



STO Board Documents

Board Evaluation Guideline

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This Board evaluation helps ensure a focused, strategic approach, allowing the Board to refine processes and make each meeting more impactful and aligned with the Company's mission.

The Board evaluation process is designed to ensure the STO Board operates effectively and efficiently, focusing on its key responsibilities. This involves reviewing the agenda to assess time allocation for strategic, governance, and operational matters. Evaluating how Board members spend their time during meetings helps in maintaining an emphasis on high-priority topics, identifying areas for improvement, and fostering continuous development. The evaluation ultimately helps optimize the Board's effectiveness, ensuring that meetings contribute meaningfully to STO's strategic goals.



Guideline

This evaluation is applicable to the Board of Directors of STO. This evaluation is divided into PART A, B and C. PART A is further divided into 6 parts.

This evaluation must be completed annually, within the first quarter of each year, covering the previous year's performance.

The evaluation includes of the following.

PART A: Self Evaluation Questionnaire

PART B: Skill Assessment Matrix

PART C: Agenda Review

The evaluation results will be compiled and discussed in the Board. The Chairman will further discuss individual results with directors and where required take necessary actions.

Last revised date

August 2020.



Part A Self Evaluation Questionnaire

The self-evaluation questionnaire is designed to assess various aspects of board performance and effectiveness. It is the responsibility of the Board Chairman and Company Secretary to ensure the evaluation is conducted properly and on time. The questionnaire is structured into six sections:

1. *Evaluation of the Board:* Focuses on assessing the overall functioning of the board, including decision-making processes, strategy development, and its role in guiding the organization.
2. *Evaluation of the Chairman:* Evaluates the effectiveness of the Chairman's leadership, including their ability to foster constructive discussions, lead meetings effectively, and maintain productive relationships among board members.
3. *Evaluation of the MD/CEO:* Reviews the performance of the MD/CEO, specifically in terms of strategy implementation, leadership, and operational outcomes.
4. *Evaluation of Individual Directors:* Each director is assessed on their individual contributions to the

board, including participation in discussions, preparedness, and value added to board deliberations.

5. *Evaluation of Committees:* Evaluates the effectiveness of board committees in carrying out their responsibilities, including their independence, expertise, and ability to fulfill their mandates.
6. *Evaluation of the Company Secretary:* Reviews the Company Secretary's role in facilitating board activities, including meeting organization, communication with board members, and ensuring regulatory compliance.

All board members must complete the questionnaire independently, and their responses are compiled by the Company Secretary. The compiled results are then shared with the entire Board, fostering open discussion and identifying areas for improvement.

The questionnaire consists of at least ten questions or more per section, covering relevant topics to ensure a comprehensive evaluation. It is completed online to streamline the process, enhance accessibility, and ensure efficient data collection and analysis.



Part B **Skill Assessment Matrix**

The skill assessment matrix is a tool used to evaluate the collective and individual skills of all board members. It identifies the range of competencies present on the Board, covering areas such as strategic thinking, financial literacy, industry expertise, risk management, legal and regulatory knowledge, and other relevant skills needed to guide the organization effectively.

Each year, the skills of all Directors are reviewed to ensure that the Board as a whole continues to have a balanced mix of expertise that aligns with the organization's evolving needs. This annual review involves:

1. *Skill Gaps Identification:* Comparing the skills available on the Board with the competencies required, thereby identifying any skill gaps. This ensures that the Board maintains a high level of competence in all critical areas.
2. *Individual Assessments:* Each Director is assessed for their skills and competencies, allowing for a detailed understanding of the strengths and areas for growth for each Board member.
3. *Training Requirements:* Based on the results of the skill matrix, the training requirements for each Director are identified. This is crucial to address any gaps and ensure all Board members are well-prepared to fulfill their duties effectively. Training might cover technical areas, industry trends, regulatory updates, or soft skills such as leadership and communication.
4. *Personal Development Plans:* Once the training needs are identified, they are discussed and agreed upon with each individual Director. This leads to the creation of personal development plans tailored to enhance their capabilities, thus enabling them to contribute more effectively to Board activities and decision-making.
5. *Ongoing Learning Culture:* The process reinforces a culture of continuous learning and improvement at the Board level, ensuring Directors are up-to-date with the latest industry practices, regulatory changes, and governance trends, enhancing overall Board performance.



Part C Agenda Review

STO Board undertakes a review of the agenda list and evaluates how effectively the Board has allocated its time during meetings. This is an important governance practice designed to ensure that the board focuses on strategic issues, utilizes meeting time efficiently, and fulfills its responsibilities effectively. This process includes:

1. *Agenda Review:* The agenda list is assessed to determine whether the topics covered are relevant, comprehensive, and properly aligned with the board's strategic priorities. The Board reviews whether sufficient time is allocated to high-priority items such as strategic planning, risk management, financial oversight, and governance matters. The goal is to ensure that the agenda is well-balanced and appropriately prioritizes critical topics over routine matters.
2. *Evaluation of Time Spent:* The Board also evaluates how time has been spent during meetings. This involves reviewing the actual time spent on each agenda item and comparing it to the original allocation. The evaluation helps identify if more time needs to be allocated to specific strategic topics and whether too much time is being spent on operational or less critical issues that can be delegated to management.
3. *Focus on Strategic Issues:* The Board assesses whether it has dedicated enough attention to strategic discussions as opposed to operational details that may fall outside of their governance role. Ensuring an appropriate balance helps the board focus on value-adding discussions that drive long-term growth and sustainability for the company.
4. *Continuous Improvement:* Based on the findings, the Board may make adjustments to future meeting agendas, improving the focus on key responsibilities and enhancing the efficiency of meetings. If certain topics require more in-depth discussion, future agenda items can be adjusted accordingly. Conversely, items that may have consumed too much time may be streamlined or delegated.



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Part C: Agenda Review

5. *Tracking Effectiveness:* The evaluation also serves as a feedback mechanism for improving the effectiveness of Board meetings over time. By understanding the dynamics of how meetings are conducted and identifying areas for improvement, the board can refine its processes to ensure that every meeting is productive and aligned with the Company's governance goals.
6. *Alignment with Goals:* Ultimately, the review helps ensure that Board meetings are purposeful and effectively contribute to the achievement of STO's strategic objectives. It keeps the Board focused on critical decision-making areas, facilitates better governance, and helps maintain alignment between the Board's activities and the Company's mission.



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