



Industry Professionals serving as non-executive directors to Alternative Funds

## Board or just Bored: Nuts and the Apostrophe



This newsletter was prompted by a recent indignant exchange between directors on the poor quality of board minutes, where we compared outrages. My personal favourite is:

*“Para 5.2.3: the line went fuzzy at this point so I couldn't [sic] here [sic] what you said so please complete this item.”*

(This translates as *“The PM started talking about strategy and I couldn't understand a word”*.)

To be honest, I also really wanted an excuse to share with our readers the quote below from the historian Arthur Bryant, to which my attention was drawn by an eminent London hedge fund lawyer:

“And so while the great ones depart to their dinner,  
The secretary stays, growing thinner and thinner,  
Racking his brain to record and report  
What he thinks that they think that they ought to have thought.”

The role of the company secretary is of increasing importance. In the bad old days, minutes were written before anyone actually turned up at the meeting (indeed, did the directors even turn up? Not necessarily, I suspect).

Good minutes need to be taken for reasons that should be blindingly obvious, but are worth repeating. They should demonstrate:

- Decisions taken and whether they were unanimous or by a majority vote;
- Documents ratified;
- Disclosure by board members of possible conflicts of interest and steps taken to avoid them;
- That all parties are held to account, through a proper allocation of tasks and responsibilities with appropriate time-frames for delivery;
- Action points identified and checked from previous meetings;
- Agenda covered all significant matters that concern the fund, its investors and the relevant regulations and laws;
- Discussion of important issues with effective challenge of the PM and the fund's management, if appropriate;
- Questions asked of the manager, service providers and an analysis of the answers given.

**Why does it matter?**

Because investors trust directors to do a good job. We have a duty of care. And directors are well advised to keep an eye on protecting themselves against potential future disasters.

**Will anyone ever see them?**

If all goes well, probably not. The fund's management should resist the demands of due diligence teams to hand over the minutes. If all board meetings are held in the knowledge the minutes will be read by potential investors, it is likely that robust and open discussion will be stifled or that such conversations will not be recorded. That just isn't a healthy way to run a board meeting. But if things go awry, then board minutes could be very significant.

**Why does the apostrophe matter?**

It shows care and attention to detail, which is another important attribute of a board director. Just reflect for a moment on the difference grammar makes to "feeling your nuts" and "feeling you're nuts".

**About IPAF**

IPAF provides Industry Professionals – independent, knowledgeable and experienced people - as non-executive directors to Alternative Funds. IPAF is run from London with a panel of 16 directors across 9 jurisdictions: Cayman, Luxembourg, Ireland, Switzerland, the Channel Islands, Malta, Bermuda, Barbados and the UK. All the IPAF directors are independent of each other and no additional fee is charged by IPAF to a fund that selects a member of its panel: the fund only pays the director's fees. For more information please email [info@ipafgroup.com](mailto:info@ipafgroup.com).

*In addition, IPAF provides company secretarial services in Cayman via HLX Management Ltd, which produces excellent minutes with apostrophes in all the right places.*

Executive Directors: Caroline Hoare, Stella Murrell