

A close-up, artistic photograph of a microscope's objective lenses and eyepiece, rendered in a cool blue and purple color palette. The image is partially obscured by semi-transparent horizontal bars.

2024

THE BEDFORD GROUP TRANSEARCH
The Biotechnology Compensation Report



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The Bedford Group Transearch executive compensation team covers many aspects of executive and board remuneration. We provide advice on executive compensation, executive pay benchmarking, reward strategy and pay mix, Annual Cash Incentive, long-term equity incentives, performance metrics and target setting, market trends in compensation, and competitor analysis. We also author a series of annual industry-specific compensation reports.



Contacts

If you would like further information on any of the areas covered in this report, assistance in interpreting and using this data, or would like to discuss executive or board compensation and/or recruitment, please contact us.



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About this report

This report is a compensation benchmarking resource, based on the analysis of compensation composition and earnings for Named Executive Officers (NEOs) and Board Members of 189 micro- and small-cap Biotechnology companies across the United States. This report is looks at data that mostly reflects the 2023 fiscal year (depending on a company’s year-end) and is designed as a resource to aid Biotechnology organizations in developing compensation strategies that attract, engage, and retain top executive talent.

Included are Biotechnology and pharmaceutical companies that are listed on the Nasdaq, are headquartered in the USA, and have market cap values below \$2 billion USD. Companies were broken into five different market cap tiers.

Market Cap (\$Millions)	Number of Companies
Under 100	75
100 to 200	26
200 to 500	27
500 to 1,000	32
1,000 to 2,000	29

20% of companies that were included in Bedford’s 2023 Board & Executive Compensation in the Biotechnology Industry report, were not able to be utilized for 2024. This was due to numerous factors:

- Bankruptcy,
- Merger/Acquisition,
- Delisting from NASDAQ exchange,
- Ceasing operations,
- No proxies published in previous 365 days.

Of note this was the highest rate of company drop off, we have seen since our inaugural report in 2021 and of the companies that were not able to be included this year due to the above, 87% of these companies had market caps below \$100 million in 2023.

To ensure a robust data set and solid foundation of 180+ companies, Bedford had to add net new corporations to its 2024 dataset. This may influence year over year analysis from the 2023 report.

Disclaimer

The findings presented herein do not necessarily reflect the personal views of Bedford Group Transearch. The information contained in this report and the statements expressed are of a general nature and are not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information and use sources we consider reliable, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the company, context and situation.

Key Findings

HEADLINE FINDINGS

- Trends Reversal in Total Compensation:** In general, the 2024 report shows a reversal of compensation trends identified in Bedford's 2023 report, with compensation resetting/or on trend back to Fiscal 2021 levels for all market cap tiers, with the exception of sub \$100M market cap tiers, which have been disproportionately affected by negative total equity value and a likely signal of the challenge this segment of the market has faced with financing earlier pre/clinical development programs.
- Upward Pressure on 2023 Compensation:** In Fiscal 2022 (Bedford 2023 Report), most Biotech executives saw an increase in base salary but an overall decrease in total compensation. In fiscal 2023 (Bedford 2024 report) median base salary and total compensation increased for almost all executives in companies with market caps over \$100 million, in some cases as much as 62%. This was reflective of increased salaries, bonus and equity compensation, as well as more employees receiving these incentive payments than in 2022.
- Challenges for Sub \$100M market cap companies:** 20% of companies in Bedford's 2023 dataset were unusable for 2024, due to M&A, bankruptcies, and lack of reporting. 87% of these companies had market cap values under \$100 million. While median CEO and CFO base salaries increased since last year, total compensation decreased for these two roles. For board members and other executive roles, base and total compensation increased year over year.
- CEO Compensation:** At the 50th percentile, CEO median base salary increased from 2022 by 0.5% to 12.7% depending on the market cap tier. Total compensation increased for all tiers with market caps above \$100 million. Median CEO total compensation for small-cap and micro-cap Biotech companies ranged from \$1,330,500 for companies with market caps under \$100 million to \$6,216,518 for companies with market caps between \$1 billion and \$2 billion. 16.9% of all companies in the dataset reported a new or former CEO in 2023, an increase from 14.7% in 2022.
- CFO Compensation:** Similar to the CEO, CFO median base salary increased at all market cap tiers in a range of 0.4% to 9% with total compensation increasing at all market cap tiers over \$100 million. At the median, total CFO compensation varied from \$742,180 for companies with market cap values under \$100 million to \$2,450,631 for companies with market cap values between \$1 billion to \$2 billion. 17.5% of companies reported a changeover in CFO for 2023, a small increase from 16.7% in 2022.
- COO Compensation:** Median COO base salary and total compensation increased at four of five market cap tiers. At the 50th percentile, median COO total compensation ranged from \$911,140 for companies with market cap values under \$100 million to \$3,404,698 for companies with market cap values between \$1 billion and \$2 billion.
- Board-Member Annual Retainer:** 96% of companies analyzed in the dataset had a set annual cash retainer. At the 50th percentile, median retainer across all market cap tiers ranged from \$40,000 to \$50,000. 71% of companies also had set equity retainer.
- Chairperson Compensation:** At the median, Board Chair cash retainers ranged from \$70,000 to \$85,000 for all market cap tiers.
- Proportion of Female Board Members:** 27.9% of board members identified as female in 2023, an increase from 25.8% in 2022. Out of the female board members, only 4.7% served as Chair, Vice-Chair or Lead Director in their respective organizations (4.4% in 2022).
- Proportion of Female CEOs and Named Executive Officers:** Unlike the Directors, the percentage of female CEOs decreased in 2023 to 7.8% compared to 10.2% in 2022 and 8.5% in 2021. Of the remaining NEOs analyzed in this report, 24.1% identified as female (23% in 2022 and 22.5% in 2021).

- **Board Diversity:** 18.2% of directors identified as a visible minority (defined as any persons who are non-Caucasian). This was an increase from 16% in 2022 and 2021. Of the directors who self-identified as a visible minority, 37.7% were female (23.9% in 2022).
 - **NEO Severance – Termination Without Cause:** 89% of CEOs and 69% of (non-CEO) NEOs had an agreement with their company in the event of termination without cause. The most common payout in the event of termination without cause for all NEOs (including the CEO) was 12 months of salary with no bonus.
 - **NEO Severance – Change of Control:** 86% of CEOs and 76% of (non-CEO) NEOs had change of control benefits in their employment agreements. The most common payout was 18 months' salary and bonus for the CEO, and 12 months' salary and bonus for the remaining NEOs.
-

Introduction

We are proud to present the 2024 Bedford Report on Board and Executive Compensation in the Biotechnology industry. This is Bedford's fourth annual industry-wide report of compensation awards and practices for the micro and small-cap Biotechnology sector. This year's report focuses primarily on the 2023 fiscal year.

OBJECTIVES AND PARAMETERS

This report is designed to provide insights and analysis on compensation practices and earnings within the Biotechnology industry with an exclusive focus on publicly traded companies with market caps below \$2 billion and headquarters in the United States.

DOLLAR REPORTING

All currency figures in this report are in United States Dollars (USD).

DATA COLLECTION & DISCLAIMER

Data used in this report was collected in July and August 2024 and mostly reflects the 2023 fiscal year. Corporate data values were drawn directly from the companies' annual financial statements and market capitalization data was referenced in Yahoo Finance. Compensation data and other personal information were collected from company proxy circulars, via SEC/EDGAR as well as corporate websites when required.

Not all companies included in this report provided sufficient data for all aspects investigated, and therefore the sample size and statistical significance for each section varies.

The equity compensation figures presented in this report are based on the time of reporting, and the value of options and shares are prone to significant changes over time. As a result, this report observes different levels of equity compensation; as companies go through growth and contraction cyclical, their respective stock price is variant.

DATA TREATMENT, CATEGORIZING, AND OUTLIERS

Information provided by, or available for, companies and executives included in this report varied significantly due to company roles. Compensation data may not be published for some executives, and the roles and titles considered as Named Executive Officers differ between companies. Outliers were excluded from the percentile groupings showcased throughout the report (defined as board members, and NEO members with compensation levels that skewed the data).

Biotechnology Industry Overview

Despite optimism that the Biotechnology sector downturn could be contained by the second half of 2021 and early 2022, continued headwinds and negative investor sentiment dominated the sector in North America for 2023.

The heightened interest in Biotechnology and Pharmaceutical innovations catalyzed by the Covid-19 pandemic and relatively cheap access to capital, continued to decelerate through 2023. After a dramatic IPO slowdown from the height of 100+ IPOs in 2021, IPO activity remained sluggish in 2023 (with 19) and only a handful of companies raised substantial capital, with post-IPO stock prices struggling to maintain positive momentum.¹

Survival for many companies became the core focus, with layoffs of non-critical staff, non-optimal financing rounds and proliferation of PIPE deals. Despite this, many did not make it, with 18 Nasdaq biotechnology companies filing for bankruptcy in 2023 - more than any other year since 2010 and a marked increase compared to 8 in 2022². Not surprisingly, this was manifested in our data set for our 2024 Biotechnology Executive and Board Compensation Report, most present at the sub \$100M market cap range, where we saw more companies drop out our data set due to delisting.

Looking at the Nasdaq Biotechnology Index (NBI) as a proxy for the broader Biotechnology marketplace, experienced a downturn of -2% year over year. Only 33 new companies were added to the NBI in 2023, compared to 54 in 2022 and 129 in 2021, with 82 companies removed from the index³. Comparatively, the S&P 500® Index gained 10% in 2023 over 2022⁴.

It was not all bad news, following the lull of approvals in 2022, 2023 saw a return to more typical rate of drug approvals by the FDA. Large pharmaceutical companies also focused on bolstering their pipelines, especially in oncology, rare diseases and immune system disorders, Biotech M&A activity experiences a rebound from 2022, with deal volume doubling and 22 deals of \$1B USD or more announced during the year, the aggregate transaction volume was the highest since 2019⁵. Headline major deals such as Pfizer's \$43B purchase of Seagen and Merck's \$10.8B acquisition led the way.

Whereas the Biotech compensation story of 2022 was declining total compensation across all market cap tiers, driven primarily by declining equity valuations. In 2023, median base salary and total compensation increased for almost all executives in companies with market caps over \$100 million, in some cases as much as 60%+. This was reflective of increased salaries, bonus and equity compensation, as well as more employees receiving these incentive payments than in 2022. Compensation reset/returned to Fiscal 2021 levels for all market cap tiers, with the exception of sub \$100M market cap tiers, which have been disproportionality effected by declining total equity value.

As it relates to diversity, there were pockets of optimism and some outright disappointments. In 2023, 18.2% of Board Directors identified as a visible minority (defined as any persons who are non-Caucasian) which was an increase from 16% in 2022 and 2021. Similarly, 27.9% of board members identified as female in 2023, an increase from 25.8% in 2022. Unfortunately, the percentage of female CEOs decreased in 2023 to 7.8% compared to 10.2% in 2022 and although female board participation increased, the % of female Board Chairs remained relatively unchanged.

¹ <https://www.bdo.com/getmedia/b07755a9-b545-4583-a038-f1268e789dfa/LS-Biotech-Brief-Spring-2024.pdf?ext=.pdf>

² <https://www.fiercebiotech.com/special-reports/biotech-bankruptcies-break-10-year-record-2023>

³ <https://www.bdo.com/getmedia/b07755a9-b545-4583-a038-f1268e789dfa/LS-Biotech-Brief-Spring-2024.pdf?ext=.pdf>

⁴ <https://www.janushenderson.com/en-us/investor/article/biotech-stocks-gain-momentum-from-lower-rates-innovation-and-ma/#:~:text=The%20end%20of%202023%20capped,the%20S%26P%20500%20Index.>

⁵ https://indexes.nasdaqomx.com/docs/NBI_Research%202024.pdf

1.0 Board of Directors Compensation

This report includes data for 1,360 Biotechnology company board members who are non-executive officers of their company. This data was collected from 189 public organizations in the United States.

In our analysis, base retainer includes fees earned in the form of cash and/or equity (in the event that a director elects to receive his retainer in shares). Few directors also received bonus payments and pension payments; as these are not typical and make up only a small portion of the researched population, they were only included in the “total compensation” columns. Upon request, further analysis can be conducted on any element of compensation for board members in the dataset.

1.1 Board Member Compensation

HEADLINE FINDINGS

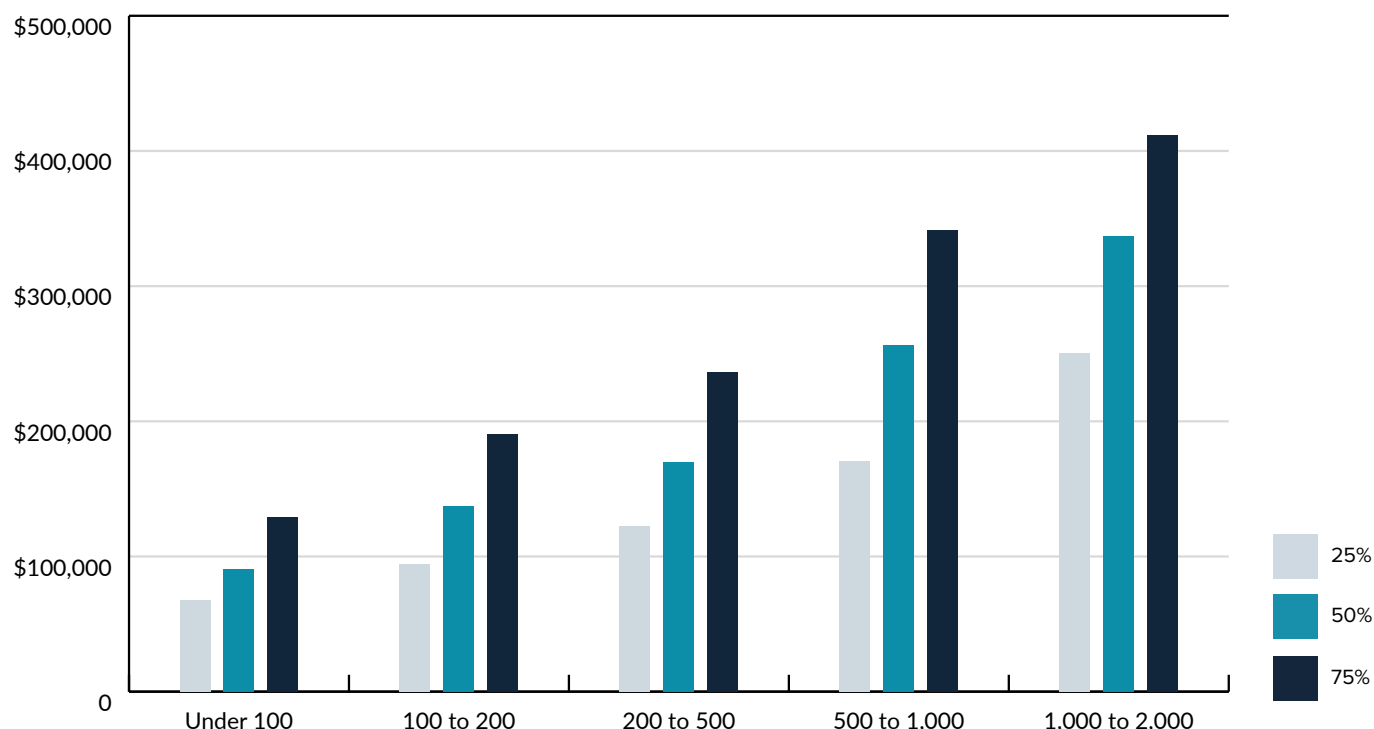
- **Total Compensation:** Board member total compensation varied widely at all percentiles and all corporate market cap tiers. Median total compensation ranged from \$91,337 for directors at companies with market cap values below \$100 million, up to \$329,201, for directors at companies with market cap values between \$1 billion to \$2 billion. Total compensation increased at all market cap tiers from fiscal 2022 by a range of up to 17%
- **Annual Director Retainers:** Over 96% of the companies analyzed in the dataset have established a set annual Director retainer. The median annual retainer ranged from \$40,000 to \$50,000 for board members at all market cap tiers. Board retainer breakdowns are included in this report.
- **Meeting Attendance Fees:** Only 1.1% of companies reported having a dedicated meeting attendance fee. In Bedford’s observation, a per meeting fee for attending Board or Committee Meetings is becoming less common across all industries. Instead, companies are choosing to grant set annual fees to both Committee Chairs and Committee Members.
- **Compensation:** A board member’s compensation typically consists of:
 - A retainer (paid in cash, equity, or a combination of the two),
 - A long-term equity component (typically granted as common stock, RSUs, and/or Options, and intended to align the Board Members with the interests of shareholders),
 - Annual Committee Member fees, and
 - Additional fees for Committee Chairs.
- **Equity-Related Compensation:** Generally, equity is a large component of total compensation for independent board members in the Biotech industry. Overall, 11% of board members received only full value shares, and 63% received only stock options (herein referred to as “options”) while 23% received a combination of both. Only 3% did not receive a grant. A further breakdown of equity awards can be found in this report.
- **Board Diversity – Female Representation:** Of all the board members included in the report, 27.9% identified as female (25.8% in 2022). Bedford has seen, and expects to continue to see, a steady increase in this number in the coming years as the potential benefits of board member diversity on shareholder return are well documented. Of female board members, only 4.7% served as Chair, Vice-Chair or Lead Director in their respective organizations (4.4% in 2022).
- **Board Diversity – Ethnicity:** 18.2% of directors self-identified as a visible minority (defined as any persons who are non-Caucasian). This is an increase from 16% in 2022 and 2021. Of the directors who identified as a visible minority, 37.7% were female (23.9% in 2022).

Compensation Structure

- The table and graph below show median total compensation at the 25th, 50th and 75th percentile in each market cap tier for the companies studied.
- Total compensation increased at all but one market cap tier from fiscal 2022.
- There were directors who received zero compensation through several market cap tiers. To avoid skewed results, those directors were removed from the analysis.

TOTAL COMPENSATION					
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	# Of Companies	% Change at 50th Percentile from Fiscal 2022
Under 100	\$65,900	\$90,313	\$127,682	75	+3%
100 to 200	\$94,204	\$136,988	\$190,337	26	+20%
200 to 500	\$122,256	\$169,500	\$236,391	27	0%
500 to 1,000	\$170,737	\$256,026	\$341,540	32	+7%
1,000 to 2,000	\$250,650	\$336,701	\$411,747	29	+19%

Board Member Total Compensation



Board Member Total Compensation

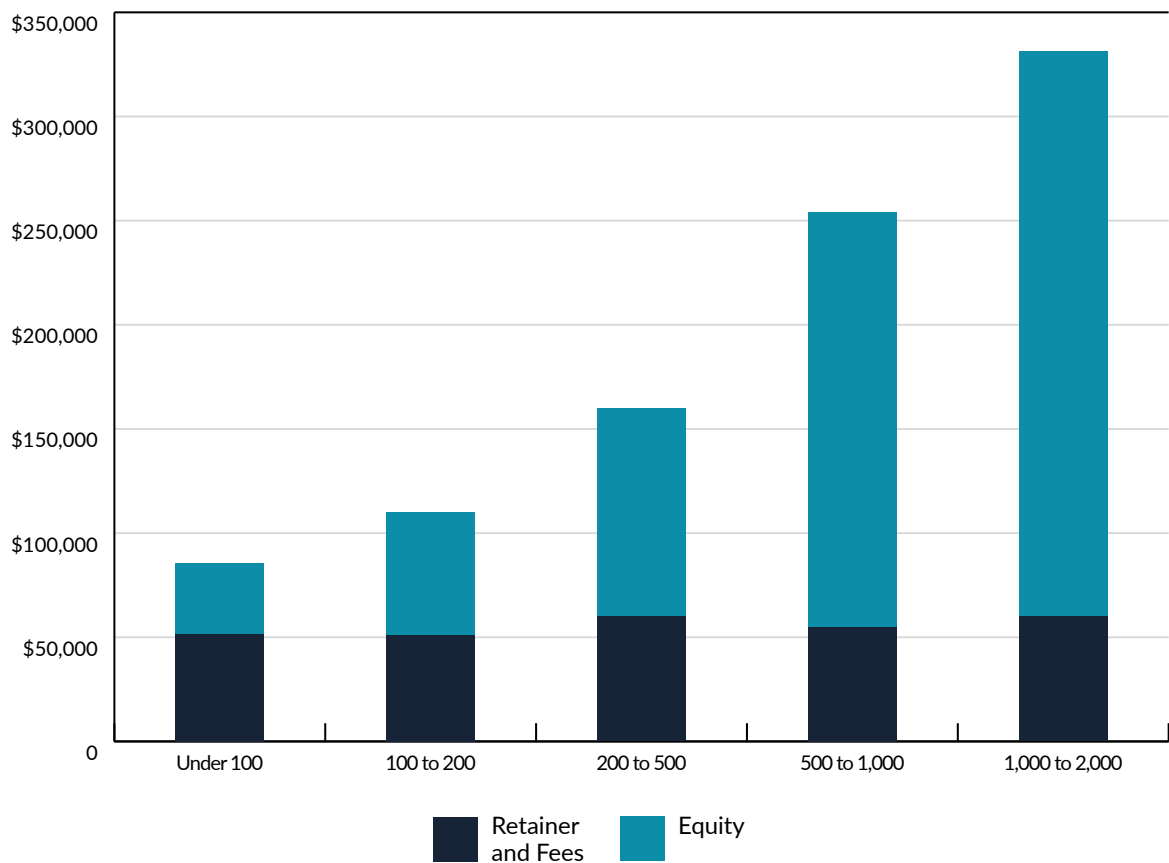
Typically, total compensation of an independent board member consists of three elements: base retainer, committee and/or meeting fees and equity compensation. Some companies also pay short-term incentive payments as well as travel fees or reimbursement for out-of-pocket expenses, often summed as "Other Compensation". As only 4% of companies included some form of other compensation, this data has been excluded as a separate value from the analysis and is only represented as part of the calculation for "Total Compensation". Further analysis can be provided upon request.

In the chart and graphs that follow, the "Retainer and Fees" column includes amounts for base retainer, committee member, and committee chair fees paid in cash. The amounts for "Equity-Based Compensation" include awards issued in RSUs, Common Shares, and Options. It should be noted that the median values of each cell are calculated individually, so the amounts for Total Compensation are not a sum of each row of data.

BOARD MEMBER TOTAL COMPENSATION			
Market Cap (\$M)	Retainer and Fees	Equity Incentives	Total Compensation
25th Percentile			
Under 100	\$44,000	\$16,612	\$67,696
100 to 200	\$45,000	\$46,704	\$94,204
200 to 500	\$50,134	\$66,409	\$122,256
500 to 1,000	\$50,000	\$115,000	\$170,737
1,000 to 2,000	\$53,750	\$198,150	\$250,650
50th Percentile			
Under 100	\$51,500	\$34,181	\$90,828
100 to 200	\$51,000	\$58,934	\$136,988
200 to 500	\$60,000	\$100,000	\$169,500
500 to 1,000	\$55,000	\$198,800	\$256,026
1,000 to 2,000	\$60,000	\$271,605	\$336,701
75th Percentile			
Under 100	\$61,625	\$63,963	\$129,448
100 to 200	\$62,046	\$137,047	\$190,337
200 to 500	\$70,000	\$172,769	\$236,391
500 to 1,000	\$64,375	\$275,013	\$341,540
1,000 to 2,000	\$69,384	\$359,992	\$411,747

Elements of Median Board Member Compensation

The following graph provides a visual representation of the different elements that make up a board member’s total direct compensation. The graph includes amounts at the 50th percentile from the “Base Retainer and Committee Fees” and “Equity” columns in the previous table. As each cell was calculated individually, total compensation in the graph below may not exactly match total compensation in the table above. The graph shows that equity compensation is the biggest contributor to total direct compensation at all market cap tiers over \$200 million.



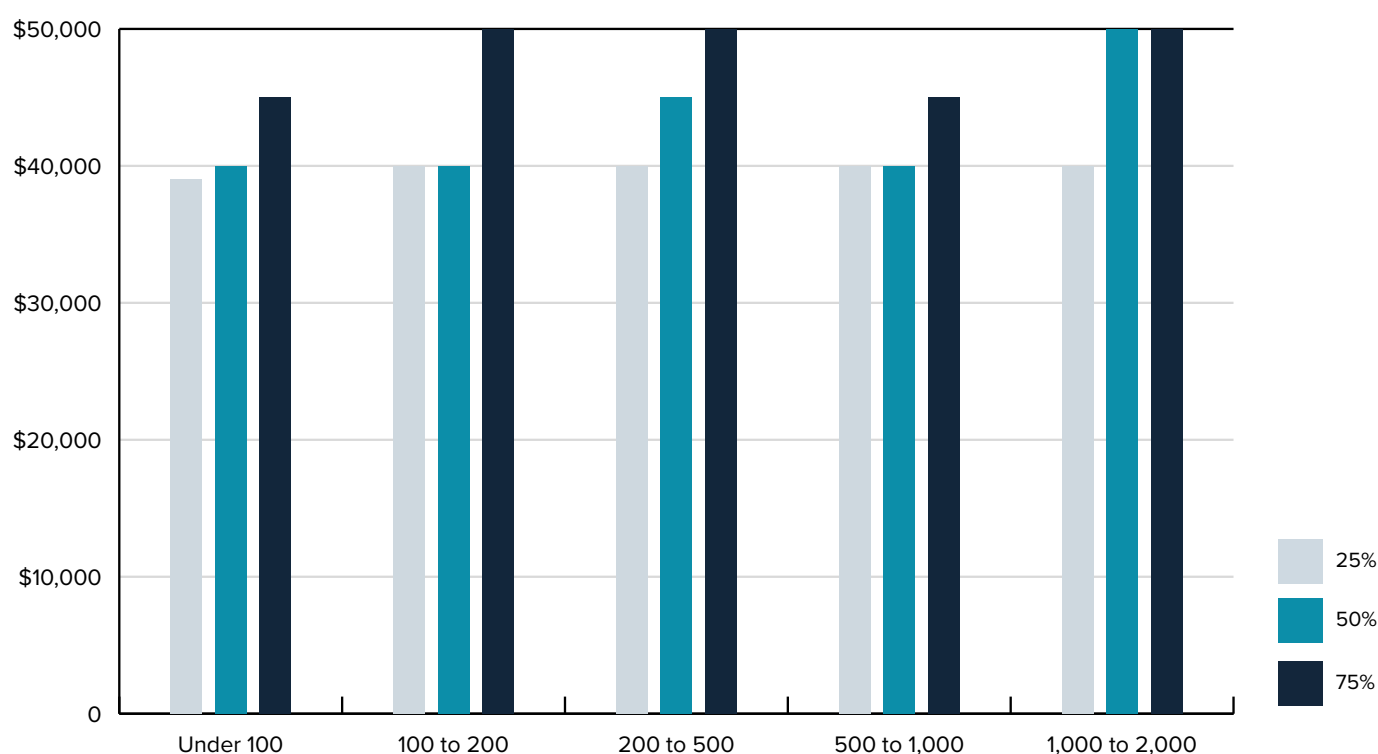
Annual Retainers

Summary Compensation Tables disclosed by companies in their public filings typically combine base retainer and committee fees as "fees". This can make it difficult to distinguish what was awarded as a retainer and what was awarded as a committee fee, if anything. Tables in the following sections (including board member, chair, and committee fee breakdowns) are based on set fees disclosed by companies to ensure data is accurate and not assumed. As a result, amounts will differ from what was laid out in the "Elements of Compensation" table above.

