

Bargaining Indicators 2014

Twenty Years - A Labour Perspective



LRS

LABOUR RESEARCH SERVICE

OUR STAKE IN DIRECTORS' FEES 1994 – 2014

by Michelle Taal

"...imagine if ...we like, you know, treated everyone equally..."

Stephen van Coller – Chief Executive: Corporate and Investment Banking at Barclays Africa Group, 2014.

Twenty years after the introduction of South Africa's own Corporate Governance Code there has been little to no change to the corporate culture of smokescreens and widening pay gaps. Perhaps it is time to go back to the code that has been lauded as the best in the world.

INTRODUCTION

Twenty years ago Labour Research Service published a Directors' Fees Report on 70 South African listed companies. In it we highlighted several pressing issues concerning directors' pay and corporate governance. We compare it here to the pressing issues of 2014 where we surveyed 89 listed South African companies.¹

Table 1: Executive Remuneration highlights in 1993 and 2013

1994	CEO 2012
Average 18.4% increase in director pay for the year 1993 to R576 000 per annum	Average 14% increase in director pay for the year 2013 to R9 391 1950 (16% for CEOs to R 13 701 836)
A weak link between company performance and director pay	In nearly 75% of companies surveyed, salary increases for the CEO exceeded profit growth. While there was an average fall of 5% in profits for the companies surveyed, bonuses averaged 98% of CEO pay
A lack of detailed executive remuneration disclosure required of companies making it difficult to analyse.	'Almost incomprehensible remuneration reports with lots of columns and acronyms' make it difficult to analyse executive pay.
A 40 year wage gap between directors and workers	A wage gap of over 200 years between directors and workers
Directors setting their own pay with little oversight and an advisory vote only	Remuneration committees of questionable independence and an advisory vote only.
LRS issues a call for improved corporate governance through active and informed shareholders	Everyone is calling for improved corporate governance through active and informed shareholders
LRS highlights the important role for worker-trustees of pension and provident funds	LRS highlights the important role for worker-trustees of pension and provident funds
LRS calls for new legislation for greater disclosure of directors' pay and independent directors	"South Africa should enact a legal requirement... a binding legal requirement to disclose the company's remuneration policy and explain the link between executive pay and performance... in a way that could be explained to shareholders and result in a closer link between the incentives given to executives and the company's performance."

In twenty years, why is it that so little has changed and improved in the matter of executive remuneration and its abysmal corporate governance record when so much has been done in order to try and improve it?

¹ LRS Bargaining Monitor, January 1994, Volume VIII Issue 77 , pages 6 - 7

* Theo Botha, Be very careful: Two strikes and you're out, Moneyweb, <http://www.moneyweb.co.za/mw/content/en/moneyweb-south-africa/be-very-careful-two-strikes-and-youre-out>, 6 July 2014

**Massie, K. Collier, D. 2014, Executive Salaries in South Africa: Who should have a say on pay?, Jacana. (P. 109 – 110)

During Apartheid the South African economy was isolated and companies in South Africa were mostly family owned. With no real need for oversight there was little in the way of corporate governance in the global sense at all. However, now, based on the three King Codes of Governance Principles between 1994 and 2009, South African corporate governance codes are acknowledged as among the most advanced in the world.²

And yet in the latest Corporate Governance Index 2014 published by The Institute of Internal Auditors South Africa³ which specifically investigates the extent to which the King Codes are implemented, the Corporate Governance Index for South Africa fell in 2014. The Index is based on the anonymous responses of over 200 Chief Audit Executives commenting on the performance of their own firms. In all areas from ethics and leadership to Internal Audit and Operational Risk, the scores have dropped year on year. While 58% of responses strongly agreed that their firm was committed to implementing good corporate governance, this drops to 29% when asked if this goes beyond a “tick box exercise”.

We suggest that Companies in South Africa have missed, either intentionally or through omission – the point of our Corporate Governance Codes and that it is this oversight which is key to the failure of corporate governance, which, as the then Minister of Finance pointed out, is a failing in their role in society as,

companies play a critical role in society, providing not only goods and services to society but also income to employees and investors. Economic growth also depends on what firms do. Given this long shadow that companies cast over the lives of citizens, companies and their executives must therefore be accountable to multiple stakeholders.⁴

In considering yet another year of high executive pay in a weakening economy where workers are falling further and further behind, we suggest that a careful understanding and appreciation of what corporate governance is, is required.

SUMMARY

Labour Research Service Bargaining Monitor January 1994:⁵

Figures extracted from the 1993 annual reports of 70 of SA's largest companies showed that executive directors earned just under R48 000 per month, on average. This after granting themselves pay increases that averaged 18.4%.

This year's survey of directors' fees covers 89 companies across 14 economic sectors and includes the pay for 286 executive directors in the 2012/ 2013 financial year. The survey shows an average fall of 5% in company profits for the period. However, the average executive director's salary rose 14%, that of chief executive officers by 16% and non-executive directors' by 6%. The average low-wage worker saw an increase of 8%.

In 2013 the average annual salary for an executive director was R4 443 096, that of a chief executive officer was R6 794 328 while part-time non-executive directors received R719 527. The average annual income for a low-wage worker was R44 856.

² Interview Summary Report; Compiled by Jess Schulschenk; August 2012 Corporate Governance Research Programme
Albert Luthuli Centre for Responsible Leadership

³ 2014 by The Institute of Internal Auditors South Africa, Institute of internal auditors of South Africa – 2nd edition of Corporate Governance Index – An Internal Perspective. (As reported by 221/ six hundred Chief Audit Executives (CAEs) on a self-administered questionnaire, anonymous).

⁴ Pravin Gordhan in Massie et al, p xiv

⁵ LRS Bargaining Monitor, January 1994, Volume VIII Issue 77, pages 6 - 7

In **1993** the executives were already taking home more in a month than what low wage workers earned in a year in 2013.

In **2013** executive directors took home more in a month than what a low wage worker would earn in seventeen years.

Chief Executive Officer **remuneration**, which includes salaries, various benefit payments and bonuses, was up 18% on average to R13 701 836, excluding payments made from longer-term share schemes.

In 2013 the average annual remuneration for an executive director was R9 391 950; chief executive officers received, on average, R13 701 836. A low-wage worker would therefore have to work 16 years, 209 years and 309 years to earn what an average non-executive director, executive director and CEO respectively were paid in 2013.

80% of chief executive officers received bonuses in the year of an average amount of R6 024 032, that is, 98% of the average salary of those same directors, thus almost doubling their income. The average share award payment, or long-term incentive, for those who exercised share options in the year showed gains of over R17 million which was around 273% of their average salary. Taken together, bonus and LTI gains added an average of 144% to the CEO's package. The 88 CEOs in the sample took home a total of R1 219 463 363 in 2013 and the 286 executive directors took home a collective R2 686 257 376. These figures exclude gains made on long-term incentives (LTIs) which can increase a director's package substantially when exercised. CEOs alone made R435 956 768 in LTI gains in the period, which, added to their other annual remuneration comes to R1 658 743 095 - over one and a half billion rand for 88 individuals, excluding some once-off payments that have not been included in the analysis.

Figure 1: Average salary percentage increases 2012 - 2013

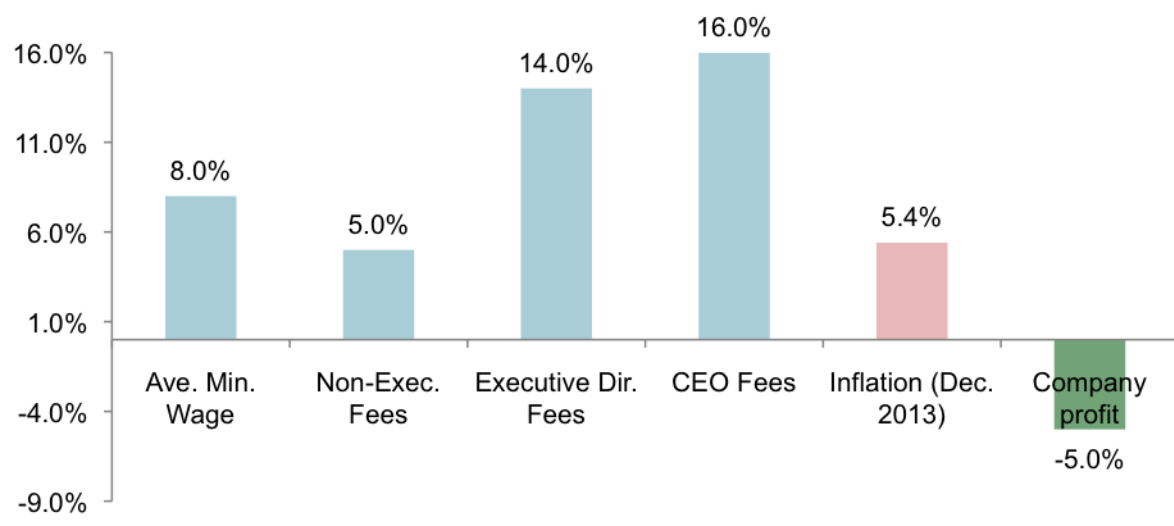
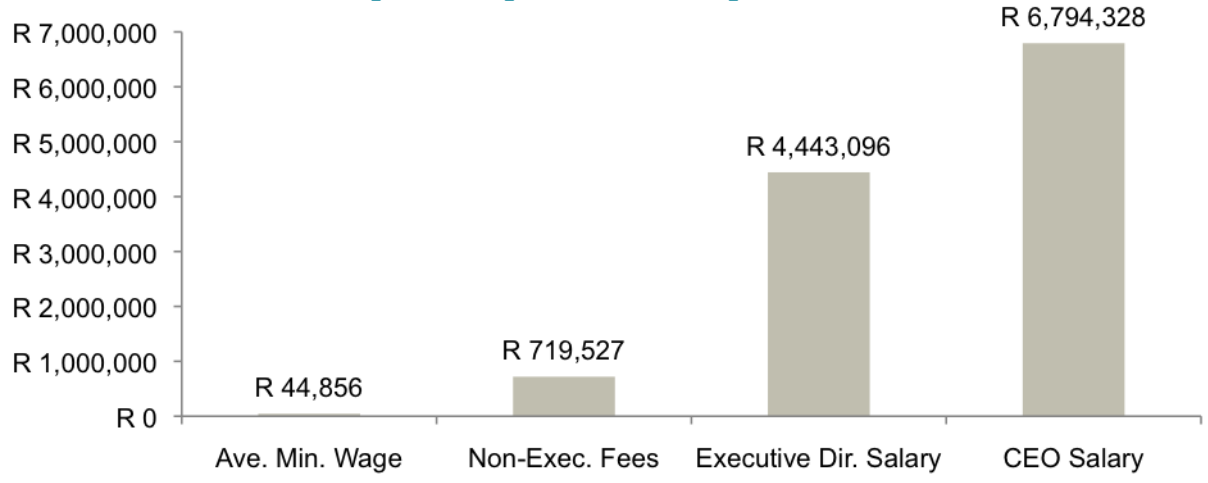


Figure 2: Average annual salaries /wages 2013



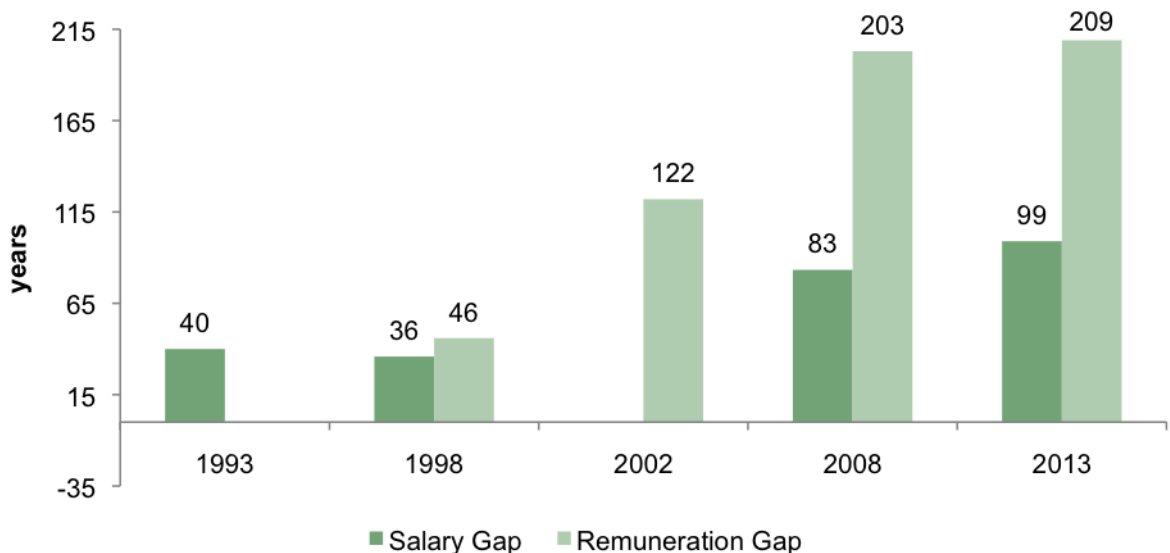
The Widening Wage Gap

In the January 1994 edition of Bargaining Monitor⁶ LRS wrote: "A Labourer will have to work a full **forty years** to earn what the average director of SA's top listed companies gets in a year".

In twenty years the gap between what the average executive earns as a basic wage and what a low wage worker earns has more than doubled. It has grown to 99 years based on the average executive director salary, 209 years if we add benefits and bonuses to the executive pay figure.

Figure 3: The Widening Wage Gap in South Africa 1993 - 2013

– The number of years for a low-wage worker to earn the AVERAGE EXECUTIVE DIRECTOR SALARY in a single year

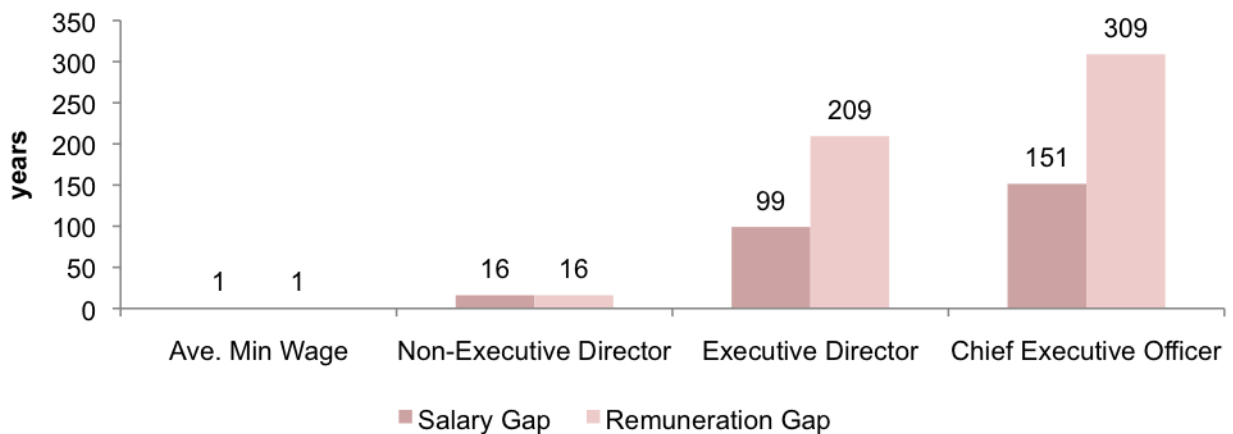


The average minimum wage for workers in South Africa in 2013 has been calculated at R3, 738 a month or R44, 856 per year, across formal sectors. Using data from the 2013 financial year for both workers and executives, it would take low wage workers on average 16 (2012: 15) 209 (2012: 174) and 309 (2012: 267) years to earn what a part-time non-executive, an executive and a CEO took home in that year, excluding share payments and dividends.

⁶ Ibid.

