

SpencerStuart



2017
Atlanta
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 56 offices, 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 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 600 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 1,800 board director roles and recruited more than 600 diversity 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 *Spencer Stuart U.S. Board Index (SSBI)*, now in its 32nd 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

Social Media @ Spencer Stuart

Stay up to date on the trends and topics that are relevant to your business and career.



© 2018 Spencer Stuart. All rights reserved.

For information about copying, distributing and displaying this work, contact: permissions@spencerstuart.com.

Contents

1	INTRODUCTION
3	BOARD COMPOSITION
3	Board Size
3	Length of Term
3	Age of Directors
4	Director Tenure
4	Mandatory Retirement
4	Female Representation
5	Separation of Chairman and CEO Roles
5	Lead/Presiding Directors
6	CEO Outside Board Service
6	Diversity
8	New Independent Directors
9	BOARD ORGANIZATION AND PROCESS
9	Number of Board Meetings
9	Board Committees
11	DIRECTOR COMPENSATION
11	Total Compensation
11	Board Retainers
12	Meeting Fees
12	Committee Compensation
13	Board Leadership Compensation
13	Equity Compensation
14	BOARD COMPARISON
17	COMPARATIVE BOARD DATA

Introduction

Across the corporate landscape, the composition of boards is an increasingly important issue. Active and activist investors are looking much more closely at whether boards have the right mix of skills, perspectives and backgrounds to drive the company's strategic objectives and risks.

61%

New Atlanta directors
who are women

Now in its fifth year, the *Spencer Stuart Atlanta Board Index* examines regional boards to see how they are responding to the changing moods of investors and the general public, and also compares its figures to national data. Specifically, we look at trends and practices at Atlanta-based companies, such as: the internal construct of boards, how corporate governance measures up to the S&P 500 (where applicable research methodologies are consistent), and how governance practices, processes and trends shift over time.

We look at 42 Atlanta companies through two lenses — those with revenues of \$5B or more (17 companies) and those with revenues between \$1B and \$5B (25 companies). Compared with 2016, we found several areas where Atlanta boards have been evolving and tracking best practices with the S&P 500, and other areas in which they have not made as much progress as expected.

50%

Atlanta boards that report a
mandatory retirement age

Notable changes from the 2016 index include a drop in racial diversity but a sizeable increase in new women directors, and a continued decline in mandatory retirement figures:

- » Historically, Atlanta boards have been **less racially diverse** than the top 200 of the S&P 500*. That trend continues, and the gulf has widened even more: the percentage of minority board members in Atlanta decreased from 10% to 7%, while that same figure for the top 200 of the S&P 500 increased from 16% to 17%.
- » The trend toward **more women on Atlanta boards** is heading upward, as 61% (a total of 23 seats) of new directors are women. In 2016, 23% of new Atlanta directors were women. That's also a significantly higher percentage of new women directors than on S&P 500 boards, where women accounted for 36% of new board members.

*In the *Spencer Stuart U.S. Board Index (SSBI)*, minority data for all directors is compiled from the top 200 of the S&P 500.

- » **Fewer Atlanta boards have a mandatory retirement age** than in previous years: In 2017, 50% of Atlanta boards reported a mandatory retirement age — down from 68% in 2013, the first year we published the *Atlanta Board Index*. Seventy-three percent of S&P 500 boards have a mandatory retirement age. Among Atlanta boards that reported a mandatory retirement age, the highest percentage set that number at 75 years old and older. By comparison, most 2013 boards set the mandatory retirement age at 72 — the same age as most S&P 500 boards.
- » The number of Atlanta-area **CEOs serving on outside boards continues to decrease** and there is a direct correlation between the revenue of the CEO's company and the likelihood that he or she sits on an outside board. Only 35% of CEOs from companies with revenue greater than \$5B sit on any outside public boards (50% in 2013); that figure for companies with revenue between \$1B and \$5B drops to 16% (37% in 2013). Overall, 24% of Atlanta CEOs sit on outside boards, while the percentage of S&P 500 CEOs who sit on outside public boards is 37%. Given the growing complexity of today's marketplace, it shouldn't be surprising that CEOs have less time for demands outside their own companies. However, serving on outside boards is considered a best practice for CEOs to gain exposure to new ideas and business philosophies and processes.

24%

Atlanta-area CEOs who sit on outside boards

The Spencer Stuart Board Practice is committed to helping companies compose engaged, relevant boards and adopt governance practices that enable them to perform at a high level. We help companies across all sectors and sizes attract directors who bring diverse skills and perspectives, and we advise on board succession and corporate governance issues. Please contact a member of our team if you have questions about any aspect of your corporate governance. Having a strong, independent and effective board is critical to the success of every organization — in Atlanta and across the world.

8.7 years

Average length of director tenure on Atlanta boards

Editor's note:

The index examines 42 public companies in the Atlanta area, sorted into two groups based on revenue. The companies included in the index must have been publicly traded on one of the major stock exchanges (NYSE or NASDAQ). Data for the Atlanta Board Index were obtained from Equilar, a leading independent provider of executive and board compensation data and analysis, except where noted. The data were derived from the most recent DEF14A proxy statements and/or 10-K annual reports filed with the Securities and Exchange Commission by June 15, 2017. Stock option awards are valued using the Black-Scholes methodology.

