



**Australian Government**

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**Australian Accounting  
Standards Board**

# **AASB STAFF PAPER**

## **REVIEW OF EXECUTIVE REMUNERATION DISCLOSURE REQUIREMENTS**

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# Executive Summary

Executive remuneration reporting was identified as a topic of interest by Australian constituents through the last Australian Accounting Standards Board (AASB) 2015 Agenda Consultation process<sup>1</sup> and added to the AASB work program in May 2017. Undertaking a project on executive remuneration is consistent with the AASB's strategy to influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.

As a first step in the project, a literature review was conducted on behalf of the AASB and published as [AASB Research Report 8: Literature Review Remuneration Reporting](#) in February 2019. Building on this research, the AASB agreed in November 2019 to undertake a benchmarking exercise on senior executive remuneration reporting for both the public and private sectors which compares executive remuneration disclosure requirements of for-profit (listed), not-for-profit (NFP) and public sector entities in Australia with those from the following identified international jurisdictions: Canada, Germany, Hong Kong, New Zealand, Singapore, South Africa, the United Kingdom (UK) and the United States (US).<sup>2</sup>

The benchmarking exercise aims to understand the current disclosure requirements in relation to executive remuneration that extend beyond disclosures of the total remuneration of key management personnel (KMP) required under IAS 24 *Related Party Disclosures* or the local equivalent accounting standard. Accordingly, the comparison focused on disclosure requirements that arise due to local legislation or regulation and not as a result of applying the generally accepted accounting practice (GAAP) for that jurisdiction.

This staff paper aims to assess how the current Australian executive remuneration disclosure requirements compare to other jurisdictions for for-profit (listed), NFP and public sector entities, and to identify whether there is any opportunity to improve and streamline these requirements. If the AASB and the relevant regulatory bodies agree to proceed to the next phase of the project to explore further how to streamline the disclosure requirements, the comparisons performed for this staff paper endeavour to help identify disclosure objectives that could form the basis for developing principles-based disclosure requirements.

## Key findings

In the jurisdictions covered in this staff paper, there are mandatory requirements for listed entities to disclose executive remuneration information. These requirements are in addition to the requirements under the local GAAP to disclose KMP compensation in the notes to the financial statements.

The benchmarking results indicate that a large number of similarities exist across the jurisdictions, as well as a number of significant differences in the breadth and depth of the information required to be disclosed. The majority of the disclosure requirements are embedded in company law or securities law, are legally enforceable, and are generally located outside the financial statements. However, only two jurisdictions (Australia and Germany) currently require the disclosed remuneration information to be audited, and there are significant differences in the level of detail required to be disclosed. Few countries require as much information about their executive remuneration as Australia, and only two countries (Australia and South Africa) require the

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1 [AASB Invitation to Comment 43 AASB Agenda Consultation 2017-2019](#); and [AASB Feedback Statement on the 2017-2019 Agenda Consultation](#)  
2 [Remuneration reporting project plan November 2019](#)

remuneration information presented outside financial statements to be measured in accordance with the relevant accounting standards.

In contrast, standardised requirements that apply to a broad group of NFP entities on a jurisdiction-wide basis (other than aggregate KMP disclosure requirements under local GAAP) were identified only for New Zealand, South Africa, the UK and the US. The requirements vary in the level of detail required.

For public sector entities, specific disclosure requirements at the national level were identified only for Australia, New Zealand, South Africa and the UK. Differences were noted in relation to the detailed breakdown of categories of remuneration received and other information required.

## Next steps

The results of the review of the disclosure requirements aim to identify opportunities to improve the quality and consistency of executive remuneration disclosures in Australia.

Australian stakeholders have previously noted that the current rules for remuneration reporting of individual KMP for for-profit entities are complex and include redundant, overlapping requirements that result in lengthy reports that lack consistency across entities.<sup>3</sup>

In relation to NFP private sector entities, the report published in 2018 as a result of the Australian Charities and Not-for-profits Commission Legislative Review recommended considering the development of guidelines for the disclosure of remuneration paid to members of the governing board of a registered charity and senior executives.<sup>4</sup> The government supported the recommendation,<sup>5</sup> and it is expected that large charities will be required to disclose remuneration to responsible persons (directors) and senior executives on an aggregated basis.<sup>6</sup>

This review may be used as a starting point for:

- improving and streamlining the remuneration reporting requirements of listed entities;
- developing reporting requirements for NFP private sector entities; and
- assessing whether the requirements for public sector entities could also be revisited if such a need was identified.

The comparison of jurisdictions suggests that Australia sits at the top end of the disclosure requirements regarding the level of detail that must be disclosed for listed entities. This indicates that there could be opportunities in Australia for cutting red tape and further streamlining disclosure requirements.

Additional outreach activities, such as the upcoming AASB Agenda Consultation 2022-2026, and outreach events in conjunction with other relevant regulatory bodies, could be used to identify the key users of this information and their information needs. This would potentially lead to further improvement, for example, the development of disclosure objectives and principles-based disclosure requirements for KMP that meet the information needs of users of remuneration reports for each of the public and private for-profit and NFP sectors more effectively.

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3 Examples of redundant or overlapping requirements are provided in the PwC and G100 publication [Remuneration reporting – Streamlined](#) from May 2017

4 [Strengthening for Purpose: Australian Charities and Not-for-profits Commission Legislation Review 2018](#)

5 [Government Response to the Australian Charities and Not-for-Profit Commission Legislation Review 2018 \(March 2020\)](#)

6 <https://treasury.gov.au/consultation/c2021-207712>, accessed 21 September 2021



This staff paper could also provide a basis to support relevant regulators, working collaboratively with other standard setters, users and stakeholders, in their efforts to keep Australian executive remuneration reporting aligned with global best practices.

# 1. Introduction

The purpose of this staff paper is to summarise the work undertaken by the Australian Accounting Standards Board (AASB) to compare executive remuneration disclosure requirements of for-profit (listed), NFP and public sector entities from the following selected international jurisdictions: Canada, Germany, Hong Kong, New Zealand, Singapore, South Africa, the United Kingdom (UK) and the United States (US).

The comparison exercise aims to identify the current disclosure requirements in each jurisdiction and how they compare to the requirements in Australia. The comparison focuses on understanding the level of transparency about the governance framework, policies, the link between remuneration and performance covered by the disclosure requirements, and the level of disaggregation in KMP remuneration disclosure tables. As such, this staff paper has focused on disclosure requirements that arise due to local legislation or regulation, and not as a result of applying the GAAP for that jurisdiction where the GAAP requires disclosure of basic information about aggregate KMP compensation. For example, disclosures required under IAS 24 *Related Party Disclosures* (or the local equivalent accounting standard) such as total remuneration of KMP have not been included in this comparison.

The comparison results, summarised in Section 3, aim to identify opportunities to improve the quality and consistency of executive remuneration disclosures in Australia.

## 1.1 Methodology

The Australian and overseas jurisdictions' legislative and regulatory requirements relating to the executive remuneration disclosure requirements were identified and are documented in Appendices 1 to 3. Section 2 reviews and analyses the requirements, while Section 3 summarises the findings.

Australian legislative and regulatory requirements for listed entities, NFP entities and public sector entities (including Commonwealth companies and entities) were reviewed, and each of the selected international jurisdictions for similar entity types.<sup>7</sup>

The remuneration reporting project plan summarised the issues identified by stakeholders with the current executive remuneration reporting requirements in Australia from the last AASB agenda consultation process.<sup>8</sup> Based on these issues, the following aspects of the executive remuneration disclosure requirements across the identified jurisdictions are compared, including:

- the main source of the disclosure requirements and if compliance with the requirements is mandatory;
- the location of the disclosures and if the disclosures form part of the financial statements;
- the level of assurance required;
- whether the remuneration policy (or governance framework) is required to be disclosed;
- whether performance conditions (i.e. key performance indicators (KPIs) and/or targets) are required to be disclosed;
- whether the link between remuneration and performance is required to be specifically discussed;

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7 For this staff paper, public sector entities have been limited to those reporting under central government regulations. Requirements for entities at a subnational level (i.e. state/provincial or lower levels of government) in each jurisdiction are out of the scope of this comparison.

8 See page 5 of the [AASB Remuneration reporting project plan \(November 2019\)](#) for detail.



- who is covered by the disclosure requirements and the level of disaggregation in the KMP remuneration disclosure table;
- whether there are different disclosure requirements for executives compared with non-executive directors;
- how total remuneration is measured and calculated;
- if the disclosures include a split between fixed and variable remuneration;
- the categories of remuneration, which are separately disclosed in the KMP remuneration table; and
- other key information that is required to be disclosed.

Most, if not all, of the jurisdictions are comparable in terms of regulatory approach and have been used to benchmark financial reporting issues in past AASB research reports and staff papers.<sup>9</sup> The comparison focused on national jurisdictions rather than subnational jurisdictions (e.g. states, territories, regions or provinces).

The current versions of legislation and related documents were accessed from the authorised federal, state and territory government legislation websites. Staff of local standard setters and representatives of professional bodies from the identified international jurisdictions were also consulted for confirmation and completeness of the initial results. Where provided, their feedback has been incorporated.

## 2. Review and Analysis

### 2.1 *Listed entities*

In all jurisdictions that are considered, there are mandatory requirements for listed entities to disclose information about executive remuneration. These requirements are in addition to the requirements under the local GAAP to disclose KMP compensation in the notes to the financial statements.

The comparison indicates a large number of similarities across the jurisdictions, as well as a number of significant differences in relation to the breadth and depth of the information required to be disclosed. The detailed findings are contained in Appendix 1, and a summary of the key findings for each research criterion are summarised below.

#### 2.1.1. Source of the main disclosure requirements

The majority of the disclosure requirements are embedded in company law or securities law and are legally enforceable. There are two jurisdictions where the detailed disclosure requirements are primarily driven by Main Board Listing Rules (Hong Kong and Singapore). In Singapore, the requirements are included in the Corporate Governance Code, which applies on a 'comply or explain' basis.

Where multiple sources of requirements have been identified (e.g. in Hong Kong), the requirement which results in the greatest level of transparency has been selected for comparison, for example, the requirement to show the total remuneration for each individual, rather than in aggregate.

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9 For example, [AASB Staff Paper Comparison of Narrative Reporting Requirements Applicable to For-Profit Entities](#); [AASB Research Report 15 Review of Auditor Remuneration Disclosure Requirements](#); and [AASB Research Report 7 Financial Reporting Requirements Applicable to For-Profit Private Sector Companies](#).

**Table 2.1.1 Summary of the source of the main disclosure requirements**

Jurisdiction	Company Law (or equivalent)	Listing Rules <sup>10</sup>	Securities Law <sup>11</sup>
Australia	✓		
Canada			✓
Germany	✓		
Hong Kong	(a)	✓	
New Zealand	✓	(b)	
Singapore		✓	
South Africa	✓	(b)	
United Kingdom	✓		
United States			✓
<b>Total (out of 9 jurisdictions)</b>	<b>5</b>	<b>2</b>	<b>2</b>

(a) In the Hong Kong Companies Ordinance (company law), there is a requirement to disclose director emoluments, retirement benefits and payments for termination of service in the notes to the financial statements on an aggregated level. The listing rules<sup>12</sup> expand on these requirements and require the amounts to be shown for each director by name.

(b) In New Zealand and South Africa, the mandatory disclosures under the respective company law are extended to additional executives or enhanced by the Corporate Governance Code, as required by the listing rules.

### 2.1.2. Location of disclosures

Except for Hong Kong and South Africa, all other disclosures are located outside the financial statements. They are contained in a remuneration report, corporate governance summary or in a separate filing document. Where information is included in the financial statements, it is generally limited to the remuneration tables showing the breakdown of total remuneration by components. Additional narrative information such as the remuneration policy, governance framework and linkages with performance (if applicable) are included in the annual report, outside the financial statements or on the corporate website.

**Table 2.1.2 Summary of the location of disclosures**

Jurisdiction	Financial Statements	Annual Report (i.e. Directors' report, remuneration report or governance report)	Regulatory Filing Document
Australia		✓ (a)	
Canada			✓
Germany	(d)	✓ (a)	
Hong Kong	✓	(b)	

10 Listing rules govern the admission of entities to the official list (of their respective stock exchange), quotation of securities, suspension of securities from quotation and removal of entities from the official list. Listing rules also govern disclosure and some aspects of a listed entity's conduct. For example, see <https://www2.asx.com.au/about/regulation/rules-guidance-notes-and-waivers/asx-listing-rules-guidance-notes-and-waivers> for the ASX listing rules.

11 Security law refers to the group of laws and regulations that govern the issuance of securities, for example the *Australian Securities and Investments Commission Act 2001* (ASIC Act).