Set board member cash retainers were disclosed by 96% of companies. The table below shows the median value of the annual base cash retainer at the 25th, 50th, and 75th percentiles broken out by market cap tier. Board member median annual retainer ranged from \$40,000 to \$50,000 at all percentiles and market cap tiers. The decrease at the \$500M to \$1B market cap tier resulted in a drop at the median from \$45,000 to \$40,000, which is likely a reflection of more companies being in that tier than in the 2022 report.

BOARD MEMBER ANNUAL CASH RETAINER				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	Change at 50th percentile from Fiscal 2022
Under 100	\$39,000	\$40,000	\$45,000	0%
100 to 200	\$40,000	\$40,000	\$50,000	0%
200 to 500	\$40,000	\$45,000	\$50,000	0%
500 to 1,000	\$40,000	\$40,000	\$45,000	-11%
1,000 to 2,000	\$40,000	\$50,000	\$50,000	+8%

Board Member Annual Cash Retainer



In addition to cash retainers, 71% of companies also disclosed a set equity retainer. Equity retainers were presented either as a fixed dollar amount, (i.e. \$75,000 annually), or as a fixed number of shares/options (i.e. 20,000 common shares annually). In order to complete the following analysis, Bedford took the dollar amount awarded in 2023 that equated to the fixed annual share grant. Companies who did not define a fixed grant were excluded from the analysis. A total of 97% of directors received an equity grant in 2023.

BOARD MEMBER ANNUAL EQUITY RETAINER			
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$21,720	\$34,837	\$92,340
100 to 200	\$35,434	\$83,988	\$139,970
200 to 500	\$67,304	\$113,770	\$177,485
500 to 1,000	\$106,739	\$198,800	\$275,000
1,000 to 2,000	\$199,457	\$255,000	\$341,310

Meeting Attendance Fees

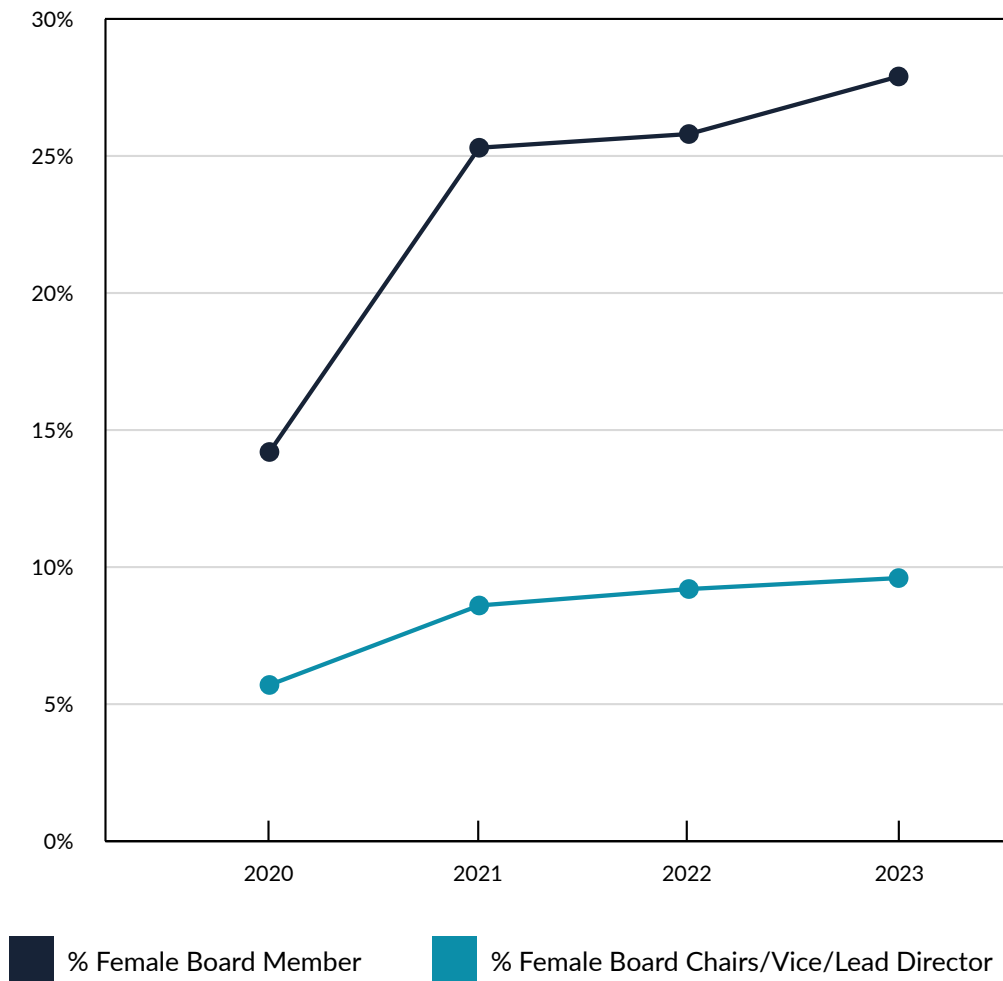
Based on the research conducted, only 1.1% of companies reported paying meeting fees to board members. In Bedford's experience, granting meeting fees is becoming less common, with companies instead choosing to grant committee member and committee chair fees.

Female Board Member Representation

Of all the board members included in the report, 27.9% identified as female (25.8% in 2022). Bedford expects to see a steady increase in this number in the coming years as the potential benefits of board member diversity on shareholder return are well documented.

A total of 9.6% of Board Chairs, Vice-Chairs or Lead Directors were female. Bedford has seen an increase in female representation on the board since its first report in 2020.

Year over Year Percent of Female Board Members/Chairs



Board Members that are Part of Visible Minority Groups

In August of 2021, the SEC approved Nasdaq’s Board Diversity Rule, which is a disclosure standard designed to encourage a minimum board diversity objective for companies. It also provides stakeholders with consistent, comparable disclosures concerning a company’s current board composition.

18.2% of directors self-identified as a visible minority (defined as any persons who are non-Caucasian). This is an increase from 16% in 2022 and 2021. Of the directors who identified as a visible minority, 37.7% were female (23.9% in 2022).

To determine what percentage of persons of a visible minority were chairs of the board or of a committee, Bedford used the Diversity Matrix and photos of directors from companies¹. Of these, only 4.3% of persons of a visible minority were chairs of at least one committee. Further, there were only 0.7% of this group who were independent chairs or lead directors of their organization.

¹ Information available for approximately 50% of the dataset

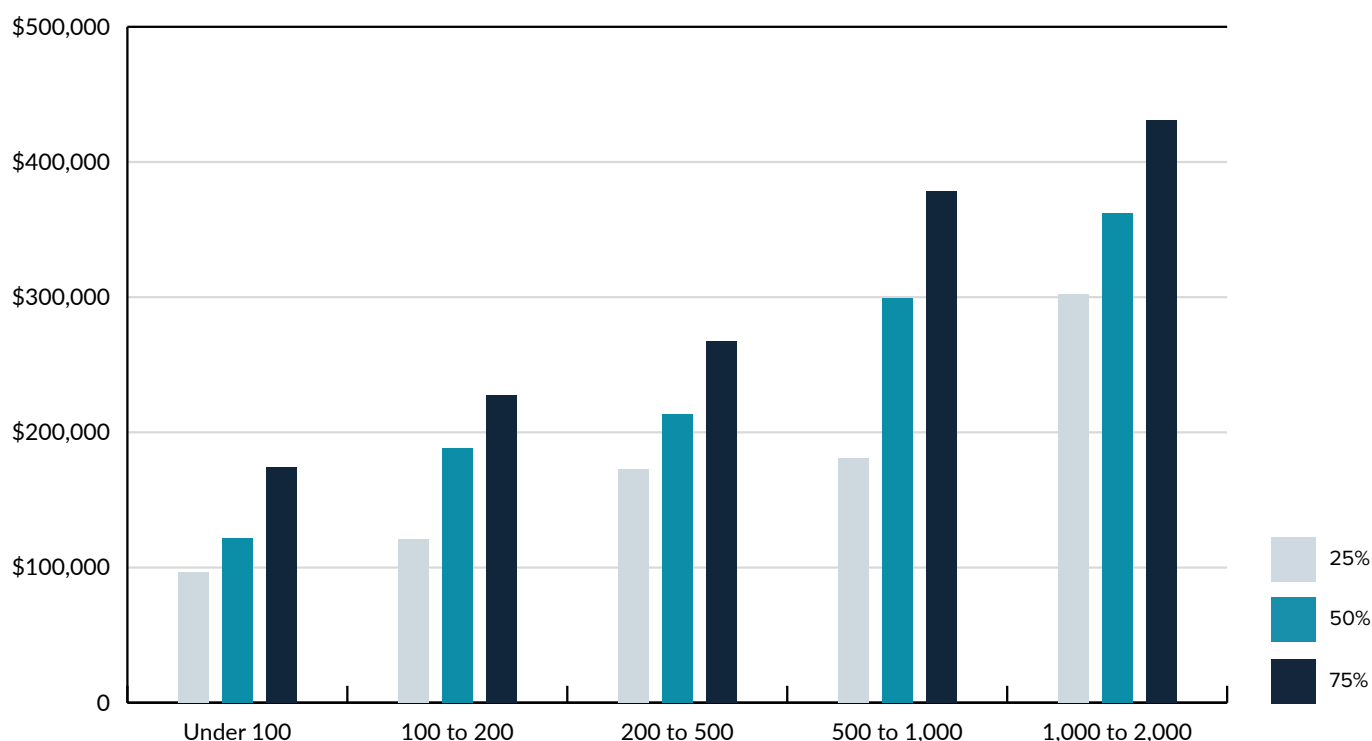
1.2 Board Chair Compensation

HEADLINE FINDINGS

- This section combines data for independent Board Chairs, Lead Directors, and Vice Chairs.
- Board Chairs are typically compensated at higher levels than regular Board Members due to the leadership and governance experience required to successfully fulfill the role, inclusive of the increased responsibilities and risk associated with the position.
- At the median, Board Chairs earned between \$121,760 for companies with a market cap under \$100 million, to \$362,002 for companies with market caps between \$1 billion and \$2 billion.
- Total compensation increased for Board Chairs at all market cap tiers above \$100 million from fiscal 2022 by a range of 6% to 28%.

BOARD CHAIR TOTAL COMPENSATION				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Change at 50th Percentile from Fiscal 2022
Under 100	\$96,304	\$121,760	\$174,084	-4%
100 to 200	\$121,112	\$188,034	\$227,458	+28%
200 to 500	\$173,105	\$213,250	\$267,482	+6%
500 to 1,000	\$180,721	\$299,513	\$378,141	+11%
1,000 to 2,000	\$302,074	\$362,002	\$430,867	+20%

Board Chair Total Compensation

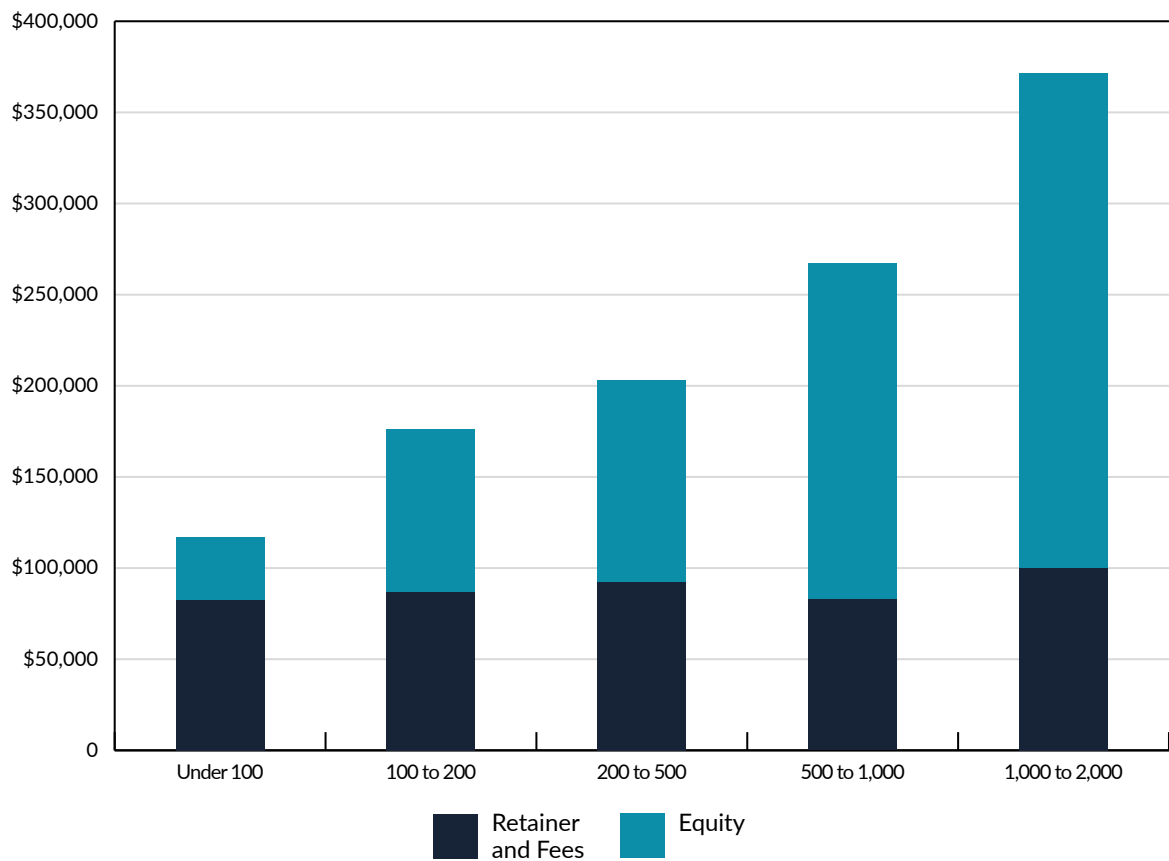


Compensation Structure

The following table breaks down median Board Chair Compensation paid at the 25th, 50th and 75th percentile of each market cap tier. As the value of each cell is calculated individually, the amounts for Total Compensation are not a sum of each row of data.

ELEMENTS OF BOARD CHAIR COMPENSATION			
Market Cap (\$M)	Retainer and Fees	Equity Incentives	Total Compensation
25th Percentile			
Under 100	\$62,000	\$15,929	\$96,304
100 to 200	\$70,750	\$44,012	\$121,112
200 to 500	\$85,000	\$80,787	\$173,105
500 to 1,000	\$75,323	\$104,438	\$180,721
1,000 to 2,000	\$86,667	\$216,332	\$302,074
50th Percentile			
Under 100	\$82,500	\$34,560	\$121,760
100 to 200	\$87,000	\$88,961	\$188,034
200 to 500	\$92,188	\$110,703	\$213,250
500 to 1,000	\$82,750	\$184,413	\$299,513
1,000 to 2,000	\$100,000	\$271,605	\$362,002
75th Percentile			
Under 100	\$91,000	\$81,749	\$174,084
100 to 200	\$105,625	\$149,035	\$227,458
200 to 500	\$107,500	\$174,980	\$267,482
500 to 1,000	\$96,875	\$274,488	\$378,141
1,000 to 2,000	\$106,449	\$337,670	\$430,867

Elements of Median Board Member Compensation

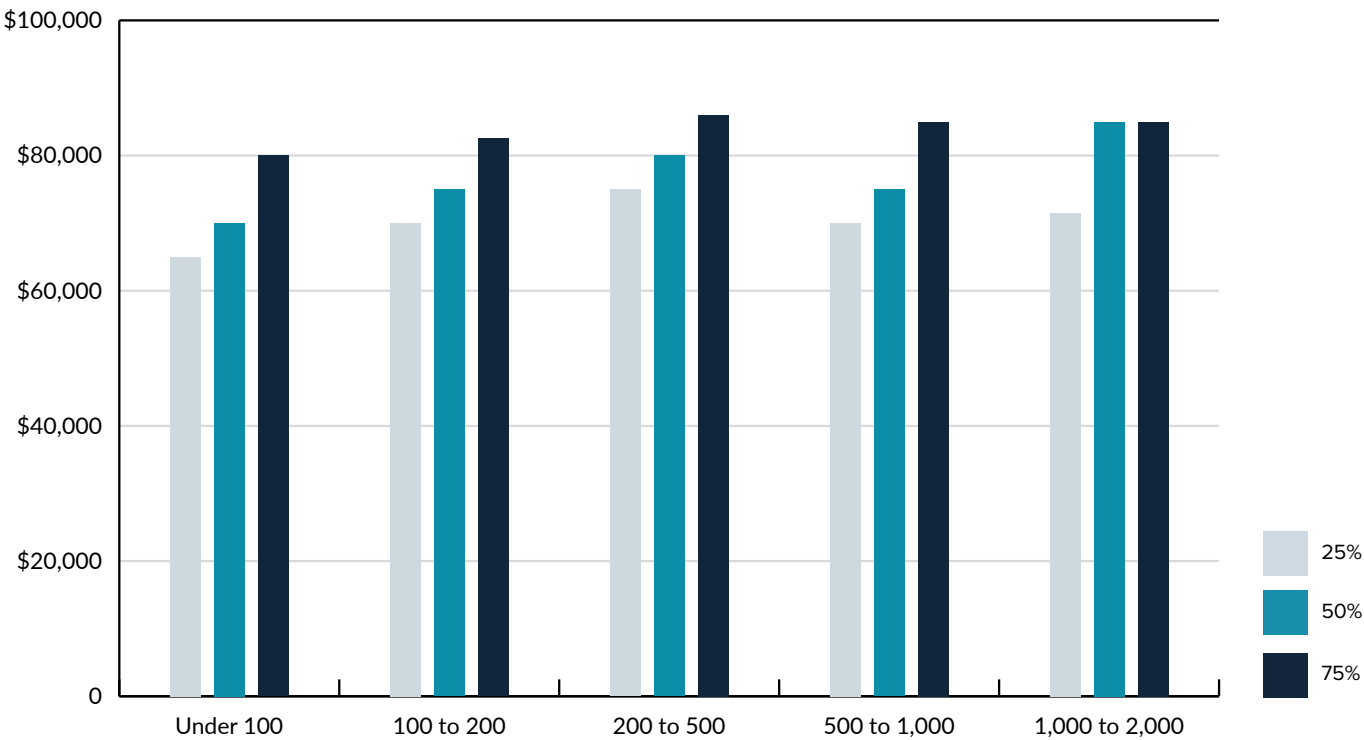


Annual Retainer

81% of companies disclosed a set annual base retainer for their Board Chair or Lead Director. Board chair base retainers ranged from \$70,000 to \$85,000 and are typically approximately 1.75x that of a board member. There was minimal change for Chair retainers from 2022. Like the board members, the median for companies with market caps between \$500 million and \$1 billion decreased by \$5,000 which could be a reflection of more companies in that grouping for Bedford's 2024 report.

BOARD CHAIR ANNUAL RETAINER				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	Change at 50th Percentile from 2022
Under 100	\$65,000	\$70,000	\$80,000	0%
100 to 200	\$70,000	\$75,000	\$82,500	0%
200 to 500	\$75,000	\$80,000	\$86,000	0%
500 to 1,000	\$70,000	\$75,000	\$85,000	-6%
1,000 to 2,000	\$71,500	\$85,000	\$85,000	3%

Board Chair Annual Retainer



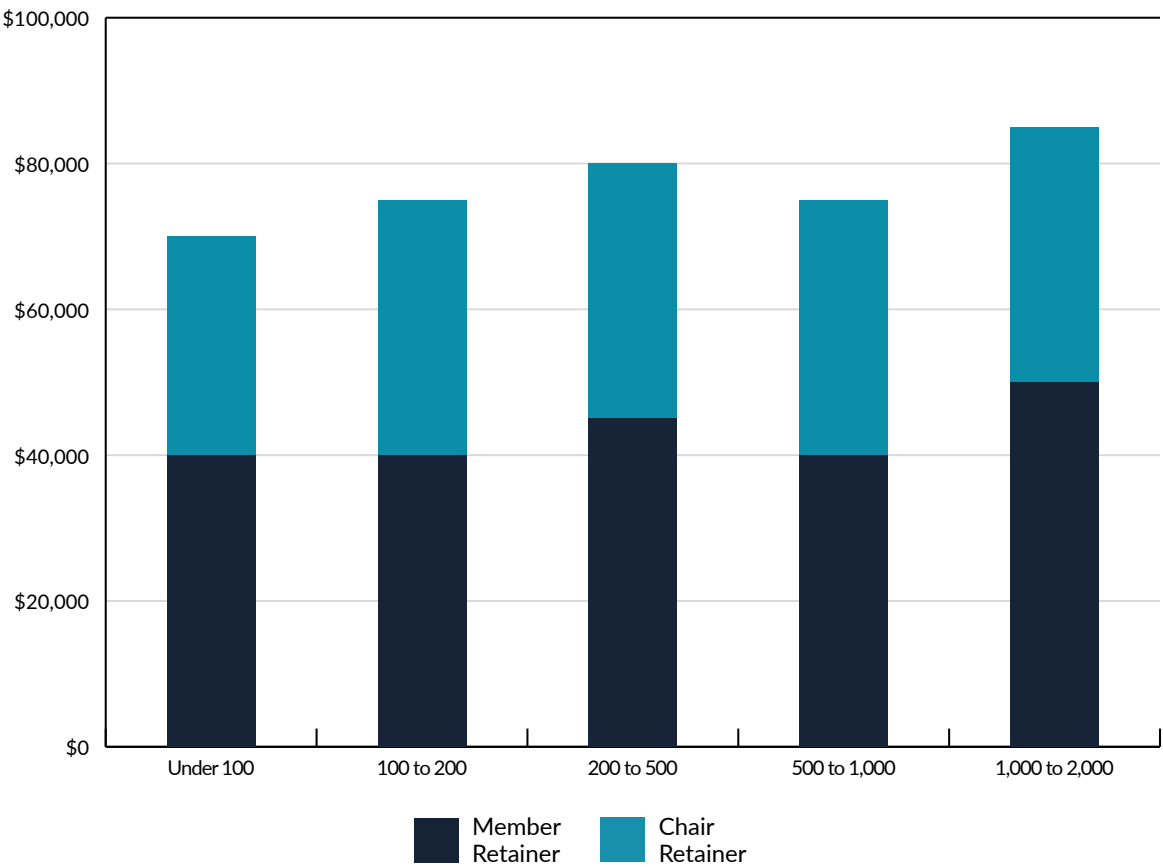
When looking at annual equity retainers for board chairs, amounts are not significantly different than those for board members. This is because 85% of chairs received the same equity grant as the other members of their company.

BOARD CHAIR ANNUAL EQUITY RETAINER			
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$28,975	\$48,065	\$103,834
100 to 200	\$35,434	\$83,988	\$139,970
200 to 500	\$66,409	\$111,539	\$174,980
500 to 1,000	\$106,739	\$198,800	\$275,000
1,000 to 2,000	\$218,687	\$272,244	\$349,187

Board Member Versus Chair Retainer

At the median, the board chair retainer is approximately 1.75x that of its members.

Median Board Member Versus Chair Retainer

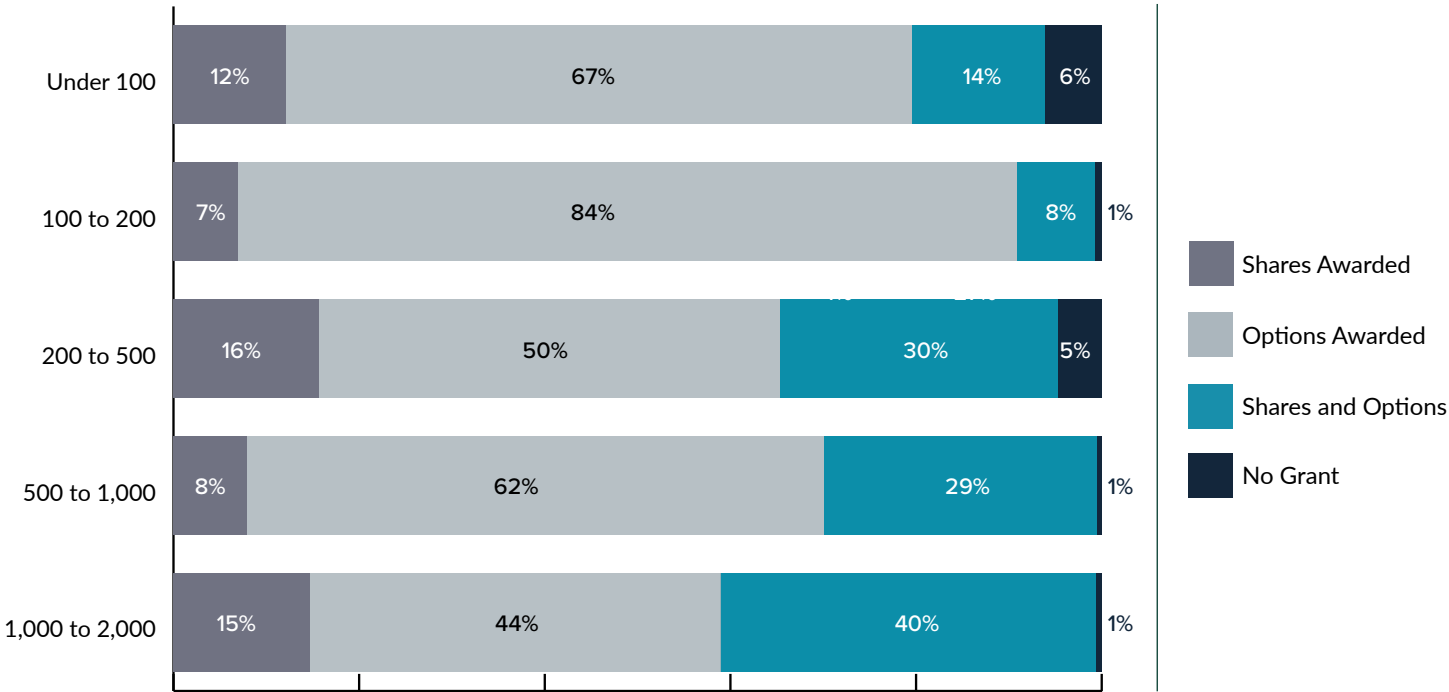


1.3 Equity Compensation Structure

- In fiscal 2023, 97% of board members in the dataset received equity compensation (an increase from 92% in 2022).
 - 12% received Shares only.
 - 62% received Options only.
 - 23% received a combination of Shares and Options.
 - 3% received no grant.

