

BOARD & DIRECTORS EFFECTIVENESS EVALUATION (BDEE)

Taking a Fresh Insights at Board Performance



ICDM
Institute of Corporate
Directors Malaysia





About Institute of Corporate Directors Malaysia

The Institute of Corporate Directors Malaysia (ICDM) promotes excellence in governance, which we believe is a key driver of sustainability. By equipping directors with the right skills, knowledge and mindset, we aim to enhance the professionalism and effectiveness of boards. ICDM offers a comprehensive suite of board advisory and consultancy services, and runs a series of development and advocacy programmes to build a robust corporate governance culture in Malaysia. Established by the Securities Commission (SC) Malaysia and supported by Bank Negara Malaysia, Bursa Malaysia and the Capital Market Development Fund, ICDM serves as the national institute of directors and aims to be the leading influence of excellence in governance.

ICDM plays a vital role in contributing to SC Malaysia's three-pillar approach to market regulation - regulatory discipline, market discipline and self-discipline. ICDM focuses on the reinforcement of self-discipline amongst board members, complementing market and regulatory disciplines by developing boards through continuous elevation of skills and knowledge to maintain exemplary governance standards.

ICDM's five strategic objectives are:

- Developing professional competence of directors with stronger governance competencies, knowledge & strategic leadership qualities
- Building a sustainable pipeline of diverse and capable directors, attracting in-demand talents into the pool
- Providing a holistic platform in building and supporting a professional board career, networking and directorship opportunities
- Representing directors' interests by lobbying and advocating on issues affecting directors and the marketplace
- Promoting R&D on the law & the sustainable practice of good corporate governance

As the one-stop centre that caters for all board and director needs, ICDM strives to promote high standards of corporate governance amongst boards through public and in-house professional development programmes, board effectiveness evaluation, executive coaching & mentoring, director sourcing and placement services and offering advisory and advocacy services on matters affecting directors' interests. ICDM is also working on connecting with directors regionally as well as globally through collaborative initiatives.

ICDM's BDEE Framework

The ICDM Board & Directors Effectiveness Evaluation (BDEE) provides an effective and holistic 360° assessment framework and methodology needed for a balanced view of the board's performance, identifying positive aspects and areas for improvements, supporting the board in forward-looking development and growth. Based on our experience, most board issues are due to soft skill or behavioural aspects rather than technical competencies. While it is important for directors to possess the necessary skills and qualifications, strong dynamics and relationships between board members also play a



Why Independent Board Evaluations?

- 1 A board evaluation can shed light on the soundness and robustness on the functions of the board and their oversight duties.
- 2 Review current board composition & ways to increase diversity in terms of skills, knowledge, experience and gender.
- 3 Strengthen leadership and sharpen the role clarity between the Board and Management, and the dynamics of relationship between Chairman and CEO.
- 4 Evaluate how boardroom dynamics might affect the quality of relationships, decision-making, conversations, culture, diversity of the Board.
- 5 The Malaysian Code on Corporate Governance (MCCG) 2021 stipulates that independent board assessments are to be done at least *every three years by independent experts, to facilitate objective and candid board evaluations.
- 6 Enhance decision making & engagement with executive team and key stakeholders
- 7 Build leadership capability & forward planning to stay ahead of challenging and complex situations through continuous development and upskilling.
- 8 Establish clear succession and leadership contingency plans and ensuring continuity in achieving the strategic goals of the organisation.

*Large Companies

Comprehensive BDEE Processes

The ICDM BDEE Approach is a comprehensive framework that provides a strategic level of board assessment that can be used to prioritise key strategic issues and implement actionable plans for greater board effectiveness.

- **Step 1: Initial Discussion & Document Review**
Discussion with Sponsorship
Document Review
- **Step 2: Create / Customise Interview Protocols**
Board Effectiveness Evaluation (BDE) &
Individual Director Evaluation (IDE) Questionnaires*
- **Step 3: Confidential One-on-One Interviews & Report Writing**
60 to 90 mins interview in person
- **Step 4: Interview Summary Report & Debrief**
Draft Summary & Findings Board & Individual Report
Debrief BEE findings with Sponsorship Committee
- **Step 5: Board Working Session & Action Planning**
BEE Presentation to NRC / Board
IDE Presentation to Chair

*Supported by ICDM's Directors Development Analysis (DDA) which covers

- Section 1 on Technical Competency refers to the essential governance knowledge and understanding that Directors should possess or develop to be effective in their role, as well as the relevant skills, specialist knowledge and competencies that can address the strategy of the organisation.
- Section 2 on Behavioural Competency is an add-on component of the DDA, developed through the Harrison Assessment platform and is designed to measure engagement, motivation and interpersonal skills. The results will provide an in-depth understanding of behavioural traits and working styles of each individual Director, alongside the attributes and competencies that enable them to function within their role and interact with key stakeholders.

10 Key Parameters

Our BDEE framework lives up to the spirit of the recently updated Malaysian Code on Corporate Governance (MCCG) 2021 and Bank Negara Malaysia's Corporate Governance Guidelines, and is aligned with the corporate liability provision under the Malaysian Anti-Corruption Commission (MACC) Act and other relevant governance codes, policies, laws and regulations. It aims to bring actionable and meaningful insights so that the board and the individual directors can raise the bar as a whole and stay competent in their evolving roles as corporate directors.

