

The Chairman's Forum

The position of the chairman of the Board is crucial to the success of corporate governance in the region. Best practice calls for the chairman to create the conditions for long-term success – ensuring the engagement of board members and running board meetings effectively. He or she needs those qualities and skills that ensure that a company's strategy and values are properly developed, challenged and validated. A good chairman ensures that a board coheres round the strategy and values, and that the executives are properly supported in discharging their duties. Chairmen need to be exceptionally good communicators, as they are a board's primary source of contact with a company's owners and other stakeholders. The chairman's ultimate responsibility is an orderly CEO succession, while being prepared to act when urgent intervention is required.

According to the 2008 Hawkamah-IFC study (MENA-wide), a significant majority of respondents (65%) stated that both positions are held by different individuals, in-line with best practice. In particular banks (72.2%) follow best practice, presumably due to central bank regulations to this effect. In contrast, 42.3% of listed companies continue to combine these two functions. Within the GCC, the separation between the position of Chairman and CEO is mandated in the corporate governance codes of Bahrain, Oman, Qatar, Saudi Arabia and the UAE.

To respond to the changing regional corporate governance landscape and to facilitate a robust discussion on how Chairman and Vice Chairman of boards can prepare themselves for these heightened expectations, Mudara Institute of Directors, with the support of Abu Dhabi Chamber of Commerce's Abu Dhabi Centre for Corporate Governance and Hawkamah Institute for Corporate Governance, has launched the Chairman's Forum.

OBJECTIVES

The objectives of the Chairman's Forum will be:

- To facilitate regional discussions on the impact of the changing roles of Chairman and Vice Chairman to regional boardroom dynamics
- To share international best practices and experiences, particularly from fellow Chairman in companies from emerging economies
- To provide practical advice and support to the next generation of Board leadership in the region
- To build a regional network of non-executive Chairman of Boards



CHAIRMAN'S FORUM ACTIVITIES

Chairman's Forum – The Chairman's Forum is a series of exclusive (Chairman/Vice-Chairman only) roundtable discussions surrounding topics such as Chairman-CEO relationships, facilitating Board self-assessments, strategic leadership, etc. that aim to bring out emerging trends and challenges faced by regional Chairman and Vice Chairman. A two-hour focused discussion, typically facilitated and prodded by one of the members, the Chairman's Forum will be a platform for debate and sharing of practical experiences. For 2011, Mudara plans to organize two Chairman's Forum.

White Paper Series – As a key deliverable from each of the Chairman's Forum, Mudara will issue a series of White Papers that summarizes the issues raised from each of the Forum, and lay out potential next steps for programming. Additionally, Mudara may commission studies that are of interest to the Chairman's Forum that can be used to frame future discussions of the Forum.

Chairman Briefings – Mudara will hold a series of half-day Chairman briefing sessions to provide the newly appointed Chairman with the broad understanding of his/her roles and accountabilities. The half-day briefing sessions will focus on the key role of the Chairman in driving corporate governance best practice within the company.

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