



2016 Board Practices Report

A transparent look at the
work of the board

Tenth edition

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Introduction

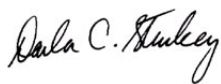
To our readers,

We are pleased to provide you with the 10th edition of the Board Practices Report (Report), a collaborative effort between Deloitte LLP's Center for Board Effectiveness and the Society for Corporate Governance (Society). This edition presents findings based on responses from the Society's members to a survey distributed in the latter part of 2016. It provides extensive data on current issues and trends in a wide variety of corporate governance areas, including some of the most pressing issues companies face in the current environment.

We are proud of the long-term collaboration between Deloitte and the Society, and we believe the Report continues to be a primary data resource for governance professionals. The data are reported based upon company size, as well as industry sector. The results of the survey and related analysis can assist with your ongoing efforts to engage effectively with shareholders, navigate the delicate balance of increasing disclosures while maintaining brevity, and establish a robust board refreshment process to support board diversity and alignment with your organization's strategic priorities.

We hope you find the Report of interest and value.

Sincerely yours,



Darla C. Stuckey
President and CEO
Society for
Corporate Governance



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Methodology

About this Report

This is the 10th edition of the Board Practices Report¹. It presents findings from a survey distributed in the third quarter of 2016 to the public company members of the Society. The survey covered over 15 areas of board practices and hot topics, and included 99 questions. Survey results are presented by market capitalization, by financial services and non-financial services industries, and by all companies in total.

This Report and its accompanying questionnaire were developed with the Deloitte Center for Board Effectiveness.

The data provided in response to the survey were analyzed anonymously and the results cannot be attributed to a specific company.

A total of 189 individuals participated in the survey. When fewer than the total number of participants responded to a particular question, an "n" value is provided to show the actual number of responses for that question. Percentages are based on the number of respondents to each question; in some cases, percentages may not total 100 due to rounding. In some cases, additional information or certain data points that have been excluded from a chart are provided in text below the chart.

Participant demographics

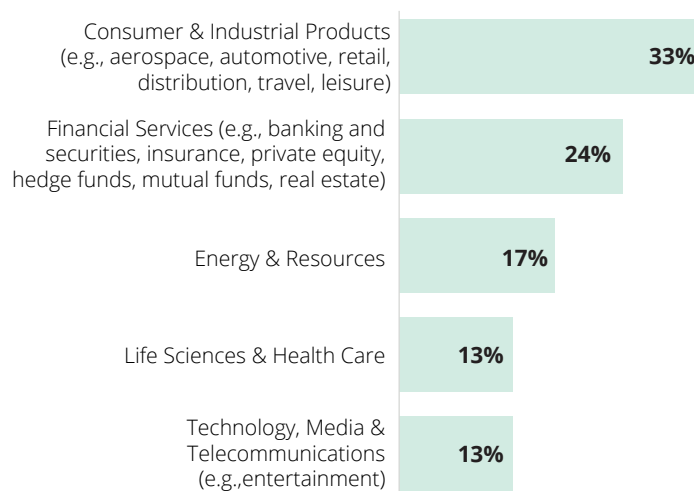
The responses to the survey's first three questions provided demographic detail on participating companies, including size by market capitalization and industry, as shown below.

Respondents

	No. of respondents	Percent of total respondents (by market cap ² and industry)
Small cap	23	12%
Mid cap	78	41%
Large cap	88	47%
Financial services	45	24%
Nonfinancial services	144	76%
All companies	189	100%

Industry classification

For analysis purposes, respondents have been grouped into financial services and nonfinancial services companies, representing 24 percent and 76 percent of the sample, respectively. As used in the following portion of this report, "FSI" and "Non-FSI" mean Financial Services and Nonfinancial Services, respectively.



¹ Excludes *The 2010 U.S. Director Compensation and Board Practices Report* by the Society for Corporate Governance and The Conference Board and sponsored by Deloitte.

² Company market cap is as of December 31, 2015. Market cap breakdown is as follows: Large cap: > \$10 billion, Mid cap: ≥ \$700 million to ≤ \$10 billion, and Small cap: < \$700 million.

Highlights

64% added a new director in the past year
This compares to 50% in a similar question asked in 2014.



9 years — Average tenure of non-management directors
9 years was most common but reflects only 15% of respondents. Six years was a close second.



Over 25% added women to their boards in the past year.
38% have 3 or more female directors
56% of large caps have 3 or more female directors



The **top three risks boards are focused on:** cyber, finance/legal, and product



Top 3 areas of **experience sought in new directors:** industry, active CEO, and financial expertise.

Technology/IT ranks #1 for small caps and is tied for first place for financial services companies.



Almost **60%** of large cap audit committees disclose more than what is required in their proxy statements.



46% said their board equity plans have compensation limits.



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AGE LIMITS
MAJORITY VOTING
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27% of companies have been **approached by an activist** in the past year — down from 31% in 2014 and 35% in 2012.



74% of companies are **discussing how to prepare for activism** — a 19 percentage point increase since 2014.



55% of boards are being **updated on shareholder sentiment and concerns** more than once a year.



Corporate secretaries are **engaging more** with shareholder groups — with 41% reporting that the level has increased either significantly or slightly.



14% added a board member with **cyber experience** in the past two years.



Nearly 60% of companies **provide sustainability disclosure** — primarily via formal sustainability reports and dedicated webpages.

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board evaluations
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Key findings

REFRESHMENT
risk oversight
stock buybacks
STRATEGY RETREAT
shareholder activism
MAJORITY VOTING
STRATEGIC OVERSIGHT
TONE AT THE TOP
committees
compliance MINORITIES
CYBERSECURITY
CAPITAL EXPENDITURES
CRISIS
product risk
board committee structure
DIRECTOR ELECTIONS
ETHICS
shareholder rights
SUSTAINABILITY
women
CYBER RISK
diversity
CAPITAL ALLOCATION STRATEGIES
evaluations
MEETINGS
TECHNOLOGY
DISCLOSURE
SHAREHOLDER ENGAGEMENT

This 10th edition of the Report identifies key findings on board-relevant topics that have risen to prominence over the last two years. These topics include cyber risk, shareholder activism and diversity, among others. Here, we present a few of the key findings.

Board refreshment and diversity

Boards, investors, regulators, public policy makers and others are increasingly focused on the mix of directors in the boardroom, with a particular focus on diversity, including gender, race, ethnicity, generation/age and thought. They are also focused on processes related to refreshment. The survey revealed that:

- **Nearly two-thirds of respondents reported their boards added a new director in the past year**, up from half in 2014. The changes resulted mainly from resignations and planned retirements, though 22 percent attributed the change to keeping the board fresh, and 15 percent reported it was to achieve greater diversity.
- **Seventy-eight percent of respondents have adopted some form of a refreshment policy**; of these respondents, 75 percent have age limits, and 5 percent have term limits.
- **Large cap companies have the greatest amount of gender diversity**, with 40 percent of respondent companies having three female directors and 16 percent with four or more. Approximately

70 percent of respondents, overall, reported having at least two women on the board.

- **Fifty-two percent of respondents have one or two board members of a racial and/or ethnic minority.**

Shareholder rights

- **Majority voting in uncontested director elections, a continual proxy season hot topic, is the standard at 72 percent of companies**, up from 63 percent since 2014. Fifty-four percent of companies allow shareholders to call special meetings; 41 percent of those companies require an ownership threshold of 25 percent, while about a quarter of the companies have a 10 percent or less threshold.

Risk and strategic oversight

Respondents ranked cyber as the number one risk their boards are focused on, followed by finance/legal risks and product risk. Slightly more than half (54 percent) of respondents reported that the audit committee has primary responsibility for cybersecurity oversight.

Over two-thirds of the respondents reported their boards participate in an annual strategy retreat with management, and 42 percent of boards monitor progress against the company's strategic plan at each board meeting.

Boards are considering a number of capital allocation strategies, with 81 percent discussing capital expenditures, acquisitions, and dividends, and 73 percent discussing stock buybacks.

Audit committee practices

The survey findings on audit committees include:

- **Two-thirds of committees meet via conference call to discuss earnings releases**, while 22 percent review earnings releases at in-person meetings.
- **About 80 percent of committees regularly hold an executive session with the external and internal auditors**, 61 percent have regular executive sessions with the CFO, and 44 percent hold regular executive sessions with their general or other in-house counsel.
- **Common education topics for the committee include cybersecurity**, industry-specific items, and regulatory matters.
- **Forty-one percent of respondents reported that they provide more disclosure about the audit committee than is required**; another 12 percent are considering doing so.

Shareholder engagement and activism

Activism is a key risk management issue for many boards. **Forty-two percent of the boards receive education on shareholder engagement/activism and investor relations**, and 55 percent are updated on shareholder concerns and other sentiment more than once a year. **Shareholder requests to speak directly to board members have increased slightly over past years**; 17 percent report having received such a request and 47 percent report the board chair has interacted with a shareholder/ shareholder group in the last year. **Twenty-seven percent of companies have been approached by an activist in the past year**, down from 31 percent in 2014 and 35 percent in 2012.

Sustainability

Investors are increasingly focused on sustainability practices, evidenced by the rising number of shareholder proposals related to climate change and human rights, including proposals calling for greater disclosure regarding the management of sustainability-related risks and opportunities. The survey found:

- **Nearly 60 percent of companies provide some form of sustainability disclosure**, with 42 percent providing a formal report.

- **Twenty-eight percent of companies incorporate specific sustainability-related goals in company strategy**; nine percent more are considering it.

Cybersecurity

Almost two-thirds reported their boards have a high level of awareness of cybersecurity specific to their companies. With cyber ranked as the number one risk the board is focused on, it is no surprise cyber security/cyber risk was the number one topic of education for audit committees and among the more common topics of full board education.

Fourteen percent of the respondent companies added a director with cyber experience in the past two years. Nearly half of the respondents reported the chief information security officer most often reports to the board on cyber matters.

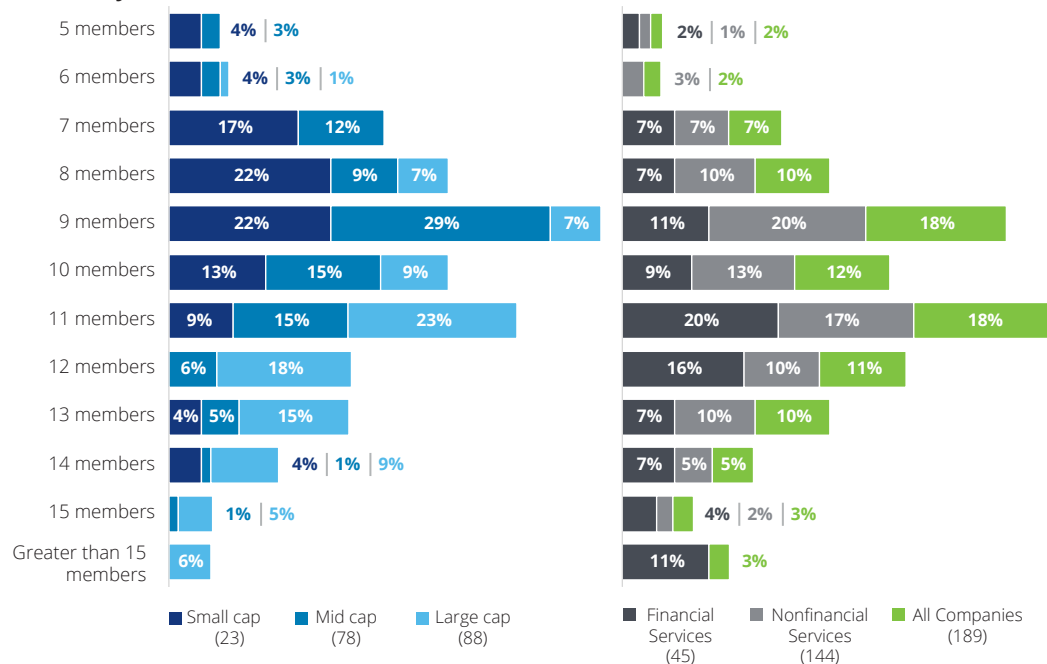
Top areas of board focus

When asked where they expect boards will spend the majority of time in 2017, strategy was a clear front runner, receiving 80 percent of responses. This was followed by risk oversight, board composition, cybersecurity and M&A. There was very little variation among market cap or industry.

Note: Responses to the survey's first three questions provided company demographic information as explained in the Methodology.

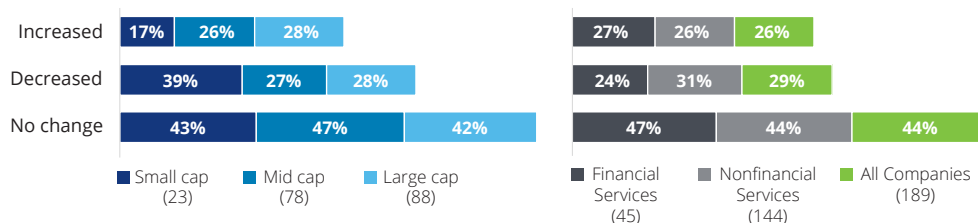
Board: Selection, recruitment, and composition

4. What is your current board size?



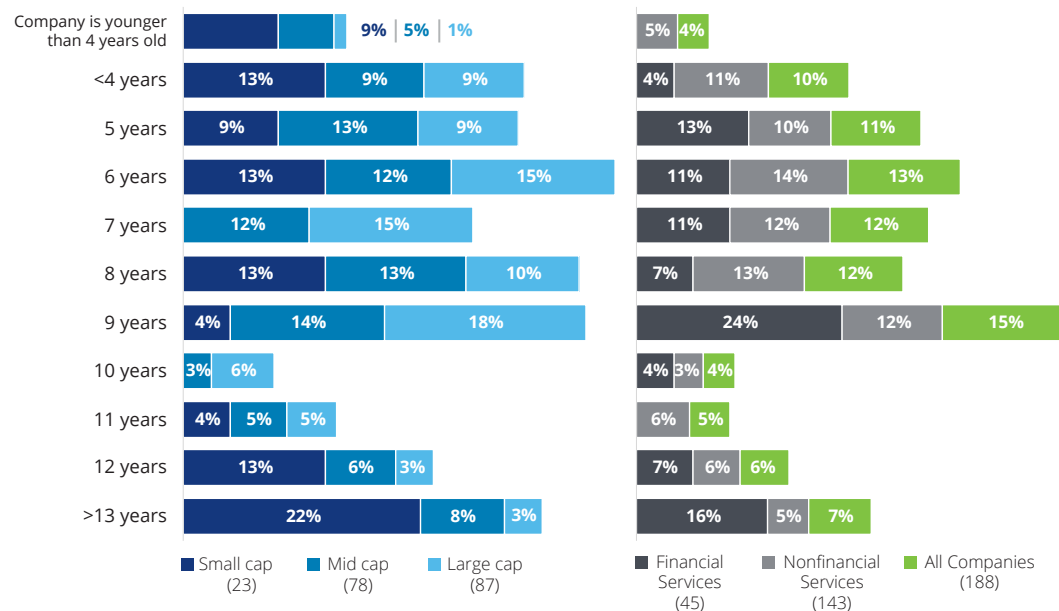
Respondents answering "Don't know/Not applicable" were as follows: 1% each large cap, non-FSI, and all companies.

5. How has your board size changed over the past year?



Respondents answering "Don't know/Not applicable" were as follows: 1% large cap, 2% FSI, and 1% all companies.

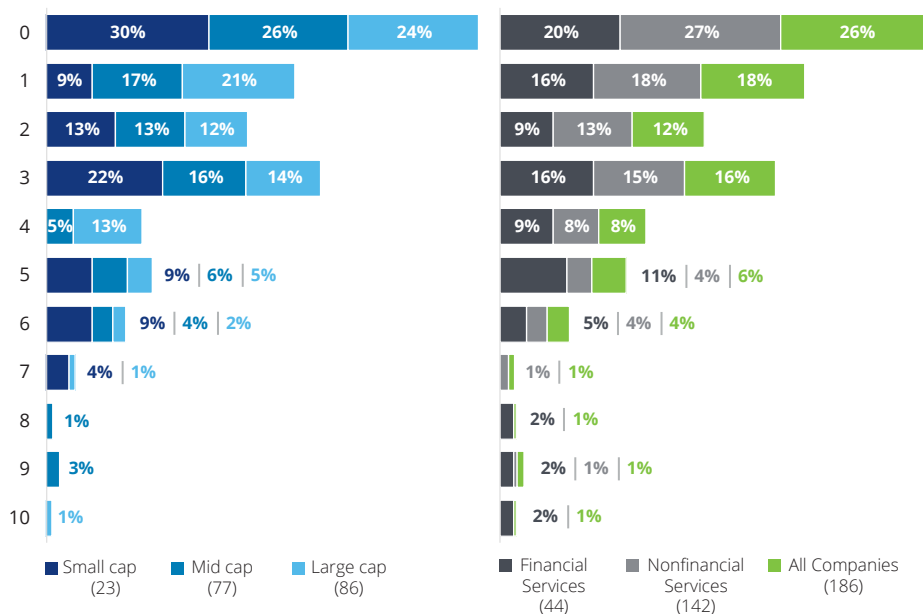
6. What is the average tenure of all non-management members of your board?



Respondents answering "Don't know/Not applicable" were as follows: 1% mid cap, 5% large cap, 2% FSI, 3% non-FSI, and 3% all companies.

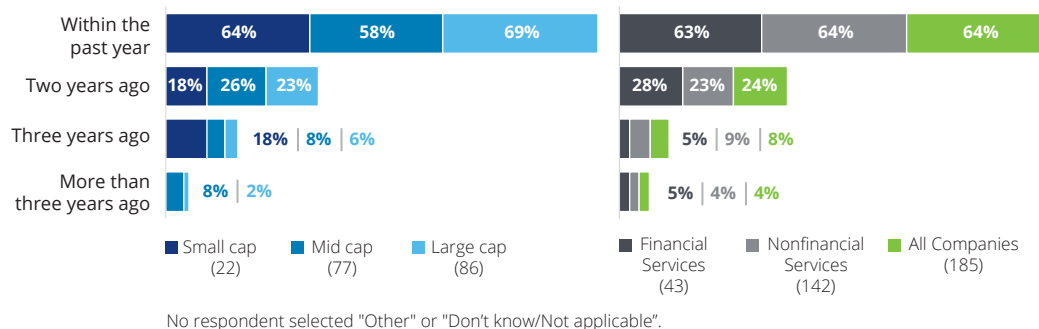
9 years — the most frequently cited average tenure of non-management directors.

7. How many non-management directors have served as a member of your board for more than 12 years? (Please either enter the number below or "Don't know/Not applicable")



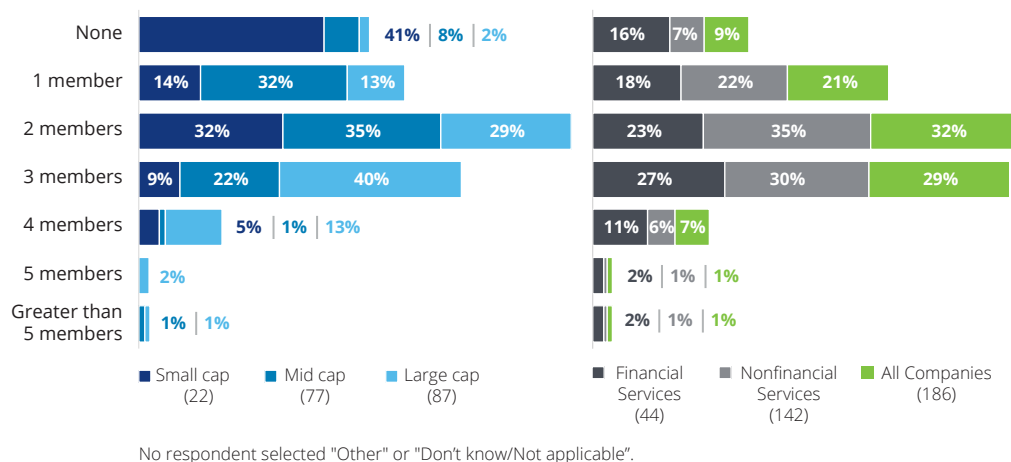
Respondents answering "Don't know/Not applicable" were as follows: 4% small cap, 9% mid cap, 7% large cap, 7% FSI, 8% non-FSI, 8% all companies.

8. When did the most recent director join your board?



64% said their most recent director joined the board within the past year (compared to 50% in a similar question asked in 2014).

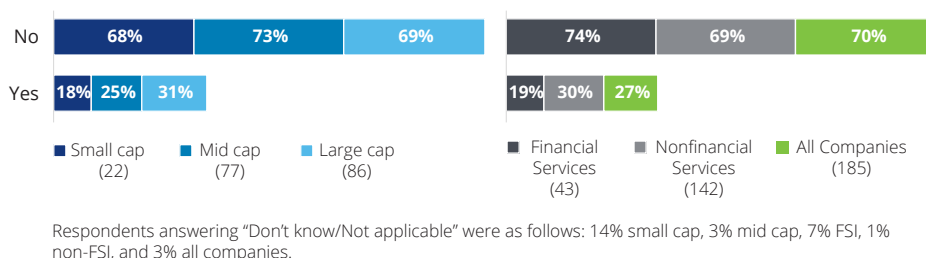
9. How many of your board members are women?



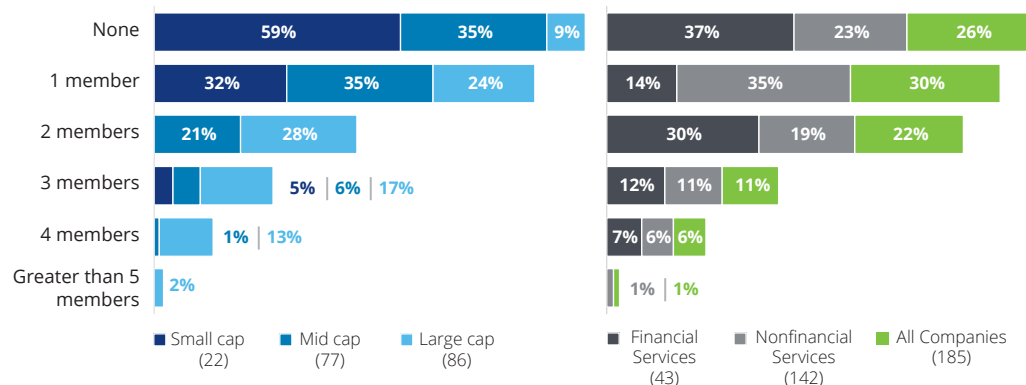
32% of boards have two women and almost 30% have three (40% for large caps).

41% of small cap companies have no women on their boards.

10. Has the number of women directors serving on your board increased in the past year?



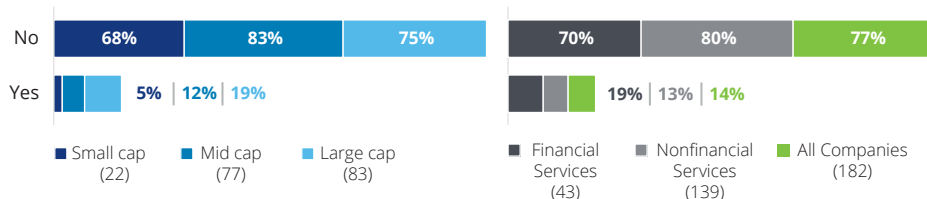
11. How many of your board members are of a racial and/or ethnic minority?



Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 1% mid cap, 6% large cap, 5% non-FSI and 4% all companies.

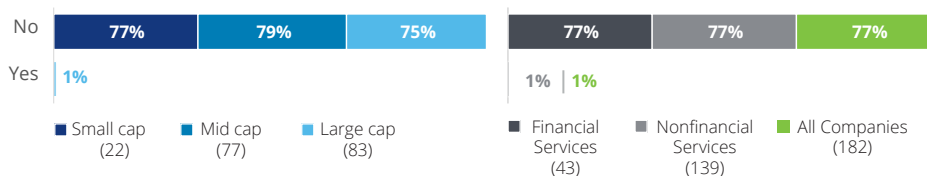
30% of boards have one ethnic/minority director and 22% have two ethnic/minority directors; 59% of small caps have no racial or ethnic minorities on their boards.

12. Has the number of racial and/or ethnic minority directors serving on your board increased in the past year?



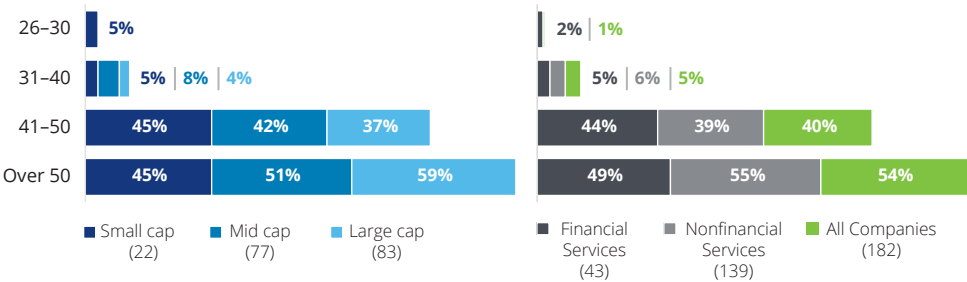
Respondents answering "Don't know/Not applicable" were as follows: 27% small cap, 5% mid cap, 6% large cap, 12% FSI, 7% non-FSI, and 8% all companies.

13. Have any of your board members disclosed that he or she is lesbian, gay, bisexual, or transgender?



Respondents answering "Don't know/Not applicable" were as follows: 23% small cap, 21% mid cap, 24% large cap, 23% FSI, 22% non-FSI, and 23% all companies.

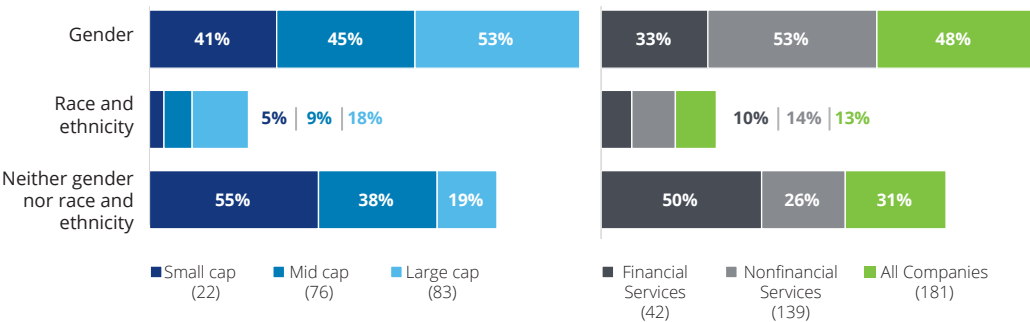
14. What is the age of the youngest director currently serving on your board?



No respondent selected "25 or under", "Other", or "Don't know/Not applicable".

More boards are adding younger directors: 40% have directors between the ages of 41-50, compared to 36% in 2014.

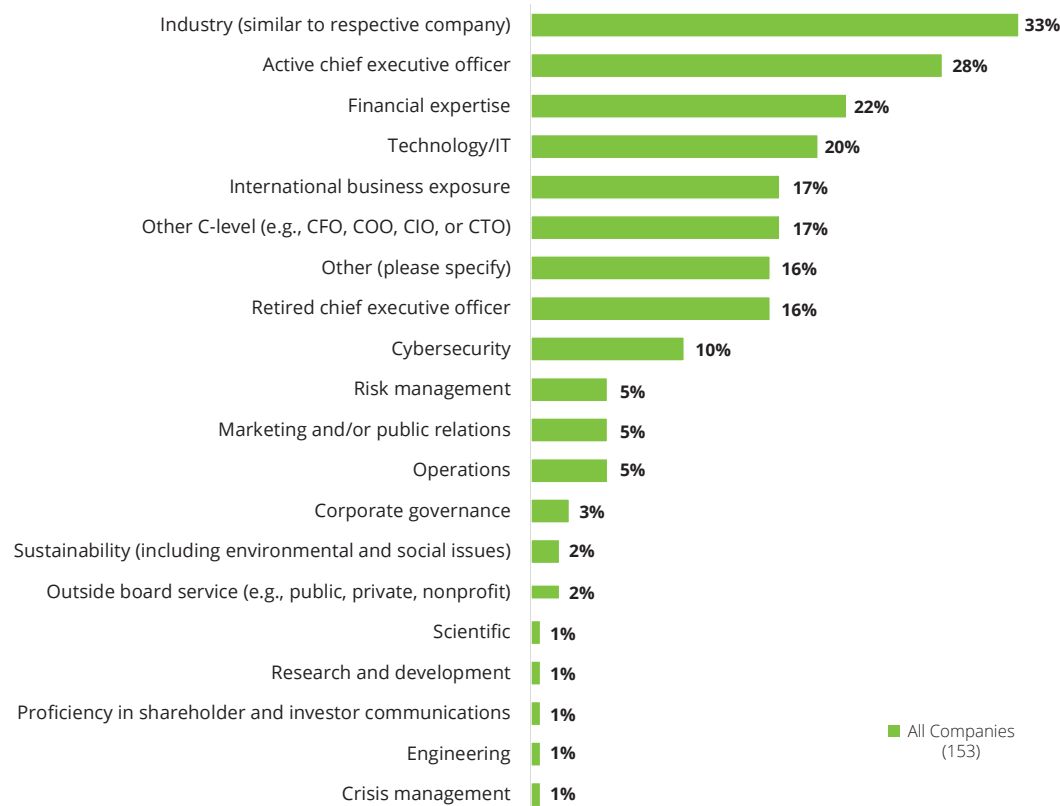
15. Which of the following is publicly disclosed with regard to your board's diversity?



Respondents answering "Don't know/Not applicable" were as follows: 8% mid cap, 10% large cap, 7% FSI, 8% non-FSI, and 8% all companies.

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SUSTAINABILITY women
CYBER RISK diversity
CAPITAL ALLOCATION STRATEGIES

16. Is your board seeking directors with any of the following attributes and areas of experience?
[Select up to three of the following attributes being sought for one or more directors.]



No respondent selected "Ethics and compliance", "Executive compensation", "Human resources", "Mergers and acquisitions", or "Military experience". Respondents answering "Other" were as follows: 19% small cap, 13% mid cap, 19% large cap, 23% FSI, 14% non-FSI, and 16% all companies. Respondents answering "Don't know/Not applicable" were as follows: 44% small cap, 19% mid cap, 26% large cap, 26% FSI, 25% non-FSI, and 25% all companies.

Top 3 responses by sector

Small cap	- Technology/IT - Active chief executive officer - Industry (similar to respective company)
Mid cap	- Industry (similar to respective company) - Active chief executive officer - Financial expertise
Large cap	- Industry (similar to respective company) - Active chief executive officer - International business exposure
Financial Services	- Technology/IT - (Tied #1) - Industry (similar to respective company) - (Tied #1) - Financial expertise - (Tied #1) - Active chief executive officer - (Tied #2) - Risk management - (Tied #2) - Cybersecurity
Nonfinancial Services	- Industry (similar to respective company) - Active chief executive officer - International business exposure - (Tied #3) - Other C-level (e.g., CFO, COO, CIO, or CTO) - (Tied #3)

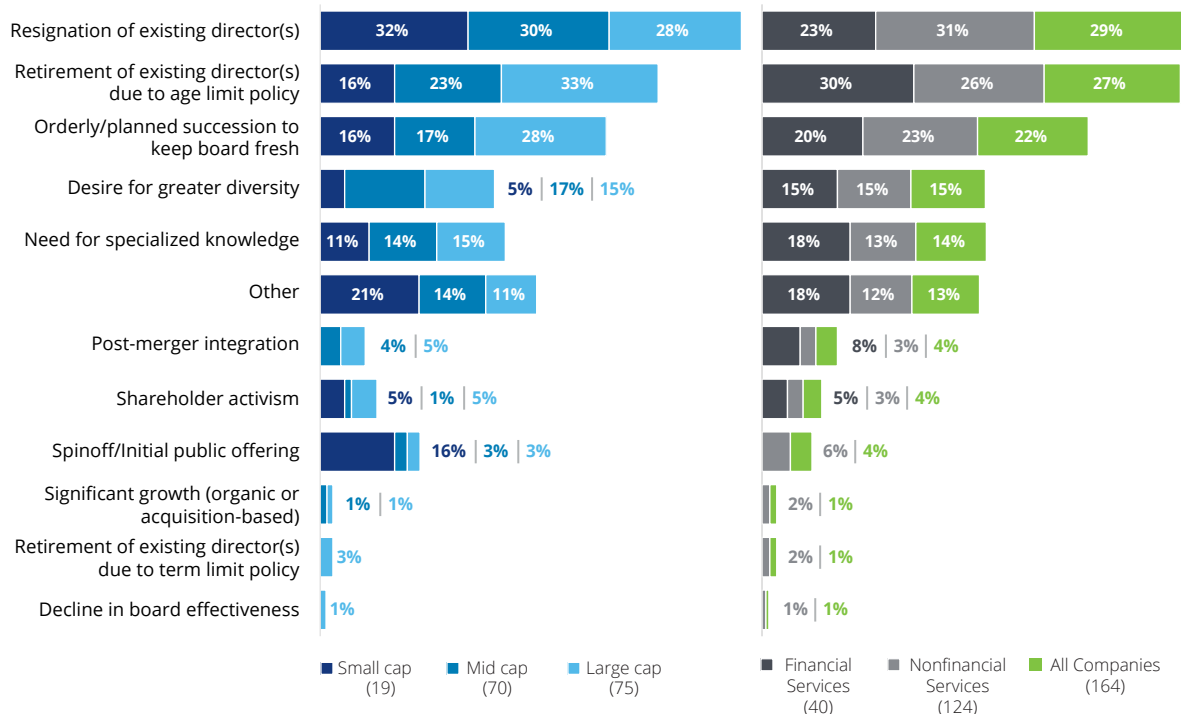
Top 5 attributes boards seek in new directors: industry experience, active CEO, financial expertise, technology/IT and international business exposure.

In a similar question asked in 2014, top attributes were: industry, C-level, international business exposure, risk management, and technology/IT.

For small caps, the number one attribute is technology/IT, which jumped to the top from barely making the list in 2014.

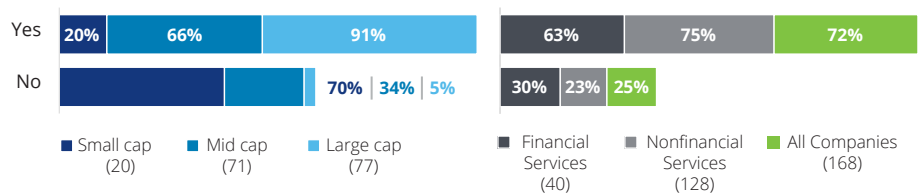
17. What triggers drove any recent changes in your board composition in the past year?

