

2012 Board Practices Report

Providing insight into the
shape of things to come



December 2012

Dear Reader:

We are excited to present the *2012 Board Practices Report: Providing insight into the shape of things to come* (the "Report"), prepared by the Society of Corporate Secretaries and Governance Professionals ("the Society") and the Deloitte Center for Corporate Governance. This is the eighth edition of the report, and as in previous editions, the data comes from a survey of nearly 200 companies represented in the Society's membership.

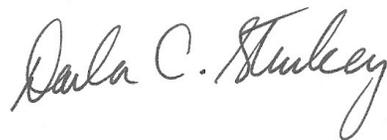
"Providing insight into the shape of things to come" is the theme for this year's Report, and we feel it does just that. In today's dynamic environment, management, directors, and others involved in corporate governance benefit from having the latest insights and trends on critical matters affecting their roles, such as political contributions; diversity; CEO succession planning; shareholder engagement among companies, their directors, and investors; social media reporting to boards; and sustainability initiatives.

Our 2012 Report covers 16 areas of governance practices. Highlights include:

- CEO succession plans are reviewed by the full board at least once per year in 84% of companies surveyed.
- Shareholder engagement is up this year, and directors are meeting with shareholders more frequently. At more than half of small- and large-cap companies, at least one board member has had direct contact with a shareholder in the past year.
- More than 80% of public-company respondents have a board with at least one-quarter women, but only 15% report more women on their board this year than last year.
- Boards are meeting more often, and meetings are longer.

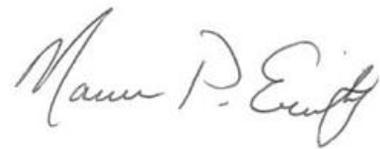
We sincerely thank those who participated in this year's survey; without their contributions, this Report would not be possible. We believe it is one-of-a-kind and hope it will serve as a valuable resource for you.

Sincerely yours,



Darla C. Stuckey

Senior Vice President
Policy & Advocacy
Society of Corporate Secretaries and Governance Professionals



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Introduction

Board Practices Report

The *2012 Board Practices Report* (the "Report") is the eighth edition published by the Society of Corporate Secretaries and Governance Professionals. The Report presents findings from a survey conducted in July and August 2012 of the Society's membership, which includes 3,000 individuals from more than 1,600 companies of varying sizes, industries, and organizational structures. The questions cover 16 board governance areas, including both established board practices and new trends in board activity.

The Report and its accompanying questionnaire were developed with Deloitte LLP's Center for Corporate Governance.

Methodology

The survey, administered via an online application, contained a total of 78 questions, not including the sub-questions applicable to questions 16, 17, 19, 37, 50, and 74. A total of 195 individuals participated in the survey, although not all questions were answered by all respondents. In such cases, an "n" value is included with the result. Results from the *2011 Board Practices Report* are included where available to show trends in various sections of the Report.

Percentages are based on the number of respondents to a particular question, and in some instances, percentages that should together form a whole may not add up to 100% (e.g., 28% "Yes," 73% "No"), due to rounding to the nearest whole digit.

Participation in the survey was confidential, and the results provided cannot be attributed to a specific company.

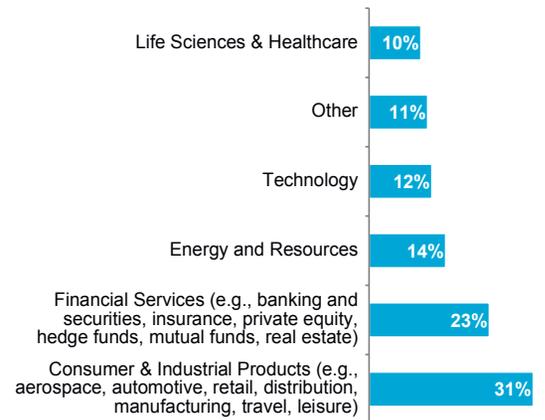
Contents

Survey responses were analyzed in three categories: all participating companies, public companies, and nonpublic entities. Public company results are presented by market capitalization (small, mid, and large) and by broad industry sectors (financial and nonfinancial). The results correspond with the Report sections to follow.

Participant overview

The responses to the survey's first three questions provide detail on the industry, type, and size of participating companies.

1. Please specify your organization's industry:

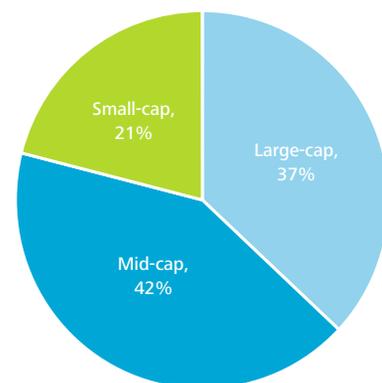


Note: 0% of respondents selected "Public Sector (e.g., agency of federal or state government, multilateral agency)".

2. Please specify your company type:

Company type	Total respondents
Public	158
Privately held	27
Partnership	2
Nonprofit	8
Total respondents	195

3. Please indicate your company's market cap as of June 1, 2012:



- Small-cap (< \$700 million)
- Mid-cap (≥ \$700 million to ≤ \$10 billion)
- Large-cap (> \$10 billion)

(n=194)

2012 Key findings and common practices

Key findings of the 2012 survey:

Room for improvement in board diversity

More than 80% of respondents say that the percentage of women and minorities on their boards is at most 25%, and less than 15% say that the percentage has increased since last year.

Industry knowledge tops list of desired director experience

The type of skill and experience most desired for board success in the next two years is industry knowledge, followed by C-level experience, international business exposure, technology/IT, and operations.

Classified boards declining

Compared to the results from last year's report, 4% fewer public companies report a classified, also known as "staggered", board structure. The most significant change in this area is with small-cap company boards, 46% of which had a staggered election of directors in 2012, down from 52% in 2011.

Separate CEO and chairman roles: a split outcome

Just over half of respondents, 51%, currently separate the role of the chairman and CEO, about the same as last year.

Increased special meeting rights

The proportion of public companies with special meeting rights for shareholders increased among large- and mid-cap companies (71% of large-caps now have such rights, compared with 61% among 2011 respondents). However, findings do not show that companies have lowered their thresholds for calling such meetings, despite shareholder pressure to do so.

Directors are receiving meeting information earlier

Compared to last year's study, there is a 10% decline in directors receiving board meeting information five or fewer days in advance of the meeting. Instead, more directors report getting information six or more days in advance of meetings. This could be attributed to an increase in board usage of technology, such as tablet devices and board portals.

Variation in risk oversight practices

How boards are assigning risk oversight for the organization's risk management program varies. Only 7% say they have a board risk committee, and the remaining responses display little variation in those saying the responsibility is spread across all board committees; to the audit committee; and to the full board.

Increases in shareholder engagement

More directors report having direct contact with shareholders or shareholder groups — 42% this year compared to 36% in the 2011 survey.

Greater use of technology by boards

Eighty-three percent (83%) of boards say that their use of technology for board matters has increased year-over-year; this is in line with trends from the 2011 report. Compared to last year, more boards are using tablets and board portals, and fewer are distributing materials in hard-copy format.

More company involvement in ethical matters

Compared to last year's results, 5% more companies report taking steps to create or enhance a culture of candid and open communication, and 4% more say they conduct cultural surveys on an annual basis. Further, there has been a significant increase in companies that have management review cultural survey findings with the board.

Presented in the following table are some of the most common practices and interesting responses derived from the survey's results.

Common practices and interesting responses	Question
94% Non-employee directors have direct access to management below the CEO level (not including boardroom presentations) without CEO approval	77
93% All board meeting agendas allot time for an executive session	78
90% The youngest board director is over the age of 40	9
87% Board size is seven to 14 members	4
87% The audit committee meets separately with management on a frequent (all or almost all audit committee meetings) basis	39
83% Board use of technology is increasing year-over-year	65
80% An age limit (as opposed to a term limit) is imposed on the board	16
79% There is neither a rotation policy nor a term limit for the chairman	17c
78% The board evaluates its performance with a survey	32
67% All directors are elected annually	13

2012 Survey results

Results from all survey participants

A total of 195 individuals representing public, private, and nonprofit companies responded to the 2012 board practices questionnaire; the results are summarized in the following table. An asterisk (*) represents a question in which a participant was asked to provide a numerical or text response.

Organization criteria			
1	Please specify your organization's industry:		
	Consumer & Industrial Products (e.g., aerospace, automotive, retail, distribution, manufacturing, travel, leisure)	31%	
	Energy and Resources	14%	
	Financial Services (e.g., banking and securities, insurance, private equity, hedge funds, mutual funds, real estate)	23%	
	Life Sciences & Healthcare	10%	
	Technology, Media & Telecommunications (e.g., entertainment)	12%	
	Other	11%	
1a*	If Other, please specify:		
	<ul style="list-style-type: none"> • Alaska Native Corporation; natural resources, IT and manufacturing • Consumer services • Food production and sales • Forest products • Home building • Industrial gases • Law school - J.D. and graduate degree programs • Mechanical contractor • Research, education, database development • Restaurant • Tobacco • Waste services • Diversified; including industrial, technology, energy 		
2	Please specify your company type:		
	Public company	81%	
	Privately held	14%	
	Partnership	1%	
	Nonprofit	4%	
3	Please indicate your company's market cap as of June 1, 2012: (n=194)		
	Large-cap: > \$10 billion	37%	
	Mid-cap: ≥ \$700 million to ≤ \$10 billion	42%	
	Small-cap: <\$700 million	21%	
Board practices			
Board selection, recruitment and composition			
4	What is your current board size?		
	3-6 members	5%	
	7-14 members	87%	
	15-25 members	7%	
	Greater than 25 members	2%	
	Don't know/Not applicable	1%	
5	Please specify the percentage of board members who are women:		
	0-25%	81%	
	Greater than 25%-50%	19%	
	Greater than 50%-75%	1%	
	Greater than 75%	0%	
	Don't know/Not applicable	0%	
6	Compared to last year, have you had an increase in the number of women directors serving on your board?		
		Yes	No DK/NA
		15%	83% 2%

7	Please specify the percentage of board members who are minorities:			
	0-25%		86%	
	Greater than 25%-50%		12%	
	Greater than 50%-75%		1%	
	Greater than 75%		1%	
	Don't know/Not applicable		1%	
		Yes	No	DK/NA
8	Compared to last year, have you had an increase in the number of minority directors serving on your board? (n=194)	9%	89%	2%
9	What is the age of the youngest director currently serving on your board?			
	25 or under		1%	
	26-30		1%	
	31-40		8%	
	Over 40		90%	
	Don't know/Not applicable		1%	
10	Does your board include any directors residing in a country other than the U.S.? (n=167)			
	Canada		7%	
	Central or South America		9%	
	Europe		24%	
	Africa		2%	
	Asia/Pacific		5%	
	Don't know/Not applicable		67%	
11	In the next two years, what are the most desired skills and experience needed to contribute to your board's success? (Note: Participants were asked to make three selections.) (n=187)			
	Industry (similar to respective company)		47%	
	Financial services		18%	
	Marketing and/or Public relations		12%	
	Technology/IT		19%	
	Board committee (e.g., audit, compensation, nominating & corporate governance, or risk) <i>Those specifying a board committee responded</i>		18%	
	• Audit committee			
	• Accounting committee			
	• Compensation committee			
	• Finance committee			
	• Nominating & Corporate governance committee			
	Risk management		18%	
	Ethics and compliance		5%	
	Corporate governance		10%	
	Mergers and acquisitions		11%	
	Other <i>Those specifying other responded</i>		17%	
	• Digital and social media			
	• Global perspective			
	• Healthcare			
	• Social responsibility			
	• Regulatory			
	• Strategic background			
	• Government connections			
	• Hispanic markets			
	• Legal			
	Outside board service (i.e., public, private, nonprofit) <i>Those specifying outside board service responded</i>		6%	
	• Public company			
	C-level (i.e., CEO, CFO, COO, CIO, or CTO) <i>Those specifying C-level responded</i>		32%	
	• CEO			
	• CFO			
	Operations		18%	
	International business exposure		26%	
	Research and development		5%	
	Engineering		2%	
	Environmental and sustainability		5%	
	Human resources		5%	
	Scientific		2%	

12	What triggers drove the most recent, or pending, change in your board composition? (Select all that apply) (n=191)			
	Need for specialized knowledge		37%	
	Breakdown in board effectiveness		1%	
	New regulation		2%	
	Enforcement actions		1%	
	Significant growth (organic or acquisition based)		9%	
	Post-merger integration		5%	
	Spin-off/Initial public offering		2%	
	Shareholder activism		4%	
	Don't know/Not applicable		16%	
	Other		37%	
12*	If Other, please specify: Representative responses:			
	• Board member retirement			
	• Change in leadership			
	• Diversity (of experience, gender, etc.)			
	• Natural succession			
	• Resignation			
	• Seeking greater number of independent directors			
	• Term limits			
13	Is your board classified?	Yes	No	DK/NA
		27%	67%	6%
14	Has your company implemented a majority vote policy for uncontested director elections? (n=194)	Yes	No	DK/NA
		59%	33%	8%
15	Does your organization use an executive search/board director recruiting firm to assist in the recruitment of board directors? (n=194)	Yes	No	DK/NA
		59%	37%	4%
16	Does your board have any of the following? (Select all that apply) (n=176)			
	Term limits		9%	
	Age limits		80%	
	Loss of independence status after a prescribed number of years		0%	
	Other		5%	
	Don't know/Not applicable		15%	
16a	If term limits are in place, please specify the limit: (n=15)			
	6 years or less		33%	
	More than 6 years through 10 years		13%	
	More than 10 years through 15 years		40%	
	More than 15 years		13%	
	Don't know/Not applicable		0%	
16b	If age limit, at what age is retirement required? (n=140)			
	≤70		14%	
	72		56%	
	73		8%	
	74		5%	
	≥75		17%	
	Don't know/Not applicable		0%	
16c	After how many years is 'independent status' lost? (n=0)		0%	
	Note: Question 16c was not answered by any participant			
Independent chairman				
17	The chairman of the board is also the CEO. (n=194)	Yes	No	DK/NA
		48%	51%	1%
	Questions 17a and 17c applied to those who said "no" to question 17. Question 17b applied to those said "yes" to question 17.			
17a	The chairman is also chairman of these committees: (Select all that apply) (n=80)			
	Audit committee		4%	
	Nominating and governance committee		14%	
	Compensation committee		4%	
	Don't know/Not applicable		58%	
	Other		28%	

17a*	If Other, please specify:			
	<ul style="list-style-type: none"> Chairman does not serve on any committees Chairman is a member of all board committees Executive and governance committee Executive committee, education committee There is not a chairman, but the CEO does preside at the board meetings. There are separate, independent chairs of the other committees. We do not have a chair, we have a lead independent director. 			
17b	Is there a separate position for lead or presiding director?	85%	15%	0%
17c	Do you have a rotation policy or term limit for the chairman? (n=98)			
	Rotation policy	4%		
	Term limit	13%		
	Neither	79%		
	Don't know/Not applicable	4%		
Board and shareholder meetings and materials				
18	How many times a year did the board meet (whether live or via teleconference) in the last full fiscal year?			
	≤ 3	1%		
	4	8%		
	5	13%		
	6	19%		
	7	13%		
	8	11%		
	9	7%		
	≥10	26%		
	Don't know/Not applicable	2%		
19	Does your company permit shareholders to call special shareholder meetings? (n=194)			
	Permitted without any restriction	4%		
	Permitted but with minimum ownership threshold percentages	45%		
	Not permitted	36%		
	Don't know/Not applicable	15%		
19a	If permitted with a minimum ownership threshold, please specify the threshold percentage: (n=85)			
	≤10%	19%		
	15%	8%		
	20%	2%		
	25%	40%		
	33%	1%		
	50%	12%		
	>50%	14%		
	Other	4%		
19a*	If Other, please specify:			
	<ul style="list-style-type: none"> 35% 40% Specified by state statute 			
20	How many hours does a typical meeting of the full board last? (Do not count time spent on committee meetings)			
	1-2 hours	6%		
	3-5 hours	52%		
	6-8 hours	31%		
	9-10 hours	5%		
	Greater than 10 hours	5%		
	Don't know/Not applicable	1%		
21	How many days in advance are board meeting materials provided to board members?			
	Less than 5	9%		
	5	18%		
	6-10	67%		
	More than 10 days	5%		
	Don't know/Not applicable	1%		
22	Do you make the company owned aircraft available to directors for travel to meetings? (n=193)	31%	28%	40%
23	Do you make the company owned aircraft available to directors for personal travel?	1%	58%	41%

Board committee structures and roles

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

Note: For each committee in the following table, the count of respondents ("n" value) and the percentage of the total count of respondents for the committee is provided as "n value/percentage".

Committee	Is this a standing committee?		Number of members		Meeting frequency (meetings on annual basis)		Average length of meetings (hours)		Auditor or compensation consultant in attendance in meetings	
	Yes	n/percentage	1-4	n/percentage	0	n/percentage	<2	n/percentage	Auditor	n/percentage
Audit	No	2/1%	5-9	65/34%	1-3	3/2%	2-3	103/56%	Compensation consultant	0
	N/A	1/1%	≥10	0	4-6	77/41%	>3	29/16%	Both	0
					7-9	70/37%	Other	1/1%	None	8/4%
					≥10	38/20%				
Compensation	Yes	184/96%	1-4	125/67%	0	2/1%	<2	82/45%	Auditor	0
	No	6/3%	5-9	61/33%	1-3	24/13%	2-3	88/48%	Compensation consultant	141/81%
	N/A	2/1%	≥10	0	4-6	120/64%	>3	10/5%	Both	0
					7-9	34/18%	Other	2/1%	None	33/19%
Nominating/ Corporate governance	Yes	177/94%	1-4	117/66%	0	2/1%	<2	128/74%	Auditor	0
	No	10/5%	5-9	59/33%	1-3	42/23%	2-3	37/21%	Compensation consultant	4/3%
	N/A	1/1%	≥10	2/1%	4-6	122/68%	>3	4/2%	Both	1/1%
					7-9	12/7%	Other	5/3%	None	139/97%
				≥10	2/1%					
Executive	Yes	80/52%	1-4	39/48%	0	30/37%	<2	45/63%	Auditor	0
	No	52/34%	5-9	39/48%	1-3	33/40%	2-3	14/19%	Compensation consultant	0
	N/A	21/14%	≥10	4/5%	4-6	12/15%	>3	2/3%	Both	0
					7-9	3/4%	Other	11/15%	None	63/100%
				≥10	4/5%					
Science & Technology	Yes	15/11%	1-4	11/65%	0	0	<2	5/33%	Auditor	0
	No	83/61%	5-9	6/35%	1-3	5/29%	2-3	7/47%	Compensation consultant	0
	N/A	37/27%	≥10	0	4-6	12/71%	>3	3/20%	Both	0
					7-9	0	Other	0	None	11/100%
				≥10	0					
Risk	Yes	14/10%	1-4	6/40%	0	0	<2	4/29%	Auditor	1/8%
	No	85/63%	5-9	9/60%	1-3	3/19%	2-3	8/57%	Compensation consultant	0
	N/A	36/27%	≥10	0	4-6	10/63%	>3	2/14%	Both	0
					7-9	3/19%	Other	0	None	11/92%
				≥10	0					
Strategy	Yes	6/5%	1-4	1/13%	0	0	<2	3/43%	Auditor	0
	No	89/68%	5-9	5/63%	1-3	4/50%	2-3	2/29%	Compensation consultant	0
	N/A	35/27%	≥10	2/25%	4-6	3/38%	>3	2/29%	Both	0
					7-9	1/13%	Other	0	None	6/100%
				≥10	0					
Environment	Yes	6/5%	1-4	3/43%	0	0	<2	4/67%	Auditor	0
	No	85/65%	5-9	4/57%	1-3	3/43%	2-3	2/33%	Compensation consultant	0
	N/A	39/30%	≥10	0	4-6	3/43%	>3	0	Both	0
					7-9	1/14%	Other	0	None	5/100%
				≥10	0					
Corporate Responsibility	Yes	9/7%	1-4	5/50%	0	0	<2	6/75%	Auditor	0
	No	83/63%	5-9	5/50%	1-3	6/60%	2-3	2/25%	Compensation consultant	0
	N/A	40/30%	≥10	0	4-6	4/40%	>3	0	Both	0
					7-9	0	Other	0	None	6/100%
				≥10	0					

Committee	Is this a standing committee?		Number of members		Meeting frequency (meetings on annual basis)		Average length of meetings (hours)		Auditor or compensation consultant in attendance in meetings	
	Yes									
Finance/ Investment	Yes	66/43%	1-4	35/53%	0	0	<2	35/51%	Auditor	3/6%
	No	59/39%	5-9	31/47%	1-3	17/26%	2-3	29/43%	Compensation consultant	0
	N/A	27/18%	≥10	0	4-6	38/58%	>3	3/4%	Both	0
					7-9	8/12%	Other	1/1%	None	48/94%
					≥10	3/5%				
Risk and Finance	Yes	10/8%	1-4	3/25%	0	0	<2	5/50%	Auditor	0
	No	82/64%	5-9	9/75%	1-3	0	2-3	4/40%	Compensation consultant	0
	N/A	37/29%	≥10	0	4-6	7/64%	>3	1/10%	Both	0
					7-9	2/18%	Other	0	None	5/100%
					≥10	2/18%				
Public Policy	Yes	10/8%	1-4	8/73%	0	0	<2	6/60%	Auditor	0
	No	81/63%	5-9	3/27%	1-3	5/45%	2-3	4/40%	Compensation consultant	0
	N/A	37/29%	≥10	0	4-6	6/55%	>3	0	Both	0
					7-9	0	Other	0	None	4/100%
					≥10	0				

24* If Other committee, please specify:
(Representative responses below)

- Audit and Ethics
- Community Relations
- Controls and Compliance
- Corporate Practices
- Credit and Investment Risk
- Finance and Risk
- Market & Regulatory Oversight
- Mergers and Acquisitions
- Proxy
- Quality, Safety and Compliance
- Real Estate Investment
- Regulatory, Compliance & Government Affairs
- Shareholder Relations
- Technology Strategy

25 Provide the frequency with which committee chairs are rotated: (n=194)

Annually	1%
Every 2 years	2%
Every 3 years	5%
We do not have a policy to rotate committee chairs	75%
Don't know/Not applicable	3%
Other	15%

25a* If Other, please specify:
(Representative responses below)

- 4-6 years
- As determined by the chairman in consultation with the nominating and governance committee
- Depends on committee. Some are annual. Some are every 2 years.
- No mandatory rotation period, but overall policy is to rotate on a periodic basis
- Periodically as determined by corporate governance committee
- Reviewed annually but may not result in a change
- We rotate as needed

26 Provide the frequency with which committee membership rotation takes place: (n=194)

Annually	5%
Every 2 years	1%
Every 3 years	3%
We do not have a policy to rotate committee membership	71%
Don't know/Not applicable	6%
Other	15%

26a* If Other, please specify:
(Representative responses below)

- 3-6 years
- Appointed annually, but membership generally stays the same, to include all external board members since our board is small
- Committee membership is reexamined annually but not necessarily changed
- Have a general guideline of not more than 7 years
- Intermittent depending on committee needs
- Periodically as determined by corporate governance committee
- Reviewed annually; rotation periodically
- We have not generally rotated committee membership but are considering doing so

27	Please specify the limit on your board's audit committee members being able to serve on the audit committees of other companies: (n=194)			
	1 audit committee			1%
	2 audit committees			20%
	3 audit committees			23%
	>3 audit committees			4%
	We do not have limits			44%
	Don't know/Not applicable			8%
Board orientation and training				
28	Does your organization have a formal orientation program for new directors (beyond supplying a directors' manual)?	Yes	No	DK/NA
		71%	25%	4%
29	Does your organization provide board education for new and existing directors on: (Select all that apply) (n=187)			
	Industry specific topics			60%
	Insider trading			58%
	Company policies			55%
	Risk oversight			43%
	Regulatory issues related to your business such as privacy, etc.			41%
	Ethics			41%
	Management			34%
	Financial and liquidity risk			33%
	Anti-corruption policies (e.g. FCPA, UK Anti-bribery Act)			29%
	Market risk			21%
	Other			21%
	Political contributions			17%
	Other formal training			15%
	Don't know/Not applicable			11%
29a*	If Other, please specify: (Representative responses below)			
	<ul style="list-style-type: none"> • Accounting rules and policies • Business segments, special topics • Company technology and operations • Company's business, strategic plans, significant corporate governance guidelines, principal officers, internal auditors and independent auditor • Corporate governance, investor relations • Cybersecurity, environmental compliance, crisis communications protocol • 'Deep dive' topics related to business operations/risk are presented to board as needed or as requested by the board • Federal regulations • Financial literacy • Marketing, financial reporting, compliance • Specific accounting and risk training for audit committee members • Technical issues 			
30	Which of the following best describes your board's ongoing director education program? (Select all that apply)			
	Provided in-house by management			64%
	Provided in-house by a third party			24%
	Directors are reimbursed for public forums or peer group sessions attended			60%
	Our board does not have a formal director education program			23%
	Don't know/Not applicable			5%
	Other			2%
30*	If Other, please specify:			
	<ul style="list-style-type: none"> • Director visits to facilities (minimum number per year) and regular meetings with management • We provide a third party subscription to all of our board members. 			
31	How do your directors learn about director education programs? (Select all that apply) (n=193)			
	From the corporate secretary			72%
	From the investor relations officer			1%
	From other management			21%
	From other directors			39%
	From third party mailings			45%
	Don't know/Not applicable			18%
	Other			4%

- 31* **If Other, please specify:**
- Annually board approves a list of educational meetings and conferences
 - Director recommendation
 - From membership in third party organizations; independent auditor feeds if signed up; etc.
 - From the chairman
 - Nominating and governance committee
 - Report and recommendations to governance committee from CEO and corporate secretary; also survey board

Board evaluations

32 How are your directors evaluated? (Select all that apply) (n=194)

Board performance evaluation survey	78%
Individual peer-evaluation survey led by corporate secretary or other in-house personnel	14%
Individual peer-evaluation survey led by a third party facilitator	10%
Directors meet one-on-one with a designated board member	10%
Our organization does not have a formal director evaluation process	6%
Don't know/Not applicable	4%
Other	9%

32* If Other, please describe:

- Annual discussion during committee and board meetings
- Board and committee self-evaluation
- Board holds an in-person, all hands self-evaluation facilitated by the lead independent director. The lead independent director also solicits input privately from each director about each director, and then provides feedback.
- Chairman reviews director performance with head of governance committee in advance of annual selection for proxy statement.
- Committee chairs and lead independent director lead process annually
- Discussion led by chair of corporate governance and nominating committee
- Governance & Nominating committee review performance of each director annually
- Individual peer-evaluation survey led by the chairman
- Informally, all the directors are constantly evaluating one another and talk to the CEO about their views.

	Yes	No	DK/NA
33 Have you had a third party evaluate the board's effectiveness over the last three years? (n=194)	12%	85%	4%

Strategy

34 How often does the board discuss strategic objectives?

Annually	24%
Quarterly	15%
At every board meeting	54%
Don't know/Not applicable	1%
Other	6%

34* If Other, please specify:

- 2-3 times per year
- At least annually and then throughout the year, as relevant
- At regularly scheduled quarterly meetings and at ad-hoc meetings as required
- Quarterly meetings as well as last two meetings of each year have time dedicated to reviewing strategic objectives
- Semi-annually
- Strategy discussed annually; progress against strategy is discussed at almost every meeting.

	Yes	No	DK/NA
35 Does your board participate in off-site strategy meetings with management?	69%	29%	2%

36 How much time does your board spend discussing risks associated with its strategy? (n=192)

0-10%	10%
11-25%	39%
26-50%	21%
51-75%	5%
Greater than 76%	3%
Don't know/Not applicable	22%

Audit committee

37a How often does the audit committee meet annually via in-person meetings: (n=193)

≤5	79%
6	12%
7	2%
8	3%
9	1%
≥10	3%
Don't know/Not applicable	2%

37b	How often does the audit committee meet annually via tele-conference calls: (n=179)	
	≤5	79%
	6	5%
	7	3%
	8	3%
	≥10	1%
	Don't know/Not applicable	9%
38	Does your organization's audit committee hold a separate meeting to review the earnings release vs. quarterly reviews or are they combined?	
	Separate meetings	39%
	Combined meetings	49%
	Don't know/Not applicable	12%
39	How often does your audit committee meet separately with management? (n=194)	
	Frequently (all or almost all audit committee meetings)	87%
	Sometimes (two to three audit committee meetings a year)	10%
	Rarely (one audit committee meeting a year)	1%
	Never	3%
40	Which members of management meet separately with the audit committee? (Select all that apply)	
	Chief Audit Executive (Internal Auditor)	82%
	General Counsel	49%
	Chief Executive Officer	46%
	Chief Financial Officer	79%
	Chief Risk Officer	12%
	Chief Compliance Officer	27%
	Chief Technology Officer	6%
	Other business unit leaders	8%
	Don't know/Not applicable	4%
	Other	17%
40*	If Other, please specify:	
	<ul style="list-style-type: none"> • All senior management meet on a rotation or 'called upon' basis. • Chief Accounting Officer • Chief Operating Officer • Contoller • Corporate Secretary • Senior Director of Finance • Together as a group, the CEO, CFO, controller, treasurer and general counsel also meet with the audit committee privately 	
41	Over the past year, my company's audit committee participated in a board training program covering the following topics: (Select all that apply) (n=182)	
	General continuing education	24%
	Specific board or governance issue	20%
	Learning about a new regulation	20%
	Risk	23%
	Ethics and compliance	15%
	Independent investigations	2%
	Sustainability and climate change	1%
	Don't know/Not applicable	51%
	Other	5%
41*	If Other, please specify:	
	<ul style="list-style-type: none"> • Accounting • Cyber security, environment compliance, crisis communication protocol • Learning about a company-specific process • Specific regulatory issues for our company 	
42	Over the past year, my company's audit committee has retained a specialist for the following: (Select all that apply) (n=159)	
	Mergers and acquisitions	4%
	Tax	8%
	Valuation	6%
	Risk (compliance, financial liquidity, credit, interest rate)	4%
	Internal investigations	9%
	Foreign Corrupt Practices Act (FCPA)	1%
	Don't know/Not applicable	78%
	Other	1%

	Yes	No	DK/NA
43 Does the audit committee conduct performance evaluations of its committee members? (n=194)	46%	46%	7%
44 How often does the audit committee receive reports on internal tips from a compliance hotline? (n=189)			
Frequently (five or more times a year)	37%		
Sometimes (two to four times a year)	35%		
Rarely (once a year)	19%		
Never	10%		
	Yes	No	DK/NA
45 Has your helpline received an increase in tips in the last year as a result of the new SEC whistleblower rules implemented as a result of the Dodd-Frank Act? (n=192)	4%	73%	22%
Risk oversight, disclosure committee, and political contributions			
46 What best describes how your board assigns risk oversight for the organization's risk management program? (n=194)			
We have a board risk committee	7%		
The audit committee has primary responsibility for risk oversight	29%		
Risk oversight responsibilities are spread across all board committees	22%		
The full board is responsible for risk oversight	31%		
Don't know/Not applicable	2%		
Other	9%		
46* If Other, please specify:			
<ul style="list-style-type: none"> Audit committee oversees framework but different risks spread across all committees and full board Audit committee responsible for oversight of the company's program of risk oversight Audit has financial risk; governance oversees administration of ERM program; full board oversees major risk areas Both the full board as well as specific risk areas spread across all board committees Divided among risk, audit and NGP Finance committee Individual committees have responsibility for oversight of specific risks, but the full board retains overall responsibility for risk oversight Our finance/risk management committee and audit committee manage risk oversight Risk oversight responsibilities are spread across board committees, with some responsibilities retained by the full board The executive committee of the board also has this responsibility. We have a board risk committee; however, risk oversight responsibilities are spread across all board committees and the full board. 			
	Yes	No	DK/NA
47 If you have a board level risk committee, does it have a risk expert, as defined by the Dodd-Frank Act? (n=163)	4%	19%	77%
48 If risk oversight is shared by multiple committees, how does the board coordinate these activities? (Select all that apply) (n=172)			
Cross membership of the committees	22%		
Joint meetings	10%		
Risk presentations repeated at multiple committee meetings	8%		
Detailed discussions at the full board meeting	48%		
Sharing of minutes or other meeting materials	26%		
Not applicable; risk oversight is not shared by multiple committees	10%		
Don't know/Not applicable	29%		
Other	8%		
48* If Other, please specify:			
<ul style="list-style-type: none"> As part of its risk oversight role, the audit committee reports key risk discussions to the board; and, throughout the year, the board and each committee review and assess particular categories of risks related to the company's business and operations. All board members generally attend and participate in committee meetings Audit and finance committees are separate. We also have an investment committee Chairman oversees overall risk Committee chairs report meeting discussions at each board meeting. Nominating & Governance committee coordinates risk oversight among committee 			
49 If your organization has a management disclosure committee, to whom does it report? (Select all that apply) (n=184)			
General Counsel	10%		
Head of Internal Audit	5%		
CEO	32%		
CFO	39%		
Board/Board committee	11%		
Don't know/Not applicable	33%		
Other	3%		

49*	If Other, please specify:			
	<ul style="list-style-type: none"> • Chief accounting officer • Controller • Do not have • Operational risk committee 			
50	Does your company make political contributions? (n=194)	Yes	No	DK/NA
		41%	49%	10%
50a	If so, does your company's board oversee such contributions? (n=79)	Yes	No	
		58%	42%	
50b	Does your company disclose its political contributions? (n=78)	Yes	No	
		60%	40%	
51	Does your company disclose membership in trade associations that may make independent political expenditures? (n=194)	Yes	No	DK/NA
		26%	46%	28%
52	Does your company disclose the amount spent on lobbying? (n=192)	Yes	No	DK/NA
		17%	54%	29%
53	Has your company imposed any limitations on political contributions by directors individually? (n=194)	Yes	No	DK/NA
		3%	77%	20%
CEO succession planning				
54	How often does the full board review CEO succession plans? (n=194)			
	Greater than once a year	26%		
	Once a year	58%		
	Less than once a year (e.g. every two years)	4%		
	Only when a change in circumstance requires	8%		
	Never	1%		
	Don't know/Not applicable	4%		
55	Who has the primary responsibility over the CEO succession planning process?			
	Entire board	33%		
	Compensation committee	27%		
	Nominating/Corporate governance committee	25%		
	Independent directors	4%		
	CEO	3%		
	Don't know/Not applicable	3%		
	Other	5%		
55*	If Other, please specify:			
	<ul style="list-style-type: none"> • Chairman of the board • Chairman with select other directors 			
56	Does your company disclose its succession plan policy or process? (n=194)	Yes	No	DK/NA
		16%	73%	11%
CEO performance evaluation				
57	Who has the lead responsibility over the CEO performance evaluation process? (n=194)			
	Entire board	19%		
	Compensation committee	49%		
	Nominating/Corporate governance committee	13%		
	Independent Chair or Lead Director	11%		
	Don't know/Not applicable	2%		
	Other	7%		
57*	If Other, please specify:			
	<ul style="list-style-type: none"> • Corporate governance committee and compensation & human resources committee (jointly) • Executive and governance committee • Executive committee • Executive committee is combined with compensation committee. • Independent directors • Non independent executive chairman • The compensation committee takes the lead in evaluating the CEO's performance, but the entire board retains responsibility for the final evaluation and compensation decisions. 			
Shareholder engagement and shareholder activism				
58	Does your company have a policy requiring directors to attend the annual shareholders' meeting?	Yes	No	DK/NA
		49%	41%	11%
59	Do you have a policy relating to contact between directors and shareholders? (n=192)	Yes	No	DK/NA
		45%	45%	10%

60	What percentage of shareholders did your corporate secretary, the board, or senior management, interact with over the past year? (n=189)			
	None			2%
	1-5%			27%
	6-10%			10%
	11-15%			3%
	16-20%			5%
	>20%			31%
	Don't know/Not applicable			23%
61	Have members of your board had direct contact with shareholder(s) or shareholder groups over the past year? (n=192)			
	No board members had direct contact			38%
	One board member had direct contact			15%
	Greater than one board member had direct contact			18%
	All board members had direct contact			9%
	Don't know/Not applicable			21%
		Yes	No	DK/NA
62	Has your organization been approached by a shareholder activist within the last 12 months? (n=193)	32%	55%	13%
63	Has your board held what is known as a 'Fifth Analyst' call with investors? (n=193)			
	Yes			2%
	No			68%
	No, but we have considered it			5%
	Not familiar with the term			26%
	Board's use of technology			
64	Please specify how your organization distributes board materials: (Select all that apply) (n=194)			
	Through unsecured e-mail, (e.g. internet)			13%
	Through secure e-mail, (e.g. company email server)			23%
	Through an internal or external board portal			65%
	Through mailing of hardcopies			55%
	In-person at board meetings			38%
	Using an application for the ipad or other tablet device			32%
65	How would you evaluate the board's use of technology for board service matters?			
	Level of use is increasing year-over-year			83%
	Level of use is decreasing year-over-year			0%
	No change			16%
	Don't know/Not applicable			1%
66	If your organization does not have a board portal, which statement below best explains your company's view on the technology platform? (n=138)			
	We have considered the use of board portals but do not currently see a need for this technology			12%
	We are currently considering the benefits of the use of board portals			18%
	We will be introducing this technology in the near future			14%
	We have not considered board portal technology			3%
	Don't know/Not applicable			52%
		Yes	No	DK/NA
67	Do your directors use social media sites associated with your organization? (n=194)	8%	64%	27%
		Yes	No	DK/NA
68	Does your company have a social media policy for employees? (n=194)	74%	20%	6%
		Yes	No	DK/NA
69	In the past year, has your board received a report on, or discussed, the usage of social media by employees or customers? (n=194)	40%	52%	8%
	Sustainability			
		Yes	No	DK/NA
70	Is your organization's corporate social responsibility or sustainability report available on your organization's website? (n=193)	49%	25%	26%
		Yes	No	DK/NA
71	Is the board and/or a board committee involved in the oversight of the organization's corporate social responsibility or sustainability effort and related public disclosures? (n=192)	41%	35%	24%
		Yes	No	DK/NA
72	In the past year, has your company's strategy incorporated new sustainability initiatives? (n=194)	38%	39%	24%

Compliance/Culture/Setting the tone at the top			
		Yes	No
73	Given the SEC whistleblower rules as of May 2011, has your board or audit committee asked management to take specific steps to create or enhance a culture of candid and open communication? (n=188)	35%	65%
74	How often does your organization conduct cultural surveys of employees? (n=192)		
	Annually	30%	
	Only in certain circumstances	15%	
	We do not conduct cultural surveys	20%	
	Don't know/Not applicable	21%	
	Other	14%	
74*	If Other, please specify: Representative responses:		
	• Biannually		
	• Every 18 months		
	• Every 5 years		
	• Infrequently		
	• Quarterly		
	• We conduct a biannual survey supplemented with quarterly 'flash' surveys between the biannual surveys.		
74a	If cultural surveys are conducted by your organization, does management review the survey findings with the board? (n=111)		
	Management reviews the survey findings with the board	57%	
	Management reviews the survey findings with the board in certain circumstances	25%	
	Management does not review the survey findings with the board	11%	
	Don't know/Not applicable	7%	
75	Which individual(s) are responsible for reporting ethics and compliance matters to the board? (Select all that apply) (n=194)		
	Chief Risk Officer	10%	
	Chief Compliance Officer	50%	
	Internal Audit Director	36%	
	General Counsel	66%	
	Corporate Secretary	20%	
	None	1%	
	Don't know/Not applicable	2%	
	Other	8%	
75*	If Other, please specify:		
	• Bank Secrecy Act officer		
	• CEO and CFO		
	• Corporate Director, Enterprise Risk and Compliance		
	• Ethics director		
76	Has your company established an anti-hedging policy that applies to directors? (n=192)		
	My company has established an anti-hedging policy that applies to directors	55%	
	My company has not established an anti-hedging policy that applies to directors	16%	
	We are considering the establishment of such a policy	9%	
	Don't know/Not applicable	19%	
Private sessions			
		Yes	No
			DK/NA
77	Do non-employee directors have direct access to management below the CEO level (not including boardroom presentations) without CEO approval? (n=193)	94%	4%
			2%
		Yes	No
			DK/NA
78	All board meeting agendas allot time for an executive session (n=194)	93%	5%
			2%

Public company survey results

This section provides results and analysis for the responses received from the 158 public company survey participants. Results are presented in charts in three categories: all public companies, market capitalization designation (large-, mid-, and small-cap), and industry classification (financial services and nonfinancial services). Please refer to the table below for a breakdown of participants in these categories. In some cases, certain data points have been excluded from the chart and instead are provided in a sidebar.

