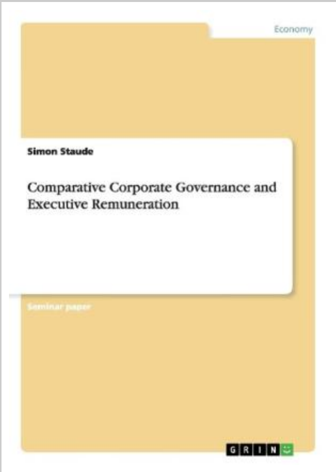

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Comparative Corporate Governance and Executive Remuneration

By Simon Staude

GRIN Publishing Sep 2015, 2015. Taschenbuch. Condition: Neu. Neuware - Seminar paper from the year 2014 in the subject Business economics - Investment and Finance, , language: English, abstract: The justification of a company having a remuneration committee (hereinafter 'RemCo') is simple and based on the 'agency theory' whereby directors are employed to act as proxies for shareholders and manage a companies' business on their behalf. However, their powers allow them to manage the business in a manner, which facilitates their own interests. Excessive remuneration and bonus schemes are probably the most controversial outcomes which may be considered as a result of this principle. The UK Corporate Governance Code (hereinafter 'the Code') has tried to deal with this issue, providing principles to establish an appropriate level of remuneration for directors and to align this remuneration with the interest of the shareholders. However, the salaries of CEOs of FTSE100 companies have increased significantly over the last ten years. This is supported by a recent Manifest survey which shows that FTSE100 RemCos still grant remuneration packages above the inflation rate and the average pay increase of employees. As the level of remuneration has increased considerably in recent years, it is indeed questionable...

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