[Select all that apply]



No respondent selected "New regulation", "Enforcement actions", "Corporate crisis or disruption", or "Increased corporate risk". Respondents answering "Don't know/Not applicable" were as follows: 26% small cap, 24% mid cap, 12% large cap, 23% FSI, 18% non-FSI, and 19% all companies.

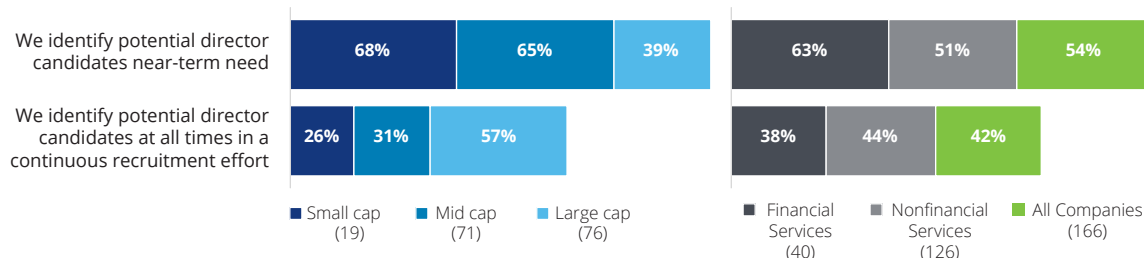
18. Has your company implemented majority voting for uncontested director elections?



Respondents answering "Don't know/Not applicable" were as follows: 10% small cap, 4% large cap, 8% FSI, 2% non-FSI, and 3% all companies.

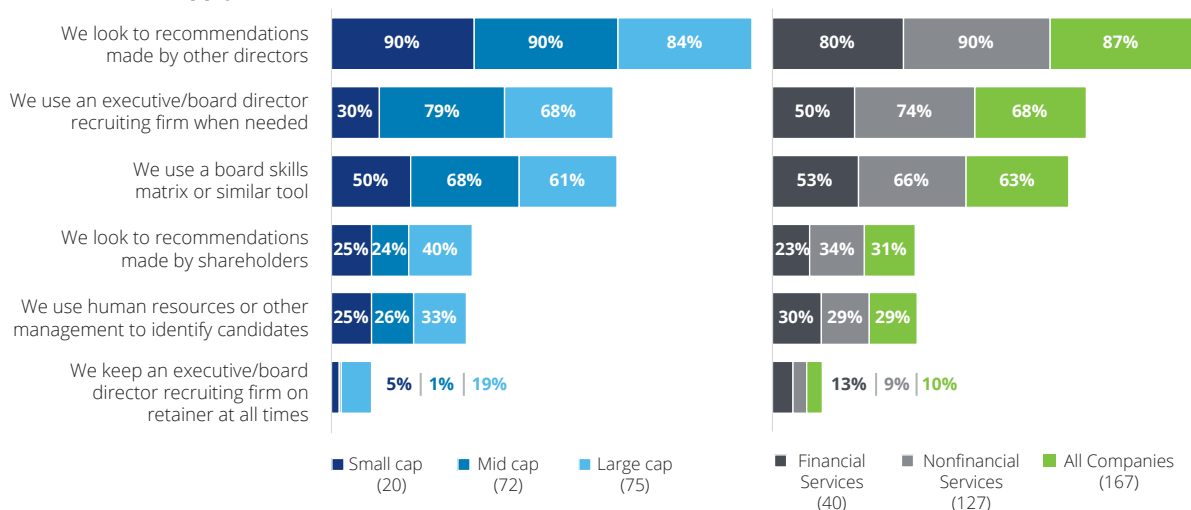
72% of all companies have majority voting policies (63% in 2014).

19. Which of the following best describes your board's recruitment efforts?



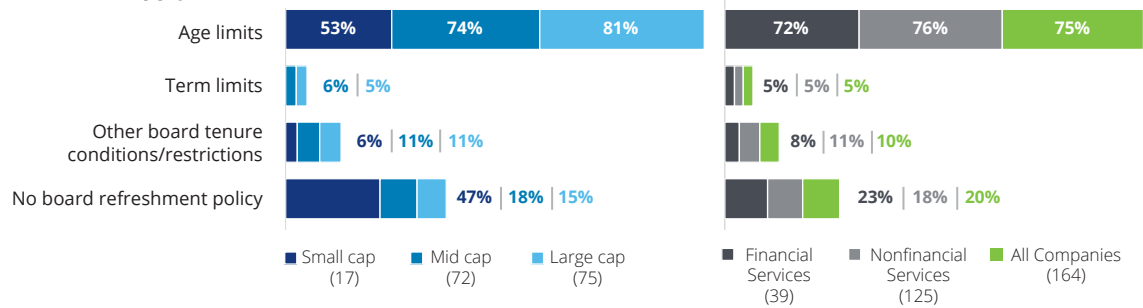
Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 4% mid cap, 4% large cap, 6% non-FSI, and 4% all companies.

20. Which of the following describes your board's director nomination process? [Select all that apply]



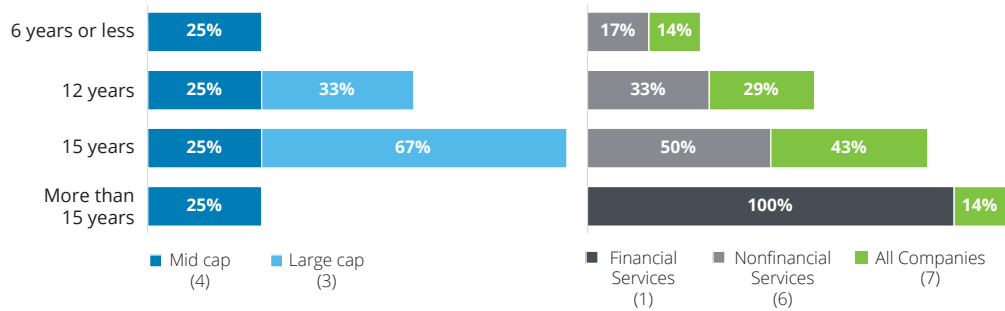
Respondents answering "Other" were as follows: 3% mid cap, 3% large cap, 3% FSI, 2% non-FSI, and 2% all companies. Respondents answering "Don't know/Not applicable" were as follows: 3% mid cap, 3% large cap, 3% FSI, 2% non-FSI, and 2% all companies.

21. Does your board have any of the following refreshment policies?
[Select all that apply]



No respondent selected "Loss of independent status after a prescribed number of years". Respondents answering "Don't know/Not applicable" were as follows: 3% mid cap, 1% large cap, 2% non-FSI, and 2% all companies.

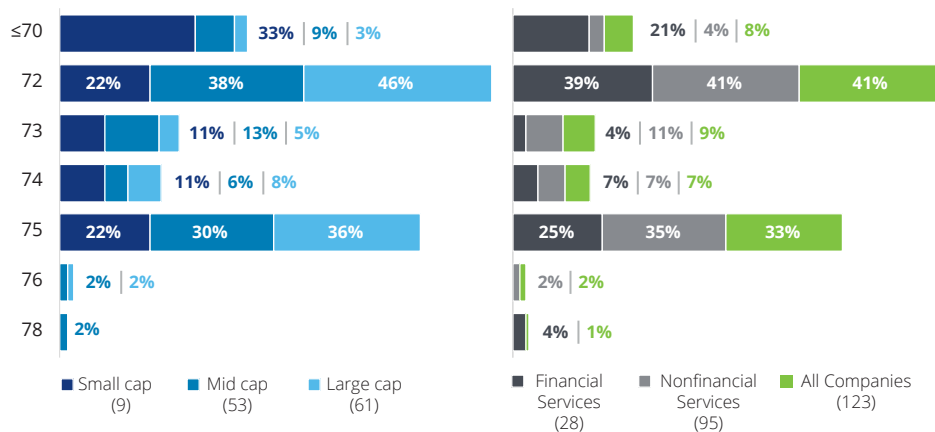
21a. If term limit policy, please specify the term:



No respondent selected "7-10 years", "11 years", "13 years", "14 years", or "Don't know/Not applicable".

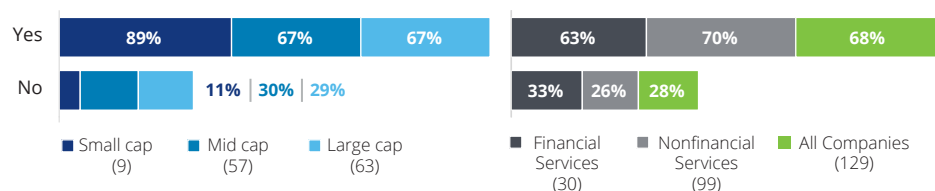


21b. If retirement age policy, please specify the required retirement age:



No respondent selected "71", "77", ">78", or "Don't know/Not applicable".

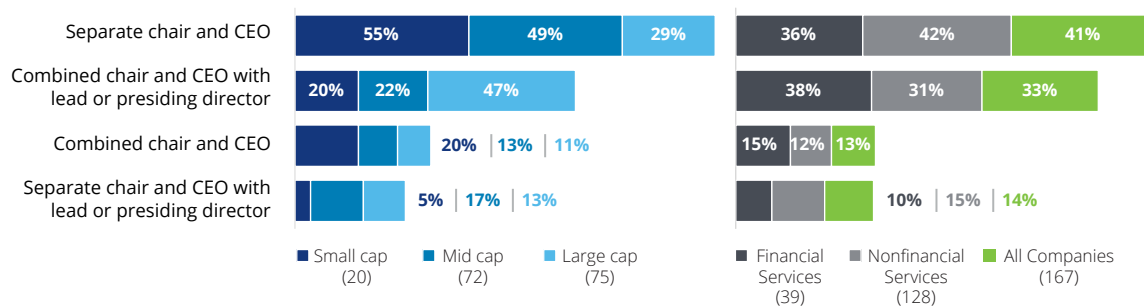
21c. Is the board permitted to make exceptions to its term, retirement age, or other tenure restriction policies?



Respondents answering "Don't know/Not applicable" were as follows: 4% mid cap, 5% large cap, 3% FSI, 4% non-FSI, and 4% all companies.

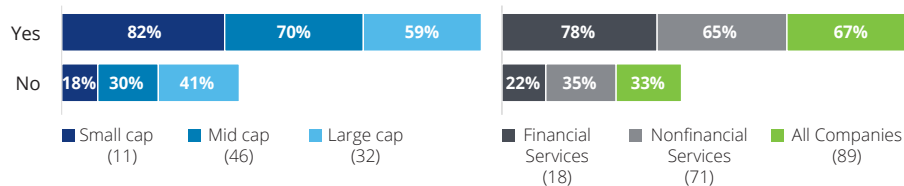
Board leadership

22. Which of the following best describes your board leadership structure?

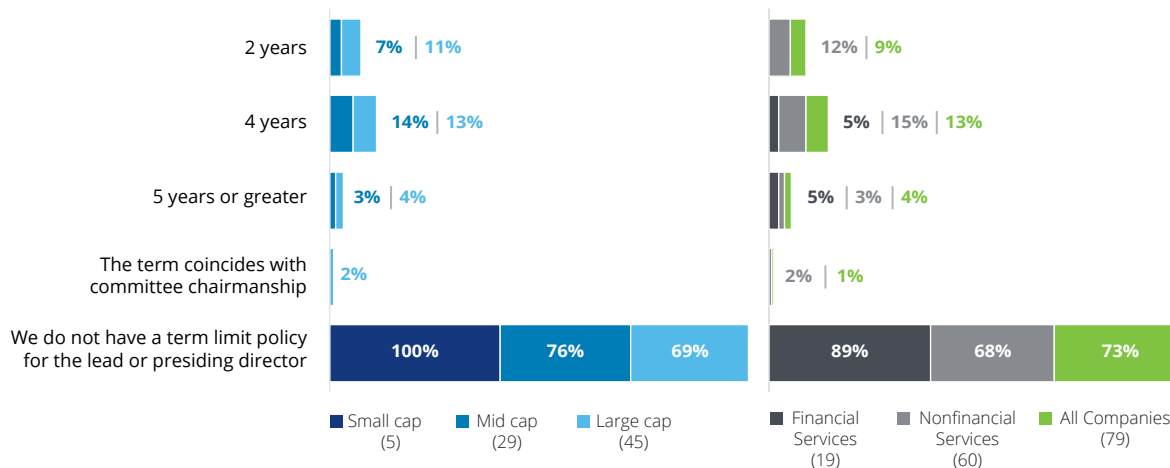


55% of companies have a separate CEO and chair; 14% of these have a lead or presiding director.

22a. Is your chairman independent?

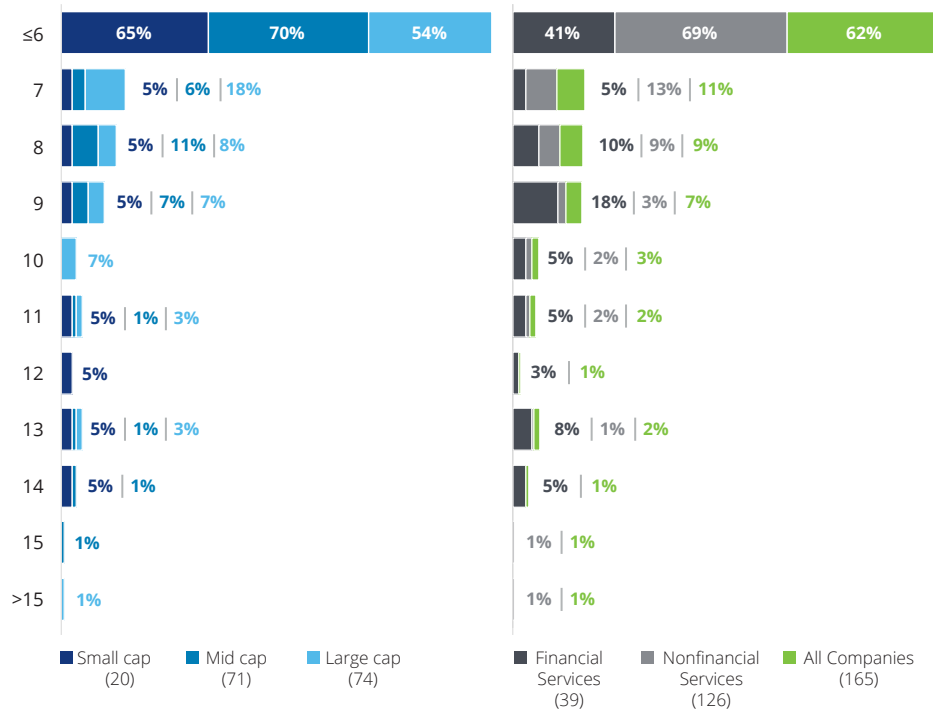


22b. What is the term limit for the lead or presiding director?



Board meetings and materials

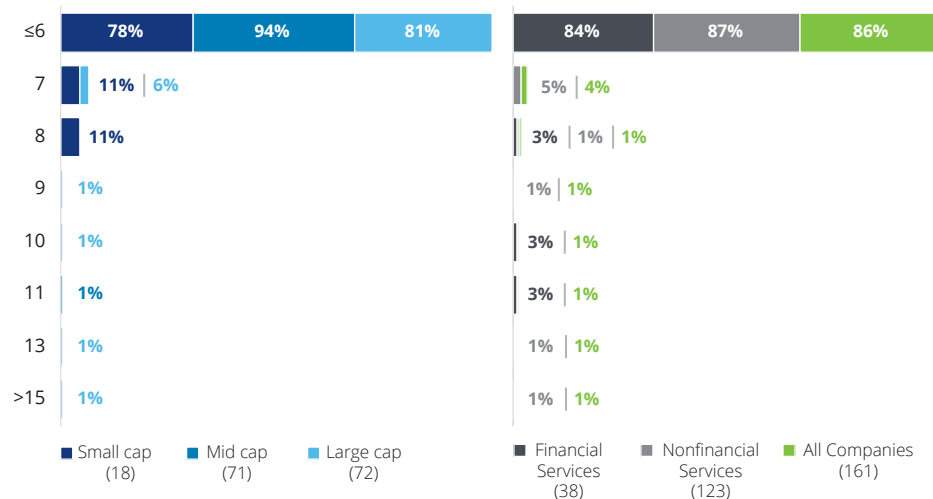
23. How many total regular meetings (whether live or via teleconference/videoconference) did the board have in the past year?



No one selected "Don't know/Not applicable".

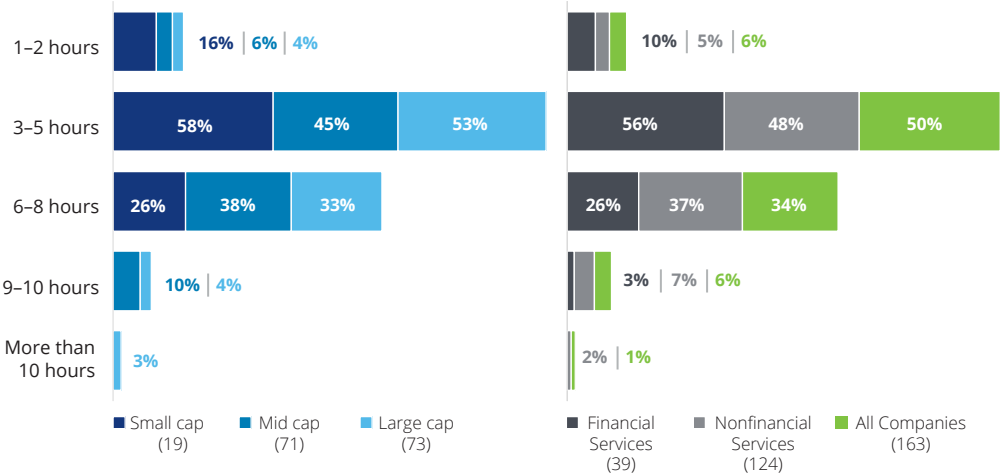
62% of boards met 6 or fewer times in the past year. 18% of FSI companies met 9 times.

24. How many total special meetings (whether live or via teleconference/videoconference) did the board have in the past year?



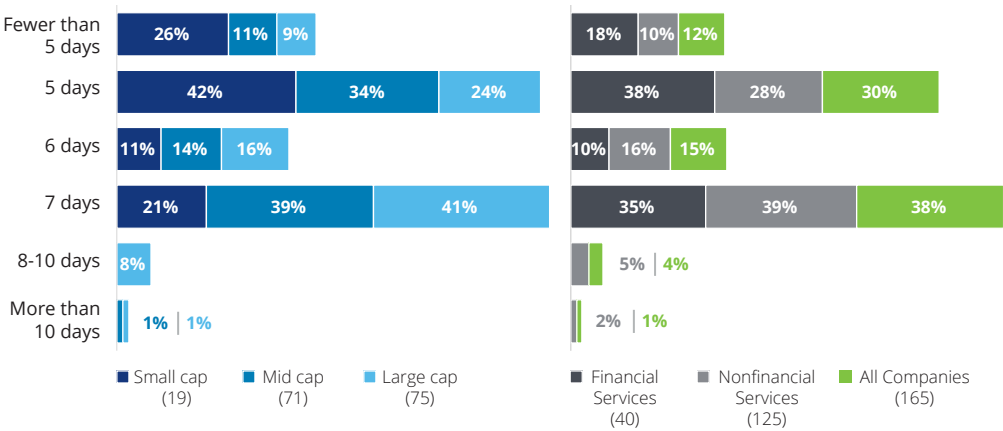
No respondent selected "12", "14", or "15". Respondents answering "Don't know/Not applicable" were as follows: 4% mid cap, 8% large cap, 8% FSI, 5% non-FSI, and 6% all companies.

25. How many hours does a regular meeting of the full board typically last? (Do not count time spent on committee meetings.)



Respondents answering “Don’t know/Not applicable” were as follows: 1% mid cap, 3% large cap, 5% FSI, 1% non-FSI, and 2% all companies.

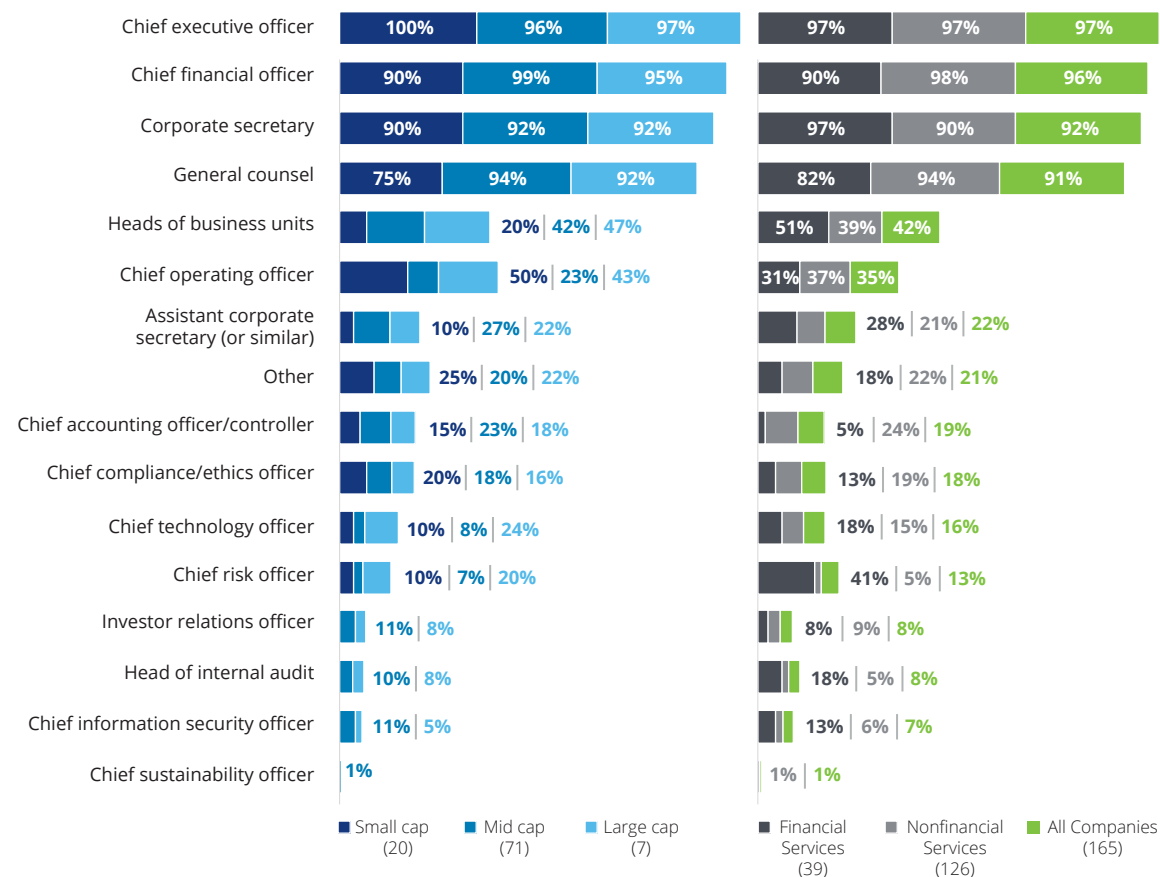
26. How many business days in advance are meeting materials provided to board members?



No one selected “Don’t know/Not applicable”.

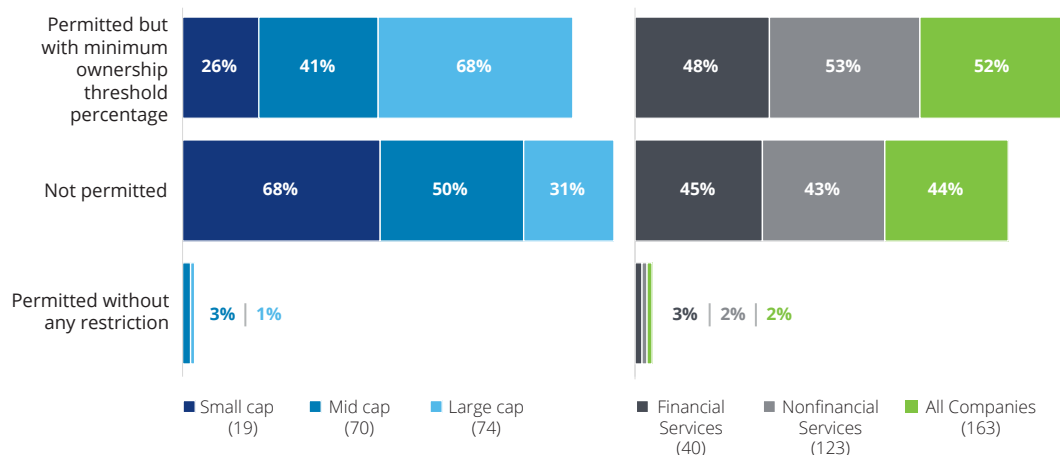
38% distribute board meeting materials 7 business days in advance of meetings and 30% do so 5 business days in advance.

27. Which of the following members of management regularly attend full board meetings?
[Select all that apply]



Respondents answering "Don't know/Not applicable" were as follows: 1% large cap, 3% FSI, and 1% all companies.

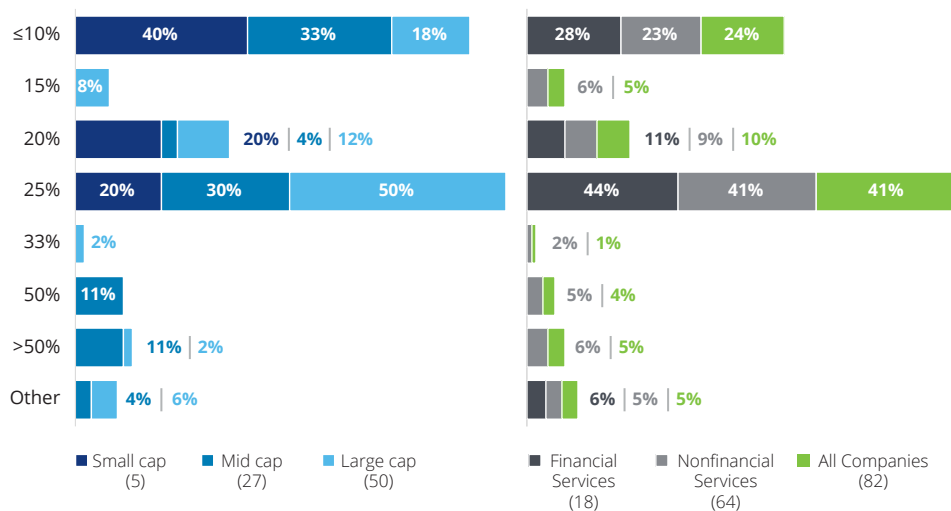
28. Does your company permit shareholders to call special meetings?



Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 6% mid cap, 5% FSI, 2% non-FSI, and 3% all companies.

54% of companies permit shareholders to call special meetings (up from 49% in 2014); most common ownership threshold for large caps is 25% and is 10% or less for small caps.

28a. Specify the threshold percentage:



Respondents answering "Don't know/Not applicable" were as follows: 20% small cap, 7% mid cap, 2% large cap, 11% FSI, 3% non-FSI, and 5% all companies.

29.

Question 29 pertains to certain board committee practices such as size, meeting frequency, and length of meetings. This table presents the most common responses on the prevalent standing committees among all respondents. Refer to the appendix for more detail on these and other committees, including executive, risk, finance, and strategy.

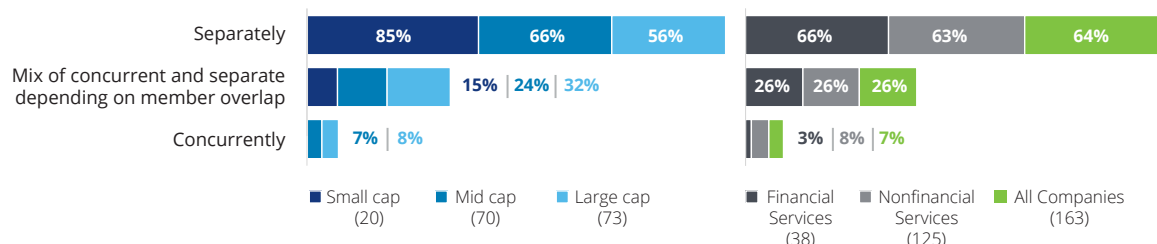
		Audit	Compensation	Nominating/ Governance
Number of members	1-4	60%	65%	60%
	5-9	40%	35%	39%
Number of regular in-person meetings annually	≤5	76%	83%	94%
	6	12%	13%	5%
Average length of regular meetings (hours)	<2	34%	52%	84%
	2-3	56%	47%	15%
Number of telephonic/ videoconference meetings annually	≤5	88%	99%	100%

Note: 100% had standing audit and compensation committees; 99% had a standing nominating/governance committee. Ten percent or fewer companies had a standing investment, finance and investment, or strategy committee (see appendix for results of these committees).

buybacks
 RETREAT
 activism
 VOTING
 OVERSIGHT
 AT THE TOP
 COMM
 compliance
 CYBERSEC
 CAPITAL EXPEN
 prod
 SUSTAINABILITY
 CYBER RISK
 CAPITAL ALLOCATION
 STRATEGIES
 evaluations
 TECHNOLOGY
 SHAREHOLDER
 ENGAGEMENT
 women
 diversity
 MEETINGS
 DISCLOSURE

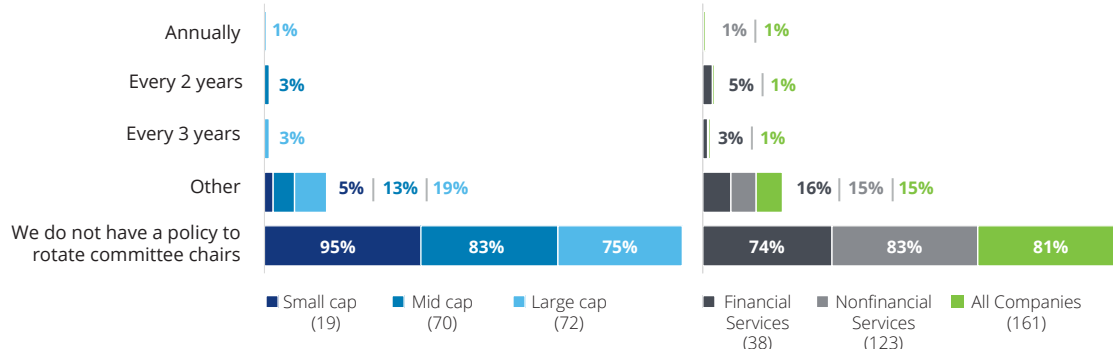
Board committee structures and roles

30. Which describes how your key board committees meet?



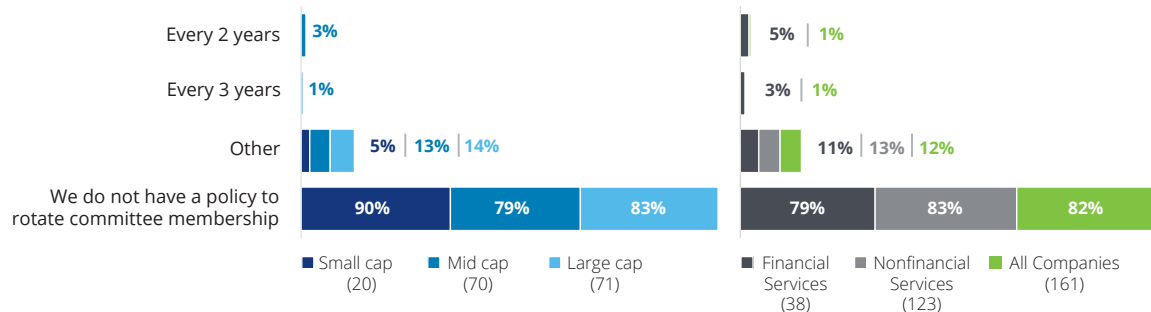
Respondents answering "Other" were as follows: 3% mid cap, 3% large cap, 2% FSI, 3% non-FSI, 2% all companies. Respondents answering "Don't know/Not applicable" were as follows: 1% large cap, 3% FSI, and 1% all companies.

31. What is the frequency for which key committee chairs are rotated?



Respondents answering "Don't know/Not applicable" were as follows: 1% mid cap, 1% large cap, 3% FSI, 1% non-FSI, and 1% all companies.

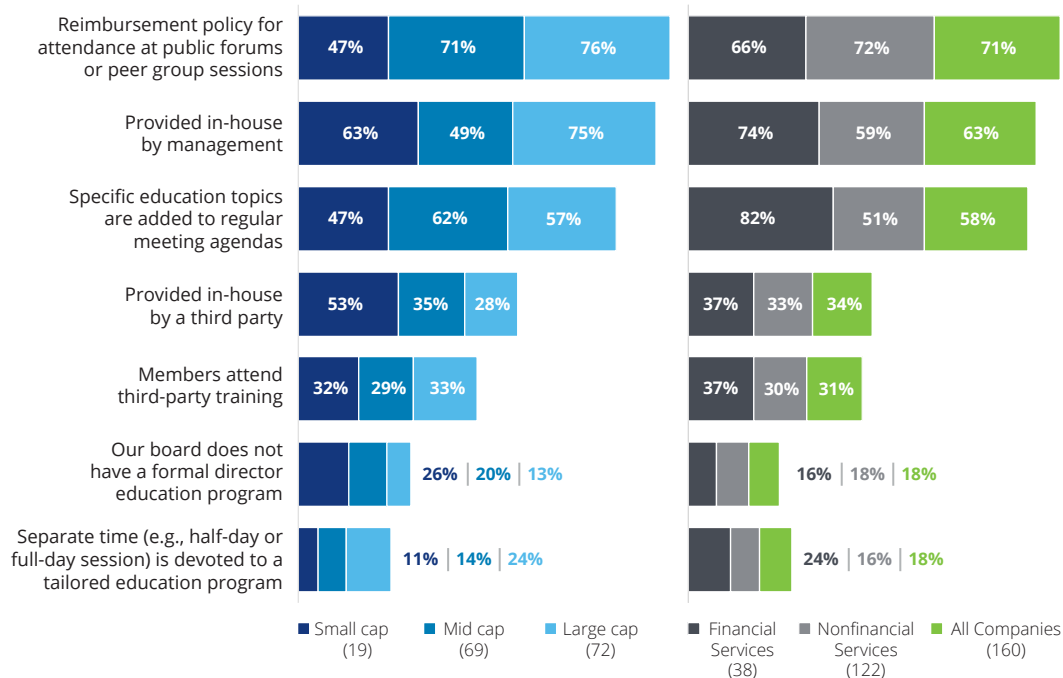
32. What is the frequency for which key committee membership rotation takes place?



