

2008

RETAIL & APPAREL BOARD INDEX

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Like many of their counterparts in other industries, retail and apparel companies are facing challenges on numerous fronts — disruption in the world’s financial markets; natural disasters; rising prices for energy, food and other natural resources; and rapid growth in some sectors and sluggish growth in others. These developments also present exciting opportunities for companies able to respond deftly to changing market conditions and succeed in building distinctive brands and lasting customer relationships.

Uncertain economic times accentuate the importance of having strong leaders in the executive suite and the boardroom: leaders who set high performance standards and find ways, even in tough times, to make critical strategic investments in innovation, promising new markets and people development.

Helping boards to navigate the changing demands placed upon them, including emerging governance trends and requirements, has been a top priority for Spencer Stuart. Each year, we examine the board composition and practices of the leading retail and apparel companies in the United States. This year’s study includes data from 105 of the nation’s top retail and apparel companies. The study also compares this year’s data to last year’s and to data from S&P 500 boards.

Some highlights from this year’s index include the following:

- > *Retail and apparel boards have surpassed the S&P 500 this year in female representation on boards.* Ninety percent of retail and apparel boards have at least one woman on the board, compared with 88 percent of S&P 500 boards. Women also represent a higher percentage of the total directors on retail and apparel boards — 18 percent, compared with 16 percent for the S&P 500.
- > *The time demands on retail and apparel board directors continue to grow.* Boards now are meeting eight times a year on average, compared with 2007, when retail and apparel boards averaged 7.5 meetings.

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- > *Director compensation continues to rise.* The average cash retainer paid to directors in 2008 has increased by 11 percent over last year to \$56,700 and by more than 30 percent since 2006. Despite the increase, retainers for retail and apparel boards remain significantly less than the S&P 500, which average \$74,900.
 - > *We have seen a decrease in boards' use of meeting attendance fees.* Fifty-eight percent of the companies in our index provide meeting attendance fees to directors, compared with 64 percent in 2007. S&P 500 boards also are less likely to have meeting attendance fees. This year, 45 percent of S&P 500 companies provided the fees, compared with 52 percent in 2007.

The retail and apparel companies included in this index are publicly traded on one of the major stock exchanges (NYSE, NASDAQ or American), are based in the United States and have a retail business that generates at least \$1 billion in revenue annually. Data for this index were drawn from companies' 2008 proxy statements.

Editor's note: Data for the *Retail & Apparel Board Index* were obtained from Equilar, a leading independent provider of executive and board compensation analysis. The data were derived from the most recent proxies as of June 30, 2008.

Board size edges up slightly

The average size of retail and apparel boards in our study is 9.7 members, a number that has increased slightly during the past few years. The average size was 9.5 members in 2007 and 9.3 members in 2006.

- > Retail and apparel boards range in size from as few as five members to as many as 15, but only about 10 percent of boards have more than 12 directors.
- > Companies with revenue between \$10 billion and \$20 billion have the largest boards, with an average of 12.2 directors. Companies with revenue between \$1 billion and \$2 billion have the smallest boards, with an average of 8.5 directors.

Retail and apparel boards tend to be smaller on average than those of S&P 500 companies. The average S&P 500 board size is 10.8 members, and 20 percent of S&P 500 boards have more than 12 directors.

Average Board Size						
	Retail Boards Overall	\$1B-\$2B	\$2B-\$5B	\$5B-\$10B	\$10B-\$20B	>\$20B
	9.7	8.5	9.1	9.2	12.2	11.6

The independence of the boards and their leadership remains consistent

Eighty-two percent of retail and apparel board directors are independent, the same percentage of S&P 500 directors who are independent.

- > In 2007, 81 percent of the boards of retail and apparel companies and S&P 500 companies were independent.

Director Representation						
	Retail Boards Overall	\$1B-\$2B	\$2B-\$5B	\$5B-\$10B	\$10B-\$20B	>\$20B
Inside Directors	18%	23%	19%	18%	14%	15%
Outside Directors	82%	77%	81%	82%	86%	85%

The majority of retail and apparel boards — 61 percent — have the same person serving as both the CEO and the board chair, consistent with what we found in 2007.

- > The same percentage of S&P 500 boards have the same people serving as both chairman and CEO.
- > Of note, among companies with revenue between \$2 billion and \$5 billion, more than half of boards — 53 percent — split the responsibilities of the chairman and CEO roles between two people.

Companies with the Same Person Serving as Chairman and CEO						
	Retail Boards Overall	\$1B–\$2B	\$2B–\$5B	\$5B–\$10B	\$10B–\$20B	>\$20B
	61%	62%	47%	74%	80%	62%

Three-quarters of retail and apparel boards, 76 percent, have a lead or presiding director, compared with 74 percent in 2007.

- > The role is least common among companies with revenue between \$10 billion and \$20 billion; only 60 percent of these companies have identified a lead or presiding director.
- > Compared to retail and apparel boards, significantly more S&P 500 boards — 95 percent — have identified a lead or presiding director.

The average age of retail boards is unchanged

As in 2007, the average age of retail and apparel boards is 59, compared with 61 for S&P 500 boards.

The oldest retail and apparel board has an average age of 69. The youngest board has an average age of 50. By comparison, the oldest S&P 500 board has an average age of 74; the youngest board has an average age of 49.

