

APPENDIX 1

METHODOLOGY

IMPETUS

In 1993, Catalyst instituted an annual Census to systematically examine women’s representation at the highest levels of corporate America. First assessing the status of women on boards, in 1996 Catalyst expanded the series to measure women’s representation in senior leadership positions. The Census reports were designed to establish accurate statistics and provide points of comparison with the goal of promoting women’s advancement and garnering attention for this issue.

RESEARCH DESIGN

The Catalyst Census utilizes a research methodology that counts a population. This design differentiates Catalyst’s research from studies that utilize survey methodologies, because it removes the need for a representative sample, thereby ensuring a precise picture of women’s status and progress.

Catalyst studies *Fortune* 500 companies as the population not only because these are the largest companies by revenue in the United States each year, but also because they are widely recognized as the most powerful and influential businesses.

Catalyst gathered public data from Securities and Exchange Commission (SEC) annual filings submitted as of June 30, 2010. For insurance companies that do not submit annual filings to the SEC, Catalyst obtained data from the National Association of Insurance Commissioners’ (NAIC) regulatory database of key annual statements submitted as of June 30, 2010. Data submitted to the SEC and NAIC comply with federal or state requirements governing the content and timing of the filings.

To provide additional points of comparison, Catalyst analyzed *Fortune* 500 companies by rank quintiles, regional headquarters’ location, and North American Industrial Classification System (NAICS) industry sectors.

Excluded Companies

2010

Catalyst studied companies on the *Fortune* 500 list published May 3, 2010. Insufficient data for three companies led to their exclusion from analysis. Certain situations prevented the following companies from updating their annual filings with the SEC:

Fortune Rank	Company	Situation	Date
226	Land O’Lakes	Delisted with the SEC (Redeemed bonds)	12/16/2009
238	Peter Kiewit Sons’	Delisted with the SEC (Filed Form 15)	01/15/2008
372	Barnes & Noble	Lacked updated SEC filings	06/30/2010

2009

Catalyst studied companies on the *Fortune* 500 list published May 4, 2009. Insufficient data for four companies led to their exclusion from analysis. Certain events prevented the following companies from updating their annual filings with the SEC:

Fortune Rank	Company	Situation	Date
150	Merrill Lynch	Acquired by Bank of America	09/15/2008
228	Circuit City Stores	Filed for Chapter 11 Bankruptcy	11/10/2008
321	Peter Kiewit Sons’	Delisted with the SEC (Filed Form 15)	01/15/2008
413	Aleris International	Filed for Chapter 11 Bankruptcy	02/12/2009

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2010 Catalyst Census: Fortune 500 Women Board Directors

- Individuals included are those listed in SEC filings as serving on the board up to the annual meeting of shareholders and those listed in NAIC filings as Directors.
- Catalyst uses the race and ethnicity definitions established by the U.S. Census Bureau to collect race/ethnicity information about women directors; however, race and ethnicity are treated as mutually exclusive categories. Catalyst collects data from many sources, including previous Catalyst Census data, diversity publications, and biographies. Catalyst e-mailed and called contacts at Fortune 500 companies to request the verification of the collected race/ethnicity data. Contacts, which varied by company, included employees in media and investor relations departments. Additionally, Catalyst e-mailed women board directors for self-verification.
- The race/ethnicity data was drawn from 491 companies, including 431 companies with complete race/ethnicity data for each woman board director and 60 companies with no women board directors. Verifiable data increased from 477 companies in 2009.

2010 Catalyst Census: Fortune 500 Women Executive Officers and Top Earners

- Individuals included are those listed as Executive Officers¹ in SEC filings and those listed in NAIC filings as Officers.

DEFINITIONS

Board Leadership Positions—Women’s share of board leadership positions is a visible indicator of women’s power on boards. Catalyst records board leadership positions for Fortune 500 companies that submit annual filings to the SEC. Catalyst counts the disclosed board leadership positions—which can include the board chair, lead director, and the chairs of the Audit, Compensation, and Nominating/Governance committees—by company. For analysis purposes, this means that an individual can hold more than one leadership position, either at different companies or within the same company. For example, an individual director serving on two boards can be Company A’s board chair and Company B’s lead director. Another example would be an individual director serving as both the lead director and the compensation committee chair at Company C.

Board Seats—Catalyst collects the names and genders of every board member for each Fortune 500 company. For analysis purposes, this means that directors can serve on more than one company’s board. For example, an individual director who serves on the board of Company A and Company B would be counted twice.

Company Type—2010 analysis is based on 467 public, 13 private, 16 mutual insurance, and 1 cooperative company. A public company has held an initial public offering and has shares that are traded on a stock exchange or in the over-the-counter market. Private companies are owned by one or several individual(s), a family, or a parent company, and do not trade shares on a stock market. A mutual insurance company is owned by its policyholders and does not trade shares on a stock market. Cooperatives are jointly owned by a collective of individuals, operate on the principles of democracy, and do not trade shares. For the purposes of these reports, company type was determined by the 2010 Fortune 500 list and publicly available sources.

Top Earner—Women’s share of top earner Executive Officer positions is a visible indicator of women’s status in companies. Catalyst counts the number of top earners for Fortune 500 companies that submit annual filings to the SEC. Catalyst defines top earners as current Executive Officers whose total compensation is among the top five amounts disclosed.² For analysis purposes, this means that a company can have five or fewer top earners. 2010 analysis is based on 479 companies.

1. “The term executive officer, when used with reference to a registrant, means its president, any vice president of the registrant in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function or any other person who performs similar policy making functions for the registrant. Executive officers of subsidiaries may be deemed executive officers of the registrant if they perform such policy making functions for the registrant.” Source: Electronic Code of Federal Regulations, Title 17: Commodity and Securities Exchange, section 240.3b-7.

2. SEC regulations require the disclosure of the total compensation of at least five individuals: the principal executive officer (CEO), the principal financial officer (CFO), and the company’s three most highly compensated executive officers (excluding the CEO/CFO) as of the end of the company’s last completed fiscal year. In addition, companies must disclose the total compensation of up to two additional individuals who would have been top earners except for the fact that these individuals were not employed as named executive officers as of the end of the company’s last completed fiscal year. Source: Electronic Code of Federal Regulations, Title 17: Commodity and Securities Exchange, section 229.402(a)(3).