Governance Insights Center

The governance divide

Boards and investors in a shifting world

PwC's 2017 Annual Corporate Directors Survey

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Note: Due to rounding, some charts may not add to 100%

Executive summary

Against the backdrop of a new administration in Washington and growing social divisiveness, US public company directors are faced with great expectations from investors and the public. Perhaps now more than ever, public companies are being asked to take the lead in addressing some of society's most difficult problems. From seeking action on climate change to advancing diversity, stakeholder expectations are increasing and many companies are responding.

In part, this responsiveness is driven by changes in who owns public companies today. Institutional investors now own 70% of US public company stock, much of which is held in index funds.[1] Many of these passive investors believe that seeking improvements in corporate governance is one of the only levers they have to improve company performance. And these shareholders are exerting their influence with management teams and the board through their governance policies, direct engagement and proxy voting.

But boards and shareholders don't always agree, and the corporate governance environment itself is not immune to divisiveness. In fact, our research shows that directors are clearly out of step with investor priorities in some critical areas.

One of these areas is environmental issues. During the 2017 proxy season, a handful of shareholder proposals on environmental issues, like climate change, gained majority shareholder support. This is the first time we have seen these types of proposals pass, and they did so with the help of some of the largest institutional investors like BlackRock, Vanguard and Fidelity. For their part, some of the largest US companies declared their continuing commitment to take action fighting climate change, even as the US announced its withdrawal from the Paris climate accord.

About the survey

For over a decade, PwC's *Annual Corporate Directors Survey* has gauged the views of public company directors from across the United States on a variety of corporate governance matters. In the summer of 2017, 886 directors participated in our survey. The respondents represent a cross-section of companies from over a dozen industries, 75% of which have annual revenues of more than $1 billion. Eighty-four percent of the respondents were men, and 16% were women. Their board tenure varied, but 60% have served on their board for five or more years.

But despite increased shareholder interest in environmental risk, there appears to be a disconnect when it comes to the views in many boardrooms. A majority of directors tell us that their boards don't need sustainability expertise. A surprising number also say their company's strategy isn't being influenced by climate change or resource scarcity, and that they don't think environmental concerns will impact their current strategy. Companies and investors may be driving the agenda, but rather than leading the way in this area, many directors are being carried along.

Gender diversity on boards has also become a clear priority for institutional investors in 2017. Shareholders like State Street Global Advisors and BlackRock recently adopted new diversity policies or guidance on board diversity. Indeed, State Street even voted against directors at hundreds of companies that it believed had not made sufficient strides in diversifying their boards. Yet despite the increased focus from institutional investors, fewer of the new board seats in 2016 went to women than in the prior year.[2] And gender parity is still a long way off, with only 25% of boards in the S&P 500 having more than two female directors.[3] Even so, about half of female directors tell us that their board is already sufficiently diverse. Which leads to the question—are female directors sufficiently championing the cause of gender diversity?

[1] Institutional investors owned an average of 70% of the outstanding shares of US public companies as of June 30, 2017. PwC + Broadridge, *ProxyPulse 2017 Proxy Season Review,* September 2017. Forty-two percent of all US stock fund assets as of June 30, 2017 were held through index funds. Investment Company Institute.
[2] The percentage of women in new board appointments at Fortune 500 companies declined two percentage points to 27.3% in 2016. Fortune, "The Share of Women Appointed to Fortune 500 Declined Last Year," June 19, 2017.
[3] Spencer Stuart, *2016 Spencer Stuart Board Index*, November 2016.

Investors are also putting the spotlight on social issues like income inequality and employee retirement security, asking companies to help develop shared economic security. But again, directors tell us that income inequality considerations should not play a part in company strategy.

PwC's *2017 Annual Corporate Directors Survey* examines the areas where directors and investors are aligned and moving forward together, as well as the ways in which they are out of sync. While boards have made real improvements in some areas, there is clearly more work to be done. Among our key observations:

- **Director discontent with peers hits a high-water mark.** With greater expectations of boards, directors are upping their game and are seeking to add value. More than ever, directors—particularly those who are less tenured—are also noticing that not all of their fellow directors are doing the same. Almost half of directors (46%) believe that one or more of their fellow board members should be replaced. One-fifth of directors say that two or more directors on their board should be replaced.
- **Boards are taking more action on performance assessments.** Investors have been pushing boards to not just conduct board performance assessments, but to do something with the results. This year, more than two-thirds (68%) say that their board has taken some action in response to their last board assessment—an increase of 19 percentage points over last year.
- **Independent chairs are more likely to have the difficult conversations.** Directors on boards with non-executive chairs are more than twice as likely to say that their board decided not to re-nominate a director, or provided counsel to a director, as a result of the board's assessment process.
- **Key issues are not being prioritized in many boardrooms.** While investors are talking about the impact of environmental and social issues on the bottom line, the conversations are not necessarily filtering up to the boardroom. A significant percentage of directors say that income inequality (51%), immigration (49%) and climate change (40%) should not be taken into account—at all—in company strategy.
- **Male and female directors see strategy very differently.** Female directors are more likely to think that social issues should play a part in company strategy formation. And they are much more likely to think that issues like environmental concerns and social instability will force the company to change its strategy in the next three years.
- **Executive pay plans are effective—except where they're not.** Directors are confident that incentive plans promote long-term shareholder value. But 70% at least somewhat agree that executives in general are overpaid, and 66% say that executive compensation exacerbates income inequality. Meanwhile, executive pay continues to go up, not down.[4]
- **Seeing returns on shareholder engagement.** In just the past year, directors have come around to a much more positive view of shareholder engagement. They are much more likely now to think that direct engagement impacts proxy voting (77% as compared to 59% in 2016). And the vast majority now say that the right representatives are present (85%) and investors are well prepared for meetings (84%)—12 and 21 percentage point increases over last year, respectively.
- **The gender divide is real on questions of board diversity.** Male and female directors have a significant difference of opinion about the impact of board diversity on company performance. Nearly five out of six female directors (82%) believe that diversity enhances company performance, while only just over half of men agree (54%).
- **Challenging management is a challenge.** Strategy oversight is one of the board's core responsibilities. Investors want to know that directors are heavily involved in evaluating, challenging and monitoring the company's strategy, and calling for a change of course when needed. Yet only 60% of directors say their board strongly challenges management assumptions on strategy as part of their oversight role.

As we analyzed the results of this year's survey, we also looked behind the numbers at how demographic differences such as gender and length of tenure on the board affected directors' views. Read on for our full analysis of the survey results and areas where those differences were notable. And for the results of every question in the survey, please refer to the Appendix.

[4] *See* Willis Towers Watson Executive Pay Bulletin, May 9, 2017.

Board composition and effectiveness

Director discontent with peers hits a high-water mark

Every year since 2012, we have asked directors to tell us if any of their fellow board members should be replaced for a handful of common reasons, such as advanced age impacting performance, lack of preparedness or lack of expertise. In prior years, about one-third of directors—between 31% and 39%—said that someone on their board should, in fact, be replaced. This year, nearly half of directors—46%—say that at least one of their fellow board members should be replaced. About one in five directors would replace two or more of their board members.

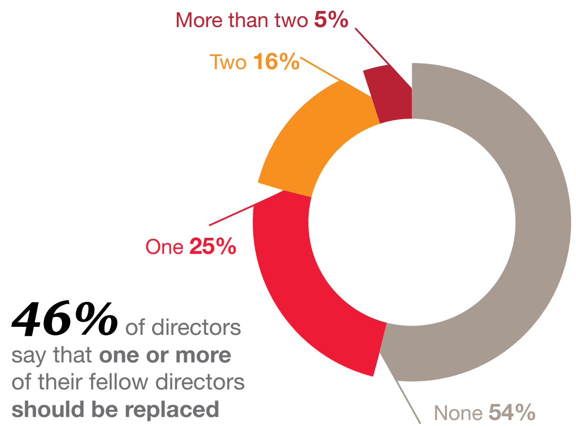
The high percentage this year may reflect, in part, the changing conversation about board refreshment. Directors often hear about the high expectations for board members, and they realize that every seat in the boardroom needs to be filled by someone who is making a real contribution. A new voice in the boardroom can change the conversation, bring new ideas and skills to the table, or call out practices that are not optimal for board effectiveness. Directors who have served together for a long time may not see the need for change as clearly.

Recent shareholder focus on diversity and director skill sets may be encouraging the thinking that underperforming directors do indeed need be replaced to make room for new talent. On top of all of this, add an activist landscape targeting longer-tenured directors, and perhaps it's not surprising that directors think that one, two or more of their colleagues should step aside.

But does this realization actually result in more board turnover? Not necessarily. Last year, boards of companies in the S&P 500 added 345 new independent directors—a decrease from the prior year.[5] And as we discuss on page seven, only 15% of directors say that their board's assessment process resulted in a fellow director being counseled or not being re-nominated. With almost half of the respondents saying that at least one current board member should be replaced, there is clearly a gap between what directors tell us about peer underperformance, and the willingness of board leadership to take action to remedy the problem.

[5] Spencer Stuart, *2016 Spencer Stuart Board Index*, November 2016.

How many directors should be replaced?



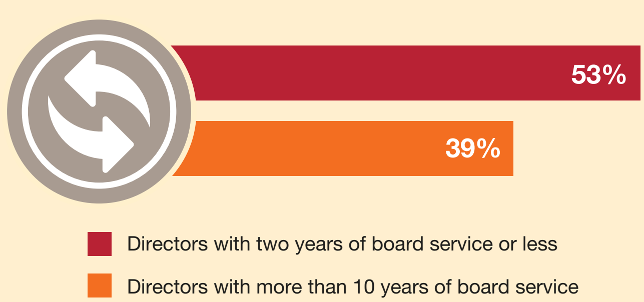
Q4: In your opinion, how many directors on your board should be replaced?
Base: 886
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Behind the numbers: Linking tenure and discontent

Board members with the longest tenure, over 10 years, are the least likely to say that someone on their board should be replaced. Directors who have served together for a long time may be comfortable working together, and less likely to want to change the boardroom dynamics. Newer directors are much more likely to say that they would replace at least one director on their board.

Newer directors looking for more turnover

Percentage of directors (by tenure) who say that at least one board member should be replaced



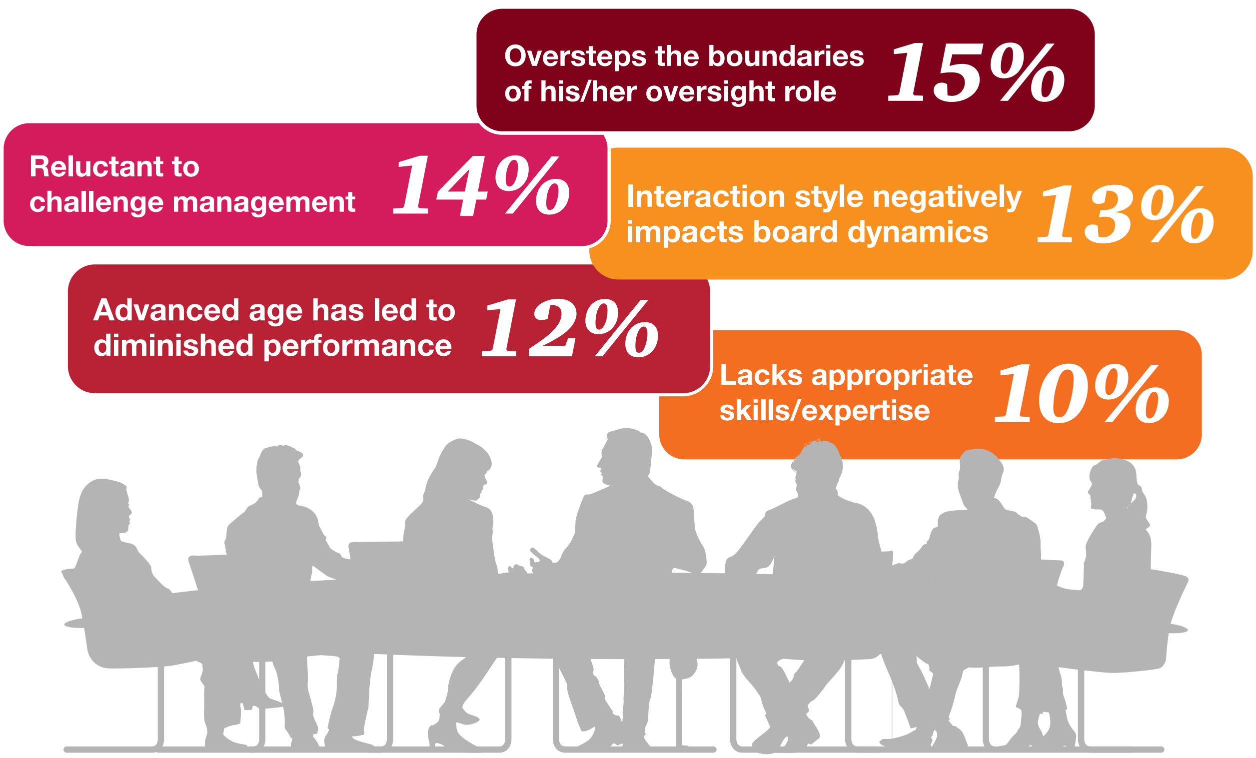
Q4: In your opinion, how many directors on your board should be replaced?
Base: Two years or less of board service (118); More than 10 years of board service (272)
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Where are the problems? Criticisms of fellow board members

The complaints directors have about their fellow board members illustrate the difficulty of the job. Boards need to oversee management, but they themselves are not running the business. They need to work together as a team, but they also need to make their individual voices heard.

So what are the criticisms? It is a mixed bag. Topping the list are: overstepping the oversight role, reluctance to challenge management, an interaction style that negatively impacts the dynamics in the boardroom, and advanced age that is affecting performance. Are board members doing too much, or not enough? Are they too brash, or are they unable to stay engaged? The answer to all of these appears to be "yes."

Criticisms of fellow board members



Q3: Do you believe the following about any of your fellow board members? (Select all that apply.)
Base: 875
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

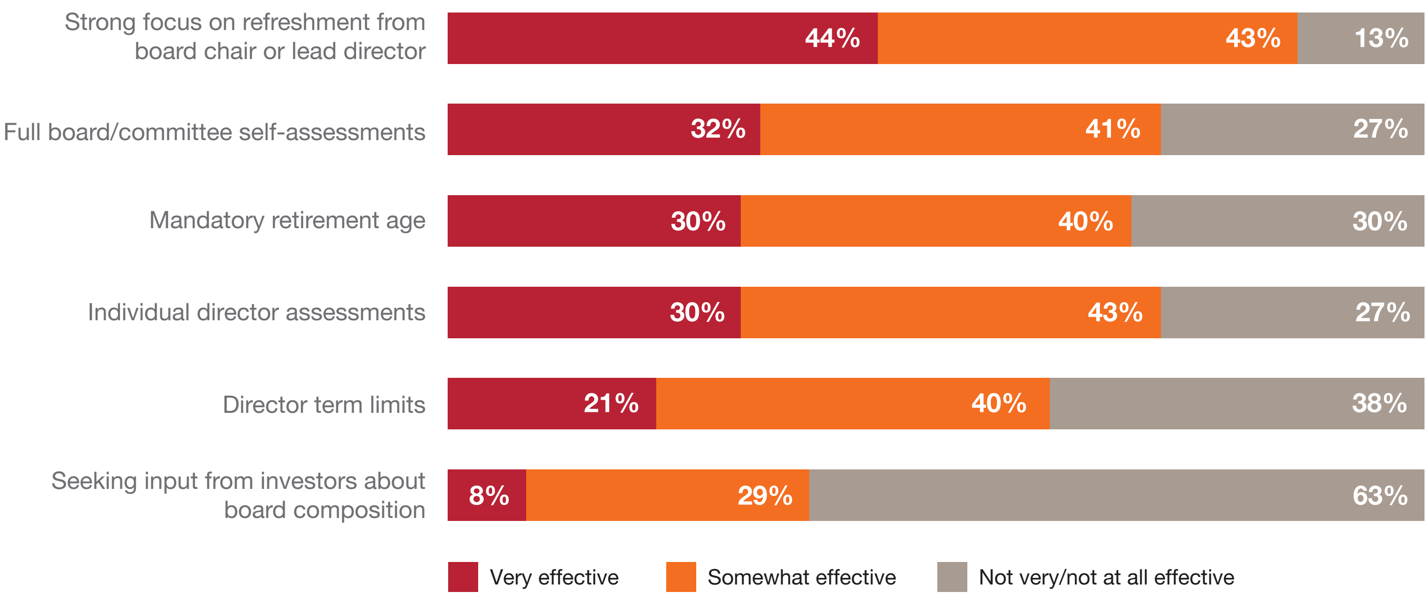
Refreshing the board—what actually works?

According to directors, the most effective method for driving board refreshment—by far—is a strong focus from the board chair or lead director. More than six out of seven directors (87%) say that their board leadership is at least somewhat effective at promoting refreshment. However, as we discuss on page eight, directors also told us that dealing with underperforming directors is the biggest challenge for their board leadership.

Conversations about board performance and expectations can be difficult, and require a real commitment to the process. When the focus is right, it works well, but that's not always the case. Many boards may benefit from board chairs and lead directors championing a more targeted feedback process.

Directors also view individual assessments or assessments of the full board or committees as productive, with almost three-quarters (73%) indicating that they are at least somewhat effective at promoting board refreshment.

Keys to promoting board refreshment



Q2: In your opinion, how effective are the following practices at promoting board refreshment?
Base: 875–883
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

A surprising number of directors believe term limits promote board refreshment, with 61% saying they are at least somewhat effective. In practice, they're rare—only 4% of the S&P 500 currently have director term limits in place.[6] But with investors continuing to focus on the issue of board tenure[7] and with some recent high-profile examples of companies adopting term limits, this could be an area to watch going forward.

Female directors tend to think that clear policies such as term limits and mandatory retirement ages are more effective at promoting board refreshment than men do. Three-quarters of female directors say that term limits are very or somewhat effective, as compared to just 59% of men. Eighty-one percent of women say the same about mandatory retirement age, compared to 68% of men. On the other hand, male directors are more likely to say that either individual or full board/committee assessments, which tend to be more subjective, are effective means of promoting board refreshment. What do directors view as the least effective way to promote board refreshment? Seeking investor input, with almost two-thirds of directors (63%) characterizing it as not very or not at all effective.

PwC perspective: Board assessments

Board assessments can be useful tools to promote board refreshment—when used right. In our view, boards that view the process as one of continuous improvement, rather than as an annual compliance exercise, will obtain faster and better results. Effective board leadership can also make a real difference, but only if the board chair or lead director is willing to have the difficult discussions, including providing honest individual director feedback. A periodic independent perspective can help as well.

