



**INSTITUTE OF DIRECTORS
SOUTHERN AFRICA**



Non-Executive Directors' Fees Guide[©]

4th Edition



**Building a better
working world**

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Non-executive directors (NEDs) are responsible for making critical strategic decisions and for overseeing the management of a company without the benefit of observing the business on a full-time time basis. This requires particular skills, knowledge, experience and business judgement, for which they need to be fairly remunerated. However, determining fair remuneration is complicated due to the following:

- non-executive directors' contributions are made in a number of different ways, requiring different time commitments;
- there is no consistency on the prescribed number and duration of standing meetings per annum; and
- there is no uniform method of remunerating NEDs.

With the support of EY, the Institute of Directors in Southern Africa has commissioned the 4th survey of fees paid to NEDs of companies listed on the Johannesburg Stock Exchange (JSE). The insights derived from the survey have been used to create a guide to help determine fair non-executive director fees by applying average hourly rates for serving on the Board, as well as the various committees.

The first three editions of this publication were very well-received.

In this 4th edition, we have incorporated social and ethics committee data for the first time. We have also commented on movement and trends from 2011 to 2014.

We hope that this guide will provide your company with valuable guidance and additional insight into the current NED fee practices and trends as paid by companies listed on the JSE.



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2. Introduction

2.1 Intended use of this guide

The purpose of this guide is to assist Boards, and specifically Remuneration Committees, with determining fair NED remuneration by providing the following NED fee insights:

- the average hourly rates and total fee for serving on the Board and the various committees, per market capitalisation level (size category);
- typical expenses and benefits provided;
- the average number of Board and Committee standing meetings per annum, per market capitalisation level;
- the typical size and composition of the Board and the respective Committees, per market capitalisation level;
- the typical hours for preparation, attendance and follow up on the Board and Committees per market capitalisation level; and
- the typical structure of NED fees.

2.2 Definitions

The following definitions were applied:

Non-executive director (NED): A director serving on the Board of the company who does not serve the company in an executive capacity. (i.e. who is not involved in the day-to-day operations of the company)

Audit and Risk Committee: Includes the Audit and Risk Committee and committees with substantially the same function.

Remuneration Committee: Includes the Remuneration and Nominations Committee, the HR Committee or committees with substantially the same function.

Social and Ethics Committee: A committee which monitors social and economic development, good corporate citizenship, environment, health and public safety, consumer relations and labour and employment activities.

Other Committee: Includes all other Board committees.

2.3 Categorisation of companies

For purposes of the analysis, the JSE listed companies were divided into five size categories based on market capitalisation as at 31 December 2015, as follows:

Level	Market Cap	
	Minimum	Maximum
L1	R 3 000 000	R 159 999 999
L2	R 160 000 000	R 747 999 999
L3	R 748 000 000	R 2 713 999 999
L4	R 2 714 000 000	R 12 499 999 999
L5	R 12 500 000 000	R 270 904 000 000

2.4 Information obtained

2.4.1 Survey questionnaire

Company secretaries of JSE listed companies were invited to participate and complete an on-line NED fees questionnaire. The primary aim of this questionnaire was to obtain time estimates for:

- preparing for meetings;
- attending meetings; and
- following up on matters arising from meetings attended.

A total of 28 company secretaries responded to the survey. A detailed list of responding companies is included in Annexure C. Below is a summary of the respondents by level.

Level	No of respondents
L1	4
L2	5
L3	2
L4	6
L5	11
Total	28

2.4.2 Desktop research

Concurrent to the survey, EY extracted the following publically available data from 95 JSE listed companies:

- number of NEDs;
- number of Board and Committee meetings per company per annum;
- the size and composition of Board and Committees; and
- total fee per NED per annum.

Further to this, EY reviewed the previous editions of the fees guide from 2011 (first edition) to 2013 (third edition) to identify any trends in terms of time commitments and the number of standing meetings on the Board and on the various Committees.

