

# Because We're Worth It

The Truth about CEO Pay in Ireland



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# Number of years for average worker to earn what CEOs earned in 2017







“

*It would take 230 years for the average worker to equal the 2017 earnings of one of Ireland's top paid CEOs.*

”

## Introduction

This is the second update of our report on CEO pay, first published in January 2017. Our analysis of twenty-six companies shows that the average total pay for CEOs is still increasing at a rate of 6% per annum. There have been a number of changes of CEOs since the last report published in January, 2018, including at Arysza, Bank of Ireland, DCC, ICG, INM, Kerry Group and Tullow Oil. The most telling graph in this document is **Figure 2** which shows the number of years it would take for a worker on the average industrial wage to earn what a CEO would earn in one year.

Each year we intend to focus on different aspects of corporate high earnings. This year we address the issue of company directors' pay, and of the role played by proxy advisors. The analysis is based on Annual Reports for the year 2017. The information comes from the published annual accounts of the companies concerned.

## Methodology

For 2017, we have examined twenty-six companies (we have omitted the company Kainos this year). We show the Basic Pay, Total Remuneration and Cash Bonus between 2016 and 2017, together with the pensions received by CEOs for 2017. For comparison purposes the pay of the CEO at the twelve largest Commercial State companies is also shown. As in other years, we show how many years it would take a person on the average wage to earn what each CEO earns in one year.

A short description of all the companies is contained in **Appendix 1**.

A sample list of large private companies who have a much lower level of reporting obligation is shown in **Appendix 2**. We list these to emphasise that the public companies researched in this report have obligations under law and under stock exchange rules to publish certain information, including the pay of their management team. Private companies are under no such obligation and their executive pay arrangements remain shrouded in secrecy.

**Table 1: Companies Researched**

COMPANY	REPORTING CURRENCY & RATE
AIB	Euro
AMINEX	US\$ Rate: Average Exchange Rate
ARYZTA	Swiss Franc: Average Exchange Rate
BANK OF IRELAND	Euro
C&C	Euro
CAIRN HOMES	Euro
CRH	Euro
DALATA	Euro
DCC	Euro
FBD	Euro
GLANBIA	Euro
GRAFTON	Stg£: Average Exchange Rate
GREENCORE	Stg£: Average Exchange Rate as in Accounts
ICG	Euro
INM	Euro
KENMARE	US\$ Rate: Average Exchange Rate
KERRY GROUP	Euro
KINGSPAN	Euro
ORIGIN ENTERPRISES LTD	Euro
PADDY POWER	Stg£: Average Exchange Rate as in Accounts
PERMANENT TSB	Euro
RYANAIR	Euro
SMURFIT KAPPA	Euro
TOTAL PRODUCE	Euro
TULLOW OIL	Stg£: Average Exchange Rate
UDG	Euro



# The Composition of CEO Pay

**Executive pay is normally comprised of five parts - basic, bonus, long term incentive plans, pension and Benefit in Kind. They may be explained as follows:**

## Basic Pay

Basic pay often bears no resemblance to the final salary of a CEO. Basic salary is often only increased by a small percentage point, if at all.

In the case of the twenty six companies examined, basic pay comprises of, on average, 48% of overall CEO remuneration which is 1% higher than in 2016. Basic pay as a percentage of total remuneration has decreased in seven companies.

## Bonus Payments

Bonus payments are awarded to the vast majority of CEOs (and also paid to many senior executives of the company). They are generally based on both the company and on the individual's performances, financial performance, with typical targets being earnings per share or return on capital employed. The bonus may be paid either in full or in part depending on the extent to which the performance indicators are achieved. The bonus can be paid in cash, in shares or a combination of both. A level of bonus of 100% of salary is not untypical, but bonuses can also be in excess of this amount. Bonuses are included in the report of the board remuneration committee, and are subject to tax, PRSI and USC.

## Long Term Incentive Plans (LTIPs)

An LTIP grants units of stock to CEOs and senior managers. This grant is conditional, as the stock will only be transferred when certain performance conditions have been achieved, usually after three years. One of the more common performance conditions is the company's Total Shareholder Return (TSR) performance over a specified period. It is common for none of the LTIPs to be exercisable in a particular year, as the conditions for exercise may not have been fulfilled.

