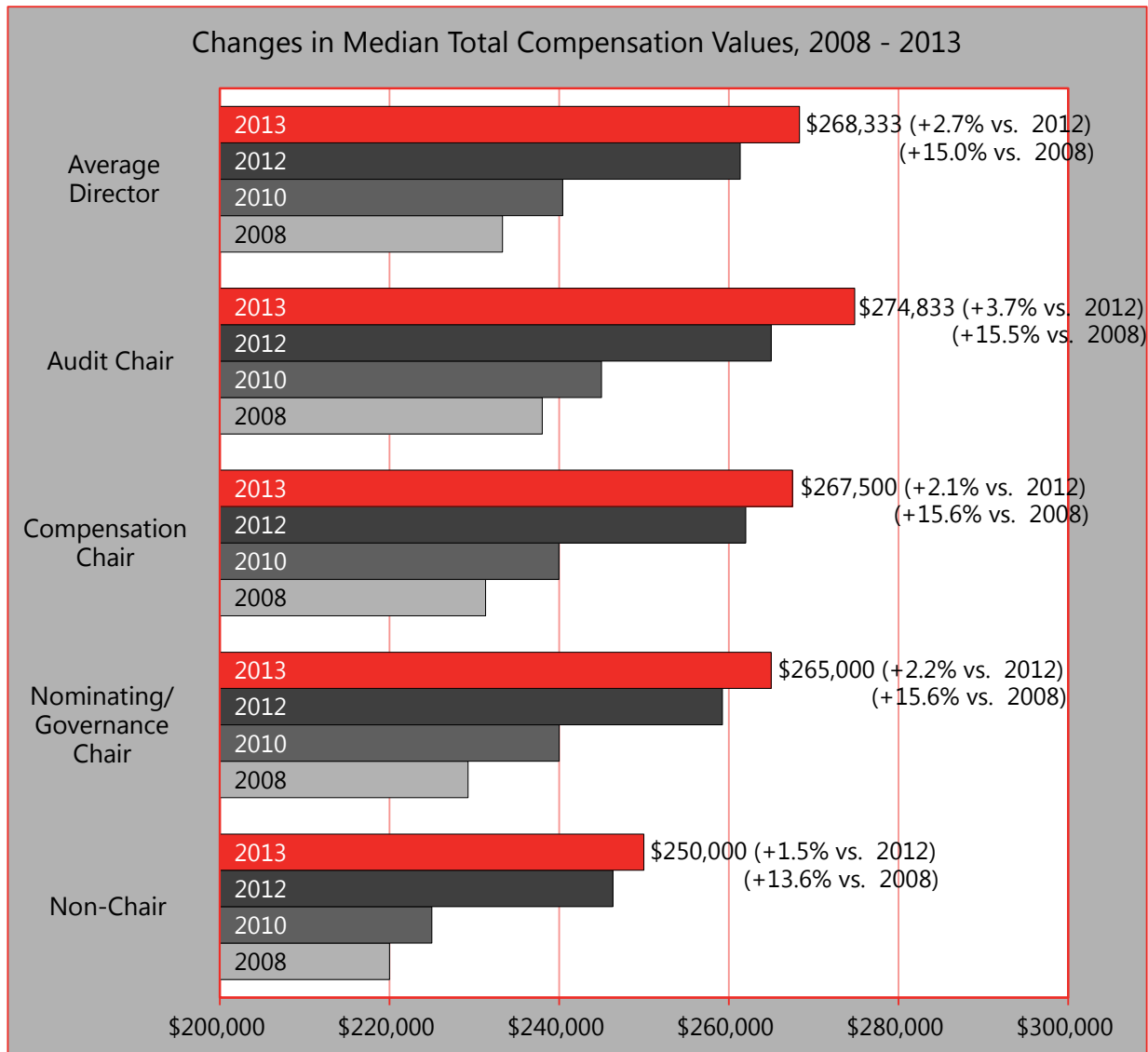


Steven Hall & Partners recently completed the ninth annual study of compensation paid to non-employee directors at the 200 public companies with the largest revenues for the most recent fiscal year (fiscal 2013), which were also incorporated in the United States and publicly traded on United States-based securities exchanges. Based on this study, we find that in 2013:

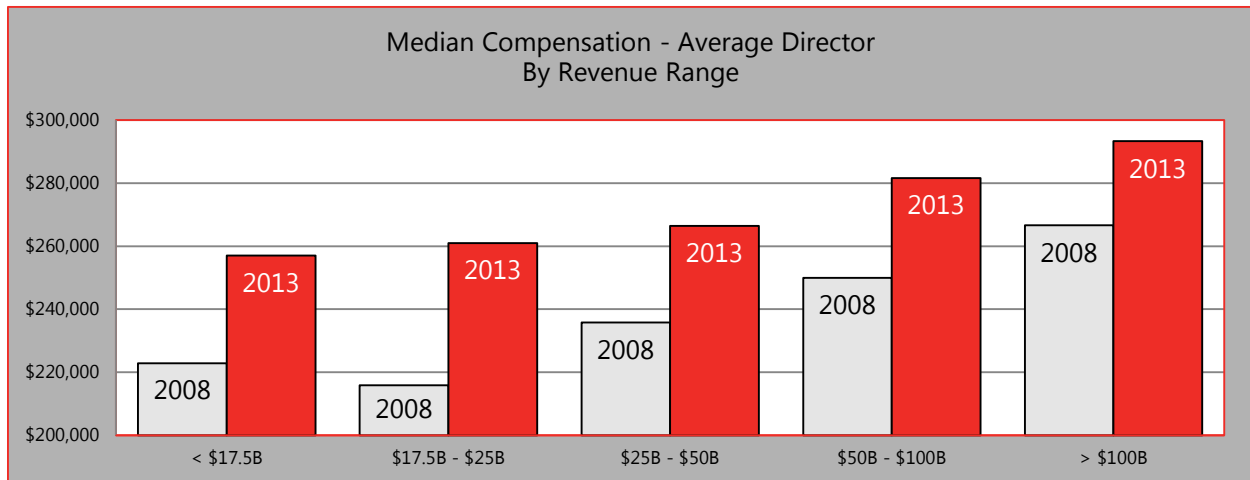
TOTAL COMPENSATION

- Total compensation paid to non-employee directors rose +2.7% over 2012 levels, to a median of \$268,333
- Audit Chair position had the largest one-year increase (+3.7%)
- Compensation Chair and Nominating/Governance Chair positions both had largest five-year increase (+15.6%)

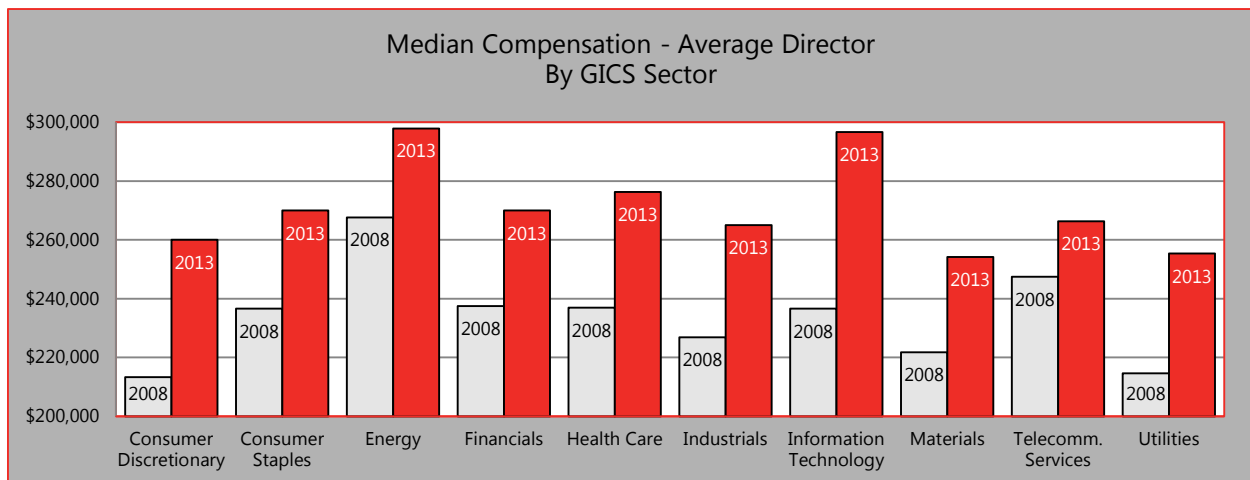


TOTAL COMPENSATION (cont'd)

