

2011

SPENCER STUART BOARD INDEX



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ABOUT SPENCER STUART BOARD SERVICES

Spencer Stuart is one of the world's leading executive search firms. Privately held since 1956, Spencer Stuart applies its extensive knowledge of industries, functions and talent to advise select clients — ranging from major multinationals to emerging companies to nonprofit organizations — and address their leadership requirements. Through 51 offices in 27 countries and a broad range of practice groups, Spencer Stuart consultants focus on senior-level executive search, board director appointments, succession planning and in-depth senior executive management assessments.

The premier firm for board counsel and recruitment, Spencer Stuart conducts well over half of all director assignments handled through executive search. For more than 25 years, our Board Services Practice has helped boards around the world identify and recruit independent directors and provided advice to chairmen, CEOs and nominating committees on important governance issues. In the past year alone, we have conducted more than 400 director searches. We are the firm of choice for both leading multinationals and smaller organizations, conducting more than one-third of our assignments for companies with revenues under \$1 billion.

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 Board Index (SSBI)*, now in its 26th edition, is just one of our many ongoing efforts:

- > Each year, we sponsor and participate in three acclaimed director education programs:
 - The Annual Boardroom Summit, jointly sponsored by the New York Stock Exchange and *Corporate Board Member* magazine;
 - The Corporate Governance Conference at Northwestern University's Kellogg Graduate School of Management; and
 - Corporate Governance Best Practices for Directors, in partnership with the Wharton School at the University of Pennsylvania.
- > We participate in the Directors' Institute hosted by The Conference Board and serve as an advisory board member of The Conference Board's Global Corporate Governance Research Center.
- > And we are active in The Chairman's Forum, a peer organization of independent chairmen on corporate boards, at the Yale School of Management's Millstein Center for Corporate Governance.

CEO SUCCESSION PLANNING: WHAT BOARDS NEED TO DO BETTER

Respondents to our annual governance survey consistently rank CEO succession planning as an issue requiring significant board focus. And, while turnover among S&P 500 CEOs declined from 2005 to 2010, the focus on CEO performance and succession planning has only intensified — with recent high-profile changes at the top triggering much scrutiny and debate. So far this year, CEO turnover on an annualized basis is running ahead of numbers from previous years, suggesting that more boards will recognize the growing imperative of succession planning.

So while boards acknowledge the importance of succession planning, our survey findings suggest that board oversight of CEO succession is not as robust as it could be. More than 30% of survey respondents say their companies still don't have either an emergency or a long-term plan in place. Furthermore, almost one-third report that the CEO drives the succession planning process, nearly 60% say that their board lacks a written description of the skills and experiences required for their next CEO and just over half use a formal process to review internal candidates. A recent *Corporate Board Member* survey of New York Stock Exchange directors seems to confirm these shortcomings: 43% of those polled said CEO succession was the responsibility for which their board was least effective.

So how can boards get better at what everyone acknowledges is one of their critical responsibilities? And how do boards know whether it's better to promote to the top job from within or bring in an outsider?

With questions like these in mind, our Board & CEO Practice recently undertook an 18-month research project to study leadership transitions, which culminated in the book, *You Need a Leader—Now What?* As part of this project, we examined hundreds of CEO transitions in the United States, France, Germany, the Netherlands, and the United Kingdom, including large public companies as well as smaller organizations, plus a sampling of academic and cultural institutions.

Essential truths about leadership transition planning

Across all of these organizations, we discovered a few essential truths when it comes to selecting a new CEO. Put simply, it's not about selecting a great individual to do a job. It's about matching the *right* individual to the *right* situation, and using the *right* process to get it done.

Before boards even begin the selection process for the right person, they first must consider the puzzle they're trying to solve: What is the company strategy? What are the strengths and weaknesses of the organization? Where does the organization need to go? What skills will be required to get there? And what interpersonal characteristics are required to operate successfully within the company's cultural norms?

Once these puzzle pieces are in place and what's needed from the next leader becomes clear, the second step is to detail the specific criteria for selecting and assessing candidates. At this stage, boards need to be vigilant about challenging the red herrings that often masquerade as conventional wisdom. For example, our research showed that age, educational background, ethnicity and "been there, done that" experience were not definitive predictors of success. Indeed, first-time CEOs perform just as well as experienced chief executives. The value of industry experience varied by sector, with some performance advantage in pharma/biotech and consumer/retail companies but less in banking, technology and industrial companies.

Perhaps most importantly, our research shows that even the obvious choice can go wrong without the right process. The best processes follow two tracks — one geared to grooming internal candidates through comprehensive assessment and leadership development systems, and the other centered on external market mapping and benchmarking. For both tracks, the starting point is the same: board discussion and alignment around the strategic direction and leadership priorities and consideration of the organizational and cultural dynamics that will affect the chosen leader's success.

Barriers to effective CEO succession planning

If these principles are the key factors for success, what are the barriers getting in the way of boards today? Through this research and years of working with clients, we've identified five:

- > **Other urgent board matters:** Pressing issues, such as M&A, company performance, shareholder demands and CEO compensation and annual reviews, can push ahead of long-term goals like succession planning.
- > **Sensitivity:** Many boards are uncomfortable raising the issue of succession for a variety of reasons. They may regard it as

insensitive to put succession on the agenda when the CEO is relatively new in the role, or they may be reluctant to exacerbate the pressure a CEO is already under by asking him or her to think about his or her successor.

- > **A reluctant CEO:** The CEO who exerts an overly powerful influence in the boardroom may make it difficult for other board members to raise the issue of succession. These situations call for a strong chair or lead director to ensure that the topic is not overlooked.
- > **Complacency:** Many boards think they are doing well, yet their definition of a good succession plan may be inadequate.
- > **Lack of agreement about CEO criteria:** When a succession plan fails, it is often because a board does not agree on the strategy or the characteristics of the ideal candidate — which, as described above, must precede the actual selection process.

Highlights from this year's SSBI

While CEO succession is top of mind in corporate boardrooms, it is certainly not the only issue that boards must grapple with. As always, this year's *Spencer Stuart Board Index* looks at important trends in director recruitment, board processes and compensation. Here are the most notable takeaways from our 2011 proxy analysis:

Board turnover declining. S&P 500 boards elected just 294 new directors in the 2011 proxy year — the smallest intake in 10 years and a 25% drop over the past five years. Reasons for this downtrend may include the downsizing of boards, the raising of director retirement ages and directors holding onto board seats during the economic downturn.

Today's boards are smaller and older. Board size is settling at an average of 10.7 directors, down from 11.1 in 2001. Meanwhile, the average age of all independent directors continues to inch up: from 60.2 years 10 years ago to 62.4 today. 37% of S&P 500 boards have an average age of 64 or older, more than double the percentage a decade ago.

More boards establish mandatory retirement age while raising the age cap. Nearly three-quarters of all S&P 500 boards — up from 58% in 2001 — set a mandatory retirement age for directors, yet many retain the discretion to make exceptions to the rule. Of that group, 83% set the age limit at 72 or older, versus just 36% in 2001.

Fewer active CEOs as directors. More than half of active CEOs do not serve on outside boards. As a result, boards are recruiting more retired top executives and other corporate executives. Active CEOs represented just 24% of all new directors in 2011, down from 47% a decade ago, while retired CEOs made up 19% of this year's

25%

*drop in number
of independent directors elected
to boards since 2006.*

73%

*of boards have a mandatory
retirement age; among
this group 83% set that age at
72 or older.*

9%

of the top 500 boards still have no women, and 12% of the top 200 still have no minorities.

41%

of boards now separate the CEO and chair roles, up from 26% in 2001.

new recruits, up from 12% a decade ago. Division/subsidiary presidents, other line and functional leaders now account for 21% of all new directors, versus just 9% a decade ago.

While still under-represented, women and minorities show small gains. Of the 294 new independent directors, 21% are women and 14% are minorities. 9% of the S&P 500 still have no women directors at all, and 12% of the S&P 200 have no minority directors. Overall, women now account for just over 16% of all independent directors, up from 12% in 2001.

Independent board leadership becoming the norm. As reported, only 3% of S&P 500 boards have neither an independent chairman nor a lead or presiding director. 41% of boards – up from 26% in 2001 – now split the chairman and CEO roles. Of those, 21% have truly independent chairs. 92% of boards report having a lead and presiding director, versus 85% in 2004 (when we first began tracking this information).

Greater transparency around leadership structure. SEC regulations now require all boards to discuss their leadership structure in their proxy statements, including the roles and responsibilities of the CEO and/or chairman and the rationale for separating or combining those roles. Thus far, just 18 companies have reported a formal policy requiring separation of the CEO and chair roles; most others say they decide on a case-by-case basis.

Director compensation on the rise again. Average all-inclusive annual compensation for S&P 500 directors now exceeds \$232,000, up 8% from \$215,000 last year. Cash retainers rose 11% — the largest single-year gain since 2005-06 — reaching an average of \$88,858. This represents a 10-year change of 141%. For S&P 500 boards with nine independent directors, the average annual price tag for board-related compensation is approaching \$2.1 million.

Ongoing shift from fees to retainers. The shift toward a simplified director compensation structure continues as fewer boards pay board meeting fees on top of retainers: 37% in 2011, down from 72% a decade ago. We also see continued shifts from stock option grants to stock awards and increasing use of committee retainers.

Editor's Note:

As always, this year's *Spencer Stuart Board Index* is based on our analysis of the most recent proxy reports from the S&P 500, plus an extensive supplemental survey. This edition of the SSBI draws on the latest proxy statements from 494 companies filed between May 15, 2010 and May 15, 2011, and responses from 102 companies to our governance survey conducted in the second quarter of 2011. Survey respondents are typically corporate secretaries, general counsel or chief governance officers.

Top Governance Issues *for 2011*

Each year, we survey corporate secretaries and general counsel to learn more about the issues that are top of mind in boardrooms and to gain deeper insight into our analysis of the proxy data.

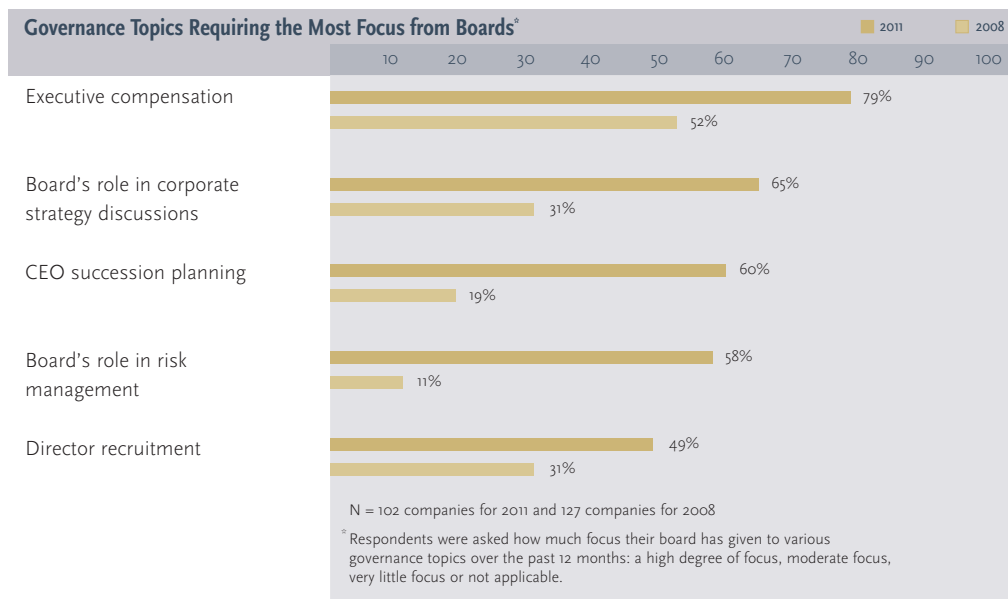
For four years running, we have asked how much focus boards are giving to particular governance topics. Once again this year, executive compensation came up as the #1 issue, ranked first by 79% of our survey respondents. The board's role in corporate strategy stayed at #2.

CEO succession planning continues to loom ever larger on the board's radar screen: 60% of respondents cited this as a key topic in 2011,

marking the fourth consecutive increase.

Likewise, risk management remains a significant concern, with 58% of respondents saying it requires a high degree of focus. Director recruiting rounded out the top five issues, at 49%.

Nearly 30% said that addressing shareholder concerns warranted a high degree of focus, while 48% said this warranted moderate focus. Similarly, 21% cited the new proxy disclosure requirements as a major concern, and 60% put this in the moderate category.



S & P 500 BOARDS: FIVE-YEAR AND TEN-YEAR TRENDS

Board composition	2011 ^(a)	2006 ^(b)	2001 ^(c)	5-year % change	10-year % change	Comments
Average board size	10.7	10.7	11.1	0%	-4%	Average board size has stabilized over past five years
Boards with 12 or fewer directors	83%	81%	73%	2%	14%	Most boards have a dozen or fewer directors
Independent directors	84%	81%	77%	4%	9%	Boards more independent than five to 10 years ago
Average age of independent directors	62.4	61.0	60.2	2%	4%	Average age keeps inching up
New independent directors						
Total number	294	391	278	-25%	6%	Fewer new directors for second year in a row
Women	21%	23%	16%	-9%	31%	Small change in women added to boards over past five years
Active CEO/chair/president/ COO/vice chair	24%	29%	47%	-17%	-49%	Continued decline in active CEOs as directors
Retired CEO/chair/president/ COO/vice chair	19%	11%	12%	73%	58%	More retired CEOs coming on to boards
All other corporate executives	21%	15%	9%	40%	133%	Growing receptivity toward non-CEO directors
Women directors						
Women as percentage of all directors	16%	15%	12%	7%	33%	Modest increase in female representation over past decade
Boards with at least one woman director	91%	89%	83%	2%	10%	9% of boards do not have any female directors
CEO profile						
Average number of other corporate directorships	0.6	0.8	1.2	-25%	-50%	CEOs continue to take on fewer board commitments
Women CEOs	15	12	5	25%	200%	Despite one-year drop, women make strides in corner office
Boards where CEO is the only non-independent	57%	39%	27%	46%	111%	CEOs are the only insiders on majority of boards
Average age	56.5	55.2	55.1	2%	3%	CEOs slightly older
Average tenure with company	16.4	14.4	15.2	14%	8%	Increase in CEO tenure
Chairman independence						
CEO is also chairman	59%	67%	74%	-12%	-20%	Growing separation of CEO and chair roles
Independent chairman	21%	10%	n/a	110%	n/a	Increasing independence among board chairmen
Boards with lead or presiding director	92%	96%	n/a	-4%	n/a	Nearly all boards have a lead or presiding director
Board meetings^(d)						
Average number of board meetings	8.2	8.4	8.0	-2%	3%	Average number of meetings down slightly
Median number of board meetings	8.0	8.0	7.0	0%	14%	Median number of meetings remains steady since 2006
Retirement age						
Boards with mandatory retirement age	73%	78%	58%	-6%	26%	Slight decrease in percentage of boards with retirement age over past five years
Boards with mandatory retirement age of 72+	83%	61%	36%	36%	131%	More boards boosting age cap to 72+
Boards with mandatory retirement age of 70	16%	36%	60%	-56%	-73%	Fewer boards requiring retirement at 70

Committee independence	2011^(a)	2006^(b)	2001^(c)	5-year % change	10-year % change	Comments
Nominating/governance committee	100%	99%	94%	1%	6%	All independent except for 13 controlled companies this year
Audit committee	100%	100%	93%	0%	8%	All members are independent
Compensation committee	100%	100%	70%	0%	43%	All members are independent
Committee meetings						
Average number of audit committee meetings	8.7	9.5	n/a	-8%	n/a	Audit committees meeting less frequently
Average number of compensation committee meetings	6.6	n/a	n/a	n/a	n/a	Scant change in compensation meetings in one year
Audit committee chairmen						
Active CEO/chair/president/vice chair	11%	19%	27%	-42%	-59%	Fewer active CEOs lead audit committees
Retired CEO/chair/president/vice chair	28%	25%	16%	12%	75%	More retired CEOs serve as audit chair
Financial exec/CFO/treas/public acct exec	32%	19%	4%	68%	700%	Financial background increasingly sought for audit chair
Board compensation						
Total average annual compensation	\$232,142	n/a	n/a	n/a	n/a	One-year increase of 8%
Average annual retainer ^(d)	\$88,858	\$63,594	\$36,937	40%	141%	Average retainer has more than doubled in 10 years
Median annual retainer ^(e)	\$75,000	\$50,000	\$30,000	50%	150%	Large gains in median retainer amount
Boards paying retainer of at least \$70,000	57%	31%	6%	84%	850%	More than half of boards pay more than \$70K
Boards paying board meeting fee	37%	57%	72%	-35%	-49%	Fewer boards paying for meeting attendance
Average board meeting fee	\$2,284	\$1,955	\$1,535	17%	49%	Increase in meeting fees among boards that pay such fees
Boards offering stock option program for directors	28%	51%	72%	-45%	-61%	Far fewer boards offer stock options
Boards paying equity in addition to retainer	77%	64%	42%	20%	83%	Use of stock grants continues upward trend
Committee compensation						
Boards paying committee chair retainer	91%	84%	57%	8%	60%	Most boards pay committee chair retainer
Average committee chair retainer	\$12,476	\$9,106	\$5,354	37%	133%	Retainer amount continues to increase
Boards paying committee member retainer	37%	29%	13%	28%	185%	Committee member retainers becoming more common
Average committee member retainer	\$7,917	\$6,431	\$5,638	23%	40%	Gains in the dollar amount paid
Boards paying committee meeting fees	35%	59%	68%	-41%	-49%	Far fewer boards paying committee meeting fees
Average committee meeting fees	\$1,635	\$1,499	\$1,202	9%	36%	Gains in committee meeting fee level

(a) Data based on proxy year May 15, 2010 through May 15, 2011.

(b) Data based on proxy year June 1, 2005 through May 31, 2006.

(c) Data based on proxy year July 1, 2000 through June 30, 2001.

(d) Includes regular and special meetings as well as telephonic meetings.

(e) Not including stock beyond retainer.

2011 Snapshot

- Smallest intake of new independent directors in 10 years
- Less than a quarter of newly appointed directors are active CEOs
- Nearly 80% of boards require majority voting for director election
- More than 80% of boards set mandatory retirement age at 72 or higher
- More than half of active CEOs do not serve on an outside board
- 41% of boards split chairman and CEO roles; 21% have truly independent chairs

Board turnover declining

- > Over the past five years, the number of new appointees has dropped by a dramatic 25%.
- > For the second year in a row, S&P 500 boards elected fewer new independent directors: just 294 in the 2011 proxy year, down from 302 in 2010. This represents the smallest number of new appointees since 2001.
- > The small intakes in recent years could be due to a number of reasons, including the downsizing of boards, boards raising retirement ages, extending individual directors beyond normal retirements and less voluntary resignations during the economic downturn.

First-timers and retirees on the rise

- > Nearly a quarter of the new independent directors (24%) are first-timers on outside public-company boards.
- > After holding steady last year, the proportion of active CEOs, COOs, chairmen, presidents and vice chairmen among new independent directors resumed its downward trend. This group represented 24% of the total, down from 47% a decade ago.
- > Meanwhile, the share of retired top executives continued to climb, to 19%. Ten years ago, this group accounted for only 12% of the total.
- > As corner-office occupants become harder to find, more companies are relying on other corporate executives, both active and retired, to fill the boardroom. Division/subsidiary presidents, other line and functional leaders now make up 21% of all new directors, versus 15% five years ago and just 9% a decade ago.

- > Demand for director candidates with financial backgrounds has cooled since the first few years following passage of the Sarbanes-Oxley Act, suggesting that most boards may now have the necessary expertise in place. 18% of new appointees have banking, finance, investment or accounting credentials, down from 24% five years ago.
- > Overall, 59% of new independent directors are active executives or professionals and 41% are retired. In 2006, the split was 66% and 34% respectively.
- > 79% are men and 21% are women, versus 84% and 16% 10 years ago.
- > Of the new women directors, division/subsidiary presidents and current/former CEOs each account for roughly one-fifth of the appointees. Among men, half of the incoming directors are current/former CEOs.

