

# Chairmen have options in remuneration totals

THE going rate for a non-executive chairman of a mid-sized listed Western Australian company sits between \$120,000 and \$170,000, judging by the data compiled by *WA Business News*.

A handful of large companies paid even more, as did a slew of small companies.

The latter group included several mining and exploration companies that granted potentially lucrative share options to their chairmen.

This group was led by former Summit Resources chairman John Seton, who was granted share options valued at \$3.6 million.

Combined with his director's fees, Mr Seton earned a total of \$3.7 million last year, which ranked him as the highest paid public company chairman in WA.

Golden West Resources chairman Jeff Daniels, Mineral Resources chairman Michael Kiernan, and Sundance Resources chairman George Jones were also granted share options valued at nearly \$1 million or more.

Leaving aside share options, the highest paid non-executive chairman's position in WA is at Woodside Petroleum.

Recently installed Woodside chairman Michael Chaney will be paid director's fees of \$485,000 per year.

That is just ahead of Wesfarmers' long-serving non-executive chairman, Trevor Eastwood, who was paid

\$445,400 last year.

Woodside and Wesfarmers – like most large companies – do not offer incentive schemes or share option schemes to their non-executive directors, in line with best practice guidelines on corporate governance.

Professional directors with multiple board positions have the potential to earn incomes that put them ahead of most full-time executives.

Mr Chaney, for instance, is also chairman of National Australia Bank, which paid him \$665,000 in director's fees last year.

Hence, Mr Chaney will be earning more than \$1.1 million from his two part-time board roles.

Professional director Peter Mansell also earns a high cash income, by virtue of his multiple board positions.

Mr Mansell's board roles include chairman of mining company Zinifex, West Australian Newspapers Holdings, technology company ThinkSmart, Western Power, and unlisted winemaker Ferngrove Vineyard Estates.

His total income from director's fees last year was more than \$800,000.

Mining entrepreneur Michael Kiernan is another prolific director who takes a very different approach to remuneration.

He is chairman of seven listed companies, including Monarch Gold Mining, Territory Resources, Precious Metals Australia and Mineral Resources.

His total remuneration last year was nearly \$2.5 million, with the

vast majority in the form of shares and share options.

His cash income was \$255,000, with most of this (\$145,000) paid by Mineral Resources, which is the only mature company in his portfolio.

The rest are development companies with limited capacity to pay cash. Four of Mr Kiernan's companies did not pay him any director's fees.

Tony Howarth is a professional director whose fees are representative of a typical, mature business in WA.

Home Building Society paid him \$127,500 last year and Mermaid Marine paid him \$125,000.

Engineering and infrastructure company GRD paid its chairman, former premier Richard Court, \$141,000 in director's fees while fast-growing nickel miner Sally Malay Mining paid its chairman, Christopher De Guingand, \$149,000.

Mineral sands miner Iluka Resources continued to pay above-average director's fees, despite its poor financial performance in recent years.

Its chairman, Ian Mackenzie, was paid \$210,000 last year, up from \$194,000 in the previous year.

Navitas (formerly IBT Education) stood out because of the big increase in director's fees.

Its chairman, Harvey Collins, was paid \$146,000 last year, which brought it into line with its peers. It paid \$90,000 to its chairman in the previous year.

## NON-EXECUTIVE CHAIRMEN

NAME	COMPANY	INCOME
John Seton	Summit Resources (1)	\$3.7m
John Daniels	Golden West Resources (2)	\$2.5m
Michael Kiernan	Mineral Resources (3)	\$1.5m
George Jones	Sundance Resources (4)	\$1m
Michael Chaney	Woodside Petroleum	\$485,000
Trevor Eastwood	Wesfarmers	\$445,400
Terry Ward	Uranex (5)	\$547,738
John Stephenson	Strike Resources (6)	\$376,921
David Archer	Crusader Holdings (7)	\$373,560
David Nixon	Atlas Iron (8)	\$336,491
Paul Rengel	Finbar Group (9)	\$321,038
Richard Homsary	Redport	\$242,500
James Campbell	Minara Resources	\$222,750
John Poynton	Alinta	\$217,876
Rick Crabb	Paladin Resources	\$215,000
Ian Mackenzie	Iluka Resources	\$210,494
Peter Mansell	WA Newspapers Holdings	\$199,056
Dick Carter	Macmahon Holdings	\$198,304
Barry Aitken	Pan Palladium	\$189,658
Miles Kennedy	Resource & Investment	\$181,363
Tony Lennon	Peet	\$179,850
Ian Laurance	Axiom Properties	\$178,944
Richard Harding	Clough	\$167,857
Reg Gillard	Aspen Group	\$165,225
Michael Perrot	Port Bouvard	\$162,230
Christopher De Guigand	Sally Mallay Mining	\$149,904
Harvey Collins	Navitas (formerly IBT Education)	\$146,038
Gordon Toll	Fortescue Metals Group	\$144,697
Colin Henson	ERG	\$142,500

Includes share options valued at 1) \$3,652,305; (2) \$2,447,500; (3) \$1,187,000; (4) \$936,751; (5) \$486,675; (6) \$315,824; (7) \$373,560; (8) \$269,759; (9) \$281,493