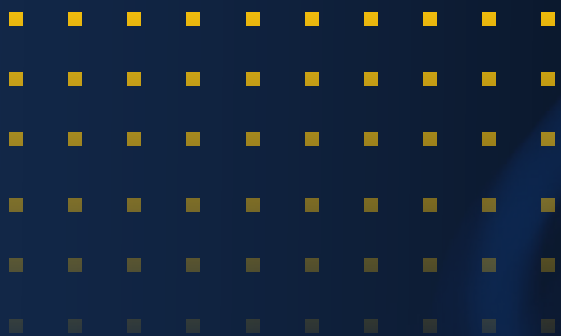




2024

► **Inside** the
**Public Company
Boardroom**



BROUGHT TO YOU BY



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About the Report

INSIDE THE PUBLIC COMPANY BOARDROOM

Inside the Public Company Boardroom leverages information from NACD partners to create a snapshot of the size, structure, and composition of the boardrooms of the Russell 3000 Index companies in 2023, utilizing data from both  MainData GROUP and  MYLOGIQ – Multidimensional Public Company Intelligence.

PEARL MEYER AND MAIN DATA GROUP

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Its strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Main Data Group, Pearl Meyer's governance data partner, is a provider of executive compensation benchmarking and corporate governance analytics. Its mission is to empower boards and executive compensation professionals with comprehensive total rewards and corporate governance information in an easy-to-use online service and via custom data research. For more information, contact info@maindatagroup.com.

MyLogIQ and Main Data Group may have different statistics because of alternative methods of collecting data. Both Main Data Group and MyLogIQ analyze data from SEC filings, year to date. However, their datasets may be collected at different times of the year, therefore reflecting a different number of Russell 3000 Index companies in their samples.

ABOUT NACD

The National Association of Corporate Directors (NACD) is the premier membership organization for board directors who want to expand their knowledge, grow their network, and maximize their potential.

As the unmatched authority in corporate governance, NACD sets the standards of excellence through its research and community-driven director education, programming, and publications. Directors trust NACD to arm them with the relevant insights to make high-quality decisions on the most pressing and strategic issues facing their businesses today.

NACD also prepares leaders to meet tomorrow's biggest challenges. The [NACD Directorship Certification](#)[®] is the leading director credential in the United States. It sets a new standard for director education, positions directors to meet boardroom challenges, and includes an ongoing education requirement that prepares directors for what is next.

With an ever-expanding community of more than 23,000 members and a nationwide chapter network, our impact is both local and global. NACD members are driven by a common purpose: to be trusted catalysts of economic opportunity and positive change—in business and in the communities we serve.

To learn more about NACD, visit www.nacdonline.org.

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Key Findings



THE USE OF BOTH EXECUTIVE AND FINANCE COMMITTEES HAS STEADILY DECREASED across Russell 3000 companies since 2019. Meanwhile, the use of Environment, Health, and Safety committees has increased slightly from the previous year.



BOARD INDEPENDENCE INCREASED IN 2023, continuing a recent trend. After reaching a low in 2020, the percentage of boards in which at least three-quarters of members are independent has slowly but steadily grown across companies in the Russell 3000.



THE MOST RECENT CLASS OF DIRECTORS appointed to boards includes a higher percentage of board members with technology, human capital, ESG, cybersecurity, and digital skills.



FEMALE DIRECTORS ACCOUNTED FOR 28 PERCENT OF THE DIRECTORS in the Russell 3000 this year, up from 27 percent last year. While this 1 percentage point change represents an increase, it is on a smaller scale than in recent years.



THE AVERAGE DIRECTOR AGE (61) AND TENURE (SEVEN YEARS) remain effectively the same relative to recent years, as those born between 1946 to 1964 (“Baby Boomers”) continue to account for more than three-quarters of Russell 3000 directors.



