

The Company Secretary's Guide to Modern Governance

The corporate governance landscape today presents several challenges and opportunities for the corporate secretary. Uniquely positioned between the board, the management team, and the shareholders, the company secretary's job is to make sure all these voices come together in the boardroom and beyond.

With many obstacles ahead, what opportunities do company secretaries have to drive change across the organisation? How can they position themselves as an advisor to the board amid a landscape of emerging risks? This evolution starts by recognising that traditional governance frameworks are no longer sufficient.

Addressing Governance Deficits

Consider for a moment how today's business landscape has evolved. The world we live in is digital and on-demand. Cyberattacks can originate from anywhere in the world. Social media amplifies the voice of every customer and employee. Activists are challenging company strategy and competencies. Globalisation is introducing layers of regulatory and ethical complexity. In a world where seconds count, old governance practices aren't just out of date; they're exposing today's organisations to the kinds of risks that can lead to crises.

A governance deficit is a blind spot. And it can take many forms:

- ▶ Board members don't have the right information at the right time to ask the right questions.
- ▶ The board lacks visibility into the company, across the industry, and into the future.
- ▶ Organisational data and communication systems are disparate and unsecure, hindering collaboration and exposing its users to potential cyber risk.

There's no one better positioned than the company secretary to bridge this gap—a practice we call modern governance.

What Does Modern Governance Look Like?

Quite simply, modern governance is the practice of empowering leaders with the technology, insights and processes required to fuel good governance.

Modern governance equips boards with the information they need to ask questions and address red flags. It protects an organisation's most important data. It enables transparency, yet secures the flow of information. And it transforms the company secretary from a minute-taker to a thought leader—from a secretary to a trusted advisor.

What does modern governance look like in action? In this guide, we highlight three key roles of the company secretary and offer checklists, resources, and tools for each:

- 1. Driving Board Effectiveness**
- 2. Mitigating Risk in an Evolving Landscape**
- 3. Powering Better Decision-Making**

1. Driving Board Effectiveness

Among the company secretary's primary responsibilities is to equip the board with the tools and processes it needs to be effective. That includes adopting technology that makes the board more efficient and ensures the flow of information is secure at all times. The company secretary is also responsible for working with board leadership to ensure necessary governance practices and processes are in place (board evaluations, new director onboarding, effective meeting and agenda structures, etc.).

Best Practice Checklist:

- All **routine board tasks** have been effectively automated (e.g., voting, evaluations, declaration questionnaires).
- All **routine company secretary tasks** have been effectively automated (e.g., book building, board material dissemination and edits, questionnaire collection and analysis, meeting minute-taking).
- I work closely with board leadership to ensure our **board evaluation process** produces clear and actionable insights.
- I tailor the **onboarding process** for each new director that joins, extending beyond a stack of reading materials and a few management meetings.
- I frequently revisit our board's **meeting and agenda structure** (working closely with the CEO and chairman) to find opportunities to optimise and improve.

Tools:**Diligent Boards**

Diligent's core board management software, which offers the technology foundation boards need to be both effective and secure.

[**LEARN MORE**](#)**Diligent Board Assessment Tool**

An application for conducting board assessments (and analysing the responses) securely through your Diligent software.

[**LEARN MORE**](#)**Diligent Declarations Questionnaires**

An application for conducting and compiling declaration compliance data securely in one location.

[**LEARN MORE**](#)**Resources**

- [**The Current Technology Problem in Boardrooms**](#)
- [**Directors' Digital Divide: Boardroom Practices Aren't Keeping Pace With Technology**](#)
- [**How Board Directors Can Lead the Digital Transformation in the Boardroom**](#)
- [**Refining the Roadmap: A Guide to Onboarding the Next Generation of Board Talent**](#)
- [**The 3 Essential Attributes of Board Effectiveness**](#)
- [**Board Assessment Tool**](#)

2. Mitigating Risk in an Evolving Landscape

As the digital landscape evolves, the risks facing today's businesses are becoming immensely more complex—and it's the company secretary's job to ensure board members are prepared. Cyber threats, expanding regulations, global and political uncertainty all contribute to a heightened profile of organisational risk. The company secretary must ensure entity and subsidiary data is accurate and accessible; that directors understand the factors impacting their personal liability; and that even regulatory filings like the proxy statement are being leveraged to tell the board's story.

Best Practice Checklist:

Regulatory & Compliance

- We use our **proxy statement** effectively to communicate how the long-term strategy is driving board composition, executive compensation, risk prioritisation and oversight.
- My organisation has a "single source of truth" for all **entity and subsidiary information**, which ensures both visibility and data accuracy.
- Upon request, I can easily **access data and provide reports** on our entity and subsidiary compliance.

