

N U R O L E

**Nurole's Non-Executive  
Compensation Report -  
FTSE SmallCap  
2024**

NR | Nurole's Non-Executive Compensation Report



## *Introduction*

**As Nurole increases its partnership with FTSE indexed organisations for board director search, I'm delighted to share a report for FTSE SmallCap non-executive compensation with you.**

This report is designed to inform boards and non-executives of the current state of compensation.

The FTSE SmallCap constituent data included in this report is from their most recent Annual Reports, published before December 2023. Including the compensation of over 750 Chairs, SIDs and NEDs.

## **About Nurole**

Nurole is the UK's leading board search specialist and market leader, working with all organisation types to build better boards.

I founded Nurole because I believed that, by leveraging technology, headhunters could conduct a more extensive search over a wider range of board-level talent, for stronger shortlists.

I'm delighted to share we placed over 700 individuals on boards in 2023.



### **Susie Cummings**

Nurole Founder

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## A selection of Nurole's track record ( capabilities are not limited to these sectors )



# *I* *Index*

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## **Important information about the data approach:**

- For simplicity, roles are aggregated into Chair, SID, NED.
  - Chair = Chair
  - SID = Senior Independent Director
  - NED = Non-Executive Director, Independent Director
- Compensation data was only included if the non-executive's compensation was shared publicly in an annual report.
- Compensation data was only included if the non-executive was appointed at least 30 days after the last annual review.
- Where labelled, some graphs and tables exclude externally managed REIT and Investment Trust compensation data points.

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*Chair  
compensation*



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## Chair compensation overview

**When viewing Chair compensation by gender,** it's helpful to know that 24 out of 30 female FTSE SmallCap Chairs sit on investment trusts or externally managed REIT boards, which are typically lower in fee. This causes aggregated female compensation to be lower than male compensation. However, this also highlights from a diversity standpoint, that there are only 6 of 30 female Chairs across the other eight sectors, compared to 66 of 131 male Chairs.

**When viewing Chair compensation by sector,** consider that sectors are a broadchurch. Financial services, as an example, cover everything from established institutions to smaller growth companies operating in niche or regional markets.

**When viewing Chair compensation through the lens of revenue,** as expected, there is a gradual increase as company revenues increase. Correlation is moderate with a trendline ( $r^2$ ) of 0.5.

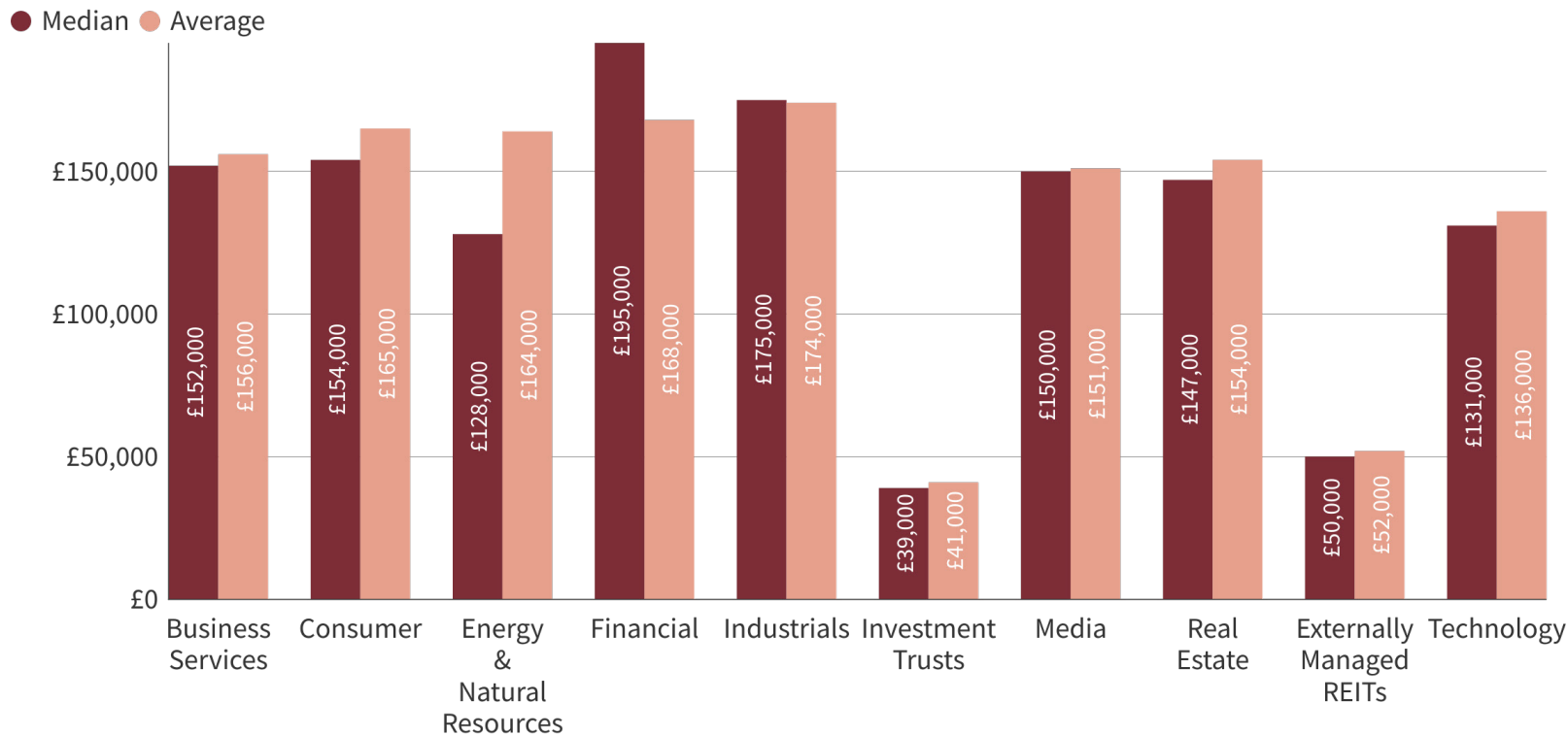
### Outliers

**Compensation by sector and market cap does not trend linearly.** In this case, we must consider the range of variables that influence compensation fees. As an example, fees may have been negotiated at much higher or lower market cap position. Compensation is also only one element of a remuneration package.

