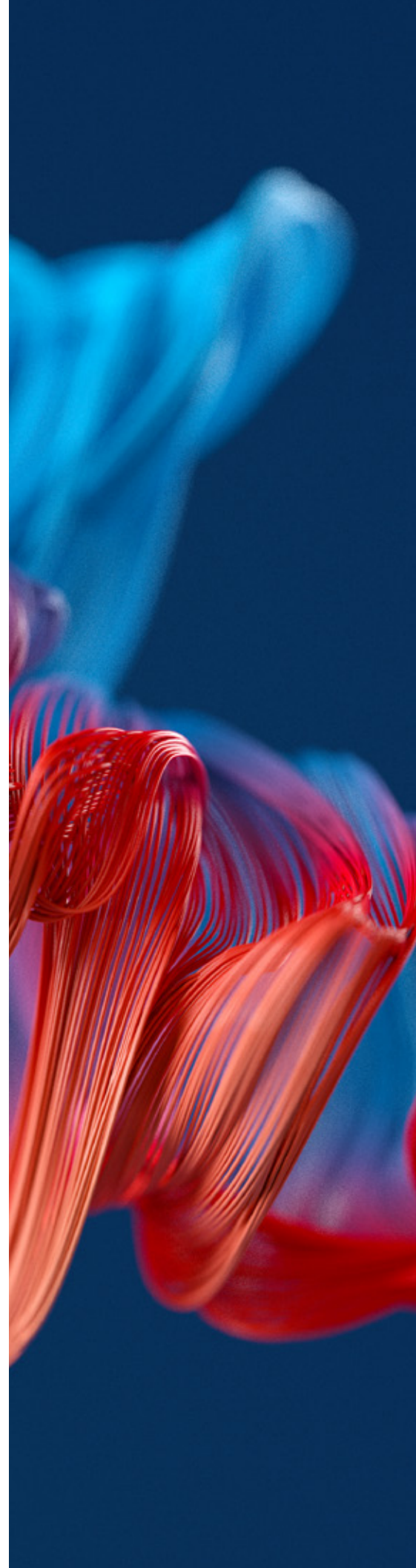


2020 Spencer Stuart Energy Sector Snapshot

The boards of energy companies in the S&P 500 — a group of 27 companies — tend to be older and less diverse than S&P 500 boards.

- » The average age of independent directors on energy boards is 64.5, higher than the S&P 500 average of 63.0 and the highest of all S&P 500 primary sectors.
- » The youngest average age of an energy board is 60.2 years and the oldest is 72.2.
- » Energy boards average 10.4 members, slightly lower than the 10.7 director average for S&P 500 company boards.
- » Independent directors represent 87% of all directors on energy boards, higher than the 85% average for the S&P 500 universe.
- » The average tenure of independent directors on energy boards is 7.0 years, below the S&P 500 average of 7.9 years and the lowest of all S&P 500 primary sectors.
- » The longest-tenured energy board is 11.9 years.

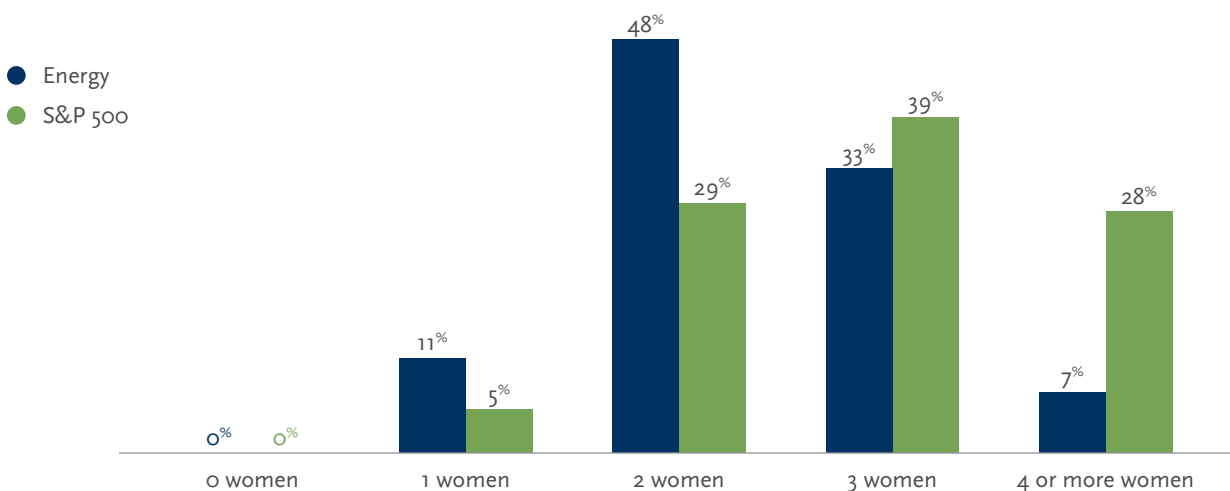


Diversity

Women represent 23% of all energy directors in 2020, below the 28% average of the S&P 500 and the lowest of all S&P 500 primary sectors.

