



NON-EXECUTIVE DIRECTORS' FEES GUIDE

8TH EDITION

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1. INTRODUCTION

Non-executive directors (NEDs) are responsible for making critical strategic decisions and for overseeing the management of a company without the benefit of observing the business on a full-time basis. They also carry significant potential risk and liability. This requires particular skills, knowledge, experience and business judgement, for which they need to be fairly remunerated. However, determining fair remuneration is complicated due to the following:

- non-executive directors' contributions are made in a number of different ways, requiring different time commitments;
- there is no consistency on the prescribed number and duration of standing meetings per annum; and
- there is no uniform method of remunerating NEDs.

The information contained in this guide was derived from a desktop review of publicly available data extracted from 248 JSE listed companies, including the Altx companies

The purpose of this guide is to provide high-level insights for boards, and specifically remuneration committees, around:

- the various NED fee structures being utilised; and
- the average annual fees for board and committee members.

2. HOW TO USE THE GUIDE

There is no one-size fits all solution to determining what you should pay your NED. A number of factors will need to be considered when determining what would be fair remuneration in the specific circumstances, such as:

- the size of the organisation;
- the industry and complexity of the business;
- the number of meetings the NED is expected to attend;
- the time commitment required of the NED; and
- the level of experience, skill and knowledge the NED brings to the board.

The average annual fees displayed below are not recommended rates by the IoDSA and are intended as a guide only. Each company will need to determine what remuneration will be reasonable in light of the above factors. A remuneration specialist should be engaged for more accurate company specific NED benchmarking.

2.1 CATEGORISATION OF COMPANIES

For purposes of the research, the JSE listed companies were divided into three size categories based on market capitalisation as at 25 March 2021. JSE Altx companies are displayed separately to represent small to medium companies (SMEs). The research was conducted on the basis of the most recent AGM notices and/or year-end reports, ranging over the last 2020/2021 year-end period.

Level	Number of companies	Market Cap	
		Minimum	Maximum
Large	81 (out of 95)	R 10 000 000 000	Unlimited
Medium	84 (out of 117)	R 1 000 000 000	R 9 999 999 999
Small	64 (out of 108)	R 0	R 999 999 999
Altx	19 (out of 34)	N/A	N/A

2.2 HOW TO READ THE FEE TABLES

Each fee table is broken down based on the above 4 levels/categories of companies.

Step 1: Based on your organisation's market capitalisation, identify under which level your company falls under.

Each section provides you with the fees for the chair, the lead independent director and ordinary member listed from lowest to highest fees paid in that category.

Step 2: Look at the fee tables prescribed for that company level and thereafter the applicable position.

The tables show in addition to the lowest and highest fees paid:

- 25th percentile: this means 25% of the group earn that annual fee or less
- 50th percentile: this means 50% of the group earn that annual fee or less
- Average: this is the average annual fees paid in that category
- 75th percentile: this means 75% of the group earn that annual fee or less

3. FEE STRUCTURES

From the 248 companies reviewed, the following types of fee structures were used to remunerate NEDs:

Level	Sample size	Annual retainer	Fees per meeting	Combination	Share based fees
Large	81	80%	0%	20%	0%
Medium	84	74%	1%	25%	0%
Small	64	58%	6%	36%	0%
Altx	19	79%	5%	16%	0%

As can be seen from the table, the majority of companies prefer to pay an annual retainer. With both the passage of time since the 2019/2020 assessment period and an increase in the sample size, there was a slight shift reflected with companies moving from a combined fees structure to an annual retainer fee structure – a trend that was seen in the previous Guide as well. Large companies saw a slight 4% increase in their preference for annual retainer fees since the 2019/2020 period, with Altx showing the greatest increase with 15%.

Notwithstanding the fee structure used, it appears common practice for companies to pay additional fees for travel and other disbursements as well as *ad hoc* meetings fees, with a preference for a fee per meeting, where relevant.

