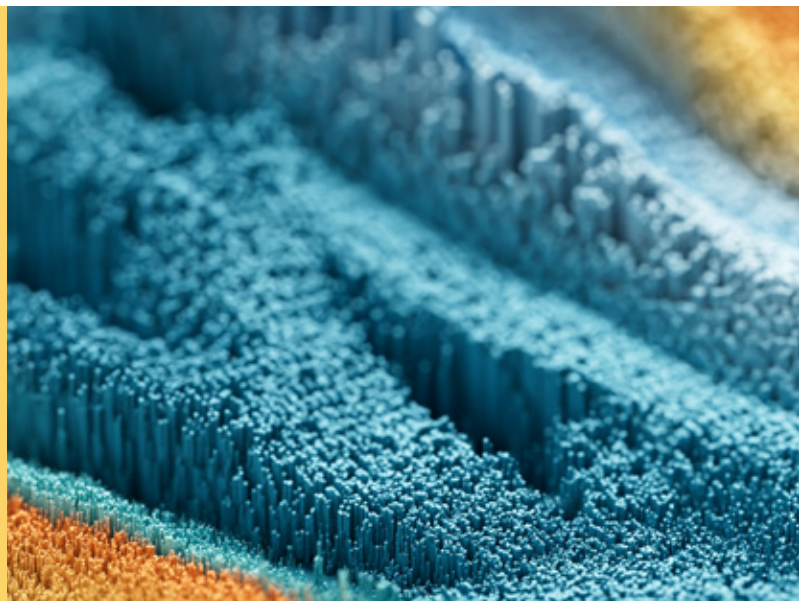


2025 Spencer Stuart Utilities Sector Snapshot



Boards of 31 utilities companies in the S&P 500 index tend to be larger, older and less tenured than S&P 500 boards.

- » The average age of independent directors on utilities boards is 64.2 years, higher than the 63.6-year average for S&P 500 boards.
- » The youngest average age of a utilities board is 58.4 years, the oldest is 68.1 years.
- » Utilities boards average 11.2 directors, higher than the 10.7 average of S&P 500 boards.
- » Independence of utilities boards averages 90% — the highest of all sectors — versus 86% for S&P 500 boards.
- » The average board tenure of independent directors on utilities boards is 6.8 years, lower than the 7.8-year average for S&P 500 boards and the lowest of all sectors.
- » The longest-tenured utilities board averages 11.0 years.

New independent director backgrounds

The 31 utilities sector boards added 28 new independent directors to the boardroom in the past year. Among the utilities companies, 58% added at least one independent director (tied with the industrials sector as highest), while 26% added more than one — both metrics the highest of all sectors for the second consecutive year. In contrast, half of S&P 500 boards added at least one independent director, and 16% added more than one.

Demographics of utilities sector new independent directors

- » Appointees averaged 58.8 years of age, compared to a 59.1-year average for all independent directors joining S&P 500 boards.
- » First-time directors represented 36% of independent directors joining utilities boards — higher than the 31% for the S&P 500.
- » NextGen directors (aged 50 or younger) comprised 14% of the sector's incoming class, compared to 11% for the S&P 500 incoming class.
- » One-third (32%) of the independent directors joining utilities boards are actively employed, compared to 41% of independent directors joining S&P 500 boards this year.

In contrast to last year when the sector recruited the highest percentage of chairs/presidents/COOs, this year the sector (along with the communications sector) appointed no directors with this background. This year the sector recruited the lowest percentage of CFOs of all sectors. And compared to last year, when it appointed the lowest percentage of P&L/operational leaders, this year the sector tied with the consumer sector for recruiting the highest percentage of directors with P&L/operational leadership. The sector tied with the financial sector for second highest recruitment of bankers.

NEW INDEPENDENT DIRECTOR BACKGROUNDS

| | 2025 Utilities | 2025 S&P 500 |
|--|----------------|--------------|
| CEOs | 25% | 30% |
| <i>Active</i> | 11% | 12% |
| <i>Retired</i> | 14% | 18% |
| Chairs/presidents/COOs | 0% | 4% |
| <i>Active</i> | 0% | 2% |
| <i>Retired</i> | 0% | 3% |
| Functional leaders | 18% | 15% |
| P&L leaders | 14% | 10% |
| Financial backgrounds | 29% | 29% |
| <i>Financial executives/CFOs/ treasurers</i> | 7% | 16% |
| <i>Investment managers/ investors</i> | 7% | 8% |
| <i>Bankers/investment bankers</i> | 11% | 4% |
| <i>Public accounting executives</i> | 4% | 2% |
| Academics/nonprofit executives | 4% | 2% |
| Consultants | 0% | 1% |
| Legal | 4% | 2% |
| Others | 7% | 6% |
| TOTAL | | |
| <i>Active</i> | 32% | 41% |
| <i>Retired</i> | 68% | 59% |

Overall board composition

Utilities boards have the highest percentage of functional leaders of all sectors. The sector ties with the industrials sector for the second lowest percentage of financial professionals in general and the lowest percentage of investors in particular.

