

Newsletter April 2017

The number of Boards approaching Egan Associates for guidance on exercising their discretion has increased dramatically. We've addressed this topic in our April newsletter. We also take a look at the recommendations of the Retail Banking Remuneration Review by Steven Sedgwick and discuss how companies can protect themselves against strikes at their next AGM.



Discretion Guidelines for Remuneration Committees

Egan Associates takes an in-depth look at Board Discretion, providing pointers for remuneration committees on how to exercise discretion without risking an adverse remuneration report vote.



Increase the Weight of Non-Financial Measures to Regain Trust

The recommendations of the recently released Retail Banking Remuneration Review directly oppose the stance of many investors, who have become focused on basing executive bonuses predominantly on financial measures.



5 Steps to Avoid a Strike at Your Next AGM

We discuss the simple process companies should follow to minimise the likelihood of a strike at their next AGM.



The Agenda

The Agenda is the must-read summary of issues influencing Boards of Directors and Government.

Discretion Guidelines for Remuneration Committees

What is Board Discretion?

A remuneration framework generally comprises a series of policies and rules that govern how, when and how much remuneration will be paid to employees.

The Board might choose to exercise its discretion and make promises or payments under the remuneration framework which diverge from their outlined rules, for example in a situation where an employee is considered a special case or where unintended consequences arise that impact on the implementation of the company's policies or rules.

Why discretion has a bad reputation

There are three main reasons why Boards have become reluctant to exercise discretion.

- Transparency

Discretion has historically been a black box, where Boards would take decisions without publicly explaining their rationale. This absence of information has led to concerns on the part of shareholders and investors

that Boards were not exercising discretion using rigorous processes or in the best interests of the shareholder.

- Bias

There is a view among shareholders and institutional investors that discretion is mainly exercised to increase executive pay rather than reduce it. The perception that Boards and executives are part of one elite club which engages in mutual back scratching has not improved their view, although some high-profile examples of downwards discretion, for example BHP and Origin Energy, have revealed that Directors consider potential reward outcomes following careful review of the company's relative performance.

- Proxy advisor views

The use of upwards discretion is a red flag that will attract scrutiny from proxy advisors and institutional investors. If they decide the discretion was not in the interest of shareholders, they may decide to vote against the remuneration report. As noted in our [summary of proxy advisor views from August 2016](#), discretionary adjustments to performance conditions, start dates or the exercise price of options after grant will be heavily scrutinised, as well the backdating of awards. Changes are generally not well received if they are perceived to be compensating executives for a lack of prior vesting due to poor company performance or providing value to employees with no equivalent value realised for shareholders. There is generally support for Board decisions where adjustments are made due to serious concerns about executive retention or significant company transformation, if disclosure is adequate.



Why Egan Associates believes discretion may be back in fashion

With the introduction of clawback, malus and conduct gateways that may lead to non-payment of an earned incentive, discretion has never been more important.



Egan Associates is increasingly being approached by Boards who are contemplating the exercise of discretion to address the effect of unforeseen challenges on remuneration or ensure the attraction and retention of key staff. In some cases, Boards are concerned with what they see as large windfall payouts or curtailed benefits to executives as the result of sudden share price fluctuations for reasons beyond the executives' control. Egan Associates has guided these companies in finding an acceptable solution.

This trend echoes recent commentary on the [difficulty of motivating executives using formulaic incentives](#) and [pushback from Directors against adverse remuneration report votes](#). Directors are frustrated that their knowledge of their business is not being respected by those advocating a strike. The Directors' view is that they understand the business much better than any external party could, and are therefore best placed to decide what remuneration strategies should be adopted and how much executives deserve for the performance they have delivered.

Egan Associates would agree that in most cases, Boards are best placed to make decisions about executive remuneration, including any necessary divergence from defined policies and plan rules.

Indeed, although proxy advisors have punished the use of discretion they believe inappropriate in the past, this does not mean they frown on the use of discretion in general.

CGI Glass Lewis acknowledges that "there may be circumstances where threshold performance measures have not been achieved due to unforeseen circumstances and the board in such cases may wish to use its discretion to reward an executive".

The important thing is to explain why discretion has been used. Blackrock notes in its voting guidelines "In such circumstances, the remuneration report should provide a cogent explanation for any awards where, prima facie, performance has not been achieved."

If Boards follow (and disclose) a standard process for exercising discretion, there is also likely to be better acceptance that decisions made have been taken with due diligence.