More women in the boardroom

Retail and apparel boards have surpassed S&P 500 boards in female representation on boards this year. Ninety percent of retail and apparel boards have at least one woman on the board, compared with 89 percent of S&P 500 boards. In 2007, 87 percent of retail and apparel boards had at least one female director, compared with 91 percent of S&P 500 boards.

In addition to being more broadly represented on retail and apparel boards, women also make up a slightly higher percentage of directors. Today, 18 percent of retail and apparel directors are women, the same as in 2007.

> By comparison, 16 percent of S&P 500 board directors are women.

Female Directors as a Percentage of All Directors						
	Retail Boards Overall	\$1B–\$2B	\$2B–\$5B	\$5B–\$10B	\$10B–\$20B	>\$20B
	18%	18%	17%	19%	20%	20%

Retail boards average two financial experts

All but one of the retail and apparel boards in our index have identified a financial expert for the audit committee.

> Fifty-seven percent of retail and apparel boards have identified at least two — and as many as five — financial experts for the board.

Board Financial Expertise						
	Retail Boards Overall	\$1B–\$2B	\$2B–\$5B	\$5B–\$10B	\$10B–\$20B	>\$20B
Percentage of Financial Experts Among All Directors	21%	24%	23%	20%	16%	17%

Boards welcome 92 new independent directors

Of the 105 retail and apparel companies in our index, 50 added new independent directors — for a total of 92. Of the 831 total independent directors on retail and apparel boards in our index, 11 percent are new to their boards.

Boards meeting more often

Retail and apparel boards meet eight times on average, an increase over the 7.5-meeting average in 2007. The median number of meetings is seven, compared with six in 2007.

- > Retail and apparel boards in our index had as few as four and as many as 25 meetings.
- > The smallest boards included in our index, those with annual revenue of between \$1 billion and \$2 billion, saw the largest increase in meeting time — two more meetings than in 2007 on average. The average number of meetings for these smaller retailers increased to 8.6 meetings from 6.5 in 2007.

Just like retail and apparel boards, S&P 500 boards have increased the number of board meetings. S&P 500 boards now meet 8.7 times on average, compared with 8.4 meetings in 2007.

Average Number of Meetings						
Retail Boards Overall	\$1B–\$2B	\$2B–\$5B	\$5B–\$10B	\$10B–\$20B	>\$20B	
8.1	8.6	8.3	7.8	7.1	7.6	

Director tenure, term length remain constant

The average tenure of retail and apparel directors is 9.1 years, compared with 9.0 in 2007.

- > The longest tenure of a retail and apparel board director is 30 years.

The average term length among retail and apparel boards in our index is 1.7 years, compared with 1.8 years in 2007 and 2.0 years in 2006.

- > Nearly two-thirds of retail and apparel boards, 62 percent, have one-year term lengths; 2 percent have two-year term lengths; and 36 percent have three-year term lengths.
- > More retail boards have adopted the one-year term length; in 2007, only half had one-year terms.

More companies set a mandatory retirement age

While 74 percent of S&P 500 boards report having a mandatory retirement age, only 17 percent of retail and apparel boards do. This does represent an increase from 2007, when 12 percent of retail and apparel boards reported having a mandatory retirement age.

The average retirement age is 72 for both S&P 500 and retail and apparel boards reporting a mandatory retirement age. Among retail and apparel boards, mandatory retirement ages range from 68 to 75.

Board committee makeup largely unchanged

Retail and apparel boards have 3.7 board committees on average, nearly unchanged from the 2007 average of 3.8. By comparison, S&P 500 boards average 4.2 committees.

- > All retail and apparel boards in our index, and all of the S&P 500 boards, have an audit committee. All but one board in our index has a compensation committee.
- > Ninety-five percent of retail and apparel boards in our index have a governance or nominating committee, compared with 99 percent of S&P 500 boards.
- > Other common committees among retail and apparel boards are the executive committee, which 31 percent of retail and apparel boards have, and the finance committee, which 22 percent of retail and apparel boards have.

Committee Profile		
	Retail Boards	S&P 500 Boards
Audit Committee	100%	100%
Compensation Committee	99%	100%
Nominating/Governance Committee	95%	99%
Executive Committee	31%	38%
Finance Committee	22%	34%

Board retainers continue to rise

Only one of the boards in our index does not provide a cash retainer to directors; it compensates board members through stock options and grants.

> Among the retail and apparel boards that do provide annual retainers to directors, the average retainer is \$56,700, an 11 percent increase over the 2007 average and a 32 percent increase over the 2006 average.

By comparison, the average board retainer among S&P 500 companies is significantly more than the retail and apparel board average — \$74,900.

Average Board Retainer			
	2006	2007	2008
Retail and Apparel Boards	\$43,100	\$50,900	\$56,700
S&P 500 Boards	\$63,600	\$68,600	\$74,900

Even among retail and apparel boards, retainers can vary widely. Not surprisingly, director retainers tend to increase with company size. In fact, retainers for board directors of the largest companies in our index exceed the average S&P 500 retainer.

