GLOBAL BOARD OF DIRECTORS SURVEY 2016

about the economy, board effectiveness and compensation—and uncover where male and female directors differ on these issues. Here's what we found:

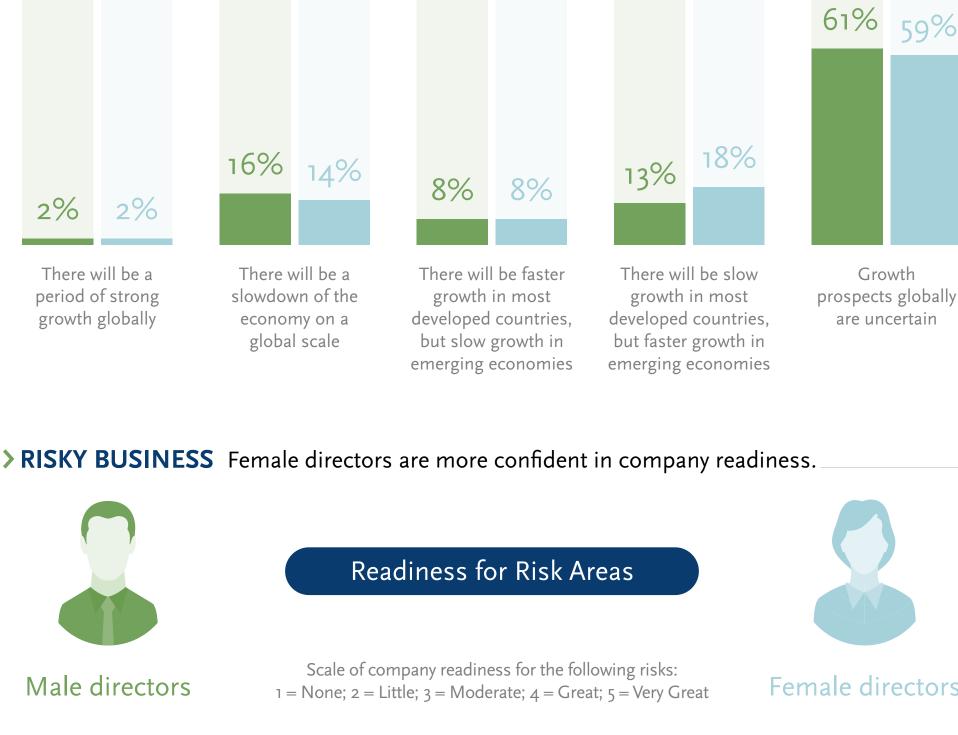
In one of the most comprehensive surveys of corporate directors around the world (4,000-plus

directors from 60 countries), Spencer Stuart and its global partners explore how directors feel

Public

Private

WAIT AND SEE ON THE ECONOMY Directors weigh growth prospects for 2016-2018.

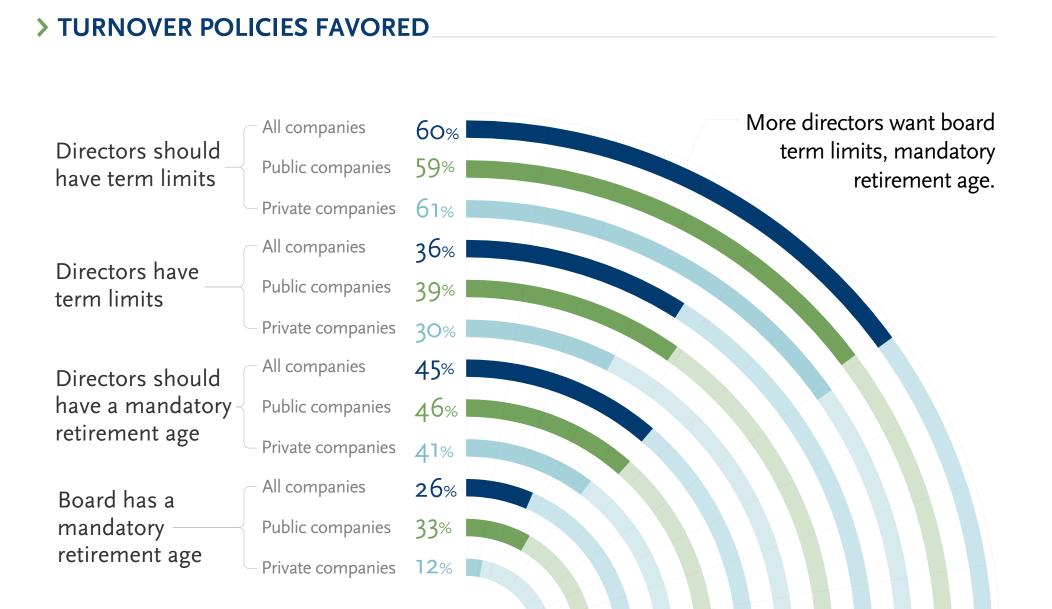




Boards without women Boards with 3+ women

More female directors

More effective board.