The most effective boards we see are also disciplined about identifying action items coming out of their assessments, and holding themselves accountable for those actions. They don't just put the results in a drawer. They take concrete steps, often integrating assessment results into their director succession plan.

Boards that are taking these steps are also thinking beyond the boardroom, including how they can provide greater transparency in their proxy disclosure. Giving stakeholders a clear picture of what the board's process is, and why directors think it works, demonstrates a strong commitment to ongoing board refreshment.

[6] Spencer Stuart, *2016 Spencer Stuart Board Index*, November 2016.
[7] In April 2017 CalPERS revised its governance principles to indicate that a director will no longer be considered independent if he or she has served on the board for 12 years or more. CalPERS Governance & Sustainability Principles. Available at https://www.calpers.ca.gov/docs/forms-publications/governance-and-sustainability-principles.pdf

Boards are taking action on performance assessments

Most boards undertake some type of annual assessment process[8]—either as a good corporate governance practice, or because it's a stock exchange listing requirement.[9] As we discussed on page five, 73% of directors say that individual or full board/committee assessments are at least somewhat effective at promoting board refreshment. But doing the assessment is usually the easy part. The challenge is making it more than a "check the box" exercise, and taking action as a result of the assessment findings.

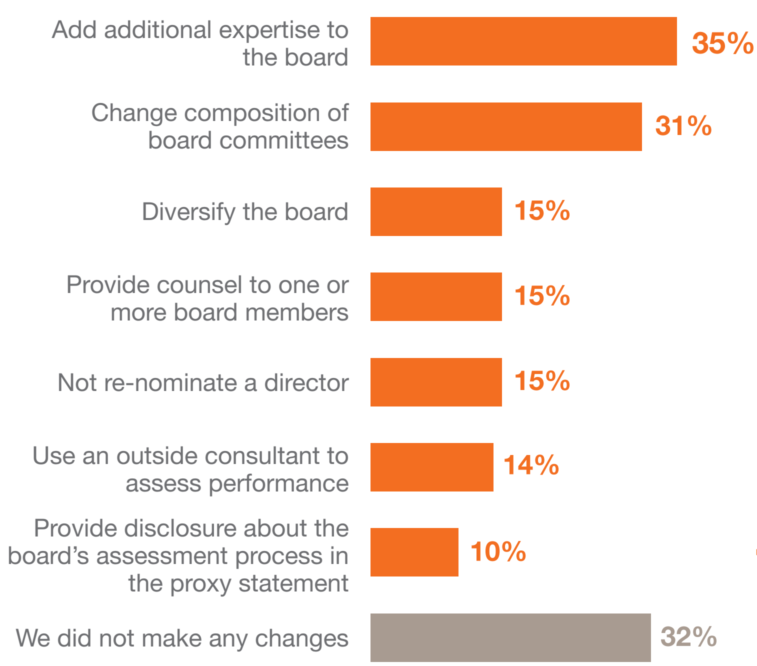
The good news is that we see boards making significant progress. More than two-thirds of directors (68%) tell us this year that their board has taken some action in response to their last assessment process—as compared to less than half (49%) last year. The most common actions taken were to add additional expertise to the board or change board committee composition.

But are boards doing enough to make real changes? Overall, only about one in six directors (15%) say that a member of their board was provided with counsel or was not re-nominated as a result of the process.

68% of directors

say their board made changes in 2017 as a result of their board/committee assessment process, as compared to just 49% in 2016

Board action on assessments



15% Only about one in six directors (15%) say that a member of their board was provided with counsel or was not re-nominated as a result of the assessment process

Q9: In response to the results of your last board/committee assessment process, did your board/committee decide to do any of the following? (Select all that apply.)
Base: 868
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

[8] All but seven S&P 500 boards report conducting some sort of annual performance evaluation. Spencer Stuart, *2016 Spencer Stuart Board Index*, November 2016.
[9] New York Stock Exchange Listing Rule 303A.09.

How effective is your board leadership?

Board leadership sets the tone in the boardroom—driving the agenda, establishing how meetings are conducted and helping reach board consensus. They also set the tone in more informal ways, influencing board and company culture.

More public companies have moved to split the role of chair and chief executive officer. In 2016, 48% of the S&P 500 had split chair and CEO roles—up from just 33% one decade earlier.[10]

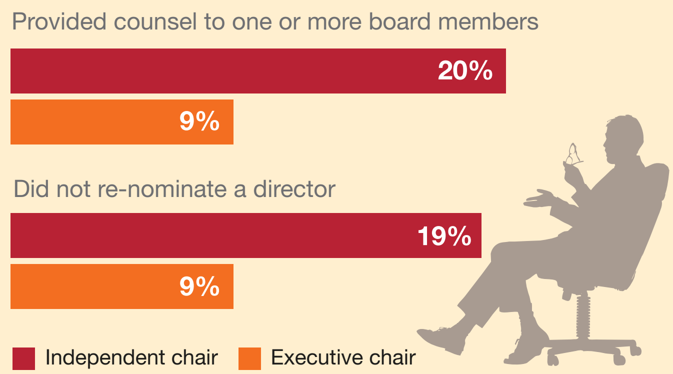
Overall, directors think that their board leadership is very effective, particularly in obtaining consensus (72%) and conducting board meetings (68%). The most challenging area identified is dealing with underperforming directors. Only 30% believe their board leadership is very effective at this task, while 24% of directors say their board leadership is not very or not at all effective.

Also challenging is communication with shareholders. One-fifth of directors say that their board leadership is not very or not at all effective at shareholder communications—which may be contributing to the disconnects we see between boards and shareholders on a number of issues.

Behind the numbers: Executive chairs are less likely to take action on underperforming directors

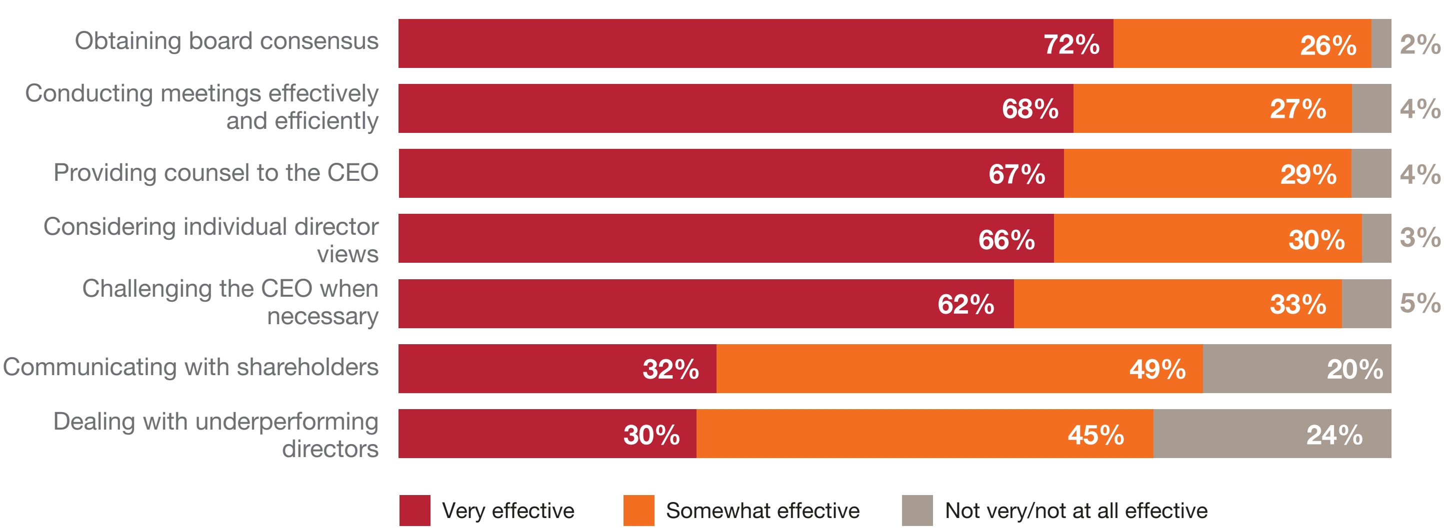
Directors on boards with non-executive chairs are more than twice as likely to say that their assessment resulted in the board providing counsel to a director, or deciding not to re-nominate a director.

Percentage of directors who say their board leadership took the following actions in response to results of their last assessment process:



Q9: In response to the results of your last board/committee assessment process, did your board/committee decide to do any of the following? (Select all that apply.)
Base: Independent chair (418); Executive chair (386)
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Rating board leadership's effectiveness



Q11: How effective is your board leadership (independent chair/lead director) in the following areas?
Base: 786–852
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

[10] Spencer Stuart, *2016 Spencer Stuart Board Index*, November 2016.

Board diversity

What makes a board diverse?

Diversity can be defined in any number of ways—including by gender, race, age, educational background and professional experience. What kinds of diversity are most important to directors?

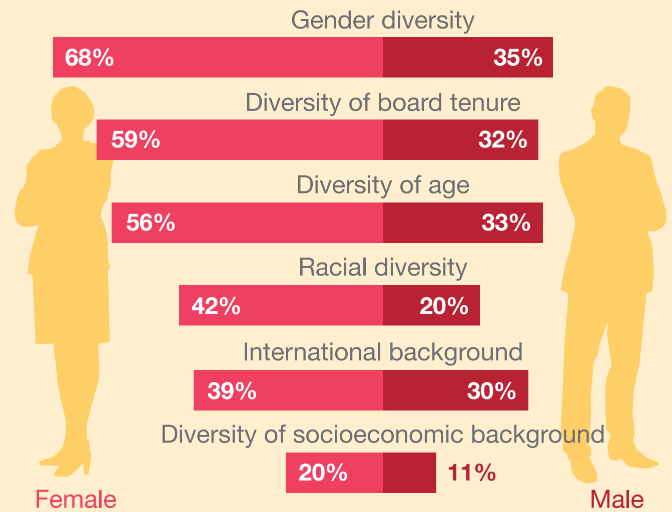
Reflecting perhaps the focus from institutional shareholders on gender diversity, gender is the factor most commonly viewed by directors as very important to achieving diversity of thought in the boardroom. More than half of directors (55%) say that their boards need gender diversity, or more gender diversity. Women are more likely to say that they need more gender diversity on the board than men.

Directors also highly value age diversity on their board, with more than one-third (37%) saying it is very important to achieving diversity of thought. More than half (52%) say their boards already have age diversity and don't need more—despite only 4% of directors at companies in the S&P 500 being under the age of 50.[11]

Behind the numbers: Women give greater value to diversity of thought factors

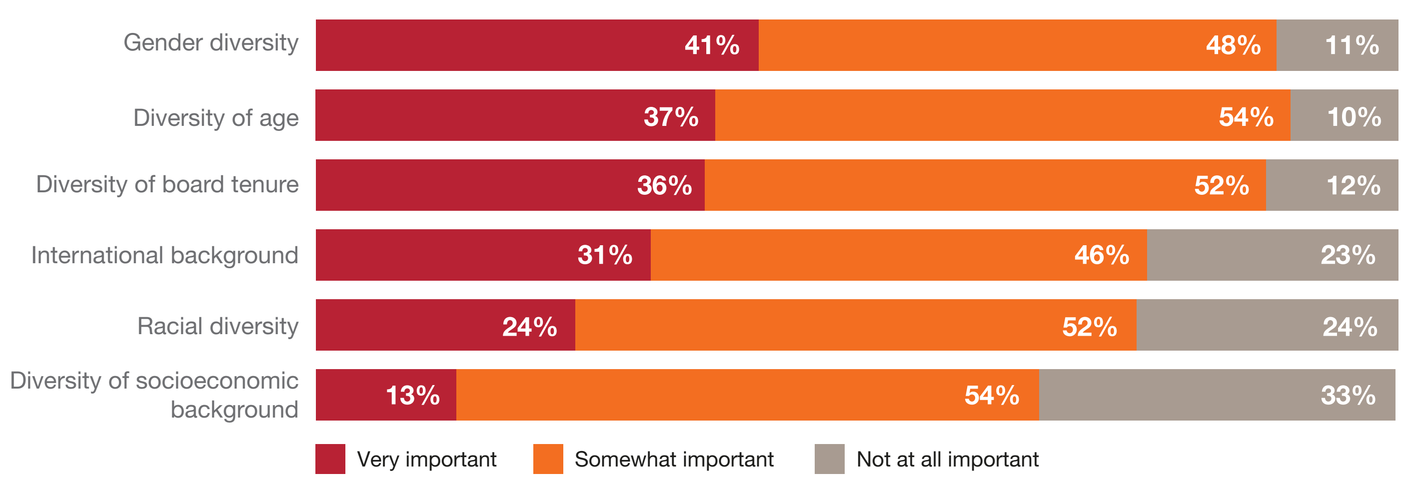
Female directors were notably more likely than male directors to say that certain attributes are very important to achieving diversity.

Directors who say the following factors are very important



Q6: How important are the following factors in achieving diversity of thought in the boardroom?
Base: 692–696 (Male); 133–135 (Female)
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

What brings diversity of thought?



Q6: How important are the following factors in achieving diversity of thought in the boardroom?
Base: 878–884
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

[11] Ibid.

Racial diversity is not as important to directors as gender or age. Almost one-quarter (24%) say that racial diversity is not at all important in achieving diversity of thought. However, directors' perspectives on this varies based on how long they have sat on the board. Board members with shorter tenure, five years or less, are much more likely to say that racial diversity is important than board members with tenures of ten years or more (84% as compared to 65%).

More than half of directors, 58%, say that their board does have racial diversity—despite the small number of racially diverse directors on public company boards. Almost 10% of directors say that their boards don't have racial diversity—and don't need it.

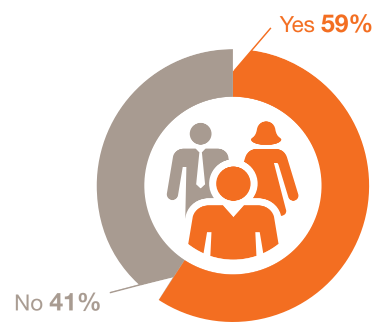
Is your board diverse enough?

Board diversity has been a high priority for institutional investors for several years, and the focus increased in 2017. For example, State Street Global Advisors voted against the election of directors at 400 companies that had no female board members, and in their judgment, had not made sufficient strides in adding gender diversity to their boards. And following the 2017 proxy season, BlackRock announced that it had voted for eight of nine shareholder proposals on board diversity in 2017. At five of those companies, it also voted against board members for "failure to address investor concerns" on the issue.[12]

But is the message getting through to boards? Only 21% of board seats in the S&P 500 are held by women, and 15% of the board seats at the top 200 companies in the S&P 500 are held by racial minorities.[13] That's not consistent with broader demographics, especially considering that the US population is expected to be a "majority minority" by 2050. Yet more than half of directors believe that their boards are already sufficiently diverse.

Directors who are newer to the board (tenure of five years or less) are less likely to say that their board is sufficiently diverse than directors who have served for ten years or more—by a rate of 52% as compared to 62%.

More than half of directors say their board is diverse enough



Q5a: In your opinion, is your board sufficiently diverse?
Base: 882
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

PwC perspective: Are female directors driving change?

All but six companies in the S&P 500 have at least one woman on their board, and 76% of those have at least two women.[14] But only 25% have more than two women, and gender parity is rare. Only 23 companies in the Russell 3000 have boards comprised of 50% or more women.[15]

When the issue of gender diversity on boards first gained public attention, many in the governance community set a goal of having women fill half of the seats on US public company boards. Now a more common goal is 30% of those board seats.

Yet 40% of female directors say that they have gender diversity on their boards—and do not need more. So why do many of these women consider gender diversity levels adequate when a board has just one or two female directors?

Perhaps the newer generation of female directors will bring a shift in mind-set. Shorter-tenured female directors (five years or less) are 15 percentage points less likely than their longer-tenured female peers (six years or more) to say that their board is diverse enough. As more boards focus on promoting refreshment, we may begin to see a change.

[12] https://www.blackrock.com/corporate/en-br/literature/publication/blk-qtrly-commentary-2017-q2-amers.pdf
[13] Spencer Stuart, *2016 Spencer Stuart Board Index*, November 2016.
[14] Ibid.
[15] Agenda, "Diversity Milestone: First Board Reaches 80% Women," June 26, 2017.

Diversity and board performance

By and large, directors recognize the value of gender and racial diversity in the boardroom. The vast majority think that it brings unique perspectives to the boardroom (94%) and that it enhances board performance (82%).

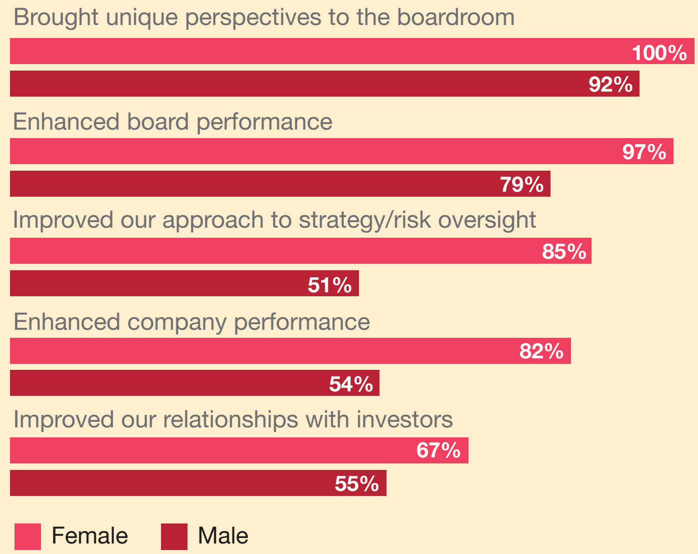
But many do not believe that the benefits extend beyond the boardroom. More than 40% do not think board diversity enhances company performance at all. That's despite studies indicating that companies with greater gender diversity on their boards have stronger financial performance and fewer issues like bribery, corruption, shareholder battles and fraud.[16] Another 43% say that gender and racial diversity do not improve relationships with investors at all—even as investors like State Street Global Advisors are taking stronger positions on the need for diversity.

Eleven percent of directors say their board does not have gender or racial diversity. And surprisingly, almost one in six directors (16%) think that diversity on their board has had no benefit.