New Independent Director Backgrounds	Year			2011 by gender	
	2001	2006	2011	Men	Women
CEO/chair/president/COO/vice chair	59%	40%	43%	50%	21%
<i>Active</i>	47%	29%	24%	27%	16%
<i>Retired</i>	12%	11%	19%	23%	5%
Other corporate executives	9%	15%	21%	17%	35%
<i>Division/subsidiary presidents</i>	1%	5%	13%	11%	19%
<i>Line and functional leaders</i>	8%	10%	8%	6%	16%
Financial backgrounds	17%	24%	18%	17%	19%
<i>Financial executives/CFO/treasurers</i>	9%	11%	9%	7%	14%
<i>Bankers/investment bankers</i>	3%	4%	3%	4%	2%
<i>Investment management/investors</i>	0%	6%	4%	4%	3%
<i>Public accounting executives</i>	5%	3%	2%	2%	0%
Academics/nonprofit	4%	8%	7%	6%	14%
Consultants	6%	5%	4%	4%	6%
Lawyers	4%	2%	1%	0%	1%
Others*	1%	6%	6%	6%	4%

N = 231 men and 63 women in 2011

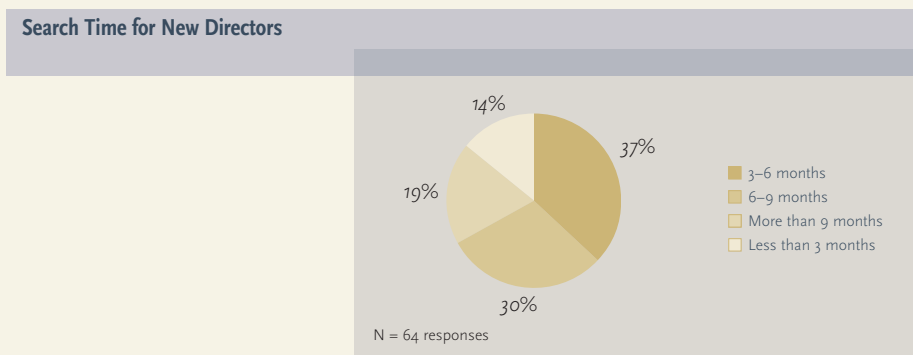
* Mostly retired government and military officials, plus a few other retired executives.

ADDED PERSPECTIVE

Spencer Stuart Governance Survey: Recruiting new directors

Search process

- > When asked how many directors had left the board in the past 12 months, 59% of 102 respondents to this question noted one or more departures. Retirement was the #1 reason for these departures, cited 65% of the time. Time commitment ran a distant second, at 9%. Board restructuring triggered 6% of departures, and 2% of departed directors did not receive a majority vote.
- > 37% of those who responded to our question about search time said it took three to six months from the decision to recruit until the appointment was made. Another 30% reported taking six to nine months. 19% said the process lasted more than nine months and 14% said it took less than three months.
- > Compared with last year, respondents cited fewer really long searches (more than nine months) and more short ones (less than three months).

**Desired backgrounds**

- > Looking forward, roughly two-thirds of our survey respondents are seeking candidates to replace retiring directors. Almost 30% are looking to add new skills to the board, and a few intend to increase the size of the board.
- > Boards continue to put active and retired CEOs and COOs at the top of their wish lists. Half of our respondents said they sought current top executives, while 34% look for retirees from those roles. As usual, the demand for these candidates exceeds the qualified and interested supply: they represent just 24% and 19% of new directors added this past year.

- > The actual numbers of newly recruited minority and women directors also fall short of expressed demand by boards. Half of the boards we surveyed say they want to bring on minorities, but only 14% of the new independent directors in 2011 come from diverse ethnic backgrounds. A similar gap holds true for women: 49% versus 21%.
- > Around 40% of respondents say they are looking for directors with financial, industry and/or international expertise — particularly directors with experience in the Asia-Pacific region and, to a lesser extent, in Europe and South America.
- > Roughly 20% of respondents are looking for candidates with regulatory/government, technology and/or risk expertise.
- > Much to our surprise, only 3% are seeking digital or social media expertise.

Wish List for New Director Backgrounds*

Active CEO/COO	50%
Retired CEO/COO	34%
Financial expertise	42%
Industry expertise	40%
International expertise	39%
Regulatory/government expertise	22%
Technology expertise	20%
Risk expertise	19%
Marketing expertise	9%
Digital or social media expertise	3%
Minorities	50%
Women	49%

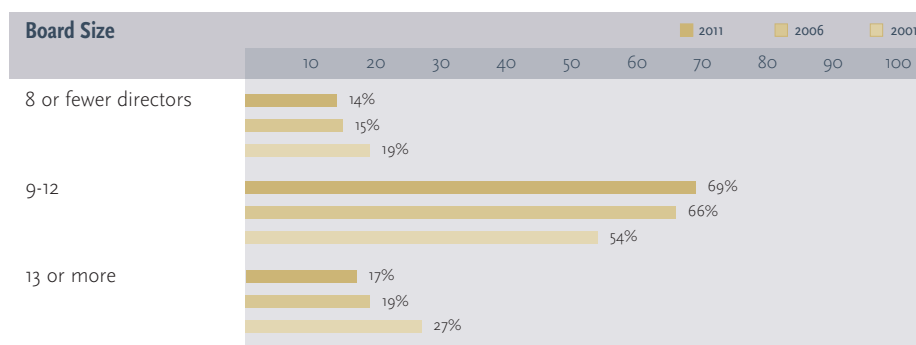
N = 102 survey respondents

* Percentages add up to more than 100 as respondents could select more than one category.

Data in this and other sections labeled “Added Perspective” come from our governance survey, conducted in the second quarter of 2011. This year, we heard from 102 S&P 500 companies. Respondents include corporate secretaries, general counsel and chief governance officers.

Long-term trend toward smaller boards

- > On average, boards are smaller now than they were 10 years ago: 83% of S&P 500 boards had 12 or fewer directors in 2011, versus 73% in 2001.
- > The average size of S&P 500 boards remains at 10.7 directors, the same as in recent years but down from 11.1 in 2001.
- > CME Group (the result of a three-way merger) continues to top the list of largest boards at 32 members. BlackRock and Merck have the next largest boards, with 18 directors each also as a result of mergers.
- > The smallest board — Microchip Technology — has just five directors, while three others — D.R. Horton, MetroPCS and Paychex — have six.



Share of independent directors stabilizing

- > Overall, independent directors make up 84% of all board members, same as the peak reached last year. The ratio of independent to non-independent directors is 5.3 to 1 versus 3.4 to 1 a decade ago.
- > The CEO is the only non-independent director on 57% of S&P 500 boards. This number has more than doubled in just a decade, from 27% in 2001 and 39% in 2006.

Declassified structure and majority voting becoming the norm

- > More than three-quarters of boards now have declassified structures, up from 41% a decade ago. The share of boards serving one-year terms has increased every year since 2001, with the exception of 2005.
- > 79% of boards have adopted policies requiring directors who fail to secure a majority vote to offer their resignation, up from 71% in 2010 and 56% in 2008. In the past year alone, nearly 40 more boards put a majority voting/resignation policy in place.

-
- > While these policies are becoming more common, boards retain the discretion to accept or decline a director's resignation following his or her failure to receive a majority vote.
 - > Shareholder activity around this issue remains low: in fact, only three directors did not receive majority votes last year.

More boards instituting resignation policies

- > The corporate governance guidelines for 81% of boards contain a policy whereby directors who experience changes in job circumstances or responsibilities must notify the chairman and/or the nominating committee and offer their resignation.
- > 32% of boards — up 10 percentage points since last year — say that the CEO must submit his or her resignation from the board when the CEO's employment with the company ends. In all cases, however, boards retain the discretion to accept or decline this resignation.

Increasing restrictions on other corporate directorships

- > Given the time and commitment required for effective board service, 74% of S&P 500 companies now limit other corporate directorships for their board members, versus 27% in 2006, the first year we tracked these data. Some companies limit the number of additional boards for all directors, while others do so only for directors fully employed by public companies.
- > Of the 128 boards that do not specify any limits, 81 (63%) ask that directors notify the chairman in advance of accepting an invitation to join another company board and/or they encourage directors to "reasonably limit" their other board service.
- > Of the 281 boards that impose a numerical limit for all directors, 31% cap other directorships at three boards, 40% at four boards and 14% at five or more.
- > 73 boards put tighter restrictions on directors who are fully employed executives or CEOs of public companies — most often this cap is set at two outside boards.
- > 40% of boards limit other audit committee memberships for their own audit committee members, up from 4% in 2006. Most of these put the maximum at two.

Still, two-thirds of directors serve on multiple corporate boards

- > Independent directors have, on average, 2.1 corporate board affiliations.
- > 34% of independent directors have only one such affiliation, 32% have two and 21% have three. The remaining 13% have four or more.

ADDED PERSPECTIVE

Spencer Stuart Governance Survey: Limits on outside directorships for CEOs and other senior executives

- > Our governance survey confirms the trend observed in our proxy analysis: more companies are restricting outside board service not only by directors but also by CEOs as well as other corporate executives.
- > Two-thirds of the boards we surveyed limit the number of other public-company boards on which their CEO may serve. Of this group, 5% do not allow their CEOs to serve on any other boards, while 28% limit outside service to one board, 23% to two boards and 10% to three.
- > 49% of companies restrict outside board service by other senior executives. Again, 5% do not permit any outside directorships. 28% allow executives to serve on one board; 12% allow two boards and 4%, three.

Limits on Outside Board Directorships

	CEOs	Other senior executives
No outside board service permitted	5%	5%
1 outside board	28%	28%
2 outside boards	23%	12%
3 outside boards	10%	4%
No limit	34%	51%

N = 98 for CEOs and 101 for other senior executives

Only a handful of boards set term limits

- > Just 4% of boards specify term limits for directors in their corporate governance guidelines. 65% explicitly say they do not have term limits, and 31% do not mention term limits at all.
- > Of the 19 boards that do specify term limits (versus 24 last year), five set the cap at 15 years, four at 12 years and three at 10 years. Term limits on other boards range from nine to 30 years.
- > As an alternative to establishing term limits, many boards report that they consider a director's continuation on the board as part of the director's annual performance evaluation.

Boards keep getting older

- > The average age of all independent directors on S&P 500 boards continues to creep up. It is now 62.4, up from 61.0 in 2006 and 60.2 in 2001.
- > Across the entire board, the average age is also higher: 37% of boards have an average age of 64 or older, more than double the share a decade ago.
- > Among newly appointed independent directors, the average age is 56.7. The youngest is 34, and the oldest is 72.

Average Age of Independent Directors			
	2011	2006	2001
Years			
Average age of all independent directors	62.4	61.0	60.2
Minimum average age among all boards	50.0	49.0	49.0
Maximum average age among all boards	72.0	75.0	74.0
Percentage of all S&P 500 boards with average age...			
59 and younger	17%	28%	40%
60-63	46%	53%	42%
64 and older	37%	19%	18%

Majority of boards set retirement age and raise the age cap

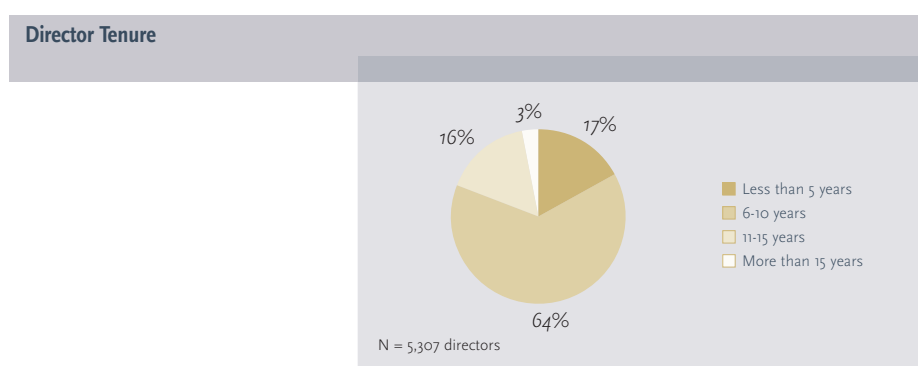
- > 73% of all S&P 500 boards — up from 58% in 2001 — set a mandatory retirement age for directors, yet many retain the discretion to make exceptions to the rule.
- > Of the 362 boards that specify a retirement age, 20% now set it at 75 or older, 55% put it at 72 and 16% put it at 70.
- > Ten years ago, just 3% of 272 boards pegged mandatory retirement at 75 or older, 32% put it at 72 and 60% at 70.

Mandatory Retirement Age			
	2011	2006	2001
69 and younger	0%	2%	3%
70	16%	36%	60%
71	1%	1%	1%
72	55%	48%	32%
73	5%	3%	1%
74	3%	1%	0%
75 and older	20%	9%	3%

N = Boards that have set a mandatory retirement age: 362 for 2011, 376 for 2006, 272 for 2001

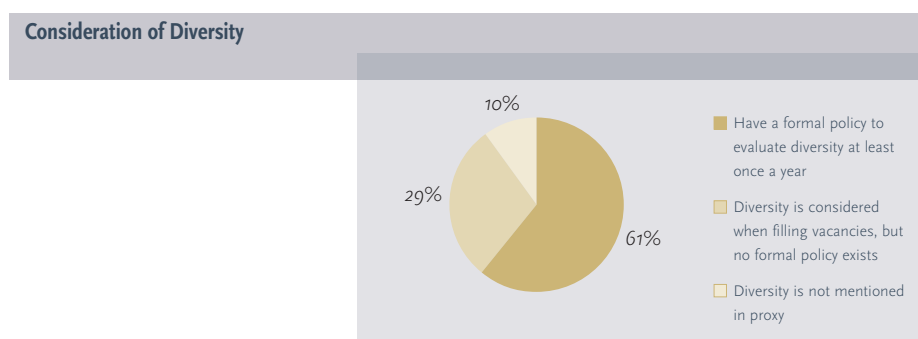
Director tenure inching up

- > The average tenure of directors among S&P 500 boards inched up again this year, to 8.7 years.
- > With the average tenure for sitting CEOs at 7.2 years, most directors will serve under two CEOs.
- > 79% of all S&P 500 independent and non-independent directors have tenures of less than 10 years. Roughly two-thirds have served on their boards between six and 10 years. The longest-serving director is at the 62-year mark.



Diversity is on the agenda, but the reality seems to suggest otherwise

- > 90% of proxy statements discuss whether the board considers diversity among its current and potential members.
- > These boards have reported their commitment to achieving a diversified board in terms of age, race, gender, geographic origin, viewpoints and experience. Many boards also express a desire for the board to reflect the company's business footprint, customer base and shareholders.
- > Despite this stated commitment, the share of minority directors has scarcely budged in many years, while representation among women has inched up.



Slight decrease in share of women directors and CEOs

- > 9% of S&P 500 boards still have no women, down from 10% last year.
- > Overall, women account for just over 16% of independent directors, up from 15% in 2006 and 12% in 2001.
- > On the other hand, 58% of S&P 500 companies have two or more women on the board, up from 51% in 2006. 18% have three or more.
- > The number of women serving as CEOs is down slightly from last year's high-water mark. As of May 15, 2011, women led 15 S&P 500 companies (3% of the total). While this number remains relatively small, there are now three times as many female CEOs as there were in 2001.
- > Companies led by women are more likely to have more women directors on their boards: all 15 have at least two (including the CEO herself) and three have as many as five or six.
- > In S&P 500 companies led by women, 33% of all directors are women; excluding the CEO, the percentage is 26%. In companies with a male CEO, the average is 16%.

S&P 500 Female CEOs and Their Boards*

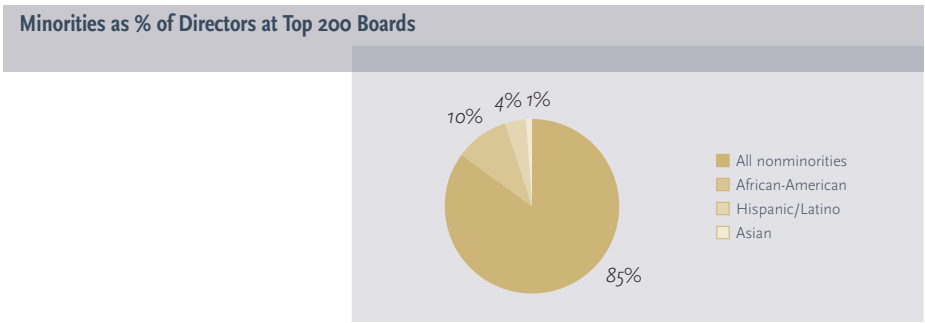
Company	CEO	Total directors	Women directors	Women directors as % of total
Archer-Daniels-Midland Company	Patricia A. Woertz	10	3	30%
Avon Products	Andrea Jung	10	5	50%
E.I. du Pont de Nemours and Company	Ellen J. Kullman	10	3	30%
The Dun & Bradstreet Corporation	Sara Mathew	9	3	33%
Frontier Communications Corporation	Mary Agnes Wilderotter	11	4	36%
International Game Technology	Patti S. Hart	8	2	25%
KeyCorp	Beth E. Mooney	13	6	46%
Kraft Foods	Irene B. Rosenfeld	11	3	27%
PepsiCo	Indra K. Nooyi	12	4	33%
Sunoco	Lynn L. Elsenhans	8	2	25%
The TJX Companies	Carol Meyrowitz	9	3	33%
Ventas	Debra A. Cafaro	10	2	20%
WellPoint	Angela F. Braly	13	5	38%
Xerox Corporation	Ursula M. Burns	10	3	30%
Yahoo!	Carol Bartz	10	3	30%
Average % women directors for companies with female CEOs				33%**
Average % women directors for companies with male CEOs				16%

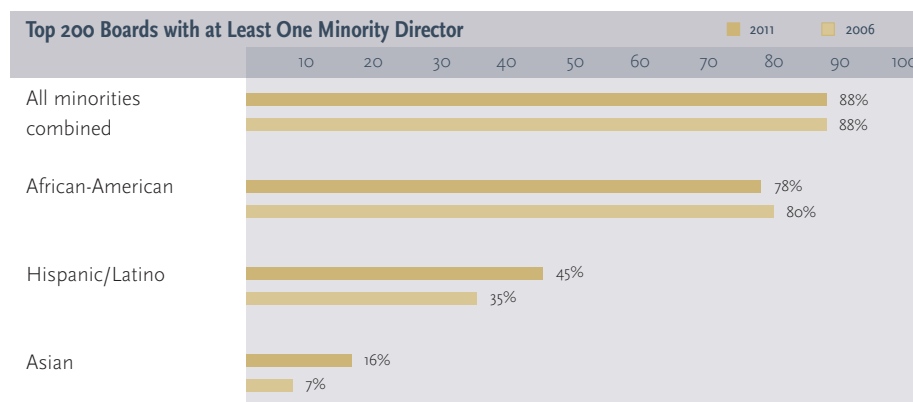
* As of May 15, 2011.

** Excluding the CEO, the average is 26%.

Small uptick in Hispanic/Latino and Asian representation on boards

- > Of the 294 new independent directors, 21 are African-American, 12 are Asian and eight are Hispanic/Latino. In other words, 14% of the new directors are minorities. For the past three years, this share held steady at 12%.
- > 20% of the new minority directors joined the boards of consumer discretionary companies, 15% joined financial services and 15% joined industrial companies.
- > Most of the new minority directors this year come from financial services (20%) and academic/nonprofit backgrounds (18%).
- > Our analysis of the functional backgrounds of new independent minority directors suggests that boards are more open to recruiting non-CEO executives in these cases. 20% of new minority directors are division or subsidiary presidents or general managers, versus only 12% for incoming nonminorities.
- > Among the largest 200 of the S&P 500 companies, minorities continue to account for 15% of all directors. 88% of these boards have at least one minority director, the same as five years ago.
- > While there has been a small decline in the share of African-American directors, more boards have added Hispanic/Latino and Asian directors.
 - Almost 10% of directors are African-American, and 78% of boards have at least one African-American director, down two percentage points since 2006.
 - While just over 4% of directors are Hispanic/Latino, 45% of boards now have at least one Hispanic/Latino director, up from 35% in 2006.
 - Only 1% of directors are Asian, but 16% of boards now have one or more Asian director, up from 7% in 2006.





Minority-led companies only slightly more diverse than others

- > Only five of the top 200 S&P companies are led by African-Americans, Hispanics/Latinos or Asians.
- > In these five companies, 21% of all directors are minorities. However, minority representation drops to 14% when the CEO is excluded. Among the top 200 companies with a nonminority CEO, minority directors represent 15% of the board.

Top 200 Minority-Led Companies and Their Boards

Company	CEO	Total directors	Minority directors	Minority directors as % of total
American Express Company	Kenneth I. Chennault	13	3	23%
Avon Products	Andrea Jung	10	3	30%
Express Scripts	George Paz	10	2	20%
Merck & Co.	Kenneth C. Frazier	18	3	17%
Xerox Corporation	Ursula M. Burns	10	2	20%
Average % of minority directors for companies with minority CEOs				21%*
Average % of minority directors for companies with nonminority CEOs				15%

* Excluding the CEO, the average is 14%.

Growing international diversity

- > 10% of the 294 new directors were born outside the United States — up three percentage points since 2008, the first year we tracked these data.
- > This year, energy companies added the most international directors: 27% of all new board members for this group are of non-U.S. origin.
- > More than half (53%) of the top 200 S&P companies have at least one director with a non-U.S. background, up from 45% in 2006.
- > Non-U.S. directors now account for 8% of all board members among the top 200, versus 6% in 2006. Of this group, 17% were born in the U.K., 15% in Canada and 14% in India (more than double the number five years ago).

