

## Director tools

This is part of a series of Director Tools prepared by the Australian Institute of Company Directors. The tools have been designed to provide our members with general information and as a starting point for undertaking a board-related activity. These tools are not designed to replace legal advice or a detailed review of the subject matter nor are they intended to cover all circumstances where such a tool might be considered appropriate.

# Board agenda

## Introduction

The purpose of a board meeting agenda is to improve the effectiveness of board meetings. Although each board will have an agenda that reflects specific topics of relevance to a company at that time, a number of general items will be included on most agendas.

A good agenda alerts directors about issues that will be discussed at the meeting. It can help executives prepare to discuss issues with the board and to develop related board papers. An agenda helps the chairman ensure that all issues are dealt with in an appropriate order and depth during the meeting.

The agenda is usually prepared by the chairman with assistance from either the CEO, the board secretary or both. Sometimes the chairman will draft the agenda and the others will review it, sometimes it is done in a meeting with all contributing and sometimes it will be drafted by an executive with the chairman providing comment or revising the draft.

Most chairmen will invite the other directors to contribute ideas for the agenda. This may happen annually, before each meeting or both. The chairman, however, has the final say on what appears on the agenda.

## Points to consider

- The following should always be recorded:
  - who was invited to the meeting
  - any person who will not be present for an item on the agenda (important for managing conflicts of interest)
  - the meeting start time, location and expected end time
  - whether any meals will be provided if the directors are travelling to attend the meeting.

- Some companies identify each meeting with a unique number. If the board adopts this practice the agenda should include this number. If a numbering system is not used, the date will suffice.
- A good agenda will list the items of business and also specify the expected outcome of the discussion: a decision, a discussion, formal acknowledgement that an item has been before the board (usually referred to as 'noting') or an information session.
- It is helpful to note any decision-making requirements, some decisions cannot be deferred and therefore directors should come to the meeting prepared to act.
- What are the most important items on the agenda? Have these been placed early in the order of items?
- Does the chairman wish to indicate a desired time for each item? This can help plan effective use of time.
- Many boards have an annual agenda which sets out the key issues that the board has reserved for decision-making and allocates these as evenly as possible across the year to even out the workload. This practice helps the chairman to design the individual meeting agendas.

## A sample board agenda

<b>Name of Company</b> <b>Board Meeting Agenda</b> <b>Date and Time</b> <b>Location</b> <b>Items of Business</b>			
No.	Item	Action	Time
1	Opening, quorum and attendance	For noting	10.00 am
1a	Conflicts of interest		
2	Minutes of previous meeting	For approval	10.05 am
3	Matters arising	For discussion	10.15 am
4	CEO's report - Existing business performance - New business and issues	For information	10.30 am
5	Finance report	For noting	11.00 am
6	Proposal to invest in project X (conflicted director X to leave room)	For decision	11.15 am
7	Strategic plan review - Project report y - Project report z	For noting	11.45 am
8	Potential lobbying for changes to industry regulations	For discussion	12.30 pm
9	Sandwich lunch with senior executives		1.00 pm
10	Correspondence with regulators, shareholders, customers, suppliers	For noting	2.00 pm
11	Reports from committees - Audit committee - Nomination committee	For noting	2.15 pm
12	General business	For discussion	2.30 pm
13	Close of meeting, date, time and venue of next meeting	For noting	3.00 pm

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## Further reading

### “Board Meetings”

Director Q&A on the Company Directors website

### “Board Minutes”

Director Tools, Australian Institute of Company Directors website

### “Board Papers”

Director Tools, Australian Institute of Company Directors website

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