



Board of Directors Compensation Report 2023 / 2024

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2023/2024 BOARD OF DIRECTORS COMPENSATION REPORT

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Introduction

The responsibility of a Board of Directors has experienced change in recent years as a focus on Environmental, Social, and Governance (ESG) and Diversity, Equity, and Inclusion (DEI) have become paramount for business success and growth. By creating a workforce that is environmentally conscious, equitable, and inclusive, businesses will better reflect the customers and communities they serve.

It is crucial for Boards of Directors to value ESG as they directly impact a company's reputation and long-term sustainability. TCS finds embracing environmental changes will "future-proof" operations against regulatory changes, implementing social considerations will strengthen reputation and attract top talent, and fair governance practices will build trust amongst stakeholders and investors.

Companies find that improvements to DEI and ESG often come concurrently. A diverse boardroom is much more likely to be aware of how issues may affect different communities, which will enable leadership to alter strategy accordingly. These changes will be seen as responsible and forward-thinking, and they will reduce any potential liabilities or negative impacts on reputation.

Furthermore, inclusive and conscious Boards of Directors tend to service employees who feel respected and safe, which lend itself to a company with a thriving culture that is well-equipped to achieve its fullest potential. Despite it being in a company's best interest to make these diversity changes, national and state regulatory agencies are beginning to require minimum diversity levels in the boardroom.

In 2021, the SEC approved a new rule requiring all NASDAQ listed companies to have at least two diverse directors – one woman and one member of an underrepresented minority or self-identifying member of the LGBTQ+ community. The rule allowed for a grace period, requiring only one diverse director by August 2023 and the second diverse director by August 2025. As a result, companies are expected to disclose their board diversity on their annual proxy in table format.

Total Compensation Solutions (TCS) works closely with the U.S. Board of Directors to ensure these timely issues are captured as part of this 18th edition of our Board of Directors' compensation report. This report incorporates proxy data from **2,540** companies across twelve industry sectors. This survey is designed to be the primary data source for board compensation among public companies and select private companies that need an objective and unbiased source of information to support their decision-making process. Total Compensation Solutions is pleased to respond to that need with the publication of the **2023/2024 TCS Board of Directors' Compensation Report**.

Introduction (continued)

TCS has extensive experience working with Boards of Directors and Trustees. We have conferred with our clients to create this report and meet their need for timely, accurate compensation information that will support their compensation decisions.

This study reflects background research on:

- Board structure,
- Compliance,
- Governance policies and practices, and
- Board Compensation.

The TCS database publishes Board of Directors compensation practices by both industry and revenue size. Since revenue is one of the biggest drivers of compensation, we provide data by the following revenue size categories:

- Revenue up to \$50 Million
- Revenue \$50 Million to \$100 Million
- Revenue \$100 Million to \$500 Million
- Revenue \$500 Million to \$1 Billion
- Revenue over \$1 Billion

TCS analysts screen, check and verify all data to ensure accuracy and statistical significance. This report is divided into four sections:

Section I	Executive Summary	Introduction to the study and its overall objective to provide a comprehensive source of data for Board Compensation issues; company demographics; and key findings.
Section II	Data Analysis	Analysis of policies and practices of the companies in the report.
Section III	Compensation Data	Board Compensation Data for All Companies and twelve Industry Cuts for Chairman, Lead Director, Regular Board Member, Committee Chair, Committee Member, and Total Board Cost.
Section IV	Reference Section	Methodology and Definitions, definition and explanation of the role of the Board and its Committees; Role of Lead Director; Sample Committee Charters; Total cash compensation determination; and the list of companies included in the report.