Board Composition

ATLANTA BOARDS AVERAGE 10 MEMBERS

- » With an average size of 10 directors, Atlanta company boards have slightly fewer members than S&P 500 boards, which average 10.8 directors. Most boards, regardless of revenue category, have between nine and 12 directors, with nine directors as the most common number. The size of boards range from six directors (one board) to 15 directors (one board).
- » Atlanta boards appear to be trending toward the middle, size-wise. Compared with 2016, the percentage of boards with eight or fewer directors dropped from 23% to 14%, while boards of 13 or more decreased from 16% to 10%. The percentage of boards with between nine to 12 directors increased from 61% to 76%. The downward trend for large boards dates back to our 2013 index, which found that 20% of Atlanta boards had 13 or more members.

ANNUAL ELECTIONS LOSE GROUND AND TRAIL S&P 500

- » Directors stand for annual elections on 67% of Atlanta boards, the same as in 2016. This compares to 92% of S&P 500 boards that have annual elections. The remaining boards have three-year terms.

AVERAGE AGE OF DIRECTORS DECREASES

- » Atlanta directors and S&P 500 board members have roughly identical ages — the average member of Atlanta boards is 63.3 years old, while independent directors on S&P 500 boards average 63.1 years.
- » Atlanta boards in the \$5B+ revenue band have a maximum average age of 68. By contrast, boards with revenue between \$1B and \$5B have an average maximum age of 80.

Ages of Outside Directors, by Number

	2017 Atlanta		2017 S&P 500	
Under 50	0	0%	1	0%
50 to 56	2	5%	24	5%
57 to 59	5	12%	53	11%
60 to 63	18	43%	219	45%
64 to 69	15	36%	182	37%
70 and up	2	4%	12	2%
Total boards	42	100%	491	100%

AVERAGE BOARD TENURE STEADY

- » Directors on Atlanta boards serve an average of 8.7 years, while director tenure on S&P 500 boards averages 8.2 years. Companies with revenue between \$1B and \$5B have the longest tenure among Atlanta boards, with an average of 9.3 years (down from 10.9 in 2016). Members on the Atlanta board with the longest tenure average 22.8 years, and the longest-serving director has been on the board for 49.3 years.

MANDATORY RETIREMENT AGE GROWS MORE PREVALENT

- » Half of Atlanta boards have mandatory retirement age policies this year, up slightly from 48% in 2016, but a departure from earlier years — in 2013, 68% of local boards had mandatory retirement guidelines in place. By comparison, 73% of current S&P 500 boards have mandatory retirement policies.
- » Among the Atlanta boards that have established retirement policies for directors, 42% set the mandatory age at 72. The percentage of boards opting for higher retirement ages has risen in recent years: In 2013, only 24% of boards set their mandatory retirement age at 75. By 2017, that percentage had doubled. Of the S&P 500 boards that disclose a mandatory retirement age, 96% set the retirement age at 72 or older, and 42% mandate it at 75 years.

MORE WOMEN ON ATLANTA BOARDS BUT PERCENTAGE STILL TRAILS S&P 500

- » Women account for 18% of all directors on Atlanta boards, up from the 2016 figure of 17%. This is less than the 22% female representation among S&P 500 directors, which increased from the previous year's total of 21%. Twenty-nine percent of Atlanta boards have one female director, 31% have two female directors, 29% have three and 1% (one board) has four. The number of boards with three woman has increased to 29% this year, up from 17% in 2016 and 13% in 2015.
- » As with other governance trends, boards in the \$5B+ revenue band appear to be more progressive with gender diversity than their smaller counterparts. All of these companies have at least one female director, compared to 84% of companies in the \$1B to \$5B revenue range. The percentage of women on \$5B+ boards (19%) is lower than the S&P 500 total of 22%. The boards with the highest percentage of women are Veritiv (38%) and Halyard Health and HD Supply Holdings (each at 33%).

Female Representation

	2017 Atlanta			2017 S&P 500
	All boards	\$1B to \$5B	>\$5B	
At least one women director	90%	84%	100%	92%
Average number of women	1.9	1.6	2.0	2.4
Women percentage of total directors	18%	16%	19%	22%

Number of Women on Boards

Number of Women	2017 Atlanta			2017 S&P 500
	All boards	\$1B to \$5B	>\$5B	
0	10%	16%	0%	1%
1	29%	28%	29%	19%
2	31%	40%	18%	39%
3	29%	16%	47%	27%
4	1%	0%	6%	10%
5 and up	0%	0%	0%	4%

HALF OF ATLANTA BOARDS SEPARATE THE ROLES OF CHAIRMAN AND CEO

- » Shareholders and governance activists regularly advocate separating the roles of chair and CEO, and we have seen a general trend toward a board leadership model with a non-executive chair. Fifty percent of Atlanta companies separate the chair and CEO roles, up from 43% in 2016. Among S&P 500 companies, 51% have a separate chair and CEO.