- Total compensation continues to be correlated to revenue size of the company
- In general, smaller companies pay less than their larger counterparts
- Over the past five years, compensation increases have been greatest among the smaller companies in the study

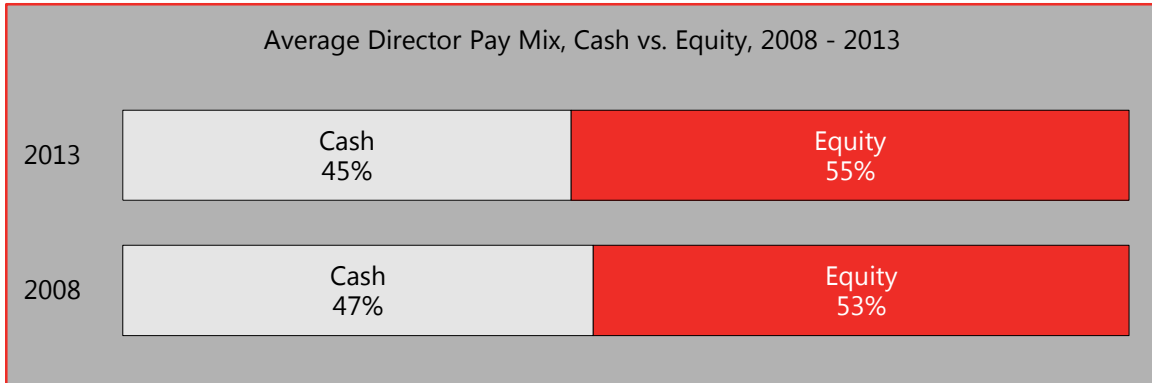


- Energy companies continue to pay the highest compensation followed by information technology companies
- Over the past five years, information technology (+25%), consumer discretionary (+22%) and utility companies (+19%) experienced the greatest increases



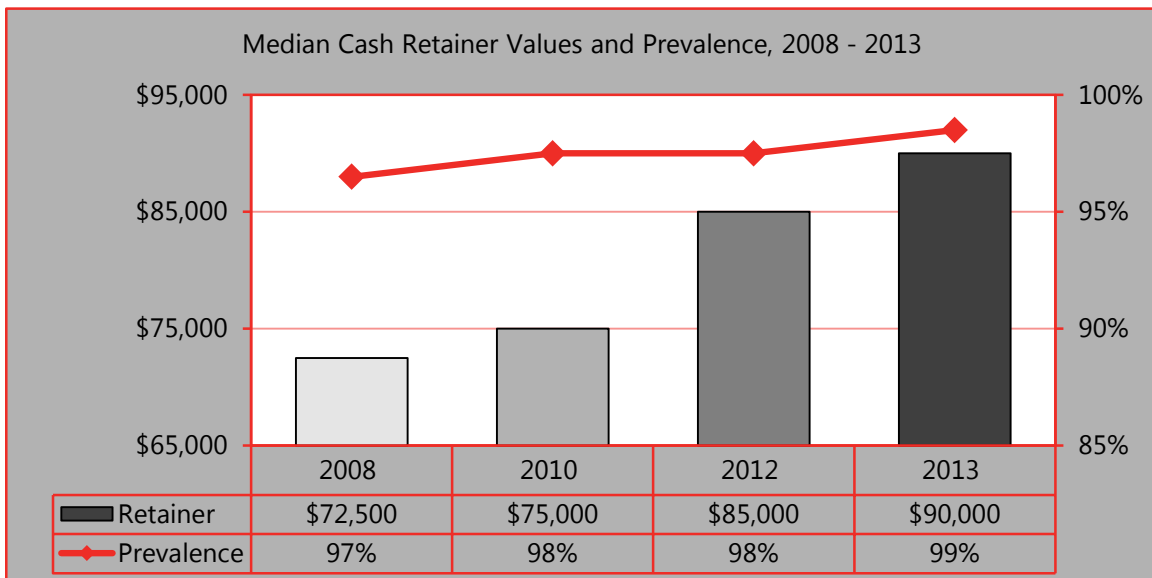
PAY MIX

- Pay mix for non-employee directors has remained relatively unchanged since 2008
- Directors continue to receive just over half of their total compensation in the form of equity (55% in 2013), in accordance with governance best practices