* Note: these numbers do not include companies who allow their executives to take a portion of their annual base retainer as shares, as this value is encompassed under the "base retainer and committee fees" calculations.

Equity Vehicle Breakdown by Market Cap Tier



1.4 Audit Committee

The Audit Committee's primary responsibility is to oversee financial reporting and disclosures. Board members sitting on this committee are often required to be independent. With the growth of risk awareness, committee members are also responsible for determining operational and credit risks. As such, the committee is commonly named the "Audit and Risk Committee."

Headline Findings

- Audit Committee Chairs usually receive an additional fee which is often higher compared to other existing committees in the company. Audit Committee chairs are well-qualified individuals that leverage financial expertise. They are also, generally, experienced audit committee members that are aware of the accounting principles in place for the Biotech industry.
- Audit Committee Members usually receive additional compensation due to the higher workload, responsibilities, and fiduciary risk compared to other board members. This can contribute to their total compensation being higher than most other board members.
- For Audit Committee members, 88% received an Audit Committee member fee (an increase from 84% in 2022). 90% received a fee for being the chair of the committee. Smaller companies tend to offer only Audit Committee chair fees. As a company grows, it is more likely to award a member fee as well.
- For all market cap tiers, the median Audit Committee member fee maxed out at \$10,000. The median for chair fees at all market cap tiers was \$20,000.

Audit Committee Members

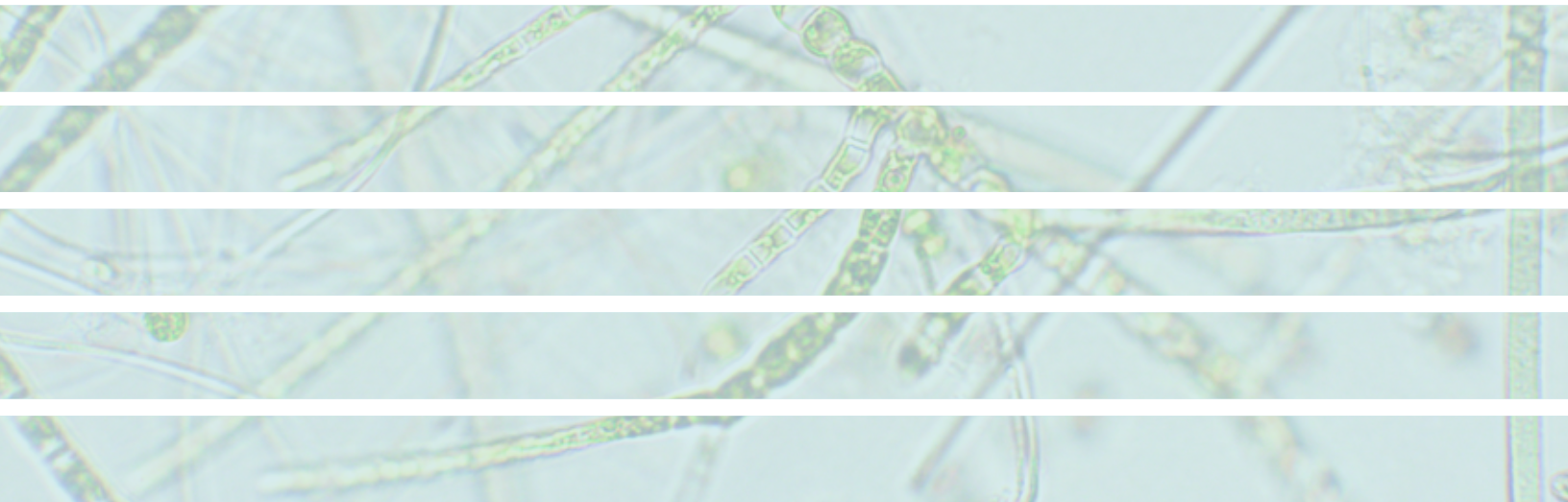
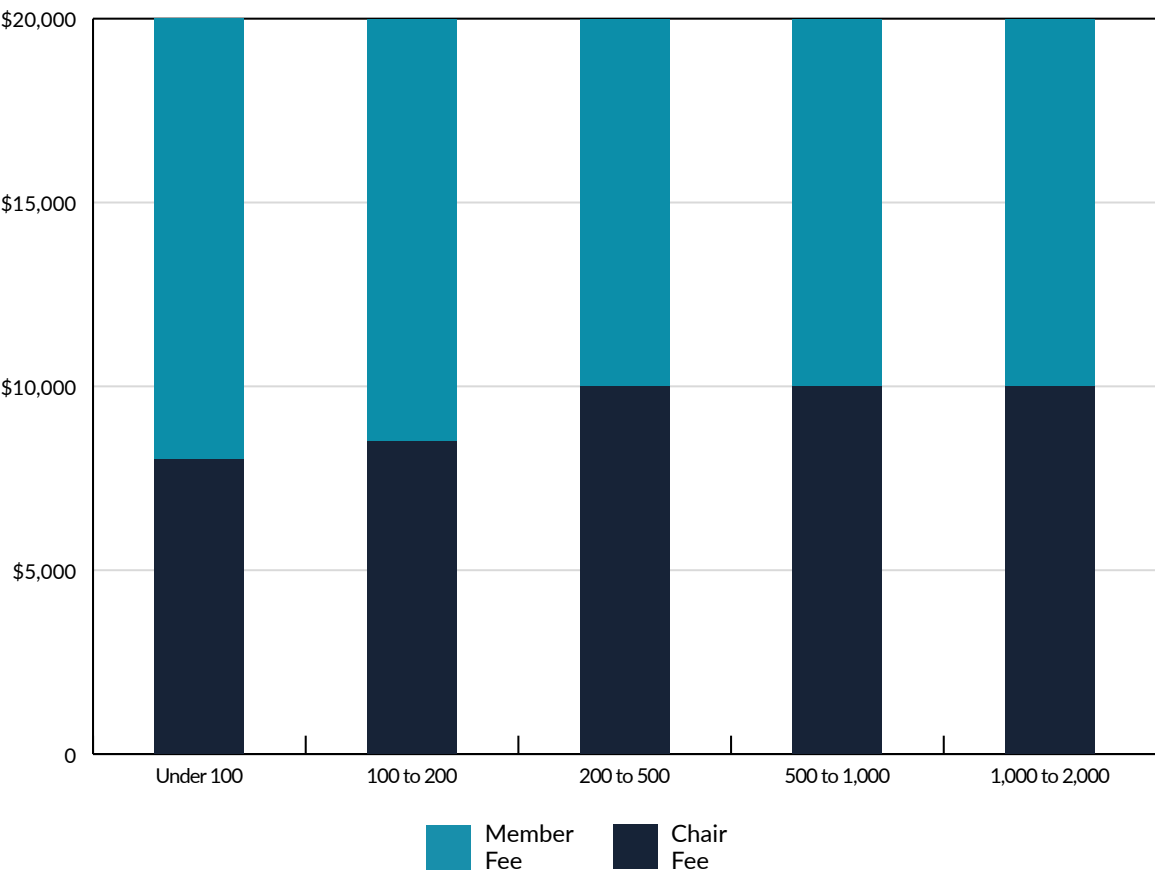
The following table excludes the companies who pay \$0 for their annual Audit Committee Member Fee. At the median, member fees ranged from \$8,000 to \$10,000, with only 7% of companies granting a committee fee of more than \$10,000.

MEDIAN AUDIT COMMITTEE MEMBER FEE				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	Fee from 50th Percentile 2022
Under 100	\$7,500	\$8,000	\$10,000	\$7,500
100 to 200	\$7,500	\$8,500	\$10,000	\$9,000
200 to 500	\$7,500	\$10,000	\$10,000	\$10,000
500 to 1,000	\$7,500	\$10,000	\$10,000	\$10,000
1,000 to 2,000	\$10,000	\$10,000	\$10,000	\$10,000

Median Audit Committee Member Versus Chair Fee

- The following graph shows median Audit Committee Member Fees versus those paid to the Audit Committee Chair. Generally, the Audit Chair received a fee that was 2-2.5x that of the Audit Committee Members.

Median Audit Committee Member Versus Chair Fee



Audit Committee Chairs

At the median, the annual fee for the Audit Committee chair was \$20,000 for all market cap tiers. 90% of companies had a set Audit Committee Chair Fee and only 7% granted a fee greater than \$20,000.

MEDIAN AUDIT COMMITTEE CHAIR FEE				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	Fee from 50th Percentile 2022
Under 100	\$15,000	\$20,000	\$20,000	\$15,000
100 to 200	\$15,000	\$20,000	\$20,000	\$19,000
200 to 500	\$20,000	\$20,000	\$20,000	\$20,000
500 to 1,000	\$18,000	\$20,000	\$20,000	\$20,000
1,000 to 2,000	\$20,000	\$20,000	\$20,000	\$20,000

1.5 Compensation Committee

The Compensation Committee, which in some organizations is referred to as the Human Resources Committee, oversees the determination of compensation for executives and directors. This committee typically consists of independent directors with finance and /or legal backgrounds.

Headline Findings

- The compensation committee plays the role of determining annual director and executive retainers and salaries, bonus and equity pay-outs, and all other benefit arrangements. For many companies, this committee also plays a part in human resources.
- 89% of companies had a set annual Compensation Committee Chair fee. 88% reported a set Compensation Committee member fee (an increase from 82% in 2022).

Compensation Committee Members

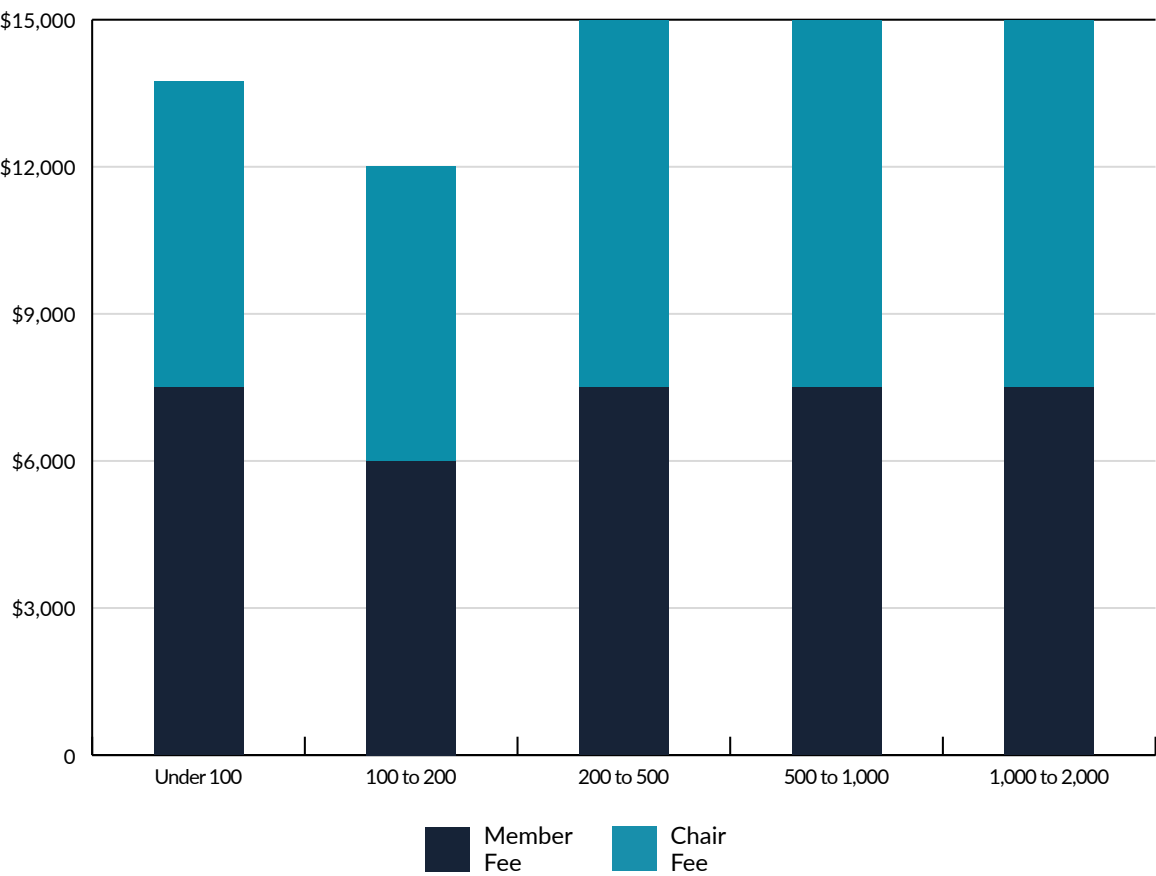
- The following table excludes the companies who pay \$0 for their annual Compensation Committee Member Fee. At the median, member fees ranged from \$6,000 to \$7,500, with only 14% of companies granting a committee fee of more than \$7,500.

MEDIAN COMPENSATION COMMITTEE MEMBER FEE				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	Fee from 50th Percentile 2022
Under 100	\$5,000	\$7,500	\$7,500	\$5,750
100 to 200	\$5,500	\$6,000	\$7,500	\$6,500
200 to 500	\$6,250	\$7,500	\$7,500	\$7,500
500 to 1,000	\$5,000	\$7,500	\$7,500	\$7,500
1,000 to 2,000	\$7,500	\$7,500	\$7,875	\$7,500

Median Compensation Committee Member Versus Chair Fee

- The following graph shows median Compensation Committee Member fees compared to those awarded to the Chairs. Generally, the Compensation Committee Chair received double that of its members.

Median Compensation Committee Member Versus Chair Fee



Compensation Committee Chairs

At the median, the annual fee for the Compensation Committee chair was \$15,000 for three of five market cap tiers. 89% of companies had a set Chair Fee and only 11% granted a fee greater than \$15,000.

MEDIAN COMPENSATION COMMITTEE CHAIR FEE				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	Fee from 50th Percentile 2022
Under 100	\$10,000	\$13,750	\$15,000	\$10,000
100 to 200	\$10,000	\$12,000	\$15,000	\$12,000
200 to 500	\$12,500	\$15,000	\$15,000	\$15,000
500 to 1,000	\$12,000	\$15,000	\$15,000	\$15,000
1,000 to 2,000	\$15,000	\$15,000	\$15,750	\$15,000

1.6 Corporate Governance Committee

The Corporate Governance Committee (often combined with the Nominating Committee) acts to ensure that the company follows good governance practices. The committee is responsible for reviewing the qualifications of director nominees and monitoring current directors' status. Corporate governance plays a crucial role for Biotechnology organizations as investors seek ethical investments that have a positive impact on society.

Headline Findings

- Generally, the fee offered to the Corporate Governance Chair is lower than the fee offered to those of the Audit and Compensation Committees.
- 87% of companies reported a set annual retainer for their Corporate Governance Committee members (82% in 2022). 88% of companies had a set annual retainer for their Chairs.

Governance Committee Members

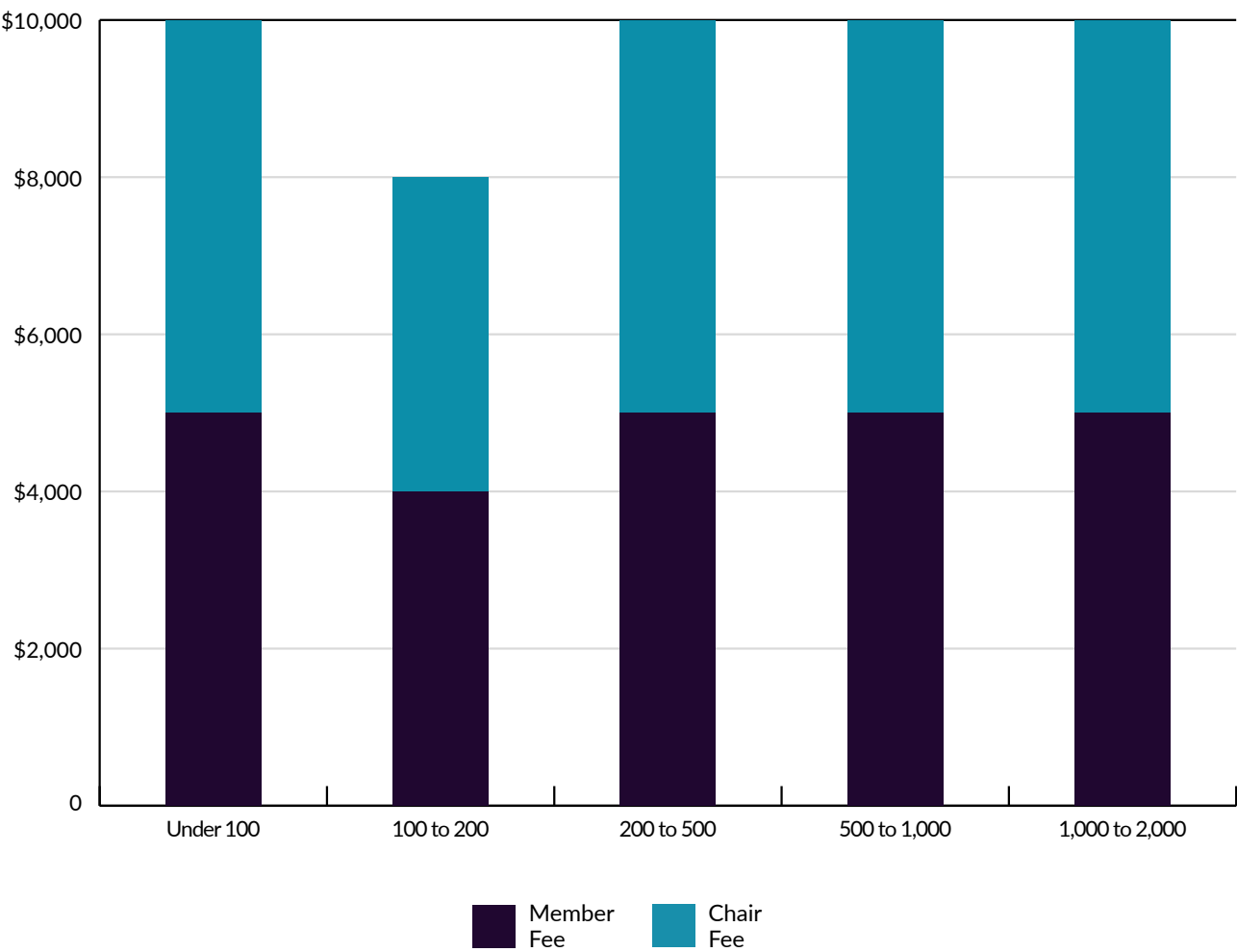
- The following table excludes the companies who pay \$0 for their annual Governance Committee Member Fee. At the median, member fees were \$5,000 for almost all market cap tiers, with only 14% of companies granting a member fee of more than \$5,000.

MEDIAN CORPORATE GOVERNANCE COMMITTEE MEMBER FEE				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	Fee from 50th Percentile 2022
Under 100	\$4,000	\$5,000	\$5,000	\$5,000
100 to 200	\$4,000	\$4,000	\$5,000	\$4,000
200 to 500	\$5,000	\$5,000	\$5,000	\$5,000
500 to 1,000	\$5,000	\$5,000	\$5,000	\$5,000
1,000 to 2,000	\$5,000	\$5,000	\$5,000	\$5,000

Median Governance Committee Member Versus Chair Fee

- The following graph shows median Governance Committee Member fees compared to those awarded to the Chairs. The Chair typically received double that of its members.

Median Governance Committee Member Versus Chair Fee



Governance Committee Chairs

At the median, the annual fee for the Governance Committee chair was \$10,000 for four of five market cap tiers. 88% of companies had a set Governance Committee Chair Fee and only 14% granted a fee greater than \$10,000.

MEDIAN CORPORATE GOVERNANCE COMMITTEE MEMBER FEE				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	Fee from 50th Percentile 2022
Under 100	\$8,000	\$10,000	\$10,000	\$10,000
100 to 200	\$8,000	\$8,000	\$10,000	\$8,000
200 to 500	\$10,000	\$10,000	\$10,000	\$10,000
500 to 1,000	\$10,000	\$10,000	\$10,000	\$10,000
1,000 to 2,000	\$10,000	\$10,000	\$10,000	\$10,000

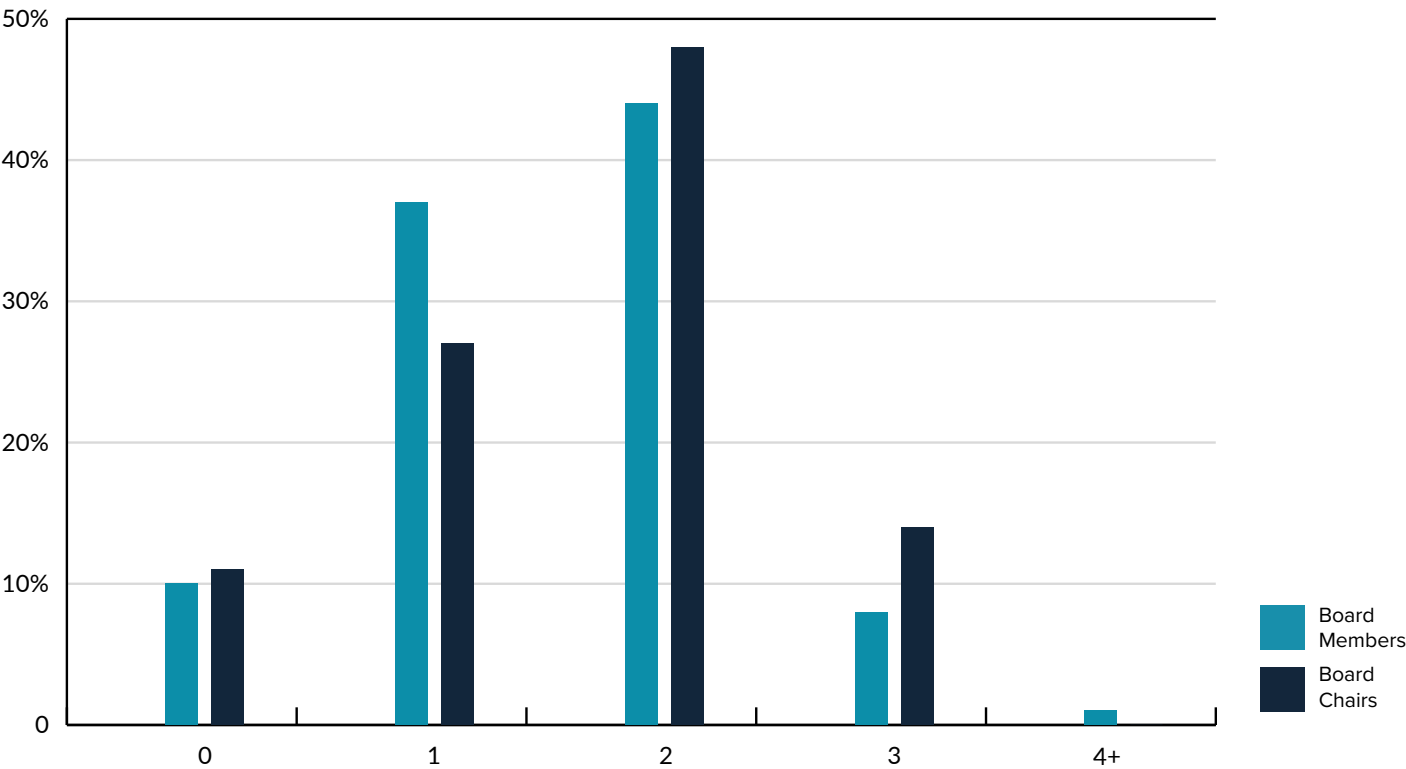
1.7 Other Committees

- Bedford has excluded certain committees where the sample size was determined to be too small to be statistically significant for analysis.
 - Science and Technology committee.
 - Research and [Clinical] Development committee.
 - Compliance committee.
 - Commercialization committee.
 - Strategic Planning committee.
 - Investor Relations committee.

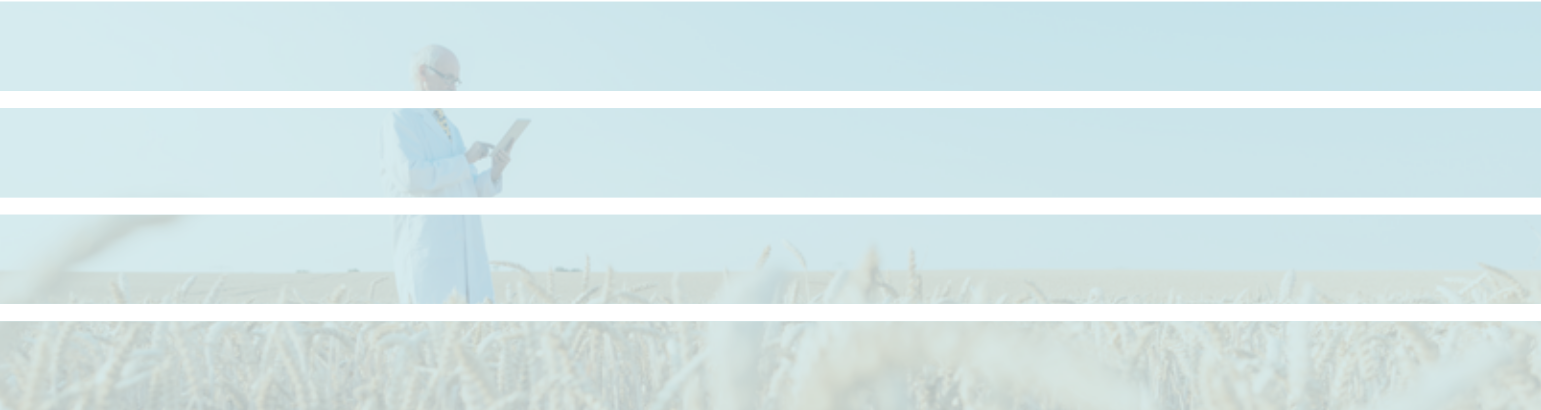
1.8 Committee Participation

- The purpose of this section is to analyze the number of committees that board members and chairs participate in.
- 90% of board members sat on at least one committee. 44% of board members participated in two committees, which was the most common committee participation of the dataset. Similarly, 89% of Board Chairs participated in at least one committee.
- Directors may be part of multiple committees due to their commitment to the firm, required contracts, or financial incentives. Board member involvement allows members to excel, learn, and grow.

