AHLA Leadership & Career Development Program (2026)

Governance and Organizational Stewardship

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Corporate Governance Defined

Systems and Processes

Governance involves structured systems and processes to ensure efficient organizational direction and control

Accountability and Transparency

It seeks to ensure accountability, fairness, and transparency in relationships with stakeholders, fostering trust and credibility

Stakeholder Alignment

Effective governance aligns interests of management and stakeholders, driving long-term success

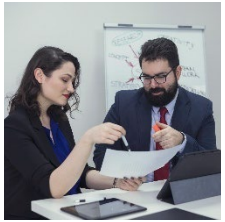
AHLA’s Efforts to Optimize Governance Effectiveness

Board Governance Committee

A dedicated Board committee oversees governance, ensuring efficiency and ongoing improvements for organizational effectiveness

Evaluating Policies and Practices

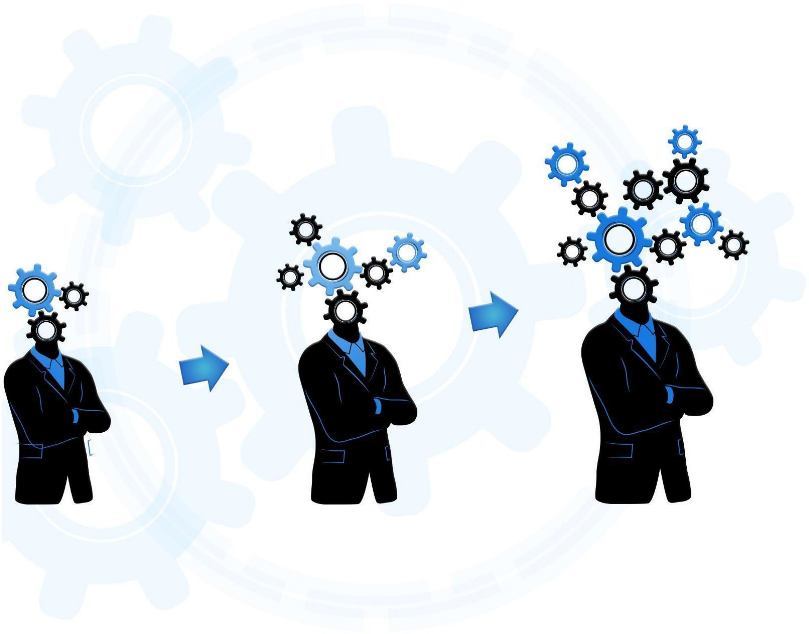
Regular evaluations of governance policies as well as training and mentorship for Board Members and other Leaders



Leveraging External Expertise

Utilizing consultants provides access to specialized knowledge and unbiased advice for optimal governance quality

Governance vs. Management



Governance Sets Policies

Governance establishes policies and provides oversight, ensuring accountability to stakeholders and defining company direction.

Management Executes Strategies

Management handles daily operations, implements strategies, and leads teams to achieve specific business objectives.

Framework and Execution

Governance provides the framework and direction; management executes decisions within this established structure.

Core Fiduciary Duties of Board Members

Duty of Care

- Act with the care of a reasonably prudent person
- Be informed and review relevant materials
- Attend and actively participate in meetings

Duty of Loyalty

- Place the organization’s interests above personal interests
- Avoid and disclose conflicts of interest
- Do not use position for personal gain

Duty of Obedience

- Comply with applicable laws and regulations
- Follow mission, bylaws, and governing documents
- Act within scope of Board authority

Other Fiduciary Responsibilities

- **Duty of good faith:** All actions must be honest, and decisions must be made based on integrity. The success of the business is always the priority. These decisions must also align with the organization's beliefs, goals and values.
- **Duty of confidence:** All board members must adhere to confidentiality and privacy agreements to protect the organization's operations, finances and strategies.

Other Fiduciary Responsibilities

- **Duty of oversight:** Board members must take an active role in overseeing every aspect of the business to ensure they can make informed and effective decisions.
- **Duty of prudence:** Decisions must be made carefully and cautiously, using information and data to ensure strong decision-making. Risks must be considered at all times to protect the business' assets, resources and reputation.
- **Duty of accountability:** Board members must take ownership over their actions and decisions, ensuring complete transparency to stakeholders and members of the public.

When Governance Goes Wrong

(Newsfile Corp. - May 11, 2026) - National plaintiffs' law firm advises shareholders of **Meta Platforms, Inc. (NASDAQ: META)** about an investigation into Meta's Board of Directors (the "Board") for potential breaches of fiduciary duties owed to the Company and its shareholders. The investigation focuses on whether the Board failed to exercise appropriate oversight regarding certain privacy concerns and the Company's artificial intelligence training practices.

