

IoD Board Evaluation Services

Appendix 2



“Best practice recommends that any board, regardless of sector, company type or industry, should continuously review their effectiveness.”

Dr Roger Barker, Director of Policy and Corporate Governance, IoD



We believe that 'better directors make for better businesses and a better world'

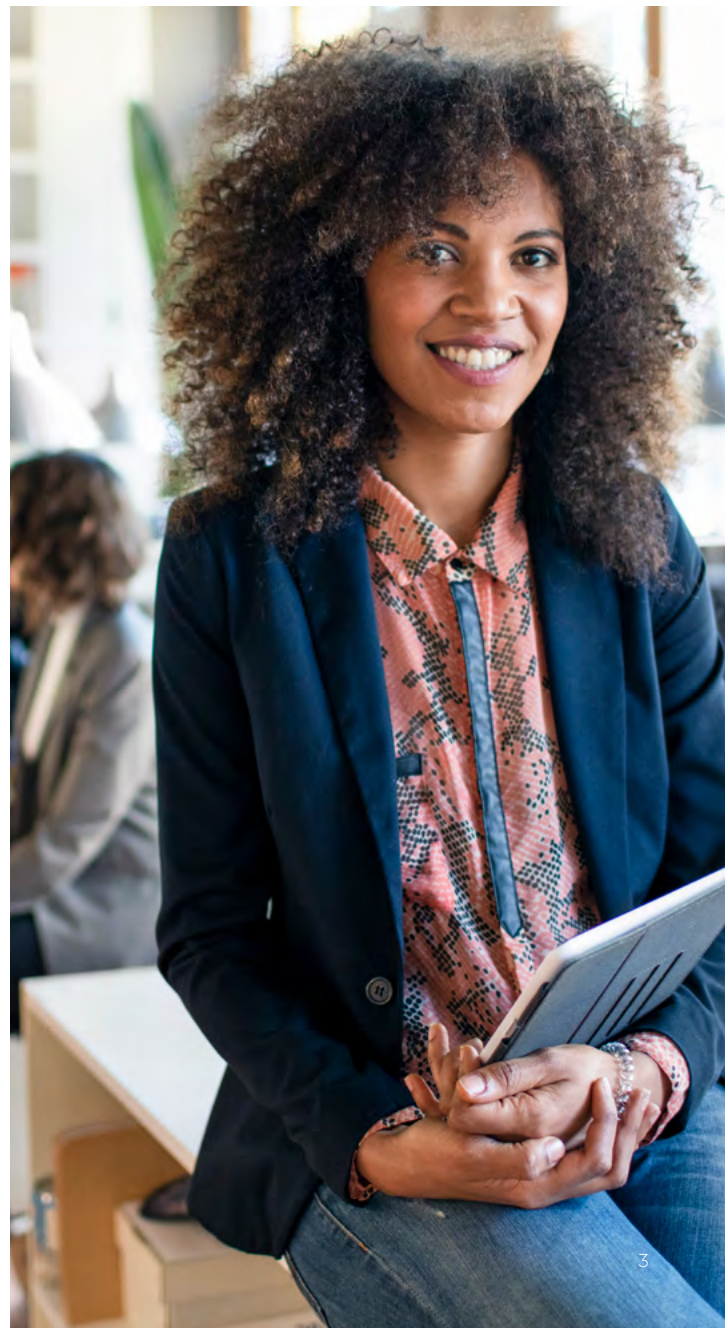
As the world's only chartered professional institute for directors, we understand the pressures that boards face. We have devised a suite of board effectiveness services which provide the basis for continuous improvement and enhanced board performance.

Our Royal Charter is an acknowledgement of the continuing work we do to pro actively promote professionalism, and excellence within and beyond the boardroom. We are globally renowned as a leading authority on board effectiveness and corporate governance with over 20,000 members worldwide.