Behind the numbers: Gender and the benefits of board diversity

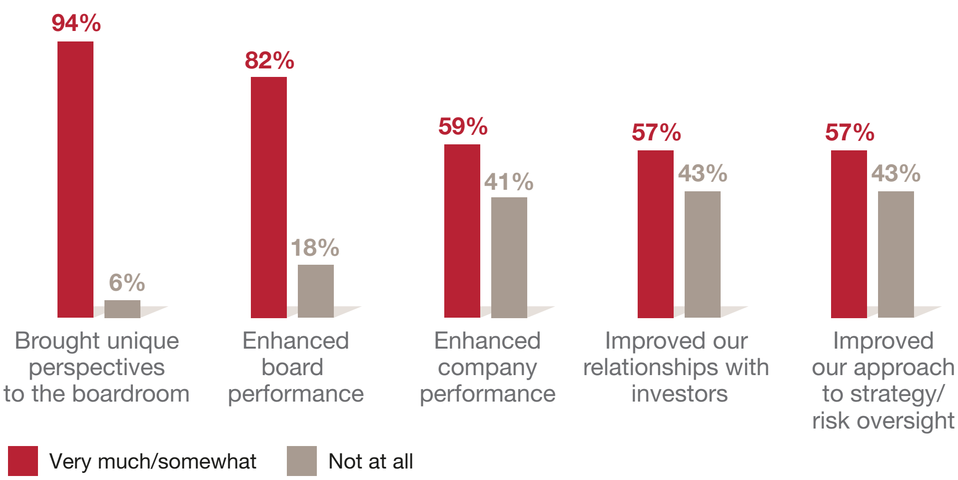
Women are much more likely than men to say that gender/racial diversity has had positive effects on the company and the board.

Percentage of directors who responded very much or somewhat that gender/racial diversity has:



Q5b: Which of the following effects do you believe gender/racial diversity has had on your board?
Base: 500–505 (Male); 109–110 (Female)
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

The impact of board diversity



Another 16% of directors say that gender/racial diversity has no benefit on their board

Q5b: Which of the following effects do you believe gender/racial diversity has had on your board?
Base: 883
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

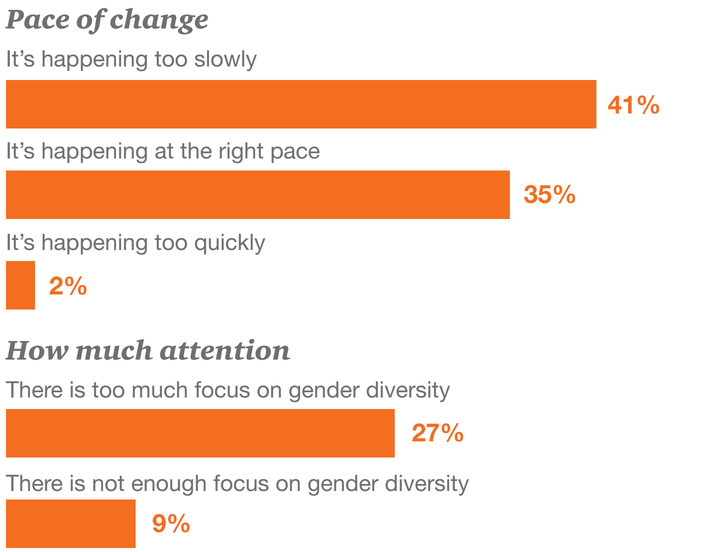
[16] McKinsey, "Why Diversity Matters," February 2015; MSCI, "Women on Boards: Global Trends in Gender Diversity on Corporate Boards," November 2015; Peterson Institute for International Economic, "Is Gender Diversity Profitable?" February 2016.

Gender diversity on boards—too fast or too slow?

While very few directors think that the move to more gender diversity on boards is happening too quickly, they are split on whether it is happening too slowly (41%) or at the right pace (35%). More than one-quarter of directors (27%) think there is too much of a focus on gender diversity right now—97% of whom are men.

Board tenure also plays a role in how directors view the pace of change in gender diversity. Directors who have served on their boards for five or fewer years were much more likely to say that diversity is happening too slowly than those with more than ten years of service.

Pace of change and focus on gender diversity

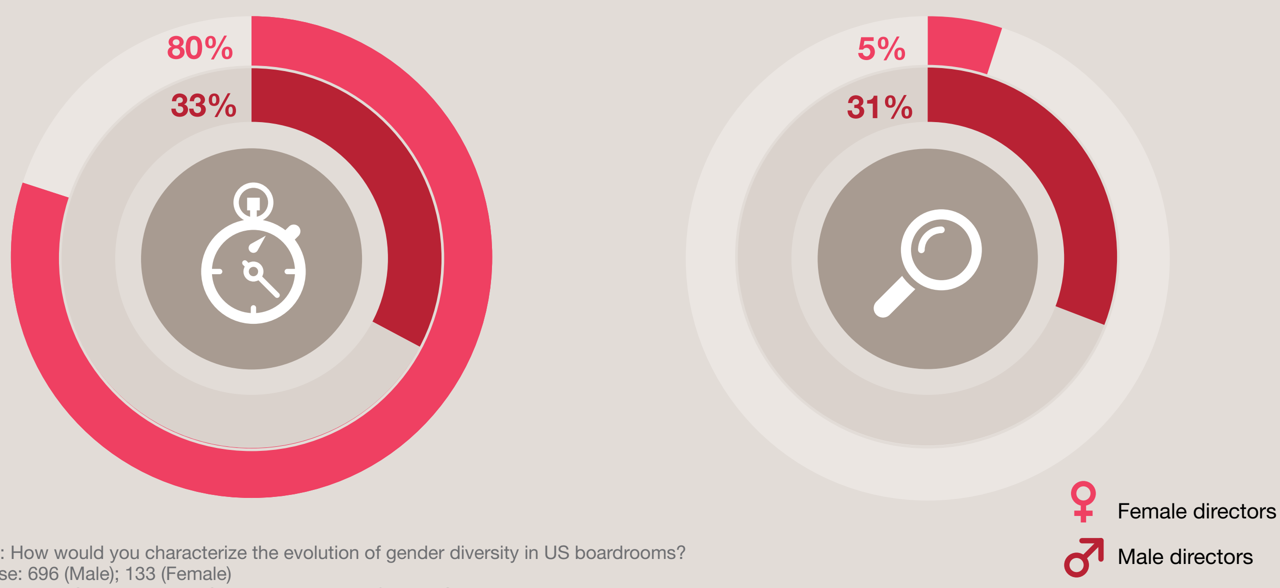


Q8: How would you characterize the evolution of gender diversity in US boardrooms?
Base: 882
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Behind the numbers: Female directors looking for faster changes

Female directors are much more likely to say diversity is happening **too slowly**

Male directors are more likely to think there is **too much focus** on diversity

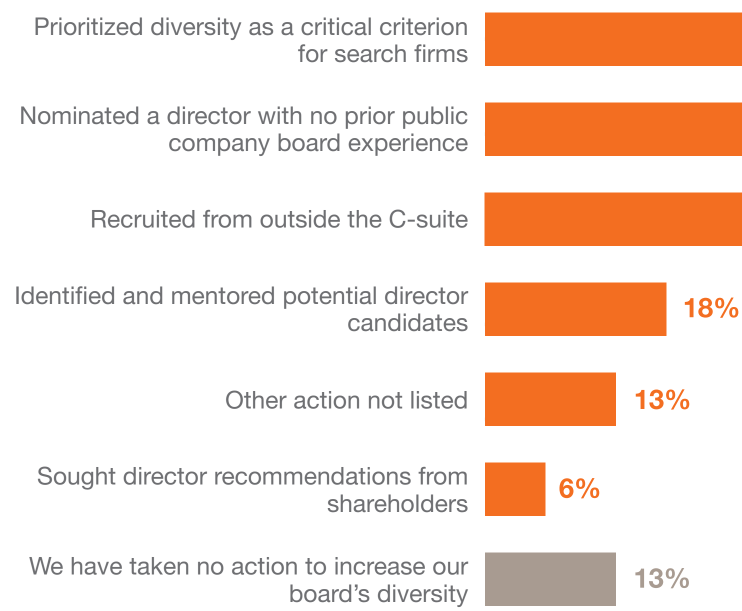


Q8: How would you characterize the evolution of gender diversity in US boardrooms?
Base: 696 (Male); 133 (Female)
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Stepping up to increase diversity

Many boards are being more specific with search firms on what kind of candidates they want, but they are using other approaches as well. Forty-three percent say they have nominated a director with no prior public company board experience, and 41% say they are recruiting from below the C-suite—two approaches that institutional investors commonly point to as means to increase board diversity.

Taking steps to increase board diversity



87% of directors say their board has taken some action to increase board diversity

Q7: What steps has your board taken to increase its diversity? (Select all that apply.)
Base: 881
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Shareholder engagement and activism

When should directors engage with shareholders?

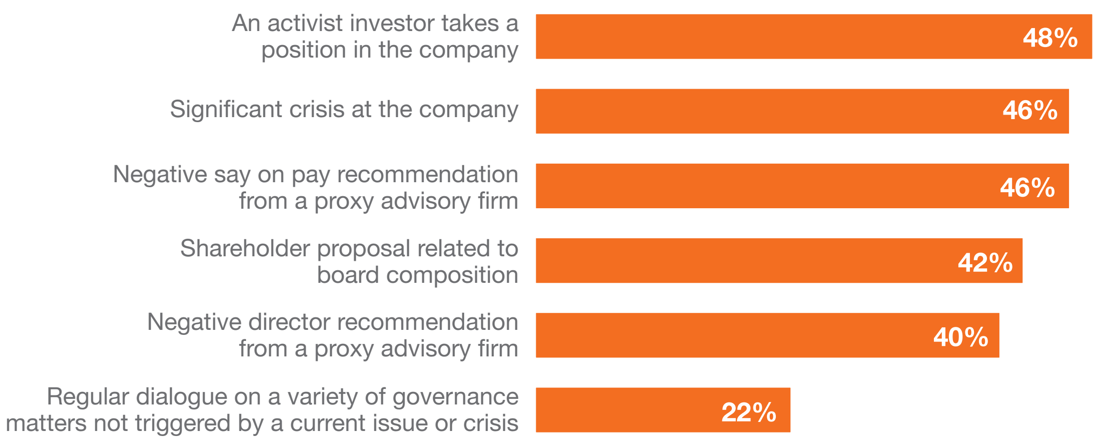
For the last several years, directors have become increasingly involved in shareholder engagement. These days, many institutional investors believe that this direct engagement is core to the job of being a public company director, and that these discussions are critical to the relationship. But not all directors agree.

Less than half of directors (42%) say that a board member (other than the CEO) has had direct engagement with shareholders during the past 12 months. And almost one-quarter of directors (23%) think that board members simply should not meet with shareholders. But more and more, shareholders have come to expect director engagement.

Which factors should spark shareholder engagement? There is no consensus among directors. The most common situations are when an activist takes a position in the company (48%), when there's a significant crisis at the company (46%) and when the company has a negative say on pay recommendation from a proxy advisory firm (46%). Only 22% of the directors say that regular dialogue on a variety of governance matters, not triggered by a current issue or crisis, is appropriate—despite the fact that investors usually have a positive view of proactive engagement.

> ***"For companies who just don't want their directors engaging, I would ask: If the directors don't talk to the owners they serve and represent—then who does?"***
>
> – Glenn Booraem, Head of Investment Stewardship for the Vanguard funds[17]

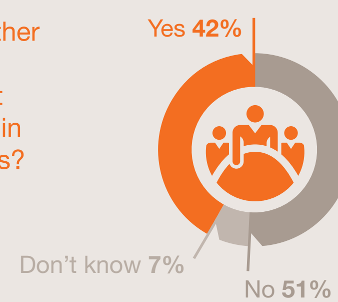
When should directors engage with shareholders?



23%
say directors (other than the CEO) should not meet with shareholders

Q15: Under which of the following circumstances is it appropriate for directors (other than the CEO) to meet with shareholders? (Select all that apply.)
Base: 823
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Has your board (other than the CEO) had direct engagement with investors within the past 12 months?



Q16a.
Base: 848

[17] Interview with Glenn Booraem, April 25, 2017; available at https://www.linkedin.com/pulse/investor-priorities-proxy-season-paul-denicola

Seeing returns on shareholder engagement

As the notion of director-shareholder engagement continues to mature, institutional investors have devoted additional corporate governance personnel and other resources to it. That may be why directors express a much more positive view of shareholder engagement this year. Just over five out of six directors (85%) now say that the right investor representatives were present at the meeting—an improvement from 73% last year. And 84% say that investors were well-prepared for the meeting, compared to 63% in 2016.

In terms of the impact, directors are much more likely to think that shareholder engagement is affecting proxy voting. More than three-quarters (77%) at least somewhat agree that engagement positively impacts, or is likely to positively impact, proxy voting. This is an 18 percentage point jump over last year.

Few directors think that shareholder engagement is impacting investment decisions. Only 10% very much agree that it has a positive impact, or is likely to have a positive impact on investing decisions. This is not surprising, since the growing percentage of shareholders investing through passive index or exchange-traded funds also means that the number of shareholders who actively make investing decisions is diminishing.

PwC perspective: Getting shareholder engagement right

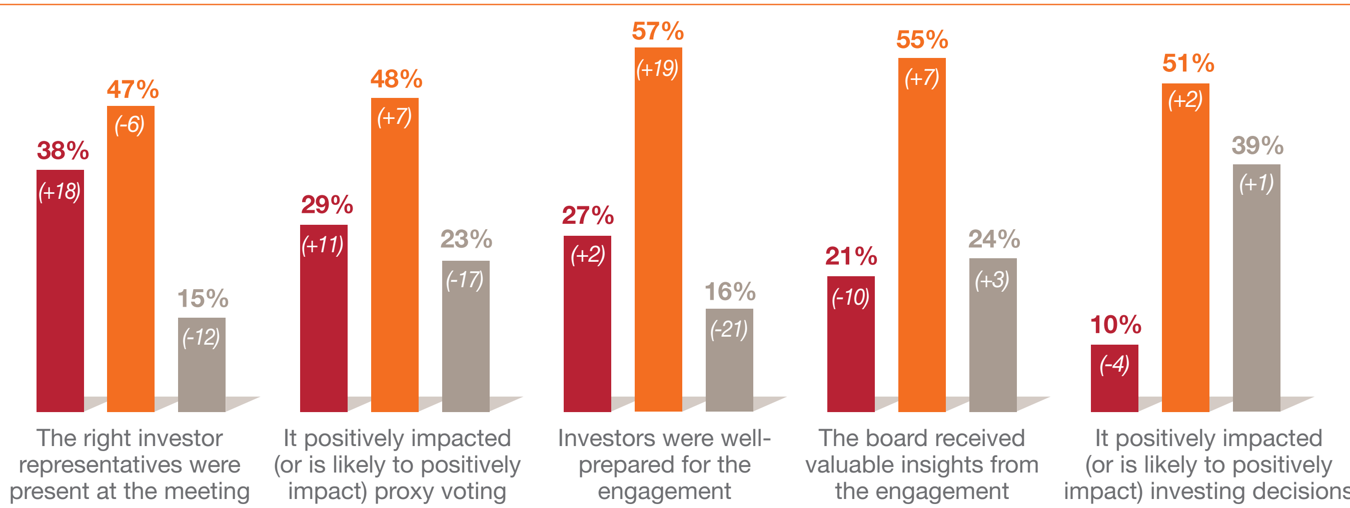
Not every director is engaging with shareholders. But when those meetings do happen, it's in everyone's interest to make them worthwhile. To get the most out of shareholder engagement, don't wait for a crisis. Begin to lay the groundwork during a quiet time, when the company can start to build a relationship with its investors.

Meetings are much more effective if directors are familiar with the shareholder's voting history, and their position on various governance topics. Assuming that a shareholder automatically follows proxy advisory firm recommendations can be unwise. Larger institutional investors in particular are more likely to have their own voting policies.

Investors and companies also report that time spent developing and agreeing upon the agenda pays off. Directors will know exactly how to prepare for the discussion, and both sides will be comfortable with which issues are off the table.

Choosing the right participants is key. The directors who attend should be well-informed on the issues, and comfortable speaking about how the board operates. But even more important may be the willingness to listen. Directors can learn a great deal about the issues their shareholders care about, and can even get an early signal of concerns.

Grading shareholder engagement



Q16c: To what extent do you agree with the following concerning your board's direct engagement with investors within the past 12 months?
Base: 316–335 (2017); 328–543 (2016)
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017; PwC, *2016 Annual Corporate Directors Survey*, October 2016.

Note: Amounts shown in parentheses represent the change in percentage points from the 2016 survey

User-friendly proxy statements

Many companies have begun looking at the proxy statement as more than just required disclosure. They are working to make their proxies more readable, and to provide more information that shareholders want. But many directors do not think that enhanced proxy disclosure is improving shareholder relations or proxy voting. In fact, fewer than half of directors indicated that they see any benefit of enhanced disclosure.

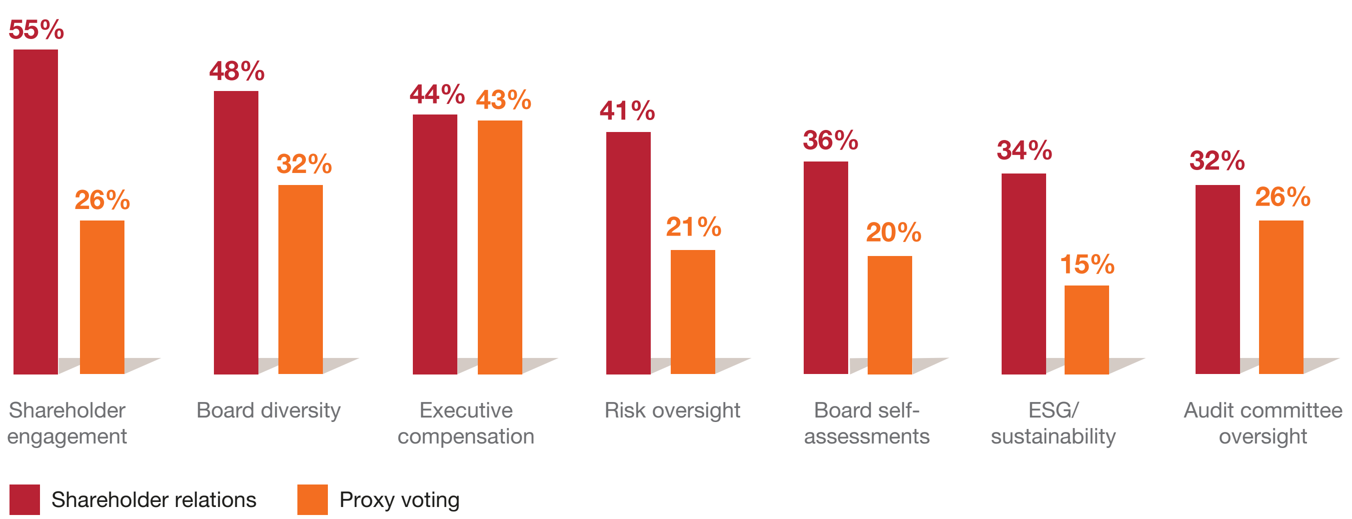
So what information do directors think can help? Of the directors who did think there was some benefit, more than half (55%) say that disclosure on shareholder engagement efforts can improve shareholder relations. This helps investors understand a company's overall outreach efforts. Directors also cite board diversity (48%), executive compensation (44%), and environmental and sustainability issues (34%).

