

Summary

Corporate governance, in general, means to arrange governance procedures of any company that aims to reach to an objective. Accordingly, the concept of corporate governance, describes the rights and responsibilities between stakeholders and companies, and defines rules and procedures to take decisions about corporate issues. Corporate governance plays a more important role on public companies which have essential effects on social and economical life. The boards of directors of these public companies, which are in the highest level in organization also, have important sharing in effectiveness of corporate governance applications. In this study we have examined that, how the boards of directors of public companies should be structured in accordance with corporate governance principles. In conclusion, it is found out that, in order to establish effective corporate governance structure in public companies; the functions of the board should be organized appropriately, some of the work of the board should be delegated to committees, attention should be paid in defining the board's and committee's sizes, the board members should have good personal attributes and adequate occupational qualifications, the independence of the board should be provided and the board should fulfill its leadership responsibilities.