

THE 2011 CENSUS
of Women Board Directors
IN MARYLAND



If Not, Why Not?



Network2000
opening doors for women



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Since our founding in 1993, Network 2000 has remained focused on advocating for the advancement of women into the highest echelons of Maryland businesses. Each year, we compile this Census of Women Board Directors in Maryland in order to highlight and generate dialogue about progress in the state.

The last several years have been challenging for the Maryland and U.S. economies. As we prepared this report, we were eager to see if economic challenges have had a disproportionate impact on opportunities for women executives. While there have been gains in some areas – most notably, a smaller percentage of companies with no women on their Boards – we also see slippage in key indicators, such as the percentage of companies with 20% or more of the Board seats held by women.

In 2009, Australia's Corporate Governance Council* recommended that companies disclose whether or not they had a requirement to include a woman on their Board, and "if not, why not?" We like the question. As we've reported in prior years, there is solid research evidence that points clearly to the business advantages of having women in top leadership positions, including reputational effects, circumspect consideration of organizational priorities and concerns, and power and influence of women as consumers and as a talent pool.

We hope you will also consider the question, "if not, why not?" as you review this report. With this data as a backdrop, perhaps we can all engage in a dialogue about the remaining barriers to further advancement and the proposed solutions that will result in wins for everyone – dynamic, effective, and highly-profitable businesses making full use of a broad range of talent in order to meet their goals.

At Network 2000, we are pleased to continue our work in advocacy, mentoring, and awareness and to work with our many partners to ensure that Maryland is at the forefront of efforts to build world-class business entities.

Sincerely,
Karen Weatherholtz, President

**Australian Securities Exchange Media Release dated 12/7/09 "New ASX Corporate Governance Council Recommendations on Diversity."*

Methodology

The Census includes 86 companies on the major exchanges (AMEX, NY and NASDAQ) that are headquartered in Maryland. Data was obtained from the most recent proxy statement (DEF 14A) and annual report (Form 10-K) filed with the Securities and Exchange Commission (SEC) from July 1, 2009 through June 30, 2010. Industry data was obtained using the North American Industry Classification

System (NAICS). Companies were classified using Hoover's classification system, company websites and various website searches. Data regarding Executive Officers and Most Highly Compensated Officers are those listed in SEC filings. Information regarding women of color will be obtained by contacting the company's corporate secretary or other company officials.

Executive Summary

While the Census indicates some bright spots in the progress made for the advancement of women on corporate boards and in the executive suite, there were a number of areas that showed a decline in the progress made in previous years. Clearly, the downturn in the Maryland economy has had an impact on the results of the Census starting with a significant reduction in the number of companies included in this year's Census.

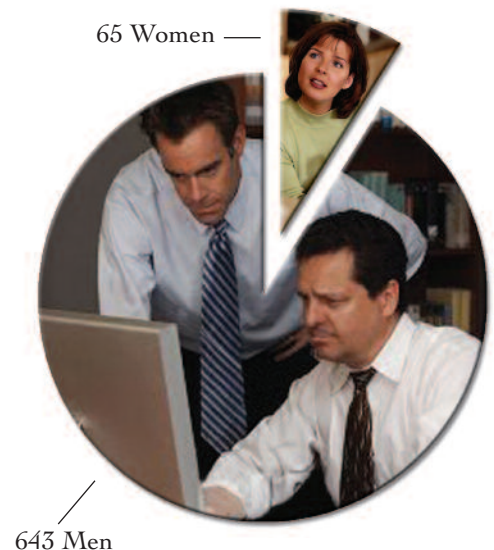
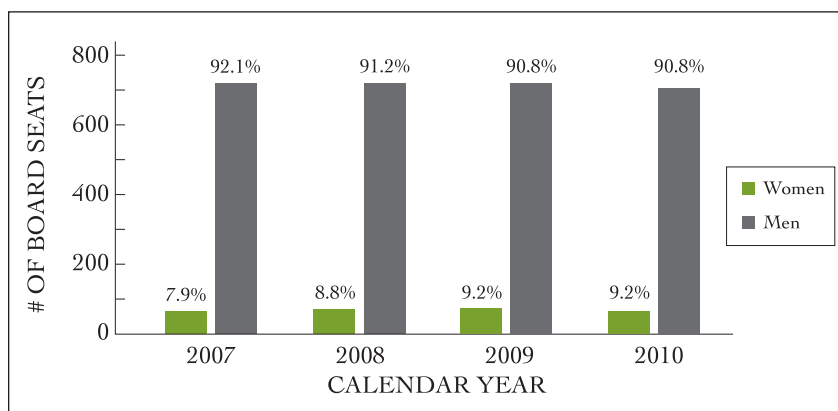
- The number of Maryland public companies dropped from 92 in 2009 to 86 in 2010.
- Women held 6 fewer board seats in Maryland in 2010. Nevertheless, the percentage of board seats held by women remained the same as last year – 9.2%.
- Forty companies (43.5%) had NO women on their corporate boards of directors, an improvement over 44 (47.8%) in 2009. However, the number of companies where women held 20% or more of the board seats decreased significantly – from 14 (15.2%) in 2009 to 9 (10.5%) in 2010.
- The number of companies in Maryland with no women executives declined from 55 (59.8%) in 2009 to 54 (58.7%) in 2010.
- The number of women among the most highly compensated executives declined from 39 (9.7%) to 34 (9.3%) as did the number and percentage of companies with at least one woman among the most highly compensated executives.
- Fewer companies (28) headquartered in Maryland have NO women in either their boardroom or their executive suite – down from 30 last year.

