



ICGN

International Corporate Governance Network

ICGN Non-executive Director Remuneration Guidelines and Policies

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About ICGN

The ICGN is a global membership organisation of around 470 leaders in corporate governance based in 45 countries with investors collectively representing funds under management of around US\$9.5 trillion. Our mission is to raise standards of corporate governance worldwide and the breadth and expertise of ICGN members from investment, business, the professions and policymaking extends across global capital markets. To join the ICGN and share your experiences with fellow decision-makers in corporate governance, contact the ICGN Secretariat by telephone: +44 (0) 207 612 7098 or email: Secretariat@icgn.org. For more information, visit www.icgn.org.

Preamble

Institutional investors have both a fiduciary responsibility and an economic interest in ensuring that non-executive director remuneration is well aligned with their interests. The ICGN maintains current and relevant guidelines (ICGN Remuneration Guidelines, 2006) regarding the process of director remuneration and related policies. These include key policy and design features to help communicate investors' perspectives on this critical issue. These new guidelines are primarily addressed to companies and their non-executive board members, and set out key remuneration principles which are recommended to be applied by companies regardless of their domicile. Since remuneration policies are set by the board, it is important that they be transparent, address shareholder expectations, and those setting them be held accountable.

The ICGN Non-executive Director Remuneration Guidelines and Policies have been developed by the ICGN Remuneration Committee in consultation with ICGN members. A consultation paper on the subject was sent to ICGN members for comment and a wide range of responses were received.

There was further consultation at a meeting of the ICGN Remuneration Committee with ICGN members at the 2009 ICGN Annual Conference and AGM in Sydney, Australia. ICGN members attending the AGM voted to approve the draft document, after which the final draft was ratified by the membership by email in November 2009. In March 2010, the ICGN Non-executive Director Remuneration Guidelines and Policies was published and launched at an ICGN conference in London, UK.

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