From a proxy voting point of view, directors believe the strongest impact comes from enhancing executive compensation disclosures—at 43%. And despite the investor focus on environmental, social and governance (ESG)/sustainability issues, only 15% of directors think better disclosure in this area would actually improve proxy voting results.

"Companies that report only to meet the regulatory disclosure requirements are missing a prime opportunity to more comprehensively engage new and existing investors about how effectively a business is led and managed."

– BlackRock Investment Stewardship Engagement Priorities for 2017–2018

Enhanced proxy disclosure — where does it matter?



Q14: Enhanced proxy disclosure: Do you believe that additional proxy disclosure in any of the following areas would improve either shareholder relations or annual meeting voting results? (Select all that apply.)
Base: 445
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

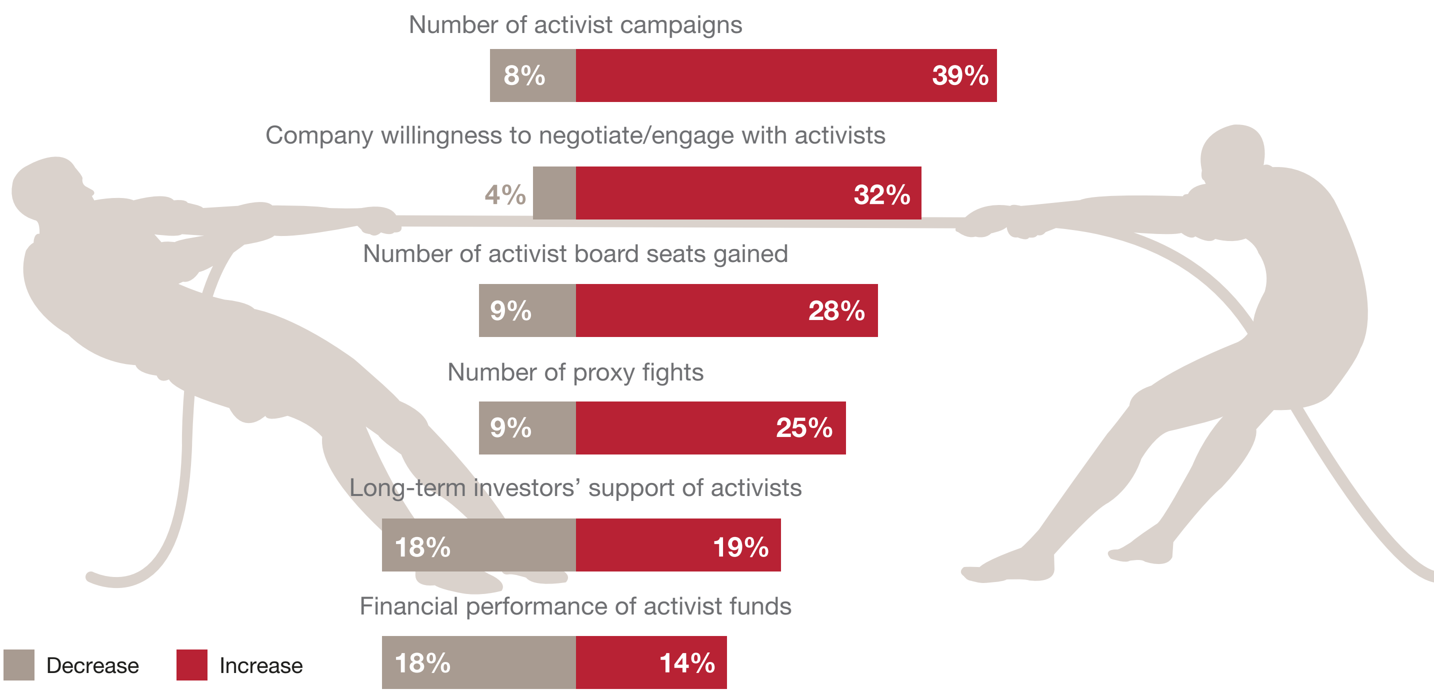
Beyond the horizon—the future of shareholder activism

There continue to be a number of shareholder activism campaigns in 2017. Activist shareholders are targeting high-profile companies, and institutional shareholders who had previously stayed out of activism are now wading into the fray.

Overall, directors agree that activism is here to stay. They predict an uptick in the number of activist campaigns, with 39% expecting an increase in the next year. Almost one-third (32%) of directors also predict an increase in company willingness to negotiate and engage with activists. This is consistent with the fact that 2016 saw a record number of company settlements with activists.[18]

Yet directors don't necessarily believe the financial performance of activist funds will improve. Only 14% anticipate that activist fund performance will increase in the next year, with 18% predicting a decrease. This year, many activist funds have struggled with performance and overall average returns as of August 31, 2017 are just 3.6%, compared to 9.8% at the S&P 500.[19]

Predicting the future of shareholder activism



Q18: How do you think shareholder activism will change in the next 12 months with regard to the following?
Base: 814–831
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

[18] Activist Insight, "Activist Investing: An annual review of trends in shareholder activism," 2017.
[19] S&P 500 research; https://www.hedgefundresearch.com/family-indices/hfri

The director-investor disconnect on ESG

In 2017, ESG issues gained traction. Shareholder proposals that focused on environmental issues passed at S&P 500 companies for the first time.[20] At all public companies, average support for climate change shareholder proposals jumped from 24% in 2016 to 32% in 2017.[21]

In a January 2017 letter to portfolio companies, BlackRock's CEO Larry Fink wrote that they need to think about ESG as part of their long-term growth plan. Also in 2017, Vanguard updated its proxy voting guidelines to state that it may support environmental proposals that have a demonstrable link to long-term shareholder value.[22] We anticipate these shareholder initiatives will have even more widespread backing going forward.

But the majority of directors are not prioritizing environmental issues in the same way. To begin with, a number of directors don't necessarily see the need for expertise on their boards relating to ESG or sustainability. Almost one-third (30%) indicate that they don't have, and don't need, any expertise in this area—the highest such response in any category.

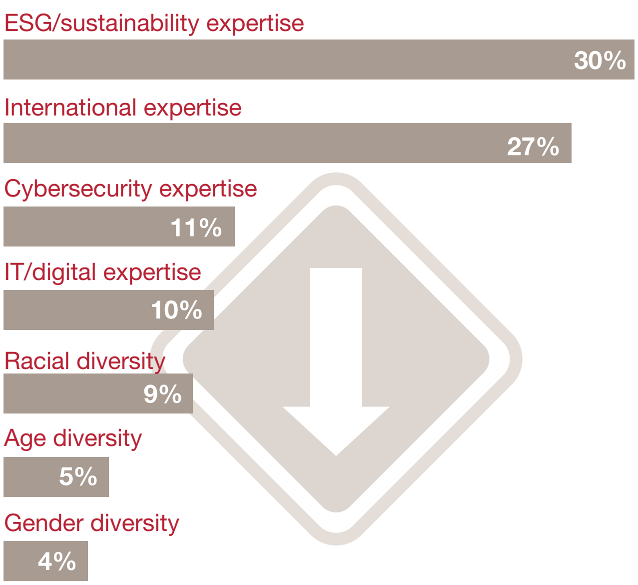
Are boards thinking green? Not when it comes to strategy.

Despite the increasing shareholder focus, many directors do not believe environmental issues should impact company strategy. Forty percent of directors say that climate change should not be taken into account at all in forming company strategy. And when it comes to threats to strategy implementation, 42% of directors believe that environmental concerns will not have any affect in the next three years.

Many investors emphasize that their environmental focus relates to risk issues—not just societal impact. For example, climate change could have effects from supply chain to marketplace, both from a revenue growth and risk management perspective.

ESG expertise not a board priority

Percentage of directors who say they don't have and don't need the following:



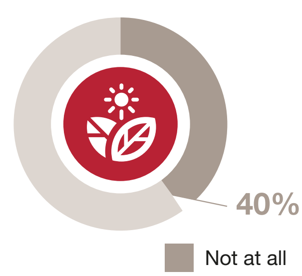
Q1: How would you describe your board's current composition needs with regard to:
Base: 848–885
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

42% of directors say that environmental concerns will not have any impact on company strategy over the next three years

Q27: To what extent do you anticipate needing to change or modify your company's strategy in the next three years due to any of the following threats to strategy execution?: Environmental concerns

40% of directors think climate change should not impact company strategy at all

Q26: To what extent do you think your company should take the following societal issues into account when forming company strategy?: Climate change



Base: 805–818
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

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[20] Occidental Petroleum Corp., PPL Corp. and Exxon Mobil.
[21] *See* Gibson, Dunn & Crutcher LLP, "Shareholder Proposal Developments During the 2017 Proxy Season," July 12, 2017.
[22] Available at https://about.vanguard.com/investment-stewardship/voting-guidelines/

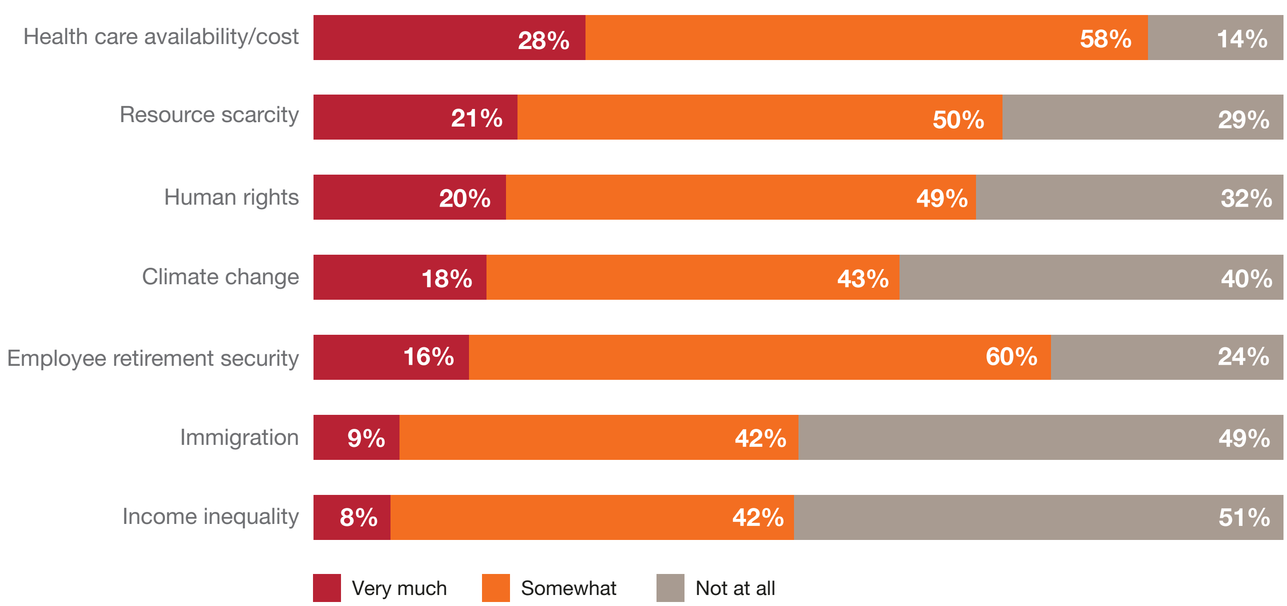
The director-investor disconnect on ESG *(continued)*

Incorporating other social issues into company strategy

Which major social issues are impacting boardroom discussions on strategy? About five out of six directors indicate that health care availability and cost should, at least somewhat, affect company strategy. But they view other major issues as playing a comparatively insignificant role. At least 40% indicate that income inequality, immigration and climate change should not have any effect on company strategy—at all.

Yet these are issues that major institutional shareholders are urging companies to address. BlackRock, for example, clearly stated in 2017 that it is looking to see how company strategy reflects and recognizes the impacts of uneven wage growth, environmental factors that could affect the company and a backlash against globalization.[23] State Street Global Advisors and Vanguard also put a spotlight on these issues in letters to their portfolio companies, urging boards to increase disclosure on their strategic approach to climate change and other key social issues and risks.[24]

Which social issues should impact company strategy?



Q26: To what extent do you think your company should take the following societal issues into account when forming company strategy?
Base: 816–819
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

[23] BlackRock, Larry Fink's Letter to CEOs, January 24, 2017.
[24] State Street Global Advisors, CEO Ron O'Hanley's letter to board members, January 26, 2017. Vanguard, "An open letter to directors of public companies worldwide," August 31, 2017.

Strategy oversight

Challenging management is a challenge

The job of steering a company's strategy is split between management and the board. While management largely designs the strategy and is responsible for its execution, the board contributes to strategy formation, oversees its implementation and provides ongoing monitoring.

Overall, directors give management extremely high marks in strategy. From communicating the proposed strategy to the board, to involving the board in forming strategy, directors overwhelmingly agree that their management teams excel.

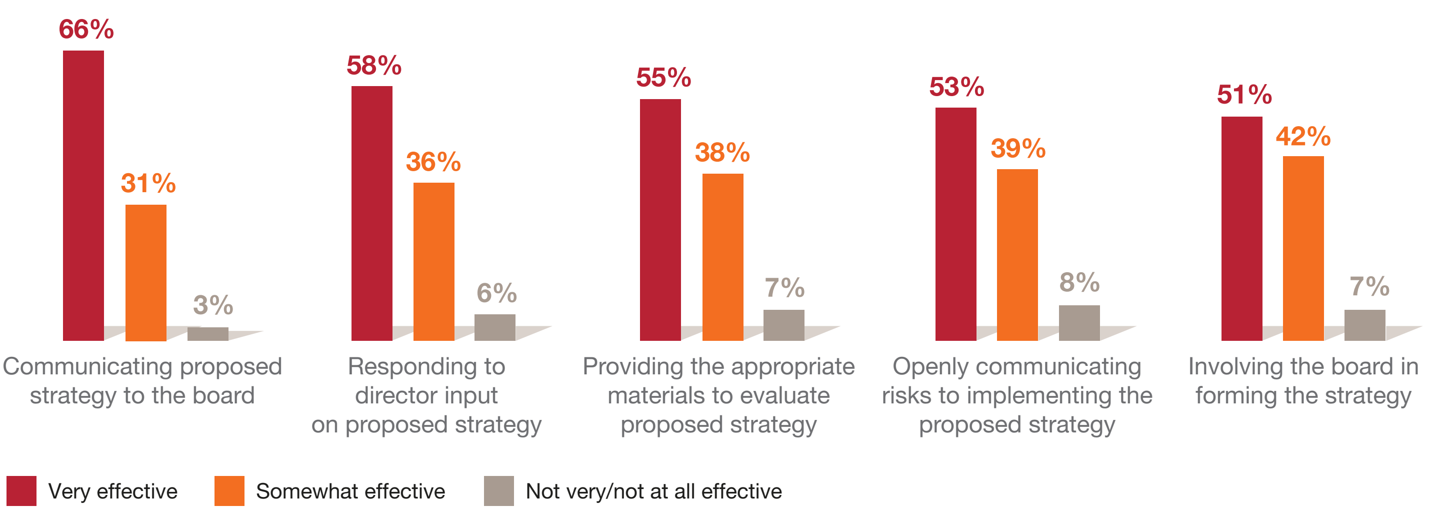
So how are directors themselves doing when it comes to strategy oversight? While the frequency of strategic discussions is encouraging (71% say they discuss strategy at every board meeting) the reported tenor is not. Surprisingly, only 60% of directors say their boards strongly challenge management's assumptions when discussing strategy. And while 93% say their management teams are at least somewhat effective in providing the appropriate materials to evaluate the company's proposed strategy, there are key areas in which the information flow may be a problem.

A concerning number of directors say the information they receive is "lacking" in the areas of emerging/disruptive technologies (22%), strategic options that management rejected (23%), customer/supplier feedback (25%) and views of management below the C-suite (31%).

When it comes to strategy oversight
only ***60%***
of directors say their boards strongly **challenge management assumptions**

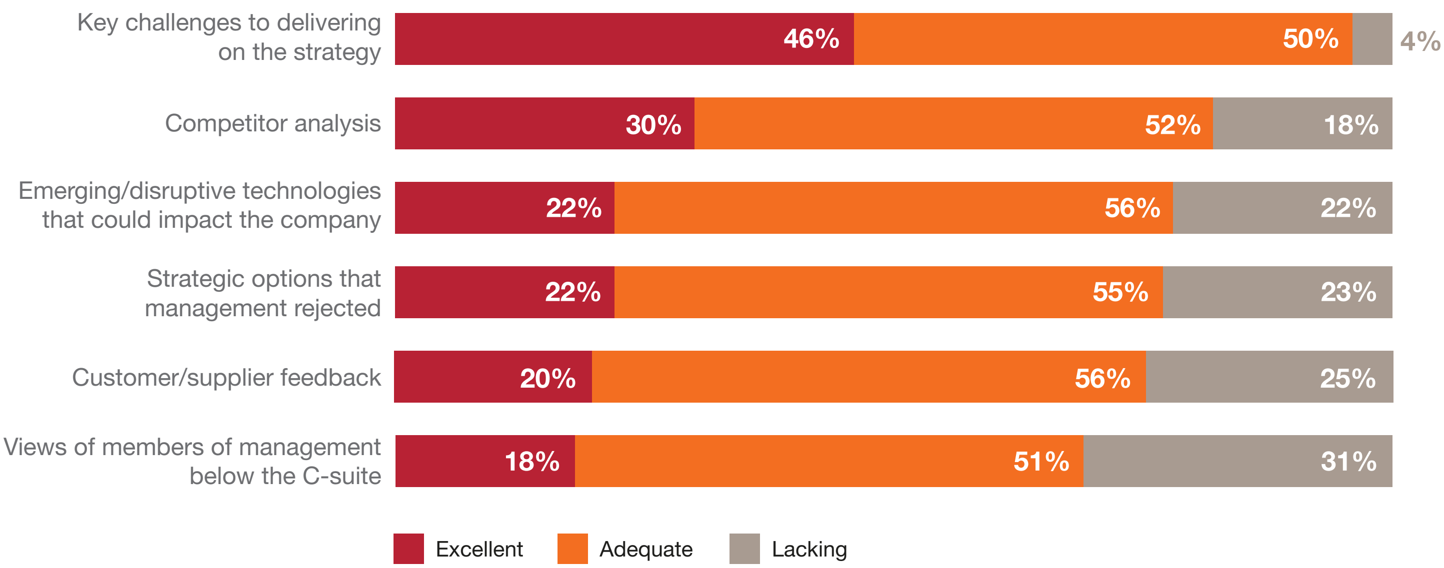
Q22: Which of the following reflect your board practices regarding strategy oversight? (Select all that apply.)
Base: 819
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Management gets high marks on strategy



Q21: Regarding strategy at your company, how effective do you think management is at the following?
Base: 832–837
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

How good is the information the board gets on strategy?



