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CII Research and Education Fund Publishes Guide to Disclosure of Board Evaluation Processes

Washington, D.C., Jan. 9, 2019 — The [CII Research and Education Fund](#) (CII-REF), a subsidiary of the [Council of Institutional Investors](#) (CII), today issued a new [report](#) highlighting best practices in disclosure of the processes by which corporate boards evaluate themselves.

"Evolving practices in board evaluation, combined with high-profile failures of board oversight, are driving investors' desire for stronger disclosure of their portfolio companies' approaches to board assessment," authors Glenn Davis and Brandon Whitehill state in the foreword.

The report focuses on seven aspects of disclosure that investors value highly and provides examples of each from 2018 proxy statements of 10 companies: Allstate, Bank of America, ConocoPhillips, Exelon, Intercontinental Exchange, McDonald's, Regions Financial, Splunk, Unum Group and W.W. Grainger.

The report updates a 2014 CII guide to exemplary disclosure about board self-assessments. Back then, few U.S. public companies revealed much about their approach to board evaluation, so most of the examples in the 2014 report were culled from Canadian and Australian company disclosures. Today, many U.S. companies have caught up. An EY study found that 93% of Fortune 100 companies that filed proxy statements in 2018 provided at least some substantive disclosure about their board evaluation processes.

CII-REF reviewed proxy statements of more than 100 U.S. companies and found seven common indicators of strong disclosure:

- Whether the board reviewed itself as a whole, board committees and individual directors
- The board's consideration of peer reviews for directors
- The timing and format of the evaluation
- Changes the board made in response to a previous evaluation
- How the evaluation affected board succession planning
- The role of the lead independent director in structuring the evaluation process

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About CII-REF: The Council of Institutional Investors established CII-REF in 2012 to support and publish research and reports on a wide range of topics of interest to long-term investors. CII-REF is a nonpartisan, tax-exempt organization that focuses on educating the public, investors, corporations other financial market participants and policymakers about topical issues, including corporate governance, shareholder rights, investment, capital markets, accounting standards and securities litigation.

About CII: The Council of Institutional Investors is a nonprofit, nonpartisan association of pension funds, other employee benefit funds, endowments and foundations, with combined assets that exceed \$4 trillion. CII's non-voting members include asset management firms with more than \$25 trillion under management. CII is a leading voice for effective corporate governance, strong shareowner rights and vibrant, transparent and fair capital markets. CII promotes policies that enhance long-term value for U.S. institutional asset owners and their beneficiaries.

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