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**Company: Coca Cola**

The Coca-Cola Company is an American multinational corporate organization. Producers, creators, retailer, and one of the biggest marketer of nonalcoholic drinks. The best product this company is famous for is its flagship product Coca-Cola.

**Board elections**

 The meeting for Board of Directors is scheduled every year for re-election to elect new directors, general managers and executives. This proved to be a positive strategy for the company in the past. The negative aspect of staggered boards is that it provides less accountability which makes it much more challenging for a takeover of the organization. Sometimes the managers get so much authority that they use the company’s finance for their own interests rather than the benefits of shareholders.

**Board compensation**

In last few years the company’s board compensation strategies have changed. From 2015 to 2017, 85% of CEO compensation was based on performance measures. Three major factors are kept under consideration by board compensation committee while designing compensation structure i.e. salary base, annual incentive, and equity compensation. According to a survey conducted in 2017, CEOs pay 60 percent based on performance, 40 percent service based. Also, an average executive received 70 percent based on performance and 30 percent service based.

The equity has the highest pay among all, it is kept that way to motivate the executives to perform better. Another strategy of the company is that when it comes to average executives, minimum salaries in employment agreement are fixed. Later, compensation committee adjusts it annually based on performance, changes in experience and duties.

**Board perks**

Coca cola provides the kind of competitive compensation one would expect from a world leader. For the board members, the company monthly provides a fixed amount to offset the costs of owning a vehicle. Also, the Company pays the cost of security services and they are entitled to use company’s private aircraft as well (Bob, 2018).

**Board Size**

There are 16 board members of the company. They help in making business strategies and decision. Member of the board also bring an insight for an improvement and betterment of company performance.

**Board independence**

An 80 percent of board member are independent which is 12 out of 16. All these independent board of members are required to meet once in 6 months without management present.

**Board commitment**

 The Board members met meet 6 times in 2018. Only 2 member holds more than 2 outside positions. Some of the members emphasized on having more board members so that the commitments could be improved.

**Succession Planning**

Chief Executive Officer James Quincey recently replaced Muhtar Kent and took take over as chairman of the company. Muhtar Kent retired from his position in April.

**Executive pay**

A company’s compensation strategy is designed to motivate the executives to put in their100 percent efforts and help company in achieving its ultimate goal. In 2018 95% of CEOs were compensated purely based on performance.  The board believes that almost 90% of the compensation for CEO changes with their short or long-term performance.  There has not been any evidence of performance payment without an appropriate accountability. Bonuses are linked to reaching performance metrics based on the company’s revenue.

**Best and Worst**

Of all the write ups of my class mates, I believe that Disney has the best overall corporate governance. The company is committed to their governance strategies and policies which guarantees the fact that the shareholder interests are represented in a best way possible. The Board of Directors supervise the developments in governance practices to make sure that it keeps on meeting its commitment to a mindful and liberated representation of the interest of shareholders. The company has a business-judgment rule which shelters them from any lawsuit by the shareholders. For Example In late 90’s Michael Ovitz was hired to be the president of Disney. Eisner recruited his best friend and then fired him after 14 months with a great Severance package raised many speculation and brought very famous lawsuit with it. There was an outcry by stakeholders and the investors because they wanted their money back. Later the lawsuit was settled solely because the directors acted in good faith. Disney is a company with diverse group of people who have broad range of skills. They are aware of their duties and work hard to fulfill the interest of the shareholders. (Patricia, 2017)

Marriott is the company that has the worst overall corporate governance. According to a study there have been a lot of corporate reforms in America in the last few decades. These reforms have produced fruitful outcomes but Marriott not just failed to prevent the financial crisis of the company but also abused the principles of corporate accounting. In 2018 500 Million Marriot customers were affected in a massive data breach. The hacked data included credit card details, passport numbers, emails and mailing addresses (Berg, 2018).
At that crucial time, the board of members of the company couldn’t come up with a unanimous resolution of the problem. Which is why the crisis took much longer to resolve than it should have taken. The company offers limited benefit to its executive as compare to the board members. It has been stated that an average executive goes through much stronger accountability procedure than the board of directors. The number of board member needs to be increased so that the board brings outsider view, how to operate and improve company performance.

Traditionally, company’s board meets 8-10 time in a year to review the performance but Marriott’s board met only 6 times in 2018.

# *References*

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Bob, A. (2018). Corporate governance lessons learned from Coca Cola. *Biz Journals*, 289-300.

Patricia, L. (2017). Disney’s Board: Looking Good on Corporate Governance. *Seeking Alpha*, 156-167.