SNAPSHOT BOARD INDEPENDENCE

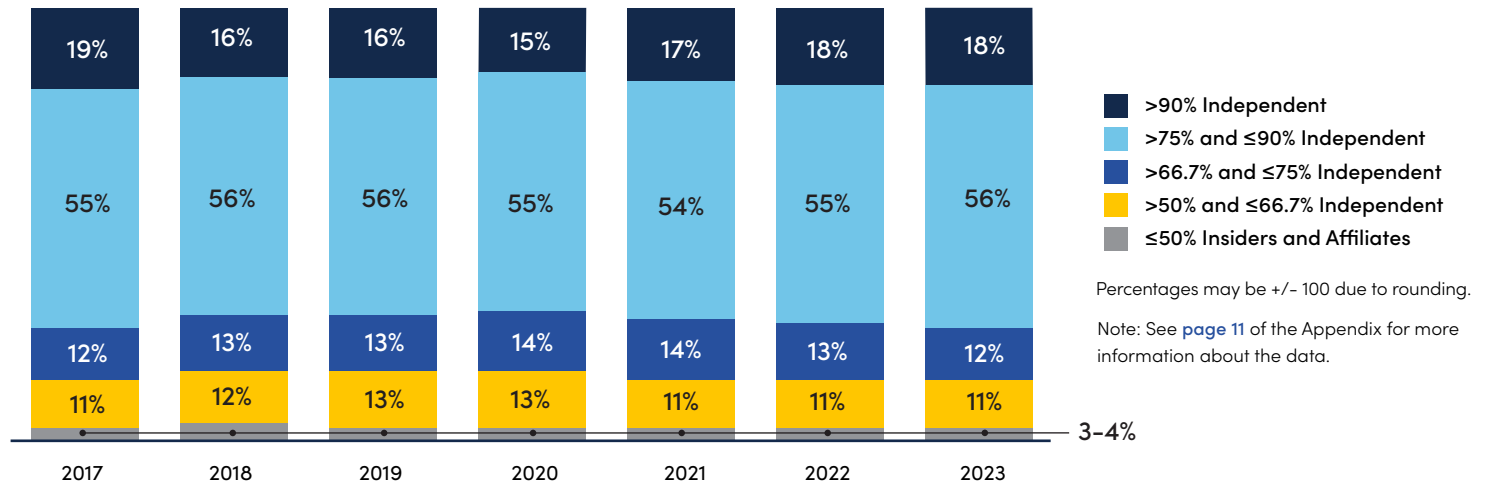
(Russell 3000 Index Companies)

Data Sourced from MainData GROUP

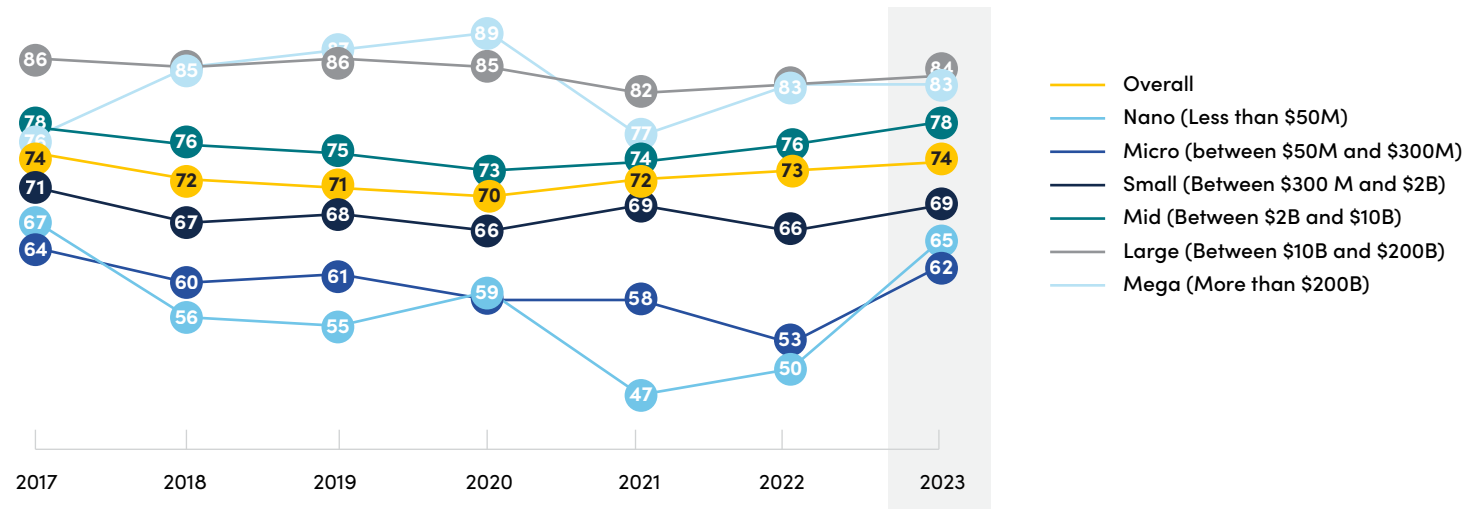
Board independence slowly increased in 2023, continuing a recent trend. Board independence levels were trending downward in the years leading up to the COVID-19 pandemic. After reaching a low in 2020, the percentage of boards in which at least three-quarters of members are independent has slowly but steadily grown across companies in the Russell 3000.

