NUROLE

Nurole's Non-Executive Compensation & Diversity Report - FTSE AIM

2023

Introduction

Nurole exists to help you build better boards. As part of that mission, we want to provide you with actionable, data-driven insights to help you source, attract and retain the best board talent.

Whilst AIM-listed board compensation and diversity data is publicly available, it takes time to locate and organise the information usefully.

That's why we have created this report to help you benchmark your board against other AIM-listed companies - comparable by size and sector - in terms of remuneration, gender and age.

I founded Nurole because I believed that, by leveraging technology, headhunters could provide higher-quality, more diverse candidates, at lower cost. Eight years later, that's exactly what we do.

In 2022, we made c.800 placements, cementing our position as the UK market leader in board hiring: 46% of our placements were women; 27% came from ethnic minority backgrounds (up from 20% in 2021), and 30% were under the age of 50. Moreover, we produce that quality and diversity economically, with searches starting from £20,000.

If you want to find better, more diverse candidates at lower cost, we're here to help.

Susie Cummings
Nurole Founder
susie.cummings@nurole.com
+447788135115

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DATA NOTES & KEY

- Market capitalisation

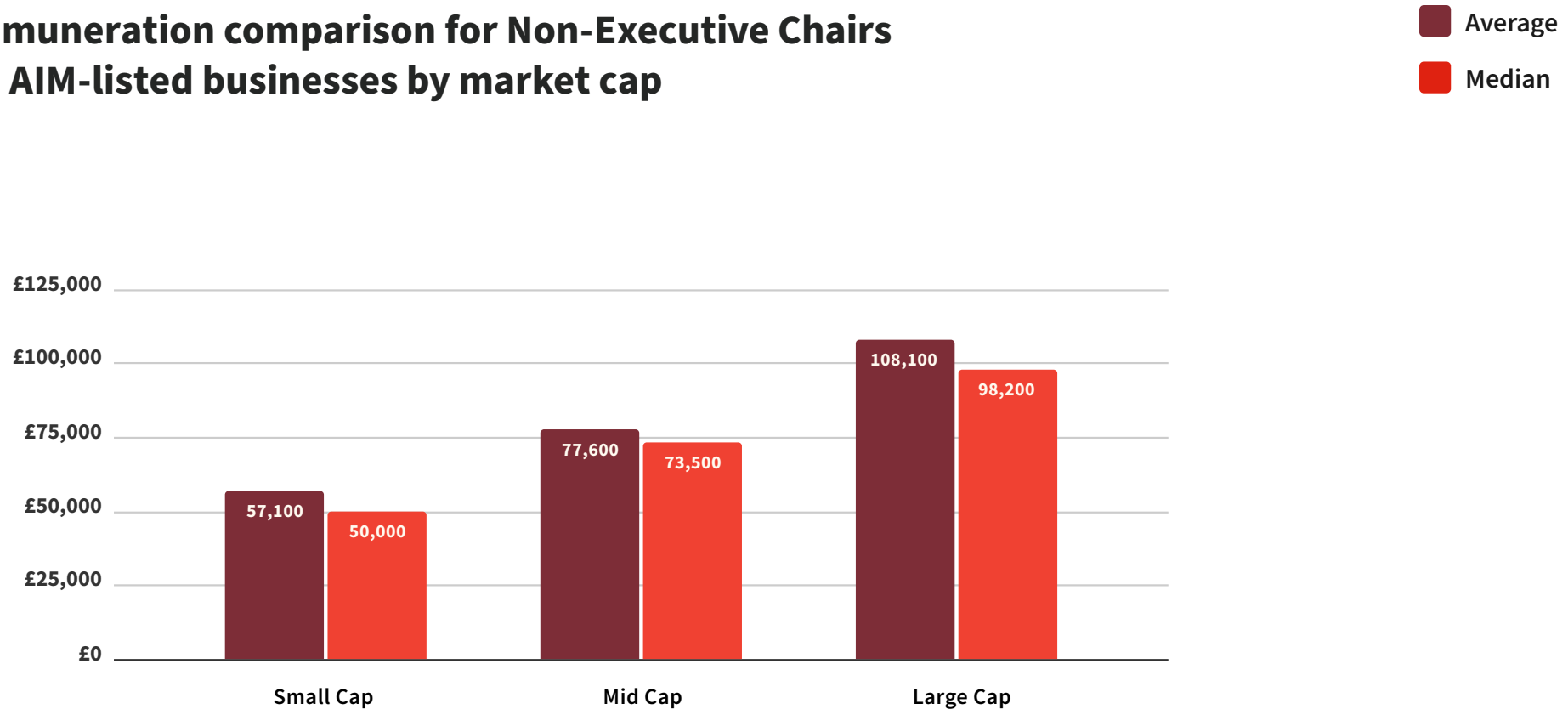
  Small cap = less than £100mil;
  Mid cap = between £100 and £500mil (inclusive);
  Large cap = more than £500mil

- Our data pool includes all FTSE AIM-listed companies.
- We have only considered non-executive board positions.
- NEDs include any non-executive board member other than the chair.
- We have excluded all compensation which is not a basic salary *equity, LTIPs etc.

