



Enhanced Disclosure in the Dow 30 and Select Financial Companies

Board Diversity and Director Qualifications

by Louis L. Goldberg and Janice Brunner

The analysis of disclosure included in 2010 proxy statements by some of the largest U.S. public companies shows that a wide variety of attributes, skills and experiences are being considered for the purpose of determining the most qualified individuals to serve on the board of directors. All of the surveyed companies cited leadership roles and at least one director's experience in the company's industry or a closely related industry as a consideration. Even though all of the financial institutions pointed out risk management as a critical skill, only two non-financial institutions explicitly mentioned this expertise. All companies said that they consider diversity in identifying nominees for director.

Included within the recent amendments to Regulation S-K are two new disclosure requirements that require companies to reach beyond historical biographical information and provide investors with some insight into the board's thought processes and considerations in nominating directors. Specifically, under the new rules companies must disclose whether and how the board considers diversity in the nomination process as well as what qualifications, skills and experiences the board considered in determining that a particular director was qualified to serve on the board.¹

This *Director Notes* is the third in a series of studies developed in collaboration with Davis Polk & Wardwell LLP to provide guidelines and examples to member companies of The Conference Board on emerging practices following the SEC enhanced disclosure reform of December 2009.

¹ Regulation S-K, Item 401(e) and Item 407(c)(vi). Also see SEC Release No. 33-9089; 34-61175 ("Proxy Disclosure Enhancements"), December 16, 2009, available at www.sec.gov/rules/final/2009/33-9089.pdf. The rules apply to proxy and information statements, annual reports and registration statements under the Exchange Act, and registration statements under the Securities Act as well as the Investment Company Act. They do not apply to foreign private issuers. For an extensive discussion of the practical implications of the reform, see William M. Kelly and Mutya Fonte Harsch, "Directors' Duties Under the New SEC Rules on Disclosure Enhancement," Director Notes No. DN-005, February 2010.



It is based on the analysis of 2010 proxy statements of the 30 companies in the Dow Jones Industrial Average as well as those of five additional select financial institutions (see “The Survey,” below.) Six of these companies filed their proxy statements prior to the effective date of the new rules and were therefore excluded from the results.

Because a board’s consideration of director nominees usually involves a careful weighing of many factors, including the composition of the board as a whole, the wide range of responses to these specific disclosure requirements was not surprising. However, the survey revealed several expected common themes, including frequent references to recognized leadership qualities and an appreciation of diversity.

The Survey

Findings discussed in this report are based on the analysis of 2010 proxy statements filed with the U.S. Securities and Exchange Commission by corporations in the Dow Jones Industrial Average, as well as those of select financial institutions. See Appendix 1, on p. 6, for a comparative table summarizing the disclosure language used by surveyed companies

Dow 30 Companies

3M Company
Intel Corporation
Alcoa Inc.
International Business Machines Corporation
American Express Company
Johnson & Johnson
AT&T Inc.
JPMorgan Chase & Co.
Bank of America Corporation
Kraft Foods, Inc.
The Boeing Company
McDonald’s Corporation
Caterpillar Inc.
Merck & Co., Inc
Chevron Corporation
Microsoft Corporation^a
Cisco Systems, Inc.^a
Pfizer Inc.

The Coca-Cola Company
The Procter & Gamble Company^a
E.I. du Pont de Nemours and Company
The Travelers Companies, Inc.
Exxon Mobil Corporation
United Technologies Corporation^a
General Electric Company
Verizon Communications Inc.
Wal-Mart Stores, Inc.
Hewlett-Packard Company^a
The Walt Disney Company^a
The Home Depot, Inc.

Select Financial Institutions

Bank of America Corporation^b
Citigroup Inc.
The Goldman Sachs Group, Inc.
JPMorgan Chase & Co.^b
Morgan Stanley

^a These companies (collectively the “Early Filers”) filed their proxy statement before the effective date of the new Regulation S-K rules or have fiscal year-ends before December 20, 2009. As a result, they are largely excluded from the Survey results except in instances where the company provided the new disclosures in full voluntarily or the information was available from another source, as noted.

^b Bank of America and JPMorgan Chase are also in the Dow 30.

Board Diversity

The recent amendments to Item 407(c) of Regulation S-K require disclosure of whether, and if so how, a nominating committee considers diversity in identifying nominees for director. In addition, if the nominating committee (or the board) has a policy with regard to the consideration of diversity in identifying director nominees, the company must disclose how the policy is implemented, as well as how the nominating committee (or the board) assesses the effectiveness of its policy.

Of the 27 surveyed companies subject to the Item 407(c) amendments:

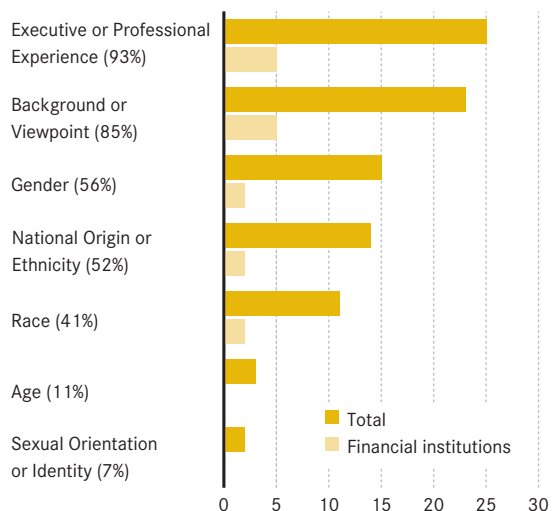
- All said that they *consider diversity* in identifying nominees for director.
- One said that it has a *policy* on board diversity.
- Ten companies, including one financial institution, made an *affirmative statement* that although the board considers diversity, it *does not have a diversity policy* with respect to board make-up.

In the final rule release, the SEC avoided including a strict notion of diversity and recognized that “companies should be allowed to define diversity in ways that they consider appropriate.” By way of example, the SEC noted that “some companies may conceptualize diversity expansively to include differences of viewpoint, professional experience, education, skill and other individual qualities and attributes that contribute to board heterogeneity, while others may focus on diversity concepts such as race, gender and national origin.”²

Consistent with the SEC’s notion of varying perspectives, the survey found a spectrum of disclosures regarding companies’ views of board diversity, with some companies adopting fairly specific definitions of diversity and others providing broader references. While not all companies provided a definition, those that did articulated the following:

Chart 1

Definitions of Diversity



² SEC Release No. 33-9089.

Director Qualifications and Skills

For each director or person nominated or chosen to become a director, the recent amendments to Item 401 of Regulation S-K require companies to disclose the specific experience, qualifications, attributes or skills that lead to the conclusion that the person should serve on the board at the time that the disclosure is made, in light of the company’s business and structure.

