



EXECUTIVE COMPENSATION SERVICES

NON-EXECUTIVE DIRECTOR FEES IN THE FTSE ALL-SHARE

DECEMBER 2025



CONTENTS

Introduction	04
Summary of Key Trends	08
Overview of Key Trends in FTSE segments	10
Chair and Non-Executive Director Fee Increases	17
Shareholding Requirements and Payment in Shares	18
Committees	19
Additional Benefits for Board Chairs	20
Time Commitment	21
Methodology	23
Appendix	24



INTRODUCTION

Welcome to our 2025 NED fees report. This year, in addition to the normal data tables and analysis, we set out our thoughts on recent changes to the regulatory backdrop to NED fees in the UK-listed market.

FRC Changes to Code Guidance

Earlier this month, the Financial Reporting Council (FRC) updated its guidance which sits alongside the UK Corporate Governance Code (the Code) on the topic of NED remuneration. Key aspects of the updated guidance are:

- A new statement that “many companies encourage non-executive directors to build a personal shareholding in the company”, indicating that this type of approach (for example, via a formal share ownership guideline for NEDs) is considered acceptable.
- Re-iterated the point already included in the previous guidance that “boards may choose to pay non-executive directors a portion of their fees in shares (for example, purchased at market price)”¹
- Included a new statement that boards may consider “alternative approaches” to NED remuneration, provided that they preserve independence. However, the guidance then re-confirms the key point from the Code itself that any such approach should not be performance-related (including market value share options).

¹ When referring to ‘payment in shares’, in practice this is typically implemented by diverting a portion of the post-tax cash fee to the company’s brokers for the purposes of purchasing shares under a share purchase plan on behalf of the NED.



We draw a number of conclusions from the updated guidance.

1. There is nothing to suggest that payment in shares, or NED share ownership in general, is now considered by the FRC to be 'best practice', but rather a confirmation that they are both acceptable and not inconsistent with the Code.
2. The ability to pay a portion of the NED fee in shares was already included in the previous guidance and is essentially unchanged in the updated version. In other words, the previous guidance had not been acting as an impediment to this practice. There is a somewhat 'purist' view held by some in the UK market that NED share ownership might be perceived as compromising independence, and the reiteration in the new guidance that it is acceptable may potentially influence those who hold that view.
3. The introduction of the possibility of using "alternative approaches" appears to, in theory, provide some additional flexibility. However, given that anything performance-related is still precluded, it would appear that in practice the only other type of vehicle this potentially brings into play is long-term Restricted Shares (without a performance underpin).

Given some of the practical and commercial challenges around operating Restricted Shares for NEDs, we suspect few companies will find this route attractive.

Other sources of market guidance should also be considered. The Investment Association recently publicly re-iterated the position in their 'Principles of Remuneration' that *"shareholders encourage independent NEDs to align their interests with those of shareholders by owning shares in the company. A portion of the director fee could be paid in shares purchased at market rates"*.

As shown on pages 18 of the report, only 13% of the FTSE All Share have formal share ownership guidelines for NEDs, and an even smaller minority (3%) pay a portion of the fee in shares. Based on our observations above, we would not expect the changes in FRC guidance to materially impact market practice in the short term. Over time, the slight shift in the FRC's tone towards NED share ownership might encourage more companies to adopt such provisions, although a more likely catalyst could be a change in the market's approach to the quantum of NED fees.

The 'Elephant in the Room' – Quantum of NED Fees

What are the stated objectives behind the regulatory changes described above? The FRC's accompanying news release to the updated guidance focused on the benefits of "flexibility" with regard to the structure of NED remuneration, noting that such flexibility is "a key asset for the UK in terms of its international competitiveness". The UK Government's recent update on the progress of its 'Regulation Action Plan' described the change to FRC guidance on NED remuneration as intending to "enhance the ability of UK listed companies to attract the highest calibre of talent on the global stage".

While not necessarily relevant for all UK-listed companies, some do need to compete in a global market for internationally-mobile NED talent as they seek to expand the range and depth of talent on their boards (for example in areas such as AI, digital and cyber-risk, as well as to foster better diversity across gender, ethnicity, and geography).

If the objective is to better compete for NED talent, changing the structure of NED fees is unlikely to materially improve competitiveness unless the issue of quantum is also considered. From a conceptual standpoint, if a company were to change their NED fee policy from cash only to paying 50% of the post-tax fee in shares, without any change in quantum, that would make the proposition less attractive to NED talent, not more so.

As we showed in a previous [NED fees report](#), equivalently sized US-listed companies offer a base NED fee that is nearly three times higher than the FTSE 100, with around 60-70% of the fee typically delivered in shares. It is therefore challenging for large UK companies to compete on quantum with US-listed companies. Aligning the UK market more closely with the US by paying a greater proportion of the NED fee in shares will not improve competitiveness, unless the level of fee itself is also addressed.