Chair remuneration

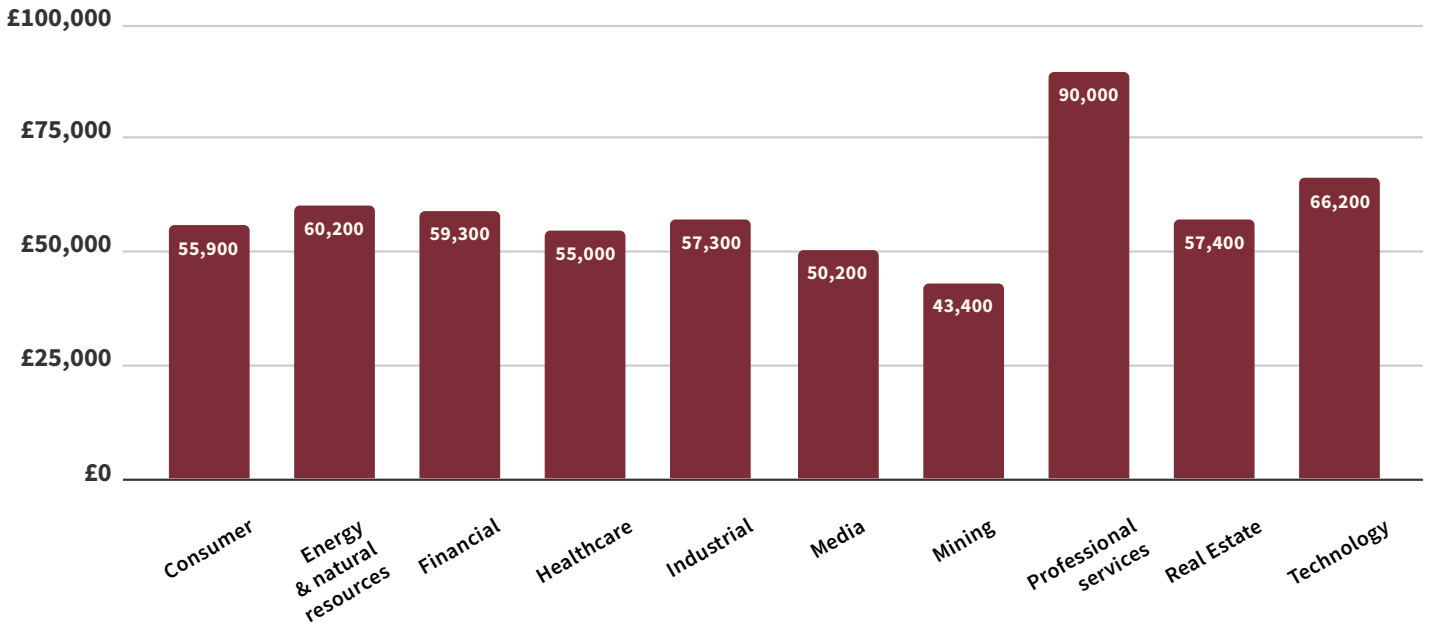
Chair remuneration

Remuneration comparison for Non-Executive Chairs on AIM-listed businesses by market cap



