



*The Alumni Association
for FI Directors*

BOARD EFFECTIVENESS EVALUATION

YEAR OF ASSESSMENT [*financial year*]

PART A

BOARD AND BOARD COMMITTEES EFFECTIVENESS

[*entity's name*]
[*Director's name*]

INTRODUCTION

The principles and requirements set out in the Bank Negara Malaysia ("BNM") Corporate Governance Policy Document and the Malaysian Code of Corporate Governance ("MCCG") stress on the importance of the role of an effective Board in establishing high standards of corporate governance. The objective is to ensure the sustainable growth and long-term resilience of an organisation, whilst protecting the interests of all stakeholders.

A key step towards enhancing Board effectiveness is to evaluate the performance of the Board collectively, its Board Committees and individual Directors.

This evaluation exercise will assist the Board to further enhance its overall performance moving forward, by focusing on the following:

- 01 Discharging the Board's principal roles and responsibilities effectively
- 02 Improving Board infrastructure and supporting processes
- 03 Examining Board dynamics and relationships
- 04 Identifying key areas for improvement
- 05 Continuing to build upon strengths

This questionnaire has been designed to take into consideration the principles and good governance practices as set out in the following guidance materials:

- 01 Malaysian Code on Corporate Governance (April 2021)
- 02 BNM Corporate Governance Policy Document (August 2016)
- 03 Bursa Corporate Governance Guide (December 2021)
- 04 Financial Services Professional Board Code of Ethics for the Financial Services Industry (December 2015)

Additionally, specific areas as set out in the Board Charter(s) and Board Committee(s) Terms of References have also been considered in tailoring this questionnaire.



Instructions for Completing the Board Effectiveness Evaluation Pack

- The assessment period is for **twelve (12) months**.
- Your answers will be kept confidential.
- This evaluation pack has been customised for you as a Board and Board Committee member of [**entity name**]. Please complete all the questions in the entire pack before submitting the questionnaire.
- Please use the scoring system provided to answer all the questions.
- The estimated duration for the completion of this evaluation pack is approximately 1 hour.



ORGANISATION OF THE QUESTIONNAIRE PACK

The purpose of **Part A: Board and Board Committee Effectiveness Evaluation** is to evaluate the overall performance of the Board. This evaluation comprises the following areas:

Question No.	Key Areas
1	Overall Board effectiveness
2	Board responsibilities
3	Board culture
4	Board Chair
5	Board composition
6	Board Committees (1) Board Committees evaluation (2) Board Committees self-evaluation
7	Chief Executive Officer
8	Board remuneration
9	Board administration and process
10	Board education



PART A: BOARD AND BOARD COMMITTEES EFFECTIVENESS

The objective of **Part A** is to evaluate the effectiveness of the overall performance of the Board and Board Committees.

Where applicable, please complete the questionnaire using the grading system provided. Please provide your answer for each of the areas based on your experience during the **twelve (12) months** from [*assessment period*] and provide written comments or suggestions to enhance the Board's performance at the space provided at the end of each page if it has not been addressed in the questions. Your answers will be kept completely confidential.

For additional guidance to complete the questionnaire, please refer to the compendium enclosed.

LEGEND

RATINGS	DESCRIPTION
3 Exemplary	The attribute is consistently demonstrated and is exemplary for others to emulate. Note: Kindly provide reason(s) in the relevant comment boxes if you rate '3 – Exemplary' for any of the statements.
2 Agree	The attribute is demonstrated but should be further improved.
1 Disagree	The attribute is rarely demonstrated and requires significant improvement.



OVERALL BOARD EFFECTIVENESS

Q1 The following are in relation to this Board's overall performance in the past year.

- a** In your opinion, **how well has this Board performed** in the past year? Please circle where relevant.

	<i>Below expectation</i>			<i>Average</i>			<i>Excellent</i>			
Board's performance	1	2	3	4	5	6	7	8	9	10

- b** In your opinion, what are the **key strengths** of this Board?

Key strengths of this Board

01.

02.

03.

04.

05.

- c** In your opinion, how can **this Board further enhance** its effectiveness?

Areas to enhance this Board's effectiveness

01.