Scale of board effectiveness on the following processes: 1 = Poor; 2 = Below Average; 3 = Average; 4 = Above Average; 5 = Excellent

Evaluation of CEO

Overall board's

performance

Handling of

compensation

using a third party

> SIZING UP DIRECTORS Boards' use of director evaluations varies.

All Companies

68%

32%

Public

82%

35%

Private

41%

22%

Director Evaluations

of its directors

For those that do

evaluations, they are

conducted externally

Served on a board

where evaluations

27%

21%

Known to the

CEO

Male directors

Female directors

13% 12%

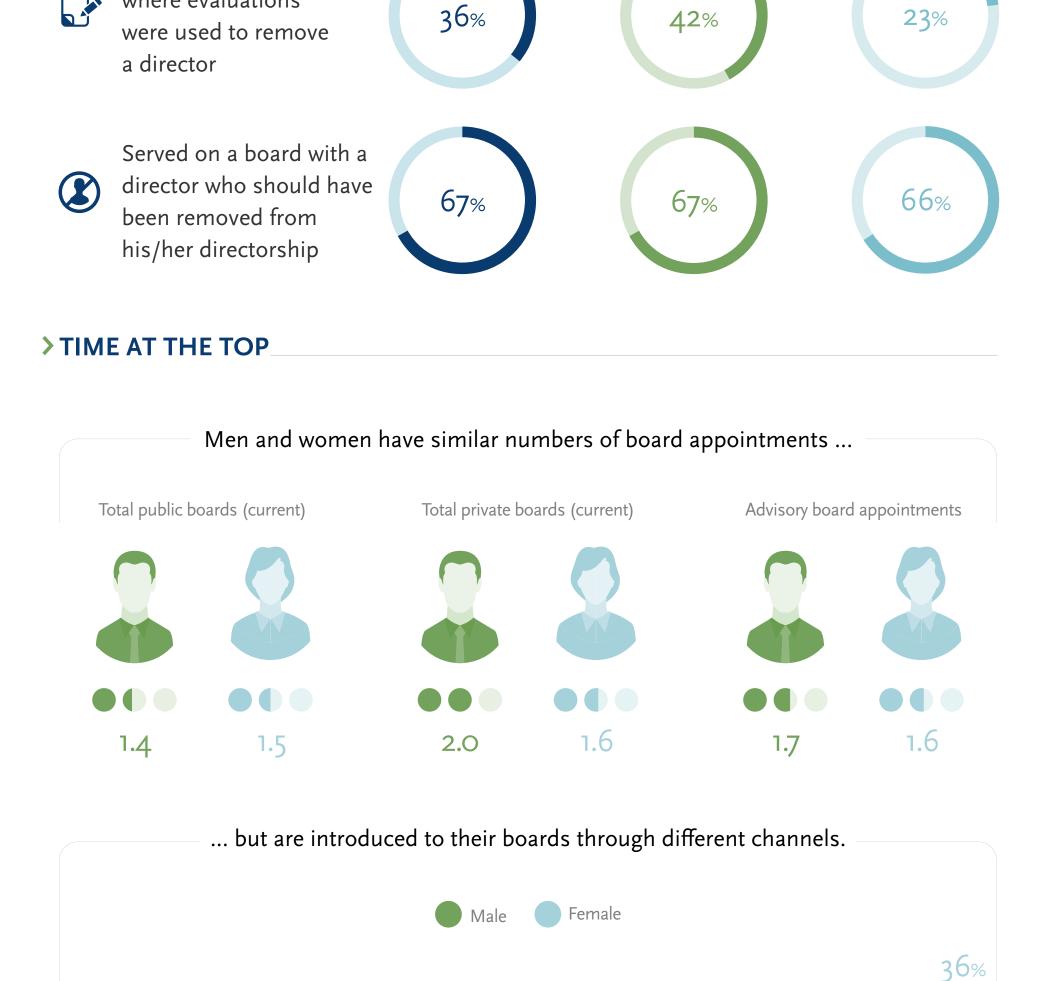
Known to member

of executive

management

This board conducts

performance evaluations



33%

13%

7%

Is a current or

former executive

of company

25%

14%

Appointed

by major

shareholder

24%

Recruited by

an executive

search firm

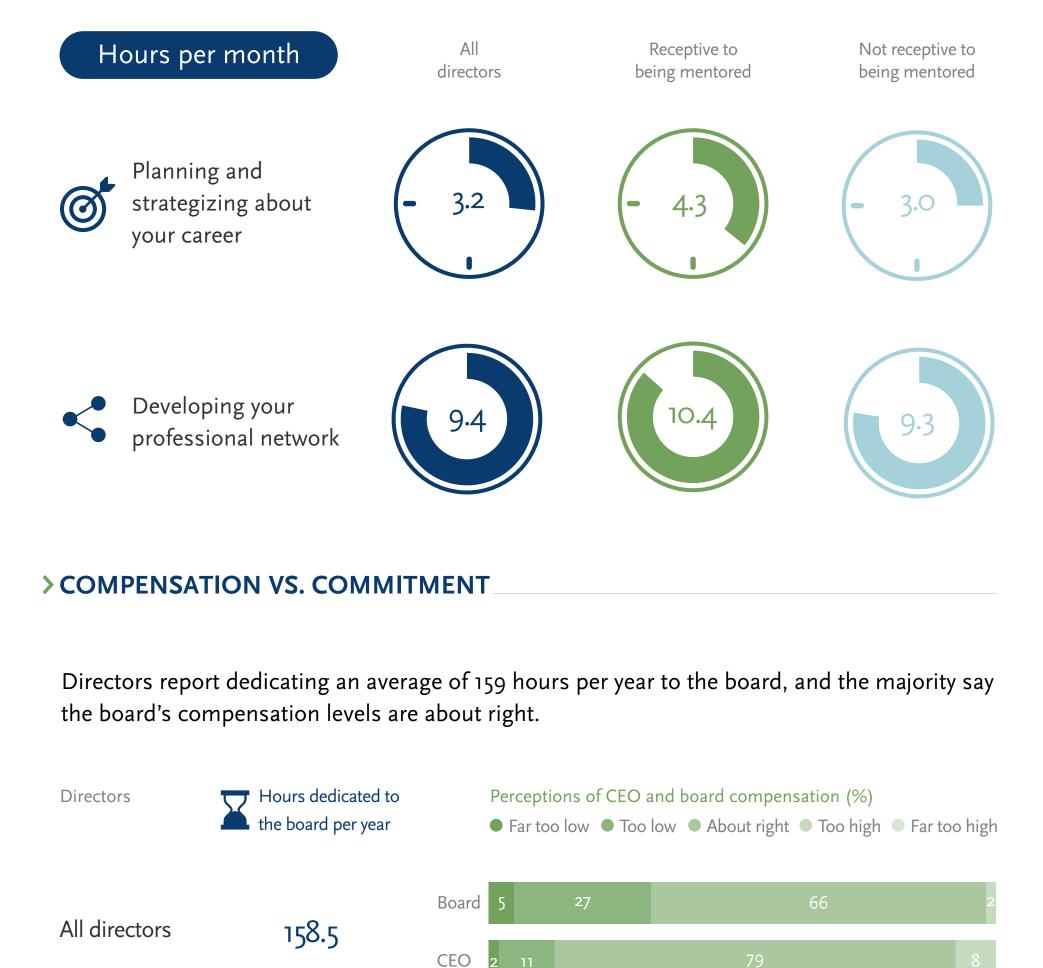
30%

Known to board

or one of the

other directors

> THE MENTORING EFFECT A willingness to be mentored means greater engagement.



Board 3

CEO

Board

CEO

158.8

159.4

MUST-HAVE SKILLS		
Directors cite strategic, industry and finan- board service.	cial expertise among the mo	ost important skills for
Skills	Public	Private
Strategy	65%	72%
Financial/Audit	48%	38%
Industry Knowledge	46%	46%
International/Global	24%	26%
Risk Management	23%	34%
Regulatory/Legal and Compliance	15%	16%