Of the 27 surveyed companies subject to the Item 401 amendments:

- Twenty-two companies (or 81 percent) included this disclosure as a subsection within each director’s biography.
- Five companies (or 19 percent) included this information in a separate section that often preceded or followed the directors’ biographies.
- Four of the five financial institutions surveyed included this disclosure as a subsection within each director’s biography.

Regulation S-K does not specify the particular information that should be disclosed; in the release accompanying the final rules, the SEC indicated that it believes that “companies and other proponents should be afforded flexibility in determining the information about a director’s or nominee’s skills, qualifications or particular area of expertise that would benefit the company and should be disclosed to shareholders.”³

The companies reviewed in the survey took advantage of this flexibility, discussing a wide variety of attributes, skills and experiences they considered in determining that the person was qualified to serve. The following common themes emerged:

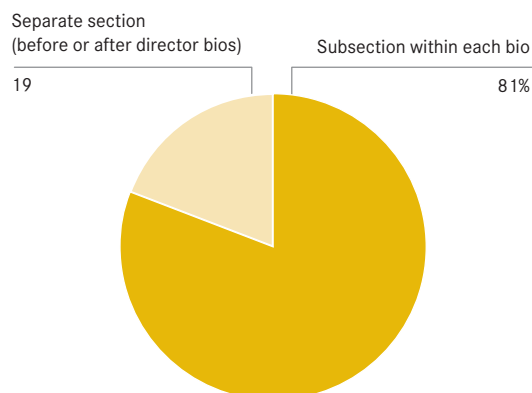
- All of the companies surveyed cited *leadership roles* and at least one director’s experience in the *company’s industry* or a *closely related industry* as a qualification, skill or attribute that they considered.
- As many as 26 companies, including all five financial institutions, cited *financial or accounting expertise* and/or pointed out directors’ current or previous *positions on other boards*.
- As many as 25 companies mentioned *governmental, public policy or regulatory experience*.

However, when it came to the topics of the day of risk management, corporate governance and compensation and benefits, the results were mixed:

- All of the financial institutions pointed out *risk management expertise*, but only two non-financial companies explicitly mentioned it.
- Eighteen companies explicitly cited *corporate governance expertise* as a consideration, including three financial institutions.
- Seven companies, including two financial institutions, pointed to *compensation and benefits expertise*.

Chart 2

Location of Director Qualification and Skill Disclosure

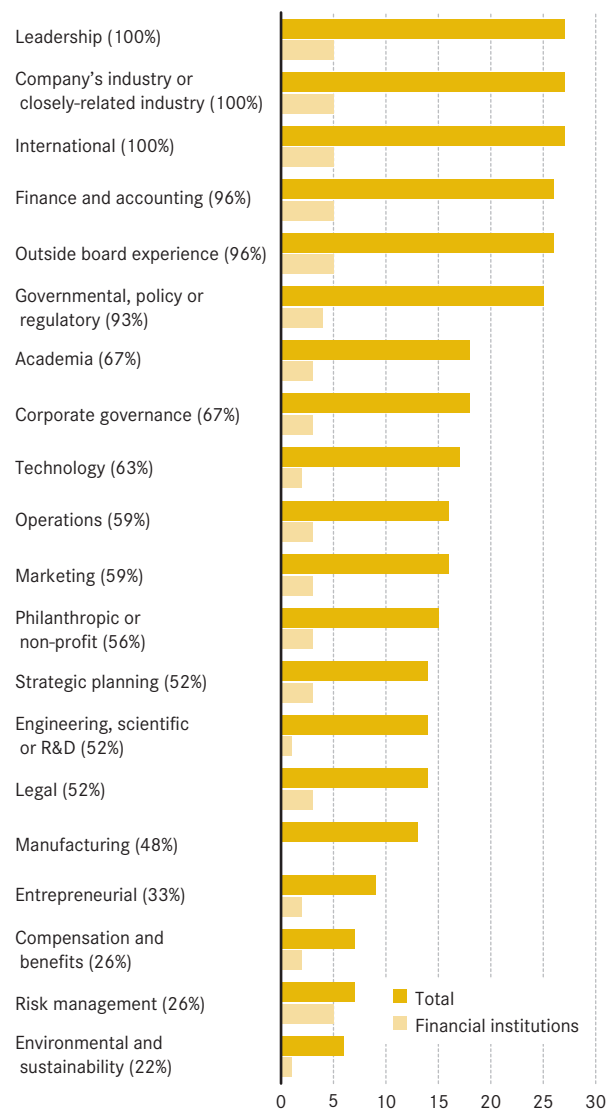


³ SEC Release No. 33-9089.

The specific survey results are further broken down by Chart 3, which identifies the qualifications, skills, and experiences most commonly cited as a consideration in determining that a director should serve. Chart 3 documents only those specific qualifications, skills and experiences cited in the newly provided disclosure and does not necessarily capture those attributes that may be explicit or inferred based on discussion of the board’s qualifications as a whole, the director’s biographical information or other information included elsewhere in the proxy statement.

Chart 3

Director Qualifications and Skills



Survey of Enhanced Director and Nominee Disclosure

	Does Company Disclose that it has a Diversity "Policy"? (Yes/No)	Disclosure Regarding Consideration of Board Diversity
 <p data-bbox="341 1071 324 1701">Summary of Specific Experience, Qualifications, Attributes or Skills Cited as Consideration in Determining that Person Should Serve as Director</p> <ul data-bbox="341 1071 714 1701" style="list-style-type: none"> • Skills in operations • Skills in business, finance, accounting and audit matters • Outside board experience • Leadership roles • Experiences in integrating and establishing successful businesses • Experience in global logistics • Technology experience • Knowledge of global diversified manufacturing • Engineering experience • Knowledge and extensive experience in insurance • Experience in retail and/or managing global consumer companies • Legal experience • Governmental, public policy or regulatory experience 	No	<p data-bbox="341 1575 714 1701">The Board of Directors values diversity as a factor in selecting nominees to serve on the Board, and believes that the diversity which exists in its composition provides significant benefit to the Board and the Company. Although there is no specific policy on diversity, the Nominating and Governance Committee considers the Board Membership Criteria in selecting nominees for directors, including "diversity of background." Such considerations may include gender, race, national origin, functional background, executive or professional experience, and international experience.</p> <p data-bbox="341 1701 714 2007">The Nominating and Governance Committee's and the Board's assessment of Board candidates includes, but is not limited to, consideration of relevant knowledge and diversity of background and experience in such things as business, manufacturing, technology, finance and accounting, marketing, international business, government, and the like.</p>
 <ul data-bbox="722 1071 1218 1701" style="list-style-type: none"> • Business acumen and experience • Leadership roles/experiences • Outside board experience • International recognition as an expert in automotive and transportation markets • Insights as to economic and political conditions in Asia and Europe, • International business experience in a wide variety of industries • Experience in energy field • Environmental experience • Background in investment banking • Strong financial background, particularly in industrial setting • Aluminum industry experience • Management/insider perspective, insights into all aspects of company's global business • Philanthropic experience • Research experience • Governmental, public policy or regulatory experience • Knowledge of compensation and benefits • Appreciation of governance principles 	Yes	<p data-bbox="722 1575 1218 1701">Our policy on board diversity relates to the selection of nominees for the board. Our policy provides that while diversity and variety of experiences and viewpoints represented on the board should always be considered, a director nominee should not be chosen nor excluded solely or largely because of race, color, gender, national origin or sexual orientation or identity. In selecting a director nominee, the Nominating and Governance Committee focuses on skills, expertise or background that would complement the existing board, recognizing that the company's businesses and operations are diverse and global in nature. Reflecting the global nature of our business, our directors are citizens of the United States, Brazil, France, Germany, India and Mexico. We have three female directors, two African-American directors and two Hispanic directors out of a total of 14 directors, as of the date of this proxy statement. Our directors come from diverse backgrounds including industrial, non-profit and governmental.</p>
 <ul data-bbox="1226 1071 1429 1701" style="list-style-type: none"> • Operating and management experience • Technology experience • Expertise in banking, finance, financial reporting, compliance and controls • International experience • Outside board experience • Independent 	No	<p data-bbox="1226 1575 1429 1701">The Company's Governance Principles provide that the board should be "diverse, engaged and independent."</p> <p data-bbox="1226 1701 1429 2007">The Governance Principles provide that while the board need not adhere to a fixed number of directors, generally a board composed of 12-14 directors offers a sufficiently large and diverse group to address the important issues facing the company while being small enough to encourage personal involvement and discussion.</p>