The majority of firms researched operate these incentive plans which are becoming a growing feature of Executive pay. The structure of the plans vary widely with shares being given gratis or purchased at a discounted price. The shares do not become the property of the Executive concerned for a period of years. The shares awarded must, in addition, be retained



for a period – normally two years. In addition, some CEOs have a contractual requirement to hold an amount of shares in the enterprise – an amount equivalent to their basic salary is not uncommon. These can also be career-based plans in which the benefits accrue over the individual's working career, to be paid when they retire. LTIP awards vary from company to company and can be based on earnings per share (EPS), return on capital employed (ROCE) total shareholder return (TSR) or a combination of all three. It is therefore difficult, if not impossible, to make a comparison between the value of LTIP schemes – apart altogether from the fact that the awards are ultimately based on share value.

LTIPs can easily account for at least one-third of an Executive's total compensation package. This is borne out for example by Kerry Group where the maximum opportunity for their LTIP is 180%-200% of basic salary and Executive Directors are expected to build and hold shares in the company to a minimum level of 180%-200% of their basic salary over five year period.

## Pensions

Company remuneration reports show the contribution made to individual pension pots. Annual contributions are often based upon a percentage of gross annual salary. In the past, putting money into pension pots was a way of minimising the tax liability. The Finance Act 2006 capped pension provision by introducing a penalty tax charge on pension assets in excess of the higher of €5 million or the value of individual prospective pension entitlements as at 7th December 2005. As a result of these changes, a number of companies decided that Executives in membership of an Irish pension scheme, should have the option of continuing to accrue pension benefits as previously or of choosing an alternative arrangement, generally a cash sum. Kenmare Holdings, for example, extend pension matching contributions to alternative long-term savings products, and at Paddy Power, Executive Directors will receive a cash supplement in lieu of pension contribution of 15% of total salary in 2018.

## Benefit in Kind

A typical benefit in kind package would include car benefit or equivalent, medical insurance, life insurance, re-location expenses, interest-free loans and overseas allowance where applicable. Benefit in kind payments are taxable.

## Changes in Remuneration

Basic Pay as a percentage of 'Total Remuneration' is much higher in the banking sector than other sectors of the economy. This is due to the control which the government has exercised since the bank bailout. (Bank of Ireland's figures are for both the outgoing and incoming CEO and include a 'Pension Payment' for the outgoing CEO of €290,000. When the pension payment is eliminated, the basic pay as a percentage of Total Remuneration is 96%).

**Table 2** shows basic pay as a percentage of Total Remuneration. In sixteen of the twenty-six companies, Basic Pay accounts for 50% or less of Total Remuneration. There are four companies whose basic pay is above 80% of total remuneration: Aminex, 80%, INM at 81%, AIB 83%, Permanent TSB 85%. Basic pay as a percentage of Total Remuneration, was as low as 14% in DCC, 17% in CRH, 22% in Paddy Power, 22% in Kerry Group and 23% in ICG.

Basic pay, as a percentage of 'Total Remuneration' has decreased in nine companies since 2016, with the largest decreases in Origin Enterprises at -23%, and in Paddy Power at -19%. Greencore at 25% and Aminex and Aryzta at 21% show the largest increases in basic pay as a percentage of Total Remuneration.

**Table 2: Basic Pay as a % of CEOs' Total Remuneration to nearest €1,000**

Company	Total Remuneration of CEO 2016	Basic Pay of CEO 2016	Basic Pay as % of CEO total Remuneration	Total Remuneration of CEO 2017	Basic Pay of CEO 2017	Basic Pay as % of CEO total Remuneration	Changes in Basic Pay as % of total Remuneration from 2016-17
GREENCORE	3,258,000	789,000	24%	1,655,000	803,000	49%	25%
ARYZTA	2,302,000	1,171,000	51%	1,525,000	1,103,000	72%	21%
AMINEX	335,000	199,000	59%	355,000	283,000	80%	21%
SMURFIT KAPPA	2,407,000	1,100,000	46%	1,692,000	1,100,000	65%	19%
KINGSPAN	1,915,000	698,000	36%	1,540,000	770,000	50%	14%
INM	566,000	404,000	71%	517,000	417,000	81%	10%
CAIRN HOMES	924,000	425,000	46%	797,000	425,000	53%	7%
GLANBIA	2,029,000	761,000	38%	1,949,000	811,000	42%	4%
CRH	9,983,000	1,400,000	14%	8,659,000	1,442,000	17%	3%
C&C	1,230,000	803,000	65%	1,052,000	708,000	67%	2%
DALATA	1,493,000	475,000	32%	1,712,000	575,000	34%	2%
RYANAIR	3,200,000	1,000,000	31%	3,258,000	1,058,000	32%	1%
PERMANENT TSB	502,000	424,000	84%	499,000	424,000	85%	1%
AIB	600,000	500,000	83%	600,000	500,000	83%	0%
UDG	2,049,000	603,000	29%	2,242,000	650,000	29%	0%
ICG	2,326,000	526,000	23%	2,326,000	526,000	23%	0%
TOTAL PRODUCE	736,000	512,000	70%	747,000	520,000	70%	0%
GRAFTON	1,851,000	694,000	37%	1,988,000	682,000	34%	-3%
DCC	4,462,000	737,000	17%	5,319,000	759,000	14%	-3%
KENMARE	1,211,000	550,000	45%	1,281,000	520,000	41%	-4%
TULLOW OIL	3,745,000	1,147,000	31%	4,046,000	1,072,000	26%	-5%
FBD	898,000	450,000	50%	1,051,000	450,000	43%	-7%
KERRY GROUP	3,609,000	1,306,000	36%	8,071,000	1,743,000	22%	-14%
PADDY POWER	1,900,000	785,000	41%	3,653,000	812,000	22%	-19%
BANK OF IRELAND	958,000	690,000	97%	1,210,000	928,000	77%	-20%
ORIGIN ENTERPRISES LTD	701,000	500,000	71%	1,031,000	500,000	48%	-23%
	<b>55,190,000</b>	<b>18,649,000</b>		<b>58,775,000</b>	<b>19,581,000</b>		

