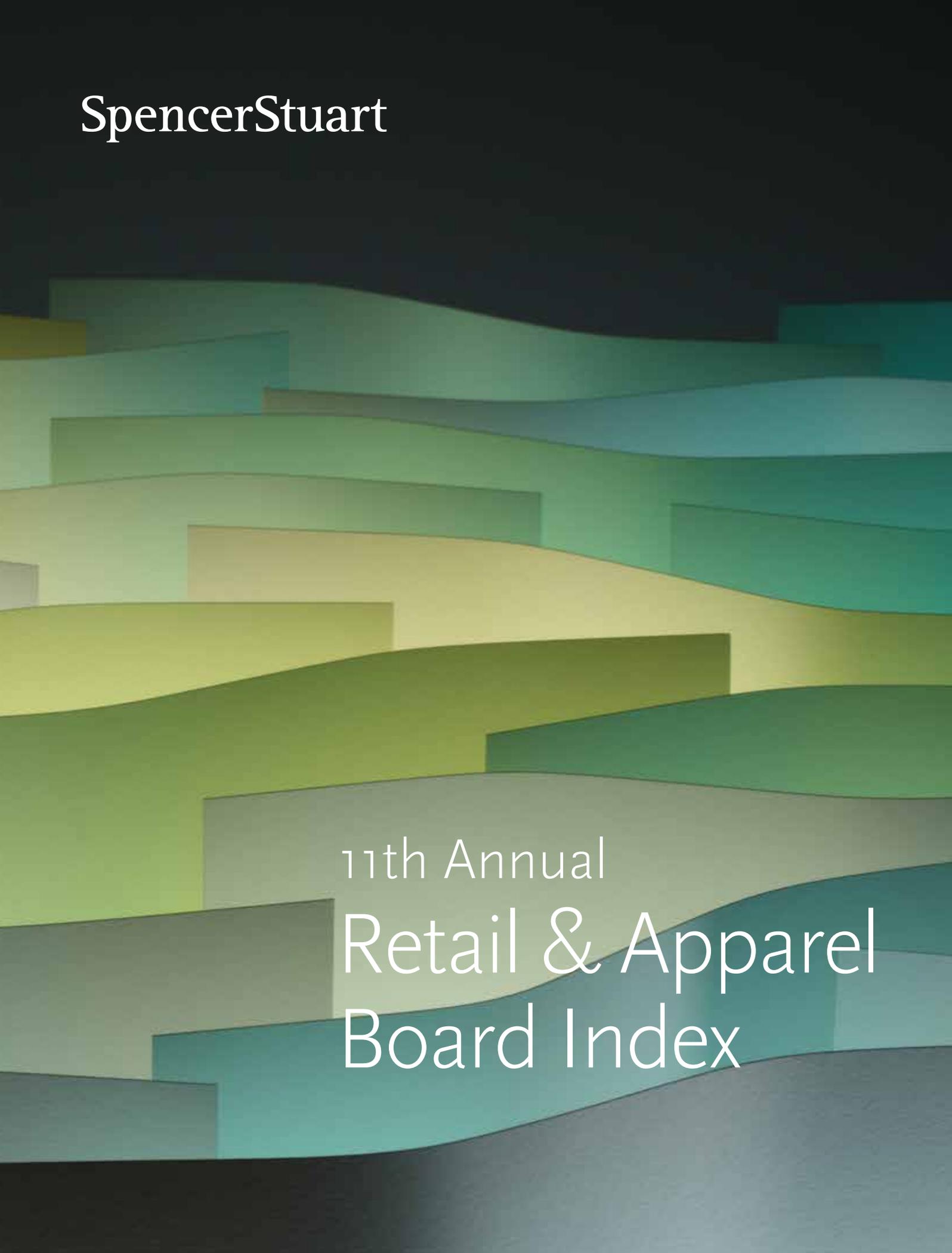


The logo for SpencerStuart, featuring the company name in a white, serif font against a dark background.

SpencerStuart

The background of the page is an abstract composition of overlapping, wavy, layered shapes in various shades of green, yellow, and blue, creating a sense of depth and movement.

11th Annual  
Retail & Apparel  
Board Index

## About Spencer Stuart's Retail, Apparel & Luxury Goods Practice

Over the past decade, Spencer Stuart's Retail, Apparel & Luxury Goods Practice has successfully conducted more than 1,400 assignments, recruiting and placing board directors, CEOs and senior functional executives for leading organizations in the industry. Our team knows and has deep relationships with the most sought-after global executives in retail and from across other industries. We serve as trusted advisers to our clients, who turn to us for our retail sector and functional expertise, access to exceptional candidates, and understanding of the talent and marketplace issues that influence the recruitment process.

Spencer Stuart's global omnichannel expertise includes the following sectors:

- > Mass Retail
- > Department Stores
- > Specialty Retail
- > Fashion and Luxury Goods
- > Grocery, Drug and Convenience

## About Spencer Stuart

At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning 56 offices, 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment and many other facets of organizational effectiveness. For more information on Spencer Stuart, please visit [www.spencerstuart.com](http://www.spencerstuart.com).

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# Introduction

Retail and apparel companies today are operating in an environment of immense change. E-commerce and brick and mortar stores are no longer distinct. Customers are the experts. Mobile interactions must be a seamless, uninterrupted part of the sales process. And then there are the mountains upon mountains of data companies have at their fingertips to refine and customize products, promotions and customer engagement approaches. Given these shifts, today's retail and apparel boards not only need a grasp of the overall strategy and risks facing the business, but also a deep customer orientation and understanding of the technologies revolutionizing the industry. Is your board up to the considerable task?

