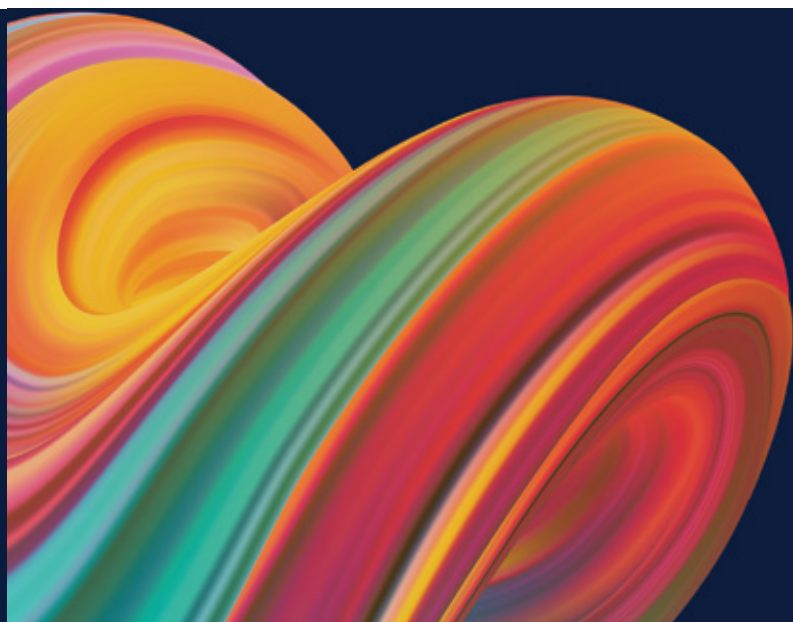


2024 S&P 500 Director Compensation Snapshot



Director compensation in 2024

This report provides a snapshot of the findings of the 2024 *U.S. Spencer Stuart Board Index* on director compensation of S&P 500 boards.

It sets out headline data relating to 2023 compensation levels as reported in the 2024 proxy year (described as 2024 pay throughout the report) and highlights key year-on-year movements. It uses five-year, 10-year and even 20-year comparisons to give context to some of today's most significant trends, revealing where incremental annual shifts are indicative of more significant long-term changes.

Average total director compensation increases about 2% to \$327,096

The average total compensation for S&P 500 directors (excluding independent chairs' fees) is \$327,096, an increase of 1.8% from \$321,220 in 2023.

The trend toward stock compensation continues, maintaining the same levels as last year (58%). Cash accounts for 37% for the third year in a row.

Stock awards remain much more popular than stock options, but after a two-decade decline, the awarding of stock options to directors has increased slightly. In 2004, 68% of boards granted stock options; that had fallen to 18% by 2014 and dropped to 7% last year. This year, 10% of boards awarded stock options to directors.

Highlights: Compensation — S&P 500 directors

AVERAGE TOTAL COMPENSATION*

▲ **\$327,096**

This is a **1.8%** increase from last year

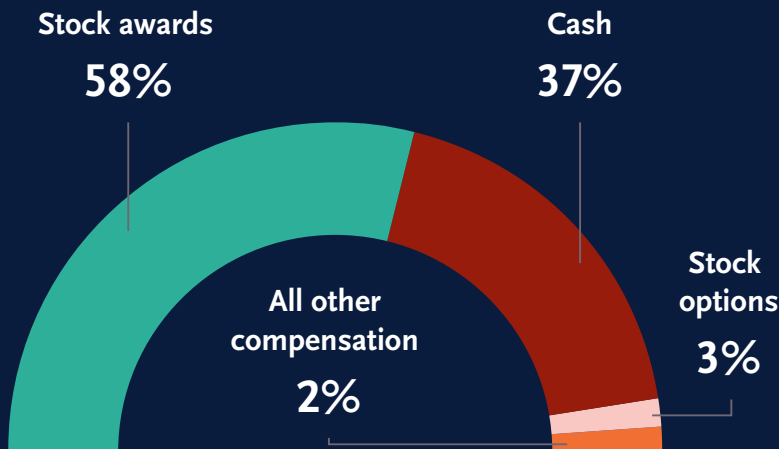
* Excludes compensation of independent chairs; the average including compensation of independent chairs is \$333,633