1**Board Leadership****2****Board Composition,
Skills &
Development****3****Board Committee****4****Board Governance
& Processes****5****Board Agendas,
Meetings &
Information****6****Board Dynamics &
Culture****7****Board &
Management
Relationship****8****Board &
Stakeholder
Engagement****9****Board &
Sustainability
Matters****10****Board Crisis
Management
Responses**

**Gain a holistic view on how well your board
is doing with our 10 key parameters**

3 Levels of Focus

ICDM's BDEE assesses the effectiveness of your Board and Directors through a combination of one-on-one confidential interviews, sighting of governance documents in confidentiality, online surveys & peer reviews and board-working facilitation.

ICDM's strength lies in our panel of board evaluation specialists who are experienced, skilful, highly-trusted, board & governance practitioners and well-informed on local and global board best practices.

Part I: Board & Board Committees Effectiveness Evaluation

1 Board of Directors

2 Board Committees

Part II: Individual Directors Evaluation (IDE)

3 Individual Directors

Evaluation Methodology

Getting people with different perspectives and in different roles 'on to the same page'

There is no one size fits all. As such, ICDM is constantly looking at evolving our evaluation approaches and methodologies to meet the needs of corporate boards – from a fully online approach to physical one-on-one interviews or a hybrid format, supported by governance audits, surveys, tools and minutes review. Based on your evaluation objective, choose a model that will bring the most impact:

01

IN-DEPTH 360° ASSESSMENT

BASIC VS. FULL APPROACH

A holistic framework that includes documentation review, online surveys, observations and a special focus on qualitative and confidential interviews to gather candid, thoughtful feedback. Ideal for periodic reviews to ascertain long-term effectiveness.

An efficient way and easy-to-use self-evaluation model to help your board identify short-term opportunities and formulate immediate action plans. Ideal for annual board reviews to surface issues that might otherwise go unnoticed.

02

AUTOMATED DIGITAL ASSESSMENT

Supplementing an automated digital assessment with one-on-one interviews is one of the best ways to gather deeper insights and valuable thoughts from board members, especially in addressing specific topics or needs.

03

HYBRID ASSESSMENT

In-depth 360° Assessment

BASIC BDEE	FULL BDEE
<div data-bbox="352 562 730 638">Participants</div> <ul style="list-style-type: none"> • All board and board committee members 	<div data-bbox="879 562 1257 638">Participants</div> <ul style="list-style-type: none"> • All board and board committee members • Selected members of Senior Management Team (up to 2) • Company Secretary
<div data-bbox="619 1093 995 1169">Deliverables</div> <ul style="list-style-type: none"> • A full board report • Individual Director Evaluation (IDE) Report • Presentation to Sponsorship Committee • Presentation to NRC / Main Board • Debrief with Chairman on IDE Summary & Finding 	
<div data-bbox="560 1592 1042 1668">Added Value Benefits</div> <ul style="list-style-type: none"> • MCCG Test Kit Analysis • Consultation with the Company Secretary on governance updates and training plans • Assist in wording disclosures on the outcomes of board evaluation as per MCCG Guidance 6.1 	

We handpick the RIGHT facilitators for your BOARD.



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Board Effectiveness Evaluation Expert •
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ERIK VERMEULEN

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Tilburg University
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MICHELE KYTHE LIM

President & CEO, Institute of Corporate
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Our facilitators are trusted experts in their respective fields. They have spent time in the boardroom to understand the nuances of board evaluation and are able to manage the process with tact and consideration.

Why choose ICDM?

01

Holistic framework with flexibility for customisation

02

Trusted facilitators with the right experience

03

In compliance with regulatory requirements

04

Meaningful impact-driven & progressive

05

Complete board development support

Good boards tick all the boxes.

Great boards leave a legacy.

You can build a good board with the best talents in town. But to be great and highly effective, you need to know how to bring the best out of each director. And that is where a truly meaningful evaluation and feedback mechanism can help.

ICDM Portfolio

Over the past years, our panel of experienced local and global corporate facilitators have conducted board evaluations for various sizes of listed companies in Malaysia and/or companies internationally across a broad range of industries and sectors such as telecommunications, shipping, maritime, insurance, banking and financial institutions, fast moving consumer good (FMCG), transport, healthcare, education, airports, stock exchanges/regulators, real estate investment trusts (REITs), property, plantations, state investment corporations and government-related entities.

List of previous clients includes:

- Alliance Bank Malaysia Berhad
- Allianz Malaysia Berhad
- Axiata Group Berhad
- Bank Kerjasama Rakyat Malaysia (Bank Rakyat)
- Bank Pertanian Malaysia Berhad (Agrobank)
- Carlsberg Brewery Malaysia Berhad
- IHH Healthcare Berhad
- KLCC Stapled Group (KLCC REIT & KLCCP)
- Malaysia Marine and Heavy Engineering Holdings Berhad
- Malaysian Development Bank
- Malaysian Resources Corporation Berhad
- Manulife Holdings Berhad
- MISC Berhad
- Sime Darby Berhad
- Sime Darby Property Berhad
- Sunway Construction Group Berhad
- Sunway Berhad
- Sunway REIT
- Zurich Insurance Group
- Zurich Takaful



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