# 37%

Of new independent directors are women

Now in its 11th year, Spencer Stuart's *Retail & Apparel Board Index* explores governance trends affecting the boards of the largest U.S. retail and apparel companies, helping board members understand and respond to the key issues impacting their boards. The 2015 index examines the board practices of 112<sup>1</sup> of the nation's top retail and apparel companies, all of which have revenues of at least \$1 billion. The index compares data from the 2015 proxy year to 2014 findings, as well as to previous years, when noteworthy. We also provide comparisons between retail and apparel companies and the S&P 500, where relevant.

Many companies we work with are rightfully asking: Is our board performing at the highest level of leadership, stewardship and governance? Are we attracting directors who bring a diverse range of business backgrounds and areas of expertise? Are we applying enough rigor to issues such as term length for members, gender and racial diversity, and director compensation and independence? All of these, along with other factors, set the stage for effective corporate governance.

<sup>1</sup> Companies that were added since 2014 include Belk, CarMax, Carter's, Columbia Sportswear, CST Brands, Diplomat Pharmacy, Group 1 Automotive, Hanesbrands, Lithia Automotive, Michaels, Rent-A-Center, Smart & Final, Sonic Auto, Sprouts, Systemax, Vitamin Shoppe, and Wolverine Worldwide. Companies that appeared in the analysis from 2014 but are not included in the 2015 list include Genuine Parts (did not meet retail revenue criteria), Pantry (acquired), PetSmart (taken private) and Safeway (acquired).

## Key findings from this year's index include:

- > Retail and apparel boards tend to be smaller (9.6 directors) than S&P 500 boards (10.8 directors) — perhaps a reflection of the need for retail and apparel companies to be nimble and responsive to a fast-changing industry.
- > The trend toward splitting the roles of chairman and CEO continues — 59% of industry companies split the roles in 2015, up slightly from 57% in 2014. Retail and apparel boards continue to outpace the S&P 500 in this area; 48% of S&P 500 companies split these roles. But retailers with more than \$20 billion in annual revenues saw the percentage of companies splitting the two roles plunge from 67% in 2014 to a 41% this year.
- > An all-time high 31% of new independent S&P 500 directors are women, but retail boards did even better: 37% of the industry's new independent directors are women. However, the overall inclusion of women in the boardroom remains relatively low. Women constitute 21% of all retail and apparel directors, compared with 20% of S&P 500 boards.
- > As more retail boards separate the chair and CEO roles, they are less likely to identify a lead or presiding director. In 2015, 54% of retail and apparel companies identified a lead/presiding director, down from 56% in 2014. Nearly all (98%) of S&P 500 boards identified a lead or presiding director.
- > While one-year terms have gained in popularity in recent years, 2015 saw a slight decrease: 72% of retail companies had a one-year term, down slightly from 76% in 2014. The majority (92%) of S&P 500 boards elect directors annually.
- > Average per-director compensation for retail directors was \$211,614 for the 2015 proxy year, of which 40% were cash fees and 52% were stock awards.

59%

Split the chair and  
CEO roles

\$211,614

Average total  
compensation

**Editor's Note:** The retail and apparel companies included in this index are publicly traded on one of the major stock exchanges (NYSE or NASDAQ), are based in the United States and have retail revenues of \$1 billion or more. Data for the Retail & Apparel Board Index are obtained from Equilar, a leading independent provider of executive and board compensation data and analysis. The data were derived from the most recent proxies released as of June 15, 2015.

# Board Composition

## RETAIL BOARDS REMAIN SMALLER THAN S&P 500 BOARDS

- > Retail and apparel boards remained consistent with 2014 in their average size: 9.6 members, which is smaller than the average S&P 500 board, at 10.8 members. Boards range from as few as four directors to as many as 15. Only 10% of retail and apparel boards have more than 12 directors, compared with 17% of S&P 500 boards.
- > Not surprisingly, larger companies tend to have larger boards. The companies with the largest boards include Wal-Mart Stores, Walgreens, Nike, Nordstrom, Macy's and Costco. Kroger, which had a large board of 13 directors in 2014, shrank to 11 directors this year. Of course, there are also exceptions of large companies with small boards, such as Apple, with seven directors. Sears Hometown and Outlet Stores and Weis Markets have the smallest boards, with only five and four board directors, respectively.

### Board Size

Overall	\$20B+	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B	S&P 500
9.6	10.9	10.6	10.0	8.5	9.1	10.8

## NEARLY 80% OF DIRECTORS ARE INDEPENDENT

- > Nearly eight in 10 (79%) retail and apparel directors are independent, virtually the same as 2014 (78%). S&P 500 boards tend to have a higher proportion of independent directors at 84%. This proportion has remained relatively consistent in the S&P 500 over the past several years.

### Outside Director

Directors	Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B	S&P 500
Inside	21%	18%	18%	22%	23%	24%	16%
Outside	79%	82%	82%	79%	77%	76%	84%

\*Percentages may not total 100 due to rounding.

## ONE IN 10 DIRECTORS IS NEW TO THE BOARD

- > Of the 112 retailers included in the 2015 index, 67 brought in new directors, adding a total of 88 new independent directors. In 2014, 43 retailers added a total of 85 new independent directors. Of the 848 independent directors on retail and apparel boards, 10% are new to their boards, a slight decrease from last year (11%).

## CHAIRMAN/CEO SPLIT LEVELS OFF

- > Splitting the chair and CEO roles has grown more common over the years, rising from 39% in 2008 to a high of 59% in 2011; the practice appears to have leveled off over the last few years. More than half (54%) of retail and apparel boards split the responsibilities of chairman and CEO, a dip from 57% in 2014. S&P 500 companies remain less likely to split the roles of chairman and CEO roles, at 48% in 2015 and 47% in 2014.

- > Retailers with revenues between \$1 billion and \$2 billion are most likely to split the roles, at 71%. Interestingly, retailers with more than \$20 billion in revenues saw a significant drop in the percentage splitting the two roles, from 67% in 2014 to a low of 41% this year, reversing an earlier trend of steady increases.