Board Committee Participation



- 46.9% of board members were chair of at least one committee.
- 50.6% of board chairs were also chairs of at least one committee.



1.9 Director Share Ownership Requirements

Share ownership guidelines require directors and/or executives to have a minimum equity stake in the organization. The intention is to align interests of the company with those of the shareholders.

Only 18.5% of companies in the dataset had a minimum share ownership requirement for their directors. In most cases, directors are required to obtain a certain multiple of their annual cash retainer as equity, within a specified number of years. Typically only full shares and equity settled RSUs count towards the share ownership requirements; options are generally excluded.

Sometimes limitations are put on director compensation until ownership requirements have been obtained. For example, annual retainers may need to be taken in shares. In other instances, companies may allow an equity grant to be taken as a split between RSUs and Options, but directors will be required to take it all as RSUs until they have reached their ownership obligations.

For the companies who have share ownership guidelines, the most common requirement is 3x cash retainer, which must be obtained within five years.

2.0 Executive Compensation

Named Executive Officer Compensation

The 2024 report gathered detailed compensation data on 709 NEOs from 189 US headquartered companies. For accuracy and future year-over-year comparison purposes, all compensation used is the amount paid for twelve months. Compensation for interim NEOs who served less than 12 months was annualized where possible using the provided amount for the period in the fiscal year.

Named Executive Officer Compensation Structure

The compensation package for NEOs usually consists of the following elements:

- Base salary
- Annual/short-term incentives (normally paid in cash),
- Long-term incentives (normally settled in equity); and,
- All other potential compensation (including severance, one-off bonus, benefits, etc.).

Elements for “other compensation” including, but not limited to, pension, 401(k) contributions, benefits, insurance, etc. were excluded as separate values and are only encompassed into the amounts for “total compensation”. More information can be provided upon request. For clarity, this analysis combines options granted and shares-awarded under “equity”. Annual bonuses and short-term incentive payments have also been combined into “Annual Cash Incentive”.

This report provides detailed insight into compensation for the following roles:

1. Chief Executive Officer (CEO),
2. Chief Financial Officer (CFO) ,
3. Chief Operating Officer (COO),
4. Chief Medical Officer (CMO),
5. Chief Scientific Officer (CSO),
6. Chief Legal Officer (CLO)

Compensation in Other Executive Roles

Bedford Group Transearch can provide compensation data and information on many other executive positions. For further information or to request a custom compensation report, please feel free to reach out to Bedford Group Transearch.

Other executive roles not included in this report for which Bedford can provide data include, but are not limited to: Chief Strategy Officer, Chief Sales Officer, Treasurer, EVP Drug Development, Chief Product Officer, Chief Technical Operations, EVP Human Resources, Corporate Secretary, EVP Technology Operations, SVP/VP Business/Corporate, SVP/VP Strategy, Chief Development Officer, VP Business Development, Chief Business Officer, etc.

2.1 Chief Executive Officer Compensation

HEADLINE FINDINGS

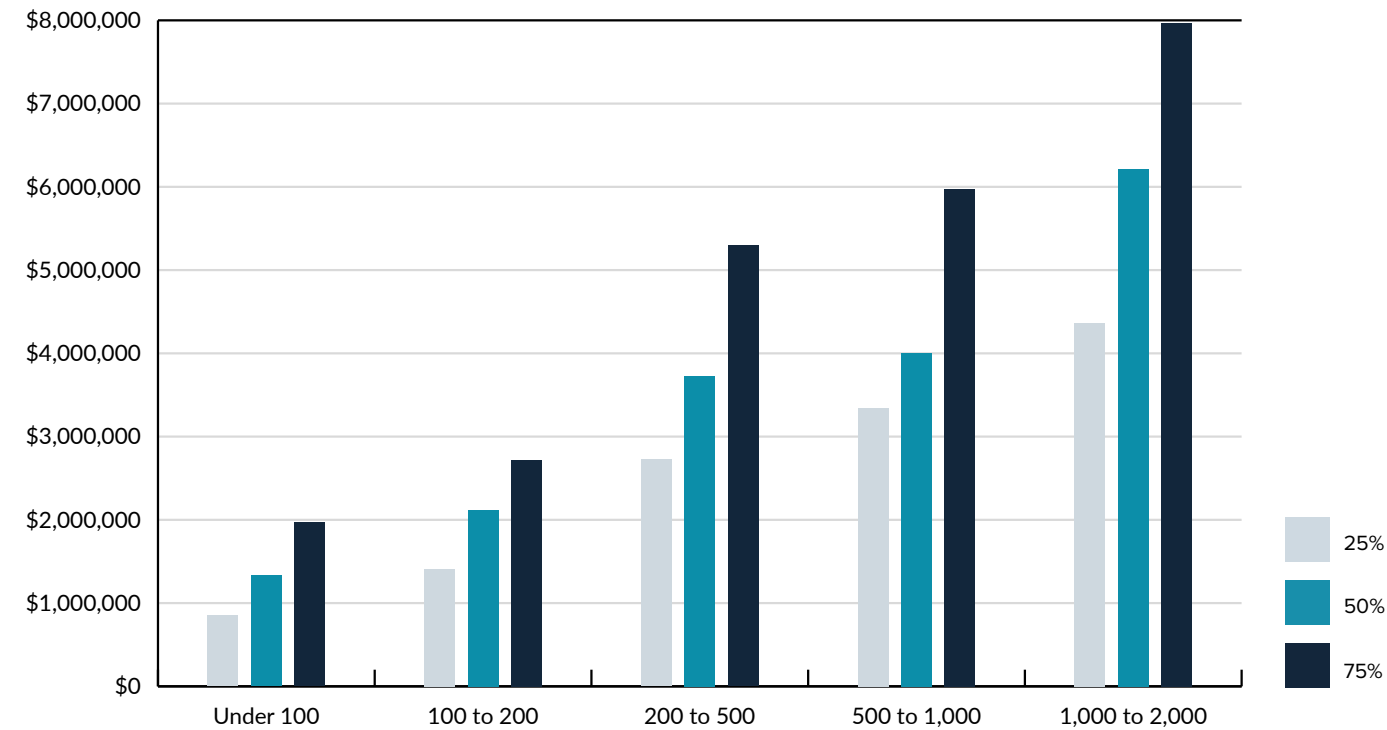
- Bedford analysed data for 215 CEOs for the most recently completed fiscal year. 16.9% of companies went through a change in CEO in 2023.
- At the 50th percentile, CEO total compensation ranged from \$1,315,350 for companies with market caps under \$100 million to \$6,216,518 for companies with market cap values between \$1 and \$2 billion.
- Total compensation for CEOs increased at all market cap tiers above \$100 million from 2022 by up to 46%.
- 83.9% of CEOs received an annual incentive payment in 2023. This was an increase from 80% in 2022 and 72% in 2021.
- 7.9% of CEOs identified as female. This was a decrease from 10.3% in 2022. Of the 16.9% of companies that changed CEOs in 2023, only 2 (of 32) hired a new female CEO.

Total Compensation

Total compensation increased at all market cap tiers above \$100 million compared to fiscal 2022.

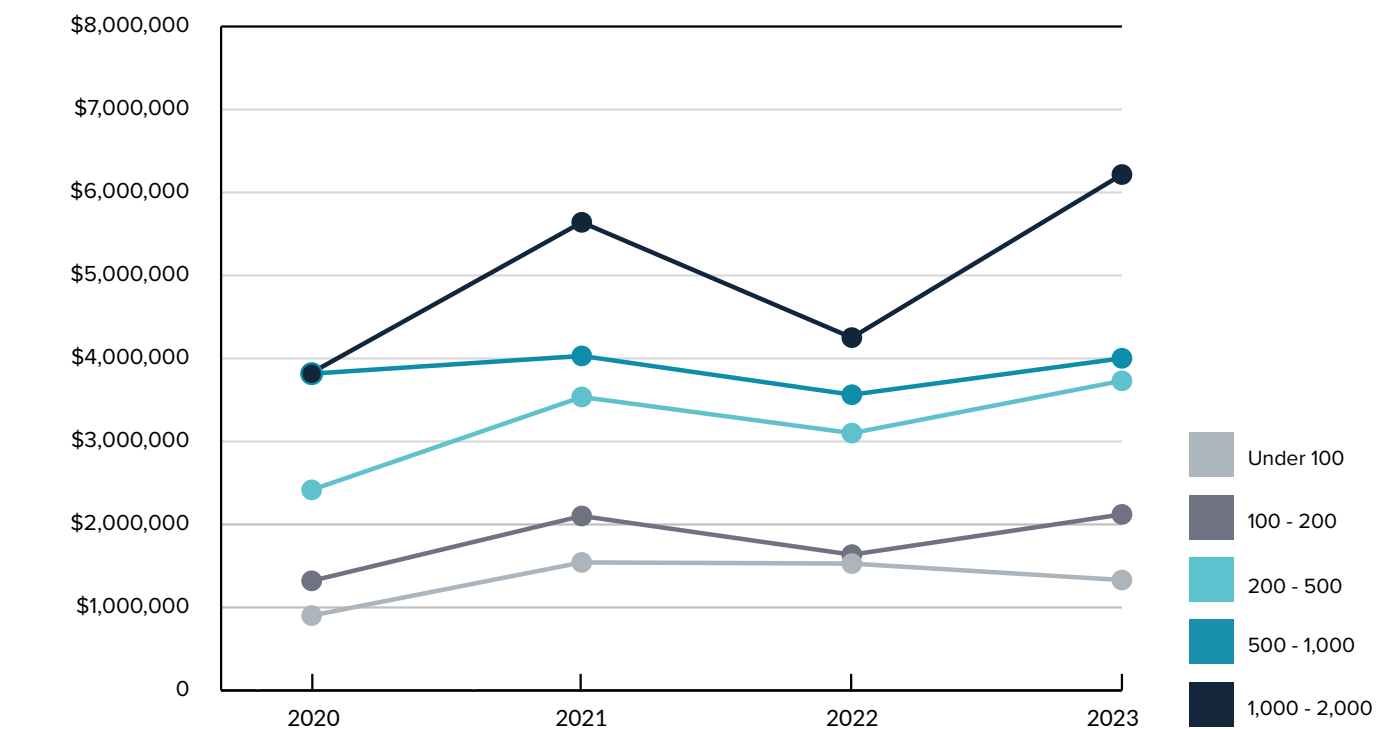
CEO TOTAL COMPENSATION				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Change at 50th percentile from fiscal 2022
Under 100	\$849,172	\$1,330,500	\$1,968,162	-13%
100 to 200	\$1,409,662	\$2,121,339	\$2,715,567	+30%
200 to 500	\$2,723,993	\$3,731,020	\$5,296,418	+20%
500 to 1,000	\$3,341,320	\$4,002,287	\$5,976,031	+12%
1,000 to 2,000	\$4,363,120	\$6,216,518	\$7,965,955	+46%

CEO Total Compensation



The following table shows trending of CEO median total compensation by market cap tier since Bedford’s first report in fiscal 2020. After a dip in 2022, CEO median total compensation has increased to the highest in the last four years for market cap tiers above \$100 million.

CEO Total Compensation by Year and Market Cap



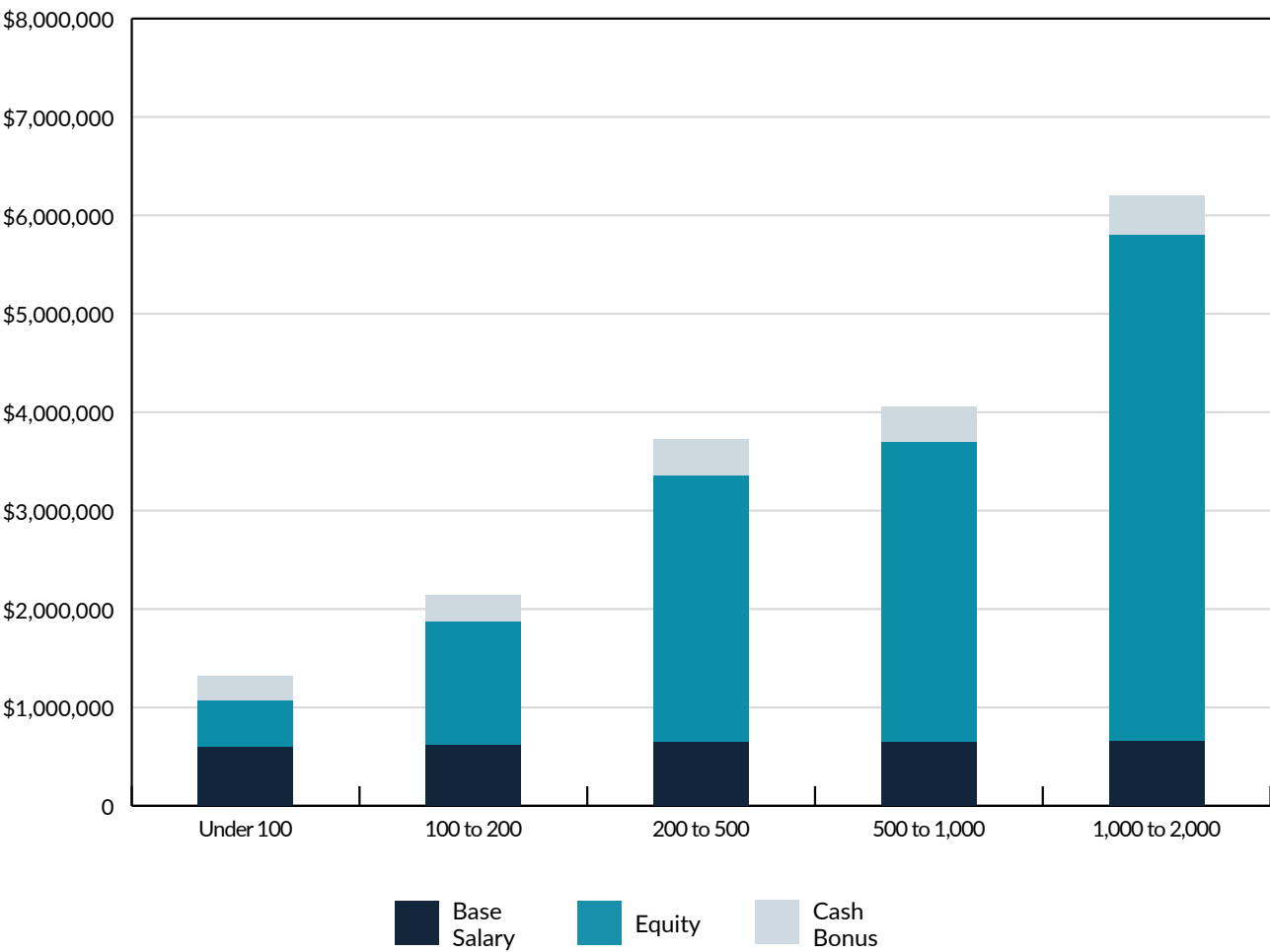
Compensation Structure

The chart below displays the breakdown of elements for CEO total compensation at the 25th, 50th and 75th percentiles for the five different market cap tiers. The value of each cell is calculated individually, so the amounts of Total Direct Compensation are not a sum of each row of data. The zero dollar value for bonuses in companies at the 25th percentile is reflective of more than 25% of CEOs not receiving a bonus in that tier.

ELEMENTS OF CEO COMPENSATION				
Market Cap (\$M)	Annual Base Salary	Equity Incentives	Annual Cash Incentive	Total Direct Compensation
25th Percentile				
Under 100	\$510,385	\$112,750	\$0	\$849,172
100 to 200	\$537,811	\$567,500	\$162,789	\$1,409,662
200 to 500	\$616,426	\$1,503,517	\$334,564	\$2,723,993
500 to 1,000	\$611,100	\$2,200,719	\$265,204	\$3,341,320
1,000 to 2,000	\$633,500	\$3,186,875	\$357,100	\$4,363,120
50th Percentile				
Under 100	\$594,400	\$474,000	\$246,950	\$1,330,500
100 to 200	\$614,215	\$1,254,640	\$279,200	\$2,121,339
200 to 500	\$650,000	\$2,697,713	\$371,550	\$3,731,020
500 to 1,000	\$645,000	\$3,053,190	\$356,369	\$4,002,287
1,000 to 2,000	\$657,697	\$5,144,920	\$393,659	\$6,216,518
75th Percentile				
Under 100	\$638,143	\$940,569	\$321,338	\$1,968,162
100 to 200	\$674,150	\$1,717,640	\$362,424	\$2,715,567
200 to 500	\$723,000	\$3,951,627	\$514,837	\$5,296,418
500 to 1,000	\$700,000	\$4,958,173	\$446,600	\$5,976,031
1,000 to 2,000	\$701,546	\$6,900,408	\$612,563	\$7,965,955

The following graph provides a visual representation of the different elements that make up a CEO's total direct compensation. The graph includes median amounts from the "Annual Base Salary", "Equity Incentives" and "Annual Cash Incentive" columns in the previous table. As each cell was calculated individually, total compensation in the graph below may not exactly match total compensation above. The graph shows that equity compensation is the biggest contributor to median total direct compensation at all market cap tiers over \$100 million.

Elements of Median CEO Compensation



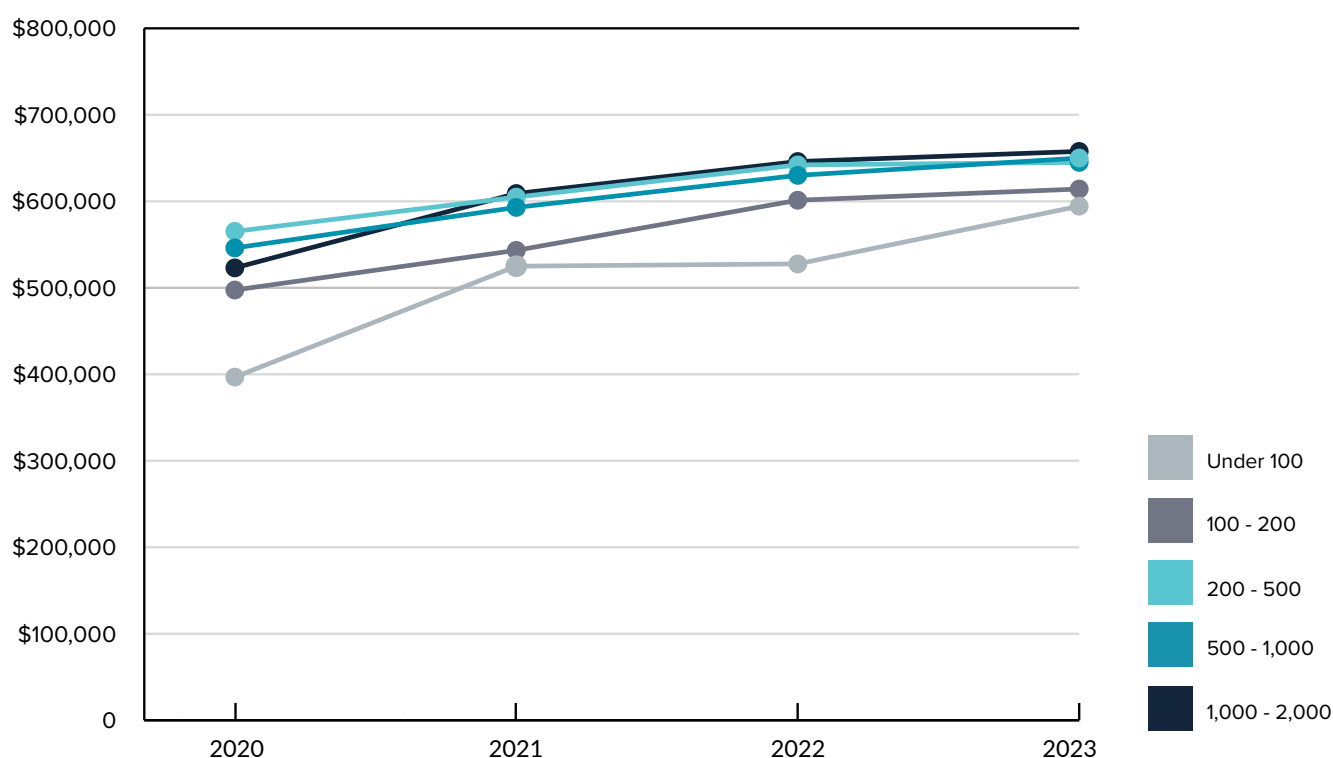
Median Base Salary Year over Year

- The following table shows the percentage change of median base salary between fiscal 2022 and 2023. Median base salaries at the 50th percentile increased for all market cap tiers by between 0.5% and 13%.

CHANGE IN MEDIAN BASE SALARY			
Market Cap (\$Millions)	Median Base 2022	Median Base 2023	% Change at Median from 2022
Under 100	\$527,636	\$594,400	+13%
100 to 200	\$601,250	\$614,215	+2%
200 to 500	\$630,000	\$650,000	+3%
500 to 1,000	\$642,089	\$645,000	+0.5%
1,000 to 2,000	\$646,025	\$657,697	+2%

The following table shows the steady increase of median CEO base salary by market cap tier since Bedford's first report in fiscal 2020.

CEO Base Salary by Year and Market Cap



Annual Cash Incentive

This analysis seeks to reflect CEO annual cash incentive payments in proportion to their respective market cap value tiers. Among the CEOs researched, 83.8% received a cash incentive in fiscal 2023 (80% in fiscal 2022). The calculation method for annual bonuses varies by company, but the bonus criteria usually consider personal performance and corporate performance with the latter weighted more heavily.

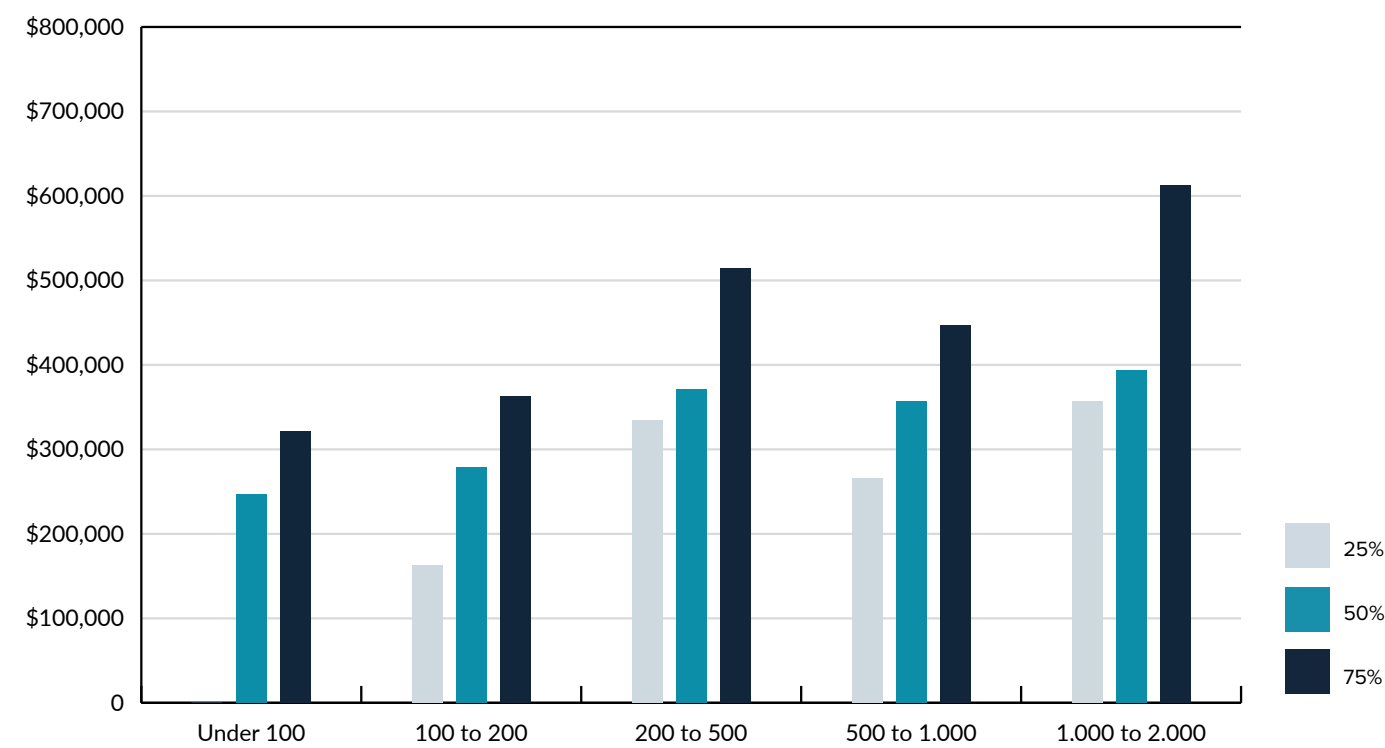
An Annual Cash Bonus Plan is used to incentivize management to excel in their day-to-day operations to create shareholder value. Many reported corporate performance measures included some combination of:

- EBITDA.
- Advancing Technology.
- Revenue.
- Adding customers to clinical trials/increase patient demands.
- Research and Development.
- Preclinical Goals.
- Advancing the pipeline.
- Risk Management.
- Sales.
- Company Performance (Total Shareholder Return/Earnings Per Share).

The table below summarizes the annual incentive amounts awarded to CEOs at each market cap tier. It also outlines the average Target Bonus reflected as a percent of base salary, and the percentage of CEOs who received a non-equity incentive in the most recently reported fiscal year. Average target bonus lies in a range 60-70% of base salary for all tiers.

CEO ANNUAL CASH INCENTIVE						
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Who received Bonus	Average Target Bonus (% of Base Salary)	% Change at 50th Percentile from 2022
Under 100	\$0	\$246,950	\$321,338	73%	60%	+4%
100 to 200	\$162,789	\$279,200	\$362,424	85%	61%	+9%
200 to 500	\$334,564	\$371,550	\$514,837	95%	68%	+38%
500 to 1,000	\$265,204	\$356,369	\$446,600	91%	62%	-3%
1,000 to 2,000	\$357,100	\$393,659	\$612,563	93%	66%	-15%

Annual Cash Incentive



Equity Incentives

Total compensation increased at all market cap tiers above \$100 million from 2022. The decrease in the Under \$100 million market cap tier is a direct reflection of lower equity grants since the previous year. The table below shows the difference in equity incentive compensation at the median for each market cap tier.