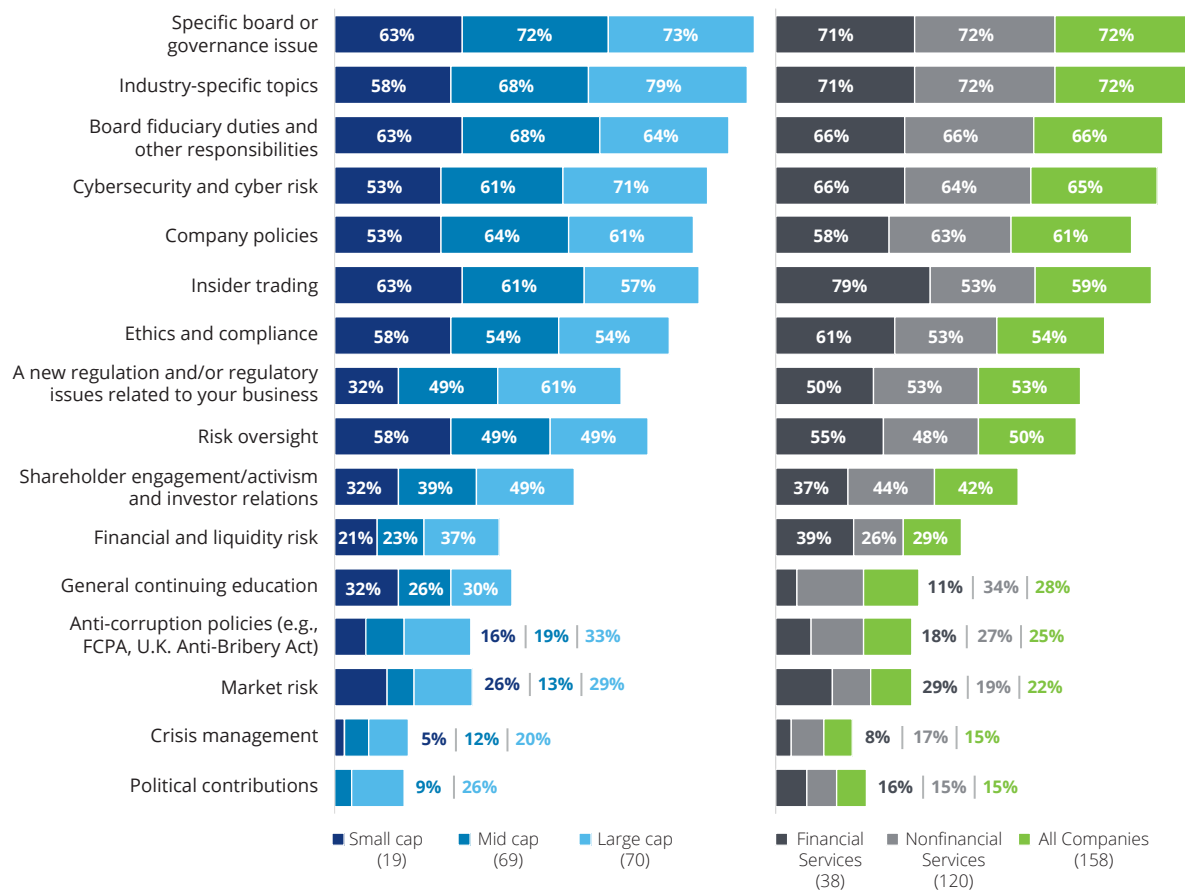
No respondent selected "Annually". Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 4% mid cap, 3% large cap, 3% FSI, 4% non-FSI, and 4% all companies.

Board orientation and training

33. Which of the following best describes your board's ongoing director education program? [Select all that apply]



Respondents answering "Other" were as follows: 6% large cap, 3% non-FSI, and 3% all companies.
Respondents answering "Don't know/Not applicable" were as follows: 1% mid cap, 1% non-FSI, and 1% all companies.

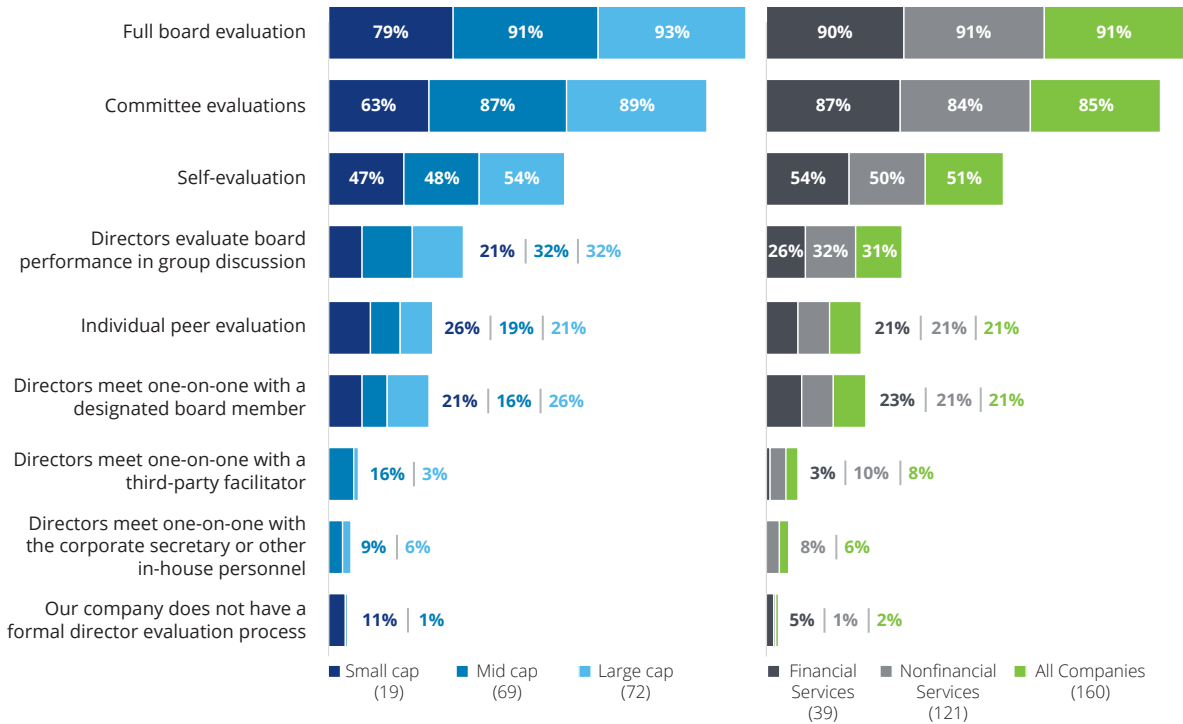
34. Education for new and existing board directors is provided on these topics: [Select all that apply]

Respondents answering "Other" were as follows: 5% small cap, 1% mid cap, 7% large cap, 6% non-FSI, and 4% all companies. Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 7% mid cap, 3% large cap, 8% FSI, 4% non-FSI, and 5% all companies.

Top board education topics: specific board or governance issues; industry-specific topics; fiduciary duties and responsibilities; cybersecurity and cyber risk; and company policies.

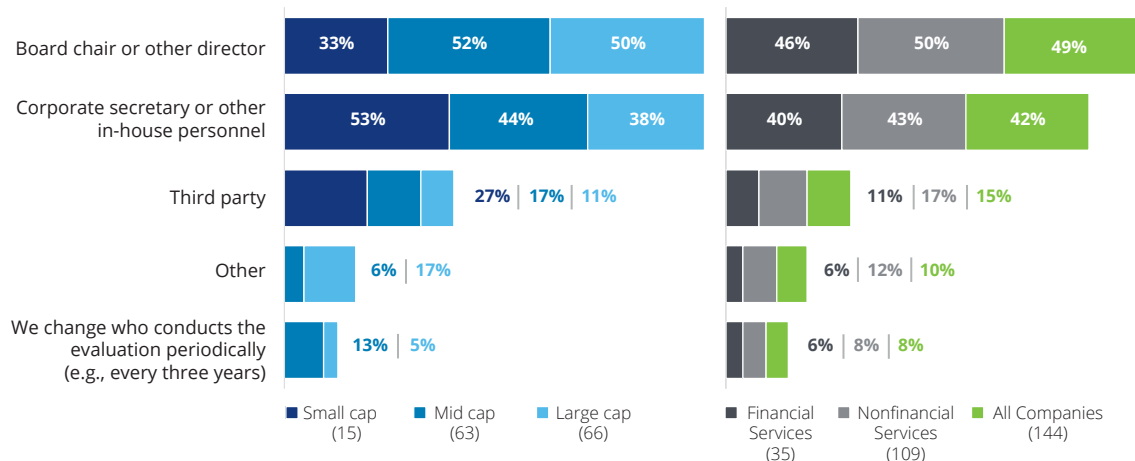
Board evaluations

35. How are your directors evaluated? [Select all that apply]

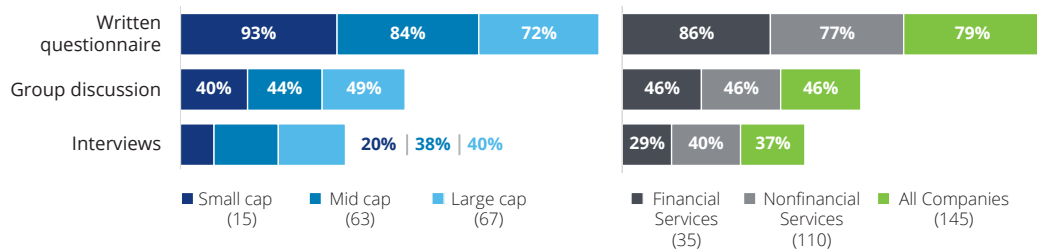


Respondents answering "Other" were as follows: 3% mid cap, 10% large cap, 3% FSI, 7% non-FSI, and 6% all companies. No respondent selected "Don't know/Not applicable".

ETHICS
TECHNOLOGY
refreshment
SUSTAINABILITY
board composition
CYBERSECURITY/PRIVACY
shareholder activism
director elections
CEO SUCCESSION PLANNING
board evaluations
CAPITAL ALLOCATION
one at the top

35a. Who conducts your full board evaluations? [Select all that apply]

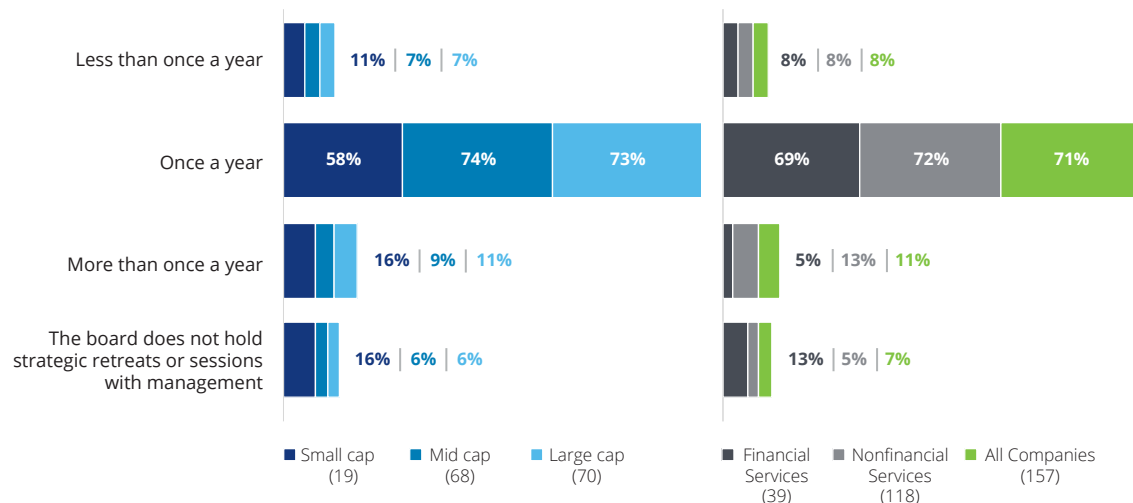
Respondents answering "Don't know/Not applicable" were as follows: 2% mid cap, 2% large cap, 3% FSI, 1% non-FSI, and 1% all companies.

35b. How are full board evaluations conducted? [Select all that apply]

Respondents answering "Other" were as follows: 2% mid cap, 1% large cap, 2% non-FSI, and 1% all companies. Respondents answering "Don't know/Not applicable" were as follows: 2% mid cap, 1% non-FSI, and 1% all companies.

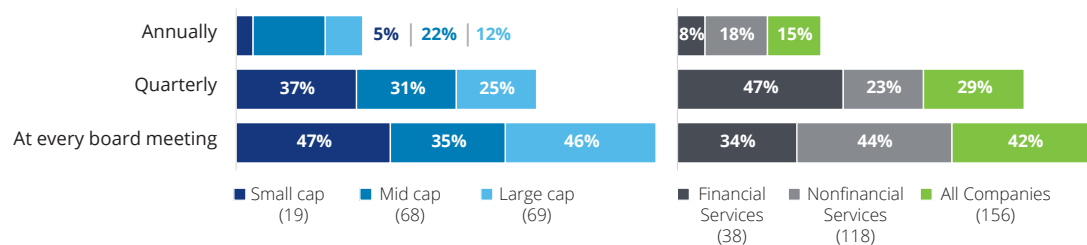
Strategy and risk

36. How often does your board participate in a dedicated strategy retreat, or sessions, with management?



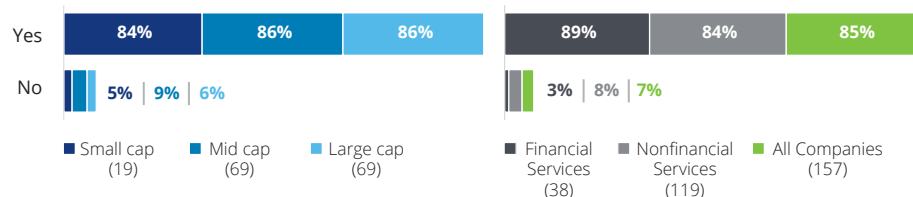
Respondents answering "Other" were as follows: 3% mid cap, 1% large cap, 3% FSI, 2% non-FSI, and 2% all companies. Respondents answering "Don't know/Not applicable" were as follows: 1% mid cap, 1% large cap, 3% FSI, 1% non-FSI, and 1% all companies.

37. How often does the board monitor progress against the company's strategic plan?



Respondents answering "Other" were as follows: 5% small cap, 1% mid cap, 6% large cap, 5% FSI, 3% non-FSI, and 4% all companies. Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 10% mid cap, 12% large cap, 5% FSI, 12% non-FSI, and 10% all companies.

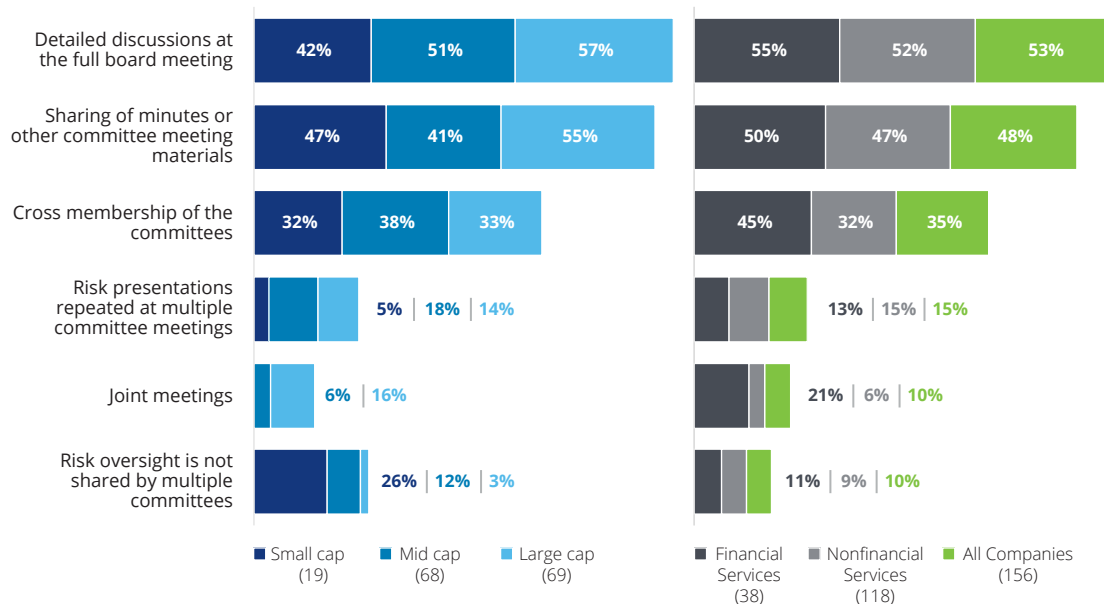
38. In the past year, has the board received enhanced information on vulnerabilities and strategic risks?



Respondents answering "Don't know/Not applicable" were as follows: 11% small cap, 6% mid cap, 9% large cap, 8% FSI, 8% non-FSI, and 8% all companies.

85% of boards receive enhanced information on vulnerabilities and strategic risk.

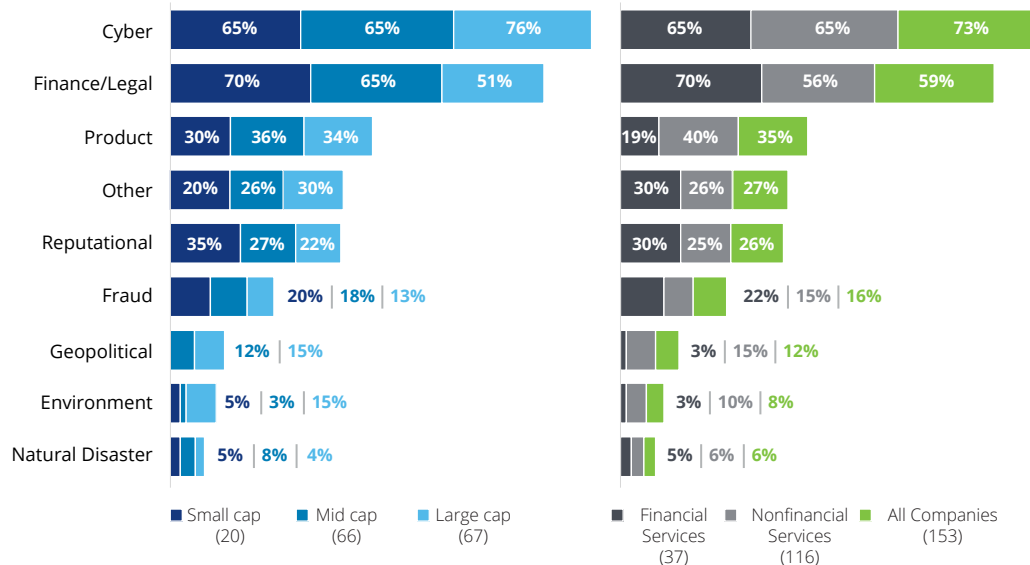
39. If risk oversight is shared by multiple committees, how does the board coordinate these activities? [Select all that apply]



Respondents answering "Other" were as follows: 5% small cap, 6% mid cap, 14% large cap, 8% FSI, 10% non-FSI, and 10% all companies. Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 4% mid cap, 9% large cap, 3% FSI, 8% non-FSI, and 6% all companies.

84% of respondents said multiple committees share risk oversight responsibility (78% in 2014). Of these:
48% share committee meeting minutes and materials (40% in 2014)
53% have detailed discussions at the full board meeting (66% in 2014)

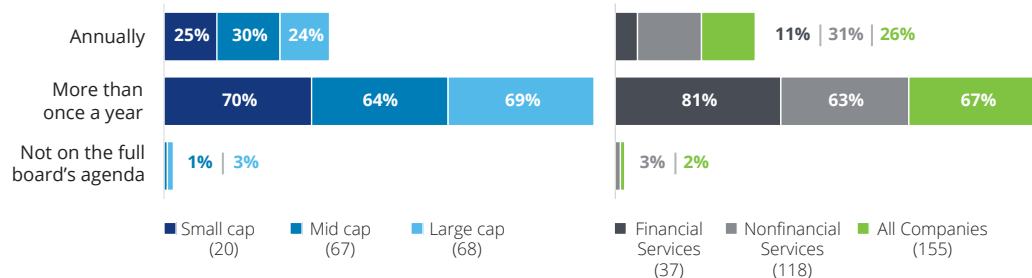
40. Rank the top three risks that your board is focused on:



The top three risks boards focus on: cyber, finance/legal and product.

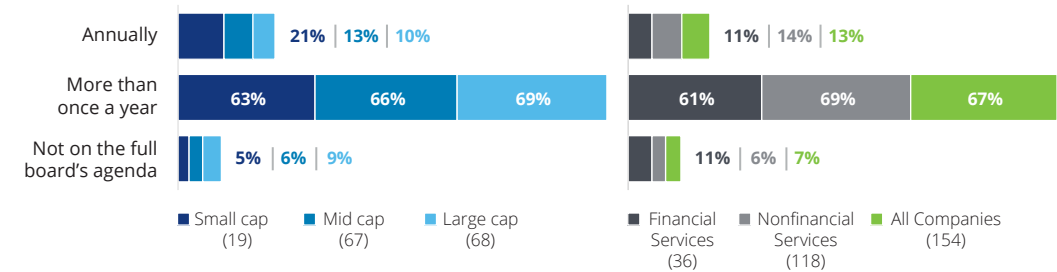
Respondents answering "Don't know/Not applicable" were as follows: 15% small cap, 6% mid cap, 13% large cap, 14% FSI, 9% non-FSI, and 10% all companies.

41. How often does the full board discuss the most significant risks to the company?



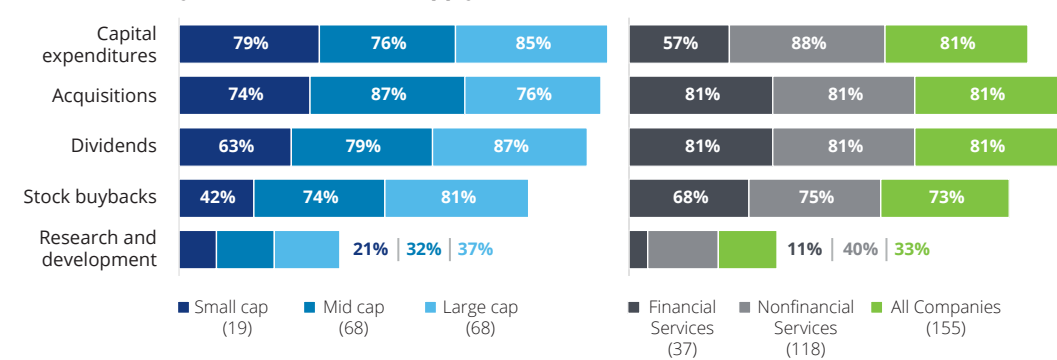
Respondents answering "Other" were as follows: 1% large cap, 1% non-FSI, and 1% all companies.
 Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 4% mid cap, 3% large cap, 8% FSI, 3% non-FSI, and 4% all companies.

42. How often is the board briefed on financial alternatives (e.g., share repurchase programs, recapitalizations, asset monetization, etc.)?



Respondents answering "Other" were as follows: 3% mid cap, 6% large cap, 6% FSI, 3% non-FSI, and 4% all companies. Respondents answering "Don't know/Not applicable" were as follows: 11% small cap, 12% mid cap, 6% large cap, 11% FSI, 8% non-FSI, and 9% all companies.

43. With regard to capital allocation, which of the following strategies has the board considered this year? [Select all that apply]



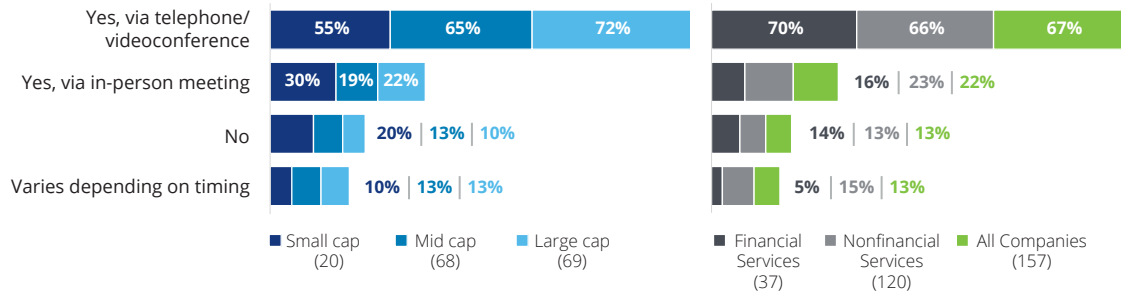
Respondents answering "Other" were as follows: 5% small cap, 1% mid cap, 1% large cap, 3% FSI, 2% non-FSI, and 2% all companies. Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 1% mid cap, 6% large cap, 5% FSI, 3% non-FSI, and 4% all companies.

81% of boards have considered capital expenditures, acquisitions, and dividends in their strategic discussions, while 73% have considered stock buybacks. Only 33% considered research and development.

RISK oversight
 stock buybacks
 STRATEGY RETREAT
 shareholder activism
 MAJORITY VOTING
 DIRECTOR L
 ETHICS
 SUSTAINABILITY
 CYBER RISK
 CAPITAL ALLOCATIONS
 shareh
 evaluations
 product
 EXPENDITURE
 SECURITY
 MINORITY
 COMMITTEE

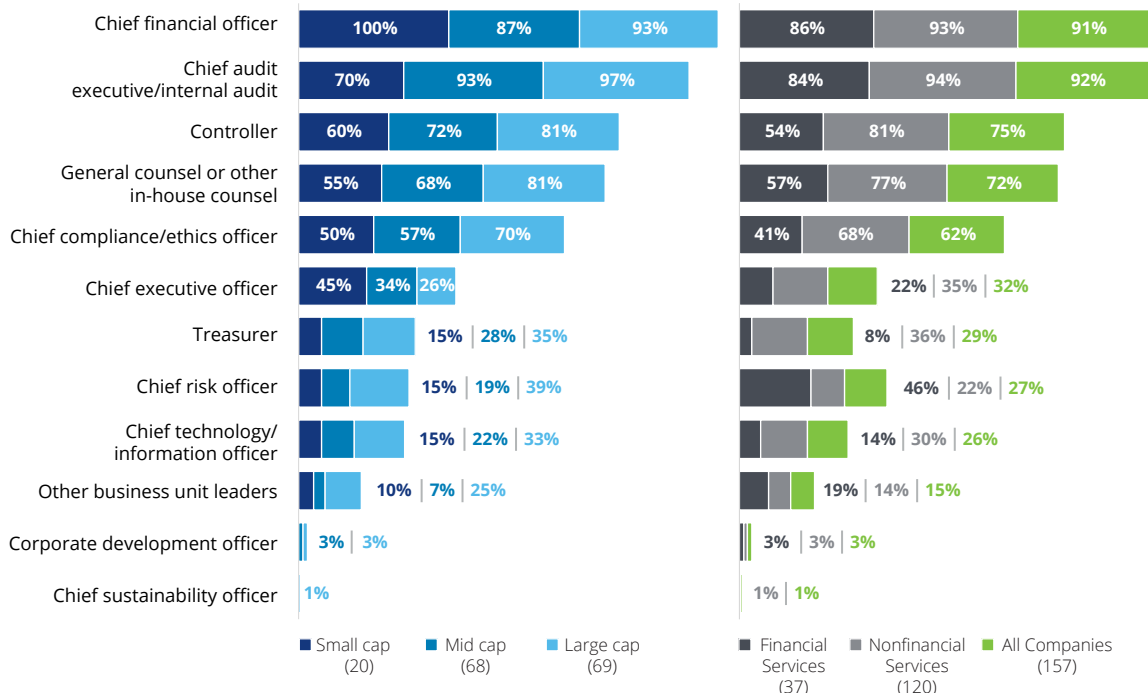
Audit committee

44. Does your company's audit committee hold a separate meeting to review each earnings release? [Select all that apply]



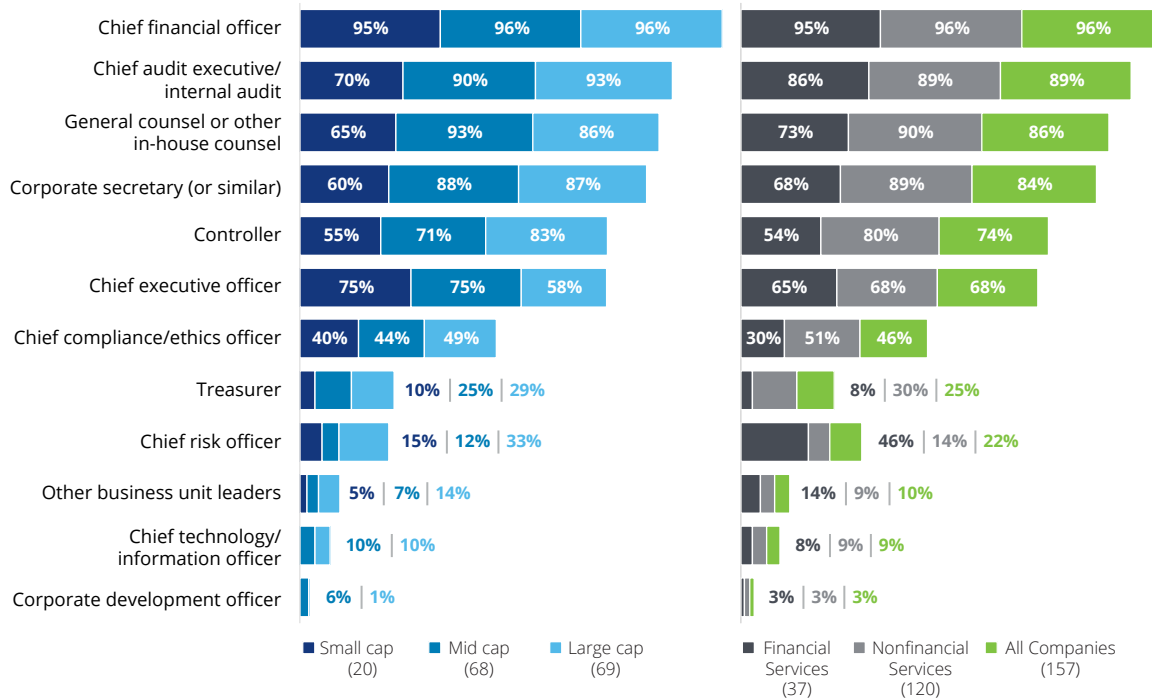
No one selected "Don't know/Not applicable".

45. Which members of management regularly present to the audit committee? [Select all that apply]



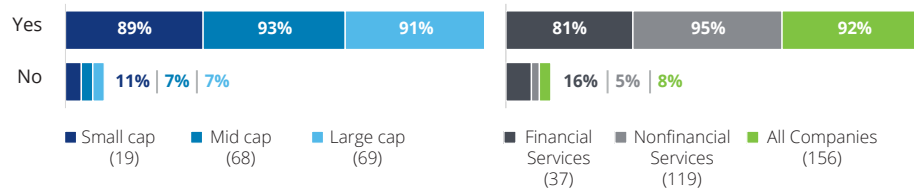
Respondents answering "Other" were as follows: 12% mid cap, 12% large cap, 8% FSI, 11% non-FSI, and 10% all companies. Respondents answering "Don't know/Not applicable" were as follows: 1% large cap, 3% FSI, and 1% all companies.

46. Which members of management regularly attend the entire audit committee meeting?
[Select all that apply]



Respondents answering "Other" were as follows: 25% small cap, 12% mid cap, 10% large cap, 16% FSI, 12% non-FSI, and 13% all companies. Respondents answering "Don't know/Not applicable" were as follows: 1% mid cap, 1% large cap, 3% FSI, 1% non-FSI, and 1% all companies.

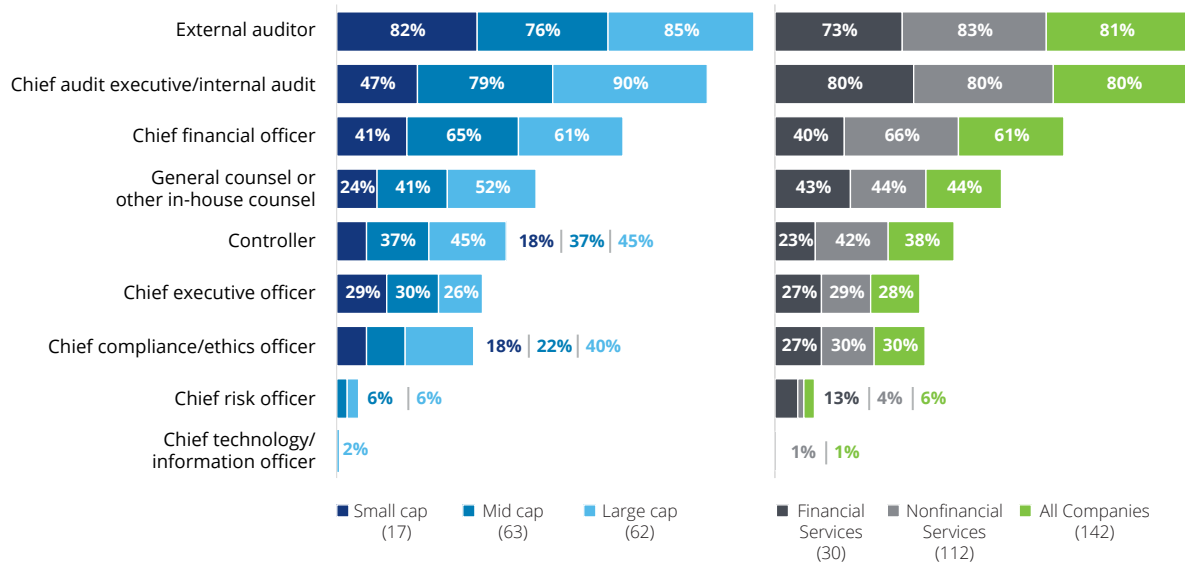
47. Does your audit committee hold executive sessions at every regular meeting?



Respondents answering "Don't know/Not applicable" were as follows: 1% large cap, 3% FSI, and 1% all companies.

92% of audit committees hold executive sessions at every regular meeting.

