

Board Practices Quarterly
**Evolving lines of responsibility
between the board and management**

March 2024

Results by respondent demographic

Board Practices Quarterly

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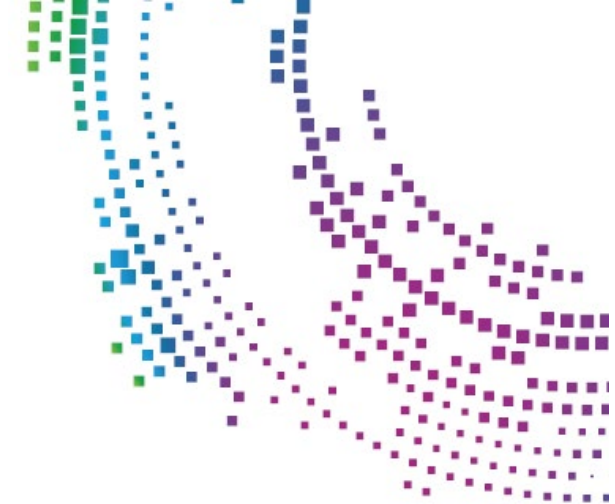


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Respondents, primarily corporate secretaries, in-house counsel, and other in-house governance professionals, represent public companies.

Public company respondent market capitalization as of December 2023: 42% large-cap (which includes mega- and large-cap) (> \$10 billion); 51% mid-cap (\$2 billion to \$10 billion); and 8% small-cap (which includes small-, micro-, and nano-cap) (< \$2 billion). Respondent industry breakdown: 26% financial services; 24% energy, resources, and industrials; 23% consumer; 15% technology, media, and telecommunications; and 13% life sciences and health care.

Results pertaining to small-cap and private companies have been omitted due to limited respondent population.

Response percentages may not add up to 100% due to rounding.

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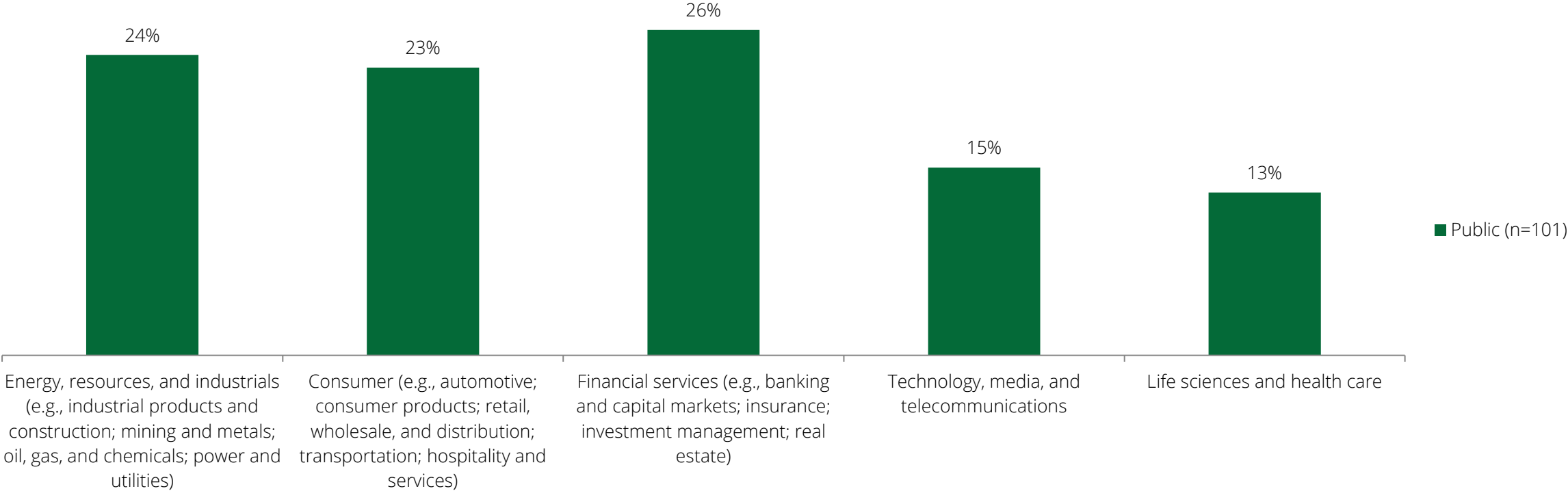
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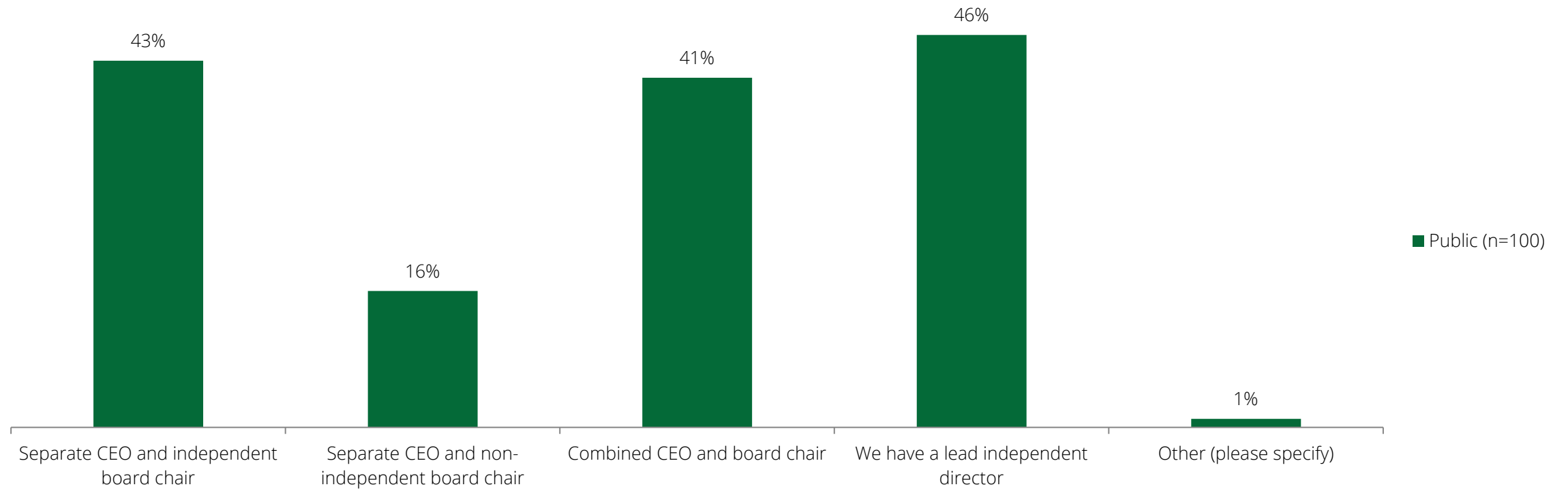
Public companies

101 public companies responded to the survey. An “n” value is provided to show the actual number of responses for each question.

