

# 2025 Director Compensation Report

# 2025 DIRECTOR COMPENSATION REPORT

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# EXECUTIVE SUMMARY

FW Cook's 2025 Director Compensation Report studies non-employee director compensation at 300 companies of various sizes and industries to analyze market practices in pay levels and program structure. Approximately 96% of companies overlap between this year's and last year's study.

To better reflect current board structures, this report includes an update to one of the assumptions used to value programs consistently across companies: an increase in assumed committee memberships for the average director from one to 1.5 (i.e., average director assumed to sit on one or two committees). This change is based on analysis of the sample companies and observations across our clients. Certain year-over-year growth rates in this summary and throughout the report are presented both with and without this updated assumption, for additional color. See the Methodology section for greater detail regarding the valuation approach.

## Trends in Median Total Director Compensation (2022-2025)

Annualized growth rates remain in the low single digits, with large-cap companies having the lowest three-year growth in pay despite the highest growth in median market cap.

### Large-Cap (market cap >\$10B, median \$53.4B)

- Year-over-year: median grew **+2.4%** without the updated committee membership assumption.
  - +2.8% with the updated assumption for 2025 (pre-2025 unchanged).
- Three-year trend: compound annual growth rate (CAGR) of **+2.4%** without the updated assumption.
  - +2.6% with the update for 2025.

### Mid-Cap (market cap \$2B-\$10B, median \$4.9B)

- Year-over-year: median was **flat** without the updated assumption.
  - +1.4% with the update for 2025.
- Three-year trend: CAGR of **+2.8%** without the updated assumption.
  - +3.3% with the update for 2025.

### Small-Cap (market cap <\$2B, median \$0.9B)

- Year-over-year: median grew **+2.4%** without the updated assumption.
  - +4.8% with the update for 2025.
- Three-year trend: CAGR of **+3.3%** without the updated assumption.
  - +4.1% with the update for 2025.



— Large-Cap — Mid-Cap — Small-Cap  
-- Dashed lines reflect growth rates excluding updated committee membership assumption

# EXECUTIVE SUMMARY

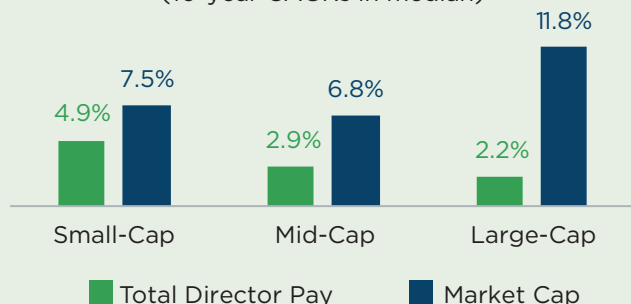
## Zooming Out – Director Compensation Stalls, Ranges Narrow

*Director compensation has not kept up with increased company size nor trends in executive pay.*

Annual director compensation growth remains modest, particularly for mid- and large-cap companies. This trend goes back further than the three-year look on the prior page – looking across our last 10 studies, annualized growth in median total pay has been 2.9% for mid-cap companies and 2.2% for large-cap (4.9% for small-cap).

Over the last 10 years, director pay has not kept pace with the increase in market value of companies. This is especially true for large-cap companies where, over this period, the median market cap rose 305% (11.8% annually) while median director pay rose 25% (2.2% annually).

**Director Pay Lags Market Cap Growth, Especially for Large-Cap Companies**  
(10-year CAGRs in median)

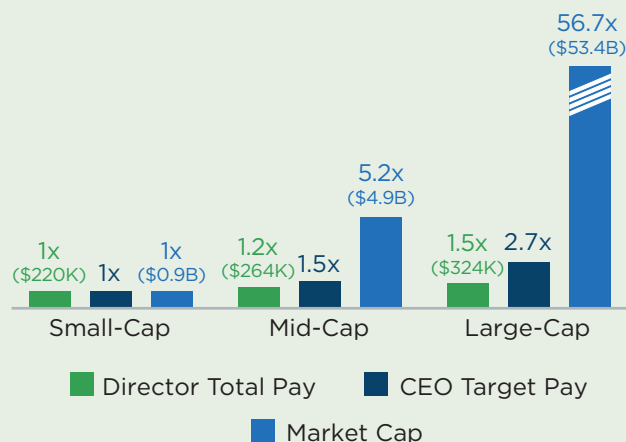


Executive pay changes, by contrast, have been significantly more aligned with changes in company size over the same period. S&P 500 CEO target pay, for example, has grown 5% to 10% annually over the last few years, outpacing large-cap median director pay.

The result of low growth in director pay at the top of the market is that even as company sizes are stratifying, director pay ranges are compressing as the lower end of the market catches up, driven by demand for qualified directors. While even CEO pay does not have a linear relationship to company size, it shows much greater sensitivity to size than the current director compensation market.

To illustrate, the next chart shows the differentials by size group for median director pay, CEO pay, and market cap (with CEO pay differentials calculated using the market cap regression from FW Cook's 2025 Executive Compensation Survey, regressed to the median market cap of each size group). Large-cap companies, which in this study have a median market cap of >50x the small-cap median, pay directors roughly 1.5x what small-cap companies pay, compared to a multiple of 2.7x for CEOs.

**Director Pay Hardly Differentiated by Company Size, Unlike CEO Pay**  
(medians as multiple of small-cap)

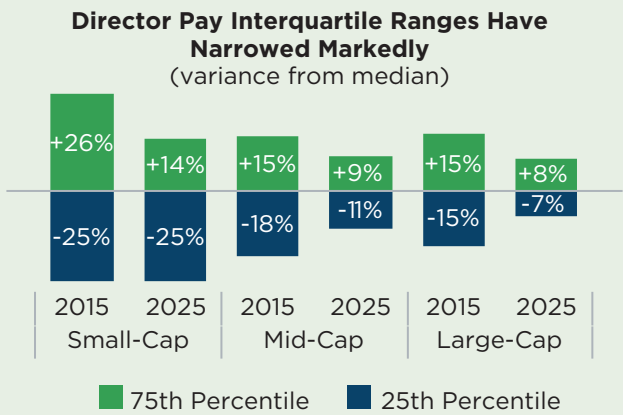


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# EXECUTIVE SUMMARY

## Zooming Out – Director Compensation Stalls, Ranges Narrow (continued)

Director pay compression can be seen not only across size groups as on page 2, but also within size groups over time, as shown by the comparison below of interquartile ranges as a percent of median versus our 2015 study, by size group.



Drilling down further to the peer level, we have recently observed extremely narrow interquartile ranges within the peer groups of some of our large-cap clients, including one as narrow as +/- \$5,000, which was within +/-1.5% of median.

These trends reduce the usefulness of quartiles as reference points in benchmarking director pay. Further, they suggest hesitance to lead the market with increases otherwise warranted by growth in company size and director roles and responsibilities. This reluctance is driven at least partly by proxy advisor policies that threaten to flag “outliers” based on relative positioning versus a broad index, without directly considering, for example, absolute positioning versus peers. To ensure director pay is appropriately differentiated and commensurate, we recommend boards consider examining additional lenses on top of interquartile positioning, including absolute positioning, company size and complexity, and growth in the scope and demands of the director role.

# EXECUTIVE SUMMARY

Additional Key Findings by Topic	
<b>Cash vs. Equity</b>	<ul style="list-style-type: none"> <li>The average mix across the sample is 39% cash and 61% equity, similar to recent years.</li> <li>The Technology sector allocates meaningfully more to equity (70% of pay) than other sectors.</li> </ul>
<b>Cash Compensation for Board Service</b>	<p><i>Design</i></p> <ul style="list-style-type: none"> <li>Across the sample, 90% of companies use a retainer-only structure for board cash compensation (up 1% from last year).</li> <li>A minority of the sample still uses per-meeting fees (9%, consistent with last year), consisting of 3% who provide fees for all board meetings and 6% who provide fees for meetings over a specific threshold.</li> <li>The remaining 1% do not provide cash compensation for board service.</li> </ul> <p><i>Board Cash Retainer Amounts</i></p> <ul style="list-style-type: none"> <li>The median large-cap board cash retainer increased for the first time since our 2022 study, from \$100,000 to \$105,000.</li> <li>Median small- and mid-cap retainers stayed flat at \$75,000 and \$86,250, respectively.</li> <li>The Technology sector provides the lowest median cash retainer at \$65,000, while other sectors provide a median cash retainer of approximately \$90,000 to \$100,000.</li> <li>The Technology, Financial Services, and Industrials sectors each grew \$5,000 at the median, while the other sectors were flat or nearly flat.</li> </ul>
<b>Equity Compensation for Board Service</b>	<p><i>Design</i></p> <ul style="list-style-type: none"> <li>About 95% of the total sample grants full-value awards exclusively (i.e., no stock options), with awards almost always defined as a fixed dollar value rather than a fixed number of shares.</li> <li>Almost all companies use short (i.e., one year or less) or immediate vesting.</li> </ul> <p><i>Annual Amounts</i></p> <ul style="list-style-type: none"> <li>Median small- and mid-cap equity retainers increased by 8% (to \$135,000) and by 5% (to \$160,000), respectively.</li> <li>The median large-cap equity retainer stayed flat at \$200,000.</li> </ul>
<b>Committee Compensation</b>	<p><i>Committee Members</i></p> <ul style="list-style-type: none"> <li>Additional pay for committee members is provided at 60% of the total sample, including 54% that use committee member retainers and 9% that use committee meeting fees (3% use both). About half of those using committee meeting fees only provide them for meetings over a specific threshold.</li> <li>Across the whole sample, the median Audit member retainer rose from \$10,000 to \$12,000 year-over-year, while Compensation and Nominating &amp; Governance member retainers stayed flat at \$10,000 and \$7,500, respectively.</li> <li>The Technology sector remains the largest user of member retainers (75% prevalence), while Financial Services remains the largest user of committee meeting fees (12% prevalence, excluding fees paid only for excess meetings).</li> </ul>

(continued)

