Communicating Board Skills in Light of the NYC Comptroller and NYC Pension Funds National Boardroom Accountability Project – Version 2.0 (2020 UPDATE)

Executive Summary

This Executive Summary presents a high-level overview of how reporting practices around board skills have changed over the last two years. For a full, in-depth dive into the reporting practices of the 151 companies that received the NY Comptroller's Letter in 2017, see the "Communicating Board Skills in Light of the NYC Comptroller and NYC Pension Funds National Boardroom Accountability Project Campaign – Version 2.0/2020 Update" available for complimentary download at https://argyleteam.com/thinking.aspx.

Sample

Of the 151 companies that received the NYC Comptroller and NYC Pension Funds' letter in 2017, 8 companies did not publish a proxy statement in 2020:

- 1 was acquired by a foreign company.
- 3 were acquired by another company that received the letter.
- 2 were acquired by a private company.
- 2 became private.

= our 2020 sample size of 143 companies.

For more information about Argyle contact info@argyleteam.com

Communicating Board Skills: 2020 vs. 2018

The following charts present how the practices in communicating board skills have changed over the last two years.

Skills Sought by Corporate Boards

Discussion of specific skills and experience sought by the Board

We looked for language that specifically discusses skills and experience sought by the Board.

2020:
84/143 companies (59%)
2018:
75/146 companies (51%)
↑8%

Explanation why specific skills and experience are sought by the Board

We looked for language that explains why the skills and experience sought by the Board are relevant to the Company.

2020:
51/143 companies (36%)
2018:
33/146 companies (23%)
↑13%

Board Skills as a Group

Graphic Presentation of Nominee Skills as a Group

We looked for companies that publish a "blended" graphic overview of collective Board skills and experience.

2020:
55/143 companies (38%)
2018:
35/146 companies (24%)
↑14%

Skills Matrix and Graphic Presentation of Nominee Skills as a Group

We looked for companies that present a skills matrix which explicitly links experience to individual director nominees and a "blended" graphic overview of collective Board skills and experience.

2020:
18/143 companies (13%)
2018:
10/146 companies (7%)
↑6%

Individual Director Skills

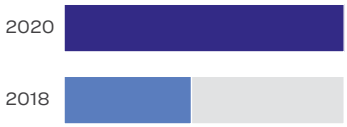
Skills Matrix

We looked for skills matrices – like the model proposed by the NYC Comptroller and NYC Pension Funds – that explicitly link experience to individual director nominees.

2020:
84/143 companies (59%)
2018:
59/146 companies (40%)
↑19%

Language used in Skills Matrices: 2020 vs. 2018

Academia	2020	**10** appearances in 2020	↑25%
	2018	**8** appearances in 2018	
Board Experience	2020	**47** appearances in 2020	↑62%
	2018	**29** appearances in 2018	
Business/Strategy	2020	**33** appearances in 2020	↑50%
	2018	**22** appearances in 2018	
CEO Experience	2020	**37** appearances in 2020	↑48%
	2018	**25** appearances in 2018	
CFO Experience	2020	**10** appearances in 2020	↑100%
	2018	**5** appearances in 2018	
COO Experience	2020	**5** appearances in 2020	↑400%
	2018	**1** appearance in 2018	
Corporate Finance and Capital Management Experience	2020	**28** appearances in 2020	NEW
	2018	**0** appearance in 2018	
Corporate Governance	2020	**39** appearances in 2020	↑63%
	2018	**24** appearances in 2018	
CSR/Ethics	2020	**12** appearances in 2020	↑33%
	2018	**9** appearances in 2018	

CTO Experience		**0** appearance in 2020 **1** appearance in 2018	↓-100%
Customer Service		**11** appearances in 2020 **8** appearances in 2018	↑38%
Digital/eCommerce		**11** appearances in 2020 **5** appearances in 2018	↑120%
Domestic		**2** appearances in 2020 **2** appearances in 2018	0%
Emerging Markets		**2** appearances in 2020 **2** appearances in 2018	0%
Entrepreneurial		**3** appearances in 2020 **3** appearances in 2018	0%
Environment		**28** appearances in 2020 **15** appearances in 2018	↑87%
Executive Compensation		**20** appearances in 2020 **13** appearances in 2018	↑54%
Executive Experience		**33** appearances in 2020 **38** appearances in 2018	↓-13%
Finance/Accounting/ Reporting		**83** appearances in 2020 **51** appearances in 2018	↑63%

