

CORPORATE GOVERNANCE

Module 5, 2017/18

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TA: TBD

Course description

This course provides a practical angle on Corporate Governance, grounded in theory and empirical evidence. The course starts with a definition of corporate governance and proceeds to explaining its origins, relevance and its role in the functioning of capital markets. Subsequently the course moves on to present key elements of the corporate governance framework, such as ownership influences, shareholder rights, board effectiveness, transparency and disclosure, and compensation policies.

The purpose of the course is two-fold. First, it seeks to provide students with a comprehensive picture of corporate governance systems and their links to the national institutional infrastructure. Second, the course is designed to explain the basics of risk-based analysis of corporate governance from an investor's or other stakeholder's perspective.

Course requirements, grading, and attendance policies

The course grade will be based on quizzes (with a 30% weight) and individual assignments (70%) that involve independent analytical assessment of corporate governance practices at one of the public Russian companies.

Course contents

Class	Topic
1	Introduction and basic definitions. The main elements, premises and objectives of corporate governance. Corporate Governance and the Capital Markets. The value effects of Corporate Governance. Corporate governance infrastructure. Corporate Governance Regulation: Soft Law vs Hard Law. Specifics of the Exchange-Based Regulation of Corporate Governance. Corporate Governance Indices and Premium Segments. National Models for Corporate Governance. Guest Speaker: Central Bank Corporate Governance Supervision Dept. (to be confirmed)

Class	Topic
2	<p>Shareholder Rights. Voting/Control Rights and Shareholder Meeting Procedures. Pre-emption, multiple share classes and other incidents of voting disproportionality. Director nomination and voting rules. Financial Rights of shareholders. Takeover regulation, dividend policies and procedures.</p> <p>Ownership influences. Shareholder influences and alignment of interests. Issues specific to family-controlled and government-controlled entities.</p> <p>Guest speaker: Denis Spirin, Corporate Governance Director, Prosperity Capital (to be confirmed)</p>
3	<p>Board of directors. Roles and responsibilities of the board. Board authority and key areas of oversight. Board composition. Director independence, board procedures and director nominations process. Director compensation.</p> <p>Transparency, Disclosure, and the Audit Process. Disclosure requirements and best practices. Fair disclosure practices. The role of the Audit committee in overseeing the reporting practices, disclosure, risk, and the audit process. Internal audit, internal controls and risk governance.</p> <p>Guest speaker: Olga Miller, former Company Secretary, TransContainer (to be confirmed)</p>

Description of course methodology

The lectures will examine the key concepts illustrated with mini-cases from international and Russian practice. During the seminars you will have a chance to discuss things left unclear at lecture.

Course materials

Required textbooks and materials

1. Corporate Governance: by John R. Nofsinger Kenneth A Kim (Authors), 2nd edition. 2006.
2. Survey of Corporate Governance Structure of Public Russian Companies. Deloitte. 2016.

[1] is a required reading containing an overview of basic elements of corporate governance from the perspective of Corporate Finance. [2] is an advanced supplementary reading on the current state of observable corporate governance practices in Russia.

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.