



# MEMO

To: Board of Directors  
From: Company Secretary  
Subject: **COMMITTEE EVALUATION**

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In my experience good corporate governance – for all companies, whether stock exchange listed or not – includes establishing audit and other committees (eg, remuneration) to deal with specific areas outside of the constraints (eg, time / volume of matters to be considered) of Board meetings.

However, having such committees means that the Board then needs to be satisfied that they are performing up to expectations.

One way of tracking committee performance is through the requirement that each committee chair report back to regular Board meetings on the activities / outcomes of his committee, including the tabling of minutes of meetings, so the Board is abreast of what the committee is doing and how it is performing.

Another evaluation method is for each committee to assess itself as a whole and each individual member through predetermined processes, criteria or measures. This could typically be achieved through completion of a questionnaire or survey which is provided anonymously to a third party who assesses the results and tabulates responses for presentation to the committee and the company's Board.

Remedial action could then be taken to rectify any shortcomings and / or areas identified for greater focus, all to improve performance and outcomes.

## **Committee Minutes**

An example of minutes recorded in relation to a questionnaire evaluation:

*Committee Survey: Committee reviewed and discussed the range/average responses to the questionnaire survey and considered the various comments noted on the survey. As a result no changes in the Committee composition or function are considered necessary at this time.*

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### **DISCLAIMER**

*The comments in this memo reflect some commercial aspects and observations on the matter experienced or observed by the writer in practice as he understands them. The information is given as a guide only and does not represent a definitive or legal view of any of the issues raised, covered or referred to and the reader is urged to seek his own professional advice on all aspects of, or pertaining to, this and any related matter.*

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