



SpencerStuart

2019 U.S.

Spencer Stuart
Board Index

ABOUT SPENCER STUART BOARD SERVICES

At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 60 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of organizational effectiveness.

For more than 30 years, our Board Practice has helped boards around the world identify and recruit independent directors and provided advice to board chairs, CEOs and nominating committees on important governance issues. We serve a range of organizations across geographies and scale, from leading multinationals to smaller organizations. In the past year alone, we conducted more than 750 director searches worldwide, and in North America one-third of those assignments were for companies with revenues under \$1 billion.

Our global team of board experts works together to ensure that our clients have unrivaled access to the best existing and potential director talent, and regularly assists boards in increasing the diversity of their composition. We have helped place women in more than 2,100 board director roles and recruited more than 750 minority executives around the world.

In addition to our work with clients, Spencer Stuart has long played an active role in corporate governance by exploring — both on our own and with other prestigious institutions — key concerns of boards and innovative solutions to the challenges facing them. Publishing the *U.S. Spencer Stuart Board Index (SSBI)*, now in its 34th edition, is just one of our many ongoing efforts. Each year, we sponsor and participate in several acclaimed director education programs, including:

- » Next-Gen Board Leaders (NGBL), an initiative designed to foster a community of current and aspiring directors to spark discussion around the challenges, opportunities and contributions of a younger generation in today's boardrooms
- » The Global Institutes, sponsored by the WomenCorporateDirectors (WCD) Foundation
- » The Corporate Governance Conference at Northwestern University's Kellogg School of Management
- » The New Directors Program, a unique two-year development program designed to provide first-time, non-executive directors with an exclusive forum for peer dialogue on key issues and "unwritten rules" of corporate boards, produced in partnership with the Boston Consulting Group, Frederick W. Cook & Co., Davis Polk, Lazard and PricewaterhouseCoopers

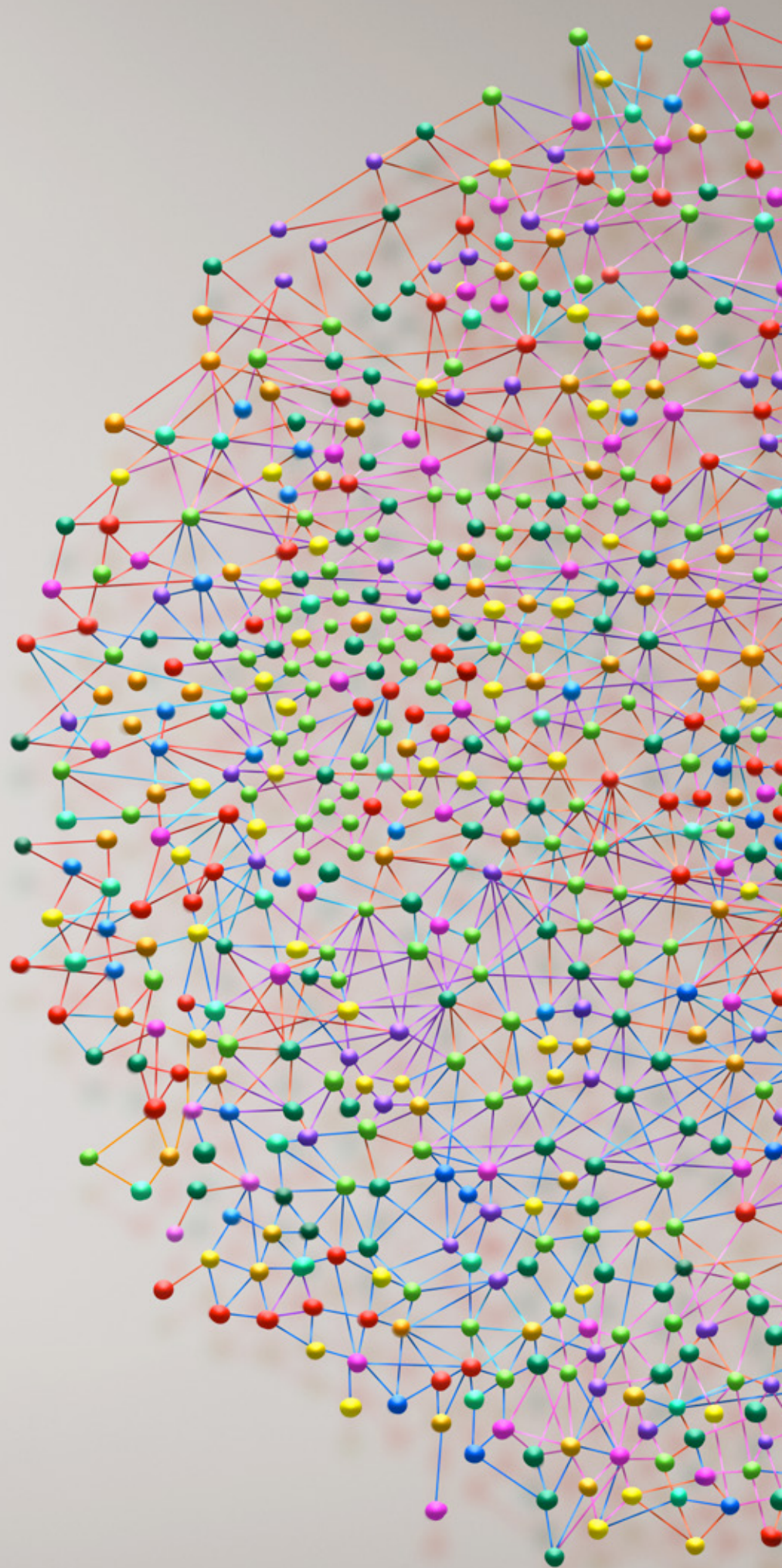
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Spencer Stuart Perspective for 2019

S&P 500 boards continue their evolution. The 2019 *U.S. Spencer Stuart Board Index* finds that boards are heeding the growing calls from shareholders and other stakeholders for enhanced boardroom diversity of gender, age, race/ethnicity and professional backgrounds.

The profile of directors joining S&P 500 boards continues to shift. The 2019 incoming class of 432 independent directors, the most since 2004, shows that change is happening on many fronts, driven by the addition of women and minority men directors. However, because boardroom turnover remains low, with the new directors representing only 8% of all S&P 500 directors, changes to overall numbers continues at a slow pace.

BOARDS ARE ACCELERATING THE ADDITION OF WOMEN AND MINORITY DIRECTORS

Of the 432 independent directors added to S&P 500 boards over the past year, a record-breaking 59% are diverse (defined as women and minority men), up from half last year.

Gender diversity is a clear boardroom priority, with women comprising 46% of the incoming class, compared to 40% last year. Of the 277 S&P 500 companies appointing new independent directors over the past year, about half increased the number of women directors (on a net basis after independent director departures):

- » 85 companies — 31% — increased the number of women directors by expanding their boards.
- » 50 companies — 18% — increased the number of women directors while maintaining or reducing the number of independent directors.

More than 90% of S&P 500 boards now have two or more women directors, up from 86% last year and 53% a decade ago.

Boards are also focused on racial/ethnic diversity. Just under one in four new S&P 500 directors (23%) are minorities (defined as African-American/Black, Asian or Hispanic/Latino). Minority women represent 10% of the incoming class, up slightly from 9% last year. Minority men represent 13% of the new directors, an increase from 10% last year but still down from 14% two years ago.

While women and minority men constitute more than half of the new directors, continued low boardroom turnover remains a persistent impediment to meaningful year-over-year change in the overall composition of S&P 500 boards. As a result, in spite of the record number of female directors, representation of women increased incrementally to 26% of all directors, up from 24% in 2018 and 16% in 2009.

Slight progress is being made in minority representation at the top 200 S&P 500 companies. Today, 19% of all directors of the top 200 companies are male or female minorities, up from 17% last year and 15% in 2009.

432

New independent directors

THE PROFILE OF NEW S&P 500 DIRECTORS IS CHANGING

For years investors have been urging boards to look beyond CEOs and experienced directors to find boardroom talent. Boards are listening. In addition to gender and race/ethnic diversity, the 2019 *U.S. Spencer Stuart Board Index* finds continued changes in the profile of directors joining S&P 500 boards.

- » CEO experience isn't mandatory: 65% of the 2019 incoming class come from outside the top executive ranks of CEO, chair/vice chair, president and COO.
- » Other corporate leadership skills are valued: 23% have experience as division/subsidiary heads or as EVPs, SVPs or functional unit leaders.
- » Board experience isn't a requirement: 27% are serving on their first public company board.
- » Financial talent remains a priority: 27% have financial backgrounds, with boards less interested in accounting and banking backgrounds and more focused on candidates with experience as CFOs/finance executives or investment professionals.
- » Age diversity is a lower priority: 16% are 50 or younger.

DIVERSE DIRECTORS ARE THE DRIVING FORCE BEHIND THE CHANGING PROFILE OF NEW S&P 500 DIRECTORS

The data shows marked differences between the profiles of women and diverse men joining S&P 500 boards over the past year and those of non-diverse men.

Diverse directors:

59%

New diverse directors
(women and minority men)

- » Are far less likely to be CEOs or experienced directors: Only 19% of the diverse directors are current or former CEOs, compared to 44% of non-diverse men. Meanwhile 34% of the diverse directors are first-time corporate directors, nearly double the 18% of the non-diverse directors.
- » Bring other types of corporate leadership experience to the boardroom: 31% of the women and minority men are current or former line or functional leaders, compared to just 11% of the non-diverse men.
- » Tend to be younger: 18% of diverse directors are "next-gen" (defined as 50 or younger), compared to 12% of non-diverse men.

- » Are less likely to have investment backgrounds: 25% of the diverse directors have backgrounds as CFOs, investors, accountants and bankers, compared to 31% of non-diverse men; the differentiator in the financial category is investment management/investor experience, with 14% of non-diverse directors having this background, compared to 7% of the diverse directors.
- » Come with a wider array of professional experiences: 18% of the diverse director experiences fall into the categories of academics/not-for-profit executives, consultants, government/military or other, compared to just 7% of the non-diverse men.

Industry perspective also varies between diverse and non-diverse directors. A significant majority (61%) of the non-diverse men come from four industry sectors: consumer discretionary, information technology, financials and healthcare. In contrast, a bare majority (51%) of the diverse directors come from these same four industry sectors. The difference is covered by the increased representation of diverse directors from the industrials, utilities, consumer staples and real estate sectors.

BOARDS CONTINUE TO ADD YOUNGER DIRECTORS, BUT THE AVERAGE AGE OF S&P 500 DIRECTORS IS UNCHANGED

Tech, digital and consumer-savvy directors are in high demand, and boards continue to appoint younger, next-gen directors with these backgrounds. Once again, one out of six directors added to S&P 500 boards are 50 or younger. Over half (59%) bring experiences from the private equity/investment management, consumer and information technology sectors. The rest are evenly distributed throughout the other nine primary industry sectors.

These younger directors are more diverse than the rest of the incoming class, with 69% either women (57%) or minority men (12%). They are also more likely to be serving on their first corporate board; 54% are first-time directors.

In terms of professional backgrounds, 85% of the next-gen directors fall into three categories: financial executives (34%), division/subsidiary/function leaders (26%) or CEOs or top executives (25%). A significantly higher percentage of next-gen directors than all new directors are investment/investor pros: one of five (21%) boast investment/investor backgrounds, with half (all non-diverse men) currently working for an activist hedge fund.

46%

Female new directors

16%

New next-gen directors
(50 years old and younger)

27%

New directors serving on their first corporate board

Although S&P 500 boards are adding younger directors, an overwhelming number are older. More than 40% of the incoming class are 60 or older; the average age of a new S&P 500 independent director is 57.5 years. Of the universe of S&P 500 independent directors, 21% are older than 70, while only 6% are 50 or younger. The average age of an S&P 500 independent director is 62.7, a year older than in 2009.

LOW TURNOVER IN THE BOARDROOM PERSISTS

Consistent with recent years, 56% of S&P 500 boards added at least one new independent director over the past year, with 22% appointing two or more directors. The additions translate into an overall turnover of 0.88 new directors per board, up only slightly from 0.82 in 2018.

Over the past year, 392 independent directors left S&P 500 boards, departing at an average age of 68.7 and average tenure of 12.3 years. The lion's share — 60% — retired at 70 or older, and 34% served on the board for 15 or more years. Eighteen (5%) were 80 or older with an average tenure of 19 years, and 24 (6%) were 55 or younger with an average tenure of 5.8 years.

While the majority of boards added at least one independent director over the past year, 29% made no changes to their roster of independent directors — neither adding nor losing independent directors — and 15% reduced the number of independent directors without adding any new independent directors.

Absent changes in refreshment practices, low boardroom turnover rates are likely to continue.

30%

New independent directors who are active or retired CEOs

- » Mandatory retirement policies proliferate. Today 71% of S&P 500 boards disclose a mandatory retirement age for directors, consistent with last year and largely unchanged over the past five years. Retirement ages continue to rise. Of the universe of S&P 500 companies with retirement age policies, 46% set the age at 75 or older, up slightly from 44% last year and just 15% in 2009. Four boards have a retirement age of 80. More than half mandate retirement at 74 or higher.
- » Retirement policies are impacting turnover. More than three-quarters of the independent directors who left S&P 500 boards in the past year served on boards with mandatory retirement ages. The age limits influenced the majority of these departures, with 41% either exceeding or reaching the age cap and another 14% leaving within three years of the retirement age.

- » A small percentage of sitting independent directors are approaching retirement age. Only 15% of the independent directors on boards with age caps are within three years of mandatory retirement. With these directors averaging 63 years of age, most S&P 500 directors have years of potential service before reaching mandatory retirement.
- » Directors on boards without age caps are older and longer tenured. Directors of companies without mandatory retirement policies average 64 years, and 26% are 70 or older, compared to 18% of directors on boards with retirement policies. Directors on boards without age caps average nine years of service, compared to eight years for directors facing age caps.
- » Terms limits continue to be rare. Only 27 S&P 500 boards (5%) set explicit term limits for non-executive directors, with terms ranging from 10 to 20 years. Just under three-quarters of the policies are set at 15 years or more. Meanwhile, the average tenure of S&P 500 independent directors is 8.0 years, a slight decrease from 8.4 years in 2014.

59%

S&P 500 CEOs who serve on no outside boards

INVESTOR ATTENTION TO DIRECTOR “OVERBOARDING” IS INCREASING

Director board service emerged as a hot issue in 2019, with Vanguard announcing it would vote against any public company “named executive officer” serving on more than one outside board and any other directors serving on more than four public company boards. BlackRock’s guidelines are similar but don’t mandate an “against” vote.

On average, independent directors of S&P 500 companies serve on 2.1 boards, unchanged over the past five years. An increasing number of S&P 500 CEOs serve on no outside boards. This year’s survey found 59% of S&P 500 CEOs serve on no outside boards, up from 55% last year and 51% 10 years ago. More than one-third (37%) of S&P 500 CEOs serve on one outside board. Only 23 S&P 500 CEOs (5%) serve on two or more outside boards, and 79 independent directors (2%) serve on more than four public company boards.

Most formal policies regarding board service are inconsistent with the Vanguard and BlackRock guidelines. More than 60% of the 113 companies with limits on their CEO’s outside board service set the limit at two or more outside boards. More than half (52%) of the 317 boards with limits for all independent directors set a limit of four total board seats, 5% set the limit at more than four boards. Only 140 boards set stricter limits for directors who are fully employed.

53%

Boards that have a separate chair and CEO

27%

New directors who have finance backgrounds

BOARD ASSESSMENTS COMMON, INDIVIDUAL ASSESSMENTS BECOMING MORE PREVALENT

Annual assessments have become the norm for boards around the globe, and once again 98% of the surveyed S&P 500 companies reported conducting a board assessment over the past year. Individual director evaluations are gaining traction, with 44% of S&P 500 companies — up from 38% last year and 22% 10 years ago — reporting some form of individual director evaluations.

INDEPENDENT BOARD CHAIRS CONTINUE TO GROW IN NUMBER AND COMPENSATION

Today more than half of S&P 500 boards (53%) split the chair and CEO roles, up from 37% a decade ago. One-third (34%) are chaired by an independent director — a director who meets the applicable NYSE or NASDAQ rules for independence — an increase from 31% last year and 16% in 2009.

As the number of independent chairs has increased, the number of lead and presiding directors has declined. Today 75% of S&P 500 boards report having an independent lead or presiding director, compared with 80% last year and 95% a decade ago.

Although the roles and responsibilities of an independent chair of the board and a lead director are frequently similar, the difference in their compensation is wide and growing.

71%

Boards report having mandatory retirement age

- » Independent chairs receive, on average, an additional \$172,000 in annual compensation, with the premium ranging from \$30,000 to \$657,000.
- » Lead directors are paid an average supplement of around \$41,000, with a range of \$10,000 to \$200,000.
- » The average premium for presiding directors is \$31,000, ranging from \$10,000 to \$75,000.
- » The difference between the average pay of independent chairs and lead directors is \$131,000, up from \$125,000 last year.

FOR THE FIRST TIME, TOTAL DIRECTOR PAY AT S&P 500 BOARDS AVERAGES MORE THAN \$300,000

The average total compensation for S&P 500 non-employee directors, including independent chairs, is around \$305,000, a 2% year-over-year increase. The breakdown of director pay is unchanged, with 57% paid in stock awards, 38% in cash, 3% in stock options and 2% in “other” pay such as insurance premiums and charitable award programs.

Meeting attendance fees continue their decline. Today only 9% of S&P 500 companies pay non-employee directors for attending board meetings, down from 10% last year and 43% a decade ago. Twelve percent (12%) pay fees for attending committee meetings, compared to 27% five years ago and 45% in 2009.

Director pay varies widely by sector, with a \$100,000 difference between the average total director pay (excluding independent chair pay) of the highest and lowest paying sectors. Four sectors drive the overall average north of \$300,000. Once again, the four highest-paying sectors are the only sectors averaging more than \$300,000 in total pay: healthcare (\$362,450), information technology (\$331,840), telecommunications services (\$331,076) and energy (\$325,234). The four average \$338,000 in total director compensation, but year-over-year their compensation was largely flat, ranging from a decline of 1.7% to an increase of 0.1%.

The annual change in director total pay in four of the seven other sectors far outpaced inflation. Average total compensation increased 4% or more in the following sectors: financials (5.7%); real estate (4.9%); materials (4.0%); and utilities (4.0%).

46%

Boards with retirement age set at 75 or higher

Editor's Note

The U.S. *Spencer Stuart Board Index* (SSBI) is based on our analysis of the most recent proxy reports from the S&P 500, plus an extensive supplemental survey. This edition of the SSBI draws on the latest proxy statements from 491 companies filed between May 30, 2018, and May 15, 2019, and responses to our governance survey from 113 nominating/governance committee members conducted in the second quarter of 2019. Revenue data were taken from Capital IQ.

Data in tables and charts may not total 100% due to rounding.

