



BEDFORD
TRANSEARCH
YOUR WORLD PARTNER IN EXECUTIVE SEARCH

CORPORATE GOVERNANCE FRAMEWORK

An Overview



CONTENTS

1	BOARD ROLE AND RESPONSIBILITIES
2	COMPOSITION AND APPOINTMENT
3	SKILLS MATRIX
4	COMMITMENT AND TRANSPARENCY
5	COMMITTEES
6	RISK AND AUDIT COMMITTEE
7	EXECUTIVE COMMITTEE
8	LARGE PROCUREMENT COMMITTEE
9	OTHER CONSIDERATIONS

1. THE BOARD

ROLE AND RESPONSIBILITIES

The Board is accountable to shareholders and relevant stakeholders and should aim to preserve and enhance the company's value over the long-term. To ensure effective governance, Board members should:

- a) Guide, review and approve the company's mission, strategy, and financial planning.
- b) Monitor governance, ESG, and compliance with laws.
- c) Embody ethics and promote a culture of integrity.
- d) Manage conflicts of interest.
- e) Ensure integrity, compliance, and independence in accounting and reporting.
- f) Implement effective risk management and review annually.
- g) Ensure fair and transparent director nomination, election, and evaluation.
- h) Align CEO and senior management remuneration with long-term interests and hold them accountable.
- i) Develop, regularly review and update CEO succession plan.



2. COMPOSITION AND APPOINTMENT

DIVERSITY AND ONGOING SELF-EVALUATION

To ensure effective decision-making and challenges, there should be a diverse mix of directors with relevant knowledge, independence, competence, and industry experience, as well as diverse skills, experience and perspectives.

Non-executive directors should serve for an appropriate length of time to maintain their independence and objectivity.

The Board should rigorously evaluate its own performance, the performance of individual directors, and the performance of the chair, and engage an independent outside consultant every three years.

Roles to consider include - Board Chairman, Independent Directors, Executive Directors, and Non-Executive Directors.

We recommend a 5 or 7 member Board to start.



3A. SKILL MATRIX

EMPHASIZING DIRECTOR SKILLS

Companies now emphasize the relevance of director skills to company strategy and Board operation.

A Board skills matrix should be used to can assess the board's mix of skills and experience and guide nomination and succession planning. It should include:

1. Financial expertise
2. Operational and technical experience
3. Legal knowledge
4. Risk management
5. Industry expertise
6. Strategic thinking
7. Board governance
8. Diversity and inclusion
9. Leadership and management
10. Geographical or community representation
11. ESG experience



3B. SKILL MATRIX

SAMPLE

Name	Age	Years on Board	Independent	Finance/ Accounting	Operational Experience	Legal/ Regulatory	Risk Management	Industry	Strategic Experience	Board Governance	Diversity & Inclusion	Leadership	Geographical/ Community Representation	ESG Experience
Candidate 1	39	2		X			X	X	X			X		
Candidate 2	42	3		X	X		X	X	X	X			X	
Candidate 3	45	5	X			X	X		X	X	X	X		X
Candidate 4	51	5	X		X			X		X		X	X	X

4. COMMITMENT AND TRANSPARENCY

TRANSPARENCY AND REGULAR MEETINGS

Meet regularly and allocate adequate time for preparation and attendance.

The Board should be transparent in its decision-making processes and communicate effectively with shareholders and other stakeholders. Disclosing financial and non-financial information in a timely and accurate manner.

Providing clear and concise explanations for important decisions made by the Board.

We recommend holding regular quarterly board meetings. Generally within one month of quarter or year-end so financial and operating results can be reviewed and aligned with long-term goals.



5. COMMITTEES

RECOMMENDATIONS

We recommend these initial committees:

- Audit and Risk Committee:
 - Assists the Board in fulfilling its oversight responsibilities relating to risk management, internal control, financial reporting, and compliance with laws and regulations.
- Talent/People/Compensation Committee:
 - Assists the Board of Directors in fulfilling its responsibilities related to human resources, talent management, and compensation matters.
- Large Procurement Committee:
 - Oversees procurement activities of the company. The LPC will ensure that the company's procurement activities are conducted in a manner consistent with the company's overall strategy, risk appetite, and ethical standards.