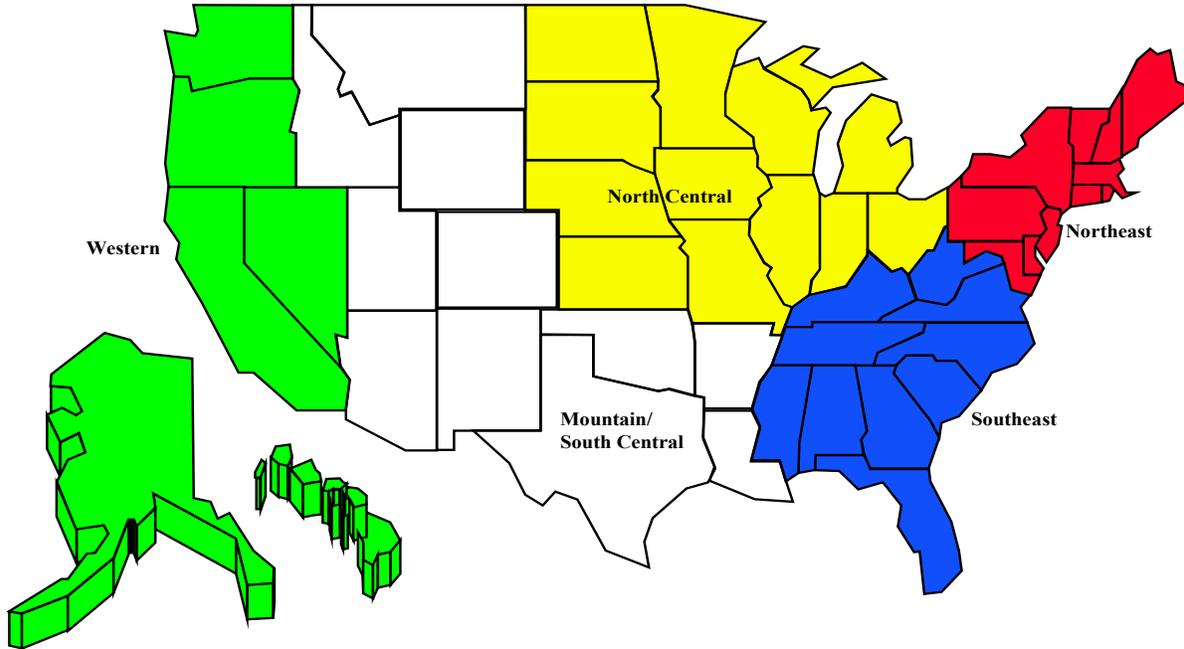
Introduction (continued)

TCS is pleased to provide this report on 2023/2024 Board of Directors' Compensation. We appreciate the input of our clients and subscribers on the topics covered in this report and we are committed to assisting all Boards with their compensation programs.

If you have any questions on this report or would like to provide comments on this study, please call our offices at 914-730-7300 or email your questions to: Thomas Mackey tmackey@total-comp.com.

Demographics

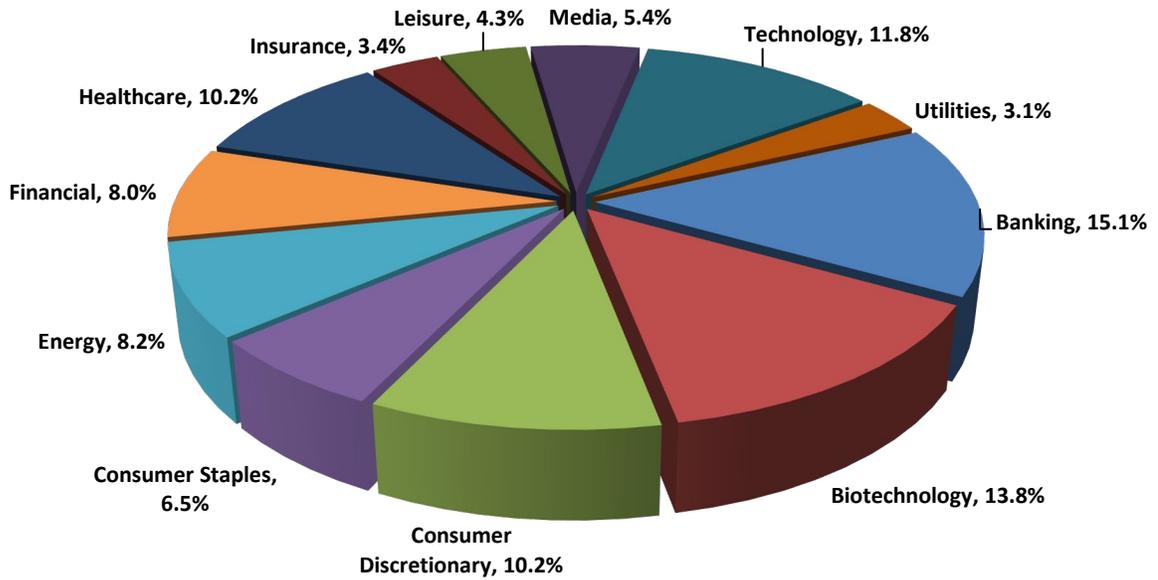
Geographic Breakdown of Report Companies