S&P 500 Boards: Trends over One, Five and 10 Years

	2019 ^a	2018 ^b	2014 ^c	2009 ^d	5-year % change	10-year % change
Board composition						
Average board size	10.7	10.8	10.8	10.8	-1%	-1%
Independent directors	85%	85%	84%	82%	1%	4%
Average age of independent directors	62.7	63.0	63.1	61.7	-1%	2%
New independent directors						
Total number	432	428	371	333	16%	30%
Women	46%	40%	30%	17%	53%	171%
Minorities	23%	19%	12%	12%	92%	92%
Average age	57.5	57.2	57.6	56.5	0%	2%
Active CEO/chair/president/COO	18%	19%	22%	26%	-18%	-31%
Retired CEO/chair/president/COO	17%	17%	19%	17%	-11%	0%
Financial backgrounds	27%	26%	20%	18%	35%	50%
All other corporate executives	23%	21%	23%	21%	0%	10%
First-time directors						
% of all new directors	27%	33%	39%	16%	-31%	69%
Average age	54.2	54.7	55.0	53.7	-1%	1%
# of first-time directors	118	140	145	54	-19%	119%
Women directors						
Women as % of all directors	26%	24%	19%	16%	37%	63%
Boards with at least one woman director ^e	99%	99%	95%	89%	4%	11%
CEO profile						
% of CEOs serving on one or more outside boards	41%	45%	46%	49%	-11%	-16%
# of women CEOs	25	27	23	16	9%	56%
Boards where CEO is the only non-independent	62%	59%	58%	50%	7%	24%
Average age	57.9	57.6	56.9	55.7	2%	4%
Average tenure with company	19.9	19.3	18.3	14.6	9%	36%
Chair independence						
CEO is also chair	47%	50%	53%	63%	-11%	-25%
Independent chair	34%	31%	28%	16%	21%	113%
Boards with lead or presiding director	75%	80%	90%	95%	-17%	-21%
Board meetings						
Average number of board meetings	7.9	8.0	8.1	9.0	-2%	-12%
Median number of board meetings	7	7	7	8	0%	-13%

S&P 500 BOARDS: TRENDS OVER ONE, FIVE AND 10 YEARS

	2019 ^a	2018 ^b	2014 ^c	2009 ^d	5-year % change	10-year % change
Retirement age						
Boards with mandatory retirement age	71%	71%	73%	75%	-3%	-5%
<i>Boards with mandatory retirement age of 75+</i>	46%	44%	30%	15%	53%	207%
<i>Boards with mandatory retirement age of 72+</i>	96%	96%	92%	75%	4%	28%
Committee meetings (average number)						
Audit committees	8.4	8.4	8.6	9.1	-2%	-8%
Compensation committees	6.0	6.2	6.3	6.6	-5%	-9%
Nominating committees	4.7	4.6	4.7	4.4	0%	7%
Audit committee chair						
Active CEO/chair/president/COO	5%	6%	8%	13%	-38%	-62%
Financial exec/CFO/treas/public acct exec	43%	42%	37%	25%	16%	72%
Non-employee director compensation						
Total average compensation ^f	\$304,856	\$298,981	\$263,748	\$212,750	16%	43%
Average annual retainer ^g	\$126,200	\$124,306	\$107,383	\$75,893	18%	66%
Median annual retainer ^g	\$100,000	\$100,000	\$85,000	\$60,000	18%	67%
Boards paying retainer of at least \$100,000	58%	56%	42%	18%	38%	222%
Boards paying board meeting fee	9%	10%	25%	43%	-66%	-80%
Average board meeting fee	\$2,402	\$2,190	\$2,229	\$2,122	8%	13%
Boards offering stock option program	11%	12%	18%	37%	-39%	-70%
Boards paying equity in addition to retainer	77%	77%	78%	79%	-1%	-3%
Committee compensation						
Boards paying committee chair retainer	97%	97%	95%	89%	2%	9%
Average committee chair retainer	\$22,132	\$21,036	\$18,196	\$14,461	22%	53%
Boards paying committee member retainer	46%	45%	39%	36%	18%	28%
Average committee member retainer	\$11,854	\$12,027	\$10,549	\$9,278	12%	28%
Boards paying committee meeting fees	12%	13%	27%	45%	-56%	-73%
Average committee meeting fees	\$1,755	\$1,688	\$1,715	\$1,579	2%	11%

^a Data based on proxy year May 16, 2018 through May 15, 2019.

^b Data based on proxy year May 20, 2017 through May 15, 2018.

^c Data based on proxy year May 15, 2013 through May 19, 2014.

^d Data based on proxy year June 1, 2008 through May 15, 2009.

^e At the cut-off date of our analysis, two boards had no female directors. They have since both added one.

^f Based on non-employee director compensation tables included in 491 (2019), 484 (2018), 493 (2014), and 488 (2009) proxies. Includes all board and committee retainers and meeting fees, non-executive chairman and lead/presiding director supplemental fees when applicable, and the value of equity compensation and all other compensation paid to non-employee directors in fiscal year 2018. Retiring and new directors are included when paid compensation for at least three quarters of the year. Excludes directors who left the board within the first quarter of the year and directors who joined the board in the last quarter of the year. Also excludes retirement payouts to former executives.

^g Not including stock beyond retainer.

Board Composition

2019 SNAPSHOT

432

new independent directors



75



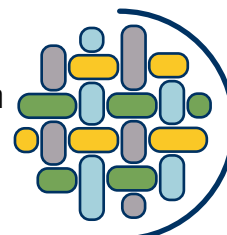
is now the most common mandatory retirement age

34%

of S&P 500 boards have a truly independent chair

59%

of new independent directors are women and/or minorities, **a new record**



BOARDS ADD 432 INDEPENDENT DIRECTORS, THE MOST SINCE 2004

- » The 492 S&P 500 boards included in our index appointed 432 new independent directors, the most since 2004. New directors represent 8% of all S&P 500 directors.
- » Just over half (56%) of boards appointed at least one new independent director, and 22% appointed two or more board members.
- » New directors range in age from 31 to 78. The average age is 57.5, a year older than the 2009 average (56.5).

59% OF NEW INDEPENDENT DIRECTORS ARE WOMEN AND/OR MINORITIES, A NEW RECORD

- » 46% of new directors are women, a notable increase from 40% last year.
- » Of the 277 boards that appointed new independent directors, about half increased the number of women directors (on a net basis after independent director departures).
 - 31% added to the size of the board to increase the number of women directors.
 - 18% increased the number of women directors while maintaining or reducing the number of independent directors.
- » Boards also increased their recruiting of minority directors. Just under one-quarter of new S&P 500 directors (23%) are minorities (defined as African-American/Black, Asian or Hispanic/Latino), including 42 minority women (10%).
- » Minority men represent 13% of the new directors, an increase from 10% last year but still down from 14% two years ago.
- » The profiles of women and minority directors differ from non-minority men. They are more likely to be younger and first-time directors, and less likely to be current or former CEOs or have investment experience.
 - 34% of the diverse directors (women and minority men) are first-time corporate directors, versus 18% of the non-diverse male directors.
 - 31% are current or former line or functional leaders, compared to just 11% of non-diverse male directors.
 - 18% are next-gen (defined as 50 or younger), compared to 12% of non-diverse men.
 - 19% are current or former CEOs, compared to 44% of non-diverse male directors.
 - 7% have investment management/investor experience, versus 14% of non-diverse male directors.
 - 18% have experience in academics/not-for-profit, consultancies, government/military or other, compared to just 7% of the non-diverse men.

New Director Snapshot

	New directors	
	2019	2018
New directors elected	432	428
% female	46%	40%
% minority	23%	19%
<i>% directors who are female and minority</i>	10%	9%
Percentage of newly elected female or minority directors	59%	50%

First-Time Director Snapshot

	First-time directors	
	2019	2018
New directors elected	118	140
% female	57%	46%
% minority	31%	24%
<i>% directors who are female and minority</i>	14%	11%
Percentage of newly elected female or minority directors	74%	60%

FIRST-TIME DIRECTORS

- » Just over one-quarter (27%) of the S&P 500 directors appointed in the 2019 proxy year are serving on their first public company board. This represents a decline from 33% in 2018.
- » 69% of first-time directors are actively employed, compared with less than half (47%) of new directors with previous board experience. 6% are actively employed CEOs.
- » First-time directors are three years younger on average than new directors overall, 54.2 versus 57.5 for all new directors.
- » Nearly three-quarters (74%) of first-time directors are women or minorities: 57% are women and 31% are minorities, including 14% minority women.

New Director Professional Backgrounds: First-Time versus Experienced Directors

	First-time directors			Non-first-time directors		
	Active #	Retired #	Total %	Active #	Retired #	Total %
CEOs	7	0	6%	56	63	38%
Chairs/presidents/COOs/VCS	5	2	6%	10	6	5%
Line and functional leaders	22	9	26%	7	23	10%
Financial executives/CFOs/treasurers	12	5	14%	5	22	9%
Division/subsidiary presidents	8	2	8%	12	17	9%
Investors/investment managers	10	0	8%	23	8	10%
Academics/nonprofit executives	6	1	6%	8	3	4%
General counsel	1	1	2%	1	2	1%
Consultants	1	0	1%	14	0	4%
Lawyers	1	0	1%	2	0	1%
Bankers/investment bankers	3	6	8%	2	11	4%
Public accounting executives	1	4	4%	0	6	2%
Others	4	7	9%	8	5	4%
Total	81	37	100%	148	166	100%

16% OF NEW DIRECTORS ARE 50 AND YOUNGER

- » 16% of the incoming class of S&P 500 directors are “next-generation” directors, age 50 or younger, a slight decline from 17% last year. 6% of all directors are next-gen directors. Over half of these next-gen directors are serving on their first public company board, and 57% are women.

BOARD COMPOSITION

- » The majority (59%) have backgrounds in three industries: private equity/investments (23%), tech/telecommunications (22%); and consumer goods (14%).

INCREASE IN DIRECTORS WITH GLOBAL EXPERIENCE

- » Fewer than one-third of new directors (31%) have global professional experience, defined as having worked at an international location.
- » 13% of new independent directors were born outside the U.S., an increase from 11% in 2018.

FEWER ACTIVE AND RETIRED CEOS AND OTHER TOP EXECUTIVES JOINING BOARDS

- » More than a third (35%) of new directors are active or retired CEOs, chairs, vice chairs, presidents and COOs, unchanged from last year. A decade ago, 43% of new directors were active or retired executives in these roles. The change is largely due to the decline in the number of active leaders in these roles (18% versus 26% in 2009).
- » The other main profiles of new directors are finance executives and other corporate leaders. 27% of new directors have financial backgrounds, including banking, finance, investment or accounting credentials, versus 18% a decade ago. 23% of new directors are active or retired corporate executives (such as division/subsidiary presidents and line and functional leaders), compared with 21% in 2009.
- » Just over half (54%) of new directors today are actively employed, compared with 61% a decade ago.

New Independent Director Professional Backgrounds

	Year			2019	
	2019	2014	2009	Men	Women
Active CEOs	15%	18%	19%	20%	9%
Retired CEOs	15%	17%	11%	21%	7%
Line and functional leaders	14%	14%	13%	6%	23%
Financial executives/CFOs/treasurers	10%	7%	5%	8%	13%
Investors/investment managers	9%	6%	9%	13%	6%
Division/subsidiary presidents	9%	9%	8%	8%	11%
Bankers/investment bankers	5%	4%	3%	6%	4%
Academics/nonprofit executives	4%	4%	8%	4%	5%
Active chairs/presidents/COOs	3%	4%	7%	4%	3%
Consultants	3%	2%	3%	2%	5%
Public accounting executives*	3%	3%	1%	2%	3%
Retired chairs/presidents/COOs	2%	2%	6%	2%	2%
General counsel	1%	n/a	n/a	0%	2%
Lawyers	1%	2%	2%	1%	1%
Others**	6%	8%	5%	3%	8%

*All former partners or executives of public accounting firms.

**Includes former government employees, physicians and private company owners.

- » The technology and telecommunications sector is the largest industry source of new directors, accounting for 17% of new independent directors, followed closely by the consumer goods and services sector (16%). Other top industry backgrounds for new independent directors are financial services and private equity/investment management, each representing 10% of new director industry backgrounds. In the past decade, the industrial/manufacturing sector has declined as a source of new directors, from 13% in 2009 to 8% today.
- » Consumer discretionary and technology companies were the most frequent destination for new independent directors, with those sectors taking 17% and 15% of all new independent directors, respectively.

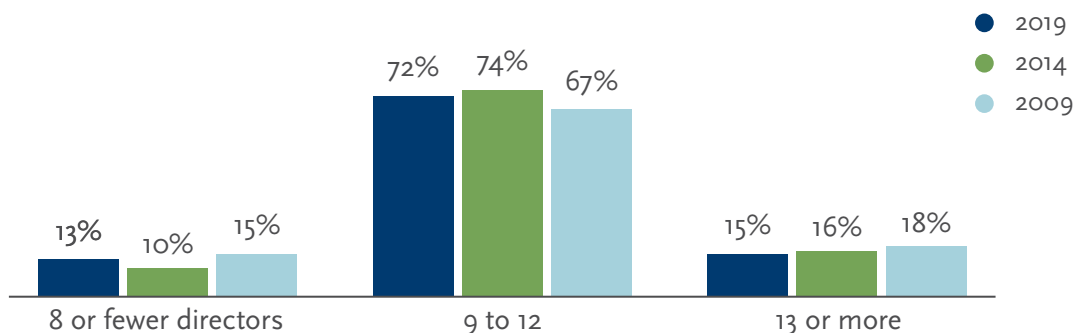
New Independent Director Top Industry Backgrounds

	Year		
	2019	2014	2009
Technology/telecom	17%	16%	14%
Consumer goods & services	16%	12%	15%
Financial services	10%	11%	11%
Private equity/investment management	10%	7%	10%
Healthcare/pharmaceuticals	9%	5%	5%
Industrial/manufacturing	8%	6%	13%
Energy/utilities/oil & gas	7%	11%	5%
Transportation products & services	4%	4%	4%
Academics/nonprofit	3%	4%	8%
Public accounting	3%	4%	2%
Consulting	3%	2%	1%
Comm. (media/entertainment/publishing)	2%	2%	2%
Government/military	2%	8%	5%
Professional services	2%	3%	2%
Real estate construction & services	1%	1%	1%
Conglomerate/holding company	1%	1%	1%
Law firms	1%	2%	1%
Agriculture/forestry/fishing	0%	1%	0%

BOARDS AVERAGE 10.7 DIRECTORS

- » S&P 500 boards have 10.7 directors on average. Boards range in size from five to 18 members. Over time, more boards have coalesced in the 9-to-12 member range; 72% of boards have nine to 12 directors, compared with 67% a decade ago.

Board Size

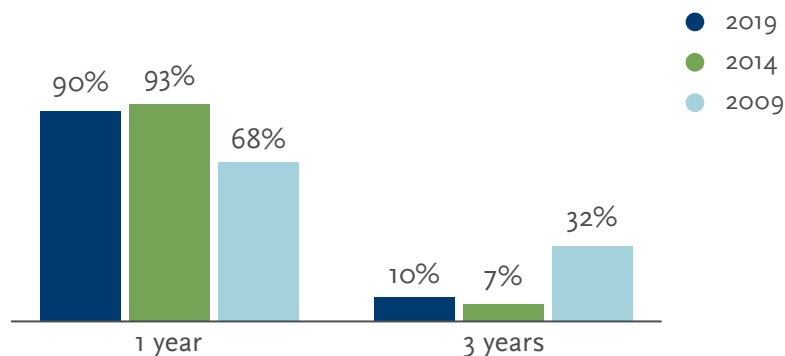


- » 85% of all S&P 500 board directors are independent, consistent with the past several years. Boards average 9.1 independent directors and 1.6 affiliated directors.
- » 82% of directors were independent in 2009.
- » The CEO is the only non-independent director on 62% of S&P 500 boards, an increase from 59% last year and 50% 10 years ago.

DECLASSIFIED BOARD STRUCTURES HAVE BECOME STANDARD

- » Despite a slight decline since last year in the number of S&P 500 companies with a classified board structure, where directors stand for election by shareholders annually, most boards have moved to this structure over the past 10 years. 90% of boards have one-year terms, compared with 92% last year and 68% in 2009. The remaining boards have three-year terms.

Director Term Lengths

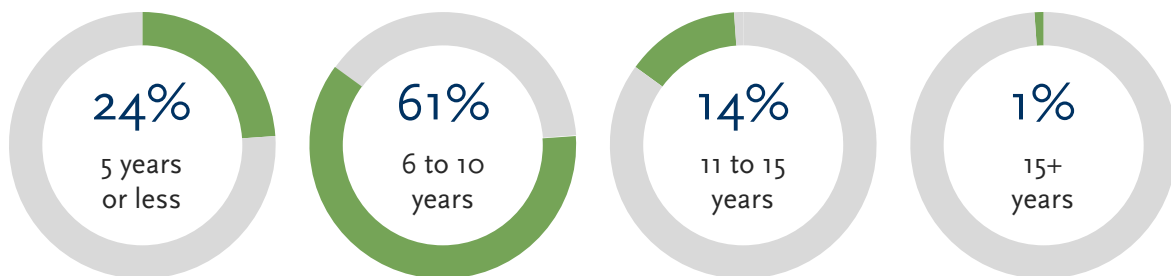


- » Many boards also have established policies requiring directors to offer their resignation if they fail to receive a majority vote from shareholders; 89% of boards have such policies today, up from 65% in 2009. Boards retain the discretion to accept or decline a director’s resignation.

SMALL DECLINE IN AVERAGE BOARD TENURE

- » The average tenure of independent directors on S&P 500 boards is 8.0 years, a modest decline from 8.4 in 2009. The median tenure has changed little in the same period, going from 8.2 a decade ago to 8.0.
- » On the majority of S&P 500 boards (61%), the average tenure of independent directors is between six and 10 years. The longest average board tenure is 35 years. Longer average board tenures — of 11 or more years — were somewhat more common a decade ago, when 19% of boards had an average tenure of more than 10 years, versus 15% today.

Average Board Tenure for Independent Directors



- » We also looked at the tenure of individual directors. The longest-serving director has been on his board for 50 years, although such lengthy tenures are relatively rare; 13% of independent directors have served on their boards for 16 years or more. 46% have served on their boards for five years or less, 24% have served for 6 to 10 years, and 17% for 11 to 15 years.

MOST BOARDS HAVE RESIGNATION POLICIES FOR CHANGING DIRECTOR STATUS

- » Consistent with the past five years, 87% of S&P 500 boards require directors who experience a change in employment status or job responsibilities to offer their resignation to the chair and/or the nominating committee, which typically has the discretion to accept or decline the resignation.
- » Less common are policies requiring the CEO to submit his or her resignation from the board when the CEO's employment with the company ends; 36% of boards report having such a policy. In all cases, however, boards retain the discretion to accept or decline the resignation.

THREE-QUARTERS OF BOARDS LIMIT DIRECTORS' ADDITIONAL BOARD ACTIVITY

- » 77% of S&P 500 boards report having some limit on directors' acceptance of other corporate directorships, an increase from 67% in 2009. Limits take different forms, with some applying to all directors and others applying to audit committee members or directors who are public company CEOs.
 - 64% of boards report having a numerical limit for other board service that applies to all directors. Most of these boards limit members to three or four additional directorships.
 - 42% restrict the number of other audit committees on which their audit committee members may serve, and nearly all limit audit committee members to no more than two other audit committees.
 - 29% restrict the additional board activity of directors who are public company CEOs or are otherwise fully employed.
- » Nearly all (98%) of the 114 boards that do not report specific limits on joining other boards require directors to notify the board chair prior to accepting an invitation to join another company board and/or encourage directors to “reasonably limit” their other board service.
- » 23% of S&P 500 boards report in their corporate governance guidelines a specific limit on the CEO's outside board service. Among those that do, nearly all limit CEOs to one or two outside boards. Three boards allow their CEOs to serve on three outside corporate boards.

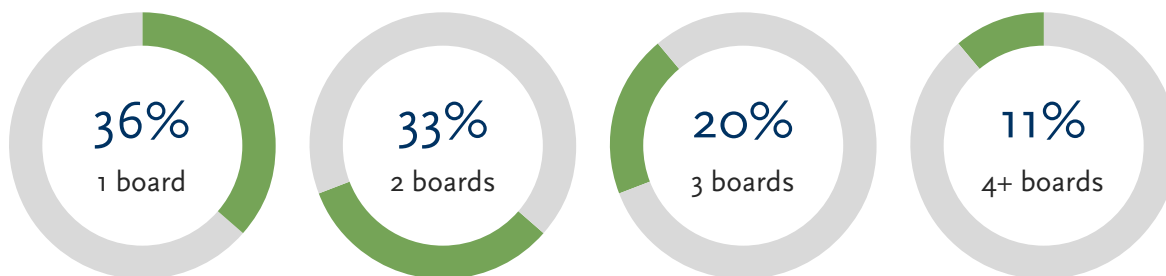
Boards with Limits on Additional Corporate Directorships

Numerical limit	All directors	Audit committee members	Fully employed directors	CEOs
1	0%	0%	7%	9%
2	3%	41%	21%	13%
3	25%	1%	2%	1%
4	33%	0%	0%	0%
5	3%	0%	0%	0%
6	1%	0%	0%	0%
No reported limit	36%	58%	71%	77%

INDEPENDENT DIRECTORS SERVE ON TWO BOARDS ON AVERAGE

- » The majority (64%) of S&P 500 independent directors serve on more than one public company board. 33% have two board affiliations, 20% have three and 11% have four or more. Eight directors (less than 1%) serve on six boards.
- » On average, independent directors have 2.1 public corporate board affiliations, which has been consistent for more than five years.

