



NON-EXECUTIVE DIRECTOR TIME COMMITMENT AND PAY (UK AND IRELAND)



FEBRUARY 2026

A KORN FERRY REPORT

INTRODUCTION

Welcome to Korn Ferry's report on the time commitment and fee levels for Non-Executive Directors.

The role of the Board and its members has become increasingly complex, and the time commitment associated with various Board roles has increased materially. The topic of NED fees was brought to the fore in late 2022 when the Investment Association's updated Principles of Remuneration accepted that NED fees do not necessarily reflect the increased complexity and time commitment expected of their role. The conversation has developed since, with the 2024 Principles of Remuneration stating that Boards should clearly disclose the time commitment which NEDs are expected to fulfill, and as a matter of good governance ensure that their fee is commensurate with this commitment. Whilst few companies have followed this guidance to date (and this has not been picked up as an issue by the IA), this may change over time and it is timely to consider the data and evolving trends.

Our report also examines the structure of NED fees in the UK, which has remained broadly unchanged since a series of corporate governance reforms in the 1990s.

Our findings show that there is appetite for NED fees in the UK to keep pace with changes in market practice in other jurisdictions. This is particularly pertinent as companies look to secure NEDs with the diversity of skills and experience required to support the growth and effective oversight of their business.

We would like to take this opportunity to thank the over 200 respondents (representing the Boards of over 500 companies) who completed the survey that sits behind this report. The report will provide individual Non-Executive Directors and companies with a clear understanding of the typical time commitment of Non-Executive Directors across the market and practical opportunities to develop the structure of Non-Executive Director pay. If you would like to discuss any of the topics raised in this report, please do reach out to your usual Korn Ferry contact or any of the specialists listed at the end of this report.



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TIME FOR A FRESH LOOK AT NED PAY

REFLECTING ON THE RESPONSES TO OUR SURVEY, THE OBVIOUS QUESTION IS WHETHER IT IS TIME TO TAKE A FRESH LOOK AT NED PAY AND CONSIDER:



Significantly higher fee levels truly reflecting the skills, experience and time commitment of individuals, as well as the markets in which businesses compete for non-executive and executive director talent



A higher base board fee where this is considered necessary to attract specific non-executive director skills and experience from other higher paying markets



The payment of an additional amount equivalent to

25% - 50%

of base fees in shares, with a shareholding requirement for the period of appointment



An increase in committee chair fees to reflect the significant additional time spent leading sub-board committees



Membership fees as a matter of course for all sizes of business (not just the largest), recognising the time spent preparing appropriately for meetings and better enabling companies to allocate the right non-executive directors to each committee



A transparent and effective approach to managing time spent travelling to meetings, either through an appropriate travel time allowance per meeting or an overall fee level that takes this into account

Following the CBI's recommendations regarding the potential introduction of an incentive arrangement for non-executive directors, active consideration should also be given as to how incentives could be structured without performance conditions but with appropriate features, to manage any perceived conflict of interest that this may create.

VIEWS FROM THE NED COMMUNITY

“ I applaud taking a fresh look at NED pay given how dynamic the UK business environment has been and its effect on the market for both executive and non-executive talent and pay. The time commitment of NEDs, in particular Committee and Board Chairs, has in my experience certainly increased consistent with the findings in this report. It is no surprise that NEDs themselves believe they are under-compensated given this higher commitment, the skills and experience they bring to their roles, and likely their experience of higher pay as former executives.

Ultimately, if UK companies believe they are attracting the right NED talent and receiving good value for money, and if NEDs are happy in role and continue to place less importance on pay than other factors, we may not see much upward pressure on NED pay. But I would suggest that these premises hang in the balance, and I would not be surprised to see pay packages begin to rise.”

John Walden,
Chair of Motorpoint Group plc and President
and CEO of Inversion



“ Whilst the money is unlikely to be the primary driver for becoming a plc NED, it is undoubtedly the case that in a world of constant flux and unpredictability with greater levels of scrutiny and governance, base fee levels no longer reflect the time, accountability or complexity of the role.