02.

03.

04.

05.

BOARD RESPONSIBILITIES

Q2 The following are the Board's principal responsibilities as set out in the MCCG 2021, BNM Corporate Governance Policy Document (August 2016), Bursa Corporate Governance Guide (December 2021), Financial Services Professional Board Code of Ethics for the Financial Services Industry (December 2015) and Board Charter. Do you agree that the Board has been effective in discharging each of these responsibilities?

Disagree

1

Agree

2

Exemplary

3

a The Board has provided **effective direction** to the Organisation in the **development and monitoring of strategies**, in the interest of promoting long term viability¹.

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:

b The Board has been effective in **establishing appropriate KPIs for Management** aligned with the Organisation's strategic plans and objectives.

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:



- c** The Board has provided **sound oversight to the Organisation's business conduct**, promoting leading governance and compliance standards as well as sound corporate culture.

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:

- d** The Board proactively **managed key risks** faced by the Organisation with the implementation of effective risk management systems.

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:

- e** The Board has ensured that **robust crisis management and business continuity practices** are in place, including having a future ready workforce, to enable the Organisation to effectively respond to crisis situations.

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:



- f** The Board has been effective in overseeing the **development and implementation of sustainability strategies** in the Organisation, and ensuring **environmental, social and governance ("ESG") aspects are appropriately balanced** with the interests of various stakeholders.

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:

- g** The Board has ensured **appropriate strategy, technology infrastructure, data management practices and information security practices** are in place to address the needs of the Organisation.

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:

- h** The Board has **built strength** through Board evaluation, succession planning, appointment and continuous development.

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:



- i** The Board has provided **oversight in the management of key talent** in the Organisation, Senior Management succession planning and overall talent management in the Organisation.

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:

- j** The Board has ensured **timely and effective communications** with the CEO, Management, shareholders and relevant stakeholders².

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:

- k** The Board has **ensured the integrity of the Organisation's financial reporting** is in conformity with regulatory requirements and good international practices.

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:



- I** The Board has **ensured the integrity of the Organisation's non-financial reporting** is in conformity with regulatory requirements and good international practices.

Rating

Kindly share your views on the above statement and rating given:

Key Strengths:

Key Areas for Enhancement:

BOARD CULTURE³

Q3 Do you agree that the Board sufficiently demonstrates the following attributes during Board meetings?

Disagree	Agree	Exemplary
1	2	3

a In your view, what are the **shared values and purpose** of the Board?

Shared values and purpose of the Board

01.

02.

03.

Rating

- b** The Boardroom environment encourages and values **open, constructive debate and diversity of views** to reinforce mutual respect and trust.
- c** The Board remains **united** to achieve objectives **despite diversity in leadership attributes** among Directors.
- d** The Board **demonstrates empathy** in facilitating the discussions on differing views.
- e** Directors **collectively contribute positively to Boardroom discussion**, including bringing global perspectives and innovative ideas to discussions.
- f** The Board demonstrates **focus and commitment** to achieving outcomes based on the Organisation's vision, mission, strategy and KPIs despite obstacles.
- g** The Board makes **good and timely decisions** that keep the Organisation moving forward.
- h** The Board holds **itself and others accountable** to meet commitments and for decisions made.
- i** The Board has been effectively **agile and comfortable** in providing leadership and decision making in situations where the way forward was not clear or ambiguous.
- j** The Board is **agile in adapting** to different demands to its role.

- k** The Board remains **collected and positive in the face of uncertainties** when deciding on the best course of action.
- l** The Board is **courageous in stepping up** to address difficult issues in order to ensure that matters are deliberated in a robust manner.
- m** The Board promotes an **effective working relationship with Management** and supports Management's execution of Board decisions by providing adequate authority, resources and reasonable targets.

If you have any other views, kindly provide them below:

Key Strengths:

Key Areas for Enhancement:

n Mode of engagement

(i) In your view, which **mode of engagement** has this Board adopted in the past year? Please place an ("X") where relevant.

