



Center for Executive Development
Leon Kozminski Academy of Entrepreneurship and Management
www.kozminski.edu.pl



International Institute for Corporate Governance
Yale School of Management
www.yale.edu

EXECUTIVE EDUCATION PROGRAM
IN
CORPORATE GOVERNANCE IN CENTRAL AND EASTERN EUROPE

The Kozminski - Yale University consortium is pleased to present an executive education program in Corporate Governance to advance the effectiveness and awareness of corporate governance in Central and Eastern Europe through top quality executive education. The program will help members of corporate boards, audit committees and senior management to ensure that their organizations act in accordance with corporate laws, charters, best practice policies and procedures, and business ethics.

The two-week program will help the participants to enhance their understanding of the mechanics, strategies, and best practices of corporate governance in emerging markets. It will focus on both the theoretical and policy implications of corporate governance, including efforts in Central and Eastern Europe to set new corporate governance standards in the wake of recent legislative reforms in developed countries. The programs will cover OECD/World Bank principles, and rating standards by the Institutional Shareholder Services (ISS) and comparable institutions.

The Leon Kozminski Academy of Entrepreneurship and Management based in Warsaw, Poland, is the leading school of business in Central and Eastern Europe. It is the first business school in the region to gain the prestigious EQUIS accreditation for business education. Yale, one of the premier American universities, is deeply committed to the cause of good governance and is acting in many countries outside of the U.S.

OVERVIEW

The Executive Education Program in Corporate Governance explores business, financial and legal issues associated with systems by which corporations are directed and controlled both in emerging and developed countries. By addressing the subject in a comparative manner, participants will become familiar with the specific nature of corporations in Central and Eastern Europe, the internal and external architecture of corporate governance, the role of regulatory authorities, different models of corporate governance, corporate culture, management and board compensation.

Participants will develop a deeper understanding of business fundamentals to effectively evaluate and advise on strategy, financial reporting, financial policy, compensation, and other key corporate policies. The program will provide the participants with knowledge and techniques to eliminate fraud, comprehensive coverage of fraud detection, warning signs, technology tools, investigative techniques and financial statement screening.

Participants will examine the structure of corporations in various jurisdictions in Central and Eastern Europe, focusing on the board system, the role of the shareholders' meeting, and the role of auditors. Participants will be able to understand the existing differences in the decision process in multinational corporations operating in the CEE region.

KEY BENEFITS

On completion of the program, the participants will have an understanding of:

- The range and scope of topics and issues pertinent to corporate governance;
- The managerial, political, economic and legal dimensions of corporate governance,
- The current issues and developments in the corporate governance debate, including the changing role of investors, the CEO, and the board;
- The role which corporate governance plays in maintaining the stability of markets and retaining public confidence in public institutions;
- The external reporting requirements relating to corporate governance to which an organization is subject;
- The role of audit in corporate governance;
- Approaches to corporate governance internationally.

WHO SHOULD ATTEND?

This program is designed for board members of large and midsize companies in any industry who desire to increase their understanding of the mechanics, strategies, and best practices of board membership. Senior executives from developed countries who have accepted or are considering board membership in Central and Eastern Europe are encouraged to join.

CONTACT INFORMATION

For more information on the Executive Education Program in Corporate Governance, please refer to www.studiapodyplomowe.pl or contact:

Dr. Oskar Kowalewski
Center for Executive Development
The Leon Kozminski Academy of Entrepreneurship and Management
Ul. Jagiellonska 59
PL 03 - 301 Warsaw
POLAND

Telephone: (48-22) 519 22 27
Fax: (48-22) 811 30 68
Email: okowale@wspiz.edu.pl

PROGRAM CURRICULUM - PRINCIPAL MODULES

1. CORPORATE GOVERNANCE POLICY

This module will present the broad set of challenges facing boards. These include board size, committee structure, skills mix, board evaluation, policies on compensation, retirement, conflicts, and leadership. Corporate governance guidelines, issued by many companies and stock exchanges in response to investor pressure for commitment to high standards of governance will be discussed. The session will also explore the role of the board in strategy development and assessment.

