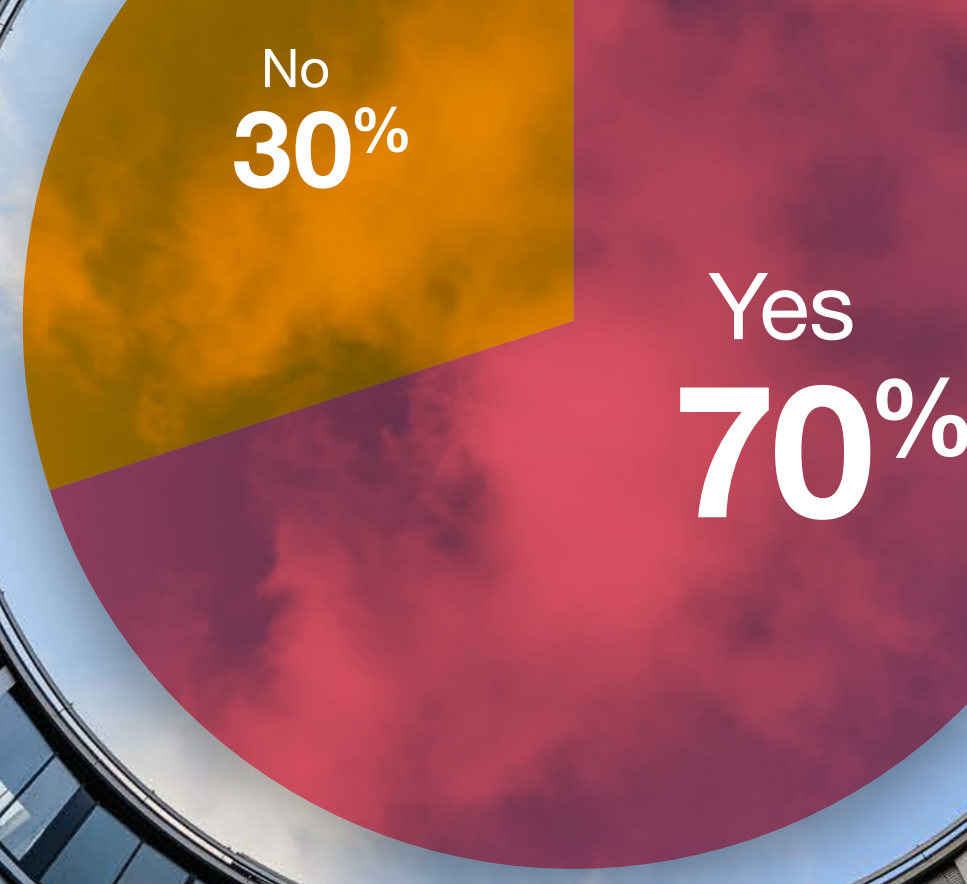


# PwC's Many Hats Non-Executive Director Survey 2019

Directors broadly confident despite widening expectation gap

Do you think there is an expectation gap emerging on the role and purpose of the Board?



Australian directors facing a widening expectation gap...

7 out of 10 Directors believe there is a growing expectation gap around the role of listed company Boards

Reflecting on recent governance developments, which statement best describes your company's response?

The company has already responded and no further significant change is planned

39%

1/3 of Directors believe significant change is still needed to respond to recent governance developments with believing no or no further change is needed

The company needs to make significant changes and we are at the early stage of preparing for them

