



2024

PRIVATE COMPANY BOARD COMPENSATION SURVEY

LODESTONE GLOBAL

info@lodestoneglobal.com

www.lodestoneglobal.com

CONFIDENTIAL | WINTER 2023-2024

LODESTONE GLOBAL

We are a specialized consulting firm focused on high-performance boards. We BUILD, FACILITATE, OPTIMIZE, and EDUCATE award-winning boards around the globe to drive performance and profitability for our clients.



BUILD YOUR BOARD

Lodestone Global's proven methodology results in the creation of a board that respects and leverages your culture, supports your leadership team on critical strategic initiatives, and delivers a high return on investment. Our proprietary and exclusive database of experienced Board candidates ensures optimal effectiveness.

[LEARN MORE](#)



IMPROVE YOUR BOARD

Strategy without execution is a daydream, and execution without strategy is a nightmare. Lodestone Global uses industry best-practices to optimize your board. Our experienced facilitators ensure all board members are expertly trained to bring forth high levels of collaboration and engagement.

[LEARN MORE](#)



COMPENSATE YOUR BOARD

Lodestone Global's best-in-class, proprietary data and analytics provide you with precise, custom-tailored director compensation levels. We perform annual performance and compensation reviews to ensure your board is benchmarking to the latest and most accurate market levels.

[LEARN MORE](#)



INTRODUCTION

Lodestone Global surveyed 1,087 companies across 51 different industries and 37 countries to analyze current board practices and compensation around the world.

EXECUTIVE SUMMARY

2024 PRIVATE COMPANY BOARD COMPENSATION SURVEY

TOTAL BOARD MEMBER COMPENSATION RISES +2.4% TO \$50,400



MEDIAN COMPENSATION UP +2.4%

Median total compensation was \$50,400 up +2.4% from the \$49,200 reported last year (+9.7% growth last year). The increase is the result of a +2.7% increase domestically, offset by a +2.1% increase internationally.



FINANCIAL SERVICES SAW LARGEST INCREASE

Financial Services firms saw the most growth this year, paying their directors +6% more year-on-year. Hospitality firms, who increased remuneration greater than all other industries last year grew just above survey average.



COMPENSATION GROWTH TO MODERATE

Compensation growth is expected to continue to moderate with only 35% of respondents projecting a rise in 2024 director pay – down from the 39% who expected an increase last year and 58% the year before.





EXECUTIVE SUMMARY

MEETING AND COMMITMENT DYNAMICS

HYBRID IS THE PREFERRED MEETING APPROACH

Over 60% of companies reported adopting a hybrid approach to meetings (e.g., 2 out of 4 meetings per year held in person). This is up from 54% last year and 32% the year prior. Concurrently, virtual only boards have been decreasing with only ~15% of companies adopting this approach. Over 70% of the respondents indicated a preference for at least two in-person meetings per year.

BOARDS STILL ASKED TO DO MORE

Since the Covid-19 pandemic we have witnessed many companies employing special meetings/working sessions to deal with critical issues (e.g., digital transformation, supply chain issues, etc.). The median number of meetings has remained elevated at 4 Formal (5+ hours) and 4 Informal (~1-3 hours) per year. It appears that this structure is the “new normal.” The median Board Member time commitment has increased to about 65 direct hours/year and ~200 hours/year in total.

EXECUTIVE SUMMARY

BOARDS & PERFORMANCE

BOARDS DRIVE COMPANY PERFORMANCE

Boards continued to strongly impact company performance. Since implementing a board of directors, **97% of companies reported increased revenues** and **93% reported increased EBITDA**. Since the respondent joined the board, companies reported an average revenue increase of ~65%.

BOARDS ARE INCREASINGLY EFFECTIVE

69% of the participants categorized their boards as “Indispensable” or “Very Effective” at driving corporate strategy. These results, which continue to improve year-over-year, support the notation that a board with strategically selected directors can be essential to achieving corporate goals and improving profitability.



EXECUTIVE SUMMARY

BOARDS & DIVERSITY

WOMEN REPRESENTATION INCREASING

85%

Women served on 85% of the boards of companies surveyed, up from 80% last year.

2.75

The number of women directors remained at a median of 2.75 vs. 2.5 last year, achieving a ~46% representation on a typical board.