A matter of trust

A working group of high profile directors and executives convened by the Investment Association in the UK to discuss problems with executive pay noted in 2016 that:

The current system of remuneration has evolved reactively as a small number of companies have gone against best practice and compromised shareholder trust.

New investor policies and guidelines have been introduced to prevent the poor practice reoccurring. Naturally, investors are keen to prevent instances of inappropriate pay or payment for failure. Companies, though, can often view this caution as an inflexible stance.

In order for flexibility to be introduced in the system, trust needs to be regained where it has been lost so that investors will feel comfortable supporting companies who choose a different approach.

In the same way that introducing an unconventional remuneration structure requires trust, exercising discretion requires trust that Directors' decisions, while not following a formula, will be made in the best interests of shareholders.

The Working Group stated:

Investors need to be able to see that there is a track record of responsible use of discretion in order to approve upward discretion. By clearly justifying all remuneration committee decisions and specifically the application of discretion, remuneration committees can improve their credibility with investors. Additionally, if a company has applied negative discretion in situations where external circumstances have improved the executives position outside of their control (for example where there have been favourable impacts on earnings from a strengthening exchange rate), investors are more likely to be comfortable in supporting upward discretion if adverse circumstances negatively affect the executive (e.g. earnings being impacted by a weakening of exchange rates). The Working Group believes that by being clear and transparent about the committee's decision making on discretion, companies will be able to build up trust with their investors and stakeholders.



Guidelines for Discretion

Discretion is defined by the Oxford Dictionary as “the freedom to act and think as one wishes, usually within legal limits”.

The last three words are important. In 2015, the Federal Court ruled on a case where an employee who had been made redundant from Westpac claimed that he was owed a bonus for his last year of service. According to the employment contract:

The eligibility to be considered for and the payment of any variable reward or incentive payment is at the absolute discretion of Westpac.

The employee had received bonus payments for 2009 and 2010, but not for 2011 when he was made redundant. The redundancy had stemmed from a restructure and a new manager, who downgraded the employee's performance ratings.

Westpac claimed the employee was not entitled to receive a bonus because he was not employed on the date it was to be paid, and even if he were, his new performance grading would restrict him from receiving one.

The court found that while there was a general clause excluding the application of a list of company policies from forming part of the employment contract, a more specific clause regarding redundancies stated that his entitlements would be determined in accordance with applicable policies. Therefore, the employee was eligible for a bonus.

It then found that the employee's manager had acted without a rational basis, had relied on impermissible matters such as performance outside the performance period and failed to follow

Westpac's incentive processes. The employee was awarded a bonus equivalent to that received in prior years.

Law firms have outlined lessons from the case, including:

- Companies must understand the entitlement to and calculation of bonuses, including having an understanding of contractual entitlements and relevant policies.
- The decision to pay a bonus or not is not a completely free one. Any decision on payment must be made on a reasonable basis and must not include "procedurally unfair, capricious, or arbitrary" exercise of discretion.
- Companies should maintain evidence of decision-making procedures followed to determine the bonus payment or non-payment and ensure there is a sound business case to support awarding or not awarding a discretionary bonus.
- Where companies wish to withhold bonuses due to financial constraints or for employee misconduct, they should include this in contracts/policies.
- Companies should also have clear communications ready to address queries from employees.



The Western Australian Ombudsman noted in its [guidelines for exercise of discretion in administrative decision making \(2009\)](#) that:

"It is not sufficient to exercise discretion and approve an application simply because it seems the right thing to do. When exercising discretion, decision-makers need to act reasonably and impartially. They must not handle matters in which they have an actual or reasonably perceived conflict of interest ... Some of the general principles relevant to the exercise of discretion are:

- Acting in good faith and for a proper purpose;
- Complying with legislative procedures;
- Considering only relevant considerations and ignoring irrelevant ones;
- Acting reasonably and on reasonable grounds;
- Making decisions based on supporting evidence;
- Giving adequate weight to a matter of great importance but not giving excessive weight to a matter of no great importance;
- Giving proper consideration to the merits of the case;
- Providing the person affected by the decision with procedural fairness; and
- Exercising the discretion independently and not under the dictation of a third person or body. "

Given the legal case above, it is interesting that Westpac sets out the criteria it considers when exercising discretion on executive remuneration in its annual report. These include:

- Matters not known or not relevant at the beginning of the financial year, which are relevant to the under- or over-performance of the CEO and Group Executives during the financial year;
- The degree of stretch implicit in the scoreboard measures and targets themselves and the context in which the targets were set;
- Whether the operating environment during the financial year has been materially better or worse than forecast;
- Comparison with the performance of the Group's principal competitors;
- Any relevant positive or negative risk management or reputational issue that impacts the Group;
- The quality of the financial result as shown by its composition and consistency;
- Whether there have been major positive or negative aspects regarding the quality of leadership and/or behaviours consistent with our values; and
- Any other relevant under- or over-performance or other matter not captured.