3. Results

3.1 Summary table for 95 JSE listed companies

The following table shows the results derived from the disclosed fee rates:

Size Category	Number of companies	Average NED's per company	Average number of Board and committee meetings per company per annum	Average Fees per NED per annum (R)	Average Fees per NED per meeting (R)
L1	11	4.3	15.7	R 188 044	R 17 251
L2	11	6.0	15.2	R 361 262	R 28 445
L3	5	7.6	18.6	R 462 146	R 31 226
L4	27	6.1	18.1	R 565 262	R 37 434
L5	41	6.3	21.2	R 720 265	R 40 464

3.2 Number of standing meetings per annum

The number of standing meetings per annum per market capitalisation levels as derived from the 95 JSE listed companies is summarized below for the various Committees:

Size Category	Average number of meeting per annum				Other Committees
	Board	Audit and Risk Committee	Remuneration Committee	Social and Ethics Committee	
L1	4.7	4.2	2.1	1.9	2.8
L2	4.9	3.1	2.4	2.1	2.7
L3	5.0	4.5	3.3	2.6	3.2
L4	5.5	3.9	3.2	2.1	3.4
L5	5.3	4.9	4.1	3.2	3.7

3.3 Average annual fees

In order to calculate the average annual fee below, the average meetings per annum (as indicated in section 3.2) were multiplied by the average fee per NED per meeting (in section 3.4) for the various market capitalisation levels of the 95 JSE listed companies.

Capacity	L1	L2	L3	L4	L5
Board Chairman	R 249 316	R 357 998	R 594 645	R 931 084	R 1 648 580
Board Member	R 107 620	R 168 408	R 224 000	R 188 346	R 203 164
Audit and Risk Committee Chairman	R 76 839	R 131 294	R 122 481	R 174 536	R 266 952
Audit and Risk Committee Member	R 29 278	R 56 472	R 59 872	R 67 719	R 104 845
Remuneration Committee Chairman	R 52 010	R 78 660	R 70 273	R 102 982	R 161 740
Remuneration Committee Member	R 17 889	R 33 139	R 30 420	R 47 216	R 69 199
Social and Ethics Committee Chairman	R 42 575	R 60 223	R 46 436	R 63 357	R 98 524
Social and Ethics Committee Member	R 14 643	R 25 372	R 21 398	R 29 047	R 42 153
Other Committee Chairman	-	-	R 70 339	R 80 967	R 127 161
Other Committee Member	-	-	R 32 412	R 42 112	R 54 830

3.4 Detailed fees per level

The time estimates provided in the survey were applied to derive the following indicative NED fee rates per meeting, per hour and per day in each of the five size categories for the total 123 JSE listed companies.

3.4.1 Level 1: Market capitalization between R 3m and R 159.9m

Sample Size: 4 companies (survey) and 11 companies (desktop)

Board activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	4.7	3.3	4.1	2.7	R 53 046	R 5 252	R 42 016
Member		2.0	4.1	1.0	R 22 898	R 3 225	R 25 800

Audit and Risk Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	4.2	2.2	3.8	2.3	R 18 295	R 2 204	R 17 633
Member		1.2	3.8	1.0	R 6 971	R 1 161	R 9 294

Remuneration Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	2.1	2.0	2.0	1.5	R 24 767	R 4 503	R 36 024
Member		2.0	2.0	1.0	R 8 519	R 1 703	R 13 624

Social and Ethics Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	1.9	1.8	2.8	1.5	R 22 408	R 3 673	R 29 384
Member		1.8	2.8	1.1	R 7 707	R 1 352	R 10 816

Other Committee activities (averaged)

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	2.8	-	-	-	-	-	-
Member		-	-	-	-	-	-

3.4.2 Level 2: Market capitalization between R 160m and R 747.9m

Sample Size: 5 companies (survey) and 11 companies (desktop)

