



ONBOARDING YOUR BOARD

May 2017

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Agenda

- ▶ Recommended Approach to Onboarding
- ▶ Critical Elements to Onboarding
- ▶ Onboarding Sessions
- ▶ Additional Onboarding Opportunities
- ▶ Onboarding vs. Being a Good Director

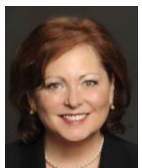
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Recommended Approach to Onboarding

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Approach to Onboarding

- *“Onboarding”* is a process:
 - Interview
 - Organization onboarding training
 - Continuing education (formal/informal)
- The approach to onboarding may be germane (companies of all sizes; public/private/nonprofit; family vs. non-family) - *but* needs individual customization

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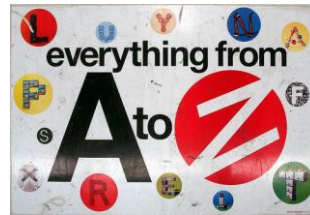
Addressing the “Firehose” Approach



Directors will be asked to quickly “**drink from the hose**” in terms of information...

However, a **good** onboarding plan will:

- Help drive retention of important “**A to Z**” information
- Define critical information “to get on board” and the information needed to continue on in the “role of a BOD”



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Critical Elements to Onboarding

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Onboarding Starts with the Interview Process...

- The interview should be a key source of information for candidate -
 - Culture
 - Operations
 - Expectations for directors
 - How can I add value?
- Reminder to do your homework - leverage the Company's website and other readily available information

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Recommended Reading for the New Director

- Strategic Plan and Mission
- Organization Chart and Corporate Data Sheet
- By-Laws
- Corporate Governance Guidelines
- Committee Reports and Charters (Compensation and Audit)
- Internal and External Audit Reports
- Financial Information, Annual Report & Financial Statements
- Minutes (one year prior)
- Press Releases (prior year)
- Analysts Reports
- Proxy Statements
- Prior Board Evaluations

**Resource: NACD Uphill Climb Navigating the First Year of Directorship NACD (January 2017)*

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Interaction and Relationships

- Buddy/Mentor: Usually chair or CEO assigns/matches
- Engagement/interaction with BOD and management
- From asking the simple questions: *Attire? Meetings?*
- To the more complex questions: *Strategy? Vision? Tone? Culture?*



Onboarding Sessions



Onboarding Sessions

Prepare/Pre-Boarding*

- Needs coordination with C-Suite, HR, legal, and operations
- Pre-reading materials

Execute

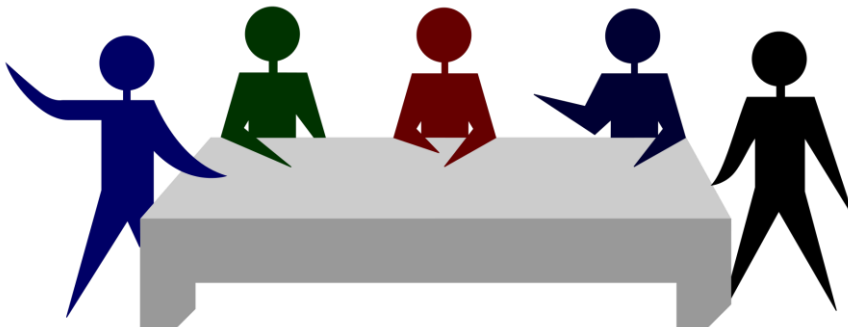
- Hands-on engagement
- “Who’s who”
- Expectation setting
- Emphasis on Culture

* Refer to Spencer Stuart article “Executive Onboarding Is there a right way?”



Culture and Tone

- Don’t neglect culture when acclimating onto the board
- Need to consider BOTH the culture and tone of the organization AND of the board



Additional Onboarding Opportunities

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Opportunities for “Shadowing” vs. “Observing”

- Inviting all to attend committee meetings as observers
- Shadowing
- Succession planning in anticipation of retirement or term expirations



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Onboarding vs. Being a Good Director

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Continuing the Journey: Knowledge Building & Engagement

- Continuing education
- Engagement with professionals inside and outside of the boardroom
- Understanding roles of the board vs. management



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Engaged Directors “Take Aim”



