



Case Study – Enhancing Director Effectiveness

Organization – Canexus Corporation

Canexus, a Canadian corporation listed on the Toronto Stock Exchange, was a chemical manufacturing and handling company serving customers for more than half a century. Its governance program was modeled on best practices in Canada. Outstanding governance was instrumental in attracting high-quality, independent directors to the Canexus board.

Board evaluations were a key governance process for Canexus. The annual evaluation included a written questionnaire and an interview process. The Chair of the Corporate Governance and Compensation Committee tabulated and analyzed the questionnaire results. Then, with the results in hand, the Board Chair interviewed all directors.

Canexus asked Governance Studio to conduct and report on a third-party board evaluation.

“It was time for Canexus to move to an independent review for our board evaluation questionnaire. Now directors can make their comments with greater confidentiality, we get a detailed report that includes strategic governance advice and the work load for me (the Committee Chair) is eased so that I can focus on the broader mandate of the Committee.”

~ Lyall C. Work, Chair, Corporate Governance and Compensation Committee ~

Project – Adding value to board evaluations

Objectives for the project were to:

- Provide a confidential and anonymous format to allow directors to fully express their views
- Present governance-rich, independent, third-party analysis
- Increase the value of the process by providing prioritized recommendations for strategic improvements to board oversight
- Reduce the significant administrative burden on the Committee Chair

Outcome

Canexus implemented key recommendations from the report each year to enhance the effectiveness of the Board and improve meetings.

“All of the directors were very pleased with our new format of board evaluation and the excellent reporting and the insights from an objective governance advisor.”

~ Dennis G. Flanagan, Board Chair ~