



THE ROLE OF THE CHAIRMAN

Not a legally required role and where such a role exists, it's often taken by a Non-Executive. Often such a person is given a casting vote, which is hugely helpful in a hung Board.

Their role is presiding officer of a meeting or organization. It is his/her responsibility to determine the agenda for each meeting and ensure that everyone operates in an efficient manner and in accordance with any previously agreed rules. He or she may also be entrusted with various other executive powers. Chairman also means chair manager and hence is shortened to Chairman. However, in order to avoid sexist assumptions, the position is nowadays sometimes called Chairperson or simply the Chair. Alternatively, the title of Chairwoman may be used if the incumbent is female.

The Board has fiduciary obligations, meaning each director has to protect and enhance shareholder value. This can only be accomplished by a well-organised and focused Board. The Chairman is the principal contact with the CEO. In corporate terms, the Board as represented by the Chairman is superior to the CEO in authority and power. The Chairman must be strong enough to dominate the CEO and senior team **when necessary**.

The Chairman of the Board of Directors is a key leadership position. This role requires focus and attention to issues other directors may not need to observe. The Chairman must oversee the organization and management of the Board meetings.

Chairman's role is dual focus:-

Internal

- board leadership
- board membership
- board direction
- board monitoring
- responsibility for people
- provision of information

External

- reporting financial results
- wider representational role