

INDEPENDENT NON-EXECUTIVE DIRECTOR – FEE GUIDE 2023/24

The data within this report has been gathered from searches that Sayer Haworth have been engaged on, supported by data within annual reports in the public domain. There is minimal comparison on our fee guide from the period 2023-2023, fees within the board have generally remained stable. We have seen within our research that Foreign Subsidiary Banks have moved fees upwards on the fees paid to INED's.

Independent Non-executive Director

	Fixed Fee INED £	Median £
Foreign Subsidiary Bank	45,000 - 90,000	65,000
Established SME Bank	50,000 - 80,000	62,500
Large Building Societies	45,000 – 62,000	55,000
Small Building Societies	30,000 - 55,000	36,000
Listed SME Bank	65,000 - 90,000	76,500
New Start-up Bank*	52,000 - 65,000	55,000

*on gaining of license, fees move to an established INED fee depending on the segment focus

Independent Non-executive Chair

	Fixed Fee Chairperson £	Median £
Foreign Subsidiary Bank	75,000 – 130,000	100,000
Established SME Bank	95,000 - 185,000	125,000
Large Building Societies	100,000 - 202,000	170,000
Small Building Societies	37,000 - 90,000	55,000
Listed SME Bank	125,000 – 200,000	180,000
New Start-up Bank*	80,000 - 150,000	123,000

*on gaining of license, fees move to an established fee depending on the segment focus

Chair of Committee Fees

In the instance where an individual holds a Chair of a Committee or is a Senior Independent Director (SID), which carries an SMF responsibility, there is an average additional annual fee of between £6,000 - £15,000 on top of the standard annual fee for all INED's. Within the small building societies, the general trend was no additional fees for extra responsibilities.

Within the publicly listed Banks Chair of Committee fees rose to £20,000 per annum. The Chair of the Audit and Risk Committee also has a general trend of being awarded a higher annual Fee due to the associated risks.

Membership of a Committee Fee

Membership of a committee Fee levels range from £5,000 – £7,500 per annum. The small building societies, the general trend was no additional fee for extra responsibilities.

PAYE v Contract

With IR35, the general trend is that fees are paid through PAYE, to be compliant with this legislation. The trend of paying through PAYE has been common practice for a number of firms even before IR35 was a topic.

Benefits

With the role being an appointee and not an employee, the benefits on offer to employees is not offered. This has been a common question of debate where Fees are paid through PAYE.

Expenses

Expenses incurred to attend Board Meetings is dependent on where the place of work is stated on the contract. If the place of work is the location of the majority of Board Meetings, any expenses claimed for travel is taxable and included within a P11D.

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