



## Companies Circle Governance Guidelines

The Circle is governed by the Annual Meeting of its Members, with the support of representatives of the co-sponsoring organizations – OECD, IFC and GCGF- and the Circle's Coordinator.

### ***Annual Meeting***

The Annual Meeting of the Circle is its highest decision-making body that meets annually, commonly back-to-back to the Latin America Corporate Governance Roundtable Meeting, to decide on the most important aspects of the Circle's operations and governance, such as:

- Approving the results of the activities for the previous year;
- Electing the Chair and Vice-Chairs;
- Defining the governance structure;
- Agreeing the Work Program for the next year;
- Agreeing to the Circle's expansion plans; and
- Deciding on membership.

### ***Responsibilities of the Chair***

- To chair the Circle's Annual Meetings;
- To attend the other events organized by the Circle;
- To participate in the activities of the Steering Group;
- To represent the Circle institutionally when and where the highest level of representation is needed;
- To oversee and support the implementation of the Annual Work Program;
- To fulfill other duties as agreed by the Annual Meeting.

### ***Responsibilities of the Vice-Chairs***

- To support the Chair in governing the Circle in-between the Annual Meetings;
- To act on the Chair's behalf when the latter cannot temporarily (or until the next Annual Meeting) perform its responsibilities as agreed by the Steering Group;
- To participate in the activities of the Steering Group; and
- To lead and/or participate in informal working groups.

### ***Steering Group***

#### ***The Steering Group***

The Steering Group, composed of the Chair, Vice-Chairs, Co-sponsoring Organizations (OECD, IFC and GCGF) and Co-ordinator, is responsible for implementing the decisions of the Annual Meeting and governing the Circle in-between the Annual Meetings. The Chair and Vice-Chairs are elected by the Annual Meeting until the next Annual Meeting.

The Steering Group contributes with the Sponsor Organizations to fulfilling the Circle's Mission and objectives. Its Mission Statement sets out the following goals for the Circle:

- (1) to provide a forum where members can discuss the challenges they face and the responses they have fashioned in improving their corporate governance, in an atmosphere of collegiality and confidence;
- (2) to share with the broader community of Latin American firms practical solutions to the corporate governance challenges facing companies in the region that improve operational and market performance; and
- (3) to contribute to the work of the Roundtable the views and experiences of companies that have successfully undertaken corporate governance reforms.



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*The responsibilities of the Steering Group are:*

- To implement the decisions of the Annual Meeting;
- To attend the Annual Meeting and other events organized by the Circle;
- To ensure that the Circle is driven by its Mission Statement;
- To prepare the Annual Meeting agenda and proposals for the Annual Work Plan;
- To propose the Circle governance structure for the Annual Meeting's approval;
- To propose Circle membership criteria and criteria for being active Members of the Circle;
- To support the Circle's expansion plans;
- To work with the Sponsor Organizations in reviewing the performance of Circle Co-ordinator periodically; and
- To perform other functions as agreed by the Annual Meeting.

### **Coordinator**

The Circle's Coordinator is nominated by the sponsoring organizations to support in governing the Circle through the Steering Group. The Co-ordinator should be an experienced and respected expert in the field of corporate governance in Latin America, with the broadest possible knowledge of, and contacts with, the regional and international corporate governance community.

*Responsibilities of the Coordinator*

- To organize the activities of the Steering Group;
- To help in organization of the Steering Group meetings and the Annual Meetings;
- To develop drafts of the agendas for the Circle Annual Meeting and Steering Group meetings;
- To develop a draft of the report on the activities of the Circle for the reporting year;
- To propose an Annual Work Plan;
- To participate in the activities of the Circle;
- To follow up members decisions at the Annual Meeting and co-ordinate the implementation of the Annual Work Plan; and
- To support the Steering Group with the Circle's expansion and search for new Members

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### **Sponsoring Organizations**

The OECD, IFC and GCGF are the Sponsoring Organizations of the Circle, serving as the main funders and organizers of the Circle's meetings and work program in close collaboration with the Circle Co-ordinator and member companies.

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*Responsibilities of the Co-sponsoring Organizations (IFC, OECD and GCGF)*

- To provide institutional and funding support for the Companies Circle, and to ensure synergies between the objectives of the Latin American Corporate Governance Roundtable;
- To work collaboratively to review and oversee the work of the Co-ordinator, and to contribute ideas and suggestions as appropriate;
- To support the organization of and participate in the meetings of the Circle, its Steering Group and in regularly scheduled conference calls aimed at ensuring implementation of the Circle's Annual Work Plan and development of proposals for consideration by the Steering Group and Circle membership.



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### *Procedures of the Steering Group*

The Steering Group meets via conference calls at least twice a year and as needed. The meetings of the Steering Group are recorded as minutes.

The minutes are made available to all Circle Members.

The Steering Group reports at the Annual Meeting regarding its activities for the year.

*May 14<sup>th</sup>, 2009*