
Board, Board Chair, Committee, and Individual Director Evaluation

The Board is committed to Board evaluation, the purpose of which is to provide Directors with an opportunity each year to examine how the Board, the Board Chair and the Board's Committees are performing, and to identify opportunities for improvement.

1. Process

Each year, the Governance and Human Resources Committee will recommend to the Board the specific evaluation process to be undertaken. The evaluation process will be appropriate to the stage of development of the Board.

The Governance and Human Resources Committee may engage an outside advisor to assist in the design and implementation of the Board evaluation process, subject to the approval of the Board Chair.

2. Board Evaluation - Goal

The objective of the Board evaluation process is to assist the Board to:

- a) assess the overall performance of the Board and measure the contributions made by the Board to CLBC in keeping with shareholder expectations;
- b) evaluate the mechanisms in place for the Board to operate effectively and make decisions in the best interests of CLBC;
- c) add value to CLBC; and
- d) enhance and maintain best corporate governance practices.

3. Board Evaluation - Areas to be Evaluated

Board evaluation is designed to review the effectiveness of the Board. Typical assessments will evaluate the following areas:

- a) the appropriateness of the Board composition;
- b) the quality of Board meetings including appropriateness, effectiveness and sufficiency of:
 - i) topics;
 - ii) time allocation;
 - iii) pre-meeting information packages; and
 - iv) presentations;
- c) Board dynamics, including the quality of the discussion;

- d) the appropriateness and sufficiency of the financial and operational reporting;
- e) the quality of the relationship between the Board and management;
- f) the effectiveness of the Committees and Board Chair;
- g) CLBC's practices with respect to business conduct and ethical behaviour;
- h) Director training and education;
- i) the effectiveness of the Board's processes with respect to strategic planning, risk review, CEO evaluation, management development and succession and compliance; and
- j) the Board's relationship with government, stakeholders and the public.

4. Board Chair Evaluation – Goal

The objective of the Board Chair evaluation process is to improve the overall performance of the Board by providing feedback to the Board Chair.

5. Board Chair Evaluation – Areas to be Evaluated

Board Chair evaluation is based on the expectations of the Board Chair set out in the Board Chair Position Description and will cover such areas as:

- a) integrity and ethics;
- b) management of Board meetings;
- c) management of information flow between the Board and management;
- d) management of the Board's decision-making processes;
- e) relationship with the CEO;
- f) relationship with Board members; and
- g) relationship with government.

6. Committee Evaluation – Goal

The objective of the Committee evaluation process is to improve the functioning of the Committee and thus contribute to improving the overall performance of the Board.

7. Committee Evaluation – Areas to be Evaluated

Committee evaluation covers such areas as:

- a) the appropriateness of the Committee's mandate;
- b) the composition of the Committee; and
- c) the contributions of the Committee to the Board's work.

8. Individual Director Evaluation Goal

Once the evaluation procedures described above are running smoothly, the Board intends to implement a process for individual Director evaluation.

9. Individual Director: Areas to be Evaluated

- a) the level of strategic engagement
- b) the level of financial acumen
- c) the quality of preparation and participation at Board meetings
- d) the amount and quality of communications during Board meetings
- e) the understanding of CLBC's values, mandate, and culture
- f) the quality of decision-making and understanding of CLBC's business; and
- g) the level and quality of overall contribution to the Board.