

Serving on and chairing the nominating/governance committee

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Introduction

The nominating/governance (nom/gov) committee sits at the intersection of board composition, oversight structure, and corporate accountability. Its role has always been critical, but today, the stakes are even higher. A shifting regulatory landscape, more assertive institutional investors, and rising scrutiny of board oversight on emerging risks such as AI are reshaping how this committee operates. Its responsibilities, and the complexity of its mandate, continue to expand. In PwC's C-suite survey on board effectiveness, 91% of executives who interact with the nom/gov committee say there is room to improve its effectiveness. Against this backdrop, the committee must take a more active, strategic role in shaping a board that can govern effectively through uncertainty and in aligning governance processes with the company's strategy, risks, and values.

This guide offers practical guidance to help nom/gov committees meet rising expectations. It highlights key challenges, core responsibilities, and leading practices to strengthen board effectiveness and decision-making.

91% of executives who interact with the nom/gov committee say there is room to improve its effectiveness

Source: PwC and The Conference Board, *Board effectiveness: A survey of the C-suite*, forthcoming.

Who is on the nom/gov committee and how it works

Building an effective board begins with its composition. This is the domain of the nom/gov committee. Unlike the compensation and audit committees, regulators and exchanges have no specified requirements for nom/gov membership beyond requiring that (for most companies) members be independent (see [Appendix A](#) for a comparison of NYSE and Nasdaq listing requirements).¹ Given its broad remit, the committee benefits from members with diverse experience and perspectives to strengthen deliberations and candidate searches.

Collaboration with other board committees

Audit committee

- Succession planning for audit committee membership and leadership, including identifying an audit committee financial expert and confirming that all members are financially literate
- Proxy statement review, especially non-GAAP disclosures
- Accuracy and transparency of governance-related and risk-related disclosures

Compensation committee

- Succession planning for compensation committee membership and leadership
- Director compensation
- CEO succession planning²
- Transparency and investor engagement about executive compensation

¹ Which public companies must have a nom/gov committee?

NYSE requires each listed company to have a nom/gov committee—with a charter and composed of independent directors. Notably, NYSE-listed controlled companies are exempt from NYSE's requirement for a majority independent board and fully independent nom/gov committee.

Nasdaq does not require a listed company to have a nom/gov committee. However, it does require a listed company to have a written charter or resolutions specifying the director nomination process and that only independent directors select nominees. Nevertheless, most Nasdaq-listed companies have governance committees.

The nom/gov chair plays a central role in translating this mandate into effective execution—bringing disciplined agenda-setting, coordination with other committees, and ongoing engagement with directors and senior management. At its core, effective execution starts with how the committee structures and manages its work.

² Boards take different approaches to overseeing CEO succession planning, with responsibility typically assigned to the nom/gov committee or the compensation committee. For additional information on varying approaches to overseeing CEO succession planning, see our paper [How the best boards approach CEO succession planning](#).



The nom/gov chair plays a central role in translating this mandate into effective execution—bringing disciplined agenda-setting and ongoing engagement with directors and senior management. At its core, effective execution starts with how the committee structures and manages its work. Key elements of committee meetings include:

Agenda planning

- Develop an annual agenda that maps recurring topics, allocates time appropriately, and preserves flexibility for emerging issues.

Charter compliance

- Anchor the annual agenda in the committee’s charter and confirm that planned topics satisfy its requirements.



41%

of directors say that they want management to reduce the volume of board materials and make them more strategic and forward-looking

Source: PwC, 2023 Annual Corporate Directors Survey, October 2023.

Strategy alignment

- Align the agenda with the company's strategic priorities by coordinating with the CEO and senior leadership.
- Clarify oversight responsibilities, reporting lines, and committee alignment for major initiatives such as acquisitions or digital transformation.

Pre-meeting materials

- Directors consistently say that they want management to reduce the volume of board materials and make them more strategic and forward-looking.
- Management should aim to have materials available at least a week in advance of the meeting. When using board portals to post materials on a rolling basis, clearly communicate when the complete package will be available.

