



Board Evaluation

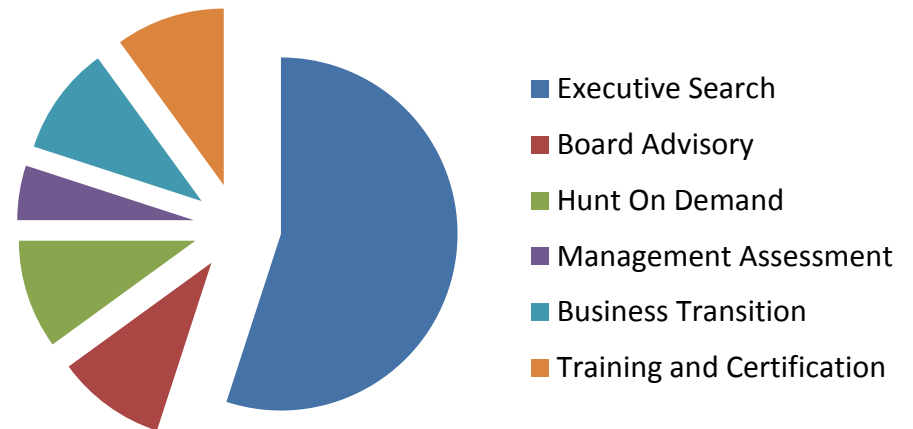
Presented By : **Hunt Partners**



Hunt Partners is a leading Leadership Talent advisory firm covering the Europe-India-Asia corridor, founded in 2003 and maintaining principal offices in Delhi, Mumbai and Beijing.

Hunt Partners is an owner-managed firm, combining in-depth local knowledge with global expertise. The firm has specific industry expertise or “practices” building an extensive network and knowledge base in these areas. Hunt Partners professionals provide bespoke advisory and consulting for a select group of global and regional clients who require talent management solutions for Top management and Boards.

Hunt Partners Business Verticals



Hunt Partners is placed within the top-5 Talent Advisory firms in India.

Source:

CEO Hunters: *Business world*, Feb 2012

Recruiters: Never out of work-*Mint*, Jul 2008,

Survey of Executive Search Firms, *Corporate Dossier – Economic Times*, June 2007



Board Evaluation Ltd, UK is an independent organization of highly experienced consultants focused on helping organizations across US and Europe, to assess Board performance and to improve Board effectiveness.

The firm is able to assist clients to achieve sustainable commercial benefits by bringing its collective experience to bear using tried-and-tested tools to provide unbiased independent advice in a constructive and confidential manner.

BEL assists by making sure that Boards have the right conversations, that good operational frameworks exist, that the interests of all stakeholders are taken into account and that value is being created. They have been advising firms in matters of Corporate Governance and Board matters for more than a decade.

Hunt Partners in partnership with Board Evaluations Ltd., UK offers evaluation and effectiveness services for Corporate Boards in India. Our services are targeted to help organizations develop best practices and effective strategies, and to design and implement the related processes that will ensure optimum and sustainable Board performance.



Board Evaluation is the most effective way to ensure Board members understand their duties and to adopt effective good governance practices. To be effective, boardroom appraisals need to have specific, clearly defined steps and practices, and a special commitment from the Board. Board Evaluation as a good governance practice has found its place in the Companies Act, 2013.



The Companies Act, 2013 clearly indicates focus of regulators toward enhancing the responsibility and accountability of boards. The Act outlines various requirements for

- Governance
- Disclosures and enhanced roles
- Responsibilities and liabilities of the board
- Committees and independent directors

As per McKinsey research paper...

“ Best practice isn’t good enough, even if your board is stacked with highly qualified members. Without the right human dynamics there will be little constructive challenge between independent directors and management, no matter how good a board’s processes are. As a result, the board’s contribution to the company’s fortunes is likely to fall short of what it could and should be. ”

McKinsey “Boards: When best practice isn’t enough” – June 2011



Evaluation process leads the Board to reconsider Board practices, including priorities on the agenda and the efficiency of its communication systems and information architecture.

IMPROVED DECISION-MAKING

EARLY WARNING SYSTEMS

The process of raising directors' concerns acts as an early warning system to the Board, which will allow changes to be implemented before more deep-rooted problems set in.



Board and individual effectiveness improves as a result of developmental assessment. Improvements in Board practices and structures help to improve trust, respect and business confidence.

IMPROVED PERFORMANCE

IMPROVED ACCOUNTABILITY

Improvement in accountability, transparency and disclosure. Positive results of 'Board Evaluation' can be included in Annual Report, which allow the Board to frame and provide evidence of the value it creates for the company and beyond.



