

*Corporate governance  
and executive  
remuneration – a local  
and global perspective*

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# *On the agenda*

Current environment

Key themes

Global developments

South Africa

Looking into the future

# *Current environment*





## Current environment

Executive remuneration is a “hot topic”

Contributing factors:

- Economic conditions
- Financial crisis
- Corporate governance

Global phenomenon

# *Key themes*





## Key themes

Different countries have different priorities

Various starting points

Can identify key themes

Prevalent in South Africa

- Role of remuneration committee
- Disclosure
- Accountability

## Role of remuneration committee

Building trust between executives, shareholders and remuneration committee

Objective approach

Independent overseers and guardians

Robust processes

Transparency



### Disclosure

#### Remuneration report:

- Policy
- Application of policy
- Payments made

#### Controversy:

- Significant shift change
- Level of detail required



## Key themes – accountability

### Accountability

“Say on pay”

Consequences of a no vote

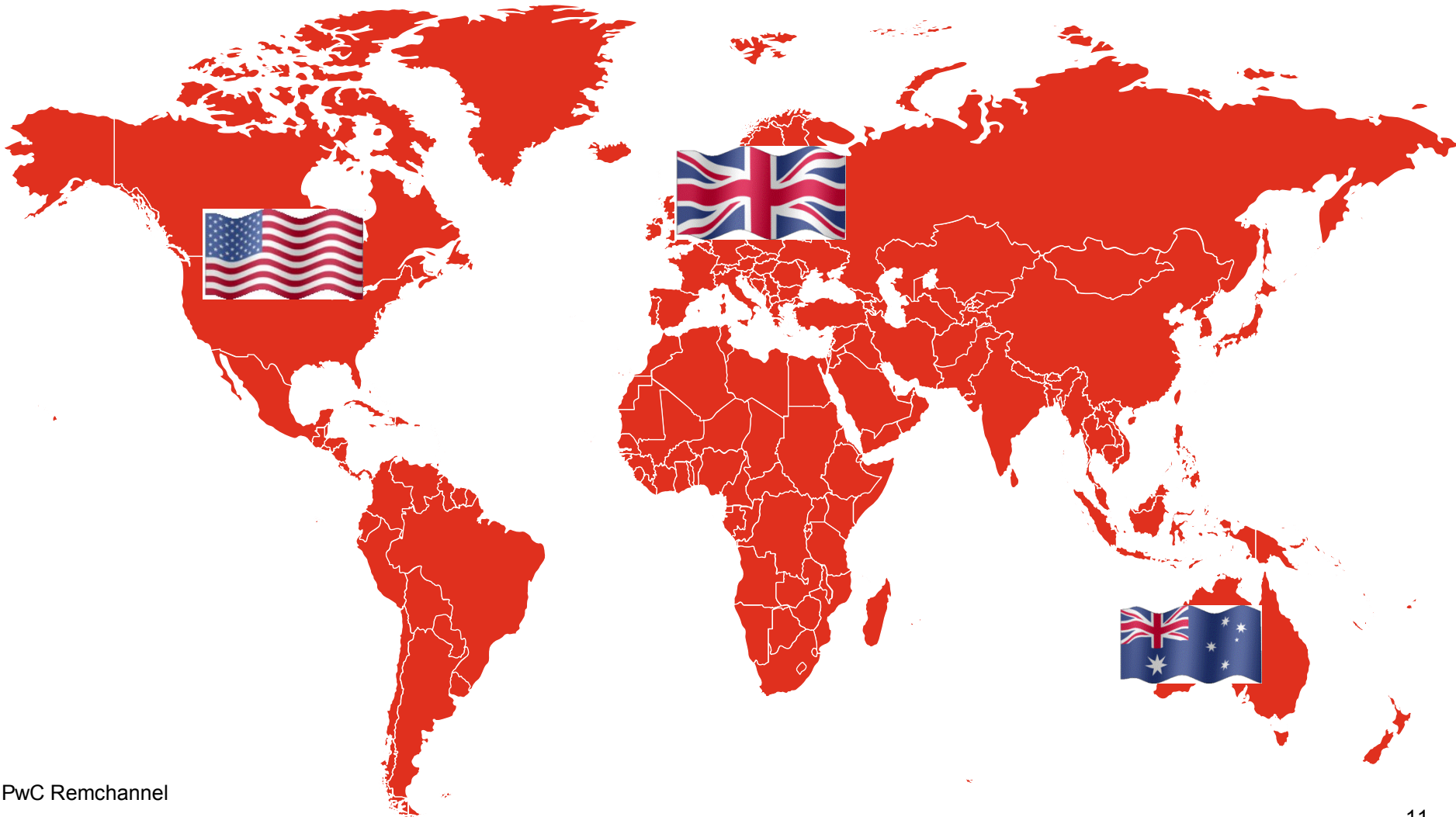
Shareholder activism and interaction

# *Global developments*



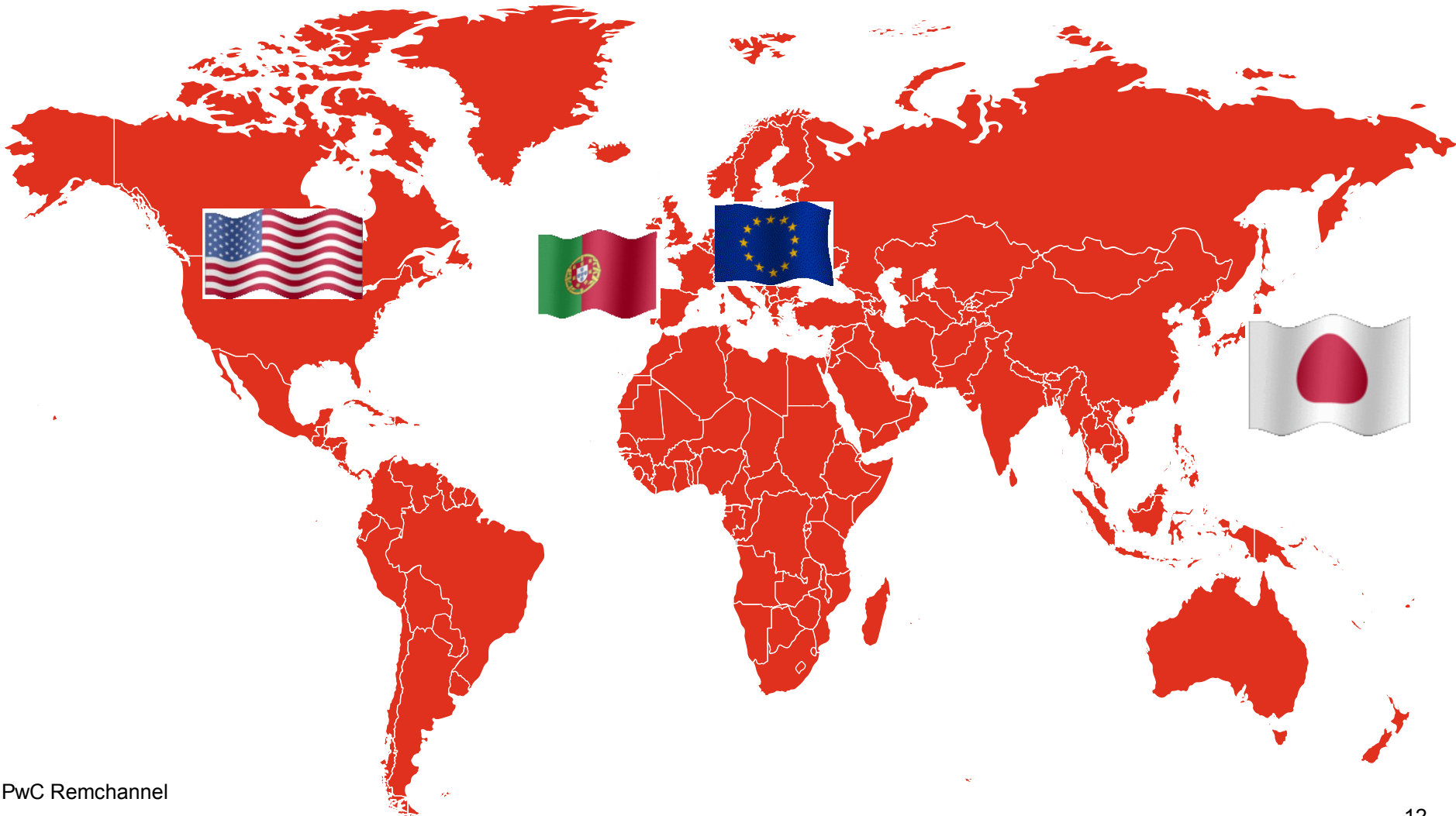


## Role of remuneration committee



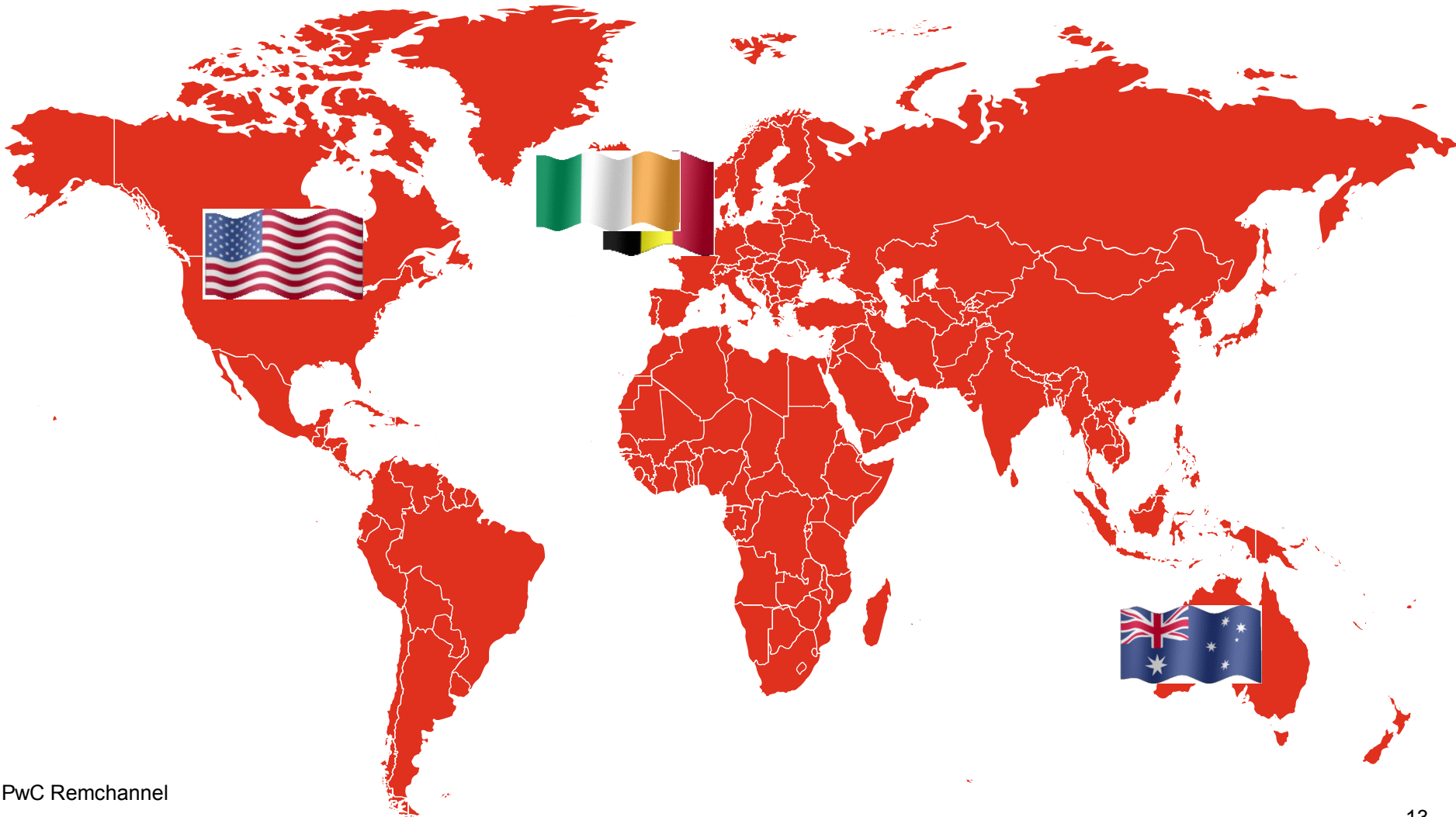


## Disclosure





## Accountability



# *South Africa*





## South Africa

In line with global trends

Key differences:

- Apply or explain
- Disclosure of remuneration paid to non-directors
- No specific action regarding financial services sector
- No reference to annual re-election



## Companies' reactions:

- Early days
- King III gap analysis
- Increased disclosure but still some way to go
- Shareholder vote

# *Looking into the future*





## Looking into the future

Remuneration reports and detailed disclosure

Increased accountability of remuneration committees

More interaction between companies and shareholders

Focus on link between pay and performance

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# *Questions?*

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