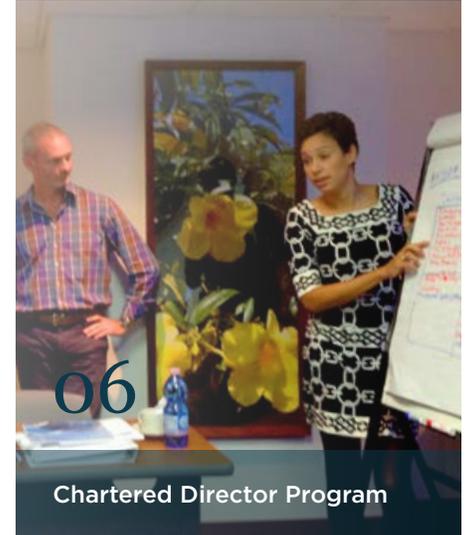


HIGHLIGHTS



VIEW FROM THE CHAIR



This is the first of a series of newsletters we expect to release on a periodic basis. We intend to use it as a means of keeping you informed of your Institute's activities.

Interest in the Institute continues to grow as attention to Corporate Governance matters become a greater priority for directors. Our courses are very well attended and well received and more and more we are being approached to provide specific training on a company by company basis.

All this to say, yes, we are busy, but it is also very exciting as we grow and our members feel better able to contribute to their company's success.

Our newsletter will in addition to our updates, also include or provide links to articles or presentations of interest and with this in mind I would ask that, if you do come across something which would interest our members or if you wish to write an opinion piece, please send it in to us and we will include it if appropriate. I will emphasize that it is unlikely that any items submitted with the intent of marketing a company or product would be accepted.

As always, any ideas you have on improving the newsletter or on our communication in general would be well received.

Roger Gillett
Chairman, IoD Bermuda Branch



HAVE YOU ATTENDED ONE OF OUR KPMG BRIEFINGS?

This strategic alliance highlights the commitment of both organisations to inform and enhance the standards of corporate governance in Bermuda as a foundation for economic growth and development. As part of this on-going initiative, IoD Bermuda members will gain access to KPMG's global network of thought leadership and governance expertise, through a series of seminars and panel discussions to be held on island throughout the year.

Stay tuned for the release date of our next briefing!



Pictured from left: KPMG Partner Steve Woodward, BF&M CEO John Wight, BDA CEO Ross Webber, Nathan Kowalski, CFO of Anchor Investment, and David Dodwell, Chair of the Bermuda Tourism Authority (BTA).

A BIG CONGRATULATIONS GOES TO...

We're pleased to announce the following candidates who have achieved the Certificate in Company Direction (CICD) and Diploma in Company Direction (Diploma) designations.

CERTIFICATE IN COMPANY DIRECTION:

Allan Marshall

Investment Consultant and Independent Director

Andy McComb

CEO, Charles Taylor plc Bermuda operation - Distinction

Cora Lee Starzomski

Chief Operating Officer, Kattegat Limited - Distinction

Tracy Packwood

CPA, CA, Director, Cohort Limited - Distinction

DIPLOMA IN COMPANY DIRECTION:

Sara Schroter Ross

Legal Counsel, Bermuda Commercial Bank Limited - Distinction

CHARTERED DIRECTOR:

Roger Gillett

Chairman of the IoD Bermuda Branch

CURRENT 2016 BOARD OF DIRECTORS

Roger Gillett
Chairman

Rochelle Simons
Vice Chairman; Education
Committee Officer

Amanda Sodergren
Secretary

Derrick Lightbourne
Treasurer

Kathryn Kelly
Public Relations Officer

James Davis
Membership Officer

Natalie (Town) Neto
Legislative/Regulatory
Officer

Kathleen Bibbings

Dudley Cottingham

Craig Davis

Cheryl-Ann Mapp

Andrew McComb

Ray Medeiros

BERMUDA NON-EXECUTIVE DIRECTOR DIRECTORY

The Bermuda Branch has invited members who wish to be considered for non-executive director roles to complete and submit the NXDD Application Form. The first directory will be produced in March 2016. Submit your application form today. Send questions to iodbda.nxdd@gmail.com



ABOUT THE IOD

As international business grows ever more demanding for company directors, it's good to know there is an international membership organisation supporting you. The Institute of Directors was founded in 1903 in the UK and has over 100 years of experience in helping directors to maximise their potential.