Average Board Retainer by Company Size					
Retail Boards Overall	\$1B–\$2B	\$2B–\$5B	\$5B–\$10B	\$10B–\$20B	>\$20B
\$56,700	\$41,600	\$47,200	\$59,800	\$78,500	\$80,000

Fewer boards providing meeting attendance fees

The number of boards providing meeting attendance fees is decreasing. Fifty-eight percent of retail and apparel boards provide these fees, compared with 64 percent in 2007.

A similar trend is seen among S&P 500 boards; 45 percent of S&P 500 boards have meeting attendance fees, down from 52 percent in 2007.

> The average meeting attendance fee has remained fairly constant — \$2,910, compared with \$2,850 in 2007.

The average meeting attendance fee among S&P 500 boards is \$2,040.

Meeting Attendance Fees						
	Retail Boards Overall	\$1B–\$2B	\$2B–\$5B	\$5B–\$10B	\$10B–\$20B*	>\$20B
Average	\$2,910	\$2,010	\$2,000	\$2,200	\$12,920	\$1,760
Median	\$1,500	\$1,500	\$1,500	\$2,500	\$2,000	\$2,000

*Note: Includes one company providing a meeting fee of \$57,831

Fewer than half of boards have deferred compensation plans

Retail and apparel boards are significantly less likely to offer deferred compensation plans than S&P 500 boards; 47 percent of retail and apparel boards have deferred compensation plans, compared with 74 percent of S&P 500 companies.

Equity remains an important part of compensation for many companies

Consistent with last year, half of retail and apparel companies have a stock option program, providing board directors with stock options upon joining the board, annually or both.

Similarly, the number of options granted has not changed significantly in the past year. In 2007, the average retail and apparel company granted 17,890 initial options and 8,220 annual options, compared with 17,250 initial options and 9,360 annual options today.

S&P 500 boards are somewhat less likely to provide stock options; 40 percent have a stock option program, compared with 42 percent in 2007.

Initial Options						
	Retail Boards Overall	\$1B-\$2B	\$2B-\$5B	\$5B-\$10B	\$10B-\$20B	>\$20B
% Providing Initial Options	24%	29%	19%	32%	20%	19%
Average Initial Options Granted	17,250	10,140	13,210	14,230	16,250	50,000

Annual Options						
	Retail Boards Overall	\$1B-\$2B	\$2B-\$5B	\$5B-\$10B	\$10B-\$20B	>\$20B
% Providing Annual Options	39%	54%	39%	26%	20%	44%
Average Annual Options Granted	9,360	7,910	5,880	3,810	5,850	24,070

Committee compensation increases

Eighty-nine percent of retail and apparel boards in our index provide an annual retainer to the audit committee chair, and 23 percent provide an additional retainer to their audit committee members.

> These numbers are up slightly from last year where 88 percent of boards provided an annual retainer to their audit committee chair, and 20 percent provided an additional retainer to audit committee members.

The average retainer for audit committee chairmen increased by 8 percent to \$17,820. The average retainer for audit committee members increased by 12 percent to \$12,000.

Eighty-seven percent of retail and apparel boards in our index provide an annual retainer to chairmen of committees other than the audit committee. However, the retainer is significantly less. The average retainer for non-audit committee chairmen is \$10,000.

Average Retainers for Committee Service						
	Overall	\$1B-\$2B	\$2B-\$5B	\$5B-\$10B	\$10B-\$20B	>\$20B
Audit Chairman	\$17,820	\$18,310	\$18,590	\$14,970	\$17,750	\$18,570
Audit Member	\$12,000	\$0	\$12,330	\$9,480	\$15,000	\$12,920
Non-Audit Chairman	\$10,000	\$7,890	\$9,890	\$8,570	\$11,420	\$12,960
Non-Audit Member	\$7,460	\$0	\$7,160	\$4,690	\$10,000	\$9,830

HOW DOES YOUR BOARD MEASURE UP?

How does your board compare in size and makeup to the top retail and apparel companies in the United States? Use the following index to see how your board measures up to the boards of the largest retail and apparel companies, as well as the S&P 500 boards. Note that in some cases the averages mask wide variations among individual companies.

Board Index of Top Retail and Apparel Companies in the U.S.					
	Average	Highest	Lowest	S&P 500	Your Board
Number of Directors	9.7	15	5	10.8	
Percentage of Independent Directors	82%	100%	38%	81%	
Average Director Age	59	69	50	61	
Average Board Tenure	9.1	30	1	—	
Number of Meetings Per Year	8.1	25	4	8.7	

