

ICD Key Competencies for Director Effectiveness -Competency List-

| Competency Group: Knowledge | | | |
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| C1 | Knowledge of Specific Industry, Company and its Executive Team | Understands the competitive environment in which the company operates. Understands the company strategy and the respective roles of the executive team in effecting this strategy. | Tasks: T1, 4, 5, 6 |
| C2 | Knowledge of Board & Role | Understands own responsibilities, accountabilities and liabilities as a director and board member. Is knowledgeable of best practice principles associated with board structure and board processes as set out by the CCGG, the ICD and ongoing research. | Tasks: T1, 2, 3, 4, 5, 6, 7, 8 |
| Competency Group: Analytical & Technical Skills | | | |
| C3 | Financial Acumen | Can read and interpret financial statements and reports. | Tasks: T2 |
| C4 | Group Decision Making Orientation | Can identify and diminish group think tendencies and recognize decision-making and unconscious biases in board discussions. | Tasks: T1, 8 |
| C5 | Process Orientation | Makes decisions and seeks outcomes by consistent application of logical sequence of steps. | Tasks: T1, 3, 8 |
| Competency Group: Thinking | | | |
| C6 | Conceptual Thinking Skills | Makes connections between apparently separate issues, seeing patterns, trends, or relationships and developing mental frameworks to explain and interpret information. | Tasks: T3, 7, 8 |
| C7 | Independent Thinking Skills | Maintains own convictions despite undue influence, opposition or threat. | Tasks: T1, 3, 7, 8 |
| C8 | Open-Minded/Information Seeking Skills | Values diverse opinions and builds views and opinions with knowledge gained from others. | Tasks: T1, 3, 7, 8 |
| Competency Group: Personal Style | | | |
| C9 | Ambiguity Tolerance | Based on limited information, retains a positive outlook when the group is unable to resolve an issue or reach a conclusion and is willing to make a risk-adjusted decision when the outcomes are uncertain. Seeks decisions that optimize the relationship between risk and reward. | Tasks: T1, 3, 4, 5, 6 |
| C10 | Effective Judgment | Applies common sense, measured reasoning, knowledge and experience to come to a conclusion and/or decision. | Tasks: T1, 4, 5, 6, 7, 8 |
| C11 | Integrity | Demonstrates integrity and ethical decision making characteristics. Trustworthy and conscientious and can be relied upon to act and speak with consistency and honesty. | Tasks: T1, 8 |
| C12 | Self-awareness | Accurately assesses strengths and weaknesses of self and of others and can manage them successfully. | Tasks: T1, 8 |
| C13 | Bias to Learn | Invests time learning about new approaches to governance, innovation and disruption in the organization and society. | Tasks: T1, 3 |
| Competency Group: Social Style | | | |
| C14 | Orientation to Resolve Conflict | Ensures conflict is resolved with justice and fairness in order to maintain and/or restore healthy relationships. | Tasks: T3, 8 |
| C15 | Effective Communication & Listening Skills | Gives and receives information with clarity, attentiveness, understanding and perception. | Tasks: T3, 8 |
| C16 | Influence & Impact Skills | Ability to influence board members and stakeholders (management, shareholders) in negotiating and impacting at the company and board levels. | Tasks: T1, 8 |

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– Task List –

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| T1 | Understanding and evaluating strategic plans and reports presented by management. | In order to effectively understand and evaluate...a director must have some level of knowledge of a firm's capabilities and its competitive environment. A director must also understand that their responsibility is to oversee the development of the firm's strategic plan and obtain management updates on developments affecting the strategy as opposed to being directly involved in the management process. Some basic level of financial acumen is needed to support this task. A director must also be able to reach their own independent conclusions based on information provided by management to the board. This will require an ability to think objectively and with an open-mind in order to see possible trends and patterns or relationships presented by the data which may not be readily apparent in any documentation. Finally, a director must be able to communicate their feedback to management and other directors in a clear and logical manner. |
| T2 | Monitoring financial performance. | Effective monitoring of financial performance requires directors to have some degree of financial acumen including the ability to read and interpret financial statements and reports. Some industry/company knowledge is required to provide context for the financial data. |
| T3 | Recognizing and validating management's and fellow directors' underlying decision assumptions. | To be effective in recognizing and validating the decision making assumptions of others it is important to have the analytical skills needed to recognize groupthink dynamics and breakdowns in decision making logic. Individuals with this skill have a strong level of self-awareness and the ability to examine a situation with a completely objective and open-mind in order to reach independent conclusions. |
| T4 | Selecting, hiring and evaluating top management. | An effective selection and hiring process requires directors to be knowledgeable of the specific needs of the company and its executive team and make a decision, often based on limited data, by exercising their best judgment. To establish an effective evaluation process, directors must have the ability to draw conclusions by impartial evaluation of other perspectives and views without prejudice or bias. |
| T5 | Setting and negotiating compensation for top management. | Setting and negotiating compensation requires directors to exercise effective judgment aided by their industry/company knowledge regarding comparable compensation measures. |
| T6 | Developing effective succession plans for top management. | An effective succession planning process requires directors to be knowledgeable of the specific needs of the company and its executive team and make a decision often based on limited data using their best judgment. |
| T7 | Prioritizing relevant risks and ensuring appropriate risk levels. | To prioritize risks effectively requires establishing a logical process for first identifying all relevant risks based on an understanding of the industry/company and then determining an acceptable risk tolerance – the relationship between risk and possible reward which should be used to guide a director's decision-making process. |
| T8 | Supporting an effective and efficient board meeting process. | An effective board meeting process is one which promotes effective and efficient decision-making based on clear, consistent and honest communication, effective judgment and reasoned debate. This process strives for consensus but also supports initiative and accepts opposition. When conflict does arise it is dealt with justice and fairness in order to restore healthy relationships. |