Updates on ongoing issues

- Provide brief updates on previously discussed topics to track progress and maintain focus.

What's high on the committee's ongoing agenda?

The following topics are often central to the committee's ongoing oversight responsibilities.

Board effectiveness

The nom/gov committee is charged with assessing and enhancing overall board effectiveness. One of the nom/gov committee's most important tools for improving board effectiveness is a well-designed assessment process, which may also include individual director assessments, supported as needed by benchmarking and individual director feedback.



What is the nom/gov committee's role in the board-assessment process?

Boards typically delegate oversight of the assessment process to the nom/gov committee, which can use it to improve board, committee, and individual director performance over time. While NYSE rules require annual assessments for companies listed on the exchange, leading boards treat the process as a strategic tool rather than a compliance exercise.

Done well, assessments help boards identify strengths, opportunities for improvement, and areas where additional skills or perspectives may be needed. Yet most directors say today's assessments fall short: 78% do not believe their process provides a complete picture of board performance, and 51% say their board isn't sufficiently invested in the assessment process. The nom/gov committee can help move the process from 'check the box' to impactful by reinforcing confidentiality, structuring assessments to include behavioral and cultural dimensions, and signaling an expectation of candor.

Individual assessments, whether self-assessments, peer feedback, or chair-led conversations, provide directors with constructive, forward-looking guidance. The nom/gov committee plays a key role in normalizing this practice and seeing that it is tied to director development, succession planning, and renomination discussions.

Using an independent facilitator can significantly improve the depth, candor, and usefulness of the assessment process. Only 22% of directors say their boards use an external facilitator, yet 81% of directors whose boards do so believe the process is effective. A third party can help elicit more candid input, probe responses with independent follow-up questions, benchmark practices, and deliver synthesized insights without attribution. The nom/gov committee should consider recommending an external facilitator periodically, especially during periods of board transition, strategy shifts, governance tensions, or when directors express concern about cultural or performance issues.



The value of an assessment depends on what happens next. Executives in our C-suite survey on board effectiveness ranked post-assessment follow-through among the top ways boards can make assessments more effective. The nom/gov committee drives the process to discuss results, identify concrete action items, and monitor progress over time. This may include adjusting board or committee structures, refining materials and meeting processes, reshaping agendas, strengthening board–management communication, and/or enhancing onboarding and ongoing director education.

High-impact assessments typically follow a consistent cycle: (1) scope and success criteria, (2) confidential input collection (surveys and/or interviews), (3) synthesis and benchmarking, (4) an agreed action plan with owners and timing, and (5) progress check-ins tied to the board/committee calendar.

For information about conducting effective board and committee self-assessments, see our paper, *Conducting effective board assessments*. For information on conducting individual director assessments, see our paper, *Individual director assessments*.

Committee structure

Some committees, including nom/gov, are required, while others are optional. The nom/gov committee is responsible for regularly assessing the board's committee structure and recommending adjustments to maintain alignment with the company's strategy and oversight needs.

How long should members serve on the nom/gov committee?

To promote effective refreshment, the committee may consider establishing a rotation policy or guideline that sets expectations for committee tenure. These policies can balance the value of long-tenured members' institutional knowledge with the benefits of fresh perspectives, while allowing flexibility for special situations. Policies may be formal or informal.

Creating the right committee structure

According to a recent analysis, 75% of S&P 500 boards have more than the three committees mandated by the NYSE (audit, compensation, and nom/gov), reflecting expanding oversight demands. In assessing and planning the board's committee structure, the nom/gov committee should consider:

- Whether current and future needs, such as strategy shifts, major transactions, regulatory developments, or CEO succession warrant a dedicated committee
- If the board would benefit from a standing committee, ad hoc committee, or subcommittee to address the specific situation being addressed
- Alignment of committee structure and charters with regulatory requirements
- Whether responsibilities and workloads are appropriately allocated across committees
- How the company's structure compares to peers and leading practices
- Whether director expertise is optimally aligned with committee assignments
- Whether board size supports the number and scope of committees

Board composition

Board composition is a top priority of the nom/gov committee. The committee determines the appropriate board size and continually refines the board's composition to align with the company's strategy and stakeholder expectations.