Every S&P 500 company has at least one female director. Ninety-five percent (95%) of the S&P 500 index have at least two female directors. In contrast, 11% of energy companies have only one female director and only 40% have three or more, compared to 67% of the S&P 500. Thirteen S&P 500 boards are composed of at least 50% women; no energy boards are majority women.

Representation of Women Directors on Energy Boards



When it comes to race/ethnic diversity of the boardroom, 13% of directors of 14 energy companies in the top 200 companies are minorities (defined as Black/African American, Hispanic/Latinx and Asian), below the 20% average for the S&P 500 index and the lowest percentage of all primary sectors in the top 200. The diversity breakdown of energy company boards varies from the S&P 500: 7% Black/African American (compared to 10% of S&P 500 directors); 4% Hispanic/Latinx (compared to 4% S&P 500); and 2% Asian (compared to 5% S&P 500). According to the U.S. Census Bureau, about 40% of the U.S. population is estimated to be a minority, including 18.5% Hispanic/Latinx, 13.4% Black/African American, 5.9% Asian.

New independent director backgrounds

Fourteen energy companies — 52% of the surveyed group — added at least one director over the past year. Appointees averaged 60.0 years of age, older than the 57.8 average for all independent directors joining S&P 500 boards and the highest average of the S&P 500 primary sectors. First-time directors represented 17% of directors joining energy boards — significantly lower than the 28% overall average for the S&P 500.

Diverse directors constituted 33% of the 24 directors joining energy boards over the past year, the lowest percentage of all S&P 500 primary sectors. Of the energy sector's incoming class in 2020, 25% are women — the lowest percentage of all S&P 500 primary sectors — and 8% are minority men — the second lowest percentage of all S&P 500 primary sectors. In comparison, 59% of directors joining the S&P 500 index are diverse, including 47% women and 12% minority men.

Compared to the S&P 500 incoming class, where 49% are actively employed, 42% of the directors joining energy boards are actively employed. Backgrounds of the energy sector's 2020 incoming class vary from the other S&P 500 primary sectors, with energy boards appointing the highest percentage of attorneys (all current or former general counsels) and the second highest percentage of CEOs. It is one of only two sectors to not add any directors with chair/president/COO experience and the only sector to not add directors with line/functional experience.

Three-quarters of independent directors joining energy boards over the past year are current or former CEOs and financial executives, compared to 56% of the S&P 500 incoming class.

	2020 Energy	2020 S&P 500
CEOs	37%	29%
<i>Active</i>	8%	13%
<i>Retired</i>	29%	16%
Chairs/presidents/COOs	0%	6%
<i>Active</i>	0%	3%
<i>Retired</i>	0%	3%
Line and functional leaders	0%	16%
Division/subsidiary presidents	4%	7%
Finance/accounting executives	38%	27%
<i>Financial executives/CFOs/treasurers</i>	13%	14%
<i>Investment managers/investors</i>	25%	8%
<i>Bankers/investment bankers</i>	0%	4%
<i>Public accounting executives</i>	9%	1%
Academics/nonprofit executives	0%	3%
Consultants	4%	3%
Legal	12%	2%
<i>General counsel</i>	12%	2%
<i>Lawyers</i>	0%	0%
Others	4%	7%
<i>Government/military</i>	4%	5%
<i>Others</i>	0%	2%

Board leadership

Just under half (48%) of the energy companies in the S&P 500 index separate the chair and CEO roles, below the 55% average for the S&P 500 index. Independent chairs are in place at 33% of energy companies, slightly below the 34% of the S&P 500 index. Seventy percent (70%) of all energy companies have an independent lead or presiding director, versus 73% of the S&P 500.

Board organization and process

As detailed below, energy boards meet more often and committees meet less often than the S&P 500 index. While 70% of S&P 500 boards have adopted mandatory retirement policies, 85% of energy boards have adopted age limits for directors, the second largest percentage of all S&P 500 primary sectors.