To the extent possible, results from the *2011 Board Practices Report* have been included to provide a year-over-year comparison. In 2011, there were a total of 175 public company survey participants, which included 60 large-cap, 88 mid-cap, and 27 small-cap companies. Thirty-eight were financial services companies and 137 were nonfinancial services companies.

For purposes of year-over-year comparisons, the answer choice "Not applicable" used in the 2011 report has been correlated to this year's answer choice, "Don't know/Not applicable."

For both 2012 and 2011, when fewer than the total number of participants responded, an "n" value has been provided to show the number of responses for the specific question.

	Large- cap	Mid- cap	Small- cap	Financial services	Nonfinancial services	Total public companies
2012 Respondents	24	70	64	30	128	158

Board selection, recruitment and composition

Key findings and trends

Opportunity for more board diversity

When it comes to board diversity, there appears to be an opportunity across public companies to consider an increase in the number of women and minority directors. Only 18% of all public company boards and 22% of large-cap boards are composed of at least 26-50% women. Across all company types, just 15% of respondents say they have had an increase in female directors since last year. Just 11% of all public companies have 26-50% minority directors, and almost all respondents report no increase in minority board director representation in the past year.

Few directors under the age of 40

As expected, the majority of public companies, 95%, say the youngest director on their board is more than 40 years old. It is interesting to note that while almost none of the large-cap companies have directors under 40, 13% of small-caps do. As more companies explore advancement through social media and other related ventures, there may be an increase in younger directors on boards, since

this demographic is often considered more advanced in technology matters. For example, as noted in its December 14, 2011 press release, Starbucks Coffee Company recently added 29-year old Clara Shih, CEO and founder of a social media company, to its board, stating that she is "a true technology leader and will bring fresh insight" and that the company "could not be more thrilled about the social-media expertise" she will bring.

Most non-U.S. directors are from European countries

Non-U.S. directors have minimal representation on mid- and small-cap boards. However, more than 70% of large-cap boards have international representation; 42% have European directors, followed by 18% from Central and South America, and 14% from Canada. Africa and Asia are the least represented among non-U.S. members for large-cap respondents. Amidst time zone challenges and language differences, it will be interesting to see if international representation increases over time in an increasingly global economy.

Mixed results on desired director attributes

Public company respondents say the most desired director skills over the next two years will be industry expertise (51%), C-level experience (37%), and international business exposure (30%). There is a significant spread between these desired skills and others, such as technology (18%), risk management (17%), and board committee experience (17%). Corporate governance and ethics and compliance were selected by just 9% and 3% of respondents, respectively. Shareholders appear to be putting greater emphasis on subject matter expertise of directors (or “director knowledge”) than has sometimes appeared to be the case in the past.

Taking a further look at desired director skills and experience reveals different needs among the various categories of survey participants. For instance, small-caps clearly indicate that industry expertise (50%) and mergers and acquisitions experience (38%) are most important. Among financial services companies, 67% want risk management experience. This may be attributable to the financial crisis, which was largely perceived to stem from a failure of risk management. In addition, the recent Dodd-Frank Act requirement for certain financial services companies to establish a risk committee of the board with a member who is a risk expert could be a contributing factor.

Variation of board classification

This year, there was a greater number of shareholder proposals seeking declassification (annual election of directors), particularly at mid- and small-cap companies. The proposals seem to be having the desired effect: the trend for mid-cap companies is toward declassification. However, the survey results still show an almost 50-50 split for small-cap companies on board classification. This is a stark contrast to the 14% of large-caps reporting a classified board structure, the same percentage as in 2011. Overall, 30% of public company boards are classified.

Majority voting at just one-third of small-caps

In another area of focus for shareholders, majority vote policies for uncontested director elections remain on the rise as a result of shareholder proposals. At small-cap companies, one-third have such policies, while at mid-cap companies, two-thirds do, and at large-cap companies, 86% have majority-vote policies.

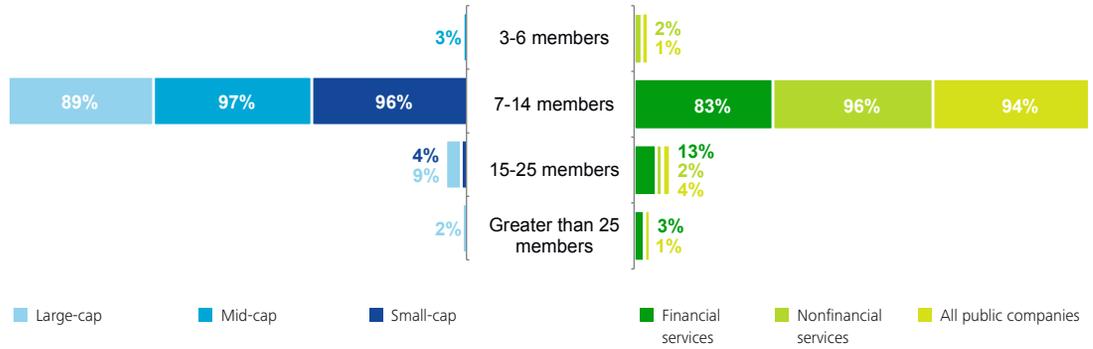
Executive search firms play a role in recruitment

Compared to 2011, small-cap companies report a 13% increase in the use of executive search firms, compared to 4% and 5% increases by large- and mid-cap companies, respectively. From an industry perspective, there has been little year-over-year variation for nonfinancial services companies, but a 20% increase by financial services companies (from 37% in 2011 to 57% in 2012). This could be the result of higher turnover among financial services company directors.

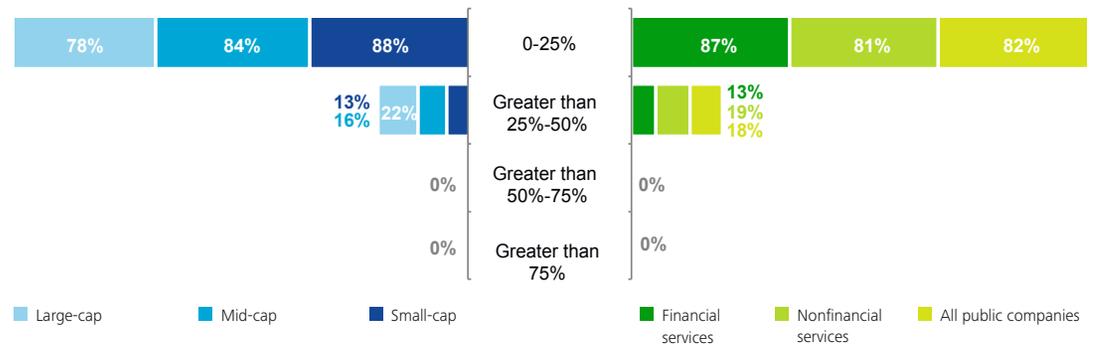
Age limits in place, but not term limits

The majority of respondents report that mandatory retirement age limits are in place. However, fewer than 5% of public companies across market capitalization and industry categories have term limits, which appear to be more common at nonprofits and public companies in certain non-U.S. markets. For those companies that have instituted age limits for directors, the most common retirement age across all company sizes is 72. Age limits are increasing. In 2008, about one-third of small- and mid-cap companies set 72 as the mandatory retirement age. By 2011, more than one-half did so. This year, mid- and large-cap companies have moved their retirement ages up to 73, 74, or 75 in significant numbers.

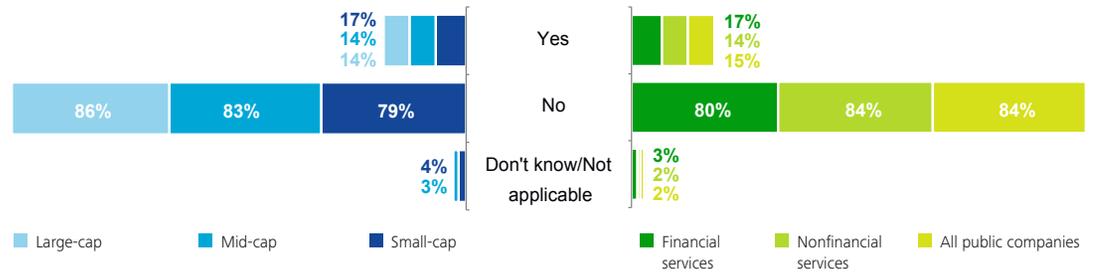
4. What is your current board size?



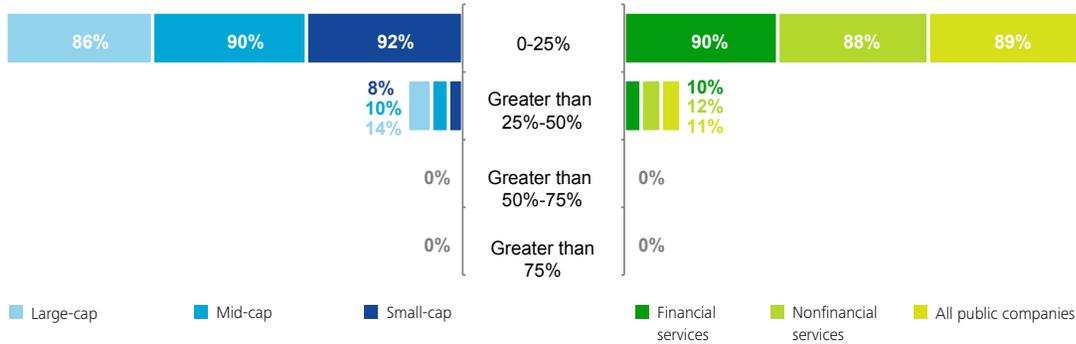
5. Please specify the percentage of board members who are women:



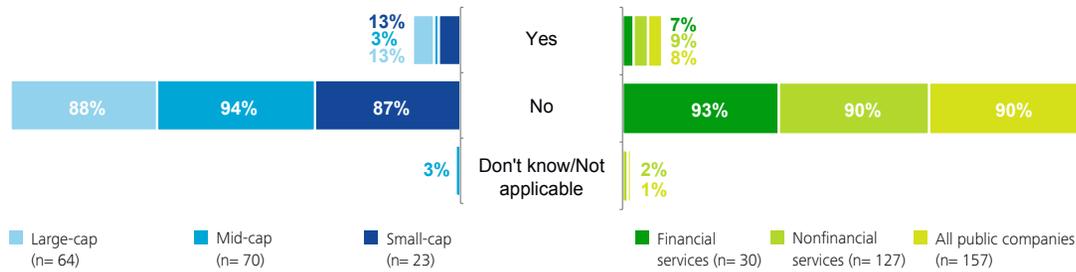
6. Compared to last year, have you had an increase in the number of women directors serving on your board?



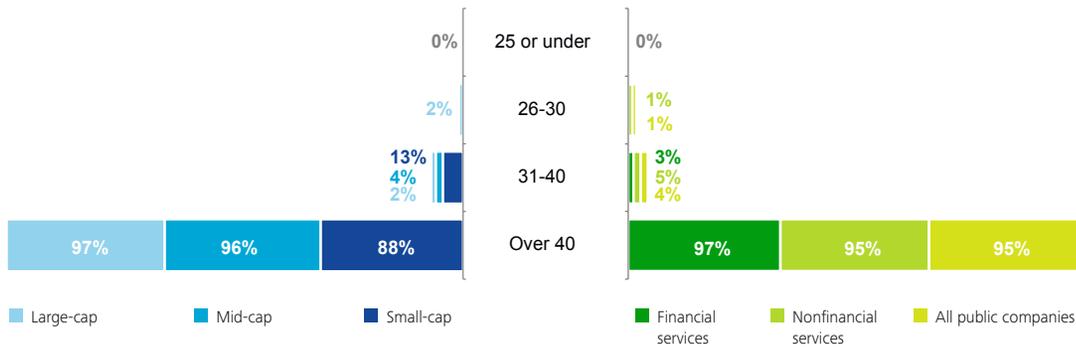
7. Please specify the percentage of board members who are minorities:



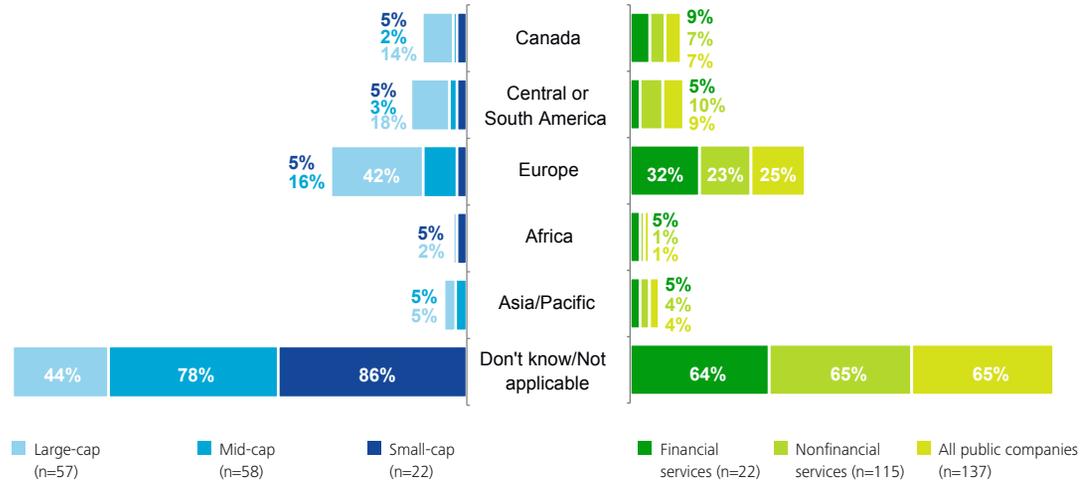
8. Compared to last year, have you had an increase in the number of minority directors serving on your board?



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

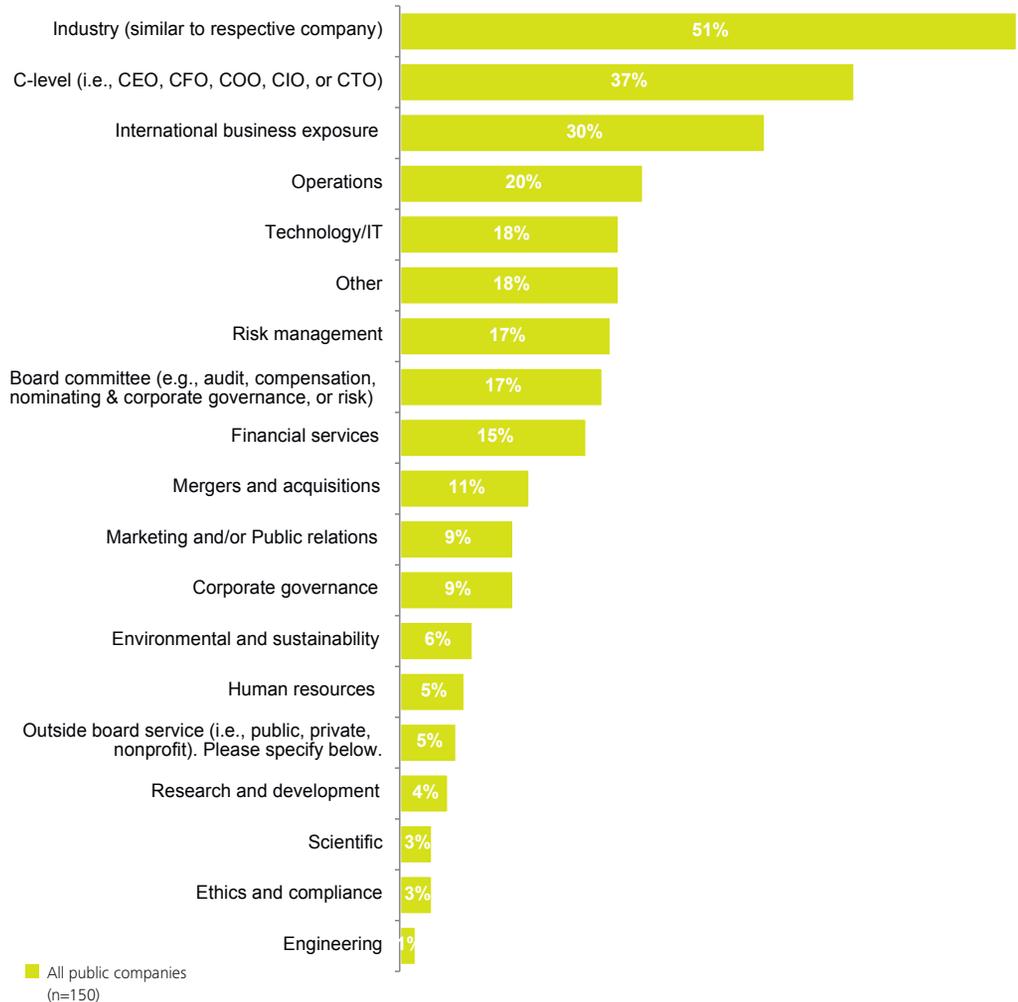


10. Does your board include any directors residing in a country other than the U.S.? (Please select all regions that are applicable)



11. In the next two years, what are the most desired skills and experience needed to contribute to your board's success?

Participants were asked to make three selections.

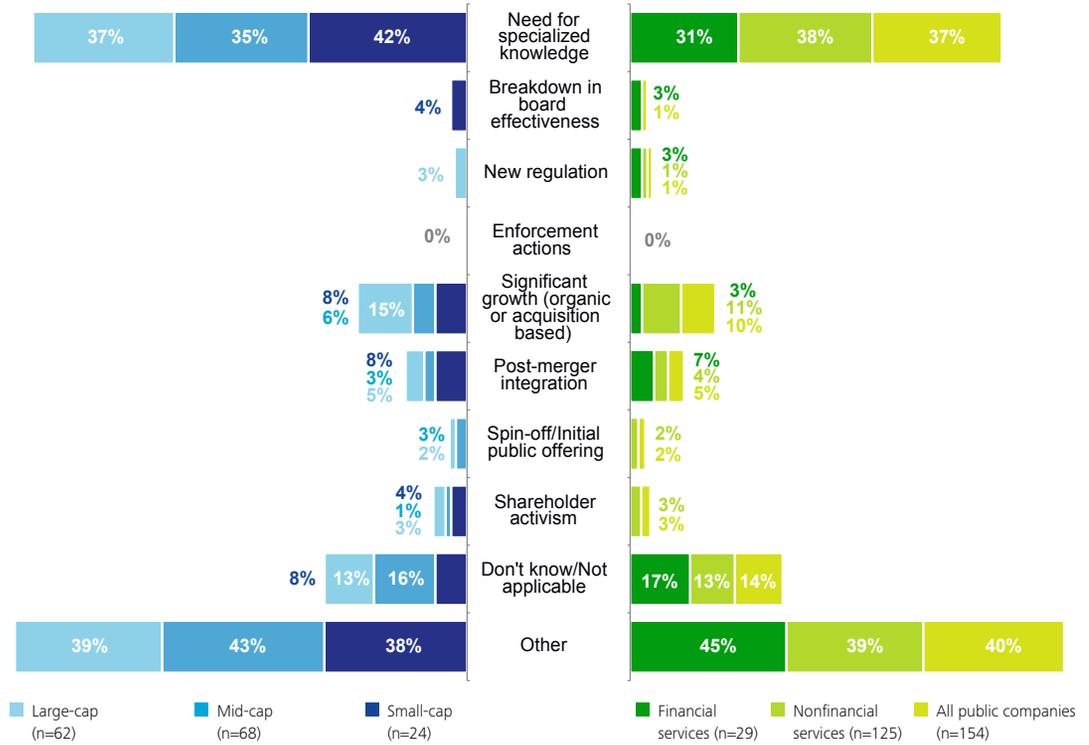


Responses are sorted based on "All public company" results.

Skills and experience	Small-cap (n=24)	Mid-cap (n=66)	Large-cap (n=60)	Financial services (n=24)	Non-financial services (n=126)	All public companies (n=150)
Industry (similar to respective company)	50%	55%	47%	50%	51%	51%
C-level (i.e., CEO, CFO, COO, CIO, or CTO). Please specify below.	25%	38%	42%	38%	37%	37%
International Business Exposure	21%	20%	45%	17%	33%	30%
Operations	29%	26%	10%	4%	23%	20%
Technology/IT	13%	18%	20%	33%	15%	18%
Other	8%	20%	20%	8%	20%	18%
Risk Management	29%	15%	15%	67%	8%	17%
Board committee (e.g., audit, compensation, nominating & corporate governance, or risk). Please specify below.	17%	17%	17%	25%	15%	17%
Financial Services	13%	15%	17%	46%	10%	15%
Mergers and Acquisitions	38%	9%	2%	8%	11%	11%
Marketing and/or Public Relations	13%	11%	7%	13%	9%	9%
Corporate Governance	4%	15%	5%	8%	10%	9%
Environmental and Sustainability	0%	6%	8%	0%	7%	6%
Human Resources	4%	9%	2%	4%	6%	5%
Outside board service (i.e., public, private, nonprofit). Please specify below.	4%	5%	5%	8%	4%	5%
Research and Development	4%	3%	5%	0%	5%	4%
Scientific	4%	0%	5%	0%	3%	3%
Ethics and Compliance	4%	3%	2%	4%	2%	3%
Engineering	4%	0%	2%	0%	2%	1%

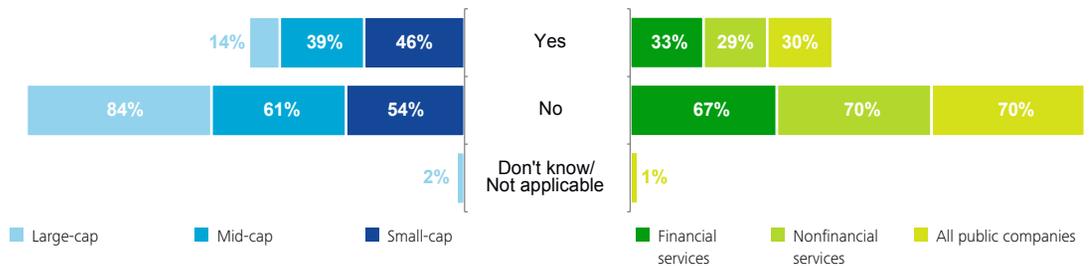
Certain answer choices at question 11 allowed respondents the option to supply specific skills and experience related to their answer selection. With regard to desired C-level experience, almost all such respondents said CEO experience was needed. Audit committee was the most common response with regard to desired board committee experience. For outside board service, only a few individuals said public company experience was a board need. Finally, at the general "other" category, the most common responses were: technology/digital and social media; global or international perspective; and government and public policy.

12. What triggers drove the most recent, or pending, change in your board composition? (Select all that apply)

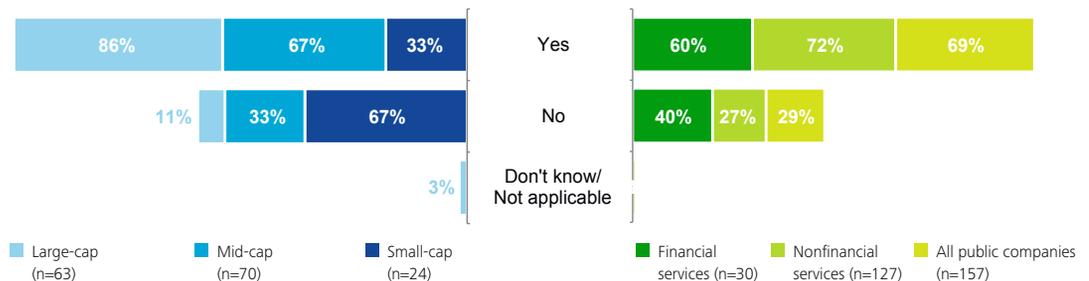


The most common response received for the "other" category pertained to director retirement.

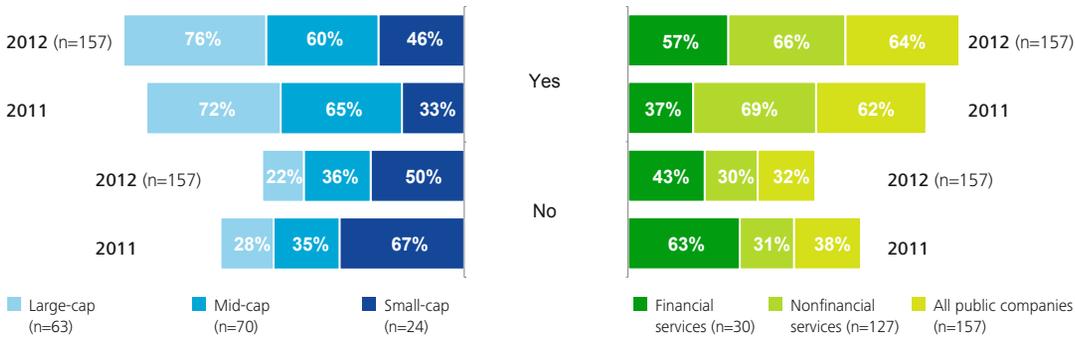
13. Is your board classified?



14. Has your company implemented a majority vote policy for uncontested director elections?

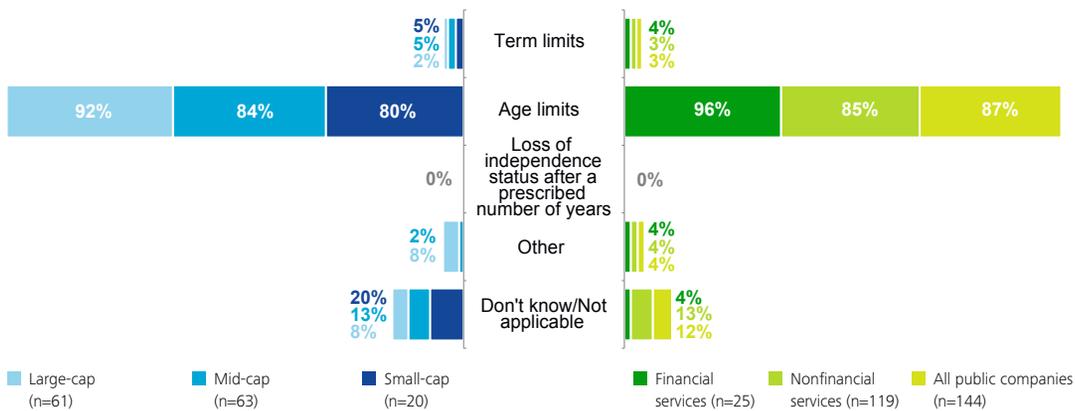


15. Does your organization use an executive search/board director recruiting firm to assist in the recruitment of board directors?

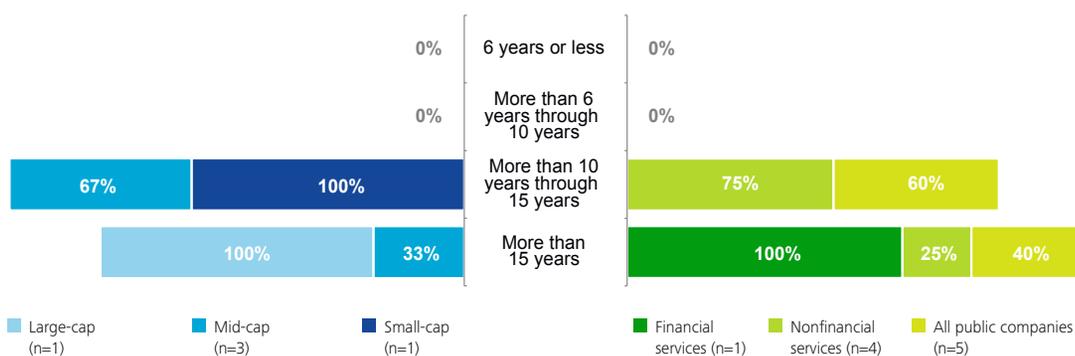


In 2012, respondents answering "Don't know/Not applicable" were as follows: 2% large-cap, 4% mid-cap, 4% small-cap, 0% financial services, 4% nonfinancial services, and 3% all public companies. In 2011, "Don't know/Not applicable" was not an answer choice.

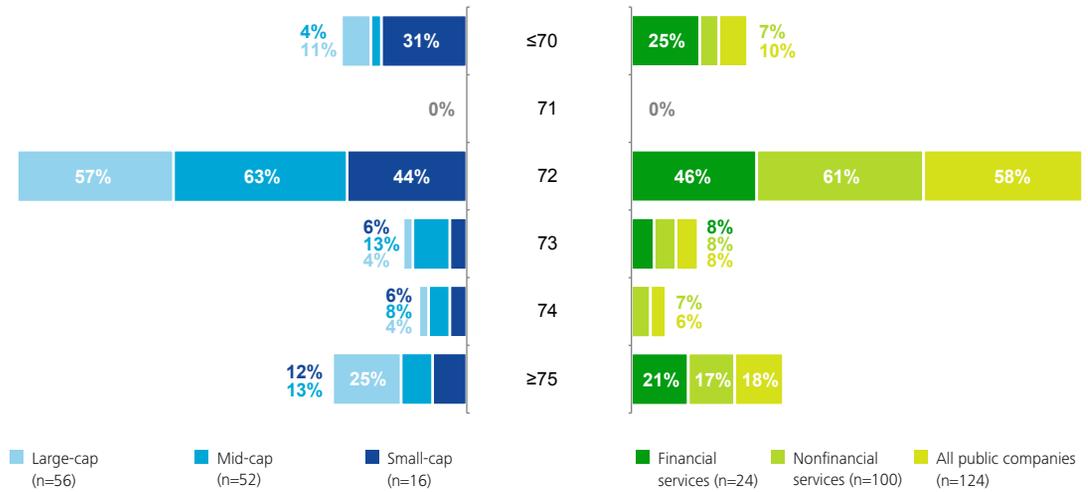
16. Does your board have any of the following? (Select all that apply)



16a. If term limits are in place, please specify the limit:



16b. If age limit, at what age is retirement required?



Trends in retirement age requirements

Director age	Small-cap			Mid-cap			Large-cap		
	2012	2011	2008	2012	2011	2008	2012	2011	2008
≤ 70	31%	17%	42%	4%	23%	34%	11%	15%	34%
71	0%	0%	11%	0%	2%	6%	0%	0%	0%
72	44%	58%	32%	63%	53%	35%	57%	53%	51%
73	6%	0%	0%	13%	5%	8%	4%	0%	5%
74	6%	0%	16%	8%	0%	18%	4%	4%	10%
≥ 75	12%	25%	0%	13%	15%	0%	25%	28%	0%
Other	0%	0%	0%	0%	2%	0%	0%	0%	0%

Data provided for the year 2008 is from the *Current Board Practices Report*, published in 2008 by the Society of Corporate Secretaries and Governance Professionals and Deloitte LLP.

16c. After how many years is “independent status” lost?

This question was not answered by any participants.

Independent chairman

Key findings and trends

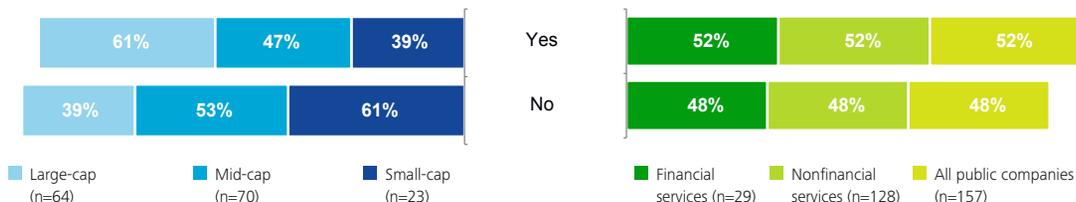
Variation in leadership structure among market caps

Board leadership structure continues to garner significant attention by shareholders, as reflected by the increased number of proposals calling for companies to separate the roles of the chairman and CEO, especially at financial services companies. Still, when compared to a similar question asked in 2011, 7% more financial services companies report a combined leadership structure. There is a significant difference in the number of large-caps (61%) with combined roles relative to small-caps (39%). Among financial services and nonfinancial services companies, there is an even split that combine roles.

