

Corporate Governance

Governance Philosophy

We have a long history of respecting the laws and ethical standards of the places where we do business. We strive to be a good business partner. Though our business environment will change, our commitment to ethical and moral standards of business conduct must remain constant.

Our reputation is a priceless asset. Safeguarding our reputation requires each of us to make sound judgments every day. Consistently operating by the highest standards of business conduct in all our relationships generates trust in us as individuals and as a company.

To accomplish those goals requires effective Board governance. We believe there are three elements that when combined create effective Boards—structure, policies and procedures, and cultural factors.

We believe that cultural factors are the keystone to good governance. First, top leaders of an organization must be open and public about the value they place on truth and ethical behavior. Their actions and spoken words need to send a clear message as to the importance of transparency and full disclosure. They must demonstrate a zero tolerance for bending the rules.

Next, top leaders and Board members need to have a strong ethical compass. They need to be able to describe in real terms the difference between right and wrong.

Board members must be actively involved before, during, and after the formal meetings. There should also be a tolerance to dissent at the meetings. Board members must have the capacity to challenge one another's different viewpoints. It should also be in an environment that includes a balanced dialogue. There should be no dominant voices, and no silent voices.

The board must also have an appropriate working relationship with management. There must be a high level of trust between the Board and the CEO. It should be through a process of collaboration where the Board and management work together to set and achieve common goals.

Lastly, all Board members need to feel accountable for the company's performance. Directors need to take their responsibilities seriously, and let their fellow directors know they are expected to do the same.