Many committees use a board skills matrix (see [Appendix B](#)) to assess composition, capturing director skills, experience, tenure, and anticipated departures. Increasingly, matrices also incorporate areas such as cybersecurity and data literacy, AI, capital allocation, and operational resilience. Forward-looking matrices tied to multi-year strategy are also becoming more common and are often highlighted in proxy disclosures. These tools help identify skill gaps, inform recruitment and upskilling priorities, and support clear proxy disclosure.

The committee may consider whether to add directors with deep expertise in areas such as finance, cybersecurity, AI, or technology. If the board lacks specific expertise, the nom/gov committee can also suggest areas that may need external advisors or focused director education to address specific gaps.

Board refreshment and succession planning

Board refreshment and succession planning remain core priorities for the nom/gov committee, particularly as investors continue to focus on this area. Unlike board composition, which reflects a point in time, refreshment is an ongoing process that requires balancing continuity with the introduction of new skills and perspectives. This may require difficult decisions about director tenure and board turnover. As a result, succession planning, through thoughtful refreshment and turnover, has become not only a critical agenda item, but also one of the committee's most sensitive responsibilities.

The nom/gov committee oversees this process through both forward-looking succession planning and the governance mechanisms that enable orderly turnover. These include annual director elections and majority voting policies (under which directors who fail to receive majority support must offer to resign), as well as term and age limits. Effective committees apply these tools with judgment, taking into account performance, future skill needs, and board dynamics.



CEO succession planning

The nom/gov committee plays a central role in overseeing CEO succession, a responsibility that is increasingly strategic and closely scrutinized by investors. Effective succession planning prepares the board for both planned and unexpected transitions. Leading committees treat CEO succession as an ongoing, multi-year process, with regular assessment of internal candidates, development plans, and board exposure. They develop forward-looking CEO criteria aligned with strategy and evolving risks. Plans should also address emergency scenarios, align with the full board on readiness and timing, and include a clear approach to stakeholder communication.

Board recruitment

Based on its assessment of current and future board needs, the committee should proactively identify recruitment priorities and broaden sourcing strategies beyond traditional channels.

Expanding the talent pool

- While boards have traditionally relied on sitting or former CEOs and established networks, many are now casting a wider net to include operators such as CFOs, CIOs/CTOs, COOs, chief legal officers, and chief risk or compliance officers, who bring experience with digital transformation, regulatory change, and operational complexity.
- Boards are also engaging with governance organizations, director academies, professional associations, and curated talent platforms to identify board-ready candidates beyond traditional networks.

Specialist vs. generalist balance

- Boards continue to evaluate the role of specialized expertise, such as AI, within the broader context of overall board effectiveness.
- When recruiting such expertise, candidates should also bring broad executive experience across multiple oversight domains.
- Deep expertise is valuable, but directors must contribute beyond a single specialty; external advisors can supplement technical depth where appropriate.

Maintaining an evergreen pipeline

- Committees should remain opportunistic. If an exceptional candidate emerges, boards may temporarily expand and later rebalance as planned departures occur. Maintaining an 'evergreen' list of pre-vetted candidates aligned with future skill needs enables faster action when vacancies arise or strategy shifts.

Director onboarding

A well-structured onboarding program enables new directors to contribute quickly and effectively. The nom/gov committee typically provides input on program structure, participants, and oversight during the director's first year. While each company's approach will differ, onboarding should cover strategy, culture, and key risk and oversight areas.