Is a Reset of NED Fee Quantum Needed in the UK Market?

As we argued in our [2023 report](#), we believe there is a case for considering whether a rethink of NED fee quantum is required in the UK. This is based on a broader set of observations which extend beyond the global competitiveness issue covered above:

- **Increased time commitment, complexity and risk.** Although verifiable data points are not readily available, it is widely acknowledged that all of these key factors have increased in recent years, as acknowledged by the Investment Association in 2022 ("IA members recognise that NED fees have not always reflected the increased complexity and time commitment expected of their role").
- **Fees are over 10% down in real terms over the last 10 years.** The median base NED fee in the FTSE 100 has lagged inflation (CPI) by 11.8% over the previous decade, representing a real terms reduction at a time when both time commitment and complexity have risen.
- **Overboarding risk.** Given the ongoing investor focus in this area, paying NEDs more to focus on fewer roles could better serve the UK market.
- **Expanding the NED talent pool.** There is an increasing risk that companies will struggle to recruit NEDs who have not already generated substantial wealth from previous roles, if fees are not sufficient.

The issue of NED fee quantum is often complicated by the assertion that, for many NEDs, financial reward is only one of the factors in their decision to accept or remain in role (alongside non-financial benefits – interesting work, prestige, 'making a contribution', etc.). While this is certainly true, it is dangerous for the UK market to rely on this. If fees fall below a reasonable level to reflect the time commitment and risk, the balance of those financial and non-financial reward factors can change, potentially reducing the quality of the NED talent pool available to the UK market.

In a situation where a company is looking to make a material upward reset to their NED fees, this could provide the opportunity to also consider whether part-payment in shares and/or a more formal shareholding guideline should be simultaneously introduced.

Conclusion

The clarification from the FRC around NED share ownership and payment in shares is helpful in confirming that companies have the flexibility to implement these provisions should they wish to. We believe many companies will retain a simple cash-only approach, which remains a viable option.

To best support the UK market in competing for NED talent, we believe the discussion should be broadened to also consider the quantum of fees. Although it will not be a priority for all companies, for some a material upward reset to account for the factors we outlined above may be on the agenda in the periods ahead. For companies that do opt to materially increase NED fees, this may provide the opportunity to introduce a NED share ownership guideline and/or part payment in shares.

This report provides a detailed breakdown of all types of NED fees, including Chair fees, NED base fees, Committee and Senior Independent Director (SID) fees, and Employee NED fees. The data is sourced from companies with fiscal year-ends up to 30 June 2025.

Should you wish to discuss any aspect of the data shown, its implications for your business or to request more specific data cuts or analysis, please reach out to your A&M contact.



DAVID TUCH
MANAGING DIRECTOR

+44 794 916 9944
dtuch@alvarezandmarsal.com



JAMES HARRIS
MANAGING DIRECTOR

+44 786 129 4374
james.harris@alvarezandmarsal.com



JEREMY ORBELL
PRINCIPAL

+44 734 148 6140
jorbell@alvarezandmarsal.com



ALEX GARDNER
SENIOR DIRECTOR

+44 739 339 7996
alex.gardner@alvarezandmarsal.com

SUMMARY OF KEY TRENDS >>

NED BASE FEE INCREASES

Median NED base fee increases remain relatively stable at around 3% for FTSE 100 and FTSE 250 companies. In contrast, increases at FTSE Small Cap companies have fallen from 2.7% to 2.0%.

	Last year	This year
FTSE 100	3.0%	2.9%
FTSE 250	3.0%	3.0%
FTSE Small Cap	2.7%	2.0%

BOARD CHAIR INCREASES

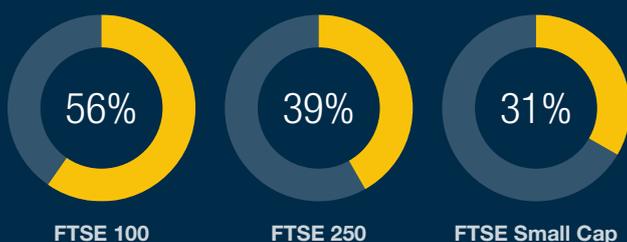
The median Board Chair increase remains the same as last year for FTSE All-Share companies.

	Last year	This year
FTSE 100	3.0%	3.0%
FTSE 250	3.0%	3.0%
FTSE Small Cap	2.0%	2.0%

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) COMMITTEES

The prevalence of ESG Committees paying an additional fee has continued to increase in the FTSE 100 and Small Cap which have both seen an increase of 4 percentage points since last year. FTSE 250 prevalence is broadly similar to last year.

ESG Committee fee prevalence



% OF THE ALL-SHARE MAKING AN INCREASE

Around two thirds of FTSE All-Share companies increased either the Board Chair or the NED base fee.