4. ANNUAL FEES

4.1 BOARD

Large	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 283 490	R 1 350 000	R 2 545 200	R 3 844 455	R 5 314 578	R 23 948 366
Lead Independent	R 416 400	R 652 017	R 949 731	R 1 238 570	R 1 632 925	R 3 018 080
Member	R 210 000	R 400 000	R 480 000	R 783 681	R 1 096 400	R 3 602 250

Medium	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 174 000	R 497 620	R 793 700	R 979 796	R 1 206 147	R 5 166 000
Lead Independent	R 180 000	R 344 289	R 480 700	R 661 557	R 847 750	R 3 788 400
Member	R 133 772	R 252 191	R 302 164	R 373 512	R 363 104	R 2 238 600

Small	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 25 000	R 299 000	R 488 512	R 579 679	R 668 340	R 2 141 802
Lead Independent	R 176 000	R 302 358	R 350 000	R 434 700	R 477 000	R 968 610
Member	R 20 000	R 151 000	R 228 500	R 263 817	R 312 175	R 1 133 327

Altx	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 70 000	R 123 708	R 254 000	R 313 763	R 337 129	R 1 200 000
Lead Independent	R 65 000	R 65 000	R 65 000	R 65 000	R 65 000	R 65 000
Member	R 50 000	R 80 000	R 110 000	R 157 608	R 184 315	R 450 000

Note: 43% over the overall sample of 248 companies have appointed a Lead Independent Director (LID). King IV recommends the appointment of an LID, as a good governance practice. To understand more on the role of the LID, please read the King IV Practice Note on [The role of the Chair and Lead Independent](#).

Furthermore, a majority of the companies pay an *ad hoc* per meeting rate for NED participation in extraordinary meetings or additional meetings above the annual requirement.

4.2 AUDIT COMMITTEE

Large	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 64 798	R 302 850	R 381 712	R 448 855	R 552 444	R 1 372 920
Member	R 32 399	R 162 182	R 201 900	R 226 656	R 260 000	R 720 450

Medium	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 24 000	R 143 375	R 215 044	R 238 278	R 307 234	R 861 000
Member	R 18 000	R 78 370	R 126 120	R 127 947	R 153 468	R 516 600

Small	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 21 200	R 83 641	R 150 442	R 172 248	R 211 131	R 630 328
Member	R 1 000	R 46 731	R 68 638	R 95 505	R 98 939	R 567 665

Altx	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 24 000	R 50 500	R 56 817	R 88 759	R 101 080	R 240 000
Member	R 18 000	R 33 000	R 38 955	R 45 668	R 54 667	R 100 000

Note: 46% of the total sample of companies have a standalone Audit Committee, while 48% have a combined Audit and Risk committee, and 6% have a combined variation of a committee incorporating the audit function.

4.3 SOCIAL AND ETHICS COMMITTEE

Large	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 33 700	R 156 250	R 231 280	R 249 518	R 315 579	R 680 650
Member	R 16 900	R 98 000	R 126 000	R 141 127	R 152 500	R 725 500

Medium	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 14 500	R 81 885	R 115 375	R 130 007	R 165 900	R 474 000
Member	R 10 000	R 44 750	R 67 927	R 71 960	R 90 049	R 172 200

Small	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 15 000	R 35 200	R 64 794	R 93 812	R 112 000	R 452 700
Member	R 7 500	R 25 750	R 37 703	R 51 162	R 65 103	R 293 723

Altx	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 7 000	R 25 000	R 30 006	R 30 640	R 35 500	R 56 589
Member	R 5 000	R 20 000	R 22 113	R 21 365	R 25 000	R 37 001

Note: 54% of the total sample of companies have a standalone Social and Ethics committee, while 17 % have a Social, Ethics and Transformation committee. 16% have a combined variation of the Social and Ethics committee incorporating other focus areas, including sustainability, risk, remuneration and/or governance. 14% of the total sample have social and ethics included under the responsibility of another committee/by the board

4.4 NOMINATION COMMITTEE

Large	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 7 300	R 145 000	R 207 011	R 219 933	R 245 079	R 652 950
Member	R 7 300	R 91 125	R 121 070	R 130 006	R 155 276	R 399 025

Medium	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 9 000	R 67 153	R 104 000	R 133 314	R 163 334	R 492 000
Member	R 9 000	R 46 013	R 71 936	R 73 342	R 97 569	R 198 744

Small	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 23 849	R 49 849	R 61 573	R 69 468	R 88 870	R 151 050
Member	R 1 000	R 24 598	R 32 368	R 39 602	R 48 615	R 90 630

Altx	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 16 748	R 16 748	R 16 748	R 16 748	R 16 748	R 16 748
Member	R 11 056	R 11 093	R 11 130	R 14 062	R 15 565	R 19 999

Note: 31% of the total sample of companies have a standalone Nomination Committee, and 17% have a combined Nomination and Remuneration Committee. 8% have a combined variation of a Nomination Committee incorporating aspects of ethics, human resources and governance. 43% of the total sample do not have a Nomination Committee or the functions have been included elsewhere in another committee/by the board. Only one Altx company had a NomCo chair and only three companies had a standalone nominations committee.

