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Guiding Code of Corporate Governance

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Introduction

Rwanda is an emerging market economy and equally faces challenges for economic evolution as the private sector continues to register many emerging businesses. Countries with strong corporate practices attract capital. Countries that guarantee investor rights and have good corporate governance practices like adequate corporate disclosure, sound board practices, are more likely to attract both domestic and international investors than those which do not. In many countries, codes of corporate governance have been established to ensure minimum standards of corporate governance and disclosure are adhered to. Some of the good examples of these include: Cadbury Code and Hampel Committee in the United Kingdom and the King's Code of South Africa. The establishment of the code will go a long way in setting standards for how companies are managed to secure the values of the shareholders. Therefore the Private Sector Federation (PSF) has developed the guiding code of corporate governance to guide market players and companies to adopt sound corporate governance practices.

The general aim of the code is to help improve systems and standards of governance in Rwandan companies. This will facilitate in improving efficiency and competitiveness in the business sector. It will also bolster confidence in the capital market and the confidence of the Rwandan society generally, in the way in which business functions.

The guiding code of corporate governance will be used as a guide for companies to develop their own codes that fit the context of each particular company. The code of corporate governance is not mandatory but prescriptive for an improved culture of good corporate governance. A one person company and those companies that will be classified as small companies depending on their turnover which will be fixed by the Minister responsible for commerce may not necessarily adopt the code of corporate governance given the nature and size of their businesses. The code of corporate governance is prescriptive to Private Limited Companies and Public Limited Companies.

The Private Sector Federation is planning to introduce a Directors' Club and membership will be limited to directors of companies who adhere to good corporate practices and the whole essence is to recognize those companies that practice good corporate governance practices.

One of PSF's strategic interventions is to establish a center of corporate governance which will provide induction training to new board members of member companies, however even non-member companies and state owned corporations can benefit from the induction training for a fee. The center will conduct continuous corporate governance training for board members so that they can be updated on new developments in corporate governance as well as other economic and social developments that are relevant for the maintenance of good corporate governance practices

Preamble

- Reaffirming that the private Sector is the engine of growth for Rwanda
- Acknowledging that the Private Sector is a crucial source of attraction of foreign investment, generation of productive employment and income for the government
- Emphasizing that there should be mechanisms to create good conditions for shareholders to exercise their ownership role actively and responsibly,
- Considering that in order to expand businesses, attract partners and new shareholders, there is need to adhere to minimum standards of corporate governance,
- Considering that in order to raise capital from the stock market, an enterprise needs to pass the governance test
- Aiming at the creation of a sound balance of power between owners, the board of directors and the executive management to enable shareholders to assert their interests vis-à-vis company management,
- Acknowledging the principle of equal treatment of shareholders as found in the Rwanda Companies Act,
- Aiming at creating a much transparent environment towards shareholders, the capital market and society in general
- Recognizing the efforts by government to promote good governance by establishing the Company Law, proper banking laws, the law establishing the office of the Ombudsman,

The Private Sector Federation (PSF) as the voice of private enterprises hereby establishes a code of corporate governance which is prescriptive for companies to adapt to their companies' individual circumstances as well as consideration to size and complexity of each individual company as well as the risks and challenges of each particular company. The code will be used as a basis for the evaluation of governance in Rwandan companies aimed at promoting partnership and trust based on mutual understanding.

Why the code of corporate governance is useful:

- Building confidence in the business community
- Preventing financial crisis
- Curbing corporate scandals
- Raising standards and driving reform
- Building consensus for reform
- Adapting international standards
- Measuring corporate governance practices
- Guidance for developing tailor-made company codes

Code Of Good Corporate Governance

I. Authority and duties of shareholders

Shareholders of the company shall jointly and severally protect, preserve and actively exercise the supreme authority of the company in general meetings. They have a duty, jointly and severally to exercise that supreme authority to

- Ensure that only competent and reliable persons who can add value to the company are elected or appointed to the board of directors;
- Ensure that the board of directors is constantly held accountable and responsible for the efficient and effective governance of the company;
- Change the composition of a board of directors that does not perform to expectation or in accordance with the mandate of the corporation.

II. Leadership of the company

The board of directors shall exercise leadership, enterprise, integrity and wise judgment in directing the company so as to achieve continuing prosperity for the company and shall always act in the best interests of the company.