Examples from 2016

The following table contains some of the companies that exercised discretion in 2016. Upwards and downwards discretion is represented, with most companies that have exercised upwards discretion avoiding a remuneration report strike.

Discretion	How?	What?	Strike?	%
Adelaide Brighton	Down	Excluded property profits from NPAT hurdle for STI	No 2016 AGM yet	NA
AGL	Up	Excluded restructure costs and natural gas impairments from STI calculations, increasing STI awards	Yes	37%
ALS Limited	Down	Number of LTI equity reduced by changing VWAP date to before takeover offer	No	1%
AMP	Up	Allowed a portion of LTI to vest despite missing target, due to unforeseen strategic decisions.	No 2016 AGM yet	NA

Discretion	How?	What?	Strike?	%
Asciano	Up	Early vesting of unvested LTI due to takeover.	No AGM due to takeover	NA
Aurizon	Down	Reduced STI to zero for CEO and direct reports	No	2%
Austal	Down	Reduced STI to zero and extended LTI period so the measurement period included a negative impact on share price from profit write downs.	No	0%
BHP Billiton	Down	STI reduced to zero for CEO and amount of LTI equity to be granted reduced to account for share price reduction.	No	3%
Cleanaway	Up	One exec made redundant received his deferred STI instead of the equity lapsing.	No	1%
Crown	Up	One exec's STI increased for excellent performance	No	18%
Dominos	Up	Special STI for one exec due to outstanding contribution.	No	13%
Emerchants	Up	STI award paid in following year after profit improvement recorded	No	1%
ERM Power	Down	STI awards withheld	No	2%
Fortescue Metals	Up	Special incentive paid	No	11%

Discretion	How?	What?	Strike?	%
G8	Up	STI awarded for individual performance although group targets not met	No 2016 AGM yet	NA
Gazal Corporation	Up	LTI grants made despite not meeting prerequisite targets.	No	0%
Graincorp	Down	Reduced STI to reflect performance	No	1%
Infigen Energy	Up	13 employees including KMP received a supplementary STI payment in recognition of exceptional effort.	No	9%
MMA Offshore	Down	Cancelled STI plan and LTI grant	No	16%
Oohmedia	Up	Pending a merger, an exec was to be made redundant and the vesting of their LTI equity to be accelerated to the date of termination.	No 2016 AGM yet	NA
Orica	Down	STI reduced for CEO and execs due to fatalities.	No	6%
Origin	Down	STI reduced for some execs and LTI cancelled for MD	No	3%
Poseidon Nickel	Up	Early vesting of STI shares following CEO role change	No	3%
Ruralco	Up	Reduced the amount of STI deferral for CEO	No	3%
Seven Group	Down	No LTI grant made to one exec	No	2%
Sims Metal Management	Up	Some STI paid as equity although targets not met	Yes	32%

Discretion	How?	What?	Strike?	%
South 32	Down	Applied modifiers to STI to reduce it based on fatalities and impairments.	No	23%
Telstra	Down	Chose profit exclusions that affected LTI and STI outcomes.	No	4%
Treasury Wines	Up	Extra grant made to executives to compensate for dilution from rights issue	No	2%
Wesfarmers	Up	Increased STI award for Finance Director and divisional CEOs.	No	10%

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Increase the Weight of Non-Financial Measures to Regain Trust

The recommendations of the recently released [Retail Banking Remuneration Review](#) directly oppose the stance of many investors, who have become focused on basing executive bonuses predominantly on financial measures.

In the last AGM season there was [criticism of companies whose bonuses were considered too heavily based on “soft” or “flaky” non-financial performance criteria](#). The investors behind this criticism might need to reconsider their stance after reading the review by former Australian Public Service Commissioner Steven Sedgwick. Sedgwick was appointed by the Australian Bankers’ Association.