How to fast-track onboarding for new nom/gov committee members

The chair of the nom/gov committee and corporate secretary can partner to bring new nom/gov committee members up to speed quickly through a structured approach. Onboarding should include scheduled time with the lead director, general counsel, corporate secretary, sustainability officer, public affairs officer, and investor relations officer (if applicable).

Key orientation topics	Governance documents and discussion points
Organic documents	<ul style="list-style-type: none"> Articles of incorporation By-laws
Corporate governance guidelines	<ul style="list-style-type: none"> Board leadership structure and rationale Key provisions of governance guidelines Director stock trading pre-clearance requirements and reporting Communication of governance guidelines and priorities to stakeholders
Director and officer protection	<ul style="list-style-type: none"> Indemnification (by-laws and agreement, if applicable) Insurance coverage (Side A, Side B, Side C) Director and officer exculpation Advancement of legal and other defense expenses
Investor base and engagement	<ul style="list-style-type: none"> List of largest investors and key governance policies Engagement program Recent investor interactions Recent annual meeting voting results
Board composition and director recruitment	<ul style="list-style-type: none"> Board skills matrix Director demographics Prospect identification and recruitment Use of external recruitment firm Communication of board composition to stakeholders
Nom/gov committee processes	<ul style="list-style-type: none"> Committee charter Annual committee meeting agenda Committee self-assessment Feedback loop during director's first year Individual director assessments
Support and resources	<ul style="list-style-type: none"> Chair's role Continuing education Committee liaison Corporate secretary and general counsel as well as chief sustainability officer, chief public affairs officer, and investor relations

Ongoing director education

Directors must engage in continuous learning to remain effective amid rapid technological change, evolving regulatory expectations, and shifting stakeholder priorities. The nom/gov committee typically oversees director training and education.

Committees may consider establishing expectations for participation in both company-specific training and third-party programs. Company-specific sessions can address the board's priorities, while third-party programs provide broader external perspectives. Clear expectations, supported by appropriate budget and accountability mechanisms, reinforce the importance of ongoing director development.

Practical considerations:

- Align education topics with strategy, emerging risks, and identified skill gaps
- Incorporate brief, recurring updates into regular board meetings
- Leverage external experts to provide independent perspectives when needed

45%

of nom/gov committee members say that additional education on key topics would improve their board's effectiveness

Q: What actions could you take to improve your board's effectiveness? (select all that apply)

Base: 262 nom/gov committee members

Source: PwC, 2025 Annual Corporate Directors Survey, October 2025.

What core governance and disclosure responsibilities typically remain with the nom/gov committee?

In addition to its broader oversight of board composition and governance, the nom/gov committee typically continues to oversee several core governance documents, determinations, and annual proxy matters. The committee's role is to keep these items current, recommend changes when needed, and make sure the company's disclosure clearly explains the board's governance choices.

- **Articles of incorporation and by-laws.** The nom/gov committee should periodically review the charter and by-laws and recommend changes when governance provisions no longer fit the company's ownership profile, shareholder engagement posture, or market expectations. That review often includes voting standards, advance-notice requirements, proxy access, written-consent rights, special meeting rights, exclusive-forum provisions, and director-protection provisions.
- **Director code of conduct and ethics.** The code serves as an important statement of the board's expectations for director conduct. The committee should review it periodically to confirm that it remains current, aligned with the company's broader compliance framework, publicly available as required, and supported by a clear process for waivers and related disclosure.
- **Corporate governance guidelines.** The committee oversees the company's corporate governance guidelines, which remain an important public statement of board practice and governance philosophy. The guidelines should be reviewed and refreshed so they continue to reflect how the board actually operates, particularly with respect to director qualifications, executive sessions, leadership structure, and oversight responsibilities. For NYSE companies, the guidelines also must remain publicly available, with related proxy statement or Form 10-K disclosure.