Larger companies generally have a larger percentage of independent directors, and this trend has largely held true over the past several years.

Board Independence



Percentage of Russell 3000 Boards with >75% Independent Directors





SNAPSHOT DIRECTOR GENDER

(Russell 3000 Index Companies)

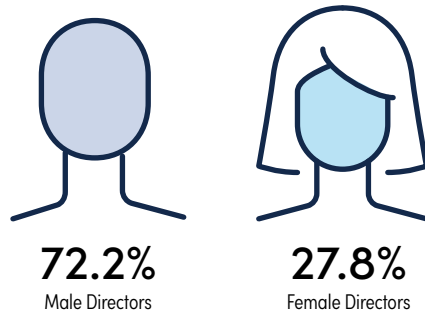
Data Sourced from MainData GROUP

This year, female directors accounted for 28 percent of the directors in the Russell 3000, up from 27 percent last year. This varies by company size. At the smallest companies (with market capitalizations <\$300 million) women represent less than a quarter of all directors, while at the largest companies (>\$10 billion) women represent nearly a third.

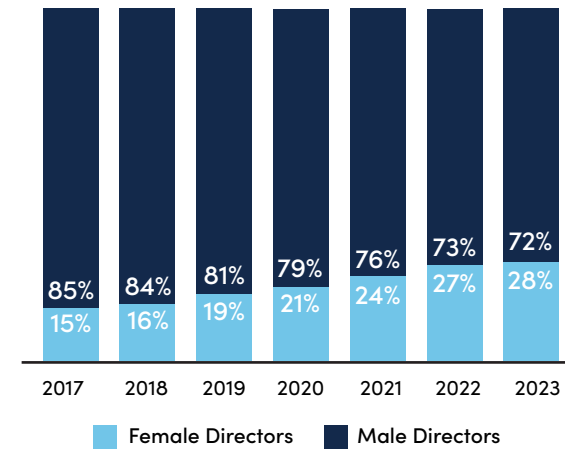
It is noteworthy, however, that there has been a slight deceleration in the rate of increase of women on boards relative to previous years. After increasing by 3 percentage points each year between 2020 and 2022, this year, the percentage of directors that are women only increased by 1 percentage point. The total number of women directors in the Russell 3000 board-rooms also decreased—from 8,126 to 8,367.

Note: To date, gender has been tracked by male or female but data is beginning to be captured on directors identifying as nonbinary.

