

# Board Effectiveness Assessment ("BEA")

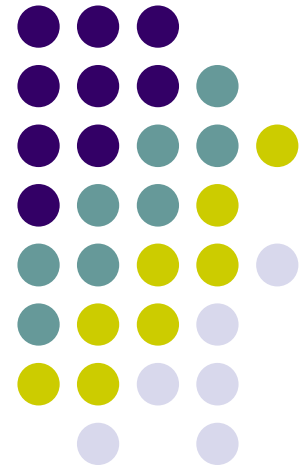
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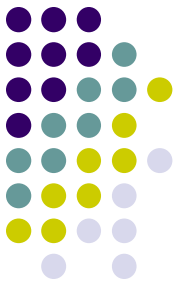
**Malaysian Investor Relations Association**

by

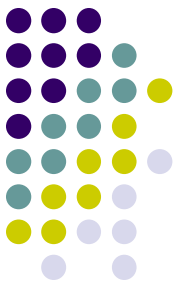
**Fidelius Sdn Bhd**

December, 2022





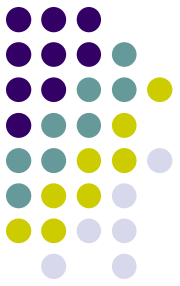
# The Malaysian Code on Corporate Governance (MCCG) (2021)



## Clause 6.1 (MCCG)

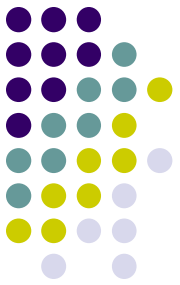
“The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages independent experts at least every three years, to facilitate objective and candid board evaluations.”



# Self reflection – Future focus

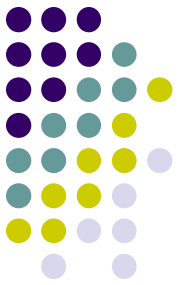
- Where did we come from?
- What do we have now?
- Where are we going to?
- Have we got what it takes to get there?
- Are our systems, processes and procedures up to the task?
- Are our people up to the task?
- Do we need to change/enhance our teams?
- What do our stakeholders think of us?