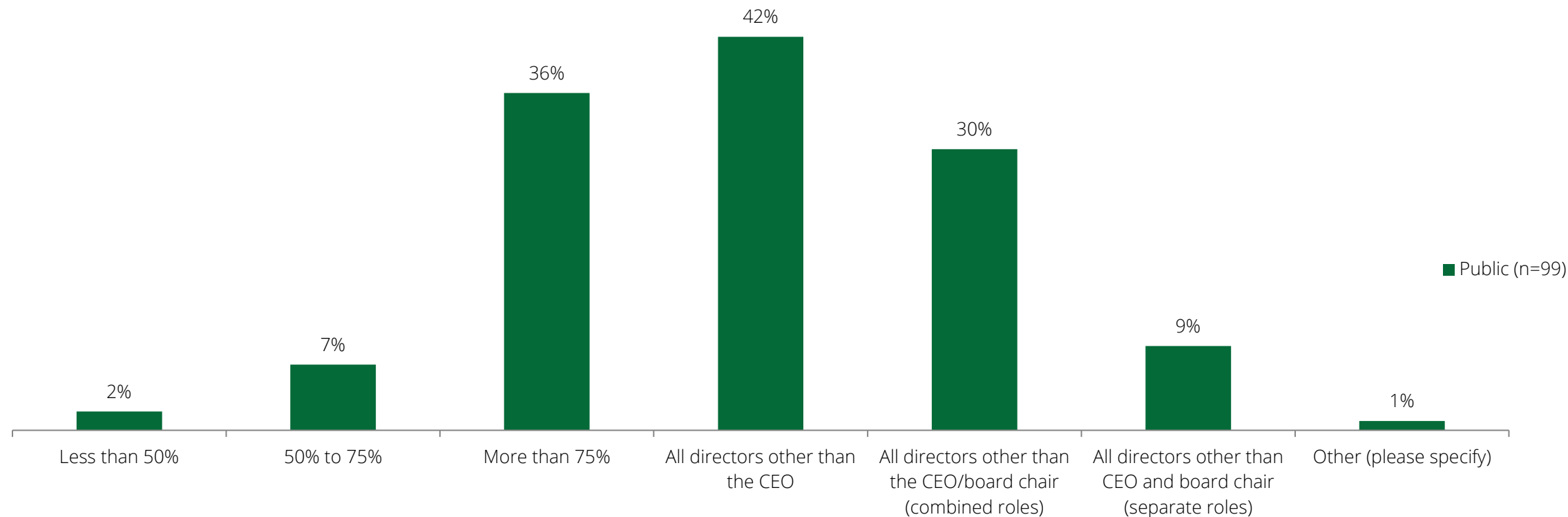
Indicate which best describes your company's industry:



Which describes your board leadership structure? [Select all that apply]

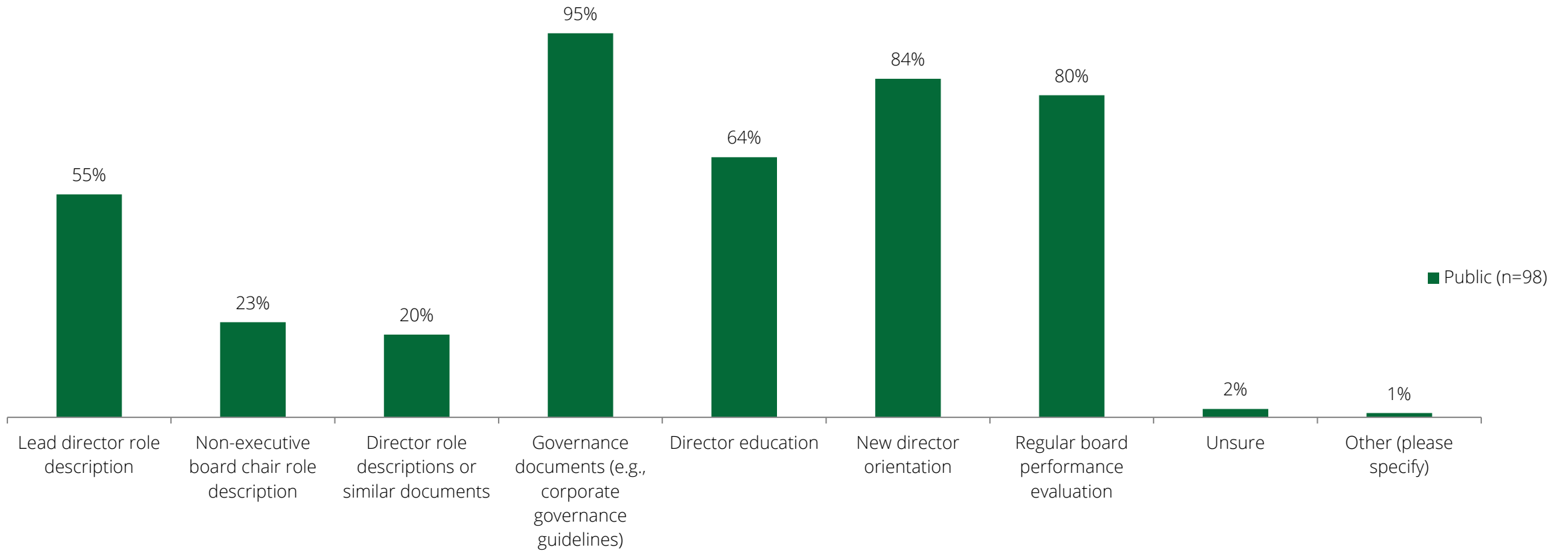


Which describes the representation of independent, non-executive directors on your board? [Select all that apply]



Note: 0% responded: "Unsure."

What practices does your company utilize to establish a mutual understanding among the board and management of their respective roles and responsibilities? [Select all that apply]



Indicate the approval authority of your board with respect to the development/update of the following activities. [Select all that apply]
 (Note: Subsequent survey questions address board involvement—beyond approval authority—in a number of these activities.)