Number of Corporate Board Affiliations for Independent Directors



DIRECTOR TERM LIMITS REMAIN RARE

- » Only 27 S&P 500 boards (5%) report having explicit term limits for non-executive directors, with terms ranging from 10 to 20 years. Just under three-quarters (74%) of the policies set limits at 15 years or more.
- » 65% of boards explicitly state in their corporate governance guidelines that they do not have term limits. 30% do not mention term limits.
- » Hybrid tenure policies are emerging. For example, Microsoft adopted a policy that targets an average tenure of 10 years or less for the board's independent directors.

Boards with Term Limits

Company	Term limits	Company	Term limits
Target Corporation	20 years	Newmont Goldcorp Corporation	15 years
Vertex Pharmaceuticals	20 years	Qorvo	15 years
The Procter & Gamble Company	18 years	Sysco Corporation	15 years
Evergy	16 years	Varian Medical Systems	15 years
The AES Corporation	15 years	The Walt Disney Company	15 years
Air Products & Chemicals	15 years	Xcel Energy	15 years
Alaska Air Group	15 years	AvalonBay Communities	12 years
Baker Hughes	15 years	CBRE Group	12 years
Duke Energy Corporation	15 years	International Flavors & Fragrances	12 years
General Electric Company	15 years	Raymond James Financial	12 years
The Hartford Financial Services Group	15 years	Wal-Mart Stores	12 years
Huntington Ingalls Industries	15 years	Allegion Public Limited Company	10 years
MasterCard	15 years	Illumina	10 years
Mondelez International	15 years		

75 IS NOW THE MOST COMMON MANDATORY RETIREMENT AGE

- » 71% of S&P 500 boards disclose a mandatory retirement age for directors, consistent with last year and largely unchanged over the past five years. 12% report that they do not have a mandatory retirement age, and 17% do not discuss mandatory retirement in their corporate governance guidelines.
- » Retirement ages continue to rise. For the first time, 75 is the most common mandatory retirement age, set by 42% of S&P 500 boards with a retirement age. 46% of boards with retirement age policies set the age at 75 or older, including four boards with a retirement age of 80. A decade ago, only 15% of boards with a retirement age set it at 75 or older.
- » Retirement policies are influencing turnover. More than three-quarters of the independent directors who left S&P 500 boards in the past year served on boards with mandatory retirement ages. 41% of the departing directors either reached or exceeded the age cap, and another 14% left within three years of the retirement age.
- » Looking ahead, only 15% of the independent directors on boards with age caps are within three years of mandatory retirement. With these directors averaging 63 years of age, most S&P 500 directors have years of potential service before reaching mandatory retirement.
- » Directors on boards without a mandatory retirement policy are older and longer tenured. They are 64 years old on average, and 26% are 70 or older, compared to 18% of directors on boards with retirement policies. Directors on boards without retirement policies average nine years of service, versus eight years for directors facing age caps.

Mandatory Retirement Age

	2019	2014	2009
Boards with a retirement policy	71%	73%	75%
70 and younger	3%	7%	24%
71	1%	1%	1%
72	41%	52%	54%
73	3%	4%	3%
74	6%	6%	3%
75 and older	46%	30%	15%

THE AVERAGE AGE OF INDEPENDENT DIRECTORS IS JUST UNDER 63 YEARS OLD

- » The average age of independent directors of S&P 500 companies is 62.7, a year older than the average a decade ago (61.7).
- » Nearly half of directors (49%) are between 60 and 70 years old, and 21% are older than 70. Independent directors range in age from 30 to 94 years old.
- » 4% are less than 50 years old, including 22 who are younger than 40.
- » Most boards (79%) have an average board age in the 60s: 44% of boards have an average age of 60 to 63, and 35% have an average age of 64 to 69. 18% have an average age of 59 or younger, and 2% have an average age of 70 or older.

Average Age of Independent Directors

	2019	2014	2009
Average age of all independent directors	62.7	63.1	61.7
Youngest average board age	46.8	45	52
Oldest average board age	82.8	73	75

Percentage of all S&P 500 Boards with Average Age by Range

	2019	2014	2009
59 and younger	18%	11%	22%
60 to 63	44%	44%	49%
64 and older	37%	45%	29%

MORE THAN ONE-QUARTER OF DIRECTORS ARE WOMEN, A NEW MILESTONE

- » 26% of S&P 500 directors are women, an increase from 24% last year and 16% in 2009. This is the highest percentage of women directors we have seen since we began tracking this data in 1998.
- » 92% of boards include two or more women directors, an increase from 86% last year and 53% in 2009. One-third of boards have three female directors and 23% have four or more.
- » 8% of boards include only one woman, a decline from 13% last year and 36% in 2009.
- » On average, boards today have 2.8 female directors, compared with 1.7 a decade ago.
- » As of the date of their most recent proxy, two boards had no female directors, one in the industrials sector and one in the communications sector. Both boards have added a female director since the cut-off date of our analysis.
- » Women's progress in board leadership roles is mixed. Women now chair 24% of board committees, including 24% of audit committees (versus 20% last year), 24% of compensation committees (versus 19% last year), and 25% of nominating/governance committees (24%). However, only 5% of independent board chairs are women, a decline from 7% last year, as are 10% of lead/presiding directors, the same as last year.

Number of Women on Boards

	Number of women*							
	0	1	2	3	4	5	6	7
Boards in this range	0%	8%	35%	33%	15%	7%	1%	0%

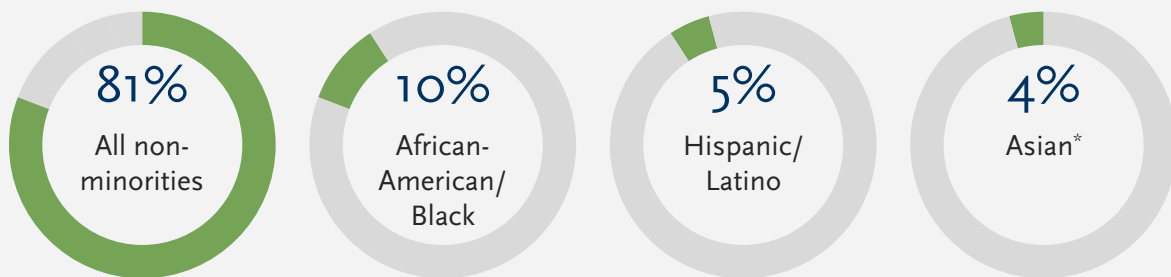
*Two boards have no women and two have seven.

- » As of our May 15, 2019, cut-off date, 25 S&P 500 companies have a woman serving as CEO. This represents a decline from last year, when there were 27 female CEOs, and from 2017, when there were 31 women leading S&P 500 companies.
- » Companies led by women tend to have more female board directors than those led by men; on average, 37% of directors on boards of companies with a female CEO are women, versus 26% for companies with a male CEO. Excluding the female CEO from the average, 31% of the remaining directors are women.

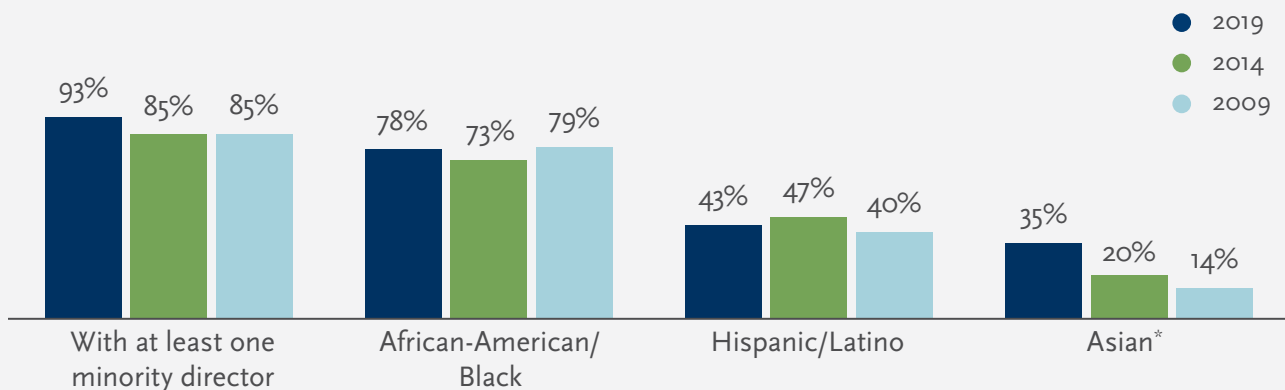
MINORITY REPRESENTATION INCREASES AMONG THE TOP 200 COMPANY BOARDS

- » 93% of the top 200 S&P 500 companies (by annual revenue) have minority directors, defined as African-American/Black, Hispanic/Latino or Asian directors, on their boards, an increase from 85% a decade ago. 70% of these companies have two or more minority directors, compared with 65% last year.
- » 19% of directors in the top 200 S&P 500 companies are minority executives, up from 17% last year and 15% in 2009.
- » 18 (9%) of the top 200 S&P companies are led by African-American/Black, Hispanic/Latino or Asian CEOs, two more than last year. Boards with minority CEOs have a higher average of minority directors (26%), but the average falls to 19% when the minority CEO is excluded.

Minorities as % of Directors at Top 200 Boards



Top 200 Boards with at Least One Minority Director



*Beginning in 2017, Asian category includes individuals of Indian descent, consistent with U.S. Census Bureau methodology.

12% OF TOP 200 COMPANY DIRECTORS ARE NON-NATIONALS

- » The number of non-U.S. directors on the boards of the top 200 S&P 500 companies increased to 12% from 8% last year. Starting in 2019, the non-U.S. director category includes directors who were born outside the U.S. and also are classified as minority directors (African-American/Black, Asian or Hispanic/Latino).
- » 68% of the top 200 company boards include at least one non-U.S. director.
- » The top sources for non-U.S. directors are India (17%), U.K. (17%), Canada (9%), France (5%) and Germany (5%).

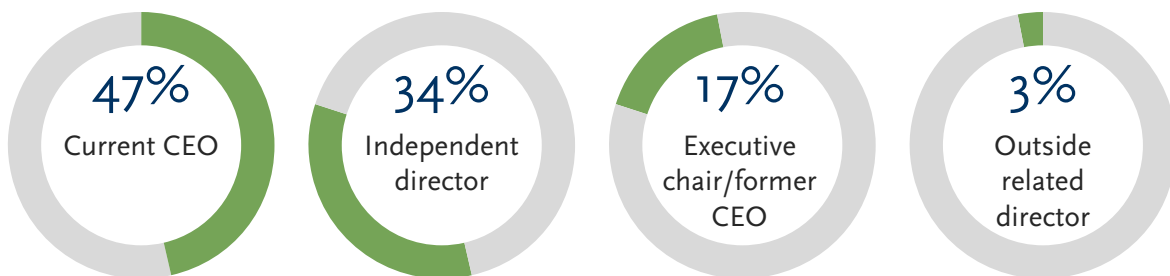
MOST CEOs LIMIT THEIR OUTSIDE PUBLIC COMPANY COMMITMENTS

- » The majority (59%) of S&P 500 CEOs do not serve on any public corporate boards in addition to their own board, an increase from 51% 10 years ago.
- » CEOs who do accept other corporate directorships seem to do so sparingly. 37% of CEOs serve on one outside public company board, and just 4% serve on two. One CEO serves on three outside public boards. A decade ago, 16% of CEOs served on two or more other public company boards.

ONE-THIRD OF BOARDS HAVE AN INDEPENDENT CHAIR

- » Just over one-third (34%) of S&P 500 boards have a truly independent chair — a director who meets applicable NYSE or NASDAQ rules for independence — an increase from 31% last year. A decade ago, 16% of boards had an independent chair.
- » 53% of boards split the chair and CEO roles between two individuals, compared with 50% last year. The trend toward separating the roles has been growing steadily for more than a decade; 37% of boards divided the roles in 2009.
- » 12% of board chairs hold the title “executive chair,” 5% are the former company CEO, and 3% are outside related directors, such as major investors, retired company executives, directors with business relationships with the company and others who receive significant compensation from the company.
- » Among the 94 boards where the chair is separate but not independent, nearly all (97%) have identified a lead or presiding independent director.
- » Six boards do not report having any form of independent board leadership, neither an independent chair nor a lead/presiding director.

Chair’s Relationship with the Company



RETIRED SENIOR EXECUTIVES, INVESTORS AND FINANCE LEADERS ARE TOP BACKGROUNDS FOR INDEPENDENT CHAIRS

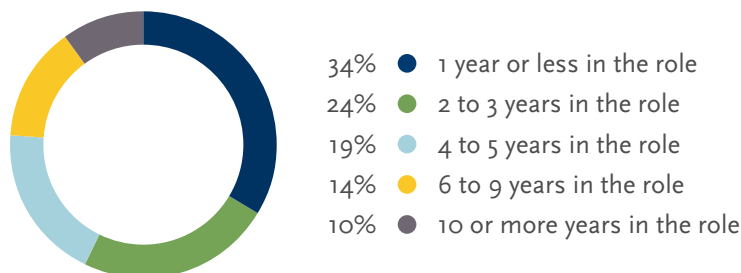
- » Just over half (54%) of the 167 independent chairs of S&P 500 companies are retired CEOs, chairs, vice chairs, presidents or COOs.
- » Investors and investment managers are the next most common profile, representing 14% of independent chairs, followed by financial executives (7%). A decade ago, 19% of the independent chairs were investors/investment managers, but none were finance executives.
- » Eight independent chairs, or 5%, are active top executives, including five public company CEOs and three private company CEOs. A decade ago, 81 boards had independent chairs, six of whom (9%) were active top executives.

Independent Chair Backgrounds in 2019



- » Independent chairs are three-and-a-half years older on average than their fellow directors: 66.2 versus 62.7.
- » The average tenure of independent chairs is 4.2 years. 58% have served as chair for three years or fewer. One-third (33%) of independent chairs have been in the role for five or more years, including 10% in the role for at least 10 years.
- » 88% of the independent chairs served as directors on the board prior to becoming chair, serving 8.1 years on average before becoming chair.

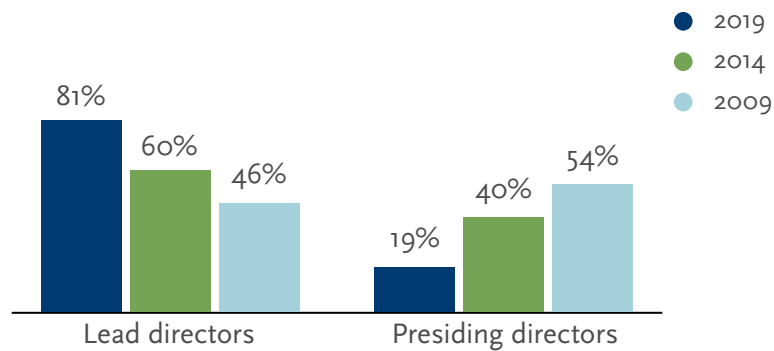
Independent Chairman Tenure



WITH THE RISE OF INDEPENDENT CHAIRS, FEWER BOARDS HAVE LEAD/PRESIDING DIRECTORS

- » As more boards name independent chairs, fewer are appointing a lead or presiding director. 75% of S&P 500 boards report having an independent lead or presiding director, a decline from 80% last year.
- » Lead directors are more prevalent than presiding directors. 81% of the 371 boards with one of these roles have lead directors and 19% have presiding directors, including those identified as “chair” of executive sessions. A decade ago, 95% of boards had one of the roles; 54% were presiding directors and 46% were lead directors.

Lead versus Presiding Directors



- » 83% of boards with a lead/presiding director disclosed their tenure. On average, lead/presiding directors have served in the role for 4.1 years.
- » Retired CEOs, chairs, vice chairs, presidents or COOs are most likely to serve as lead or presiding directors (representing 47% of directors in the role), followed by investors and investment managers (12%). Active CEOs, chairs, vice chairs, presidents and COOs are half as likely than a decade ago to serve as lead or presiding director, 9% versus 18% in 2009.

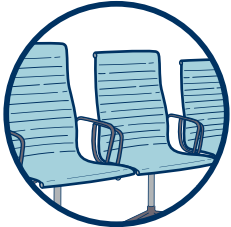
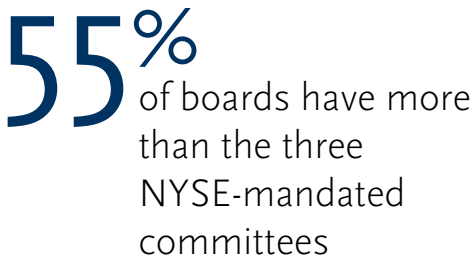
Lead and Presiding Director Backgrounds*



*N = 363 lead or presiding directors identified by name

Board Organization and Process

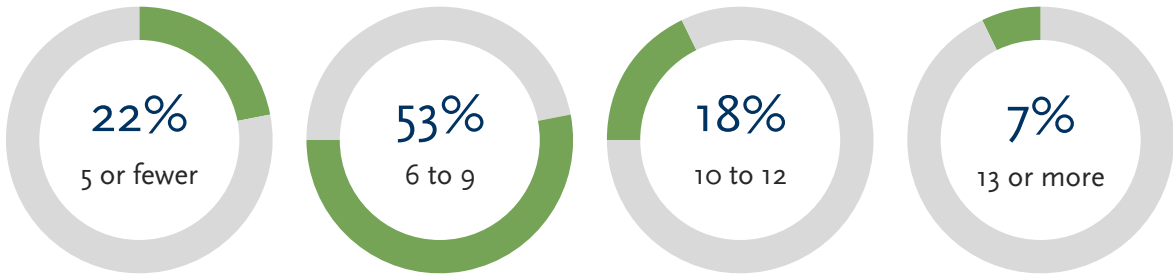
2019 SNAPSHOT



AVERAGE NUMBER OF BOARD MEETINGS DECLINES TO 8

- » S&P 500 boards met in person or telephonically an average of 7.9 times. A decade ago, boards met nine times on average. The annual meeting average includes regularly scheduled meetings and special meetings.
- » Boards met as few as two times and as many as 30 times, but most boards (53%) met six to nine times.

Distribution of Board Meetings*

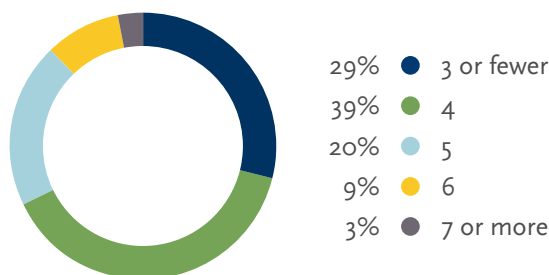


*Includes in-person and telephonic regular and special meetings

BOARDS HAVE FOUR STANDING COMMITTEES ON AVERAGE

- » S&P 500 boards have two to eight standing committees and average just over four (4.2).
- » 71% have more than the three NYSE-mandated committees (compensation, audit and nominating/governance), an increase from 67% a decade ago.
- » The most common committees beyond the compensation, audit and nominating committees are the executive committee and finance committee. Additional committees cover a range of topics, from environment, health and safety to legal and compliance, and science and technology.
- » Risk committees are somewhat more common today than five years ago; 12% of boards have risk committees, compared with 9% in 2014. Post-financial-crisis regulations require many financial institutions to have a risk committee.

Number of Standing Committees



Prevalence and Independence of Standing Committees

	% with this committee		% composed entirely of independent directors	
	2019	2014	2019	2014
Audit	100%	100%	100%	100%
Compensation	99.8%*	100%	99.8%	100%
Nominating/governance	99.6%**	99%	99.6%	99.6%
Executive	30%	34%	6%	4%
Finance***	30%	31%	80%	77%
Risk	12%	9%	82%	78%
Public policy/social & corporate responsibility	9%	9%	93%	85%
Science & technology	10%	8%	82%	76%
Environment, health & safety	10%	9%	83%	93%
Legal/compliance	5%	5%	87%	92%
Strategy & planning	1%	3%	71%	53%
Investment/pension	4%	1%	65%	100%
Acquisitions/corporate development	1%	2%	60%	38%

*14 boards have a combined compensation and nominating committee. They are counted as separate committees for the purpose of this analysis.

