The Closed Session

GOVERNANCE TOOLKITS BY PAUL HALPIN

The Governance Notes Archive

Nineteen editions, in reading order

Governance Notes by Paul Halpin (formerly Governance Decoded)

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GOVERNANCE NOTES · EDITION 1

The Invisible Architecture of Board Decisions

First published 12 March 2026

Welcome to Governance Decoded

This is the first edition of something I've wanted to build for a long time.

For the past several months, I've been writing about governance on LinkedIn — short posts that challenge assumptions, surface uncomfortable questions, and try to close the gap between how boards are supposed to work and how they actually work. The response has been extraordinary. Hundreds of thousands of impressions. Thousands of comments and likes. Directors, chairs, CEOs, company secretaries, advisors, and aspiring board members from six continents, all joining a conversation about what governance really looks like when you're in the room.

But a LinkedIn post can only do so much. It can change how you see a problem in sixty seconds. It can't give you the full picture. It can provoke a thought. It can't follow that thought to its conclusion.

Governance Decoded is the space where I can.

What Governance Decoded is

This newsletter is where I go deeper on the governance questions that matter. Not the compliance questions — you have legal and regulatory advisors for those. The human questions. The structural questions. The questions that determine whether a board is genuinely governing or merely creating an illusion of governance by holding meetings without challenge and discussion.

Why do decision rights blur between boards and management, even when the charter is crystal clear? Why do smart, experienced directors stay silent when they know something is wrong? Why does the same board that rigorously evaluates every executive give its own performance a pass? Why does the CEO filter information before it reaches the board, and what does that tell us about the relationship, not the CEO?

These are the questions I'll explore here. Not with abstractions, but with the patterns I've observed across twenty years of board service across multiple sectors, jurisdictions, and governance models. Every edition will give you a way of thinking about a governance challenge that you can carry into your next board meeting, your next committee session, or your next conversation with a fellow director.

Who belongs here

Everyone who takes governance seriously.

I mean that without qualification. You might chair a FTSE board or sit on a village hall committee. You might be a CEO navigating your first board relationship or a seasoned non-executive on your nineteenth. You might be a company secretary who sees more governance reality in a single week than most directors see in a year. You might be a governance consultant, a board evaluator, an investor relations professional, or a lawyer who advises boards. You might be studying governance, teaching it, or writing about it. You might be a director in Nairobi, a chair in Copenhagen, or an advisor in Mumbai.

Governance is not the preserve of any single sector, jurisdiction, or career stage. The principles that make a listed company board effective are the same principles that make a not-for-profit board effective, even if the context is different. A PE-backed portfolio company and a public sector entity face the same fundamental governance tension between oversight and execution, even if the stakeholders and the politics are different. A family business and a state-owned enterprise both wrestle with the boundary between ownership influence and board independence, even if the ownership looks nothing alike.

What connects all of you is that you care about doing this well. You're not satisfied with governance as a box-ticking exercise. You want your board to be genuinely useful. That's what this newsletter is for, and that's why you belong here regardless of where you sit in the governance world.

What to expect from each edition

Every edition of Governance Decoded will give you:

A deep analysis of a governance topic that goes well beyond what a LinkedIn post can cover. I'll explore the root causes, the behavioural drivers, and the structural patterns that explain why governance works the way it does — or doesn't.

A practical insight you can use immediately. Every edition includes at least one question set, self-assessment, or diagnostic lens that you can apply to your own board before the next meeting. Not theory. Application.

A context spotlight that shows how the topic plays out differently in a specific governance setting — founder-led companies, PE-backed boards, public sector entities, cross-cultural environments, and more. Because governance is never one-size-fits-all.

Voices from the community. Your comments on LinkedIn have been one of the richest sources of insight in this project. Where possible, I'll feature reader perspectives in each edition, because governance is a collective practice and the best thinking comes from the people doing the work.

A companion publication

Alongside Governance Decoded, I'm launching a companion publication — a paid newsletter for directors and governance professionals who want to move from understanding governance to implementing it.

The distinction is simple: Governance Decoded helps you think about governance. It equips you to act on it.

Where this newsletter gives you the analysis, the patterns, and the "why," the companion publication gives you the implementation frameworks, the templates, the facilitation guides, and case studies. The tools you'd want if you were about to walk into a board meeting and change something.

Each fortnight, both publications explore the same governance theme. You'll find that Governance Decoded gives you the full picture of the problem, and the companion publication gives you the full toolkit to address it. In every edition here, I'll let you know what's available to paid subscribers so you can decide for yourself whether the toolkit is something you need.

But let me be clear: Governance Decoded is not a teaser. It is not a summary. It is not a preview of the paid content. Every edition you receive here is designed to be genuinely valuable on its own terms. I will never hold back the thinking to sell you the tools. If this newsletter is the only thing you ever read from me, it should help you with your governance thinking.

Your part in this

The governance conversation that began on LinkedIn was never a monologue. Your comments, your questions, your stories from your own boards — they shaped what I wrote about and how I thought about it. I want the same dynamic here.

When you read something that resonates, tell me why. When you disagree, tell me that too. When you try something from this newsletter in your own boardroom and it works — or doesn't — share what happened. The best governance content I can write is the content that is tested against your reality, not just mine.

And if you know a fellow director, a chair, a CEO, a company secretary, or anyone who cares about governance, share this with them. The wider this community grows, the richer the conversation becomes.

In this first edition

We begin with a problem that every board has and almost no board has solved: decision rights. Who decides what? Not according to the charter — according to the room. In the

article below I'll explore why decision rights blur, what happens when they do, and what the Chair-CEO relationship has to do with it. Plus a five-question self-assessment you can use before your next board meeting.

Let's begin.

Paul Halpin

Demystifying Board Excellence

The Invisible Architecture of Board Decisions

Every board has a governance framework. Most boards have a charter. Many have a delegation of authority matrix.

And yet, in twenty years of serving on boards across multiple sectors and jurisdictions, the single most common governance failure I've witnessed is this: nobody is entirely sure who decides what.

Not in theory. In theory, the documents are clear. I mean in practice. In the room. When a strategic question surfaces and the Chair asks a probing question, does the CEO hear governance or supervision? When a director offers operational insight, does management hear perspective or instruction?

This is the invisible architecture of board decisions. It's not written in any charter. It's constructed, conversation by conversation, in the patterns of interaction between board and management. And when that architecture is unclear, everything downstream suffers: strategy becomes contested, accountability becomes diffused, and the relationship between Chair and CEO becomes the fault line along which governance fractures.

Why Decision Rights Blur

The blurring rarely happens because people are acting in bad faith. It happens because of three structural forces that operate in every boardroom:

First, expertise creates gravity. Board members are selected precisely because they bring deep operational and strategic experience. A former CFO on the audit committee doesn't just want to review the numbers; they instinctively see how they'd improve the strategic analysis of the business, the funding arrangements, and the financial reporting process. A director with supply chain expertise doesn't just want to understand the risk; they want to fix it. This expertise is an asset to the board. But it becomes a liability when it pulls directors from oversight into execution.

Second, ambiguity feels collaborative. When a Chair says "I think you should consider restructuring the commercial team," it feels like helpful guidance. The Chair isn't issuing

an instruction. They're sharing a view. But the CEO hears it differently. Coming from the Chair, a suggestion carries implicit authority. And over time, a pattern of suggestions becomes a pattern of direction, without either party recognising the shift.

Third, stress compresses boundaries. When performance deteriorates, when a crisis hits, when the board is anxious about outcomes, the natural response is to get closer to the problem. Directors ask more detailed questions. The Chair increases contact with the CEO. Meeting frequency rises. All of this may be appropriate. But without conscious effort, the boundary between governance and management quietly disappears. The board starts solving problems that management should own. And management, feeling supervised rather than supported, stops owning them.

The Four Types of Board Decisions

In my experience, effective boards distinguish between four categories of decision. Most boards operate with only two (approve or don't approve) and lose enormous governance value as a result.

Category 1: Decisions requiring formal board approval. These are the decisions where the board votes and the outcome is binding. Major acquisitions, annual budgets, CEO appointment, capital raising. Most boards handle this category well because it's legally defined.

Category 2: Decisions requiring board consultation before management acts. This is where governance value is created or destroyed. These are strategic decisions that management will ultimately make, but where the board's perspective should shape the thinking before the decision is taken. Market entry, organisational restructuring, significant contract negotiations. The board isn't approving; it's pressure-testing.

Category 3: Decisions delegated to management with reporting obligations. Management acts and reports back. The board monitors outcomes against agreed criteria. Most operational decisions should sit here, but many boards inadvertently pull Category 3 decisions into Category 2 because individual directors want to weigh in.

Category 4: Decisions fully delegated with no routine reporting. Day-to-day operations. Hiring below executive level. Vendor selection within approved budgets. If these decisions are reaching the board or the Chair's desk, something is wrong with the delegation framework.

The real governance challenge sits in Categories 2 and 3. The line between "the board should be consulted" and "management should just get on with it" is where most friction lives.

The Chair-CEO Dynamic as Decision Rights Mechanism

In an earlier post, I described the pre-board framing session: the meeting where Chair and CEO review the draft agenda five to seven days before circulation and align on what requires a decision, what requires a preliminary discussion, and what is an update.

What I didn't say explicitly is that this session is, in practice, the most important decision rights mechanism in the governance system. It's where the Chair and CEO negotiate, in real time, which category each agenda item belongs to. It's where the CEO can flag that a topic isn't ready for decision. It's where the Chair can signal that the board will want deeper engagement than a simple update.

When this conversation happens well, the board meeting runs smoothly because everyone knows what's being asked of them. When it doesn't happen, boards drift into operational territory because the framing wasn't established in advance.

Five Questions to Test Your Board's Decision Rights Clarity

Before your next board meeting, ask yourself:

- Can I articulate, without checking the charter, which decisions on next month's agenda require board approval and which are for information?
- In the last twelve months, has a board discussion unexpectedly turned into an operational deep-dive that management didn't anticipate?
- Does the CEO clearly distinguish between matters where they are seeking board guidance and matters where they are seeking board approval?
- When a director offers an operational suggestion in a board meeting, is it clear to everyone whether that's advice or instruction?
- Has the board ever revisited its delegation framework in response to a change in circumstances (new Chair, new CEO, crisis, growth, new market)?

If you answered "no" or "I'm not sure" to two or more of these, your board may have a decision rights gap that no charter can fix.

Context Spotlight: Founder-Led Companies

Decision rights take on a distinctive complexity in founder-led companies. The founder-CEO often holds significant equity, deep institutional knowledge, and a personal identity tied to the company. The board may include investors with contractual veto rights, independent directors appointed for governance credibility, and the founder's trusted advisors.

In this context, formal decision rights can be undermined by informal power dynamics. The founder's view carries weight that no governance document can neutralise. And

independent directors face a dilemma: push too hard on governance boundaries and risk being sidelined; accept the status quo and fail their fiduciary duty.

The boards I've seen navigate this successfully don't try to constrain the founder's influence. Instead, they create structured forums for that influence to be exercised transparently. The founder's perspective is heard, tested, and integrated into board decisions through process, not personal authority.

A question from the community

A reader asked on LinkedIn: where should boards draw the line between oversight and operational involvement when risk is rising?

The honest answer is that the line doesn't move — but the board's engagement with it should. When risk rises, the appropriate response is heightened scrutiny, not heightened involvement. The board should be asking sharper questions, requesting more frequent reporting, and shortening the feedback loop with management — not reaching into operations to take decisions that management should own. The distinction matters because the moment a board starts solving problems rather than governing through them, it transfers accountability in a way that is very hard to reverse. Management, sensing that the board will step in when things get hard, has diminished incentive to own the outcome. The right governance response to rising risk is a board that governs more intensively — not one that governs differently.

What's the governance question your board keeps circling but never fully answers? Reply or DM me. The best questions will shape future editions.

Until next time,

Paul

GOING DEEPER

This edition sorted a board's decisions by who initiates, who is consulted, who approves and who is informed. Running that sort across every significant decision, in one structured conversation, is the work the Decision Rights Clarity Map is built for.

See The Decision Rights Clarity Map → at the-closed-session.com

The Board's Blind Spot

First published 26 March 2026

Why the body responsible for holding the entire organisation to account has systematically exempted itself from the same discipline — and what it costs.

Every board has an evaluation process for the CEO. Most boards have a compensation committee that reviews executive performance against measurable targets. There are dashboards, KPIs, external benchmarks, and, in listed companies, shareholders who express their views through voting and public commentary.

Now ask: what is the equivalent process for the board itself?

In most organisations, the honest answer is: there isn't one. Or if there is, it's a questionnaire circulated once a year, by the company secretary. The results are not shared with the board, and they do not lead to any meaningful change.

This is the board's blind spot. The body responsible for holding the entire organisation to account has systematically exempted itself from the same discipline.

I put this question to the LinkedIn community last week. The response was striking: 70,000 impressions and many comments from board directors, chairs, and governance professionals across five continents. The scale of engagement told its own story. This isn't a niche concern. It's a widely-recognised gap that most boards still have not closed.

What the Community Said

Before diving into the gap, it's worth pausing on what the discussion revealed — because the practitioners who responded surfaced insights that no textbook delivers.

Buddy Willard opened with Juvenal: "Quis custodiet ipsos custodes?" — "Who watches the watchmen?" Written two thousand years ago. Still unanswered in most boardrooms. It's a useful starting point because it names the structural problem: there is no natural oversight mechanism for the body that sits at the top of the oversight chain.

Vijay Mistri nailed the cascade effect: when self-evaluation is absent at the top, it gives the whole system permission to avoid honest assessment. This is the part boards underestimate. The signal a board sends by exempting itself from evaluation doesn't stay inside the boardroom — it travels down through the organisation, eroding accountability at every level.

John Declerck described what evaluation becomes without teeth: a self-scoring exercise that produces 4.3 out of 5 and reassures everyone that nothing needs to change.

Directors who have sat through these exercises will recognise the pattern. The evaluation exists. It just doesn't change anything.

Jeannette Lichner offered the most practical fix in the entire thread: close every board meeting with ten minutes asking how the board itself performed. Simple. Almost free. Rarely done — even though the return would be immediate. If you take one thing from this edition, consider making that standing practice.

These four contributions distil the problem and point toward the solution. The awareness exists. The will to make evaluation real — linked to outcomes, honest, and focused enough to change something — is what's missing.

The Psychology of Deference

Understanding why the gap persists requires looking beyond governance structures into human behaviour. Three forces conspire to prevent honest board evaluation:

Collegiality bias. Board members work together in a high-trust, high-stakes environment. They share confidential information, make consequential decisions, and rely on mutual respect. Evaluating a colleague's contribution feels like a violation of that trust. Directors fear that honest assessment will damage relationships they depend on.

Authority gradient. The Chair holds significant informal power: they set the agenda, allocate speaking time, manage board composition, and influence director reappointments. Evaluating the Chair feels risky for directors who depend on the Chair's goodwill for their continued board service. This is especially acute in boards where the Chair played a role in recruiting the directors.

Competence assumption. Board members are typically accomplished professionals. The assumption is that accomplished people don't need evaluation. If someone has been a CEO, a partner at a professional services firm, or a government leader, surely they know how to contribute to a board? This assumption ignores the reality that board effectiveness is a distinct skill that doesn't automatically transfer from executive experience.

These three forces operate silently. No one stands up in a board meeting and says, "I don't want to be evaluated." Instead, the topic simply never reaches the agenda. The Chair doesn't propose it. The company secretary doesn't schedule it. And year after year, the gap persists.

What Good Board Evaluation Actually Looks Like

Most board evaluations focus on process: meeting attendance, board pack distribution timelines, committee reporting. These are hygiene factors. They tell you whether the

machinery is running, not whether the machine is producing results or whether it is capable of adapting to a changing and uncertain world.

Effective evaluation measures governance outcomes — whether the board is making the organisation better governed, better led, and better prepared for what's ahead. It operates at three levels:

The board as a whole. Is this board, collectively, adding value beyond compliance? Is the quality of strategic debate improving year on year? Are the right issues reaching the boardroom before they become crises? A board that cannot point to specific instances where its intervention changed an outcome has not yet demonstrated its value.

Individual director contribution. Not attendance records — the contribution that the individual director makes. Is every director bringing something distinctive to the table? Are directors preparing properly, challenging constructively, and offering perspectives that management doesn't already have? The hardest version of this question: is there a director whose departure would make no material difference to the quality of board deliberation?

Committee effectiveness. Committees are where the board's detailed work happens. An audit and risk committee that simply reviews what management places before it is not performing. A remuneration committee that nods through external benchmarks for executive pay without interrogating the comparability and underlying performance metrics is rubber-stamping, not governing.

The mark of a good evaluation is that it makes directors feel that the board is ready for the future. Occasionally, this can involve identifying at least one uncomfortable truth. If the process concludes with universal satisfaction and no action items, it has failed. As John Declerck's observation reminds us: 4.3 out of 5 is not an evaluation. It's a sedative.

Ten Questions That Go Beyond Process

These are the questions I encourage boards to confront honestly. They move beyond process hygiene into the territory that actually determines whether a board is governing or simply meeting:

- In the last twelve months, has the board challenged the CEO's thinking about a significant strategic decision? How?
- Can you name an opportunity and risk combination where the board deepened the thinking of management to the point where the proposed capital allocation and the strategic positioning changed significantly?
- Does the board spend more time on the future or the past? What is the approximate ratio?
- When a director raises a dissenting view, what happens next? Is the dissent explored or managed?

- Has any director privately expressed a strategic concern that they did not raise in the boardroom? Why not?
- Does the Chair actively seek out the quietest director's view, or do the same voices dominate?
- Has the board evaluated its own composition against the company's strategic needs in the past two years?
- Can the board articulate the organisation's risk appetite in concrete terms, to the point where new projects proposed are measured by reference to it?
- Is succession planning — for the CEO, the Chair, and the board itself — a standing governance priority, as a sign of future readiness and discipline, or an afterthought?
- If the CEO were to leave tomorrow, could the board execute the succession plan with impressive results?

These questions are not designed for a questionnaire. They are designed for a closed session — led by the Chair, the Senior Independent Director, or an external facilitator — where the answers matter more than the scores.

What This Means for the Chair

If you chair a board, this edition carries a specific message for you.

The Chair is the single most consequential figure in determining whether board evaluation happens, whether it is honest, and whether it leads to change. No other director has the positional authority, the agenda-setting power, or the relational capital to make evaluation a standing practice. If the Chair does not champion it, it will not happen.

This means the Chair must do something that is genuinely difficult: invite evaluation of their own performance. Not in a perfunctory way — not a casual "any feedback?" at the end of a long meeting — but through a structured process, ideally facilitated by the Senior Independent Director, the Lead Independent Director, or an external party.

The questions the Chair should want answered are specific:

Am I creating the conditions for genuine challenge in the boardroom, or has the board become too comfortable? Am I giving adequate space to every director, or am I unconsciously favouring the voices I find most agreeable? Am I managing the boundary between governance and management effectively, or has the board drifted into operational territory? Is the relationship between the board and the CEO one of constructive tension, or has it settled into either deference or friction?

A Chair who asks these questions — and acts on the answers — does two things simultaneously. First, they improve the quality of governance directly, because a better-chaired board makes better decisions. Second, they set the cultural standard for the

entire board. If the Chair submits to honest evaluation, no director can credibly resist it. Vijay Mistri's cascade principle works in both directions: the signal from the top either permits avoidance or demands accountability. The Chair decides which.

How Chair Evaluation Affects the CEO

There is a direct line between Chair evaluation and CEO transparency. In boards where the Chair is evaluated rigorously, CEOs are more likely to surface bad news early. The mechanism is straightforward: if the Chair is accountable for creating an environment where challenge is welcomed and information flows freely, the CEO has confidence that sharing a problem will be received as governance, not as a trigger for increased supervision.

Conversely, in boards where the Chair is unevaluated, the CEO has no signal about how the Chair will respond to unwelcome information. The rational response is to manage information carefully, sharing problems only when they are accompanied by solutions. This is precisely the information filtering that erodes board effectiveness over time.

The implication is practical: if a board wants better information from the CEO, the most effective lever is not a better reporting template. It is a better-evaluated Chair.

Context Spotlight: Evaluation in Public Sector and State-Owned Entities

Board evaluation takes on additional complexity in the public sector. Chairs may be political appointees. Directors may serve at the discretion of a Minister. The board's performance is judged not only by organisational outcomes but by political considerations that are invisible to the formal governance framework.

In this context, standard evaluation approaches can feel irrelevant or even threatening. A director who evaluates a politically-appointed Chair risks being perceived as challenging the appointing authority, not the individual.

The boards I've seen handle this well separate the evaluation of governance process (which can be assessed objectively) from the evaluation of individual contribution (which requires more sensitivity). They use external facilitators who are seen as independent of the political context. And they frame evaluation as a development tool rather than a performance review, reducing the perception of threat.

For directors serving on public sector boards, the Edition 1 principle applies here too: clarity of decision rights becomes even more critical when the line between political direction and governance oversight is blurred. If you missed that edition, you'll find the full discussion of decision rights and role clarity in the Governance Decoded archive.

Your Boardroom Takeaway

This edition exists so that you can walk into your next board meeting with the language, the clarity, and the confidence to raise the evaluation question — even if no one else has.

Here is what you now have:

The language: "We hold management to a rigorous evaluation standard. What is the equivalent standard we apply to ourselves?" That question, asked calmly and without accusation, reframes evaluation from threat to consistency.

The clarity: You understand the three psychological forces — collegiality bias, authority gradient, and competence assumption — that prevent evaluation from happening. Naming them in the room takes away their power.

The confidence: You have ten specific questions that move the conversation beyond process hygiene into genuine governance assessment. And you have Jeannette Lichner's practical starting point: ten minutes at the close of every meeting, asking how the board itself performed. If the full evaluation framework feels like too large a first step, that is a first step anyone can take.

This edition gives you the framework and the questions. But I'm aware that knowing what good evaluation looks like and actually introducing it to a board are two different things. The first requires clarity. The second requires scripts, templates, facilitation guides, and the confidence to lead a conversation that most boardrooms have been quietly avoiding.

That's the gap I'm building something to close.

More on that soon.

Until next time,

Paul

GOING DEEPER

This edition ended on the ten-minute version anyone can start on Monday. The 360-Degree Board Evaluation is the full instrument for the boards ready to go past ten minutes, across the board, the committees and the individual director.

See The 360-Degree Board Evaluation → at the-closed-session.com

GOVERNANCE NOTES · EDITION 3

The Director Who Won't Leave

First published 9 April 2026

What to do when everyone in the room has reached the same private conclusion — and no one will say it out loud.

Every board has a process for managing underperformance. There are KPIs for executives, appraisals for the CEO, compensation committees with performance conditions, and — in listed companies — shareholders who will vote against a remuneration report they find unconvincing.

Now look at the director who has been sitting at your board table for eleven years. The one whose questions haven't changed in three years. The one who stopped preparing properly somewhere around the middle of their third term. The one whose contribution — if you were being honest in a private moment — would not be missed.

Ask yourself: what is the process for addressing that?

In most organisations, the honest answer is: there isn't one. The evaluation exists on paper. The conversation has not happened. The seat is occupied by someone who has stopped earning it, and the rest of the board has made a silent collective decision to tolerate the gap rather than close it.

This is one of corporate governance's most reliable blind spots. The board that rigorously holds management to account has quietly, systematically exempted one of its most important questions from the same discipline: is every director in this room still the right person for this seat?

What the Community Said

Recent LinkedIn posts on what individual directors actually do when the board fails to address its own governance gaps generated responses that map precisely to this question. Four in particular stayed with me.

Heidi Douglas distilled the choice facing every director who can see a problem the board is not addressing:

"Raise it again… and risk becoming the problem. Stay silent… and become part of what follows."

Twelve words. No governance textbook captures the dilemma as precisely. The director who raises the concern about a colleague's contribution risks the relationship, the room, and — depending on the culture — their continued tenure. The director who says

nothing becomes complicit in the outcome their silence enables. There is no neutral position. Staying silent is a governance decision as much as speaking is.