OVERALL BOARD COMPOSITION

| | 2025 Utilities | 2025 S&P 500 |
|--|----------------|--------------|
| CEOs | 26% | 31% |
| <i>Active</i> | 7% | 9% |
| <i>Retired</i> | 19% | 22% |
| Chairs/presidents/COOs | 4% | 3% |
| <i>Active</i> | 0% | 1% |
| <i>Retired</i> | 4% | 2% |
| Functional leaders | 17% | 14% |
| P&L leaders | 10% | 9% |
| Financial backgrounds | 24% | 28% |
| <i>Financial executives/CFOs/ treasurers</i> | 10% | 12% |
| <i>Investment managers/ investors</i> | 6% | 10% |
| <i>Bankers/investment bankers</i> | 5% | 5% |
| <i>Public accounting executives</i> | 3% | 2% |
| Academics/nonprofit executives | 4% | 5% |
| Consultants | 3% | 3% |
| Legal | 4% | 3% |
| Others | 5% | 5% |
| TOTAL | | |
| <i>Active</i> | 29% | 37% |
| <i>Retired</i> | 71% | 63% |

Board leadership

The chair and CEO roles are combined at 45% of utilities boards — higher than the 39% of S&P 500 boards. The utilities sector is the only sector with no executive chairs, versus 13% for the S&P 500. Independent chairs lead 48% of utilities boards, compared to 41% of the S&P 500 and tied with the real estate sector as the second highest of all sectors. Less than two-thirds (61%) of utilities boards name an independent lead director, matching the 61% of the S&P 500.

Board organization and process

The utilities sector is the only sector where 100% of boards have stock ownership requirements. The sector ties with real estate for having the highest percentage of declassified boards.

DIRECTOR ELECTIONS AND STOCK OWNERSHIP

| | 2025 Utilities | 2025 S&P 500 |
|--|----------------|--------------|
| Annual elections of directors | 97% | 89% |
| Majority voting for directors | 94% | 88% |
| Stock ownership requirements for directors | 100% | 93% |

Utilities boards, on average, have the most board committees of all the sectors. The sector's audit committees averaged the lowest number of committee meetings and tied with the financials sector for the highest average number of nominating/governance committee meetings.

BOARD AND COMMITTEE SIZE AND MEETINGS

| | 2025 Utilities | 2025 S&P 500 |
|--|----------------|--------------|
| Board | | |
| Size (avg #) | 11.2 | 10.7 |
| Meetings (avg #) | 7.1 | 7.1 |
| Board committees (avg #) | 5.0 | 4.1 |
| Audit committee | | |
| Size (avg #) | 4.8 | 4.5 |
| Meetings (avg #) | 6.6 | 8.1 |
| Compensation committee | | |
| Size (avg #) | 4.4 | 4.2 |
| Meetings (avg #) | 5.4 | 5.6 |
| Nominating/governance committee | | |
| Size (avg #) | 4.5 | 4.3 |
| Meetings (avg #) | 4.9 | 4.7 |

The most common additional committees for the utilities sector are: finance (most of all sectors); environmental/health/safety (the most of all sectors); executive; and science/tech/cyber.

PREVALENCE OF STANDING COMMITTEES

| Committees | 2025 Utilities | 2025 S&P 500 |
|-----------------------------|----------------|--------------|
| Finance | 68% | 26% |
| Executive | 32% | 24% |
| Science/tech/cyber | 10% | 18% |
| Environmental/health/safety | 45% | 15% |
| Risk | 3% | 11% |
| Social responsibility | 3% | 6% |
| Legal | 0% | 4% |
| Investment | 0% | 3% |
| Strategy | 0% | 1% |

Turnover policies

The utilities sector has the highest percentage of mandatory retirement policies of all sectors. The sector is the only one where 100% of boards have policies requiring directors to offer to resign from the board in the event of a material change in circumstances.

