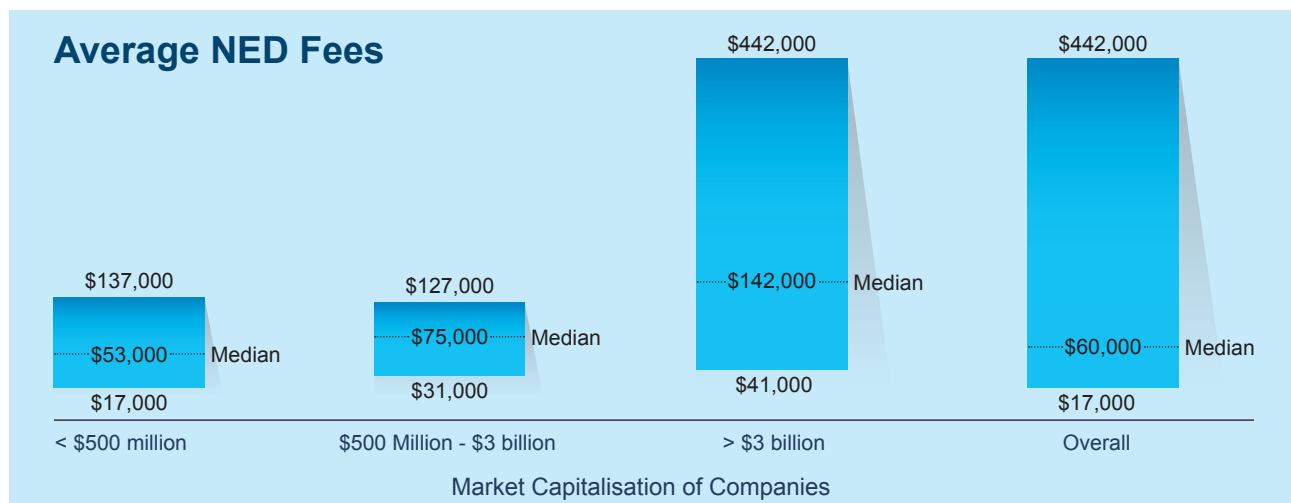


Non-executive directors' fees

Highlights from *Board Remuneration and Practice in Singapore 2015** by Hay Group



Highlights of Market Trends in 2014

Directors' Fees:

- A 7.1 per cent increase in median average director's fee or \$60,000 per annum, compared to \$56,000, in the previous FY.
- Both large and medium-sized companies had a larger increase of 15 per cent in average directors' fees, compared to the 6 per cent of small-sized companies.
- A growth of 7 to 10 per cent in the directors' fees for the next two to three years is expected, given Singapore's limited pool of independent directors, greater accountability of the independent director and increasing market demand due to the new Code.

Corporate Governance Practices:

- More companies are disclosing their NED fee structure.
- Risk management committees are more prevalent, and more commonly established in the finance and transport/storage/communication sectors.
- In FY 2014, 58 per cent of the companies with a non-independent chairman have met the requirement of the minimum 50 per cent of independent directors on their boards, a 11 per cent increase from 47 per cent last FY. ■

Components of a NED's fee

1. Basic retainer as board member	<p>Board Chairman: \$46,200 to 730,000 (Median = \$110,000)</p> <p>Board Member: \$34,200 to \$80,000 (Median = \$45,000)</p>
2. Retainer as committee member	<p>Committee Chairman: \$6,775 to \$60,000</p> <p>Committee member: \$4,075 to \$39,000</p> <p>(Risk and Audit Committees tend to be higher than the other Committees)</p>
3. Meeting fee	Usually \$1,000 to \$5,000 per meeting. Median = \$2,000 per board meeting, \$1,500 per committee meeting.
4. Benefits and allowance	Typically few and low in amounts. Median accounts for 4 per cent of total director's fee.
5. Share-based remuneration	Less than 10 per cent of companies offer this: Median value: \$56,000.
6. Total director's Fee	1 + 2 + 3 + 4 + 5 (See chart above for range of total director fees based on market capitalisation of companies)

*Analysis of 235 SGX listed companies based on annual reports released between 29 November 2013 and 29 November 2014.