Siobhan Weightman named what keeps directors in situations they know are not working:

"The sad reality is that many choose the mortgage over the mission."

She was writing about a different governance failure, but the observation applies here with the same precision. A director who stays in a seat they know they should vacate — because the fee matters, because the chair asked them to, because they have nowhere else to go — is making a private calculation that most governance writing doesn't acknowledge. The mortgage over the mission is not a failure of character. It is a structural consequence of a system that creates no honest off-ramp and no dignified alternative.

Jonathan Bennett offered the most practical framework in the entire discussion:

"Canvas fellow directors first. Re-raise the issue and expect not to be alone. If I'm still alone on a material matter being ignored, I'm on the wrong board."

This sequential logic is exactly what the individual director needs. Not a principle — a sequence. Check your isolation before you formalise your concern. Build your position before you expose it. And if you are genuinely alone with a material governance concern that the board will not address, accept the conclusion that the situation makes inevitable: this is not the right environment for you.

Chandra Sekar Iyer Parameswaran identified the force underneath all of this:

"People fall into a conformist mindset because the chair is seen as the authority. Many prefer to maintain the status quo, which ultimately undermines the very purpose of the discussion."

The problem of the director who won't leave is often, at root, the problem of the chair who won't act — and a board culture that has learned not to challenge either.

The Psychology of Staying

Understanding why a long-tenured director doesn't leave — and why no one asks them to — requires looking beyond governance structures into the forces that operate underneath them. There are three on each side of the equation.

Why the director stays.

The first is comfort. This is the most common and the most underestimated. The meetings are manageable. The fee is not insignificant. The prestige of the association

still means something. There is no external pressure to move, and the internal experience — surrounded by peers who are too professional to show impatience — creates no particular discomfort. The comfortable director doesn't stay because they're obstructive. They stay because nothing in their environment creates a reason to leave.

The second is capture. Some directors owe their position, explicitly or implicitly, to someone else in or around the board — the chair who recommended them, the founder who invited them, the significant shareholder whose confidence they represent. Leaving feels like betrayal. Their tenure is tied to a relationship, and they know, on some level, that their independence is structural fiction. Staying has become an obligation that has nothing to do with governance.

The third is the absence of feedback. The entrenched director genuinely does not believe they have stopped contributing, because nothing in their environment has told them they have. The evaluation process doesn't produce individual-level data. The chair is too conflict-averse to say it plainly. Their peers are too professional to show what they see. In the absence of honest feedback, a director's self-assessment defaults to the last version of it that was tested — which, for a long-serving director, may have been years ago.

Why the director can't leave, even when they want to.

This is the situation that governance writing almost never addresses. It is not rare.

The director who is financially dependent on the fee faces a calculation that is not always comfortable to acknowledge. Non-executive fees are rarely life-changing, but for directors earlier in their board careers, or in markets where NED compensation is modest, a regular fee is meaningful income. Leaving without a replacement role in place is not straightforward, and the pressure to stay is real.

The director under relational pressure has been explicitly asked to stay — by the chair, the founder, or a significant shareholder — sometimes with a specific rationale, sometimes simply as an expression of trust. Refusing is a betrayal of a relationship that has real professional value. The ask carries the weight of that history, and honouring the governance logic over the personal loyalty is not as simple as it looks from the outside.

The director who is holding a seat that they know was at least partly shaped by diversity considerations carries a different weight. If they leave, will the board replace them with someone like them? In markets where board diversity is fragile and often performative, this concern is not abstract. The sense of responsibility — to not vacate a space that was hard to create — can override a director's honest assessment of whether they are still the right person to hold it.

What the Overtenured Director Costs

The costs of the director who stays too long are typically invisible until they aren't.

To governance quality. A board's effectiveness depends on the quality of the challenge it brings to management's assumptions. The long-tenured director who has stopped preparing has become, in the board meeting, a net drain on the quality of discussion — not because they are disruptive, but because the time the board allocates to their contributions yields less than it would if those contributions were more substantive, or absent. In aggregate, across a year of board meetings, the cost is significant.

To the board's culture. The director who raises issues infrequently but substantively becomes slightly less likely to speak in a board that has established what is and isn't said aloud. The director who is new, and who can see the composition problem clearly precisely because they haven't yet been socialised into the board's tolerances, learns that certain observations are not welcome. A board that cannot hold itself accountable for its own composition cannot hold anyone else accountable at the quality it should. That is not an exaggeration — it is a structural consequence.

To shareholders and management. Board composition is increasingly a factor that institutional investors and proxy advisors assess explicitly. Director tenure, independence, and skills disclosure have all moved sharply up the investor agenda. A board that carries directors significantly beyond what its own policies suggest is appropriate sends a signal about its willingness to hold itself to the standards it sets for others. That signal is read, and it affects confidence. And through management, it travels further: when staff see that accountability does not apply at the top, they take note.

To the director themselves. This is the cost that governance writing routinely ignores. The overtenured director who has stopped contributing is not, by any measure, in a better position by staying. They are accumulating diminishing influence, growing irrelevance, and — if the situation ever reaches a formal or public resolution — the reputational damage that comes from a departure that has the shape of one that was too long delayed.

Ten Questions That Go Beyond Process

These are not designed for a questionnaire. They are designed for a closed session — a conversation led by the chair, the Senior Independent Director, or an external facilitator — where honest answers matter more than comfortable scores.

1. Can you say, specifically, what each director on your board brings that no other director brings? And when did you last test that answer? 2. If you were building this board from scratch today — to govern this specific organisation through its next

strategic phase — who would you include without question? 3. When did the last director leave your board, and how did it happen? What does that tell you about how the board manages its own renewal? 4. Does your board conduct individual director assessments? If not, why not — and who benefits from their absence? 5. Is every director on your board genuinely independent, in a way that would survive scrutiny — from the chair, from the dominant shareholder, from the CEO? 6. For your own seat: in your last six meetings, what did you contribute that changed the direction of a discussion in a way that would not have happened without you? 7. Are you on this board because it is the right board to serve at this point in your career, or because it is comfortable and familiar? 8. If a trusted peer reviewed your last six meetings honestly, what would you hope they said? What would you fear they said? 9. Has the board evaluated its own composition against the organisation's strategic needs in the past two years? 10. Is there a director in the room whose departure would make no material difference to the quality of board deliberation? If so, what is the board's plan?

If the last question is too uncomfortable to ask in a room that includes all the directors, that discomfort is itself a governance signal. Note it.

What This Means for the Chair

If you chair a board, this edition carries a specific message for you.

The director who overstays their contribution almost always does so because the chair has not acted. Not necessarily because the chair cannot see the problem — in most cases they can — but because the relational and positional cost of acting feels greater than the governance cost of not acting.

This calculation is almost always wrong, and it tends to compound over time.

The chair who appointed the long-tenured director, or who has a friendship that predates the board, faces a genuine conflict when assessing that director's continued contribution. The most functional resolution to that conflict is a structured process — an individual assessment, a composition review against the strategic plan, a properly chaired Nominations Committee conversation — that gives the chair something other than their own judgment to act on. Without that structure, the chair is relying on their personal authority to deliver a message they have a personal reason to soften. Structure removes the ambiguity.

Where the Nominations Committee exists, it should be independently chaired by the Senior Independent Director — not by the board chair. This is precisely why the SID role exists. Where the NomCo is chaired by the board chair, it cannot perform the function it exists to serve, because the person with the most authority over board composition is also the person least able to assess it without bias.

And there is a version of this problem that most governance writing does not name plainly: the chair who is the problem. The longest-tenured member of many boards is the chair themselves. The chair who has become too embedded in the CEO relationship, too comfortable with current composition, too resistant to the refreshment that the board needs — that is a situation in which the Nominations Committee and the Senior Independent Director are not a nice-to-have. They are the only mechanism available.

Context Spotlight: Owner-Led and Emerging Market Boards

The director who won't leave takes a distinctive form in owner-led and founder-led businesses, and in many emerging markets, including much of Africa. Two factors amplify the problem and shape the toolkit required to address it.

The first is structural. In a company where the founder is also the CEO and the majority shareholder, directors are frequently appointed through personal relationship rather than formal process. The boundary between loyalty to the founder and independence from the founder was blurred at the moment of appointment, and it does not clarify over time. A director who has become operationally or relationally captured may have no realistic mechanism through which peer concern can be raised without the founder's involvement — which immediately makes a governance question into a personal one. And in that situation, most directors choose the relationship.

The second is the size of the talent pool. In many African and emerging market governance environments, the available pool of experienced independent directors is smaller than in more developed markets. This makes every departure feel riskier — because the question of who replaces the departing director does not have an obvious answer. The difficulty of the succession problem becomes a reason not to address the underperformance problem, and the board that should be renewing itself defers because the alternative looks too hard.

Neither factor changes the governance imperative. Both change the toolkit. In these contexts, the framing that works is not "this director should leave" but "what does this board need to be fit for the next phase of this organisation's strategy?" — and a structured composition review, led by whoever can lead it with the most credibility, that produces a skills gap analysis that makes the answer visible without it needing to be personal.

Your Boardroom Takeaway

This edition exists so that you can walk into your next board meeting or governance conversation with the language, the clarity, and the confidence to raise this question — even if no one else has.

The language. The framing that works is not "I think one of our directors should consider leaving." That is a confrontation. The framing that works is: "I'd like to propose that we include a board composition review as part of this year's governance agenda — specifically, a review of whether our current composition maps to what the organisation needs for the next strategic phase." That question is entirely legitimate, entirely forward-looking, and entirely un-ignorable. It does not name a director. It does not require a confrontation. It creates the structure through which the honest answer can eventually emerge.

The clarity. There are two distinct problems in this territory, and conflating them produces the wrong response. The director who won't leave is a governance problem with a governance solution: individual assessments, a properly structured Nominations Committee, a chair willing to have a direct conversation. The director who wants to leave but can't is a human problem — relational pressure, financial dependency, a sense of obligation — and the response to it is different: a private, honest conversation that makes the off-ramp visible and removes the pressure that is keeping the director in a seat that no longer fits either party. Know which situation you are in before you choose your approach.

The confidence. Heidi Douglas named the binary choice with precision: raise it and risk becoming the problem, or stay silent and become part of what follows. There is a third option that her framing implies but doesn't name: raise it through the right process, with the right framing, to the right person, before it becomes a crisis. That is the option that most governance writing doesn't give you a script for, because it requires both the honesty to name the problem and the discipline to name it in a way that the board can act on. Your first move is the private one: a direct, professional conversation with the chair framed around composition and strategy, not around the individual. If that produces nothing, use Jonathan Bennett's sequence — canvas fellow directors, build your position, and then decide whether this is the right board for you to continue serving. You are not obliged to stay silent in a governance environment that will not hold itself accountable. And you are not obliged to stay on a board that won't.

A number of you have asked what I've been building alongside this newsletter. It's a paid companion service for directors and governance professionals who want the implementation side of governance: frameworks, evaluation toolkits, and board-ready tools. It's coming soon, and I'll have more to say in the next edition.

Until next time,

Paul

GOING DEEPER

This edition asked the hardest question a board avoids: whether a long-serving director's departure would change the quality of its deliberation. The 360-Degree Board Evaluation is how that question gets asked of every seat, as discipline rather than confrontation.

See The 360-Degree Board Evaluation → at the-closed-session.com

Your First Year as a Board Director Is Four Meetings

First published 23 April 2026

What a quarterly board really means for a new director — and how to use it

A new employee gets ninety days. A new executive gets six months. A new director on a quarterly board gets four quarters. For all practical purposes, your first year might as well be four meetings.

Four boardroom appearances — roughly one every ninety days — when you make your first impressions, and the board forms its view of who you are, what you add, and whether the appointment was a good one. Most new directors don't actively manage this first year, and they miss opportunities as a result.

It's not easy. You arrive knowing that you should be well-prepared, engaged, and ready to contribute. What no one tells you is the precise nature of the game you're playing: that each of those four meetings carries disproportionate weight, that the twelve-week stretches between them matter as much as the meetings themselves.

This edition is about helping the new director to see opportunities that will help them in their first year. It is written to the individual director — not to the board as a group, not to the governance process — and its purpose is to give you a practical lens so that you shape your approach to those four meetings consciously, and benefit as much as possible from your first year.

Why the quarterly cadence changes everything

Most governance writing treats board effectiveness as something the board achieves collectively. This edition begins somewhere different: with the experience of a single director who shows up to a room of peers she barely knows, carrying institutional knowledge she hasn't yet built, trying to establish authority she hasn't yet earned.

On a monthly board, relationships develop through repetition. A weak first meeting is recoverable. A quiet patch is noticed but not defining. There is enough accumulated data for a director's contribution to be assessed fairly over time.

Quarterly boards don't offer that. When directors meet four times a year, every meeting carries disproportionate weight. Every contribution — or absence of one — is remembered, because there are so few data points. And because the gaps between

meetings are twelve weeks long, any impression you create takes three months to either reinforce or correct.

There is a compounding problem. If the rest of the table has been meeting for three or more years, they carry years of pattern recognition, shared language, and relationship depth with management that you simply don't have. That information asymmetry is real and it does not close by attending meetings. It closes by working deliberately in the intervals between them.

Your work rate in the first year should feed your mind and address the information asymmetry. You have an opportunity to gather information that no other director has. Why? Because you are new. Use it.

Understanding this changes your approach to every meeting. It also changes your approach to the twelve weeks before every meeting.

Start strongly — Lead your induction. Don't wait for it.

The induction process a company provides is a starting point, not a syllabus. Treat it as the floor, not the ceiling. From the outset, tell the company what additional information you need: the historical board papers, the investor materials, the strategic plan, the last three annual reports, the previous board evaluation reports. A new director who specifies what she needs to be effective is already behaving like an effective director. One who waits to be given what the company decides to share is not.

Start with the business and the industry: who are the competitors, how is the sector evolving, what are the macroeconomic headwinds and tailwinds that will shape the company's next three to five years?

Understand the ecosystem — regulators, suppliers, key customers, strategic partners, competitors and emerging disruptors.

Then build your independent view of the business: what does it do well, where is it exposed, and what are the questions that the board papers don't fully answer?

Develop this view from external sources before you read the company's board papers.

If your independent reading and the papers tell the same story, the papers have done their job. If they don't, you have found something worth raising at some stage.

What the board is already noticing

Here is an uncomfortable truth: the board begins forming its view of you before you have said a single substantive word.

It notices whether you have read, and reflected upon, the papers — not just whether you can reference them, but whether your engagement in the room reflects genuine prior thinking and deep reflection, assisted by your own research. It notices the questions you ask for clarification versus the questions that reveal an independent perspective. It notices whether you engage with management confidently or defer reflexively. It notices who you speak to in the break, and how.

Experienced directors are, by professional necessity, good at reading rooms and reading people. They can distinguish between a new colleague who is genuinely absorbing the landscape and one who is overwhelmed by it. They can tell when a question is probing and when it is buying time. And they do not say any of this out loud — which means you have no feedback loop unless you create one deliberately.

Many experienced executives are surprised by their first experience as a non-executive director — not because the content is unfamiliar, but because they underestimate how much of the boardroom runs on unwritten rules that no one states and no one explains.

The new director who doesn't yet see those rules isn't just uncomfortable. She is operating without a map in a room where everyone else drew the map years ago.

The fastest way to acquire the map is to ask for it. Before your first meeting, have an honest conversation with the Chair or a trusted peer director about what the board values most, where the tensions currently sit, and — crucially — what topics have been quietly avoided. That conversation is available to you. Most new directors don't have it.

The four meetings: what opportunities each one creates

Understanding what each of your first four meetings can do for your integration into the board changes your preparation entirely.

Meeting one: orient and signal.

Your job in the first meeting is to contribute and to be visibly engaged without feeling that a significant contribution is expected from Day One. It is to observe the dynamics and to orient yourself with genuine precision. And perhaps it will present an early opportunity to send one clear signal about the kind of director you intend to be.

Orientation means something more active than listening. It means identifying the board's dynamics: how the Chair leads, who defers to whom, how the energy feels, where the genuine and constructive challenges come from, how the discussions flow, what management is confident about, how board time is allocated between past performance and forward-looking strategic matters, and — crucially — what topics no one seems willing to raise. That last observation is often the most valuable one a new director can make, and it is only available to someone fresh enough to notice what the veterans have stopped seeing.

The signal is a single, well-chosen question or observation. Not a comprehensive contribution across three agenda items. One moment where you demonstrate that you have read the papers carefully, thought independently, and have something to add that the room didn't already have. That signal sets a tone. It tells the board what you are for. Try to keep it strategic and forward-looking.

Meeting two: establish your lane.

By the second meeting, you should have a clearer sense of where your particular expertise intersects with the business' most pressing and long-term challenges. This is the meeting where you begin to establish what you are specifically useful for — not in a self-promotional sense, but in a way that gives the board a reason to seek out your perspective on certain topics. Escalation of depth in your areas of strength should be top of mind as you prepare for the second meeting.

This is also the meeting where new directors tend to make one of two mistakes. The first is over-caution: still 'learning the landscape,' still waiting for the right moment, still not quite ready. The second is over-compensation: having been quiet in meeting one, going too far in meeting two to demonstrate value, and contributing across too many topics without sufficient depth on any of them.

One topic where you have something genuinely distinctive to add is worth considerably more than five contributions that are broadly correct but broadly the same as what someone else already said. Use language that signals depth of experience, in a concise manner.

Meeting three: survive the test.

Every new director faces a version of this. At some point in the first year — often by the third meeting — something comes to the table that requires you to hold your own. It might arise in a board meeting, or in a board committee meeting. A key strategic decision. A question from management aiming to obtain approval for a matter that requires more board time. A challenge from a long-serving colleague. A topic where your instinct differs from the apparent consensus in the room.

This is not an obstacle. It is the moment your credibility is actually established. Directors who have been in the boardroom for years are not waiting to see whether you can agree with everyone. They are waiting to see whether you will hold a well-reasoned position under pressure. Agreeing gracefully is easy. Holding a view calmly when someone pushes back is what actually builds authority and gains respect.

If by the third meeting you have sufficient context and psychological safety, and there is a genuinely material issue you believe is under-examined, you should create a moment of honest challenge. This could be the first moment where you feel comfortable to

exercise your authority to express a well-considered and independent view. Take it. It will be appreciated.

Meeting four: evaluate and reset.

The fourth meeting closes your first year. By this point, the board has formed a view. The question is: have you?

This is the moment to assess honestly whether you are recognised as a valued board member. Are you establishing the presence you intended? Are you contributing with enough depth of thought? Are you building the relationships you need to function effectively between meetings? Is there a topic you have been avoiding because it felt too early? Is there a peer whose perspective you haven't properly engaged with? Are you feeling fulfilled and valued? Are you seen as a strategic thinker?

Meeting four is also the meeting from which you should look forward. Year two on a quarterly board is the year you should be operating as a fully contributing director. The momentum that you have set can be continued.

What to do in the 90-day intervals between meetings

Your preparation in the intervals is where you build the substance; the meetings are where that substance becomes visible and judged.

The interval work doesn't replace the meetings; it makes the meetings worth having.

Play to your strengths — they are why you were appointed.

You were not appointed because you are a quick learner of other people's disciplines. You were appointed because of what you already know, the analytical methodology you already possess, and the diagnostic instincts you have built over a career. Don't set those aside while you assimilate. Feed them. Use the ninety days to gather the inputs — financial data, market intelligence, operational indicators — that your particular mind needs to form a view. Your job is not to become a generalist director as quickly as possible. It is to bring a specific perspective that the existing board does not have, and to deepen it continuously.

The questions you ask in the boardroom are the primary instrument through which you exercise those skills. Before each meeting, develop your questions from your preparation — not from the agenda alone. The best questions are not the ones the papers invite. They are the ones your independent analysis surfaced. Road test your initial understanding of the business, its people, and its challenges across several intervals before you decide what you think. Forming and revising views is not a weakness. It is the work.

Read the room — all of it.

Between meetings, your preparation extends beyond the business. You are also reading the governance environment itself. Who are the strongest contributors in the boardroom — both directors and management — and what distinguishes their contribution from those who merely attend? How candid is the discussion, and does the quality of challenge reflect genuine independence or habitual deference? What is your assessment of the Chair? Does the Chair genuinely lead the board, or does leadership sit elsewhere — informally, in the hands of a long-serving director or around a significant shareholder, or the company secretary, or the C-suite?

Pay equal attention to the dynamics between the board and the company secretary, and between the Chair and the CEO. These relationships often carry more information about how a board actually functions than the papers or the formal agenda. Notice whether meetings are disciplined or dysfunctional, and ask yourself why. Notice who has been most helpful in briefing you and building your understanding — and who has been an obstacle to it. Both tell you something important about the governance culture that no document will.

Ask yourself regularly where your blind spots are and what unconscious biases you may be carrying into the room. Every context is different. The governance dynamics that applied in the last board you served on, or the sector you know best, may not apply here. The pressure to perform is real, and you should feel it — not as anxiety, but as the engine that drives the preparation. Your work between meetings is not a contingency. It is the source of the confidence you carry into the room.

One more discipline: watch the framing.

The way a matter is framed shapes what the room hears and how it responds. Before each meeting, notice how the papers frame the key issues — what they emphasise, what they minimise, and what they leave out entirely. Then ask yourself: what would it take for this framing to be inappropriate? That question often surfaces the assumptions buried inside the papers.

A director who brings a different frame to a well-settled topic is often the director who asks the question the board needed and hadn't found.

The three mistakes that cost new directors most

Waiting to feel ready. New directors who hold back until they feel sufficiently prepared are, almost without exception, waiting longer than the room expects. Readiness on a board is not a state you reach by preparation alone. It is built by participating — by asking questions, making contributions, and occasionally being wrong in front of people who respect the attempt. The director who speaks imperfectly from meeting two is, by meeting four, considerably more effective than the director who waited until she was certain.

Misreading silence as approval. On some boards, new directors are quiet through several meetings and receive no feedback that anything is amiss. They interpret that silence as confirmation that their approach is working. It isn't always. On many boards, silence is often courtesy, not endorsement. When no one pushes back, all you really know is that they chose not to, not that they rate your contribution. If you are unsure how you are landing, ask. The Chair is almost always the right person to ask.

Neglecting the intervals. The meeting is where you share what you've already worked out, not where you work it out in real time. The most effective new directors do not prepare for meetings in isolation. They have conversations with fellow directors in the weeks before. They seek out one-on-ones with management. They develop views on the critical issues before they arrive in the room, so that their contribution in the meeting is a position, not a reaction. Everything important about a quarterly board meeting is largely determined in the twelve weeks before it opens.

Context Spotlight: When you're joining an established board

The dynamics described above intensify when you are the only new director at the table — which is the common case. A board that hasn't added a new member in three years has developed rhythms, shorthand, and implicit agreements that are entirely invisible to an outsider. Management knows what each director cares about. The Chair knows who to call on and when. And everyone in the room shares a history you have not lived.

In this context, the new director's greatest temptation is to try to join the existing dynamic as quickly as possible — to fit in, to mirror the tone of the room, to avoid disrupting what already works. That instinct is worth resisting. You were appointed, presumably, because the board needed something it didn't already have. The value you bring is most likely to emerge from the perspective you hold that the existing board does not — not from your speed of assimilation.

The boards that waste new directors fastest are those that treat the appointment as a compliance exercise rather than a genuine renewal.

What this means for the Chair

In practice, many Chairs don't treat this as their responsibility, but if you care about the board's investment in the appointment, you should.

It is the Chair who sets the conditions in which a new voice can either contribute or cannot. It is the Chair who can invite, frame, and open space for a question the room needs to hear. And it is the Chair who can, by default rather than design, allow a new director to spend an entire year being seen but not heard.