Q23: In connection with your board's strategic oversight role, how would you describe the quality of the information you receive in the following areas?
Base: 825–832
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

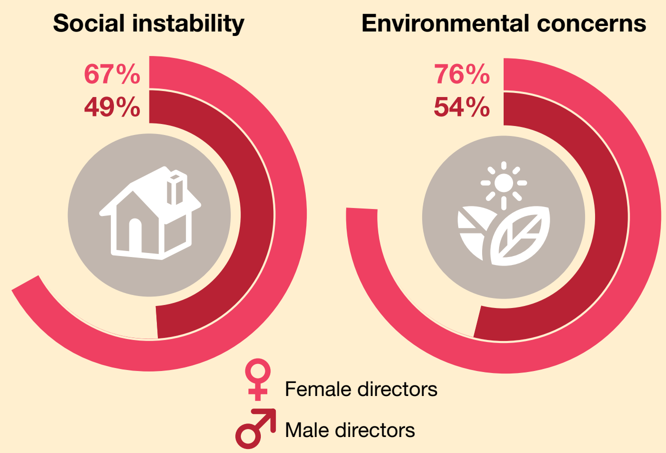
Spotting strategic threats

Considering the pace of change, companies and boards need to be agile in addressing threats to executing their current strategy, as well as disruptions to their entire business model. The threats that directors think are most likely to affect company strategy in the next three years are the speed of technological change and uncertain economic growth. Over 90% of directors think that these threats are at least somewhat likely to require a change to company strategy. Directors are also particularly concerned with changing consumer behavior and changes in the regulatory climate.

Which threats are less threatening? Almost half of directors don't anticipate their companies having to make any changes to strategy to address social instability or environmental concerns.

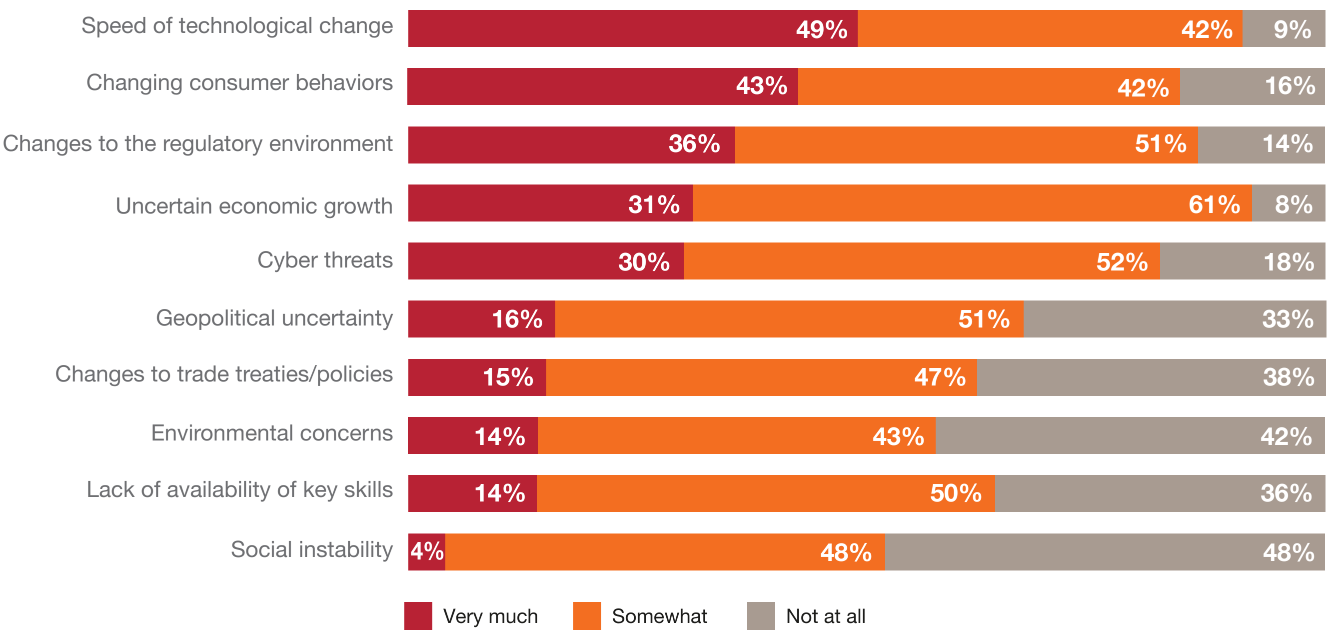
Behind the numbers: Gender and strategic threats

Male and female directors have very different views on strategy execution. Women are more likely to think that certain threats will require a change to company strategy in the next three years. Female directors show more concern in every area, and especially when it comes to social instability and environmental concerns.



Q27: To what extent do you anticipate needing to change or modify your company's strategy in the next three years due to any of the following threats to strategy execution? (Select all that apply.)
Base: 666–668 (Male); 129 (Female)
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

What will drive strategic change?



Q27: To what extent do you anticipate needing to change or modify your company's strategy in the next three years due to any of the following threats to strategy execution? (Select all that apply.)
Base: 800–812
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

PwC perspective: Getting the right information on risk

At first blush, it looks like directors are satisfied with how management is connecting strategy and risk. Indeed, 92% of directors told us that management is at least somewhat effective in communicating the risks to implementing the proposed strategy.

Yet if strategy is supposed to focus on delivering long-term shareholder value, the information directors receive on risk may be missing the mark. Most directors (86%) say it's very or somewhat challenging for their board to: (1) evaluate competitive threats and (2) understand emerging/disruptive technologies. And only 22% rate the quality of information they get on emerging/disruptive technologies as excellent.

Emerging and disruptive risks are often the most difficult for management to predict and for a board to oversee. It's especially difficult to imagine that a company's core source of competitive advantage now may not matter in a few years.

What can boards do? Encourage the company to develop key risk indicators. These can show when certain scenarios may be playing out and can be useful early-warning signs. Also, urge executives to seek more input from external parties who are thinking more broadly about how emerging risks could impact the company and its industry. Getting that input is one thing. Ensuring executives don't dismiss it out of hand is another.

For more information, explore our Risk Oversight Series.

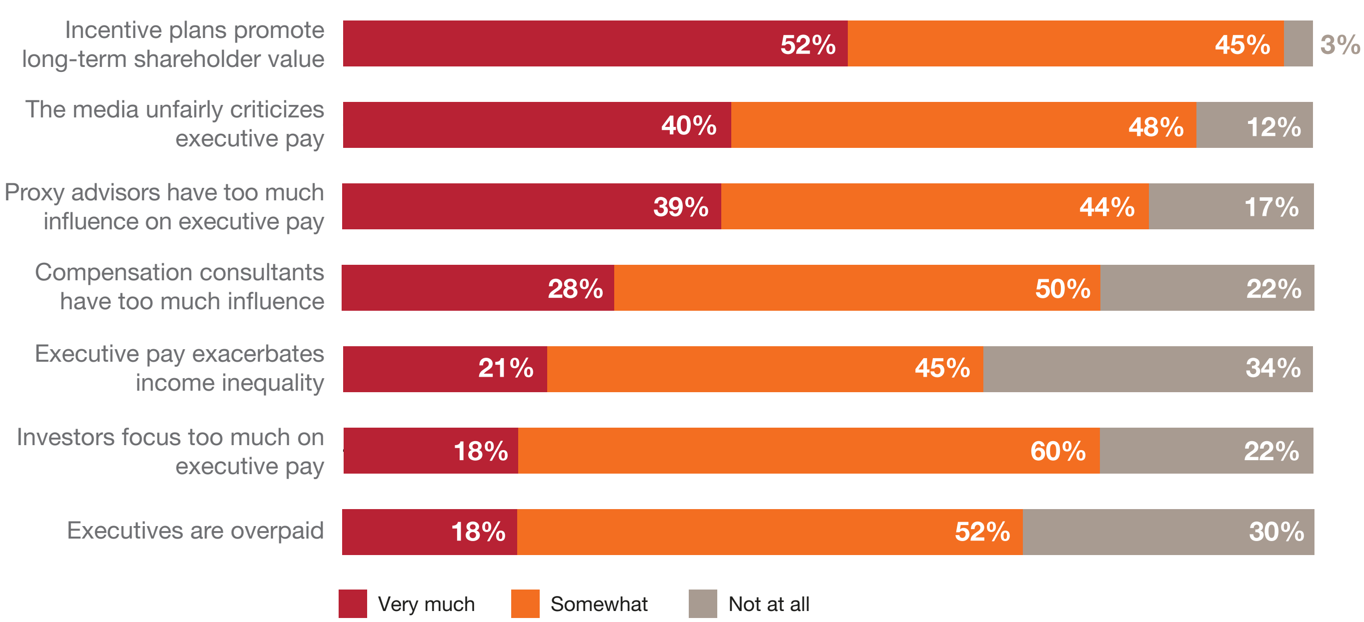
Executive pay in the spotlight

Six years after investors began voting on executive pay through advisory say on pay votes, directors are still somewhat ambivalent about their executive pay plans. They overwhelmingly say that incentive plans promote long-term shareholder value, and many of the more "problematic" pay practices, such as tax gross-ups, have fallen by the wayside. Compensation committees are focusing on aligning executives' interests with shareholders' interests, and to tying pay with company performance.

Yet 70% of directors at least somewhat believe that executives in the US are overpaid. Two-thirds (66%) at least somewhat agree that executive compensation exacerbates income inequality.

With directors responsible for approving CEO pay, why are they unhappy with the pay levels? The prevalence of peer group comparisons and a competitive environment for executive talent may be driving compensation committees to set levels of compensation that most directors agree are generally too high. And as companies' stock prices continue to rise along with the US markets, the value of executive equity awards is also rising.

Reflecting on executive pay



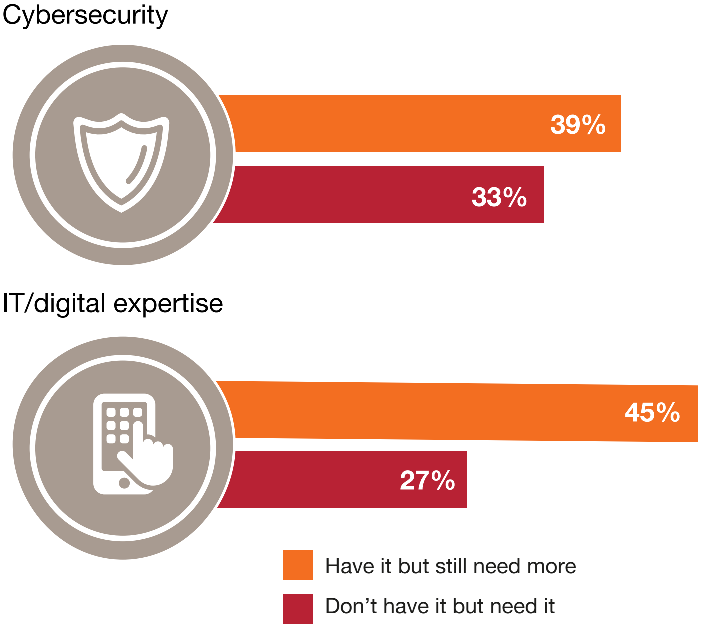
Q32: To what extent do you agree with the following regarding executive pay in the US?
Base: 816–822
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Board oversight in an increasingly digital world

Boards recognize the IT and cybersecurity expertise gaps

Considering the critical importance of IT oversight and cybersecurity, it's not surprising that almost three-quarters of directors say that their board needs directors with that expertise, or needs more of them. Less than one-fifth of directors are satisfied with the current levels of expertise on their boards. Only 19% say they have enough IT/digital expertise and don't need more, and only 16% say the same about cybersecurity.

Directors say their boards should continue to look for more expertise in cybersecurity and IT/digital



Q1: How would you describe your board's current composition needs with regard to:
Base: 873–878
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

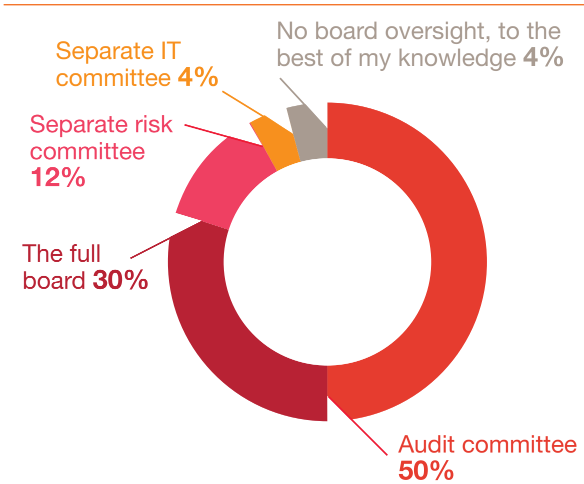
PwC perspective: Cybersecurity is a full board responsibility

Cybersecurity is a key strategy and enterprise risk management issue that affects the entire company. So the full board really needs to be engaged. But only 30% of directors indicate that their full board has primary responsibility for overseeing cybersecurity, while half tell us that the responsibility lies with the audit committee.

Boards currently allocating cybersecurity oversight responsibility to the audit committee should consider whether a full board approach may make more sense. Audit committee agendas are already full with tasks that cannot be allocated elsewhere. In addition, because cybersecurity is a pervasive risk, it warrants the more diverse perspectives of the full board.

Regardless of the chosen approach, each director on the board should understand, and be comfortable with, the company's level of preparedness for a cybersecurity attack.

Assigning oversight of cybersecurity



Q19: Who on your board is primarily responsible for overseeing cybersecurity risks?
Base: 849
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

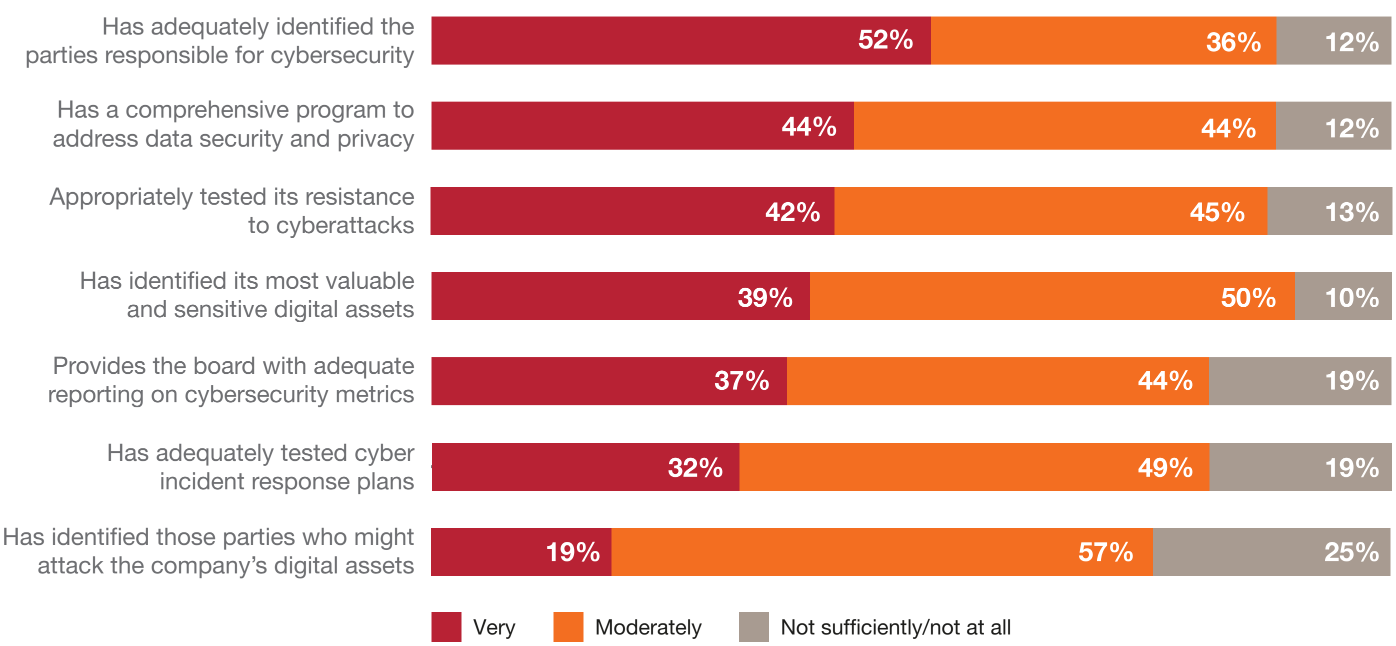
Are directors ready for a breach?

After years of attention in this area, the good news is that directors report that their companies are making improvements in cybersecurity readiness.

Directors are most confident that their company has identified its most valuable and sensitive digital assets, and has identified the right parties responsible for cybersecurity. Eighty-nine percent and 88% of directors, respectively, are at least moderately confident in each of these areas. These numbers improved over last year, when 80% and 81% of directors, respectively, said the same.

However, they are less confident that their company has identified who might attack its digital assets. One-quarter of directors say they are not sufficiently or not at all comfortable that their company had identified those threats—an increase of five percentage points from last year. Almost one in five directors (19%) think that their company has not adequately tested its cyber response plans, and is not adequately reporting to the board on cybersecurity metrics.

