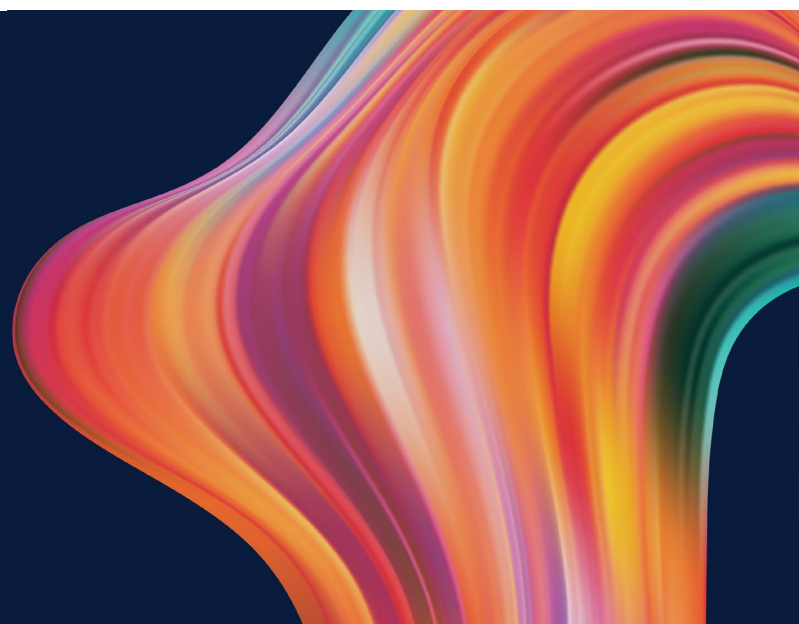


2024 Spencer Stuart Communication Services Sector Snapshot



Boards of 19 communication services companies in the S&P 500 index tend to be smaller, younger, more diverse and longer tenured than S&P 500 boards.

- » The average age of independent directors on communication services boards is 62.5 years compared with the 63.4-year average for S&P 500 boards.
- » The youngest average age of a communication services board is 55 years, the oldest is 70 years.
- » Communication services boards average 10.3 directors, smaller than the 10.8 average of S&P 500 boards.
- » Independence of communication services boards averages 82% — the lowest of all sectors — compared to 85% for S&P 500 boards.
- » The average board tenure of independent directors on communication services boards is 8.9 years, higher than the 7.8 average for S&P 500 boards and the highest of all sectors.
- » The longest-tenured communication services board averages 13 years.
- » The longest-tenured industrial board averages 14.1 years.

New independent director backgrounds

The 19 communication services sector companies added 14 new directors to the boardroom in the past year. Among the communication services boards, 53% added at least one independent director, while 21% added more than one.

Communication services sector appointees averaged 59.9 years of age, higher than the 58.2 average for all independent directors joining S&P 500 boards. First-time directors represented 29% of independent directors joining communication boards — lower than the 34% for the S&P 500. NextGen appointees (50 years or younger) comprised 14% of the sector’s incoming class of directors, matching the S&P 500 average of 14%.

Fewer than half (43%) of the independent directors joining communication boards are actively employed, lower than the 52% of independent directors joining S&P 500 boards this year.

Compared to the S&P 500 incoming class of independent directors, communication services boards recruited in 2024 the highest percentage of P&L leaders and “other” directors of all sectors. They appointed the lowest percentage of financial professionals of all sectors.

