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Principles of corporate governance in business ethics

The round table of business has been recognized for decades as a voice on issues that affect American business corporations and meaningful and effective corporate governance practices. Since the last updated principles for the corporate governance of corporate governance in 2012, US public companies have continued to adapt and refine their governance practices in the framework of the laws changing laws and stock exchange rules. The company's CEO Roundtable continue to believe that the US has the best corporate governance, financial communication systems and securities markets in the world. These systems work because © damage to public companies not only a framework of laws and regulations that establish minimum requirements, but also the flexibility to implement customized practices that meet the needs of companies and change these practices in the light of the conditions and standards. In recent years, the external environment in which public companies operate has become increasingly complex for companies and shareholders. The major regulatory burdens imposed on public companies in recent years have added to costs and complexity to supervise and manage the activities of a company to a company and bring new challenges to be operational perspectives, regulatory and compliance. In addition, many public companies U.S. have a global profile; They interact with investors, suppliers, customers and government regulators in â â around the world and they do it at a time when instant communication is the norm. Moreover, in the recent past, Congress has abandoned strict adherence to the fundamental principle of materiality, a central principetto the disclosure requirements of Federal securities laws. Instead, Congress has tried to use the laws of the securities to address matters that are immaterial for investments of shareholders voting decisions. For example, Congress has required public companies to disclose information relating to conflict minerals and payments to foreign governments for the extraction of resources and the safety of the mine, the information may be relevant in a social context but have little relevance for the material information that should be required shareholder an investment decision. The current environment has also been shaped by fundamental changes in shareholder engagement, which has become a central and essential issue for public companies and their committees, managers and investors at the beginning of the 21st century. Public companies have embarked on unprecedented levels of proactive engagement with their major shareholders in recent years. Many institutional investors have also increased their involvement efforts, devoting significant resources to governance issues, awareness of the company, the development of voting policies and analysis of the proposals on votes of their company's portfolio. In addition, the overall levels of shareholder activism remain at record high, requiring significant pressure on targeted companies and their boards. In addition, many of today's shareholders' and not just those typically considered as "Attivatisti" have more high expectations about the commitment with the Board and management of shareholders in previous years. These investors seek a bigger voice in the strategic decision the company, the allocation of capital and the social responsibility of companies overall, the areas traditionally have been the only Purvewview Council and Management. in addition, some guided campaigns by shareholders to change company strategy (through the spin-off, for example) or capital allocation strategies (through share repurchase programs) that in some cases, at least, the shareholder input on these issues was heard in the board of the board of directors. Some commentators see this increase in shareholders' emperor, as appropriate, claiming that shareholders are the best owners of society. Other questions, however, if the objectives of activists are excessively focused on short-term use of the share capital, such as the repurchase of the shares or special dividends. Specials. The assignment strategies that focus on short-term value can be entirely appropriate for a shareholder, regardless of the length of its investment horizon. The Council, however, has a very different role in considering the appropriate use of the capital for society and all its shareholders. In particular, the Council must constantly assess both long-term and short-term capital of capital (for example, the organic or inorganic reinvestment, returns to shareholders, etc.) and therefore determine the appropriate allocation of this capital in line with The corporate strategy society and objective of the creation of long-term value. The Business Table CEOs of the Business believe that the commitment of shareholders will continue to be a critical problem of corporate governance for companies of U.S. in the years to come. Furthermore, it is our sense that there is a growing recognition in corporate America and an increase in shareholder access to the Council Hall cannot come without a corresponding increase in shareholder responsibility. Here, as in many areas of corporate governance, transparency is a fundamental but essential element - for example, in this Ã ¢ â,¬ "information", Ã ¢ â,¬ "Shareholder who wishes to influence business behavior should be Encouraged to publicly reveal the nature of its identity and properties, even in cases where the federal laws of securities cannot specifically require disclosure. More fundamentally, we believe that shareholders' responsibility extends beyond disclosure. We feel that there is a growing Convention that shareholders cannot seek additional emempowent without hiring some responsibilities for the goal of the creation of long-term value for all shareholders. Furthermore, we believe shareholders should not use their investments in US public societies for purposes that they are not in line with the purposes of public enterprises for profit, including but not limited to Vanquamento of the orders of the unrelated and / or intangible day The company's corporate strategy. We believe that this concept of responsibility for shareholders and responsibilities will be - and should be an integral part of the modern thought relating to corporate governance in the coming years, and we look forward to taking a leadership role in discussions about these important issues. In the light of the evolving landscape that affects the public societies u.s., the company round table updated the principles of corporate governance. Although the completion of the business believes that these principles represent the current practical and effective practical practices of current and effective corporate governance, recognizes that there are large variations between companies, relevant regulatory regimes, property structures and investors of U.S. public societies. No other approach to corporate governance could be right for all societies, and the tablet business does not prescribe or approve or approve any particular option, leaving it to the judgment regarding the advice of directors, management and shareholders. As a result, each company should look to these principles as a guide in the development of structures, practices and processes that are appropriate to the light of his needs and circumstances. The guiding principles of the Business Rondandable Corporate Government supports the following fundamental driving principles: the Council approves the company strategies designed to build a long-term sustainable value; Selects a CEO (CEO); Supervisi the CEO and senior management in managing the company's business, including the assignment capital for long-term growth and risk assessment and management; And establishes Ã ¢ â,¬ Å "tone up" for ethical conduct. Management develops It implements the company strategy and manages the activity of the