

IMPRESS Board Appraisal Policy

1. Introduction

Purpose

This paper:

- sets out systems for the performance assessment and appraisal of the directors;
- sets out systems for the performance assessment and appraisal of the Chair; and,
- discusses the approach for evaluating the performance of the Board as a whole.

Background

The UK Corporate Governance Code states:

The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its Committees and individual directors.

The Board performs three major roles in a company: it provides direction (i.e. sets the strategic direction of the company), it controls (i.e. monitors the management) and it provides support and advice (advisory role). Board evaluation typically examines these roles of the Board and the entailing responsibilities, and assesses how effectively these are fulfilled by the Board.

The IMPRESS Governance Policy states:

- At least once every two years the board shall consider undertaking an exercise to consider its own effectiveness.
- An annual appraisal of the performance of each board member will be carried out by the Chair.
- The performance of the Chair will be appraised by the senior independent director.

Principles

The appraisal systems will be underpinned by the following principles. They will:

- be simple and easy to administer;
- enable all the key stakeholders to contribute;
- be objective; and,
- link directly to the overall performance of IMPRESS.

2. Annual Appraisal of Individual Directors

Approach

The IMPRESS Governance Policy states that an annual appraisal of the performance of each Board member will be carried out by the Chair. This appraisal will fall around the year anniversary of the director's joining the Board.

The performance of individual directors will be measured against the requirements below, as set out by the Appointment Panel.

As a member of the IMPRESS Board, you will be able to:

- demonstrate commitment to the ethos, purpose and role of IMPRESS and experience of working at a senior level in a public or professional capacity;
- act with fairness, independence and integrity, contributing to well-balanced decision-making;
- bring to the Board your insight, knowledge, skills and experience whether that is in some aspect of the press, or wider civil society;
- support the Chair in developing the Board in accordance with regulatory best practice and the objectives of promoting integrity and freedom of the press, and encouraging high standards in news reporting;
- ensure that decision-making reflects a well-balanced understanding of freedom of expression in the interests of the press, public and individuals;
- scrutinise the information on which Board decisions are made, and contribute relevant insights and experience to ensure that all relevant criteria are considered;
- work towards a consensus view on issues and support timely and positive decision-making;
- observe all appropriate standards of corporate governance and comply with regulatory requirements for the genuinely open, transparent and independent operation of the IMPRESS Board; and,
- monitor the performance of IMPRESS to ensure that it functions efficiently and in keeping with its aims and objectives.

Process

The process for the appraisal of individual directors follows these steps:

1. The Director completes the Director Appraisal Form (*Appendix A*) and submits it to the Chair at least seven days before the appraisal date.
2. The Chair will seek feedback from the Executive and other directors as the Chair sees fit.
3. The Chair and Director meet to discuss performance and development on a one to one basis, working through the Director Appraisal Form together.
4. The Chair ensures that key discussion points for each section along with any agreed training/development arrangements and important comments are recorded on the form. The Chair asks the Director to approve the contents of the form before passing it to the Company Secretary.
5. The Chair will pass the completed Director Appraisal Form to the Company Secretary for filing and arrangement of any necessary training or follow up.

3. Annual Appraisal of the Chair

Approach

The IMPRESS Governance Policy states that an annual appraisal of the performance of the Chair will be carried out by the Senior Independent Director. This appraisal will fall around the year anniversary of the Chair's joining the Board.

As is the case for individual directors, the performance of the Chair will be measured against the requirements below, as set out by the Appointment Panel.

As a member of the IMPRESS Board, you will be able to:

- demonstrate commitment to the ethos, purpose and role of IMPRESS and experience of working at a senior level in a public or professional capacity;
- act with fairness, independence and integrity, contributing to well-balanced decision-making;
- bring to the Board your insight, knowledge, skills and experience whether that is in some aspect of the press, or wider civil society;
- support the Chair in developing the Board in accordance with regulatory best practice and the objectives of promoting integrity and freedom of the press, and encouraging high standards in news reporting;
- ensure that decision-making reflects a well-balanced understanding of freedom of expression in the interests of the press, public and individuals;
- scrutinise the information on which Board decisions are made, and contribute relevant insights and experience to ensure that all relevant criteria are considered;
- work towards a consensus view on issues and support timely and positive decision-making;
- observe all appropriate standards of corporate governance and comply with regulatory requirements for the genuinely open, transparent and independent operation of the IMPRESS Board; and,
- monitor the performance of IMPRESS to ensure that it functions efficiently and in keeping with its aims and objectives.