Chair remuneration

Average Chair remuneration by sector for Small Cap AIM-listed businesses



Chair remuneration

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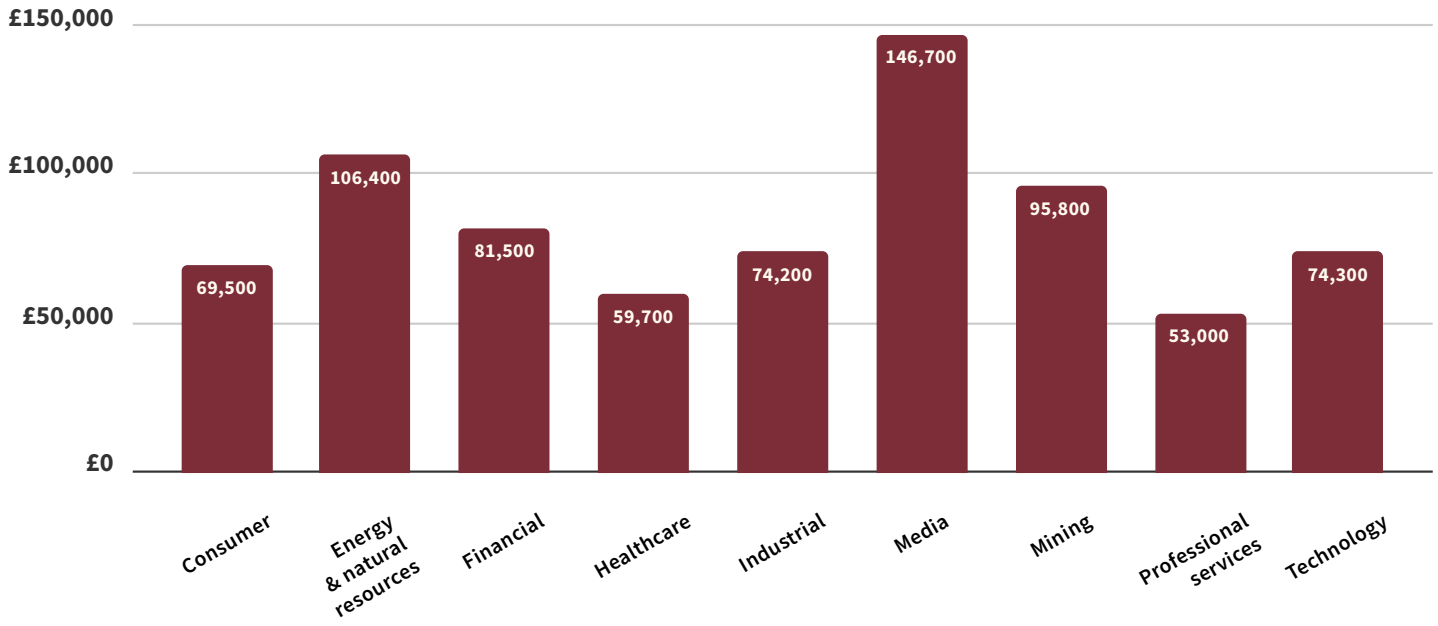
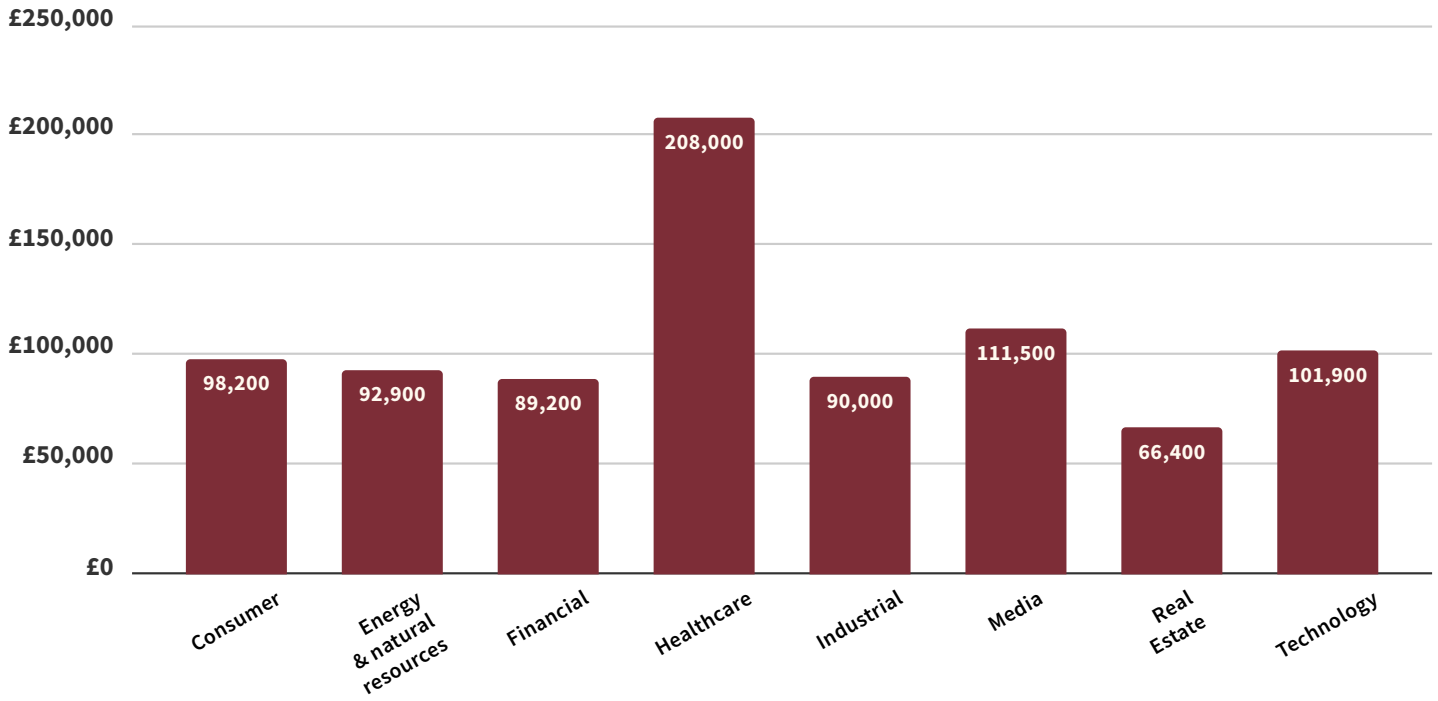