# EXECUTIVE SUMMARY

## Additional Key Findings by Topic *(continued)*

<b>Committee Compensation</b> <i>(continued)</i>	<p><i>Committee Chairs</i></p> <ul style="list-style-type: none"> <li>• Almost all companies provide incremental committee chair compensation.</li> <li>• Median Audit and Compensation chair retainers for the total sample have been flat since our 2022 study at \$25,000 and \$20,000, respectively, while Nominating &amp; Governance has increased gradually from \$15,000 to \$18,000 over this period (amounts include member retainers).</li> </ul>
<b>Non-Executive Board Chairs and Lead Directors</b>	<ul style="list-style-type: none"> <li>• <i>Non-Executive Board Chairs</i> – almost all receive additional pay, with median retainers of \$75,000, \$125,000, and \$185,000 at small-, mid-, and large-cap companies, respectively. Retainers are usually paid fully in cash (60% prevalence) or a mix of cash and equity (33%).</li> <li>• <i>Lead Directors</i> – 90% receive additional pay, with median retainers of \$25,000, \$35,000, and \$50,000 at small-, mid-, and large-cap companies, respectively (almost always 100% cash).             <ul style="list-style-type: none"> <li>• The small- and large-cap medians have been flat since our 2022 and 2023 studies, respectively, while the mid-cap median has increased gradually since 2022.</li> <li>• The large-cap 75th percentile (roughly \$50,000) has stayed essentially flat since 2020.</li> </ul> </li> </ul>
<b>Stock Ownership Guidelines and Retention Requirements</b>	<ul style="list-style-type: none"> <li>• Across the sample, 90% of companies have director stock ownership guidelines, and 38% have stock retention requirements (usually alongside ownership guidelines).</li> <li>• The most common guideline is to hold 5x the annual cash retainer within five years.</li> <li>• The most common retention requirement is to hold some or all net after-tax shares until the ownership guideline is satisfied (62% of retention requirements), though large-cap companies commonly require holding until retirement (53% of large-cap retention requirements), often by granting awards with built-in mandatory deferral (e.g., deferred stock units, or “DSUs”).</li> </ul>
<b>Annual Limits on Director Compensation</b>	<ul style="list-style-type: none"> <li>• Prevalence of annual limits on director compensation continues to increase (82% of the total sample versus 79% last year and 67% five years ago).</li> <li>• Limits on total pay typically range from \$500,000 to \$1,000,000 and equate to a multiple of roughly 2x to 3x total director pay.</li> </ul>

# OVERVIEW AND METHODOLOGY

## Research Sample

This study is based on a sample of 300 U.S. public companies equally divided among small-, mid-, and large-cap size segments (100 companies per segment) and further classified into five sectors: Energy, Financial Services, Industrials, Retail, and Technology (60 companies per sector) based on Standard & Poor's Global Industry Classification Standard ("GICS") codes. Approximately 96% of this year's sample companies were constituents of last year's sample, which allows for reliable year-over-year comparisons.

Market capitalization (as of April 30, 2025) and trailing four-quarters revenue are summarized below (all financial data sourced from S&P's Capital IQ Database):

Market Capitalization (\$B)				Trailing 4-Quarters Revenue (\$B)		
Size	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Small-Cap	\$0.6	\$0.9	\$1.3	\$0.4	\$0.8	\$1.7
Mid-Cap	\$3.6	\$4.9	\$7.2	\$1.2	\$2.4	\$4.8
Large-Cap	\$29.3	\$53.4	\$108.2	\$11.0	\$21.6	\$53.0
Sector	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Energy	\$1.4	\$4.8	\$39.5	\$1.4	\$3.5	\$16.1
Financial Services	\$1.4	\$6.2	\$34.1	\$0.5	\$2.2	\$12.0
Industrials	\$1.4	\$5.6	\$25.7	\$1.5	\$3.9	\$11.9
Retail	\$1.2	\$4.0	\$18.0	\$2.1	\$4.8	\$15.3
Technology	\$1.4	\$4.8	\$33.4	\$0.7	\$1.4	\$6.4

Director compensation program details were sourced from companies' proxy statements and/or annual reports, generally filed with the Securities and Exchange Commission ("SEC") in the one-year period ending May 31, 2025.



# OVERVIEW AND METHODOLOGY

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## Methodology

This study analyzes compensation for board and committee service (with the latter focused on the three most common standing committees of the board: Audit, Compensation, and Nominating & Governance). The specific pay components presented include:

- Annual cash retainers and regular meeting fees for board service
- Equity compensation, in the form of stock options or full-value stock awards (i.e., restricted shares/units, deferred stock units, and fully vested stock)
- Annual cash retainers and regular meeting fees for committee member and chair service
- Additional compensation for serving as a non-executive board chair or lead director

The report also presents our findings on equity vesting practices, the prevalence of stock ownership guidelines, and the prevalence, structure, and magnitude of shareholder-approved limits on annual compensation per director.

The following assumptions were used to facilitate competitive comparisons:

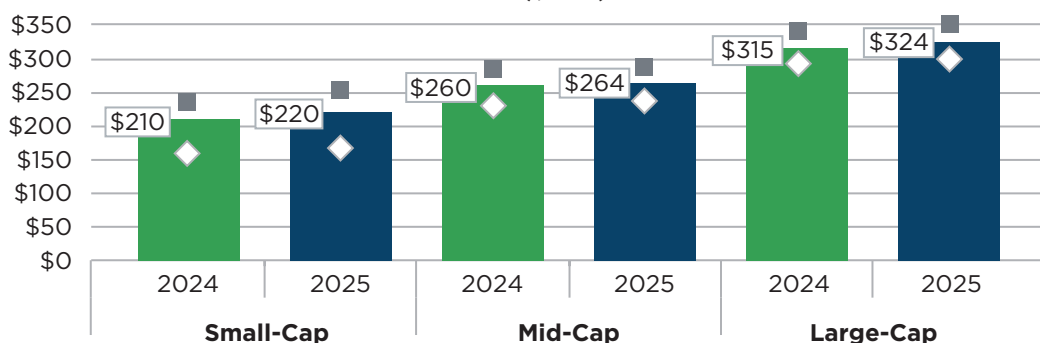
- Each director attends nine board meetings annually (consistent with prior years)
- Each director serves on 1.5 committees (i.e., typically one or two committees – updated from one committee in prior years)
- Each committee meets six times per year (consistent with prior years)
- If denominated as a number of shares (rather than as a fixed-dollar value), then equity compensation is valued using closing stock prices as of April 30, 2025, and, for stock options, a Black-Scholes model valuation using each company's Accounting Standards Codification ("ASC") Topic 718 assumptions
- All non-annual equity compensation, which is used by 8% of companies in the sample, is annualized over a five-year period (e.g., if a company provides a larger-than-normal equity grant upon initial election to the board, the additional value above the annual grant size is divided by five and added to the annual grant)

# TOTAL BOARD COMPENSATION

## Total Compensation – Pay Levels

Total director compensation levels continue to increase modestly and are scaled by company size. At median, large-cap companies provide total pay of ~\$324,000 per director versus ~\$264,000 at mid-cap companies and \$220,000 at small-cap companies. Year-over-year, excluding this year's update to the assumed number of committee memberships per director (described in the Methodology section), median total director compensation grew by 2.4% for small-cap companies (4.8% with the update), was flat for mid-cap companies (1.4% with the update), and grew by 2.4% for large-cap companies (2.8% with the update).

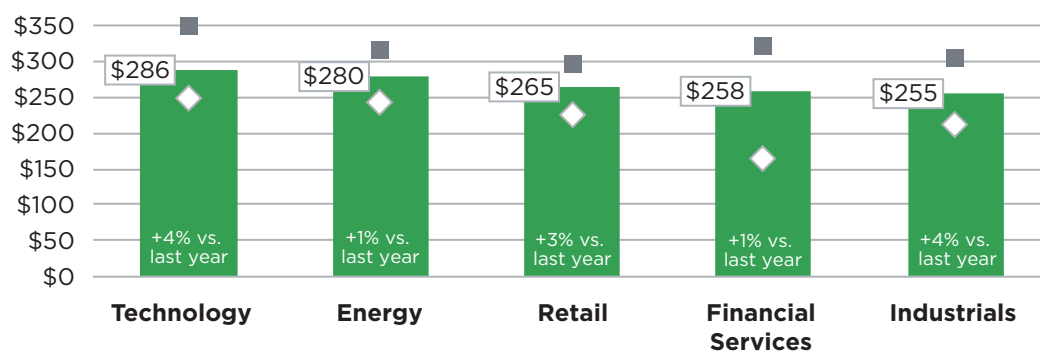
**Total Compensation By Size**  
(\$000)



■ 75th Percentile	\$251	\$288	\$351
◆ Median (% increase)	\$220 (+4.8%)	\$264 (+1.4%)	\$324 (+2.8%)
Without change in assumed committee memberships	+2.4%	Flat	+2.4%
◆ 25th Percentile	\$166	\$236	\$300

The Technology and Energy sectors provide the highest median total director compensation (~\$286,000 and ~\$280,000, respectively). Median total pay for other sectors ranges from ~\$255,000 (Industrials) to ~\$265,000 (Retail). Year-over-year changes were modest for all sectors (1% to 3% without the update to assumed committee memberships per director, and 1% to 4% with this update).

**Total Compensation By Sector**  
(\$000)



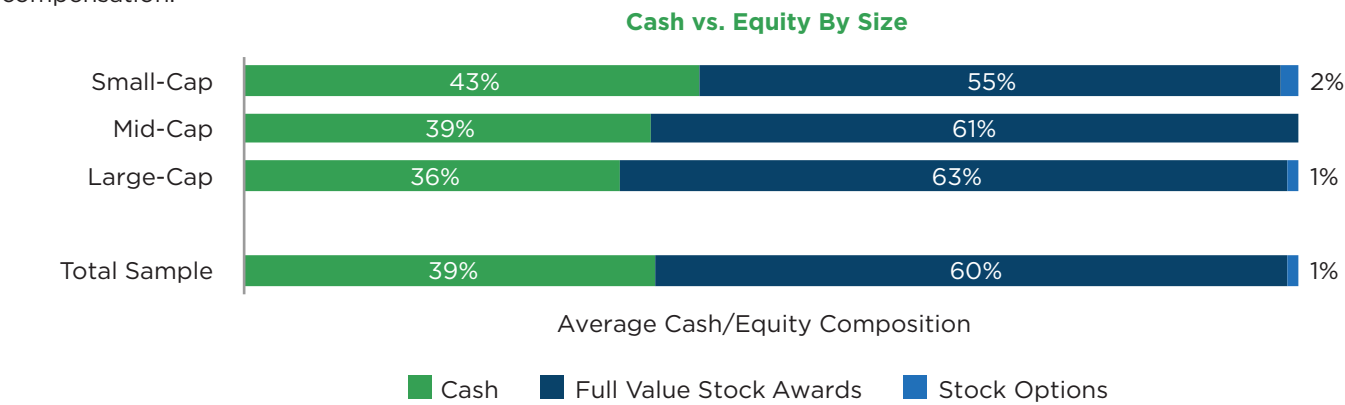
■ 75th Percentile	\$345	\$314	\$295	\$321	\$305
◆ Median	\$286 (+4%)	\$280 (+1%)	\$265 (+3%)	\$258 (+1%)	\$255 (+4%)
Without change in assumed committee memberships	+2%	+1%	+2%	+1%	+3%
◆ 25th Percentile	\$250	\$244	\$230	\$164	\$210

# TOTAL BOARD COMPENSATION

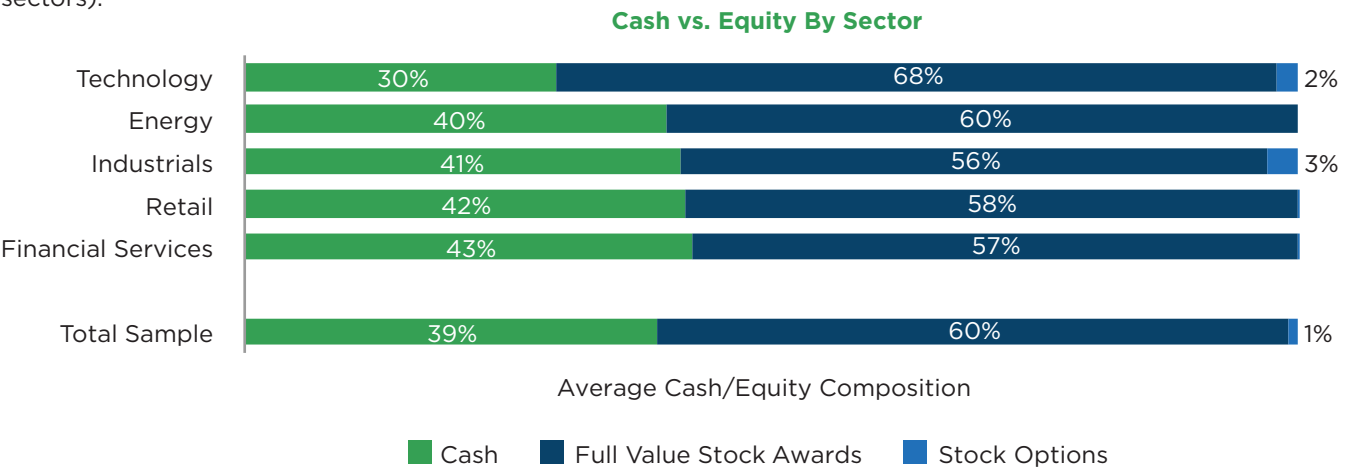
## Total Compensation – Cash vs. Equity

Compensation for board service typically consists of both cash and equity. The charts below illustrate average pay mix by company size and sector. The average pay mix in 2025 is 61% equity and 39% cash, which reflects a 1% shift toward cash versus last year’s study due to the update in assumed committee memberships per director (no change in overall average mix otherwise).