Chairmen often lead the nominating and governance committees

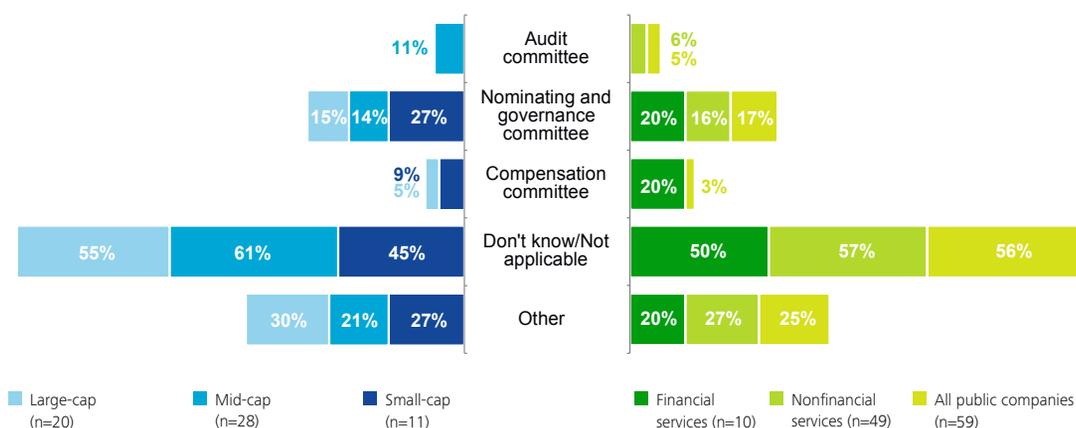
For public companies with separate leadership structures, there has been an increase in nonexecutive chairmen also chairing the nominating and governance committee. This includes 16%, 5%, and 10% increases at small-, mid-, and large-caps, respectively, when compared to a similar question asked in 2011.

17. The chairman of the board is also the CEO.



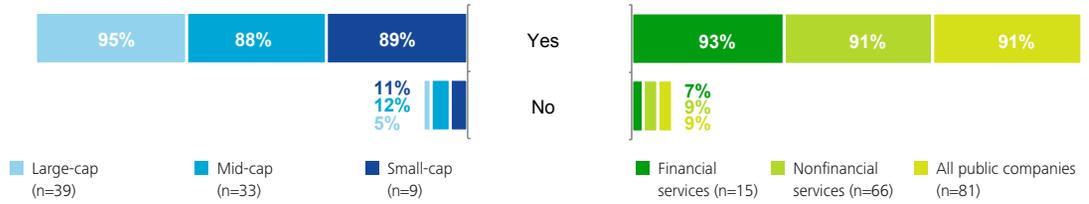
Questions 17a and 17c applied to those who said “no” to question 17. Question 17b applied to those said “yes” to question 17.

17a. The chairman is also chairman of these committees. (Select all that apply)

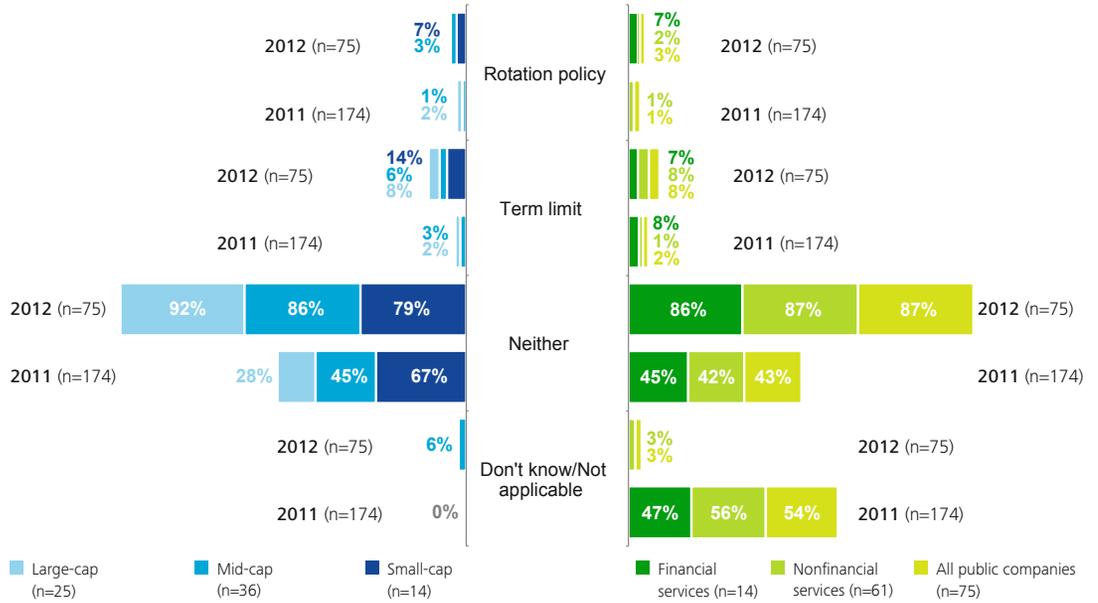


The most common responses to the “other” category was either the executive committee or no board committees.

17b. Is there a separate position for lead or presiding director?



17c. Do you have a rotation policy or term limit for the chairman?



Board and shareholder meetings and materials

Key findings and trends

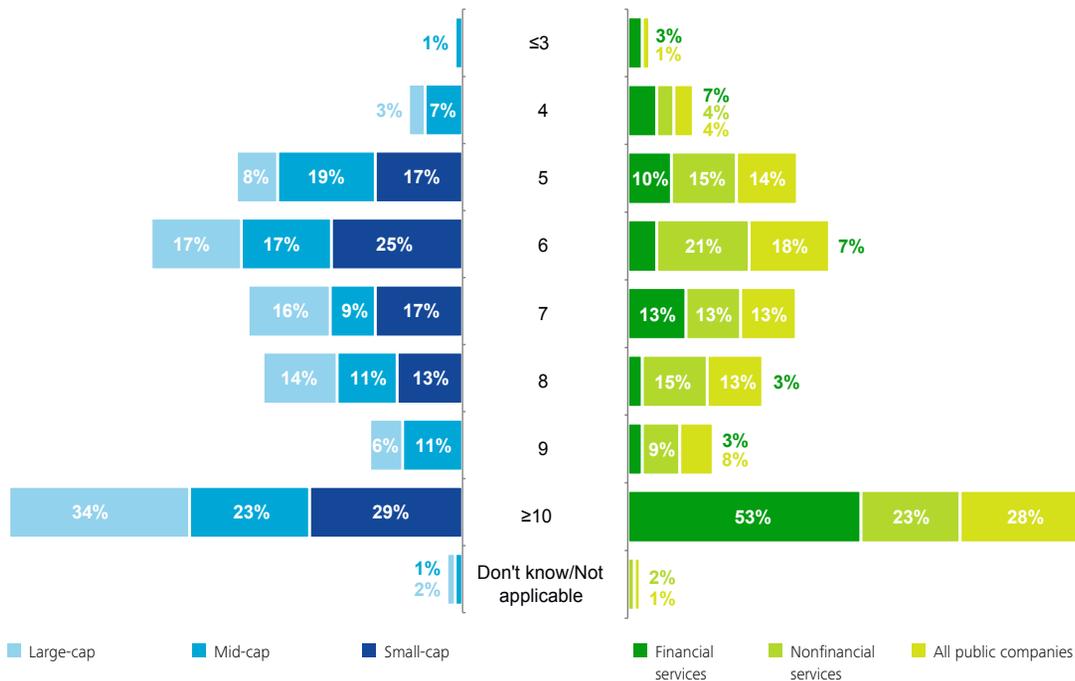
Boards are meeting more often and for a longer duration

Fifty-three percent (53%) of financial services companies report meeting 10 or more times per year, which is significantly more than the 23% of nonfinancial services companies. This represents an 11% increase by financial services companies since the 2011 study, which surveyed participants on a similar question. This year's results show an increase in large- and small-cap companies meeting more often, with a 10% increase in small-caps meeting at least 10 times during the last fiscal year. Board meetings are also longer; almost half (42%) of mid-cap, 50% of large-cap, and 37% of small-cap companies report meetings of six or more hours, excluding committee meeting time.

More companies allow shareholders to call special meetings

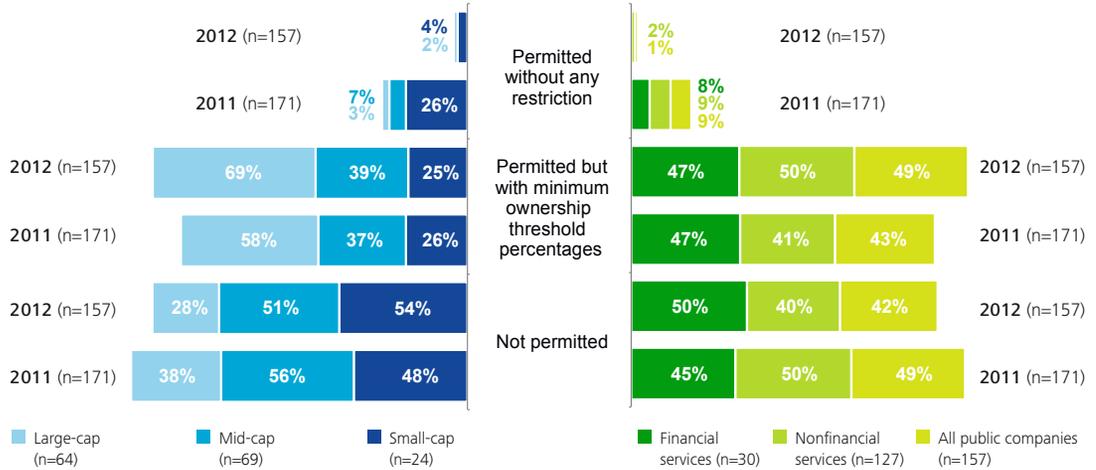
As a likely result of shareholder pressure, since 2011, more large-cap and nonfinancial services companies are permitting shareholders to call special meetings, but require a certain ownership level to do so. The most common threshold requirement across all public companies is 25%, although 60% of mid-caps require at least a 50% threshold, and 33% of small-caps allow 10% or less.

18. How many times a year did the board meet (whether live or via teleconference) in the last full fiscal year?

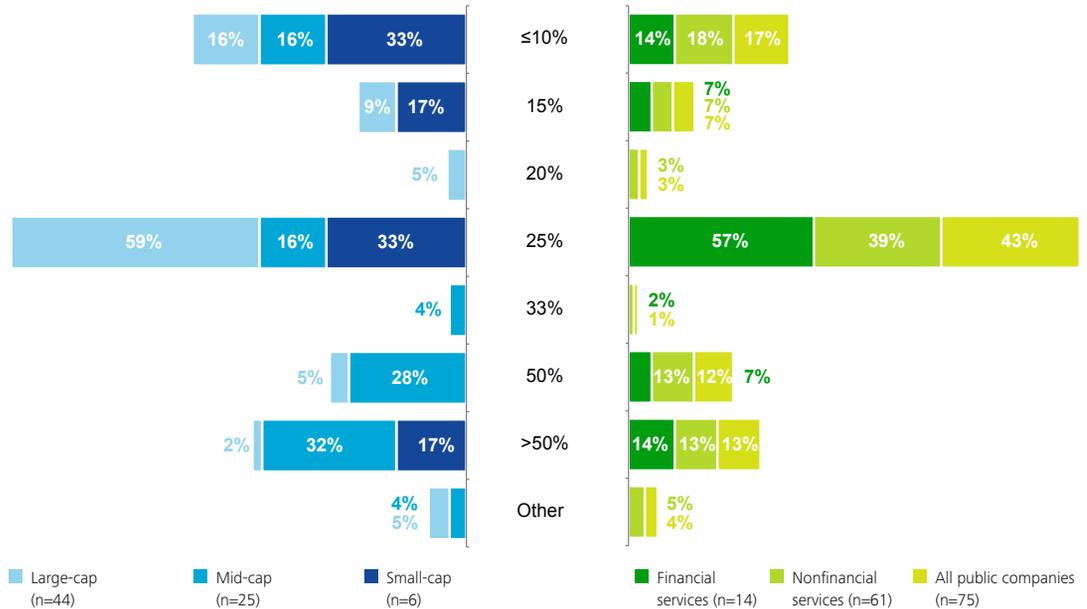


19. Does your company permit shareholders to call special shareholder meetings?

In 2012, respondents answering "Don't know/Not applicable" were as follows: 2% large-cap, 10% mid-cap, 17% small-cap, 3% financial services, 9% nonfinancial services, and 8% all public companies. In 2011, "Don't know/Not applicable" was not an answer choice.



19a. If permitted with a minimum ownership threshold, please specify the threshold percentage:

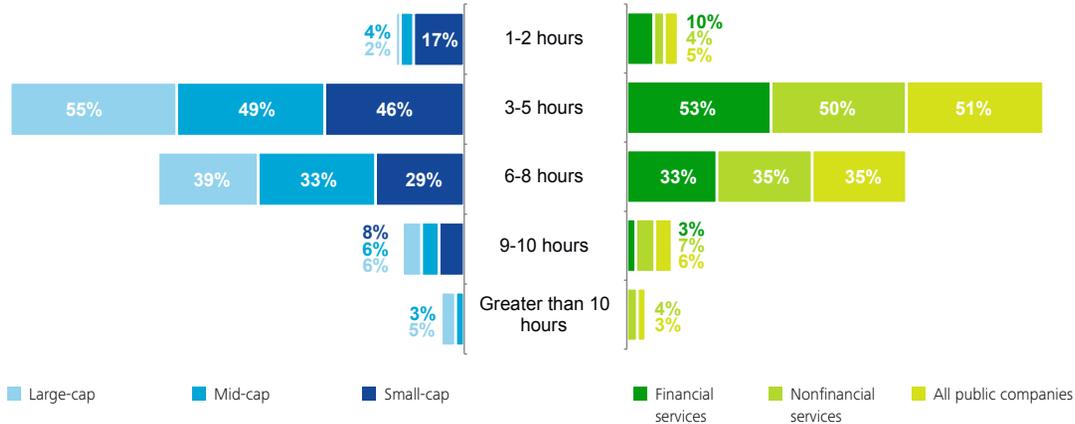


Only three survey participants provided a response for the "other" category: 35%, 40%, and what is mandated in the company's state statute.

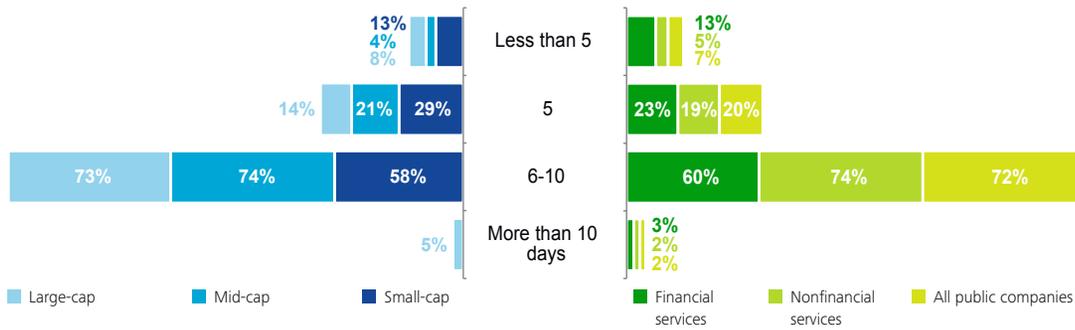
Trends in minimum ownership threshold required to call special shareholder meetings

Ownership threshold	Small-cap		Mid-cap		Large-cap		Financial services		Nonfinancial services		All public companies	
	2012	2011	2012	2011	2012	2011	2012	2011	2011	2012	2011	2012
≤10%	33%	50%	16%	23%	16%	18%	14%	17%	18%	25%	17%	22%
15%	17%	0%	0%	0%	9%	3%	7%	0%	7%	2%	7%	1%
20%	0%	0%	0%	15%	5%	12%	0%	17%	3%	11%	3%	11%
25%	33%	17%	16%	23%	59%	55%	57%	50%	39%	34%	43%	39%
33%	0%	0%	4%	4%	0%	0%	2%	0%	0%	2%	1%	2%
50%	0%	0%	28%	12%	5%	6%	7%	0%	13%	11%	12%	7%
>50%	17%	33%	32%	19%	2%	0%	14%	17%	13%	9%	13%	11%
Other	0%	0%	4%	4%	5%	6%	0%	0%	5%	6%	4%	6%

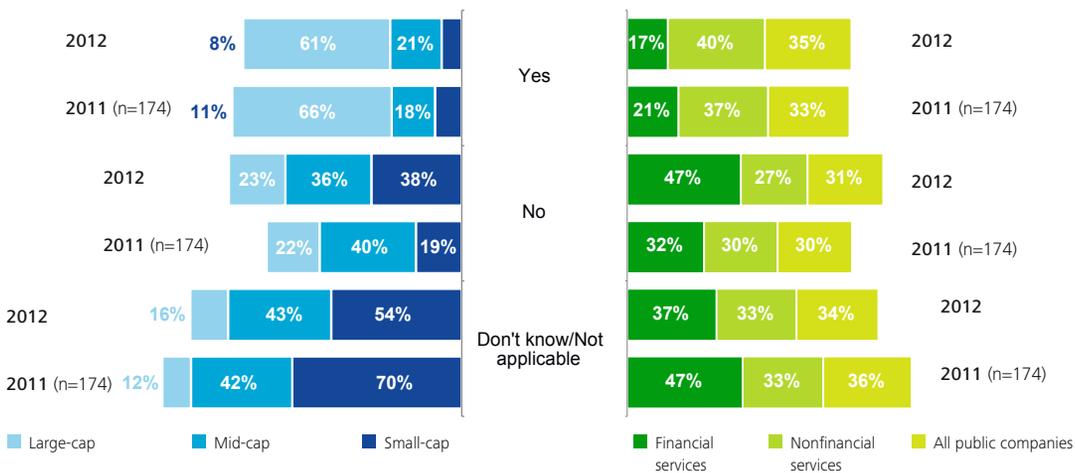
20. How many hours does a typical meeting of the full board last? (Do not count time spent on committee meetings)



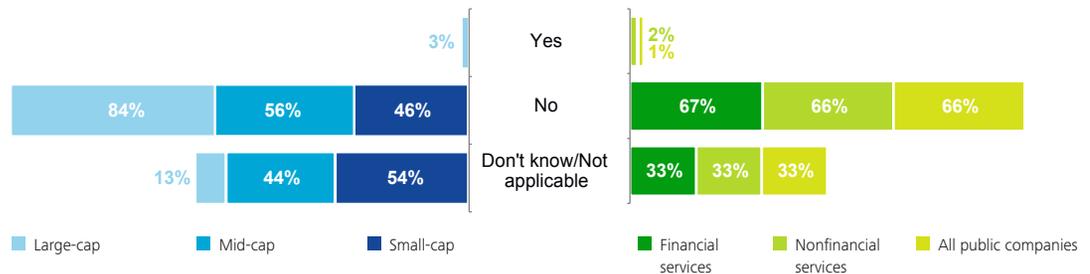
21. How many days in advance are board meeting materials provided to board members?



22. Do you make the company owned aircraft available to directors for travel to meetings?



23. Do you make the company owned aircraft available to directors for personal travel?



Board committee structures and roles

Key findings and trends

Consistency in committee structures

As depicted in the table for question 24, the most common standing committees among all public companies are the audit, compensation, and nominating/corporate governance committees. This is followed by a standing executive committee, which about 50% of companies have, and a standing finance and investment committee, which 40% have. Forty-five (45%) of audit committees meet seven to nine times per year, and 56% of audit committees meet for two to three hours per meeting. Most nominating/corporate governance committees meet four to six times a year for approximately two hours. A substantial majority of compensation committees meet four to six times a year, with most meetings lasting two to three hours.

Rotation policies not a common practice

The rotation of committee chairmen can be challenging, especially when there is a need for specific expertise and experience. The majority of public company respondents (77%) report that their boards do not have a policy in place for the rotation of board committee chairs, and 75% do

not have a rotation policy for committee members. This is consistent with 2011 survey findings. Just 5% of public companies have a prescribed rotation policy for committee chairs, and all set the frequency at every three years.

Changes in audit committee membership limits

When compared to a similar question asked in the 2011 study, almost 30% more small-cap companies say they do not have limits on audit committee members serving on the audit committees of other companies, a trend that is reversed at the mid- and large-cap level. From an industry perspective, 50% of financial services companies and 36% of nonfinancial services companies do not have limits, compared to 45% and 50%, respectively, in 2011. Most companies setting limits allow directors to serve on a maximum of two or three other committees. This is consistent with stock exchange listing requirements that require board approval and disclosure for an audit committee member sitting on the board of more than three audit committees.

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

Note: For each committee in the following table, the count of respondents ("n" value) and the percentage of the total count of respondents for the committee is provided as "n value/percentage". Practices of the four most prevalent committees are presented in individual tables.

Audit committee		Small-cap	Mid-cap	Large-cap	Financial services	Non-financial services	All public companies
Is this a standing committee?	Yes	24/100%	68/100%	64/100%	30/100%	126/100%	156/100%
	No	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	N/A	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Number of members	1 - 4	18/75%	49/71%	37/58%	17/57%	87/69%	104/66%
	5 - 9	6/25%	20/29%	27/42%	13/43%	40/31%	53/34%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Meeting frequency (meetings on annual basis)	0	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	1 - 3	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	4 - 6	17/71%	25/36%	10/16%	8/27%	44/35%	52/33%
	7 - 9	3/13%	29/42%	38/59%	9/30%	61/48%	70/45%
	≥10	4/17%	15/22%	16/25%	13/43%	22/17%	35/22%
Average length of meetings (hours)	<2	9/38%	21/31%	11/17%	5/19%	36/28%	41/27%
	2 - 3	11/46%	35/52%	41/65%	14/52%	73/57%	87/56%
	>3	4/17%	10/15%	11/17%	8/30%	17/13%	25/16%
	Other	0/0%	1/1%	0/0%	0/0%	1/1%	1/1%
Auditor or compensation consultant in attendance in meetings	Auditor	21/91%	66/100%	57/93%	25/100%	119/95%	144/96%
	Compensation Consultant	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	Both	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	None	2/9%	0/0%	4/7%	0/0%	6/5%	6/4%

Compensation committee		Small-cap	Mid-cap	Large-cap	Financial services	Non-financial services	All public companies
Is this a standing committee?	Yes	23/96%	69/100%	62/97%	29/97%	125/98%	154/98%
	No	1/4%	0/0%	1/2%	1/3%	1/1%	2/1%
	N/A	0/0%	0/0%	1/2%	0/0%	1/1%	1/1%
Number of members	1 - 4	20/83%	51/73%	35/56%	18/60%	88/69%	106/68%
	5 - 9	4/17%	19/27%	28/44%	12/40%	39/31%	51/32%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Meeting frequency (meetings on annual basis)	0	0/0%	0/0%	1/2%	0/0%	1/1%	1/1%
	1 - 3	4/17%	4/6%	4/6%	3/10%	9/7%	12/8%
	4 - 6	18/75%	47/67%	39/62%	14/47%	90/71%	104/66%
	7 - 9	2/8%	16/23%	15/24%	8/27%	25/20%	33/21%
	≥10	0/0%	3/4%	4/6%	5/17%	2/2%	7/4%
Average length of meetings (hours)	<2	13/54%	30/45%	20/32%	11/41%	52/41%	63/41%
	2 - 3	9/38%	32/48%	39/63%	15/56%	65/52%	80/52%
	>3	2/8%	4/6%	2/3%	1/4%	7/6%	8/5%
	Other	0/0%	1/1%	1/2%	0/0%	2/2%	2/1%
Auditor or compensation consultant in attendance in meetings	Auditor	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	Compensation Consultant	12/55%	58/89%	55/90%	19/79%	106/85%	125/84%
	Both	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	None	10/45%	7/11%	6/10%	5/21%	18/15%	23/16%

Board committee structures and roles

Nominating/Corporate governance committee		Small-cap	Mid-cap	Large-cap	Financial services	Non-financial services	All public companies
Is this a standing committee?	Yes	22/96%	69/100%	61/97%	28/93%	124/99%	152/98%
	No	1/4%	0/0%	2/3%	2/7%	1/1%	3/2%
	N/A	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Number of members	1 - 4	17/74%	55/79%	30/49%	20/69%	82/66%	102/66%
	5 - 9	6/26%	15/21%	31/51%	9/31%	43/34%	52/34%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Meeting frequency (meetings on annual basis)	0	0/0%	0/0%	1/2%	1/3%	0/0%	1/1%
	1 - 3	10/43%	17/24%	7/11%	8/27%	26/21%	34/22%
	4 - 6	11/48%	49/70%	46/74%	18/60%	88/70%	106/68%
	7 - 9	2/9%	3/4%	7/11%	3/10%	9/7%	12/8%
	≥10	0/0%	1/1%	1/2%	0/0%	2/2%	2/1%
Average length of meetings (hours)	<2	15/65%	57/85%	40/67%	17/65%	95/77%	112/75%
	2 - 3	6/26%	9/13%	16/27%	7/27%	24/19%	31/21%
	>3	1/4%	0/0%	2/3%	2/8%	1/1%	3/2%
	Other	1/4%	1/1%	2/3%	0/0%	4/3%	4/3%
Auditor or compensation consultant in attendance in meetings	Auditor	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	Compensation consultant	0/0%	1/2%	2/5%	1/5%	2/2%	3/2%
	Both	0/0%	1/2%	0/0%	0/0%	1/1%	1/1%
	None	21/100%	57/97%	41/95%	19/95%	100/97%	119/97%

Executive committee		Small-cap	Mid-cap	Large-cap	Financial services	Non-financial services	All public companies
Is this a standing committee?	Yes	12/55%	25/46%	23/49%	16/67%	44/44%	60/49%
	No	6/27%	21/39%	17/36%	7/29%	37/37%	44/36%
	N/A	4/18%	8/15%	7/15%	1/4%	18/18%	19/15%
Number of members	1 - 4	6/43%	16/62%	10/43%	9/53%	23/50%	32/51%
	5 - 9	8/57%	9/35%	12/52%	7/41%	22/48%	29/46%
	≥10	0/0%	1/4%	1/4%	1/6%	1/2%	2/3%
Meeting frequency (meetings on annual basis)	0	3/21%	12/46%	11/50%	6/35%	20/44%	26/42%
	1 - 3	6/43%	12/46%	8/36%	6/35%	20/44%	26/42%
	4 - 6	3/21%	1/4%	2/9%	3/18%	3/7%	6/10%
	7 - 9	1/7%	1/4%	1/5%	2/12%	1/2%	3/5%
	≥10	1/7%	0/0%	0/0%	0/0%	1/2%	1/2%
Average length of meetings (hours)	<2	8/57%	15/75%	11/58%	10/71%	24/62%	34/64%
	2 - 3	5/36%	1/5%	3/16%	2/14%	7/18%	9/17%
	>3	0/0%	0/0%	1/5%	1/7%	/0%	1/2%
	Other	1/7%	4/20%	4/21%	1/7%	8/21%	9/17%
Auditor or compensation consultant in attendance in meetings	Auditor	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	Compensation consultant	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	Both	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	None	12/100%	19/100%	17/100%	11/100%	37/100%	48/100%

Other committees

Committee	Is this a standing committee?	Small-cap	Mid-cap	Large-cap	Financial services	Non-financial services	All public companies
Science & Technology	Yes	2/10%	6/13%	6/15%	4/20%	10/11%	14/13%
	No	10/50%	29/62%	29/73%	14/70%	54/62%	68/64%
	N/A	8/40%	12/26%	5/13%	2/10%	23/26%	25/23%
Risk	Yes	1/5%	3/7%	6/14%	7/30%	3/4%	10/9%
	No	12/60%	30/67%	28/67%	12/52%	58/69%	70/65%
	N/A	7/35%	12/27%	8/19%	4/17%	23/27%	27/25%
Strategy	Yes	2/10%	2/5%	1/3%	1/5%	4/5%	5/5%
	No	12/60%	30/68%	29/76%	15/75%	56/68%	71/70%
	N/A	6/30%	12/27%	8/21%	4/20%	22/27%	26/25%
Environmental	Yes	0/0%	4/9%	1/3%	0/0%	5/6%	5/5%
	No	12/60%	27/61%	30/79%	16/80%	53/65%	69/68%
	N/A	8/40%	13/30%	7/18%	4/20%	24/29%	28/27%
Corporate Responsibility	Yes	0/0%	2/4%	6/15%	2/10%	6/7%	8/8%
	No	12/60%	30/67%	27/66%	15/71%	54/64%	69/65%
	N/A	8/40%	13/29%	8/20%	4/19%	25/29%	29/27%
Finance/Investment	Yes	3/14%	23/43%	23/49%	9/41%	40/40%	49/40%
	No	11/52%	20/37%	19/40%	10/45%	40/40%	50/41%
	N/A	7/33%	11/20%	5/11%	3/14%	20/20%	23/19%
Risk and Finance	Yes	0/0%	2/5%	5/13%	3/15%	4/5%	7/7%
	No	12/60%	30/68%	26/67%	14/70%	54/65%	68/66%
	N/A	8/40%	12/27%	8/21%	3/15%	25/30%	28/27%
Public Policy	Yes	0/0%	2/5%	8/21%	1/5%	9/11%	10/10%
	No	12/60%	29/66%	24/63%	15/79%	50/60%	65/64%
	N/A	8/40%	13/30%	6/16%	3/16%	24/29%	27/26%

Number of members

Committee	Number of members	Small-cap	Mid-cap	Large-cap	Financial services	Non-financial services	All public companies
Science & Technology	1-4	0/0%	5/83%	6/86%	3/60%	8/73%	11/69%
	5-9	3/100%	1/17%	1/14%	2/40%	3/27%	5/31%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Risk	1-4	0/0%	2/67%	3/60%	3/50%	2/50%	5/50%
	5-9	2/100%	1/33%	2/40%	3/50%	2/50%	5/50%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Strategy	1-4	1/33%	0/0%	0/0%	0/0%	1/20%	1/17%
	5-9	2/67%	2/100%	0/0%	0/0%	4/80%	4/67%
	≥10	0/0%	0/0%	1/100%	1/100%	0/0%	1/17%
Environmental	1-4	0/0%	1/25%	1/100%	0/0%	2/33%	2/33%
	5-9	1/100%	3/75%	0/0%	0/0%	4/67%	4/67%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Corporate Responsibility	1-4	0/0%	1/50%	3/50%	1/50%	3/43%	4/44%
	5-9	1/100%	1/50%	3/50%	1/50%	4/57%	5/56%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Finance/Investment	1-4	1/33%	15/63%	13/54%	4/40%	25/61%	29/57%
	5-9	2/67%	9/38%	11/46%	6/60%	16/39%	22/43%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Risk and Finance	1-4	0/0%	0/0%	3/50%	1/33%	2/33%	3/33%
	5-9	1/100%	2/100%	3/50%	2/67%	4/67%	6/67%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Public Policy	1-4	0/0%	2/100%	6/75%	1/100%	7/70%	8/73%
	5-9	1/100%	0/0%	2/25%	0/0%	3/30%	3/27%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%

Meeting frequency (meetings on annual basis)

Committee	Meeting frequency (meetings on annual basis)	Small-cap	Mid-cap	Large-cap	Financial services	Non-financial services	All public companies
Science & Technology	0	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	1 - 3	0/0%	1/17%	4/57%	1/20%	4/36%	5/31%
	4 - 6	3/100%	5/83%	3/43%	4/80%	7/64%	11/69%
	7 - 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	0	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	1 - 3	0/0%	0/0%	2/33%	1/14%	1/25%	2/18%
	4 - 6	2/100%	1/33%	3/50%	4/57%	2/50%	6/55%
	7 - 9	0/0%	2/67%	1/17%	2/29%	1/25%	3/27%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Strategy	0	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	1 - 3	1/33%	2/100%	0/0%	0/0%	3/60%	3/50%
	4 - 6	2/67%	0/0%	1/100%	1/100%	2/40%	3/50%
	7 - 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%
Environmental	0	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	1 - 3	0/0%	1/25%	1/100%	0/0%	2/33%	2/33%
	4 - 6	1/100%	2/50%	0/0%	0/0%	3/50%	3/50%
	7 - 9	0/0%	1/25%	0/0%	0/0%	1/17%	1/17%
	≥10	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Corporate Responsibility	0	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	1 - 3	0/0%	2/100%	3/50%	1/50%	4/57%	5/56%
	4 - 6	1/100%	0/0%	3/50%	1/50%	3/43%	4/44%
	7 - 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/Investment	0	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	1 - 3	0/0%	10/42%	4/17%	0/0%	14/35%	14/28%
	4 - 6	3/100%	9/38%	14/61%	8/80%	18/45%	26/52%
	7 - 9	0/0%	4/17%	4/17%	1/10%	7/18%	8/16%
	≥10	0/0%	1/4%	1/4%	1/10%	1/3%	2/4%
Risk and Finance	0	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	1 - 3	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	4 - 6	1/100%	1/50%	2/40%	0/0%	4/80%	4/50%
	7 - 9	0/0%	1/50%	1/20%	1/33%	1/20%	2/25%
	≥10	0/0%	0/0%	2/40%	2/67%	0/0%	2/25%
Public Policy	0	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	1 - 3	0/0%	0/0%	5/63%	0/0%	5/50%	5/45%
	4 - 6	1/100%	2/100%	3/38%	1/100%	5/50%	6/55%
	7 - 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%

Auditor or compensation consultant in attendance in meetings

Committee	Auditor or compensation consultant in attendance in meetings	Small-cap	Mid-cap	Large-cap	Financial services	Non-financial services	All public companies
Risk	Auditor	0/0%	0/0%	1/20%	1/17%	0/0%	1/11%
	Compensation consultant	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	Both	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	None	1/100%	3/100%	4/80%	5/83%	3/100%	8/89%
Finance/ Investment	Auditor	0/0%	1/5%	1/6%	1/13%	1/3%	2/5%
	Compensation consultant	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	Both	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	None	3/100%	19/95%	15/94%	7/88%	30/97%	37/95%

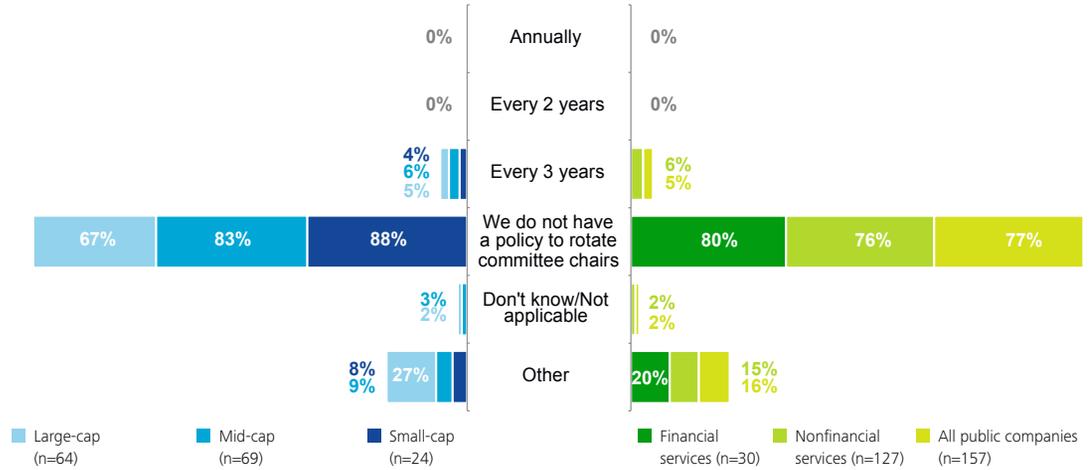
For the other committees, no respondents indicated that the auditor or compensation consultant attend the committee meetings.