- **Board leadership structure.** A public company's disclosure should explain the board's leadership structure, whether the CEO and chair roles are combined or separated, and, where applicable, the role of the lead independent director. The committee should periodically review both the structure itself and the related disclosure so the company clearly explains why the structure is appropriate, how responsibilities are allocated, and how the board's risk-oversight role fits within that structure.
- **Director independence.** Independence remains one of the committee's most important recurring judgments. The committee should review each director's specific facts and circumstances, recommend independence determinations to the board, and oversee disclosure identifying which directors are independent and, where relevant, which committee members do not satisfy committee-specific independence standards. Both NYSE and Nasdaq require a majority-independent board, but the committee should also consider perceived independence in light of investor and proxy-advisor views, not just technical compliance.
- **Director and officer protection.** The committee is often charged with reviewing the company's framework for protecting directors and officers against litigation risk. That framework may include director and officer insurance, exculpation provisions, indemnification arrangements, and related protections. That protection may need to extend to subsidiaries and address cross-border considerations. Delaware law continues to provide the basic statutory framework for indemnification, insurance, and exculpation.
- **Annual meeting.** The nom/gov committee plays a central role in annual meeting planning and in evaluating shareholder voting outcomes. Responsibilities typically include meeting format, proxy statement governance disclosure, and review of shareholder proposals; in a contested election, preparedness for universal proxy mechanics also remains relevant.

Telling a story of good governance—and building trust with stakeholders

Clear, consistent, and proactive governance communication has become a defining indicator of board effectiveness. The nom/gov committee should regularly evaluate whether the board's disclosures, messaging, and engagement practices adequately reflect emerging investor expectations, regulatory developments, and the company's strategic priorities. Information flows should evolve as risks, oversight responsibilities, and stakeholder expectations change.

The committee plays a central role in shaping the company's governance narrative across the proxy statement, investor presentations, and website. Effective governance storytelling articulates why the board's structure, composition, oversight responsibilities, and decision-making processes are appropriate for the company's strategy, risk profile, and long-term commitments. Enhanced disclosure should clearly link board composition to strategy, explain oversight roles (including cyber and AI governance), and demonstrate accountability through assessments and refreshment practices.

Direct director engagement with investors has become increasingly common on topics such as board composition, risk oversight, succession planning, governance structures, and long-term strategy. When directors speak directly with investors, it can significantly strengthen trust and credibility. The committee should work with directors to see that they are well prepared, aligned on key messages, and trained to engage constructively. Engagement preparation should include guidance from legal, investor relations, and subject-matter experts, as well as updates on relevant governance, industry, or regulatory trends.



Conclusion

The accelerating pace of technological disruption, regulatory complexity, and geopolitical uncertainty has raised the bar for what effective corporate governance must deliver. The nom/gov committee sits at the center of this effort. Beyond fulfilling legally required duties, the committee plays a critical leadership role in shaping board composition, strengthening oversight structures, enhancing disclosure and engagement practices, and helping the board maintain credibility with stakeholders.

As expectations continue to rise, leading nom/gov committees anchor their work in transparency, accountability, and strategic foresight—helping the board be equipped not only to meet today’s challenges but to anticipate and prepare for those ahead.