company under the supervision of the Council, with the aim of producing the creation of long-term sustainable value. Management, under the supervision of the Board of Directors and its audit committee, produces financial statements that are fairly the financial conditions and the results of the operations company and makes the investor investor's timely need Evaluate the financial and business solidity and business solidity. The Committee for Control of the Board of Directors maintains and manages the relationships with the external auditor, supervising the accounting of the annual financial statements of the CompanyÃ ¢ if of internal control over the financial reporting, and supervises the risk management programs and Compliance CompanyÃ ¢ s . The Corporate Governance Committee The appointment of the Board of Directors plays a leadership role in shaping the corporate governance of the company, strives to build a committed and diversified card whose composition is appropriate to light the needs and strategy of society s, and actively conducts the planning for retirement. The Council Remuneration Committee develops a compensation philosophy of executives, adopts and oversees the implementation of remuneration policies that adapt within its philosophy, designs compensation packages for CEO and senior management to encourage value creation a Long term, and develops significant goals for performance-based compensation that support the long-term value creation strategy CompanyÃ ¢ s. The Council and Management should engage with long-term shareholders on problems and concerns that are of widespread interest to them and influence the creation of long-term value CompanyÃ ¢ s. Shareholders who undertake with the card and management in a way that can affect the decision-making process or business strategies are encouraged to disclose appropriate identification information and to assume some responsibilities for the long-term interests of society and its shareholders in their complex. As part of this responsibility, shareholders should recognize that the card must continuously weigh uses both short-term and long-term capital to determine how to allocate in a way that is more advantageous for shareholders and to build long-term value. In making decisions, the Council can take into consideration the interests of all the electoral colleges of the CompanyÃ ¢ s, including interested parties such as employees, customers, suppliers and the community in which the company carries out their activity, when This contributes directly and significantly for the construction of long-term value creation. This Mail is intended to help public administration councils and management in their efforts to implement appropriate and effective corporate governance practices and act as a spokesperson for public dialogue on evolution of governance standards. Although there is a unique size at the governance approach that will be suitable for all US public companies, the creation of long-term value is the ultimate measure of successful corporate governance, and it is important that Shareholders and other subjects interested in understanding why a company has chosen to use particular governance structures, practices and processes to achieve this goal. As a result, companies should indicate not only the types of practices that use, but also their bases for selection of practical ones. I. The key company effective corporate governance actors requires a clear understanding of the respective roles of the Management Board and Shareholders; their relationships with each other; And their relationships with other corporate stakeholders. Before discussing the core Guiding Principles of Corporate Governance, Business RoundTable believes it describes the role of these key business actors is important. The Board of Directors has the fundamental role of monitoring the management CompanyÃ ¢ and business strategies to achieve long-term value creation. Selection of a well-qualified managing director (CEO) to drive the Monitor and evaluate the performance of CEOÃ ¢ s, and supervise the CEO succession planning process are some of the most important functions of the card. The delegates tab to CEOÃ ¢ and through the managing director to other management ¢ senior the authority and responsibility of Business CompanyÃ ¢ s management. Effective directors are diligent monitors, but not managers, business operations. They exercise vigorous and diligent diligent Business a companyÃ ¢ s, including key areas such as strategy and risk, but non-manage ¢ or micromanageÃ ¢ business company ¢ s performing or duplicate CEO and Senior Management Team tasks. The distinction between supervision and management is not always precise, and some situations (as a crisis) may require greater involvement of the tab in operations. Moreover, in some areas (such as the relationship with the external auditor and executive compensation), the Council plays a direct role instead of a surveillance role. Management, led by the CEO, is responsible for setting up, the management and execution of the company's strategies, including but not limited to managing the operations of the company under the Supervision of the Council and maintaining the informed council of the State of Company - Â "¢ s operations. Management manager includes strategic planning, risk management and financial reporting. An effective management team manages the company with a focus on the execution of the company's strategy on a significant time horizon and avoids an obscure emphasis on short-term metrics. Shareholders invest in a company by purchasing its warehouse and receive economic benefits in return. Shareholders are not involved in the daily management of corporate transactions, but have the right to elect representatives (Directors) and to receive informational material to investment and vote decisions. Shareholders should expect business cards and managers to act as long-term administrators of their investment in society. They should also wait for the Council and management to be sensitive to problems and concerns that are of widespread interest for long-term shareholders and influence the company ¢ s long-term value. Companies are companies for profit-purposes that are designed to provide long-term sustainable value to all shareholders. As a result, shareholders should not expect to use public companies in which they invest as platforms for the progress of their personal agendas or for the promotion of general political or social causes. Some shareholders can seek a voice in the strategic management of the company and in the surroundings of Makers - the areas that traditionally have traditionally been traditionally with the Kingdom of Council and Management. Shareholders seeking this influence should recognize that this type of empowerment necessarily involves the intake of a degree of responsibility for the goal of the creation of long-term value for society and all its shareholders. The effective corporate governance requires a focus dedicated to the part of the Directors, the CEO and to senior management to their responsibilities and, together with the shareholders of the Corporation, to the shared objective of the long-term value. II. The key responsibilities of the Board of Directors and Management An effective system of the corporate governance provides the framework by which the Council and the management satisfy their key responsibilities. Board of Directors The activity of a company is managed with the supervision of the Council. The Council also has direct responsibility for some key issues, including the relationship with the external auditor and executive compensation. The supervisory function of the board of directors includes a series of responsibilities, including: Select the CEO. The card selects and supervises the performance of the CEO of the company and supervises the process of planning the succession of the CEO. Setting of Ã ¢ â,¬ Å "Tone at the top - The