CHANGE IN MEDIAN EQUITY GRANT			
Market Cap (\$Millions)	Median Equity Grant 2022	Median Equity Grant 2023	% Change at 50th Percentile from 2022
Under 100	\$638,714	\$474,000	-26%
100 to 200	\$779,934	\$1,254,640	+61%
200 to 500	\$2,157,740	\$2,697,713	+25%
500 to 1,000	\$2,431,227	\$3,053,190	+26%
1,000 to 2,000	\$3,076,649	\$5,144,920	+67%

2.2 Chief Financial Officer Compensation

In addition to financial planning, financial risk management, record keeping, and financial reporting, a Biotech industry CFO often participates in, or leads, new business opportunity development and assessment, general corporate strategy, financing, and planning efforts. For small market cap companies, a CFO may also manage the relationships between the company and its broader key external stakeholders.

HEADLINE FINDINGS

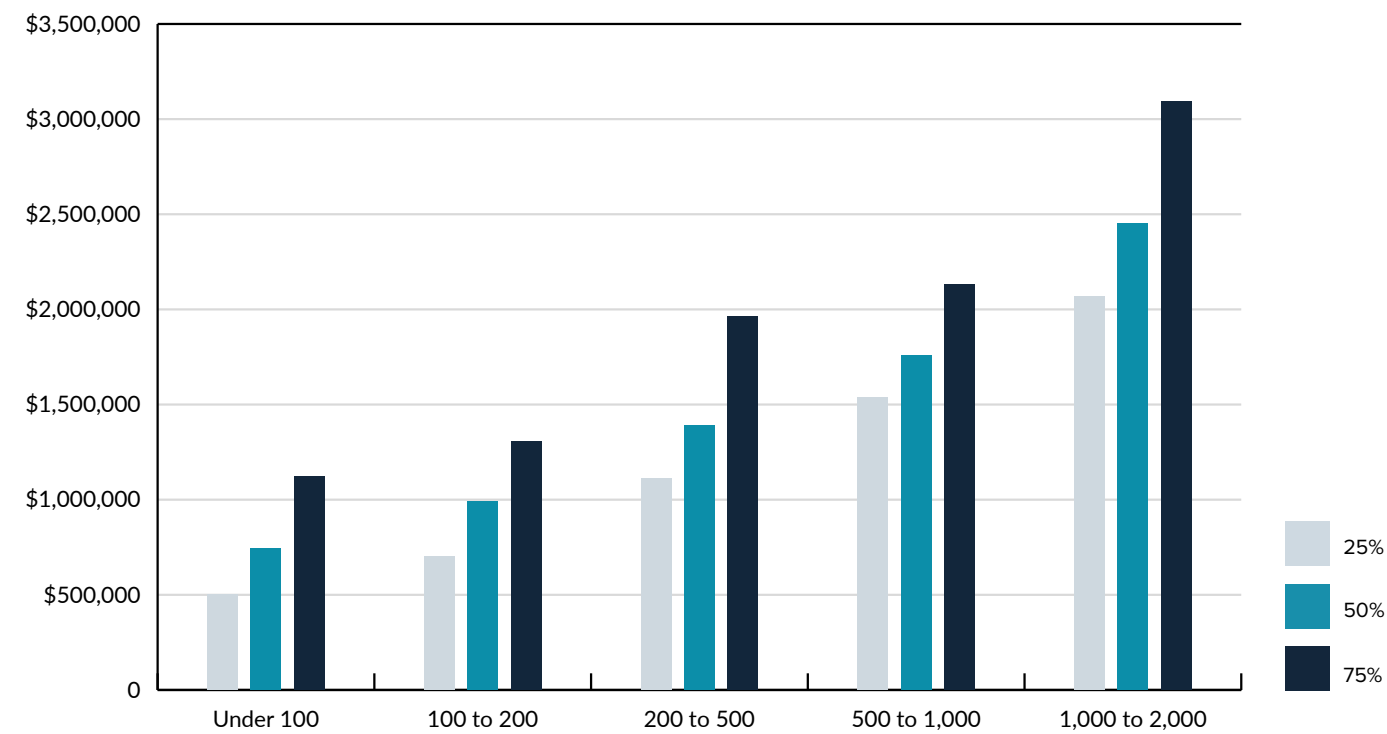
- 149 CFOs were identified and analysed in this report. 17.5% of companies reported a change in CFO in fiscal 2023.
- At the 50th percentile, CFO total compensation ranged from \$742,180 for companies with market caps under \$100 million to \$2,450,631 for companies with market cap values between \$1 billion to \$2 billion.
- Median base salary increased for all market cap tiers from fiscal 2022 by 0.4% to 9%.
- For all market cap tiers above \$100 million, median total compensation was higher in fiscal 2023 than in 2022 by up to 28%.
- 85% of CFOs received an annual incentive payment in 2023. This was an increase from 77% in 2022.
- Of the CFOs in the dataset, 19.6% identified as female, a decrease from 23% in fiscal 2022. Of the 17.5% of companies who reported a change in CFO in 2023, 9% hired a female CFO, and 15% parted ways with a female CFO.

Total Compensation

Like the CEO, median total compensation decreased for companies with market caps under \$100 million and increased for other tiers by up to 28%.

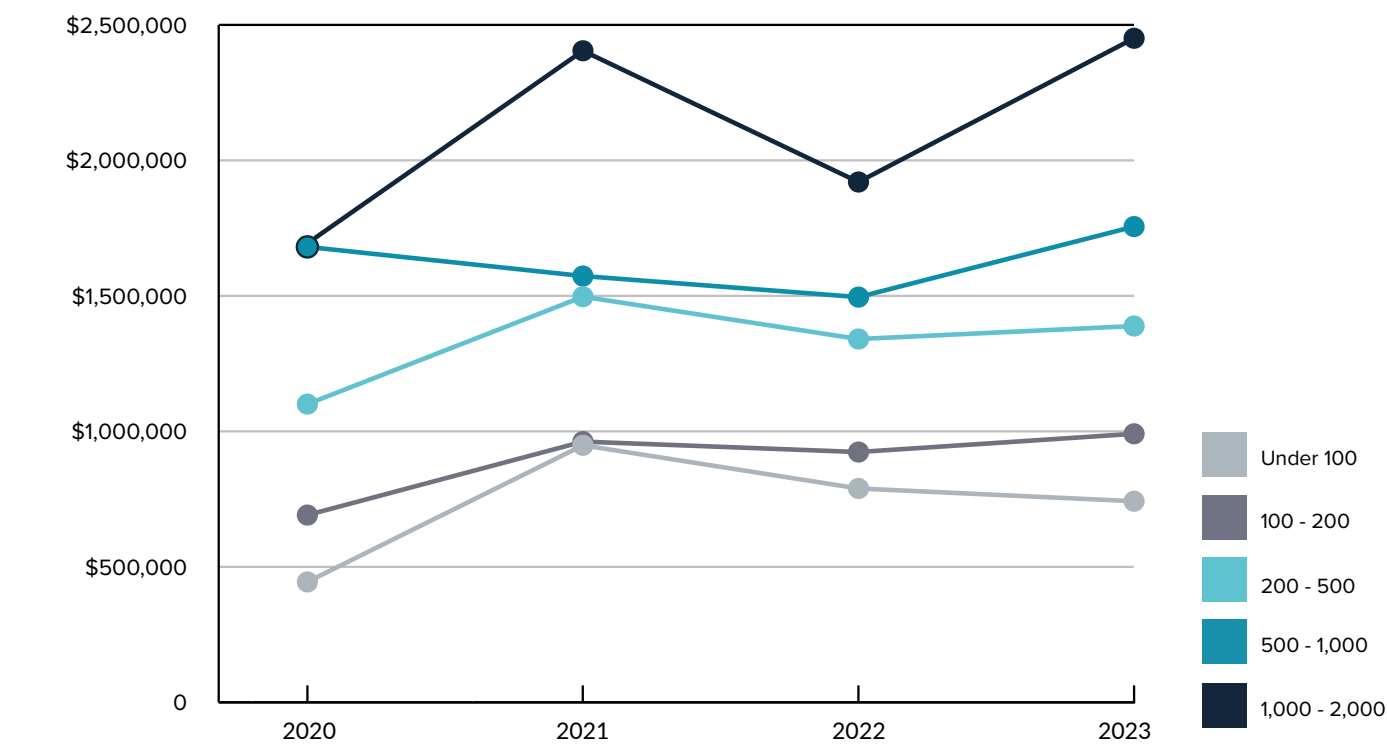
CFO TOTAL COMPENSATION				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Change at 50th percentile from 2022
Under 100	\$504,030	\$742,180	\$1,120,896	-6%
100 to 200	\$703,379	\$991,027	\$1,306,742	+7%
200 to 500	\$1,110,529	\$1,388,684	\$1,961,524	+4%
500 to 1,000	\$1,539,136	\$1,755,683	\$2,132,900	+17%
1,000 to 2,000	\$2,065,805	\$2,450,631	\$3,094,641	+28%

CFO Total Compensation



The following table shows trending of CFO median total compensation by market cap tier since Bedford’s first report in fiscal 2020.

CFO Total Compensation by Year and Market Cap



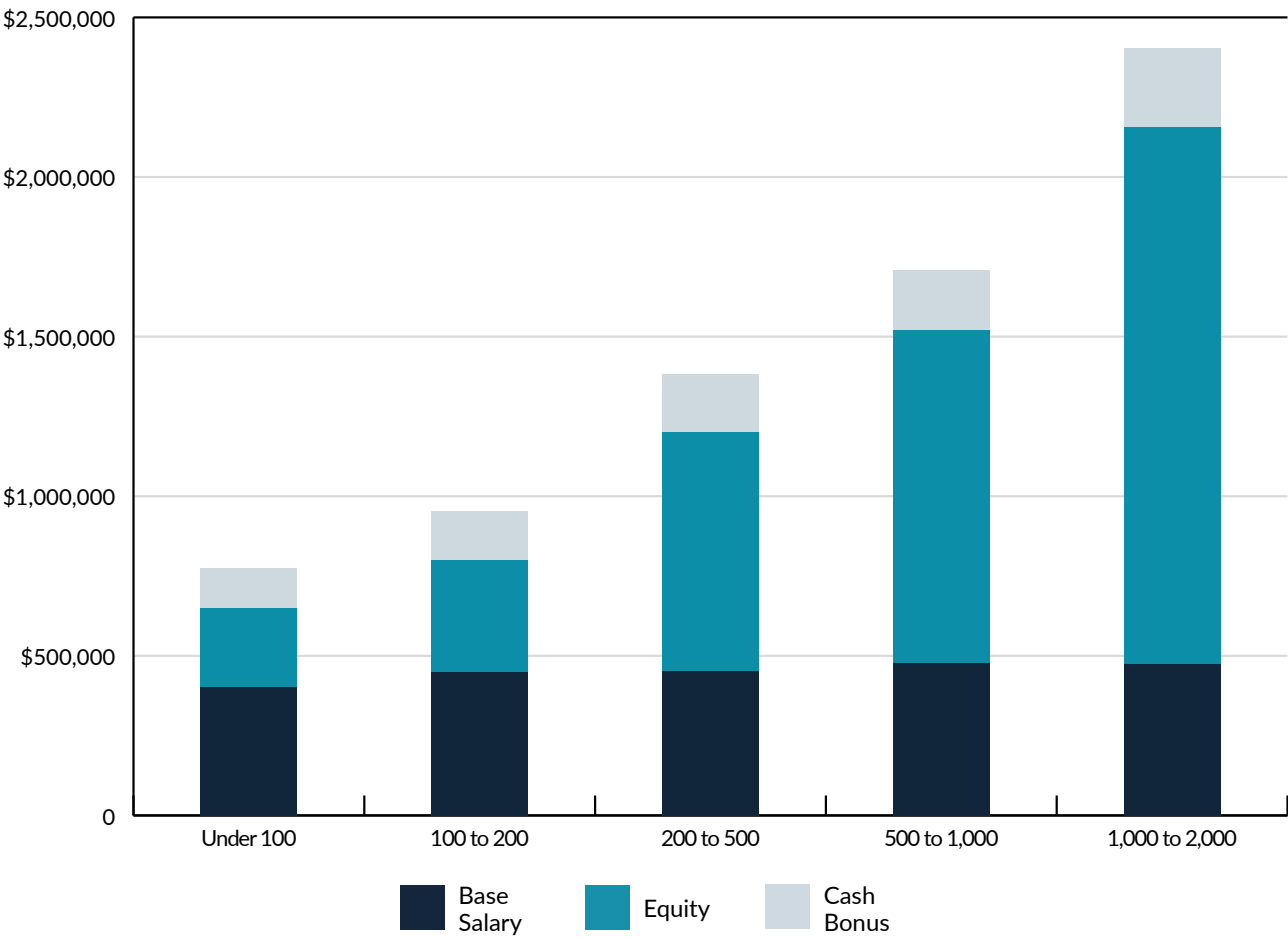
Compensation Structure

The chart below displays the breakdown of elements for CFO total compensation at the 25th, 50th and 75th percentiles for the five different market cap tiers. The value of each cell is calculated individually, so the amounts of Total Direct Compensation are not a sum of each row of data.

ELEMENTS OF CFO COMPENSATION				
Market Cap (\$M)	Annual Base Salary	Equity Incentives	Annual Cash Incentive	Total Direct Compensation
25th Percentile				
Under 100	\$336,250	\$55,171	\$16,480	\$504,030
100 to 200	\$386,675	\$211,390	\$67,611	\$703,379
200 to 500	\$419,930	\$504,895	\$146,753	\$1,110,529
500 to 1,000	\$440,288	\$763,005	\$106,341	\$1,539,136
1,000 to 2,000	\$460,617	\$1,277,250	\$203,063	\$2,065,805
50th Percentile				
Under 100	\$401,568	\$247,566	\$124,245	\$742,180
100 to 200	\$448,710	\$350,752	\$153,176	\$991,027
200 to 500	\$453,871	\$748,279	\$181,300	\$1,388,684
500 to 1,000	\$478,685	\$1,041,581	\$185,963	\$1,755,683
1,000 to 2,000	\$475,000	\$1,681,014	\$248,800	\$2,450,631
75th Percentile				
Under 100	\$456,300	\$481,977	\$175,203	\$1,120,896
100 to 200	\$485,046	\$666,473	\$182,392	\$1,306,742
200 to 500	\$480,649	\$1,404,496	\$218,467	\$1,961,524
500 to 1,000	\$499,200	\$1,452,373	\$229,143	\$2,132,900
1,000 to 2,000	\$490,000	\$2,406,521	\$301,129	\$3,094,641

The following graph provides a visual representation of the different elements that make up a CFO’s total direct compensation. The graph includes median amounts from the “Annual Base Salary”, “Equity Incentives” and “Annual Cash Incentive” columns in the previous table. Like the CEO, the graph shows that equity compensation is the biggest contributor to median total direct compensation at all market cap tiers over \$100 million.

Elements of Median CFO Compensation



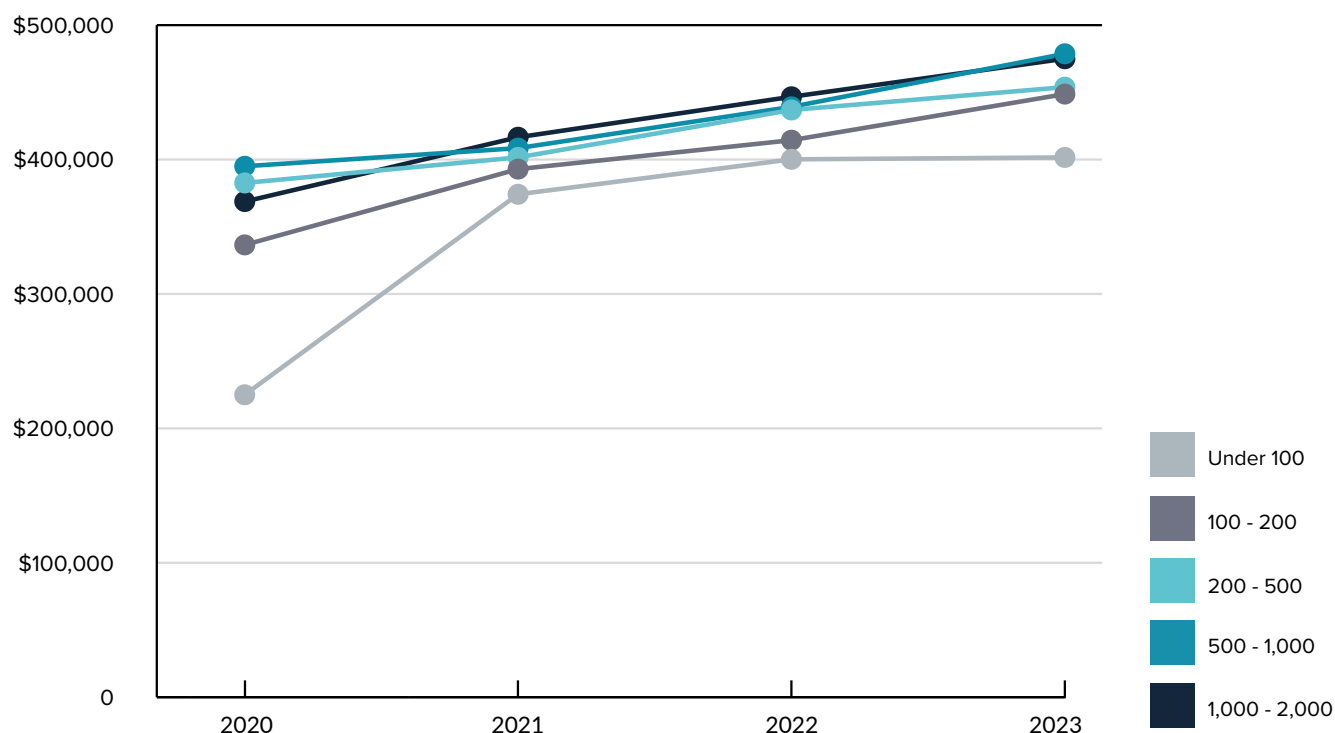
Median Base Salary Year over Year

- The following chart shows the percentage change of median base salary between fiscal 2022 and 2023. Median base salaries increased for all market cap tiers by between 0.4% and 9%.

CHANGE IN MEDIAN BASE SALARY			
Market Cap (\$Millions)	Median Base 2022	Median Base 2023	% Change at Median from 2022
Under 100	\$400,155	\$401,568	+0.4%
100 to 200	\$414,395	\$448,710	+8%
200 to 500	\$436,875	\$453,871	+4%
500 to 1,000	\$439,211	\$478,685	+9%
1,000 to 2,000	\$446,706	\$475,000	+6%

The following table shows the steady increase of median CFO base salary by market cap tier since Bedford's first report in fiscal 2020.

CFO Base Salary by Year and Market Cap



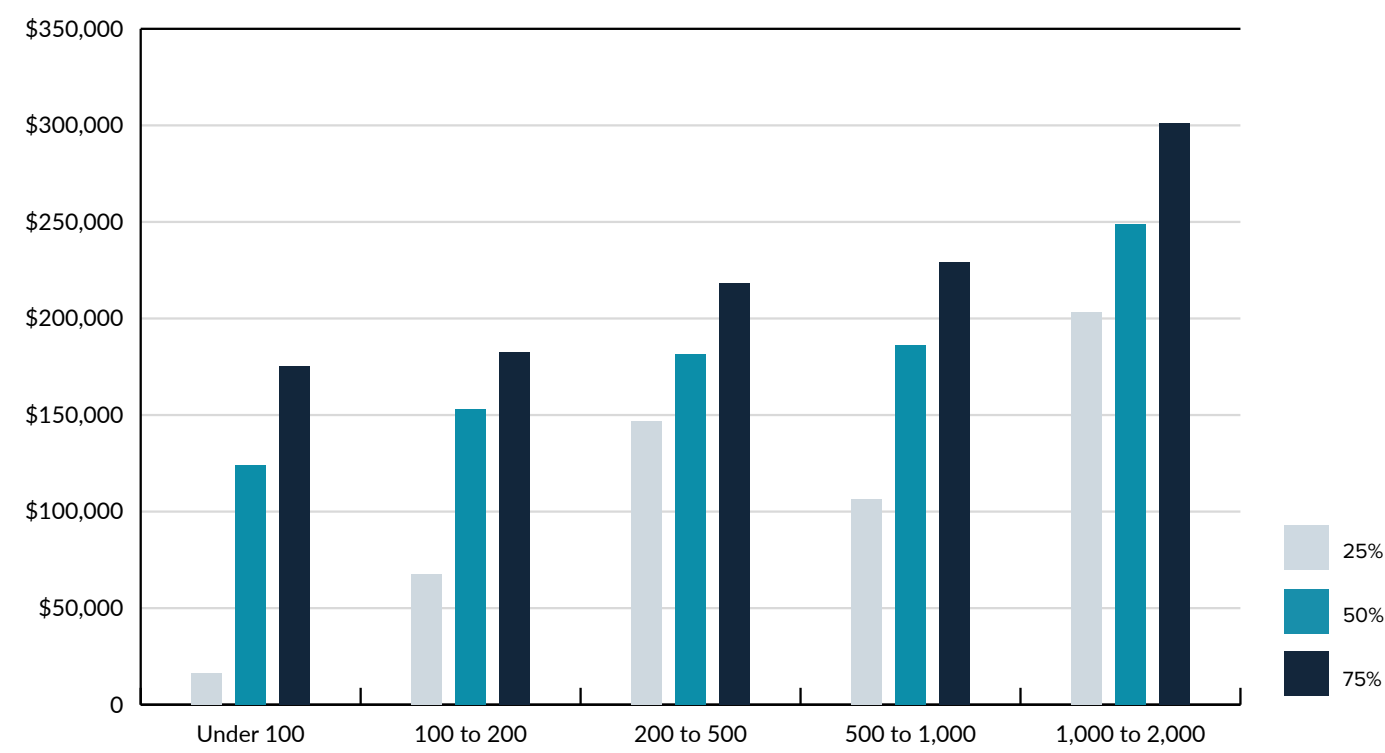
Annual Cash Incentive

This analysis seeks to reflect CFO annual cash incentive payments in proportion to their respective market cap value tiers. Among the CFOs researched, 85% received an annual cash incentive payment in 2023 (77% in fiscal 2022). The calculation method for annual bonuses varies by company, but the bonus criteria usually consider personal performance and corporate performance with the latter weighted more heavily. An example of bonus metrics can be found in the CEO section.

The table below summarizes the annual cash bonus amounts for CFOs at each market cap tier. It also outlines the average Target Bonus reflected as a percent of base salary, and the percentage of CFOs who received a non-equity incentive in the most recently reported fiscal year. Average target bonus lies in a range of 40% to 47% of base salary for all market cap tiers.

CFO ANNUAL INCENTIVE						
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Who received Bonus	Average Target Bonus (% of Base Salary)	% Change at 50th Percentile from 2022
Under 100	\$16,480	\$124,245	\$175,203	77%	40%	-1%
100 to 200	\$67,611	\$153,176	\$182,392	84%	42%	+16%
200 to 500	\$146,753	\$181,300	\$218,467	88%	46%	+4%
500 to 1,000	\$106,341	\$185,963	\$229,143	86%	47%	-7%
1,000 to 2,000	\$203,063	\$248,800	\$301,129	95%	47%	+16%

CFO Annual Cash Incentive



Equity Incentives

The table below shows the difference in equity incentive compensation at the median for each market cap tier from fiscal 2022.

CHANGE IN MEDIAN EQUITY GRANT			
Market Cap (\$Millions)	Median Equity Grant 2022	Median Equity Grant 2023	% Change 50th Percentile from 2022
Under 100	\$233,237	\$247,566	+6%
100 to 200	\$364,538	\$350,752	-4%
200 to 500	\$725,447	\$748,279	+3%
500 to 1,000	\$840,280	\$1,041,581	+24%
1,000 to 2,000	\$1,240,882	\$1,681,014	+35%

2.3 Chief Operating Officer Compensation

The Chief Operating Officer (COO) oversees a company's operations and reports directly to the CEO. For the Biotechnology industry in particular, COOs are responsible for ensuring efficient execution and process operations, but depending on organization and market cap size, the portfolio scope can vary greatly.

HEADLINE FINDINGS

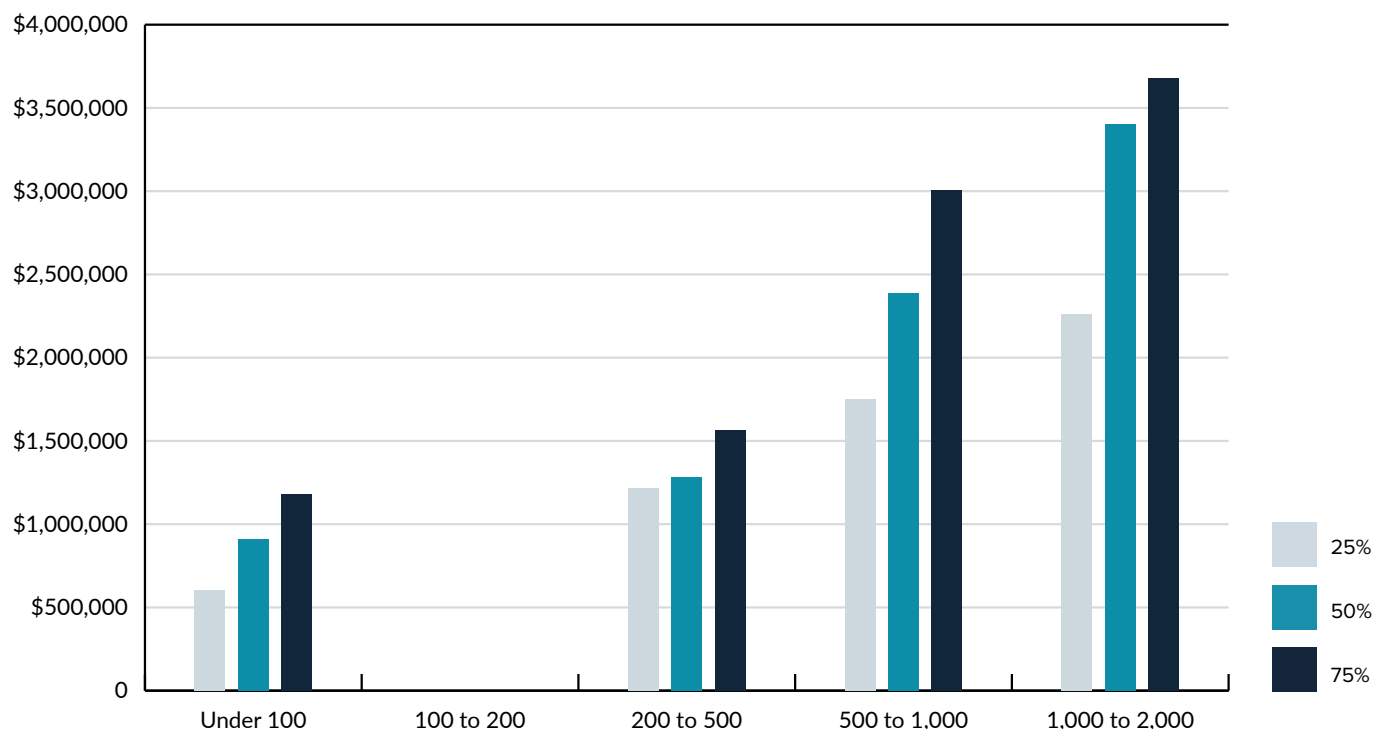
- 62 COOs were identified and analyzed for this report. 19.4% of companies with COOs reported a new COO in the 2023 fiscal year.
- At the 50th percentile, COO total compensation ranged from \$911,140 for the under \$100 million market cap tier to \$3,404,698 for companies with market caps between \$1 billion and \$2 billion.
- Median base salary increased at all market cap tiers from 2022. There were only three companies who reported having a COO in the \$100 million to \$200 million market cap range in fiscal 2023, so these values were excluded from the analysis.
- Total compensation increased at all market cap tiers from 2022.
- 88% of COOs received an annual incentive payment in 2023 compared to 76% in 2022.
- Of the study group, 19% of COOs identified as female, a decrease from 27% in fiscal 2022.