Figure 4: The Wage Gap in South Africa in 2013

– The number of years for a low wage worker to earn what directors earn in a single year



Globally the issue of the pay gap has become topical as a signifier of greater societal inequality – the gap between the highest paid and the lowest paid in a company as pointing towards the gap between the rich and the poor in a society, in a country and between rich and poor globally, individually and as countries. On a national level, in particular, it is a pressing concern for increasingly diverse interest groups. Executive remuneration in a country of such wide and increasing disparities between rich and poor is a very sensitive topic.⁷

Such levels of inequality are starting to be recognised by governments and even corporate analysts as worrying, not because they are unfair and unjust for people at the bottom of the pay pile but also because it is being recognised that sustained and growing inequality is dangerous for everyone in society, including the wealthy and the government itself. Social cohesion cannot be achieved when inequality remains rampant.⁸ Societies that are not cohesive are dangerous societies, especially for the poor, but increasingly for everyone.

Gilad Isaacs writes in connection with the strike in the platinum sector in 2014:

The platinum strike has served as a microcosm of South African inequality: thousands of poor black workers, high returns for shareholders, the owners of capital, and lavish rewards for a small corporate elite. In 2013 the CEO of Amplats, Chris Griffith...[earned] 185 times more than the very lowest paid. This excludes the R16 million worth of shares Griffith holds...The mineworkers who downed their tools wouldn't have known these statistics but the level of inequality on the platinum belt and workers' anger over this has been widely reported. This anger fuelled their militancy during the strike.⁹

Despite this militancy and the gains that were made in favour of the workers, the most important point made by Isaacs is that,

... the outcome has not altered the fundamentals of the sector, and certainly does far too little to address inequality. If Griffith's salary at Amplats increases in line with inflation, at the end of the wage agreement period he will still be earning 155 times more than the lowest paid workers - and previous increases in executive pay suggest it may rise at a far higher rate.¹⁰

⁷ Ingé Lamprecht, Is CEO Pay Excessive? Performance targets, wage gaps and the South African dilemma. Moneyweb, <http://www.moneyweb.co.za/moneyweb-corporate-governance/is-ceo-pay-excessive>, 29 May 2014

⁸ Massie, K. Collier, D. 2014, Executive Salaries in South Africa: Who should have a say on pay? , Jacana.

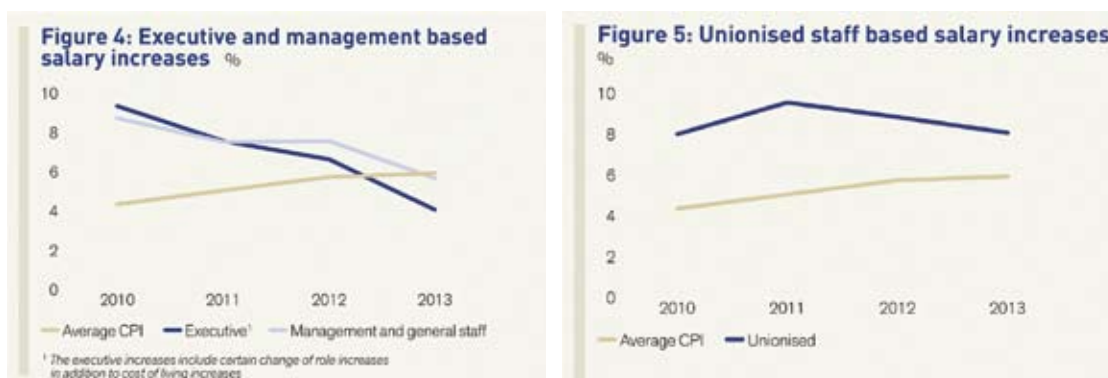
⁹ Gilad Isaacs, Lessons from the platinum strike: the poison of inequality, Ground Up, http://groundup.org.za/article/lessons-platinum-strike-poison-inequality_1946. 1 July 2014

¹⁰ Ibid.

Why this statement is particularly relevant to Amplats is highlighted in the 2013 Annual Report where Amplats is at pains to point out the far higher increases that members of the bargaining unit received in comparison to other workers, including executives. They note that

the average rate of increase of base salary for executive directors and prescribed officers will be 6% in 2014 (4% in 2013)...Employees in NUM and UASA bargaining units received an average increase of 8% in December 2013 with the more junior employees receiving up to 8.5%...The annual increases for executives, management and the general staff over the past few years, with the exception of 2010, has been less than those granted to the bargaining units.¹¹

Disclosure becomes concealment when it hides actual and value disparity behind percentages. That is, Chris Griffith's R17 million hides behind "prescribed officers and general staff" and the general workers being R137 500 behind the "above CPI increase".



Source: Anglo American Platinum Annual Report 2013, p. 58

To remedy this, some have appealed to executives to be more empathetic to those who work with them and for them in the name of a better society, some suggesting further emboldening and capacitating shareholders to hold companies to account, others suggesting that it is the shareholders themselves who are the problem with their eyes only on the single, rather than the triple bottom line. There are calls for tougher legislation or a combination of measures to tighten Corporate Governance in companies. We suggest that there is another possibility.

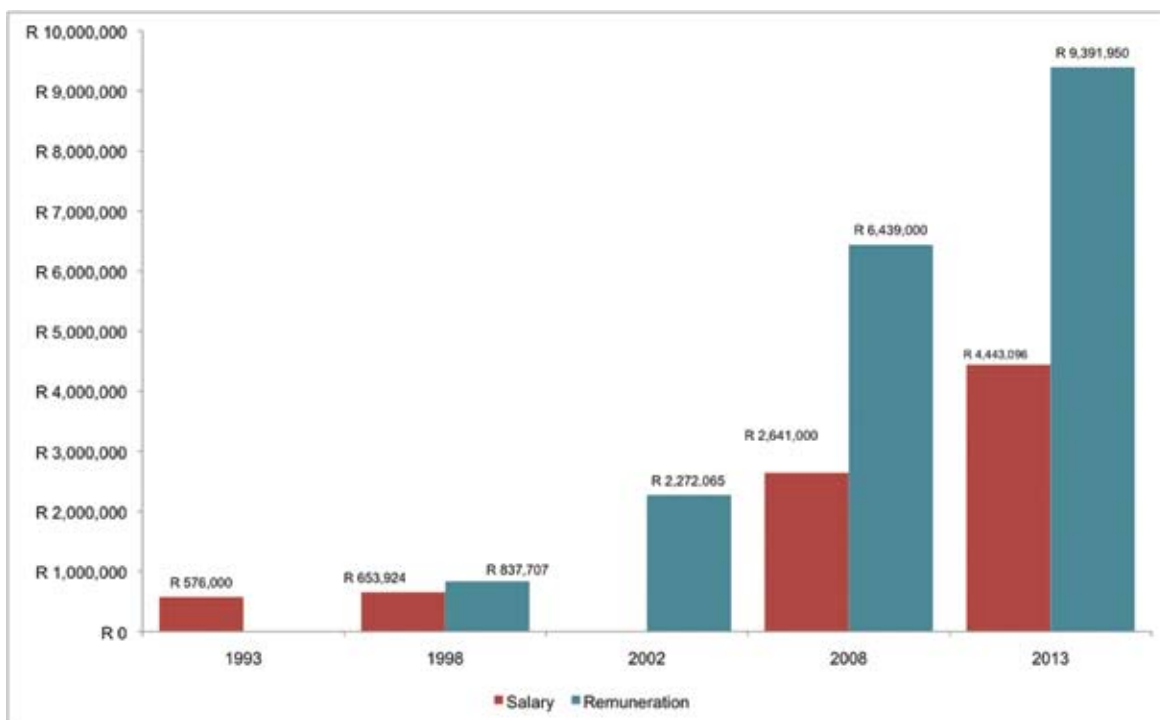
¹¹ AngloAmerican Platinum Annual Report 2013, page 58

DIRECTORS' FEES SURVEY RESULTS

In 1993, the average director's salary was R576 000 per year, last year it was nearly eight times that at R4 443 096. We have no figures for annual remuneration in 1993, but five years later it averaged R837 707 per year, increasing by 1000% in 2013 to R 9 391 950, an average of 200% a year. While executive salaries are high, it is, to a much greater extent, the other parts of executive remuneration that lead to such high incomes at the top.

While we have tried to compare executive pay accurately over the last twenty years, our efforts have been hampered by a lack of disclosure and an intentional vagueness in the reports. As noted in the 1999 Labour Research Service Bargaining Monitor¹², despite the first King Report "many companies still stick to minimum requirements when it comes to directors' fees. 66% of the companies did not split their type of remuneration, whilst 10% lumped the remuneration of executives and non-executives in one sum". The comparisons therefore do show some gaps where either only salary or only remuneration was disclosed.

Figure 5: Average executive pay since 1993



In 1993 the average executive pay was to be found in the company Plate Glass, where the executives were paid, on average, R1.4 million a year. By 2008 the monthly salary of the executive group was almost equal to that annual figure at R1.1 million per month. In 2013 the AngloGold Ashanti directors took home, on average a R21 million salary, a 1400% increase at the top of the scale. Even in 1993, the top paid directors were taking home nearly R30 000 per week, although this pales when compared to the same group taking home over R400 000 per week in 2013 and earning more in a month than the 1993 top paid directors earned in a year.

¹² Labour Research Bargaining Monitor, Vol. XII, Issue 133, June 1999

Table 2: Average Executive Director's Pay 1993 – 2013

Executive Director's Pay (Salary) - Top 5 Companies 1993				
Company	Pay per week	Pay per month	Pay per year	% Pay increase
Plate Glass	27 300	118 209	1 418 508	15.1%
Murray & Roberts	25 275	109 441	1 313 289	19.5%
Sentrachem	22 686	98 230	1 178 765	43%
Engen	19 231	83 270	999 243	75%
Malbak	19 231	83 270	999 243	50%

Executive Director's Pay (Salary) - Top 5 Companies 2008				
Company	Pay per week	Pay per month	Pay per year	% pay increase
Anglo American plc	249 788	1 081 583	12 979 000	97%
SAB Miller plc	225 462	976 250	11 715 000	15%
AngloGold Ashanti	145 285	629 083	7 549 000	83%
Mondi	139 030	602 000	7 224 000	-8%
Lonmin plc	132 198	572 417	6 869 000	50%

Executive Director's Pay (Salary) - Top 5 Companies 2013				
Company	Pay per week	Pay per month	Pay per year	% pay increase
AngloGold Ashanti	409 504	1 773 154	21 277 848	87%
Anglo American plc	354 325	1 534 226	18 410 714	41%
BHP Billiton	313 178	1 356 061	16 272 727	-5%
SABMiller	221 927	960 943	11 531 311	87%
Shoprite	201 899	874 222	10 490 667	19%

When bonuses and benefits are added to the figures, executive pay increases at the top are exponential. In 1998 the top spot was held by SAPPI where the directors were paid R3.3 million for the year. By 2002, even ignoring the extraordinary payments made at Wooltru for the unbundling of that company, the remuneration package of the next highest company, South African Breweries, was double the 1998 amount. By 2008 the top payment to Investec directors was again four times the 2002 figure at over R37 million which was just over half of what the Anglo American directors received in 2013. Over a period of 15 years, the average remuneration for the highest paying companies increased 16 fold.

Table 2: Average Executive Director's Pay 1993 – 2013

Executive Directors' Pay (Remuneration) - Top 5 Companies 1998				
Company Name	Remuneration per week	Remuneration per month	Remuneration per year	
Sappi	65 114	281 944	3 383 333	
Safren	55 613	240 806	2 889 667	
Barlow	49 076	212 500	2 550 000	
CG	36 567	158 333	1 900 000	
Kersaf	34 863	150 958	1 811 500	

Executive Directors' Pay (Remuneration) - Top 5 Companies 2002				
Company Name	Remuneration per week	Remuneration per month	Remuneration per year	
Wooltru	378 551	1 639 125	19 669 500	Includes special payment for unbundling
South African Breweries	150 449	651 443	7 817 312	
Alex White Holdings	99 994	432 972	5 195 667	
Tiger Brands	91 513	396 250	4 755 000	
African Oxygen Limited	76 898	332 967	3 995 600	

Executive Directors' Pay (Remuneration) - Top 5 Companies 2008				
Company Name	Remuneration per week	Remuneration per month	Remuneration per year	Remuneration % change
Investec Bank	729 253	3 157 667	37 892 000	2%
SAB Miller plc	592 687	2 566 333	30 796 000	21%
BHP Billiton plc	586 201	2 538 250	30 459 000	57%
Anglo American Plc	438 664	1 899 417	22 793 000	-26%
Telkom Limited	367 764	1 592 417	19 109 000	387%

Executive Directors' Pay (Remuneration) - Top 5 Companies 2013				
Company Name	Remuneration per week	Remuneration per month	Remuneration per year	Remuneration % change
Anglo American plc	1 080 501	4 678 571	56 142 857	118%
BHP Billiton	774 780	3 354 798	40 257 576	61%
Mondi Group	632 624	2 739 264	32 871 162	112%
AngloGold Ashanti	613 118	2 654 800	31 857 595	69%
Sasol	525 122	2 273 778	27 285 333	53%

Chief Executive Officers

There has been a high level of turbulence at the top of companies in the last financial year with the CEO position changing hands in many of them, particularly in the mining sector which saw eight of the sample companies with a new chief executive. This makes a precise calculation of salaries and remuneration for the office impossible from the figures as disclosed. According to our methodology, we price the position rather than the person and so, with some pro-rating, we have done this. Where more than a single person has occupied the position of CEO in the years under review, we have tried to calculate time served in the position and combined the figures to show how much the company has spent on a single position, rather than an individual, in the year.

CEOs in the survey received an average annual salary increase of 16% in 2013, making the average annual salary R6 794 328, up from R5 869 838 in 2012. This average is not even 15% of the top salary for the year. As in 2011 and 2012 the company paying the highest CEO salary in 2013 is the retailer Shoprite Checkers. This salary of R49 656 000 is a 22% increase on that of R40 620 000 paid in 2012. The CEO of Shoprite, James 'Whitey' Basson, has not received a bonus in many years, his high pay is guaranteed each year, taking for granted that he will perform. Anglo American and BHP Billiton also appeared in last year's Top 5 which is dominated by the very sector, mining, where workers' wage demands for R150 000 per year are said to be excessive. In each of the mining companies here, there has been a new CEO put in place in 2013.

Anglo American saw a change in leadership in 2013 resulting in the total package for the CEO role for the year topping R70 million. Even though this was paid out to two people, as in the

Table 4: Highest paid CEOs - Salary

Company Name	Sector	CEO Surname	Salary 2013 (R)
Shoprite	Retail	Basson	49 656 000
AngloGold Ashanti	Mining	Cutifani & O'Neill & Venkatakrisnan	27 030 000
Anglo American plc	Mining	Carroll & Cutifani	23 160 714
BHP Billiton	Mining	Kloppers & MacKenzie	19 527 273
Steinhoff International	Diversified Holdings	Jooste	19 236 000

case of BHP Billiton, it makes a small difference to the cost to company of this single position. A bonus of 200% his salary of R12 million ensured that Sasol CEO David Constable also ranks in the top 5 with a 68% increase on his 2012 package, which likewise put him in the top 5 along with Executive Chairman Graham Mackay from SABMiller.

Table 5: Highest paid CEOs – Remuneration (Salary, benefits, bonus)

Company Name	Sector	CEO Surname	Remuneration 2013 (R)
Anglo American plc	Mining	Carroll & Cutifani	76 089 286
Sasol	Industrial	Constable	53 668 000
Shoprite	Retail	Basson	50 001 000
BHP Billiton	Mining	Kloppers & MacKenzie	48 309 091
SABMiller	Food and Beverage	Mackay	42 751 213

While many of the highest salary increases in the year are noteworthy for showing the extraordinary level of change in leadership positions at SA companies, the 117% increase for Peter Cooper at RMB Holdings was for another reason. Up until 2012 RMB Holdings disclosed salary and benefits separately. In 2013 they were disclosed as a single "cash package" number, making it impossible to discern the actual salary increase for the CEO and highlighting the ways that remuneration is still not reported in a way that is precise, despite all the pages of information.

Of particular interest in the highest increases is Standard Bank that not only saw a change of CEO, but saw fit to appoint two CEOs to replace Johan Maree, thus more than doubling the cost of this position to the company. AngloGold Ashanti likewise had two CEOs for a part of 2013, also increasing the cost of this position by nearly 100% for 2013.