#### NOTES

1. **Aryzta** - compensation for CEO includes for his service as officer of Origin Enterprises plc.
2. **Bank of Ireland** - CEO Resigned 1st Oct. 2017, new CEO appointed 2nd Oct. 2017 - figures incl. both salaries.
3. **DCC** - CEO retired in July, 2017 and new CEO appointed in same month (at AGM).
4. **ICG** - €0.6M (2016: €Nil) of performance pay has been included as a non-trading item in relation to the disposal of MV Kaitaki.
5. **INM** - On resigning (Oct. 2017) CEO received a severance payment of €1,500,000 which included a payment of €239,950 in lieu of notice, new CEO appointed Oct. 2017. Figures shown are a combination of both CEOs remuneration.
6. **Kerry** - CEO retired Sept. 2017, new CEO appointed Oct. 2017 – figures shown are combination of both CEOs remuneration, and includes benefits for new CEO of a once off gross taxable housing allowance of €159,375 to cover his rental costs.
7. **Tullow Oil For 2017** - CEO changed end of April 2017. Total remuneration figures are shown outgoing and incoming CEOs.

**Table 3** shows the changes in basic pay and total remuneration for CEOs between 2016 and 2017.

Basic pay increased in fifteen companies in 2017. The changes varied from a high of a 42% increase in Aminex to a decrease of 12% in C&C. When bonuses are taken into account, the combined total Remuneration of the companies researched is €58,775,000, an increase of 6% on the 2016 total of €55,190,00. The gap between the highest and the lowest Total Remuneration was in CRH at €8.659m and Aminex at €355k.

Fourteen companies showed an increase in Total Remuneration, with two companies, Kerry Group<sup>1</sup> (124%) and Paddy Power (92%) showing an increase of 50% or more. Ten companies saw their Total Remuneration decrease, ranging from -1% in Permanent TSB to -49% in Greencore, with two companies unchanged.