**Includes two boards with a standing corporate governance committee in addition to the nominating committee. Controlled companies are not required to have nominating committees.

***Seven boards have a combined finance and risk management committee. They are counted as separate committees for the purpose of this analysis.

AUDIT COMMITTEES MEET EIGHT TIMES ON AVERAGE

- » S&P 500 audit committees met 8.4 times on average, the same as last year.
- » The number of audit committee meetings ranged from 1 to 21, but the majority of committees (79%) had 10 or fewer meetings.
- » Compensation and nominating/governance committees met less often than audit committees, averaging 6.0 and 4.7 annual meetings, respectively.
- » 77% of nominating/governance committees and half (50%) of compensation committees had five or fewer meetings.

Distribution of Committee Meetings*

	Audit committee	Compensation committee	Nominating/governance committee
3 or fewer meetings	0%	6%	19%
4	7%	18%	32%
5	8%	26%	26%
6	9%	20%	10%
7	12%	12%	7%
8 to 10	43%	15%	5%
11 to 13	16%	2%	1%
14 or more	5%	1%	0%
Average	8.4	6.0	4.7
Median	8.0	6.0	4.0
Maximum	21	17	21

*Includes in-person and telephonic regular and special meetings.

COMMITTEE CHAIRS ARE MOST LIKELY TO BE RETIRED CEOs, OTHER CORPORATE EXECUTIVES AND INVESTORS

- » Chairs of S&P 500 compensation and nominating/governance committees are most likely to be retired CEOs, chairs, vice chairs, presidents and COOs; active and retired corporate executives; and investors/investment managers. 68% of compensation committee chairs and 62% of nominating committee chairs have these backgrounds.
- » Audit committee chairs are most likely to be financial executives (34%) and retired top executives (24%).
- » Active CEOs, chairs, presidents and COOs serve as chairs of just 5% of audit committees, 11% of compensation committees and 8% of nominating/governance committees.

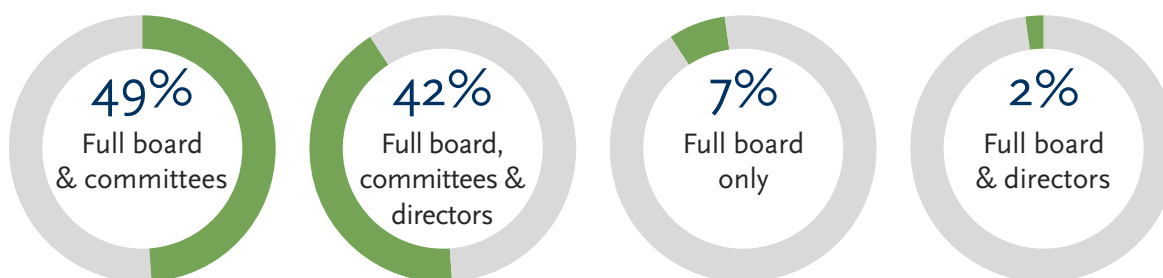
Committee Chair Backgrounds

	% of Chairs		
	Audit committee	Compensation committee	Nominating/governance committee
CEOs/chairs/vice chairs/presidents/ COOs	29%	48%	42%
Active	5%	11%	8%
Retired	24%	37%	34%
Other corporate executives	9%	17%	14%
Financial backgrounds	56%	24%	24%
Financial executives/CFOs/treasurers	34%	4%	4%
Bankers/investment bankers	5%	5%	5%
Investors/investment managers	8%	14%	14%
Public accounting executives	9%	1%	1%
Academics/nonprofit executives	3%	4%	7%
Consultants	2%	4%	6%
Lawyers	1%	1%	5%
Others	0%	2%	3%
Total number of chairs listed in proxies	491	489	490

MAJORITY OF BOARDS ASSESS BOARD AND COMMITTEE PERFORMANCE ANNUALLY

- » 98% of S&P 500 boards — all but nine — report conducting some sort of annual performance evaluation.
- » Individual director evaluations are gaining traction, with 44% of S&P 500 companies — up from 38% last year and 22% 10 years ago — reporting some form of individual director evaluations.
- » 13% of boards disclosed that they engaged an independent third-party governance expert to facilitate the evaluation process, versus 9% last year. A number of these boards indicate that they use an outside facilitator “periodically” or every two or three years.

Board, Committee and Director Evaluations



Director Compensation

2019 SNAPSHOT



Stock grants and cash represent the largest share of director compensation, **57%** and **38%** respectively

77%

of S&P 500 boards provide stock grants to directors in addition to a cash retainer



The average total compensation for S&P 500 directors increased **2%** to **\$304,856**

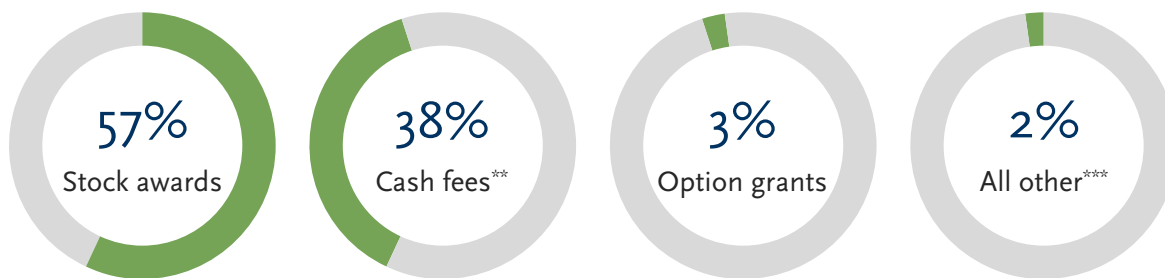
The average annual retainer for S&P 500 directors increased by about 2% to **\$126,200**



AVERAGE TOTAL DIRECTOR COMPENSATION TOPS \$300,000

- » The average total compensation for S&P 500 directors rose 2% to \$304,856 from \$298,981 last year. Excluding premium compensation for the independent chairman, the average total compensation per director is \$303,269.
- » Stock grants and cash represent the largest share of director compensation, 57% and 38%, respectively. The composition of equity awards has shifted over time, with fewer companies granting options and more awarding stock awards.
- » 72% of boards have deferred compensation plans.

Breakdown of Director Compensation*



*Total average compensation per non-employee director is based on non-employee director compensation tables included in 491 proxies. The number includes all board and committee retainers and meeting fees, supplemental non-executive chairman and lead/presiding director fees, the value of equity compensation, and all other compensation paid in fiscal year 2018. Retiring and new directors are included when paid compensation for at least three quarters of the year.

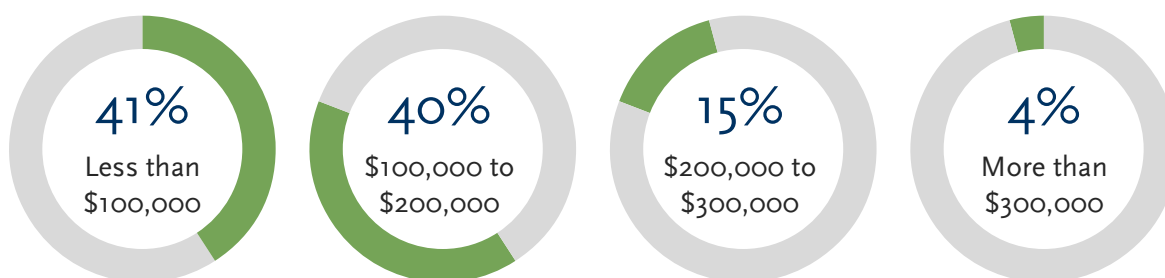
**Includes deferred compensation amounts.

***Includes, for example, insurance premiums, charitable award programs and incremental cost to company of products provided.

AVERAGE RETAINER GROWS BY 2%; JUST 9% OF BOARDS PROVIDE MEETING ATTENDANCE FEES

- » The average annual retainer for S&P 500 directors increased by about 2% to \$126,200. In the past five years, the average retainer has increased by 18%.
- » Retainers vary widely by company. 41% pay retainers of less than \$100,000 — including 12 companies with retainers under \$50,000 — while 21 companies (4%) pay retainers of \$300,000 or more.
- » The highest retainer, \$330,000, is paid partially in equity, and directors do not receive meeting attendance fees. Three companies provide no cash retainer; one pays \$15,000 per meeting (not to exceed \$60,000 per year), one provides \$900-per-meeting attendance fees, and one provides a stock option grant.

Annual Retainers



- » Boards continue to shift director compensation to retainers and stock awards, and away from meeting attendance fees and stock options. Just 9% of boards provide meeting attendance fees today, a decline from 10% last year and 43% in 2009.
- » Meeting attendance fees range from \$900 to \$15,000 (at a company where meeting fees were paid in lieu of a retainer and capped at \$60,000 per year) and average \$2,402.

Changes in Non-Employee Director Compensation

Type of compensation	% of boards paying this type		Average paid		% of change in value
	2019	2014	2019	2014	2014 to 2019
Board retainer*	99%	100%	\$126,200	\$107,383	18%
Board meeting fee	9%	25%	\$2,402	\$2,229	8%
Committee chair retainer	97%	95%	\$22,132	\$18,196	22%
Committee member retainer	46%	39%	\$11,854	\$10,549	12%
Committee meeting fees	12%	27%	\$1,755	\$1,715	2%
Stock option program	11%	18%	\$103,755	\$70,324	48%
Stock grants paid in addition to retainer	77%	76%	\$171,698	\$147,722	16%

*Dollar amounts for retainer do not include boards that do not pay a retainer or boards that do not provide a dollar value equivalent for the retainer equity amount.

DIRECTOR COMPENSATION INCLUDES STOCK GRANTS ON MOST BOARDS

- » 77% of S&P 500 boards provide stock grants to directors in addition to a cash retainer, compared with 79% a decade ago. The average targeted dollar value of annual stock grants is \$171,698.
- » Over the same period, many boards have phased out stock option programs for directors. Just 11% of boards grant stock options to directors, versus 37% in 2009. The average disclosed value of annual stock option grants is \$103,755.
- » 94% of boards, versus 76% a decade ago, disclose having share ownership guidelines for directors. Typically, these guidelines require directors to own a certain number of shares or a multiple of the retainer value within a specified number of years with the goal of aligning directors' interests with those of shareholders.

Equity Compensation

	% of S&P 500 boards		
	2019	2014	2009
Stock option program exists	11%	18%	37%
Stock grants provided in addition to retainer	77%	76%	79%
Stock grants provided as a part of retainer	21%	21%	15%
Director can elect to receive compensation in cash, stock, or stock units	50%	56%	59%
Director can elect to receive compensation in stock options	4%	5%	6%
Retainer paid fully in stock	2%	2%	3%

PREMIUM FOR BOARD LEADERSHIP SERVICE VARIES BY ROLE

- » Nearly all (98%) of the 167 independent S&P 500 board chairs receive an additional fee, ranging from \$30,000 to \$656,784 and averaging \$172,127, 4% more than last year. The median premium paid to independent chairmen is \$160,000.
- » 77% of the S&P 500 boards with a lead or presiding director provide additional compensation to directors serving in those roles, averaging \$39,992.
- » Lead directors are more likely than presiding directors to receive additional compensation — 88% versus 31% — and their premiums are higher. The average lead director premium is \$40,723, 30% more than the \$31,250 average premium for presiding directors.

MOST COMMITTEE CHAIRS, AND MORE COMMITTEE MEMBERS, RECEIVE RETAINERS

- » 97% of S&P 500 boards included in our study provide a retainer to committee chairs, a level that has remained fairly consistent over the past five years. Among these boards, 88% pay a higher retainer to the audit committee chair, and 58% pay more to the compensation committee chair.
- » On average, committee chairs receive a retainer of \$22,132, 5% more than last year.
- » 46% of boards pay committee members a retainer, an increase from 39% five years ago. The average committee member retainer is \$11,854, 1% less than last year's average. Many boards paying committee member retainers pay a higher premium to audit and compensation committee members.

Committee Retainers

	Average committee retainers		% of boards paying this type	
	2019	2014	2019	2014
All committee members	\$11,854	\$10,549	46%	39%
<i>Audit committee members</i>	\$13,847	\$11,961	46%	40%
<i>Compensation committee members</i>	\$11,604	\$11,242	35%	26%
<i>Nominating committee members</i>	\$9,399	\$8,411	34%	24%
All committee chairs	\$22,132	\$18,196	97%	95%
<i>Audit committee chairs</i>	\$27,061	\$23,723	97%	95%
<i>Compensation committee chairs</i>	\$21,485	\$19,268	96%	95%
<i>Nominating committee chairs</i>	\$17,720	\$14,110	95%	91%

- » Similar to board meeting attendance fees, committee meeting fees have declined in usage. 12% of S&P 500 boards pay committee meeting fees, compared with 27% five years ago. The average committee meeting fee is \$1,755.

MORE THAN \$100,000 DIFFERENCE IN AVERAGE DIRECTOR COMP, DEPENDING ON SECTOR

- » Average director compensation varies significantly across industries, ranging from a low of \$261,239 in the real estate sector to a high of \$362,450 in healthcare. Similarly, the change in average compensation varies across sectors, with average director compensation declining by 2% to \$331,840 in the technology sector and increasing by 6% to \$296,215 in the financials sector.
- » Cash represents a larger share of compensation in industry sectors such as utilities and materials, 44% and 43%, respectively, and a smaller share in the healthcare and technology sectors, 32% and 34%, respectively.
- » Stock awards account for 63% of director compensation among technology companies, the most of any sector. Companies in the materials and utilities sectors rely least on stock awards for director compensation; stock awards represent 53% of director compensation for companies in these sectors.

Average Compensation per Non-employee Director by Industry*

Industry	Total average compensation	% increase versus 2018	% of total compensation			
			Cash fees**	Stock awards	Option grants	All other compensation***
Communication services	\$331,076	0%	36%	57%	6%	1%
Consumer discretionary	\$280,378	1%	39%	58%	1%	2%
Consumer staples	\$284,744	-1%	37%	57%	4%	2%
Energy	\$325,234	0%	39%	57%	2%	2%
Financials	\$296,215	6%	42%	54%	1%	3%
Healthcare	\$362,450	0%	32%	57%	10%	1%
Industrials	\$296,049	1%	42%	54%	2%	2%
Technology	\$331,840	-2%	34%	63%	2%	1%
Materials	\$276,974	4%	43%	53%	1%	3%
Real Estate	\$261,239	5%	40%	57%	2%	1%
Utilities	\$279,625	4%	44%	53%	0%	3%
Average	\$304,856	2%	38%	57%	3%	2%

*Based on non-employee director compensation tables in 491 proxies for 2019. Includes all board and committee retainers and meeting fees, non-executive chairman and lead/presiding director supplemental fees when applicable, the value of equity compensation and all other compensation paid to non-employee directors in fiscal year 2018. Retiring and new directors are included when paid compensation for at least three quarters of the year. Excludes directors who left the board within the first quarter of the year and directors who joined the board in the last quarter of the year. Also excludes retirement payouts to former executives.

**Includes deferred compensation amounts.

***Includes insurance premiums, charitable award programs and incremental cost to the company of products provided to directors.

DIRECTOR COMPENSATION HIGHEST AMONG COMPANIES IN THE WEST

- » Director compensation varies significantly by region. Directors of companies headquartered in the Western U.S. receive the highest compensation, averaging \$331,141 — 9% more than the S&P 500 average of \$304,856 and 18% more than the average compensation for directors of Midwest companies, \$281,371.
- » Average director compensation by company size ranged from a low of \$290,362 for directors of companies with revenue of between \$2.5 billion and \$10 billion and a high of \$318,054 for companies with revenue greater than \$10 billion.

Table: Average Director Compensation by Region and by Sales

By region		By sales	
West	\$331,141	Less than \$2.5 billion	\$291,796
Northeast	\$312,910	\$2.5 to \$10 billion	\$290,362
Southwest	\$305,012	Greater than \$10 billion	\$318,054
Southeast	\$293,110		
Northwest	\$286,117		
Midwest	\$281,371		

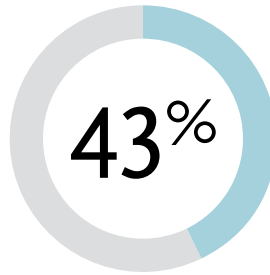


Board Composition and Performance What's top of mind for U.S. directors in 2019?

We recently surveyed 113 nominating/
governance committee members to gain a
first-person perspective on board trends and
priorities. Here are the results.

BOARD REFRESHMENT

1 Average number of directors **expected to retire/join S&P 500 boards** in each of the next 3 years



of nominating/governance committee members felt that their board **had one or more underperforming directors** in the past three years, and **MORE THAN HALF** addressed the underperformance by asking them to leave the board

The biggest drivers of board refreshment will be:



41%

Replacing retiring directors



41%

Adding new skills to the board

RECRUITING PROFILES

Increasing **gender diversity** is once again the top recruiting priority and will continue to be in the future.

	Current highest-priority board recruiting profiles	Highest priority board recruiting profiles in the next three years
1	Female directors 36%	Female directors 40%
2	Technology experience 34%	Technology experience 38%
3	Active CEO/COO 32%	Active CEO/COO 35%
4	Financial experience 28%	Digital/social media experience 35%
5	Operational experience 27%	Minority 24%

Looking ahead, **digital/social media experience as well as minority directors** become more important recruiting profiles, replacing financial and operational skill sets in the top 5 priorities.

NOMINATING/GOVERNANCE COMMITTEE PRIORITIES

2/3 of nominating/governance committee members said that their board considered **environmental, social and governance (ESG) issues** in the past year, but they don't expect ESG to be a top priority in the next 3 years.

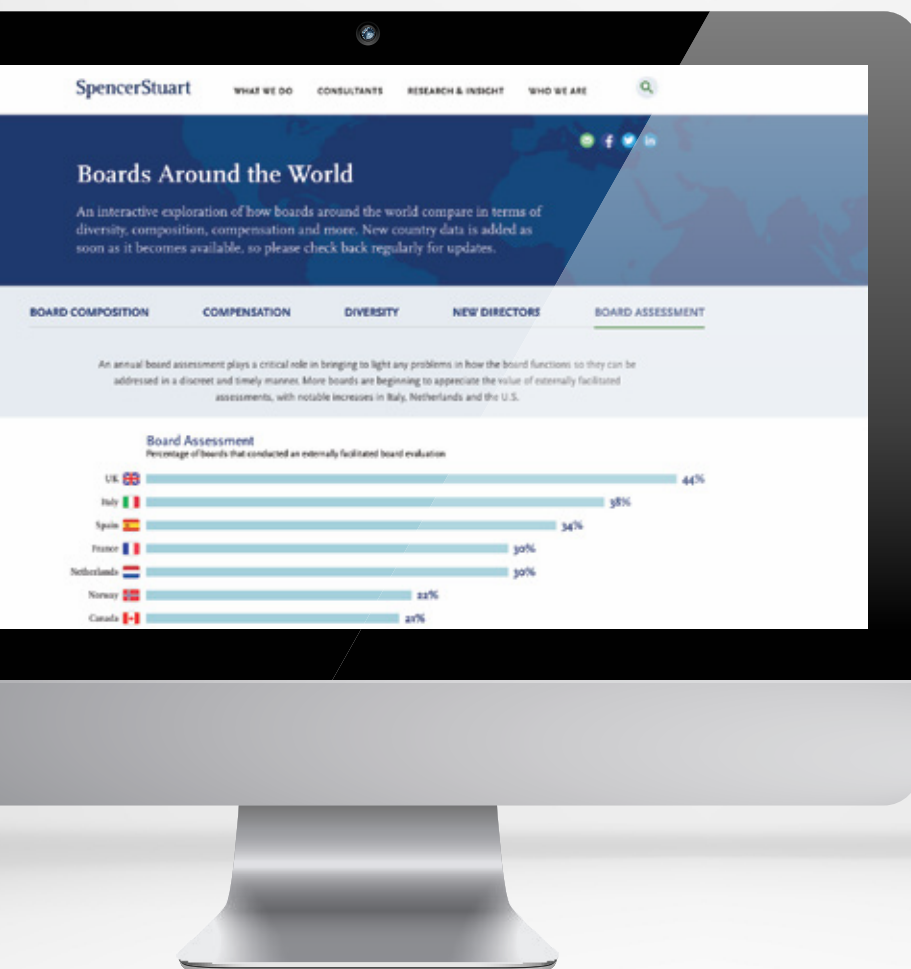
	Issues addressed in the past year	Priorities in the next three years
1	Enhanced gender diversity 75%	Expanding director sector/industry experience 82%
2	Added boardroom expertise 73%	Enhancing gender diversity 66%
3	Considered ESG/sustainability issues 66%	Enhancing racial/ethnic diversity 65%
4	Enhanced age diversity 39%	Enhancing board and individual director evaluations 61%
5	Enhanced racial/ethnic diversity 38%	Adding younger directors/formalizing a refreshment strategy* 37%

*Tie between both priorities.

