



The board should ensure that it has the right mix of expertise and capabilities to resolve corporate governance disputes effectively. In considering the board's role in preventing and resolving corporate governance disputes, all directors should receive basic training in dispute resolution. In-depth training should be provided where needed, perhaps to the committee chairman or individual board members whom the board recognizes will assume peacemaker roles.

THIS MODULE PROVIDES

A standard course in corporate governance dispute resolution for directors. The course should be adapted and tailored to local needs and target audiences. This module provides:

- Course outline
- Training notes
- Table of contents
- PowerPoint presentation

MODULE 2

DISPUTE RESOLUTION TRAINING FOR DIRECTORS

COURSE OUTLINE

Although less common for well-governed companies, most companies experience corporate governance disputes or conflicts. Left unresolved, these tensions could paralyze the board, harm the company's performance, and deter investors. Implementing effective dispute resolution processes for preventing and resolving corporate governance disputes is thus essential if the company is to succeed over the long term. Just as boards have crisis management plans, so, too, should they have developed and adopted dispute resolution strategies, policies, and processes.



PRACTICE

Course Delivery



240 MINUTES/4 HOURS

- ▶ The course can be run independently or in conjunction with other corporate governance leadership courses.
- ▶ The course can be shortened, expanded, or adjusted to meet participants' needs.
- ▶ Trainers should be familiar with corporate governance issues and ADR processes.

Target Audience

- Executive and non-executive board directors of listed companies
- Financial institutions
- Family firms
- Small and medium-sized enterprises
- State-owned enterprises

Objectives

By the end of the course, participants will understand:

- What corporate governance disputes are and how they differ from other types of disputes;
- Who is involved in such disputes and how they can affect all types of companies;
- The importance of effectively and efficiently preventing and resolving corporate governance disputes;
- The potential negative impact and cost, and the risks associated with corporate governance disputes;
- The benefits of ADR processes and techniques, and the limits of court litigation;
- The board's role in properly preventing and addressing corporate governance disputes; and,
- How to apply dispute resolution skills in practice through a role play exercise.






FOR ROLE PLAYS TO BE USED WITH THIS COURSE, SEE VOLUME 3 ANNEXES 4-7.







PRACTICE

Training Notes

Corporate Governance Training for Dispute Resolution Experts




TIME	TOPIC	COURSE ACTIVITY	TOOLKIT REFERENCES
 10 MINUTES	Introduction: Learning Objectives	<p>Show slide S1 (Title Page).</p> <ul style="list-style-type: none"> ▶ Welcome the participants, introduce yourself, and ask participants to introduce themselves briefly. ▶ Elicit groundrules (timekeeping, cell phones, etc.). <p>Show slide S2 (Objectives).</p> <ul style="list-style-type: none"> ▶ State course objectives. ▶ Present the training notes and shape participants' expectations of what they will achieve during training. ▶ Emphasize that participants' experiences; insights will be sought throughout the course. ▶ Stress that the course is about resolving corporate governance disputes, not providing corporate governance substance. 	Vol. 3 An. 1
 5 MINUTES	Quiz: Warm-up Discussion	<p>Show slide S3 (Quiz: Questions).</p> <ul style="list-style-type: none"> ▶ Review both examples and ask participants whether the facts are true or false. <p>Show slide S4 (Quiz: Responses).</p> <ul style="list-style-type: none"> ▶ Emphasize the costs to companies and shareholders of prolonged CG disputes. 	Vol. 1 Mod. 2
 15 MINUTES	Presentation: CG Disputes	<p>Show slide S5 (What Are CG Disputes?).</p> <ul style="list-style-type: none"> ▶ Explain the nature of CG disputes. ▶ Differentiate CG disputes from other disputes. ▶ Stress that not all disagreements are disputes. The board must have robust debate. <p>Show slide S6 (Who Are the Parties to a CG Dispute?).</p> <ul style="list-style-type: none"> ▶ List the various parties. ▶ Explain the differences between internal and external parties to a dispute. <p>Show slide S7 (Internal and External Disputes).</p> <ul style="list-style-type: none"> ▶ Provide examples of internal and external CG disputes, but focus on examples relevant to the audience. <p>Show slide S8 (What Types of Companies Are Affected?).</p> <ul style="list-style-type: none"> ▶ Stress that all types of companies can be affected. 	Vol. 1 Mod. 1

