

Exam Specifications and Resources



General:

- (2021) NACD Directorship Certification Study Guide, Second Edition, NACD
- [Corporate Director's Guidebook—Seventh Edition. ABA Book Publishing.](#)
- [Director Essentials and FAQs](#)
- SEC (as needed)
- NYSE (as needed)

List of Resources by Content Area (including relative weights):

A. Oversee Corporate Strategy Content

33%

| Resources | Content |
|---|--|
| <ul style="list-style-type: none"> • Strategy Oversight Resource Center • Future of the American Board Resource Center • The Future of the American Board Report: A Framework for Governing into the Future • Report of the NACD Blue Ribbon Commission, Fit for the Future: An Urgent Imperative for Board Leadership • The Art of Directorship: Strategy and Long-Term Value Creation (online course) • Strengthening Compliance and Ethics Oversight Director Essentials • Indicators of Misalignment Between Long-Term and Short-Term Strategy | A.01 Knowledge of required disclosures to investors |
| | A.02 Knowledge of the investor relations function |
| | A.03 Knowledge of the legal implications of shareholder communications |
| | A.04 Knowledge of the proxy voting process |
| | A.05 Knowledge of various organization enterprise models |
| | A.06 Knowledge of typical components of organizations' codes of conduct |
| | A.07 Knowledge of effective change management strategies and processes |
| | A.08 Knowledge of mergers or acquisitions strategy and execution |
| | A.09 Knowledge of strategy development and execution process |
| | A.10 Knowledge of organization valuations (such as book value, intrinsic value etc.) |
| | A.11 Knowledge of the board's role in shareholder engagement and communication |
| | A.12 Ability to assess whether a change in organizational strategy is needed |
| | A.13 Ability to assess the proposed execution of a strategic plan |
| | A.14 Ability to assess the strategic synergy between potential M&A targets and the organization |
| | A.15 Ability to assess the alignment between short term and long-term objectives |
| | A.16 Ability to assess the alignment between the organization's mission, values, and strategy |
| | A.17 Ability to identify emerging trends and their potential impact on the organization (including regulatory issues, technology, and macro-economic issues such as privacy disclosures) |
| | A.18 Ability to identify current conditions and trends in an industry including the current and future competitive landscape |

B. Monitor Management Performance Against Financial Objectives

15%

| Resources | Content |
|---|--|
| <ul style="list-style-type: none">• Navigating Economic Volatility Resource Center | B.01 Knowledge of the audit process (including roles and responsibilities of audit committees, external auditors, internal auditors, etc.) |
| <ul style="list-style-type: none">• M&A Oversight Resource Center | B.02 Knowledge of financial statement components |
| <ul style="list-style-type: none">• Understanding Nonfinancial Metrics Director Essentials | B.03 Knowledge of key performance indicators and benchmarks and their use by the board in assessing management performance |
| <ul style="list-style-type: none">• Getting Behind the Numbers | B.04 Knowledge of the key business performance metrics |
| <ul style="list-style-type: none">• Director FAQ: Financial Oversight Under Varying Financial Conditions | B.05 Knowledge of non-financial business performance metrics |
| <ul style="list-style-type: none">• Report of the NACD Blue Ribbon Commission on Director Liability | B.06 Ability to interpret and synthesize information provided by management |
| <ul style="list-style-type: none">• Report of the NACD Blue Ribbon Commission on Board–Shareholder Communications | B.07 Ability to assess and interpret financial statements |
| <ul style="list-style-type: none">• Director Proficiency: Financial Oversight (online course) | B.08 Ability to assess an organization's performance against peer groups and goals |
| | B.09 Ability to assess non-financial metrics |
| | B.10 Ability to assess the organization's competition |

