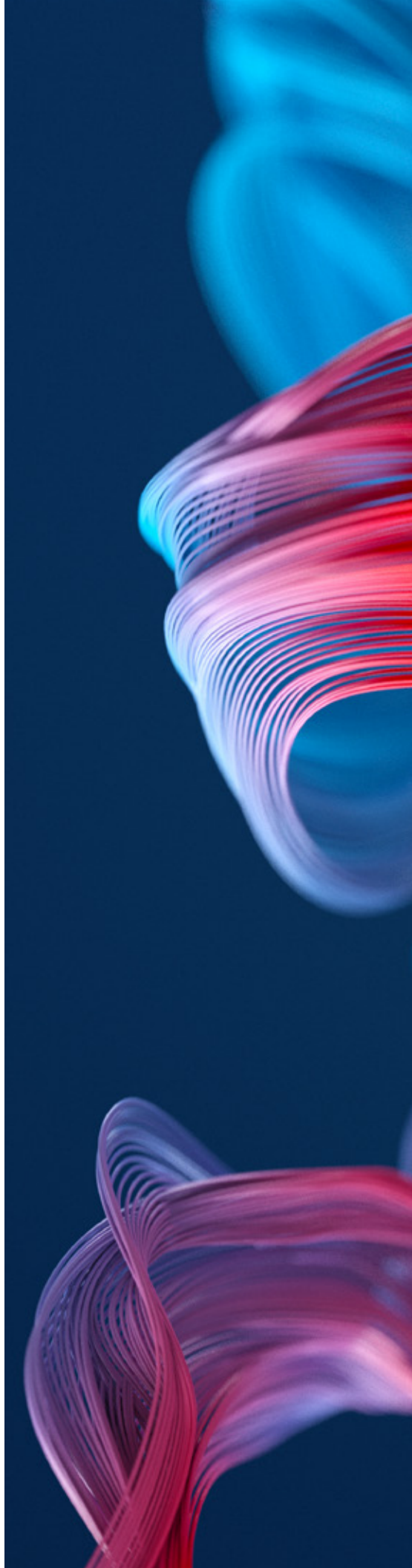


## 2020 Spencer Stuart Utilities Sector Snapshot

Utility company boards in the S&P 500 — a group of 28 companies — tend to be older and longer tenured than S&P 500 boards.

- » The average age of independent directors on utility boards is 64.0, one year older than the S&P 500 average of 63.0.
- » The youngest average age of a utility board is 57.9 years and the oldest is 68.4.
- » Utility boards average 11.5 members, higher than the 10.7 director average for S&P 500 company boards and the second highest of all S&P 500 primary sectors.
- » Independent directors represent 88% of all directors on utility boards, higher than the 85% average for the S&P 500 universe and the highest of all S&P 500 primary sectors.
- » The average tenure of independent directors on utility boards is 7.6 years, slightly below the S&P 500 average of 7.9 years.
- » The longest-tenured utility board is 11.5 years.

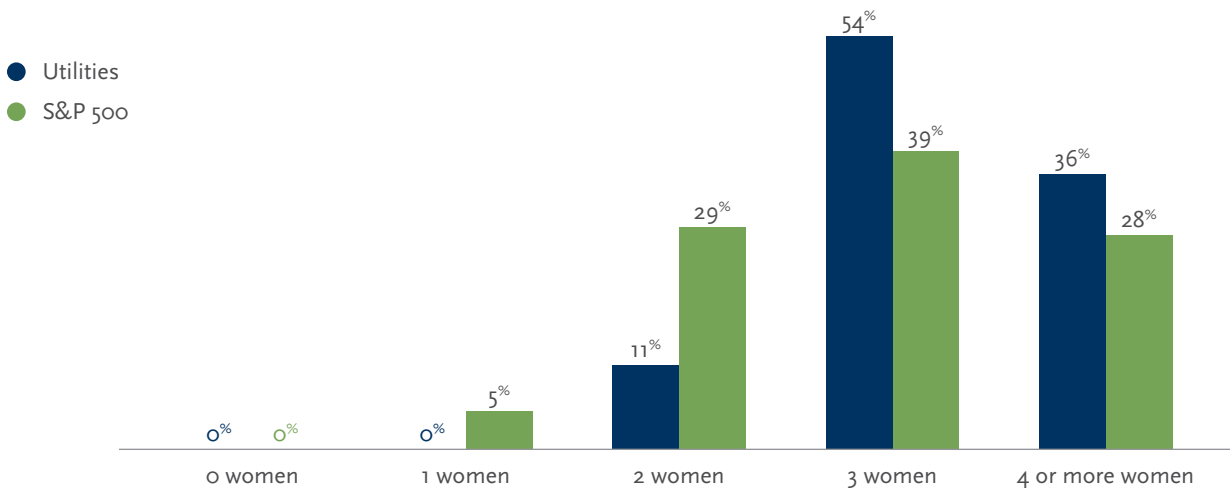


## Diversity

Gender diversity of utilities boards is slightly higher than the S&P 500 universe, with women representing 29% of all utility board members in 2020, compared to 28% of S&P 500 directors.

