



BOARD EFFECTIVENESS IN 2025

INSIGHTS FROM THE TSX30



INTRODUCTION

Since 2022, Korn Ferry has conducted and published research on board evaluation practices among S&P 500 companies. In 2025, we expanded our scope to examine the board evaluation practices of companies within the TSX30.¹ The TSX30 is an annual ranking by the Toronto Stock Exchange (TSX) of the top 30 performing companies based on dividend-adjusted share price performance over a three-year period.⁴

DISCLOSURE ABOUT BOARD EVALUATION PROCESS

According to the TSX Company Manual,² companies listed on the TSX are subject to National Instrument 58-101 Disclosure of Corporate Governance Practices³ and are required to disclose their corporate governance practices, including whether or not the board, its committees, and individual directors are regularly assessed with respect to their effectiveness and contribution.⁴

97%

of TSX companies conduct an annual board assessment and therefore disclose information about the process. One company disclosed that it has not adopted a process for assessing its effectiveness.

^[1] This report is based on the 2024 TSX30 ranking, which, as of August 1, 2025, comprised 29 TSX-listed companies following the acquisition of Filo Corp. in January 2025. The TSX30 data was sourced and analyzed by Korn Ferry during August and September 2025.

^[2] Toronto Stock Exchange, *TSX Company Manual*, April 20, 2023, https://cdn-ceo-ca.s3.amazonaws.com/1in03pb-TSX_Company_Manual_-_April_20__2023__English_.pdf.

^[3] Toronto Stock Exchange, *TSX Filing Guide*. Accessed September 11, 2025. <https://www.tsx.com/en/resource/69>.

^[4] Ontario Securities Commission, *National Instrument 58-101: Disclosure of Corporate Governance Practices*, June 17, 2005, <https://www.osc.ca/en/securities-law/instruments-rules-policies/5/58-101/national-instrument-ni-58-101-disclosure-corporate-governance-practices-0>.

THE HIGHLIGHTS FROM THE 2025 PROXY CIRCULARS



ASSESSING INDIVIDUAL DIRECTORS

100%

of TSX30 companies that conduct an annual board assessment assess individual board members.



INTERVIEWS

28%

Only 28% disclose that they include interviews as part of the evaluation process.



INCLUDING MANAGEMENT

7%

Only 7% of companies disclose that management team members provide feedback.



THIRD PARTIES

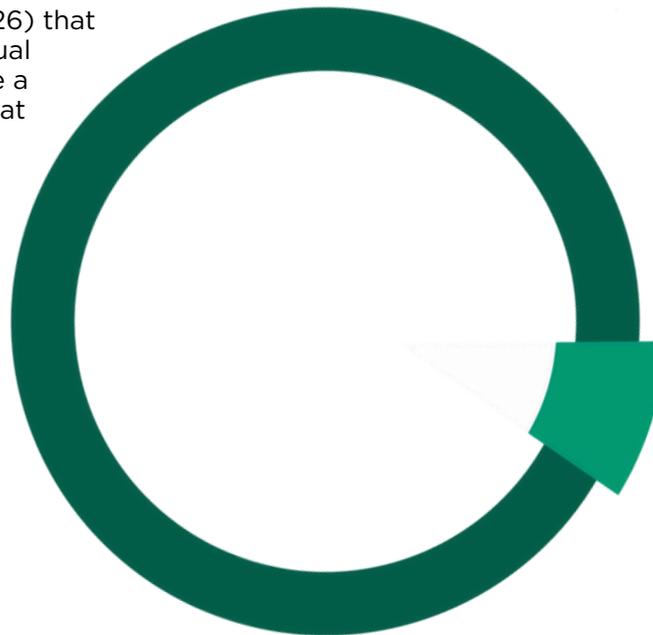
25%

Only 25% of companies report using a third party to support their board evaluation process. Among those that do, 71% engage third-party support on a periodic basis.

WHAT IS BEING EVALUATED?

93%

of TSX30 companies (26) that are conducting an annual board evaluation utilize a three-tier evaluation that includes the board, the committees, and individual directors.



7%

The remaining 7% (2) disclose that they evaluate only the board and individual directors.



KORN FERRY OBSERVATION

The three-tier model's prominence among Canada's top-performing companies signals alignment with global governance standards which emphasize collective board performance, committee functionality, and individual director contribution. 100% of TSX30 companies are assessing individual board members (compared with 55% in the S&P 500). This is an important part of the renomination process and, if done effectively, helps to provide developmental feedback to individual directors, therefore strengthening the collective value of the board.