The practical ask of a Chair is not complicated. Before each of the first four meetings, have a brief conversation with the new director. Not a briefing. A conversation. What are they sensing about the business? How does their integration compare with their expectations? What are they uncertain about? Is there an item on the agenda where their specific expertise should be heard more directly? That fifteen-minute exchange before the meeting is the highest-leverage investment a Chair makes in a new director's first year. It costs almost nothing. It changes the room considerably.

The Chair should also create a light feedback mechanism after the first two meetings. Not a formal review. A quiet debrief. "What's your read on the dynamic around that item?" or "What did you hold back that I should have heard?" Those two questions do something important: they give the Chair useful intelligence, and they signal to the new director that her perspective is genuinely expected, not merely tolerated.

A Chair who does this is not being indulgent to a new colleague. She is protecting the board's investment in the appointment. A director who never finds her voice in year one rarely finds it in year two. That is a cost the whole board pays.

Questions worth asking before your next meeting

If you are a new director on a quarterly board, these five questions will sharpen your preparation more than any amount of additional reading.

- Do I genuinely understand the business model, strategic plan, and key value drivers well enough to follow and enrich the conversation?
- What do I believe are the 2–3 biggest strategic risks and opportunities for this organisation, and how will I test that view in the first few months?
- Have I done enough pre-reading to arrive well-prepared, with a short list of focused questions rather than generic ones?
- Do I know how information is supposed to flow to the board here (timing, depth, off-cycle updates) so I can judge whether I'm seeing enough?
- Have I mapped who I need one-to-one time with (chair, CEO, committee chairs, key NEDs) in the first 60–90 days, and booked those conversations?

Your Boardroom Takeaway

This edition exists so that you can walk into your next board meeting — whether it is your first or your fourth — with the language, the clarity, and the confidence to make those meetings count.

Here is what you now have.

The language: "I'm still building my understanding of this, but the question I keep coming back to is…" That sentence does something important that more confident

framings cannot. It signals intellectual honesty. It tells the board that your contribution is grounded in genuine inquiry, not performance. And it gives the room something it can engage with rather than evaluate — which is often how a new director's best questions land. The value you add in year one is rarely the finished answer. It is the well-prepared question, asked from a place of real curiosity, that the more settled directors have stopped thinking to ask. That is a contribution worth making — and it compounds as your knowledge of the business deepens.

The clarity: Your first year on a quarterly board is not twelve months. It is four meetings in the spotlight. That is not a harsh way to describe your situation. It is an accurate one — and accuracy is what allows you to treat those meetings with the weight they deserve. The director who understands this walks into their first meeting with a different quality of attention than the director who is still waiting to feel settled. She is not there to absorb the room. She is there to read it, to signal something clear, and to begin building the record on which her authority will eventually rest.

The confidence: Before your next meeting, identify one question you intend to ask and one observation you intend to share — and decide both before you arrive. Not in the room, not improvised from the agenda. Before. Then hold those intentions through the meeting, regardless of whether the moment feels perfectly timed. The director who walks in knowing what she intends to contribute is a fundamentally different presence from the one who walks in ready to see what the meeting brings. Both are listening. Only one is leading.

A number of you have asked what I've been building alongside this newsletter. It's a paid companion service for directors and governance professionals who want to deepen their understanding of, and ability to action, the practical side of governance: frameworks, evaluation toolkits, and board-ready tools. It's coming soon, and I'll have more to say in the next edition.

Until next time,

Paul

GOING DEEPER

The four meetings this edition describes are only as good as what a new director asks for before the first one. The Induction Request Schedule is the list to send ahead; the First-Year Operating Plan carries it across the whole year.

See The Induction Request Schedule → **See The First-Year Operating Plan →** at the-closed-session.com

GOVERNANCE NOTES · EDITION 5

The Long Game

First published 7 May 2026

What experienced directors bring to the board — and how to make the most of it.

A director in their second or third term occupies a position that is genuinely rare in any organisation: earned authority, deep context, and the institutional trust to use both.

They have watched the business move through cycles — strategy revisions, leadership transitions, market disruptions, and the decisions that looked straightforward at the time and proved anything but. They have built relationships with management that go beyond the formal and into the functional: they know how the executive team thinks, where it is at its strongest, and where it benefits most from board-level challenge. They have a track record at the table — of questions asked, positions taken, and contributions that have shaped the quality of the board's decisions over time.

That is not a small thing. It is, in fact, exactly what a board is supposed to accumulate as it matures.

This edition is written to the long-serving director. Not as a caution, but as an argument: that the experience built over six, nine, or twelve years of board service represents a genuine governance asset — and that the directors who are most valuable to their boards are the ones who understand what they have built, deploy it with intention, and are clear-eyed about how to make it last.

What the years have built

Consider what a director who has served for two full three-year terms actually brings to the boardroom.

They have a command of the business and its challenges. They understand its people, its competitive landscape, and its ecosystem of customers, suppliers, regulators, competitors and disruptive new entrants. They have a unique perspective that only a seasoned non-executive director can acquire. They understand the company, shaped by the decisions taken under their watch, the strategies pursued and revised, the risks and opportunities that materialised and the ones that didn't. That longitudinal knowledge is one of the most valuable and least visible assets a board holds.

They have established relationships of trust with management that make the governance function work at its most effective. Not the trust of silent acceptance, but the trust that comes from a history of honest engagement — where management knows that the challenge they receive from this director is grounded in a genuine interest in

understanding the business. That kind of challenge is respected differently. It is heard differently. And it generates information flows and thoughtful responses.

Directors in this category have been thinking about the strategic direction of the organisation for more than three years — in most cases considerably more. They have seen strategic assumptions tested by events. They have observed which management instincts proved sound and which ones required board-level intervention to correct. They carry a view of the company's direction that has been formed through sustained engagement rather than through a reading of the latest strategy presentation, and that view is not available anywhere else in the governance structure.

And if they have served as the chair of a key committee — audit & risk, corporate governance, remuneration, or nomination — or as the Senior Independent Director, they have had the opportunity to do something that goes beyond contributing to decisions: they have shaped, or even transformed, the governance processes through which decisions are made and overseen.

A director who has chaired the audit & risk committee for six years has not only deepened their understanding of the business. They have had the opportunity to define how that committee shapes governance through its deep work on financial and stakeholder reporting, its in-depth and rigorous discussion of risks and opportunities, its review of macroeconomic, geopolitical and competitor impacts on medium-term earnings forecasts — challenging single-scenario predictions in this uncertain era. They have also shaped the quality and scope of internal audit, and have carefully monitored the quality and independence of external auditors.

Most of all, their work as chair of a key committee has had a lasting positive impact on the people, systems and processes that feed the board and its committees with information. Those improvements outlast the individual. They are embedded in the institution and available to every director who follows.

Taken together, this represents a governance capability that companies spend years trying to build and frequently underestimate once they have it. In my experience, this level of governance capability is only possible when high-quality independent directors serve on boards for more than one three-year term.

The peak contribution window

The second and third terms are also when a director's contribution should reach its highest level.

The conditions for exceptional governance work are all present: depth of knowledge, credibility with management, fluency with the board's dynamics, and enough institutional history to distinguish a genuine strategic shift from a cyclical variation.

The director at this stage knows how to challenge management effectively — not because they have learned the techniques, but because they know this board and this management team: where their blind spots sit, what their unconscious biases are, which executive projects confidence that conceals uncertainty, and which one has learned that a well-framed risk disclosure satisfies the board more easily than a direct answer. That kind of experience is qualitatively different from a new director or a director who is no longer asking challenging questions — and it is the reason experienced directors are valued, respected and actively relied upon.

They know their fellow directors too: who sharpens a debate, who tends toward consensus before the argument is finished, who brings the question that cuts through what everyone else has been circling. That knowledge of the board's own dynamics — its patterns, its blind spots, its strengths — is itself a governance resource. The experienced director who understands how their board works is positioned to improve how it works, not just to participate in it.

This is the moment to optimise — deliberately and actively — across every dimension of the role. On governance quality: applying accumulated insight to the questions that matter most rather than the ones that feel most familiar. On board and committee processes: using credibility and contextual understanding to improve how the board operates, not just to contribute to its outputs. On strategic direction: bringing the full depth of institutional and market knowledge to bear on the decisions that will define the organisation's next chapter. The experienced director who approaches this period with that level of intentionality is doing exactly what the board appointed them to do — with considerably more to work with than they had at the outset.

Staying at your peak

The value of long service is not self-sustaining. Like any asset, it requires active management. The experienced director who coasts on the authority their tenure has given them — who allows the depth of their institutional knowledge to substitute for fresh engagement rather than sharpen it — is not making the most of what they have built. They are allowing a valuable position to erode.

The signs that this is happening are recognisable, and worth looking for honestly. Pre-meeting preparation that has become shorter not because the issues are clearer but because the terrain feels already known. Questions in the room that have become more rehearsed — the familiar prompts on the topics the director is known to care about, which management has learned to answer in ways that satisfy. Certain agenda items — outside the committee brief, or in areas that haven't changed significantly in years — receiving less genuine attention than they deserve. These are not signs of failure. They are signals that the rigour which made the peak years so effective needs to be actively renewed.

Only the exceptional director sustains, across a decade at the table, something close to the engaged attention of the peak years — still varying their challenges, still drawing on current thinking, still alert to the disruption threats that were not on the agenda when they were first appointed. That is the standard to aim for, and it is achievable. But it requires intention. The experienced director who approaches each meeting as though their value is already established — rather than as something to be earned again through the quality of their contribution — is not yet operating at that standard.

When the end is approaching: the legacy question

The experienced director who is moving into the final stage of their tenure faces a question that is worth confronting before circumstances make it urgent: not just what contribution they are still making, but what they are leaving behind.

The first dimension of that legacy is knowledge transfer. The institutional context a long-serving director carries — the history behind decisions still in motion, the relationship dynamics no minute captures, the strategic alternatives that were considered and set aside — is not available anywhere in the board's records. The new director who arrives in their place receives a set of board papers and perhaps a conversation with the Chair. What they do not receive is the interpretive map that makes those papers fully legible. Building that transfer — through deliberate conversations, documented context, and a considered handover — is the responsibility of the incoming and the departing director. The incoming director needs to ask questions that will prompt a good engagement, and the outgoing director needs to be candid and generous in terms of availability. Not all conversations of this nature achieve effective knowledge transfer.

The second dimension is structural. The most durable legacy a long-serving director can leave is not knowledge in someone's head but governance processes embedded in the institution. A director who has used their committee tenure to improve how that committee operates — its agenda discipline, its decision processes, its discussion protocols, its work with professional advisers, its strategic focus, the quality of information it receives and the questions it asks — has left something that compounds beyond their own departure. That is a governance contribution of a different order to the contribution made in any single meeting or decision.

The responsibility for succession planning sits with the Chair and the nomination committee, not with the outgoing director. Finding a genuinely excellent incoming director — someone with the right expertise, the right independence, and the capacity to contribute at pace — requires a proactive pipeline, not a search triggered when the notice period arrives. The outgoing director cannot be held in place because that pipeline has not been built. A temporary gap in specialised expertise is preferable to deferring a transition that the board has had years to prepare for.

Leaving well, with a clear transfer of knowledge and well-structured processes behind them, is the final governance contribution of an experienced director and the chair. It reflects the same standard of care for the board's effectiveness that defined the best years of their service working together.

What this means for the Chair

The experienced director's contribution does not manage itself, and the Chair has a specific responsibility in relation to it. The question that applies to every director who has served for more than five years is not whether they are comfortable to work with — most long-serving directors are — but whether they are still operating at the standard the board needs. Those are not the same question, and the board evaluation is rarely sophisticated enough to distinguish between them.

The practical ask is a direct one: at least once in each three-year review cycle, a conversation with each long-serving director that goes beyond the evaluation form — focused on where they feel their contribution is strongest, which topics genuinely stretch them, and how the board can best deploy what they have built over their tenure. That conversation serves both the director and the board. It is also the mechanism through which the Chair fulfils their responsibility to ensure that long service continues to deliver value rather than simply continuing.

The nomination committee's role in succession planning completes this picture. Building the pipeline of credible incoming directors before a vacancy exists — not after — is the mark of a nomination committee that understands its function. The Chair who has not identified a credible successor for a long-serving director approaching the end of their term has not yet discharged that responsibility. The outgoing director's willingness to stay on is not a substitute for the quality of the succession process.

Questions worth asking before your next meeting

These questions are designed for the experienced director who wants to ensure that the considerable knowledge and insight they have built is being deployed to its fullest effect.

- Where is my knowledge of this business currently adding the most to the quality of the board's discussions? Am I making the most of those areas?
- What do I know about this management team's blind spots and assumptions that I am not yet bringing fully into my challenge at the table?
- Which of my fellow directors do I help most to sharpen their thinking? Is there more I could be doing to make the board's collective deliberation stronger?
- On my committee: how have I improved the way this committee works over my tenure? What would I still like to change before I leave?

- Is there a strategic question I have been thinking about for longer than anyone else at this table? Am I giving that perspective the weight it deserves?
- If I arrived at this meeting for the first time today — with all my current expertise but without my accumulated familiarity — what would I find surprising? What does that tell me?
- What institutional knowledge do I carry that is not written down anywhere? What steps am I taking to transfer it?
- What governance structures have I put in place — at committee or board level — that will outlast my tenure? What else could I build before I leave?
- Am I treating the experience I have built as a platform for increasingly ambitious contribution — or as a reason to engage less hard than I used to?
- What would the director I was in my first term find most impressive about the director I have become? What would they want me to do more of?

Your Boardroom Takeaway

This edition exists so that you can walk into your next board meeting with a clear sense of what the years of service behind you have made available — and a deliberate intention to use it fully.

The language: "What does my history with this company tell me about what I'm hearing right now?" That question, asked quietly before a director engages with a major item, does something that no amount of pre-reading can replicate. It activates the longitudinal knowledge that long service has built — the pattern recognition, the contextual memory, the calibrated instinct about what this management team is really saying and what it is not. That knowledge is the experienced director's advantage. Using it deliberately, rather than allowing it to operate as background noise, is what separates the director who has served for a decade from the director who has merely attended meetings for a decade.

The clarity: Long service, used well, is one of the most valuable things a board can have. The director who has served for six or nine or twelve years and is still approaching the role with genuine rigour — still interrogating the familiar, still shaping the governance structures that will outlast them, still deploying their institutional knowledge in the service of better decisions rather than smoother meetings — is a governance asset of a kind that cannot be manufactured quickly and should not be wasted.

The confidence: Before your next meeting, identify one area where your depth of knowledge of this company gives you an insight that no one else at the table is as well-positioned to offer. Prepare to bring it — specifically, directly, and without waiting to be asked. The board that appointed you was not looking for a warm body in a seat. They were looking for the kind of director you have spent several years becoming. That director is worth being, and worth being deliberately.

Coming in Edition 6: Written to the Chair

Edition 5 has been written to the long-serving director — to make the affirmative case for what sustained board service can deliver, and to ask what it takes to deliver it consistently.

Edition 6 turns to the Chair. If the experienced director's task is to deploy what they have built with increasing intentionality, the Chair's task is to create the conditions in which that can happen — and to manage, with honesty and rigour, the moment when it no longer does. Managing board composition over time is one of the most consequential and least discussed dimensions of the Chair's role. It is also the one where the Chair's own judgment is most directly on the line.

Edition 6 is the edition to share with anyone who chairs a board — or who works closely with someone who does.

Until next time,

Paul

Governance Decoded is a free fortnightly newsletter on board governance, written for directors and those who work with boards. Each edition gives you the language, the clarity, and the confidence to walk into your next board meeting and make your contribution count.

GOING DEEPER

The long game this edition argues for needs somewhere to live between meetings. The First-Year Operating Plan is where a director names what they are there to add, and judges the year against it.

See The First-Year Operating Plan → at the-closed-session.com

GOVERNANCE NOTES · EDITION 6

The Year In Between Meetings

First published 21 May 2026

What chairing a quarterly board actually looks like — and where the real work gets done.

The call takes about twenty minutes. It happens three weeks before the board meets — sometimes two, if things have been busy. Just you and one of your directors, on the phone, not talking about anything on the agenda.

That's where the meeting starts. Not in the papers. Not in the room. In those calls.

Many people who think about becoming a Chair picture the meeting: opening it, running it, keeping it on track. What they don't picture is everything that happens in the twelve weeks before it — the quiet work that makes the meetings go well, or doesn't. That's what this edition is about.

The two editions before this one were written to the people who sit at your table. Edition 4, Your First Year as a Board Director Is Four Meetings, was written to the new director who's trying to find their feet in the quarterly cadence. Edition 5, The Long Game, was written to the director who has been there for years and wants to make sure the depth they've built still cuts sharp.

This edition is written to the person leading the meetings they are in — and holding the space between them.

What you're actually taking on

From the outside, the Chair's role looks like it's mostly defined by the board meetings. You open them, run them, close them. You make sure the right things get discussed, you move through the agenda, and the key decisions are made.

That part is real. It's also the smaller part.

Three things run through the role, in parallel.

Running board processes that generate real thinking, not managed agreement. Keeping the board's attention on strategy and long-term value — not operational detail. Building the board's own capability over time: bringing new directors in well, leading performance reviews, addressing gaps before they calcify.

None of those happen on the day. They happen in the year between meetings.

Here's what that looks like in practice. Four times a year, you bring together a group of people who have spent twelve weeks working in separate places, living separate lives,

thinking about the business on their own. Nothing has been built between them in the gap. No shared routine, no daily contact, no thread of work running through the weeks, unless they serve on key committees. Then they walk into a room and you need them to think and act effectively as a collective of independent thinkers.

That doesn't happen by itself. It happens — or it doesn't — because of what you've done before the meetings open.

This is what catches most new Chairs off guard. They step into the role expecting to run good meetings. They find that the meeting is the easy part. The hard part is the time in between meetings. For you, as Chair, it's about the calls you make, the things you notice, the conversations you choose to have and the ones you don't. Many Chairs also find the formal authority is smaller than it looks. The CEO answers to the board as a whole, not to any single director. Authority lives in the board, not in one person. What you have instead is something that works just as well — if you understand how to use it.

The room you're looking at

Look around the table at a typical quarterly board and you'll usually see two quite different kinds of director.

There's the new director — someone in their first or second year. In Edition 4 of this newsletter, we called their challenge what it is: they have four meetings in which the board forms its view of them, and they need to use each one well. They're working hard. They read everything, prepare carefully, wait for their moment. Most of that work is invisible to the people who've been at the table for years.

Then there's the director who has been there for longer. Their knowledge runs deep, perhaps. They've watched management teams come and go, seen which numbers to trust and which to probe, sat through the decisions that looked right at the time and the ones that didn't. That kind of knowledge takes years to grow. It's one of the most useful things a board has.

These two directors aren't just at different stages. They pull against each other. The settled rhythm that lets the long-serving director move through an agenda with ease is the same rhythm that can leave a newer one searching for a way in. Holding both at once — making the room work for each of them — is one of the most specific things the Chair does. And it starts well before the day of the meeting.

There's one more thing to watch. Boards don't announce when they're losing their edge. Stability and stagnation can look identical from the inside — efficient meetings, no friction, decisions being made without any debate. No one tables an agenda item called "we've become too comfortable." The Chair who mistakes a smooth meeting for a good one has missed the most important signal. The pre-meeting calls are where you catch it first, if you're listening for it.

The calls that change the meeting

Three weeks before a board meeting, a good Chair is arranging calls. Not to brief directors on the papers. Not to line things up. Just to find out where people are in their strategic thinking.

What are they thinking about? What are the long-term trends that concern them? Is there anything on the next agenda they're not sure about? Is there anything missing from the next agenda? What has happened in the past two months — a talk with management, a committee session, something in the news — that should shape how the board addresses the future?

These calls take fifteen minutes, sometimes twenty. What they give you is something no board pack can: a feel for the room before it comes together. You go into the meeting knowing which director has something on their mind that isn't in the papers. You know whether the new director has done the work on the key item and would do well to be called on early. You know whether the long-serving director who usually leads on risk is — for the first time in a while — losing confidence in someone or something, and whether that should come out in the open or be handled more quietly at first.

None of that is in the pack. All of it changes your approach to the meeting.

The day itself has its own window. Get there early. Move through the room before the meeting opens. Ask each director one real question — not "how are you?" but "what's your read on the main items?" The director who read the papers for the first time on the train this morning is in a different place from the one who's been turning the risk/opportunity item over for three weeks. Knowing the difference changes how you open, and who you call on first.

What you hold in the room

You can't tell your directors what to think. You can't fix the outcome before the meeting starts. They're your peers, not your team, and you have no line of authority running from you to them. The Chair's formal power, in most boards, is more limited than it looks from the outside.

What you do have is something that works just as well: the power of attention. Who you call on, and when, shapes the discussions and the meeting's output more than most formal powers ever could.

Call the new director into the discussion early — "I'd like to hear your take on this before we move on" — and they'll contribute something different than if they'd spent an hour waiting for a gap. Ask the long-serving director to weigh in on something outside their usual topics and you quietly push them to range more widely. When a discussion is

heading toward easy agreement before the hard work is done, open it back up — invite the director who's been thinking but not yet speaking. None of this needs authority. It needs vigilance and mindfulness.

The questions you put to management carry the same weight. One well-placed question — formed from your own reading of the situation, asked slowly, with real interest in the answer — sets a tone that the room tends to follow. Challenge in a board meeting is set partly by the papers, partly by what directors bring, and partly by the first question that gets past the surface. When that comes from the Chair, things tend to lift.

There's one distinction that matters more than many governance documents acknowledge. The Chair isn't the CEO's supervisor. You're the CEO's governance partner, acting as the current leader of the board — and the moment that line blurs, the board's independence starts to erode quietly. When your questions begin to sound like instructions, or you find yourself shaping operational decisions rather than the conditions for good ones, the CEO starts curating what reaches the board. Information narrows. Every meeting that follows suffers for it.

The healthiest Chair-CEO relationships work through friction outside the boardroom, between meetings, before it calcifies into something harder to shift.

And if the board starts to lose its edge — real challenge fading, the same strategic questions recurring without resolution, meetings that run smoothly while adding less — the responsibility sits primarily with you. Not with the governance committee. Not with the directors who stayed quiet. With you. The job isn't to preserve the room's comfort. It's to name what you're seeing before it becomes the new normal.

Context Spotlight: What changes depending on where you chair

The work described in this edition is the same regardless of sector. What changes is the shape it takes.

Listed companies. In a listed company, the board's work is read by people who weren't in the room. Shareholders, proxy firms, and those who regulate the market all form views based on what the board puts out — its decisions, its filings, the account it gives of how it works. The calls and the pre-meeting work described here remain the core. But there's another layer: the gap between how the board actually runs and how that's told publicly needs to be tight. The most useful thing a listed company Chair can do before the AGM season isn't to focus on the drafting. It's to make sure the story the disclosures tell about the quality of debate matches what actually happened in the room.

Multi-generational family businesses. In a family business, you're holding two kinds of power at once: the formal power of the governance structure and the older, deeper

power of family and ownership. They don't always point the same way. The Chair who treats the board as if they do will find themselves pushing against something that won't move. The pre-meeting calls need to reach the family members who hold real sway — not just the independent directors. Knowing where the family stands before the room opens isn't a shortcut around governance. It's what makes governance work in this context.

Founder-led private companies. In a founder-led business, the founder's pull in the room often goes beyond any formal brief. The best Chairs I've seen in this context have built something with the founder based on real mutual trust — where the founder knows that scrutiny serves the business, and the Chair has genuine respect for what the founder has built. That trust is made between meetings, not in them. The quality of the board meetings often tracks the quality of the conversation the Chair and the founder had in the weeks before them.

Public sector and development organisations. Public sector boards often include directors who bring deep knowledge of a specific field, or who speak for a particular group, rather than broad board experience. The Chair's task here has an extra layer: making sure each director arrives knowing not just the agenda but what the meeting is trying to do. The pre-meeting conversations matter as much here as anywhere — sometimes more — because the directors who most need to understand how the meeting works are often the ones least likely to ask.

A note to the directors in the room

The last two editions were written to you — asking how you prepare and what you bring. This one was written to the Chair. But it's worth reading from your side of the table, because what's described here only works if you play your part.

