



Board of Directors Compensation Report 2019 / 2020

TCS Total Compensation Solutions
www.total-comp.com

Published By



**200 Business Park Drive
Armonk, NY 10504
Phone: 914.730.7300
Fax: 914.730.7303
www.total-comp.com**

2019/2020 BOARD OF DIRECTORS COMPENSATION REPORT

January 2020

All rights reserved. © 2020 Total Compensation Solutions, LLC. Printed in the United States of America.

This publication of the 2019/2020 Board of Directors Compensation Report may not be reproduced, stored in a retrieval system, or transmitted in whole or in part, in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the prior written permission of Total Compensation Solutions, LLC. 200 Business Park Drive, Armonk, NY 10504.

The information provided in this report is confidential and for the use of the subscribing organization only. By accepting this material, you agree that it will not be reproduced, copied, transmitted or disclosed to organizations or persons outside of your organization.

Table of Contents

Section	Page
I. Executive Summary	
Introduction-----	2
Company Demographics -----	5
Findings and Observations-----	8
II. Data Analysis	
Board Structure -----	13
Committee Structure-----	17
Board Compensation -----	19
III. Board Compensation	
All Companies -----	24
Banking Industry -----	32
Consumer Goods Industry -----	40
Energy Industry -----	48
Financial Industry-----	56
Healthcare Industry -----	64
Insurance Industry-----	72
Media Industry-----	80
Technology Industry -----	88
Leisure Industry-----	96
Biotechnology Industry -----	104
Transportation Industry -----	112

Table of Contents (continued)

IV. Reference	
Methodology -----	121
Definitions -----	122
Role of the Board of Directors -----	123
Role of the Lead Director -----	124
Typical Charter for Board Committees -----	125
Governance Issues and Regulatory Agencies -----	128
Total Compensation Determination -----	129
Total Compensation Solutions, LLC -----	130

I. EXECUTIVE SUMMARY

Introduction

The growth of activist investors has led to unprecedented scrutiny on Board of Director's policies and compensation. Throughout this study, TCS observed pay variances when comparing industry sectors. The vehicles used to compensate board members differ based on industry sector, with some industries focusing on cash retainers while others allocate their board benefits based on company performance through the use of stock grants.

With a growing reliance on technology, Boards of Directors have had to push management to be at the forefront of technology advancement. Whether it be via technology to advance business practices to stay competitive with the market or using technology to help mitigate risk factors facing companies, Boards of Directors need to take a proactive approach or risk falling behind in an ever-advancing technological world. Growing concerns relating to cybersecurity have seen Boards of Directors searching for new members with backgrounds in technology and/or security. Adding a member, or members, with expertise in this area is a first step in combating the cyber-threats facing companies today.

Boards of Directors are taking a more hands-on approach to company culture amidst the social concerns facing companies from shareholders and society at large. Corporate scrutiny has reached an all time high when it comes to shareholders concerns pertaining to environmental impacts, gender equality, and safety in the workplace. Gender diversity laws in California call for Boards of Directors to have a least one female Board member by the close of 2019 and two female members by the end of 2021. This is growing trend in all industries with shareholders calling for increasing diversity and inclusion when looking at board composition.

Welcome to the fourteenth edition of Total Compensation Solutions' (TCS) Board of Directors Compensation Report. This report includes proxy data from 2,653 companies across eleven industry sectors. The Board of Directors is tasked with establishing a philosophy for compensating themselves and endeavoring to ensure comparability when potential adjustments are being considered. The Board needs an objective and unbiased source of information to support its decision-making process, and Total Compensation Solutions is pleased to respond to that need with the publication of the **2019/2020 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 explores data on:

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

The TCS database allows us to examine Board of Director compensation practices by both industry and revenue size. Companies in this study are grouped into 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 database analysts screen, check and verify all data points 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. Not necessarily related to compensation data.
Section III	Compensation Data	Compensation Data for All Companies and Eleven Industry Cuts for Chairman, Lead Director, Regular Board Member, Committee Chair, Committee Member, and Total Board Cost.
Section IV	Reference Section	Methodology and Definitions, define and explain 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.