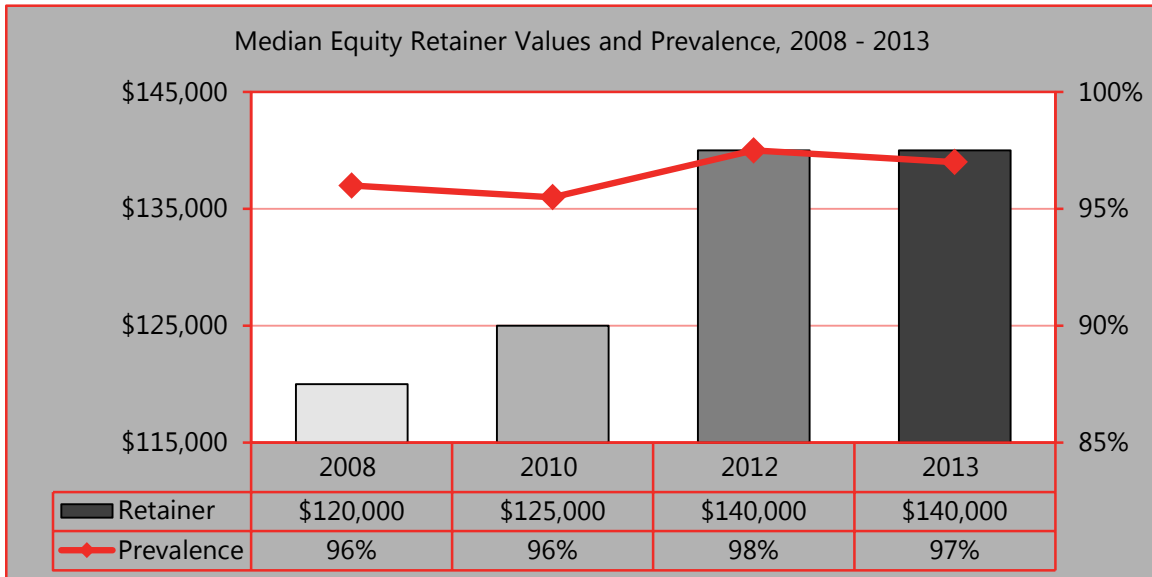
ANNUAL CASH RETAINER

- Median cash retainer for board service was \$90,000 in 2013
 - Represents a +6% increase over 2012 and a +24% increase since 2008
- Payment of cash retainers remains nearly universal (99%)

