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Key Issues for Directors Relating to COVID-19

As the world reacts to the COVID-19 pandemic, directors on corporate boards play a vital role in navigating the path forward. Key issues facing corporate directors include:

1. Maintaining close contact with the CEO and working with management to ensure the safety and well-being of the company's employees and other stakeholders as well as the public at large.
2. Understanding the risks to the company and its stakeholders from the COVID-19 pandemic, and discussing, as a board, management's strategies for minimizing and mitigating these risks.
3. Reviewing the viability of the enterprise from a short-term and long-term perspective and making appropriate changes to the corporate strategy to ensure that viability.
4. Receiving a board-level briefing on company indebtedness, including bank and bond financings, lines of credit, availability of revolvers, key covenant terms and, in conjunction with that briefing, understanding the company's near-term liquidity needs and working with management to secure liquidity needs.
5. Appropriately messaging the company's actions with respect to the crisis and providing the CEO and management with assistance in handling communication with internal and external constituents.
6. Communicating frequently with, and seeking guidance from, applicable regulators and other government agencies with oversight.
7. Responding to activist attacks and other actions by those seeking to take advantage of the situation and promote their own agenda.
8. Evaluating opportunities for transactions that are made available by the changed circumstances.
9. Working with management in engaging shareholders and other stakeholders on corporate operations, impact to strategy, and other important concerns, including ESG issues such as climate change and sustainability.
10. Reviewing compensation plans and considering whether changes are required, particularly with respect to equity arrangements, unforeseen employee cash needs and mission-critical personnel.
11. Evaluating the company's current and future dividend and buyback policy as well as capital allocation and liquidity generally.
12. Maintaining respect among board members and promoting effective decision-making through stressed and stressful conditions.

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