



TOP WEEKLY BUSINESS & BOARDROOM UPDATES

JANUARY 21 - 28, 2017

1. Understanding Boardroom Parliamentary Procedure

Why does a motion always have to be seconded? Why can't a board chair just call a vote at their discretion? Although board meetings mostly involve basic discussion, the ins and outs of boardroom parliamentary procedure can be daunting and raise many questions for new board members and experienced board members alike. Most boardrooms lean heavily on Robert's Rules of Order. This particular style of parliamentary procedure is "based on the consideration of the rights of the majority, of the minority, of individual members, of absentee members, of all of these groups taken together."

<http://directorpoint.com/blog/understanding-boardroom-parliamentary-procedure>

2. Succeeding in the New Paradigm for Corporate Governance

Recognizing that the incentive for long-term investment is broken, leading institutional investors are developing a new paradigm that prioritizes sustainable value over short-termism, integrates long-term corporate strategy with substantive corporate governance and requires transparency as to director involvement. We believe that the new paradigm can reduce or even eliminate the outsourcing of corporate governance and portfolio oversight to ISS and activist hedge funds. Based on a series of statements by these investors over the past few years, we offer practical options for companies to consider as they adjust to the new paradigm and decide what and how to communicate. For example, the January 23, 2017 corporate governance letter from Laurence Fink, Chairman and CEO of BlackRock, to the CEO's of the S&P 500 companies contains the following advice with respect to engagement.

<https://corpgov.law.harvard.edu/2017/01/27/succeeding-in-the-new-paradigm-for-corporate-governance-2/>

3. What Did Rolls-Royce Directors Know About Bribery Scandal?

The leadership of Rolls-Royce knew in 2010 about allegations regarding corruption within the company but decided not to notify the Serious Fraud Office, according to the damning judgment on the scandal from Lord Justice Leveson. The verdict raises questions for the board of directors at the time about the extent of their knowledge of irregular activities and why no action was taken. One major City investor said the charges and fine against Rolls raise further issues about corporate governance in Britain, a topic that is already being investigated by a Commons select committee. The investor said the scandal inside the UK's most respected engineering business created a "study of fundamental flaws in UK corporate governance. Those responsible walk away into the sunset, leaving everyone else to pick up the pieces."

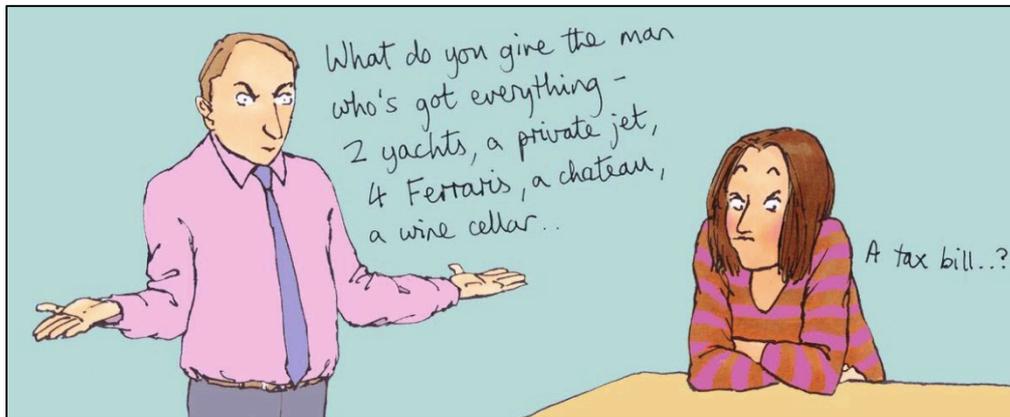
<https://www.theguardian.com/business/2017/jan/19/what-did-rolls-royce-directors-know-about-bribery-scandal-no-comment>

4. The Darker Side of the Diversity Agenda

A person was recounting to their colleague a recent experience as a candidate for a board appointment. He said that he'd been short-listed following a rather intensive initial interview and discovery process, and that things were looking good with an interview with the full board expected. But then he said that the appointment committee chair rang and told him: "You are a strong candidate, perhaps the best. Your skills and expertise, background and approach to team-based decision-making are great. However, we will not be taking you any further because we need to be seen to be meeting public expectations by advancing the diversity mix on the board. I hope you understand."

<http://www.petercrow.com/musings/the-darker-side-of-the-diversity-agenda>

CARTOON OF THE WEEK



WEEKLY STATISTICS

During the last week 77 business & boardroom updates and 4 new reference papers were published.

Harcourt IGN, January 28th 2017