12 Hong Kong Consolidated Main Board Listing Rules, Appendix 16 section 24.

Jurisdiction	Financial Statements	Annual Report (i.e. Directors' report, remuneration report or governance report)	Regulatory Filing Document
New Zealand		✓	
Singapore		✓ (a)	
South Africa	✓	(c)	
United Kingdom		✓ (a)	
United States			✓ (e)
<b>Total</b>	<b>2</b>	<b>5</b>	<b>2</b>

- (a) Disclosures are contained in a remuneration report which forms part of the directors' report but may be transferred to an accompanying document with cross-reference.
- (b) Hong Kong: In addition to the remuneration tables in the financial statements, listed entities also need to disclose a general description of the emolument policy, any long-term incentive schemes and the basis of determining the emolument payable to its directors.
- (c) South Africa: In addition to the remuneration tables in the financial statements, there are additional disclosures required to be made in the Governance Report, including a background statement providing context for the remuneration decisions and an overview of the remuneration policy.
- (d) Germany: the financial statements must disclose aggregate remuneration for members of the management body, supervisory board and advisory board and certain other details about subscription rights, advances and loans granted and remuneration to former members of the management body or any of the boards.
- (e) United States: If the remuneration information is included in a registration statement or annual report, it will be included in the same document as the financial statements.

### 2.1.3. Assurance requirements

Australia and Germany require the entire remuneration report to be audited to determine its compliance with the applicable legislation. In Hong Kong and South Africa, where qualitative or quantitative information is contained in the notes to the financial statements, it is subject to audit in line with the financial statement audit requirements in each jurisdiction. In the UK, only specific disclosures (i.e. the auditable part of the directors' remuneration report<sup>13</sup>) are subject to audit.

Additionally, in jurisdictions that have adopted the International Standard on Auditing (ISA) *The Auditor's Responsibilities Relating to Other Information (Revised)* (ISA 720), where remuneration disclosures are contained in the same document as the audited financial statements (i.e. in Australia, New Zealand, Hong Kong, Singapore, South Africa and the UK), the auditor must read the other information to consider whether there is a material inconsistency between the other information and the financial statements and the auditor's knowledge obtained in the audit.

13 The auditable part of the directors' remuneration report comprises the amount of each director's emoluments and compensation in the relevant financial year, share options, long term incentive schemes, pensions, excess retirement benefits of directors and past directors, compensation for past directors, and sums paid to third parties in respect of a director's services.

**Table 2.1.3 Summary of the assurance requirements**

Jurisdiction	No assurance required	Assurance of selected information	Assurance of the full report
Australia			✓ (Audit)
Canada	✓		
Germany			✓ (Audit)
Hong Kong		✓ (a) (b)	
New Zealand	✓ (b)		
Singapore	✓ (b)		
South Africa		✓ (c) (b)	
United Kingdom		✓ (Audit) (b)	
United States	✓		
<b>Total</b>	<b>4</b>	<b>3</b>	<b>2</b>

- (a) The disclosures required under the Companies Ordinance and Main Board Listing Rule Appendix 16 relating to disclosure of director emoluments and of the five highest-paid individuals are included in the financial statements and subject to audit. Other remuneration disclosures, for example, those included in the Corporate Governance Report, which sit outside the financial statements, are not.
- (b) Where remuneration disclosures are made in the same document as the audited financial statements, for example, in the annual remuneration or governance report, the information will be considered to some extent by auditors as required by the local equivalent to ISA 720.
- (c) The disclosures required under the Companies Act relating to directors and individuals holding a prescribed office are included in the financial statements and are subject to audit. The disclosures required under *KING IV Report on Corporate Governance for South Africa 2016* (KING IV) are not subject to assurance. However, as noted in (b) above, this information will be considered to some extent by auditors as required by the local equivalent to ISA 720.

#### **2.1.4. Remuneration policy**

In all jurisdictions, the remuneration policy or a discussion of the key elements of the remuneration policy needs to be included with the disclosures or made available on the corporate website.

#### **2.1.5. Link between remuneration and performance**

Remuneration reports in Australia must include a discussion of the relationship between the remuneration policy and the company's performance. In the US, the discussion needs to include the specific items of corporate performance that are taken into account in setting compensation policies and making compensation decisions (if material to the issuer). In Canada, the report must disclose performance graphs over the past five years and discuss how the trend compares to the compensation of executives.

In Singapore, there is a focus on the disclosure of the relationships between remuneration, performance and value creation. This includes explaining the way that remuneration is designed to drive corporate performance, including a description of why the indicators chosen are relevant to the company in the context of their strategy or their desire to create value and generate shareholder returns. How performance is measured also should be disclosed, including the types of financial and non-financial metrics adopted.

There are requirements to disclose the company results over the last five years and remuneration paid in those periods in Germany and the UK. However, there is no direct requirement to explain the link between remuneration and company performance.

**Table 2.1.5 Summary of the link between remuneration and performance disclosure requirements**

Jurisdiction	Requirement to discuss link between remuneration and performance	No requirement to discuss
Australia	✓	
Canada	✓	
Germany		✓
Hong Kong		✓
New Zealand		✓
Singapore	✓	
South Africa		✓
United Kingdom		✓
United States	✓	
<b>Total</b>	<b>4</b>	<b>5</b>

### 2.1.6. Performance conditions

In six jurisdictions, information on performance conditions – including performance goals, targets or measures – needs to be disclosed. Whilst there is a requirement in Australia to disclose details about performance conditions (e.g. why they were chosen, how they are determined and measured), in South Africa and the UK, there are further specific requirements to disclose:

- the relative weighting of each performance measure;
- the performance targets set at the beginning of the performance period and the corresponding value of the award achievable;
- for each performance measure, how the organisation and executive managers individually performed against the set targets.

In both Canada and the US, performance measures or targets may be omitted if disclosing them would seriously prejudice the company's interests or if it is, in the opinion of the directors, commercially sensitive information (e.g. trade secrets). In the UK, disclosures may be omitted, but that fact would need to be disclosed.

**Table 2.1.6 Summary of the performance conditions disclosure requirements**

Jurisdiction	Performance conditions clearly disclosed	No requirement to disclose performance conditions
Australia	✓	
Canada	✓	
Germany		✓
Hong Kong		✓
New Zealand	✓ (CEO only)	
Singapore		✓
South Africa	✓	
United Kingdom	✓	
United States	✓	
<b>Total</b>	<b>6</b>	<b>3</b>

## 2.1.7. Coverage and level of disaggregation in the KMP remuneration disclosure table

In all jurisdictions, there are requirements to disclose the remuneration of directors on an individual named basis.

In Australia, Hong Kong, Germany, New Zealand, Singapore, South Africa and the UK, there is no difference between the disclosure requirements of executive and non-executive directors. In the US and Canada, separate disclosure tables are required for directors and named executive officers, and they are dealt with in different sections of the regulations. However, the items to be disclosed are very similar.

**Table 2.1.7 Summary of coverage and level of disaggregation in the KMP remuneration disclosure table**

Jurisdiction	Directors		Other executive officers or other KMPs		Other	
	Level of disclosure: Individual	Level of disclosure: Aggregate	Level of disclosure: Individual	Level of disclosure: Aggregate	Level of disclosure: Individual	Level of disclosure: Aggregate
Australia	✓ (a)		✓ (a)			
Canada	✓		✓ (b)			
Germany	✓		✓		✓ (e)	✓ (e)
Hong Kong	✓		✓			✓ (d)
New Zealand	✓		✓			
Singapore	✓		✓ (c)	✓ (c)		
South Africa	✓		✓			
United Kingdom	✓		✓			
United States	✓		✓ (b)			
<b>Total</b>	<b>9</b>	<b>0</b>	<b>9</b>	<b>1</b>	<b>1</b>	<b>2</b>

- (a) Australia: Entities are required to disclose the remuneration of KMP<sup>14</sup> on an individual basis. This will typically include all directors (non-executive and executive) and selected other members of the executive management team satisfying the definition of KMP.
- (b) Canada and the US: There are specific requirements for both named executive officers (NEOs), being the CEO, CFO, and each of the three most highly compensated executive officers of the company and directors.<sup>15</sup>
- (c) Singapore: Entities need to disclose the remuneration (amounts and breakdown) of each individual director and the CEO. Remuneration paid to the top five KMPs who are not directors or the CEO can be shown in bands no wider than SGD 250,000 and in aggregate.
- (d) Hong Kong: Entities are required to disclose the five highest-paid individuals during the financial year by remuneration band on an aggregated level.

14 AASB 124 *Related Party Disclosures*, paragraph 9: “Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.”

15 Remuneration of directors that are also NEOs must be included in the NEO remuneration disclosures. If compensation for service as a director is fully reflected in the NEO remuneration table, then no further disclosure is required.

- (e) Germany: Entities must also disclose the remuneration (amounts and breakdown) of each member of the supervisory board. The remuneration of members of an advisory board or similar institution is disclosed at an aggregate level.

### 2.1.8. Calculation and measurement of remuneration

In Australia, the regulation is clear that entities must apply the requirements of relevant accounting standards when disclosing remuneration amounts. However, for most jurisdictions, the way remuneration amounts are to be calculated is not clearly identified.

The South African disclosures for directors and individuals holding a prescribed office are required to be included in the financial statements and are subject to audit. As such, it is expected that the calculation method will be consistent with the accounting standards.

In Canada, Germany, the UK and the US, potential differences may arise between the total remuneration calculated to satisfy company law and securities law disclosure requirements and the amount calculated by applying International Financial Reporting Standards (IFRS) or GAAP (in the case of Canada and the US). These differences may start to arise when dealing with the valuation of share-based awards, option awards, pension benefits and other similar items; and the timing of their inclusion in the disclosed remuneration amounts (in the year of the grant or on vesting).

**Table 2.1.8 Summary of calculation and measurement methods**

Jurisdiction	Calculation method consistent with accounting standards	Calculation method may differ to accounting standards
Australia	✓	
Canada		✓
Germany		✓
Hong Kong	<i>Not specified (a)</i>	<i>Not specified (a)</i>
New Zealand	<i>Not specified</i>	<i>Not specified</i>
Singapore	<i>Not specified</i>	<i>Not specified</i>
South Africa	<i>Expected</i>	
United Kingdom		✓
United States		✓
<b>Total</b>	<b>2 (b)</b>	<b>4</b>

(a) Hong Kong: The HKICPA non-mandatory *Accounting Bulletin 3 (Revised) Guidance on Disclosure of Directors' Remuneration* provides general reference on common practical issues encountered in preparing the required information, including guidance on valuing and disclosing benefits in kind which includes shares options.<sup>16</sup>

(b) The count includes 'expected' for South Africa.

### 2.1.9. Fixed and variable remuneration

In three jurisdictions (Australia, Germany and the UK), there are specific requirements to disclose separately the amount of fixed remuneration compared to remuneration which is at risk (variable).

16 Hong Kong Institute of Certified Public Accountants (HKICPA) [Accounting Bulletin 3 \(Revised\) Guidance on Disclosure of Directors' Remuneration](#) (June 2019)

**Table 2.1.9 Summary of fixed and variable remuneration disclosure requirements**

Jurisdiction	Split between fixed and variable remuneration	No split between fixed and variable remuneration
Australia	✓	
Canada		✓
Germany	✓	
Hong Kong		✓
New Zealand		✓
Singapore		✓
South Africa		✓
United Kingdom	✓	
United States		✓
<b>Total</b>	<b>3</b>	<b>6</b>

### 2.1.10. Categories of remuneration disclosed in the KMP remuneration table

There were specific requirements in seven of the jurisdictions to show a breakdown of total remuneration by categories. No specific guidance was provided in Germany and Singapore.

The table below shows the most common categories of information required to be disclosed and the jurisdictions which require these disclosures.

**Table 2.1.10 Categories of remuneration disclosure in the key remuneration table**

Jurisdiction	Salary or fees	Bonuses	Share based awards	Option based awards	Long term incentives	Pension benefits	Other
Australia	✓	✓	✓ (a)		✓	✓	✓ (a)
Canada	✓	✓	✓	✓	✓	✓	
Hong Kong	✓	✓	(b)	(b)	(b)	✓	✓ (c)
New Zealand	✓	✓			✓		
South Africa	✓	✓	✓			✓	✓ (d)
United Kingdom	✓	✓ (e)				✓	(e)
United States	✓	✓	✓	✓	✓	✓	
<b>Total</b>	<b>7</b>	<b>7</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>3</b>

- (a) Australia: Share-based payment awards must be split into cash and equity-settled awards, and termination benefits also need to be separately shown (if applicable).
- (b) Hong Kong: Separate disclosure is required for benefits in kind which may include share and option-based awards and long-term incentives.
- (c) Hong Kong: The amounts paid as an inducement to join or upon joining the listed issuer and payments for loss of office also need to be separately shown (if applicable).
- (d) South Africa: Entities must also disclose interest deferred waived or forgiven and the difference between interest charged and interest at market rates with respect to any loan or other financial assistance.
- (e) UK: Entities must disclose the amount of money and other assets received or receivable as a result of achieving performance measures and targets. This amount includes the value of shares or option awards. Payments for loss of office are disclosed separately, not as part of the remuneration table.



## 2.2 Not-for-profit entities

This staff paper identified minimal requirements to disclose information on executive remuneration for NFP entities. Where requirements were identified, they were, apart from in New Zealand, South Africa, the US and the UK, limited to KMP financial statement disclosure requirements, in accordance with the local GAAP.

The authors were unable to identify standardised requirements that apply to a broad group of NFP entities on a jurisdiction-wide basis in Canada, Germany, Hong Kong or Singapore, outside of financial statement related party disclosures requirements (where applicable).