Board activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	4.9	6.0	6.0	3.5	R 73 061	R 4 713	R 37 708
Member		4.0	6.0	2.7	R 34 369	R 2 706	R 21 648

Audit and Risk Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	3.1	5.0	3.5	3.0	R 42 353	R 3 682	R 29 456
Member		4.2	3.5	3.0	R 18 217	R 1 702	R 13 616

Remuneration Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	2.4	3.6	3.6	1.7	R 32 775	R 3 680	R 29 440
Member		2.7	3.6	1.5	R 13 808	R 1 770	R 14 162

Social and Ethics Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	2.1	2.4	3.4	1.9	R 28 678	R 3 724	R 29 792
Member		1.9	3.4	1.3	R 12 082	R 1 830	R 14 640

Other Committee activities (averaged)

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	2.7	-	4.0	-	-	-	-
Member		-	4.0	-	-	-	-

3.4.3 Level 3: Market capitalization between R 748m and R 2 713.9m

Sample Size: 2 companies (survey) and 5 companies (desktop)

Board activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	5	5.1	5.0	2.1	R 118 929	R 9 748	R 77 984
Member		4.5	5.0	1.0	R 44 800	R 4 267	R 34 136

Audit and Risk Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	4.5	3.5	5.0	2.3	R 27 218	R 2 520	R 20 160
Member		2.1	5.0	0.7	R 13 305	R 1 705	R 13 640

Remuneration Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	3.3	3.1	4.2	1.0	R 21 295	R 2 565	R 20 525
Member		2.5	4.2	0.6	R 9 813	R 1 344	R 10 752

Social and Ethics Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	2.6	3.3	4.8	0.8	R 17 860	R 2 006	R 16 048
Member		3.1	4.8	0.6	R 8 230	R 968	R 7 744

Other Committee activities (averaged)

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	3.2	2.6	4.9	1.5	R 21 981	R 2 442	R 19 536
Member		1.3	4.9	0.8	R 10 129	R 1 447	R 11 576

3.4.4 Level 4: Market capitalization between R 2 714m and R 12 499.9m

Sample Size: 6 companies survey and 27 companies (desktop)

Board activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	5.5	4.7	5.4	3.2	R 169 288	R 12 728	R 101 824
Member		3.3	5.4	1.8	R 34 879	R 3 321	R 26 568

Audit and Risk Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	3.9	3.9	4.8	3.5	R 44 753	R 3 668	R 29 344
Member		2.1	4.8	1.5	R 17 364	R 2 067	R 16 536

Remuneration Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	3.2	2.8	4.4	2.4	R 32 182	R 3 352	R 26 816
Member		1.7	4.4	1.2	R 14 755	R 2 021	R 16 168

Social and Ethics Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	2.1	3.0	3.8	2.3	R 30 170	R 3 315	R 26 520
Member		3.0	3.8	1.4	R 13 832	R 1 686	R 13 488

Other Committee activities (averaged)

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	3.4	1.6	3.7	1.9	R 23 814	R 3 307	R 26 456
Member		1.3	3.7	1.3	R 12 386	R 1 966	R 15 728

3.4.5 Level 5: Market capitalization between R 12 500m and R 270 904m

Sample Size: 11 companies (survey) and 41 companies (desktop)

Board activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	5.3	7.6	8.2	3.4	R 311 053	R 16 200	R 129 600
Member		3.9	8.2	0.9	R 38 333	R 2 948	R 23 584

Audit and Risk Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	4.9	5.2	4.6	1.6	R 54 480	R 4778	R 38 224
Member		3.6	4.6	0.6	R 21 397	R 2431	R 19 448

Remuneration Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	4.1	3.4	4.1	0.7	R 39 449	R 4 810	R 38 480
Member		1.5	4.1	0.5	R 16 878	R 2 766	R 22 128

Social and Ethics Committee activities

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	3.2	2.8	3.6	2.0	R 30 789	R 3 665	R 29 320
Member		2.5	3.6	1.1	R 13 173	R 1 829	R 14 632

Other Committee activities (averaged)

Capacity	Average meetings per annum	Ave. est. time per meeting per NED (hours)			Ave. fees per NED (R)		
		Preparation	Attendance	Follow up	Per meeting	Per hour	Per day
Chairman	3.7	1.8	3.8	1.8	R 34 368	R 4 664	R 37 152
Member		1.2	3.8	1.1	R 14 819	R 2 429	R 19 432

3.4.6 Trends

3.4.6.1 Year on year trends in terms of time commitments

The hours below are reported as averages and derived from the trends identified in the previous IoDSA NED fee surveys.