Across all three size segments, companies provide at least half of compensation in equity, with the weighting on equity increasing with company size and total pay. Small-cap companies generally provide the lowest equity weighting, averaging 57% of total compensation, while large-cap companies provide the highest, averaging 64% of total compensation.



The Technology sector allocates meaningfully more to equity compensation (70% of pay, versus 57% to 60% for other sectors).

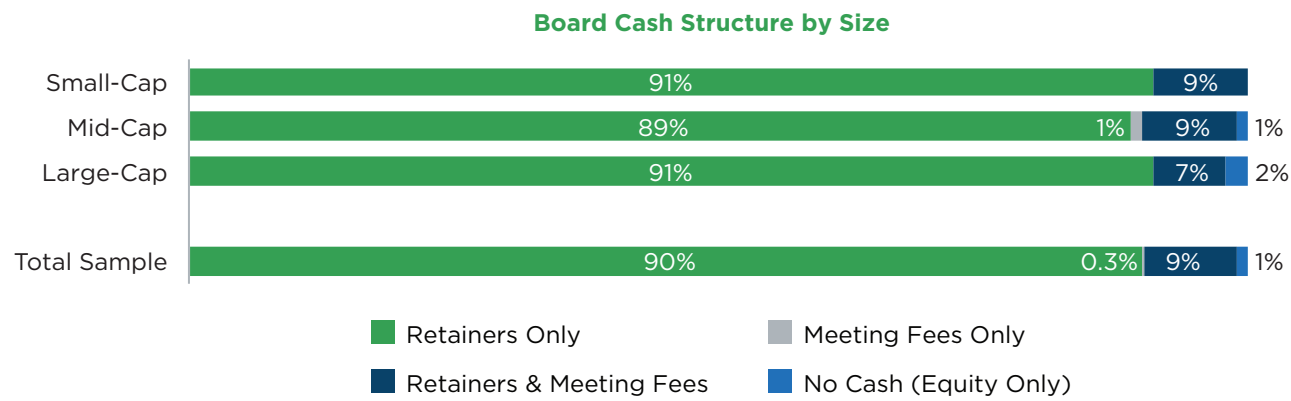


# BOARD CASH COMPENSATION

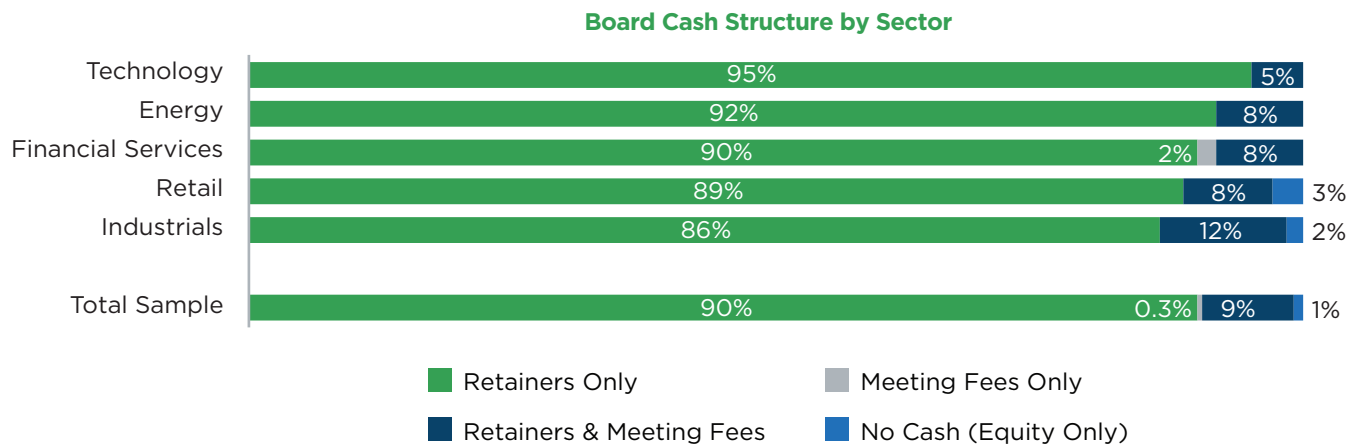
## Cash Compensation Pay Structure

Cash compensation for board service is provided through an annual board retainer, board meeting fees, or both. Companies have continued to simplify their programs through the elimination of board meeting fees and adoption of a “retainer-only” approach (up to 90% prevalence in 2025 following steady increases over the last few years). Rationales for these changes include administrative simplicity, reinforcement of the notion that meeting attendance is expected, and recognition that a large portion of work occurs outside of formal meetings.

Only a handful of mid- and large-cap companies in our study utilize an equity-only approach.



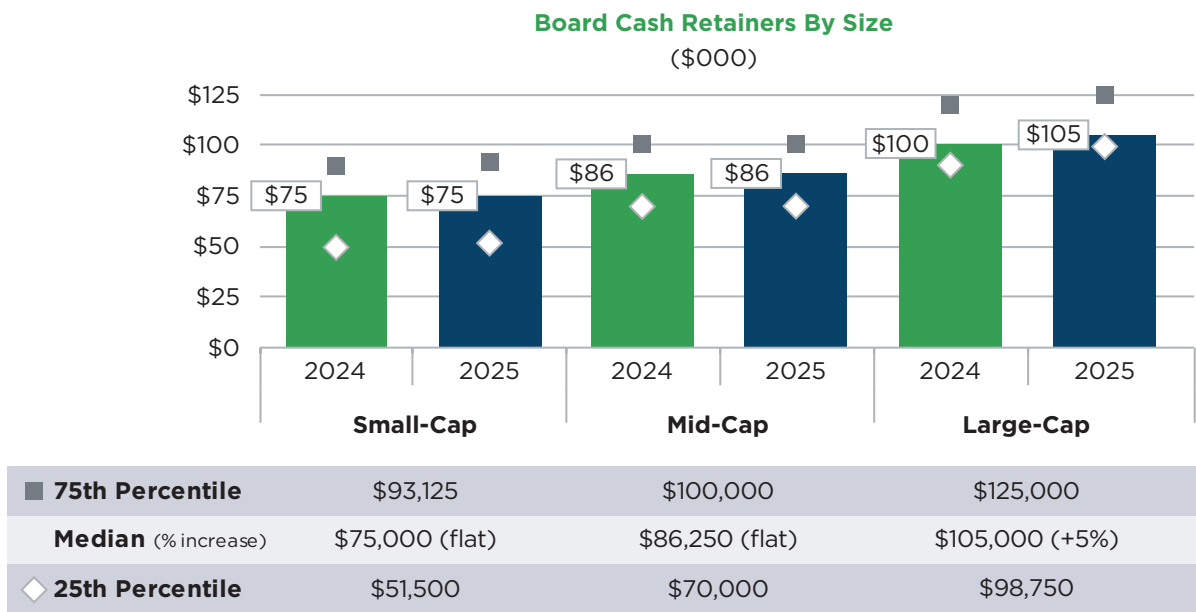
Retainer-only programs are the majority practice across all sectors. The Industrials sector has the highest prevalence of meeting fees, while Technology has the lowest.



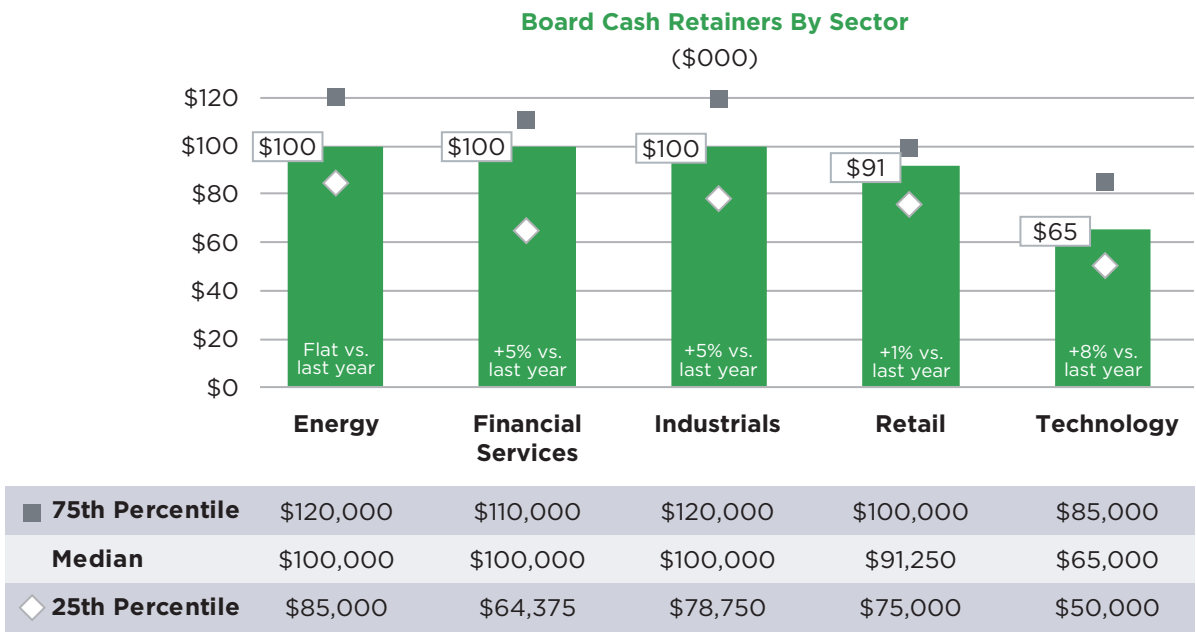
# BOARD CASH COMPENSATION

## Board Cash Retainers

Median small- and mid-cap cash retainers remained flat, while the median large-cap cash retainer grew for the first time since our 2022 study (by 5%, from \$100,000 to \$105,000).