TIME	TOPIC	COURSE ACTIVITY	TOOLKIT REFERENCES
 <p>25 MINUTES</p>	<p>Group Activity: CG Disputes</p>	<p>Show slide S9 (Exercise: Thinking About CG Disputes).</p> <ul style="list-style-type: none"> ▶ Divide participants into three groups to brainstorm for 10 minutes CG disputes that are: <ul style="list-style-type: none"> • <i>Most common in their country or region</i> • <i>Most costly in their country or region</i> • <i>Most likely in their company</i> ▶ One person from each group reports back. Allow two minutes for each report. ▶ Add examples to those presented by each group. <p>Show slide S10 (Common CG Disputes in Brazil).</p> <ul style="list-style-type: none"> ▶ Summarize the discussion using Brazil as an example. <p>Show slide S11 (What Is the Impact of CG Disputes?).</p> <ul style="list-style-type: none"> ▶ Review the potential negative impact of CG disputes. ▶ Emphasize the various ways CG disputes affect the company. 	<p>Vol. 1 Mod. 1</p> <p>Vol. 1 Mod. 2</p>
 <p>10 MINUTES</p>	<p>Discussion: Dispute Dimensions</p>	<p>Show slide S12 (What Are the Three Dimensions to a Dispute?).</p> <ul style="list-style-type: none"> ▶ Elicit from participants examples for each dimension. ▶ Initiate a discussion on why all the dispute's dimensions must be considered. 	<p>Vol. 1 Mod. 3</p>
 <p>5 MINUTES</p>	<p>Presentation: Limits of Court Litigation</p>	<p>Show slide S13 (What Are the Limits of Court Litigation?).</p> <ul style="list-style-type: none"> ▶ Ensure that participants understand litigation's implications and consequences. ▶ Note that courts can only address the legal dimension of disputes. 	<p>Vol. 1 Mod. 3</p>
 <p>20 MINUTES</p>	<p>Presentation: Benefits of ADR</p>	<p>Show slide S14 (How Can ADR Help?).</p> <ul style="list-style-type: none"> ▶ Note that there are various definitions of ADR — ADR can even be referred to as “appropriate” dispute resolution. <p>Show slide S15 (Dispute Resolution Mechanisms).</p> <ul style="list-style-type: none"> ▶ Note the continuum of time, costs, and the parties’ level of control as criteria for differentiating ADR processes. <p>Show slide S16 (Key Steps in Mediation).</p> <ul style="list-style-type: none"> ▶ Present key steps for third-party dispute resolution. <p>Show slide S17 (What Are the Benefits of ADR?).</p> <ul style="list-style-type: none"> ▶ Emphasize that win-win solutions can be tailored to the parties’ specific needs and preserve business relations. <p>Show slide S18 (When Are ADR Processes Successful?).</p> <ul style="list-style-type: none"> ▶ Stress that a successful settlement depends on: <ul style="list-style-type: none"> • <i>Parties being willing to participate</i> • <i>Issues being negotiable</i> • <i>Agreements being reasonable and implementable</i> 	<p>Vol. 1 Mod. 3</p>