Capacity	2011			2012			2013			2015		
	Number of companies = 23			Number of companies = 29			Number of companies = 32			Number of companies = 28		
	Preparation	Attendance	Follow Up	Preparation	Attendance	Follow Up	Preparation	Attendance	Follow Up	Preparation	Attendance	Follow Up
Board Chairman	5.8	4.2	6.5	4.3	4.3	2.7	5.7	3.7	3.2	5.3	5.7	2.9
Board Member	3.9	4.3	2.1	3.7	4.3	1.8	3.6	3.7	1.5	3.4	5.7	2.0
Audit and Risk Committee Chairman	6.6	3.5	5.2	4.1	3.9	2.7	5.1	3.7	3.0	4.2	4.3	2.9
Audit and Risk Committee Member	3.8	3.5	2.4	3.1	3.9	1.9	3.3	3.7	1.4	2.8	4.3	1.3
Remuneration Committee Chairman	3.9	2.5	2.0	2.8	2.2	1.9	3.1	2.7	1.6	3.0	3.6	1.5
Remuneration Committee Member	2.8	2.2	2.0	2.2	2.2	1.8	2.2	2.7	1.4	2.1	3.6	1.0
Other Committee Chairman	1.3	0.9	0.7	0.9	0.8	0.7	0.9	0.9	0.4	2.0	4.1	1.8
Other Committee Member	1.3	0.9	0.7	0.9	0.8	0.6	0.9	0.9	0.4	1.2	4.1	1.1

3.4.6.2 Year on year trends in the number of standing meetings on the Board and various Committees

Board/ Committees	2011					2012					2013					2015				
	Number of companies = 23					Number of companies = 29					Number of companies = 32					Number of c ompanies = 28				
	L1	L2	L3	L4	L5	L1	L2	L3	L4	L5	L1	L2	L3	L4	L5	L1	L2	L3	L4	L5
Board	5.8	5.0	5.3	5.9	6.4	4.6	5	5.5	5.2	6.6	5.0	5.2	4.9	5.6	5.4	4.7	4.9	5.0	5.5	5.3
Audit and Risk Committee	3.2	2.9	3.6	3.9	4.1	4.0	3.0	3.9	3.4	4.6	3.8	3.4	3.6	4.0	4.6	4.2	3.4	4.5	3.9	4.9
Remuneration Committee	2.0	1.9	2.6	3.3	4.2	2.3	2.0	2.7	3.4	4.0	2.0	2.3	3.0	3.4	3.9	2.1	2.4	3.3	3.2	4.1
Other Committees	0.3	0.5	1.0	2.6	3.0	0.9	1.0	2.4	3.0	5.4	3.0	2.5	3.1	2.8	3.4	2.8	2.7	3.2	3.4	3.7
Social & Ethics Committee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.9	2.1	2.6	2.1	3.2

The number of Audit and Risk Committee standing meetings have increased for all market capitalization levels in the years 2011 – 2015. This is most likely due to the Audit and Risk Committee's role expanding, as a result of the global business environment becoming more complex, and with the risk oversight responsibilities expanding accordingly. Some specific risks that have now become a prime concern for Audit and Risk Committees including inter-alia:

- Cybersecurity (which has risen to the top of the risk agenda);
- Anti-bribery and corruption enforcement (which has created a compliance challenge);
- The need to manage the ever present macro-economic risks and political shocks; and
- Managing the renewed scrutiny from regulators and investors.