Companies' cybersecurity readiness

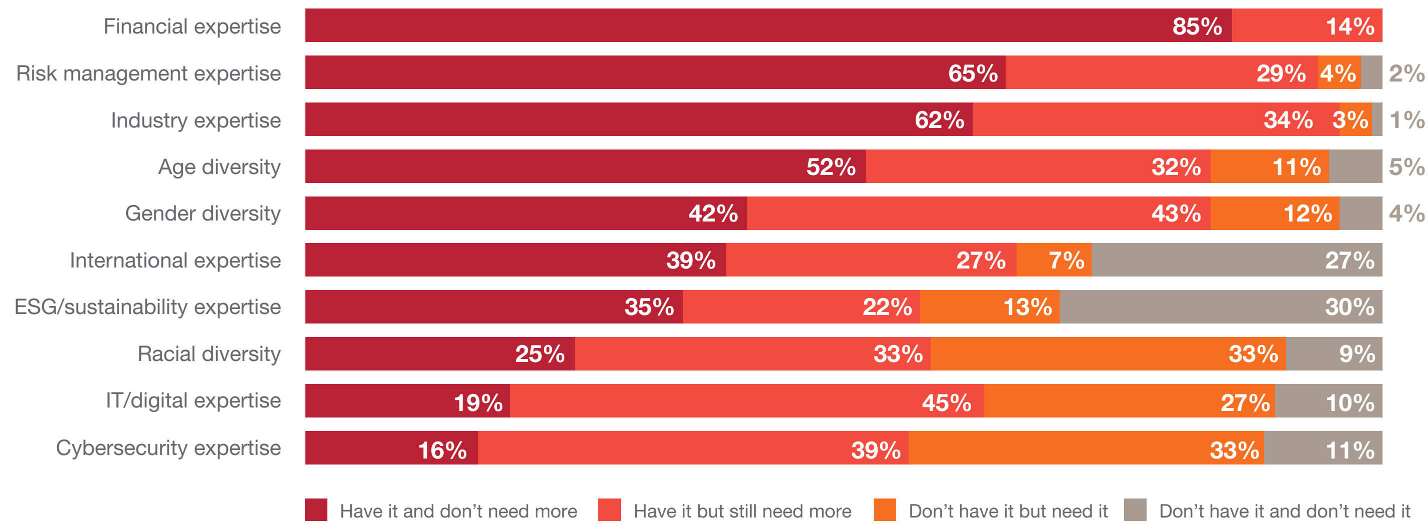


Q20: How comfortable are you that your company:
Base: 842–849
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Appendix: Full survey results

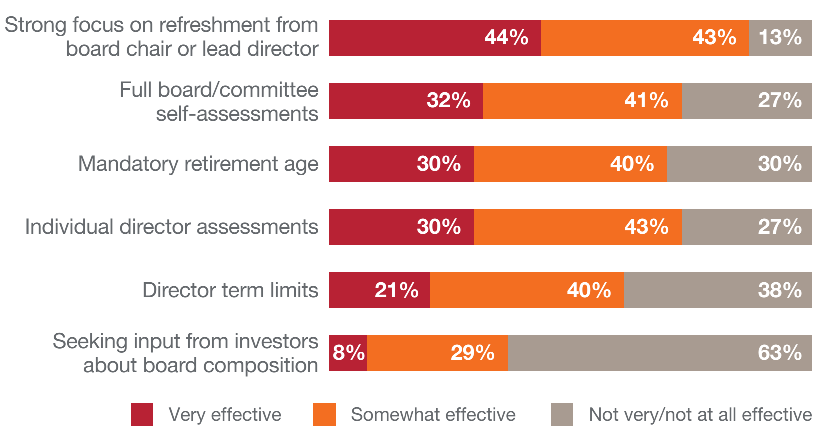
Board composition and diversity

1. How would you describe your board's current composition needs with regard to:



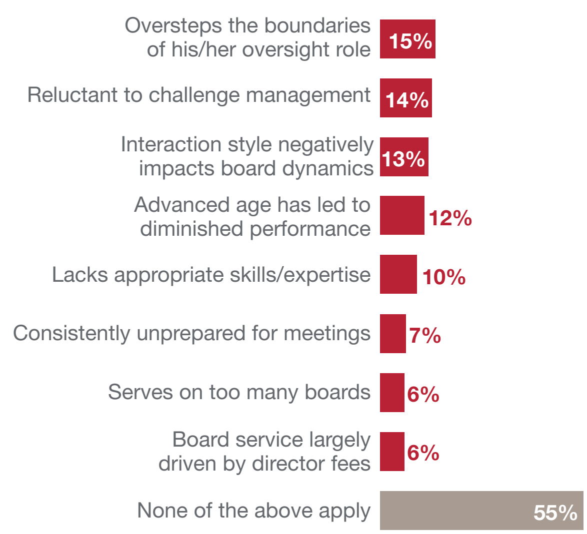
Base: 848–885
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

2. In your opinion, how effective are the following practices at promoting board refreshment?



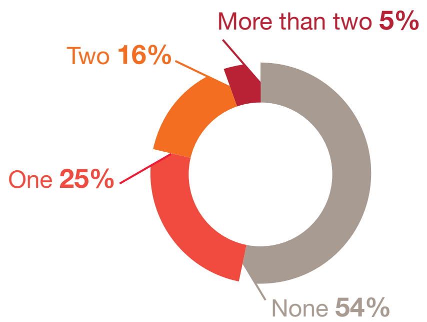
Base: 875–883
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

3. Do you believe the following about any of your fellow board members? (Select all that apply.)



Base: 875
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

4. In your opinion, how many directors on your board should be replaced?

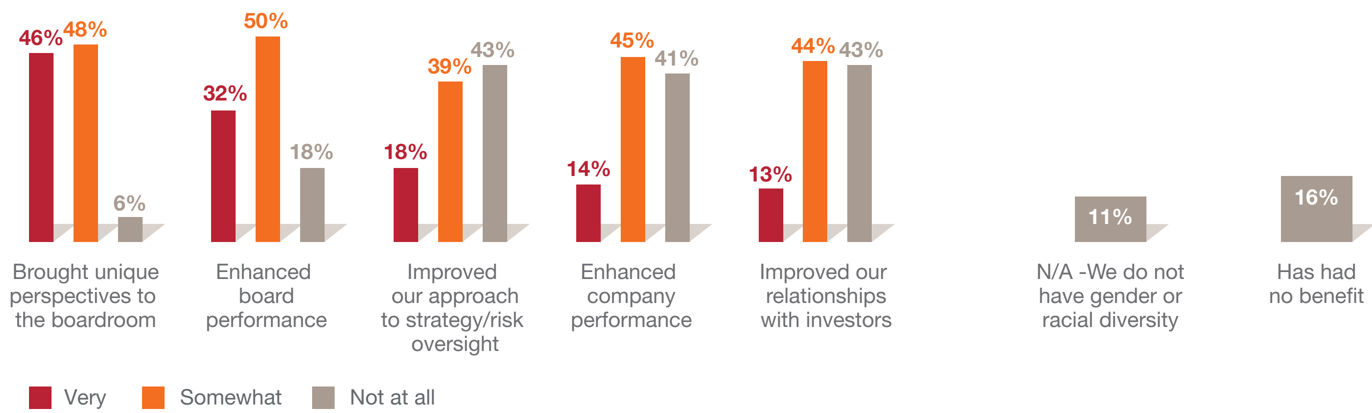


Base: 886
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

5a. In your opinion, is your board sufficiently diverse?

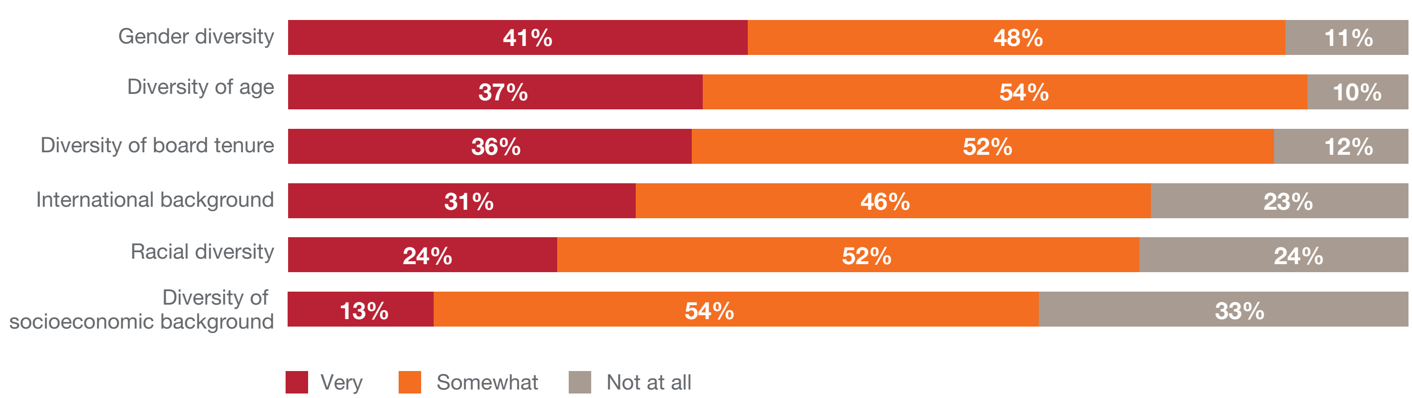
Base: 882
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

5b. Which of the following effects do you believe gender/racial diversity has had on your board?



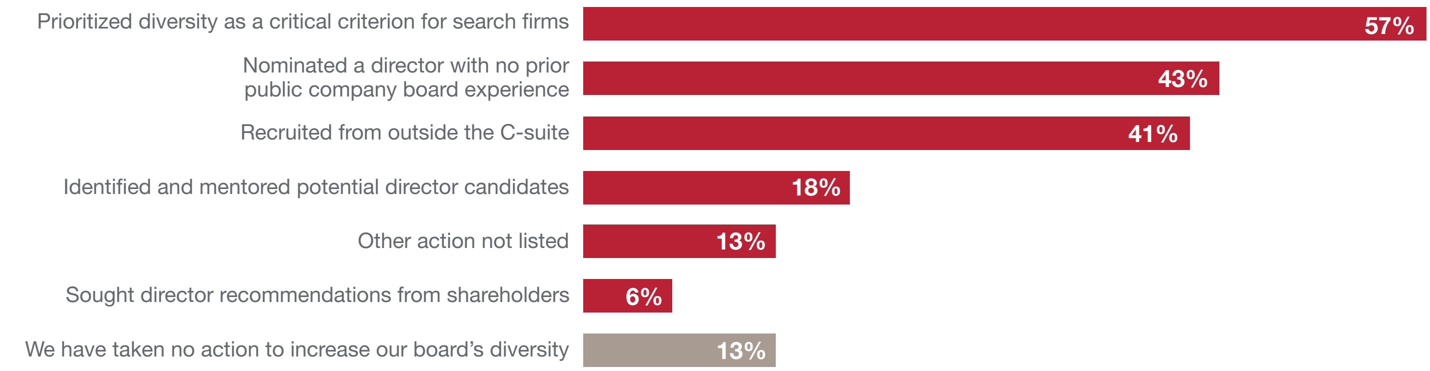
Base: 883
Source: PwC, *2017 Annual Corporate Survey*, October 2017.

6. How important are the following factors in achieving diversity of thought in the boardroom?



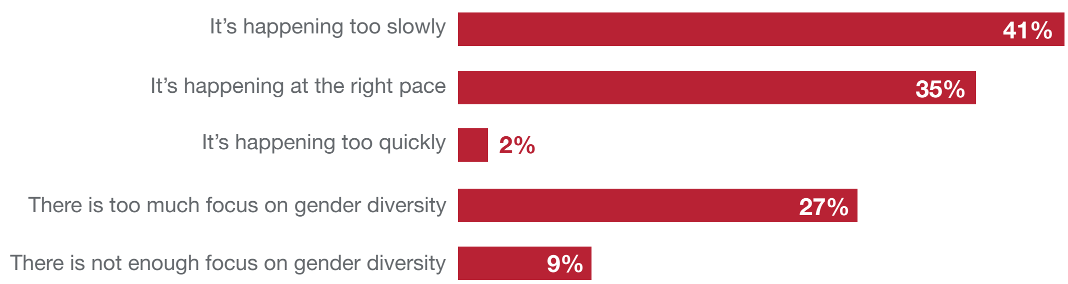
Base: 878–884
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

7. What steps has your board taken to increase its diversity? (Select all that apply.)



Base: 881
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

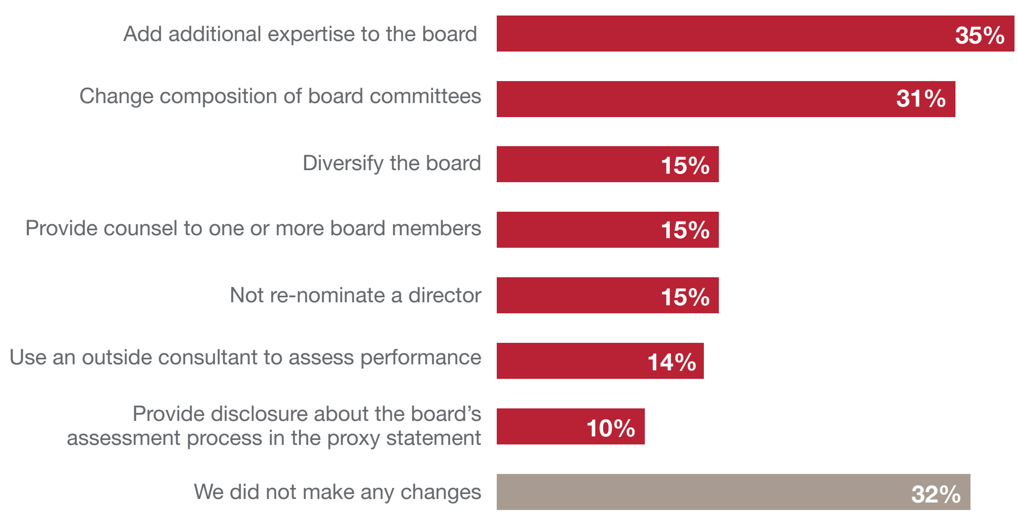
8. How would you characterize the evolution of gender diversity in US boardrooms? (Select all that apply.)



Base: 882
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

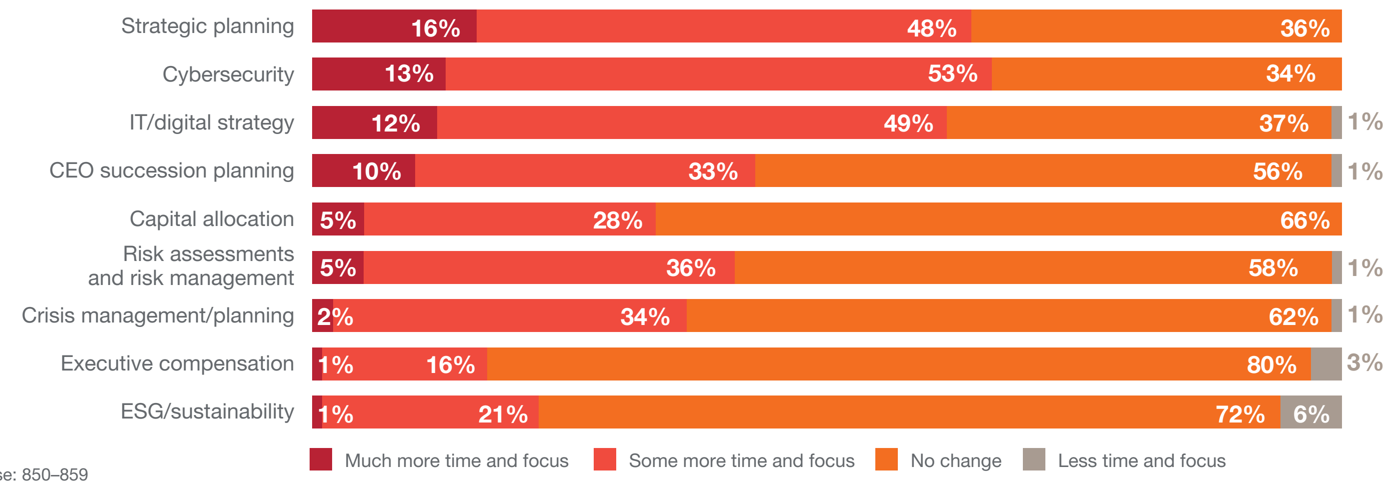
Board practices

9. In response to the results of your last board/committee assessment process, did your board/committee decide to do any of the following? (Select all that apply.)



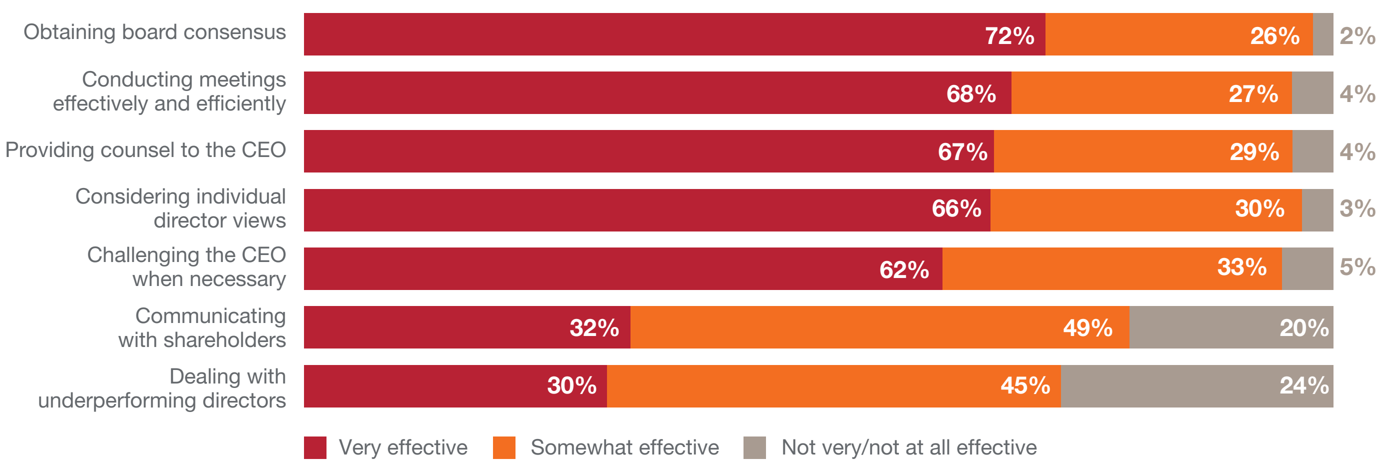
Base: 868
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