#### Companies Splitting the Chairman and CEO Roles

	Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B
2015	59%	41%	45%	60%	63%	71%
2014	57%	67%	37%	50%	62%	64%

#### DIRECTORS ARE SLIGHTLY YOUNGER THAN THE S&P 500

- > In 2015, the average age of outside retail and apparel board directors was 62, remaining constant for the past three years. This is slightly younger than their S&P 500 counterparts, with an average age of 63.1.
- > Ralph Lauren has the oldest board, with an average age of 72 years, followed by a number of companies with an average age of 70. Smart & Final and Conns have the youngest boards, with an average age 52 years, followed by Coach, at 53 years.

#### Average Age of Outside Directors\*

Directors	Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B
50 – 56	9%	12%	5%	0%	13%	12%
57 – 59	17%	24%	10%	30%	11%	18%
60 – 63	46%	47%	65%	20%	47%	53%
64 – 69	23%	12%	15%	45%	26%	12%
70 and older	4%	6%	5%	5%	3%	6%

\*Percentages may not total 100 due to rounding.

#### MORE FEMALE REPRESENTATION AMONG NEW INDEPENDENT DIRECTORS THAN S&P 500

- > Nearly all (95%) retail and apparel boards have at least one female director, up slightly from 94% in 2015. This compares to 97% of S&P 500 companies.
- > Women represented 31% of new S&P 500 independent directors in the 2015 proxy year, an all-time high. However, retail boards outpaced the S&P 500: 37% of the industry's new independent directors are women. Despite this progress, the inclusion of women on corporate boards remains low overall, especially in an industry where women represent a significant share of customers. This year, women constitute 21% of all retail and apparel directors, a notch above the 20% reported in 2014. Similarly, women represent 20% of S&P 500 boards, up from 18.6% in 2014.

#### Female Directors as a Percentage of All Directors

Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B
21%	25%	20%	18%	23%	22%

## LEAD/PRESIDING DIRECTORS FAR LESS COMMON THAN S&P 500

- > As more retail boards separate the chair and CEO roles, they are less likely to identify a lead or presiding director. In 2015, 54% of retail and apparel boards identified a lead or presiding director, down from 56% in 2014. By comparison, 98% of S&P 500 boards without an independent chairman identify a lead or presiding director, down from 90% in 2014.
- > The retail and apparel companies in the \$5 billion to \$10 billion revenue bracket identifying a lead or presiding director rose sharply to 80% from 64% in 2014 and 60% in 2013.

### Companies with Leading/Presiding Director (%)

Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B
54%	59%	55%	80%	47%	29%

# Board Organization & Process

## RETAIL AND APPAREL BOARDS CONVENE LESS THAN S&P 500

- > In 2015, retail and apparel boards averaged 7.8 meetings per year and the S&P 500 met an average of 8.1 times per year. The meeting frequency has remained fairly constant: In 2014, retail boards had an average of 7.7 meetings and the S&P 500 had an average of 8.1 meetings. Conns had the most board meetings at 19, followed by ANN and Lithia Motors, each with 17 meetings. Stein Mart had the fewest at three meetings.

### Average Number of Meetings

Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B
7.8	7.8	7.9	7.5	8.0	7.5

### Distribution of Board Meetings: Retail vs. S&P 500

	13 or more	10-12	6-9	5 or fewer meetings
Retail	13%	13%	43%	31%
S&P 500	9%	17%	54%	20%

## ONE-YEAR TERMS DOWN SLIGHTLY

- > Although there has been a downward trend in the average term length of retail and apparel boards, it has risen slightly to 1.6 years from 1.5 years in 2014.
- > While one-year terms have gained popularity in recent years, 2015 saw a slight decrease: 72% of retail companies have a one-year term, down slightly from 76% in 2014. The majority (92%) of S&P 500 boards have one-year terms, down slightly from 93% in 2014.

### Average Term Length

Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B
1.6	1.1	1.3	1.5	1.8	1.7

### Percentages of Boards with One-Year Terms

2015	2014	2013	2012	2011	2010
80%	76%	71%	72%	72%	70%

## MORE THAN HALF OF RETAIL BOARDS REPORT A MANDATORY RETIREMENT AGE

- > Slightly more than half (52%) of retail and apparel boards report a mandatory retirement age for directors, down from 61% in 2014; 73% of S&P 500 boards report a mandatory retirement age.
- > Among retail and apparel boards with mandatory retirement, 72 is the most common age (52%), with the rest falling between 70 and 80. S&P 500 companies, however, are much more consistent on retirement age. Half report a retirement age of 72, while 34% have a retirement age of 75 or older.
- > The companies with the oldest reported mandatory retirement ages this year are PriceSmart at 80, and O'Reilly Automotive at 78, followed by Dollar General, Murphy USA and CarMax, each with a reported mandatory retirement age of 76.

## Mandatory Retirement Age: Retail vs. S&amp;P 500\*

	Retail**	S&P 500
70 and younger	5%	5%
71	0%	1%
72	52%	50%
73	2%	4%
74	7%	6%
75 and older	34%	34%

\*Of boards that have set a mandatory retirement age

\*\*Retirement age statistics were supplemented by Spencer Stuart research.

## FEWER BOARD COMMITTEES THAN S&amp;P 500

- > The average number of retail and apparel board committees has remained consistent with last year, at 3.8. S&P 500 companies average 4.3 committees. Companies with revenues of more than \$20 billion report the largest number of committees at 4.6, up from 4.4 in 2014.
- > All retail and apparel boards have audit committees and all but one (Ingles Markets) have compensation committees as required under NYSE or NASDAQ listing standards. This year, 95% of retail and apparel boards have a governance or nominating committee, compared to 99% of S&P 500 boards.
- > Fewer retail and apparel boards (28%) have an executive committee than last year (33%). Similar to S&P 500 boards, the most common additional committees for retail boards are executive (28%) and finance (24%). However, finance committees are more common among S&P 500 boards (31%) than retail and apparel boards (24% in 2015, down from 27% in 2014).

