## August 5, 2016

## The Business Roundtable's 2016 Principles of Corporate Governance

The Business Roundtable has issued a revised <u>Principles of Corporate</u> <u>Governance 2016</u>, updating its 2012 Principles of Corporate Governance. This new edition is consistent with our annual Thoughts for Directors and other memos on corporate governance.

The key additions to the 2016 BRT principles, as stated by the BRT, are:

<u>Shareholder Engagement</u>. Greater, regular shareholder outreach and dialogue are critical to developing effective and beneficial investor relations. In addition, as shareholders attempt to grow their influence on corporate decision-making, their responsibility and accountability should increase too.

Boardroom Diversity. Diverse backgrounds and experiences on corporate boards strengthen board performance and, in turn, drive long-term economic value. Boards should develop a framework for identifying appropriately diverse candidates, which asks the nominating/corporate governance committee to consider women and/or minority candidates for each open board seat.

<u>Cybersecurity</u>. As part of a company's business resiliency steps in our global economy, management should identify the company's major business and operational risks — including those related to cybersecurity.

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