We are a specialized consulting firm providing strategic guidance to chief executives of private and family-controlled enterprises, who are considering forming or refreshing a fiduciary or advisory board.

Lodestone Global is **not a traditional search firm**. We invest significant partner time to help you define your 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 or updating a board that respects your culture and delivers a high return on investment.

**Considering Building or Refreshing your Board?**

Contact us at: [info@lodestoneglobal.com](mailto:info@lodestoneglobal.com)
Lodestone Global surveyed **375 companies** across **33 different industries** and **38 countries** to analyze current board practices and compensation around the world.

The median revenue of the sample was $100m. The median number of employees was 250.

Compensation growth is forecasted to continue, with 35% of the respondents projecting a rise in director pay – up from 34% that expected an increase last year, and 27% in 2016.

Median total compensation was $43,500, ~4.8% higher than the $41,500 reported last year.

The 4.8% increase (+4.5% in 2018) is the result of a 5.5% increase domestically and a 3.6% increase internationally. Technology firms saw the most growth this year, paying their directors +10% more than in 2018.
Boards continue to have a strong impact on company performance. **94% of companies reported increased revenues** and **92% reported increased EBITDA**. Since the respondent joined the board, companies reported an average revenue increase of ~50%. 53% 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.

71% of the companies in the survey had women as board members, up from 61% last year and 60% the year before. **The number of women directors was up to a median of 2.0 vs. 1.5 last year**, achieving a **33% representation on a typical board vs. 20% in 2018**. 97% of boards with at least one woman director reported that their companies increased revenues.

50% of the survey respondents were family owned companies. The median number of board members was 6, with 3 independent directors. Similar to last year, 21% (22% in 2018) of respondents reported using equity as part of their compensation schemes.
ABOUT THE SURVEY

The 9th Annual 2020 Private Company Board Compensation Survey was conducted among our clients and select members of YPO* in the fall and winter of 2019. 375 companies provided meaningful responses.

Surveyed companies were comprised of family majority owned, private equity owned, single majority owned, and diversely owned equity structures. 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.

METHODOLOGY

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

*YPO connects 28,990 chief executives of companies generating >US$6 trillion in revenues and employing >15 million people in 137 countries.
# SUMMARY STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>AVG</th>
<th>MED</th>
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<tbody>
<tr>
<td>Total Respondents:</td>
<td>375</td>
<td>375</td>
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<tr>
<td>Revenue:</td>
<td>$306m</td>
<td>$100m</td>
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<tr>
<td>Employees:</td>
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<td>Yearly Meetings:</td>
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<td>Board Members:</td>
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<td>Independent Directors:</td>
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<td>3.0</td>
</tr>
<tr>
<td>Female Directors:</td>
<td>2.1</td>
<td>2.0</td>
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</table>
Companies reported **INCREASED REVENUES** since implementing a Board of Directors

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

Companies reported **AVERAGE REVENUE GROWTH OF 50%** (49% 2018) since implementing a Board of Directors
WOMEN BOARD MEMBERS INCREASINGLY REPRESENTED ON PRIVATE COMPANY BOARDS

71%

INDICATED THERE ARE FEMALE MEMBERS ON THEIR BOARD (UP FROM 61% LAST YEAR)

2.0

MEDIAN NUMBER OF FEMALE MEMBERS ON THE BOARD (UP FROM 1.5 LAST YEAR)

NOW 33% BOARD REPRESENTATION
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@lodestonglobal.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.

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