The Technology sector provides the lowest median cash retainer at \$65,000, while other sectors provide a median cash retainer of approximately \$90,000 to \$100,000.



# BOARD CASH COMPENSATION

## Board Meeting Fees

The prevalence of board meeting fees stayed flat year-over-year at 9%. About two-thirds of those using board meeting fees only pay them for meetings over a specific threshold.

Board meetings fees are least prevalent for large-cap companies. Total prevalence is comparable for small- and mid-cap companies, though mid-cap companies are more likely to pay only for meetings in excess of a threshold number.

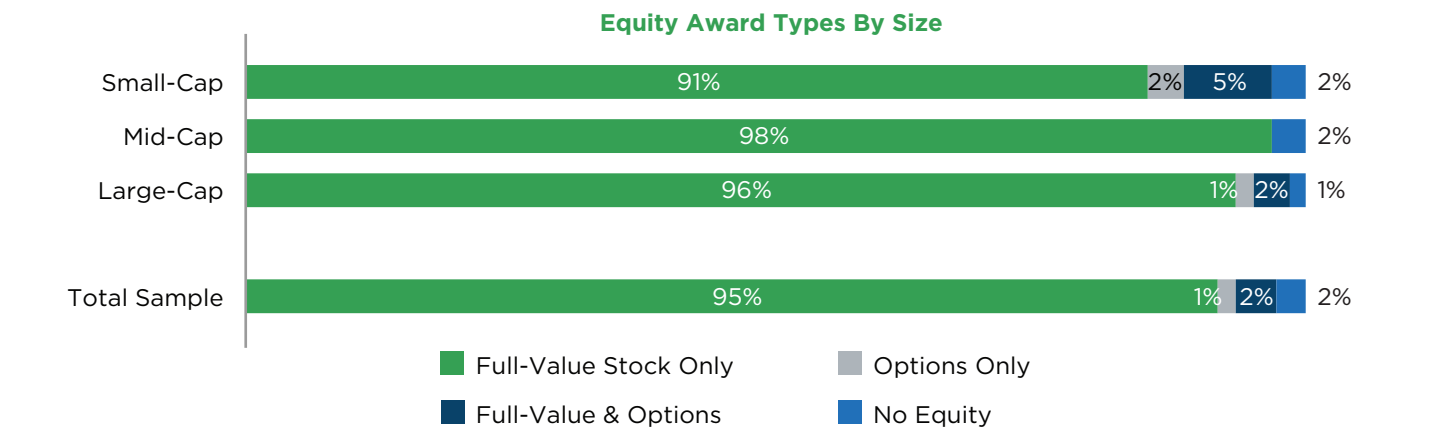
The Industrials sector has the highest prevalence of board meeting fees, while the Technology sector has the lowest.

Fees typically range from \$1,500 to \$2,000 per meeting.

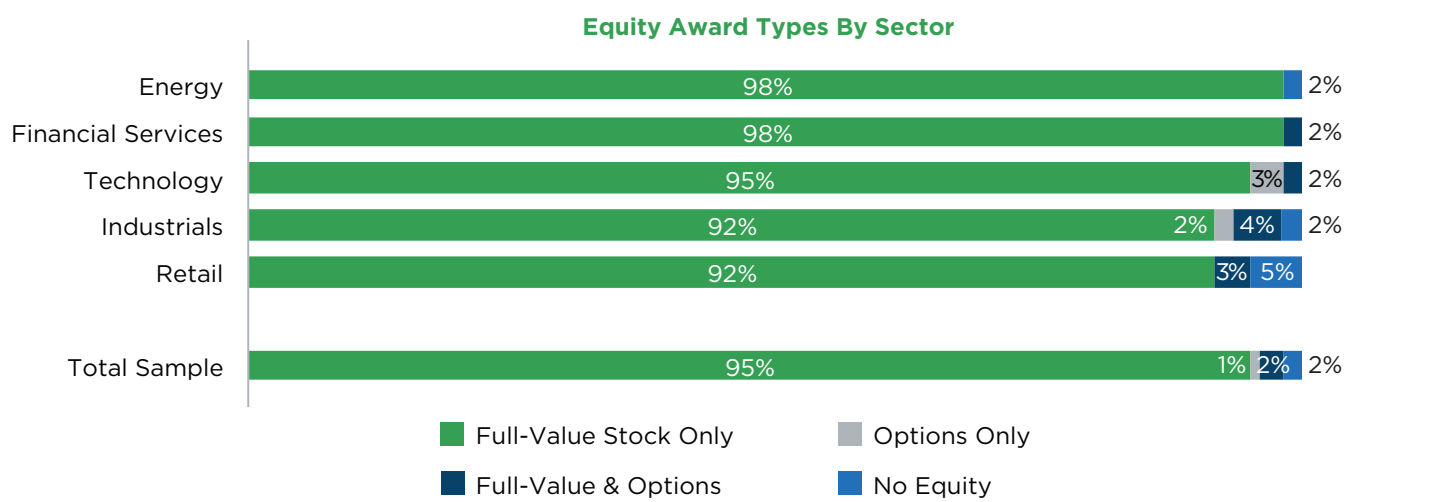
Board Meeting Fees			
	Any Board Meeting Fees	Paid for All Meetings	For Meetings Above a Threshold
<b>Total Prevalence</b> (2025)	9%	3%	6%
<b>Total Prevalence</b> (2024)	9%	4%	5%
<b>Size</b> (2025)			
Small-Cap	9%	4%	5%
Mid-Cap	10%	2%	8%
Large-Cap	7%	2%	5%
<b>Sector</b> (2025)			
Industrials	12%	5%	7%
Financial Services	10%	5%	5%
Energy	8%	2%	6%
Retail	8%	0%	8%
Technology	5%	2%	3%
<b>Pay Levels</b> (All Companies 2025)			
75th Percentile	\$2,000	\$2,858	\$2,000
Median	\$1,500	\$2,000	\$1,500
25th Percentile	\$1,500	\$1,500	\$1,500

# EQUITY AWARD TYPES

Full-value stock awards (i.e., restricted stock/units, deferred stock units, and fully vested stock) remain the most prevalent equity grant type, with 95% of companies across sizes and sectors using full-value awards exclusively (up from 94% last year). Options are used by 3% of the overall sample (down from 4% last year) and are more prevalent among small-cap companies (7% prevalence).



All sectors have at least 90% prevalence of full-value-only programs.



# EQUITY AWARD DENOMINATION

A large majority of companies across all sizes and sectors denominate annual equity awards as a fixed-dollar value, rather than as a fixed number of shares. Dollar-denominated awards provide the same proxy-disclosed grant value on an annual basis independent of stock price movement.

Full-value awards are almost always value-denominated (98% of all companies using full-value awards). Options are also usually value-denominated, although to a lesser extent (75% of all companies using options).

For both award types, those using fixed-share denomination are mostly small-cap companies.

Equity Award Denomination By Size: Percentage of Companies				
	Full-Value Stock (Used by 97% of Companies)		Options (Used by 3% of Companies)	
	Dollar Value	Number of Shares	Dollar Value	Number of Shares
Small-Cap	95%	5%	60%	40%
Mid-Cap	99%	1%	N/A	N/A
Large-Cap	99%	1%	100%	0%

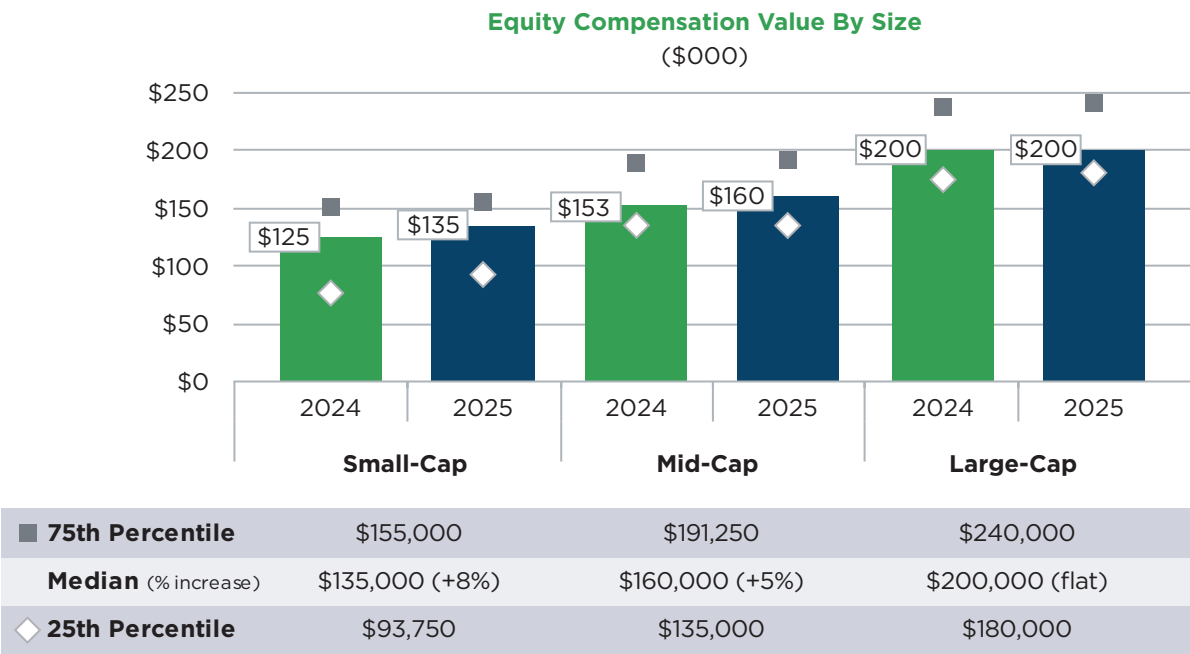
Dollar-denomination of full value awards is used by at least 95% of each sector.