**Table 3: Evolution of Basic Pay and Total Remuneration for CEO to nearest €1,000**

Company	Basic Pay of CEO 2016	Basic Pay of CEO 2017	% increase/decrease	Total Remuneration of CEO in 2016	Total Remuneration of CEO in 2017	% increase/decrease
KERRY GROUP	1,306,000	1,743,000	33%	3,609,000	8,071,000	124%
PADDY POWER	785,000	812,000	3%	1,900,000	3,653,000	92%
ORIGIN ENTERPRISES	500,000	500,000	0%	701,000	1,031,000	47%
BANK OF IRELAND	690,000	928,000	34%	958,000	1,210,000	26%
DCC	737,000	759,000	3%	4,462,000	5,319,000	19%
FBD	450,000	450,000	0%	898,000	1,051,000	17%
DALATA	475,000	575,000	21%	1,493,000	1,712,000	15%
UDG	603,000	650,000	8%	2,049,000	2,242,000	9%
TULLOW OIL	1,147,000	1,072,000	-7%	3,745,000	4,046,000	8%
GRAFTON	694,000	682,000	-2%	1,851,000	1,988,000	7%
AMINEX	199,000	283,000	42%	335,000	355,000	6%
KENMARE	550,000	520,000	-5%	1,211,000	1,281,000	6%
RYAN AIR	1,000,000	1,058,000	6%	3,200,000	3,258,000	2%
TOTAL PRODUCE	512,000	520,000	2%	736,000	747,000	1%
ICG	526,000	526,000	0%	2,326,000	2,326,000	0%
AIB	500,000	500,000	0%	600,000	600,000	0%
PERMANENT TSB	424,000	424,000	0%	502,000	499,000	-1%
GLANBIA	761,000	811,000	7%	2,029,000	1,949,000	-4%
INM	404,000	417,000	3%	566,000	517,000	-9%
CRH	1,400,000	1,442,000	3%	9,983,000	8,659,000	-13%
CAIRN HOMES	425,000	425,000	0%	924,000	797,000	-14%
C&C	803,000	708,000	-12%	1,230,000	1,052,000	-14%
KINGSPAN	698,000	770,000	10%	1,915,000	1,540,000	-20%
SMURFIT KAPPA	1,100,000	1,100,000	0%	2,407,000	1,692,000	-30%
ARYZTA	1,171,000	1,103,000	-6%	2,302,000	1,525,000	-34%
GREENCORE	789,000	803,000	2%	3,258,000	1,655,000	-49%

See Notes under Table 2

<sup>1</sup> Remuneration is combination of both incoming and outgoing CEOs

**Table 4** shows the changes in basic pay and total remuneration in the top twelve Commercial State Companies in 2016 and 2017. Six companies showed an increase in total remuneration for their CEOs from 2016 to 2017, including a 24.7% increase in the Irish Aviation Authority. However, this included a payment of €81,000 which was a final payment to the outgoing CEO. In three companies, the CEO's total pay decreased, while three remained unchanged. The figure for Ervia shows a large decrease due to the fact that the 2016 figures quoted were for an incoming and outgoing CEO.

**Table 4: CEO pay in the top 12 Commercial State Companies to nearest €1,000**

Company	CEO Basic Pay 2016	CEO Basic Pay 2017	% difference from 2015 to 2016	CEO Total Pay 2016	CEO Total Pay 2017	% difference from 2016 & 2017
IRISH AVIATION AUTHORITY	232,000	232,000	0%	344,000	429,000	24.7%
COILLTE	191,000	194,000	2%	254,000	277,000	9.1%
BORD NA MONA	200,000	200,000	0%	263,000	280,000	6.5%
IARNRÓD ÉIREANN	217,000	225,000	4%	286,000	296,000	3.5%
AN POST	246,000	240,000	-2%	291,000	300,000	3.1%
VHI	328,000	338,000	3%	328,000	338,000	3.0%
EIRGRID	170,000	170,000	0%	217,000	217,000	0.0%
ESB	295,000	295,000	0%	359,000	359,000	0.0%
DUBLIN BUS	167,000	167,000	0%	212,000	212,000	0.0%
DAA	250,000	241,000	-4%	399,000	378,000	-5.3%
RTE	287,000	250,000	-13%	368,000	338,000	-8.2%
ERVIA	250,000	200,000	-20%	335,000	245,000	-26.9%

#### NOTES

**All figures for 2016 are as quoted in the 2016 published Audited Accounts.**

**IAA** - The CEO resigned from the Irish Aviation Authority on 29 December, 2017. He voluntarily waived 10% of his official salary in each of the years 2009-2017. Following his resignation in December, a payment of €81,000 was made in full and final settlement of all matters relating to his employment with the IAA.

**DAA** - CEO resigned on 9 September 2017. Pursuant to his contract, his salary was €250,000 per annum. Total remuneration in respect of this CEO for 2017 amounted to €291,107 which included basic salary of €187,932 and pension contributions and other taxable benefits of €103,175. A new CEO was appointed on 2 October 2017. Pursuant to his contract, his salary is €250,000 per annum. Total remuneration in respect of incoming CEO for the period 2 October 2017 to 31 December 2017 amounted to €86,903 which included basic salary of €52,743 (2016: Nil) and pension contributions and other taxable benefits of €34,160.