### **Australia**

The Australian Government recently proposed to require large charities<sup>17</sup> with two or more key management personnel to report remuneration paid to responsible persons (directors) and senior executives on an aggregated basis in their 2022 Annual Information Statement from 1 July 2022.<sup>18</sup> All charities would be required to report related party transactions in their annual reporting to the ACNC for the financial period starting from 1 July 2023.

### **New Zealand**

An NFP entity that is a company in New Zealand needs to comply with the disclosure requirements in the *Companies Act 1993*. Their annual report must disclose, for each director, the total remuneration and the value of other benefits received.

### **South Africa**

In South Africa, if an NFP entity is a company and is required to have its annual financial statements audited in line with *Companies Regulation 28*, they need to comply with the disclosure requirements in the *Companies Act 71 of 2008*. Their financial statements must disclose, for each director or prescribed officer, total remuneration and the amount of any pensions paid. It is expected that the calculation method will be consistent with the accounting standards.

### **United States**

Nonprofit organisations in the US must submit Form 990 (Return of Organization Exempt from Income Tax) to the Internal Revenue Service.<sup>19</sup> This form provides the public with an overview of the organisation's mission, financial information, and information on the compensation of current and former officers, directors, trustees, up to 20 key employees and the five highest compensated employees. The information reported includes summarised remuneration information for certain individuals and more detailed breakouts for individuals earning more than specified thresholds.

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17 Charities with annual revenue of AUD 3 million or more.

18 See footnote 6. The detailed requirements are not included in the table 2.2 below as the changes in law to reflect these new reporting requirements are expected to come into effect later in 2021 and are subject to public consultation (<https://treasury.gov.au/consultation/c2021-207712>).

19 Form 990 is required for organisations with gross receipts no less than USD 200,000, or total assets no less than USD 500,000 at the end of their tax year. Organisations with gross receipts less than USD 200,000 and total assets less than USD 500,000 can file [Form 990-EZ](#), which requires disclosure of information for officers, directors, trustees and key employees (employed at any time during the year) for their: a) average hours worked per week; b) reportable compensation; c) health benefits, contributions to employee benefit plans, and deferred compensation; and d) estimated amount of other compensation. Certain organisations do not have to file Form 990 or Form 990-EZ even if they meet the size thresholds (see p.4, <https://www.irs.gov/pub/irs-pdf/i990.pdf> for details).

### United Kingdom

NFP entities in the UK (and the Republic of Ireland), which are not constituted as companies and have not applied EU-adopted IFRS, FRS 101 (Reduced Disclosure Framework) or FRS 105 (micro-entities regime), need to prepare financial statements in accordance with FRS 102. Under this standard, disclosure of KMP compensation in total is required in the financial statements.

The Charities Commission has issued additional guidance for Charities preparing financial statements under FRS 102 in the form of a Charities Statement of Recommended Practice (SORP).<sup>20</sup> The SORP contains further guidance on what Charities should include in their reports, such as the arrangements for setting the pay and remuneration of the charity's KMP and any benchmarks, parameters or criteria used in setting their pay (paragraph 1.51).

Additionally, when disclosing the benefits received by KMP, the SORP encourages the trustees of charities, particularly larger charities, to consider disclosing details of the employee benefits received by the charity's CEO or the highest-paid staff member, or to disclose the amount of employee benefits paid to its KMP on an individual basis (paragraph 9.32).

The following table summarises key observations from the comparison. The detailed findings are contained in Appendix 2.

**Table 2.2 Summary of key requirements for NFP entities**

Research question	New Zealand	South Africa	United Kingdom	United States
What is the main source of disclosure requirement?	<i>Legislation</i>	<i>Legislation</i>	<i>Charities Statement of Recommended Practice</i>	<i>Legislation</i>
Are the disclosures mandatory?	<i>Yes</i>	<i>Yes</i>	<i>Yes – however, some only apply to larger charities</i>	<i>Yes</i>
Do the disclosures form part of the financial statements?	<i>No</i>	<i>Yes</i>	<i>In part (total remuneration for KMP)</i>	<i>No</i>
Are the disclosures subject to assurance?	<i>No</i>	<i>Yes</i>	<i>In part (total remuneration for KMP)</i>	<i>No</i>
Who is covered by the disclosure requirements?	<i>Directors, former directors, highly paid employees and former employees</i>	<i>Each director or individual holding a prescribed office (prescribed officer)</i>	<i>KMP</i>	<i>Officers, directors, trustees, key employees, highest compensated employees and former holders of those positions.</i>
Are there different disclosure requirements for executive vs. non-executive directors?	<i>No</i>	<i>No</i>	<i>No</i>	<i>No</i>

<sup>20</sup> Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP). Available at <https://www.gov.uk/government/publications/charities-sorp-2005>



Research question	New Zealand	South Africa	United Kingdom	United States
Does the remuneration policy need to be disclosed?	No	No	Larger charities must disclose arrangements for setting remuneration	If a process of determining remuneration exists, it must be described
Does the link between remuneration and performance need to be specifically discussed?	No	No	No	No
How is total remuneration measured and calculated?	Not specified	Expected to be consistent with accounting standards	Not specified	Not specified
Does the disclosure include a split between fixed and variable remuneration?	No	No	No	No
Are the amounts in the key remuneration table shown for each individual?	Yes – for each individual director For other employees disclosure by class	Yes – for each individual director, prescribed officer or member of executive management	No – minimum requirement is to show the aggregate amount, but further detail encouraged	Yes, summarised remuneration is shown for certain individuals and more detailed breakouts are required for each current and former officer, key employee, five highest compensated employees, director or trustee earning more than specified thresholds.
What categories of remuneration are disclosed in the key remuneration table?	Total remuneration and value other benefits received	Total remuneration comprising fees, including sign-on fees, salary, bonuses and performance-related payments, certain expense allowances, contributions paid under a pension scheme, the value of any option or right given as compensation and financial assistance given (interest deferred, waived or forgiven and below arm's length interest charged)	Not specified	Summarised remuneration for certain individuals includes reportable compensation from the organisation and related organisations. Detailed breakouts for individuals earning more than specified thresholds include reportable compensation from the organisation and from related organisations, broken down into base compensation, bonus and incentives, other reportable

Research question	New Zealand	South Africa	United Kingdom	United States
				<i>compensation, retirement and other deferred compensation, non-taxable benefits and reportable compensation reported as deferred in a prior year</i>
Other information	<i>Number of employees or former employees who have received remuneration or other benefits over NZD 100,000 in brackets of NZD 10,000</i>	<i>For current or past directors and prescribed officers:</i> <ul style="list-style-type: none"> <li>- <i>pensions paid to/receivable by these persons</i></li> <li>- <i>amounts paid/payable to pension schemes</i></li> <li>- <i>compensation for loss of office</i></li> </ul>	<i>None specified</i>	<i>For each individual</i> <ul style="list-style-type: none"> <li>- <i>average hours worked</i></li> <li>- <i>position</i></li> </ul>

## 2.3 Public sector entities

Specific disclosure requirements for public sector entities at the central government level were identified in Australia, New Zealand, South Africa and the UK.

However, in more than half of the jurisdictions reviewed, the authors were unable to identify standardised requirements that apply to a broad group of public sector entities on a jurisdiction-wide basis. Instead, in several jurisdictions, there were requirements to disclose remuneration of executives or 'higher paid staff' that apply to specific types of entities or that vary between provinces or regions.

One of those jurisdictions is Canada, where much of the public sector oversight is provided at the provincial level and the requirements to provide disclosure of compensation for public sector entities differs from province to province. For example:

- **Ontario:** The *Public Sector Salary Disclosure Act, 1996* requires organisations that receive public funding from the Province of Ontario to disclose annually the names, positions, salaries and total taxable benefits of employees paid CAD 100,000 or more in a calendar year.
- **British Columbia:** Organisations defined by the *Public Sector Employers Act* are statutorily required to disclose all compensation that is paid to the CEO and the next four highest-ranking or highest-paid executives with decision-making authority earning an annualised base salary of CAD 125,000 or greater during a fiscal year.

However, as this research has focused on the disclosure requirements in legislation or regulations that apply jurisdiction-wide (i.e. at a central government level), the provincial requirements in Canada, and other jurisdictions have not been included in the detailed findings below.

The detailed findings are contained in Appendix 3 and a summary of the key findings for each research area are summarised below.

## **Australia**

The annual reporting requirements in Australia for Commonwealth companies and entities are contained in the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).<sup>21</sup>

In 2018, an independent review of the PGPA Act and PGPA Rule was undertaken to assess its operations and effectiveness. The independent review report<sup>22</sup> identified a number of recommendations, including providing more transparent reporting of executive remuneration. The recommendations included:

- disclosing the remuneration of KMP on an individual basis;
- calculating total remuneration on an accrual basis, in line with the financial statements (previously calculated on a cash basis); and
- disclosing details of the remuneration policy.

These changes were designed to bring the reporting of executive remuneration by Commonwealth companies and entities more closely in line with the disclosures required by Australian Securities Exchange-listed companies and were subsequently incorporated into the PGPA Rule in April 2019.<sup>23</sup>

## **New Zealand**

All Crown entities in New Zealand, which include statutory entities, crown entity companies, crown entity subsidiaries, school boards of trustees and tertiary education institutions (e.g. universities), must disclose in the annual report total remuneration paid or payable to each member and committee member in their capacity as a member during that financial year. In addition, Crown entities must also disclose the number of employees with remuneration of NZD 100,000 or more in brackets of NZD 10,000.

## **South Africa**

National public entities<sup>24</sup> in South Africa must include the total remuneration of members of the accounting authority (i.e. Board members), CEO, CFO and senior management on an individual basis in the financial statements. Additionally, the Annual Report must include information on how remuneration of Board members is determined, the amount of remuneration paid to each board member, those members that are not remunerated and other expenses (e.g. travel) reimbursed by the public entity.

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21 Department of Finance also publishes the guide [Commonwealth entities' executive remuneration reporting guide for annual reports \(RMG 138\)](#) (September 2021) to assist officials in Commonwealth entities responsible for reporting executive remuneration information in annual reports.

22 [Independent review into the operations and effectiveness of the Public Governance, Performance and Accountability Act 2013 and Rule](#), prepared by Ms Elizabeth Alexander AM and Mr David Thodey AO (September 2018).

23 Public Governance, Performance and Accountability Amendment (Reporting Executive Remuneration) Rules 2019, Start date: 5/4/2019.

24 National entities as listed in Schedule 3A of the *Public Finance Management Act 1999*.

### United Kingdom

In the UK, all entities consolidated within the Whole of Government Accounts are required to prepare an accountability report which contains a remuneration and staff report, and forms part of the annual report. The report must disclose salary and allowances, performance pay or bonuses payable, the estimated value of non-cash benefits and accrued pension benefits for each individual director and minister. In addition, the report must also set out the remuneration policy for directors and ministers, and where relevant the link between performance and remuneration, pension entitlements, compensation on early retirement or loss of office and payments to past directors.

The following table summarises our observations. The detailed findings are contained in Appendix 3.

**Table 2.3 Summary of key requirements for public sector entities**

Research question	Australia	New Zealand	South Africa	United Kingdom
What is the main source of disclosure requirement?	<i>Legislation</i>	<i>Legislation</i>	<i>Legislation</i>	<i>Legislation</i>
Are the disclosures mandatory?	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>
Do the disclosures form part of the financial statements?	<i>No</i>	<i>No</i>	<i>Yes – Total remuneration by an individual is included in the financial statements</i>	<i>No</i>
Are the disclosures subject to assurance? (Note 1)	<i>No</i>	<i>No</i>	<i>Yes - Total remuneration by individual</i>	<i>Yes</i>
Who is covered by the disclosure requirements?	<i>KMP, senior executives and other highly paid staff</i>	<i>Members, committee members, and employees</i>	<i>Accounting authority (i.e. Board members), CEO, CFO and senior management</i>	<i>Directors and ministers</i>
Are there different disclosure requirements for executive vs. non-executive directors?	<i>No</i>	<i>No</i>	<i>No</i>	<i>No</i>
Does the remuneration policy need to be disclosed?	<i>Yes</i>	<i>No</i>	<i>Yes – For Board members</i>	<i>Yes</i>
Does the link between remuneration and performance need to be specifically discussed?	<i>No</i>	<i>No</i>	<i>No</i>	<i>Yes</i>
How is total remuneration measured and calculated?	<i>Accruals basis in line with accounting standards</i>	<i>Not specified</i>	<i>Not specified</i>	<i>Not specified for salaries, allowances, performance pay and non-cash benefits, but specific formula provided to measure accrued pension benefits</i>
Does the disclosure include a split between fixed and variable remuneration?	<i>No</i>	<i>No</i>	<i>No</i>	<i>No</i>
Are the amounts in the key remuneration table shown for each individual?	<i>Yes, for KMP and on an aggregated (band) basis for senior management and other highly paid staff</i>	<i>Yes, for members and on a class level for other employees</i>	<i>Yes</i>	<i>Yes</i>



<b>Research question</b>	<b>Australia</b>	<b>New Zealand</b>	<b>South Africa</b>	<b>United Kingdom</b>
What categories of remuneration are disclosed in the key remuneration table?	<i>Base salary, bonuses, other benefits and allowances, superannuation contributions, long service leave, other long-term benefits, and termination benefits</i>	<i>The total remuneration of each current member and committee member and for employees earning over NZD 100,000, the number of employees in brackets of NZD 10,000</i>	<i>Total remuneration</i>	<i>Salary and allowances, performance pay or bonuses payable, the estimated value of non-cash benefits and accrued pension benefits</i>
Other information	<i>Not specified</i>	<i>The total value of benefits paid/payable to persons who ceased to be members/committee members or employees and the number of persons to whom that amount was payable, and details of any indemnity provided to member/officeholder or employee.</i>	<i>Information on those members that are not remunerated and other expenses (e.g. reimbursed travel)</i>	<i>Pension entitlements, compensation on early retirement or for loss of office, payments to past directors, fair pay disclosure and staff report (staff numbers and costs).</i>

**Note 1:** In jurisdictions that have adopted the International Standard on Auditing (ISA) 720 (Revised) – The auditor’s responsibilities relating to other information in documents containing audited financial statements (ISA 720), where remuneration disclosures are contained in the same document as the audited financial statements, the auditor must read the other information to consider whether there is a material inconsistency between the other information and the financial statements and the auditor’s knowledge obtained in the audit.