Chair remuneration

Average Chair remuneration by sector for Large Cap AIM-listed businesses

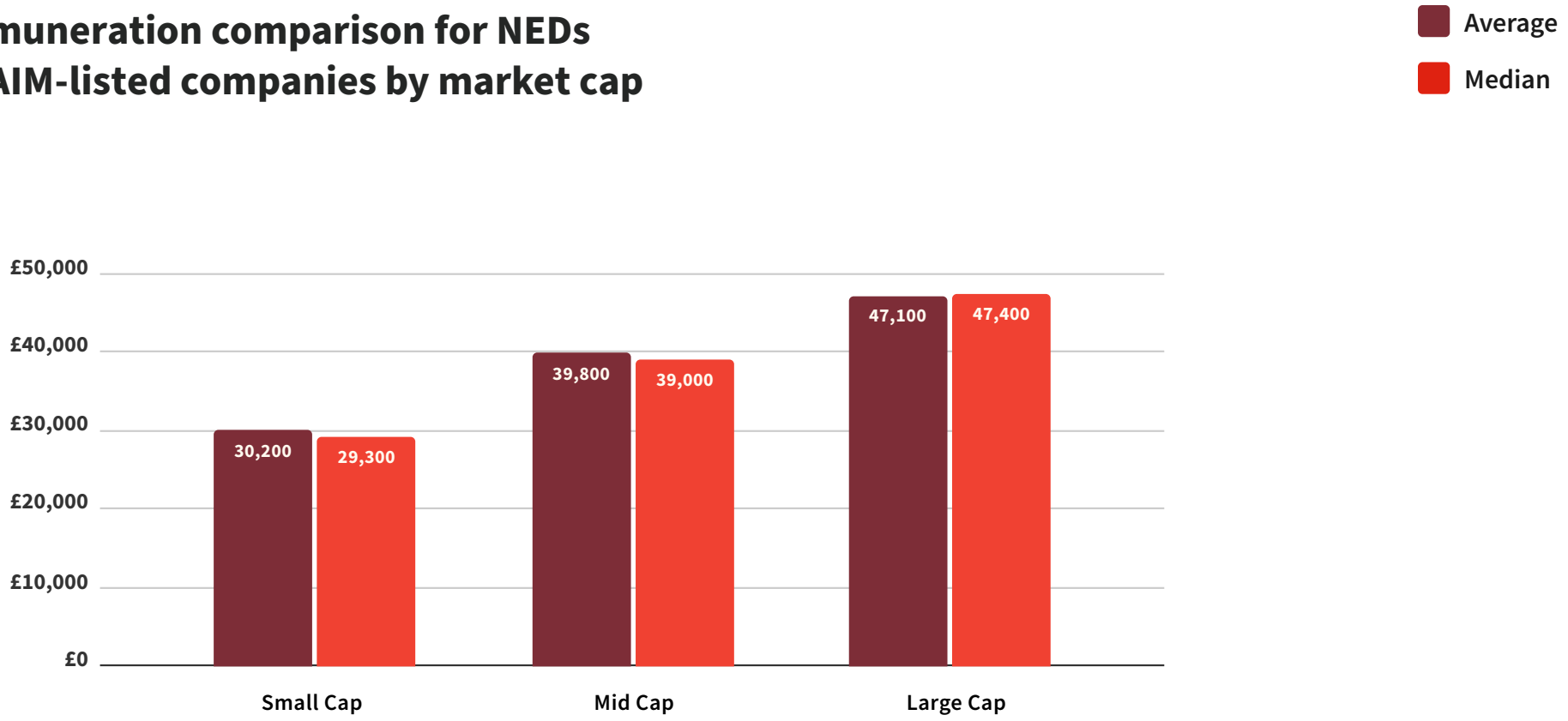


£

NED remuneration

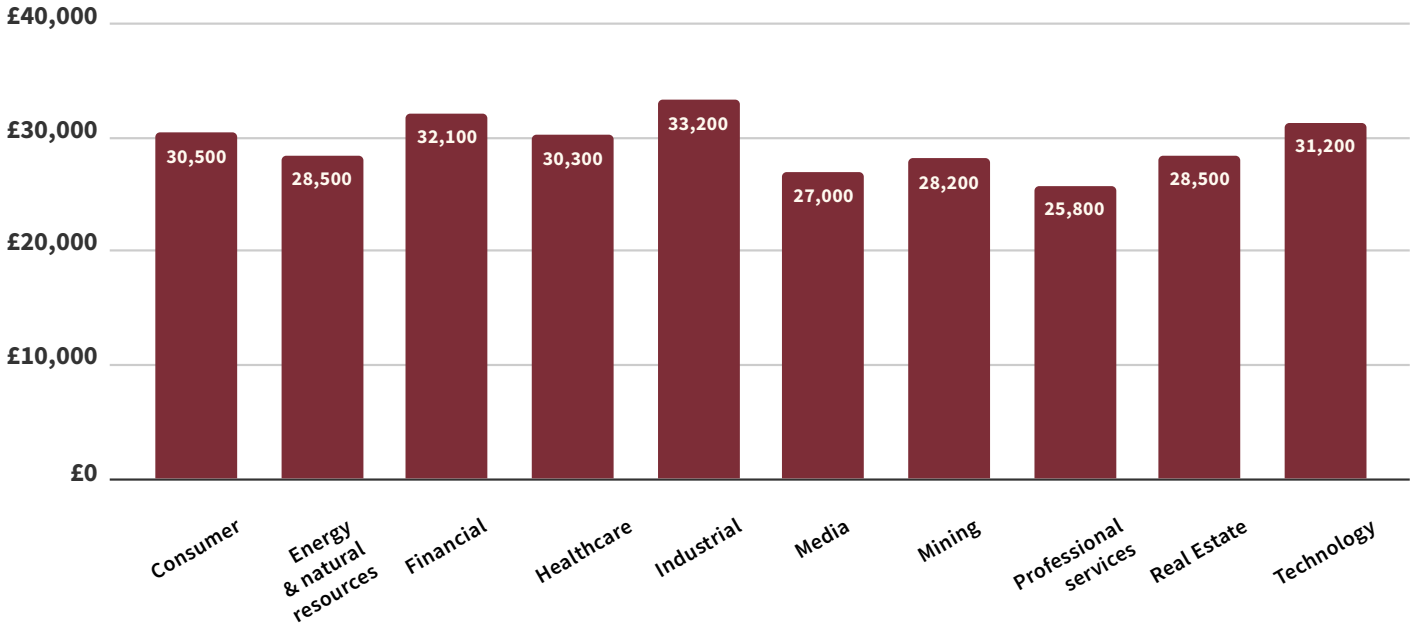
NED remuneration

Remuneration comparison for NEDs at AIM-listed companies by market cap



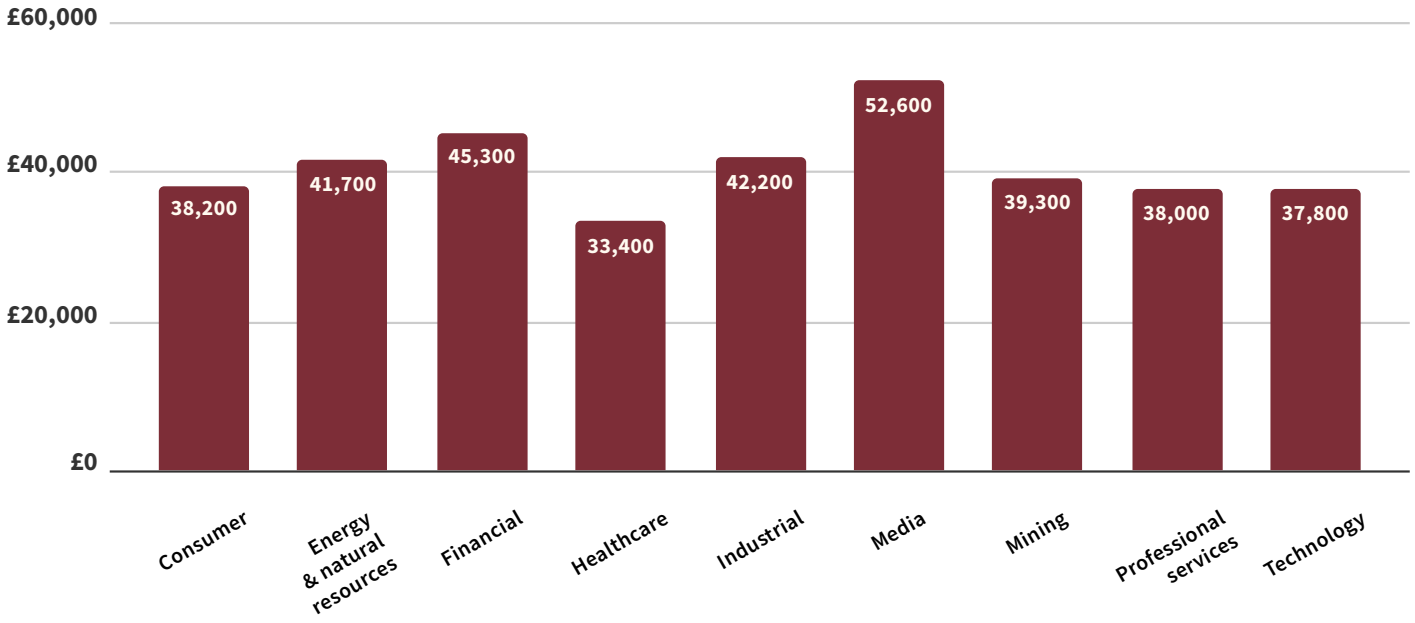
NED remuneration

Average NED remuneration by sector for Small Cap AIM-listed businesses



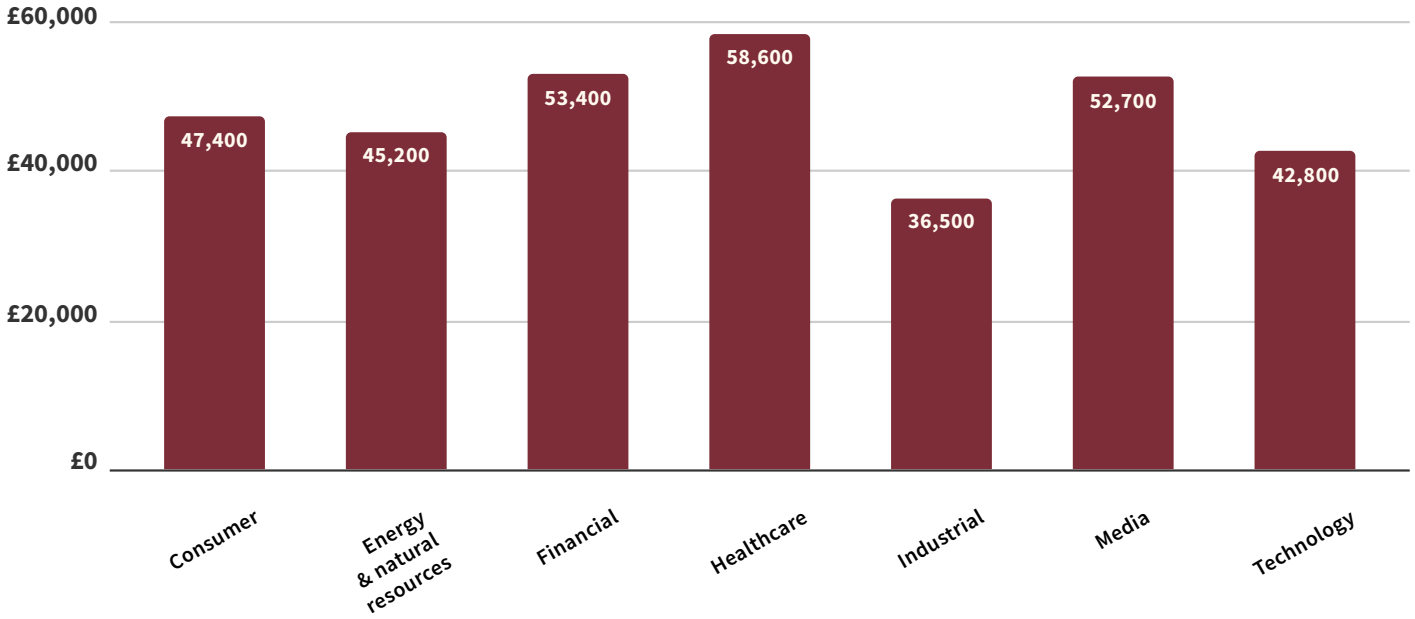
NED remuneration

Average NED remuneration by sector for Mid Cap AIM-listed businesses