Increases were more common at larger companies as set out below:



SHAREHOLDING REQUIREMENTS

NED shareholding requirements remain uncommon in the UK market with just **13%** of the FTSE All-Share companies having a formal policy. It is most common in the FTSE 100, with a prevalence of **31%**.

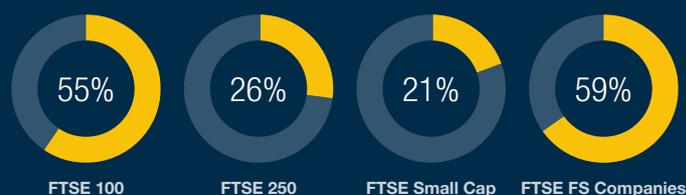
When in place, it is typically set at 1x annual fees.



COMMITTEE MEMBERSHIP FEES

Committee membership fees are more common in larger companies and at Financial Services (FS) companies.

% of companies paying any Committee membership fees:



TIME COMMITMENT

Few companies have disclosed the expected time commitment for NEDs.

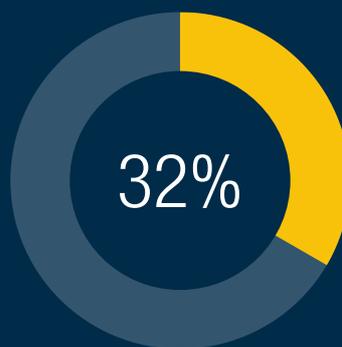
Where disclosed, the typical expected time commitment is between 14 to 30 days annually.

We found no examples of companies disclosing the actual time commitment.



DESIGNATED NED FEE

This year, **32%** of FTSE All-Share companies report having a designated NED, up from **27%** last year, reflecting a continued focus on recognizing additional responsibilities within boards.



OVERVIEW OF KEY TRENDS IN FTSE SEGMENTS

FTSE 100 DATA BREAKDOWN

The following tables provide the most recent data for the FTSE 100, including its subsegments: FTSE 30 and FTSE 31-100.

		FTSE 100			FTSE 30			FTSE 31-100		
		Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile
Board Chair		£396k	£475k	£700k	£703k	£743k	£838k	£363k	£425k	£489k
Base Fee		£75k	£81k	£95k	£93k	£100.5k	£117.5k	£72k	£78k	£82k
SID Fee		£18k	£22k	£37.5k	£36k	£40k	£50k	£16k	£20k	£25k
Designated Employee NED Fee		£11k	£15k	£21k	£20k	£22.5k	£30k	£10.5k	£15k	£20k
Committee Chair	Audit	£20k	£27k	£39k	£37.5k	£40k	£55k	£19k	£21k	£28k
	Remuneration	£20k	£26k	£37.5k	£36.5k	£40k	£47k	£18.5k	£20.5k	£27k
	ESG	£20k	£27k	£37.5k	£35.5k	£39k	£46k	£17.5k	£20k	£24k
	Nomination	£15k	£17k	£22k	£26k	£30k	£33k	£12.5k	£15k	£17k
Committee Membership	Audit	£10.5k	£17k	£25k	£20k	£25k	£30.5k	£7.5k	£15k	£17k
	Remuneration	£10k	£17k	£20k	£18k	£20.5k	£27.5k	£7.5k	£13k	£16k
	ESG	£11.5k	£16k	£20.5k	£16.5k	£20k	£25k	£7.5k	£10.5k	£15k
	Nomination	£8.5k	£15k	£16k	£15k	£16k	£17k	£7.5k	£8.5k	£10k
		FTSE 100			FTSE 30			FTSE 31-100		
		Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile
Board Chair year-on-year increase		0.0%	3.0%	4.7%	2.2%	3.6%	5.0%	0.0%	3.0%	4.2%
Base Fee year-on-year increase		0.0%	2.9%	3.9%	0.0%	3.0%	3.9%	0.0%	2.7%	3.7%



Supporting Notes on Fees and Trends

Designated Employee Engagement NED Fees:

- 32% of companies pay an additional fee for this role, up from 27% last year.

ESG Committee Fees:

- 56% of FTSE 100 companies have an ESG Committee.
- The prevalence is higher among larger companies, with 73% of FTSE 30 companies operating an ESG Committee, and 48% of FTSE 31-100 companies operating an ESG Committee.
- Compared to last year, the prevalence among FTSE 30 companies has increased from 67% to 73%, while it has remained stable for FTSE 31 – 100 companies. This indicates a continued trend of ESG Committee adoption among the very largest companies.

Committee Membership Fees:

- 54% of companies pay Audit Committee membership fees, and 53% pay fees for the Remuneration Committee.

- 36% of companies pay fees for ESG Committee membership, in comparison to 30% last year.
- Fees are much more common in FTSE 30 companies with a prevalence of 77%, in comparison to FTSE 31-100 companies with a prevalence of 45%.

Nominations Committee Fees:

- 14% of FTSE 100 companies disclose a separate fee for chairing the Nominations Committee, which is the same as last year.
- 33% of companies pay fees for Nominations Committee membership.

