

# The Board Evaluation – Essential Elements – Q&A Tips

## Common Questions

- 1. What are the types of evaluations?**
  - Self-evaluation
  - Full board performance evaluation
  - Individual director evaluation/peer-to-peer evaluation
  - Committee performance evaluation
- 2. How do we determine the “we did this, now what?”**
  - Following the evaluation wrap-up, it's important to list the board's goals/action items - then to follow-up periodically to ensure progress
- 3. Should we evaluate the scope of the board evaluation before considering the how and when?**
  - Yes, sometimes the board eval is general in nature, which may mean broad-based (e.g. a longer survey)
  - Consider occasionally limiting the evaluation scope focusing only on one area, e.g. a deep dive into:
    - Logistics, materials, communications
    - A recent board action that could have been handled better
    - Committee purpose, structure
    - A governance "hot-topic," e.g. the board's role in risk management or cyber, board composition
    - Board education/refreshment (which doesn't mean you want to move a member off the BOD)
- 4. Do we include persons other than the Directors in the board evaluation?**
  - CEO, CFO, GC, Corporate Secretary (the usual group)
  - COO, CHRO, CIO, CTO, business unit leaders?
  - Outside counsel, auditor, key shareholders?
- 5. How do we engage our Directors in the process?**
  - Before beginning, discuss with the full board past processes, why it's important, ask for input on what would make the assessment most helpful
  - Diversify the method of evaluation
  - If you've always used a long survey; try asking only four open-ended questions, e.g.
    - What is the board good at?
    - What does the board struggle with?
    - What are the three most important matters the board needs to consider this year?
    - What one or two ideas do you have that would make the board more effective?
  - Try one-on-one interviews
  - If you haven't done so, consider including management in the process

### Effective evaluations:

- ✓ add value
- ✓ are characterized by trust & individual director anonymity
- ✓ include meaningful participation

The annual board performance assessment an opportunity for:

- board development
- increasing effectiveness, and
- demonstrating accountability to stakeholders

## The Board Evaluation Essential Elements

1. Map the structure
  2. Prepare the tools
  3. Collect the data
  4. Analyze the data for themes
  5. Directors discuss the board's "results"
  6. Directors determine actions/goals
  7. Periodic goal review - follow-up
- 6. What should our company disclose about its board evaluation?**
    - Discuss process. Review CII's updated board evaluation disclosure report
  - 7. Do we "only" evaluate board performance annually?**

Consider asking at the end of each meeting:

    - Did we accomplish what we needed to get done today?
    - What could we have done better?
    - Did we have the right materials in advance?
    - What should be on the next meeting agenda?
  - 8. How do we differentiate the re-nomination process from the board evaluation process?**
    - Timing
    - Purpose
    - Lead