

How the Best Boards are Made: Evaluating Board Composition and Effectiveness

Presented by Passageways and GSG

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Vice President

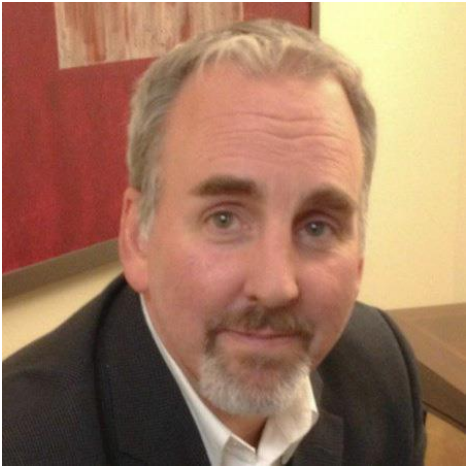
Denise Kuprionis

President

Agenda

- Introductions
- Identifying the competencies and skills needed for strategic boards
- Using the skills matrix to prepare directors for making better decisions about board composition
- Creating a director self-assessment tool
- Evaluating your boards effectiveness
- Wrap-up and questions

Introductions



Paul Lockhart



Denise Kuprionis

Identifying Competencies & Skills

- If board purpose = company success
- Then - board composition is vital



- Strategies shift
- The board must be a valuable resource

Using the Skills Matrix

- Used prior to the director re-nomination process
- A tool to help directors visualize current board composition
- And for considering future talent needs

Creating a Self-Assessment Tool

- Board evaluation types
 - Full board performance
 - Director self-assessment
 - Director peer review
 - Committee assessments
 - Senior management – board relations

Creating a Self-Assessment Tool

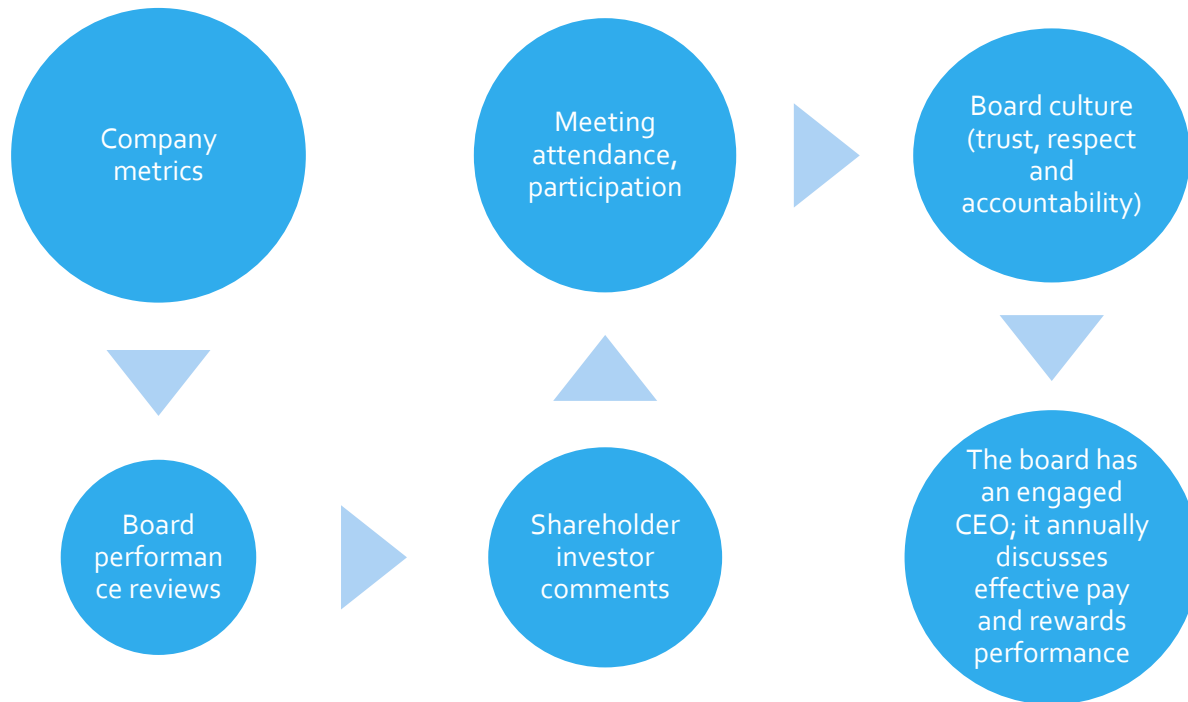
- Surveys
 - On-line or paper
 - Sent in advance; or just before the conversation
- Interviews (one-on-one; board chair and directors)

Creating a Self Assessment Tool

- Sample questions

1. I attend every board meeting and committee meeting where I am a member.
2. I do my homework and am well prepared for every meeting.
3. I participate in meetings and contribute to discussions without dominating the conversation.
4. I insist on having sufficient information and due process for every board decision.
5. I constructively challenge management's, and other director's, strategies so that the board reaches the best possible decisions.
6. I understand what is driving shareholder value today, and what is likely to drive value in five years.
7. I understand our CEO's most critical challenges.
8. I believe our board has the skills and diversity it needs to do its work.
9. I bring needed functional expertise to the board.
10. I keep current on business and regulatory developments that might affect the company.

Evaluating Your Board's Effectiveness



Evaluating Your Board's Effectiveness

- Helpful questions following each meeting:
 - Did we accomplish what needed to get done?
 - What could we have done better?
 - Did we have the right materials in advance?
 - What key terms should be on the next meeting agenda?

Your Questions



Need More Information?

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