**Ervia** - Acting Managing Director from 29 April 2016. Appointment confirmed on 24 May 2016.

## Bonuses

**Table 5** shows the evolution of bonuses between 2016 and 2017. Cash bonuses (not including bonuses made under LTIPs) increased in fifteen companies by an average of €236,000. They decreased in seven companies and four companies did not pay a bonus in either 2016 or 2017. Three companies, who paid a cash bonus in 2016, did not pay a cash bonus in 2017: INM, C&C and Greencore. Origin Enterprises and Aryzta did not pay a bonus in 2016 but did pay it in 2017. The highest increase in the Cash Bonus was in Kerry Group where the cash bonus increased from €910,000 to €2,101,00<sup>2</sup>. The highest cash bonus was received by the CEO of CRH who received €2,338,000. The highest decrease was experienced by the CEO of Greencore who who did not receive a cash bonus in 2017.

**Table 5: Cash Bonus Payments to CEOs to nearest €1,000**

Company	Bonus paid to CEO in 2016	Bonus paid to CEO in 2017	Increase/ Decrease in cash bonus 2016/2017
KERRY GROUP	910,000	2,101,000	1,191,000
DCC	884,000	1,366,000	482,000
ORIGIN ENTERPRISES	0	330,000	330,000
GRAFTON	502,000	819,000	317,000
UDG	244,000	487,000	243,000
ARYZTA	0	184,000	184,000
KENMARE	132,000	307,000	175,000
DALATA	470,000	633,000	163,000
FBD	315,000	473,000	158,000
TULLOW OIL	1,112,000	1,248,000	136,000
SMURFIT KAPPA	285,000	342,000	57,000
RYANAIR	900,000	950,000	50,000
GLANBIA	574,000	608,000	34,000
CRH	2,323,000	2,338,000	15,000
TOTAL PRODUCE	205,000	208,000	3,000
AIB	0	0	0
BANK OF IRELAND	0	0	0
PERMANENT TSB	0	0	0
ICG	0	0	0
PADDY POWER	888,000	879,000	-9,000
AIMINEX	98,000	60,000	-38,000
INM	87,000	0	-87,000
KINGSPAN	698,000	599,000	-99,000
CAIRIN HOMES	446,000	319,000	-127,000
C&C	161,000	0	-161,000
GREENCORE	491,000	0	-491,000

See Notes under Table 2

<sup>2</sup> Includes Cash Bonus for both outgoing and incoming CEO

# Pensions

The largest contribution was made to the CEO of DCC who received €762,000 towards his pension plan, followed closely by the CEO of CRH who received €677,000. Out of the twenty-six companies studied, four companies did not receive a contribution towards their Pension plan. However, in some cases a taxable cash lump sum is provided for instead and this can be covered in the Accounts as either a Cash Bonus or Taxable Benefits. These four companies are:

**Dalata** and **Ryanair** where the CEOs did not participate in a Pension Plan.

**ICG** where no pension benefits were attributable to the CEO as he had reached normal retirement age.

**Total Produce** where the CEO and Executive Directors have agreed to cap their pension entitlements in line with the provisions of the Finance Acts 2006 and 2011 and received a supplementary, taxable non-pensionable cash allowance or a contribution to a scheme in lieu of the prospect of pension entitlements foregone.

**Table 6: Pension Contributions to nearest €1,000**

Company	Pension Contributions	Company	Pension Contributions
DCC	762,000	KINGSPAN	140,000
CRH	677,000	PADDY POWER	122,000
KERRY GROUP	462,000	AIB	100,000
TULLOW OIL	393,000	FBD	90,000
GREENCORE	301,000	INM	77,000
BANK OF IRELAND	240,000	KENMARE	52,000
SMURFIT KAPPA	226,000	PERMANENT TSB	51,000
ARYZTA	166,000	CAIRN HOMES	43,000
GLANBIA	215,000	AMINEX	8,000
C&C	177,000	DALATA	0
ORIGIN ENTERPRISES	175,000	ICG	0
UDG	163,000	RYAN AIR	0
GRAFTON	151,000	TOTAL PRODUCE	0

## NOTES

1. **Kerry Group** – figure shown is for both outgoing and incoming CEOs
2. **Bank of Ireland** – figure shown is for outgoing CEO only.
3. **Glanbia** – figure is shown under 'Other Benefits' rather than 'Pension Contribution'
4. **Tullow Oil** – figure shown is for both outgoing and incoming CEOs
5. **INM** – figure includes €67,000 for outgoing CEO and €10,000 for incoming CEO