# Chair compensation



## Chair base compensation comparison



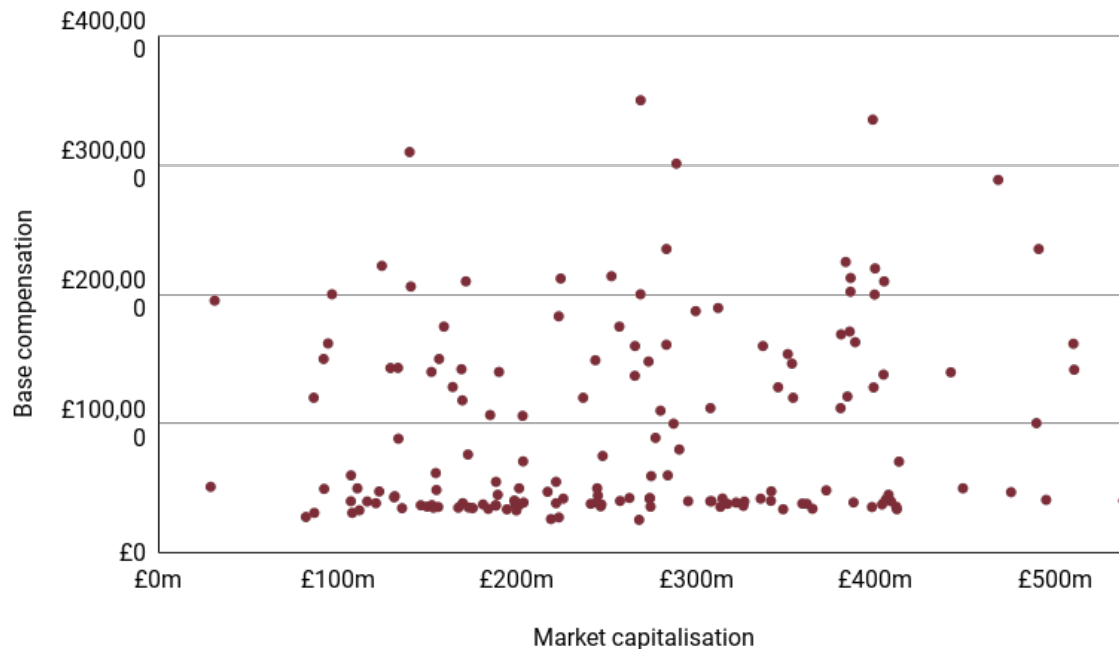
All Chair compensation	
Average	£95,000
Lower q.	£39,000
Median	£50,000
Upper q.	£128,000

Female	
Average	£59,000
Lower q.	£36,000
Median	£39,000
Upper q.	£44,000

Male	
Average	£103,000
Lower q.	£40,000
Median	£71,000
Upper q.	£152,000



## Chair base compensation by market capitalisation

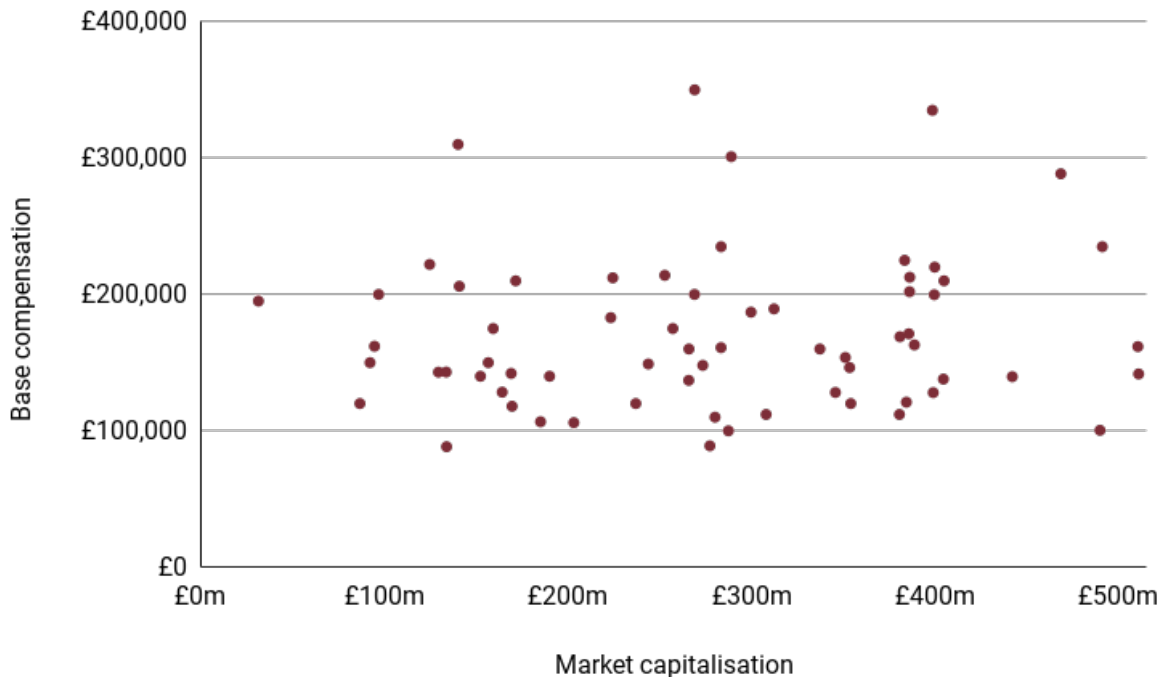


	Market capitalisation >£400m	Market capitalisation £300m-£400m
Average	£100,000	£107,000
Lower q.	£41,000	£39,000
Median	£50,000	£112,000
Upper q.	£141,000	£163,000
	Market capitalisation £200m-£300m	Market capitalisation <£200m
Average	£99,000	£82,000
Lower q.	£40,000	£37,000
Median	£60,000	£45,000
Upper q.	£149,000	£134,000

# Chair compensation



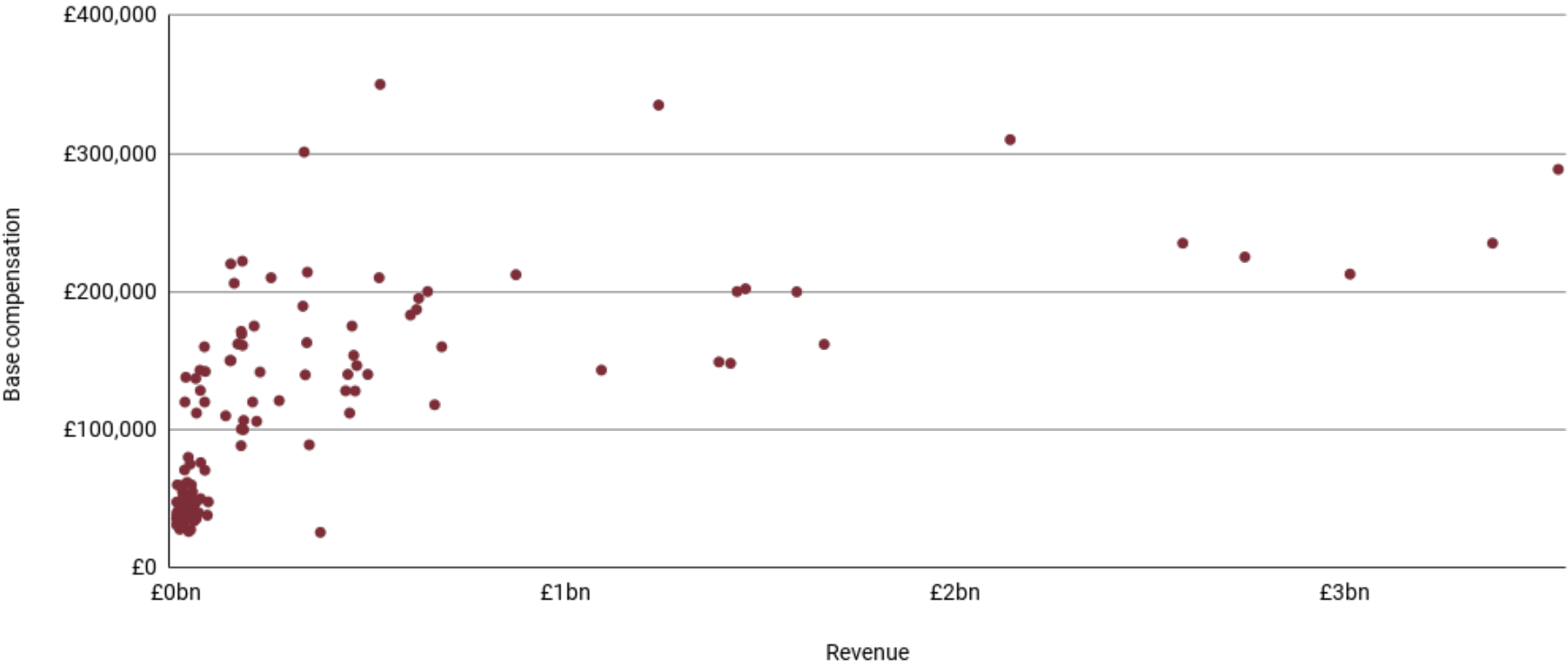
## Chair base compensation by market capitalisation (excluding Investment Trusts and externally managed REITs)