While he found that there was “not sufficient evidence of significant systemic risks of poor outcomes for customers to support an outright ban on all product based payments in retail banking”, Sedgwick did recommend that the impact of financial incentives on the remuneration of staff be reduced, because “incentives have at least appeared to drive behaviour that was not in the best interests of customers and, on occasion, scandalously so”.

The main focus and scope of the review are frontline staff in banks (Sales staff, tellers and their supervisors and near managers) as well as third parties (including Brokers, Aggregators, Franchisees, Introducers and Referrers). Two key recommendations were that:

- Incentives no be longer paid to any retail staff based directly or solely on sales performance
- Instead, eligibility to receive any personal incentive payments should be based on an assessment of that individual’s contribution across a range of measures, **of which sales (if included at all) will not be the dominant component.**

Sedgwick specifies further that any financial measures included in an overall assessment should:

- Be product neutral
- In the case of a scorecard, **together attract a maximum effective weight of 50% as quickly as systems and other changes can be introduced, falling to 33% or less by 2020.**

(Emphasis has been added by Egan Associates.)

While Boards might think the scope of the report means it has little relevance to executive pay, Sedgwick is adamant that for his reforms to be successful, they would need to apply to senior staff as well.

“In a hierarchical organisation like a large bank the extent of consistency and alignment of the performance assessment criteria in play at each layer of the organisation is important to achieving a consistent cultural orientation,” he states. “Some principles should be common across all layers of the organisation, namely: assessments of individuals [should] be based on

overall performance against a number of measures; and **sales or financial measures more generally should not dominate customer-focused criteria in that assessment.**”

Sedgwick expressed the view that the level of customer trust in banks has become so bad that banks don’t have time to wait for regulations on this matter. They have to act now.

Yet if banks try to reduce the impact of financial criteria to 33% of executive bonuses, many investors voting on remuneration reports will be disgruntled as they hold the view that non-financial criteria should determine less than 50% of management incentives.

Sedgwick also spoke out against financial gateways, noting that they increased risk because they sent a signal that financials were more important than anything else. This is, of course, why investors like them. No incentives are paid unless the company performs — hence the name pay for performance.

So who is right? And what does Sedgwick’s report mean for companies in industries other than banking?

Both sides are right, to a certain extent.

Sedgwick’s report is not the only one raising questions about current incentives. Investors bemoan executive short-termism where substantial cash payments are made for a single year’s results, only to have a company’s market value plunge as prior decisions come home to roost. This indicates that investors’ focus on financial outcomes might need refinement.

Yet, due to the way non-financial incentives are often designed and disclosed, in many situations it appears to investors that executives receive a free kick — the non-financial incentives always vest, no matter what. Sedgwick touches on this in his report, noting that unless non-financial measures can reliably differentiate between the performance of teams or individuals, they cease to matter, with financial measures becoming the only factor of differentiation. Sedgwick stated that the use of discretion could be a powerful tool in this regard as long as it is applied consistently and with integrity.

Egan Associates is of the view that KPIs which have a clear focus on the sustainability of an organisation are of increasing importance. The key is explaining how non-financial incentives and discretion work and ensuring that they truly do lead to differentiated remuneration outcomes.

The banking industry has shown how an industry can lose the trust of their customers. They may be able to regain it, with Sedgwick’s help. Other industries would be better to avoid the situation to start with.

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5 Steps to Avoid a Strike at Your Next AGM

1. Be confident with the remuneration strategy

Has the remuneration committee reviewed the remuneration framework recently? Does it still fit the strategy for the company and changing community and proxy advisor expectations? What is the market doing? If the company is not following what is considered “best practice”, is this appropriate? Finding the answers to these questions may require the engagement of an advisor.

2. Carefully consider whether incentive payments and pay increases are appropriate.

After following the documented process for determining short term incentive and long term incentive awards and vesting amounts, consider whether the outcomes match the value delivered to shareholders and perceptions of performance.



If there is a mismatch, consider using discretion. Where discretion is exercised, transparency of the rationale is paramount. Where underlying earnings have been used to calculate incentive outcomes, ensure that exclusions are fully disclosed, as well as the reasons behind those exclusions.

For increases in fixed pay, ensure increases are relative to the growth rate of wages in the community, unless there is a particular reason that the team, or an individual, should receive a higher rate. This reason must be disclosed. Benchmarking methods should be scrutinised to ensure they are robust, especially when hiring new talent at a premium.

3. Know your register

Who are the major shareholders on the register? Do they make their own decisions regarding remuneration report votes, or do they default to a proxy advisor? If they are an investment fund, does the investment manager vote, or is the vote taken by an overarching group?