## Average Number of Committees

	Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B
2015	3.8	4.6	3.8	3.5	3.6	3.5
2014	3.8	4.4	4.0	3.6	3.6	3.5

## Prevalance of Standing Committees

	2015	2014
Audit	100%	100%
Compensation/HR	99%	99%
Nominating/Governance	95%	92%
Finance	24%	27%
Executive	28%	33%

# Director Compensation

## MAJORITY OF DIRECTOR COMPENSATION COMES IN THE FORM OF STOCK AWARDS

Average per-director compensation for retail directors was \$211,614 for the 2015 proxy year, of which 40% were cash fees and 52% were stock awards.

### Breakdown of Director Compensation



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

### Snapshot of Retail Board Compensation

Type of compensation	% of boards paying this type		Average paid	
	2015	2014	2015	2014
Board retainer	98%	98%	\$65,000	\$63,849
Board meeting fee	21%	23%	\$2,352	\$2,194
Chair retainer	30%	29%	\$179,987	\$164,582
Total equity awards*	92%	90%	\$114,899*	\$114,647*

\*Dollar value of equity awards

## S&P 500 CASH RETAINERS STILL DWARF RETAIL AND APPAREL RETAINERS

- > The overwhelming majority (98%) of retail and apparel boards paid cash retainers in 2015. Average board cash retainers for retail and apparel directors increased by 5% from \$63,849 in 2014 to \$66,860 in 2015. From 2013 to 2014, the average cash retainer increased by 19%.
- > Yet, even with the increases, cash retainers paid by S&P 500 boards are significantly larger than those paid by retail and apparel boards, and also continue to increase. In 2015, the average retainer of S&P 500 boards grew 4% to \$112,144, from \$107,383 in 2014. This year, S&P 500 board directors are compensated an average of \$45,284 more than retail and apparel directors.
- > Dollar Tree and Pier 1 Imports report the largest board cash retainers, at \$180,000 and \$150,000, respectively.

### Average Board Cash Retainer

	Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B
2015	\$66,860	\$74,529	\$73,431	\$72,500	\$60,882	\$58,000
2014	\$63,849	\$69,761	\$69,342	\$63,885	\$60,809	\$55,554

### Board Cash Retainer Distribution

Company	% of Companies
\$1-\$19,999	2%
\$20,000-\$24,999	0%
\$25,000-\$29,999	1%
\$30,000-\$34,999	1%
\$35,000-\$39,999	7%
\$40,000-\$49,999	11%
\$50,000-\$59,999	21%
\$60,000 and greater	57%

### USE OF MEETING FEES CONTINUES TO WANE

- > A continually shrinking number of retail and apparel boards provide meeting attendance fees, reflecting the shift toward a more simplified compensation structure. Only 21% of retail and apparel boards paid meeting fees, compared with 23% in 2014, and as many as 64% in 2007. This is in line with S&P 500 boards, of which 21% paid meeting attendance fees in 2015.
- > The average meeting attendance fee among retail and apparel companies that pay them increased by 7% in 2015 from \$2,194 in 2014 to \$2,352 in 2015. This is higher than the S&P 500 average of \$2,041, down from \$2,229 in 2014. Dick's Sporting Goods paid the highest attendance fee at \$7,500, followed by Whole Foods at \$7,104.

### Regular Meeting Fee

	Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B
Average	\$2,352	\$1,000	\$2,421	\$3,300	\$1,875	\$2,100
Median	\$2,000	\$1,000	\$1,500	\$2,500	\$1,750	\$2,000

### Regular Meeting Fees

Fees	% of companies*
N/A	80%
\$1-\$1000	3%
\$1001-\$2000	10%
\$2001-\$3000	6%
>\$3001	2%

\*Percentages may not total 100 due to rounding.

### SLIGHT UPTICK IN BOARDS PROVIDING STOCK OPTIONS AFTER ONGOING DECLINE

- > The percentage of retail and apparel boards providing annual stock options has been on the downslide for a number of years. However, in 2015, 8% of retail and apparel boards provided annual options, a slight uptick from 7% in 2014, but still significantly lower than 29% in 2011 and 42% in 2007. The average number of options granted has fallen from 10,592 in 2014 to 8,225 in 2015.

- > Twelve percent of retail and apparel boards have some sort of stock option program, whether granting directors options upon joining the board, annually or both. This is up slightly from 11% in 2014, but much lower than it was a few years ago — 24% in 2012. Only 4% of retail and apparel boards provided initial stock options, the same percentage as 2014. Option grants ranged in size from 4,000 to 25,500, the latter number granted by Smart & Final.

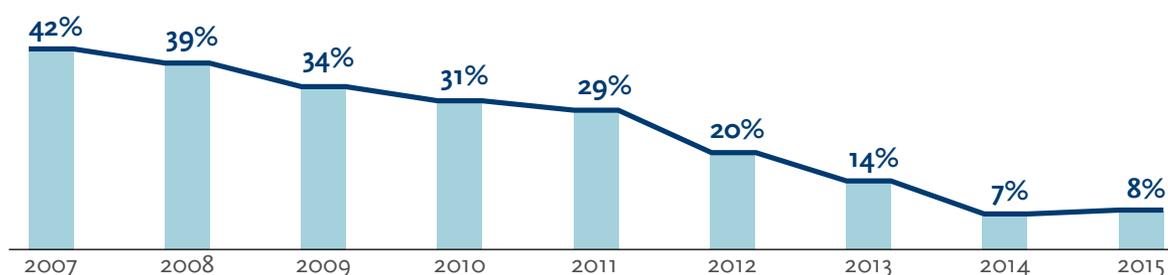
#### Average Initial Options Granted

Directors	Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B
% Providing Initial Options	4%	0%	0%	0%	5%	12%
Average Initial Options Granted	12,677	N/A	0	0	18,354	7,000

