



# TERMS OF REFERENCE



<b>Objective, rationale and output of enhancing GLIC M&amp;M capabilities and processes</b>	<b>ENHANCE GLIC M&amp;M</b>	
	<b>Enhance GLIC M&amp;M capabilities and processes</b>	<b>Number III.3.1.1</b>

## Objective

- Reinforce the role and enhance the organisational structure, processes and capabilities of the departments within GLICs which monitor and manage the GLICs’ investee companies. This includes establishing “nominee director term sheets” in order to clarify the nominee directors’ roles and interaction mode with the GLICs

## Rationale

- In order for GLICs to catalyse the transformation of their investee GLCs, it will be key for them to drive high standards of corporate governance and focus the GLCs on long-term financial performance, in line with the GLIC’s mandates and determined level of active ownership
- In order to play this role, GLICs need best-in-class Monitoring & Management departments, as well as clear interaction modes with their nominee directors

## Output

- Organisational blue print and implementation plan which GLIC’s can use as guidance for their Monitoring & Management department, as well as syndicated term sheet for the GLIC’s nominee directors



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**Pre-conditions for success and risks for enhancing GLIC M&M capabilities and processes**

**ENHANCE GLIC M&M**

**Enhance GLIC M&M capabilities and processes**

**Number  
III.3.1.2**

### **Prerequisites for success**

- Strong drive from GLIC's head with a commitment to implement the agreed-on organisational blue print
- Sponsorship from a senior executive from the GLICs
- Buy-in from the existing head of Monitoring & Management
- Full time team, composed of 2 to 3 members with appropriate skills and access to the existing Monitoring & Management department
- Ability to hire staff with appropriate skills and experience

### **Risks**

- Difficulty in sourcing or lack of availability of personnel with the appropriate required profiles
- Nominee directors resistant to implementation of term sheet



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<b>Next steps for enhancing GLIC M&amp;M capabilities and processes</b>	<b>ENHANCE GLIC M&amp;M</b>	
	<b>Enhance GLIC M&amp;M capabilities and processes</b>	<b>Number III.3.1.3</b>

## **Next steps for GLICs**

- Review existing organisation and plans of Monitoring & Management function (structure, capabilities and processes) and any existing Guidelines for interactions with nominee directors
- Based on the GLIC’s mandate and investment objective, determine segmentation principles for the GLIC’s investee companies into categories requiring a similar Monitoring & Management approach depending on the GLIC’s level of active ownership on the GLC.
- Identify core Monitoring & Management functions and process
- Determine preliminary sizing of staff to carry out functions
- Lay out organisational options for the Monitoring & Management functions
- Develop a draft nominee director term sheet
- Evaluate options and detail preferred option
- Establish and execute implementation plan