

Case Study: Executive Remuneration Diagnostics

Large ASX Listed Company

Challenge facing the company

The Managing Director's contract was due for renewal in a large ASX listed company. It had been two years since the MD's package was last reviewed. The Board of Directors were experiencing difficulty in obtaining **detailed, robust, consistent** and **relevant industry** executive remuneration information.

However, a realistic remuneration package needed to be developed and justified to the shareholders at the AGM. It had become clear to the Board that they did not have a sufficiently in-depth understanding of relevant current market practice.

The Human Resources Department commissioned People Advantage to deliver an executive remuneration framework using information that was relevant, specific, practical and robust. This would assist the Board to develop appropriate recommendations to present to shareholders.

Task

The task for PeopleAdvantage was to conduct a thorough market study to confirm with certainty, the market practice in the relevant industry sector in Australia.

People Advantage provided the information which was then presented to the Board of Directors.

Outcome

The report enabled the Board to clearly understand current relevant market practice. As a result they were able to develop robust and appropriate recommendations that satisfied shareholders and the Manager Director.

The Manager Director's contract was renewed with appropriate increases to reflect his performance and current relevant market practice. All parties were satisfied with the outcome.

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