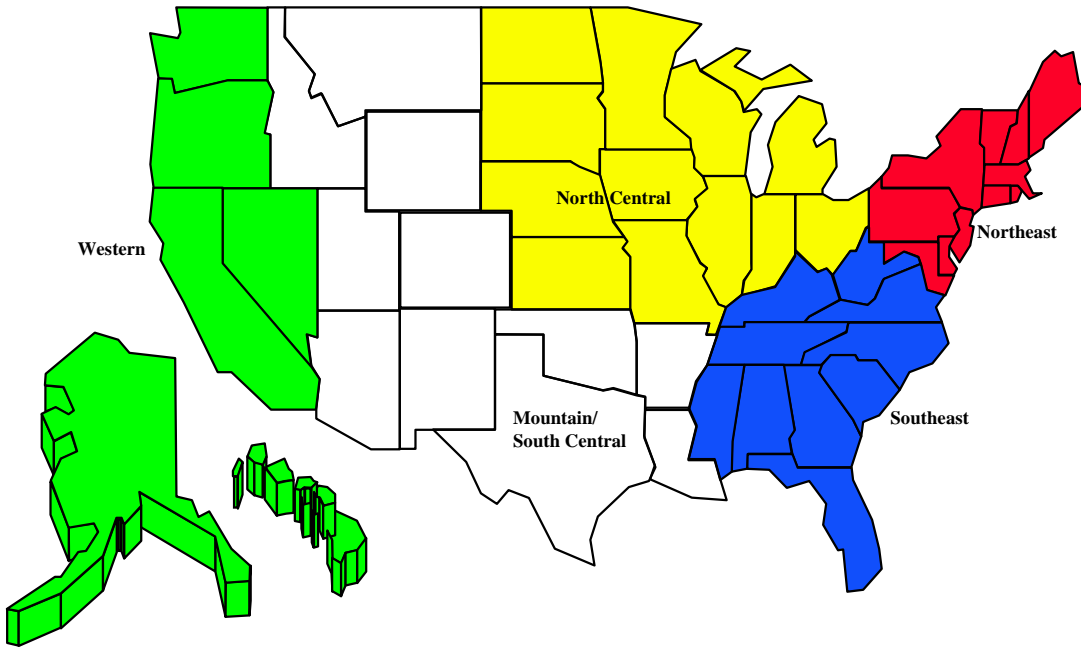
Introduction – (continued)

TCS is pleased to provide this report on 2019/2020 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: Tom Bailey tbailey@total-comp.com or Paul Gavejian pgavejian@total-comp.com

Demographics

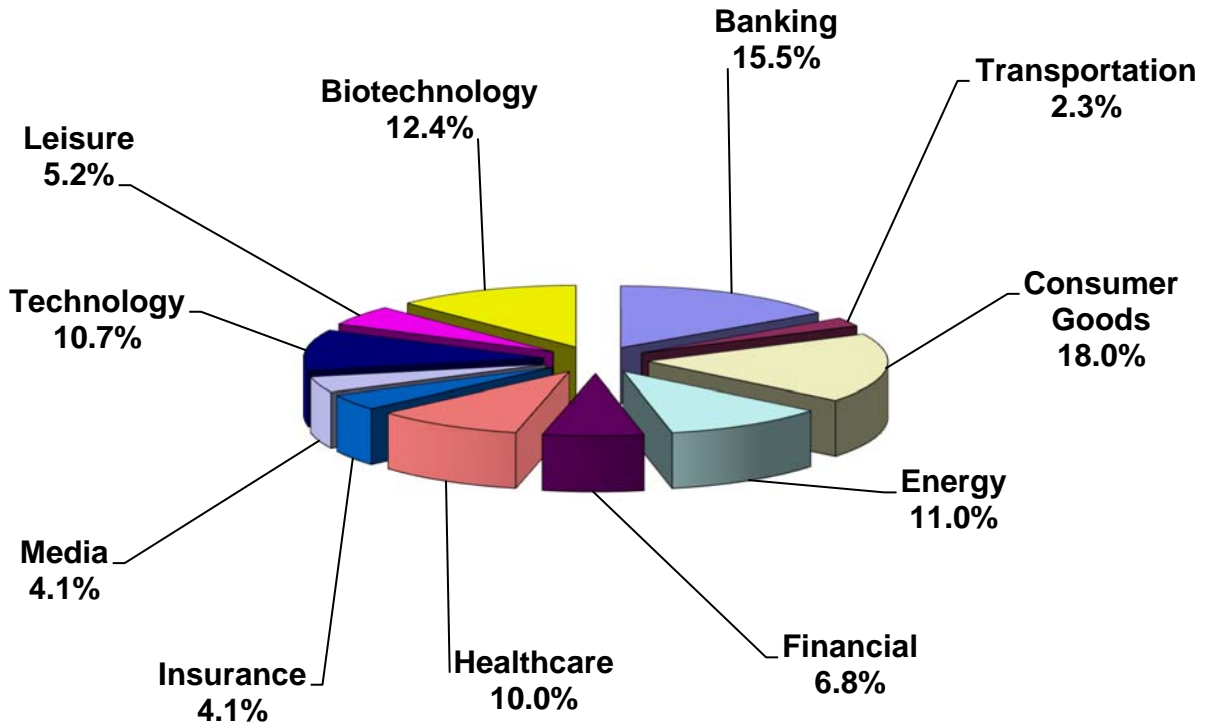
Geographic Breakdown of Report Companies