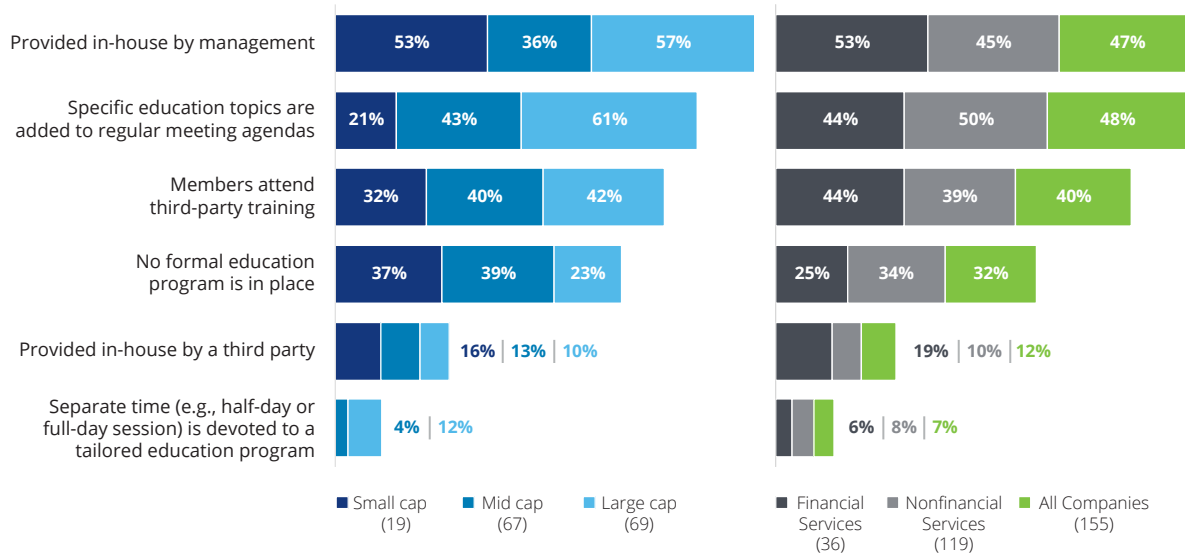
47a. Who regularly meets in executive sessions with the audit committee? [Select all that apply]



Respondents answering "Other" were as follows: 12% small cap, 3% mid cap, 3% large cap, 10% FSI, 3% non-FSI, and 4% all companies. Respondents answering "Don't know/Not applicable" were as follows: 6% small cap, 5% mid cap, 2% large cap, 7% FSI, 3% non-FSI, and 4% all companies.

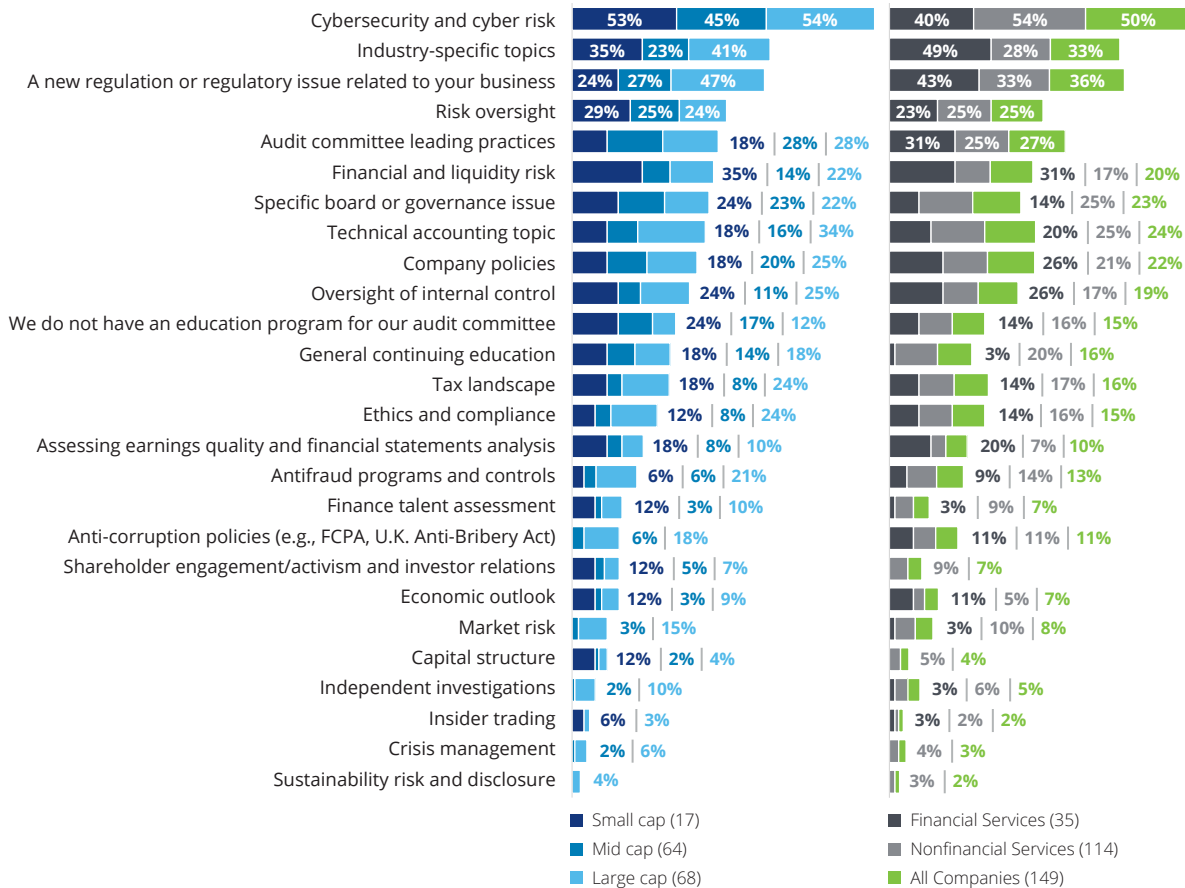
61% of audit committees noted that they have executive sessions with the CFO.

48. Which of the following describes your company's audit committee education program? [Select all that apply]



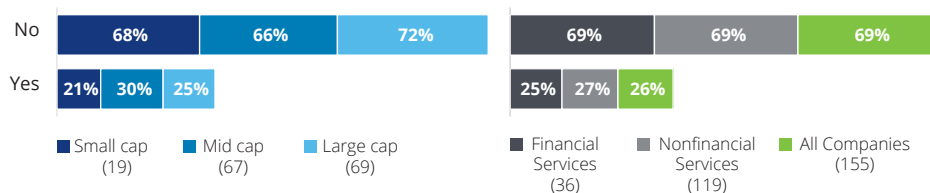
Respondents answering "Don't know/Not applicable" were as follows: 3% mid cap, 4% large cap, 3% FSI, 3% non-FSI, and 3% all companies.

49. During the past year, has your company's audit committee participated in an education program on these topics: [Select all that apply]



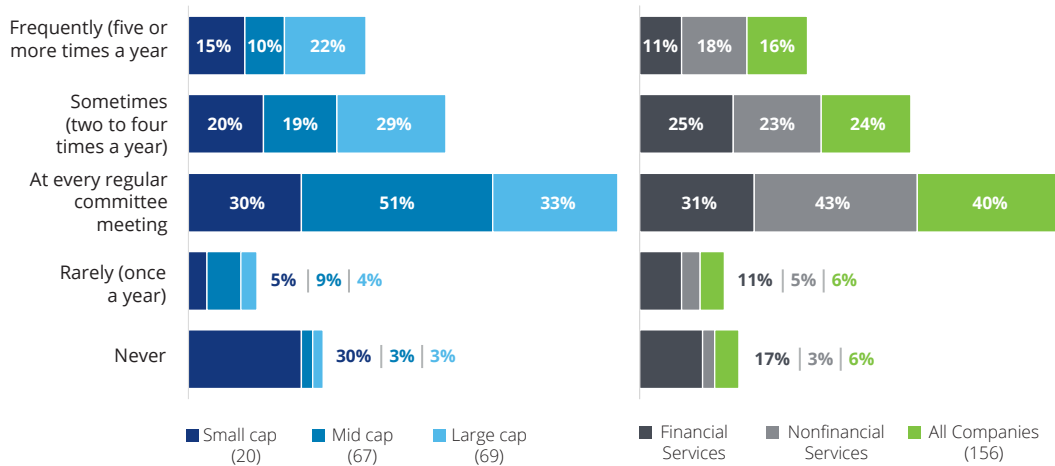
No one selected "Political contributions". Respondents answering "Other" were as follows: 3% large cap, 2% non-FSI, and 1% all companies. Respondents answering "Don't know/Not applicable" were as follows: 20% mid cap, 10% large cap, 14% FSI, 13% non-FSI, and 13% all companies.

50. Does the audit committee conduct performance evaluations of its individual members?



Respondents answering "Don't know/Not applicable" were as follows: 11% small cap, 4% mid cap, 3% large cap, 6% FSI, 4% non-FSI, and 5% all companies.

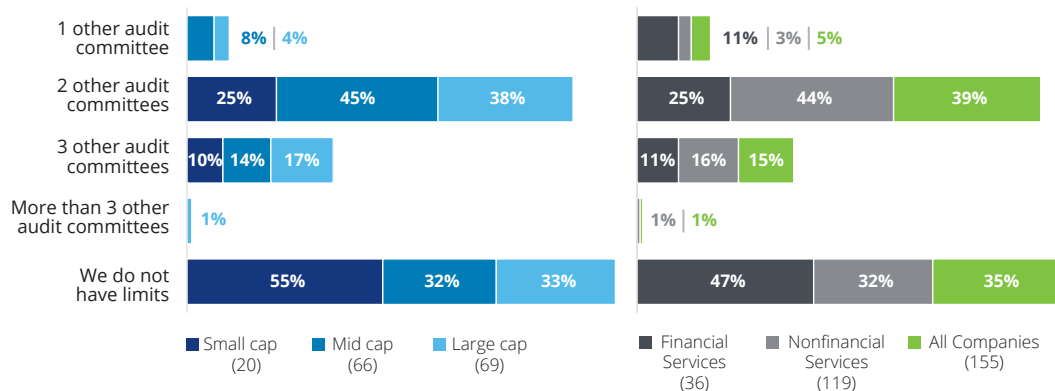
51. How often does the audit committee receive reports on internal tips from a compliance hotline and other reporting sources?



Respondents answering "Don't know/Not applicable" were as follows: 7% mid cap, 9% large cap, 6% FSI, 8% non-FSI, and 7% all companies.

86% of audit committees receive a report on internal tips from a hotline or other reporting mechanism at least once a year — of these, 40% receive reports at every committee meeting.

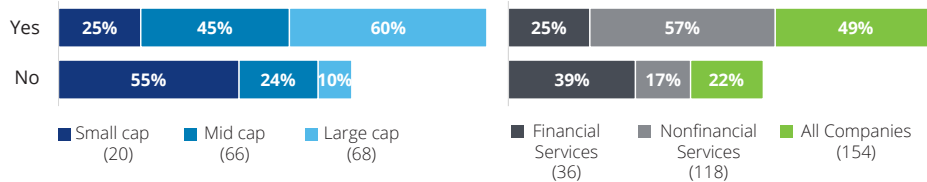
52. How many other audit committees of public companies are your audit committee members allowed to serve?



Respondents answering "Don't know/Not applicable" were as follows: 10% small cap, 2% mid cap, 6% large cap, 6% FSI, 4% non-FSI, and 5% all companies.

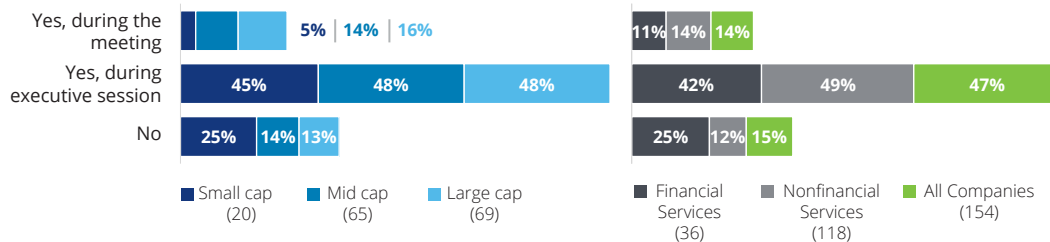
39% of boards limit audit committee service to 2 other public company audit committees, up from 27% in 2014.

53. Has your company done any benchmarking on its internal audit function (e.g., budget, resources)?



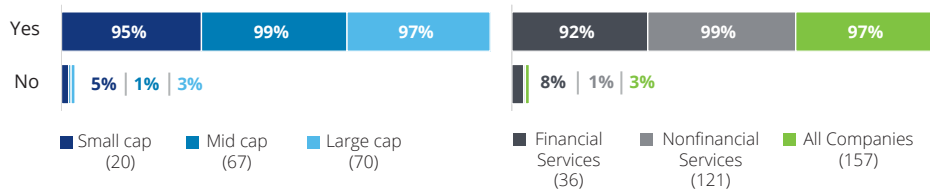
Respondents answering "Don't know/Not applicable" were as follows: 20% small cap, 30% mid cap, 29% large cap, 36% FSI, 26% non-FSI, and 29% all companies.

54. Does your audit committee discuss succession of finance talent?



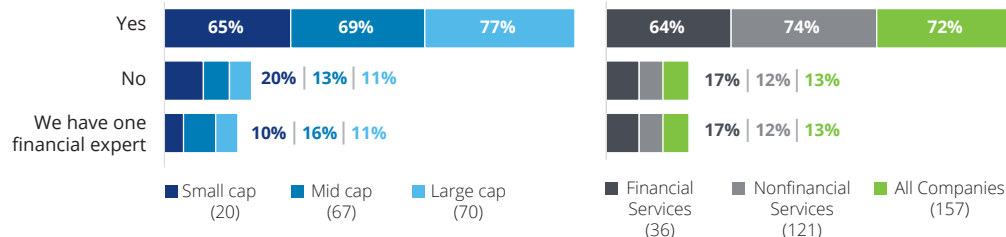
Respondents answering "Don't know/Not applicable" were as follows: 25% small cap, 25% mid cap, 23% large cap, 22% FSI, 25% non-FSI, and 24% all companies.

55. Is your audit committee chair also a financial expert?



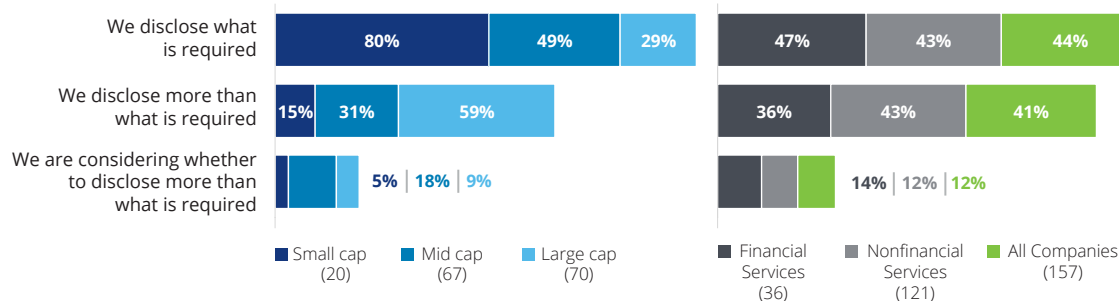
No one selected "Don't know/Not applicable".

56. If you have more than one financial expert on your audit committee, does your company disclose all names in your proxy?



Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 1% mid cap, 3% FSI, 1% non-FSI, and 1% all companies

57. Which best describes your audit committee-related disclosures in your proxy statement?

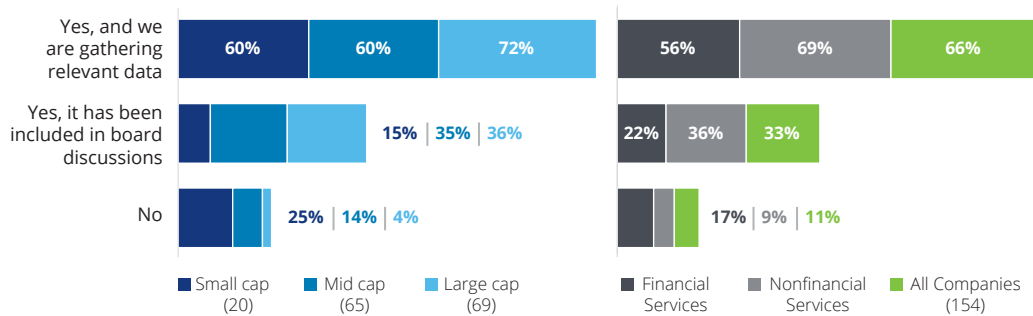


Respondents answering "Don't know/Not applicable" were as follows: 1% mid cap, 4% large cap, 3% FSI, 2% non-FSI, and 3% all companies.

41% of audit committees go beyond what is required with regard to audit committee disclosures in the proxy statement.

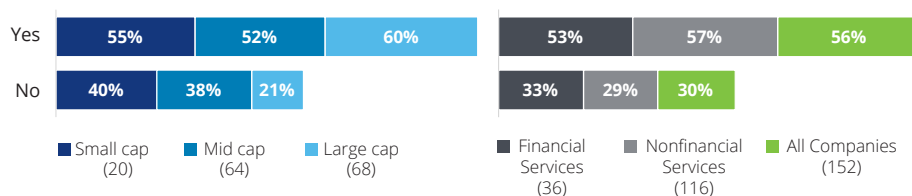
Compensation matters

58. Is your company planning for pay ratio disclosure? [Select all that apply]



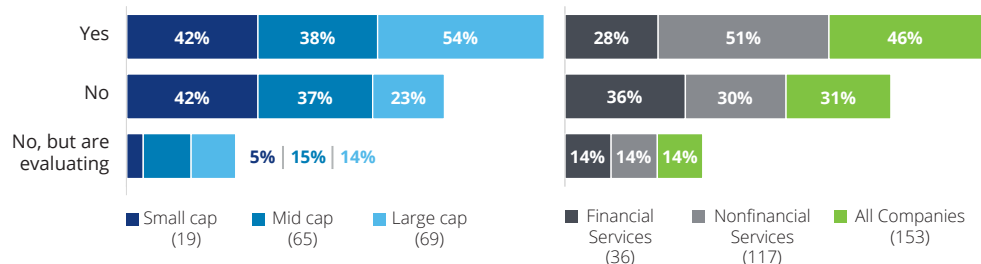
Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 6% mid cap, 7% large cap, 11% FSI, 5% non-FSI, and 6% all companies.

59. Has your company considered a supplemental pay-for-performance disclosure in addition to the summary compensation table in its proxy statement?



Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 11% mid cap, 19% large cap, 14% FSI, 14% non-FSI, and 14% all companies.

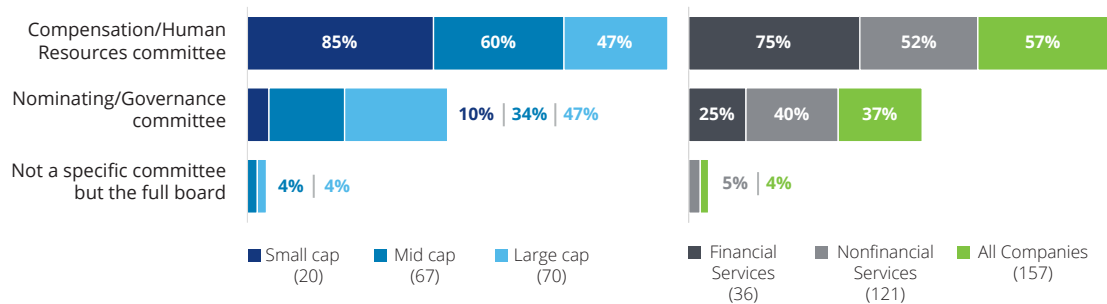
60. Does your board equity plan have limits on how much compensation can be granted to board members?



Respondents answering "Don't know/Not applicable" were as follows: 11% small cap, 9% mid cap, 9% large cap, 22% FSI, 5% non-FSI, and 9% all companies.

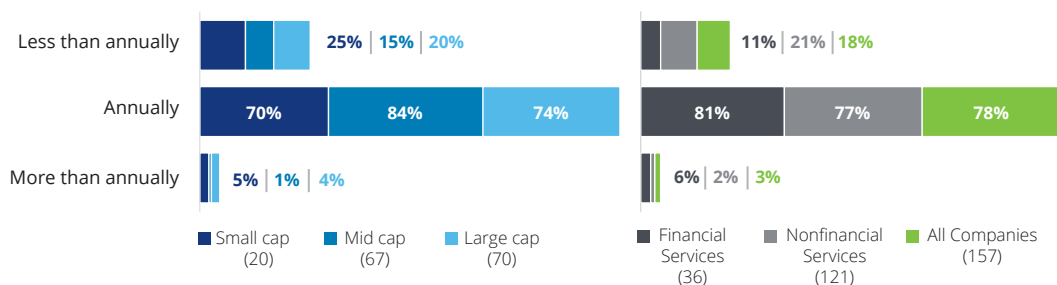
46% of companies said their board equity plans have compensation limits; 28% of FSI plans do compared to 51% of non-FSI companies.

61. Which committee oversees the board's compensation program?



Respondents answering "Other" were as follows: 5% small cap, 1% mid cap, 1% large cap, 2% non-FSI, and 2% all companies. No respondent selected "Don't know/Not applicable".

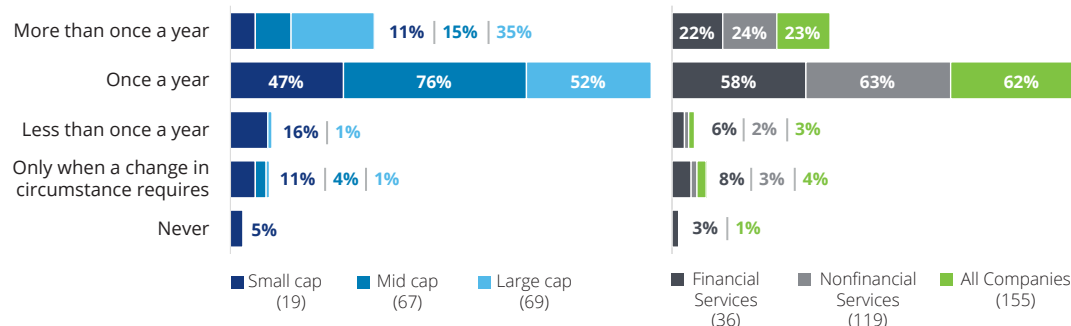
62. How often is board pay reviewed?



Respondents answering "Don't know/Not applicable" were as follows: 1% large cap, 3% FSI, and 1% all companies.

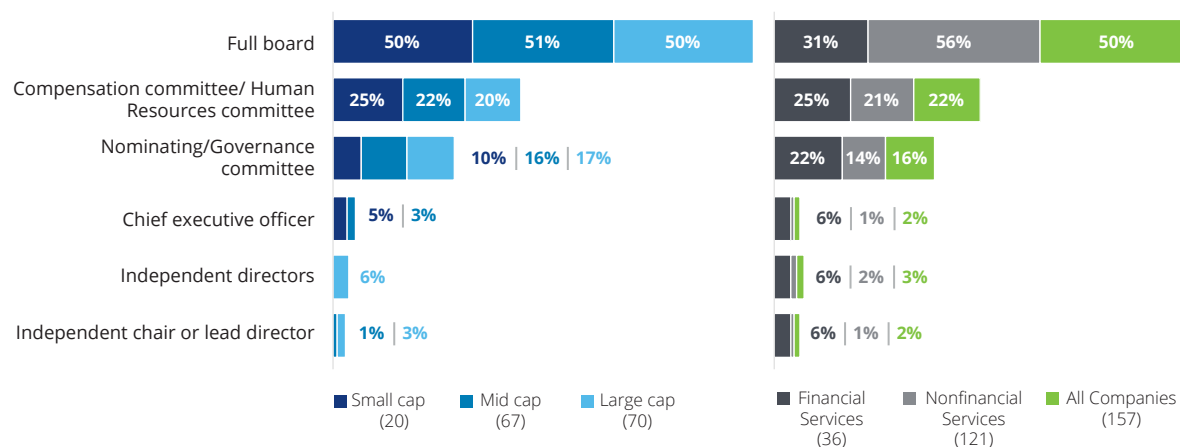
CEO succession planning

63. How often does the full board review the CEO succession plan?



Respondents answering "Don't know/Not applicable" were as follows: 11% small cap, 4% mid cap, 10% large cap, 3% FSI, 9% non-FSI, and 8% all companies.

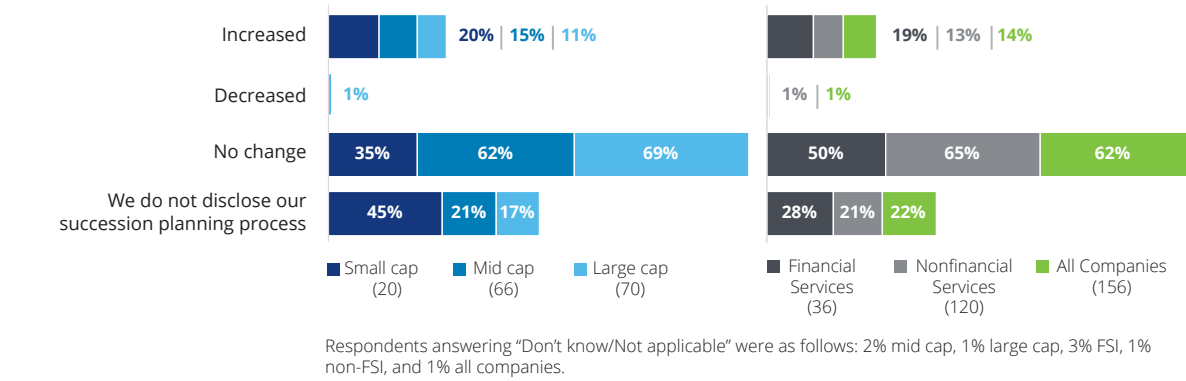
64. Who has the primary responsibility for the CEO succession planning process?



Respondents answering "Other" were as follows: 5% small cap, 1% mid cap, 3% large cap, 3% FSI, 2% non-FSI, and 3% all companies. Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 4% mid cap, 1% large cap, 3% FSI, 3% non-FSI, and 3% all companies.

50% of all companies said CEO succession planning is the responsibility of the full board (up from 34% in 2014); 22% said the compensation committee and 16% said the nominating/governance committee.

65. In the past year, how has the level of disclosure of your succession plan process changed?

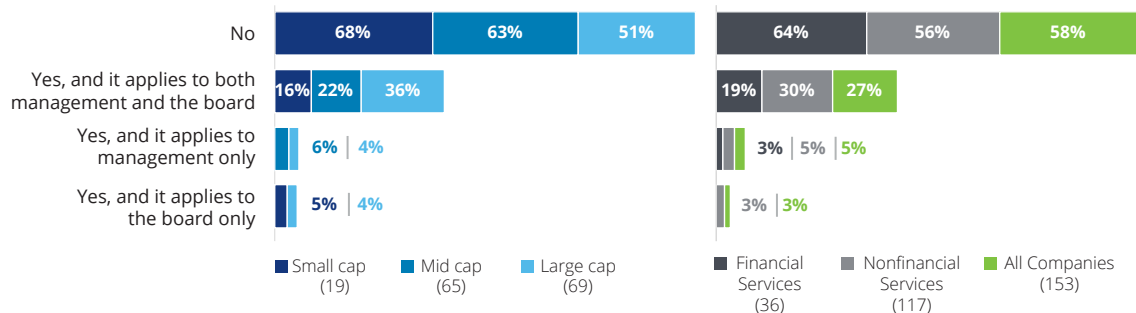


62% said disclosure pertaining to their CEO succession plans has not changed, while 14% said the level of disclosure has increased.

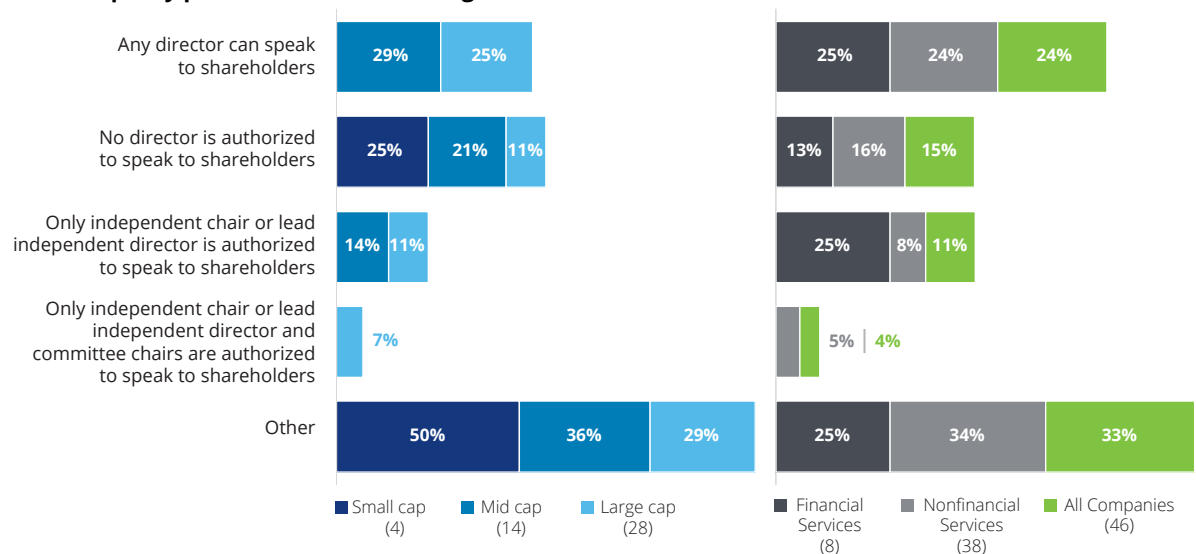
POSITION
/PRIVACY
activism
actions
PLANNING
d leadership
HOLDER
ENSATION
committee
TEGY AND RISK
d education
/ersity

board eval
CAPITAL ALLC
tone at th
DISCLOSU
CYBER RISK
culture
TENURE
MATTERS

Shareholder engagement and activism

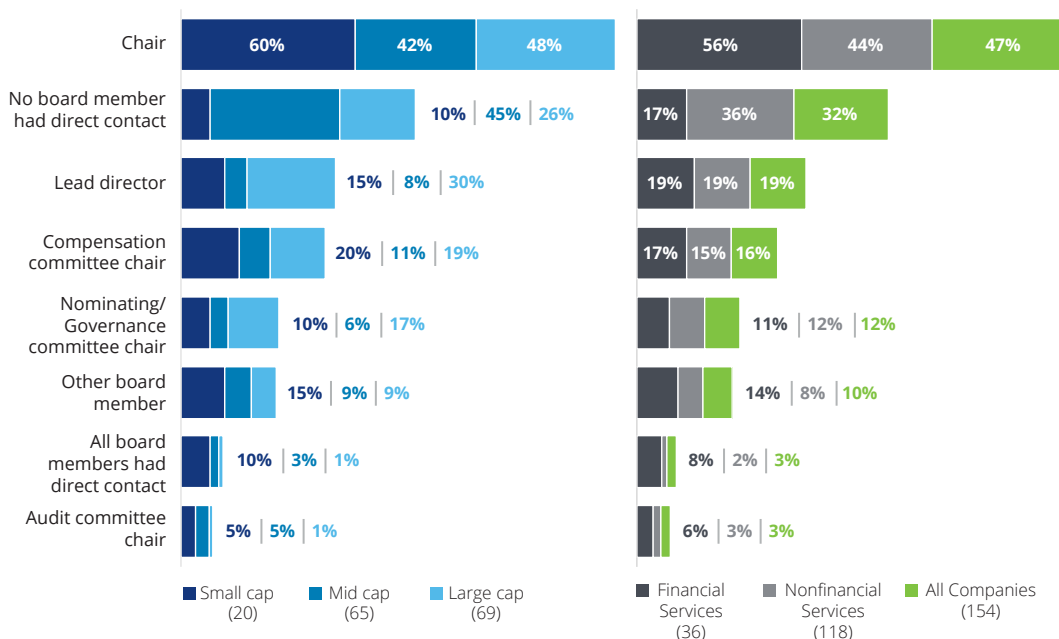
66. Does your company have a shareholder engagement policy (other than the NYSE communications/Reg. S-K communications requirements)

Respondents answering "Don't know/Not applicable" were as follows: 11% small cap, 9% mid cap, 4% large cap, 14% FSI, 5% non-FSI, and 7% all companies.

66a. The policy provides for the following:

Respondents answering "Don't know/Not applicable" were as follows: 25% small cap, 18% large cap, 13% FSI, 13% non-FSI, and 13% all companies.

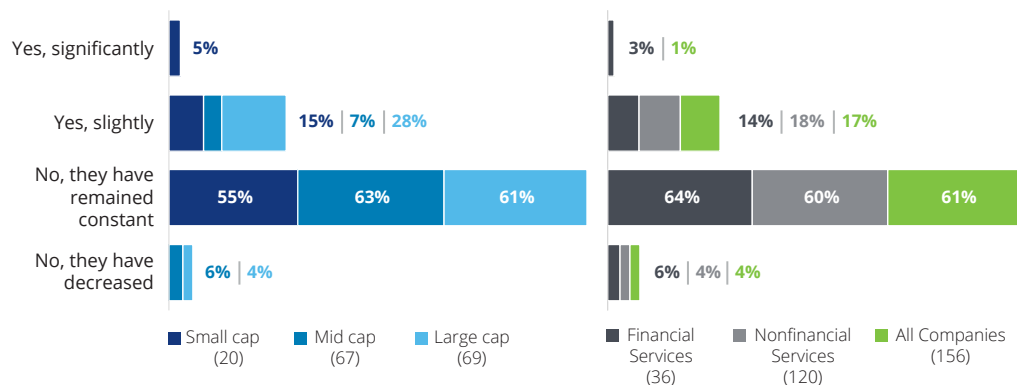
67. Which members of your board had direct contact with shareholder(s) or shareholder groups in the past year? [Select all that apply]



Respondents answering "Don't know/Not applicable" were as follows: 10% small cap, 9% mid cap, 6% large cap, 11% FSI, 7% non-FSI, and 8% all companies.

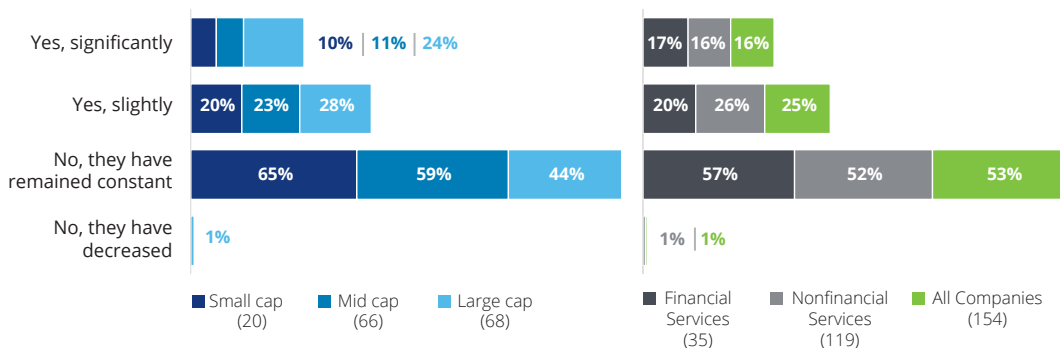
60% reported that at least one member of their board has had contact with a shareholder/ shareholder group in the last year.