Public companies (n=71)

	Board approval required	Board committee approval required	Board review only	Board committee review only	No board or board committee review or approval required	Unsure	N/A
Succession plan for C-suite (or equivalent) other than CEO	30%	21%	38%	24%	3%	3%	0%
Succession plan for below C-suite (or equivalent)	1%	8%	23%	25%	41%	3%	1%
Annual budget	73%	9%	17%	1%	4%	0%	0%
Code of conduct/ethics for C-suite (or equivalent)	69%	29%	3%	9%	6%	1%	0%
Code of conduct/ethics for below C-suite (or equivalent)	64%	24%	3%	7%	10%	3%	1%
Delegations of authority to below the C-suite (or equivalent)	31%	13%	10%	3%	43%	7%	0%
Travel and expense policy for C-suite (or equivalent)	11%	6%	9%	6%	66%	1%	4%
Insider trading policy/10b5-1 plans	42%	28%	4%	13%	24%	1%	0%
M&A strategy	35%	13%	49%	7%	3%	1%	3%
Marketing/branding strategy	3%	1%	48%	6%	34%	6%	4%
Media strategy	0%	1%	31%	6%	46%	6%	10%
Multiyear (i.e., longer-term) strategic plan	44%	10%	51%	4%	1%	0%	0%
Shareholder engagement strategy	1%	6%	34%	37%	21%	3%	7%
Social impact or corporate responsibility strategy	4%	20%	25%	51%	8%	1%	3%
Stakeholder (non-shareholder, e.g., vendors, suppliers) engagement policy or strategy	1%	1%	13%	14%	52%	8%	11%
Sustainability strategy	7%	20%	30%	41%	10%	1%	7%
Annual health and wellness plan(s) for workforce	0%	4%	1%	26%	59%	4%	7%
Compensation and benefits programs for workforce below C-suite (or equivalent)	7%	13%	7%	44%	32%	1%	1%
Interaction with workforce below C-suite (or equivalent)	1%	0%	11%	14%	50%	13%	14%
Selection, appointment, and termination of C-suite (or equivalent) other than CEO	51%	30%	26%	9%	6%	1%	0%
Vacation/PTO policy for workforce	0%	1%	1%	11%	70%	4%	11%

Bolded percentages indicate where there is at least a majority of responses.

Which best describes the involvement of your board and/or board committee with respect to the following corporate strategy-related activities?

(Note: This excludes required review and/or approval as part of the company's governance guidelines or policies.)

Public companies (n=66)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
M&A strategy development/update	85%	12%	2%	0%	2%
Marketing/branding strategy development/update	17%	56%	21%	3%	3%
Media strategy development/update	6%	39%	48%	3%	3%
Multiyear (i.e., longer-term) strategic plan development/update	94%	3%	2%	0%	2%
Shareholder engagement strategy	21%	56%	18%	2%	3%
Social impact or corporate responsibility strategy development/update	47%	44%	8%	0%	2%
Stakeholder (non-shareholder, e.g., vendors, suppliers) engagement strategy	11%	39%	47%	2%	2%
Sustainability strategy development/update	52%	39%	8%	0%	2%

Bolded percentages indicate where there is at least a majority of responses.

Which best describes the involvement of your board and/or board committee with respect to the following human capital-related activities?

(Note: This excludes required review and/or approval as part of the company's governance guidelines or policies.)

Public companies (n=64)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
Annual health and wellness plan(s) for workforce	8%	31%	58%	2%	2%
Benefits plans for workforce	13%	38%	48%	2%	0%
Compensation programs for workforce below senior management level	17%	45%	38%	0%	0%
Interaction with workforce below management level	5%	44%	47%	3%	2%
Management (other than CEO) succession planning	67%	28%	3%	2%	0%
Succession planning below management level	6%	38%	55%	2%	0%
Vacation/PTO policy for workforce	2%	10%	87%	2%	0%

Bolded percentages indicate where there is at least a majority of responses.

Which best describes the involvement of your board and/or board committee with respect to the following operations-related activities?

(Note: This excludes required review and/or approval as part of the company's governance guidelines or policies.)

Public companies (n=63)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
M&A due diligence	14%	27%	57%	0%	2%
M&A integration	22%	41%	35%	0%	2%
Media responses or outreach	0%	48%	51%	2%	0%
Participation in disclosure committee meetings	2%	6%	90%	0%	2%
Selection of primary outside corporate counsel	0%	17%	81%	0%	2%
Selection of banking institution(s) for any purpose (e.g., investments, payroll, deposit, borrowing, or other relationships)	0%	19%	79%	0%	2%
Shareholder engagement	5%	83%	11%	2%	0%
Stakeholder (non-shareholder, e.g., vendors, suppliers) engagement	2%	19%	78%	2%	0%
Sustainability strategy implementation	10%	46%	43%	2%	0%

Bolded percentages indicate where there is at least a majority of responses.

Which best describes the involvement of your board and/or board committee with respect to the following risk management/risk mitigation-related activities? (Note: This excludes required review and/or approval as part of the company's governance guidelines or policies.)

Public companies (n=62)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
Annual risk management plan(s) development/update	79%	13%	8%	0%	0%
Risk profile development/update	65%	26%	10%	0%	0%
Crisis response	37%	53%	8%	2%	0%
Cyber incident response	44%	52%	3%	2%	0%
Shareholder activism response	66%	29%	0%	2%	3%

Bolded percentages indicate where there is at least a majority of responses.

