

# Corporate Governance

**'Governance is governance' it is not management and it is surely not volunteering as a board member you have to see to it that the organization is well-managed rather than managing it yourself.'**

**– Ken Dayton (former Chief Executive Officer of Dayton Hudson Corp.)**

Bazaari Finance is playing an increasing role in the delivery of financial services. To adequately address the needs of customers, the company is focusing on their core competencies and using the latest technology to help improve productivity, develop new products and conduct research. Board members play a pivotal role in assessing and improving the governance of the organization. Bazaari Finance believes that corporate governance is a system of people and processes by which the board of directors, through management, guide an organization in fulfilling its goals, takes major decisions and protects its assets over time.

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board. The Board consists of 6 members, out of which 4 are non-executive and 2 are executive directors. The Board periodically evaluates the need for change in composition of its size.

## **Committee Structure**

For Bazaari Finance the use of committees to accomplish certain tasks is based on two key premises. The first premise is that smaller, focused groups can be more efficient than larger ones. The second premise is that smaller groups can discuss issues with greater depth. Board committees are used to improve the quality and efficiency of the board by defining ways to address an issue that the board then considers in

making a decision. Boards can assign considerable responsibility to committees; however, committees can never make a policy decision for the full board. Committees are also a powerful mechanism for increasing the interaction between outside and inside directors. Directors are given a place in the committee as per their expertise and qualification so that the matter can be effectively dealt with.

### **Committee Business Support**

We will support small enterprises, as we believe they play an important role in providing employment, poverty alleviation and supplying essential goods and services that people need. This community would seek to organize business with disadvantaged communities. Our intervention with these enterprises will be for improving their business performance, building their capacities and help them in accessing markets.

### **Information and Disclosure**

The quality of board oversight, decision-making and strategy development is closely tied to the quality of information management provides. In turn this is tied to the quality of Accounting, MIS and the System of internal controls. The board receives monthly/ quarterly reports on financial and operating performance. At each meeting the board sets indicators that must be aligned with financial goals and social mission a 'scorecard' or 'dashboard.' These indicators give a complete and focused picture of the organization, and the presentation show trends overtime. Such a scorecard is an essential tool for the board in fulfilling its mandate to guide strategy.