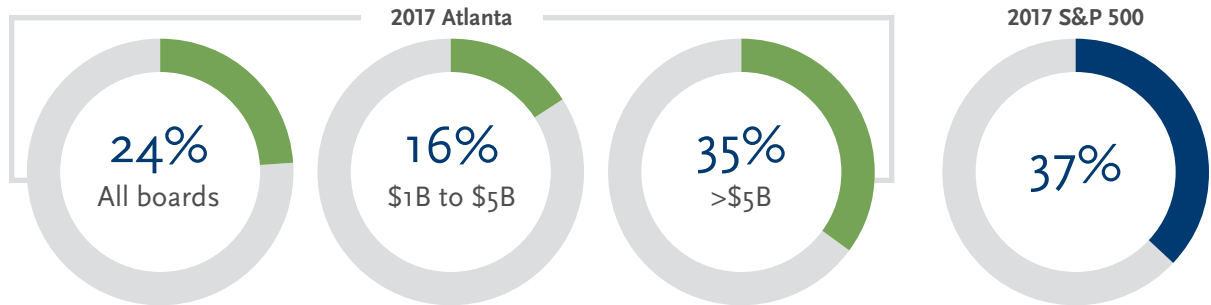
SMALL MAJORITY OF ATLANTA BOARDS REPORT HAVING A PRESIDING DIRECTOR

- » All but one of the Atlanta boards report some form of independent board leadership — either a board chairman or lead/presiding director determined to be independent (under applicable NYSE or NASDAQ listing standards). The split between lead directors and presiding directors is almost even: 20 boards (49%) have a lead director, while 21 (51%) have a presiding director. By comparison, 71% of S&P 500 boards have a presiding director.
- » Of the 21 companies with a presiding director, 13 have an independent chair who functions as presiding director; two other boards report their presiding director rotates each executive session among committee chairs.
- » On three boards, the role of presiding director rotates among committee chairs each executive session.

FEWER THAN ONE QUARTER OF CEOs SIT ON OUTSIDE BOARDS

- » Only 24% of Atlanta CEOs serve on an outside public company board, the same figure as in 2016 and less than the 37% of S&P 500 CEOs. Notably, only 16% of CEOs of Atlanta companies in the \$1B to \$5B band have other public board affiliations. That overall figure is down from 41% in 2013 — a drop of 61%.

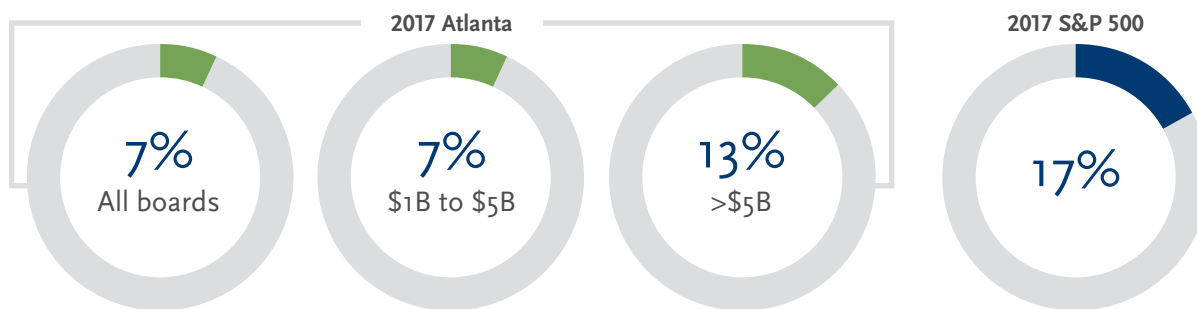
CEOs on Outside Boards



ALREADY LOW, DIVERSITY ON ATLANTA BOARDS DROPS FURTHER

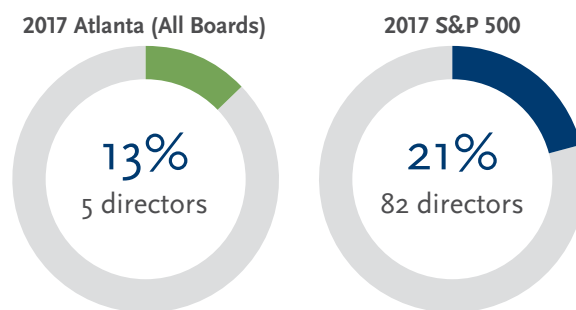
- » The percentage of minorities (identified as African-American, Hispanic/Latino or Asian) on Atlanta boards decreased from 2016, down from 10% to 7%. That's less than half of the figure from the top 200 S&P 500 boards, which comes in at 17%. Additionally, this number is down from 9% in 2013.
- » In 2017, Atlanta boards added five new minority independent directors (three men and two women), which equals 13% overall. By contrast, 21% of the new independent directors added to S&P 500 boards were minorities.