III. Role and functions of the board

The board of directors shall exercise all the powers of the company subject only to the limitations contained in the Company and the Memorandum and articles of association.

In this regard, it is expected that the board of directors shall fulfill the following functions:

- Exercise leadership, enterprise, integrity and sound judgment in directing the corporation so as to achieve continuing prosperity and to act in the best interests of the enterprise while respecting the principles of transparency and accountability;

- Ensure that through a managed and effective process, board appointments are made that provide a mix of proficient directors, each of whom is able to add value and bring independent judgment to bear on the decision making process;

- Determine the corporation's purpose and values, determine the strategy to achieve its purpose and to implement its values in order to ensure it survives and thrives, and ensure that procedures and practices are in place that protect the corporation's assets and reputation;

- Monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans;

- Ensure that the corporation complies with all relevant laws, regulations and the code of business ethics;

- Ensure that the company communicates with shareholders and other stakeholders effectively;

- Serve the legitimate interests of the shareholders and the company and account to them fully;

- Identify the corporation's internal and external stakeholders and agree on a policy, or policies determining how the company should relate to them;

- Establish and Regularly review processes and procedures to ensure the effectiveness of the company's internal systems of control, so that its decision-making capability and accuracy of its reporting and financial results are maintained at a high level at all times;

- Regularly assess its performance and effectiveness as a whole, and that of the individual directors, including the CEO;

- Appoint the CEO and at least participate in the appointment of senior management, ensure the motivation and protection of intellectual capital intrinsic to the corporation, ensure that there is adequate training in the corporation for management and employees, and a succession plan for senior management;

- Ensure that all technology and systems used in the corporation are adequate to properly run the business and for it to remain effectively competitive;

- Identify risk indicators of the business and monitor these factors;

- Ensure annually that the corporation will survive, thrive and continue as a viable going concern.

In order to fulfill these functions, the board of directors shall:

- Meet regularly and retain full control over the company

- Evolve procedures for the selection and removal of individual directors (including the chairman and Chief Executive) to facilitate regular alteration of the mix and composition of the board ensuring relevant rejuvenation;

- Define the limits of authority of the Chief Executive and other top executives

- Compile and communicate company policies, strategies etc covering style of operation; external and internal relationships; markets and businesses; required rates of return and performance standards; growth and change policies; planning and budgetary procedures;

- Review and approve annual budgets, strategic plans and arrange that meaningful plans are produced at all levels on an on-going basis covering the longest realistic time-scale;

- Determine the (actual and potential) total resources of the company in terms of people, money, methods, equipment etc and market position , and to allocate these by unit and time scale, defining closely what returns are expected and when.

- Devote sufficient time to their responsibilities
- Structure and organize the company,
- Monitor management performance
- Map out the mechanisms for internal and external liaison and communications
- Define how the board will operate including:

    - *What information or reports it requires on a monthly basis*
    - *How, with what data, and by what means, it will constantly monitor management performance and the financial progress of the company*
    - *How it will evaluate its own performance at least once every year.*

- Ensure that the company is properly managed and for the attainment of lawful objectives.

- Ensure that the company's affairs are not managed or conducted in a manner oppressive to any of its shareholders or for fraudulent purposes

- Ensure that the company complies with all legal requirements

IV. Composition of the board

The board shall include a balance of executive and non-executive directors (including independent non-executive directors) such that no individual or group of individuals or interests can dominate its decision making. As provided in the company act, at least one board director should be resident in Rwanda.

There are two key tasks at the top of the company, that of running the board and that of the Chief Executive responsible for running the company. Therefore as a general rule, there is a clear division of these roles to ensure that a balance of power and authority is maintained and that no one individual has unfettered powers of decision. Where these roles are combined, the reasons thereof shall be publicly explained.

