

Board and Committee Self-Assessment Results

GHRC Committee Report, Alice Wong, Committee Chair

March 9, 2021 EC | March 25, 2021 BD

PURPOSE

To report on the board and committee self-assessment results and next steps.

HIGHLIGHTS

In Dec. 2020, directors of the board and of each board committee were asked to complete a questionnaire to obtain input about the performance and functioning of the board and each committee during 2020. By responding to scale and non-scale questions, directors provided input on roles and responsibility; composition and quality; and structure and processes.

Below is a high-level overview of the survey results and the advice of the GHRC committee with respect to next steps. **Note:** 66% of directors completed the board questionnaire and 80% or over of committee members responded to the committee self-assessments.

Overview of Results

- **Board committees (GHRC, finance and executive committees):** Overall, there was general alignment and agreement on matters related to the role of board committees, the effectiveness of management reports and committee chairs, and committee satisfaction with individual contribution to the committee and the committee's contribution to the board. However, there was an outlier with respect to management reports and satisfaction with contributions that will be discussed *in camera*. This is identified in **Appendix A** (using the highlight feature).
- Committee composition, including the process to appoint and rotate committee members, requires further consideration and action:
 - 40% and 50% of GHRC and finance committee members, respectively, agree that committee membership reflects a diverse mix of directors with the skills and expertise that are needed by the committee; and
 - 32% of directors of the board agree that the process to appoint and rotate committee members is clear and inclusive.
- **Board of Directors:** Overall, there was general alignment and agreement on matters related to board performance and responsibility; and board structure and processes.



- Board size and diversity; director preparedness and engagement; and select items regarding board structure/processes require further consideration and action:
 - Just over 50% agree that there is a clear understanding on most matters where the board role ends, and the CEO's begin.
 - 23% agree that the board is the right size for effective board discussion; and just over 50% agree that the board has sufficient diversity of skills, experience, and backgrounds for good governance.
 - 28% agree that all directors come to meetings well-prepared and focused on the work; and 14% agree that all directors participate in important board discussions.
 - 46% agree that directors receive orientation that prepares them to contribute effectively to the board.
 - Just over 50% agree that board meetings are structured so there is sufficient time to discuss items.
 - Alignment in responses to non-scale questions relate to the need to review areas that the board spends its time on (e.g., address most important issues facing the industry; less time on trivial/procedural matters); to plan more time for discussion; the challenges with respect to director engagement; the need to right size the board; motivations for becoming a director (and role of director versus member); and function of the executive committee versus board.

Next Steps

The GHRC committee considered actions needed to address identified gaps that could make a difference to the board in the coming and future years. It believes that most gaps identified regarding board size and diversity, and director preparedness and engagement will be addressed as part of third-party governance review of board function, size and composition.

In the meantime, the board chair will continue working with management on providing a board meeting structure that focuses more on strategic and forward-looking activities and facilitates director engagement. The committee also recommends taking proactive measures to identify and recruit diverse candidates with a particular focus in increasing women candidates for election to CNA board in June 2021.

APPENDICES

- **Appendix A:** Board and committee self-assessment results **(posted on portal | not included in PDF consolidation)**

CNA GOVERNANCE, HUMAN RESOURCES AND COMPENSATION (GHRC) COMMITTEE SELF-ASSESSMENT QUESTIONNAIRE RESULTS

Administered: Dec. 18, 2020 – Jan. 8, 2021

Response Rate: 83% (5 of 6 Members)

Legend 0 Insufficient knowledge 1 Strongly disagree 2 Disagree 3 Neither agree or disagree 4 Agree 5 Strongly agree

Question		Scale					
		0	1	2	3	4	5
1	The committee has clear and appropriate terms of reference.					100%	
2	The committee has the right number of members.			20%	20%	40%	20%
3	Committee membership reflects a diverse mix of directors with the skills and expertise that are needed by the committee.			40%	20%	40%	
4	The committee receives all the information it needs to fulfill its responsibilities.				20%	80%	
5	Management reports are effective in terms of length		20%			80%	
	Management reports are effective in terms of context		20%			80%	
	Management reports are effective in terms of timelines					100%	
	Management reports are effective in terms of clarity				20%	80%	
6	The committee chair is prepared for committee meetings.					40%	60%
7	The committee chair keeps the meetings on track.				20%	40%	40%
8	The committee chair fairly reports the committee's work to the board.					60%	40%
9	Overall, I am satisfied with my contribution to the committee.			20%		80%	
10	Overall, I am satisfied with the committee's contribution to the board.		20%			80%	

[Feb. 8, 2021)

Non – Scale Question

Question		Feedback
11	Please suggest ways to improve committee effectiveness	<ul style="list-style-type: none">• Open to input from the review being conducted. The workload is high and much needs to be done.• There are times when the meeting runs over time. We should try to better assess when we need more time for agenda items ahead of the meeting. It is better to plan for a longer meeting up front, than to be forced to stay longer or have to miss part of the meeting.• Increased autonomy.• Given the importance of the governance items under review by this Committee as we go forward as well as the Board structure review, the GHRC should review its composition ASAP in terms of size, diversity of representation etc.