Photos courtesy of Maureen Breakiron-Evans: Onboarding for Cubic Corporation - provider of systems and services to the transportation and defense markets (CUB - NYSE)

Resources

Sample Resources

- NACD Resources
 - Resource Center: Director Onboarding
<https://www.nacdonline.org/Resources/BoardResource.cfm?ItemNumber=39282>
 - Effective Director Onboarding Practices
<https://www.nacdonline.org/applications/secure/?FileID=137335>
 - The Onboarding Book
<https://www.nacdonline.org/Store/ProductDetail.cfm?ItemNumber=4916>
 - Navigating the First Year: An Onboarding Guide for New Directors
<https://www.nacdonline.org/Store/ProductDetail.cfm?ItemNumber=39560>
 - Your Role as an Independent Corporate Director
<https://www.nacdonline.org/Resources/SamplesTemplates.cfm?ItemNumber=25359>
- Spencer Stuart Executive Onboarding Is there a right way?
<https://www.spencerstuart.com/research-and-insight/executive-onboarding>
- BoardEffect Board of Director Training Materials Blog
<http://www.boardeffect.com/blog/board-of-director-training-materials/>

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Sneak Peak: Diversity on Boards

- ▶ In March 2017, Representative Carolyn Maloney introduced [H.R. 1611](#), which would require the SEC to establish a Gender Diversity Advisory Group to study and make recommendations on strategies to increase gender diversity among members of boards of issuers
- ▶ The bill would also amend the SEC '34 Act to require issuers to make disclosures to shareholders with respect to gender diversity
- ▶ In its most recent quarterly report, the Gender Diversity Index (GDI), Equilar reports that only 15.1% of board seats at the Russell 3000 companies are occupied by women
 - At this pace, boards will reach gender parity in **2055!**
- ▶ Refer to: <https://boardroomresources.com/insight/boardroom-update-gender-diversity-2017/>
- ▶ **Director Diversity - Striking the Right Balance in the Boardroom:** Refer to upcoming BDO June 1, 2017 webinar looks at diversity from the perspective of “diversity in thought” within the boardroom...

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- ▶ Thought leadership, practice aids, tools, and newsletters
- ▶ Technical updates and insights on emerging business issues
- ▶ Three-pronged evolving curriculum consisting of upcoming webinars and archived self-study content
- ▶ Opportunities to engage with BDO thought leaders
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4. N/A - BDO, BDO Alliance, BDO International

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BDO Board Governance - Webinars

For a complete listing of BDO events, refer to: <https://www.bdo.com/events>

Upcoming Programs:

- ▶ ASC 606, Revenue for Contracts with Customers - May 18, 2017
- ▶ Director Diversity - Striking the Right Balance in the Boardroom - June 1, 2017
- ▶ Applying the New Revenue Standard (Part 1) - June 8, 2017
- ▶ Applying the New Revenue Standard (Part 2) - June 15, 2017
- ▶ Are You Ready to Comply with the New Lease Accounting Standard? - February 2017
- ▶ Establishing an Effective Vendor Audit Program - February 2017
- ▶ Boards as Catalysts for Intrapreneurship and Innovation - February 2017
- ▶ Quarterly Technical Update (Q4 2016) - January 2017

Recent Archived Webinars:

- ▶ Quarterly Technical Update (Q1 2017) - April 11, 12, & 13, 2017
- ▶ Reducing the Burden of Sox Compliance - April 25, 2017
- ▶ Trump, Legislation and Taxes: How the Expected Tax Reform May Impact Global Organizations - March 2017
- ▶ Tax Planning for Executive Compensation - March 2017
- ▶ What Boards Need to Know About Cybersecurity (But May Be Afraid to Ask) - March 2017
- ▶ What's on the Minds of Boards - November 2016
- ▶ Board Collaboration: Leveraging Communication Tools and Technology - October 2016
- ▶ Countering Corruption - What Does ISO 37001 Mean for Anti-Bribery Risk Management - September 2016
- ▶ Financial Instruments Update - Credit Losses and Recognition & Measurement - September 2016
- ▶ Navigating the Rising Tide of Cybersecurity Regulation - How Is Your Board Preparing? - July 2016

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BDO Board Governance - Publications

For a complete listing of BDO publications, refer to: <https://www.bdo.com/insights/>