The pre-meeting calls the Chair makes are most useful when you treat them as a real exchange. If you're behind on the papers, or there's something you want to raise before it lands cold on the day of a meeting, say so. The candour that Edition 4 asked of the new director and Edition 5 asked of the longer-serving one is what makes the Chair's preparation count. It's a contribution to the board that happens before anyone sits down.

Questions worth asking before your next meeting

These are for the Chair — not as a test of what's been missed, but as a prompt toward the work that'll most improve the day.

- Have I spoken to each director, and the CEO, in the past three weeks — not about the agenda, but about where they are? What came up in the last two months?

- Am I clear about how the business is doing? And the strategic topics the board must discuss?
- Do I know which director is coming to this meeting with something that isn't in the papers? How will I make space for it?
- Is the new director set up to contribute in this meeting? What have I done in the gap to make that more likely?
- Where does the longer-serving director's knowledge matter most on this agenda? Have I thought about how to draw it in at the right point?
- What's the one question I should put to management that no one else will — and have I prepared it, or am I waiting for it to come from the papers?
- How am I using the thirty minutes before the meeting opens?
- Is there a director I call on too late, or in too narrow a range? What would change if I did that differently?
- Is there a call I've been putting off since the last meeting? What am I waiting for?
- Which item on the agenda is most likely to carry the most important conversation? Have I prepared for it as hard as the papers have?
- Has the quality of thinking in this boardroom improved over the past year — or have the meetings just become easier to run? Do I know the difference?
- When was my own performance as Chair last formally assessed? Is the answer good enough — or is that the conversation I've been avoiding?
- If I looked at this board on the quality of its thinking rather than the quality of its process, what would that tell me?

Your Boardroom Takeaway

Three editions of Governance Decoded have now looked at the same quarterly board meetings from three different seats. The new director working to make their mark in the first four meetings. The longer-serving director making sure the depth they've built stays fully alive. And you, as Chair — holding the room both of them are in, doing the work that makes the whole thing worth having. Here's what you now have.

The language:

"Before we open the agenda, I want to make sure we have the right conversation today, not just the scheduled one." Use that in the first few minutes. It tells everyone in the room that you're mindful of what they've brought with them, not just to what's written down. It opens space for the thing that needs to be said before the meeting's papers close it off. Use it most on the days that feel routine. Those are often the ones where the most important thing isn't on the agenda.

The clarity:

The meeting is the end point, not the start. What happens in the room — the quality of the challenge, the depth of the thinking, the decisions that hold up afterwards — comes from the twelve weeks that led to it. If you understand this, you don't measure how well you did by how smoothly the agenda moved. You measure it by whether the things that most needed to happen actually did. And you usually know the answer before the meeting opens, because you've done the work that makes it knowable. In my experience, that's what being a good Chair really comes down to.

The confidence:

In the week before your next meeting, find the one director you're least sure about — the one you haven't spoken to properly since the last meeting, or who's been hardest to read. Call them. Not about the papers. To find out where their thinking has brought them to, and what they're bringing. That call will help your confidence that you have prepared well. It'll also tell them something: that you see them as a person, not just as one of the people in the room.

Getting a quarterly board to work well requires exactly that kind of specific care. Pay close attention across every gap and every director, and you'll find the room responds in kind — even when no one can quite say why.

Until next time,

Paul

GOING DEEPER

The work this edition locates in the weeks between meetings begins with one conversation: getting the map of how the organisation really runs. The “Acquire the Map” Conversation Guide is how that conversation is structured.

See The “Acquire the Map” Conversation Guide → at the-closed-session.com

You're Overseeing AI. Do You Actually Know What You're Overseeing?

First published 4 June 2026

There's a moment that happens in boardrooms more often than anyone admits.

The CEO presents the quarterly update. Somewhere in the deck — slide eleven, maybe twelve — there's a section on AI. New tools deployed. Efficiency gains projected. A risk register reference. The board nods. Someone asks about data security, not about AI. The CTO answers respectfully. The chair, not being familiar with AI, moves the agenda on.

No one in that room asked a relevant question. No one was asleep. And yet nothing was actually overseen.

This is the quiet governance failure of the AI era. Not dramatic. Not scandalous. Just a gap — between accountability that exists on paper and engagement that exists in practice.

The numbers that should trouble every board

Here's the data. PwC's 2025 Board Effectiveness survey found that while nearly half of C-suite executives flag AI as a major risk area for their organisations, only 10% of directors see it as a major risk. That's not a rounding error. It's a structural disconnect between the people running the business and the people overseeing it.

The NACD's 2025 Public Company Board Practices and Oversight Survey adds texture to that picture. Sixty-two percent of directors now say they make time to discuss AI at the full board level — up from 28% in 2023. Progress, clearly. But of those same boards, only 23% have actually assessed how AI disruption might affect their company's strategy or long-term viability. Directors are talking about AI. Most haven't yet connected it with strategy or the long-term future. In other words, they haven't yet governed it.

Russell Reynolds' 2025 Global Corporate Governance Trends research frames what's at stake: what varies across markets isn't whether boards should engage with AI as an element of oversight, but how far along they are in building it into their oversight activities.

The wrong answer is a technology primer

When boards are told they need to "get up to speed on AI," the default response is education. Briefings. Workshops. Vendor presentations. Directors dutifully learn about

large language models, neural networks, training data. They come away feeling informed.

They're not yet equipped with the governance tools to oversee it.

There's a distinction worth making here — between AI literacy and AI competence in a boardroom context.

Literacy is knowing what AI is. It's useful background. A director with AI literacy can follow a technical briefing without getting lost. That matters.

AI Governance Competence is different. It's knowing what questions governance requires. It's the ability to look at how AI is being deployed in an organisation — not as an engineer or a data scientist, but as someone accountable for risk — and identify where the gaps are. Where human judgment has been quietly removed. Where the failure modes live. Where management's confidence in a system has outpaced the board's ability to verify it.

You don't need to understand how a model is trained. You need to understand what it's deciding, what it's influencing, and what happens when it's wrong.

That shift — from literacy to governance competence — is the actual governance task.

What genuine engagement sounds like

Directors who are genuinely engaging with AI risk tend to ask a particular kind of question. Not "how does this work?" but "how would we know if it doesn't work?" Not "what can it do?" but "who's accountable when it doesn't?"

Consider one question that separates boards doing AI oversight from boards receiving AI updates:

- What decisions is AI making or directly influencing in this organisation — and for each one, who is accountable when it gets it wrong?

This question maps accountability. It forces management to be specific rather than reassuring. And a vague answer is itself an answer — it tells you that accountability hasn't been assigned.

That's one question. Governance-grade oversight requires a structured bank of AI governance questions, organised by risk domain, calibrated by cadence, and adapted to where your organisation sits on the AI maturity curve.

That's what my next edition - Edition 8 - addresses directly: the question architecture that turns a passive board into an active one.

The chair's structural task

If you're chairing a board that hasn't had a substantive AI governance conversation, the gap isn't knowledge. It's governance design. AI risk disperses across strategy, technology, operations, legal, and people — which means it disappears through the cracks between committee remits unless someone assigns it a home. The chair's job isn't to become an AI expert. It's to ensure that AI governance has a clear ownership structure, a reporting cadence, and a set of questions that management knows it will be asked.

Language / Clarity / Confidence

Three terms that get used interchangeably in AI governance conversations — and shouldn't.

AI literacy is background awareness: understanding what AI is, how it functions broadly, and what categories of risk it generates. Useful for following a briefing. Not sufficient for oversight.

AI competence is governance capability: knowing which questions to ask, how to evaluate management's answers, and where the oversight gaps tend to live. This is what a board needs. It's built through structured engagement with the right questions, not technology primers.

AI governance is the formal design: the policies, reporting lines, committee responsibilities, and accountability frameworks through which the board exercises its oversight role. Governance without competence is paperwork. Competence without governance is informal and inconsistent. The two have to be built together.

One more: when you hear the phrase human in the loop, it means a person is involved at some point in an AI-driven process. The governance question isn't whether a human is in the loop — it's whether that human has the authority, the information, and the time to actually change an outcome. Often, they don't. That's the oversight gap the governance question is designed to identify.

Boardroom Takeaway

AI oversight is not a technology challenge wearing governance clothes. It's a governance challenge that happens to involve technology.

The director who wants to close the gap doesn't need a course in machine learning. They need three things: a clear picture of where AI is actually being deployed in their organisation, a set of questions that probe accountability and failure modes rather than

capability, and the discipline to ask those questions consistently — not just when something goes wrong.

The data shows that most boards are talking about AI. The minority of boards that is governing it is smaller than it should be. That gap is where fiduciary exposure and legal jeopardy lives.

Literacy helps. Competence governs.

And if you're not yet in a boardroom but building toward one — the question worth asking yourself now is whether your governance toolkit is being built for the world you'll be walking into, or the world that has been left behind.

Until next time,

Paul

GOING DEEPER

This edition drew the line between AI literacy and AI governance competence. The AI Governance Question Architecture turns that competence into questions a board asks on a cadence; the AI Governance Readiness Diagnostic is the shorter on-ramp if you want to see where your board stands first.

See The AI Governance Question Architecture → **See The AI Governance Readiness Diagnostic →** at the-closed-session.com

AI Governance: The Questions You're Not Asking

First published 18 June 2026

A director had read something troubling that morning before the board meeting. A competitor had deployed an AI system that made incorrect pricing decisions across thousands of insurance policies before anyone caught it. Reputational damage. Regulatory investigation. Law suits filed.

So the director raised it during the board discussion on AI. Not formally. Just an impromptu question to the CEO.

"Are you confident in our AI controls?"

The CEO paused and said: "Absolutely. We have a responsible AI framework in place."

The director nodded, not sure how to follow-up. The Chair did not assist. No one else raised their hand. The board moved to the next point on the agenda.

In this example, an assurance was given by the CEO that a responsible AI framework is in place. Was the response appropriate? Is the board any more informed by that assurance?

Let's get started on how to improve AI governance

The question is the instrument of governance

Edition 7 drew a line between AI literacy and AI governance competence. Literacy is knowing what AI is. Competence is knowing what to ask, and how to follow up when the answer is thin.

That line matters here because the problem in most boardrooms isn't silence. Directors are asking about AI. They're just not asking governance-grade questions.

A governance question does three things. It maps accountability. It asks who owns an outcome, not just who manages a process. It probes verifiability by asking how the board would know, not just whether management is confident. And it's specific enough that a vague answer is recognisable as a non-answer, rather than something that sounds like information.

The difference between the questions isn't technical knowledge. The value of governance-grade questions lies in the quality of the business insights they reveal.

Five domains. Five questions that change the dynamic.

AI governance oversight spans five domains, and the question architecture has to cover all of them. As an example, here is one governance-grade question per domain — alongside the easy question that can impair governance of AI.

Accountability

The easy question: Who is responsible for AI in this organisation?

The governance-grade question:

- For each AI system making or influencing material decisions, what is the name of the individual accountable when it produces a wrong or harmful outcome — and what is the escalation path to this board?

The easy question produces an org chart answer: the Chief Data Officer, the CTO, the AI ethics committee. The governance-grade question produces a name with responsibility. Accountability isn't a job title. It's a named person, with a defined scope of responsibility, and a duty to report upwards when something goes wrong. If management can't provide that detail, it doesn't yet exist.

Failure detection

The easy question: How do we know if something goes wrong with our AI?

The governance-grade question:

- What quality indicators are used for each material AI-assisted process — and what is the threshold that triggers a report to this board before an incident becomes a crisis?

Most AI risk monitoring is retrospective: something fails, it's reported. A board that only receives post-incident reports isn't overseeing AI — it's reviewing what already happened. The governance question builds in the expectation of early-warning indicators and a defined escalation trigger. If the answer is "we'd escalate anything material," the follow-up is: what makes something material, who decides, has that ever been tested? And most importantly, does the board agree with the escalation process?

Human oversight

The easy question: Is there a human in the loop?

The governance-grade question:

- Where human judgment has been preserved in our AI processes, can management confirm that those individuals have the authority, the information,

and the time to actually change an outcome — or are they reviewing decisions that have effectively already been made?

Edition 7 introduced the human in the loop concept. The governance question operationalises it. Being in the loop is meaningless if the human is positioned after the consequential moment, reviewing at speed, without the authority to reverse. Directors who accept "yes, there's a human involved" without asking whether that human can impact the outcome are accepting the form of oversight without the substance.

Regulatory exposure

The easy question: Are we complying with AI regulations?

The governance-grade question:

- Which regulatory frameworks apply to our AI deployments and has management conducted a formal gap assessment against each? Where are the material compliance risks, and what's the remediation timeline?

"Yes, we're compliant" is not a governance-grade answer. The question asks for the detail the board needs to exercise meaningful oversight of legal and regulatory exposure. The answer tells you something about the quality of AI governance at management level.

Information and reporting

The easy question: What AI updates should we be receiving?

The governance-grade question:

- What decisions about AI deployment, modification, or decommissioning has management made in the last quarter that it determined were below the threshold for board reporting? And on what basis was that determination made?

This is the question that changes the accountability dynamic most sharply. It asks about information flows and escalation decisions. Who decided that the board didn't need to know, and why? If management has never considered this question, the reporting threshold was set by default rather than design. That default setting should be jointly reviewed by board and management to determine an appropriate escalation protocol.

The second dimension: cadence

The right question at the wrong moment is a missed opportunity to govern. The question architecture has to answer not just what to ask, but when.

Three categories shape the cadence.

Standing questions or recurring agenda items belong at every board or relevant committee meeting: accountability mapping, incident log review, threshold breach reporting, regulatory status. These are the monitoring layer. They establish whether AI governance is a continuous activity or an occasional one.

Formal review questions include a structured assessment of the organisation's AI governance posture, board competency review, external benchmarking, AI policy refresh. These questions will impact the shape of governance in general, because of the wide scope of AI. The board and its committees' leaders need to think about this in their own context and agree an appropriate governance cadence.

Trigger questions activate when circumstances demand: a major AI investment decision, a new system deployment, an external incident at a peer organisation, a regulatory development, a whistleblower concern. Governance-grade boards don't wait for the agenda cycle when something material shifts. They have the question architecture ready before the trigger fires.

A question architecture spread across five domains and three cadence categories is not an onerous system. It's a governance instrument. The difference between a board that has it and one that doesn't shows up long before anything goes wrong.

Language / Clarity / Confidence

This edition exists so that you can walk into your next board meeting with the language, the clarity and the confidence to ask governance-grade AI questions, even if no one else does.

Language. The five domain question examples in this edition give you a working vocabulary for AI governance oversight — one that distinguishes accountability from responsibility, monitoring from reporting, and the activity from the framework. When a CEO says "we have a responsible AI framework," you now have the language to develop a discussion and improve governance.

Clarity. The clarity-of-questions problem isn't about knowing too little. It's about asking the wrong thing. Most boards are one question away from a genuinely different conversation. The shift from "are you confident in our AI controls?" to "who is accountable, and how would we know before it's too late?" is a clarity shift, not a technical one. You can make it today, or in the next meeting where AI appears on the agenda.

Confidence. You don't need a machine learning background to ask these questions. You need the structure, which includes the five domains, the three cadence categories and the confidence to follow-up when the answer sounds vague. That structure is now in your hands and it can be applied, with careful preparation, in your own context.

Boardroom Takeaway

The director who accepted "we have a responsible AI framework" walked out of that board session with no more information than they walked in with. The director who asks questions that produce insights is making progress.

The gap between those two directors isn't knowledge. It's preparation, language, clarity and confidence.

And if you're building toward a board role rather than already in one: the governance capability that will distinguish you isn't AI expertise. It's knowing what to ask when the expert presents, and knowing what a thin answer sounds like.

Until next time,

Paul

Edition 9 will address a question that applies to all boards: when your AI strategy depends on a handful of external providers does your board know how deep the dependency runs?

GOING DEEPER

The five domains of governance-grade questions this edition set out become useful when they appear on agendas by design. The AI Governance Question Architecture is that set of questions, arranged to run on a cadence.

See The AI Governance Question Architecture → at the-closed-session.com

AI Governance: The Third Party Nobody Voted On

First published 2 July 2026

The technology update was three slides. The CEO delivered the last one with a smile: "AI now handles 40% of our customer volume. That makes us the most cost-efficient player in the market. We're on strategy, with a great partner."

The board noted it. The Chair said well done. All directors appeared to be pleased with this milestone. The agenda moved on.

Nobody asked about the dependency on the so-called "partner".

The news was good. On the numbers the board was watching, the company was doing well. But management's framing hid a governance concern: when did we approve the dependency on a single outside provider, and when did this board or its committees look at it in all its dimensions?

How AI providers actually operate

It helps to understand what the large AI providers are trying to do, because it shapes the risk you carry.

A handful of firms supply the foundation models that most AI tools run on. Their strategy is simple, and it's working. Make the tools easy to adopt and hard to leave. Let usage grow. Over time, the customer builds a dependency - one transaction at a time - without ever deciding to. The switching cost does the rest.

It's their business model, and it's a sound one. But it means the dependency isn't an accident. It's the intended result of how these companies grow. The provider wins when you can't easily walk away.

Silence became a decision

The board didn't vote to depend on one provider. They didn't approve a dependency strategy.

Here's what did happen. Management ran pilots, which went live. Each expansion sat inside their efficiency mandate. The cost curve was moving the right way. At no point did any single step look like a governance question. The efficiency numbers backed the strategy. The CEO had a good story to tell. And so, silence became a decision.

The board's silence was encouraged by management's framing. Discovering the dependency would have been a governance achievement. But, when nobody set a threshold for AI provider dependency - by spend, by volume, by share of a revenue-affecting function - that call defaults to management. And management, working under an efficiency mandate, and being rewarded for it, will keep integrating until something stops it.

Your job is to ask before the dependency forms

This is where the individual director earns their fees.

The independence of a non-executive director is evident when short-term good news leads to a question about the long-term best interests of the company. That challenge is typical of how good governance works. Everyone understands and respects it. It enables deeper conversations, better engagement and better decisions.

It's the mechanism by which the board sees what management's incentives keep it from seeing. Very few executives working to an efficiency target will naturally raise a concentration risk they built through sensible decisions. Will the CEO point out the governance issue in their own good-news slide? Will the Chair ask it? In many cases the question has to come from the independent directors.

And the time to ask it is before the dependency forms, not after. Once 40% of your volume runs on one provider, your options have already narrowed. The board that asks "what happens if this provider changes the terms?" while the number is still 5% has real choices. The board that asks when it is more significant is asking about a potential problem it could have prevented.

AI is more embedded than an alternative parts supplier. You can renegotiate a logistics contract. Swapping out an AI model that's wired into a high percentage of your customer interactions is a different order of difficulty - the model now understands your business, its memory is impressive, your systems are built around its agents, and the fallback you assumed exists may never have been tested. The dependency is deeper, and it forms faster and quieter, than the ones directors are used to watching.

Watch for what the report doesn't say

Here's the harder skill. The dependency in that boardroom didn't appear in a report as a risk. It appeared as good news. The 40% figure was presented as an achievement, and it was one.

A management report tells you what management is measuring. It rarely tells you what management isn't. The concentration risk, the untested fallback, the terms you don't control - none of that shows up on the efficiency slide.

So part of the job is reading for the gap. When an update sounds like unqualified good news, that's often the moment to ask what isn't on the page.

The question is "what does this report not tell me?"

Two exposures you now own as a director

Operational continuity

Here's the mechanism worth understanding. Access to an AI model can be pulled for reasons that have nothing to do with your own behaviour - a dispute between providers, a change of terms, a geopolitical decision, a strategic pivot. The governance-grade question is whether the relationship protects your company if something neither of you controls changes the terms.

If 40% of customer volume runs on one provider, and the answer to "what's the tested fallback?" is a pause in the room - that's a governance question that should have been asked sooner.

Regulatory liability

You may already be carrying a duty nobody has told you about. Bocconi law professors Passador and Montagnani, writing in the Oxford Business Law Blog, have named two new director-level duties in the EU AI Act: AI due care and AI loyalty oversight. The second one matters most here. AI loyalty oversight asks directors to check that a vendor's AI systems serve the company's purposes, not the vendor's commercial interests. Their point is direct: a vendor's model may be built to serve the vendor's goals, which don't always match yours.

This isn't a compliance box. It's a fiduciary duty. And it applies to every director on every board where AI vendor relationships have become operationally significant - which, at 40% of customer volume, yours clearly has. The board that took that update and moved on didn't just miss a risk. It may have walked past a duty.

Why management is focused on efficiency - and why that's a remuneration question

Ask why management kept integrating, and the answer is usually sitting in the management incentive plan.

Most incentive structures reward efficiency gains. AI automation is one of the most effective efficiency levers available right now. Every time a team hits a cost target using AI, the incentive framework confirms it was the right move. The bonus is earned. The annual appraisal reads well.

What the incentive framework might not measure is the concentration risk that came with the gain. There's no downside for building a dependency on one provider. No measure of provider diversification. No clawback for creating a fallback gap that only shows up two years after the bonus was paid.

Think about what that means. The board has built an incentive framework that rewards the creation of a problem that hasn't been anticipated. Every efficiency gain that deepens provider concentration is paid out as good performance. The executive who built 40% dependency on one provider, and hit their numbers doing it, got a positive signal at every step. The risk that emerged appears nowhere on their scorecard.

The failure isn't in the decisions. It's in the design of the system that rewarded them without measuring what they left behind.

Which raises a direct question for the board: do our remuneration policies need to be revised? If the incentive plan carries no downside for concentrated AI dependency, and no measure of the risk built alongside the gain, then the board isn't just failing to govern the risk - it's paying to create it. This doesn't need a full redesign of executive pay. It needs the Remco Chair to ask one question: what are we measuring, and what are we missing?

The savings that got you to 40% might not last

There's a financial angle underneath all this that boards should press on, because it can quietly undo the business case.

Most AI models are priced by the token - you pay for what you use. That means your cost scales with usage in a way a fixed-price contract doesn't. As adoption grows, so does the cost, and providers have already begun moving prices upward as the market matures.

And the token price is only the visible part. Several other costs tend to sit outside the financial model that reported the savings:

Price increases on token-based pricing, which the model may have assumed were flat. Rising volume, which multiplies the per-token cost as more of the business runs on the tool. The cost of building and testing a fallback - which, if it was never budgeted, means the resilience simply isn't there. Integration and rework costs as models change, deprecate, or behave differently after an update. The pricing leverage the provider holds once you're deeply integrated and switching is hard.

Put those together and a real question emerges: were the savings that justified reaching 40% ever sustainable, or were they a snapshot of a moment that's already passing?

The efficiency gain that looked settled when the management bonus was paid may look very different once the full cost of the dependency is on the page.

That's not a reason to walk away from AI. It's a reason to make sure the number in the update reflects the cost of the dependency, not just the cost of the tokens.

Language / Clarity / Confidence

This edition exists so you can walk into your next board meeting with the language, the clarity, and the confidence to ask about provider dependency - even when the update sounds like good news.

Language. Two terms give you the vocabulary to name what the good-news framing hides. Concentration risk names the exposure in words your risk register already understands: a single point of failure that arrived through efficiency decisions, not risk decisions. AI loyalty oversight names the duty you may already carry - to check that your vendor's AI serves your company's purposes, not the vendor's. When the CEO reports 40% and says "great partner," you now have the words for the conversation that needs to follow.

Clarity. The clarity here is a reframe. The dependency question isn't technical - it's a governance design question. The board in that room didn't lack AI expertise. It lacked a threshold. Moving from "that sounds like good news" to "when did we evaluate this as a material relationship, and what's the tested fallback?" isn't a technical shift. It's a clarity shift, and you can make it in the next meeting where an AI update appears.

Confidence. You don't need to challenge the efficiency logic to ask the stress-test question. You're not questioning whether the integration was right - it probably was. You're asking what the tested fallback is if the relationship changes for reasons outside your control. That question doesn't need technical expertise. It needs the confidence to ask it in a room where the news is good and nobody else is asking. That's what independent directors are for.