Region	Number	Percent of Total
Northeast	793	31.2%
Southeast	362	14.3%
North Central	354	13.9%
Mountain/South Central	441	17.4%
Western	590	23.2%
Total	2,540	100.0%

Demographics – (continued)

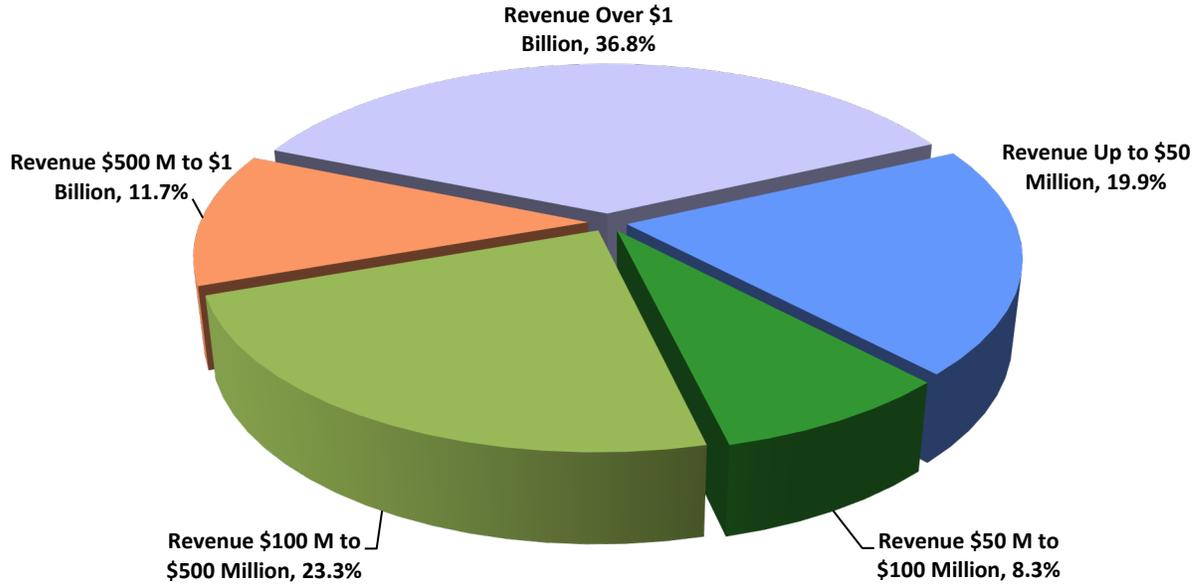
Industry Breakdown of Report Companies



Industry	Number	Percent of Total
Banking	383	15.1%
Biotechnology	350	13.8%
Consumer Discretionary	258	10.2%
Consumer Staples	164	6.5%
Energy	209	8.2%
Financial	203	8.0%
Healthcare	260	10.2%
Insurance	87	3.4%
Leisure	109	4.3%
Media	138	5.4%
Technology	299	11.8%
Utilities	80	3.1%
Total	2,540	100.0%

Demographics – (continued)

Size Breakdown of Report Companies



Size of Company	Number	Percentage
Revenue Up to \$50 Million	506	19.9%
Revenue \$50 Million to \$100 Million	211	8.3%
Revenue Over \$100 Million to \$500 Million	592	23.3%
Revenue Over \$500 Million to \$1 Billion	296	11.7%
Revenue Over \$1 Billion	935	36.8%
Total	2,540	100.0%

