BOARD ASSESSMENT PROCESS

The Board of Directors (the “Board”) shall conduct an evaluation of its performance annually, and the Board may periodically retain an outside consultant to assist in the evaluation.
BOARD, COMMITTEE, CHAIR AND DIRECTOR EVALUATION PROCESS

I. INTRODUCTION

A. Two sample questionnaires (a comprehensive and condensed version) are attached for reference (when the Board of Directors (the “Board”) decides that a questionnaire is the most appropriate method of evaluation for a given year.

B. The Board questionnaire is designed to provide Directors with an opportunity to examine how the Board is operating and to make suggestions for improvement.

C. This is not an assessment of any individual Director. It is designed primarily to provide constructive input for the improvement of the Board "as a whole or as a unit". The evaluation focuses on Board and Committee performance.

D. In any given year, the Board may determine to evaluate Board and Committee performance by means other than through use of a questionnaire or may supplement questionnaire feedback through alternate means, such as through individual meetings between individual Directors and the Board Chair or with an independent unrelated governance consultant retained for such purposes.

E. Further to the above, the Board may determine in any year that it will also conduct assessments of the performance of individual Directors. Such assessments may be conducted via self-assessment questionnaires, interviews with the Board Chair, peer evaluations or through any combination of the above means including by means not listed herein.

II. PROCESS

A. In each year, the Governance Committee will consider whether evaluations of just the Board and Committees, as well as of the Board Chair and Committee Chairs, should be conducted or if assessments of individual Directors should also be undertaken. The Governance Committee should also consider the means by which such assessments or evaluations should be undertaken in the current year and, in formulating its recommendations, should take into account the manner in which such assessments were conducted in the previous year and whether the feedback obtained through such means was or was not considered satisfactory by the Board. The Governance Committee Chair should then summarize the Committee’s recommendations for the Board as to the scope of the assessments to be undertaken in the current year and the manner by which the feedback should be obtained.
B. Once the Board has agreed on the scope of the assessments and the means by which feedback will be obtained, the Board Chair will ask each Director to submit their feedback, in the event part of same will take the form of a written questionnaire(s) to be completed, to either the Governance Committee Chair or to the independent unrelated governance consultant, in the event such a person has been retained for the purpose. The Governance Committee Chair or the governance consultant, as the case may be, will then summarize the input of the Directors on a confidential basis and review the summary with the Committee.

C. The Committee Chair, with or without the assistance of the governance consultant if one has been retained, reports to the full Board. Time will be set aside at that meeting for a full and comprehensive discussion of Board performance.
## SAMPLE BOARD EVALUATION QUESTIONNAIRE

### SECTION A – THE BOARD

#### I. BOARD ORGANIZATION

<table>
<thead>
<tr>
<th>A. The Board is effectively organized as to:</th>
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<td>i) The appropriate number of directors.</td>
<td>1 2 3 4 5 6 DK</td>
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<td>ii) The right balance of skills, experience and backgrounds.</td>
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| B. The Board reviews its composition and recommends criteria to the Government when the Government is appointing directors. | 1 2 3 4 5 6 DK |                |                   |

| C. The Board recognizes its primary responsibility is to monitor management and performance and to add strategic advice, not to manage the Corporation. | 1 2 3 4 5 6 DK |                |                   |

| D. Directors place the interest of the Corporation above any representative or constituent interests they may hold. | 1 2 3 4 5 6 DK |                |                   |
SAMPLE BOARD EVALUATION QUESTIONNAIRE

E. Directors have a solid understanding of:

i) the Corporation; 

1 2 3 4 5 6 DK

ii) the industry and competitive environment

1 2 3 4 5 6 DK

F. Board meetings are organized properly in number, timing and location.

i) Number

1 2 3 4 5 6 DK

ii) Timing and Length

1 2 3 4 5 6 DK

iii) Location

1 2 3 4 5 6 DK

G. Board meetings:

i) The material sent in advance for Board meetings is appropriate.

1 2 3 4 5 6 DK

ii) Material for Board meetings is distributed on a timely basis.

1 2 3 4 5 6 DK
SAMPLE BOARD EVALUATION QUESTIONNAIRE

iii) Directors have an opportunity to provide input to Board agendas if they wish to do so.