#### Average Annual Options Granted

Directors	Overall	>\$20B	\$10B-\$20B	\$5B-\$10B	\$2B-\$5B	\$1B-\$2B
% Providing Annual Options	8%	7%	11%	5%	11%	6%
Average Annual Options Granted	8,225	7,000	8,825	834	9,549	2,120

#### Boards Granting Annual Options



### HOW DOES YOUR BOARD MEASURE UP?

- > Use the table below to measure how your board compares in size and makeup to the top retail and apparel companies in the United States, as well as S&P 500 boards. Note that in some cases, the averages mask wide variations in individual companies.
- > We hope you find this tool to be a useful benchmark. You may be surprised to see how your board composition and processes resemble the best practices tracked in our report. If you have questions or would like more detailed information from the *Retail & Apparel Board Index*, please contact us. Consultants within our Board Practice can help you analyze and evolve your board, as well as discuss emerging governance best practices.

	Average	Highest	Lowest	S&P 500	Your Board
Number of Directors	9.6	15	4	10.8	
Percentage of Independent Directors	79%	100%	28%	84%	
Average Director Age	62	72	52	63	
Number of Meetings per Year	7.8	19	0	8.1	
Average Retainer	\$66,860	\$180,000	\$12,000	\$112,144	
Female representation	21%	46%	0%	20%	



# Comparative Board Data

# Comparative Board Data

COMPANY NAME REVENUES (\$ IN MILLIONS)	NUMBER OF DIRECTORS					BOARD COMPOSITION				COMPENSATION			
	TOTAL	WOMEN	OUTSIDE <sup>1</sup>	INSIDE	LENGTH OF TERM	AVERAGE AGE (OUTSIDE DIRECTORS) <sup>2</sup>	MANDATORY RETIREMENT AGE <sup>3</sup>	MEETINGS PER YEAR <sup>4</sup>	CEO/CHAIR SAME <sup>5</sup>	BOARD CASH RETAINER	MEETING ATTENDANCE FEE (REGULAR)	CASH RETAINER <sup>6</sup> AUDIT COMMITTEE	TOTAL \$ VALUE OF ANNUAL INCENTIVES
Abercrombie & Fitch (\$3,744.0)	10	3	10	0	1	67	75	15	N	\$65,000	N/A	\$25,000	\$127,800
Advance Auto Parts (\$9,843.9)	12	2	9	3	1	59	N/A	5	N	\$85,000	N/A	N/A	\$125,000
Aéropostale (\$1,838.7)	10	3	8	2	1	60	N/A	7	N	\$50,000	N/A	\$20,000	\$105,000
American Eagle Outfitters (\$3,282.9)	8	1	6	2	3	64	N/A	10	Y	\$55,000	N/A	\$20,000	\$135,000
ANN (\$2,533.5)	8	4	7	1	1	59	72	17	N	\$55,000	N/A	\$15,000	\$115,000
Apple (\$182,795.0)	7	2	6	1	1	62	N/A	6	N	\$100,000	N/A	N/A	\$250,000
Ascena Retail Group (\$4,790.6)	7	1	4	3	3	63	N/A	5	N	\$75,000	N/A	\$15,000	\$99,550
AutoNation (\$19,108.8)	9	1	8	1	1	54	N/A	14	Y	\$50,000	N/A	\$10,000	\$267,850
AutoZone (\$9,475.3)	11	2	10	1	1	59	N/A	4	Y	N/A	N/A	N/A	\$200,000
Barnes & Noble (\$6,381.4)	10	1	8	2	3	66	N/A	12	N	\$65,000	N/A	\$15,000	\$120,000
Bed Bath & Beyond (\$11,881.2)	9	2	7	2	1	64	N/A	11	N	\$100,000	N/A	\$10,000	\$90,000
Best Buy Co. (\$40,339.0)	9	2	8	1	1	58	75	4	Y	\$75,000	N/A	N/A	\$175,000
Big Lots (\$5,177.1)	9	4	8	1	1	58	N/A	6	N	\$80,000	N/A	\$15,000	\$110,000
The Bon-Ton Stores (\$2,822.9)	9	2	7	2	1	57	N/A	6	N	\$50,000	N/A	\$5,000	\$70,000
Buckle (\$1,153.1)	9	1	6	3	1	65	N/A	5	N	\$12,000	\$3,000	N/A	\$99,720
Burlington Stores (\$4,849.6)	8	1	7	1	3	55	N/A	4	Y	\$50,000	N/A	\$10,000	\$0
Cabela's (\$3,647.7)	9	2	6	3	1	65	75	6	N	\$35,000	\$2,500	\$15,000	\$124,980
Casey's General Store (\$7,840.3)	9	2	8	1	3	65	N/A	6	Y	\$40,000	N/A	\$6,000	\$117,860
Chico's FAS (\$2,675.2)	8	3	7	1	3	66	N/A	13	N	\$75,000	N/A	N/A	\$120,000
The Children's Place (\$1,761.3)	8	3	7	1	1	64	N/A	6	N	\$60,000	N/A	\$13,500	\$100,000
Coach (\$4,806.2)	8	2	7	1	1	53	N/A	6	N	\$75,000	N/A	N/A	\$150,000
Conn's (\$1,485.2)	7	1	5	2	1	52	N/A	19	Y	\$70,000	N/A	N/A	\$75,000
Costco Wholesale Corporation (\$112,640.0)	13	2	7	6	3	70	N/A	4	N	\$30,000	\$1,000	N/A	\$270,552
CVS Caremark Corporation (\$139,367.0)	11	3	10	1	1	63	74	8	N	\$70,000	N/A	N/A	\$210,000