* Does not include additional skills, qualifications or experiences that may be explicit or inferred based on disclosure of the board's qualifications as a whole, the directors' biographical information or other disclosure. Omission of a skill, qualification or experience does not mean that a company's board members do not have such attributes or that the board did not consider them.

Survey of Enhanced Director and Nominee Disclosure

Does Company Disclose that it has a Diversity "Policy"? (Yes/No)

Summary of Specific Experience, Qualifications, Attributes or Skills Cited as Consideration in Determining that Person Should Serve as Director

Disclosure Regarding Consideration of Board Diversity



- Government and public policy experience
- Legal experience
- Leadership roles
- Core business skills
- Expertise in payments, network and travel business
- Expertise in trends in on-line and mobile markets, social networking and other new technologies and consumer-driven marketplaces
- Expertise in brand management
- Expertise in economic theory, statistical analysis, modeling and analyzing economic trends
- Expertise in global communication systems, networking and technology
- Expertise in card and payment networks
- Expertise in business development, business integrations
- Expertise in information technology
- Leadership role in academia

Our Directors have held senior positions as leaders of various complex organizations and in government, demonstrating their ability to perform at the highest levels. Many of our Directors have been chief executive or chief operating officers of large, global businesses through which they have developed expertise and experience in core business skills such as strategy and business development, innovation, operations, brand management, finance, compensation and leadership development, compliance and risk management. This expertise and experience enables them to provide sound judgment concerning the issues facing a large, international corporation in today's environment, provide oversight of these areas at the Company and evaluate our performance. All of our Directors also have significant experience in corporate governance and oversight of complex businesses through their positions as senior executives and as directors of other large, public companies. Many of our Directors have also served as members of audit, compensation and governance committees at these companies, as well as at our Company. All of these skills and experiences are pertinent to the Company's current and evolving business strategies, as well as to the Board's oversight role, and enable our Directors to provide **diverse** perspectives, sound advice and critical viewpoints about the issues facing the Company.



- Extensive experience in a variety of fields, including:
 - telecommunications,
 - technology,
 - public accounting,
 - education,
 - economics,
 - financial services,
 - law,
 - consumer marketing,
 - transportation and logistics,
 - labor,
 - academic research,
 - consulting and
 - non-profit organizations.
- International experience
- Leadership skills/roles
- Legal experience
- Government, public policy or regulatory experience
- Outside board experience
- Service on boards of large telecommunications companies

No

Although the Nominating and Corporate Governance Committee does not have a formal **diversity** policy, it believes that **diversity** is an important factor in determining the composition of the Board.



- Consumer banking experience
- Risk management experience
- Government, public policy or regulatory experience
- Investment banking experience
- Legal experience
- Accounting and financial expertise

No

The company's Corporate Governance Guidelines specify that candidates should:

- be capable of working in a collegial manner with persons of **diverse** educational, business and cultural backgrounds and should possess skills and expertise that complement the attributes



* Does not include additional skills, qualifications or experiences that may be explicit or inferred based on disclosure of the board's qualifications as a whole, the directors' biographical information or other disclosure. Omission of a skill, qualification or experience does not mean that a company's board members do not have such attributes or that the board did not consider them.