Basil Read's CEO, Marius Heyns received no bonus in 2012 and R10 million bonus in 2013, thus tripling his remuneration for the year and giving him the highest increase amongst his peers.

Table 6: Highest CEO increase – Salary

Company Name	Sector	CEO Surname	Salary 2012 (R)	Salary 2013 (R)	Salary Change 2012 - 2013
Tsogo Sun Holdings	Hospitality	Mabuza / von Aulock	2 063 000	4 509 000	119%
RMB Holdings	Banking & Financial Services	Cooper	3 308 000	7 175 000	117%
Standard Bank Group	Banking & Financial Services	Maree / Kruger & Tshabalala	6 345 000	12 943 000	104%
AngloGold Ashanti	Mining	Cutifani / Cutifani & O'Neill & Venkatakrisnan	14 041 000	27 030 000	93%
Pretoria Portland Cement	Construction	Stuiver / Stuiver & Gordhan	3 206 000	5 827 000	82%

Table 7: Highest CEO increase - Remuneration (Salary, benefits and bonus)

Company	Sector	CEO Surname 2012 / 2013	Remuneration 2012 (R)	Remuneration 2013 (R)	% Remuneration Change
Basil Read	Construction	Heyns	3 564 428	14 491 358	307%
Pioneer Foods	Food and Beverage	Hanekom / Hanekom & Roux	5 308 000	18 982 000	258%
Standard Bank Group	Banking & Financial Services	Maree / Kruger & Tshabalala	12 312 000	35 288 000	187%
Lonmin plc	Mining	Farmer & Scott / Scott & Magara	12 138 013	29 431 971	142%
Anglo American plc	Mining	Carroll / Carroll & Cutfani	31 473 684	76 089 286	142%

In 2012 Elia Louw (Louwtjie) Nel, CEO of construction company WBHO received the highest bonus as a percentage of salary in the sample, despite his company posting a 5% drop in profits for the year. This year he is again at the top of the list on the back of a 10% fall in WBHO profits. Similarly, Assore Limited, the mining company saw a 13% fall in profit while the CEO took home a bonus worth 323% of his salary.

Table 8: Highest 2012 CEO bonus payment as a percentage of salary

Company name	Sector	CEO Surname	Salary 2013 (R)	Bonus 2013 (R)	Bonus % of Salary
WBHO	Construction	Nel	1 831 000	6 800 000	371%
Basil Read	Construction	Heyns	3 099 397	10 921 036	352%
Assore limited	Mining	Cory	4 460 000	14 406 000	323%
Lonmin plc	Mining	Scott & Magara	7 670 116	14 600 116	190%
Sasol	Industrial	Constable	12 110 000	22 422 000	185%

In 2013 the highest overall LTI payment made to a CEO, or in this case an executive chairman, was made to Graham Mackay of SABMiller. Granted, both SABMiller and BHP Billiton are global companies and pay in foreign currency thus increasing the Rand value of their payments, but the payments remain, in the case of SABMiller, more than 1000% of the salary figure.

Table 9: Highest CEO Long-term incentive payment

Company	Sector	CEO Surname	Salary 2013 (R)	LTI 2013 (R)	LTI as % of salary
SABMiller	Food & Beverage	Mackay	17 266 666	185 471 960	1074%
BHP Billiton	Mining	Kloppers & Mackenzie	19 527 272	105 227 272	539%
Mr Price	Retail	Bird	3 784 000	15 041 000	397%
Network Healthcare Holdings	Health	Friedland	7 230 000	28 060 000	388%
Adcorp Holdings limited	Education, Bus Training & Employment	Pike	2 578 000	8 445 000	328%

Sectors

It is no surprise that mining remains at the top of the list when it comes to average salaries among CEOs at an average of over R10 million for the year. Nine of the sectors in 2013 paid, on average, over R5 million in salaries to their CEOs and ten of the sectors recorded, on average, double digit increases on the millions they paid in 2012. Even the lowest salary of R1.8 million in the sample, paid to the CEO of WBHO, represents a 68% increase on his 2012 salary.

Table 10: CEO Pay – Salaries

Sector	Average Salary 2012 (R)	Average Salary 2013 (R)	Increase (R)	Increase (%)
Banking & Financial Services	4 616 271	5 858 040	1 241 769	27%
Construction	3 232 101	3 922 400	690 299	21%
Diversified Holdings	7 660 840	8 956 833	1 295 993	17%
Education, Bus Training & Employment	2 416 000	2 578 000	162 000	7%
Food and Beverage	5 013 443	5 542 467	529 024	11%
Health	4 280 800	4 844 200	563 400	13%
Hospitality	3 519 135	5 009 130	1 489 995	42%
Industrial	4 670 242	5 520 369	850 127	18%
Media	1 500 000	1 575 000	150 000	5%
Mining	8 758 571	10 297 113	1 538 542	18%
Paper & Packaging	7 089 423	8 205 914	1 116 490	16%
Retail	8 123 496	9 579 800	1 456 304	18%
Technology & Telecomms	7 296 967	6 382 059	-914 908	-13%
Transport	3 976 024	3 931 693	-44 331	-1%
Total	4 616 271	5 858 040	1 241 769	
Average	5 869 838	6 794 328	924 490	16%
Monthly	489 153	566 194	77 040	

Table 11: CEO Pay – Remuneration

Sector	2012 Average Rem. (R)	2013 Average Rem (R)	Increase	Increase (%)
Banking & Financial Services	9 025 937	13 287 922	4 261 985	47%
Construction	6 687 238	9 527 726	2 840 488	42%
Diversified Holdings	16 694 507	16 083 000	-611 507	-4%
Education, Bus Training & Employment	5 698 000	7 328 000	1 630 000	29%
Food and Beverage	10 461 236	12 401 221	1 939 986	19%
Health	8 392 400	9 561 350	1 168 950	14%
Hospitality	10 787 221	11 870 637	1 083 415	10%
Industrial	8 859 720	12 180 779	3 321 060	37%
Media	3 000 000	3 150 000	150 000	5%
Mining	16 905 641	21 160 822	4 255 181	25%
Paper & Packaging	14 657 672	15 826 655	1 168 983	8%
Retail	14 200 711	15 094 011	893 300	6%
Technology & Telecomms	17 376 662	16 584 499	-792 163	-5%
Transport	8 497 571	7 841 714	-655 857	-8%
Total	9 025 937	13 287 922	4 261 985	
Average	11 628 071	13 701 836	2073765	18%
Monthly	969 006	1 141 820	172813	

CEO remuneration across the sectors shows an increase of 18% for the position, that is, a R2 million increase on average to R13.7 million. The mining sector shows the highest average remuneration of over R20 million with eight other sectors paying, on average, over R10 million to the CEO.

Table 12: Executive Director Pay – Salaries

Sector	2012 Average Rem. (R)	2013 Average Rem (R)	Increase	Increase (%)
Banking & Financial Services	3 672 042	4 379 910	707 868	19%
Construction	2 701 370	2 872 992	171 622	6%
Diversified Holdings	4 378 965	4 983 969	605 004	14%
Education, Bus Training & Employment	1 916 250	2 084 250	168 000	9%
Food and Beverage	3 052 015	3 884 543	832 528	27%
Health	3 609 443	3 853 692	244 249	7%
Hospitality	3 301 956	3 889 696	587 740	18%
Industrial	3 285 437	3 974 691	689 254	21%
Media	2 152 667	2 283 000	130 333	6%
Mining	6 348 255	6 874 646	526 391	8%
Paper & Packaging	4 946 328	6 474 801	1 528 473	31%
Retail	3 628 956	4 364 258	735 302	20%
Technology & Telecoms	6 364 962	4 649 346	-1 715 616	-27%
Transport	3 212 084	3 316 254	104 170	3%
Average	3 910 891	4 443 096	532 205	14%
Monthly	325 908	370 258	44 350	

The average monthly salary for an executive director in the sample in 2013, was R370 258, over R85 000 per week. Only one sector shows a drop in average salary while five sectors show a salary increase of over 20%. When benefits and bonuses are added, the average take home pay, before share payments, was R9 391 950, just shy of R10 million on average, with increases of over R1 million and with five sectors paying well above this average.

Table 13: Executive Director Pay – Remuneration

Sector	2012 Average Rem. (R)	2013 Average Rem (R)	Increase	Increase (%)
Banking & Financial Services	7 254 362	10 571 673	3 317 311	46%
Construction	5 580 242	6 556 523	976 281	17%
Diversified Holdings	9 689 279	8 907 477	-781 802	-8%
Education, Bus Training & Employment	4 154 250	4 875 750	721 500	17%
Food and Beverage	6 136 514	7 880 578	1 744 064	28%
Health	6 863 279	6 905 723	42 444	1%
Hospitality	7 851 875	10 072 140	2 220 265	28%
Industrial	6 465 070	8 199 420	1 734 350	27%
Media	3 556 167	4 218 833	662 666	19%
Mining	13 130 983	14 661 751	1 530 768	12%
Paper & Packaging	10 034 564	15 811 669	5 777 105	58%
Retail	6 801 791	8 139 076	1 337 285	20%
Technology & Telecomms	16 048 087	12 945 402	-3 102 685	-19%
Transport	7 417 848	7 183 469	-234 379	-3%
Average	8 088 865	9 391 950	1 303 085	16%
Monthly	674 072	782 663	108 591	

Table 14: Non- Executive Director Pay

Sector	No.2012	No. 2013	2012 Ave. Fees (R)	Ave. Fees 2013 (R)	% Change
Banking & Financial Services	129	130	9 027 606	10 021 251	103%
Construction	50	51	3 011 047	3 131 021	20%
Diversified Holdings	66	63	2 973 503	3 360 875	103%
Education, Bus Training & Employment	9	8	126 889	182 000	43%
Food & Beverage	103	98	6 121 714	4 777 650	-114%
Health	52	56	2 688 210	2 898 199	39%
Hospitality	31	29	1 211 015	1 774 762	112%
Industrial	93	74	4 489 157	6 051 752	456%
Media	17	17	1 613 583	1 663 967	11%
Mining	144	141	14 838 382	17 168 577	459%
Paper & Packaging	28	27	3 043 214	3 275 235	29%
Retail	70	70	4 386 616	5 356 582	269%
Technology & Telecomms	36	43	2 244 350	2 227 187	-6%
Transport	68	79	2 615 143	2 605 532	120%
Average			685 775	719 527	5%

WHAT IS CORPORATE GOVERNANCE AGAIN?

The many general definitions of Corporate Governance concur that it is “the system and process by which organisations are directed and controlled in order to ensure the protection of the interests of the owners.”¹³ In a global sense, the introduction of Corporate Governance Codes in South Africa was aimed at making company management more accountable to their owners, shareholders, by making their policies and processes more available to them, more open to their scrutiny and censure. As South Africa came out of isolation in the early 1990s this was seen as crucial to making the companies and the country in general more attractive to the foreign investment community that was seen as key to the country’s growth prospects.

One of the benefits of corporate governance codes has been far greater disclosure of executive remuneration policies and practices in listed companies.

Corporate Governance and how we can see what directors’ earned in 2013

In 1994 we wrote that:

*.....As the rest of South Africa moves into democracy, the role of company directors will increasingly come under the spotlight. **There is no doubt that shareholders, including the worker trustees of pension and provident funds, will want to know more about the activities of company directors...**Legislation requiring greater disclosure of directors’ pay, and the appointment of independent non-executive directors to the boards of South Africa’s largest companies, would be a good starting point.¹⁴*

Thanks to Corporate Governance Codes in the three King Reports of 1994, 2002 and 2009, some of which have been incorporated into the Johannesburg Stock Exchange Listing requirements, company annual reports now include many details of company and director activity. This includes extensive – though not standardised – details on executive pay policies and practices as approved by a Remuneration Committee that is, in principle, made up of independent non-executive directors.

According to the code, shareholders can now hold a company to account for their remuneration policy and, in most cases, vote on it at AGMS in an advisory capacity. The logic is that shareholders should declare a policy “acceptable” and then expect that policy to be applied. They can also vote against remuneration policy and practice. Although also advisory votes, in theory companies would prefer not to upset their shareholders, who can withdraw much more tangible support, should they choose to do so. This is why listed companies spend so much time talking to their shareholders about their strategies and achievements, and activists keep trying to get those shareholders to hold companies to account. From large accountancy firms, to journalists and social activists, shareholders are being engaged in the hope that they will hold companies to account.

In an effort to inspire even greater oversight of companies by their owners, South Africa also introduced an investors’ code of conduct – the CRISA code – the Code for Responsible Investing in South Africa to further support shareholders in their apparent push for greater accountability and transparency by companies in many areas, including remuneration.¹⁵

¹³ Interview Summary Report, Compiled by Jess Schulschenk, August 2012, Corporate Governance Research Programme, Albert Luthuli Centre for Responsible Leadership, page 5

¹⁴ LRS Bargaining Monitor, January 1994, Volume VIII Issue 77, pages 6-7

¹⁵ <http://www.iodsa.co.za/?page=CRISACode>

And yet executive pay rises show no sign of slowing down and the pay gap increases despite the social discontent it brings about.

Why?

Theo Botha, a long time shareholder activist in South Africa, notes that ...[t]here are some people who argue that all this additional oversight is unproductive, invasive, an overstepping of territorial lines; in short, completely unnecessary!"¹⁶ In many cases, these people seem to be the companies themselves. "When I push directors for more remuneration policy information in order to be able to hold them to account later, some of them get visibly angry, like Dr Len Konar at JD Group, who was reported to have said "... that sort of detail would be overwhelming and not in the shareholders' best interests".¹⁷ What, we might wonder does management think is in shareholders' best interests and if a remuneration policy is too complicated to be able to explain, then how could it be understood by anyone?

It is usually claimed then that companies themselves are arrogant and unwilling to engage on remuneration and that the managers and the shareholders are somehow at loggerheads. PricewaterhouseCoopers reported in 2014 that "when it comes to executive remuneration, 92% of investors think it is appropriate and important to engage, but 65% of directors think it is not appropriate or important".¹⁸ (This means that only 35% think that it is important.)

At the same time, while it is an item that makes news headlines, shareholders do not, in any great numbers, rise up and vote against executive remuneration and demand change. It has been noted that remuneration is the one area where companies can get less than 75% approval at AGMs¹⁹ while this is certainly not unanimous support, it is hardly a resounding condemnation of policy by the shareholder group.

"Almost incomprehensible remuneration reports with lots of columns and acronyms"

Reasons why shareholders are less active than hoped have been voiced in many quarters. There is an argument that while remuneration policy and practice have to be published, there is no standardised format required and so, there is often insufficient or overly complex information for shareholders on performance targets and their measurement²⁰ in order for them to really understand and make judgements on company pay policy. It is noted that while investors may be informed, they will never be as informed as the executives themselves on performance and so will always be at a disadvantage if the directors choose to be vague.

Massie, et al. suggest that,

*South Africa should enact a legal requirement...a binding legal requirement to disclose the company's remuneration policy and explain the link between executive pay and performance...in a way that could be explained to shareholders and result in a closer link between the incentives given to executives and the company's performance.*²¹

¹⁶ Theo Botha, Be very careful: Two strikes and you're out, Moneyweb, <http://www.moneyweb.co.za/mw/content/en/moneyweb-south-africa/be-very-careful-two-strikes-and-youre-out>, 6 July 2014

¹⁷ Ibid.

¹⁸ PricewaterhouseCoopers Inc., Executive Directors' Remuneration Practices and Trends Report Sixth Edition South Africa – July 2014, http://www.pwc.co.za/en_ZA/za/assets/pdf/executive-directors-remuneration-report-july-2014.pdf, page 21

¹⁹ Ibid.

