

01

RUBBER STAMP

Unequal treatment of shareholders; no/little dialogue; politics play



02

WATCHDOG

Focus on fulfilling regulatory requirements; little dialogue



WHAT TYPE OF BOARD ARE YOU?

**SPARRING PARTNER**

Active/constructive questioning; heavy dialogue; good CEO & chair relationship

03

**FUTURE-FLUENT**

Mainly strategic dialogue; discussions about company's future

04

RAISING THE GAME IN BOARD EVALUATIONS

A Board Self-Evaluation Sampler



ICDM
Institute of Corporate
Directors Malaysia



**Russell
Reynolds**
ASSOCIATES

50
YEARS

A Quick Diagnosis of Your Board

Becoming “future-fluent” requires the Board to be cognisant of its strengths and weaknesses. This self-awareness gives it the ability to target specific areas where directors can work on to improve Board practices, as well as identify new value-adding initiatives to bring to the table.

This kit serves as a quick and easy way to get a sense of how your Board is functioning, and what aspects it may require some assistance in.

I. Structure & Composition

- | | Y/N |
|---|--------------------------|
| 1. I believe that my Board is of the right size | <input type="checkbox"/> |
| 2. There are sufficient Independent Directors on my Board | <input type="checkbox"/> |
| 3. There is sufficient diversity on my Board | <input type="checkbox"/> |
| 4. There are Directors on my Board that have specific backgrounds and skillsets that are relevant to the future economy (e.g. Digital and Tech) | <input type="checkbox"/> |
| 5. The Committees supporting the Board are effective and there is no need for further reconfiguration | <input type="checkbox"/> |
-
- Number of Y's

II. Board Processes & Procedures

- | | Y/N |
|---|--------------------------|
| 1. There is a process in place to review and confirm the independence of the IDs; all Independent Directors retire from the Board after 9 years | <input type="checkbox"/> |
| 2. The Board Agenda and accompanying documents are circulated well in advance of meetings for Directors to go through; minutes of meetings are diligently recorded and circulated | <input type="checkbox"/> |
| 3. There is an annual process where the Board takes stock of its current progress against its long-term plans, and identifies opportunities for additional intervention | <input type="checkbox"/> |
| 4. There is a process to renew and rejuvenate the Board to align it with the overall corporate objectives | <input type="checkbox"/> |
| 5. There is a proper system in place to induct and onboard new Directors, and getting them acquainted with the business(es) of the company | <input type="checkbox"/> |

Number of Y's



III. Value Creation & Innovation

- | | Y/N |
|---|--------------------------|
| 1. There is dedicated time (e.g. retreats) set aside for Boards to work with management to develop corporate strategy | <input type="checkbox"/> |
| 2. The Board Agenda includes periodic reviews on the strategic initiatives of the company and there are robust discussions stemming from them | <input type="checkbox"/> |
| 3. All Directors on the Board exhibit the requisite business acumen and are savvy to future trends that could potentially affect the business | <input type="checkbox"/> |
| 4. The value creation model of the company includes the Board working with management to build up a strong bench and talent pipeline | <input type="checkbox"/> |
| 5. The Board engages advisors / sets up expert panels to augment its capabilities in areas where it lacks the expertise | <input type="checkbox"/> |

Number of Y's



IV. Risk Governance & Sustainability

- | | Y/N |
|---|--------------------------|
| 1. All Directors have a clear understanding of their roles and responsibilities, as well as the regulatory ecosystem in which their companies operate | <input type="checkbox"/> |
| 2. There is a Code of Ethics and directors are made to disclose any conflicts of interest (and recuse themselves from any decision-making should the need arise.) | <input type="checkbox"/> |
| 3. The Board is aware of the key risks to the company and these are discussed with management on how to mitigate them | <input type="checkbox"/> |
| 4. Conversations on ESG form part of the Board Agenda during every meeting; progress on sustainability initiatives are monitored at the Board level | <input type="checkbox"/> |
| 5. The Board is able to derive comfort that the internal controls framework of the company is adequate and effective, and knows what needs to be done if it isn't | <input type="checkbox"/> |

Number of Y's



V. Board Dynamics

- | | Y/N |
|---|--------------------------|
| 1. I feel that each and every one of my Board members is committing a sufficient amount of his or her time to the company | <input type="checkbox"/> |
| 2. The Board debates openly and differing views are heard and taken into account | <input type="checkbox"/> |
| 3. NEDs meet regularly without the presence of management and are able to act effectively as a check and balance to them | <input type="checkbox"/> |
| 4. All the Directors on my Board deserve to be there | <input type="checkbox"/> |
| 5. My Board is willing to be assessed on an individual level, which will include peer inputs. | <input type="checkbox"/> |

Number of Y's

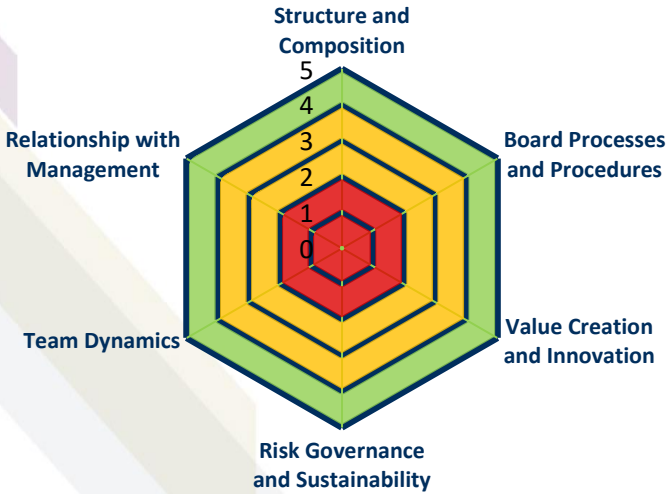
VI. Relationship with Management

- | | Y/N |
|--|--------------------------|
| 1. Directors have easy independent access to management outside of Board meetings should the need arise | <input type="checkbox"/> |
| 2. The CEO and senior management are open in their communication to the Board. I don't feel that there is any attempt to "cover up" or gloss over important issues | <input type="checkbox"/> |
| 3. The Board will challenge management should the need arise, but the relationship does not end up becoming antagonistic | <input type="checkbox"/> |
| 4. The Board has easy and timely access to financial and management reports | <input type="checkbox"/> |
| 5. Management has a clear understanding of their objectives and their KPIs, and any ambiguity is clarified with the Board | <input type="checkbox"/> |

Number of Y's

Your Results

Plot your score for each category on the radar chart below to identify where your board's key strengths and areas for development and improvement lie.



- Indicator of foundational good practices in place. Low priority for concern.
- Some elements of good corporate governance practices in place. Moderate priority for concern.
- Indicator of missing foundational elements of good corporate governance practices. High priority for concern.

If you'd like to take this further, do reach out to us at:



alvin.chiang@russellreynolds.com | liwen.su@russellreynolds.com

Alvin Chiang | Liwen Su



jackie@icdm.com.my | haniza@icdm.com.my | vivian@icdm.com.my

Jackie Mah | Azilatul Haniza | Vivian Ko