Lynne Weedall,
SID, RemCo and NomCo Chair at Dr Martens,
RemCo Chair at Softcat plc, Greggs, and Stagecoach
Group, and Board Trustee at The King's Trust



“ It is not often that a report resonates so well. The responsibilities of NEDs are expanding and so too is the amount of time invested. Governance and regulatory compliance is ever-increasing, and there has also been a significant increase in the complexity of doing business as a result of things like geopolitics and stakeholder engagement and management. The Committee Chair roles absorb a lot of this, and my experience is that the individuals in these roles are also often mentors / coaches for the respective executive members, which easily adds an extra 2 hours per month, if not more. In my view, fees for these roles are definitely too low for the amount of time and effort that goes into them. Paying partly in shares may help (if the company's shares have growth potential), so I expect that to increase in popularity in the coming years.”

Natasja Laheij,
Chair of ASOS.com, AuditCo Chair
at Vandemoortele, and Advisory
Board Member at Potentia



“ This is a timely and well-thought through report which addresses many of the issues I've seen on FTSE Boards. I'm a strong believer in NEDs being shareholders and in their receiving some of their fee in shares. I was CEO of a US public company and it was standard practice there, ensuring good alignment between executives, non-executives, and shareholders.”

William Eccleshare,
Chair of GPE plc, ITG, and The Design Council,
and SID at Centaur Media plc



EXECUTIVE SUMMARY



- > **Significant increase in time commitment associated with a NED role.** 80% of survey respondents reported that the time commitment has increased over the past five years as the extent of a typical Board's responsibilities has developed rapidly.
- > **Notable increases in time commitment for Committee Chairs.** The time commitment associated with chairing the Remuneration Committee in a FTSE-listed business is now the same as that associated with chairing the Audit Committee, particularly in a year where the Directors' Remuneration Policy is being reviewed, with the time commitment associated with both committees increasing over recent years.
- > **NED fee levels do not reflect the time commitment associated with the role.** 95% of survey respondents believe that NED fees do not appropriately reflect the time spent carrying out their roles, nor the skills and experience they bring to the role. While the level of NED fees was only ranked the sixth most important factor for NEDs when considering whether to take on a role, in order to attract the right calibre of NEDs with the diversity of skills and experience sought by companies, providing competitive fee levels is, in Korn Ferry's view, critical.
- > **There is an appetite for increased flexibility in the way NEDs are paid.** While UK NED fees have traditionally been paid in cash, there is appetite for a portion of fees to be paid in shares – only 21% of FTSE All Share respondents would be opposed to fees being paid partly in shares. Shareholders are supportive of Non-Executive Directors investing in shares, but may not support the grant of share awards.
- > **Most NEDs consider that their fees do not adequately reflect travel time.** Over 85% of respondents do not receive any additional fees to account for the often-significant amount of time spent travelling to and from meetings, with only 27% of respondents believing that their overall fee level sufficiently accounts for the required amount of travel time. We expect travel time allowances to become increasingly popular as companies continue to diversify the geographical backgrounds of their NEDs.
- > **Majority support for different NED fees for NEDs based outside of the UK.** There is recognition that in some countries such as the US, the approach to NED fees is fundamentally different to that taken in the UK, with higher fee levels and the award of restricted shares / stock options common. A small but increasing number of companies are seeking to bridge the gap to ensure they can hire individuals with the skills and experience required to oversee increasingly global businesses. 60% of respondents indicated that they would be comfortable with different levels of NED base fees or a supplement to recognise travel time to ensure the attraction of overseas talent.

NON-EXECUTIVE DIRECTOR TIME COMMITMENT

80% of respondents reported that the time commitment associated with their role has increased over the past five years (excluding the impact of the COVID-19 pandemic). The reasons for this include:



Managing ongoing macroeconomic challenges / uncertainty



Increased governance and regulatory requirements



Longer and more frequent board meetings



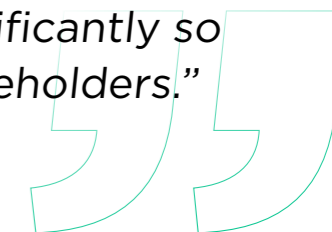
Growing expectations in terms of site visits and stakeholder engagement

The remainder of respondents reported that the time commitment associated with the role had remained the same.



