

## Chairmen and NEDs' fees frozen

By Cliff Weight, MM&K

CHAIRMEN and non-executive directors are facing a second year of frozen pay this year despite bearing bigger workloads and greater personal responsibility.

78 per cent of chairmen believe they will receive no pay rise in 2011 – the second year without a rise for most, as 85 per cent received no increase in 2010, according to a new survey by remuneration consultancy MM&K and recruitment firm Russell Reynolds Associates.

Whilst most chairmen and non-executive directors had and expect no fee increase, a small proportion had a significant increase. If you are reviewing your fees, this authoritative survey is an essential benchmarking resource.

Despite this slowdown, FTSE 100 board chairmen's fees have risen on average seven per cent annually since 2005, and non-exec fees have increased by five per cent each year.

Yet a raft of new corporate governance regulation including a revamped Corporate Governance Code, and an increased focus on board responsibility after the financial crisis, mean many feel more burdened by their work. And with many chairmen of listed companies earning just £1,500 per day, rising to £4,500 for FTSE 100 firms, their day rate looks cheap for the responsibility they bear.

The largest change was among those who said they would recommend more women as non-execs. Last year, only 43% of respondents said they would recommend a female as a non-exec. This year, however, the figure jumped to 50%.

Luke Meynell, head of the UK board practice at Russell Reynolds Associates, said: "The results show chairmen are working hard to introduce high-quality female candidates for board positions." He added: "They recognise the importance of ensuring broader diversity in relation to areas such as industry and functional expertise or international experience."

**Companies can buy the survey report for only £200, from [MM&K](#) tel: 020 7283 7200.**

The survey contains analyses of Chairman and Non-Executive Director fees, time spent and views on a number of corporate governance issues. It is based on questionnaires completed by 308 directors -189 Chairman and 119 other non-executives who did not hold any Chairman roles- who altogether held 838 appointments. This makes the survey authoritative, unique and applicable to organisations of all sizes.