NED remuneration

Average NED remuneration by sector for Large Cap AIM-listed businesses



AIM Board Diversity

FCA Diversity Regulation

The most recent FCA listing rules require listed companies to have 40% female board members, with at least one woman in a senior leadership position (Chair, CEO, CFO, SID) and at least one board member from an ethnic minority background (any ethnic background other than White, as per the Office of National Statistic categories).

If a company fails to “comply” with these criteria, the FCA requires them to “explain” why they have failed to do so through a public statement (see below for an explanation about how you can explain satisfactorily by demonstrating a fair and transparent search process).

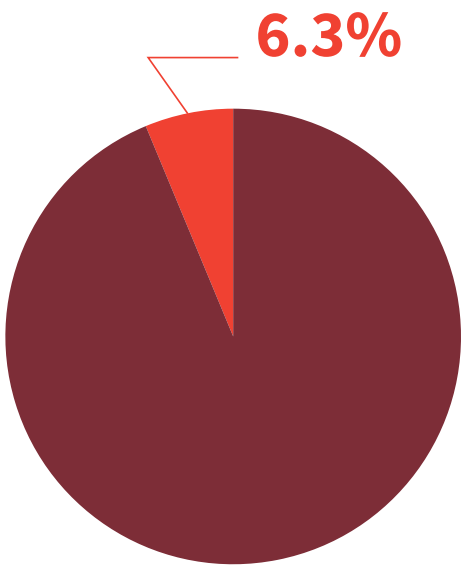
As the regulator knows, the traditional shareholder and public relations issues around a lack of diversity will be more acute when benchmarked against other companies that have had to make the declaration demanded by the new rules (and even more so when benchmarked against those who have not had to because they have met the targets).

