

# Public Company Board Responsibilities

Corporate	Strategic	Oversight
<ul style="list-style-type: none"> <li>• Hire the CEO</li> <li>• Review CEO's performance</li> <li>• Ensure three succession plans</li> <li>• Establish line-of-sight into exec ranks</li> </ul>	<ul style="list-style-type: none"> <li>• Approve mission</li> <li>• Approve annual operating plan</li> <li>• Approve long-term strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Operations</li> <li>• Financial</li> <li>• Compliance</li> <li>• <u>ERM</u></li> <li>• Ethics</li> <li>• Alignment with LT strategy</li> <li>• Tone at the top</li> </ul>

The board itself is responsible for ensuring the effectiveness of its operations.

*Nominate director candidates*

*Assess board effectiveness*

The Governance Solutions Group



www.gsgboards.com

*Continuous improvement*

- Boards
- Management
- Companies

## ① Fiduciary Duties

Legal Board

- duty of care
- duty of loyalty
- duty of obedience

## ② Beyond Fiduciary

Strategic Board

- asks tough questions
- enables strategic thinking
- focuses on strategic prioritizing
- ensures rigorous analysis of decisions

*Nominate director candidates*

## ③ Confidence of Stakeholders

An Effective Board

- encourages constructive interaction
- partners
- participates in "out of the box" thinking
- "thinks together"
- creates a culture of transparency



*Assess board performance*

## ④ Improved Competitiveness

Nonprofits

(add)

A board must continuously improve if it wants to:

- maintain the confidence of customers, employees, partners and stakeholders
- add value
  - accountability
  - strategy
  - management
  - stakeholders

Effective boards enable managers to ensure successful companies.

Successful companies create value for shareholders; and

Better communities for employees, customers, suppliers and partners.

The Governance Solutions Group



www.gsgboards.com