Appendix A

NYSE vs. Nasdaq corporate governance requirements comparison

Standard/topic	NYSE	Nasdaq
Director independence	A majority of the company's board must be independent	A majority of the company's board must be independent
Independence standards*	<ul style="list-style-type: none"> Director can have no material relationship with the company Minimum independence standard: greater of 2% of consolidated gross revenues or \$1m—may adopt higher or additional independence standards. If adopted, those must be disclosed. Proxy statement must disclose the board's determination that a relationship is not material 	<ul style="list-style-type: none"> The board must determine that the director has no relationship that would interfere with the director's exercise of independent judgment Minimum independence standard: greater of 5% of recipient's consolidated gross revenues or \$200,000
Related party/conflict of interest transactions (RPT)	<ul style="list-style-type: none"> Must adopt a code that addresses conflict of interest transactions Must disclose RPTs required by Reg. S-K, Item 404 	<ul style="list-style-type: none"> Audit or comparable committee (could be a governance committee) must review RPTs Must disclose RPTs required by Reg. S-K, Item 404
Required board committees	<ul style="list-style-type: none"> Audit Compensation Nominating/governance 	<ul style="list-style-type: none"> Audit Compensation
Nominating/governance committee	<ul style="list-style-type: none"> Required Must be comprised of independent directors Must have a charter Charter must provide for annual committee evaluation 	<ul style="list-style-type: none"> Not required, however, the board must authorize a committee of independent directors to recommend director nominees and document the nomination process If the board establishes a governance committee, it must have three independent members. It may have an additional member who is not independent, but the member may serve for no more than two years. The company must certify that it has adopted a formal written charter or board resolution documenting the nominations process—and related matters under the federal securities laws.
Code of business conduct and ethics	<p>Must adopt and disclose a code for directors, officers, and employees that addresses Sarbanes-Oxley standards and topics specified in NYSE listing standards</p> <p>Code must address:</p> <ul style="list-style-type: none"> Conflicts of interest Corporate opportunities Confidentiality Fair dealing Protection and proper use of company assets Compliance with laws, rules, and regulations (including insider trading laws) Reporting of any illegal or unethical behavior Waivers—only the board or board committee may approve a waiver of the code for a director or officer. Prompt disclosure is required. <p>Must disclose code on website and provide link in annual report</p>	<p>Must adopt and disclose code for directors, officers, and employees that addresses Sarbanes-Oxley standards</p> <p>Code must address and promote:</p> <ul style="list-style-type: none"> Honest and ethical behavior—including handling of conflicts of interest Full, fair, accurate, timely, and understandable disclosure Compliance with applicable governmental laws, rules, and regulations Promote internal reporting of code violations Accountability for adherence to the code Enforcement mechanism Waivers—only the board or board committee may approve a waiver of the code for a director or officer. Prompt disclosure is required. <p>Must disclose code on website and provide link in annual report</p>

Standard/topic	NYSE	Nasdaq
Corporate governance guidelines	<p>Adopt guidelines that address:</p> <ul style="list-style-type: none"> • Director qualification standards • Director responsibilities • Access to management • Access to independent advisors • Director compensation • Director orientation and continuing education • Management succession • Annual board performance evaluation <p>Must disclose guidelines on website and provide link in annual report</p>	Not addressed in listing standards
Continuing education for directors	Corporate governance guidelines must address director education	Provides directors with a listing of continuing education sessions
Compliance with listing standards	<p>Annual CEO certification is required and must state that CEO is not aware of any violations of the NYSE corporate governance standards and qualify the certification as needed</p> <p>The CEO must notify the NYSE in writing if any executive officer becomes aware of any failure to comply with NYSE corporate governance standards</p>	The company must notify Nasdaq if any executive officer becomes aware of any failure to comply with Nasdaq corporate governance standards
Executive sessions	<p>Regular executive sessions of non-management directors are required. Independent directors should meet in executive sessions at least annually</p> <ul style="list-style-type: none"> • Proxy disclosure is required regarding: <ul style="list-style-type: none"> ◦ Lead director selection and role ◦ Shareholder communications with lead director and non-management directors 	<ul style="list-style-type: none"> • Regular (at least twice a year) executive sessions of independent directors are required

* Investor governance policies and proxy voting advisory services as well as state law standards for 'independence' should also be considered.



How PwC can help

To have a deeper discussion about how this topic might impact your business, please contact your engagement partner or one of the PwC specialists below.

Contacts

Ray Garcia

Partner, Governance Insights Center Leader
ray.r.garcia@pwc.com

Paul DeNicola

Principal, Governance Insights Center
paul.denicola@pwc.com

Matt DiGuiseppe

Managing Director, Governance Insights Center
matt.diguisepp@pwc.com

Carin Robinson

Director, Governance Insights Center
carin.l.robinson@pwc.com

Arielle Berlin

Director, Governance Insights Center
arielle.berlin@pwc.com