Equity Award Denomination By Sector: Percentage of Companies				
	Full-Value Stock (Used by 97% of Companies)		Options (Used by 3% of Companies)	
	Dollar Value	Number of Shares	Dollar Value	Number of Shares
Industrials	100%	0%	100%	0%
Technology	98%	2%	67%	33%
Energy	98%	2%	Insufficient sample	
Financial Services	97%	3%	Insufficient sample	
Retail	95%	5%	Insufficient sample	

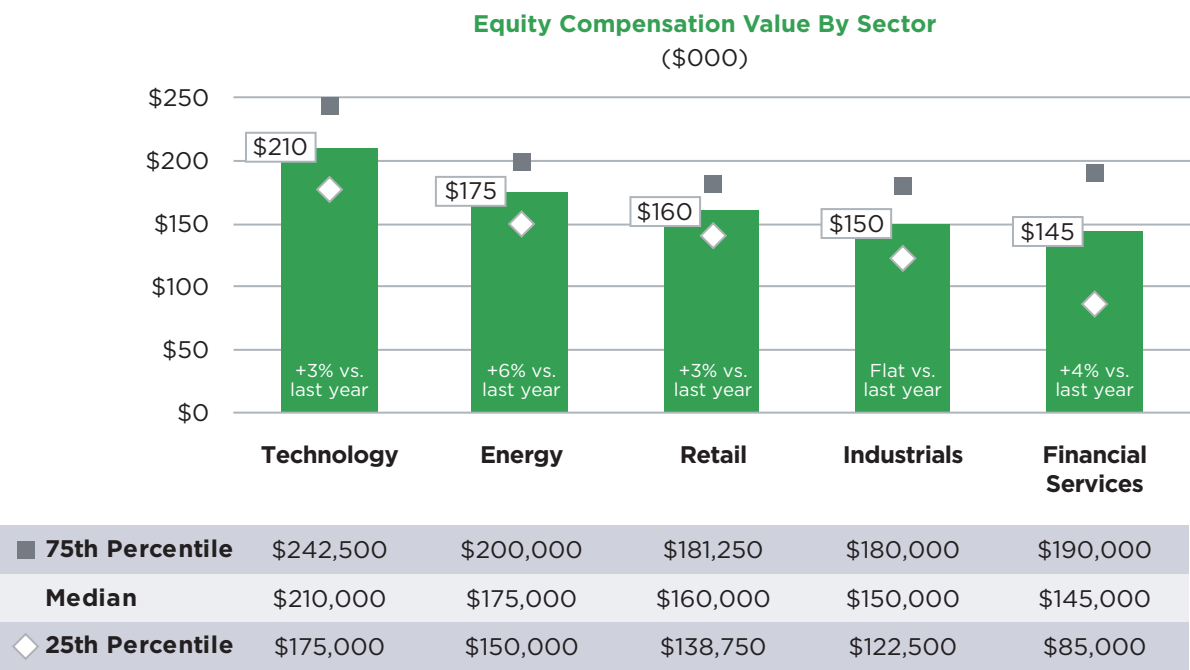


# EQUITY COMPENSATION VALUES

At median, relative to last year, equity retainers increased roughly 8% and 5% for small- and mid-cap companies, respectively, and stayed flat for large-cap companies.



Equity compensation continues to be highest in the Technology sector. The Financial Services sector has the lowest median but exhibits a wide range between the 25th and 75th percentiles. Each sector grew at the median year-over-year except for Industrials.

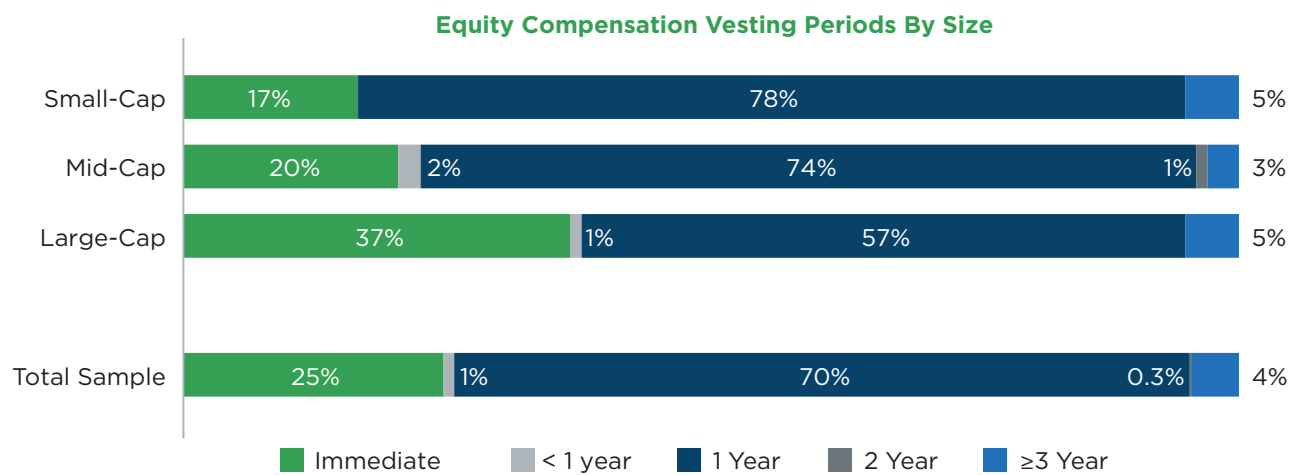


# EQUITY VESTING PRACTICES

Equity awards are typically subject to short vesting provisions (i.e., immediate or one-year). Across all sizes and sectors, approximately 96% of companies utilize short vesting provisions (up from 95% in last year’s study), with the most common approach being one-year cliff vesting. Companies often align the annual board service term with one-year cliff vesting such that awards vest on the earlier of the anniversary of grant or the next annual shareholder meeting.

Immediate vesting is about twice as common among large-cap companies versus other size groups, where it is often accompanied by mandatory holding or deferral.

For companies with vesting periods exceeding one year, awards often vest in installments (e.g., three-year pro rata vesting).



# COMMITTEE MEMBER COMPENSATION

Committee service can be compensated through additional retainers paid in cash (or, more rarely, equity) and/or meeting fees. About 60% percent of companies provide additional compensation for serving as a regular member of a board committee, either via a retainer, meeting fee, or both. Year-over-year, the prevalence of committee member retainers rose slightly, while committee meeting fee prevalence declined slightly.

At median, Audit member retainers rose from \$10,000 to \$12,000 since last year, while the other committees stayed flat at \$10,000 for Compensation and \$7,500 for Nominating & Governance.

Committee meeting fees were \$1,500 at the median (unchanged since last year) and usually ranged from \$750 to \$2,000 per meeting.

Committee Member Retainers				Committee Meeting Fees*		
	Audit	Compensation	Nominating & Governance	Audit	Compensation	Nominating & Governance
<b>Total Prevalence</b> (2025)	<b>54%</b>	<b>49%</b>	<b>47%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>
<b>Total Prevalence</b> (2024)	<b>54%</b>	<b>48%</b>	<b>46%</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>
<b>Size</b> (2025)						
Small-Cap	56%	56%	54%	6%	6%	6%
Mid-Cap	62%	56%	54%	4%	4%	4%
Large-Cap	45%	34%	32%	4%	4%	4%
<b>Sector</b> (2025)						
Energy	47%	38%	37%	3%	3%	3%
Financial Services	53%	42%	40%	12%	12%	12%
Industrials	32%	30%	28%	5%	5%	5%
Retail	63%	58%	55%	2%	2%	2%
Technology	77%	75%	73%	2%	2%	2%
<b>Pay Levels</b> (All Co's 2025)						
75th Percentile	\$15,000	\$11,175	\$10,000	\$1,933	\$1,675	\$1,675
Median	\$12,000	\$10,000	\$7,500	\$1,500	\$1,500	\$1,500
25th Percentile	\$10,000	\$7,500	\$5,000	\$888	\$888	\$888

\* Reflects companies that pay a fee for all meetings of a committee; across the entire sample, an additional 4% of companies (same as last year) provide a fee starting after a pre-set minimum number of meetings per year.

Committee member retainers increase moderately with company size.

Committee Member Retainers By Size									
	Audit			Compensation			Nominating & Governance		
<b>Percentile</b>	<b>25th</b>	<b>Median</b>	<b>75th</b>	<b>25th</b>	<b>Median</b>	<b>75th</b>	<b>25th</b>	<b>Median</b>	<b>75th</b>
Small-Cap	\$7,500	\$10,000	\$12,750	\$5,000	\$8,250	\$10,000	\$5,000	\$7,500	\$9,844
Mid-Cap	\$10,000	\$10,000	\$15,000	\$7,500	\$10,000	\$10,000	\$5,000	\$7,500	\$10,000
Large-Cap	\$12,500	\$15,000	\$20,000	\$10,000	\$12,250	\$15,000	\$7,500	\$10,000	\$12,125

# COMMITTEE CHAIR COMPENSATION

Nearly all companies provide additional compensation to committee chairs to recognize the greater time commitment involved.

For the total sample, median compensation for the Audit and Compensation committee chairs has remained flat since our 2022 study (\$25,000 and \$20,000, respectively) and rose slightly year-over-year from \$17,500 to \$18,000 for the Nominating & Governance committee chair (\$15,000 in our 2022 study).

Note: these values include the value of any member retainers also received by committee chairs.

Most companies pay chair retainers in cash (96%), with 2% using only equity and 2% using both.

Committee Chair Retainers (Inclusive of Any Member Retainers)									
	Audit			Compensation			Nominating & Governance		
Percentile	25th	Median	75th	25th	Median	75th	25th	Median	75th
<b>Size</b>									
Small-Cap	\$20,000	\$20,000	\$27,000	\$15,000	\$16,500	\$20,000	\$10,000	\$15,000	\$20,000
Mid-Cap	\$22,500	\$25,000	\$31,000	\$15,625	\$20,000	\$25,000	\$12,000	\$15,000	\$20,000
Large-Cap	\$25,000	\$30,000	\$40,000	\$20,000	\$25,000	\$30,000	\$20,000	\$20,000	\$25,000
<b>Sector</b>									
Energy	\$20,000	\$25,000	\$30,000	\$15,000	\$20,000	\$25,000	\$15,000	\$17,500	\$20,000
Financial Services	\$20,000	\$30,000	\$40,000	\$15,625	\$25,000	\$30,000	\$12,250	\$20,000	\$25,000
Industrials	\$20,000	\$25,000	\$30,000	\$15,000	\$20,000	\$25,000	\$15,000	\$15,000	\$20,000
Retail	\$25,000	\$30,000	\$37,375	\$20,000	\$25,000	\$30,000	\$15,000	\$20,000	\$25,000
Technology	\$22,250	\$27,000	\$34,500	\$15,000	\$20,000	\$25,500	\$10,000	\$15,000	\$22,500
<b>All Companies</b>	<b>\$20,000</b>	<b>\$25,000</b>	<b>\$33,625</b>	<b>\$15,000</b>	<b>\$20,000</b>	<b>\$25,000</b>	<b>\$12,500</b>	<b>\$18,000</b>	<b>\$22,500</b>
Prevalence	98%			97%			94%		