Total Compensation

Total compensation increased at all market cap tiers from 2022. There were not enough companies who reported data for a COO for the \$100 to \$200 million market cap tier, so these values were excluded.

COO TOTAL COMPENSATION				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Change at 50th Percentile from 2022
Under 100	\$604,524	\$911,140	\$1,182,096	+13%
100 to 200				
200 to 500	\$1,215,100	\$1,283,615	\$1,566,893	+0.2%
500 to 1,000	\$1,750,041	\$2,388,334	\$3,007,127	+23%
1,000 to 2,000	\$2,262,669	\$3,404,698	\$3,680,968	+62%

COO Total Compensation



Compensation Structure

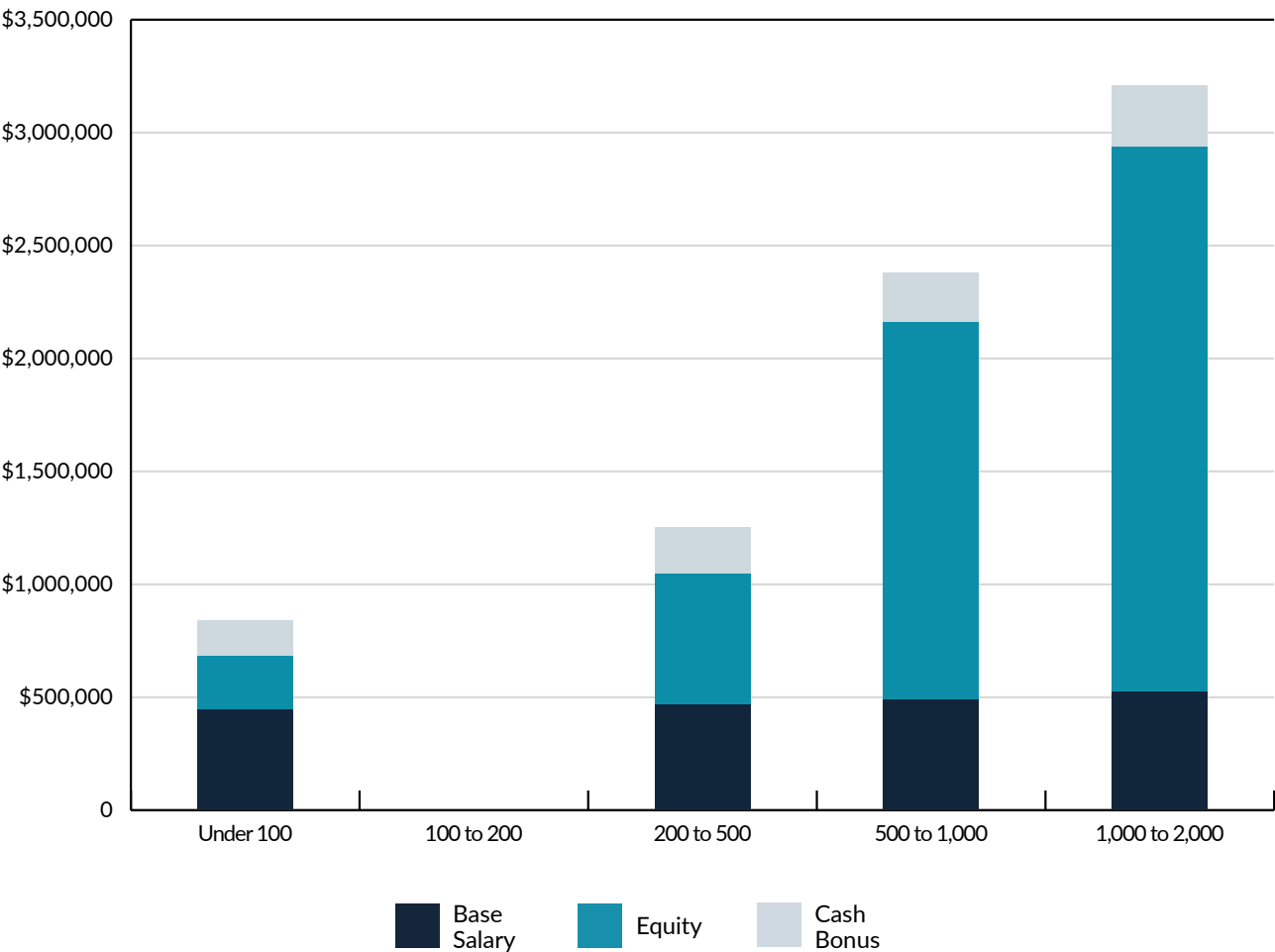
The chart below displays the breakdown of elements for COO total compensation at the 25th, 50th and 75th percentiles for the four different market cap tiers. The value of each cell is calculated individually, so the amounts of Total Direct Compensation are not a sum of each row of data.

ELEMENTS OF COO COMPENSATION				
Market Cap (\$M)	Annual Base Salary	Equity Incentives	Annual Cash Incentive	Total Direct Compensation
25th Percentile				
Under 100	\$336,110	\$103,723	\$13,529	\$604,524
100 to 200				
200 to 500	\$440,000	\$388,530	\$182,000	\$1,215,100
500 to 1,000	\$468,388	\$1,104,283	\$161,251	\$1,750,041
1,000 to 2,000	\$485,100	\$1,416,636	\$216,431	\$2,262,669
50th Percentile				
Under 100	\$444,265	\$240,000	\$156,400	\$911,140
100 to 200				
200 to 500	\$468,179	\$579,791	\$204,563	\$1,283,615
500 to 1,000	\$488,002	\$1,675,126	\$217,648	\$2,388,334
1,000 to 2,000	\$525,000	\$2,410,004	\$274,956	\$3,404,698

ELEMENTS OF COO COMPENSATION (continued)				
Market Cap (\$M)	Annual Base Salary	Equity Incentives	Annual Cash Incentive	Total Direct Compensation
72th Percentile				
Under 100	\$481,667	\$504,159	\$200,885	\$1,182,096
100 to 200				
200 to 500	\$490,385	\$963,520	\$246,921	\$1,566,893
500 to 1,000	\$515,946	\$2,307,295	\$291,703	\$3,007,127
1,000 to 2,000	\$560,104	\$2,762,028	\$323,250	\$3,680,968

The following graph provides a visual representation of the different elements that make up a COO’s median total direct compensation. The graph includes median amounts from the “Annual Base Salary”, “Equity Incentives” and “Annual Cash Incentive” columns in the previous table.

Elements of Median COO Compensation



Median Base Salary Year over Year

- The following table shows the percentage change in median base salary between fiscal 2022 and 2023. Base salary increased at all market cap tiers since 2022 in similar rates as the CFO and CEO (5%-9%).

CHANGE IN MEDIAN BASE SALARY			
Market Cap (\$Millions)	Median Base 2022	Median Base 2023	% Change at Median from 2022
Under 100	\$412,125	\$444,265	+8%
100 to 200	\$430,000		
200 to 500	\$448,000	\$468,179	+5%
500 to 1,000	\$466,577	\$488,002	+5%
1,000 to 2,000	\$482,147	\$525,000	+9%

Annual Cash Incentive

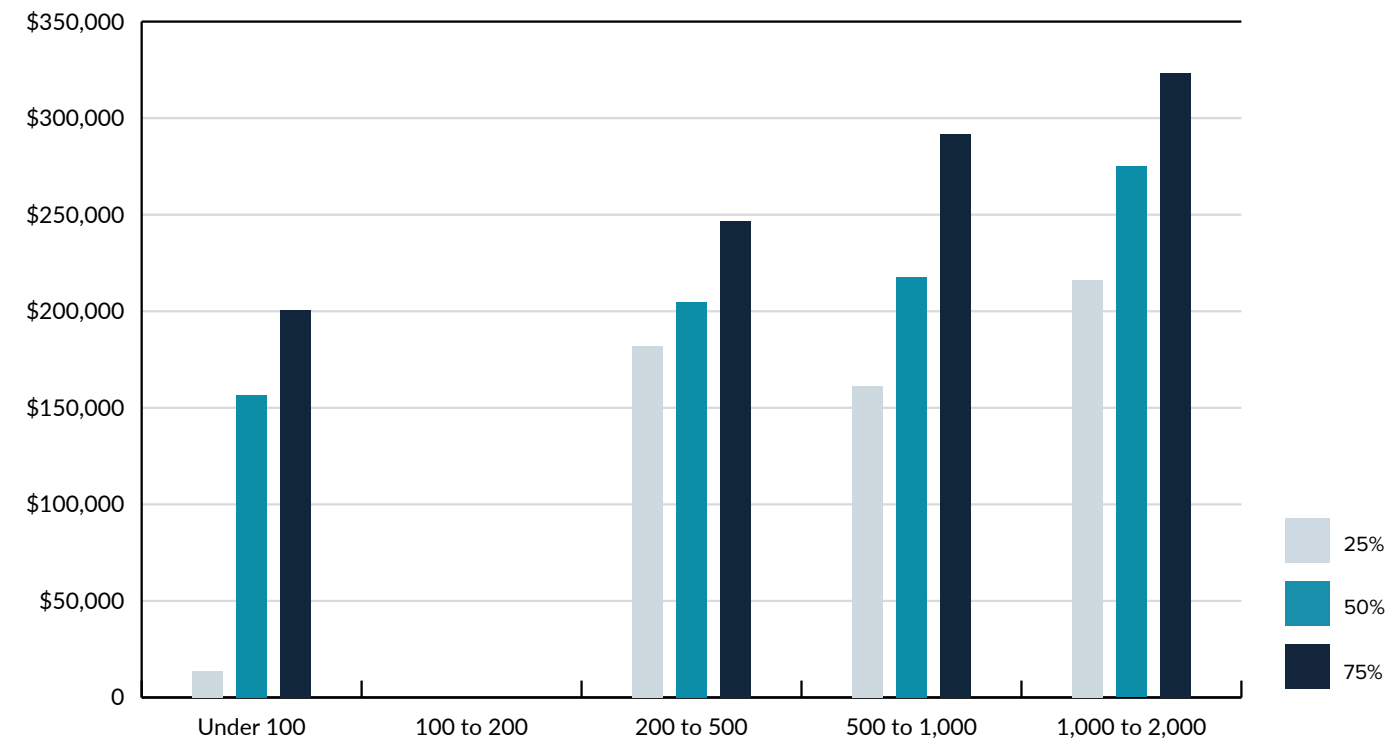
This analysis seeks to reflect COO annual cash incentive payments in proportion to their respective market cap tiers. Among the COOs researched, 88% received an annual incentive payment in fiscal 2023 (76% in fiscal 2022). The calculation method for annual bonuses varies by company, but the bonus criteria usually consider personal performance and corporate performance with the latter weighted more heavily. An example of bonus metrics can be found in the CEO section.

The table below summarizes the median annual cash incentive amounts for COOs at each market cap tier. It also outlines the average Target Bonus reflected as a percent of base salary, and the percentage of COOs who received a non-equity incentive in the last fiscal year. Average target bonus lies in a range of 44% to 48% of base salary, which is similar to the CFO role.

COO ANNUAL INCENTIVE						
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Who received Bonus	Average Target Bonus (% of base salary)	% Change at 50th Percentile from 2022
Under 100	\$13,529	\$156,400	\$200,885	74%	44%	+75%
100 to 200						
200 to 500	\$182,000	\$204,563	\$246,921	100%	48%	+9%
500 to 1,000	\$161,251	\$217,648	\$291,703	100%	45%	+6%
1,000 to 2,000	\$216,431	\$274,956	\$323,250	91%	47%	+19%

- The biggest increase in median bonus was for companies in the lowest tier, with market caps below \$100 million. There were many mergers, acquisitions and bankruptcies in that tier from the 2023 report, and this is likely a reflection of having to add new companies to the dataset.

Annual Cash Incentive



Equity Incentives

The table below shows the difference in equity incentive compensation at the median for each market cap tier from fiscal 2022.

CHANGE IN MEDIAN EQUITY GRANT			
Market Cap (\$Millions)	Median Equity Grant 2022	Median Equity Grant 2023	% Change at 50th Percentile from 2022
Under 100	\$272,044	\$240,000	-12%
100 to 200			
200 to 500	\$648,868	\$579,791	-11%
500 to 1,000	\$1,263,899	\$1,675,126	+33%
1,000 to 2,000	\$1,419,769	\$2,410,004	+70%

2.4 Chief Medical Officer

The Chief Medical Officer (CMO) is an essential role in the Biotechnology industry that is accountable for leadership of health-oriented teams, regulatory compliance and in many cases, the strategy, direction, and execution of the company's clinical development plan.

Headline Findings

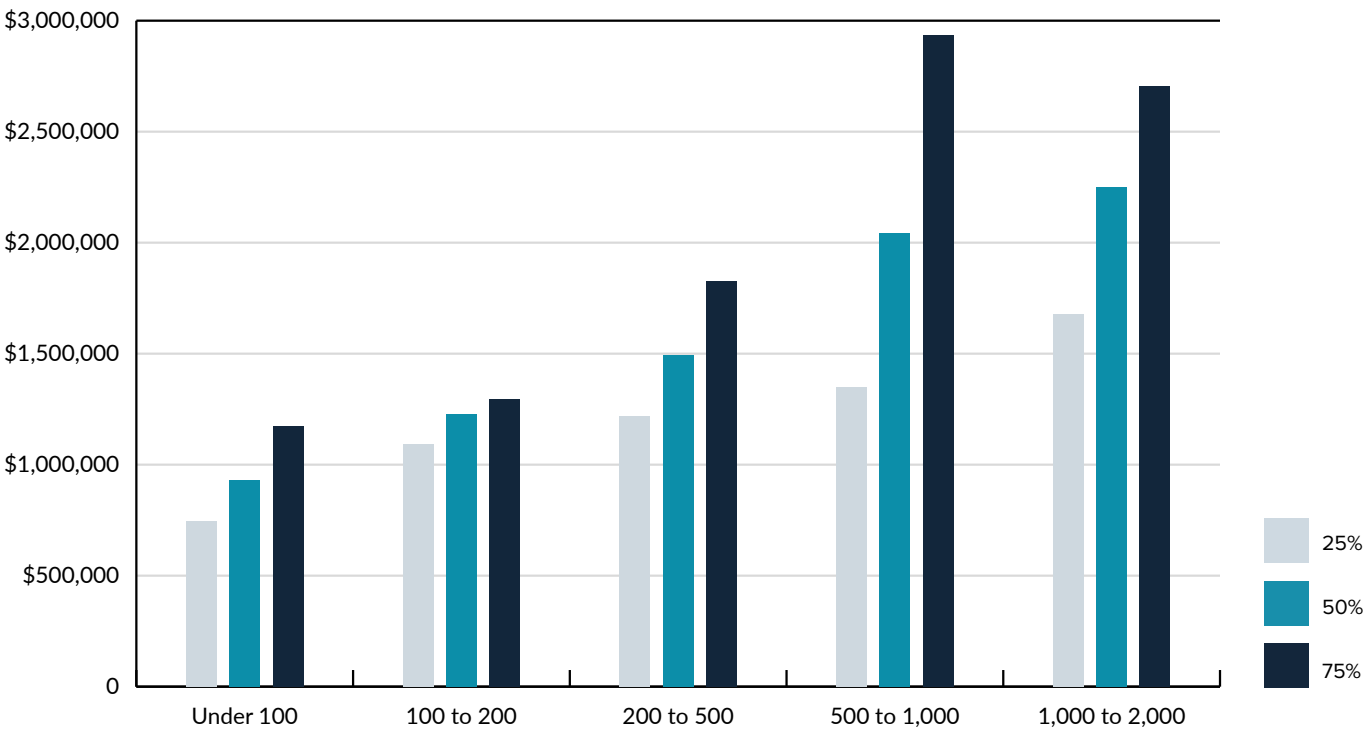
- 84 CMOs were identified and analyzed for this report.
 - 19.3% of companies with a CMO reported a former or new hire in 2023.
- At the 50th percentile, CMO total compensation ranged from \$931,794 for companies with market caps under \$100 million to \$2,250,145 for companies with market caps between \$1 billion and \$2 billion.
- Like other biotech C-Suite executives, CMO base salaries increased at all market cap tiers by 2% to 8%.
- Total compensation also increased at all tiers since fiscal 2022 by up to 38%.
- 93% of CMOs received an annual incentive payment in 2022, compared to 89% in 2022.
- Of the study group, 24% of CMOs identified as female, a decrease from 27% in 2022.

Total Compensation

Median total compensation went up at all market cap tiers since fiscal 2022.

CMO TOTAL COMPENSATION				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Change at 50th Percentile from 2022
Under 100	\$743,489	\$931,794	\$1,173,493	+9%
100 to 200	\$1,094,009	\$1,227,789	\$1,293,031	+38%
200 to 500	\$1,218,207	\$1,492,176	\$1,824,559	+18%
500 to 1,000	\$1,350,809	\$2,044,562	\$2,934,878	+32%
1,000 to 2,000	\$1,678,970	\$2,250,145	\$2,706,171	+32%

CMO Total Compensation



Compensation Structure

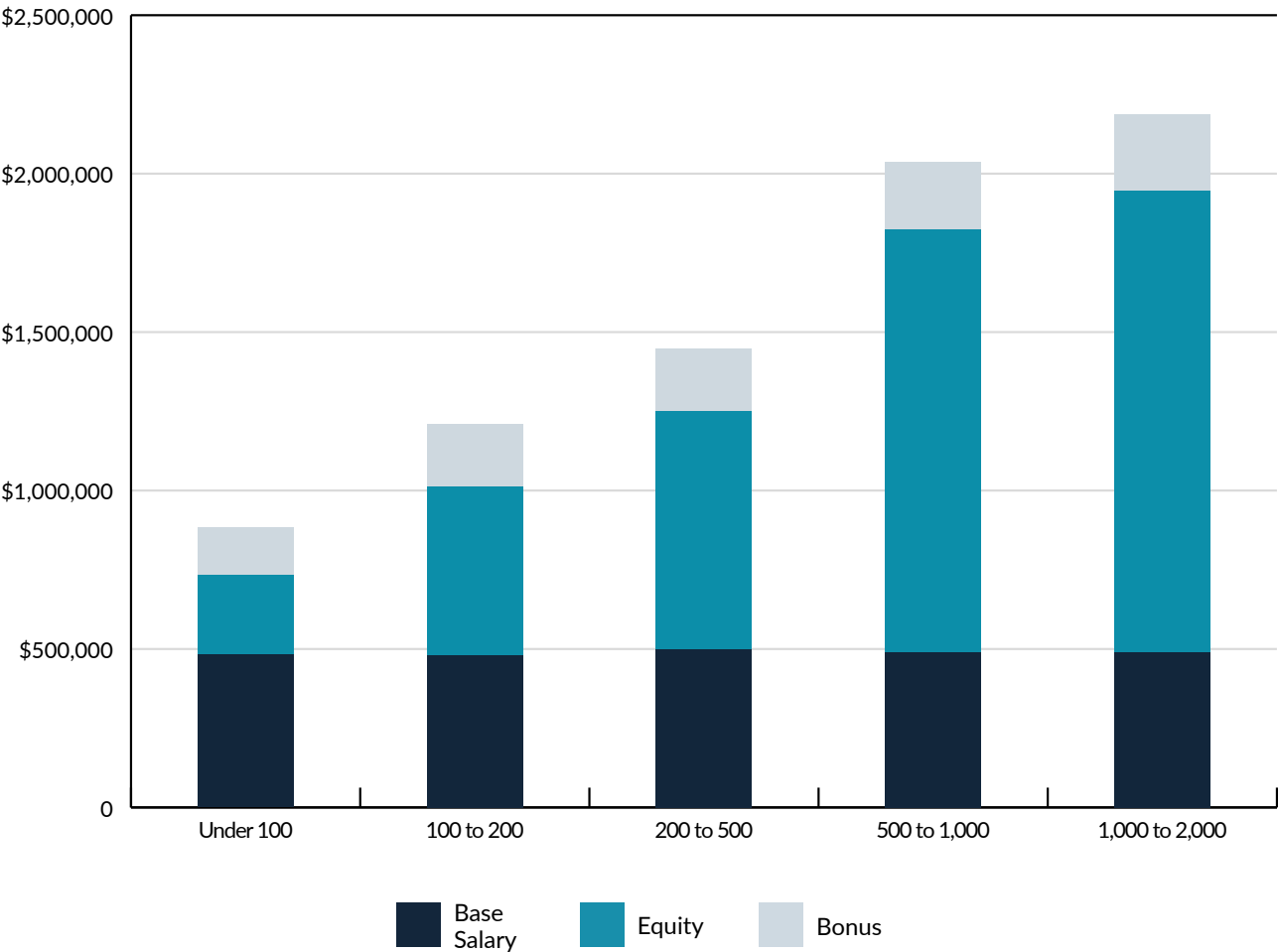
The chart below displays the breakdown of elements for CMO total compensation at the 25th, 50th and 75th percentiles for the five different market cap tiers. The value of each cell is calculated individually, so the amounts of Total Direct Compensation are not a sum of each row of data.

ELEMENTS OF CMO COMPENSATION				
Market Cap (\$M)	Annual Base Salary	Equity Incentives	Annual Cash Incentive	Total Direct Compensation
25th Percentile				
Under 100	\$457,916	\$101,882	\$81,810	\$743,489
100 to 200	\$451,250	\$437,007	\$161,572	\$1,094,009
200 to 500	\$492,251	\$507,271	\$182,704	\$1,218,207
500 to 1,000	\$480,575	\$705,544	\$157,166	\$1,350,809
1,000 to 2,000	\$465,461	\$977,077	\$218,213	\$1,678,970
50th Percentile				
Under 100	\$481,993	\$251,824	\$148,554	\$931,794
100 to 200	\$480,000	\$531,999	\$197,600	\$1,227,789
200 to 500	\$500,000	\$749,290	\$197,941	\$1,492,176
500 to 1,000	\$490,113	\$1,332,851	\$214,314	\$2,044,562
1,000 to 2,000	\$490,100	\$1,455,762	\$240,439	\$2,250,145

ELEMENTS OF CMO COMPENSATION (continued)				
Market Cap (\$M)	Retainer and Fees	Equity Incentives	Annual Cash Incentive	Total Direct Compensation
75th Percentile				
Under 100	\$495,833	\$474,000	\$198,333	\$1,173,493
100 to 200	\$513,077	\$574,426	\$207,359	\$1,293,031
200 to 500	\$528,856	\$1,123,159	\$225,146	\$1,824,559
500 to 1,000	\$499,978	\$2,159,393	\$241,946	\$2,934,878
1,000 to 2,000	\$521,076	\$1,934,203	\$280,412	\$2,706,171

The following graph provides a visual representation of the different elements that make up a legal representative’s total direct compensation. The graph includes median amounts from the “Annual Base Salary”, “Equity Incentives” and “Annual Cash Incentive” columns in the previous table.

Elements of Median CMO Compensation



Median Base Salary Year over Year

- The following chart shows the percentage change of median base salary between fiscal 2022 and 2023. CMO base salary increased at all market cap tiers in a range of 2% to 8% over the past year.

