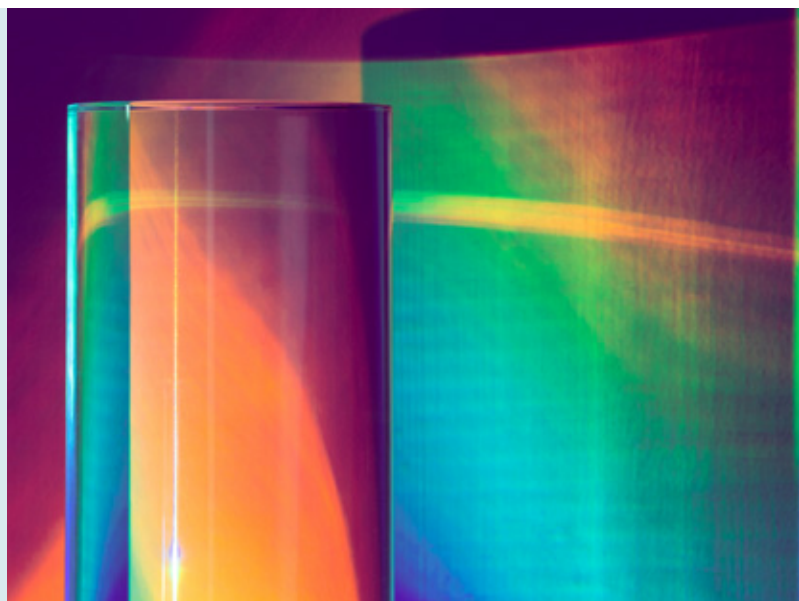


2021 Spencer Stuart Communication Services Sector Snapshot



Communication services companies in the S&P 500 — a group of 22 companies — experienced the lowest refreshment rate of all sectors, with only 27% appointing new independent directors in 2021. However, all of the independent directors joining communication services boards in 2021 came from underrepresented communities — 50% women and 50% Black/African American, Hispanic/Latino and Asian men.

- » The average age of independent directors on communication services boards is 61.3, significantly lower than the S&P 500 average of 63.0 and the youngest of all S&P 500 primary sectors.
- » The youngest average age of a communication services board is 49.5 years, and the oldest is 70.7.
- » Communication services boards average 10.3 members, smaller than the 10.8 director average for S&P 500 company boards.
- » Independent directors represent 79% of all directors on communication services boards, significantly lower than the 86% average for the S&P 500 universe and the lowest of all S&P 500 primary sectors.
- » The average tenure of independent directors on communication services boards is 7.8 years, matching the S&P 500 average.
- » The longest tenure of a communication services board is 13.4 years.

Editor's Note: The data in this report is taken from the 2021 *U.S. Spencer Stuart Board Index* which is based on our analysis of the most recent proxy reports from the S&P 500. The 2021 edition of the index draws on the latest DEF14A proxy statements from 493 companies filed with the SEC between May 28, 2020, and May 13, 2021.

