

# THE UK CORPORATE GOVERNANCE CODE

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# Updated Code: Main Themes

- Understanding the board's and directors' responsibilities
- Carrying them out effectively
- Accountability



# The Board's Responsibilities

- The leadership role of the Chairman
- Non-Executive Directors to challenge
- The board's responsibility for risk



# Risk – revised principle

“The board is responsible for determining the nature and extent of the significant risk it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems.”



# Board Effectiveness

- Getting the right mix on the board
- Developing directors after appointment
- Assessing the performance of the board



# Accountability

- Annual elections and the Stewardship Code
- Personal reporting by the Chairman
- Reporting on the Business Model
- Remuneration



# Other Developments

- ICSA Review of Higgs Guidance
- FRC Review of the Turnbull Guidance
- Revisions to FRC Audit Committee Guidance
- European Commission Green Papers



# Turnbull Review: possible themes

- Roles of the board and management
- Information flows and assurance
- Business and control culture
- Link to strategy
- Stress testing and contingency planning
- External reporting