Like last year, 65% of respondents of nominating/governance committee members say they have already considered or are considering **younger directors**, reinforcing the fact that it's in the top 5 priorities in the next three years.

Boards Around the World

Spencer Stuart publishes Board Indexes covering more than 25 countries around the world. The majority of these Board Indexes are published annually, with a few appearing on alternate years.



We have compiled key data from all these countries into our **Boards Around the World** feature — an interactive data exploration tool.

Compare nationally aggregated data from leading companies from North and South America, Europe and Asia Pacific across a wide range of measures.

Our more detailed **International Comparison** data set, previously published in printed editions of our Board Indexes, is now available online only.

Visit spencerstuart.com/bgt for more details.

Comparative Board Data

Methodology

Based on the S&P 500 as of May 15, 2019. Fiscal year 2018 company sales data obtained from CapitalIQ; industry/sector categories from Capital IQ. All remaining data were pulled from the most recent DEF14A proxy statements released between May 30, 2018, and May 15, 2019. Tenure includes time at company and the company's predecessors. Corporate boards classified as public company boards and all data on the number of corporate boards obtained from BoardEx as of May 15, 2019. Total average compensation per non-employee director is based on non-employee director compensation tables included in 491 proxies. The number includes all board and committee retainers and meeting fees, supplemental non-executive chairman and lead/presiding director fees, the value of equity compensation, and all other compensation paid in fiscal year 2018. Total current other corporate board affiliations for new directors were found by counting any public boards a director was on upon appointment to the new S&P 500 board, including executive directorships. Found through proxy data and BoardEx data as of company's most recent proxy. First-time directors have no independent or non-independent public board service.

Comparative Board Data

	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS				BOARD FEES (\$)			PERCENTAGE OF TOTAL COMPENSATION					
	COMPANY SALES (\$ IN MILLIONS)	TOTAL	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER	
COMMUNICATION SERVICES															
Advertising															
The Interpublic Group of Companies	8,031.6	11	10	N	66	9	74	8	100,000	b	330,718	35%	60%	0%	5%
Omnicom Group	15,290.2	11	10	N	66	11	75	6	90,000	b,c	293,111	51%	49%	0%	0%
Alternative Carriers															
CenturyLink	23,443.0	13	10	Y	64	9	75	7	65,000	b	318,550	48%	51%	0%	1%
Broadcasting															
CBS Corporation	14,514.0	11	9	Y	65	4	-	15	100,000	b,c	349,358	55%	43%	0%	2%
Discovery	10,553.0	12	11	Y	68	8	-	9	100,000	b	293,541	43%	56%	0%	1%
Cable & Satellite															
Charter Communications	43,634.0	13	9	N	55	7	-	10	120,000	b	331,764	29%	71%	0%	0%
Comcast Corporation	94,507.0	10	8	N	64	7	72	11	110,000	b,c	327,886	44%	56%	0%	0%
DISH Network Corporation	13,621.3	9	5	Y	63	6	-	5	60,000	d	139,660	64%	0%	36%	0%
Integrated Telecommunication Services															
AT&T	170,756.0	12	11	N	63	7	72	10	140,000	b,c	334,232	46%	51%	0%	3%
Verizon Communications	130,863.0	10	9	N	60	6	72	9	125,000	b	323,685	46%	54%	0%	0%
Interactive Home Entertainment															
Activision Blizzard	7,500.0	10	8	Y	65	8	-	12	90,000	b	391,392	33%	67%	0%	0%
Electronic Arts	5,150.0	9	8	Y	58	10	72	5	60,000	b,c	350,201	24%	74%	2%	0%
Take-Two Interactive Software	1,792.9	7	6	N	59	6	-	11	275,000	c,e	323,966	33%	67%	0%	0%
Interactive Media and Services															
Alphabet	136,819.0	10	7	Y	64	11	-	6	75,000	b	440,060	18%	82%	0%	0%
Facebook	55,838.0	8	5	N	56	7	72	12	50,000	b	396,594	19%	81%	0%	0%
TripAdvisor	1,615.0	8	4	Y	47	7	-	4	50,000	b,c	317,823	21%	79%	0%	0%
Twitter	3,042.4	9	7	Y	55	3	-	7	50,000	b,c	279,464	29%	71%	0%	0%
Movies & Entertainment															
Netflix	15,794.3	11	10	N	57	9	-	4	-	d,f,g	377,861	0%	0%	100%	0%
Viacom	12,943.0	9	7	Y	62	5	-	9	100,000	b,c	392,581	55%	45%	0%	0%
The Walt Disney Company	59,434.0	9	8	N	58	3	-	9	115,000	b,c	354,387	38%	52%	0%	10%
Publishing															
News Corporation	9,024.0	11	6	Y	54	5	-	8	265,000	e,h	263,256	44%	56%	0%	0%
TOTAL COMMUNICATION SERVICES															
Average		10	8		61	7	73	8	107,000		331,076	36%	57%	6%	1%
Median		10	8		62	6	72	9	100,000		330,718				

Comparative Board Data

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS				BOARD FEES (\$)			PERCENTAGE OF TOTAL COMPENSATION				
		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYER DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
CONSUMER DISCRETIONARY															
Apparel Retail															
Foot Locker	7,782.0	10	9	N	65	10	72	6	140,000	b,c,e	285,529	41%	59%	0%	0%
The Gap	15,855.0	12	11	Y	58	9	75	7	80,000	b	285,599	44%	56%	0%	0%
L Brands	12,632.0	12	10	N	69	11	-	10	223,800	e	281,047	51%	49%	0%	0%
Ross Stores	14,134.7	10	6	Y	64	17	-	6	225,000	e	252,734	41%	59%	0%	0%
The TJX Companies	35,864.7	11	9	Y	67	12	75	5	80,000	b	332,905	37%	63%	0%	0%
Apparel, Accessories & Luxury Goods															
Capri Holdings	4,718.6	9	7	N	65	6	-	5	70,000	b	252,349	41%	59%	0%	0%
Hanesbrands	6,804.0	9	8	Y	64	8	72	6	100,000	b	274,450	49%	51%	0%	0%
PVH Corporation	8,914.8	12	11	N	60	10	72	5	85,000	b	257,181	44%	56%	0%	0%
Ralph Lauren Corporation	6,182.3	14	11	Y	69	10	-	6	70,000	b	107,299	98%	0%	0%	2%
Tapestry	5,880.0	10	9	Y	55	7	-	8	90,000	b,d	272,860	46%	27%	27%	0%
Under Armour	5,193.2	10	9	N	64	9	75	11	75,000	b,c	234,063	36%	64%	0%	0%
Auto Parts & Equipment															
Aptiv PLC	14,435.0	11	10	Y	64	6	75	8	265,000	c,e	278,169	35%	65%	0%	0%
BorgWarner	10,529.6	9	8	Y	64	8	72	7	110,000	b	264,300	51%	49%	0%	0%
Automobile Manufacturers															
Ford Motor Company	160,338.0	13	10	Y	63	9	72	9	315,000	c,e,i	359,022	31%	60%	0%	9%
General Motors Company	147,049.0	11	10	N	63	5	72	10	285,000	c,e,i	316,945	53%	40%	0%	7%
Automotive Retail															
Advance Auto Parts	9,580.6	11	10	Y	59	3	72	11	85,000	b	260,714	41%	59%	0%	0%
AutoZone	11,221.1	11	10	N	61	9	75	4	215,000	e,g,j	230,205	9%	91%	0%	0%
CarMax	17,976.8	11	9	Y	55	5	76	4	260,000	e	311,803	42%	56%	0%	2%
O'Reilly Automotive	9,536.4	9	5	Y	61	10	78	4	75,000	b	226,992	57%	43%	0%	0%
Casinos & Gaming															
MGM Resorts International	11,337.6	12	10	N	59	8	74	12	90,000	b	308,200	46%	50%	0%	4%
Wynn Resorts Limited	6,717.7	9	8	Y	65	2	75	30	60,000	b,d	451,167	45%	55%	0%	0%
Computer & Electronics Retail															
Best Buy Co.	42,151.0	13	11	Y	57	6	72	5	90,000	b,c	305,828	36%	64%	0%	0%
Consumer Electronics															
Garmin	3,347.4	6	4	Y	64	6	-	4	85,000	b	230,272	35%	65%	0%	0%
Department Stores															
Kohl's Corporation	20,084.0	10	9	Y	61	11	72	6	125,000	b	270,002	46%	54%	0%	0%
Macy's	25,641.0	11	10	N	60	10	74	6	80,000	b,c	264,682	41%	58%	0%	1%
Nordstrom	15,478.0	11	9	Y	54	4	72	9	85,000	b,c	311,042	40%	57%	0%	3%

Comparative Board Data

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS				BOARD FEES (\$)			PERCENTAGE OF TOTAL COMPENSATION					
		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYER DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER	
Distributors																
Genuine Parts Company	18,735.1	11	9	Y	64	8	72	6	60,000	b	266,416	33%	67%	0%	0%	
LKQ Corporation	11,876.7	11	9	Y	62	7	-	7	100,000	b,c	249,670	54%	46%	0%	0%	
Footwear																
NIKE	36,397.0	12	9	N	57	7	72	5	100,000	b	274,794	36%	60%	0%	4%	
General Merchandise Stores																
Dollar General Corporation	23,471.0	8	7	Y	59	7	76	5	95,000	b	283,603	36%	63%	0%	1%	
Dollar Tree	22,245.5	13	11	Y	66	8	-	8	180,000	b,c,k	279,444	73%	27%	0%	0%	
Target Corporation	72,714.0	13	12	N	61	7	72	6	280,000	c,e	305,046	36%	64%	0%	0%	
Home Furnishings																
Leggett & Platt	4,269.5	8	7	Y	66	16	-	6	215,000	c,e	299,894	35%	52%	0%	13%	
Mohawk Industries	9,983.6	8	6	N	66	10	75	5	80,000	b,c	175,533	49%	51%	0%	0%	
Home Improvement Retail																
The Home Depot	100,904.0	12	11	N	58	7	72	6	280,000	c,e,h	299,808	21%	77%	0%	2%	
Lowe's Companies	68,619.0	12	11	Y	62	4	72	7	90,000	b,c	292,882	34%	66%	0%	0%	
Homebuilding																
D.R. Horton	16,068.0	5	4	Y	67	14	75	5	-	b	174,988	44%	56%	0%	0%	
Lennar Corporation	20,571.6	12	9	Y	69	15	-	5	130,000	c,e	283,472	35%	65%	0%	0%	
PulteGroup	10,188.3	11	10	Y	56	6	75	6	235,000	e	253,946	45%	55%	0%	0%	
Hotels, Resorts & Cruise Lines																
Carnival Corporation	18,881.0	12	10	Y	65	11	75	6	110,000	b	303,957	41%	57%	0%	2%	
Hilton Worldwide Holdings	3,668.0	9	7	Y	64	6	75	4	95,000	b	287,458	43%	56%	0%	1%	
Marriott International	5,215.0	14	11	Y	65	8	72	6	85,000	b,c	264,809	36%	62%	0%	2%	
Norwegian Cruise Line Holdings	6,055.1	10	7	Y	59	5	-	5	100,000	b,c	278,577	45%	55%	0%	0%	
Royal Caribbean Cruises Ltd.	9,493.8	12	11	N	66	11	-	6	80,000	b	290,064	37%	61%	0%	2%	
Household Appliances																
Whirlpool Corporation	21,037.0	13	12	N	63	9	72	7	145,000	b	282,391	49%	46%	0%	5%	
Housewares and Specialties																
Newell Brands	8,630.9	12	11	Y	57	3	75	19	115,000	b,c	272,681	40%	59%	0%	1%	
Internet and Direct Marketing Retail																
Amazon.com	232,887.0	10	9	N	64	7	-	6	298,000	e,g	298,000	0%	100%	0%	0%	
Booking Holdings	14,527.0	13	11	Y	58	5	-	7	60,000	b	355,087	25%	75%	0%	0%	
eBay	10,746.0	15	14	Y	55	7	-	6	80,000	b	368,097	30%	70%	0%	0%	
Leisure Products																
Hasbro	4,579.6	13	11	N	60	10	72	10	95,000	b,c	353,920	24%	60%	0%	16%	
Mattel	4,510.9	10	8	N	59	6	73	10	100,000	b	288,745	47%	48%	0%	5%	
Motorcycle Manufacturers																
Harley-Davidson	5,716.9	10	9	Y	57	8	75	6	110,000	b,c	269,053	50%	50%	0%	0%	

Comparative Board Data

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS				BOARD FEES (\$)			PERCENTAGE OF TOTAL COMPENSATION				
		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYER DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Restaurants															
Chipotle Mexican Grill	4,865.0	10	8	Y	59	6	-	6	195,000	e	230,063	48%	52%	0%	0%
Darden Restaurants	8,080.1	8	7	Y	60	3	73	4	85,000	b,c	235,716	45%	55%	0%	0%
McDonald's Corporation	21,025.2	11	10	Y	63	10	-	6	110,000	b,c	353,174	42%	56%	0%	2%
Starbucks Corporation	24,719.5	10	8	Y	54	8	75	9	270,000	c,k	207,102	11%	56%	33%	0%
Yum! Brands	5,688.0	11	10	Y	60	6	72	5	260,000	e,g,j	257,500	0%	100%	0%	0%
Specialized Consumer Services															
H&R Block	3,159.9	10	9	Y	63	7	-	11	220,000	e,i	284,267	38%	61%	0%	1%
Specialty Stores															
Tiffany & Co.	4,169.8	11	9	Y	59	6	74	6	95,000	b,d	313,322	37%	31%	32%	0%
Tractor Supply Company	7,911.0	9	8	Y	60	7	72	6	80,000	b	250,171	47%	53%	0%	0%
Ulta Beauty	5,884.5	9	8	Y	63	9	75	8	260,000	e	272,197	45%	55%	0%	0%
TOTAL CONSUMER DISCRETIONARY															
Average		11	9		61	7	74	7	139,280		280,378	39%	58%	1%	2%
Median		11	9		62	6	73	6	100,000		278,577				
CONSUMER STAPLES															
Agricultural Products															
Archer-Daniels-Midland Company	64,341.0	12	11	N	62	7	75	12	300,000	c,e	306,900	35%	65%	0%	0%
Brewers															
Molson Coors Brewing Company	10,769.6	14	9	Y	63	9	70	7	100,000	b,c	288,228	41%	50%	0%	9%
Distillers & Vintners															
Brown-Forman Corporation	3,248.0	14	7	Y	59	6	71	6	185,000	c,e,i	283,640	54%	44%	0%	2%
Constellation Brands	7,580.3	11	9	Y	61	10	70	5	92,500	b,d	252,319	40%	38%	22%	0%
Drug Retail															
Walgreens Boots Alliance	131,537.0	11	9	Y	62	9	75	7	100,000	b,c	357,585	32%	56%	0%	12%
Food Distributors															
Sysco Corporation	58,727.3	12	11	N	63	6	-	9	100,000	b,c	289,517	36%	64%	0%	0%
Food Retail															
The Kroger Co.	122,662.0	11	10	N	64	10	72	5	90,000	b	281,839	37%	62%	0%	1%
Household Products															
Church & Dwight Co.	4,145.9	10	9	Y	60	10	72	5	110,000	d,e,g,j	262,259	25%	25%	50%	0%
The Clorox Company	6,124.0	12	11	N	61	7	72	7	100,000	b,c	260,170	42%	58%	0%	0%
Colgate-Palmolive Company	15,544.0	11	9	Y	60	6	72	7	65,000	b,c,d,j	296,837	25%	59%	15%	1%
Kimberly-Clark Corporation	18,486.0	14	12	Y	63	9	72	7	100,000	b	288,182	35%	65%	0%	0%
The Procter & Gamble Company	66,832.0	13	12	N	64	8	72	13	110,000	b,c	295,500	41%	59%	0%	0%
Hypermarkets & Super Centers															
Costco Wholesale Corporation	141,576.0	10	7	Y	66	14	-	4	30,000	b	305,875	14%	86%	0%	0%
Walmart	500,343.0	12	8	Y	54	4	75	6	100,000	b,c	312,781	40%	60%	0%	0%

Comparative Board Data

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		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYER DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Packaged Foods & Meats															
Campbell Soup Company	8,685.0	12	11	Y	63	11	72	10	248,000	c,e	294,250	48%	52%	0%	0%
Conagra Brands	7,938.3	9	8	Y	65	8	72	12	100,000	b	281,242	34%	63%	0%	3%
General Mills	15,740.4	11	10	N	59	6	72	9	75,000	b,c	266,899	33%	67%	0%	0%
The Hershey Company	7,791.1	12	11	Y	62	6	72	11	100,000	b,c	278,800	43%	56%	0%	1%
Hormel Foods Corporation	9,545.7	13	12	N	62	9	72	7	80,000	b,c	254,727	34%	63%	0%	3%
The J.M. Smucker Company	7,357.1	13	10	Y	62	11	72	12	100,000	b,c	246,775	43%	55%	0%	2%
Kellogg Company	13,547.0	12	10	N	60	4	72	7	260,000	c,e	279,783	41%	59%	0%	0%
Lamb Weston Holdings	3,423.7	9	8	Y	63	3	75	4	90,000	b,c	279,251	39%	61%	0%	0%
McCormick & Company	5,408.9	10	9	N	62	9	72	6	90,000	b,d	257,151	38%	39%	23%	0%
Mondelēz International	25,938.0	13	12	N	65	7	75	8	110,000	b	302,488	39%	60%	0%	1%
Tyson Foods	40,052.0	11	9	Y	60	9	72	10	100,000	b,c	261,878	42%	57%	0%	1%
Personal Products															
Coty	9,398.0	9	7	Y	64	9	70	5	100,000	b	281,707	39%	61%	0%	0%
The Estee Lauder Companies	13,683.0	16	10	Y	61	11	-	5	175,000	b,d,e	289,216	40%	26%	34%	0%
Soft Drinks															
The Coca-Cola Company	31,856.0	13	11	N	62	9	74	6	250,000	c,e,i	260,000	23%	77%	0%	0%
Monster Beverage Corporation	3,807.2	10	6	N	68	12	-	6	60,000	b	246,774	33%	67%	0%	0%
PepsiCo	64,661.0	13	12	N	61	7	72	8	290,000	c,e	310,000	41%	58%	0%	1%
Tobacco															
Altria Group	19,627.0	11	10	N	66	8	75	8	110,000	b,c	326,115	41%	54%	0%	5%
Phillip Morris International	29,625.0	12	10	Y	66	7	-	6	125,000	b,c	317,926	45%	55%	0%	0%
TOTAL CONSUMER STAPLES															
Average		12	10		62	8	72	8	126,422		284,744	37%	57%	4%	2%
Median		12	10		62	6	72	7	100,000		282,739				
ENERGY															
Integrated Oil & Gas															
Chevron Corporation	158,902.0	11	10	N	62	4	74	6	150,000	b,c,k	417,896	26%	54%	14%	6%
Exxon Mobil Corporation	279,332.0	10	9	N	66	7	72	9	110,000	b	323,356	35%	65%	0%	0%
Occidental Petroleum Corporation	17,824.0	9	8	Y	67	8	75	6	125,000	b	378,226	34%	65%	0%	1%
Oil & Gas Drilling															
Helmerich & Payne	2,494.2	10	8	Y	64	11	-	4	100,000	b	315,300	35%	30%	32%	3%
Oil & Gas Equipment & Services															
Baker Hughes	22,877.0	9	6	N	62	2	75	11	100,000	b,c	293,307	40%	60%	0%	0%
Halliburton Company	23,995.0	10	9	N	66	7	72	6	115,000	b,c	392,243	32%	45%	0%	23%
National Oilwell Varco	8,453.0	9	8	N	65	10	75	4	100,000	b,c	296,048	35%	64%	0%	1%
Schlumberger Limited	32,815.0	10	7	N	61	8	70	5	115,000	b	341,363	44%	56%	0%	0%
TechnipFMC plc	12,552.9	12	11	N	62	9	72	7	100,000	b	303,164	42%	58%	0%	0%