2023/2024 Board of Directors Compensation Report

Banking - Regular Board Member

Financial Statistics	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Revenue (\$000's)	383	1,659,791	63,366	149,002	483,777
Cash Compensation	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	306	41,697	21,150	36,000	55,000
Per Meeting Fee (\$)	125	1,433	750	1,000	1,500
Annual Retainer and Meeting Fees	93	25,597	12,000	20,000	30,000
Total Cash Compensation	306	41,697	21,150	36,000	55,000
Total Cash Compensation & Equity	338	81,149	30,558	63,750	108,000
Equity/Stock Compensation	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Stock Awards - Dollar Amount	260	56,420	24,602	41,175	70,000
Stock Awards - Number of Shares	149	2,076	750	1,377	2,296
Stock Options - Number of Shares	16	6,925	1,000	1,528	6,250
Northeast	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	95	37,679	20,000	30,000	52,167
Per Meeting Fee (\$)	41	1,360	750	1,000	1,500
Annual Retainer and Meeting Fees	31	19,353	11,750	20,000	24,500
Total Cash Compensation	95	37,679	20,000	30,000	52,167
Southeast	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	69	41,729	20,000	35,000	60,000
Per Meeting Fee (\$)	32	1,197	744	1,000	1,500
Annual Retainer and Meeting Fees	24	24,121	7,375	22,500	33,625
Total Cash Compensation	69	41,729	20,000	35,000	60,000
North Central	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	62	39,997	20,750	34,250	45,938
Per Meeting Fee (\$)	24	1,492	750	1,000	1,961
Annual Retainer and Meeting Fees	19	33,016	13,500	20,000	33,750
Total Cash Compensation	62	39,997	20,750	34,250	45,938
Mountain/South Central	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	25	44,290	25,000	40,000	60,000
Per Meeting Fee (\$)	14	1,639	850	1,000	2,125
Annual Retainer and Meeting Fees	8	25,656	17,500	20,500	35,000
Total Cash Compensation	25	44,290	25,000	40,000	60,000
Western	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	55	49,333	36,000	48,000	57,500
Per Meeting Fee (\$)	14	1,875	1,050	1,375	2,750
Annual Retainer and Meeting Fees	11	33,555	15,000	22,000	45,000
Total Cash Compensation	55	49,333	36,000	48,000	57,500

2023/2024 Board of Directors Compensation Report

Banking - Regular Board Member

Revenue Up to \$50 Million	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	33	17,316	7,500	16,000	21,000
Per Meeting Fee (\$)	27	928	713	805	1,050
Annual Retainer and Meeting Fees	17	11,784	5,000	12,000	19,100
Stock Awards - Dollar Amount	21	23,342	6,000	9,650	16,350
Stock Awards - Number of Shares	12	3,174	290	675	2,638
Stock Options - Number of Shares	5	9,368	760	1,000	10,000
Total Cash Compensation	33	17,316	7,500	16,000	21,000
Total Cash Compensation & Equity	39	27,221	8,485	19,000	32,410
Revenue \$50 Million to \$100 Million	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	62	27,249	15,150	25,000	34,375
Per Meeting Fee (\$)	35	1,281	800	1,000	1,500
Annual Retainer and Meeting Fees	25	16,972	10,000	15,600	24,000
Stock Awards - Dollar Amount	48	30,015	18,375	20,997	33,750
Stock Awards - Number of Shares	36	2,054	692	1,195	1,902
Stock Options - Number of Shares	5	9,391	1,555	3,200	5,000
Total Cash Compensation	62	27,249	15,150	25,000	34,375
Total Cash Compensation & Equity	74	42,300	21,126	36,538	57,016
Revenue \$100 Million to \$500 Million	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	120	36,836	25,000	35,000	46,688
Per Meeting Fee (\$)	44	1,450	800	1,000	1,500
Annual Retainer and Meeting Fees	35	25,210	17,750	22,000	30,000
Stock Awards - Dollar Amount	106	43,020	26,625	35,155	50,000
Stock Awards - Number of Shares	57	1,604	715	1,200	1,850
Stock Options - Number of Shares	5	1,400	1,000	1,500	1,500
Total Cash Compensation	120	36,836	25,000	35,000	46,688
Total Cash Compensation & Equity	131	68,553	44,500	63,500	88,706
Revenue \$500 Million to \$1 Billion	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	42	50,463	45,000	51,667	60,000
Per Meeting Fee (\$)	7	1,650	1,125	1,500	2,250
Annual Retainer and Meeting Fees	6	37,917	31,875	43,750	50,000
Stock Awards - Dollar Amount	39	66,719	50,019	60,000	70,915
Stock Awards - Number of Shares	21	2,108	1,229	1,854	2,800
Stock Options - Number of Shares	1	--	--	--	--
Total Cash Compensation	42	50,463	45,000	51,667	60,000
Total Cash Compensation & Equity	43	109,802	97,519	108,000	122,510
Revenue Over \$1 Billion	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	49	80,786	60,000	75,000	97,000
Per Meeting Fee (\$)	12	2,821	1,875	2,000	3,150
Annual Retainer and Meeting Fees	10	64,600	38,750	50,000	93,750
Stock Awards - Dollar Amount	46	121,222	75,000	112,500	136,875
Stock Awards - Number of Shares	23	2,682	1,439	2,173	2,727
Stock Options - Number of Shares	--	--	--	--	--
Total Cash Compensation	49	80,786	60,000	75,000	97,000
Total Cash Compensation & Equity	51	186,955	137,500	190,000	230,000

Survey Methodology

The 2023/2024 Board of Directors Compensation Report provides industry specific data on Board of Directors' and committee compensation. Data in this report is compiled from 2022-2023 filings (IRS Form DEF-14A) for over 2,500 companies. In addition, TCS compiles financial information on these companies from public disclosures reported on Yahoo Finance.

