



Governance of Subsidiaries

A survey of global companies



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Objective and Scope of the Survey

A survey of Deloitte's Lead Client Service Partners helped address some of the questions commonly asked about the governance and oversight of the subsidiary companies.

Subsidiaries are created to serve several business needs ranging from corporate structuring, developing new products and services, regulatory compliance, tax efficiencies and mergers and acquisitions, to expanding into new geographical markets. As companies grow in size and diversify their operations in the domestic market or expand to overseas markets, the number of subsidiaries tends to increase and the structures of the companies become more complex. While there is now a fairly comprehensive and acceptable definition of corporate governance which articulates the framework of good governance, when it comes to governance of subsidiaries, the companies face a variety of challenges. How to extend sound corporate governance practices and policies downstream to the subsidiaries and what should be the appropriate governance structures of the subsidiaries which would best contribute to an effective chain of oversight of the company, are often the two critical questions asked in this context.

In June 2013, Deloitte Touche Tohmatsu Limited (DTTL)'s Global Center for Corporate Governance in collaboration with the Global Manufacturing Industry group conducted an online survey of Deloitte's Lead Client Service Partners (LCSPs) serving the firm's select global clients in the manufacturing industry. A Deloitte LCSP is a member firm partner who holds overall responsibility for the relationship between a client and the Deloitte member firms. The objective of the survey was to understand governance processes of the subsidiaries and how the companies' boards govern the

subsidiaries. Keeping in view the questions which are commonly asked about the governance of subsidiaries, the survey addressed certain specific aspects of subsidiary governance such as the composition of the subsidiary boards, time spent by parent company board on the oversight of subsidiaries, the approval and decision-making process at the subsidiaries, the treatment of domestic vis-à-vis overseas subsidiary and adoption of the parent's policies and procedures at the subsidiaries. Of the thirty seven LCSPs who responded to the survey questionnaire, 15 were from the Americas, 13 from Europe, the Middle East and Africa (EMEA), 6 from Asia Pacific and 3 from other geographies. Among themselves, the respondent LCSPs covered a total of 53 global companies, including marquee names from a wide range of industries like manufacturing, aerospace, defense, automotive, chemicals, engineering, metals, mining and industrial products. Each of these companies has, on an average, 90 subsidiaries operating in various parts of the world. Some of these companies have their presence in India too.

This report summarizes the key findings of the survey and also provides commentary on some of the important aspects of subsidiary governance mentioned above. Though the survey has been conducted on the LCSPs of Deloitte and hence reflects the opinions of the LCSPs, the findings serve as useful pointers and a guide to the governance framework of subsidiaries of large global companies.

Key Findings

The key findings from the survey are in the areas of subsidiary board composition, time spent by the parent board on oversight of subsidiaries, approvals and decision-making, domestic vs. overseas subsidiary governance and policies and procedures for subsidiaries.

Subsidiary board composition:

The survey brings out that significant subsidiaries do have separate boards, but various factors influence the need for the formation of a subsidiary board and its composition, including having common directors between the parent and subsidiary companies.

- 73 percent of the LCSPs responding to the survey indicated that significant subsidiaries of their clients generally have separate boards of directors
 - Of these subsidiaries (49 percent) include non-executive directors on their boards
- 65 percent of the responding LCSPs said that there are common directors on the boards of the subsidiaries of their clients and the parent companies.

Time spent by the parent board on oversight of subsidiaries:

- 22 percent of the responding LCSPs indicated that their clients take decisions consultatively through their subsidiary boards.

Although many parent company boards view the company as one organization and do not differentiate decision-making based on a legal subsidiary structure, factors such as the group management philosophy, the size and holding structure (including listing on exchanges) of subsidiaries determine the time spent by the parent board on their oversight.

- 68 percent of the responding LCSPs indicated that the parent company boards spend significant time overseeing the business and risks of the subsidiaries.

Approval levels and decision-making:

Approval levels and decision-making follows the group level policies and guidelines and require approval of transactions at the parent board level if these transactions are significant enough.

- 84 percent of the responding LCSPs indicated that parent companies of their clients have specific approval levels in place where the parent must approve actions or the spending of the subsidiary
- 70 percent responding LCSPs indicated that for significant accounting issues or judgments, such as on impairments, the decisions are taken centrally by their clients

Domestic vs. overseas subsidiary governance:

Governance of an overseas subsidiary is different than that of a domestic subsidiary, because of differences in legal environment, tax regimes and cultures. Some boards often tend to view the company as one organisation, even while recognising the differentiators.

- 78 percent of the responding LCSPs indicated that their clients viewed the governance the overseas subsidiaries to be different from that of the domestic subsidiaries.

Policies and procedures:

Generally, corporate governance related policies and procedures are developed centrally by organisations and are required to be implemented in all parts of the organization without regard to the legal subsidiary structure. Larger and more international groups tend to have uniform implementation of key policies, such as whistleblower policy, across the entire group irrespective of the size and location of subsidiaries.