Fee Increases:

- The median base fee change for FTSE 100 companies is 2.9%, reflecting a steady increase in remuneration for NEDs to remain competitive and retain experienced board members. Slightly higher increases were seen at the FTSE 30 than at the FTSE 31-100.

FTSE 250 DATA BREAKDOWN

The following tables provide the latest data for the FTSE 250, including data for its top and bottom halves:

	FTSE 250			FTSE 250 (Top Half)			FTSE 250 (Bottom Half)			
	Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile	
Board Chair	£216.5k	£250k	£308k	£243.5k	£293.5k	£350k	£199k	£222.5k	£250k	
Base Fee	£59k	£64k	£70.5k	£61k	£66.5k	£74.5k	£57k	£60k	£65k	
SID Fee	£10k	£12k	£15k	£11k	£13.5k	£20k	£10k	£10.5k	£12k	
Designated Employee NED Fee	£7.5k	£10k	£12k	£7.5k	£10k	£13.5k	£6.5k	£10k	£11k	
Committee Chair	Audit	£11k	£14k	£20k	£13k	£15k	£21.5k	£10k	£11.5k	£15k
	Remuneration	£10.5k	£13.5k	£17.5k	£12k	£15k	£20k	£10k	£11k	£14.5k
	ESG	£11k	£12.5k	£15.5k	£12k	£14k	£16k	£10k	£11k	£12.5k
	Nomination	£10k	£11.5k	£16.5k	–	£11k	–	–	£11.5k	–
Committee Membership	Audit	£5k	£7k	£11k	£5k	£8k	£12k	£4.5k	£5k	£7k
	Remuneration	£5k	£6k	£10k	£5k	£7.5k	£11k	£4.5k	£5k	£7k
	ESG	£5k	£6k	£10k	£5k	£7k	£10.5k	–	£5.5k	–
	Nomination	£5k	£5k	£6k	£5k	£5k	£8.5k	£2.5k	£5k	£6k
	FTSE 250			FTSE 250 (Top Half)			FTSE 250 (Bottom Half)			
	Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile	
Board Chair year-on-year increase	0.0%	3.0%	4.0%	0.0%	3.0%	4.5%	0.0%	2.5%	3.4%	
Base Fee year-on-year increase	0.0%	3.0%	3.8%	0.0%	3.0%	3.9%	0.0%	2.5%	3.6%	



Supporting Notes on Fees and Trends

Designated Employee Engagement NED Fees:

- 36% of companies pay an additional fee for this role, an increase from 31% last year.

ESG Committee Fees:

- 38% of companies pay an additional fee for the ESG Committee Chair role.
- Only 10% pay a fee for Committee membership, similar to last year.
- These percentages are broadly consistent across the top and bottom halves of the FTSE 250: 37% of top-half companies and 39% of bottom-half companies pay fees for ESG Committee chairs.

Committee Membership Fees:

- Membership fees are less common in the FTSE 250 compared with the FTSE 100.
- 26% of companies pay membership fees for any committee.
- Fees are more common in larger companies, with 33% of the top half paying such fees compared to just 17% in the bottom half.

Nominations Committee Fees:

- Only 7% of FTSE 250 companies disclose a fee for chairing the Nominations Committee.
- 15% of companies pay a fee for Nominations Committee membership.

FTSE SMALL CAP DATA BREAKDOWN

The following tables provide the latest data for the FTSE Small Cap, including data for its top and bottom halves.

	FTSE SmallCap			FTSE SmallCap (Top Half)			FTSE SmallCap (Bottom Half)			
	Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile	
Board Chair	£153k	£180k	£210.5k	£172k	£188k	£220k	£141.5k	£162.5k	£209k	
Base Fee	£51.5k	£55k	£61.5k	£53k	£56k	£64.5k	£48k	£53k	£59.5k	
SID Fee	£7.5k	£10k	£11k	£9k	£10k	£11.5k	£6k	£9k	£11k	
Designated Employee NED Fee	£5k	£5k	£7.5k	£5k	£5k	£7.5k	£5k	£5.5k	£7k	
Committee Chair	Audit	£9k	£10k	£12.5k	£9.5k	£10k	£12.5k	£8.5k	£10k	£12.5k
	Remuneration	£8.5k	£10k	£12.5k	£9.5k	£10k	£12k	£8k	£10k	£12.5k
	ESG	£7.5k	£10k	£12k	£9k	£10k	£12k	£7.5k	£10k	£11.5k
	Nomination	–	£10k	–	–	£10k	–	–	£9k	–

	FTSE SmallCap			FTSE SmallCap (Top Half)			FTSE SmallCap (Bottom Half)		
	Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile	Lower quartile	Median	Upper quartile
Board Chair year-on-year increase	0.0%	2.0%	3.9%	0.0%	0.0%	3.0%	0.0%	2.0%	5.2%
Base Fee year-on-year increase	0.0%	2.0%	3.6%	0.0%	0.0%	3.0%	0.0%	2.0%	4.0%

Supporting Notes on Fees and Trends

Designated Employee Engagement NED Fees:

- 28% of Small Cap companies pay an additional fee for the role of designated NED, an increase from 20% last year.
- The prevalence is broadly similar across the top and bottom halves of the FTSE Small Cap index, indicating consistent recognition of this role regardless of company size.