Council should set a Ã ¢ â,¬ Å" tone up "which demonstrates the commitment of the company to integrity and legal compliance. This tone establishes the base for one corporate culture that is communicated to the staff to all Organization. By approving the company strategy and the monitoring of the implementation of strategic plans. The Board of Directors should have significant input in the long-term strategy the CompanyÃ ¢ s from development to the realization, should approve the strategic plans of society and should periodically evaluate the implementation of the which are designed to create long-term value. The Council should include the risks concerning the strategic plans of the company and how these risks are managed. Setting the company's risk appetite, revision and understanding of the main risks and supervise risk management processes. The Council supervises the process to identify and manage significant risks in front of the company. The Board of Directors and Senior Management should agree on the company's risk appetite and the board of directors should be convenient for strategic plans to be consistent with it. The Council should establish a structure to supervise the risk, the delegation of responsibilities to committees and supervise the designation of senior management responsible for risk management. Focusing on the integrity and clarity of the financial reporting of the company and other information on company performance. The Council should be satisfied with the fact that the company's financial statements thoroughly present its financial conditions and operations' results, which other revelations on the performance of the company transmit significant information on past results and future plans and the company Â "¢ s interior controls And procedures have been designed to detect and discourage fraudulent activity. Allocate capital. The Council should have a significant contribution and a decision-making authority for the process of assigning the share capital and the strategy to find the right balance between short and long-term economic yields for its shareholders. Revision, understanding and supervision of annual and budget operating plans. The Council supervises the annual operating plans and the opinions of the annual budgets presented by the Management. The Council monitors the implementation of the annual plans and evaluates if they are reactive to the changeable conditions. Examine company plans for business resilience. As part of its risk surveillance function, the card periodically reviewing the management of plans to deal with business resilience, including such elements as corporate continuity, physical security, cybersecurity and crisis management. Nomising the directors and members of the Committee and supervise an effective corporate governance. The Board of Directors, under the guidance of his Committee for the appointment / Corporate Governance, appointed the directors and members of the Committee and supervises the structure, the composition (including independence and diversity), the planning of succession, practices and The assessment of the board of directors and its committees. Supervise the conformity program. The Board of Directors, under the guidance of appropriate commissions, supervises the company's compliance program and remains informed about any significant conformity problems that may arise. CEO and management The Chief Executive Officer and Management, as part of the CEO management, are responsible for the development of the long-term strategic plans of society and the actual execution of the company's business in accordance with those strategic plans. As part of this responsibility, the management is accused of the following duties. Business operations. The Chief Executive Officer and Management perform the company's business under the supervision of the Council, with a view for the construction of a long-term value. Strategic planning. CEO and senior management generally take the command in the joint of a vision for the future of society and in the development of strategic plans designed to create a long-term value for the company, with significant input from the card. Management implements the plans after the card approval, revisions regularly Against strategic plans with the Council and recommends and carries out changes to the plans if necessary. Assignment of the capital. The Chief Executive Officer and Senior Management are responsible for the supply of recommendations to the Board of Directors concerning the assignment of the company's resources capital, including but not limited to organic growth; mergers and acquisitions; Transfer; spin off; maintain and cultivate its physical and non-physical resources; and the appropriate return of capital to shareholders in the form of repurchase of shares and other means of distribution of capital. The identification, assessment and management of risks. management identifies, assesses and manages the risks that the company is required to implement its strategic plans and conduct its activities. Currency Management although these risks and related risk management efforts, are consistent with the companyÃ ¢ s risk appetite. Senior management keeps the board and committees informed about significant risks of the Company's and its risk management processes. accurate and transparent financial reporting and disclosure. The management is responsible for the integrity of the financial reporting system companyÃ ¢ s and the accurate and timely preparation of financial statements of the companyÃ ¢ s and related disclosures. It 's managementÃ ¢ responsibilityÃ ¢ under the direction of CEO and the main companyÃ ¢ s officiate ¢ financial to establish, maintain and periodically evaluate the companyÃ ¢ s internal control over financial reporting and the companyÃ ¢ s disclosure controls and procedures, including the ability of such controls and procedures to detect and deter fraudulent activity. Annual operating plans and budgets. Top management develop annual operating plans and budgets for the company and presents them to the board. The team management tools and monitors operating plans and budgets, the adjustments in the light of the changed conditions, assumptions and expectations, and keeps the board informed of relevant developments and changes. The selection of qualified management, establishing an effective organizational structure and ensure effective succession planning. senior management selects qualified management, creates an organizational structure, and develops and executes reflexive career development and succession planning strategies that are appropriate for your business. business resilience. Management develops, implements and periodically reviews the plans for the business resiliency that provide the most important protection in the light of companyÃ ¢ s operations. risk identification. Management identifies the key business and operational risks of the Company s, including those related to natural disasters, leadership gaps, physical security, information security, regulatory changes and other issues. crisis preparedness. Management develops and implements crisis preparedness and response plans and works with the board to identify situations (such as a crisis involving senior management), in which the board may need to take a more active role in the response. III. Council Structure Public companies use different approaches to the structure and shipboard operations within the parameters applicable legal requirements and stock market rules. Although no structure is right for every business, Business Roundtable believes that the practices in the following sections provide an effective approach for companies to follow. Size Composition tab. In determining the size of the card case, administrators should take into consideration the nature, the size and complexity of the company as well as its stage of development. larger tables often bring the advantage of a larger mix of