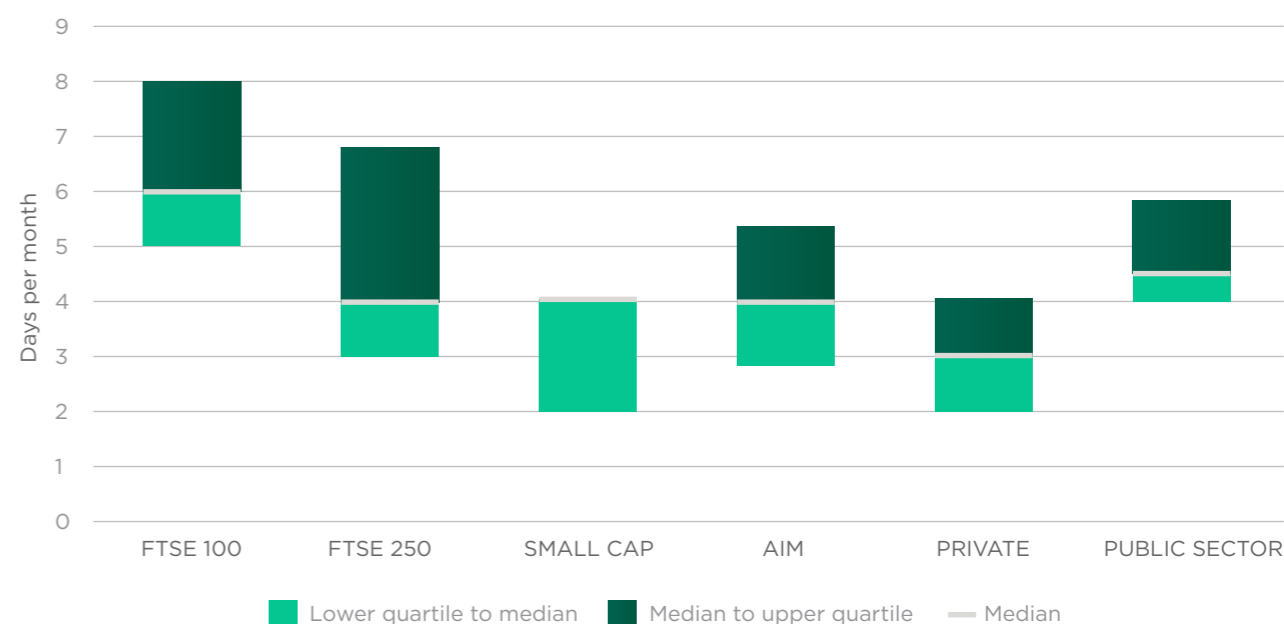
NEDs are so much more hands-on than before. There are more topics to get on top of, many of which are new and unprecedented, and general scrutiny of businesses has increased significantly so far more time goes into dealing with stakeholders.”

FTSE 250 NED



NON-EXECUTIVE BOARD CHAIR

As would be expected, out of all Board roles, the time commitment associated with being Chair of the Board is the highest – the Chair is ultimately responsible for ensuring effective governance and oversight of the business, and enabling constructive engagement between directors, management, and wider stakeholders. The larger and therefore typically more complex the business is, the greater the time commitment associated with the Chair role.



NON-EXECUTIVE DIRECTORS

The table below sets out the time commitment for the Non-Executive Director role, not including time spent on additional roles such as chairing and attending committee meetings (i.e., this is the time commitment associated with preparing for and attending Board meetings only).

NON-EXECUTIVE BOARD MEMBERS	DAYS PER MONTH (PREPARING FOR AND ATTENDING BOARD MEETINGS ONLY)		
	LQ	MEDIAN	UQ
LISTED COMPANIES			
FTSE 100	1.0	2.0	2.5
FTSE 250	1.0	2.0	2.0
SMALL CAP	1.0	2.0	2.0
AIM	1.0	2.0	2.0
PRIVATE / PUBLIC SECTOR			
PRIVATE	1.0	2.0	2.0
PUBLIC SECTOR	1.0	1.0	1.0

“For my role, there’s more to cover, more risks to manage, and more external reporting to review and approve than ever before”

FTSE 100 NED

ADDITIONAL ROLES

The time spent chairing committees of the Board and undertaking other additional roles is significant and, in some cases, matches the time commitment associated with preparing for and attending Board meetings.