The performance of the Chair will also be measured against the responsibilities of the Chair as set out by the Appointment Panel:

- Provide leadership and strategic direction to the Board and IMPRESS, as a regulator;
- Lead the development of the organisation, including the management of the chief executive, and ensure there is sufficient management capability and capacity for effective performance;
- Maintain a constructive working relationship with the chief executive;
- Maintain, with the Board and staff, IMPRESS's organisational culture and approach;
- Set the agenda, style and tone of Board discussions to promote constructive debate and ensure effective decision making;
- Promote high standards of corporate governance and compliance with regulatory requirements, developing a regulator that promotes, for the benefit of the public, the integrity and freedom of the press and encourages high standards in news reporting;
- Represent the views of IMPRESS to all relevant stakeholders and the wider public, advocating the purpose and role of IMPRESS inside and outside the industry.

Process

The Senior Independent Director will undertake the appraisal of the Chair, having taken confidential soundings from the Chief Executive and the Directors.

1. The Chair completes the Director Appraisal Form (*Appendix A*) and submits it to the Senior Independent Director at least seven days before the appraisal date.

2. The Chair and Senior Independent Director meet to discuss performance and development on a one to one basis, working through the Director Appraisal Form together. The Senior Independent Director can also make use of the confidential soundings in this meeting.
6. The Senior Independent Director ensures that key discussion points for each section along with any agreed training/development arrangements and important comments are recorded on the form. The Senior Independent Director asks the Chair to approve the contents of the form before passing it to the Company Secretary.
3. The Senior Independent Director will pass the completed Director Appraisal Form to the Company Secretary for filing and arrangement of any necessary training or follow up.

4. Evaluation of the IMPRESS Board

According to the IMPRESS Governance Policy, at least once every two years the IMPRESS Board shall undertake an exercise to consider its own effectiveness.

The approach and delivery of the evaluation will be decided by the Chair and may differ depending on the needs at the time. The evaluation may be facilitated by an external moderator and may include IMPRESS senior management.

Every Director, including the Chair, will complete a Director Appraisal Questionnaire (*Appendix B*) to inform topics for the Board Evaluation to focus on. The Questionnaires will be completed a month in advance of the Evaluation and submitted to the Company Secretary, who will analyse the answers and report to the Chair.

The evaluation will follow the spirit of the Financial Reporting Council's Guidance on Board Effectiveness, which was issued to assist companies in applying the principles of the UK Corporate Governance Code, as quoted below:

Boards continually need to monitor and improve their performance. This can be achieved through board evaluation, which provides a powerful and valuable feedback mechanism for improving board effectiveness, maximising strengths and highlighting areas for further development. The evaluation process should aim to be objective and rigorous.

Like induction and board development, evaluation should be bespoke in its formulation and delivery. The chairman has overall responsibility for the process, and should select an appropriate approach and act on its outcome.

The outcome of a board evaluation should be shared with the whole board and fed back, as appropriate, into the board's work on composition, the design of induction and development programmes, and other relevant areas.

The Code recommends that FTSE 350 companies have externally-facilitated board evaluations at least every three years. External facilitation can add value by introducing a fresh perspective and new ways of thinking. It may also be useful in particular circumstances, such as when there has been a change of chairman, there is a known problem around the board table requiring tactful handling, or there is an external perception that the board is, or has been, ineffective.

Whether facilitated externally or internally, evaluations should explore how effective the board is as a unit, as well as the effectiveness of the contributions made by individual directors. Some areas which may be considered, although they are neither prescriptive nor exhaustive, include:

- the mix of skills, experience, knowledge and diversity on the board, in the context of the challenges facing the company;
- clarity of, and leadership given to, the purpose, direction and values of the company;
- succession and development plans;
- how the board works together as a unit, and the tone set by the chairman and the CEO;
- key board relationships, particularly chairman/CEO, chairman/senior independent director, chairman/company secretary and executive/non-executive;
- effectiveness of individual non-executive and executive directors;
- clarity of the senior independent director's role;
- effectiveness of board committees, and how they are connected with the main board;
- quality of the general information provided on the company and its performance;

- quality of papers and presentations to the board;
- quality of discussions around individual proposals;
- process the chairman uses to ensure sufficient debate for major decisions or contentious issues;
- effectiveness of the secretariat;
- clarity of the decision processes and authorities;
- processes for identifying and reviewing risks; and
- how the board communicates with, listens to and responds to staff and other stakeholders.