HOW ARE THEY CONDUCTED?

79% of companies in the TSX30 (22) disclose information about how the evaluation(s) are conducted. **21%** do not disclose how they conduct the evaluation(s).

Of the 79%:

59%

(13) conduct the evaluation through a **questionnaire/survey only**

32%

(7) conduct the evaluation through a **questionnaire/survey and interview**

5%

(1) conduct the evaluation through **interview only**

5%

(1) conduct the evaluation through **group discussions**

There is very limited disclosure on management's involvement in board evaluations.

7%

Only 7% (2) of companies disclose that they solicit feedback about the board from the management team.



KORN FERRY OBSERVATION

Questionnaires/surveys remain the most commonly used tools for data collection. However, more than a third of companies are using interviews to enrich the quality and depth of qualitative insights (compared with 50% in the S&P 500).

According to *Building High Performance Boards* by the Canadian Coalition for Good Governance (CCGG), a recommended best practice is to conduct an annual confidential peer-review survey to assess individual director performance, alongside a separate confidential survey or one-on-one interviews to evaluate the overall effectiveness of the board and its committees.⁵

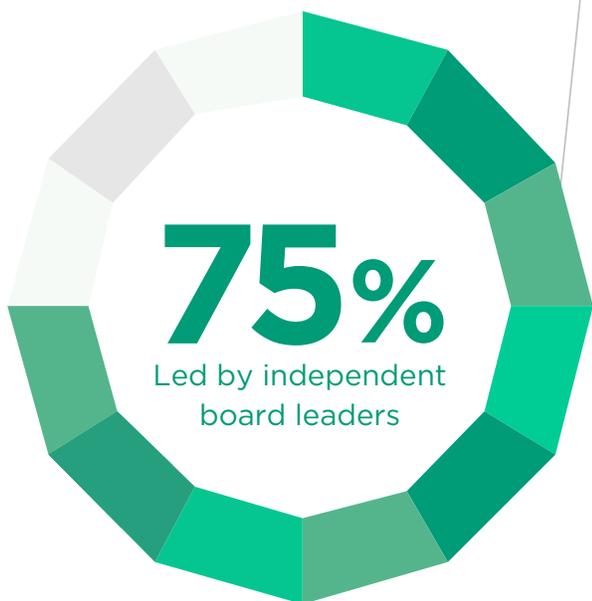
Although questionnaires/surveys offer an efficient means of gathering information, board and management team members may be reluctant to provide candid or constructive feedback in written form. As a result, the insights obtained through these methods may lack the nuance and specificity that can be captured in one-on-one interviews.

Annual board evaluations present an opportunity to incorporate broader perspectives. Gathering input from members of the management team who work closely with the board can offer a more comprehensive view of board effectiveness, reveal potential blind spots in board-management interactions, and foster stronger trust and collaboration between directors and the executive team.

^[5] Canadian Coalition for Good Governance, *Building High Performance Boards*, accessed September 8, 2025, <https://ccgg.ca/download/5793/?tmstv=1739881728>.



WHO LEADS THE EVALUATIONS?



Board leadership drives the process with 75% (21) of board evaluations being led by either the Independent Board Chair or Nominating and Governance Committee Chair. Additionally,

7%

(2) disclose they are led by the Nominating and Governance Committee.

4%

(1) disclose that they are led by the Corporate Secretary.

14%

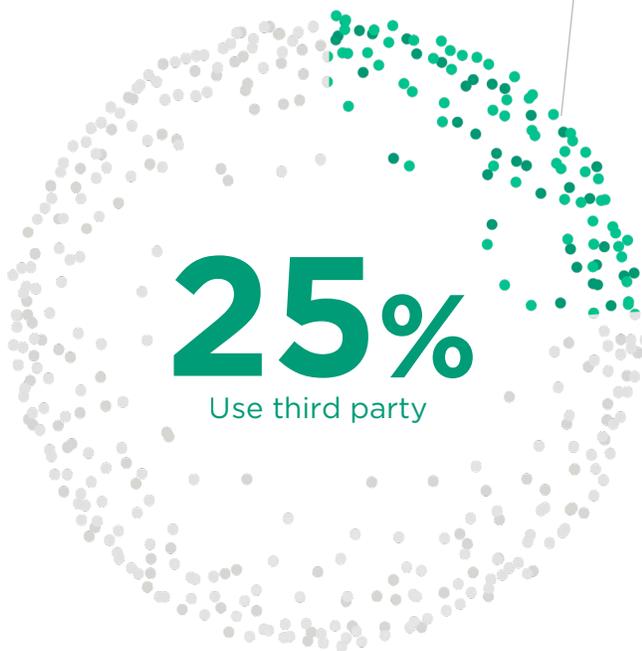
(4) do not disclose who led the process.