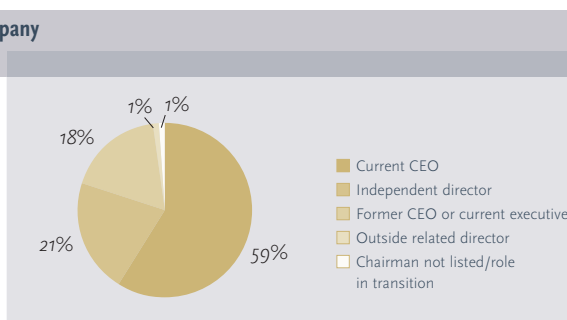
Fewer CEOs serve on outside boards

- > CEOs hold an average of 0.6 other corporate directorships, the same as last year and the smallest number we have ever recorded. This figure is down from 1.2 in 2001.
- > Put another way, only 46% of today's S&P 500 CEOs serve on outside boards, down from 55% in 2006.
- > While the average age of directors keeps rising, the average age of CEOs has stayed within the 55- to 57-year band for more than a decade. The current average age is 56.5.

More transparency around board leadership structure; shift toward separation

- > As required by SEC regulations, all boards now discuss their leadership structure in their proxy statements, including the roles and responsibilities of the CEO and/or chairman and the rationale for separating or combining those roles.
- > 18 companies — up from six last year — reported a formal policy requiring separation of the CEO and chair roles; the majority of other companies decide on a case-by-case basis.
- > Currently, 201 S&P 500 companies split the CEO and chair roles. This represents 41% of the total, up from 33% in 2006.
- > 21% of boards (105) have a truly independent chair — compared with just 10% five years ago. This percentage has risen every year since 2004, when we first tracked this trend.
- > Of the remaining 20%, most are former company CEOs or current executives.

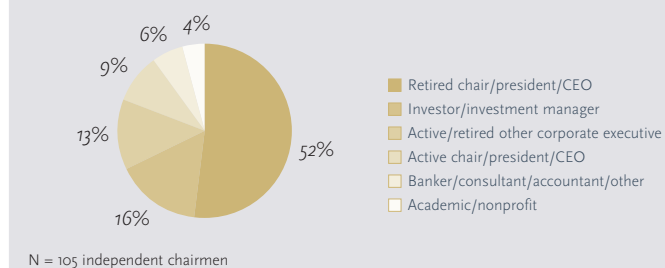
Chairman's Relationship with the Company



Sitting directors frequently tapped to serve as independent chair

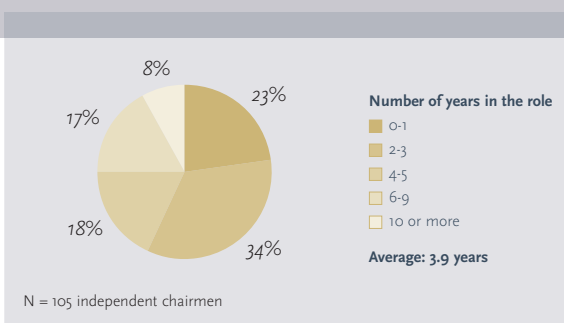
- > Of the 105 independent chairs, 52% are retired chairmen, vice chairmen, presidents or CEOs; active executives in these roles make up 9%. Just one active public-company CEO serves as an independent chair.
- > Five of the independent chairmen are former CEOs of the companies they now chair. Over time, they have met the requirements for independence.
- > 16% of the independent chairs are investors or investment managers and 13% are other corporate executives, active or retired.

Independent Chairman Backgrounds



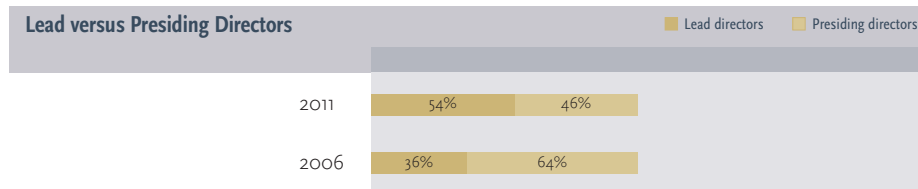
- > The average tenure for those in the independent chairman role is just under four years. 23% of independent chairmen have served in this role for one year or less, while 25% have been in the role for at least six years.
- > 85% of the independent chairmen previously served as directors on the board before transitioning into the role. On average, they served for nine years as directors before becoming chairmen.

Independent Chairman Tenure

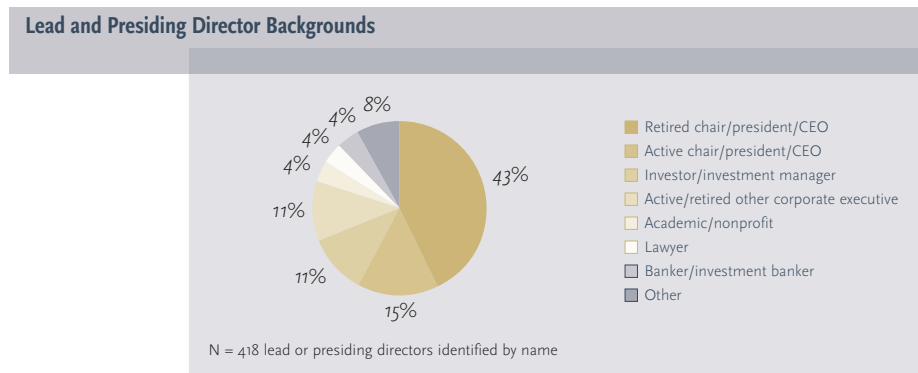


Most boards have a lead or presiding director

- > Only 3% of S&P 500 boards report having no form of independent board leadership — neither an independent chairman nor a lead/presiding director.
- > Among the 91 boards where the chairman is separate from the CEO but not independent, 82 (90%) have identified a lead or presiding director.
- > 79 (75%) of the boards that have an independent, nonexecutive chairman have indicated that that person also serves as the lead/presiding director. Three boards identify an independent presiding director in addition to the independent chair.
- > Overall, 92% of boards, about the same as last year, report having appointed a lead or presiding director. Of the 456, 54% have lead directors and 46% have presiding directors, including those identified as “chair” of executive sessions. Since we started tracking these data in 2004, the number of boards designating lead directors has more than doubled, from 114 to 247, while the number designating presiding directors has decreased by almost a third, from 300 to 209.



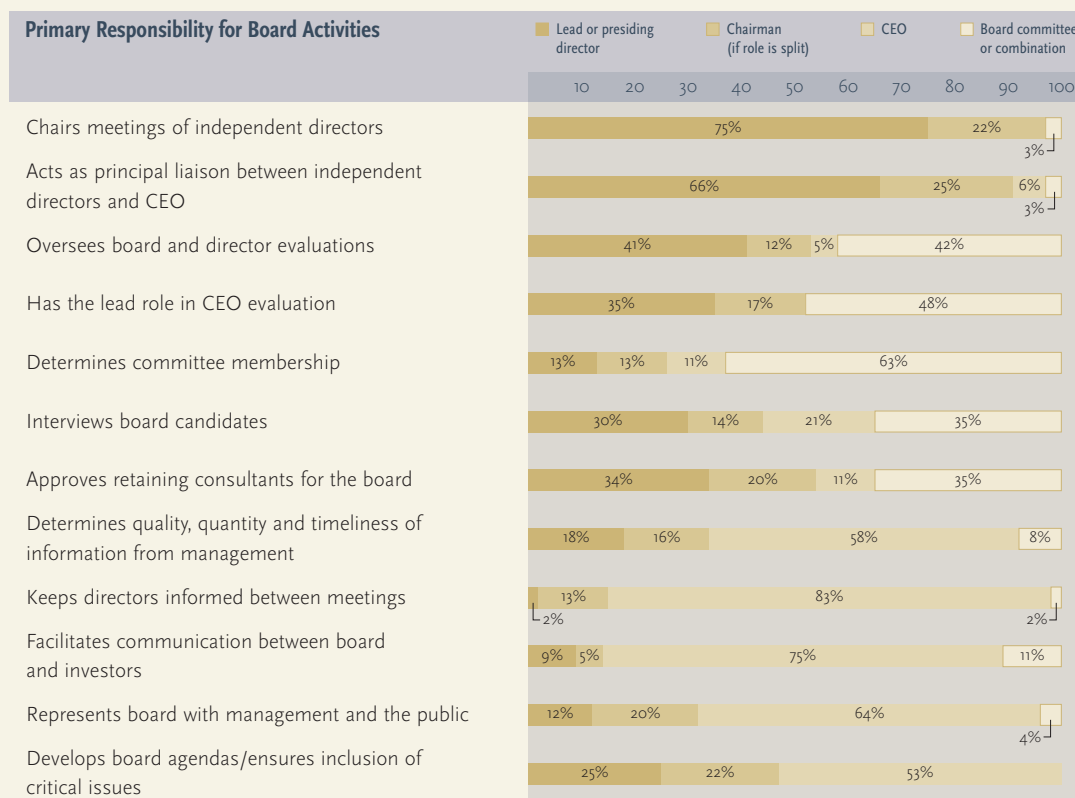
- > Among the 202 boards that disclosed how long their current lead or presiding director has been serving in the role, the average tenure is 3.3 years. 33% have held the role for less than two years, 51% for two to five years and 16% for more than five years.
- > While the backgrounds of the lead and presiding directors are generally similar to those of independent chairmen, there are more active top executives (15%) serving in this role. 43% are retired chairmen, vice chairmen, presidents or CEOs, 11% are investors or investment managers, and 11% are other corporate executives, both active and retired.



ADDED PERSPECTIVE

Spencer Stuart Governance Survey: Board leadership roles and responsibilities

- > Just 11% of the boards responding to our survey have a policy of having an independent chairman.
- > Of the 20 boards that recently decided to separate the CEO and chair roles, half cited a CEO transition as the rationale for making the change and 35% viewed the separation as best practice.
- > The lead or presiding director most often has primary responsibility for chairing meetings of independent directors and for acting as principal liaison between the independent directors and the CEO. He or she is also often charged with overseeing board and director evaluations.
- > Other board responsibilities, such as keeping directors informed between meetings, facilitating communication between the board and investors, representing the board with management and the public, developing board agendas and determining the quality, quantity and timeliness of information from management, are primarily handled by the CEO. However, about a fifth of the boards in our survey group rely on the independent chair for the last two activities.
- > A majority of our respondents charge a board committee or a combination of people with responsibility for determining committee membership, leading the CEO evaluation and interviewing board candidates.



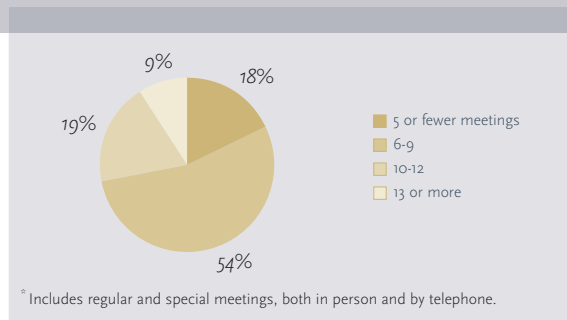
2011 Snapshot

- Boards meet an average of 8.2 times a year
- Continued drop in the number of active top executives serving as committee chairs
- Increasing transparency around oversight of risk management and CEO succession planning
- One-third of boards say they evaluate individual directors
- 25% of survey respondents were contacted by shareholders regarding CEO compensation/say on pay

Boards meet a bit more frequently

- > Boards met an average of 8.2 times in the 2011 proxy year, compared with 8.0 in 2010. This included regular as well as special meetings, both in person and by telephone.
- > 28% of boards met at least 10 times.
- > The dubious honor of having the most meetings (26) goes to Northeast Utilities and People's United Financial. At the other end of the spectrum, three companies met three times: Berkshire Hathaway, QEP Resources and Titanium Metals.

Distribution of Board Meetings*

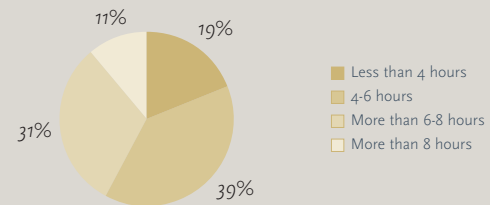


ADDED PERSPECTIVE

Spencer Stuart Governance Survey: Board time commitment

- > Based on our annual survey results, full board meetings seem to be running longer than ever. Roughly 42% of respondents say they now invest more than six hours per board meeting, while 39% typically spend four to six hours each time.
- > The average time spent in audit and compensation meetings is two to three hours. Nominating/governance meetings tend to be shorter, at less than two hours.

Time Spent in Full Board Meetings



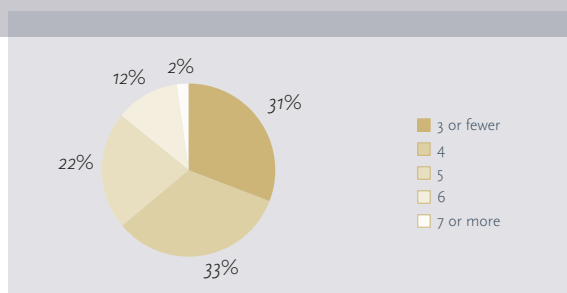
Time Spent in Committee Meetings

	Audit committee	Compensation committee	Nominating/governance committee
Less than 2 hours	15%	38%	80%
2-3 hours	72%	61%	20%
More than 3 hours	13%	1%	0%

Few changes in committee structure

- > S&P 500 boards have an average of 4.2 standing committees; this has not changed at all over the past five years.
- > Nearly 70% of boards have more than the three mandatory committees (compensation/HR, audit and nominating/governance) — most often, executive and/or finance committees. However, executive committees are far less common than they were a decade ago: 35% versus 53%.
- > Finance along with other less prevalent committees (e.g., public policy, environment, strategy, investment) are significantly more independent than they were five or 10 years ago.

Number of Standing Committees



Prevalence and Independence of Standing Committees

	% with this committee		% composed entirely of independent directors	
	2011	2001	2011	2001
Audit	100%	100%	100%	94%
Compensation/HR*	100%	99%	100%	93%
Nominating/Governance**	99%	74%	100%	70%
Executive	35%	53%	3%	2%
Finance	33%	33%	70%	54%
Public Policy/Social & Corporate Responsibility	14%	15%	84%	69%
Risk	8%	n/a	74%	n/a
Science & Technology	6%	n/a	77%	n/a
Environment, Health & Safety	6%	6%	86%	69%
Legal/Compliance	5%	n/a	87%	n/a
Strategy & Planning	3%	3%	80%	71%
Investment/Pension	2%	8%	83%	68%
Acquisitions/Corporate Development	2%	n/a	64%	n/a

* 14 boards have a combined compensation and nominating committee. They are counted as separate committees for the purpose of this analysis.

** Includes three boards that have standing corporate governance committees in addition to their nominating committees. Controlled companies are not required to have nominating committees; there are 13 controlled companies this year.

Responsibility for risk management varies

- > This year for the first time, nearly all of the proxy reports discuss the board's approach to risk management and oversight.
 - 62% of boards say that the full board has primary responsibility for risk oversight.
 - Another 30% charge the audit committee with this task, a number we believe is understated.
 - Only 8% have a dedicated risk committee or a combined audit/risk committee.
- > Among the 62% that give the full board primary responsibility for risk oversight, all state that the board exercises its oversight responsibilities through its committees depending on the type of risk (e.g., operational, financial, legal). For instance, as required by the New York Stock Exchange rules, the audit committee is responsible for enterprise risk management. And compensation committees are responsible for executive compensation risk.

Audit committee meetings still decreasing

- > Since peaking at 9.5 in 2006 and 2007, the average number of audit meetings has declined to 8.7.
- > In 2006, 37% of audit committees convened 11 or more times; in 2011, 24% did.
- > The highest number of audit committee meetings was 23; for compensation, the high was 19, and for nominating/governance, the high was 17.

Distribution of Committee Meetings*

	Audit committee	Compensation committee	Nominating/governance committee
3 or fewer meetings	1%	7%	22%
4	5%	12%	28%
5	8%	18%	24%
6	10%	20%	13%
7	10%	15%	7%
8-10	42%	22%	6%
11-13	20%	5%	0%
14 or more	4%	1%	0%
Average	8.7	6.6	4.7
Median	8.0	6.0	5.0
Maximum	23	19	17

* Includes regular and special meetings, both in person and by telephone.

Top executives fill largest share of committee chair roles

- > 39% of all audit committee chairmen are retired or active company CEOs or other top leaders, down from 44% in 2006. The share of active top executives heading audit committees — now at 11% — has declined every single year since peaking at 28% in 2003.
- > Taking their places are active or retired CFOs, treasurers and financial executives, who chair 21% of audit committees (up from 10% in 2006). Public accounting executives, investors/investment managers and other corporate executives have stepped into the chair role as well, and now account for 11%, 8% and 7%, respectively.
- > Retired and active CEOs also serve most frequently as chairmen of compensation and nominating/governance committees. Together, these groups account for 62% of compensation chairmen and 48% of nominating/governance chairmen.
- > Compensation committees are more likely to be chaired by active CEOs than the other two major committees — 20% versus 15% for nominating/governance and 11% for audit — but here too the share of active CEOs has fallen steadily in recent years and boards are relying more on retirees.

Committee Chairman Backgrounds*	% of chairmen		
	Audit committee	Compensation committee	Nominating/governance committee
Retired chair/president/CEO	28%	42%	33%
Active chair/president/CEO	11%	20%	15%
Financial executive/CFO/treasurer	21%	1%	2%
Public accounting executive	11%	0%	0%
Investor/investment manager	8%	9%	10%
Other corporate executive	7%	12%	10%
Academic/nonprofit	5%	5%	9%
Consultant	4%	4%	9%
Banker/investment banker	4%	3%	3%
Lawyer	1%	1%	7%
Other	0%	3%	2%
Total number of boards reporting this information	485	479	472

* Except where noted, all include both active and retired executives.

ADDED PERSPECTIVE

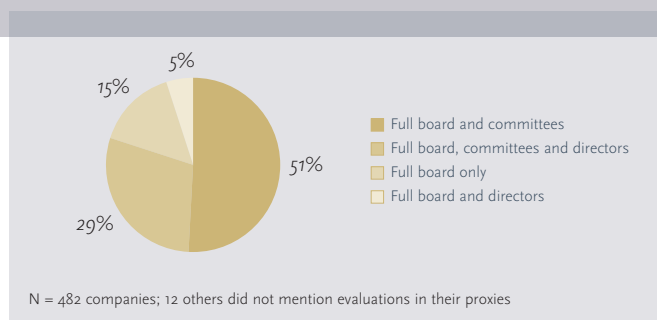
Spencer Stuart Governance Survey: Shareholder engagement

- > Not surprisingly, CEO compensation/say on pay was the #1 issue raised by shareholders last year. Fully a quarter of our survey respondents noted this.
- > Other issues raised by shareholders included board chair independence (19%), repeal of the classified board (18%), director nominations (9%) and disclosure of the CEO succession plan (8%).
- > 56% of survey respondents say that their management or board reached out to shareholders proactively. The largest share, 40%, report contacting their large institutional investors and/or largest shareholders to discuss governance matters other than the directors' slate.

Nearly all boards evaluate performance annually

- > We have been tracking the extent and type of board performance evaluations for four years now and have seen increases across all dimensions during this period.
- > Only 2% of S&P 500 boards — versus 10% in 2008 — do not conduct some kind of annual performance evaluation.
- > Evaluation of individual directors is becoming more common: 34% of boards now do so, up from 29% last year.
- > More than half now examine the full board plus individual committees, while 15% assess only the board as a whole.
- > 29% of boards (up from 24% last year) review performance at every level: the full board, committees and individual directors.
- > 94% of boards evaluate CEO performance on an annual basis, according to their corporate governance guidelines.