Minorities on Boards



*In the *Spencer Stuart U.S. Board Index (SSBI)*, minority data for all directors is compiled for the top 200 (based on revenue) of the S&P 500. Minority data for new independent directors is compiled for all S&P 500 boards.

New Minority Directors



DRAMATIC INCREASE IN NUMBER OF NEW OUTSIDE DIRECTORS AND WOMEN

- » Twenty-three (55%) Atlanta boards appointed one or more new outside directors during the 2017 proxy year, up from 38% in 2016. Fourteen boards added one new director, four boards added two new directors and four boards added three new directors for a total of 38 new independent directors.
- » During the same time period, 36 outside directors ended their board service — the same as in 2016.
- » Twenty-three of these new board seats (61%) were filled by women, a dramatic increase from 2016, when 14% of new Atlanta directors were women. By comparison, women accounted for 36% of new directors on S&P 500 boards.

New Independent Directors

	2017 Atlanta		2017 S&P 500	
New outside male	15	39%	255	64%
New outside female	23	61%	142	36%
Total number of new outside directors	38	100%	397	100%

FEWER CHAIRMEN/CEOS JOIN BOARDS THIS YEAR

- » Active and retired chairmen/CEOs/presidents account for 24% of new directors on Atlanta boards, a decline from 34% in 2016. Thirty-six percent of new outside directors on Atlanta company boards have financial backgrounds, compared with 34% in 2016.
- » Fifty-eight percent of newly added independent directors are actively and fully employed, compared with 65% in 2016. Meanwhile, 52% of S&P 500 new directors are active executives.

CONSUMER GOODS AND SERVICES PROVIDE MOST NEW DIRECTORS

- » Most new directors (26%) are from the consumer goods and services sector, up from 22% in 2016. The percentage of new directors from the private equity/investment management industry increased from the previous year, up from 15% to 21%.

PERCENTAGE OF NEW DIRECTORS IN HIGH TECH DOUBLES

- » The percentage of new Atlanta directors from the high-tech sector stands at 16%, double the 2016 figure of 8%. Similarly, 13% of new outside directors have industrial/manufacturing backgrounds, compared with 0% in 2016.

New Outside Directors — Industry Backgrounds

Industry	2017 Atlanta	
	Directors	%
Consumer goods & services	10	26%
Private equity/investment management	8	21%
High tech/telecommunications	6	16%
Industrial/manufacturing	5	13%
Financial services	3	8%
Public accounting	2	4%
Conglomerate/holding company	1	3%
Academics/nonprofit	1	3%
Real estate construction & services	1	3%
Law firms	1	3%
Total	38	100%

Board Organization and Process

ATLANTA BOARDS MET JUST OVER SEVEN TIMES

- » Atlanta boards met less frequently than in the prior year: On average, Atlanta boards had 7.3 meetings annually, compared with 7.9 in 2016. The S&P 500 boards met an average of 8.2 times.

Distribution of Regular Board Meetings

Number of Meetings	2017 Atlanta	2017 S&P 500
5 or less	36%	21%
6 to 9	45%	51%
10 to 12	14%	17%
13 and higher	5%	11%

- » Atlanta board audit, compensation, and nominating committees averaged roughly the same number of annual meetings as the S&P 500 committees.

NUMBER OF STANDING COMMITTEES REMAINS THE SAME

- » Atlanta boards average 4.1 committees, similar to the S&P 500; 60% of Atlanta boards have four or more committees, compared to 74% of S&P 500 boards. Standing committees on Atlanta boards range from three to seven.
- » All Atlanta boards have audit and compensation/HR committees, as required under NYSE or NASDAQ listing standards, while 93% have nominating/governance committees.
- » Among boards that have more than just the mandated committees, executive (43%) and finance (21%) committees are the most common, followed by strategy and planning (19%) and science and technology (10%) committees. On S&P 500 boards, the most common additional committees are executive and finance (both 32%).

Percentage of Boards with Committees

	2017 Atlanta	2017 S&P 500
Audit	100%	100%
Compensation/HR	100%	100%
Nominating/governance	93%	97%
Executive	43%	32%
Finance/investment	21%	32%
Strategy & planning	19%	2%
Science & technology	10%	10%
Environment, health & safety	5%	9%
Legal/compliance	5%	6%
Acquisitions/corporate development	2%	1%
Diversity	2%	0%
Public policy/corporate responsibility	2%	9%
Management development/succession planning*	0%	less than 1%

*Functions typically overlap with compensation committees.

Director Compensation

DIRECTOR COMPENSATION GROWS BY 4%

- » Non-employee directors on Atlanta company boards received \$231,210 in total compensation on average, 4% more than in 2016 and below the S&P 500 average of \$288,909. The total annual per-director compensation reflects the cash, value of equity and all other fees paid for board service, including premiums paid for leadership and committee service.
- » Stock awards represent 55% of total compensation on average, while cash fees account for 42%.
- » Forty-eight percent of Atlanta boards offer a deferred compensation plan for directors (down from 52% in 2016), compared with 74% of S&P 500 boards.