PRACTICE

TIME	TOPIC	COURSE ACTIVITY	TOOLKIT REFERENCES
 20 MINUTES	Coffee Break	Show slide S19 (Coffee Break). <ul style="list-style-type: none">▶ If you haven't done so before the course, distribute the role play background materials.	
 5 MINUTES	Presentation: Board's Role	Show slide S20 (What Is the Board's Role?). <ul style="list-style-type: none">▶ Focus participants' attention on the board's "duty of care," which includes:<ul style="list-style-type: none">• <i>Resolving disputes effectively and efficiently in the company's best interest</i>• <i>Preserving business relationships</i>• <i>Ensuring adequate risk management</i> Show slide S21 (Board Approaches to CG Disputes). <ul style="list-style-type: none">▶ Emphasize that boards should have in place dispute resolution policies and procedures before they arise. CG disputes before they arise.	Vol. 2 Mod. 1
 10 MINUTES	Presentation: CG DR Strategy	Show slide S22 (How to Develop a CG DR Strategy?). <ul style="list-style-type: none">▶ Briefly present each step. Show slide S23 (How to Assess Past CG Disputes?). <ul style="list-style-type: none">▶ Select an example from a participant to illustrate questions from the slide.▶ Note that reflecting on experience can inform strategy development and implementation. Show slide S24 (Where to Incorporate CG DR Provisions?). <ul style="list-style-type: none">▶ Talk to the slide's specific options.▶ Ask participants if they plan to amend their corporate documents to include CG DR provisions.	Vol. 2 Mod. 1
 5 MINUTES	Presentation: CG DR Skills	Show slide S25 (Who Can Serve as a CG DR Peacemaker?). <ul style="list-style-type: none">▶ Note that "peacemaker" is a generic term.▶ Distinguish internal and external peacemakers.▶ Ask participants what type of peacemaker do they prefer and why. Show slide S26 (CG Dispute Resolution Skills). <ul style="list-style-type: none">▶ Briefly present the skills required for good CG DR.▶ Ask participants if their boards have good peacemakers.▶ Ask participants if they were ever required to play the role of peacemaker.	Vol. 2 Mod. 1 Vol. 2 Mod. 3 Vol. 3 Mod. 1

TIME	TOPIC	COURSE ACTIVITY	TOOLKIT REFERENCES
	Presentation: CG Dispute Prevention	<p>Show slide S27 (Steps to Prevent Boardroom Disputes?).</p> <ul style="list-style-type: none"> ▶ Outline the steps the board can take to prevent or resolve CG disputes. ▶ Provide practical examples. <p>Show slide S28 (DR Skills for the Boardroom)</p> <ul style="list-style-type: none"> ▶ Present practical skills that can be used to improve board dynamics. ▶ Provide examples and/or demonstrate some of the skills. 	Vol. 2 Mod. 1 Vol. 3 Mod. 1
	Role Play: Introduction and Preparation	<p>Show slide S29 (Role Play).</p> <ul style="list-style-type: none"> ▶ Note that participants will now practice CG DR. ▶ Distribute role play background materials. (If possible, distribute background materials before the course or at the coffee break.) <p>Show slide S30 (Role Play Objectives).</p> <ul style="list-style-type: none"> ▶ State learning objectives. ▶ Explain the various steps of the role play. <p>Show slide S31 (Case Presentation).</p> <ul style="list-style-type: none"> ▶ Summarize information available in the background materials. ▶ Outline the dispute. <p>Show slide S32 (Roles).</p> <ul style="list-style-type: none"> ▶ Introduce each role briefly. ▶ Divide participants into as many groups as there are roles. ▶ Distribute confidential role play instructions for each role. ▶ Ask for a volunteer role player from each group. ▶ Give each group 10 minutes to review the task and coach their role player. ▶ Ask participants if they have any questions. 	Vol. 3 An. 3 Vol. 3 An. 4-7 Vol. 3 An. 4-7
	Role Play: Phase 1	<p>Show slide S33 (Role Play: Phase 1).</p> <ul style="list-style-type: none"> ▶ Reconvene the groups and ask participants to form a fishbowl or take their seats. <p>Show slide S34 (Phase 1 Instructions).</p> <ul style="list-style-type: none"> ▶ Set the stage for Phase 1 and ask role players to interact according to their respective confidential instructions. ▶ Invite the other participants to observe. ▶ Limit your role to organizing the role play. Do not intervene during the role play. ▶ Be mindful of time and conclude Phase 1 of the role play by thanking the role players. Ask participants to applaud the role players. ▶ Do not do a de-brief at this stage of the role play. 	Vol. 3 An. 3 Vol. 3 An. 4-7