COMPARATIVE BOARD DATA

COMPANY SALES (\$ in millions)	NUMBER OF DIRECTORS			LENGTH OF TERM	AVERAGE AGE	AVERAGE TENURE	MAND. RETIREMENT AGE	BOARD MTGS. PER YEAR [#]	FEMALE %	CEO/CHAIR SAME	BOARD COMPENSATION			STOCK [#]			
	Total	Inside ⁺	Ind.	(Years)	(Years)	(Years)	(Years)				Annual Retainer	Board Meeting Fee	Committee Meeting Fee (non-audit)	Initial Options	Annual Options	Initial Grant	Annual Grant
	99 Cents Only Stores \$1,104.7	9	4	5	1	58	14	N/A	7	11%	No	\$30,000	\$750	\$250	0	3,000	0
Abercrombie & Fitch Co. ¹ \$3,749.8	8	1	7	3	64	7	N/A	9	13%	Yes	\$55,000 ^c	\$0	\$0	0	0	0	3,000
Advance Auto Parts ² \$4,844.4	8	1	7	1	56	5	N/A	11	13%	No	\$25,000 ^c	\$2,000	\$1,000	0	7,500	0	825
Aéropostale ³ \$1,590.9	10	2	8	1	52	5	N/A	4	40%	Yes	\$30,000	\$1,500	\$1,500	15,000	0	0	3,855
American Eagle Outfitters \$3,055.4	10	3	7	3	61	7	N/A	10	10%	No	\$55,000 ^c	\$0	\$0	0	0	0	\$100,000
AnnTaylor Stores Corporation \$2,396.5	8	1	7	3	59	7	N/A	4	25%	No	\$40,000	\$0	\$1,500	0	0	\$150,000 ^d	\$90,000
Apple \$24,006.0	8	1	7	1	59	7	N/A	7	13%	No	\$50,000	\$0	\$0	30,000	10,000	0	0
AutoZone \$6,169.8	9	1	8	1	51	7	N/A	8	22%	Yes	\$40,000 ^a	\$0	\$0	3,000	1,500	0	0
Barnes & Noble \$5,410.8	10	2	8	3	61	10	N/A	8	30%	No	\$50,000	\$0	\$0	20,000	0	0	\$100,000 ^d
Bed Bath & Beyond \$7,048.9	11	3	8	1	59	13	N/A	8	18%	No	\$40,000 ^b	\$0	\$0	0	0	0	\$40,000
Best Buy Co. \$40,023.0	12	3	9	2	59	14	N/A	5	17%	No	\$75,000	\$0	\$0	0	7,500	0	0
Big Lots \$4,656.3	9	1	8	1	60	9	N/A	5	11%	Yes	\$45,000	\$1,500	\$1,000	0	10,000	0	0
BJ's Wholesale Club ⁴ \$9,005.0	8	2	6	3	60	5	N/A	6	25%	Yes	\$40,000 ^c	\$2,500	\$1,000	10,000	0	0	2,200
Blockbuster \$5,542.4	9	1	8	1	60	3	N/A	14	11%	Yes	\$125,000 ^{ac}	\$2,000	\$1,000	0	0	0	0
The Bon-Ton Stores \$3,365.9	10	2	8	1	56	9	N/A	5	30%	No	\$110,000 ^{ac}	\$0	\$0	0	0	0	0
Borders Group \$3,820.9	11	1	10	1	55	6	N/A	5	18%	No	\$150,000 ^{ac}	\$0	\$0	0	0	0	0
Brown Shoe Company \$2,359.9	13	2	11	3	60	6	70	11	31%	Yes	\$30,000	\$1,500	\$1,000	0	0	0	1,500 ^d
Cabela's \$2,349.6	9	3	6	1	63	13	N/A	5	0%	No	\$35,000	\$2,500	\$0	0	2,000	0	0
Casey's General Stores \$4,023.3	9	2	7	1	68	15	N/A	6	22%	No	\$25,000	\$1,000	\$1,000	0	2,000	0	0
Charming Shoppes \$3,010.0	8	1	7	3	59	9	N/A	9	63%	Yes	\$50,000 ^c	\$1,500	\$0	0	0	0	\$135,000 ^d
Chico's FAS \$1,714.3	8	1	7	3	60	7	N/A	6	25%	Yes	\$40,000	\$1,000	\$1,000	0	10,000	0	2,500 ^d
The Children's Place Retail Stores \$2,162.6	8	1	7	3	63	7	N/A	24	13%	No	\$35,000	\$1,500	\$1,500	15,000	6,000	0	0
Circuit City Stores \$11,743.7	15	1	14	3	59	5	N/A	7	20%	Yes	\$60,000 ^{bc}	\$0	\$1,500	0	0	0	\$100,000 ^d
Coach \$2,612.5	8	2	6	1	55	5	N/A	5	25%	Yes	\$30,000 ^c	\$0	\$0	0	12,000	0	0
Collective Brands \$3,035.4	9	1	8	3	59	5	N/A	8	22%	No	\$100,000 ^{ac}	\$1,500	\$1,000	0	0	0	0
Cost Plus \$1,023.9	7	1	6	1	60	8	N/A	12	14%	No	\$30,000	\$3,000	\$1,500	16,000	8,000	0	0
Costco Wholesale Corporation \$64,400.2	13	4	9	3	66	15	N/A	6	15%	No	\$30,000	\$1,000	\$1,000	0	0	0	3,000 ^d
CSK Auto Corporation \$1,851.6	7	2	5	N/A	61	8	N/A	7 ^e	14%	No	\$50,000	\$1,500	\$1,500	0	10,000	0	0
CVS Caremark Corporation \$76,329.5	12	1	11	1	61	6	72	12	25%	Yes	\$65,000 ^{ab}	\$2,000	\$1,000	0	0	0	4,000