NEW INDEPENDENT DIRECTOR BACKGROUNDS

	2024 Communication Services	2024 S&P 500
CEOs	36%	30%
<i>Active</i>	21%	16%
<i>Retired</i>	14%	14%
Chairs/presidents/COOs	0%	3%
<i>Active</i>	0%	1%
<i>Retired</i>	0%	2%
Functional leaders	14%	16%
P&L leaders	14%	8%
Financial backgrounds	21%	29%
<i>Financial executives/CFOs/treasurers</i>	7%	15%
<i>Investment managers/investors</i>	14%	7%
<i>Bankers/investment bankers</i>	0%	5%
<i>Public accounting executives</i>	0%	2%
Academics/nonprofit executives	0%	2%
Consultants	0%	3%
Legal	0%	3%
Others	14%	6%
TOTAL		
<i>Active</i>	43%	52%
<i>Retired</i>	57%	48%

Board leadership

The chair and CEO roles are separated at 68% of communication services boards — higher than the 60% of S&P 500 boards. Executive chairs are in place at 16% of communication services boards, versus 14% for the S&P 500. Independent chairs lead 37% of communication services boards, compared to 39% of the S&P 500. Independent lead directors are named at 58% of communications services boards, lower than the S&P 500 (66%) and tied with information technology companies for the lowest percentage of independent lead directors.

Board organization and process

Communication services boards have the lowest percentage of majority voting for directors across all sectors.

DIRECTOR ELECTIONS AND STOCK OWNERSHIP

	2024 Communication Services	2024 S&P 500
Annual elections of directors	95%	91%
Majority voting for directors	68%	89%
Stock ownership requirements for directors	89%	94%

Communication services boards are smaller compared to the average S&P 500 board. The sector ties with the financial sector for having the most board meetings, and it ties with the information technology sector for having the lowest average number of board committees. The average size of audit, compensation and nominating/governance committees of communication services boards are the smallest of all S&P 500 sectors.

BOARD AND COMMITTEE SIZE AND MEETINGS

	2024 Communication Services	2024 S&P 500
Board		
<i>Size (avg #)</i>	10.3	10.8
<i>Meetings (avg #)</i>	9.5	7.7
<i>Board committees (avg #)</i>	3.6	4.2
Audit committee		
<i>Size (avg #)</i>	3.8	4.5
<i>Meetings (avg #)</i>	8.4	8.1
Compensation committee		
<i>Size (avg #)</i>	3.8	4.3
<i>Meetings (avg #)</i>	6.9	5.7
Nominating/governance committee		
<i>Size (avg #)</i>	3.7	4.4
<i>Meetings (avg #)</i>	4.9	4.6

The communication services sector reported only three additional board committees.

PREVALENCE OF STANDING COMMITTEES

Committees	2024 Communication Services	2024 S&P 500
Finance	21%	26%
Executive	32%	25%
Science/tech/cyber	0%	17%
Environmental/health/safety	0%	13%
Risk	0%	12%
Social responsibility	0%	7%
Legal	5%	5%
Investment	0%	3%
Strategy	0%	1%
Innovation	0%	1%

Turnover policies

The communication services sector has the lowest percentage of term limits and age caps across sectors.