ESG Committee Fees:

- 31% of Small Cap companies pay an additional fee for the ESG Committee Chair role, this has increased from 27% last year.

- Differences in prevalence between the top and bottom halves of the index have narrowed, with 30% of top-half companies and 33% of bottom-half companies paying such fees.

Committee Membership Fees:

- Only 21% of companies pay Committee membership fees, which are primarily paid for Audit and Remuneration Committees.

Nominations Committee Fees:

- Only 10% of Small Cap companies disclose a fee for chairing the Nominations Committee.



FOCUS ON FINANCIAL SERVICES

The following tables provide data similar to the previous ones but focus exclusively on the Financial Services (FS) market segment. In addition, data for the Risk Committee, which is unique to the FS segment, are included.

NED roles in FS companies often command a premium compared to other sectors, especially for committee chairs, and committee membership fees are more commonly paid in this segment.

FTSE 100 – Financial Services		Prevalence	Lower quartile	Median	Upper quartile
Board Chair		100%	£425k	£617k	£750k
Base Fee		100%	£78k	£80.5k	£96k
SID Fee		100%	£20k	£31k	£43.5k
Designated Employee NED Fee		44%	–	£15k	–
Committee Chair	Audit	100%	£30k	£42.5k	£75.5k
	Remuneration	100%	£30k	£42.5k	£72.5k
	ESG	39%	–	£60k	–
	Nomination	6%	–	–	–
	Risk	89%	£31k	£48.5k	£77.5k
Committee Membership	Audit	89%	£16.5k	£19k	£33.5k
	Remuneration	89%	£16k	£19k	£33.5k
	ESG	44%	–	£24k	–
	Nomination	56%	£10k	£15.5k	£16.5k
	Risk	78%	£16.5k	£19k	£34.5k

FTSE 250 – Financial Services

	Prevalence	Lower quartile	Median	Upper quartile
Board Chair	100%	£220k	£259.5k	£350k
Base Fee	100%	£65k	£70k	£75.5k
SID Fee	87%	£10k	£15k	£20.5k
Designated Employee NED Fee	36%	£6k	£8k	£10k

Committee Chair

Audit	90%	£15k	£20k	£30k
Remuneration	90%	£10k	£20k	£30k
ESG	17%	–	£15.5k	–
Nomination	4%	–	–	–
Risk	46%	£25k	£30k	£32.5k

Committee Membership

Audit	54%	£7k	£11k	£15k
Remuneration	54%	£6.5k	£8k	£11.5k
ESG	10%	–	–	–
Nomination	36%	£5k	£6k	£9.5k
Risk	29%	–	£12k	–

FTSE Small Cap – Financial Services

	Prevalence	Lower quartile	Median	Upper quartile
Board Chair	100%	£173.5k	£200k	£220k
Base Fee	100%	£50.5k	£60k	£69k
SID Fee	93%	£7.5k	£12k	£15k
Designated Employee NED Fee	33%	–	£6.5k	–

Committee Chair

Audit	86%	£12.5k	£14.5k	£20k
Remuneration	86%	£10k	£12.5k	£20k
ESG	21%	–	–	–
Nomination	17%	–	–	–
Risk	54%	–	£15k	–

Committee Membership

Audit	33%	–	£5k	–
Remuneration	7%	–	£5k	–
ESG	6%	–	–	–
Nomination	8%	–	–	–
Risk	25%	–	–	–

FEE INCREASES

Around two thirds of FTSE All-Share companies increased either chair or NED fees over the 12-month sample period, with increases more likely at larger companies.

% of Companies Increasing Fees

FTSE 100

77%

FTSE 250

70%

FTSE Small Cap

57%

Not all companies review fees annually, but we found that around 70% of the FTSE All-Share have increased NED fees more than twice in the last three years, which reflects a broader market trend towards more regular reviews of NED fees. Larger increases are often justified by several factors, including:

- Fees lagging behind external benchmarks.
- Increased time commitment and complexity of roles, including additional responsibilities such as ESG oversight of risk management.

- Fees having remained unchanged for several years.

Below we have presented the median level of increase in the FTSE in two ways, firstly for all companies including those that made no increase, and secondly only for those companies which made an increase.

