

Optimizing the Virtual Boardroom

A Guide to Planning and Executing Virtual Board Meetings

It has been a year since corporate governance teams around the globe scrambled to pivot their organizations' board meetings from traditional boardrooms to virtual meeting platforms. Organizations everywhere were faced with the challenge of replicating the confidentiality and collegiality of in-person board meetings in a digital environment.

As Nasdaq's corporate governance team navigated an entire board season filled with virtual events and meetings, we found that with the right ideas, tools, people, and support, it is possible to digitize the boardroom without compromising efficiency, confidentiality, or group dynamics.

We also learned that there are several benefits of hosting board meetings virtually. This guide, based on Nasdaq's key learnings, is intended to help you plan and execute virtual board meetings that facilitate a stronger, more engaged board for your organization.

Build a Virtual Board Table

It is possible to replicate the experience of sitting at a board table in a virtual meeting room by leveraging certain features of video conferencing platforms. With that in mind, look for opportunities to work with your platform provider to customize functionality and meet your organization's needs. Following are several ways to enhance and implement technology to replicate the in-person board meeting experience as closely as possible.

Freeze the meeting room screen.

Video conferencing platforms often have dynamic screen features that automatically shift the view to display the person speaking at any given time. This feature works well for informal meetings and

conversations but is not necessarily appropriate to foster a boardroom setting. Freeze the screen to keep the view static, so all directors are visible on the screen throughout the duration of the virtual board meeting, regardless of who is speaking.

Create a virtual seating arrangement.

To visually replicate a board table in virtual meetings, consider setting up the meeting room to display the presenters and their presentation materials in the center of the screen with meeting participants tiled around them. Place directors at the top of the table (screen) and executives at the bottom to differentiate them.

Customize a virtual background for each board meeting participant.

It is good practice during virtual board meetings for each director to be visible on video, as it improves engagement. However, the varied background surroundings of individual participants can be visually distracting and sometimes at odds with a professional atmosphere. Resolve this issue by creating virtual background images for board meeting participants. Professionally designed, corporate branded backgrounds lend an air of gravitas appropriate to a virtual board meeting and eliminate distracting visual clutter. For example, Nasdaq's corporate governance team created background images for each board meeting participant that displayed the Nasdaq logo and meeting name (i.e. 2020 Board Strategy Meeting).

Color code board meeting participant backgrounds for ease of identification.

To take customized background images a step further, differentiate board meeting participants by using one color for directors, another color for executives and a third color for guest speakers. Color-coded

backgrounds make it easy to distinguish who is in the boardroom during particular discussions and what constituencies they represent. This approach is especially helpful for new directors who have not had the opportunity to attend in-person board meetings.

Utilize a second device to view the board meeting materials.

In tandem with using a primary device to view the virtual board meeting room, offer directors the option of using a second device, such as an iPad. Directors can use the second device to log into a board portal, like Nasdaq Boardvantage®, and view a full-screen webinar version of the meeting materials and presentations. That way, directors can simultaneously view the virtual board meeting room and a close-up visual of what is being presented—replicating the in-person board meeting experience as closely as possible. Assign a member of the corporate governance team to facilitate the presentation in the board portal and ensure the display keeps pace with the presenter.

Mitigate Meeting Day Glitches

Have directors join virtual board meetings early.

Ask directors to join virtual board meetings approximately 15 minutes in advance, giving them time to resolve technical glitches, conduct audio visual checks, and ensure they have access to meeting materials.

Make it easy for directors to get technical assistance.

Staff a virtual board meeting technical support hotline with members of the corporate governance team and technology experts who are familiar with the organization's video conferencing platform,

communication platform, and board portal. It's good practice to open the hotline about two hours prior to every virtual board meeting for any directors who need help downloading the video conferencing platform, uploading and formatting their virtual backgrounds, installing speakers and cameras, or general troubleshooting of connection problems. If possible, keep the hotline open throughout the entire virtual board meeting, so directors have technical support on standby if any issues come up. The hotline connection should be separate from the video conferencing platform connection to maintain confidentiality.

Assign roles ahead of time to ensure smooth execution on meeting day.

In addition to more prep work, there is more day-of-meeting work for the corporate governance team when executing a virtual board meeting. Plan ahead

to be sure there are enough team members to staff the technology hot line, monitor the virtual waiting room, manage the presentation flow in the board portal, take meeting minutes, and track and moderate questions and comments during the meeting.

Keep It Confidential

Confidentiality of board meeting materials and discussions is always paramount, no matter the venue. However, it can be harder to preserve confidentiality in a virtual boardroom where participants join from home offices, bedrooms, hotel rooms, or even shared workspaces. Through a combination of equipment, technical support, and gentle reminders, helps ensure that what happens in the virtual boardroom stays in the virtual boardroom.

Equip directors with the right tools.

Optimize the virtual board meeting experience by equipping directors with high-quality headphones and/or earbuds, a camera, speakers, and a ring light. Headphones help ensure that no one within listening radius of a director's computer can hear what is being discussed. Provide technology tools such as those, along with gentle reminders to be vigilant in guarding the privacy and confidentiality of virtual board meeting rooms.

Manage conflict of interest with a virtual waiting room.

Confidentiality and conflict of interest management are integral to successful board meeting execution. It is recommended that any virtual board meeting login for directors should be password protected. To monitor and control guest presenters and ensure they join the meeting only during their allotted times, leverage the video conferencing platform's "waiting room" functionality to coordinate the

flow of guest presenters into and out of the virtual boardroom. A member of the corporate governance team, who is not attending the meeting, should manage the virtual waiting room. When it is time to admit certain presenters and disable others, the corporate secretary can notify the designated waiting room manager throughout the meeting via a secure chat room or text. Any executive presenters and guest speakers can join the meeting and conduct their sound checks in the waiting room, then remain there until they are admitted to the meeting for their presentations.

Screen director and presenter video feeds.

Sound and video checks are a good time to check subtly that directors are following confidentiality guidelines. The designated waiting room manager can do this as presenters enter and wait to join the virtual board meeting. If necessary, issue gentle reminders, such as "if you aren't alone in the house please shut the door to your home office when the meeting starts," or "remember to use your headphones so no one near you can overhear the meeting audio."

Our most important takeaway from a year of planning and executing virtual board meetings was this: By creatively leveraging technology to model in-person meetings as closely as possible, the board can continue to operate on all cylinders even in a digital environment. While executives and directors are no doubt anxious to return to in-person engagement and the connectedness it brings, it is safe to expect that the post-pandemic era will usher in a hybrid board meeting protocol—one that mixes in-person and virtual meeting formats to leverage the advantages of both. In the meantime, virtual board meeting best practices will continue to evolve, and corporate governance professionals will continue to learn from each other as they do.

Reimagine governance practices and digitize your boardroom with Nasdaq Boardvantage®. Nasdaq's board portal software can help enhance the effectiveness of virtual meetings, collaboration, and decision-making processes to drive business forward for your organization. To learn more, visit nasdaq.com/boardvantage.

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