- 81 percent of responding LCSPs indicated that parent companies of their clients have extended their own policies and procedures such as whistleblower policies to their large subsidiaries.

The Theory and Practice of Subsidiary Governance



This section briefly discusses the overall perspective on the issues and concerns about subsidiary governance and the present legal framework for subsidiary governance in India. The section draws upon the limited available literature and research on the subject of subsidiary governance, which has emerged as one of the key topics in the theory and practice of corporate governance in the context of globalisation.

Subsidiaries present an interesting set of corporate governance challenges and dilemmas. On the one hand there is the search for the classic balance between the degree of control that needs to be exercised by the parent over its subsidiaries and the degree of independence that needs to be provided to them and between standardisation of the systems and processes across the organisation and local adaptation at the subsidiary levels. On the other is the question how do the parent and the board place systems and processes which will assure them that "downstream governance" of the subsidiaries reflects the same values, ethics, controls and processes as at the parent board level. Ineffective oversight can result in subsidiary governance failures, which poses both reputational and economic risks for the parent companies.

Some of the issues in subsidiary board governance often relate to the role of the subsidiary board, the

matters which the subsidiary board should discuss, extent to which a subsidiary board could take decisions independent of the parent board's policy, for example, in matters of strategy and compensation, the composition of the subsidiary board, the delegations of authority by the parent, the liabilities of the directors on the directors of the subsidiary boards, and the legal and tax considerations, in particular for the overseas subsidiaries, which determine where the "mind and management" of the subsidiary board be located.

In some jurisdictions there is no regulatory requirement for the subsidiary to have separate boards. But wherever there are, companies have found different ways to deal with these issues. While there appears to be no single answer or no one size which fits all, clearly the principle underpinning the effective solutions tried in different jurisdictions is that the subsidiary board must be objective about the management of the business of the subsidiary and at the same time be familiar with the business philosophy, culture and strategic direction of the parent. The key is to demonstrate to the stakeholders and the regulators that the companies along with their subsidiaries have sound governance practices which can be cascaded consistently and effectively, down to the level of subsidiaries and there is an "effective chain of oversight" and a governance system that is harmonious throughout the organization.

The current legal framework for subsidiary governance in India

In India, the legal framework for subsidiary governance is covered under the Companies Act and Clause 49 of the listing agreement.

Subsidiary Governance under the Companies Act 2013:

The Companies Act, 2013 ('Act'), which has been passed by the Parliament and assented by the President, has replaced the old Companies Act, 1956. The new Act has several provisions on governance of subsidiaries of domestic companies as well as those of overseas companies in India.

The Act defines a subsidiary company as the one in which the holding company controls the composition of the Board of Directors and exercises or controls more than one-half of the total share capital on its own, through its other subsidiary company or together with one or more of its subsidiary companies.

The new filings and disclosures to be made by the holding company in relation to its domestic and overseas subsidiaries have been introduced. These are: inclusion of financial reports of subsidiaries in the prospectus proposed to be issued to public; filing of annual return covering details of subsidiary and associate companies to the Registrar; filing of overseas subsidiary accounts to the Registrar; submission of consolidated financial statements covering all subsidiaries (including associates and joint-ventures) at the annual general meeting; and classification of all non-current investments of a company into bodies such as subsidiaries, associates, joint-ventures or special purpose entities.

In relation to books of accounts, the Act requires that every company maintain at its registered office, records of its books of accounts, including that of its subsidiary companies and branch offices in India or overseas. The Act further requires that every holding company places audited accounts of each subsidiary on its website and also provides copies of such accounts to any shareholder of the company who asks for it.

Subsidiary Governance under the Clause 49 of the Listing Agreement:

Under sub-clause V of the Clause 49:

i. At least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of a material non listed Indian subsidiary company.

The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the listed holding company. The management should periodically bring to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

Explanation (i): The term "material non-listed Indian subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) in the preceding accounting year exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Explanation (ii): The term "significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

Explanation (iii): Where a listed holding company has a listed subsidiary company, which is itself a holding company, the above provisions shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

The Survey

Subsidiary Board Composition

Majority of significant subsidiaries have separate boards, which have non-executive directors and directors that are common to the parent as well as the subsidiary boards.