Survey of Enhanced Director and Nominee Disclosure

	Does Company Disclose that it has a Diversity "Policy"?? (Yes/No)
<p data-bbox="219 1081 259 1753">Summary of Specific Experience, Qualifications, Attributes or Skills Cited as Consideration in Determining that Person Should Serve as Director</p> <ul data-bbox="284 1302 771 1774" style="list-style-type: none"> • Strategic planning expertise • Business development expertise • Operations management expertise • Leadership roles/experience • Entrepreneurial perspective • Financial services industry experience • Outside board experience • Systems integration and technology expertise • Consumer business experience • International experience • Experience in other recessionary periods • Corporate governance experience • Marketing and communications experience • Engineering experience • Understanding of the company's business and operations • Talent development and senior client relationship management expertise • Logistics and change management expertise • Experience in academia 	<p data-bbox="235 178 259 661">Disclosure Regarding Consideration of Board Diversity</p> <p data-bbox="284 430 308 693">of the existing directors; and</p> <ul data-bbox="332 63 389 745" style="list-style-type: none"> • represent a diversity of viewpoints, backgrounds, experiences and other demographics; <p data-bbox="414 63 511 787">The Corporate Governance Committee and the Board may, from time to time, establish and consider other specific skills and experiences that they believe our company should seek in order to constitute a diverse, balanced, collaborative and effective Board.</p> <p data-bbox="527 63 722 787">The Corporate Governance Committee regularly reviews Board composition in light of our company's business and structure; the changing needs of our company as a result of the business environment; our operations, financial conditions and complexity; its assessment of the Board's performance; and input from stockholders and other key constituencies. As part of this review, the Corporate Governance Committee evaluates the effectiveness of the Board's director nomination standards – including its criteria related to diversity – as set forth in the Corporate Governance Guidelines.</p> <p data-bbox="738 63 820 787">The [board] nominees, who reflect our consumer base as a whole, represent diverse viewpoints and a blend of historical and new perspectives working collaboratively with candid discussion.</p>
<p data-bbox="836 1260 860 1732">Corporate governance expertise</p> <ul data-bbox="868 1260 1331 1774" style="list-style-type: none"> • Accounting and financial reporting experience • Institutional knowledge and historical perspective • Executive compensation expertise • Corporate strategy expertise • Environmental and energy expertise • Aerospace and aircraft industry experience • General corporate expertise • Outside board experience • Technology expertise • Corporate finance experience • International business experience • Engineering experience • Leadership roles/experience • Government and/or public policy experience • Charitable giving and global corporate citizenship experience • Military experience • Operations experience • Experience in academia 	<p data-bbox="836 913 860 945">No</p> <p data-bbox="836 63 1185 787">Our Corporate Governance Principles mandate that the Governance, Organization and Nominating Committee consider diversity in its evaluation of candidates for Board membership. The Board believes that diversity with respect to factors such as background, experience, skills, race, gender and national origin is an important consideration in board composition. The GON Committee discusses diversity considerations in connection with each candidate, as well as on a periodic basis in connection with the composition of the Board as a whole. In addition, both the GON Committee and the Board conduct formal self-evaluations each year that include an assessment of whether the GON Committee and the Board have adequately considered diversity, among other factors, in identifying and discussing director candidates. The GON Committee believes that, as a group, the nominees below bring a diverse range of backgrounds, experiences and perspectives to the Board's deliberations.</p> <p data-bbox="1201 63 1453 787">The GON Committee reviews annually the appropriate skills and characteristics required of Board members in light of the current make-up of the Board. This assessment includes issues of expertise (including international experience and industry background), independence, integrity, diversity and age, as well as skills relating to operations, manufacturing, finance, marketing, technology and public policy. The Committee has not established specific minimum eligibility requirements for Board members other than integrity, the commitment to act in the best interests of all shareholders, requirements relating to age and ensuring that a substantial majority of the Board remains independent.</p>

* Does not include additional skills, qualifications or experiences that may be explicit or inferred based on disclosure of the board's qualifications as a whole, the directors' biographical information or other disclosure. Omission of a skill, qualification or experience does not mean that a company's board members do not have such attributes or that the board did not consider them.

Survey of Enhanced Director and Nominee Disclosure

Summary of Specific Experience, Qualifications, Attributes or Skills Cited as Consideration in Determining that Person Should Serve as Director	Does Company Disclose that it has a Diversity "Policy"?(Yes/No)	Disclosure Regarding Consideration of Board Diversity
 <ul style="list-style-type: none"> • International experience • Outside board experience • Experience in academia • Background in trade-related issues • Knowledge of forest products industry • Strategic planning experience • Insights on diversity issues • Leadership roles/experience • Investment banking experience • Financial expertise and experience • Knowledge of corporate best practices • Economic expertise • Founder of business • Knowledge of emerging markets • Experience in mergers and acquisitions • Private equity experience • Transportation and railroad industry experience • Extensive experience and knowledge of the company • Governmental, public policy or regulatory experience • Management consulting experience 	<p>No</p>	<p>Consistent with these criteria for potential director candidates and Caterpillar's Worldwide Code of Conduct, the Board values diversity of talents, skills, abilities and experiences and believes that the diversity that exists on the Board provides significant benefits to the Company. Although there is no specific diversity policy, the Governance Committee may also consider the diversity of its members and potential candidates in selecting new directors.</p>
 <ul style="list-style-type: none"> • Leadership role/experience • Financial and accounting expertise • Knowledge of business climate in California and San Francisco Bay area • Corporate Governance experience • Executive compensation experience • Professional ethics experience • Operations experience • Automotive industry experience • Government and/or public policy experience • Investment banking experience • International experience • Environmental expertise • Legal experience • Workforce development expertise • Extensive experience with and knowledge of the company • Science and technology experience • Research and development expertise • Marketing expertise • Strategy experience • Expertise in long-investment cycles • Manufacturing expertise • Outside board experience • Experience in academia 	<p>No</p>	<p>The Committee uses a skills and qualifications matrix to ensure that the overall Board maintains a balance of knowledge and experience. The Committee carefully reviews all Director candidates, including current Directors, in light of these qualifications based on the context of the current and anticipated composition of the Board, the current and anticipated operating requirements of the Company, and the long-term interests of stockholders. In conducting this assessment, the Committee considers diversity, education, experience, length of service and such other factors as it deems appropriate given the current and anticipated needs of the Board and the Company. The Committee and Board define diversity broadly to include diversity of professional experience (policy, business, government, education, technology or public interest), geographical location and viewpoint, as well as diversity of race, gender, nationality and ethnicity.</p>

* Does not include additional skills, qualifications or experiences that may be explicit or inferred based on disclosure of the board's qualifications as a whole. The directors' biographical information or other disclosure. Omission of a skill, qualification or experience does not mean that a company's board members do not have such attributes or that the board did not consider them.

Survey of Enhanced Director and Nominee Disclosure

	Does Company Disclose that it has a Diversity "Policy"?(Yes/No)	Summary of Specific Experience, Qualifications, Attributes or Skills Cited as Consideration in Determining that Person Should Serve as Director	Disclosure Regarding Consideration of Board Diversity
 <p>Proxy filing preceded effective date of new SEC disclosure rules.</p>	None	<p>None</p>	<p>The Board of Directors' policy is to encourage selection of directors who will contribute to Cisco's overall corporate goals: responsibility to its shareholders, technology leadership, effective execution, high customer satisfaction and superior employee working environment. The Nomination and Governance Committee may from time to time review the appropriate skills and characteristics required of board members, including such factors as business experience, diversity, and personal skills in technology, finance, marketing, international business, financial reporting and other areas that are expected to contribute to an effective Board of Directors. In evaluating potential candidates for the Board of Directors, the Nomination and Governance Committee considers these factors in the light of the specific needs of the Board of Directors at that time.</p>
	No	<ul style="list-style-type: none"> • International experience • Financial reporting experience • Compensation experience • Legal experience • Risk management experience • Financial services experience • Corporate governance experience • Consumer business experience • Leadership roles/experience • Outside board experience • Regulatory compliance experience • Corporate affairs experience • Financial services industry experience • Experience in academia • Governmental, public policy or regulatory experience 	<p>Among the factors that the nomination and governance committee considers when evaluating the composition of the board, diversity is critical. For a company like Citi, which operates in over 100 countries around the globe, diversity includes race, ethnicity and gender as well as the diversity of the communities and geographies in which Citi operates. Included in the qualifications for directors listed in the company's Corporate Governance Guidelines is "whether the candidate has special skills, expertise and background that would complement the attributes of the existing directors, taking into consideration the diverse communities and geographies in which the company operates." Citi's board is committed to ensuring that it comprises individuals whose backgrounds reflect the diversity represented by our employees, customers and stakeholders. The candidates nominated for election at Citi's 2010 annual meeting exemplify that diversity: two nominees are women (13 percent) and five nominees (33 percent) — including the chairman and the chief executive officer — are Asian, African-American or Hispanic. In addition, each director candidate contributes to the board's overall diversity by providing a variety of perspectives, personal and professional experiences and backgrounds, as well as other characteristics, such as global and international business experience. The board is satisfied that the current nominees reflect an appropriate diversity of gender, age, race, geographical background and experience but is committed to continuing to consider diversity issues in evaluating the composition of the board.</p>
	No	<ul style="list-style-type: none"> • High level of financial literacy • Diversity of race, ethnicity, gender, age, cultural background or professional experience • Extensive knowledge of the Company's business, industry or manufacturing • Marketing/marketing-Related Technology experience • Broad international exposure or specific in-depth knowledge of a key geographic growth area • Relevant Chief Executive Officer/President Experience • Governmental, political or diplomatic expertise 	<p>The Board does not have a specific diversity policy, but considers diversity of race, ethnicity, gender, age, cultural background and professional experiences in evaluating candidates for Board membership. Diversity is important because a variety of points of view contribute to a more effective decision-making process.</p>




