The Courageous Director: Can Corporations Better Serve People, Planet, and Profit?
2017 PARTNERS & SPONSORS

PARTNERS

Shearman & Sterling LLP

BNY Mellon

UBS

SPONSORS

Barclays

Goldman Sachs

Teledyne Technologies

SESSION INFO
Please contact:
Charles E. Ehrlich
Program Director
cehrlich@salzburgglobal.org

Please visit:
SalzburgGlobal.org/go/582

GENERAL INFO
Please visit:
www.SalzburgGlobal.org
OVERVIEW

Cybersecurity breaches, environmental disasters, product recalls, and poor working conditions regularly spark public outrage against faceless corporations. Even as private sector leaders achieve fame by engaging socially and championing brands that claim to improve quality of life, consumers, investors and employees increasingly demand that corporations act in ways beneficial to society. Looking forward, boards of directors will need to remain ahead of rapidly-evolving trends and address deceptively simple questions. What does the company seek to achieve, and where does it see its place in society?

Corporate governance implies ethical leadership through ensuring accurate reporting, sustainable finances, delivery of long-term strategic goals, good relationships with consumers, regulators, and stakeholders, and a safe and functional work environment. Failures of governance impact shareholder value by harming brands, profits, and ability to plan for the future. New technologies and disruptors are running ahead of legislators. The more that corporate scandals trigger regulatory responses, the more money and board time is eaten up by reactive compliance at the expense of strategy, without necessarily showing a return in better or more ethical performance. Less diverse boards may miss new perspectives, trends, and risks entirely.

Courageous directors, many with their roots in entrepreneurship, have unprecedented opportunities to serve as global influencers to remain connected to their communities and popular opinion. The private sector will have a pivotal role to play in achieving the UN’s Sustainable Development Goals by 2030. This can turn a profit and create new jobs – building new and better technology, financing projects to optimize human potential or build infrastructure, opening new markets, and maximizing use of scarce resources or devising new ones. Successful and diverse boards can realize this potential and contribute to better governance, better returns, and better social behavior through institutionalization of global trends, ability to measure and determine exposure to risk (including social and economic factors), and communicating objectives internally and externally.

This third session of the Salzburg Global Forum on Corporate Governance will explore the role of the corporation as a good citizen, while assessing techniques to keep boards of directors alert, active, and effective in meeting their fiduciary duties in the current and future landscapes. It will explore how directors might emerge as the global thought leaders, to ensure multinational corporations can succeed both in achieving profit and in satisfying conflicting demands of the jurisdictions and societies in which they operate.
SESSION FORMAT

Participation in the session in Salzburg each year is capped at 40 people, to enable an intimate setting and to facilitate networking and conversation.

The highly-interactive program takes place in plenary and breakout sessions without any speakers, panels, or formal presentations.

Small group discussion allows for intense exploration of specific aspects of the general themes, returning to the plenary to refine conclusions. Reading materials, accompanied by key questions, are distributed to participants in advance.

RELATED SESSIONS

The Corporate Balancing Act: How Can Directors Manage Conflicting Pressures? (September 29 to October 1, 2016) [SalzburgGlobal.org/go/567]

Corporate Governance in the Global Economy: The Changing Role of Directors (October 1 to 3, 2015) [SalzburgGlobal.org/go/550]
PARTICIPANT PROFILE

The Forum engages an inter-generational group of participants, who come together as equals, representing a range of expertise and geographic specialization. We seek participation by:

- Directors of corporations organized and operating in various jurisdictions
- Senior managers
- Judges, regulators, and policymakers
- Lawyers
- Academics
- Fund managers
- Representatives of key civil society interest groups.

Of the 40 participants, 8-12 will come from the next generation of leaders (under 45).

Since its inauguration in 2015, the Salzburg Global Forum on Corporate Governance has welcomed participants from 22 countries:

- Australia
- Austria
- Brazil
- Canada
- China
- France
- Germany
- Greece
- India
- Israel
- Italy
- Japan
- Mexico
- The Netherlands
- Norway
- Romania
- South Africa
- Spain
- Sweden
- Switzerland
- UK
- USA

ADVISORY COMMITTEE

ROBERT H. MUNDHEIM
Of Counsel to Shearman & Sterling; former General Counsel, US Treasury; Trustee, American College of Governance Counsel, USA

JOHN J. CANNON III
Chair, Corporate Governance Advisory Group, Shearman & Sterling, USA

