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Distribution: **May 1, 2011**

Subject: Insider Trading

Is it time to revisit your company's *insider trading* policy?

**Recent headlines about insider trading concerns at high profile companies highlight the need to review your company's policy and monitoring efforts.**

### Six Questions To Ask Now

1. In light of the widespread 2010 and 2011 enforcement activity, has your board considered any amendments to its insider trading policy?
2. Do directors and officers receive periodic confidentially reminders and annually sign-off on the company's insider trading policy?
3. Are the company's preclearance and Regulation FD policies, and its quiet period and black-out period, monitored effectively?
4. While insider trading can be legal or illegal, do directors and management understand the consequences of being found liable for insider trading?
5. When is the last time you read the company's insider trading policy or its Regulation FD policy (fair disclosure)?
6. Is it time to "step-up" your insider trading and Reg FD education efforts?

The role of the board of directors has morphed from "decorative" to "watch-dog/overseer" and "sounding board for the CEO." In recognition of this evolution, and the heightened public interest in good corporate governance, ***boards are asking more meaningful questions.*** Pose these questions at your next board meeting – the list is intended to stimulate discussion. Check [www.governancesolutionsgroup.com](http://www.governancesolutionsgroup.com) for a new list each month.

Some of the questions are easy to answer and will allow you to validate your belief that your board is operating within the scope of "governance best practices." However, good governance is more than checking a "good governance box" so that the board keeps out of trouble and out of the spotlight. Good governance is about examining how the board is actually functioning and about making meaningful changes to improve your board's effectiveness, engagement, efficiency and accountability. If your board could benefit from a dose of independent advice concerning how to establish or modify your board's governance practices, structure your board or revitalize your board, call Denise Kuprionis at The Governance Solutions Group.



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*"Good governance is part of every good business solution."* Mary Denise Kuprionis