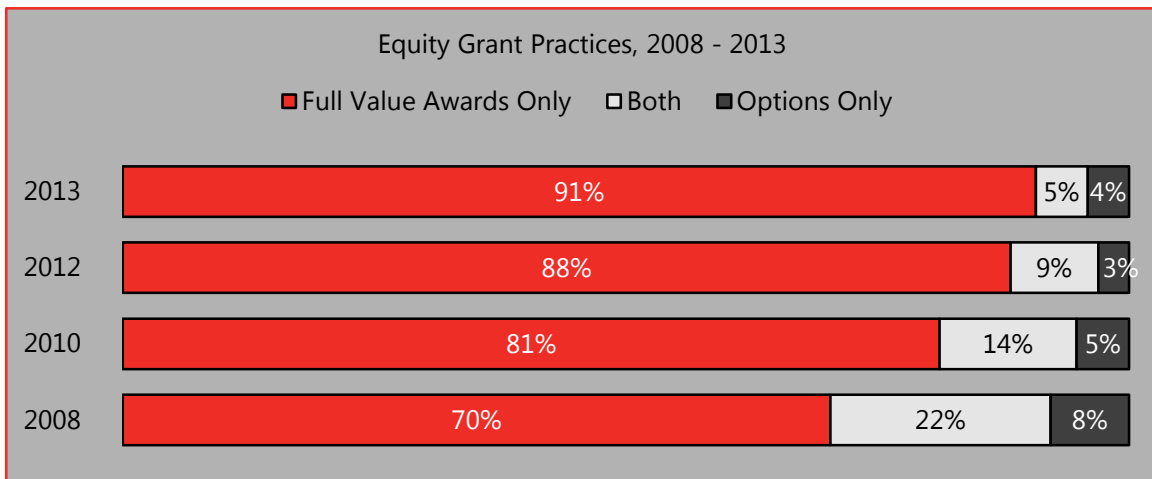


ANNUAL EQUITY RETAINER

- Median value of annual equity retainers for board service was \$140,000
 - No increase from 2012 levels and a +17% increase over 2008 levels
- Equity retainers were prevalent at 97% of companies

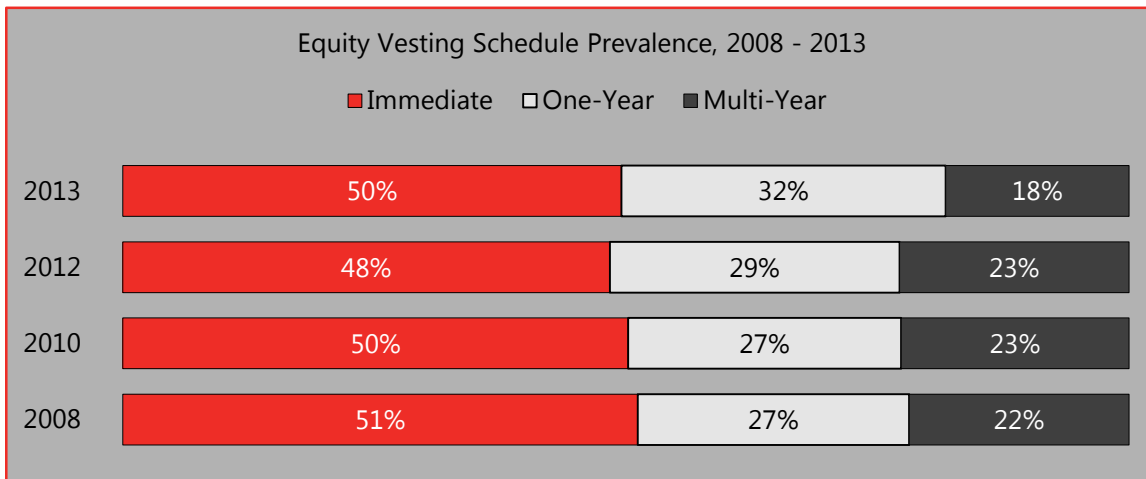


- Stock option awards to directors continue to decline in prevalence
- Full value awards have become nearly universal
- Among the Top 200 companies that made equity awards in 2013
 - 91% granted only full value awards
 - 5% granted both options and full value shares
 - 4% granted only options



ANNUAL EQUITY RETAINER *(cont'd)*

- Equity vesting periods remain unchanged from 2012, with the majority of awards vesting either immediately or within one year of the grant date



MEETING FEES

- Meeting fees continue to decline in prevalence among the Top 200
 - 24% pay meeting fees for board meetings
 - 27% pay meeting fees for committee meetings
- Median per meeting fee remains unchanged at \$2,000

COMMITTEE CHAIR RETAINERS

- Median committee chair retainers for the Audit, Compensation and Nominating/Governance committees equaled \$23,000, \$20,000 and \$15,000, respectively

SHARE OWNERSHIP GUIDELINES

- Share ownership guidelines continue to rise in prevalence among the Top 200 companies
 - 90% disclosed the existence of such guidelines in 2013
- Among the Top 200 companies with guidelines, 73% are valued at a multiple of five times or greater the cash retainer