CHANGE IN MEDIAN BASE SALARY			
Market Cap (\$Millions)	Median Base 2022	Median Base 2023	% Change at Median from 2022
Under 100	\$446,000	\$481,993	+8%
100 to 200	\$450,000	\$480,000	+7%
200 to 500	\$465,000	\$500,000	+8%
500 to 1,000	\$469,803	\$490,113	+4%
1,000 to 2,000	\$482,601	\$490,100	+2%

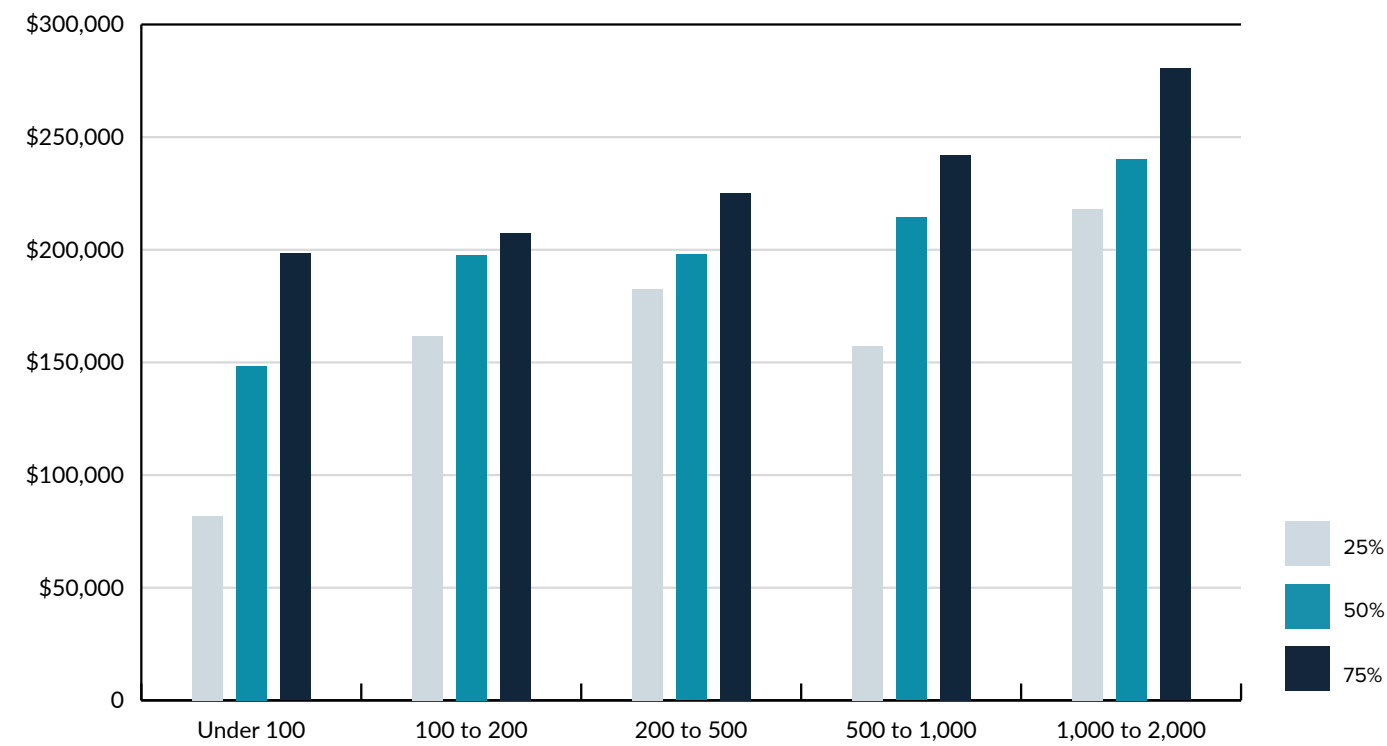
Annual Cash Incentive

This analysis seeks to reflect CMO annual cash incentive payments in proportion to their respective market cap tiers. Among the CMOs researched, 93% received an annual cash incentive in 2023 (89% in fiscal 2022). The calculation method for annual bonuses varies by company, but the bonus criteria usually consider personal performance and corporate performance with the latter weighted more heavily. An example of bonus metrics can be found in the CEO section.

The table below summarizes the annual cash incentive amounts for CMOs at each market cap tier. It also outlines the average Target Bonus reflected as a percent of base salary, and the percentage of CMOs who received a non-equity incentive in the most recently reported fiscal year. Average target bonus was approximately 40%-45% of base salary for most market cap tiers.

CMO ANNUAL CASH INCENTIVE						
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Who Received Bonus	Average Target Bonus (% of base salary)	% Change at 50th Percentile from 2021
Under 100	\$81,810	\$148,554	\$198,333	88%	41%	+66%
100 to 200	\$161,572	\$197,600	\$207,359	100%	40%	+215%
200 to 500	\$182,704	\$197,941	\$225,146	100%	41%	+5%
500 to 1,000	\$157,166	\$214,314	\$241,946	94%	47%	+4%
1,000 to 2,000	\$218,213	\$240,439	\$280,412	100%	44%	+4%

CMO Annual Cash Incentive



Equity Incentives

The table below shows the difference in equity incentive compensation from fiscal 2022 at the median for each market cap tier.

CHANGE IN MEDIAN EQUITY GRANT			
Market Cap (\$Millions)	Median Equity Grant 2022	Median Equity Grant 2023	% Change at 50th Percentile from 2022
Under 100	\$272,044	\$251,824	-7%
100 to 200	\$535,160	\$531,999	-1%
200 to 500	\$648,868	\$749,290	+15%
500 to 1,000	\$1,263,899	\$1,332,851	+5%
1,000 to 2,000	\$1,419,769	\$1,455,762	+3%

2.5 Chief Scientific Officer

The Chief Scientific Officer (CSO) plays an essential role within Biotechnology organizations with accountability for scientific research and product development. A CSO is typically responsible for envisioning and developing research capabilities.

HEADLINE FINDINGS

- There were 57 CSOs in the dataset for 2023. 25% of the companies with a CSO reported executive changeover in the 2023 fiscal year.
- At the median, total compensation varied from \$746,704 for companies with market cap values under \$100 million to \$2,732,885 for companies with market cap values between \$1 billion and \$2 billion.
- 85.7% of CSOs received an annual incentive payment, which is only a small increase from 85.0% in 2023.
- Of the research group, 18% of CSOs identified as female, a decrease from 26% in 2022 and 22% in 2021. There was one former CSO and one new CSO in 2023 who identified as female.

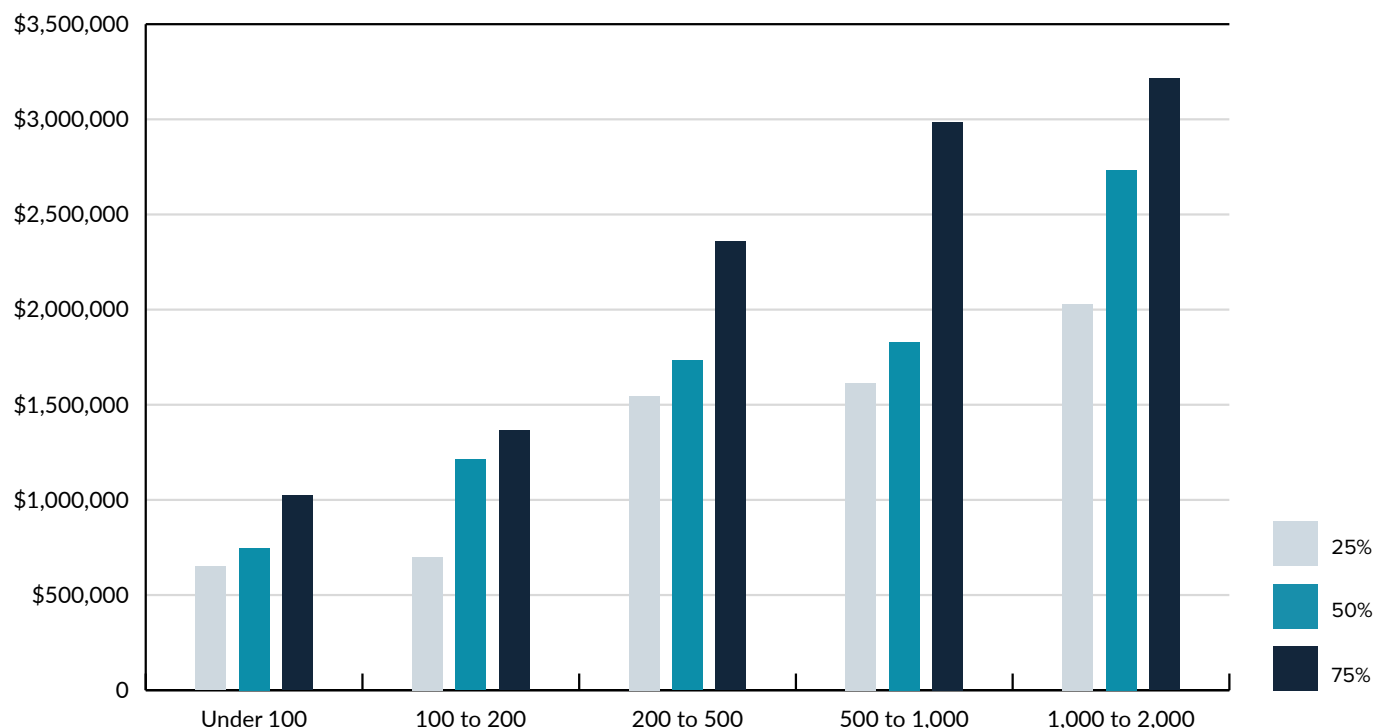
Total Compensation

Median total compensation at the 50th percentile increased at all market cap tiers over \$100 million.

CSO TOTAL COMPENSATION				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Change at 50th percentile from Fiscal 2022
Under 100	\$648,831	\$746,704	\$1,022,187	-0.04%
100 to 200	\$699,225	\$1,212,077	\$1,364,981	+1%
200 to 500	\$1,546,683	\$1,731,143	\$2,357,073	+41%
500 to 1,000	\$1,614,688	\$1,829,232	\$2,985,416	+32%
1,000 to 2,000	\$2,029,385	\$2,732,885	\$3,213,094	+42%



CSO Total Compensation



Compensation Structure

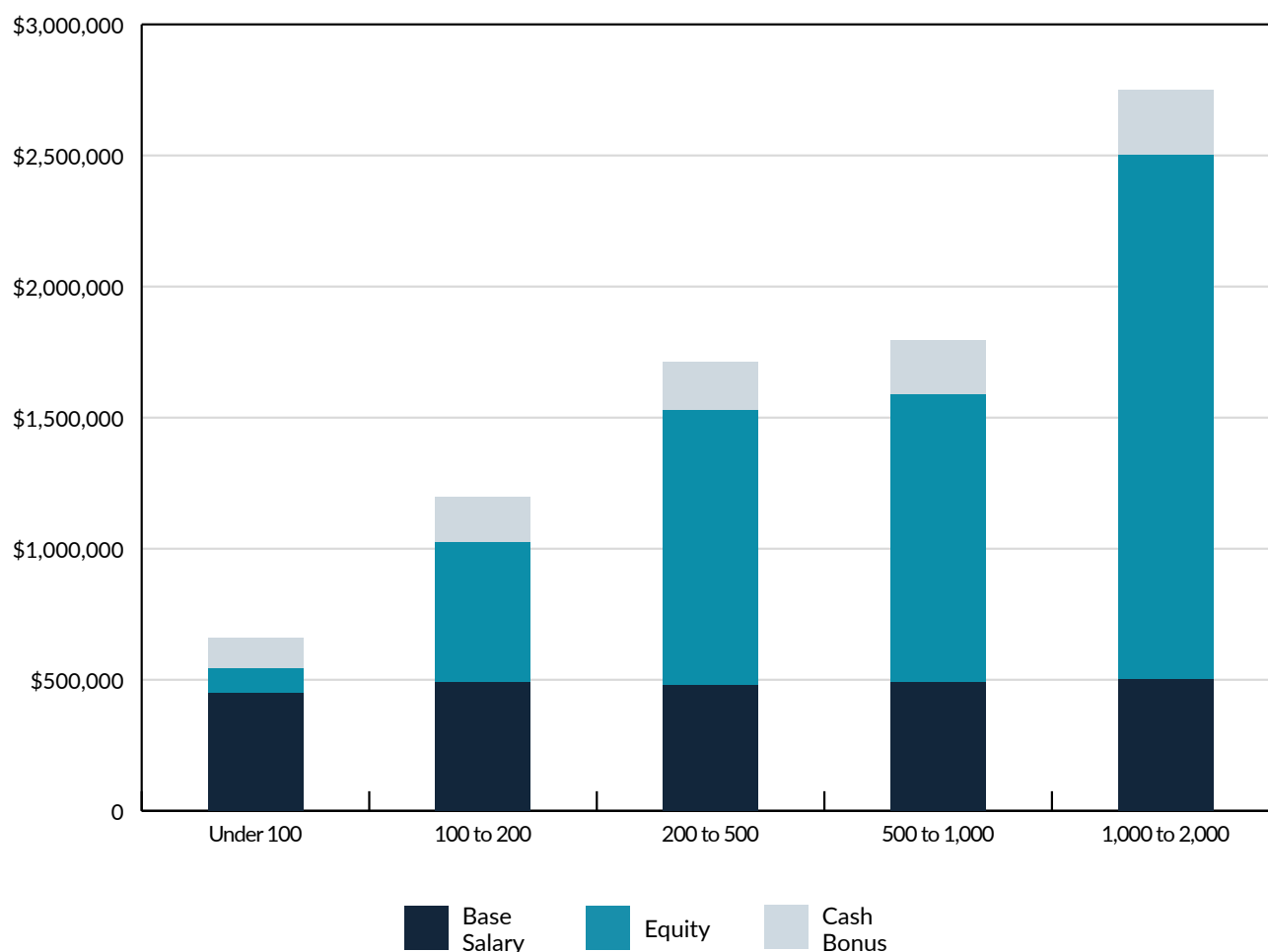
The chart below displays the breakdown of elements for CSO total compensation at the 25th, 50th and 75th percentiles for the five different market cap tiers. The value of each cell is calculated individually, so the amounts of Total Direct Compensation are not a sum of each row of data.

ELEMENTS OF CSO COMPENSATION				
Market Cap (\$M)	Annual Base Salary	Equity Incentives	Annual Cash Incentive	Total Direct Compensation
25th Percentile				
Under 100	\$412,760	\$47,897	\$50,025	\$648,831
100 to 200	\$448,122	\$245,441	\$60,420	\$699,225
200 to 500	\$432,123	\$863,023	\$123,054	\$1,546,683
500 to 1,000	\$442,787	\$958,588	\$137,500	\$1,614,688
1,000 to 2,000	\$491,130	\$1,258,328	\$216,315	\$2,029,385
50th Percentile				
Under 100	\$448,238	\$96,055	\$115,057	\$746,704
100 to 200	\$492,186	\$532,061	\$172,273	\$1,212,077
200 to 500	\$479,232	\$1,051,143	\$182,020	\$1,731,143
500 to 1,000	\$492,000	\$1,094,295	\$209,727	\$1,829,232
1,000 to 2,000	\$501,970	\$2,000,629	\$245,565	\$2,732,885

ELEMENTS OF CSO COMPENSATION (continue)				
Market Cap (\$M)	Annual Base Salary	Equity Incentives	Annual Cash Incentive	Total Direct Compensation
75th Percentile				
Under 100	\$473,669	\$399,848	\$170,490	\$1,022,187
100 to 200	\$555,555	\$681,746	\$199,267	\$1,364,981
200 to 500	\$510,075	\$1,532,602	\$208,682	\$2,357,073
500 to 1,000	\$525,000	\$2,206,565	\$245,000	\$2,985,416
1,000 to 2,000	\$518,900	\$2,464,447	\$255,887	\$3,213,094

The following graph provides a visual representation of the different elements that make up a CSO's total direct compensation. The graph includes median amounts from the "Annual Base Salary", "Equity Incentives" and "Annual Cash Incentive" columns in the previous table.

Elements of Median CSO Compensation



Median Base Salary Year over Year

- Median base salary increased the most at companies with market caps under \$100 million and remained relatively unchanged (+/- 2%) for companies with market caps between \$500 million and \$2 billion.

CHANGE IN MEDIAN BASE SALARY			
Market Cap (\$Millions)	Median Base 2022	Median Base 2023	% Change at Median from 2022
Under 100	\$382,629	\$448,238	+17%
100 to 200	\$467,116	\$492,186	+5%
200 to 500	\$471,240	\$479,232	+2%
500 to 1,000	\$499,953	\$492,000	-2%
1,000 to 2,000	\$505,000	\$501,970	-1%

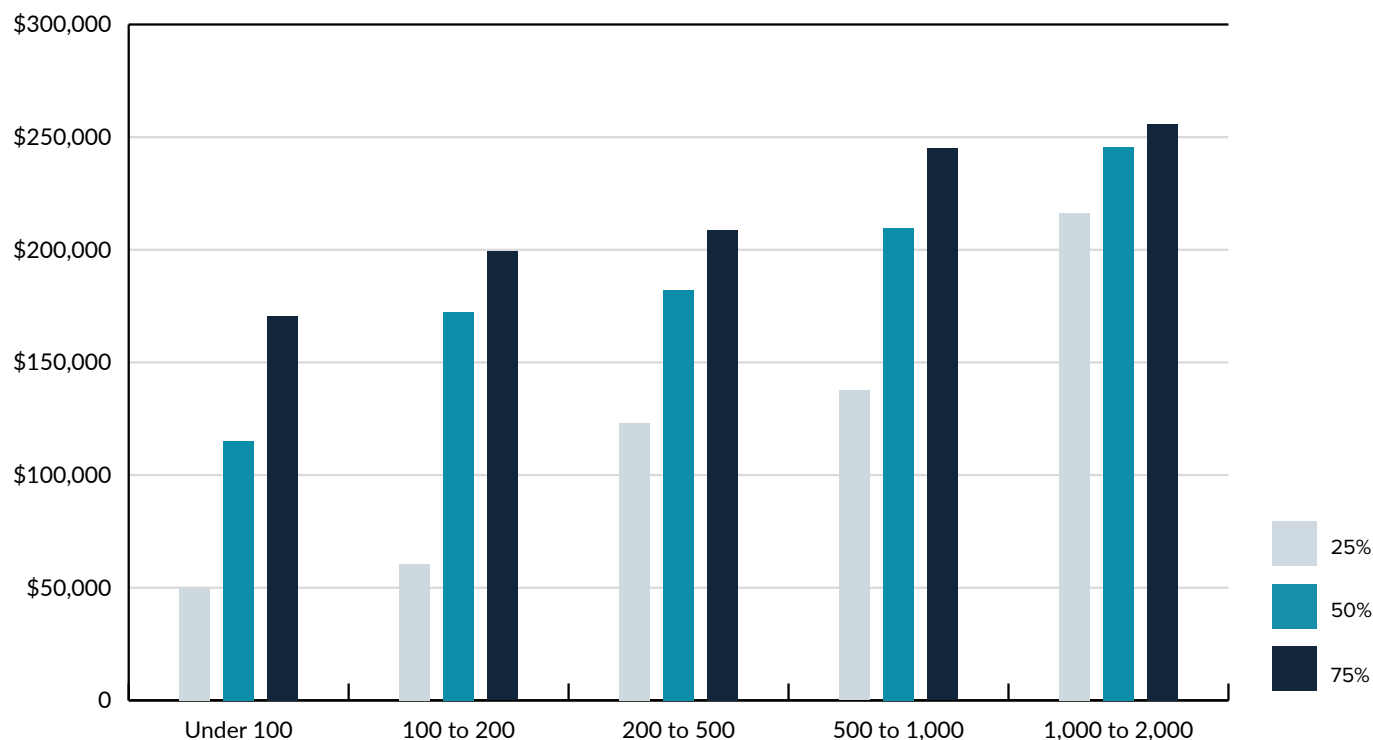
Annual Cash Incentive

This analysis seeks to reflect CMO annual cash incentive payments in proportion to their respective market cap value tiers. Among the CSOs researched, 85.7% received an annual cash incentive (85.0% in fiscal 2022). The calculation method for annual bonuses varies by company, but the bonus criteria usually consider personal performance and corporate performance with the latter weighted more heavily. An example of bonus metrics can be found in the CEO section.

The table below summarizes the annual cash incentive amounts for CSOs at each market cap tier. It also outlines the average Target Bonus reflected as a percent of base salary, and the percentage of CSOs who received a non-equity incentive in the last fiscal year. Average target bonus ranged between 38% and 47%.

CSO ANNUAL CASH INCENTIVE						
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Who Received Bonus	Average Target Bonus (% of base salary)	% Change at 50th Percentile from 2022
Under 100	\$50,025	\$115,057	\$170,490	75%	38%	+28%
100 to 200	\$60,420	\$172,273	\$199,267	75%	42%	+13%
200 to 500	\$123,054	\$182,020	\$208,682	86%	43%	+2%
500 to 1,000	\$137,500	\$209,727	\$245,000	92%	43%	+2%
1,000 to 2,000	\$216,315	\$245,565	\$255,887	100%	47%	+3%

Annual Cash Incentive



Equity Incentives

With 25% of companies changing their CSO in 2023, equity grants were affected, seeing a change of +/- up to 75% from 2022, despite Bedford's best efforts to normalize and annualize the data.

CHANGE IN MEDIAN EQUITY GRANT			
Market Cap (\$Millions)	Median Equity Grant 2022	Median Equity Grant 2023	% Change at 50th Percentile from 2022
Under 100	\$371,774	\$96,055	-74%
100 to 200	\$580,432	\$532,061	-8%
200 to 500	\$604,820	\$1,051,143	+74%
500 to 1,000	\$615,898	\$1,094,295	+78%
1,000 to 2,000	\$1,201,765	\$2,000,629	+66%

2.6 Chief Legal Officer

Many of the companies researched assigned an executive member to oversee all legal affairs. For Biotechnology organizations, this role is critical for establishing, acquiring, and protecting patents and for ensuring that operations remain stable and consistent without any legal conflicts. Although this section is titled Chief Legal Officer, the dataset has combined information for the roles of Chief Legal Officer, VP Legal/Legal Affairs, and General Counsel- which we will refer to as Legal Representative for the remainder of the section.

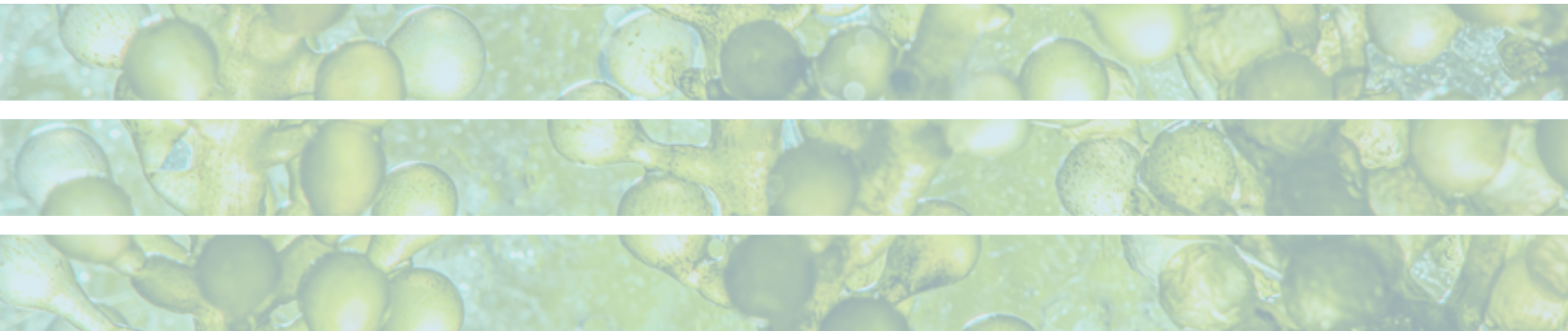
HEADLINE FINDINGS

- Of the companies analyzed, 49 had data for the role of Legal Representative. 16% of companies in this grouping reported a new or former legal representative for 2023.
- At the median, total compensation varied from \$958,484 for companies with market cap values under \$100 million to \$2,340,056 for companies with market cap values between \$1 billion and \$2 billion.
- 89% of Legal Representatives received an annual incentive payment in fiscal 2023, a slight decrease from 91% in 2022.
- Of the study group, 38.8% of Legal Representatives identified as female compared to 30% in fiscal 2022. Of the 16% of companies who had an executive changeover in 2023, 50% had females exiting the company, while only 12.5% hired a female Legal Rep.

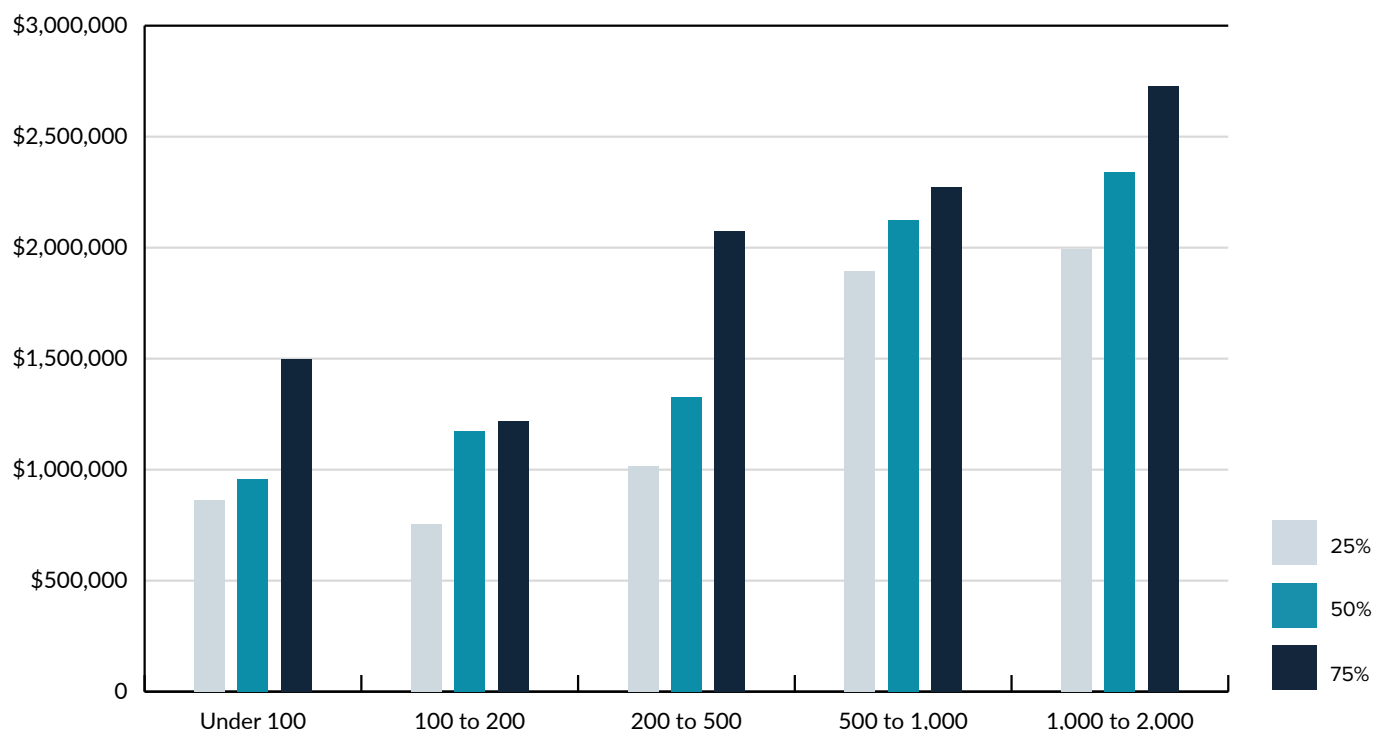
Total Compensation

In 2022, there was not enough data available for companies in the \$500 million to \$1 billion market cap tier to provide meaningful analysis, therefore year over year analysis for this grouping was unavailable for this year's report.