Director Appraisal Form

Director name	
Date of appraisal	

Please fill in the “Director” sections for questions 1 to 7 and submit to the Chair at least seven days before your appraisal date.

1. What do you consider to be your main contributions to IMPRESS during the last year?
<i>Director:</i>
<i>Appraiser:</i>
2. Are there areas where you feel you have made less of a contribution than you might have wanted?
<i>Director:</i>
<i>Appraiser:</i>

3. Are there any impediments to your making a different or broader contribution to IMPRESS?

Director:

Appraiser:

4. Have you enjoyed your work with IMPRESS this year? What did you hope to get out of your involvement and has it been rewarding?

Director:

Appraiser:

5. In the coming year, where do you think you can make your most effective contribution?

Director:

Appraiser:

6. Do you feel that you have any personal development needs, to assist the contribution which you can make?

Director:

Appraiser:

7. Thinking about the effectiveness of the Board's performance, have you any views about how and when we should review this? Are there any specific issues that you would want to see addressed in this process?

Director:

Appraiser:

8. Other key comments from the appraisal discussion

9. Objectives/training/development/comments to be recorded

Appendix B

Board Effectiveness Questionnaire

<p>A. Creating an Effective Board</p>	<p>Very Satisfied 1</p>	<p>Satisfied 2</p>	<p>No Opinion 3</p>	<p>Unsatisfied 4</p>	<p>Very Unsatisfied 5</p>	<p>What could the Board do better or differently?</p>
<p>1. Are you satisfied that the Board has clearly documented its role and responsibilities (e.g. schedule of matters reserved for the board, split of the chairman's role and that of the CEO)?</p>						
<p>2. Are you satisfied that Board members, both individually and collectively, understand what is expected of them (e.g. determining the company's strategic aims)?</p>						
<p>3. Are you satisfied that directors are independent of management and exercise their own judgement; voice their own opinions; and act freely from any conflicts of interest?</p>						
<p>4. Are you satisfied with the Board succession plans in place?</p>						
<p>5. Are you satisfied that Board members, as a whole, have sufficient skills, experience, time and resources to undertake their duties?</p>						
<p>6. Are you satisfied that there is sufficient diversity in the Boardroom?</p>						
<p>7. Are you satisfied that Board members have a sufficient understanding of the organisation and the sector in which it operates?</p>						
<p>8. Are you satisfied that all Board members demonstrate the highest level of integrity (including maintaining confidentiality and disclosing and managing conflicts of interest)</p>						
<p>9. Are you satisfied with the level of 'secretarial support' placed at the board's disposal?</p>						

B. Running an Effective Board	Very Satisfied 1	Satisfied 2	No Opinion 3	Unsatisfied 4	Very Unsatisfied 5	What could the Board do better or differently?
1. Are you satisfied with the Chair's leadership style (e.g., are they decisive, open minded and courteous; do they set a good example, allow members to contribute and hold members to high standards; do they relate well to other members/attendees, deal effectively with dissent and work constructively towards consensus)?						
2. Are you satisfied that the Board's workload is dealt with effectively?						
3. Are you satisfied that Board members work together constructively as a team?						
4. Are you satisfied that Board meetings are conducted in a manner that encourages open discussion, healthy debate and allows each Board member to clearly add value to discussion and decisions?						
5. Are you satisfied that the relationship between the Board and the senior management strikes the right balance between challenge and mutuality?						
6. Are you satisfied that the Board's discussions enhance the quality of management's decision making (e.g., does the Board engage those reporting to the Board in dialogue that stimulates and enhances their thinking and performance)?						
7. Are you satisfied that the Board's meeting arrangements (e.g., frequency, timing, duration, venue and format) enhance its effectiveness?						
8. Are you satisfied that the Board's meeting agenda has sufficient input from all Board members?						

