Willis Towers Watson

Executive remuneration in FTSE 100 companies

2020 market data report for executive and non-executive directors

October 2020

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Contents

This report provides a final update for the 2020 Annual General Meeting (AGM) season on key pay developments this year. It also sets out an overview of executive director market data and non-executive director fees for companies in the FTSE 100.

This report includes data sourced from Willis Towers Watson's Global Executive Compensation Team. This report is based on the FTSE 100 as at 18th August 2020.

Key headlines from the 2020 AGM season

Who changed what?

- 2020 was a regular policy review year, and consequently we saw an increase in the number of companies tabling a new policy for shareholder approval (65%, up from 20% in 2019).
- As expected, most of the changes were made in response to the UK Corporate Governance Code (UKCGC) that applied to companies from 1st January 2019, and responses to evolving views from shareholders and proxy agencies.
- The majority of FTSE 100 companies had already published their annual report by the time the COVID-19 pandemic started to significantly impact the UK. We have, however, provided early insights from March year-ends onwards on p. 2.

How did investors and proxy agencies react?

- We saw an increase in the percentage of companies receiving an Amber Top from IVIS on their policies, up from 56% last year to 64% this year.
- Conversely, the percentage of companies receiving an ISS 'Contentious For' dropped from 55% to 50%, driven predominantly by an increase in companies receiving an ISS 'For' recommendation (up from 27% to 33%).
- Year on year, there were more negative report recommendations from IVIS, but fewer from ISS, driven partly by the Investment Association's (IA) views on alignment of executive director pension contributions with the wider workforce.
- The main area of contention continues to be quantum, with base pay and incentive increases among the top areas of concern where not accompanied by robust rationale.

Figure 1. **Change in ISS and IVIS FTSE 100 voting recommendations, 2019 – 2020**

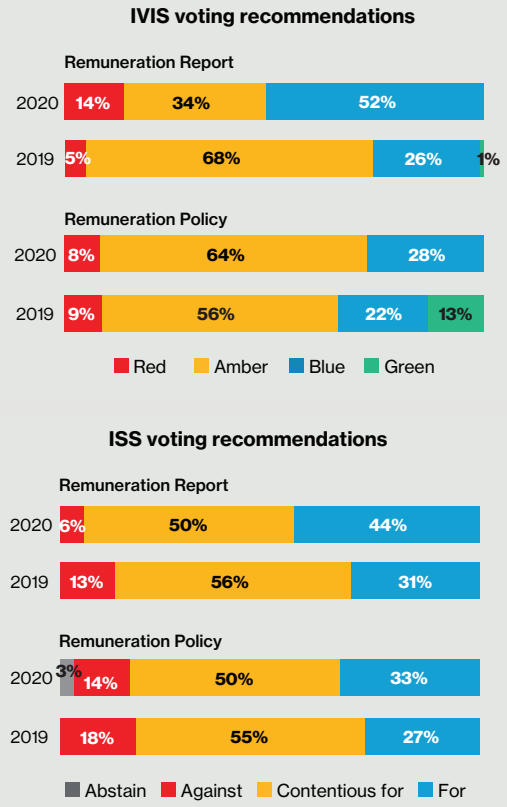


Figure 2. **Total Against/Red recommendations**

ISS (Against)	IVIS (Red)
11	15

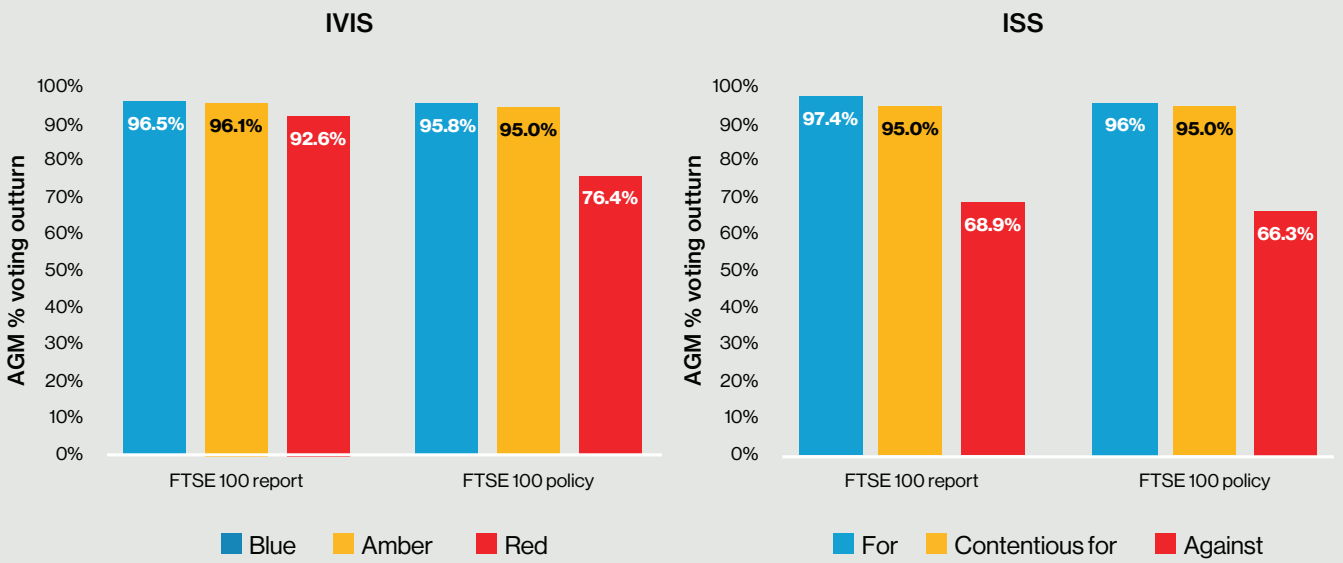
Figure 3. **Most common rationale for an Against / Red recommendation**

	ISS	IVIS
Quantum	55%	66%
Pension	27%	40%

Other reasons included treatment of pay for leavers and the use of discretion

- The impact of proxy agency views cannot be understated, with ISS 'Against' recommendations resulting in a median voting out-turn of 68.9% and 66.3% for report and policy votes respectively.