V. The roles of the chairman are:

- To lead the board;
- To chair meetings of the board and members, ensuring order, proper conduct of meetings, affording participants a reasonable opportunity to speak, ensuring decisions are fairly made, deciding on technicalities and to cast the deciding vote in case of ties;
- To organize and facilitate a balance of internal and external relationships; and
- To facilitate effective board management;
- Financial reporting
- Nomination and remuneration of directors
- Evaluation of board performance

It is recommended that:

- The company must contain at least one third of its members as non-executive directors;
- Persons with full time employment in any company or organization should not hold more than three directorships elsewhere
- Persons without full time employment in one organization should not hold more than five non-executive directorships.
- Persons should not hold more than one directorship in the same sector.
- Executives from subsidiaries, the parent company or any other of its acquisitions cannot become non-executive directors of the parent company
- Suppliers, direct customers or other trading associates of the company cannot become non-executive directors of the company
- Persons with prior professional or social relationships with directors of the company cannot become non-executive directors in the company.

VI. Appointments to the board

There will be formal and transparent procedures for nomination and appointment of new directors to the board. In this regard:

- The board of directors will formally review its composition and performance at least once every two years to ensure that:

    - *The mix of membership is appropriate and compatible with the needs of the board and company*

    - *Every non-executive director commits adequate time to his responsibilities and contributes effectively*

- The term of executive directors shall not exceed three years but these are renewable with the approval of shareholders on the recommendation of the board.

VII. Board committees

The board shall elect amongst itself members to constitute different board committees. The committees to be constituted include but are not limited to:

- Finance and Audit Board Committee
- Human Resource Board Committee
- Credit Committee for Banks
- Investment Committee for investment companies, banks and insurance companies.
- Others

The board committees should be headed by non-executive directors.

VIII. Directors Remuneration

The board of directors shall be given adequate compensation for their time and where the General Assembly deems it appropriate a bonus can be awarded to board members

IX. Declaration of interest by directors

On first appointment and at regular intervals (at least once every year), or at any time when circumstances change, all directors shall, in good faith, disclose to the board for recording and disclosure to external auditors any business or other interest that is likely to create a potential conflict of interest, including:

- *All business interests (direct or indirect) in any other company, partnership or other business venture.*
- *Membership in trade, business or other economic organizations.*
- *Their shareholding, share options and / or other interest in the company.*
- *Any interest (direct or indirect) in any transaction with the company.*
- *Any gifts, monies, commissions, benefits or other favors extended or received from whatsoever party in respect of or in relation to any business dealings with the company.*

At any time when a director resigns or is removed from office before the expiry of his term, he shall disclose to the company's external auditors and if necessary to the shareholders (if the reason for removal or resignation is refusal to compound fraud, corruption or other activities or behavior incompatible with the shareholders' interest) the reasons for his resignation or removal.

X. Supply of information to directors

For board members to exercise informed, intelligent, objective and independent judgments on corporate affairs, they shall have access to accurate, relevant and timely information. In this regard:

- There shall be established a formal procedure to enable independent directors to take professional advise on any matter pertinent to their functions if and where they deem it necessary and at the company's expense but subject always to the limitations, restrictions and conditions stipulated by the board.

- It is the duty of every director to demand and obtain any information he deems critical to the performance of his duties as a director.

XI. Director's training and development

The weighty responsibilities placed upon a director, the level of commitment called for and the fast changing environment, dictate that the company must now increasingly prepare those expected to assume these roles.

It is therefore recommended that all directors shall receive some formal training on their role, duties, responsibilities and obligations as well as board practices and procedures on first appointment. This is particularly critical for those with no previous board experience.

It is desirable that all company directors are exposed, at least once every three years, to matters relevant to legal reforms, corporate governance, changing corporate environment, business/ commercial risks and other matters that may be of interest in the execution of their role.
It is recommended that Training of directors should cover inter alia:

- Role, duties and responsibilities of the board and directors
- Rights and obligations of a director
- Statutory liabilities and duties of a director under criminal and company law
- Board practices and procedures
- Corporate strategy and organization
- Disclosure and communication policies
- Financial management systems, internal control procedures and internal audit
- External audit and the board
- The corporate environment
- Performance targeting, monitoring and evaluation
- Risk management
- Information technology and information to the board
- Any other matters of direct interest to the board

XII. Accounts: Audit and Disclosure

It is the duty of directors, jointly and severally, to cause to be kept proper and accurate books of accounts in respect to all sums of money received and expended by the company, and the matters in respect of which receipt or expenditure takes place; all sales and purchases by the company; and of all the assets and liabilities of the company, as necessary to give with reasonable accuracy at any time, the financial position of the company at that time; and to lay before the company's annual general meeting, a profit and loss account and a balance sheet reflecting a true and fair view of the profit or loss of the company and of the state of affairs of the company.