	All Chair compensation	
Average	£171,000	
Lower q.	£130,000	
Median	£160,000	
Upper q.	£197,000	
	Market capitalisation >£400m	Market capitalisation £300m-£400m
Average	£177,000	£172,000
Lower q.	£139,000	£128,000
Median	£152,000	£163,000
Upper q.	£216,000	£201,000
	Market capitalisation £200m-£300m	Market capitalisation <£200m
Average	£176,000	£162,000
Lower q.	£129,000	£137,000
Median	£161,000	£147,000
Upper q.	£206,000	£196,000

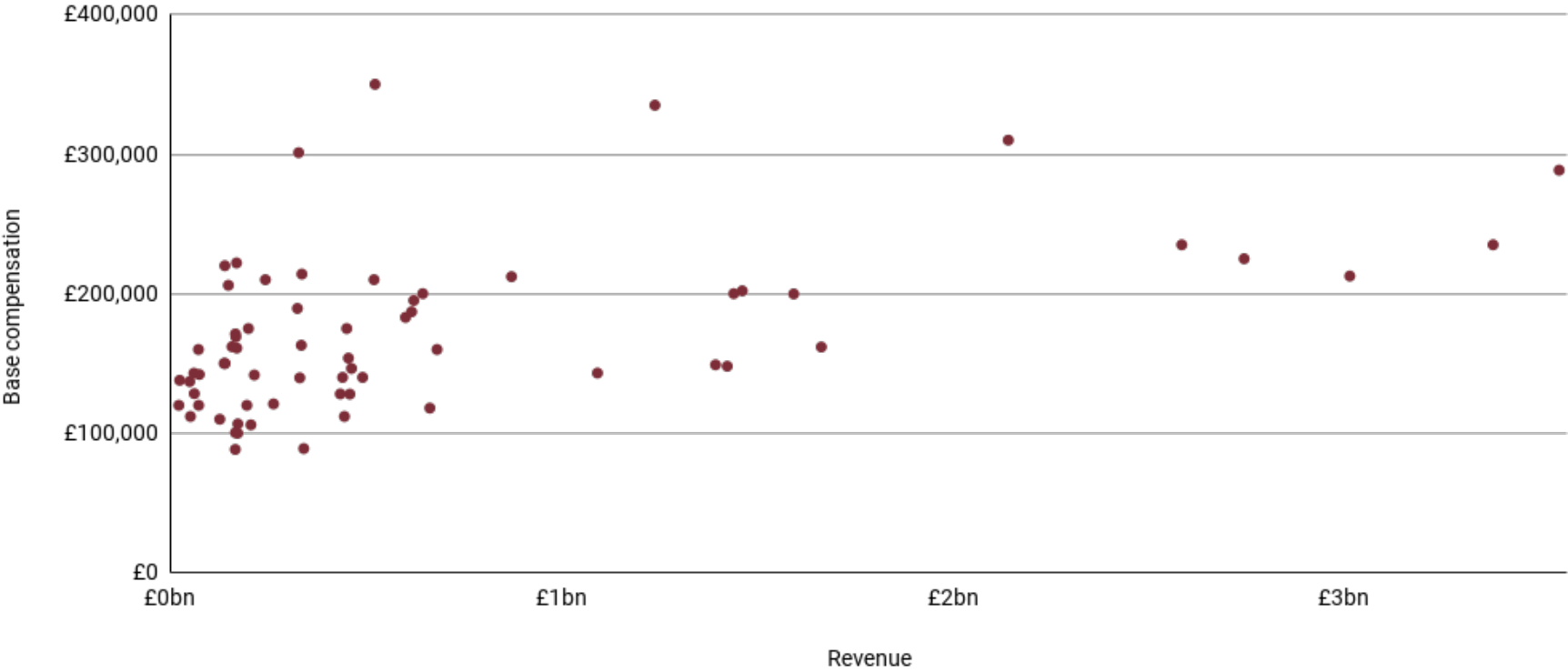


## Chair base compensation by organisation revenue





## Chair base compensation by organisation revenue (excluding Investment Trusts and externally managed REITs)







## Median Chair compensation by sector and market capitalisation

	Market capitalisation >£400m	Market capitalisation £300m-£400m	Market capitalisation £200m-£300m	Market capitalisation <£200m	# of data points
Business Services	£162,000	£169,000		£142,000	6
Consumer	£215,000	£180,000	£155,000	£123,000	18
Energy & Natural Resources		£124,000	£100,000	£236,000	5
Financial	£155,000	£159,000	£275,000	£125,000	11
Industrials	£187,000	£202,000	£175,000	£158,000	16
Investment Trusts	£41,000	£39,000	£40,000	£38,000	83
Media		£121,000	£183,000	£150,000	3
Real Estate	£138,000	£171,000	£148,000	£147,000	8
Externally Managed REITs		£48,000	£55,000	£35,000	7
Technology		£163,000	£120,000	£131,000	4

£

*SID*

*compensation*



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## **SID compensation overview**

**There are fewer data points with SID fees.** As a consequence, the more granular the lens, the less obvious the compensation trends are in relation to market cap, revenue and sector.

**When viewing SID compensation by gender,** female SIDs reflected higher fees across all sectors. Unlike Chair positions, there's a more even ratio of female to male SIDs across all sectors.

**When viewing SID compensation through the lens of revenue and market cap,** there is no obvious increase or decrease in fees.