As an IoD member in Bermuda, you are part of an influential membership organisation with a growing network of business leaders across the world. Our particular remit is to represent and support directors from every corner of industry in Bermuda in these challenging economic times.

So if you would like to get involved, or have any feedback regarding the branch, or just would like further details then please do not hesitate to contact us. We look forward to hearing from you.

BENEFITS OF MEMBERSHIP

AS A MEMBER OF THE IOD

- Be part of the business networks that matter
- Benefit from a wealth of business insight and inspiration
- Enhance your performance with world-class learning and development
- Enjoy representation at every level of government
- Access a range of essential business services

INCLUDED IN ANNUAL MEMBERSHIP FEE

- Meeting space at 15 locations across the UK
- 25 calls to our business and personal legal advice line
- 25 business research sessions
- Four one-to-one sessions with a business expert
- Subscription to Director magazine
- 25 calls to our business tax line
- Registration on the IoD NXD Directory
- Monthly online newsletters
- Access to our extensive online business support resource
- Access to our exclusive LinkedIn group with over 9,000 IoD members
- Complimentary access to Regus business lounges worldwide plus a 15% discount on Regus meeting room bookings and day offices
- Advert on our business directory

ADDITIONAL BENEFITS...

- Representation at the highest levels of government and the opportunity to participate in surveys and receive copies of our policy publications such as Big Picture
- Networking opportunities across the UK through our regions and branches who run a whole range of events from black-tie dinners to breakfast briefings
- Discounts on our respected range of director-level training and development programmes including our Chartered Director qualification which is recognised internationally as the gold-standard in director level training
- Discounts on our conferences and events where you will have the opportunity to listen to world leaders and opinion formers from a range of industries
- Access to a range of specially negotiated products and services including; business and personal insurances, health, recruitment, travel and car hire

AM I ELIGIBLE FOR MEMBERSHIP?

You will usually qualify for membership if you have responsibility for the strategic direction of your organisation; you do not always have to be a board director to apply and you need not be a registered director. From entrepreneurs of start-up companies, to CEOs of large organisations, both private and public sector, we provide business leaders with the effective tools to support them in their role.

HOW MUCH IS MEMBERSHIP?

The current annual membership subscription fee is £295 (overseas). There is an additional £165 joining fee that is payable only in year 1. Should you wish to subscribe for multiple years, the joining fee decreases. To learn more visit:

<http://www.iod.com/membership>



VISION SETTING

Roger Gillett, IoD Bermuda Branch
(as published in the Royal Gazette)

As I pack my bags to head off to London for cataract surgery my mind is on vision, and this will be the subject I will address in this month's article. Of course I'm not talking about eye surgery but the very necessary action that boards of organizations need to take in establishing a Vision.

The Vision, to me, is the starting point for all strategic discussion, because, to quote Lewis Carroll from Alice in Wonderland "if you don't know where you are going, any road will take you there".

How true! To say it another way "How will you know what road to take if you don't know where you are heading?"

What is a Vision then and what is its value?

A Vision should be a clearly articulated description of the future state which the organization will ideally attain.

In addition to being the start point for strategic planning, it also helps all stakeholders, but particularly employees of the organization, to understand the proposed destination. It will not only help them to understand the decisions made by the board and senior management, but will also inform the decisions they may be called upon to make. In that sense, it empowers the employees as ideally they will be able to work out through the setting of personal and business unit objectives, how they will contribute to the successful achievement of the Vision.

To be effective as a motivational tool, the Vision needs to be clear, aspirational and challenging with the intent that it will inspire and even excite the management and the workforce and in the process, describe what success looks like.

It will give them a sense of achievement as they take steps towards the desired destination.

Of course, the Vision may be something that takes years to achieve and therefore stepping stones need to be established in the form of goals and objectives for the year, but all set with the Vision in mind.

The Vision statement is often quite broad, but it is important to keep it as specific as possible. It may for example describe the company as 'being the biggest' or 'the best in its field'.

It is important to position the statement as a positive e.g. 'We will be the biggest' and not 'we will try to be' or 'we will strive to be'.

Or to quote Yoda from The Empire Strikes Back "Do. Or do not. There is no try."

In my experience, the power of setting and clearly articulating a Vision is underestimated, even though the logic involved is self evident. As companies look to build an empowerment culture it becomes essential and the establishment of Visions by operating units, all of which contributes to the overall, should be strongly encouraged.

