Trend-Spotting in Corporate Governance

"Ostrich Awards" for Dubious Distinctions in Corporate Governance View
Since Enron, you've probably heard about the corporate miscreants who ignored and abused best corporate governance practices, but what about the honest, ethical and well-intentioned CEOs and directors? Are they following best practices? To prove that some of them are not, even some high profile individuals and boards, Mr. Gordon created the Ostrich Awards for Dubious Distinctions in Corporate Governance. The Ostrich Motto: "Never attribute to malice what can be adequately explained by dubious decision making."

Managing Board Composition

Who do you want and how do you find them?

How to determine the right qualities and best mix of directors?..How to discover whether "independent" directors will act independently in the boardroom…Where to find a candidate pool with more diversity and specific skills…What type of due diligence should you expect from a prospective director?

Increased Shareholder Democracy…New Proxy Voting Rules?

The SEC may give shareholders the right to nominate board members directly and bypass the governance/nominating committee…How might this process work and impact board composition?

Director Exit-Strategy
We'll explore the various alternatives (from permissive to mandatory) that boards can use to remove under-performing directors.

III. Tools of the Trade

"10 Commandments for the Board" (as a group)
What the board must do...From the duty of care and loyalty to establishing controls, systems and procedures for oversight...from delegating authority to setting limits on the CEO's authority...from succession planning to getting "unfiltered information" for decision making...from proper board meeting procedure to evaluating the board and its individual directors...The "10 Commandments" are the ultimate rules for the ultimate authority...They're straightforward, but the "devil is in the details" of their application, so we'll cover how to apply these rules with some of our "War Stories" (and hopefully some of yours).

"Director Bill of Rights" (for individual directors)
Although individual board members have no authority to bind the corporation, they do have unalienable rights that they must use as needed to do their job...from the right to

participate in board meetings and make informed decisions to the right to inspect company property...from the right to communicate with anyone to the right to dissent and resign. Individual directors should tell 'em who they are and what they stand for...Dissent in board meetings is good.

IV. Board-Management Relationship

Pros and Cons of Combined Chair/CEO…Presiding and Lead Directors

Is a major shift in the balance of power from the CEO to the board necessary? Why should you separate the combined position if it has worked well in the past? Hasn't the CEO's power been weakened enough? We'll explore the arguments from both sides of the boardroom. We'll also discuss the role of a "Presiding" or "Lead" director, and the pros and cons of a former CEO being the Chairman of the Board.

V. Committees…Hot Topics…Hot Trends

Audit, Compensation, Governance and Special Committees make or break a board, but serving on a committee means more responsibility, more hours, and greater expectations of your performance. To help you exceed these expectations, we'll cover the roles of the various committees and the pros and cons of hot trends and topics such as shareholder democracy, large CEO pay packages, the resetting of executive performance goals, and the evaluation of board and individual directors.

10 Commandments for the Board (as a group)

- Know your job and then just do it (duties of care and loyalty)
- Exercise ultimate authority
- Oversee by establishing controls, systems and procedures
- Delegate duties and rely on outside experts
- Act only as a full group at a meeting or by unanimous written consent in lieu of a meeting
- Own the strategic and business plans
- Take "cradle to grave" responsibility for key executive management
- Set limits on CEO's authority
- Get "unfiltered" information for decision making
- Evaluate yourself as a group and individually

Director Bill of Rights (for individual directors)

- Right to participate in meetings and make informed decisions

- Right to inspect everything
- Right to communicate with anyone
- Right to request the company to hire an outside adviser for you at company expense
- Right to dissent and resign