KORN FERRY OBSERVATION

When the board evaluation process is led by the Independent Chair or the Chair of the Nominating and Governance Committee, it signals strong governance oversight. These leaders often play a pivotal role in advancing evaluation practices, introducing enhancements that result in more substantive assessments. Their involvement can contribute to more meaningful evaluations and, ultimately, to stronger, more effective boards.

INDEPENDENT PERSPECTIVE



Only 25% (7) disclose using a third party to assist with the evaluation (compared with 38% in the S&P 500).

Of those that disclose using a third party, the majority

71%

(5) use a third party periodically.



KORN FERRY OBSERVATION

Internally led board assessments can be effective; however, periodic engagement of an independent third party is widely regarded as an international governance best practice, but is also encouraged in Canada, particularly for high-performing boards. Independent third parties are especially valuable in assessing board culture and interpersonal dynamics, and in collecting peer feedback on individual board member contributions.

TOPICS COVERED



Just over half of the TSX30 disclose information on the topics covered in their evaluation(s). 54% (15) disclose information on the topics covered.

The most common topics are:

95%

(14) Board/Committee Skills and Composition

80%

(12) Board Culture/Dynamics/Functioning/Operations

73%

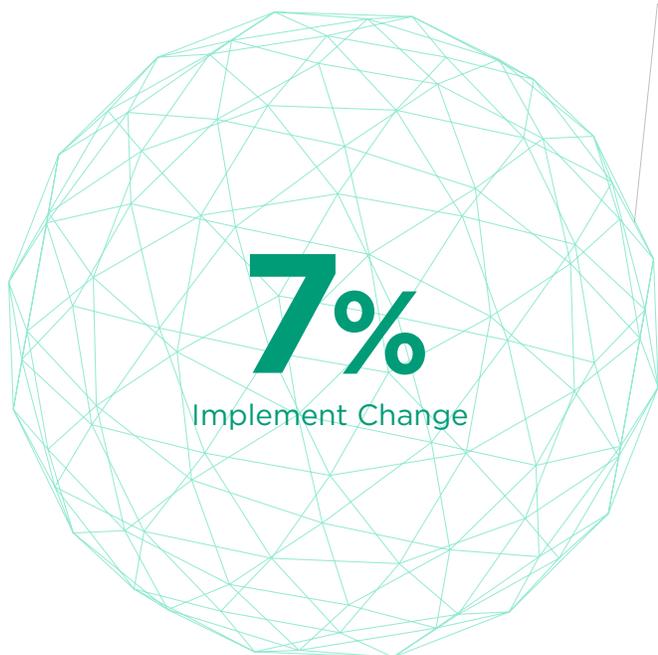
(11) Board/Committee Structures and Responsibilities



KORN FERRY OBSERVATION

The high percentage of companies disclosing that they include Board/Committee Skills and Composition indicates a strong emphasis on using the evaluation to ensure the board has the right mix of expertise, experience, and diversity.

DO BOARDS IMPLEMENT CHANGE AS A RESULT OF BOARD EVALUATIONS?



Very few companies are disclosing any information about changes they are making following the evaluation. Only 7% (2) are disclosing that they are making changes based on the outcome of the evaluation.



KORN FERRY OBSERVATION

Companies that choose not to disclose follow-up actions miss a valuable opportunity to demonstrate accountability. Sharing outcomes from board evaluations reinforces that the process is substantive rather than procedural, affirms the board's commitment to continuous improvement, and fosters stakeholder confidence by signaling responsiveness to feedback. According to *Building High Performance Boards* by CCGG, a recommended best practice is to disclose, where appropriate, the conclusions and improvement opportunities identified through the board evaluation process in the proxy circular.⁶

^[6] Canadian Coalition for Good Governance, *Building High Performance Boards*, accessed September 8, 2025, <https://ccgg.ca/download/5793/?tmstv=1739881728>.

TRENDS IN GLOBAL BOARD EVALUATION STANDARDS

Board evaluation practices vary significantly across global markets, with many jurisdictions adopting standards that exceed those commonly observed in North America. The mechanisms for setting the standards differ by jurisdiction, ranging from legal mandates (as seen in Spain) to listing requirements (such as those required by the NYSE in the U.S.), and voluntary adherence to national corporate governance codes. Many of the corporate governance codes include a comply-or-explain (explain why not) principle which are usually voluntary but widely followed.