Overall Russell 3000 Gender Composition

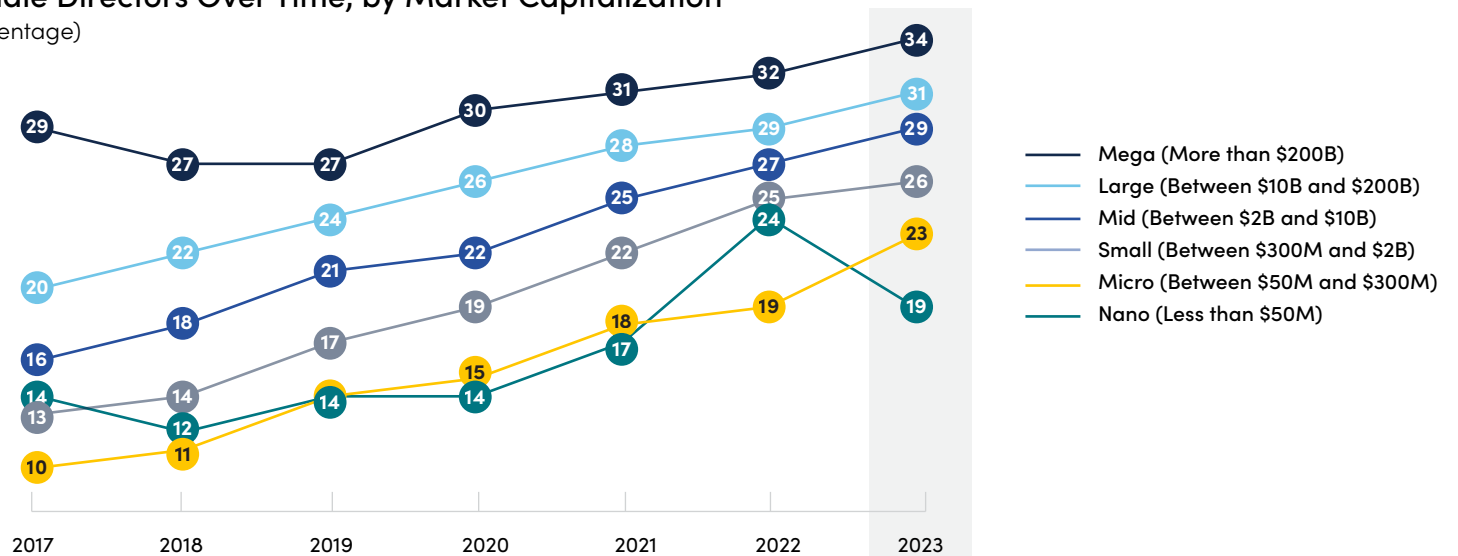


Director Gender, Over Time (Russell 3000)



Female Directors Over Time, by Market Capitalization

(Percentage)





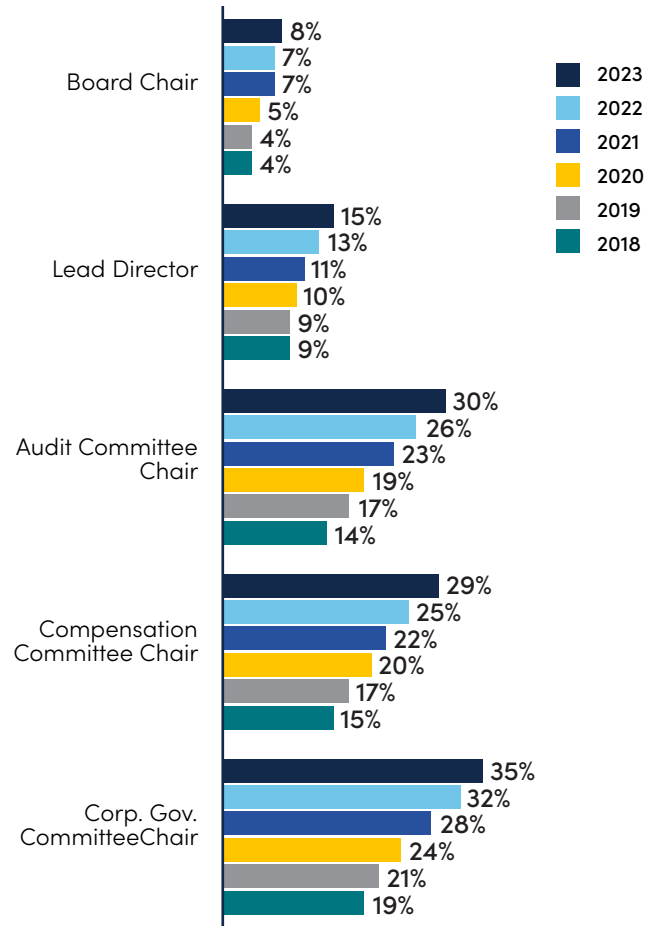
SNAPSHOT DIRECTOR GENDER

(Russell 3000 Index Companies)

Data Sourced from 

Women are still less likely than men to occupy board leadership roles. Only 8 percent of board chair roles and 15 percent of lead director roles were held by women in 2023. However, the percentage of women occupying leadership roles has nearly doubled across the last five years.

Percentage of Female Directors in Leadership Roles



Appendix

The background features a complex, abstract geometric pattern. It consists of numerous overlapping circles and lines in various shades of blue, ranging from deep navy to bright cyan. The lines and circles are arranged in a way that creates a sense of depth and movement, resembling a stylized tunnel or a network of interconnected paths. The overall effect is a futuristic and technical aesthetic.