Comparative Board Data

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		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER POINTS	AVERAGE COMPENSATION PER NON-EMPLOYER DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Oil & Gas Exploration & Production															
Anadarko Petroleum Corporation	12,906.0	12	11	N	60	8	72	7	110,000	b,c	374,048	22%	77%	0%	1%
Apache Corporation	7,216.0	10	9	Y	60	5	75	6	100,000	b,c	329,889	36%	64%	0%	0%
Cabot Oil & Gas Corporation	2,143.7	9	8	N	66	5	73	6	75,000	b	335,233	26%	69%	0%	5%
Cimarex Energy Co.	2,339.0	10	8	N	69	11	-	8	305,000	e	316,320	36%	63%	0%	1%
Concho Resources	3,879.0	10	8	N	64	8	75	10	90,000	b	303,345	34%	66%	0%	0%
ConocoPhillips	37,491.0	11	10	N	61	4	72	6	115,000	b,c	360,379	38%	61%	0%	1%
Devon Energy Corporation	10,456.0	11	10	Y	63	7	73	9	70,000	b	344,625	33%	67%	0%	0%
Diamondback Energy	2,164.0	7	5	Y	62	6	-	16	65,000	b	301,269	40%	60%	0%	0%
EOG Resources	17,266.5	8	7	N	67	8	80	7	140,000	b	335,337	42%	42%	0%	16%
Hess Corporation	6,152.0	11	10	Y	65	8	75	10	110,000	b	332,479	46%	53%	0%	1%
Marathon Oil Corporation	5,844.0	8	7	N	61	3	72	11	150,000	b	370,313	53%	47%	0%	0%
Noble Energy	4,986.0	9	7	N	66	12	72	12	100,000	b,d	319,642	36%	64%	0%	0%
Pioneer Natural Resources Company	9,384.0	12	11	Y	64	8	-	10	295,000	e	323,100	22%	77%	0%	1%
Oil & Gas Refining & Marketing															
HollyFrontier Corporation	17,714.7	11	9	Y	65	6	75	10	116,000	b	318,723	57%	42%	0%	1%
Marathon Petroleum Corporation	96,706.0	12	10	N	64	4	72	11	150,000	b	355,402	50%	48%	0%	2%
Phillips 66	111,461.0	9	8	N	67	6	75	6	125,000	b,c	359,420	41%	56%	0%	3%
Valero Energy Corporation	111,407.0	10	9	N	64	8	75	7	130,000	b	315,046	44%	56%	0%	0%
Oil & Gas Storage & Transportation															
Kinder Morgan	14,144.0	16	13	Y	71	7	-	8	200,000	c	200,661	81%	19%	0%	0%
ONEOK	12,593.2	11	9	Y	64	11	75	9	210,000	c,e	237,658	41%	56%	0%	3%
The Williams Companies	8,686.0	12	11	Y	65	4	75	10	265,000	e	317,944	38%	59%	0%	3%
TOTAL ENERGY															
Average		10	9		64	7	74	8	135,724		325,234	39%	57%	2%	2%
Median		10	9		65	6	75	8	115,000		323,356				
FINANCIALS															
Asset Management & Custody Banks															
Affiliated Managers Group	2,378.4	10	7	Y	57	9	-	6	80,000	b,d	321,122	38%	25%	37%	0%
Ameriprise Financial	12,924.0	8	7	N	65	7	75	6	250,000	c,e,i	275,000	45%	55%	0%	0%
The Bank of New York Mellon Corporation	16,403.0	12	11	N	60	6	75	10	110,000	b,c	265,395	51%	49%	0%	0%
BlackRock	14,198.0	18	15	N	61	7	75	7	85,000	b,c	306,701	39%	61%	0%	0%
Franklin Resources	6,319.1	10	7	N	63	9	75	5	95,000	b,c	254,875	33%	67%	0%	0%
Invesco	5,314.1	8	7	Y	67	10	75	10	120,000	b	309,967	53%	47%	0%	0%
Northern Trust Corporation	5,954.9	13	12	N	61	7	72	8	220,000	c,e	241,781	55%	45%	0%	0%
State Street Corporation	11,967.0	12	10	Y	65	9	75	8	90,000	b,c	370,804	40%	53%	0%	7%
T. Rowe Price Group	5,372.6	9	8	N	64	5	72	6	100,000	b,c	368,031	44%	53%	0%	3%

Comparative Board Data

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		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Consumer Finance															
American Express Company	36,986.0	11	10	N	64	8	72	6	95,000	b,c	372,962	36%	52%	0%	12%
Capital One Financial Corporation	22,220.0	11	10	N	58	7	72	21	90,000	b	335,066	45%	51%	0%	4%
Discover Financial Services	7,674.0	11	10	Y	64	10	-	11	100,000	b	270,775	48%	52%	0%	0%
Synchrony Financial	7,739.0	10	9	Y	64	4	75	11	210,000	e	277,694	46%	54%	0%	0%
Diversified Banks															
Bank of America Corporation	88,694.0	16	15	N	67	7	75	19	100,000	b,c	352,857	32%	68%	0%	0%
Citigroup	65,500.0	15	13	Y	61	4	72	20	75,000	b,c	365,893	59%	41%	0%	0%
JPMorgan Chase & Co.	103,984.0	11	10	N	64	13	72	11	100,000	b,c	406,694	30%	62%	0%	8%
U.S. Bancorp	20,813.0	17	16	N	61	9	72	9	90,000	b,c	351,567	46%	53%	0%	1%
Wells Fargo & Company	84,696.0	12	11	Y	63	4	72	15	75,000	b,c	397,305	51%	49%	0%	0%
Financial Exchanges & Data															
Cboe Global Markets	2,768.8	13	12	N	61	8	-	7	90,000	b	247,377	51%	49%	0%	0%
IntercontinentalExchange	4,974.0	11	10	N	63	10	75	7	100,000	b,c	396,961	32%	47%	0%	21%
Moody's Corporation	4,442.7	10	9	Y	65	7	-	11	105,000	b	304,111	38%	62%	0%	0%
MSCI	1,434.0	10	9	N	62	7	72	9	75,000	b,c	272,323	35%	61%	0%	4%
Nasdaq	4,277.0	11	10	Y	59	6	-	11	75,000	b,c	343,356	11%	89%	0%	0%
S&P Global	6,258.0	12	11	Y	61	7	72	7	90,000	b	270,575	45%	55%	0%	0%
Insurance Brokers															
Aon plc	10,770.0	11	10	Y	67	13	-	5	136,000	b,c	419,843	33%	47%	0%	20%
Arthur J. Gallagher & Co.	6,711.2	9	8	N	68	10	-	7	100,000	b,c	250,406	44%	56%	0%	0%
Marsh & McLennan Companies	14,950.0	12	11	Y	66	9	75	8	110,000	b,c	296,932	46%	54%	0%	0%
Willis Towers Watson Public Limited Company	8,513.0	9	8	Y	66	11	-	9	275,000	e	329,319	51%	49%	0%	0%
Investment Banking & Brokerage															
The Charles Schwab Corporation	10,132.0	14	12	Y	67	12	-	7	100,000	b,c,d,k	335,864	52%	24%	24%	0%
E*TRADE Financial Corporation	2,959.0	12	10	Y	63	5	-	12	120,000	b,c	276,240	40%	60%	0%	0%
The Goldman Sachs Group	35,942.0	11	9	N	63	5	75	13	75,000	b,e,g,j	599,279	4%	93%	0%	3%
Morgan Stanley	40,107.0	13	10	N	63	5	72	16	80,000	b,c	361,329	31%	69%	0%	0%
Raymond James Financial	7,235.7	12	9	N	59	6	-	6	100,000	b	264,414	42%	57%	0%	1%
Life & Health Insurance															
AFLAC	21,758.0	11	10	N	64	7	75	8	115,000	b,c,d,h,k	293,179	46%	42%	8%	4%
Lincoln National Corporation	16,424.0	11	10	Y	69	14	75	4	275,000	c,e,i	313,070	39%	58%	0%	3%
MetLife	67,915.0	12	11	Y	64	7	72	8	300,000	e	326,683	53%	46%	0%	1%
Principal Financial Group	14,237.2	11	10	N	63	12	72	12	265,000	c,e	275,950	40%	60%	0%	0%
Prudential Financial	63,304.0	13	10	N	64	9	74	8	300,000	c,e	325,500	53%	46%	0%	1%
Torchmark Corporation	4,303.8	12	10	N	63	9	74	5	235,000	c,e,k	260,650	38%	50%	12%	0%
Unum Group	11,598.5	11	10	Y	61	6	72	7	110,000	b,c	296,240	48%	51%	0%	1%

Comparative Board Data

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	COMPANY SALES (\$ IN MILLIONS)	TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYER DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Multi-line Insurance															
American International Group	47,457.0	13	12	Y	65	6	75	13	295,000	c,e,i	351,841	50%	48%	0%	2%
Assurant	8,057.6	10	9	Y	67	8	75	7	100,000	b,c	247,323	49%	51%	0%	0%
The Hartford Financial Services Group	18,925.0	11	10	N	62	7	75	9	100,000	b,c	290,906	39%	60%	0%	1%
Multi-sector Holdings															
Berkshire Hathaway	247,537.0	14	8	N	71	15	-	4	-	-	7,000	100%	0%	0%	0%
Jefferies Financial Group	5,223.3	12	9	Y	67	4	-	7	115,000	b	273,750	45%	55%	0%	0%
Property & Casualty Insurance															
The Allstate Corporation	39,815.0	10	9	N	63	6	72	7	125,000	b,c	302,058	46%	54%	0%	0%
Chubb Limited	32,679.0	14	13	N	67	11	75	6	305,000	e	336,211	30%	60%	0%	10%
Cincinnati Financial Corporation	5,407.0	14	10	Y	63	16	73	7	80,000	e	211,285	53%	44%	0%	3%
Loews Corporation	14,066.0	12	9	Y	71	12	-	8	100,000	b	231,500	57%	43%	0%	0%
The Progressive Corporation	31,954.7	12	11	Y	63	8	80	5	260,000	e,g,j	291,536	11%	89%	0%	0%
The Travelers Companies	30,282.0	10	9	N	66	9	74	5	130,000	b,c	318,032	45%	55%	0%	0%
Regional Banks															
BB&T Corporation	10,992.0	15	13	N	65	7	72	11	65,000	b	241,725	49%	51%	0%	0%
Citizens Financial Group	5,802.0	12	11	N	67	7	75	10	85,000	b	231,001	44%	55%	0%	1%
Comerica	3,329.0	12	10	N	61	10	72	7	60,000	b,c	202,675	48%	52%	0%	0%
Fifth Third Bancorp	6,742.0	14	13	N	62	6	72	17	85,000	b	243,333	48%	52%	0%	0%
First Republic Bank	2,968.5	11	8	N	66	12	-	13	50,000	b	281,620	47%	53%	0%	0%
Huntington Bancshares	4,265.0	13	12	N	63	7	72	17	45,000	b,c	236,748	53%	47%	0%	0%
KeyCorp	6,178.0	14	12	N	63	9	72	9	90,000	b,c	212,979	44%	56%	0%	0%
M&T Bank Corporation	5,796.3	18	14	N	70	13	-	11	110,000	c	172,200	54%	46%	0%	0%
People's United Financial	1,571.4	12	10	N	69	16	76	11	42,000	b,c	195,015	52%	48%	0%	0%
The PNC Financial Services Group	16,724.0	13	12	N	62	4	72	10	90,000	b,c	320,575	43%	45%	0%	12%
Regions Financial Corporation	5,533.0	13	12	Y	65	8	72	7	220,000	c,e	240,373	49%	50%	0%	1%
SunTrust Banks	9,005.0	10	9	N	63	4	72	7	90,000	b	250,475	48%	50%	0%	2%
SVB Financial Group	2,551.1	11	10	Y	63	8	75	10	70,000	b	288,915	45%	55%	0%	0%
Zions Bancorporation	2,821.0	11	9	N	61	8	72	9	64,000	b,c	182,936	50%	50%	0%	0%
Reinsurance															
Everest Re Group	7,359.1	8	6	Y	68	11	-	4	125,000	b	488,585	26%	74%	0%	0%
TOTAL FINANCIALS															
Average		12	10		64	8	74	9	126,415		296,215	42%	54%	1%	3%
Median		12	10		64	6	73	8	100,000		291,221				

Comparative Board Data

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS				BOARD FEES (\$)			PERCENTAGE OF TOTAL COMPENSATION				
		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
HEALTHCARE															
Biotechnology															
AbbVie	32,753.0	11	10	N	64	5	75	9	110,000	b,c,k	336,061	37%	57%	0%	6%
Alexion Pharmaceuticals	4,131.2	10	9	Y	62	4	-	6	95,000	b,c	396,715	36%	64%	0%	0%
Amgen	23,747.0	12	11	N	64	5	75	11	100,000	b	359,695	32%	61%	0%	7%
Biogen Idec	13,452.9	14	13	Y	63	10	75	12	65,000	b	443,804	31%	65%	0%	4%
Gilead Sciences	22,127.0	9	8	N	67	8	-	16	75,000	b,c,d	440,398	30%	35%	35%	0%
Incyte Corporation	1,881.9	8	7	N	63	10	-	5	60,000	b,c,d	493,657	3%	10%	87%	0%
Regeneron Pharmaceuticals	6,710.8	12	10	Y	69	15	-	6	55,000	d	1,212,075	6%	94%	0%	0%
Vertex Pharmaceuticals	3,047.6	10	9	N	61	8	72	7	100,000	b,d,k	613,128	22%	45%	33%	0%
Health Care Distributors															
AmerisourceBergen Corporation	167,939.6	9	7	N	64	9	75	13	100,000	b,c	243,839	45%	53%	0%	2%
Cardinal Health	136,809.0	9	8	Y	64	8	75	9	105,000	b	272,060	40%	60%	0%	1%
Henry Schein	13,202.0	15	10	N	69	8	80	8	76,000	b	287,175	35%	65%	0%	0%
McKesson Corporation	208,357.0	8	7	N	64	9	75	7	80,000	b	328,918	41%	56%	0%	3%
Health Care Equipment															
Abbott Laboratories	30,578.0	13	12	N	64	9	75	6	126,000	b	325,129	42%	54%	0%	4%
Abiomed	593.7	7	6	N	66	7	-	4	50,000	b	268,351	25%	75%	0%	0%
Baxter International	11,127.0	12	11	N	65	9	75	8	90,000	b,k	314,058	39%	43%	16%	2%
Becton, Dickinson and Company	15,983.0	12	11	N	63	9	72	6	107,000	b,c	333,090	33%	67%	0%	0%
Boston Scientific Corporation	9,823.0	10	9	N	61	5	-	8	115,000	b,c	309,066	40%	60%	0%	0%
Danaher Corporation	19,893.0	11	8	Y	67	18	-	6	120,000	b,c,d	291,066	18%	55%	27%	0%
Edwards Lifesciences Corporation	3,722.8	8	7	N	65	5	75	7	65,000	b,c,d,k	298,704	25%	75%	0%	0%
Hologic	3,217.9	8	7	N	58	5	72	13	80,000	b,d	284,677	30%	35%	35%	0%
IDEXX Laboratories	2,213.2	8	7	N	61	6	73	6	75,000	b,c,d	271,457	32%	17%	51%	0%
Intuitive Surgical	3,724.2	9	7	Y	64	8	-	4	60,000	b,d	375,578	19%	44%	37%	0%
Medtronic	29,953.0	10	9	N	63	9	72	4	175,000	b	370,153	53%	47%	0%	0%
ResMed	2,340.2	8	6	Y	64	8	-	5	65,000	b,c,h,k	320,241	22%	67%	11%	0%
Stryker Corporation	13,601.0	10	9	N	59	9	-	10	115,000	b	302,264	42%	58%	0%	0%
Teleflex	2,448.4	10	8	Y	63	6	71	7	55,000	b,d	259,630	34%	40%	26%	0%
Varian Medical Systems	2,919.1	9	8	Y	59	6	75	9	100,000	b,c	305,844	44%	54%	0%	2%
Zimmer Biomet Holdings	7,932.9	11	10	Y	60	8	72	9	95,000	b,c,e,i	319,410	36%	61%	0%	3%
Health Care Facilities															
HCA Healthcare	46,677.0	11	8	Y	67	4	75	11	110,000	b	313,488	43%	57%	0%	0%
Universal Health Services	10,772.3	7	4	N	61	11	-	6	65,000	d	359,658	22%	0%	78%	0%

Comparative Board Data

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		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYER DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Health Care Services															
Cigna Corporation	48,569.0	13	12	Y	64	8	72	11	310,000	c,e	329,002	45%	55%	0%	0%
CVS Health Corporation	193,919.0	16	14	Y	67	7	74	8	310,000	c,e	312,835	25%	75%	0%	0%
DaVita	11,412.2	11	8	Y	65	12	75	8	80,000	b	371,861	44%	27%	27%	2%
Laboratory Corporation of America Holdings	11,333.4	9	8	N	60	9	75	6	110,000	b	294,566	41%	59%	0%	0%
Quest Diagnostics	7,531.0	9	8	N	66	10	-	7	96,500	b,c,k	296,484	43%	57%	0%	0%
Health Care Supplies															
Align Technology	1,966.5	10	8	Y	62	11	-	6	50,000	b	398,022	19%	81%	0%	0%
The Cooper Companies	2,532.8	9	7	Y	70	15	-	12	30,000	b	382,763	28%	72%	0%	0%
Dentsply Sirona	3,986.3	10	9	Y	64	7	75	10	85,000	b,c	281,003	36%	32%	32%	0%
Health Care Technology															
Cerner Corporation	5,366.3	10	9	N	64	7	75	4	66,000	b	343,952	27%	73%	0%	0%
Life Sciences Tools & Services															
Agilent Technologies	4,914.0	11	10	Y	64	7	75	8	100,000	b,c	326,901	41%	59%	0%	0%
Illumina	3,333.0	9	7	Y	60	3	-	10	55,000	b,c	478,370	16%	84%	0%	0%
IQVIA Holdings	10,412.0	11	10	N	59	5	-	7	100,000	b,c	321,573	38%	62%	0%	0%
Mettler-Toledo International	2,935.6	8	7	Y	59	11	72	4	70,000	b,d	233,541	39%	22%	39%	0%
PerkinElmer	2,778.0	8	7	N	61	7	72	7	90,000	b	279,009	37%	63%	0%	0%
Thermo Fisher Scientific	24,358.0	12	10	Y	62	9	72	7	125,000	b,c	337,407	44%	52%	0%	4%
Waters Corporation	2,419.9	10	9	N	63	14	72	7	55,000	b,c,d	308,759	28%	36%	36%	0%
Managed Healthcare															
Anthem	92,091.0	9	8	Y	63	7	72	8	125,000	b	355,807	42%	53%	0%	5%
Centene Corporation	56,688.0	9	8	N	71	13	-	8	125,000	c,e,d,i	416,860	11%	72%	11%	6%
Humana	56,912.0	10	9	Y	59	12	73	17	115,000	b,c	310,559	47%	53%	0%	0%
UnitedHealth Group	226,247.0	11	9	Y	67	14	-	12	125,000	b,c	331,162	33%	60%	0%	7%
WellCare Health Plans	20,414.1	9	8	Y	59	7	75	12	90,000	b	336,439	45%	55%	0%	0%
Pharmaceuticals															
Allergan plc	15,787.4	11	10	N	64	3	-	6	150,000	b	463,692	35%	65%	0%	0%
Bristol-Myers Squibb Company	22,561.0	11	10	N	64	6	75	10	100,000	b,c	337,713	40%	55%	0%	5%
Eli Lilly & Company	24,555.7	13	12	N	60	8	72	6	110,000	b,c	309,837	42%	56%	0%	2%
Johnson & Johnson	81,581.0	12	11	N	65	7	72	9	120,000	b	328,829	40%	56%	0%	4%
Merck & Co.	42,294.0	12	11	N	64	10	72	6	115,000	b,c	330,252	35%	65%	0%	0%
Mylan N.V.	11,433.9	12	9	Y	62	7	-	4	100,000	b,d	358,116	40%	46%	14%	0%
Nektar Therapeutics	1,193.3	7	6	Y	65	9	-	13	50,000	b,d	778,722	12%	41%	47%	0%
Perrigo Company	4,731.7	10	9	Y	61	2	72	15	75,000	b	403,194	24%	76%	0%	0%
Pfizer	53,647.0	11	9	Y	63	8	73	7	142,500	b,c	367,822	44%	52%	0%	4%
Zoetis	5,825.0	11	10	Y	67	5	-	8	330,000	e,i	325,000	38%	62%	0%	0%
TOTAL HEALTHCARE															
Average		10	9		64	8	74	8	103,180		362,450	32%	57%	10%	1%
Median		10	9		64	6	74	8	100,000		328,918				