COMPANY SALES (\$ in millions)	NUMBER OF DIRECTORS			LENGTH OF TERM (Years)	AVERAGE AGE (Years)	AVERAGE TENURE (Years)	MAND. RETIREMENT AGE (Years)	BOARD MTGS. PER YEAR ^a	FEMALE %	CEO/ CHAIR SAME	BOARD COMPENSATION			STOCK ^b			
	Total	Inside ^c	Ind.								Annual Retainer	Board Meeting Fee	Committee Meeting Fee (non-audit)	Initial Options	Annual Options	Initial Grant	Annual Grant
	Dick's Sporting Goods \$3,888.4	8	2	6	3	55	11	N/A	6	0%	Yes	\$20,000	\$7,500	\$1,500	20,000	10,000	0
Dillard's \$7,370.8	12	5	7	1	59	14	N/A	4	8%	Yes	\$45,000	\$2,500	\$1,500	0	0	0	2,000
Dollar Tree \$4,242.6	13	2	11	3	62	10	N/A	6	15%	No	\$80,000 ^e	\$0	\$0	0	0	0	0
The Dress Barn ⁵ \$1,426.6	7	3	4	3	59	14	N/A	7	14%	No	\$25,000	\$1,000	\$0	0	3,333	0	0
DSW \$1,405.6	10	1	9	3	61	2	N/A	4	30%	Yes	\$110,000 ^{ab}	\$0	\$0	0	0	0	\$5,000
Ethan Allen Interiors \$1,005.3	7	1	6	3	69	15	N/A	5	14%	Yes	\$20,000	\$3,500	\$2,000	0	3,000	0	0
Family Dollar Stores \$6,834.3	9	1	8	1	61	10	N/A	9	11%	Yes	\$40,000	\$1,500	\$1,000	0	0	0	\$30,000
The Finish Line ⁶ \$1,277.2	7	3	4	3	58	17	N/A	14	14%	Yes	\$3,500	\$3,500	\$500	6,000	8,000	0	0
Foot Locker \$5,437.0	9	1	8	3	62	11	72	6	22%	Yes	\$100,000 ^e	\$1,500	\$1,500	0	2,208	0	0
Fred's \$1,780.9	7	2	5	1	59	9	N/A	12	14%	Yes	\$22,260	\$0	\$0	0	3,000	0	0
GameStop Corp. \$7,094.0	11	2	9	3	62	5	N/A	8	9%	Yes	\$50,000	\$1,000	\$1,000	0	0	0	19,200 ^d
Gap \$15,763.0	13	2	11	1	60	12	N/A	6	15%	Yes	\$50,000 ^e	\$2,000	\$1,500	0	0	0	\$100,000 ^d
Genesco \$1,502.1	11	2	9	1	62	10	N/A	12	9%	Yes	\$30,000 ^b	\$1,500	\$1,000	0	0	0	0
Genuine Parts Company \$10,843.2	13	3	10	1	64	12	N/A	4	15%	Yes	\$35,000 ^e	\$1,250	\$1,250	0	0	0	1,500 ^d
The Great Atlantic & Pacific Tea Co. \$6,401.1	9	2	7	1	57	7	N/A	7	22%	No	\$65,000 ^e	\$0	\$0	0	0	0	\$90,000
The Home Depot ⁷ \$77,349.0	10	1	9	1	56	2	72	17	20%	Yes	\$280,000	\$0	\$0	0	0	0	0
Ingles Markets \$2,851.6	9	5	4	1	59	12	N/A	4	11%	No	\$10,000	\$1,000	\$1,000	0	0	0	0
J.C. Penny Corporation \$19,860.0	12	2	10	1	60	7	72	7	25%	Yes	\$60,000 ^{bc}	\$0	\$0	0	0	0	\$120,000
J. Crew Group \$1,334.7	9	1	8	3	59	5	N/A	4	22%	Yes	\$35,000	\$2,000	\$1,000	5,000	5,500	0	0
Jo-Ann Stores ⁸ \$1,878.8	10	1	9	1	54	10	N/A	5	30%	Yes	\$70,000 ^e	\$0	\$0	10,000	0	0	\$120,000 ^d
Jones Apparel Group \$3,848.5	8	2	6	1	60	7	N/A	25	25%	No	\$40,000 ^e	\$2,000	\$1,000	0	0	6,000 ^d	3,000
Kohl's Corporation \$16,473.7	10	2	8	1	60	12	N/A	7	10%	Yes	\$100,000	\$0	\$0	0	3,700	0	0
The Kroger Co. \$70,235.0	15	3	12	1	58	8	N/A	6	13%	Yes	\$75,000 ^e	\$0	\$0	0	5,000	0	2,500 ^d
Limited Brands \$10,134.0	11	1	10	3	63	14	N/A	10	18%	Yes	\$100,000	\$0	\$0	0	0	0	0
Liz Claiborne \$4,577.3	10	1	9	3	58	7	N/A	11	20%	No	\$150,000 ^{ac}	\$1,000	\$1,000	0	0	0	0
Longs Drug Stores Corporation \$5,262.6	7	1	6	1	60	7	N/A	7	43%	Yes	\$45,000	\$0	\$1,500	0	0	0	\$60,000 ^d
Lowe's Companies ⁹ \$48,283.0	11	1	10	3	62	6	N/A	6	9%	Yes	\$75,000 ^e	\$0	\$0	0	0	0	\$115,000
Macy's \$26,313.0	11	1	10	1	62	10	72	12	36%	Yes	\$60,000 ^e	\$2,000	\$2,000	0	10,000	0	0
The Men's Wearhouse \$2,112.6	8	2	6	1	61	13	75	5	0%	Yes	\$24,000	\$0	\$1,000	0	1,500	0	1,500 ^d