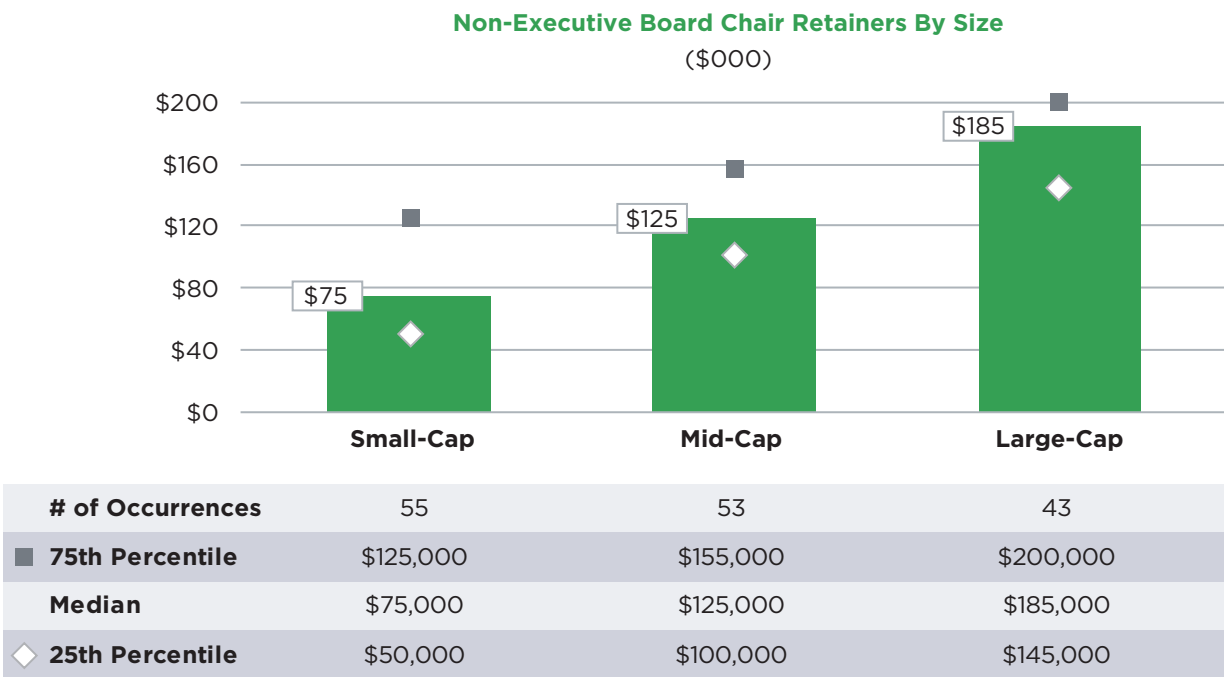
# NON-EXECUTIVE BOARD CHAIR AND LEAD DIRECTOR COMPENSATION

## Non-Executive Board Chair Retainer

Of the 155 non-executive board chairs in this year’s study, 97% receive additional compensation for the role, whether it be in cash (60%), equity (7%), or a combination of both (33%).

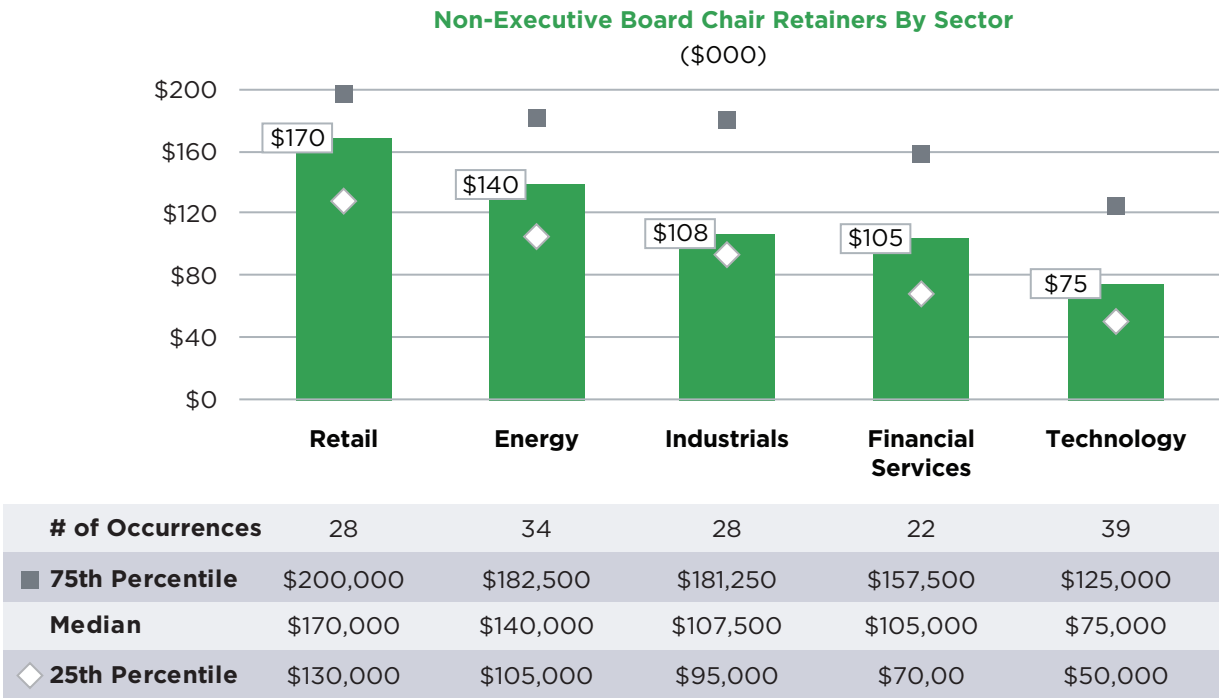
At median, non-executive board chair retainers for small-cap companies decreased year-over-year from \$82,500 to \$75,000 while increasing by \$10,000 for mid- and large-cap companies (to \$125,000 and \$185,000, respectively). Note that these statistics exclude companies that do not provide incremental compensation for the role.

Additional retainers are highly differentiated based on many factors (e.g., strategic versus governance focus, skill set and experience of both the CEO and non-executive board chair, and resulting expected time commitment), which explains the wide interquartile ranges among each size group.



# NON-EXECUTIVE BOARD CHAIR AND LEAD DIRECTOR COMPENSATION

Companies in the Retail and Technology sectors provide the highest and lowest additional compensation for non-executive board chair service, respectively (similar to prior studies). Year-over-year, median retainers increased by \$15,000 for the Energy sector and \$5,000-\$7,500 for other sectors.



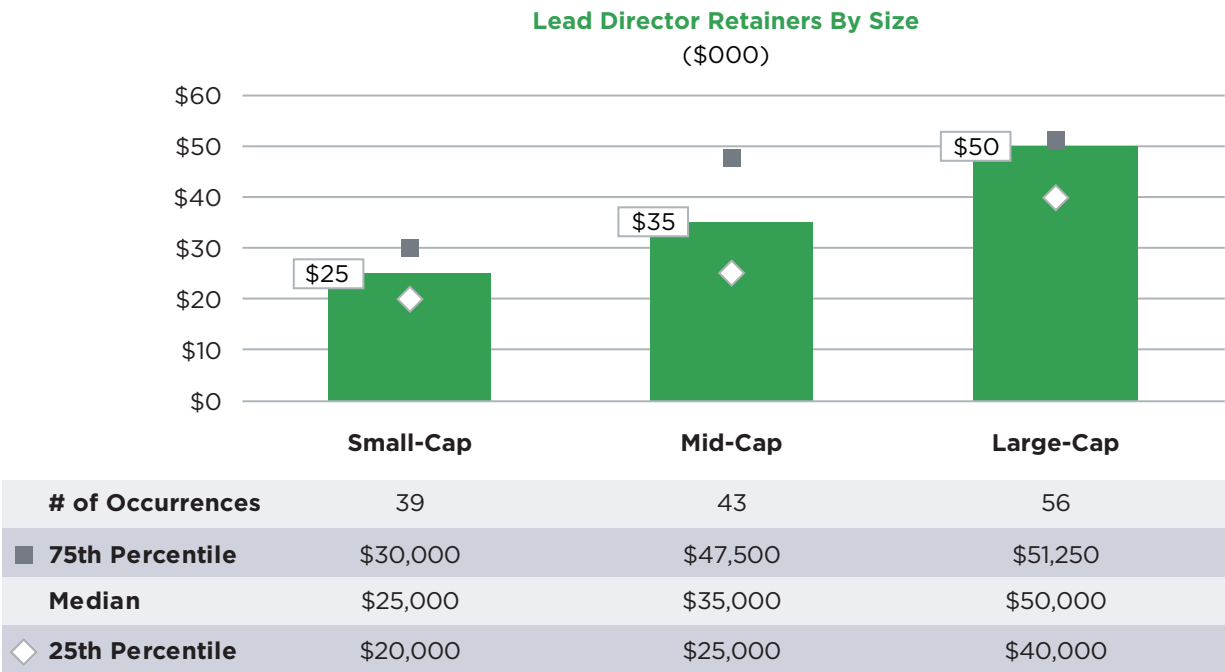
# NON-EXECUTIVE BOARD CHAIR AND LEAD DIRECTOR COMPENSATION

## Lead Director Retainer

Of the 154 lead directors in this year’s study, 90% receive additional compensation for the role. Lead director retainers exhibit less differentiation compared to non-executive board chair retainers, particularly for small- and large-cap companies.

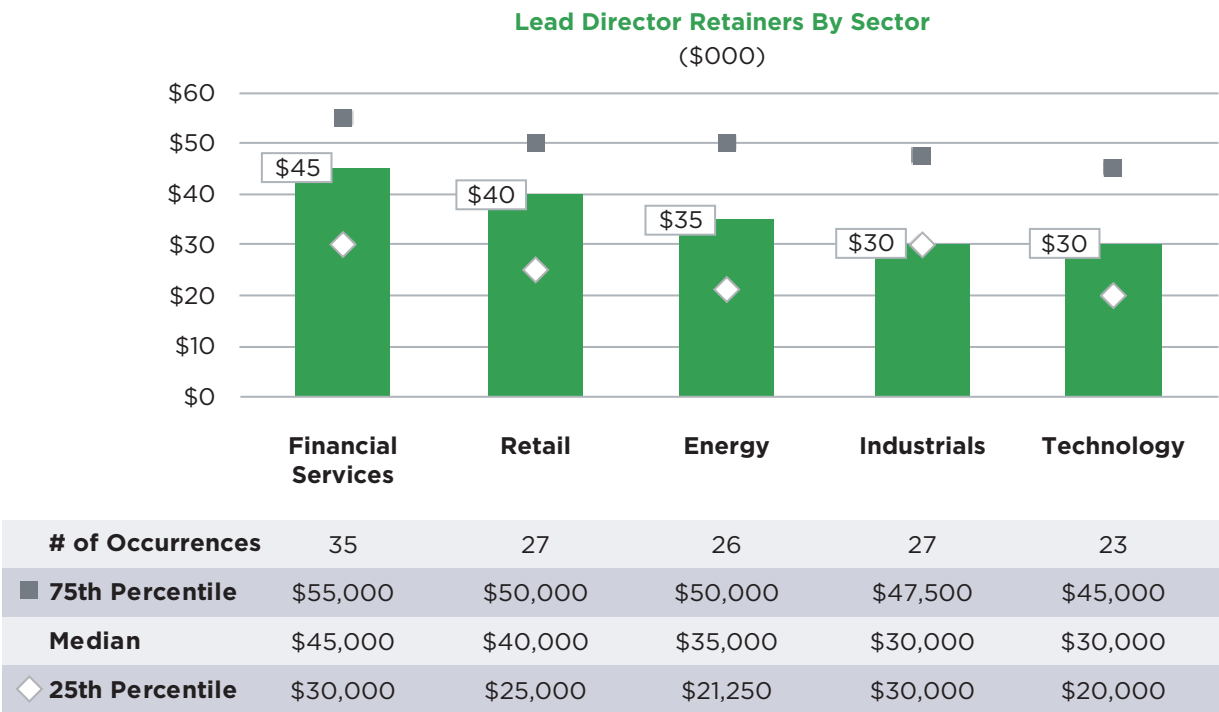
The median small-cap retainer has stayed flat at \$25,000 since our 2022 study. The large-cap median has stayed flat at \$50,000 since our 2023 study, and the 75th percentile has been approximately \$50,000 since our 2020 study. The mid-cap median has been more dynamic, increasing in gradual steps from \$25,000 in 2022 to \$35,000 in this year’s study.