skills, backgrounds and experience, while smaller boards can be more cohesive and may be able to address the issues and challenges in the quickest way. Composition. The composition of the board should reflect a diversity of thought, backgrounds, skills, experience and expertise, and a number of possessions that are appropriate, given the current and future conditions of the Company's and. collectively, allow the board to effectively perform its supervisory function. Diversity. diverse backgrounds and experiences of advice Including those of the administrators who represent the wide range of the company, strengthen the board performance and promote value creation for long-term shareholders. Tables should develop a framework to appropriately identify different candidates that allows the corporate governance appoints to consider consider minorities and others with different backgrounds as candidates for every place to open edge. Tenure. Directors with a range of possessions can contribute to the effectiveness of a board. Recent additions card can provide new perspectives, while the directors who have served for a number of years to bring the experience, continuity, institutional knowledge and understanding of business and industry companyÃ ¢ s. Features. Every director should have the integrity, strong character, sound judgment, an objective mind and the ability to represent the interests of all shareholders rather than the interests of particular constituencies. Experience. Directors with relevant business experience and leadership can provide the card a useful perspective on the business strategy and the significant risks and understanding of the business challenges. Independence. Director independence is essential for effective corporate governance, and providing objective independent judgment which represents the interests of all shareholders is in the middle of boardA s oversight function. As a result, the vast majority of boardA s directors should be independent, according to the regulations and as determined by the board. Defining a independence.Ã ¢ An independent director should not have relationships that may compromise, or appear to impair, the ability of the Directora s to exercise independent judgment. Most cards have developed their own standards to evaluate the independence under the definitions of the bag, in addition to considering the views of institutional investors and other stakeholder groups. Assessing independence. When assessing the independence of a Directora s, the board should consider all relevant facts and circumstances, focusing on the fact that the director has no relationship, nor © © directly nor indirectly with the company, executives or other directors that could affect the actual or perceived independence. This includes relationships with other companies that have significant business relationships with the company or non-profit organizations that receive substantial support from the company. While it has been suggested that long-time retirement can be perceived to influence the director independence, long tenure, © per se, should not disqualify a director from being considered independent. Election. Board members must be elected by a majority vote for terms that are consistent with the creation of Longa-term value. Boards should adopt a policy of resignation under which a director who does not receive a majority vote of the tenders his resignation to the board for consideration her. Although the final decision whether to accept or reject the rest resignation with the board, the board and its committee of nomination / corporate governance should think critically why the director did not receive a majority vote, and the Director should continue serving. Among other things, you should consider if the result of the vote concerns a policy issue that affects the council as a whole or specific concerns for individual director and the basis for these concerns. time commitments. of a company administrator function for actions require much time and attention. Some roles, such as committee chair, board chair and Lead Director, involving an additional time commitment as well as board and commission. Administrators must spend time and meet as often as necessary to assume their responsibilities properly. Although there may not be the need of a specific limit on the number of outside boards on which a director or committee member can Servea or for Any other activity of a director can pursue outside his pension dutiesÃ ¢ each administrator should be committed to the responsibilities of the on-board service, and each card must monitor the time constraints of its members in the light of the particular circumstances. Council Leadership approaches. US companies take a one approaches to the management of the board; Some combine the positions of CEO and chair while others appoint a separate chair. No leadership structure is right for any company at all times, and different cards can reach different conclusions on leadership structures that are more appropriate at any particular time. Where appropriate, in the light of current and anticipated circumstances, a board should evaluate which leadership structure is appropriate. Main / President Director. The leadership of the independent board is essential for effective corporate behavior regardless of the structure of the Council's leadership. Consequently, the Council should appoint a principal conductor, also referred to as a director presidency, when combining the positions of CEO and chair or a chair is not independent. The main director should be appointed by the independent directors and should serve for a term determined by the independent directors. The cable managers perform a variety of functions depending on the requirements of the Council, but generally seductive seductive of executive sessions of the independent directors or nonmanizzanti of a board of directors, have the authority to call executive sessions and supervise the follow-up of issues discussed in executive sessions. Other key features of the main conductor include meetings of the Executive Board in the absence of the chairman, review and / or approval of the programs and schedules for meetings of the board of directors and information sent to the Board, and being available for ' commitment to the long-term shareholders. Structure of the Board of Directors' Committee Effective Committee structure allows the Council to address key areas in greater depth than might be possible to complete level. The decisions on membership and chairs of the Committee should be made by the full board on the basis of recommendations of the Committee for the nomination / corporate governance. The functions performed by the audit, nomination / corporate governance committees and commissions are essential for effective corporate governance; However, no commission structure or division of responsibility is right for all companies. Therefore, references in section IV to the functions performed by certain committees are not intended to preclude companies to allocate these functions differently. The responsibilities of each committee and the qualifications required for membership of the Committee should be clearly defined in a written charter approved by the Board. Each committee should review its Charter annually and recommend changes to the board. The committees should regularly appreciate the full board of their assets. The committees of the Board should meet all the requirements of independence and other requirements for membership (including the minimum number of members) imposed by the applicable rules of law and stock exchange. IV. Administration from council committee ACUMEN Audit Committee. The members of the Audit Committee must meet the minimum standards of financial literacy, and one or more members of the committee should be a financial expert of the Audit Committee, as determined by the Board in compliance with applicable rules. Cascade. With significant