* Does not include additional skills, qualifications or experiences that may be explicit or inferred based on disclosure of the board's qualifications as a whole, the directors' biographical information or other disclosure. Omission of a skill, qualification or experience does not mean that a company's board members do not have such attributes or that the board did not consider them.

Survey of Enhanced Director and Nominee Disclosure

Does Company
Disclose that it has a
Diversity "Policy"?
(Yes/No)

Summary of Specific Experience, Qualifications, Attributes or Skills Cited as
Consideration in Determining that Person Should Serve as Director

Disclosure Regarding Consideration of Board Diversity

	<ul style="list-style-type: none"> • Governmental, public policy or regulatory experience • Investment management experience • International experience • Corporate governance expertise • Human resources expertise • Information technology expertise • Compensation committee experience • Investor relations expertise • Science and technology perspective • Leadership roles/experience • Environmental experience • Non-governmental organization experience • Research and development experience • Finance and accounting experience • Marketing experience • Manufacturing experience • New business development experience • Private equity experience • Supply chain and leveraged services expertise • Consumer products experience • Outside board experience • Experience in academia • Legal experience 	<p>No</p>	<p>The Board does not have a formal policy with respect to diversity. However, the Board and the Corporate Governance Committee each believe that it is essential that the Board members represent diverse viewpoints, with a broad array of experiences, professions, skills, geographic representation and backgrounds that, when considered as a group, provide a sufficient mix of perspectives to allow the Board to best fulfill its responsibilities to the long-term interests of the Company's stockholders.</p> <p>Directors are selected for their integrity and character; sound, independent judgment; breadth of experience, insight and knowledge; and business acumen. Leadership skills, scientific or technology expertise, familiarity with issues affecting global businesses in diverse industries, prior government service, and diversity are among the relevant criteria, which will vary over time depending on the needs of the Board. The Corporate Governance Committee considers candidates for potential nomination to recommend for approval by the full Board.</p>
	<ul style="list-style-type: none"> • Finance, tax, budget and macroeconomic policy experience • Government, public policy or regulatory experience • Outside board experience • Affiliation with a leading academic institution • Legal experience • Philanthropic/non-profit experience • Corporate governance expertise • International experience • Leadership roles/experience • Scientific experience • Research experience • Experience with company's domestic and international operations 	<p>No</p>	<p>The Guidelines for the Selection of Non-Employee Directors state:</p> <p>"ExxonMobil recognizes the strength and effectiveness of the Board reflects the balance, experience, and diversity of the individual directors; their commitment; and importantly, the ability of directors to work effectively as a group in carrying out their responsibilities. ExxonMobil seeks candidates with diverse backgrounds who possess knowledge and skills in areas of importance to the Corporation."</p> <p>In addition to seeking a diverse set of business or academic experiences, the Committee seeks a mix of nominees whose perspectives reflect diverse life experiences and backgrounds, as well as gender and ethnic diversity. The Committee does not use quotas but considers diversity along with the other requirements of the Selection Guidelines when evaluating potential new directors. The Committee has also instructed its executive search firm to include diversity as part of the candidate search criteria.</p>
	<ul style="list-style-type: none"> • Leadership roles/experience • Finance and accounting experience • Industry experience • Technology experience • International experience 	<p>No</p>	<p>We believe that our directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the shareholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. We also endeavor to have a Board representing a range of experiences at</p>

* Does not include additional skills, qualifications or experiences that may be explicit or inferred based on disclosure of the board's qualifications as a whole. The directors' biographical information or other disclosure. Omission of a skill, qualification or experience does not mean that a company's board members do not have such attributes or that the board did not consider them.

Survey of Enhanced Director and Nominee Disclosure

Does Company Disclose that it has a Diversity "Policy"? (Yes/No)

Summary of Specific Experience, Qualifications, Attributes or Skills Cited as Consideration in Determining that Person Should Serve as Director

Disclosure Regarding Consideration of Board Diversity



- Philanthropic/non-profit experience
- Marketing experience
- Experience in academia
- Healthcare/pharmaceuticals experience
- Consumer products experience
- Manufacturing experience
- Financial services experience
- Energy industry experience
- Governmental, public policy or regulatory experience
- Transportation industry experience
- Corporate governance expertise
- Research experience
- Outside board experience

policy-making levels in business, government, education and technology and in areas that are relevant to the company's global activities. The evaluation of director nominees by the Management, Development and Compensation Committee (MDCC) also takes into account **diversity** of age and background.



- Extensive knowledge of firm's business
- Leadership roles/experiences
- Outside board experience
- Financial services experience
- International experience
- Financial markets expertise
- Risk management expertise
- Corporate governance expertise
- Experience gained and contributions made during tenure as director of the company
- Accounting and auditing expertise
- Entrepreneurial experience

In identifying and recommending nominees for positions on our Board, our Corporate Governance and Nominating Committee places primary emphasis on the criteria set forth in our Corporate Governance Guidelines, including . . . **diversity** of viewpoints, backgrounds, experiences and other demographics

We believe that our firm benefits from having directors with a **diversity** of viewpoints, backgrounds, experiences and other demographics. As noted above, among the factors the Corporate Governance and Nominating Committee considers in identifying and evaluating a potential nominee is the extent to which the nominee would add to the **diversity** of our Board, and the Committee considers the same factors in determining whether to re-nominate incumbent directors. In both cases, the Committee assesses the **diversity** of our Board and how a nominee would enhance that **diversity**.

