Board orientation

A board orientation would likely include meetings with the following people, to the extent the roles exist:

- C-suite executives including the CEO, CFO, COO, general counsel and others
- Other executives that may include: business unit leaders, chief risk officer, chief information security officer (CISO), chief compliance officer (CCO), financial managers, external and internal auditors
- The board chair and other directors

When a new director is added, it is important to give him or her an orientation to the company and the board. This will help the new director contribute to board deliberations quickly.

The orientation program could cover:

<table>
<thead>
<tr>
<th>Areas of responsibility</th>
<th>Possible individuals involved</th>
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<tbody>
<tr>
<td>The company’s industry, strategy, competitors and market position</td>
<td>CEO, CFO, COO, board chair</td>
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<tr>
<td>Organizational structure, operations and key personnel</td>
<td>CEO, COO, board chair</td>
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<td>Key business issues, risks and legal matters</td>
<td>CEO, chief risk officer, board chair</td>
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<td>Key regulators and their area of focus</td>
<td>CEO, general counsel, board chair</td>
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<td>Related parties</td>
<td>General counsel, board chair</td>
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<td>Board operations, legal requirements and duties, committee structure and charters, typical meeting schedule, and the rhythm or cadence of meetings</td>
<td>General counsel, corporate secretary, board chair</td>
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<td>Review of director duties of care and loyalty, and the business judgment rule</td>
<td>General counsel, corporate secretary, board chair</td>
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<td>Board chair and committee chair roles</td>
<td>General counsel, corporate secretary, board chair, committee chairs</td>
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<tr>
<td>Policies that impact directors (ethics, conflicts of interest, etc.)</td>
<td>General counsel, corporate secretary, board chair</td>
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<tr>
<td>Directors and officers (D&amp;O) insurance and indemnification</td>
<td>General counsel, corporate secretary</td>
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<tr>
<td>Management financial reports, critical accounting policies, capital structure and liquidity</td>
<td>CFO, CAO, controller, AC chair</td>
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<td>Earnings trends, earnings guidance practices and analyst interactions and shareholder engagement strategy</td>
<td>CFO, controller, investor relations, corporate secretary</td>
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An effective orientation may include meetings with management and visits to key operating sites. Some boards provide other support to help guide new directors through their first year on the board. For example, some assign another director—a “board buddy”—to answer questions and discuss matters before and after meetings. Some companies assign a key member of management to the new director as a resource.

Depending on their background and exposure/experience, individual directors may need different levels of orientation. For example, new directors may already have:

- Director experience which provides an understanding of the legal requirements and duties
- Industry experience, so an industry deep dive might not be necessary
- Experience working with the board of their company, so they understand how a board operates

### How PwC can help with a director orientation program

Often, when a company adds a new director (especially if the person will be on the audit committee) executives will ask PwC to help the new director’s transition. In such cases, there are a few approaches we can offer:

1) The lead engagement partner can meet with the new director to discuss PwC’s role and key areas of financial reporting, internal control and audit focus. This discussion might also cover the way PwC leverages internal audit and works with other groups within the company.

2) PwC’s Governance Insights Center (GIC) team can meet with the new director to provide an update on emerging governance issues.

3) GIC can provide relevant publications and ensure the new director receives our governance materials. Sign up to receive these materials through the PwC’s Preference Center. The electronic distribution alternates biweekly between new GIC publications and a newsletter that provides the latest corporate governance and investor news—covering the intersection of shareholders and directors. Some of GIC’s publications include:

#### Annual Corporate Directors Survey

Each year the survey draws close to 1,000 respondents. The results bring insight into what fellow directors think about key issues in the boardroom. Results are shared each fall. The 2019 survey results are available here.

#### Risk Oversight Series

This series offers practical advice for directors on how they can add value when it comes to risk matters and provides a series of board actions that can be taken to help influence and oversee the culture a company adopts. Click here to download any issue in this series.

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**Director orientation manual**

Some companies create an orientation manual for directors that could be in hard copy or located on its board portal. The manual typically includes:

- Director and senior executive bios
- Schedule of board and committee meetings
- Director and executive contact list
- Director compensation
- Directors and officers insurance
- Insider trading policy
- Corporate governance guidelines
- Committee charters
- Bylaws
- Proxy
- Form 10-K/Annual Report
- Recent investor presentations
- Recent press releases and analyst reports

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**GIC maintains a website for directors and investors that you can visit at:**

[www.pwc.com/us/governanceinsightscenter](http://www.pwc.com/us/governanceinsightscenter)

*The website has information on key governance issues, audit committee resources, publications, director education and more.*