Note that these statistics exclude companies that do not provide incremental compensation for the role.



# NON-EXECUTIVE BOARD CHAIR AND LEAD DIRECTOR COMPENSATION

At the median, lead director retainers are highest among Financial Services companies (\$45,000) and lowest among Industrials and Technology companies (\$30,000). Year-over-year, median retainers increased by \$2,500 for Financial Services, Retail, and Technology, and decreased by \$2,500 for the others due to changes in sample composition.

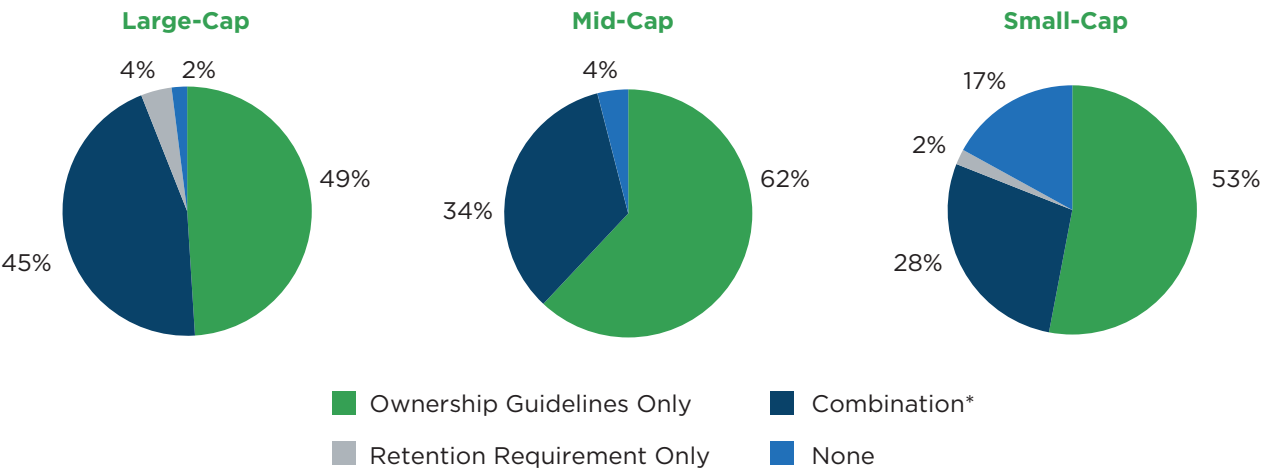




# STOCK OWNERSHIP GUIDELINES AND RETENTION REQUIREMENTS

Across the entire sample, 90% of companies maintain stock ownership guidelines, and 38% maintain retention requirements. The presence of at least one such governance feature increases with company size, with 17% of small-cap companies disclosing neither feature, versus 4% of mid-cap companies and 2% of large-cap companies.

Ownership guidelines are highly prevalent across all company sizes (~80% of small-cap companies and ~95% of mid- and large-cap companies). Retention requirements are used by about a third of small- and mid-cap companies and ~50% of large-cap companies.



\* Combination means the use of a retention requirement in addition to an ownership guideline.

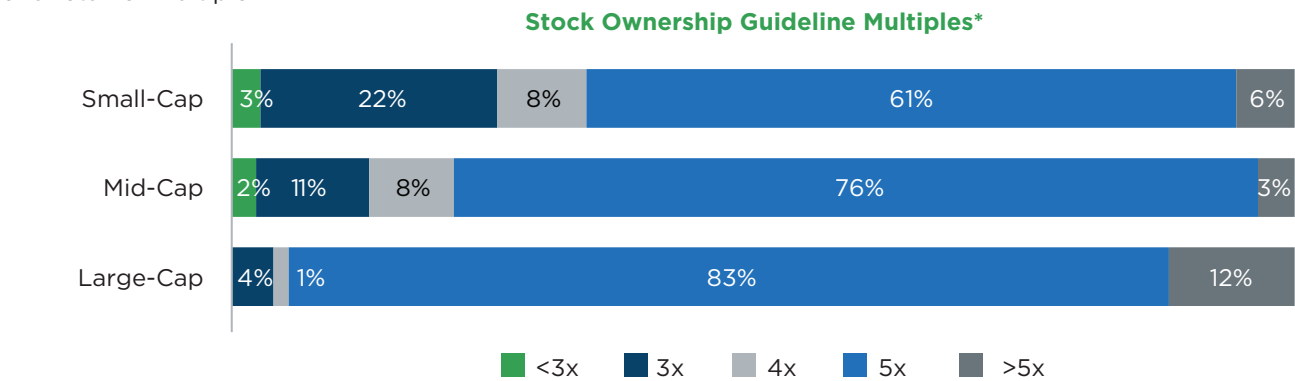
# STOCK OWNERSHIP GUIDELINES AND RETENTION REQUIREMENTS

## Stock Ownership Guidelines

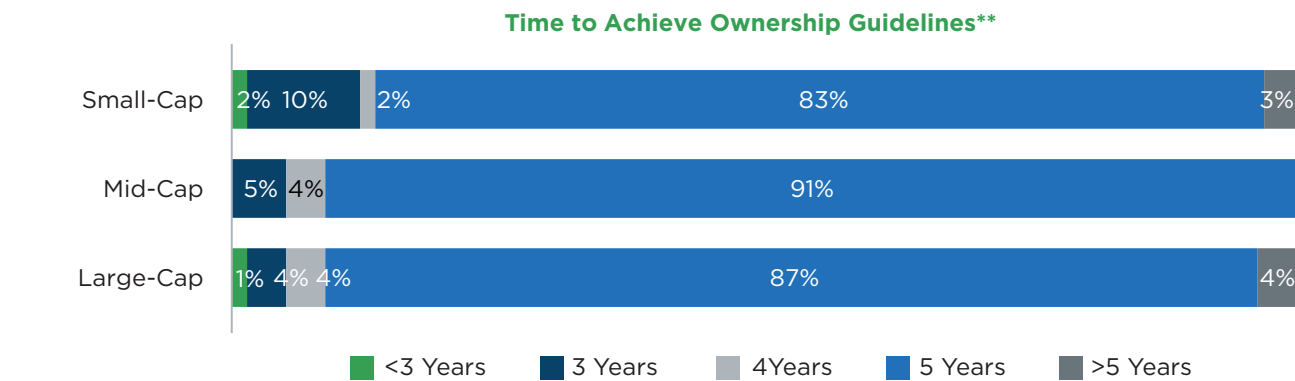
Director stock ownership guidelines are typically defined in three ways: (1) as a multiple of retainer (most commonly cash retainer), (2) as a dollar value of shares, or (3) as a fixed number of shares.

Of the total sample, approximately 91% of companies with stock ownership guidelines use a “multiple of retainer” approach. While multiples are moderately related to company size, the most common multiple across all size groups is 5x the annual board cash retainer (1% increase in prevalence across all size groups versus last year).

The remaining 9% of companies with stock ownership guidelines use a fixed number of shares and/or dollar value in lieu of a retainer multiple.



Companies across all size groups typically include a five-year period to achieve the stock ownership guidelines.



\* Statistics reflect companies using a multiple of the cash retainer (95% of retainer multiple definitions, with the remaining 5% defined as a multiple of the equity retainer or both the equity and cash retainers).

\*\* Statistics exclude companies that do not specify a time to achieve the stock ownership guideline; of the 90% of the total sample that maintain director stock ownership guidelines, 17% do not specify a time to achieve.

# RETENTION REQUIREMENTS AND STOCK OWNERSHIP GUIDELINES

## Retention Requirements

Stock retention requirements generally are found in the form of: (1) granting equity as deferred stock units that mandatorily settle upon retirement from the board (most observed at large-cap companies) or (2) requiring retention of a percentage of “net after-tax shares” acquired, which is also known as a “retention ratio.”

Retention requirements remain most common among large-cap companies (49% prevalence). Among all companies with retention requirements, 62% of the requirements apply until an ownership guideline is achieved, 31% apply until retirement (whether via a retention ratio or deferred stock units), and 7% apply for a fixed number of years.

Stock Retention Requirements				
	Small-Cap	Mid-Cap	Large-Cap	Overall
<b>Prevalence</b>	<b>30%</b>	<b>34%</b>	<b>49%</b>	<b>38%</b>
<b>Length Of Retention*</b>				
Until Retirement	17%	12%	53%	31%
Until Ownership Guideline Met	80%	82%	37%	62%
Fixed Years	3%	6%	10%	7%
<b>Vehicle for Requirement*</b>				
Retention Ratio	86%	88%	53%	73%
Deferred Stock Units (DSUs)	7%	12%	37%	21%
Retention Ratio and DSUs	7%	0%	10%	6%
<b>Retention Ratio**</b>				
100%	68%	60%	68%	65%
75%	4%	7%	3%	5%
50%	28%	26%	26%	27%
Other	0%	7%	3%	3%

\* Calculated out of companies disclosing retention requirements.

\*\* Calculated out of companies disclosing retention ratios.

# SHAREHOLDER-APPROVED LIMITS ON ANNUAL DIRECTOR COMPENSATION

## Limit Types & Prevalence

The majority of companies (82%) continue to include limits on annual compensation per director in shareholder-approved equity plans. Such limits can apply to equity compensation only (expressed as a dollar value or number of shares/options) or to total compensation (cash and equity); the latter is viewed as providing more complete protection against potential lawsuits, since case law does not seem to distinguish between cash and equity.

Across the overall sample, total compensation limits are more common than equity-only limits, growing in prevalence again year-over year (from 62% to 67% of all limits). Some companies raise or nullify the limit in special cases, such as a director's first year of service or for additional premiums for non-executive board chairs or lead directors.

Annual Limits on Non-Employee Director Compensation				
	Small-Cap	Mid-Cap	Large-Cap	Overall
<b>Prevalence</b>	<b>76%</b>	<b>84%</b>	<b>85%</b>	<b>82%</b>
<b>Application of Limit*</b>				
Total Compensation	67%	71%	61%	67%
Equity Only	33%	29%	39%	33%
<b>Denomination of Equity Limit**</b>				
Dollar-Denominated	76%	71%	82%	77%
Share-Denominated	20%	21%	18%	20%
Both	4%	8%	0%	3%

\* Calculated out of companies disclosing limits.

\*\* Calculated out of companies with equity-only limits.

# SHAREHOLDER-APPROVED LIMITS ON ANNUAL DIRECTOR COMPENSATION

## Limit Values

For limits on total director pay, median values were unchanged year-over-year for mid- and large-cap companies, while the small-cap median grew from \$525,000 to \$650,000 (driven in part by new adopters and other changes in the sample). Limits typically range from \$500,000 (25th percentile for small- and mid-cap companies) to \$1,000,000 (75th percentile for large-cap companies) and equate to a multiple of approximately 2x to 3x total director pay.

Dollar-denominated equity-only limits tend to have similar or smaller values than total compensation limits (lower by \$125,000 to \$150,000 at the median depending on size group).