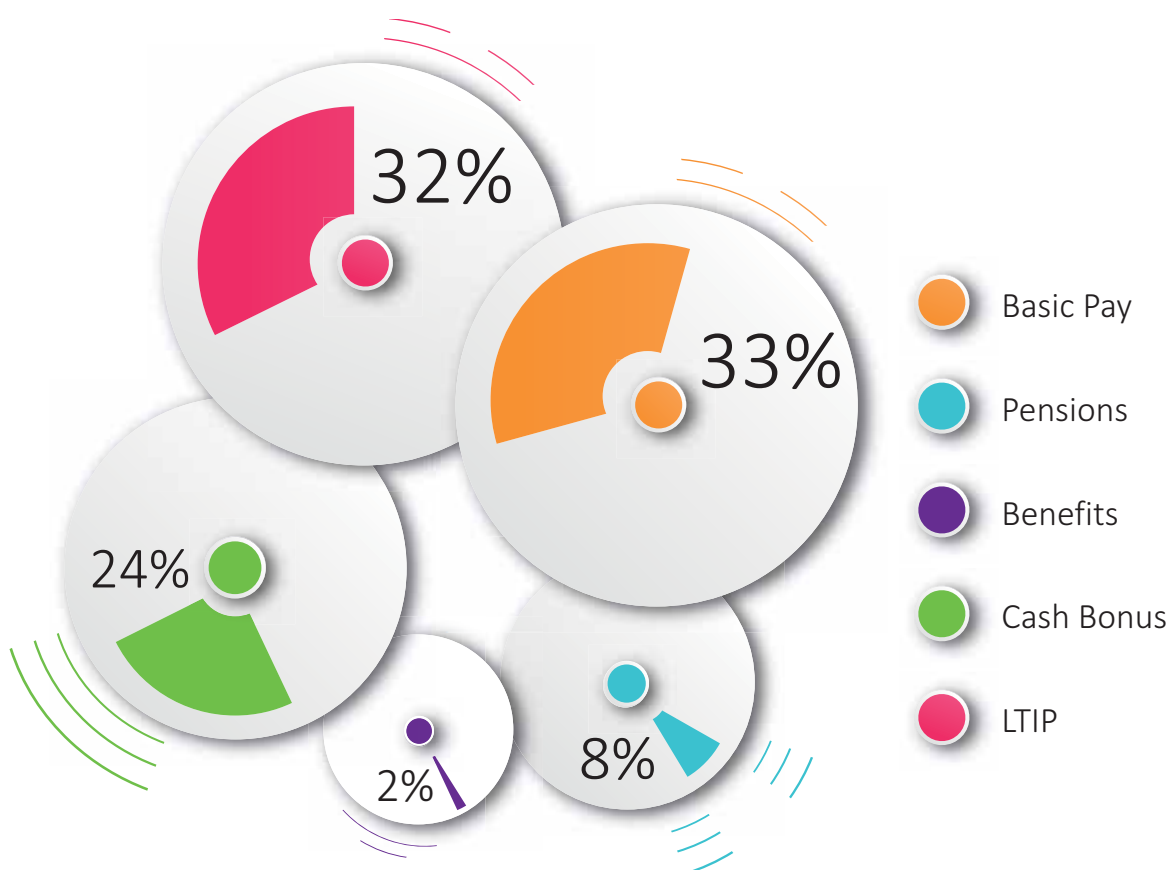


# Percentage Payments of Various Elements of CEO Pay

The following is the breakdown of money awarded to the twenty-six CEOs. The single-figure system counts remuneration paid or payable. It is important to note that in some instances, the pay for LTIPs may be estimated as in many cases the shares have not vested at the time the accounts were produced.

**Figure 1** shows that Basic Pay accounts for just 33% of total remuneration of the twenty-six companies researched. LTIP (Long Term Incentive Plans) accounts for 32% of Total Remuneration. If we take the LTIP and Cash Bonus, then this accounts for 56% of the total remuneration of the CEOs.