68. Have requests from shareholders to speak directly to board members increased in the past two years?



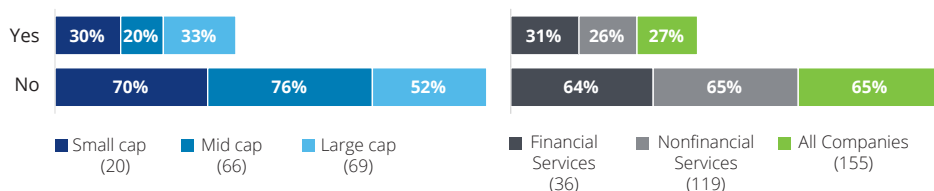
Respondents answering "Don't know/Not applicable" were as follows: 25% small cap, 24% mid cap, 7% large cap, 14% FSI, 18% non-FSI, and 17% all companies.

69. Has the level of engagement between the corporate secretary and shareholder(s) or shareholder groups changed in the past two years?



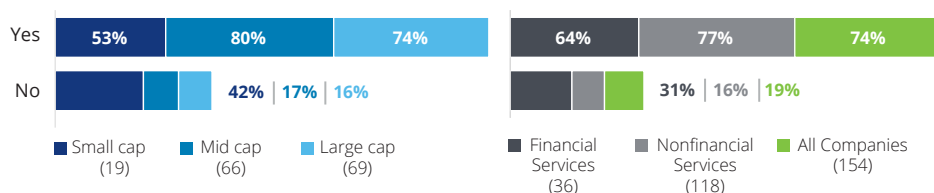
Corporate secretaries are engaging more with shareholder groups, with 41% reporting that the level has increased.

70. Has your company been approached by a shareholder activist in the past 12 months?



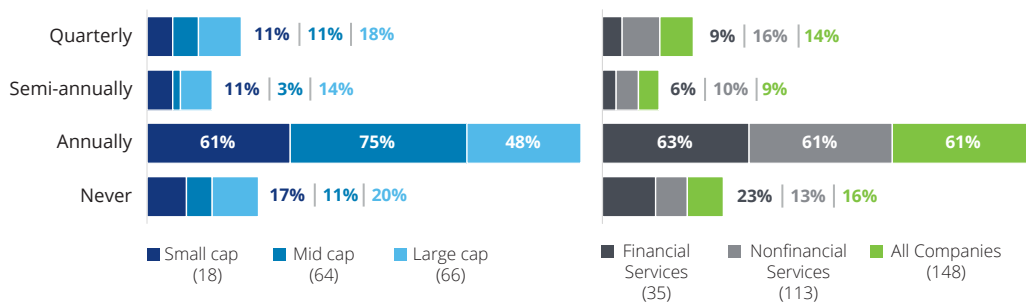
27% of companies have been approached by an activist in the past year, down 4% percentage points since 2014.

71. Has your board discussed how to prepare for activism in the past year?



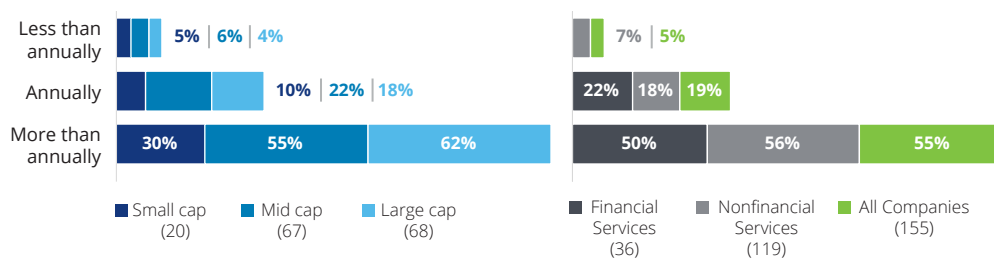
74% of boards have discussed how to prepare for activism, versus 55% in 2014.

72. How often does your company assess vulnerability to activists?



No respondent selected "Don't know/Not applicable".

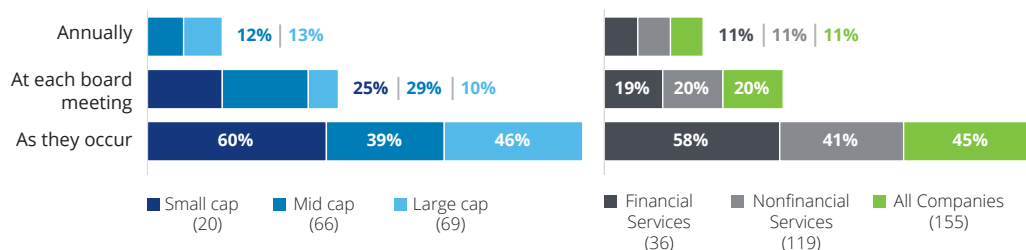
73. How often is your board updated on shareholder concerns and other sentiment?



Respondents answering "Other" were as follows: 30% small cap, 6% mid cap, 13% large cap, 17% FSI, 11% non-FSI, and 12% all companies. Respondents answering "Don't know/Not applicable" were as follows: 25% small cap, 10% mid cap, 3% large cap, 11% FSI, 8% non-FSI, and 9% all companies.

55% of boards are being updated on shareholder sentiment and concerns more than once a year.

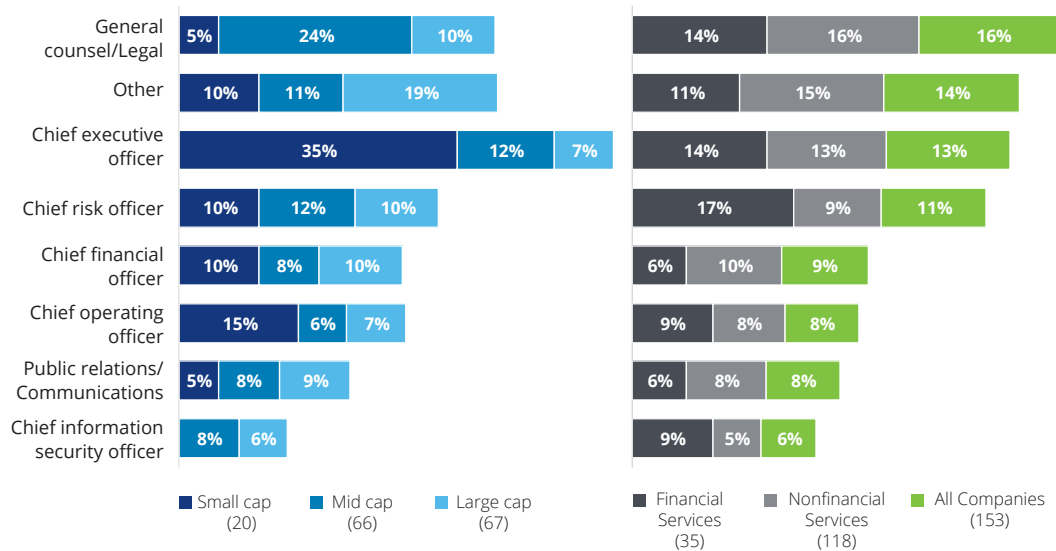
74. How often is your board briefed on shareholder interactions?



Respondents answering "Other" were as follows: 5% small cap, 8% mid cap, 23% large cap, 8% FSI, 16% non-FSI, and 14% all companies. Respondents answering "Don't know/Not applicable" were as follows: 10% small cap, 12% mid cap, 7% large cap, 3% FSI, 12% non-FSI, and 10% all companies.

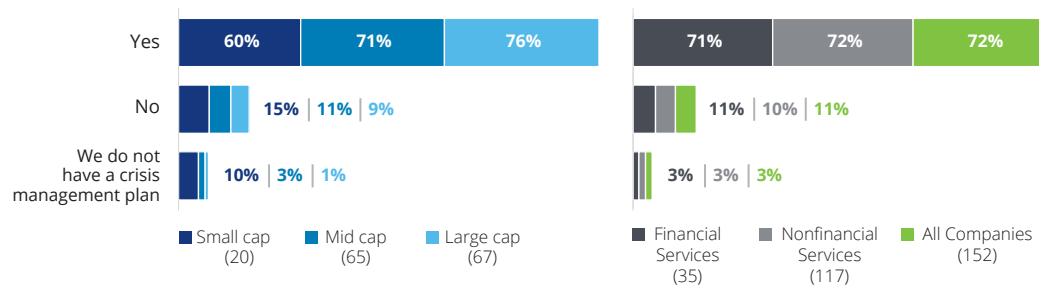
Crisis events

75. Who is responsible for the company's crisis management preparedness?



Respondents answering "Don't know/Not applicable" were as follows: 10% small cap, 12% mid cap, 19% large cap, 14% FSI, 15% non-FSI, and 15% all companies.

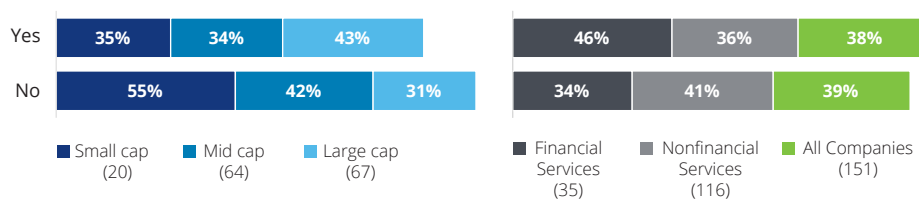
76. Has the board been briefed on the company's crisis management preparedness?



Respondents answering "Don't know/Not applicable" were as follows: 15% small cap, 15% mid cap, 13% large cap, 14% FSI, 15% non-FSI, and 14% all companies.

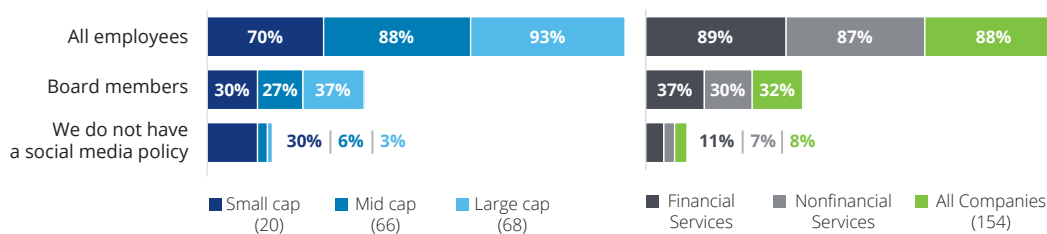
72% of boards have been briefed on their company's crisis management preparedness plan.

77. Is the board's role during a crisis event formally specified?

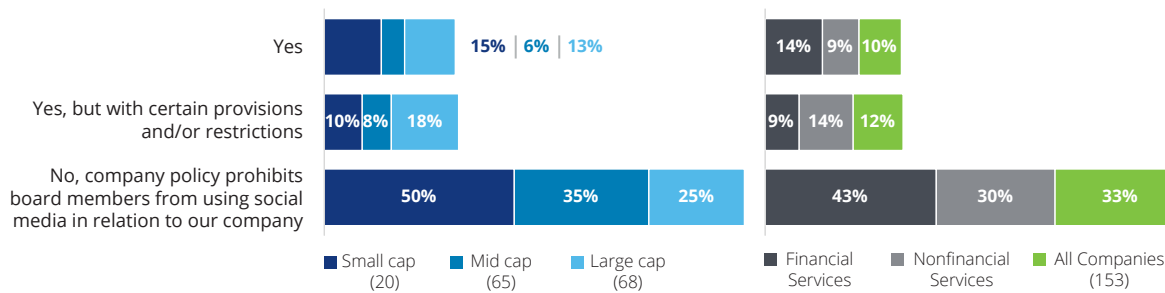


Respondents answering "Don't know/Not applicable" were as follows: 10% small cap, 23% mid cap, 25% large cap, 20% FSI, 23% non-FSI, and 23% all companies.

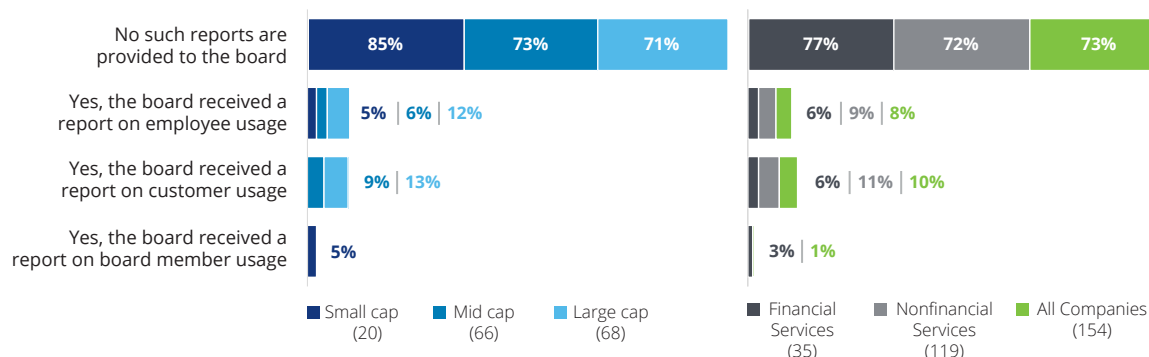
Technology and data analytics

78. Your company's social media policy applies to: [Select all that apply]

Respondents answering "Don't know/Not applicable" were as follows: 6% mid cap, 4% large cap, 6% non-FSI, and 5% all companies.

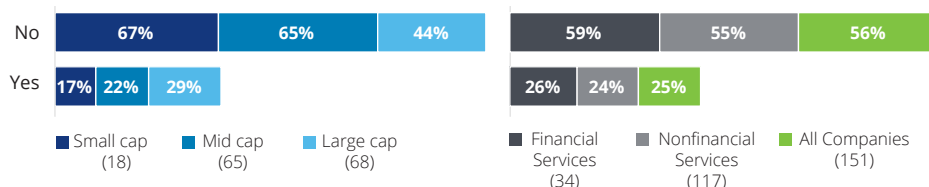
79. Board members are permitted to comment on your company and industry via various social media (e.g., Twitter, Facebook, LinkedIn):

Respondents answering "Don't know/Not applicable" were as follows: 25% small cap, 51% mid cap, 44% large cap, 34% FSI, 47% non-FSI, and 44% all companies.

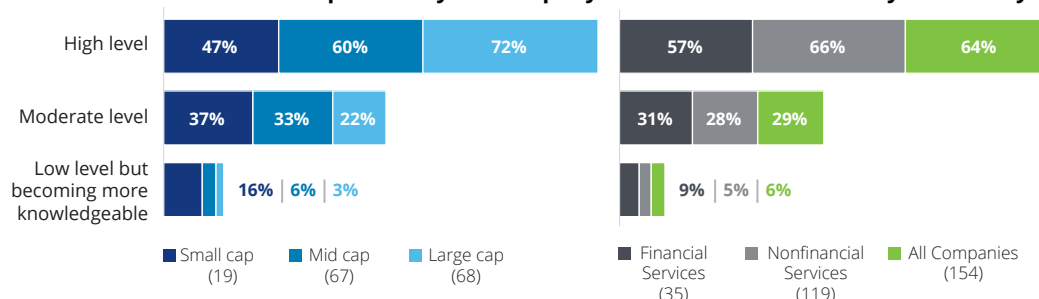
80. In the past year, has your board received a report on, or discussed the usage of, social media by employees, customers, or board members? [Select all that apply]

Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 18% mid cap, 15% large cap, 14% FSI, 15% non-FSI, and 15% all companies.

Cybersecurity

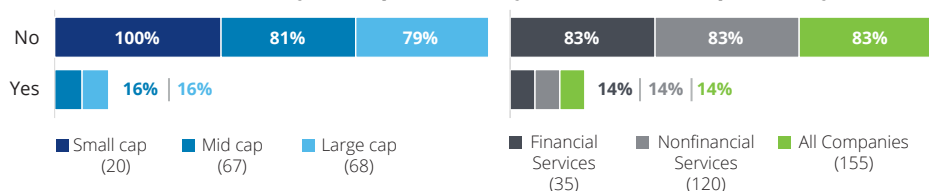
81. Has your company experienced a cybersecurity breach during the past two years?

Respondents answering "Don't know/Not applicable" were as follows: 17% small cap, 14% mid cap, 26% large cap, 15% FSI, 21% non-FSI, and 20% all companies.

82. What level of awareness specific to your company does the board have on cybersecurity?

Respondents answering "Don't know/Not applicable" were as follows: 1% mid cap, 3% large cap, 3% FSI, 2% non-FSI, and 2% all companies.

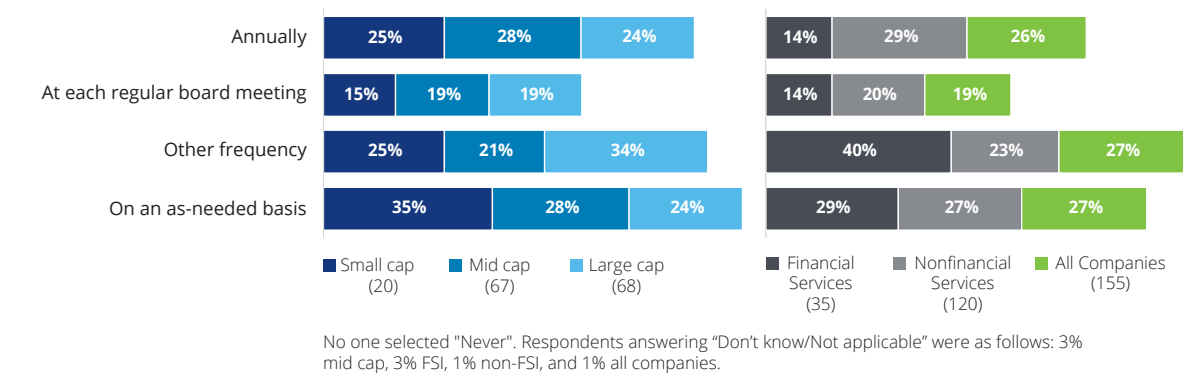
64% of boards have a high level of awareness on cybersecurity, and 29% have a moderate level of awareness.

83. Have you added a director with cyber experience to your board in the past two years?

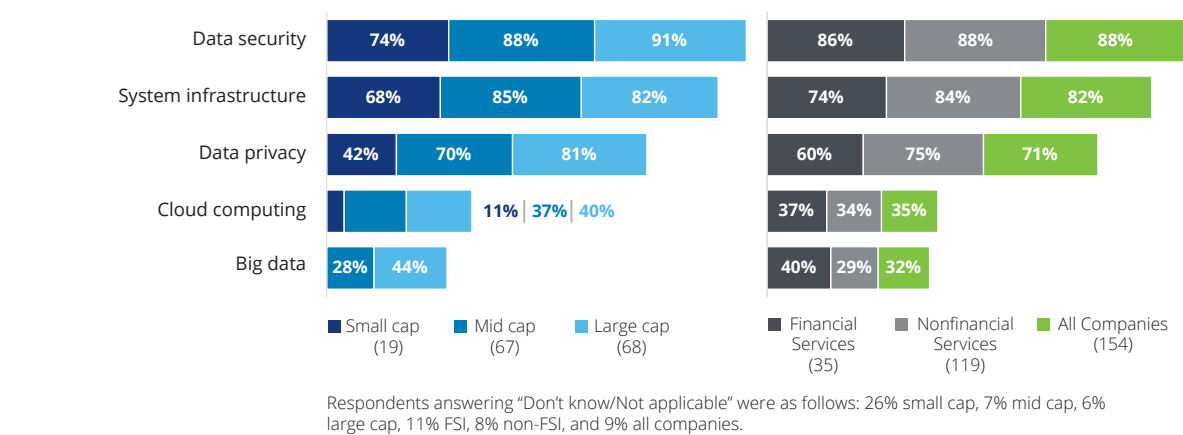
Respondents answering "Don't know/Not applicable" were as follows: 3% mid cap, 4% large cap, 3% FSI, 3% non-FSI, and 3% all companies.

14% have added a board member with cyber experience in the past two years.

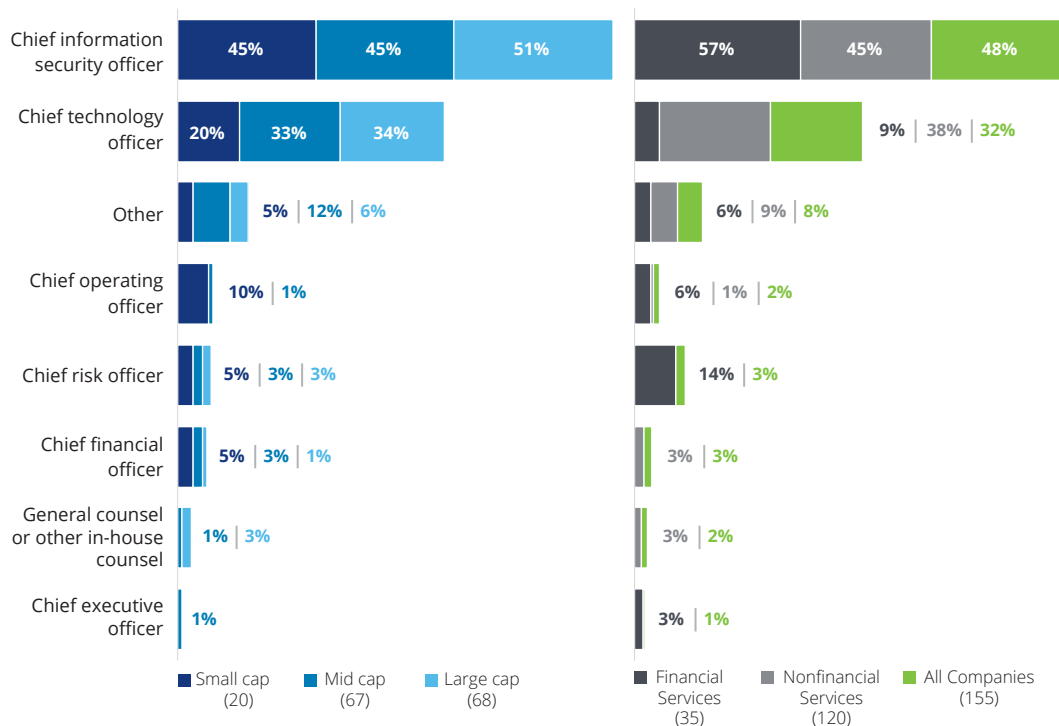
84. How often does the board receive reports on cybersecurity?



85. What types of cybersecurity issues are regularly reported to the board or designated committee? [Select all that apply]

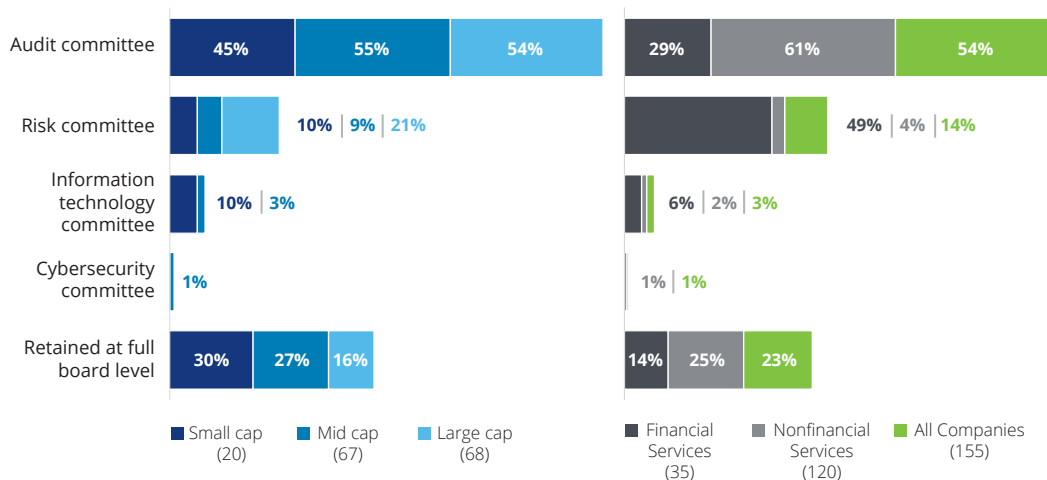


86. Who is responsible for reporting on cybersecurity to the board?



Respondents answering "Don't know/Not applicable" were as follows: 10% small cap, 1% large cap, 6% FSI, 1% non-FSI, and 2% all companies.

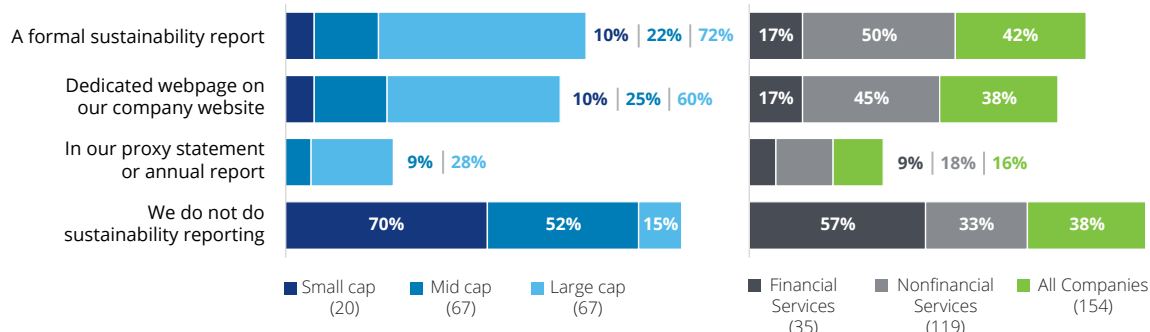
87. Which committee of the board oversees cybersecurity issues?



Respondents answering "Other" were as follows: 3% mid cap, 9% large cap, 3% FSI, 6% non-FSI, and 5% all companies. Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 1% mid cap, 2% non-FSI, and 1% all companies.

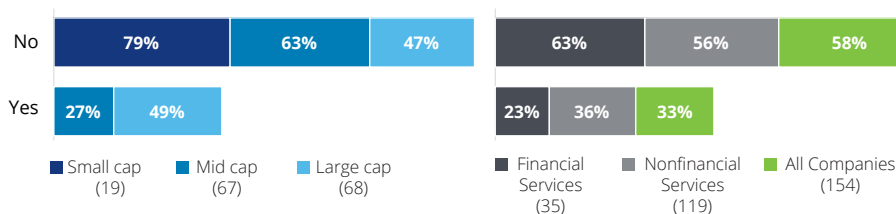
- 54% of audit committees oversee cybersecurity issues; oversight is with the risk committee at almost 50% of FSI companies.
- 30% of small caps and 27% of mid caps retain cybersecurity oversight at the full board level.

Sustainability

88. How are your company's sustainability efforts and initiatives disclosed? [Select all that apply]

Respondents answering "Other" were as follows: 5% small cap, 1% mid cap, 3% FSI, 1% non-FSI, and 1% all companies. Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 6% mid cap, 9% FSI, 2% non-FSI, and 3% all companies.

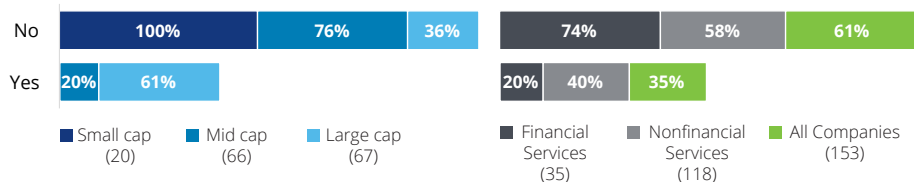
42% of companies have a formal sustainability report.

89. Is the board or a board committee involved in the oversight of the company's corporate social responsibility or sustainability effort and related public disclosures?

Respondents answering "Don't know/Not applicable" were as follows: 21% small cap, 10% mid cap, 4% large cap, 14% FSI, 8% non-FSI, and 9% all companies.

33% said the board or a board committee is involved in oversight of social responsibility or sustainability – down from 40% in 2014.

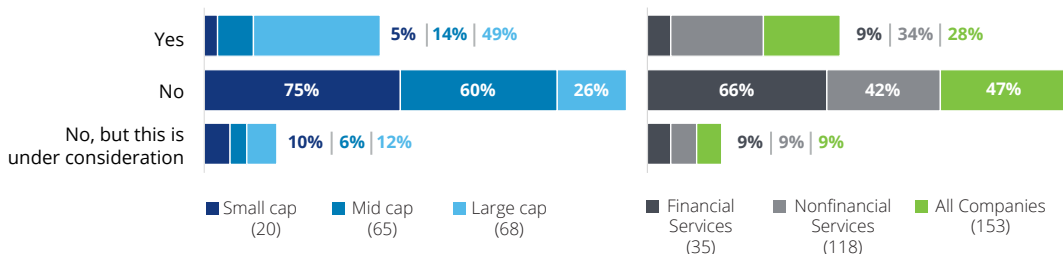
90. Has the company been subject to shareholder proposals or other questions by investors with respect to sustainability information?



Respondents answering "Don't know/Not applicable" were as follows: 5% mid cap, 3% large cap, 6% FSI, 3% non-FSI, and 3% all companies.

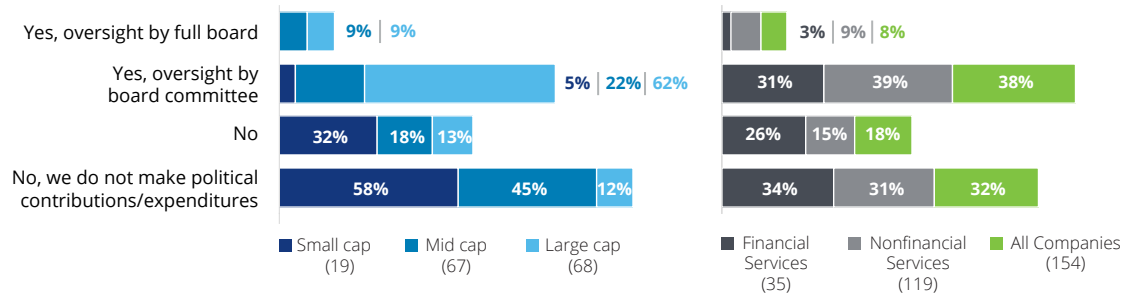
61% of large caps have received a shareholder proposal related to sustainability; no small cap companies have received such proposals.

91. Does your company's strategy incorporate specific sustainability-related goals?



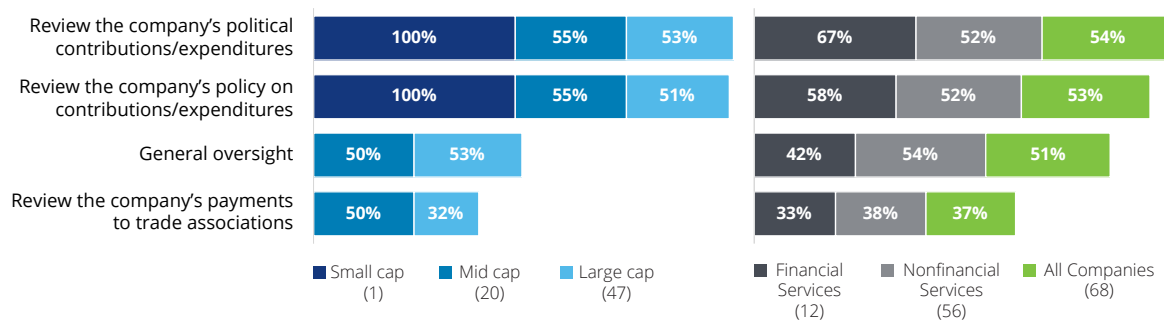
Respondents answering "Don't know/Not applicable" were as follows: 10% small cap, 20% mid cap, 13% large cap, 17% FSI, 15% non-FSI, and 16% all companies.

92. Does your board or a board committee oversee your company's political contributions/expenditures?



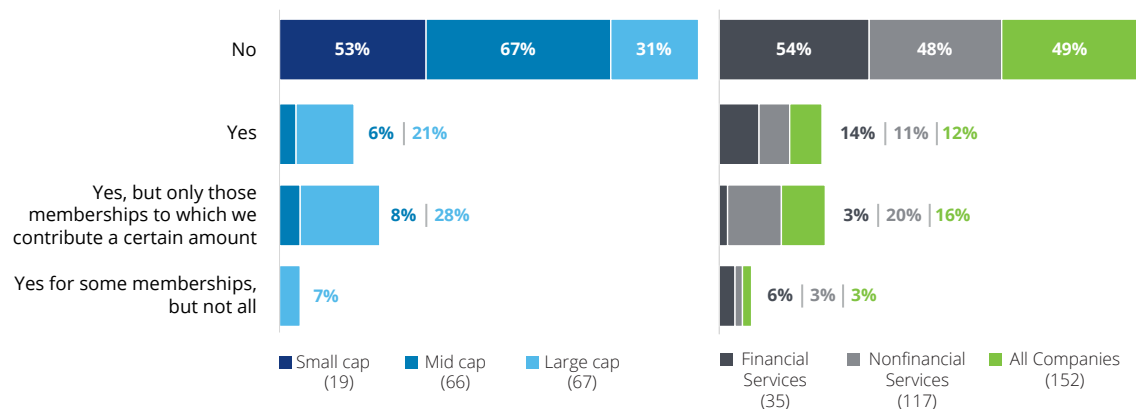
Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 6% mid cap, 4% large cap, 6% FSI, 5% non-FSI, and 5% all companies.

92a. Describe the level of political contributions/expenditures oversight by your company's board or a board committee. [Select all that apply]



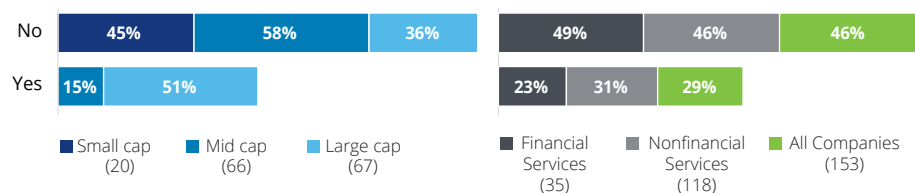
Respondents answering "Don't know/Not applicable" were as follows: 5% mid cap, 2% non-FSI, and 1% all companies.

93. Does your company disclose membership in trade associations that make political contributions/expenditures?



Respondents answering "Don't know/Not applicable" were as follows: 47% small cap, 20% mid cap, 12% large cap, 23% FSI, 19% non-FSI, and 20% all companies.