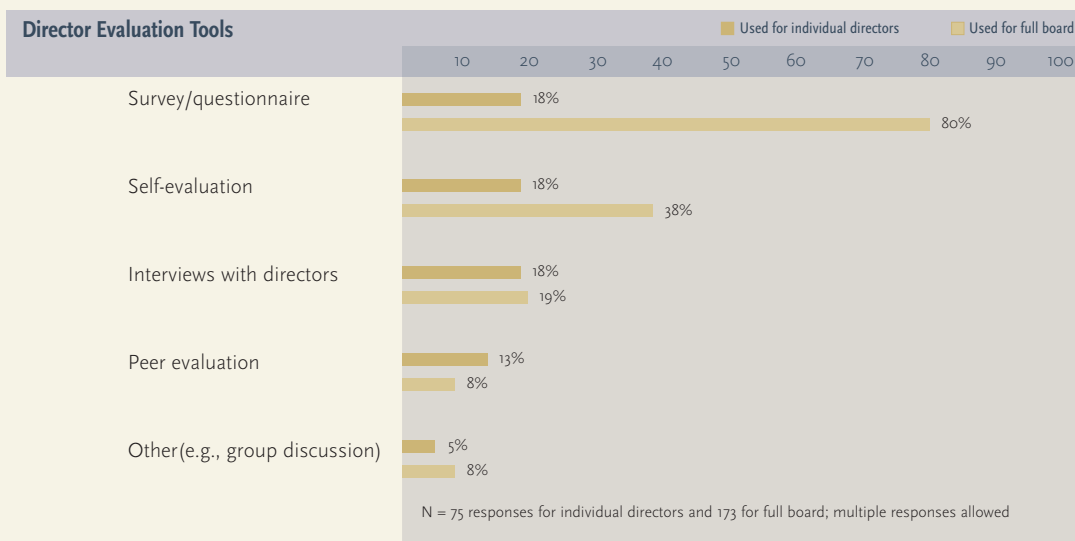
Board, Committee and Director Evaluations



ADDED PERSPECTIVE

Spencer Stuart Governance Survey: Board evaluations

- > 64% of our respondents evaluate the full board only; 35% conduct evaluations at both the board and the individual director level; and 1% do neither.
- > Companies use a mix of tools to assess individual directors and the full board, including surveys or questionnaires, self-evaluation, individual interviews, peer evaluation and group discussion.
- > Only 14% engage a third party to conduct board and/or director evaluations. Third parties include outside counsel, individual consultants, specialty board consulting firms and executive search firms.



Spencer Stuart Governance Survey: CEO succession planning

- > CEO succession is a formal board agenda item annually at 57% of responding companies. Another 40% discuss this topic more than once a year; 3% deal with it less than once a year.
- > This is the first year in which we compared our survey results with the CEO succession planning information from the corporate governance guidelines. The frequency in which succession is annually discussed is consistent at 57%. Of the 95% of boards revealing this information, another 23% discuss this topic but do not specify the frequency and 20% say they discuss it on an ongoing or periodic basis.
- > Nearly half of our survey group says the full board has primary responsibility for CEO succession planning. 30% of respondents charge the compensation committee with this task; 15% assign it to the nominating/governance committee; and 4% have a dedicated succession planning committee.
- > Roughly 60% of respondents say that their current CEO evaluates internal candidates and reports to the board. The CEO serves as overall counsel to the board or committee handling succession in 31% of the companies, and s/he drives the process in nearly 30%.
- > Two-thirds of boards actively involve HR in the CEO succession process.

CEO Involvement in the Succession Process

Evaluates internal candidates and reports to board	60%
Serves as overall counsel to the board or committee handling succession	31%
Drives the process	30%
Involved at the same level as all other directors	22%
Other	3%

N = 151 responses from 102 companies; multiple responses allowed

Planning for succession

- > 67% of our survey respondents say they have succession plans both for emergency situations and long-term transitions. 16% have only emergency plans, while 9% have only long-term plans. 8% admit they have neither.
- > However, 95% of boards discuss CEO succession planning in their corporate governance guidelines, and all of these boards report having both short- and long-term succession plans in place.
- > 58% of survey respondents report that their board does not have a written description of the skills and experience required for their next CEO.
- > In the 42 companies that have developed such a document, HR has primary responsibility (other than the CEO) for it in a third of the companies; about 24% charge the full board with this task. Others look to a variety of committees or external advisers.

ADDED PERSPECTIVE (continued)

Preparing internal candidates

- > 51% of respondents use a formal process to review internal succession candidates. Of that group, 45% say the process includes benchmarking of internal versus external candidates.
- > To prepare top internal candidates for the CEO role, 90% have them make presentations to the board and 71% have them attend board meetings regularly.
- > A quarter of our respondents encourage candidates to serve on outside public-company boards in order to gain broader leadership exposure. More than a third of this group report that candidates are already doing so.
- > The most frequently cited mechanisms for enabling directors to get to know internal candidates include formal presentations to the board (93%), company-sponsored events (61%) and director visits to company sites (40%). 17% said they arranged one-on-one meetings between board members and management members, 11% used informal/social gatherings and 7% arranged formal board mentoring assignments.

Candidate Preparation for CEO Role

Make presentations to the board	90%
Attend board meetings regularly	71%
Formally rotated through various positions	29%
Encouraged to take on outside directorships	25%
Other ^a	12%

N = 235 responses from 102 companies; multiple responses allowed

^a For example, candidates are assigned positions with increasing responsibility (with a view to preparing them for potential succession), given developmental opportunities, stretch roles or special project assignments, and/or have formal development plans monitored by the CEO and board.

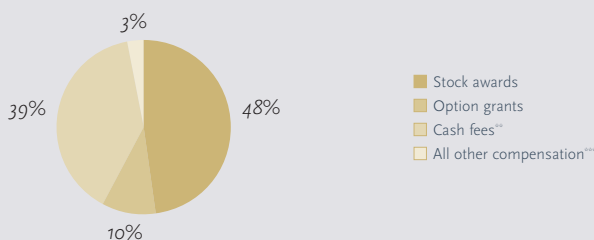
2011 Snapshot

- Average director compensation package topped \$232,000, up 8%
- After two years of single-digit increases, cash retainers jumped 11% last year
- Premium for audit committee service has stabilized
- Continued shift from stock option grants to stock awards and from meeting fees to committee retainers
- More companies disclosed stock ownership guidelines

Total average compensation nearing \$2.1 million per board

- > Across all industries, the average all-inclusive compensation for S&P 500 directors now exceeds \$232,000. This represents an 8% rise from last year's average of \$215,000.
- > For S&P 500 boards with nine independent directors, the average annual price tag for board-related compensation is approaching \$2.1 million.
- > 58% of director compensation is paid in equity, with stock awards accounting for 48% and option grants for 10%.
- > Within the equity component, the shift from stock option grants to stock awards continues. 77% of companies issue stock to directors in addition to retainers, up from 64% in 2006 and 42% in 2001. Only 28% now offer stock options, versus 51% five years ago.
- > Within the cash component, boards are moving away from meeting fees in favor of more substantial retainers for committee chairmen and members.
- > 70% of boards have deferred compensation plans, the same as last year.

Breakdown of Director Compensation*



* Based on nonemployee director compensation tables in 493 proxies for 2011. Includes all board and committee retainers and meeting fees, nonexecutive chairman and lead/presiding director supplemental fees when applicable, the value of equity compensation and all other compensation paid to nonemployee directors in 2010. Retiring and new directors are included when paid compensation for at least three quarters of the year.

** Includes deferred compensation amounts.

*** Includes, for example, insurance premiums, charitable award programs and incremental cost to company of products provided.

DIRECTOR COMPENSATION

Changes in Nonemployee Director Compensation	% of boards paying this type		Average paid		% change in value
	Type of compensation	2011	2006	2011	2006
Board retainer	100% [*]	98%	\$88,858	\$63,594	40%
Board meeting fee	37%	57%	\$2,284	\$1,955	17%
Committee chair retainer	91%	84%	\$12,476	\$9,106	37%
Committee member retainer	37%	29%	\$7,917	\$6,431	23%
Committee member fee	35%	59%	\$1,635	\$1,499	9%
Stock option program	28%	51%	\$82,607 ^{**}	n/a	n/a
Stock grants paid in addition to retainer	77%	64%	\$113,825 ^{***}	n/a	n/a

^{*} Rounded up from 99.6%. Two boards do not pay a retainer: D.R. Horton pays directors \$15,000 per board meeting (not to exceed \$60,000) and Berkshire Hathaway pays \$900 per in-person board meeting and \$300 per telephonic board meeting.

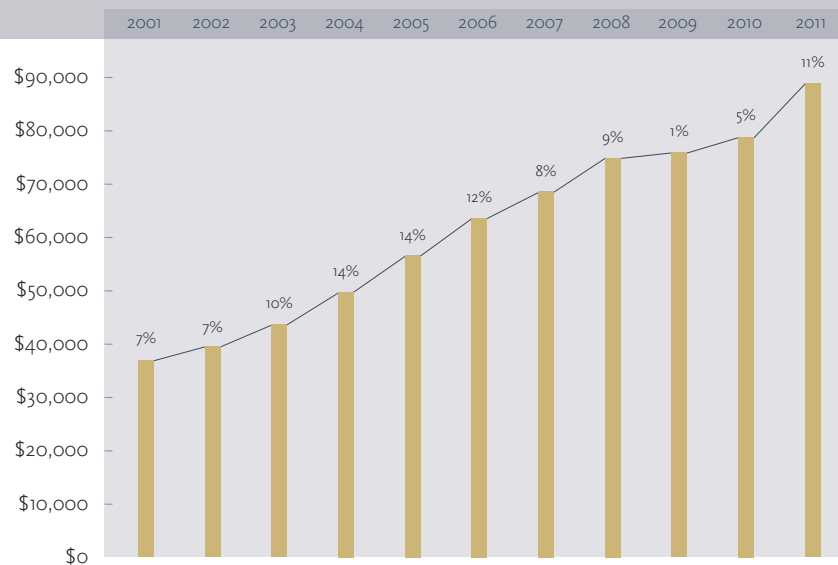
^{**} N = 64 companies disclosing dollar amounts

^{***} N = 305 companies disclosing dollar amounts

Double-digit increase in board retainers

- > Annual retainers averaged \$88,858 last year, an increase of 11% from 2010. This is the largest single-year gain since 2005-06. It represents a five-year change of 40% and a 10-year change of 141%.
- > 16 companies reported that they reinstated previously reduced compensation levels for the 2010 director compensation year.
- > The median annual retainer is now \$75,000, up from \$50,000 five years ago. A decade ago it was \$30,000.
- > 29% of boards pay \$100,000 or more, versus 13% in 2006 and just 3% in 2001. The two highest retainers are \$325,000 and \$280,000; both of these companies pay the retainer partly in equity, and neither pay meeting fees.
- > At the other end of the spectrum, 14% of boards pay retainers of less than \$50,000, compared with 38% five years ago and 79% 10 years ago. Two companies provide no retainer; one of these pays \$900 per in-person meeting and the other, \$15,000 (not to exceed \$60,000 per year).
- > Of the 234 companies that disclosed the timing of their retainer payments, 74% pay on a quarterly basis, 17% pay annually, 5% monthly and 4% semiannually.

Annual Board Retainers and Yearly Increases



Fewer boards pay meeting fees

- > The shift to a simplified compensation structure continues, as fewer boards (37%) pay board meeting fees on top of retainers. This is down from 57% in 2006 and 72% in 2001.
- > Of this group, just under a third (32%) pay \$1,500 per meeting and just over a third (34%) pay \$2,000. 17% pay between \$2,000 and \$3,000 per meeting.
- > The lowest board meeting fee remains at \$750 and the highest at \$15,000, but this is in lieu of a retainer and capped at \$60,000 per year (four meetings).
- > The average rose 4% last year to \$2,284, skewed upward by the 15 boards (8%) that pay more than \$3,000 a meeting.
- > Among the 182 boards that compensate directors for board meetings, 55 boards (30%) pay a lower fee for telephonic meetings. This fee averages \$1,108, up from \$985 five years ago.
- > With this same group, six boards also pay a fee for special, or unscheduled, board meetings. Another six boards only pay meeting fees in the event of special meetings. The average fee for these 12 boards is \$2,521.
- > 3% pay a board meeting fee only when the number of meetings per year exceeds a pre-defined level, ranging from four to 15.

Committee chair retainers continue to climb

- > 91% of boards pay retainers to committee chairmen, up from 84% in 2006 and 57% in 2001.
- > Of the 448 boards that pay retainers to committee chairmen, 86% pay a higher fee to the audit committee chair and 40% pay more to the compensation committee chair. Both of these increased again last year, by two and six percentage points respectively. Average audit and compensation chair retainers are 71% and 34% higher, respectively, than those paid to other committee chairmen.
- > The average across all committee chair retainers ranges from \$2,500 to \$75,000. For audit chairs, the range is from \$5,000 to \$100,000. For compensation chairs, the range is from \$2,500 to \$50,000.

Audit committee member retainers coming down; others see little change

- > 37% of boards, the same as last year, pay committee member retainers. Of that group, 89% pay retainers to audit committee members and 24% pay them to compensation committee members.
- > The average committee member retainer across all committees is \$7,917, up 1% from last year.
- > Average retainers are close to \$10,800 for audit committee members and \$10,600 for compensation committee members. These are roughly 35% higher than the amounts paid to other committee members.
- > But audit committee retainers have eased off for the past three years in a row, from a peak of \$13,310 in 2007.

Committee Retainers	Average committee retainers		% of boards paying this type	
	2011	2006	2011	2006
All committee members	\$7,917	\$6,431	37%	29%
Compensation committee members	\$10,600	\$11,023	24%	8%
Audit committee members	\$10,796	\$9,922	89%	75%
All committee chairs	\$12,476	\$9,106	91%	84%
Compensation committee chairs	\$16,761	\$12,032	40%	19%
Audit committee chairs	\$21,382	\$17,115	86%	80%

Committee meeting fees about the same as last year, but far less common

- > Just 35% of boards pay committee meeting fees, down from 59% in 2006 and 68% in 2001.
- > The median fee for all face-to-face committee meetings has remained at \$1,500 since 2005. For audit and compensation committees, the median is still \$2,000.
- > Of the 173 boards that pay committee meeting fees, 25% pay a different amount for telephonic meetings, typically \$750 (\$1,250 for audit committee members).
- > 13%, the same as last year, pay more for audit committee meetings: an average \$2,259 versus \$1,635 for other committees. The differential between audit and other committee meeting fees is 38%.
- > Retainers for committee chairs are taking the place of meeting fees. Only 16 boards (3%) still pay meeting fees to all committee chairs. Of that group, 44% (versus 33% last year) pay higher meeting fees to audit committee chairs. In these cases, the respective median fees are \$2,500 and \$4,000.

More transparency on share ownership guidelines; option plans declining

- > The number of boards disclosing their share ownership guidelines for directors keeps rising. This year the figure is 86%, up from 62% five years ago.
- > Typically, these guidelines say that directors must own a certain number of shares or a specified multiple of their retainer amount within a specified number of years.
- > Boards continue to phase out stock option plans for directors. Just 28% of the S&P 500 companies now offer option plans, down from a peak of 77% in 2002.
- > In addition to paying a cash retainer, 77% of boards offer equity in the form of stock grants, up from 64% in 2006 and 42% in 2001. 18% pay equity as part of the retainer.
- > Directors on 57% of boards may choose to receive their compensation in cash, stock or stock units. Only 5% allow stock options as an alternative. Just 2% pay the retainer fully in stock, the same as in previous years.

Equity Compensation	% of S&P 500 boards		
	2011	2006	2001
Stock option program exists	28%	51%	72%
Equity paid in addition to retainer	77%	64%	42%
Equity paid as a part of retainer	18%	21%	23%
Director can elect to receive compensation in cash, stock, or stock units	57%	60%	56%
Director can elect to receive compensation in stock options	5%	7%	10%
Retainer paid fully in stock	2%	3%	2%

References to special assignment fees up slightly

- > 23 companies (5%) disclose payment of special assignment fees in their proxy statements. These fees average \$1,655 and range from \$1,000 to \$4,000 per day.
- > Special assignments are defined as significant time spent outside board or committee meetings, for example, attending business sessions, visiting company facilities or participating in director education programs.

Little change in variations by industry

- > Director compensation packages rose last year across all industries. Healthcare and energy companies remain at the top of the pay league, with packages topping \$282,000 on average.
- > Across all industries, cash fees as a share of total compensation remain in the 30-50% range, with information technology at the bottom and utilities at the top of the range.
- > Stock awards account for 48% of the compensation value on average, stretching from 39% in materials to 57% in energy.
- > On average across all industries, option grants account for 10% of compensation value; in healthcare 20%.
- > Compared with companies in other industries, energy and information technology companies pay the highest percentage of their total compensation in stock, at 57% and 53%. Healthcare companies had the highest proportion of stock options at 20%.

Average Compensation per Nonemployee Director by Industry*		% of total compensation			
Industry	Total average compensation	Cash fees**	Stock awards	Option grants	All other compensation***
Consumer discretionary	\$212,436	39%	44%	14%	3%
Consumer staples	\$227,552	41%	51%	6%	2%
Energy	\$285,586	35%	57%	6%	2%
Financials	\$199,574	44%	48%	6%	2%
Healthcare	\$282,195	32%	45%	20%	3%
Industrials	\$221,050	46%	45%	6%	3%
Information technology	\$279,038	30%	53%	16%	1%
Materials	\$209,794	48%	39%	9%	4%
Telecommunication services	\$213,223	46%	45%	6%	3%
Utilities	\$194,256	50%	45%	0%	5%
Average	\$232,142	39%	48%	10%	3%

* Based on total compensation per director tables included in 493 proxies. Includes only directors whose board service exceeded three quarters of the year. Excludes retirement payouts to former directors.

** Includes deferred compensation amounts.

*** Includes insurance premiums, charitable award programs and the incremental cost to the company of products provided to directors.

Big shifts in regional rankings

- > Total average director compensation rose in all regions but the Northwest where it fell 9%.
 - The West reclaimed its lead from the Southwest, as compensation jumped 28% to \$295,356.
 - Average compensation in the Southwest, Northeast, Southeast and Midwest registered single-digit gains.
- > Last year's convergence of regional averages proved short-lived. The difference between the highest- and lowest-paying regions has rebounded to more than \$90,000.
- > Average director compensation remains highest in companies earning more than \$10 billion.
- > Yet this group saw the smallest increase (1%), versus 10% gains for companies in the \$2.5-10 billion range and 19% gains for companies with sales of less than \$2.5 billion. The latter increase comes on the heels of a 9% reduction last year.

Average Director Compensation by Region and by Sales

Average Director Compensation by Region and by Sales	
By region	
West	\$295,356
Southwest	\$254,033
Northeast	\$224,017
Southeast	\$213,341
Midwest	\$207,080
Northwest	\$205,268
By sales	
Less than \$2.5 billion	\$227,760
\$2.5-10 billion	\$232,386
Greater than \$10 billion	\$233,610
N = 487 companies for regional averages; 494 for sales	

Fees for independent chairmen down; fees for lead/presiding directors up

- > 93% of the S&P 500 boards that have independent chairmen pay those directors an additional fee averaging \$163,376. But the median fee rose to \$145,000, and ranges from \$5,000 to \$759,000.
- > Additional compensation for lead and presiding directors is becoming more common, and the rates are rising again. Of the 456 boards with these roles, 50% now pay additional cash retainers of \$26,126 on average, versus \$23,653 in 2010. Just 33% paid such retainers in 2006.
- > Fees for lead and presiding directors vary widely, ranging from a minimum of \$3,000 to a maximum of \$100,000. The median is \$25,000, up from \$20,000.
- > Retainers are more prevalent for lead directors (38%) than for presiding directors (12%).

COMPARATIVE BOARD DATA

Methodology: Based on the S&P 500 as of May 15, 2011. Company sales data obtained from Hoovers; industry/sector categories obtained from CapitalIQ. All remaining data were culled from the most recent proxies released as of May 15, 2011. Total average compensation per nonemployee director is based on nonemployee director compensation tables included in 493 proxies. The number includes all board and committee retainers and meeting fees, supplemental nonexecutive chairman and lead/presiding director fees, the value of equity compensation and all other compensation paid in 2010. Retiring and new nonemployee directors are included when paid compensation for at least three quarters of 2010.