AVERAGE ANNUAL RETAINER

▲ **\$144,077**

This is a **0.7%** increase from last year

COMPOSITION OF DIRECTOR COMPENSATION



AVERAGE PREMIUM PAID TO INDEPENDENT BOARD CHAIRS

▼ **\$173,279**

This is a **1.3%** decrease from last year

97%

of boards with an independent board chair report additional compensation for this role

TOP THREE HIGHEST PAYING SECTORS (AVERAGE TOTAL COMPENSATION)



AVERAGE PREMIUM PAID TO INDEPENDENT LEAD DIRECTORS

▲ **\$48,755**

This is a **2.2%** increase from last year

94%

of boards with a lead director report additional compensation for this role

A supermajority of boards (68%) offer deferred compensation plans, a percentage point decrease from last year. This has not changed much over the past 20 years: it was 70% in 2004 and 74% in 2014.

THE COMPOSITION OF S&P 500 DIRECTOR COMPENSATION IS THE SAME AS LAST YEAR

	2024	2023
Cash*	37%	37%
Stock awards	58%	58%
Stock options	3%	3%
All other compensation**	2%	2%

* Includes deferred compensation amounts

** "All other compensation" consists of insurance, charitable award programs and incremental costs to the company of products provided

The average retainer rises 1% to \$144,077

The average annual retainer for S&P 500 independent directors is \$144,077, only a slight increase from last year's average of \$143,106. In contrast, last year's increase (5%) was the highest annual increase since 2016 (6%). Over the past 20 years, director retainers have increased 5.4% on an annualized basis.

Retainers vary across the S&P 500. The lowest board retainer is \$35,000 and the highest is \$360,000. Both are partially paid in equity.

About a quarter of boards (26%) pay retainers of less than \$100,000, almost the same level as 2023 (27%). This includes eight boards with retainers under \$50,000 — two fewer than last year.

At the other end of the spectrum, 61 companies (13%) pay retainers of \$300,000 or more, up from 54 companies (11%) a year ago and 21 (4%) five years ago. In total, 74% of boards pay a retainer of at least \$100,000, up from 72% in 2023.

DISTRIBUTION OF ANNUAL RETAINERS*

	2024	2023	2014
Less than \$100,000	26%	27%	57%
\$100,000–\$199,000	52%	49%	29%
\$200,000–\$299,000	9%	12%	14%
\$300,000 or more	13%	11%	0%

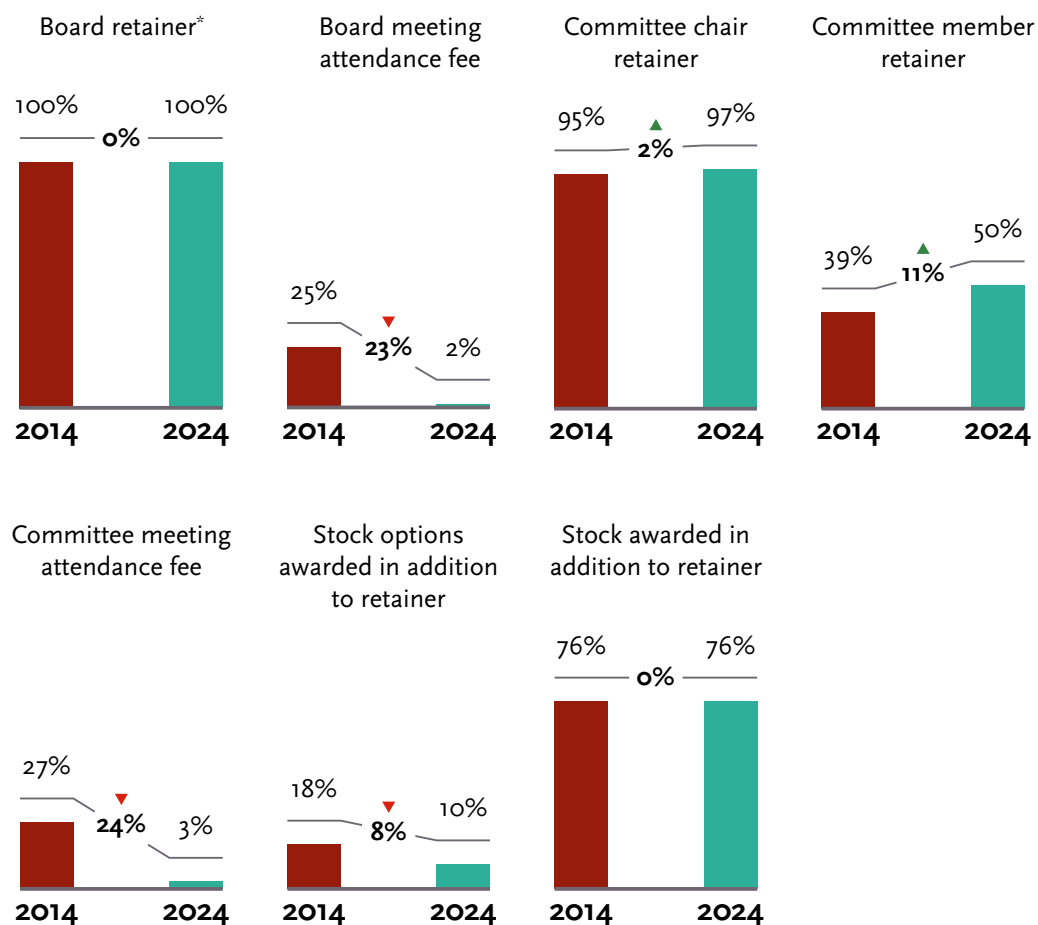
* Table shows the percentage of S&P 500 firms that pay their board directors retainers within each range