**Figure 1: Percentage Payment of various elements of CEO Pay**



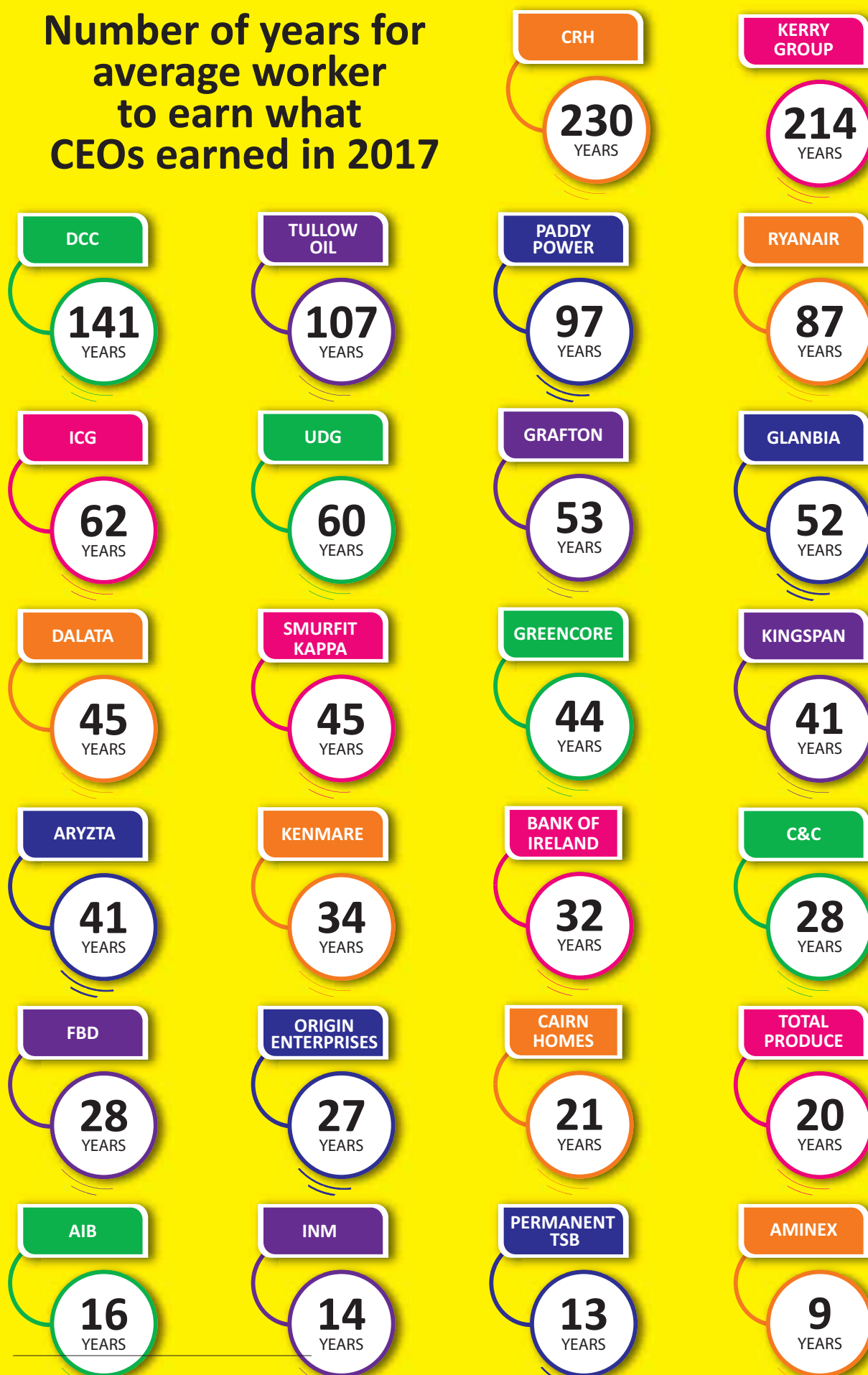
## Pay Ratio

In **Figure 2** we show the amount of time it would take a worker on the average industrial wage in Ireland to earn what the CEO of a given company earned in 2017. According to the CSO, average earnings in 2017 were €37,646<sup>3</sup>. For the third year in a row, the greatest variance between the average worker's wage and the top CEO's is in CRH. It would take an average worker 230 years to earn what the CEO earned in 2017. This is closely followed by Kerry Group at 214 years and DCC at 141 years. Even at the lowest paid CEO, that of Aminex, it would still take 9 years for the average worker to earn what the CEO earned in 2017.



Figure 2

## Number of years for average worker to earn what CEOs earned in 2017



<sup>3</sup> <http://www.cso.ie/en/releasesandpublications/er/elca/earningsandlabourcostsanualdata2017/>

In the United States the City Council in Portland, Oregon in December 2016, voted to impose a surtax on companies whose Chief Executives earn more than 100 times the median pay of their rank-and-file workers. The surcharge was collected through the city's business tax. Companies must pay a 10 percent surcharge if their Chief Executives receive compensation greater than 100 times the median pay of all their employees. Companies with pay ratios greater than 250 times the median face a 25 percent surcharge and in Australia, the 'two-strikes' law is designed to hold directors of a public company accountable for executive salaries and bonuses. It means an entire company board can face re-election if shareholders disagree with how much executives are being paid. The law is an amendment to the Corporations Act and came into effect on July 1, 2011. The 'first strike' takes place when a company's remuneration report — which outlines each director's individual salary and bonus — receives a 'no' vote of 25 per cent or more by shareholders at the company's annual general meeting. The 'second strike' occurs when a company's subsequent remuneration report also receives a 'no' vote of 25 per cent or more.