TURNOVER POLICIES

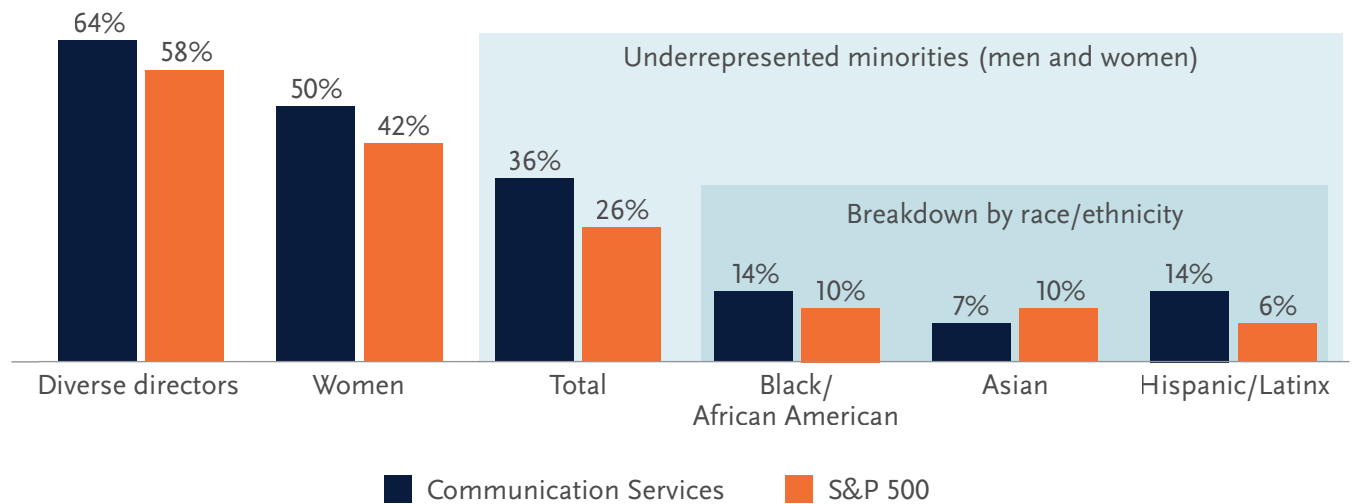
	2024 Communication Services	2024 S&P 500
Mandatory retirement policy		
<i>% companies</i>	42%	67%
<i>Retirement age (avg yrs)</i>	73.4	74.1
Tenure policy		
<i>% companies</i>	5%	9%
<i>Tenure limit (avg yrs)</i>	15.0	14.7
Material change resignation policy		
<i>% companies</i>	89%	89%

Diversity — communication services incoming class

Directors from diverse communities — defined using the Nasdaq definition of directors who self-identify as female and/or an underrepresented minority (Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races or ethnicities), and/or LGBTQ+ — constituted 64% of the 14 independent directors joining communication services boards over the past year, compared to 58% of independent directors joining S&P 500 boards.

The sector ties with the financial and healthcare sectors for the highest percentage of diverse board appointments in the past year. The sector appointed the highest percentage of underrepresented minorities in 2024.

DIVERSITY OF INDEPENDENT DIRECTORS JOINING COMMUNICATION SERVICES BOARDS



Diversity — communication services boards

More than half (54%) of directors serving on communication services boards are diverse, compared to 50% of the S&P 500. The sector ties with the utilities sector for the highest percentage of diverse directors. It ties with the consumer and utilities sectors for having the highest percentage of Hispanic/Latinx directors. Communications services leads all sectors when it comes to percentage of boards with three or more underrepresented minorities. The sector has the lowest percentage of boards with three or more women directors.

DIVERSITY OF ALL COMMUNICATION SERVICES BOARD DIRECTORS

	Diverse directors	Women	Underrepresented minorities (men and women)				Boards with...	
			Black/ African American	Asian	Hispanic/ Latinx	Total	3 or more women	3 or more URM*
Communication services	54%	33%	15%	9%	7%	34%	79%	74%
S&P 500	50%	34%	12%	6%	4%	24%	91%	48%

* URM refers to underrepresented minorities

Diversity — board leadership

The communication services sector has the highest percentage of underrepresented minorities serving as independent chair or independent lead director across sectors. The communication services sector is the only sector with no women serving as independent board chair.

DIVERSITY — BOARD LEADERSHIP

	2024 Communication Services	2024 S&P 500
Independent chair		
% women	0%	18%
% underrepresented minority	29%	7%
Independent lead director		
% women	36%	20%
% underrepresented minority	36%	11%

Communication services companies

- » Alphabet
- » AT&T
- » Charter Communications
- » Comcast Corporation
- » Electronic Arts
- » Fox Corporation
- » Live Nation Entertainment
- » Match Group
- » Meta Platforms
- » Netflix
- » News Corporation
- » Omnicom Group
- » Paramount Global
- » Take-Two Interactive Software
- » The Interpublic Group of Companies
- » The Walt Disney Company
- » T-Mobile US
- » Verizon Communications
- » Warner Bros. Discovery





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