Pearl Meyer

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Has Director Pay Reached a Tipping Point?



Jannice Koors

SENIOR MANAGING DIRECTOR

Pearl Meyer and NACD provide a preview of the most recently available board pay data for more than 1400 public companies, based on our annual Director Compensation Report and proxy data from Main Data Group. Report authors Jan Koors and Joe Tripolitakis discuss how proxy advisors are likely to evaluate board compensation this year. They also provide insight into the growing conflict between the board's rapidly increasing responsibility and time commitments, and the external environment and scrutiny of director pay, including:

- Boards are operating in a time of intense media and stakeholder scrutiny;
- The depth and breadth of director oversight and time commitment is growing and there is demand for increased expertise/experience in areas like technology, cyber security, HR, innovation, etc.;
- Annual increases in director pay continue to be modest;
- ISS is analyzing director compensation to identify companies that "consistently" (defined as two or more years in a row) compensate directors at the top 2-3% of the market; and
- There is a call to better align director pay to shareholder interests.

About the Author

Jan brings 30+ years of executive compensation and governance experience, advising boards and management on strategic human capital decisions tied to long-term value creation.

About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Our strategy-driven compensation and leadership consulting services act as

powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.