### 3. Summary of observations and concluding comments

For listed entities, there appears to be a large number of similarities but also a number of significant differences between the jurisdictions. All jurisdictions have mandatory requirements, and for the majority of them, they are embedded in company law or securities law and are legally enforceable.

In most jurisdictions, the disclosures are located outside the financial statements, but only two jurisdictions (Australia being one of them) require them to be audited. While all jurisdictions require disclosure of the remuneration policy in some form and the amounts of remuneration for each director, other executive officers and KMP, there are significant differences in the level of detail that must be disclosed:

- Just under half of the countries require a discussion of the link between remuneration and performance.
- The majority of the countries require disclosure of the performance conditions for performance-based remuneration.
- Germany also requires disclosure of the remuneration of each member of the supervisory board and the aggregate remuneration of members of an advisory board. Hong Kong requires disclosure of the five highest-paid individuals in aggregate by remuneration band in addition to directors and the chief executive.
- Two countries (Australia and South Africa) specifically require remuneration to be measured in accordance with the accounting standards. Four countries have calculation methods that differ, and three countries do not specify how remuneration is measured.
- Three countries specifically require disclosure of the split between fixed and variable remuneration.
- While all countries require disclosure of salaries/fees and bonuses received, not all require disclosure of other benefits such as share-based payments, other long-term incentives, pension benefits or termination benefits.

In responding to the AASB's 2015-2017 agenda consultation process, stakeholders expressed a general view that the current rules for remuneration reporting are complex and include redundant, overlapping requirements, which give rise to lengthy compliance reports.<sup>25</sup> Some stakeholders also noted a lack of consistency across remuneration reports and suggested guidance in this regard could be warranted.<sup>26</sup>

The analysis in this staff paper is limited to comparing the broad types of information that must be disclosed and does not identify whether the specific requirements in the legislation or regulations are in fact 'fit for purpose'. However, it shows that Australia sits at the top end of disclosure requirements in terms of the level of detail that must be disclosed. This indicates that there could be opportunities for cutting red tape and streamlining the requirements.

Standardised requirements that apply to a broad group of NFP entities on a jurisdiction-wide basis other than aggregate KMP disclosure requirements under local GAAP were identified for New Zealand, South Africa, the UK and the US. The requirements vary in the details that must be provided.

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25 See footnote 3.

26 [AASB Work Plan 2017-2019 - Senior executive remuneration reporting – project plan](#)



The report produced following the ACNC Legislative Review in 2018<sup>27</sup> recommended the ACNC, AASB and AUASB in consultation with the sector and other stakeholders undertake further work to consider – amongst others – the development of guidelines for the disclosure of remuneration paid to members of the governing board of a registered entity and senior executives.

Subsequent to its response to the ACNC Legislative Review, the Australian Government recently announced an intention that, from 1 July 2022, large charities with two or more KMP will be required to report remuneration paid to directors and senior executives on an aggregated basis in their 2022 Annual Information Statement. In addition, from 1 July 2023, all charities will be required to report related party transactions in their annual reporting to the ACNC. This is expected to increase the transparency of transactions with related people or organisations that pose a higher risk of conflicts of interest.<sup>28</sup> However, as of September 2021, details of these requirements had not yet been released.

As suggested by AASB Research Report 8,<sup>29</sup> consideration could be given to whether distinct executive remuneration disclosure requirements are needed for the NFP sector, as the agency and fiduciary relationships in the NFP sector may be different to the for-profit sector.

For public sector entities, specific disclosure requirements at the national level were identified for Australia, New Zealand, South Africa and the UK. Differences were noted in particular in relation to the detailed breakdown of categories of remuneration received and other information that must be provided.

The results of this benchmarking exercise may be used as a starting point for improving and streamlining the remuneration reporting requirements of listed entities, to develop reporting requirements for NFP private sector entities and to assess whether the requirements for public sector entities should also be revisited.

Noting the significant differences identified between the jurisdictions, outreach activities in conjunction with other relevant regulatory bodies could be warranted to identify key users and their information needs. This would permit the development of disclosure objectives and principles-based disclosure requirements for KMP, in particular for listed entities and for NFP private sector entities.

This staff paper could also provide a basis to support relevant regulators, working collaboratively with other standard setters, users and stakeholders, in their efforts to keep Australian executive remuneration reporting aligned with global best practice.

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27 See footnote 4.

28 See footnote 6. The [Exposure Draft Australian Charities and Not-for-profits Commission Amendment \(2021 Measures No.3\) Regulation 2021](#) is currently open for public consultation at the time of this staff paper.

29 [AASB Research Report 8 Literature Review Remuneration Reporting](#)

## Appendices

The following tables in Appendix 1-3 list the relevant executive remuneration disclosure reporting requirements that were identified for each of the selected jurisdictions for listed entities, NFP entities and public sector entities respectively. The requirements have been sourced from the standards/legislation in each jurisdiction at the links provided. For Germany, where the original documents are in German, the requirements were translated into English by AASB staff for the purpose of this staff paper.

### Appendix 1: Analysis of disclosure requirements for listed entities by jurisdiction

Questions/ Jurisdiction	Australia	Canada	Germany
<b>What is the main source of executive remuneration disclosure requirements?</b>	<ul style="list-style-type: none"> <li>▪ Corporations Act 2001 (s300A - Annual directors' report--specific information to be provided by listed companies)</li> <li>▪ Corporations Regulations 2001 (s2M.3.03).</li> </ul>	<ul style="list-style-type: none"> <li>▪ National Instrument 52-102 Continuous Disclosure (Part 11.6) - Requires every issuer to report on Executive Compensation using:</li> <li>▪ Form 51-102F6 Statement of Executive Compensation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Stock Corporation Act (SCA; s162)</li> <li>▪ German Commercial Code (GCC; s285 and s314)</li> <li>▪ Additionally, it is noted that the German Corporate Governance Code (2019) which is applicable to listed entities<sup>30</sup> states that the Management Board and the Supervisory Board prepare an annual remuneration report in accordance with statutory provisions.<sup>31</sup></li> </ul>
<b>Are the disclosures mandatory?</b>	Yes	Yes	Yes, for both SCA and GCC
<b>Do the disclosures form part of the financial statements?</b>	No – The remuneration report forms part of the directors' report.	No – The disclosures are in a separate filing document.	<p>In part – The disclosures under the GCC need to be included in the financial statements. Other disclosures required by the SCA are included in the remuneration report, contained in the annual report (outside the financial statements).</p> <p>The SCA further requires that the remuneration report and the remuneration policy are made available on the company's website for at least 10 years.</p>

30 Compliance with the German Corporate Governance Code's recommendations is not mandatory, but deviations have to be explained. Compliance (or explanation) is required under section 161 of the German Stock Corporation Act.

31 German Corporate Governance Code, section G. Remuneration of Management Board and Supervisory Board, principle 25.



Questions/ Jurisdiction	Australia	Canada	Germany
<b>Are the disclosures subject to assurance?</b>	Yes – The entire remuneration report is to be audited to determine its compliance with s300A of the Corporations Act.	No requirement was identified.	Yes – Both the consolidated financial statements and the group management report (which contains the remuneration report) are required to be audited.
<b>Who is covered by the disclosure requirements?</b>	KMP (as defined by the accounting standards) at any time during the financial year.	Directors and Named Executive Officers (NEO), being the CEO, CFO and each of the three most highly compensated executive officers of the company, at any time during the financial year.	Financial statements (GCC): Members of the management body, a supervisory board, an advisory board or a similar institution of the company or parent company, at any time during the financial year.  Remuneration report (SCA): Members of the management board and the supervisory board at any time during the financial year. The SCA does not discuss whether members of an advisory board or similar institution should also be included.
<b>Are there different disclosure requirements for executive vs. non-executive directors?</b>	No – The same disclosure requirements apply to all key management personnel, regardless of if they are executive or non-executive directors.	No – The same disclosure requirements apply to all directors.	Yes – The SCA has certain disclosures that are required only for members of the management board (executive), but not for the supervisory board (non-executive).
<b>Does the remuneration policy (or governance framework) need to be disclosed?</b>	Yes – The remuneration report must include a discussion of the board’s policy for determining remuneration for key management personnel.	Yes – The form includes discussion of the policies and practices adopted by the board to determine the compensation for the company’s directors and executive officers.	Yes – The remuneration report needs to explain how fixed and variable compensation form part of the relevant compensation regime, how this supports the long-term development of the company and how performance criteria are applied.
<b>Does the link between remuneration and performance need to be specifically discussed?</b>	Yes – The remuneration report must include a discussion of the relationship between the remuneration policy and the company’s performance.	Yes - Must disclose a performance graph over five years and discuss how the trend compares to compensation of executives over the same period	No -The remuneration report must disclose a year-on-year comparison of changes in compensation and company results over the last five years, and also compare to changes in average full-time equivalent remuneration of the employees. However, there is no requirement to explain the link between remuneration and performance.



Questions/ Jurisdiction	Australia	Canada	Germany
<p><b>If remuneration is subject to performance conditions, do the performance conditions (i.e. KPIs and/or targets) need to be disclosed?</b></p>	<p>Yes – Information on performance hurdles needs to be disclosed.</p>	<p>Yes – If applicable, disclose performance goals or similar conditions that are based on objective, identifiable measures, such as the company’s share price or earnings per share. If performance goals or similar conditions are subjective, the company may describe the performance goal or similar condition without providing specific measures.</p> <p>The company is not required to disclose performance goals or similar conditions in respect of specific quantitative or qualitative performance-related factors if a reasonable person would consider that disclosing them would seriously prejudice the company’s interests.</p>	<p>Not specified.</p>
<p><b>How is remuneration measured and calculated?</b></p>	<p>Accounting value – must apply the requirements of relevant accounting standards when disclosing the information</p>	<p>The directors' remuneration disclosed for a particular year is what the company paid, made payable, awarded or granted based on the fair value at the grant date (regardless of vesting). The fair value of equity-based compensation may be calculated in accordance with the valuation methodology of IFRS 2 or in accordance with another methodology. If another methodology is used, the difference between IFRS 2 and the other methodology must be disclosed. Non-equity-based incentive plans are measured as the dollar value of amounts earned for services performed. The amounts disclosed may therefore be different to the amounts recognised for the year under the accounting standards.</p>	<p>The GCC provides that directors' remuneration disclosed for a particular year is the remuneration granted for the performance of their duties in the financial year. Subscription rights and other share-based payments are to be stated with their number and the fair value at the time they are granted; later changes in value that are based on a change in the vesting conditions are to be taken into account. The remuneration that is granted in the financial year but has not yet been disclosed in any consolidated financial statements must be stated.</p> <p>German Accounting Standard GAS No 17 clarifies that share-based payment awards are included in aggregate remuneration disclosed for the purposes of the GCC when a legally binding award was made, any conditions or precedents have been satisfied in full, and conditions subsequent have lapsed. The amounts disclosed will therefore be different to the amounts recognised as expense for the year under the accounting standards.</p>



Questions/ Jurisdiction	Australia	Canada	Germany
			<p>The SCA is almost silent in this regard. While it contains phrases like “payment granted and owed”, it is unclear, for example, whether “granted” means “committed” or “transferred” (i.e., “paid”).</p> <p>The DRSC is currently revisiting GAS 17 with the aim of aligning the measurement rules in the GCC and the SCA.</p>
<b>Does the disclosure include a split between fixed and variable remuneration?</b>	Yes	No requirement was identified.	Yes – the remuneration report must disclose the relative proportion of fixed to variable remuneration.
<b>Are the amounts in the key remuneration table shown for each individual?</b>	Yes – For each individual KMP.	Yes – Each individual director and named executive officer.	<p>Yes – In the remuneration report (SCA), each member of the management board and supervisory board is disclosed individually.</p> <p>Financial statements (GCC): Remuneration for members of the management body, supervisory board and advisory board are disclosed on an aggregated level.</p>
<b>What categories of remuneration are disclosed in the key remuneration table?</b>	<ul style="list-style-type: none"> <li>- Short term benefits (cash salary, fees and short-term compensated absences; short-term cash profit-sharing and other bonuses; non-monetary benefits; other short-term employee benefits)</li> <li>- Post-employment benefits (pension and superannuation benefits; other post-employment benefits)</li> <li>- Long-term employee benefits other than benefits mentioned above, separately identifying any amount attributable to a long-term incentive plan</li> <li>- Termination benefits</li> <li>- Payments (if any) made to the person, before the person started to hold the position, as part of the consideration for the person agreeing to hold the position</li> </ul>	<ul style="list-style-type: none"> <li>- Salary or fees earned</li> <li>- Share-based awards</li> <li>- Option-based awards</li> <li>- Non-equity incentive plan compensation (Annual incentive plans / LTIP)</li> <li>- Pension value</li> <li>- All other compensation</li> <li>- Total remuneration.</li> </ul>	<p>Remuneration report (SCA): Must disclose all fixed and variable components of remuneration - but no particular categories specified.</p> <p>Financial statements (GCC): not specified.</p>