Total Average Annual Non-Employee Director Compensation*

	2017 Atlanta			2017 S&P 500
	All boards	\$1B to \$5B	>\$5B	
Fees earned or paid in cash	42%	45%	39%	38%
Value of stock awards	55%	51%	59%	55%
Value of stock option grants	1%	2%	1%	4%
Other**	2%	2%	1%	3%
Average	\$231,210	\$206,492	\$262,221	\$288,909

*Based on non-employee director compensation tables reported in SEC filings released as of July 31, 2017. Represents cash, value of equity and all other fees paid for board service in fiscal year 2017.

**Other compensation consists of the following: insurance premiums, contributions to charitable award programs and the incremental cost of company products provided.

FEWER BOARDS PAY STOCK AWARDS, BUT VALUE GROWS

- » Ninety percent of Atlanta companies provide some type of equity to non-employee directors, down from 91% in 2016. Two percent of Atlanta boards provide stock options, compared to 4% in 2016. The number of Atlanta boards paying restricted stock awards dropped from 48% in 2016 to 43% this year. The value of these awards rose, however, from \$116,423 in 2016 to \$131,666 this year. The range of the annual restricted stock ran from \$65,000 to \$250,000, while the restricted stock unit award ranged from \$55,000 to \$225,000. The average annual stock option award was \$65,000.

CASH RETAINERS DROP FROM 2016

- » Atlanta boards paid non-employee directors an average of \$77,988 in cash retainer fees, down from \$79,156 in 2016 and below the S&P 500 figure of \$89,784. Retainers range from a low of \$40,000 to a high of \$175,000. The retainer amounts differ widely between revenue bands, with \$5B+ companies paying retainers that average \$80,588 per director, while their smaller counterparts (with revenue between \$1B and \$5B) average \$76,146 per director.

Annual Cash Retainer

	2017 Atlanta			2017 S&P 500
	All boards	\$1B to \$5B	>\$5B	
Average	\$77,988	\$76,146	\$80,588	\$89,784
Median	\$75,000	\$75,000	\$80,000	\$90,000

*S&P 500 figure represents annual cash retainers only and does not include equity components to retainer amounts, as reported in company proxy statements and the *Spencer Stuart U.S. Board Index*.

FEWER ATLANTA COMPANIES PAY BOARD MEETING FEES

- » Fourteen percent of Atlanta boards pay meeting attendance fees, down from 20% in 2016 and equal to the percentage of the S&P 500. The average regular board meeting fee was \$1,917, exactly \$1,000 below the S&P 500 figure. The fees range from \$1,500 to \$2,500 per meeting, compared to a range of \$900 to \$15,000 (subject to a maximum of four meetings) for S&P 500 boards.

MOST BOARDS PAY FOR AUDIT AND COMPENSATION COMMITTEE CHAIR SERVICE

- » Nearly all Atlanta boards pay supplemental retainers for committee service, reflecting the increased demands placed on committee chairs and members. Forty (95%) boards pay a premium to committee chairs — among those, 31 (78%) pay a higher amount to audit committee chairs, and 15 (38%) pay a higher amount to compensation committee chairs. A similar trend exists among S&P 500 companies, where 88% pay a larger retainer to the audit committee chair and 70% pay more to the compensation committee chair.
- » The average committee chair retainer is \$19,375. Audit committee chairs receive \$24,650 on average, while compensation committee chairs receive \$18,538 and nominating chairs receive \$15,569.
- » Forty percent of Atlanta boards pay a cash retainer, averaging \$10,978, to some or all committee members. This includes three boards that only pay a supplemental retainer to audit committee members. Among S&P 500 companies, committee members on 45% of boards receive a cash retainer.
- » Among the 17 Atlanta boards that pay committee members cash retainers, 14 pay a higher average amount to audit committee members (\$12,794) and eight pay a higher average amount to compensation committee members (\$10,733). Annual cash retainers for committee members range from a low of \$3,750 to a high of \$25,000.

Average Cash Retainer Amount — Chair

	2017 Atlanta Companies		
	All boards	\$1B to \$5B	>\$5B
Audit committee	\$24,650	\$25,500	\$23,375
Compensation committee	\$18,538	\$18,261	\$18,938
Nominating committee	\$15,569	\$14,500	\$17,067
All committees	\$19,375	\$19,654	\$19,851

Average Cash Retainer Amount — Members

	2017 Atlanta		
	All boards	\$1B to \$5B	>\$5B
Audit committee	\$12,794	\$12,917	\$12,500
Compensation committee	\$10,733	\$11,136	\$9,625
Governance committee	\$9,036	\$9,600	\$7,625
All committees	\$10,978	\$11,318	\$10,115

COMPENSATION FOR LEAD/PRESIDING DIRECTOR INCREASES

- » Of the 28 boards with a lead or presiding director (not including independent chairs), 86% pay a supplemental fee for service. The additional average amount is \$32,368, which is 12% lower than the S&P 500 average of \$36,868.