NOTE: In prior years the Census has tracked the number of board members who are women of color. This year, it was determined that there may be some inaccuracies in that data. The data is being re-examined to assure its accuracy. The verified results will be added to the report in an insert later this year.

Trends in Maryland Mixed

Women hold 65 of the 708 board seats in the 86 companies currently headquartered in Maryland, a decline from 2009 when women held 71 of the 772 seats at the 92 companies then headquartered here. Since there were fewer available board seats, the percentage held by women remained the same – 9.2%. Maryland continues to lag behind the national average of 15.2%.

Fewer Maryland companies now have all-male Boards of Directors. In 2008, they numbered 48; by 2010, their number had dropped to 40. Unfortunately, this is not because more companies diversified their boards, but because fewer companies were included in the Census; specifically, ten companies that were included in 2009 were not included in 2010. Of those ten, eight had no women directors.





○ Fewer Companies Among the Elite

The number of companies where women held 20% or more of their Board seats declined sharply from 14 to 9 as a direct result of the decline in the overall number of women on the boards of existing companies in Maryland.

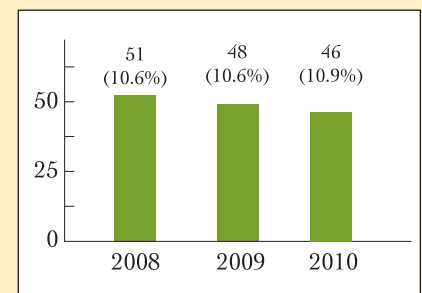
- The Adams Express Company
- Chindex International, Inc.*
- CIENA Corp
- Entremed, Inc.
- Federal Realty Investment Trust*
- First United Corporation
- Glen Burnie Bancorp*
- Medifast, Inc.
- Petroleum & Resources Corporation

**25% or more women directors (three companies versus eight companies in 2009)*

○ Women in the Executive Suite

The number of women executive officers declined from 48 in 2009 to 46 in 2010; however, the percentage increased slightly (10.6% in 2009 versus 10.9% in 2010). Seven companies that had at least one woman executive officer in 2009 experienced a decline in the number of women executive officers in 2010. In fact, six of the seven dropped from having one woman executive officer in 2009 to having none in 2010.

- The Adams Express Company
- Chindex International, Inc.
- Host Hotels & Resorts, Inc.
- Lockheed Martin Corporation
- Novavax, Inc.
- Sandy Spring Bancorp
- Sucampo Pharmaceuticals, Inc.



The decline noted above would have been more significant except for the fact that eight companies did add women to their executive officer group.

