

What do we “EXPECT” from the Board?

*What are issues the Board needs to be cautious about?
(Director Guide)*



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As “representatives of the company”, directors are obliged to perform the duty of “Care” and duty of “Loyalty”. But how can a director “prove” the duty of care and duty of loyalty?

The proof of director’s performance during the term of office

- Does the particular director frequently “attend” Board meetings? Board meeting attendance reflects responsibility of the director.

Attending Board meetings provide “directors” with opportunities to contribute their “knowledge” and “experiences” through useful “comments” on various aspects e.g. strategy, finance, personnel, goods and services, and organization structure, etc.

These aspects reflect that the BOD combination should be formed by differentiate and variety of qualifications e.g. director who is specialized in strategic planning, finance, law and business.

Matters that directors should dedicate themselves to are based on the ground that they have knowledge about various “contexts” surrounding the company’s operations as listed in the Director Checklist.

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Director Check List



Director Safe Harbour

- Does the particular director “raise a practical question” at the Board meeting?

Question from the Board that “inspired” the management to put idea into implementation for the utmost benefits of the company is considered a “Spark Question”.

Strategic question is the kind of question a director asks at the meeting for the Board to think about the “future” and “direction” of the company and for the management to “study further” and put “policies from the Board” into effective implementation.

Challenging question is the kind of question that a director asks at the meeting to “stimulate” the management to work proactively and generate business growth. This kind of question could only come from the director who has the “ability to comprehend with the situation” as he/she can clearly “see it through”.

Leading question is the kind of question that the director asks at the meeting to “break new ground” for the management to “think” and “analyze” issues in order to drive the company with positive dynamic and continuous development.

Reviewing question is the kind of question that the director asks at the meeting to express “objection” or require the management to “review” their performances. Since a director has no “authority” to order the management and the Board works as a committee, decision from the Board must be in the form of a “board resolution”.

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Director’s Question



- Does the particular director act as a “change agent”?

We should always remember that directors perform their roles only in the boardroom. Therefore, directors “should” take the opportunity in the boardroom to maximize their performances by acting as a “change agent” for the company and organization. This is in alignment with “Tone at the Top” concept where the Board is positioned at the “top” of the organization chart.

- Has the particular director regularly “educated” the company?

Most directors have various “knowledge”, experiences, and expertise. They should “exchange” their knowledge with fellow directors and the management to support lifetime learning, which will benefit the organization and the company’s businesses.

Directors may share their knowledge within the organization. For example, the director who is specialized in areas of law can update knowledge about new legislations with the Board and the company’s personnel e.g. Personal Data Protection Act, Transfer Pricing Law, Class Action, the amendment of Public Limited Companies Act and the amendment of Merging Law.

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Corporate Law Update



Believe it or not ?, director knowledge sharing is considered a “good governance” practice and a “proof of director’s performance”. It reflects how a director recognizes his/her roles and can also indicate the duty of care and duty of loyalty (Director Awareness).