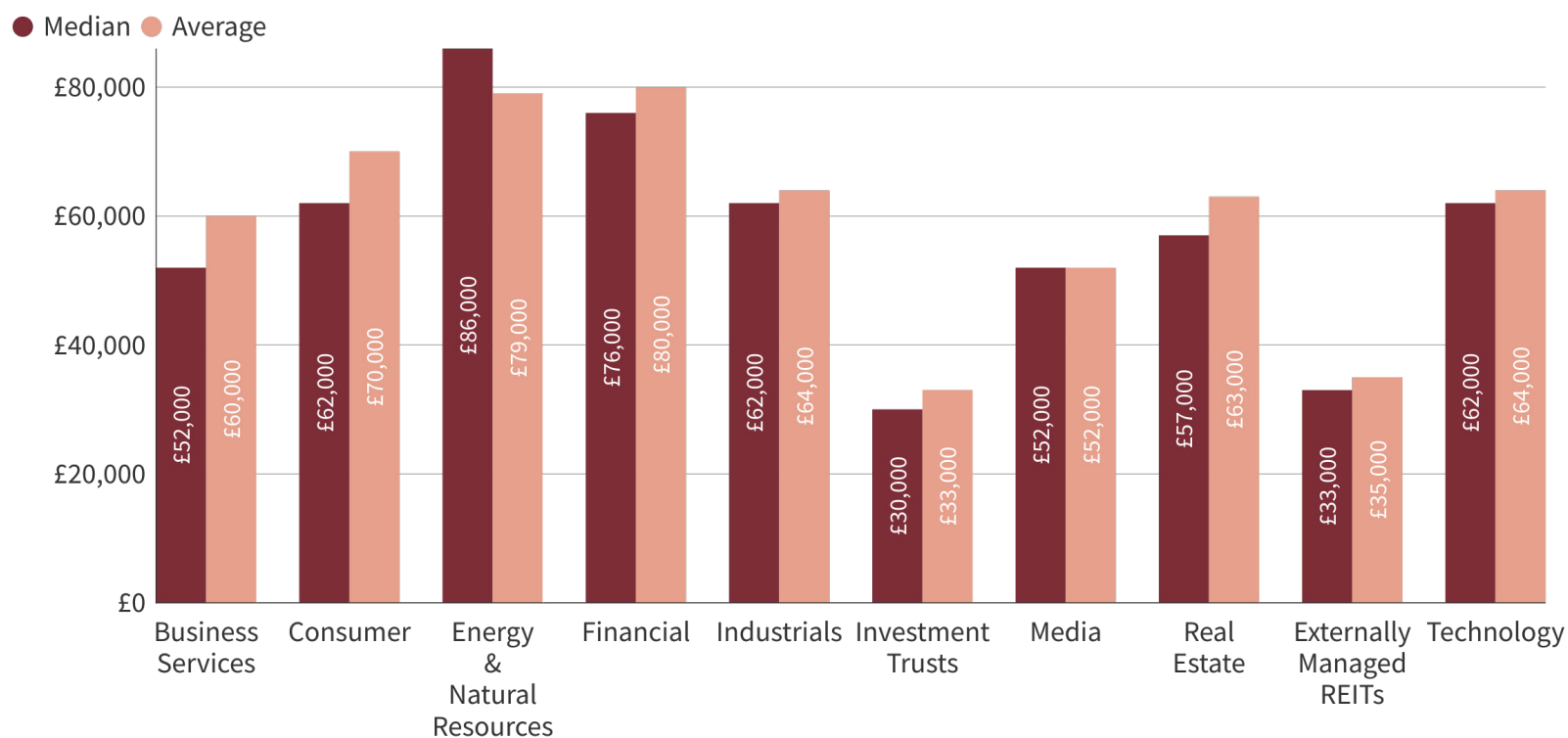
### **Outliers**

There are many variables at play with compensation. Where there is an outlier, it may be that the parties agreed compensation at a much higher or lower market capitalisation, for instance, or it may be that other types of hidden remuneration are present.

We must also consider that sectors are a broadchurch and there are many subsectors within which influence board fees.



## SID base compensation comparison



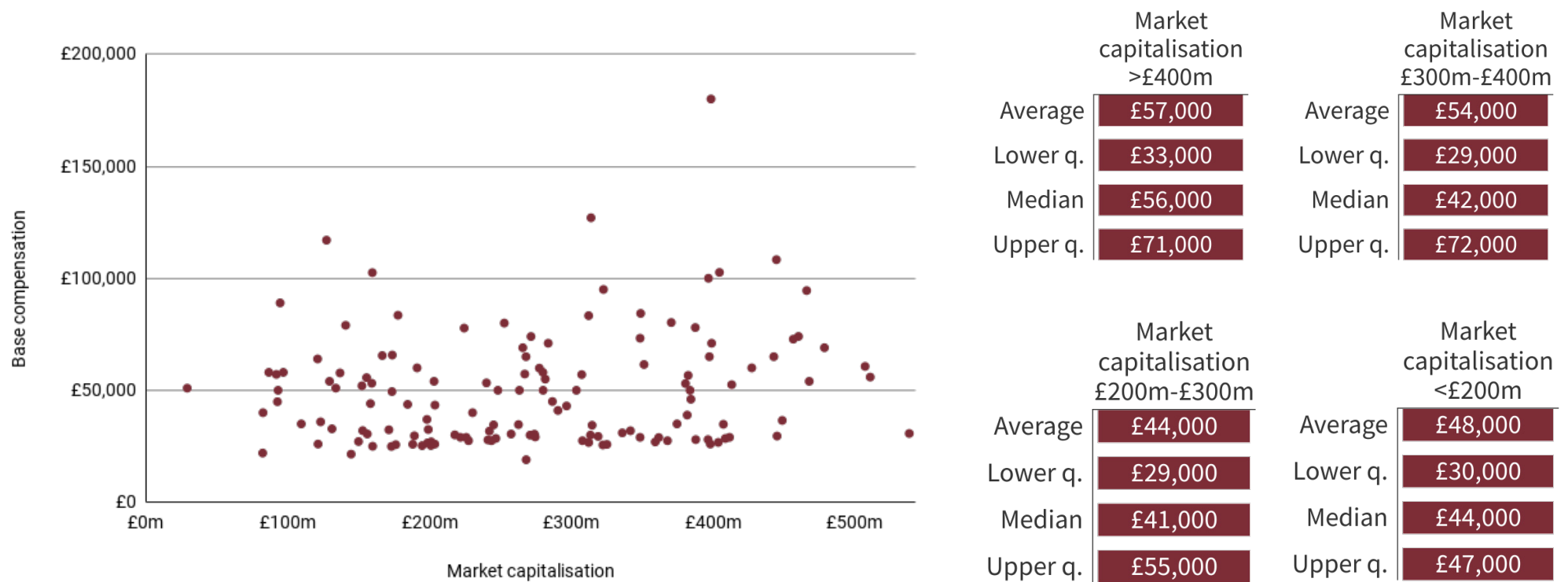
All SID compensation	
Average	£49,000
Lower q.	£29,000
Median	£44,000
Upper q.	£60,000