PRACTICE

TIME	TOPIC	COURSE ACTIVITY	TOOLKIT REFERENCES
 30 MINUTES	Role Play: Phase 2	Show slide S35 (Role Play: Phase 2). <ul style="list-style-type: none">▶ Invite participants to continue with Phase 2 of the role play.▶ Ask participant playing the peacemaker's role to be mindful of the key steps for third-party dispute resolution. Show slide S36 (Phase 2 Instructions). <ul style="list-style-type: none">▶ Set the stage for Phase 2 and ask role players to interact according to their respective confidential instructions.▶ Limit your role to organizing the role play. Do not intervene during the role play.▶ Be mindful of time and conclude Phase 2 of the role play by thanking the role player. Encourage participants to applaud the role players' work	Vol. 1 Mod. 3 Vol. 3 An. 3
 10 MINUTES	Processing: Role play de-brief	Show slide S37 (Role Play De-briefing). <ul style="list-style-type: none">▶ Ask role players for feedback.<ul style="list-style-type: none">• <i>How did it feel?</i>▶ Ask participants for feedback on the role play:<ul style="list-style-type: none">• <i>Could the dispute have taken a different turn?</i>• <i>Was the peacemaker of any help?</i>• <i>Could there have been different solutions?</i>• <i>Could the dispute have been prevented?</i>	Vol. 3 An. 3
 10 MINUTES	Discussion: Questions, Feedback	Show slide S38 (Questions and Feedback). <ul style="list-style-type: none">▶ Ask participants to summarize the session's main points.▶ Take any questions and link back to the learning objectives.▶ Seek feedback. Distribute course evaluation forms.▶ Closure.	Vol. 3 An. 1

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Resolving Corporate Governance Disputes

TRAINING FOR BOARD DIRECTORS



S1 | Title Page



TO REVIEW ADULT LEARNING GUIDELINES, SEE VOLUME 3 ANNEX 1.

Objectives

- Understand corporate governance (CG) disputes and their impact
- Review benefits of alternative dispute resolution (ADR)
- Develop effective approaches to CG dispute resolution
- Apply ADR techniques — role play exercise



S2 | Objectives

Quiz : Questions

• Canada: In 2005, the former president and CEO of Environmental Management Solutions Inc. (EMS), upon his termination, unleashed several lawsuits against the company and its board. These costs, along with the associated costs of defending against a dissident shareholder requisition, led by the former CEO, resulted in restructuring charges and other items in the amount of \$2.5 million over 12 months, ending December 31, 2005.

TRUE OR FALSE?

• Germany: In 2005, several shareholders opposed the merger of Deutsche Telekom and T-Online. T-Online asked the regional court of Darmstadt to allow the merger despite objections from dissident shareholders. The court ruled against the merger. T-Online appealed the decision. In June 2006, the Federal Court of Justice cleared the way for the merger. Yet, Deutsche Telekom's problems didn't end there. Minority shareholders contested the merger's share-exchange ratio. In March 2009, a court ruled that the German Telecom giant must reimburse former T-Online shareholders. The cost could total \$252 million.

TRUE OR FALSE?



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S3 | Quiz: Questions

Quiz : Responses

FALSE

According to the EMS annual report, the direct costs amounted to **\$5.3 million** over 12 months, ending December 31, 2005.

TRUE

The cost could be **\$252 million**, but T-Online shareholders still consider the share-exchange ratio too low.



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S4 | Quiz: Responses



What Are CG Disputes?

- Involve corporate authority and its exercise
- Involve the board's actions or its failure or refusal to act
- Require the board's attention, regardless of whether the board or individual directors are a direct party to the dispute, to resolve the dispute
- Are NOT issues arising as part of doing business

> *Corporate governance is the system by which companies are directed and controlled...."*

SIR ADRIAN CADBURY



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S5 | What Are CG Disputes?

Who Are the Parties to a CG Dispute?

- Shareholders vs. the company or its board
- The board vs. the CEO or senior management
- Board directors vs. board directors
- Board vs. employees' representatives
- Board vs. communities, social activists, or other stakeholders

> *CG disputes can involve internal and external constituencies*



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S6 | Who Are the Parties to a CG Dispute?

Internal and External Disputes

Internal

- New strategies and major transactions
- Crisis situations
- Board processes
- Board composition and succession planning
- Potential conflicts of interest
- Personality clashes
- Performance issues

External

- Mergers and acquisitions
- Takeover processes
- Share and bond valuation
- Lack of disclosure
- Nomination and discharge of board directors
- Remuneration/bonuses
- Sustainability and Corporate Social Responsibility (CSR)



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S7 | Internal and External Disputes

What Types of Companies Are Affected?

- Small companies
- Joint venture companies
- Family firms
- State-owned companies
- Listed companies

➤ *All types of companies are affected*



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S8 | What Types of Companies Are Affected?



