



Responsibilities of the Board

The Board of Directors are responsible for overseeing the most important actions of the corporation. Their most important duty is to elect officers who then run the company on a day-to-day basis. The Board also defines overall corporate strategy, approves major decisions, and supervises the officers. In the last part they set compensation and review performance. In that role they monitor risk, review financial performance, and oversee planning.

The Board of an ESOP company

The Board of an ESOP owned corporation has additional duties. The Board has the power to adopt the ESOP and governing documents. It may also amend the plan or terminate the ESOP.

The Board appoints and monitors the Trustee. It's the responsibility of the Board to make ESOP contributions, fund distributions, and pay dividends where appropriate. In many activities they give instructions to the Trustee regarding loan payments and more.

The Board and the Trustee work hand in hand to represent the ESOP participants.

The Trustee elects and monitors the Board, and the Board hires and monitors the Trustee. It is a mutually beneficial relationship that seeks to protect and represent the shareholders as ESOP participants.