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, and two-thirds (67%) of S&P 500 companies have three or more female directors. In contrast, all utility companies have at least two female directors, and 90% have three or more women, compared to 67% of the S&P 500. Thirteen S&P 500 boards are composed of at least 50% women; no utility boards are majority women.

### Representation of Women Directors on Utilities Boards



## New independent director backgrounds

Twenty utility companies — 71% of the surveyed group — added at least one director over the past year. Appointees averaged 59.3 years of age, older than the 57.8 average for all independent directors joining S&P 500 boards. First-time directors represented 11% of directors joining utility boards in 2020 — significantly lower than the 28% overall average for the S&P 500 and the lowest percentage of S&P primary sectors.

More than half (54%) of the 28 directors joining utility boards over the past year are diverse; 36% are women — the second lowest percentage of all S&P 500 primary sectors, and 18% are minority men — the highest 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.

Similar to the S&P 500 incoming class, where 49% of the independent directors are active executives, 50% of the directors joining utility boards are actively employed. Compared to the S&P 500 incoming class, more independent directors joining utility boards over the past year are current or former CEOs — the highest percentage of all S&P 500 primary sectors — and division leaders. Most (83%) of the additions are current or former CEOs (39%); finance management/CFO/treasurers (22%); and line/functional or subsidiary/division leaders (22%).

	2020 Utilities	2020 S&P 500
<b>CEOs</b>	<b>39%</b>	<b>29%</b>
<i>Active</i>	18%	13%
<i>Retired</i>	21%	16%
<b>Chairs/presidents/COOs</b>	<b>7%</b>	<b>6%</b>
<i>Active</i>	7%	3%
<i>Retired</i>	0%	3%
<b>Line and functional leaders</b>	<b>11%</b>	<b>16%</b>
<b>Division/subsidiary presidents</b>	<b>11%</b>	<b>7%</b>
<b>Finance/accounting executives</b>	<b>22%</b>	<b>27%</b>
<i>Financial executives/CFOs/treasurers</i>	11%	14%
<i>Investment managers/investors</i>	7%	8%
<i>Bankers/investment bankers</i>	0%	4%
<i>Public accounting executives</i>	4%	1%
<b>Academics/nonprofit executives</b>	<b>0%</b>	<b>3%</b>
<b>Consultants</b>	<b>4%</b>	<b>3%</b>
<b>Legal</b>	<b>4%</b>	<b>2%</b>
<i>General counsel</i>	4%	2%
<i>Lawyers</i>	0%	0%
<b>Others</b>	<b>4%</b>	<b>7%</b>
<i>Government/military</i>	4%	5%
<i>Others</i>	0%	2%

## Board leadership

Half of the utility companies in the S&P 500 index separate the chair and CEO roles, slightly below the 55% average for the S&P 500 index. Independent chairs are in place at 29% of utility companies, compared to 34% of the S&P 500 index. Eighty-six percent (86%) of all utility companies have an independent lead or presiding director — the highest percentage of all S&P 500 primary sectors and significantly higher than the 75% average of the S&P 500.

## Board organization and process

As detailed below, utility boards and committees meet more often than the S&P 500 index. Utility boards average 5.2 committees, the highest average of all S&P 500 primary sectors. Following audit, compensation and nominating/governance committees, the most prevalent utility boards' committees are finance (75% of utilities); executive (39% of utilities); environmental (39% of utilities); and nuclear/energy (29% of utilities).

Only 4% of utility companies have staggered, three-year terms for directors, the second lowest percentage of all primary sectors. In contrast, 10% of S&P 500 companies have classified boards. While 70% of S&P 500 boards have adopted mandatory retirement policies, 89% of utility boards have adopted age limits for directors, the highest percentage of all S&P 500 primary sectors.