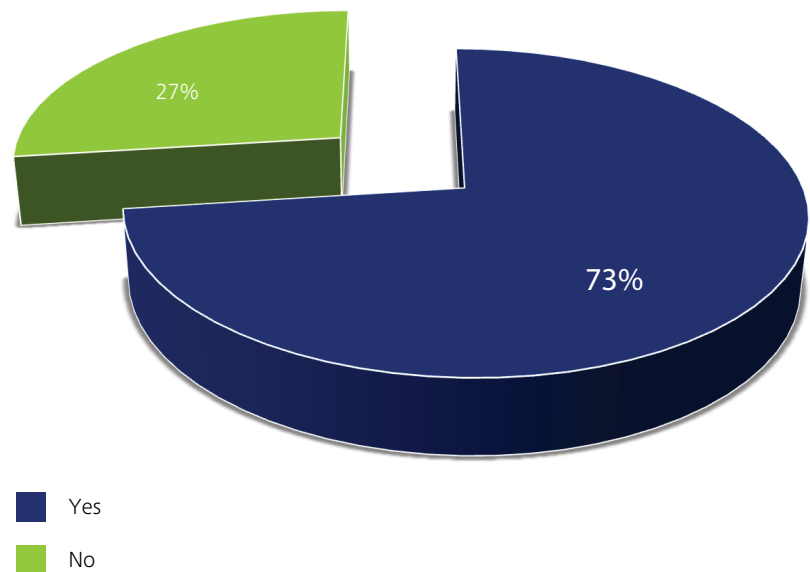
An important consideration in any subsidiary governance framework is the existence of a separate board of the subsidiary and its composition. Majority of the responding LCSPs indicated that the significant subsidiaries of their clients have separate boards. Though there are few variances, nevertheless having separate boards for significant subsidiaries is seen as a good governance practice.

The survey shows that 73 percent of the responding LCSPs have indicated that their clients have separate boards for their significant subsidiaries. This is particularly true if subsidiaries are listed or there are outside minority shareholders. The boards of these listed subsidiaries performed their roles in the same spirit as required of them under the corporate governance regulations and principles. Local regulations in many jurisdictions require companies to have a board of directors. Some jurisdictions require the presence of the local directors on the subsidiary boards. There are a few variances too and these occur for unlisted subsidiaries and if there is no specific requirement under local laws and regulations. Such boards of the subsidiaries did not perform significant governance activities, other than what is legally required of them. They generally depend on parent company board and management for guidance and approvals. In a few countries, for the significant joint ventures, committees of management act as effective boards.

73%

of responding LCSPs indicated that the significant subsidiaries of their clients have separate boards

Do your clients' significant subsidiaries generally have separate boards of directors?



The second important consideration in the governance of a subsidiary is the composition of the subsidiary board. On the one hand there is a need for the parent board to control the strategic direction of the organization as a whole. On the other, for effective board oversight, the subsidiary boards also need to be doing much more than merely reflecting management of the subsidiary. Drawing the line between the role of the parent board and its subsidiary boards requires careful thought on the design of the subsidiary board. Appropriate design of the subsidiary board helps them to add considerable value to the organisation, pay closer attention to the compliance processes within the subsidiary and make sure there are no gaps of oversight. Several options are available for achieving the twin objectives of independence and coordination, of which one is selecting directors from outside the management of the subsidiary, either from unrelated businesses or from the parent's board. This helps ensure consistency in strategic direction and provides a useful connection between the boards of the parent and subsidiary.

The survey shows that there is more than one model of board composition. On the inclusion of non-executive directors in the subsidiary boards, the survey displays that the clients of the LCSPs are almost equally divided. Nearly 49 percent of the LCSPs have indicated that the subsidiary boards of their clients have non-executive directors while 46 percent indicated that it was not so for the subsidiary boards of their clients. The composition of the boards of the significant subsidiaries of the clients of the LCSPs appeared to be influenced by factors like business requirements viz. the contribution to the parent's business, compliance with local laws and regulations, shareholding of the subsidiary, listing

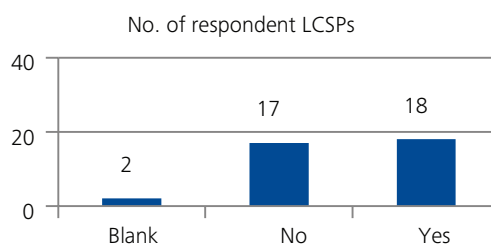
49%

of responding LCSPs indicated that the boards of the significant subsidiaries of their clients have non-executive directors

on local stock exchanges and requirement in some joint ventures where both partners insist on certain governance norms. The subsidiary board is thus a combination of executive and non-executive directors. The presence of outside minority shareholders (wherever necessary), local requirements and standards set by the parent company also spur the boards of the subsidiaries to follow relevant corporate governance norms.

The reasons for the variances in the responses of the LCSPs reported in the survey are also worth noting. In some jurisdictions most of the directors on subsidiary boards and joint venture committees are typically senior management or recently retired senior management executives, unless having external members (i.e. worker representation) is a legal requirement. A few jurisdictions do not insist on the presence of non-executive directors. There are some instances of even independent directors being on the subsidiary board.

Are non-executive directors included on the subsidiary boards?