As we navigate out of the pandemic, boards have an even more critical role to play in supporting the economy and our societies build back better in a sustainable, responsible and ethical way. Boards are having to continuously adapt and evolve their way of working. Against this backdrop, never has there been a more crucial time for an independent board review.

With over a century's worth of experience working with directors from start-ups to FTSE, banks to NGOs, charities to the military and local public sector organisations to global multi-nationals, we set the standards for what makes an effective director, a high-performing board, and a successful organisation. We have a proven track record delivering fully independent board effectiveness reviews, to help identify the strengths and capabilities of your board in which to capitalise on, as well as areas for development.

Our board effectiveness reviews are conducted by highly experienced practicing directors, many of whom are also Chartered Directors, with unique depth and breadth of knowledge and experience. We recognise that there is no 'one size fits all' approach when it comes to board reviews and take in to account the size, complexity and level of maturity of individual companies, and their objectives concerning their own development. Given the diversity amongst organisations, corporate governance principles are applied in a pragmatic and flexible manner, reflecting the individual circumstances of each company.



Why choose an IoD board effectiveness review?



A proven methodology.



Fully independent and impartial.



Measurable and action-orientated - we provide a baseline for immediate and future improvement.



Flexibility to tailor the review to suit your board.



Rigorous quality assurance and oversight.



Access to a diverse team of expert evaluators who are also practising directors.



We combine local knowledge with global best practice.



Relevant benchmarking with peer organisations as appropriate.



Global thought leaders on good governance.
We are driving the direction of future business policy and setting the standards for directors.

Our board effectiveness review team

Our diverse team of board evaluators are all practicing directors with extensive experience conducting board reviews across all sectors and industries worldwide. The team is led by two principal evaluators and an oversight lead. An IoD board review will give you an objective insight into your board and its performance, providing you with a baseline for immediate and future development.

In addition to our team of expert evaluators, the IoD approach includes an additional layer of oversight to provide further confidence in relation to independence and quality assurance.

Principal board evaluators

**Janhavi Dadarkar
CDir**



Janhavi is the IoD's Programme lead for Governance, a Chartered Director and an advisory board member of the IoD Centre for Corporate Governance. She currently sits on the board of a global fin-tech, an Indo-European think tank and an advisory board of the largest volunteer organisation of its kind in UK which gives a voice to under-represented students and women. She is an experienced advisor who facilitates the right conversations through board evaluations and training. Examples of clients include EY, Royal College of Defence Studies, TheBoardroom Africa, CFA Institute, CIMA, Willis Towers Watson, Wolverhampton Homes, Cambridge Enterprise, Oxford Innovation and Wilton Park.

Having spent more than two decades in the City of London and a two-year stint in USA as a corporate lawyer, Janhavi went on to be a senior Partner in a boutique advisory firm where she helped boards successfully navigate their organisations into new jurisdiction. She sold that business and now focusses on being a thinking partner for boards either as a facilitator, general counsel or advisor.

At the IoD, Janhavi is the main author for the Role of the Board and Director and the Board UK and International handbooks which are both widely acknowledged as being the most comprehensive guides for board members on their role irrespective of size, nature and complexity of the organisation.

Paul Munden CDir



Paul is an experienced commercial law barrister, non-executive director, chairman and Chartered Director. Paul has served as general counsel on the board of the Business Link operation in London, a not-for-profit organisation helping businesses overcome barriers to success. During this time, Paul advised on a wide range of complex and politically sensitive commercial law issues, working with senior leaders in government and the civil service.

Paul has led Chartered Director courses within the UK, Europe, the Middle East and many other jurisdictions across the world. He has extensive experience in carrying out board effectiveness and governance reviews in the private, third and public sectors. Paul has worked with the boards of some of the world's leading organisations, including Credit Suisse, PwC, Samruk- Kazyna, Bibby Group, Ford and John Lewis. In the third sector, Paul has assisted organisations such as the CFA Institute, Sport and Recreation Alliance, Peabody Trust, RIBA, the NHS and the Local Government Association.