Figure 4. **Proxy Agency recommendations: influence upon AGM voting outturns**



It should be noted that five companies received a Red Top from IVIS on their remuneration policy. Among these five companies, there was a wide spread in voting out-turns, ranging from 64.9% to 98.2%; this data point should therefore be treated with caution. Two of these companies gained less than 80% support, with both companies receiving an 'Against' recommendation from ISS.

And what happened at AGMs?

- There was little change in the median AGM voting out-turn, which remained high at 95% for the Annual Report on Remuneration (ARR) and 94% for the policy.
- One company lost the vote on the ARR, and four companies attracted votes below 80%. Significant salary increases, lack of pension alignment, increases to LTIP opportunity, retrospective target adjustments and high leverage concerns contributed to these vote levels.

COVID-19

Annual reports published by companies with March to June 2020 financial year-ends offer a first opportunity to assess how companies have responded to the unprecedented period of economic and social dislocation created by COVID-19.

Our key findings

Around 45% of companies have implemented temporary pay reductions for executive directors; however, most companies have halted forward-looking pay reviews and salary increases, regardless of business performance during the pandemic.

Where alterations have been made to incentive out-turns, these have been focused on the annual bonus, with companies taking several different approaches including application of downwards discretion, making payments conditional on future dividend flows and paying the cash element in shares.

Looking to incentives for 2020/21 onwards, again we have seen more disclosure around changes to the annual bonus, although a number of companies have disclosed that they are delaying target-setting for 2020 long-term incentive plan (LTIP) awards.

Detailed findings

Base salary

- Overall, 45% of companies have implemented a temporary pay cut for executive directors, with a range of 20%–50% in the FTSE 100.
- Where the length of salary reduction is disclosed, the standard is three months.

Over three-quarters of companies have confirmed no forward-looking salary increases for EDs.

Incentives in respect of performance period ending 2019/20

- Around 40% of companies reduced or cancelled 2019/20 annual bonus awards from the formulaic out-turn.
- To mitigate the short-term cash impact of annual incentive payments for executive directors, 16% of FTSE 100 companies either paid the cash element of the bonus in shares or increased bonus deferral.
- One company delayed the decision on bonus payment.
- We did not observe widespread changes to long-term incentive plan payouts in response to COVID-19, although one FTSE 100 company has applied the holding period early to awards vesting.

Incentives in respect of 2020/21 onwards

- Among those companies operating in sectors most severely hit, in response to volatile market conditions 12% of companies have prospectively reduced the maximum annual bonus awards available.
- Around 30% of companies have announced a change to the assessment of performance, either through changing the performance measures used or through setting targets on a quarterly or half-yearly basis to take account of the current uncertainty.
- One company has disclosed an intention to reduce prospective long-term incentive plan grants (the company experienced a downwards trajectory in share price performance pre-COVID).
- One company has proposed to increase LTIP awards (within policy limits) in the absence of any annual bonus operating for this year, with the rationale that the overall incentive opportunity is decreasing.
- A third of FTSE 100 companies have committed to delaying target-setting until later in the year, to better assess the mid- and long-term impact of COVID on the economy and its effect on business performance.

Explicit statements on use of discretion

- Many companies (26% of FTSE 100) have explicitly committed to reassessing future outcomes from the FY 2021 short-term incentives and long-term incentive grants, and to employing remuneration committee discretion to over-ride formulaic out-turns where payouts are not reflective of underlying financial performance.
- Statements have also been made that discretion will be used for long-term incentive outcomes, should the currently reduced share prices result in windfall gains for executives.

Looking forward – COVID principles

- Willis Towers Watson has developed the following workforce principles for the COVID-19 pandemic, which companies should apply when considering action in relation to executive pay:
  - **See this crisis as a defining leadership moment, and continue delivering the best possible outcomes for all stakeholders.** Staying true to the purpose, values, principles and culture of an organisation starts at the top. Effective leaders are transparent and empathetic; they create trust and their behaviours help calm, support and even energize employees so that they feel invested in a common mission and purpose, and embrace new ways of working.
  - **Adopt an agile and continuous learning mindset to ensure that your response is (re-)calibrated to the circumstances at hand.** The uncharted waters of this crisis demand agility and innovation, as well as the ability to adapt to rapidly changing systems and regulations.
  - **Understand the perspectives of, and engage, all stakeholders (e.g. employees, shareholders, customers, suppliers, unions, healthcare providers, community) in decision-making.** It is more vital now than ever to be aware of the shifting needs and priorities of all stakeholders and the evolving state of competitive and innovative practices.
  - **Focus on the intersection of employee and company wellbeing.** The cost pressure of the current revenue-challenged environment places significant stress on leaders to meet the needs of shareholders at a time when the wellbeing of employees, particularly the most vulnerable, is being seriously threatened. But the risks to, and benefits of, employee wellbeing and company wellbeing are highly aligned.
  - **Make decisions and take actions that take into account medium-term needs and longer-term business objectives.** Decision-making in this rapidly shifting and uncertain environment requires organisations to resist the pressure to engage in short-term actions that seem essential in the chaos of the current environment but may compromise the longer-term sustainability of the business.

