

## Comparison of Governance Practices

	Publicly-Traded	Privately-Held	Not-for-Profit
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### Board Mechanics

<b>Number of Members</b>	Usually 5-13	Varies widely, often 1-11	Usually larger 11-25+
<b>Election of Directors</b>	Annual meeting of shareholders	Sporadic vote of shareholders	Board itself or membership vote
<b>Length of Term</b>	One year for most	Indefinite for most	Usually terms of 2-3 years
<b>Term Limits</b>	Rare	Rare	Most often 2-4 terms maximum
<b>Staggered Terms</b>	Declining and frowned upon	Varies widely	Very common
<b>Age Limits</b>	Sometimes	Rare	Rare

### Board Composition

<b>CEO on Board</b>	Almost always	Vast majority of the time	Minority practice
<b>Chair Also CEO</b>	Rapidly declining practice	Frequently is the case	Almost never
<b>Lead Director</b>	Common practice	Rare	Rare
<b>Gender/Racial Diversity</b>	Big issue with mixed results	Moderate focus to date	Substantial progress
<b>Expertise Diversity</b>	Common: Audit, Industry, Other	Sometimes: Industry	Sporadic implementation

### Board Committees

<b>Number of Committees</b>	Most often the standard 3-4	Most often fewer 0-3	Often a larger number 3-7
<b>Non-Board on Committees</b>	Never	Rare	Common practice
<b>Committee authority</b>	Formal and often powerful	Usually advisory only	Usually advisory only

### Board Expectations

<b>Ownership</b>	Ownership guidelines	Varies widely	Contribute and solicit cash
<b>Compensation</b>	Cash fees & equity grants	Often options only	Only in largest
<b>Attendance</b>	Formal report in proxy if low	Varies widely	Often demanded by donors

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<b><u>Financial Oversight</u></b>			
<b>Audits</b>	Required and publicly-disclosed	Mixed practice	Most states require at \$ level
<b>Accounting Standards</b>	GAAP	GAAP except as disclosed	GAAP for nonprofits
<b>Tax Reporting</b>	IRS 1120 most often	IRS 1120, 1120S, 1065, etc.	IRS 990 publicly-disclosed
<b>Compensation Reporting</b>	Top 5 in public proxy	Generally none	Top 10 in Form 990
<b><u>Board Duties</u></b>			
<b>Audit</b>	Committee control	Committee control	Committee control
<b>Compensation</b>	Committee control C-level	Committee advice	Committee control CEO
<b>Strategy</b>	Primary duty	Varies widely	Primary duty
<b>Succession Planning</b>	Primary duty	Varies widely	Primary duty
<b>Risk Management</b>	Specific requirement	Varies widely	Evolving primary duty
<b>Cyber Security</b>	Evolving primary duty	Varies widely	Evolving primary duty
<b><u>Board Best Practices</u></b>			
<b>Rules of Order</b>	Standard	Varies widely	Standard
<b>Executive Sessions</b>	Mandatory	Emerging practice	Emerging practice
<b>Attendance Records</b>	Mandatory	Rarely done rigorously	Increasingly common
<b>Self-Evaluation Surveys</b>	Usual practice	Infrequent	Emerging practice
<b>CEO Evaluation Surveys</b>	Usual practice	Mixed practice	Frequent practice