



"Executive pay rules to test boards"

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The annual shareholder voting season is now all but complete and analysis by *The Australian Financial Review* reveals 12 of the top 100 companies received a protest vote of 25 per cent or more on their pay plans.

The votes would have triggered the first of the “two strikes” under controversial executive pay reforms released yesterday in draft legislation prepared by the federal government.

Business groups are gearing up for one last push to have the reforms watered down before they take effect in July next year. Stakeholders have until January 20 to comment on the draft laws.

Remuneration consultants said yesterday reforms which mean they will no longer be able to consult directly with companies were unworkable.

Remuneration consultant John Egan, of **Egan Associates**, said the proposal would complicate pay setting. “To require non-executive directors to take on the direct responsibility for seeking all remuneration advice for the key management personnel would be extreme,” he said.

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