Key trends from the 2020 AGM season

The graphics below provide further detail on the key themes we observed this year.

Fixed pay

2.0%
Median CEO salary increase

Around 2 in 5
CEOs received no salary increase *(up from 1 in 4).* CFO is around 1 in 3.

Aligning pensions for existing executive directors with those of the wider workforce has been a key area of investor scrutiny this year, with the IA stating that this should be achieved by the end of 2022.

Pension contributions for existing executive directors were already aligned with the wider workforce in 31% of companies, with an additional 13% achieving alignment following reductions in 2020. A further 26% of companies are committing to aligning levels by the end of 2022. Based on current disclosures, around 30% of companies are not compliant with the IA's guidance.

20% of salary to **18% of salary**

Annual bonus

Eleven companies have increased annual bonus opportunity and four companies have decreased.

11 **4**

Of these, two companies have implemented an increase on recruitment of a new ED/for future ED appointments. Three companies increased the bonus opportunity while decreasing LTIP levels, resulting in a re-balancing of incentives.

The most common changes are:

32% of companies changed measures and/or weightings

30% of companies have enhanced clawback triggers

9% increased/ introduced holding period

Long-term incentive plans

Changes to LTI opportunity have been more frequent than last year. This is unsurprising, given that we are in a policy year. So far, we have seen twenty companies increasing and eleven decreased.

20 **11**

Of these, two companies implemented an increase on the appointment of a new ED and seven companies have made changes for one ED specifically.

Changes to LTIPs are more varied than changes to annual bonuses:

Over **51%** have adjusted vesting schedule

62% adjusted targets and 38% adjusted vesting at threshold.

c. 32% changed measures and/or weightings

9% have increased holding period

Most companies already comply with the five-year time horizon provision in the Corporate Governance Code.

Pay out-turns and shareholding guidelines

2019 median CEO single figure **£3.90 million** ▶ **2020** median CEO single figure **£3.28 million**

The median annual bonus payout as a percentage of maximum has decreased slightly from **70%** last year, to **64%** this year. **Discretion** was applied by remuneration committees to reduce bonus payments in nineteen companies.

Median LTIP vesting has **increased slightly to 68% of maximum**, from 67% of maximum last year. Discretion was applied by remuneration committees to reduce LTIP vesting in three companies.

Shareholding guidelines

- Around 70% of companies in the FTSE 100 have a higher shareholding guideline for the CEO than other executive directors.
- 77% of companies in the FTSE 100 operate post-cessation shareholding guidelines, and of those companies 66% of them are compliant with the Investment Association (IA) guideline.

Executive director market data
Salary

- The figures below set out the quartile salary data for the CEO and CFO roles in the FTSE 30, FTSE 50 and FTSE 100.
- We continue to observe moderate salary increases, with a sizeable proportion of companies applying no increase to the CEO's salary.
- We typically find a salary differential of 60% to 70% for the CFO to CEO role, with a median of 65%.
- The median FTSE 100 salary in 2019 was £876,000, dropping to £865,000 in 2020. This drop has been driven by changing constituents of the FTSE 100 vs. 2019.

CEO

Figure 5. **CEO salary data by quartile**

	Lower quartile	Median	Upper quartile
FTSE 30	£985,000	£1,186,000	£1,343,000
FTSE 50	£825,000	£1,040,000	£1,291,000
FTSE 100	£719,000	£865,000	£1,080,000

Figure 6. **CEO median salary increases**

FTSE 30	2.1%
FTSE 50	2.0%
FTSE 100	2.0%

Figure 7. **Proportion of companies applying 0% increase for CEO salaries**

FTSE 30	30%
FTSE 50	35%
FTSE 100	38%

CFO

Figure 8. **CFO salary data by quartile**

	Lower quartile	Median	Upper quartile
FTSE 30	£674,000	£750,000	£857,000
FTSE 50	£521,000	£704,000	£775,000
FTSE 100	£470,000	£558,000	£718,000

Figure 9. **CFO median salary increases**

FTSE 30	2.1%
FTSE 50	2.0%
FTSE 100	2.0%

Figure 10. **Proportion of companies applying 0% increase for CFO salaries**

FTSE 30	26%
FTSE 50	26%
FTSE 100	30%

Benefits

- Following pressure from some institutional investors and proxy agencies, the alignment of executive director pension contributions with the wider workforce levels was expected to be a 'hot-topic' throughout the 2020 AGM season. We have seen a clear trend of companies reducing pension provisions for executive directors, with most companies changing the provision for existing incumbents. The median pension contribution in FTSE 100 companies dropped from 20% in 2019 to 18% in 2020.
- Pension contributions for existing executive directors were already aligned with the wider workforce in 31% of companies, with an additional 13% achieving alignment following reductions in 2020. A further 26% of companies are committing to aligning levels by the end of 2022. More significant decreases in pension contributions have been seen in larger (FTSE 30) companies.
- Just under one in three companies have not yet committed to comply with the IA's guidance.
- Of those companies making reductions, the most common approach is a phased reduction, promising to align executive director contribution/allowance levels with those of the wider workforce by the end of 2022.
- While disclosure on car allowance benefits practice is mixed, it continues to be a common benefit at executive director level.