- ▶ Cybersecurity Officially Reaches the Board
- ▶ Significant Accounting & Reporting Matters Q1 2017
- ▶ Global Equity Rewards Matrix - International Tax Consequences for Equity Compensation
- ▶ AICPA Issues SAS 132 on Going Concern
- ▶ SEC Rule and Form Amendments Applicable to Emerging Growth Companies
- ▶ FASB Updates Presentation of Pension and Other Postretirement Benefit Plan Costs
- ▶ BDO 2017 Shareholder Meeting Alert
- ▶ Topic 606, Revenue from Contracts with Customers
- ▶ BDO Knows: Cybersecurity
- ▶ Audit Committee Requirements Practice Aid
- ▶ 2016 Audit Committee Round Up
- ▶ SEC Year in Review: Significant 2016 Developments
- ▶ Accounting Year in Review 2016
- ▶ Audit Committee Alert: Emphasis and Focus on Controls
- ▶ BDO 600 Executive Compensation - CEO and CFO Pay Practices
- ▶ SEC Requests Comments on Management, Certain Security Holders, and Corporate Governance Disclosure Requirements
- ▶ BDO Knows Cybersecurity Alert
- ▶ BDO Revenue Recognition Practice Aids
- ▶ Topic 606, Revenue from Contracts with Customers
- ▶ BDO's Approach to Audit Quality
- ▶ SEC Proposes to Eliminate Outdated and Redundant Disclosure Requirements
- ▶ 2016 IPO Halftime Report
- ▶ SEC Proposes Amendments to Smaller Reporting Company Definition
- ▶ SEC Adopts Rules Requiring Resource Extraction Issuers to Disclose Payments to Governments
- ▶ PCAOB Issues Staff Guidance for Audit Firms Filing the New Form AP
- ▶ CAQ Questions on Non-GAAP Measures - A Tool for Audit Committees

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Evaluation

We continually work to improve our programming and appreciate constructive feedback. As you print your CPE certificate, please consider responding to a brief evaluation.

Following the program, we will send a thank you e-mail containing additional resources for your consideration.

Thank you in advance for your participation.



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Conclusion

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Please exit the interface by clicking the red "X" in the upper right hand corner of your screen.

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Presenter Bios

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Biography



D'Anne Hurd

Independent Director
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D'Anne Hurd is a SEC financial expert and GRC (governance, risk, compliance) authority experienced as a senior financial management executive at two Fortune 100 companies. She also offers an investor perspective on environmental and social governance (ESG) as a sustainability funds trustee, and advises on corporate resilience to meet business and organizational challenges.

She leverages her CFO and financial management background and years of audit oversight, SEC, and hands-on Sarbanes-Oxley, Dodd-Frank, and shareholder lawsuit experience to put companies' financial and governance houses in order. She leads board strategy and deal making to drive growth and build investor value, including IPOs, acquisitions, strategic partnerships and alliances, ownership exit, and activist shareholder strategies. She is a board change catalyst, problem solver and resilience advocate, prized for integrity, communications, analyzing issues, and building consensus.

Public company boards: Ms. Hurd currently serves on the boards of PAX World Funds/PAX Elevate Fund (MYTF: PXWEX); Micronetics, Inc. (NASDAQ: NOIZ)
 Private company boards: Peckham Industries; Monzite Corporation; and Myomo, Inc.

Ms. Hurd serves as a faculty member of the National Association of Corporate Directors. She earned her J.D. in Corporate Securities Law from Duke University School of Law, an MBA in Finance from XXX.

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Biography



Trish Oelrich

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Ms. Oelrich is an experienced corporate board member and helps companies create risk strategies as a business re-invents itself in a digital world. She inspires others to think more broadly about the global impact of technology, the importance of building a moral and ethical culture, forming a balanced approach to enterprise and social risk management, and addressing cyber security risks. She has served as audit committee chair for public company boards, experienced in ERM, IT security, social media, accounting, auditing, financial reporting and IT strategy.

She currently serves as Audit Committee Chair for the FHLB-Office of Finance Board of Directors and previously served as Audit Committee Chair for Pepco Holdings. Ms. Oelrich also has been active on various industry and not-for-profit boards as Board chair, Treasurer, and committee chair.