Region	Number	Percentage
Northeast	803	30.3%
Southeast	416	15.7%
North Central	398	15.0%
Mountain/South Central	499	18.8%
Western	537	20.2%
Total	2,653	100.0%

Demographics – (continued)

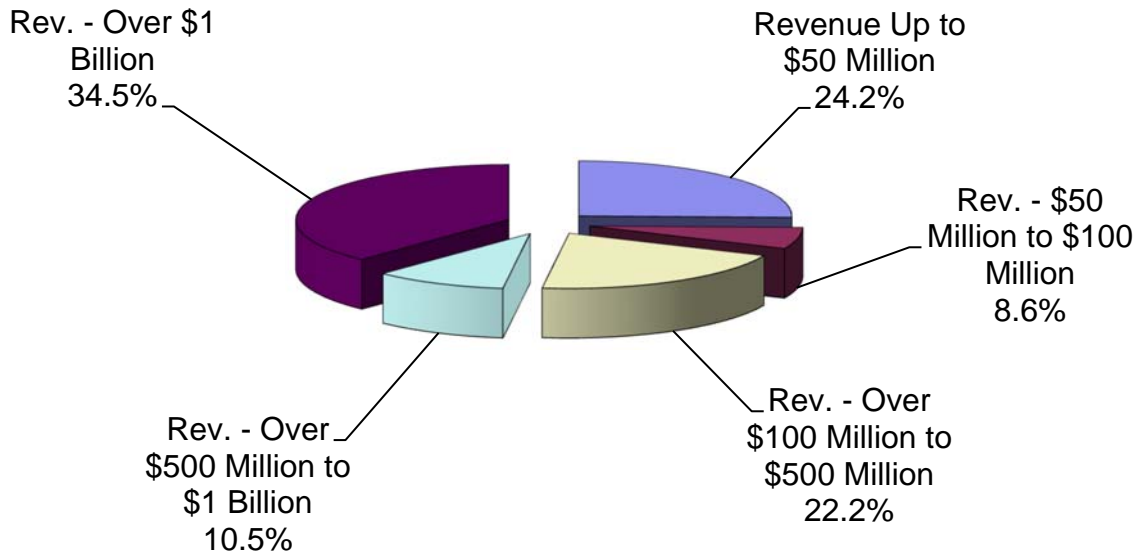
Industry Breakdown of Report Companies



Industry	Number	Percent
Banking	410	15.5%
Consumer Goods	477	18.0%
Energy	292	11.0%
Financials	180	6.8%
Healthcare	266	10.0%
Insurance	109	4.1%
Media	109	4.1%
Technology	285	10.7%
Leisure	137	5.2%
Biotechnology	328	12.4%
Transportation	60	2.3%
Total	2,653	100.0%

Demographics – (continued)