LEGAL REPRESENTATIVE TOTAL COMPENSATION				
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Change at 50th Percentile from 2022
Under 100	\$861,855	\$958,484	\$1,500,005	+10%
100 to 200	\$755,219	\$1,171,631	\$1,217,807	+25%
200 to 500	\$1,015,858	\$1,328,453	\$2,073,852	-2%
500 to 1,000	\$1,892,263	\$2,122,812	\$2,273,553	
1,000 to 2,000	\$1,992,230	\$2,340,056	\$2,726,564	+14%



Legal Representation Total Compensation



Compensation Structure

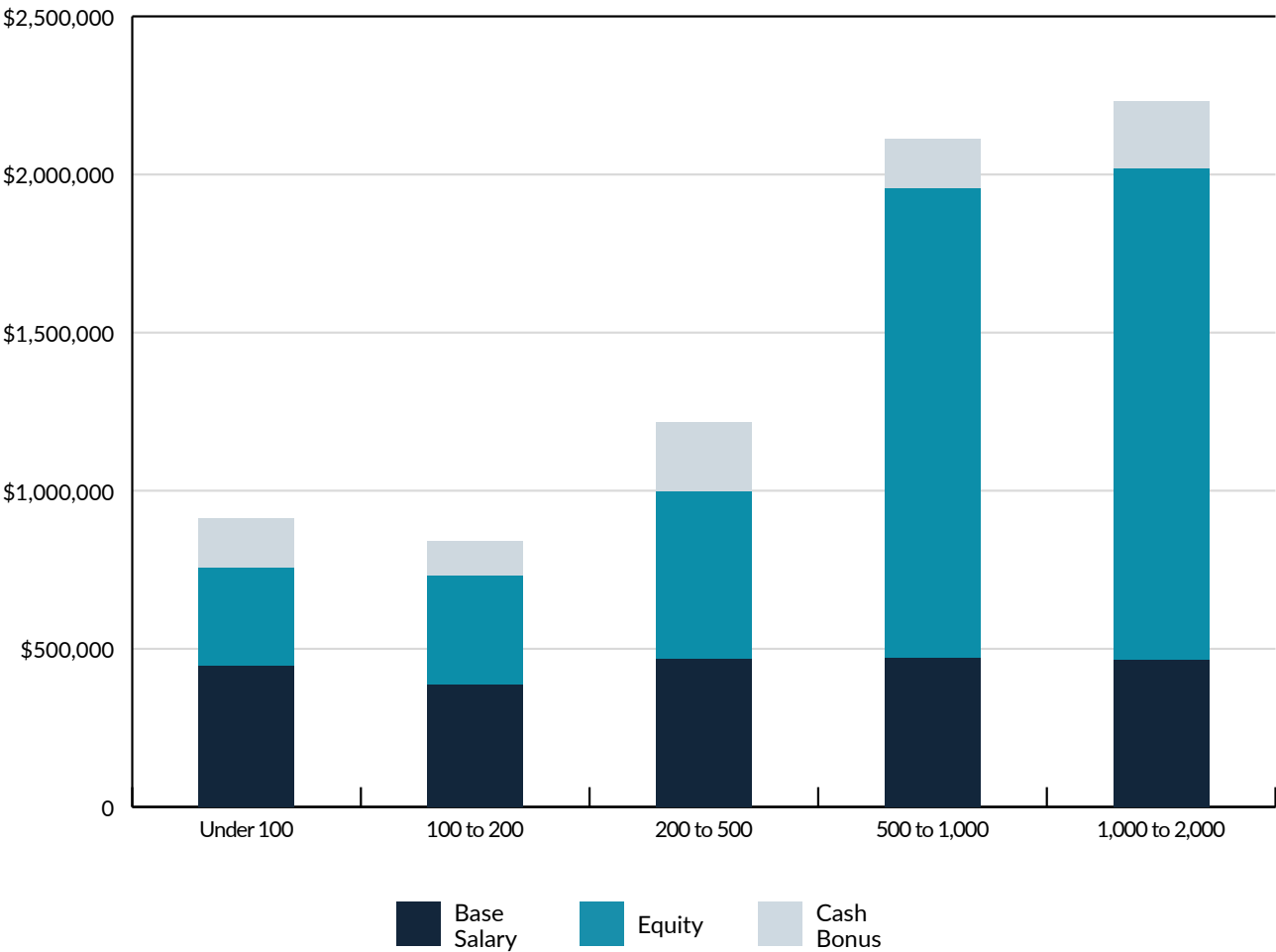
The chart below displays the breakdown of elements for Legal Representative total compensation at the 25th, 50th and 75th percentiles for the four different market cap tiers. The value of each cell is calculated individually, so the amounts of Total Direct Compensation are not a sum of each row of data. There were only five companies in the \$100 million to \$200 million market cap tier, resulting in the data being lower than all other tiers.

ELEMENTS OF LEGAL REPRESENTATIVE COMPENSATION				
Market Cap (\$M)	Annual Base Salary	Equity Incentives	Annual Cash Incentive	Total Direct Compensation
25th Percentile				
Under 100	\$423,931	\$183,474	\$64,287	\$861,855
100 to 200	\$376,700	\$314,047	\$52,400	\$755,219
200 to 500	\$433,907	\$235,684	\$180,701	\$1,015,858
500 to 1,000	\$456,733	\$1,185,005	\$138,751	\$1,892,263
1,000 to 2,000	\$445,900	\$1,302,730	\$174,029	\$1,992,230
50th Percentile				
Under 100	\$445,120	\$313,000	\$156,400	\$958,484
100 to 200	\$387,700	\$342,790	\$111,058	\$1,171,631
200 to 500	\$468,036	\$528,324	\$219,452	\$1,328,453
500 to 1,000	\$470,000	\$1,485,984	\$156,228	\$2,122,812
1,000 to 2,000	\$466,650	\$1,553,643	\$211,605	\$2,340,056

ELEMENTS OF LEGAL REPRESENTATIVE COMPENSATION (continued)				
Market Cap (\$M)	Annual Base Salary	Equity Incentives	Annual Cash Incentive	Total Direct Compensation
75th Percentile				
Under 100	\$456,445	\$749,081	\$204,794	\$1,500,005
100 to 200	\$396,635	\$548,497	\$187,460	\$1,217,807
200 to 500	\$474,513	\$1,338,459	\$277,297	\$2,073,852
500 to 1,000	\$496,533	\$1,585,702	\$205,722	\$2,273,553
1,000 to 2,000	\$490,212	\$1,994,826	\$281,521	\$2,726,564

The following graph provides a visual representation of the different elements that make up a Legal Representative’s total direct compensation. The graph includes median amounts from the “Annual Base Salary”, “Equity Incentives” and “Annual Cash Incentive” columns in the previous table.

Elements of Median Legal Representation Compensation



Median Base Salary Year over Year

- There were not enough datapoints in the 2022 data for the market cap tier of \$500 million to \$1 billion so year over year analysis was excluded.

CHANGE IN MEDIAN BASE SALARY			
Market Cap (\$Millions)	Median Base 2022	Median Base 2023	% Change at Median from 2022
Under 100	\$381,825	\$445,120	+17%
100 to 200	\$400,000	\$387,700	-3%
200 to 500	\$445,556	\$468,036	+5%
500 to 1,000		\$470,000	
1,000 to 2,000	\$446,505	\$466,650	+5%

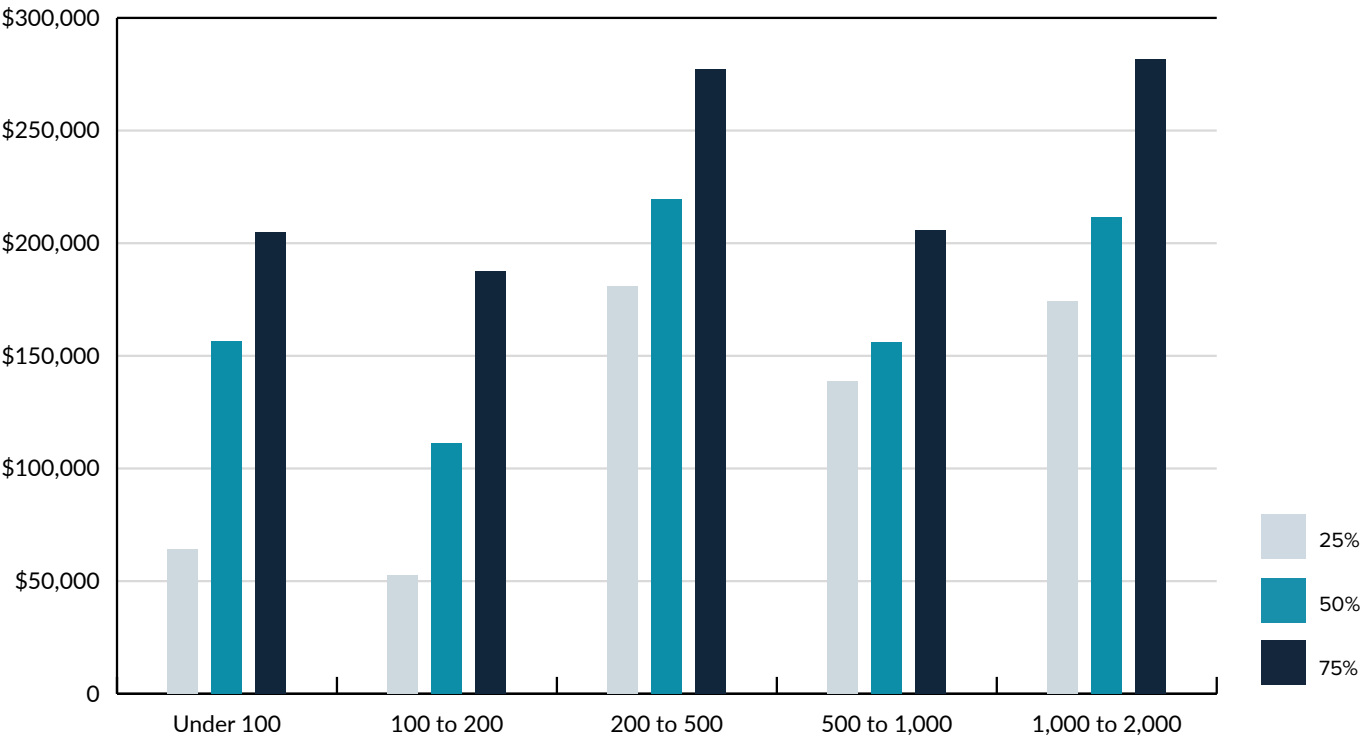
Annual Cash Incentive

This analysis seeks to reflect Legal Representative annual cash incentive payments in proportion to their respective market cap tiers. Among the Legal Reps. researched, 89% received an annual incentive payment in fiscal 2023 compared to 91% in 2022. The calculation method for annual bonuses varies by company, but the bonus criteria usually consider personal performance and corporate performance with the latter weighted more heavily. An example of bonus metrics can be found in the CEO section.

The table below summarizes the annual cash incentive amounts for Legal Representatives at each market cap tier. It also outlines the average Target Bonus reflected as a percent of base salary, and the percentage of Legal Representatives who received a non-equity incentive in the most recent fiscal year. Average target bonus ranged between 41% and 47% of base salary for all market cap tiers.

LEGAL REPRESENTATIVE ANNUAL CASH INCENTIVE					
Market Cap (\$M)	25th Percentile	50th Percentile	75th Percentile	% Who Received Bonus	Average Target Bonus (% of base salary)
Under 100	\$64,287	\$156,400	\$204,794	73%	41%
100 to 200	\$52,400	\$111,058	\$187,460	80%	44%
200 to 500	\$180,701	\$219,452	\$277,297	100%	45%
500 to 1,000	\$138,751	\$156,228	\$205,722	100%	42%
1,000 to 2,000	\$174,029	\$211,605	\$281,521	90%	47%

Annual Cash Incentive



Equity Incentives

The decrease in median equity grant in the \$200 to \$500 million dollar market cap tier contributed to the overall decrease in median total compensation for the tier.

CHANGE IN MEDIAN EQUITY GRANT			
Market Cap (\$Millions)	Median Equity Grant 2022	Median Equity Grant 2023	% Change at 50th Percentile from 20212
Under 100	\$284,225	\$313,000	+10%
100 to 200	\$325,393	\$342,790	+5%
200 to 500	\$759,794	\$528,324	-30%
500 to 1,000		\$1,485,984	
1,000 to 2,000	\$1,472,363	\$1,553,643	+6%

2.7 NEO Equity Analysis

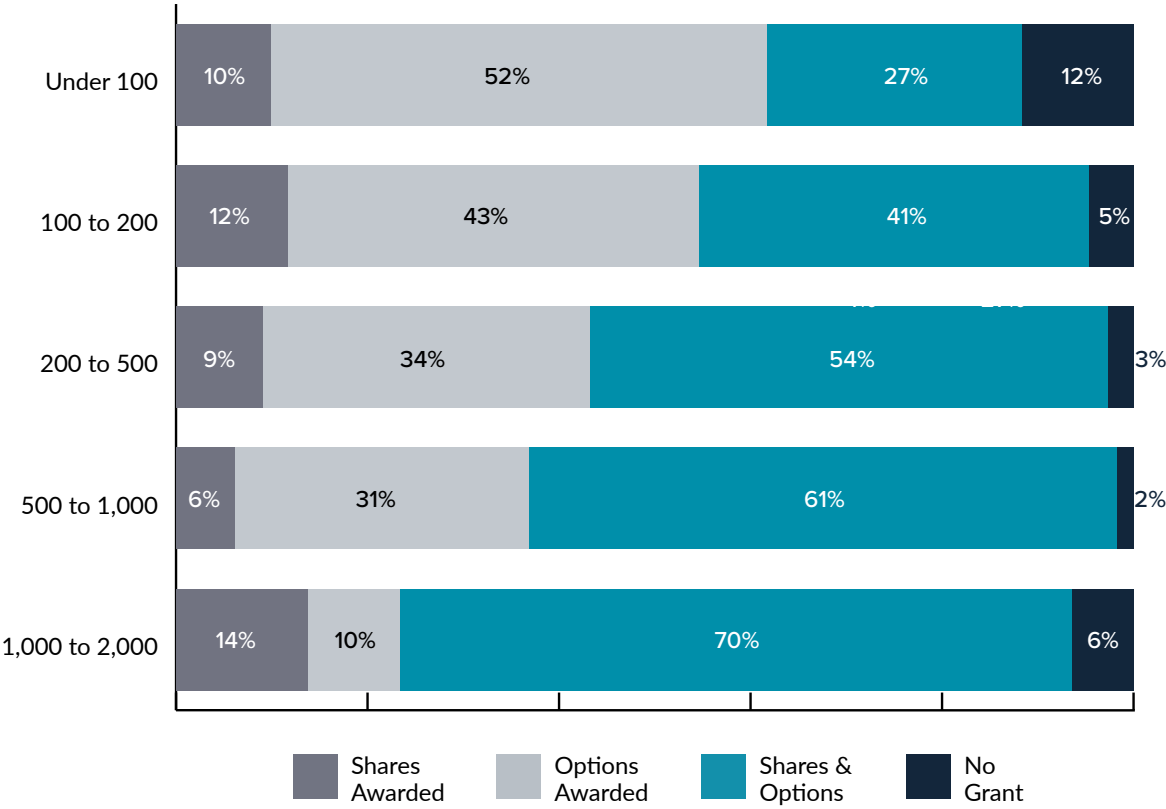
Like Directors, RSUs and options remain a common form of equity compensation for executives. Another form of equity compensation used by companies in the dataset is Performance Share Units (PSUs) which are linked to performance metrics. Shareholder rights groups like the ISS and Glass Lewis encourage companies to rely on performance-based awards such as PSUs or performance-based RSUs (pRSUs), which tie equity compensation payouts to the overall performance of the Company with a focus on shareholder return.

Equity compensation continues to be one of the most common methods of incentivizing NEOs to drive growth. As a result, as seen in the “Elements of NEO Compensation” charts presented earlier in this report, equity compensation accounts for a large portion of NEO total compensation across all asset value tiers.

Share and Option Related Compensation

- In this section, the equity component of NEO compensation was assessed, looking at the distribution of share-based and option-based awards.
- The relative bar chart below shows, for each market cap tier, the percentage of executives who received share versus option awards, or a combination of the two.
- Of all NEOs in the dataset:
 - 10% received shares only.
 - 36% received options only.
 - 48% received a combination of shares and options.
 - 6% did not receive any equity grant.

NEO Equity Compensation Structure



2.8 Executive Share Ownership Requirements

Share ownership guidelines require directors and/or executives to have a minimum equity stake in the organization. The intention is to align interests of the Company with those of the shareholders. Although share ownership guidelines are not mandated in Canada, they are considered a good governance practice.

When guidelines are in place, executives are typically required to obtain a certain multiple of their base salary as equity, and they have a defined number of years to achieve said level of ownership. Oftentimes, only full shares and equity settled RSUs count towards the share ownership requirements; options are generally excluded. Further, in many cases, PSUs do not count towards ownership until they are vested.

14% of CEOs had a share ownership requirement with their company. The most common requirement was to obtain 3x their base salary in shares within five years. Of the remaining NEOs, 18% had a minimum share ownership requirement, with the most common being 1x annual base salary achieved within 5 years.

2.9 Severance Analysis

CEO Severance upon Termination and Change of Control

CEO Severance upon Change of Control

- 86% of CEOs had a change of control agreement with their company.
- The most common agreement for the CEO entitled the respective member to 18 months of salary, plus 18 months of bonus at target. The next most popular agreement was 24 months of salary and bonus at target.
- Best practice by shareholder rights groups like ISS and Glass Lewis encourage a double trigger event for the payout of change of control.
- In the event of a change of control, over 85% of companies allowed for accelerated vesting. With the increase in reliance on PSUs, Bedford is seeing more agreements that accelerate vesting of RSUs and Options, with PSUs being pro-rated and dependent on satisfaction of applicable performance metrics.

BIOTECH CEO CHANGE OF CONTROL								
Bonus (Number of Months)	Salary (Number of Months)							
	6	12	18	21	24	30	36	48
Pro-Rated		3%	3%		1%		1%	
0	1%	4%	2%		4%	1%	1%	1%
6								
12		7%	10%	1%	2%			
18			26%		1%			
21				1%				
24					16%			
30						1%		
36							2%	

CEO Severance upon Termination Without Cause

- 89% of CEOs were entitled to a payout in the event of termination without cause.
- The most common agreement entitled the respective member to 12 months of salary with no bonus. The next most popular option was 12 months of salary with a pro-rated bonus at target.
- 61% of agreements stated that unvested equity awards will forfeit upon a termination without cause.
 - 22% of CEO contracts stipulated accelerated vesting of all awards.
 - 17% of companies allowed accelerated vesting of a portion of shares. Examples include:
 - Acceleration of awards that would have vested through the severance period.
 - Acceleration of 25%- 50% of unvested awards.

BIOTECH CEO TERMINATION WITHOUT CAUSE								
Bonus (Number of Months)	Salary (Number of Months)							
	6	9	12	15	18	24	30	36
Pro-Rated	1%		15%	1%	6%	2%	1%	
0	2%	1%	28%		6%	2%	1%	
12		1%	13%	1%	1%	1%		1%
15				1%				
18					4%			
24						2%		
36								1%

NEO Severance upon Termination and Change of Control

NEO Severance upon Change of Control

- 76% of the remaining NEOs (excluding CEOs) had a change of control agreement with their company.
- The most common agreement for the NEO entitled the respective member to 12 months of salary and bonus payment at target. The next most popular agreement was 18 months of salary, plus 18 months of bonus at target.

BIOTECH NEO CHANGE OF CONTROL									
Bonus (Number of Months)	Salary (Number of Months)								
	3	6	9	12	15	18	21	24	36
Pro-Rated		1%	3%	6%	1%	0.6%		0.6%	0.6%
0	0.3%	4%	0.6%	5%	0.3%	0.6%			
9			0.6%						
12		0.9%	0.6%	49%		4%	0.3%	0.3%	0.3%
15					2%				
18						17%			
21							0.3%		
24								2%	
36									0.3%

NEO Severance upon Termination Without Cause

- 69% of NEOs were entitled to a payout in the event of termination without cause.
- The most common agreement entitled the respective member to 12 months of salary with no bonus. The next most popular agreement was 9 months of salary with no bonus.

BIOTECH NEO TERMINATION WITHOUT CAUSE								
Bonus (Number of Months)	Salary (Number of Months)							
	3	6	9	12	15	18	24	36
Pro-Rated		2%	4%	5%	0.9%	0.3%		
0	0.9%	5%	25%	30%	0.3%	0.3%	0.3%	0.3%
6		1%		0.6%				
9			0.6%					
12		0.3%	3%	17%		0.6%	0.3%	0.3%
18						0.3%		
24							0.3%	0.3%
36								0.3%

3.0 Diversity

Based on the research herein, women are still severely under-represented in the Biotechnology industry. In fact, female representation has decreased for NEOs since 2022, with 20.1% of NEOs identifying as female in 2022 versus 18.3% in 2023. There was, however, an increase in female board members from 25.8% in 2022 to 27.9% in 2023.

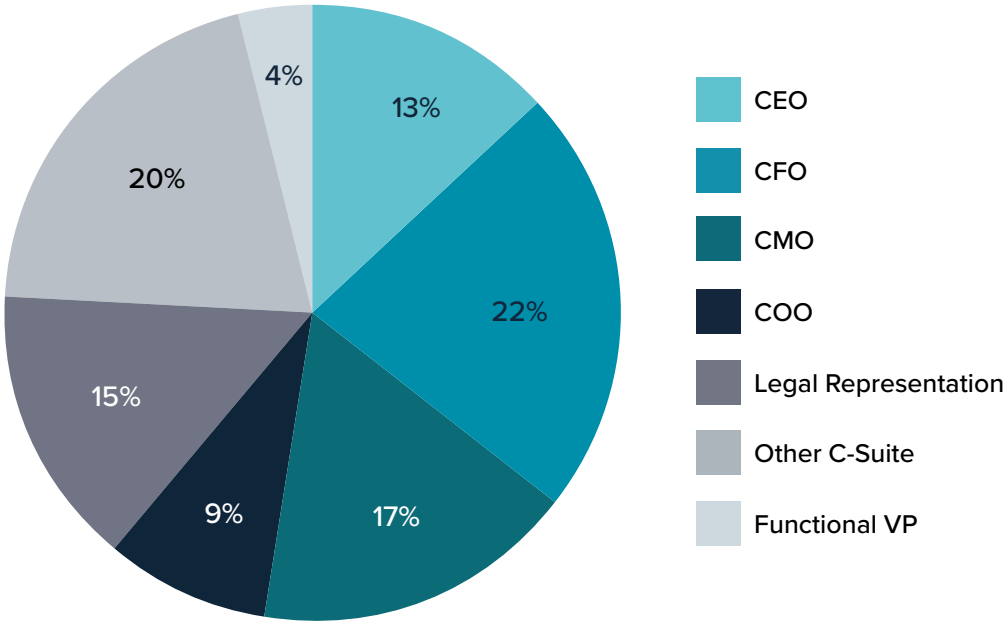
Bedford also conducted an analysis to better understand diversity in the sector as it related to representation of members of visible minority groups. To do this, board members were categorized as being members of a visible minority group (defined as non-Caucasian, based on diversity matrices disclosed in the proxy circulars) versus Caucasian. At this time, NEO diversity is not a requirement in these tables so analysis could not be provided.

As disclosed in the Board Member section, 18.2% of directors identified as a visible minority. This is an increase from 16% in 2022 and 2021. Of the directors who identified as a visible minority, 37.7% were female (23.9% in 2022).

To determine what percentage of persons of a visible minority were chairs of the Board or of a committee, Bedford used the Diversity Matrix and photos of directors from company websites, which were provided for 46.9% of board members. Of these, 4.3% were chairs of at least one committee. There were only 0.7% of this grouping who were independent chairs or lead directors of their organization.

The following pie graph highlights the roles of female NEOs in the dataset. CFO is the most common role filled by females in the Biotech industry. Other C-Suite positions include, but are not limited to, Chief R&D Officer, Growth Officer, Administrative Officer, Business/Development Officer, Strategy Officer, etc. Percent breakdowns are relatively consistent year over year, with the percentages changing up to +/-2%.

Female NEOs



4.0 Other

Pension and Differences in Payments

The Bedford 2024 Compensation Report included companies from the United States only. From the data researched, no Directors received a pension as a part of their total compensation. The NEOs that realized a pension value were primarily in larger market cap organizations.

5.0 Lead Authors



Darren Raycroft, Managing Director- North American Life Sciences & Healthcare

Darren brings close to two decades of executive search and strategic consulting experience, where his work has been focused on clients in the specialty areas of Life Sciences & Healthcare in the United States, Europe, Japan and Canada.

Prior to joining Bedford Group Transearch in 2008, Darren spent time with an international executive search firm and started his career with a boutique healthcare consulting firm, where he authored a variety of reports on emerging, minimally invasive, medical-device technologies and consulted for some of the world's largest medical-device companies.

Today, Darren splits his time between Bedford Group Transearch offices in Cambridge, MA and Toronto, ON. His insights into executive and board leadership and trends in human capital have been featured in Fast Company magazine, Fierce Biotech, The Boston Business Journal and Endpoints News. He is a graduate of the University of Ottawa, where he obtained an Honours Degree in Economics.



Howard Pezim, Managing Director- North American Life Sciences & Healthcare

Howard is co-founder and Managing Partner of Bedford Group Transearch. He is the founder of the firm's Healthcare & Life Sciences practice, where he has worked extensively supporting clients across all aspects of healthcare, including Pharmaceutical, early-stage Biotech, Medical Technology, Device, health insurance and services industries.

As a trusted advisor to countless CEOs and Boards, Howard has been entrusted by his clients to lead the most challenging and complex C-suite level hires. Driven by a passion for people and purpose, Howard's authentic and genuine style and depth of experience interviewing tens of thousands of leaders has given him a front row seat to rapidly changing leadership capabilities, where he has played a key role in building some of the top performing senior leadership teams in the industry.



Frank Galati, Managing Director- Executive & Board Compensation

Frank leads Bedford's compensation practice as a Managing Partner. He has advised companies on compensation and performance metrics for 20+ years, and has authored Bedford's Compensation Reports since 2009.

Frank has extensive expertise advising boards and executive management on executive pay policy, compensation trends, incentive plans, employment contracts and directors' compensation. Frank sits on the boards of two publicly-listed companies and has been a guest speaker at the Ivey Business School at the University of Western Ontario.



Samantha Van Tighem – Senior Compensation Analyst

Samantha Van Tighem is a Senior Compensation Analyst with Bedford. She has managed the preparation of Bedford's Executive and Director Compensation Studies for Mining, Cannabis, Technology, Clean Technology, Biotechnology, and Medical Technology. She has conducted research and analysis of over 120 compensation reviews for private and publicly traded companies. She has a Bachelor of Arts degree from Athabasca University.