



# 2022

## PRIVATE COMPANY BOARD COMPENSATION SURVEY

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**LODESTONE GLOBAL**

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# 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.

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## 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 advisors are expertly trained to bring forth high levels of collaboration and engagement.

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## 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.

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# INTRODUCTION





# EXECUTIVE SUMMARY

## 2022 PRIVATE COMPANY BOARD COMP SURVEY

Median total compensation was \$44,850,  
~5% higher than the \$42,750 reported last year.

Median revenue was \$110m  
Median number of employees was 275

Compensation is projected to rise in 2022 with **58% of the respondents projecting a rise in director pay** – up from 45% who expected an increase last year and 35% the year before.

The **+4.9% increase** (-1.7% in 2020) is the result of a +5.3% increase domestically, offset by a +4.0% increase internationally. Technology firms saw the most growth again this year, paying their directors +9% more year-on-year.

Lodestone Global surveyed **576 companies** across **41 different industries** and **39 countries** to analyze current board practices and compensation around the world.



# EXECUTIVE SUMMARY

## BOARDS & DIVERSITY

**Lodestone Global's aim is to increase private company director diversity. The data continues to show that diversity produces a higher-performing boardroom.**

In 2021, women served on 79% of the boards of companies surveyed, up from 78% last year and 71% the year before.

The number of women directors remained at a median of 2.5 vs. 2.5 last year, achieving a ~40% representation on a typical board.

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



# EXECUTIVE SUMMARY

## BOARDS & PERFORMANCE



Boards continued to strongly impact company performance. Since implementing a board of directors, **97% of companies reported increased revenues** and **94% reported increased EBITDA**. Since the respondent joined the board, companies reported an average revenue increase of ~60%.



63% of the participants categorized their boards as “Indispensable” or “Very Effective” at driving corporate strategy. **These results support the notation that a board with strategically selected directors can be essential to achieving corporate goals and improving profitability.**





# EXECUTIVE SUMMARY

## COVID-19 IMPACT

### **IN-PERSON MEETINGS TO RETURN? HYBRID APPROACH?**

In 2020, over 95% of companies reported holding their board meetings remotely. In 2021, over 40% of companies reported returning to their typical in-person meetings, with another ~32% adopting a hybrid approach (e.g., 2 out of 4 meetings per year held in person). Over 60% of the respondents indicated a preference for in-person meetings.

### **COMPENSATION MODIFICATIONS?**

Most temporary modifications to director compensation that were put in place in 2020 were eliminated in 2021. Less than 10% of respondents indicated any reduction in fees with respect to COVID-19. In fact, 32% of respondents reported increased pay commensurate with the increased meetings that have taken place since the onset of the pandemic. In 2020, many directors were not adequately compensated for the increase in work.

### **INCREASED MEETINGS/WORK?**

In 2020, 55% of respondents indicated their companies had increased the number of meetings due to COVID-19. In 2021, that number jumped further to ~75%. Many companies are employing special meetings/working sessions to deal with critical issues that have surfaced due to the pandemic (e.g., digital transformation, supply chain issues, etc.). The median number of meetings remained elevated at 4 Formal "In Person" Meetings (including videoconferences that have replaced traditional meetings) and 4 Teleconferences.\*

