



2024 Senior Management Compensation Survey

Below are the results of the 2024 RC Capital Senior Management Compensation Survey. Thirty-two private growth companies from the healthcare and tech sectors participated in this year's survey. Companies provided data on compensation components – cash and stock – for senior management and independent directors, as well as data with respect to D&O insurance and audit expenses. Data was collected from [RC Capital](#), [Mutual Capital](#) and [TT Capital Partners](#) portfolio companies. Company head count and TTM revenue are noted as close to December 2023 as possible.

Key Findings

CEO

The average base salary of CEOs is \$361k, with a target bonus of \$190k. The average incentive equity grant is 3% in options (or 21% of all options granted). Average salary and target bonuses increased only slightly compared to 2023. Total cash comp increased 6% year-over-year.

Larger companies (measured by revenue and head count) generally pay higher salaries. In the case of this data, head count only slightly correlated with compensation in our dataset while higher revenue companies showed a correlation with higher CEO compensation. Additional factors impacting salary are likely industry focus and geographic location. The analysis shows a strong correlation between company size, as measured by 2023 revenue, and CEO total cash compensation. This correlation suggests that as company revenue grows, CEO compensation also tends to increase. Importantly, the increase in CEO pay appears to be largely driven by bonus-based compensation rather than base salary. In terms of ownership, CEOs of larger companies with higher revenue and head count receive fewer options given the maturity of the company and higher value of the options.

Senior Management

This analysis suggests that the total compensation of senior management teams has little correlation with head count and only a slightly higher correlation with revenue. On average, target bonuses and commissions provided 33% more compensation compared to base salaries. CRO had the most variable compensation over base with 54%, respectively, followed closely by CEO (48%) and VP Bus Dev (39%).

Compared to 2022 and 2023, 2024 compensation data showed that a higher proportion of total compensation came from variable comp.

D&O Insurance

D&O plans range from \$1M - \$5M in coverage, the most common plan being \$1M and \$5M. Not surprisingly, the higher the coverage, the higher the premium paid. However, on a few occasions, premium paid with the same coverage varied in cost.

Independent Director

According to the analysis, larger companies tend to offer a slightly smaller percentage of option ownership given the higher value of the options. Out of 11 companies with independent directors, two compensate with options only, three companies compensate with cash only, and six compensate with both cash and options. The average option and cash compensation was 0.61% (options on a fully diluted basis) and \$37k per director per year, respectively.

Audit Fees

Companies with a greater head count pay higher audit fees. Revenue has a similar impact on audit fees. Fees range from \$15k to \$280k (high end of the range not depicted on chart given revenue & head count max); the average amount paid for audit fees is \$91k.

Workplace Flexibility

Given the new office/remote flexibility post-Covid, we surveyed participants to see how they are continuing to handle workplace flexibility. Only 7% of companies surveyed require employees to be in the office five days per week; 64% mandate a specified number of days (between 1 and 4), 28% have no mandates.

401K Plans

The average 401K match for employers surveyed is 3% of the employee's salary.

For further information about this report, please contact Britney Hamberg (bh@rccf.com).