CASH PAID TO INDEPENDENT CHAIRS DROPS

- » The average additional cash paid to independent board chairs decreased from \$136,545 in 2016 to \$100,750 in 2017, a notable drop of 26%. This decrease was largely caused by the removal of one company from this year's list that paid an independent chairman nearly \$200,000 in 2016. By comparison, the average amount of cash paid to S&P 500 independent board chairs dropped only 1.4% between 2016 and 2017, from \$165,112 to \$162,751. The percentage of boards who paid additional cash to chairs dropped from 85% in 2016 to 77%, while the cash premium amounts ranged from \$75,000 to \$400,000.

Independent Chair Additional Compensation

	2017 Atlanta	2017 S&P 500
Percentage paying a premium among boards with an independent chair	77%	97%
Average additional cash amount paid	\$100,750	\$162,751
Median additional cash amount paid	\$85,000	\$150,000

Note: Includes all board and committee retainers and meeting fees, supplemental non-executive chairs and lead/presiding directors' fees, dollar value of equity compensation and all other compensation paid in fiscal year 2016.

Excludes retirement payouts to former company executives, consulting fees or commission payments made to non-employee directors for non-board service related activities and payments related to subsidiary board service.

Board Comparison

HOW DOES YOUR BOARD MEASURE UP?

- » Use the index below to determine how your board compares in size and makeup to the largest companies in the Atlanta area, as well as S&P 500 boards. Note that in some cases, the averages mask wide variations in individual companies.
- » We hope you find this tool to be a useful benchmark. You may be surprised to see how your board composition and processes resemble the best practices tracked in our report. If you have questions or would like more detailed information from the 2017 *Atlanta Board Index*, please contact us. Consultants within our Board Practice can help you analyze and evolve your board, and we are always happy to discuss emerging governance best practices.

Board Index of Largest Atlanta Companies Based on Revenue

	Average	Highest	Lowest	S&P 500	Your Board
Number of directors	10	15	6	10.8	
Average director age	63.3	80	55	63.1	
Average board tenure	8.7 years	49.3 years	2.3 years	8.2 years	
Female representation	18.7%	38%	0%	22.2%	
Minority representation	7%	33%	0%	17%*	
Chairman separate from the CEO	50%	—	—	51%	
Number of meetings per year	7.3	21	4	8.2	

*Average percentage of minorities for the top 200 companies of the S&P 500.

Note: Comparisons between the *Atlanta Board Index* and the *Spencer Stuart U.S. Board Index* are not available for all compensation categories due to differences in compensation reporting methodologies between the two reports. Comparisons to S&P 500 are provided where available.

Comparative Board Data

Comparative Board Data

	NUMBER OF DIRECTORS		OUTSIDE DIRECTORS		BOARD FEES (\$)					PERCENTAGE OF TOTAL COMPENSATION			
	REVENUES (\$ IN MILLIONS)	TOTAL	OUTSIDE DIRECTORS	AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ³	BOARD CASH RETAINER	MEETING ATTENDANCE FEE	ANNUAL BOARD CASH FEES ⁵	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS

>\$5 BILLION

AFLAC	22,559.0	14	10	66	75	4	115,000	-	115,000	288,387	45%	40%	14%	1%
AGCO Corporation	7,410.0	9	7	68	-	8	100,000	-	100,000	241,397	48%	50%	0%	2%
ARRIS International plc	6,829.0	11	9	62	-	7	80,000	-	80,000	346,332	54%	46%	0%	0%
Asbury Automotive Group	6,527.0	9	8	62	-	5	40,000	\$2,000	50,000	203,983	47%	47%	0%	6%
The Coca-Cola Company	41,863.0	14	11	66	74	6	50,000	-	50,000	264,852	22%	76%	0%	2%
Delta Airlines	39,639.0	11	9	62	72	11	90,000	-	90,000	295,110	41%	54%	0%	5%
First Data Corp.	11,584.0	8	3	62	-	7	75,000	-	75,000	120,000	48%	52%	0%	0%
Genuine Parts Company	15,339.0	11	8	62	72	5	60,000	\$1,500	67,500	276,122	28%	72%	0%	0%
HD Supply Holdings	7,439.0	9	8	59	75	5	85,000	-	85,000	242,847	47%	53%	0%	0%
The Home Depot	94,595.0	13	12	59	72	7	50,000	-	50,000	302,500	21%	76%	0%	3%
Mohawk Industries	8,959.0	9	6	64	75	5	80,000	-	80,000	173,651	49%	51%	0%	0%
NCR Corporation	6,543.0	9	8	62	-	6	80,000	-	80,000	349,123	19%	81%	0%	0%
PulteGroup	7,668.0	12	11	57	75	11	95,000	-	95,000	258,070	43%	57%	0%	0%
Southern Company	19,896.0	15	14	66	72	7	110,000	-	110,000	260,952	46%	54%	0%	0%
SunTrust Banks	8,160.0	12	11	63	72	5	70,000	-	70,000	231,400	47%	52%	0%	1%
United Parcel Service	60,906.0	12	11	62	75	6	105,000	-	105,000	282,836	40%	60%	0%	0%
Veritiv Corporation	8,326.0	8	7	60	-	9	85,000	-	85,000	220,833	43%	57%	0%	0%