Female	
Average	£54,000
Lower q.	£30,000
Median	£46,000
Upper q.	£71,000

Male	
Average	£46,000
Lower q.	£29,000
Median	£42,000
Upper q.	£55,000



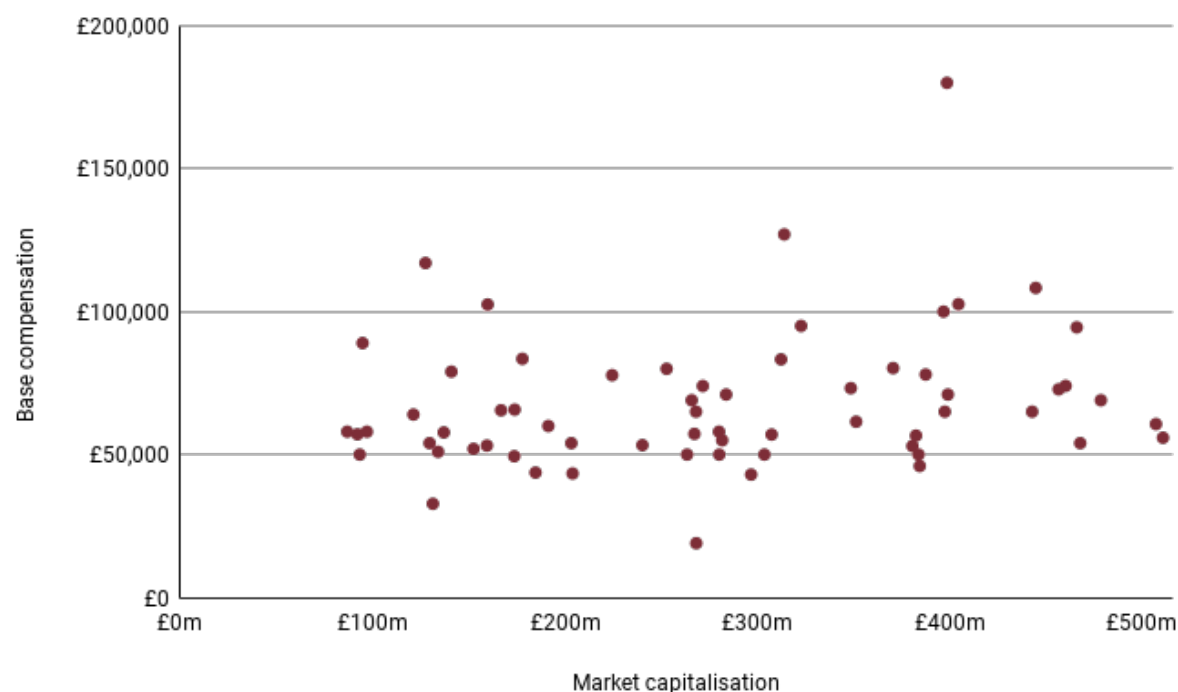
## SID base compensation by market capitalisation





## SID base compensation by market capitalisation

(excluding Investment Trusts and externally managed REITs)

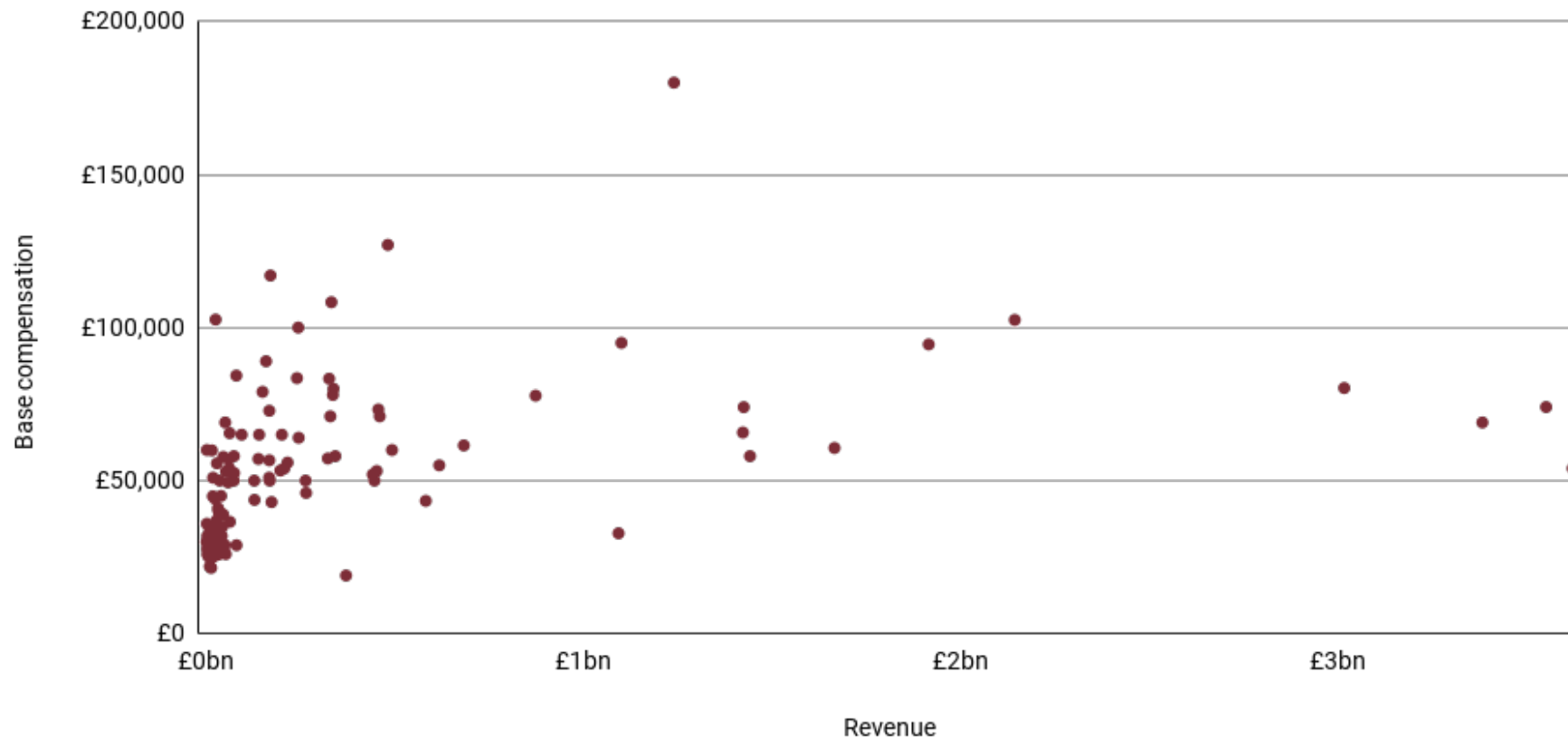


All SID compensation	
Average	£68,000
Lower q.	£53,000
Median	£61,000
Upper q.	£78,000

Market capitalisation >£400m		Market capitalisation £300m-£400m	
Average	£76,000	Average	£78,000
Lower q.	£62,000	Lower q.	£57,000
Median	£71,000	Median	£71,000
Upper q.	£89,000	Upper q.	£83,000
Market capitalisation £200m-£300m		Market capitalisation <£200m	
Average	£57,000	Average	£64,000
Lower q.	£50,000	Lower q.	£52,000
Median	£56,000	Median	£58,000
Upper q.	£70,000	Upper q.	£66,000