Comparative Board Data

	NUMBER OF DIRECTORS	INDEPENDENT DIRECTORS		BOARD FEES (\$)				PERCENTAGE OF TOTAL COMPENSATION						
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
COMPANY SALES (\$ IN MILLIONS)														
CONSUMER DISCRETIONARY														
Advertising														
The Interpublic Group of Companies	6,531.9	9	8	64	74	7	100,000 ^c	–	100,000	195,609	50%	41%	0%	9%
Omnicom Group	12,542.5	12	10	68	–	7	60,000 ^{c,d}	2,000	74,000	216,800	54%	46%	0%	0%
Apparel Retail														
Abercrombie & Fitch Co.	3,468.8	9	8	64	–	8	55,000 ^{c,d}	–	55,000	220,514	44%	56%	0%	0%
The Gap	14,664.0	10	9	60	72	7	70,000 ^c	–	70,000	218,086	39%	55%	0%	6%
Limited Brands	9,613.0	10	7	69	–	7	140,000 ^e	–	140,000	153,517	52%	48%	0%	0%
Ross Stores	7,866.1	8	6	62	70	5	42,000 ^c	1,500	49,500	156,314	48%	52%	0%	0%
The TJX Companies	21,942.2	9	7	58	75	10	50,000 ^c	1,500	65,000	209,258	48%	52%	0%	0%
Urban Outfitters	2,274.1	7	5	61	–	4	100,000 ^f	–	100,000	334,400	30%	0%	70%	0%
Apparel, Accessories & Luxury Goods														
Coach	3,607.6	7	6	57	–	5	60,000 ^{c,d,f}	–	60,000	228,333	34%	33%	33%	0%
Polo Ralph Lauren Corporation	4,978.9	11	8	66	–	4	45,000 ^{c,f}	–	45,000	268,546	27%	33%	40%	0%
V.F. Corporation	7,702.6	12	11	61	72	6	50,000 ^{c,d,f}	1,500	59,000	199,392	41%	30%	28%	1%
Auto Parts & Equipment														
Johnson Controls	34,305.0	10	9	63	72	6	220,000 ^{d,e}	–	220,000	230,625	52%	48%	0%	0%
Automobile Manufacturers														
Ford Motor Company	128,954.0	14	11	65	72	10	200,000 ^{d,e}	–	200,000	230,311	88%	0%	0%	12%
Automotive Retail														
AutoNation	12,461.0	10	8	55	–	15	50,000 ^f	–	50,000	225,624	19%	0%	72%	9%
AutoZone	7,362.6	10	8	53	75	5	200,000 ^{e,g} in stock	–	200,000	189,222	14%	14%	72%	0%
Carmax	9,195.5	13	11	61	–	4	50,000 ^{c,f}	1,500	56,000	181,593	44%	28%	28%	0%
O'Reilly Automotive	5,397.5	9	5	63	75	4	36,000 ^f	2,500	46,000	131,350	39%	0%	61%	0%
Broadcasting														
CBS Corporation	14,059.8	14	9	70	–	7	100,000 ^{c,d,f}	–	100,000	223,598	43%	45%	11%	1%
Discovery Communications	3,773.0	11	7	64	–	17	80,000 ^{c,f}	–	80,000	164,432	50%	24%	24%	2%
Cable & Satellite														
Cablevision Systems Corporation	7,231.2	17	7	71	–	12	60,000 ^c	2,000	84,000	185,815	41%	59%	0%	0%
Comcast Corporation	37,937.0	12	10	64	72	8	60,000 ^{c,d}	2,500	80,000	235,850	47%	53%	0%	0%
DIRECTV	24,102.0	9	8	63	–	12	80,000 ^{c,d}	–	80,000	222,299	37%	54%	0%	9%
Scripps Networks Interactive	2,067.2	11	10	63	70	10	40,000 ^{c,d,f}	2,500	65,000	241,406	35%	32%	33%	0%
Time Warner Cable	18,868.0	12	9	62	–	10	90,000 ^{c,d}	–	90,000	219,038	47%	53%	0%	0%
Casinos & Gaming														
International Game Technology	1,987.2	8	7	56	–	7	65,000 ^{c,f}	–	65,000	255,074	29%	28%	43%	0%
Wynn Resorts	4,184.7	12	7	68	–	7	60,000 ^{c,f}	1,500	70,500	417,316	31%	56%	0%	13%
Computer & Electronics Retail														
Best Buy Co.	50,272.0	11	9	57	75	4	75,000 ^f	–	75,000	228,325	36%	64%	0%	0%
GameStop Corporation	9,473.7	11	8	63	–	9	50,000 ^c	1,000	59,000	267,726	21%	59%	0%	20%
RadioShack Corporation	4,472.7	7	6	64	72	17	40,000 ^{c,d}	1,500	65,500	194,915	43%	54%	0%	3%

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS			BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION			
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Consumer Electronics														
Harman International Industries	3,364.4	10	9	63	–	8	70,000 ^c	1,500	82,000	229,620	42%	58%	0%	0%
Department Stores														
J.C. Penney Company	17,759.0	12	11	61	74	13	60,000 ^{c,d}	–	60,000	213,650	23%	74%	0%	3%
Kohl's Corporation	18,391.0	11	9	57	72	5	100,000 ^{c,f}	–	100,000	233,633	52%	21%	27%	0%
Macy's	25,003.0	10	9	64	72	7	60,000 ^{c,d}	–	60,000	206,284	35%	49%	0%	16%
Nordstrom	9,700.0	12	9	57	72	5	60,000 ^{c,d}	–	60,000	238,516	35%	59%	0%	6%
Sears Holdings Corporation	43,326.0	7	5	52	70	7	60,000	–	60,000	62,000	100%	0%	0%	0%
Distributors														
Genuine Parts Company	11,207.6	12	9	63	72	4	35,000 ^c	1,250	40,000	125,226	39%	61%	0%	0%
Education Services														
Apollo Group	4,925.8	13	8	58	–	8	50,000 ^{c,f}	2,000	66,000	376,809	27%	33%	40%	0%
DeVry	1,915.2	12	10	59	–	7	70,000 ^c	–	70,000	154,387	54%	46%	0%	0%
Footwear														
NIKE	19,014.0	13	10	64	72	6	60,000 ^f	2,000	72,000	193,501	35%	0%	57%	8%
General Merchandise Stores														
Big Lots	4,952.2	9	8	63	70	8	45,000 ^c	1,500	57,000	188,697	45%	50%	0%	5%
Family Dollar Stores	7,867.0	10	9	64	–	7	40,000 ^c	1,500	50,500	118,740	49%	51%	0%	0%
Target Corporation	67,390.0	11	10	56	72	5	245,000 ^{d,e,f,h}	–	245,000	232,864	25%	65%	10%	0%
Home Furnishing Retail														
Bed Bath & Beyond	8,758.5	10	7	60	–	5	50,000 ^{c,d}	–	50,000	111,071	55%	45%	0%	0%
Home Furnishing														
Leggett & Platt	3,359.1	12	9	63	72	4	160,000 ^{d,e,h}	–	160,000	208,425	32%	61%	0%	7%
Home Improvement Retail														
The Home Depot	67,997.0	10	9	59	72	7	280,000 ^{d,e}	–	280,000	302,844	22%	76%	0%	2%
Lowe's Companies	48,815.0	10	9	64	72	5	75,000 ^{c,d}	–	75,000	200,325	42%	58%	0%	0%
The Sherwin-Williams Company	7,776.4	11	10	62	72	5	85,000 ^{c,d}	–	85,000	190,046	47%	53%	0%	0%
Homebuilding														
D.R. Horton	4,400.2	6	4	61	75	4	– ^f	15,000 ⁱ	60,000	72,100	100%	0%	0%	0%
Lennar Corporation	3,074.0	9	8	67	–	8	50,000 ^{d,e,f}	3,000	74,000	138,286	5%	29%	17%	49%
PulteGroup	4,569.3	11	9	63	75	6	235,000 ^e	–	235,000	247,500	43%	57%	0%	0%
Hotels, Resorts & Cruise Lines														
Carnival Corporation	14,469.0	14	9	63	75	9	40,000 ^c	5,000	85,000	230,824	46%	52%	0%	2%
Marriott International	11,691.0	10	7	61	72	5	60,000 ^{c,d}	1,250	66,250	203,740	42%	56%	0%	2%
Starwood Hotels & Resorts Worldwide	5,071.0	11	10	58	72	6	80,000 ^{c,e,f,g,j} in stock	–	80,000	237,784	11%	60%	23%	6%
Wyndham Worldwide	3,851.0	7	6	61	75	6	200,000 ^{d,e}	–	200,000	212,055	43%	43%	0%	14%
Household Appliances														
Stanley Black & Decker	8,409.6	15	13	66	72	5	110,000 ^{c,d}	–	110,000	209,337	47%	52%	0%	1%
Whirlpool Corporation	18,366.0	11	9	60	70	7	110,000 ^{c,f}	–	110,000	209,217	46%	28%	20%	6%

Comparative Board Data

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS		MEETINGS PER YEAR ^a	BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION			
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE		BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Housewares & Specialties														
Fortune Brands	6,570.5	10	8	63	72	7	80,000 ^c	–	80,000	211,947	45%	53%	0%	2%
Newell Rubbermaid	5,759.2	12	11	58	70	8	100,000 ^{c,f}	–	100,000	222,506	55%	45%	0%	0%
Internet Retail														
Amazon.com	34,204.0	8	7	62	–	7	100% ^{e,g,k} in stock	–	100% ^{in stock}	111,044	0%	100%	0%	0%
NetFlix	2,162.6	7	6	54	–	6	100% ^{f,k} in options	–	100% ^{in options}	311,572	0%	0%	100%	0%
priceline.com	3,084.9	8	6	62	–	6	35,000 ^c	–	35,000	179,809	30%	70%	0%	0%
Leisure Products														
Hasbro	4,002.2	13	11	60	72	11	80,000 ^{c,d}	–	80,000	262,690	27%	61%	0%	12%
Mattel	5,856.2	11	10	62	72	6	100,000 ^{c,d}	–	100,000	232,626	49%	43%	0%	8%
Motorcycle Manufacturers														
Harley-Davidson	4,859.3	13	11	61	72	7	80,000 ^{c,d}	–	80,000	133,333	62%	38%	0%	0%
Movies & Entertainment														
News Corporation	32,778.0	15	9	59	–	8	130,000 ^c	–	130,000	242,905	51%	49%	0%	0%
Time Warner	26,888.0	13	12	63	72	10	125,000 ^{c,d,f}	–	125,000	249,397	50%	34%	16%	0%
Viacom	12,449.3	11	6	67	–	5	75,000 ^{c,d,f}	–	75,000	181,551	50%	30%	20%	0%
The Walt Disney Company	38,063.0	13	10	59	–	8	80,000 ^{c,d}	–	80,000	256,832	32%	46%	20%	2%
Publishing														
Gannett Co.	5,438.7	9	8	65	70	8	45,000 ^{c,d,f,h}	2,000	61,000	155,329	32%	25%	41%	2%
The McGraw-Hill Companies	6,168.3	12	10	65	72	7	60,500 ^{c,d}	1,500	71,000	191,559	47%	53%	0%	0%
The Washington Post Company	4,723.6	10	8	65	75	5	70,000	–	70,000	75,000	100%	0%	0%	0%
Restaurants														
Chipotle Mexican Grill	1,835.9	7	5	65	70	4	135,000 ^e	2,000	143,000	163,676	48%	52%	0%	0%
Darden Restaurants	7,113.1	12	10	59	73	5	85,000 ^{e,d,h}	–	85,000	199,985	43%	49%	0%	8%
McDonald's Corporation	24,074.6	14	12	62	–	8	90,000 ^{c,d}	–	90,000	235,417	41%	55%	0%	4%
Starbucks Corporation	10,707.4	10	9	58	75	11	120,000 ^{f,h}	–	120,000	261,649	16%	0%	84%	0%
Yum! Brands	11,343.0	12	10	63	72	6	170,000 ^{c,e,f,g,i} in stock	–	170,000	219,883	4%	75%	18%	3%
Specialized Consumer Services														
H&R Block	3,874.3	10	9	59	75	7	40,000 ^c	2,000	54,000	190,997	38%	61%	0%	1%
Specialty Stores														
Staples	24,545.1	12	11	58	72	4	75,000 ^c	–	75,000	315,767	24%	40%	36%	0%
Tiffany & Co.	3,085.3	9	7	64	72	6	75,000 ^{c,f}	–	75,000	214,762	40%	28%	27%	5%
Tires & Rubber														
The Goodyear Tire & Rubber Company	18,832.0	12	10	60	72	7	75,000 ^{c,d}	–	75,000	201,610	47%	47%	0%	6%
Total Consumer Discretionary														
Average		10.7	8.6	61.7	72.4	7.2	87,578		91,926	212,436	39%	44%	14%	3%
Median		11.0	9.0	62.0	72.0	7.0	75,000		75,000	212,853				

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS			BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION			
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NONEMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
CONSUMER STAPLES														
<i>Agricultural Products</i>														
Archer-Daniels-Midland Company	61,682.0	10	9	57	70	9	250,000 ^{d,e}	—	250,000	247,028	38%	62%	0%	0%
<i>Brewers</i>														
Molson Coors Brewing Company	3,254.4	14	9	60	—	8	100,000 ^{c,d}	—	100,000	210,341	52%	48%	0%	0%
<i>Distillers & Vintners</i>														
Brown-Forman Corporation	2,469.0	11	5	63	71	6	38,000 ^{f,h}	5,000	68,000	142,029	63%	0%	37%	0%
Constellation Brands	3,332.0	8	6	61	70	6	60,000 ^{c,f}	2,500	75,000	205,323	45%	29%	26%	0%
<i>Drug Retail</i>														
CVS Caremark Corporation	96,413.0	12	11	62	72	10	260,000 ^{d,e}	—	260,000	266,704	25%	75%	0%	0%
Walgreen Co.	67,420.0	11	10	59	72	11	70,000 ^{c,d}	—	70,000	257,573	44%	53%	0%	3%
<i>Food Distributors</i>														
Sysco Corporation	37,243.5	12	10	66	—	10	100,000 ^{c,d}	—	100,000	330,695	42%	55%	2%	1%
<i>Food Retail</i>														
The Kroger Co.	82,189.0	14	12	63	72	5	75,000 ^{c,f}	—	75,000	187,921	45%	36%	19%	0%
Safeway	41,050.0	10	8	62	72	5	175,000 ^{d,e}	—	175,000	217,971	21%	79%	0%	0%
Whole Foods Market	9,005.8	11	9	58	—	6	33,660 ^f	6,191	70,806	118,108	68%	31%	0%	1%
<i>Household Products</i>														
The Clorox Company	5,534.0	11	10	62	72	7	90,000 ^{c,d}	—	90,000	193,500	43%	57%	0%	0%
Colgate-Palmolive Company	15,564.0	9	8	61	72	9	25,000 ^{c,d,f,i}	—	25,000	289,392	16%	62%	18%	4%
Kimberly-Clark Corporation	19,746.0	12	11	61	72	6	85,000 ^c	—	85,000	234,318	36%	64%	0%	0%
The Procter & Gamble Company	78,938.0	10	8	57	70	8	100,000 ^{c,d}	—	100,000	248,898	46%	50%	0%	4%
<i>Hypermarkets & Super Centers</i>														
Costco Wholesale Corporation	77,946.0	14	8	68	—	4	30,000 ^c	1,000	34,000	206,738	18%	82%	0%	0%
Wal-Mart Stores	421,849.0	15	10	59	70	7	60,000 ^{c,d}	—	60,000	251,359	27%	64%	0%	9%
<i>Packaged Foods & Meats</i>														
Campbell Soup Company	7,676.0	17	14	64	72	6	196,000 ^{d,e}	—	196,000	230,756	50%	50%	0%	0%
ConAgra Foods	12,079.4	11	10	61	72	8	50,000 ^{c,f}	1,500	62,000	232,864	33%	34%	32%	1%
Dean Foods Company	12,122.9	10	9	61	70	8	35,000 ^{c,d,f}	3,000	59,000	214,093	60%	20%	20%	0%
General Mills	14,796.5	14	13	63	72	6	75,000 ^{c,d,f}	—	75,000	261,862	31%	34%	21%	14%
The Hershey Company	5,671.0	9	8	59	72	15	90,000 ^{c,d}	—	90,000	213,829	45%	53%	0%	2%
H.J. Heinz Company	10,495.0	12	11	63	72	8	85,000 ^{c,d}	—	85,000	206,635	43%	57%	0%	0%
Hormel Foods Corporation	7,220.7	12	10	61	72	7	70,000 ^{c,f}	—	70,000	206,542	32%	47%	18%	3%
The J.M. Smucker Company	4,605.3	13	8	60	72	6	55,000 ^{c,d}	1,500	64,000	178,260	50%	50%	0%	0%
Kellogg Company	12,397.0	12	10	66	72	8	88,000 ^{c,d}	—	88,000	237,924	40%	60%	0%	0%
Kraft Foods	49,207.0	11	10	59	75	10	110,000 ^{c,d}	—	110,000	249,320	45%	50%	0%	5%
McCormick & Company	3,336.8	11	9	60	72	6	70,000 ^{c,f}	—	70,000	184,905	42%	40%	18%	0%
Mead Johnson Nutrition Company	3,141.6	10	7	57	72	6	85,000 ^c	—	85,000	243,455	49%	50%	0%	1%
Sara Lee Corporation	10,793.0	12	11	61	72	11	75,000 ^{c,d}	—	75,000	234,510	39%	58%	0%	3%
Tyson Foods	28,430.0	8	5	59	70	5	70,000 ^{c,d}	—	70,000	158,313	49%	51%	0%	0%

Comparative Board Data

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		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Personal Products														
Avon Products	10,862.8	10	9	62	72	11	190,000 ^{d,e}	–	190,000	214,760	43%	54%	0%	3%
The Estee Lauder Companies	7,795.8	14	8	56	–	7	70,000 ^{c,f,h}	–	70,000	189,463	46%	11%	43%	0%
Soft Drinks														
The Coca-Cola Company	35,119.0	15	12	67	74	9	175,000 ^{d,e}	–	175,000	194,093	31%	64%	0%	5%
Coca-Cola Enterprises	6,714.0	12	11	57	70	18	230,000 ^{d,e}	–	230,000	244,037	48%	48%	0%	4%
Dr Pepper Snapple Group	5,636.0	10	8	62	70	9	100,000 ^c	–	100,000	219,375	46%	54%	0%	0%
PepsiCo	57,838.0	12	11	62	72	7	100,000 ^{c,d}	–	100,000	264,545	43%	57%	0%	0%
Tobacco														
Altria Group	16,892.0	9	8	64	–	6	100,000 ^{c,d}	–	100,000	282,439	43%	53%	0%	4%
Lorillard	5,932.0	8	7	60	–	8	200,000 ^e	–	200,000	210,866	53%	47%	0%	0%
Phillip Morris International	27,208.0	10	8	65	–	7	115,000 ^{c,d}	–	115,000	282,400	50%	50%	0%	0%
Reynolds American	8,551.0	11	8	58	70	9	60,000 ^{c,d}	1,500	73,500	256,862	42%	57%	0%	1%
Total Consumer Staples														
Average		11.5	9.2	61.2	71.6	8.0	101,142		104,758	227,552	41%	51%	6%	2%
Median		11.0	9.0	61.0	72.0	7.5	85,000		85,000	225,066				
ENERGY														
Coal & Consumable Fuels														
CONSOL Energy	5,167.1	11	9	66	–	13	95,000 ^{c,d}	–	95,000	187,100	49%	51%	0%	0%
Peabody Energy Corporation	6,860.0	11	10	65	75	9	85,000 ^{c,d}	–	85,000	191,822	53%	47%	0%	0%
Integrated Oil & Gas														
Chevron Corporation	204,928.0	13	11	65	72	8	116,000 ^{e,d,h}	–	116,000	306,278	25%	60%	9%	6%
ConocoPhillips	198,655.0	13	12	63	72	8	115,000 ^{c,d}	–	115,000	231,586	45%	52%	0%	3%
Exxon Mobil Corporation	383,221.0	11	10	64	72	9	100,000 ^c	–	100,000	388,615	28%	72%	0%	0%
Hess Corporation	33,950.0	13	10	70	–	10	75,000 ^c	2,000	95,000	280,770	45%	54%	0%	1%
Marathon Oil Corporation	67,222.0	13	12	64	72	8	150,000 ^c	–	150,000	320,636	54%	45%	0%	1%
Murphy Oil Corporation	23,401.1	10	8	66	72	7	50,000 ^c	2,000	64,000	340,876	33%	67%	0%	0%
Occidental Petroleum Corporation	19,045.0	13	11	65	75	8	60,000 ^c	2,000	76,000	612,975	19%	79%	0%	2%
Oil & Gas Drilling														
Diamond Offshore Drilling	3,323.0	9	5	67	–	8	25,000 ^f	1,500	37,000	120,058	28%	0%	44%	28%
Helmerich & Payne	1,875.2	8	6	62	–	4	50,000 ^{c,f}	–	50,000	98,103	58%	0%	42%	0%
Nabors Industries	4,174.6	7	5	69	72	4	50,000 ^{c,h}	–	50,000	400,933	12%	79%	9%	0%
Noble Corporation	2,807.2	9	8	62	72	5	50,000 ^{c,d,e}	2,000	60,000	387,251	22%	78%	0%	0%
Rowan Companies	1,819.2	11	10	65	–	13	70,000 ^c	–	70,000	224,980	38%	62%	0%	0%
Oil & Gas Equipment and Services														
Baker Hughes	14,414.0	11	8	66	72	5	75,000 ^{c,f}	–	75,000	259,638	35%	54%	11%	0%
Cameron International Corporation	6,134.8	9	7	63	72	15	50,000 ^{c,d}	–	50,000	365,750	32%	68%	0%	0%
FMC Technologies	4,125.6	13	10	64	72	5	60,000 ^c	–	60,000	281,492	27%	70%	0%	3%
Halliburton Company	17,973.0	10	9	63	72	6	100,000 ^{c,d}	–	100,000	296,282	34%	45%	0%	21%
National Oilwell Varco	12,156.0	8	7	57	70	4	55,000 ^{c,f}	1,500	61,000	252,614	34%	33%	33%	0%
Schlumberger Limited	27,447.0	14	12	60	70	8	100,000 ^{c,d}	–	100,000	279,543	43%	57%	0%	0%