Board Liability

- I have educated my board on matters related to **board or personal liability** (e.g., notetaking during meetings, communicating with shareholders, speaking to members of the media).
- I have a process for effectively educating the board on new **regulatory or legal developments**.
- I have the tools I need to effectively **educate myself** on new regulatory and legal developments.
- My board management software gives me the ability to wipe directors' meeting notes and other meeting information to maintain **control over discoverability**.

Secure Communication

- My board management software allows me to **wipe all information from a device** that has been lost.
- I have equipped my board with **secure alternatives to email** for communicating with each other.
- When preparing board materials, I have access to a **secure collaboration platform** that allows me to collect information from permissioned users.
- My board has access to a secure** file sharing platform that allows directors to share documents with permissioned users—both within the organisation and externally with consultants, auditors, and other trusted third parties.

Tools:



Diligent Entities

Software that allows organisations to centralise and manage their corporate subsidiary data. (Also integrates with Diligent Boards)

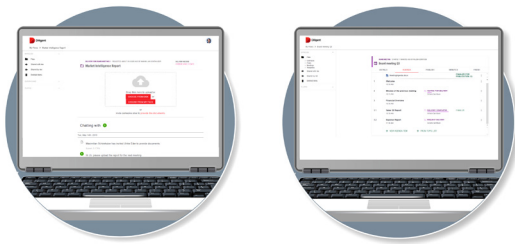
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Diligent Messenger

A secure messaging application that functions like text messaging and enables file sharing between board members.

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Diligent Secure File Sharing & Meeting Workflow

Document sharing and workflow tools, which enables information flow and collaboration between permissioned users within the organisation or with trusted third parties.

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Resources

- [How Secure are Your Board's Devices?](#)
- [Securing Executive Board Communications](#)
- [The Role of the General Counsel in Entity Governance](#)
- [A Roadmap to Avoiding Board & Director Liability Risks](#)
- [The Dos and Dont's of Proxy Statement Design](#)

3. Powering Better Decision-Making

A modern company secretary is not simply an enabler of the board, but a strategic asset. With more data and information available than ever before, an effective company secretary helps the board cut through the noise and delivers the kind of insights that inform both risk oversight and strategy. In the simplest term, modern governance is equipping company leaders with the right information at the right time so that they can make the right decisions.

Best Practice Checklist:

- My board has a high level of **internal visibility** across the organisation into critical areas like cyber risk, ESG, and corporate culture.
- My board has access to **environmental scanning tools** and insights to stay informed on the competitive landscape and industry trends.
- I work closely with Investor Relations and the management team to improve the board's **knowledge of the shareholder landscape**.
- My board has access to the same **data used by the major proxy advisory firms**.
- If crisis were to unfold, my board has the tools to **monitor company reputation** and new developments across media outlets around the world.
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- I've equipped my board with tools to **compare** executive compensation, board composition, and governance practices **across peer groups**—and identify areas where they may be considered an outlier.
- I have equipped my board with access to an extensive **database of board candidates** to aid in the director succession planning and search process.
- I work closely with board leadership and the Nom/Gov committee chair to ensure **board education** is ongoing and targeted.
- Between meetings, I ensure the board has access to **resources and thought leadership** to support the ongoing training and education goals.

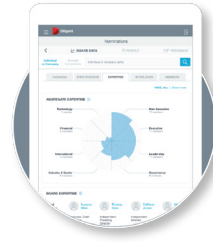
Tools:



Diligent Governance Intel

An AI-powered application that enables environmental scanning, advanced news aggregation, and trend analysis for your industry, company and competitors.

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Diligent Nominations

An application that offers a health check on your board composition and effectiveness compared to other companies—and allows you to search an extensive database of qualified board candidates.

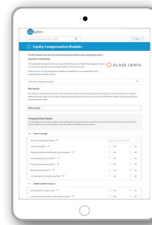
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Diligent Insights

Diligent's thought leadership application offering articles, episodes and research from industry leading content partners like NACD, PwC's Governance Insights Center, Spencer Stuart, and The Diligent Institute.

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CGLytics

A Diligent partner offering executive compensation data and analysis tools—and the official data provider for Glass Lewis' proxy papers and custom policy engine service.

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Resources

- [Winds of Change: Environmental Sustainability Rises to the Board Level](#)
- [Is Your Board Prepared for the Rise in ESG Activism?](#)
- [The Company Secretary Role: Adapting in an Era of Disruption](#)
- [Will "Tone at the Bottom" Impact Your Shareholder Value?](#)
- [Should Directors Do Their Own Due Diligence?](#)
- [The High Cost of Governance Deficits: A Case for Modern Governance](#)
- [How Boards Can Avoid a Disruptive Shareholder Activist](#)