Therefore in this regard the board is responsible for:

- *Maintaining adequate systems of financial management and internal control over the company, including procedures designed to minimize the risk of fraud*
- *Ensuring the integrity and adequacy of the accounting and financial systems*
- *Ensuring that qualified, competent, fit and proper persons are employed to undertake accounting and financial responsibilities*
- *Ensuring that the company complies with the accounting standards applicable.*

The board shall present to the shareholders a balanced and understandable assessment of the company's position and prospects at least once every year and preferably every six months.

It shall also establish formal and transparent arrangements for maintaining an "arm length" relationship with the external auditors, and ensure that there is timely and accurate disclosure to the shareholders of any information that would materially affect either the value or worth of their investment or earnings there from, including:

- *Material changes in ownership structures, take-over bids, shareholders' arrangements, acquisitions, mergers, script splits and consolidations, or other arrangements.*
- *Material information on:*

• Company objectives
• Financial and operating results
• Material issues relevant to governance structures and policies
• Change or factors affecting members of the board or key executives
• Directors' remuneration and benefits
• Government policies or legislative amendments
• Technological or other material issues affecting sources of raw materials, suppliers etc.

All information affecting the shareholders shall be prepared, audited (where appropriate) and disclosed in accordance with high quality standards of financial disclosure and objectivity.

XIII. Duties of auditors

The board of directors shall ensure that persons who are qualified, reliable and independent of the board and management are appointed as auditors. In light of developments elsewhere, the board shall endeavor to:

- Extend the definition and scope of audit to cover:-
  "to provide an independent opinion to those with interest in the company that they have received from those responsible for the direction and management of the company an adequate account of:

    - *The proper conduct of the company's affairs*
    - *The company's financial performance and position*
    - *Future risks*

- Facilitate an extension of auditors' duties in regard to:
    - *Reporting on whether the company has financial and other risk management controls*
    - *Evaluating and reporting on aspects of propriety and efficiency*
    - *Reporting directly to the board, regulatory authorities and shareholders as appropriate when illegal acts are discovered and to monitor basic ethical behavior particularly in regard to the public interest.*

- Enhance independence of the auditor from the board and management;
- Extend the liability of auditors to third parties

XIV. The role of audit committee

A separate audit committee enables a board to delegate to a sub-committee the responsibility for a thorough and detailed review of audit matters enables the non-executive directors to contribute an independent judgment and play a positive role in an area for which they are particularly fitted.The appointment of a properly constituted audit committee shall therefore be an important step in raising standards of corporate governance.

- The board shall establish an audit board committee to keep under review the scope and results of audit, its effectiveness, the independence and objectivity of the auditors.

- The audit committee shall be given written Terms of Reference which deal adequately with their membership, authority and duties and shall meet at least twice a year.

- The audit committee will:
  - *Review the half year and annual financial statements before submission to the board focusing particularly on:-*

(a) changes in accounting policies
(b) Significant adjustments arising from the audit
(c) Major judgmental areas
(d) Compliance with accounting standards, disclosure and legal requirements, and
(e) Subject the financial statements to independent critical appraisal

- Consider appointment, remuneration and the resignation or dismissal of external auditors
- Discuss and agree on the scope, nature and priorities of audit
- Discuss with external auditors any reservations and problems arising in the course of audit and any audit management letters and management responses prior to the issuance of the audit certificate
- Review and discuss with the external auditors aspects relevant to internal control procedures, risk management and internal audit
- Review major findings on internal audit and investigations and consider management response or actions thereto.
- Undertake such other duties or functions as may be assigned by the board which are relevant to audit and investigations.

XV. Other aspects relevant to the collective and individual roles of directors

It is the role of directors to do the following:

- Provide direction to the company
- Put in place independent and viable mechanisms to evaluate performance of the company and management
- Appoint competent, qualified and able executives
- Evaluate and manage risk
- Manage effectively and efficiently all stakeholder relationships and reconcile any potential conflict of interest
- Account for stewardship towards the maximum benefit of shareholders
- Ensure that the company operates within the law and the legality of transactions
- Ensure that the company operates within ethical guidelines that enhance integrity, social accountability and reputation and credibility of the company.