\$1 BILLION TO \$5 BILLION

Aaron's	3,207.0	9	7	61	80	7	75,000	-	75,000	182,420	50%	50%	0%	0%
Acuity Brands	3,291.0	10	9	68	75	5	80,000	-	80,000	210,000	40%	60%	0%	0%
Beazer Homes USA	1,822.0	9	8	66	-	4	75,000	-	75,000	223,935	49%	51%	0%	0%
BlueLinx Holdings	1,881.0	6	3	68	-	10	70,000	-	70,000	180,542	42%	58%	0%	0%
BMC Stock Holdings	3,093.0	8	6	60	-	16	75,000	-	75,000	220,294	48%	52%	0%	0%
Carters	3,199.0	10	9	65	-	5	60,000	\$2,500	72,500	222,261	41%	59%	0%	0%
Crawford & Company	1,177.0	9	8	61	74	9	40,000	\$1,500	53,500	175,787	42%	58%	0%	0%
Cumulus Media	1,141.0	7	5	56	-	13	175,000	-	175,000	224,167	100%	0%	0%	0%
Equifax	3,144.0	11	10	63	72	6	90,000	-	80,000	251,331	40%	60%	0%	0%
FleetCor Technologies	1,831.0	9	8	62	-	4	-	-	-	257,163	6%	94%	0%	0%
Floor & Decor Holdings	1,050.0	11	9	55	-	-	57,500	-	57,500	23,333	100%	0%	0%	0%
Flowers Foods	3,926.0	12	10	68	-	9	100,000	-	100,000	297,562	43%	50%	0%	7%
Global Payments	2,898.0	9	7	65	-	8	90,000	-	90,000	268,037	43%	57%	0%	0%
GMS	2,319.0	10	5	64	-	7	70,000	-	70,000	42,500	100%	0%	0%	0%
Graphic Packaging Holding Company	4,298.0	9	8	62	-	6	75,000	-	75,000	193,027	48%	52%	0%	0%
Halyard Health	1,592.0	9	8	61	-	7	70,000	-	70,000	220,000	36%	64%	0%	0%
IntercontinentalExchange	4,499.0	11	10	61	75	10	100,000	-	100,000	403,869	31%	47%	0%	22%
Invesco	4,734.0	9	8	67	75	10	120,000	-	120,000	294,953	51%	49%	0%	0%

	NUMBER OF DIRECTORS		OUTSIDE DIRECTORS		BOARD FEES (\$)						PERCENTAGE OF TOTAL COMPENSATION			
	(\$ IN MILLIONS)	TOTAL	OUTSIDE DIRECTORS	AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD CASH RETAINER	MEETING ATTENDANCE FEE	ANNUAL BOARD CASH FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER

\$1 BILLION TO \$5 BILLION (CONTINUED)

Mueller Water Products	1,138.0	8	7	72	-	12	55,000	\$1,500	73,000	190,321	52%	47%	0%	1%
Primerica	1,519.0	11	8	59	-	5	75,000	-	75,000	211,779	53%	47%	0%	0%
Rollins	1,573.0	9	5	80	-	5	40,000	\$2,500	52,500	73,000	100%	0%	0%	0%
Saia	1,218.0	9	7	63	72	5	60,000	-	60,000	183,984	37%	63%	0%	0%
SiteOne Landscape Supply	1,648.0	10	5	58	72	4	50,000	-	50,000	130,357	39%	61%	0%	0%
Synovus Financial Corp.	1,144.0	12	11	66	72	9	50,000	-	50,000	133,136	56%	41%	0%	3%
Total System Services	4,170.0	11	8	67	75	7	75,000	-	75,000	223,216	42%	29%	29%	0%

TOTAL ATLANTA INDEX

Average		10	8	63	74	7	77,988	1,917	77,655	231,210	42%	55%	1%	2%
Median		10	8	62	74	7	75,000	1,750	75,000	235,000				

Data for the *Atlanta Board Index* were obtained from Equilar, a leading independent provider of executive and board compensation data and analysis.

METHODOLOGY

Methodology: Data obtained from Equilar based on most recent SEC filings released as of June 15, 2017.

Excludes retirement payouts to directors who are former company executives, consulting fees or commission payments paid to non-employee directors for non-board service activity, and payments related to subsidiary board service.

Includes all board and committee retainers and meeting fees, supplemental non-executive chairmen and lead/presiding directors' fees, dollar value of equity compensation, and all other compensation paid in fiscal year 2016.

FOOTNOTES

a. Includes regular, special and telephonic meetings.

b. Cash retainer plus meeting fees paid assuming full attendance (excludes committee and supplemental fees for special services).

Research & Insights

As the premier firm for board and CEO counsel and recruitment, Spencer Stuart plays an active role in exploring the key concerns of boards and senior management and in the search for innovative solutions to the challenges they face. Through a range of articles and studies available at spencerstuart.com, we examine business trends and developments in governance and their implications.