CHANGES IN DIRECTOR COMPENSATION OVER THE PAST 10 YEARS

Types of compensation	% of boards		Average paid		% change in value	
	2024	2014	2024	2014	One-year % change	10-year annualized change
Board retainer*	100%	100%	\$144,077	\$107,383	0.7%	3%
Board meeting attendance fee	2%	25%	\$3,825	\$2,229	21.8%	5.5%
Committee chair retainer	97%	95%	\$25,524	\$18,196	4.3%	3.4%
Committee member retainer	50%	39%	\$12,565	\$10,549	0.8%	1.8%
Committee meeting attendance fee	3%	27%	\$1,785	\$1,715	5.7%	0.4%
	% of boards		Average paid		% change in value	
Stock options awarded in addition to retainer	10%	18%	\$140,405	\$70,324	6.5%	7.2%
Stock awarded in addition to retainer	76%	76%	\$190,489	\$147,722	2.7%	2.6%

* Dollar amounts for retainers do not include boards that do not pay a retainer or boards that do not provide a dollar equivalent for the retainer equity amount

PERCENTAGE OF S&P 500 BOARDS PROVIDING DIRECTOR COMPENSATION OVER THE PAST 10 YEARS



Board meeting attendance fees are rare

Only 12 boards, or 2%, pay board meeting attendance fees — down from 17 boards (3%) last year. A decade ago, 25% paid these fees; in 2004, 66% did. Where they are paid, they range from \$900 to \$20,000; the average is \$3,825 (up from \$3,141 in 2023).

The number of boards paying for telephonic board meetings also continues to decrease. This year, only four boards (1%) pay a telephonic meeting fee — three fewer than last year. A decade ago, 8% paid telephonic meeting fees; in 2009, it was 14%.

More boards are granting some form of stock to directors

A supermajority of S&P 500 boards (76%) grant stock awards to directors in addition to the cash retainer, compared with 74% in 2023. The average targeted dollar value of annual stock awards is \$190,489, up 2.7% from \$185,460 last year.

Stock options are slightly more prevalent than in 2023. They are now granted to directors on 10% of boards, compared with 7% last year. The average disclosed value of option grants has also risen, from \$131,800 in 2023 to \$140,405 — a 6.5% increase.

Nearly all boards (94%) disclose having share ownership guidelines for directors — a percentage point increase from last year and up from 91% in 2014. Typically, these guidelines require directors to own shares representing a multiple of the retainer value within a specified number of years, with the goal of aligning directors' interests with those of shareholders.