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



# ABOUT THE SURVEY

## 2022 PRIVATE COMPANY BOARD COMPENSATION SURVEY

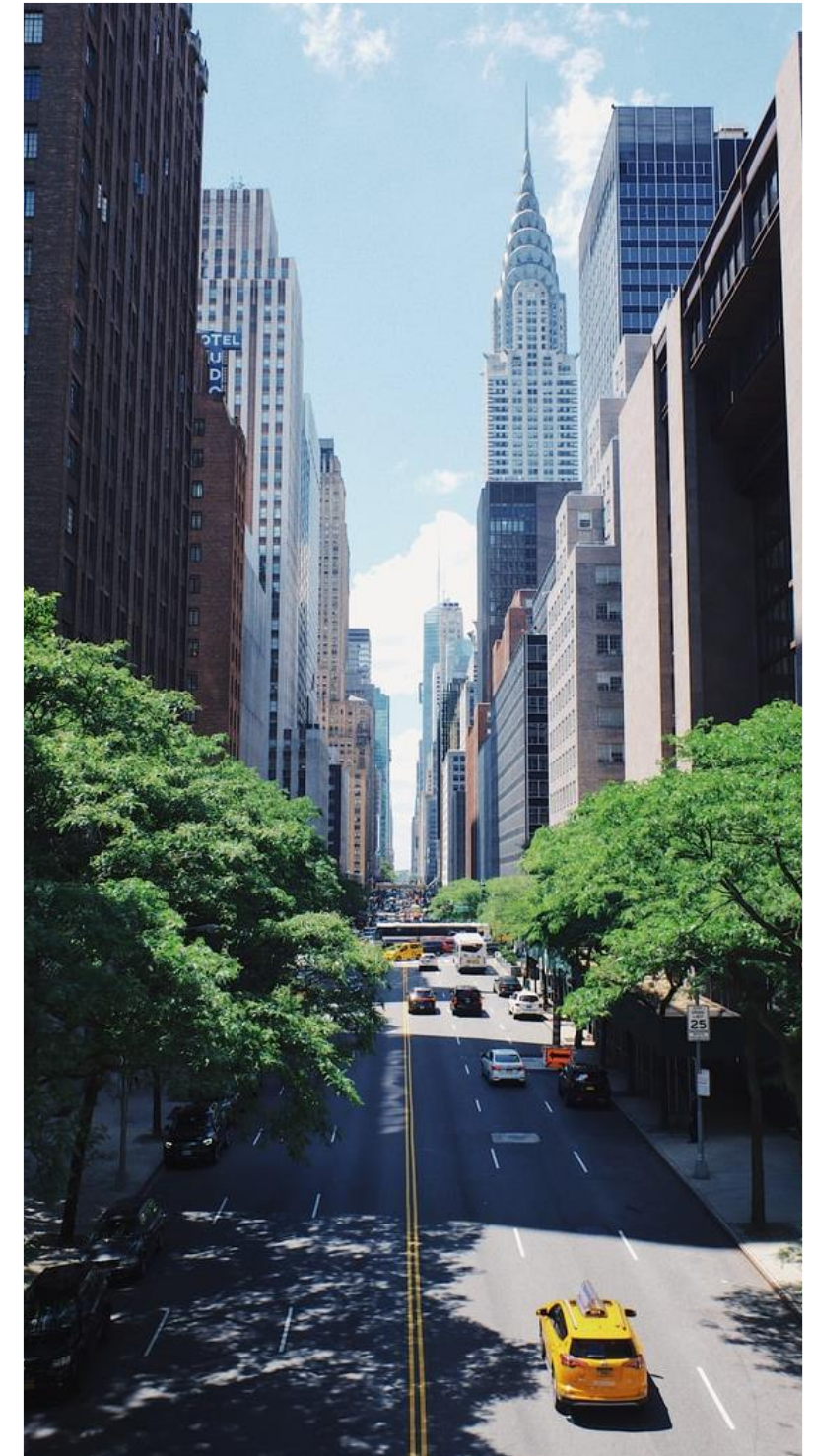
The 11<sup>th</sup> Annual 2022 Private Company Board Compensation Survey was conducted among our clients and select members of YPO\* in the fall and winter of 2021. 576 companies provided meaningful responses. Additional data was collected from over 3,000 companies that is excluded in these results 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 576 respondents (except per teleconference fees) whereas median calculations excluded the respondents who did not give an answer for that specific category.

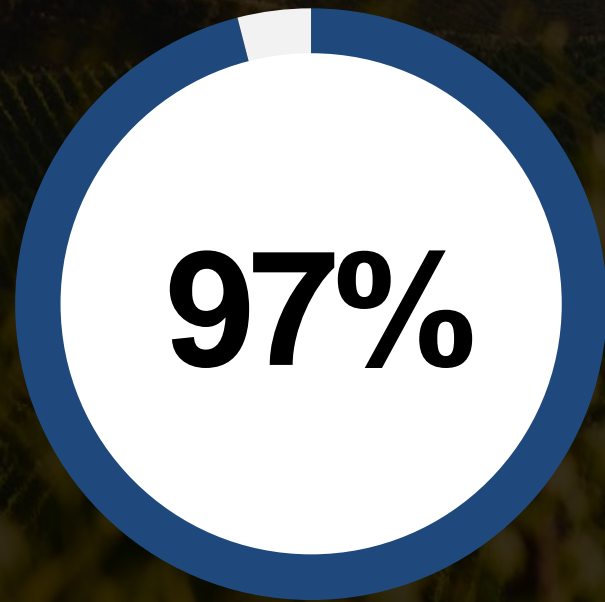
The survey presents the overall results of our work in determining specific compensation levels, as well as prevalent Board practices. This survey is private and confidential and was conducted for the sole benefit of participating companies and Lodestone Global. This report may not be reproduced, quoted,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

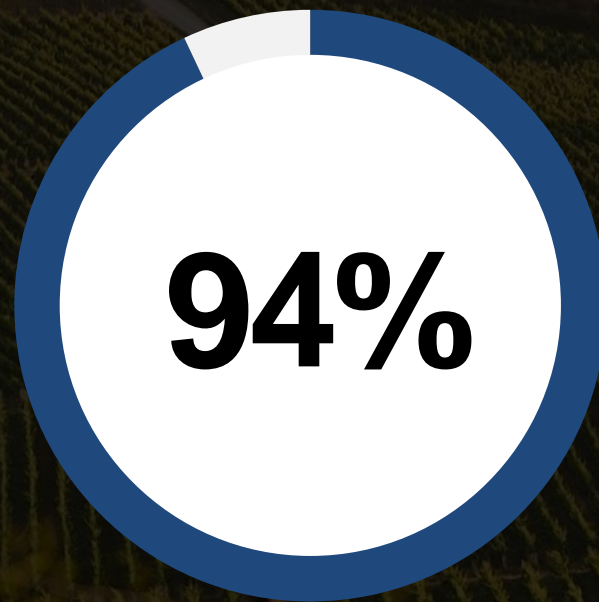




# BOARDS DRIVE PERFORMANCE



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



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

**+60%**



Companies reported **AVG. REVENUE GROWTH OF 60%** since implementing a Board of Directors



# PURCHASE FULL VERSION

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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](mailto:info@lodestoneglobal.com)

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