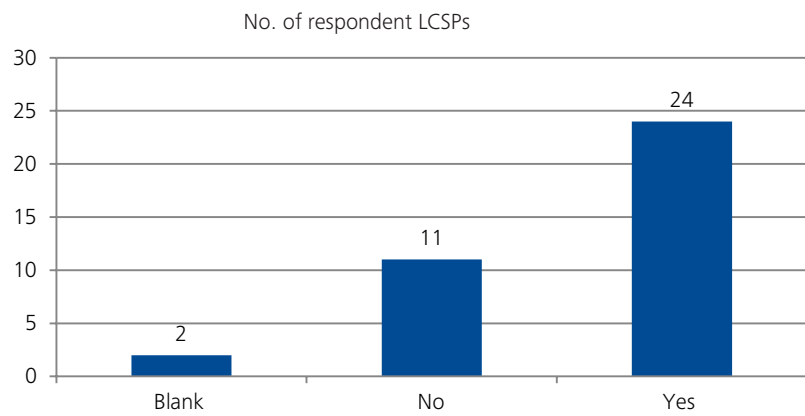


Majority of responding LCSPs indicated that for their clients, there are common directors on the boards of the parent and the subsidiaries. Where there are no common directors, the headquarters is represented on the subsidiary boards. Often the corporate executives and local executives (depending on the local regulatory requirements) along with private equity sponsors are represented on the subsidiary boards of the clients of the respondent LCSPs. In the case of family owned businesses, there is a tendency to have common executive directors between the parent and its subsidiaries. For example, in one case the chairman of the supervisory board is also chairman of the supervisory boards of four major subsidiaries which have separate supervisory boards. But as expected, it is typical of subsidiaries' boards to be at a lower level than the parent boards. For a few clients of the respondent LCSPs, some of the large subsidiaries have a unity of subsidiary CEO and parent company's board membership.

65%

of responding LCSPs indicated that the boards of the significant subsidiaries of their clients have common directors with the parents' boards

Are there common directors on the boards of the subsidiaries and the parent company?



The Survey

Time Spent by the Parent Board on Oversight of Subsidiaries

Majority of boards spent significant time on the oversight of subsidiaries.

For effective oversight of the subsidiaries, especially if the subsidiary is an operating subsidiary or is of strategic importance to the parent or contributes significantly to the parent's operations, it is important for the parent company to devote sufficient time to the operations of the subsidiary. There is a need to identify the critical areas which should engage the attention of the parent. It is equally important to ensure that the information flow between the subsidiary and parent is timely and comprehensive in these critical areas. Companies recognise the significance of these interfaces between the parent and the subsidiary and accordingly set up mechanisms, systems and procedures. But irrespective of the mechanisms involved, there is no getting away from the need for an effective oversight over the subsidiaries. There are enough instances when lack of it has led to disastrous consequences. Some organisations achieve this oversight through internal management interactions and reporting requirements, some through oversight of the parent board and some others through a mix of both. The risks of downstream governance failures can have devastating impact on the company as a whole. There is one school of thought which argues that a more effective direct board oversight, driven by appropriate subsidiary board composition and functioning, might have avoided many of the large global governance failures.

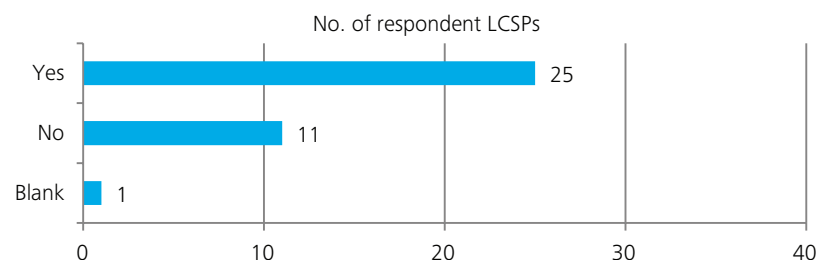
In the survey, 68 percent of the respondent LCSPs have indicated that the parent boards of their client companies spend significant time overseeing the business and risks of the subsidiaries. The management philosophy at the parent company, the size and holding structure (including listing on exchanges) of subsidiaries determine the time spent by the parent board on their oversight.

68%

of responding LCSPs indicated that the boards of their clients spent substantial amount of time on the oversight of the subsidiaries

Nearly a third of the respondents said that their clients' boards did not spend significant time over the subsidiaries and the oversight matters were dealt with at the corporate level. Many parent company boards view the company as one organization and do not differentiate decision-making based on a legal subsidiary structure; the boards of these companies receive detailed management accounts, exercise budget and oversight disciplines and have internal audit in place for the entire group. However, such supervision is done with the group position in mind rather than the focus on subsidiaries as a standalone business; and the oversight is provided in the context of the consolidated entity. Many of these companies invariably follow the global risk process of the group, as a whole, for the subsidiaries.