Average length of meetings

Committee	Average length of meetings (hrs)	Small-cap	Mid-cap	Large-cap	Financial services	Non-financial services	All public companies
Science & Technology	<2	0/0%	2/40%	2/29%	1/25%	3/30%	4/29%
	2 - 3	2/100%	1/20%	4/57%	3/75%	4/40%	7/50%
	>3	0/0%	2/40%	1/14%	0/0%	3/30%	3/21%
	Other	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Risk	<2	0/0%	0/0%	2/40%	1/17%	1/33%	2/22%
	2 - 3	0/0%	1/33%	1/20%	3/50%	2/67%	5/56%
	>3	1/100%	2/67%	2/40%	2/33%	0/0%	2/22%
	Other	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Strategy	<2	1/50%	1/50%	0/0%	0/0%	2/50%	2/40%
	2 - 3	1/50%	1/50%	0/0%	0/0%	2/50%	2/40%
	>3	0/0%	0/0%	1/100%	1/100%	0/0%	1/20%
	Other	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Environmental	<2	0/0%	3/75%	0/0%	0/0%	3/60%	3/60%
	2 - 3	0/0%	1/25%	1/100%	0/0%	2/40%	2/40%
	>3	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	Other	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Corporate Responsibility	<2	0/0%	2/100%	4/67%	1/50%	5/83%	6/75%
	2 - 3	0/0%	0/0%	2/33%	1/50%	1/17%	2/25%
	>3	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	Other	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Finance/Investment	<2	3/100%	14/58%	12/50%	4/40%	25/61%	29/57%
	2 - 3	0/0%	8/33%	12/50%	6/60%	14/34%	20/39%
	>3	0/0%	1/4%	0/0%	0/0%	1/2%	1/2%
	Other	0/0%	1/4%	0/0%	0/0%	1/2%	1/2%
Risk and Finance	<2	0/0%	1/50%	3/60%	2/67%	2/50%	4/57%
	2 - 3	0/0%	1/50%	1/20%	0/0%	2/50%	2/29%
	>3	0/0%	0/0%	1/20%	1/33%	0/0%	1/14%
	Other	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
Public Policy	<2	0/0%	1/50%	5/63%	1/100%	5/56%	6/60%
	2 - 3	0/0%	1/50%	3/38%	0/0%	4/44%	4/40%
	>3	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%
	Other	0/0%	0/0%	0/0%	0/0%	0/0%	0/0%

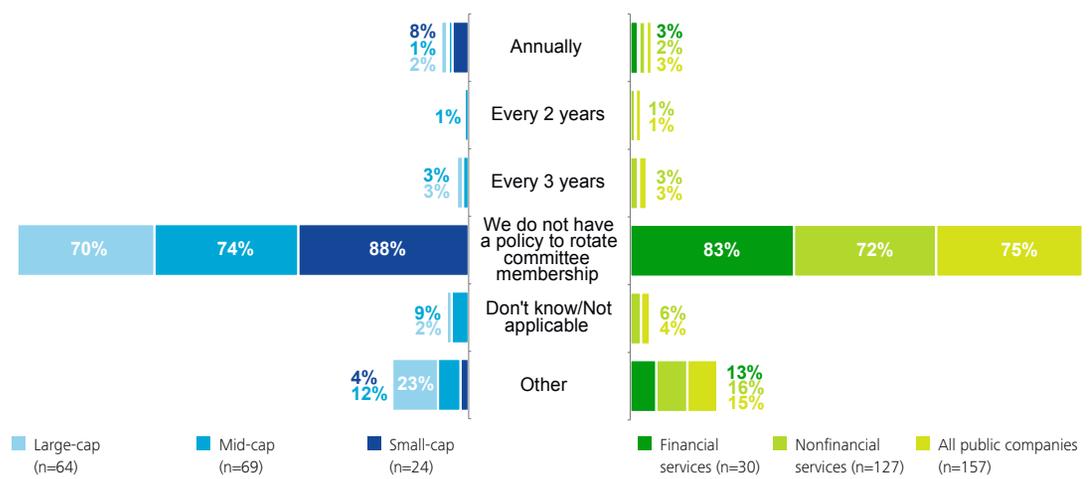
At question 24, an “other, please specify” category was available so that respondents could provide information on additional board committees beyond those listed in the tables above. Some of the most common committees related to: controls and compliance; finance, credit, and, risk; regulatory and compliance; and quality and safety compliance. It is interesting to note that two survey participants reported having a proxy committee and shareholder relations committee on their boards, as this is an uncommon practice and generally a full board activity.

25. Provide the frequency with which committee chairs are rotated:



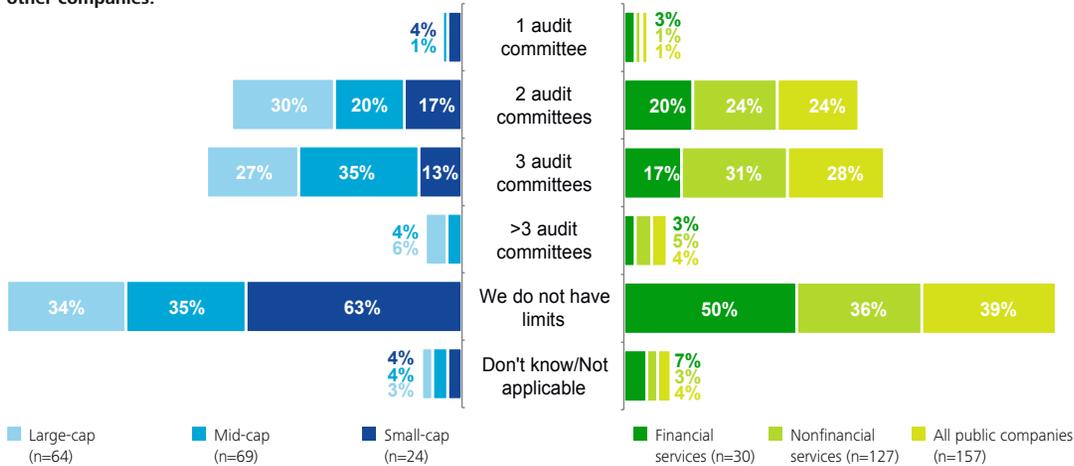
Some survey participants provided a response for the “other” category. The most common responses received were: between four and six years; periodically; and reviewed annually, but may not result in any change.

26. Provide the frequency with which committee membership rotation takes place:



Some survey participants provided a response for the “other” category. The most common responses received were: periodically; reviewed annually, but may not result in any change; and every three to five years.

27. Please specify the limit on your board's audit committee members being able to serve on the audit committees of other companies:



Board orientation and training

Key findings and trends

Decline in director orientation at small-caps

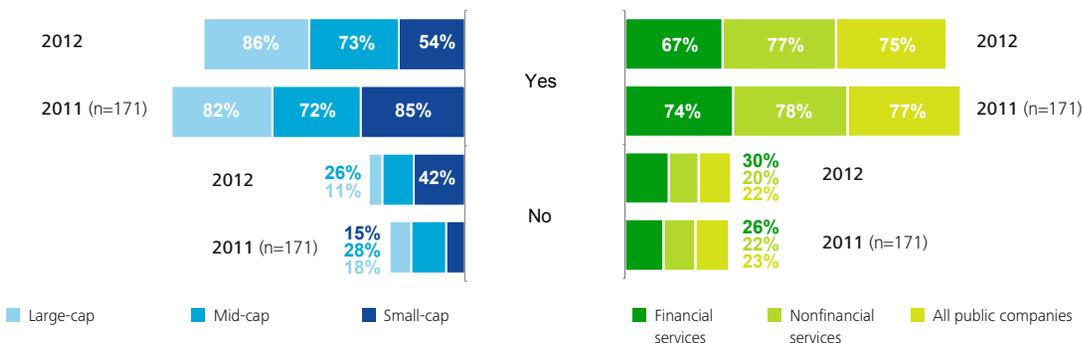
Proper director onboarding should incorporate a thorough orientation process that acclimates new members to the company, its board, and its shareholders. Significantly fewer (a 31% decrease) small-cap companies say their organizations have a formal orientation program for new directors when compared to last year's results. Responses from mid- and large-cap companies remained virtually unchanged from 2011.

Boards educated on range of topics

Among all public companies, the most frequent topics of board education programs are insider trading, industry-

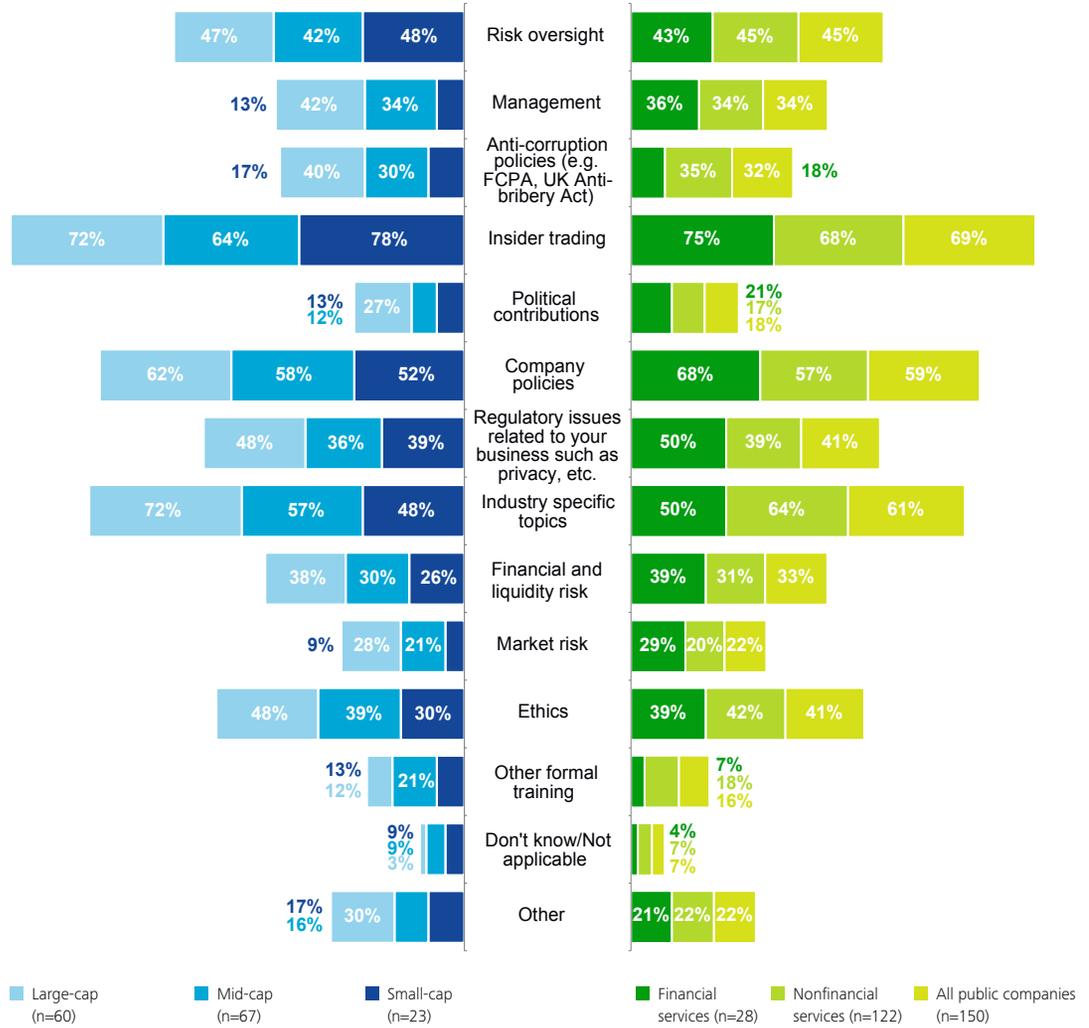
specific matters, and company policies. These topics are particularly prevalent among financial services companies, along with regulatory issues related to the business and risk oversight. Compared to small- and mid-caps, more large-cap companies provide training on political contributions, industry matters, and ethics. Similar to 2011, respondents say that most (64%) director education programs are provided in-house by management. Nearly 80% of public companies report to their directors on director programs from their corporate secretary, also consistent with last year's results.

28. Does your organization have a formal orientation program for new directors (beyond supplying a directors' manual)?



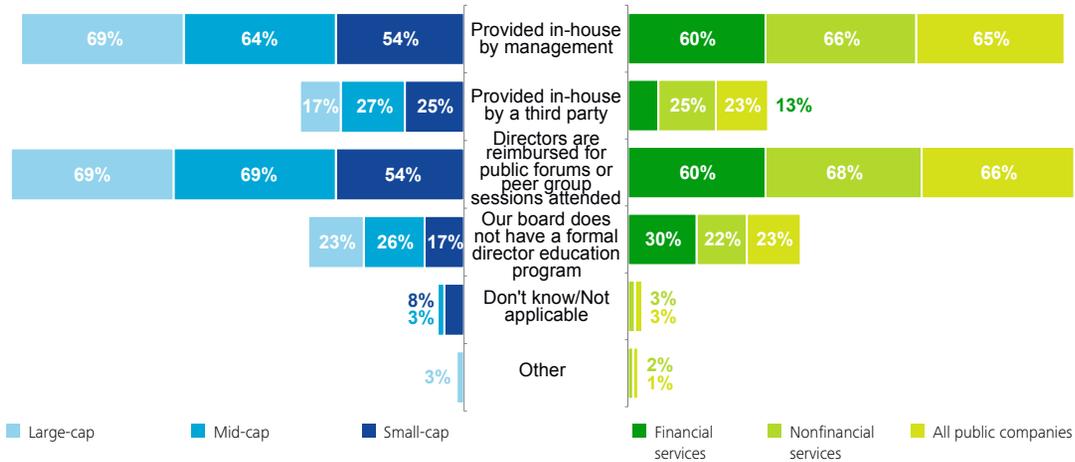
In 2012, respondents answering "Don't know/Not applicable" were as follows: 3% large-cap, 1% mid-cap, 4% small-cap, 3% financial services, 2% nonfinancial services, and 3% all public companies. In 2011, "Don't know/Not applicable" was not an answer choice.

29. Does your organization provide board education for new and existing directors on: (Select all that apply)

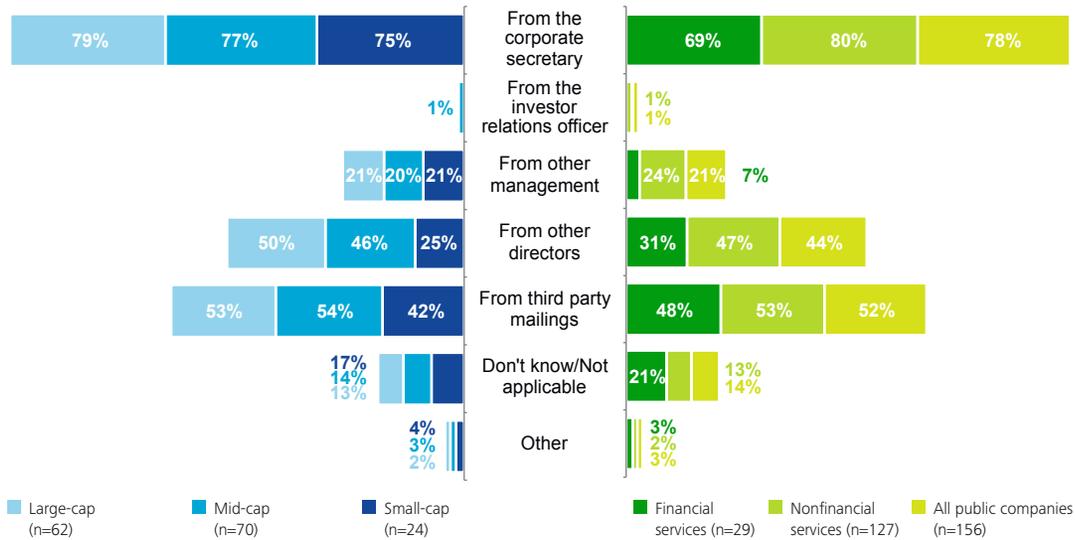


Some survey participants provided a response for the “other” category. The most common responses received were: corporate governance and overview of director duties and liabilities.

30. Which of the following best describes your board's ongoing director education program? (Select all that apply)



31. How do your directors learn about director education programs? (Select all that apply)



Board evaluations

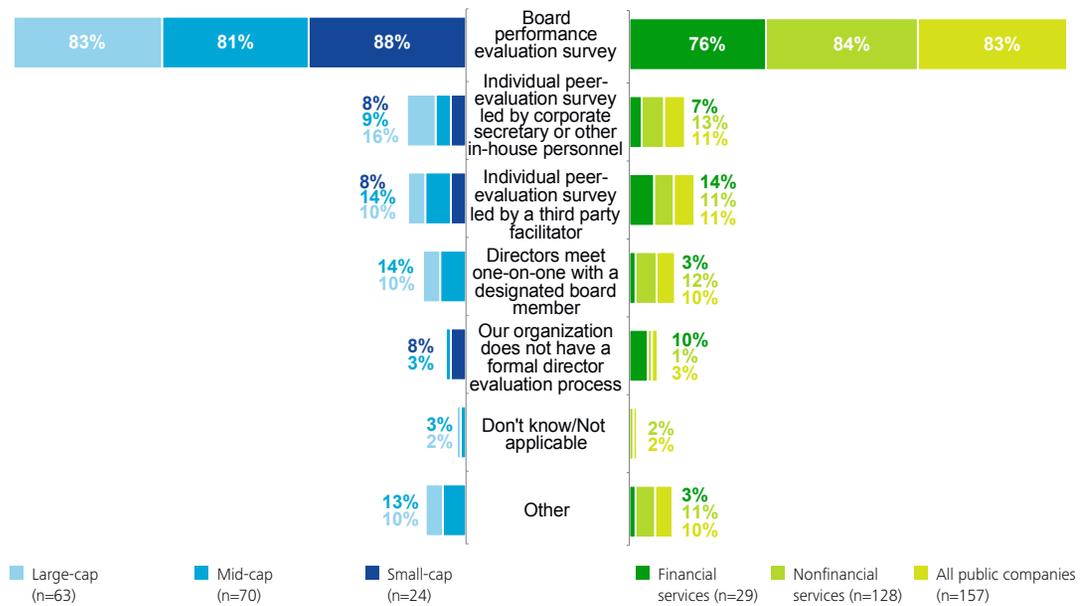
Key findings and trends

Traditional board survey is primary evaluation method

Successful evaluations feature a robust process that the full board actively participates in and views as important. The survey results indicate that the majority (83%) of all public company directors are evaluated through a board

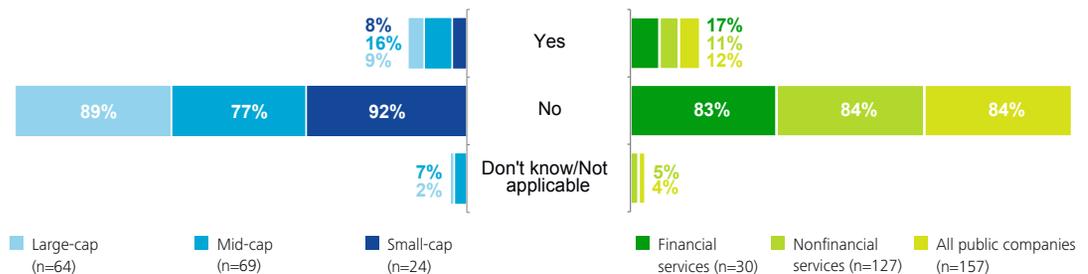
performance survey. This method is used significantly more than others, such as individual peer evaluation by in-house personnel or by a third-party facilitator, or one-on-one meetings with a designated board member. This is consistent with results from a similar question asked in 2011.

32. How are your directors evaluated? (Select all that apply)



Some survey participants provided a response for the "other" category. Responses received included: "chairman reviews director performance with head of governance committee in advance of annual selection for proxy statement"; "also do formal gap analysis of the board as a whole and each director also does one for him/herself; both are assessed against a list of desired characteristics for the board that is reviewed in light of the company's strategic plan"; and several indicated involvement by the nominating and corporate governance committee.

33. Have you had a third party evaluate the board's effectiveness over the last three years?



Strategy

Key findings and trends

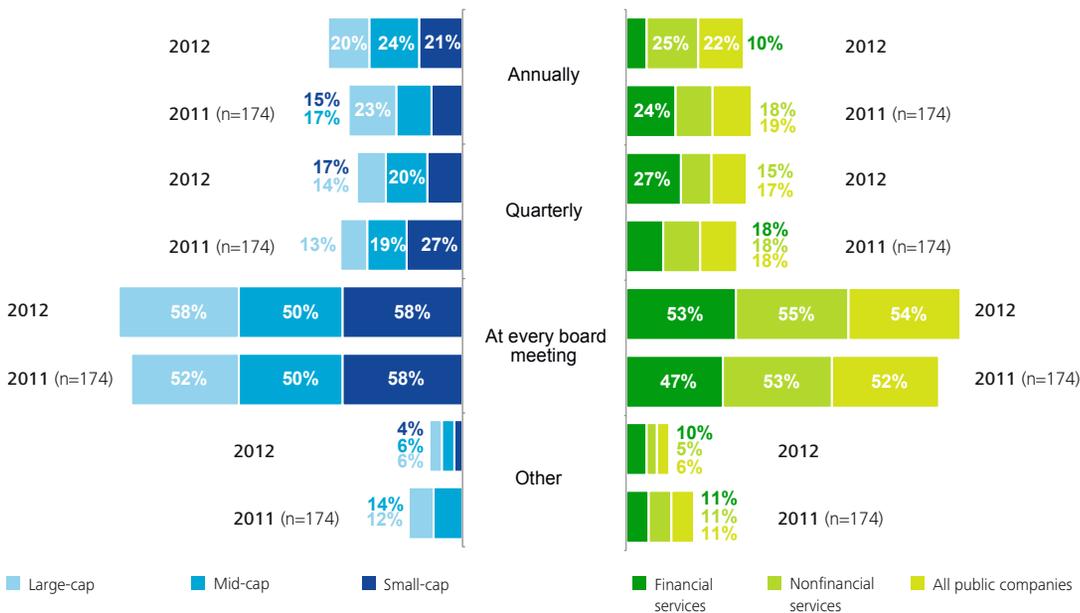
Boards are discussing strategy

Fifty-four percent (54%) of public companies report discussing strategy at every board meeting, compared with 52% last year. However, some may find it surprising that the number of companies discussing strategy at every meeting is not higher, given that strategy and its continual monitoring are key areas of board responsibility. Compared to 2011, there has been a 21% spike in the number of small-cap companies holding off-site strategy meetings with management, but there has been little change for mid- and large-cap companies, which have traditionally done so annually.

Opportunity to increase focus on strategic risks

Boards spend some of their time specifically discussing risks associated with the company’s strategy. Thirty-eight percent (38%) of public company respondents say their boards spend more than 10% but less than a quarter of their time discussing risks associated with the company’s strategy, and 22% say they have such discussions one quarter to one half of the time. Few companies report a frequency greater than 50%.

34. How often does the board discuss strategic objectives?

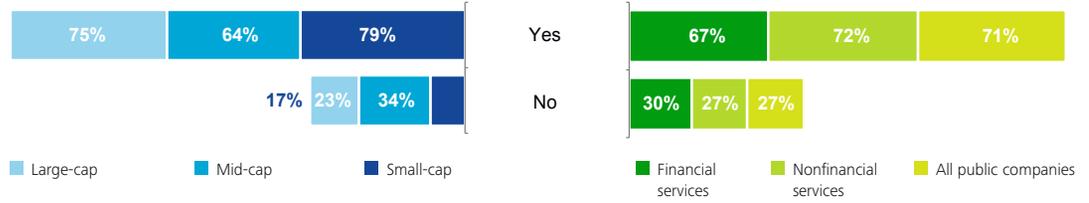


In 2012, respondents answering “Don’t know/Not applicable” were as follows: 2% large-cap, 0% mid-cap, 0% small-cap, 0% financial services, 1% nonfinancial services, and 1% all public companies. In 2011, “Don’t know/Not applicable” was not an answer choice.

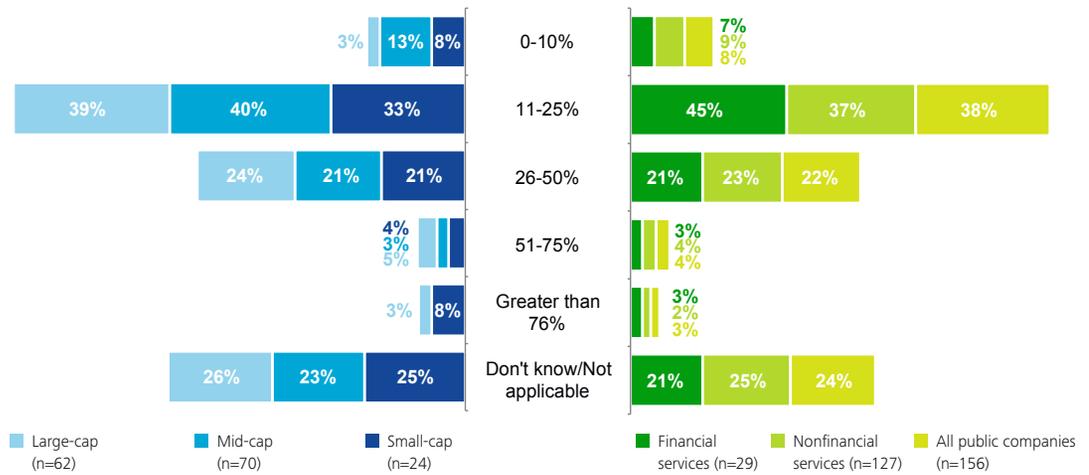
Some survey participants provided a response for the “other” category. Most of these respondents reported that strategic objectives were being discussed at least annually, and more often as needed.

35. Does your board participate in off-site strategy meetings with management?

Respondents answering “Don’t know/Not applicable” were as follows: 2% large-cap, 1% mid-cap, 4% small-cap, 3% financial services, 2% nonfinancial services, and 2% all public companies.



36. How much time does your board spend discussing risks associated with its strategy?



Audit committee

Key findings and trends

Audit committee meeting practices relatively unchanged

Similar to results from 2011, the majority of all public companies hold up to five audit committee meetings in person (78%) and up to five meetings via conference call (79%). With regard to audit committees holding separate meetings to review earnings releases, the most significant change is among large-cap companies; 58% report doing so, which is an 18% increase over 2011.

Interactions with management consistent across public companies

Audit committees are meeting separately with management at all or almost all meetings, and this is consistent with the results from 2011. The most common members of management with whom they meet are the chief audit executive and the chief financial officer, followed by the general counsel.

Training and engaging specialists are not common practices

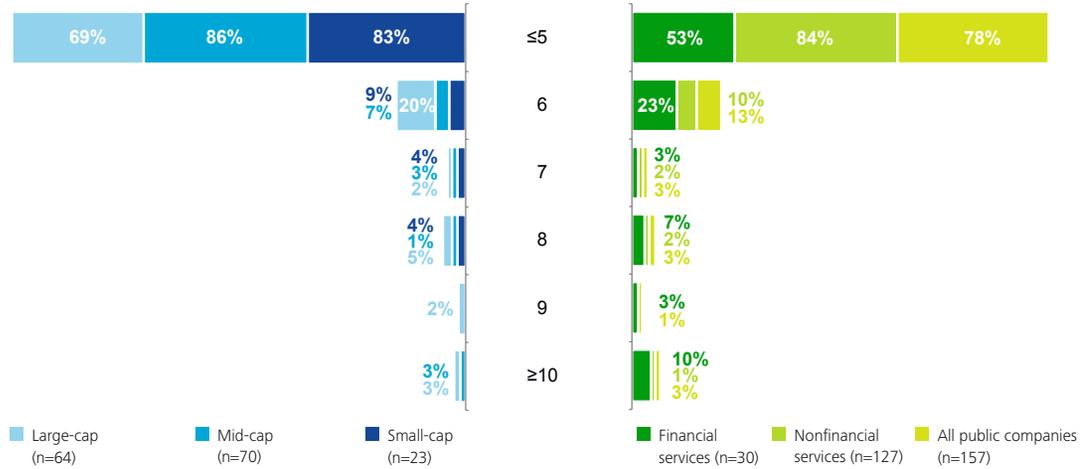
When asked whether the audit committee retains a specialist to discuss certain topics, 79% of public companies selected "Don't know/Not applicable." However, for those who did respond, the most common topics relate to tax and internal investigations. When asked about the topics for which the audit committee seeks training, 50% chose "Don't know/Not applicable." This could indicate that audit committees may not be provided

with training programs, but rather such programs are focused on the full board. Despite the recent impact of the Dodd-Frank Act, the audit committees at just 21% of all public companies and 28% of financial services companies have had training on new regulations.

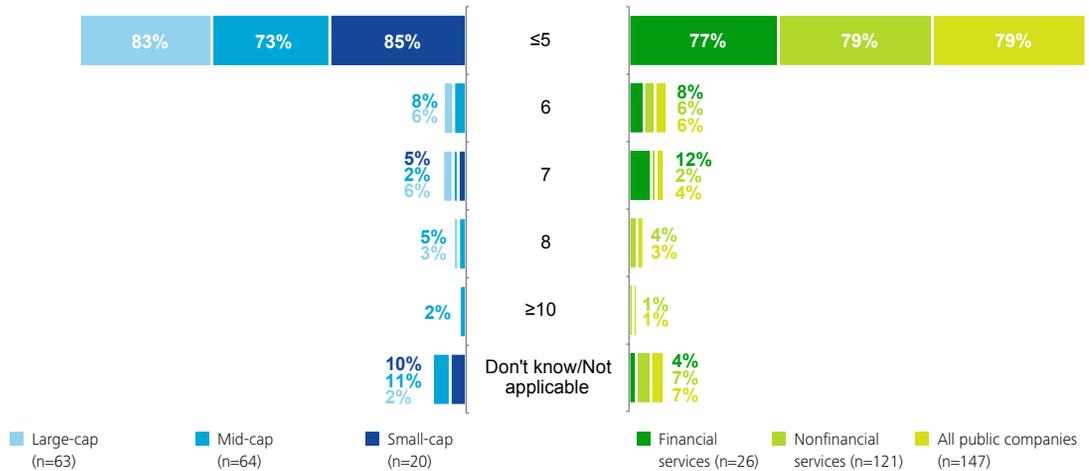
More hotline reports, but few internal tips received

According to a 2012 report released by the SEC on the Dodd-Frank Whistleblower Program, the agency received more than 3,000 tips, complaints, and referrals from whistleblowers, as a possible result of the new SEC whistleblower rules. However, companies did not note an increase in whistleblower tips through their internal hotlines as a result of the new whistleblower rules; only 4% of public companies report an increase in hotline tips. Nevertheless, more audit committees have experienced an increase in the frequency of compliance hotline reports compared to 2011. This year, with the exception of small-caps, 6-8% more public companies are receiving reports five or more times per year.

37. How often does the audit committee meet annually via:
a. In-person meetings

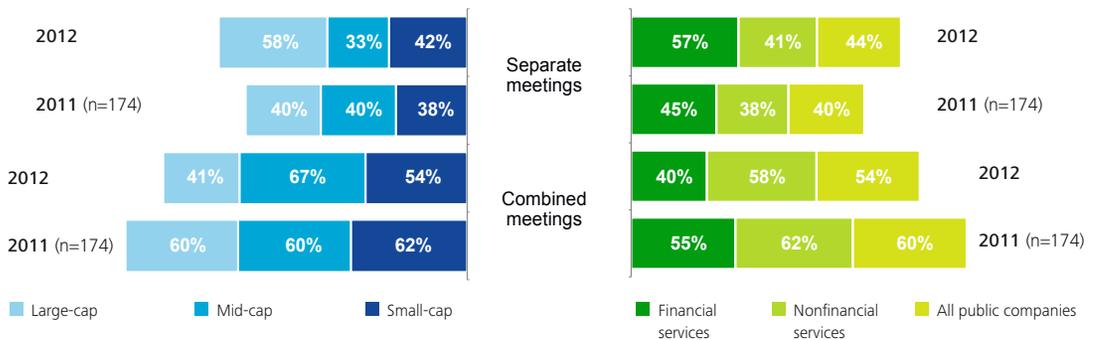


b. Tele-conference calls

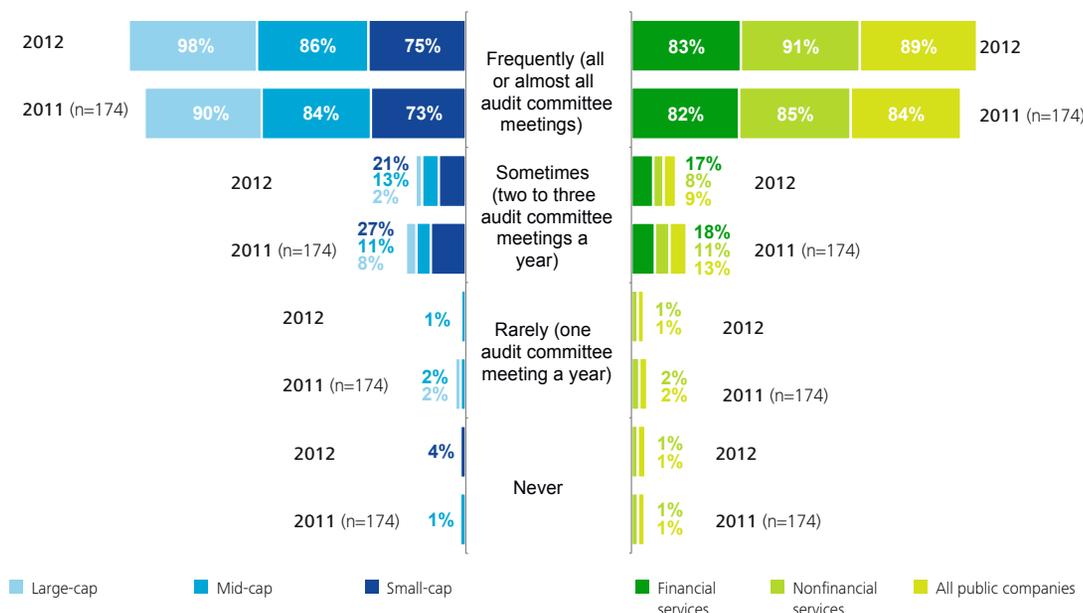


38. Does your organization's audit committee hold a separate meeting to review the earnings release vs. quarterly reviews or are they combined?

In 2012, respondents answering "Don't know/Not applicable" were as follows: 2% large-cap, 0% mid-cap, 4% small-cap, 3% financial services, 1% nonfinancial services, and 1% all public companies. In 2011, "Don't know/Not applicable" was not an answer choice.