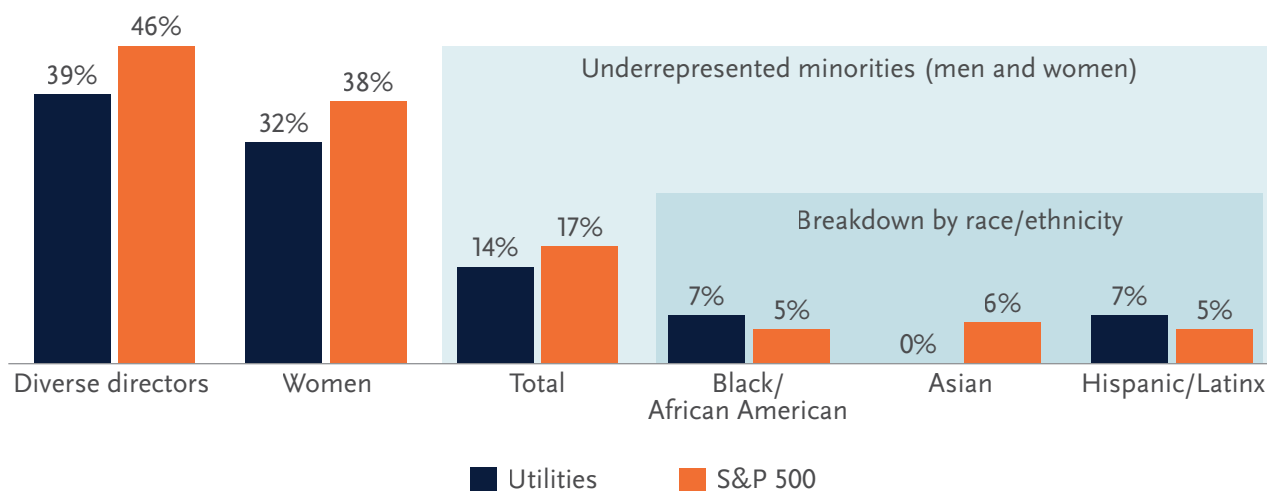
TURNOVER POLICIES

| | 2025 Utilities | 2025 S&P 500 |
|---|----------------|--------------|
| Mandatory retirement policy | | |
| % companies | 87% | 66% |
| Retirement age (avg yrs) | 74.3 | 74.2 |
| Tenure policy | | |
| % companies | 13% | 10% |
| Tenure limit (avg yrs) | 14.5 | 14.5 |
| Material change resignation policy | | |
| % companies | 100% | 88% |

Diversity — utilities incoming class

Directors from diverse communities — defined using the Nasdaq's former definition of directors who self-identify as female and/or an underrepresented minority (Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races or ethnicities), and/or LGBTQ+ — constituted 39% of the 28 independent directors joining utilities boards over the past year, compared to 46% of independent directors joining S&P 500 boards. The sector lagged the overall S&P 500 index in recruitment of women and directors who self-identify as underrepresented minorities.

DIVERSITY OF INDEPENDENT DIRECTORS JOINING UTILITIES BOARDS



Diversity — utilities boards

More than half (51%) of directors serving on utilities boards are diverse, compared to 50% of the S&P 500. The sector has the highest percentage of Black/African American and Hispanic directors (tied with consumer sector). The utilities and real estate sectors are the only sectors where all boards have three or more women directors.

DIVERSITY OF ALL UTILITIES DIRECTORS

| | Diverse directors | Women | Underrepresented minorities (men and women) | | | | Boards with... | |
|-----------|-------------------|-------|---|------------------------|-------|-----------------|-----------------|---------------|
| | | | Total | Black/African American | Asian | Hispanic/Latinx | 3 or more women | 3 or more URM |
| Utilities | 51% | 35% | 26% | 16% | 3% | 7% | 100% | 61% |
| S&P 500 | 50% | 35% | 24% | 12% | 7% | 5% | 92% | 49% |

Diversity — board leadership

The utilities sector has the highest percentage of female independent lead directors but lags the S&P 500 on female independent chairs. The sector (along with the real estate sector) has the second lowest percentage of lead directors who self-identify as underrepresented minorities.

| | 2025 Utilities | 2025 S&P 500 |
|----------------------------------|----------------|--------------|
| Independent chair | | |
| % women | 13% | 19% |
| % underrepresented minority | 13% | 10% |
| Independent lead director | | |
| % women | 58% | 25% |
| % underrepresented minority | 5% | 13% |

Utilities companies

- » Alliant Energy Corporation
- » Ameren Corporation
- » American Electric Power Company
- » American Water Works Company
- » Atmos Energy Corporation
- » CenterPoint Energy
- » CMS Energy Corporation
- » Consolidated Edison
- » Constellation Energy Corporation
- » Dominion Energy
- » DTE Energy Company
- » Duke Energy Corporation
- » Edison International
- » Entergy Corporation
- » Evergy
- » Eversource Energy
- » Exelon Corporation
- » FirstEnergy Corporation
- » NextEra Energy
- » NiSource
- » NRG Energy
- » PG&E Corporation
- » Pinnacle West Capital Corporation
- » PPL Corporation
- » Public Service Enterprise Group
- » Sempra
- » The AES Corporation
- » The Southern Company
- » Vistra
- » WEC Energy Group
- » Xcel Energy





About Spencer Stuart

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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 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, and many facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit www.spencerstuart.com.

