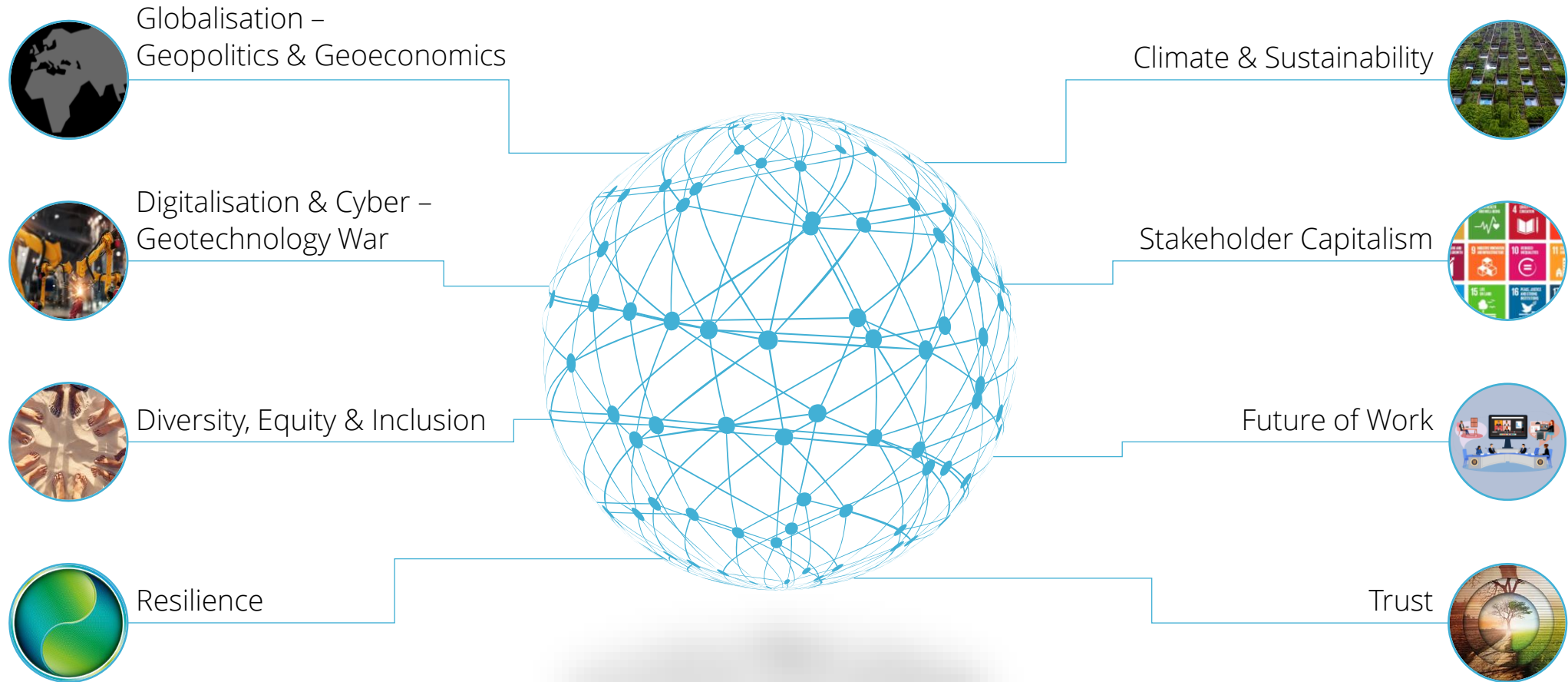


# Global Board Remuneration of Large-Cap Companies

A point of view from Deloitte based on a comparison for Nordic Large-Cap Companies