Caesars Entertainment, Inc. – Brodsky & Smith Investigation Brodsky & Smith is examining whether Caesars' board breached fiduciary duties in connection with its $31/share sale to Fertitta Entertainment for ~$17.6B. The focus is on whether the process was fair and whether the price was fair value to shareholders

Serving as Director is getting harder, and scrutiny is getting more intense

Scott+Scott is also investigating **Ubiquiti**'s directors and officers for breach of fiduciary duties. The probe follows Hunterbrook's report alleging Ubiquiti products were used in Russia's war against Ukraine, possibly in violation of export sanctions

YWCA v. Hatteras Funds – Delaware Court of Chancery
In *YWCA of Rochester and Monroe Cty. v. Hatteras Funds* (Mar. 27, 2026), the Delaware Court of Chancery found that the board of an investment manager (acting as general partner of a master fund) may have breached fiduciary duties

Excerpt from June 3, 2026 Crain's Detroit Business. Used with permission.

MSU board meltdown highlights a big split in how trustees believe they should govern

At the crux of the conflict is a fundamental disagreement about what it means to be a publicly elected university trustee — and whether that elected status gives individual board members license to act and speak out independently of the board's collective decisions

The majority of the MSU trustees … subscribe to the best practices for board director conduct according to governance experts around things like confidentiality of board matters and disagreeing in the board room before a board vote takes place rather than voicing dissent in other public forums after a decision has been made

Expectations of Board Members

Scenario 1: Important Decision Impacting the Organization

The organization needs to publish the locations for the next annual and regional meetings.

Several Board members have asked that meeting locations be added as a topic on the monthly Board meeting.

The CEO advises that management is ready to sign contracts for the meeting locations for the next 2 years

Scenario 2: Revisiting a Decision

One of the Directors has asked to be heard at the next monthly Board meeting. The Director is concerned about the continued viability of a new publication.

During the meetings several Directors voice concern that the program has not been "given a chance" and offer to circulate a petition among members in support of the program.

Other Directors have advised that the funds of the organization can be better spent on other projects.

Scenario 3: Affiliation

The Board has been asked by management to consider affiliating with another organization to update an existing program. Management has presented focus group reports, a consultant's recommendation and budgeting information.

Several directors express concern about the reputation of the other organization.

Scenario 4: Take a Position on Artificial Intelligence

The board agenda includes as a topic Artificial Intelligence. The board chair has invited an "opponent" to artificial intelligence to speak.

The speaker implores the board to adopt a new policy that the organization will not use Artificial Intelligence to assess qualifications of members for membership.

The CFO advises that this new policy will increase costs significantly.

The Board Chair advises that the organization would be able to promote the new policy as ensuring fairness and honesty in membership decisions.

Takeaways

- Always prepare
- Acknowledge limitations
- Maintain confidentiality

Appendix

Reference Materials – Hyperlinks

- **Boards and Governance Resources – 501 Commons:** https://www.501commons.org/resources/tools-and-best-practices/boards-governance

- **What Goes Into A Board Manual? – BoardSource:** https://boardsource.org/what-goes-into-a-board-manual/

- **Board Governance – McKinsey & Company:** https://www.mckinsey.com/featured-insights/leadership/board-governance

- **A Board Self Assessment Checklist – BoardEffect:** https://www.boardeffect.com/blog/board-self-assessment-checklist/

Reference Materials – Hyperlinks

- **Corporate Governance Toolkit – AHLA Business Law and Governance Practice Group:** https://www.americanhealthlaw.org/content-library/publications/toolkits/2844952d-00fa-451a-8519-8807b381b28e/Corporate-Governance-Toolkit

- **Beyond the Board: Organizing and Implementing Corporate Governance Processes – AHLA Business Law and Governance Practice Group:**
- https://www.americanhealthlaw.org/content-library/connections-magazine/article/892c633d-b103-4dc5-baf5-655d70e01259/Beyond-the-Board-Organizing-and-Implementing-Corpo