10. Should your board change the amount of time it spends on any of the following areas?



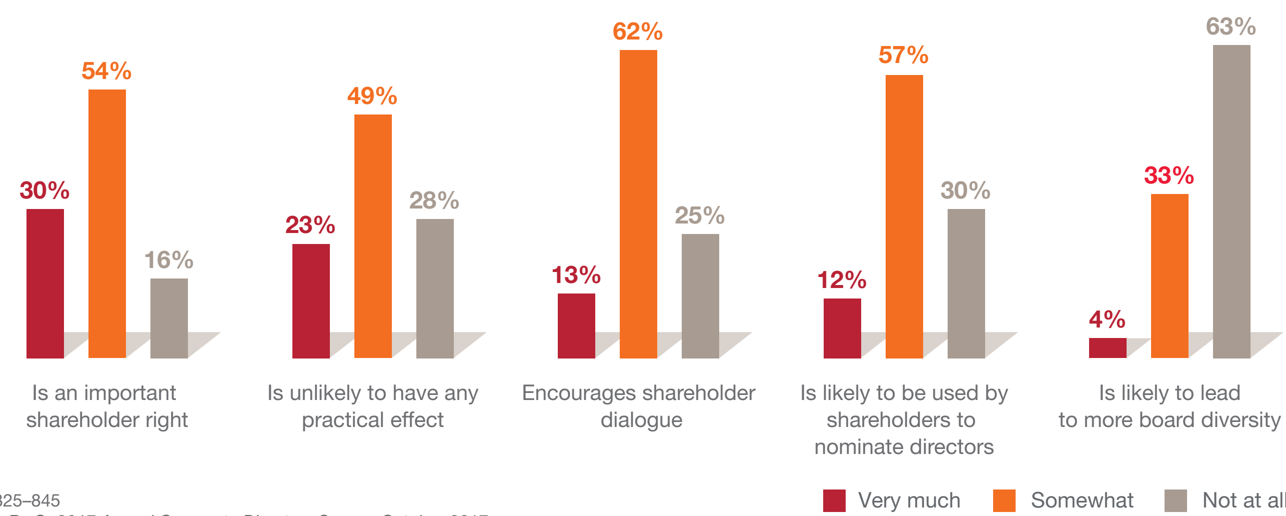
Base: 850–859
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

11. How effective is your board leadership (independent chair/lead director) in the following areas?



Base: 786–852
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

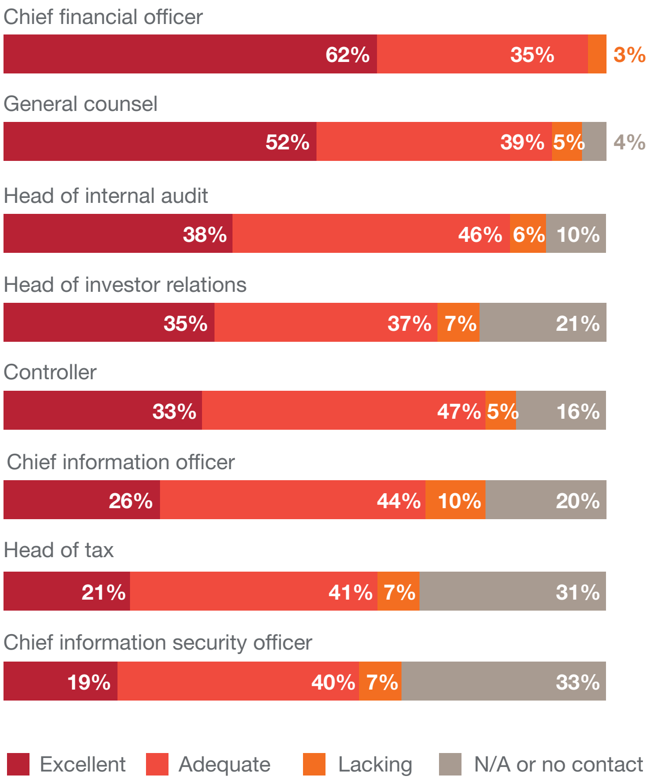
12. To what extent do you agree with the following about proxy access?



Base: 825–845
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Shareholder communications and activism

13. How would you assess the board presentation skills of the following individuals at your company?



Base: 850–859
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

14. Enhanced proxy disclosure: Do you believe that additional proxy disclosure in any of the following areas would improve either shareholder relations or annual meeting voting results? (Select all that apply.)

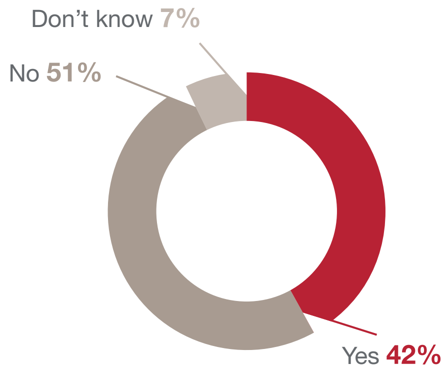
Note that this question received an unusually low response rate.

Base: 445
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

15. Under which of the following circumstances is it appropriate for directors (other than the CEO) to meet with shareholders? (Select all that apply.)

Base: 823
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

16a. Has your board (other than the CEO) had direct engagement with investors within the past 12 months?

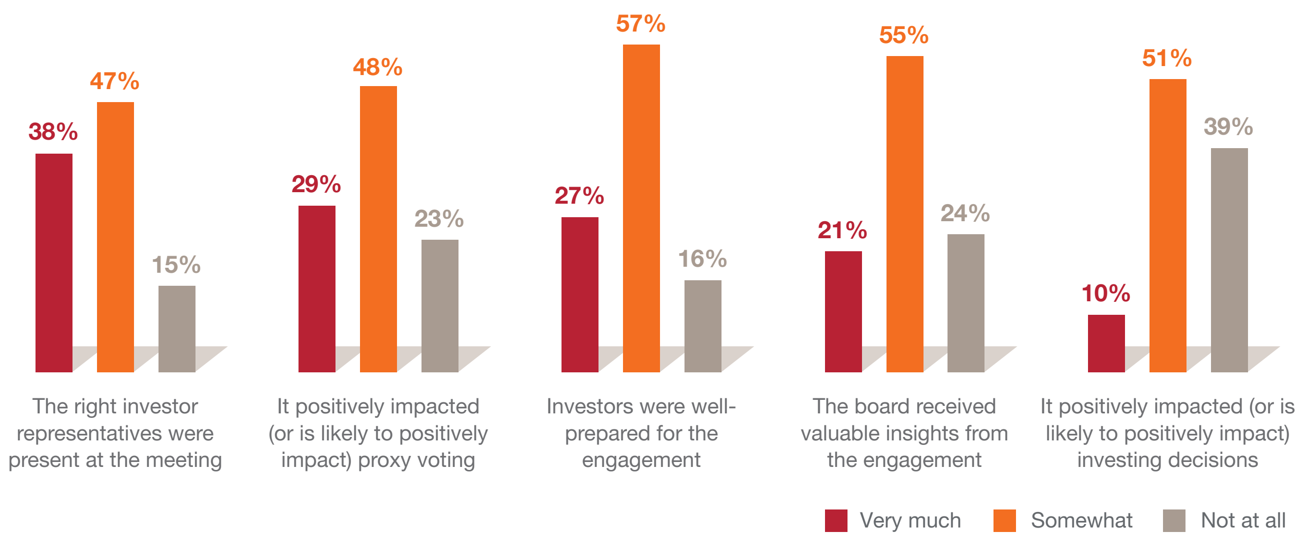


Base: 848
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

16b. On which of the following topics did a member of your board (other than the CEO) engage in direct communications with shareholders? (Select all that apply.)

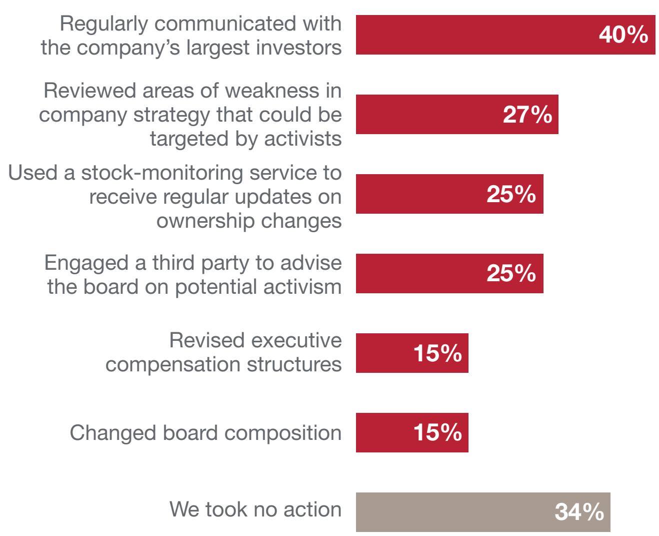
Base: 349
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

16c. To what extent do you agree with the following concerning your board's direct engagement with investors within the past 12 months?



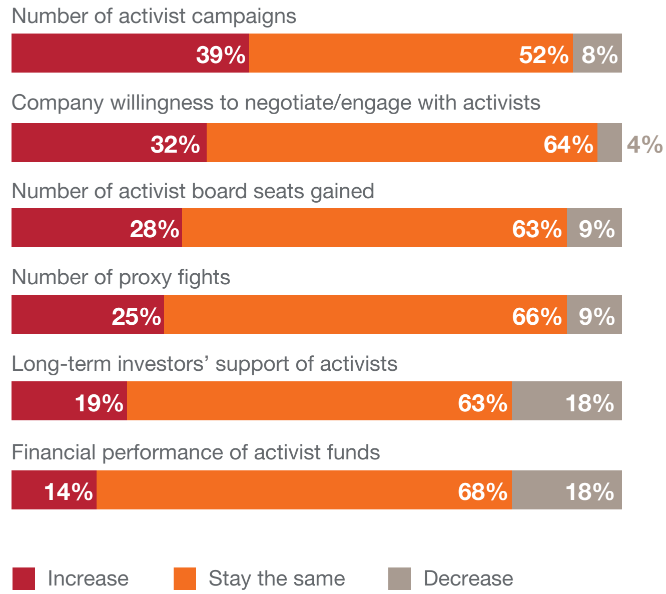
Base: 316–335
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

17. In the past 12 months, has your board done any of the following regarding actual or potential shareholder activism? (Select all that apply.)



Base: 809
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

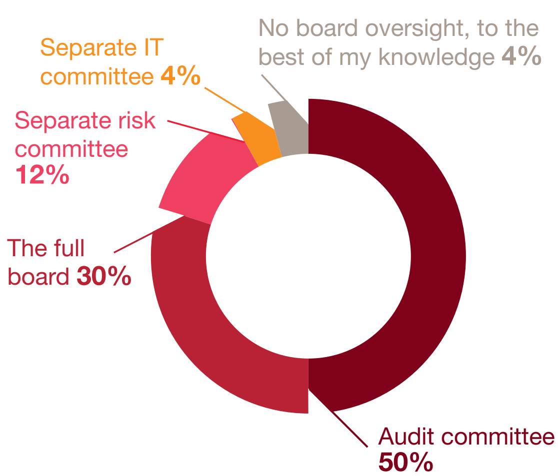
18. How do you think shareholder activism will change in the next 12 months with regard to the following?



Base: 814–831
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

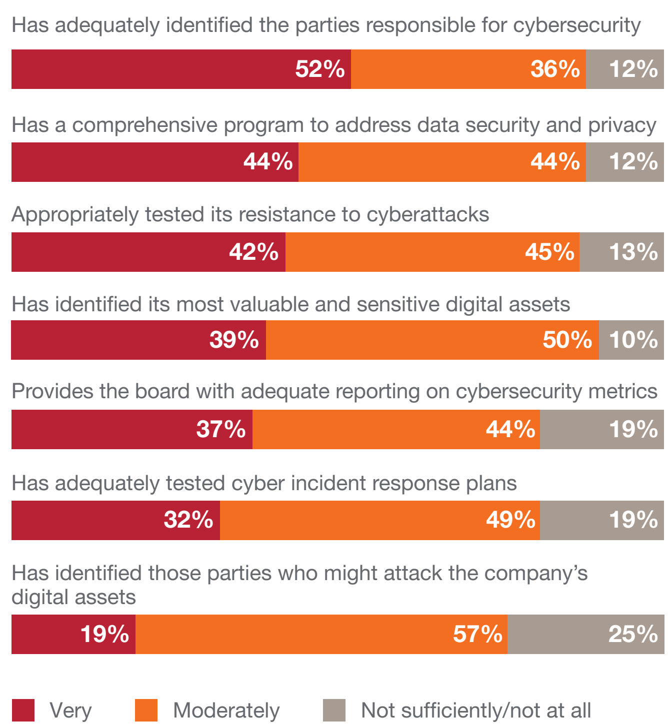
Cybersecurity

19. Who on your board is primarily responsible for overseeing cybersecurity risks?



Base: 849
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

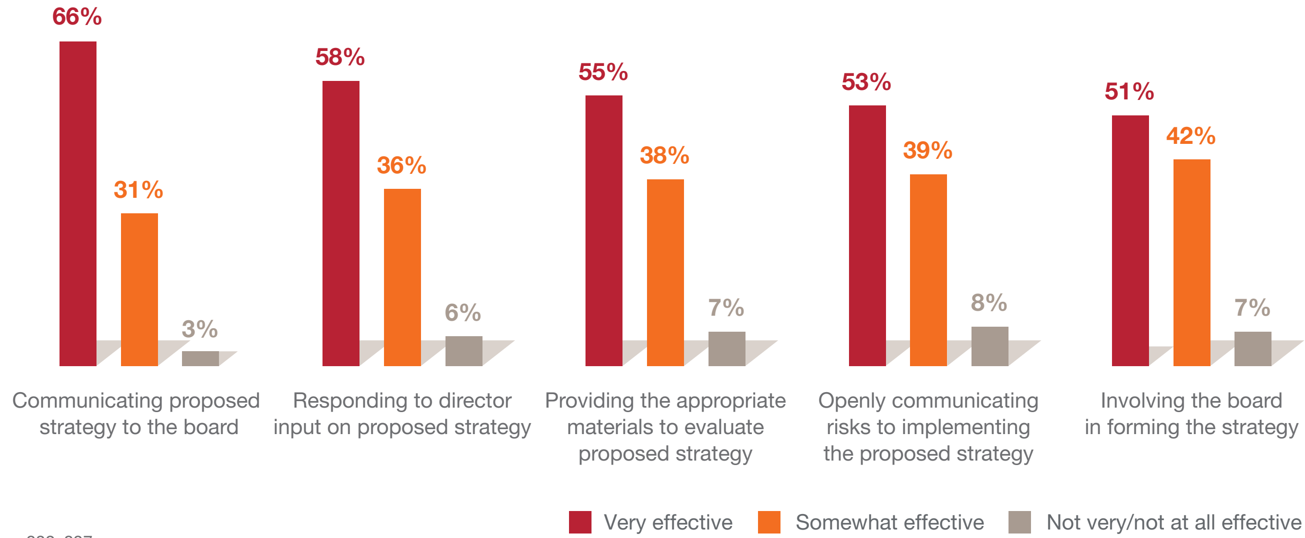
20. How comfortable are you that your company:



Base: 842–849
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Strategy and risk

21. Regarding strategy at your company, how effective do you think management is at the following?

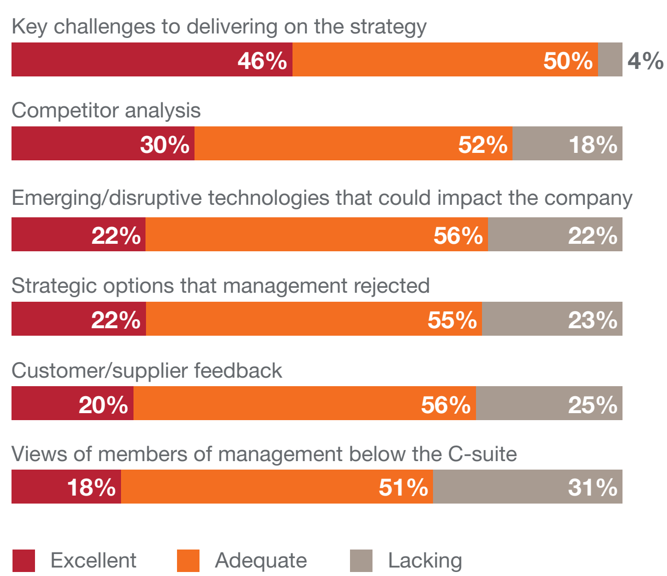


Base: 832–837
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

22. Which of the following reflect your board practices regarding strategy oversight? (Select all that apply.)

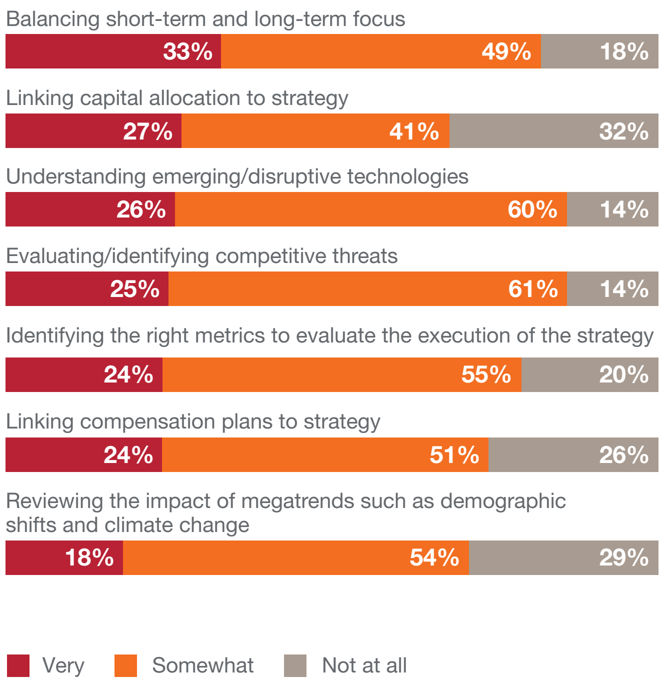
Base: 819
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

23. In connection with your board's strategic oversight role, how would you describe the quality of the information you receive in the following areas?