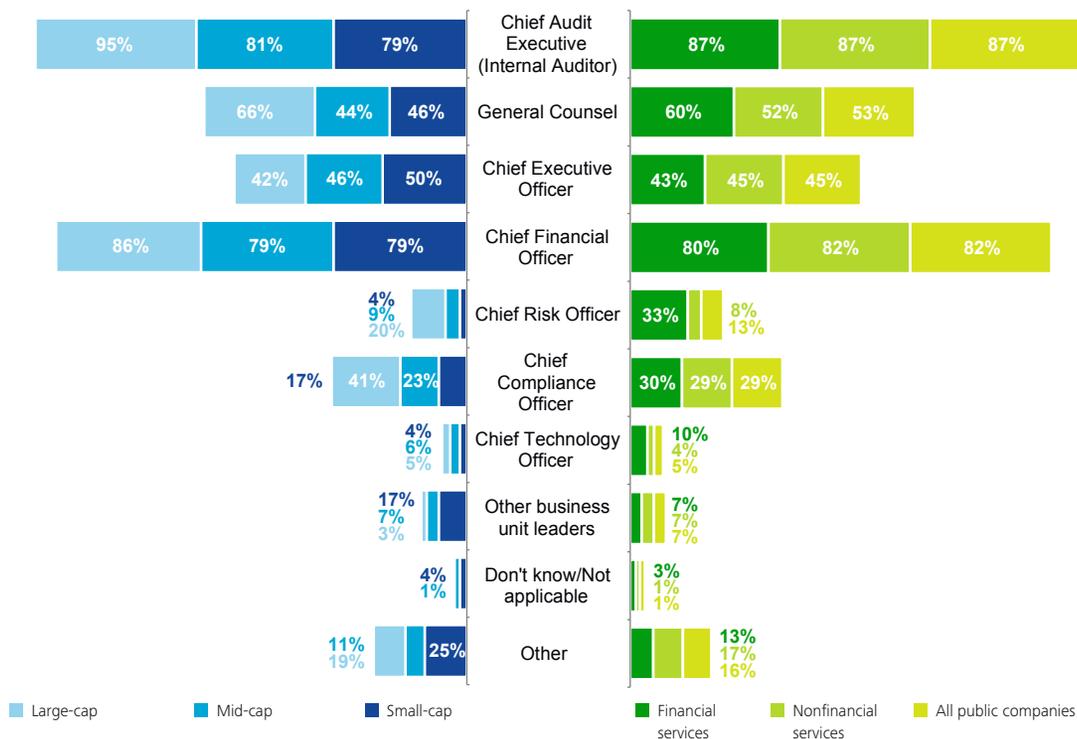


39. How often does your audit committee meet separately with management?



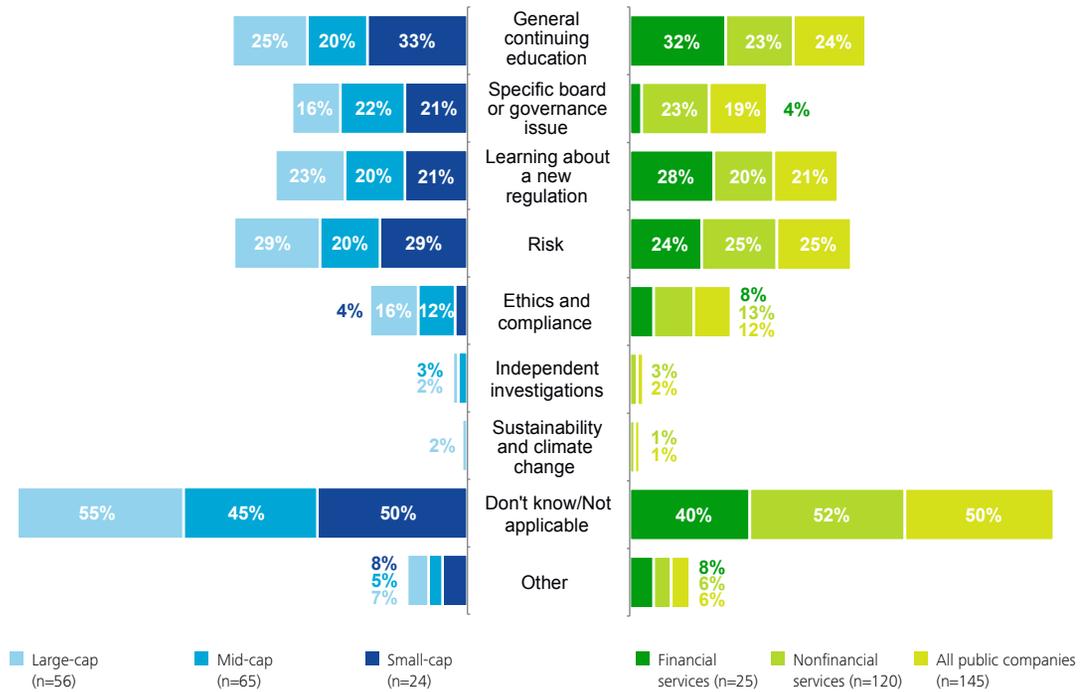
In 2011, respondents answering "Don't Know" were as follows: 1% mid-cap, 1% nonfinancial services, and 1% all public companies. In 2012, "Don't Know" was not an answer choice.

40. Which members of management meet separately with the audit committee? (Select all that apply)



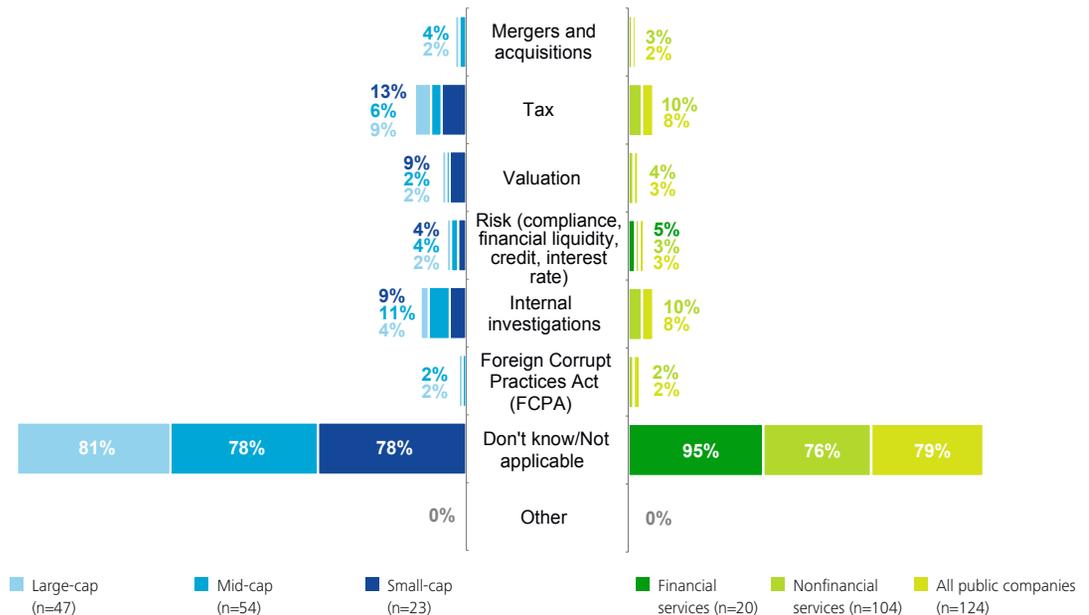
Some survey participants provided a response for the "other" category. Responses received included the controller and/or treasurer, and one participant said "together as a group, the CEO, CFO, controller, treasurer and general counsel also meet with the audit committee privately".

41. Over the past year, my company’s audit committee participated in a board training program covering the following topics: (Select all that apply)

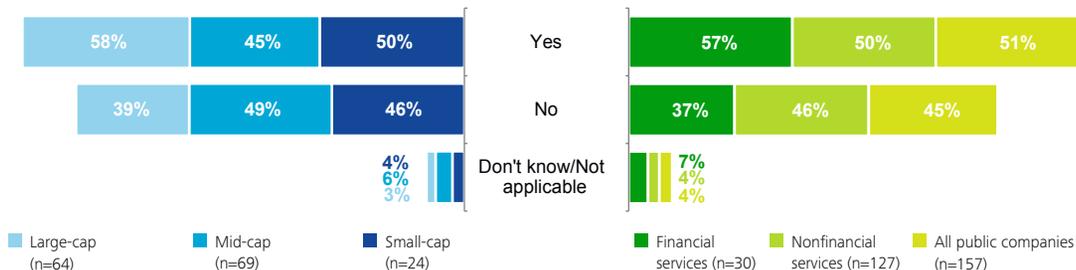


Some survey participants provided a response for the “other” category. Some participant responses received were: “cyber security, environmental compliance, crisis communication protocol”; “data security”; and “accounting regulations”.

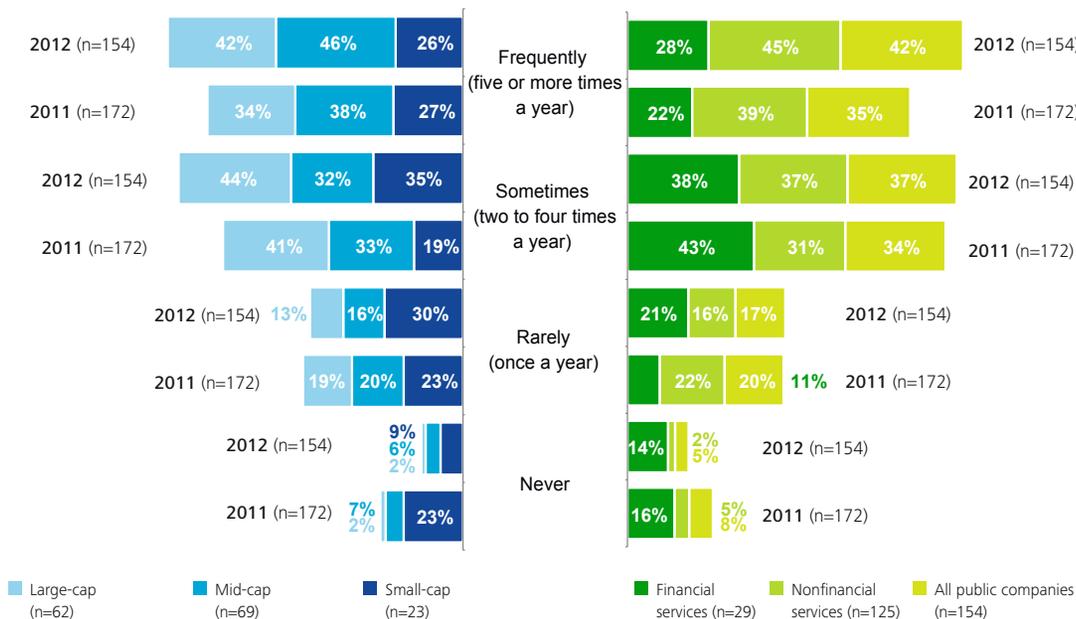
42. Over the past year, my company’s audit committee has retained a specialist for the following: (Select all that apply)



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

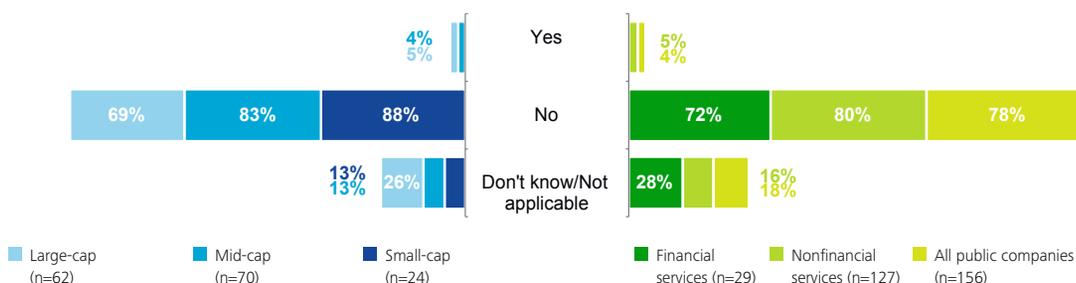


44. How often does the audit committee receive reports on internal tips from a compliance hotline?



In 2011, respondents answering "Don't know" were as follows: 5% large-cap, 2% mid-cap, 8% small-cap, 8% financial services, 3% nonfinancial services, and 4% all public companies. In 2012, "Don't know" was not an answer choice.

45. Has your helpline received an increase in tips in the last year as a result of the new SEC whistleblower rules implemented as a result of the Dodd-Frank Act?



Risk oversight, disclosure committee, and political contributions

Key findings and trends

Few companies have a board risk committee

Board risk oversight continues to be in the limelight. In 2012, the Federal Reserve issued a notice of proposed rule-making to require certain U.S. banks, bank holding companies, and non-bank financial companies to establish separate a board risk committee. Further, the Dodd-Frank Act requires a risk expert to sit on the risk committee for these certain U.S. banks. Just 21% of financial services companies say they have a board risk committee and 17% of financial services companies have a risk expert on their risk committees, but these numbers are expected to increase over time. According to the survey results, public company boards are almost evenly divided on what portion of the board handles risk oversight responsibilities: the full board, all board committees, or the audit committee. When risk is shared by multiple board committees, more than 50% of respondents say they coordinate committee activity via detailed discussions at board meetings.

those companies making contributions, the majority of large-cap company boards (68%) oversee such contributions, and a majority of large-caps (78%) disclose these contributions. A significantly smaller number of small- and mid-cap companies make such disclosures. From an industry perspective, 45% of both financial services and nonfinancial services companies make political contributions, and board oversight and disclosures of such contributions are relatively the same across both categories, although slightly more financial services companies are making disclosures.

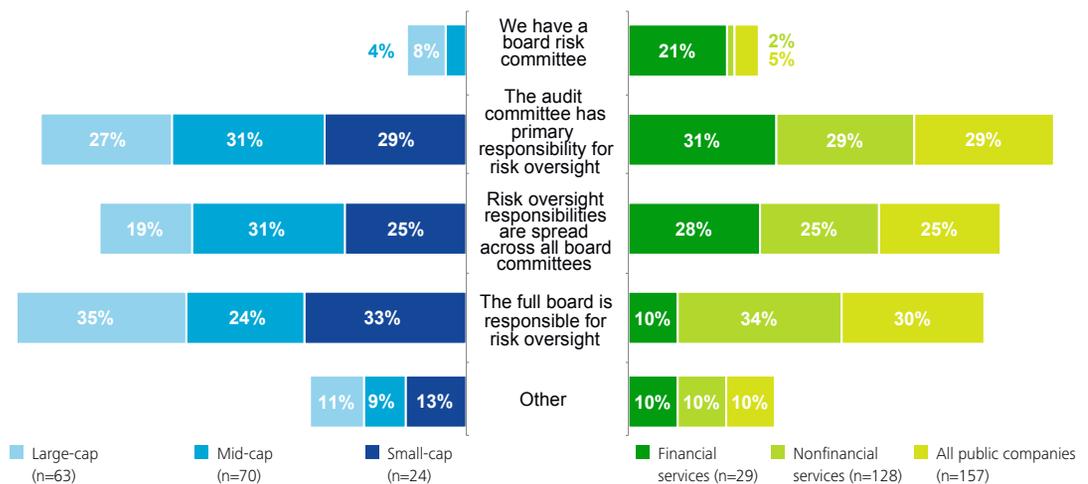
Large-caps most active in political contributions

Shareholder proposals related to political contributions were more prevalent in 2012. Sixty-five percent (65%) of large-cap companies report making political contributions, significantly more than the 36% and 17% of mid- and small-cap companies, respectively, that do so. Among

Almost half (45%) of large-cap companies disclose membership in trade associations that may make independent political expenditures, compared to 22% of mid-caps and just 8% of small-caps. Thirty-two percent (32%) of nonfinancial services companies provide such disclosures, about twice as many as financial services companies.

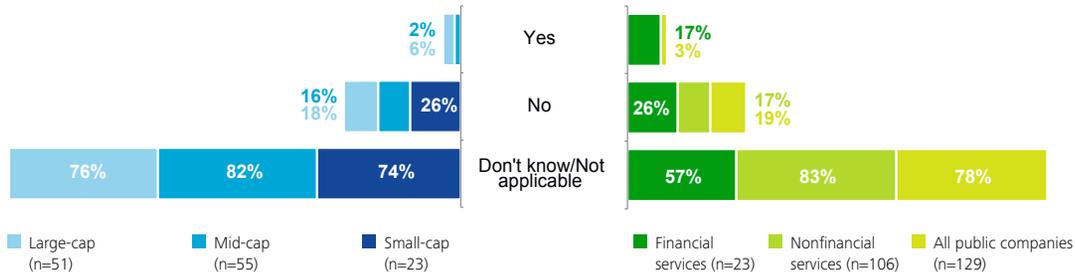
Not as many public companies disclose information related to lobbying; still, large-cap companies (59%) are most active in this regard.

46. What best describes how your board assigns risk oversight for the organization’s risk management program?

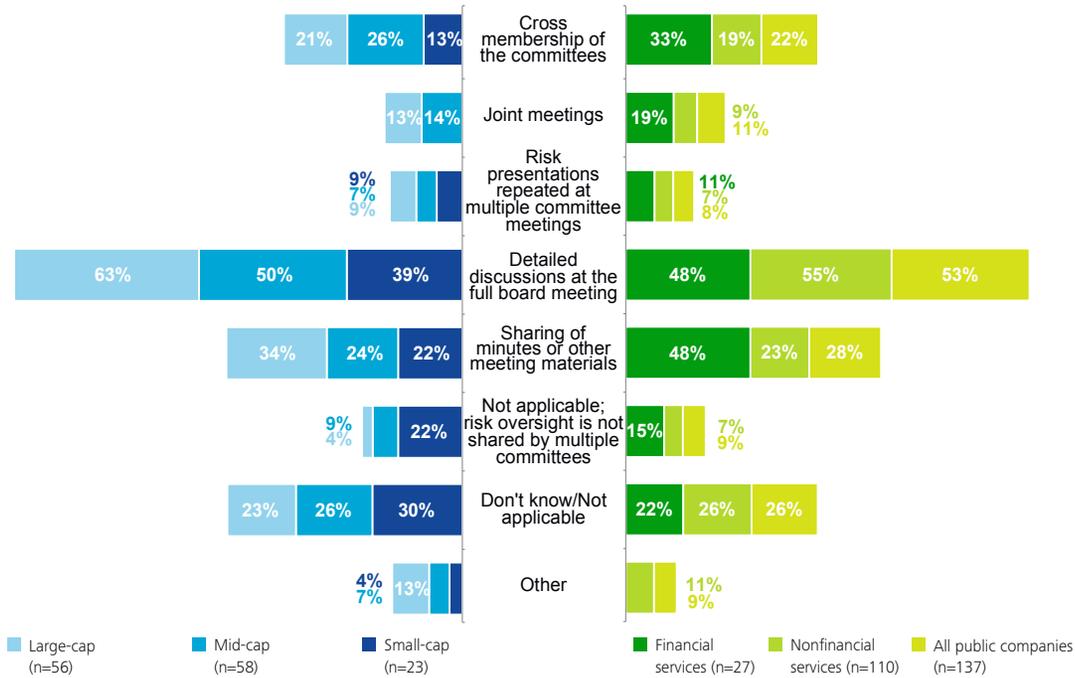


Some survey participants provided a response for the “other” category. Many participants indicated that risk is overseen by the full board but that some specific risks are overseen by a specific board committee. Others noted that the audit committee has primary oversight of risk.

47. If you have a board level risk committee, does it have a risk expert, as defined by the Dodd-Frank Act?

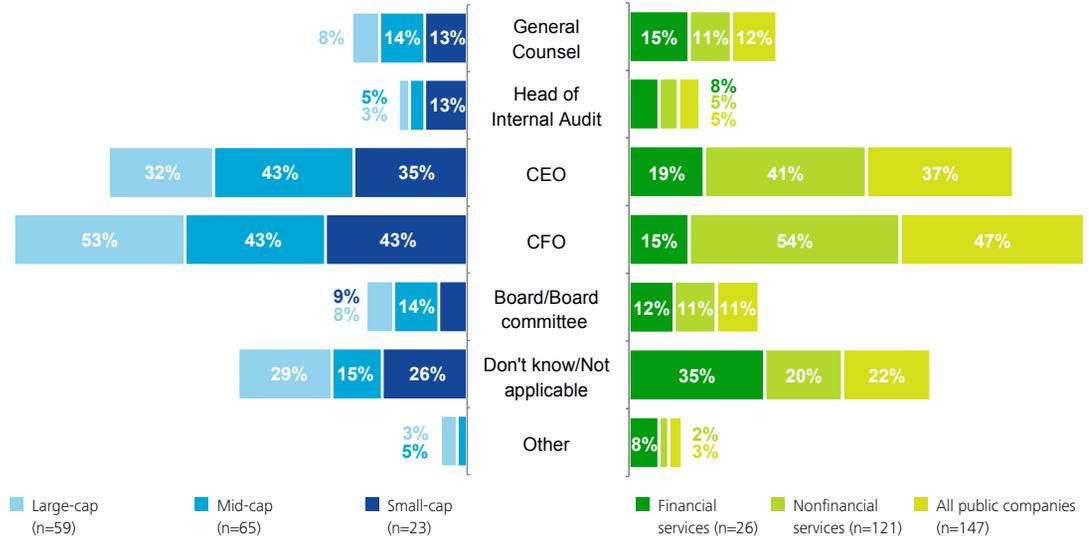


48. If risk oversight is shared by multiple committees, how does the board coordinate these activities (Select all that apply)



Some survey participants provided a response for the “other” category. Responses received specified either the audit committee or each committee of the board. One individual said risk oversight was coordinated via the nominating and governance committee and another stated that the “chairman oversees overall risk”.

49. If your organization has a management disclosure committee, to whom does it report? (Select all that apply)

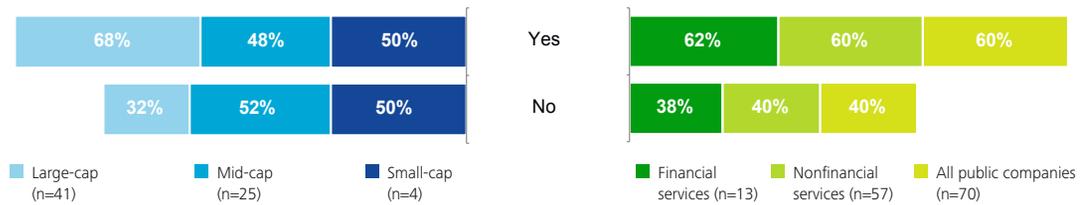


Respondents answering "Don't know/Not applicable" were as follows: 2% large-cap, 14% mid-cap, 17% small-cap, 3% financial services, 11% nonfinancial services, and 10% all public companies.

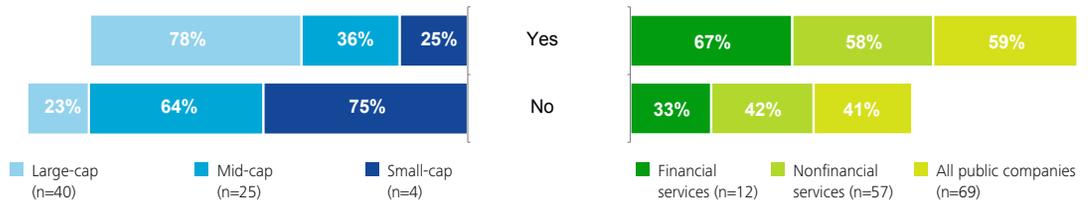
50. Does your company make political contributions?



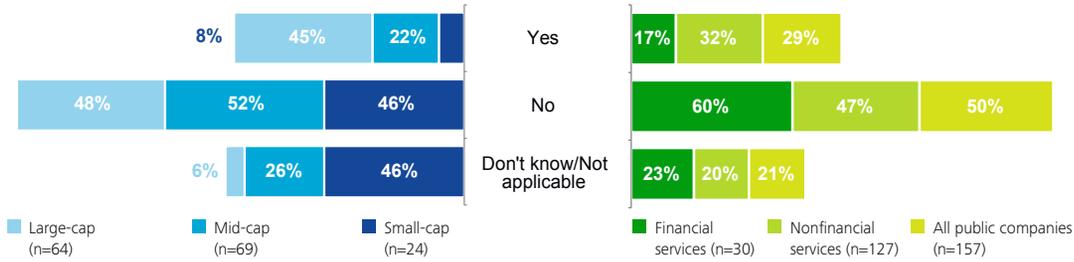
50a. If so, does your company's board oversee such contributions?



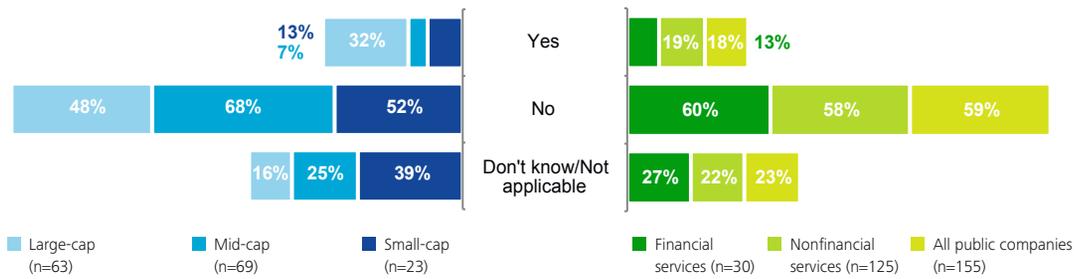
50b. Does your company disclose its political contributions?



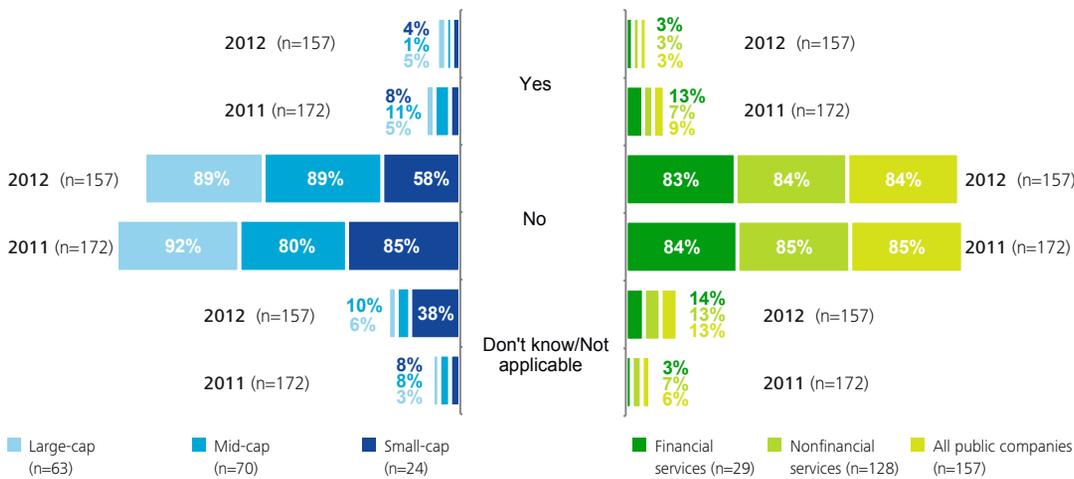
51. Does your company disclose membership in trade associations that may make independent political expenditures?



52. Does your company disclose the amount spent on lobbying?



53. Has your company imposed any limitations on political contributions by directors individually?



CEO succession planning

Key findings and trends

More small-caps reviewing succession plans more than once a year

Compared to the 2011 survey results, more small-cap companies are reviewing succession plans more than once a year, rather than annually or on a circumstantial basis. Virtually all companies (90%) now review succession plans at least annually. Succession planning has been a subject of keen interest for investors as well as outsiders. Over the past several years, companies appear to have strengthened and somewhat formalized succession planning in response to heightened focus.

Fewer nominating/corporate governance committees have primary responsibility

The body responsible for the oversight of the succession planning process remains varied. Some (38%) small-cap companies say they place responsibility with the nominating/corporate governance committee, a significant decrease from 60% in last year's survey. It appears that more small-caps are now shifting the responsibility to the full board, while large-caps appear to have shifted slightly to the compensation committee. From an industry perspective, there has been little year-over-year change; 15% fewer financial services companies are

placing responsibility with either the entire board or the nominating/corporate governance committee, and more are charging the compensation committee with this duty.

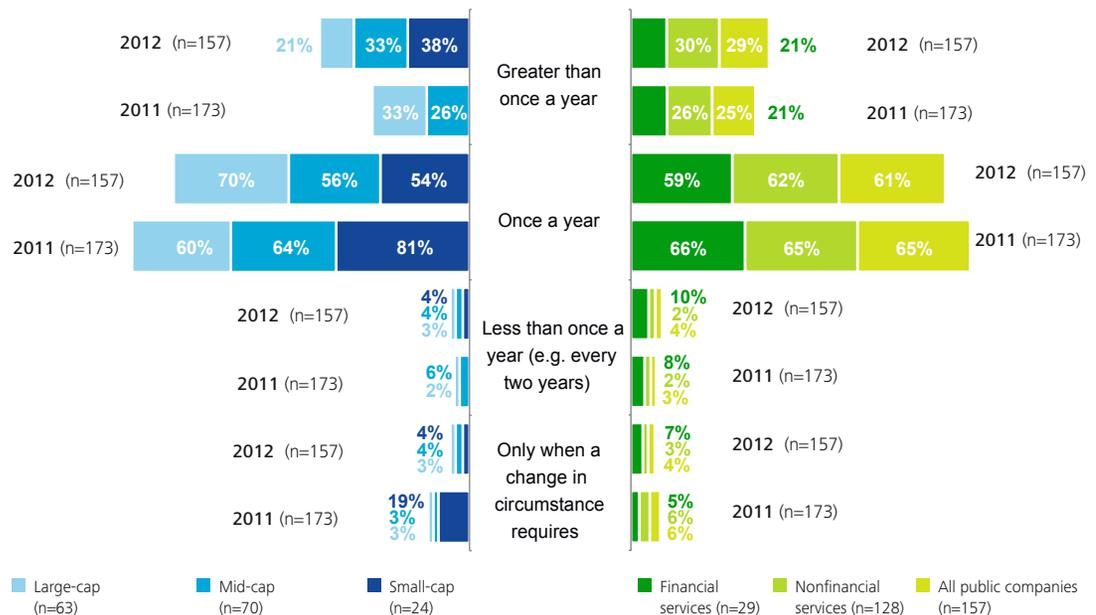
Succession plan disclosure not a common practice

While companies report that they review succession plans more frequently, a majority of companies (77%) do not disclose their policy or process. At least 11% more large-cap companies make such disclosures compared to small- and mid-cap companies. It can be expected that these responses will continue to be increased over time, since recent proxy seasons have seen more shareholder proposals calling for companies to adopt and disclose details in corporate governance guidelines on their succession planning policy. This includes topics such as who reviews the policy and with what frequency, CEO position criteria, and plans for emergency succession. Organizations such as Institutional Shareholder Services and the Council of Institutional Investors have come out in support of such proposals.

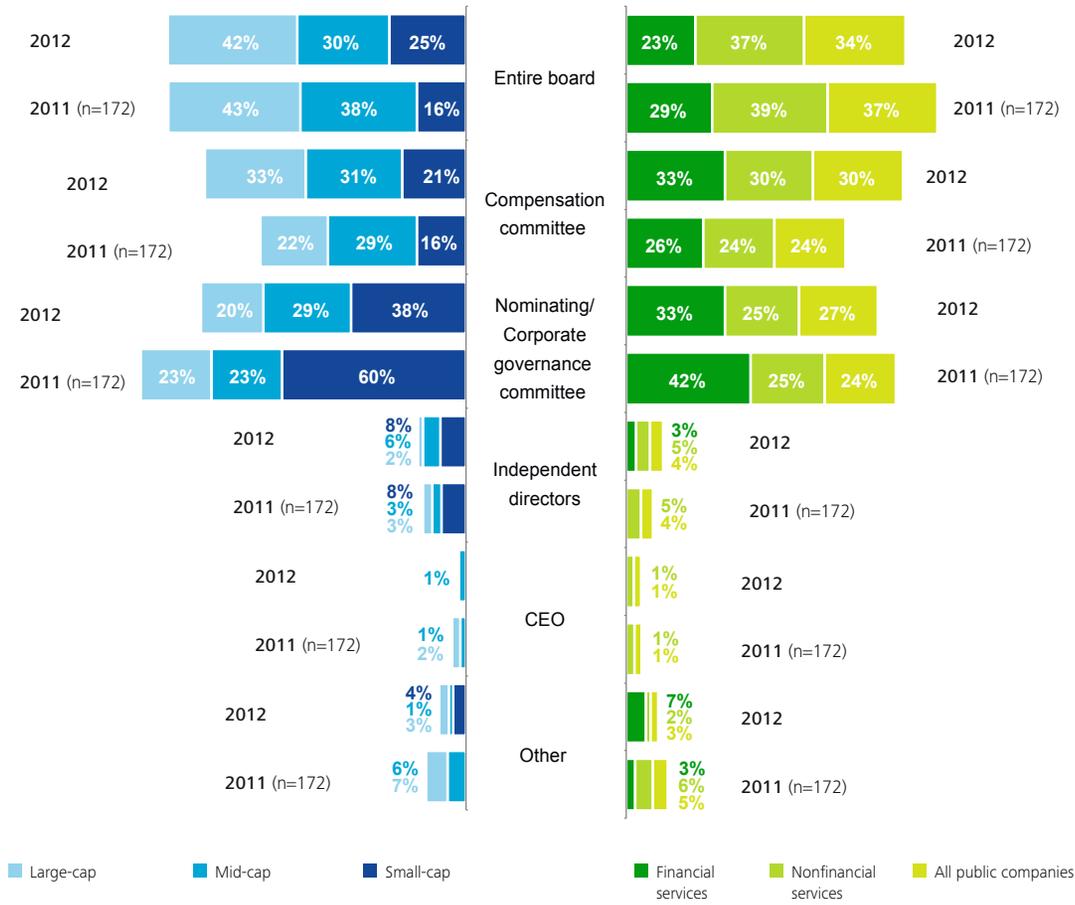
In 2012, 0% of respondents answered "Never." In 2011, respondents answering "Never" were as follows: 2% large-cap, 0% mid-cap, 0% small-cap, 0% financial services, 1% nonfinancial services, and 1% all public companies.

In 2012, respondents answering "Don't know/Not applicable" were as follows: 3% large-cap, 3% mid-cap, 0% small-cap, 3% financial services, 2% nonfinancial services, and 3% all public companies. In 2011, "Don't know/Not applicable" was not an answer choice.

54. How often does the full board review CEO succession plans?

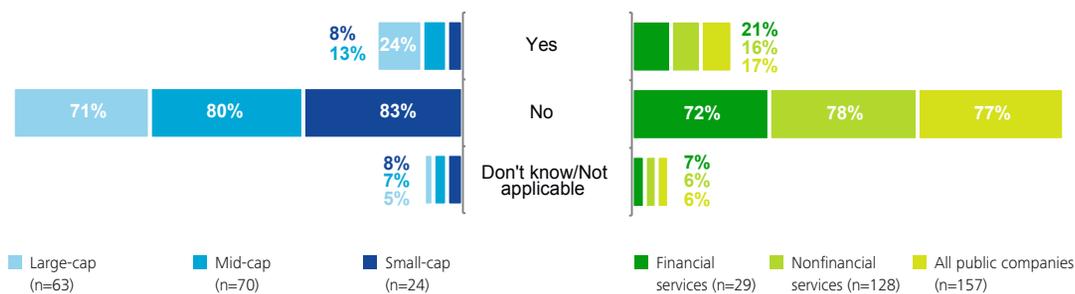


55. Who has the primary responsibility over the CEO succession planning process?



In 2012, respondents answering "Don't know/Not applicable" were as follows: 0% large-cap, 1% mid-cap, 4% small-cap, 0% financial services, 2% nonfinancial services, and 1% all public companies. In 2011, "Don't know/Not applicable" was not an answer choice.

56. Does your company disclose its succession plan policy or process?



CEO performance evaluation

Key findings and trends

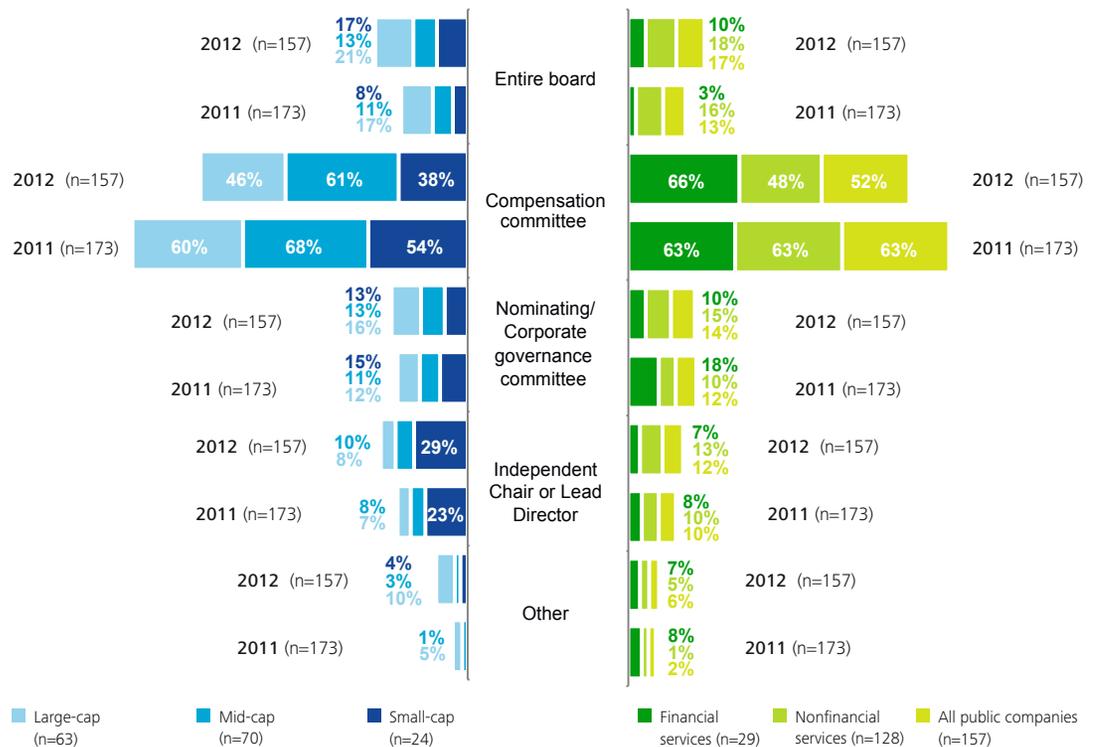
Little year-over-year change in evaluation practices

Results remain fairly consistent with 2011 for the oversight of the CEO performance evaluation. Across all public companies, 11% fewer are placing the responsibility with the compensation committee. For large- and mid-caps, there has been a slight increase in those assigning respon-

sibility to either the full board or the nominating/corporate governance committee, and for small-caps, there has been a slight increase in assignment to the independent chair or lead director.

