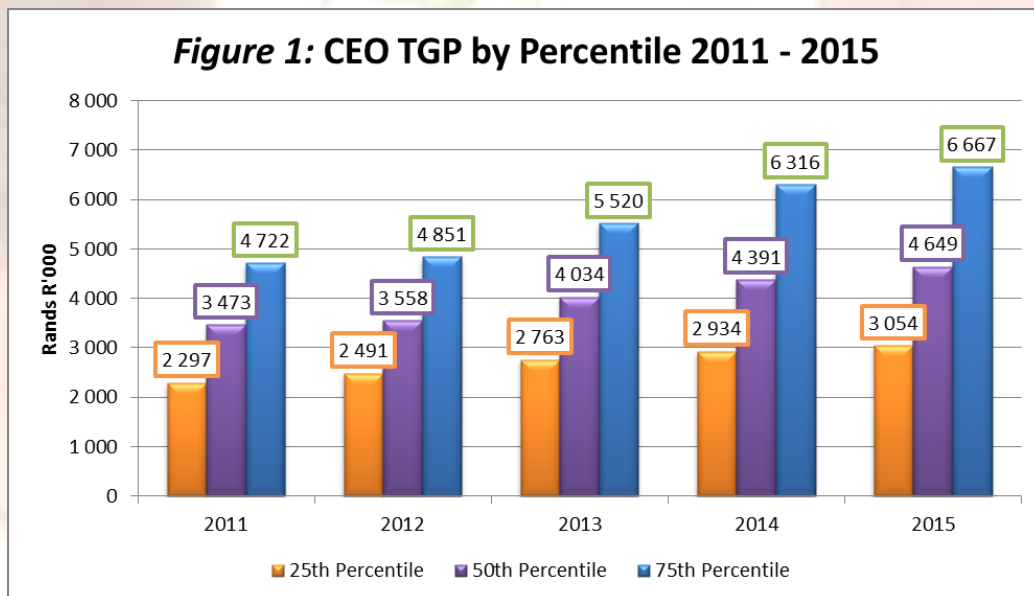




In this newsletter we examine CEO remuneration across 120 different JSE listed companies over a five year period from 2011 to 2015. Over the years we have seen a continual rise in CEO pay in the form of TGP and Total Remuneration regardless of the size of the organisation.

**South African CEO Trends in Total Guaranteed Package**

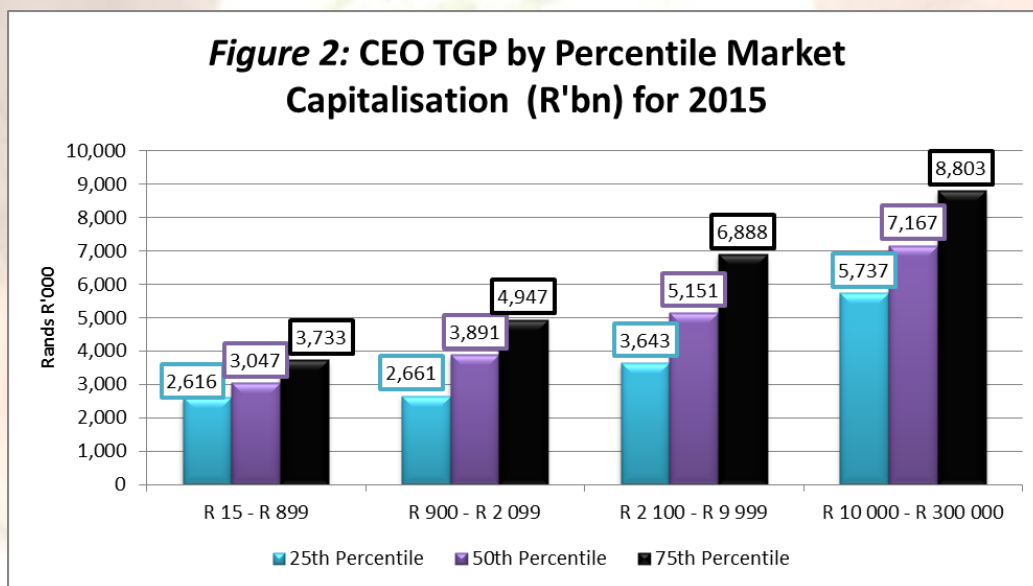
Figure 1 below is a graphical representation of CEO TGP at the lower quartile, median and upper quartile between 2011 and 2015. This shows a rise in remuneration in CEO TGP year-on-year.



**Table 1** below indicates the percentage change in CEO TGP. As we can see in 2015, CEO pay rose by 4.1% at the lower quartile, 5.9% at the median and 5.6% at the upper quartile. The total increase over the period is 33.8% or 8.4% per year on average. This is higher than the CPI. The numbers are influenced by the retirements and resignations of big earners who are then replaced with lower paid CEO's and vice versa.