Comparative Board Data

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		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
INDUSTRIALS															
Aerospace & Defense															
Arconic	14,014.0	10	8	N	60	3	75	14	120,000	b,c	328,733	50%	50%	0%	0%
The Boeing Company	101,127.0	13	12	N	63	8	74	7	135,000	b,c	345,469	42%	52%	0%	6%
General Dynamics Corporation	36,193.0	11	10	N	64	9	75	11	85,000	b,c,d	320,722	53%	23%	23%	1%
Harris Corporation	6,182.0	11	10	N	66	9	72	6	105,000	b,c	270,068	47%	52%	0%	1%
Huntington Ingalls Industries	8,176.0	11	10	Y	63	5	76	6	100,000	b	279,349	54%	46%	0%	0%
Lockheed Martin Corporation	53,762.0	10	9	N	64	6	75	9	310,000	c,e	330,266	52%	47%	0%	1%
Northrop Grumman Corporation	30,095.0	13	11	Y	67	7	75	10	282,500	c,e,i	313,471	45%	49%	0%	6%
Raytheon Company	27,058.0	13	12	N	62	5	74	7	105,000	b,c	307,096	53%	46%	0%	1%
Textron	13,972.0	11	10	N	68	11	75	7	260,000	c,e,i	281,725	50%	48%	0%	2%
TransDigm Group	3,811.1	12	10	Y	60	7	-	5	60,000	c,d	173,909	24%	20%	0%	56%
United Technologies Corporation	66,501.0	13	12	N	64	7	72	9	310,000	c,e,i	330,224	21%	78%	0%	0%
Agricultural and Farm Machinery															
Deere & Company	37,317.7	11	10	N	63	7	75	6	135,000	b,c	292,845	45%	51%	0%	4%
Air Freight & Logistics															
C.H. Robinson Worldwide	16,631.2	10	8	Y	61	8	-	7	90,000	b,c	248,929	46%	54%	0%	0%
Expeditors International of Washington	8,138.4	10	8	Y	63	5	72	5	90,000	b	291,633	31%	69%	0%	0%
FedEx Corporation	65,450.0	12	11	N	60	9	75	6	130,000	d	299,921	45%	55%	0%	0%
United Parcel Service	71,861.0	12	11	N	63	9	75	5	105,000	b	287,659	40%	60%	0%	0%
Airlines															
Alaska Air Group	8,264.0	11	10	N	59	8	72	5	175,000	c,e	200,378	44%	51%	0%	5%
American Airlines Group	44,541.0	10	9	N	63	6	75	9	100,000	b	313,458	43%	48%	0%	9%
Delta Air Lines	44,438.0	12	10	Y	63	5	72	9	100,000	b	317,844	35%	60%	0%	5%
Southwest Airlines Co.	21,965.0	11	9	N	70	11	-	6	80,000	b	267,018	44%	56%	0%	0%
United Continental Holdings	41,303.0	13	10	Y	62	6	75	8	100,000	b	326,226	37%	53%	0%	10%
Building Products															
A. O. Smith Corporation	3,187.9	10	8	Y	64	15	72	5	70,000	b	225,775	45%	55%	0%	0%
Allegion Public Limited Company	2,731.7	7	6	N	61	4	70	5	140,000	b	250,433	60%	40%	0%	0%
Fortune Brands Home & Security	5,485.1	9	8	Y	64	7	72	6	90,000	b	274,721	49%	49%	0%	2%
Johnson Controls International	31,400.0	12	11	N	59	3	72	4	275,000	c,e	288,892	45%	55%	0%	0%
Masco Corporation	8,359.0	11	9	Y	60	7	72	6	270,000	e	296,642	51%	48%	0%	1%
Construction & Engineering															
Fluor Corporation	19,166.6	13	12	N	67	10	75	7	125,000	b	291,099	46%	53%	0%	1%
Jacobs Engineering Group	14,984.6	11	10	N	69	10	-	5	115,000	b	281,549	47%	53%	0%	0%
Quanta Services	11,171.4	9	8	Y	63	11	73	6	85,000	b	289,057	44%	56%	0%	0%
Construction Machinery & Heavy Trucks															
Caterpillar	54,722.0	12	11	N	63	10	72	6	300,000	c,e	337,970	46%	51%	0%	3%
Cummins	23,771.0	12	10	N	65	11	74	8	275,000	e	294,411	47%	51%	0%	2%
PACCAR	23,495.7	11	8	Y	64	9	72	4	110,000	b,c	293,806	47%	51%	0%	2%
Wabtec Corporation	4,363.5	10	8	Y	66	14	75	12	235,000	e	242,202	38%	62%	0%	0%

Comparative Board Data

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		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYER DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Diversified Support Services															
Cintas Corporation	6,476.6	8	6	N	67	9	73	4	58,700	b,c,d	208,939	44%	28%	28%	0%
Copart	1,805.7	7	5	Y	56	14	-	4	70,000	d	506,615	14%	86%	0%	0%
Electrical Components & Equipment															
AMETEK	4,845.9	8	7	N	65	11	75	8	100,000	b,c	243,421	42%	58%	0%	0%
Eaton Corporation	21,609.0	12	10	N	63	10	72	5	300,000	c,e	337,135	51%	44%	0%	5%
Emerson Electric Company	17,408.0	9	8	N	63	7	72	10	265,000	e	292,399	48%	48%	0%	4%
Rockwell Automation	6,666.0	9	8	N	60	5	72	9	190,000	b,c,e	267,527	50%	46%	0%	4%
Environmental & Facilities Services															
Republic Services	10,040.9	12	11	N	56	6	73	6	100,000	b	357,256	36%	64%	0%	0%
Rollins	1,821.6	8	4	Y	83	35	-	5	60,000	-	84,000	100%	0%	0%	0%
Waste Management	14,914.0	8	7	Y	67	11	75	10	110,000	b	292,937	44%	56%	0%	0%
Human Resource & Employment Services															
Robert Half International	5,800.3	8	6	N	61	6	-	6	40,000	b	345,083	19%	81%	0%	0%
Industrial Conglomerates															
3M Company	32,765.0	12	11	N	65	7	74	8	305,000	c,e	317,000	46%	54%	0%	0%
General Electric Company	121,615.0	10	9	N	59	3	75	15	275,000	c,e,i	307,859	3%	97%	0%	0%
Honeywell International	41,802.0	12	11	N	65	9	75	7	100,000	b,c,d	318,025	61%	16%	16%	7%
Roper Technologies	5,191.2	10	9	Y	67	13	80	7	42,500	b	907,492	7%	93%	0%	0%
Industrial Machinery															
Dover Corporation	6,992.1	9	8	Y	65	8	75	8	250,000	e	271,702	51%	49%	0%	0%
Flowserve Corporation	3,832.7	10	9	Y	60	8	72	10	85,000	b,c	253,492	51%	49%	0%	0%
Fortive Corporation	6,452.7	8	7	Y	57	3	-	11	100,000	b,d,h	353,964	22%	61%	17%	0%
Illinois Tool Works	14,768.0	11	10	N	62	10	75	5	135,000	b,c	290,388	50%	50%	0%	0%
Ingersoll-Rand	15,668.2	11	10	N	67	9	75	5	305,000	e	316,608	49%	51%	0%	0%
Parker-Hannifin Corporation	14,302.4	10	8	N	61	10	72	7	130,000	b	302,972	46%	53%	1%	0%
Pentair plc	2,965.1	8	7	Y	60	8	75	6	90,000	b	265,759	51%	49%	0%	0%
Snap-on	4,070.4	10	9	N	65	9	75	8	100,000	b,c	263,285	43%	47%	0%	10%
Stanley Black & Decker	13,982.4	10	9	Y	60	7	75	8	125,000	b,c	309,780	43%	52%	0%	5%
Xylem	5,207.0	11	10	Y	64	6	72	6	100,000	b,c	262,254	44%	56%	0%	0%
Railroads															
CSX Corporation	12,250.0	10	8	Y	66	8	75	7	100,000	b,c	293,246	37%	56%	0%	7%
Kansas City Southern	2,714.0	9	8	Y	63	7	75	4	75,000	b,c	228,398	47%	46%	0%	7%
Norfolk Southern Corporation	11,458.0	11	10	N	64	7	75	6	90,000	b	260,349	38%	58%	0%	4%
Union Pacific Corporation	22,832.0	11	10	N	66	8	75	7	280,000	c,e,i	298,959	93%	0%	0%	7%
Research & Consulting Services															
Equifax	3,412.1	10	9	Y	60	6	72	18	90,000	b,c	311,133	38%	62%	0%	0%
IHS Markit	4,009.2	12	11	N	65	8	-	6	90,000	b,c	280,866	37%	63%	0%	0%
Nielsen Holdings plc	6,515.0	9	8	Y	62	6	-	17	80,000	b,c	266,250	21%	79%	0%	0%
Verisk Analytics	2,395.1	11	10	N	64	12	75	4	90,000	b,c,d,k	255,923	12%	56%	32%	0%

Comparative Board Data

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		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Trading Companies & Distributors															
Fastenal Company	4,965.1	10	8	Y	57	10	74	4	85,000	d,k	174,125	85%	0%	15%	0%
United Rentals	8,047.0	12	10	Y	58	6	76	12	80,000	b	266,006	39%	61%	0%	0%
W.W. Grainger	11,221.0	11	10	N	61	13	72	5	100,000	b,c	324,068	33%	65%	0%	2%
Trucking															
J.B. Hunt Transport Services	8,614.9	10	6	Y	62	12	72	4	215,000	c	256,332	48%	47%	0%	5%
TOTAL INDUSTRIALS															
Average		10	9		63	8	74	7	143,170		296,049	42%	54%	2%	2%
Median		11	9		64	7	75	6	100,000		291,633				
INFORMATION TECHNOLOGY															
Application Software															
Adobe Systems	9,030.0	11	10	N	62	12	-	7	60,000	b,c	350,282	25%	75%	0%	0%
Ansys	1,293.6	8	7	Y	58	5	75	7	40,000	b	363,107	17%	83%	0%	0%
Autodesk	2,056.6	8	7	Y	56	4	-	9	75,000	b,c	390,458	23%	77%	0%	0%
Cadence Design Systems	2,138.0	9	7	Y	65	14	-	7	80,000	b	336,311	40%	58%	0%	2%
Citrix Systems	2,973.9	10	8	Y	58	5	-	12	60,000	b,c	355,968	25%	70%	0%	5%
Intuit	5,964.0	11	8	Y	56	6	75	4	75,000	b,c	352,015	14%	86%	0%	0%
salesforce.com	10,540.0	13	10	N	67	9	-	9	50,000	b	563,793	12%	88%	0%	0%
Synopsys	3,121.1	9	7	N	65	13	72	6	125,000	b,k	312,819	44%	56%	0%	0%
Communications Equipment															
Arista Networks	2,151.4	7	5	Y	60	5	-	5	75,000	b	96,800	100%	0%	0%	0%
Cisco Systems	49,330.0	9	8	N	61	11	70	6	80,000	b	336,078	36%	64%	0%	0%
F5 Networks	2,161.4	11	8	Y	61	10	-	12	60,000	b	350,727	29%	71%	0%	0%
Juniper Networks	4,647.5	8	7	Y	61	9	75	10	60,000	b	310,677	31%	69%	0%	0%
Motorola Solutions	7,343.0	8	7	N	60	4	72	6	100,000	b,c	303,298	26%	74%	0%	0%
Data Processing & Outsourced Services															
Alliance Data Systems Corporation	7,791.2	9	8	Y	65	11	75	8	75,000	b,c	286,458	20%	79%	0%	1%
Automatic Data Processing	13,325.8	12	11	Y	61	7	72	14	300,000	c,e,i	349,944	42%	53%	0%	5%
Broadridge Financial Solutions	4,329.9	9	8	Y	64	8	72	5	220,000	d,e	282,560	36%	34%	27%	3%
Fidelity National Information Services	8,423.0	10	9	N	66	7	77	7	80,000	b,d	394,157	47%	52%	0%	1%
Fiserv	5,823.0	10	9	Y	61	8	75	7	78,000	b,c	311,132	37%	62%	1%	0%
FleetCor Technologies	2,433.5	9	8	N	64	9	-	4	250,000	e,g	278,425	7%	93%	0%	0%
Global Payments	3,366.4	9	6	Y	66	10	75	5	255,000	e	285,051	44%	56%	0%	0%
Jack Henry & Associates	1,536.6	9	7	Y	58	7	70	7	40,000	b	232,640	43%	57%	0%	0%
Mastercard	14,950.0	15	14	Y	60	6	72	5	100,000	b	339,701	38%	60%	0%	2%
Paychex	3,380.9	9	7	Y	62	10	-	5	80,000	b,d	268,144	52%	24%	24%	0%
PayPal Holdings	15,451.0	12	11	Y	57	4	-	7	80,000	b,c	411,943	29%	69%	2%	0%
Total System Services	4,028.2	9	8	N	64	10	75	4	85,000	b,d	242,579	44%	43%	13%	0%
Visa	20,609.0	10	9	Y	64	8	75	11	105,000	b	350,085	44%	52%	0%	4%
The Western Union Company	5,589.9	11	10	Y	62	7	74	6	85,000	b,c,d,h,i,j	297,089	41%	53%	3%	3%

Comparative Board Data

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS			BOARD FEES (\$)				PERCENTAGE OF TOTAL COMPENSATION				
		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYER DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Electronic Components															
Amphenol Corporation	8,202.0	9	7	Y	68	10	72	8	90,000	b,c	238,604	41%	59%	0%	0%
Corning	11,290.0	14	13	N	66	9	74	5	110,000	b,c	317,389	47%	52%	0%	1%
Electronic Equipment & Instruments															
FLIR Systems	1,775.7	11	9	Y	67	10	-	6	75,000	b	260,490	39%	61%	0%	0%
Keysight Technologies	3,878.0	7	6	Y	66	7	75	6	100,000	b,c	337,174	41%	59%	0%	0%
Electronic Manufacturing Services															
IPG Photonics Corporation	1,459.9	10	7	N	63	7	72	6	40,000	b,d	317,593	20%	52%	28%	0%
TE Connectivity	13,988.0	12	10	Y	61	6	72	5	275,000	e	300,976	35%	64%	0%	1%
Internet Software & Services															
Akamai Technologies	2,714.5	12	10	Y	63	8	-	20	300,000	e,i	297,460	19%	81%	0%	0%
VeriSign	1,215.0	7	6	N	70	12	-	5	40,000	b	325,789	23%	77%	0%	0%
IT Consulting & Other Services															
Accenture	39,573.5	11	10	N	60	5	75	5	100,000	b,c	327,227	39%	61%	0%	0%
Cognizant Technology Solutions Corporation	16,125.0	11	9	Y	63	8	-	15	90,000	b	354,043	41%	59%	0%	0%
DXC Technology Company	24,556.0	10	9	N	57	2	72	8	90,000	b,c	298,149	34%	66%	0%	0%
Gartner	3,975.5	10	9	Y	68	14	-	4	60,000	b,e,g,j	325,955	26%	74%	0%	0%
International Business Machines Corporation	79,591.0	12	11	N	64	7	72	9	325,000	c,e,h	430,423	77%	0%	0%	23%
Semiconductor Equipment															
Applied Materials	17,253.0	10	9	Y	59	8	70	6	70,000	b,c	345,737	35%	65%	0%	0%
KLA-Tencor Corporation	4,036.7	10	9	Y	64	10	75	5	90,000	b	330,961	36%	63%	0%	1%
Lam Research Corporation	11,077.0	9	8	Y	62	6	75	5	75,000	b	311,569	34%	63%	0%	3%
Semiconductors															
Advanced Micro Devices	6,475.0	7	6	Y	60	5	72	6	75,000	b	330,876	36%	64%	0%	0%
Analog Devices	6,200.9	11	9	Y	63	7	-	12	70,000	b	307,905	35%	64%	0%	1%
Broadcom	20,848.0	8	6	Y	61	3	75	14	90,000	b	319,162	39%	61%	0%	0%
Intel Corporation	70,848.0	10	8	Y	57	5	72	17	90,000	b,c	340,100	29%	70%	0%	1%
Maxim Integrated Products	2,480.1	8	7	Y	65	11	-	12	62,000	b	315,138	26%	74%	0%	0%
Microchip Technology	3,980.8	5	4	N	71	17	-	5	71,500	b	164,568	51%	49%	0%	0%
Micron Technology	30,391.0	7	6	Y	65	7	75	6	125,000	b,c	415,849	40%	60%	0%	0%
Nvidia Corporation	9,714.0	12	11	Y	66	13	-	7	75,000	b	312,977	24%	76%	0%	0%
Qorvo	2,973.5	11	10	Y	64	3	75	6	80,000	b	284,826	33%	67%	0%	0%
QUALCOMM	22,732.0	12	11	Y	63	5	-	22	100,000	b	378,143	39%	53%	0%	8%
Skyworks Solutions	3,868.0	9	7	Y	60	12	-	6	70,000	b	299,218	33%	67%	0%	0%
Texas Instruments	15,784.0	10	9	N	59	7	70	10	85,000	b,c,d	294,057	32%	34%	34%	0%
Xilinx	2,467.0	11	10	Y	62	7	-	6	72,500	b	283,942	31%	69%	0%	0%

Comparative Board Data

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS				BOARD FEES (\$)			PERCENTAGE OF TOTAL COMPENSATION				
		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Systems Software															
Fortinet	1,801.2	7	5	N	65	7	-	7	45,000	b	340,238	20%	80%	0%	0%
Microsoft Corporation	110,360.0	14	12	Y	60	6	75	7	325,000	c,e	385,556	35%	62%	0%	3%
Oracle Corporation	39,831.0	14	9	Y	72	12	-	7	52,500	b,d	579,553	23%	77%	0%	0%
Red Hat	2,920.5	8	7	Y	61	8	75	11	60,000	b,c	331,393	21%	79%	0%	0%
Symantec Corporation	4,834.0	11	10	Y	54	8	72	10	50,000	b,c	363,492	19%	81%	0%	0%
Technology Hardware, Storage & Peripherals															
Apple	265,595.0	8	7	Y	66	10	75	5	100,000	b	404,575	35%	62%	0%	3%
Hewlett Packard Enterprise Company	30,852.0	12	10	Y	61	3	-	9	315,000	b,c,e	346,399	24%	76%	0%	0%
HP	58,472.0	11	10	Y	60	4	-	7	310,000	c,e,k	344,617	37%	55%	8%	0%
NetApp	5,911.0	9	8	Y	63	9	-	7	75,000	b	355,043	31%	69%	0%	0%
Seagate Technology plc	11,184.0	10	8	Y	58	4	-	5	100,000	b	390,322	34%	66%	0%	0%
Western Digital Corporation	20,647.0	9	8	Y	64	12	72	14	75,000	b	368,711	32%	68%	0%	0%
Xerox Corporation	9,830.0	9	8	Y	53	2	75	12	260,000	b,d,e	291,792	38%	62%	0%	0%
TOTAL INFORMATION TECHNOLOGY															
Average		10	8		62	8	73	8	110,831		331,840	34%	63%	2%	1%
Median		10	8		62	5	75	7	80,000		329,052				
MATERIALS															
Commodity Chemicals															
LyondellBasell Industries N.V.	39,004.0	12	11	Y	64	6	75	9	285,000	c,e	349,382	31%	66%	0%	3%
Construction Materials															
Martin Marietta Materials	3,980.4	9	8	N	67	10	75	5	120,000	b,c	287,548	44%	45%	0%	11%
Vulcan Materials	4,382.9	9	8	N	60	6	74	5	110,000	b,c	280,562	43%	54%	0%	3%
Copper															
Freeport-McMoRan	18,628.0	5	4	Y	66	11	-	10	75,000	b,c	279,121	39%	61%	0%	0%
Diversified Chemicals															
Eastman Chemical Company	10,151.0	11	10	N	65	11	75	6	115,000	b,c	264,823	45%	32%	0%	23%
Fertilizers & Agricultural Chemicals															
CF Industries Holdings	4,429.0	12	11	Y	61	6	74	7	100,000	b	254,595	45%	55%	0%	0%
FMC Corporation	4,727.8	11	10	N	64	10	75	8	100,000	b,c	259,827	43%	50%	0%	7%
The Mosaic Company	9,587.3	12	10	Y	62	7	74	7	90,000	d,j	256,277	37%	60%	0%	3%
Gold															
Newmont Goldcorp Corporation	7,253.0	12	11	Y	61	7	75	10	115,000	b	343,296	53%	46%	0%	1%
Industrial Gases															
Air Products & Chemicals	8,930.2	8	7	N	64	8	75	9	100,000	b,c	268,876	42%	56%	0%	2%
Linde plc	14,900.0	12	11	Y	65	1	72	2	180,000	b	n/a	n/a	n/a	n/a	n/a
Metal & Glass Containers															
Ball Corporation	11,635.0	9	7	N	60	7	-	5	85,000	b	269,711	35%	54%	0%	11%