57. Who has the lead responsibility over the CEO performance evaluation process?

In 2012, 0% of respondents answered "Don't know/Not applicable". In 2011, "Don't know/Not applicable" was not an answer choice.



Shareholder engagement and shareholder activism

Key findings and trends

Policies related to shareholder contact mixed

Significantly fewer companies, in all market cap categories, report requiring directors to attend the annual shareholder meeting in 2012 as compared with 2011. However, responses to whether companies have a policy relating to shareholder contact with directors remain relatively unchanged, with about 50% of all company types responding “yes.”

More board-shareholder engagement

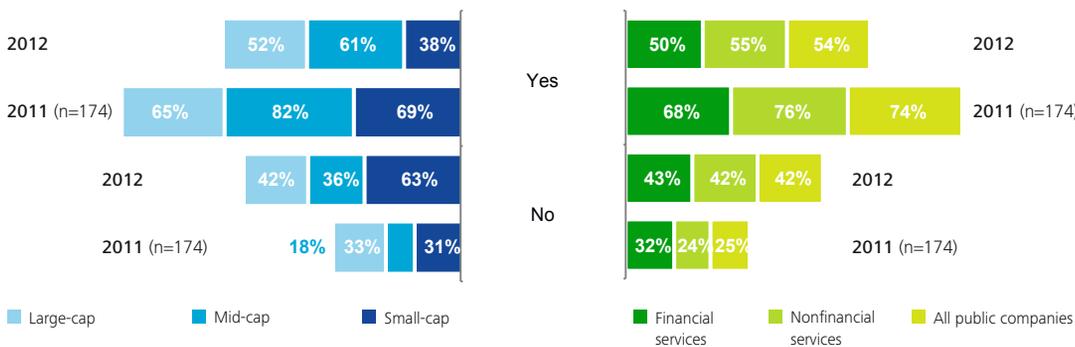
Fewer companies this year have director attendance requirements for the annual shareholders’ meeting. However, shareholder engagement in other areas is increasing. Thirty percent (30%) of all public company respondents report that certain members of their organization (such as the corporate secretary, board, and senior management) interact with 1-5% of their shareholders,

and 33% of all public companies have interacted with more than 20% of their shareholders. With regard to direct contact between boards and shareholders, 4% more public companies (53%) have had some form of direct contact compared to 2011. It is interesting to note that more than 50% of both large-caps and small-caps have had direct contact, a significantly higher percentage than at mid-cap companies (27%).

Fifth analyst call not widely held

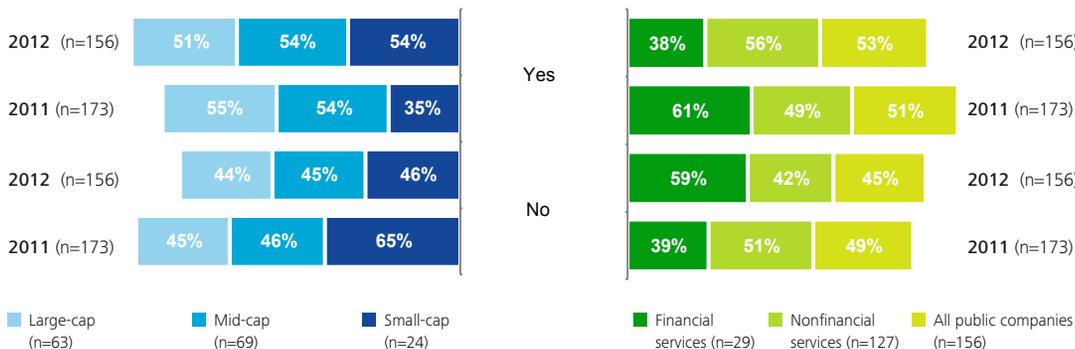
Since last year, there has been little traction in the number of companies holding a “fifth analyst” call, a call held with investors to discuss corporate governance matters. While a few (5%) say they are beginning to consider it, only three respondents — all large-cap companies — say they have held such an event.

58. Does your company have a policy requiring directors to attend the annual shareholders' meeting?

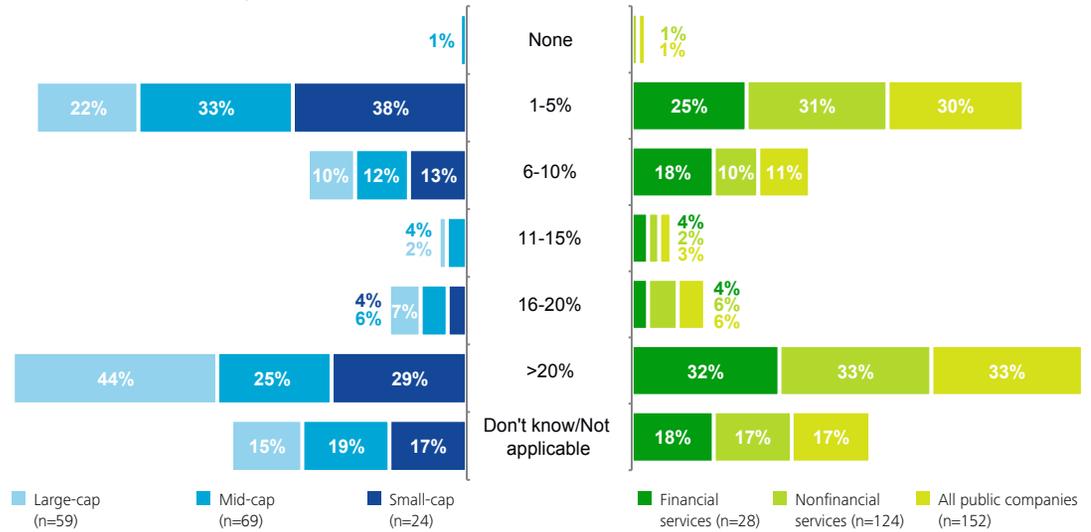


In 2012, respondents answering “Don’t know/Not applicable” were as follows: 6% large-cap, 3% mid-cap, 0% small-cap, 7% financial services, 3% nonfinancial services, and 4% all public companies. In 2011, respondents answering “Not applicable” were as follows: 2% large-cap and 1% nonfinancial services.

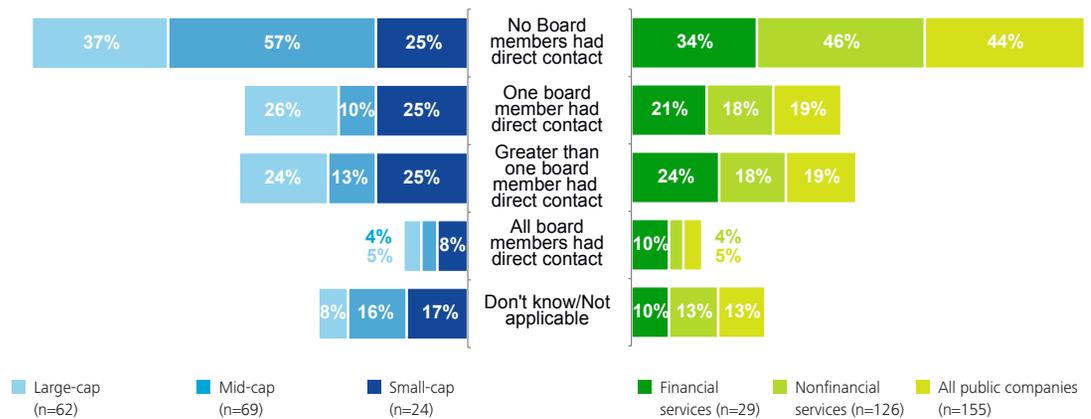
59. Do you have a policy relating to contact between directors and shareholders?



60. What percentage of shareholders did your corporate secretary, the board, or senior management, interact with over the past year?

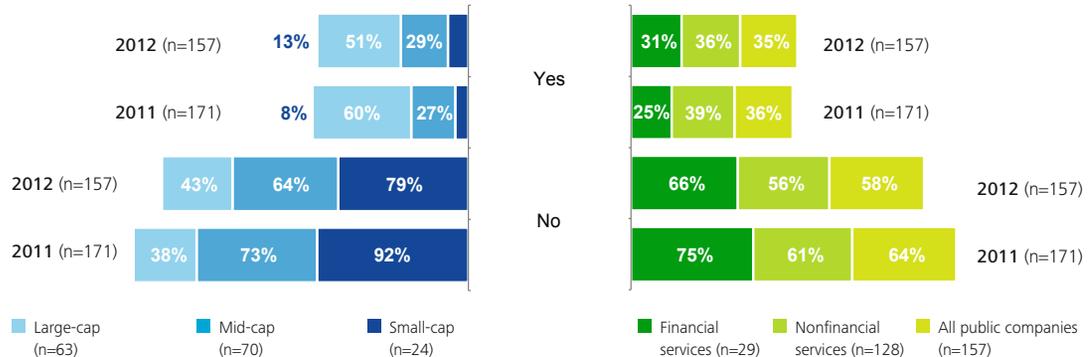


61. Have members of your board had direct contact with shareholder(s) or shareholder groups over the past year?

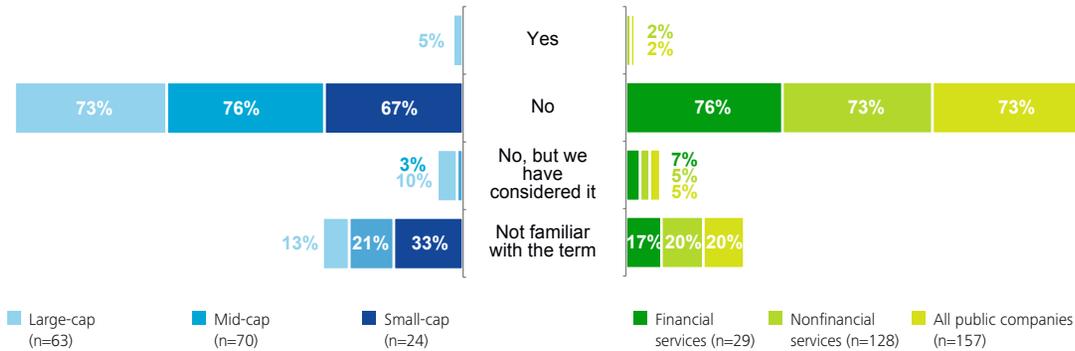


62. Has your organization been approached by a shareholder activist within the last 12 months?

In 2012, respondents answering "Don't know/Not applicable" were as follows: 6% large-cap, 7% mid-cap, 8% small-cap, 3% financial services, 8% nonfinancial services, and 7% all public companies. In 2011, respondents answering "Not applicable" were as follows: 2% large-cap and 1% nonfinancial services.



63. Has your board held what is known as a "Fifth Analyst" call with investors?



Board's use of technology

Key findings and trends

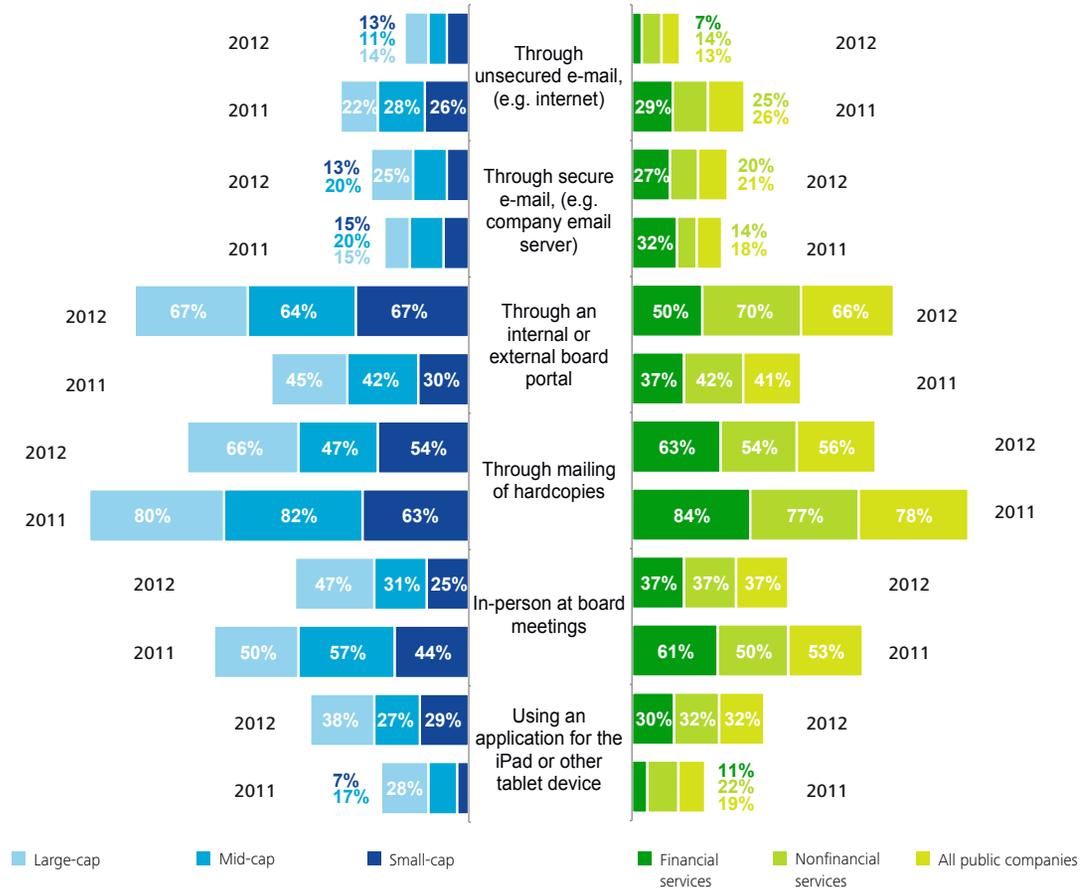
Increase in technology use by boards

The majority of public company respondents (83%) say their use of technology for boards is increasing year-over-year. Relative to 2011, fewer companies are distributing board materials in person at meetings, or via unsecured email or hardcopy mailings. Significantly more are using distribution methods such as board portals and tablet devices. Two-thirds (66%) of public companies report that their boards are using a board portal, up from 41% in 2011. Additionally, 32% of these companies are now using a tablet device, up from 19% in 2011.

Social media company sites not widely used by board members, but are a topic at board meetings

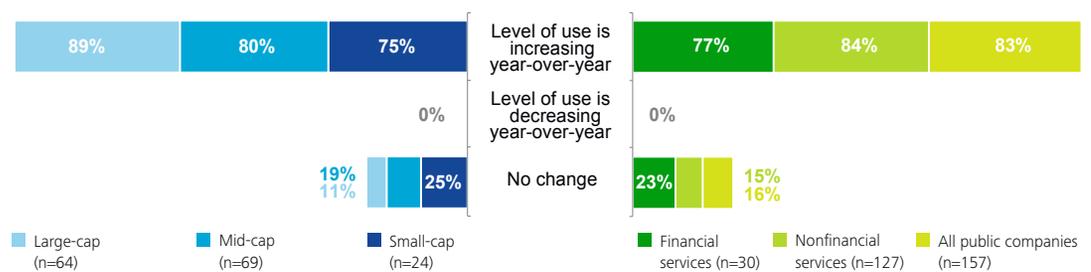
While 12% more public companies this year say they have social media policies for employees, just 6% of companies report that their directors use the company's social media site(s). However, boards at 38% of public companies, including 49% of large-cap companies and 48% of financial services companies, have had presentations on social media usage by employees or customers.

64. Please specify how your organization distributes board materials: (Select all that apply)



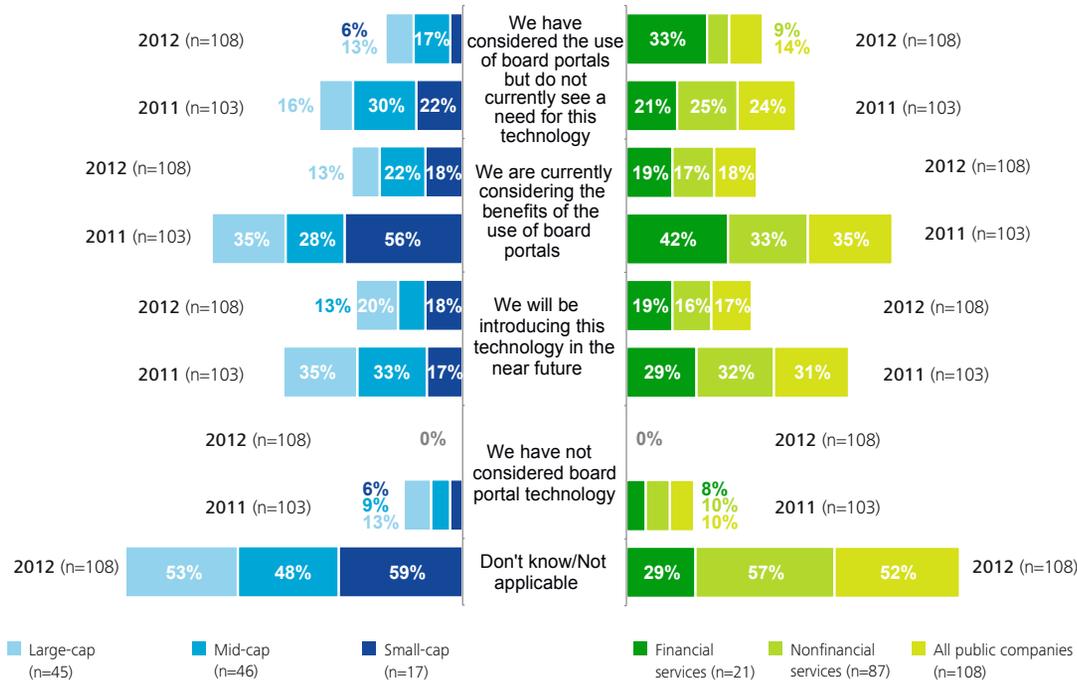
In 2012, respondents answering "Don't know/Not applicable" were as follows: 0% large-cap, 1% mid-cap, 0% small-cap, 0% financial services, 1% nonfinancial services, and 1% all public companies.

65. How would you evaluate the board's use of technology for board service matters?

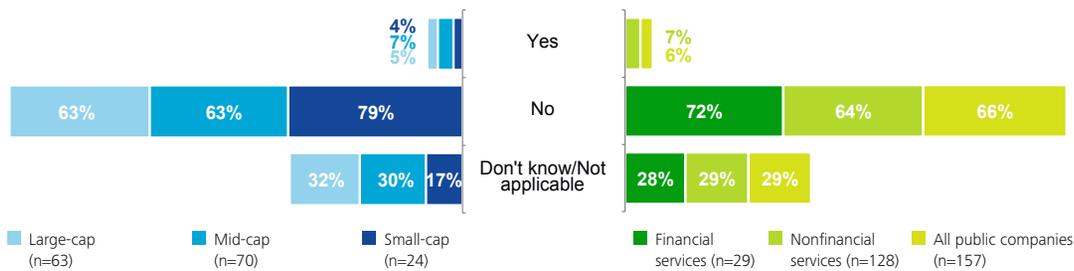


66. If your organization does not have a board portal, which statement below best explains your company's view on the technology platform?

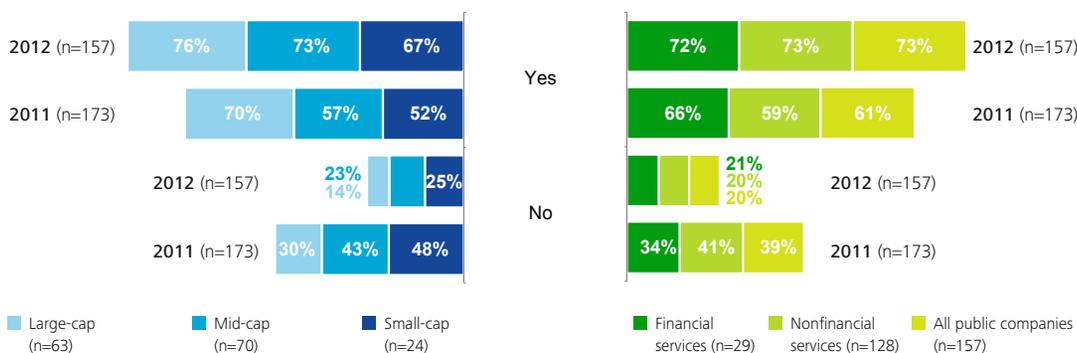
In 2011, "Don't know/Not applicable" was not an answer choice.



67. Do your directors use social media sites associated with your organization?

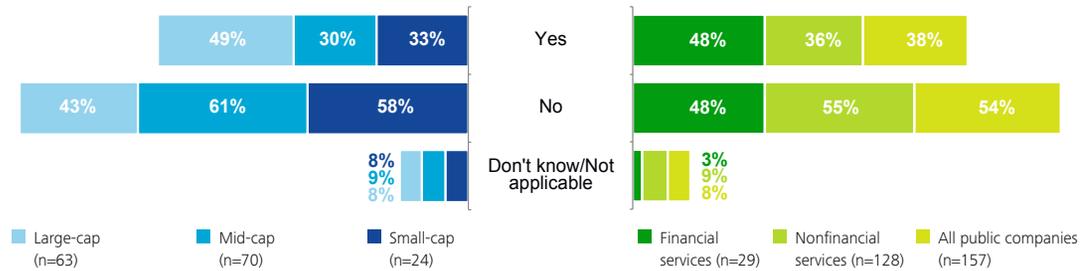


68. Does your company have a social media policy for employees?



In 2012, respondents answering "Don't know/Not applicable" were as follows: 10% large-cap, 4% mid-cap, 8% small-cap, 7% financial services, 7% nonfinancial services, and 7% all public companies. In 2011, "Don't know/Not applicable" was not an answer choice.

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



Sustainability

Key findings and trends

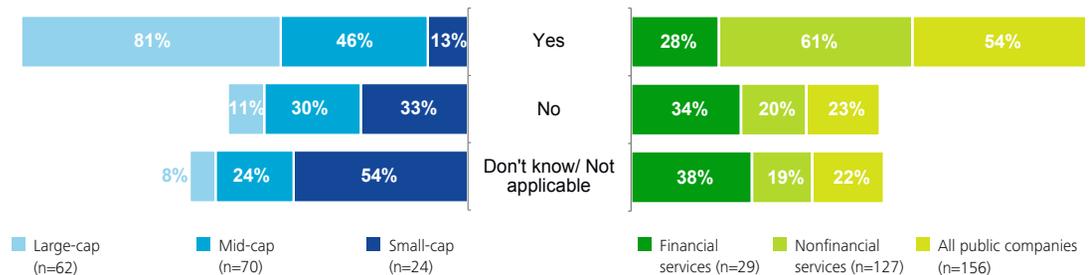
More companies making sustainability reports publicly available

Increasingly, companies and shareholders are focusing on environmental and social issues. Further, shareholders are calling for greater transparency into the company's practices in this area. While the majority of public companies report posting their sustainability report on their websites, just 13% of small-cap companies do so, compared with 81% of large-cap companies. From an industry perspective, 28% of financial services companies make the report available, compared to 61% of nonfinancial services companies. It appears that a majority of small-cap respondents do not produce a sustainability report.

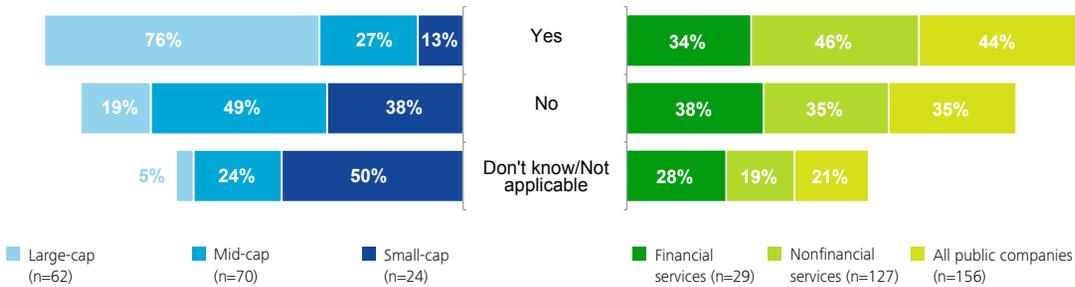
Increase in activity on sustainability matters

There are notable differences among companies that have incorporated sustainability initiatives in their strategy. Fifty-seven percent (57%) of large-caps say they have done so, compared to just 30% and 21% of mid- and small-cap companies, respectively. Similarly, 28% more nonfinancial services companies than financial services companies are incorporating such initiatives in their strategy. With regard to board oversight of these initiatives, 76% of large-cap boards are involved in oversight, compared to 27% and 13% of mid- and small-cap companies, respectively. More large-cap boards are involved with sustainability initiatives this year. These increases could be due to the heightened concern by shareholders and the general public regarding various issues affecting environmental and social welfare, and perhaps more boards are including such matters in their strategic discussions.

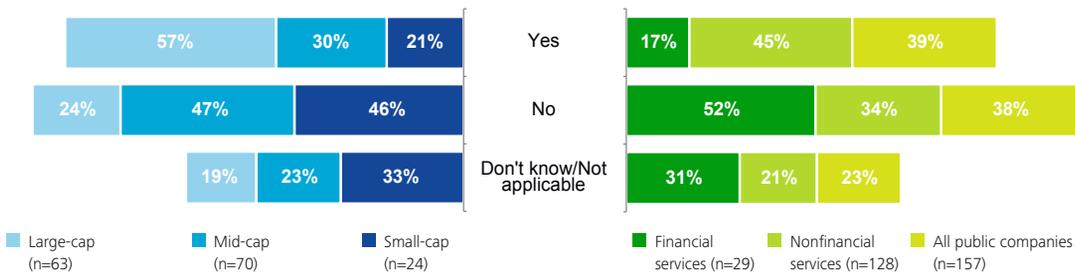
70. Is your organization's corporate social responsibility or sustainability report available on your organization's website?



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



72. In the past year, has your company's strategy incorporated new sustainability initiatives?



Compliance/Culture/Setting tone at the top

Key findings and trends

More boards calling for cultural enhancements

Perhaps as a result of the new SEC whistleblower rules, slightly more boards this year report asking for specific steps to create a culture of candid communication. The practice is most prevalent with the large-caps, where 13% more have done so. It is important to note the possibility that some respondents selecting “no” to this question believe that steps are already being taken to create a culture of candid communication.

Cultural surveys becoming common practice

Almost half (46%) of all public company respondents say that cultural surveys of employees are conducted either annually or in certain circumstances. There is little variation among industries when comparing frequency; however, a look at company size tells a different story. Forty-two percent (42%) of large-cap companies and 32% of mid-cap companies conduct cultural surveys on an annual basis, compared to just 8% of small-cap companies that do so. A similar question was asked in 2011, and there has been a significant decrease in the number of companies indicating that they do not conduct cultural surveys.

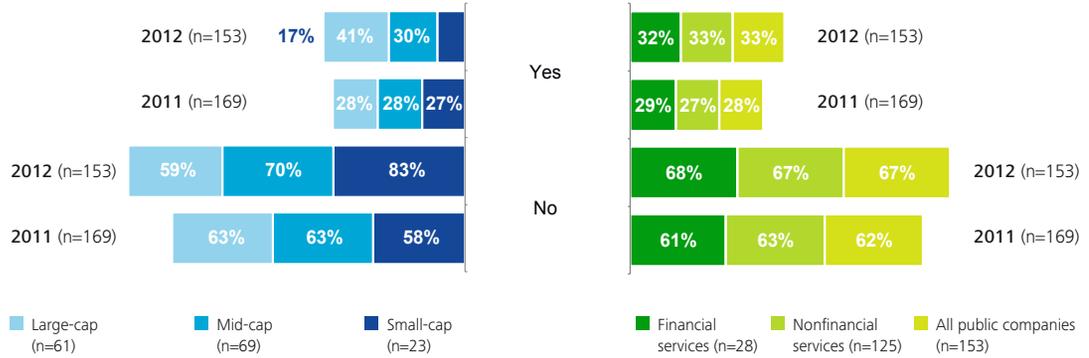
Such surveys may be advantageous, since they help boards and management get a sense of how effective the tone at the top is being disseminated throughout the organization. More public company boards are reviewing cultural survey findings with management, as compared to a similar question asked in 2011.

Most companies have anti-hedging policies for directors

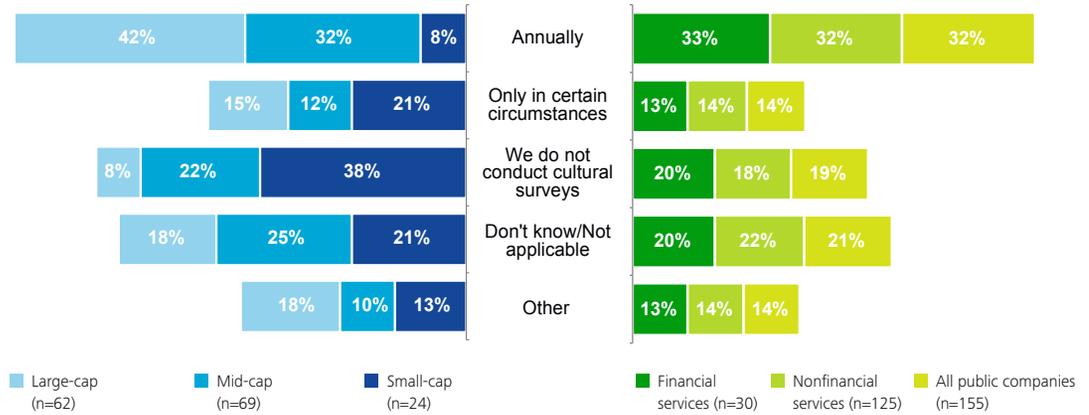
There has been an increase in the number of public companies reporting that they have an anti-hedging policy applicable to directors (a total of 67%, with another 12% considering such a policy). This is so, despite a 22% decrease since 2011 in small-cap companies with these policies.

73. Given the SEC whistleblower rules as of May 2011, has your board or audit committee asked management to take specific steps to create or enhance a culture of candid and open communication?

In 2011, respondents answering "Not applicable" were as follows: 9% large-cap, 9% mid-cap, 15% small-cap, 11% financial services, 10% nonfinancial services, and 10% all public companies. In 2012, "Not applicable" was not an answer choice.

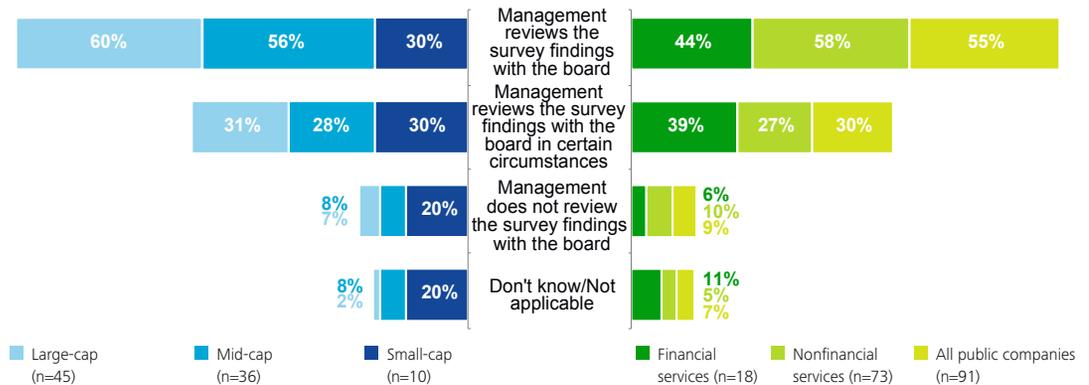


74. How often does your organization conduct cultural surveys of employees?

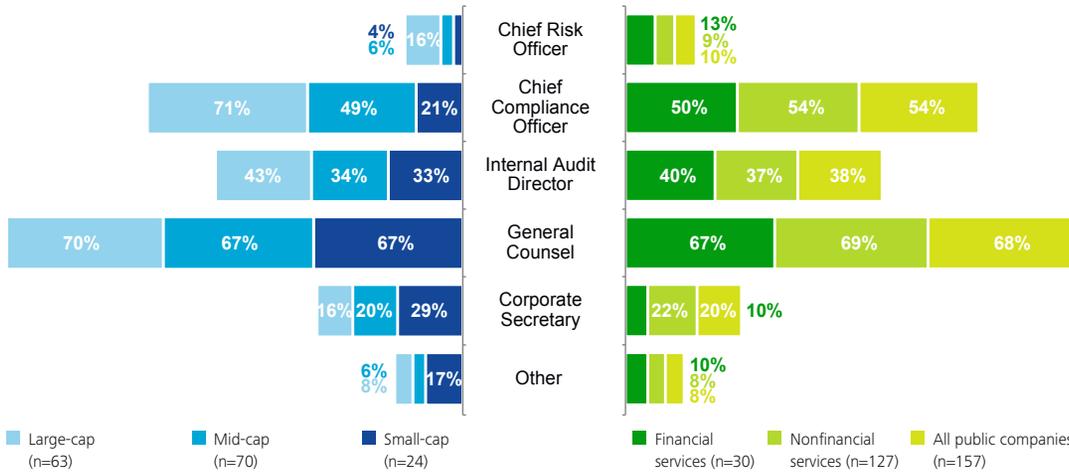


Some survey participants provided a response for the "other" category. The most common response received was on a biannual basis.

74a. If cultural surveys are conducted by your organization, does management review the survey findings with the board?



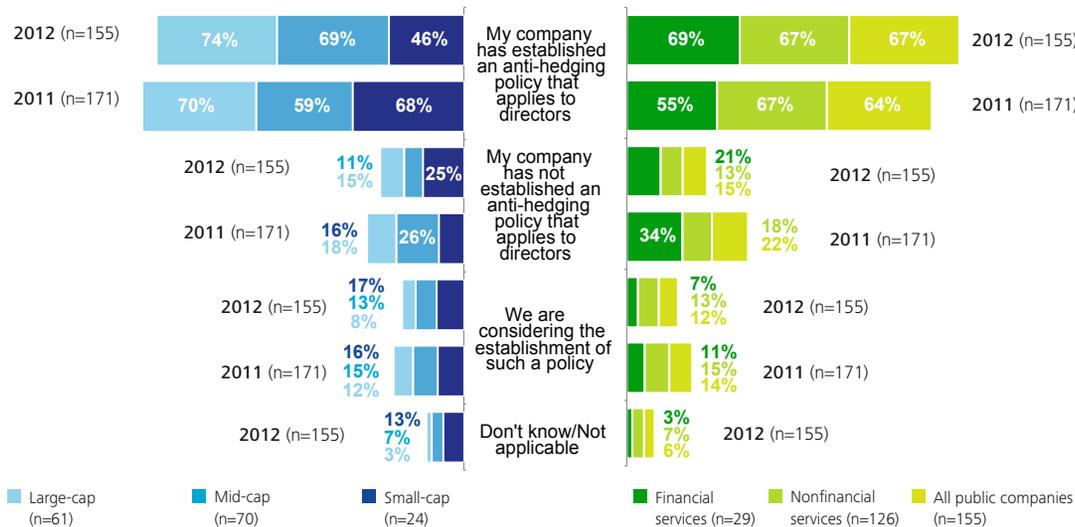
75. Which individual(s) are responsible for reporting ethics and compliance matters to the board? (Select all that apply)



0% of respondents answered "None" and 0% of respondents answered "Don't know/Not applicable".