Boardroom Takeaway

The question that should come out of this edition is a stress test, not a status update:

"If our main AI model provider became unavailable tomorrow - through outage, policy change, commercial dispute, or deprecation - what's the operational impact in hours, and what's the tested fallback?"

The word "tested" is key. A documented contingency plan and a tested one are different things.

That's the starting point. The board that asks this question for the first time this quarter is doing its job. The board that doesn't ask it because the update sounded like good news isn't. And the board that asks it while the number is still small, before the dependency sets in, is doing the most valuable thing of all.

If you're a CFO reading this, or someone who sits close to these decisions without yet sitting in the boardroom: the dependency question isn't just a board-level one. It impacts your cost model, your vendor contracts, and your resilience planning. The 40% figure isn't exceptional - it's where a lot of organisations are quietly arriving. And the cost level that made the case for getting there might not be sustainable once volume and prices climb.

The question worth asking now, before it becomes material, is whether you, or anyone on your board, has their arms around this challenge.

Until next time,

- Paul

GOING DEEPER

The dependency this edition watched form quietly is governable only if the threshold is set in advance. The Dependency Threshold is where that line gets drawn; the Remuneration Gap is the companion question for the incentive plan that paid to build the exposure.

See The Dependency Threshold → **See The Remuneration Gap →** at the-closed-session.com

AI Governance: Where Does This Sit?

First published 16 July 2026

Every well-run board reviews its committee work at some point in the year. At one board's annual effectiveness review, that routine exercise threw up a question nobody had a ready answer for: where does AI governance actually fit into the work of this board?

Is AI governance full board business? Committee business? Some deliberate mix of both?

The Chair put the question to the room. Everyone had an instinct. The Corporate Governance Chair and the Senior Independent Director had not fully considered the matter. Nobody could point to a moment when the board had actually debated this.

That's the real gap. Not who owns a particular AI risk. Who owns AI governance itself, as a standing part of how this board is governing the company.

Efficient is not the same as competitive

Before we get to where AI governance should sit, it's worth asking what it's actually there to test.

Edition 9 gave you a real example. A CEO said AI made the company the lowest cost operator in the market. That sounded like strategy.

It wasn't. It was efficiency, dressed up as strategy.

A lower-cost version of the same old business can still lose. A rival with a better offer beats you on value, not on price. Savings buy time. They don't buy position.

The governance test is: does AI improve our competitive position for the long term?

Nobody decided. It just happened.

AI governance is not being designed in the boardroom. Selective briefings by C-Suite leaders on aspects of AI have shaped board activity related to AI. Challenges with directors' and chairs' capacity to understand AI have compounded the issue.

The key challenge is that AI's features have become a distraction for talented governance leaders. It's time to reduce the distractions and get on with governing this high-capacity resource.

Governance-grade questions need to be shaping discussions. Is AI enabling our strategy, and improving our competitive position? And, if so, how do we optimise it and manage it like a valuable resource?

Part of a longer arc

In this six-part series on AI Governance, this edition builds on the last three (Governance Decoded Editions 7 to 9), rather than starting fresh.

Edition 7 gave you a working grasp of what AI actually is, so the AI governance conversation could move past buzzwords. Edition 8 turned that understanding into five domains of sharp, board-level questions. Edition 9 took one of those questions further still, into a live strategic risk: a dependency on a single AI provider for too much of the business.

This edition is the next step in that same progression. Once you can ask the right questions and spot the risk, where does the responsibility for holding that AI governance conversation actually sit on your board?

Three places AI governance can live, and what each one misses

A standalone AI committee builds depth. The directors on it learn the technology well. They are normally briefed by the Chief Information Officer, not the CEO.

Unlike Audit and Risk, a committee like this doesn't usually appear by accident. Someone decides to create it. But look closely at the decision behind it. It's rarely "let's govern our competitive position." It's usually "let's get smarter about the technology, fast." A committee can be built on purpose and still be built to answer the wrong question. Ask "does this work" enough times, and you stop asking "is this the right bet."

Audit oversees controls and financial reporting. It tends to look back, not forward, with questions about whether you did what you said you'd do. It rarely asks whether you should have done it at all, given where the market is heading. The dependency risk from Edition 9 isn't really a controls question. It's a strategy question.

Risk oversees downside more than upside. It asks what could go wrong. It doesn't naturally ask what could be won. AI brings opportunity as well as risk. A committee with a risk management mindset is unlikely to be the best fit for holistically assessing opportunities.

I've sat on all three types of committee. None of them will ask whether the AI in use is actually good for your competitive position.

Add them up. Is that enough?

Some boards try to fix this by spreading AI governance across all three. Give the AI committee the depth. Give Audit the controls. Give Risk the downside. Does adding their work together actually give you strategic governance of AI?

AI touches strategy, operations, the workforce, and the cost base, all at once. Add three partial views together and you still don't get one whole view.

Splitting AI governance across committees isn't wrong. It may just not be enough. The answer is to govern AI as a strategic resource, not as something that some committees can partially address.

This is not a technology discussion. It's a leadership one.

The governance of AI cannot be left unaddressed while AI use keeps expanding inside the business. Surveys this year consistently reveal that about half of boards haven't yet had a proper debate about how AI is governed at board level. For most companies that haven't had that debate, it's now overdue.

That work sits with the Chair because the Chair is the one person who can decide to lead the board on this strategic matter.

Leading this isn't a technology skill. It's closer to the skill a Chair already uses when the board debates hiring a senior leader into a role the company has never needed before.

If a Chair can lead that discussion, they can lead this one. The skill required is the same skill needed for strategy, for competitiveness, for any future-facing question that doesn't sit neatly inside one committee's brief.

Prompt, before it drifts

You don't have to wait for the Chair to get there alone.

Raise it directly: has the Chair got a view on whether AI governance is in place, wherever the pieces currently sit? If it's split across committees, has anyone actually checked whether their combined work adds up to a strategic view, or has everyone assumed someone else has it covered?

Then go a step further. Offer to help. A Chair who hears "here's how I could help you think this through" moves faster than a Chair who only hears a warning. You don't need to be an AI expert - just a shaper of good governance.

Language / Clarity / Confidence.

This edition exists so you can walk into your next board meeting with the language, the clarity and the confidence to be able to see a clear path to governing AI.

Language. Carry the language that focuses on AI Governance, not just AI.

Clarity. Seek clarity as to whether your Chair is leading how AI governance works at board level. Is it being shaped by board members, or allowed to happen in whatever way the C-Suite chooses to brief the board?

Confidence. You need the confidence to raise this with your Chair, offer to help carry it, and note the answer even when the answer is an uncomfortable silence. Given the fiduciary duty you carry personally under applicable due care and loyalty standards, raising this isn't overreach. It's good governance.

Boardroom Takeaway

Two things to take into your next board meeting.

For the Chair: "How we govern AI and its fit with our strategy. I want to decide where AI governance sits, with no coverage gaps."

For you as a board member: offer to help the Chair get there, not just raise the flag.

This is a test of board leadership. If your board's leadership isn't yet equipped to lead a discussion like this one, on strategy, on competitiveness, on where the company is actually headed, that's the more urgent repair. Fix that first.

If you're the Company Secretary or General Counsel reading this: you're often best placed to help the Chair get this onto the agenda formally.

Until next time,

Paul

This edition maps the board's role in an AI incident — not the management response, but the governance layer. Part 5 of 6.

GOING DEEPER

This edition settled where AI governance sits: with the full board, the Chair leading. The Board's AI Decision-Rights Framework is how that settlement is written down, so the answer survives the next committee review.

See The Board's AI Decision-Rights Framework → at the-closed-session.com

AI Governance: Your Crisis Plan Was Built for an Attacker

First published 30 July 2026

The complaint arrived eleven months after the first customer was affected.

An AI system, including AI agents, had been applying a slightly wrong rule to a large volume of customer transactions. Mispricing, in breach of regulation. Every individual decision had looked reasonable.

The board reached for the incident protocol built after the cyber scare two years earlier. Contain. Notify. Investigate. Report back.

Trust most of that protocol. But six of the assumptions underneath it belong to cyber alone, and each one changes what the board does on the day.

One. That someone did this to you

Cyber hands you an attacker, and the response reaches for the language of being targeted. Those words do damage on a day like this.

This AI system was approved by this board and is earning money for this business. You're responsible for selecting it.

In a cyber event, being attacked goes some way to explaining why you didn't see it coming. Here, this company chose the system, and somebody was meant to be governing it.

The board settles now what this company says publicly while it still can't explain how its own system failed customers.

Two. That something anomalous is there to find

An intrusion leaves behind something that doesn't belong. An account active at three in the morning.

An AI system producing harm leaves the place tidy. Every operational check passes, every month, while the damage accumulates. The system is doing exactly what it was built to do.

- What would have to happen for a problem like this to reach us?
- Who in this company examines outcomes rather than systems?

Three. That you can disconnect and rebuild

Isolation works in cyber because it's temporary. Systems come down, the intruder goes, and you restore to a point before the compromise.

Here, the system that caused the harm is the system that does the work. Stopping it is real containment. The restore has no equivalent, because the only version to go back to is the thing you just switched off.

Two clocks run. One started eleven months ago. One started this morning. Some reporting deadlines attached to AI failures run in days.

A board that keeps the shutdown call for itself has decided the system keeps running, because no board convenes inside that window. Decide in advance which AI systems can actually be stopped, what stops with them, and who holds the authority to pull one at an agreed threshold.

Four. That the chain ends at a decision-maker

Cyber usually surfaces an act you can point to. A patch deferred. A credential handed over.

An AI system learns patterns from what it's been shown and applies them to new cases. Your customer base shifts. The provider updates the model underneath. What the system applies shifts with it. So there may be no decision to find. Nobody chose the rule that caused the harm, and it never came up for approval.

The evidence moves as well. The version that produced those outputs may be gone by the time anyone looks.

"We know it happened, and we can't tell you what caused it." That sentence is hard to work with in the boardroom. It's harder to say outside it.

Where a cause can be found afterwards, accountability can be settled afterwards. Where a cause may never be found, accountability gets settled in advance or never at all.

So one named executive owns the outcome of every AI system that matters to the business. A name on its own does very little. What makes it work is what that person secures before go-live: records deep enough to show how a decision was reached, the running version logged, the provider bound to preserve evidence and cooperate in an investigation into its own product, and the authority to stop the system. All of it is bought at the contract table.

The schedule of matters reserved for the board is where this belongs. Add one line. The board approves which AI systems require a named owner, and approves the names.

Five. That there's a fix you can prove

A cyber incident closes. You find the hole, shut it, and show that it's shut.

An AI system's behaviour under a given set of conditions is a property of that system. It produced those outputs once, so it will produce them again under those conditions. Non-recurrence becomes promisable once somebody can describe the conditions, which returns you to section four.

One decision belongs to the board. Where management can't describe what produced the failure, the system stays out of that application. It goes back when somebody can say what happened. Management will be under pressure to restore a capability the business has come to rely on, which is exactly why the call sits with you.

Six. That the cover will be there

Cyber insurance moved in three phases. Ordinary policies paid, because they said nothing about cyber. Then insurers wrote broad exclusions. Then a standalone market grew.

Boards remember the ending. The middle ran for years, and that's where the uninsured losses sat.

AI is in the middle phase now, and it's moving through this year's renewals. Standard wordings let insurers exclude losses connected to AI-generated output from general liability cover. Some cap AI-related recovery at a small fraction of the limit. The same language is reaching directors' and officers' cover.

Same company, same policy number, a different answer after renewal. Plenty of organisations will find out which one applies at the moment they claim.

It also changes arithmetic this board has already approved. A business case built while an insurer carried part of any loss reads differently once the whole loss sits with you. Put that beside the efficiency numbers from Edition 9.

Ask at your next renewal, with the answers in writing:

- Does any policy in our programme now exclude or limit AI-related loss?
- Does our directors' and officers' cover carry the same language?
- If an AI system caused a significant loss tomorrow, what would we actually recover?

Where this sits in the series

Governance Decoded Editions 7 and 8 built the vocabulary and the questions. Edition 9 showed a dependency on a single outside provider forming quietly while the board watched good news. Edition 10 asked where AI governance sits, and put the answer with the Chair. All of them assumed a board with time.

This edition works in the hours after the time has run out. It sharpens Edition 9, because the provider sitting inside your operations also holds the record of what its system did, and establishing what happened means asking that provider to help demonstrate that its own product caused the harm. It conditions Edition 10, because committees meet on a calendar, and deciding where AI governance sits has to include deciding who acts when nobody can be convened.

What changes for you personally

Good-faith reliance on management and on expert advice is your usual protection. That assumes the expert can explain the thing. Where the people who built a system can only partly account for its behaviour, you're relying on assurance alone.

Your duty of oversight is unchanged. The evidence you'd need to show that you discharged it has changed. That evidence is the record of what you asked, when you asked it, and what you were told.

So there's a habit worth forming. When an AI deployment comes to the board, ask who owns the outcome and what they secured at contract stage. See that the answer reaches the minutes. Where the name is still open, see that this reaches the minutes too.

Language / Clarity / Confidence.

Language. The sentence to carry is "who owns this outcome?" Owning an outcome and understanding a technology are two different things, and only one of them can be assigned to a person.

Clarity. Seek clarity on which parts of your incident plan were built around an attacker.

Confidence. You need the confidence to ask for a name, and to sit with the pause when none comes back. A silence is an answer. Record it.

Boardroom Takeaway

For the Chair: "Our incident plan assumes somebody attacked us. I want it tested against a failure we caused ourselves, and I want a named executive against every AI system that matters, appointed before contracts are signed."

For you as a board member: who owns this outcome, and what did they secure before we signed? And what would we recover if this went wrong?

Names get settled while the room is calm. Once the complaint arrives, the board is left looking for something that may never be findable.

If you're a CFO, a risk manager, or the person who signs off the insurance programme, the renewal in front of you may carry wording that moves a whole category of loss onto your own balance sheet. Put that in front of your board before the policy is bound, rather than after a claim.

Until next time,

- Paul

GOING DEEPER

This edition tested a crisis plan against a failure the board caused rather than an attacker. The Self-Inflicted Incident Plan is that tested plan; the Named-Owner Protocol is how a name gets put against each system before the day it fails.

See The Self-Inflicted Incident Plan → **See The Named-Owner Protocol →** at the-closed-session.com

AI Governance: The Strategic Resource You Need a Return On

First published 13 August 2026

Welcome to the final edition of a six-part series on AI Governance that started with Edition 7.

Back in Edition 9, a CEO briefed the board that "AI now handles 40% of our customer volume. That makes us the most cost-efficient player in the market. We're on strategy, with a great partner." The board noted it. The Chair said well done. The agenda moved on.

This final edition is about what that board should have had in place to enable a governance-grade discussion, and why. Six editions on, that's where the series has been heading.

There's a test that separates two kinds of board. One kind watches a technology and asks whether it works. The other governs a strategic resource and asks whether it's the right bet, and whether the return is achievable and sustainable. Editions 7 through 11 each took one part of that challenge. This edition puts them all in one frame.

The strategic resource, not the tool

AI arrives in most boardrooms dressed as a technology, or a tool. That framing hands it to the people who understand the technology. And it invites the board to ask technology questions. Does it work? Is it secure? Is there a human involved? All reasonable questions. None of them strategic. Edition 7 drew attention to this distinction, between AI literacy and AI governance competence. Literacy asks the technology questions. Competence asks the strategic, governance-grade ones.

Edition 10 made the distinction between AI that delivers efficiency and AI that improves competitiveness. A lower-cost version of the same business can still lose. Savings buy time. They don't buy position. So the board that governs AI as a strategic resource asks the positioning question every time the efficiency slide appears. Efficiency and competitiveness are two different metrics. Only one of them decides whether the company is still standing in five years.

What "in place" actually means

Ask a board what it has in place for AI governance. You'll often get a policy document. A responsible AI framework, filed and referenced. Edition 8 showed what that assurance is

worth when a director accepts it without a follow-up. It gives the board nothing to act on.

Having something "in place" means having live mechanisms. Mechanisms that produce information the board can govern with. Here are five, drawn from the series.

A question architecture that runs on a cadence. Edition 8 laid out governance-grade questions ranging over five domains and three timing categories. "In place" means those questions appear on agendas by design. Standing questions at every relevant meeting. Formal reviews on a recurring schedule. Trigger questions ready before the trigger event. A board that asks governance-grade questions only when prompted has not reached the level needed to adequately govern AI. This calls for a governance architecture that is tested and in place.

A named owner "in place" for every AI system that matters. Edition 11 put this at the contract stage. That's where it stays. One executive owns the outcome of each material system. What makes the executive ownership work is reflected in what they secured before go-live. Records deep enough to reconstruct what the system was asked and what it returned. The running version logged. The provider bound to preserve evidence and cooperate. The authority to stop the system. The board approves which systems need an owner. The board approves the owners. That matter sits in the schedule of matters reserved for the board.

A dependency threshold that is "in place". Edition 9 watched a dependency form gradually, one sensible transaction at a time. It reached 40% of customer volume on a single provider. No fallback had been tested. "In place" means the threshold was set in advance. By spend, by volume, or by share of a revenue-affecting function. The concentration risk triggers a board conversation while the company still has choices. A threshold set in advance controls the exposure. A threshold set after the dependency forms only describes it.

A remuneration design that measures all of the consequences. Also Edition 9. The executive incentive plan rewarded the cost saving. It said nothing about the concentration risk built alongside it. So the board paid to create an exposure it would later have to govern. "In place" means the Remco has asked what the plan measures and what it misses. And Remco closed the gap. This doesn't need a redesign of executive pay. It needs one question, asked and answered.

An incident plan built for a failure you caused. Edition 11 again. Most crisis protocols assume an attacker, as a cyber event does. This is not helpful on the day an approved AI system is discovered to have been quietly harming customers for eleven months. "In place" means the plan has been tested against a self-inflicted failure. Who can stop which systems. What stops with them. Who holds the authority to pull one when no board can be convened inside the reporting window.

Look again at the five paragraphs above. Every item is a governance mechanism. Each one produces a decision, a name, a threshold, or a record. That's what governing a strategic resource looks like.

Where AI sits, resolved

Edition 10 settled where AI governance sits. It belongs to the full board, with the Chair leading. This edition confirms it.

AI governance sits with the board as a strategic matter. The Chair leads it. Committees feed specialised work upward. Audit takes the controls. Risk takes the downside. A dedicated committee, if one exists, takes the technical depth. But the question of whether AI improves the company's competitive position belongs to none of them alone. It's a strategy question. Strategy sits with the full board.

The schedule of matters reserved for the board makes this tangible. Edition 11 introduced that schedule and put named executive owners on it. We now produce the full list. The board reserves the approval of the dependency threshold. It reserves the named owners of material systems. It reserves the decision to return a system to use after a failure it couldn't explain. Once those sit in the reserved schedule, AI governance has a home that no committee gap can invalidate. And the Chair has the standing to lead it.

What changes for you personally, one last time

Across this series, your understanding has been developing edition by edition. Edition 7 asked you to tell literacy from competence. Edition 8 handed you the governance-grade questions. Edition 9 asked you to read the good-news slide for the dependency it hid. Edition 10 asked you to raise the question of where AI governance sits, and to offer to help the Chair carry it. Edition 11 asked you to sit with the silence when you request an executive name and none comes back.

This Edition 12 asks something that holds all of those together. Your duty of oversight hasn't changed. What has changed is that you now need evidence to show you discharged it. And that's where the record becomes important.

What you asked. When you asked it. What you were told. A director who has spent six editions learning to ask governance-grade questions has been building that record already. Keep building it. When the AI item reaches the board, ask the strategic resource questions. See that the answers reach the minutes. Where the answer is a pause, see that the pause reaches the minutes too.

Language / Clarity / Confidence

This edition exists so you can walk into your next board meeting with the language, the clarity, and the confidence to govern AI as a strategic resource.

Language. The phrase to focus on is "return on the strategic resource." When the efficiency slide appears, switch to "what competitive position is this buying us, and is the return sustainable?" Efficiency and competitiveness are two different metrics. The language keeps them apart.

Clarity. The clarity is in the reframe from tool to strategic resource. AI is a strategic resource the board deploys, values, and monitors for an expected return. The way it already does with capital and talent. Every mechanism in this edition flows from treating it that way. If your board is still asking technology questions, that's the reframe to make in the next meeting where AI appears.

Confidence. You don't need to fully understand the AI model to govern the resource. Six editions have shown the governance capability was never technical. It's the informed confidence to ask what return the resource is earning. To name the dependency before it sets. To hold the strategic question in a room where everyone else is satisfied with the efficiency answer. That confidence is now yours to use.

Boardroom Takeaway

For the Chair: "I want us to govern AI as a strategic resource. That means five things must be in place. A question cadence. A named owner against every material system. A dependency threshold. A remuneration plan that measures the risk we're building. A crisis plan for a failure we caused. I want to know which of those we have, and where the gaps are."

For you as a board member: what return is this strategic resource earning, and is it sustainable? And of the five things a board should have in place, which does ours actually have?

This is where the series has been heading since Edition 7. The destination was always a board that governs AI with the same discipline it brings to any strategic resource that decides whether the company wins. AI expertise on the board was never the point. The efficiency story the CEO told in Edition 9 was true. It was also the smaller part of the question. The board that asks the other part is doing the job.

That's the series. Six editions on, the work is to govern AI, and to govern it as what it is. A strategic resource this company needs a return on, held to the same standard as every other resource that matters.

Until next time,

- Paul

GOING DEEPER

This edition named the five mechanisms a board needs in place to govern AI as a strategic resource. The AI Governance Readiness Diagnostic is how a board checks which of the five it actually has, and where the gaps are.

See The AI Governance Readiness Diagnostic → at the-closed-session.com

GOVERNANCE NOTES · EDITION 13

The Seat Your Board Forgets It Has

First published 27 August 2026

What the Senior Independent Director (SID) is for, why the role can be meaningless, and the work a board has to do long before it needs the role.

A chair's health gave way, mid-meeting, halfway through the strategy item. Heads turned. Not to the senior independent director, who had held the role for two years, but to the chair of the corporate governance committee, who had joined the board five months earlier. In the three seconds it took for someone to take charge, the board found its centre of gravity. The SID was not it.

Nothing had gone wrong for two years. That was the problem. The role had sat undefined the whole time, because undefined was comfortable, and no one had told the board it was carrying a risk.

Normally I write to the individual director. This edition is written to the board as a whole, about a role most boards treat as a title rather than a working part of how they govern. The individual in the role matters. So does what the board around them does to make the role a success, when it is needed most.

One role, several names

Call it what your market calls it. UK and Irish boards appoint a senior independent director. In the US, in companies where a dual mandate is held by one person (CEO and Chair) a lead independent director is elected to provide some counterbalance to the CEO and Chair. Where a South African board's chair is not independent, the JSE requires the same counterweight under the same name, the lead independent director.

The name varies. The responsibilities are similar across all of them. There is one director whose job is to hold the board's independence steady when the chair cannot, or should not, and who the room can turn to when appropriate.

The two duties, and the rest of the job

Most descriptions of the role mention two duties. The chair's appraisal, and the one that opens with "we may need to find a successor for the chair." Both matter. Neither is the whole job. Treating them as the whole job is how the role can become meaningless.

The fuller brief is wider. It includes reading the health of the relationship between the chair and the CEO before it deteriorates. It includes noticing when decisions are being taken without the full board's approval, or when strategy has quietly lost the board's

support. It includes being the shareholders' route in when the normal channels have failed or would be inappropriate, and building that channel before an activist letter makes it urgent. And it includes an honest answer, held privately, to whether the SID would take the chair themselves if it came to that. A SID who has not settled that question becomes the story the day succession becomes a live matter, instead of the person who resolves it.

Being an effective SID does not come from following a script. It depends on their standing with other members of the board.

Standing is not authority

Here is the distinction that each board member needs to bear in mind about a SID role. The SID's letter of appointment grants authority. It defines the SID's remit and their formal powers.