All data in this section is in respect of time spent specifically in relation to Board sub-committees and associated time commitments.

AUDIT COMMITTEE

Historically, the time commitment associated with chairing or being a member of the Audit Committee has been the highest of all Board committees, given the complexity and volume of materials to be reviewed and higher levels of regulatory scrutiny. This is particularly true of Financial Services firms, where the regulatory burden is higher.

AUDIT COMMITTEE	DAYS PER MONTH (IN ADDITION TO PREPARING FOR BOARD MEETINGS)					
	AUDIT COMMITTEE CHAIR			AUDIT COMMITTEE MEMBER		
	LQ	MEDIAN	UQ	LQ	MEDIAN	UQ
LISTED COMPANIES						
FTSE 100	1.0	1.5	2.0	0.5	0.9	3.3
FTSE 250	1.0	1.0	2.0	0.5	0.8	2.0
SMALL CAP	1.0	1.0	2.0	0.5	0.7	1.0
AIM	1.0	1.0	2.0	-	-	-
PRIVATE / PUBLIC SECTOR						
PRIVATE	0.4	1.0	2.3	0.3	0.5	1.0
PUBLIC SECTOR	3.3	4.5	5.8	0.5	1.0	4.0
SECTOR						
FS	1.0	2.0	2.5	0.5	1.0	2.0
NON-FS	0.8	1.0	2.0	0.5	1.0	2.0

REMUNERATION COMMITTEE

The time commitment associated with chairing the Remuneration Committee in a FTSE-listed business is now similar to that associated with chairing the Audit Committee, reflecting the increased complexity of remuneration in main market companies in recent years. Many survey respondents commented on this, particularly noting the heightened time commitment required in a year in which the Directors' Remuneration Policy is being reviewed (where Remuneration Committee Chairs typically lead extensive shareholder consultation processes).

Reflecting the increased complexity and time commitment of the role, we have seen an increasing number of companies aligning the supplementary fees paid to Remuneration Committee Chairs with the supplementary fees paid to Audit Committee Chairs (which historically have tended to be c.10% higher). This is also in part driven by companies looking to simplify their overall approach to NED fees.

In AIM companies, the time commitment for chairing the Remuneration Committee is lower than that for chairing the Audit Committee, likely reflecting the increased flexibility available to AIM companies in terms of remuneration structure, reporting, and investor views on such.

REMUNERATION COMMITTEE	DAYS PER MONTH (IN ADDITION TO PREPARING FOR BOARD MEETINGS)					
	REMUNERATION COMMITTEE CHAIR			REMUNERATION COMMITTEE MEMBER		
	LQ	MEDIAN	UQ	LQ	MEDIAN	UQ
LISTED COMPANIES						
FTSE 100	1.0	2.0	4.3	0.3	0.5	1.8
FTSE 250	0.5	1.8	2.0	0.3	0.4	0.5
SMALL CAP	1.0	1.5	2.0	0.3	0.3	0.8
AIM	0.8	1.0	1.0	0.3	0.3	0.3
PRIVATE / PUBLIC SECTOR						
PRIVATE	0.3	0.5	1.0	0.3	0.4	0.5
PUBLIC SECTOR	0.8	1.5	2.0	0.4	0.5	0.5
SECTOR						
FS	0.6	1.0	2.0	0.3	0.5	1.0
NON-FS	0.5	1.0	2.0	0.3	0.4	0.8

NOMINATION COMMITTEE

The time commitment associated with chairing or being a member of the Nomination Committee is significantly lower than that associated with the Audit or Remuneration Committees, given that its responsibilities are narrower, less technical, and tend to be triggered by specific events such as board appointments or succession planning.