Reference Works: Governance and Management

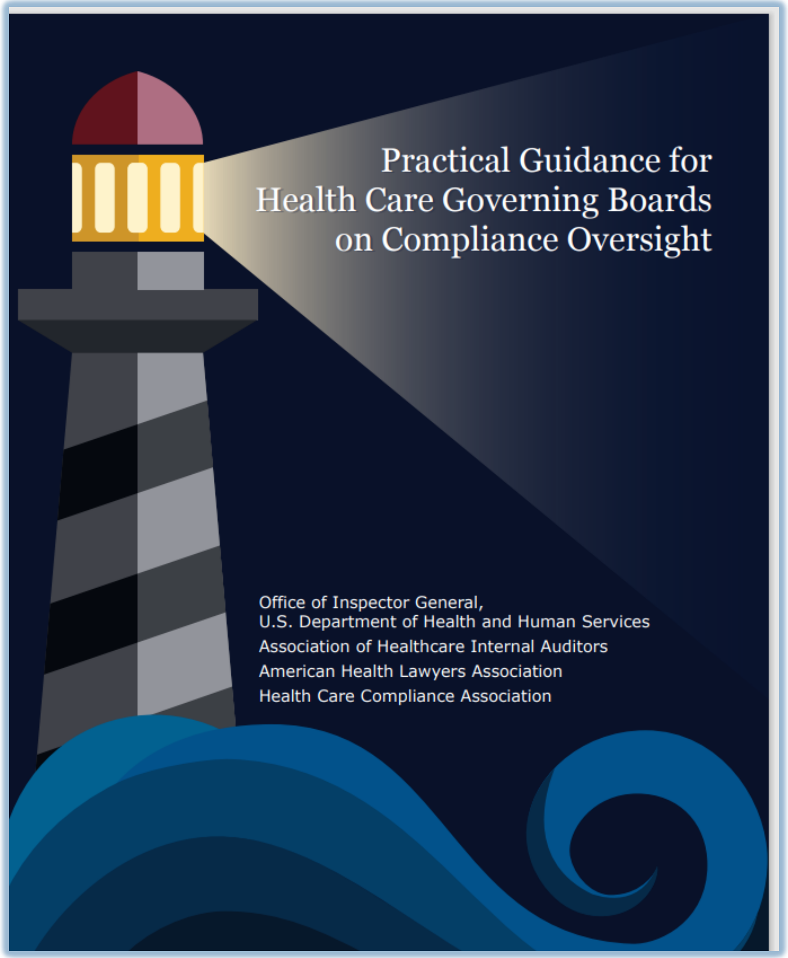
- **Governance**
  - Pointer, D., & Orlikoff, J. - The High Performance Board: Principles of Non-Profit Organization Governance (Jossey-Bass, 2002)
- **Leadership & Management**
  - Kouzes, J., & Posner, B. - The Leadership Challenge (6th ed., Wiley, 2017)
  - Maxwell, J. - Leader Shift: The 11 Essential Changes Every Leader Must Embrace (HarperCollins Leadership, 2019)
  - Lupinacci, T. - Everybody Leads: How You Lead and Why It Matters (Blue Hat Publishing, 2025)
  - Snyder, L., & Reif, R. – Answering the Call Understanding the Duties, Risk, and Rewards of Corporate Governance (4^{th} ed., Women Business Leaders, 2011)
  - Gallo, A. – Getting Along: How to Work with Anyone (Even Difficult People) (Harvard Business Review Press, 2022)

Health Care Boards' Compliance Oversight Role

Published on April 20, 2015.

This document is intended to assist governing boards of health care organizations (Boards) to responsibly carry out their compliance plan oversight obligations under applicable laws. This document is intended as guidance and should not be interpreted as setting any particular standards of conduct. The authors recognize that each health care entity can, and should, take the necessary steps to ensure compliance with applicable Federal, State, and local law. At the same time, the authors also recognize that there is no uniform approach to compliance. No part of this document should be taken as the opinion of, or as legal or professional advice from, any of the authors or their respective agencies or organizations.

https://oig.hhs.gov/documents/root/162/Practical-Guidance-for-Health-Care-Boards-on-Compliance-Oversight.pdf

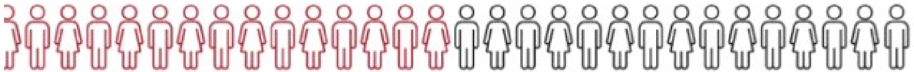


CORPORATE BOARD MEMBER Diligent Institute BDO

What Directors Think – 2024 Report – Corporate Board Member

Data Needs

Half of board members say the one thing that could best help them in their oversight duties is access to more KPIs and benchmarking data.



Disruption preparedness

63%

Number of directors who say their board could be more impactful in its oversight of management if it could proactively anticipate disruption.

5%

Proportion who are prioritizing resiliency in 2024.

Filling the gaps

Nearly half of directors surveyed say their board's biggest **strength comes from the outside:** their access to third party subject matter experts—and **30 percent say their board has no weakness.**

Practical Considerations for Effective Governance

Is this Board involved in all appropriate matters?

- Does management bring appropriate matters to the Board (or a committee of the Board) in a timely manner?
- Does the Board defer to management on appropriate management matters?

Is the Board prepared for meetings?

- Has the Board received a packet adequately in advance of the meeting?
- Does the packet contain pertinent, quality material?
- Is the amount of material appropriate?

Practical Considerations for Effective Governance

- Before making decisions, has the Board received adequate relevant information?
- What is the overall adequacy of information and reporting systems?
- Is regular attendance enforced?
- Does the Board identify all conflicts of interest and ensure that any actual or potential conflict is acted upon?
- Does this Board as a whole have the right people with the right competencies?
    - Does any particular expertise need to be enhanced?

Practical Considerations for Effective Governance

- Does the Board have what it needs to do its job?
  - Does it need additional continuing governance education?
  - Does it need Board retreats?
  - Does it need longer meetings, more information or more access to management, employees, or consultants?
- Does the Board review whether it is functioning effectively?
- Does the Board revisit Board operations issues regularly?

Supplemental Materials (attached)

- "MSU board meltdown highlights a big split in how trustees believe they should govern," Sherri Welch, Crains Detroit Business, June 3, 2026
- Board Self-Evaluation Questionnaire, © 2020 GoverningGood

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Thank you!

Please contact us with any questions at:

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