COMPANY SALES (\$ in millions)	NUMBER OF DIRECTORS			LENGTH OF TERM (Years)	AVERAGE AGE (Years)	AVERAGE TENURE (Years)	MAND. RETIREMENT AGE (Years)	BOARD MTGS. PER YEAR [#]	FEMALE %	CEO/ CHAIR SAME	BOARD COMPENSATION			STOCK [®]			
	Total	Inside ⁺	Ind.								Annual Retainer	Board Meeting Fee	Committee Meeting Fee (non-audit)	Initial Options	Annual Options	Initial Grant	Annual Grant
	Movie Gallery \$2,541.9	5	2	3	1	63	13	N/A	18	0%	Yes	\$48,000	\$2,000	\$1,000	0	0	0
New York & Company \$1,194.9	12	2	10	1	57	4	N/A	6	25%	Yes	\$25,000	\$1,000	\$1,000	0	0	0	3,500 ^d
Nike \$16,325.9	12	2	10	1	61	13	72	5	17%	No	\$40,000 ^c	\$2,000	\$1,000	10,000	8,000	0	0
Nordstrom \$8,828.0	9	3	6	1	54	5	N/A	6	33%	No	\$50,000 ^c	\$0	\$0	0	0	0	\$100,000
Office Depot \$15,527.5	12	1	11	1	62	9	N/A	7	33%	Yes	\$250,000 ^a	\$0	\$0	0	0	0	0
OfficeMax \$9,082.0	8	1	7	1	55	4	N/A	9	25%	Yes	\$51,000 ^c	\$2,000	\$1,000	0	0	0	\$75,000 ^d
O'Reilly Automotive \$2,522.3	9	4	5	3	64	21	N/A	4	11%	No	\$30,000	\$2,500	\$0	0	5,000	0	0
Pacific Sunwear of California ¹⁰ \$1,454.2	8	1	7	2	63	9	N/A	14	25%	Yes	\$30,000	\$3,000	\$1,250	0	9,000	0	0
The Pantry \$6,911.2	10	1	9	1	59	4	N/A	11	10%	Yes	\$20,000	\$2,500	\$667	10,000	5,000	0	0
The Penn Traffic Company ¹¹ \$1,219.5	8	1	7	1	56	3	N/A	23	0%	No	\$25,000	\$1,500	\$1,000	0	0	0	4,537
The Pep Boys – Manny, Moe & Jack \$2,138.1	11	0	11	1	58	4	N/A	16	18%	No	\$35,000 ^c	\$0	\$0	0	0	0	\$45,000 ^d
PetSmart \$4,672.7	11	1	10	3	60	8	72	7	18%	Yes	\$42,000 ^a	\$1,500	\$1,500	0	0	\$125,000 ^d	\$83,000
Pier 1 Imports ¹² \$1,511.8	8	1	7	1	60	5	N/A	5	25%	No	\$150,000	\$0	\$0	0	0	0	0
Polo Ralph Lauren Corporation \$4,059.1	12	3	9	1	63	6	N/A	5	25%	Yes	\$45,000	\$0	\$2,000	7,500	3,000	0	0
Publix Super Markets \$23,193.6	9	3	6	1	60	19	70	4	22%	No	\$45,000	\$0	\$0	0	0	0	0
RadioShack ¹³ \$4,251.7	9	1	8	1	60	9	72	5	11%	Yes	\$40,000 ^b	\$1,500	\$1,250	0	0	\$150,000	\$105,000
Retail Ventures \$1,871.9	9	2	7	1	61	9	N/A	14	11%	No	\$30,000	\$5,000	\$0	0	10,000	0	0
Rite Aid Corporation \$24,326.8	14	1	13	3	58	4	N/A	7	14%	Yes	\$70,000	\$2,000	\$1,000	100,000	50,000	0	0
Ross Stores \$5,975.2	8	1	7	3	62	17	N/A	5	13%	No	\$37,000	\$1,500	\$1,500	12,360	8,094	0	0
Ruddick Corporation ¹⁴ \$3,639.2	11	1	10	3	56	12	N/A	4	9%	Yes	\$28,000 ^c	\$1,500	\$1,500	10,000	0	0	\$10,000
Safeway \$42,286.0	11	1	10	1	60	8	N/A	5	18%	Yes	\$145,000 ^a	\$0	\$0	20,000	0	0	0
Saks \$3,282.6	10	1	9	3	55	11	72	8	20%	Yes	\$50,000 ^c	\$2,000	\$2,000	0	0	5,000 ^d	4,000
Sally Beauty Holdings \$2,513.8	11	1	10	3	58	1	72	6	18%	No	\$35,000	\$2,000	\$2,000	19,055	0	0	\$70,000 ^d
Sears Holdings Corporation \$50,703.0	8	1	7	1	50	4	N/A	10	25%	No	\$40,000	\$0	\$0	0	0	0	0
The Sherwin-Williams Company \$8,005.3	11	1	10	1	61	10	N/A	7	9%	Yes	\$75,000 ^c	\$0	\$0	0	0	0	1,333 ^d
Spartan Stores ¹⁵ \$2,476.8	9	2	7	3	56	5	72	6	22%	Yes	\$30,000	\$1,500	\$1,000	0	1,186	0	1,491
Stage Stores \$1,545.6	9	2	7	1	58	4	N/A	6	22%	Yes	\$40,000 ^b	\$0	\$1,000	0	0	\$50,000 ^d	\$100,000
Staples \$19,372.7	12	1	11	1	57	11	N/A	4	17%	Yes	\$50,000	\$57,831	\$0	22,500	0	0	0
Starbucks Corporation \$9,411.5	9	1	8	1	58	9	N/A	6	22%	Yes	\$200,000	\$0	\$0	30,000	0	0	0