NOMINATION COMMITTEE	DAYS PER MONTH (IN ADDITION TO PREPARING FOR BOARD MEETINGS)					
	NOMINATION COMMITTEE CHAIR			NOMINATION COMMITTEE MEMBER		
	LQ	MEDIAN	UQ	LQ	MEDIAN	UQ
LISTED COMPANIES						
FTSE 100	0.8	1.0	1.5	0.3	0.8	1.0
FTSE 250	0.3	0.8	1.0	0.3	0.3	0.5
SMALL CAP	0.3	0.3	0.4	0.3	0.3	0.7
AIM	0.3	0.3	0.3	0.3	0.3	0.4
PRIVATE / PUBLIC SECTOR						
PRIVATE	0.3	0.5	0.5	0.3	0.5	0.5
PUBLIC SECTOR	No data available			0.4	0.8	1.0

It should be noted that the time commitment associated with Nomination Committee roles can vary significantly depending on the extent of executive change a company is managing. During periods of stability, the time commitment of the roles is likely to be more closely positioned to the lower quartile.

SENIOR INDEPENDENT DIRECTOR

The time commitment for the Senior Independent Director role varies greatly based on the specific circumstances in place at each company and does not necessarily correlate directly to the size and complexity of the business. For example, the role of the SID is far greater where there is an Executive Board Chair in place.

SENIOR INDEPENDENT DIRECTOR	DAYS PER MONTH (IN ADDITION TO PREPARING FOR BOARD MEETINGS)		
	LQ	MEDIAN	UQ
LISTED COMPANIES			
FTSE 100	0.5	2.0	3.0
FTSE 250	0.6	1.5	2.5
SMALL CAP	0.3	1.0	1.8
AIM	0.3	0.5	1.1
PRIVATE / PUBLIC SECTOR			
PRIVATE	0.3	0.8	1.0
PUBLIC SECTOR	1.0	1.0	1.0