Questions/ Jurisdiction	Australia	Canada	Germany
	<ul style="list-style-type: none"> <li>- Share-based payments (split between equity-settled share-based payment transactions, cash-settled share-based payment transactions and all other forms of share-based payment compensation (including hybrids))</li> </ul>		
<p><b>What other key information is required to be disclosed?</b></p> <p><b>Note: This is not a complete list of all disclosure requirements.</b></p>	<ul style="list-style-type: none"> <li>- The terms and conditions of each grant of a cash bonus, performance-related bonus or share-based payment compensation benefit affecting compensation in the reporting period or a future reporting period</li> <li>- Details of any changes or modifications to the terms of share-based payments</li> <li>- Options and rights granted as compensation (including the number of options or rights that have been granted and vested during the year and terms and conditions of each grant)</li> <li>- Details of equity instruments issued or issuable as a result of the exercise of options and rights granted as compensation (number of instruments, number of options or rights exercised, amount paid)</li> <li>- Reconciliation of options or rights over equity instruments for the year</li> <li>- Reconciliation of equity instruments other than options and rights for the year</li> <li>- Transactions involving an equity instrument other than a share-based payment</li> <li>- Reconciliation of loans made, guaranteed or secured by the entity for KMP and close family members</li> <li>- Other transactions with KMPs as related parties</li> <li>- Details of contracts with KMPs (duration, notice period, entitlements to termination payments) and further information to provide an understanding of how compensation was determined and how the terms affect compensation in future periods</li> </ul>	<ul style="list-style-type: none"> <li>- For each director and named executive officer:               <ul style="list-style-type: none"> <li>▪ Details about outstanding share-based and option-based awards (separately for each award the number of securities underlying unexercised options, exercise price and expiration date and, in aggregate, the value of unexercised in-the-money options, the number of shares or units of shares that have not vested, market or payout value of share-based awards that have not vested, and market or payout value of vested share-based awards not paid out or distributed)</li> <li>▪ Incentive plan awards – value of options or share-based awards that vested during the year and the value of non-equity incentive compensation earned during the year</li> <li>▪ The significant terms of all plan-based awards, including non-equity incentive plan awards, issued or vested, or, under which, options have been exercised</li> </ul> </li> <li>- Defined benefit plans table, including a reconciliation of the present value of the defined benefit obligation and annual benefits payable at year-end and at age 65</li> <li>- Defined contribution plans table, including a reconciliation of the accumulated value at the start and end of the year</li> <li>- Explanation of significant factors necessary to understand the information disclosed in the summary compensation table (e.g. significant terms of employment agreements, modifications to supplemental benefit plan arrangements and significant terms of any award reported in the summary compensation table)</li> </ul>	<p><b>Disclosures in the remuneration report (SCA):</b></p> <ul style="list-style-type: none"> <li>- Number of granted shares or options with significant terms and conditions</li> <li>- Whether and how the company has applied claw-back options</li> <li>- Any departure from the remuneration policies for members of the management board</li> <li>- Voting on the remuneration report at the last AGM</li> <li>- How the company has maintained the agreed fixed maximum remuneration for the management board</li> <li>- Amounts granted or paid by a third party to a member of the management committee in relation to services performed</li> <li>- Termination benefits payable on early or planned termination of employment</li> <li>- Payments granted or made to former members of the management board.</li> </ul> <p><b>Disclosures in the notes to the financial statements (GCC):</b></p> <p>For members of the management body, a supervisory board or advisory board:</p> <ul style="list-style-type: none"> <li>- Subscription rights – disclose the number and fair value at the time granted and subsequent changes in the fair value as a result of modifications</li> </ul>



Questions/ Jurisdiction	Australia	Canada	Germany
	<ul style="list-style-type: none"> <li>- If 25% or more of the votes cast at the last AGM were against the adoption of the remuneration report – an explanation of the board’s actions taken</li> <li>- Information about the use of remuneration consultants if they have made a formal remuneration recommendation in relation to any of the KMP</li> </ul>	<ul style="list-style-type: none"> <li>- Termination and change of control benefits – describe and explain the circumstances that trigger payment, estimated incremental payments, how the payment and benefit levels are calculated, and any significant conditions or obligations that apply to receive payments or benefits.</li> </ul>	<ul style="list-style-type: none"> <li>- The advances and loans granted, stating the interest rates, the significant conditions and any amounts repaid or waived in the financial year, as well as the contingent liabilities, entered into in favour of these persons.</li> </ul> <p>For former members of the management body, a supervisory board or advisory board:</p> <ul style="list-style-type: none"> <li>- The total remuneration (severance payments, pensions, survivor benefits and related benefits) granted to former members of the designated bodies and their surviving dependents for the performance of their duties in the parent company and the subsidiaries;</li> <li>- The amount of the provisions for current pensions and entitlements to pensions set up for this group of persons and the amount of the provisions not formed for these obligations must also be stated, and the amount not recognised as provision for any such obligation.</li> </ul>
<b>Link to document</b>	<a href="#">Corporations Act 2001</a> <a href="#">Corporations Regulations 2001</a>	<a href="#">Form 51-102F6: Statement of Executive Compensation</a>	<a href="#">Stock Corporation Act</a> <a href="#">German Commercial Code (HGB)</a>
<b>Accessed date</b>	29 July 2021	29 July 2021	29 July 2021



Criteria / Jurisdiction	Hong Kong	New Zealand	Singapore
<b>What is the main source of executive remuneration disclosure requirements?</b>	<ul style="list-style-type: none"> <li>▪ <i>Hong Kong Companies Ordinance</i> (Cap. 622) (s383)</li> <li>▪ <i>Companies (Disclosure of Information about Benefits of Directors) Regulation</i> (Cap. 622G)</li> <li>▪ Hong Kong Exchange Main Board listing rules:               <ul style="list-style-type: none"> <li>- Appendix 14 Corporate governance code (the code) and corporate governance report (sB1.5) [remuneration of senior management]</li> <li>- Appendix 16 Disclosure of financial information (s24) [director emoluments], (s24B) [remuneration policy] (s25) [five highest paid individuals].</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Companies Act 1993</i> (s211(f) - Contents of the Annual Report)</li> <li>▪ NZX Corporate Governance Code (Principle 5)</li> </ul>	<ul style="list-style-type: none"> <li>▪ SGX Main Board listing rules - Report of the Committee and Code of Corporate Governance / Code of Corporate Governance 2018 - Remuneration Matters</li> <li>▪ Practice Guidance 8: Disclosure on Remuneration</li> </ul>
<b>Are the disclosures mandatory?</b>	<p>Yes – The disclosure of director emoluments is covered by the Companies Ordinance/Regulation and disclosure of the remuneration policy and five highest-paid individuals is required by Appendix 16 of the Listing Rules.</p> <p>Disclosures of senior management remuneration are required under the code and issuers are expected to comply with the provisions. If they choose to deviate from the code provisions, then they must give considered reasons (comply or explain).</p>	<p>Yes – The disclosure of total remuneration and the value of other benefits for each director is required by the Companies Act and is therefore mandatory.</p> <p>Additional disclosures recommended for the CEO under the NZX Corporate Governance Code are applicable on a ‘comply or explain’ basis, meaning if an issuer does not report against the recommendation of the code, it must explain why not (under Listing Rules 3.8.1(a)-(b)).</p>	<p>Yes – An issuer must comply with the listing rules in accordance with the spirit, intention and purpose; and by looking beyond form to substance.</p> <p>Listed entities are required to give a complete description of their corporate governance practices with specific references to each of the guidelines set out in the Code of Corporate Governance, and where they deviate from these best practices, they should disclose this non-compliance with appropriate explanations.</p>
<b>Do the disclosures form part of the financial statements?</b>	<p>In part – The disclosures under the Companies Ordinance/Regulation / Appendix 16 (s24) for director emoluments and five highest-paid individuals need to be included in the financial statements, other disclosures are included in the Corporate Governance Report, contained in the annual report (outside the financial statements).</p>	<p>No – The disclosures are contained in the annual report (outside the financial statements), for example, in the corporate governance section.</p>	<p>No – The disclosures are required to be made in the annual report. The accompanying practise guidance recommends that the disclosures be made in a remuneration report which should form part of, or be annexed to, the company’s annual report.</p>
<b>Are the disclosures subject to assurance?</b>	<p>In part – The disclosures under the Companies Ordinance/Regulation / Appendix 16 (s24) are subject to audit as they are included in the audited financial statements.</p> <p>Other remuneration information that is included in the same document as the audited financial statements will be considered to some extent by auditors under Hong Kong Auditing Standard on Auditing 720 (<i>Revised</i>) <i>The Auditor’s Responsibilities Relating to Other Information</i>.</p>	<p>No – However, this information, where it is included in the same document as the audited financial statements, will be considered to some extent by auditors under ISA (NZ) 720 <i>The Auditor’s Responsibilities Relating to Other Information</i>.</p>	<p>No – However, this information, where it is included in the same document as the audited financial statements, will be considered to some extent by auditors under Singapore Standard on Auditing (SSA) 720 <i>The Auditor’s Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements</i></p>



Criteria / Jurisdiction	Hong Kong	New Zealand	Singapore
<b>Who is covered by the disclosure requirements?</b>	Directors are covered by the Companies Ordinance/Regulation / Appendix 16, members of senior management covered by Appendix 14, and the five highest-paid individuals are covered by Appendix 16.	Directors and the CEO.	Directors, the CEO, and at least the top five KMP.
<b>Are there different disclosure requirements for executive vs non-executive directors?</b>	No – The same disclosure requirements apply to all directors.	No – The legislation does not differentiate between the executive and non-executive directors.	No – The same disclosure requirements apply to all directors.
<b>Does the remuneration policy (or governance framework) need to be disclosed?</b>	Yes – The corporate governance report must include a general description of the emolument policy and any long-term incentive schemes of the group	No – However, the NZX Code recommends that the remuneration policy be made available on the company website.	Yes – The remuneration report should include the policy for setting remuneration for each director and the CEO.
<b>Does the link between remuneration and performance need to be specifically discussed?</b>	No requirement to explain the link between remuneration and performance.	No requirement to explain the link between remuneration and performance.	<p>Yes – The overarching principle for remuneration requires companies to be transparent in their remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation. A significant and appropriate proportion of executive directors and key management personnel's remuneration needs to be structured so as to link rewards to corporate and individual performance.</p> <p>To facilitate better understanding of the relationships between remuneration, performance and value creation, the practice guidance states that companies should adopt and disclose the following information:</p> <ul style="list-style-type: none"> <li>- the way that remuneration is designed to drive corporate performance, including a description of why the indicators chosen are relevant to the company in the context of their strategy, or their desire to create value and generate shareholder returns;</li> <li>- the way that performance is measured, including the types of financial and non-financial metrics adopted (e.g. earnings per share (EPS), total shareholder returns (TSR), return on equity (ROE), customer metrics, operational metrics, safety metrics);</li> </ul>



Criteria / Jurisdiction	Hong Kong	New Zealand	Singapore
			- the metrics used, and why the metrics are appropriate (e.g. EPS growth of 6% compound, TSR of top quartile, ROE of 8%, zero lost time injuries, 90% on-time performance), including whether relative performance is measured against peers;
<b>If remuneration is subject to performance conditions, do the performance conditions (i.e. KPIs and/or targets) need to be disclosed?</b>	No specific requirement identified.	For the CEO only - The specific target is not required, however the discussion should explain the type of performance hurdles that apply and the basis on which incentives have been granted.	No specific requirement identified.
<b>How is remuneration measured and calculated?</b>	The directors' remuneration disclosed for a particular year includes all relevant sums receivable in respect of that year (whenever paid); or, in the case of sums not receivable in respect of a period, the sums paid during that year.  No comments about the treatment of stock-based compensation or long-term incentive plans.	The CEO's remuneration disclosed for a particular year is the remuneration that has been earned or which have vested for the period.  Annual disclosures should also address long-term incentive grants made in the year and those that have vested. No comment on how these are valued.  For directors, disclose the total remuneration and the value of other benefits received. No comments about the treatment of share-based compensation or long-term incentive plans.	Not specified.
<b>Does the disclosure include a split between fixed and variable remuneration?</b>	No specific requirement identified.	No specific requirement.	No specific requirement identified.
<b>Are the amounts in the key remuneration table shown for each individual?</b>	In part – Director and chief executive remuneration need to be shown on an individual basis.  It is also recommended best practice that Issuers disclose details of any remuneration payable to members of senior management on an individual and named basis, in their annual reports.  Information on the five highest-paid individuals can be shown on an aggregate basis unless they are also a director.	Yes – Each individual director and the CEO.	Yes – Each individual director and the CEO.  Total remuneration paid to the top five KMP (who are not directors or the CEO) can be shown in bands no wider than SGD 250,000 and in aggregate.
<b>What categories of remuneration are disclosed in the key remuneration table?</b>	For each director and the chief executive:  - Director fees	Under the Companies Act, for each director:  - Total remuneration	Amounts and breakdown of remuneration.