4.5 REMUNERATION COMMITTEE

Large	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 13 500	R 203 439	R 272 374	R 338 973	R 361 587	R 2 641 650
Member	R 10 800	R 101 213	R 146 225	R 174 629	R 185 616	R 1 761 100

Medium	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 16 000	R 78 541	R 126 327	R 151 119	R 201 759	R 516 600
Member	R 10 000	R 54 943	R 74 500	R 83 023	R 106 575	R 258 300

Small	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 16 586	R 47 406	R 88 870	R 91 539	R 111 611	R 397 456
Member	R 1 000	R 25 220	R 47 635	R 54 236	R 71 405	R 293 723

Altx	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 10 000	R 25 000	R 32 503	R 31 439	R 37 125	R 50 930
Member	R 8 000	R 19 999	R 23 867	R 21 567	R 25 000	R 30 000

Note: 52% of the total sample of companies have a standalone Remuneration Committee, with 17% of the companies having a combined Remuneration and Nomination Committee. 11% have a combined variation including human resources, remuneration and other functions. 19% of the total sample do not have a Remuneration Committee or the functions have been included elsewhere in another committee/by the board.

4.6 RISK COMMITTEE

Large	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 64 798	R 221 283	R 286 170	R 351 963	R 468 902	R 855 400
Member	R 32 299	R 116 284	R 146 325	R 167 733	R 222 499	R 416 113

Medium	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 56 826	R 120 620	R 152 000	R 177 081	R 200 950	R 576 000
Member	R 37 884	R 80 122	R 93 540	R 90 151	R 106 500	R 153 600

Small	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 30 000	R 49 849	R 102 040	R 89 121	R 130 695	R 133 020
Member	R 15 000	R 41 613	R 46 200	R 47 281	R 58 635	R 70 690

Altx

None of the Altx companies surveyed had a Risk Committee.

Note: 48% of the total sample of companies have a combined Risk and Audit committee. 15% have a standalone Risk Committee, and 12% have a combined variation including risk, compliance, IT and other committee. 25% do not have a Risk Committee or the functions have been included elsewhere in another committee/by the board.

4.7 OTHER COMMITTEES

Other committees vary according to the business and sector in which an organisation operates, and is thus company specific. All committees which did not fall within the King IV recommended or statutory committees covered above were grouped under this “other committees” category. The most common of the other committees across all the categories of companies was an investment committee, followed by a transactions committee and technology committee. Corporate governance and Health and Safety were also common areas identified under this category.

Large	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 31 800	R 211 000	R 250 000	R 320 229	R 321 930	R 1 813 750
Member	R 26 500	R 121 750	R 149 763	R 172 570	R 167 288	R 960 600

Medium	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 6 000	R 94 283	R 155 021	R 159 583	R 210 000	R 456 000
Member	R 5 000	R 59 150	R 87 000	R 97 494	R 121 400	R 516 600

Small	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 10 000	R 45 449	R 84 060	R 89 704	R 114 461	R 315 164
Member	R 5 000	R 15 450	R 45 300	R 56 510	R 83 526	R 169 546

Altx	Lowest	25 th Percentile	50 th Percentile/ Median	Average/ Mean	75 th Percentile	Highest
Chair	R 18 000	R 23 250	R 25 000	R 30 754	R 32 504	R 55 016
Member	R 12 000	R 21 750	R 25 000	R 25 503	R 28 753	R 40 013

Note: Only four Altx companies had an additional committee from which the above figures are based, interestingly they all had an Investment Committee.



HOW CAN WE HELP YOU?

Individual Services	Corporate Services	Thought Leadership
<ul style="list-style-type: none">- IoDSA Membership- NED Vacancies- Director Certifications- Individual Director Development Programmes	<ul style="list-style-type: none">- Customised Board Development Programmes- Board Performance Evaluations- Governance Advisory Services	<ul style="list-style-type: none">- King Reports and Practice Notes- General Board Guidance- Board Committee Guidance- Research Projects

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