ESOP GOVERNANCE ESSENTIALS
AN OVERVIEW OF BOARD / TRUSTEE ROLES

Assumes 100% ESOP Ownership

ROLE OF THE BOARD

- Appoint/Evaluate trustee
- Oversee trustee
- Ensure ESOP plan compliance and sustainability and/or appoint plan administrator
- Comprehend valuation process and assess qualifications of valuation appraiser
- Establish executive compensation policy
- Plan CEO succession
- Evaluate and consider serious offers to buy the company
- Ensure plan compliance and sustainability
- Agree and implement board governance standards and policy
- Conduct board performance assessment
- Hold management accountable

ROLE OF THE TRUSTEE

- Vote for
- Oversee board
- Select and hire valuation consultant and determine fair market value of company
- Follow executive compensation plan and its alignment with company interests
- Verify the board has a CEO succession plan
- Stay across serious offers presented by the board /valuate board recommendations to sell stock or assets
- Understand the purpose and projected value of acquisitions considered by the board
- Monitor ESOP plan compliance
- Provide input on board selection and corporate governance policies
- Verify board assessments take place and consider evaluation when voting for board members

PRIVATE DIRECTORS ASSOCIATION®

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