CNA FINANCE COMMITTEE SELF-ASSESSMENT QUESTIONNAIRE RESULTS

Administered: Dec. 18, 2020 – Jan. 8, 2021

Response Rate: 80% (4 of 5 Members)

Legend **0** Insufficient knowledge **1** Strongly disagree **2** Disagree **3** Neither agree or disagree **4** Agree **5** Strongly agree

Question		Scale					
		0	1	2	3	4	5
1	The committee has clear and appropriate terms of reference.					25%	75%
2	The committee has the right number of members.					25%	75%
3	Committee membership reflects a diverse mix of directors with the skills and expertise that are needed by the committee.			25%	25%	25%	25%
4	The committee receives all the information it needs to fulfill its responsibilities.					25%	75%
5	Management reports are effective in terms of length					50%	50%
	Management reports are effective in terms of context					50%	50%
	Management reports are effective in terms of Timelines					50%	50%
	Management reports are effective in terms of clarity					50%	50%
6	The committee chair is prepared for committee meetings.					25%	75%
7	The committee chair keeps the meetings on track.					25%	75%
8	The committee chair fairly reports the committee's work to the board.						100%
9	Overall, I am satisfied with my contribution to the committee.					50%	50%
10	Overall, I am satisfied with the committee's contribution to the board.					50%	50%

Feb. 8, 2021

Non – Scale Question

Question		Feedback
11	Please suggest ways to improve committee effectiveness	<ul style="list-style-type: none">• It is always effective when everyone has had the opportunity to review the materials before the meeting. I find that the members of the finance committee do review and have questions ready. This makes for productive sessions. With an accounting background the finance chair always provide great leadership and brings options to the table.

EXECUTIVE COMMITTEE SELF-ASSESSMENT QUESTIONNAIRE RESULTS

Administered: Dec. 18, 2020 – Jan. 8, 2021

Response Rate: 100% (13 of 13 Members)

Legend **0** Insufficient knowledge **1** Strongly disagree **2** Disagree **3** Neither agree or disagree **4** Agree **5** Strongly agree

Question		Scale ¹					
		0	1	2	3	4	5
1	The committee has clear and appropriate terms of reference.			8%	8%	54%	31%
2	The committee has the right number of members.			8%		54%	38%
3	Committee membership reflects a diverse mix of directors with the skills and expertise that are needed by the committee.			15%	8%	69%	8%
4	The committee receives all the information it needs to fulfill its responsibilities.				8%	69%	23%
5	Management reports are effective in terms of length				15%	85%	0%
	Management reports are effective in terms of context				8%	77%	15%
	Management reports are effective in terms of timelines				8%	85%	8%
	Management reports are effective in terms of clarity				8%	92%	0%
6	The committee chair is prepared for committee meetings.					54%	46%
7	The committee chair keeps the meetings on track.				15%	46%	38%
8	The committee chair fairly reports the committee's work to the board.					54%	46%
9	Overall, I am satisfied with my contribution to the committee.				8%	85%	8%

¹ Due to rounding, percentages may not always appear to add up to 100% (e.g., 99% or 101%).

[Feb. 8, 2021]

Question		Scale ¹					
		0	1	2	3	4	5
10	Overall, I am satisfied with the committee's contribution to the board.				8%	69%	23%

Non – Scale Question

Question	Feedback
11 Please suggest ways to improve committee effectiveness	<ul style="list-style-type: none"> • There are times when the meetings runs late and this may be due to not planning enough time for agenda items. It is difficult to determine how much time is needed as it is not always clear what items will drive discussion. Perhaps reviewing the agenda with the idea to identifying what matters might be contentious or need more discussion would help. • Need to ensure we are addressing the most important issues facing our industry • It should be mandatory for the committee members to have read the contents of the package prior to the meetings. That makes for a much more informed and engaged discussion on key issues. • John G has done a great job in his role. As an ambassador I find sometimes he tries to cover all the items he has progressed on at each Board / Exec Meeting. I think we need to temper this a bit in relation to what the top priorities at the time • I believe a smaller Board would be more effective for CNA; and if that change was made perhaps the ExCo would not be needed. • Need to review size and make up of Board and Exec Cttee. This is already underway. • Executive committee is doing a good job of generally steering the organization, and is absolutely necessary given the size and nature of the broader Board.

