25 companies that pay their board of directors a shocking amount

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At one time, being a member of the board of directors of an S&P 500 company might have meant attending a few meetings a year, having some meals at the company's expense, and scoring a nice stipend.

Those days are probably over for most publicly traded U.S. companies as demands for board oversight have been increasing lately.

In its most recent annual survey of corporate board members, PricewaterhouseCoopers pointed to several issues board members are dealing with today: culture problems, cybersecurity issues, and calls for increased diversity on boards themselves, among others.

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Being a member of a corporate board may have its downsides, but it also has, in many cases, some excellent benefits. For example, board members are usually compensated in a combination of cash and stock awards, including a retainer, fees for meeting attendance, and additional retainers for committee chairs and members.

Research firm MyLogIQ LLC has compiled a ranking of director compensation at all S&P 500 companies. Here is MyLogIQ's list of the 25 S&P 500 companies with the highest total board compensation. The data was calculated from the company's proxy filings for 2017.
25. CSX Corp. (NYSE: CSX)

- Total board compensation: $4.86 million
- Average compensation per board member: $324,195

24. Chubb Ltd. (NYSE: CB)

- Total board compensation: $4.86 million
- Average compensation per board member: $324,218

23. Amgen Inc. (NASDAQ: AMGN)

- Total board compensation: $4.93 million
- Average compensation per board member: $328,916

22. Oracle Corp. (NYSE: ORCL)

- Total board compensation: $4.98 million
- Average compensation per board member: $552,899

21. Comcast Corp. (NASDAQ: CMCSA)

- Total board compensation: $5.00 million
- Average compensation per board member: $416,281

20. International Business Machines Corp. (NYSE: IBM)

- Total board compensation: $5.01 million
- Average compensation per board member: $334,068

19. Salesforce.com Inc. (NYSE: CRM)

- Total board compensation: $5.31 million
- Average compensation per board member: $530,719
18. Citigroup Inc. (NYSE: C)
- Total board compensation: $5.35 million
- Average compensation per board member: $297,407

17. Ford Motor Co. (NYSE: F)
- Total board compensation: $5.36 million
- Average compensation per board member: $357,385

16. Illumina Inc. (NASDAQ: ILMN)
- Total board compensation: $5.42 million
- Average compensation per board member: $492,524

15. Allergan plc (NYSE: AGN)
- Total board compensation: $5.57 million
- Average compensation per board member: $464,450

14. Mylan NV (NASDAQ: MYL)
- Total board compensation: $5.59 million
- Average compensation per board member: $465,432

13. Equity Residential (NYSE: EQR)
- Total board compensation: $5.62 million
- Average compensation per board member: $468,571

12. Wells Fargo & Co. (NYSE: WFC)
- Total board compensation: $5.74 million
- Average compensation per board member: $337,668

11. Vertex Pharmaceuticals Inc. (NASDAQ: VRTX)
- Total board compensation: $5.93 million
- Average compensation per board member: $559,961
10. Everest Re Group Ltd. (NYSE: RE)
- Total board compensation: $5.98 million
- Average compensation per board member: $747,278

9. Philip Morris International Inc. (NYSE: PM)
- Total board compensation: $6.08 million
- Average compensation per board member: $506,626

8. General Electric Co. (NYSE: GE)
- Total board compensation: $6.26 million
- Average compensation per board member: $347,825

7. Coty Inc. (NYSE: COTY)
- Total board compensation: $6.29 million
- Average compensation per board member: $786,444

6. The Goldman Sachs Group Inc. (NYSE: GS)
- Total board compensation: $7.34 million
- Average compensation per board member: $560,131

5. Roper Technologies Inc. (NYSE: ROP)
- Total board compensation: $7.79 million
- Average compensation per board member: $973,923

4. Fidelity National Information Services Inc. (NYSE: FIS)
- Total board compensation: $7.90 million
- Average compensation per board member: $790,388
3. Incyte Corp. (NASDAQ: INCY)

- **Total board compensation:** $7.92 million
- **Average compensation per board member:** $1.13 million

2. Regeneron Pharmaceuticals Inc. (NASDAQ: REGN)

- **Total board compensation:** $23.88 million
- **Average compensation per board member:** $2.17 million

1. Twenty-First Century Fox Inc. (NASDAQ: FOXA)

- **Total board compensation:** $25.57 million
- **Average compensation per board member:** $2.58 million

**Detailed findings**

Using the 250th ranked company, Applied Materials, as our example, the median cost of a board is around $2.83 million a year. Applied Materials has a 10-member board of which nine are independent directors. The board met five times in 2017, and every director attended at least 75% of board and committee meetings. The company elects all board members annually.

Applied Materials paid each board member an annual retainer of $70,000 and a fee of $2,000 for each meeting attended. As of the second quarter of last year, audit committee members began receiving an additional annual retainer of $25,000, human resources and compensation committee members receive an extra $12,500, and governance and nominating committee members receive an additional $10,000. The board chairperson receives an additional $150,000 annually, and committee chairs receive between $12,500 to $25,000 in additional retainer fees. Other fees and travel reimbursements are also paid.

In addition to these cash payments, all nine non-employee directors received a stock award valued at $222,643 in 2017.

If Applied Materials is typical, how much are board members paid in the extreme cases? The S&P 500 company that paid its directors the least was Berkshire Hathaway. The company pays a fee of $900 for each meeting attended in person and $300 for participating in any meeting conducted by telephone. A director who serves as a member of the audit committee receives a fee of $1,200 quarterly. Directors are reimbursed for their out-of-pocket expenses.
incurred in attending meetings of directors or shareholders. Microsoft co-founder Bill Gates was paid $2,700 in 2017 for his service as a Berkshire Hathaway director. The company did not report any stock awards to directors in 2017.

At the top end of the rankings of board costs are media giant 21st Century Fox and pharmaceutical maker Regeneron. Both companies reported 2017 board costs of more than $20 million and were the only two companies to report board costs of more than $7.9 million. Federal regulations require public companies to report payments made to directors for professional services to the company.

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