



Briefing on Board Remuneration

The role and responsibilities of a member of the Directors UK Board have grown enormously as the organisation itself has grown over the past 10 years.

- The annual royalty distributions to members have risen from £4.0m to £17.2m
- Directors UK now runs a membership scheme with over 2,500 members as well as operating the Collective Management organisation
- Staff numbers have grown from 12 to 31.
- Costs of running the organisation have risen from £639k to £2,618k
- Directors UK is now subject to government and EU regulation under the 2016 CMO Regulations
- Directors UK is an active player in industry lobbying and campaigning
- Directors UK produces its own definitive research reports
- Directors UK runs a programme of training and career development projects
- Directors UK runs a full programme of member events and services, including legal advice.

This expansion has required Board members to invest a significantly greater amount of their own time and efforts into their role – not just in preparing for and attending Board meetings, but participating in committees (including our new International Committee), taking part in lobbying and outreach activities and being available to assist the CEO and senior staff in decision-making and consultation. These duties require Board members to take time out of their working lives as directors and their personal lives, sometimes at financial and personal cost.

We estimate that the annual time commitment for types of Board role is now as follows:

<u>Role</u>	<u>Days per year</u>
Chair	50
Vice chair	30
Other Board members	25

Directors UK holds it as a core principle that directors should be paid fairly for the work they do, and we believe it is time that this principle is applied also to members who give their time to work on the Board.

In line with the professional operations, commitments and obligations of the Board, the Board is asking Directors UK members at the AGM to approve a proposal to pay annual remuneration to non-executive board members (i.e. excluding CEO and FD) at a level based on their expected workload as set out in the table below:

<u>Role</u>	<u>Annual Fee</u>
Chair	25,000
Vice Chair	12,000
Other Board members	10,000