Exhibit 2a

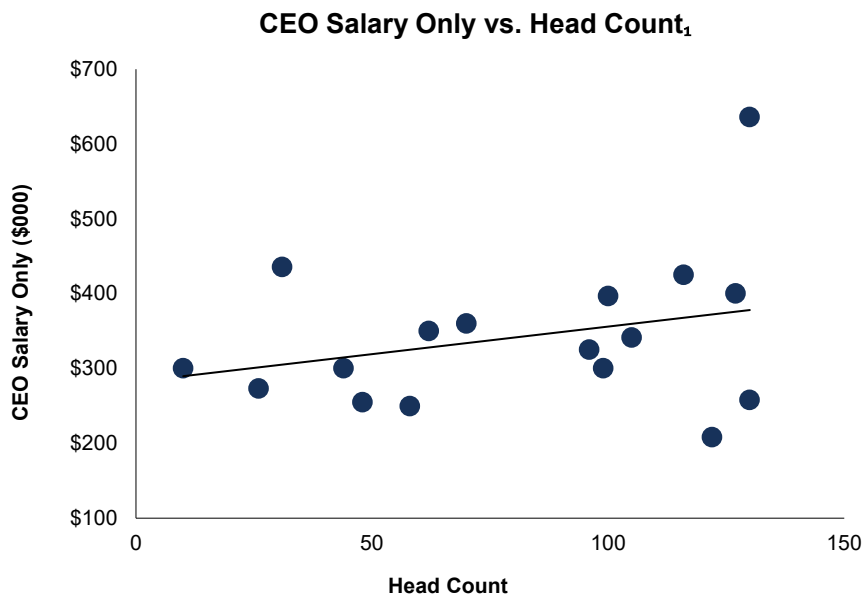


Exhibit 3a

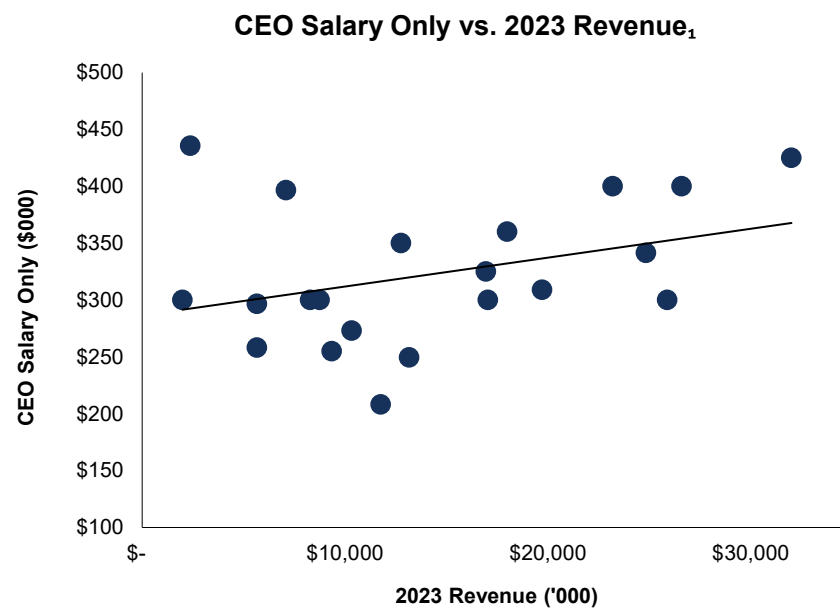


Exhibit 2b

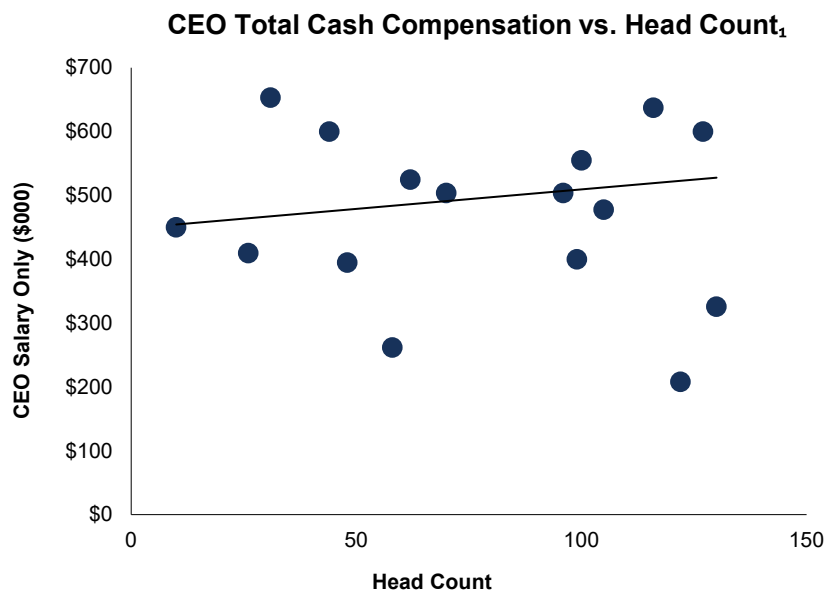
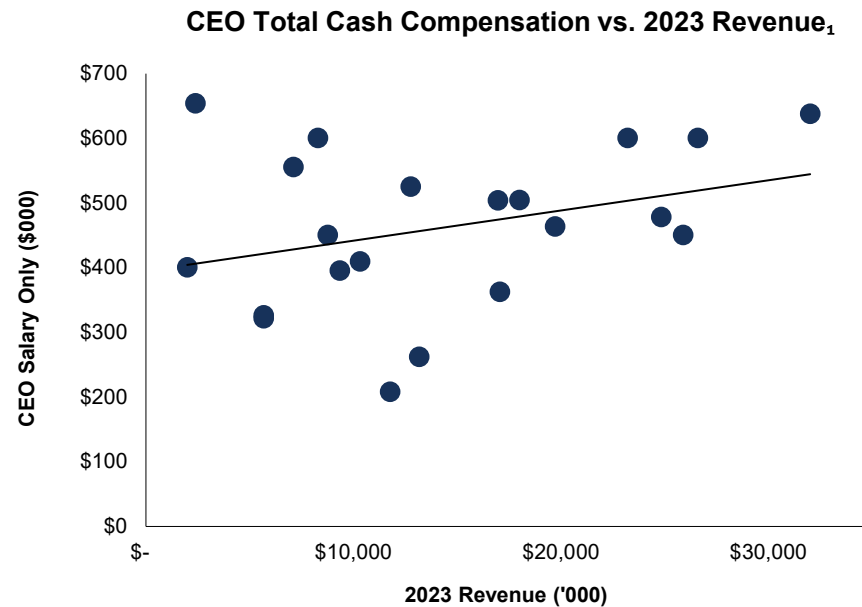


Exhibit 3b



¹Eight companies with head count greater than 150 have been excluded.

¹Six companies with revenue greater than \$35M have been excluded

¹Four companies with with no head count data points have been excluded.