	2020 Energy	2020 S&P 500
Classified board	7%	10%
Board meetings (avg #)	8.5	7.9
Board committees (avg #)	4.1	4.2
Audit committee		
<i>Size (avg #)</i>	4.6	4.4
<i>Meetings (avg #)</i>	7.3	8.2
Compensation committee		
<i>Size (avg #)</i>	4.4	4.3
<i>Meetings (avg #)</i>	5.3	5.9
Nominating/governance committee		
<i>Size (avg #)</i>	5.1	4.4
<i>Meetings (avg #)</i>	4.3	4.5
Mandatory retirement	85%	70%
Retirement age (avg)	73.9	73.6

Energy sector companies

Apache Corporation

Baker Hughes

Cabot Oil & Gas Corporation

Chevron Corporation

Concho Resources

ConocoPhillips

Devon Energy Corporation

Diamondback Energy

EOG Resources

Exxon Mobil Corporation

Halliburton Company

Helmerich & Payne

Hess Corporation

HollyFrontier Corporation

Kinder Morgan

Marathon Oil Corporation

Marathon Petroleum Corporation

National Oilwell Varco

Noble Energy

Occidental Petroleum Corporation

ONEOK

Phillips 66

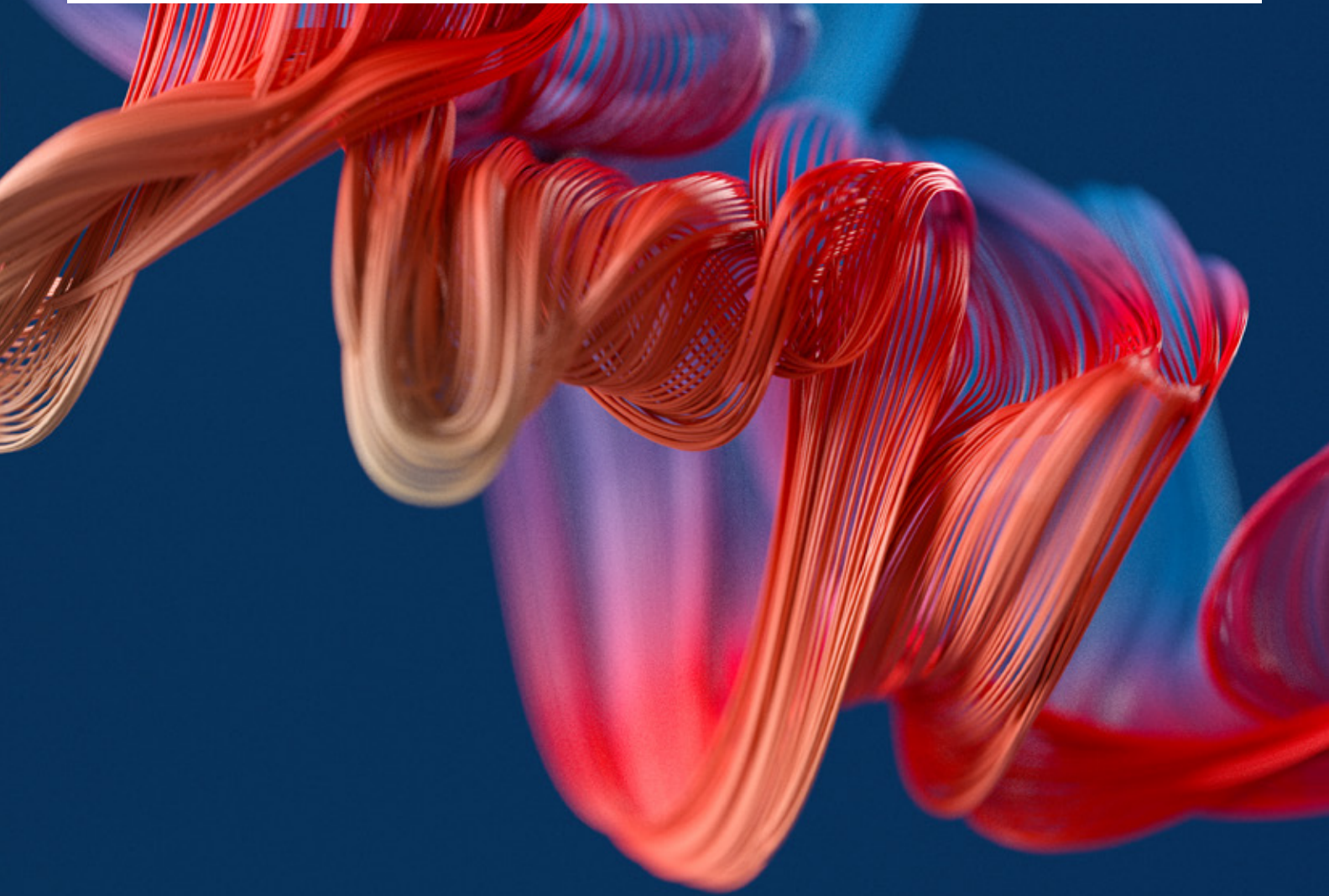
Pioneer Natural Resources Company

Schlumberger Limited

TechnipFMC plc

The Williams Companies

Valero Energy Corporation



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