ETHNIC/RACIAL MINORITY REPRESENTATION

30%

Ethnic minorities served on 30% of the boards of companies surveyed, up from 26% last year.

DIVERSITY DRIVES PERFORMANCE

98%

98% of boards with at least one female director reported an increase in revenues since the respondent joined the board.

Lodestone Global's aim is to increase private company director diversity.

The data continues to show that diversity produces a higher-performing boardroom.



ABOUT THE SURVEY

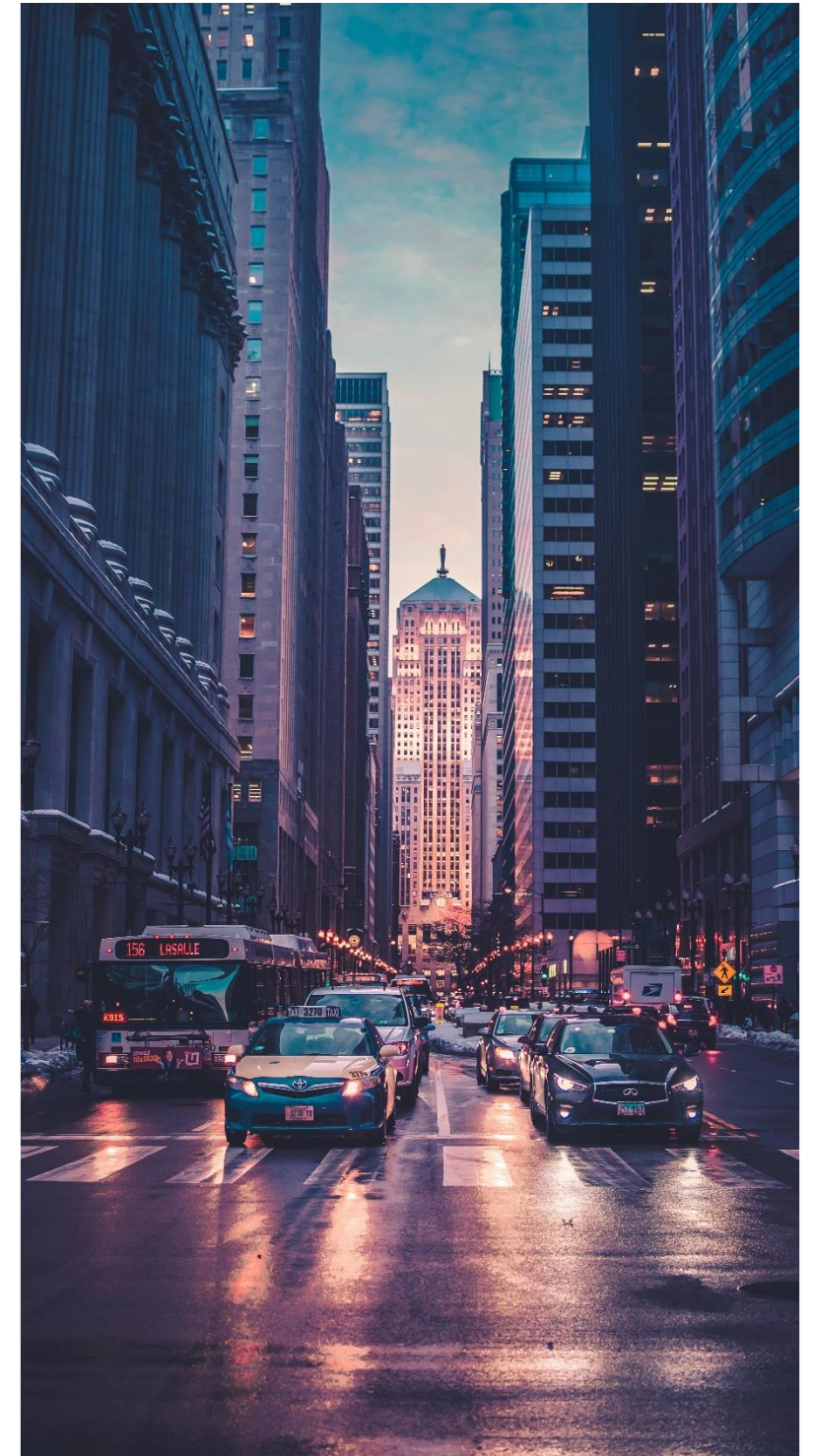
2024 PRIVATE COMPANY BOARD COMPENSATION SURVEY

The 13th Annual 2024 Private Company Board Compensation Survey was conducted among our clients and select members of YPO* in the fall and winter of 2023. 1087 companies provided meaningful responses. Additional data was collected from over ~5,000 companies that is excluded in these results to keep the sample consistent. The additional data is available to custom compensation clients upon request.