EQUITY COMPENSATION

	2024	2019	2014
Stock options	10%	11%	18%
Stock option program exists	76%	77%	76%
Stock awards granted as a part of retainer	22%	21%	21%
Directors may elect to receive stock in lieu of cash	46%	50%	56%
Directors may elect to receive stock options in lieu of cash	3%	4%	5%
Retainer paid fully in stock	2%	2%	2%

Most boards with independent chairs provide additional compensation

Of the 190 S&P 500 boards with independent chairs (up from 189 last year), 97% provide the chair with additional compensation. This chair premium averages \$173,279, a 1.3% decrease from \$175,519 last year, and ranges from \$25,000 to \$500,000.

Among the 322 S&P 500 boards with a lead or presiding director, 89% pay them additional compensation. The average premium is \$48,428, up 2.5% from \$47,237 last year. Lead directors are much more likely than presiding directors to receive additional compensation: 94% compared with 43%.

The average lead director premium is \$48,755, up 2% from last year. The gap between the premium paid to lead directors and the premium paid to presiding directors is closing, but it is still notable compared with 2022 levels when it was aligned. This year, the premium paid to lead directors is 18% higher than the \$41,250 average for presiding directors. In 2023, the gap was 24%. The average premium paid to presiding directors increased 7% from \$38,571 last year.

Nearly every board pays retainers to committee chairs

Almost all S&P 500 boards (97%) provide a supplemental retainer for service as a committee chair, compared with 95% a decade ago.

Among these boards, audit committee members and chairs tend to receive the highest supplemental retainer. Compensation committee members and chairs receive the second highest supplemental retainer, followed closely by nominating/governance committee members and chairs.

Half of boards provide a retainer for service on one or more committees, two percentage points more than last year (48%) and 11 percentage points more than a decade ago (39%).

COMMITTEE RETAINERS

	Average committee retainer			% of boards paying		
	2024	2019	2014	2024	2019	2014
Committee members						
Audit committee	\$14,618	\$13,847	\$11,961	50%	46%	40%
Compensation committee	\$12,121	\$11,604	\$11,242	39%	35%	26%
Nominating committee	\$10,263	\$9,399	\$8,411	37%	34%	24%
Committee chairs						
Audit committee	\$30,648	\$27,061	\$23,723	97%	97%	95%
Compensation committee	\$24,454	\$21,485	\$19,268	97%	96%	95%
Nominating committee	\$20,956	\$17,720	\$14,110	96%	95%	91%

Committee meeting attendance fees continue to be rare: just 3% of S&P 500 boards pay them. This is the same as last year, but significantly lower than the 27% of a decade ago. The average committee meeting attendance fee is \$1,785, 6% more than last year.

Director compensation is highest in the communication services sector

Average total director compensation varies significantly across industries. It ranges from a low of \$300,909 in the consumer sector to a high of \$377,668 in communication services. The average compensation for directors of communication services companies is 15% more than the S&P 500 average, while average compensation for directors in the consumer sector trails the S&P 500 average by 9%.

Stock awards account for 67% of director compensation among technology companies — the biggest share of any sector.

Options are more often awarded to directors of healthcare companies and communication services companies than they are to directors in other sectors.

AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR BY SECTOR*

Sector	Total average compensation	% of total average compensation			
		Cash**	Stock awards	Option value	All other compensation***
Communication services	\$377,668	32%	60%	7%	1%
Consumer	\$300,909	35%	62%	2%	1%
Energy	\$337,489	40%	57%	0%	3%
Financials	\$325,910	39%	59%	1%	1%
Healthcare	\$359,944	32%	56%	10%	2%
Industrial	\$311,539	40%	53%	5%	2%
Information technology	\$355,835	31%	67%	1%	1%
Real estate	\$302,466	36%	58%	5%	1%
Utilities	\$302,536	45%	54%	0%	1%
Average	\$327,096	37%	58%	3%	2%

* Based on total compensation per non-employee director tables included in 489 proxies this year (including independent chairs' fees)

** Includes deferred compensation amounts

*** "All other compensation" consists of insurance premiums, charitable award programs and incremental costs to the company of products provided

Average director compensation is increasing

Average director compensation varies according to company size: average total compensation tends to increase with company size.