15%

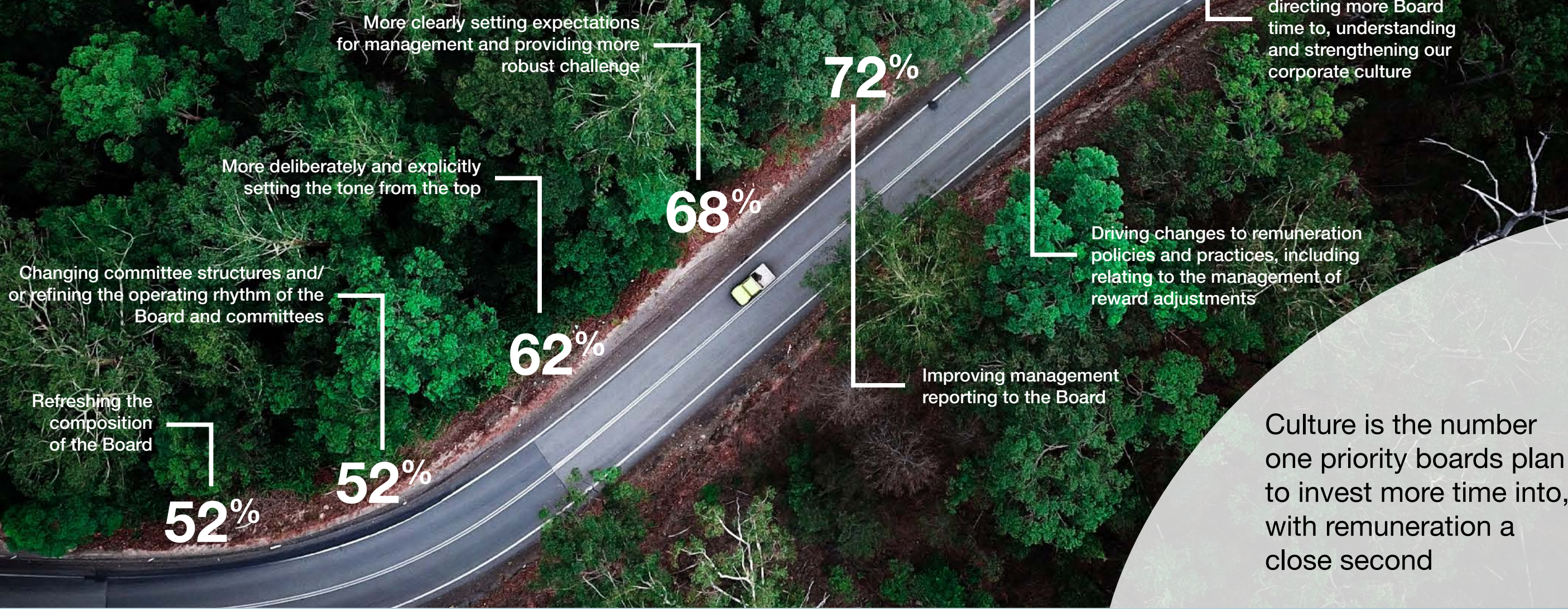
Recent governance developments have been a catalyst for significant change by the company and we recognise that more change is needed

19%

The company does not need to respond in any significant way

26%

Which of the following steps is your Board taking or planning to take in response to recent governance developments?



Culture is the number one priority boards plan to invest more time into, with remuneration a close second

How does your Board currently approach the oversight of culture?

77% of NEDs responded that their Board is investing or planning to invest more in understanding and strengthening corporate culture

Strongly Agree  
Agree

We are clear on the desired culture of the organisation, including behaviours to be encouraged and behaviors for which there is zero tolerance.

We are clear on the reality of the culture of the organisation today, including sub-cultures and negative traits that need to change

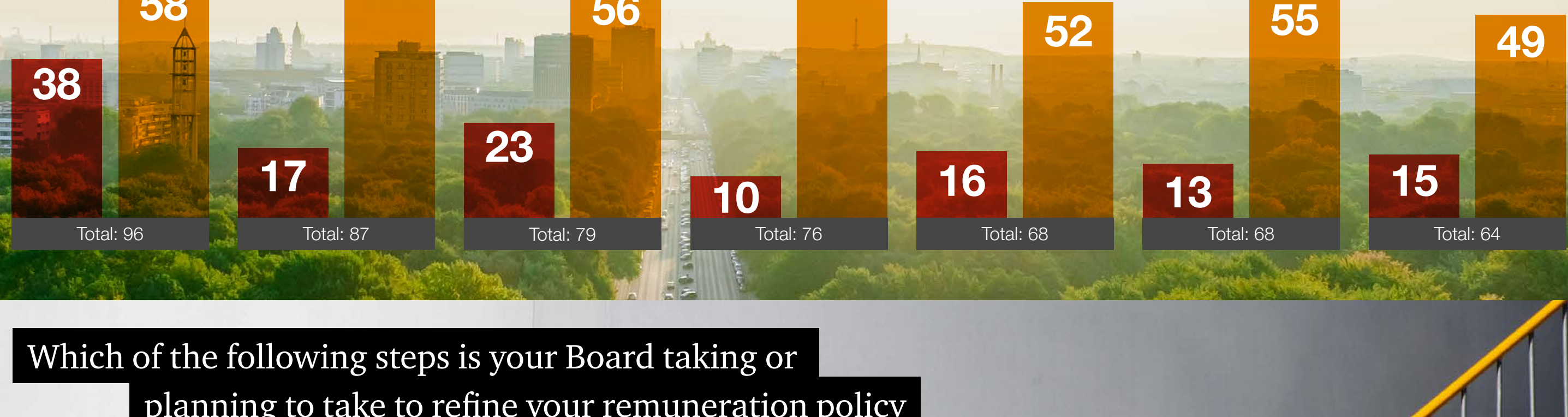
The Board explicitly considers how we role model the behaviours we expect, e.g. through questioning, issue management, business immersion activities, communications, etc