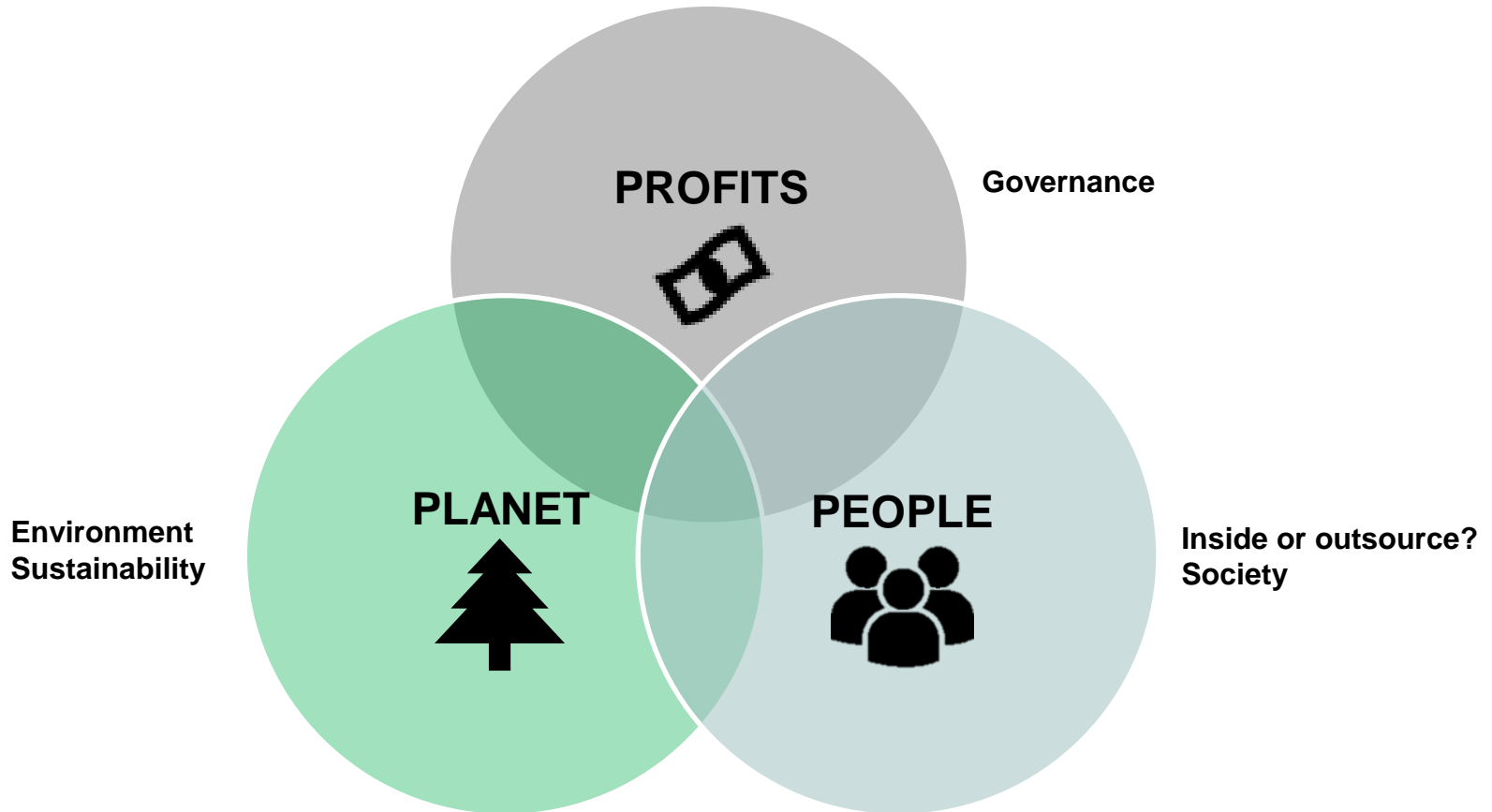
# Self reflection – Future focus

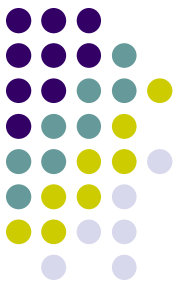


**Reflect on the past;  
don't dwell on it!**



# Self reflection – The Triple Bottom Line





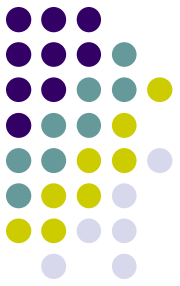
# What is a BEA by Fidelius?

- A structured process to gauge the effectiveness of a Board of Directors, its Committees and individual Board members
- The CEO is commonly included as a Respondent
- Begins with existing processes, procedures & behaviour
- Addresses future needs

**Objective:** To deliver a thorough, **confidential** evaluation, while protecting the identity of individual Respondents

**Contact Point:** Usually the Company Secretary

**Project Owner:** Usually the Chair of the Board/Nomination Committee



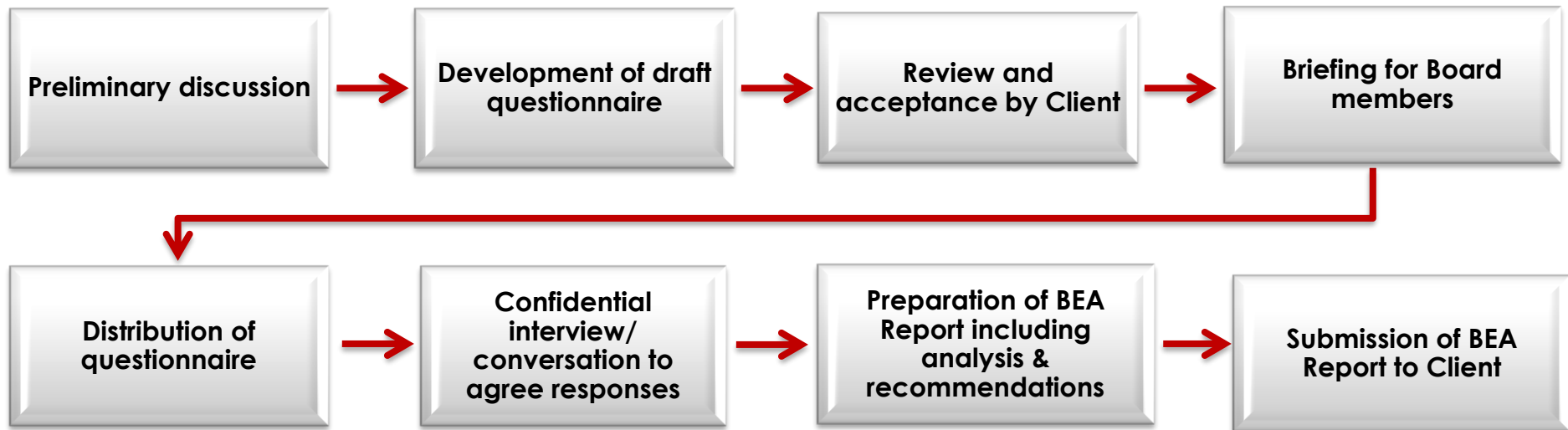
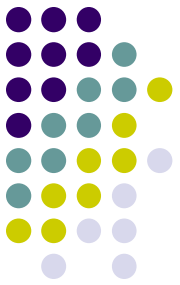
# Fidelius' BEA methodology