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		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE		BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Oil & Gas Exploration and Production														
Anadarko Petroleum Corporation	10,842.0	10	8	61	75	8	50,000 ^{c,d}	2,000	66,000	331,146	32%	68%	0%	0%
Apache Corporation	11,989.0	13	12	68	—	12	150,000 ^{c,d}	—	150,000	324,149	48%	51%	0%	1%
Cabot Oil & Gas Corporation	844.0	8	7	68	73	9	55,000 ^c	—	55,000	216,888	27%	71%	0%	2%
Chesapeake Energy Corporation	9,366.0	9	8	66	80	13	55,000 ^c	15,000 ^l	146,500	524,010	24%	56%	0%	20%
Denbury Resources	1,812.5	9	7	62	70	14	60,000 ^{c,d}	2,000	88,000	239,153	54%	28%	14%	4%
Devon Energy Corporation	9,129.0	8	6	61	73	6	50,000 ^{c,f}	2,000	62,000	274,961	26%	46%	28%	0%
EOG Resources	5,814.4	7	6	70	80	8	140,000 ^{c,d,f}	—	140,000	395,854	35%	37%	28%	0%
Newfield Exploration Company	1,883.0	11	10	63	72	5	50,000 ^c	—	50,000	213,159	30%	70%	0%	0%
Noble Energy	2,904.0	9	8	59	70	9	50,000 ^{c,f}	2,000	68,000	261,428	38%	35%	27%	0%
Pioneer Natural Resources Company	2,471.6	10	9	61	—	13	250,000 ^e	—	250,000	273,004	7%	93%	0%	0%
QEP Resources	2,246.4	7	5	61	75	3	50,000 ^{c,d}	2,000	56,000	182,936	54%	46%	0%	0%
Range Resources Corporation	910.7	9	7	65	—	10	45,000 ^{c,d,f}	1,000	55,000	322,650	20%	42%	38%	0%
Southwestern Energy Company	2,610.7	9	6	69	75	8	50,000 ^{c,f}	2,000 ^m	63,000	269,454	31%	33%	33%	3%
Oil & Gas Refining and Marketing														
Sunoco	34,915.0	8	7	56	72	17	230,000 ^{d,e}	—	230,000	247,121	39%	48%	0%	13%
Tesoro Corporation	20,253.0	8	7	62	75	7	220,000 ^{d,e}	—	220,000	244,154	55%	45%	0%	0%
Valero Energy Corporation	81,342.0	11	10	66	72	8	115,000 ^c	—	115,000	280,784	43%	57%	0%	0%
Oil & Gas Storage and Transportation														
El Paso Corporation	4,616.0	12	11	62	72	7	80,000 ^{c,d,e}	—	80,000	183,400	39%	61%	0%	0%
Spectra Energy Corporation	4,945.0	11	10	65	72	7	150,000 ^e	2,500	167,500	217,867	56%	42%	0%	2%
The Williams Companies	9,616.0	12	11	66	75	11	110,000 ^c	—	110,000	243,098	50%	48%	0%	2%
Total Energy														
Average		10.2	8.6	64.0	73.0	8.5	89,513		96,949	285,586	35%	57%	6%	2%
Median		10.0	8.0	64.0	72.0	8.0	70,000		80,000	273,004				
FINANCIALS														
Asset Management & Custody Banks														
Ameriprise Financial	10,046.0	8	7	64	72	6	180,000 ^{d,e}	—	180,000	223,874	49%	45%	0%	6%
The Bank of New York Mellon Corporation	13,864.0	14	12	64	72	11	75,000 ^{c,d}	—	75,000	234,940	50%	47%	0%	3%
BlackRock	8,612.0	18	11	66	73	9	75,000 ^{c,d,e}	1,500	88,500	207,995	10%	90%	0%	0%
Federated Investors	951.9	7	3	66	73	6	50,000 ^c	—	50,000	105,893	63%	37%	0%	0%
Franklin Resources	5,853.0	12	8	63	75	5	70,000 ^{c,d}	3,000	85,000	189,125	48%	52%	0%	0%
Invesco	3,487.7	10	8	66	73	5	120,000 ^c	—	120,000	246,996	65%	35%	0%	0%
Janus Capital Group	1,015.7	12	11	63	72	7	80,000 ^{c,d}	—	80,000	183,111	55%	45%	0%	0%
Legg Mason	2,784.3	14	11	62	72	11	40,000 ^{c,j}	2,000 ⁿ	52,000	212,689	47%	53%	0%	0%
Northern Trust Corporation	3,487.7	13	12	60	72	6	90,000 ^{c,d}	—	90,000	185,458	51%	49%	0%	0%
State Street Corporation	8,928.0	13	12	63	72	13	75,000 ^{c,d}	1,500	94,500	273,396	38%	59%	0%	3%
T. Rowe Price Group	2,370.7	10	7	66	72	7	75,000 ^{c,d,f,o}	—	75,000	241,489	36%	52%	9%	3%
Consumer Finance														
American Express Company	30,242.0	13	10	63	72	10	90,000 ^c	—	90,000	279,634	39%	54%	0%	7%

Comparative Board Data

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Consumer Finance (continued)														
Capital One Financial Corporation	19,067.0	9	8	62	70	10	70,000 ^{c,h}	–	70,000	295,644	17%	58%	22%	3%
Discover Financial Services	8,241.2	11	10	59	72	8	75,000 ^c	–	75,000	217,491	43%	57%	0%	0%
SLM Corporation	6,776.3	16	15	66	75	10	175,000 ^{e,f}	–	175,000	198,630	46%	26%	25%	3%
Diversified Banks														
Comerica	2,642.0	9	8	54	70	8	40,000 ^{c,d}	1,500	52,000	142,367	58%	42%	0%	0%
U.S. Bancorp	20,518.0	13	12	62	72	6	90,000 ^{c,d}	–	90,000	231,941	41%	59%	0%	0%
Wells Fargo & Company	93,249.0	14	13	62	70	8	75,000 ^{c,d}	2,000	91,000	298,547	41%	23%	36%	0%
Diversified REITs														
Vornado Realty Trust	2,873.8	10	8	72	–	10	60,000 ^c	1,000	70,000	124,162	66%	34%	0%	0%
Insurance Brokers														
Aon Corporation	8,512.0	16	15	64	–	14	95,000 ^{c,d}	–	95,000	218,718	41%	54%	0%	5%
Marsh & McLennan Companies	10,550.0	11	10	61	75	12	100,000 ^{c,d}	–	100,000	224,023	54%	45%	0%	1%
Investment Banking & Brokerage														
The Charles Schwab Corporation	4,248.0	10	8	68	–	6	85,000 ^{c,d,f,h}	–	85,000	232,385	44%	28%	27%	1%
E*TRADE Financial Corporation	2,398.3	12	11	64	70	22	50,000 ^c	2,500	77,500	202,864	77%	23%	0%	0%
The Goldman Sachs Group	45,967.0	10	8	66	75	17	75,000 ^{c,e,g} in stock	–	75,000	417,896	0%	39%	59%	2%
Morgan Stanley	38,036.0	13	10	64	72	15	75,000 ^{c,d}	–	75,000	311,528	20%	80%	0%	0%
Life & Health Insurance														
AFLAC	20,732.0	15	10	66	75	5	100,000 ^{c,d,f,h,o}	3,000	115,000	221,136	48%	52%	0%	0%
Lincoln National Corporation	10,407.0	11	10	65	72	5	207,000 ^{d,e,f}	–	207,000	208,337	47%	29%	21%	3%
MetLife	52,717.0	14	12	60	72	12	225,000 ^e	–	225,000	247,771	52%	45%	0%	3%
Principal Financial Group	9,158.6	11	10	62	72	8	160,000 ^{d,e}	2,500	180,000	210,170	55%	45%	0%	0%
Prudential Financial	38,414.0	13	11	64	74	12	240,000 ^{c,d}	–	240,000	232,273	56%	44%	0%	0%
Torchmark Corporation	3,367.6	10	9	63	74	6	85,000 ^{d,e,h}	–	85,000	183,796	44%	39%	17%	0%
Unum Group	10,193.2	12	11	65	72	11	80,000 ^{c,d}	–	80,000	191,669	69%	26%	0%	5%
Multi-line Insurance														
American International Group	77,573.0	14	13	62	75	25	150,000 ^{c,d}	–	150,000	237,320	79%	21%	0%	0%
Assurant	8,527.7	9	8	61	73	8	64,000 ^{c,d}	–	64,000	171,798	46%	48%	0%	6%
Genworth Financial	10,089.0	10	9	63	73	8	190,000 ^{d,e}	–	190,000	206,663	25%	68%	0%	7%
The Hartford Financial Services Group	22,383.0	9	8	62	75	11	65,000 ^{c,d}	2,500	92,500	293,014	48%	52%	0%	0%
Loews Corporation	14,615.0	12	9	67	–	9	100,000 ^f	–	100,000	161,939	70%	30%	0%	0%
Multi-Sector Holdings														
Leucadia National Corporation	1,290.3	8	6	70	–	13	75,000 ^f	750	84,750	117,128	87%	13%	0%	0%
Office REITs														
Boston Properties	1,587.6	10	7	61	75	9	60,000 ^{c,d}	1,500	73,500	135,775	55%	45%	0%	0%
Other Diversified Financial Services														
Bank of America Corporation	134,193.0	13	11	64	72	10	80,000 ^{c,d}	–	80,000	275,628	35%	63%	0%	2%
Citigroup	111,645.0	14	12	63	72	18	75,000 ^{c,d}	–	75,000	273,304	31%	69%	0%	0%
JPMorgan Chase & Co.	115,475.0	11	10	62	70	8	75,000 ^{c,d}	–	75,000	266,500	36%	64%	0%	0%

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS		MEETINGS PER YEAR ^a	BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION			
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE		BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Property & Casualty Insurance														
ACE Limited	16,006.0	14	13	65	70	6	220,000 ^{d,e}	—	220,000	268,287	24%	72%	0%	4%
The Allstate Corporation	31,418.0	11	10	63	72	7	90,000 ^{c,d}	—	90,000	212,521	26%	74%	0%	0%
Berkshire Hathaway	136,185.0	12	8	68	—	3	—	900	2,700	3,630	100%	0%	0%	0%
The Chubb Corporation	13,284.0	11	10	62	72	7	60,000 ^{c,d}	2,000	74,000	220,890	50%	45%	0%	5%
Cincinnati Financial Corporation	3,772.0	13	9	57	70	4	25,000 ^c	4,500	43,000	140,758	47%	47%	0%	6%
The Progressive Corporation	14,945.0	10	9	64	80	9	190,000 ^{e,g} in stock	—	190,000	212,587	0%	100%	0%	0%
The Travelers Companies	25,172.0	11	10	63	72	6	100,000 ^{c,d}	—	100,000	258,846	42%	56%	0%	2%
XL Capital	6,414.2	10	9	64	—	5	100,000 ^c	—	100,000	247,593	52%	48%	0%	0%
Real Estate Services														
CB Richard Ellis Group	5,115.3	10	9	66	75	6	30,000 ^{c,f}	2,000	42,000	130,833	39%	35%	26%	0%
Regional Banks														
BB&T Corporation	11,072.0	15	12	62	70	10	54,500 ^{c,f}	1,500	69,500	135,766	60%	23%	17%	0%
Fifth Third Bancorp	7,218.0	12	11	61	70	8	50,000 ^{c,d}	1,500	62,000	208,596	57%	43%	0%	0%
First Horizon National Corporation	1,434.4	12	10	58	72	6	45,000 ^c	2,000	57,000	131,523	73%	16%	0%	11%
Huntington Bancshares	2,038.8	14	12	60	70	11	35,000 ^{c,d}	1,500	51,500	131,143	66%	34%	0%	0%
KeyCorp	3,827.0	13	11	58	70	8	35,000 ^{c,d}	1,500	47,000	139,564	50%	50%	0%	0%
M&T Bank Corporation	2,979.6	16	12	67	70	10	20,000 ^{c,d}	2,000	40,000	56,576	37%	63%	0%	0%
The PNC Financial Services Group	17,096.0	15	14	66	72	12	55,000 ^{c,d}	1,500 ^p	70,000	229,284	44%	52%	0%	4%
Regions Financial Corporation	8,220.0	14	12	64	72	14	50,000 ^{c,d}	1,500	71,000	167,930	64%	36%	0%	0%
SunTrust Banks	10,072.0	14	13	66	72	8	45,000 ^c	1,500	57,000	122,709	71%	27%	0%	2%
Zions Bancorporation	2,760.1	10	8	63	72	12	35,000 ^{c,d}	1,500	53,000	148,284	52%	47%	0%	1%
Residential REITs														
Apartment Investment and Management Company	1,133.0	8	7	66	—	4	100% ^{e,g,k} in stock	1,000	4,000 ^{plus} stock	164,001	11%	89%	0%	0%
AvalonBay Communities	896.0	8	6	63	72	5	50,000 ^{c,d}	—	50,000	227,224	24%	55%	0%	21%
Equity Residential	1,995.5	10	8	60	72	8	125,000 ^{d,e,f}	—	125,000	143,986	46%	27%	27%	0%
Retail REITs														
Kimco Realty Corporation	898.9	9	7	68	—	9	50,000 ^{c,d,f}	—	50,000	184,600	47%	42%	11%	0%
Simon Property Group	3,957.6	11	8	63	—	9	70,000 ^c	2,000	88,000	206,815	57%	43%	0%	0%
Specialized Finance														
CME Group	3,003.7	32	27	59	—	7	100,000 ^{d,e}	1,500	110,500	140,825	45%	55%	0%	0%
IntercontinentalExchange	1,149.9	11	10	63	75	11	45,000 ^{c,d}	—	45,000	258,081	27%	73%	0%	0%
Moody's Corporation	2,032.0	7	6	65	—	7	75,000 ^c	—	75,000	200,020	42%	58%	0%	0%
The Nasdaq OMX Group	3,197.0	16	14	61	—	16	75,000 ^{c,d}	1,000	91,000	189,888	49%	51%	0%	0%
NYSE Euronext	4,110.0	16	14	64	—	6	150,000 ^e	—	150,000	188,462	51%	43%	0%	6%
Specialized REITs														
HCP	1,255.1	9	8	68	—	12	60,000 ^{c,d}	—	60,000	169,451	42%	58%	0%	0%
Health Care REIT	679.5	10	8	62	—	5	80,000 ^c	— ^q	81,500	178,025	47%	53%	0%	0%
Host Hotels & Resorts	4,436.0	8	6	65	—	5	150,000 ^{d,e}	—	150,000	206,323	41%	36%	0%	23%
Plum Creek Timber Company	1,190.0	9	8	65	—	4	60,000 ^{c,d}	2,000	68,000	133,958	47%	53%	0%	0%
Public Storage	1,656.1	9	5	61	70	9	40,000 ^f	—	40,000	83,608	54%	0%	46%	0%
Ventas	1,015.7	10	8	64	75	15	50,000 ^{c,d,f}	1,500	72,500	182,929	45%	32%	23%	0%

Comparative Board Data

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS		MEETINGS PER YEAR ^a	BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION			
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE		BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Thrifts & Mortgage Finance														
Hudson City Bancorp	2,947.5	9	7	67	75	12	50,000 ^{c,d}	1,500	68,000	254,253	39%	0%	59%	2%
People's United Financial	938.2	10	9	68	–	26	24,000 ^c	950	48,700	226,249	49%	51%	0%	0%
Total Financials														
Average		11.8	9.9	63.5	72.5	9.4	85,838		91,540	199,574	44%	48%	6%	2%
Median		11.0	10.0	63.0	72.0	8.0	75,000		78,750	206,815				
HEALTHCARE														
Biotechnology														
Amgen	15,053.0	12	11	65	72	9	55,000 ^{c,f}	3,000	82,000	354,443	25%	28%	37%	10%
Biogen Idec	4,716.4	12	11	57	75	14	35,000 ^{c,f}	2,500	70,000	579,078	19%	53%	28%	0%
Celgene Corporation	3,625.7	8	7	65	–	9	75,000 ^{c,f}	–	75,000	402,751	21%	26%	53%	0%
Cephalon	2,811.1	9	8	67	–	12	55,000 ^f	5,000	115,000	450,257	26%	0%	74%	0%
Gilead Sciences	7,949.4	12	10	64	–	7	75,000 ^{c,d,f}	–	75,000	420,091	28%	40%	32%	0%
Healthcare Technology														
Cerner Corporation	1,850.2	8	6	66	75	4	66,000 ^c	–	66,000	271,550	26%	74%	0%	0%
Healthcare Distributors														
AmerisourceBergen Corporation	77,954.0	9	8	63	75	5	60,000 ^{c,d,f,h}	3,000	75,000	212,279	30%	24%	45%	1%
Cardinal Health	98,502.8	12	10	60	72	8	75,000 ^{c,d}	– ^r	78,000	219,753	36%	59%	5%	0%
McKesson Corporation	112,084.0	9	8	65	75	7	75,000 ^c	2,000	89,000	275,451	41%	54%	0%	5%
Patterson Companies	3,237.4	11	8	62	–	5	35,000 ^{c,f}	1,500	42,500	122,318	32%	56%	12%	0%
Healthcare Equipment														
Baxter International	12,843.0	12	11	65	72	9	65,000 ^{c,f}	2,000	83,000	212,698	50%	31%	17%	2%
Becton, Dickinson and Company	7,372.3	14	13	63	72	6	75,000 ^{c,d}	–	75,000	229,670	35%	65%	0%	0%
Boston Scientific Corporation	7,806.0	10	7	60	–	11	75,000 ^{c,d}	–	75,000	222,598	44%	56%	0%	0%
C.R. Bard	2,720.2	11	9	65	73	6	50,000 ^{c,d}	1,650	59,900	269,503	31%	42%	0%	27%
CareFusion Corporation	3,929.0	9	8	60	–	9	75,000 ^c	–	75,000	386,000	26%	74%	0%	0%
Covidien	10,429.0	11	10	60	72	7	95,000 ^c	–	95,000	238,515	43%	57%	0%	0%
Edwards Lifesciences Corporation	1,447.0	8	7	66	–	7	20,000 ^{c,d,f,h}	–	20,000	254,361	4%	94%	2%	0%
Hospira	3,917.2	10	8	64	72	6	65,000 ^{c,d}	–	65,000	248,225	40%	60%	0%	0%
Intuitive Surgical	1,413.0	9	7	64	–	4	25,000 ^f	5,000	45,000	471,109	11%	0%	89%	0%
Medtronic	15,817.0	11	10	61	72	6	80,000 ^{c,f}	–	80,000	183,198	47%	44%	9%	0%
St. Jude Medical	5,164.8	8	7	61	75	7	54,000 ^{d,f}	2,000	68,000	206,888	36%	0%	63%	1%
Stryker Corporation	7,320.0	9	8	57	–	8	60,000 ^{c,f}	–	60,000	286,578	45%	55%	0%	0%
Varian Medical Systems	2,356.6	9	7	60	–	5	45,000 ^{c,d,f}	2,000	55,000	257,229	31%	39%	30%	0%
Zimmer Holdings	4,220.2	8	7	58	70	8	50,000 ^{c,d,e,h}	1,500	62,000	224,391	33%	65%	2%	0%
Healthcare Services														
DaVita	6,447.4	10	9	60	75	7	24,000 ^{c,e,f}	8,000	80,000	348,148	7%	28%	65%	0%
Express Scripts	44,973.2	10	9	62	75	5	30,000 ^{c,f}	2,000	40,000	257,545	22%	26%	52%	0%
Laboratory Corporation of America Holdings	5,003.9	10	8	63	70	11	40,000 ^{c,f}	2,000	62,000	227,674	38%	31%	31%	0%
Medco Health Solutions	65,968.3	9	8	63	–	10	50,000 ^{c,f}	2,000	70,000	276,664	35%	23%	42%	0%
Quest Diagnostics	7,368.9	8	7	66	–	13	35,000 ^{c,d,f,h}	1,500	54,500	288,367	25%	32%	43%	0%