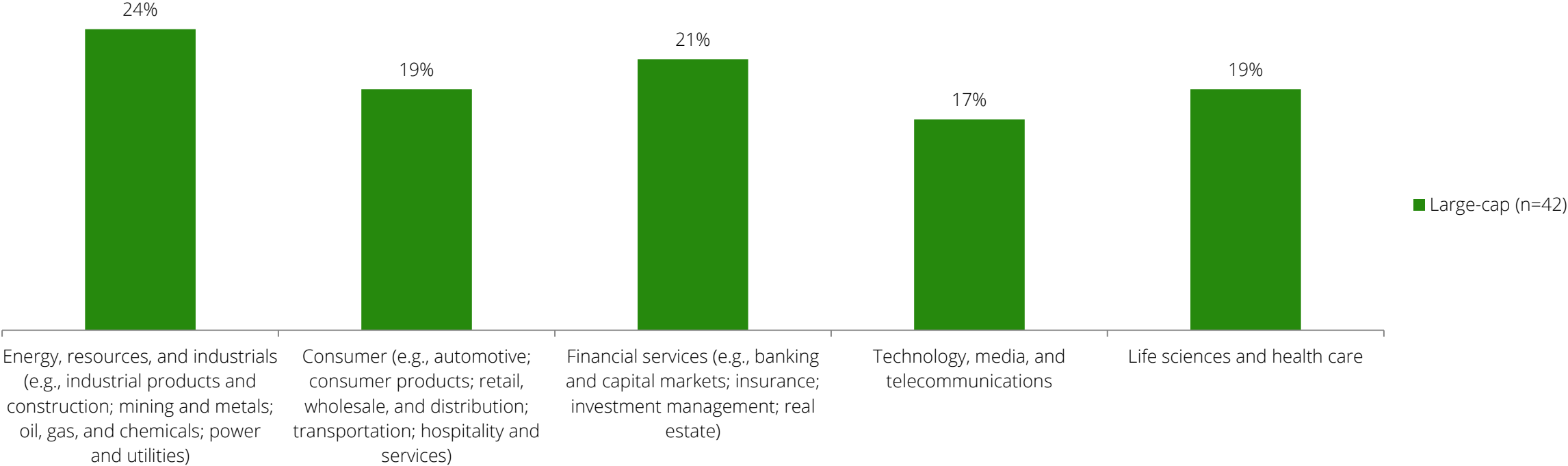


Public companies

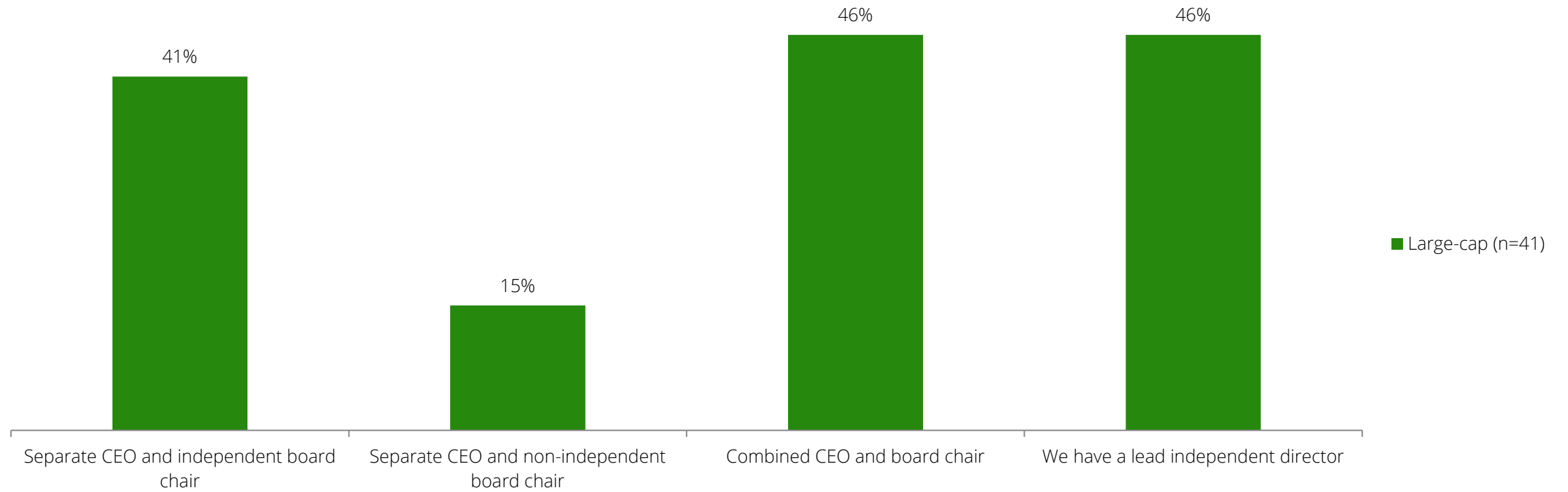
Mega- and large-cap (>\$10 billion)

42 mega- and large-cap public companies responded to the survey. An “n” value is provided to show the actual number of responses for each question.

Indicate which best describes your company's industry:

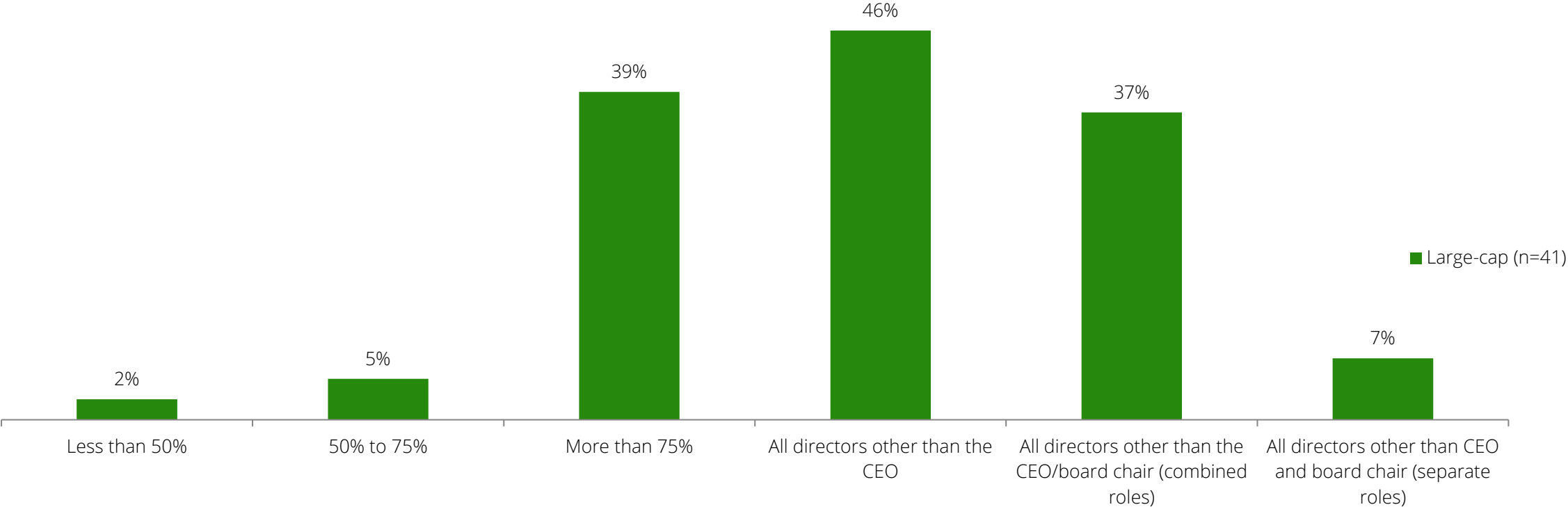


Which describes your board leadership structure? [Select all that apply]



