



2021

Private Company Board Compensation Survey

Lodestone Global

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LODESTONE GLOBAL

We are a specialized consulting firm providing strategic guidance to chief executives who are considering forming or refreshing a fiduciary or advisory board.

We invest significant partner time to help clarify your business strategy, and assist you in developing, recruiting and maximizing a board that drives those strategic objectives.

Lodestone Global gives you exclusive access to a network of experienced Board candidates from a proprietary database for you to evaluate. We utilize a proven methodology for assembling, updating and maximizing a board that respects your culture and delivers a high return on investment.

Considering Building or Refreshing your Board?

Visit our website: www.lodestoneglobal.com

Or contact us at: info@lodestoneglobal.com

EXECUTIVE SUMMARY



Lodestone Global surveyed **625 companies** across **41 different industries** and **40 countries** to analyze current board practices and compensation around the world.



Median revenue was \$105m
Median number of employees was 265



Median total compensation was \$42,750,
~2% lower than the \$43,500 reported last year.



Compensation is projected to rise in 2021
with **45% of the respondents projecting a rise in director pay** – up from 35% who expected an increase last year.



The **-1.7% decrease** (+4.8% in 2019) is the result of a -4.5% decrease domestically, offset by a +3.8% increase internationally. Technology firms saw the most growth again this year, paying their directors +5% more than in 2019.

EXECUTIVE SUMMARY

BOARDS & PERFORMANCE



Boards continue to have a strong impact on company performance. Since implementing a board of directors, **96% of companies reported increased revenues** and **93% reported increased EBITDA**. Since the respondent joined the board, companies reported an average revenue increase of ~55%.



64% of the participants categorized their boards as “Indispensable” or “Very Effective” at driving corporate strategy. **These results support the notion that a board, particularly with the right directors, can be essential to achieving corporate goals and improving profitability.**

EXECUTIVE SUMMARY

BOARDS & DIVERSITY

Lodestone Global's mission is to increase private company director diversity. The data continues to show a diversity of perspective produces a higher-performing boardroom.

78% of the companies in the survey had women as board members, up from 71% last year and 61% the year before.

The number of women directors was up to a median of 2.5 vs. 2.0 last year, achieving a ~40% representation on a typical board vs. 33% in 2019.

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

EXECUTIVE SUMMARY



REMOTE BOARD MEETINGS

Over 95% of companies reported holding their board meetings remotely.

Importantly, over 83% of companies did not change their per meeting fees to directors, despite that lower payments are typical for teleconference or video conference meetings.



COMPENSATION MODIFICATION

Roughly 22% of respondents identified a temporary change in their board remuneration programs due to COVID-19.

Those Responses in More Detail:

- 45% Reduced Annual Retainer
- 23% Reduced Per Meeting Fees
- 17% Eliminated Annual Retainer
- 14% Eliminated Per Meeting Fees



INCREASED MEETINGS/WORK

55% of respondents indicated their companies had increased the number of meetings due to COVID-19.

For 9 years, our survey has indicated that private companies hold roughly 4 in-person and 2 teleconference meetings on average. In 2020, that changed to 4 in-person and 4 teleconference meetings.*

COVID-19 IMPACT

*For comparison purposes, we will report TOTAL COMPENSATION as 4 IN-PERSON MEETINGS and 2 TELECONFERENCES

ABOUT THE SURVEY

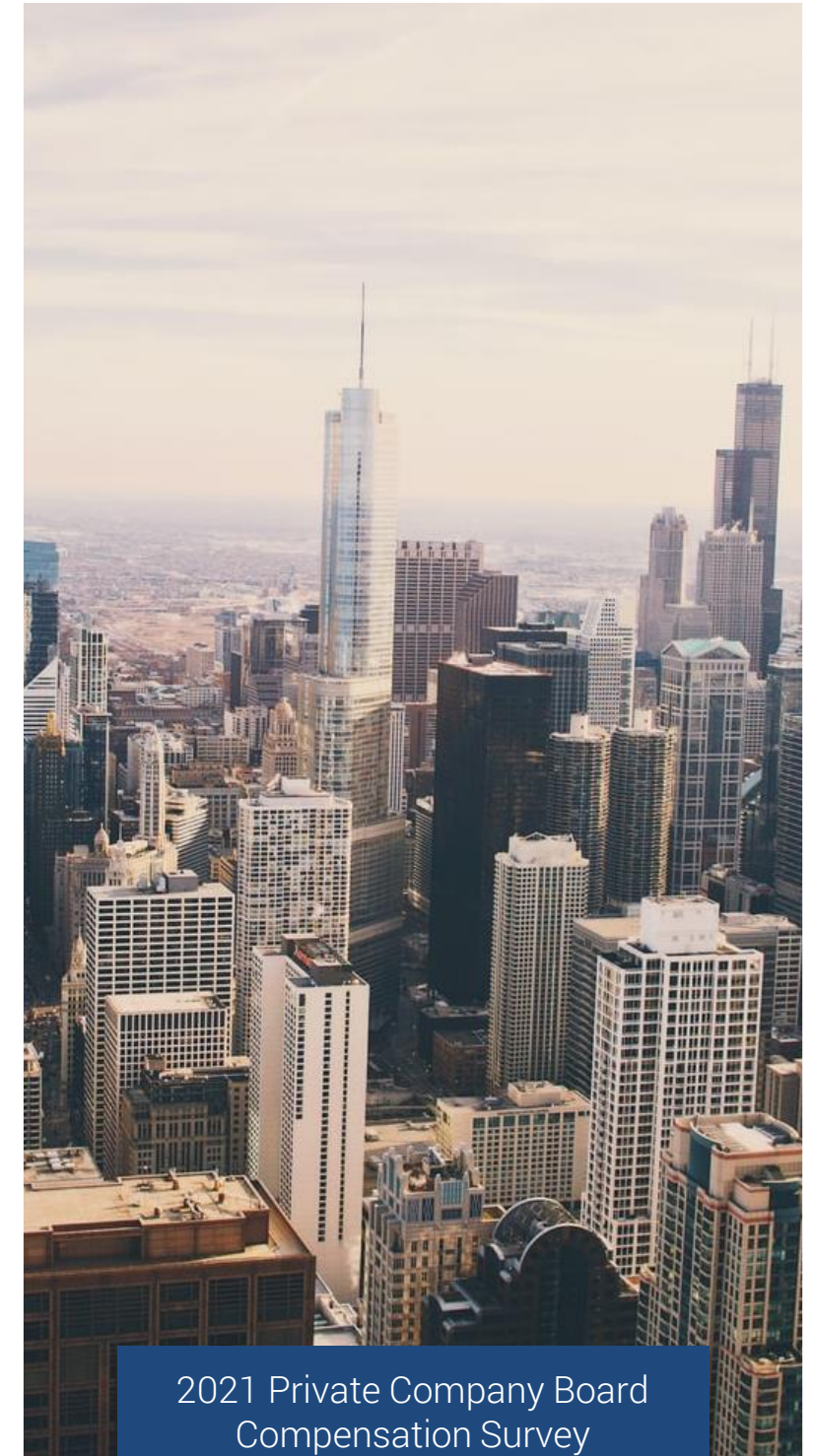
The 10th Annual 2021 Private Company Board Compensation Survey was conducted among our clients and select members of YPO* in the fall and winter of 2020. 625 companies provided meaningful responses.