January 2023

# In an uncertain world, we are together defining the journey towards a new sustainable future

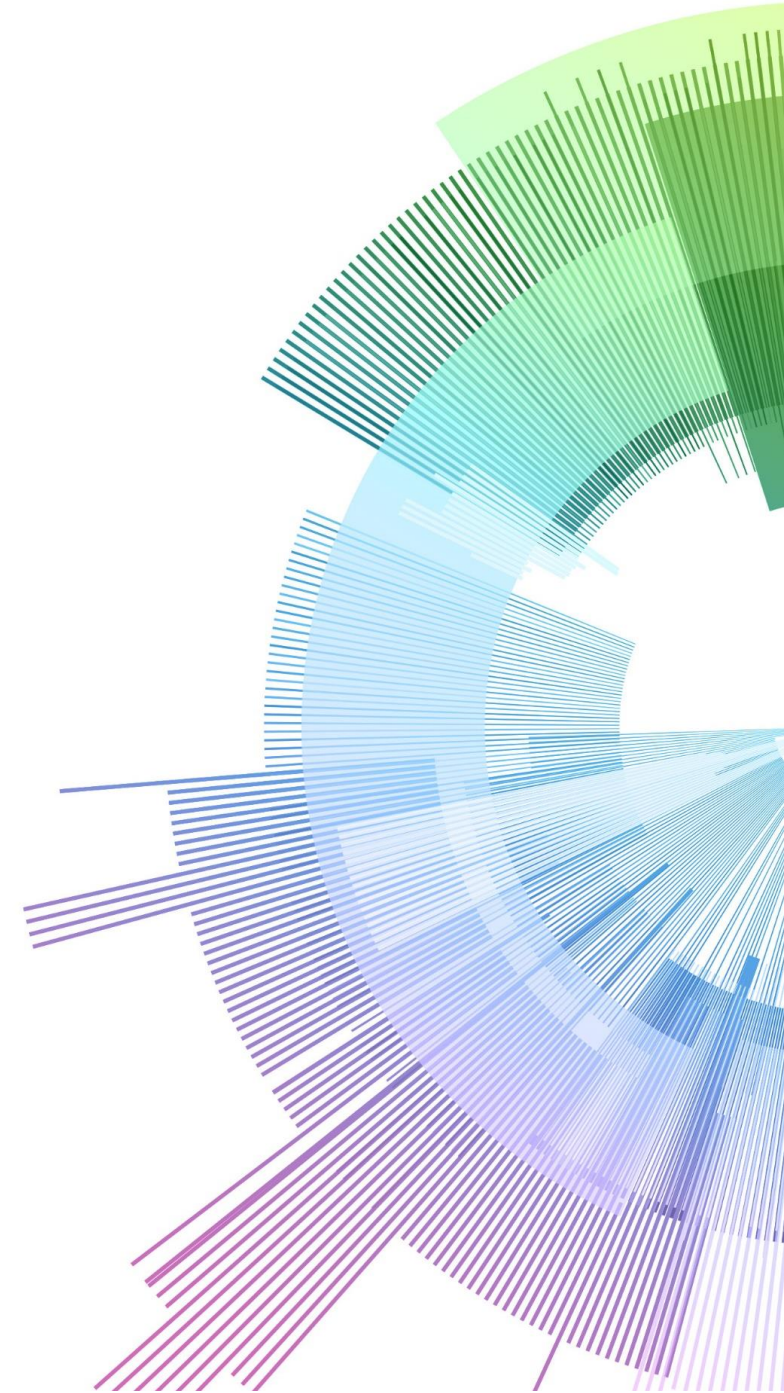


# We expect boards to play a more dominant role in businesses and society at large

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What does this mean for you as boards:

- Organisational governance needs more chair input
- Society expects more from businesses
- Climate change and cyber risks requires businesses to respond
- Crisis leadership is becoming the norm
- More time required for boards to oversee and engage
- Expanding mandates for board committees
- Invest in critical board skills for the future
- Ensure competitive board remuneration



# How to ensure competitive board remuneration



Here are five key considerations for updating the remuneration policy for board remuneration for the upcoming annual general meetings in 2023 in order to be competitive against the market and attract the best board members:

1. **Increase Board base fee** – as more time is spent in the boardroom on impacts of disruptive times and megatrends (like crisis, ESG, digital and cyber risks), as a result of benchmarking, need for international recruitments and as a result of inflation, as more meetings are held per year, and boards are becoming more active, responsible and competent
2. **Increase Board chair multiple** – as significantly more time is to be spent on impacts of disruptive times and megatrends, as a result of benchmarking, need for international recruitments, and due to future EU and global developments and defining 'sustainable leadership' with CEO
3. **Increase Audit Committee chair multiple** – as significantly more time is to be spent on ESG risk and reporting, cyber-resilience and internal controls, as a result of benchmarking and due to future EU and global developments
4. **Establish a Sustainability/ESG Board Committee** – as significantly more board work is required, additional committee fee to lead on sustainable transformations, as a result of benchmarking against leading practices (like A.P. Moller Maersk, Equinor, Carlsberg, Nordea and NKT) and the need for ESG (and cyber risk) competences
5. **Be moderate** – as different companies are impacted differently and alignment with the wider workforce is important as costs of living increase for all



# Results of Deloitte's Nordic remuneration analysis 2021 – Board of Directors

|   | <br>Denmark | <br>Finland | <br>Norway | <br>Sweden |
|---|--|--|---|---|
| EUR                                       |  |  |   |   |
| <u>Board pay</u>                          |  |  |   |   |
| Median board member base pay - individual | 54   | 52   | 36  | 48  |
| Median total chairperson pay              | 189  | 117  | 70  | 108   |
| Median chairperson pay multiple           | 3.0x   | 2.0x   | 1.9x  | 2.5x  |

# Total median fees for Non-Executive Directors (NEDs) for 2021 (in EUR) for all companies with a market cap above EUR 1.3 billion



Sources: S&P Capital IQ and Deloitte analysis from October 2022 for boards of directors of companies listed on Nasdaq or equivalent stock exchange with a market cap above EUR 1.3 billion. Number of companies: 2,300 companies in total; 94 companies from Switzerland; 1,733 companies from USA; 180 companies from UK; 99 companies from Germany; 39 companies from the Netherlands; 22 companies from Finland; 24 companies from Denmark; 26 companies from Belgium; 65 companies from Sweden; and 18 companies from Norway.  
Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied.

# Total median fees for Chairs for 2021 (in EUR) for all companies with a market cap above EUR 1.3 billion



Sources: S&P Capital IQ and Deloitte analysis from October 2022 for boards of directors of companies listed on Nasdaq or equivalent stock exchange with a market cap above EUR 1.3 billion. Number of companies: 2,249 companies in total; 93 companies from Switzerland; 1,690 companies from USA; 178 companies from UK; 98 companies from Germany; 36 companies from the Netherlands; 22 companies from Finland; 24 companies from Denmark; 26 companies from Belgium; 65 companies from Sweden; and 17 companies from Norway. Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied.