Companies adding women executive officers:

- Choice Hotels International, Inc. (from 0 to 2)*
- Carrollton Bancorp, Inc. (from 1 to 2)
- FTI Consulting, Inc. (from 1 to 2)
- Sourcefire, Inc. (from 0 to 1)*
- W. R. Grace & Co. (from 0 to 1)*
- Old Line Bancshares, Inc. (from 1 to 2)
- Petroleum & Resources, Inc. (from 0 to 1)*
- Vanda Pharmaceuticals, Inc. (from 0 to 1)*

In addition, 2010 saw fewer Maryland companies with no women executive officers. This improvement is reflected in both absolute numbers (from 55 to 54) and in percentages (59.8% to 58.7%) over 2009. It is also encouraging to note that five companies [*] in the list above went from having no women executive officers to having at least one.



○ *Maryland's Fortune 500 Companies – Results Above and Below the National Average*

All of Maryland's Fortune 500 companies had at least one woman on their Board, which is significantly higher than the national average of 87.9%. Women hold 15.4% of the board seats in the Fortune 500 companies in Maryland which is just below the national average of 15.7%.

Maryland Companies in the Fortune 500:

- Constellation Energy Group, Inc. (2)
- Coventry Health Care (1)
- Host Hotels & Resorts, Inc. (1)
- Legg Mason, Inc. (2)
- Lockheed Martin Corporation (2)
- Marriott International, Inc. (2)

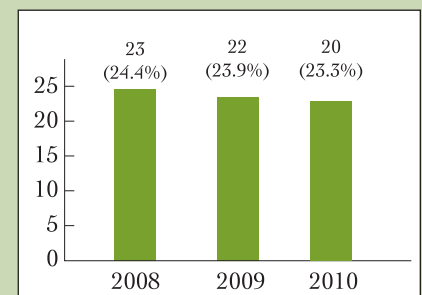
Number of women is indicated in parenthesis. Information based on the 2010 Fortune 500 list of companies.

○ *Disappointing News For “Best of the Best”*

There was a slight drop in two measures for the “Best of the Best.” The number and percentage of companies with at least one woman on the Board AND one woman as an executive officer has dropped since 2009 (22 companies in 2009 (23.9%) to 20 companies in 2010 (23.3%)). The number of companies with 20% or more women on the Board AND in the executive suite declined from 7 or 7.6% to 6 or 6.9%.

Still, there are standouts such as Chindex International, Inc., which boasts:

- a woman CEO
- 57% of Board seats held by women
- 50% of executive officers are women
- 3 of the 5 most highly compensated officers are women



Companies With at Least 1 Woman on the Board and 1 Woman as an Executive Officer

Honor Roll – Companies with 20% or more women on the Board AND in the executive suite:

- Chindex International, Inc.
- Entremed, Inc.
- Federal Realty Investment Trust
- First United Corporation
- Medifast, Inc.
- Petroleum & Resources Corporation

“ If companies want to fully realize the contribution that women can make to corporate governance, the goal should be not just to increase the number of boards that include a woman but to increase the number of women on boards. ”

–Konrad, A. and Kramer, V. “How Many Women Do Boards Need?” Harvard Business Review, December 2006

The industry sectors in Maryland in 2010 continued to have a significant impact on the number of women in the boardroom. Once again, the largest industry sectors represented in the national Fortune 500 companies are [a] Manufacturing, [b] Finance and Insurance and [c] Retail Trade. In Maryland, the largest industry sectors are [a] Finance and Insurance, [b] Manufacturing and [c] Professional, Scientific and Technical Services (PS&T). Of the manufacturing and PS&T companies in Maryland, the largest number is in the bioscience/biotechnology fields – industries that continue to be male-dominated.

Nationally, the industry sector with the most women directors is Manufacturing, closely followed by Retail Trade and Finance and Insurance. In Maryland, Retail Trade, a category that welcomes women, is one of the smallest sectors in the Census.

The impact of women-receptive sectors continues to be significant in Maryland and sets the State apart from national statistics.

