

Is My Board Cultivating the Long-term Habits of a Highly Effective Corporate Board?

A CHECKLIST FOR SELF-ASSESSMENT

A well-functioning corporate board of directors wields the power to meaningfully influence the purpose, culture, and direction of an organization. Is your board taking the steps necessary to help companies maximize their long-term potential?

A CHECKLIST FOR BOARD MEMBERS

IS MY BOARD ... Spending enough time on strategy?

- ☐ Prioritizing strategic concerns in meeting agendas and materials
- ☐ Letting committees do the heavy lifting
- ☐ Making pre-read materials mandatory to preserve meeting time for discussion and decision-making
- ☐ Documenting board-level decisions to avoid duplicative debate
- ☐ Leveraging time outside of meetings to advance the company's mission
- ☐ Using FCLTGlobal's Time Visualization Tool to evaluate and improve time management

IS MY BOARD ... Aligning director interests with those of the company?

- ☐ Encouraging directors to accumulate stock in the open market directly, mirroring the experience of long-term shareholders
- ☐ Locking up stock so it can't be sold until well after directors' tenure ends to inspire a long-term ownership mentality

IS MY BOARD ... Communicating with shareholders?

- ☐ Foregrounding long-term language in governance documents (e.g., "The Board's primary purpose is to build long-term shareowner value.")
- ☐ Dedicating time for investor feedback
- ☐ Speaking on behalf of the entire board
- ☐ Having open conversations, with ample time for both talking and listening
- ☐ Leveraging the company secretary's expertise

IS MY BOARD ... Ensuring a diversity of views?

- ☐ Recruiting directors with a variety of backgrounds, including younger directors and women

A CHECKLIST FOR INVESTORS

ARE THE COMPANIES IN MY PORTFOLIO OVERSEEN BY BOARDS THAT ...

- ☐ Prioritize strategy work?
- ☐ Encourage direct purchase of stock and long-term sale restrictions (lock-ups)?
- ☐ Request investors' views on company strategy and long-term vision?
- ☐ Encourage diversity—age, gender, and other dimensions?