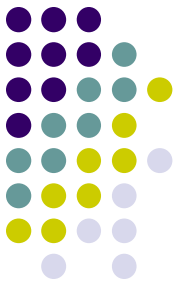
- Completion of an agreed, **bespoke questionnaire** within the context of a **confidential** one-on-one interview/conversation between Fidelius Managing Director and each Respondent





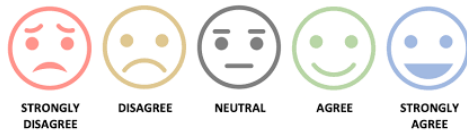
# The process





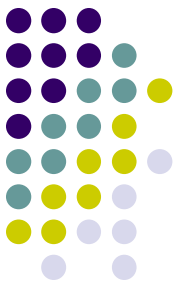
# Likert Scale vs Binary responses

- A 5-point Likert Scale questionnaire, used on its own, tends to produce “politically correct” responses, especially if Respondent identity is not protected



- Negatives are avoided -- false positives may result

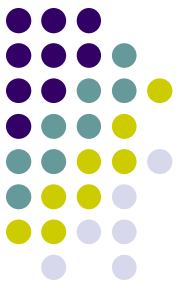




# Likert Scale vs Binary responses ....2

- “**Yes / No / Not Sure**” responses to the same questions offer an alternative to political correctness **AND....**
- **Confidentiality** in the interview/conversation draws out full and open responses
- Completed questionnaires are retained individually by each Respondent and Fidelius. No other copies exist.

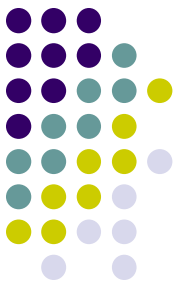




# Assessment Report

- Collation of completed questionnaire results (Total Respondents – How many “Yes”, “No” and “Not Sure”)
- “Not Sure” is also allowed if the Respondent is not qualified to respond. (**Example:** *if the question relates to a committee of which the Respondent is not a member or the Respondent has no relevant knowledge on the subject of the question*)
- Additional information and comments arising from the interviews, **without attribution**

**CONFIDENTIAL**



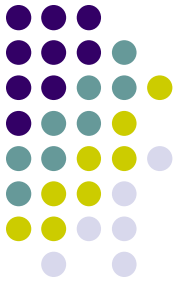
## Assessment Report ....2

- Fidelius' observations on existing practices, processes, procedures and documentation (including Terms of Reference), relating to the Board & Committees, against Corporate Governance norms
- Review of “future readiness”
- Analysis & Recommendations

***The Report will be delivered in hard copy to the designated Project Owner and the Company Secretary***

**CONFIDENTIAL**

# Contact us



## FIDELIUS SDN BHD

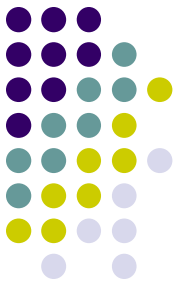
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***Thank you!***