Criteria / Jurisdiction	Hong Kong	New Zealand	Singapore
	<ul style="list-style-type: none"> <li>- Basic salaries, housing allowances, other allowances (i.e. expense allowances in excess of the amount actually spent) and benefits in kind (incl. contractual bonuses of fixed amounts)</li> <li>- Discretionary bonuses</li> <li>- Contributions paid to pension schemes</li> <li>- The amounts paid as an inducement to join or upon joining the listed issuer</li> <li>- Payments for loss of office (including payments to past directors).</li> </ul> <p>Note: Emoluments excludes any retirement benefits to which the director is entitled under any retirement benefits scheme.</p> <p>For the five highest-paid individuals (in aggregate):</p> <ul style="list-style-type: none"> <li>- The aggregate of basic salaries, housing allowances, other allowances and benefits in kind for the financial year;</li> <li>- The aggregate of contributions to pension schemes for the financial year;</li> <li>- The aggregate of bonuses paid or receivable which are discretionary or are based on the issuer's, the group's or any member of the group's performance</li> <li>- The aggregate of amounts paid during the financial year or receivable as an inducement to join or upon joining the issuer;</li> <li>- The aggregate of compensation paid during the financial year or receivable for the loss of any office in connection with the management of the affairs of any member of the group distinguishing between contractual payments and other payments</li> <li>- An analysis showing the number of individuals whose remuneration fell within bands from HKD nil up to HKD 1,000,000 or into higher bands (where the higher limit of the band is an exact multiple of HKD 500,000 and the range of the band is HKD 499,999).</li> </ul>	<ul style="list-style-type: none"> <li>- The value of other benefits received</li> </ul> <p>The NZX Corporate Governance Code recommends the following disclosures for the CEO:</p> <ul style="list-style-type: none"> <li>- Base salary</li> <li>- Short term incentive payments made in the year</li> <li>- Long term incentive grants made in the year</li> <li>- Long term incentive grants that have vested in the year.</li> </ul>	



Criteria / Jurisdiction	Hong Kong	New Zealand	Singapore
<p><b>What other key information is required to be disclosed?</b></p> <p><b>Note: This is not a complete list of all disclosure requirements.</b></p>	<ul style="list-style-type: none"> <li>- The directors' retirement benefits (pension schemes)</li> <li>- Payments made or benefits provided in respect of the termination of the service of directors, whether in the capacity of directors or in any other capacity while directors</li> <li>- Loans, quasi-loans and other dealings in favour of;               <ul style="list-style-type: none"> <li>(i) directors of the company and of a holding company of the company;</li> <li>(ii) bodies corporate controlled by such directors; and</li> <li>(iii) entities connected with such directors.</li> </ul> </li> <li>- Material interests of directors in transactions, arrangements or contracts entered into by the company</li> <li>- Particulars of any arrangement under which a director has waived or agreed to waive emoluments.</li> </ul>	<p>Companies Act:</p> <ul style="list-style-type: none"> <li>- the number of employees or former employees of the company who, during the accounting period, received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded NZD 100,000 per annum. It also requires that the number of these employees in brackets of NZD 10,000.</li> </ul> <p>NZX Code – for the CEO:</p> <ul style="list-style-type: none"> <li>- Performance criteria used to determine performance-based payments</li> <li>- Target amounts set for the year.</li> </ul>	<ul style="list-style-type: none"> <li>- The names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds SGD 100,000 during the year, in bands no wider than SGD 100,000, in its annual report.</li> <li>- All forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company.</li> <li>- Details of employee share schemes.</li> </ul>
<b>Link to document</b>	<p><a href="#">Companies Ordinance Cap. 622 (1 August 2019)</a></p> <p><a href="#">Companies (Disclosure of Information about Benefits of Directors) Regulation (1 February 2019)</a></p> <p><a href="#">Hong Kong Exchange Main board listing rules</a></p> <p><a href="#">Hong Kong Institute of Certified Public Accountants (HKICPA) Accounting Bulletin 3 (Revised) Guidance on Disclosure of Directors' Remuneration (June 2019)</a></p>	<p><a href="#">Companies Act 1993</a></p> <p><a href="#">NZX Corporate Governance Code</a></p>	<p><a href="#">SGX Main Board listing rules - Code of Corporate Governance</a></p> <p><a href="#">Practice Guidance 8: Disclosure on Remuneration</a></p>
<b>Accessed date</b>	29 July 2021	29 July 2021	29 July 2021



Criteria / Jurisdiction	South Africa	United Kingdom	United States
<b>What is the main source of executive remuneration disclosure requirement?</b>	<ul style="list-style-type: none"> <li>▪ <i>Companies Act 71 of 2008</i> (s30 - 4) [Disclosure requirements for directors and individual holding a prescribed office]</li> <li>▪ <i>KING IV Report on Corporate Governance South Africa 2016</i> (Principle 14 - Remuneration Governance) [Disclosure for executive management].</li> </ul> <p>Draft amendments to the Companies Act were published in 2018, which would require all public companies to prepare directors remuneration reports detailing director remuneration, benefits and policies. The draft amendments further clarify that the remuneration disclosures must name each director and prescribed officer next to the relevant remuneration value.</p> <p>As these amendments were still pending at the time of writing, they have not been included in the analysis below.</p>	<ul style="list-style-type: none"> <li>▪ <i>Companies Act 2006</i> (s421: Information about directors' benefits: remuneration)</li> <li>▪ <i>The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008</i> (Schedule 8)</li> <li>▪ <i>The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Code of Federal Regulation - Title 17 Commodity and Securities Exchanges - REGULATION S-K (s229.402: Executive compensation)</li> </ul>
<b>Are the disclosures mandatory?</b>	Yes – The disclosures under the Companies Act are mandatory, and the executive management disclosures required by KING IV are on an 'apply and explain' basis.	Yes	Yes
<b>Do the disclosures form part of the financial statements?</b>	In part – The disclosures under the Companies Act are required to be contained in the notes to the financial statements. The disclosures under KING IV are outside the financial statements in the Governance Report.	No – They are contained in a separate directors' remuneration report.	No – Except where the information is included in a registration statement or annual report, in which case it is included in the same document as the financial statements.
<b>Are the disclosures subject to assurance?</b>	In part – The disclosures under the Companies Act are subject to audit. The disclosures under KING IV are not subject to audit. However, other information that is included in the same document as the audited financial statements will be considered to some extent by auditors under ISA 720 (Revised) <i>The Auditor's Responsibilities Relating to Other Information</i> .	Yes – The auditable part of the directors' remuneration report is subject to audit (i.e. amount of each director's emoluments and compensation in the relevant financial year, share options, long-term incentive schemes, pensions, excess retirement benefits of directors and past directors, compensation for past directors, and sums paid to third parties in respect of a director's services). Other remuneration information that is included in the same document as the audited financial statements will be considered to some extent by auditors under ISA (UK) 720 <i>The Auditor's Responsibilities Relating to Other Information</i>	No



<b>Who is covered by the disclosure requirements?</b>	Each director or individual holding a prescribed office (prescribed officer <sup>32</sup> ) in the company is covered by the requirements in the Companies Act and executive management <sup>33</sup> is covered by KING IV.	Each person who has served as a director of the company at any time during that year, plus the CEO and Deputy CEO, who are to be treated as a director.	Named executive officers (NEO), consisting of the principal executive officer (PEO), principal financial officer (PFO), the three most highly compensated executive officers other than the PEO and PFO, and directors.
<b>Are there different disclosure requirements for executive vs non-executive directors?</b>	Yes – Although the Companies Act does not differentiate between the executive and non-executive directors, KING IV disclosures only apply to executive members of the governing body, resulting in more onerous disclosure requirements for executive directors than non-executive directors.	No – The requirements are the same, but the report may set out in separate tables the information to be supplied in respect of directors who perform executive functions and those who do not.	No – The same disclosure requirements apply to all directors.
<b>Does the remuneration policy (or governance framework) need to be disclosed?</b>	Yes – The remuneration report should include an overview of the main provisions of the remuneration policy (KING IV).  No requirement in the Companies Act	Yes – If the remuneration policy is being voted on, it must be included in the report. Otherwise, it can be included on the website and the location referenced in the report.	Yes, for issuers that are not smaller reporting companies (SRCs) – The accompanying discussion should focus on the material factors underlying the executive compensation policies and decisions.
<b>Does the link between remuneration and performance need to be specifically discussed?</b>	No requirement to explain the link between remuneration and performance.	The report must contain five-year history performance graphs (total shareholder return) and disclose the annual percentage change over the five financial years preceding the relevant financial year in respect of each director. However, there is no requirement to explain the link between remuneration and performance.	Yes, if material to the non-SRC issuer – The accompanying discussion should include the specific items of corporate performance that are considered in setting compensation policies and making compensation decisions.
<b>If remuneration is subject to performance conditions, do the performance conditions (i.e. KPIs and/or targets) need to be disclosed?</b>	Yes – KING IV recommends that an account of the performance measures used and the relative weighting of each, as a result of which awards under variable remuneration incentive schemes have been made, including the targets set for the performance measure and the corresponding value of the award opportunity and, for each performance measure, how the organisation and executive managers, individually performed against the set targets.  No requirement in the Companies Act	Yes – Details of any performance measures and the relative weighting of each; the performance targets set at the beginning of the performance period and the corresponding value of the award achievable; details of actual performance relative to the targets set and measured over the relevant reporting period, and the resulting level of award; and, where any discretion has been exercised in respect of the award, particulars must be given of how the discretion was exercised and how the resulting level of the award was determined.	Yes, if material to the non-SRC issuer – However registrants are not required to disclose target levels with respect to specific quantitative or qualitative performance-related factors considered by the compensation committee or the board of directors, or any other factors or criteria involving confidential trade secrets or confidential commercial or financial information, the disclosure of which would result in competitive harm for the registrant.

32 Under Regulation 38 of the *Companies Regulations 2011* (in relation to the *Companies Act 2008*), despite not being a director of a particular company, a person is a 'prescribed officer' of the company for all purposes of the Act if that person exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company; or regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the company.

33 Executive management is defined by KING IV as members of the executive management team and includes executive members of the governing body and prescribed officers as defined in the Companies Act.



		Disclosure of performance measures or targets may be omitted if it is, in the opinion of the directors, commercially sensitive information. However, where information has been omitted, this must be disclosed.	
<b>How is remuneration measured and calculated?</b>	<p>KING IV: Executive management: Remuneration disclosed is the remuneration received and receivable for the reporting period and all the remuneration elements it comprises, each disclosed at fair value.</p> <p>Companies Act: Directors or prescribed officers (disclosures in the financial statements): Disclose remuneration and benefits paid or receivable, including the value of any option or right given to directors.</p> <p>The disclosure requirements for directors and individuals holding a prescribed office are required to be included in the financial statements and subject to audit. As such, it is expected that the calculation method will be consistent with the accounting standards.</p>	The directors' remuneration disclosed for a particular year is the remuneration receivable by a director in respect of that year, regardless of when it is paid. For long-term incentive schemes, this means the amounts that become due during the financial year upon satisfaction of performance conditions. The value of shares received or receivable by a director is measured using the market price of the shares on the date of vesting. The amounts disclosed will therefore be different to the amounts recognised for the year under the accounting standards.	The NEOs' and directors' remuneration disclosed for a particular year is the compensation awarded to, earned by, or paid during the year. Awards of stock and options are measured in the summary compensation table as the aggregate fair value of grants made during the year regardless of vesting provisions.
<b>Does the disclosure include a split between fixed and variable remuneration?</b>	No requirement identified.	Yes	No – although some of the elements required to be separately identified and quantified are variable (Bonus, stock awards, option awards, and non-equity incentive plan compensation).
<b>Are the amounts in the key remuneration table shown for each individual?</b>	Yes – Each individual director, prescribed officer or member of executive management.	Yes – Each individual director, including the CEO and Deputy CEO, who are to be treated as a director.	Yes – Each individual director and named executive officer.
<b>What categories of remuneration are disclosed in the key remuneration table?</b>	<p>KING IV: Executive management: For each member of executive management:</p> <ul style="list-style-type: none"> <li>- A single, total figure of remuneration received and receivable for the reporting period, and all the remuneration elements that it comprises, each disclosed at fair value.</li> </ul> <p>Companies Act: Directors or prescribed officers: For each director or prescribed officer, total remuneration, which comprises:</p> <ul style="list-style-type: none"> <li>- Fees paid to directors for services rendered by them to or on behalf of the company, including any amount paid to a person in respect of the person's accepting the office of director</li> </ul>	<p>Single total figure of remuneration for each director:</p> <ul style="list-style-type: none"> <li>- Total amount of salary and fees</li> <li>- All taxable benefits</li> <li>- Money or other assets received or receivable for the relevant financial year as a result of the achievement of performance measures and targets relating to a period ending in that financial year other than: (i) those which result from awards made in a previous financial year and where final vesting is determined as a result of the achievement of performance measures or targets relating to a period ending in the relevant financial year; or (ii) those receivable subject</li> </ul>	<ul style="list-style-type: none"> <li>- Salary or Fees earned or paid in cash</li> <li>- Bonus (NEO only)</li> <li>- Stock awards</li> <li>- Option awards</li> <li>- Non-equity incentive plan compensation</li> <li>- Change in pension value and nonqualified deferred compensation earnings</li> <li>- All other compensation</li> <li>- Total compensation</li> </ul>