Once it is clear who will be passing judgement on the remuneration report, examine any [voting guidelines provided by these entities](#).

4. Engage!

It's important to talk to important voting blocks routinely to discover concerns they might have with the company's remuneration framework and outcomes. Where the remuneration committee makes a major change, or makes a decision that is likely to be controversial, proactive engagement is likely to be more effective than engagement after the remuneration report has already been published.

5. Communicate

Even when the remuneration committee has designed the most appropriate incentive structure possible for their executive team, if they don't explain it clearly in the remuneration report, [misunderstandings can lead to adverse votes](#).

Long reports do not necessarily translate to good reports, but it's critical not to leave out important information, especially when it comes to showing the link between pay and performance. Where anomalous or high payouts do occur, extra explanation is required.

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The Agenda

Egan Associates pleased with emerging face value focus

PWC this month highlighted the dramatic shift in recent years from companies using fair values to allocate equity under long term incentive plans to using face value. In the ASX 100, of those disclosing an allocation methodology, [almost two thirds were using face value in 2016](#).



Egan Associates considers this to be a victory – in December 2013 we raised concerns that the [use of fair value for the purposes of allocating equity to executives under long term incentive plans was inflating grant values](#). Since then proxy advisors have [addressed the topic](#) in their own [reports](#) and guidelines, making the use of face value for allocation current best practice.

That accounting firm PWC acknowledges face value and not accounting valuations are the “clear standard” for allocation purposes is telling.

UK Inquiry report makes bold remuneration recommendations

The report for the [UK’s Business Energy and Industrial Strategy Select Committee’s inquiry](#) into corporate governance failings has been released. The report made controversial recommendations, including that:

- LTIs be phased out, with grants of restricted shares to be made instead to align executives with shareholders.
- Binding votes on remuneration be introduced in the year following a 25% adverse vote on a remuneration report.
- A ratio between the CEO and senior executives and the CEO and “all UK employees” be published
- A voluntary corporate governance code be introduced for large private companies
- From May 2020, at least 50% of new appointments to senior and executive management level positions be women, with companies to report success against this target on an if-not-why-not basis.

The Select Committee inquiry outcome and the [green paper reported on in our last newsletter](#) are different though have been conducted by the same department.

Further pressure to change LTIs

Norway’s oil fund, which reportedly owns on average 1.3% of every listed company in the world, has [announced a new pay policy that expects current long term incentives to be phased out](#), stating that it would prefer simple executive remuneration structures and requirements for executives to own substantial stakes in companies.

“We are signalling that we expect change in the way remuneration is constructed. Over time, we expect long-term incentive plans to be gradually phased out, particularly with regards to the

recruitment of new chief executives,” Yngve Slyngstad, the head of the oil fund, told the Financial Times.

In Australia, Ian Silk, the CEO Australia’s largest industry superannuation fund AustralianSuper, has also [called for a rethink of executive remuneration](#).

Remuneration needed to be simpler, according to Silk. “Pay models are absurdly complex, as evidenced by ridiculous remuneration disclosures in annual reports,” he said.

Performance hurdles also needed to be simplified. “Short-term incentives too often become default base pay. If you have short-term incentives they need to be set with appropriate hurdles so business-as-usual performance is not rewarded with exceptional remuneration,” he Silk said.

He was also a proponent for deferral of remuneration until sometime after an employee left, in case executives presided over value destruction that later surfaced.

AMP Capital corporate governance report

AMP Capital has released its [biannual report on its voting on meeting resolutions](#). In its report, it again voiced its support for non-financial performance hurdles.

“It is important to acknowledge that just because a hurdle may be hard to measure objectively, it doesn’t make it any less appropriate. Sometimes, non-financial targets like people and culture are exactly the targets that executives should be focusing on,” Karin Halliday, Senior Manager, Corporate Governance AMP Capital said.

She addressed perceptions held by many shareholders that non-financial targets are often actions that should be considered as part of an executives’ job rather than tasks that require a bonus.

“Yes, CEOs are already paid to manage people and culture as part of their day job but linking bonuses to such factors can focus the mind and send valuable signals about what’s important,” she said.

“It is easy to blame culture when things go wrong. However on the flip-side, when companies perform well, shareholders rarely give credit to the culture and capability that drove those results. Were shareholders to do that, there would perhaps be less scepticism around the value of the so-called ‘soft’, capability-building initiatives.”