²⁰ Ingé Lamprecht, Is CEO Pay excessive? Performance targets, wage gaps and the South African dilemma. Moneyweb, <http://www.moneyweb.co.za/moneyweb-corporate-governance/is-ceo-pay-excessive>, 29 May 2014

²¹ Massie, K. Collier, D. 2014, Executive Salaries in South Africa: Who should have a say on pay? , Jacana. (P. 109 – 110)

“...the actual owners of this company are happy to pay”

There is another reason, cited by both commentators and company management itself, as to why shareholders are not as active as they could be in corporate governance matters. It was effectively highlighted in the recent platinum strike concerning the pay and comments of the Amplats CEO Christ Griffiths. Nic Borain²² writes that in the 17th week of the strike, when the annual report of the company showed that he had been paid over R15 million in the year, Griffith said:

... Am I getting paid on a fair basis for what I'm having to deal with in this company? Must I run this company and deal with all this nonsense for nothing? I'm at work. I'm not on strike. I'm not demanding to be paid what I'm not worth.

While he later apologised, Borain makes the following point:

*... the truth of the matter is that Griffith's original comments are clearly what the company believes because this is what it does. Everything else is public relations and spin. At the AGM of a listed company shareholders vote approval or otherwise of executive remuneration. So in one way or another, **the actual owners of this company are happy to pay Griffith's fee.** The company either believes he is worth that (and they pay him for it) or they do not believe he is worth it (and they pay him less ... and perhaps he doesn't accept the job.).²³*

The table therefore turns on the shareholders; that it is they who pressurise the company to care only about profits, and who care nothing for CEO pay. Corporates claim they have to convince their shareholders – or so they say, not the other way around - to consider the social responsibility of companies. In a recent interview, Stephen van Coller, Chief Executive: Corporate and Investment Banking at Barclays Africa Group put out the challenge in connection with addressing inequality in the country by asking: “**Can we move investors** from short term profits to a broader sustainability index? Can we measure corporates not just on profit but also on a broader set of socio-economic indicators? – that’s really where we are driving.”²⁴ The impression given is that shareholders are not in any position to hold companies to account since anything beyond profit is in general not on their radar. In 2012 van Coller was paid the highest annual bonus in the Barclays Group with his total remuneration package at least 30% more than that of group CE Maria Ramos and chief financial officer David Hodnett. A total remuneration package of R21.8m, including long-term incentive plan awards, was paid to him. Ramos received R16.6 m while Hodnett was paid R15.4m and van Coller’s total remuneration was spiked by an annual bonus of R13.5 m.²⁵

So if neither companies nor in general, shareholders are prepared to make the changes necessary, what is to be done?

²² Nic Borain, ‘Learn to stand up and lie like white men’ <http://nicborain.wordpress.com/2014/05/19/learn-to-stand-up-and-lie-like-white-men/>, 19 May 2014

²³ *ibid*

²⁴ Stephen van Coller, interviewed on Fine Business Radio 29 August 2014 following the World Economic Forum “A New Social Covenant” event <http://fmr.co.za/FMR%20PODCAST/Fine%20Business%20Radio%202908.mp3>

²⁵ Phakamisa Ndzamela, Business Day, Absa rewards Van Coller with highest annual bonus

<http://www.bdlive.co.za/business/financial/2013/04/03/absa-rewards-van-coller-with-highest-annual-bonus> , 3 April 2013

CORPORATE GOVERNANCE IN SOUTH AFRICA

Corporate Governance in South Africa was always intended to mean more than the global definition. The King Reports were designed with South Africa in mind. A defining feature of the King Reports was the extent to which they went beyond narrow definitions of corporate governance as financial regulation in the interests of the shareholders.

*[I]n 1994 the King Committee was formed by the Institute of Directors to prepare a Code of Corporate Practices. The aim of this code is to improve company practices, in particular those of directors. The Committee hopes that this code will make companies more responsive to **all stakeholders**. This includes shareholders, workers, customers and suppliers.²⁶*

In 2003 the LRS Bargaining Indicators²⁷ noted that the Second King Report on Corporate Governance states that,

[c]orporate governance is essentially a managerial approach that should consider and embrace the interests of all stakeholders viz. shareowners; employees, customers; suppliers; the environment; government and the broader community within which it operates, in its decision making and operational activities. Companies must therefore strive to "...balance its performance with conformance ... that is, they must generate an acceptable return for its owners and investors while taking into account the economic, social and environmental impact of its activities (triple bottom line approach).

Philip Armstrong, convener of the second King Committee states:

Whilst largely influenced by the Cadbury Report issued in the UK at the time, the first King Report released in 1994 went beyond financial and regulatory aspects, **placing a strong emphasis on inclusivity and the centrality of the stakeholder**. This was the same year that South Africa celebrated its first democratic elections.

He notes that,

Inclusivity was an important feature because, at the time, King I coincided with a transition into a fully-fledged democracy and the need for business to integrate itself into the community of democratic South Africa – or at least to lend its credentials to being part of that process.²⁸

In a series of interviews conducted with King Committee members and commentators, it is emphasised over and over that the Code was always intended to include all stakeholders and their legitimate interests and concerns in the governance of companies. What would this mean? What would this look like? Is it possible? And...

"...who is a stakeholder?"

In the broadest sense, we are all stakeholders.

Companies are an important social structure. Most people spend most of their time at work– and most people work at companies. It's a very important part of social reality, so [companies] should be accountable, well governed, and function effectively. That's what corporate governance is meant to achieve.²⁹

²⁶ Labour Research Service, Bargaining Monitor, April 1995, Vol IX, No. 91, page 1

²⁷ The LRS Report, Bargaining Indicators, Volume 8, March 2003

²⁸ Interview Summary Report, Compiled by Jess Schulschenk, August 2012, Corporate Governance Research Programme, Albert Luthuli Centre for Responsible Leadership, page 6

²⁹ Bobby Godsell, Interview Summary Report, Compiled by Jess Schulschenk, August 2012, Corporate Governance Research Programme,

More specifically the list includes Shareholders and Investors, Customers /Clients; Employees; Labour Unions; Suppliers and trade partners; Franchisees; Media; Business Partners and associations; Government and regulatory bodies; Communities; Civil Society.

But what would corporate governance for all stakeholders mean, what would it look like, what might need to change?

This is a big question and needs discussion among all those involved, which is recommended. Considering workers as a key stakeholder in companies, and remuneration and pay gaps as a central topic, we make some suggestions.

CORPORATE GOVERNANCE FOR ALL STAKEHOLDERS

No communication, no Information

One of the weakest areas of Corporate Governance reported in the 2014 Corporate Governance Index³⁰ is in connection with human resources and stakeholders.

Only 19% of respondents strongly believed that human capital at their companies, that is, workers, people at the company, are being used optimally. Further, only 19% believed that their organisation had implemented an effective stakeholder plan and only 26% strongly agreed that this strategy includes a social investment strategy.

The director of the International Labour Organisation in South Africa, Vic van Vuuren emphasised this in a recent news article³¹ concerning the strike in the platinum sector saying that **South African executives have “lost touch” with their employees...**“They have distanced themselves from the reality of what is happening in the country’s socio-economic environment and now, in the case of the platinum sector, it has blown up in their faces... Nothing symbolises this divorce from local reality more starkly than the vast salary increases, bonuses and share options they continue to reap”.

(1) He notes that while this is most starkly seen in the mining sector, it is the management layer in general that have “restricted their social dialogue to collective bargaining around wages and service conditions and have not got involved in the dynamics of what has been playing itself out beyond this”.

In such a situation even the forced disclosure of pay, as the King Codes have stipulated, has had the reverse effect in many cases. Executives are not shamed by being at the top of the list as all the directors want to be in the top quartile of their peers and are shamed by the opposite, by being seen to be underpaid in comparison to their peers. So disconnected are they from the rest of the workforce that the rules do not apply.

Albert Luthuli Centre for Responsible Leadership, page 5

30 2014 by The Institute of Internal Auditors South Africa, Institute of internal auditors of South Africa – 2nd edition of Corporate Governance Index – An Internal perspective. (As reported by 221 / six hundred Chief Audit Executives (CAEs) on a self-administered questionnaire, anonymous)

31 Chris Barron, Bosses have 'lost touch' with workers, Business Day, <http://www.bdlive.co.za/business/2014/05/11/bosses-have-lost-touch-with-workers>, May 11, 2014

(2) In the same article, the Chamber of Mines chief negotiator Elize Strydom has commented on the poor quality of AMCU negotiators as an exacerbating factor in the strike.³²

Both (1) the lack of interaction between the management and the workers at companies AND (2) the inability of negotiators to properly engage with the company are due in part to a lack of focus on the relationship between companies and their directors and the important stakeholder layer that makes up workers and their organisations. This is not the only issue and workers are not the only stakeholders in addition to investors. Certainly too, worker organisations have their own problems in respect of education and capacity building. We would argue that by properly applying the intentions of the King Codes in their relationships with all workers, companies could make significant inroads into issues of inequality, good relations and social development if this is what they want. Whether this is what they really want remains the defining criteria for success in this regard and the most doubtful.

And it does seem to be where they are finally heading. In the World Economic Forum interview Stephen van Collier³³, addressing the issue of inequality as unsustainable for a society, both nationally and globally, mooted an idea which, from a business perspective, seems radical. Addressing the theme of the forum he said that businesses

*[r]ecognise that there is an inequality in the Global Economy. We think there is a culture change that needs to happen [and we need to] get business to own it and drive it as they have keys to economic change – in terms of looking at the way you run your businesses: For example, we spend a lot of time as listed corporates doing roadshows and spending time talking to our investors to our shareholders giving them information, giving them transparency – **imagine if we spent as much time with our employees and our other stakeholders and like you know treated everyone equally so.***

While dialogue and encouraging shareholders to be more active is a necessary tool, we cannot depend or rely on that. If businesses want unions and workers to be able to negotiate better to agree on more, then they need to play their part in being more communicative and more transparent. And it is only in this kind of relationships that perhaps the disconnection within the workplace may be healed. In 2013 we wrote that

*South Africa likewise needs to take action. Shareholder recommendations are not enough. We face a continued slump in economic growth, high unemployment, on-going retrenchments and increasing social instability rooted in high levels of inequality. Our country rates second highest in the global measure of inequality with a Gini coefficient of 0.69. Economic forecasts for 2013 show growth of only 2%. With unemployment remaining at 25% and retrenchments being negotiated throughout the year in every sector, an urgent response is required by leaders of all social constituencies. **Rather than waiting for diverse interest groups to bring their individual power to bear, leaders in government, business and labour need to reach a consensus on policies and measures to stem this growing inequality and open the possibilities for sustainable, fair, economic development.***³⁴

This is only possible if the information gaps noted in relation to the management/ shareholder relationship are likewise addressed for other stakeholders, most particularly, workers and their organisations.

³² Ibid.

³³ <http://fmr.co.za/FMR%20PODCAST/Fine%20Business%20Radio%202908.mp3>

³⁴ Labour Research Service, Directors' Fees Survey 2013

The recommendations below address specifically the annual communication that companies send out, the Annual Report, and how this may be better structured as a communication tool for stakeholders rather than their shareholders' accountants.

RECOMMENDATIONS

The King Codes on corporate governance apparently support greater stakeholder involvement in the governance of companies. It is therefore up to workers and our organisations, the trade unions, to take up the opportunity and demand that companies adhere to the principles and intentions of the code:

Companies speak with all their stakeholders as equals

- a. This begins with small things like placing the Annual Report for the company under a "Stakeholder Relations" banner rather than "Investor Relations", particularly on the company website. This would send a clear signal that the performance and strategies of the companies are for everyone to understand. This further requires the company to ensure that all employees – inside and outside South Africa - are made aware of its publication and location.
- b. It means placing the Sustainability Report – which includes much of the important non-financial information that is of clear interest to stakeholders, concerning health and safety, the environment, employees and their skills development, Economic Equity, community relations, supplier relations and the like on the same footing as the Financial Annual Report. This would mean:
 - i) making it annual – in too many cases this is still only a bi-annual report with some information even older;
 - ii) ensuring that it covers all the operations and operational areas of companies that extend beyond South Africa's borders. Workers and communities outside South Africa are also impacted by how companies behave;
 - iii) ensuring that it is audited in the same way that the financial results are externally audited thus giving the statements a level of legitimacy and commitment.
- c. Doing roadshows and presentations of this to workers and other stakeholders beyond the shareholder group and that this takes the form of dialogue.

Companies talk about things that matter to all their stakeholders

When CEOs say that detail on remuneration policy is overwhelming and not in shareholders' best interests, they are wrong both about shareholders and their other stakeholders. While the Sustainability Report is useful, workers in particular are interested in the other financial information on company performance. In fact, they want more information.

1. Too often in negotiations workers are asked to accept the say so of company negotiators on the performance of the company, or their unit, or their location, without any proof that is considered too sensitive to be released.
2. Workers in particular, who are paid out of the same pot as the directors and other management, are very interested in the remuneration at the companies they work for. They want to see the pay gap, and even more than that, they want a dialogue on why the pay gap is what it is. They want to know who the pay gap applies to and they want it to cover not just those employed by the company but also labour brokers as well as workers in MNCs who work in operations owned by the company outside South Africa's borders. As Theo Botha again points out,

"the remuneration policy of the company is not only about the money that goes to the top floor: it also needs to take very good notice of what and how the basic worker gets paid, and how the societal reception of pay differentials affects not only the company, but also its sector and the country as a whole".

3. In their Annual Report, companies are often very proud in saying how many jobs they have created. Yet very little detail is disclosed on what those jobs are, where they are, who has them, what type of employment, as if a job, any job, is sufficient contribution to a society where unemployment is rampant. Workers and other stakeholders though, would say that the ability to create good jobs is a key performance indicator for a company and as such should be addressed in detail in the Annual Report. In 2012 we studied the Annual Reports of 15 South African MNCs. The MNCs included in the study reported a total of 560, 916 workers across operations. However, there is neither a standardised method used for categorising nor for counting workers in companies. This results in a profusion and confusion of labels which tell us very little about the actual workers performing tasks – full-time permanents, flexi-timers, full-time equivalents, permanent flexi-timers, casuals, contractors, non-permanent workers, variable timers, labour brokers, service providers and more. The way that the number in the Annual Report is calculated leaves these categories opaque. For example, the Massmart/Walmart Report notes 32 439 FTEs (Full-time equivalents) which are defined to "include all permanent employees and the permanent equivalent of temporary employees and contracted workers". How many people this covers in each category is not disclosed and therefore exactly how many more workers are working under more and more vulnerable contracts each year is not disclosed to stakeholders. Shoprite Checkers further talks about how many jobs they have created without noting the contract types and conditions of those jobs. There is also infrequently – although more commonly in resource companies – exact numbers provided of workers in various operations across countries. In many cases the number of employees is not even formally tabled in the accounts to allow for accurate year-on-year readings. While there is clearly no legal requirement for them to do so, this seemingly intentional opacity on employment and forms of employment is concerning in a context where workers report higher and higher numbers of informalised workers doing the same jobs as the shrinking core of permanent workers with some level of job security. While all workers must be organised it is also important that the shift in forms of employment is tracked. What the numbers usually do exclude is workers who work at company operations but are paid by another employer – subcontractors and labour brokers who are not discussed but are also workers who contribute to the value created by the MNC operations. We want to know employment at ALL operations in ALL countries and how many labour brokers are involved and what the wage bands are – not just for the executives but for everyone.

Companies speak in a manner that they can be understood – it is not just what you disclose but how you disclose it.

Disclosure is no good as a tool of communication if no one can understand what you are saying.

1. Having a remuneration policy that is so complex that not even well resourced shareholders can figure it out is like having no policy at all. When they are too complex even for well-educated investors, when they are called almost incomprehensible by people who spend their lives reading them, then it may be concluded that communication and clarity is not the goal. In this we support the call made by even the big accountancy firms for simplified

remuneration policies. We would suggest that they be based on KPIs that matter, that look to the work of the directors in particular as a measure of what they can be paid. Corporate Governance Leadership is a big part of this work. Botha again sums this up:

What is the job of a director? In one word: to direct. To provide a perspective that will lead the company through the actions of its management, on a strategic path that provides sustainable earnings for shareholders, a reliable counter party for suppliers and customers, a stable and uplifting workplace for employees, a support for communities, a protector of the environment and a good corporate citizen for the country.³⁵

These seem like KPIs that all stakeholders could get behind.