The Board spends sufficient time on understanding and seeking to improve the culture

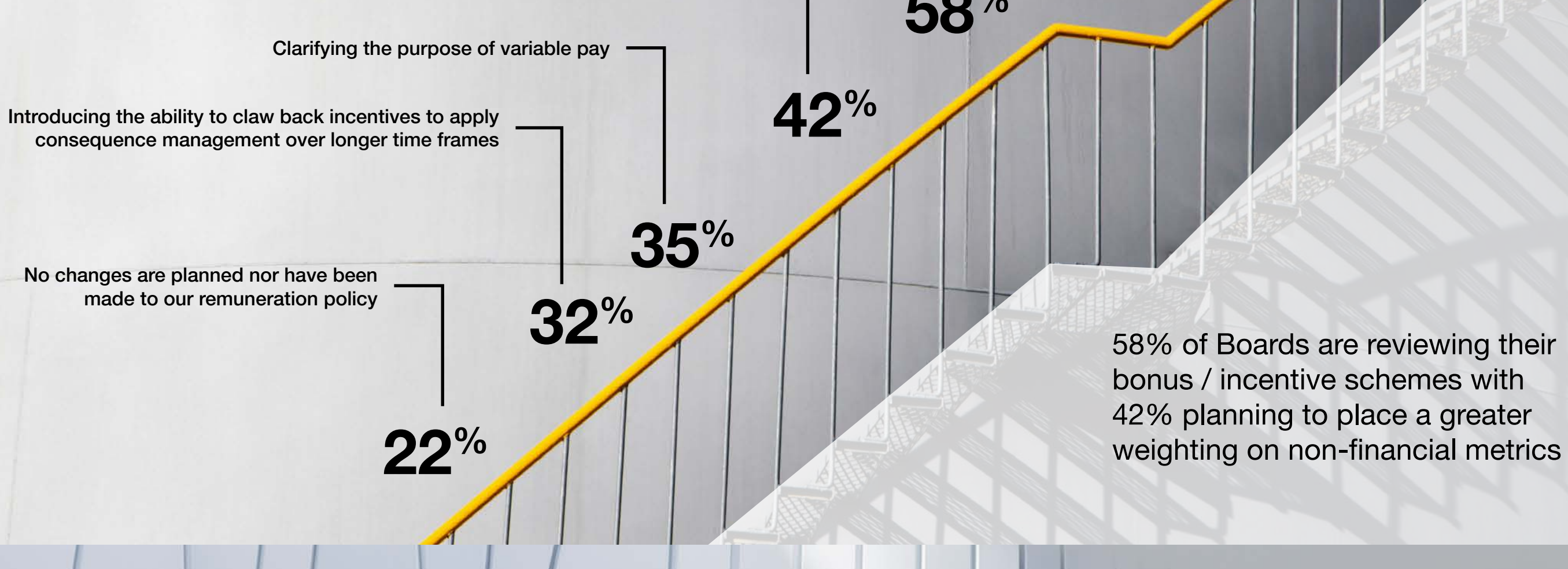
The Board is working to increase its visibility and engagement through the organisation