COMPANY NAME REVENUES (\$ IN MILLIONS)	NUMBER OF DIRECTORS					BOARD COMPOSITION				COMPENSATION			
	TOTAL	WOMEN	OUTSIDE <sup>a</sup>	INSIDE	LENGTH OF TERM	AVERAGE AGE <sup>b</sup> (OUTSIDE DIRECTORS)	MANDATORY RETIREMENT AGE <sup>b</sup>	MEETINGS PER YEAR	CEO/CHAIR SAME <sup>c</sup>	BOARD CASH RETAINER	MEETING FEE (REGULAR)	CASH RETAINER AUDIT COMMITTEE	TOTAL \$ VALUE OF ANNUAL EQUITY AWARDS
Dick's Sporting Goods (\$6,814.5)	9	1	8	1	3	58	N/A	7	Y	\$40,000	\$7,500	N/A	\$110,000
Dillard's (\$6,780.1)	12	1	6	6	1	67	N/A	5	Y	\$80,000	N/A	N/A	\$133,200
Dollar General Corporation (\$18,909.6)	8	3	7	1	1	58	N/A	16	Y	\$85,000	N/A	N/A	\$125,000
Dollar Tree (\$8,602.2)	11	1	8	3	1	67	N/A	12	N	\$180,000	N/A	\$20,000	\$0
DSW (\$2,496.1)	9	3	6	3	3	70	N/A	7	N	\$60,000	N/A	\$15,000	\$120,000
Express (\$2,165.5)	8	2	6	2	3	58	N/A	14	N	\$75,000	N/A	\$10,000	\$125,000
Family Dollar Stores (\$10,489.3)	11	2	10	1	N/A	66	N/A	N/A	Y	\$60,000	N/A	N/A	\$90,000
The Finish Line (\$1,820.6)	9	2	7	2	3	63	N/A	5	Y	\$35,000	\$2,000	N/A	\$90,000
Foot Locker (\$7,151.0)	10	3	9	1	1	64	72	8	N	\$55,000	\$2,000	N/A	\$110,000
Fred's (\$1,970.0)	7	1	5	2	1	62	N/A	14	N	\$40,000	N/A	\$4,500	\$53,830
The Fresh Market (\$1,753.2)	9	1	8	1	3	60	70	6	N	\$40,000	N/A	N/A	\$60,000
GameStop Corp. (\$9,296.0)	11	2	8	3	1	61	72	10	N	\$140,000	N/A	N/A	\$140,000
The Gap (\$16,435.0)	10	3	9	1	1	61	N/A	6	N	\$75,000	\$0	N/A	\$140,000
Genesco (\$2,859.8)	10	2	9	1	1	65	N/A	6	Y	\$72,500	N/A	N/A	\$97,500
GNC Holdings (\$2,613.2)	9	1	8	1	1	61	N/A	9	N	\$70,000	N/A	\$12,500	\$95,000
Guess? (\$2,417.7)	7	1	5	2	3	63	N/A	5	N	\$35,000	\$1,500	N/A	\$180,000
hhgregg (\$2,129.4)	10	2	9	1	1	60	N/A	9	N	\$50,000	N/A	N/A	\$50,000
The Home Depot (\$83,176.0)	10	2	9	1	1	56	72	8	Y	\$50,000	N/A	N/A	\$230,000
Ingles Markets (\$3,836.0)	8	2	4	4	1	63	N/A	4	Y	\$15,000	\$1,000	\$10,000	\$0
J.C. Penney Company (\$12,257.0)	11	2	9	2	1	63	N/A	9	N	\$70,000	N/A	N/A	\$150,000
Kate Spade & Company (\$1,138.6)	10	4	8	2	1	58	N/A	11	N	\$50,000	\$1,000	N/A	\$100,000
Kohl's Corporation (\$19,023.0)	9	2	8	1	1	58	N/A	6	Y	\$100,000	N/A	\$15,000	\$100,000
The Kroger Co. (\$108,465.0)	11	3	10	1	1	64	N/A	5	Y	\$85,000	N/A	\$10,000	\$165,256
L Brands (\$11,454.1)	12	2	8	4	3	70	N/A	7	Y	\$90,000	N/A	\$12,500	\$90,000