Exhibit 6a

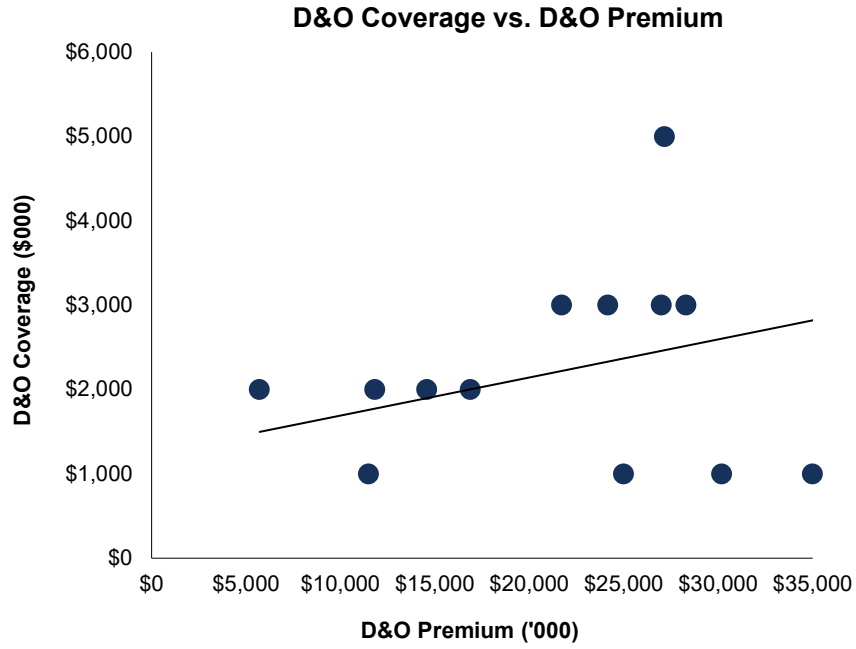


Exhibit 6c

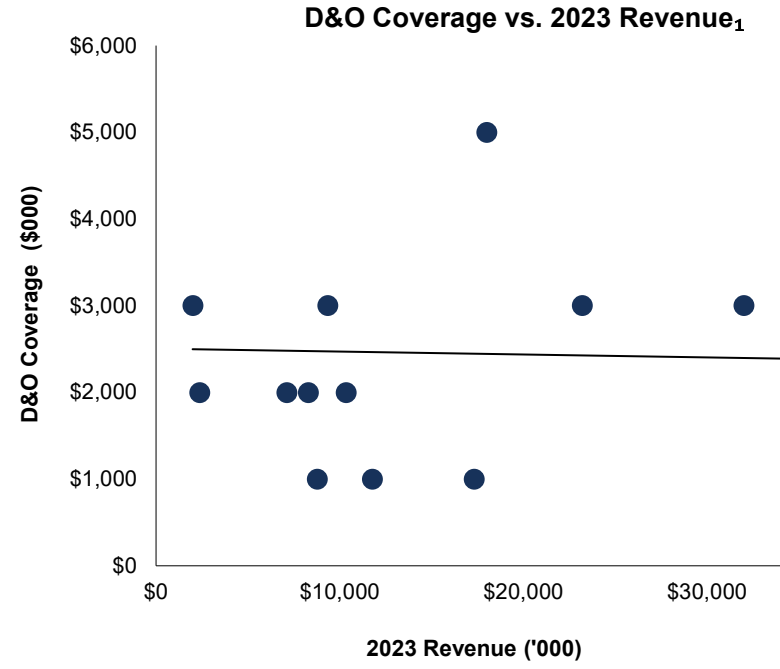