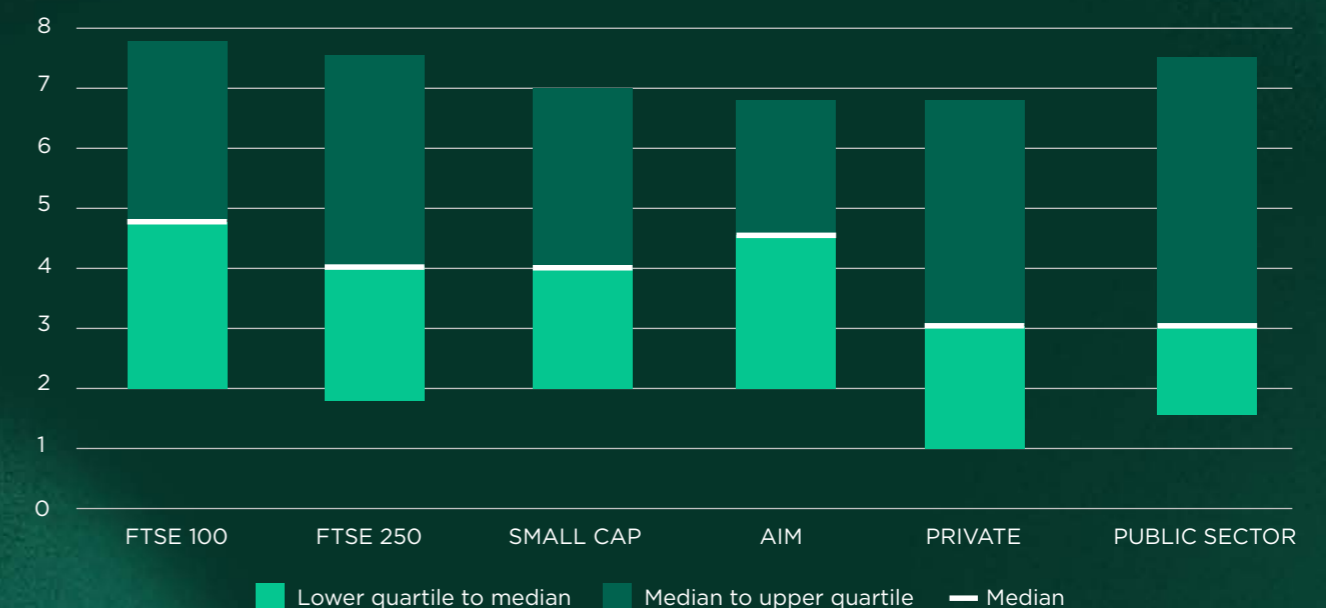
DESIGNATED NON-EXECUTIVE DIRECTOR FOR WORKFORCE ENGAGEMENT

The 2018 UK Corporate Governance Code introduced a provision encouraging Boards to understand the views of key stakeholders and to describe in the annual report how their interests have been considered in board discussions and decision-making. For engagement with the workforce, the Code recommends that one or a combination of the following methods be used: a designated NED, a formal workforce advisory panel, or a director appointed from the workforce. As a result of this change to the Code, most FTSE-listed companies appointed a designated NED for workforce engagement. The time commitment associated with the role varies significantly, and will reflect the responsibilities and extent to which the designated NED is involved in engagement activities.

DESIGNATED NED FOR WORKFORCE ENGAGEMENT	DAYS PER MONTH (IN ADDITION TO PREPARING FOR BOARD MEETINGS)		
	LQ	MEDIAN	UQ
LISTED COMPANIES			
FTSE 100	1.0	1.0	1.0
FTSE 250	0.5	0.5	1.0
SMALL CAP	0.6	1.0	1.0
AIM	1.0	1.0	1.0

SUMMARY

The table below sets out the average total number of days spent per month per NED (excluding the Non-Executive Chairman) across all responsibilities (i.e., including Board meetings, Committee meetings, and any other additional duties).



NON-EXECUTIVE DIRECTOR FEE LEVELS FOR TIME COMMITMENT

The vast majority of survey respondents considered that NED fee levels do not reflect the time commitment required of their roles, nor the skills and experiences they bring to the role – only 5% of respondents had positive views when asked whether time spent on their roles is commensurate with their fees.

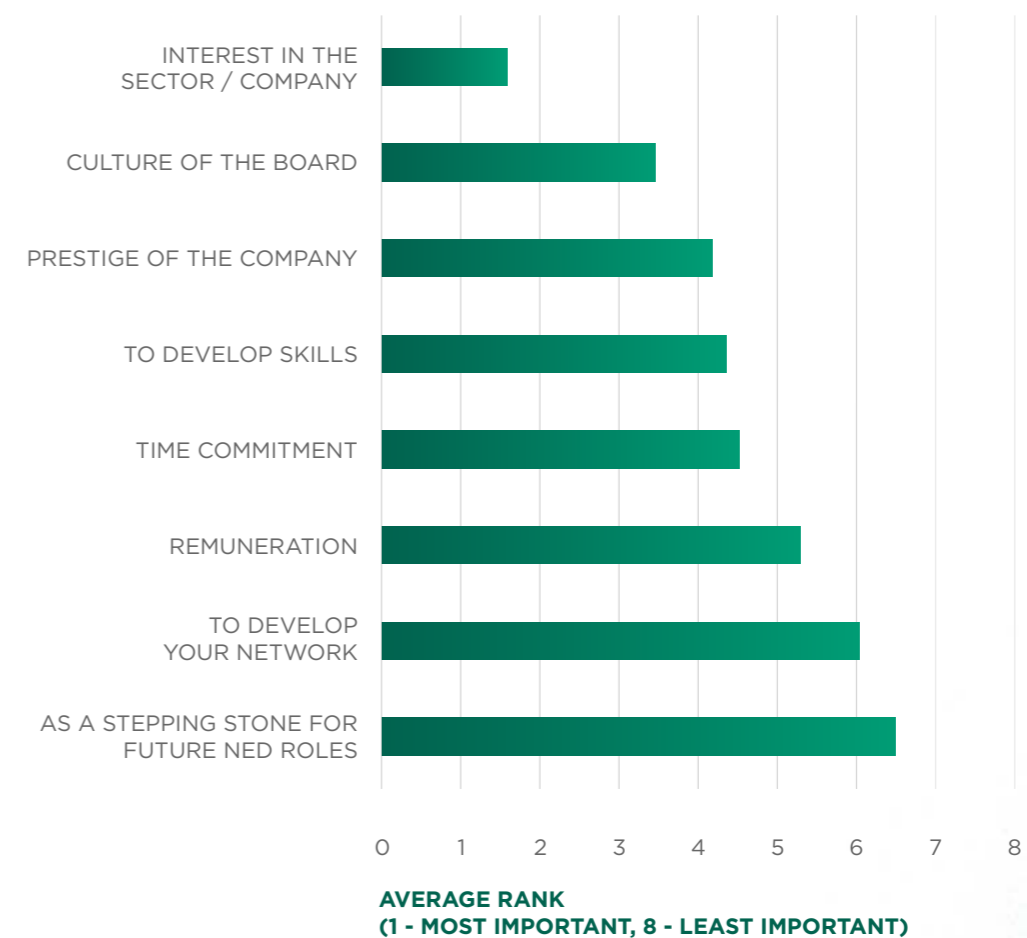
“NED fees are rather low considering the skills and experience required, and the time it takes to carry out our roles - this is especially true of the fees associated with chairing a committee”