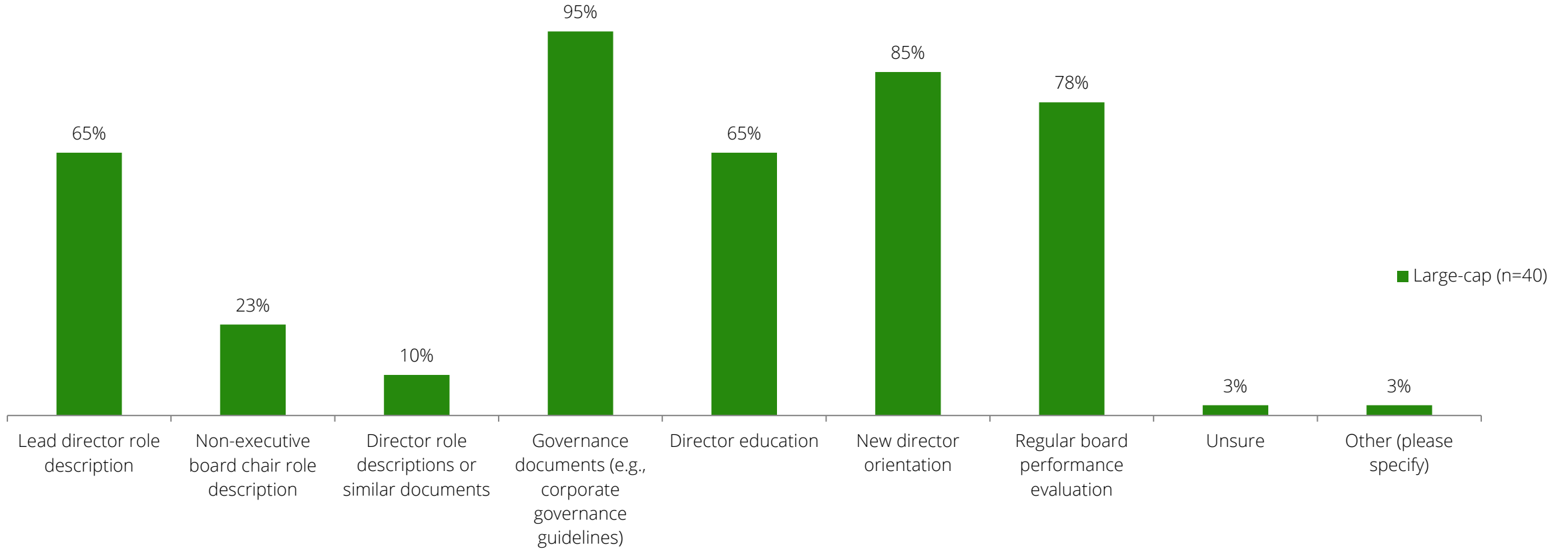
Note: 0% responded: "Other (please specify)."

Which describes the representation of independent, non-executive directors on your board? [Select all that apply]



Note: 0% responded: "Unsure" and "Other (please specify)."

What practices does your company utilize to establish a mutual understanding among the board and management of their respective roles and responsibilities? [Select all that apply]



Indicate the approval authority of your board with respect to the development/update of the following activities. [Select all that apply]
 (Note: Subsequent survey questions address board involvement—beyond approval authority—in a number of these activities.)

Large-cap (n=31)

	Board approval required	Board committee approval required	Board review only	Board committee review only	No board or board committee review or approval required	Unsure	N/A
Succession plan for C-suite (or equivalent) other than CEO	32%	32%	32%	26%	0%	3%	0%
Succession plan for below C-suite (or equivalent)	0%	16%	23%	23%	39%	3%	0%
Annual budget	71%	16%	16%	0%	3%	0%	0%
Code of conduct/ethics for C-suite (or equivalent)	77%	23%	3%	13%	6%	0%	0%
Code of conduct/ethics for below C-suite (or equivalent)	71%	13%	3%	10%	13%	3%	3%
Delegations of authority to below the C-suite (or equivalent)	39%	19%	10%	0%	39%	10%	0%
Travel and expense policy for C-suite (or equivalent)	10%	10%	13%	3%	65%	0%	6%
Insider trading policy/10b5-1 plans	39%	29%	3%	13%	29%	0%	0%
M&A strategy	35%	10%	48%	10%	6%	3%	3%
Marketing/branding strategy	3%	3%	45%	6%	35%	6%	3%
Media strategy	0%	0%	32%	6%	48%	3%	10%
Multiyear (i.e., longer-term) strategic plan	45%	19%	42%	3%	3%	0%	0%
Shareholder engagement strategy	0%	3%	26%	42%	32%	3%	3%
Social impact or corporate responsibility strategy	10%	26%	26%	45%	10%	3%	0%
Stakeholder (non-shareholder, e.g., vendors, suppliers) engagement policy or strategy	0%	3%	10%	19%	48%	13%	6%
Sustainability strategy	16%	32%	29%	35%	13%	3%	0%
Annual health and wellness plan(s) for workforce	0%	7%	0%	33%	50%	7%	3%
Compensation and benefits programs for workforce below C-suite (or equivalent)	10%	13%	6%	35%	39%	3%	0%
Interaction with workforce below C-suite (or equivalent)	0%	0%	17%	10%	47%	17%	13%
Selection, appointment, and termination of C-suite (or equivalent) other than CEO	57%	33%	33%	7%	0%	3%	0%
Vacation/PTO policy for workforce	0%	0%	3%	17%	60%	10%	10%

Bolded percentages indicate where there is at least a majority of responses.

Which best describes the involvement of your board and/or board committee with respect to the following corporate strategy-related activities?

(Note: This excludes required review and/or approval as part of the company's governance guidelines or policies.)

Large-cap (n=30)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
M&A strategy development/update	77%	23%	0%	0%	0%
Marketing/branding strategy development/update	10%	63%	20%	3%	3%
Media strategy development/update	7%	40%	47%	3%	3%
Multiyear (i.e., longer-term) strategic plan development/update	93%	3%	3%	0%	0%
Shareholder engagement strategy	23%	50%	27%	0%	0%
Social impact or corporate responsibility strategy development/update	60%	37%	3%	0%	0%
Stakeholder (non-shareholder, e.g., vendors, suppliers) engagement strategy	13%	43%	43%	0%	0%
Sustainability strategy development/update	63%	33%	3%	0%	0%

Bolded percentages indicate where there is at least a majority of responses.