Some survey participants provided a response for the "other" category. The most common responses received were the CEO and the Chief Ethics Officer.

76. Has your company established an anti-hedging policy that applies to directors?



In 2011, "Don't know/Not applicable" was not an answer choice.

Private sessions

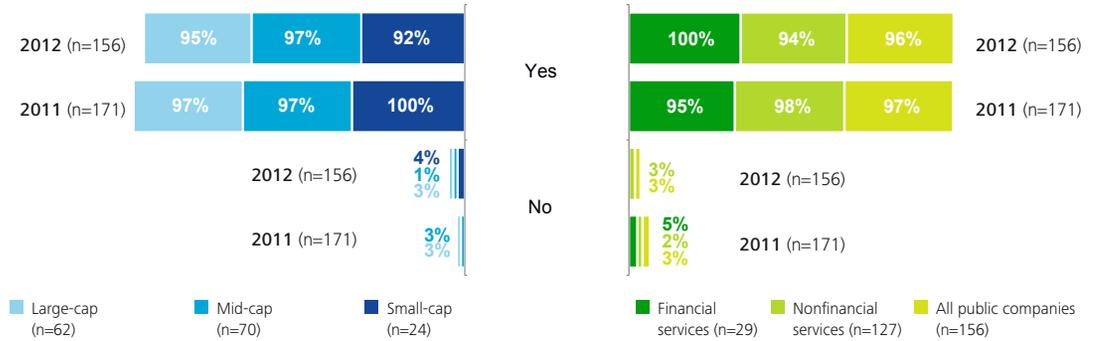
Key findings and trends

Access to management and executive sessions continues to be a best practice

Across all public companies surveyed, nearly all (96%) allow non-employee directors to have direct access to management without CEO approval, which is consistent with last year's response. And, nearly all (96%) allot time for executive sessions at board meetings. Such sessions allow the board to discuss matters in the absence of management.

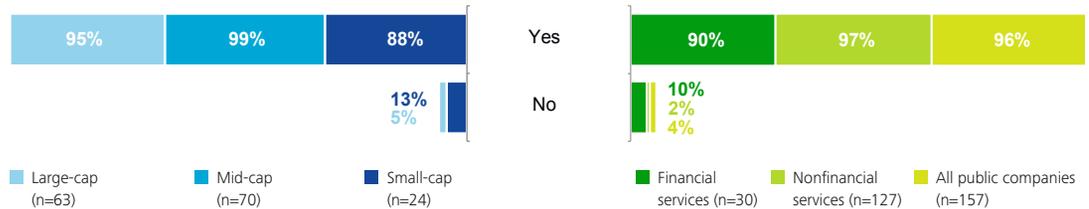
77. Do non-employee directors have direct access to management below the CEO level (not including boardroom presentations) without CEO approval?

In 2012, respondents answering "Don't know/Not applicable" were as follows: 2% large-cap, 1% mid-cap, 4% small-cap, 0% financial services, 2% nonfinancial services, and 2% all public companies. In 2011, "Don't know/Not applicable" was not an answer choice.



78. All board meeting agendas allot time for an executive session.

In 2012, respondents answering "Don't know/Not applicable" were as follows: 0% large-cap, 1% mid-cap, 0% small-cap, 0% financial services, 1% nonfinancial services, and 1% all public companies.



Nonpublic entity survey results

Survey results for nonpublic entity participants are provided in this section and compiled into tables on the following pages.

This year, there were a total of 37 nonpublic entity participants, including 8 nonprofit organizations, 27 private companies, and two partnerships. For purposes of this report, private companies and partnerships are collectively referred to as “private companies.” For each company type, when fewer than the total number of participants responded to a question, an “n” value has been provided to show the actual count. An asterisk (*) represents any question where a participant was asked to provide a numerical or text response. These responses have been consolidated into categories or ranges.

Whenever possible, results from the 2011 Board Practices Report have been included in the key findings and trends section below. The 2011 survey had a total of 33 nonpublic entity participants (12 nonprofit organizations, 19 private companies, and two partnerships).

	Total nonpublic entities	Nonprofit	Private
2012 Respondents	37	8	29

Key findings and trends

Note: The findings and trends below pertain to results from either all nonpublic entities or those from private companies.

Board composition

The majority of nonpublic entity respondents (57%) report they have a total of seven to 14 directors on their boards. The mandatory retirement ages for directors at nonpublic entities are somewhat younger than for public company survey participants, with 44% of private companies setting limits at age 70 or less, and only 13% at age 75.

For nonpublic entities, the most desired skills and experience needed for board success in the next two years are respective industry knowledge (32%) and financial services (27%), followed by marketing/public relations and technology, both at 24%.

Leadership structure

A combined CEO and chairman role is less common at private companies, with about only one-third adopting this structure. Lead director positions are also not prevalent at private companies.

Board meeting practices

During the past fiscal year, private company meeting frequency was varied, with meeting frequency split roughly equally between four, five, six, seven, and ten or more times.

Across all nonpublic entities, more than half of respondents say a typical board meeting lasts three to five hours. The balance of the responses was either in the one-to-two-hour or the six-to-eight-hour range. These trends are consistent with the results from the 2011 study.

Board committees

Similar to public company respondents, the most common standing board committees for nonpublic entities are the audit, compensation, nominating/corporate governance, and executive committees. More than half (57%) of nonpublic entities also say the finance/investment committee is a standing committee of their board.

Across all nonpublic entities, 65% and 54% do not have policies to rotate committee chairs or committee membership, respectively. This represents a decline from a similar question in 2011, where responses were 82% and 76%, respectively, so there may be some movement toward rotation policies.

Orientation, training, and evaluation

With regard to the topics nonpublic entities are covering on director education, industry-specific matters are most prevalent, and 41% of private companies also include company policies.

Sixty-two percent (62%) of nonpublic entity respondents say their director education programs are provided in-house by management, and 46% say the way directors learn about education programs is primarily via the corporate secretary. These results are consistent with similar questions asked in 2011.

Only 7% of private companies say they have had a third-party assess their board effectiveness during the past three years.

Strategy and risk

Nonpublic entity boards are spending more time on strategy, with 54% of respondents saying their boards discuss strategy at every board meeting, compared to 39% in 2011. This increase could be attributed to greater shareholder scrutiny arising from market conditions. With regard to how much time is spent discussing risks associated with the strategy, 46% of private companies say 11-25% of their time is spent having such discussions.

Nonpublic boards divide their risk oversight responsibilities predominately between the audit committee and the full board; results that are consistent with findings from the 2011 study.

Political contributions

Forty-four (44%) percent of nonpublic entity boards report overseeing the company's political contributions, which includes 50% of private companies. Sixty-seven percent (67%) of private companies say they disclose these contributions.

CEO succession and evaluation

Almost half of the private companies are reviewing CEO succession plans annually. The entire board is responsible for the CEO succession planning process in 34% of private companies surveyed, which is similar to the results from 2011. However, this year, more private companies are placing this responsibility with the compensation and nominating/corporate governance committees.

Board portals and social media

Similar to the trend at public companies, the use of portals has increased at nonpublic entities. Among private companies, 54% use portals, and the same number report mailing hard-copy materials. Further, about 40% of private companies are using a tablet device, compared to 19% in 2011. Compared with last year, 13% more nonpublic entities are using portals, 20% fewer are mailing hard copies, and 9% more are using tablets.

Most private companies (72%) have a social media policy for employees. This represents at least a 10% increase when compared to a similar question asked in 2011. With regard to whether a report relating to usage of social media by employees or customers was provided to or discussed with the board, thirty-eight percent (38%) of private companies used such a report.

Sustainability and ethics

There has been heightened interest from stakeholders and the general public for entities of all types related to sustainability efforts. Only 30% of nonpublic entity respondents say their company strategy has incorporated new sustainability initiatives in the past year, which is similar to the results for public companies (39%).

About half of all nonpublic entities conduct cultural surveys of their employees, with the frequency split between annually, biannually, and only under certain circumstances.

Executive sessions

Seventy-six percent (76%) of private companies surveyed say that all their meetings allotted time for an executive session.

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
Organization criteria									
1 Please specify your organization's industry:									
Consumer & Industrial Products (e.g., aerospace, automotive, retail, distribution, manufacturing, travel, leisure)	19%	0%	24%						
Energy and Resources	3%	0%	3%						
Financial Services (e.g., banking and securities, insurance, private equity, hedge funds, mutual funds, real estate)	38%	25%	41%						
Life Sciences & Healthcare	11%	50%	0%						
Public Sector (e.g., agency of federal or state government; multilateral agency)	0%	0%	0%						
Technology, Media & Telecommunications (e.g., entertainment)	8%	0%	10%						
Other	22%	25%	21%						
2 Please specify your company type:									
Privately held	73%								
Partnership	5%								
Nonprofit	22%								
3 Please indicate your company's market cap as of June 1, 2012:									
		(n=7)							
Large-cap: > \$10 billion	22%	29%	21%						
Mid-cap: ≥ \$700 million to ≤ \$10 billion	31%	29%	31%						
Small-cap: < \$700 million	47%	43%	48%						
Board practices									
Board selection, recruitment and composition									
4 What is your current board size?									
3-6 members	19%	0%	24%						
7-14 members	57%	50%	59%						
15-25 members	16%	25%	14%						
Greater than 25 members	5%	25%	0%						
Don't know/Not applicable	3%	0%	3%						
5 Please specify the percentage of board members who are women:									
0-25%	73%	63%	76%						
Greater than 25%-50%	24%	38%	21%						
Greater than 50%-75%	3%	0%	3%						
Greater than 75%	0%	0%	0%						
Don't know/Not applicable	0%	0%	0%						
		Yes	No				DK/NA		
6 Compared to last year, have you had an increase in the number of women directors serving on your board?									
	19%	38%	14%	78%	63%	83%	3%	0%	3%
7 Please specify the percentage of board members who are minorities:									
0-25%	76%	63%	79%						
Greater than 25%-50%	16%	38%	10%						
Greater than 50%-75%	3%	0%	3%						
Greater than 75%	3%	0%	3%						
Don't know/Not applicable	3%	0%	3%						
		Yes	No				DK/NA		
8 Compared to last year, have you had an increase in the number of minority directors serving on your board?									
	11%	25%	7%	84%	75%	86%	5%	0%	7%

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
9 What is the age of the youngest director currently serving on your board?									
25 or under	3%	0%	3%						
26-30	0%	0%	0%						
31-40	24%	25%	24%						
Over 40	68%	63%	69%						
Don't know/Not applicable	5%	13%	3%						
10 Does your board include any directors residing in a country other than the U.S.? (Please select all regions that are applicable)	(n=30)	(n=6)	(n=24)						
Canada	3%	0%	4%						
Central or South America	7%	33%	0%						
Europe	20%	17%	21%						
Africa	3%	17%	0%						
Asia/Pacific	10%	33%	4%						
Don't know/Not applicable	77%	67%	79%						
11 In the next two years, what are the most desired skills and experience needed to contribute to your board's success? (Participants were asked to make three selections.)									
Industry (similar to respective company)	32%	25%	34%						
Financial services	27%	13%	31%						
Marketing and/or Public relations	24%	38%	21%						
Technology/IT	24%	38%	21%						
Board committee (e.g., audit, compensation, nominating & corporate governance, or risk). <i>Those specifying a board committee responded</i>	22%	13%	24%						
• Audit			•						
• Nominating & Corporate governance			•						
Risk management	19%	38%	14%						
Ethics and compliance	16%	13%	17%						
Corporate governance	14%	0%	17%						
Mergers and acquisitions	14%	0%	17%						
Other	14%	0%	17%						
11* If Other, please specify:									
• More diversity of opinion and experience, more operational experience in the services industry.			•						
• Experience in Asian markets			•						
• Financial Services			•						
• Strengthen partnerships with current partners and create new partnerships with public and/or private organizations		•							
• Understanding of the economy of the U.S. and the world			•						
Outside board service (i.e., public, private, nonprofit)	14%	25%	10%						
C-level <i>Those specifying C-level responded</i>	11%	38%	3%						
• CEO		•							
• CFO			•						
• CTO			•						
Operations	11%	0%	14%						
International business exposure	8%	13%	7%						
Research and development	8%	0%	10%						
Engineering	5%	0%	7%						
Environmental and sustainability	3%	0%	3%						
Human resources	3%	0%	3%						
Scientific	0%	0%	0%						

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
12 What triggers drove the most recent, or pending, change in your board composition?									
Need for specialized knowledge	38%	63%	31%						
Breakdown in board effectiveness	3%	0%	3%						
New regulation	3%	13%	0%						
Enforcement actions	3%	13%	0%						
Significant growth (organic or acquisition based)	8%	0%	10%						
Post-merger integration	8%	13%	7%						
Spin-off/Initial public offering	0%	0%	0%						
Shareholder activism	8%	0%	10%						
Don't know/Not applicable	24%	0%	31%						
Other	24%	25%	24%						
12* If Other, please specify:									
• Attrition and need for younger board members			•						
• Retirement		•	•						
• Interest in our work			•						
• Term limits		•							
	Yes			No			DK/NA		
13 Is your board classified?	16%	25%	14%	54%	25%	62%	30%	50%	24%
	Yes			No			DK/NA		
14 Has your company implemented a majority vote policy for uncontested director elections?	16%	38%	10%	49%	25%	55%	35%	38%	34%
	Yes			No			DK/NA		
15 Does your organization use an executive search/board director recruiting firm to assist in the recruitment of board directors?	35%	38%	34%	57%	63%	55%	8%	0%	10%
16 Does your board have any of the following? (Select all that apply)	(n=32)	(n=7)	(n=25)						
Term limits	31%	57%	24%						
Age limits	50%	43%	52%						
Loss of independence status after a prescribed number of years	0%	0%	0%						
Other	6%	29%	0%						
Don't know/Not applicable	28%	0%	36%						
16a If term limits are in place, please specify the limit:	(n=10)	(n=4)	(n=6)						
6 years or less	50%	75%	33%						
More than 6 years through 10 years	20%	25%	17%						
More than 10 years through 15 years	30%	0%	50%						
More than 15 years	0%	0%	0%						
Don't know/Not applicable	0%	0%	0%						
16b If age limit, at what age is retirement required?	(n=16)	(n=3)	(n=13)						
a. ≤70	44%	67%	38%						
b. 71	0%	0%	0%						
c. 72	38%	33%	38%						
d. 73	6%	0%	8%						
e. 74	0%	0%	0%						
f. ≥75	13%	0%	15%						
g. Don't know/Not applicable	0%	0%	0%						
16c After how many years is "independent status" lost?									
Note: Question 16c was not answered by any participant									

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
	Yes			No			DK/NA		
17 Independent chairman	32%	25%	34%	62%	75%	59%	5%	0%	7%
Questions 17a and 17c applied to those who said "no" to question 17. Question 17b applied to those said "yes" to question 17.									
17a The chairman is also chairman of these committees: (Select all that apply)	(n=21)		(n=15)						
Audit committee	0%	0%	0%						
Nominating and governance committee	5%	0%	7%						
Compensation committee	5%	17%	0%						
Don't know/Not applicable	62%	17%	80%						
Other	33%	83%	13%						
17a* If Other, please specify:									
• Executive committee		•	•						
• Executive committee, Education committee		•							
• Chairman is a member of all board committees		•							
• There is not a chairman. But the CEO does preside at the board meetings. There are separate, independent chairs of the other committees.			•						
• None			•						
	Yes			No			DK/NA		
17b Is there a separate position for lead or presiding director?	42%	100%	30%	58%	0%	70%			
17c Do you have a rotation policy or term limit for the chairman?									
Rotation policy	9%	17%	6%						
Term limit	30%	67%	18%						
Neither	52%	17%	65%						
Don't know/Not applicable	9%	0%	12%						
Board and shareholder meetings and materials									
18 How many times a year did the board meet (whether live or via teleconference) in the last full fiscal year?									
≤ 3	3%	0%	3%						
4	22%	38%	17%						
5	11%	0%	14%						
6	22%	38%	17%						
7	14%	13%	14%						
8	5%	0%	7%						
9	5%	0%	7%						
≥10	14%	13%	14%						
Don't know/Not applicable	5%	0%	7%						
19 Does your company permit shareholders to call special shareholder meetings?									
Permitted without any restriction	16%	25%	14%						
Permitted but with minimum ownership threshold percentages	27%	0%	34%						
Not permitted	8%	13%	7%						
Don't know/Not applicable	49%	63%	45%						
19a If permitted with a minimum ownership threshold, please specify the threshold percentage:	(n=10)	(n=0)	(n=10)						
≤10%	30%		30%						
15%	20%		20%						
20%	0%		0%						
25%	20%		20%						
33%	0%		0%						
50%	10%		10%						
>50%	20%		20%						
Don't know/Not applicable	0%		0%						

Question	Total nonpublic entities			Nonprofit			Private		
	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
20 How many hours does a typical meeting of the full board last? (Do not count time spent on committee meetings)									
1-2 hours	11%	0%	14%						
3-5 hours	57%	50%	59%						
6-8 hours	16%	25%	14%						
9-10 hours	0%	0%	0%						
Greater than 10 hours	11%	25%	7%						
Don't know/Not applicable	5%	0%	7%						
21 How many days in advance are board meeting materials provided to board members?									
Less than 5	19%	0%	24%						
5	14%	0%	17%						
6-10	46%	63%	41%						
More than 10 days	19%	38%	14%						
Don't know/Not applicable	3%	0%	3%						
		Yes		No			DK/NA		
22 Do you make the company owned aircraft available to directors for travel to meetings?	11% (n=35)	0% (n=7)	14% (n=28)	17%	0%	21%	71%	100%	64%
		Yes		No			DK/NA		
23 Do you make the company owned aircraft available to directors for personal travel?				27%	0%	34%	73%	100%	66%

Board committee structures and roles

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

Note: For each committee in the following tables, the count of respondents (“n” value) and the percentage of the total count of respondents for the committee is provided as “n value/percentage”.

Committee	Auditor or compensation consultant in attendance in meetings	All nonpublic entities	Nonprofit	Private
Audit	Auditor	28/93%	8/100%	20/91%
	Compensation consultant	0/0%	0/0%	0/0%
	Both	0/0%	0/0%	0/0%
	None	2/7%	0/0%	2/9%
Compensation	Auditor	0/0%	0/0%	0/0%
	Compensation consultant	16/62%	4/67%	12/60%
	Both	0/0%	0/0%	0/0%
	None	10/38%	2/33%	8/40%
Finance/Investment	Auditor	1/8%	1/14%	0/0%
	Compensation consultant	0/0%	0/0%	0/0%
	Both	0/0%	0/0%	0/0%
	None	11/92%	6/86%	5/100%

For all other committees, no respondents indicated that the auditor or compensation consultant attend the committee meetings.

Nonpublic entity survey results

Committee	Is this a standing committee?	All nonpublic entities	Nonprofit	Private	Number of members	All nonpublic entities	Nonprofit	Private
Audit	Yes	33/92%	8/100%	25/89%	1-4	20/63%	2/29%	18/72%
	No	2/6%	0/0%	2/7%	5-9	12/38%	5/71%	7/28%
	N/A	1/3%	0/0%	1/4%	≥10	0/0%	0/0%	0/0%
Compensation	Yes	30/86%	6/75%	24/89%	1-4	19/66%	2/40%	17/71%
	No	4/11%	1/13%	3/11%	5-9	10/34%	3/60%	7/29%
	N/A	1/3%	1/13%	0/0%	≥10	0/0%	0/0%	0/0%
Nominating/ Corporate governance	Yes	25/76%	8/100%	17/68%	1-4	15/63%	2/29%	13/76%
	No	7/21%	0/0%	7/28%	5-9	7/29%	4/57%	3/18%
	N/A	1/3%	0/0%	1/4%	≥10	2/8%	1/14%	1/6%
Executive	Yes	20/67%	8/100%	12/55%	1-4	7/37%	1/14%	6/50%
	No	8/27%	0/0%	8/36%	5-9	10/53%	5/71%	5/42%
	N/A	2/7%	0/0%	2/9%	≥10	2/11%	1/14%	1/8%
Science & Technology	Yes	1/4%	0/0%	1/5%	1-4	0/0%	0/0%	0/0%
	No	15/54%	2/29%	13/62%	5-9	1/100%	0/0%	1/100%
	N/A	12/43%	5/71%	7/33%	≥10	0/0%	0/0%	0/0%
Risk	Yes	4/14%	0/0%	4/19%	1-4	1/20%	0/0%	1/25%
	No	15/54%	3/43%	12/57%	5-9	4/80%	1/100%	3/75%
	N/A	9/32%	4/57%	5/24%	≥10	0/0%	0/0%	0/0%
Strategy	Yes	1/4%	0/0%	1/5%	1-4	0/0%	0/0%	0/0%
	No	18/64%	3/43%	15/71%	5-9	1/50%	0/0%	1/100%
	N/A	9/32%	4/57%	5/24%	≥10	1/50%	1/100%	0/0%
Environment	Yes	1/4%	0/0%	1/5%	1-4	1/100%	0/0%	1/100%
	No	16/57%	2/29%	14/67%	5-9	0/0%	0/0%	0/0%
	N/A	11/39%	5/71%	6/29%	≥10	0/0%	0/0%	0/0%
Corporate Responsibility	Yes	1/4%	0/0%	1/5%	1-4	1/100%	0/0%	1/100%
	No	14/54%	1/17%	13/65%	5-9	0/0%	0/0%	0/0%
	N/A	11/42%	5/83%	6/30%	≥10	0/0%	0/0%	0/0%
Finance/ Investment	Yes	17/57%	7/100%	10/43%	1-4	6/40%	1/17%	5/56%
	No	9/30%	0/0%	9/39%	5-9	9/60%	5/83%	4/44%
	N/A	4/13%	0/0%	4/17%	≥10	0/0%	0/0%	0/0%
Risk and Finance	Yes	3/12%	1/17%	2/10%	1-4	0/0%	0/0%	0/0%
	No	14/54%	1/17%	13/65%	5-9	3/100%	1/100%	2/100%
	N/A	9/35%	4/67%	5/25%	≥10	0/0%	0/0%	0/0%
Public Policy	Yes	0/0%	0/0%	0/0%	1-4	0/0%	0/0%	0/0%
	No	16/62%	1/17%	15/75%	5-9	0/0%	0/0%	0/0%
	N/A	10/38%	5/83%	5/25%	≥10	0/0%	0/0%	0/0%

Committee	Average length of meetings (hours)	All nonpublic entities	Nonprofit	Private
Audit	<2	11/35%	2/25%	9/39%
	2-3	16/52%	5/63%	11/48%
	>3	4/13%	1/13%	3/13%
	Other	0/0%	0/0%	0/0%
Compensation	<2	19/66%	4/67%	15/65%
	2-3	8/28%	2/33%	6/26%
	>3	2/7%	0/0%	2/9%
	Other	0/0%	0/0%	0/0%
Nominating/ Corporate governance	<2	16/67%	3/38%	13/81%
	2-3	6/25%	3/38%	3/19%
	>3	1/4%	1/13%	0/0%
	Other	1/4%	1/13%	0/0%
Executive	<2	11/58%	3/38%	8/73%
	2-3	5/26%	3/38%	2/18%
	>3	1/5%	1/13%	0/0%
	Other	2/11%	1/13%	1/9%
Science & Technology	<2	1/100%	0/0%	1/100%
	2-3	0/0%	0/0%	0/0%
	>3	0/0%	0/0%	0/0%
	Other	0/0%	0/0%	0/0%
Risk	<2	2/40%	0/0%	2/50%
	2-3	3/60%	1/100%	2/50%
	>3	0/0%	0/0%	0/0%
	Other	0/0%	0/0%	0/0%
Strategy	<2	1/50%	1/100%	0/0%
	2-3	0/0%	0/0%	0/0%
	>3	1/50%	0/0%	1/100%
	Other	0/0%	0/0%	0/0%
Environment	<2	1/100%	0/0%	1/100%
	2-3	0/0%	0/0%	0/0%
	>3	0/0%	0/0%	0/0%
	Other	0/0%	0/0%	0/0%
Corporate Responsibility	<2	0/0%	0/0%	0/0%
	2-3	0/0%	0/0%	0/0%
	>3	0/0%	0/0%	0/0%
	Other	0/0%	0/0%	0/0%
Finance/ Investment	<2	6/35%	3/43%	3/30%
	2-3	9/53%	3/43%	6/60%
	>3	2/12%	1/14%	1/10%
	Other	0/0%	0/0%	0/0%
Risk and Finance	<2	1/33%	0/0%	1/50%
	2-3	2/67%	1/100%	1/50%
	>3	0/0%	0/0%	0/0%
	Other	0/0%	0/0%	0/0%
Public Policy	<2	0/0%	0/0%	0/0%
	2-3	0/0%	0/0%	0/0%
	>3	0/0%	0/0%	0/0%
	Other	0/0%	0/0%	0/0%

Nonpublic entity survey results

Committee	Meeting frequency (meetings on annual basis)	All nonpublic entities			Committee	Meeting frequency (meetings on annual basis)	All nonpublic entities		
		All nonpublic entities	Nonprofit	Private			All nonpublic entities	Nonprofit	Private
Audit	0	2/6%	0/0%	2/8%	Strategy	0	0/0%	0/0%	0/0%
	1-3	3/9%	1/13%	2/8%		1-3	1/50%	0/0%	1/100%
	4-6	25/76%	5/63%	20/80%		4-6	0/0%	0/0%	0/0%
	7-9	0/0%	0/0%	0/0%		7-9	1/50%	1/100%	0/0%
	≥10	3/9%	2/25%	1/4%		≥10	0/0%	0/0%	0/0%
Compensation	0	1/3%	0/0%	1/4%	Environment	0	0/0%	0/0%	0/0%
	1-3	12/40%	1/17%	11/46%		1-3	1/100%	0/0%	1/100%
	4-6	16/53%	5/83%	11/46%		4-6	0/0%	0/0%	0/0%
	7-9	1/3%	0/0%	1/4%		7-9	0/0%	0/0%	0/0%
	≥10	0/0%	0/0%	0/0%		≥10	0/0%	0/0%	0/0%
Nominating/ Corporate governance	0	1/4%	0/0%	1/6%	Corporate Responsibility	0	0/0%	0/0%	0/0%
	1-3	8/32%	2/25%	6/35%		1-3	1/100%	0/0%	1/100%
	4-6	16/64%	6/75%	10/59%		4-6	0/0%	0/0%	0/0%
	7-9	0/0%	0/0%	0/0%		7-9	0/0%	0/0%	0/0%
	≥10	0/0%	0/0%	0/0%		≥10	0/0%	0/0%	0/0%
Executive	0	4/20%	2/25%	2/17%	Finance/ Investment	0	0/0%	0/0%	0/0%
	1-3	7/35%	3/38%	4/33%		1-3	3/19%	1/17%	2/20%
	4-6	6/30%	3/38%	3/25%		4-6	12/75%	4/67%	8/80%
	7-9	0/0%	0/0%	0/0%		7-9	0/0%	0/0%	0/0%
	≥10	3/15%	0/0%	3/25%		≥10	1/6%	1/17%	0/0%
Science & Technology	0	0/0%	0/0%	0/0%	Risk and Finance	0	0/0%	0/0%	0/0%
	1-3	0/0%	0/0%	0/0%		1-3	0/0%	0/0%	0/0%
	4-6	1/100%	0/0%	1/100%		4-6	3/100%	1/100%	2/100%
	7-9	0/0%	0/0%	0/0%		7-9	0/0%	0/0%	0/0%
	≥10	0/0%	0/0%	0/0%		≥10	0/0%	0/0%	0/0%
Risk	0	0/0%	0/0%	0/0%	Public Policy	0	0/0%	0/0%	0/0%
	1-3	1/20%	0/0%	1/25%		1-3	0/0%	0/0%	0/0%
	4-6	4/80%	1/100%	3/75%		4-6	0/0%	0/0%	0/0%
	7-9	0/0%	0/0%	0/0%		7-9	0/0%	0/0%	0/0%
	≥10	0/0%	0/0%	0/0%		≥10	0/0%	0/0%	0/0%

Question	Total nonpublic entities			Total nonpublic entities			Total nonpublic entities		
	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
24* If Other, please specify:									
• Awards		•							
• Community Relations			•						
• Controls and Compliance			•						
• CRA and Fair Lending			•						
• Family Employment			•						
• Finance and Risk			•						
• Governance		•							
• Government Security			•						
• Membership		•							
• Programme and Policy		•							
• Proxy		•							
• Quality		•							
• Shareholder Relations			•						

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
25 Provide the frequency with which committee chairs are rotated:									
Annually	3%	13%	0%						
Every 2 years	11%	13%	10%						
Every 3 years	3%	0%	3%						
We do not have a policy to rotate committee chairs	65%	50%	69%						
Don't know/Not applicable	8%	0%	10%						
Other	11%	25%	7%						
25a* If Other, please specify:									
• Chairs are rotated on a regular basis, but not on a fixed time schedule		•							
• Reviewed at least every five years			•						
• We rotate as needed			•						
• Depends on committee. Some are annual. Some are every 2 years.		•							
26 Provide the frequency with which committee membership rotation takes place:									
Annually	14%	13%	14%						
Every 2 years	3%	0%	3%						
Every 3 years	5%	0%	7%						
We do not have a policy to rotate committee membership	54%	63%	52%						
Don't know/Not applicable	11%	0%	14%						
Other	14%	25%	10%						
26* If Other, please specify:									
• Appointed annually, but membership generally stays the same, to include all external board members since our board is small			•						
• Committee membership is re examined annually but not necessarily changed		•							
• Reviewed annually; rotation periodically			•						
• Rotated regularly, but not on a fixed time schedule		•							
27 Please specify the limit on your board's audit committee members being able to serve on the audit committees of other companies:									
1 audit committee	0%	0%	0%						
2 audit committees	3%	0%	3%						
3 audit committees	3%	13%	0%						
>3 audit committees	3%	13%	0%						
We do not have limits	65%	63%	66%						
Don't know/Not applicable	27%	13%	31%						
Board orientation and training									
		Yes		No			DK/NA		
28 Does your organization have a formal orientation program for new directors (beyond supplying a directors' manual)?	54%	63%	52%	38%	38%	38%	8%	0%	10%

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
29 Does your organization provide board education for new and existing directors on: (Select all that apply)									
Risk oversight	38%	38%	38%						
Management	32%	13%	38%						
Anti-corruption policies (e.g. FCPA, UK Anti-bribery Act)	16%	25%	14%						
Insider trading	14%	0%	17%						
Political contributions	14%	13%	14%						
Company policies	38%	25%	41%						
Regulatory issues related to your business such as privacy, etc.	38%	50%	34%						
Industry specific topics	57%	63%	55%						
Financial and liquidity risk	35%	38%	34%						
Market risk	16%	0%	21%						
Ethics	38%	38%	38%						
Other formal training	11%	25%	7%						
Don't know/Not applicable	30%	13%	34%						
Other	19%	25%	17%						
29* If Other, please specify:									
• Company/industry specific educational information of interest to board members			•						
• Federal regulations			•						
• Marketing, financial reporting, compliance			•						
• Policy regarding attendance at industry conferences		•							
• Technical issues		•							
• Training is tailored to each individual			•						
30 Which of the following best describes your board's ongoing director education program? (Select all that apply)									
Provided in-house by management	62%	63%	62%						
Provided in-house by a third party	27%	25%	28%						
Directors are reimbursed for public forums or peer group sessions attended	32%	38%	31%						
Our board does not have a formal director education program	22%	25%	21%						
Don't know/Not applicable	16%	0%	21%						
Other	3%	0%	3%						
31 How do your directors learn about director education programs? (Select all that apply)									
From the corporate secretary	46%	50%	45%						
From the investor relations officer	3%	0%	3%						
From other management	24%	13%	28%						
From other directors	19%	13%	21%						
From third party mailings	16%	13%	17%						
Don't know/Not applicable	35%	38%	34%						
Other	11%	13%	10%						
31* If Other, please specify:									
• Board approves a list of educational meetings and conferences, annually		•							
• Director recommendations			•						
• From membership in third party organizations; independent auditor feeds if signed up; etc.			•						
• Report and recommendations to governance committee from CEO and corporate secretary; also survey board			•						

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
Board evaluations									
32 How are your directors evaluated? (Select all that apply)									
Board performance evaluation survey	57%	88%	48%						
Individual peer-evaluation survey led by corporate secretary or other in-house personnel	27%	25%	28%						
Individual peer-evaluation survey led by a third party facilitator	5%	0%	7%						
Directors meet one-on-one with a designated board member	11%	13%	10%						
Our organization does not have a formal director evaluation process	19%	0%	24%						
Don't know/Not applicable	14%	0%	17%						
Other	5%	0%	7%						
32* If Other, please describe:									
• Governance & Nominating committee review performance of each director annually.			•						
• All the directors are constantly evaluating one another and talk to the CEO about their views, informally.			•						
		Yes	No	DK/NA					
33 Have you had a third party evaluate the board's effectiveness over the last three years?	11%	25%	7%	86%	75%	90%	3%	0%	3%
Strategy									
34 How often does the board discuss strategic objectives?									
Annually	30%	13%	34%						
Quarterly	8%	25%	3%						
At every board meeting	54%	63%	52%						
Don't know/Not applicable	3%	0%	3%						
Other	5%	0%	7%						
34* If Other, please specify:									
• Generally annually, but any time in addition to annually when needed			•						
• Quarterly meetings as well as last two meetings of each year have time dedicated to reviewing strategic objectives			•						
		Yes	No	DK/NA					
35 Does your board participate in off-site strategy meetings with management?	62%	75%	59%	35%	25%	38%	3%	0%	3%
36 How much time does your board spend discussing risks associated with its strategy?	(n=36)		(n=28)						
0-10%	17%	13%	18%						
11-25%	39%	13%	46%						
26-50%	17%	25%	14%						
51-75%	11%	13%	11%						
Greater than 76%	6%	25%	0%						
Don't know/Not applicable	11%	13%	11%						
Audit committee									
37 How often does the audit committee meet annually via:									
In-person meetings	(n=36)	(n=7)							
≤5	81%	71%	83%						
6	8%	29%	3%						
7	0%	0%	0%						
8	0%	0%	0%						
9	0%	0%	0%						
≥10	3%	0%	3%						
Don't know/Not applicable	8%	0%	10%						

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
	Tele-conference calls	(n=32)	(n=7)	(n=25)					
≤5	78%	86%	76%						
6	0%	0%	0%						
7	0%	0%	0%						
8	3%	0%	4%						
9	0%	0%	0%						
≥10	0%	0%	0%						
Don't know/Not applicable	19%	14%	20%						
38 Does your organization's audit committee hold a separate meeting to review the earnings release vs. quarterly reviews or are they combined?									
Separate meetings	16%	13%	17%						
Combined meetings	27%	25%	28%						
Don't know/Not applicable	57%	63%	55%						
39 How often does your audit committee meet separately with management?	(n=36)		(n=28)						
Frequently (all or almost all audit committee meetings)	75%	88%	71%						
Sometimes (two to three audit committee meetings a year)	11%	0%	14%						
Rarely (one audit committee meeting a year)	3%	0%	4%						
Never	11%	13%	11%						
40 Which members of management meet separately with the audit committee? (Select all that apply)									
Chief Audit Executive (Internal Auditor)	62%	63%	62%						
General Counsel	32%	25%	34%						
Chief Executive Officer	49%	38%	52%						
Chief Financial Officer	70%	63%	72%						
Chief Risk Officer	11%	13%	10%						
Chief Compliance Officer	16%	25%	14%						
Chief Technology Officer	8%	13%	7%						
Other business unit leaders	11%	0%	14%						
Don't know/Not applicable	14%	13%	14%						
Other	19%	25%	17%						
40* If Other, please specify:									
• All senior management meet on a rotation or 'called upon' basis.			•						
• Chief Operating Officer		•	•						
• Corporate Secretary			•						
• Principal Accounting Officer			•						
• Senior Director of Finance		•							
• Whoever wants to			•						
41 Over the past year, my company's audit committee participated in a board training program covering the following topics: (Select all that apply)									
General continuing education	22%	13%	24%						
Specific board or governance issue	22%	25%	21%						
Learning about a new regulation	14%	13%	14%						
Risk	16%	13%	17%						
Ethics and compliance	24%	38%	21%						
Independent investigations	3%	0%	3%						
Sustainability and climate change	0%	0%	0%						
Don't know/Not applicable	54%	38%	59%						
Other	3%	0%	3%						
41* If Other, please specify:									
• Learning about a company-specific process			•						

