

Balancing Governance, Risk Management and Pragmatic Board Decision-Making – practical ways to manage all three

In the first two parts of this series, we looked at how directors juggled their responsibilities to guide their businesses through the pandemic. Now many companies are grappling with the impact of the Ukrainian war and related Russian sanctions and trade embargos. We need to accept that these events are no longer "one-off" and we need a robust governance framework and culture to enable us to weather whatever storms may hit us.

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Many of us have adopted new ways of working, with remote working now an accepted and encouraged state of play in many cases. Businesses, the Government, and Regulators have all adapted, including adding new technologies to enable connectivity and productivity over the past two years.

Now is the time to review our overarching governance approach and culture. Have you done a full review of how, when and why decisions have been made? Have you used those "lessons learned" outcomes to update governance within your organisation? Does your governance framework still meet your needs, when you consider how often seemingly unlikely events now occur?

Over the past few months, we've been speaking with clients about how they can enhance their internal governance processes. Environmental, Social and Governance (ESG) is a hot topic, but the focus tends to be on environment and sustainability-related issues. Investors want to know how companies will meet ESG requirements, but most focus on the types of investments and companies invested in rather than the rather unsexy governance side of the business.

Improved governance can be as simple as streamlining and standardising how you do business. Starting from the top sets an example for the organisation and helps embed it into your business culture. So, where do you start? How about standardising your Board and Investment Committee meetings? As a Director or Investment Committee member, you probably receive the materials for the meeting and don't think about the process of producing them. Creating standardised Agendas and Minutes that allow you to focus on decisions required and matters needing discussion first ensures decisions are made when needed. But what about the content and process for putting together the Board and Investment Committee packs? Our experience and that of our clients is that this can be a time-consuming exercise.

Having spent a lot of time building board packs, we created the Phundex Board Pack Preparation Pathway to help coordinate a standardised approach to preparing for Board meetings. Our Pathway template enables you to set a roadmap for meeting topics over the year, provides sample best practice Meeting Agenda and Minutes formats, and a 2-page executive summary to simplify the decision making process. Best of all, you can customise it, and once it's exactly the way you want it,



you can set it as your template and replicate it regularly to smooth the process. If you're providing Director services to multiple clients, you can even create client-specific Board Pathways to meet individual client requirements.

When we talked about the Board Meeting Preparation Pathway, a couple of clients asked if they could tailor it for their Investment Committee meetings. We said, "of course, but actually, we can do better than that." So we created the Investment Committee Meeting Preparation Pathway. Just as customisable as all of our Pathways, we've provided sample Agenda, Minutes, Executive Summary and action trackers for ease of use.

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If you're a Director of a regulated business, you might be interested to learn about our Regulatory Liaison Pathway. Taking advantage of our extensive experience working with regulators, we released a Pathway Template in March to help you manage regulatory interactions, whether it's a one-off event or a regular occurrence.

Taking the tone from the top helps embed governance into your business culture. When employees see that the Board and senior management use standardised processes to increase efficiency and decision-making, they'll be more likely to adopt the same approach for their operations and transactions.

Operating more efficiently reduces operational risk and helps you get to market sooner. It's not just about governance at the top, though. At Phundex, we've created a series of transaction and process Pathway Templates, leveraging our digital transformation experience with clients to provide examples of efficient transaction and process flows.

To see more about our Pathway Templates, see our most recent update on our website https://phundex.com/phundex_resources/phundex-pathway-templates-updated-april-2022/ or on LinkedIn <https://www.linkedin.com/company/67946857/>

Phundex. Putting the G in ESG and helping you close transactions sooner and more efficiently.