[M]embers of our Board . . . have had a great **diversity** of experiences and bring to our Board a wide variety of views that strengthen their ability to guide our firm. They have had extensive involvement in international business and emerging markets and deep professional experience across a broad range of industries, including financial services, consumer products, retail, industrial resources and manufacturing.

None

No

None

The Nominating and Corporate Governance Committee recognizes the importance of selecting directors from various backgrounds and professions in order to ensure that the Board as a group has a wealth of experiences to inform its decisions. Consistent with this philosophy, after focusing on the skills and experience necessary to meet the core needs of the Company, as

Proxy filing preceded effective date of new SEC disclosure rules.



- Finance and accounting experience
- Supply chain experience
- Marketing experience
- Information technology experience
- Real estate experience

No

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Survey of Enhanced Director and Nominee Disclosure

Does Company
Disclose that it has a
Diversity "Policy"?
(Yes/No)

Summary of Specific Experience, Qualifications, Attributes or Skills Cited as
Consideration in Determining that Person Should Serve as Director*

Disclosure Regarding Consideration of Board Diversity

 continued	<ul style="list-style-type: none"> Leadership roles/experience Retail experience International experience Corporate strategy development Understanding of Florida market Outside board experience Corporate governance expertise Government and/or public policy experience 	<p>well as the basic qualifications set forth above, the Nominating and Corporate Governance Committee considers the personal attributes of individual nominees, including ethnic, racial and gender diversity. The Nominating and Corporate Governance Committee assesses the composition of the Board at least once a year and more frequently as needed, particularly when considering potential new candidates</p>
	<ul style="list-style-type: none"> International experience Legal expertise/experience Government, public policy or regulatory experience Experience doing business in China Outside board experience Financial and accounting expertise Leadership roles/experiences Technology expertise Strategic planning expertise Marketing expertise Business development expertise Mergers and acquisition experience Experience in communications technology and the communications business Industry expertise Research and development expertise Manufacturing expertise Operations experience Health industry expertise Knowledge of competitive strategy, technology and international competition Experience in academia 	<p>No</p> <p>The Corporate Governance and Nominating Committee is responsible for reviewing and assessing with the Board the appropriate skills, experience, and background sought of Board members in the context of our business and the then-current membership on the Board. This assessment of Board skills, experience, and background includes numerous diverse factors, such as independence; understanding of and experience in manufacturing, technology, finance, and marketing; international experience; age; and gender and ethnic diversity. The priorities and emphasis of the committee and of the Board with regard to these factors change from time to time to take into account changes in the company's business and other trends, as well as the portfolio of skills and experience of current and prospective Board members. The committee and the Board review and assess the continued relevance of and emphasis on these factors as part of the Board's annual self-assessment process and in connection with candidate searches to determine if they are effective in helping to satisfy the Board's goal of creating and sustaining a Board that can appropriately support and oversee the company's activities.</p> <p>We do not expect or intend that each director will have the same background, skills, and experience; we expect that Board members will have a diverse portfolio of backgrounds, skills, and experiences. One goal of this diversity is to assist the Board as a whole in its oversight and advice concerning our business and operations.</p>
	<ul style="list-style-type: none"> Leadership roles/experience Private equity management experience Outside board experience Government, public policy or regulatory experience Technology experience Philanthropic/non-profit experience Industry experience Research and development experience Experience in academia Entrepreneurial experience International experience Manufacturing experience 	<p>No</p> <p>In identifying potential director candidates, the Committee and the Board also focus on ensuring that the Board reflects a diversity of experiences, backgrounds and individuals.</p> <p>The IBM Board is composed of a diverse group of leaders in their respective fields. Many of the current directors have leadership experience at major domestic and international companies with operations inside and outside the United States, as well as experience on other companies' boards, which provides an understanding of different business processes, challenges and strategies. Other directors have experience as presidents of significant academic, research and philanthropic institutions, which brings unique perspectives to the Board. Further, the Company's directors also have other experience that makes them valuable members, such as prior public policy or regulatory experience that provides insight into issues faced by companies.</p>

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Survey of Enhanced Director and Nominee Disclosure

	Does Company Disclose that it has a Diversity "Policy"?(Yes/No)	Summary of Specific Experience, Qualifications, Attributes or Skills Cited as Consideration in Determining that Person Should Serve as Director	Disclosure Regarding Consideration of Board Diversity
	No	<ul style="list-style-type: none"> • Leadership roles/experience • Experience in academia • Organizational and operational management experience • Research and development experience • Science industry experience • Outside board experience • Health care industry experience • Business innovation and talent development expertise • International experience • Consumer product experience • Financial expertise • Legal experience • Government and/or public policy experience • Inside understanding of company's business • Manufacturing experience • Entrepreneurial experience 	<p>The Board has adopted General Criteria for Nomination to the Board of Directors, which . . . describe specific traits, abilities and experience that the Nominating & Corporate Governance Committee and the Board look for in determining candidates for election to the Board, including: . . . diversity reflecting gender, ethnic background and professional experience.</p>
	No	<ul style="list-style-type: none"> • Leadership roles/experience • Finance and accounting experience • Risk management experience • Executive compensation experience • International experience • Marketing experience • Consumer product experience • Philanthropic/non-profit experience • Technology experience • Operations experience • Industrial experience • Governmental, public policy or regulatory experience • Investment management experience • Legal expertise • Investment banking experience • Capital markets experience • Financial services experience • Insider's understanding of firm's business • Outside board experience • Strategic planning experience • Entrepreneurial experience 	<p>The Board strives to ensure diversity of representation among its members. Of the 11 director nominees, two are women and one is African-American. Increasing diversity is a priority, and when considering prospects for possible recommendation to the Board, the Governance Committee reviews available information about the prospects, including gender, race and ethnicity, as well as experience, qualifications, attributes and skills.</p> <p>The directors bring broad and varied skills and knowledge from positions in global businesses, not-for-profit organizations and government, and diverse perspectives from a broad spectrum of industries, community activities and other factors.</p>
	No	<ul style="list-style-type: none"> • Leadership roles/experience • Industry knowledge • Marketing experience • International experience • Operating experience • Outside board experience • Corporate governance experience 	<p>While the board does not have a written policy to consider diversity when identifying nominees for directors, it strives to assemble a board composed of individuals that represent a diversity of views, backgrounds and professional experience.</p> <p>The Nominating and Governance Committee evaluates each individual in the context of the Board as a whole, with the objective of recommending for</p>

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Survey of Enhanced Director and Nominee Disclosure