Exercise: Thinking About CG Disputes

Split into three groups to brainstorm about:

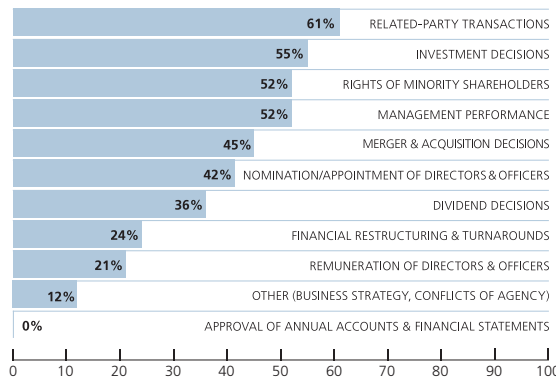
- Most **common** CG disputes in your country or region
- Most **costly** CG disputes in your country or region
- Most **likely** CG disputes in your company or organization

➤ *One person from each group will report back*



S9 | Exercise: Thinking About CG Disputes

Common CG Disputes in Brazil



SOURCE: Brazilian Institute of Corporate Governance (IBGC)



S10 | Common CG Disputes in Brazil

What Is the Impact of a CG Dispute?

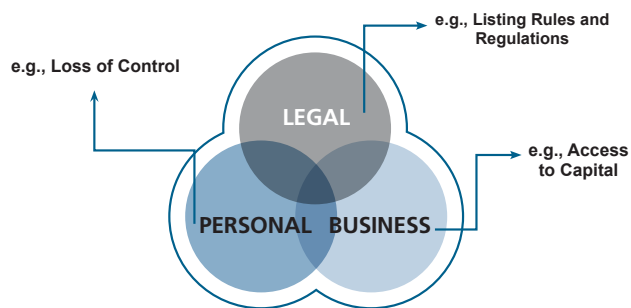
- Diverts board resources
- Disrupts board work
- Obstructs company operations
- Delays major strategic decisions
- Undermines company's reputation
- Reduces market share
- Weakens stakeholder trust and deters investors
- Diverts company financial and human resources
- Impairs growth and corporate results
- Entails high litigation, operational, and governance costs
- Triggers breakdown in shareholder relations



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S11 | What Is the Impact of a CG Dispute?

What Are the Three Dimensions to a Dispute?



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S12 | What Are the Three Dimensions to a Dispute?



What Are the Limits of Court Litigation?

- Involves slow, cumbersome process
 - Delays important decisions
 - Lacks tailored solutions
 - Results in high costs
 - Entails weak enforcement (where the rule of law is weak)
 - Creates legal uncertainties (especially for cross-border disputes)
 - Results in a legal vacuum (CG is often principle-based and embedded in soft law)
- *Courts can only address the legal dimension of the dispute*



S13 | What Are the Limits of Court Litigation?

How Can ADR Help?

➤ *“ADR is an amicable dispute resolution procedure based on the goodwill of the parties and the assistance of a neutral third party. It covers various techniques including mediation.”*

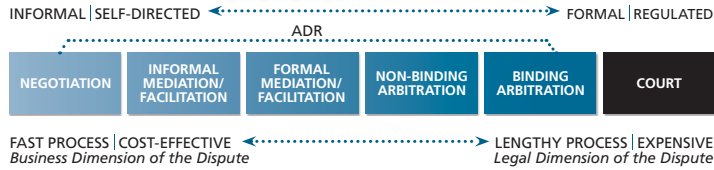
INTERNATIONAL CHAMBER OF COMMERCE



S14 | How Can ADR Help?

Dispute Resolution Mechanisms

Comparing Dispute Resolution Mechanisms



SOURCE: Adapted from Lukasz Rozdeiczner and Alejandro Alvarez. Alternative Dispute Resolution Manual: Implementing Commercial Mediation. Washington, DC: IFC, 2006.



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S15 | Dispute Resolution Mechanisms

Key Steps in Mediation

PREPARE

- Clarify process: Agree to mediation's terms
- Ensure commitment to problem-solving
- Explore issues

ENGAGE

- Agree on communication rules
- Facilitate exchange of perspectives
- Caucus with parties as needed
- Build common ground
- Explore possible solutions

AGREE

- Review, clarify, and formalize terms of agreement



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S16 | Key Steps in Mediation



What Are the Benefits of ADR?

