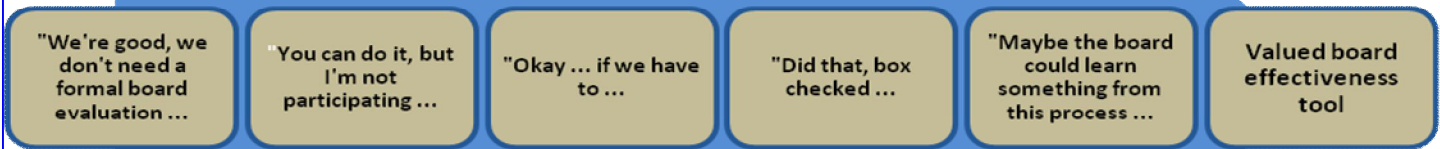




*Typical Progression Scale*



*Tips for a better board evaluation outcome*

1. Discuss and agree on a process, with the full board, ahead of time.
2. Use a combination of tools; validated, on-line confidential evaluations, surveys, in-person interviews.
3. Make it a board agenda item to discuss the board assessment analysis.
4. Allow enough time for the "results" discussion.
5. Benchmark. Note "follow-ups" and "to-do" items. Create an action plan. Check the board's progress.
6. Consider using an independent process for the full board evaluation one year, for committees the next.

*Benefits of the independent process*

Boards could avoid further legislation through better use of the board evaluation if a well conducted evaluation promotes improved governance by highlighting whether or not there is an open culture in the boardroom and if processes sufficiently prevent group think.

Source: a recent research paper, "Learning Mores and Board Evaluations."

1. No fear of hurting another director's feelings or offending management.
2. Provides objectivity and benchmarks.
3. Facilitates continuing education and metrics.
4. Someone else assumes the "back office" work.
5. Avoids "check-the-box" mentality.
6. Validates results for shareholders.

Boards should "develop policies and practices to ensure ongoing evaluation and education of current directors, using the services of independent third-party facilitators when needed."

Source: "Bridging Board Gaps," The Columbia Business School and the John L. Weinberg Center for Corporate Governance at the University of Delaware.



*Could your board evaluation use a little more constructive interaction?*

**The Board Institute** helps companies assess and enhance the overall effectiveness of their boards by focusing on structure, composition, the role of the directors and board leadership and engagement. TBI's suite of customizable, easy to use evaluation and educational tools are developed in cooperation with leading experts and include: The Board Index™. Reports provide scores, best practices, regulatory requirements and anonymous comments.

**The Governance Solutions Group** serves board directors by facilitating the annual board and committee assessment process, helping board members better understand their fiduciary responsibilities, mentoring new directors, developing orientation and education plans, and sharing practical guidance to help directors establish key governance processes that uniquely fit their companies.

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