Of course directors must be realistic and have a responsibility to ensure that there is sufficient capability (resource and competencies) to pursue the Vision. They must also translate this Vision in to strategy and shorter term objectives. Establishing a Vision and letting people get on with it is not enough, even in the most empowered structure.

And then of course there is the communication of the Vision in a way that generates commitment and

support. This means there should be some passion in the communication such that all stakeholders believe it.

This brings me to my three C's, constant, consistent and congruent.

The Vision cannot be hidden away in the Annual Report of the company or rolled out only for PR purposes. The communication of it must be so constant that at least all of the employees and hopefully many of the company's business partners and other stakeholders know it by heart.

The communication of it must be consistent, that is, it should not be varied or adapted for specific purposes.

And finally, the communication must be congruent, by which I mean that any significant decision or communication that is not totally aligned with the Vision will destroy any perception of commitment to it.

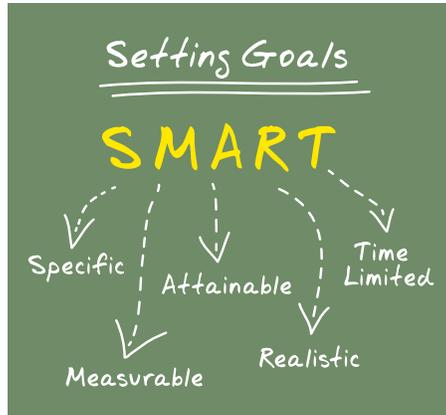
Now, the power of Vision setting for a commercial organization seems fairly obvious but I have also seen it used very effectively in charitable and other not for profit entities, but it does require some thought. Once thoroughly discussed and agreed upon however, it becomes the beacon that guides all other decisions.

Some Visions are thought provoking like BBC's 'To be the most creative organization in the world' to the more obvious like Toys R Us's 'To put joy in kids' hearts and a smile on parents' faces', to the more world changing World Bank's 'To end extreme poverty within a generation and boost shared prosperity'.

But my Vision right now is to have some, vision that is, such that I can see where the golf ball lands even with my modest abilities.

SETTING GOALS – THE SMART WAY

Roger Gillett, IoD Bermuda Branch
(as published in the Royal Gazette)



The basics: what goals should be

In last month's article I wrote about setting a vision for the organisation and how it was the starting point for the formulation of a strategy.

If I were writing a text book on establishing strategy, I would walk the reader through sequential steps, creating a mission statement (who we are and what we do) and deciding on critical success factors (those things we must achieve if our vision is to be fulfilled).

But as I'm not writing a text book and writing monthly in such a way, I believe, would be inappropriate, I choose (because I can) to write articles on meaningful subjects that stand alone.

So, in today's article I will describe how, after the selection of a strategy, organisations can establish shorter-term goals that are effective. These we call SMART goals, a handy and descriptive acronym.

Having established our vision and mission and decided on our critical success factors, we now have to consider, with these in mind, how we, as the board, create goals for the management for the coming year. This is where we start to think SMART.

WHAT ARE SMART GOALS?

These are goals which are specific, measurable, achievable, relevant and time barred.

It is surprisingly common for organisations (not just companies but all types of organisations) not to set a list of goals for the year, and even if they do, they often fall short of being SMART, or even smart.

To be effective, they should meet the following criteria:

SPECIFIC:

The goal should define as exactly as possible what the board expects of management, should avoid generalities and contain positive action verbs.

MEASURABLE:

This, to me, is the most critical component of a goal. How is success measured?

The quantitative goals are easy, e.g. sales will increase by 10 per cent. The qualitative goals, however, are more difficult and may need to state in whose opinion the measure is met. This may be in the opinion of customers, the chairman, or the board as a whole. An example would be: "Service levels will be rated as excellent by more than 90 per cent of customers surveyed."

ACHIEVABLE:

The board must endeavour to establish goals that introduce some 'stretch', i.e. they are not for instance last year's sales figures plus a little extra for inflation. Management should be given some challenge. However, having said this, the goal must be achievable. A goal that has agreed 'stretch' but which with effort is achievable, is motivating, whereas a goal that is set 'top down' and is impossible is demotivating.

RELEVANT:

It may seem obvious, but a goal must be relevant, and clearly so. A goal that has no connection to the vision and consequently the CSFs is simply a distraction.

TIME BARRED

Every goal should have a completion date. If something is expected to be completed in the first quarter, the goal should state this.

