

## Role Profile/Job Description for a Trustee of an EO Business

### Background

An employee owned business has a unique point of difference, and it is important to recognise this in the way they work together and in the way they deliver their business. They are different because each of the employees is a co-owner, with a shared responsibility for the business and a responsibility to put its success first. The role of a trustee is fundamentally to represent the interests of the co-owners and to ensure the company is run in their best interests.

### Duties of trustees

The general duties of the trustees may be summarised as follows:

- trustees have a general duty to act in the best interests of the Beneficiaries
- trustees must not act with improper motives
- Nothing trustees do must be fraudulent
- trustees must not act dishonestly or in bad faith
- trustees must consider the relevant facts and take into account relevant matters
- trustees must not confer any benefit on any person who is not a Beneficiary
- trustees must not act capriciously
- trustee decisions must be objectively reasonable
- trustees are under no duty to consult with Beneficiaries or follow their wishes

The Trustees Duties in practice may be summarised as:

- Ensuring that the Trust is operated for the benefit of the Trust's beneficiaries (employees of the Company) by overseeing the generation of strong profits and by placing a high level of importance on non-financial benefits (for example, offering fulfilling jobs with opportunities to develop)
- Holding the Company's directors to account in relation to the Company's financial and other performance
- Holding the Company's directors to account for the Company's strategy
- Approving any change to the Company's directors from time to time and approving their remuneration and other terms
- Considering and approving or disapproving any changes to the Company's articles of association
- Considering and if thought fit approving or disapproving any proposed action by the Company which requires their specific approval before it can proceed

- Ensuring that the Company remains independent, as long as the trustees consider this to be in the best interests of the Trust's beneficiaries, and that the Company's brand and reputation is nurtured
- Trustee meetings to take place regularly during the year, (3-4 times is average) the purpose of which to include:
  - review of quarterly performance
  - review of annual performance once a year
  - review of employee engagement and an effective employee ownership culture

### **What Makes a Great Trustee?**

A Trustee needs to be approachable and to demonstrate that they have the best interests of the business and the people who work in it at heart. They need to be willing to talk to everyone, and be a great listener. They will also be skilled in asking questions of the Board and challenging appropriately.

### **Skills and qualities required:**

- Initiative and energy
- Ability to analyse and extract relevant detail from financial and other reports.
- Confidence to ask questions of the Board of Directors/Leadership Team and to challenge appropriately.
- Absolute discretion – information will be shared that is highly confidential, and any disclosure of this information may be detrimental to the business.

Be open and honest in your views.

### **How to choose a suitable Trustee for your company**

- Decide what the business wants from a Trustee. By identifying any business challenges that are likely to impact the organisation in the next 3-5 years, or thinking about the balance of personal skills and qualities to balance the Trustee Board, you can begin to think about the type of person who will best fit the Trustee Board profile.
  - Involve the whole board in the process to ensure all have buy-in to the successful candidate
  - Define the role clearly with skills, experience and attributes that are needed to complement the existing Board.
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