Which best describes the involvement of your board and/or board committee with respect to the following human capital-related activities?

(Note: This excludes required review and/or approval as part of the company's governance guidelines or policies.)

Large-cap (n=29)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
Annual health and wellness plan(s) for workforce	7%	34%	52%	3%	3%
Benefits plans for workforce	14%	31%	52%	3%	0%
Compensation programs for workforce below senior management level	17%	41%	41%	0%	0%
Interaction with workforce below management level	3%	52%	41%	3%	0%
Management (other than CEO) succession planning	66%	28%	3%	3%	0%
Succession planning below management level	7%	34%	55%	3%	0%
Vacation/PTO policy for workforce	0%	14%	82%	4%	0%

Bolded percentages indicate where there is at least a majority of responses.

Which best describes the involvement of your board and/or board committee with respect to the following operations-related activities?

(Note: This excludes required review and/or approval as part of the company's governance guidelines or policies.)

Large-cap (n=28)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
M&A due diligence	14%	25%	61%	0%	0%
M&A integration	25%	36%	39%	0%	0%
Media responses or outreach	0%	39%	57%	4%	0%
Participation in disclosure committee meetings	0%	11%	89%	0%	0%
Selection of primary outside corporate counsel	0%	11%	89%	0%	0%
Selection of banking institution(s) for any purpose (e.g., investments, payroll, deposit, borrowing, or other relationships)	0%	11%	89%	0%	0%
Shareholder engagement	11%	86%	4%	0%	0%
Stakeholder (non-shareholder, e.g., vendors, suppliers) engagement	4%	18%	79%	0%	0%
Sustainability strategy implementation	21%	36%	43%	0%	0%

Bolded percentages indicate where there is at least a majority of responses.

Which best describes the involvement of your board and/or board committee with respect to the following risk management/risk mitigation-related activities? (Note: This excludes required review and/or approval as part of the company's governance guidelines or policies.)

Large-cap (n=27)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
Annual risk management plan(s) development/update	70%	19%	11%	0%	0%
Risk profile development/update	56%	33%	11%	0%	0%
Crisis response	37%	52%	11%	0%	0%
Cyber incident response	44%	56%	0%	0%	0%
Shareholder activism response	56%	41%	0%	0%	4%

Bolded percentages indicate where there is at least a majority of responses.

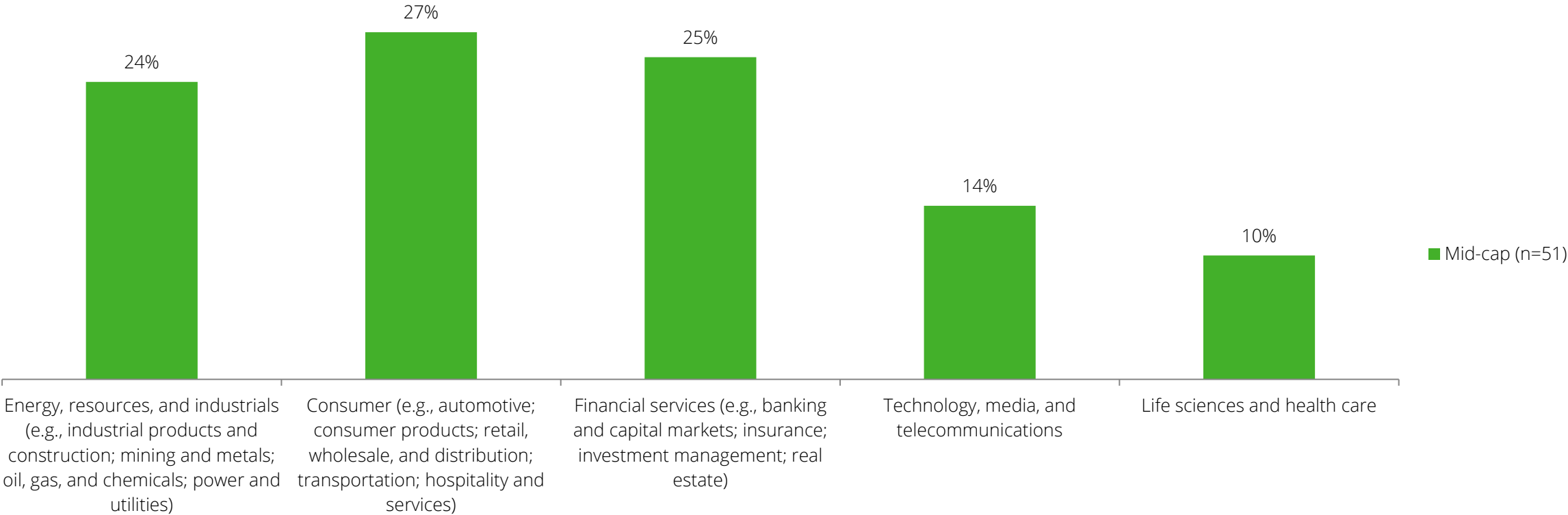


Public companies

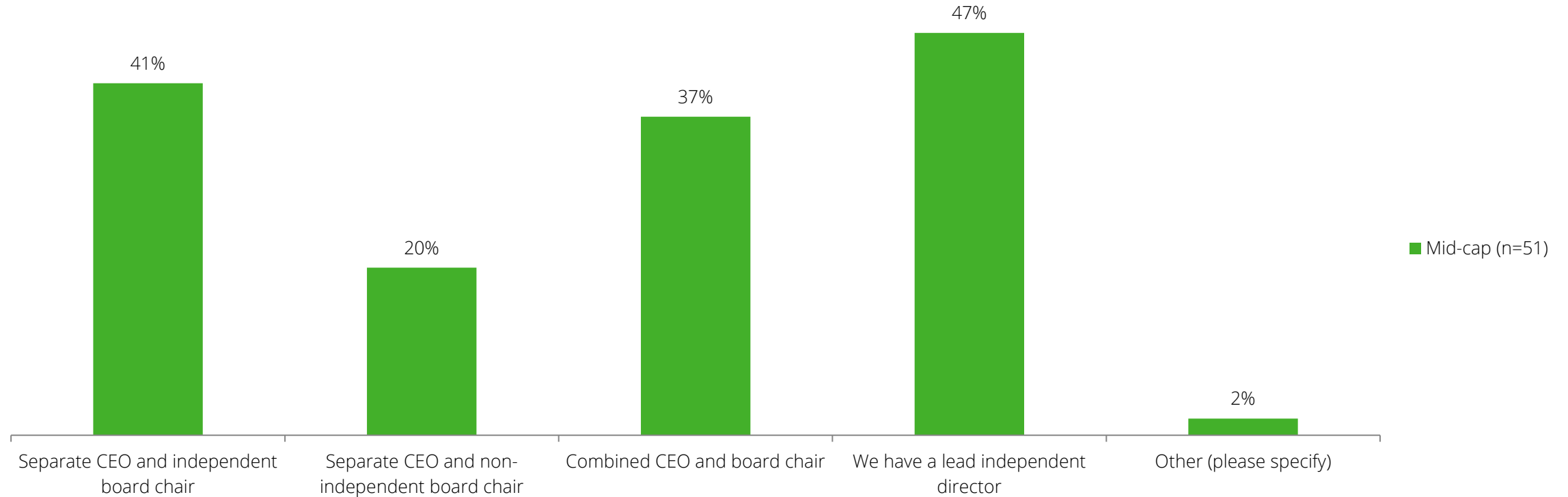
Mid-cap (\$2 billion to \$10 billion)