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

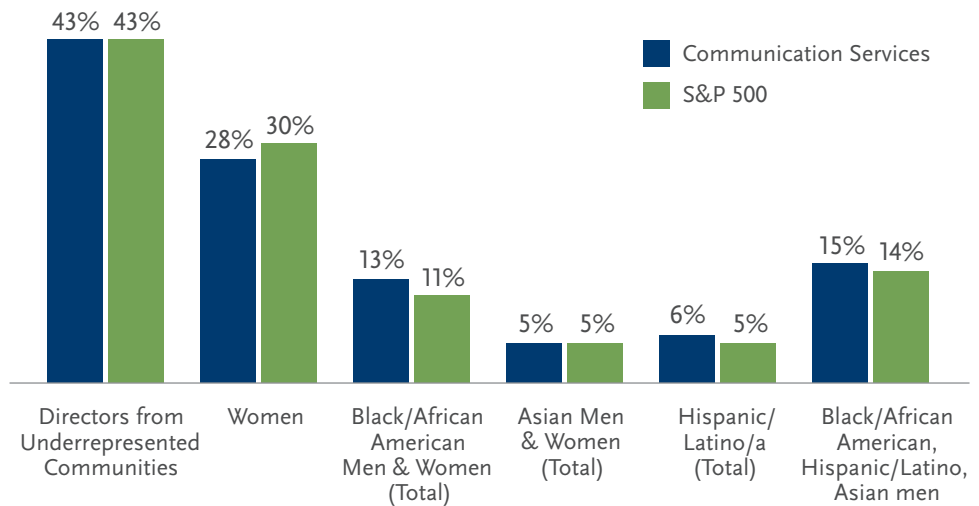
Diversity

The diversity of communication services boards matches the S&P 500 universe, with directors from underrepresented communities (women, Black/African American, Hispanic/Latino and Asian men) constituting 43% of directors on communication services boards. Women represent 28% of all communication services board members in 2021, compared to 30% of S&P 500 directors and tied with the industrials sector for having the second-lowest gender diversity of all primary sectors.

Both the communication services sector and the S&P 500 index fall short of reflecting U.S. demographics, where according to the U.S. Census Bureau, 51% of the U.S. population are women and about 42% identify as Hispanic/Latino/a (18.5%), Black/African American (13.4%), Asian (5.9%), American Indian or Alaskan native (1.3%) or multiracial (2.8%).

No communication services companies disclosed director-specific race/ethnicity details. In contrast, on average, 28% of S&P 500 companies provided this detail. Less than one-quarter (23%) of the sector disclosed a commitment to including directors from underrepresented communities in searches for new directors, compared with 39% of S&P 500 companies — and the lowest of all sectors.

DIVERSITY OF COMMUNICATION SERVICES BOARDS



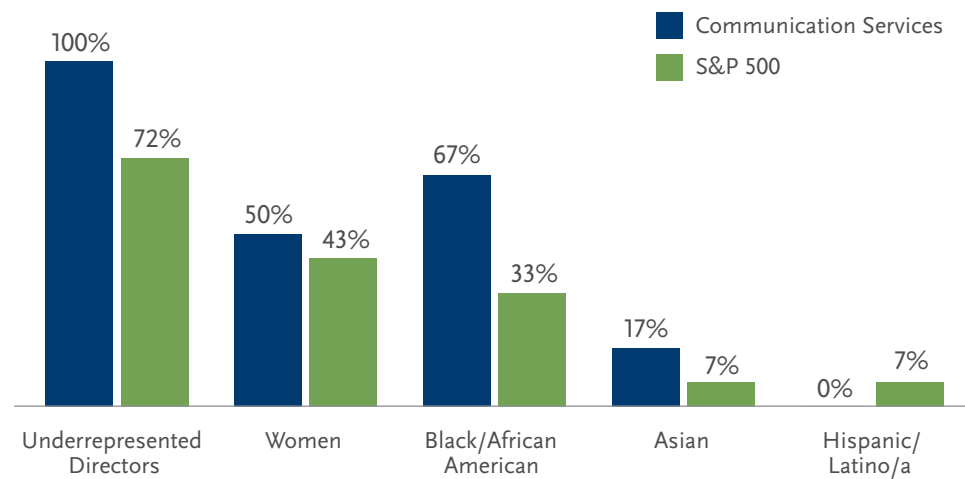
One communication services board (5% of the sector) has no Black/African American, Hispanic/Latino/a or Asian directors. In contrast, 37 (8%) S&P 500 boards have no Black/African American, Hispanic/Latino/a or Asian directors. Ninety-six percent (96%) of the S&P 500 index have at least two female directors, and two-thirds (72%) of S&P 500 boards have three or more female directors. In contrast, 55% of communication services boards have three or more women directors, the second-lowest of all primary sectors. Sixteen S&P 500 boards are composed of at least 50% women, including two communication services boards.