9. Are you satisfied that Board meetings allow sufficient time for the discussion of substantive matters?						
10. Are you satisfied that Board meeting papers are circulated in a timely manner to enable full and proper consideration to be given to the important issues?						
11. Are you satisfied with the quality of the Board papers (e.g., not overly lengthy and clearly explain the key issues and priorities)?						
12. Are you satisfied that the Board has the appropriate committees with appropriate terms of reference?						
13. Are you satisfied that the Board is adequately informed of each committee's activities?						
14. Are you satisfied that the Board's meeting minutes are clear, accurate, consistent, complete and timely?						
15. Are you satisfied that outstanding actions arising from Board meetings are properly followed up?						
16. Are you satisfied that the processes in place for ensuring the board is kept fully informed on all material matters between meetings (including appropriate external information e.g. emerging risks and material regulatory changes) is working effectively?						

C. Professional Development & Performance Evaluation	Very Satisfied 1	Satisfied 2	No Opinion 3	Unsatisfied 4	Very Unsatisfied 5	What could the Board do better or differently?
1. Are you satisfied that new Board members are given an appropriate induction programme covering issues like: the role of the director; terms of reference; expected time commitment; an overview of strategic objectives?						
2. Are you satisfied with timeliness and appropriateness of ongoing professional development received by the Board?						
3. Are you satisfied that Board members are afforded opportunities to attend courses, conferences and seminars?						
4. Are you satisfied that our existing range of financial and non-financial performance measures are broad enough to monitor management's performance?						
5. Are you satisfied that our existing performance measures are linked to the organisation's strategy?						
6. Are you satisfied that the organisation's performance is adequately monitored?						
7. Are you satisfied that management's remuneration is appropriately linked to the organisation's performance and benchmarked?						
8. Are you satisfied that the Board has in place an appropriate process for regular Board, committee and individual Board member evaluation?						
9. Are you satisfied that all actions arising from performance evaluation are followed up?						
10. Are you satisfied that the Board performance assessment process enhances Board effectiveness?						

D. Strategic Foresight

	Very Satisfied 1	Satisfied 2	No Opinion 3	Unsatisfied 4	Very Unsatisfied 5	What could the Board do better or differently?
1. Are you satisfied that the Board devotes significant time to determining the emerging issues that could affect the organisation in the future?						
2. Are you satisfied that the Board has a good understanding of the company's key drivers of performance?						
3. Are you satisfied that most of the Board's time is spent on issues relating to strategic direction & not management responsibilities?						
4. Are you satisfied that the organisation's purpose (mission) and vision been defined and clearly communicated to all levels within the organisation?						
5. Are you satisfied that the Board has an agreed process to adequately support the CEO?						
6. Are you satisfied that the Board has in place a rigorous process to evaluate the performance of the CEO, with input from all Board members?						
7. Are you satisfied that the Board is appropriately engaged in CEO/senior management succession planning?						
8. Are you satisfied that the organisation's culture encourages Board members to discuss agenda and other issues with senior management?						
9. Are you satisfied that bad news is communicated to the Board as it arises?						
10. Are you satisfied that the CEO and senior management receive constructive support from the Board?						

E. Risk Management

E. Risk Management	Very Satisfied 1	Satisfied 2	No Opinion 3	Unsatisfied 4	Very Unsatisfied 5	What could the Board do better or differently?
1. Are you satisfied that the Board is clear on its risk appetite?						
2. Are you satisfied that the Board has a sound process for identifying and regularly reviewing its principal risks, and makes the necessary amendments in the light of changes in the internal and external environment. This process involves all parts of the business.						
3. Are you satisfied that the Board receives regular, insightful reports on the organisation's risk management that provide assurance over their operational effectiveness.						
4. Are you satisfied that the Board takes full account of risk in its decisions, for example, in relation to proposed major projects and programmes.						
5. Are you satisfied that the Board receives reliable projections of future cash flows for the medium as well as the short term, and is confident that the available funding will enable the organisation to develop and operate as planned.						
6. Are you satisfied that there have been no problems with regulatory and similar requirements, and that sound health and safety, employment and other practices are implemented to protect the organisation against unnecessary litigation and reputation risk.						
7. Are you satisfied that the Board monitors the political environment for potential changes to its remit and assesses the impact these will have on the strategy.						