Share-denominated equity-only limits are larger and more variable, both as a dollar value and as a multiple of annual equity award value. This variability may be attributable to stock price growth following the establishment of limits or companies' desire to provide a buffer against stock price decline, among other factors. Such limits have been valued using April 30, 2025 closing stock prices and Black-Scholes valuation (for stock options) using the latest disclosed ASC Topic 718 option valuation assumptions.

Percentile	Total Compensation Limit			Dollar-Denominated Equity Limit			Share-Denominated Equity Limit		
	25th	Median	75th	25th	Median	75th	25th	Median	75th
<b>Value of Limit</b> (\$000)									
Small-Cap	\$500	\$650	\$750	\$288	\$500	\$500	\$1,137	\$1,434	\$3,178
Mid-Cap	\$500	\$625	\$750	\$500	\$500	\$825	\$2,127	\$3,794	\$7,436
Large-Cap	\$750	\$750	\$1,000	\$500	\$600	\$750	\$2,838	\$6,674	\$13,683
<b>Limit Multiple*</b>									
Small-Cap	2.2x	2.7x	3.5x	2.9x	3.5x	4.4x	13.3x	15.4x	36.9x
Mid-Cap	2.0x	2.3x	2.8x	2.9x	3.8x	4.7x	18.5x	41.3x	70.4x
Large-Cap	2.0x	2.5x	2.8x	2.3x	2.8x	3.8x	12.4x	28.4x	66.9x

\* For total compensation limits, reflects multiple of total pay; for equity-only limits, reflects multiple of annual equity award value.

# LIST OF COMPANIES SURVEYED

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1-800-FLOWERS.COM, Inc.  
3M Company  
AAR Corp.  
Abercrombie & Fitch Co.  
Accenture plc  
Acushnet Holdings Corp.  
Adobe Inc.  
Advanced Energy Industries, Inc.  
Aflac Incorporated  
Amazon.com, Inc.  
AMC Entertainment Holdings, Inc.  
American Airlines Group Inc.  
American Eagle Outfitters, Inc.  
American Express Company  
AMERISAFE, Inc.  
Amkor Technology, Inc.  
Analog Devices, Inc.  
APA Corporation  
Apartment Investment and Management Company  
Applied Industrial Technologies, Inc.  
ArcBest Corporation  
Archrock, Inc.  
Armstrong World Industries, Inc.  
Arthur J. Gallagher & Co.  
Autodesk, Inc.  
AutoZone, Inc.  
Axcelis Technologies, Inc.  
B. Riley Financial, Inc.  
Baker Hughes Company  
Bank of America Corporation  
Beacon Roofing Supply, Inc.  
Best Buy Co., Inc.  
Beyond, Inc.  
Big 5 Sporting Goods Corporation  
BlackRock, Inc.  
Bloomin' Brands, Inc.  
Booking Holdings Inc.  
Bristow Group Inc.  
Brown & Brown, Inc.  
Burlington Stores, Inc.  
Cactus, Inc.  
Cadence Design Systems, Inc.  
Caesars Entertainment, Inc.  
Caleres, Inc.  
Calumet, Inc.  
Camden National Corporation  
Capital One Financial Corporation  
CarMax, Inc.  
Cass Information Systems, Inc.  
Cathay General Bancorp  
Central Pacific Financial Corp.  
ChampionX Corporation  
Cheniere Energy, Inc.  
Chevron Corporation  
Chord Energy Corporation  
Cincinnati Financial Corporation  
Citizens Financial Group, Inc.  
CNO Financial Group, Inc.  
CNX Resources Corporation  
Cognex Corporation  
Cognizant Technology Solutions Corporation  
Cohu, Inc.  
Columbia Sportswear Company  
Comerica Incorporated  
Commerce Bancshares, Inc.  
ConocoPhillips  
Core Laboratories Inc.  
Core Natural Resources, Inc.  
Corsair Gaming, Inc.  
CoStar Group, Inc.  
Coterra Energy Inc.  
Crawford & Company  
Crocs, Inc.  
CrowdStrike Holdings, Inc.  
CSG Systems International, Inc.  
CSW Industrials, Inc.  
CTS Corporation  
Cullen/Frost Bankers, Inc.  
Cummins Inc.  
CVB Financial Corp.  
Datadog, Inc.  
Dave & Buster's Entertainment, Inc.  
Deere & Company  
Dell Technologies Inc.  
Delta Air Lines, Inc.  
Devon Energy Corporation  
Diamondback Energy, Inc.  
DICK'S Sporting Goods, Inc.  
Digi International Inc.  
Digimarc Corporation  
Dillard's, Inc.  
Discover Financial Services  
DMC Global Inc.  
DocuSign, Inc.  
Dolby Laboratories, Inc.  
Dollar General Corporation  
Dollar Tree, Inc.  
Domino's Pizza, Inc.  
Donegal Group Inc.  
Donnelley Financial Solutions, Inc.

# LIST OF COMPANIES SURVEYED

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Dorman Products, Inc.	Jacobs Solutions Inc.
Douglas Dynamics, Inc.	JELD-WEN Holding, Inc.
Dover Corporation	Kelly Services, Inc.
DraftKings Inc.	Kennametal Inc.
DT Midstream, Inc.	Kimball Electronics, Inc.
eGain Corporation	Kinder Morgan, Inc.
Ellington Financial Inc.	KLA Corporation
Ennis, Inc.	KLX Energy Services Holdings, Inc.
Enova International, Inc.	Kohl's Corporation
Enpro Inc.	Kyndryl Holdings, Inc.
EOG Resources, Inc.	Lakeland Financial Corporation
Evercore Inc.	Lands' End, Inc.
Everi Holdings Inc.	Lattice Semiconductor Corporation
Exxon Mobil Corporation	Lemonade, Inc.
Fastly, Inc.	Lincoln National Corporation
Foot Locker, Inc.	Lockheed Martin Corporation
FormFactor, Inc.	Logility Supply Chain Solutions, Inc.
Fortive Corporation	Lowe's Companies, Inc.
Fossil Group, Inc.	lululemon athletica inc.
FuelCell Energy, Inc.	MACOM Technology Solutions Holdings, Inc.
GameStop Corp.	Macy's, Inc.
GATX Corporation	Magnolia Oil & Gas Corporation
General Dynamics Corporation	Marathon Petroleum Corporation
General Electric Company	MarineMax, Inc.
German American Bancorp, Inc.	Marten Transport, Ltd.
Gibraltar Industries, Inc.	Matador Resources Company
Graham Holdings Company	Matrix Service Company
Green Dot Corporation	Maximus, Inc.
Green Plains Inc.	McDonald's Corporation
Griffon Corporation	MetLife, Inc.
HA Sustainable Infrastructure Capital, Inc.	MGIC Investment Corporation
Halliburton Company	Micron Technology, Inc.
Hanesbrands Inc.	Microsoft Corporation
Harmonic Inc.	Morgan Stanley
Haverty Furniture Companies, Inc.	Mr. Cooper Group Inc.
Healthcare Realty Trust Incorporated	Murphy Oil Corporation
Helix Energy Solutions Group, Inc.	Nabors Industries Ltd.
Heritage Commerce Corp	NetApp, Inc.
Heritage Financial Corporation	Nordstrom, Inc.
Hertz Global Holdings, Inc.	Northern Oil and Gas, Inc.
Hess Corporation	Northrop Grumman Corporation
HNI Corporation	NOV Inc.
HP Inc.	Novanta Inc.
ICF International, Inc.	NPK International Inc.
IES Holdings, Inc.	Occidental Petroleum Corporation
Innovex International, Inc.	Oceaneering International, Inc.
Intel Corporation	Oil States International, Inc.
InterDigital, Inc.	Omega Flex, Inc.
Intuit Inc.	ONEOK, Inc.
Itron, Inc.	OneSpan Inc.

# LIST OF COMPANIES SURVEYED

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Oracle Corporation	The Cheesecake Factory Incorporated
Patterson-UTI Energy, Inc.	The Children's Place, Inc.
PBF Energy Inc.	The Container Store Group, Inc.
PC Connection, Inc.	The First Bancshares, Inc.
Peabody Energy Corporation	The Goldman Sachs Group, Inc.
Permian Resources Corporation	The Hartford Insurance Group, Inc.
Phillips 66	The Home Depot, Inc.
Phreesia, Inc.	The ODP Corporation
Playa Hotels & Resorts N.V.	The TJX Companies, Inc.
Plug Power Inc.	The Travelers Companies, Inc.
Preformed Line Products Company	The Wendy's Company
Premier Financial Corp.	The Williams Companies, Inc.
ProPetro Holding Corp.	Thermon Group Holdings, Inc.
PROS Holdings, Inc.	Tidewater Inc.
Pursuit Attractions and Hospitality, Inc.	Tower Semiconductor Ltd.
Q2 Holdings, Inc.	Tractor Supply Company
Quanex Building Products Corporation	Trimble Inc.
Range Resources Corporation	Triumph Group, Inc.
Rapid7, Inc.	Truist Financial Corporation
Regal Rexnord Corporation	TTEC Holdings, Inc.
Resources Connection, Inc.	TTM Technologies, Inc.
Ribbon Communications Inc.	Tucows Inc.
Rogers Corporation	United Parcel Service, Inc.
Rollins, Inc.	United Rentals, Inc.
Ross Stores, Inc.	Valero Energy Corporation
RPC, Inc.	Varonis Systems, Inc.
Ryder System, Inc.	Veritex Holdings, Inc.
Sally Beauty Holdings, Inc.	Viavi Solutions Inc.
Schlumberger Limited	Virtu Financial, Inc.
Scholastic Corporation	Vital Energy, Inc.
SEI Investments Company	Vitesse Energy, Inc.
Select Water Solutions, Inc.	Voya Financial, Inc.
SentinelOne, Inc.	W&T Offshore, Inc.
Shake Shack Inc.	Waste Connections, Inc.
Shoe Carnival, Inc.	Waste Management, Inc.
Simmons First National Corporation	Watsco, Inc.
Six Flags Entertainment Corporation	Webster Financial Corporation
SM Energy Company	Wells Fargo & Company
Somnigroup International Inc.	WESCO International, Inc.
Spirit Aviation Holdings, Inc.	Western Alliance Bancorporation
Stanley Black & Decker, Inc.	Western Digital Corporation
Steven Madden, Ltd.	WillScot Holdings Corporation
T. Rowe Price Group, Inc.	WisdomTree, Inc.
Talos Energy Inc.	Woodward, Inc.
Tanger Inc.	Workiva Inc.
Target Corporation	World Kinect Corporation
TechnipFMC plc	Xylem Inc.
Tetra Tech, Inc.	YETI Holdings, Inc.
The Allstate Corporation	Yum! Brands, Inc.
The Bank of New York Mellon Corporation	Zions Bancorporation, National Association



# FW COOK PROFILE

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**FW Cook** is an independent consulting firm specializing in executive and director compensation and related corporate governance matters. Founded in 1973, our firm has served more than 3,000 companies of divergent size and business focus from our offices in New York, Chicago, Los Angeles, San Francisco, Atlanta, Houston, and Boston. We currently serve as the independent advisor to the compensation committees at a substantial number of the most prominent companies in the U.S.

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