



SpencerStuart

2017

Spencer Stuart
U.S. Board Index

S&P 500 Boards: Trends Over One,
Five and 10 Years

S&P 500 Boards: Trends Over One, Five and 10 Years

	2017 ^a	2016 ^b	2012 ^c	2007 ^d	5-year % change	10-year % change
Board composition						
Average board size	10.8	10.8	10.7	10.8	1%	0%
Independent directors	85%	85%	84%	80%	1%	6%
Average age of independent directors	63.1	63.0	62.6	61.0	1%	3%
New independent directors						
Total number	397	345	291	329	36%	21%
Women	36%	32%	26%	19%	38%	89%
Minorities	20%	15%	12%	n/a	75%	n/a
Average age	57.3	57.3	56.7	56.3	1%	2%
Active CEO/chair/president/COO/vice chair	18%	19%	25%	33%	-28%	-45%
Retired CEO/chair/president/COO/vice chair	18%	19%	16%	14%	13%	29%
Financial backgrounds ^e	29%	25%	21%	19%	38%	53%
Other corporate executives	24%	23%	22%	21%	9%	14%
First-time directors						
% of all new directors	45%	32%	30%	n/a	50%	n/a
Average age	55.2	56.2	53.4	n/a	37%	n/a
# of first-time directors	179	110	86	n/a	108%	n/a
Women directors						
Women as a % of all directors	22%	21%	17%	16%	29%	38%
Boards with at least one woman director	99%	99%	91%	91%	9%	9%
CEO profile						
% of active CEOs serving on one or more outside boards	37%	43%	46%	52%	-20%	-29%
# of women CEOs	31	24	20	15	55%	107%
Boards where CEO is the only non-independent	60%	60%	59%	43%	2%	40%
Average age	57.4	57.2	56.5	55.4	2%	4%
Average tenure with company	19.8	19.4	17.2	14.2	15%	39%
Chair independence						
Boards separating chair and CEO roles	51%	48%	43%	35%	19%	46%
Boards with an independent chair	28%	27%	23%	13%	22%	115%
Boards with lead or presiding director	84%	87%	92%	94%	-9%	-11%
Board meetings						
Average number of board meetings	8.2	8.4	8.3	8.3	-1%	-1%
Median number of board meetings	7	8	8	8	-13%	-13%

	2017 ^a	2016 ^b	2012 ^c	2007 ^d	5-year % change	10-year % change
Retirement age						
Boards with mandatory retirement age	73%	73%	73%	79%	0%	-8%
<i>Boards with mandatory retirement age of 75+</i>	42%	39%	22%	11%	91%	282%
<i>Boards with mandatory retirement age of 72+</i>	96%	95%	85%	67%	13%	43%
Committee meetings (average number)						
Audit committees	8.6	8.6	8.7	9.5	-1%	-9%
Compensation committees	6.0	6.1	6.4	6.0	-6%	0%
Nominating committees	4.7	4.8	4.6	5.0	2%	-6%
Audit committee chair						
Retired/not actively employed – all backgrounds	73%	74%	68%	n/a	7%	n/a
Financial exec/CFO/treas/public acct exec – active or retired	43%	39%	33%	23%	30%	87%
Non-employee director compensation						
Total average compensation ^f	\$288,909	\$285,065	\$242,385	\$211,179	19%	37%
Average annual retainer ^g	\$120,409	\$118,521	\$96,649	\$68,560	25%	76%
Median annual retainer ^g	\$100,000	\$100,000	\$75,000	\$55,000	33%	82%
Boards paying board meeting fee	14%	16%	33%	52%	-58%	-73%
Average board meeting fee	\$2,197	\$2,155	\$2,224	\$2,027	-1%	8%
Boards offering stock option program	13%	14%	25%	42%	-48%	-69%
Boards paying equity in addition to retainer	77%	76%	76%	72%	1%	7%
Committee compensation						
Boards paying committee chair retainer	96%	95%	92%	88%	4%	9%
Average committee chair retainer	\$20,443	\$20,425	\$17,873	\$8,007	14%	155%
Boards paying committee member retainer	45%	41%	38%	31%	18%	45%
Average committee member retainer	\$11,560	\$11,271	\$10,202	\$1,375	13%	741%
Boards paying committee meeting fees	19%	21%	33%	54%	-42%	-65%
Average committee meeting fees	\$1,653	\$1,677	\$1,703	\$1,550	-3%	7%

^aData based on proxy year May 16, 2016, through May 19, 2017.

^bData based on proxy year May 15, 2015, through May 15, 2016.

^cData based on proxy year May 15, 2011, through May 15, 2012.

^dData based on proxy year June 1, 2006, through May 31, 2007.

^eIncludes finance management/CFO/treasurers, investment management/investors, retired accounting partners and bankers/investment bankers.

^fBased on non-employee director compensation tables included in 491 (2017), 477 (2016), 485 (2012) and 385 (2007) proxies.

^gNot including stock beyond retainer.

n/a = not available.

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


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