In the United Kingdom, for example, FTSE 350 companies are expected to engage an external evaluator at least once every three years under the widely followed comply-or-explain framework. Other countries, including Canada, France, and Spain, also encourage the use of third-party facilitators as part of their recommended governance practices.

Individual director assessments are increasingly common across markets. Countries such as Australia, Brazil, Canada, France, Japan, Singapore, Spain, and the UK all recommend or require evaluations of individual board members.

Annual board evaluations are the prevailing norm in most regions. However, some countries, including Australia and Germany, recommend evaluations be conducted periodically or regularly rather than annually. Brazil ties its evaluation cycle to the tenure of management, while Hong Kong recommends at least every two years.

Across jurisdictions, board evaluations typically focus on the performance and composition of the board as a whole. Many also include assessments of board committees, the chair, and increasingly, individual directors.

Disclosure practices vary, but annual reports are the most common vehicle for communicating evaluation processes and outcomes. In countries such as Spain and France, companies are expected to disclose follow-up actions or updates on prior year findings, although the content disclosed varies significantly. The UK and Australia go further, with more prescriptive disclosure expectations. The expectation in the UK is to disclose how external evaluators were involved as well as the impact on future board composition. Companies in Australia are expected to disclose the evaluation process for each evaluation component (whole board, committees, individuals).

Despite regional differences, one consistent theme emerges: regular board evaluations are widely recognized as a foundational element of effective corporate governance around the world. Jurisdictions with more advanced standards often serve as benchmarks, influencing practices in other markets and contributing to the global evolution of board oversight.

Information about the Global Board Evaluation Requirements & Standards can be found in the Appendix.



CONCLUSION

Findings from the TSX30 indicate a strong commitment to board effectiveness with 93% of companies adopting a three-tier approach to board assessments (e.g., assessing board, committees, and individual board members). However, to demonstrate a deeper prioritization of accountability, transparency, and continuous improvement, TSX30 boards should consider going beyond baseline requirements. The *CCGG 2024 Best Practices for Proxy Circular Disclosure* recommends that boards move beyond boilerplate descriptions of the assessment process. Instead, disclosures should include substantive insights into the practical impact of prior-year evaluations – such as key themes that emerged, areas of improvement, and specific focus areas that will be integrated into the board’s processes or structure in the following year.⁷

While questionnaires and surveys offer an efficient means of data collection, our experience suggests that board members may be reluctant to provide candid feedback through these tools. Boards that rely exclusively on such methods risk missing valuable qualitative insights that can be uncovered through confidential one-on-one interviews.

Additionally, the relatively low adoption of independent third-party evaluators (25%) suggests that many boards may not be fully capitalizing on external objective perspectives to assess board culture, interpersonal dynamics, and individual contributions, all factors that are increasingly critical to overall board performance and the necessary evolution of strong governance given the confluence of increasing external pressure and uncertainties.

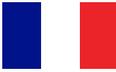
Disclosure practices also present opportunities for improvement. Limited transparency around management input and post-evaluation actions may hinder stakeholder trust. Incorporating broader perspectives by soliciting feedback from management and clearly communicating changes and/or improvements made as a result of evaluations can reinforce the credibility of the process.

TSX30 companies are well-positioned to lead by example. By expanding disclosure around evaluation outcomes, integrating broader stakeholder perspectives, and periodically engaging independent evaluators, boards can strengthen governance practices, enhance performance, and build long-term investor confidence.

⁷ Canadian Coalition for Good Governance, *2024 Best Practices for Proxy Circular Disclosure*, accessed September 9, 2025, <https://ccgg.ca/download/5766/?tmstv=1734019774>.