Median Fee Increases:

	FTSE 100		FTSE 250		FTSE SmallCap	
	All companies	Companies increasing fees	All companies	Companies increasing fees	All companies	Companies increasing fees
Chair Fee	3.0%	3.5%	3.0%	3.4%	2.0%	3.4%
NED Base Fee	2.9%	3.3%	3.0%	3.4%	2.0%	3.4%

The above data show that the median Board Chair and NED base fee increases at the FTSE All-Share range from 2.0% to 3.5%. This broadly aligns with the historical rate of increase over the past three years which has been around 3% per annum.

SHAREHOLDING REQUIREMENTS AND PAYMENT IN SHARES

Formal shareholding requirements are standard for Executive Directors in almost all UK-listed companies. For NEDs, however, these requirements are far less common.

While some companies encourage NEDs to hold shares, only about 13% of FTSE All-Share companies have a formal shareholding policy for NEDs.

In the FTSE 100, around 31% of companies operate a formal requirement, and this rises to around 60% within the FTSE 30. In the FTSE 250 and Small Cap, prevalence is lower: 6% and 7%, respectively. Typically, the requirement is set at 1x the annual fee, often to be achieved within three to five years of appointment.

Payment of NED fees in shares is rare. 6% of the FTSE 100 companies deliver a portion of fees in shares. This decreases to less than 2% for FTSE 250 and Small Cap companies.



COMMITTEES

There has been slow but steady growth in the prevalence of ESG Committee fees over the last few years.

FTSE 100	2025	56%
	2024	52%
	2023	47%
FTSE 250	2025	39%
	2024	38%
	2023	35%
FTSE Small Cap	2025	31%
	2024	27%
	2023	25%

- 56% of FTSE 100 companies now pay fees for some form of ESG Committee, compared to 52% last year.
- In FTSE 250 companies, 39% of companies have an ESG Committee, similar to last year.
- In the Small Cap, 31% of companies now pay ESG Committee fees, an increase from 27% last year.

Additional committees beyond Audit, Remuneration, Nomination, and ESG are common in specific market segments.

- Financial Services: Risk Committees
- Real Estate: Valuations Committees
- Health Care: Science Committees
- Other committees include technology, IT and compliance.

COMPARING COMMITTEE CHAIR AND MEMBER FEES

Committee membership fees are not consistently paid across the market. Committee membership fees are most common for Audit and Remuneration Committees, particularly in larger companies and in the Financial Services sector.

- Around 55% of FTSE 100 companies pay membership fees for Audit and Remuneration Committees.
- This proportion decreases to 25% of FTSE 250 companies and 20% of FTSE Small Cap companies.
- Among FTSE 100 Financial Services companies, around 89% pay membership fees for Audit and Remuneration Committees, reflecting the sector's governance requirements.

The ratio of Audit and Remuneration Committee membership fees to the respective chair typically increases with company size, suggesting that members in larger companies are paid proportionally more relative to chairs, likely to reflect the greater responsibilities and reputational risks involved.

	FTSE All Share		
	Lower quartile	Median	Upper quartile
Ratio of Audit Member fees to Audit Chair fees	33%	42%	50%
Ratio of Remuneration Member fees to Remuneration Chair fees	33%	44%	50%

ADDITIONAL BENEFITS FOR BOARD CHAIRS

In addition to fees, some companies offer benefits to the Board Chair. These are most common in the FTSE 100.

These are most common in the FTSE 100.

Typical benefits include:

- Private medical cover
- Life insurance
- A car and driver
- Travel and accommodation allowances
- Office costs

Travel allowances help secure talent from the increasingly competitive global market as they acknowledge the added burden of international travel.