1. Disclosing only partial information and not the full picture is also not good communication. When Amplats discloses the percentage increase differences between bargaining unit employees and the executives, but not the actual Rand value differences, this is also not clear and transparent communication.
2. While having proper policies and doing all the correct calculations are important and should be maintained, remuneration reports should state clearly a few key facts about the policy and also clearly show how much the directors and prescribed officers, as well as, we would add, the workers, took home in the year.

According to judge Mervyn King, "There are four well-known pillars of corporate governance: fairness, accountability, responsibility and transparency". Fairness referring to internal systems within the corporation that take into account all those who have an interest in its sustainability. Accountability is when the board and its committees' decisions and actions are open for assessment and audit. Responsibility is the commitment by management to take corrective action when necessary, including penalising mismanagement. **Finally, transparency entails the proper and meaningful disclosure by the corporation of all material and relevant financial and non-financial information pertaining to its financial performance and position.**

The benefit of meaningful dialogue between all stakeholders is that you can then have meaningful discussions, both in negotiations and also in other social dialogue forums, you can be understood. All of this, it will be argued, is overly burdensome on companies who have all sorts of pressures to actually produce the products or services they are in businesses for. Indeed it would require a change of structure, processes and new reporting tools which will take time. What would make the process of changing all these material and organisational processes so much easier would be a change in the culture, a re-connect. Unless and until management understand the broader role of companies in society and the value of engagement, the value of a more equitable society, the detail of the changes will seem, to quote Konar, "overwhelming" and even "not in shareholders' best interests". We would say that this is a gross misunderstanding of what the best interests of shareholders, and everyone, are.

³⁵ Theo Botha, Direct directors, direct, Moneyweb, <http://today.moneyweb.co.za/article.php?id=774555&cid=2014-09-08> , 8 September 2014

APPENDICES

Appendix 1: Methodology

The sample includes 89 companies from 14 broad sectors. Most are listed on the Johannesburg Stock Exchange (JSE) but the sample also includes five SOEs – ACSA, Denel, Eskom, South African Airways and Transnet, and three resource companies listed elsewhere – Glencore Xstrata, Sasol, and Petra Diamonds. While it is not a comprehensive sample, it does include over half the top 100 listed companies by market capitalisation as at 14 August 2014. The data has been extracted from the published Annual Report and accounts for financial years ending in 2012. For CEO pay, the Naspers CEO was not included as he receives no salary. Furthermore, while Xstrata, Glencore, ABSA and Barclays Africa Group are included in the year-on-year sample, their figures are not included in the average due to the changes.

Survey method

Companies do not disclose director fees in a uniform way. The report has drawn and analysed figures in a manner that we believe make them most comparable to each other. Individual directors join and leave positions and companies throughout the year. The report's objective is to show how much was spent on the director positions in the year rather than on individual directors. In the case of aggregated figures, averages may be higher or lower if a director serves only part of the year. In the case of chief executives where an individual position is analysed, we have attempted to reconcile figures for both individuals who have occupied a position in the year. This is of necessity an estimate. 2013 saw a large number of changes in the board, particularly at CEO level which has resulted in an unusually high number of aggregated figures.

Foreign currency

Where required, the annual average exchange rate for the financial year in question has been calculated from the currency converter website <http://www.oanda.com>. These vary depending on the financial year end.

Workers' wages

The comparative figures used here for workers' wages are drawn from the Labour Research Service AWARD database (<http://www.lrs.org.za/award>). The figures used here represent the average minimum low-wage occupation income across all sectors for 2012 and 2013.

Appendix 2: Chief Executive Officers

Appendix 3: Executive Directors

Appendix 4: Non-executive directors

Appendix 5: Chief Executive officer Performance pay

Appendix 6: Company performance and changes in CEO pay

Appendix 2

Sector	CEO 2012	CEO 2013	Salary 2012	Salary 2013	Salary change	Remuneration 2012	Remuneration 2013	Remuneration Change
Banking and Financial Services			46 162 708	58 580 399	27%	90 259 368	132 879 220	47%
African Bank Investments	Kirkinis	Kirkinis	1 966 000	1 966 000	0%	2 184 000	2 184 000	0%
Barclays Africa Group (ABSA - 2012)	Ramos	Ramos	6 065 600	6 059 852	0%	6 657 681	15 458 220	132%
Discovery	Gore	Gore	3 408 000	3 876 000	14%	8 707 000	9 756 000	12%
FirstRand Bank	Nxasana	Nxasana	6 614 000	7 037 000	6%	17 081 000	19 399 000	14%
Investec	Koseff	Koseff	4 154 108	4 800 547	16%	5 421 687	10 000 000	84%
Liberty Life	Hemphill	Hemphill	4 424 000	4 657 000	5%	12 843 000	13 462 000	5%
Nedbank	Brown	Brown	5 376 000	5 614 000	4%	12 497 000	13 532 000	8%
RMB Holdings	Cooper	Cooper	3 308 000	7 175 000	117%	7 256 000	8 500 000	17%
Sanlam	van Zyl	van Zyl	4 502 000	4 452 000	-1%	5 300 000	5 300 000	0%
Standard Bank Group	Maree	Kruger & Tshabalala	6 345 000	12 943 000	104%	12 312 000	35 288 000	187%
Construction			19 392 604	23 534 397	21%	40 123 428	57 166 358	42%
Aveng	Jardine	Jardine	4 207 000	4 337 000	3%	5 259 000	6 045 000	15%
Basil Read	Heyns	Heyns	3 096 604	3 099 397	0%	3 564 428	14 491 358	307%
Group Five	Upton	Upton	3 799 000	4 140 000	9%	8 844 000	6 235 000	-30%
Murray & Roberts	Laas	Laas	4 000 000	4 300 000	8%	7 000 000	9 064 000	29%
Pretoria Portland Cement	Stuiver	Stuiver & Gordhan	3 206 000	5 827 000	82%	5 647 000	12 700 000	125%
WBHO	Nel	Nel	1 084 000	1 831 000	69%	9 809 000	8 631 000	-12%
Diversified Holdings			45 965 040	53 741 000	17%	100 167 040	96 498 000	-4%
Barloworld Limited	Thomson	Thomson	6 323 000	6 973 000	10%	15 557 000	18 116 000	16%
Bidvest	Joffe	Joffe	10 754 000	11 936 000	11%	27 992 000	27 378 000	-2%
Hosken Consolidated Investments	Copelyn	Copelyn	4 839 000	5 154 000	7%	8 468 000	10 103 000	19%
Remgro	Visser	Durand	7 477 000	7 293 000	-2%	9 707 000	9 005 000	-7%
Searcel Investments	Queen	Queen	2 995 000	3 149 000	5%	2 995 000	4 335 000	45%
Steinhoff International	Jooste	Jooste	13 577 040	19 236 000	42%	35 448 040	27 561 000	-22%
Education, Bus Training & Employment			2 416 000	2 578 000	7%	5 698 000	7 328 000	29%
Adcorp Holdings limited	Pike	Pike	2 416 000	2 578 000	7%	5 698 000	7 328 000	29%
Food and Beverage			50 134 429	55 424 667	11%	104 612 357	124 012 213	19%
Anglo-Vaal Industries	Crutchley	Crutchley	4 686 000	5 056 000	8%	10 018 000	10 130 000	1%
Astral Foods	Schutte	Schutte	3 647 000	3 647 000	0%	5 125 000	4 286 000	-16%
Clover Industries	Vorster	Vorster	3 498 000	3 778 000	8%	9 473 000	8 713 000	-8%
Crookes Brothers	Clarke	Clarke	1 712 000	1 880 000	10%	3 380 000	3 342 000	-1%
Distell	Scannell	Scannell	3 242 000	3 643 000	12%	4 245 000	6 338 000	49%
Illovo	Clark	Clark	4 163 000	4 663 000	12%	8 674 000	10 513 000	21%
Pioneer Foods	Hanekom	Hanekom & Roux	3 944 000	4 221 000	7%	5 308 000	18 982 000	258%
SABMiller	Mackay	Mackay	14 821 429	17 266 667	16%	40 668 357	42 751 213	5%
Tiger Brands	Matlare	Matlare	4 040 000	4 251 000	5%	5 792 000	6 309 000	9%
Tongaat Hulett	Staude	Staude	6 381 000	7 019 000	10%	11 929 000	12 648 000	6%
Health			21 404 000	24 221 000	13%	41 962 000	47 806 750	14%
Adcock Ingram	Louw	Louw	3 297 000	3 587 000	9%	3 949 000	6 367 750	61%
Aspen Holdings	Saad	Saad	5 234 000	5 609 000	7%	11 719 000	12 390 000	6%
Life Healthcare Group	Fleming	Fleming	2 625 000	2 815 000	7%	7 671 000	9 077 000	18%
Mediclinic	Meintjes	Meintjes	3 997 000	4 980 000	25%	6 825 000	7 573 000	11%
Network Healthcare Holdings	Friedland	Friedland	6 251 000	7 230 000	16%	11 798 000	12 399 000	5%
Hospitality			10 557 404	15 027 390	42%	32 361 664	35 611 910	10%

Sector	CEO 2012	CEO 2013	Salary 2012	Salary 2013	Salary change	Remuneration 2012	Remuneration 2013	Remuneration Change
City Lodge Hotels	Ross	Ross	3 014 000	3 233 000	7%	5 405 000	6 249 000	16%
Sun International	Coutts-Trotter & Collins	Collins & Stephen	5 480 404	7 285 390	33%	17 832 664	18 336 910	3%
Tsogo Sun Holdings	Mabuza	von Aulock	2 063 000	4 509 000	119%	9 124 000	11 026 000	21%
Industrial			42 032 177	49 683 321	18%	79 737 477	109 627 015	37%
AECI	Edwards	Edwards & Dytor	3 250 000	3 816 000	17%	7 267 000	9 838 000	35%
African Oxygen	Kimber	Kimber	3 287 000	3 018 000	-8%	4 305 000	7 750 000	80%
Altron	Venter	Venter	6 286 000	7 637 000	21%	8 742 000	8 840 000	1%
ArcelorMittal SA	Nyembezi-Heita	Nyembezi-Heita	4 441 177	4 434 321	0%	4 772 477	4 829 015	1%
Denel	Sadik & Saloojee	Saloojee	4 194 000	3 365 000	-20%	6 757 000	5 676 000	-16%
Eskom Holdings Limited	Dames	Dames	5 000 000	8 464 000	69%	6 989 000	8 464 000	21%
Invicta Holdings	Goldstone	Goldstone	2 000 000	2 170 000	9%	2 474 000	4 656 000	88%
Reunert	Rawlinson	Rawlinson	4 310 000	4 669 000	8%	6 550 000	5 906 000	-10%
Sasol	Constable	Constable	9 264 000	12 110 000	31%	31 881 000	53 668 000	68%
Media			3 000 000	3 150 000	5%	3 000 000	3 150 000	5%
Caxton CTP	Moolman	Moolman	3 000 000	3 150 000	5%	3 000 000	3 150 000	5%
Mining			131 378 565	155 322 671	18%	253 584 617	320 735 301	26%
African Rainbow Minerals	Motsepe	Motsepe	6 938 000	7 805 000	12%	9 613 000	12 006 000	25%
Anglo American Platinum	Nicolau & Griffith	Griffith	6 425 963	6 747 404	5%	21 092 845	12 954 846	-39%
Anglo American plc	Carroll	Carroll & Cutifani	16 013 158	23 160 714	45%	31 473 684	76 089 286	142%
AngloGold Ashanti	Cutifani	Cutifani & O'Neill & Venkatakrishnan	14 041 000	27 030 000	93%	20 325 000	39 746 000	96%
Assore limited	Cory	Cory	4 292 000	4 460 000	4%	20 623 000	20 363 000	-1%
BHP Billiton	Kloppers	Kloppers & MacKenzie	17 195 313	19 527 273	14%	24 927 688	48 309 091	94%
Exxaro	Nkosi	Nkosi	6 859 647	6 859 647	0%	10 053 855	10 053 855	0%
Glencore (Xstrata - 2012)	Davis	Glaserberg	19 507 197	13 214 286	-32%	44 414 484	13 771 429	-69%
Gold Fields	Holland	Holland	9 310 000	9 745 000	5%	19 943 000	11 909 000	-40%
Harmony Gold	Briggs	Briggs	5 966 000	7 438 000	25%	7 296 000	9 240 000	27%
Impala Platinum	Brown	Goodlace	6 313 000	6 420 000	2%	13 138 000	7 549 000	-43%
Kumba Iron Ore Limited	Mbazima & Griffith	Mbazima	5 471 000	7 366 000	35%	8 630 000	11 913 000	38%
Lonmin plc	Farmer & Scott	Scott & Magara	7 591 782	7 670 116	1%	12 138 013	29 431 971	142%
Petra Diamonds	Dippenaar	Dippenaar	3 231 506	4 531 250	40%	6 116 049	8 765 859	43%
Trans Hex	Delpport	Delpport	2 223 000	2 482 000	12%	3 800 000	5 310 000	40%
Paper and Packaging			21 268 270	24 617 741	16%	43 973 015	47 479 964	8%
Mondi Group	Hathorn	Hathorn	10 131 290	12 743 808	26%	20 452 960	31 136 923	52%
Nampak	Marshall	Marshall	5 014 996	5 364 533	7%	11 664 611	7 871 950	-33%
Sappi	Boettger	Boettger	6 121 984	6 509 400	6%	11 855 444	8 471 091	-29%
Retail			73 111 467	86 218 200	18%	127 806 400	135 846 100	6%
Cashbuild	Goldrick & de Jager	de Jager	2 650 667	2 371 000	-11%	4 730 000	2 805 000	-41%
Foschini	Murray	Murray	4 708 700	5 064 000	8%	12 024 700	18 456 300	53%
Massmart	Pattison	Pattison	3 899 000	5 215 000	34%	6 790 000	9 069 000	34%
Mr Price	Bird	Bird	3 553 000	3 784 000	7%	10 783 000	11 522 000	7%
Pick n Pay Stores Ltd	Badminton	Ackerman & Brasher	3 921 100	3 939 200	0%	14 959 700	4 820 800	-68%
Shoprite	Basson	Basson	40 620 000	49 656 000	22%	40 964 000	50 001 000	22%
Spar	Hook	Hook	2 702 000	3 102 000	15%	5 693 000	6 308 000	11%
Truworths	Mark	Mark	5 296 000	5 686 000	7%	20 713 000	15 101 000	-27%

Sector	CEO 2012	CEO 2013	Salary 2012	Salary 2013	Salary change	Remuneration 2012	Remuneration 2013	Remuneration Change
Woolworths	Moir	Moir	5 761 000	7 401 000	28%	11 149 000	17 763 000	59%
Technology and Telecommunications			21 890 900	19 146 176	-13%	52 129 985	49 753 496	-5%
MTN Group	Dabengwa	Dabengwa	8 405 000	8 913 000	6%	23 539 000	28 840 000	23%
Telkom	Moholi	Moholi	6 402 150	6 402 150	0%	12 067 321	11 636 703	-4%
Vodacom Group Limited	Uys	Aziz Joosub	7 083 750	3 831 026	-46%	16 523 664	9 276 793	-44%
Transport			27 832 170	27 521 854	-1%	59 483 000	54 892 000	-8%
ACSA	Hlala	Maseko	2 571 000	2 579 000	0%	6 956 000	4 136 000	-41%
Cargo Carriers	Bolton & Bolton	Bolton & Bolton	2 278 000	2 701 000	19%	3 050 000	3 572 000	17%
Grindrod	Olivier	Olivier	5 269 000	5 497 000	4%	12 977 000	13 401 000	3%
Imperial Holdings	Brody	Brody	5 212 000	5 802 000	11%	10 716 000	12 045 000	12%
South African Airways	Mzimela	Mzimela	4 010 000	2 248 000	-44%	4 639 000	4 961 000	7%
Super Group	Mountford	Mountford	2 997 170	3 200 854	7%	8 672 000	9 555 000	10%
Transnet	Molefe	Molefe	5 495 000	5 494 000	0%	12 473 000	7 222 000	-42%
Grand Total			516 545 734	597 900 834		1 034 898 351	1 219 463 363	
Average			5 869 838	6 794 328	16%	11 760 209	13 857 538	18%
Monthly			489 153	566 194		980 017	1 154 795	