responsibility imposed on audit committees, you should consider whether the limited service on other audit committees of public companies is appropriate. The policies may allow exceptions if the board determines that simultaneous service does not effectively will affect the ability of the individual. External Auditor. The committee It is responsible for the company's relationship with its external auditor, including: selection and maintenance of the external auditor. The audit committee selects the external auditor; Reviews its qualifications (including sector skills and geographical abilities), the work product. independence and reputation; and the reviews of the performance and skills of the key members of the audit team. The Committee detects the new leading partners for the audit team and should be directly involved in the selection of the new engagement partner. The Committee oversees the process of negotiating the terms of Annual audit sealing. Supervise the independence of the external mayor. The Committee should maintain a current dialogue, opened with the external auditor of independence problems. The Committee should identify these services, beyond the annual audit commitment. which considers that the external auditor can provide the company with the maintenance of independence and determining whether to adopt a policy for pre-welding services by the auditor of the auditor or approving external services on a base of engagement involvement. Financial statements. The Committee should discuss significant issues relating to the financial statements of the company with the management and the auditor external auditor and review the printing releases of the earnings before they are issued. The Committee should include the critical accounting policies of the company and the reason why they were chosen, as a key judgments and estimates the management prepared in preparing financial statements and how they influence the financial results reported. The Committee should be satisfied with the fact that the budget and other information prepared by the Management present the financial conditions and the results of the Company of operations with precision and understandable. Internal controls. The Committee oversees the system of internal controls of the company relating to financial reports and its disclosure controls and procedures, including processes for the production of certifications required by CEO and the main financial manager. The Review Committee periodically with the internal and external mayors, as well as with the management, procedures for maintaining and evaluating the effectiveness of these systems. The Committee should be readily informed of any significant deficiencies or weaknesses of the material in internal controls and kept informed about the passages and calendar to correct them. Evaluation and risk management. Many audit committees have at least one responsibility for the assessment and risk management due to stock market rules. However, the audit committee should not be the only body responsible for the supervision of the risk, and the Council may decide to assign certain aspects of risk supervision to other committees or to the Board of Directors as a whole depending on the sector of society and of other factors. The risk watching structure of a company should provide full board with the information necessary to understand all the main risks of society, their relationship with the company's strategy and the way these risks have been addressed. The committees with risk-related responsibilities should report regularly to the full pension on the risks that have supervised and short the audit committee in cases where the audit committee retains some risk surveillance responsibilities. Conformity. Unless the full board or one or more other commissions do it, the audit committee should supervise the company conformity program, including the company's conduct code. The Committee should establish procedures for the management of conformity problems relating to potential violations of the law or the code of conduct of the company, including concerns relating to accounting, internal accounting controls, audit controls and securities. Internal hearing. The committee oversees the internal audit function of the company and guarantees that the internal audit staff has adequate resources and supports to make its role. The Committee notes the scope of the internal audit plan, significant results by the Internal Audit staff and the response of the management and appointment and replacement of the Senior and Currency Internal Control Manager Performance and efficacy of the internal audit function annually. Qualifications of the Committee for Appointment / Corporate Governance. The Committee should establish and recommend to the Council for approval, criteria for membership on board and periodic review and recommend changes to the criteria. The Committee should review the composition of the Board of Directors annually, including a Mix evaluation of the skills and experience; An assessment of the fact that the Council as a whole has the necessary tools to effectively carry out its productive and collegial supervision function; And an identification of qualifications and attributes that can be valuable in the future based on, among other things, the current administrative delegators, the strategic plans of society and the early manager of the company came out. Succession plans. The Committee, together with the Council, should actively carry out the planning of the succession for the Board of Directors. The Committee should proactively identify the candidates for directors by shifting a variety of sources for potential candidates and maintaining research companies. Shareholders invested in the long-term success of society should have a significant opportunity to appoint administrators and recommend candidates to directors for the appointment of the committee, which can include proxy access if support for shareholders is broad and the Board of Directors concludes this access is in the best interests of societies and its shareholders. Although the CEO meeting with potential candidates to candidates is appropriate, the final responsibility for the selection of directory candidates should rest with the candidacy / corporate governance committee and the Council. Background and experience. In connection with the renamination of a current director, the Committee for Appointment / Corporate Governance should review the background of the director, perspective, skills and experiences; Assess the contributions of the director to the Council; Considers the manager's held; and evaluate the continuous value of the director to society in light of current and future needs. Some cards can undertake these steps as part of the annual appointment process, while others can use a manager's evaluation process. Independence. The Committee for Appointment / Corporate Governance should ensure that a substantial majority of administrators is independent and in effect and in appearance. The Committee should take the command in the assessment of the director's independence and to make recommendations to the Council regarding the determinations of independence. Furthermore, each Director should promptly communicate the Committee to amend the circumstances that can influence the independence of the director (including but not limited to the change in employment or other factors that could influence the director's independence). Limits of held. The Committee should consider whether the procedures such as mandatory retirement rings or the limits of the term are appropriate. Other practices, as a robust assessment process of the director, may make these possession limits unnecessary, but can still act as useful tools to ensure the involvement of the Council and the maintenance of diversity and the freshness of thought. Many cards also require that directors who change their primary employment