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The Chartered  
**Governance**  
Institute

# Principles of Good Practice for listed companies using external board reviewers



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## Selection

1. The company will not delegate the decision on the appointment of a reviewer to a single board member or employee. It will ensure that the decision is ratified by either the full board or the nomination committee.
2. The company will not appoint reviewers with which it has other commercial relationships that might create a conflict of interest. The company will not have a relationship with the same reviewer for more than six years.

## Scope and process

3. The company and reviewer will agree terms of engagement before the review commences. These must specify the objectives and scope of the evaluation, and the process to be followed. The company will not subsequently seek to amend the terms of engagement without the agreement of the reviewer.
4. The company will provide the reviewer with direct access to the board collectively and directors individually as part of the review process. It will also provide access to board papers, board committees, management and other internal and external stakeholders where the reviewer considers this essential to meet the agreed objectives of the review.
5. The company will provide the reviewer with an opportunity to present their findings directly to the full board.
6. The company will identify a contact with whom the reviewer can discuss in confidence any concerns they have about the way the process is being managed. This would normally be one of the independent board members.

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## Disclosure

7. In the annual report, the company will state whether it has followed these Principles, and whether the reviewer is a signatory to the Code of Practice for reviewers.
8. The company will agree with the reviewer the description of the process followed and any opinions attributed to the reviewer contained in the annual report or other disclosures.

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