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 625 respondents (except per teleconference fees) whereas median calculations excluded the respondents who did not give an answer for that specific category.

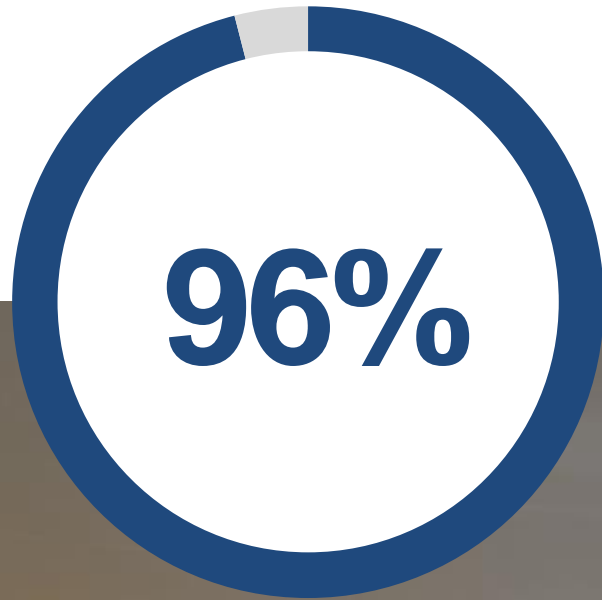
The survey presents the overall results of our work in determining specific compensation levels, as well as prevalent Board practices. This survey is private and confidential and was conducted for the sole benefit of participating companies and Lodestone Global. This report may not be reproduced, quoted, 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.

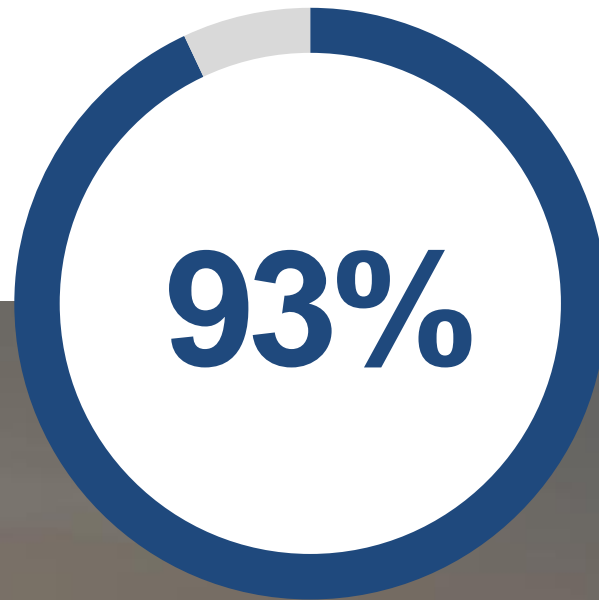


2021 Private Company Board
Compensation Survey

■ **BOARDS DRIVE** PERFORMANCE

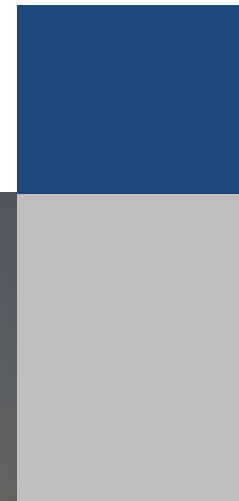


Companies reported **INCREASED REVENUES** since implementing a Board of Directors



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

+55%



Companies reported **AVG. REVENUE GROWTH OF 55%** since implementing a Board of Directors

THANK YOU
QUESTIONS?



CONTACT US FOR FULL VERSION

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

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