New independent director backgrounds

Only six communication services boards — 27% of the sector, the lowest percentage of all primary sectors — have added at least one independent director over the past year. Appointees averaged 59.3 years of age, nearly two years older than the 57.5 average for all independent directors joining S&P 500 boards, and the oldest average of all sectors. First-time directors represented 17% of independent directors joining communication services boards, half the 35% overall average for the S&P 500 and the second lowest of all sectors.

All (100%) of the six independent directors joining communications services boards over the past year are from underrepresented communities, compared to 72% of directors joining S&P 500 boards, and the highest of all sectors. The communication services sector appointed the highest percentage of Black/African American and Asian directors and the lowest percentage of Hispanic/Latino/a directors although the overall numbers of directors are small.

DIVERSITY OF INDEPENDENT DIRECTORS JOINING COMMUNICATION SERVICES BOARDS



Half (50%) of the independent directors joining communication services boards are actively employed, compared to 56% of independent directors joining S&P 500 boards. In 2021, communication services boards recruited the highest percentage of CEOs and investment managers/investors, accountants and academics/non-profit executives — and the lowest percentage of division/subsidiary executives of all sectors.

NEW INDEPENDENT DIRECTOR FUNCTIONAL BACKGROUNDS

	2021 Communication Services	2021 S&P 500
CEOs	33%	22%
<i>Active</i>	17%	12%
<i>Retired</i>	17%	10%
Chairs/presidents/COOs	0%	4%
<i>Active</i>	0%	2%
<i>Retired</i>	0%	2%
Line/functional leaders	17%	21%
Division/subsidiary leaders	0%	12%
Finance/accounting executives	33%	27%
<i>Financial executives/CFOs/treasurers</i>	0%	13%
<i>Investment managers/investors</i>	17%	8%
<i>Bankers/investment bankers</i>	0%	3%
<i>Public accounting executives</i>	17%	3%
Academics/nonprofit executives	17%	4%
Consultants	0%	1%
Legal	0%	4%
Others	0%	5%

Board leadership

More than two-thirds (68%) of the communication services companies separate the chair and CEO roles, higher than the 59% average. Independent chairs are in place at only 27% of communication services companies, below the 37% for the overall S&P 500 and tied with the financial sector as the lowest of all sectors. Sixty-eight percent (68%) of all communication services companies have an independent lead or presiding director, below the 70% average.

Board organization and process

Committee sizes of communication services boards average the smallest of all sectors. As detailed below, while 70% of S&P 500 boards have adopted mandatory retirement policies, only 36% of communication services boards have adopted age limits for directors — the lowest percentage of all sectors.

BOARD ORGANIZATION AND PROCESS

	2021 Communication Services	2021 S&P 500
Classified board	9%	10%
Board meetings (avg #)	9.9	9.4
Board committees (avg #)	3.8	4.2
Audit committee		
<i>Size (avg #)</i>	3.5	4.5
<i>Meetings (avg #)</i>	7.7	8.4
Compensation committee		
<i>Size (avg #)</i>	3.7	4.3
<i>Meetings (avg #)</i>	6.5	6.2
Nominating/governance committee		
<i>Size (avg #)</i>	3.5	4.4
<i>Meetings (avg #)</i>	4.5	4.7
Mandatory retirement	36%	70%
Retirement age (avg)	73.0	73.7

Communication Services Companies

Activision Blizzard
Alphabet
AT&T
Charter Communications
Comcast Corporation
Discovery
DISH Network Corporation
Electronic Arts

Facebook
Fox Corporation
Live Nation Entertainment
Lumen Technologies
Netflix
News Corporation
Omnicom Group
T-Mobile US

Take-Two Interactive Software
The Interpublic Group of Companies
The Walt Disney Company
Twitter
Verizon Communications
ViacomCBS



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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 70 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 culture and organizational effectiveness. For more information on Spencer Stuart, please visit www.spencerstuart.com.

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