Exhibit 6b

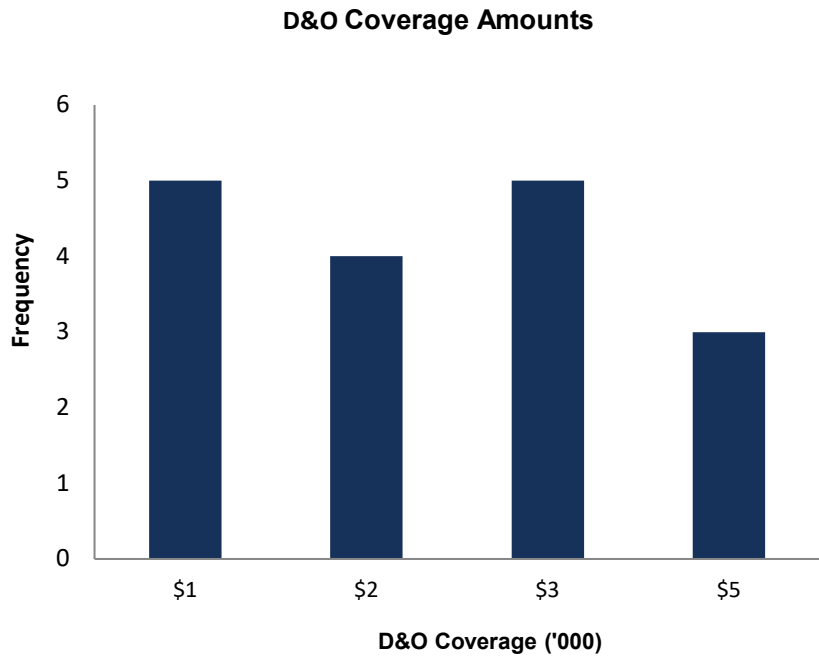
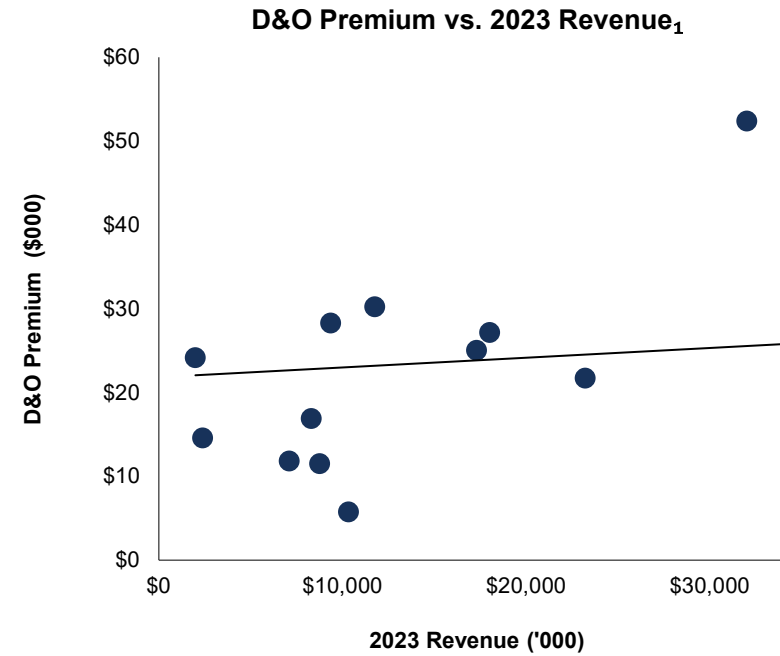


