

**CORPORATE BOARD:  
ROLE, DUTIES & COMPOSITION**

**СОВЕТ ДИРЕКТОРОВ: РОЛЬ,  
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## EDITORIAL

*Dear readers!*

This issue of the journal is devoted to several issues of corporate board practices.

**Chris Bart** presents the results of a survey of Compensation Discussion and Analysis (CD&A) documents from 32 publicly listed U.S. companies. Our aim was to probe the extent to which companies are providing investors, through the CD&A, with an easy to understand and complete assessment of the compensation provided to their highest paid executives. Using a detailed content analysis, the results show that while companies are complying somewhat with regulatory requirements, they are failing to meet the intent of the CD&A, which is, to provide completeness, transparency and understanding regarding a firm's executive compensation. A number of recommendations for change is also proposed.

**Simona Franzoni** is aimed at assessing whether rules and recommendations adopted in European Countries (France; Germany; Italy; Spain; United Kingdom) and non-European Countries (Canada; Japan; Russia; United States) enable companies to have a regulatory framework as a guarantee of information completeness, so that anyone can, on the one hand, assess if the company is transparency-oriented and, on the other, to facilitate the comparison of remuneration systems with other companies in other European contexts or non-European Countries. Finally, this paper aims to examine how the listed companies, operating in the public utilities sector, have implemented remuneration systems disclosure in the corporate behaviour in order to assess if, European and non-European listed companies surveyed behave in conformity with transparency provisions and assure stakeholders, information completeness.

**Bernard Santen and Han Donker** analyse the relationship between board diversity (in gender and in nationality) and financial distress. A summary of the theory behind board diversity precedes an overview of the empirical evidence on the relationship between diversity and company performance. The paper presents empirical research on the relationship between a negative performance measure, financial distress, and diversity on the board. The results show a positive relationship between the presence of foreign non-executive directors and financial distress. It is suggested that this is caused by negative communication and misunderstandings. No relationship is found between the gender of a director and financial distress. On a micro-level, the data do not show evidence for the glass cliff hypothesis.

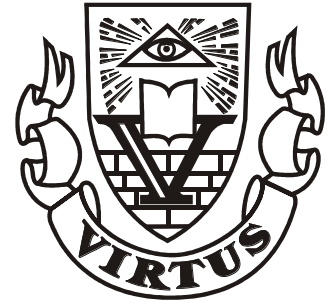
**Mark Rome** declares that recent corporate scandals have raised serious questions about the effectiveness of boards of directors in exercising their fiduciary duties. Corporate governance requires that the board be a check and balance on the CEO and the executive team. The obvious question is whether directors of public companies properly oversee management and ensure management's actions are in the best interests of shareholders?

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