



Did You Know?

Reliable peer data is more important than ever for director pay and corporate governance issues.

Main Data Group's Revised Board Pay Details Report

Director compensation has an inherent conflict of interest: Who else in corporate America determines their own pay? To avoid charges of self-dealing, boards typically rely on competitive practice in designing their director compensation programs. Few aspects of corporate governance entail a more acute need for relevant peer data.

Among the compensation-related issues directors must address are:

- How much to pay each director?
- If compensation is split between cash and equity, what is the ratio?
- Should special board roles—e.g., independent chair, vice-chair, or lead director—convey additional (or at least different) compensation?
- Do special skills or competencies require additional compensation to attract and retain qualified board candidates?
- Do meetings merit additional incremental pay and if so, under what circumstances?
- Does committee membership merit additional incremental pay and if so, for which committees?
- What perquisites should be offered?
- Should directors be required to retain a stated level of equity ownership?

Companies also must consider the total cost of governance (compensation paid collectively to all directors regardless of their role). Some boards have explicit policies limiting the maximum dollar amount that can be paid for board service. These policies, along with governance hot topics such as diversity, should be monitored carefully as competitive practices evolve. Peer data are an invaluable source to identify norms and standards.



We've revised MDG's Board Pay Details report to support the board's need for competitive data. The report provides essential information in an easy-to-comprehend format. Data include a wide array of pay- and governance-related information:

- Compensation by individual, by role, and in the aggregate
- Year-over-year changes in pay, when disclosed
- Separate columns for cash and equity components of annual retainers
- Separate columns for regular, special, or telephonic meeting fees
- Initial, annual, or special/cyclical equity grants
- Perquisites
- Ownership guidelines
- Compensation for service on more than 20 types of committees
- Pay for chair, vice-chair, and independent lead director
- Designated limits on pay (aggregate or by member)
- Number of directors (independent and employee directors shown separately)
- Number and percentage of female directors
- Inclusion of a non-employee chair, vice-chair, or independent lead director

About Main Data Group

Main Data Group is a provider of executive compensation benchmarking and corporate governance analytics. Its mission is to empower executive compensation professionals with comprehensive total rewards and corporate governance information in an affordable, easy-to-use online service. For more information contact us at info@maindatagroup.com or by filling out our contact form at www.maindatagroup.com.