51 mid-cap public companies responded to the survey. An “n” value is provided to show the actual number of responses for each question.

Indicate which best describes your company's industry:

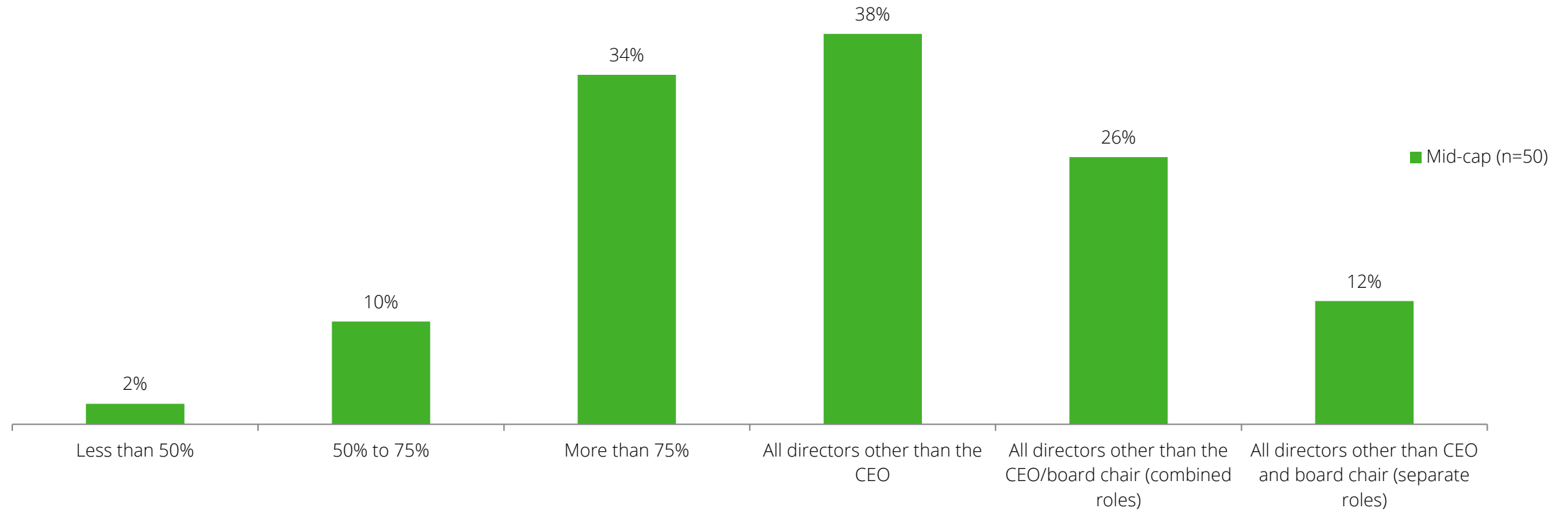


Which describes your board leadership structure? [Select all that apply]



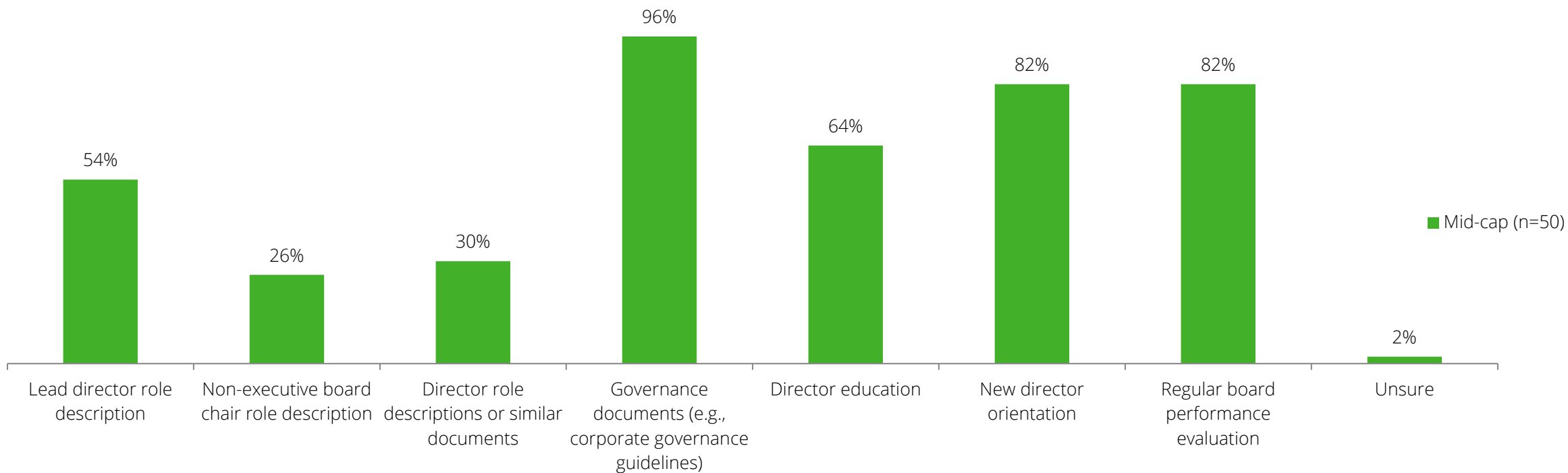
Note: 0% responded: "Other (please specify.)"

Which describes the representation of independent, non-executive directors on your board? [Select all that apply]



Note: 0% responded: "Unsure" and "Other (please specify.)"