Pension contribution

- In the FTSE 100, over 95% of companies offer a defined pension contribution or cash allowance.
- 44% of companies changed their pension provision during the most recent financial year, with a mix in practice *(Figure 13)*.
- The median FTSE 100 CEO pension contribution/allowance as a percentage of salary has fallen from 20% in 2019 to 18% in 2020, indicating that companies are reacting to IA expectations by beginning to align pension contributions/allowances to those of the wider workforce.

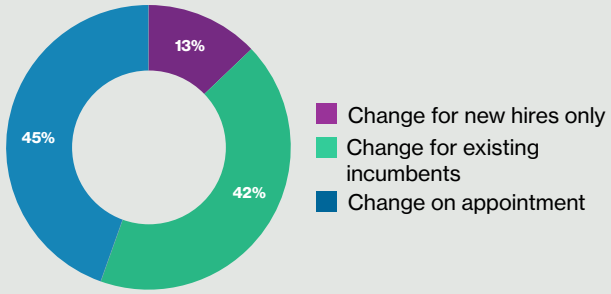
Figure 11. **Value of defined contribution/cash allowance for CEO role (% of base salary)**

	Lower quartile	Median	Upper quartile
FTSE 30	10%	15%	20%
FTSE 50	10%	15%	20%
FTSE 100	12%	18%	22%

Figure 12. **Value of defined contribution/cash allowance for CFO role (% of base salary)**

	Lower quartile	Median	Upper quartile
FTSE 30	14%	20%	21%
FTSE 50	12%	15%	20%
FTSE 100	10%	15%	20%

Figure 13. **Pension provision practices, based on approximately 44% of companies making changes**



Car allowance

83% of companies in the FTSE 100 disclose that executive directors receive a car benefit or car allowance. *Figure 14* provides data on the value of this benefit for those companies that do disclose the details of the car allowance.

Figure 14. **Value of car allowance benefit in FTSE 100 companies**

	CEO	CFO
Upper quartile	£30,000	£20,000
Median	£20,000	£15,000
Lower quartile	£15,000	£15,000

Figure 15. **How companies are responding to IA expectations**

Reduction in 2020 for existing EDs			No reduction in 2020 for existing EDs		
Reduction with alignment in 2020	Phased reductions with alignment by end of 2022	Phased reductions, although alignment not achieved by end of 2022 (not IA compliant)	Committed to alignment by end of 2022, but no disclosure on how this will be achieved	No changes – already aligned	No changes – not aligned (not IA compliant)
13% of companies	17% of companies	15% of companies	9% of companies	31% of companies	15% of companies

Annual bonus

- The median annual bonus payout was 64% of maximum for the CEO role in the FTSE 100, down from 70% in 2019. Pay-outs have been higher in larger companies.
- We have not seen a significant change in bonus opportunity in the FTSE 100 this year, which means that changes in the data are mostly due to a change in sample constituents.
- Three-year annual bonus deferral is the norm, and only two companies in the FTSE 100 operate a deferred bonus matching plan. The number of companies not operating deferral has dropped from 19% of the FTSE 100 in 2019 to 16% in 2020.

Maximum bonus opportunity as percentage of salary

Figure 16. **Maximum bonus opportunity for CEO role (% of base salary)**

	Lower quartile	Median	Upper quartile
FTSE 30	200%	200%	230%
FTSE 50	180%	200%	225%
FTSE 100	150%	200%	205%

Figure 17. **Maximum bonus opportunity for CFO role (% of base salary)**

	Lower quartile	Median	Upper quartile
FTSE 30	160%	200%	210%
FTSE 50	150%	200%	210%
FTSE 100	150%	165%	200%

Bonus pay-outs as percentage of maximum

Figure 18. **Bonus pay-outs for CEO role (% of maximum opportunity)**

	Lower quartile	Median	Upper quartile
FTSE 30	57%	74%	79%
FTSE 50	52%	71%	80%
FTSE 100	42%	64%	78%

Figure 19. **Bonus pay-outs for CFO role (% of maximum opportunity)**

	Lower quartile	Median	Upper quartile
FTSE 30	59%	75%	86%
FTSE 50	58%	73%	84%
FTSE 100	44%	71%	81%

Application of discretion

19
Instances of remuneration committees applying downward discretion

3
Instances of remuneration committees applying upward discretion

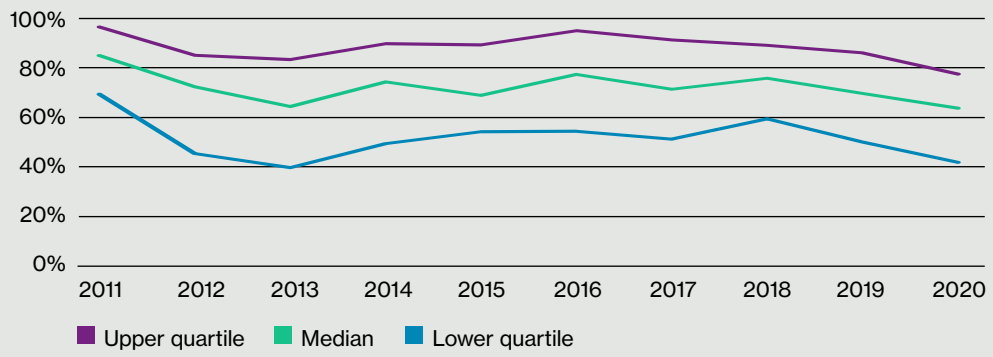
Downward discretion was typically applied due to committees undertaking a holistic assessment of underlying financial performance or safety events, with four companies applying downward discretion due to the impact of COVID-19.