COMPANY SALES (\$ in millions)	NUMBER OF DIRECTORS			LENGTH OF TERM (Years)	AVERAGE AGE (Years)	AVERAGE TENURE (Years)	MAND. RETIREMENT AGE (Years)	BOARD MTGS. PER YEAR [#]	FEMALE %	CEO/ CHAIR SAME	BOARD COMPENSATION			STOCK ⁺			
	Total	Inside ⁺	Ind.								Annual Retainer	Board Meeting Fee	Committee Meeting Fee (non-audit)	Initial Options	Annual Options	Initial Grant	Annual Grant
Stein Mart \$1,457.6	10	3	7	1	61	12	N/A	7	20%	No	\$30,000	\$2,000	\$1,500	4,000	0	0	\$25,000 ^d
SUPERVALU \$44,048.0	14	1	13	3	62	9	74	6	21%	Yes	\$50,000 ^c	\$1,800	\$750	0	6,000	0	\$50,000
Susser Holdings Corporation \$2,717.4	7	1	6	3	56	9	N/A	9	0%	No	\$55,500	\$0	\$0	14,158	0	0	0
The Talbots \$2,289.3	8	1	7	1	57	6	N/A	8	25%	N/A	\$28,000 ^c	\$0	\$0	0	0	0	4,000 ^d
Target Corporation ⁶ \$63,367.0	13	2	11	3	55	8	68	6	31%	Yes	\$90,000 ^c	\$0	\$0	0	\$80,000	\$50,000 ^d	\$75,000
Tiffany & Co. \$2,938.8	9	1	8	1	61	9	72	10	22%	Yes	\$50,000 ^c	\$2,000	\$2,000	0	10,000	0	0
The TJX Companies \$18,647.1	12	2	10	1	59	9	72	14	25%	No	\$40,000 ^c	\$1,500	\$1,500	0	0	0	\$100,000
Trans World Entertainment Corp. \$1,265.7	8	1	7	3	55	12	N/A	18	13%	Yes	\$25,000	\$2,000	\$1,000	15,000	0	0	\$80,000 ^d
Tween Brands \$1,014.0	8	2	6	3	58	7	N/A	5	25%	Yes	\$35,000	\$1,500	\$1,000	0	10,000	0	0
Urban Outfitters \$1,507.7	6	2	4	1	58	20	N/A	4	0%	No	\$100,000	\$0	\$0	0	20,000	0	0
Village Super Market \$1,046.4	8	5	3	1	66	30	N/A	4	0%	Yes	\$12,000 ^b	\$1,000	\$1,000	0	0	0	0
Walgreen Company ⁷ \$53,762.0	10	1	9	1	63	12	N/A	9	20%	Yes	\$70,000 ^a	\$0	\$0	0	0	0	\$100,000
Wal-Mart Stores \$378,799.0	15	2	13	1	57	7	N/A	4	20%	No	\$60,000 ^b	\$0	\$0	0	0	0	\$140,000
Weis Markets \$2,318.6	7	4	3	1	62	18	N/A	5	0%	No	\$35,000	\$0	\$0	0	0	0	0
Whole Foods Market \$6,591.8	6	1	5	1	59	11	N/A	7	17%	Yes	\$12,680	\$5,725	\$4,194	0	2,250	0	0
Williams-Sonoma \$3,944.9	9	2	7	1	63	10	N/A	6	0%	Yes	\$0	\$0	\$0	6,750	6,250	2,250	2,100
Winn-Dixie Stores ⁸ \$7,201.2	9	1	8	1	57	1	N/A	13	22%	Yes	\$50,000 ^c	\$1,500	\$1,000	0	0	0	\$70,000
Zale Corporation \$2,437.1	7	1	6	1	57	5	N/A	9	14%	No	\$40,000	\$3,000	\$2,000	0	3,800	0	1,500 ^d

Footnotes:

Data for the *Retail & Apparel Board Index* were obtained from Equilar, a leading independent provider of executive and board compensation analysis, except where noted. The data were derived from the most recent proxies as of June 30, 2008. Annual sales reported at time of most recent proxy.

+ Inside directors include all current executives, officers and employees of the company who are serving on the board.

Board meetings include both regularly scheduled and special meetings.

* Stock components have been noted where possible. Some companies also include deferred compensation and retirement plans as part of their board compensation.

a Equity is paid as part of retainer fees and/or meeting fees.

b Directors can elect to receive annual retainer and/or fees in full or partially in stock.

c Directors may elect to receive all or a portion of their annual retainers and fees on a deferred basis.

d Annual and/or initial stock grants represent restricted stock or stock units.

e Meetings per year not disclosed. Represents median index.