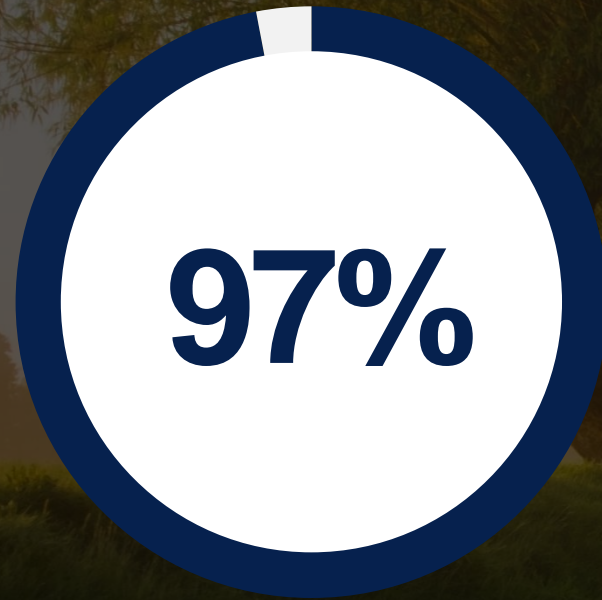
The objective of the survey was to collect data on Board member compensation for independent directors. We also captured data on Board practices and sentiment, to provide a picture of current governance thought among private company board members. All of our data was collected and normalized to annual levels to provide a relative basis of comparison. Average calculations included all 1087 respondents whereas median calculations excluded the respondents who did not give an answer for that specific category.

The survey presents the overall results of our work in determining specific compensation levels, as well as prevalent Board practices. This survey is private and confidential and was conducted for the sole benefit of participating companies and Lodestone Global. This report may not be reproduced, quoted, archived, redistributed, or otherwise used without express permission.

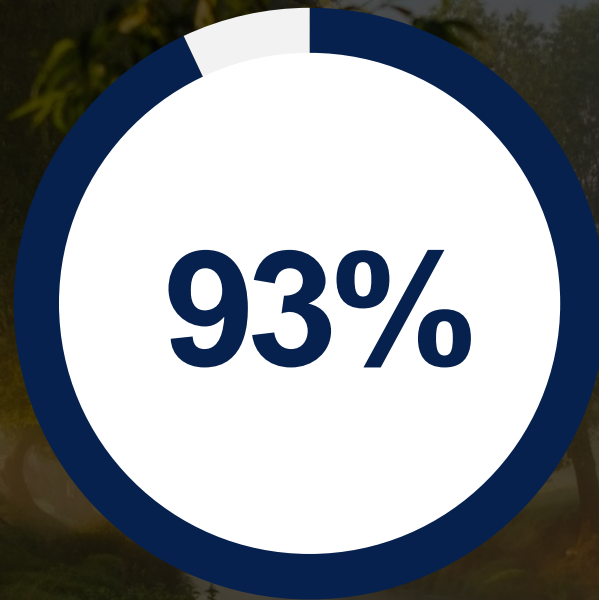
*YPO connects ~30k chief executives of companies generating >USD\$6 trillion in revenues and employing >15 million people in 137 countries.



BOARDS DRIVE PERFORMANCE



Companies reported **INCREASED REVENUES** since implementing a Board of Directors



Companies reported **INCREASED EBITDA** since implementing a Board of Directors

+65%



Companies reported **AVG. REVENUE GROWTH OF 65%** since implementing a Board of Directors

TO PURCHASE THE FULL REPORT VISIT

www.lodestoneglobal.com/compensate

If you have any questions, comments or suggestions, or would like additional tailored insights for your company please contact us by email at:

info@lodestoneglobal.com

Material presented is designed to provide general information and should not be acted on without professional advice tailored to your firm's individual needs.

©2024 Lodestone Global. All rights reserved.