Question		Scale ¹					
		0	1	2	3	4	5
11	All directors participate in important board discussions.	5%	9%	27%	45%	14%	
12	Directors understand their fiduciary responsibilities as a director for a not-for-profit board.	5%		9%	27%	45%	14%
13	The board has the right committees to support the work of the board.			5%	5%	77%	14%
14	The process to appoint and rotate committee members is clear and inclusive.		5%	27%	36%	27%	5%
15	Committee reports are effective in providing necessary information to the board.				5%	77%	18%
16	The board allocates its time effectively between important issues and those of lesser importance.	5%	5%	5%	23%	59%	5%
17	The board's use of consent agenda items conserves board time without compromising board oversight.	9%		5%	5%	64%	18%
18	Board meetings are structured so there is sufficient time to discuss decision items.	5%	9%	9%	23%	55%	
19	The board receives relevant and concise pre-read materials.	5%	5%	5%	9%	50%	27%
20	Minutes of board meetings accurately reflect board decisions and deliberations.					82%	18%
21	Presentations and verbal reports by officers and staff at board meetings are effective.		5%		9%	82%	5%
22	Directors receive orientation that prepares them to contribute effectively to the board.	9%	9%	9%	27%	41%	5%

Non – Scale Questions

Question	Feedback
23. Please suggest ways to improve committee effectiveness	<ul style="list-style-type: none"> It is challenging to engage all board directors given the large size of the board. Having said that, I am not sure how to improve that given the current structure of the board. If the current structure of executive committee and board is kept as is, perhaps look at a different split of what information goes to the board and what stays with the committees, while having committee chairs report only items that are at the strategic oversight level, acknowledging that is not an easy determination. Need to spend less time of trivial, procedural matters and more time on significant issues impacting our industry.

Question		Feedback
		<ul style="list-style-type: none"> • The role of a Director has become lost with the CNA Board. It seems to be a role sought out by certain members for "status", with many Directors seeming to contribute little to the governance of the association. This signals to me that members are seeking increased engagement by becoming "Directors". One way to increase "engagement" is to have more "engaged" directors on the Board, and fewer Directors that are on the Board to be "engaged" with the association, if that makes sense? Directors need to understand that they have duties and responsibilities - if they understand those, I wonder if engagement would go up? That said, we need to give the directors seeking to be "engaged" another avenue to be engage with the association rather than seeking a directorship. • Governance committee works well- might be role model for others. • Perhaps a start of year Chair request for Board members to raise issues of significance to their companies, that may not be addressed during the normal course of business or CNA programs. • Need to right size the Board and/or inter-relation with Exec and Committees. 3rd party review that is planned will contribute to this. • Many Board members likely only participate to increase their access to nuclear industry ultimate clients (e.g. OPG, Bruce Power, CNL, NB Power etc). A smaller Board, (perhaps a merged Board and Exco) would be more effective in governance of the Association. Regular meetings set up by CNA (not Board meetings) in which member companies representatives can interact with senior execs from clients and each other could allow for the interaction noted above. • Clarity on roles/responsibilities and how decisions are made would be helpful. Meeting/agenda time is often not met, leaving little/no time for questions/discussion. Clarity on sub-committee opportunities/terms/roles would also be helpful. • I am a newly appointed director so don't have much to add. • More frequent touch base and occasional non-work get together (such as what happened for the holiday season). This allows for non-structured discussion.
Q24.	Please suggest up to three ways to improve board effectiveness, including ways in which the board could improve the understanding and performance of its role.	<ul style="list-style-type: none"> • Perhaps more clearly delineate what committees can approve and what needs to go to board for approval or for information. Perhaps a flow chart or something simple and concise. • Re-evaluate the size of the board. • Increase ways to get more input from all directors. • Allow more time for discussion at meetings. • Add time to discuss significant industry trends, risks and opportunities. • Mandatory Workshop or other mandatory compliance activities for Directors? • Reduced size of the Board with more rigorous vetting process for Director applicants • Reduce numbers.

Question		Feedback
		<ul style="list-style-type: none"> • Update accountabilities and ensure that members make commitment to time needed. • When possible make face to face sessions more regular. • Review of Board role vs. CNA CEO/staff responsibility. • Re-evaluate the number of board members. It feels like there isn't much of a CNA membership that isn't a board member. The Exec almost feels like the board, and the Board feels like the membership. • Related to #2, re-examine the benefits of being a board member versus being just a member.... • Longer meetings, more opportunity for open discussion. • More formal rules of order. • Improved minutes of Executive Committee sent well in advance of Board. • Get to the point on information that is required for decision-making. • Get the board material out earlier for proper review. • Allow more time for discussion. • Clear R&R dissemination along with expectations. The full board seems to be a ceremonial board that adds no value to overall CNA governance and only provided an avenue for a CNA company member to say they are on the CNA Board. • Clarity in the different responsibility between the Excom and the full Board. • There is nothing that the full Board approves that is not pre dispositioned by the Excom. • Greater diversity on Board. • Division of decision making between board and CEO. • Give the board ability to strategize and innovate separate from normal meeting topics so that they don't get hijacked but it is given due importance. • Director's should confirm materials have been pre-read. • Minutes of the Board, Committee meetings should be provided close to the date of the meeting as opposed to just before next meeting.
25.	Do you have comments about this questionnaire or self-evaluation process? Are there other questions we should be asking?	<ul style="list-style-type: none"> • Good process. Worked well. • 23 and 24 require discussion at a Board meeting or strategic planning session. • Interested in thoughts beyond the board looking for best practices for comparable groups. • Good initiative. • I am not sure if all directors review the package pre-meeting. My response on Board orientation for new members are based on when I joined the Board so processes may be better now.