APPENDIX

GLOBAL BOARD EVALUATION REQUIREMENTS & STANDARDS

| Country | Board evaluation required or widely adhered to? | How often? | What is evaluated? | Individual director assessment required or recommended? | External evaluator required? | Evaluation results/action items disclosed? |
|--|---|---|---|---|--|---|
| Canada  | Yes. Widely adhered to. Recommended as a best practice in the Guidance for Crown Corporations - Assessing Board Effectiveness ⁱ ; the Canadian Securities Administrators (CSA) National Policy 58-201 Corporate Governance Guidelines ⁱⁱ and Canadian Coalition for Good Governance - 2024 Best Practices for Proxy Circular Disclosure ⁱⁱⁱ | Recommended annually | Board composition; knowledge; responsibilities fulfilled; conduct; board of directors, board committees, individual directors | Yes. Recommended | No. Recommended as a possible approach | Recommends a follow-up after the assessment to ensure that any identified areas of concern have been addressed; Recommends disclosing findings/ updates from prior years and objectives for upcoming year |
| US  | Yes. Legal obligation for NYSE-listed companies to conduct annual board evaluations per Section 303A.09 Corporate Governance Guidelines ^{iv} ; Nasdaq-listed companies are not required, but most do as a best practice | Annually | Performance evaluation of the board and the audit, compensation, and nominating/ corporate governance committees | No. Not required | No. The board may determine who will lead the evaluation process (e.g., the Chair, lead independent director or an external consultant) | Not prescribed |
| Brazil  | Yes. Recommended in Section 2.10 of the Brazilian Code of Best Practices of Corporate Governance ^v & required to list at the Novo Mercado level of the B3 ^{vi} per Art. 18 | At least once during management's term of office | The board itself, as a collective body; committees, if any; the chair of the board; board members, individually; the governance secretariat, if any | Yes. Recommended | No. Not prescribed | Evaluation disclosed in the company's Reference Form, including scope, procedures, and methodology as well as any changes made compared with previous years |
| France  | Yes. Widely adhered to based on a comply-or-explain principle. Recommended in Section 11 of the AFEP-MEDEF Corporate Governance Code of Listed Corporations ^{vii} | Annually "debate its operations," with a formal evaluation once every three years | The way the board operates; prioritization of important topics; board composition; committees; culture and dynamics; individual contribution of each director; chair of the board | Yes. Recommended | No. Recommended every three years as a complement to the participation of the appointments/ nominations committee | Evaluation completion disclosed in annual report; recommendation to disclose any steps taken as a result |
| Germany  | No. Described very generally in Recommendation D.12 of the German Corporate Governance Code ^{viii} | "At regular intervals" | "How effective the Supervisory Board as a whole and its committees fulfil their tasks" | No. Not prescribed | No. Not explicitly recommended | If evaluation is conducted, report recommended to be disclosed in the Corporate Governance Statement if (and how) the self-assessment was conducted |

| Country | Board evaluation required or widely adhered to? | How often? | What is evaluated? | Individual director assessment required or recommended? | External evaluator required? | Evaluation results/action items disclosed? |
|--|--|---|---|---|--|--|
| Spain  | Yes. Legally required in Article 529 of the Spanish Corporate Enterprises Act^{ix} & recommended in Principle 18 and Recommendation 36 CNMV Good Governance Code of Listed Companies^x | Annually | Board effectiveness as a whole, including committees, chair, board secretary and occasionally CEO | Yes. Recommended (but not common practice) | No. Recommended in the CNMV that an external facilitator is used at least every three years | Results included in the record of the session or incorporated into the same as an annex; the board must draw up an action plan to address any weaknesses detected |
| UK  | Yes. Widely adhered to based on a comply-or-explain principle. Recommended in Section 3 of the UK Corporate Governance Code^{xi} | Annually | The composition of the board; culture and dynamics; diversity; individual contribution of each director; chair of the board | Yes. Recommended | Yes. External consultant required at least once every three years for FTSE 350 companies | Evaluation disclosed in annual report on how the board performance review was conducted; the nature and extent of an external reviewer's contact with the board and individual directors, if relevant; the outcomes and actions taken; how it has or will influence future board composition |
| Australia  | Yes. Widely adhered to based on a comply-or-explain principle. Recommended as Recommendation 1.6 in the ASX Corporate Governance Principles and Recommendations^{xii} , required annually for APRA-regulated institutions | Periodically (typically every other year) | The Board, its committees, and individual directors | Yes. Recommended | No. Not prescribed, but often used | Should disclose a process for periodically evaluating the performance of the board, its committees and individual directors and disclose whether the evaluation was undertaken in accordance with that process |
| Hong Kong  | No. But increasing awareness of recommended Best Practice B.1.5 of the Corporate Governance Code^{xiii} & recommended in the HKEX Corporate Governance Guide for Boards and Directors^{xiv} | "At least every two years" | Board performance | No. Not prescribed | No. Recommended to supplement internal-led evaluations | If conducted, evaluation report recommended to be presented to the board and disclosed in the Corporate Governance Report on the scope of review, findings, results, and significant areas of improvement identified |
| Japan  | Yes. Widely adhered to based on a comply-or-explain principle. Recommended in Japan's Corporate Governance Code^{xv} | Annually | Effectiveness as a whole and the self-evaluations of each director | Yes. Recommended | No. Not prescribed | A summary of the results should be disclosed |
| Singapore  | Yes. Widely adhered to based on a comply-or-explain principle. Recommended in Principle 5 of Singapore's Code of Corporate Governance^{xvi} | Annually | Effectiveness as a whole and that of each of its board committees and individual directors | Yes. Recommended | No. Not prescribed, but the use of an external facilitator should be disclosed in the annual report | Evaluation disclosed in annual report, including identity of external facilitator, if used |