The diversity data below should give you a clear indication of where your board lies compared to other AIM-listed companies, in terms of age and gender. We have not included ethnic diversity data because we cannot be certain of the validity of the publicly available information for this specific form of diversity.

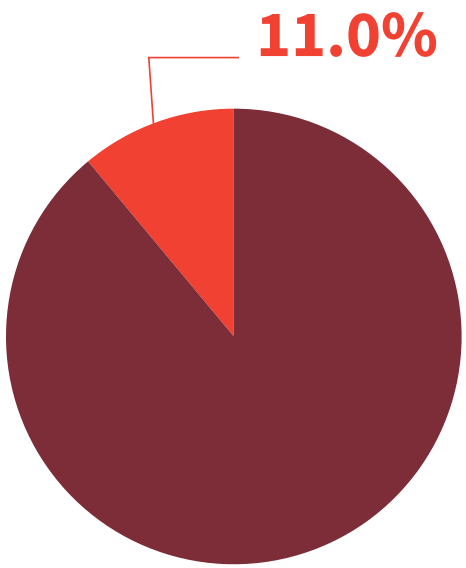
AIM Board Diversity

Gender

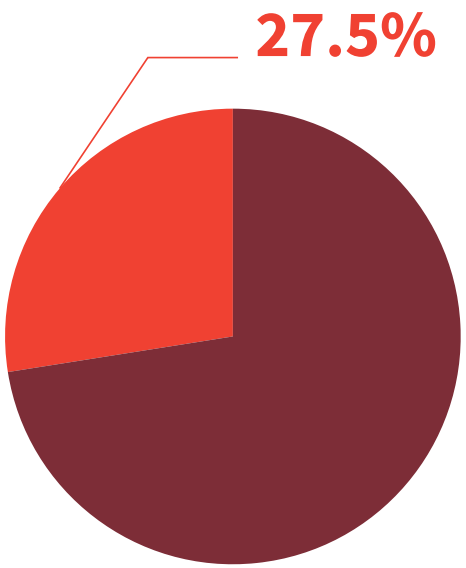
6.3% of Small Cap AIM companies have at least **40% women on their board**



11.0% of Mid Cap AIM companies have at least **40% women on their board**



27.5% of Large Cap AIM companies have at least **40% women on their Board**



AIM Board Diversity

Age

Average age across all market caps is **58, ranging from 27-102**

Tenure

Average current tenure across all market caps is **3.7 years, ranging from 3.6 - 3.8**

AIM Board Diversity

Key takeaways

26.2% of AIM-listed boards (across all market caps) satisfy the FCA requirement of having at least one woman in a senior board position as defined above.

7.5% of AIM-listed boards (across all market caps) satisfy the FCA requirement of having at least 40% female board members.

The majority of AIM-listed companies will have to **issue a statement explaining why they have failed to comply with the FCA requirements** (see below for an explanation about how to do so satisfactorily).

A Smarter, Fairer, Better Way to Hire

Nurole is the global platform helping you build better boards.

In 2023, publicly listed companies face unique hiring challenges. Quality and experience remain the primary criteria. However, a combination of regulatory and shareholder pressure and shifting customer expectations have made diversity - in terms of gender, ethnicity and age - equally important.

We can satisfy all criteria - quality, experience and diversity - because we approach 10x more candidates than traditional headhunters. Because our talent pool is larger, it will naturally be more diverse. Moreover, by approaching more applicants, we promote competition, which leads to higher quality.

Companies also face unprecedented pressure to subdue operational costs. Nurole is more economical than traditional headhunters because our search experts are equipped with cutting-edge technology, which does appropriate, low-level tasks more efficiently than human researchers. This reduces our operational costs, and we pass this saving onto our clients.

A Smarter, Fairer, Better Way to Hire

We provide a full headhunting service

- **We understand your brief**
- **We source, attract and assess candidates**, directly approaching relevant individuals who aren't yet Nurole members.
- **We deliver a shortlist of 8-10** and help you choose 3-5 to shortlist and interview.

And then we go further...

In addition to making direct approaches, we also:

- Use **algorithms to search our 60,000+ members** and source the most relevant candidates by experience, interest and skill.
- **Empower candidates** to put themselves forward, ensuring their passion and capacity.

A Smarter, Fairer, Better Way to Hire

As a result of this open and transparent process, we help you:

1

Attract passionate and engaged candidates: on average, c.20 candidates actively apply from our network for each role, rather than being cajoled to do so by our search professionals.

2

Achieve sufficient board diversity: last year, 46% of our placements were women, 27% were from ethnic minority backgrounds, and 30% were under the age of 50.

3

Satisfy regulatory requirements: as well as helping you satisfy the FCA diversity requirements, our open and transparent process can also help you explain if and why you have failed to do so. By showing stakeholders and regulators a report such as the one below, you can clearly establish that you have given yourself the best chance of finding diverse board members.

Nurole process checklist

Board succession planning review
Plan in place to identify skills and experience the board should recruit in the next two to three years to maximise its effectiveness.