	<ul style="list-style-type: none"> <li>- Salary, bonuses and performance-related payments</li> <li>- Expense allowances, to the extent that the director is not required to account for the allowance</li> <li>- Contributions paid under any pension scheme</li> <li>- The value of any option or right given as compensation</li> <li>- With respect to any loan or other financial assistance by the company to a director, if the company is a guarantor of that loan, the value of:             <ul style="list-style-type: none"> <li>(i) any interest deferred, waived or forgiven; or</li> <li>(ii) the difference in value between the interest that would reasonably be charged in comparable circumstances at fair market rates in an arm's length transaction; and the interest actually charged to the borrower, if less.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- to the achievement of performance measures or targets in a future financial year;</li> <li>- Money or other assets received or receivable for periods of more than one financial year where final vesting: (i) is determined as a result of the achievement of performance measures or targets relating to a period ending in the relevant financial year; and (ii) is not subject to the achievement of performance measures or targets in a future financial year</li> <li>- Pension related benefits</li> <li>- Total (split between total fixed and total variable remuneration).</li> </ul>	
<p><b>What other key information is required to be disclosed?</b></p> <p><b>Note: This is not a complete list of all disclosure requirements.</b></p>	<p>KING IV: Executive management:</p> <ul style="list-style-type: none"> <li>- Background statement describing the context for remuneration considerations and decisions</li> <li>- Details of any awards made under variable remuneration incentive schemes in the current and prior years that have not yet vested, including the number of awards, the values at the date of grant; their award, vesting and expiry dates (where applicable); and the fair value at the end of the reporting period (for each member of executive management)</li> <li>- The cash value of all awards made under variable remuneration incentive schemes that were settled during the reporting period</li> <li>- Separate disclosure of, and reasons for, and payments made on termination of employment or office</li> <li>- A statement regarding compliance with, and any deviations from, the remuneration policy</li> <li>- Voting on remuneration and whether remuneration consultants have been used</li> </ul> <p>Companies Act: Directors or prescribed officers: The amount of:</p>	<ul style="list-style-type: none"> <li>- Total pension entitlements</li> <li>- Scheme interests awarded during the financial year</li> <li>- Payments to past directors</li> <li>- Payments for loss of office</li> <li>- Statement of directors' shareholding and share interests</li> <li>- Performance graph and table</li> <li>- Percentage change in remuneration of director undertaking the role of chief executive officer</li> <li>- The relative importance of spend on pay</li> <li>- Five-year performance history</li> <li>- Statement of implementation of remuneration policy in the following financial year</li> <li>- Consideration by the directors of matters relating to directors' remuneration</li> <li>- Statement of voting at general meetings</li> </ul>	<p>For each named executive officer:</p> <ul style="list-style-type: none"> <li>- Grants of plan-based awards, including details of estimated future payouts (thresholds, targets, maximum amount) and terms and conditions of the awards.</li> <li>- Outstanding equity awards at fiscal year-end (information must be provided on an award-by-award basis)</li> <li>- Option exercises and stock vested</li> <li>- Pension benefits including the present value of accumulated benefit and the amount of any benefits paid.</li> <li>- Details about nonqualified defined contribution plans and other nonqualified deferred compensation plans.</li> </ul>



	<ul style="list-style-type: none"> <li>- Any pensions paid by the company to, or receivable by, current or past directors or individuals who hold or have held any prescribed office in the company</li> <li>- Any amount paid or payable by the company to a pension scheme with respect to current or past directors or individuals who hold or have held any prescribed office in the company</li> <li>- The amount of any compensation paid in respect of loss of office to current or past directors or individuals who hold or have held any prescribed office in the company</li> <li>- The number and class of any securities issued to a director or person holding any prescribed office in the company or to any person related to any of them, and the consideration received by the company for those securities</li> <li>- Details of service contracts of current directors and individuals who hold any prescribed office in the company.</li> </ul>		
<b>Link to document</b>	<a href="#">Companies Act 71 of 2008</a> <a href="#">KING IV Report on Corporate Governance South Africa 2016</a>	<a href="#">Companies Act 2006</a> <a href="#">The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008</a> <a href="#">The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019</a>	<a href="#">REGULATION S-K s229.402: Executive compensation</a>
<b>Accessed date</b>	29 July 2021	29 July 2021	29 July 2021

## Appendix 2: Analysis of disclosure requirements for not-for-profit entities by jurisdiction

No executive remuneration disclosure requirements have been identified or included for NFP entities in Canada, Germany, Hong Kong or Singapore. The Australian Government recently proposed to require large charities<sup>1</sup> with two or more key management personnel to report remuneration paid to responsible persons (directors) and senior executives on an aggregated basis in their 2022 Annual Information Statement from 1 July 2022. The detailed requirements are not included in the table 2.2 below as the changes in law to reflect these new reporting requirements are expected to come into effect later in 2021 and are subject to public consultation.<sup>34</sup>

Questions/ Jurisdiction	New Zealand	South Africa	United Kingdom	United States
<b>Entity type</b>	NFP entities that are also a company	Non-profit companies that are required to have their annual financial statements audited in accordance with the Companies Regulation 28	Charities who are required to report in accordance with Financial Reporting Standard 102.  However, some disclosure requirements only apply to 'larger charities.'	Tax-exempt organisations, non-exempt charities and certain political organisations
<b>What is the main source of executive remuneration disclosure requirement?</b>	<i>Companies Act 1993</i> (s211(f)&(g) - Contents of the Annual Report)	<i>Companies Act 71 of 2008</i> (s30 - 4) [Disclosure requirements for directors and individual holding a prescribed office]  Draft amendments to the Companies Act were published in 2018 which would require all public companies to prepare directors remuneration reports detailing director remuneration, benefits and policies. The draft amendments further clarify that the remuneration disclosures must name each director and prescribed officer next to the relevant remuneration value.  As these amendments were still pending at the time of writing, they have not been included in the analysis below.	Charities SORP (FRS 102) (s1.51 – Structure, governance and management and s9. Disclosure of trustee and staff remuneration, related party and other transactions)  Note s1.51 applies to larger charities only.	Form 990 – Return of Organization Exempt from Income Tax <sup>35</sup> This form is required to be submitted to the Department of Treasury Internal Revenue Service  Form 990 Part VII (Section A), Compensation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.  Schedule J (Form 990) Compensation Information for Certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.

<sup>34</sup> <https://treasury.gov.au/consultation/c2021-207712>.

<sup>35</sup> Form 990 is required for organisations with annual gross receipts greater than USD 200,000 or total assets greater than USD 500,000. See footnote 19 on page 15 for detail.



Questions/ Jurisdiction	New Zealand	South Africa	United Kingdom	United States
<b>Are the disclosures mandatory?</b>	Yes – The disclosure of total remuneration and the value of other benefits for each director is required by the Companies Act and is therefore mandatory.	Yes	Yes – the accounting recommendations in the SORP apply to all charities in the UK that prepare accounts on an accruals basis to give a true and fair view of a charity’s financial position and financial activities regardless of their size, constitution or complexity. However, some disclosure requirements only apply to ‘larger charities.’	Yes
<b>Do the disclosures form part of the financial statements?</b>	No – The disclosures are contained in the annual report (outside the financial statements).	Yes – The disclosures under the Companies Act are required to be contained in the notes to the financial statements.	In part – This disclosure of total remuneration for KMP is required to be in the financial statements.  Disclosure of the arrangements for setting the pay and remuneration of the charity’s KMP and any benchmarks, parameters or criteria used in setting their pay is located elsewhere in the annual report.	No
<b>Are the disclosures subject to assurance?</b>	No – However, this information will be considered to some extent by auditors under ISA (NZ) 720 (Revised) <i>The Auditor’s Responsibilities Relating to Other Information</i> .	Yes – The disclosures under the Companies Act are subject to audit.	In part – the disclosure of total remuneration for KMP is required to be in the financial statements and will be subject to assurance.	No
<b>Who is covered by the disclosure requirements?</b>	Directors and former directors of the company, and highly paid employees and former employees.	Each director or individual holding a prescribed office (prescribed officer <sup>36</sup> ) in the company.	KMP.	Officers, director, trustees, key employees, highest compensated employees. It also includes compensation in the current year to former <sup>37</sup> holders of those positions (see below).
<b>Are there different disclosure requirements for executive vs non-executive directors?</b>	No – The legislation does not differentiate between the executive and non-executive directors.	No – The Companies Act does not differentiate between executive and non-executive.	No	No

36 Under Regulation 38 of the *Companies Regulations 2011* (in relation to the *Companies Act 2008*), despite not being a director of a particular company, a person is a 'prescribed officer' of the company for all purposes of the Act if that person exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company; or regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the company.

37 'Former' is based on a 5-year lookback period. However, individuals who are employed at any time during the current fiscal year are considered current.



Questions/ Jurisdiction	New Zealand	South Africa	United Kingdom	United States
<b>Does the remuneration policy (or governance framework) need to be disclosed?</b>	No	No requirement in the Companies Act	In part – larger charities must disclose the arrangements for setting the pay and remuneration of the charity’s KMP and any benchmarks, parameters or criteria used in setting their pay.	Form 990 Part VI B Question 15: If a process exists, Schedule O requires that the process of determining compensation for the following employees be described: CEO, Executive Director, top management official, other officers, key employees.
<b>Does the link between remuneration and performance need to be specifically discussed?</b>	No requirement to explain the link between remuneration and performance.	No requirement to explain the link between remuneration and performance.	No requirement to explain the link between remuneration and performance.	No
<b>How is remuneration measured and calculated?</b>	Not specified.	The disclosure requirements for directors and individuals holding a prescribed office are required to be included in the financial statements and subject to audit. As such, it is expected that the calculation method will be consistent with the accounting standards.	Not specified	Not specified
<b>Does the disclosure include a split between fixed and variable remuneration?</b>	No specific requirement.	No requirement identified.	No specific requirement.	No
<b>Are the amounts in the key remuneration table show for each individual?</b>	Yes – Each individual director Remuneration paid to other employees is only required to be shown by class.	Yes – Each individual director, prescribed officer or member of executive management.	No – The minimum requirement is to show the total amount. However, charities are encouraged to consider the information needs of their funders and other stakeholders in making their disclosures. For example, it may be helpful to provide details of the employee benefits received by the charity’s CEO or by the highest-paid staff member or to disclose the amount of employee benefits paid to each KMP on an individual basis.	Form 990 Part VII: Yes – 1) Each current officer, director or trustee (no minimum compensation threshold) 2) Up to 20 key employees earning over USD 150,000 of compensation from the organisation or related organisations 3) Five current highest compensated employees not in 1 and 2 earning over USD 100,000 of compensation from the organisation or related organisation 4) Each former officer, key employee and highest compensated employees earning over USD 100, 000 5) Former directors and trustees earning over USD 10,000 of reportable compensation from the organisation.