In-house :

Self-evaluations are typically coordinated either by the Board Chair, the Governance Committee Chair, or the Board Secretary/ Corporate Governance Officer. Usually involves the chairman having either a structured or unstructured interview with each director.

Due to natural reluctance of directors to be completely open on sensitive issues, the coverage may not be comprehensive. Also the board does not get benefit of benchmarking and best practices .



In-house facilitated by external facilitator :

A Board-managed evaluation process may also move beyond strict self-evaluation by seeking assessment input from stakeholders (e.g., executive officers and shareholders).

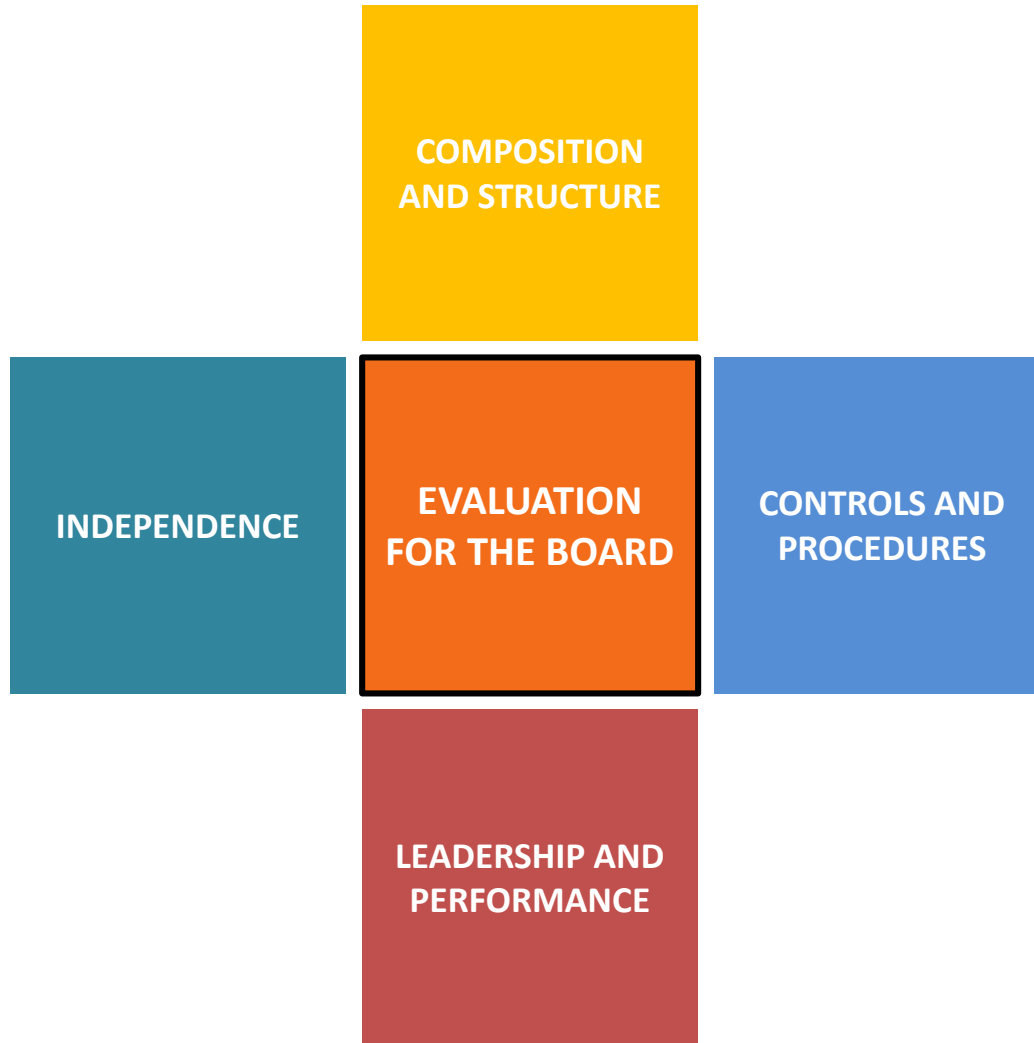
Introduces a degree of independence in the analysis, and may reveal the outline of more sensitive issues, but it can still suffer from the other restrictions applicable to the “in house” route.

Third Party :

External evaluations are carried out by an external third party, retained by and reporting to the Board. External evaluations of Board members are made by using a questionnaire and/or one- on-one interviews.

It brings in experience, expertise/specialism, ability to ask the awkward questions, credibility, comparison and benchmarking with global best practices.

Hunt Partners model of evaluating the Board





Thank You