The reasons for the three instances of upwards discretion included changes in strategy and instances where executive directors demonstrated exceptional leadership during a time of political instability (overseas).

Bonus pay-outs over time

Over the past 10 years, the median annual bonus payout has generally been between 70% and 80% of the maximum opportunity in FTSE 100 companies. The median payout has only fallen outside this range in three of the last 10 years (one above and two below), with a downward trend observed since 2018.

Figure 20. **Bonus pay-outs 2011 – 2020 (% of maximum opportunity)**



Performance measures

In FTSE 100 companies, the median split of financial versus non-financial measures is 80% and 20%, respectively. This split is consistent practice across the whole of the FTSE 100.

Figure 22 shows that a profit- or income-based measure continues to be the most common measure used in FTSE 100 annual bonus plans. Fifty-three companies have incorporated an environmental, social and governance (ESG) measure in their annual bonus plan. The most common ESG measures included in FTSE 100 annual bonus plans are focused on environmental, and health and safety factors.

Figure 21. **Split of performance measures in FTSE 100 bonus plans**

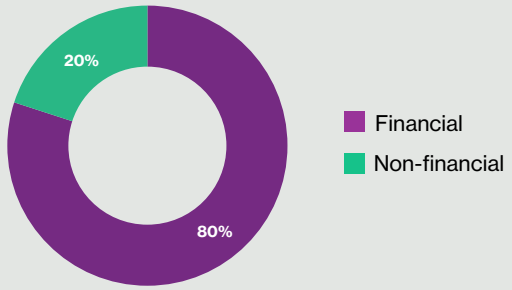
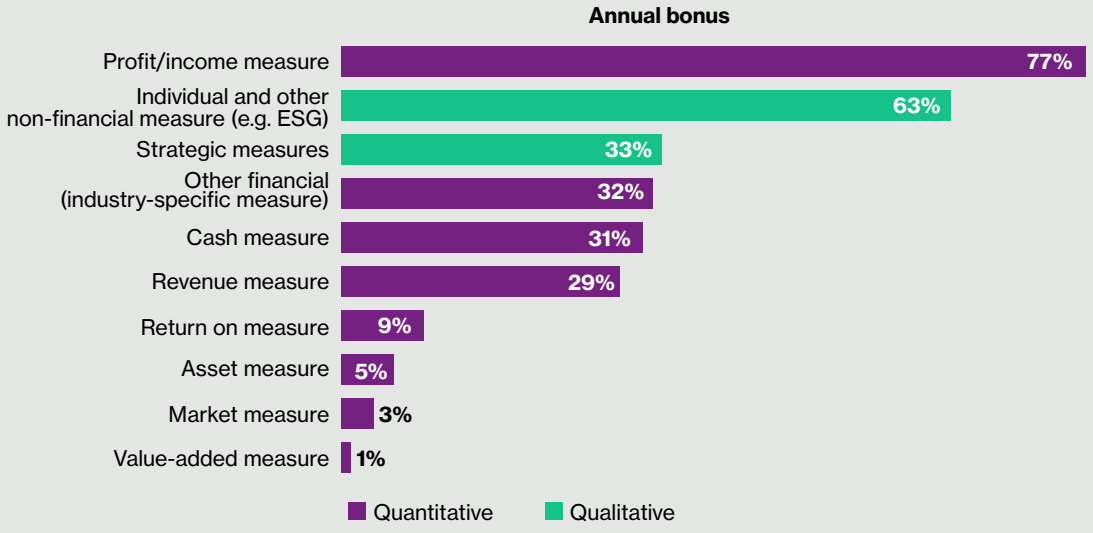


Figure 22. **Prevalence of performance measures (by measure category)**



Annual bonus deferral

The number of companies not operating deferral has dropped from 19% of the FTSE 100 in 2019 to 16% in 2020.

Figure 23. **Proportion of deferral**

	% of FTSE 30	% of FTSE 50	% of FTSE 100
Up to 25.0%	0%	0%	1%
25.1% – 33.3%	17%	15%	14%
33.4% – 50.0%	50%	50%	48%
50.1%+	17%	17%	10%
No deferral	13%	12%	16%
% in excess of salary/other	3%	6%	10%
Voluntary only	0%	0%	1%

Figure 24. **Deferral mechanism**

	% of FTSE 30	% of FTSE 50	% of FTSE 100
Deferral with no match	80%	84%	82%
Deferral with match	7%	4%	2%
No deferral	13%	12%	16%

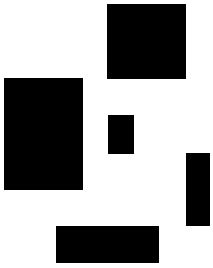
Figure 25. **Deferral time period**

	FTSE 30	FTSE 50	FTSE 100
Less than two years	0%	0%	0%
Two years	7%	8%	11%
Three years	57%	56%	56%
Four years	3%	2%	1%
More than four years	0%	0%	0%
No deferral	13%	12%	16%
Phased	20%	22%	16%

Malus and clawback

Based on disclosure, malus and clawback provisions apply to the annual bonus within FTSE 100 companies as follows:

- Almost 94% have the ability to operate clawback on the cash bonus.
- 91% of companies have the ability to operate malus on shares that have not yet vested.
- We have seen malus and clawback provisions strengthened in 30% of companies.
- The most common practice is for malus and/or clawback provisions to be operated for two to three years on the annual bonus.
- Common triggers for malus and clawback include material misstatement of financial results, serious misconduct and miscalculation of any performance condition.