Top 200 Companies							
	Median Board of Director Fees				2013 % Growth		
	2013	2012	2010	2008	1-Year	3-Year	5-Year
Sample Size							
# Companies	200	200	200	200			
Revenues (\$ million)	\$46,548	\$45,343	\$41,814	\$40,112	+3%	+11%	+16%
Board Fees							
Cash Retainer	\$90,000	\$85,000	\$75,000	\$72,500	+6%	+20%	+24%
<i>Prevalence</i>	99%	98%	98%	97%			
Equity Retainer	\$140,000	\$140,000	\$125,000	\$120,000	+0%	+12%	+17%
<i>Prevalence</i>	97%	98%	96%	96%			
Meeting Fee*	\$2,000	\$2,000	\$2,000	\$2,000	+0%	+0%	+0%
<i>Prevalence</i>	24%	27%	32%	39%			
Committee Fees							
Audit Committee							
Chair Retainer*	\$23,000	\$20,000	\$20,000	\$20,000	+15%	+15%	+15%
<i>Prevalence</i>	97%	98%	97%	95%			
Member Retainer*	\$10,000	\$10,000	\$10,000	\$10,000	+0%	+0%	+0%
<i>Prevalence</i>	43%	37%	40%	39%			
Meeting Fee*	\$2,000	\$2,000	\$2,000	\$2,000	+0%	+0%	+0%
<i>Prevalence</i>	27%	29%	35%	44%			
Compensation Committee							
Chair Retainer*	\$20,000	\$15,000	\$15,000	\$12,250	+33%	+33%	+63%
<i>Prevalence</i>	95%	96%	94%	92%			
Member Retainer*	\$10,000	\$10,000	\$8,750	\$7,500	+0%	+14%	+33%
<i>Prevalence</i>	28%	24%	20%	20%			
Meeting Fee*	\$2,000	\$2,000	\$1,750	\$1,500	+0%	+14%	+33%
<i>Prevalence</i>	27%	29%	35%	44%			
Nominating / Governance Committee							
Chair Retainer*	\$15,000	\$15,000	\$10,000	\$10,000	+0%	+50%	+50%
<i>Prevalence</i>	92%	93%	92%	88%			
Member Retainer*	\$7,750	\$10,000	\$7,500	\$6,250	-23%	+3%	+24%
<i>Prevalence</i>	24%	20%	17%	17%			
Meeting Fee*	\$2,000	\$2,000	\$1,600	\$1,500	+0%	+25%	+33%
<i>Prevalence</i>	26%	28%	34%	43%			
Total Compensation							
Average Director	\$268,333	\$261,333	\$240,417	\$233,333	+3%	+12%	+15%
<i>Cash / Equity</i>	45% / 55%	45% / 55%	47% / 53%	47% / 53%			
Audit Chair	\$274,833	\$265,000	\$245,000	\$238,000	+4%	+12%	+15%
<i>Cash / Equity</i>	47% / 53%	46% / 54%	48% / 52%	48% / 52%			
Compensation Chair	\$267,500	\$262,000	\$239,974	\$231,323	+2%	+11%	+16%
<i>Cash / Equity</i>	46% / 54%	45% / 55%	47% / 53%	46% / 54%			
Nom / Gov Chair	\$265,000	\$259,250	\$240,000	\$229,250	+2%	+10%	+16%
<i>Cash / Equity</i>	45% / 55%	45% / 55%	46% / 54%	46% / 54%			
Non-Chair	\$250,000	\$246,333	\$225,000	\$220,000	+1%	+11%	+14%
<i>Cash / Equity</i>	43% / 57%	42% / 58%	44% / 56%	44% / 56%			

* Represents median of non-zero values.

About the Study

The study analyzed non-employee director compensation data as disclosed in the most recent proxy statements filed for the 200 largest U.S. public companies, ranked by revenues. Analysis of total remuneration is based on pay for an average director, defined as a director who chairs one committee and serves as a member of another; in each case, committee fees reflect the average for the Audit, Compensation and Nominating/Governance committees. For additional details regarding the study please contact Steven Hall Jr. at 212-488-5400 or sehall@shallpartners.com.

About Steven Hall & Partners

Steven Hall & Partners is an independent compensation consulting firm, specializing exclusively in the areas of executive compensation, board compensation, non-profit compensation and related governance issues. By focusing solely on this critical and complex segment of the human resources arena, we are able to provide our clients with the highest quality expertise and best counsel available on a practical basis. For more information, please visit www.shallpartners.com and follow us on Twitter [@SHallPartners](https://twitter.com/SHallPartners).

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