Summary of Specific Experience, Qualifications, Attributes or Skills Cited as Consideration in Determining that Person Should Serve as Director	Does Company Disclose that it has a Diversity "Policy"? (Yes/No)	Disclosure Regarding Consideration of Board Diversity
<ul style="list-style-type: none"> • Experience in academia • Product development experience • Research and development and scientific experience • Finance and accounting expertise • Philanthropic/non-profit experience • Technology experience • Governmental, public policy or regulatory experience • Entrepreneurial experience • Manufacturing experience 	No	<p>nomination a group of individuals that can best perpetuate our success and represent shareholder interests through the exercise of sound business judgment. Additionally, as part of this evaluation and to further our commitment to diversity, the Nominating and Governance Committee assesses whether this group of nominees is comprised of individuals with a diversity of views, backgrounds, and experiences that would enhance the Board's success at achieving these goals.</p> <p>The board believes that all the current nominees are highly qualified and have specific employment and leadership experiences, knowledge, and skills that qualify them for board service and represent diverse views and backgrounds. The nominees' individual biographies below contain information regarding each nominee's experiences, qualifications, and skills.</p>
<ul style="list-style-type: none"> • Strategic planning expertise • Business development expertise • Corporate governance expertise • Finance and accounting expertise • Succession planning expertise • Product development expertise • Marketing expertise • Consumer insights expertise • Manufacturing, supply chain management and distribution expertise • Environmental, sustainability and social responsibility expertise • Public policy expertise • Leadership roles/experience • Risk assessment expertise • Shareholder and government relations expertise • Philanthropic/non-profit experience • International operations experience • Outside board experience • Experience in sourcing and sale of product packaging and related commodities • Experience in academia 	No	<p>The Governance Committee seeks Directors with records of achievement in their chosen fields and experience relevant to the Company's scope, strategy and operations. Director candidates also are expected to possess certain qualities, such as integrity, independence of mind, analytical skills, a commitment to serve the interests of shareholders, and a willingness to challenge management in a constructive and collegial environment, as well as an ability to exercise good judgment, and provide practical insights and diverse perspectives. In selecting candidates, the Governance Committee and the Board take diversity into account, seeking to ensure a representation of varied perspectives and experience, although the Company's nomination policy does not prescribe specific standards for diversity. Candidates also are evaluated in light of Board policies, such as those relating to Director independence and service on other boards, as well as considerations relating to the size and structure of the Board. As part of its consideration of Director succession, the Board and the Governance Committee monitor whether the Directors as a group meet the Company's criteria for the composition of the Board, including overall diversity of perspective and experience.</p> <p>[The directors' experiences] enable our Directors to provide diverse perspectives about the complex issues facing a global restaurant organization like McDonald's</p>
<ul style="list-style-type: none"> • Finance experience • Investment and commercial banking experience • Track record of achievement and sound judgment • Outside board experience • Corporate governance experience • Scientific and medical expertise • Pharmaceutical industry experience • Leadership roles/experience • Operational expertise • International experience • Experience in academia 	No	<p>While the Committee on Corporate Governance does not have a formal diversity policy, diversity is a factor considered when identifying prospective Nominees. Nominees are selected so that the Board of Directors represents a diversity of expertise in areas needed to foster Merck's business success, including science, finance, operations, manufacturing, commercial activities, marketing, international business, and governance. In addition, nominees are selected so that the Board of Directors represents a diversity of personal characteristics, including gender, race, ethnic origin and national background. When identifying potential candidates the Committee on Corporate Governance of Old Merck retained independent search firms to assist in identifying candidates that reflected these diversity objectives and it is</p>

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Survey of Enhanced Director and Nominee Disclosure

	Does Company Disclose that it has a Diversity "Policy"? (Yes/No)	Summary of Specific Experience, Qualifications, Attributes or Skills Cited as Consideration in Determining that Person Should Serve as Director	Disclosure Regarding Consideration of Board Diversity
<ul style="list-style-type: none"> • Research experience • Marketing and communications experience • Oversight of medical providers, education and patient care • Venture capital experience • Strategic planning experience 	No	None	<p>expected that the current Committee on Corporate Governance will continue this practice as necessary.</p>
 <p><i>continued</i></p>  <p><i>Proxy filing preceded effective date of new SEC disclosure rules.</i></p>	No	<p>The Governance and Nominating Committee works with the Board to determine the appropriate characteristics, skills, and experiences for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, education, and public service.</p> <p>In evaluating the suitability of individual Board members, the Board takes into account many factors, including general understanding of marketing, finance, and other disciplines relevant to the success of a large publicly traded company in today's business environment; understanding of our business and technology; educational and professional background; personal accomplishment; and geographic, gender, age, and ethnic diversity. The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of our business and represent shareholder interests through the exercise of sound judgment using its diversity of experience.</p>	<p>The Governance and Nominating Committee works with the Board to determine the appropriate characteristics, skills, and experiences for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, education, and public service.</p>
	No	<ul style="list-style-type: none"> • Leadership roles and experiences • Marketing experience • Strategic planning experience • Operations experience • Business development experience • Financial services experience • Experience in academia • Governmental, public policy or regulatory experience • International experience • Finance and accounting experience • Risk management experience • Commercial and international banking experience • Bank regulatory experience • Inside understanding of company's business • Economics experience • Outside board experience • Philanthropic/non-profit experience 	<p>While the Board has not adopted a policy regarding diversity, the Corporate Governance Policies provide that the Board will take into account diversity of a director candidate's perspectives, background and other relevant demographics. The Nominating and Governance Committee and Board may also determine specific skills and experience they are seeking in director candidates based on the needs of the Company at a specific time. In considering candidates for the Board, the Nominating and Governance Committee considers the entirety of each candidate's credentials in the context of these criteria.</p> <p>The Company believes that an effective board consists of a diverse group of individuals who bring a variety of complementary skills that the Nominating and Governance Committee and Board consider in the broader context of the Board's overall composition, with a view toward constituting a board that has the best skill set and experience to oversee the Company's business.</p>
	No	<ul style="list-style-type: none"> • Medical training and experience • Research and development experience • Leadership roles/experience • Finance and accounting experience • Outside board service 	<p>Candidates are selected for, among other things, their integrity, independence, diversity of experience, leadership and their ability to exercise sound judgment.</p> <p>The goal of the Committee is to achieve a Board that, as a whole, provides</p>

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Survey of Enhanced Director and Nominee Disclosure

Does Company
Disclose that it has a
Diversity "Policy"?
(Yes/No)

Summary of Specific Experience, Qualifications, Attributes or Skills Cited as
Consideration in Determining that Person Should Serve as Director

Disclosure Regarding Consideration of Board Diversity



- Pharmaceutical industry experience
- Strategic planning experience
- Executive compensation experience
- Operational experience
- Entrepreneurial experience
- International experience
- Capital markets experience
- Experience in academia
- Philanthropic/non-profit experience
- Corporate governance experience
- Government and/or public policy experience
- Economic expertise
- Social science expertise
- Consumer business expertise
- Cost-cutting and resource allocation expertise
- Insurance industry expertise
- Insiders understanding of company
- Manufacturing experience
- Marketing experience
- Legal experience
- Investment banking experience
- Acquisition experience

effective oversight of the management and business of our Company, through the appropriate **diversity** of experience, expertise, skills, specialized knowledge and other qualifications and attributes of the individual Directors. Important criteria for Board membership include the following . . . :

- Members of the Board should have demonstrated leadership ability, with broad experience, **diverse** perspectives, and the ability to exercise sound business judgment . . .
- The composition of the Board should reflect the benefits of **diversity** as to gender, ethnic background and experience.