Long-term incentive plans (LTIPs)

- While the performance share plan (PSP) continues to be the most common plan operated, there are examples of companies taking a more tailored approach, with four companies introducing a Restricted Share Plan (RSP) over the last year. AGM voting on the introduction of these plans varied, but two companies received voting outcomes above 95%.
- 18% of companies now operate a long-term incentive plan that is not a PSP.
- The majority of companies now operate the PSP over a five-year time period (i.e. performance period plus holding period).
- Limited change has been observed to pay-outs this year and they are broadly consistent across the FTSE 100 at 68% of the maximum opportunity.
- There has been one example of application of upwards discretion to PSP awards this year, and three examples of downwards discretion.

Types of plans

The most prevalent plan type continues to be a PSP; 82% of plans operated in the FTSE 100 are PSPs. Other share plans include share options (4%), deferred bonus matching plans (2%) and restricted shares (8%), with the remainder made up of alternative arrangements such as single incentive plans.

Figure 26. **Number of LTIPs operated**

	FTSE 30	FTSE 50	FTSE 100
No plans	0%	0%	4%
One plan	86%	89%	87%
Two plans	14%	11%	9%

Maximum PSP opportunity

Figure 27. **Maximum PSP opportunity for CEO role (% of base salary)**

	Lower quartile	Median	Upper quartile
FTSE 30	275%	350%	465%
FTSE 50	200%	300%	385%
FTSE 100	200%	250%	350%

Figure 28. **Maximum PSP opportunity for CFO role (% of base salary)**

	Lower quartile	Median	Upper quartile
FTSE 30	200%	300%	400%
FTSE 50	175%	250%	325%
FTSE 100	175%	225%	300%

The median and lower quartile threshold opportunity in the FTSE 100 is 20% of the maximum opportunity, with an upper quartile of 25%.

Exceptional PSP maximums

Twenty-two per cent of companies in the FTSE 100 disclose an exceptional PSP maximum in their policy. This is typically 50% to 100% of salary above the usual maximum PSP opportunity.

PSP pay-outs as a percentage of maximum

We observe the same pay-outs to the CEO and CFO roles, as they generally participate in the same LTIP with the same performance measures.

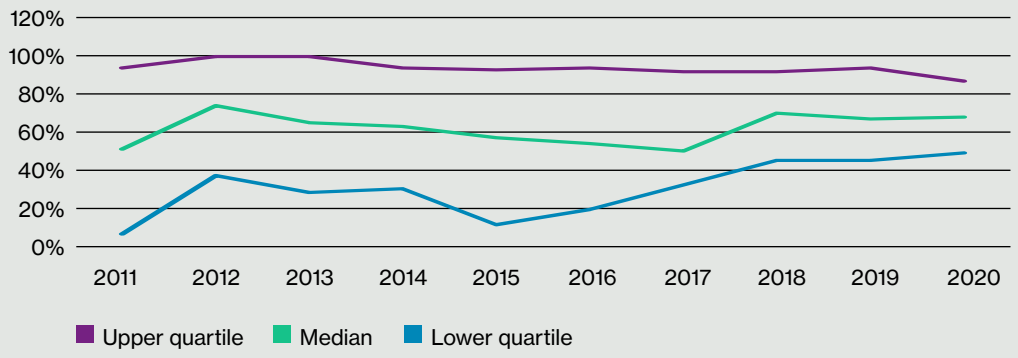
Figure 29. **PSP pay-outs (% of maximum opportunity)**

	Lower quartile	Median	Upper quartile
FTSE 30	50%	68%	81%
FTSE 50	49%	69%	90%
FTSE 100	49%	68%	87%

PSP pay-outs over time

PSP pay-outs tend to be more variable than pay-outs under the annual bonus, and we have observed median pay-outs of between 50% and 75% over the past 10 years (*Figure 30*).

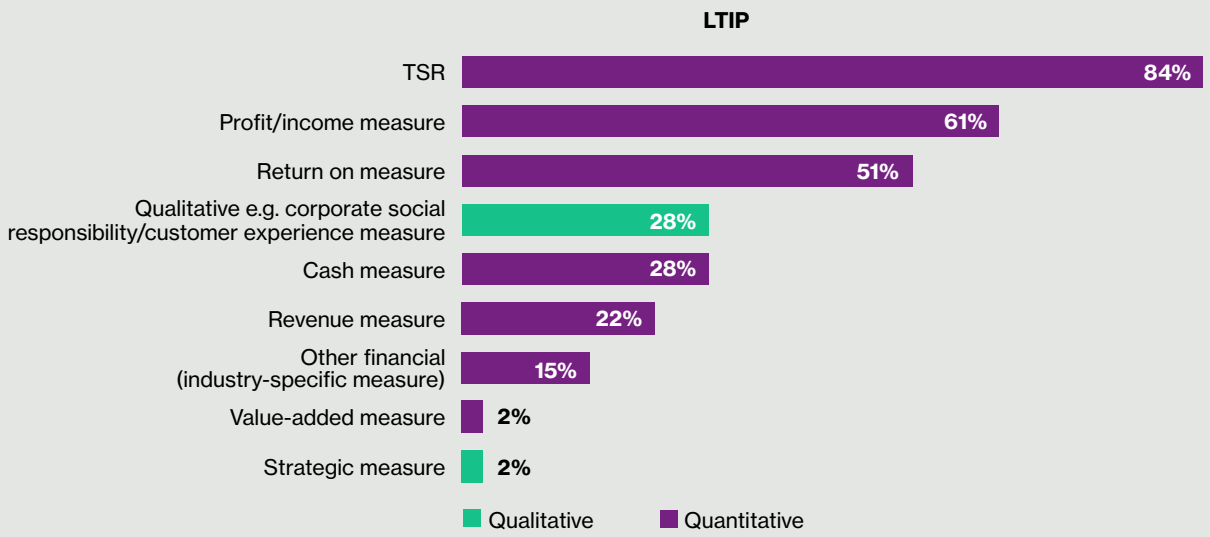
Figure 30. **PSP pay-outs from 2011 – 2020 (% of maximum opportunity)**



