



# UK Executive Pay & Governance

## Senior Executive Pay Benchmarking

To make genuinely informed decisions on executive remuneration, it is important that Remuneration Committees have access to robust pay benchmark data that is presented simply and clearly. Whilst Committees should not be overly influenced by the findings of a pay benchmark analysis, it is a key factor that should be taken into account when considering pay.

At Korn Ferry Hay, we provide full support to our clients undertaking senior executive benchmarking exercises. For main Board directors (including Chairman and Non-Executive Directors), we access a database that contains exhaustive information on pay that is taken from listed company report and accounts. We can present that data on both a quartile basis and company-by-company (see overleaf).

Choosing the correct peer group of companies to use as benchmark comparators is key. We work with our clients to ensure that their benchmark comparator group is appropriate in terms of company size (e.g. market capitalisation, turnover etc), international reach and sector.

For below main Board senior executives, we have unique access to pay data (including for unlisted companies and at subsidiary level) through our world-class proprietary "PayNet" database. PayNet is the world's largest, most robust global database of pay and benefits, comprising information from over 20,000 listed, unlisted and subsidiary organisations in around 77 countries.

### Want to know more?

Please contact:

**Rob Burdett**

m: 07979 537 326

[rob.burdett@kornferry.com](mailto:rob.burdett@kornferry.com)

**Simon Garrett**

m: 07748 328 560

[simon.garrett@kornferry.com](mailto:simon.garrett@kornferry.com)

**Deborah Hall**

m: 07495 796 619

[deborah.hall@kornferry.com](mailto:deborah.hall@kornferry.com)

**Jonathan Hutchings**

m: 07408 802 787

[joanthan.hutchings@kornferry.com](mailto:joanthan.hutchings@kornferry.com)

**Chris Niland**

m: 07779 270 334

[chris.niland@kornferry.com](mailto:chris.niland@kornferry.com)

**Andrew Udale**

m: 07770 720 888

[andrew.udale@kornferry.com](mailto:andrew.udale@kornferry.com)

OR visit our webpage [www.kornferry.com/rewards-benefits-overview/executive-pay-governance](http://www.kornferry.com/rewards-benefits-overview/executive-pay-governance)

### About Korn Ferry

Korn Ferry is the preeminent global people and organizational advisory firm. We help leaders, organizations, and societies succeed by releasing the full power and potential of people. Our nearly 7,000 colleagues deliver services through our Executive Search, Hay Group and Futurestep divisions.

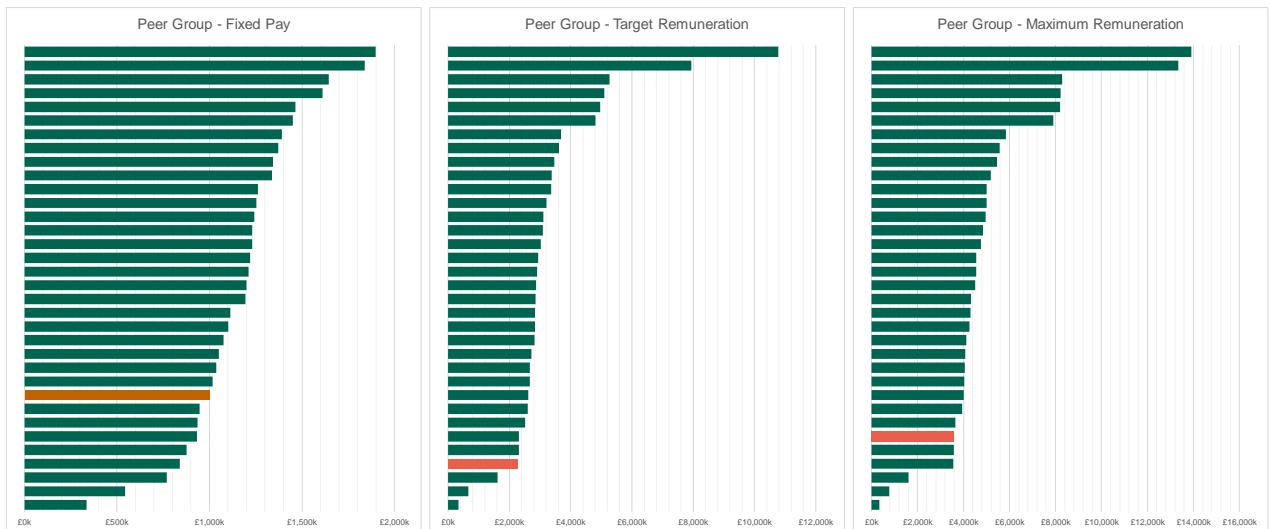
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Figure 1: Illustrative benchmarking

	Revenue	Market capitalisation	Salary	Benefits	Pension	Total fixed pay	Annual bonus On-target		Annual bonus Maximum		LTIP Expected Value		LTIP Maximum		Target remuneration	Maximum remuneration
	(£m)	(£m)	(£k)	(£k)	(£k)	(£k)	(£k)	% of salary	(£k)	% of salary	(£k)	% of salary	(£k)	% of salary	(£k)	(£k)
Lower quartile	£2,750m	£7,500m	£770k	£23k	£158k	£1,019k	£566k	80%	£1,071k	150%	£785k	110%	£1,428k	200%	£2,671k	£4,029k
<b>Median</b>	<b>£4,500m</b>	<b>£8,800m</b>	<b>£860k</b>	<b>£38k</b>	<b>£235k</b>	<b>£1,211k</b>	<b>£714k</b>	<b>100%</b>	<b>£1,285k</b>	<b>180%</b>	<b>£884k</b>	<b>125%</b>	<b>£1,696k</b>	<b>240%</b>	<b>£2,905k</b>	<b>£4,544k</b>
Upper quartile	£9,750m	£12,000m	£944k	£79k	£313k	£1,344k	£759k	105%	£1,428k	200%	£1,171k	165%	£2,142k	300%	£3,474k	£5,453k

<b>Client</b>	<b>£6,250m</b>	<b>£8,000m</b>	<b>£800k</b>	<b>£40k</b>	<b>£160k</b>	<b>£1,000k</b>	<b>£600k</b>	<b>75%</b>	<b>£1,200k</b>	<b>150%</b>	<b>£880k</b>	<b>110%</b>	<b>£1,600k</b>	<b>200%</b>	<b>£2,480k</b>	<b>£3,800k</b>
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Fixed Pay: salary + benefits + pension

Target Remuneration: Fixed Pay + target bonus + expected value of Long-Term Incentives

Maximum Remuneration: Fixed Pay + maximum bonus + maximum value of Long-Term Incentives (excl. share price growth)

For UK listed companies we can also provide the pay “earned” in the last financial year (the “single figure”) for Executive Directors:

