence;
- Attract and cooperate with partners more beneficially;
- Attract and retain key talents more easily;
- Improve profitability;
- Support brand formation and development;
- Elevate company's accountability and transparency to its shareholders and other stakeholders: employees, creditors, customers and the wider society.

Topics of the Education Program (1/4)

1. Introduction to Corporate Governance

OECD principles, elements of Corporate Governance, interests of shareholders, board members, managers.

2. Structure of Corporate Governance

Corporate governance systems, ethics codes, policies and procedures, board charter.

3. Disclosure and Reporting

Benefits of disclosure, financial and non-financial disclosures, insider trading, related party transactions.

4. Shareholders and stakeholders

Minorities, rights and agreements, interests, stakeholder mapping.

Topics of the Education Program (2/4)

5. Board's roles

Board role and responsibilities, managing vs. directing, type of members, chair and CEO, legal duties and liabilities, directors & officers liability insurance.

6. Effective board: composition and structure

Board size criteria, balanced board, member's leadership attributes, board member's selection, appointment and service agreement, succession planning, board committees, remuneration.

7. Board practices

Meeting preparation, board meeting challenges, how to conduct meetings, meeting minutes and follow up, board meeting roles and responsibilities, red flags.

8. Board procedures

Dysfunctional board and proposed solutions, board issues and removal of board members, removal of the CEO, board evaluation.

Topics of the Education Program (3/4)

9. Governance of strategy

Strategic planning and managing, strategic planning practices, strategic planning analysis, tools and options, board roles, strategy committee.

10. Evaluating strategy delivery and executive (CEO) board member's performance

Measuring organizational performance, balance scoreboard, benchmarking, dashboards, executive performance evaluation, remuneration policy, committees, components, disclosure.

11. Governance of risk

Board risk management role, benefits and process, identifying risk, risk assessment mapping, risk response and monitoring, disaster recovery and business continuity planning.

12. Corporate responsibility

Defining corporate responsibility and related terms, board role in CSR leadership and planning, corporate responsibility framework and tools.

Topics of the Education Program (4/4)

13. Financial oversight

Board role in financial stewardship, oversight, users of financial information, accounting environment, financial statement components, financial statement ratios and analysis, constraints, consequences of inadequate information.

14. Reporting

Drivers for greater transparency, quarterly financial reports, narrative reporting, enforcement of reporting obligations, investor relations and shareowner communications.

15. Corporate finance

Need for funds, debt or equity, advantages and disadvantages of public listing, PE ratio, major transactions, dividend policy, cost of capital, company valuation, capital investment appraisal methods, board's role in M&As.

16. Control environment

Board role in internal controls, audit committee – organizational roles, internal audit, detailed duties of audit committee, audit committee and external audit, current oversight concerns, regulatory developments.

Examination

Examination takes place at the end of the last education session. It is done in writing and there is a minimum threshold for passing the exam successfully.

Participants that are not in attendance for two or more days of the program are not allowed to take the examination.

Those who pass the exam successfully are entitled to a certificate.

Key lecturers – Raoul Hasselgren

Raoul Hasselgren has been a chairman and board member at 70 national and international companies, both private and public, working in real estate, production and trade business in Sweden, Germany and Finland. His past appointments include Fazer and SPAR group companies. During his extensive management career, Mr Hasselgren has worked as a CEO for companies such as Johnson & Johnson and Nordiska kompaniet. He is the author of publications about Corporate Governance, Board Practices, Public Relations, Marketing, Competition Law. Since 2005, Mr Hasselgren has educated 4 000 board members and chairpersons in Sweden, Finland and three Baltic countries.

Key lecturers – Flemming Lindeløv

Flemming Lindeløv has been a senior executive of a number of Denmark's largest companies, including Carlsberg, Tulip Meat Packers and Royal Scandinavia. He gained substantial management experience over a period of 35 years from these positions and has been in charge of a number of successful acquisitions, mergers and rationalization measures. For more than 10 years, he was the Chairman of the Board of a global pharmaceutical company Lundbeck and for 7 years he chaired the Board of Deltaq, a private equity fund. He remains active on several boards, including Prime Office A/S (Nasdaq Copenhagen), Designmuseum Denmark and Illums Bolighus (Nordic Design).

Key lecturers – Lasse Bolander

Lasse Bolander is a board professional, who currently chairs the boards of several Danish companies, such as COOP, the largest grocery retailer in Denmark. He has accumulated a wealth of experience by working in industries that include fast moving consumer goods, retail and media.

When and where

Session	City	Date	Venue
First session	Vilnius	May 10-11	Novotel Hotel Vilnius
Second session	Tallinn	May 17-18	Radisson Blu Hotel Olümpia
Third session	Riga	May 24-25	Tallink Hotel Riga

Price and payment conditions

- Education fee: 2910 € (plus VAT, if applicable), payable at registration.
- Travel to the venues and accommodation expenses are not included.
- The participation fee that is paid cannot be returned. However, time of education can be fully transferred to another session if the participant becomes unable to attend and notifies BICG about their absence no later than 10 days before the program starts.

Graduates

- Bank of Lithuania
- Blue Bridge
- Carlsberg
- Circle K (Statoil)
- Citadele group
- Deloitte
- EBRD
- ERGO group
- Ernst & Young
- Estonian Ministry of Finance
- Estonian Parliament
- Eurovaistinė
- Fermentas (Thermo Fischer Scientific Baltic)
- Girteka Logistics
- GSK
- KG Group
- Klaipėdos nafta
- KPMG
- Latvenergo
- Latvian Ministry of Economics
- Latvian Ministry of Finance
- LHV group
- Lietuvos energija
- Lithuanian Ministry of Energy
- Microsoft
- Narvesen Baltija
- Nasdaq
- Office of the Prime Minister of Latvia
- Olainfarm
- Philip Morris Baltic
- Premia Foods
- PwC
- RB Rail
- Samsung
- SEB
- Swedbank
- Švyturys-Utenos alus
- Tallinna Vesi
- Telia Lietuva

For the full list of graduates, please visit: http://www.bicg.eu/members/graduates/.

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