Does the parent company board spend significant time overseeing the business and risks of the subsidiary?



The Survey

Approvals and Decision-making at the Subsidiary

The actions of the subsidiaries require the approval of the parent, especially on matters related to investment and expenditure and on significant accounting issues where judgement is involved.

Companies have performance expectations from its subsidiaries, hold the management of its subsidiaries accountable for it and monitor their performance. Even while allowing the subsidiaries to function with a measure of independence, companies put in place policies and procedures, systems and processes so that the company and its subsidiaries function as one unit. In order to achieve this, the companies identify the critical areas in which the company and its subsidiaries need to follow a uniform approach and have a common policy. Some of these areas are investment plans, capital expenditure, treasury operations, mergers and acquisitions, provision of loan guarantees and accounting matters. This uniformity helps in creating a harmonious governance system across the company and its subsidiaries.

In the survey, 84 percent of the respondent LCSPs have indicated that their clients have specific approval levels in place where the parent company must approve the actions or spending plans of the subsidiaries. It is usually a part of the regular governance process which often includes capital investments above certain threshold amount in accord with the group wise capital expenditure policy, treasury operations and contracts. The boards often view the company as one organization and do not differentiate decision making based on a legal subsidiary structure and hence the approval levels operate throughout the organisation. Decisions on strategy matters are taken at central level and operational matters through subsidiary boards.

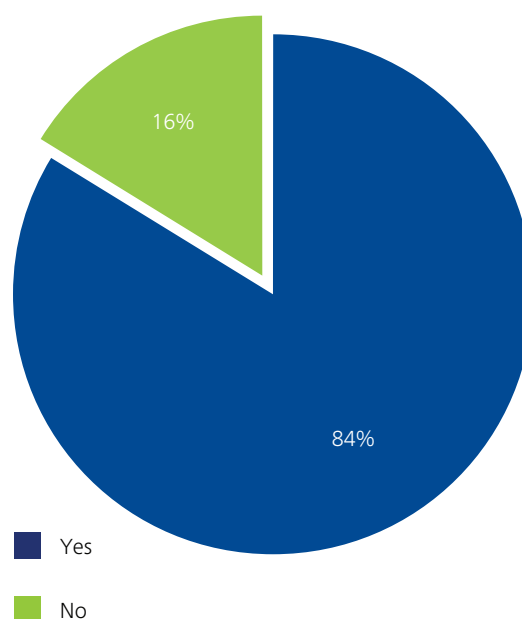
In several instances the approval policies follow the group guidelines and require approval of specific transactions at the parent board level, if significant enough. There are other instances where companies have a delegation of authority policy that specifies decision making powers at the management and board levels of the subsidiaries and the parent. In some

84%

of responding LCSPs indicated that their clients specifically approve the actions of their significant subsidiaries especially for their spending

countries, it is a general practice to establish a catalog of business actions (e.g. spending limits for acquisitions) for subsidiaries where approval of the supervisory board members of the ultimate parent is necessary. Some of the LCSPs have indicated that certain large and listed subsidiaries may have their independent decision making process, but the parent company's board is kept informed of the decisions taken at the subsidiary.

Are there specific approval levels where the parent must approve actions or spending of the subsidiaries?

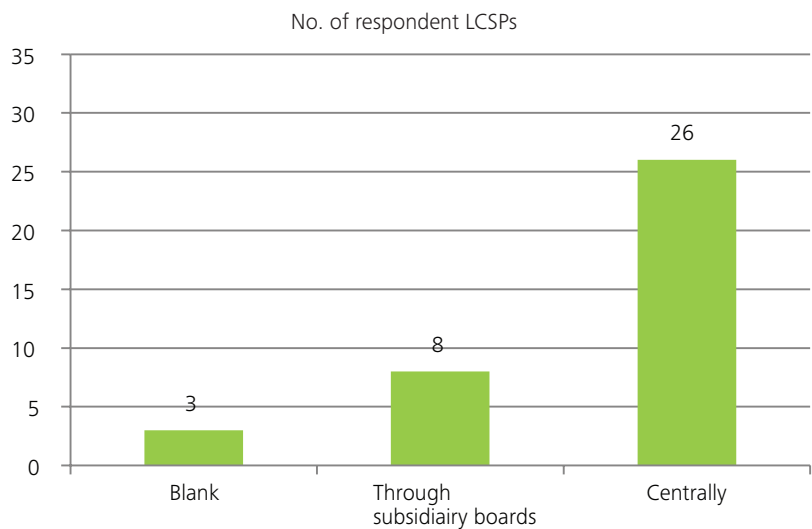


The survey also shows that for the clients of the 70 percent of the respondent LCSPs, significant decisions related to accounting issues or judgments, such as impairments, are taken centrally and follow the same pattern as the approval levels for investment, capital expenditure and spending plans. It often is the case that the local management of the subsidiary is primarily responsible for data gathering and setting the local strategy, but decisions are formally agreed and approved centrally by head office management and then the parent board. As in many companies, the parent board views the company as one organization and does not differentiate decision making based on a legal subsidiary structure. The global accounting organization at parent prepares decisions centrally, based on common rules and procedures (global governance of accounting). For about one-fifth of the clients of the LCSPs, the decisions in accounting matters are taken in consultation with the boards of the subsidiaries. The key differentiators are the local statutory laws or a tax law, separate listing requirement for the subsidiaries, which requires a certain level of involvement of the subsidiary board. The presence of common directors facilitates the decision-making process and policy coordination.