Comparative Board Data

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		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYER DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Paper Packaging															
Avery Dennison Corporation	7,159.0	11	10	N	62	10	72	5	100,000	b,c	248,589	45%	55%	0%	0%
International Paper Company	23,306.0	11	10	N	61	4	72	9	275,000	c,e	306,561	9%	91%	0%	0%
Packaging Corporation of America	7,014.6	11	10	N	62	11	-	5	230,000	e	237,704	72%	27%	0%	1%
Sealed Air Corporation	4,732.7	9	8	Y	60	7	75	10	220,000	c,e	240,817	37%	63%	0%	0%
WestRock Company	16,285.1	13	11	Y	63	4	72	10	115,000	b	262,291	49%	51%	0%	0%
Specialty Chemicals															
Albemarle Corporation	3,375.0	11	10	N	63	5	-	7	100,000	b	242,431	46%	54%	0%	0%
Celanese Corporation	7,155.0	9	8	N	63	7	72	7	105,000	b	268,552	44%	56%	0%	0%
DowDuPont	85,977.0	12	10	Y	57	2	75	7	285,000	e	317,704	46%	54%	0%	0%
Ecolab	14,668.2	13	12	N	60	7	72	6	110,000	b,c,d	300,376	41%	38%	21%	0%
International Flavors & Fragrances	3,977.5	11	10	N	65	7	72	8	250,000	e,i	245,101	49%	49%	0%	2%
PPG Industries	15,374.0	13	12	N	63	9	72	11	280,000	c,e	283,593	51%	48%	0%	1%
The Sherwin-Williams Company	17,534.5	12	11	N	63	7	72	5	125,000	b,c	272,091	46%	53%	0%	1%
Steel															
Nucor Corporation	25,067.3	7	6	N	63	9	72	5	125,000	b,c	278,791	50%	50%	0%	0%
TOTAL MATERIALS															
Average		11	9		63	7	73	7	151,800		276,974	43%	53%	1%	3%
Median		11	10		63	5	74	7	115,000		269,293				
REAL ESTATE															
Healthcare REITs															
HCP	1,846.7	7	6	Y	63	6	75	15	80,000	b,c	281,033	47%	53%	0%	0%
Ventas	3,701.6	9	8	N	63	8	75	5	110,000	b,c	294,006	44%	56%	0%	0%
Welltower	4,633.9	11	10	Y	63	9	75	9	95,000	b	293,326	45%	55%	0%	0%
Hotel and Resort REITs															
Host Hotels & Resorts	5,554.0	11	9	Y	64	9	-	4	220,000	c,e	280,440	37%	50%	0%	13%
Industrial REITs															
Duke Realty Corporation	955.5	12	11	N	64	7	-	4	100,000	b,c	234,731	43%	57%	0%	0%
Prologis	3,102.7	12	11	N	64	10	75	6	120,000	b	329,977	39%	58%	0%	3%
Office REITs															
Alexandria Real Estate Equities	1,335.0	8	6	Y	63	8	75	10	110,000	b	280,612	60%	39%	0%	1%
Boston Properties	2,707.3	11	9	Y	68	6	75	8	85,000	b,c	217,318	46%	54%	0%	0%
SL Green Realty Corporation	1,231.5	9	6	N	67	14	-	5	50,000	b,c	402,500	25%	75%	0%	0%
Vornado Realty Trust	2,174.6	9	7	N	71	20	-	11	75,000	b	253,077	41%	59%	0%	0%
Real Estate Services															
CBRE Group	21,340.1	11	10	Y	60	6	-	6	100,000	b,c	311,131	36%	64%	0%	0%

Comparative Board Data

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		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER POINTS	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Residential REITs															
Apartment Investment and Management Company	965.4	8	7	N	68	11	-	5	90,000	b	221,040	41%	59%	0%	0%
AvalonBay Communities	2,289.2	10	9	N	63	6	72	6	90,000	b,c	235,077	30%	70%	0%	0%
Equity Residential	2,578.4	12	9	Y	60	8	-	7	240,000	d,e,k	262,404	39%	51%	10%	0%
Essex Property Trust	1,449.6	9	7	Y	68	8	-	4	70,000	d,h	181,631	41%	8%	51%	0%
Mid-America Apartment Communities	1,571.3	12	10	N	67	7	75	4	65,000	b,c	208,112	38%	60%	0%	2%
UDR	1,041.8	8	7	N	69	10	-	6	80,000	b,c	211,741	40%	58%	0%	2%
Retail REITs															
Federal Realty Investment Trust	912.0	8	6	Y	62	12	72	5	190,000	e	210,500	41%	58%	0%	1%
Kimco Realty Corporation	1,164.8	8	6	Y	67	11	-	5	60,000	b,c	275,272	36%	64%	0%	0%
The Macerich Company	1,029.8	10	8	Y	58	5	75	9	70,000	b,c	240,305	48%	52%	0%	0%
Realty Income Corporation	1,327.8	9	8	Y	64	11	-	12	25,000	b	248,069	16%	83%	0%	1%
Regency Centers Corporation	1,160.3	12	10	N	62	8	75	5	70,000	b,c	207,438	46%	54%	0%	0%
Simon Property Group	5,640.0	13	10	N	67	9	-	5	110,000	b	314,296	38%	62%	0%	0%
Specialized REITs															
American Tower Corporation	7,440.1	10	9	N	67	11	-	6	85,000	b	285,877	37%	63%	0%	0%
Crown Castle International Corp.	5,423.0	12	10	Y	64	14	-	5	75,000	b	256,525	32%	64%	0%	4%
Digital Realty Trust	3,079.5	9	8	Y	60	6	76	11	85,000	b	274,739	40%	60%	0%	0%
Equinix	5,071.7	9	7	Y	63	11	75	18	70,000	b	344,372	27%	73%	0%	0%
Extra Space Storage	1,211.1	8	5	Y	63	5	-	6	65,000	b	202,835	41%	59%	0%	0%
Iron Mountain	4,225.8	12	11	Y	64	9	-	8	80,000	b,c	275,637	44%	54%	0%	2%
Public Storage	2,820.1	11	6	Y	67	13	73	7	120,000	c,d	200,613	67%	0%	33%	0%
SBA Communications Corporation	1,865.7	8	7	Y	64	14	-	6	95,000	b,d	255,106	44%	37%	19%	0%
Weyerhaeuser Company	7,476.0	10	9	Y	64	9	72	4	240,000	c,e	257,469	43%	57%	0%	0%
TOTAL REAL ESTATE															
Average		10	8		64	9	74	7	100,625		261,239	40%	57%	0%	3%
Median		10	8		65	8	75	6	85,000		256,997				
UTILITIES															
Utilities															
The AES Corporation	10,736.0	10	9	Y	63	5	-	6	80,000	b,c,e,i	304,190	29%	67%	4%	0%
Alliant Energy Corporation	3,534.5	10	8	N	57	8	70	9	235,000	c	239,401	99%	0%	0%	1%
Ameren Corporation	6,009.0	12	11	N	61	6	72	8	90,000	b,c	235,676	49%	51%	0%	0%
American Electric Power Company	16,195.7	13	12	N	66	9	72	7	120,500	b,c	290,295	46%	54%	0%	0%
American Water Works Company	3,440.0	8	7	Y	64	7	75	13	100,000	b	259,834	45%	54%	0%	1%
Atmos Energy Corporation	3,115.5	13	10	Y	65	11	75	10	100,000	b,c	323,180	25%	74%	0%	1%
CenterPoint Energy	10,589.0	10	8	Y	61	6	-	8	100,000	b	252,502	44%	52%	0%	4%
CMS Energy Corporation	6,873.0	11	9	Y	62	6	75	9	110,000	b,c	263,333	51%	49%	0%	0%
Consolidated Edison	12,337.0	10	8	N	65	9	75	11	115,000	b,c	284,320	46%	53%	0%	1%
Dominion Energy	13,366.0	13	12	N	62	7	72	10	265,000	c,e	289,511	41%	54%	0%	5%
DTE Energy Company	14,212.0	11	10	N	66	9	75	7	120,000	b,c	250,020	46%	52%	0%	2%

Comparative Board Data

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS			BOARD FEES (\$)				PERCENTAGE OF TOTAL COMPENSATION				
		TOTAL	INDEPENDENT DIRECTORS	SEPARATE CHAIR/CEO	AVERAGE AGE	AVERAGE TENURE (YEARS)	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	BOARD RETAINER FOOTNOTES	AVERAGE COMPENSATION PER NON-EMPLOYER DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Duke Energy Corporation	24,116.0	14	13	N	64	5	71	5	285,000	c,e	308,564	45%	53%	0%	2%
Edison International	12,657.0	12	11	Y	61	5	72	8	122,500	b	289,818	47%	51%	0%	2%
Entergy Corporation	11,009.5	10	9	N	63	6	74	16	107,500	b	300,074	43%	50%	0%	7%
Energy	4,275.9	15	13	Y	64	10	75	4	100,000	b,c	291,708	35%	46%	0%	18%
Eversource Energy	8,448.2	10	9	N	65	10	75	7	250,000	e	257,733	49%	51%	0%	0%
Exelon Corporation	35,985.0	13	12	Y	66	7	75	5	125,000	b	325,052	52%	45%	0%	3%
FirstEnergy Corporation	11,261.0	11	10	Y	62	5	72	12	250,000	c,e	249,936	45%	54%	0%	1%
NextEra Energy	16,727.0	13	12	N	65	10	72	6	265,000	e	297,489	45%	54%	0%	1%
NiSource	5,114.5	10	9	Y	60	6	70	10	235,000	e,i	276,188	48%	50%	0%	2%
NRG Energy	9,478.0	10	9	Y	63	10	75	9	267,000	e,i	332,145	35%	65%	0%	0%
Pinnacle West Capital Corporation	3,691.2	11	10	N	69	11	75	7	105,000	b,c	268,696	42%	45%	0%	13%
PPL Corporation	7,785.0	9	8	N	65	10	75	7	250,000	c,e,i	262,966	46%	53%	0%	1%
Public Service Enterprise Group	9,696.0	10	9	N	68	10	75	9	95,000	b,c	290,919	54%	46%	0%	0%
Sempra Energy	11,687.0	13	12	N	63	7	75	16	85,000	b,c	283,084	43%	49%	0%	8%
The Southern Company	23,495.0	15	14	N	68	8	-	14	110,000	b,c	261,875	47%	53%	0%	0%
WEC Energy Group	7,679.5	13	10	Y	67	10	72	9	100,000	b	251,434	42%	54%	0%	4%
Xcel Energy	11,537.0	13	12	N	66	10	72	7	105,000	b,c	260,101	26%	74%	0%	0%
TOTAL UTILITIES															
Average		12	10		64	8	73	9	153,304		279,625	44%	53%	0%	3%
Median		11	10		65	7	75	9	112,500		279,636				
TOTAL S&P 500															
Average		11	9		63	8	74	8	126,200		304,856	38%	57%	3%	2%
Median		11	9		63	8	74	7	100,000		296,240				

FOOTNOTES:

- a: Includes regular, special and telephonic board meetings.
- b: Equity (stock or stock units) is paid in addition to stated retainer.
- c: Directors can elect to receive cash compensation fully or partially in stock.
- d: Stock option program for directors exists.
- e: Equity (stock or stock units) is paid as part of retainer.
- f: Dollar value equivalent for retainer not provided in proxy.
- g: Retainer paid 100% in stock.
- h: Directors can elect to receive stock in lieu of stock option grant.
- i: Equity portion of retainer paid in deferred stock.
- j: Directors can elect to receive equity retainer fully or partially in cash.
- k: Directors can elect to receive cash and/or stock compensation in stock options.

Research and Insights

Spencer Stuart regularly explores the key concerns of boards and senior management, as well as innovative solutions to the challenges they face.



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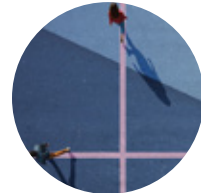
Making a Successful
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With the Stakes so High for
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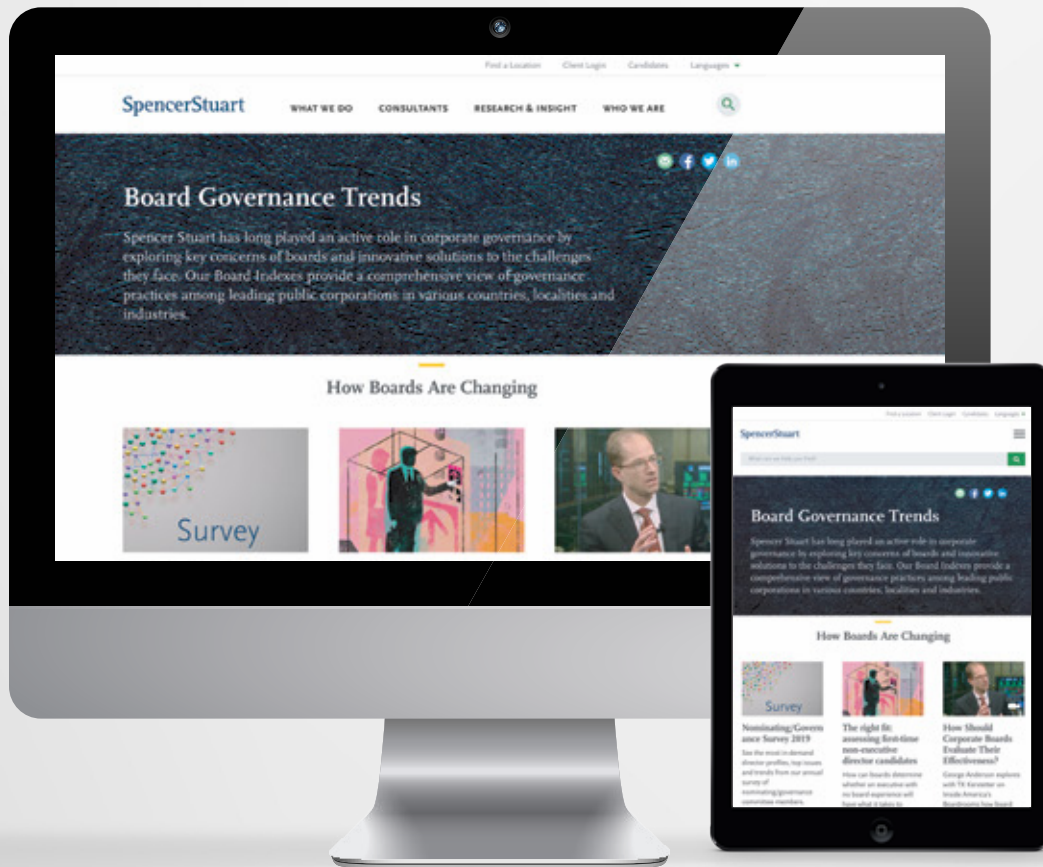
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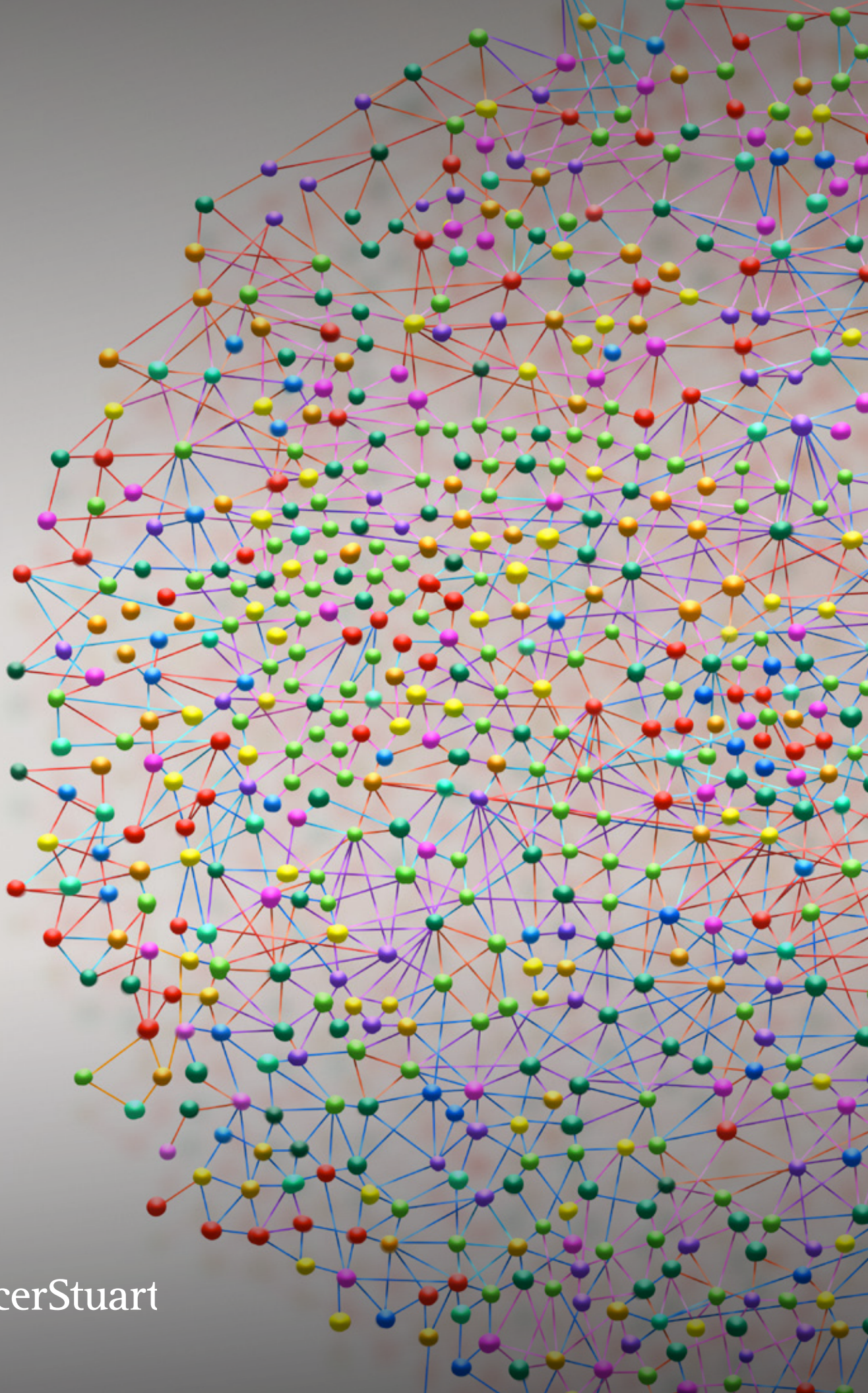
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