Standing is different. Standing is whether the other directors instinctively turn to the SID when the chair is unavailable or conflicted. It is whether a troubled director already knows the door is open. It is whether a shareholder trusts the SID before they need to contact them. Authority is granted by a title. Standing is developed slowly, over time, through relationship building and regular contact.

A board can hand a SID every formal power the code allows and still have a meaningless role, because no code grants standing. The board that confuses the two discovers the gap at the worst possible moment. In the three seconds.

Four relationships, all the same shape

Look at what the role quietly requires across four relationships.

The chair. Close enough to appraise them honestly. Far enough to find a successor for their seat if it comes to that. Most SIDs manage the first and have no idea how far they sit from achieving the second until they need it.

The chief executive. The SID watches the relationship between chair and CEO, not to referee it but to notice when it has gone wrong in either direction. Too much friction, or too little.

The other directors. The SID is the person a troubled non-executive is meant to be able to go to. That happens only if the door was already open.

The shareholders. The forgotten leg. The SID is a shareholder point of contact, and most behave like one for the first time when an activist letter arrives and the relationship has to be built in a crisis, which is the worst moment to build anything.

Read those back and notice they share one shape. Each is a relationship that doesn't work on the day you need it unless it was already warm the day before. The crisis does not create the SID's standing. It reveals whether the standing was there.

What the board owes the SID

This is where the board's responsibility becomes concrete, because the SID cannot build standing alone. A relationship needs a counterpart. Here is the work that sits with the board, not the individual.

The chair has to make room for the SID rather than compete with them. Edition 3 named the version of this that goes wrong. The chair who is the longest-tenured person on the board, too embedded in the CEO relationship, too comfortable with current composition, is exactly the chair a strong SID exists to counterbalance. A chair who quietly starves the SID of standing has impaired the counterbalance. Where the nominations committee is chaired by the SID, as Edition 3 argued it should be, that is one visible source of standing the board can grant deliberately rather than leave to chance.

The chair and the committee chairs have to route real work and information flows through the SID between meetings. Above all, the chair must engage substantively at least once a month with the SID, building their standing and involving them in key matters that the chair is considering. Edition 6 made the case that the substance of governance is built in the twelve week periods between quarterly meetings. The SID's four relationships are developed in those periods. A board that only enables the SID when the chair is in difficulty has left the standing unbuilt. It cannot be turned on and effective at the moment it is needed.

The board has to evaluate the SID regularly. Edition 2 set out why boards exempt themselves from the evaluation discipline they impose on management, and the SID role is where that exemption hides most easily. A board that reviews the SID's readiness, deliberately, while nothing is wrong, is acting responsibly.

What changes for the director in the SID role

For the director in the SID role, this reframes the role.

The job was never limited to the two duties, or even the four relationships taken one at a time. The job is being ready across all of them at once. Readiness is a practice, conducted continuously, in the quiet moments, with no one watching and nothing yet wrong. It is unglamorous. And it is a very important job.

The SID who watched their board turn to the chair of the corporate governance committee in a crisis has learned a valuable lesson. A year later, on another board they approached it differently. They carefully developed their standing relationship by

relationship. Not because the appointment letter called for it, but because they had felt what it costs to hold the title without the standing. The work involved was continuous and invisible. A private word to the chair that the chair did not want to hear, as a test that the channel still worked. A conversation with the CEO that the chair did not sit in. A door held open to a fellow director before that director had a reason to use it. A shareholder contact made warm before it had to talk about something serious. None of that was in anyone's letter of appointment. All of it was the job.

Language / Clarity / Confidence

This edition exists so you can walk into your next board meeting with the language, the clarity, and the confidence to treat the senior independent director as an important pillar of governance, not a title without substance.

Language. The phrase to carry is "standing, not authority." Authority is what the letter of appointment grants. Standing is whether the room turns to the seat when the ground moves. When your board reviews the SID role, ask which of the two you have actually built. The words keep them apart, and the gap between them is where meaningless seats hide.

Clarity. The clarity is in seeing the four relationships as one shape. Chair, chief executive, fellow directors, shareholders. Each is warm the day before the crisis or useless the day of it. A board that understands this stops asking whether the SID has the right powers and starts asking whether the SID has the right relationships, made in ordinary time.

Confidence. You need the confidence to put an unglamorous question on the agenda while nothing is wrong. When did we last test that our SID could actually lead a change of chair if it came to it, rather than merely appraise them? A board that can ask that in calm conditions has done the work. A board that cannot will meet the question for the first time in the three seconds.

Boardroom Takeaway

For the Chair: "I want us to treat the senior independent director as a key role with standing, not just authority. That means routing real work and information flows through them between meetings, assuring their readiness while nothing is wrong, and being honest about whether the board members would actually turn to the SID if I was unavailable or conflicted. I want to know where the SID's standing is warm and where it is theoretical. And I will actively work to enable their effectiveness."

For you as a board member, ask these before the next crisis makes you ask them:

- If the chair was unavailable or became conflicted in our boardroom tomorrow, would I turn to our SID? What have we, as a board, done in the last quarter to make that a strong possibility?
- Which of the SID's four relationships, chair, CEO, fellow directors, shareholders, is warm right now, and which is theoretical?
- Has our SID been open about whether they would take the chair if it came to that? Do we know the answer well enough to plan around it if necessary?
- When did we last review the SID role while nothing was wrong, rather than presume it healthy when it has not been tested?

The SID's standing is developed through intentional collaboration when nothing is happening. A crisis only reveals whether the board did that work, or skipped it.

Until next time,

Paul

GOING DEEPER

A standing brief for the senior independent director — the readiness practice this edition describes, set down as a working document — is in preparation at The Closed Session.

GOVERNANCE NOTES · EDITION 14

Eight Minutes and a Nod

First published 10 September 2026

What the quarterly cadence does to strategy, why the gap between board meetings is where it goes quiet, and the move that belongs to every director, not just the chair.

It's ninety minutes into a two-hour meeting. The quarterly numbers have eaten up all the time so far. "AI and competitive positioning" is item nine of eleven, and someone has just glanced at the clock. The item gets eight minutes and a nod. Everyone leaves agreeing it mattered. Everyone knows it wasn't discussed.

Here's the issue. Every director in that room saw it happen. Not one of them said so.

The instinct is to blame the agenda. The agenda is doing its job. A quarterly reporting meeting exists to service stakeholders and confirm the trading position, and it did both, well. The failure sits somewhere else. It sits in the eleven weeks on either side of the meeting, where the strategic questions that most impact the long-term are not addressed. And the failure belongs to every director who noticed and waited for the chair to fix it.

A cadence borrowed from disclosure

Look at what a quarterly meeting is built to do, and the shape of the problem appears.

Four times a year, a board convenes to review a period that has closed. The numbers are reported. The trading position is confirmed. The stakeholders who read the board's output, shareholders, regulators, auditors, are serviced by a rhythm designed to serve them. That rhythm is disclosure. It looks backward by design, because disclosure is an account of what already happened.

Strategy is something different. It wants a meeting where the period under discussion hasn't closed yet, where the question is what's coming rather than what came. Disclosure and strategy need different meetings. A board that runs both in the same two hours, at reporting pace, framed by management papers written for reporting, has given strategy the leftover minutes at the end of an agenda built for something else.

That's an architecture problem. And a board chooses its architecture. It doesn't inherit it.

Continuous risk, quarterly seat

Here's what the borrowed cadence can't adequately address.

AI capability shifts month to month. A hyperscaler changes its terms. Cyber exposure moves with every new integration. Climate policy turns on an election. A geopolitical decision reroutes a supply chain overnight. None of these wait for the next quarterly meeting. They move in the eleven weeks when the board isn't meeting.

Edition 6 made the case that the substance of governance is built in the gaps between quarterly meetings, in the calls and the quiet preparation the chair does before the board convenes. This edition takes the same gap and asks a harder question of it. The scope of board work has grown. AI, cyber, climate, geopolitical volatility, provider dependency, none of these sat on a board agenda a decade ago. The shape of board work hasn't grown with it. A board still meets four times a year to review the past, and finds itself structurally silent on the strategic topics that change more frequently than when the quarterly cadence was established, and when one strategy meeting a year was adequate.

A director who governs strategic and dynamic matters like AI, cyber, and geopolitical issues from a quarterly seat is likely to feel a need for a different cadence. But no one has raised that as a matter for discussion.

Give the questions a meeting

The resolution is a practical one, and it's smaller than it sounds. A between-meeting board strategy discussion.

Hold it the week after the quarterly meeting. That timing matters. Nobody needs a fresh trading update to begin, because the numbers are still warm from the meeting just gone. The room is clear of the reporting load. The calendar pressure of the quarterly cycle has just lifted.

Service it lightly. A page, a provocation, not a deck. The whole point is to strip away the reporting machinery that crowds strategy out of the main meeting. Fewer papers. Higher-level contribution. A room built for thinking aloud rather than signing off.

Three things are worth naming as its purpose. Testing the company's competitive position and the disruption coming toward it. Building the working relationship between board and management on strategic matters, not quarterly reporting. And developing fluency in the topics where a director's silence is no longer a defensible position. That fluency compounds. A board that has thought aloud about AI or provider dependency before the crisis arrives is a board that can govern it when it does.

The move that belongs to every seat

Here's where it becomes personal.

The chair can convene the strategy discussions. In most boards the chair is the natural person to do it. But the freedom to ask for them belongs to every seat at the table, not only the head of it. Any director can say, in the calm after a quarterly meeting, "we are not giving these questions sufficient time, and I'd like us to." That sentence requires no title. It requires only that a director noticed the gap and decided not to stay quiet about it.

Edition 4 asked the new director to find the one question worth asking in a room that had stopped noticing what it avoided. Edition 3 named the cost of the silent collective decision, the whole board reaching the same private conclusion and no one saying it aloud. This is that pattern in a different guise. A director who watches strategy get eight minutes and a nod, quarter after quarter, and treats it as the chair's problem to solve, has made a choice about their own stewardship. The duty to name the gap doesn't wait for permission from the head of the table.

You don't need the gavel to say the room is missing something. You need the willingness to be the one who says it.

The honest objection

There's a real cost here, and a director proposing another session should feel its weight.

More meetings mean more demands on management. More preparation, more calendar pressure on people already stretched. Governance scope is expanding faster than governance capacity, and every new demand falls on a management team already carrying more than it was five years ago. A director who asks for another meeting without feeling that weight is asking carelessly.

The objection is sound, and it rests on one assumption. It assumes the strategy session is more of the same. More papers, more reporting, more service of the board by a stretched team.

The strategy session is built to be lighter, and that design is the whole point. It runs on a single page and a provocation. It asks management for a higher-level contribution, the kind that draws on judgment rather than preparation. It trades reporting for relationship.

The engagement it creates, a management team that has actually thought aloud with its board about disruption before it arrives, is worth more than the calendar cost of the session.

The demand on management is real. So is the cost of a board that only meets the future four times a year.

Language / Clarity / Confidence

This edition exists so you can walk into your next board meeting with the language, the clarity, and the confidence to give strategy a meeting of its own, and to be the director who asks for it.

Language. The phrase to carry is "eight minutes and a nod." It names the thing everyone in the room recognises and no one has labelled. When a strategic item gets the leftover minutes at the end of a reporting agenda, say so in those words. The label makes the pattern visible, and a pattern named is a pattern a board can decide to change.

Clarity. The clarity is in seeing the cadence for what it is. Four quarterly meetings are a disclosure rhythm, built to service stakeholders and confirm a closed period. Strategy is a forward question that needs its own meetings. Once you see that the quarterly seat and the continuous risk are mismatched, the fix stops being "engage more" and becomes "give the questions a meeting." That's a structural change a board can actually make.

Confidence. You need the confidence to ask for the meeting without holding the gavel. The chair can convene the strategy session, but any director can propose it, and the proposal is legitimate from any seat. When you next watch a strategic item get eight minutes and a nod, the confident move is not to note it privately and move on. It is to say, in the calm afterward, that these questions deserve a meeting, and to be the one who asks for it.

Boardroom Takeaway

For the Chair: "Our quarterly meetings service our stakeholders well, and they leave our strategic questions eight minutes at the end of a full agenda. I want a between-meeting strategy session, held the week after each quarterly meeting, lightly serviced, built for thinking aloud about competitive position and disruption. I want us testing the future in a meeting designed for it, not in the minutes we have left over."

For you as a board member, ask these before another quarter passes:

- Which strategic question in our organisation is currently getting eight minutes and a nod? When did it last get a meeting of its own?
- Which of the risks we govern, AI, cyber, climate, geopolitical, provider dependency, moves faster than our meeting cadence? How are we governing it in the eleven weeks we're not in the room?
- If I proposed a between-meeting strategy session tomorrow, what would stop me? Is it the demand on management, or my own reluctance to be the one who names the gap?

- The last time a strategic item was crowded out, did I say so, or did I wait for the chair to notice?

And for anyone who will one day sit on a board, or who briefs one, the CFO preparing the papers, the company secretary shaping the agenda, the executive watching from one seat away: what strategic question is getting eight minutes and a nod in your organisation right now, and who has the standing to ask for it to get a meeting of its own?

An important item gets eight minutes and a nod. Everyone agrees it mattered. No one governed it. Quarter after quarter, that's the pattern, and the director who names it out loud has done the most valuable thing available from their seat.

Until next time,

Paul

GOING DEEPER

A toolkit for giving strategy its own cadence between quarterly meetings is in preparation at The Closed Session.

GOVERNANCE NOTES · EDITION 15

The Smoothest Item on the Agenda Is the One to Watch

First published 24 September 2026

Every board meeting has one. The item that runs to time, gets nodded through, and hides the question the framing was designed to retire.

Item four. The CFO opens with one sentence. "We've stress-tested this and the exposure is well within tolerance." The paper says the same in its first paragraph. Nobody has raised a concern yet. There wasn't time.

The chair thanks the CFO. Two directors nod. The item moves on inside its slot.

Hold the smoothness for a beat. It's the good part of the day. Then ask what it achieved.

Reassurance ahead of the question

Someone answered a worry before anyone voiced it. Sometimes that reads well. Management anticipated the concern, addressed it in the paper, and the item runs cleanly because it was prepared with care.

Sometimes it reads differently. The item was framed so the obvious question felt redundant before anyone could form it. The reassurance was doing work.

From the chair, the two look alike. Both move quickly. Both leave the board with the sense that a competent hand has been on the material. Only one of them holds together if a director puts pressure on it.

The distinguishing move is small. Ask the question the framing was designed to retire. Not with challenge in your voice, with genuine curiosity. Watch what happens next.

A robust proposal welcomes a question. The answer is already there and it deepens on request. The presenter has more, and offers it. The paper is a summary of a body of work, and the body of work supports the summary.

A weak proposal does something else. The opening reassurance is repeated. The same sentence returns in different words. The reassurance was meant to be taken at face value, and it comes under pressure the moment anyone looks closer.

The offered answer and the asked question

Every board proposal can be read two ways. There's the answer the presenter offered before anyone asked. And there's the question a director asks anyway.

When the two produce the same result, a deeper version of the reassurance the paper opened with, the proposal is robust and the director's inquiry confirms that. Both sides win.

When they don't, when the asked question produces a repetition of the offered answer rather than a deepening of it, the proposal was not intended to be discussed. It came into the room decided. The board's role in it was ceremonial.

That distinction sits at the heart of what an independent director is for. Discernment. Which items get the room's attention, and which have been settled somewhere else.

The smooth items are the ones to watch

The rough items in a board meeting are visibly rough. Somebody raises a concern, management doesn't have a full answer, the item extends past its slot. That's a working board doing its work. Nobody misses those items. They interrogate themselves.

The smooth ones don't. They pass through the room without asking for the director's attention. If a director gives their attention only when the room seems to need it, the smooth items travel through unexamined by design. That's what the pre-sealed item was built to do.

What Edition 8 named, without the AI hook

Edition 8 drew a line between the easy question and the governance-grade one. The easy question produces the reassurance the paper was going to give anyway. The governance-grade question produces information the director didn't have. The example was AI, and the CEO's reassurance was "we have a responsible AI framework in place." The director accepted it and left the meeting no better informed than they arrived.

The mechanism generalises. Every agenda item can be received or interrogated. The interrogation is what distinguishes a director exercising oversight from a director receiving a briefing.

What Edition 8 did with AI, this edition does with ordinary items. The item doesn't have to be technical, novel, or high-stakes for the offered answer to be doing work. A routine item, on a familiar topic, from a trusted presenter, is a strong candidate. Familiarity is one of the conditions under which the offered answer travels furthest before anyone tests it.

What changes for the individual director personally

The offered answer is comfortable for the director too. That's the part most governance writing skips.

A pre-sealed item saves the director from a moment they'd otherwise have to manage. If the item is closed before the room engages with it, the director doesn't have to decide whether to open it. The framing makes the decision for them. Accepting the reassurance looks like trust in management. It reads as collegial. It keeps the meeting moving. Nobody thanks the director who slows a smooth item down.

That's why the offered answer travels so well. There's a private reason to accept a well-formed reassurance and move on.

There's a further cost worth naming. A director who has accepted several pre-sealed items over several meetings has trained the room. Management has learned which items the board will interrogate and which it will approve without a challenge. The next proposal is written to that learning. The offered answer becomes more polished, better positioned, harder to see past.

That's the compounding version. It doesn't show up on any single item. It shows up in the character of the board's papers over eighteen months. And it becomes part of the established practice of the board.

Questions to carry into the meeting

- What concern was this framing designed to retire before it was raised?
- If I ask the obvious question, does the answer deepen, or does the reassurance repeat itself?
- Who decided this item was settled, and when? Was this board part of that decision?
- On which item today am I most likely to accept the offered answer without noticing?

The last one is the hardest to ask honestly. Every director has items where their attention is naturally lower. The trouble with familiarity is that the director's own comfort protects the pre-sealed item most effectively of all.

Language, Clarity, Confidence

This edition exists so you can walk into your next board meeting with the language, the clarity, and the confidence to notice when the good part of the day arrived too early.

Language. Carry "the offered answer and the asked question." Every item comes with an answer the paper offered before anyone asked. Every director has the option of asking the question anyway.

Clarity. Read smoothness as a signal, not a result. A working board doesn't produce meetings that are uniformly smooth. Uniform smoothness is a pattern to notice, and worth noticing early.

Confidence. You don't need suspicion to ask the question the framing was designed to retire. You need genuine curiosity, held steady, in a room where nobody else is asking. If the item was well-prepared, your question makes the item stronger. If it was pre-sealed, your question surfaces what the framing was covering. Either result is a governance contribution.

Boardroom Takeaway

For the Chair: "I want us to hold a pause on the smoothest item of every meeting. One question, from any director, before we move on."

For you as a board member, before your next meeting:

- Read the papers once for content and once for framing. Which items open by settling something?
- Choose the item most likely to pass smoothly. Prepare one question that opens it.
- Ask that question in the meeting, whatever the room's mood.
- Note whether the answer deepens or repeats. Remember it for next quarter.

For the executive who'll write next quarter's paper, and for the aspiring non-executive director who'll one day read it from a new seat: which item on your agenda goes smoothest, and what has that smoothness been protecting?

Until next time,

Paul

GOING DEEPER

This edition asked you to read the smoothest item for the question its framing was built to retire. The Board Paper Framing Audit is the instrument for that second read, with a scoring strip that tracks which papers inform and which persuade.

See The Board Paper Framing Audit → at the-closed-session.com

The Banks' Yes

First published 8 October 2026

What every director should do when a project approved by a different board, in a different market, comes back for signature.

The consortium's letter is on the screen. Five banks, one set of terms, eighteen months of negotiation finally closed. The CEO calls it the moment the company's next decade became real. The facility agreements are in the pack for signature. The lenders' window closes in six weeks.

The new audit and risk chair turns to the business case at the back of the pack. It's dated eighteen months ago. The demand forecasts, the cost of capital, the competitor map. All of it predates their appointment. It predates the chair's too.

They ask when the board last tested the assumptions.

The CEO answers warmly. "The banks have been through this line by line. They wouldn't lend if it wasn't commercially viable."

Two directors nod. The new chair has a decision to make about the next ninety seconds.

The banks' yes answers the banks' question

The CEO's answer is true. It also answers a different question from the one in front of the board.

A lender asks whether the debt will be repaid, and what it can take if it isn't. It prices its risk, secures it, and fences it in with covenants. Its upside is the margin and the fees. Its downside is protected by security over the company's assets.

The board asks something wider. Is this the best use of the company's capital, balance sheet and management attention for the next ten years? Does it strengthen the company's position in the market it now faces? Can the shareholders live with the downside the banks have priced away?

A project can be bankable and still be the wrong bet. A lender can be repaid in full from a project that destroyed shareholder value. The covenants make sure of it.

So there are two yeses in this story. The bank's yes and the board's yes. Management has delivered the first. It's presenting the second as a formality.

One more thing about the banks. They're better informed than the board for two reasons. The first is that they commissioned reports. Lenders on a project of this size

usually commission their own technical adviser, a model audit and a market study. Those reports were written in the last eighteen months, and they're sitting in a data room the board has not seen, even though they were shared with management.

The second is that the banks have spent those eighteen months in conversation with management. Every turn of the term sheet came with questions about the deal, the trading position and the health of the business. The banks have heard management's current view of the company more recently, and in more detail, than the board has.

The first reason gives the board its first practical move, and it costs nothing. Ask for the reports the banks relied on. The second gives it another. Ask management for the latest view of the business it gave the lenders.

The signing is the decision

Eighteen months ago, this board formally approved the project. The minutes say so. Management will point to them.

Read those minutes again. The approval was given on a business case built for a different market, a different rate environment and a gentler competitive picture. It was given by a different chair and different committee chairs. It approved a direction. It committed the company to nothing it couldn't step back from.

The facility agreements do commit it. Financial covenants that cap leverage. Restrictions on dividends. Limits on other capital spending. Security over core assets. Cross-default clauses that reach into every other borrowing the company holds. Once signed, they shape every strategic choice the board makes for the life of the loan.

So the signature is the first irreversible decision. It deserves a business case that's current on the day it's made.

Edition 1 set out four categories of board decision. This project began in the first category, formal approval. Over eighteen months of quarterly updates on "progress with funding", it drifted into the third category, where management acts and reports back. Each update got a nod. Now it's back in the first category, carrying an approval the current board never gave.

A board that no longer sits

Look around the table. The chair who championed this project has gone. So have the chairs of the key committees. The executive team is unchanged. Management carries the full eighteen-month history. Much of the board carries an induction pack and an assurance.

That's an information gap running the wrong way. Edition 4 asked the new director to close it through deliberate work between meetings. Edition 5 asked the departing director to hand over the interpretive map that minutes never capture. Here, the map left with the people who drew it.

The new chair carries an extra weight. This was their predecessor's signature project. Reopening the case can look like a new chair marking territory, or quietly overturning a legacy. Plenty of new chairs feel that pressure and let the item through.

There's a better reading available. A project that matters this much deserves to be owned by the board that signs it. Retesting the case is how this board takes ownership. If the case holds, the predecessor's judgment is confirmed by people who checked it. If it doesn't, the company is spared a decade-long commitment made on stale facts. Either outcome honours the project more than a signature given on trust.

And the previous chair is a phone call away. Ask them what was debated, what was set aside, and what worried them most. That's the handover conversation this board still needs.

The offered answer, again

"The banks wouldn't lend if it wasn't commercially viable." Edition 15 called this kind of sentence the offered answer. It arrives before the question is fully formed, and it's built to settle it.

So apply the same test. Ask the obvious question anyway. What has changed since approval, and what does the case look like on today's assumptions?

If the answer is a second reference to the banks, the board has learned something important about the state of the business case. Nobody can produce a refreshed model in the room. That's what the deferral is for. If management comes back with a refreshed model, revised sensitivities and a candid account of what's moved, the project is robust and the board can approve with confidence.

