

# CONTENTS

PREFACE	vii
INTRODUCTION TAKING BACK THE BOARDROOM: A DIRECTOR'S CALL TO ARMS	ix
CHAPTER 1 TAKING BACK THE BOARDROOM: UNDERSTANDING YOUR DUTIES AS A DIRECTOR	1
How the Firm is Defined and Why is that Important for Directors	1
How does the Firm Perform its Productive Function?	4
The Relationship Between Managers and Shareholders	5
The Duties of the Director	16
The Non-Executive Director: Key to Board Independence	21
Sarbanes-Oxley Act of 2002	24
Thinking Points	31
CHAPTER 2 TAKING BACK THE BOARDROOM: THE CHAIRPERSON'S SPECIAL ROLE	33
The Role of the Chairman of the Board	34
The Three Responsibilities of the Chair	35
Who can Chair?	44
A Summary of the Chair's Priorities	45
The CEO and the Board	47
"I'd Like the World to Buy a Coke"	63
Thinking Points	71
In Conclusion	72

CHAPTER 3 TAKING BACK THE BOARDROOM: ETHICS AND SOCIAL RESPONSIBILITY	75
Why is it Important to Talk About Ethics?	77
Why Don't We all Simply Behave, as We Would Like Others to Behave?	79
The Connection Between Personal and Corporate Ethics	81
Creating an Ethical Organization	83
How to Avoid Common Pitfalls in 'Gray-Area' Decisions ...And in the Final Analysis	85 88
A Corporate Kleptocracy: The Saga of Conrad Black and Hollinger International	90
A Corporate Kleptocracy	105
Thinking Points	142
CHAPTER 4 TAKING BACK THE BOARDROOM: ORGANIZATION AND PROCESS	143
The Paradoxes of Corporate Governance	145
Understanding Power in the Boardroom	146
Organizing to Solve the Paradoxes	147
The Principles of Good Structure	148
The Principles of Good Process	148
The Committee Structure	151
The Audit Committee	151
The Compensation Committee	154
The Nominating Committee	155
The Strategy Committee	157
Specialty Committees	161
Conclusion	162
Corporate Governance Guidelines at Intel & General Motors	164
Thinking Points	181
CALPERS: Core Principles of Accountable Corporate Governance	182
Thinking Points	204

CHAPTER 5 TAKING BACK THE BOARDROOM: SPECIAL SITUATIONS IN THE BOARDROOM	205
The Relationship Between Ownership, Control and Board Function	206
The Family Business Board	208
The Closely Held Corporate Board	209
The Multinational Subsidiary Board	210
Dealing With Takeovers	211
Thinking Points	233
Conclusion	235
REFERENCES AND FURTHER READINGS	239
Appendix: Abstracted Codes of Conduct	246
OECD Principles of Corporate Governance	247
Abstracted Cadbury Code	276
Abstracts from Title III & Title IV of the Sarbanes-Oxley Act of 2002	302
INDEX	333