Size Breakdown of Report Companies



Size of Company	Number	Percentage
Revenue Up to \$50 Million	641	24.2%
Rev. - \$50 Million to \$100 Million	228	8.6%
Rev. - Over \$100 Million to \$500 Million	589	22.2%
Rev. - Over \$500 Million to \$1 Billion	279	10.5%
Rev. - Over \$1 Billion	916	34.5%
Total	2,653	100.0%

2019/2020 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)	409	1,548,173	51,350	125,643	395,989
Cash Compensation					
	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	347	36,203	16,000	30,000	50,000
Per Meeting Fee (\$)	189	1,373	750	1,000	1,500
Annual Retainer and Meeting Fees	139	34,764	18,375	26,250	42,250
Total Cash Compensation	396	37,795	18,000	30,000	50,000
Total Cash Compensation & Equity	402	64,861	20,850	39,199	82,875
Equity/Stock Compensation					
	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Stock Awards - Dollar Amount	182	61,031	20,000	40,000	68,731
Stock Awards - Number of Shares	95	3,528	597	1,000	2,200
Stock Options - Number of Shares	17	4,673	1,576	3,000	3,750
Northeast					
	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	106	34,823	14,625	25,000	47,750
Per Meeting Fee (\$)	71	1,507	750	1,000	1,500
Annual Retainer and Meeting Fees	50	32,345	18,650	24,050	37,000
Total Cash Compensation	127	38,383	18,050	28,000	50,000
Southeast					
	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	79	33,685	12,000	25,200	45,000
Per Meeting Fee (\$)	45	991	600	1,000	1,200
Annual Retainer and Meeting Fees	35	32,179	13,300	23,600	42,502
Total Cash Compensation	89	34,267	13,000	25,000	45,000
North Central					
	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	76	34,441	18,000	26,724	40,662
Per Meeting Fee (\$)	36	1,380	738	1,000	1,388
Annual Retainer and Meeting Fees	27	39,086	19,750	27,200	44,525
Total Cash Compensation	85	35,419	18,000	27,480	40,533
Mountain/South Central					
	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	32	37,673	18,000	28,750	55,000
Per Meeting Fee (\$)	17	1,478	800	1,250	1,500
Annual Retainer and Meeting Fees	12	32,379	19,260	26,900	39,850
Total Cash Compensation	37	36,539	15,840	27,800	55,000
Western					
	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	54	44,203	30,000	40,000	60,000
Per Meeting Fee (\$)	20	1,660	1,000	1,400	2,000
Annual Retainer and Meeting Fees	15	42,991	22,400	37,760	50,500
Total Cash Compensation	58	46,203	30,375	41,000	61,500