# Comparative Board Data

COMPANY NAME REVENUES (\$ IN MILLIONS)	NUMBER OF DIRECTORS					BOARD COMPOSITION				COMPENSATION			
	TOTAL	WOMEN	OUTSIDE <sup>1</sup>	INSIDE	LENGTH OF TERM	AVERAGE AGE <sup>2</sup> (OUTSIDE DIRECTORS)	MANDATORY RETIREMENT AGE <sup>3</sup>	MEETINGS PER YEAR <sup>4</sup>	CEO/CHAIR SAME <sup>5</sup>	BOARD CASH RETAINER	MEETING ATTENDANCE FEE (REGULAR)	CASH RETAINER AUDIT COMMITTEE	TOTAL \$ VALUE OF ANNUAL EQUITY AWARDS
Lowe's Companies (\$56,223.0)	11	2	10	1	1	63	72	6	Y	\$80,000	N/A	N/A	\$150,000
Lumber Liquidators Holdings (\$1,047.4)	8	1	7	1	3	60	N/A	5	N	N/A	N/A	N/A	\$110,000
Macy's (\$28,105.0)	13	6	12	1	1	61	74	8	Y	\$70,000	N/A	\$10,000	\$140,000
Mattress Firm Holding Corporation (\$1,806.0)	11	0	9	2	3	59	N/A	10	N	\$50,000	N/A	\$5,000	\$50,000
The Men's Wearhouse (\$3,252.5)	8	1	6	2	1	69	N/A	10	N	\$125,000	N/A	\$15,000	\$125,000
Murphy USA (\$17,209.9)	10	1	9	1	3	62	76	5	N	\$40,000	\$2,000	N/A	\$100,000
Nike (\$27,799.0)	14	3	11	3	1	60	72	5	N	\$85,000	N/A	\$5,000	\$148,826
Nordstrom (\$13,506.0)	13	4	10	3	1	60	N/A	6	N	\$85,000	N/A	N/A	\$140,000
O'Reilly Automotive (\$7,216.1)	9	1	5	4	1	68	N/A	4	N	\$42,500	\$2,500	N/A	\$110,000
Office Depot (\$16,096.0)	10	2	9	1	1	61	N/A	16	Y	\$75,000	N/A	N/A	\$125,000
Penske Automotive Group (\$17,177.2)	12	2	7	5	1	65	N/A	6	Y	\$40,000	N/A	\$5,000	\$189,800
The Pep Boys - Manny, Moe & Jack (\$2,084.6)	8	2	7	1	1	63	72	12	N	\$35,000	N/A	\$12,000	\$80,000
Pier 1 Imports (\$1,865.8)	9	4	8	1	1	60	N/A	6	N	\$150,000	N/A	N/A	\$0
PriceSmart (\$2,517.6)	9	2	8	1	1	61	N/A	8	N	\$25,000	N/A	N/A	\$0
Publix Super Markets (\$30,802.5)	9	3	4	5	1	62	72	4	N	\$62,000	N/A	\$15,200	\$0
PVH Corp. (\$8,241.2)	11	2	9	2	1	57	72	6	Y	\$70,000	N/A	\$20,000	\$135,000
Ralph Lauren Corporation (\$7,620.0)	11	3	8	3	1	72	N/A	4	Y	\$70,000	N/A	N/A	\$100,000
Restoration Hardware Holdings (\$1,867.4)	9	2	5	4	3	55	N/A	7	Y	\$120,000	\$2,500	\$25,000	\$125,000
Rite Aid Corporation (\$26,528.4)	9	2	8	1	1	64	72	12	Y	\$100,000	N/A	\$10,000	\$120,000
Ross Stores (\$11,041.7)	11	2	7	4	1	60	N/A	7	N	\$55,000	\$1,500	N/A	\$130,000
Roundy's (\$3,855.2)	7	1	6	1	3	58	N/A	14	Y	\$50,000	N/A	N/A	\$75,000
Sally Beauty Holdings (\$3,753.5)	9	2	6	3	1	61	72	11	Y	\$35,000	\$2,000	N/A	\$100,000
Sears Holdings Corporation (\$31,198.0)	8	1	7	1	1	55	N/A	15	Y	\$60,000	N/A	N/A	\$0
Sears Hometown and Outlet Stores (\$2,356.0)	4	1	4	0	1	54	N/A	9	N	\$100,000	N/A	N/A	\$0

COMPANY NAME REVENUES (\$ IN MILLIONS)	NUMBER OF DIRECTORS					BOARD COMPOSITION				COMPENSATION			
	TOTAL	WOMEN	OUTSIDE <sup>a</sup>	INSIDE	LENGTH OF TERM	AVERAGE AGE <sup>b</sup> (OUTSIDE DIRECTORS)	MANDATORY RETIREMENT AGE <sup>b</sup>	MEETINGS PER YEAR <sup>c</sup>	CEO/CHAIR SAME <sup>c</sup>	BOARD CASH RETAINER	MEETING FEE (REGULAR)	CASH RETAINER AUDIT COMMITTEE	TOTAL \$ VALUE OF ANNUAL EQUITY AWARDS
The Sherwin-Williams Company (\$11,129.5)	10	2	9	1	1	61	72	4	Y	\$95,000	N/A	N/A	\$110,000
Signet Jewelers (\$5,736.3)	10	4	9	1	1	65	75	13	N	\$105,000	N/A	N/A	\$120,000
SpartanNash Co. (\$7,916.1)	11	3	10	1	1	63	72	4	N	\$60,000	N/A	\$12,500	\$90,000
Stage Stores (\$1,638.6)	9	3	8	1	1	60	N/A	4	N	\$60,000	N/A	N/A	\$100,000
Staples (\$22,492.4)	11	2	10	1	1	58	N/A	9	Y	\$75,000	N/A	N/A	\$175,000
Starbucks Corporation (\$16,447.8)	12	2	10	2	1	61	75	8	Y	\$120,000	N/A	N/A	\$120,000
Stein Mart (\$1,317.7)	9	2	6	3	1	70	N/A	3	Y	\$36,000	\$2,000	N/A	\$40,000
SUPERVALU (\$17,820.0)	11	1	9	2	1	63	74	7	N	\$85,000	N/A	\$15,000	\$115,000
Target Corporation (\$72,618.0)	10	3	9	1	1	57	72	11	Y	\$90,000	N/A	N/A	\$170,000
Tiffany & Co. (\$4,249.9)	10	2	7	3	1	68	74	6	N	\$75,000	N/A	N/A	\$150,000
The TJX Companies (\$29,078.4)	10	3	9	1	1	62	75	7	Y	\$75,000	N/A	\$15,000	\$140,000
Tractor Supply Company (\$5,711.7)	9	2	8	1	1	62	72	4	N	\$65,000	N/A	\$10,000	\$85,000
ULTA Salon, Cosmetics & Fragrance (\$3,241.4)	10	5	9	1	3	60	N/A	8	N	\$90,000	N/A	N/A	\$110,000
Under Armour (\$3,084.4)	10	1	8	2	1	62	75	10	Y	\$55,000	N/A	N/A	\$75,000
Urban Outfitters (\$3,323.1)	8	2	6	2	1	63	N/A	4	Y	\$100,000	N/A	N/A	\$140,400
V.F. Corporation (\$12,282.2)	11	2	10	1	1	60	72	6	Y	\$60,000	\$1,500	N/A	\$133,994
Village Super Market (\$1,518.6)	11	0	4	7	1	59	N/A	4	Y	\$45,000	N/A	N/A	\$311,364
Wal-Mart Stores (\$485,651.0)	15	4	10	5	1	58	75	5	N	\$75,000	N/A	N/A	\$175,000
Walgreen Co. (\$76,392.0)	15	3	12	3	1	61	N/A	14	N	\$85,000	N/A	N/A	\$175,000
Weis Markets (\$2,776.7)	5	0	3	2	1	62	N/A	4	N	\$90,000	N/A	N/A	\$0
Whole Foods Market (\$14,194.0)	11	2	9	2	1	63	N/A	5	N	\$38,620	\$7,104	N/A	\$317,828
Williams-Sonoma (\$4,698.7)	9	4	7	2	1	62	N/A	7	N	\$66,000	N/A	N/A	\$154,000