Mode of engagement	Mode A <input type="checkbox"/>	Mode B <input type="checkbox"/>	Mode C <input type="checkbox"/>
Characteristics	<ul style="list-style-type: none"> The Board sees its role as an observer of Management to ensure all policies and procedures are adhered to The Board provides room for the CEO to make major decisions 	<ul style="list-style-type: none"> The Board sees its role as supporting Management to ensure goals and objectives are met The Board only intervenes when required, either by policy or by situation 	<ul style="list-style-type: none"> The Board sees its role as the custodian of the business, and the role of Management is to support the Board in discharging its duties The Board is involved in decision making across all aspects of the Organisation



BOARD CHAIR

Q4 Do you agree that the Board Chair effectively demonstrates the following attributes?

Disagree	Agree	Exemplary
1	2	3

- a** The Board Chair **effectively leads the Board** in the decision-making process by facilitating a consultative environment, encouraging contribution from all Directors, and managing Boardroom conflict in a timely manner.
- b** The Board Chair proactively **sets the tone from the top**, both in shaping the Board culture and in upholding the corporate values of the Organisation.
- c** The Board Chair sets a clear tone from the top in advocating **continuous improvement** amongst individual Directors and CEO, as well as across the Board as a whole.

Rating

If you have any other views, kindly provide them below:

Key Strengths:

Key Areas for Enhancement:

BOARD COMPOSITION

Q5 Do you agree with the following statements with regards to Board composition in this Organisation?

Disagree	Agree	Exemplary
1	2	3

a Board Size

In your view, is the **current Board size** fit-for-purpose given the strategic direction of the Organisation? Please circle where relevant. If you have selected "No", please indicate what the ideal Board size should be.

Rating			Ideal Board Size
Current size [insert number members]	Yes	No	

b The current Board composition has the **necessary experience and expertise** required and is **sufficiently diverse** in contributing to robust Board discussions and effective decision making.

Rating

If you have any other views, kindly provide them below:

Key Strengths:

Key Areas for Enhancement:

- d** Below are examples of relevant expertise and experience commonly present on the Board.

(a)

Please place ("X")
for the **'must have'**
experience & exper-
tise for **this** Board

(b)

For those identified
in column (a),
please place ("X")
if not represented
in **this** Board

A. Financial services experience

1) Commercial banking		
2) Investment banking		
3) Islamic banking		
4) Insurance - Life		
5) Insurance - General		
6) Takaful - Family		
7) Takaful - General		
8) Development finance		
9) Regulatory		

B. Other aspects of experience

1) Regional/International exposure		
2) Company/Group experience		
3) Board directorship		

C. Expertise

1) Accounting, finance		
2) Actuarial		
3) Audit, compliance		
4) Asset management		
5) Branding, communications		
6) Business development/ entrepreneurship		
7) Corporate governance practices		
8) Credit		
9) Cybersecurity		
10) Disruptive technology/digitalisation		
11) Human capital management		
12) Information and communication technology		
13) International business		



14) Legal		
15) Marketing and sales		
16) Merger and acquisition		
17) Risk management		
18) Strategic planning, business strategy		
19) Sustainability		
20) Taxation		
21) Transformation, change management		
22) Treasury		

D. Other experience and expertise required (please specify)



BOARD COMMITTEES

Q6 (1) Board Committees Evaluation (To be completed by all Board members)

Disagree	Agree	Exemplary
1	2	3

a Do you agree that the Board Committees have been **effective** in assisting the Board to perform its roles and responsibilities?

- Board Audit Committee ('BAC')
- Board Risk Management Committee ('BRMC')
- Board Nomination & Remuneration Committee ('BNRC')

Rating

If you have any other views, kindly provide them below:

Comments
<p>Board Audit Committee</p> <p>Key Strengths:</p> <p>Key Areas for Enhancement:</p>
<p>Board Risk Management Committee</p> <p>Key Strengths:</p> <p>Key Areas for Enhancement:</p>
<p>Board Nomination & Remuneration Committee</p> <p>Key Strengths:</p> <p>Key Areas for Enhancement:</p>

Q6 (2) Board Committee Self-Evaluation (To be completed by Directors sitting on the respective Board Committees)

a Do you agree that the Committee effectively demonstrates the following attributes?