TIME COMMITMENT

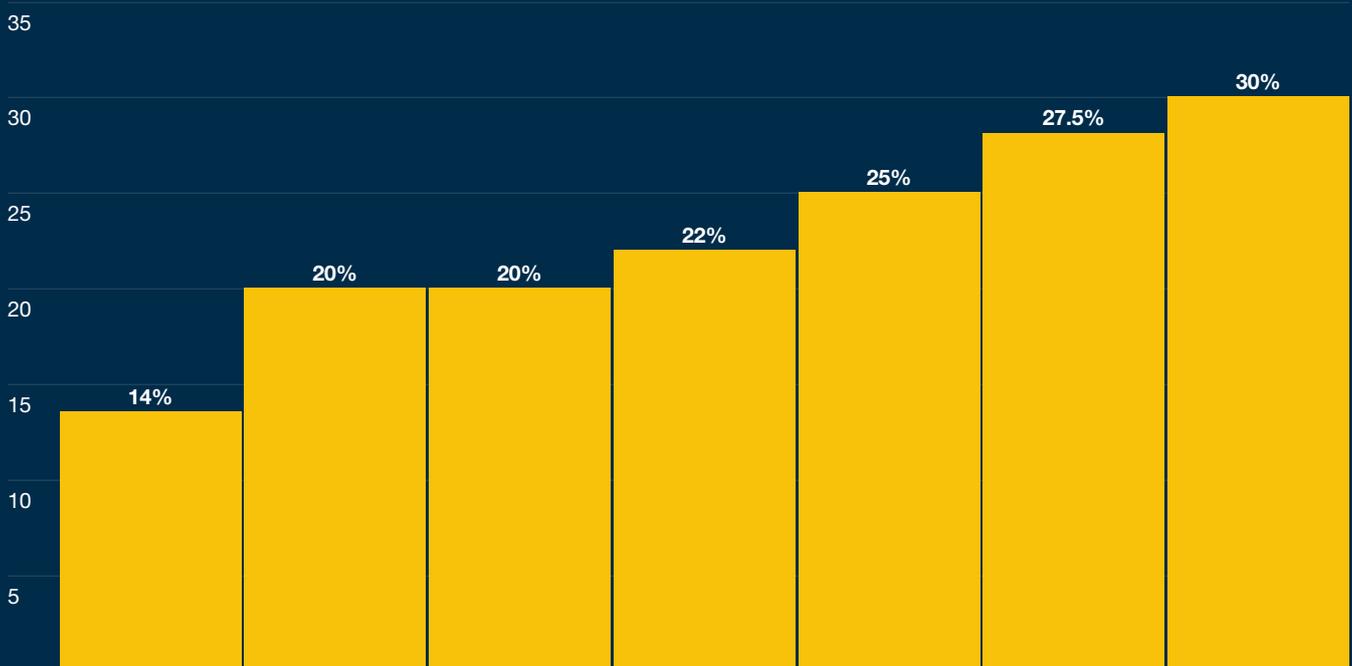
The Investment Association (IA) Principles of Remuneration now state that boards should clearly disclose the expected time commitment of NEDs. This additional level of transparency was introduced to allow shareholders to assess whether NEDs can devote sufficient time and attention to their responsibilities.

However, few companies have so far provided disclosure of expected time commitment. For example, at the FTSE 100:

- 7% of companies disclose an expected number of days for NED time commitment. The disclosed ranges vary from 14 to 30 days annually, with the median expectations being approximately 22 days.
- None explicitly state the actual time commitment.

FTSE 100: Disclosure of Expected NED Time Commitments

Days





METHODOLOGY

Sample Selection and Criteria

The fee data sample includes companies from the FTSE 100, 250, and Small Cap as of 31 July 2025, with fiscal year-ends up to 30 June 2025.

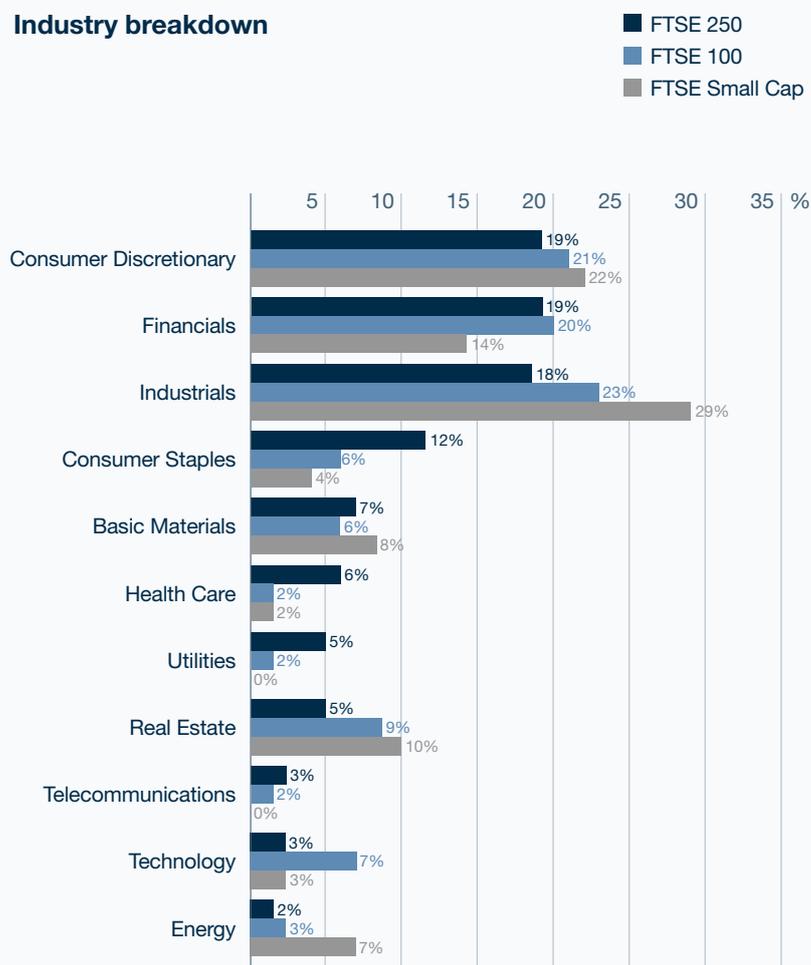
- Closed-End Investment Trusts and Real Estate Investment Trusts (REITs) with external managers are excluded as the NED role for these companies differs from the NED role in companies with internal management teams.
- The subgroups within indices (e.g. FTSE 30 and FTSE 31-100) are determined based on spot market cap as at 31 July 2025.