Defer, and make it count

So back to those ninety seconds. The chair's move is to summarise what the room has just heard and to request views from board members on how best to proceed. The board discusses the matter, noting the business case is supported by papers that are eighteen months old, and defers the approval until the business case is refreshed.

Say so in the meeting, and minute the reason. Then make the deferral as short and structured as the six-week window allows.

The chair writes the brief for the refresh with the committee chairs. It covers what has moved in the macroeconomic and geopolitical setting, and how each shift changes the model. It asks whether the project still strengthens the company's competitive position in a tougher market. It asks for covenant headroom under a realistic downside case. And it states plainly what the company won't be able to do for the life of the facility.

Hold a dedicated session on the refreshed case in week four. Give it a meeting of its own, light on papers and built for challenge. Edition 14 made the case for that kind of session. This one has a deadline attached.

The CEO tells the lenders now that the board is refreshing the case ahead of signature and expects to conclude inside the window. Lenders deal with boards every week. A board that understands what it's signing makes a better borrower. If the window needs a short extension, ask for it early.

Then vote on the refreshed case. Approve it, approve it with conditions, or decline it. Whichever way it goes, this board will have decided.

The honest objection

Six weeks is tight, and delay has a cost. Commitment letters expire. Pricing moves with markets. Management has spent eighteen months on this, and a deferral can read like a vote of no confidence. The lenders may have questions of their own.

Each of those costs is real. Weigh them against the alternative: a covenant package that binds the company for a decade, signed on a case the current board has never tested, in a market that has turned harder.

The deferral is also bounded. A refreshed case by week three, a session in week four, a decision by week six. A management team confident in its case should welcome the chance to show it to the board that will carry the decision. How management responds to the request is itself information.

And if management can't produce a refreshed case inside the window, even with a short extension, the board has learned that the project's foundations were thinner than the update slides suggested. Far better to learn that before signature.

The line that stops this happening again

This board's problem came from a gap in its own design. Its approvals had no expiry date.

Close the gap in the schedule of matters reserved for the board. Add one line. A board approval of a major project lapses twelve months after it's given, or earlier on a material

change in the business case, unless the board reconfirms it. Reconfirmation requires a refreshed business case setting out what has changed since the original approval.

Mirror it in the delegation of authority, so management knows the rule before the next project begins. Then the next long negotiation brings the case back to the board at month twelve, while the board still has choices.

What changes for you personally

Your name goes on this approval. So does the name of every director at the table, including those who joined last year.

Good-faith reliance on management is your usual protection. That reliance is strongest when you can show what you relied on. "The banks were comfortable" is a thin record for a decision of this size. Editions 11 and 12 made the point that the record of what you asked, and what you were told, is how a director shows they discharged their duty.

So prepare one question before any meeting where a long-approved project comes back for signature, and ask it of yourself first. What would I need to see to vote yes? Write the answer down. Share it with the chair beforehand. If the chair hasn't called, call them.

In the meeting, ask for what you need. If it can't be provided, say you're unable to approve on the current information, and ask for that to be minuted. Any director can say that sentence from any seat.

Questions to carry into the meeting

- When did this board last test the business case, and how many of us were here when it did?
- What has changed in our market, our region and our competitive position since approval, and where does each change show in the model?
- What did the lenders' advisers conclude, and when can we read their reports?
- What will the covenants stop us doing over the life of the facility?
- What would I need to see to vote yes?

Context Spotlight: Listed, PE-backed, and the committees that carry the refresh

Listed company. The market has probably heard about this project already. It may have been announced at approval, referenced at results and built into analysts' forecasts. That changes the texture of a deferral. The board will need advice on whether the deferral, the refreshed case, or a change in the project's economics creates a disclosure obligation, and on how timing interacts with the company's announcement calendar. Signing a major facility can itself be price-sensitive. Depending on the project's

size and the market's rules, shareholder approval may also be in play. The disclosure path shapes the timetable, so the chair and company secretary should plan it on day one of the six weeks and run the refresh alongside it. The annual report matters too. The board's going concern and viability statements will rest on this facility, and directors sign those as well.

PE-backed company. Here the shareholder sits at the table, and in this case the shareholder is as surprised as the new directors. The investor directors have relied on the same quarterly funding updates as everyone else. They haven't taken the lenders' terms, or the current state of the business case, through the sponsor's investment committee. The shareholders' agreement probably makes new debt of this size a sponsor consent matter. So two approvals are needed, the board's and the sponsor's, and the investor directors need time to secure theirs. That changes the character of the deferral. The request for time now comes from the shareholder as well as the new independent directors, and it carries weight with management and with the lenders. Build the investment committee's timetable into the six weeks from day one, so the sponsor's consent and the board's decision arrive together. The sponsor's view is shaped by its fund life and exit plan. A transformational project can make a strong exit story while the leverage it adds stays with the company long after the sponsor has sold. Investor directors owe their duties to the company like every director, and most hold that line well. The independent directors are best placed to ask whether the case works over the life of the loan as well as the life of the fund. They should also ask how the new facility sits alongside existing debt and any intercreditor arrangements.

How the committees strengthen the response. In either setting, the committee chairs carry the refresh. Audit and risk takes the financial model: the integrity of the numbers, covenant headroom under a downside case, and what the facility means for going concern. If the banks' model audit is out of date, it can commission an independent review of the refreshed model. The audit and risk committee reviews the rebuilt scenarios: the geopolitical and macroeconomic shifts since approval, the tougher competitive picture, and what happens to the project when two of them move together. Remuneration looks at incentives. If any part of management's variable pay is tied to financial close, the board should know before it votes. If it is, that may explain some of the urgency to sign. Nominations, or governance, asks the question that made all of this possible. Why did an induction leave a new chair and new committee chairs unequipped on the company's largest commitment, and what will handover look like next time?

Each committee reports into the week-four session. The chair brings the views together. That's where the board's answer gets built.

Language / Clarity / Confidence

This edition exists so you can walk into your next board meeting with the language, the clarity, and the confidence to treat a signature as the decision it is.

Language. Carry "the bank's yes and the board's yes." When management offers the first as proof of the second, the phrase separates them in a single sentence.

Clarity. An approval has a shelf life. The decision that binds the company is the one taken at signature, and it needs a business case that's current on that day.

Confidence. You need the confidence to ask for a deferral on a project everyone wants, with a deadline running and the CEO smiling at the lenders' letter. Ask for it as a structured, time-bound refresh. A board that defers for six weeks to own a ten-year decision is doing its job.

Boardroom Takeaway

For the Chair: "The banks have given their yes. Before we give ours, I want the business case refreshed against today's market, tested in a dedicated session, and brought back to us inside the lenders' window. And I want a twelve-month shelf life on major project approvals written into our schedule of matters reserved."

For you as a board member, before the next approval comes back for signature:

- How old is the business case behind it, and who at this table approved it?
- What would I need to see to vote yes, and have I told the chair?
- Have I read what the lenders' advisers read?

For the CFO building the funding model, the company secretary advising management on how best to approach the board for this approval, or the aspiring director who'll one day take a seat at a table like this one:

- When the lenders say yes to a project in your organisation, how old will the business case be, and who'll be asked to sign it?

Until next time,

Paul

GOING DEEPER

A toolkit for putting a shelf-life and a reconfirmation discipline on major approvals is in preparation at The Closed Session.

GOVERNANCE NOTES · EDITION 17

The Pack and the Pull

First published 22 October 2026

How a board builds the information strategy behind its board pack, and why every director at the table has a part in it.

Before this edition, some news.

Governance Decoded has a new home at The Closed Session, and from Edition 18 it continues as Governance Notes by Paul Halpin. The full archive of every edition so far opens on Tuesday 27 October.

Sign up here (https://www.the-closed-session.com/archive), and I'll email it to you that day. More at the end of this edition.

Four weeks before each board meeting, the company secretary emails the executive team. Are there any non-recurring matters the board should know about? Every reply this year has come back the same. Nothing this quarter.

At the October meeting, a director mentions something they read in the trade press over the weekend. The company's largest customer has put its contract out to tender.

The CFO nods. "We've known for about five weeks. We wanted to bring it to you with a view on the options."

The room goes quiet. The email went out on time. Everyone replied. The process ran exactly as designed, and the board learned about its biggest commercial exposure from a magazine.

The pack is the last thing to arrive

Most boards judge their information by the pack. Did it arrive on time? Is it too long? Does the executive summary match the papers behind it?

Those are fair questions. They're also questions about the final stage of a longer chain.

By the time the pack is circulated, three earlier choices have already shaped what's in it. What management was asked to surface. What the agendas were designed to draw out. And what directors went looking for themselves, between meetings, from sources management doesn't control.

The pack is what management sends. The pull is what the board deliberately goes and gets. A board that designs the pull has an information strategy, and the pack becomes its final product.

That strategy has three parts. A loop joins the end of one meeting to the start of the next.

One. The request that starts the cycle

The request to management comes first, several weeks before the agenda is set. In my experience, it's the most underused instrument a board has.

The email in the opening scene was a request. It asked a reasonable question. Answering "nothing this quarter" was cost-free, because the company's governance arrangements left surfacing non-recurring matters outside the executive team's job.

Fix that in documents the company already has. Add a notifiable-matters clause to the delegation of authority. It lists the categories of non-recurring matter that management must bring to the board, or to the company secretary, as soon as they arise. A major customer at risk. A regulator's letter. A key resignation. A dispute with a strategic supplier. A material change in a project's business case.

Then pair it with a short quarterly attestation. Each member of the executive team confirms in writing that they've raised every matter in their area that the clause covers. Many listed groups already run sub-certification on the same model for financial reporting, so the format will be familiar.

Two things follow. Informing the board becomes part of how each executive's performance is understood, and the remuneration committee can decide whether it belongs on the scorecard. And the four-week email changes character. It becomes a reminder of an obligation the executive team has already signed.

The clause sets the timing. The relationship decides how early anyone is willing to speak. The CFO waited five weeks so they could arrive with a view on the options. Edition 2 explained why an executive does that. When nobody can predict how the board will receive bad news, the safe move is to hold a problem back until it comes with a solution. Edition 2's answer was an evaluated Chair. A Chair held accountable for welcoming bad news gives the executive no reason to hold back on surfacing problems when they arise, and problems start reaching the board while they're still problems.

Two. The agenda as an instrument of inquiry

The second part is the agenda, and it belongs to the board's leaders.

An agenda has two jobs. It carries the recurring business: results, compliance, committee reports. And it makes room for the matters that are strategic and non-recurring, so the board stays alert to how the business is changing. In Edition 14, the first job crowded out the second. Strategy gets eight minutes and a nod at the end of a reporting meeting.

Edition 14 left one thing implicit. Every agenda item is also a request for information. When the Chair adds an item, management has to prepare for it. The choice of items decides what management goes away and thinks about. A mindfully crafted agenda draws information out of the business that would otherwise stay inside it.

Each board leader holds a different part of that pull.

The Chair. They shape the board agenda, usually with the CEO in the pre-board framing session described in Edition 1. That edition treated the session as a decision-rights mechanism, sorting items into approval, discussion and update. It's also the moment to ask what's missing. What's happening in this business that this agenda doesn't yet touch? The calls to directors in the weeks before the meeting, described in Edition 6, feed the answer.

The audit and risk committee chair. This committee usually meets a risk once it's reached the register. Its chair's job is to pull risks in earlier. Private sessions with the internal and external auditors, without management present, at every meeting. A standing item on emerging risks that haven't yet been rated. And a deliberate look at what a run of good results might be covering, the reading for the gap that Edition 9 described.

The remuneration committee chair. Incentives shape what management chooses to report. The incentive plan in Edition 9 paid for efficiency and never measured the provider dependency built alongside it. The Remco chair can ask what the plan rewards management for telling the board, and how much weight it gives to candour.

The nominations or governance committee chair. A board can only use the information it can interpret. This chair tests whether the board's composition matches what it now receives on AI, cyber, geopolitics or a new market. They also own induction. In Edition 16, a new chair and new committee chairs faced the company's largest commitment with an induction pack and an assurance. That's an information failure with a nominations remedy.

The senior independent director. The SID holds channels that run outside management altogether. Three of the four relationships Edition 13 described run that way: the Chair, fellow directors, shareholders. A director with a private concern, or a shareholder with a view, carries information the pack will never contain. The SID's work is to keep those channels warm in ordinary time.

Behind all of them sits the company secretary. They send the four-week request, hold the attestations, keep the forward agenda and track what the board asked for last time. They keep the strategy running in the weeks when nobody else is looking at it.

Three. The director's own pull

The third part belongs to every director.

A director lives in a permanent information deficit. Management is inside the business every day. The board visits four or six times a year. The pack narrows the gap and leaves the rest to the director.

Picture it on a Sunday evening. The pack is 312 pages and the meeting is Tuesday. Start at page one and read straight through, and the notes are detailed through page 60. By page 120 they've thinned out. By page 180 they've stopped.

The director's pull follows a short, repeatable process, and it starts before the pack opens.

Build your own view first. Edition 4 asked new directors to form an independent picture of the business from outside sources before opening the papers. The discipline holds in year ten as firmly as in year one. The trade press, a competitor's results, the regulator's latest consultation, a conversation with a customer at an industry dinner. Each gives you something to test the pack against.

Then bring that view to the pack, and read it in three passes.

The first pass is fast. The contents page, the CEO's covering note, the agenda with its timings, the summary at the front of each paper, and every recommendation put to the board for approval. No notes yet. This pass shows you the shape of the meeting, and which decisions carry the most weight.

The second pass is slower and selective. The three or four papers that matter most get real dwell time. The rest are read faster, for anything that changes the picture. This is the pass for margin notes and candidate questions, placed beside the recommendations where the argument feels thin. It's also where you read for framing. As Edition 15 put it, an item can be framed so the obvious question feels redundant before anyone forms it. And it's where you write down what the pack doesn't tell you, set against the view you built before you opened it.

The third pass refines the questions. Test each one against a simple bar. It should improve a discussion or a decision, and the quality of governance. Keep the strongest one or two. Give each a short tee-up, so the room understands why it matters, and have a follow-up ready for the likely answer.

Three passes take less time than one long grind. They leave you ready on the papers that count, with questions ready to ask. Read the shape. Gather the questions. Refine the few worth asking.

The questions you set aside in the third pass become the next pull. Sort each into one of two places:

- A question for management before the meeting, routed through the company secretary so the answer arrives in time to be useful.
- A request for the next cycle, where the information will take longer to produce.

Most boards let that second category slip.

Then give yourself room. Reflect on everything you've gathered, and settle your final approach on the morning of the meeting.

The loop that joins one meeting to the next

Every board meeting ends with information the board needed and didn't have. Usually it surfaces as a question nobody could answer in the room, a promise to "come back on that," and an action point that drifts.

Give it a home. Close every meeting with a two-minute standing item: what did we need today that we didn't have? It sits beside the closing question Edition 2 proposed. That one asks how the board performed. This one asks what it lacked. The company secretary records the answers in an information log. When the next agendas are set, the Chair and committee chairs review the log. The executive team receives it alongside the next four-week request.

Now the cycle closes. This meeting's gaps become the next meeting's opening requests. Over a year, the log shows the board where its information strategy is weakest, and shows management what the board consistently needs.

Edition 8 offered a governance-grade question for AI reporting. What decisions did management judge to be below the threshold for board reporting, and on what basis? The information log turns that question into a habit across every subject the board governs.

What changes for you personally

Every non-executive director has a part in finding the gaps. The board's leaders design the agenda. You test it.

You're the person best placed to notice a deficiency, because you're the one who came to the meeting with an outside view. When you learn something material from the press, a peer or a customer, check whether it reached the pack. If it didn't, ask the Chair why that same week. That one habit tests the whole strategy every quarter.

Edition 16 is a reminder of how far a gap can run. The lenders' advisers had produced reports on the company's largest project. Management had spent eighteen months giving the banks a current view of the business. The board had seen neither. Every director at that table could have asked for both, and the asking cost nothing.

Your record matters too. Editions 11 and 12 made the case that a director demonstrates they discharged their duty through the record of what they asked and what they were told. A director who asks for missing information, and sees the request minuted, is building that record in the most practical way available.

Questions to carry into the meeting

- What did I learn about this business in the last quarter that didn't appear in the pack?
- Which non-recurring matter would I expect management to have raised by now, and has it?
- What does this agenda bring to the surface, and what does it leave inside the business?
- On which item am I most likely to accept the framing without testing it?
- Which one or two questions survive the third pass?
- What did we need last meeting that we didn't have? Has it arrived?

Context Spotlight: Four settings, four information problems

Listed companies. Information reaching a listed board has a second destination. The board decides what the market is told, and when. Under the disclosure regimes in London, Dublin, Sydney and Johannesburg, among others, a late flow of information can become a disclosure problem as well as a governance one. A board can't judge whether something is price-sensitive if it learns about it five weeks after management did. Under most of those regimes, the clock generally starts when the company has the information, so the five-week lag may already be the problem. In a listed company, the notifiable-matters clause carries extra weight, and the four-week request should name disclosure as one of its purposes.

Closely held private companies. With no market to inform and no analysts asking questions, the board is often the only outside reader the business has. Its outside directors see what management sends. Their value lies in asking the questions the insiders have stopped asking. Each layer of outside challenge makes the company more valuable to a future buyer, lender or successor generation. The information strategy supplies the raw material for that challenge. A private company that pays for outside directors and then sends them only what management chooses has narrowed the very view it paid for.

Family-controlled companies. Family businesses often run two information systems. One feeds the board. The other runs around the family table, through calls between siblings and conversations over Sunday lunch. Family directors frequently know things well before the board meets, and the family's inherited hierarchy decides who raises which topic, and whether it's raised at all. Independent directors sit outside that network, and that position is their value. They see the business without the family's settled assumptions. Edition 6 suggested the Chair's pre-meeting calls need to reach the family members who hold real sway. The independent director's version is a question asked early and kindly: what do the family directors know that the papers don't yet show?

Group and subsidiary boards. In a group, information has two directions to travel, and it can stall in both. Upwards, a subsidiary board sees local detail that never survives consolidation: a regulator's tone, a community concern, a shift in a government relationship. Downwards, decisions are taken at group level that change the subsidiary's position, and the subsidiary board hears about them afterwards. Subsidiary directors owe their duties to the subsidiary. Where there are local minority shareholders or a government stake, those duties carry real weight, and a board informed after the fact can't discharge them. The remedy is a reciprocal protocol. The subsidiary's notifiable matters flow up to the group under the same clause. Group decisions that materially affect the subsidiary come to its board before they're taken. And the two company secretaries share an information log, so a gap at one level becomes visible at the other. I've sat at both ends of that relationship, and the gaps look quite different from each side.

Language / Clarity / Confidence

This edition exists so you can walk into your next board meeting with the language, the clarity, and the confidence to treat the board's information as something the board designs.

Language. Carry "the pack and the pull." The pack is what management sends. The pull is what the board goes and gets. When a conversation about board information drifts to the length of the papers, the phrase brings it back to the strategy behind them.

Clarity. An information strategy has three parts and a loop. The request, with a clause and an attestation behind it. The agenda, crafted by each leader to surface information. The director's own pull, an outside view first and then three passes through the pack ending in one or two questions worth asking and a written list of gaps. And the log that turns this meeting's gaps into the next meeting's requests.

Confidence. You need the confidence to say, in a room where the pack arrived on time, that something was missing from it. Any director can say it, from any seat. The easiest

moment is the two minutes at the end of the meeting, when the board asks itself what it needed and didn't have.

Boardroom Takeaway

For the Chair: "I want us to design our information. A notifiable-matters clause in the delegation of authority, with a quarterly attestation from the executive team. Agendas set by each of our leaders with the information they need to bring forward. And a closing item at every meeting on what we needed and didn't have, logged and brought back next time."

For you as a board member, before your next meeting:

- Build your outside view before you open the pack.
- Read it in three passes: the shape, then the questions, then the one or two worth asking.
- Write down what the pack doesn't tell you.
- Decide which to ask in the room, which to send ahead, and which to request for next time.

For the company secretary who sends the four-week email, the CFO who decides what goes into the pack, and the aspiring director who'll one day read it from the other side of the table:

- What does your board learn from outside sources before it hears it from management, and what would it take to close that gap?

Going Deeper

The second pass in section Three asked you to read for framing as well as content. It's the harder read, because a well-written paper can settle a question before anyone in the room thinks to ask it.

The Board Paper Framing Audit is the instrument for that read. It gives you four reads to apply to any paper carrying a material recommendation:

- The Emphasis Read: what the paper foregrounds, and whose interest that serves.
- The Omission Read: what's missing, and the question the paper is avoiding.
- The Alternative-Framing Test: what would make this recommendation inappropriate?
- The Management-Lens Check: is the paper written to inform, or to secure approval?

A scoring strip rates each paper from 1 to 5 across all four, so over time you can see which functions write to inform and which write to persuade.

It's one of fourteen governance toolkits going on sale at The Closed Session on Tuesday 27 October. Its Founder price is £50 until 15 November, then £70.

See The Board Paper Framing Audit: https://www.the-closed-session.com/board-paper-framing-audit

A new name, and a home for the archive

This is the last edition published as Governance Decoded. From Edition 18, on Thursday 5 November, it continues as Governance Notes by Paul Halpin, here on LinkedIn and by email, every fortnight, free.

The editions now have a home of their own, at The Closed Session. The full archive of every edition so far opens there on Tuesday 27 October, free, in reading order, and each new edition joins it as it's published. Read it online, search it, or download the whole collection as one file.

I've built it for the moment a dilemma arrives on your desk. The remuneration committee meets tomorrow, and you remember an edition about what an incentive plan rewards management for, without its number. The Chair asks for your view on how the board should be evaluated, and you want the questions Edition 2 put to it. Open the archive, search a phrase, and the edition is in front of you, with the toolkit built from it a click away.

Sign up at https://www.the-closed-session.com/archive, and I'll email you the archive on 27 October.

Thank you for reading all seventeen editions so far. Governance Notes starts in a fortnight, and I hope you'll be there.

Until next time,

Paul

Future editions will go out fortnightly here on LinkedIn and via email as Governance Notes to 3,000+ directors and professionals who work with boards. For the email version sign up at https://www.the-closed-session.com/archive

Each edition gives you the language, the clarity and the confidence to walk into your next board meeting and make your contribution count.

GOING DEEPER

Part Three asked you to read the pack twice: once for what it says, once for how it's framed. The Board Paper Framing Audit is the instrument for that second read, with four reads to run on any paper carrying a material recommendation and a scoring strip that tracks which functions write to inform and which write to persuade.

See The Board Paper Framing Audit → at the-closed-session.com

When the Board Changes Its Mind, Who Owns the Consequences?

First published 5 November 2026

The discipline a board needs when it reopens a decision it had already handed to management.

First, a word about our new name, and the same thinking. From this edition, Governance Decoded continues as Governance Notes. Nothing changes except the masthead. Every two weeks on LinkedIn, and at the-closed-session.com, where the toolkits to implement the thinking live.

A discussion that revealed a deeper governance problem

A recent illustrative boardroom scenario I shared on LinkedIn attracted a thoughtful discussion among directors, executives and governance professionals. I wanted to take it further in this edition.

The scenario concerned a board that had approved a regional expansion, then intervened in management's implementation decisions and subsequently questioned the resulting delays.

Many readers focused on the Chair's responsibility to maintain the boundary between oversight and execution.

Others challenged the premise. What if the board had discovered a material risk? What if the CEO had invited the intervention? And what if the original approval had been based on assumptions that no longer held?

Those questions expose a more difficult governance problem.

Sometimes a board should reopen a decision. The challenge is doing so without making accountability disappear.

The distinction matters because boards do not operate in static conditions. Markets change. Risks emerge. Assumptions prove unreliable. A decision that was entirely reasonable when approved may become questionable as circumstances develop.

Directors cannot abdicate their oversight responsibilities simply because management has commenced execution.

But neither can they intervene casually, change the direction of an initiative, and subsequently assess management's performance as though nothing has changed.

The issue is not whether the board should challenge management.