Paul has also worked with a number of high profile international public sector bodies including the Abu Dhabi Accountability Authority, National Lottery Ghana and the Islamic Development Bank. Paul is an experienced non-executive board member and is currently chair of a high-profile national charity in the arts. Paul has previously served on a number of public sector boards including The General Teaching Council for England, the Legal Services Board and the Mid Essex Primary Care Trust.

Board evaluation oversight lead

Dr. Roger Barker



Roger is the IoD's Director of Policy and Corporate Governance and is a member of the Executive Management team. He is an experienced educator specialising in governance and board evaluation, with over 20 years' experience as a board member. He is senior advisor to the Board of the European Confederation of Directors Associations (ecoDa) and has served on boards in the private and third sectors. Between 2015 and 2020, he was a member of the European Economic and Social Committee, the EU advisory body, after being nominated by the UK government for a five-year term.

Having obtained his doctorate on corporate governance from Oxford University, Roger serves as a visiting lecturer at a number of leading business schools, including Saïd Business School (Oxford) and ESSEC (Paris), and was formerly a lecturer at Merton College, Oxford. He is currently an Honorary Associate at the Centre for Ethics and Law at UCL (London), and is the author of several books and numerous articles in the field of corporate governance and board effectiveness.

In recent years Roger has acted as an external consultant to the IFC, the OECD, GUBERNA, VisionFund International, the European Bank for Reconstruction and Development, Securities Investors Association Singapore, and the Asian Development Bank. He has also conducted board and governance evaluations for leading organisations in Europe, Asia and throughout the world.



Our 8-step methodology

We have developed a robust, and flexible methodology which delivers an objective review of a board's effectiveness.

The IoD Director Competency Framework informs our analysis and forms an integral part to our proven methodology. It is built around three dimensions:

Knowledge

The director's understanding and application of practical and theoretical concepts.

Skills

The expertise that a director demonstrates.

Mindset

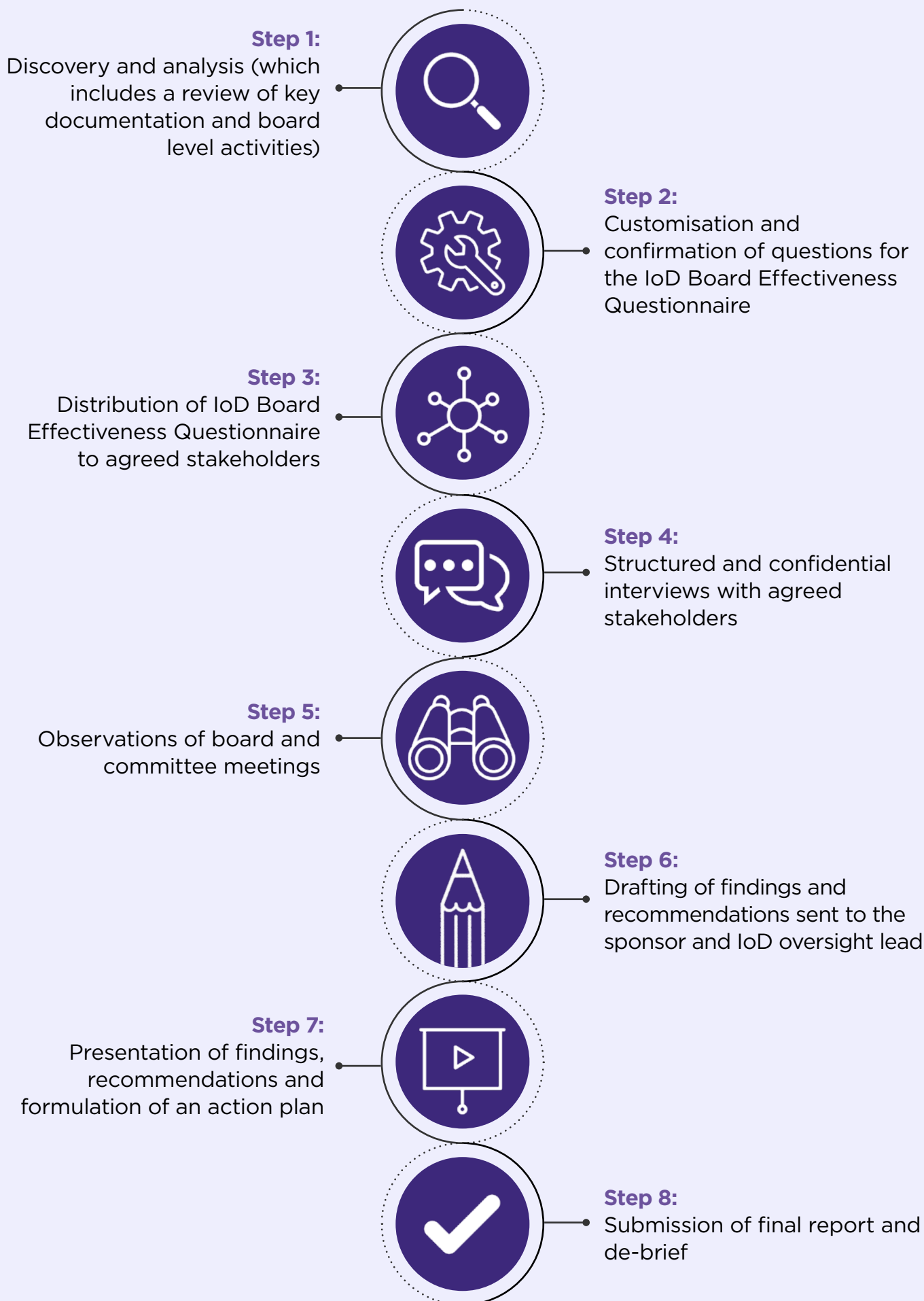
The attitude and disposition that shapes a director's responses and behaviour as an individual as well as in the boardroom.

