

REMUNERATION GOVERNANCE

With increasing regulatory scrutiny on how senior executives are compensated, the governance of remuneration is becoming an ever more challenging aspect of a board's work. The Code of Corporate Governance's requirements on disclosure of remuneration policies and amounts increase pressure on boards to be able to defend pay outcomes to a range of stakeholders, including shareholders, regulators, employees, and increasingly the media.

Remuneration issues can be complex and require boards to exercise considerable levels of judgment. That's where Mercer can help – supporting committee decisions with remuneration information from our proprietary databases and counsel based on unrivalled depth and breadth of expertise and experience.

A remuneration committee's work can be wide ranging across a breadth of human resources areas. At a minimum, a committee's work should include:

- An annual review of executive remuneration levels combined with setting annual increases.
- A regular review of executive bonus plans to ensure that the measures and targets remain in line with business strategy and that will produce reasonable outcomes.
- Whether or not to provide options or performance shares and, if so, how many should be awarded and what conditions apply.
- Ensuring that the remuneration section of the annual report is accurate, suitably transparent, and compliant.
- A triennial review of non-executive directors' fees to make sure that they properly reflect market rates, accepted practices, and the commitment and responsibilities of directors.

Mercer can provide the independent support that a remuneration committee needs, through a well-knit framework and combination of:

- Market benchmarking for executive and non-executives.
- Incentive plan design.
- Incentive plan grants.
- Valuation of equity-based awards.
- Direct advice through attendance at remuneration committee meetings.

Please email us at rc.singapore@mercer.com for details on how Mercer can support your remuneration committee's work.



MERCER EXPERTS

Meet our executive rewards experts in Asia.



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Jon Robinson leads Mercer's executive remuneration practice in ASEAN. Jon advises the remuneration committees and senior executives of a wide range of companies, including some of the most recognized names in the region.



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Shai Ganu is a partner and market business leader for Mercer's Talent business across Asia, covering both the Information Solutions and Consulting portfolios. He leads a team of more than 150 consultants who serve as trusted advisors, helping clients enhance the careers of their people in the region.



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Grace Wu is the head of Mercer's Executive Rewards business in Singapore, focusing on executive compensation, incentive design, performance management, equity plan valuation, and related corporate governance themes.



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Hui Hen ("Heng") Kwong is a member of Mercer's Executive Remuneration team based in Singapore. He has extensive experience advising on all aspects of executive remuneration, including total remuneration benchmarking, short- and long-term incentive plan design, and administration.



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Shawn Li is a principal based in Hong Kong, with over 10 years of experience in consulting across Mainland China, the United Kingdom, and Hong Kong. He is a Certified Compensation Professional and received his MBA from Oxford University.