XVI. Rights of shareholder

All shareholders' rights shall be recognized, respected and protected. Basic shareholders' rights include:

- Securing methods of ownership registration
- Conveying or transferring shares
- Obtaining relevant information on the corporation on a timely and regular basis
- Participating and voting in general shareholders meetings
- Electing members of the board; and
- Sharing in the residual profits of the company

(a) Share holders have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as:

- Amendments to the statues, or articles of incorporation or similar governing documents of the company;
- The authorization of additional shares; and
- Extra-ordinary transactions that in effect result in the sale of the company

(b) Shareholders shall have the opportunity to participate effectively and vote in general shareholder meetings and shall be informed of the rules, including voting procedures that govern general shareholder meetings.

- Shareholders shall be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meetings

- Opportunity shall be provided for shareholders to ask questions of the board and to place items on the agenda at general meetings, subject to reasonable limitations.

- Shareholders shall be able to vote in person and equal effort shall be given to votes.

- Shareholders shall be provided with adequate information regarding the competencies required on the board and given options to elect directors from a range of qualified, competent, fit and proper persons.

(c) Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership shall be disclosed. The board shall endeavor to ensure that markets for corporate control are allowed to function in an efficient and transparent manner. In this regard, the board shall always seek to ensure that:

- The rules and procedures governing the acquisition of corporate control in the capital market, and extraordinary transactions such as mergers and sales of substantial portions of corporate assets shall be clearly articulated and disclosed do that investors understand their rights and recourse.

- Transactions shall occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.

- Anti-take-over devices shall not be used to shield management from accountability.

- Shareholders including corporate investors shall consider the costs and benefits of using their voting rights.

(d) The board of directors shall ensure that there is equitable treatment of all shareholders. In particular the board shall ensure that:

- All shareholders of the same class are treated equally

- All shareholders, including minority and foreign shareholders, are afforded equitable treatment. All share holders shall have the opportunity to obtain effective redress for violation to their rights.

- Within any class, all shareholders should have the same voting rights. All investors should be able to obtain information about voting rights affiliated to classes of shares before they purchase them. Any changes in voting rights within or between classes of shares should be subject to shareholder vote.

- Votes shall be cast by custodians or nominees in a manner agreed upon with the beneficial owner of shares.

- Processes and procedures for general shareholder meetings shall allow for equitable treatment of all share holders

- Company procedures do not make it unduly difficult or expensive to cast votes

- Self dealing and insider trading are prohibited.

- Members of the board and managers disclose their material interests in transactions on matters affecting the corporation.

(e) The share holders in turn have a duty and are well advised to exercise the supreme authority of the company in general meetings to hold the board accountable for the stewardship of the company.

XVII. Responsibilities to other stakeholders

The board of directors and the company recognize rights of stakeholders as established by law and shall encourage active co-operation between the company and its stakeholders in creating wealth, jobs and the sustainability of financially sound enterprises. In this regard, the board of directors shall:

- Ensure that the rights of stakeholders that are protected by law are respected
- Ensure that, where stakeholder interests are protected by law, stakeholders have the opportunity to seek effective redress for any violation of their rights
- Permit and facilitate performance-enhancing mechanisms for stakeholder participation
- Ensure that, where stakeholders participate in performance –enhancing mechanisms, they have access to all relevant information

XVIII. Corporate Social responsibilities

The board of directors will monitor the social responsibilities of the company and promulgate policies consistent with the company's legitimate interests and good business practices. In particular the board of directors shall:

- Promote fair, just and equitable employment policies
- Promote and be sensitive to the preservation and protection of the natural environment;
- Be sensitive to and conscious of gender interests and concerns;
- Promote and protect the rights of children and other vulnerable groups;
- Enhance and promote the rights and participation of host community

XIX. Company Secretary

It is recommended that companies which will adopt the code use the services of a company secretary whether in house or outsourced

Annex I: Board Director's Charter

This Guide is being established to facilitate the full and free exercise of these qualities and to ensure the effectiveness of each director's contribution, consistent with standards of independent judgment, ethics, and integrity they are expected to observe.

Article 1: Primary duty

In accordance with the principles of good corporate governance, each director undertakes:

- To act first, foremost and always in the best interest of the company and not for any other collateral purpose;
- To exercise his/her power in the executive duties in good faith; and
- To act with the care a prudent person would take when acting on their own behalf.