Appendix 3

Company Name	Sector	No. 2012	No. 2013	Total Salary 2012	Total Salary 2013	Average Salary 2012	Average Salary 2013	Average Salary % change	Total Remuneration 2012	Total Remuneration 2013	Average Remuneration 2012	Average Remuneration 2013	Average Rem % change
African Bank Investments	Banking and Financial Services	5	4	13 418 000	11 680 000	2 683 600	2 920 000	9%	20 624 000	13 561 000	4 124 800	3 390 250	-18%
Barclays Africa Group (2012 - ABSA)	Banking and Financial Services	3	2	13 022 649	9 709 715	4 340 883	4 854 858	12%	20 515 607	26 309 341	6 838 536	13 154 671	92%
Discovery	Banking and Financial Services	9	9	33 041 000	38 882 000	3 671 222	4 320 222	18%	70 886 000	87 535 000	7 876 222	9 726 111	23%
Fisitrans Bank	Banking and Financial Services	3	3	13 206 000	14 091 000	4 402 000	4 697 000	7%	33 417 000	37 964 000	11 139 000	12 654 667	14%
Investec	Banking and Financial Services	4	4	17 614 120	19 705 453	4 403 530	4 926 363	12%	20 630 831	63 865 267	5 157 708	15 966 317	210%
Liberty Life	Banking and Financial Services	2	3,25	7 225 000	14 270 000	3 612 500	4 390 769	22%	20 526 000	44 025 000	10 263 000	13 546 154	32%
Neobank	Banking and Financial Services	3	3	11 443 000	12 088 000	3 814 333	4 029 333	6%	27 903 000	30 341 000	9 301 000	10 113 667	9%
RMB Holdings	Banking and Financial Services	1	1	3 308 000	7 175 000	3 308 000	7 175 000	117%	7 256 000	8 500 000	7 256 000	8 500 000	17%
Sanlam	Banking and Financial Services	4,67	4	11 414 000	12 940 000	2 444 111	3 235 000	32%	21 012 000	23 027 000	4 499 358	5 756 750	28%
Standard Bank Group	Banking and Financial Services	2	3,167	10 962 000	18 962 000	5 481 000	5 987 370	9%	23 247 000	49 861 000	11 623 500	15 743 922	35%
Aveng	Construction	5	5	19 063 000	13 708 000	3 812 600	2 741 600	-28%	25 421 000	19 476 000	5 084 200	3 895 200	-23%
Basil Read	Construction	3	3,33	7 975 598	6 050 848	2 658 533	1 817 071	-32%	10 738 800	19 935 291	3 579 600	5 986 574	67%
Group Five	Construction	2	2	5 966 000	6 477 000	2 983 000	3 238 500	9%	13 771 000	9 792 000	6 885 500	4 896 000	-29%
Murray & Roberts	Construction	3	3	11 160 000	11 611 000	3 720 000	3 870 333	4%	17 060 000	21 884 000	5 686 667	7 294 667	28%
Pretoria Portland Cement	Construction	5	3,41	12 133 000	14 646 000	2 426 600	4 295 015	77%	24 720 000	33 002 000	4 944 000	9 678 006	96%
WHBO	Construction	4,33	4	4 024 000	7 093 000	929 330	1 773 250	91%	32 896 000	31 893 000	7 597 229	7 973 250	5%
Barlowsorld Limited	Diversified Holdings	6	5	23 777 000	22 813 000	3 962 833	4 562 600	15%	56 054 000	56 196 000	9 342 333	11 239 200	20%
Bidvest	Diversified Holdings	8,16	6,75	48 058 000	36 811 000	5 644 363	5 453 481	-3%	95 175 000	78 010 000	11 663 603	11 557 037	-1%
Hosken Consolidated Investments	Diversified Holdings	3	3	11 511 000	12 131 000	3 837 000	4 043 667	5%	19 960 000	23 629 000	6 653 333	7 876 333	18%
Remgro	Diversified Holdings	6	4,75	23 547 000	19 261 000	3 924 500	4 054 947	3%	30 022 000	24 252 000	5 003 667	5 105 684	2%
Seardel Investments	Diversified Holdings	3	3	5 070 000	5 390 000	1 690 000	1 796 667	6%	5 540 000	7 607 000	1 846 667	2 535 667	37%
Steinhoff International	Diversified Holdings	10	10	48 380 380	65 573 000	4 838 038	6 557 300	36%	143 613 340	99 799 000	14 361 334	9 979 900	-31%

Company Name	Sector	No. 2012	No. 2013	Total Salary 2012	Total Salary 2013	Average Salary 2012	Average Salary 2013	Average Salary % change	Total Remuneration 2012	Total Remuneration 2013	Average Remuneration 2012	Average Remuneration 2013	Average Rem % change
Adcorp Holdings Limited	Education, Bus Training & Employment	4	4	7 665 000	8 337 000	1 916 250	2 084 250	9%	16 617 000	19 503 000	4 154 250	4 875 750	17%
Anglo-Vaal Industries	Food and Beverage	2	2	7 308 000	7 861 000	3 654 000	3 930 500	8%	15 201 000	15 353 000	7 600 500	7 676 500	1%
Astral Foods	Food and Beverage	5	5	10 707 000	11 315 000	2 141 400	2 263 000	6%	15 431 000	13 385 000	3 086 200	2 677 000	-13%
Clover Industries	Food and Beverage	4	4	10 533 000	11 468 000	2 633 250	2 867 000	9%	27 518 000	25 610 000	6 879 500	6 402 500	-7%
Crookes Brothers	Food and Beverage	2	2	2 691 000	2 971 000	1 345 500	1 485 500	10%	5 517 000	5 385 000	2 758 500	2 692 500	-2%
Distell	Food and Beverage	2	2	4 842 000	5 440 000	2 421 000	2 720 000	12%	6 465 000	9 355 000	3 232 500	4 677 500	45%
Illovo	Food and Beverage	5,17	4	11 643 000	11 376 000	2 252 031	2 844 000	26%	29 047 000	25 987 000	5 618 375	6 496 750	16%
Pioneer Foods	Food and Beverage	3	2,54	8 784 000	8 556 000	2 928 000	3 368 504	15%	11 183 000	25 232 000	3 727 667	9 933 858	166%
SABMiller	Food and Beverage	3	3	18 521 333	34 593 933	6 173 778	11 531 311	87%	49 505 667	81 325 840	16 501 889	27 108 613	64%
Tiger Brands	Food and Beverage	3	3	9 944 000	10 626 000	3 314 667	3 542 000	7%	13 911 000	13 967 000	4 637 000	4 655 667	0%
Tongaat Hulett	Food and Beverage	3	3	13 210 000	14 427 000	4 403 333	4 809 000	9%	23 633 000	25 073 000	7 877 667	8 357 667	6%
Adcock Ingram	Health	2	2	6 055 000	6 483 000	3 027 500	3 241 500	7%	7 137 000	11 508 400	3 568 500	5 754 200	61%
Aspen Holdings	Health	3	1	14 390 000	5 609 000	4 796 667	5 609 000	17%	31 674 000	12 390 000	10 558 000	12 390 000	17%
Life Healthcare Group	Health	2	2	4 080 000	4 265 000	2 040 000	2 132 500	5%	11 792 000	14 027 000	5 896 000	7 013 500	19%
Mediclinic	Health	6	6	21 045 000	22 909 000	3 507 500	3 818 167	9%	36 701 000	34 115 000	6 116 833	5 685 833	-7%
Network Healthcare Holdings	Health	2,25	2	9 474 000	10 832 000	4 210 667	5 416 000	29%	17 361 000	17 734 000	7 716 000	8 867 000	15%
City Lodge Hotels	Hospitality	2	2	5 466 000	5 860 000	2 733 000	2 930 000	7%	9 745 000	11 517 000	4 872 500	5 758 500	18%
Sun International	Hospitality	3,33	3	10 346 982	14 608 872	3 107 202	4 869 624	57%	27 239 365	43 248 979	8 179 989	14 416 326	76%
Isogo Sun Holdings	Hospitality	2,33	2	9 480 000	6 759 000	4 068 670	3 379 500	-17%	23 161 000	15 739 000	9 940 343	7 869 500	-21%
AECI	Industrial	2	2	5 905 000	6 710 000	2 952 500	3 355 000	14%	13 245 000	16 598 000	6 622 500	8 299 000	25%
African Oxygen	Industrial	3,25	2,08	7 246 000	6 803 000	2 229 538	3 270 673	47%	14 339 000	19 890 000	4 412 000	9 562 500	117%
Altron	Industrial	5	5	18 028 000	21 954 000	3 605 600	4 390 800	22%	24 823 000	24 836 000	4 964 600	4 967 200	0%
ArcelorMittal SA	Industrial	2	2	6 602 152	6 936 261	3 301 076	3 468 131	5%	7 091 151	7 643 460	3 545 576	3 821 730	8%
Denel	Industrial	2	2	6 983 000	9 555 000	3 491 500	4 777 500	37%	11 446 000	16 085 000	5 723 000	8 042 500	41%
Eskom Holdings Limited	Industrial	2	2	8 827 000	8 464 000	4 413 500	4 232 000	-4%	12 481 000	8 464 000	6 240 500	4 232 000	-32%
Invicta Holdings	Industrial	4	4	8 520 000	9 532 000	2 130 000	2 383 000	12%	16 074 000	18 558 000	4 018 500	4 639 500	15%
Reunert	Industrial	4	3	9 377 000	8 702 000	2 344 250	2 900 667	24%	23 021 000	11 711 000	5 755 250	3 903 667	-32%
Sasol	Industrial	3	3	18 040 000	21 029 000	6 013 333	7 009 667	17%	53 653 000	81 856 000	17 884 333	27 285 333	53%

Company Name	Sector	No. 2012	No. 2013	Total Salary 2012	Total Salary 2013	Average Salary 2012	Average Salary 2013	Average Salary % change	Total Remuneration 2012	Total Remuneration 2013	Average Remuneration 2012	Average Remuneration 2013	Average Rem % change
Caxton CTP	Media	4	4	9 502 000	9 897 000	2 375 500	2 474 250	4%	14 137 000	17 921 000	3 534 250	4 480 250	27%
Naspers	Media	2	2	3 414 000	3 801 000	1 707 000	1 900 500	11%	7 200 000	7 392 000	3 600 000	3 696 000	3%
African Rainbow Minerals	Mining	7.4	4	30 356 000	25 385 000	4 102 162	6 346 250	55%	53 423 000	42 817 000	7 219 324	10 704 250	48%
Anglo American Platinum	Mining	1.8	2	10 562 975	11 049 884	5 868 319	5 524 942	-6%	26 743 436	20 462 158	14 857 464	10 231 079	-31%
Anglo American plc	Mining	2	2	26 078 947	36 821 429	13 039 474	18 410 714	41%	51 394 737	112 285 714	25 697 368	56 142 857	118%
AngloGold Ashanti	Mining	2	1.58	22 749 000	33 619 000	11 374 500	21 277 848	87%	37 598 000	50 335 000	18 799 000	31 857 595	69%
Assore limited	Mining	3	3.83	12 450 000	13 914 000	4 150 000	3 632 898	-1.2%	45 318 000	91 990 000	15 106 000	24 018 277	59%
BHP Billiton	Mining	1	1.2	17 195 313	19 527 273	17 195 313	16 272 727	-5%	24 927 688	48 309 091	24 927 688	40 257 576	61%
Exaro	Mining	2	2	11 076 872	11 076 872	5 538 436	5 538 436	0%	15 834 998	15 834 998	7 917 499	7 917 499	0%
Glencore (2012 - Xstrata)	Mining	3	3	41 441 828	24 900 000	13 813 943	8 300 000	-40%	126 182 984	25 757 143	42 060 995	8 585 714	-80%
Gold Fields	Mining	2	2	14 775 000	15 096 000	7 387 500	7 548 000	2%	31 902 000	23 973 000	15 951 000	11 986 500	-25%
Harmony Gold	Mining	3.2	3	13 902 000	15 416 000	4 344 375	5 138 667	18%	16 865 000	19 458 000	5 270 313	6 486 000	23%
Impala Platinum	Mining	3	3	13 532 000	14 053 000	4 510 667	4 684 333	4%	25 051 000	16 170 000	8 350 333	5 390 000	-35%
Kumba Iron Ore Limited	Mining	1.3	2	7 299 000	10 777 000	5 614 615	5 388 500	-4%	11 401 000	17 300 000	8 770 000	8 650 000	-1%
Lonmin plc	Mining	2	2.13	11 769 346	9 767 942	5 884 673	4 585 888	-22%	19 018 833	32 725 739	9 509 417	15 364 197	62%
Petra Diamonds	Mining	3.16	3	10 082 914	12 968 750	3 190 795	4 322 917	35%	18 307 321	25 052 641	5 793 456	8 350 880	44%
Trans Hex	Mining	2	3	3 422 000	5 077 000	1 711 000	1 692 333	-1%	6 302 000	10 864 000	3 151 000	3 621 333	15%
Mondi Group	Paper and Packaging	3	3	24 307 850	31 455 090	8 102 617	10 485 030	29%	46 509 490	98 613 487	15 503 163	32 871 162	112%
Nampak	Paper and Packaging	3	3	10 144 515	10 763 302	3 381 505	3 587 767	6%	22 732 874	15 309 744	7 577 625	5 103 248	-33%
Sappi	Paper and Packaging	2,916	2	9 649 097	9 580 018	3 309 018	4 790 009	45%	20 225 806	12 570 118	6 936 148	6 285 059	-9%
Cashbuild	Retail	4.67	4	8 275 000	7 246 000	1 771 949	1 811 500	2%	14 433 000	8 723 000	3 090 578	2 180 750	-29%
Foschini	Retail	3	3	9 812 600	10 549 000	3 270 867	3 516 333	8%	23 888 200	34 117 400	7 962 733	11 372 467	43%
Massmart	Retail	3	3	7 260 000	11 222 000	2 420 000	3 740 667	55%	12 353 000	18 569 000	4 117 667	6 189 667	50%
Mr Price	Retail	4	3	11 423 000	8 998 000	2 855 750	2 999 333	5%	33 347 000	25 258 000	8 336 750	8 419 333	1%
Pick n Pay Stores Ltd	Retail	6	6	10 912 300	14 803 500	1 818 717	2 467 250	36%	24 554 900	17 099 100	4 092 483	2 849 850	-30%
Shoprite	Retail	6	6	52 960 000	62 944 000	8 826 667	10 490 667	19%	66 457 000	93 735 000	11 076 167	15 622 500	41%
Spar	Retail	3	3	6 216 000	7 019 000	2 072 000	2 339 667	13%	13 137 000	14 772 000	4 379 000	4 924 000	12%
Truworths	Retail	2	2	7 485 000	7 501 000	3 742 500	3 750 500	0%	24 102 000	20 122 000	12 051 000	10 061 000	-17%
Woolworths	Retail	3	3	11 472 000	13 738 000	3 824 000	4 579 333	20%	23 546 000	36 194 000	7 848 667	12 064 667	54%

Company Name	Sector	No. 2012	No. 2013	Total Salary 2012	Total Salary 2013	Average Salary 2012	Average Salary 2013	Average Salary % change	Total Remuneration 2012	Total Remuneration 2013	Average Remuneration 2012	Average Remuneration 2013	Average Rem % change
MTN Group	Technology and Telecommunications	2	2	13 435 000	14 330 000	6 717 500	7 165 000	7%	37 387 000	41 498 000	18 693 500	20 749 000	11%
Telkom	Technology and Telecommunications	2	2	9 402 150	11 378 400	4 701 075	5 689 200	21%	20 451 779	20 044 052	10 225 890	10 022 026	-2%
Vodacom Group Limited	Technology and Telecommunications	1,95	4	15 034 375	11 486 367	7 709 936	2 871 592	-63%	37 647 339	42 021 163	19 306 328	10 505 291	-46%
ACSA	Transport	2	2	4 335 000	4 296 000	2 167 500	2 148 000	-1%	10 321 000	6 572 000	5 160 500	3 286 000	-36%
Cargo Carriers	Transport	3	3	3 087 000	3 595 000	1 029 000	1 198 333	16%	4 192 000	5 066 000	1 397 333	1 688 667	21%
Grindrod	Transport	7	6	24 604 000	22 770 000	3 514 857	3 795 000	8%	55 012 000	48 902 000	7 858 857	8 150 333	4%
Imperial Holdings	Transport	7	7	28 896 000	29 184 000	4 128 000	4 169 143	1%	75 136 000	76 431 000	10 733 714	10 918 714	2%
South African Airways	Transport	2	2	6 649 000	5 519 000	3 324 500	2 759 500	-17%	7 678 000	8 232 000	3 839 000	4 116 000	7%
Super Group	Transport	2	2	5 163 110	5 501 089	2 581 555	2 750 545	7%	14 104 204	15 647 250	7 052 102	7 823 625	11%
Transnet	Transport	2	2	7 568 000	8 725 000	3 784 000	4 362 500	15%	19 003 000	11 553 000	9 501 500	5 776 500	-39%
89 Companies				1 176 732 406	1 270 800 998				2 433 826 350	2 686 257 376			
Average percentage increase		301	286	3 910 891	4 443 096	3 910 891	4 443 096	14%	8 088 865	9 391 950	8 088 865	9 391 950	16%
Average annual increase								532 205					1 303 085
Average monthly increase				325 908	370 258			44 350	674 072	782 663			108 590

Notes:
1. Leavers and joiners and percentage of year.