- i) Effectively **engages issues** and **discharges its responsibilities** based on its Terms of Reference.
- ii) The **current Board Committee composition** contributes to robust discussions and enables the Committee to carry out its duties effectively.
- iii) Administration and processes provide **sufficient access to information and resources**.
- iv) **Meets sufficiently** to discuss and follow through on key issues.
- v) The Board Committee Chairman effectively **leads the Committee** to ensure robust decision making

Rating		
BAC	BRMC	BNRC

If you have any other views, kindly provide them below:

Comments

Board Audit Committee

Key Strengths:

Key Areas for Enhancement:

Board Risk Management Committee

Key Strengths:

Key Areas for Enhancement:

Board Nomination & Remuneration Committee

Key Strengths:

Key Areas for Enhancement:



CHIEF EXECUTIVE OFFICER ('CEO')

Q7 In your opinion, do you agree that the CEO effectively demonstrates the following attributes?

Disagree	Agree	Exemplary
1	2	3

- a** The CEO has been effective in **developing and executing the Organisation's strategy and initiative.**
- b** The CEO displays **consistent leadership qualities and agility** in managing business affairs of the Organisation while cultivating a high-performance culture from the top that reinforces ethical and professional behaviour.
- c** The CEO demonstrates transparency with the Board by maintaining a **healthy and professional relationship** that reinforces mutual respect and trust.

Rating

If you have any other views, kindly provide them below:

Key Strengths:

Key Areas for Enhancement:

BOARD REMUNERATION

Q8 Do you agree with the following statements that are in relation to Board Remuneration?

Disagree

1

Agree

2

Exemplary

3

- a** The remuneration received is **appropriately commensurate** with the effort and time required to perform all duties and responsibilities associated with the Director position.

Rating

If you have any other views, kindly provide them below:

Key Strengths:

Key Areas for Enhancement:

BOARD ADMINISTRATION AND PROCESS

Q9 In your opinion, do you agree that the following Board administration tools effectively facilitates the Board to discharge its responsibilities?

Disagree	Agree	Exemplary
1	2	3

- a Governance documents and processes** (Board Charter, Board Committee Terms of Reference, Annual Board agenda and other governance documents) have been effective in facilitating the Board in discharging its responsibilities.
- b Board and Board Committee meetings** have been conducted regularly and effectively with sufficient time allocated to each meeting for robust discussion and effective decision making.
- c The Company Secretary** has been effective in discharging his/ her role in supporting effective Board functioning.

Rating

If you have any other views, kindly provide them below:

Key Strengths:

Key Areas for Enhancement:



BOARD EDUCATION

Q10 The following are in relation to Board education that contributes to Directors' continuous learning.

Disagree	Agree	Exemplary
1	2	3

- a** The Board ensures that the **onboarding of new Directors** has been implemented effectively by ensuring newly appointed Directors are brought up to speed on key matters in relation to the Organisation.

Rating

If you have any other views, kindly provide them below:

Key Strengths:

Key Areas for Enhancement:

b Current year

Please indicate if you have **achieved your desired learning outcome** in a manner that enhanced your performance as a Director. Please place "X" where relevant. Please provide your reasons

Yes ()

No ()

Reasons (if any) in the current year

**c Forthcoming year**

Please indicate the **knowledge areas you would like to focus on** in the forthcoming year.

Knowledge Areas	Specific Topics	Delivery Method (e.g. class-based/study visit etc.)
Regulations		
Risk management		
Industry update		
Disruptive technology/digital		
Leadership		
Sustainability & climate change		
Others: Please specify		
Others: Please specify		



OVERALL BOARD EFFECTIVENESS

In your opinion, what are the three key initiatives that should be prioritised to improve the Board's overall effectiveness?

Key initiatives to improve the Board's overall effectiveness

01.

02.

03.

Please provide any **additional views** you may have on the Board's overall effectiveness.

Comments



THANK YOU

Thank you for your time and valuable input to the [**financial year**] Board Effectiveness Evaluation exercise.

The next steps in this exercise will involve the following:

- Collation and analysis of results from all Directors
- Preparation of the Board Effectiveness Evaluation report
- Customisation of individual Director's copy of the report