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## FOOTNOTES

Data for the *Retail & Apparel Board Index* were obtained from Equilar, a leading independent provider of executive and board compensation analysis, except where noted. The data were derived from the most recent proxies as of June 15, 2015. Annual revenues are reported at time of most recent proxy.

- a As reported by company. If a company did not disclose an independence list, non-employee directors were classified as independent.
- b Mandatory retirement age data supplemented by Spencer Stuart research.
- c Board meetings include regularly scheduled meetings.

## ADDITIONAL COMPANY INFORMATION

### Abercrombie & Fitch

Non-employee directors receive an annual grant of 3,000 restricted stock units subject to the provision that the minimum and maximum market values of the grants are \$120,000 and \$300,000, respectively.

### AutoZone

Non-employee directors receive their retainers in RSUs.

### The Bon-Ton Stores

Directors receive retainers of \$120,000 (\$50,000 in cash and \$70,000 in units).

### CarMax

Non-employee directors receive an annual retainer of \$205,000 (\$75,000 in cash and \$130,000 in restricted common stock).

### Dollar General

Directors receive an annual equity award with an estimated value of \$125,000, payable \$75,000 in options and \$50,000 in restricted stock units.

### DSW

Directors receive a retainer of \$180,000 (\$60,000 in cash and \$120,000 in equity).

### Foot Locker

Retainers are paid half in cash and half in stock.

### GameStop

Non-employee directors receive an annual retainer of \$280,000 (\$140,000 in cash and \$140,000 in restricted stock).

### Group 1 Automotive

Directors receive an annual retainer of \$155,000, payable \$45,000 in cash and \$110,000 in equity, with the option of either restricted stock or restricted stock units.

### Guess?

Non-U.S. residents receive their annual equity award of \$180,000 in restricted stock units.

### Kate Spade & Company

Directors receive an annual retainer of \$150,000, payable \$50,000 in cash and \$100,000 in common stock.

### L Brands

Directors receive an annual retainer of \$180,000, payable \$90,000 in cash and \$90,000 in stock.

### Office Depot

Non-employee directors receive annual compensation of \$200,000, of which \$75,000 is payable in cash and the remaining \$125,000 is payable in the form of restricted stock units.

### Ralph Lauren

Directors receive an equity grant valued at \$100,000. One-half of the target equity value will be delivered in the form of options to purchase shares of Class A common stock and one-half will be delivered in the form of restricted shares of Class A common stock. Effective beginning in fiscal 2016, directors will receive an equity grant valued at \$110,000. The entirety of the target equity value will be delivered in the form of restricted shares of Class A common stock.

### Rite Aid

Directors receive an annual award of restricted stock or restricted stock units valued at \$120,000.

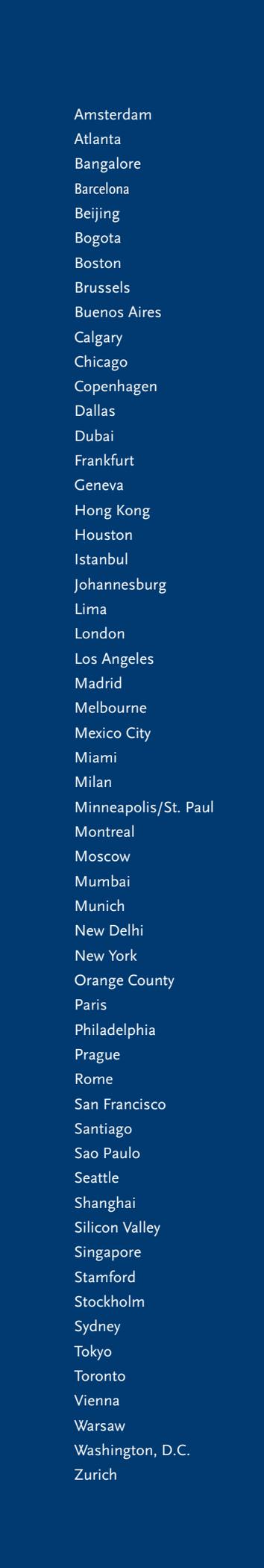
### Target Corporation

Non-employee directors can elect to receive their annual retainer of \$260,000 in either a combination of cash and restricted stock units (\$90,000 in cash and \$170,000 in restricted stock units) or restricted stock units only.

### Williams-Sonoma

Directors receive an annual retainer of \$220,000, 70% of which is paid in the form of an equity grant and 30% of which is paid in cash.





Amsterdam  
Atlanta  
Bangalore  
Barcelona  
Beijing  
Bogota  
Boston  
Brussels  
Buenos Aires  
Calgary  
Chicago  
Copenhagen  
Dallas  
Dubai  
Frankfurt  
Geneva  
Hong Kong  
Houston  
Istanbul  
Johannesburg  
Lima  
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Madrid  
Melbourne  
Mexico City  
Miami  
Milan  
Minneapolis/St. Paul  
Montreal  
Moscow  
Mumbai  
Munich  
New Delhi  
New York  
Orange County  
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Seattle  
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