

DUTIES OF INDEPENDENT DIRECTORS IN LISTED COMPANIES IN 2019

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Abstract

Rooted in the Enlightened Shareholder Theory that we firstly formulated in 2008, the present paper has both theoretical and practical ambitions. It begins with a short review of the spectacular progress over the past 30 years in the governance of listed companies, manifested in the increasing board members' professionalisation and the growing collegiality resulting from boards' collective intelligence. In the first part it then goes on to identify the two main kinds of challenges facing the boards of listed companies, namely the exponential and multi-form rise in the number of risks and the difficulties of developing relevant strategies in today's increasingly complex environment. In the second part, we analyse in this context the duties of the independent directors. In the third part a focus is made on the specific role of the Audit Committee and the particular duties of its members who must be by law in the European Union independent and competent in finance and particularly on the mission of the President of the Audit Committee. In conclusion we suggest some solutions to resolve what we defined as the Paradox of the Independent Director in 2017.