PSP performance measures

Figure 31 provides an overview of the performance measures used in PSPs in FTSE 100 companies.

Figure 31. **Prevalence of performance measures (by measure category)**



PSP time horizons

Ninety-eight per cent of companies in the FTSE 100 have a total time horizon (i.e. performance plus holding) of at least five years. Ninety-five per cent of companies in the FTSE 100 operate a holding period on the PSP.

Figure 32. **Length of performance period**

	FTSE 30	FTSE 50	FTSE 100
One year	0%	0%	0%
Two years	0%	0%	0%
Three years	77%	81%	88%
Four years	0%	2%	2%
Five years	12%	7%	5%
More than five years	11%	10%	5%

Figure 33. **Length of holding period**

	FTSE 30	FTSE 50	FTSE 100
One year	7%	9%	6%
Two years	72%	75%	84%
Three years	7%	5%	2%
More than three years	0%	0%	0%
Until SOG is met	7%	5%	4%
No holding period	7%	6%	4%

Application of discretion

3

Instances of remuneration committees applying downward discretion

1

Instance of remuneration committees applying upward discretion

The reasons given for the three instances of downward discretion included responses to COVID-19, and external regulatory action.

The one instance of upwards discretion was applied to realize a one-off tax benefit in the performance period.

Malus and clawback

Based on disclosure, malus and clawback provisions are operated as follows:

- 96% of companies have the ability to operate malus.
- Almost 94% have the ability to operate clawback on the cash bonus.
- We have seen malus and clawback provisions strengthened in 30% of companies.
- The most common practice is for malus and/or clawback provisions to be operated for two or three years after the shares have vested.
- Common triggers for malus and clawback closely mirror those of the annual bonus and include misstatement of financial results, serious misconduct and miscalculation of any performance condition.

Single figure

CEO single figure

The CEO single figure in the FTSE 100 has now reduced compared to 2019, as shown in *Figures 34 to 36*, and is now a similar level to that seen in 2016.

We would advise caution in using the single figure as an indication of excess/restraint in relation to quantum, given the significant impact of company performance and share price on the out-turn, and the changing constituents of the FTSE 100.

Figure 34. **CEO single figure total compensation in 2020**

	Lower quartile	Median	Upper quartile
FTSE 30	£4,256k	£5,667k	£8,447k
FTSE 50	£3,248k	£4,727k	£6,627k
FTSE 100	£2,164k	£3,283k	£5,395k

Figure 35. **CEO total remuneration 2011 – 2020**

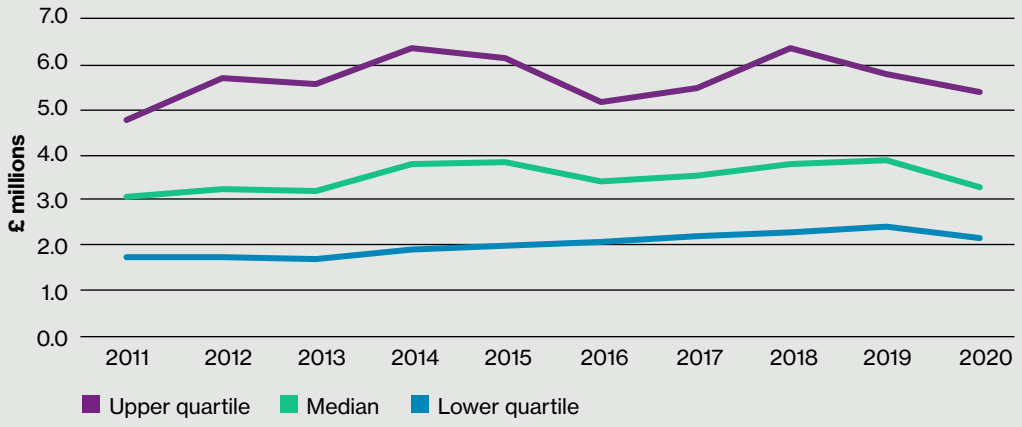
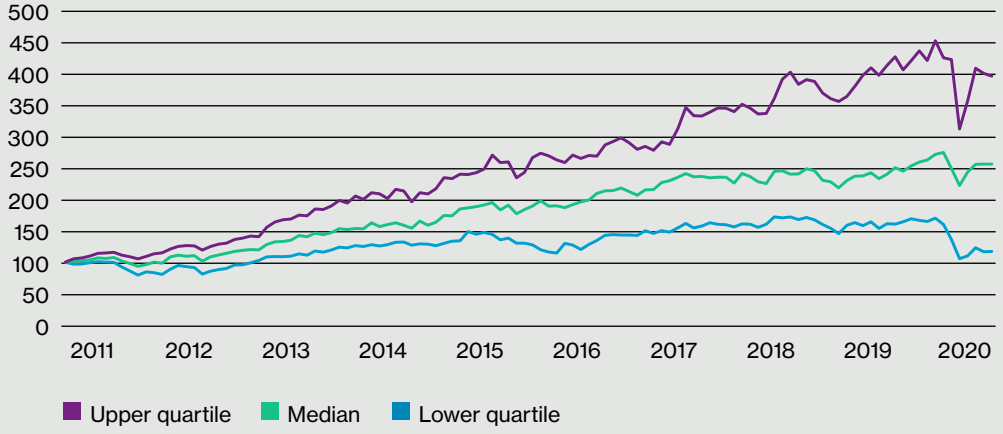