	NUMBER OF DIRECTORS	INDEPENDENT DIRECTORS		BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION						
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
	(\$ IN MILLIONS)													
Healthcare Supplies														
DENTSPLY International	2,221.0	11	10	62	75	6	40,000 ^{c,d,f}	1,500 ^s	48,500	192,285	30%	21%	49%	0%
Life Sciences Tools & Services														
Life Technologies Corporation	3,588.1	12	11	65	72	8	325,000 ^e	–	325,000	326,090	31%	69%	0%	0%
PerkinElmer	1,704.3	9	8	62	72	10	80,000 ^{c,f}	–	80,000	231,239	33%	43%	24%	0%
Thermo Fisher Scientific	10,788.7	11	10	59	70	8	80,000 ^{c,d}	–	80,000	236,667	44%	53%	0%	3%
Waters Corporation	1,643.4	9	8	57	72	5	50,000 ^{c,d,f}	1,500	57,500	249,420	29%	37%	34%	0%
Managed Healthcare														
Aetna	34,246.0	12	10	66	76	14	50,000 ^{c,d}	–	50,000	224,527	29%	71%	0%	0%
CIGNA Corporation	21,235.0	11	10	62	72	8	225,000 ^d	–	225,000	256,084	61%	36%	0%	3%
Coventry Health Care	11,603.9	10	9	60	75	7	225,000 ^{d,e,f,h}	– ^t	228,000	266,600	45%	39%	14%	2%
Humana	33,868.2	10	9	54	73	7	75,000 ^{c,d}	–	75,000	284,298	35%	56%	0%	9%
UnitedHealth Group	94,155.0	10	9	66	–	9	125,000 ^{c,d}	–	125,000	335,461	50%	45%	0%	5%
WellPoint	58,801.8	13	12	65	72	17	50,000 ^c	2,000	84,000	346,776	26%	72%	0%	2%
Pharmaceuticals														
Abbott Laboratories	35,166.7	10	9	62	72	7	126,000 ^{c,d}	–	126,000	250,356	48%	43%	0%	9%
Allergan	4,919.4	10	9	63	70	7	60,000 ^{c,d,f}	2,000	74,000	586,410	13%	55%	32%	0%
Bristol-Myers Squibb Company	19,484.0	12	9	62	72	10	85,000 ^c	–	85,000	256,120	50%	47%	0%	3%
Eli Lilly & Company	23,076.0	13	12	63	72	7	100,000 ^{c,d}	–	100,000	274,944	39%	53%	0%	8%
Forest Laboratories	4,390.1	9	7	68	–	5	50,000 ^{c,f}	2,500	62,500	140,895	47%	18%	35%	0%
Johnson & Johnson	61,587.0	11	10	65	72	9	110,000 ^{c,d}	–	110,000	229,109	51%	44%	0%	5%
Merck & Co.	45,987.0	18	16	62	72	9	100,000 ^{c,d}	–	100,000	198,263	47%	18%	0%	35%
Mylan	5,450.5	11	9	62	–	15	75,000 ^{c,f}	–	75,000	274,502	32%	40%	28%	0%
Pfizer	67,809.0	13	12	66	73	14	75,000 ^{c,d}	–	75,000	219,361	56%	38%	0%	6%
Watson Pharmaceuticals	3,566.9	11	9	64	–	8	50,000 ^c	2,000	66,000	290,728	28%	72%	0%	0%
Total Healthcare														
Average		10.5	9.1	62.5	72.8	8.3	75,500		84,868	282,195	32%	45%	20%	3%
Median		10.0	9.0	63.0	72.0	8.0	65,000		75,000	256,674				
INDUSTRIALS														
Aerospace & Defense														
The Boeing Company	64,306.0	12	11	61	74	8	110,000 ^{c,d}	–	110,000	266,223	41%	49%	0%	10%
General Dynamics Corporation	32,466.0	11	9	64	72	9	70,000 ^{c,d,f}	3,000	97,000	251,324	51%	16%	32%	1%
Goodrich Corporation	6,966.9	9	8	65	72	10	70,000 ^{c,d}	1,500	85,000	224,070	46%	40%	0%	14%
Honeywell International	33,370.0	10	9	61	72	9	80,000 ^{c,d,f}	2,500	102,500	266,568	72%	0%	20%	8%
ITT Corporation	10,995.0	10	9	62	72	5	100,000 ^{c,d}	–	100,000	221,429	41%	41%	18%	0%
L-3 Communications Holdings	15,680.0	9	8	68	–	9	100,000 ^{c,d}	–	100,000	217,170	52%	48%	0%	0%
Lockheed Martin Corporation	45,803.0	11	10	62	72	8	220,000 ^{d,e,h}	–	220,000	225,893	51%	41%	5%	3%
Northrop Grumman Corporation	34,757.0	11	10	66	72	18	220,000 ^{d,e}	–	220,000	257,618	52%	47%	0%	1%
Precision Castparts Corporation	6,220.1	9	8	61	71	6	72,000 ^{c,d}	–	72,000	217,000	42%	58%	0%	0%
Raytheon Company	25,183.0	9	8	66	74	10	65,000 ^{c,d}	1,500	80,000	236,701	45%	54%	0%	1%
Rockwell Collins	4,665.0	9	7	61	72	6	100,000 ^{c,d}	–	100,000	219,537	47%	51%	0%	2%
United Technologies Corporation	54,326.0	13	12	64	72	7	240,000 ^{d,e}	–	240,000	262,278	16%	83%	0%	1%

Comparative Board Data

	NUMBER OF DIRECTORS	INDEPENDENT DIRECTORS		BOARD FEES							PERCENTAGE OF TOTAL COMPENSATION			
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
COMPANY SALES (\$ IN MILLIONS)														
Air Freight & Logistics														
C.H. Robinson Worldwide	9,274.3	8	7	60	–	4	60,000 ^{c,d}	–	60,000	227,650	50%	28%	22%	0%
Expeditors International of Washington	5,967.6	8	5	62	–	5	10,000 ^c	1,000	15,000	232,400	14%	86%	0%	0%
FedEx Corporation	39,304.0	11	10	59	72	7	77,500 ^f	2,000	91,500	274,950	38%	0%	62%	0%
United Parcel Service	49,545.0	11	9	61	72	5	90,000 ^c	–	90,000	227,005	42%	57%	0%	1%
Airlines														
Southwest Airlines Co.	12,104.0	9	8	63	75	11	25,000 ^c	1,500	41,500	136,041	52%	33%	4%	11%
Building Products														
Masco Corporation	7,592.0	9	7	64	72	5	180,000 ^e	1,500	187,500	183,908	50%	49%	0%	1%
Commercial Printing														
R.R. Donnelley & Sons Company	10,018.9	9	8	64	72	9	220,000 ^{e,g} in stock	5,000	265,000	280,430	6%	91%	0%	3%
Construction & Engineering														
Fluor Corporation	20,849.3	11	9	64	72	10	105,000 ^{c,d}	–	105,000	215,980	46%	44%	0%	10%
Jacobs Engineering Group	9,915.5	11	9	65	–	9	88,000 ^{c,f}	–	88,000	188,870	46%	21%	33%	0%
Quanta Services	3,931.2	11	9	53	73	10	50,000 ^c	2,000	70,000	175,000	43%	57%	0%	0%
Construction, Farm Machinery & Heavy Trucks														
Caterpillar	42,588.0	15	14	62	72	9	250,000 ^d	–	250,000	225,965	94%	0%	0%	6%
Cummins	13,226.0	10	8	60	72	5	200,000 ^e	–	200,000	167,442	50%	45%	0%	5%
Deere & Company	26,004.6	11	10	64	71	7	100,000 ^{c,d}	–	100,000	204,971	51%	49%	0%	0%
Joy Global	3,524.3	8	7	62	–	9	70,000 ^c	1,500	83,500	190,000	61%	39%	0%	0%
PACCAR	10,292.9	11	8	63	72	4	75,000 ^{c,d}	7,500	105,000	211,274	56%	43%	0%	1%
Diversified Support Services														
Cintas Corporation	3,547.3	8	5	61	73	4	40,000 ^{c,d,f}	2,750	51,000	145,374	44%	28%	28%	0%
Iron Mountain	3,127.5	11	9	59	75	7	52,000 ^{c,d}	–	52,000	155,460	42%	57%	0%	1%
Electrical Components & Equipment														
Emerson Electric Company	21,039.0	13	10	61	72	10	185,000 ^{d,e}	–	185,000	233,322	43%	49%	0%	8%
First Solar	2,563.5	9	7	62	–	10	175,000 ^e	–	175,000	173,039	46%	54%	0%	0%
Rockwell Automation	4,857.0	9	8	61	72	7	140,000 ^{c,d,e}	–	140,000	186,470	48%	47%	0%	5%
Roper Industries	2,386.1	8	7	62	74	6	42,500 ^c	2,000	54,500	292,466	20%	80%	0%	0%
Environmental & Facilities Services														
Republic Services	8,106.6	11	10	66	–	9	80,000 ^c	1,500	93,500	331,327	35%	65%	0%	0%
Stericycle	1,439.4	9	8	64	–	4	125,000 ^f in options	–	125,000	159,036	0%	0%	100%	0%
Waste Management	12,515.0	8	7	65	72	8	105,000 ^c	–	105,000	257,571	48%	52%	0%	0%
Human Resource & Employment Services														
Robert Half International	3,175.1	7	5	63	–	4	40,000 ^c	1,500	46,000	228,674	26%	72%	0%	2%
Industrial Conglomerates														
3M Company	26,662.0	10	9	65	72	6	225,000 ^{d,e}	–	225,000	235,432	47%	51%	0%	2%
General Electric Company	150,211.0	16	14	62	73	9	250,000 ^{d,e}	–	250,000	305,980	18%	70%	0%	12%
Textron	10,525.0	12	11	65	72	7	215,000 ^{c,d,e}	–	215,000	255,642	60%	36%	0%	4%
Tyco International	17,016.0	12	11	62	72	9	80,000 ^c	–	80,000	261,582	32%	64%	0%	4%

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS			BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION			
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NONEMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Industrial Machinery														
Danaher Corporation	13,202.6	10	7	68	72	10	40,000 ^{d,f}	2,500	65,000	199,882	36%	5%	59%	0%
Dover Corporation	7,132.6	12	11	63	—	6	180,000 ^e	—	180,000	198,623	46%	54%	0%	0%
Eaton Corporation	13,715.0	11	10	60	72	11	110,000 ^{c,d}	—	110,000	236,086	63%	35%	0%	2%
Flowserve Corporation	4,032.0	11	10	61	70	12	50,000 ^{c,d}	—	50,000	179,638	44%	56%	0%	0%
Illinois Tool Works	15,870.4	10	9	58	72	5	135,000 ^{c,d}	—	135,000	204,326	68%	32%	0%	0%
Ingersoll-Rand	14,079.1	11	10	66	75	6	240,000	—	240,000	258,730	91%	0%	0%	9%
Pall Corporation	2,401.9	11	10	62	75	8	55,000 ^{c,f}	—	55,000	204,116	38%	60%	2%	0%
Parker-Hannifin Corporation	9,993.2	13	12	55	70	5	102,500 ^{c,d}	—	102,500	202,004	33%	63%	3%	1%
Snap-on	2,681.5	11	10	63	72	8	75,000 ^{c,d}	—	75,000	189,092	44%	53%	0%	3%
Office Services & Supplies														
Avery Dennison Corporation	6,512.7	11	9	59	72	5	65,000 ^{c,d,f}	—	65,000	200,808	45%	24%	26%	5%
Pitney Bowes	5,425.3	12	11	63	72	7	65,000 ^c	1,500	75,500	153,627	64%	35%	0%	1%
Railroads														
CSX Corporation	10,636.0	13	11	60	70	6	75,000 ^{c,d}	—	75,000	252,684	33%	53%	0%	14%
Norfolk Southern Corporation	9,516.0	11	10	65	72	6	50,000 ^c	—	50,000	274,113	34%	57%	0%	9%
Union Pacific Corporation	16,965.0	12	11	66	75	7	250,000 ^{d,e}	—	250,000	261,818	99%	0%	0%	1%
Research & Consulting Services														
The Dun & Bradstreet Corporation	1,676.6	9	8	63	72	11	70,000 ^{c,d,f}	—	70,000	191,898	30%	63%	0%	7%
Equifax	1,859.5	9	8	61	70	4	60,000 ^{c,d}	—	60,000	188,548	35%	65%	0%	0%
Trading Companies & Distributors														
Fastenal Company	2,269.5	9	7	61	—	4	15,000	4,000	31,000	48,500	100%	0%	0%	0%
W.W. Grainger	7,182.2	12	11	62	75	5	85,000 ^{c,d}	—	85,000	192,539	38%	60%	0%	2%
Trucking														
Ryder System	5,136.4	11	10	63	72	7	45,000 ^{c,d}	— ^u	46,000	198,463	44%	53%	0%	3%
Total Industrials														
Average		10.5	9.1	62.4	72.3	7.5	109,492		114,925	221,050	46%	45%	6%	3%
Median		11.0	9.0	62.0	72.0	7.0	82,500		95,250	218,353				
INFORMATION TECHNOLOGY														
Application Software														
Adobe Systems	3,800.0	9	8	63	72	4	50,000 ^{c,d,f,h}	—	50,000	279,495	29%	64%	7%	0%
Autodesk	1,951.8	9	8	58	—	6	75,000 ^{d,f}	—	75,000	315,602	5%	29%	66%	0%
Citrix Systems	1,874.7	8	7	54	—	9	40,000 ^{c,f}	—	40,000	298,746	18%	48%	34%	0%
Compuware Corporation	892.2	11	8	66	—	8	40,000 ^{c,d}	2,500	60,000	201,778	34%	66%	0%	0%
Intuit	3,455.0	10	7	61	72	6	30,000 ^c	—	30,000	446,432	15%	67%	18%	0%
salesforce.com	1,657.1	9	8	64	—	8	50,000 ^c	—	50,000	685,490	11%	89%	0%	0%
Communications Equipment														
Cisco Systems	40,040.0	13	10	56	70	6	75,000 ^{c,d}	—	75,000	351,860	30%	70%	0%	0%
F5 Networks	882.0	7	6	61	—	8	40,000 ^c	1,500	52,000	270,516	26%	74%	0%	0%
Harris Corporation	5,206.1	11	10	62	72	7	55,000 ^{c,d}	2,000	69,000	197,200	44%	54%	0%	2%
JDS Uniphase Corporation	1,363.9	9	7	64	76	6	60,000 ^c	—	60,000	213,424	44%	56%	0%	0%
Juniper Networks	4,093.3	10	7	57	75	10	55,000 ^{c,f}	—	55,000	255,322	28%	47%	25%	0%
Motorola Mobility Holdings	11,460.0	10	9	58	—	1	75,000 ^{c,d,f}	—	75,000	n/a	n/a	n/a	n/a	n/a

Comparative Board Data

	NUMBER OF DIRECTORS	INDEPENDENT DIRECTORS		BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION						
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
COMPANY SALES (\$ IN MILLIONS)														
Communications Equipment (continued)														
Motorola Solutions	19,282.0	8	7	62	72	12	100,000 ^{c,d}	—	100,000	266,473	28%	69%	0%	3%
QUALCOMM	10,991.0	13	11	65	—	7	100,000 ^{c,d}	—	100,000	320,894	39%	59%	0%	2%
Tellabs	1,642.3	10	8	64	72	7	50,000 ^{c,f}	—	50,000	154,125	42%	39%	19%	0%
Computer Hardware														
Apple	65,225.0	7	6	62	75	4	50,000 ^{c,f}	—	50,000	824,592	6%	20%	74%	0%
Dell	61,494.0	11	9	61	72	8	75,000 ^{c,d,f,h}	—	75,000	359,685	22%	78%	0%	0%
Hewlett-Packard Company	126,033.0	13	12	56	—	17	275,000 ^{d,e,h}	— ^v	297,000	381,388	37%	50%	10%	3%
Teradata Corporation	1,936.0	9	8	64	—	10	50,000 ^{c,d,f}	—	50,000	264,791	21%	44%	35%	0%
Computer Storage & Peripherals														
EMC Corporation	17,015.1	11	9	65	—	8	30,000 ^{c,f}	3,000	51,000	333,347	22%	59%	19%	0%
Lexmark International	4,199.7	11	10	66	72	8	50,000 ^{c,d}	2,500	70,000	189,625	37%	63%	0%	0%
NetApp	3,931.4	9	7	63	—	11	50,000 ^{d,f,h,o}	—	50,000	414,389	18%	24%	58%	0%
SanDisk Corporation	4,826.8	8	7	60	70	11	50,000 ^{c,f}	—	50,000	256,806	22%	32%	46%	0%
Western Digital Corporation	9,850.0	11	10	62	72	5	75,000 ^{c,d,f}	—	75,000	343,361	29%	36%	35%	0%
Data Processing & Outsourced Services														
Automatic Data Processing	8,927.7	11	10	55	72	5	167,500 ^{d,e}	—	167,500	188,838	37%	34%	21%	8%
Computer Sciences Corporation	16,128.0	9	8	67	72	13	60,000 ^c	2,000	86,000	260,524	47%	49%	0%	4%
Fidelity National Information Services	5,269.5	8	5	59	—	6	70,000 ^{c,f}	2,000	82,000	441,815	33%	41%	26%	0%
Fiserv	4,133.0	10	8	63	75	5	60,000 ^{c,d,f}	—	60,000	199,817	40%	30%	30%	0%
MasterCard	5,539.0	12	9	57	72	8	90,000 ^c	—	90,000	188,964	45%	55%	0%	0%
Paychex	2,000.8	6	5	58	—	4	70,000 ^{c,f}	—	70,000	134,596	53%	29%	18%	0%
Total System Services	1,717.6	15	13	65	75	10	40,000 ^{c,f}	—	40,000	63,949	88%	11%	0%	1%
Visa	8,065.0	10	9	62	—	12	82,000 ^c	—	82,000	262,371	34%	62%	0%	4%
The Western Union Company	5,192.7	10	9	62	74	6	85,000 ^{c,d,f,h,j,o}	—	85,000	227,756	31%	31%	33%	5%
Electronic Components														
Amphenol Corporation	3,554.1	8	6	69	72	4	55,000 ^{d,f}	—	55,000	212,567	29%	0%	71%	0%
Corning	6,632.0	13	11	66	74	17	60,000 ^{c,d,f}	1,500	85,500	243,281	52%	39%	8%	1%
Electronic Equipment & Instruments														
Agilent Technologies	5,444.0	9	8	65	72	6	80,000 ^{c,d}	—	80,000	270,091	41%	59%	0%	0%
FLIR Systems	1,385.3	7	6	64	75	4	50,000 ^{c,f}	1,500	56,000	195,950	33%	14%	53%	0%
Electronic Manufacturing Services														
Jabil Circuit	13,409.4	8	6	62	—	6	58,000 ^c	—	58,000	250,310	29%	71%	0%	0%
Molex	3,007.2	13	8	64	—	7	60,000 ^{d,f}	3,000	81,000	106,520	87%	0%	13%	0%
Home Entertainment Software														
Electronic Arts	3,589.0	10	8	54	72	7	50,000 ^{c,d,f}	—	50,000	164,803	24%	17%	59%	0%
Internet Software & Services														
Akamai Technologies	1,023.6	12	8	60	—	8	250,000 ^{e,f}	—	250,000	263,959	20%	80%	0%	0%
eBay	9,156.3	11	9	58	—	5	50,000 ^{c,d}	—	50,000	315,368	25%	40%	35%	0%
Google	29,321.0	9	6	58	—	7	75,000 ^c	—	75,000	462,336	10%	90%	0%	0%
Monster Worldwide	914.1	7	5	59	72	11	75,000 ^c	—	75,000	213,050	45%	55%	0%	0%
VeriSign	680.6	8	5	66	—	8	40,000 ^c	—	40,000	275,465	27%	73%	0%	0%
Yahoo!	6,324.7	10	8	60	—	10	80,000 ^{e,d,h}	— ^w	88,000	350,271	6%	90%	4%	0%