CHRISTOPHER F. LEE
Independent Board Director, Matthews Asia Funds, Hong Kong, China/USA

SIMON M. LORNE
Vice Chairman & Chief Legal Officer, Millennium Management; Director, Teledyne Technologies, USA

MELISSA OBEGI
Asia General Counsel, Bain Capital Asia, Hong Kong, China/USA
KEY QUESTIONS

Over the course of the two-day program, participants will address the following issues:

The corporation as a good citizen
• What is the role of a corporation and where is its place in society?
• What defines how a good corporate citizen acts: legislation? governing documents? public pressure? Should the board have the leadership role?
• Can good citizen behavior further the long-run profitability or strategic market advantage of a corporation?
• Can corporations take the lead on issues of public concern, before scandals or imposed regulatory regimes arise? If so, how can corporations best communicate their objectives to the public?

Controlling corporate behavior
• How can a company know whether the tone at the top has penetrated to the bottom?
• How can a corporation control, measure, and mitigate different risks (including financial market, operational, legal and compliance, security, and reputational risks)?
• Who should be held accountable when there is damage to customers, shareholders, the company, or others?
• Is whistleblowing viable or effective in all national and cultural contexts? Should governments encourage whistleblowing?
• What disciplinary actions, criminal or civil, should public authorities take against the company, against directors, against management? What remedies are appropriate?
• How should companies engage with regulators when working in grey areas? Is it better to be cautious or to exploit new openings?
• Should firms offer products or services before there is clear regulatory guidance? Do ethics play a role?

TESTIMONIALS

In one sentence, how did you describe this session to your colleagues when you went back to the office on Monday?

“A refreshing external perspective that helps validate what we are doing well and challenge us on areas where we could do more.”
PARTICIPANT FROM USA
Session 567, 2016

“A thought-provoking and instructive discussion with leaders in their fields about how to improve board governance and performance to equip them to address increasingly complex and diverse demands.”
PARTICIPANT FROM HONG KONG
Session 567, 2016

“An incredibly enriching experience where you are able to engage in open dialogue and learn from worldwide experts about the most pressing issues of corporate governance.”
PARTICIPANT FROM MEXICO
Session 567, 2016
KEY QUESTIONS (CONTINUED)

The role of shareholders in corporate governance

• Where do shareholders have a specified role in different jurisdictions?
• Will technology facilitate greater shareholder involvement in governance decision-making?
• Does the growing presence of institutional investors portend significant change in the operation of corporations?
• Can shareholder demand for board accountability have more impact than new regulatory frameworks?
• What role should controlling shareholders play? What duties do they have to minority shareholders and other stakeholders?
• What do activist shareholders want, and how should management and the board deal with them?

Ensuring an alert, active, and effective board

• Should board composition reflect the nationalities and demographics of the shareholders, employees, customers, communities served, and supply chains?
• What new skills will directors need to have in the digital age?
• What is the optimal balance for the directors between oversight and strategy? Should the board mentor and develop senior management?
• What conduct or result is executive compensation designed to incentivize and what are effective and appropriate designs to achieve that?

SESSION REPORTS

The report the inaugural session Corporate Governance in the Global Economy: The Changing Role of Directors is available online to read, download and share SalzburgGlobal.org/go/550

ABOUT SALZBURG GLOBAL SEMINAR

Salzburg Global Seminar is an international non-profit organization founded in 1947 to challenge present and future leaders to solve issues of global concern. More than 30,000 people from nearly 170 countries have participated in our programs over seven decades.

Our vision is to shape a better world by forging breakthrough collaborations to bridge divides. Salzburg Global designs multi-year programs to accelerate human, urban and conflict transformation and help organizations and change-makers achieve results at scale. We convene outstanding people across generations and sectors, aiming to catalyze transformative impact and long-term engagement through alliances, networks and projects on the ground. Our work is sustained through strategic partnerships, earned income and philanthropic support.

Our secluded and inspiring home of Schloss Leopoldskron in Salzburg, Austria – built in 1736 by the Archbishop of Salzburg, restored by the Salzburg Festival’s co-founder Max Reinhardt, used by Hollywood for sets in The Sound of Music, and now an award-winning hotel – allows us to welcome all participants in conditions of trust, openness and creativity.

SESSION INFO
Please contact:
Charles E. Ehrlich
Program Director
cehrlich@SalzburgGlobal.org

Please visit:
SalzburgGlobal.org/go/582

GENERAL INFO
Please visit:
www.SalzburgGlobal.org

© 2016