Finance/Banking/ Financial Services		**19** appearances in 2020 **33** appearances in 2018	↓-42%
Finance/Capital Markets		**13** appearances in 2020 **7** appearances in 2018	↑86%
Global/International Experience		**51** appearances in 2020 **42** appearances in 2018	↑21%
Government/ Regulatory		**64** appearances in 2020 **36** appearances in 2018	↑78%
Healthcare		**2** appearances in 2020 **3** appearances in 2018	↓-33%
HR		**24** appearances in 2020 **16** appearances in 2018	↑50%
Human Capital Management/ Compensation		**4** appearances in 2020 **0** appearance in 2018	NEW
Industry - Applications Software		**1** appearance in 2020 **1** appearance in 2018	0%
Industry - Automotive		**2** appearances in 2020 **0** appearance in 2018	NEW
Industry - Beverages		**1** appearance in 2020 **1** appearance in 2018	0%

Industry - Chemicals		**4** appearances in 2020 **2** appearances in 2018	↑100%
Industry - Commercial Services		**1** appearance in 2020 **1** appearance in 2018	0%
Industry – Cosmetics & Toiletries		**1** appearance in 2020 **1** appearance in 2018	0%
Industry - Data Processing		**2** appearances in 2020 **1** appearance in 2018	↑100%
Industry - E-Commerce		**3** appearances in 2020 **2** appearances in 2018	↑50%
Industry - Electric-Integrated		**18** appearances in 2020 **10** appearances in 2018	↑80%
Industry - Electronic Components		**1** appearance in 2020 **1** appearance in 2018	0%
Industry - Financial Services		**2** appearances in 2020 **1** appearance in 2018	↑100%
Industry - Healthcare		**7** appearances in 2020 **6** appearances in 2018	↑17%
Industry - Instrument-Controls		**0** appearance in 2020 **1** appearance in 2018	↓-100%

Industry - Insurance Brokers		**1** appearance in 2020 **1** appearance in 2018	0%
Industry - Life/Health Insurance		**2** appearances in 2020 **1** appearance in 2018	↑100%
Industry - Medical		**11** appearances in 2020 **7** appearances in 2018	↑57%
Industry - Oil Companies–Exploration & Production		**8** appearances in 2020 **10** appearances in 2018	↓-20%
Industry - Oil Companies-Integrated		**0** appearance in 2020 **1** appearance in 2018	↓-100%
Industry - Oil Field Machinery & Equipment		**2** appearances in 2020 **2** appearances in 2018	0%
Industry - Oil Refining & Marketing		**5** appearances in 2020 **3** appearances in 2018	↑67%
Industry – Oil & Gas Drilling		**3** appearances in 2020 **3** appearances in 2018	0%
Industry - Pipelines		**1** appearance in 2020 **1** appearance in 2018	0%
Industry - REITS		**14** appearances in 2020 **9** appearances in 2018	↑56%

Industry - Retail		**6** appearances in 2020 **5** appearances in 2018	↑20%
Industry - Semiconductors		**1** appearance in 2020 **0** appearance in 2018	NEW
Industry - Toys		**2** appearances in 2020 **2** appearances in 2018	0%
Industry - Transactional Software		**1** appearance in 2020 **1** appearance in 2018	0%
Industry - Transport		**1** appearance in 2020 **1** appearance in 2018	0%
Information Technologies		**5** appearances in 2020 **4** appearances in 2018	↑25%
Investments		**9** appearances in 2020 **5** appearances in 2018	↑80%
Investor Relations		**7** appearances in 2020 **4** appearances in 2018	↑75%
IT		**6** appearances in 2020 **5** appearances in 2018	↑20%
IT/Cybersecurity		**23** appearances in 2020 **14** appearances in 2018	↑64%

Legal		**30** appearances in 2020 **22** appearances in 2018	↑36%
M&A/Transactional		**17** appearances in 2020 **8** appearances in 2018	↑113%
Manufacturing		**14** appearances in 2020 **7** appearances in 2018	↑100%
Marketing/Sales/ Branding		**5** appearances in 2020 **2** appearances in 2018	↑150%
Military		**3** appearances in 2020 **1** appearance in 2018	↑200%
Operations		**17** appearances in 2020 **12** appearances in 2018	↑42%
R&D		**9** appearances in 2020 **3** appearances in 2018	↑200%
Real Estate		**7** appearances in 2020 **4** appearances in 2018	↑75%
Risk		**58** appearances in 2020 **31** appearances in 2018	↑87%
Sales/Marketing/ Branding		**26** appearances in 2020 **19** appearances in 2018	↑37%

Senior Leadership		**8** appearances in 2020 **0** appearance in 2018	NEW
Succession Planning		**2** appearances in 2020 **2** appearances in 2018	0%
Supply Chain/Logistics		**7** appearances in 2020 **3** appearances in 2018	↑133%
Technology/ Engineering		**28** appearances in 2020 **17** appearances in 2018	↑65%