It is whether the board recognises when challenge has become direction, and accepts the governance consequences.

The false choice between oversight and interference

We often describe the boundary between board and management responsibilities in deceptively simple terms.

The board determines strategy. Management executes it.

The distinction is essential. But it is not sufficient.

Consider an international expansion.

The board has approved the strategy and an investment budget. Management has selected a local partner, developed an operating structure and begun preparing for implementation.

During a subsequent board meeting, a director questions whether the proposed partner has sufficient financial strength.

Another raises concerns about the regulatory environment.

A third asks whether the operating structure exposes the company to risks that were not considered when the investment was approved.

Should the Chair stop the discussion because these are implementation matters?

Clearly not.

The board has a legitimate responsibility to satisfy itself that the approved strategy remains appropriate and that material risks are being adequately addressed.

Indeed, directors who ignored significant new information simply because management had already received approval could be failing in their oversight responsibilities.

But now consider a different discussion.

A director suggests using a former business associate as the local partner. Another prefers a different reporting structure because it worked successfully in a previous organisation. A third wants to interview the country manager personally.

None of these suggestions necessarily identifies a deficiency in the approved strategy or an unacceptable risk.

Yet, through the weight of directors' influence, they may gradually become expectations that management feels obliged to satisfy.

The critical distinction is not between discussing strategy and discussing execution. It is between exercising legitimate challenge and assuming authority that belongs elsewhere.

A board can question the adequacy of management's reasoning without prescribing the answer.

It can insist that risks be addressed without selecting the operational solution.

And it can require assurance without becoming an additional management committee.

The difficulty is recognising when those distinctions are beginning to disappear.

When reopening a decision is the right call

A past approval doesn't freeze a decision in amber. It also doesn't mean every director's second thought is grounds to tear it open.

Four situations genuinely justify a fresh look.

The environment shifts. New regulation, a market break, political instability, a counterparty whose balance sheet has turned. The ground the decision stood on moves.

An assumption fails. The partner who was going to open the market can't. The acquisition's economics look nothing like the deck that won approval.

Implementation surfaces a new risk. Management stays inside the budget but proposes a structure that carries a different order of regulatory or reputational exposure.

The original call rested on a gap. The board learns an obvious alternative was never examined, or a material risk was never really understood.

In each case, the board has a good reason to ask for more or to reconsider. None of them means directors should take the wheel of the underlying management decision.

One question sorts most of this out: what's changed since we approved this, or what do we now know that we didn't know then?

If the board can't answer it, it should think twice before reopening anything. Experience is worth a great deal, and it still isn't a licence to swap personal preference for

management's judgement. Where real new information lands, though, the board shouldn't hesitate. Both disciplines are the job.

The moment advice becomes an instruction

Here's the detail from the original scenario that stayed with me. No vote was taken. No resolution was passed. Yet management walked out with a changed set of expectations and a slipped timeline.

How?

Because a board governs through more than its resolutions. A suggestion from the Chair carries weight. "Could you bring back some alternatives?" reads, from the other side of the table, as "don't proceed yet." A run of pointed questions tells a CEO the room isn't convinced, even when no one says so.

The formal decision rights haven't moved an inch. Management's practical room to use them has narrowed all the same. Edition 1 traced that same distance from a different angle, the gap between the authority written on the charter and the authority that actually operates in the room.

That narrowing isn't always wrong. Directors are supposed to shape thinking. The problem starts when nobody names what the influence has done.

Picture three readings of one discussion.

The board is floating suggestions management can take or leave. The board is telling management to think again, within authority it already holds. The board is reopening an approval that belongs to the board itself.

Three different readings. In a live meeting it can be difficult to tell them apart.

The danger sharpens when management leaves certain a suggestion was binding, while the directors believe they were only being helpful. The worst ambiguity in a boardroom isn't a disagreement about a decision. It's a disagreement about whether a decision happened at all.

That confusion can sit quietly for months. It shows up when the project slows, the costs climb, and management gets asked to explain itself. By then everyone in the room remembers a different meeting.

The Chair leads the board. The CEO runs the company.

The CEO reports to the board as a body. No individual director gets to direct the CEO outside a formal board decision, and that includes the Chair. I made that case in a post last year: the board chair doesn't supervise the CEO, because board authority works through group deliberation, not individual command. It matters most exactly here, when a board starts revisiting what it already handed over.

The Chair leads the board's work and sits as the main line between board and management. That's a different thing from holding the board's authority in one pair of hands. Where that authority actually sits depends on the governing documents and the law that applies.

What the Chair carries. A good Chair does more than make sure everyone gets a turn. They read what the discussion is doing to the machinery underneath it. An energetic exchange can be quietly manufacturing confusion about who owns the next step. A call for more analysis can be a delay wearing a reasonable face. A director's favoured option can be acquiring the status of an order.

So the Chair has to be willing to stop the conversation and ask what it's for.

Are we seeking assurance? Are we offering advice? Are we asking management to think again? Or are we reopening something that needs a formal decision?

Those aren't procedural fussing. They protect the board's oversight and management's ability to deliver in the same breath. A Chair who does this well doesn't blunt the challenge. They make the challenge end in clarity.

What the CEO carries. Management owes the board the same precision. Every board paper should arrive with its purpose on the label: this is for approval, this is an update on something already delegated. When a discussion starts bending the expectations around an approved plan, the CEO is the one who should stop and ask where authority now sits.

Easy to write. Hard to do. A CEO who questions whether directors are overstepping can look defensive, or thin-skinned, or allergic to advice. The harder the room, the more expert the directors, the more strained the relationship, the stronger the pull toward just going along.

Going along costs more later. Management ends up carrying the result while no longer holding the decisions needed to deliver it.

What they hold together. The best Chair-CEO relationships aren't the ones without friction. They're the ones where the awkward question gets asked before it curdles into a personal fight. Most of that work happens before the meeting, not in it: agreeing what each item is for, where the decision really lies, where the board's challenge will add

value. They can also name a tension about authority without either one hearing a threat. That takes trust, and it takes distance. The Chair keeps their independence to lead honest oversight. The CEO keeps the authority to run the organisation. Neither protects their half without the professional respect from the other.

Reopening a decision is never free

There's a cost to reconsideration that tends to go unrecorded.

A request for more analysis sounds costless across a boardroom table. It isn't. Someone has to pull people off delivery to produce it. A delayed decision ripples into contracts, supplier terms, a hire that was about to be made, a window in the market that won't stay open. A partner starts wondering how committed the company really is. Staff lose the thread on what matters this quarter.

None of that proves the board was wrong to step in. A real risk can be worth every week of delay. But the bill should land somewhere visible.

A board reopening an approval should know what it's spending in time, money, resource and risk. And it should be honest about which of three things it's actually doing.

The original decision holds, and management should carry on. Management should rethink its approach, inside the authority it already has. The board is formally changing or withdrawing its earlier approval.

Each one creates different obligations. When the board changes its own decision, the change should be recorded and said plainly. When management keeps the authority, directors shouldn't leave informal conditions lying around that quietly stop that authority from working. And when the board's own intervention moves the timeline, the later performance review has to start from the timeline the board created, not the one it approved in March.

The cost of reconsideration can be worth paying. The danger is letting it vanish from the board's own account of what happened.

Stepping in doesn't move the accountability

It would be convenient to say that once directors touch execution, management is off the hook. Governance doesn't work that way.

The CEO can still be answerable for thin planning, poor communication, weak delivery, or failing to spell out what a proposed change would cost. Management can also muddy things from its side, bringing decisions to the board without saying whether approval is needed. Sometimes a CEO reaches for board endorsement of a hard management call

precisely to spread the responsibility around. That's the same blur, running the other way.

The board has to watch both doors: directors picking up authority that was never theirs, and management handing upward decisions it should own. Neither is healthy. This is the ground Edition 2 covered. A board evaluation that never asks what the board itself contributed to the outcome is only measuring half the picture.

The aim isn't to work out who can dodge the blame. It's to establish which decisions got made, who had the right to make them, and how they shaped the result.

That matters most when things go wrong. Say the expansion lands three months late. The board is entitled to ask management why. It should be just as willing to ask itself:

- Did our intervention catch a real risk that was worth the delay?
- Did we request work that moved the timetable?
- Did management tell us the cost at the time?
- Did we make our intentions clear enough to act on?
- Did we then judge management against expectations our own hands had changed?

This isn't about excusing a miss. It's about judging it fairly. A board that demands management explain every slip should examine its own interventions with the same rigour. Otherwise the evaluation turns into directors admiring their own reflection.

It usually starts with a loose sentence

Governance missteps often start with one imprecise line.

A director says, "I think we should look at another partner."

The Chair says, "Perhaps management could bring back some alternatives."

The CEO says, "Of course."

The meeting moves on. And what was just agreed?

Advice? A request for assurance? An instruction to pause the plan? A reopened approval? Ask the three people in that exchange and you may get three answers.

Words matter here because a director's words carry authority whether or not they're meant to. Clarity means separating a question from a recommendation from a request from a decision. Confidence means someone being willing to say which one it was, out loud, before the room moves on.

For the Chair, that can be as simple as: "Before we move on, are we asking management to reconsider, or just flagging things we want taken into account?"

For the CEO: "I hear the concerns. Can I confirm that management keeps the authority to proceed once we've addressed them, or does the board want to reconsider its approval?"

And where the board really does need to reopen: "We've found a material issue that affects the basis of our approval. Let's be explicit about the decision now required and what it does to implementation."

None of that is a procedure. It's disciplined talk. People should leave a board meeting knowing what was decided, what's still open, and who gets to act. A board that can't manage that had an interesting conversation and called it governance.

Five questions before the item closes

When a substantive discussion could reach into management's delivery, five questions make a decent final check.

- What have we actually decided? Separate real decisions from advice, observation and requests for information.
- What's still management's to decide? Make sure the discussion didn't quietly redraw delegated authority.
- What's changed since we approved this? Name the new information, risk or broken assumption that justifies a second look.
- What does this do to execution? Spell out the hit to timing, resource, commitments and expected outcomes.
- How will we judge the result? Make sure the later assessment reflects the authority actually exercised and the decisions actually made.

Not every item needs all five asked aloud. But when the board is reconsidering something that matters, the answers should be understood before the agenda turns the page. The point isn't another layer of process. It's keeping confusion from being carried out of the room and into the company.

What changes for you, personally

Strip away the roles for a moment, because this one reaches every seat at the table.

If you're a non-executive, your throwaway preference isn't throwaway. The weight you've earned over years of service is exactly what turns "I'd have used a different structure" into something management now feels bound to deliver. The discipline is

yours to carry: say whether you're advising or deciding, and own it when the room gets it wrong because you didn't.

If you chair, your tolerance for a vague close is the single biggest source of this problem. The eight-minute discussion that ends on a nod and an "of course" is the one that may come back again and again. You don't have to kill the energy in the room. You have to make the conclusion clear.

If you're the CEO, agreeing feels like the cheap option in the moment and turns out to be the expensive one. The question that makes you look defensive today is the question that protects you when the project slips and the board asks why.

And if you're newer to boards, or watching from a seat like the CFO's, these are the mechanics of real authority, the part no induction pack explains: how a decision gets made without anyone deciding, and how the person left holding it often never chose to.

The mechanism, not the maxim

"Respect the boundary between oversight and execution" is a fine principle and a poor defence. Principles don't survive a lively meeting. Mechanisms do.

So put one in the governing documents: a schedule of matters reserved to the board, sitting beside a written delegation of authority to the CEO. The reserved list names what only the board can decide. The delegation names what management decides without coming back. Review both once a year, and reach for them the moment a discussion starts drifting toward a decision nobody named.

When a director's suggestion begins hardening into an instruction, the Chair has somewhere concrete to point. Is this on the reserved list? Then it needs a formal decision, recorded as one. Is it inside the delegation? Then it's management's call, and the board's job is assurance, not authorship. The schedule won't make the judgement for you. It gives the judgement a place to stand.

A board is entitled to change its mind when the facts change under it. What it can't do is change the conditions management has to deliver under and then pretend the original conditions held.

The real test of a Chair is whether the board can reconsider a decision without losing the thread of authority, execution and accountability. Clarity that survives contact with a real meeting: that's the whole discipline, named in one line.

Further reading and practical resources

Governance Notes — Edition 1: The Invisible Architecture of Board Decisions. How formal decision rights diverge from the authority that actually operates through everyday boardroom behaviour.
https://the-closed-session.com/edition-01-the-invisible-architecture

Governance Notes — Edition 2: The Board's Blind Spot. Why board evaluation has to weigh the board's own contribution to outcomes, not just meeting process and director engagement. https://the-closed-session.com/edition-02-the-boards-blind-spot

Decision Rights Clarity Map. A practical tool for setting out who consults, who approves and who executes across the board, Chair, CEO and management.
https://the-closed-session.com/decision-rights-clarity-map

360-Degree Board Evaluation. A framework for reading board effectiveness through more perspectives, including management's experience of the board.
https://the-closed-session.com/360-degree-board-evaluation

Until next time,

Paul

The Longest Interview

First published 19 November 2026

It's 9:15 on a Thursday morning.

The nominations committee has just one substantive item on its agenda.

The September board evaluation identified a gap. The board was hearing the voice of management mainly through one person: the CEO, currently the only executive on the board.

Other executives attended board meetings. They presented their papers, answered questions and left the room.

The board has agreed to appoint a second executive director, while preserving its independent majority.

Five internal candidates are under consideration:

- The Chief Financial Officer.
- The Chief Operating Officer.
- The Chief People Officer.
- The Chief Technology Officer.
- The Managing Director of the largest operating division, who sits one level below the executive committee.

The Chair opens the discussion with a question.

"What have we seen of each of them that tells us how they would perform as a director?"

The committee takes each candidate in turn. Every example comes from the boardroom: a paper, an answer under questioning, a follow-up that arrived before anyone asked for it.

The directors are drawing on evidence they've gathered over several years.

The candidates have been sitting an interview they may not have known was taking place.

The longest interview.

A question I was asked over coffee

Recently, over coffee, the CFO of another company asked me what they should be working on to improve their chances of joining their own company's board.

My immediate response was one word.

Translation.

But the question deserves a longer answer, and that answer applies just as much to executives in technology, operations, human resources, legal and every other part of the business.

It's also relevant to directors who are approached by ambitious executives for advice.

One point of scope first. This edition is about an executive joining their own company's board while keeping their executive role.

Because governance frameworks place such weight on board independence, these appointments are scarce.

So what separates a good executive from a good executive director?

A director first. An executive second.

On joining the board, the CFO becomes a director of the whole company.

The same applies to the CTO, the COO and every other executive who joins the board.

Their responsibilities as a director extend across the entire business.

They'll be expected to exercise judgement on matters outside their expertise, on proposals from their own function and, importantly, on proposals from their CEO.

The nominations committee's challenge is to assess an executive's capacity to do this before they're appointed.

In my experience, three behaviours tell a nominations committee the most, and one test sits above all three.

What the executive brings to the board.

What the executive protects on behalf of the board.

What the executive carries between board meetings.

1. Bring: help the board understand the business

The ability to translate

A good CFO can explain why the gross margin has declined by three percentage points.

A CFO with governance competence can explain what's changed in the competitive environment, how management has responded, what assumptions underpin that response and what the financial consequences might be.

One explanation helps the board understand the financial results. The other helps the board understand the business.

The same skill applies outside finance.

A Chief People Officer should be able to translate employee attrition into financial, operational and strategic consequences.

A CTO discussing system resilience should be able to articulate the potential implications for customers, revenues, reputation and competitive positioning.

Executives from outside finance who show a strong command of the financial implications of their decisions tend to catch directors' attention.

They're already thinking beyond the edges of their own role.

The confidence to bring unfinished information

One of the harder judgements for an executive is when to bring an emerging issue to the board.

The natural instinct is to wait until the problem is fully understood and management has a proposed solution.

But what if, by then, the board's chance to make a meaningful contribution has gone and the problem has grown?

A governance-minded executive has the confidence to tell the board what's known, what isn't yet known and when they'll know more.

That's exactly what a board needs.

So is the willingness to point out weaknesses in their own area before a director or an auditor finds them.

2. Protect: create the conditions for effective governance

Protect the board's time

I wonder how many executives appreciate how much they shape the effectiveness of the boards they present to.

Consider the COO who delivers a 38-minute presentation and leaves two minutes for questions, reflection, challenge and discussion.

The executive may leave the room believing that the presentation went exceptionally well.

The directors may leave the meeting wondering whether they have exercised effective oversight.

Edition 14 described strategy squeezed into eight minutes and a nod at the end of a reporting meeting. A long presentation does the same to an agenda item, from the other side of the table.

One measure of an executive's engagement with the board is the quality of the discussion that follows their presentation.

An executive who understands governance prepares the paper with that in mind, makes clear what they need from the board and deliberately leaves time for directors to contribute.

As a working principle, use no more than a third of your allocated time for the presentation itself.

The remaining time belongs to the discussion.

Protect the flow of information

Two skills shape the information an executive gives the board.

The first is curation: separating what matters to the board from what matters to management.

The second is volunteering information the board hasn't asked for but which might influence its judgement.

The second asks more of an executive's understanding of the board's role.

For example, an executive might explain which significant decisions management has taken within its delegated authority, why they didn't need board approval and why the board should still know about them.

That executive understands the difference between what the board approves and what it oversees.

Edition 9 showed how a good-news slide can hide a dependency nobody voted on. An executive who volunteers that dependency, unasked, is giving the board what it needs to oversee.

Protect the effectiveness of board committees

Executives' attitude to the work of board committees also says a great deal about their governance maturity.

Consider two executives.

One ensures that all internal audit recommendations are implemented by their agreed deadlines.

The other does that too, but proactively identifies areas of emerging risk within their function and suggests that internal audit might usefully examine them.

Which one better understands what independent assurance is for?

The second executive is strengthening the very mechanism set up to scrutinise their own performance.

3. Carry: remember what the board needs

Every board meeting generates unfinished business.

A question that couldn't be answered. An assumption that needs more testing. A director's concern there wasn't time to explore.

Some of these matters will find their way into the company secretary's action log.

Others will not.

Edition 17 gave the company secretary the job of tracking what the board asked for last time. The executive who carries their own share of that list makes the job lighter.

An executive with a developed sense of governance takes personal responsibility for following up, through the agreed reporting channels.

Before their next board presentation, they might ask themselves:

"What did the board need from me last time that it didn't get?"

An executive who understands that the board's needs extend beyond the end of their agenda item is showing real respect for governance.

Directors remember such things.

The test above all three: how you disagree with your CEO

For me, this is the most revealing sign of an executive's readiness for the board.

An executive director who always agrees with the CEO adds little to the range of views around the table.

Equally, an executive director who uses the boardroom to pursue disagreements within the management team weakens both the executive team and the board.

So how does an executive show independent judgement while remaining a constructive member of the CEO's team?

The executives who do this well share five habits.

- They establish the common ground between themselves and the CEO.
- They discuss their concerns with the CEO before the meeting.
- They offer the board additional criteria for evaluating the proposal before arguing for a different conclusion.
- They show that their reasoning starts from the interests of the whole business.
- Once the board has decided, they support its implementation, subject to their legal and governance obligations.

A useful phrase for this moment:

Widen the lens, then weigh.

Before asking the board to reach a different conclusion, see whether you can improve the basis on which it reaches any conclusion.

There'll still be occasions when an executive director must express a fundamentally different view from the CEO's.

Their duties as a director require them to exercise their own judgement in the interests of the company. Loyalty to the CEO cannot displace those duties.

And serious concerns about misconduct or other matters requiring independent escalation should be raised through the appropriate governance channels.

The additional dimension that AI brings

AI is also changing the profile of a good executive director.

Directors will increasingly have tools that summarise board papers, analyse financial information, spot inconsistencies and generate questions before the meeting.

Much of what executives have spent years explaining to boards will reach directors before the meeting begins.

So where will the executive add distinctive value?

Increasingly, I believe, it'll be in the connections they can make across the business.

A cybersecurity incident, for example, can rapidly become a customer retention issue, a regulatory issue, a reputational issue and a liquidity issue.

An executive who sees only their own function will find it harder to contribute at board level.

Is the longest interview a fair one?

Our opening scenario has a flaw.

The CFO may have opportunities to demonstrate their governance competence at every board meeting.

The Chief People Officer may have two opportunities a year.

A divisional Managing Director may have just one.

Is the nominations committee assessing the candidates' relative capabilities or their relative exposure to the board?

This is where the committee's succession planning role comes in.

Over 12 to 18 months, the nominations committee could work with the CEO to give internal candidates more comparable opportunities to show and develop their governance competence.

That might mean strategy sessions, exposure to board committee work or a seat on a subsidiary board.

Observations from committee Chairs, directors and the company secretary could then feed a more structured assessment of board readiness.

And there's one question I'd encourage the committee to ask the CEO about each candidate.

"How does this executive disagree with you?"

The answer is usually illuminating.

When you're the director being asked for advice

Back to that conversation over coffee.

What if the executive asking for your advice works for a company on whose board you sit?

Then tell the Chair. If you sit on the nominations committee, remember that you may later be assessing the person you're advising.

An executive can present to a board for years without any meaningful feedback on how they helped the board's discussion.

A few well-chosen words from the Chair after a meeting, naming one behaviour that helped the board do its job, can make a real difference to that executive's development.

And it's worth reflecting on the behaviours we encourage through our own conduct in the boardroom:

- If an executive acknowledges uncertainty, how do we respond?
- If an executive leaves time for challenge, do we use it well?
- If an executive offers a view that differs from the CEO's, do we welcome it?

Management takes its cues from the board.

A board that consistently rewards polished presentations may inadvertently be developing executives who are better at presenting than governing.

Language, Clarity and Confidence

Language

Bring. Protect. Carry.

Bring the board the information and insights it needs to understand the business.

Protect the time, information flows and independent assurance mechanisms that enable it to govern effectively.

Carry its unresolved questions and concerns between meetings.

And when you see a proposal differently from the CEO, consider whether you can widen the lens before the board weighs the options.

Clarity

Executive competence and governance competence are different things.

An impressive executive track record doesn't automatically make someone an effective overseer as a director.

An executive seeking a board appointment should understand that distinction. So should the nominations committee assessing them.

Confidence

You don't need to wait for a board appointment to start showing your governance competence.

Your next board presentation provides an opportunity to do precisely that.

What this means for the Chair

I'd encourage Chairs to consider five questions with their nominations committees:

- Have we explicitly identified the governance competencies we would look for in an internal candidate for an executive director position?
- Are we providing potential candidates with sufficiently comparable opportunities to demonstrate those competencies?
- Do we encourage executives to bring perspectives to the board that differ constructively from those of the CEO?
- What feedback are we providing to executives on their contribution to the effectiveness of our board discussions?
- Are our own behaviours in the boardroom helping to develop the next generation of directors?

Only a small number of executives will ever join their company's board. Governance competence across the whole senior team benefits the board either way.

Back in our nominations committee meeting, the Chair concludes the discussion by asking the company secretary to review two years of board minutes and the board's outstanding actions.

They also put one question to the CEO about each candidate: "How does this executive disagree with you?"

The CFO appears in almost every set of minutes. The divisional Managing Director appears twice.

Some appear in the action log as having proactively resolved matters of concern to directors.

One appears in the minutes of the May strategy session as having contributed two additional criteria that materially influenced the board's decision.

Before the committee decides, the Chair proposes twelve months of strategy sessions, committee work and a subsidiary board seat for the candidates the board has seen least of.

The interview has been running for several years. For two of the candidates, it has barely started.

And for the next generation of executive directors, it's taking place in boardrooms every day.

Until next time,

Paul

Governance Notes by Paul Halpin (formerly Governance Decoded) is a fortnightly publication for Chairs, directors and the C-suite. Each edition seeks to give you the language, the clarity and the confidence to walk into your next board meeting and make your contribution count.

If you found this edition useful, consider sharing it with a fellow director or an executive who aspires to become one.

The full archive of Governance Notes is available at The Closed Session: https://www.the-closed-session.com/archive