The Corporate Governance Committee annually reviews the composition of the Board as a whole and makes recommendations, if deemed necessary, to enhance the Board in order to achieve what it believes is the optimal mix of experience, expertise, skills, specialized knowledge, **diversity** and other criteria.

None

No

None



Proxy filing preceded
effective date of new
SEC disclosure rules.



- Governmental, public policy or regulatory experience
- Legal experience
- Corporate governance experience
- Leadership roles/experience
- Finance and accounting experience
- Management expertise
- Strategic planning experience
- Insurance industry expertise
- Corporate finance experience
- Mergers & acquisitions experience
- Private equity experience
- Investment management experience
- Technology experience
- Venture capital experience
- Experience in the development of emerging businesses
- Operations experience
- International experience

[T]he Board, based on the Nominating and Governance Committee's recommendation, selects nominees after considering the following criteria . . . **diversity** of viewpoints, background, experience and other demographics.

As mentioned above, the Nominating and Governance Committee and the Board include **diversity** of "viewpoints, background, experience and other demographics" as one of several criteria that they consider in connection with selecting candidates for the Board. While neither the Board nor the Nominating and Governance Committee has a formal **diversity** policy, one of many factors that the Board and the Nominating and Governance Committee carefully considers is the importance to the Company of racial and gender **diversity** in board composition. Moreover, when considering director candidates, the Nominating and Governance Committee and the Board seek individuals with backgrounds and qualities that, when combined with those of our incumbent directors, enhance the Board's effectiveness and, as required by the Governance Guidelines, result in the Board having "a broad range of skills, expertise, industry knowledge, **diversity** of opinion and contacts relevant to the Company's business". As part of its annual self-evaluation, the Board assesses and confirms compliance with this Governance Guideline.


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Survey of Enhanced Director and Nominee Disclosure

	Does Company Disclose that it has a Diversity "Policy"? (Yes/No)	Summary of Specific Experience, Qualifications, Attributes or Skills Cited as Consideration in Determining that Person Should Serve as Director	Disclosure Regarding Consideration of Board Diversity
	No	<ul style="list-style-type: none"> • Leadership roles/skills • Operating experience • International experience • Aerospace experience • Environmental/sustainability experience • Executive compensation experience • Government and/or public policy experience • Legal experience • Financial and accounting expertise • Technology experience • Outside board service • Corporate governance experience • Risk management experience • Construction experience • Integration experience • Military and global security experience • Experience in academia • Financial markets experience 	<p>The Committee on Nominations and Governance has determined that candidates for the Board should have the following qualifications . . . : the ability to contribute to the diversity of perspectives present in board deliberations.</p> <p>When a Board vacancy arises, the Committee seeks to identify the most capable candidates available who meet the Board's criteria for nomination and who will be able to serve the best interests of all shareholders. In view of the geographic diversity of UTC's operations and its global profile, it is clearly beneficial for the Board to seek candidates who, in addition to representing the interests of shareholders in general, will also contribute to the diversity of perspectives present in Board deliberations. The Committee assesses the effectiveness of UTC's nomination policies on an annual basis, as part of the Board's evaluation of its effectiveness as a group. In the course of this performance evaluation, the Board considers whether the Board's composition reflects an appropriate mix of skills, experience and diversity, in relation to the needs of the Company.</p>
<i>Proxy filing preceded effective date of new SEC disclosure rules</i>		<ul style="list-style-type: none"> • Leadership roles/experience • Government and public policy experience • Professional services experience • Public interest experience • Financial services experience • Manufacturing experience • Hospitality experience • Health care experience • Telecommunications experience • Transportation and logistics experience • Consumer goods experience • International experience • Strategic planning experience • Finance and accounting experience • Operations experience • Corporate governance experience • Risk management experience • Outside board experience • Technology experience 	<p>In evaluating candidates, the Corporate Governance and Policy Committee considers a wide variety of qualifications, attributes and other factors and recognizes that a diversity of viewpoints and practical experiences can enhance the effectiveness of the Board. Accordingly, as part of its evaluation of each candidate, the Committee takes into account how that candidate's background, experience, qualifications, attributes and skills may complement, supplement or duplicate those of other prospective candidates.</p> <p>In assessing the appropriate composition of the Board, the Corporate Governance and Policy Committee also considers other factors that are relevant to the current needs of the Corporation, including those that promote diversity.</p>
	No	<ul style="list-style-type: none"> • Government and/or public policy experience • Investment banking expertise • Leadership roles/experience • Entrepreneurial experience • Technology expertise • Strategic planning experience • Outside board service 	<p>As set forth in our company's Corporate Governance Guidelines, the Board is committed to a diverse membership. In selecting nominees, the Board does not discriminate on the basis of race, color, national origin, gender, religion, disability, or sexual orientation.</p> <p>As provided in our company's Corporate Governance Guidelines, the Board is committed to diversified membership. The Board will not discriminate on</p>
	No		

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Survey of Enhanced Director and Nominee Disclosure

Summary of Specific Experience, Qualifications, Attributes or Skills Cited as Consideration in Determining that Person Should Serve as Director	Does Company Disclose that it has a Diversity "Policy"? (Yes/No)	Disclosure Regarding Consideration of Board Diversity
<p>Financial and accounting experience</p> <ul style="list-style-type: none"> • Operational experience • Corporate finance expertise • Retail industry expertise • International experience • Marketing and brand management expertise • Corporate governance expertise • Investment expertise • Legal experience • Inside knowledge of company • Non-profit expertise 		<p>the basis of race, color, national origin, gender, sexual orientation, religion, or disability in selecting nominees. Diversity and inclusion are values embedded into Walmart's culture and fundamental to its business. In keeping with those values, when assessing a candidate, the Compensation, Nominating and Governance Committee of the Board considers the different viewpoints and experiences that a candidate could bring to the Board and how those viewpoints and experiences could enhance the Board's execution of its responsibilities.</p>
<p>WAL-MART continued</p>		
<p> Proxy filing preceded effective date of new SEC disclosure rules.</p>	None	The Governance and Nominating Committee . . . evaluates prospective [Board] nominee[s] against the specific criteria that it has established for the position, as well as the standards and qualifications set out in the Company's Corporate Governance Guidelines, including . . . the extent to which the prospective nominee helps the Board reflect the diversity of the Company's shareholders, employees, customers and guests and the communities in which it operates.

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