TABLE 1			
CEO TGP Percentage Change			
	Lower Quartile	Median	Upper Quartile
2011-2012	8.4%	2.5%	2.7%
2012-2013	10.9%	13.4%	13.8%
2013-2014	6.2%	8.8%	14.4%
2014-2015	4.1%	5.9%	5.6%

**Figure 2** below is a graphical representation of CEO TGP at the lower quartile, median and upper quartile for 2015 **only** and looks at the different sizes of organisations in terms of market capitalisation. As expected it shows that the size of the company as measured by market capitalisation is the single most powerful factor in determining CEO TGP.

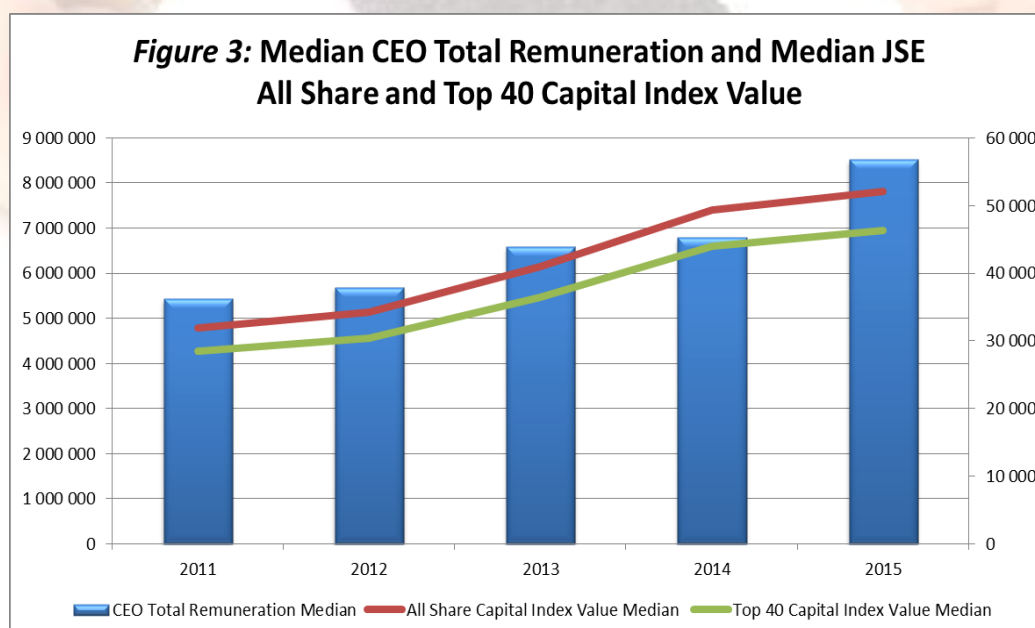


## South African CEO Trends in Total Remuneration

**Table 2** illustrates the median CEO Total Remuneration trends for the period between 2011 and 2015. Total Remuneration includes TGP, STI and cashed in LTI for this period. This analysis looks at CEOs across 120 JSE listed companies. The analysis underlines CEO Total Remuneration along with the Median All Share and Top 40 Capital Index Values (stock price) over the same period. Both Indices have had a proportional rise in percentage over the period. CEO Total Remuneration has increased erratically over the period as it depends largely on the cashing in of LTI's and the STI payments which can and should vary year on year.

TABLE 2			
Median CEO Total Remuneration and Median Stock Market Capital Index Values 2011-2015			
	CEO Median Total Remuneration	JSE Stock Market	
		Median All Share Capital Index Value	Median Top 40 Capital Index Value
2011	R 5,437,000	31,837	28,519
2012	R 5,696,000	34,226	30,440
2013	R 6,584,000	40,940	36,402
2014	R 6,794,000	49,393	43,972
2015	R 8,527,000	52,053	46,295
Percentage Change			
2011-2012	4.8%	7.5%	6.7%
2012-2013	15.6%	19.6%	19.6%
2013-2014	3.2%	20.6%	20.8%
2014-2015	25.5%	5.4%	5.3%

**Figure 3** below is a graphical representation of the table above. It illustrates CEO Total Remuneration against the All Share and Top 40 indices and shows the rise in CEO Total Remuneration in relation to the rise in both of the indices.



Khokhela Consulting will be releasing its latest edition of the Directors Remuneration Report later in 2016. This report comprises of the information in the above analyses.

For more information regarding the Directors Remuneration Report or the Khokhela Database please contact:

**Laurence Grubb**  
**Managing Director**  
[laurence@khokhela.co.za](mailto:laurence@khokhela.co.za)  
[www.khokhela.co.za](http://www.khokhela.co.za)

**Alex Erickson**  
**Consultant**  
[alex@khokhela.co.za](mailto:alex@khokhela.co.za)  
[www.khokhela.co.za](http://www.khokhela.co.za)