Figure 36. **FTSE 100 total shareholder return (TSR) performance 2011 – 2020**



Shareholding guidelines

The figures below set out the level of shareholding guidelines in the FTSE 30, FTSE 50 and FTSE 100 for both the CEO and CFO roles. Around 70% of companies in the FTSE 100 have a higher guideline for the CEO than other executive directors.

Around 60% of FTSE 100 companies disclose a time period over which the shareholding should be built. Of those that disclose this information, the most common time period for compliance is five years (93% of companies).

Figure 37. **Shareholding guidelines for CEO role (% of base salary)**

	Lower quartile	Median	Upper quartile
FTSE 30	300%	400%	500%
FTSE 50	300%	340%	500%
FTSE 100	250%	300%	400%

Figure 38. **Shareholding guidelines for CFO role (% of base salary)**

	Lower quartile	Median	Upper quartile
FTSE 30	200%	300%	400%
FTSE 50	200%	300%	300%
FTSE 100	200%	200%	300%

Actual median shareholdings

CEO actual shareholdings in the FTSE 100 are generally higher than the guidelines (*Figure 39*).

Figure 39. **Actual median shareholdings for CEO and CFO roles (% of base salary)**

	CEO	CFO
FTSE 30	555%	210%
FTSE 50	555%	200%
FTSE 100	565%	195%

Post-cessation shareholding guidelines

Seventy-seven per cent of companies in the FTSE 100 operate post-cessation shareholding guidelines, and of those companies 66% are compliant with the Investment Association (IA) guideline of 100% of the in-employment guideline (or the actual shareholding guideline on departure, if lower) for two years post cessation. Of those who do not comply with the IA guideline, either the requirement applies on a phased basis or the level is lower than the in-employment guideline.

Non-executive directors' fees

The figures below set out fee levels paid to non-executive directors in the FTSE 30, FTSE 50 and FTSE 100.

The chairman is typically paid an all-inclusive fee for all responsibilities, based on company size, time commitment and role responsibilities.

Non-executive directors are typically paid a base fee for board membership, with additional fees for other responsibilities such as chairing a board committee.

Figure 40. **Chairman fee**

	Lower quartile	Median	Upper quartile
FTSE 30	£550,000	£660,000	£731,000
FTSE 50	£403,000	£564,000	£714,000
FTSE 100	£319,000	£415,000	£578,000

Figure 41. **Basic non-executive director fee**

	Lower quartile	Median	Upper quartile
FTSE 30	£80,000	£90,000	£99,000
FTSE 50	£70,000	£83,000	£95,000
FTSE 100	£63,000	£72,000	£88,000

Figure 42. **Senior independent director fee**

	Lower quartile	Median	Upper quartile
FTSE 30	£25,000	£30,000	£43,000
FTSE 50	£19,000	£30,000	£36,000
FTSE 100	£12,000	£20,000	£30,000

Figure 43. **Median committee fee levels and prevalence**

Audit committee				
	Chairman fee	Chairman fee prevalence	Member fee	Member fee prevalence
FTSE 30	£35,000	97%	£22,000	57%
FTSE 50	£30,000	92%	£20,000	54%
FTSE 100	£21,000	93%	£14,000	45%

Remuneration committee				
	Chairman fee	Chairman fee prevalence	Member fee	Member fee prevalence
FTSE 30	£34,000	97%	£20,000	57%
FTSE 50	£30,000	92%	£16,000	54%
FTSE 100	£20,000	95%	£13,000	44%

Nominations committee				
	Chairman fee	Chairman fee prevalence	Member fee	Member fee prevalence
FTSE 30	£27,000	13%	£14,000	43%
FTSE 50	£15,000	14%	£11,000	40%
FTSE 100	£15,000	17%	£10,000	33%

Risk committee				
	Chairman fee	Chairman fee prevalence	Member fee	Member fee prevalence
FTSE 30	£71,000	20%	£32,000	13%
FTSE 50	£45,000	22%	£30,000	14%
FTSE 100	£30,000	17%	£15,000	11%

Corporate social responsibility chair				
	Chairman fee	Chairman fee prevalence	Member fee	Member fee prevalence
FTSE 30	£31,000	30%	£16,000	20%
FTSE 50	£31,000	24%	£15,000	16%
FTSE 100	£20,000	23%	£11,000	13%

Further information

For more information on FTSE 100 market data and pay trends please contact your Willis Towers Watson contact or:

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