

Board Refreshment: How Old is Too Old?

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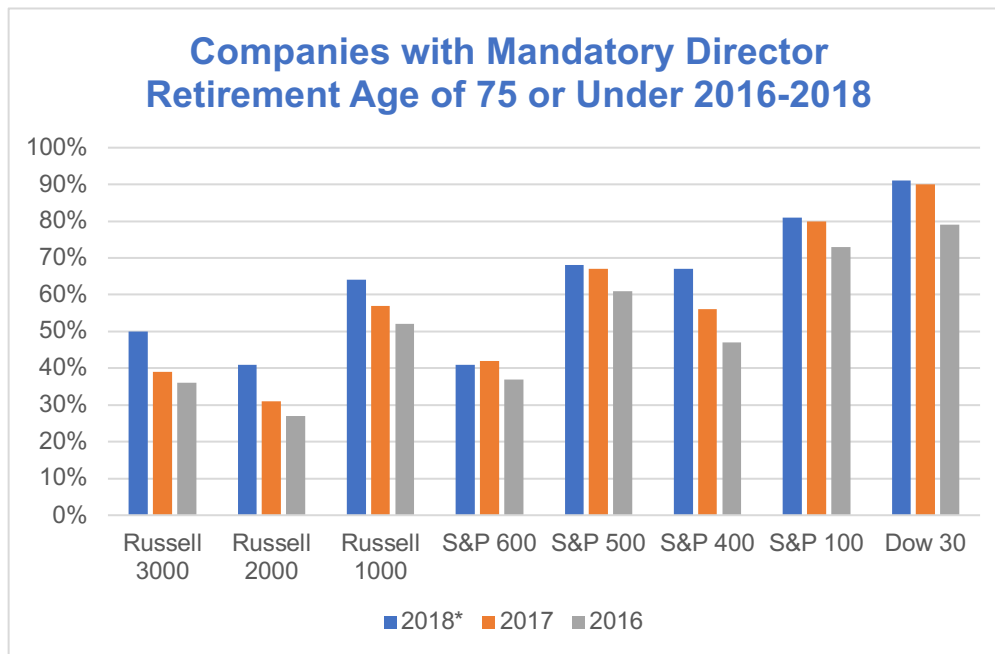
Age Limits for Directors Still Not Common in All Indices -

Mandatory board retirement ages for directors vary by index.

As the chart below shows, 90% of the Dow 30 companies and 80% of S&P 100 companies had an age limit of 75 or under for their directors in 2017, the latest year that full data is available.

It's a different story for the S&P 500 where 67% of the companies there had a 75 or under age limit for their directors in 2017.

Of the Russell 3000 companies, less than half (39%) had a mandatory retirement age of 75 or under age for their directors serving in 2017.



*2018 data is YTD as of 3/15/19

72 and 75 the Most Prevalent Age Limit Among the 8 Indices in 2017 - With board age limits ranging from 60 to 80 in the eight common indices, our research found that age 72 and 75 were the most prevalent.

Index	# of Companies in 2017 with Mandatory Retirement Age of 75 or Under	Most Prevalent Age Limit
Russell 3000	1,145	75
Russell 2000	606	75
Russell 1000	539	72
S&P 600	234	75
S&P 500	333	72
S&P 400	209	75
S&P 100	79	72
Dow 30	27	72

Notable Companies with a Director Age Limit of 75 and Under

Company	Director Age Limit
Microsoft	75
Nike	72
Cisco	70
Walmart	75
Apple	75
Applied Materials	70
Tyson Foods	72
Constellation Brands	70
FedEx	75
Investors Real Estate Services	74
Darden Restaurants	73
Rite Aid Corp	72
J M Sucker	72

Some Companies Differentiates Between Management and Non-Management Directors – Our research found that a handful of companies have begun establishing different age standards depending on a director's status as an insider or outsider.

In January of 2019, FedEx revised its policy so that its existing mandatory board retirement age of 75 applies only to non-management directors. The shipping company made this change to accommodate its founder's ongoing tenure on its board.

Philip Morris also differentiates between management and non-management directors. It has no mandatory retirement age for non-management directors and requires directors who are also officers of the company, other than the chairman, to resign at age 65.

Torchmark is another company that differentiates retirement ages between management and non-management directors. Management directors must retire at age 70 while the most recent outside directors can serve until age 74.