Following these simple commonsense rules on goal creation makes the job of monitoring performance and year-end evaluation of management effectiveness less subjective and facilitates productive discussion on corrective action throughout the year. It also enables the celebration of successes, as the picture of success has been clearly drawn.

And now, if I may, a little on input and output goals.

Output goals are those that are measured by the outcome or result of an action, for example, sales have increased by 10 per cent or profit has improved by 20 per cent.

An input goal is one that is measured by whether a stated activity has taken place rather than the result of that activity. For example, sales presentations are made to three major brokers in ten cities. Output goals are more effective and, therefore, although they may occasionally be necessary, input goals should be kept to a minimum. One can imagine a badly created set of input goals which are subsequently achieved with no meaningful result for the organisation.

So, as it is still early in the year, if it hasn't already been done, go to work on your SMART goals.



BEGIN THE JOURNEY TO CERTIFICATION

Certificate in Company Direction (CICD) courses will be held in Bermuda. Courses will be led by Course Leaders from the IoD London and are subject to a 20 registrant maximum. Bermuda residents may take one or more courses, depending on subject interest. Residents interested in attaining the Certificate in Company Direction designation must complete the 4 courses in the program and pass the CICD examination within a 2-year period. Qualified accountants may apply for an exemption from the Finance for Non-Financial Directors module, however, they must pass the Finance section of the CICD examination.

IOD CERTIFICATE IN COMPANY DIRECTION PROGRAM CALENDAR 2016 - 2017

TEACHING DATES	MODULE	FEES
February 18th, 19th, 20th, 2016 3 days: Thursday, Friday & Saturday	Finance for Non-Financial Directors	IoD Member: \$2,400.00 Non-Member: \$2,900.00
March 9th, 2016 - TBD ½ day	Certificate in Company Direction Examination	To be advised
April 21st & 22nd, 2016 2 days: Thursday & Friday	Director's Role in Leading the Organization	IoD Member: \$1,750.00 Non-Member: \$2,250.00
June 22nd, 2016 - TBD ½ day	Certificate & Diploma in Company Direction Examinations	To be advised
September 15th & 16th, 2016 2 days: Thursday & Friday	Role of the Director and the Board	IoD Member: \$1,750.00 Non-Member: \$2,250.00
October 20th, 21st & 22nd, 2016 3 days: Thursday, Friday & Saturday	Director's Role in Strategy & Marketing	IoD Member: \$2,400.00 Non-Member: \$2,900.00
November 9th, 2016 - TBD ½ day	Certificate & Diploma in Company Direction Examinations	To be advised
February 23rd, 24th & 25th, 2017 3 days: Thursday, Friday & Saturday	Finance for Non-Financial Directors	IoD Member: TBD Non-Member: TBD
March 2017 - TBD ½ day	Certificate in Company Direction Examinations	To be advised
April 20th & 21st, 2017 2 days - Thursday & Friday	Director's Role in Leading the Organization	IoD Member: TBD Non-Member: TBD
June 2017 - TBD ½ day	Certificate & Diploma in Company Direction Examinations	To be advised

PROFESSIONAL DEVELOPMENT GRANT FOR NON-PROFITS

A Grant is available through a generous donor-designated fund provided by the Bermuda Community Foundation. A subsidiary of up to 25% off course fees is available to program applicants representing registered non-profits, based on financial need. For more information about the Grant and all Branch Professional Development offerings, contact Rochelle Simons, Chairman, Professional Development, IoD Bermuda at: rochelle.simons@logic.bm | T: 441 336 2447

***Detailed descriptions of each course can be found on the following pages.**

FINANCE FOR NON-FINANCIAL DIRECTORS

2016 COURSE DATES

February 18th, 19th, 20th
Thursday, Friday & Saturday

COURSE FEE

IoD Member: \$2,400
Non-Member: \$2,900

COURSE DESCRIPTION:

This three day course provides vital knowledge of the financial terms and concepts needed by all directors to allow them to monitor the financial health of their business, contribute more effectively to boardroom discussion, and evaluate new business plans with confidence. The course is appropriate for directors, senior executives and aspiring directors.

FEATURES AND BENEFITS:

- Clarifies the legal responsibilities of directors in the fields of finance and explains the role of finance in business.
- Explains terminology allowing you to contribute more effectively to important discussions.
- Provides knowledge and skills to evaluate and monitor the financial health of a business including identifying and monetizing risk and spotting early warning signs.
- Will make you appreciate the financial impact of strategic decisions to your organization.
- Provides reference materials that reinforce key learning points.

