



### "A question of cheques and balances"

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There is disquiet over the unintended consequences of the federal government's moves on executive remuneration, writes Tracey Lee.....

Remuneration consultant John Egan of **Egan Associates** says the government should opt for a principles-based approach to executive remuneration, rather than a prescriptive approach, to allow for the myriad reasons executives leave companies.

"Reasons for termination are not always executive performance, it can arise as a result of a merger, it can arise because there has been a substantial reduction in the company's business or simply by board agreement on a non-performance-related matter." Egan said.

"Government will need to restructure any legislative impact to recognise the multitude of circumstances. The market in which the government is trying to regulate is a free market and what you have is an individual bringing their personal capital to the table and they want the best return they can get."

...end.