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
	42 Over the past year, my company's audit committee has retained a specialist for the following: (Select all that apply)	(n=35)	(n=7)	(n=28)					
Mergers and acquisitions	9%	14%	7%						
Tax	6%	0%	7%						
Valuation	14%	29%	11%						
Risk (compliance, financial liquidity, credit, interest rate)	6%	29%	0%						
Internal investigations	11%	29%	7%						
Foreign Corrupt Practices Act (FCPA)	0%	0%	0%						
Don't know/Not applicable	74%	43%	82%						
Other	3%	0%	4%						
	Yes			No			DK/NA		
43 Does the audit committee conduct performance evaluations of its committee members?	27%	50%	21%	54%	50%	55%	19%	0%	24%
44 How often does the audit committee receive reports on internal tips from a compliance hotline?	(n=35)	(n=7)	(n=28)						
Frequently (five or more times a year)	17%	29%	14%						
Sometimes (two to four times a year)	26%	14%	29%						
Rarely (once a year)	26%	29%	25%						
Never	31%	29%	32%						
	Yes			No			DK/NA		
45 Has your helpline received an increase in tips in the last year as a result of the new SEC whistleblower rules implemented as a result of the Dodd-Frank Act?	6% (n=36)	0% (n=7)	7%	53%	29%	59%	42%	71%	34%
Risk oversight, disclosure committee, and political contributions									
46 What best describes how your board assigns risk oversight for the organization's risk management program?									
We have a board risk committee	14%	13%	14%						
The audit committee has primary responsibility for risk oversight	30%	38%	28%						
Risk oversight responsibilities are spread across all board committees	5%	13%	3%						
The full board is responsible for risk oversight	35%	38%	34%						
Don't know/Not applicable	11%	0%	14%						
Other	5%	0%	7%						
46* If Other, please specify:									
The executive committee			•						
We have a risk committee which oversees enterprise risk. Each committee also oversees risk specific to its area of responsibility.			•						
	Yes			No			DK/NA		
47 If you have a board level risk committee, does it have a risk expert, as defined by the Dodd-Frank Act?	9% (n=34)	13%	8% (n=26)	21%	13%	23%	71%	75%	69%

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
48 If risk oversight is shared by multiple committees, how does the board coordinate these activities? (Select all that apply)	(n=35)		(n=27)						
Cross membership of the committees	20%	13%	22%						
Joint meetings	6%	0%	7%						
Risk presentations repeated at multiple committee meetings	9%	0%	11%						
Detailed discussions at the full board meeting	29%	25%	30%						
Sharing of minutes or other meeting materials	20%	13%	22%						
Not applicable; risk oversight is not shared by multiple committees	17%	0%	22%						
Don't know/Not applicable	43%	63%	37%						
Other	6%	13%	4%						
49 If your organization has a management disclosure committee, to whom does it report? (Select all that apply)									
General Counsel	5%	13%	3%						
Head of Internal Audit	5%	13%	3%						
CEO	8%	0%	10%						
CFO	8%	0%	10%						
Board/Board committee	14%	13%	14%						
Don't know/Not applicable	73%	63%	76%						
Other	0%	0%	0%						
		Yes		No			DK/NA		
50 Does your company make political contributions?	24%	38%	21%	65%	63%	66%	11%	0%	14%
		Yes		No					
50a If so does your company's board oversee such contributions?	44% (n=9)	33% (n=3)	50% (n=6)	56%	67%	50%			
		Yes		No					
50b Does your company disclose its political contributions?	67% (n=9)	67% (n=3)	67% (n=6)	33%	33%	33%			
		Yes		No			DK/NA		
51 Does your company disclose membership in trade associations that may make independent political expenditures?	14%	13%	14%	30%	13%	34%	57%	75%	52%
		Yes		No			DK/NA		
52 Does your company disclose the amount spent on lobbying?	11%	13%	10%	35%	25%	38%	54%	63%	52%
		Yes		No			DK/NA		
53 Has your company imposed any limitations on political contributions by directors individually?	3%	0%	3%	49%	38%	52%	49%	63%	45%
CEO succession planning									
54 How often does the full board review CEO succession plans?									
Greater than once a year	14%	0%	17%						
Once a year	46%	38%	48%						
Less than once a year (e.g. every two years)	3%	13%	0%						
Only when a change in circumstance requires	24%	38%	21%						
Never	3%	0%	3%						
Don't know/Not applicable	11%	13%	10%						
55 Who has the primary responsibility over the CEO succession planning process?									
Entire board	30%	13%	34%						
Compensation committee	14%	13%	14%						
Nominating/Corporate governance committee	19%	25%	17%						
Independent directors	0%	0%	0%						
CEO	14%	25%	10%						
Don't know/Not applicable	11%	0%	14%						
Other	14%	25%	10%						

Question	Total nonpublic entities			Total nonpublic entities			Total nonpublic entities		
	Nonprofit	Private	Private	Nonprofit	Private	Private	Nonprofit	Private	Private
55* If Other, please specify:									
Chairman of the board		•							
Key personnel committee		•							
Shareholder			•						
Coordinate through the executive committee			•						
	Yes			No			DK/NA		
56 Does your company disclose its succession plan policy or process?	14%	13%	14%	57%	38%	62%	30%	50%	24%
CEO performance evaluation									
57 Who has the lead responsibility over the CEO performance evaluation process?									
Entire board	27%	13%	31%						
Compensation committee	38%	38%	38%						
Nominating/Corporate governance committee	8%	25%	3%						
Independent Chair or Lead Director	5%	13%	3%						
Don't know/Not applicable	11%	0%	14%						
Other	11%	13%	10%						
57* If Other, please specify:									
Executive committee		•							
Executive committee is combined with compensation committee			•						
Non independent executive chairman			•						
Shareholder			•						
Shareholder engagement and shareholder activism									
	Yes			No			DK/NA		
58 Does your company have a policy requiring directors to attend the annual shareholders' meeting?	27%	25%	28%	32%	0%	41%	41%	75%	31%
	Yes			No			DK/NA		
59 Do you have a policy relating to contact between directors and shareholders?	14% (n=36)	14% (n=7)	14%	44%	14%	52%	42%	71%	34%
60 What percentage of shareholders did your corporate secretary, the board, or senior management, interact with over the past year?									
None	5%	0%	7%						
1-5%	16%	25%	14%						
6-10%	3%	0%	3%						
11-15%	5%	0%	7%						
16-20%	0%	0%	0%						
>20%	24%	0%	31%						
Don't know/Not applicable	46%	75%	38%						
61 Have members of your board had direct contact with shareholder(s) or shareholder groups over the past year?									
No board members had direct contact	11%	13%	10%						
One board member had direct contact	0%	0%	0%						
Greater than one board member had direct contact	11%	0%	14%						
All board members had direct contact	24%	0%	31%						
Don't know/Not applicable	54%	88%	45%						
	Yes			No			DK/NA		
62 Has your organization been approached by a shareholder activist within the last 12 months?	17% (n=36)	13%	18% (n=28)	44%	13%	54%	39%	75%	29%
63 Has your board held what is known as a 'Fifth Analyst' call with investors?	(n=36)	(n=7)							
Yes	0%	0%	0%						
No	44%	57%	41%						
No, but we have considered it	3%	0%	3%						
Not familiar with the term	53%	43%	55%						

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
Board's use of technology									
64 Please specify how your organization distributes board materials: (Select all that apply)	(n=36)	(n=8)	(n=28)						
Through unsecured e-mail, (e.g. internet)	11%	13%	11%						
Through secure e-mail, (e.g. company email server)	33%	25%	36%						
Through an internal or external board portal	61%	88%	54%						
Through mailing of hardcopies	53%	50%	54%						
In-person at board meetings	44%	50%	43%						
Using an application for the ipad or other tablet device	33%	13%	39%						
65 How would you evaluate the board's use of technology for board service matters?									
Level of use is increasing year-over-year	84%	100%	79%						
Level of use is decreasing year-over-year	0%	0%	0%						
No change	14%	0%	17%						
Don't know/Not applicable	3%	0%	3%						
66 If your organization does not have a board portal, which statement below best explains your company's view on the technology platform?									
(n=30) (n=5) (n=25)									
We have considered the use of board portals but do not currently see a need for this technology	7%	0%	8%						
We are currently considering the benefits of the use of board portals	20%	20%	20%						
We will be introducing this technology in the near future	7%	0%	8%						
We have not considered board portal technology	13%	0%	16%						
Don't know/Not applicable	53%	80%	48%						
		Yes		No			DK/NA		
67 Do your directors use social media sites associated with your organization?	19%	25%	17%	59%	50%	62%	22%	25%	21%
		Yes		No			DK/NA		
68 Does your company have a social media policy for employees?	76%	88%	72%	22%	13%	24%	3%	0%	3%
		Yes		No			DK/NA		
69 In the past year, has your board received a report on, or discussed, the usage of social media by employees or customers?	49%	88%	38%	46%	13%	55%	5%	0%	7%
Sustainability									
		Yes		No			DK/NA		
70 Is your organization's corporate social responsibility or sustainability report available on your organization's website?	24%	25%	24%	32%	13%	38%	43%	63%	38%
		Yes		No			DK/NA		
71 Is the board and/or a board committee involved in the oversight of the organization's corporate social responsibility or sustainability effort and related public disclosures?	25% (n=36)	38%	21% (n=28)	33%	13%	39%	42%	50%	39%
		Yes		No			DK/NA		
72 In the past year, has your company's strategy incorporated new sustainability initiatives?	30%	38%	28%	43%	25%	48%	27%	38%	24%
Compliance/Culture/Setting the tone at the top									
		Yes		No			DK/NA		
73 Given the SEC whistleblower rules as of May 2011, has your board or audit committee asked management to take specific steps to create or enhance a culture of candid and open communication?	46% (n=35)	63%	41% (n=27)	54%	38%	59%			

Question	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private	Total nonpublic entities	Nonprofit	Private
	74 How often does your organization conduct cultural surveys of employees?								
Annually	22%	38%	17%						
Only in certain circumstances	19%	13%	21%						
We do not conduct cultural surveys	24%	13%	28%						
Don't know/Not applicable	22%	13%	24%						
Other	14%	25%	10%						
74* If Other, please specify:									
• Biannually		•							
• Did in 2011			•						
• Every 5 years			•						
• Every other year			•						
• Infrequently		•							
74a If cultural surveys are conducted by your organization, does management review the survey findings with the board?	(n=20)	(n=6)	(n=14)						
Management reviews the survey findings with the board	65%	50%	71%						
Management reviews the survey findings with the board in certain circumstances	5%	0%	7%						
Management does not review the survey findings with the board	20%	33%	14%						
Don't know/Not applicable	10%	17%	7%						
75 Which individual(s) are responsible for reporting ethics and compliance matters to the board? (Select all that apply)									
Chief Risk Officer	11%	13%	10%						
Chief Compliance Officer	35%	38%	34%						
Internal Audit Director	30%	50%	24%						
General Counsel	59%	50%	62%						
Corporate Secretary	22%	0%	28%						
None	3%	0%	3%						
Don't know/Not applicable	8%	0%	10%						
Other	8%	13%	7%						
75* If Other, please specify:									
• Chief Executive Officer			•						
• Chief Financial Officer		•							
• Everyone who has something important to say is encouraged to discuss with directors			•						
76 Has your company established an anti-hedging policy that applies to directors?									
My company has established an anti-hedging policy that applies to directors	5%	13%	3%						
My company has not established an anti-hedging policy that applies to directors	22%	0%	28%						
We are considering the establishment of such a policy	0%	0%	0%						
Don't know/Not applicable	73%	88%	69%						
Private sessions									
		Yes		No			N/A		
77 Do non-employee directors have direct access to management below the CEO level (not including boardroom presentations) without CEO approval?									
	86%	88%	86%	11%	13%	10%	3%	0%	3%
		Yes		No			N/A		
78 All board meeting agendas allot time for an executive session.									
	81%	100%	76%	11%	0%	14%	8%	0%	10%

Appendix

Appendix A — Comparison table of prior year survey results

This table presents results to the “Yes” and “No” questions that were asked in this year’s board practices survey as well as in prior surveys. For comparison purposes, answer choice “Not applicable” used in the 2011 and 2008 reports were correlated to this year’s answer choice category, “Don’t know/Not applicable”. Blank areas, where a percentage is not provided, indicates a question that was not asked for that particular year. Note: due to rounding, some numbers may not add up to exactly 100%.

Board practices	2012			2011			2008		
	Yes	No	DK/NA	Yes	No	DK/NA	Yes	No	DK/NA
Has your company implemented a majority vote policy for uncontested director elections?	59%	33%	8%				42%	54%	4%
Organization use an executive search/board director recruiting firm to assist in the recruitment of board directors	59%	37%	4%	58%	42%	0%	50%	50%	0%
The chairman of the board is also the CEO	48%	51%	1%				49%	51%	0%
The company owned aircrafts are made available to directors for travel to meetings	31%	28%	40%	29%	30%	40%			
Organization has a formal orientation program for new directors (beyond supplying a directors' manual)	71%	25%	4%	74%	26%	0%	60%	40%	0%
A third party has evaluated the board's effectiveness over the last three years	12%	85%	4%	18%	77%	5%	9%	91%	0%
Has your company imposed any limitations on political contributions by directors individually?	3%	77%	20%	11%	82%	7%			
Does your company have a policy requiring directors to attend the annual shareholders' meeting?	49%	41%	11%	66%	23%	12%	60%	24%	15%
Do you have a policy relating to contact between directors and shareholders?	45%	45%	10%	45%	45%	10%			
Your organization has been approached by a shareholder activist within the last 12 months	32%	55%	13%	30%	57%	13%			
Does your company have a social media policy for employees?	74%	20%	6%	61%	39%	0%			
Is the board and/or a board committee involved in the oversight of the organization's corporate social responsibility or sustainability effort and related public disclosures?	41%	35%	24%	38%	53%	9%			
Given the SEC whistleblower rules as of May 2011, has your board or audit committee asked management to take specific steps to create or enhance a culture of candid and open communication?	35%	65%	0%	30%	61%	9%			
Do non-employee directors have direct access to management below the CEO level (not including boardroom presentations) without CEO approval?	94%	4%	2%	97%	3%	0%	93%	7%	0%

Appendix B — 2012 Board practices survey questionnaire

2012 Board Practices Survey

Organization criteria

1. Please specify your organization's industry:

- (Choose one)
- Consumer & Industrial Products (e.g., aerospace, automotive, retail, distribution, manufacturing, travel, leisure)
 - Energy and Resources
 - Financial Services (e.g., banking and securities, insurance, private equity, hedge funds, mutual funds, real estate)
 - Life Sciences & Healthcare
 - Technology, Media & Telecommunications (e.g., entertainment)
 - Other

2. Please specify your company type:

- (Choose one)
- Public company
 - Privately held
 - Partnership
 - Non-profit

2a. If public, please provide your ticker symbol

3. Please indicate your company's market cap as of June 1, 2012

- (Choose one)
- Large-cap: > \$10 billion
 - Mid-cap: ≥ \$700 million to ≤ \$10 billion
 - Small-cap: < \$700 million

Board Practices

Board Selection, Recruitment and Composition

4. What is your current board size?

- (Choose one)
- 3-6 members
 - 7-14 members
 - 15-25 members
 - Greater than 25 members
 - Don't know/ Not applicable

5. Please specify the percentage of board members who are women

- (Choose one)
- 0-25%
 - Greater than 25%-50%
 - Greater than 50%-75%
 - Greater than 75%
 - Don't know/ Not applicable

6. Compared to last year, have you had an increase in the number of women directors serving on your board?

- (Choose one)
- Yes
 - No
 - Don't know/ Not applicable

7. Please specify the percentage of board members who are minorities

- (Choose one)
- 0-25%
 - Greater than 25%-50%
 - Greater than 50%-75%
 - Greater than 75%
 - Don't know/ Not applicable

8. Compared to last year, have you had an increase in the number of minority directors serving on your board?

- (Choose one)
- Yes
 - No
 - Don't know/ Not applicable

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

- (Choose one)
- 25 or under
 - 26-30
 - 31-40
 - Over 40
 - Don't know/ Not applicable

10. Does your board include any directors residing a country other than the U.S.?

- (Choose all that apply)
- Canada
 - Central or South America
 - Europe
 - Africa
 - Asia/ Pacific
 - Don't know/ Not applicable

11. 11a-c: In the next two years, what are the most desired skills and experience needed to contribute to your board's success? Choose three.

- Industry (similar to respective company)
- Financial Services
- Marketing and/or Public Relations
- Technology/ IT
- Board committee (e.g., Audit, Compensation, Nominating & Corporate Governance, or Risk). Please specify below.
- Risk Management
- Ethics and compliance
- Corporate Governance
- Mergers and Acquisitions
- Outside Board service (i.e., Public, Private, nonprofit). Please specify below.
- C-level (i.e., CEO, CFO, COO, CIO, or CTO). Please specify below.
- Operations
- International Business Exposure
- Research and Development
- Engineering
- Environmental and Sustainability
- Human Resources
- Scientific
- Other

12. What triggers drove the most recent, or pending, change in your board composition?

- (Choose all that apply)
- Need for specialized knowledge
 - Breakdown in board effectiveness
 - New regulation
 - Enforcement actions
 - Significant growth (organic or acquisition based)
 - Post-merger integration
 - Spin-off / Initial public offering
 - Shareholder activism
 - Don't know/ Not applicable
 - Other []

13. Is your board classified?

- (Choose one)
- Yes
 - No
 - Don't know/ Not applicable

14. Has your company implemented a majority vote policy for uncontested director elections?

- (Choose one)
- Yes
 - No
 - Don't know/ Not applicable

15. Does your organization use an executive search/board director recruiting firm to assist in the recruitment of board directors?

- (Choose one)
- Yes
 - No
 - Don't know/ Not applicable

16. Does your board have any of the following? (Check all that apply)

- Term limits
- Age limits
- Loss of independence status after a prescribed number of years
- Other
- Don't know/ Not applicable

16a. If term limits are in place, please specify the limit:

- (Choose one)
- 6 years or less
 - more than 6 years through 10 years
 - more than 10 years through 15 years
 - more than 15 years
 - Don't know/ Not applicable

16b. If age limit, at what age is retirement required?

- (Choose one)
- <=70
 - 71
 - 72
 - 73
 - 74
 - >=75
 - Don't know/ Not applicable

16c. After how many years is "independent status" lost?

- (Choose one)
- 6-10 years
 - more than 10 years through 15 years
 - more than 15 years through 20 years
 - Don't know/ Not applicable

Independent Chairman [Separate Chair / CEO]

17. The chairman of the board is also the CEO.

- (Choose one)
- Yes
 - No

Questions 17a and 17c apply if your Chair and CEO positions are separate.

17a. The chairman is also chairman of these committees. Select all that apply

- Audit committee
- Nominating and Governance committee
- Compensation committee
- Don't know/ Not applicable
- Other, please specify: []

17b. Is there is a separate position for lead or presiding director?

- (Choose one)
- Yes
 - No
 - Don't know/ Not applicable

17c. Do you have a rotation policy or term limit for the chairman?

- (Choose one)
- Rotation policy
 - Term limit
 - Neither
 - Don't know/ Not applicable

Board Meetings and Materials

18. How many times a year did the board meet (whether live or via teleconference) in the last full fiscal year?

- (Choose one)
- 3
 - 4
 - 5
 - 6
 - 7
 - 8
 - 9
 - ≥10
 - Don't know/ Not applicable

19. Does your company permit shareholders to call special shareholder meetings?

- (Choose one)
- Permitted without any restriction
 - Permitted but with minimum ownership threshold percentages
 - Not permitted
 - Don't know/ Not applicable

19a. If permitted with a minimum ownership threshold, please specify the threshold percentage:

- =10%
- 15%
- 20%
- 25%
- 33%
- 50%
- >50%
- Don't know/ Not applicable
- Other []

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

- (Choose one)
- 1-2 hours
- 3-5 hours
- 6-8 hours
- 8-10 hours
- Greater than 10 hours
- Don't know/ Not applicable

Board Committee Structures and Roles

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

Committee	Is this a standing committee?	Number of members	Meeting frequency (meetings on annual basis)	Average length of meetings (hours)	Auditor or compensation consultant in attendance in meetings (Y/N)
	Answer selections provided: <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Not Applicable	Answer selections provided: <input type="radio"/> 1-4 <input type="radio"/> 5-9 <input type="radio"/> ≥10	Answer selections provided: <input type="radio"/> 0 <input type="radio"/> 1-3 <input type="radio"/> 4-6 <input type="radio"/> 7-9 <input type="radio"/> ≥10	Answer selections provided: <input type="radio"/> <2 <input type="radio"/> 2-3 <input type="radio"/> >3 <input type="radio"/> Other	Answer selections provided: <input type="radio"/> Auditor <input type="radio"/> Compensation Consultant <input type="radio"/> Both <input type="radio"/> None
Audit					
Compensation					
Nominating/ Corporate Governance					
Executive					
Science & Technology					
Risk					
Strategy					
Environmental					
Corporate Responsibility					
Disclosure					
Finance/ Investment					
Risk and Finance					
Public Policy					

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

- (Choose one)
- Less than 5
- 5
- 6-10
- More than 10 days
- Don't know/ Not applicable

22. Do you make the company owned aircraft available to directors for travel to meetings?

- (Choose one)
- Yes
- No
- Don't know/ Not applicable

23. Do you make the company owned aircraft available to directors for personal travel?

- (Choose one)
- Yes
- No
- Don't know/ Not applicable

24. Please complete the following table with regard to the specific committee practices of your board for board committees not listed above:

Committee	Is this a standing committee?	Number of members	Meeting frequency (meetings on annual basis)	Average length of meetings (hours)	Auditor or compensation consultant in attendance in meetings (Y/N)
	Answer selections provided: <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Not Applicable	Answer selections provided: <input type="radio"/> 1-4 <input type="radio"/> 5-9 <input type="radio"/> ≥10	Answer selections provided: <input type="radio"/> 0 <input type="radio"/> 1-3 <input type="radio"/> 4-6 <input type="radio"/> 7-9 <input type="radio"/> ≥10	Answer selections provided: <input type="radio"/> <2 <input type="radio"/> 2-3 <input type="radio"/> >3 <input type="radio"/> Other	Answer selections provided: <input type="radio"/> Auditor <input type="radio"/> Compensation Consultant <input type="radio"/> Both <input type="radio"/> None
Other:	Please specify:				
Other:	Please specify:				
Other:	Please specify:				

25. Provide the frequency with which committee chairs are rotated:

- (Choose one)
- Annually
- Every 2 years
- Every 3 years
- We do not have a policy to rotate committee chairs
- Don't know/ Not applicable
- Other []

26. Provide the frequency with which committee membership rotation takes place:

- (Choose one)
- Annually
- Every 2 years
- Every 3 years
- We do not have a policy to rotate committee membership
- Don't know/ Not applicable
- Other []

27. Please specify the limit on your board's audit committee members being able to serve on the audit committees of other companies?

- (Choose one)
- 1 audit committee
- 2 audit committees
- 3 audit committees
- >3 audit committees
- We do not have limits
- Don't know/ Not applicable

Board Orientation and Training

28. Does your organization have a formal orientation program for new directors (beyond supplying a directors' manual)?

- (Choose one)
- Yes
- No
- Don't know/ Not applicable

29. Does your organization provide board education for new and existing directors on (Select all that apply)

- Risk oversight
- Management
- Anti-corruption policies (e.g. FCPA, UK Anti-bribery Act)
- Insider trading
- Political contributions
- Company policies
- Regulatory issues related to your business such as privacy, etc.

30. Which of the following best describes your board's ongoing director education program? (Select all that apply)

- Industry specific topics
- Financial and Liquidity Risk
- Market Risk
- Ethics
- Other formal training
- Don't know/ Not applicable
- Other, please specify: []

31. How do your directors learn about director education programs? (Select all that apply)

- From the corporate secretary
- From the investor relations officer
- From other management
- From other directors
- From third party mailings
- Don't know/ Not applicable
- Other, please specify: []

<p>Board Evaluations</p> <p>32. How are your directors evaluated? (Select all that apply)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Board performance evaluation survey <input type="checkbox"/> Individual peer-evaluation survey led by corporate secretary or other in-house personnel <input type="checkbox"/> Individual peer-evaluation survey led by a third party facilitator <input type="checkbox"/> Directors meet one-on-one with a designated board member <input type="checkbox"/> Our organization does not have a formal director evaluation process <input type="checkbox"/> Don't know/ Not applicable <input type="checkbox"/> Other, please describe: [] <p>33. Have you had a third party evaluate the board's effectiveness over the last three years? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know/ Not applicable <p>Strategy</p> <p>34. How often does the board discuss strategic objectives? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> At every board meeting <input type="checkbox"/> Don't know/ Not applicable <input type="checkbox"/> Other, please describe [] <p>35. Does your board participate in off-site strategy meetings with management? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know/ Not applicable <p>36. How much time does your board spend discussing risks associated with its strategy? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> 0-10% <input type="checkbox"/> 11-25% <input type="checkbox"/> 26-50% <input type="checkbox"/> 51-75% <input type="checkbox"/> Greater than 76% <input type="checkbox"/> Don't know/ Not applicable <p>Audit Committee</p> <p>37. How often does the audit committee meet annually via:</p> <p>in-person meetings (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> s5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> ≥10 <input type="checkbox"/> Don't know/ Not applicable 	<p>tele-conference calls (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> s5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> ≥10 <input type="checkbox"/> Don't know/ Not applicable <p>38. Does your organization's audit committee hold a separate meeting to review the earnings release vs. quarterly reviews or are they combined? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Separate meetings <input type="checkbox"/> Combined meetings <input type="checkbox"/> Don't know/ Not applicable <p>39. How often does your audit committee meet separately with management? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Frequently (all or almost all audit committee meetings) <input type="checkbox"/> Sometimes (two to three audit committee meetings a year) <input type="checkbox"/> Rarely (one audit committee meeting a year) <input type="checkbox"/> Never <p>40. Which members of management meet separately with the audit committee? (Select all that apply)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Chief Audit Executive (Internal Auditor) <input type="checkbox"/> General Counsel <input type="checkbox"/> Chief Executive Officer <input type="checkbox"/> Chief Financial Officer <input type="checkbox"/> Chief Risk Officer <input type="checkbox"/> Chief Compliance Officer <input type="checkbox"/> Chief Technology Officer <input type="checkbox"/> Other business unit leaders <input type="checkbox"/> Don't know/ Not applicable <input type="checkbox"/> Other, please specify: [] <p>41. Over the past year, my company's audit committee participated in a board training program covering the following topics; (Select all that apply)</p> <ul style="list-style-type: none"> <input type="checkbox"/> General continuing education <input type="checkbox"/> Specific board or governance issue <input type="checkbox"/> Learning about a new regulation <input type="checkbox"/> Risk <input type="checkbox"/> Ethics and Compliance <input type="checkbox"/> Independent Investigations <input type="checkbox"/> Sustainability and Climate Change <input type="checkbox"/> Don't know/ Not applicable <input type="checkbox"/> Other [] <p>42. Over the past year, my company's audit committee has retained a specialist for the following; (Select all that apply)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Mergers and acquisitions <input type="checkbox"/> Tax <input type="checkbox"/> Valuation <input type="checkbox"/> Risk (compliance, financial liquidity, credit, interest rate) <input type="checkbox"/> Internal investigations <input type="checkbox"/> Foreign Corrupt Practices Act (FCPA) <input type="checkbox"/> Don't know/ Not applicable <input type="checkbox"/> Other [] <p>43. Does the audit committee conduct performance evaluations of its committee members? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know/ Not applicable <p>44. How often does the audit committee receive reports on internal tips from a compliance hotline? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Frequently (five or more times a year) <input type="checkbox"/> Sometimes (two to four times a year) <input type="checkbox"/> Rarely (once a year) <input type="checkbox"/> Never <p>45. Has your helpline received an increase in tips in the last year as a result of the new SEC whistleblower rules implemented as a result of the Dodd-Frank Act? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know/ Not applicable <p>Risk Oversight, disclosure committee, and political contributions</p> <p>46. What best describes how your board assigns risk oversight for the organization's risk management program? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> We have a board risk committee <input type="checkbox"/> The audit committee has primary responsibility for risk oversight <input type="checkbox"/> Risk oversight responsibilities are spread across all board committees <input type="checkbox"/> The full board is responsible for risk oversight <input type="checkbox"/> Don't know/ Not applicable <input type="checkbox"/> Other, please specify: [] <p>47. If you have a board level risk committee, does it have a risk expert, as defined by the Dodd-Frank Act? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know/ Not applicable <p>48. If risk oversight is shared by multiple committees, how does the board coordinate these activities? (select all that apply)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Cross membership of the committees <input type="checkbox"/> Joint meetings <input type="checkbox"/> Risk presentations repeated at multiple committee meetings <input type="checkbox"/> Detailed discussions at the full board meeting <input type="checkbox"/> Sharing of minutes or other meeting materials <input type="checkbox"/> Not applicable; risk oversight is not shared by multiple committees <input type="checkbox"/> Don't know/ Not applicable <input type="checkbox"/> Other, please specify [] <p>49. If your organization has a management disclosure committee, to whom does it report? (Select all that apply)</p> <ul style="list-style-type: none"> <input type="checkbox"/> General Counsel <input type="checkbox"/> Head of Internal Audit <input type="checkbox"/> CEO <input type="checkbox"/> CFO <input type="checkbox"/> Board/ Board Committee <input type="checkbox"/> Don't know/ Not applicable <input type="checkbox"/> Other, please specify: [] <p>50. Does your company make political contributions? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know/ Not applicable <p>50a. If so does your company's board oversee such contributions? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <p>50b. Does your company disclose its political contributions? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <p>51. Does your company disclose membership in trade associations that may make independent political expenditures? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know/ Not applicable <p>52. Does your company disclose the amount spent on lobbying? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know/ Not applicable <p>53. Has your company imposed any limitations on political contributions by directors individually? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know/ Not applicable <p>CEO Succession Planning</p> <p>54. How often does the full board review CEO succession plans? (Choose one)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Greater than once a year <input type="checkbox"/> Once a year <input type="checkbox"/> Less than once a year (e.g. every two years) <input type="checkbox"/> Only when a change in circumstance requires <input type="checkbox"/> Never <input type="checkbox"/> Don't know/ Not applicable
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<p>55. Who has the primary responsibility over the CEO succession planning process? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Entire board <input type="radio"/> Compensation Committee <input type="radio"/> Nominating/Corporate Governance Committee <input type="radio"/> Independent directors <input type="radio"/> CEO <input type="radio"/> Don't know/ Not applicable <input type="radio"/> Other, please specify: [] <p>56. Does your company disclose its succession plan policy or process? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable <p>CEO Performance Evaluation</p> <p>57. Who has the lead responsibility over the CEO performance evaluation process? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Entire board <input type="radio"/> Compensation Committee <input type="radio"/> Nominating/Corporate Governance Committee <input type="radio"/> Independent Chair or Lead Director <input type="radio"/> Don't know/ Not applicable <input type="radio"/> Other, please specify: [] <p>Shareholder Engagement and Shareholder Activism</p> <p>58. Does your company have a policy requiring directors to attend the annual shareholders' meeting? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable <p>59. Do you have a policy relating to contact between directors and shareholders? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable <p>60. What percentage of shareholders did your corporate secretary, the board, or senior management, interact with over the past year? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> None <input type="radio"/> 1-5% <input type="radio"/> 6-10% <input type="radio"/> 11-15% <input type="radio"/> 16-20% <input type="radio"/> >20% <input type="radio"/> Don't know/ Not applicable 	<p>61. Have members of your board had direct contact with shareholder(s) or shareholder groups over the past year? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> No Board members had direct contact <input type="radio"/> One board member had direct contact <input type="radio"/> Greater than one board members had direct contact <input type="radio"/> All board members had direct contact <input type="radio"/> Don't know/ Not applicable <p>62. Has your organization been approached by a shareholder activist within the last 12 months? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable <p>63. Has your board held what is known as a "Fifth Analyst" call with investors? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> No, but we have considered it <input type="radio"/> Not familiar with the term <p>Board's Use of Technology</p> <p>64. Please specify how your organization distributes board materials. (Select all that apply)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Through unsecured e-mail, (e.g. internet server) <input type="checkbox"/> Through secure e-mail, (e.g. company email server) <input type="checkbox"/> Through an internal or external board portal <input type="checkbox"/> Through mailing of hardcopies <input type="checkbox"/> In-person at board meetings <input type="checkbox"/> Using an application for the iPad or other tablet device <p>65. How would you evaluate the board's use of technology for board service matters? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Level of use is increasing year-over-year <input type="radio"/> Level of use is decreasing year-over-year <input type="radio"/> No change <input type="radio"/> Don't know/ Not applicable <p>66. If your organization does not have a board portal, which statement below best explains your company's view on the technology platform? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> We have considered the use of board portals but do not currently see a need for this technology <input type="radio"/> We are currently considering the benefits of the use of board portals <input type="radio"/> We will be introducing this technology in the near future <input type="radio"/> We have not considered board portal technology <input type="radio"/> Don't know/ Not applicable
<p>67. Do your directors use social media sites associated with your organization? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable <p>68. Does your company have a social media policy for employees? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable <p>69. In the past year, has your board received a report on, or discussed, the usage of social media by employees or customers? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable <p>Sustainability</p> <p>70. Is your organization's corporate social responsibility or sustainability report available on your organization's website? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable <p>71. Is the board and/or a board committee involved in the oversight of the organization's corporate social responsibility or sustainability effort and related public disclosures? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable <p>72. In the past year, has your company's strategy incorporated new sustainability initiatives? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable <p>Compliance/ Culture/ Setting the Tone at the Top</p> <p>73. Given the SEC whistleblower rules as of May 2011, has your board or audit committee asked management to take specific steps to create or enhance a culture of candid and open communication? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No 	<p>74. How often does your organization conduct cultural surveys of employees? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Annually <input type="radio"/> Only in certain circumstances <input type="radio"/> We do not conduct cultural surveys <input type="radio"/> Don't know/ Not applicable <input type="radio"/> Other, please describe [] <p>74a. If cultural surveys are conducted by your organization, does management review the survey findings with the board? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Management reviews the survey findings with the board <input type="radio"/> Management reviews the survey findings with the board in certain circumstances <input type="radio"/> Management does not review the survey findings with the board <input type="radio"/> Don't know/ Not applicable <p>75. Which individual(s) are responsible for reporting ethics and compliance matters to the board? (Select all that apply)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Chief Risk Officer <input type="checkbox"/> Chief Compliance Officer <input type="checkbox"/> Internal Audit Director <input type="checkbox"/> General Counsel <input type="checkbox"/> Corporate Secretary <input type="checkbox"/> None <input type="checkbox"/> Don't know/ Not applicable <input type="checkbox"/> Other, please describe [] <p>76. Has your company established an anti-hedging policy that applies to directors? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> My company has established an anti-hedging policy that applies to directors <input type="radio"/> My company has not established an anti-hedging policy that applies to directors <input type="radio"/> We are considering the establishment of such a policy <input type="radio"/> Don't know/ Not applicable <p>Private Sessions</p> <p>77. Do non-employee directors have direct access to management below the CEO level (not including boardroom presentations) without CEO approval? (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable <p>78. All board meeting agendas allot time for an executive session. (Choose one)</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know/ Not applicable

About the Society

The Society of Corporate Secretaries and Governance Professionals, Inc. (the Society), is a professional association founded in 1946, with about 3,000 members who serve over 1,200 public companies, and other private and nonprofit entities. Responsibilities of members of the Society include advising corporate boards of directors; their audit, compensation and governance committees, and executive management regarding corporate governance and disclosure. Members provide expertise to their corporations in securities laws, including U.S. and international securities offerings, listing requirements and accounting rules. Members of the Society have been on the front line in designing and implementing the disclosure and governance enhancements required by the Sarbanes-Oxley Act of 2002 and most recently the governance provisions of the Dodd-Frank Wall Street Financial Reform and Consumer Protection Act, as well as the related rules of the U.S. Securities and Exchange Commission, the Public Company Accounting Oversight Board, and the stock exchanges.

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