offer their resignation so that the Council can consider the desirability of their continuous service in the light of their changed circumstances. Leadership of the Board of Directors. The Committee should conduct an annual assessment of the Council leadership structure and recommend any changes to the Council. The Committee should supervise the process of planning the succession for the presidency of the Board of Directors, which should lead to consideration whether to combine or separate the positions of the CEO and of the administration chair and if events such as the end of the current chair possession or appointment A The new CEO can guarantee a change to the leadership structure of the Board of Directors. Structure Committee. Every year, the Committee should recommend administrators for the appointment to the Committees of the Board of Directors and to ensure that the Committees are constituted by Directors who meet the applicable independence and qualification standards. The Committee should periodically review the structure of the Committee of the Board of Directors and consider whether the refreshing the memberships and chairs of the committee would be useful. Supervision board. The Committee should monitor the actual functioning of the Board of Directors, including Council policies for updating order orders and timetables and company processes to provide information to A Pension (both in connection with, and outside, meetings), with entry from the lead director or independent president. Guidelines of Corporate Governance. The Committee should review annually the Corporate Governance guidelines of society, where appropriate, and formulate recommendations on changes in such guidelines to the card. Commitment shareholders. The Committee can monitor the CompanyÃ ¢ and Management ¢ s efforts to involve shareholders, periodically review the CompanyÃ ¢ s practical engagement, and provide feedback to senior management and improvement proposals. The Committee and the full board treatment should understand the efforts of the CompanyÃ ¢ S to communicate with shareholders and receive through periodic meetings on these communications. Compensation Director. The Committee can also supervise the compensation of the Board of Directors if the Remuneration Committee does not, or the two commissions can share this responsibility. Authority Remuneration Committee. The Remuneration Committee has many responsibilities related to the COMPANYÃ ¢ Overall compensation philosophy, structure, policies and programs. To assist you in the performance of your tasks, the Remuneration Committee must have the authority to obtain advice from independent compensation consultants, consultants and other consultants. Independence AdvisersÃ ¢ should be evaluated based on the applicable law and stock market rules, and the Remuneration Committee should feel safe and comfortable that its consultants have the ability to provide the sound consulting committee which is free from Contrasting interests. CEO and managerial remuneration. One of the leading responsibilities of the Remuneration Committee is to establish objectives and objectives relating to the performance CEO, measure the services towards these objectives and objectives, and determine and approve the remuneration of the managing director. The Remuneration Committee also in general approves or recommends for approval the compensation of the rest of the Senior Management Team. Alignment with the interests of shareholders. Compensation of executives should be designed to align the interests of senior management, society and its shareholders and to favor the creation of long-term value and the success of society. Compensation should include performance-based elements that reward the achievement of the objectives linked to the CompanyÃ ¢ s strategic plan, but are at risk if these goals are not met. These performance objectives must be clearly explained to CompanyÃ ¢ s shareholders. Compensation costs and benefits. The Remuneration Committee should understand the costs of high-management compensation packages and should review and understand the maximum amounts that could become due to multiple scenarios (such as retirement, dismissal for just cause; termination without reason resignation for a good Reason, death and disabilities and the impact of a transaction, such as a merger, sale or acquisition). The Committee should ensure that adequate protections are in place that will allow senior management to remain focused on long-term strategies and company business plans, even in the face of potential acquisition, shareholder activism, or acquisition activity or of Control of unconventional offers. Property requirements. For a further alignment of the interests of the Directors and Executives with the interests of long-term shareholders, the Committee should establish the possession of actions and taking the requirements that require administrators and high executives to purchase and hold a significant quantity of CompanyÃ ¢ s stock at least for the duration of their stay in And, depending on the circumstances of the CompanyÃ ¢ s, perhaps for a certain period of time from then on. The company should have a policy that controls, limits or even prohibits executive capacity to cover the CompanyÃ ¢ s stock and requires the presentation in progress of the material terms of coverage agreements to the extent that they are allowed. Risk. The Remuneration Committee should review the overall structure of compensation compensation Balance the need to create incentives that promote growth and strong financial performance with the need to discourage excessive risks, both for managers and employees at all levels. The incentives should promote the long-term strategic plans of society, looking for there to change the short-term market value for the general objective of creating and enhance lasting value. The Committee should monitor the adoption of practices and policies to mitigate the risks created by the compensation programs, such as a reimbursement of compensation, or restitution, policy. Compensation Director. The Remuneration Committee can also be responsible, alone or together with the appointment / corporate government committee, for the creation of compensation director programs, practices and policies. V. General advice Operations. Serve on a card takes a long time and attention from the administrators. Some roles, as commission chairman, board chair and lead director, involve an additional time commitment as well as pension and commission. Administrators must spend the necessary time and meet with the frequency needed to assume their responsibilities correctly. Meetings. The Board of Directors, with the assistance of the appointment / corporate government committee, should take into consideration the frequency and duration of the meetings. Longer meetings can allow directors to explore fundamental issues in depth, while brief, more frequent meetings can help administrators always up to date on new business and business trends and regulatory developments. Superimposed. Service on the edge of a public company provides valuable experience and intuition. Simultaneous service on too many cards, however, can interfere with an individualÃ ¢ s the capacity to satisfy its responsibilities as a member of the management or as a director. In light of this, many cards limit the number of public administration councils on which directors can serve. Business RoundTable does not approve a specific limit to the number of administrator positions of an individual can hold, recognizing that decisions about border service limits are more fact as panels, appointment / governance commissions in light of the particular circumstances of individual companies and Directors. Executive sessions. Directors should have sufficient opportunities to meet in executive session, without the presence of CEO and any other management administrators, according to the stock market rules. Time