## SID base compensation by organisation revenue









## Median SID compensation by sector and market capitalisation

	Market capitalisation >£400m	Market capitalisation £300m-£400m	Market capitalisation £200m-£300m	Market capitalisation <£200m	# of data points
Business Services	£61,000	£65,000		£42,000	7
Consumer	£65,000	£121,000	£74,000	£54,000	15
Energy & Natural Resources			£43,000	£89,000	4
Financial	£73,000	£92,000	£43,000	£68,000	10
Industrials	£89,000	£65,000	£58,000	£60,000	14
Investment Trusts	£31,000	£29,000	£30,000	£31,000	69
Media		£46,000		£57,000	2
Real Estate	£103,000	£57,000	£57,000	£54,000	8
Externally Managed REITs			£40,000	£30,000	4
Technology	£65,000	£78,000	£53,000	£58,000	4

£

*NED*

*compensation*



## **NED compensation overview**

**When excluding Investment Trust and externally managed REIT fees**, there is a more visible linear increase in compensation as market cap increases.

**When viewing NED fees by gender**, there is very little difference in fees. Female NED fees are slightly higher when viewed by median. This is perhaps due to 41% of the female NEDs in this data set serve on Investment Trust and externally managed REIT boards, compared to 48% of male NEDs

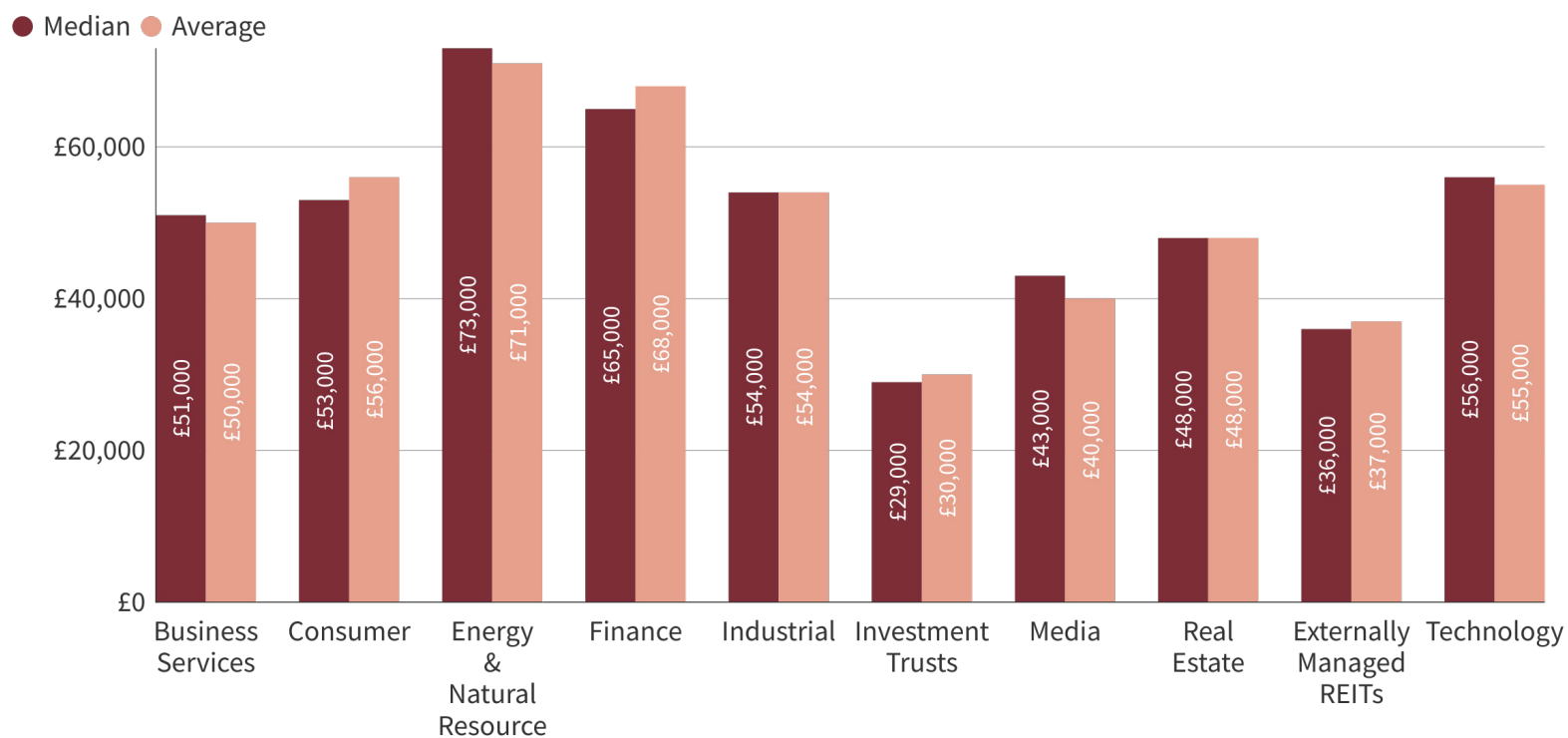
### **Outliers**

As with Chair and SID fees, the current market cap is one of many dimensions a board would base compensation on. The market cap may also have changed considerably since the last compensation review or when the initial fee was negotiated.

# NED compensation



## NED base compensation comparison



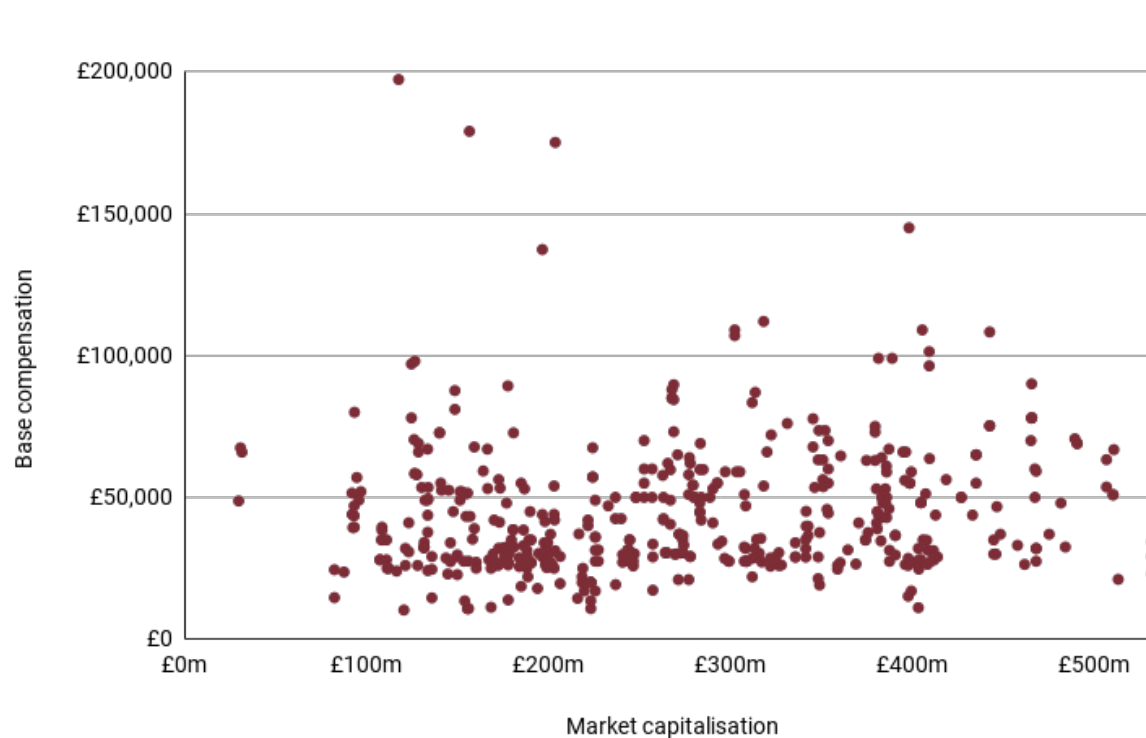
All NED compensation	
Average	£44,000
Lower q.	£28,000
Median	£37,000
Upper q.	£54,000