70%

of responding LCSPs indicated that their clients take decisions centrally in matters involving significant accounting issues or require judgements

When subsidiaries experience significant accounting issues or judgements, such as impairments, are decisions taken centrally or consultatively through the subsidiary boards?



The Survey

Domestic vs. Overseas Subsidiaries Governance

The governance of overseas subsidiaries is different from domestic subsidiaries due to differences in language, culture, legal environment and tax laws

Culture and jurisdictional issues significantly influence the corporate governance in a company. For example, following a merger or acquisition of international companies the question of cultures and ethics is always the hardest one to deal with. Organisations need to give due recognitions of this influence while building systems of effective corporate governance.

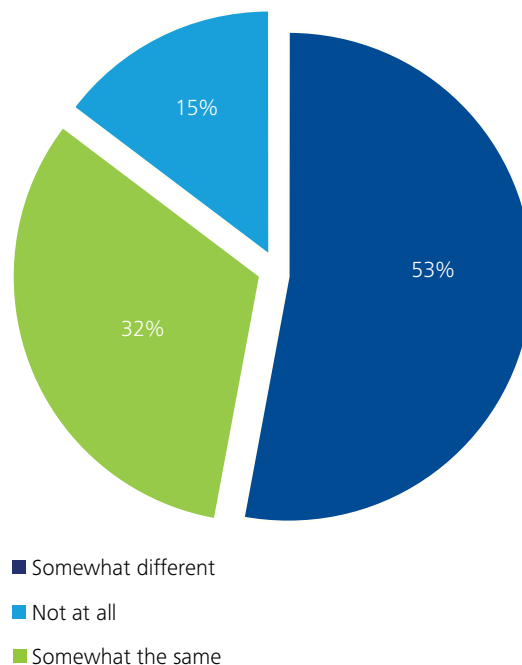
The parent board may often view the company as one organization and does not differentiate decision making based on a legal structure of a subsidiary, but overseas subsidiaries are distinct from domestic ones, in that the latter have additional barrier of language, a different legal and tax environment, cultural differences as well as time differences. Overseas subsidiaries are naturally considered to carry greater risk, particularly those operating in developing countries; there is therefore a greater emphasis on having parent company management either involved in the operations of the subsidiary or be involved at a steering committee or subsidiary board level. International subsidiaries typically have a country controller's office that handles local issues and coordinates with the parent company management. However, it has been generally observed that tight internal controls, integrated IT systems, strict compliance and risk management requirements make the governance of overseas subsidiaries much easier today.

49%

of responding LCSPs indicated that their clients agree that the governance of the overseas subsidiaries is different from the domestic subsidiaries

The domestic subsidiaries are typically included in the parent governance practice principally because it simply resides in the same country. In addition, major decisions can easily be made centrally under the same governance structure for domestic subsidiaries. This may not be easily said about the overseas subsidiaries because of earlier mentioned areas of differences.

Would you say that governance over overseas subsidiaries is different from that over domestic subsidiaries?



The Survey

Policies and Procedures

Companies often extend key policies like the whistleblower policy across subsidiaries, especially the large ones

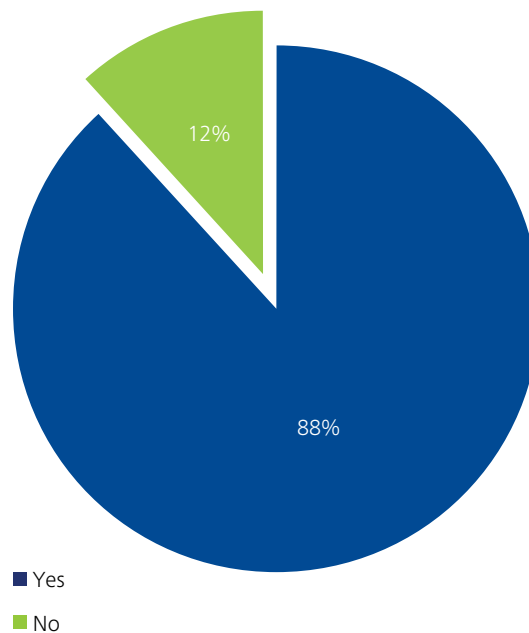
Subsidiary corporate governance, to be effective, would need to be a tangible and measurable activity in companies. This depends on successful implementation of the governance policies set by the companies either through the involvement of the parents on the boards of subsidiaries or through the boards and the managements of the parent companies devoting sufficient time on the operations of the significant subsidiaries or through tight internal controls and compliance mechanisms. It also needs to be recognised that in large companies with multiple domestic and overseas subsidiaries, the challenge of implementing a governance framework is to not create unnecessary bureaucracy. Oversight and control will always remain the key drivers of success in building effective systems of corporate governance of the subsidiaries regardless of the country in which the subsidiary operates. The process and accountability for information management are not enough, but the effectiveness of these need to be tracked and evaluated and there must be systems for these in the parent-subsidiary relationship.