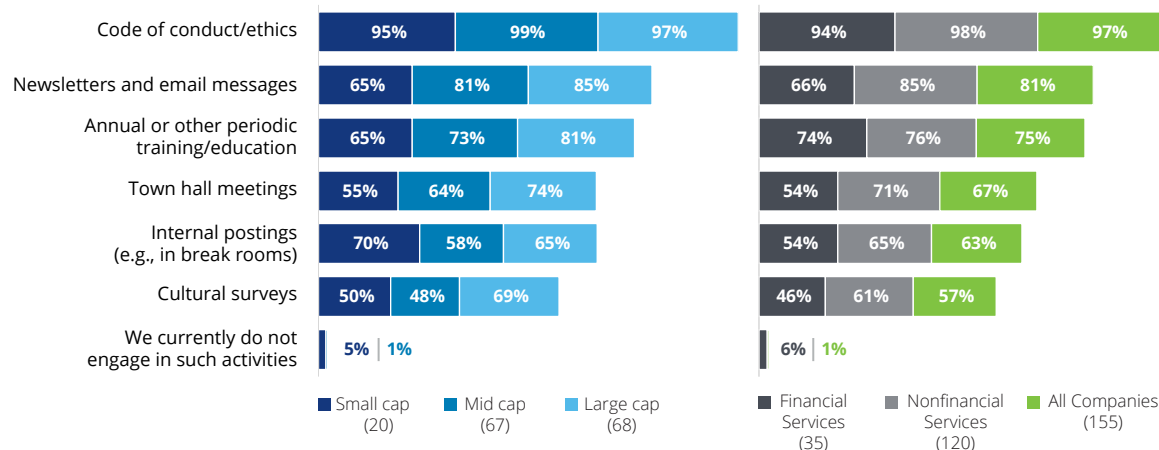
94. Does your company publicly disclose the political contributions/expenditures on lobbying?



Respondents answering "Don't know/Not applicable" were as follows: 55% small cap, 27% mid cap, 13% large cap, 29% FSI, 24% non-FSI, and 25% all companies.

Compliance, culture and tone at the top

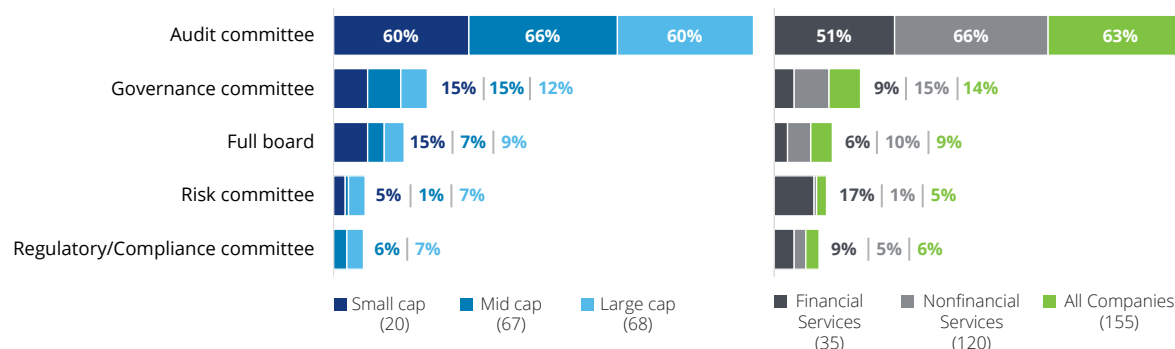
95. Which activity does your company engage in to reinforce the proper tone at the top?
[Select all that apply]



No one selected "None". Respondents answering "Don't know/Not applicable" were as follows: 1% large cap, 1% non-FSI, and 1% all companies.

57% of companies utilize a cultural survey to help reinforce a proper tone at the top.

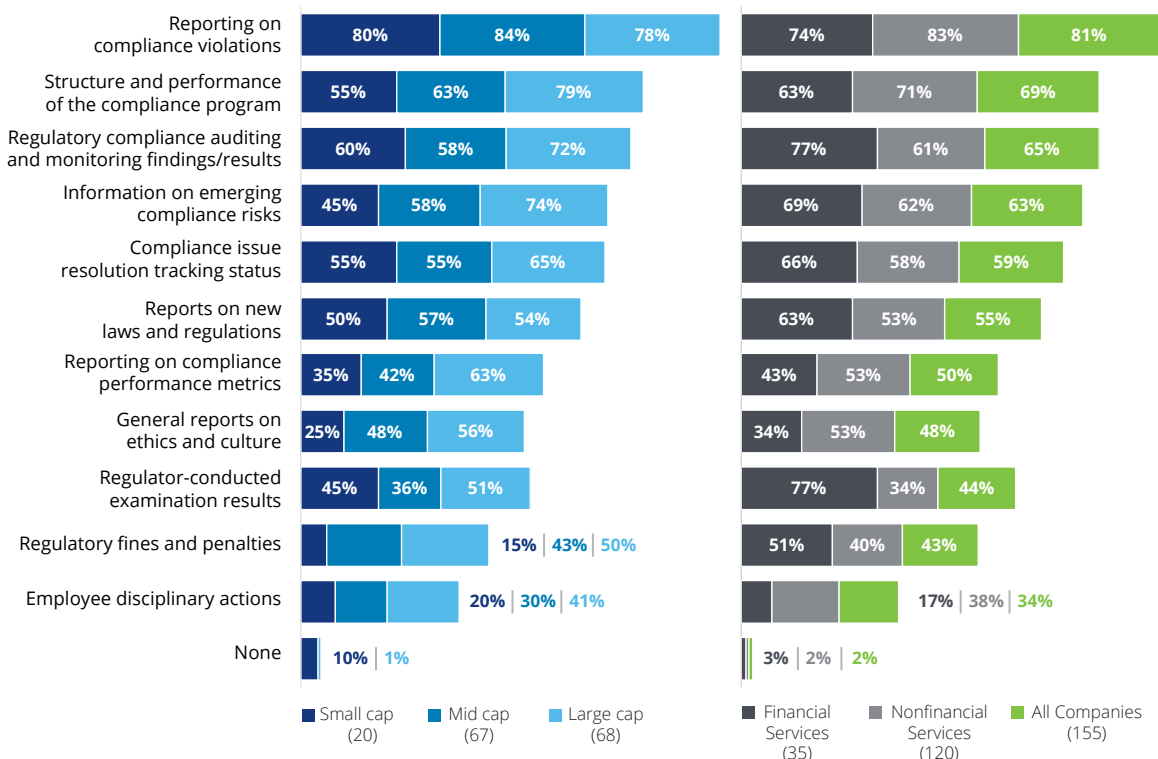
96. Who is primarily responsible for the oversight of the compliance program at the board level?



Respondents answering "Other" were as follows: 5% small cap, 3% mid cap, 1% large cap, 6% FSI, 2% non-FSI, and 3% all companies. Respondents answering "Don't know/Not applicable" were as follows: 1% mid cap, 3% large cap, 3% FSI, 2% non-FSI, and 2% all companies.

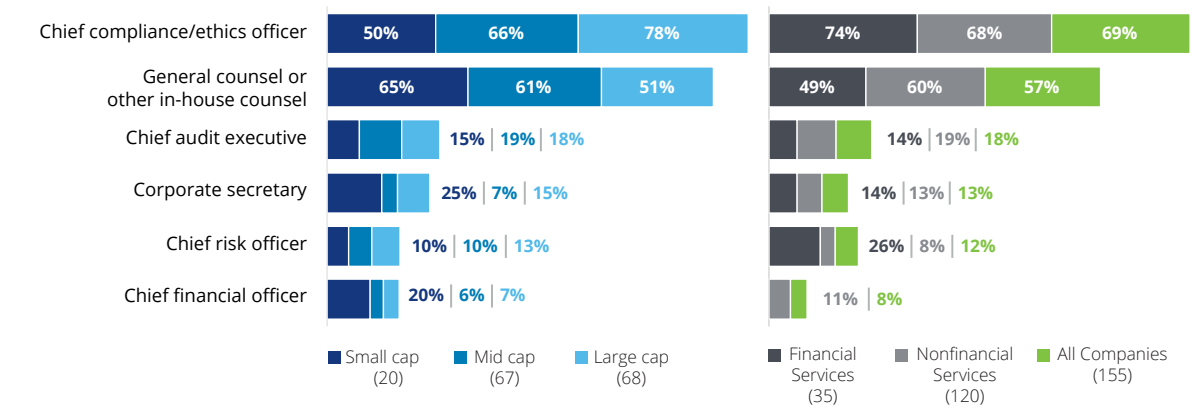
- Slight uptick in board committees overseeing the compliance program versus the full board: 9% said full board compared to 14% that did in 2014.
- 63% of audit committees oversee the compliance program; 6% regulatory/compliance committees and 5% risk committees.

97. What type of compliance program reporting does your company (or chief compliance/ethics officer) provide to the board and/or executive management? [Select all that apply]



Respondents answering "Other" were as follows: 4% mid cap, 6% large cap, 3% FSI, 5% non-FSI, and 5% all companies. Respondents answering "Don't know/Not applicable" were as follows: 7% mid cap, 6% large cap, 3% FSI, 7% non-FSI, and 6% all companies.

98. Which individual(s) are responsible for reporting ethics and compliance matters to the board?
[Select all that apply]



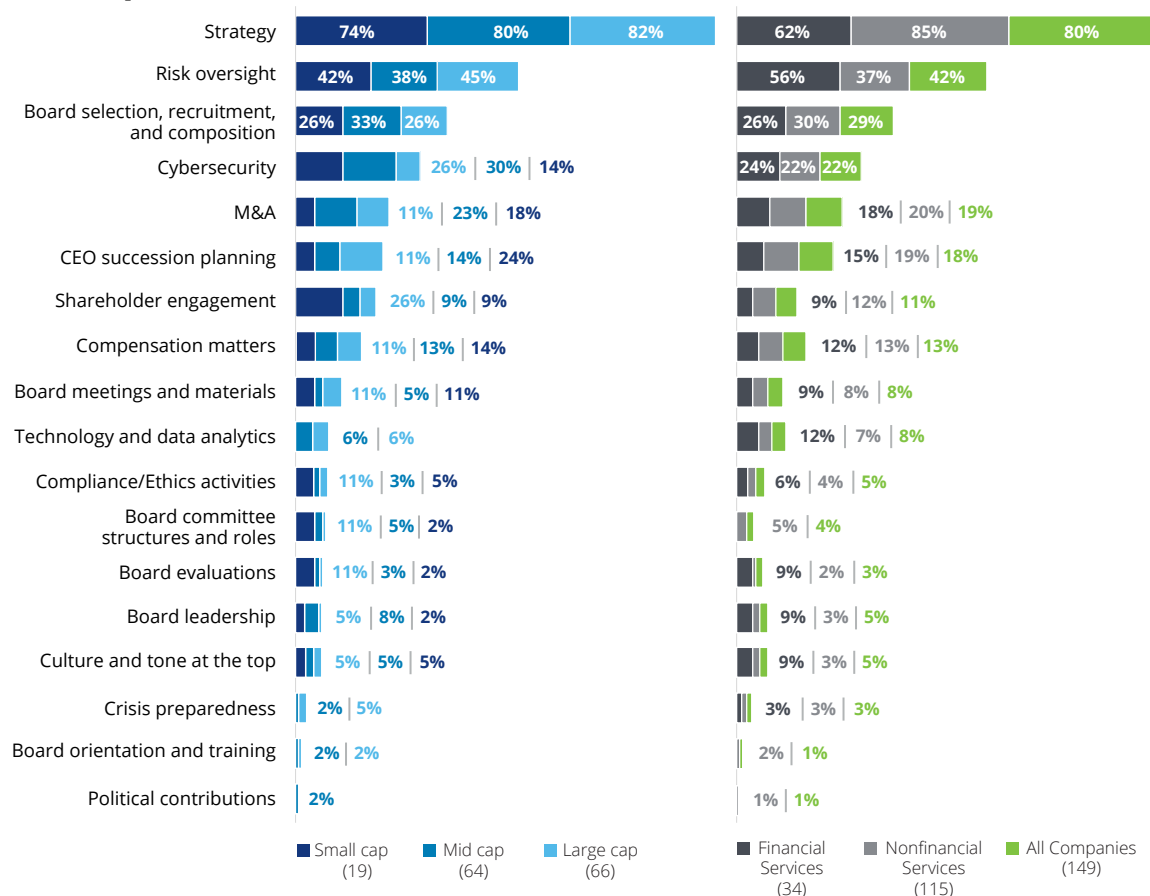
Respondents answering “Other” were as follows: 6% mid cap, 4% large cap, 6% non-FSI, and 5% all companies. Respondents answering “Don’t know/Not applicable” were as follows: 1% mid cap, 3% large cap, 3% FSI, 2% non-FSI, and 2% all companies.

The chief compliance/ethics officer is the individual most commonly responsible for reporting compliance and ethics matters to the board, followed by the general counsel or other in-house counsel.



Concluding question

99. Considering the topics included in this survey, what do you expect will be the top three areas of focus (where the board will spend the majority of its time) for your board in the next year? [Select up to three choices]



No one selected "Shareholder activism", "Sustainability", and "Strategic planning". Respondents answering "Other" were as follows: 4% mid cap, 3% large cap, 4% non-FSI, and 3% all companies. Respondents answering "Don't know/Not applicable" were as follows: 5% small cap, 5% mid cap, 11% large cap, 12% FSI, 6% non-FSI, and 7% all companies.

- Top three areas of focus for boards: 80% strategy, 42% risk oversight and 29% board selection, recruitment and composition.
- Results are fairly consistent to a similar question asked in 2014 but M&A is now in the top five and CEO succession planning has moved down on the list (from 24% in 2014 to 18% in 2016).

Appendices

Appendix A

Question 29: Please complete the following table with regard to the specific committee practices of your board.

Audit committee		Small cap		Mid cap		Large cap		FSI		Non-FSI		All companies	
		n	%	n	%	n	%	n	%	n	%	n	%
Is this a standing committee?	Yes	20	100%	70	100%	73	100%	38	100%	125	100%	163	100%
	No	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of members	1-4	16	80%	49	70%	33	46%	19	50%	79	64%	98	60%
	5-9	4	20%	21	30%	39	54%	19	50%	45	36%	64	40%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of regular in-person meetings annually	≤5	13	76%	55	81%	48	71%	23	66%	93	79%	116	76%
	6	3	18%	5	7%	10	15%	6	17%	12	10%	18	12%
	7	0	0%	2	3%	2	3%	1	3%	3	3%	4	3%
	8	1	6%	2	3%	4	6%	0	0%	7	6%	7	5%
	9	0	0%	1	1%	2	3%	2	6%	1	1%	3	2%
	≥10	0	0%	3	4%	2	3%	3	9%	2	2%	5	3%
Average length of regular meetings (hours)	<2	11	61%	25	37%	17	25%	15	42%	38	32%	53	34%
	2-3	7	39%	36	53%	44	64%	15	42%	72	61%	87	56%
	4-5	0	0%	5	7%	8	12%	5	14%	8	7%	13	8%
	>5	0	0%	2	3%	0	0%	1	3%	1	1%	2	1%
Number of telephonic/ videoconference meetings annually	≤5	15	100%	58	88%	58	85%	30	86%	101	89%	131	88%
	6	0	0%	3	5%	5	7%	2	6%	6	5%	8	5%
	7	0	0%	2	3%	1	1%	0	0%	3	3%	3	2%
	8	0	0%	3	5%	3	4%	3	9%	3	3%	6	4%
	9	0	0%	0	0%	1	1%	0	0%	1	1%	1	1%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Compensation committee		Small cap		Mid cap		Large cap		FSI		Non-FSI		All companies	
		n	%	n	%	n	%	n	%	n	%	n	%
Is this a standing committee?	Yes	20	100%	70	100%	73	100%	38	100%	125	100%	163	100%
	No	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of members	1-4	17	85%	51	73%	38	53%	22	58%	84	68%	106	65%
	5-9	3	15%	19	27%	34	47%	16	42%	40	32%	56	35%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of regular in-person meetings annually	≤5	13	76%	61	90%	53	78%	25	71%	102	86%	127	83%
	6	2	12%	5	7%	13	19%	6	17%	14	12%	20	13%
	7	1	6%	1	1%	1	1%	3	9%	0	0%	3	2%
	8	1	6%	1	1%	1	1%	1	3%	2	2%	3	2%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Average length of regular meetings (hours)	<2	12	67%	35	51%	33	48%	19	53%	61	51%	80	52%
	2-3	6	33%	32	47%	35	51%	16	44%	57	48%	73	47%
	4-5	0	0%	1	1%	1	1%	1	3%	1	1%	2	1%
	>5	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of telephonic/ videoconference meetings annually	≤5	16	100%	59	98%	64	100%	33	100%	106	99%	139	99%
	6	0	0%	1	2%	0	0%	0	0%	1	1%	1	1%
	7	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	8	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Nominating/governance committee		Small cap		Mid cap		Large cap		FSI		Non-FSI		All companies	
		n	%	n	%	n	%	n	%	n	%	n	%
Is this a standing committee?	Yes	19	95%	70	100%	73	100%	37	97%	125	100%	162	99%
	No	1	5%	0	0%	0	0%	1	3%	0	0%	1	1%
Number of members	1-4	16	84%	51	73%	30	42%	20	54%	77	62%	97	60%
	5-9	3	16%	18	26%	41	57%	17	46%	45	36%	62	39%
	≥10	0	0%	1	1%	1	1%	0	0%	2	2%	2	1%
Number of regular in-person meetings annually	≤5	16	100%	66	97%	61	90%	28	82%	115	97%	143	94%
	6	0	0%	2	3%	5	7%	4	12%	3	3%	7	5%
	7	0	0%	0	0%	1	1%	1	3%	0	0%	1	1%
	8	0	0%	0	0%	1	1%	1	3%	0	0%	1	1%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Average length of regular meetings (hours)	<2	15	88%	59	87%	56	81%	27	77%	103	87%	130	84%
	2-3	2	12%	8	12%	13	19%	7	20%	16	13%	23	15%
	4-5	0	0%	1	1%	0	0%	1	3%	0	0%	1	1%
	>5	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of telephonic/videoconference meetings annually	≤5	13	100%	59	100%	62	100%	32	100%	102	100%	134	100%
	6	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	7	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	8	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Executive committee		Small cap		Mid cap		Large cap		FSI		Non-FSI		All companies	
		n	%	n	%	n	%	n	%	n	%	n	%
Is this a standing committee?	Yes	10	67%	21	40%	31	52%	20	63%	42	44%	62	48%
	No	5	33%	32	60%	29	48%	12	38%	54	56%	66	52%
Number of members	1-4	8	80%	10	45%	15	47%	9	45%	24	55%	33	52%
	5-9	2	20%	12	55%	16	50%	10	50%	20	45%	30	47%
	≥10	0	0%	0	0%	1	3%	1	5%	0	0%	1	2%
Number of regular in-person meetings annually	≤5	8	100%	16	100%	26	93%	16	100%	34	94%	50	96%
	6	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	7	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	8	0	0%	0	0%	1	4%	0	0%	1	3%	1	2%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	1	4%	0	0%	1	3%	1	2%
Average length of regular meetings (hours)	<2	7	88%	16	100%	26	96%	15	94%	34	97%	49	96%
	2-3	1	13%	0	0%	1	4%	1	6%	1	3%	2	4%
	4-5	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	>5	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of telephonic/videoconference meetings annually	≤5	7	100%	15	100%	24	96%	14	100%	32	97%	46	98%
	6	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	7	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	8	0	0%	0	0%	1	4%	0	0%	1	3%	1	2%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Risk committee		Small cap		Mid cap		Large cap		FSI		Non-FSI		All companies	
		n	%	n	%	n	%	n	%	n	%	n	%
Is this a standing committee?	Yes	2	18%	6	14%	16	30%	20	63%	4	5%	24	22%
	No	9	82%	38	86%	37	70%	12	38%	72	95%	84	78%
Number of members	1-4	1	50%	1	17%	3	19%	4	20%	1	25%	5	21%
	5-9	1	50%	4	67%	10	63%	13	65%	2	50%	15	63%
	≥10	0	0%	1	17%	3	19%	3	15%	1	25%	4	17%
Number of regular in-person meetings annually	≤5	0	0%	2	40%	8	53%	6	35%	4	100%	10	48%
	6	0	0%	2	40%	2	13%	4	24%	0	0%	4	19%
	7	0	0%	1	20%	1	7%	2	12%	0	0%	2	10%
	8	0	0%	0	0%	2	13%	2	12%	0	0%	2	10%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	1	100%	0	0%	2	13%	3	18%	0	0%	3	14%
Average length of regular meetings (hours)	<2	2	100%	1	25%	7	47%	8	47%	2	50%	10	48%
	2-3	0	0%	3	75%	6	40%	7	41%	2	50%	9	43%
	4-5	0	0%	0	0%	2	13%	2	12%	0	0%	2	10%
	>5	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of telephonic/ videoconference meetings annually	≤5	2	100%	3	75%	13	100%	15	94%	3	100%	18	95%
	6	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	7	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	8	0	0%	1	25%	0	0%	1	6%	0	0%	1	5%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Finance committee		Small cap		Mid cap		Large cap		FSI		Non-FSI		All companies	
		n	%	n	%	n	%	n	%	n	%	n	%
Is this a standing committee?	Yes	2	20%	17	33%	31	50%	4	15%	46	47%	50	41%
	No	8	80%	34	67%	31	50%	22	85%	51	53%	73	59%
Number of members	1-4	1	50%	10	59%	7	25%	0	0%	18	42%	18	38%
	5-9	1	50%	7	41%	19	68%	4	100%	23	53%	27	57%
	≥10	0	0%	0	0%	2	7%	0	0%	2	5%	2	4%
Number of regular in-person meetings annually	≤5	1	100%	17	100%	24	89%	4	100%	38	93%	42	93%
	6	0	0%	0	0%	3	11%	0	0%	3	7%	3	7%
	7	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	8	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Average length of regular meetings (hours)	<2	1	100%	14	88%	17	65%	3	75%	29	74%	32	74%
	2-3	0	0%	2	13%	9	35%	1	25%	10	26%	11	26%
	4-5	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	>5	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of telephonic/ videoconference meetings annually	≤5	0	0%	14	100%	23	100%	2	67%	35	100%	37	97%
	6	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	7	1	100%	0	0%	0	0%	1	33%	0	0%	1	3%
	8	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Investment committee		Small cap		Mid cap		Large cap		FSI		Non-FSI		All companies	
		n	%	n	%	n	%	n	%	n	%	n	%
Is this a standing committee?	Yes	1	11%	1	2%	4	8%	1	4%	5	6%	6	6%
	No	8	89%	42	98%	46	92%	24	96%	72	94%	96	94%
Number of members	1-4	0	0%	0	0%	4	100%	0	0%	4	100%	4	67%
	5-9	0	0%	1	100%	0	0%	1	50%	0	0%	1	17%
	≥10	1	100%	0	0%	0	0%	1	50%	0	0%	1	17%
Number of regular in-person meetings annually	≤5	1	100%	0	0%	4	100%	1	100%	4	100%	5	100%
	6	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	7	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	8	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Average length of regular meetings (hours)	<2	1	100%	0	0%	4	100%	1	100%	4	100%	5	100%
	2-3	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	4-5	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	>5	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of telephonic/ videoconference meetings annually	≤5	1	100%	0	0%	4	100%	1	100%	4	100%	5	100%
	6	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	7	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	8	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Finance and investment committee		Small cap		Mid cap		Large cap		FSI		Non-FSI		All companies	
		n	%	n	%	n	%	n	%	n	%	n	%
Is this a standing committee?	Yes	2	20%	4	9%	4	8%	6	24%	4	5%	10	10%
	No	8	80%	39	91%	45	92%	19	76%	73	95%	92	90%
Number of members	1-4	0	0%	2	50%	0	0%	1	17%	1	25%	2	20%
	5-9	2	100%	2	50%	4	100%	5	83%	3	75%	8	80%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of regular in-person meetings annually	≤5	2	100%	3	75%	2	67%	4	67%	3	100%	7	78%
	6	0	0%	1	25%	0	0%	1	17%	0	0%	1	11%
	7	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	8	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	1	33%	1	17%	0	0%	1	11%
Average length of regular meetings (hours)	<2	1	50%	2	50%	1	33%	3	50%	1	33%	4	44%
	2-3	1	50%	1	25%	2	67%	2	33%	2	67%	4	44%
	4-5	0	0%	1	25%	0	0%	1	17%	0	0%	1	11%
	>5	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of telephonic/ videoconference meetings annually	≤5	1	100%	3	75%	3	100%	4	80%	3	100%	7	88%
	6	0	0%	0	0%	0	100%	0	0%	0	0%	0	0%
	7	0	0%	1	25%	0	100%	1	20%	0	0%	1	13%
	8	0	0%	0	0%	0	100%	0	0%	0	0%	0	0%
	9	0	0%	0	0%	0	100%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	100%	0	0%	0	0%	0	0%

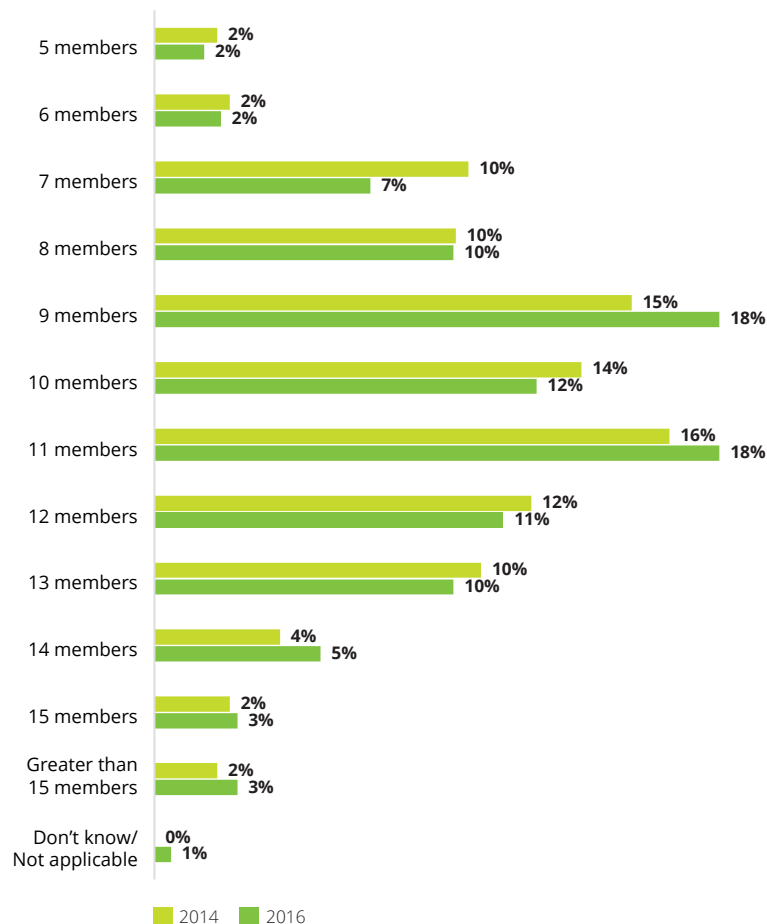
Strategy committee		Small cap		Mid cap		Large cap		FSI		Non-FSI		All companies	
		n	%	n	%	n	%	n	%	n	%	n	%
Is this a standing committee?	Yes	1	10%	4	9%	3	6%	2	8%	6	8%	8	8%
	No	9	90%	40	91%	47	94%	23	92%	73	92%	96	92%
Number of members	1-4	0	0%	3	75%	1	33%	0	0%	4	67%	4	50%
	5-9	0	0%	1	25%	0	0%	0	0%	1	17%	1	13%
	≥10	1	100%	0	0%	2	67%	2	100%	1	17%	3	38%
Number of regular in-person meetings annually	≤5	1	100%	4	100%	3	100%	2	100%	6	100%	8	100%
	6	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	7	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	8	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Average length of regular meetings (hours)	<2	0	0%	3	75%	0	0%	0	0%	3	50%	3	38%
	2-3	0	0%	1	25%	2	67%	1	50%	2	33%	3	38%
	4-5	1	100%	0	0%	1	33%	1	50%	1	17%	2	25%
	>5	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of telephonic/ videoconference meetings annually	≤5	0	0%	4	100%	3	100%	1	100%	6	100%	7	100%
	6	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	7	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	8	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	9	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	≥10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Appendix B

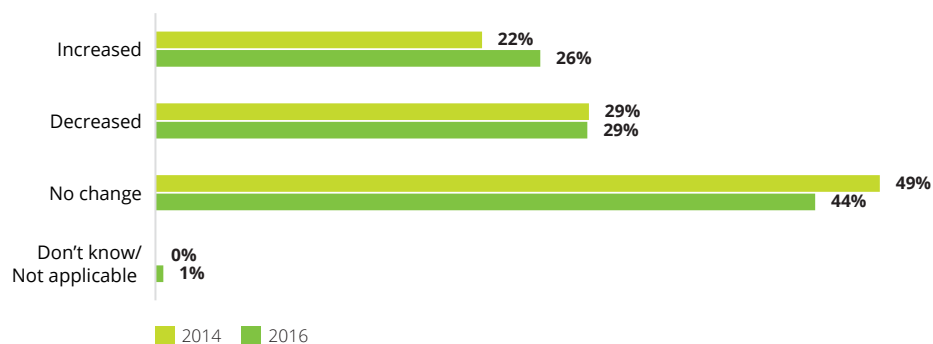
Certain questions in this year's Report could be compared to those asked in the 2014 Board Practices Report and in some instances, the 2012 Board Practices Report as well. Results are found below.

The 2014 Board Practices Report: Perspectives from the boardroom had 250 public company survey participants, which consisted of 114 large cap, 108 mid cap, and 28 small cap companies. There were 53 financial services companies and 197 nonfinancial services companies. The 2012 Board Practices Report: Providing insight into the shape of things to come had 158 public company survey participants, which consisted of 64 large cap, 70 mid cap, and 24 small cap companies. There were 30 financial services companies and 128 nonfinancial services companies.

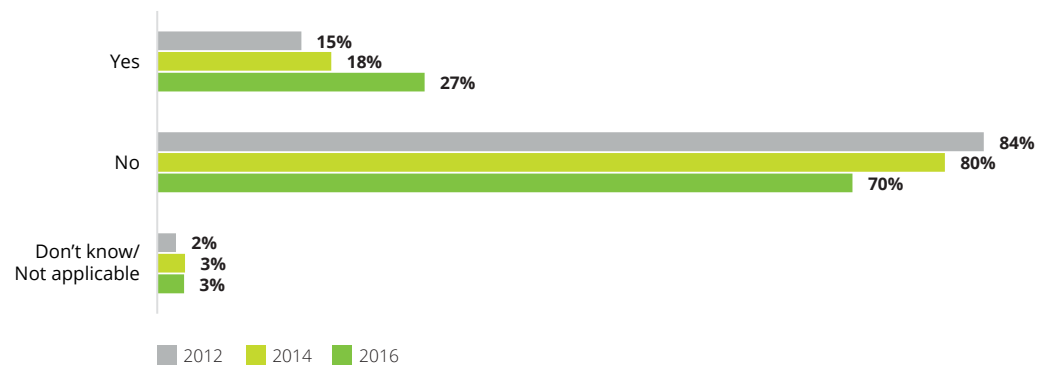
4. What is your current board size?



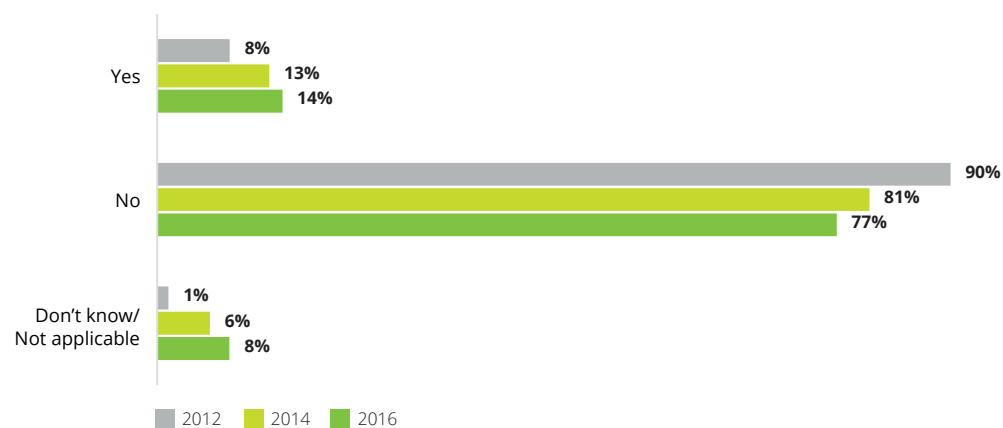
5. How has your board size changed during the past year?



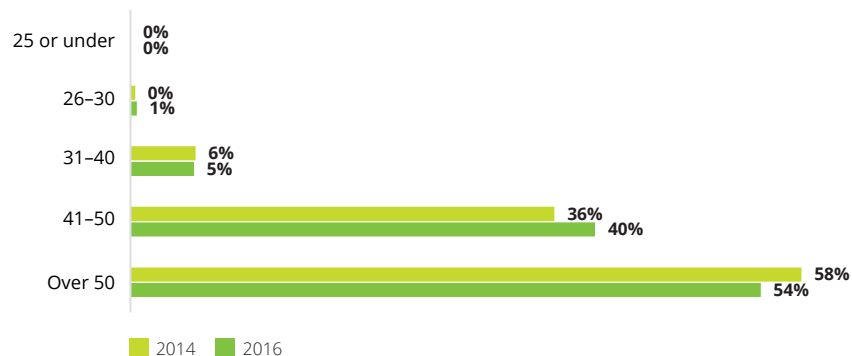
10. Has the number of women directors serving on your board increased in the past year?



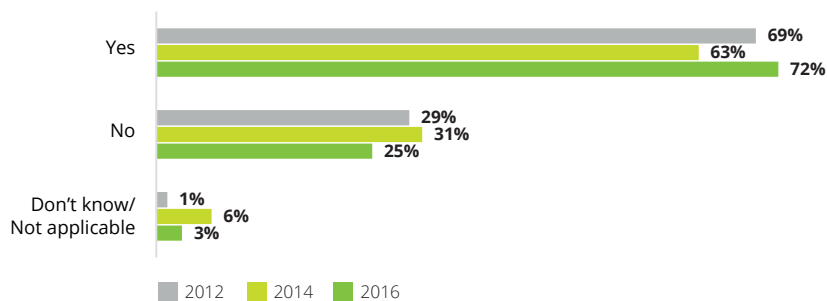
12. Has the number of racial and/or ethnic minority directors serving on your board increased in the past year?



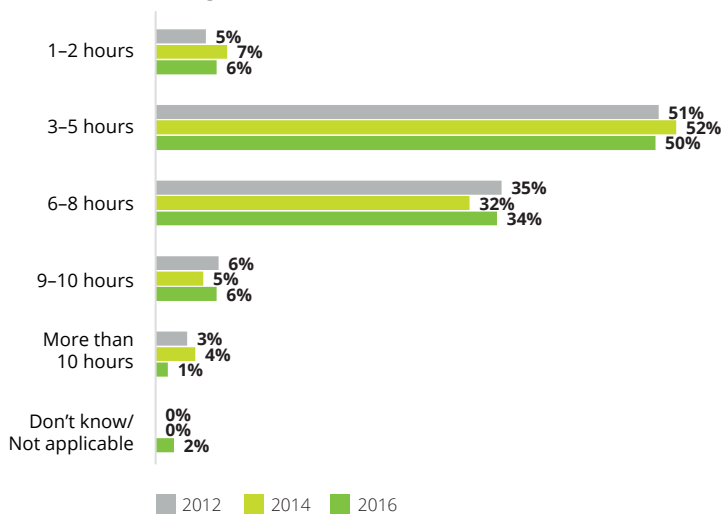
14. What is the age of the youngest director currently serving on your board?