- Cost
- Speed
- Flexibility
- Predictability
- Non-binding
- Quality
- Confidentiality
- Control
- Low risk
- Expertise
- Perspective

➤ *Win-win solutions can be tailored to the parties' specific needs and help preserve business relations*



S17 | What Are the Benefits of ADR?

When Are ADR Processes Successful?

When parties are:

- Identifiable and willing to participate
- Interdependent — need each other's assistance
- Capable of exerting influence or leverage
- Sharing common issues and interests
- Needing resolution urgently
- Able to settle without major psychological barriers
- Willing to settle
- Authorized to decide
- Willing to compromise

➤ *To ensure a successful settlement, issues must be negotiable. Agreements must be reasonable and implementable.*



S18 | When Are ADR Processes Successful?

Coffee Break



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S19 | Coffee Break

What Is the Board's Role?

- Exercise the duty of care
- Recognize that internal and external disputes may arise
- Understand the risk/threat posed by CG disputes
- Resolve disputes expeditiously and effectively
- Prevent internal and external disputes
- Adopt CG DR strategies and processes

➤ *"It is part of the duty of care of the board to ensure disputes are resolved quickly in order to maintain relationships that business people, particularly management, spend their lives building."*

MERVYN KING, SC



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S20 | What Is the Board's Role?

How to Develop a CG DR Strategy?

- Step 1: Plan ahead
- Step 2: Assess past and present disputes
- Step 3: Anticipate potential disputes
- Step 4: Adopt CG DR policies
- Step 5: Decide who will manage the CG DR process
- Step 6: Identify who will serve as an internal or external peacemaker
- Step 7: Incorporate CG DR provisions in corporate documents
- Step 8: Review the effectiveness of the CG DR
- Step 9: Remain prepared for litigation



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S23 | How to Develop a CG DR Strategy?

Where to Incorporate CG DR Provisions?

- Articles of association, company charter, and bylaws
- Company codes (CG, Ethics, CSR)
- Board policies
- Board committee charters
- Shareholder agreements
- Annual report statements
- Public statements



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S24 | Where to Incorporate CG DR Provisions?



Who Can Serve as a CG DR Peacemaker?

PEACEMAKER	CHARACTERISTICS
Internal Peacemaker <ul style="list-style-type: none"> • Chairman • Independent director • Corporate secretary • Ombudsman 	<ul style="list-style-type: none"> • Confidentiality • Insider knowledge • Authority • CG expertise
External Peacemaker <ul style="list-style-type: none"> • Negotiator • Mediator • Consultant • Standing neutral 	<ul style="list-style-type: none"> • Independence • Neutrality • Flexibility • ADR skills and expertise



S25 | Who Can Serve as a CG DR Peacemaker?

CG Dispute Resolution Skills

DR Skills	CG Skills
<ul style="list-style-type: none"> • Impartial, independent • Diligent, discrete • Responsible, patient • Trusted • Active listener • Non-judgmental • Consensus builder • Understanding of the dynamics of disputes and resolution approaches 	<ul style="list-style-type: none"> • No vested interests • Knowledge of CG framework • Knowledge of CG best practices • Respected • Strategic • Leadership • Board experience • Understanding of issues in dispute



S26 | CG Dispute Resolution Skills

Steps to Prevent Boardroom Disputes

- Step 1: Encourage effective board culture
- Step 2: Clarify roles of board vs. management
- Step 3: Establish orderly board processes
- Step 4: Ensure proper flow of information
- Step 5: Allow time for discussion, debate, deliberation
- Step 6: Improve communications
- Step 7: Apply ADR techniques
- Step 8: Step away from the boardroom to gain new perspectives and insights



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S27 | Steps to Prevent Boardroom Disputes

DR Skills for the Boardroom

- Listen actively → show genuine interest
- Use open questions → encourage speakers to share
- Clarify reasons → confirm goals and objectives
- Be aware of body language → be friendly and open
- Speak on behalf of yourself → use “I” statements
- Focus on constructive ideas → ask for practical suggestions
- Stay calm → respect different views; reschedule discussions
- Avoid misunderstanding → paraphrase ideas or statements
- Allow others to save face → help reformulate statements

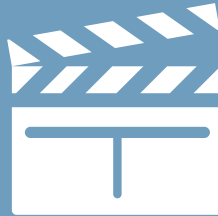


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S28 | DR Skills for the Boardroom



Role Play



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S29 | Role Play



TO REVIEW ROLE PLAY TRAINING TECHNIQUES, SEE VOLUME 3 ANNEX 3.