Female	
Average	£44,000
Lower q.	£29,000
Median	£39,000
Upper q.	£54,000

Male	
Average	£44,000
Lower q.	£28,000
Median	£35,000
Upper q.	£55,000



## NED base compensation by market capitalisation

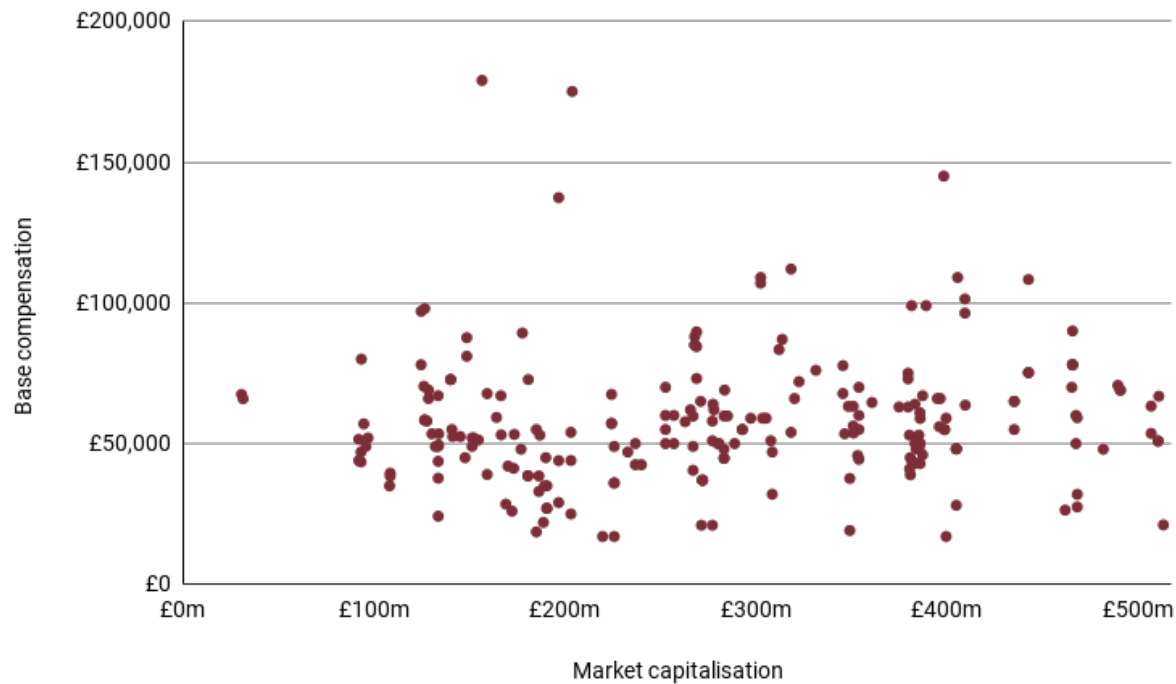


	Market capitalisation >£400m	Market capitalisation £300m-£400m
Average	£48,000	£48,000
Lower q.	£29,000	£29,000
Median	£44,000	£44,000
Upper q.	£63,000	£59,000
	Market capitalisation £200m-£300m	Market capitalisation <£200m
Average	£41,000	£42,000
Lower q.	£28,000	£27,000
Median	£37,000	£34,000
Upper q.	£50,000	£52,000



## NED base compensation by market capitalisation

(excluding Investment Trusts and externally managed REITs)



	All NED compensation
Average	£58,000
Lower q.	£45,000
Median	£54,000
Upper q.	£67,000

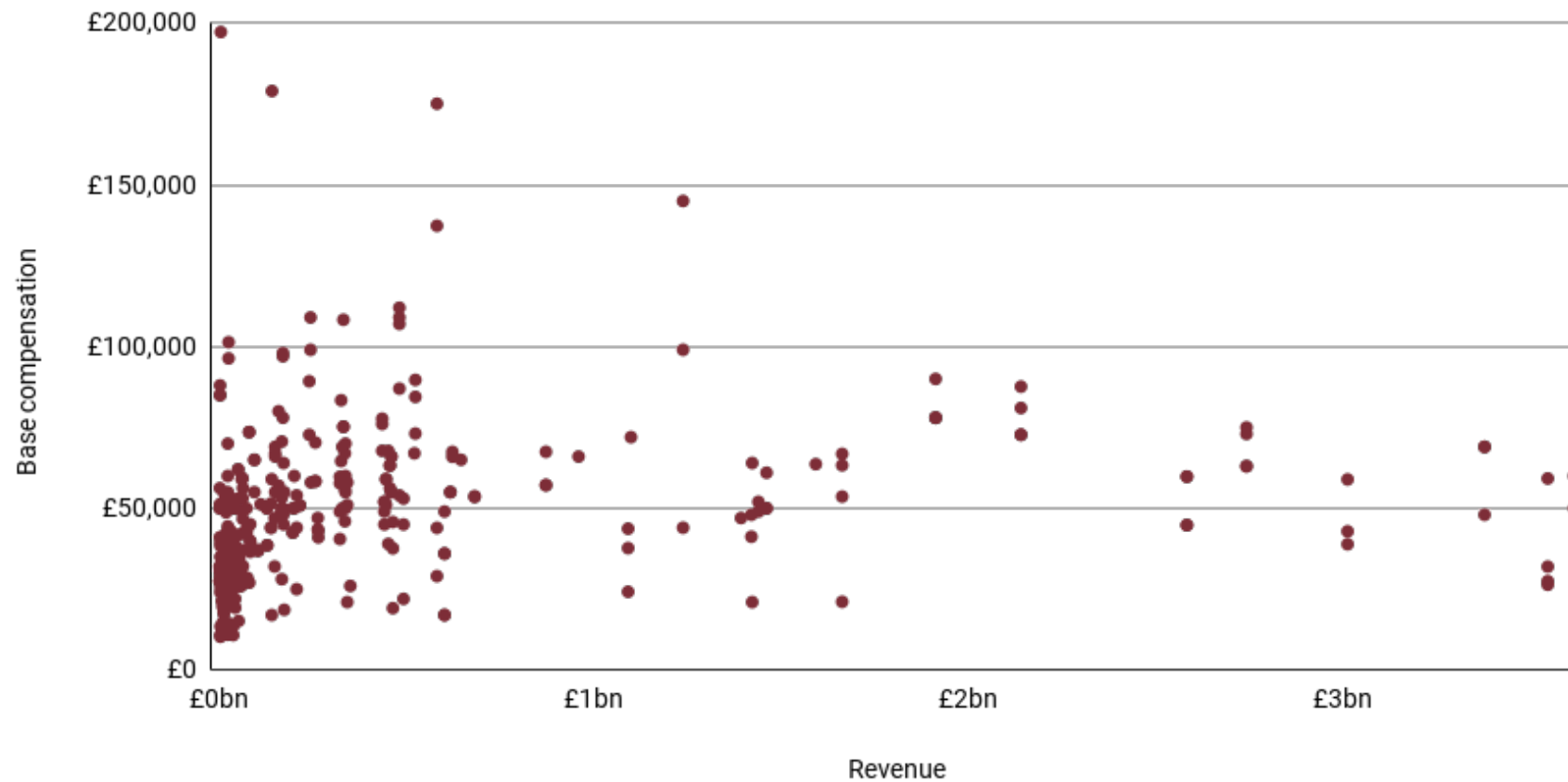
	Market capitalisation >£400m	Market capitalisation £300m-£400m
Average	£63,000	£61,000
Lower q.	£49,000	£49,000
Median	£64,000	£56,000
Upper q.	£75,000	£67,000