Exhibit 6d



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Exhibit 4a

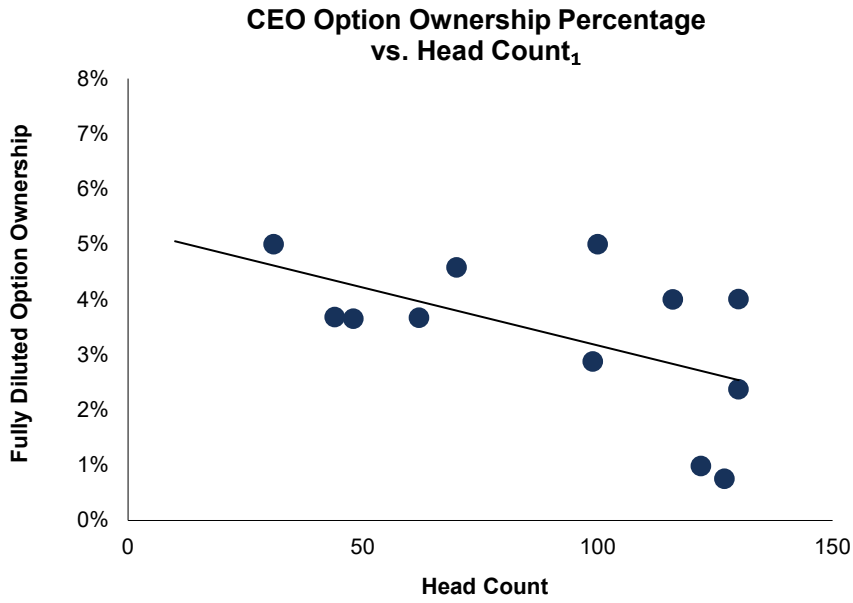


Exhibit 5a