Implementation of policies at the parent company across its subsidiaries depends on various factors such as the size of the group, the relative size of a subsidiary to the whole group, the regulatory pressures as well as the level of compliance risk (e.g. high anti-cartel risk in the cement industry). Larger and more international groups tend to have uniform implementation of key policies, such as whistleblower policy, across the entire group. Generally, there is a tendency for corporate governance related policies and procedures to be developed centrally and required to be implemented in all parts of the organization, without regard to the legal subsidiary structure. Whistleblower policies for most of the clients of the LCSPs are global in nature and applicable to all subsidiaries regardless of their size and location.

81%

of responding LCSPs indicated that their clients extend policies and procedures to their large subsidiaries

Has your client has extended procedures such as whistleblower policies to its large subsidiaries

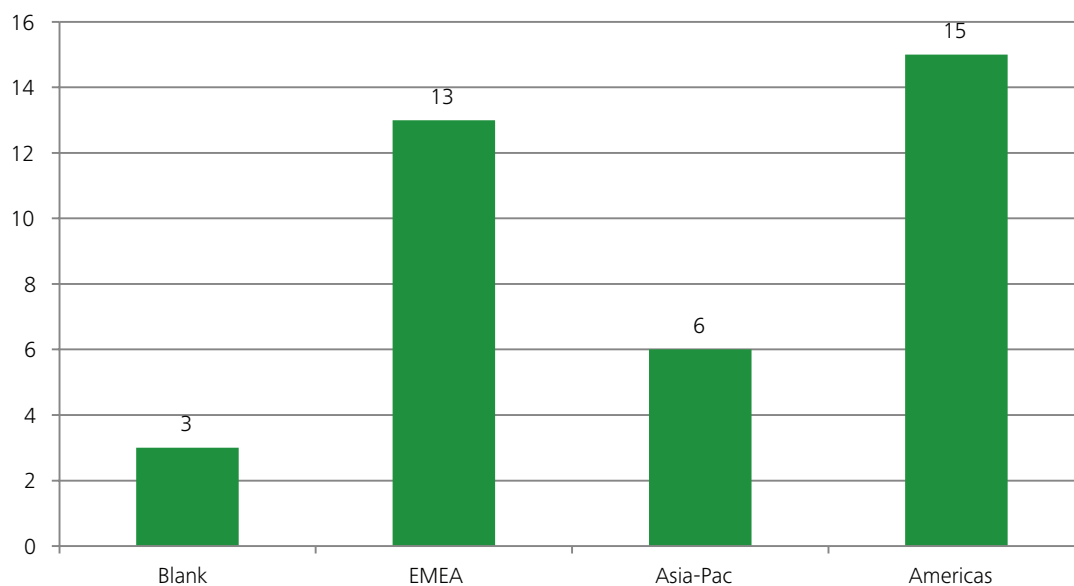


Appendix

Survey Demographics

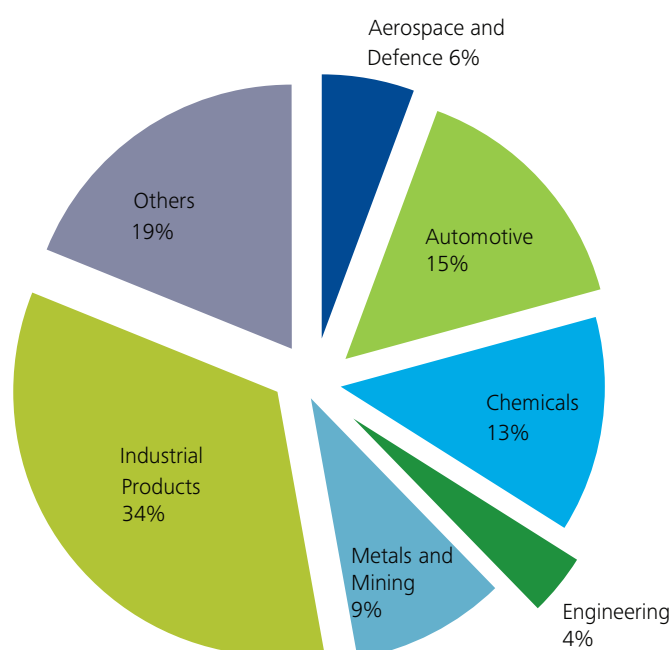
LCSPs Respondents by Region:

A total of 37 LCSPs from Deloitte participated in the survey, with 15 from Americas, 13 from Europe, the Middle East and Africa (EMEA), 6 from Asia Pacific and 3 from other geographies.