Board Independence

Russell 3000 Index

BY YEAR

	>90% INDEPENDENT	>75% AND ≤90% INDEPENDENT	>66.7% AND ≤75% INDEPENDENT	>50% AND ≤66.7% INDEPENDENT	≤50% INSIDERS AND AFFILIATES
2017	19%	55%	12%	11%	3%
2018	16%	56%	13%	12%	4%
2019	16%	56%	13%	13%	3%
2020	15%	55%	14%	13%	3%
2021	17%	54%	14%	11%	3%
2022	18%	55%	13%	11%	3%
2023	18%	56%	12%	11%	3%

Percentages may be +/- 100 due to rounding.

BY MARKET CAPITALIZATION (FISCAL YEAR-END)

	>90% INDEPENDENT	>75% AND ≤90% INDEPENDENT	>66.7% AND ≤75% INDEPENDENT	>50% AND ≤66.7% INDEPENDENT	≤50% INSIDERS AND AFFILIATES
Nano (Less than \$50M)	0.0%	64.7%	17.6%	5.9%	11.8%
Micro (Between \$50M and \$300M)	7.7%	54.5%	19.2%	16.5%	2.0%
Small (Between \$300M and \$2B)	10.0%	58.6%	14.4%	13.9%	3.0%
Mid (Between \$2B and \$10B)	20.4%	58.1%	9.3%	9.2%	3.1%
Large (Between \$10B and \$200B)	37.1%	47.0%	9.1%	5.0%	1.7%
Mega (More than \$200B)	51.7%	31.0%	6.9%	10.3%	0.0%

Percentages may be +/- 100 due to rounding.

Board Independence and Gender Balance

Russell 3000 Index

GENDER DISTRIBUTION ACROSS BOARD INDEPENDENCE LEVEL, BY YEAR

	>90% INDEPENDENT		>75% AND ≤90% INDEPENDENT		>66.7% AND ≤75% INDEPENDENT		>50% AND ≤66.7% INDEPENDENT		≤50% INSIDERS AND AFFILIATES	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
2017	82%	18%	85%	15%	88%	12%	89%	11%	89%	11%
2018	79%	21%	83%	17%	86%	14%	88%	12%	90%	10%
2019	77%	23%	81%	19%	84%	16%	86%	14%	89%	11%
2020	74%	26%	78%	22%	81%	19%	84%	16%	86%	14%
2021	73%	27%	76%	24%	79%	21%	81%	19%	85%	15%
2022	70%	30%	73%	27%	75%	25%	78%	22%	76%	24%
2023	69%	31%	72%	28%	75%	25%	76%	24%	77%	24%

GENDER DISTRIBUTION ACROSS BOARD INDEPENDENCE LEVEL IN 2023, BY MARKET CAPITALIZATION (FISCAL YEAR-END)

	>90% INDEPENDENT		>75% AND ≤90% INDEPENDENT		>66.7% AND ≤75% INDEPENDENT		>50% AND ≤66.7% INDEPENDENT		≤50% INSIDERS AND AFFILIATES	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Nano (Less than \$50M)	0%	0%	80%	20%	77%	23%	71%	29%	94%	6%
Micro (Between \$50M and \$300M)	73%	27%	76%	24%	78%	22%	78%	22%	76%	24%
Small (Between \$300M and \$2B)	71%	29%	73%	27%	76%	24%	78%	22%	78%	22%
Mid (Between \$2B and \$10B)	69%	31%	70%	30%	74%	26%	75%	25%	75%	25%
Large (Between \$10B and \$200B)	67%	33%	70%	30%	74%	26%	71%	29%	74%	26%
Mega (More than \$200B)	63%	37%	66%	34%	74%	26%	73%	27%	0%	0%

Percentages may be +/- 100 due to rounding.

Directors not listed as independent in the proxy and who were no longer an employee of the company were considered an affiliate. If a director is listed as independent in the proxy statement, they were considered an "outside" director.

Gender Data

Russell 3000 Index

BY YEAR

	MALE	FEMALE
2017	85%	15%
2018	84%	16%
2019	81%	19%
2020	79%	21%
2021	76%	24%
2022	73%	27%
2023	72%	28%

BY MARKET CAPITALIZATION (FISCAL YEAR-END)

	MALE	FEMALE
Nano (Less than \$50M)	81.0%	19.0%
Micro (Between \$50M and \$300M)	76.6%	23.4%
Small (Between \$300M and \$2B)	74.1%	25.9%
Mid (Between \$2B and \$10B)	71.0%	29.0%
Large (Between \$10B and \$200B)	69.2%	30.8%
Mega (More than \$200B)	65.9%	34.1%

Percentages may be +/- 100 due to rounding.