# Total median fees for Chairs / Total median fees for Non-Executive Directors for all companies with a market cap above EUR 1.3 billion





Segmentation  
based on market cap

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# Total median fees for NEDs for 2021 (in EUR) for companies with a market cap between EUR 1.3 billion – EUR 5 billion

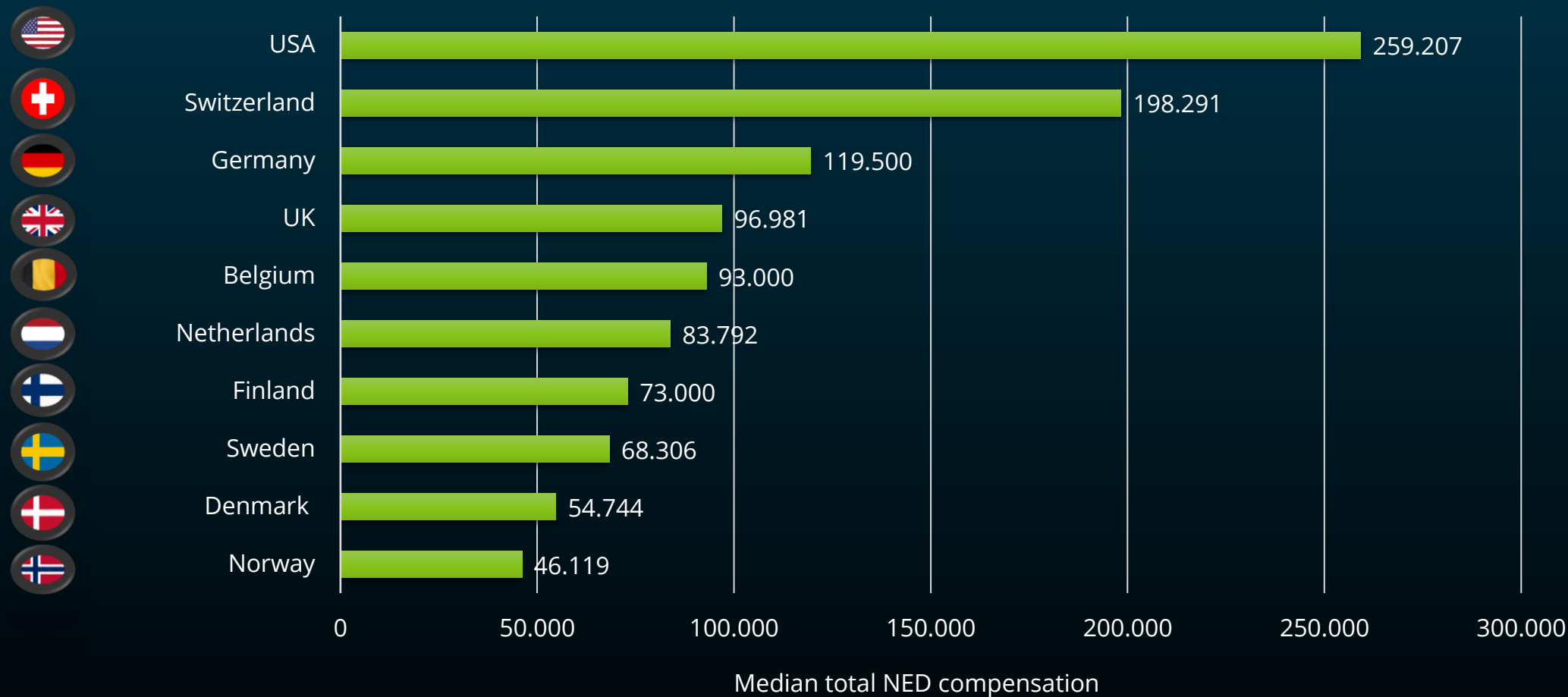


Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange.

Number of companies: 1,194 companies in total; 48 companies from Switzerland; 885 companies from USA; 114 companies from UK; 46 companies from Germany; 12 companies from the Netherlands; 12 companies from Finland; 14 companies from Denmark; 17 companies from Belgium; 36 companies from Sweden; and 17 companies from Norway.

Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied.

# Total median fees for NEDs for 2021 (in EUR) for companies with a market cap between EUR 5 billion – EUR 10 billion



Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange.

Number of companies: 402 companies in total; 13 companies from Switzerland; 303 companies from USA; 27 companies from UK; 22 companies from Germany; 8 companies from the Netherlands; 3 companies from Finland; 3 companies from Denmark; 5 companies from Belgium; 13 companies from Sweden; and 5 companies from Norway.

Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied

# Total median fees for NEDs for 2021 (in EUR) for companies with a market cap between EUR 10 billion – EUR 20 billion

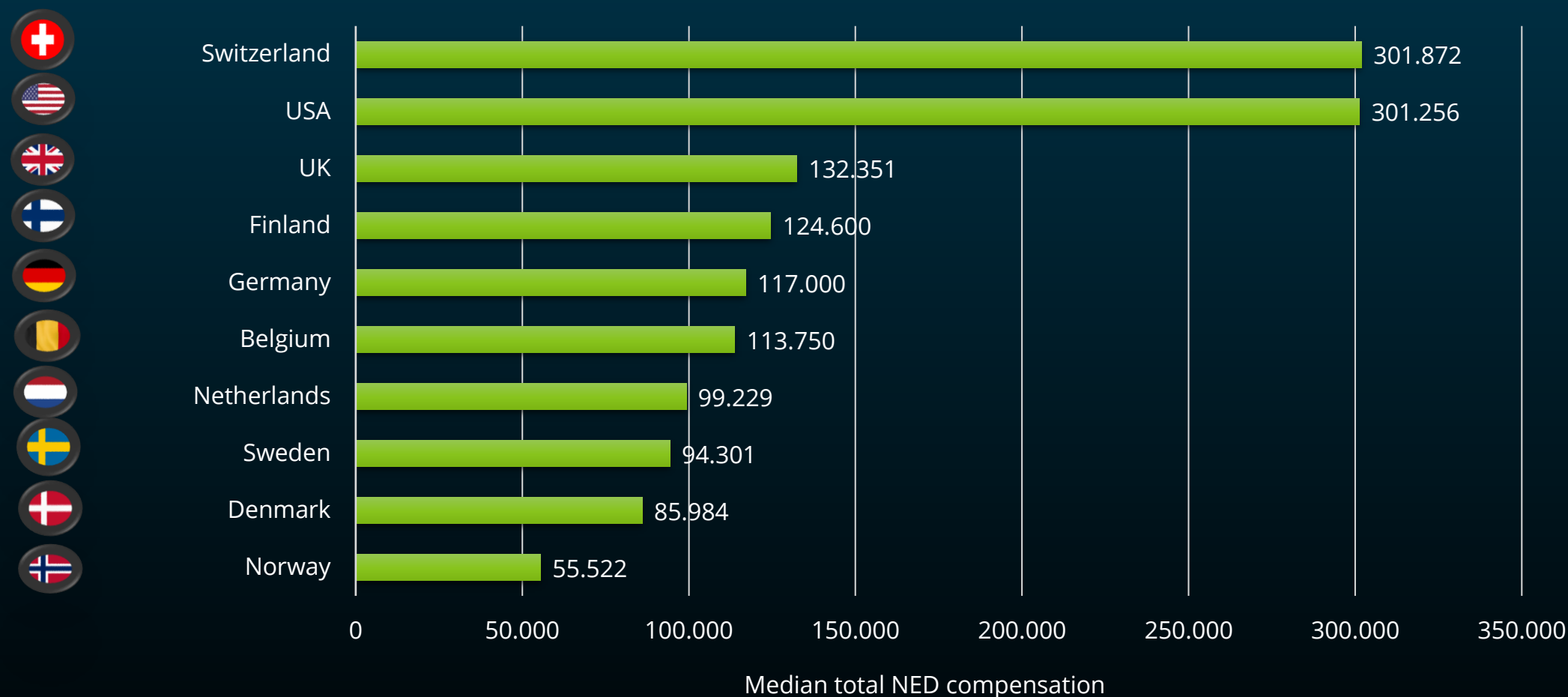


Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange.

Number of companies: 269 companies in total; 13 companies from Switzerland; 209 companies from USA; 13 companies from UK; 8 companies from Germany; 7 companies from the Netherlands; 3 companies from Finland; 3 companies from Denmark; 2 companies from Belgium; 10 companies from Sweden; and 1 company from Norway.

Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied

# Total median fees for NEDs for 2021 (in EUR) for companies with a market cap between EUR 20 billion – EUR 50 billion

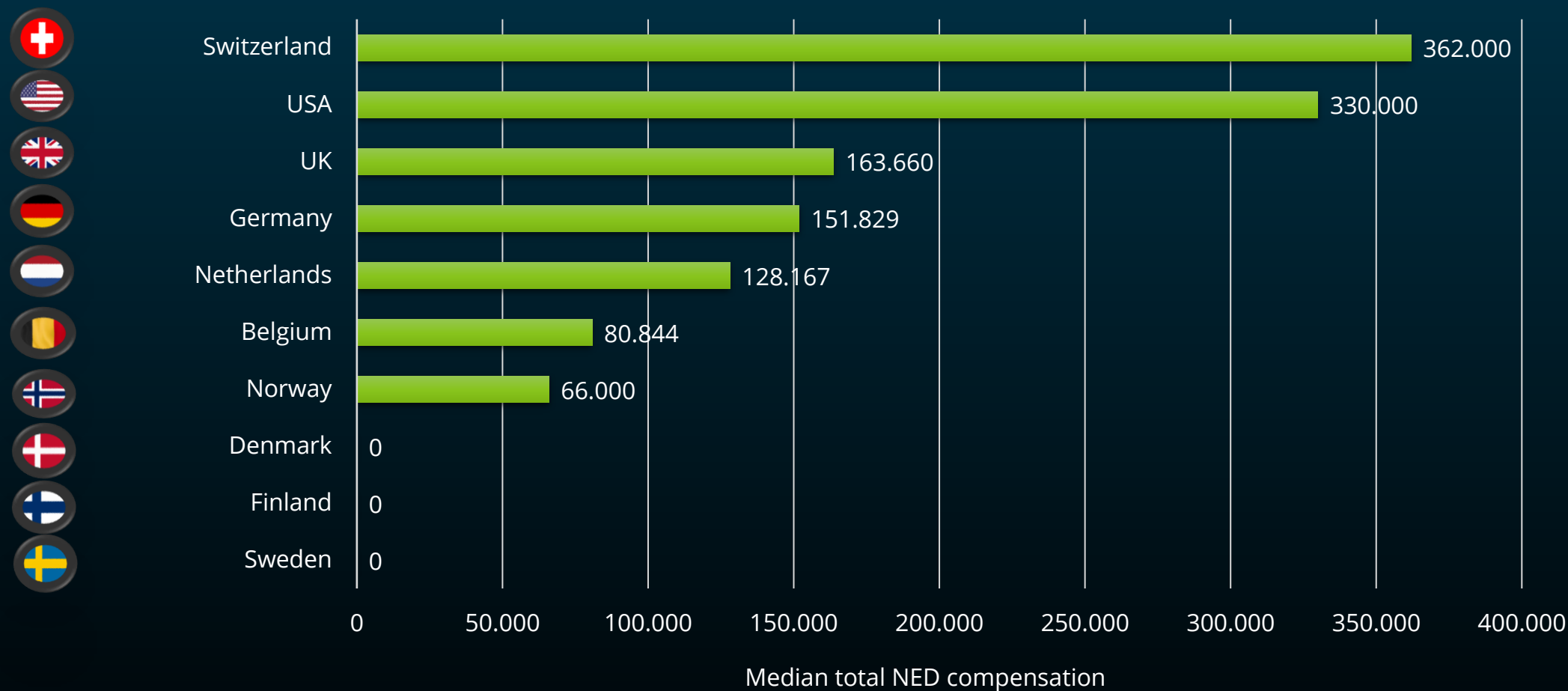


Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange.