Each director undertakes that, in arriving at a decision on any issue, he /she shall strive to ensure that the decision is in the best interest of the company and is not driven by any other interests.

Article 2: Core Values

Each director subscribes to the company's values – to always act in the interest of society by promoting the effective and responsible use of resources for the benefit of society, and commits to upholding them and ensuring implementation.

Consequently, directors undertake to take into account not only the possible financial impact of their decisions but also their consequences for sustainable development, their effect on relations with stakeholders and the general interest of the communities in which the company operates.

Article 3: Scope of responsibility

Each director is fully aware that the board is responsible for determining the company's vision, mission and values, deciding its strategic objectives, ensuring the establishment of the organizational structure and procedures to achieve the objectives, ensuring effective control over the company and accounting to its members.

Before accepting to be a director, each director shall familiarize himself/herself with the legal and regulatory texts associated with the company, the company's particulars deriving from the memorandum and articles of association, the board's operating rules and procedures, and any other issues necessary for the proper discharge of his/her duties

Article 4: Commitment

Each director undertakes to dedicate the time and attention necessary to fulfill his/her duties. Should a director propose to accept another directorship in addition to that (or those) held at the time of his/her appointment, this fact shall be brought to the attention of the chairman with whom they are to assess whether such new responsibilities would leave the director the time necessary to be devoted to the to the company's responsibilities.

The company's annual report shall list the director's mandates exercised, given up or accepted during the year by the company's directors and shall report on director's attendance at board committees to which they belong. Each director shall strive to attend the annual general meeting.

Article 5: Independence

In all circumstances, each director undertakes to preserve his/her independence of analysis, judgment, decision, and action and to resist any pressure, direct or indirect, whether by other directors, member groups, creditors, suppliers or more generally any third party.

Each director undertakes not to seek, nor to accept, from the company or any other party, directly or indirectly, any advantage that might be considered as compromising his / her independence.

Article 6: Conflicts of interest

Each director undertakes to disclose to the board fully and immediately it comes to his/her attention any real or potential conflict of interest, direct or indirect, which they may have.

A director with such a conflict shall not participate in any discussion of any such topic or on voting on it.

Article 7: Board effectiveness and evaluation

Each director is fully aware of the importance of regular attendance and effective participation at meetings. Each director undertakes to do everything within their power to attend all meetings.

Each director further undertakes to prepare sufficiently for meetings by carefully considering board papers and attachments thereto, and where necessary seek clarifications. Where a director is unable to attend a meeting, each director undertakes to communicate through the chairman or the Chief Executive Officer / Managing Director any concerns or issues they would wish considered.

Board deliberations give rise to consensus or formal votes covering matters of importance to the centre.

Each Director shall be attentive to and respectful of the delineation and exercise of powers and responsibilities attributed to the company's respective decision making organs. Directors' shall however ensure that no single person can exercise uncontrolled discretionary powers. They shall support the proper functioning of board committees and pay particular attention to ensure that the company's internal controls are effective and that, auditors perform their mission in a satisfactory manner.

At regular intervals, not exceeding twelve months, the board of directors shall undertake an evaluation of its functioning as a collective agency and as individual directors. Where necessary, the board may obtain the services of an external facilitator to guide the evaluation.

Article 8: Information confidentiality

Each Director is responsible for seeing to it that he is provided sufficient information in due time to permit the board to deliberate properly on all issues. It is the duty of each director to request of the chairman or the CEO/ Managing Director, in a timely manner, information they may require for decision making.

Directors must personally take the necessary precautions to preserve the confidentiality of such information and not divulge it under any circumstances. This personal responsibility applies equally to representatives of legal entities who are directors.

Article 9: Duty to communicate Dissent

Each director commits to express his/her views clearly and to use all means at his/her disposal to convince the board of the validity of his/her position should he/she hold the view that a proposed board decision is not in the best interest of the company.

To this end, each director shall successively consider:

- Airing the reasons for the opposition and the negative consequences for the company that would result from the prospective decision.
- To have the advice of internal or outside experts sought on the issue.
- To request a postponement of the decision if the nature of the issue permits.
- To request that a written statement of his/her position be attached to the minutes of the meeting.
- To request a special meeting of the board to consider all solutions.

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