CEO Succession Planning
in Family Business



Four Hidden CEO Succession
Risks and How to Avoid Them



Highlights from the Global
Board of Directors Survey



Performance in the Spotlight:
Assessment and
Board Effectiveness



Challenging the Status Quo:
The Case for Diversity in
Infrastructure Leadership



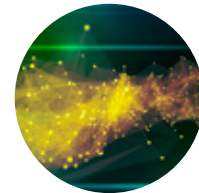
Digital Transformation:
Five Key Learnings



Who's at the Wheel?
The Autonomous Vehicle and
Its Impact on Leadership



Fresh Perspectives:
Why Your Next CFO May Be
Working in Another Industry



Whole Brain Marketing:
Data, Creativity and the
Leadership Challenge



Overcoming the Global/Local
Challenge: How Consumer
Goods Companies Are
Organizing to Compete

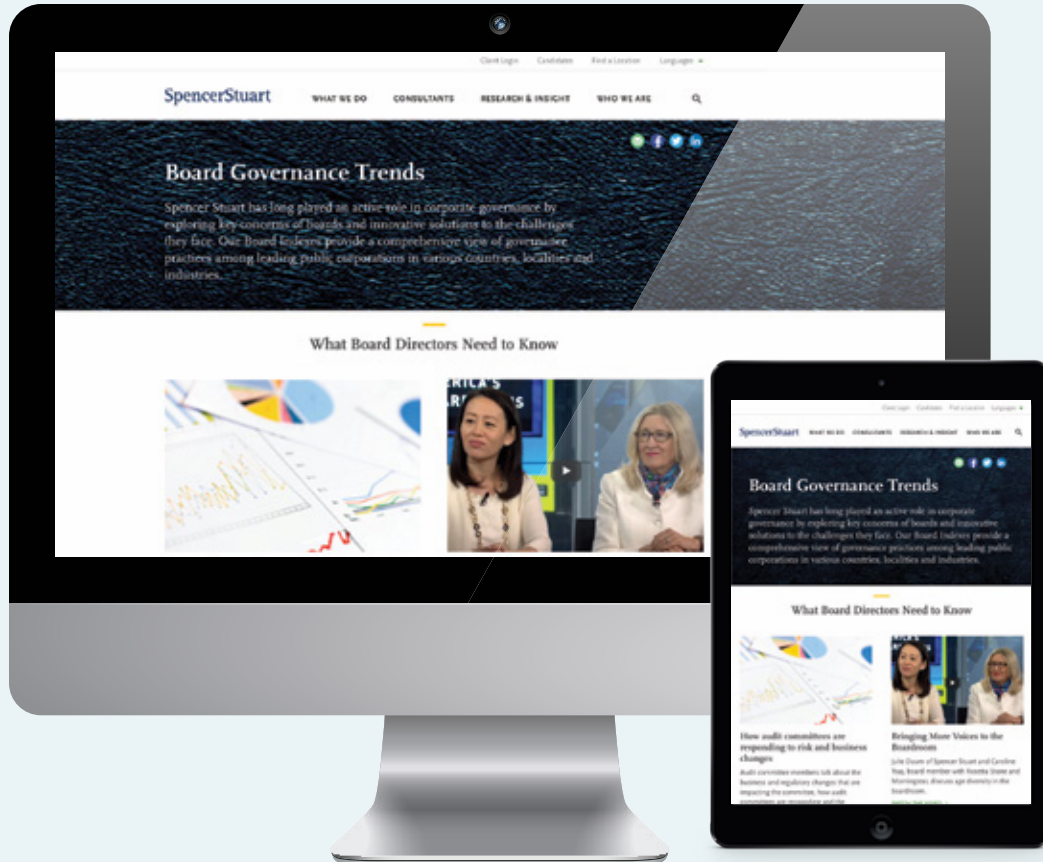


A New Mandate:
The Evolution of Human
Resources in Building the
Workplace of Tomorrow



Can They Make the Leap?
What It Takes to Get to — and
Succeed in — the Most Senior
Functional Roles

Board Governance Trends: A Global View



Spencer Stuart Board Governance Trends is an exclusive source of insight into the way board practices are changing around the world and how they compare across countries. It is a one-stop online resource for the latest data in board composition, governance practices and director compensation among leading public companies in more than 20 countries.

www.spencerstuart.com/research-and-insight/board-indexes

Visit spencerstuart.com for more information.

Amsterdam
Atlanta
Bangalore
Barcelona
Beijing
Bogotá
Boston
Brussels
Buenos Aires
Calgary
Chicago
Copenhagen
Dallas
Dubai
Frankfurt
Geneva
Hong Kong
Houston
Istanbul
Johannesburg
Lima
London
Los Angeles
Madrid
Melbourne
Mexico City
Miami
Milan
Minneapolis/St. Paul
Montreal
Moscow
Mumbai
Munich
New Delhi
New York
Orange County
Paris
Philadelphia
Prague
Rome
San Francisco
Santiago
São Paulo
Seattle
Shanghai
Silicon Valley
Singapore
Stamford
Stockholm
Sydney
Tokyo
Toronto
Vienna
Warsaw
Washington, D.C.
Zürich

SpencerStuart