OBJECTIVES:

- Attending this course will enable you to:
- Identify the financial role and responsibilities of directors.
 - Interpret financial statements in accordance with accounting principles and standards.
 - Establish the financial health of a business using accepted financial ratios.
 - Distinguish between management accounts and the statutory financial reports of a company.
 - Differentiate between the various sources of finance available to a company and their relative advantages and disadvantages.
 - Walk through the methodologies in appraising capital investments.
 - Look at different methods of valuing a business.

MEET THE COURSE LEADER:



TERRY WAYMOUTH

Terry is a business coach with a wealth of practical board experience gained from over twenty years of leading organisations in the private and third sectors as an executive and non-executive director.

Until 2003 Terry enjoyed a successful career with a FTSE 100 company where he held a number of senior strategic and operational leadership positions. These included being Managing Director of an international leveraged finance business and Risk Director of the UK's biggest consumer credit, leasing and factoring group; he also led the delivery of a £25m strategic investment programme and directed the post merger integration of the Lloyds and TSB business banking franchises.

Terry is currently Vice Chairman & Audit Chair of the UK's largest rural hospice and is on the boards of a retail sales company and two incorporated charities.

THE DIRECTOR'S ROLE IN LEADING THE ORGANIZATION

2016 COURSE DATES

April 21st & 22nd
Thursday & Friday

COURSE FEE

IoD Member: \$1,750
Non-Member: \$2,250

COURSE DESCRIPTION:

This two day course provides a valuable opportunity for directors to explore strategic leadership issues and board members' roles in successfully implementing the corporate strategy. It considers how directors, individually and collectively, can create a culture and environment which encourage creativity, innovation, energy and employee commitment.

It also assesses how to sponsor and lead strategic change whilst keeping key stakeholders involved in the process, how decision making and conflict can be handled and addresses how issues such as ethics and corporate responsibility need to be embedded in the strategic narrative. By reviewing alternative approaches and examining best practice techniques, the course provides directors with tools, techniques and ideas which can enhance an organization's success.

FEATURES AND BENEFITS:

- A practical approach to leading people through strategy implementation in organizations.
- Exploration of the dilemmas faced by directors today including ethics, corporate responsibility and talent management.
- An opportunity to assess different leadership and decision making techniques, ways of handling resistance to change and how all these could be applied to your organization.
- Consideration of how to establish an environment in which ideas can be generated, creativity encouraged and new knowledge exploited.
- Provides real-life examples and reference material.

OBJECTIVES:

- Attending this course will enable you to:
- Create a culture which engages others constructively in the organization in order to achieve the strategic objectives which add value to the company and its customers.
 - Understand what is actually needed to deliver successful results by establishing an appropriate organizational model, coupled with mental agility and effective leadership of the human resource capability.
 - Develop effective behavior and methods for implementing strategies and delivering strategic change as an individual leader and as a member of an executive team.
 - Determine how boards can effectively measure progress and organizational performance as well as evaluating corporate success.

MEET THE COURSE LEADER:



DAVID JOEL

David Joel is a Chartered Director and has been facilitating, delivering and mentoring at senior management and director level for the last ten years in both the public (specifically the MoD and the NHS) and private sectors.

Before beginning to work with the Institute of Directors, David spent fifteen years in the defence and aerospace sector with companies such as GEC Marconi, Serco and Lockheed Martin. David was a member of the board of Serco Defence Ltd and the Managing Director of one of its technology based subsidiaries. In this role David was instrumental in the development of business strategy and major change implementation. He was also actively involved with the acquisition of a technology company and the securing of high value public sector contracts for the Serco group of companies.

THE ROLE OF THE DIRECTOR AND THE BOARD

2016 COURSE DATES:

September 15th & 16th
Thursday & Friday

COURSE FEE

IoD Member: \$1,750
Non-Member: \$2,250

COURSE DESCRIPTION:

This two day course focuses on the key duties, roles and legal responsibilities of a director and the workings of a board. It is aimed at directors from all sizes of organizations and from all sectors, including small and large companies or family businesses.

FEATURES AND BENEFITS:

- An explanation of best practice in corporate governance and how to improve the board's effectiveness.
- Provides knowledge to develop your understanding of the role of the board.
- An in-depth view of the key duties, roles and legal responsibilities of directors.
- An opportunity to understand the legal status of a company and other organizations and implications of the UK Company Act 2006.
- Highlights best practice in managing risk and explains the vital importance of stakeholders to the business success.