6. RISK AND AUDIT COMMITTEE

OVERSIGHT AND REPORTING

Purpose:

The Risk/Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities relating to risk management, internal control, financial reporting, and compliance with laws and regulations.

In addition to meetings and reporting, the Risk/Audit Committee shall have the following responsibilities:

- Financial reporting
- Internal control and risk management
- External audit process
- Financial reporting and disclosure
- Compliance

We recommend that the Risk/Audit Committee consist of at least three directors appointed by the Board of Directors.

7. EXECUTIVE/TALENT COMMITTEE

REASONABLE, EQUITABLE AND STRUCTURED

Purpose:

The purpose of the Executive Committee is to assist the Board of Directors in fulfilling its responsibilities related to human resources, talent management, and compensation matters.

Membership:

We recommend that the Executive/Talent Committee consist of at least three directors appointed by the Board of Directors.

In addition to meetings and reporting, the Executive Committee shall have the following responsibilities:

- Board human resource oversight
- Executive and employee compensation oversight
- Goals and Targets
- Disclosure
- Talent management programs
- Compliance
- External Consultants

8. LARGE PROCUREMENT COMMITTEE

OVERSIGHT, DEVELOPMENT AND MANAGEMENT

Purpose:

The Large Procurement Committee (LPC) is established by the Board of Directors to oversee and provide guidance on the procurement activities of the company. The LPC will ensure that the company's procurement activities are conducted in a manner consistent with the company's overall strategy, risk appetite, and ethical standards.

Membership:

We recommend that the LPC be composed of at least three members of the Board of Directors who have relevant expertise in procurement, supply chain management, or related fields. The members will be appointed by the Board of Directors.

In addition to monitoring and reporting, the LPC shall have the following responsibilities:

- Oversight of procurement activities
- Procurement Policy and Approval Matrix development
- Vendor management
- Large Procurement Approval

9. OTHER CONSIDERATIONS:

STRATEGY, STAKEHOLDERS, ESG, COMPLIANCE, CULTURE

Corporate Strategy: Set company vision, mission and strategic direction, and regularly reviewing and updating it.

Stakeholder Engagement: Regularly engage with stakeholders to understand their needs, concerns, and expectations and be responsive to them.

Corporate Social Responsibility (ESG): Oversee company social and environmental responsibilities and ensuring they are integrated into the company's strategy and operations.

Compliance and Ethics: Ensure company complies with relevant laws, regulations, and ethical standards.

Corporate Culture: Adopt high standards of business ethics, ensuring that its vision, mission and objectives are sound and demonstrative of its values. Ensure a culture of ethical and positive conduct is effectively communicated and integrated into the company's strategy and operations, including risk management systems and remuneration structures.



OUR BOARD SERVICES TEAM



Frank Galati
MBA, CMA, CPA
Managing Partner
Bedford Resources
fgalati@bedfordgroup.com



Amrit Sandhu
Client Partner
Power & Industrial Technology
asandhu@bedfordgroup.com

Unrivalled board services process. | Exemplary customer service. | Deep industry relationships.

We practice a high touch, bespoke client service, providing the optimal balance of global capabilities alongside the client-focused service delivery of a boutique firm. Every Board assignment involves a dedicated team including a Partner, Principal Consultant, Research Associate and Project Coordinator.

We provide clients with a holistic suite of Board services from succession planning to board effectiveness and organizational strategy to compensation services and culture strategy.

Bedford Group/TRANSEARCH is a recognized member company of the Association of Executive Search Consultants (AESC), which sets industry standards and ethical guidelines for executive search firms worldwide.

Founded in 1980, The Bedford Consulting Group is a partner of TRANSEARCH International, one of the Top 10 largest executive search firms in the world, with 60 offices in 40 countries. We take pride in being consistently recognized as the #1 Performing Office globally within TRANSEARCH International.

Explore our suite of [Board services](#) to discover the range of solutions we provide.