AMP Capital stated that it had generally voted against remuneration reports in the 2016 season due to:

- Overly generous retention benefits coupled with generous new grants
- Performance hurdles that vest well below earnings guidance
- Retrospective changes to performance hurdles or start dates or using Board discretion to vest incentives when hurdles were not met
- Excessive quantum
- Structural issues where remuneration incentivises behaviour that may be contrary to the best interests of shareholders (eg making acquisitions)
- Unlimited discretion for Boards to allow incentives to vest upon termination
- Overly complex incentive structures
- Poor disclosure

AMP Capital voted against less than 15% of the remuneration reports for companies it held.

It voted against grants or incentive plans for:

- Weak or lacking performance hurdles
- Short performance periods
- NED involvement
- Generous grants
- Poor disclosure
- Non-recourse loans
- Automatic vesting on change of control

Skilled migration scheme overhauled with 457 visas to be given a new name and stronger rules

The Coalition Government has [announced the end of 457 visas in their current form](#). Skills shortages will be addressed via temporary two-year visas (or four-year visas for higher skills).

The more expensive visas will have strengthened English, work experience (minimum three years), market testing, criminal check and age requirements as well as a reduced list of professions for which they can be obtained (651 reduced to 435 professions). The maximum age of the visa holders will be 45, which may make it difficult to hire CEOs or other experienced executives from overseas.

The other major difference between 457 visas and the proposed visas is that at the conclusion of the new visa, the holder will not be able to seek permanent residency, as is currently the case for the 457 visa holders. There will be a “pathway” to permanent residency for those on the four-year visas after three years. The short-term visas will only be able to be renewed once in Australia.

Market testing will be mandatory for all professions (except where international obligations exist from free trade agreements) but will be conducted by employers rather than independently, as recommended in a prior review into the scheme. However, the government stated that employers who failed to conduct the process properly would be named and shamed.

Employers will need to pass a test showing Australian applicants are not being discriminated against and invest into training Australian employees.

457 visas of current holders will be grandfathered.

NZ also cracks down on skilled worker migration

NZ has also [adopted a NZ workers first policy](#), raising the wage threshold for paying skilled migrants to the median NZ wage, ensuring that employees looking to pay below the median must hire NZ workers. Workers looking to enter New Zealand for a job not classed as skilled will need to be paid 1.5 times the median income to be accepted. Those set to earn over NZ\$97,000 will receive extra points.

Factors that previously added points to an application, such as qualifications or having close family in the country, will no longer have any weight. Applicants in their 30s and those with skilled work experience will receive more points than previously.

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About us

For more than 25 years, Egan Associates has advised leading organisations and emerging enterprises in Australia and New Zealand on the remuneration of Board Directors, executives and key staff members, as well as performance management, corporate governance and Board effectiveness.

Our Services include:

- **Remuneration reviews and benchmarking:** for CEOs, executives, senior management and professional positions, including specialist roles
- **Annual incentive plan structures:** advice on performance criteria, target and maximum payment levels as well as deferral and clawback provisions
- **Long term incentive plan structures:** advice on participation, performance hurdles, equity instruments, valuation and allocation, as well as provision of performance monitoring services
- **Corporate transactions / IPOs:** assistance transitioning pre-IPO reward arrangements into the listed company environment (or any other corporate transformation) considering issues including escrow provisions
- **Government pay reviews:** assistance at federal, state and local level in administrative, policy and corporatised environments on reward for senior executives, professional and administrative staff, and governing Boards
- **Board fee reviews:** benchmarking Board fee levels, including Chairman and Director retainer fees, Committee Chairman and member fees and fees for adhoc engagements.
- **Board effectiveness:** assistance with Board documentation.

John Egan



John's early career was with Cullen Egan Dell (now Mercer Human Capital), which he chaired from 1983 to 1989, when he formed Egan Associates. John has been an advisor to Boards and senior executives on organisation, governance and reward issues over many years. He has assisted a significant majority of Australia's top 200 companies as well as a myriad of entrepreneurial organisations and government entities across a wide range of industries.

John has been actively involved with Universities, chairing Sydney University's Board of Advice for its Faculty of Economics & Business (2001 – 2010). John is an Honorary Fellow of the University and an Adjunct Professor in the School of Business.

His personal interests are in cool climate gardens – www.thebraesgarden.com – and he served as a Trustee of the Sydney Royal Botanic Gardens & Domain Trust from May 2010 to June 2014.