Role Play Objectives

- Understanding CG disputes from different perspectives
- Learning to build common ground
- Exploring new, creative win-win solutions



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S30 | Role Play Objectives



TO REVIEW ROLE PLAY TRAINING TECHNIQUES, SEE VOLUME 3 ANNEX 3.

Case Presentation: Techno Ltd.

- Techno Limited is a newly listed company founded by its chairman, Paul, a majority shareholder
 - Before listing, Paul instituted good CG practices for Techno Ltd. and the family foundation
 - Paul's daughter, Rosemary, must sell her Techno Ltd. shares to settle her divorce; the foundation also wants to sell shares, believing the price has peaked
 - Both sales — 5.5% of total shares — may push down the share price. If the price drops to \$1.47, the bank can terminate its \$175-million credit line to the company
- *How can the board avoid large sales of shares by Rosemary and the foundation that will likely drive down the share price and trigger the debt covenant?*



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S31 | Case Presentation: Techno Ltd.



FOR TECHNO LTD. AND OTHER
ROLE PLAY EXERCISES, SEE
VOLUME 3 ANNEXES 4-7.

Roles: Techno Ltd.

- **Paul:** Founder. Chairman. "Larger than life." Dominant. Backs good CG practices. Hand-picked independent directors. Seeks retirement. Wants succession strategy. Empathetic to Rosemary but doesn't want any solution to cost.
- **Rosemary:** Paul's daughter. Director and CEO. Effective but poor people management skills. Impatient to settle divorce but needs funds available only by selling her Techno Ltd. shares.
- **John:** Independent director. Takes his position seriously. Regularly challenges family or directors' perspectives. Wants to prevent share decline and avoid instability as senior management changes.
- **J.Alfred:** ADR professional. Expertise in mediating family, company corporate governance issues. No position other than to achieve a workable solution.



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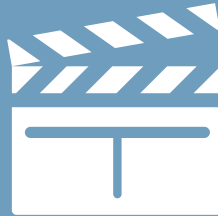
S32 | Roles: Techno Ltd.



FOR TECHNO LTD. AND OTHER
ROLE PLAY EXERCISES, SEE
VOLUME 3 ANNEXES 4-7..



Role Play: Phase 1



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S33 | Role Play: Phase 1



TO REVIEW ROLE PLAY TRAINING TECHNIQUES, SEE VOLUME 3 ANNEX 3.

Phase 1 Instructions: Techno Ltd.

Paul, Rosemary, and John each meet individually with the ADR professional to discuss their positions.



for each meeting



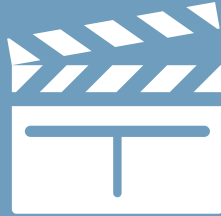
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S34 | Phase 1 Instructions: Techno Ltd.



FOR TECHNO LTD. AND OTHER ROLE PLAY EXERCISES, SEE VOLUME 3 ANNEXES 4-7.

Role Play: Phase 2



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S35 | Role Play: Phase 2



TO REVIEW ROLE PLAY TRAINING TECHNIQUES, SEE VOLUME 3 ANNEX 3.

Phase 2 Instructions: Techno Ltd.

- Chairman (Paul) convenes a meeting with the CEO (Rosemary), the independent director (John), and the ADR professional (J. Alfred)
- With the help of J. Alfred, all parties together craft a common solution to be considered at the next board meeting



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S36 | Phase 2 Instructions: Techno Ltd.



FOR TECHNO LTD. AND OTHER ROLE PLAY EXERCISES, SEE VOLUME 3 ANNEXES 4-7.



Role Play De-briefing

- Other possible/better solutions?
- What may happen if no solution is reached?
- What could be the role of independent directors?
- Dispute resolution policies for family firms?
- Benefits, drawbacks in using external peacemakers?
- Could a dispute have been prevented?



S37 | Role Play De-briefing

Questions and Feedback



S38 | Questions and Feedback