	2020 Utilities	2020 S&P 500
<b>Classified board</b>	4%	10%
<b>Board meetings (avg #)</b>	8.7	7.9
<b>Board committees (avg #)</b>	5.2	4.2
<b>Audit committee</b>		
<i>Size (avg #)</i>	5	4.4
<i>Meetings (avg #)</i>	6.9	8.2
<b>Compensation committee</b>		
<i>Size (avg #)</i>	4.8	4.3
<i>Meetings (avg #)</i>	5.9	5.9
<b>Nominating/governance committee</b>		
<i>Size (avg #)</i>	4.6	4.4
<i>Meetings (avg #)</i>	5.1	4.5
<b>Mandatory retirement</b>	89%	70%
<b>Retirement age (avg)</b>	73.4	73.6

## Utilities sector companies

Alliant Energy Corporation

Ameren Corporation

American Electric Power Company

American Water Works Company

Atmos Energy Corporation

CenterPoint Energy

CMS Energy Corporation

Consolidated Edison

Dominion Energy

DTE Energy Company

Duke Energy Corporation

Edison International

Entergy Corporation

Energy

Eversource Energy

Exelon Corporation

FirstEnergy Corporation

NextEra Energy

NiSource

NRG Energy

Pinnacle West Capital Corporation

PPL Corporation

Public Service Enterprise Group

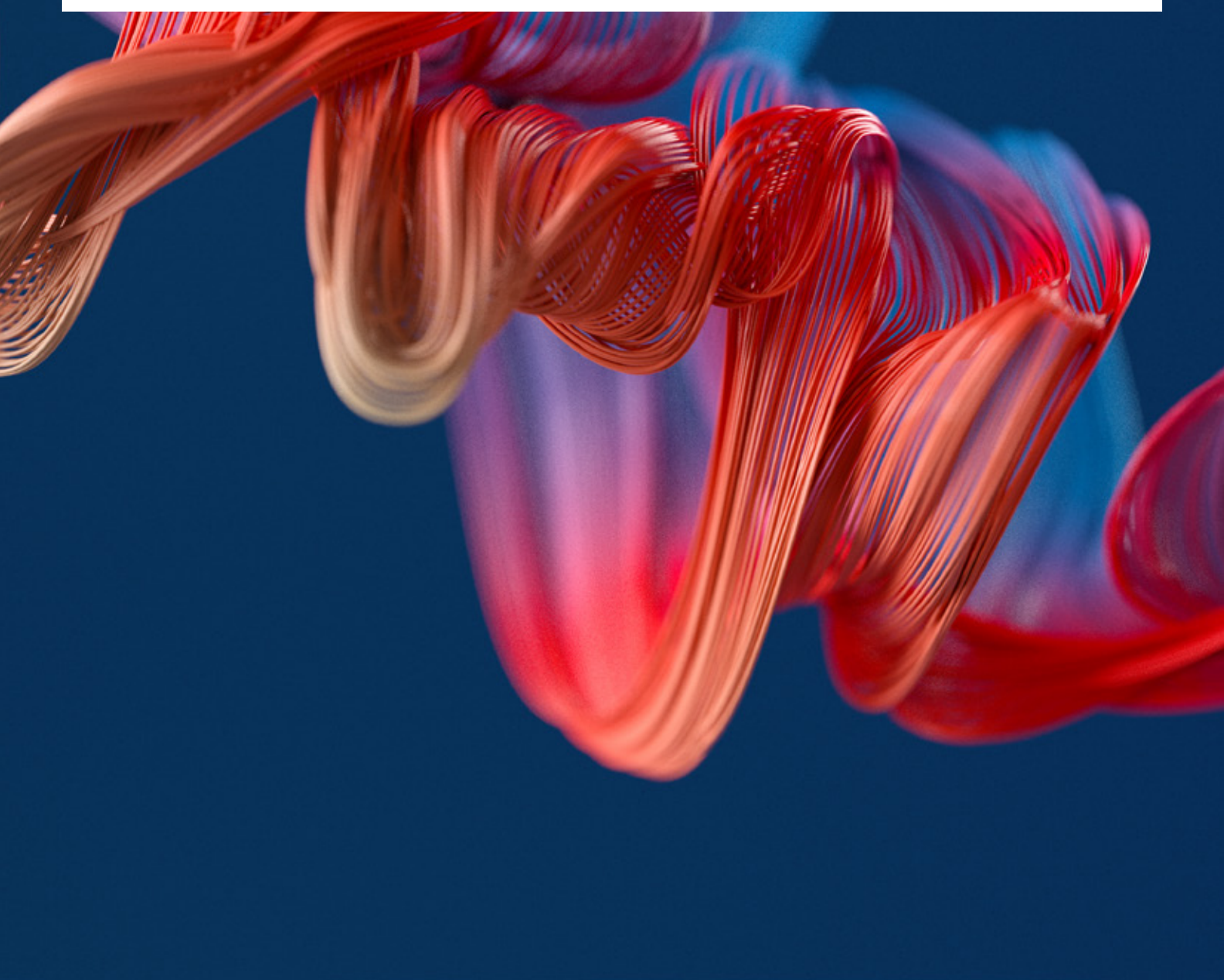
Sempra Energy

The AES Corporation

The Southern Company

WEC Energy Group

Xcel Energy



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