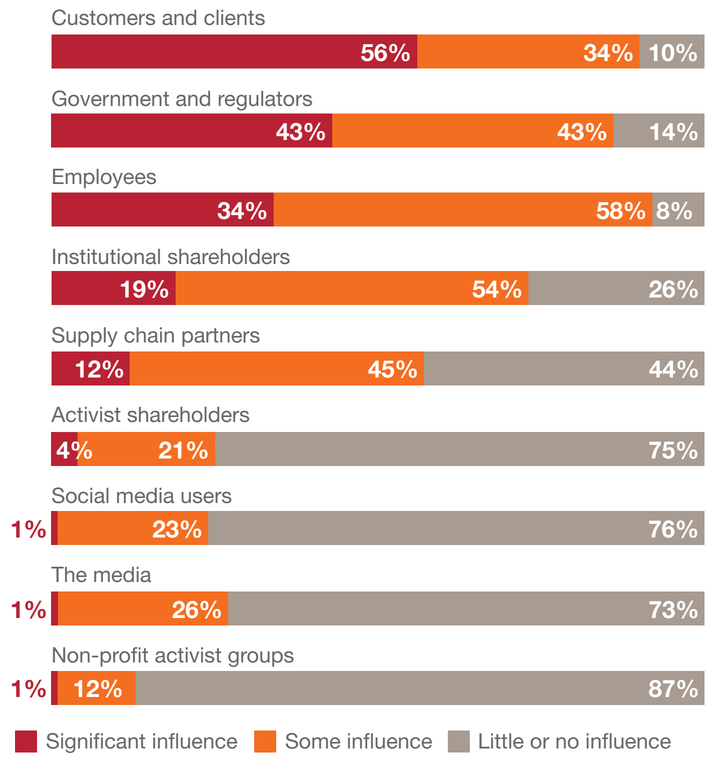
Base: 825–832
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

24. When it comes to strategy oversight, how challenging are the following areas for your board?



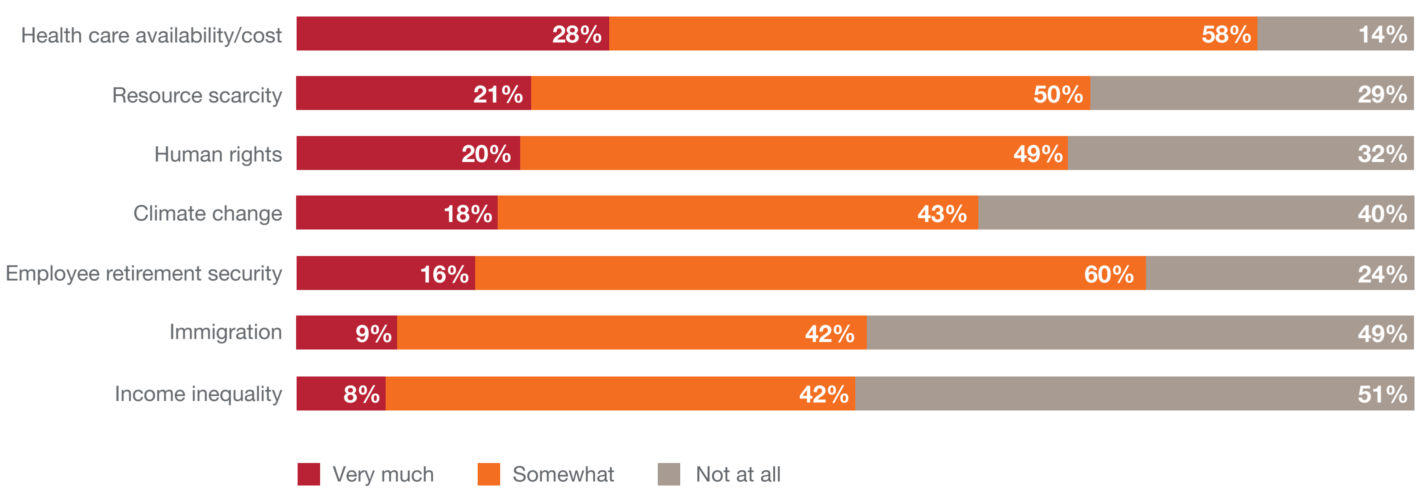
Base: 829–832
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

25. To what extent do the following stakeholders have an influence on your company's business strategy?



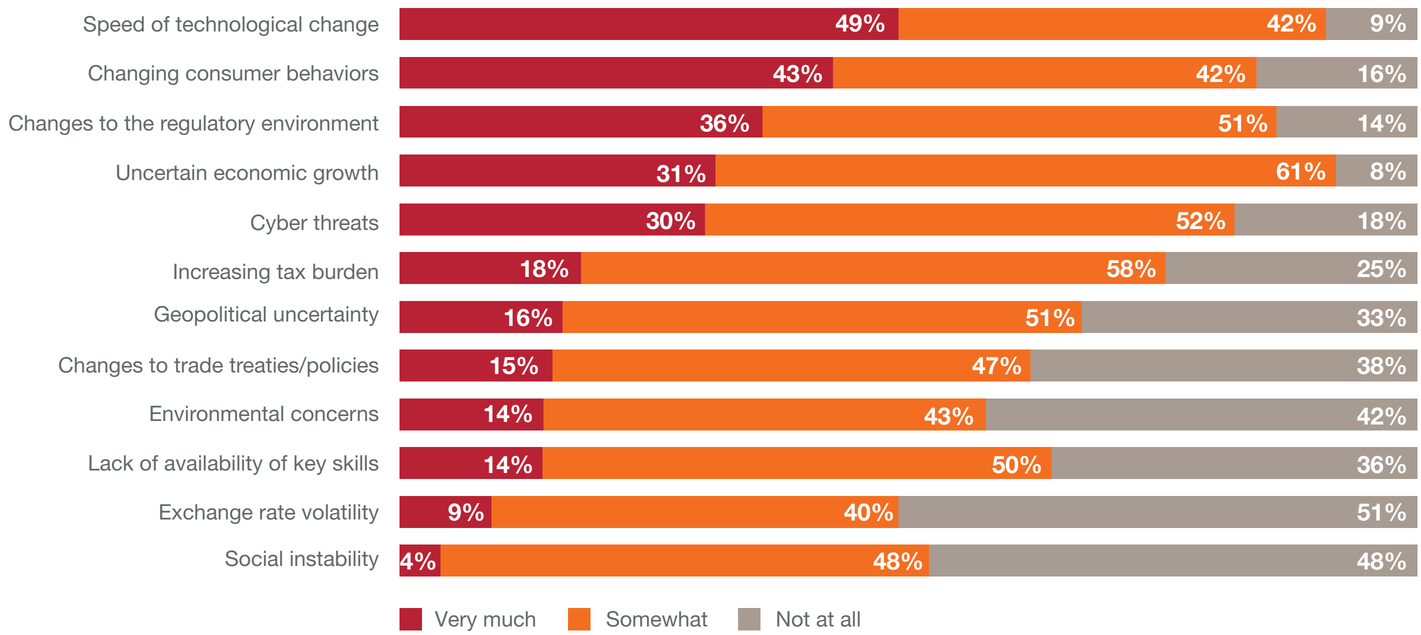
Base: 816–821
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

26. To what extent do you think your company should take the following societal issues into account when forming company strategy?



Base: 816–819
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

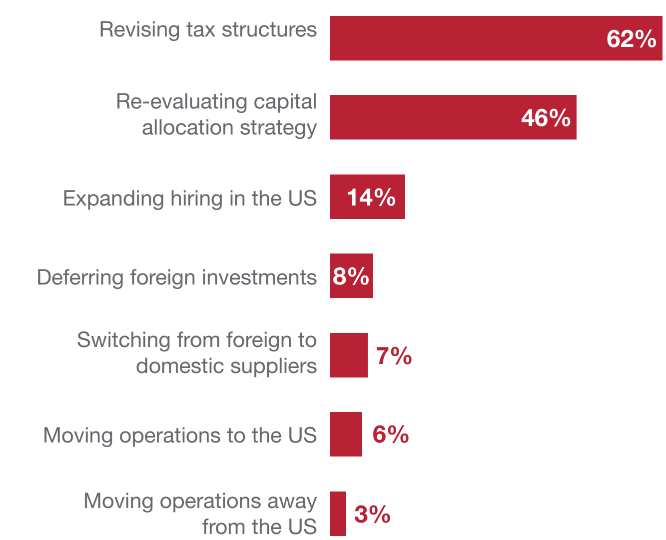
***27. To what extent do you anticipate needing to change or modify your company's strategy in the next three years due to any of the following threats to strategy execution?** (Select all that apply.)*



Base: 800–812
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

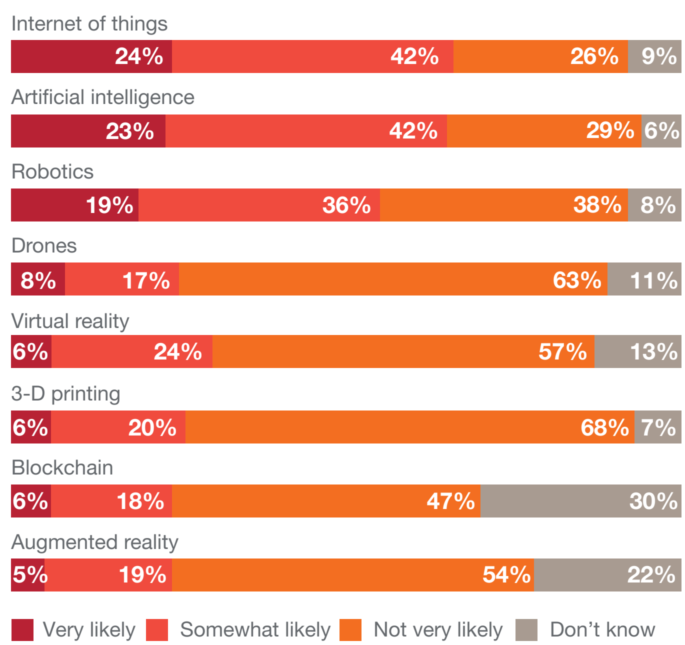
28. Is your company considering making any of the following changes as a result of the 2016 US elections? (Select all that apply.)

Note that this question received an unusually low response rate.



Base: 331
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

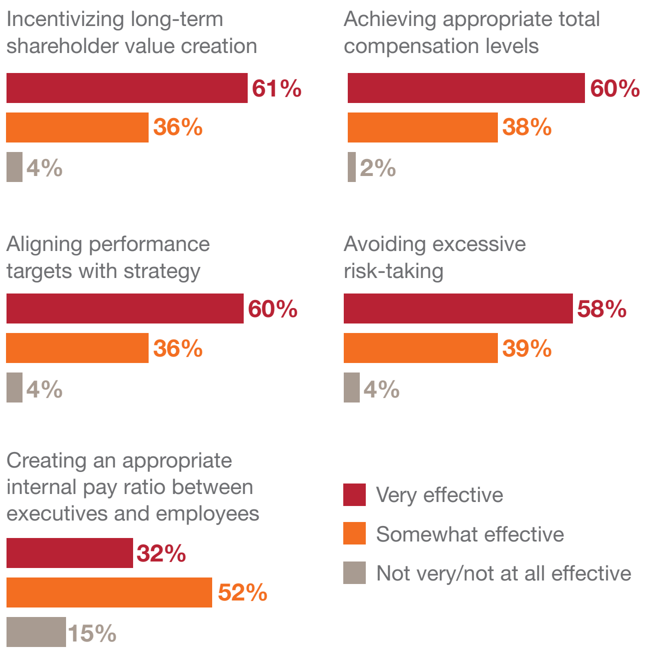
29. How likely is it that the following technologies will affect your company's strategy over the next two–three years?



Base: 817–822
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

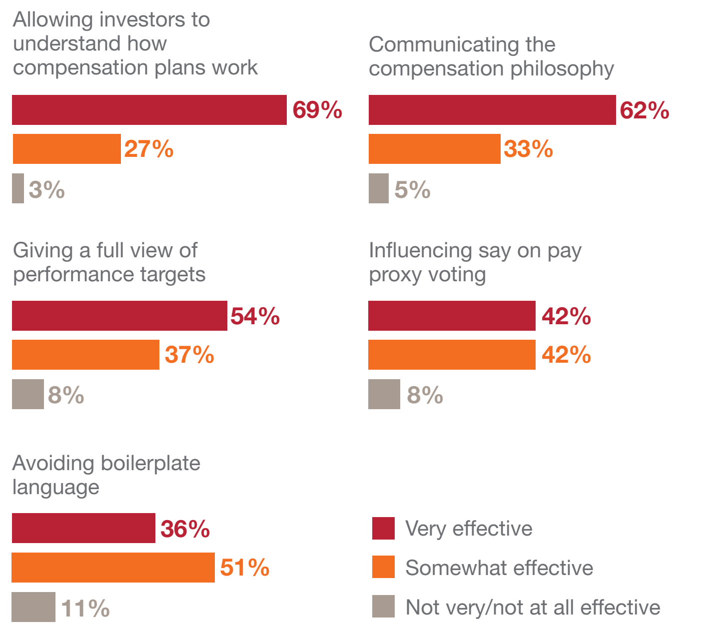
Executive compensation

30. How effective are your company's executive compensation plans at:



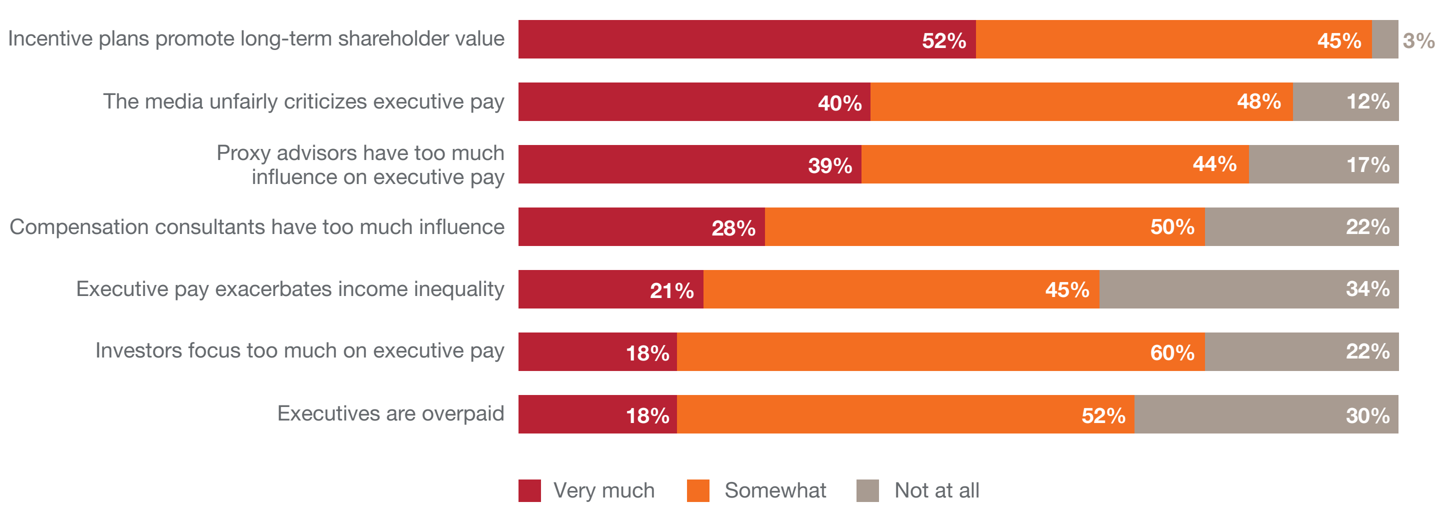
Base: 820–824
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017

31. How effective is your executive compensation disclosure at:



Note: For the sections that do not add to 100%, the difference was directors who responded don't know
Base: 819–821
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

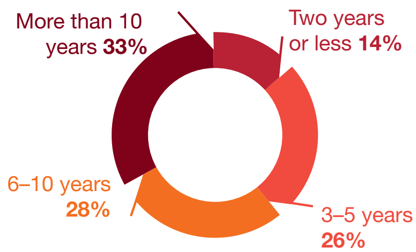
32. To what extent do you agree with the following regarding executive pay in the US?



Base: 816–822
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

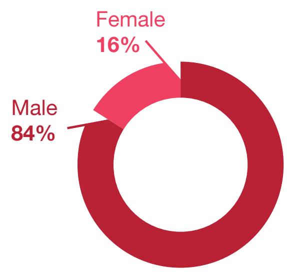
Demographics

How long have you served on this board?



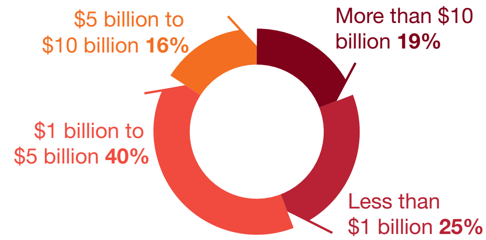
Base: 836
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Are you?



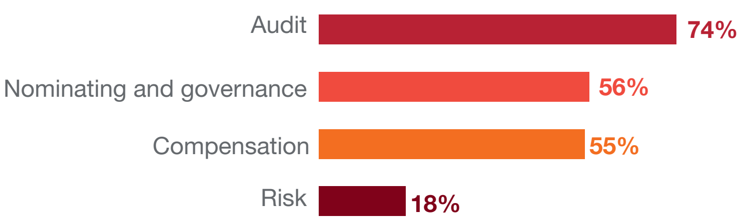
Base: 834
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

What are the annual revenues of the company?



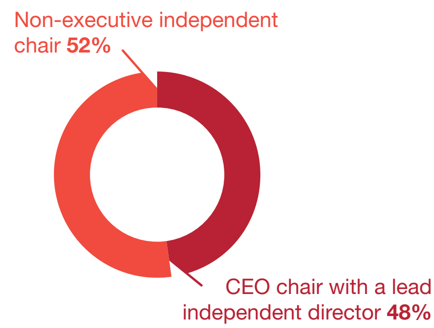
Base: 829
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

On which board committees do you serve? (Select all that apply.)



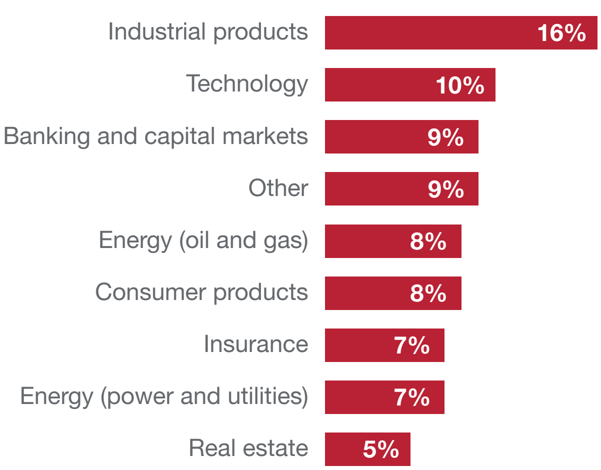
Base: 765
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Which of the following describes your board leadership structure?



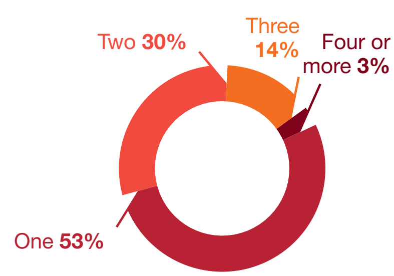
Base: 810
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

Which of the following best describes the company's industry?



Note: Health services, retail, pharma and life sciences, media/entertainment/telecom, business and professional services, and asset and wealth management industries comprised less than 5% each.
Base: 831
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

How many public company boards do you currently serve on?



Base: 829
Source: PwC, *2017 Annual Corporate Directors Survey*, October 2017.

How PwC can help

To have a deeper discussion about how this topic might impact your business, please contact your engagement partner or a member of PwC's Governance Insights Center.

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