Number of companies: 262 companies in total; 12 companies from Switzerland; 194 companies from USA; 16 companies from UK; 15 companies from Germany; 9 companies from the Netherlands; 4 companies from Finland; 4 companies from Denmark; 1 companies from Belgium; 6 companies from Sweden; and 1 company from Norway.

Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied

# Total median fees for NEDs for 2021 (in EUR) for companies with a market cap greater than EUR 50 billion

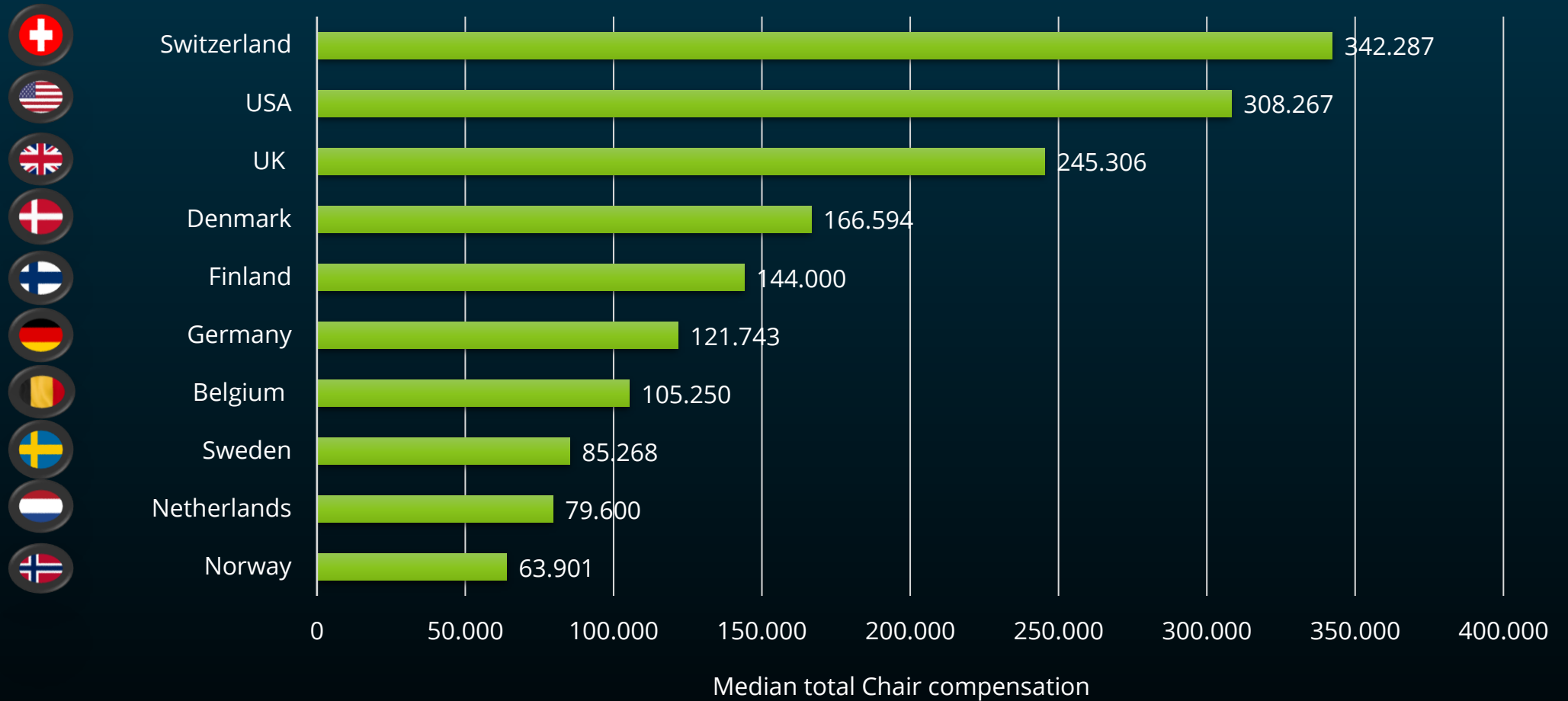


Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange.

Number of companies: 173 companies in total; 8 companies from Switzerland; 142 companies from USA; 10 companies from UK; 8 companies from Germany; 3 companies from the Netherlands; 0 companies from Finland; 0 companies from Denmark (Novo Nordisk: EUR 166.213); 1 company from Belgium; 0 companies from Sweden; and 1 company from Norway.

Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied

# Total median fees for Chairs for 2021 (in EUR) for companies with a market cap between EUR 1.3 billion – EUR 5 billion

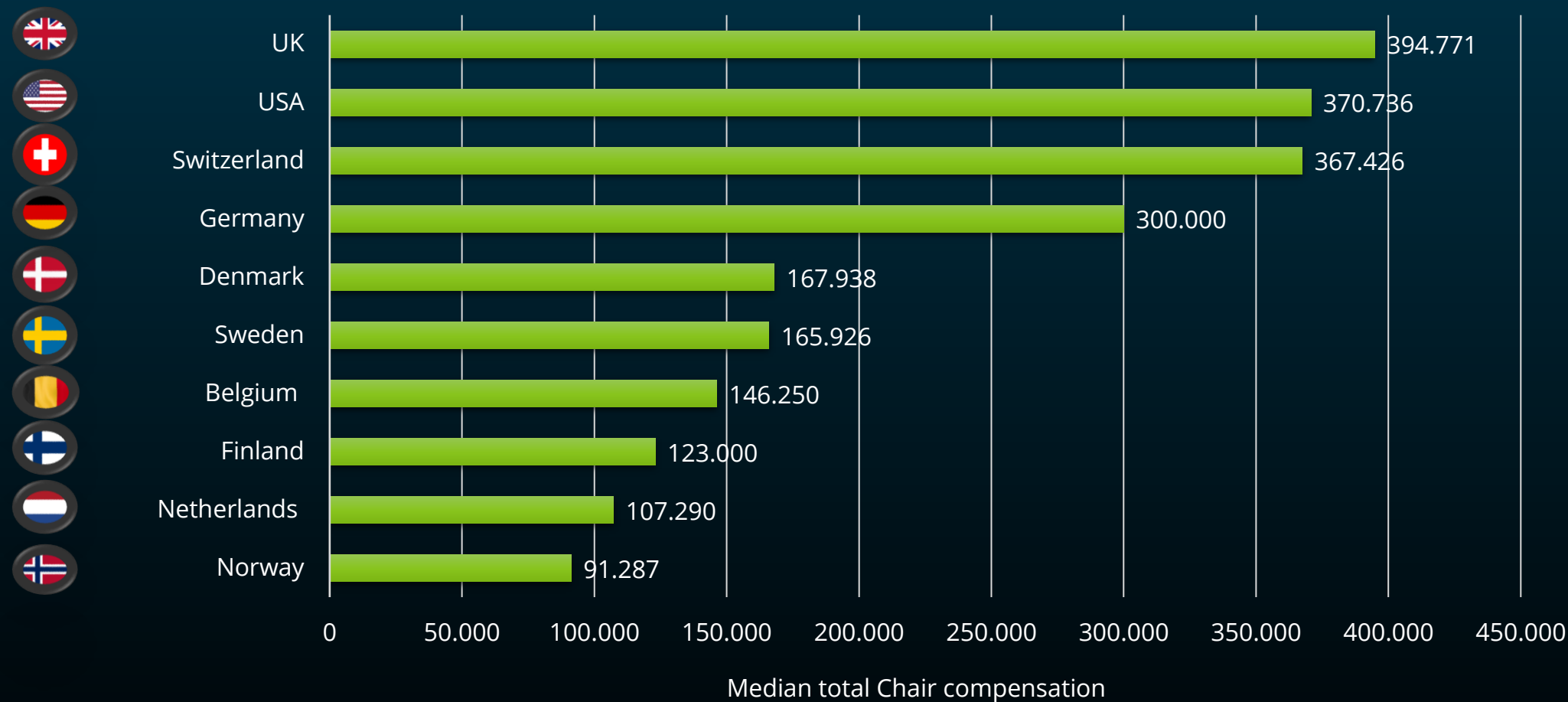


Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange.

Number of companies: 1,165 companies in total; 47 companies from Switzerland; 861 companies from USA; 113 companies from UK; 45 companies from Germany; 11 companies from the Netherlands; 12 companies from Finland; 14 companies from Denmark; 17 companies from Belgium; 36 companies from Sweden; and 9 companies from Norway.

Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied

# Total median fees for Chairs for 2021 (in EUR) for companies with a market cap between EUR 5 billion – EUR 10 billion



Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange.

Number of companies: 395 companies in total; 13 companies from Switzerland; 298 companies from USA; 27 companies from UK; 22 companies from Germany; 6 companies from the Netherlands; 3 companies from Finland; 3 companies from Denmark; 5 companies from Belgium; 13 companies from Sweden; and 5 companies from Norway.

Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied



# Total median fees for Chairs for 2021 (in EUR) for companies with a market cap between EUR 10 billion – EUR 20 billion



Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange.

Number of companies: 263 companies in total; 13 companies from Switzerland; 203 companies from USA; 13 companies from UK; 8 companies from Germany; 7 companies from the Netherlands; 3 companies from Finland; 3 companies from Denmark; 2 companies from Belgium; 10 companies from Sweden; and 1 company from Norway.

Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied

# Total median fees for Chairs for 2021 (in EUR) for companies with a market cap between EUR 20 billion – EUR 50 billion

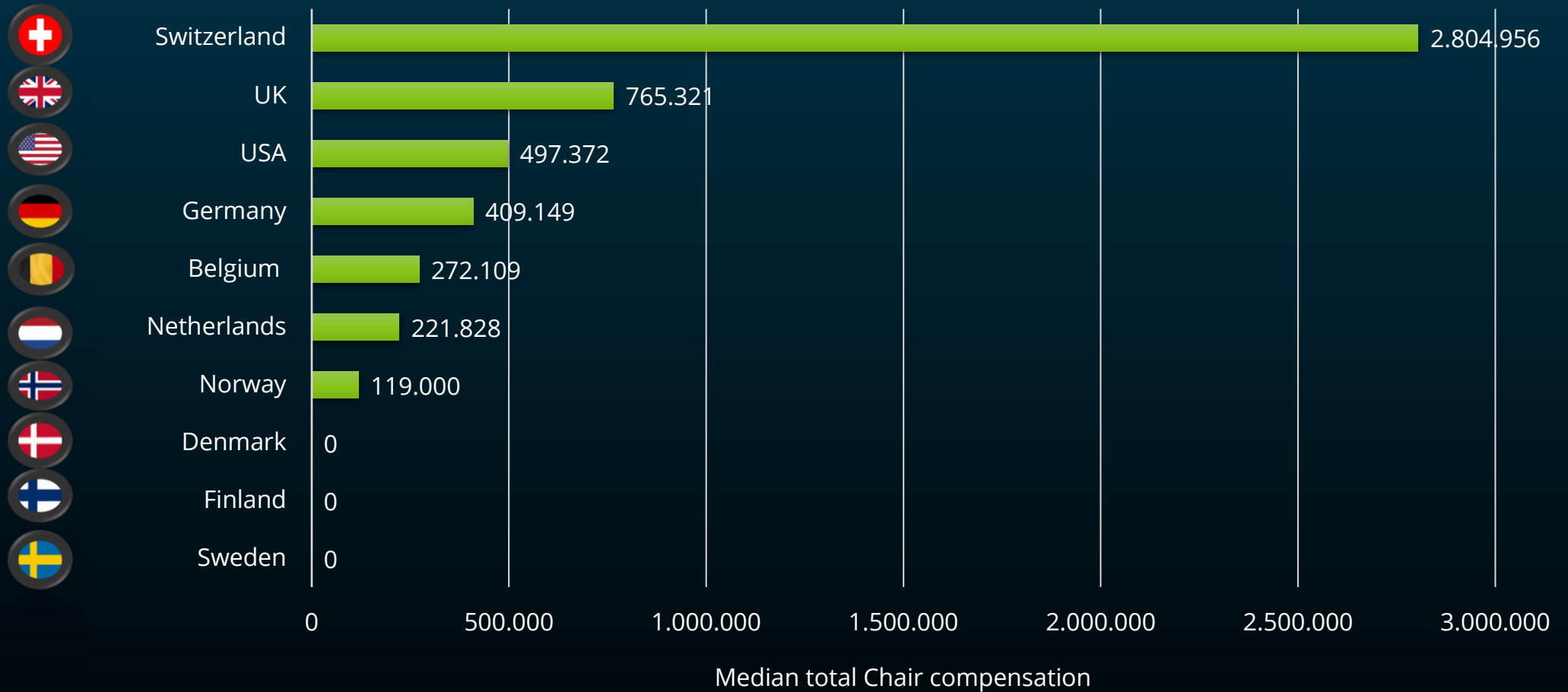


Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange.

Number of companies: 256 companies in total; 12 companies from Switzerland; 189 companies from USA; 15 companies from UK; 15 companies from Germany; 9 companies from the Netherlands; 4 companies from Finland; 4 companies from Denmark; 1 company from Belgium; 6 companies from Sweden; and 1 company from Norway.

Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied

# Total median fees for Chairs for 2021 (in EUR) for companies with a market cap greater than EUR 50 billion

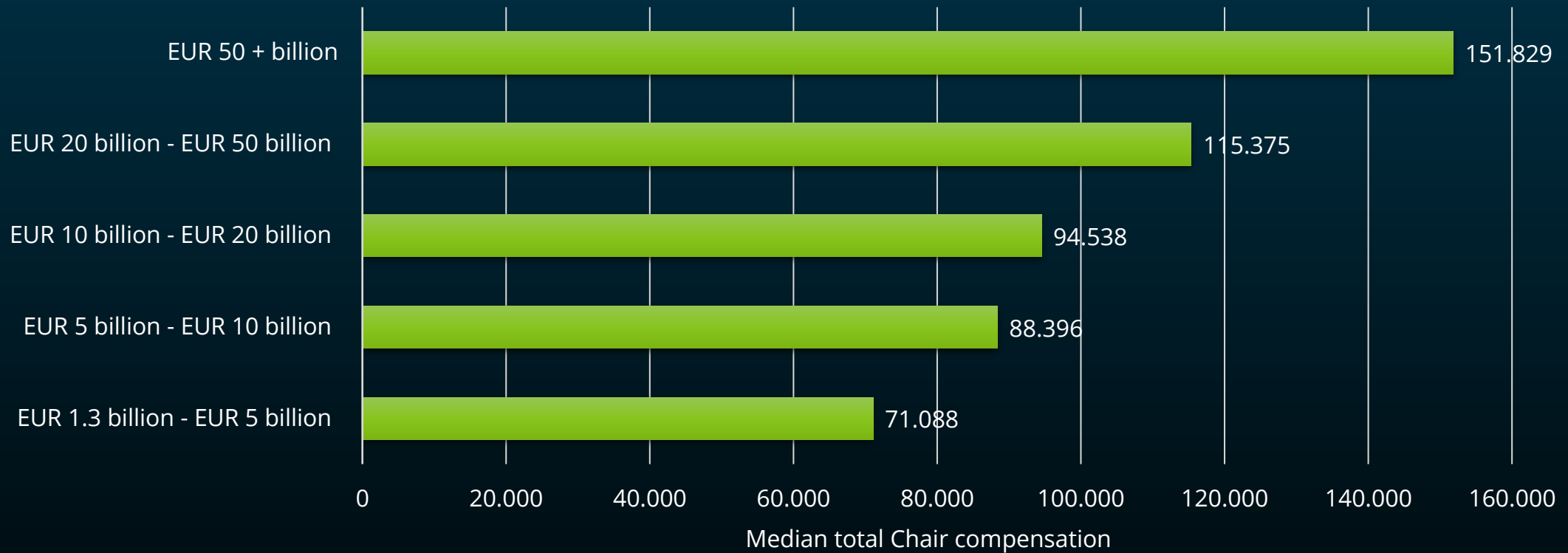


Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange.