C. Provide Risk Oversight

20%

| Resources | Content |
|--|--|
| <ul style="list-style-type: none">• Audit Committee Resource Center | C.01 Knowledge of regulatory bodies and processes impacting an industry |
| <ul style="list-style-type: none">• Report of the NACD Blue Ribbon Commission on Adaptive Governance: Board Oversight of Disruptive Risk | C.02 Knowledge of international regulatory issues (such as the FCPA and UK Bribery Act) |
| <ul style="list-style-type: none">• COVID-19 and Beyond: A Practical Guide for Adaptive Governance | C.03 Knowledge of emerging cyber security threats |
| <ul style="list-style-type: none">• How to Build a Focus on Resilience into Board Risk Oversight | C.04 Knowledge of types and general considerations concerning director and officer liability insurance (DNO) |
| <ul style="list-style-type: none">• Directorship Essentials: Risk Oversight (online course) | C.05 Knowledge of potential disruptive risks (i.e. anything that has a significant effect on an organizations revenue profit competitive position or reputation check) |
| | C.06 Knowledge of director liability and risk |
| | C.07 Ability to identify issues that could impact organization reputation |
| | C.08 Ability to review and assess a crisis management plan (including business continuity plans etc.) |
| | C.09 Ability to assess an organization's crisis preparedness |
| | C.10 Ability to evaluate the organizations' risk appetite |
| | C.11 Ability to evaluate the effectiveness of risk mitigation plans |

- [NACD Director Handbook on Cyber-Risk Oversight](#)
 - [Governance Challenges 2022: Climate Governance](#)
 - [Oversight of Corporate Sustainability Activities Handbook](#)
 - [Rethinking the State of Risk \(Webinar\)](#)
- C.12 Ability to assess opportunities and risks associated with a proposed M/A
 - C.13 Ability to assess effectiveness of the organizations management of regulatory risk
 - C.14 Ability to assess the significance of business model risk.

D. Contribute to Ensuring Effective Board Processes and Culture

12%

| Resources | Content |
|---|--|
| • Nominating/Governance Committee Resource Center | D.01 Knowledge of the board operations such as annual board calendars |
| • Navigating the First Year: A Guide for New Directors | D.02 Knowledge of behavioral issues in organization governance and management |
| • Report of the NACD Blue Ribbon Commission on Building the Strategic-Asset Board | D.03 Skill in developing mutual trust and respect between board members and management |
| • Report of the NACD Blue Ribbon Commission on Director Professionalism | D.04 Ability to assess the cultural health of an organization |
| • Executive Sessions FAQ | D.05 Ability to contribute productively to the board evaluation process |
| • Director FAQ: Setting the Board Calendar and Meeting Agendas | D.06 Ability to respond appropriately to misconduct |
| • The Role of the Board vs. the Role of Management FAQ | D.07 Ability to assess the effectiveness in leadership in driving change |
| • CEO Activism: What's the Board's Role? | |
| • Report of the NACD Blue Ribbon Commission on Culture as a Corporate Asset | |

| Resources | Content |
|---|---|
| • Compensation Committee Resource Center | E.01 Knowledge of the different responsibilities of the board, CEO, and management |
| • Success at the Top: CEO Evaluation and Succession | E.02 Knowledge of fiduciary responsibilities of boards and board members (including duty of care, duty of loyalty, conflicts of interest, etc.) |
| • The Art of Directorship: CEO Succession (online course) | E.03 Knowledge of the roles of the management team |
| • Report of the NACD Blue Ribbon Commission on Talent Development | E.04 Knowledge of the roles of external advisors |
| • Report of the NACD Blue Ribbon Commission: 2020 Update of the Diverse Board: Moving From Interest to Action | E.05 Knowledge of CEO recruitment and succession planning process |
| • Report of the NACD Blue Ribbon Commission on Culture as a Corporate Asset | E.06 Ability to assess management's human capital strategy |
| • CEO Succession Planning Questions | E.07 Ability to review and assess the effectiveness of an organization's diversity and inclusion programs |
| • Governance Challenges 2019: CEO Succession Planning | E.08 Ability to assess and interpret executive pay plan design and payout decisions |
| • Report of the NACD Blue Ribbon Commission on Board and Long-Term Value Creation | E.09 Ability to assess the leadership pipeline |
| • Report of the NACD Blue Ribbon Commission, Fit for the Future: An Urgent Imperative for Board Leadership | E.10 Ability to assess the performance of the CEO against defined objectives and metrics |
| | E.11 Ability to contribute to effective CEO succession planning |
| | E.12 Ability to provide candid feedback to senior management |