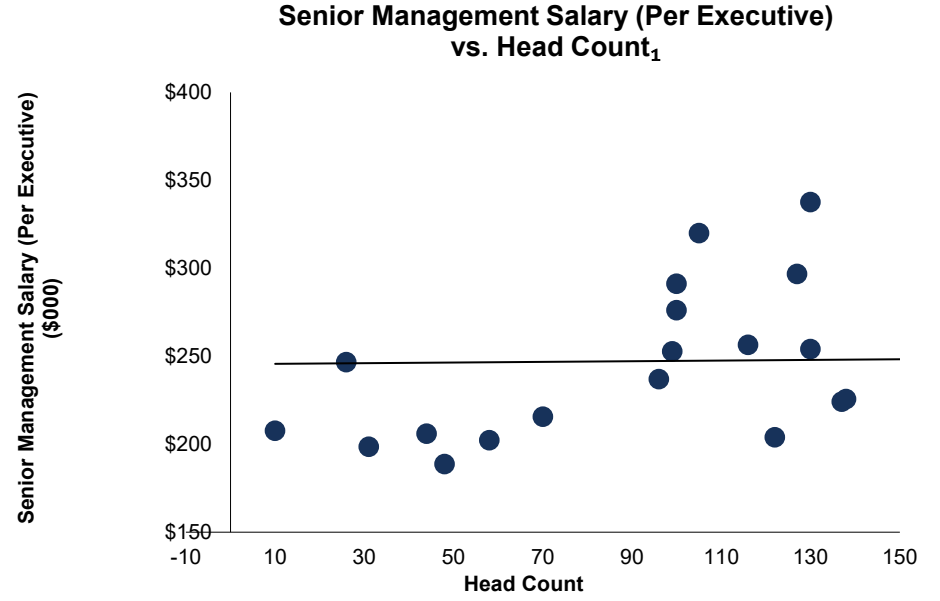


Exhibit 4b

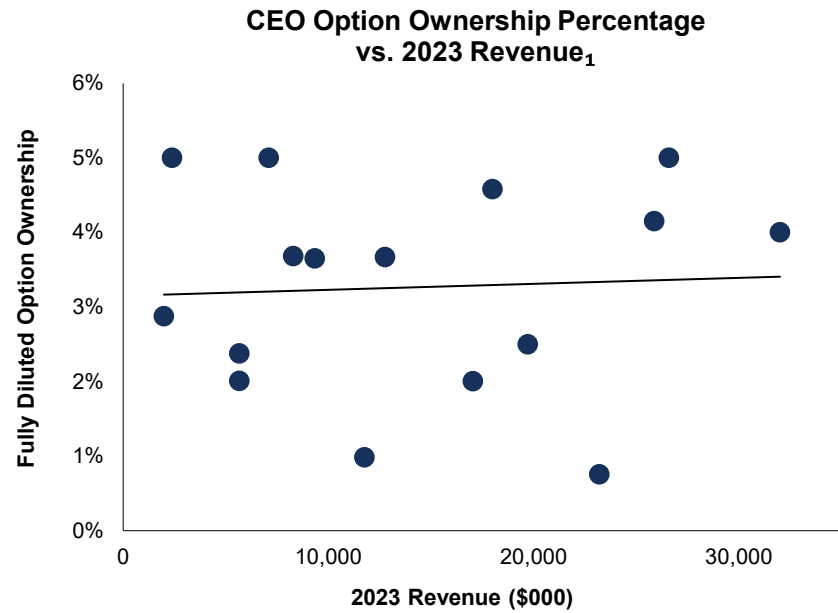
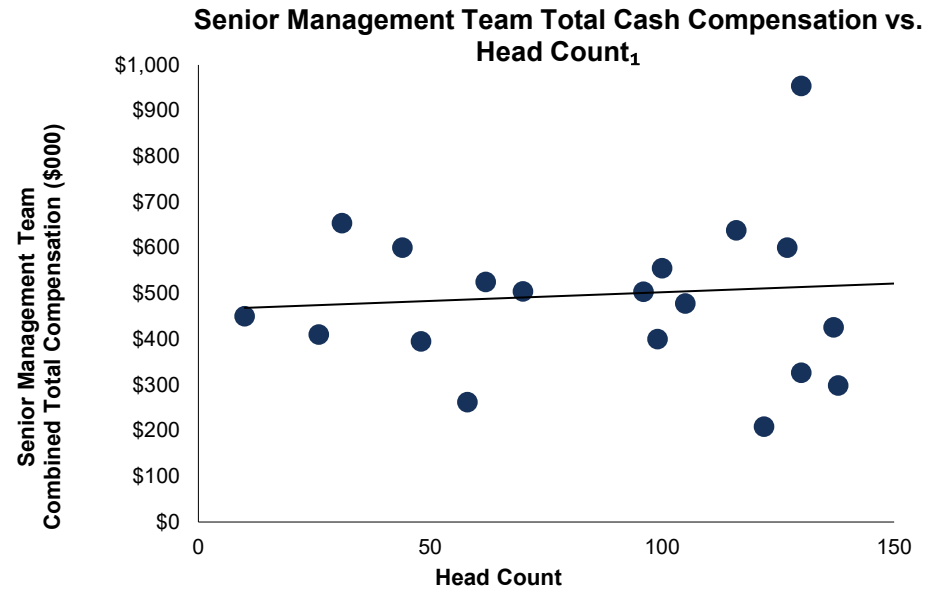