The number of Remuneration Committee standing meetings has also increased for all market capitalisation levels in the years 2011 – 2015. This is most likely due to the following reasons as summarised from the IODSA Remuneration Committee Forum Position Paper 1 of May 2013¹:

- Increased need of the Remuneration Committee to manage the tensions between the expectations of executives, the needs of the company and its shareholders and stakeholders;
- Increased shareholder involvement in the remuneration affairs of the company now that they are expected to give a non-binding advisory vote on the remuneration policy each year;
- New governance challenges that affect remuneration such as the King Report on Corporate Governance in South Africa and its related practice notes, and other legislation, but not limited to, the Companies Act No 71 of 2008, and the JSE Limited Listings Requirements.

At a first glance, the number of other committee standing meetings have increased year on year for all market capitalisation levels. Due to the fact that each company has its own types of committees and the scope of their mandates differ substantially from company to company, the average number of standing meetings should serve only as a general time-based guideline.

It is critical that the Board or Committee performs the activities articulated in its mandate and should only focus on Board and committee matters and not stray into the management direction,' thus providing an independent view of the company that is removed from the day-to-day running. The NED role on the Board can thus be summarised as follows:

- Provide strategic direction: As an 'outsider,' the non-executive director may have a clearer or wider view of external factors affecting the company and its business environment than the executive directors. The normal role of the non executive director in strategy formation is therefore to provide a creative and informed contribution and to act as a constructive critic in looking at the objectives and plans devised by the chief executive and his or her executive team.

¹ https://c.yimcdn.com/sites/www.iodsa.co.za/resource/collection/57f28684-0FFA-4C46-9AD9EBE3A3DFB101/Position_Paper_1_A_framework_for_remuneration_committees.pdf

- Monitor performance: Non-executive directors should take responsibility for monitoring the performance of executive management, especially with regard to the progress made towards achieving the organisation's strategy and objectives. They are also responsible for determining appropriate levels of remuneration of executive directors, and have a prime role in appointing, and where necessary removing, executive directors as well as in succession planning.
- Communication: An important function for non-executive directors is to help connect the business and Board with networks of potentially useful people and organisations. In some cases, the non-executive director will be called upon to represent the company externally.

3.4.6.3 Average size of Committees

The average number of NED members for the various Board and Committees has been ascertained from a desktop review of the 95 JSE listed companies and has been summarised in the table below:

Board/ Committees	Average number of NED members
Board	8.1
Audit and Risk Committee	4.2
Remuneration Committee	4.0
Social and Ethics Committee	4.4
Other Committees	3.3

3.4.6.4 Criteria driving NED fee increases

As determined from the 28 companies in the survey, NED fees are adjusted taking into account the following

Fee Increase criteria	% of responses per market cap level				
	L1	L2	L3	L4	L5
CPI	75%	60%	50%	83%	91%
Market comparison	75%	40%	50%	100%	91%
Company performance	25%	0%	0%	33%	27%
Previous year's increase	0%	20%	50%	0%	9%
Other*	0%	0%	0%	0%	9%

*Other criteria driving NED fee increases were indicated as "regulatory requirements".

It is evident that the main drivers of NED fee adjustments are CPI and market comparisons.

3.4.6.5 Supplementary fees

Of the 28 participants surveyed, 39% (11 out of 28) paid supplementary fees for additional workload whereas 61% (17 out of 28) did not pay supplementary fees.

Supplementary fees for additional workload paid	Number of participants	Percentage
Yes	11	39%
No	17	61%
Total	28	100%

According to King III Practice Notes², supplementary fees, for additional workloads assigned to a NED is acceptable subject to required approval being obtained. If supplementary fees are paid separately, they may be calculated as an hourly or daily rate.