Diversity goals considered
Open diversity dialogue with a documented process and measurable objectives.

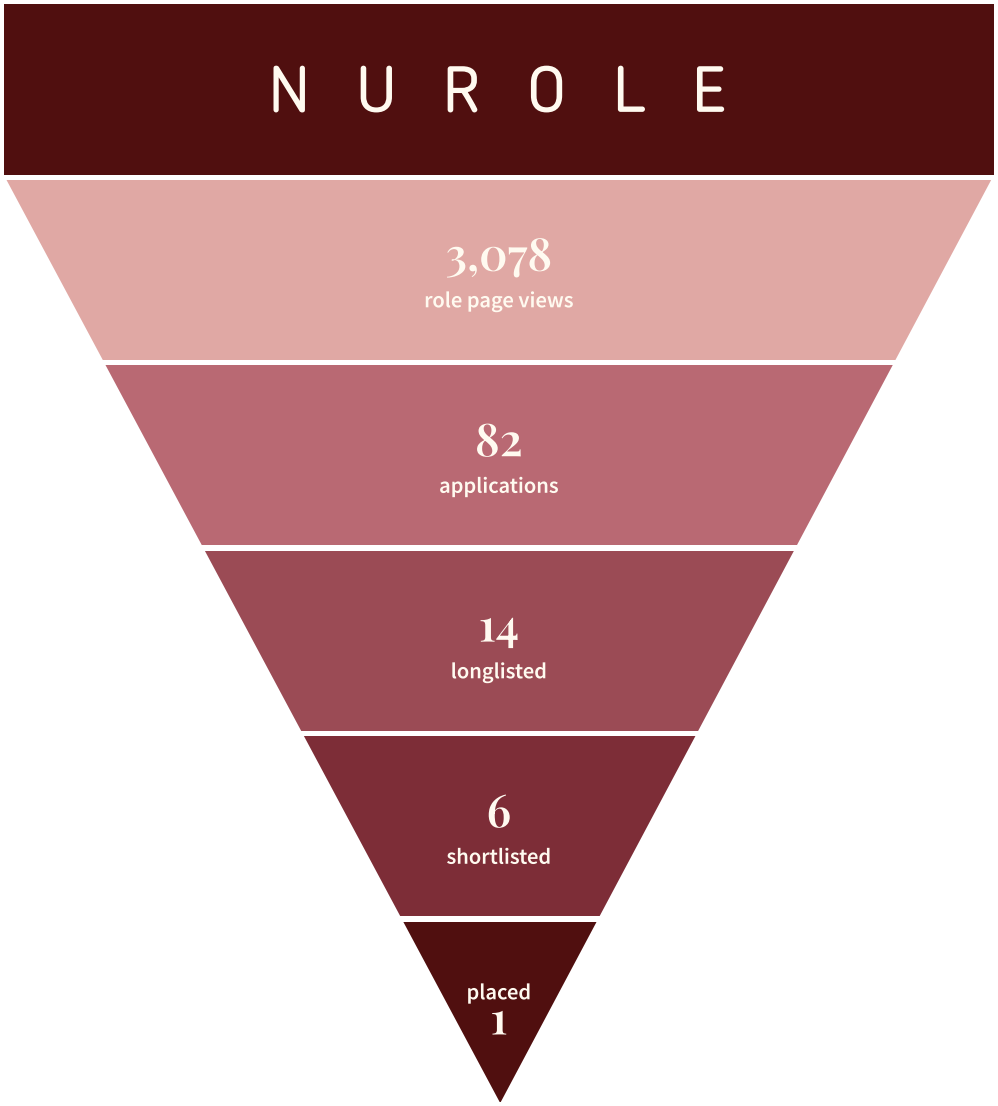
Defined brief
Significant weight given to relevant skills, competencies and capabilities to extend the search beyond those with current board roles and conventional corporate careers.

Broad candidate pool
Open advertising in relevant forum to avoid framing and confirmation bias.

Candidate-led applications
Candidates in control of their application, providing written evidence of their key relevant competencies and Reason for Application.

Structured candidate selection
Data-led assessment process where all candidates scored by experienced search professionals against defined skills; references all taken for holistic profiling.

Your search in numbers



Applications

50% women

50% ethnically diverse

50% 45 or under

Longlist

50% women

50% ethnically diverse

50% 45 or under

Shortlist

50% women

50% ethnically diverse

50% 45 or under

Funnel graph uses dummy data

A Smarter, Fairer, Better Way to Hire

Nurole in numbers

Our unparalleled ability to provide high-quality, experienced and diverse candidates at lower prices through a fair process has made us the UK market leader in board hiring.

60,000+
pre-vetted board candidates in our network

100+
countries represented

60+
Nurole team members

30%
of our placements are under the age of 50

2,000+
placements

46%
of our placements are women

27%
of our placements are from ethnic minority backgrounds