Exhibit 5b



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Exhibit 7a

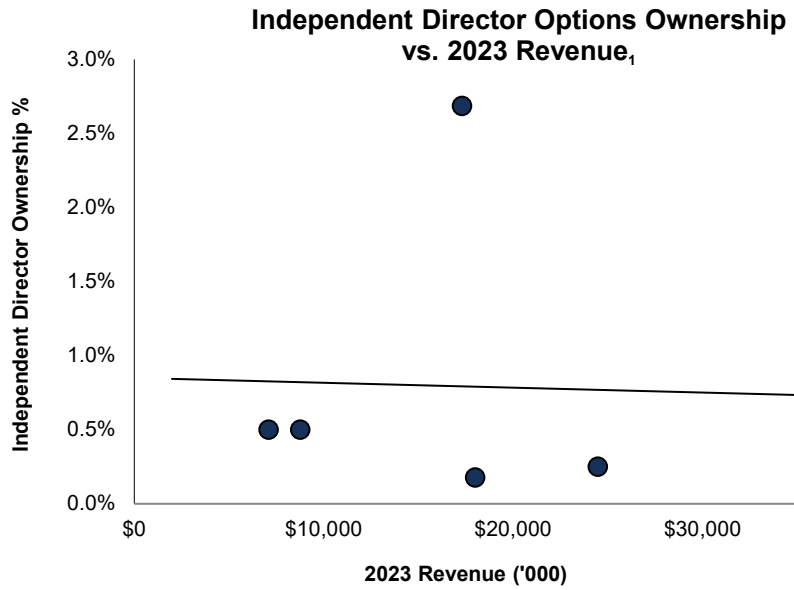


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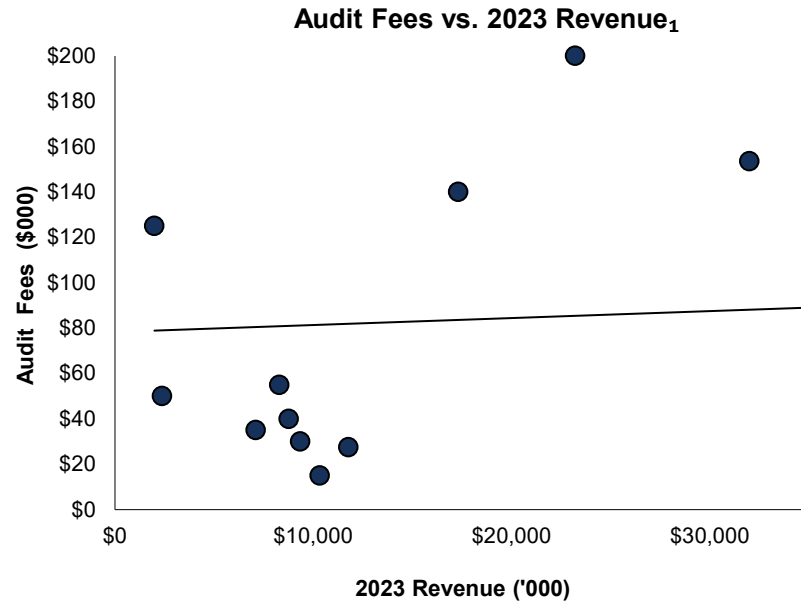