MARYLAND COMPANIES WITH NO WOMEN ON THEIR BOARD BY INDUSTRY

Industry	Number of Companies	Number of Companies with No Women on the Board	% with No Women
Construction	1	1	100%
Finance and Insurance	30	11	37%
Health Care and Social Assistance	3	1	33%
Information	4	3	75%
Manufacturing	27	12	44%
Mining	1	1	100%
Professional, Scientific & Technical Services	10	6	60%
Retail Trade	1	1	100%
Wholesale Trade	2	2	100%
Other Services	2	2	100%

NAICS Industry	2010 National Number of Companies	2010 National % of Women Directors	2010 Maryland Number of Companies	2010 Maryland % of Women Directors
Accommodations and Food Services	11	14.0%	3	15%
Agriculture, Forestry, Fishing & Hunting	4	11.6%	0	0%
Administrative & Support, Waste Management & Remediation Services	0	0.0%	0	0%
Arts, Entertainment, and Recreation	1	0.0%	0	0%
Construction	5	4.3%	1	0%
Educational Services	0	0.0%	1	14%
Finance and Insurance	84	17.4%	30	10%
Health Care and Social Assistance	9	14.9%	3	24%
Information	32	14.9%	4	3%
Manufacturing	164	31.8%	27	9%
Mining	14	10.0%	1	0%
Other Services (include Public Administration)	1	0.0%	2	0%
Professional, Scientific, and Technical Services	21	14.9%	10	6%
Real Estate and Rental and Leasing	5	14.3%	0	0%
Retail Trade	60	17.7%	1	0%
Transportation and Warehousing	24	13.0%	0	0%
Utilities	33	16.8%	1	18%
Wholesale Trade	29	14.0%	2	0%
Total	497	15.7%	86	

If Not, Why Not?

In 2010, twenty-eight companies had NO women on their boards and NO women executive officers. While this is an improvement from the 30 recorded in 2009, the challenge must be made and the question asked: "If you do not have women on your board or in your executive suite, why not?"

- American Capital Agency Corp.
- BCSB Bancorp, Inc.
- Brekford Corporation
- Broadsoft, Inc.
- Catalyst Health Solutions, Inc.
- Celsion Corporation
- CommerceFirst Bancorp, Inc.
- Conmed Healthcare Management, Inc.
- Discovery Communications, Inc.
- Eagle Bancorp, Inc.
- First Potomac Realty Trust
- GenVec, Inc.
- India Globalization Capital, Inc.
- Jos. A. Bank Clothiers, Inc.
- Micromet, Inc.
- Nabi Pharmaceuticals
- Neuralstem, Inc.
- Novavax, Inc.
- Omega Healthcare Investors, Inc.
- OPNET Technologies, Inc.
- RegeneRX Biopharmaceuticals, Inc.
- Rexahan Pharmaceuticals, Inc.
- Saul Centers, Inc.
- Severn Bancorp, Inc.
- TeleCommunication Systems, Inc.
- Tessco Technologies, Inc.
- Universal Security Instruments, Inc.
- Vocus, Inc.

About Network 2000

Founded in 1993 by a small group of women business leaders determined to advance women in executive leadership roles, we are proud of our accomplishments to date and enthusiastic about the opportunities and challenges ahead. Now in our 18th year, Network 2000's key organizational values reflect an on-going commitment to the mission we established:

- We are a volunteer-led, non-profit 501(c)(3) organization;
- We value and promote women's leadership;
- We mentor rising leaders;
- We honor Women of Excellence;
- We recognize businesses that promote women in leadership positions;
- We are women who give back to our community; and,
- We are women who reinforce each other.

2010 – 2011 Officers

Karen Weatherholtz, *President*

Ellen Fish, *President Elect*

Diane D'Aiutolo, *Vice-President*

Elise Morris, *Secretary*

Harriet Cooperman, *Treasurer*

Ellen Yankellow, *Immediate Past President*

Women on Corporate Boards Committee

Tina Corner, co-chair

Nancy Sloane, co-chair

Harriet Cooperman

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Ellen Fish

Toby Gordon

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Sharon Pinder

Mary Louise Preis

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Mary Ann Scully

Margaret Wood

Network 2000 acknowledges the contribution for printing the 2011 Census Report by:

Elisabeth Albert Hayes, *Vice President & Securities Analyst and Director, Chapin Davis, Inc.*
Member, Network 2000's Women on Corporate Boards Committee



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The 2011 Census Report of Women Board Directors in Maryland
is researched, compiled and published by Network 2000, Inc.

Acknowledgements

Network 2000 would like to acknowledge the research conducted by intern Genese Rogers, a doctoral student at the Graves School of Business and Management, Morgan State University. Network 2000 would also like to thank Wendy Emrich of Integrated Designs, Inc. for the design of the Census report.