What practices does your company utilize to establish a mutual understanding among the board and management of their respective roles and responsibilities? [Select all that apply]



Note: 0% responded: "Other (please specify)."

Indicate the approval authority of your board with respect to the development/update of the following activities. [Select all that apply]
 (Note: Subsequent survey questions address board involvement—beyond approval authority—in a number of these activities.)

Mid-cap (n=35)

	Board approval required	Board committee approval required	Board review only	Board committee review only	No board or board committee review or approval required	Unsure	N/A
Succession plan for C-suite (or equivalent) other than CEO	26%	9%	46%	23%	6%	3%	0%
Succession plan for below C-suite (or equivalent)	3%	3%	20%	26%	43%	3%	3%
Annual budget	71%	3%	21%	3%	6%	0%	0%
Code of conduct/ethics for C-suite (or equivalent)	62%	32%	3%	6%	6%	3%	0%
Code of conduct/ethics for below C-suite (or equivalent)	59%	32%	3%	6%	9%	3%	0%
Delegations of authority to below the C-suite (or equivalent)	21%	9%	12%	6%	47%	6%	0%
Travel and expense policy for C-suite (or equivalent)	9%	3%	3%	9%	71%	3%	3%
Insider trading policy/10b5-1 plans	43%	26%	6%	14%	23%	3%	0%
M&A strategy	31%	14%	54%	6%	0%	0%	3%
Marketing/branding strategy	3%	0%	51%	6%	29%	6%	6%
Media strategy	0%	3%	31%	6%	40%	9%	11%
Multiyear (i.e., longer-term) strategic plan	43%	3%	57%	6%	0%	0%	0%
Shareholder engagement strategy	3%	9%	37%	31%	11%	3%	11%
Social impact or corporate responsibility strategy	0%	14%	26%	51%	9%	0%	6%
Stakeholder (non-shareholder, e.g., vendors, suppliers) engagement policy or strategy	3%	0%	17%	11%	49%	6%	17%
Sustainability strategy	0%	11%	31%	46%	3%	0%	14%
Annual health and wellness plan(s) for workforce	0%	3%	3%	23%	60%	3%	11%
Compensation and benefits programs for workforce below C-suite (or equivalent)	3%	11%	6%	54%	29%	0%	3%
Interaction with workforce below C-suite (or equivalent)	3%	0%	6%	20%	54%	9%	14%
Selection, appointment, and termination of C-suite (or equivalent) other than CEO	43%	31%	23%	9%	11%	0%	0%
Vacation/PTO policy for workforce	0%	0%	0%	9%	77%	0%	14%

Bolded percentages indicate where there is at least a majority of responses.
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Which best describes the involvement of your board and/or board committee with respect to the following corporate strategy-related activities?

(Note: This excludes required review and/or approval as part of the company's governance guidelines or policies.)

Mid-cap (n=31)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
M&A strategy development/update	94%	0%	3%	0%	3%
Marketing/Branding strategy development/update	26%	45%	23%	3%	3%
Media strategy development/update	6%	39%	48%	3%	3%
Multiyear (i.e., longer-term) strategic plan development/update	97%	0%	0%	0%	3%
Shareholder engagement strategy	23%	55%	13%	3%	6%
Social impact or corporate responsibility strategy development/update	35%	48%	13%	0%	3%
Stakeholder (non-shareholder, e.g., vendors, suppliers) engagement strategy	10%	39%	45%	3%	3%
Sustainability strategy development/update	45%	42%	10%	0%	3%

Bolded percentages indicate where there is at least a majority of responses.

Which best describes the involvement of your board and/or board committee with respect to the following human capital-related activities?

(Note: This excludes required review and/or approval as part of the company’s governance guidelines or policies.)

Mid-cap (n=30)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
Annual health and wellness plan(s) for workforce	7%	30%	63%	0%	0%
Benefits plans for workforce	10%	43%	47%	0%	0%
Compensation programs for workforce below senior management level	17%	47%	37%	0%	0%
Interaction with workforce below management level	7%	37%	50%	3%	3%
Management (other than CEO) succession planning	63%	33%	3%	0%	0%
Succession planning below management level	3%	40%	57%	0%	0%
Vacation/PTO policy for workforce	0%	7%	93%	0%	0%

Bolded percentages indicate where there is at least a majority of responses.

Which best describes the involvement of your board and/or board committee with respect to the following operations-related activities?

(Note: This excludes required review and/or approval as part of the company's governance guidelines or policies.)

Mid-cap (n=30)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
M&A due diligence	13%	27%	57%	0%	3%
M&A integration	17%	43%	37%	0%	3%
Media responses or outreach	0%	50%	50%	0%	0%
Participation in Disclosure Committee meetings	0%	3%	93%	0%	3%
Selection of primary outside corporate counsel	0%	20%	77%	0%	3%
Selection of banking institution(s) for any purpose (e.g., investments, payroll, deposit, borrowing, or other relationships)	0%	23%	73%	0%	3%
Shareholder engagement	0%	77%	20%	3%	0%
Stakeholder (non-shareholder, e.g., vendors, suppliers) engagement	0%	17%	80%	3%	0%
Sustainability strategy implementation	0%	50%	47%	3%	0%

Bolded percentages indicate where there is at least a majority of responses.

Which best describes the involvement of your board and/or board committee with respect to the following risk management/risk mitigation-related activities? (Note: This excludes required review and/or approval as part of the company's governance guidelines or policies.)

Mid-cap (n=30)

	Always or regularly involved	Sometimes or rarely involved (e.g., depending on circumstances)	No involvement	Unsure	N/A
Annual risk management plan(s) development/update	87%	7%	7%	0%	0%
Risk profile development/update	70%	20%	10%	0%	0%
Crisis response	37%	53%	7%	3%	0%
Cyber incident response	43%	47%	7%	3%	0%
Shareholder activism response	77%	17%	0%	3%	3%

Bolded percentages indicate where there is at least a majority of responses.

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Founded in 1946, the Society is a professional membership association of more than 3,700 corporate secretaries, in-house counsel, outside counsel, and other governance professionals who serve approximately 1,000 public companies of almost every size and industry.

About the Center for Board Effectiveness

Deloitte's Center for Board Effectiveness helps directors deliver value to the organizations they serve through a portfolio of high quality, innovative experiences throughout their tenure as board members. Whether an individual is aspiring to board participation or has extensive board experience, the Center's programs enable them to contribute effectively and provide focus in the areas of governance and audit, strategy, risk, innovation, compensation, and succession.

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