

TRIPLE CROWN LEADERSHIP

Corporate Board Governance Guidelines Outline

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Governance guidelines are a flexible framework for boards to consider within the context of their Articles of Incorporation, Bylaws, and state, federal, and stock exchange regulations. Consult your corporate attorney for specific guidance.

Basic Responsibilities of Corporate Boards

1. Duty of care to make decisions based on all available and material information, using good faith business judgment as a reasonable person would.
2. Duty of loyalty to protect the interests of the corporation and to refrain from conduct that would injure the corporation.
3. Review and approve strategy, financial plans, major expenditures, major legal actions, and risk policies.
4. Oversight of the mission/purpose, values, and culture.
5. Financial, legal, ethical, sustainability, and conflict-of-interest oversight and compliance.
6. CEO selection, support, evaluation, and succession planning.
7. Oversight of management evaluation parameters, management performance, compensation, talent development, and succession planning.
8. Performance monitoring of the organization and board.

Define an Overarching Governance Philosophy

For example:

- Best interests of the organization overall
- Personal integrity
- Ethical practices
- Fair dealings
- Transparency
- Avoidance of conflicts of interest

Define Roles & Responsibilities for Board and Management

- A. Written board roles and responsibilities
- B. Written CEO/management roles and responsibilities
- C. Written joint board/CEO responsibilities (define who leads)

Define the Board Structure and Composition

- A. Board size
- B. Qualifications desired
- C. Action if change in director's outside job responsibilities
- D. Definition of director independence
- E. Term lengths
- F. Term limits
- G. Anticipated time requirement
- H. Staggered or concurrent terms
- I. Compensation and benefits
- J. Director stock ownership
- K. Board elections
- L. Nominating process
- M. Orientation and training for new directors
- N. Removal of directors
 - 1. Resignations
 - 2. Removal
 - 3. Recall
- O. Appointments of directors
 - 1. Criteria for filling vacancy
 - 2. Appointment process
 - 3. Term for appointment

Define the Organization Structure of the Board

- A. Board leadership
 - 1. Chairperson's role
 - 2. Outside lead director's role
 - 3. Selection process
- B. Board Committees:
 - 1. Types of committees
 - 2. Committee appointments

3. Committee charters (see our sample [Charter for Team or Committee](#))

Define Board Actions and Processes

- A. Meetings
 1. Frequency
 2. Notices
 3. Telephone participation
 4. Quorum
 5. Meeting records
 6. Agendas
 7. Attendance
 8. Calling meetings
 9. Meeting tone
 10. Executive sessions
 11. Meeting assessments
- B. Board assessments
 1. Periodic board self-assessments of overall and individual director performance
- C. Planning and budgeting
 1. Annual and long-range plans and budgets
 2. Strategic plans
- D. Legal
 1. Director and officer liability insurance
 2. Ability to engage outside experts
- E. Communication with outsiders

Bob Vanourek is the former CEO of five firms including two NY Stock Exchange companies. He has served on ten boards over his career and consults with boards on leading-edge governance practices. He is the co-author of *Triple Crown Leadership: Building Excellent, Ethical, and Enduring Organizations*, a 2013 winner of the International Book Award (Business: General). Bob has been named one of the Top 100 Thought Leaders in trustworthy business behavior by Trust Across America – Trust Around the World in 2013 and 2014.