



THE CONFERENCE BOARD

The Conference Board

Sample Outline for Full Day (8 hr.) Program Covered in Two, Four Hour Sessions

First Session – (4 hours)

Directors' Fiduciary Duties in the New Environment (45 minutes)

- Board fiduciary duties and the emerging concept of “good faith”
- Trends in Delaware state law as it applies to critical corporate governance issues, including practical case studies
- Brief review of NYSE and NASDAQ listing requirements
- Role of “best practices” in helping boards meet business judgment criteria

Effective Board Organization (45 minutes)

- Board independence requirements and ensuring independent thought and action by non-management directors
- Committee relationships with the full board especially in areas such as strategy, audit, compensation, etc.
- Appointment and roles of non-management Chairman and Lead/Presiding Directors
- Age and term limits and number of boards to serve on
- Nominating procedures and orientation for new directors
- Shareholder access to director selection

Enterprise Risk and Strategic Performance (1 hour)

- The board's role in strategic assessment and working with senior management
- Knowing -- and tracking on a continuous basis -- company key business drivers and financial and non-financial performance indicators
- Understanding the company's full risk profile
- Developing board structures and procedures to oversee risk

Audit Committee Issues (1 hour, 30 minutes)

- A detailed look at the audit committee's role in oversight structures and processes
- Working with the internal audit staff and external auditors
- Information flow between the committee, the board, senior management, and the internal and external audit functions
- Using financial statements to ferret out “red flag” issues
- Brief case studies in fraud and financial mismanagement
- Using external advisors and forensic accountants

Second Session – (4 hours)

The Board's Role in Effective Ethics and Compliance Programs (1 hour)

- The CEO's responsibility for establishing "tone at the top"
- Board and management responsibilities for ethics and compliance
- Management development and board monitoring of effective ethics and compliance programs
- Impact of new federal sentencing guideline amendments

Board and Committee Performance Assessment (1 hour)

- Assessments of full board, committees and individual directors: pros and cons of each
- Board, committee and individual director assessment techniques and styles
- Legal ramifications of board assessments

Compensation Committee Effectiveness (2 hours)

- Role of the committee, including relationships between the committee, the CEO, and senior management
- Working with compensation consultants
- Linking corporate strategy to compensation
- Designing "pay for performance" compensation packages
- Use of stock options, restricted stock, and alternative incentives

Optional Sessions

D&O Liability and Insurance Issues (45 minutes)

Institutional Investors' Views on Key Corporate Governance Issues (45 minutes)

Executive Sessions (30 minutes for each four hour session)

ISS Requirements

Institutional Shareholder Services (ISS) requires boards to receive a minimum 8 hours of instruction (excluding sessions on financial literacy and D&O insurance) to receive credit. Upon completion of an ISS-accredited program, the company receives an upward adjustment to its ISS Corporate Governance Quotient (CGQ) for the number of directors in attendance under a tiered tracking system: one director, a majority of directors, or the full board. The credits also apply to each board on which the directors serve. All sessions listed above are part of the Directors' Institute's accredited program and must be completed in order to receive ISS credit. The D&O Liability session is listed as "optional" since ISS does not award credit for this session. Boards may focus on each session to a greater or lesser extent depending on its informational requirements. Therefore, the duration times listed after each session are suggested duration times only.