	Market capitalisation £200m-£300m	Market capitalisation <£200m
Average	£55,000	£55,000
Lower q.	£44,000	£40,000
Median	£54,000	£52,000
Upper q.	£61,000	£66,000

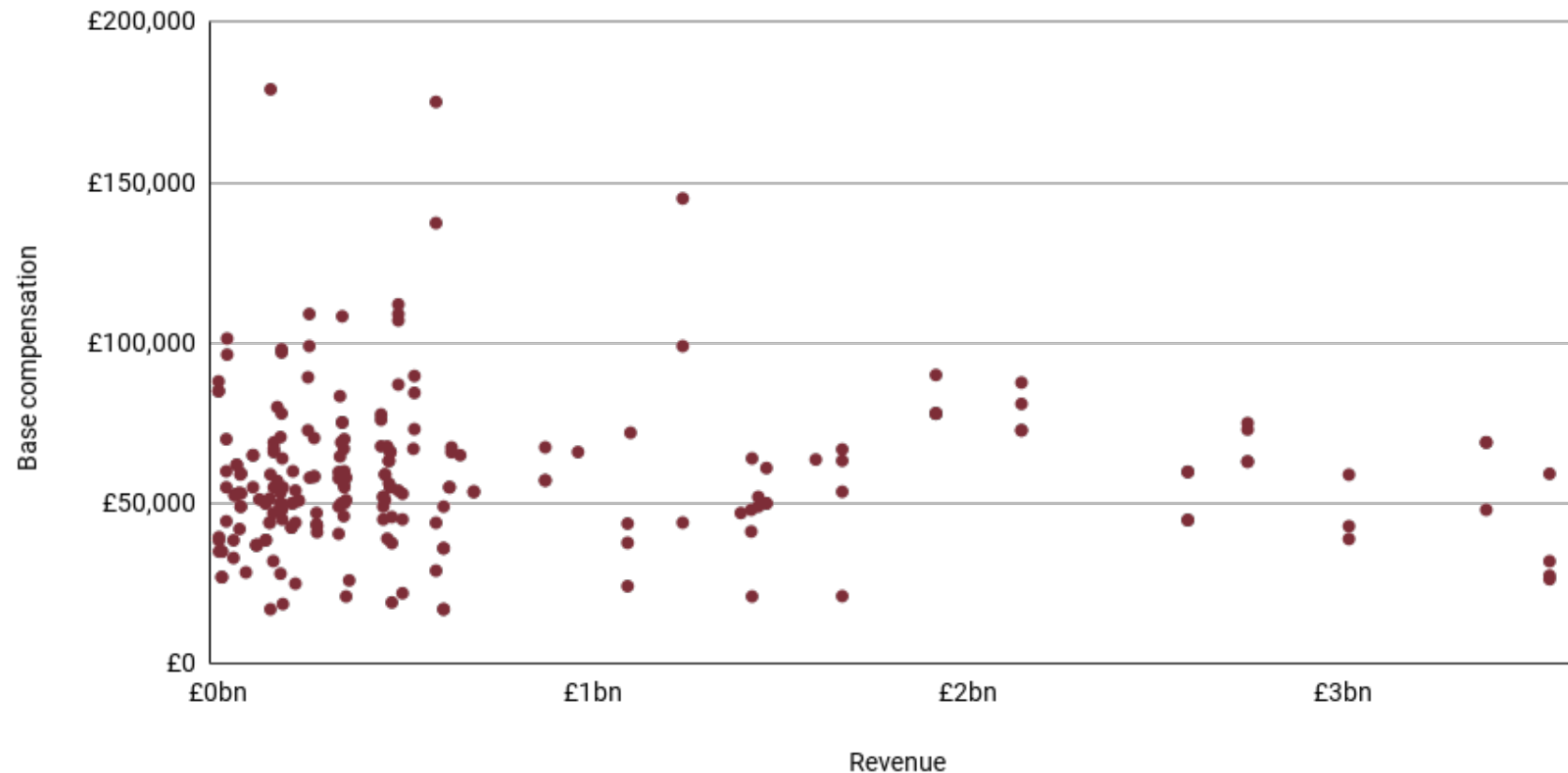


## NED base compensation by organisation revenue





## NED base compensation by organisation revenue (excluding Investment Trusts and externally managed REITs)







## Median NED compensation by sector and market capitalisation

	Market capitalisation >£400m	Market capitalisation £300m-£400m	Market capitalisation £200m-£300m	Market capitalisation <£200m	# of data points
Business Services	£63,000	£51,000		£44,000	24
Consumer	£59,000	£50,000	£56,000	£53,000	46
Energy & Natural Resources		£68,000	£85,000	£73,000	22
Financial	£90,000	£66,000	£69,000	£53,000	44
Industrials	£72,000	£62,000	£53,000	£40,000	50
Investment Trusts	£31,000	£29,000	£29,000	£27,000	219
Media		£42,000	£39,000	£44,000	13
Real Estate	£48,000	£51,000	£46,000	£39,000	47
Externally Managed REITs		£36,000			4
Technology	£64,000	£56,000		£28,000	7

# *Contacts*

*A non-executive  
search specialist using  
technology for a more  
extensive search*

Nurole provides the same level of service for both clients and candidates as a traditional search firm. Nurole also uses technology to conduct a more extensive search over a wider range of candidates.

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