Companies Represented by the LCSP Respondents:

A total of 53 global companies were covered through the 37 LCSPs from Deloitte. These companies include many marquee names from sectors such as aerospace, defense, automotive, chemicals, engineering, metals, mining and industrial products. Of these 53 companies, 14 are listed on New York Stock Exchange (NYSE), 8 are listed on London Stock Exchange (LSE) and 2 companies have a joint listing on both NYSE and LSE. Of the 14 NYSE listed companies, 8 are Fortune 500 companies and 7 are Standard & Poor's (S&P) 500 companies. Of the 8 LSE listed companies, 2 are both Fortune 500 and S&P 500 companies.



Appendix

Survey Questionnaire

1. Subsidiary board composition:

- Do your client's significant subsidiaries generally have separate boards of directors?
 - Yes
 - No
- If so, do they include non-executive directors on their subsidiary boards?
 - Yes
 - No
- Are there common directors on the boards of the subsidiaries and the parent company?
 - Yes
 - No

2. Time spent by the parent board on oversight of subsidiaries:

- Does the parent company board spend significant time overseeing the business and risks of the subsidiary?
 - Yes
 - No

3. Approvals and decision making:

- Are there specific approval levels in place where the parent must approve actions or spending of the subsidiary?
 - Yes
 - No
- When subsidiaries experience significant accounting issues or judgments, such as impairments, are decisions taken centrally or consultatively through the subsidiary boards? In other words, is decision-making pushed down?
 - Decisions are taken centrally
 - Decisions are taken through the subsidiary boards

4. Domestic vs. overseas subsidiary governance:

- Would you say that governance over overseas subsidiaries is different from that over domestic subsidiaries?
 - Not at all
 - Somewhat different
 - Somewhat the same
 - Not at all different

5. Policies and procedures

- Has your client extended procedures such as whistleblower policies to its large subsidiaries?
 - Yes
 - No

About the Centre for Corporate Governance

Deloitte Touche Tohmatsu India Private Limited (Deloitte)'s Centre for Corporate Governance (the "Centre") brings together the knowledge and experience of Deloitte and leading governance organizations in India and the world-over in the critical areas of corporate governance. Its mission is to promote dialogue in the critical areas of corporate governance among Deloitte, corporations and their boards of directors, investors, academia, and government. The Centre also coordinates research-based thought leadership to advance thinking on governance issues in India. Its activities and programs include:

Corporate governance roundtables

The centre conducts roundtables across India to bring together the board of directors, executives, investors, and academicians to seek consensus on how governance practices and approaches should change, given the current environment and particularities of corporate governance in India.

Topics covered in the recent roundtables include: The Risk Intelligent board, Enhancing the board effectiveness.

Thought leadership

Research and thought leadership from the centre focuses on issues of relevance to executives and non-executives serving on boards of directors and other leaders in the global governance arena.

Topics covered in recent releases include: Candour in the Cockpit: The Board - Reinvented, Risk Intelligence Map – Board level.

Tools and resources

Tools and resources from the centre are designed based on the emerging best practices and examples identified through our review of practices followed by the leading organizations and our marketplace observations.

Current tools and resources include: Corporate governance diagnostic, Corporate governance maturity model, Board orientation templates, Checklists for Audit Committee, Board committee charters, and CEO/CFO certification.

Facilitation services

The centre facilitates a range of assessment and benchmarking services to help boards and various sub-committees in gauging their performance as well as effectiveness.

Examples of these services include assessment of board's effectiveness, assessment and benchmarking of board practices, development of charters for board and its committees, development of delegation policy between the boards of parent and its subsidiaries, education to board of directors, assessment of ethics and compliance programs.

Collaboration through teaming and sponsorships

The centre focuses on building strong relationships with various leading organizations and other entities in the area of corporate governance. The centre also supports through sponsorships, the forums for advancing the debate and discussions on critical aspects of corporate governance.

Director and executive education programs

The Centre plans to offer, through its alliances with eminent academic and non-academic institutions, executive education programs and courses, and guest lectures on various topics related to corporate governance.

Presence on the web

Anyone can access the Centre's corporate governance website at: www.corpgov.deloitte.com/site/in
The website is tailored to the governance concerns of the board of directors and its various committees. It offers latest thinking on these issues from Deloitte as well as from third-party sources.

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