



Corporate Governance Assessment

Companies are increasingly held accountable for how they manage corporate governance risks. Through our governance expertise and investor insight, we help companies understand and manage their risk exposure.

A Corporate Governance Assessment is an effective way to communicate your company's compliance and integrity to investors, creditors, regulators, business partners, insurers and other stakeholders. An assessment by an independent party can help manage investor expectations and signal your commitment to sound corporate governance. This can in turn reduce your cost of capital and support your share price, as it enables well-governed companies to capitalise on the premium investors are willing to pay for good governance.

What is a Corporate Governance Assessment?

A Corporate Governance Assessment assists in prioritising risk management activities internally in line with your business objectives and strategy. It facilitates benchmarking and differentiation of your performance against similar companies. Our assessment analyses your company's risk profile in seven areas:

- Governance policy and business ethics
- Risk management processes
- Ownership structure and control
- Reporting, audit, and verification
- Board structure and management
- Board and executive compensation
- Investor rights and relations

The assessment measures how well your company is managing corporate governance risks by evaluating the overall effectiveness of your internal governance controls. It answers the question: "Is management running the company in the interests of its investors and other key stakeholders and disclosing all information relevant to their interests?"

How is the assessment carried out?

The assessment is an interactive process conducted together with your company. It comprises two elements:

- **Governance Risk Identification:** Identifying material corporate governance risks and compiling a preliminary corporate governance profile of the company.
- **Risk Management Evaluation:** Assessing and rating the quality of corporate governance policies, management controls, performance, and disclosure.

Once DNV has prepared and agreed on an assessment plan with your company, we undertake the Governance Risk Identification. We then submit a due diligence and information request to your company. Our team of specialists will review information at your company's premises before interviewing senior executives and other relevant people.

After completing the Risk Management Evaluation, we draft a report which is discussed with your company. Your feedback is incorporated as appropriate, and a final assessment report is submitted to DNV's internal assessment committee for approval. It is presented in confidence to your company.

At the end, you receive a comprehensive report on the quality and effectiveness of your board's management and reporting of corporate governance risks. The report includes individual sub-ratings, analytical commentary as well as an overall rating. You decide whether to publish the report or only use it internally to strengthen your governance performance.

The flexible process allows us to provide you with a preliminary qualitative gap analysis before proceeding to a full qualitative and quantitative assessment at a later stage.

Our expertise

DNV's solid competence in the area of Enterprise Risk Management has already helped large and small companies worldwide manage their changing risk profiles more effectively. In 2004 DNV acquired CoreRatings, a leading global provider of ratings on corporate governance and corporate responsibility. The expertise of DNV, combined with methods and knowledge acquired through CoreRatings, offers the market a full range of services in the corporate governance and responsibility areas, satisfying the call for measurement of material business and investment risks.