2. CRITICAL DECISIONS FOR CORPORATE BOARDS

This session will examine the business context of key board decisions. The session will be divided into four parts: (1) nominating committee, (2) executive compensation, (3) succession, and (4) dealing with external threats - e.g. shareholder activism, proxy fights and takeover bids. The topics will be addressed by both interactive lectures and case studies of actual situations.

2.1 Nominating Committee

This session will analyze steps that together constitute current thinking on best practices for nominating committees, which make recommendations regarding the composition of boards, committees, task forces and the appointment of a presiding director.

2.2 Executive Compensation

This module reviews typical executive compensation plans and discusses the factors that the compensation committee should consider before approving remuneration arrangements. Specific ranges of total board remuneration and a breakdown of the remuneration presented by size of company and industry, and alternative structures are described (i.e., cash, stock options, restricted shares, etc.). Differential compensation strategies for those board members that assume greater responsibilities are also presented; the impact of incentives produced by these choices on the economic performance of the firm is analyzed.

2.3 Succession Strategies

In this session the development of succession planning cycles and emergency leadership transitions plans will be addressed. The need for succession planning and how to undertake these duties without damaging the morale of current management will be addressed.

3. FINANCE

This session will examine the relationship between corporate finance priorities and key board decisions. Examples of successful financial transitions and transitions that publicly failed will be presented and discussed.

3.1 Corporate Finance

This session explores legal problems arising in connection with financial transactions of corporations. It will present aspects of corporate finance that board members should know. It will cover three primary areas of evaluating financial statements and financing decisions, including questions a board member should ask in trying to understand the company's true economic position. A presentation on the function of capital markets, which considers how the markets evaluate a company, will be made. Finally, evaluating M&A transactions and questions that a board member should ask will be discussed.

3.2 Fraud

This session will focus on the origins of financial fraud, the factors at organizations that have experienced high profile corporate failures, and common warning signs. The board's responsibilities for financial fraud, as well as the impact of stock-based compensation and pay-for-performance arrangements on managers' incentives will be explored.

A case study approach will be used to discuss mismanagement, aggressive accounting, and outright fraud and steps directors may have taken which might have prevented company failures, shareholder lawsuits, and other embarrassments.

3.3 Audit Committee

This session provides an overview of the form and function of the Audit Committee, and discusses composition considerations such as independence requirements, financial literacy, and characteristics of effective audit committee members. Mechanisms for achieving required levels and certification practices will be discussed. This session will consider revenue recognition, off-balance sheet financing, and other critical issues.

4. DIRECTOR'S FIDUCIARY DUTIES

This session will present recent developments in financial regulation and market surveillance. Special attention will be given to developments in Central and Eastern Europe, but discussion will also extend to other jurisdictions, as well as multilateral organizations and the major standard setting organizations, which are having an increasing influence on national and regional regulation and activity.

The meaning of these rules for board structures and processes, and director liability, will be discussed. Directors' duties have long included the fiduciary responsibilities of care, loyalty and disclosure. The enhanced vulnerability of directors to the new level of expectations of shareholders, the press, regulators, prosecutors and legislators and the effects of recent decisions in the courts will be addressed.

5. CORPORATE GOVERNANCE RATINGS

In this module an overview of private sector monitoring activity and their ratings/methodologies, including those of eStandards Forum, Institutional Shareholder Services, GovernanceMetrics International, Moody's, The Corporate Library, and others applied in Central and Eastern Europe will be provided. The speakers will discuss each of the offerings and relate them to the company's current practices.

This session also includes a comparative analysis of the company's governance ratings to peers, as well as to companies considered to have world-class governance practices.

CERTIFICATE

The participants are awarded Certificates in Corporate Governance by Center for Executive Development of Leon Kozminski Academy of Entrepreneurship and Management and The International Institute for Corporate Governance of Yale School of Management after successful completion of the open-enrollment executive program in Warsaw.

PROGRAM FEE

The program fees covers tuition, books, case materials, accommodation and most meals.

ADMISSION

Admission is selective and based on professional achievement and organizational responsibility. No formal educational requirements apply, but proficiency in written and spoken English is essential.

SETTING

Sessions will be held at the Center for Executive Development at the Leon Kozminski Academy of Entrepreneurship and Management, equipped with classrooms especially designed to facilitate discussion among participants. The library and a computer laboratory with its wide selection of hardware and software will be available for on-campus participants. The organizers will provide information about available accommodation.