for an executive session must be placed on the agenda for each regular advice meeting. The independent chair or lead director should fix the agenda and a chair these sessions and follow-up with the CEO and other senior management members on the issues addressed in sessions. Agenda. The Boarda S agenda must be carefully flexibley planned to accommodate emergencies and unexpected developments, and must be structured to optimize the use of meeting time for open discussion and resolution. The Board Chair should work with the lead director (when the company has one) in setting the agenda and should respond to the individual requests DirectorsÃ ¢ to add points to the agenda. Access to management. The Council should work to promote an open and continuous dialogue between the management and members of the Board of Directors. Directors should have access to the external senior management of board meetings. Information. The quality and timely information that the Council receives directly influences its ability to effectively carry out its supervisory function. Technology. Companies should Technology such as board portals to provide administrators with materials that meet and information in real time on developments that occur between meetings. The use of technology (including e-mail) to communicate with and provide information to the Board of Directors should be accompanied by safeguard measures to protect information security and directors ¢ electronic devices and to respect applicable documents conservation policies . Confidentiality. Confidentiality. Have the duty to maintain the confidentiality of all non-public information (regardless of whether it is material) and learn through their council service, including consumer room discussions and other discussions between and between directors and senior management. Director's compensation. The amount and composition of the compensation paid to the non-employee administrators of a company should be carefully considered by the Council with the supervision of the appropriate Council Committee. The director's compensation typically consists of a mix of money and shareholders' equity. The cash part of the director's compensation must be paid in the form of an annual firm, rather than through the meeting taxes, to reflect the fact that the Council service is a current commitment. The share compensation contributes to truly the interests of the Directors with those of the shareholders of the Corporation, but must be supplied only through actions-Ã, advanced plans that include significant and effective limitations. Furthermore, stock compensation agreements should be carefully designed to avoid involuntary incentives as an emphasis on changes in short-term market value. Due to the potential of conflicts of interest and the duty of administrators to represent the interests of all shareholders, the directors or candidates candidates should not be a part for provisions relating to compensation with third parties relating to their candidacy or service as director of the company , other than those agreements relating to reimbursement for expenses in relation to candidacy as a director. Education Director. Directors should be encouraged to take advantage of educational opportunities in the form of external programs or Ã ¢ â,¬ "Educational table sessions" guided by senior management or external external members. The new administrators should participate in a robust orientation process designed to familiarize them with various aspects of the business service and the board of directors. Relyse. In the execution of its supervision function, the Council has the right based on company law to rely on the advice, reports and opinions of consultants, consultants, accounts and experienced consultants. The tables should be comfortable with the qualifications of those who rely. The cards are encouraged to involve external consultants, where appropriate and should take care of the care in their selection. Administrators should keep responsible consultants and ask questions and obtain responses on processes that use to achieve their decisions and recommendations, as well as the substance of the advice and relationships they provide to the Board of Directors. Committee and committee assessments. The Council should have an effective mechanism to evaluate its performance on a continuous basis. The evaluation of the significant Council requires an assessment of the effectiveness of the complete pension, the operations of the Committees of the Board of Directors and the contributions of the individual directors on an annual basis. The results of these evaluations should be reported to the full board and there should be follow-up on any problems and concerns that emerge from assessments. The Board of Directors, under the leadership of the Committee for the Appointment / Corporate Governance, should periodically consider what method or combination of methods will result in a significant assessment of the board of directors and its committees. Common methods include written questionnaires; Guided group discussions by a designated director, employee or external facilitator (often with the help of written questions); And individual interviews. You. Planning of the of planning design of subsequent and senior management succession. Planning for managing director and senior management Development and succession In both ordinary and emergency scenarios is one of the most important functions of the board. Some tabs are aimed at planning the sequence mainly at full board, while others are based on a committee composed of independent directors (often of the committee for compensation or committee for the nominative / corporate governance) to address this key area. The Board of Directors, under the guidance of the Responsible Committee (if present), should The qualities and characteristics necessary for an effective CEO and monitor the development of potential internal candidates. The Board or Committee should engage in a dialogue with the CEO on the evaluation of the CEOÃ ¢ s of the candidates for both the CEO and other senior management positions and the Council or the Committee should also discuss the CEO succession planning outside the presence of the CEO. Full board treatment should review the successful companyÃ ¢ s at least once a year and periodically review the effectiveness of the succession planning process. Management Development. The Council and the Independent Committee (if present) with the primary responsibility for the supervision of succession plans should also know what the company is doing to develop the talent of the managerial ranks. The board or committee should acquire an understanding of CEO passages and other managers are taking younger levels to develop skills and important experience for the success of CompanyÃ ¢ s and build a desk of future candidates for managerial roles. Directors must interact with up-and-coming management members, both in advice meetings and in less formal contexts, so as to have the opportunity to directly observe managers and start developing relationships with them. The CEO assessment. Under the supervision of an independent committee or the lead director, the Council should verify the performance of the CEO annually and participate in the Chief Executive Officer in the evaluation of senior management members in certain circumstances. All Council Nonmanagement members should have the opportunity to participate with the managing director in Senior Management assessments, where appropriate. The results of the CEOÃ ¢ s evaluation must be promptly communicated to the CEO in executive session by the representatives of the independent directors and used in the determination of CEOÃ ¢ s compensation. Companies are often said to have obligations towards stakeholders other than their shareholders, including employees, customers, suppliers, communities and environments in which business and government do. In some circumstances, the