ENDNOTES

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[iii] Canadian Coalition for Good Governance, 2022 Best Practices for Proxy Disclosure (2022), <https://ccgg.ca/research-insights/best-practices/>.

[iv] New York Stock Exchange, NYSE Listed Company Manual (Jan. 30, 2025), <https://nyseguide.srorules.com/listed-company-manual/09013e2c85c0074d>

[v] 50-51 Brazilian Inst. Of Corp. Governance, Code of Best Practices of Corporate Governance (Nov. 30, 2015), <https://www.ecgi.global/publications/codes/code-of-best-practice-of-corporate-governance-5th-edition>.

[vi] Brasil, Bolsa, Balcão, Novo Mercado Listing Regulation, 12, B3 S.A. (Oct. 3, 2017), https://mz-filemanager.s3.amazonaws.com/50c1bd3e-8ac6-42d9-884f-b9d69f690602/estatuto-e-politicascentral-de-downloads/073c4c2aa570033f2412c06099c23dd5636bf1e9c9b7acd2cdd160e701d04f10/novo_mercado_listing_rules.pdf.

[vii] AFEP-MEDEF, Corporate Governance Code of Listed Corporations, 9-10, European Corp. Governance Inst. (Jun. 16, 2022), https://www.ecgi.global/sites/default/files/codes/documents/2022_code-afep-medef-version-de-decembre-2022_english.pdf.

[viii] Deutscher Corporate Governance Kodex, German Corporate Governance Code, 15 (Apr. 28, 2022), https://www.dcgk.de//files/dcgk/usercontent/en/download/code/220627_German_Corporate_Governance_Code_2022.pdf.

[ix] Ministerio De Justicia, Corporate Enterprises Act, Art. 529 nonies, 211(Jul. 2, 2015), https://www.mjusticia.gob.es/es/AreaTematica/DocumentacionPublicaciones/Documents/Corporate_Enterprises_Act_2015_-_Ley_de_Sociedades_de_Capital.PDF.

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[xi] Fin. Reporting Council, The UK Corporate Governance Code, 8-9, (Jan. 22, 2024), https://www.ecgi.global/sites/default/files/codes/documents/uk_corporate_governance_code_2024_krcm5ss.pdf

[xii] ASX Corporate Governance Council, Corporate Governance Principles and Recommendations, 4th Edition, 11, ASX (Feb. 27, 2019), <https://www2.asx.com.au/content/dam/asx/about/corporate-governance-council/cgc-principles-and-recommendations-fourth-edn.pdf>.

[xiii] Hong Kong Exchanges and Clearing Limited, Appendix 14 Corporate Governance Code, A14 - 12, HKEX (last visited Jul. 27, 2022), https://en-rules.hkex.com.hk/sites/default/files/net_file_store/HKEX4476_3828_VER18304.pdf.

[xiv] Hong Kong Exchanges and Clearing Limited, Corporate Governance Guide for Boards and Directors, 10, HKEX (Dec. 19, 2024), <https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/June-2024-Review-of-CG-Code/Conclusions-Dec-2024/cp202406cc.pdf>.

[xv] JPX Tokyo Stock Exchange, Inc., Japan's Corporate Governance Code: Seeking Sustainable Corporate Growth and Increased Corporate Value over the Mid- to Long-Term, 25, JPX (Jun. 11, 2021), <https://www.jpx.co.jp/english/news/1020/b5b4pj0000046kxj-att/b5b4pj0000046l07.pdf>.

[xvi] Monetary Auth. of Singapore, Code of Corporate Governance, 9 (Aug. 6, 2018), <https://www.mas.gov.sg/-/media/MAS/Regulations-and-Financial-Stability/Regulatory-and-Supervisory-Framework/Corporate-Governance-of-Listed-Companies/Code-of-Corporate-Governance-6-Aug-2018.pdf>.

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