Number of companies: 170 companies in total; 8 companies from Switzerland; 139 companies from USA; 10 companies from UK; 8 companies from Germany; 3 companies from the Netherlands; 0 companies from Finland; 0 companies from Denmark (Novo Nordisk: EUR 376.425); 1 company from Belgium; 0 companies from Sweden; and 1 company from Norway.

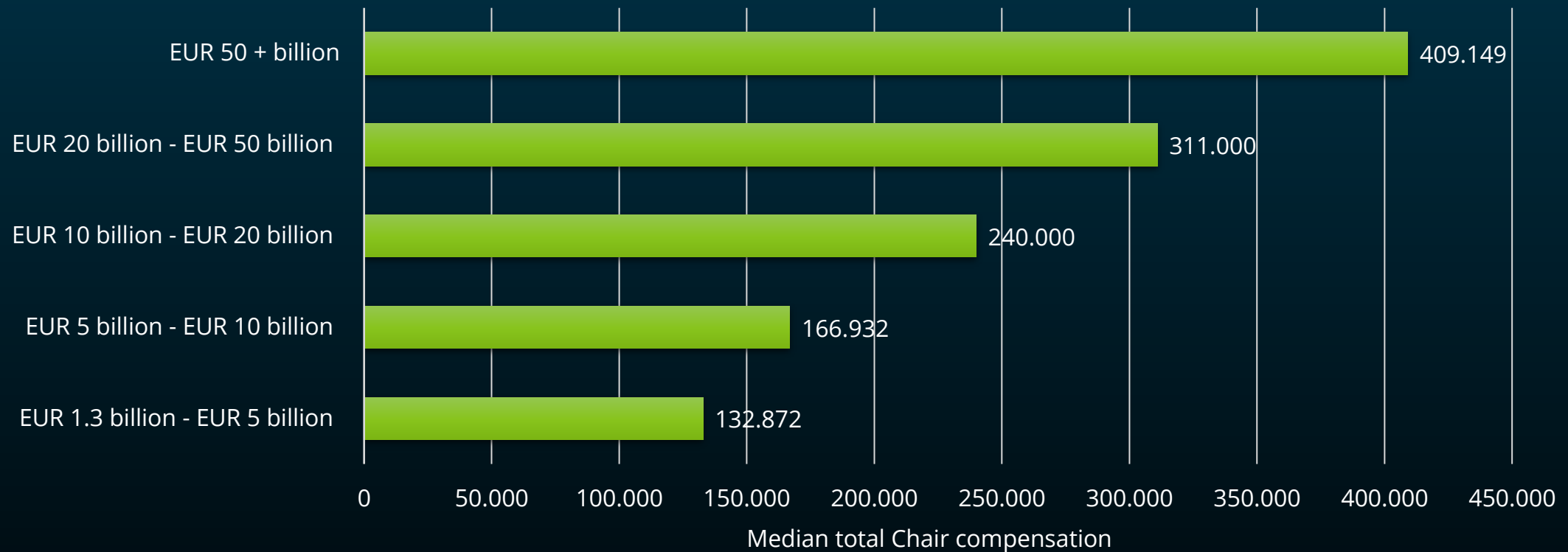
Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied

# Total median fees for NEDs for each segment for 2021 (in EUR) - the larger market cap the larger total median fees for NEDs



Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange with a market cap above EUR 1.3 billion. Number of companies: 2,300 companies in total, and in the segments; EUR 1.3 billion – EUR 5 billion (1,194 companies); EUR 5 billion – EUR 10 billion (402 companies); EUR 10 billion – EUR 20 billion (269 companies); EUR 20 billion – EUR 50 billion (262 companies); and EUR 50 + billion (173 companies). Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied

# Total median fees for Chairs for each segment for 2021 (in EUR) - the larger market cap the larger total median fees for Chairs



Sources: S&P Capital IQ and Deloitte analysis for boards of directors of companies listed on Nasdaq or equivalent stock exchange with a market cap above EUR 1.3 billion. Number of companies: 2,249 companies in total, and in the segments; EUR 1.3 billion – EUR 5 billion (1,165 companies); EUR 5 billion – EUR 10 billion (395 companies); EUR 10 billion – 20 billion (263 companies); EUR 20 billion – EUR 50 billion (256 companies); and EUR 50 + billion (170 companies). Notes: Market cap and EUR spot rate as of 5 October 2022 have been applied

# Deloitte key contacts

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## Strategy



**Anders Dons**  
Nordic CEO, and Partner

Topics: Global Insights, Sustainable Leadership, Small Great Nations, Impact that matters, and Succession

## Board Leadership



**Michael Vad**  
Head of Nordic Board & Executive Advisory, and Partner

Topics: Chair of the Future, Board Effectiveness Reviews, Board Culture Assessments, Leadership Development, Talent & Diversity, and Succession

## Corporate Governance & Remuneration



**Martin Faarborg**  
Nordic Corporate Governance & Remuneration Advisory Leader, and Partner

Topics: Sustainable Corporate Governance, Board Oversight over ESG, Impact, and the roles of the Audit and Remuneration Committees



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