For this report, TCS compiles data on Board compensation for all industries combined and separately on twelve distinct industry groups: Banking, Consumer Discretionary, Consumer Staples, Energy, Financial, Healthcare, Insurance, Media, Technology, Leisure, Biotechnology & Utilities.

Within these industry groups, TCS provides data for Chair, Lead Director and Regular Board Member for all industries combined and for each of the industry groups. The pay elements reported include:

- Retainers,
- Per Meeting Fees,
- Annual & Per Meeting Fees
- Total Cash Compensation and
- Stock Awards and Stock Options (Combined industry group only)

This report provides statistical results for companies of varied size within each industry group. Companies of various sizes (e.g., Up to \$50 million in revenue to over \$1 billion in revenue) can identify their size group and benchmark their Board of Directors' Compensation practices against companies of similar size and industry.

For added accuracy, the report provides data in percentiles format. Percentiles illustrate the dispersion of market data and provide information without listing actual data points. The data in this report is ranked from lowest to highest for these percentiles:

- 25th percentile - 25% of the sample lies below this point.
- 50th percentile - 50% of the sample lies below this point. (Midpoint of all values)
- 75th percentile - 75% of the sample lies below this point.

This report also provides compensation data for committee chairs and committee members for the six most prevalent committees including: Audit, Compensation, Nominating & Governance, Executive, Finance & Risk Management.

Definition of Terms Used in this Report

Chair: Non-employee Director or Trustee who is elected and serves as Chair of the Board.

Regular Board Member: Non-employee Director or Trustee who is elected and serves as a member (not the Chairman of the Board).

Committee Chairman: Regular Board Member who has been appointed as a chairman of a committee. The report assumes that this member meets all independence requirements.

Regular Committee Member: Regular Board Member who serves on a committee. The report assumes that this member meets all independence requirements.

Annual Retainer: Cash compensation paid to a Chairman, Lead Director or Regular Board Member on an annual basis. In this report if companies paid retainers quarterly or monthly, we annualized the amount for compensation data reporting.

Per Meeting Fee: A cash fee paid to a Chairman, Lead Director or Member for each board or committee meeting attended.

Annual Retainer & Per Meeting Fees: This is a calculation for only companies that pay both annual retainers and per meeting fees. The formula used for this calculation is: **(Annual Retainer) + (Per Meeting Fee x Number of Meetings)**

Total Cash Compensation: This calculation is the same as Annual Retainer + Per Meeting Fees but includes all companies regardless of whether they pay annual retainers and/or per meeting fees.

Total Cash Compensation & Equity: This calculation is the same as Total Cash Compensation but includes all companies regardless of whether they pay annual retainers and/or per meeting fees and stock compensation.

Total Compensation: All compensation received by a chairman, lead director or regular Board member which could include any and all of the following: Board Retainers, Per Meeting Fees, Committee Retainers, Committee Per Meeting Fees and Stock. See detail chart on page 134.

Stock Award: Stock shares granted to Chairman, Lead Director and Regular Board Members as part of a compensation package. The recipient does not have to buy the stock shares but there may be restrictions on when the stock can be sold.

Stock Option: The right to buy the company's stock at a specific price. The recipient has to buy the stock shares and there might be restrictions on when the stock can be bought and/or sold.

TCS Total Compensation Solutions

- Total Compensation Solutions is an independent human resources consulting firm that *assists clients in achieving their strategic compensation objectives*.
- TCS uses market data to identify best practices on a variety of topics including: board compensation; executive, middle management and staff compensation; performance management; organization structure; health and welfare; and retirement benefits.
- From offices in Armonk, NY, TCS gathers and reports information on compensation, personnel practices, and benefits and applies the most effective, market-driven solution to each organization's unique circumstances.
- If you have any questions on this report or would like to comment on this survey or future editions, please call our offices at 914-730-7300 or email your questions to: Thomas Mackey tmackey@total-comp.com

TCS is a trusted advisor to Boards of Directors; Management; and trade associations throughout the U.S. and provides comprehensive compensation consulting services in a variety of industries. For more information about Total Compensation Solutions, please visit our website: www.total-comp.com or contact us at:

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