H. Directors receive information on a regular basis about the Corporation's:
   i) financial performance; and
   ii) non-financial performance.

I. The information directors receive is in a format that is intelligible and enables them to understand the Corporation's performance relative to similar corporations and the industry.

J. Board debate and discussion is undertaken in an environment where directors are frank and open and where the atmosphere is constructive and conducive to sharing ideas.

K. There is an open, constructive relationship between the Board and the President/Chief Executive Officer (the "CEO").
SAMPLE BOARD EVALUATION QUESTIONNAIRE

L. There is:
   i) an appropriate new director orientation program; and  
      1 2 3 4 5 6 DK
   ii) an appropriate ongoing development program for directors.  
      1 2 3 4 5 6 DK

M. There are clear written terms of reference for:
   i) the Board  
      1 2 3 4 5 6 DK
   ii) Committees  
      1 2 3 4 5 6 DK
   iii) an individual director  
      1 2 3 4 5 6 DK

N. The Board:
   i) regularly assesses its own performance; and  
      1 2 3 4 5 6 DK
   ii) puts in place plans to address any issues identified in the assessment.  
      1 2 3 4 5 6 DK

O. The Board can be described as strategic and forward thinking.  
   1 2 3 4 5 6 DK

P. The director compensation program is appropriate and meets the needs of the organization.  
   1 2 3 4 5 6 DK
SAMPLE BOARD EVALUATION QUESTIONNAIRE

Q. There are clear written terms of reference for the Vice Chair/Lead Director.  
   1  2  3  4  5  6  DK

R. What suggestions or comments do you have regarding the Vice Chair/Lead Director's performance?

S. There are clear written terms of reference for the Board Chair.  
   1  2  3  4  5  6  DK

T. What suggestions or comments do you have regarding the Board Chair’s performance?

II. HUMAN RESOURCES

The Board:

A. appoints and manages succession of the CEO.  
   1  2  3  4  5  6  DK

B. monitors the CEO’s performance.  
   1  2  3  4  5  6  DK
SAMPLE BOARD EVALUATION QUESTIONNAIRE

C. approves the terms of reference for the CEO. 1 2 3 4 5 6 DK

D. on approval from the Lieutenant Governor in Council, approves the compensation of the CEO. 1 2 3 4 5 6 DK

E. annually reviews the CEO’s performance against agreed upon annual objectives. 1 2 3 4 5 6 DK

F. reviews the senior management structure including such duties and responsibilities to be assigned to officers of the Corporation. 1 2 3 4 5 6 DK

G. on the recommendation of the CEO, appoints the officers of the Corporation who report to the CEO. 1 2 3 4 5 6 DK

H. approves certain matters relating to all employees, including:
   i) the Corporation’s compensation strategy and philosophy; 1 2 3 4 5 6 DK
   ii) new benefit programs or material changes to existing programs; and 1 2 3 4 5 6 DK
   iii) material changes to the employee pension plan 1 2 3 4 5 6 DK
SAMPLE BOARD EVALUATION QUESTIONNAIRE

I. ensures succession planning programs are in place, including programs to train and develop management.  

   1 2 3 4 5 6 DK

J. provides advice and counsel to the CEO in the execution of the CEO’s duties.  

   1 2 3 4 5 6 DK

III. MISSION, STRATEGY AND PLANS

The Board:

A. participates with management in the development of, and ultimately approves, the Corporation’s Mission, Vision and Values.  

   1 2 3 4 5 6 DK

B. participates with management in the development of, and ultimately approves, the Corporation’s strategic plan, taking into consideration the Corporation’s commercial, public policy and regulatory responsibilities.  

   1 2 3 4 5 6 DK

C. approves annual business plans, project plans and operating and capital budgets that support the Corporation’s ability to meet its strategic plan.  

   1 2 3 4 5 6 DK
D. directs management to develop, implement and maintain a reporting system that accurately measures the Corporation’s performance against its strategic, business and projects plans.  

E. monitors ICBC’s progress towards the approved strategic objectives and performance against business, operating and capital plans, and alters its direction in light of changing circumstances.  

F. reviews and approves significant changes to the plans.  

IV. FINANCIAL AND RISK ISSUES

The Board:

A. takes responsible steps to ensure the implementation and integrity of the Corporation’s internal control and management information systems.  