FTSE 100 NED

There have been some recent examples of companies providing additional one-off fees to Non-Executive Directors to reflect exceptional increases in the time commitment required of their roles during, for example, major corporate events. Examples of companies that have taken this approach include NatWest, evoke, and OneSavings Bank. Investors have been supportive where this has happened.

RANK OF REASONS FOR TAKING A NED ROLE

Survey respondents indicated that remuneration is not a primary factor when they are considering new roles. Respondents were asked to rank eight factors in terms of their importance, with remuneration generally ranked sixth – only 47% of respondents ranked it in their top three reasons for taking on a role. This reflects our experience working with Boards – remuneration does not tend to be a major factor for NEDs on their appointment, nor is it often cited as a reason for NEDs leaving their role.



PAYMENT IN SHARES

In the UK, NED base fees and fees for additional responsibilities (such as chairing or being a member of a committee) are almost always paid in cash.

61% of respondents supported fees being paid partly in shares – only 20% of FTSE 350 and FTSE Small Cap respondents stated that they would be ‘opposed’ or ‘strongly opposed’ to receiving a portion of their fees in shares. 19% of respondents had no view.

Institutional investors and proxy agencies are supportive of NEDs investing in shares and the Investment Association’s Principles of Remuneration state that “shareholders encourage independent NEDs to align their interests with those of shareholders by owning shares in the company. A portion of the director fee could be paid in shares purchased at market rates.” With several companies looking to increase NED fees to align better to their skills, experience and time commitment, paying part of the fee in shares is likely to become more common.

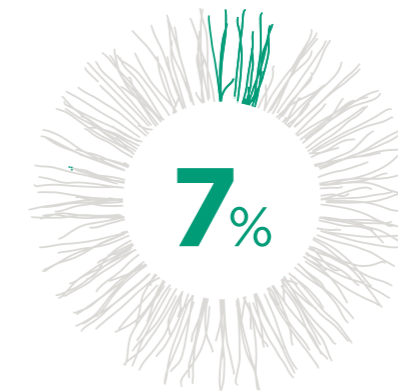
“Paying a portion of NED fees in shares would signal a long-term commitment to and accountability for the business – it is in everyone’s best interests.”

FTSE 100 NED

PROPORTION OF COMPANIES CURRENTLY PAYING A PORTION OF NED FEES IN SHARES



FTSE 30



FTSE 31 - 100



FTSE 250

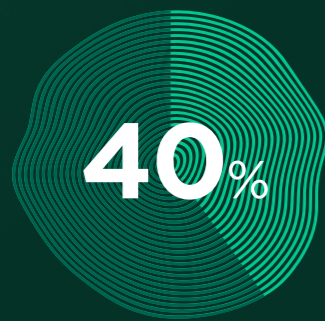


FTSE SMALL CAP

While shareholding requirements are prevalent for Executive Directors, only a small number of companies include them for NEDs. While many NEDs acquire shares in their portfolio companies as a matter of course, the inclusion of a NED shareholding requirement is likely to be welcomed by institutional investors, demonstrating a commitment to share purchase and the longer term sustainable growth of the business.

Of the FTSE-listed companies who award a portion of NED fees in shares (see below), approximately 30% also apply a shareholding requirement. Our survey found that c.75% of FTSE 350 NEDs would be supportive or strongly supportive of shareholding requirements for NEDs.