	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS		AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION			
	(\$ IN MILLIONS)	TOTAL	INDEPENDENT DIRECTORS					BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
IT Consulting & Other Services															
Cognizant Technology Solutions Corporation	4,592.4	8	6	67	–	6	40,000 ^{c,f}	–	40,000	237,973	36%	64%	0%	0%	
International Business Machines Corporation	99,870.0	12	10	64	72	10	250,000 ^{d,e}	–	250,000	250,615	92%	0%	0%	8%	
SAIC	11,117.0	13	12	64	75	11	50,000 ^{c,d,f}	2,000	72,000	263,863	43%	38%	19%	0%	
Office Electronics															
Xerox Corporation	21,633.0	10	9	62	70	7	195,000 ^e	–	195,000	183,842	36%	60%	0%	4%	
Semiconductor Equipment															
Applied Materials	9,548.7	11	10	59	70	7	65,000 ^{c,d}	–	65,000	281,002	31%	69%	0%	0%	
KLA-Tencor Corporation	1,820.8	11	10	61	70	9	75,000 ^c	2,500	97,500	221,981	52%	48%	0%	0%	
MEMC Electronic Materials	2,239.2	9	8	60	–	12	50,000 ^{c,f}	1,000	62,000	283,254	30%	70%	0%	0%	
Novellus Systems	1,349.2	8	7	63	70	7	40,000 ^c	2,000	54,000	353,652	17%	32%	0%	51%	
Teradyne	1,608.7	8	7	64	72	4	65,000 ^{c,d}	–	65,000	192,284	45%	55%	0%	0%	
Semiconductors															
Advanced Micro Devices	6,494.0	9	8	63	72	4	65,000 ^c	–	65,000	335,264	22%	78%	0%	0%	
Altera Corporation	1,954.4	7	6	62	–	7	50,000 ^{c,f}	–	50,000	185,500	37%	63%	0%	0%	
Analog Devices	2,761.5	10	8	68	–	10	60,000 ^{c,f}	–	60,000	184,618	36%	32%	32%	0%	
Broadcom Corporation	6,611.6	9	7	50	70	10	75,000 ^c	–	75,000	417,150	29%	71%	0%	0%	
Intel Corporation	43,623.0	10	9	58	72	10	75,000 ^{c,d}	–	75,000	693,006	14%	85%	0%	1%	
Linear Technology Corporation	1,170.0	7	5	68	–	4	45,000 ^c	1,500	51,000	140,660	42%	58%	0%	0%	
LSI Logic Corporation	2,570.0	9	8	62	–	9	120,000 ^{c,f}	– ^x	123,000	222,828	41%	28%	31%	0%	
Microchip Technology	1,487.2	5	4	64	–	10	28,500 ^c	3,000	58,500	167,314	24%	65%	11%	0%	
Micron Technology	8,482.0	7	5	58	70	5	75,000 ^{c,d}	–	75,000	280,686	20%	80%	0%	0%	
National Semiconductor Corporation	1,419.4	9	8	61	70	5	50,000 ^{c,d}	–	50,000	264,503	23%	77%	0%	0%	
Nvidia Corporation	3,543.3	8	7	60	–	4	100% ^{y,k} in options	–	100% ^{in options}	271,600	0%	0%	100%	0%	
Texas Instruments	13,966.0	10	9	57	70	9	80,000 ^{c,d,f}	–	80,000	199,499	42%	29%	23%	6%	
Xilinx	2,369.4	9	8	63	–	11	60,000 ^c	–	60,000	198,185	34%	66%	0%	0%	
Systems Software															
BMC Software	2,065.3	10	9	57	70	10	50,000 ^{c,d}	3,000 ^y	62,000	375,858	23%	77%	0%	0%	
CA	4,429.0	9	8	61	75	10	175,000 ^{e,g,i} in stock	–	175,000	184,821	28%	65%	0%	7%	
Microsoft Corporation	62,484.0	9	7	60	75	7	200,000 ^{d,e}	–	200,000	208,750	43%	57%	0%	0%	
Oracle Corporation	35,622.0	12	8	66	–	6	52,500 ^f	3,000 ^z	68,500	548,365	26%	0%	74%	0%	
Red Hat	909.3	8	7	60	75	11	50,000 ^{c,d}	–	50,000	247,627	35%	61%	0%	4%	
Symantec Corporation	6,190.0	11	9	58	–	7	50,000 ^{c,d}	–	50,000	258,125	30%	70%	0%	0%	
Total Information Technology															
Average		9.6	7.9	61.4	72.3	7.8	75,322		80,048	279,038	30%	53%	16%	1%	
Median		9.0	8.0	62.0	72.0	7.0	60,000		65,000	260,524					
MATERIALS															
Aluminum															
Alcoa	21,013.0	11	10	64	75	7	210,000 ^d	–	210,000	183,950	100%	0%	0%	0%	
Construction Materials															
Vulcan Materials Company	2,558.9	11	10	67	74	7	45,000 ^{c,d}	5,000	80,000	186,589	52%	48%	0%	0%	

Comparative Board Data

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS		MEETINGS PER YEAR ^a	BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION			
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE		BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Diversified Chemicals														
The Dow Chemical Company	53,674.0	13	11	60	72	7	70,000 ^{c,d}	45,000 ^{aa}	115,000	235,613	54%	45%	0%	1%
E.I. duPont de Nemours & Company	32,347.0	10	9	61	72	7	230,000 ^e	—	230,000	272,692	42%	42%	0%	16%
Eastman Chemical Company	5,842.0	12	11	59	70	7	90,000 ^{c,d}	—	90,000	202,679	50%	25%	0%	25%
FMC Corporation	3,116.3	9	8	62	72	6	75,000 ^{c,d}	—	75,000	165,018	27%	70%	0%	3%
PPG Industries	13,423.0	11	10	63	72	8	200,000 ^{d,e}	—	200,000	208,333	50%	48%	0%	2%
Diversified Metals & Mining														
Freeport-McMoRan Copper & Gold	18,982.0	12	9	66	75	8	70,000 ^{c,d,f}	1,500	82,000	588,054	27%	23%	43%	7%
Titanium Metals Corporation	857.2	7	4	69	—	3	20,000 ^c	1,000	23,000	55,200	73%	27%	0%	0%
Fertilizers & Agricultural Chemicals														
CF Industries Holdings	3,965.0	10	7	63	72	13	55,000 ^c	1,500	74,500	172,828	42%	58%	0%	0%
Monsanto Company	10,502.0	11	10	61	70	6	195,000 ^{d,e}	—	195,000	211,149	50%	50%	0%	0%
Forest Products														
Weyerhaeuser Company	6,552.0	10	9	60	72	8	140,000 ^{d,e}	—	140,000	169,989	48%	52%	0%	0%
Gold														
Newmont Mining Corporation	9,540.0	10	9	65	72	8	100,000 ^c	—	100,000	249,556	52%	48%	0%	0%
Industrial Gases														
Air Products & Chemicals	9,026.0	11	10	62	72	15	60,000 ^{c,d}	2,000	90,000	222,769	54%	45%	0%	1%
Airgas	4,251.5	9	8	62	70	9	25,000 ^f	1,500	38,500	159,792	33%	0%	67%	0%
Praxair	10,116.0	10	9	63	72	6	90,000 ^{c,d}	—	90,000	237,238	98%	0%	0%	2%
Metal & Glass Containers														
Ball Corporation	7,630.0	11	8	63	—	7	70,000 ^c	—	70,000	221,929	33%	45%	0%	22%
Owens-Illinois	6,633.0	12	10	62	72	11	60,000 ^{c,d}	2,000	82,000	190,901	55%	45%	0%	0%
Paper Packaging														
Bemis Company	4,835.0	13	10	62	70	4	75,000 ^{c,d}	—	75,000	157,305	51%	48%	0%	1%
Sealed Air Corporation	4,490.1	9	7	64	—	8	130,000 ^{d,e}	—	130,000	134,912	55%	44%	0%	1%
Paper Products														
International Paper Company	25,179.0	11	10	60	72	10	200,000 ^{d,e}	—	200,000	240,783	24%	66%	0%	10%
MeadWestvaco Corporation	5,693.0	11	10	66	72	6	75,000 ^c	—	75,000	163,068	47%	52%	0%	1%
Specialty Chemicals														
Ecolab	6,089.7	11	10	59	70	7	85,000 ^{c,d,f}	—	85,000	187,300	48%	22%	30%	0%
International Flavors & Fragrances	2,622.9	12	11	61	72	6	200,000 ^e	—	200,000	174,138	46%	54%	0%	0%
Sigma-Aldrich Corporation	2,271.0	10	8	60	72	7	50,000 ^{c,f}	3,000	71,000	287,798	27%	21%	52%	0%
Steel														
AK Steel Holding Corporation	5,968.3	10	9	65	72	13	150,000 ^{d,e}	2,000	176,000	205,644	55%	44%	0%	1%
Allegheny Technologies	4,047.8	9	8	63	72	10	160,000 ^e	2,500	185,000	231,454	57%	42%	0%	1%
Cliffs Natural Resources	4,682.2	12	11	61	72	8	50,000 ^{c,d,e}	2,000	66,000	162,062	55%	45%	0%	0%
Nucor Corporation	15,844.6	10	8	62	72	4	60,000 ^{c,f,h}	—	60,000	170,967	39%	61%	0%	0%
United States Steel Corporation	17,374.0	12	11	63	72	8	200,000 ^{d,e}	—	200,000	174,283	40%	59%	0%	1%

	COMPANY SALES (\$ IN MILLIONS)	NUMBER OF DIRECTORS		INDEPENDENT DIRECTORS		MEETINGS PER YEAR ^a	BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION			
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE		BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
Total Materials														
Average		10.7	9.2	62.6	71.9	7.8	108,000		116,933	209,794	48%	39%	9%	4%
Median		11.0	9.5	62.0	72.0	7.0	80,000		90,000	189,101				

TELECOMMUNICATION SERVICES

Integrated Telecommunication Services

AT&T	124,280.0	12	11	65	72	8	85,000 ^{c,d}	2,000	101,000	268,969	45%	47%	0%	8%
CenturyLink	7,041.5	16	15	62	75	12	50,000 ^c	2,000 ^{ab}	78,000	259,844	47%	45%	0%	8%
Frontier Communications Corporation	3,797.7	11	10	58	—	8	150,000 ^{d,e,j}	—	150,000	116,886	42%	51%	7%	0%
Verizon Communications	106,565.0	12	10	64	72	10	85,000 ^c	—	85,000	238,075	42%	57%	0%	1%
Windstream Corporation	3,712.0	9	6	61	75	10	60,000 ^{c,d}	2,000	80,000	185,332	57%	43%	0%	0%

Wireless Telecommunication Services

American Tower Corporation	1,985.3	9	8	59	—	10	60,000 ^{c,f}	—	60,000	203,603	39%	31%	30%	0%
MetroPCS Communications	4,069.4	6	5	61	75	10	40,000 ^{c,f}	2,000	60,000	180,365	47%	22%	31%	0%
Sprint Nextel Corporation	32,563.0	10	9	60	—	7	80,000 ^{c,d}	2,000	94,000	224,867	55%	45%	0%	0%

Total Telecommunication Services

Average		10.6	9.3	61.3	73.8	9.4	76,250		88,500	213,223	46%	45%	6%	3%
Median		10.5	9.5	61.0	75.0	10.0	70,000		82,500	203,603				

UTILITIES

Utilities

The AES Corporation	16,647.0	11	10	59	72	11	80,000 ^{c,d,e}	—	80,000	271,660	31%	62%	4%	3%
Ameren Corporation	7,449.0	10	9	61	72	9	50,000 ^{c,d}	1,500	63,500	174,282	50%	46%	0%	4%
American Electric Power Company	14,427.0	13	12	62	72	11	88,000 ^{c,d}	—	88,000	219,866	43%	56%	0%	1%
CenterPoint Energy	8,785.0	10	9	62	73	8	50,000 ^c	2,000	66,000	206,423	55%	42%	0%	3%
CMS Energy Corporation	6,432.0	10	8	67	75	8	50,000 ^{c,d}	1,500	62,000	148,486	57%	42%	0%	1%
Consolidated Edison	13,325.0	12	9	61	72	12	75,000 ^{c,d}	—	75,000	180,212	61%	37%	0%	2%
Constellation Energy Group	14,340.0	10	9	63	72	7	70,000 ^{c,d}	—	70,000	172,885	47%	49%	0%	4%
Dominion Resources	15,197.0	12	11	63	72	10	150,000 ^{d,e}	2,000	184,000	223,855	46%	40%	0%	14%
DTE Energy Company	8,557.0	14	11	65	72	6	60,000 ^{c,d}	2,000	78,000	176,458	50%	50%	0%	0%
Duke Energy Corporation	13,972.0	11	10	66	70	11	150,000 ^{d,e}	2,000	162,000	230,347	54%	43%	0%	3%
Edison International	12,409.0	12	10	65	72	6	50,000 ^c	2,000	64,000	217,388	41%	46%	0%	13%
Entergy Corporation	11,487.6	12	11	65	72	13	100% ^{c,e,g,k} in stock	1,500	19,500 ^{plus stock}	212,284	38%	49%	0%	13%
EQT Corporation	1,322.7	11	9	62	74	10	50,500 ^{c,d}	1,500	62,500	240,414	34%	54%	0%	12%
Exelon Corporation	18,644.0	15	14	64	75	8	50,000 ^{c,d}	2,000	66,000	215,133	54%	46%	0%	0%
FirstEnergy Corporation	12,911.0	13	12	64	72	14	146,000 ^{d,e}	1,500	167,000	230,676	57%	39%	0%	4%
Integrus Energy Group	5,203.2	12	11	64	72	10	75,000 ^c	—	75,000	155,354	51%	48%	0%	1%
NextEra Energy	15,317.0	13	12	52	72	8	160,000 ^e	2,000	176,000	199,612	45%	55%	0%	0%
Nicor	2,709.8	13	12	66	72	17	50,000 ^{c,d}	1,500	75,500	148,749	65%	35%	0%	0%
Nisource	6,422.0	10	9	65	—	6	165,000 ^e	—	165,000	186,332	55%	45%	0%	0%
Northeast Utilities	4,898.2	11	10	67	72	26	45,000 ^{c,d}	1,500	84,000	233,608	63%	36%	0%	1%
NRG Energy	8,849.0	14	11	59	—	14	180,000 ^c	— ^{ac}	189,000	217,443	47%	53%	0%	0%
ONEOK	13,030.1	11	10	62	73	6	60,000 ^{c,d}	—	60,000	161,622	46%	54%	0%	0%
Pepco Holdings	7,041.0	12	11	63	70	10	85,000 ^d	2,000	105,000	129,455	100%	0%	0%	0%
PG&E Corporation	13,841.0	11	10	61	72	12	55,000 ^{c,d}	1,750	76,000	199,297	58%	41%	1%	0%

Comparative Board Data

	NUMBER OF DIRECTORS	INDEPENDENT DIRECTORS		INDEPENDENT DIRECTORS			BOARD FEES				PERCENTAGE OF TOTAL COMPENSATION			
		TOTAL	INDEPENDENT DIRECTORS	AVERAGE AGE	RETIREMENT AGE	MEETINGS PER YEAR ^a	BOARD RETAINER	MEETING ATTENDANCE FEES	ANNUAL BOARD FEES ^b	AVERAGE COMPENSATION PER NONEMPLOYEE DIRECTOR	CASH	STOCK	OPTIONS	ALL OTHER
<i>Utilities</i> (continued)														
Pinnacle West Capital Corporation	3,263.6	12	11	65	–	11	80,000 ^c	–	80,000	193,109	49%	44%	0%	7%
PPL Corporation	8,521.0	10	9	64	75	9	156,500 ^{d,e}	2,000	174,500	184,878	46%	51%	0%	3%
Progress Energy	10,190.0	14	13	64	73	10	105,000 ^{c,d,e}	–	105,000	237,606	41%	23%	0%	36%
Public Service Enterprise Group	11,793.0	9	8	65	72	7	45,000 ^{c,d}	1,500	55,500	194,838	49%	51%	0%	0%
SCANA Corporation	4,601.0	12	10	59	70	9	45,000 ^{d,e,g} in stock	6,500 ^{ad}	101,000	105,800	57%	43%	0%	0%
Sempra Energy	9,003.0	12	10	64	75	12	50,000 ^{c,d}	2,000	74,000	233,899	42%	47%	0%	11%
Southern Company	17,456.0	13	12	63	70	8	100,000 ^{c,d}	–	100,000	183,629	51%	49%	0%	0%
TECO Energy	3,487.9	9	6	66	72	6	35,000 ^{c,d}	750	39,500	109,654	54%	46%	0%	0%
Wisconsin Energy Corporation	4,202.5	9	8	63	72	6	75,000 ^{c,d}	–	75,000	172,591	45%	44%	0%	11%
Xcel Energy	10,310.9	11	9	60	72	6	80,000 ^{c,d}	–	80,000	213,160	25%	75%	0%	0%
Total Utilities														
Average		11.6	10.2	63.0	72.3	9.9	83,818		96,303	194,256	50%	45%	0%	5%
Median		12.0	10.0	63.5	72.0	9.5	75,000		78,000	197,067				
Total S&P 500														
Average		10.7	9.0	62.4	72.4	8.2	88,858		95,262	232,142	39%	48%	10%	3%
Median		11.0	9.0	63.0	72.0	8.0	75,000		75,500	222,299				

FOOTNOTES

- a Includes regular and special meetings; includes telephonic meetings and unanimous written consent when director is paid for such meeting/action.
- b Retainer plus meeting fees paid assuming full attendance (excludes committee and special fees).
- c Equity (stock or stock units) is paid in addition to stated retainer.
- d Directors can elect to receive cash compensation fully or partially in stock.
- e Equity (stock or stock units) is paid as part of retainer.
- f Stock option program for directors exists.
- g Retainer paid 100% in stock.
- h Directors can elect to receive cash and/or stock compensation in stock options.
- i Not to exceed \$60,000 per year.
- j Directors can elect to receive equity retainer fully or partially in cash.
- k Dollar-value equivalent for retainer not provided in proxy.
- l Per-meeting fee of \$3,500 for telephonic meetings. Annual meeting fees not to exceed \$110,000 per year. Annual board fees include nine telephonic meetings at \$3,500 each.
- m Per-meeting fee of \$500 for telephonic meetings. Annual board fees include two telephonic meetings at \$500 each.
- n Per-meeting fee of \$2,000 for in-person meetings in excess of five per year. Annual board fees include six in-person meetings at \$2,000 each.
- o Directors can elect to receive stock in lieu of stock option grant.
- p Per-meeting fee of \$750 for quarterly scheduled telephonic meetings. Annual board fees include four telephonic meetings at \$750 each.
- q Per-meeting fee of \$1,500 for meetings in excess of four per year. Annual board fees include one excess meeting at \$1,500.
- r Per-meeting fee of \$1,500 for meetings in excess of six per year. Annual board fees include two excess meetings at \$1,500 each.
- s Per-meeting fee of \$1,000 for telephonic meetings. Annual board fees include one telephonic meeting at \$1,000.
- t Per-meeting fee of \$3,000 for special meetings and \$1,000 for special telephonic meetings. Annual board fees include three special telephonic meetings at \$1,000 each.
- u Per-meeting fee of \$1,000 for meetings in excess of six per year. Annual board fees include one meeting at \$1,000.
- v Per-meeting fee of \$2,000 for meetings in excess of six per year. Annual board fees include 11 meetings at \$2,000 each.
- w Per-meeting fee of \$2,000 for meetings in excess of six per year. Annual board fees include four meetings at \$2,000 each.
- x Per-meeting fee of \$1,000 for meetings in excess of six per year. Annual board fees include three excess meetings at \$1,000 each.

FOOTNOTES (CONTINUED)

- y Per-meeting fee of \$3,000 for in-person meetings only. Annual board fees include four in-person meetings at \$3,000 each.
- z Per-meeting fee of \$2,000 for special meetings. Annual board fees include two special meetings at \$2,000 each.
- aa Meeting fee paid as an annual sum instead of on a per-meeting basis.
- ab Per-meeting fee of \$2,500 for special meetings. Annual board fees include eight special meetings at \$2,500 each.
- ac Per-meeting fee of \$1,500 for meetings in excess of eight per year. Annual board fees include six meetings at \$1,500 each.
- ad Per-meeting fee of \$6,000 for all day board meetings other than four regular meetings. Annual board fees include five meetings at \$6,000 each.

Amsterdam T 31 (0) 20.305.73.05	Madrid T 34.91.745.85.00	Silicon Valley T 1.650.356.5500
Atlanta T 1.404.504.4400	Melbourne T 61.3.8661.0100	Singapore T 65.6586.1186
Barcelona T 34.93.487.23.36	Mexico City T 52.55.5002.4950	Stamford T 1.203.324.6333
Beijing T 86.10.6535.2100	Miami T 1.305.443.9911	Stockholm T 46.8.534.801.50
Bogota T 571.618.2488	Milan T 39.02.771251	Sydney T 61.2.9240.0100
Boston T 1.617.531.5731	Minneapolis/St. Paul T 1.612.313.2000	Tokyo T 81.3.3238.8901
Brussels T 32.2.732.26.25	Montreal T 1.514.288.3377	Toronto T 1.416.361.0311
Budapest T 36.1.200.08.50	Mumbai T 91.22.6616.1414	Vienna T 43.1.36.88.700.0
Buenos Aires T 54.11.4310.9100	Munich T 49 (0) 89.45.55.53.0	Warsaw T 48.22.321.02.00
Calgary T 1.403.538.8658	New Delhi T 91.124.485.4444	Washington, D.C. T 1.202.639.8111
Chicago T 1.312.822.0080	New York T 1.212.336.0200	Zurich T 41.44.257.17.17
Dallas T 1.214.672.5200	Orange County T 1.949.930.8000	
Dubai T 971.4.426.6500	Paris T 33 (0) 1.53.57.81.23	
Frankfurt T 49 (0) 69.61.09.27.0	Philadelphia T 1.215.814.1600	
Geneva T 41.22.312.36.38	Prague T 420.221.411.341	
Hong Kong T 852.2521.8373	Rome T 39.06.802071	
Houston T 1.713.225.1621	San Francisco T 1.415.495.4141	
Johannesburg T 27.11.557.5300	Santiago T 56.2.940.2700	
London T 44 (0) 20 7298.3333	Sao Paulo T 55.11.2050.8000	
Los Angeles T 1.310.209.0610	Shanghai T 86.21.2326.2828	

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