FTSE 100 Market Capitalisation			
	Lower quartile	Median	Upper quartile
FTSE 100	5,520	9,610	31,980
FTSE 30	34,270	46,010	70,310
FTSE 31-100	4,800	6,940	10,210

FTSE 250 Market Capitalisation			
	Lower quartile	Median	Upper quartile
FTSE 250	780	1,290	2,170
Top Half	1,480	1,910	2,660
Bottom Half	600	740	890

FTSE Small Cap Market Capitalisation			
	Lower quartile	Median	Upper quartile
FTSE Small Cap	150	220	310
Top Half	270	310	400
Bottom Half	110	150	190

Industry breakdown



FTSE FS Companies Market Capitalisation			
	Lower quartile	Median	Upper quartile
FTSE 100	6,430	17,290	42,200
FTSE 250	850	1,780	2,390
FTSE Small Cap	200	270	390

Fee Table Methodology

The fee tables for FTSE 100, 250, Small Cap and Financial Services companies reflect the following constraints:

- Quartiles are not displayed if there are fewer than 10 data points in the sample.
- The median is not shown if there are fewer than 4 data points in the sample.

Calculating Board Chair and Base Fee Increases

- Median for Board Chair and NED base fee increases are calculated including those companies which made no change to fees, unless stated otherwise.

Approach to historical comparisons

When presenting data from previous years for the FTSE 100, 250, or Small Cap indices:

- The analysis uses companies listed in the relevant index as of 31 August 2024
- This aligns with the data published in our 2024 NED report.

ABOUT A&M

YOUR STRATEGIC PARTNER FOR EXECUTIVE COMPENSATION

Our growing UK Executive Compensation Services advisory practice comprises four senior practitioners with over 100 years' combined experience, supported by a team of both experienced professionals and graduates.

We can provide a full suite of services, advice and support to Remuneration Committees and HR or reward teams as shown below.



ABOUT A&M

YOUR STRATEGIC PARTNER FOR EXECUTIVE COMPENSATION

One of our market differentiators is that we are a "senior practitioner-led" practice, meaning that our Managing Directors take a more "hands-on" and visible role in client relationships than is often the case in other consulting practices. As a strategic partner to the business, our approach is as follows:

BESPOKE ADVICE, TAILORED TO THE BUSINESS



Our objective is to help clients design and implement remuneration that is tailored for their business, rather than meet market standard that 'ticks the boxes.'

COLLABORATIVE...



As a strategic partner, we aim to work closely in partnership with management teams to understand key objectives, priorities, and constraints, which inform our ability to provide tailored and balanced advice.

...BUT INDEPENDENT AND TRANSPARENT



At the same time, we always recognize our ultimate accountability to provide an independent and objective view to remuneration committees. At all times, we act with integrity and transparency in our interactions with stakeholders.

FACILITATE STRATEGIC DECISION-MAKING



We help the committee assess options strategically in the context of the board's "risk appetite" and are recognized for a pragmatic and commercial approach that balances key stakeholder perspectives.

OPTIMISE OUTCOMES



Once decisions are made, we provide effective support to optimize stakeholder outcomes. We add value through all stages of the shareholder engagement process – developing strategy, crafting effective materials, and interpreting feedback.



COMING SOON...

A&M'S BONUS AND LTIP TARGET SETTING TOOLKIT



The 2026 update to our comprehensive analysis of performance targets in the FTSE All Share will be published in early 2026.

Follow the link for our [2025 report](#).







DAVID TUCH
MANAGING DIRECTOR

+44 794 916 9944
dtuch@alvarezandmarsal.com



JAMES HARRIS
MANAGING DIRECTOR

+44 786 129 4374
james.harris@alvarezandmarsal.com



JEREMY ORBELL
PRINCIPAL

+44 734 148 6140
jorbell@alvarezandmarsal.com



ALEX GARDNER
SENIOR DIRECTOR

+44 739 339 7996
alex.gardner@alvarezandmarsal.com



ABOUT ALVAREZ & MARSAL

Founded in 1983, Alvarez & Marsal is a leading global professional services firm. Renowned for its leadership, action and results, Alvarez & Marsal provides advisory, business performance improvement and turnaround management services, delivering practical solutions to address clients' unique challenges. With a world-wide network of experienced operators, world-class consultants, former regulators and industry authorities, Alvarez & Marsal helps corporates, boards, private equity firms, law firms and government agencies drive transformation, mitigate risk and unlock value at every stage of growth.

Follow A&M on:



To learn more, visit: AlvarezandMarsal.com