The number of male and female directors is calculated by first counting the total number of directors listed in the Director Compensation Table as well as the directors listed in the Director Election/Nominee section in the proxy. The total includes those that have served a partial year (e.g., retiring directors) as well as directors that have been nominated for election in the coming year. Gender is assigned to each of them as disclosed in the respective director bio in the Director Election/Nominee section.

Board Leadership Structure

Russell 3000 Index

BY YEAR

	NONINDEPENDENT, NONEXECUTIVE CHAIR	EXECUTIVE CHAIR	CEO/CHAIR	CHAIR IS FORMER CEO	INDEPENDENT CHAIR	COMPANIES WITH COCHAIR	NO CHAIR
2021	5.9%	3.3%	33.7%	14.8%	40.4%	0.0%	1.9%
2022	5.6%	3.0%	34.9%	14.3%	40.6%	0.1%	1.5%
2023	5.0%	3.1%	32.6%	15.6%	42.4%	0.2%	1.1%

BY MARKET CAPITALIZATION (FISCAL YEAR-END)

	NONINDEPENDENT, NONEXECUTIVE CHAIR	EXECUTIVE CHAIR	CEO/CHAIR	CHAIR IS FORMER CEO	INDEPENDENT CHAIR	COMPANIES WITH COCHAIR	NO CHAIR
Nano (Less than \$50M)	5.9%	0.0%	35.3%	5.9%	41.2%	0.0%	11.8%
Micro (Between \$50M and \$300M)	6.1%	3.7%	29.3%	10.1%	49.8%	0.0%	1.0%
Small (Between \$300M and \$2B)	5.9%	3.1%	29.6%	15.6%	43.8%	0.2%	1.8%
Mid (Between \$2B and \$10B)	4.0%	3.7%	31.1%	16.1%	44.5%	0.1%	0.5%
Large (Between \$10B and \$200B)	4.3%	1.9%	41.8%	18.3%	33.0%	0.4%	0.4%
Mega (More than \$200B)	3.4%	0.0%	62.1%	13.8%	17.2%	0.0%	3.4%

Percentages may be +/- 100 due to rounding.

Board Size

Russell 3000 Index

BY YEAR

	AVERAGE OF BOARD SIZE	MEDIAN OF BOARD SIZE	MODE OF BOARD SIZE	AVERAGE OF BOARD SIZE	
				MALE	FEMALE
2021	10.3	10	9	7.8	2.4
2022	10.4	10	9	7.6	2.8
2023	10.4	10	9	7.4	2.9

BY MARKET CAPITALIZATION (FISCAL YEAR-END)

	AVERAGE OF BOARD SIZE	MEDIAN OF BOARD SIZE	MODE OF BOARD SIZE	AVERAGE OF BOARD SIZE	
				MALE	FEMALE
Nano and Micro (Less than \$300M)	9.1	9	7	7.2	1.9
Small (Between \$300M and \$2B)	9.5	9	9	7.3	2.4
Mid (Between \$2B and \$10B)	10.5	10	10	7.7	2.9
Large and Mega (More than 10B)	11.9	12	12	8.4	3.5

Board size is calculated by counting the total number of directors listed in the Director Compensation Table as well as the directors listed in the Director Election/Nominee section in the proxy. The total includes those that have served a partial year (e.g., retiring directors) as well as directors that have been nominated for election in the coming year.

Board Committee Size

Russell 3000 Index

AVERAGE BOARD COMMITTEE SIZE, BY YEAR

	AUDIT			COMPENSATION			NOMINATING/GOVERNANCE		
	MEAN	MEDIAN	MODE	MEAN	MEDIAN	MODE	MEAN	MEDIAN	MODE
2021	3.9	4.0	3.0	3.8	4.0	3.0	3.6	3.0	3.0
2022	3.9	4.0	3.0	3.8	4.0	3.0	3.7	4.0	3.0
2023	4.0	4.0	3.0	3.9	4.0	3.0	3.8	4.0	3.0

BY MARKET CAPITALIZATION (FISCAL YEAR-END)