There is a plan in place to shift the organisation's culture that the Board is confident in

We are investing in more sophisticated ways to assess and monitor the culture

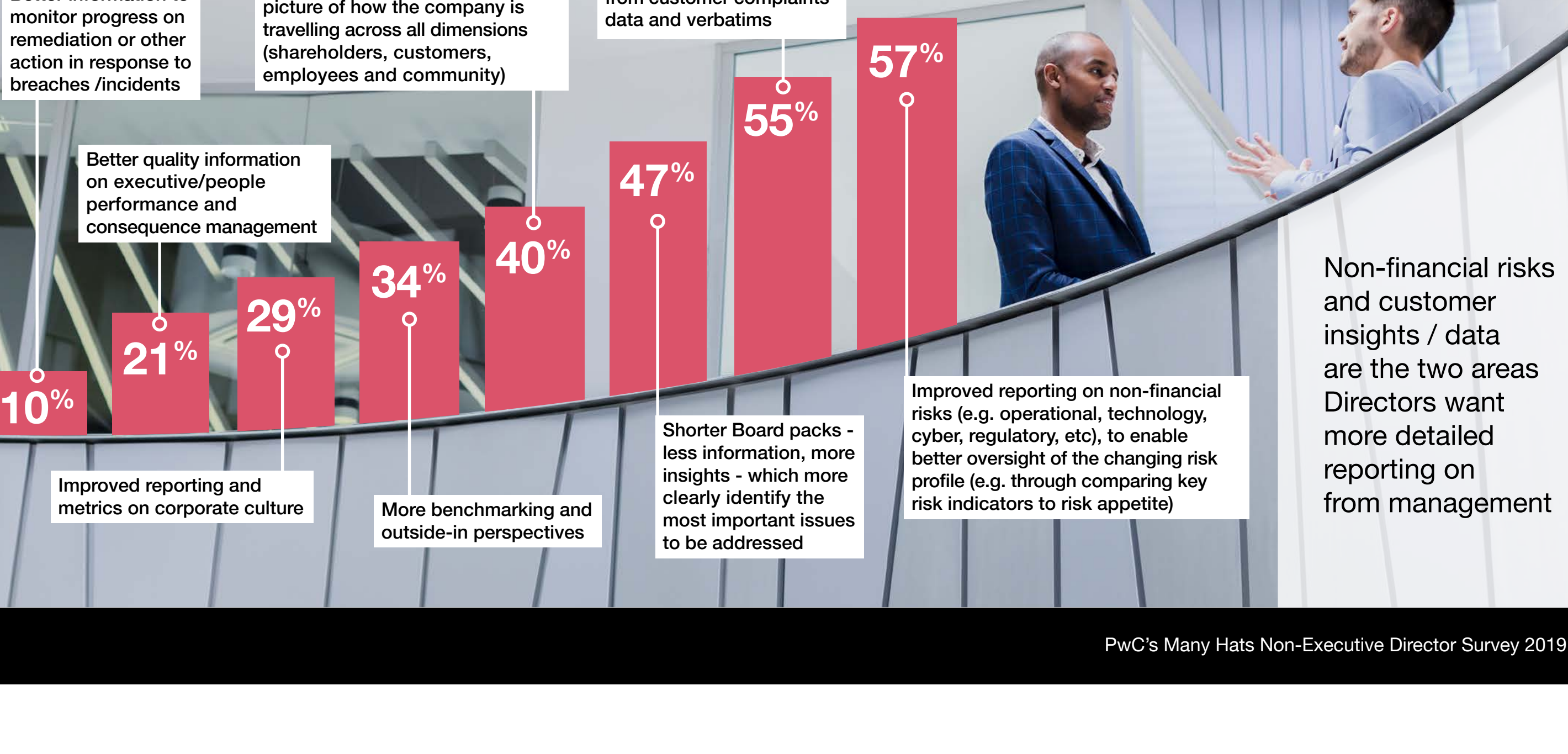


Which of the following steps is your Board taking or planning to take to refine your remuneration policy



58% of Boards are reviewing their bonus / incentive schemes with 42% planning to place a greater weighting on non-financial metrics

Which top three changes to management reporting would be most helpful to your board?



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