All our board evaluators are objective when undertaking a board effectiveness review. They perform the review initially from a position of oversight applying the core principles of independence and impartiality. This holistic oversight approach gives the board a candid and meaningful overview of their performance as a board team and the individuals it comprises. This is supported by detailed evidence gathered as part of the review combined with an explanatory narrative of any issues identified and recommendations for the board to consider.



Our methodology is underpinned by the following:

- The UK Corporate Governance Code
- The OECD Principles of Corporate Governance
- The new Code of Practice for board evaluations by the Department for Business, Energy & Industrial Strategy (BEIS)
- The ecoDa Corporate Governance Guidance and Principles for Unlisted Companies
- Bob Garratt's Learning Board framework
- The application of appropriate global best practise frameworks and relevant legislation



Continuous review: The 8 steps are underpinned by a continuous review process. Feedback will be discussed at agreed checkpoints and actioned as required.

Our 8-Step Board Evaluation methodology utilises a combination of tools and techniques including questionnaires, interviews, and observations. Although our proven methodology is highly structured, each of the steps can be (and usually are) tailored to reflect the maturity, culture and composition of the board. It also takes account of the organisation type (e.g. public vs private sector, SME vs listed company, family business etc.). We recommend that all 8 steps of the methodology are followed to help build as complete a picture during the review process.

The times scales for delivering a board effectiveness review vary. It is a function of organisation size, structure and scale, board composition and geographical location. Timescales for the delivery are therefore agreed as part of the pre-brief and detailed scoping phases of the methodology and will be agreed with the board review sponsor before the commencement of detailed evaluation activities.

At the heart of the IoD's approach is a self-assessment and peer review questionnaire. This proven questionnaire has been designed to incorporate all the major aspects of a board and its committees. These standard sections cover 18 elements of board activity and are customisable to suit the sector, industry and board size of your organisation. The output of this questionnaire forms the basis of the confidential interviews and any observations sessions of the board and its committees (where appropriate).