OBJECTIVES:

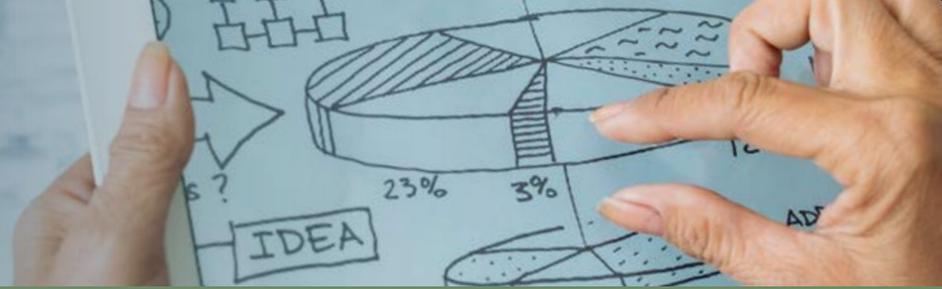
- Attending this course will enable you to:
- Examine the board's corporate governance role.
 - Appreciate the crucial differences between management, direction and ownership.
 - Analyze the role of the board and identify good practice in the organization and running of the board.
 - Understand the roles directors play and key director relationships in different types of companies and contexts.
 - Formulate effective risk management strategies.

MEET THE COURSE LEADER:



PAUL MUNDEN

Paul is an experienced commercial law barrister and Chartered Director. Over the last ten years Paul has served as general counsel of the Business Link operation in London. During this time Paul has advised on a wide range of complex and politically sensitive commercial law issues, working with senior leaders in government and the civil service. Throughout his career Paul has championed the improvement of corporate governance standards in businesses and governmental organisations across London. Paul also served as non-executive chairman of a Bafta award winning educational software house.



CHARTERED DIRECTOR PROGRAMME

THE DIRECTOR'S ROLE IN STRATEGY & MARKETING

2016 COURSE DATES
 October 20th, 21st & 22nd
 Thursday, Friday & Saturday

COURSE FEE
 IoD Member: \$2,400
 Non-Member: \$2,900

COURSE DESCRIPTION:

This three day course examines key ideas and concepts required in creating an effective organizational strategy. It considers the main approaches to strategic direction and value creation within the organization, and will assist you in your role of leading the strategic process. This course identifies the critical elements of the strategic process and facilitates their exploration and practice.

FEATURES AND BENEFITS:

- Gain a clear understanding of the director's role in the development of an effective strategy.
- The opportunity to examine the issues surrounding strategy and value creation with fellow directors.
- The opportunity to examine and use a variety of techniques well proven to assist in the strategic process.
- An opportunity to examine how your board formulates, controls and monitors its chosen strategy.
- An opportunity to discuss and assess strategy and marketing concepts with directors from other organizations before utilizing them within your own business.
- Provides reference material and real life examples for directors.

OBJECTIVES:

- Attending this course will enable you to:
- Understand what strategy is and how a board uses it to generate value.
 - Appreciate the strategic importance of a clear purpose as provided by vision, mission and values, and effective strategic thinking.
 - Be equipped with tools to help make an effective situation appraisal and evaluate the relationship between the internal and external environments of the organization.
 - Understand strategic analysis is essential to successful strategy formulation and implementation.
 - Have an understanding of the means by which strategic options may be generated and evaluated to arrive at the strategy that will deliver the vision.
 - Understand the importance of strategy and marketing in generating value.
 - Obtain an overview of risk and measurement with respect to strategy implementation.

MEET THE COURSE LEADER:



JEAN POUSSON

Jean Pousson brings twenty years of management consultancy, training, facilitation and coaching experience to the table and is the Lead Course Leader for Finance for Non-Financial Directors at the IoD. This follows a fifteen year banking career with Barclays where he spent many years assessing risks of small to medium sized businesses and then larger corporations. Jean has also sat on many boards and has directed a number of change initiatives.

In his capacity as an IoD course leader Jean has worked with organisations such as ACAS, Ministry of Defence, Standard Life, Serco, Lloyds Banking Group, Pizza Express, Fujitsu Siemens, Callaway Golf and Greene King plc. He has also worked with numerous small to medium sized businesses across a wide variety of industries.