interests of these subjects are considered in the context of long-term value achievement. Shareholder awareness. Regular shareholder awareness and continuous dialogue are fundamental to develop and maintain relationships with effective investors, understanding the shareholders' point of view, and help shareholders understand the plans and views of Board of Directors and Management. Knowing that CompanyÃ ¢ s shareholders are. The Corporate Governance Committee The appointment and the card should know that the main shareholders of society are and understand their positions on issues of particular relevance for society. Role of Management. The members of Senior Management are the main spokesmen for the company and play an important role in the involvement of shareholders. This role includes service as the main contact points for shareholders on issues where the management is in the best position to have a dialogue with shareholders. board communication with shareholders. Where appropriate and in consultation with the managing director, the Directors should be equipped with playing a role from time to time in dialogue with shareholders on issues involving CompanyÃ ¢ s researching long-term value creation and governance company ¢ s. Communications with shareholders are subject to current regulations (such as the Disclosure Fair Regulations) and company policies regarding confidentiality and disclosure of information. These regulations and policies, however, should not hinder commitment Shareholders. Direct communication between administrators and shareholders should be coordinated Througha and with knowledge of the border chair, the lead independent director, and / or the appointment / corporate government committee or its chair. Annual meeting. Administration must be required to participate in the annual shareholder meeting, unusual absolute circumstances. Companies should consider ways to access the shareholder to expand expand the annual meeting, including webcasts, if required by the shareholders. Commitment shareholders. Companies should engage with the long-term shareholders in a manner consistent with the respective roles of the Board, management and shareholders. Companies should maintain effective communication protocols of the shareholders with the directors and administrators to respond in a timely manner to issues and concerns that are of widespread interest in the long-term shareholders. board duties. Shareholders are not a homogeneous group, and their interests may differ. While boards should consider the views of shareholders, the task of the council is to act in what it believes to be the long-term best interest of the company and all its shareholders. The views of some shareholders are an important factor that the Currency Board in making decisions, but the board must exercise their independent judgment. Once the board reaches a decision, the company should consider how best to communicate the decision of boardA s shareholders. shareholder vote. While some shareholders may use tools such as third-party analysis and recommendations in making voting decisions, these tools should not be a substitute for individualized decision making that considers the facts and circumstances of each company. Companies should lead efforts to raise awareness of the shareholders, if necessary to explain the basis for the boardA s recommendations on the matters that are submitted to shareholder vote. shareholder proposals. The federal proxy rules require public companies to include the proposals of the qualified shareholders in their proxy statements. Shareholders should not use the shareholder proposal process as a platform for pursuing social or political agendas that are largely unrelated and / or intangible asset for companies companyÃ ¢ s, even if permitted by the proxy rules. In addition, a companyÃ ¢ s proxy statement is not always the best place to address the concerns of shareholders, even legitimate. Shareholders with concerns about particular issues need to try to engage in a dialogue with the company before submitting a proposal for shareholders. If a shareholder submits a proposal, the companyÃ ¢ s council or its committee nomination / corporate governance should be supervised by the companyÃ ¢ s response. The board of directors should consider the issues raised by the shareholder proposals that receive substantial support from other shareholders and is expected to announce its response to all shareholders. The general employees. Treating employees fairly and equitably is in the best interests of a companyÃ ¢ s. The companies should have in policies and practices that provide employees with adequate compensation, including benefits that are appropriate given the nature of the job responsibilities of business and employeesÃ companyÃ ¢ ¢ s and geographical locality instead. When companies offer retirement, health care, insurance and other benefit plans, employees must be fully informed on the content of these plans. Bad behavior. The companies should have in place mechanisms and advertise for employees to seek guidance and to alert management and the board on the potential or actual misconduct without fear of retaliation. As part of the promotion of a culture of compliance, companies should encourage employees to promptly report compliance problems and emphasize their policy to prohibit retaliation against employees who report problems of compliance in good faith. Communications. Companies should honestly communicate with their employees on company operations and Financial. Community, environment and sustainability citizenship. Companies should strive to be good citizens of local, national and international communities to which business do; be conducted environmentally respected; And to consider other relevant sustainability issues operating their companies. Failure to comply with these obligations can cause companies to be damaged to society, both in immediate economic terms and its long-term reputation. Because sustainability themes concern in a way way Aspects of a company's business, from financial performance to risk management, incorporating sustainability in the sector significantly is an integral part of the long-term profitability of a company. Community service. A society should strive to be a good citizen contributing to the communities in which it operates. Being a good citizen includes being involved in those communities; Encourage company directors, managers and employees to form relations with those communities; Donate time for the causes of importance to local communities; And make charity contributions. Sustainability. A society should conduct its activity with regard to the environment, health, safety and other sustainability issues relevant to its operations. The Board of Directors should be aware of the developments relating to economic, social and environmental sustainability issues and should understand what problems are more important for the business of society and its shareholders. Government legal compliance. The corporations, like all citizens, must act within the law. Sanctions for serious violations of the law can be extremely strict, even dangerous for life, for societies. Conformity is not only appropriate ... it is essential. The board and management should be comfortable that the company has a robust legal compliance program that is effective in causing and preventing poor conduct and encouraging the reporting of potential conformity problems. Political activities. Companies have an important perspective to contribute to public policy dialogue and developmental discussions, emanation and revision of laws and regulations that influence their activities and communities in which they operate and their employees reside. To the extent that the company undertakes in political activities, the Board of Directors should have supervision responsibility and consider whether to adopt a policy on the disclosure of these activities. activity .