² <http://www.iodsa.co.za/?King3>

3.4.6.6 Expenses and/ or benefits provided to NEDs

According to the King III Practice Notes², "NEDs should be reimbursed for all direct and indirect expenses reasonably and properly incurred" in the performance of their duties (such as travelling expenses, meal expenses, accommodation expenses etc.) as would ordinarily be the case for employees of the company. Of the companies surveyed, the common expenses for which the NEDs were reimbursed are travel and accommodation expenses. In a few circumstances NEDs were reimbursed for conference fees and cell phone expenses.

The King III Practice Notes² further indicate that certain benefits could be provided to NEDs (i.e. liability insurance) subject to the required approval being obtained. The survey has indicated that liability insurance is provided to certain companies at varying market capitalisation levels.

King III Practice Notes² makes it clear that NEDs should not participate in any performance bonus schemes. Of the companies surveyed, none of the NEDs participate in any performance bonus schemes.

Breakdown of expenses and/or benefits provided to NED's for the 28 companies in the survey is set out in the table below.

Expenses/ benefits	% of participants per market cap level who answered "Yes"				
	L1	L2	L3	L4	L5
Travel expenses	25%	60%	50%	30%	36%
Meal expenses	0%	20%	0%	17%	27%
Accommodation expenses	25%	60%	50%	30%	27%
Conference fees	0%	20%	0%	0%	0%
Cellphone expenses	0%	20%	0%	0%	0%
Liability insurance provided	25%	20%	0%	17%	27%
Other	25%	0%	0%	30%	9%

3.4.6.7 Structure of NED fees for the 28 companies in the survey

The predominant approach to structure fees is on a hourly rate or on a per meeting basis:

Structure of fees	Board (No of participants)	Committees (No of participants)
Hourly rate	16	16
Annual retainer	2	1
Per meeting	20	13
Other*	4	4

² Chapter 2 King III Practice Note April 2003.

4. Annexure A

The following worksheet illustrates how a fee may be compiled using the rates per hour which are established in this guide:

	Hourly rate	x	Estimated time per meeting (preparation, attending, follow up)	x	No. of meetings per annum	x	No. of NEDs	=	Total fees
Board Committee									
Chairman	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	=	<input type="text"/>
Members	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	=	<input type="text"/>
Audit and Risk Committee									
Chairman	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	=	<input type="text"/>
Members	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	=	<input type="text"/>
Remuneration Committee									
Chairman	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	=	<input type="text"/>
Members	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	=	<input type="text"/>
Social and Ethics Committee									
Chairman	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	=	<input type="text"/>
Members	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	=	<input type="text"/>
Other Committee									
Chairman	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	=	<input type="text"/>
Members	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	x	<input type="text"/>	=	<input type="text"/>
								Total	<input type="text"/>

* Based on policy that all meetings are attended

5. Annexure B

Our thanks go to the following JSE listed companies who responded to our request and provided us with further detail surrounding the activities of their NED's:

Company	Size Category
Accentuate Limited	L1
Workforce Holdings Ltd	L1
Labat Africa Ltd	L1
Telemaster Holdings Ltd	L1
Efficient Group Ltd	L2
Wescoal Holdings Ltd	L2
African Media Ent Ltd	L2
Sovereign Food Investment Ltd	L2
Randgold and Exploration Co Ltd	L2
Sasfin Holdings Ltd	L3
Eqstra Holdings Ltd	L3
Group Five Ltd	L4
Mpact Limited	L4
Murray & Roberts Holdings	L4
Super Group Ltd	L4
Delta Property Fund Ltd	L4
Kap Industrial Holdings Ltd	L4
AVI Ltd	L5
Life Healthcare Group Holdings Ltd	L5
Old Mutual Plc	L5
Standard Bank Group Ltd	L5
Truworths International Ltd	L5
Imperial Holdings Ltd	L5
The Foschini Group Limited	L5
Pick n Pay Stores Ltd	L5
Growthpoint Properties Ltd	L5
RMB Holdings Ltd	L5
SABMiller Plc	L5