B. ensures management identifies the principal financial and non-financial risks of the Corporation and implements appropriate systems and programs to manage these risks.
C. monitors operational and financial results. 1 2 3 4 5 6 DK

D. approves annual and quarterly financial statements, and approves release thereof by management. 1 2 3 4 5 6 DK

E. recommends appointment of external auditors to the shareholder and approves auditors’ fees. 1 2 3 4 5 6 DK

V. POLICIES AND PROCEDURES

The Board:

A. approves and monitors, through management, compliance with all major corporate policies and procedures which govern ICBC’s operations. 1 2 3 4 5 6 DK

B. approves and acts as the guardian of ICBC’s corporate values, including approving the Code of Ethics. 1 2 3 4 5 6 DK
SAMPLE BOARD EVALUATION QUESTIONNAIRE

C. directs management to ensure the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards.  

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D. reviews significant new policies or material amendments to existing policies.  

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VI. GOVERNMENT AND STAKEHOLDER COMMUNICATIONS

The Board:

A. ensures the Corporation has in place a policy to enable management and the Board to communicate effectively with the Government, stakeholders and the public generally.  

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B. ensures the Corporation’s financial performance is adequately and promptly reported to the Government and the public.  

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C. ensures financial results are reported fairly and in accordance with governing laws and generally accepted accounting principles.  

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SAMPLE BOARD EVALUATION QUESTIONNAIRE

D. ensures timely reporting of any other developments that have a significant and material effect on the Corporation. 

E. reports annually to the Government on the Board’s stewardship for the preceding year (Annual Report).

VII. GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

The Board is responsible for directing management to ensure legal requirements have been met and documents and records have been properly prepared, approved and maintained.

VIII. BOARD SUMMARY

A. On a scale of 1 to 10, using your own personal criteria, please rate Board performance for the past year. 

   Note: 1 is unacceptable, 10 excellent.

B. What were the Board's major accomplishments in the last twelve months?
C. What are the major challenges for the Board (not for ICBC) over the next 12 months?

D. Are there ways of enhancing Board performance?
SAMPLE BOARD EVALUATION QUESTIONNAIRE

SECTION B – COMMITTEES

I. GENERAL

A. The Board has established the appropriate committees to undertake the Board’s mandate.  

B. There is a regular review of committee terms of reference.  

C. Committee reports are timely, clear, and sufficiently comprehensive to provide the Board with a good knowledge of the committees’ deliberations and recommendations.  

D. Do you have any general comments about any of the current Board committees on which you do not sit?
II. SPECIFIC COMMITTEES

Name the Committee(s) of which you are a member:

Committee 1: ___________________________________________

Committee 2: ___________________________________________

For each Committee, please respond to the following questions:

Committee 1: ___________________________________________

A. There are clear terms of reference for the Committee and they continue to be appropriate.  1 2 3 4 5 6 DK

B. The Committee is effective in carrying out its mandate.  1 2 3 4 5 6 DK

C. Committee members receive adequate material in advance of committee meetings, in sufficient time and detail to permit members to effectively consider issues to be dealt with.  1 2 3 4 5 6 DK

D. The Committee is confronting important, meaningful issues.  1 2 3 4 5 6 DK
SAMPLE BOARD EVALUATION QUESTIONNAIRE

E. The Committee has established and follows a Committee timetable. 1 2 3 4 5 6 DK

F. The Committee's composition is appropriate. 1 2 3 4 5 6 DK

G. What suggestions do you have about how to improve the Committee's effectiveness?

Committee 2: ________________________________

A. There are clear terms of reference for the Committee and they continue to be appropriate. 1 2 3 4 5 6 DK

B. The Committee is effective in carrying out its mandate. 1 2 3 4 5 6 DK
SAMPLE BOARD EVALUATION QUESTIONNAIRE

C. Members of the Committee receive adequate material in advance of committee meetings, in sufficient time and detail to permit members to effectively consider issues to be dealt with.