PROPORTION OF COMPANIES WITH NED SHAREHOLDING REQUIREMENTS



FTSE 30



FTSE 31 - 100



FTSE 250



FTSE SMALL CAP

The 2024 UK Corporate Governance Code guidance, published in November 2026, states the following:



“In some circumstances boards may consider that alternative approaches to remuneration of independent non-executive directors are desirable. In doing so, they should take care to preserve director independence. For this reason, performance related remuneration is not appropriate, as it may compromise the director’s ability to provide oversight and challenge when considering executive decisions. If companies consider offering independent non-executive directors options or similar rights to acquire shares, they should be performance related (for example, they should not have a meaningful exercise price which would impair director independence).”

We will be exploring this latest guidance with leading institutional shareholders and proxy voting agencies to understand their views on companies introducing a form of equity awards for NEDs.”



REFLECTING THE INCREASINGLY INTERNATIONAL NATURE OF UK BUSINESSES

As businesses in the UK become increasingly international, companies are keen to ensure that their Boards reflect the international scope of the company and are comprised of individuals with a diverse range of skills and experience. With increasingly international businesses and the appointment of NEDs from outside of the UK, there has been an increase in the amount of time NEDs are spending travelling. Our survey found that the majority of NEDs spend over two hours travelling for their role.

49% **Local**
(within 2 hours)

31% **National**
(beyond 2 hours)

11% **International**
(same continent)

9% **International**
(different continent)



Just over 90% of respondents reported that they do not receive any additional fees to account for the time spent travelling to and from meetings, and only 28% feel that their overall fee level sufficiently accounts for their travel time. In this context, we are seeing a small but growing number of companies introduce travel time allowances in order to account for this time. These allowances typically take the form of either an allowance linked to the number of Board and/or Committee-related meetings a NED attends (see example 1), or a fixed annual allowance (see example 2). Allowances may also depend on whether travel is within a continent or from another continent or may be determined by time travelled below or above a certain threshold.

EXAMPLE 1: GLANBIA PLC

NEDs receive an additional fee of €2,000 (£1,700) per meeting where international travel of less than five hours is required to attend a meeting, increasing to €6,000 (£5,100) where the required travel is more than five hours.

EXAMPLE 2: SPIRAX GROUP PLC

Directors based outside of the UK who are required to travel intercontinentally to attend Board and Committee meetings in the UK are provided with an annual allowance of £12,000.

ADDRESSING THE COMPETITIVENESS OF UK NED FEES

While the primary purpose of travel allowances is to reflect the travel time associated with attending meetings, there is recognition that these allowances can also go some way to addressing issues in respect of the international competitiveness of UK NED fees. In particular, U.S. companies take a fundamentally different approach to NED fees – not only are base fees higher, but NEDs are often also awarded restricted shares and / or stock options. This element typically accounts for two-thirds of a NED's total remuneration.

We have seen a small number of companies exploring ways to 'bridge the gap' to higher fee levels in the U.S., both by compensating for time spent travelling to and from meetings and by paying different levels of base fee for NEDs based in other countries. We have only seen the latter in a small number of companies to date, but note that 65% of FTSE 350 survey respondents indicated that they would be comfortable with different NED base fee levels to ensure the attraction of overseas talent.

EXAMPLE: DARKTRACE

Prior to delisting, Darktrace, a FTSE 250 technology and cyber security company with significant U.S. operations, introduced a base fee for U.S. based NEDs of £155,000 compared to its standard base fee of £60,000.

While it is understood that ISS have raised concerns with different base fee levels, in Korn Ferry's view, it is for individual Boards to determine their own approach to NED pay.



FOR MORE INFORMATION

Korn Ferry's Executive Pay and Governance team supports Remuneration Committees and management as they adapt to the evolving pay landscape, whilst Korn Ferry's Board practice builds high performing senior teams so your board and CEO are future focused and ready for whatever lies ahead. For more information on the findings of this report and how this may affect your own company's situation, please refer to the contact information provided or get in touch with your usual Korn Ferry contact.

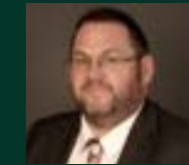
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