Company footnotes:

1	Abercrombie & Fitch Co.	The annual stock grant represents restricted stock units, with a maximum value of \$300,000 and a minimum value of \$120,000 on the date of grant.
2	Advance Auto Parts	In November 2007, the board approved a change to the equity portion of the director compensation program, establishing long-term incentives valued at \$120,000 per year, which will be awarded annually in the form of 50 percent in stock appreciation rights and 50 percent in deferred stock units. The annual stock grant represents deferred stock units.
3	Aéropostale	Nonemployee directors are eligible to receive a number of restricted shares set by the company, dependent upon the company's achievement of annual financial targets. As disclosed on Form 4s dated March 30, 2007, and as adjusted for the 3:2 stock split on August 22, 2007, each nonemployee director received 3,855 shares of restricted stock.
4	BJ's Wholesale Club	In lieu of an annual stock option grant for 2007, 2008 and 2009, each nonemployee director received a grant of 6,600 shares of restricted stock. The annual stock grant represents the annualized amount of restricted stock for fiscal 2007.
5	The Dress Barn	Nonemployee directors are granted nonqualified stock options to purchase 10,000 shares of the company's common stock for each three-year term on the board.
6	The Finish Line	Subject to shareholder approval, the automatic initial and annual stock option grants will be replaced with discretionary awards of stock options and incentive stock.
7	The Home Depot	The annual stock grant represents deferred shares.
8	Jo-Ann Stores	Pursuant to an amendment approved at the 2007 annual meeting, the class structure will be eliminated and all directors will be subject to annual election.
9	Lowe's Companies	The annual stock grant represents deferred stock units.
10	Pacific Sunwear of California	The annual options grant represents stock-settled stock appreciation rights.
11	The Penn Traffic Company	The annual stock grant represents shares of phantom stock.
12	Pier 1 Imports	During fiscal year 2008, the Pier 1 Imports' Director Deferred Stock Unit Program provided a mandatory deferral of 50 percent for a portion of the year and an optional deferral of up to 100 percent for a portion of the year of the annual retainer fees. Deferred director annual retainer fees (but not committee chair or chairman annual retainers) are matched 25 percent by Pier 1 Imports and the total deferred fees and matching contributions are converted into an equivalent value of deferred stock units.
13	RadioShack	The initial and annual stock grants represent deferred stock units.
14	Ruddick Corporation	The annual stock grant represents a discretionary company contribution converted into stock units.
15	Spartan Stores	Upon a director's initial election to the board, the director will be granted, at the director's election, either stock options to purchase common stock or restricted shares of common stock, in either case valued at \$50,000.
16	Target Corporation	Nonemployee directors choose one of three forms of annual compensation. The basic form consists of a cash retainer of \$90,000, a grant of stock options having a face value of \$80,000 on the date of grant, and a grant of restricted stock units with a face value of \$75,000. The second form consists of an award of restricted stock units with a face value of \$245,000. If the director has satisfied Target's stock ownership guidelines for directors, they may choose the third form, which consists of a grant of stock options having a face value of \$245,000 on the date of grant.
17	Walgreen Company	The annual stock grant represents an equity grant of shares, which may be awarded in the form of deferred stock units.
18	Winn-Dixie Stores	The company emerged from Chapter 11 bankruptcy on November 21, 2006.

Amsterdam 31 (0) 20.305.73.05	Geneva 41.22.312.36.38	Montreal 1.514.288.3377	Singapore 65.6586.1186
Atlanta 1.404.504.4400	Hong Kong 852.2521.8373	Mumbai 91.22.6616.1414	Stamford 1.203.324.6333
Barcelona 34.93.487.23.36	Houston 1.713.225.1621	Munich 49 (0) 89.45.55.53.0	Stockholm 46.8.534.801.50
Beijing 86.10.6505.1031	Johannesburg 27 (0) 11 707.9460	New York 1.212.336.0200	Sydney 61.2.9240.0100
Bogota 571.618.2488	Leeds 44 (0) 1937.547700	Orange County 1.949.930.8000	Tokyo 81.3.3238.8901
Boston 1.617.531.5731	London 44 (0) 20 7298.3333	Paris 33 (0) 1.53.57.81.23	Toronto 1.416.361.0311
Brussels 32.2.732.26.25	Los Angeles 1.310.209.0610	Philadelphia 1.215.814.1600	Vienna 43.1.36.88.700.0
Budapest 36.1.200.08.50	Madrid 34.91.745.85.00	Prague 420.221.411.341	Warsaw 48.22.321.02.00
Buenos Aires 54.11.4310.9100	Manchester 44 (0) 161 499.6700	Rome 39.06.802071	Washington, D.C. 1.202.639.8111
Calgary 1.403.538.8658	Melbourne 61.3.8661.0100	San Francisco 1.415.495.4141	Zurich 41.44.257.17.17
Chicago 1.312.822.0080	Mexico City 52.55.5002.4950	Santiago 56.2.940.2700	
Dallas 1.214.672.5200	Miami 1.305.443.9911	Sao Paulo 55.11.3759.7700	
Dubai 971.4.426.6500	Milan 39.02.771251	Shanghai 86.21.2326.2828	
Frankfurt 49 (0) 69.61.09.27.0	Minneapolis/St. Paul 1.612.313.2000	Silicon Valley 1.650.356.5500	

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