

## TOOLKIT: BOARD OWNERSHIP DESIGN CHECKLIST

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*Holding the Long View: Board Equity Ownership and Its Impact on Corporate Performance*, a study conducted in collaboration with MSCI Institute and leveraging data from MSCI Solutions, examines how director equity ownership shapes long-term outcomes across more than 2,100 global public companies. The findings are clear and consistent across markets: when directors — particularly independent directors — hold meaningful, sustained equity stakes, companies deliver stronger long-term performance.

### Purpose

This toolkit will help boards and compensation committees assess whether board ownership provides durable, meaningful exposure aligned with long-term value creation.

- Do directors hold equity for **at least 5 years**, rather than over short or easily reversible periods?

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- Is ownership expected to be **sustained through the full arc of board service**?

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- Are there expectations or norms that discourage reducing ownership near the end of a director's tenure?

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- Do **independent directors** hold meaningful equity relative to executive ownership?

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- Is board ownership assessed in relation to directors' oversight responsibilities and overall compensation, rather than set at nominal or symbolic levels?

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- Does the ownership structure avoid purely symbolic thresholds that can be met and unwound quickly?

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- Is ownership exposure calibrated to reinforce long-term judgment without creating excessive risk aversion?

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- Has the committee reviewed whether ownership design continues to align with the company's long-term strategy and investment horizon?