

Strategic Decision-Making for Boards – an Evaluation Tool

What does the evaluation tool do?

Our new tool evaluates the effectiveness of a board's decision-making in relation to strategy and governance. These decisions can have significant impact on reputation, the share price and shareholder returns, in both the short and long term.

Our evaluation tool is based on sound research and on the practical experience of decision-making by boards of directors. It assesses the board's ability to extract, identify and synthesise information, to neutralise biases and to select workable options. Our tool also evaluates how the independence of directors operates in practice and how the board fulfils its governance responsibilities.

Included in the evaluation is the directors' ability to evaluate a wide range of trends, to challenge executive proposals, to ensure goals are sufficiently challenging and to assess risk inherent in strategy. The tool evaluates directors' deep understanding of how decisions are best made by a board, and how confidently they contribute personally to effective board decision-making. Decision-making behaviours are identified through practical examples so that our reports are not just a summary of self-assessments.

Our reports provide a consolidated picture and include our own analysis of the board's strengths, weaknesses and risks. We include our own recommendations of what actions could lead to more effective decision-making in future. We can also provide an indicative statement for stakeholders on key findings.

“We believe that evaluation is the first step to making real improvements.”

Reports for individual directors can be provided to aid personal development. One option is for individual directors to get individual feedback provided by our experienced advisers.

The tool can be used as part of a fuller board evaluation but by itself includes an external evaluation of key aspects of board performance.

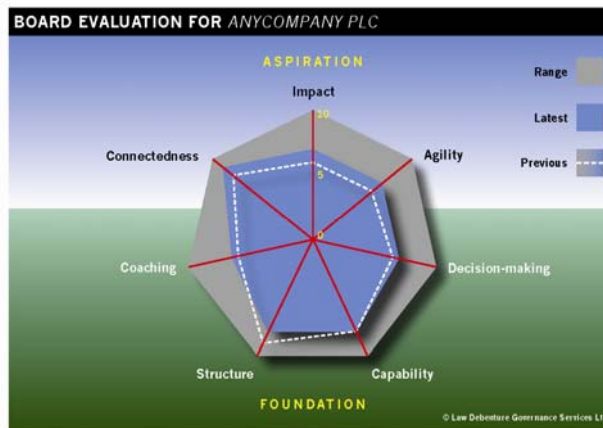
Options are available to enable a cost-effective review for smaller companies. We can also tailor the tool to include specific decision-making scenarios pertinent to an industry or company.

Law Debenture

BOARD EFFECTIVENESS SERVICES

“The Performing Board” framework

The Strategic Decision-Making Evaluation module is one element of our evaluation framework for full board effectiveness reviews. At Law Debenture, we use our own framework when evaluating the effectiveness of boards: *“The Performing Board”*. The framework is applied to each company in the context of its own particular ownership base, its industry and regulators, its territories and markets and its future business plans.



“The Performing Board”

Why Law Debenture?

Law Debenture Governance Services Limited is wholly owned by The Law Debenture Corporation plc – a UK-listed investment trust and fiduciary services company. The company was founded in 1889 and clients include UK FTSE 350 companies as well as businesses from around the world. Our services are known for their independence, professionalism and trustworthiness.

Law Debenture has offices in the UK, the US and Hong Kong. Our governance work is based on the best of current international practice and can reflect the requirements of specific jurisdictions.

Law Debenture Governance Services Ltd
Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom

T: +44 (0)20 7606 5451
E: boardeffectivenessinfo@lawdeb.com