Throughout the process, our consultants will review progress and capture feedback from multiple sources. This feedback is used to measure progress and adjust the programme delivery, if necessary.



Client case studies

1

Industry:

Financial services

Company profile:

Private Limited.

Background:

The company is a private multinational company that specialises in premium technology platforms and uses digital transformation to create efficiencies in any market where trading intermediaries exist. Whilst the company had enjoyed good growth in first few years this had now started to stall so strategic changes were required to enable the next stage of growth.

The company selected the IoD to help:

- Professionalise the board.
- Develop better governance frameworks working.
- Develop a strategic growth plan that involved implementing the right culture in the organisation.
- Support the engagement of the board, shareholders and stakeholders in a long-term strategic change.

Outcomes:

The company is now growing despite a shareholder exit, Brexit and the pandemic. This was achieved because the governance frameworks created were based on best practice principles but were tailored to suit the nature and culture of the organisation.

2

Industry:

Energy

Company profile:

Listed AIM plc

Background:

The board approached some key decision points that would determine its future strategic direction, specifically related to the potential exit of key investors and executives. It was determined that an independent review of the board was required to understand what they needed to do to deliver the next stage of the company's development. Through the review it was identified that they required a more sustainable approach for governance in the longer-term.

This took the form of:

- Restructuring board meetings to allow time for proper strategic discussion.
- Appointment of an additional independent non-executive director.
- A review of succession planning arrangements.
- Better definition of financial and non-financial KPIs at board level.

Outcomes:

Acting on the recommendations has helped the board make the best possible decisions for the company and its shareholders at a crucial time for the business. This included a planned transition to new board leadership, which laid the basis for the raising of crucial new development financing for exploration activities in North Africa.

3

Industry:

Reinsurance

Company profile:

Parent company and international subsidiaries

Background

This fast-growing reinsurer and consolidator had executed a number of international transactions, taking over various insurance books across diverse jurisdictions. The company was backed by high quality internationally renowned shareholders. Given the pace of change, the board wanted to assure itself that as the group grew, its governance structures matured to match the size and complexity of the enlarged organisation. This included:

- Clarification of the role of subsidiary boards within a fast-growing group structure.
- Improved focus of parent and subsidiary board agendas.
- Heightened awareness of the importance of culture alignment across the group.
- Review of succession planning and appointment criteria for group boards.
- Expansion of KPIs to take account of operational and cultural alignment indicators.

Outcomes:

Acting on these recommendations this relatively new organisation was able to consolidate their governance processes to future proof the business as it grew. The report highlighted opportunities to align culture and vision across the group to further enhance sustainable growth.

The IoD Centre for Corporate Governance

The IoD Centre for Corporate Governance exists to explore current issues in corporate governance, company stewardship and ESG - for the benefit of the business community and wider society.

iod-cfcg.com.

Established in 2020, the Centre pursues a multi-stakeholder approach – reconciling and contrasting the perspectives of board members, investors, policy makers, academics, employees and NGOs.

By fostering a dialogue between stakeholders - who might normally address governance issues within their respective professional silos - the Centre seeks to encourage collaboration, debate and mutual understanding. Its scope encompasses both private sector enterprises and organisations in the public/not-for profit sectors.

The Centre arises from the IoD's Royal Charter obligation to “promote the study, research and development of the law and practice of corporate governance”. As an expression of that mandate, the Centre functions as an independent, not-for-profit centre of excellence.

**The IoD
Centre for
Corporate
Governance**



For further information
please contact:

Professional Development team
+44 (0)20 7766 2601
developing@iod.com

The Institute of Directors

We believe that helping directors to improve, encouraging great governance, while fostering an entrepreneurial climate, helps generate prosperity in all its forms, making the world a better place.

We strive to remind those
with influence of this belief.

Better Directors, Better Businesses,
Better Economy.

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Training
Events
Networks
Mentoring
Research
Influencing