Ms. Oelrich served as VP of Global IT Risk Management and member of the CIO management team for GlaxoSmithKline Pharmaceuticals. At SmithKline Beecham Pharmaceuticals, she had worldwide responsibility as the VP of Internal Audit, initiating the first corporate ethics and compliance function. As a Partner & Practice Leader at EY, she headed the IS Audit and IT Security Practice and serviced audit clients with an emphasis on large financial institutions and insurance companies.

Ms. Oelrich, a CPA, holds a BBA in Accounting and Information Systems, and MA and PhD in Human and Organizational Systems.

She is a faculty member for Drexel University Director's Academy.



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Biography



Ellen Richstone

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Ellen Richstone is currently a full time Independent Board Director and has been a Public Company Board Director for a variety of companies ranging in size from small cap up to S&P 500 over the past 15 years. She is a former CEO, former CFO of several public and private companies including a Fortune 500 (Rohr Aerospace) and former VP Treasurer of a Fortune 500 Company. She is an SEC financial expert with extensive Operating experience in: Global Business, Manufacturing and M&A. Her industry experience is broad: Technology (Computer hardware & software; Semiconductors and Telecom); Consumer Products; Industrial; Clean Tech and BioTech.

As a Board Member, Ms. Richstone is currently sitting on four public company boards in the following industries: Technology, Chemicals; Clean Tech and Industrial. (eMagin, BioAmber, Orion Energy Systems and Superior Industries). She is a qualified Financial Expert and Chairs three Audit Committees. She was on the Board of American Power Conversion (APC- a S&P 500 Company- until its sale) and on the Board of Everware Global- Consumer Products- until it was taken private in a debt/equity swap). In addition to the Audit Committee, Ms. Richstone has experience with both Nominating/Governance and with Compensation Committees. She was given the first annual Distinguished Director Award from the American College of Corporate Directors (CDG), an organization of 1500 public company directors nationwide. She also serves on the Board of the National Association of Corporate Directors in New England.



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Biography



Amy Rojik

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Amy Rojik has spent 13 years with BDO directing, developing and delivering learning initiatives for all levels of professionals within the Assurance practice. She helped establish and currently directs the firm's external Center for Corporate Governance and Financial Reporting, which is designed for financial executives and those charged with governance of both public and private companies. She also participates in the development and implementation of firm strategies and initiatives that support industry, business, technical, and client service goals and helps lead BDO's Market Prominence Team.

Ms. Rojik has written thought leadership pieces on a variety of matters related to corporate governance, including cybersecurity, fraud and succession planning. Amy collaborated with other BDO leaders to develop and publish *Effective Audit Committees in the Ever Changing Marketplace* and related practices aids. She further serves as BDO's Extended Firm Lead to the Center for Audit Quality, participating in activities to support integrity within the capital markets.

She has a combined 11 years of Big Four firm public accounting experience, serving manufacturing and high-technology public companies as well as private companies.

B.A. in Economics and Psychology - Union College
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Biography



Tom Ziemba

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Tom Ziemba, Ph.D., is a Managing Director in BDO's Strategic Services practice in Chicago. He has over 20 years of consulting and corporate experience in a number of industry segments. He assists clients in building governance capabilities, strategic positioning, leadership team development, and designing executive and Board compensation programs. Dr. Ziemba has advised CEOs, Boards and executive teams on strategies to build organizational capabilities.

Dr. Ziemba held practice leader positions in national consulting firms including: McGladrey, the Mercer Consulting Group, and the Performance Management Practice at KPMG. He also held executive positions at Harris Bank in Chicago and Campbell Soup Company.

Dr. Ziemba has advised clients on all facets of board and policy development including: preparing governance guidelines; establishing committee structures; developing Director remuneration programs; conducting board evaluations; establishing strategic agendas, Director selection and nominating processes; conducting Director education seminars; and defining Director, Board chair and committee chair roles.

In addition, he assists clients in building organizational capabilities including organizational structure, job design, executive talent review, and the implementation of corporate policies and procedures best practices.

His professional affiliations include: Rainmaker Academy; American Compensation Association; National Association of Corporate Directors; and Society of Industrial/Organizational Psychologists. His degrees include:

Ph.D., Organizational Psychology, Illinois Institute of Technology
M.S.I.R. Loyola University, Chicago
B.S. Loyola University, Chicago

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