Exhibit 7b

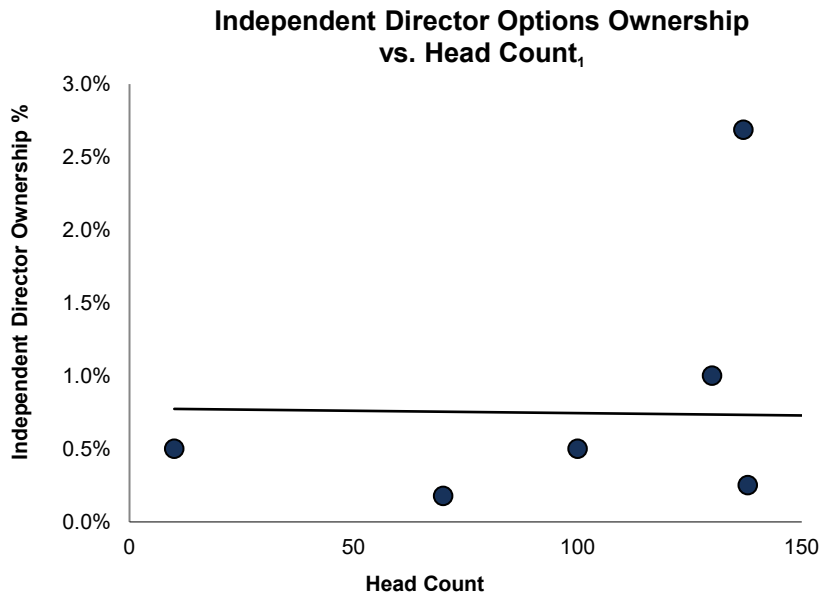
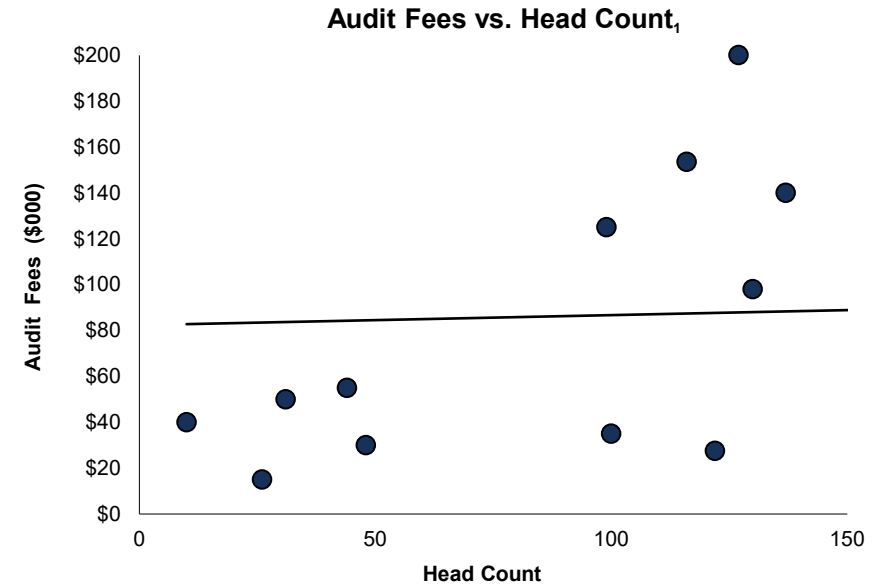


Exhibit 8b



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