	AUDIT			COMPENSATION			NOMINATING/GOVERNANCE		
	MEAN	MEDIAN	MODE	MEAN	MEDIAN	MODE	MEAN	MEDIAN	MODE
Nano (Less than \$50M)	2.9	3.0	3.0	3.0	3.0	3.0	2.4	3.0	3.0
Micro (Between \$50M and \$300M)	3.6	3.0	3.0	3.6	3.0	3.0	3.2	3.0	4.0
Small (Between \$300M and \$2B)	3.7	3.0	3.0	3.6	3.0	3.0	3.5	3.0	3.0
Mid (Between \$2B and \$10B)	4.0	4.0	3.0	3.9	4.0	3.0	3.8	4.0	3.0
Large (Between \$10B and \$200B)	4.3	4.0	4.0	4.2	4.0	4.0	4.2	4.0	4.0
Mega (More than \$200B)	4.1	4.0	4.0	4.1	4.0	4.0	3.9	4.0	4.0

This table provides the mean, median, and mode number of directors who are members of the audit, compensation, and nominating and governance committees as reported in each company's proxy.

Staggered Election Data

Russell 3000 Index

BY YEAR

	STAGGERED ELECTION	
	YES	NO
2021	42.6%	57.4%
2022	43.6%	56.4%
2023	41.7%	58.3%

BY MARKET CAPITALIZATION (FISCAL YEAR-END)

	STAGGERED ELECTION	
	YES	NO
Nano (Less than \$50M)	47.1%	52.9%
Micro (Between \$50M and \$300M)	53.9%	46.1%
Small (Between \$300M and \$2B)	52.5%	47.5%
Mid (Between \$2B and \$10B)	38.8%	61.2%
Large (Between \$10B and \$200B)	18.1%	81.9%
Mega (More than \$200B)	10.3%	89.7%

Percentages may be +/- 100 due to rounding.

A staggered board of directors (also known as a classified board) is a board that is made up of different classes of directors. Usually, there are three classes—Class 1, Class 2, and Class 3 or Class A, Class B, and Class C—with each class serving for a different term than the others. In a staggered board of directors, only one class is open to elections each term. Terms of service for elected directors vary, but a three-year term is common.

Proxy Access

Russell 3000 Index

BY YEAR

	INFORMATION DISCLOSED			OWNERSHIP THRESHOLD			OWNERSHIP DURATION		
	YES	NO	NOT DISCLOSED	0 TO 2%	3% AND ABOVE	NOT DISCLOSED	1 YEAR	2 YEARS AND ABOVE	NOT DISCLOSED
2021	95.4%	1.1%	3.4%	1.9%	20.2%	77.9%	3.3%	18.6%	78.1%
2022	98.1%	0.7%	1.2%	2.0%	21.1%	76.9%	3.2%	19.5%	77.3%
2023	98.9%	0.3%	0.8%	1.9%	21.7%	76.4%	2.9%	20.4%	76.8%

BY MARKET CAPITALIZATION (FISCAL YEAR-END)

	INFORMATION DISCLOSED			OWNERSHIP THRESHOLD			OWNERSHIP DURATION		
	YES	NO	NOT DISCLOSED	0 TO 2%	3% AND ABOVE	NOT DISCLOSED	1 YEAR	2 YEARS AND ABOVE	NOT DISCLOSED
Nano (Less than \$50M)	70.6%	0.0%	29.4%	0.0%	5.9%	94.1%	0.0%	5.9%	94.1%
Micro (Between \$50M and \$300M)	99.0%	0.3%	0.7%	2.0%	2.0%	96.0%	2.0%	1.7%	96.3%
Small (Between \$300M and \$2B)	99.1%	0.3%	0.6%	1.6%	7.8%	90.6%	3.1%	6.1%	90.7%
Mid (Between \$2B and \$10B)	99.2%	0.3%	0.5%	1.9%	19.6%	78.5%	2.7%	18.3%	78.9%
Large (Between \$10B and \$200B)	98.7%	0.2%	1.1%	2.2%	63.6%	34.1%	3.2%	62.1%	34.7%
Mega (More than \$200B)	100.0%	0.0%	0.0%	3.4%	75.9%	20.7%	3.4%	75.9%	20.7%

Percentages may be +/- 100 due to rounding.

Proxy Access – Proxy access is shorthand for the ability of a long-term shareholder (or a group of long-term shareholders) to place a limited number of alternative board candidates on the company's proxy card (ballot) for the company's annual shareholders' meeting. Proxy access is generally available only to shareholders who have collectively held at least 3 percent of outstanding shares for at least three years.



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