

The remuneration package consists of two components:

- A salary, with a connotation that it is actually a ***payment for attendance only***.
- An incentive package needed to entice management to actually do some work.

Management and board directors are an exclusive self-serving group, whose only interest is to enlarge their salaries and fees.

Company operational strategies are structured to achieve these incentive goals, and any additional benefits are considered secondary for the shareholders. These operational strategies have become more pronounced during bad times. Newspaper article written about AMP's creative accounting and fabrication of new words for the benefit of producing a positive spiel for their shareholders reports.

My understanding is that a CEO can be a director in another company and probably being a part of the remuneration committee.

The long and short term incentives are written in a format to ensure that benefits are achievable in any environment. Departing arrangements of CEO are handsomely rewarded for poor performances. Third party assessment of whether the remuneration package is fair is suspect, as reports are generally written to keep the client happy.

The remuneration package shouldn't be based on "gain philosophy", such as share option or bonuses but on a personal loss concept. Eliminate giving options that will be taken up in the future if the stock value increases in value. The CEO and board should get a basic salary, fee and prove to the investors that they have faith in the management ability, by investing (buying their shares on the stock market) their own money in the company.

Another idea is that the remuneration package is made up of a salary, ordinary full paid up shares valued at current stock market value. These shares must not be sold for possibly three years, creating an incentive to increase their value. This way, management team remuneration package could drop in value if the company is poorly run.

This inner-circle needs to be broken up by limiting the number of boards a non-executive director is on: possibly only on two boards etc. Any claim that this will limit skills and experience needed, is a lot of hogwash, as any director is allowed to get external advice.

Another issue that is of concern to me, it is possible for me to be a shareholder in a large company which has a majority voting rights in another company. I could also be a shareholder as an individual in this "other company" with minor voting rights. My personal voting direction could be negated by the representation of the larger company on my behalf.

I believe an amendment should be made, were I have the right to request my "represented votes" in the larger company be forwarded to me and I am allowed to vote how I choose. Thus if a shareholder does not make such a request for his voting rights, the larger company will still represent them.

There have been a number of times where voting on the remuneration package, has been passed by a larger company or institutional investor, even though a great percentage of retail investors voted against it. By allowing only advisory voting on the remuneration resolution, this is self protection of

one's egotistical self worth. As mentioned in the previous paragraph about obtaining one's "represented votes", this amendment may break up the cartel of CEO s and boards.

History has shown the crux of managing a company; consist of finding cheap labour, low compliance of safety standards and company laws, government incentives to establish the business. Proof of this is the number of companies moving offshore. Worst still we are paying top dollars for CEOs who are doing this.

I believe that some of the suggestion made above, may put the brakes on the remuneration packages and fees.

Disgruntled Shareholder,