

Bonus assignment #1

Finance



BONUS ASSIGNMENT Directors who are currently full time employees of the firm or its subsidiaries are as follows:- Joseph W. Luter, III (53) who is the CEO; George E. Hamilton, Jr. (76); Roger R. Kapella (50); Robert W. Manly (39); P. Edward Schenk, Jr. (54); and Aaron D. Trub (57). The total number in the board stands at 11 currently. The other directors include:- F. J. Faison, Jr. (58); Joel W. Greenberg (54); Cecil W. Gwaltney (81); Richard J. Holland (66); Wendell H. Murphy (53) and there is no explained relationship of the listed directors to the firm (Smithfield Corporation, 2012).

The CEO is Joseph W. Luter, III while the Board chair is Wendell H. Murphy. The Board structure of Smithfield is of the norm since the company is legally instituted. The director depending on whether they are employees or not are subjected to fees and shareholding respectively (Smithfield Corporation, 2012). Directors' interest can be aligned to that of shareholders by making them one of the shareholders.

The company has not a nomination committee (Smithfield Corporation, 2012) and I think shareholders hence vote the directors the independence of the process, which is guided by law. The audit committee is composed of Audit Committee is comprised of Messrs. Faison and Murphy, it is independent and it held a meeting once which is satisfactory. Greenberg joined the board in 1987 while Richard Holland is a manager and Banker by profession. The firm held nine annual boards meetings all of them attending at least 75% as required. Stock ownership of Smithfield by other shareholder stands at 55. 7% leaving the rest for the CEO who is therefore the majority shareholder hence in direct control. The other directors holding more than 5% shareholding are passive to the business operations while exercising control through their major vote.

Though the company exercises professional management, its governance structure is that which exercises control from the top (Smithfield Corporation, 2012). The leadership has tried to modify this depending on the environment of operation making the company survive despite fierce competition in its industry.

References

Smithfield Corporation. (n. d.). gov. com. Retrieved June 6, 2012, from [www.sec.gov/cgi-bin/browse-edgar? action= getcompany&CIK=0000091388&type= DEF+14A&dateb=&owner= exclude&count= 40](http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000091388&type=DEF+14A&dateb=&owner=exclude&count=40)