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### CEO pay culture more moderate

They are ready to work shifts, ask for less and try new sectors

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[SINGAPORE]

Flip open a copy of SMRT Corp's 2008 annual report and one will find that its chief executive Saw Phaik Hwa earned \$1.31 million that financial year.

This included \$622,027 in basic salary, \$427,549 in variable or performance-related bonuses, a share-based component of \$200,722 and benefits-in-kind of \$60,000.

Ms Saw's salary structure is a typical example of how a CEO here is paid. Human resource consultants and remuneration experts said the package usually comprises a fixed salary, a variable bonus and a share-related portion.

They told The Sunday Times that the CEO pay culture here is more moderate compared to the American model, and is more akin to the European system.

This means it is more conservative, better aligned to the management ranks, with relatively less equity-based rewards.

"It's not to make someone fabulously wealthy," said Mr Peter Lee, managing consultant of Remuneration Data Specialists.

Mr Paul Heng, managing director of NeXT Career Consulting, said: "It hinged primarily on performance and is not known for excesses."

Consultants say the last few years have seen some companies try to benchmark their CEOs' pay to global standards.

**S\$21.67m**

That's how much CapitaLand  
CEO Liew Mun Leong  
received in 2007 for  
steering his company to  
record profits.

Typically, head honchos here have a basic salary of between \$200,000 and just over \$1 million a year, usually making up 30 per cent of their total package.

Mr Derek Berry, Mercer's head of human capital business in Asean, said that this may be as low as 10 per cent to 20 per cent during good years as the performance-linked part rises.

Bonuses usually comprise 60 per cent, with the bulk paid in cash, while the share-based portion is typically around 10 per cent.

But there have been exceptional cases such as CapitaLand CEO Liew Mun Leong, who was awarded a \$20.52 million bonus in 2007 for steering his company to record profits.

Apart from pay, other common perks include a car or car allowance, and country club membership - a relatively insignificant portion of the full package.

Untimely sackings are rare here, with most CEOs in the hot seat for over three years.

"You normally don't hear of anything adverse," said Mr Heng. "It's usually more of a career progression or a new challenge - the right reasons for one to leave."

Consultants also say pensions and severance pay are not the norm here.

They note that the current financial crisis could lead to closer scrutiny and a stronger push towards transparency.

Freshwater Advisers managing director Jon Robinson said future CEO salary trends may include reduced use of stock options and better shareholder disclosure.

Mr Ibrahim Boztepe, GSI Executive Search assistant director, tipped "a closer inspection of performance at the board level" and "an emphasis on lowering the base pay".

## WHAT THEY GOT

### LIEW MUN LEONG

*CapitaLand CEO*

**\$21.67 million (including accrued bonus)**

Note: 2007 figures based on those disclosed in annual reports, include bonuses.

### LIM CHEE ONN

*Keppel Corp chairman*

**\$8.75 million to \$9 million**

### KWEK LENG BENG

*City Developments executive chairman*

**\$7.75 million to \$8 million**