Appendix 4

Sector and company	No. 2012	No., 2013	Total 2012	Total 2013	Average 2012	Average 2013	% Change
Banking and Financial Services	129	130	121 884 867	135 057 448	9 027 606	10 021 251	103%
Barclays Africa Group (ABSA - 2012)	15	17	15 094 400	15 531 176	1 006 293	913 599	-9%
African Bank Investments	7	8	4 769 000	4 549 500	681 286	568 688	-17%
Discovery	11	11	8 182 000	9 929 000	743 818	902 636	21%
FirstRand Bank	17	17	17 261 000	22 266 000	1 015 353	1 309 765	29%
Investec	13	13	23 377 467	25 100 773	1 798 267	1 930 829	7%
Liberty Life	11	10	9 034 000	11 318 300	821 273	1 131 830	38%
Nedbank	15	12	11 764 000	11 428 000	784 267	952 333	21%
RMB Holdings	10	11	1 253 000	1 418 000	125 300	128 909	3%
Sanlam	14	16	11 746 000	12 428 200	839 000	776 763	-7%
Standard Bank Group	16	15	19 404 000	21 088 499	1 212 750	1 405 900	16%
Construction	50	51	25 637 666	27 149 500	3 011 047	3 131 021	20%
Aveng	8	9	5 747 000	6 558 000	718 375	728 667	1%
Basil Read	8	8	3 247 666	4 434 500	405 958	554 313	37%
Group Five	8	8	4 766 000	4 827 000	595 750	603 375	1%
Murray & Roberts	11	11	5 306 000	4 499 000	482 364	409 000	-15%
Pretoria Portland Cement	10	9	5 056 000	5 451 000	505 600	605 667	20%
WBHO	5	6	1 515 000	1 380 000	303 000	230 000	-24%
Diversified Holdings	66	63	35 119 000	35 591 000	2 973 503	3 360 875	103%
Barloworld Limited	11	9	6 709 000	7 572 000	609 909	841 333	38%
Bidvest	19	17	8 906 000	6 809 000	468 737	400 529	-15%
Hosken Consolidated Investments	7	7	1 627 000	2 628 000	232 429	375 429	62%
Remgro	11	12	5 276 000	3 819 000	479 636	454 750	-5%
Searidel Investments	7	6	717 000	703 000	102 429	117 167	14%
Steinhoff International	11	12	11 884 000	14 060 000	1 080 364	1 171 667	8%
Education, Bus Training & Employment	9	8	1 142 000	1 456 000	126 889	182 000	43%
Adcorp Holdings limited	9	8	1 142 000	1 456 000	126 889	182 000	43%
Food and Beverage	103	98	68 259 817	50 021 147	6 121 714	4 777 650	-114%
Anglo-Vaal Industries	10	10	3 159 000	3 416 000	315 900	341 600	8%
Astral Foods	6	8	2 285 000	2 274 000	380 833	284 250	-25%
Clover Industries	10	9	4 459 000	4 477 000	455 889	456 556	0%
Crookes Brothers	9	7	1 379 000	1 100 000	153 222	157 143	3%
Distell	14	14	2 599 000	2 692 000	185 643	192 286	4%
Illovo	8	7	4 851 000	4 975 000	606 375	710 714	17%
Pioneer Foods	11	9	7 772 000	2 839 000	706 545	315 444	-55%
SABMiller	14	14	28 586 817	18 242 147	2 041 915	1 303 010	-36%
Tiger Brands	10	9	8 603 000	5 297 000	860 300	588 556	-32%
Tongaat Hulett	11	11	4 566 000	4 709 000	415 091	428 091	3%
Health	47	48	21 110 600	24 049 000	2 340 210	2 663 074	71%
Adcock Ingram	9	9	3 516 600	5 057 000	390 733	561 889	44%
Aspen Holdings	9	8	3 134 000	3 395 000	348 222	424 375	22%
Life Healthcare Group	10	10	3 563 000	3 728 000	356 300	372 800	5%
Mediclinic	11	13	3 437 000	3 736 000	312 455	287 385	-8%
Network Healthcare Holdings	8	8	7 460 000	8 133 000	932 500	1 016 625	9%
Hospitality	31	29	13 146 464	18 260 663	1 211 015	1 774 762	112%
City Lodge Hotels	7	7	1 940 000	2 208 000	277 143	315 429	14%

Sector and company	No. 2012	No., 2013	Total 2012	Total 2013	Average 2012	Average 2013	% Change
Sun International	12	11	4 633 464	4 597 663	386 122	417 969	8%
Tsogo Sun Holdings	12	11	6 573 000	11 455 000	547 750	1 041 364	90%
Industrial	93	74	44 373 059	45 848 155	4 489 157	6 051 752	456%
AECI	9	8	4 641 000	5 345 000	515 667	668 125	30%
African Oxygen	6	6	1 752 000	2 158 000	292 000	359 667	23%
Altron	12	11	8 910 224	7 551 000	742 519	686 455	-8%
ArcelorMittal SA	6	9	2 657 835	2 696 155	442 973	299 573	-32%
Denel	17	14	4 351 000	5 201 000	255 941	371 500	45%
Eskom Holdings Limited	19	1	5 433 000	1 374 000	285 947	1 374 000	381%
Invicta Holdings	6	6	1 918 000	1 454 000	319 667	242 333	-24%
Reunert	9	9	3 449 000	3 888 000	383 222	432 000	13%
Sasol	9	10	11 261 000	16 181 000	1 251 222	1 618 100	29%
Media	17	17	17 235 000	17 652 000	1 613 583	1 663 967	11%
Caxton CTP	5	5	1 520 000	1 654 000	304 000	330 800	9%
Naspers	12	12	15 715 000	15 998 000	1 309 583	1 333 167	2%
Mining	144	142	148 852 922	157 733 678	14 838 382	17 273 777	468%
African Rainbow Minerals	9	9	7 003 000	7 650 000	778 111	850 000	9%
Anglo American Platinum	13	14	5 296 295	5 628 337	407 407	402 024	-1%
Anglo American plc	9	11	25 618 421	24 785 714	2 846 491	2 253 247	-21%
AngloGold Ashanti	10	10	1 804 000	1 621 000	180 400	162 100	-10%
Assore limited	7	4	881 000	1 030 000	125 857	257 500	105%
BHP Billiton	12	12	33 277 219	41 427 273	2 773 102	3 452 273	24%
Exxaro	12	12	4 916 335	7 383 250	409 695	615 271	50%
Glencore (Xstrata - 2012)	10	13	21 952 902	19 657 143	2 195 290	1 512 088	-31%
Gold Fields	12	12	15 172 000	13 697 000	1 264 333	1 141 417	-10%
Harmony Gold	12	10	6 263 000	5 830 000	521 917	583 000	12%
Impala Platinum	11	8	7 036 000	5 623 048	639 636	702 881	10%
Kumba Iron Ore Limited	11	10	4 113 000	4 794 000	373 909	479 400	28%
Lonmin plc	9	8	11 688 269	14 658 304	1 298 697	1 832 288	41%
Petra Diamonds	4	5	3 043 481	342 519	760 870	2 649 422	248%
Trans Hex	3	3	788 000	827 000	262 667	275 667	5%
Paper and Packaging	28	27	25 768 936	27 156 528	3 043 214	3 275 235	29%
Mondi Group	6	6	10 160 610	10 501 410	1 693 435	1 750 235	3%
Nampak	9	9	4 362 310	4 934 645	484 701	548 294	13%
Sappi	13	12	11 246 016	11 720 473	865 078	976 706	13%
Retail	70	70	36 021 750	41 634 600	4 386 616	5 356 582	269%
Cashbuild	5	6	2 257 000	2 048 000	451 400	341 333	-24%
Foschini	9	9	3 366 500	3 212 700	374 056	356 967	-5%
Massmart	5	3	3 484 000	2 920 000	696 800	973 333	40%
Mr Price	10	12	8 877 000	10 369 000	887 700	864 083	-3%
Pick n Pay Stores Ltd	6	7	2 127 250	6 923 900	354 542	989 129	179%
Shoprite	7	8	1 227 000	1 934 000	175 286	241 750	38%
Spar	8	7	2 968 000	3 088 000	371 000	441 143	19%
Truworths	8	7	2 390 000	2 622 000	298 750	374 571	25%
Woolworths	12	11	9 325 000	8 517 000	777 083	774 273	0%
Technology and Telecommunications	36	43	26 359 978	28 933 161	2 244 350	2 227 187	-6%
MTN Group	11	11	13 217 000	14 449 000	1 201 545	1 313 545	9%
Telkom	13	20	8 181 181	8 801 148	629 322	440 057	-30%

Sector and company	No. 2012	No., 2013	Total 2012	Total 2013	Average 2012	Average 2013	% Change
Vodacom Group Limited	12	12	4 961 797	5 683 013	413 483	473 584	15%
Transport	68	79	27 802 236	27 855 941	2 615 143	2 605 532	120%
ACSA	8	11	687 000	2 224 084	85 875	202 189	135%
Cargo Carriers	6	5	934 000	871 000	155 667	174 200	12%
Grindrod	9	10	2 923 000	3 592 000	324 778	359 200	11%
Imperial Holdings	10	10	5 113 000	5 507 000	511 300	550 700	8%
South African Airways	13	21	6 454 000	4 988 588	496 462	237 552	-52%
Super Group	6	6	3 574 236	3 980 269	533 750	663 378	24%
Transnet	16	16	8 117 000	6 693 000	507 313	418 313	-18%
Total Increases	896	886	614 454 295	637 500 731			
Average Increases					685 775	719 527	5%

Appendix 5

	Surname	Salary 2013	Bonus 2013	Bonus % of Salary	LTI 2013	LTI % of Salary	Bonus + LTI % of Salary
Banking and Financial Services		58 580 399	63 573 000	109%	15 863 292	27%	136%
African Bank Investments	Kirkinis	1 966 000	0	0%	0	0%	0%
Barclays Africa Group (ABSA - 2012)	Ramos	6 059 852	8 800 000	145%	0	0%	145%
Discovery	Gore	3 876 000	5 163 000	133%	3 090 000	80%	213%
FirstRand Bank	Nxasana	7 037 000	11 460 000	163%	0	0%	163%
Investec	Koseff	4 800 547	4 000 000	83%	0	0%	83%
Liberty Life	Hemphill	4 657 000	8 350 000	179%	5 884 000	126%	306%
Nedbank	Brown	5 614 000	7 000 000	125%	0	0%	125%
RMB Holdings	Cooper	7 175 000	0	0%	0	0%	0%
Sanlam	van Zyl	4 452 000	0	0%		0%	0%
Standard Bank Group	Kruger & Tshabalala	12 943 000	18 800 000	145%	6 889 292	53%	198%
Construction		23 534 397	27 857 036	118%	0	0%	118%
Aveng	Jardine	4 337 000	406 000	9%	0	0%	9%
Basil Read	Heyns	3 099 397	10 921 036	352%	0	0%	352%
Group Five	Upton	4 140 000	2 095 000	51%	0	0%	51%
Murray & Roberts	Laas	4 300 000	4 764 000	111%	0	0%	111%
Pretoria Portland Cement	Stuiver & Gordhan	5 827 000	2 871 000	49%	0	0%	49%
WBHO	Nel	1 831 000	6 800 000	371%	0	0%	371%
Diversified Holdings		53 741 000	35 852 000	67%	5 934 000	11%	78%
Barloworld Limited	Thomson	6 973 000	9 589 000	138%	0	0%	138%
Bidvest	Joffe	11 936 000	13 719 000	115%	0	0%	115%
Hosken Consolidated Investments	Copelyn	5 154 000	3 858 000	75%	3 682 000	71%	146%
Remgro	Durand	7 293 000	0	0%	0	0%	0%
Searadel Investments	Queen	3 149 000	1 186 000	38%	2 252 000	72%	109%
Steinhoff International	Jooste	19 236 000	7 500 000	39%	0	0%	39%
Education, Bus Training & Employment		2 578 000	3 831 000	149%	8 445 000	328%	476%
Adcorp Holdings limited	Pike	2 578 000	3 831 000	149%	8 445 000	328%	476%
Food and Beverage		55 424 667	39 661 667	72%	196 653 960	355%	426%
Anglo-Vaal Industries	Crutchley	5 056 000	4 630 000	92%	0	0%	92%
Astral Foods	Schutte	3 647 000	0	0%	2 684 000	74%	74%
Clover Industries	Vorster	3 778 000	1 454 000	38%	8 498 000	225%	263%
Crookes Brothers	Clarke	1 880 000	950 000	51%	0	0%	51%
Distell	Scannell	3 643 000	1 589 000	44%	0	0%	44%
Illovo	Clark	4 663 000	4 780 000	103%	0	0%	103%
Pioneer Foods	Hanekom & Roux	4 221 000	1 798 000	43%	0	0%	43%
SABMiller	Mackay	17 266 667	18 666 667	108%	185 471 960	1074%	1182%
Tiger Brands	Matlare	4 251 000	1 000 000	24%	0	0%	24%
Tongaat Huleft	Staude	7 019 000	4 794 000	68%	0	0%	68%
Health		24 221 000	19 972 750	82%	34 508 000	142%	225%
Adcock Ingram	Louw	3 587 000	2 122 750	59%	0	0%	59%
Aspen Holdings	Saad	5 609 000	6 195 000	110%	2 173 000	39%	149%
Life Healthcare Group	Fleming	2 815 000	4 510 000	160%	4 275 000	152%	312%
Mediclinic	Meintjes	4 980 000	1 976 000	40%	0	0%	40%
Network Healthcare Holdings	Friedland	7 230 000	5 169 000	71%	28 060 000	388%	460%
Hospitality		15 027 390	15 344 083	102%	5 009 000	33%	135%
City Lodge Hotels	Ross	3 233 000	2 500 000	77%	2 418 000	75%	152%
Sun International	Collins & Stephen	7 285 390	7 294 083	100%	0	0%	100%
Tsogo Sun Holdings	von Aulock	4 509 000	5 550 000	123%	2 591 000	57%	181%
Industrial		49 683 321	36 010 500	72%	1 407 381	3%	75%