1 2 3 4 5 6 DK

D. The Committee is confronting important, meaningful issues.

1 2 3 4 5 6 DK

E. The Committee has established and follows a Committee timetable.

1 2 3 4 5 6 DK

F. The Committee’s composition is appropriate.

1 2 3 4 5 6 DK

G. What suggestions do you have about how to improve the Committee’s effectiveness?

__________________________________________

__________________________________________
SECTION C – QUESTIONNAIRE ASSESSMENT

The ICBC Board intends to undertake a Board evaluation on a regular basis. Your feedback on the Questionnaire would be very helpful.

A. The Board Questionnaire is a useful tool in assessing the Board.  
   1  2  3  4  5  6  DK

   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

B. How can the Questionnaire be improved?

   ____________________________________________________________
   ____________________________________________________________

C. Is there anything we've missed on which you would like to comment?

   ____________________________________________________________
   ____________________________________________________________
SAMPLE BOARD EVALUATION QUESTIONNAIRE

SECTION A – THE BOARD

I. BOARD ORGANIZATION

A. Directors have a solid understanding of:
   i) the Corporation; 1 2 3 4 5 6 DK
   ii) the industry and competitive environment

B. Board meetings:
   i) The material sent in advance for Board meetings is appropriate. 1 2 3 4 5 6 DK
   ii) Material for Board meetings is distributed on a timely basis.

C. Directors receive information on a regular basis about the Corporation's:
   i) financial performance; and 1 2 3 4 5 6 DK
   ii) non-financial performance.

D. The information directors receive is in a format that is intelligible and enables them to understand the Corporation's performance relative to similar corporations and the industry. 1 2 3 4 5 6 DK

E. Board debate and discussion is undertaken in an environment where directors are frank and open and where the atmosphere is constructive and conducive to sharing ideas. 1 2 3 4 5 6 DK

F. There is an open, constructive relationship between the Board and the President/Chief Executive Officer 1 2 3 4 5 6 DK
SAMPLE BOARD EVALUATION QUESTIONNAIRE

G. There is:

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i) an appropriate new director orientation program; and

ii) an appropriate ongoing development program for directors.

H. What suggestions or comments do you have regarding the Board Chair’s performance?

II. GOVERNMENT AND STAKEHOLDER COMMUNICATIONS

The Board:

A. ensures the Corporation has in place policies and procedures to enable management and the Board to communicate effectively with the Government, stakeholders and the public generally.

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B. ensures the Corporation’s financial performance is adequately and promptly reported to the Government and the public.

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C. ensures financial results are reported fairly and in accordance with governing laws and generally accepted accounting principles.

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III. BOARD SUMMARY

A. On a scale of 1 to 10, using your own personal criteria, please rate Board performance for the past year.

Note: 1 is unacceptable, 10 excellent.

[__________]

B. What were the Board's major accomplishments in the last twelve months?

[__________________________________________________________________________]

[__________________________________________________________________________]

[__________________________________________________________________________]

C. What are the major challenges for the Board (not for ICBC) over the next 12 months?

[__________________________________________________________________________]

[__________________________________________________________________________]

D. Are there ways of enhancing Board performance?

[__________________________________________________________________________]

[__________________________________________________________________________]
SECTION B – COMMITTEES

I. GENERAL

A. The Board has established the appropriate committees to undertake the Board’s mandate.

B. Committee reports are timely, clear, and sufficiently comprehensive to provide the Board with a good knowledge of the committees’ deliberations and recommendations.

C. Do you have any general comments about any of the current Board committees on which you do not sit?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
II. SPECIFIC COMMITTEES

Name the Committee(s) of which you are a member:

Committee 1: 
Committee 2: 
Committee 3: 

For each Committee, please respond to the following questions:

What suggestions do you have about how to improve any of the Committees’ effectiveness?

______________________________________________
SECTION C – WATSON’S 2015 RECOMMENDATIONS

The ICBC Board received a report in 2015 from Watson Inc. Your feedback on the current state of the observations in that report that are not already addressed in this survey would be helpful.

A. ICBC has a coordinated government relations strategy with a long-term focus.

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B. The Board agenda includes adequate time for strategic items and discussion.

C. There is an appropriate and clear Board education plan that addresses education needs of Directors individually or as a group.

D. Strategic Planning sessions have the appropriate content and provide the Board with the opportunity to advance the long-term direction of the corporation

E. There is a clear stakeholder engagement strategy and the Board is adequately informed of stakeholder issues.