AVERAGE DIRECTOR COMPENSATION BY ANNUAL COMPANY REVENUE

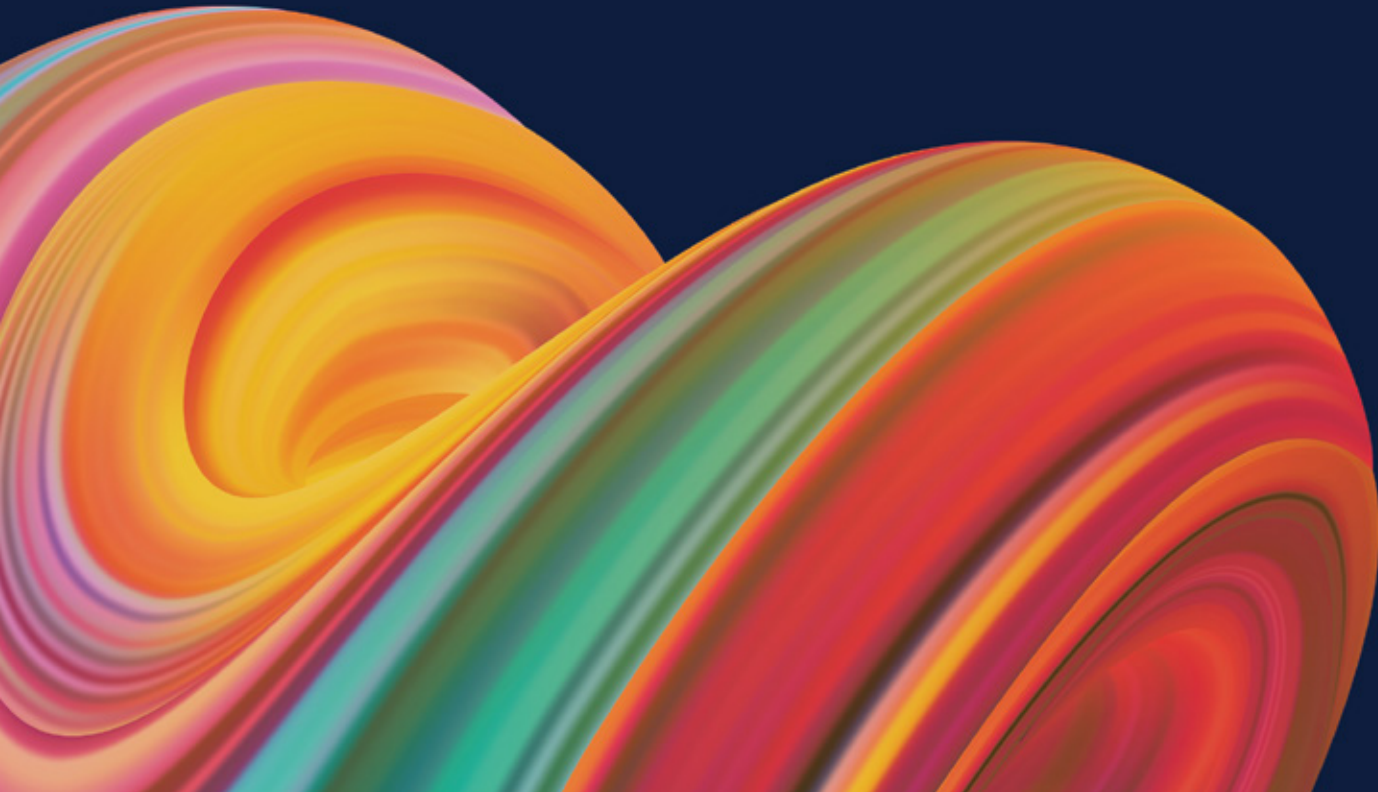
Annual revenue	2024	One-year change	Five-year change
Less than \$2.5 billion	\$300,396	3%	3%
\$2.5 billion–\$10 billion	\$318,912	2%	10%
More than \$10 billion	\$344,551	2%	8%

Editor's note

This data draws on the latest proxy statements from 489 companies filed between May 1, 2023, and April 30, 2024.

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Data in tables may not total 100% due to rounding.



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