

## 10 QUESTIONS TO ASK BEFORE JOINING A BOARD\*

*\*BRW acknowledges these questions were produced by CPA Australia and Cameron Ralph Pty Ltd.*

*BRW recommends that prior to conducting an interview about Board opportunities that many of these questions can be answered by reviewing the organizations website, if Available.*

### **Q1. Can you please tell me about the business?**

- What does the business do?
- How does it make money?
- What is its sustainable competitive advantage?
- What is the biggest challenge facing the company?
- What is its biggest threat?
- What is the biggest opportunity?
- Could you please describe the culture?

### **Q2. What is the company's current financial position?**

- What is the current and forecast cash flow, borrowings and interest cover?
- Can I speak with the Chair of the Audit Committee?
- Who is the Auditor, are there any current disputes with them?
- What accounting standards and policies have been used by the business?

### **Q3. What legal and regulatory environments does the company operate in?**

- Are there any legal actions or major disputes pending against the company, including action by any regulator?
- How does the board oversee risk management?
- What is the legal form of the business?

### **Q4. What is the quality of the information which I will be provided with?**

Request:

- the last 12 months' board minutes and any committee minutes;
- the last set of board papers;
- the last two years' annual reports;
- the board charter and any committee charters; and
- the company's code of ethics and /or conduct.

Question:

- What protocols are in place for directors having access to management outside of board meetings?

### **Q5. Can you please tell me about the board?**

- Who is the Chair?

- Who are the other directors?
- How long have they been on the board?
- Who is the CEO? Can I meet them?
- What are the relationships between the directors, and between the directors and the CEO, like?

**Q6. Why does the board need a new director and what are they looking for?**

- What contribution am I expected to make?
- Is there a draft letter of appointment I could review?
- Why are you seeking a new director now?
- Is someone leaving? Can I speak with them?
- What are you looking for in a new director?
- Why did you approach me?
- Who else will be joining at the same time?
- Is there a succession plan for the board, and in particular the Chair?

**Q7. Who are the shareholders and stakeholders?**

- What is the ownership/corporate structure of the company?
- What is the current attitude of shareholders and stakeholders to the company, board and management?
- What is the attitude of the board to stakeholders?
- Has the company been receiving positive or negative media coverage lately?
- What happens at AGMs and how are they run?

**Q8. Why am I interested in taking this directorship?**

**Q9. What can I contribute?**

**Q10. Do I have the capacity to do the job?**

- What is the time commitment?
- When, where and how long are the meetings?
- What style of meeting does the Chair favour?
- What does it pay?
- Will I be expected to buy/sell shares?
- Can I see a copy of the Directors and Officers insurance policy?
- Do I have any conflicts of interest?