	Surname	Salary 2013	Bonus 2013	Bonus % of Salary	LTI 2013	LTI % of Salary	Bonus + LTI % of Salary
AECI	Edwards & Dytor	3 816 000	3 861 000	101%	0	0%	101%
African Oxygen	Kimber	3 018 000	3 395 000	112%	0	0%	112%
Altron	Venter	7 637 000	1 203 000	16%	697 000	9%	25%
ArcelorMittal SA	Nyembezi-Heita	4 434 321	381 500	9%	710 381	16%	25%
Denel	Saloojee	3 365 000	1 892 000	56%	0	0%	56%
Eskom Holdings Limited	Dames	8 464 000	0	0%	0	0%	0%
Invicta Holdings	Goldstone	2 170 000	2 200 000	101%	0	0%	101%
Reunert	Rawlinson	4 669 000	656 000	14%	0	0%	14%
Sasol	Constable	12 110 000	22 422 000	185%	0	0%	185%
Media		3 150 000	0	0%	0	0%	0%
Caxton CTP	Moolman	3 150 000	0	0%	0	0%	0%
Mining	Motsepe	155 322 671	96 625 178	62%	120 190 273	77%	140%
African Rainbow Minerals	Griffith	7 805 000	4 199 000	54%	0	0%	54%
Anglo American Platinum	Carroll & Cutifani	6 747 404	4 048 442	60%	0	0%	60%
Anglo American plc	Cutifani & O'Neill & Venkatakrishnan	23 160 714	30 178 571	130%	0	0%	130%
AngloGold Ashanti	Cory	27 030 000	0	0%	0	0%	0%
Assore limited	Kloppers & MacKenzie	4 460 000	14 406 000	323%	0	0%	323%
BHP Billiton	Nkosi	19 527 273	14 272 727	73%	105 227 273	539%	612%
Exxaro	Glaserberg	6 859 647	2 517 124	37%	0	0%	37%
Glencore (Xstrata - 2012)	Holland	13 214 286	0	0%	0	0%	0%
Gold Fields	Briggs	9 745 000	0	0%	13 037 000	134%	134%
Harmony Gold	Goodlace	7 438 000	1 802 000	24%	0	0%	24%
Impala Platinum	Mbazima	6 420 000	0	0%	0	0%	0%
Kumba Iron Ore Limited	Scott & Magara	7 366 000	3 502 000	48%	1 926 000	26%	74%
Lonmin plc	Dippenaar	8 536 097	16 248 516	190%	0	0%	190%
Petra Diamonds	Delpoit	4 531 250	3 695 797	82%	0	0%	82%
Trans Hex		2 482 000	1 755 000	71%	0	0%	71%
Paper and Packaging	Hathorn	24 617 741	16 138 410	66%	7 123 163	29%	94%
Mondi Group	Marshall	12 743 808	13 970 026	110%	0	0%	110%
Nampak	Boettger	5 364 533	2 168 384	40%	7 123 163	133%	173%
Sappi		6 509 400	0	0%	0	0%	0%
Retail	de Jager	86 218 200	28 517 000	33%	21 585 700	25%	58%
Cashbuild	Murray	2 371 000	0	0%	0	0%	0%
Foschini	Pattison	5 064 000	0	0%	0	0%	0%
Massmart	Bird	5 215 000	1 304 000	25%	0	0%	25%
Mr Price	Ackerman & Brasher	3 784 000	6 621 000	175%	15 041 000	397%	572%
Pick n Pay Stores Ltd	Basson	3 939 200	0	0%	413 700	11%	11%
Shoprite	Hook	49 656 000	0	0%	0	0%	0%
Spar	Mark	3 102 000	2 384 000	77%	3 279 000	106%	183%
Truworths	Moir	5 686 000	7 900 000	139%	2 852 000	50%	189%
Woolworths		7 401 000	10 308 000	139%	0	0%	139%
Technology and Telecommunications	Dabengwa	19 146 176	23 947 633	125%	19 237 000	100%	226%
MTN Group	Moholi	8 913 000	16 163 000	181%	19 237 000	216%	397%
Telkom	Aziz Joosub	6 402 150	2 659 133	42%	0	0%	42%
Vodacom Group Limited		3 831 026	5 125 500	134%	0	0%	134%
Transport	Maseko	27 521 854	20 376 000	74%	0	0%	74%
ACSA	Bolton & Bolton	2 579 000	1 557 000	60%	0	0%	60%
Cargo Carriers	Olivier	2 701 000	225 000	8%	0	0%	8%
Grindrod	Brody	5 497 000	6 546 000	119%	0	0%	119%
Imperial Holdings	Mzimela	5 802 000	5 315 000	92%	0	0%	92%

	Surname	Salary 2013	Bonus 2013	Bonus % of Salary	LTI 2013	LTI % of Salary	Bonus + LTI % of Salary
South African Airways	Mountford	2 248 000	0	0%	0	0%	0%
Super Group	Molefe	3 200 854	5 515 000	172%	0	0%	172%
Transnet		5 494 000	1 218 000	22%	0	0%	22%
Grand Total		598 766 815	427 706 256		435 956 769	73%	144%
	Average	6 146 802	6 024 032	98%			
	Average	6 397 720			17 438 271	273%	

Notes:

Averages are for those that paid Bonuses or LTIs in the year

Appendix 6

Position on JSE by Mcape 14 / 08	Company	MarketCap at 14 / 08 / 2014 (ZAR)	2012 Profit Before Tax (ZAR)	2013 Profit Before Tax (ZAR)	% Change	CEO Salary change	CEO Remuneration Change
	Banking & Financial Services		10 410 983 936	12 219 712 593	17%	27%	47%
246	African Bank Investments	465 338 901	4 397 000 000	-3 990 000 000		0%	0%
14	Barclays Africa Group (2012 - ABSA)	141 998 238 733	12 118 000 000	18 096 000 000		0%	132%
32	Discovery	58 660 472 573	3 354 000 000	3 325 000 000	-1%	14%	12%
10	FirstRand Bank	248 915 125 569	18 458 000 000	20 210 000 000	9%	6%	14%
58	Investec Ltd / plc	26717496250.5 / 56960820452.8	3 508 855 422	5 248 413 333	50%	16%	84%
47	Liberty Life	37 778 713 236	6 915 000 000	7 438 000 000	8%	5%	5%
19	Nedbank	123 353 485 440	10 687 000 000	9 465 000 000	-11%	4%	8%
24	RMB Holdings	80 692 955 941	4 503 000 000	4 970 000 000	10%	117%	17%
16	Sanlam	138 264 230 659	10 104 000 000	12 617 000 000	25%	-1%	0%
11	Standard Bank Group	227 924 921 882	24 051 000 000	28 608 000 000	19%	104%	187%
	Construction		500 965 000	910 617 500	82%	21%	42%
103	Aveng	9 333 428 854	726 300 000	626 000 000	-14%	3%	15%
219	Basil Read	856 012 827	-210 734 000	126 390 000		0%	307%
138	Group Five	4 629 915 561	328 761 000	558 538 000	70%	9%	-30%
98	Murray & Roberts	10 807 087 667	-357 700 000	1 706 200 000		8%	29%
76	Pretoria Portland Cement	19 856 452 454	1 403 000 000	1 438 000 000	2%	82%	125%
111	WBHO	8 601 780 000	1 116 163 000	1 008 577 000	-10%	69%	-12%
	Diversified Holdings		3 835 460 500	3 461 005 500	-10%	17%	-4%
67	Barlorld Limited	22 551 348 558	2 309 000 000	2 419 000 000	5%	10%	16%
22	Bidvest	95 455 941 771	6 432 931 000	6 836 198 000	6%	11%	-2%
75	Hosken Consolidated Investments	19 895 715 493	1 924 690 000	1 900 101 000	-1%	7%	19%
20	Remgro	114 844 901 583	5 295 000 000	363 000 000	-93%	-2%	-7%
208	Searcel Investments	1 108 376 515	145 142 000	39 734 000	-73%	5%	45%
18	Steinhoff International	124 469 963 015	6 906 000 000	9 208 000 000	33%	42%	-22%
	Education, Bus Training & Employment		232 864 000	232 430 000	0%	7%	29%
148	Adcorp Holdings limited	3 426 331 518	232 864 000	232 430 000	0%	7%	29%
	Food & Beverage		5 229 369 170	5 051 868 867	-3%	11%	19%
71	Anglo-Vaal Industries	20 992 950 537	1 391 200 000	1 492 800 000	7%	8%	1%
125	Astral Foods	5 960 479 372	495 146 000	326 882 000	-34%	0%	-16%
157	Clover Industries	3 102 136 013	347 370 000	344 657 000	-1%	8%	-8%
216	Crookes Brothers	936 745 357	109 347 000	117 053 000	7%	10%	-1%
53	Distell	30 648 821 949	1 425 225 000	1 610 930 000	13%	12%	49%
88	Illovo	13 656 053 709	951 200 000	1 629 000 000	71%	12%	21%
59	Pioneer Foods	26 641 740 680	922 000 000	948 400 000	3%	7%	258%
2	SABMiller	962 258 886 700	41 503 703 704	39 266 666 667	-5%	16%	5%
31	Tiger Brands	58 809 609 897	3 776 500 000	3 223 300 000	-15%	5%	9%
70	Tongaat Hulett	21 348 130 548	1 372 000 000	1 559 000 000	14%	10%	6%
	Health		-562 531 800	2 729 301 600		13%	14%
108	Adcock Ingram	9 028 140 047	887 341 000	848 108 000	-4%	9%	61%
15	Aspen Holdings	139 033 423 743	3 440 000 000	4 489 400 000	31%	7%	6%
42	Life Healthcare Group	45 023 461 200	2 412 000 000	2 833 000 000	17%	7%	18%
25	Mediclinic	77 508 589 123	2 177 000 000	-301 000 000		25%	11%
40	Network Healthcare Holdings	47 140 436 629	-11 729 000 000	5 777 000 000		16%	5%
	Hospitality		1 382 447 000	1 419 120 333	3%	42%	10%
134	City Lodge Hotels	5 175 229 016	234 341 000	304 361 000	30%	7%	16%

Position on JSE by Mcape 14 / 08	Company	MarketCap at 14 / 08 / 2014 (ZAR)	2012 Profit Before Tax (ZAR)	2013 Profit Before Tax (ZAR)	% Change	CEO Salary change	CEO Remuneration Change
92	Sun International	12 676 358 567	1 305 000 000	1 498 000 000	15%	33%	3%
51	Tsogo Sun Holdings	31 662 645 499	2 608 000 000	2 455 000 000	-6%	119%	21%
	Industrial		6 409 010 667	5 339 661 778	-17%	18%	37%
82	AECI	15 397 913 680	983 000 000	1 267 000 000	29%	17%	35%
121	African Oxygen	6 514 205 290	419 000 000	468 000 000	12%	-8%	80%
164	Altron	2 745 463 661	398 000 000	-545 000 000		21%	1%
80	ArcelorMittal SA	17 161 457 082	-692 000 000	-2 198 000 000		0%	1%
	Denel		49 000 000	82 000 000	67%	-20%	-16%
	Eskom Holdings Limited		18 404 000 000	7 040 000 000	-62%	69%	21%
115	Invicta Holdings	8 016 002 797	550 696 000	818 756 000	49%	9%	88%
93	Reunert	12 070 035 935	1 566 400 000	1 345 200 000	-14%	8%	-10%
8	Sasol	396 976 160 637	36 003 000 000	39 779 000 000	10%	31%	68%
	Media		3 086 382 500	4 992 925 500	62%	5%	5%
124	Caxton CTP	6 190 876 886	632 765 000	685 851 000	8%	5%	5%
5	Naspers	569 116 141 139	5 540 000 000	9 300 000 000	68%		
	Mining		16 319 438 203	13 639 987 258	-16%	18%	26%
44	African Rainbow Minerals	40 856 962 374	5 204 000 000	5 566 000 000	7%	12%	25%
17	Anglo American Platinum	125 145 879 198	-7 617 000 000	677 000 000		5%	-39%
9	Anglo American plc	390 734 114 198	-1 390 243 902	17 000 000 000		45%	142%
27	AngloGold Ashanti	74 954 591 098	9 602 200 000	-26 385 416 667		93%	96%
41	Assore limited	46 687 372 940	5 584 726 000	4 839 489 000	-13%	4%	-1%
4	BHP Billiton	758 345 836 170	179 859 375 000	162 472 727 273	-10%	14%	94%
35	Exxaro	53 001 094 740	5 156 000 000	5 800 000 000	12%	0%	0%
3	Glencore (2012 - Xstrata)	844 108 235 474	16 450 819 672	-70 440 000 000		-32%	-69%
48	Gold Fields	34 300 777 873	6 497 200 000	-6 472 000 000		5%	-40%
84	Harmony Gold	14 757 049 635	1 930 000 000	-2 028 000 000		25%	27%
28	Impala Platinum	67 362 431 108	6 250 000 000	2 551 000 000	-59%	2%	-43%
21	Kumba Iron Ore Limited	109 493 126 861	22 850 000 000	25 102 000 000	10%	35%	38%
68	Lonmin plc	22 362 493 672	-5 629 032 258	1 272 727 273		1%	142%
	Petra Diamonds		65 625 000	477 272 727	627%	40%	43%
255	Trans Hex	355 271 771	109 285 000	87 022 000	-20%	12%	40%
	Paper & Packaging		2 143 667 742	2 300 024 087	7%	16%	8%
74	Mondi Group Ltd / Plc	20929565277.5 / 65163208439.2	3 680 000 000	6 397 435 897	74%	26%	52%
54	Nampak	29 758 206 577	1 638 100 000	1 739 000 000	6%	7%	-33%
66	Sappi	22 767 813 677	1 112 903 226	-1 236 363 636		6%	-29%
	Retail		2 198 405 778	2 418 820 667	10%	18%	6%
153	Cashbuild	3 224 638 389	433 330 000	352 033 000	-19%	-11%	-41%
60	Foschini	25 947 950 712	2 501 600 000	2 713 700 000	8%	8%	53%
52	Massmart	31 492 798 222	1 834 100 000	1 897 400 000	3%	34%	34%
36	Mr Price	49 232 037 932	1 786 215 000	2 128 000 000	19%	7%	7%
56	Pick n Pay Stores Ltd	28 483 989 662	1 170 000 000	808 900 000	-31%	0%	-68%
23	Shoprite	90 513 769 680	4 481 707 000	5 193 853 000	16%	22%	22%
65	Spar	22 850 477 911	1 518 700 000	1 662 500 000	9%	15%	11%
55	Truworths	29 728 425 361	3 190 000 000	3 366 000 000	6%	7%	-27%
29	Woolworths	66 700 672 448	2 870 000 000	3 647 000 000	27%	28%	59%
	Telecommunications		17 896 000 000	16 710 666 667	-7%	-13%	-5%
7	MTN Group	437 769 542 121	36 981 000 000	42 707 000 000	15%	6%	23%
57	Telkom	28 247 318 628	774 000 000	-11 009 000 000		0%	-4%

Position on JSE by Mcape 14 / 08	Company	MarketCap at 14 / 08 / 2014 (ZAR)	2012 Profit Before Tax (ZAR)	2013 Profit Before Tax (ZAR)	% Change	CEO Salary change	CEO Remuneration Change
12	Vodacom Group Limited	187 467 324 460	15 933 000 000	18 434 000 000	16%	-46%	-44%
	Transport		1 671 207 714	2 052 298 000	23%	-1%	-8%
	ACSA		118 067 000	1 641 040 000	1290%	0%	-41%
244	Cargo Carriers	490 000 000	32 792 000	39 769 000	21%	19%	17%
78	Grindrod	19 569 529 104	1 046 120 000	1 378 590 000	32%	4%	3%
45	Imperial Holdings	40 627 979 712	4 770 000 000	5 090 000 000	7%	11%	12%
	South African Airways		-1 357 000 000	-1 170 000 000		-44%	7%
102	Super Group	9 570 389 358	847 475 000	1 066 687 000	26%	7%	10%
	Transnet		6 241 000 000	6 320 000 000	1%	0%	-42%
	Cross sector average		6 319 387 945	6 033 865 654	-5%	16%	17%

Note:

Blanks indicate that in either or both years the company experienced a loss and therefore the percentage increase in profit is not calculated. Negative percentages indicate that the company performance did make a net profit before tax in 2013, however, the profit was less than in 2012 by the percentage given



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