2019/2020 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 (\$)	66	17,915	7,500	14,400	23,433
Per Meeting Fee (\$)	54	1,180	500	800	1,238
Annual Retainer and Meeting Fees	32	16,949	12,075	17,250	21,419
Stock Awards - Dollar Amount	29	45,112	7,000	10,800	25,000
Stock Awards - Number of Shares	27	2,354	322	750	1,663
Stock Options - Number of Shares	7	4,292	2,038	3,000	6,334
Total Cash Compensation	87	21,093	10,025	18,000	23,250
Total Cash Compensation & Equity	90	34,926	11,438	20,000	29,850
Revenue \$50 Million to \$100 Million	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	69	21,834	10,000	18,000	28,000
Per Meeting Fee (\$)	48	943	600	875	1,000
Annual Retainer and Meeting Fees	35	22,793	15,600	21,000	27,675
Stock Awards - Dollar Amount	23	40,561	11,000	18,000	25,015
Stock Awards - Number of Shares	18	3,967	687	884	1,000
Stock Options - Number of Shares	5	7,039	3,000	3,000	3,197
Total Cash Compensation	82	24,247	13,000	20,900	30,563
Total Cash Compensation & Equity	84	34,776	15,680	25,300	37,120
Revenue \$100 Million to \$500 Million	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	126	35,461	21,150	30,000	47,250
Per Meeting Fee (\$)	57	1,393	1,000	1,200	1,500
Annual Retainer and Meeting Fees	45	34,863	24,750	33,400	42,000
Stock Awards - Dollar Amount	65	50,039	24,978	30,000	50,000
Stock Awards - Number of Shares	38	2,211	821	1,300	3,000
Stock Options - Number of Shares	5	2,840	1,000	2,000	3,000
Total Cash Compensation	138	37,868	24,000	33,500	50,000
Total Cash Compensation & Equity	138	61,437	30,000	49,650	69,375
Revenue \$500 Million to \$1 Billion	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	39	46,295	30,000	40,000	51,250
Per Meeting Fee (\$)	13	2,306	1,500	2,000	3,000
Annual Retainer and Meeting Fees	11	53,218	44,750	55,000	66,500
Stock Awards - Dollar Amount	32	60,579	47,500	51,250	70,731
Stock Awards - Number of Shares	6	1,679	1,133	1,529	1,658
Stock Options - Number of Shares	--	--	--	--	--
Total Cash Compensation	41	48,600	35,000	50,000	57,000
Total Cash Compensation & Equity	42	93,598	54,000	87,500	118,750
Revenue Over \$1 Billion	No. of Co's	Average	25th Percentile	50th Percentile	75th Percentile
Annual Retainer (\$)	47	76,594	50,000	75,000	90,000
Per Meeting Fee (\$)	17	2,426	1,500	2,000	2,500
Annual Retainer and Meeting Fees	16	83,619	58,125	74,000	105,000
Stock Awards - Dollar Amount	33	111,375	75,000	105,000	125,000
Stock Awards - Number of Shares	6	17,684	1,026	1,152	2,175
Stock Options - Number of Shares	--	--	--	--	--
Total Cash Compensation	48	81,769	58,750	77,000	100,000
Total Cash Compensation & Equity	48	158,339	105,000	157,750	207,375

Methodology

The 2019/2020 Board of Directors Compensation Report is prepared according to standards established by Total Compensation Solutions (TCS). This study reports industry specific data on Board of Directors' and committee compensation. The data in this report is compiled from 2019 proxies (IRS Form DEF-14A) for 2,653 companies. TCS retrieved financial information from public disclosures reported on Yahoo Finance.

For this report, TCS compiles data on Board compensation for all industries combined and for eleven industry groups: Banking, Consumer Goods, Energy, Financial, Healthcare, Insurance, Media, Technology, Leisure, Biotechnology & Transportation.

TCS reports data for Chairman, Lead Director and Regular Board Member within 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 is a statistical report designed to provide maximum benefit to companies of varied size within several industry groupings. As a result, companies of various sizes (e.g., Up to \$50 million in revenue to over \$1 billion in revenue) can isolate their size group and benchmark their Board of Directors' Compensation practices against companies of similar size within their specific industry group.

The report provides data for the pay elements in the percentiles format. Percentiles illustrate the dispersion of the market data and provide information about the data without listing all of the actual data points. To compute a percentile, the data is ranked from lowest to highest.

Percentiles used in this survey report include:

- 25th percentile - 25% of the sample lies below this point.
- 50th percentile - 50% of the sample lies below this point.
(This is the "midpoint" of all values ranked from low-to-high)
- 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.

Definition of Terms Used in this Report

Chairman: Non-employee Director or Trustee who is elected and serves as Chairman 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 140.

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 actually has to buy the stock shares and there might be restrictions on when the stock can be bought and/or sold.



Total Compensation Solutions is an independent human resources consulting firm that *assists clients in achieving their strategic compensation objectives*. The firm uses market data to identify best practices in a variety of topical areas 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 as a trusted advisor to management applies the most effective, market-driven solution to each organization's unique set of circumstances. TCS provides comprehensive compensation consulting services to organizations in a variety of industries. For more information, visit www.total-comp.com or contact us at:

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: Tom Bailey tbailey@total-comp.com or Paul Gavejian pgavejian@total-comp.com

For more information about Total Compensation Solutions, please visit our Website www.total-comp.com or contact us at:

Total Compensation Solutions
200 Business Park Drive
Armonk, NY 10504
Phone: (914) 730 – 7300
Fax: (914) 730 – 7303