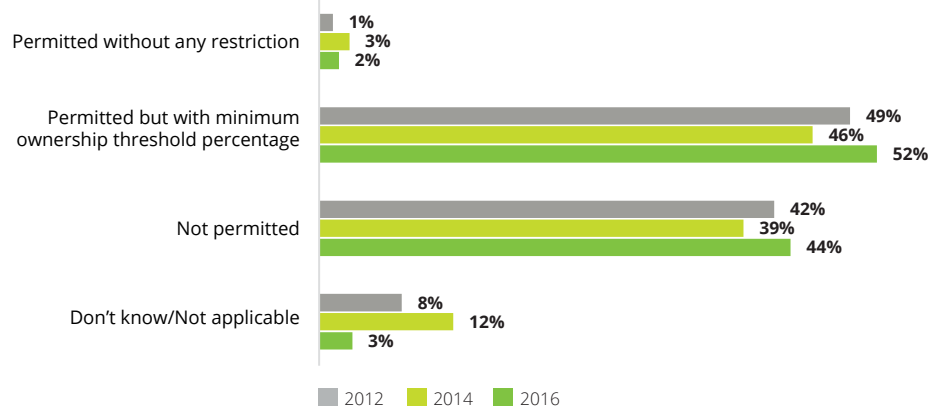
18. Has your company implemented majority voting for uncontested director elections?



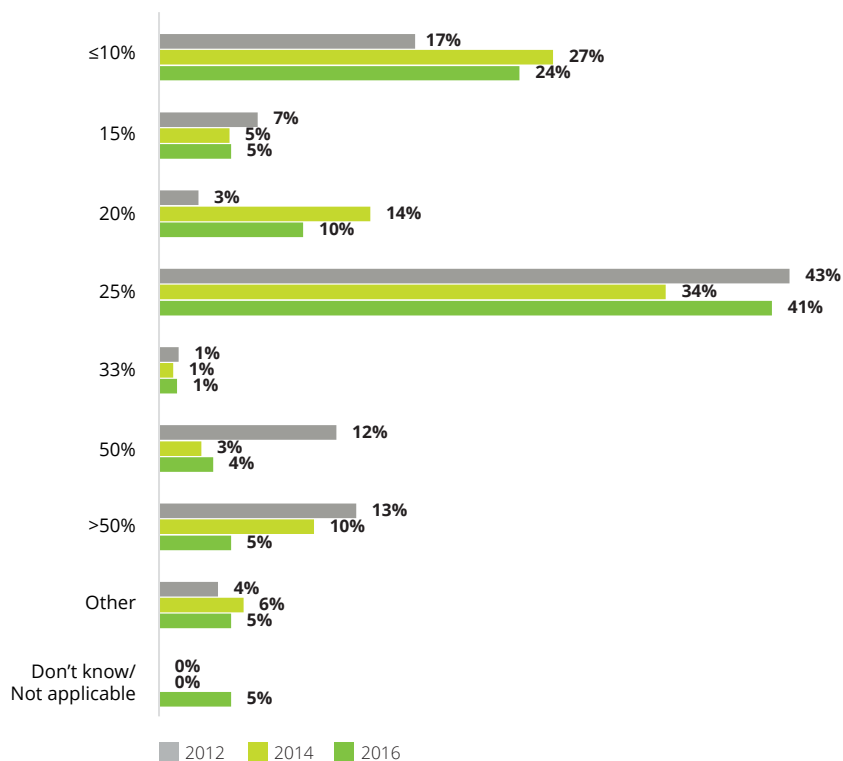
25. How many hours does a regular meeting of the full board typically last? (Do not count time spent on committee meetings.)



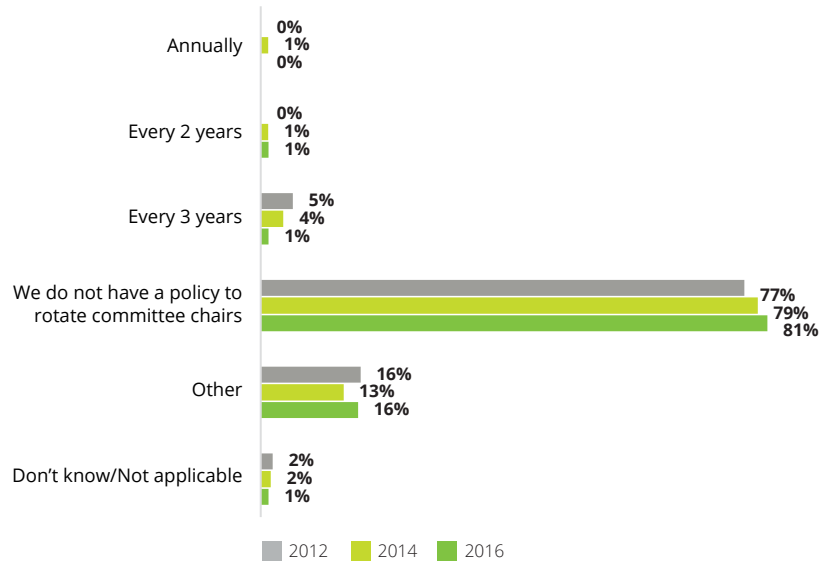
28. Does your company permit shareholders to call special meetings?



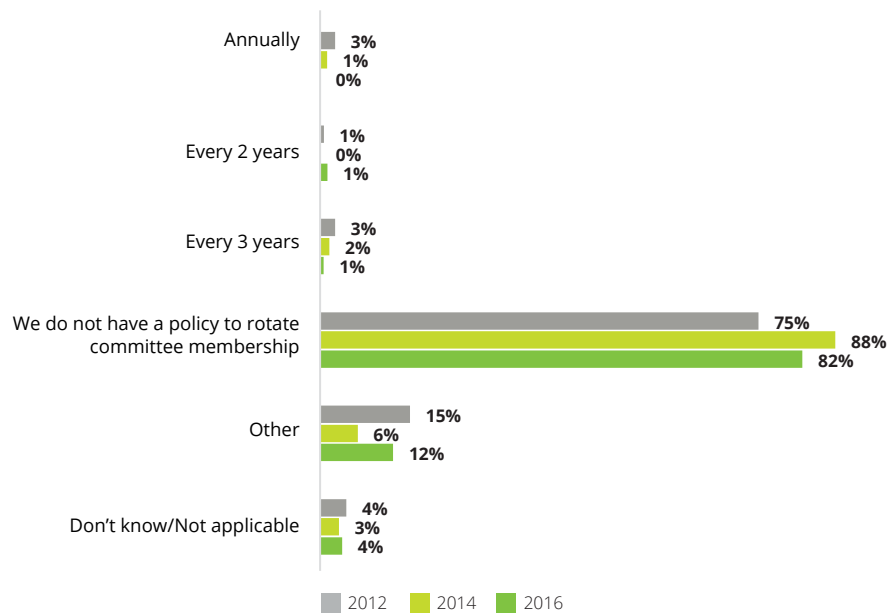
28a. Specify the threshold percentage:



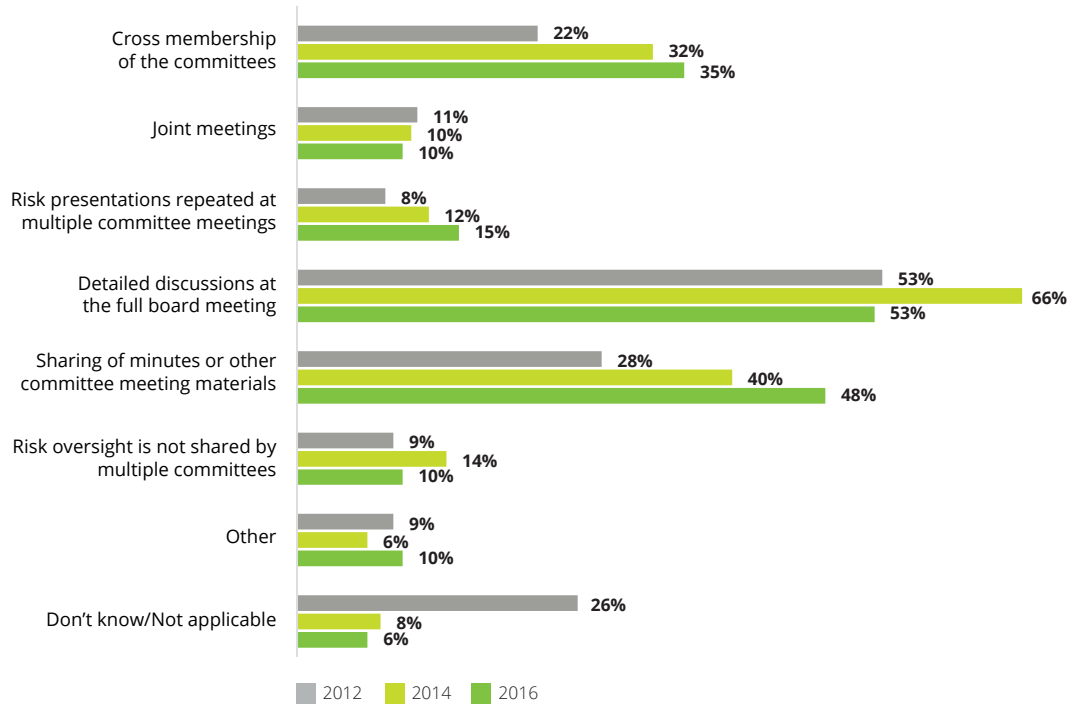
31. What is the frequency for which key committee chairs are rotated?



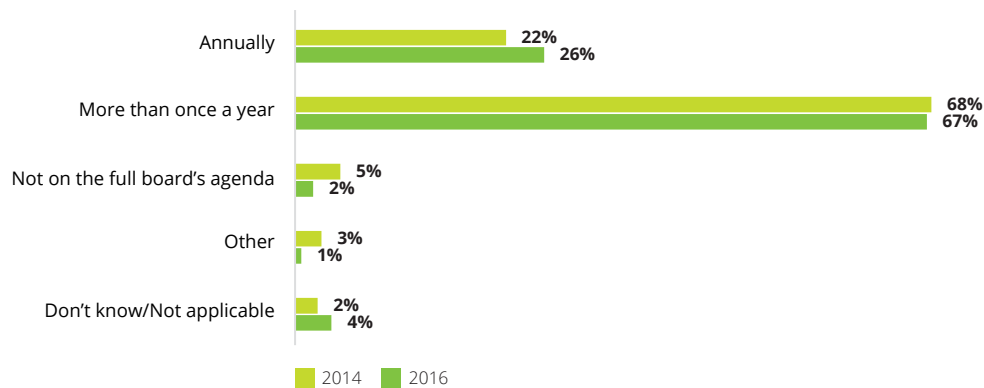
32. What is the frequency for which key committee membership rotation takes place?



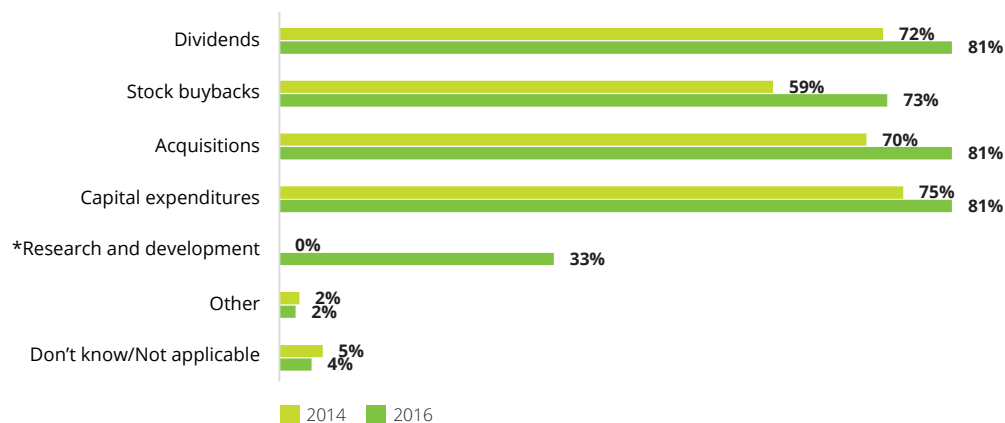
39. If risk oversight is shared by multiple committees, how does the board coordinate these activities?
[Select all that apply]



41. How often does the full board discuss the most significant risks to the company?

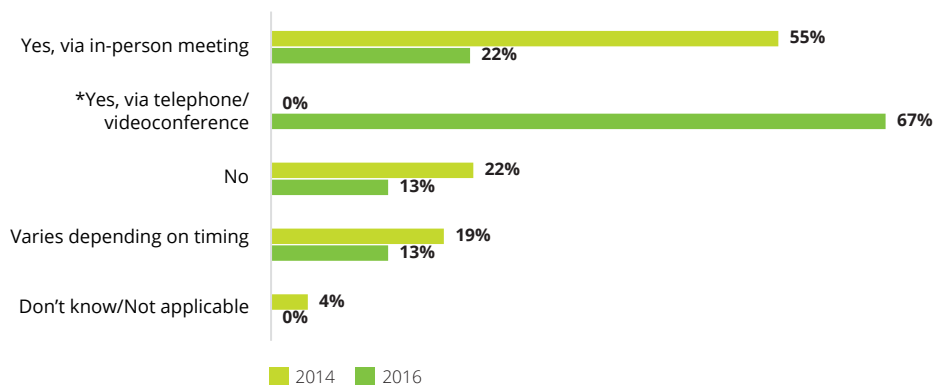


43. With regard to capital allocation, which of the following strategies has the board considered this year? [Select all that apply]



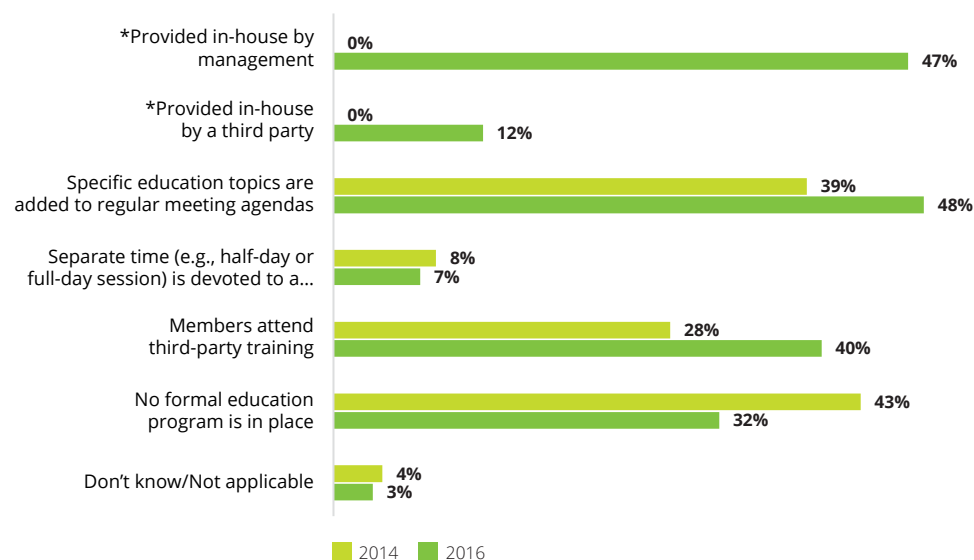
*Answer choice is new to 2016; was not asked in prior report(s).

44. Does your company's audit committee hold a separate meeting to review each earnings release? [Select all that apply]



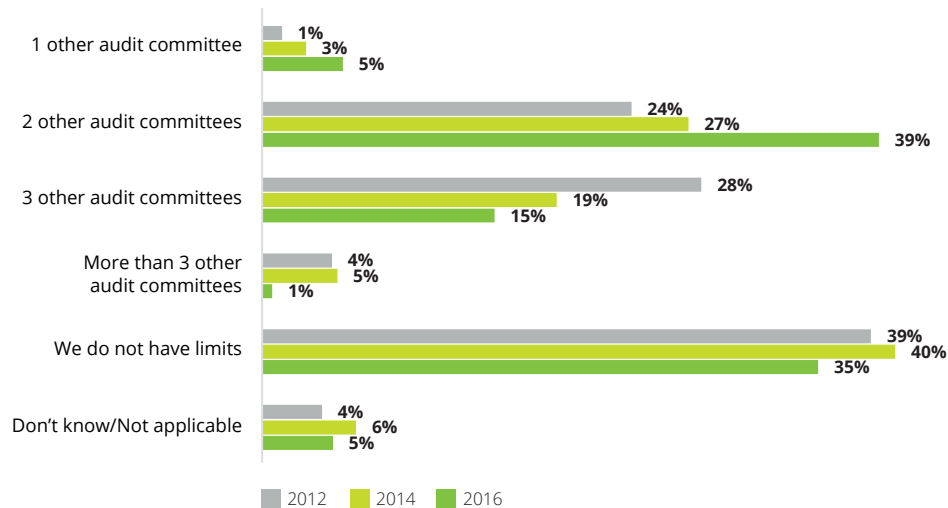
*Answer choice is new to 2016; was not asked in prior report(s).

48. Which of the following describes your company's audit committee education program?
[Select all that apply]

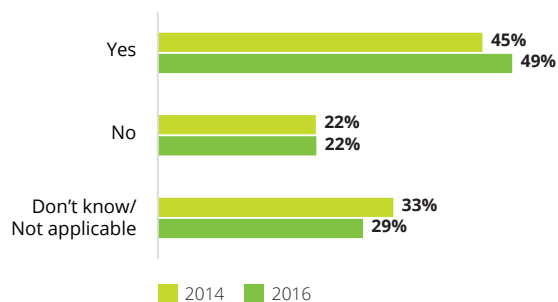


*Answer choice is new to 2016; was not asked in prior report(s).

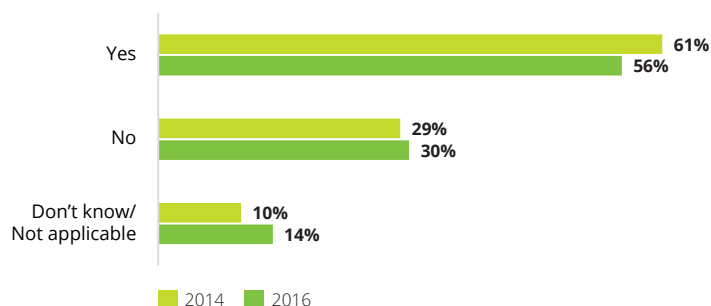
52. How many other audit committees of public companies are your audit committee members allowed to serve?



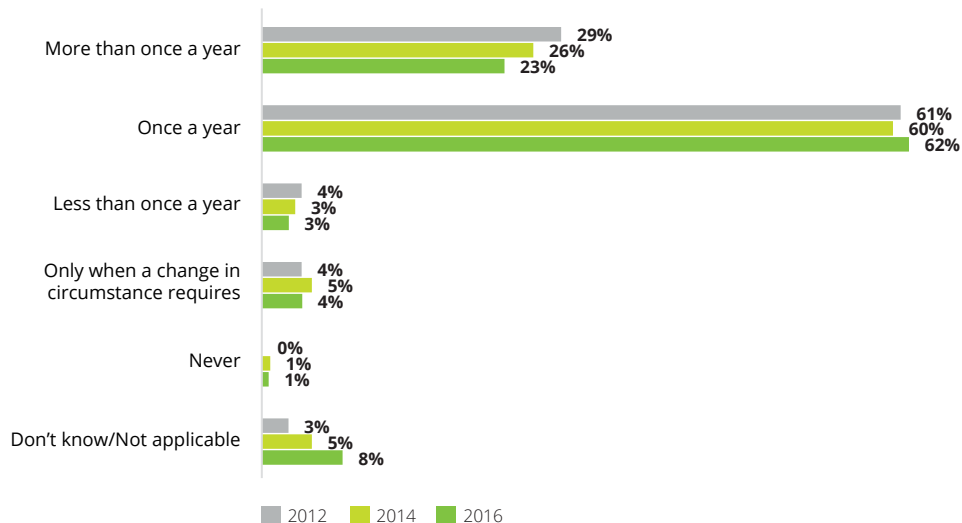
53. Has your company done any benchmarking on its internal audit function (e.g., budget, resources)?



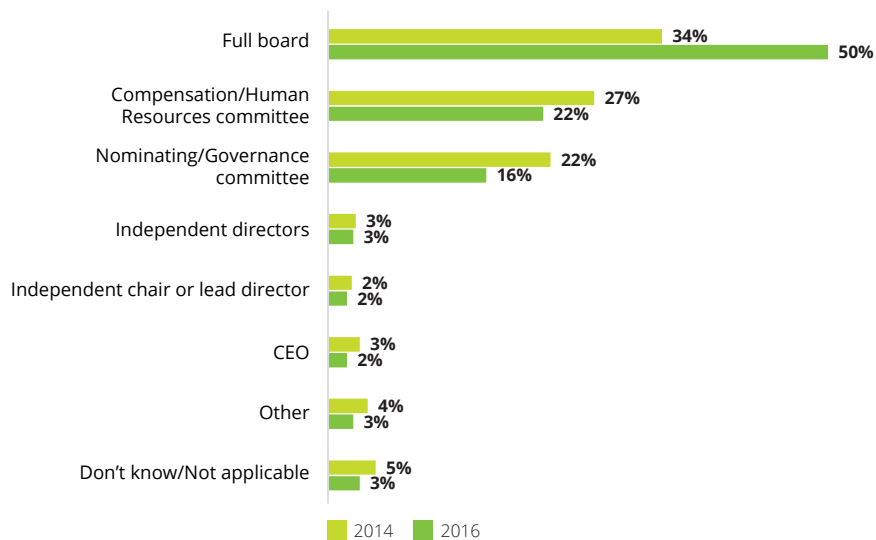
59. Has your company considered a supplemental pay-for-performance disclosure in addition to the summary compensation table in its proxy statement?



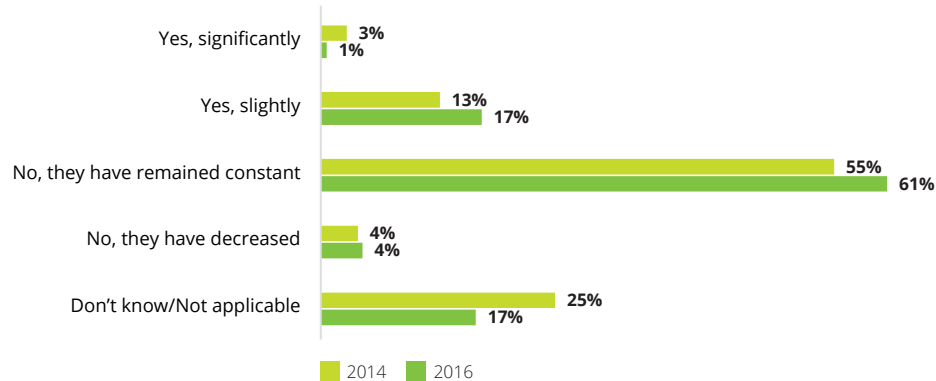
63. How often does the full board review the CEO succession plan?



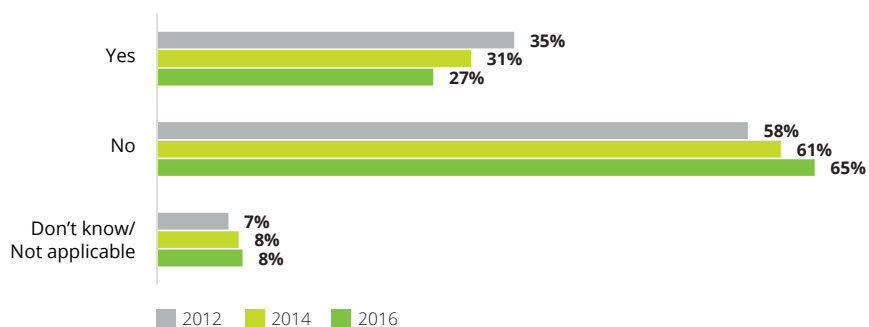
64. Who has the primary responsibility for the CEO succession planning process?



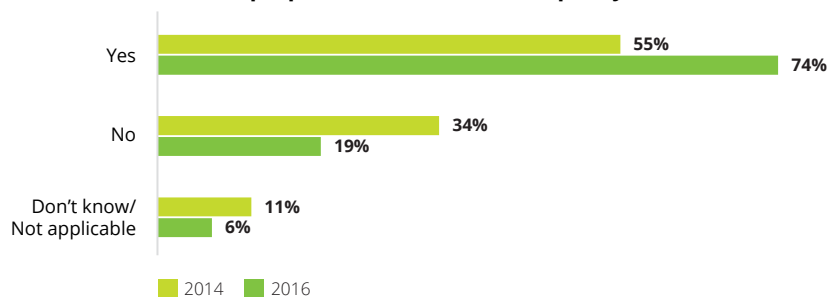
68. Have requests from shareholders to speak directly to board members increased in the past two years?



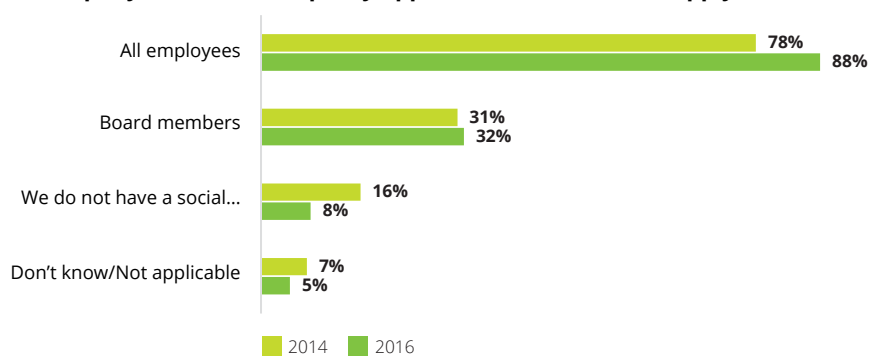
70. Has your company been approached by a shareholder activist in the past 12 months?



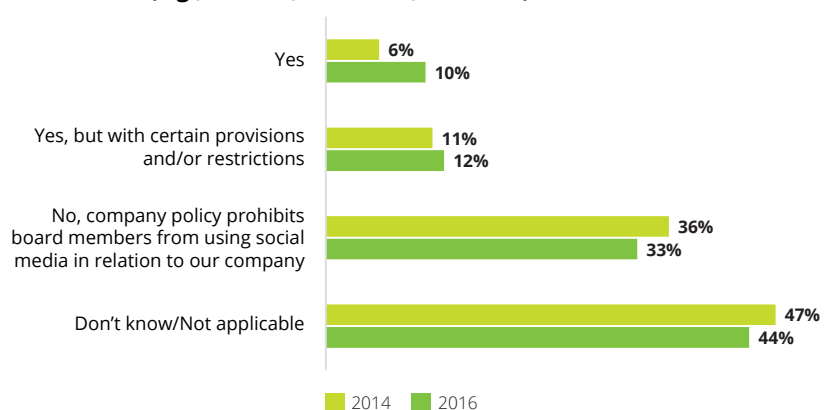
71. Has your board discussed how to prepare for activism in the past year?



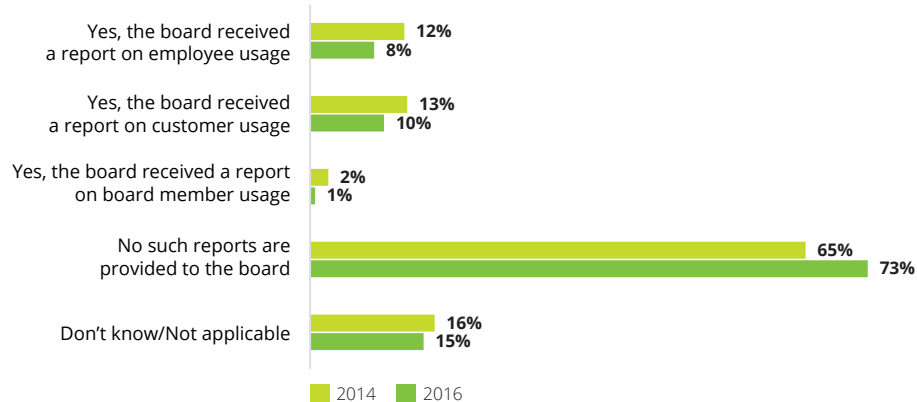
78. Your company's social media policy applies to: [Select all that apply]



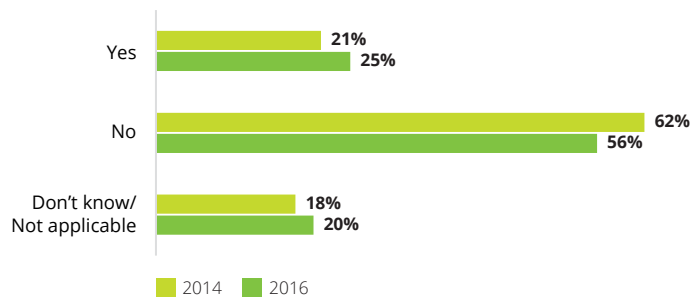
79. Board members are permitted to comment on your company and industry via various social media (e.g., Twitter, Facebook, LinkedIn):



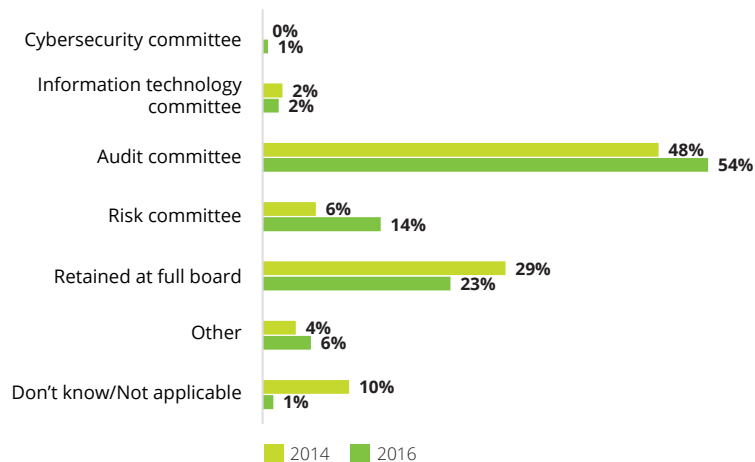
80. In the past year, has your board received a report on, or discussed the usage of, social media by employees, customers, or board members? [Select all that apply]



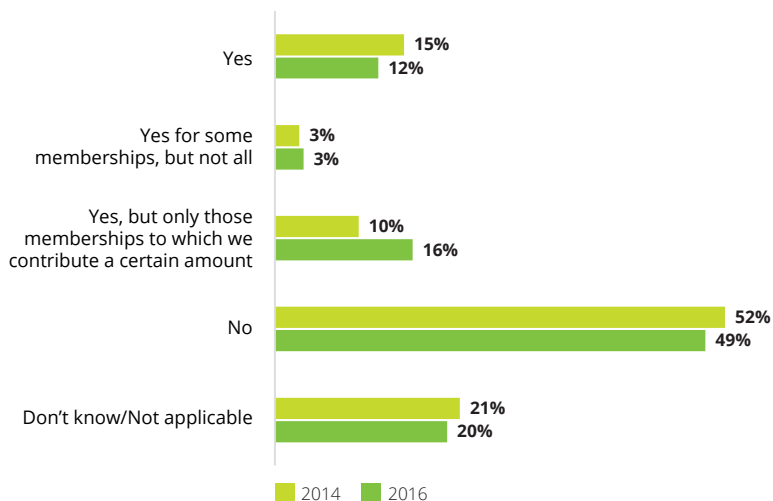
81. Has your company experienced a cybersecurity breach in the past two years?



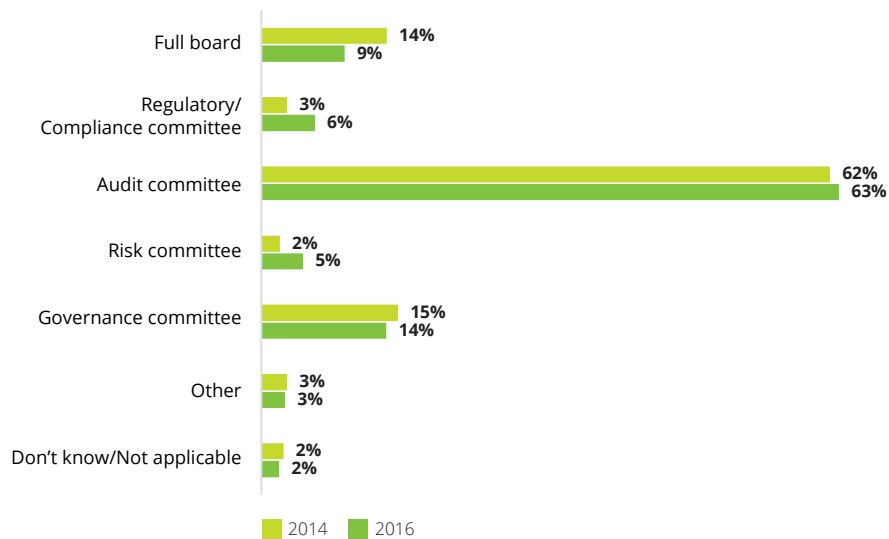
87. Which committee of the board oversees cybersecurity issues?