Public company directors	ompany	174.4	Board 4 28		8	64			3			
	• •		CEO	8		80			10			
Private o	company	126.6	Board	Board 8 24			67					
directors	• •		CEO	2 14		79			5			
	> MUST-HAVE SKILLS Directors cite strategic, industry and financial expertise among the most important skills for											
board so		c, muustry am	u IIIIaiiCi	ат ехреги	se amon	g the most i	пропап	t SKIIIS	101			
Skills	ratomy			Pub			Private	700/				
Sur	ategy				65%			72 %				
\$ Fir	nancial/Audit				48%			38%				
In Inc	dustry Knowled	dge			46%			46%				
lnt	ernational/Glo	bal			24%			26%				
Ris	sk Managemer	nt			23%			34%				
△ Reg	gulatory/Legal	and Complia	nce		15%			16%				
Ted	chnology				14%			15%				
♣ HR	R/Talent Mana	gement			13%			13%				
O Op	perations				13%		•	4 %				
Ot	her				9%		•	5%				
se Co	mpensation				8%		•	2%				
Sal	les and Market	ting			7%		•	5%				
Su.	ccession Planr	ning		•	5%		•	6%				

Mergers and Acquisitions 6% This survey was conducted through a partnership between Professor Boris Groysberg and Yo-Jud Cheng from Harvard Business School; Spencer Stuart, led by Julie Hembrock Daum; WomenCorporateDirectors Foundation, led by Susan Stautberg; and independent researcher Deborah Bell. For more perspectives from board directors, view the full report.

Gain more insights into board governance trends.

10%

SpencerStuart

Women **Corporate** Directors