

DIRECTOR INDUCTION

Example 9: A Checklist of Director Induction Information³

4.1 The role of a director

- i. The role of a director and his/her statutory duties
- ii. Details of the company's policies and procedures regarding directors' shareholdings and share dealings
- iii. Support role of the company secretary
- iv. Policies relevant to the director as an individual (such as independent professional advice, expenses, data protection)
- v. Directors' and officers' liability insurance, deeds of indemnity
- vi. Personal development process
- vii. Protocol, procedures and dress code (if applicable) for board meetings, general meetings, formal dinners, staff social events, site visits etc, including the involvement of partners where appropriate

4.2 Board issues

4.2.1 Board and committees

- i. Board and committee structure, matters reserved for the board, delegated authorities, committee terms of reference, items requiring approval outside of board meetings
- ii. Brief biographical and contact details of all directors of the company, the company secretary and other key executives. This should include any executive responsibilities of directors and their dates of appointment
- iii. Board composition, board renewal, succession plans and policy on directors' re-election by shareholders
- iv. Board support framework: chairperson, lead independent director, company secretary

4.2.2 Board meetings

- i. Minutes of recent board meetings
- ii. Schedule of dates of future board meetings with pro forma forward agendas of regular items or an indication of when routine business is transacted
- iii. Description of board procedures covering details such as when papers are sent out, the method of delivery, the normal location of meetings and how long they last
- iv. Training in the use of any board portal or online board paper/reading room facility

4.2.3 Boardroom behaviours

- i. Explanation by the chairperson of his/her expectations of the board in terms of its output and behaviours
- ii. Culture and values, codes of conduct/ethics etc

³ Adapted from ICSA 2012 Guidance on Induction of Directors

4.2.4 Rules, regulation and guidance

- i. Up-to-date copy of the company's articles of association/constitution
- ii. Companies Act and legislation in other jurisdictions that apply to the company
- iii. SEM Listing Rules and other jurisdictions' securities and listing rules requirements that apply to the company
- iv. Corporate Governance Code
- v. Investors' corporate governance guidelines which the company seeks to follow (if applicable)

4.2.5 Board procedures

- i. Board, committee and individual director evaluation processes
- ii. Board training and development programme
- iii. Special procedures (accounts sign off, company disclosures)
- iv. Treatment and disclosure of price sensitive information
- v. Bid / defence handbook

4.2.6 Current issues

- i. Key governance issues affecting the company
- ii. Remuneration policy, trends and issues affecting the company
- iii. Voting and shareholder feedback from the last AGM
- iv. Most recent board evaluation report

4.3 The nature of the company, its business and its markets

- i. Corporate history, with a summary of significant events (incorporation, acquisitions and divestments, restructurings)
- ii. Organisational/business overview/chart, indicating the major domestic and overseas subsidiaries, associated companies and joint ventures
- iii. Business model
- iv. Products/services
- v. Local, regional/global operations
- vi. Strategy
- vii. Key performance indicators, including KPIs on which incentive plans are measured
- viii. Market analysis, market shares, trading backdrop, recent operational and financial performance, current challenges
- ix. The organisation's risk profile and tolerance, risk management and internal control procedures and relevant disaster recovery plans
- x. Financial and treasury issues: accounts/interim management statements, audit, management accounts, budgets, funding sources, dividend policy, credit-rating metrics
- xi. Significant contracts
- xii. Status of organisation pension plans, including any deficits
- xiii. Insurance policies
- xiv. Marketing and branding
- xv. Details of any major litigation, either current or potential
- xvi. Relevant organisation policies, such as health & safety, corporate social responsibility, environmental, ethics and whistleblowing, bribery, diversity, equality, charitable & political donations, etc
- xvii. Glossary of organisation-specific jargon/acronyms
- xviii. Glossary of sector-specific jargon/acronyms

4.4 Building a link with the company's people

- i. Meetings with senior management

- ii. Visits to organisation sites in addition to the head office
- iii. Internal company contact list (Mauritius and overseas as applicable)
- iv. Employee committees or surveys

4.5 The company's main relationships

- i. Market facing issues: investor relations and media views
- ii. Major shareholders (facilitate meetings)
- iii. Notices of any general meetings held in the last 3 years
- iv. Recent press cuttings, reports and articles concerning the organisation
- v. The organisation's advisers (lawyers, bankers, auditors, registrars, brokers etc) and the key internal contacts for any external advisers
- vi. Key customers
- vii. Key suppliers
- viii. Key stakeholders (regulators, unions)

5. Board committee induction

Where the director will be joining a committee, he or she should be provided with copies of the committee minutes from the preceding 12 months.

5.1 For the audit committee:

- i. Role and remit of the committee
- ii. Link between committee policy and the company's strategic objectives
- iii. Members of the committee, and those regularly invited to attend meetings
- iv. Meeting schedule with pro forma forward agendas of regular items or an indication of when routine business is transacted
- v. Main business and financial dynamics and risks
- vi. Regulatory and legal requirements in the Mauritius / relevant jurisdictions
- vii. Market practice and current trends
- viii. Current issues
- ix. Views of investors on current arrangements and potential areas of focus
- x. Meeting(s) with the CFO, external auditors and the head of internal audit
- xi. Technical training on key matters, tailored according to level of financial expertise

5.2 For the remuneration committee:

- i. Role and remit of the committee
- ii. Link between committee policy and organisation's strategic objectives
- iii. Members of the committee, and those regularly invited to attend meetings
- iv. Meeting schedule with pro forma forward agendas of regular items or an indication of when routine business is transacted
- v. Regulatory and legal requirements in the Mauritius and relevant jurisdictions
- vi. Market practice, current trends and best practice guidelines
- vii. Current issues
- viii. Views of investors on current arrangements and potential areas of focus
- ix. Meeting(s) with the remuneration advisers
- x. Technical training on key matters, tailored according to experience

5.3 For the nomination committee:

- i. Role and remit of the committee
- ii. Link between committee policy and the company's strategic objectives
- iii. Members of the committee, and those regularly invited to attend meetings

- iv. Meeting schedule
- v. Board composition, board renewal, succession planning, ongoing recruitment
- vi. Internal talent and capability, leadership development programmes
- vii. Current issues
- viii. Views of investors on current arrangements and potential areas of focus
- ix. Recruitment process and recruitment agent(s) typically used

The generic items in 5.1 to 5.3 can be used as the starting point for an induction to other board committees, such as risk or sustainability / CSR.