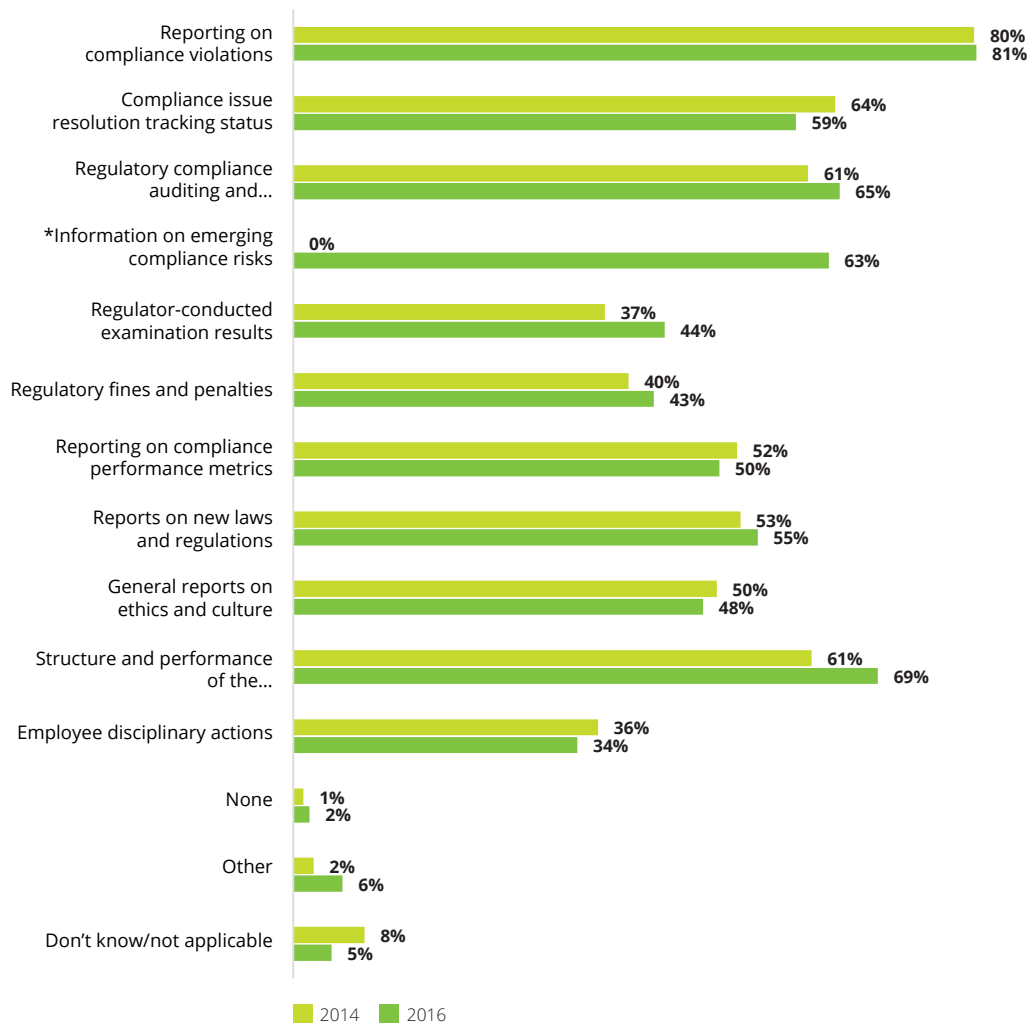
93. Does your company disclose membership in trade associations that make political contributions/expenditures?



96. Who is primarily responsible for the oversight of the compliance program at the board level?

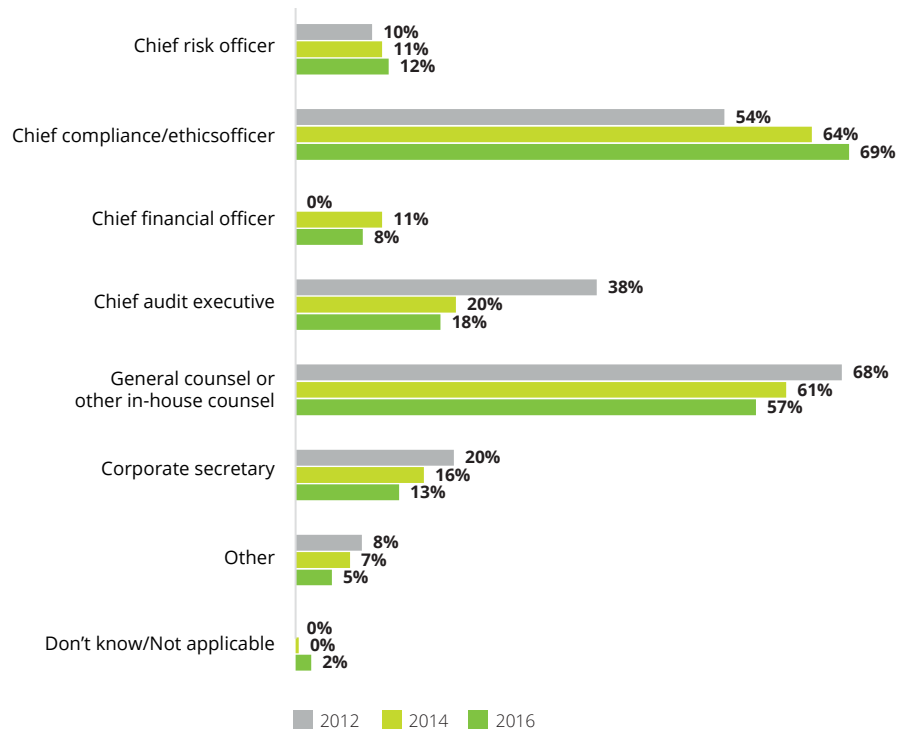


97. What type of compliance program reporting does your company (or chief compliance/ethics officer) provide to the board and/or executive management? [Select all that apply]



*Answer choice is new to 2016; was not asked in prior report(s).

98. Which individual(s) are responsible for reporting ethics and compliance matters to the board?
[Select all that apply]



Appendix C

2016 Board Practices Report questionnaire

2016 Board Practices Survey

Note: Please choose one answer for each question, except where noted. Unless specified, "last year" or "past year" means January 2015 to present.

Company Profile

1. Select your company's industry:
 - o Consumer and industrial products (e.g., aerospace, automotive, retail, distribution, manufacturing, travel, leisure)
 - o Energy and resources
 - o Financial services (e.g., banking and securities, insurance, private equity, hedge funds, mutual funds, real estate)
 - o Life sciences and health care
 - o Technology, media, and telecommunications (e.g., entertainment)
 - o Other, please specify: _____
2. Provide your ticker symbol: _____
3. Indicate your company's market cap as of December 31, 2015:
 - o Large-cap: > \$10 billion
 - o Mid-cap: ≥ \$700 million to ≤ \$10 billion
 - o Small-cap: <\$700 million

Note: The market cap categories provide comparison to prior-year results.

Board Practices

Board Selection, Recruitment, and Composition

Note: For all questions in this section, do not include honorary, emeritus, or advisory directors in your responses.

4. What is your board size?
 - o 5 members
 - o 6 members
 - o 7 members
 - o 8 members
 - o 9 members
 - o 10 members
 - o 11 members
 - o 12 members
 - o 13 members
 - o 14 members
 - o 15 members
 - o Greater than 15 members
 - o Don't know/Not applicable
5. How has your board size changed during the past year?
 - o Increased
 - o Decreased
 - o No change
 - o Don't know/Not applicable

6. What is the average tenure of all non-management members of your board?
 - o Company is younger than four years old
 - o <4 years
 - o 5 years
 - o 6 years
 - o 7 years
 - o 8 years
 - o 9 years
 - o 10 years
 - o 11 years
 - o 12 years
 - o 13 years
 - o >13 years
 - o Don't know/Not applicable
7. How many non-management directors have served as a member of your board for more than 12 years?
 - o _____ (fill in) the number of directors
 - o Don't know/Not applicable
8. When did the most recent director join your board?
 - o Within the past year
 - o Two years ago
 - o Three years ago
 - o More than three years ago
 - o Don't know/Not applicable
9. How many of your board members are women?
 - o None
 - o 1 member
 - o 2 members
 - o 3 members
 - o 4 members
 - o 5 members
 - o Greater than 5 members
 - o Don't know/Not applicable
10. Has the number of women directors serving on your board increased in the past year?
 - o Yes
 - o No
 - o Don't know/Not applicable
11. How many of your board members are of a racial and/or ethnic minority?
 - o None
 - o 1 member
 - o 2 members
 - o 3 members
 - o 4 members
 - o 5 members
 - o Greater than 5 members
 - o Don't know/Not applicable

12. Has the number of racial and/or ethnic minority directors serving on your board increased in the past year?
 - o Yes
 - o No
 - o Don't know/Not applicable
13. Have any of your board members disclosed that he or she is lesbian, gay, bisexual, or transgender?
 - o Yes
 - o No
 - o Don't know/Not applicable
14. What is the age of the youngest director currently serving on your board?
 - o 25 or under
 - o 26–30
 - o 31–40
 - o 41–50
 - o Over 50
 - o Don't know/Not applicable
15. Which of the following is publicly disclosed with regard to your board's diversity?
 - o Gender
 - o Race and ethnicity
 - o Neither gender nor race and ethnicity
 - o Don't know/Not applicable
16. Is your board seeking directors with any of the following attributes and areas of experience? (Select up to three choices)
 - o Active chief executive officer
 - o Retired chief executive officer
 - o Other C-level (e.g., CFO, COO, CIO, or CTO)
 - Please specify: _____
 - o Corporate governance
 - o Crisis management
 - o Cybersecurity
 - o Engineering
 - o Ethics and compliance
 - o Executive compensation
 - o Financial expertise
 - o Human resources
 - o Industry (similar to respective company)
 - o International business exposure
 - o Marketing and/or public relations
 - o Mergers and acquisitions
 - o Military experience
 - o Operations
 - o Outside board service (e.g., public, private, nonprofit)
 - Please specify: _____
 - o Proficiency in shareholder and investor communications
 - o Research and development
 - o Risk management
 - o Scientific
 - o Sustainability (including environmental and social issues)
 - o Technology/IT
 - o Other, please specify: _____
 - o Don't know/Not applicable
17. What triggers drove any recent changes in your board composition in the past year? (Select all that apply)
 - o Retirement of existing director(s) due to age limit policy
 - o Retirement of existing director(s) due to term limit policy
 - o Resignation of existing director(s)
 - o Need for specialized knowledge
 - o Decline in board effectiveness
 - o Desire for greater diversity
 - o New regulation
 - o Enforcement actions
 - o Significant growth (organic or acquisition-based)
 - o Post-merger integration
 - o Spinoff/Initial public offering
 - o Shareholder activism
 - o Corporate crisis or disruption
 - o Increased corporate risk
 - o Orderly/planned succession to keep board fresh
 - o Other, please specify: _____
 - o Don't know/Not applicable
18. Has your company implemented majority voting for uncontested director elections?
 - o Yes
 - o No
 - o Don't know/Not applicable
19. Which of the following best describes your board's recruitment efforts?
 - o We identify potential director candidates at all times in a continual recruitment effort
 - o We identify potential director candidates only when there is an immediate or near-term need
 - o Don't know/Not applicable
20. Which of the following describes your board's director nomination process? (Select all that apply)
 - o We keep an executive/board director recruiting firm on retainer at all times
 - o We use an executive/board director recruiting firm when needed
 - o We use human resources or other management to identify candidates
 - o We look to recommendations made by other directors
 - o We look to recommendations made by shareholders
 - o We use a board skills matrix or similar tool
 - o Other, please specify: _____
 - o Don't know/Not applicable
21. Does your board have any of the following refreshment policies? (Select all that apply)
 - o Term limits
 - o Age limits
 - o Loss of independent status after a prescribed number of years
 - o Other board tenure conditions/restrictions
 - o No board refreshment policy
 - o Don't know/Not applicable

21a. If term limit policy, please specify the term:

- ☐ 6 years or less
- ☐ 7-10 years
- ☐ 11 years
- ☐ 12 years
- ☐ 13 years
- ☐ 14 years
- ☐ 15 years
- ☐ More than 15 years
- ☐ Don't know/Not applicable

21b. If retirement age policy, please specify the required retirement age:

- ☐ ≤70
- ☐ 71
- ☐ 72
- ☐ 73
- ☐ 74
- ☐ 75
- ☐ 76
- ☐ 77
- ☐ 78
- ☐ >78
- ☐ Don't know/Not applicable

21c. Is the board permitted to make exceptions to its term or retirement age policies?

- ☐ Yes
- ☐ No
- ☐ Don't know/Not applicable

21d. If directors face a loss of independent status after a prescribed number of years, please indicate the number of years?

- ☐ (fill in) the number of years
- ☐ Don't know/Not applicable

Board Leadership

22. Which of the following best describes your board leadership structure?

- ☐ Combined chair and CEO
- ☐ Combined chair and CEO with lead or presiding director
- ☐ Separate chair and CEO
- ☐ Separate chair and CEO with lead or presiding director
- ☐ Other, please specify:
- ☐ Don't know/Not applicable

22a. Is your chair independent?

- ☐ Yes
- ☐ No
- ☐ Don't know/Not applicable

22b. What is the term limit for the lead or presiding director?

- ☐ 1-2 years
- ☐ 3-4 years
- ☐ 5 years or greater
- ☐ The term coincides with committee chairmanship

- ☐ We do not have a term limit policy for the lead or presiding director
- ☐ Don't know/Not applicable

Board Meetings and Materials

23. How many total regular meetings (whether live or via teleconference/videoconference) did the board have in the past year?

- ☐ ≤6
- ☐ 7
- ☐ 8
- ☐ 9
- ☐ 10
- ☐ 11
- ☐ 12
- ☐ 13
- ☐ 14
- ☐ 15
- ☐ >15
- ☐ Don't know/Not applicable

24. How many total special meetings (whether live or via teleconference/videoconference) did the board have in the past year?

- ☐ ≤6
- ☐ 7
- ☐ 8
- ☐ 9
- ☐ 10
- ☐ 11
- ☐ 12
- ☐ 13
- ☐ 14
- ☐ 15
- ☐ >15
- ☐ Don't know/Not applicable

25. How many hours does a regular meeting of the full board typically last? (Do not count time spent on committee meetings.)

- ☐ 1-2 hours
- ☐ 3-5 hours
- ☐ 6-8 hours
- ☐ 9-10 hours
- ☐ More than 10 hours
- ☐ Don't know/Not applicable

26. How many business days in advance are meeting materials provided to board members?

- ☐ Fewer than 5 days
- ☐ 5 days
- ☐ 6 days
- ☐ 7 days
- ☐ 8-10 days
- ☐ More than 10 days
- ☐ Don't know/Not applicable

27. Which of the following members of management regularly attend full board meetings? (Select all that apply)

- ☐ Chief accounting officer/controller
- ☐ Chief executive officer
- ☐ Chief compliance/ethics officer

- ☐ Chief financial officer
- ☐ Chief information security officer
- ☐ Chief operating officer
- ☐ Chief risk officer
- ☐ Chief sustainability officer
- ☐ Chief technology officer
- ☐ Corporate secretary
- ☐ Assistant corporate secretary (or similar)
- ☐ General counsel
- ☐ Head of internal audit
- ☐ Heads of business units
- ☐ Investor relations officer
- ☐ Other, please specify:
- ☐ Don't know/Not applicable

- ☐ Permitted without any restriction
- ☐ Permitted but with minimum ownership threshold percentage
- ☐ Not permitted
- ☐ Don't know/Not applicable

28a. Specify the threshold percentage:

- ☐ ≤10%
- ☐ 15%
- ☐ 20%
- ☐ 25%
- ☐ 33%
- ☐ 50%
- ☐ >50%
- ☐ Other, please specify:
- ☐ Don't know/Not applicable

28. Does your company permit shareholders to call special meetings?

Board Committee Structures and Roles

29. Please complete the following table with regard to the specific committee practices of your board.

Committee	Is this a standing committee?	Number of members	Number of regular in-person meetings annually	Average length of regular meetings (hours)	Number of telephonic/videoconference meetings annually
	☐ Yes ☐ No	☐ 1-4 ☐ 5-9 ☐ ≥10	☐ ≤5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ ≥10	☐ <2 ☐ 2-3 ☐ 4-5 ☐ >5	☐ ≤5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ ≥10
Audit					
Compensation					
Nominating/Governance					
Executive					
Risk					
Finance					
Investment					
Finance and Investment					
Strategy					

30. Which describes how your key board committees meet?

- ☐ Separately
- ☐ Concurrently
- ☐ Mix of concurrent and separate depending on member overlap
- ☐ Other, please specify:
- ☐ Don't know/Not applicable

- ☐ Every 2 years
- ☐ Every 3 years
- ☐ We do not have a policy to rotate committee chairs
- ☐ Other, please specify:
- ☐ Don't know/Not applicable

31. What is the frequency for which key committee chairs are rotated?

- ☐ Annually

32. What is the frequency for which key committee membership rotation takes place?

- ☐ Annually
- ☐ Every 2 years
- ☐ Every 3 years

- o We do not have a policy to rotate committee membership
- o Other, please specify:
- o Don't know/Not applicable

Board Orientation and Training

- 33. Which of the following best describes your board's ongoing director education program?**
(Select all that apply)
- o Provided in-house by management
 - o Provided in-house by a third party
 - o Reimbursement policy for attendance at public forums or peer group sessions
 - o Specific education topics are added to regular meeting agendas
 - o Separate time (e.g., half-day or full-day session) is devoted to a tailored education program
 - o Members attend third-party training
 - o Our board does not have a formal director education program
 - o Other, please specify:
 - o Don't know/Not applicable

- 34. Education for new and existing board directors is provided on these topics:**
(Select all that apply)
- o General continuing education
 - o Specific board or governance issue
 - o Company policies
 - o Industry-specific topics
 - o Board fiduciary duties and other responsibilities related to your business
 - o A new regulation and/or regulatory issues related to your business
 - o Risk oversight
 - o Financial and liquidity risk
 - o Market risk
 - o Cybersecurity and cyber risk
 - o Crisis management
 - o Shareholder engagement/activism and investor relations
 - o Anti-corruption policies (e.g., FCPA, U.K. Anti-Bribery Act)
 - o Ethics and compliance
 - o Insider trading
 - o Political contributions
 - o Other, please specify:
 - o Don't know/Not applicable

Board Evaluations

- 35. How are your directors evaluated?**
(Select all that apply)
- o Full board evaluation
 - o Committee evaluations
 - o Self-evaluation
 - o Individual peer evaluation
 - o Directors meet one-on-one with a designated board member
 - o Directors meet one-on-one with the corporate secretary or other in-house personnel
 - o Directors meet one-on-one with a third-party facilitator

- o Directors evaluate board performance in group discussion
- o Our company does not have a formal director evaluation process
- o Other, please specify:
- o Don't know/Not applicable

- 35a. Who conducts your full board evaluations?**
(Select all that apply)
- o Corporate secretary or other in-house personnel
 - o Third party
 - o Board chair or other director
 - o We change who conducts the evaluation periodically (e.g., every three years)
 - o Other, please specify:
 - o Don't know/Not applicable

- 35b. How are full board evaluations conducted?**
(Select all that apply)
- o Written questionnaire
 - o Group discussion
 - o Interviews
 - o Other, please specify:
 - o Don't know/Not applicable

Strategy and Risk

- 36. How often does your board participate in a dedicated strategy retreat, or sessions, with management?**
- o Less than once a year
 - o Once a year
 - o More than once a year
 - o The board does not hold strategic retreats or session with management
 - o Other, please specify:
 - o Don't know/Not applicable

- 37. How often does the board monitor progress against the company's strategic plan?**
- o Annually
 - o Quarterly
 - o At every board meeting
 - o Other, please specify:
 - o Don't know/Not applicable

- 38. In the past year, has the board received enhanced information on vulnerabilities and strategic risks?**
- o Yes
 - o No
 - o Don't know/Not applicable

- 39. If risk oversight is shared by multiple committees, how does the board coordinate these activities?**
(Select all that apply)
- o Cross membership of the committees
 - o Joint meetings
 - o Risk presentations repeated at multiple committee meetings
 - o Detailed discussions at the full board meeting
 - o Sharing of minutes or other committee meeting materials

- o Risk oversight is not shared by multiple committees
- o Other, please specify:
- o Don't know/Not applicable

- 40. Rank the top three risks that your board is focused on:**
(Rank the top three)
- o Cyber
 - o Fraud
 - o Natural disaster
 - o Environment
 - o Reputational
 - o Geopolitical
 - o Finance/Legal
 - o Product
 - o Other, please specify:
 - o Don't know/Not applicable

- 41. How often does the full board discuss the most significant risks to the company?**
- o Annually
 - o More than once a year
 - o Not on the full board's agenda
 - o Other, please specify:
 - o Don't know/Not applicable

- 42. How often is the board briefed on financial alternatives (e.g., share repurchase programs, recapitalizations, asset monetization, etc.)?**
- o Annually
 - o More than once a year
 - o Not on the full board's agenda
 - o Other, please specify:
 - o Don't know/Not applicable

- 43. With regard to capital allocation, which of the following strategies has the board considered this year?**
(Select all that apply)
- o Dividends
 - o Stock buybacks
 - o Acquisitions
 - o Capital expenditures
 - o Research and development
 - o Other, please specify:
 - o Don't know/Not applicable

Audit Committee

- 44. Does your company's audit committee hold a separate meeting to review each earnings release?**
(Select all that apply)
- o Yes, via in-person meeting
 - o Yes, via telephone/videoconference
 - o No
 - o Varies depending on timing
 - o Don't know/Not applicable

- 45. Which members of management regularly present to the audit committee?**
(Select all that apply)
- o Chief audit executive/internal audit
 - o Chief compliance/ethics officer
 - o Chief executive officer

- o Chief financial officer
- o Chief risk officer
- o Chief sustainability officer
- o Chief technology/information officer
- o Controller
- o General counsel or other in-house counsel
- o Treasurer
- o Corporate development officer
- o Other business unit leaders
- o Other, please specify:
- o Don't know/Not applicable

- 46. Which members of management regularly attend the entire audit committee meeting?**
(Select all that apply)
- o Chief audit executive/internal audit
 - o Chief compliance/ethics officer
 - o Chief executive officer
 - o Chief financial officer
 - o Chief risk officer
 - o Chief sustainability officer
 - o Chief technology/information officer
 - o Controller
 - o Corporate secretary (or similar)
 - o General counsel or other in-house counsel
 - o Treasurer
 - o Corporate development officer
 - o Other business unit leaders
 - o Other, please specify:
 - o Don't know/Not applicable

- 47. Does your audit committee hold executive sessions at every regular meeting?**
- o Yes
 - o No
 - o Don't know/Not applicable

- 47a. Who regularly meets in executive sessions with the audit committee?**
(Select all that apply)
- o Chief executive officer
 - o Chief audit executive/internal audit
 - o Chief compliance/ethics officer
 - o Chief financial officer
 - o Controller
 - o Chief risk officer
 - o Chief technology/information officer
 - o General counsel or other in-house counsel
 - o External auditor
 - o Other, please specify:
 - o Don't know/Not applicable

- 48. Which of the following describes your company's audit committee education program?**
(Select all that apply)
- o Provided in-house by management
 - o Provided in-house by a third party
 - o Specific education topics are added to regular meeting agendas
 - o Separate time (e.g., half-day or full-day session) is devoted to a tailored education program
 - o Members attend third-party training
 - o No formal education program is in place
 - o Don't know/Not applicable

49. During the past year, has your company's audit committee participated in an education program on these topics:

- (Select all that apply)
- o General continuing education
 - o Specific board or governance issue
 - o Company policies
 - o Industry-specific topics
 - o Audit committee leading practices
 - o A new regulation or regulatory issue related to your business
 - o Risk oversight
 - o Cybersecurity and cyber risk
 - o Market risk
 - o Financial and liquidity risk
 - o Sustainability risk and disclosure
 - o Crisis management
 - o Shareholder engagement/activism and investor relations
 - o Anti-corruption policies (e.g., FCPA, U.K. Anti-Bribery Act)
 - o Antifraud programs and controls
 - o Oversight of internal control
 - o Assessing earnings quality and financial statements analysis
 - o Ethics and compliance
 - o Independent investigations
 - o Technical accounting topic
 - o Insider trading
 - o Political contributions
 - o Capital structure
 - o Economic outlook
 - o Tax landscape
 - o Finance talent assessment
 - o Other, please specify:
 - o We do not have an education program for our audit committee
 - o Don't know/Not applicable

50. Does the audit committee conduct performance evaluations of its individual members?

- o Yes
- o No
- o Don't know/Not applicable

51. How often does the audit committee receive reports on internal tips from a compliance hotline and other reporting sources?

- o Frequently (five or more times a year)
- o Sometimes (two to four times a year)
- o At every regular committee meeting
- o Rarely (once a year)
- o Never
- o Don't know/Not applicable

52. How many other audit committees of public companies are your audit committee members allowed to serve?

- o 1 other audit committee
- o 2 other audit committees
- o 3 other audit committees
- o More than 3 other audit committees
- o We do not have limits
- o Don't know/Not applicable

53. Has your company done any benchmarking on its internal audit function (e.g., budget, resources)?

- o Yes
- o No
- o Don't know/Not applicable

54. Does your audit committee discuss succession of finance talent?

- o Yes, during the meeting
- o Yes, during executive session
- o No
- o Don't know/Not applicable

55. Is your audit committee chair also a financial expert?

- o Yes
- o No
- o Don't know/Not applicable

56. If you have more than one financial expert on your audit committee, does your company disclose all names in your proxy?

- o Yes
- o No
- o We have one financial expert
- o Don't know/Not applicable

57. Which best describes your audit committee-related disclosures in your proxy statement?

- o We disclose what is required
- o We disclose more than what is required
- o We are considering whether to disclose more than what is required
- o Don't know/Not applicable

Compensation Matters

58. Is your company planning for pay ratio disclosure?

- (Select all that apply)
- o Yes, it has been included in board discussions
 - o Yes, and we are gathering relevant data
 - o No
 - o Don't know/Not applicable

59. Has your company considered a supplemental pay-for-performance disclosure in addition to the summary compensation table in its proxy statement?

- o Yes
- o No
- o Don't know/Not applicable

60. Does your board equity plan have limits on how much compensation can be granted to board members?

- o Yes
- o No
- o No, but are evaluating
- o Don't know/Not applicable

61. Which committee oversees the board's compensation program?

- o Compensation/Human Resources committee
- o Nominating/Governance committee

- o Not a specific committee but the full board
- o Other, please specify:
- o Don't know/Not applicable

62. How often is board pay reviewed?

- o Annually
- o More than annually
- o Less than annually
- o Don't know/Not applicable

CEO Succession Planning

63. How often does the full board review the CEO succession plan?

- o More than once a year
- o Once a year
- o Less than once a year
- o Only when a change in circumstance requires
- o Never
- o Don't know/Not applicable

64. Who has the primary responsibility for the CEO succession planning process?

- o Full board
- o Compensation/Human Resources committee
- o Nominating/Governance committee
- o Independent directors
- o Independent chair or lead director
- o CEO
- o Other, please specify:
- o Don't know/Not applicable

65. In the past year, how has the level of disclosure on your succession plan process changed?

- o Increased
- o Decreased
- o No change
- o We do not disclose our succession planning process
- o Don't know/Not applicable

Shareholder Engagement and Shareholder Activism

66. Does your company have a shareholder engagement policy (other than the NYSE communications/Reg. S-K communications requirements)?

- o Yes, and it applies to management only
- o Yes, and it applies to the board only
- o Yes, and it applies to both management and the board
- o No
- o Don't know/Not applicable

66a. The policy provides for the following:

- o Only the independent chair or lead independent director is authorized to speak to shareholders
- o Only the independent chair or lead independent director and committee chairs are authorized to speak to shareholders
- o Any director can speak to shareholders
- o No director is authorized to speak with shareholders

- o Other, please specify:
- o Don't know/Not applicable

67. Which members of your board had direct contact with shareholder(s) or shareholder groups in the past year?

- (Select all that apply)
- o Chair
 - o Lead director
 - o Compensation committee chair
 - o Audit committee chair
 - o Nominating/Governance committee chair
 - o Other board member
 - o No board member had direct contact
 - o All board members had direct contact
 - o Don't know/Not applicable

68. Have requests from shareholders to speak directly to board members increased in the past two years?

- o Yes, significantly
- o Yes, slightly
- o No, they have remained constant
- o No, they have decreased
- o Don't know/Not applicable

69. Has the level of engagement between the corporate secretary and shareholder(s) or shareholder groups changed in the past two years?

- o Yes, significantly
- o Yes, slightly
- o No, they have remained constant
- o No, they have decreased
- o Don't know/Not applicable

70. Has your company been approached by a shareholder activist in the past 12 months?

- o Yes
- o No
- o Don't know/Not applicable

71. Has your board discussed how to prepare for activism in the past year?

- o Yes
- o No
- o Don't know/Not applicable

72. How often does your company assess vulnerability to activists?

- o Quarterly
- o Semi-annually
- o Annually
- o Never

73. How often is your board updated on shareholder concerns and other sentiment?

- o Annually
- o More than annually
- o Less than annually
- o Other, please specify:
- o Don't know/Not applicable

74. How often is your board briefed on shareholder interactions?

- o Annually

- o At each board meeting
- o As they occur
- o Other, please specify:
- o Don't know/Not applicable

Crisis Events

75. Who is responsible for the company's crisis management preparedness?

- o Chief risk officer
- o Chief operating officer
- o Chief financial officer
- o Chief information security officer
- o Chief executive officer
- o General counsel/legal
- o Public relations/communications
- o Other, please specify
- o Don't know/Not applicable

76. Has the board been briefed on the company's crisis management preparedness?

- o Yes
- o No
- o We do not have a crisis management plan
- o Don't know/Not applicable

77. Is the board's role during a crisis event formally specified?

- o Yes
- o No
- o Don't know/Not applicable

Technology and Data Analytics

78. Your company's social media policy applies to:

- (Select all that apply)
- o All employees
- o Board members
- o We do not have a social media policy
- o Don't know/Not applicable

79. Board members are permitted to comment on your company and industry via various social media (e.g., Twitter, Facebook, LinkedIn):

- o Yes
- o Yes, but with certain provisions and/or restrictions
- o No, company policy prohibits board members from using social media in relation to our company
- o Don't know/Not applicable

80. In the past year, has your board received a report on, or discussed the usage of, social media by employees, customers, or board members?

- (Select all that apply)
- o Yes, the board received a report on employee usage
- o Yes, the board received a report on customer usage
- o Yes, the board received a report on board member usage
- o No such reports are provided to the board
- o Don't know/Not applicable

Cybersecurity

81. Has your company experienced a cybersecurity breach in the past two years?

- o Yes
- o No
- o Don't know/Not applicable

82. What level of awareness specific to your company does the board have on cybersecurity?

- o High level
- o Moderate level
- o Low level but becoming more knowledgeable
- o Don't know/Not applicable

83. Have you added a director with cyber experience to your board in the past two years?

- o Yes
- o No
- o Don't know/Not applicable

84. How often does the board receive reports on cybersecurity?

- o Annually
- o At each regular board meeting
- o Other frequency
- o On an as-needed basis
- o Never
- o Don't know/Not applicable

85. What types of cybersecurity issues are regularly reported to the board or designated committee?

- o Data security
- o Cloud computing
- o Big data
- o Data privacy
- o System infrastructure
- o Don't know/Not applicable

86. Who is responsible for reporting on cybersecurity to the board?

- o Chief executive officer
- o Chief financial officer
- o Chief information security officer
- o Chief operating officer
- o Chief risk officer
- o Chief technology officer
- o General counsel or other in-house counsel
- o Other, please specify:
- o Don't know/Not applicable

87. Which committee of the board oversees cybersecurity issues?

- o Cybersecurity committee
- o Information technology committee
- o Audit committee
- o Risk committee
- o Retained at full board
- o Other, please specify:
- o Don't know/Not applicable

Sustainability

88. How are your company's sustainability efforts and initiatives disclosed?

- (Select all that apply)
- o In our proxy statement or annual report
- o A formal sustainability report
- o Dedicated webpage on our company website
- o We do not do sustainability reporting
- o Other, please specify:
- o Don't know/Not applicable

89. Is the board or a board committee involved in the oversight of the company's sustainability efforts and related public disclosures?

- o Yes
- o No
- o Don't know/Not applicable

90. Has the company been subject to shareholder proposals or other questions by investors with respect to sustainability information?

- o Yes
- o No
- o Don't know/Not applicable

91. Does your company's strategy incorporate specific sustainability-related goals?

- o Yes
- o No
- o No, but this is under consideration
- o Don't know/Not applicable

92. Does your board or a board committee oversee your company's political contributions/expenditures?

- o Yes, oversight by full board
- o Yes, oversight by board committee
- o No, we do not make political contributions/expenditures
- o No
- o Don't know/Not applicable

92a. Describe the level of political contributions/expenditures oversight by your company's board or a board committee.

- (Select all that apply)
- o General oversight
- o Review the company's policy on contributions/expenditures
- o Review the company's political contributions/expenditures
- o Review the company's payments to trade associations
- o Don't know/Not applicable

93. Does your company disclose membership in trade associations that make political contributions/expenditures?

- o Yes
- o Yes for some memberships, but not all
- o Yes, but only those memberships to which we contribute a certain amount
- o No
- o Don't know/Not applicable

94. Does your company publicly disclose the political contributions/expenditures on lobbying?

- o Yes
- o No
- o Don't know/Not applicable

Compliance, Culture, and Setting the Tone at the Top

95. Which activity does your company engage in to reinforce the proper tone at the top?

- (Select all that apply)
- o Cultural surveys
- o Code of conduct/ethics
- o Town hall meetings
- o Newsletters and email messages
- o Annual or other periodic training/education
- o Internal postings (e.g., in break rooms)
- o We currently do not engage in such activities
- o Other, please specify:
- o Don't know/Not applicable

96. Who is primarily responsible for the oversight of the compliance program at the board level?

- o Full board
- o Regulatory/compliance committee
- o Audit committee
- o Risk committee
- o Governance committee
- o Other, please specify:
- o Don't know/Not applicable

97. What type of compliance program reporting does your company (or chief compliance/ethics officer) provide to the board and/or executive management?

- (Select all that apply)
- o Reporting on compliance violations
- o Compliance issue resolution tracking status
- o Regulatory compliance auditing and monitoring findings/results
- o Information on emerging compliance risks
- o Regulator-conducted examination results
- o Regulatory fines and penalties
- o Reporting on compliance performance metrics
- o Reports on new laws and regulations
- o General reports on ethics and culture
- o Structure and performance of the compliance program
- o Employee disciplinary actions
- o None
- o Other, please specify:
- o Don't know/Not applicable

98. Which individual(s) are responsible for reporting ethics and compliance matters to the board?

- (Select all that apply)
- o Chief risk officer
- o Chief compliance/ethics officer
- o Chief financial officer
- o Chief audit executive
- o General counsel or other in-house counsel
- o Corporate secretary
- o Other, please specify:

- o Don't know/Not applicable

Concluding question

99. Considering the topics included in this survey, what do you expect will be the top three areas of focus (where the board will spend the majority of its time) for your board in the next year?

(Select up to three choices)

- a. Board selection, recruitment, and composition
- b. Board leadership
- c. Board meetings and materials
- d. Board committee structures and roles
- e. Board orientation and training
- f. Board evaluations
- g. Strategy
- h. Compensation matters
- i. Risk oversight
- j. Crisis preparedness
- k. Political contributions
- l. CEO succession planning
- m. Shareholder engagement
- n. Shareholder activism
- o. Technology and data analytics
- p. Cybersecurity
- q. Sustainability
- r. Compliance/Ethics activities
- s. Culture and tone at the top
- t. Strategic planning
- u. M&A
- v. Other, please specify:
- w. Don't know/Not applicable

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