

Highlights from the 2016 Board Practices Report

This infographic highlights results from the 2016 Board Practices Report published by the Society for Corporate Governance, in collaboration with Deloitte LLP's Center for Board Effectiveness. The report presents findings from a survey distributed late 2016 to the public company members of the Society, varying in size and industry. The survey covered over 15 board governance areas, including established board practices and new trends. Some highlights include data from previous editions of this report.

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



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



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



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



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



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



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



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



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



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

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



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



46% said their board equity plans **have compensation limits.**



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



About this publication

This publication contains general information only and is not a substitute for professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. The authors shall not be responsible for any loss sustained by any person who relies on this communication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.