Questions/ Jurisdiction	New Zealand	South Africa	United Kingdom	United States
				<p>Schedule J: Form 990 Schedule J may not include an individual not listed in Form 990 Part VII. Organisations must list and report in Schedule J only the following individuals:</p> <ol style="list-style-type: none"> <li>1) Each former officer, key employee, highest compensated employee, director, and trustee listed in Form 990 Part VII;</li> <li>2) Each individual in Form 990 Part VII for whom the sum of reportable compensation and other compensation from the organisation and related organisations is more than USD 150,000;</li> <li>3) Any individual that received or accrued compensation from any unrelated organisation for services rendered to the organisation in that person's capacity as an officer, director, trustee, or employee of the organisation.</li> </ol>
<p><b>What categories of remuneration are disclosed in the key remuneration table?</b></p>	<p>For each director:</p> <ul style="list-style-type: none"> <li>- Total remuneration</li> <li>- The value of other benefits received.</li> </ul>	<p>For each director or prescribed officer, total remuneration, which comprises:</p> <ul style="list-style-type: none"> <li>- Fees paid to directors for services rendered by them to or on behalf of the company, including any amount paid to a person in respect of the person's accepting the office of director</li> <li>- Salary, bonuses and performance-related payments</li> <li>- Expense allowances, to the extent that the director is not required to account for the allowance</li> <li>- Contributions paid under any pension scheme</li> <li>- The value of any option or right given as compensation</li> </ul>	<p>Not specified</p>	<p>For each individual</p> <p>Form 990 Section VII Part A</p> <ul style="list-style-type: none"> <li>- Reportable compensation (to the IRS), broken down into amounts from the organisation and from related organisations</li> <li>- Estimated amounts of other compensation from the organisation and related organisations.</li> </ul> <p>Schedule J</p> <ul style="list-style-type: none"> <li>- Reportable compensation to the IRS above, broken down into: <ul style="list-style-type: none"> <li>o base compensation</li> <li>o bonus and incentive compensation</li> <li>o other reportable compensation</li> </ul> </li> <li>- Retirement and other deferred compensation</li> </ul>



Questions/ Jurisdiction	New Zealand	South Africa	United Kingdom	United States
		<ul style="list-style-type: none"> <li>- With respect to any loan or other financial assistance by the company to a director, if the company is a guarantor of that loan, the value of:               <ul style="list-style-type: none"> <li>i) any interest deferred, waived or forgiven; or</li> <li>ii) the difference in value between the interest that would reasonably be charged in comparable circumstances at fair market rates in an arm's length transaction; and the interest actually charged to the borrower, if less.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>- Non-taxable benefits</li> </ul> Reportable compensation reported as deferred in a prior year.
<b>What other key information is required to be disclosed?</b>  <b>Note: This is not a complete list of all disclosure requirements.</b>	<ul style="list-style-type: none"> <li>- The number of employees or former employees of the company who, during the accounting period, received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded NZD 100,000 per annum. It also requires that the number of these employees in brackets of NZD 10,000.</li> </ul>	Directors or prescribed officers: The amount of: <ul style="list-style-type: none"> <li>- Any pensions paid by the company to, or receivable by, current or past directors or individuals who hold or have held any prescribed office in the company</li> <li>- Any amount paid or payable by the company to a pension scheme with respect to current or past directors or individuals who hold or have held any prescribed office in the company</li> <li>- The amount of any compensation paid in respect of loss of office to current or past directors or individuals who hold or have held any prescribed office in the company</li> </ul>	Not specified	For each individual (Form 990 Part VII): <ul style="list-style-type: none"> <li>- Average hours worked; and</li> <li>- Position.</li> </ul>



Questions/ Jurisdiction	New Zealand	South Africa	United Kingdom	United States
		<ul style="list-style-type: none"><li>- The number and class of any securities issued to a director or person holding any prescribed office in the company, or to any person related to any of them, and the consideration received by the company for those securities</li><li>- Details of service contracts of current directors and individuals who hold any prescribed office in the company.</li></ul>		
<b>Link to document</b>	<a href="#">Companies Act 1993</a>	<a href="#">Companies Act 71 of 2008</a>	<a href="#">Charities SORP (FRS 102) (effective from 1 January 2019)</a>	<a href="#">Form 990 Schedule J</a>
<b>Accessed date</b>	29 July 2021	29 July 2021	29 July 2021	29 July 2021

## Appendix 3: Analysis of disclosure requirements for public sector entities by jurisdiction

No executive remuneration disclosure requirements have been identified or included for public sector entities (at the Commonwealth/Federal or national level) in Canada, Germany, Hong Kong, Singapore or the United States. However, additional requirements may exist for public sector entities at lower levels of government.

Questions/ Jurisdiction	Australia	New Zealand	South Africa	United Kingdom
<b>Entity type</b>	Commonwealth companies and entities	Crown entities Crown entities include statutory entities, crown entity companies, crown entity subsidiaries, school boards of trustees and tertiary education institutions (e.g. universities). Crown entities do not include other New Zealand public sector organisational forms: Departments of State, State-Owned Enterprises, Offices of Parliament and sui generis organisations like the Reserve Bank	Public entities	All entities consolidated within the Whole of Government Accounts, but excluding Local Government, those Public Corporations that are not Trading Funds, and NHS Trusts, NHS Foundation Trusts and Clinical Commissioning Groups. (The Department for Health Group Accounting Manual, the NHS Foundation Trust Annual Reporting Manual and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom are compliant with this Manual other than for specifically agreed divergences.)
<b>What is the main source of executive remuneration disclosure requirement?</b>	<i>The Public Governance, Performance and Accountability Rule 2014</i> (s17CA to 17EC and s28EA to 28EC)	<i>Crown Entities Act 2004</i> (s152 – Disclosure of payments in respect of members, committee members, and employees)	Treasury Regulations 2005 (s28.1.1) – remuneration disclosures The Annual Report Guide - Schedule 3A and 3C Public Entities (s2.5.4) – Information on how remuneration of the accounting authority (Board) is determined.	The Government Financial Reporting Manual 2019-20 (s5.3.15)
<b>Are the disclosures mandatory?</b>	Yes	Yes	Yes	Yes
<b>Do the disclosures form part of the financial statements?</b>	No – The disclosures form part of the annual report outside the financial statements.	No – The disclosures form part of the annual report outside the financial statements.	In part – The disclosure of remuneration is required to be included in the annual financial statements (Treasury Regulations).	No – The disclosures are contained in the Accountability Report which is required to contain a remuneration and staff report.



Questions/ Jurisdiction	Australia	New Zealand	South Africa	United Kingdom
			The explanation of how remuneration of the accounting authority is determined is outside the financial statements in the annual report (The Annual Report Guide)	
<b>Are the disclosures subject to assurance?</b>	No – However other remuneration information that is included in the same document as the audited financial statements, will be considered to some extent by auditors under Auditing Standard ASA 720 <i>The Auditor’s Responsibilities Relating to Other Information</i> .	No – However, this information will be considered to some extent by auditors under ISA (NZ) 720 <i>The Auditor’s Responsibilities Relating to Other Information</i> .	In part – The disclosure of remuneration is required to be included in the annual financial statements and is subject to audit.  Other remuneration information that is included in the same document as the audited financial statements will be considered to some extent by auditors under ISA 720 (Revised) <i>The Auditor’s Responsibilities Relating to Other Information</i> .	Yes – Single total figure of remuneration for each minister and director and payments to past directors for loss of office, fair pay disclosures and staff numbers and costs are also subject to audit.  Other remuneration information that is included in the same document as the audited financial statements will be considered to some extent by auditors under ISA (UK) 720 <i>The Auditor’s Responsibilities Relating to Other Information</i>
<b>Who is covered by the disclosure requirements?</b>	KMP (as defined by the accounting standards) and senior executives and other highly paid staff <sup>38</sup> (for Commonwealth entities).	Members, committee members and employees (earning more than NZD 100,000).	a) Members of the accounting authority; b) the chief executive officer or the person in charge of the public entity c) the chief financial officer d) persons serving on the public entity’s senior management e) members or persons in (a) to (d) above serving in other entities under the ownership control of the public entity.	Directors and ministers
<b>Are there different disclosure requirements for executive vs non-executive directors?</b>	No – The same disclosure requirements apply to all KMP.	No – No distinction is made in the legislation or financial reporting standards.	No – The same disclosure requirements apply to all directors.	No – The same disclosure requirements apply to all directors.

38 Other highly paid staff (OHPS) are officials of a Commonwealth entity: (a) who are neither KMP nor senior executives, and (b) whose total remuneration exceeds the threshold remuneration amount for the reporting period. For a reporting period that begins on or after 29 June 2020 and ends on or before 30 June 2021, the threshold remuneration for OHPS is AUD 230,000. Refer to [Commonwealth Entities’ executive remuneration reporting guide for annual reports \(RMG 138\)](#) (September 2021) for details.



Questions/ Jurisdiction	Australia	New Zealand	South Africa	United Kingdom
<b>Does the remuneration policy (or governance framework) need to be disclosed?</b>	Yes – The policies and practices of the entity regarding the remuneration of KMP, senior executives and other highly-paid staff must be included, setting out the governance arrangements under which those policies and practices operate; and the basis on which the remuneration of KMP, senior executives and other highly paid staff of the entity has been determined.	No requirement to disclose the remuneration policy in the legislation or financial reporting standards.	Yes – The disclosures need to discuss include how remuneration of Accounting Authority (Board) members is determined.	Yes – the Remuneration and staff report needs to set out the remuneration policy for directors and ministers.
<b>Does the link between remuneration and performance need to be specifically discussed?</b>	No requirement to explain the link between remuneration and performance in the PGPA Rule. However, staff noted that the RMG138 suggests that the remuneration disclosures could include an explanation of how the remuneration policies and practices link to the achievement of the organisation’s strategy and objectives. In particular, where there is an explicit link between remuneration and the entity’s performance, this link should be explained. <sup>39</sup>	No requirement to explain the link between remuneration and performance.	No requirement to explain the link between remuneration and performance.	Yes – The Remuneration and staff report sets out the amounts awarded to directors and, where relevant, the link between performance and remuneration.
<b>How is remuneration measured and calculated?</b>	Amounts comprising total remuneration must be calculated on an accrual basis.	Not specified.	Not specified.	Not specified for salaries, allowances, performance pay and non-cash benefits, but a specific formula is provided to measure accrued pension benefits.
<b>Does the disclosure include a split between fixed and variable remuneration?</b>	Not specified	No specific requirement.	Not specified.	Not specified

39 [Commonwealth Entities’ executive remuneration reporting guide for annual reports \(RMG 138\)](#) (September 2021). Refer to [Performance Bonus Guidance – principles governing performance bonus use in Commonwealth entities and companies](#) (August 2021) for guidance.



Questions/ Jurisdiction	Australia	New Zealand	South Africa	United Kingdom
<b>Are the amounts in the key remuneration table show for each individual?</b>	Yes – Each individual KMP, however disclosures for senior management and other highly paid staff are shown on an aggregated level for each remuneration band.  Remuneration bands are AUD 230,000, and then in AUD 25,000 increments from AUD 245,000 and above. <sup>40</sup>	Yes – The <i>Crown Entities Act</i> requires disclosure of amounts paid to each individual member and committee member.  Remuneration paid to other employees is only required to be shown by class.	Yes – Each individual	Yes – There is a presumption that information about named individuals will be given in all circumstances, and all disclosures in the remuneration report will be consistent with identifiable information of those individuals in the financial statements.
<b>What categories of remuneration are disclosed in the key remuneration table?</b>	<ul style="list-style-type: none"> <li>- Base salary</li> <li>- Bonuses</li> <li>- Other benefits and allowances</li> <li>- Superannuation contributions</li> <li>- Long service leave</li> <li>- Other long-term benefits</li> <li>- Termination benefits</li> <li>- Total remuneration</li> </ul> For each senior executive and other highly paid staff (for commonwealth entities), the above amounts are shown on an aggregated average basis.	For each current member and committee member: <ul style="list-style-type: none"> <li>- Total remuneration</li> </ul> For employees earning over NZD 100,000: <ul style="list-style-type: none"> <li>- Number of employees who were paid /payable in excess of NZD 100,000</li> <li>- Number of those employees in brackets of NZD 10,000.</li> </ul>	For each individual: <ul style="list-style-type: none"> <li>- Total remuneration (comprising of fees for services, basic salary, bonuses and performance related payments, sums paid by way of expense, salary or other allowances, contributions made to any pension fund, medical aid, insurance scheme, any commission, gain or profit-sharing arrangements, any share options, including their strike price and period, and any other material benefits received.)</li> </ul>	For each minister and director: <p>Single total figure of remuneration for each minister and director, and each of the following components:</p> <ul style="list-style-type: none"> <li>- Salary and allowances</li> <li>- Performance pay or bonuses payable</li> <li>- Non-cash benefits – the estimated value of non-cash benefits</li> <li>- Accrued pension benefits</li> </ul>
<b>What other key information is required to be disclosed?</b>  <b>Note: This is not a complete list of all disclosure requirements.</b>	Not specified.	<ul style="list-style-type: none"> <li>- The total value of any compensation or other benefits paid or payable to persons who ceased to be members, committee members, or employees during the financial year in relation to that cessation and the number of persons to whom all or part of that total was paid or payable; and</li> <li>- Details of any indemnity provided to any member, office holder, or employee; and</li> </ul>	<ul style="list-style-type: none"> <li>- Information on those members that are not remunerated.</li> <li>- Other expenses (e.g. travel, reimbursed by the public entity)</li> </ul>	<ul style="list-style-type: none"> <li>- Pension entitlements for each minister and director</li> <li>- Compensation on early retirement or for loss of office</li> <li>- Payments to past directors</li> <li>- Fair pay disclosure</li> <li>- Staff report (staff numbers and costs)</li> </ul>

<sup>40</sup> See <https://www.finance.gov.au/government/managing-commonwealth-resources/commonwealth-entities-executive-remuneration-reporting-guide-annual-reports-rmg-138/other-highly-paid-staff> for the total remuneration bands



Questions/ Jurisdiction	Australia	New Zealand	South Africa	United Kingdom
		- Details of any insurance cover effected by the entity during the financial year in respect of the liability or costs of any member, office holder, or employee.		
<b>Link to document</b>	<a href="#">The Public Governance, Performance and Accountability Rule 2014</a>	<a href="#">Crown Entities Act 2004</a>	<a href="#">Treasury Regulations (2005) The Annual Report Guide</a>	<a href="#">Government Financial Reporting Manual 2019-20</a>
<b>Date accessed</b>	21 September 2021	28 July 2021	28 July 2021	28 July 2021