



2011 Meeting of Latin American Corporate Governance Roundtable Annual General

Lima

November, 30th 2011





Companies Circle Board Evaluation Working Group

❑ **Two working groups were established in the 2010 Annual Meeting of the Companies Circle:**

- The Achieving Effective Boards Report inspired Circle members to discuss two subjects: AGM and BE.
- Objective of the BE working group was to discuss best practices and to share experiences among Circle members and for wider dissemination.



Companies Circle Board Evaluation Working Group

□ Work started with a survey among the 19 Circle members inquiring about their practices on BE

- 15 out of 19 companies reported undertaking BE.
- The regulatory framework and the CG Codes in LA were reviewed.
- Three dimensions were analysed: motivation, scope and tools/processes.



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□ **Main findings were**

- It appears that although the Achieving Effective Boards report considered this practice uncommon in the region, it is increasingly recognized as good practice by both listed and non listed companies of the Circle.
- Trust in the credibility and confidentiality of the process are key factors.
- Chair leadership and Board commitment to follow through with an action plan are also important.



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- ❑ As all corporate governance practices, there is no one-size-fits-all model and it is a continuous evolving process.
- ❑ BE can be an important tool to promote effectiveness of the Board as a group and of its individual members.