## Executive and Board Pay

Executive pay is decided by a Remuneration Committee of the board. This Committee decides on the total remuneration package for the senior management team. The Remuneration Committee also sets the fees paid to Board members. The pay of Chief Executives is set by the board of directors, often with the assistance of pay consultants. The board also has a role in setting its own pay.

Under company limits the number of directorships an individual may hold is twenty-five, with the Central Bank imposing a lower limit of fifteen in the case of financial institutions. However, Proxy Advisors such as Glass Lewis consider that the maximum number of directorships should be lower.<sup>4</sup>

*We will typically recommend voting against a director who serves as an Executive Officer of any public company while serving on a total of more than two public company boards, and any other director who serves on a total of more than five public company boards. We generally count board chairships as two directorships given the increased time commitment associated with that role.*

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<sup>4</sup> <http://www.glasslewis.com/wp-content/uploads/2017/12/2018-Guidelines-UNITED-KINGDOM.pdf>

In **Table 7** we set out the median salaries paid to ordinary board members, and the rate of increase between 2016 and 2017. The median is used rather than the mean figure as it reduces the impact of statistical outliers. Only members who served for a full year are counted so some of the changes may reflect changes in the composition of the board.

Median pay decreased in five companies, was unchanged in a further four, and increased in the remaining seventeen companies. The average director's fee in 2017 was €74,490 having grown by 6% from the 2016 figure. The number of main board meetings is also recorded for each company.

**Table 7: Board Director' Fees to nearest €1,000**

Company	2016 Directors' Fee	2017 Directors' Fee	Increase/ Decrease	Number of meetings attended in 2017
GREENCORE	57,000	87,000	53%	8
AMINEX	23,000	31,000	35%	7
ICG	40,000	50,000	25%	9
DALATA	60,000	75,000	25%	9
FBD	47,000	58,000	23%	6
ORIGIN ENTERPRISES LTD	58,000	70,000	21%	8
CAIRN HOMES	60,000	70,000	17%	10
SMURFIT KAPPA	80,000	90,000	13%	17
BANK OF IRELAND	79,000	87,000	10%	10
CRH	120,000	131,000	9%	9
PADDY POWER	73,000	79,000	8%	6
GRAFTON	57,000	61,000	7%	8
UDG	65,000	68,000	5%	14
TOTAL PRODUCE	69,000	72,000	4%	9
INM	69,000	72,000	4%	9
PERMANENT TSB	69,000	70,000	1%	7
ARYZTA	83,000	83,000	0%	5
RYAN AIR	50,000	50,000	0%	10
KINGSPAN	75,000	75,000	0%	10
KERRY GROUP	78,000	78,000	0%	9
C&C	65,000	65,000	0%	13
KENMARE	75,000	72,000	-4%	7
DCC	69,000	66,000	-4%	7
AIB	103,000	95,000	-8%	7
TULLOW OIL	85,000	75,000	-12%	5
GLANBIA	85,000	70,000	-18%	18

# Conclusions

The upward trajectory of CEO pay continues unabated, notwithstanding growing concern at this phenomenon. However, the consensus on high pay is changing. There is a lessening degree of acceptance by shareholders, proxy advisors or by society as a whole that Executive Pay should continue on an unlimited upward trajectory. The way that companies report on Executive pay has become more rigorous, and this trend is set to continue. Firms listed on the Dublin stock exchange are obliged to follow the guidelines of the (British) Financial Reporting Council. New and more rigorous FRC guidelines will become effective in the 2020 season of reports. It remains to be seen whether the effect of these new guidelines is to slow the rate of increase of corporate pay or merely to illustrate an unrelenting upward trend in greater detail.



# APPENDIX 1:

## Description of companies

### ALLIED IRISH BANKS

**ALLIED IRISH BANKS** is one of the Big Four commercial banks in Ireland. AIB offers a full range of personal and corporate banking services.

<b>Headquarters</b>	Dublin
<b>Founded</b>	September 1966
<b>Operating Profit</b>	€1.439m (2016)
<b>Total Employees</b>	10,550 (worldwide)

### AMINEX PLC

**AMINEX PLC** is a producing, upstream oil and gas company premium listed on the London Stock Exchange and primary listed on the Irish Stock Exchange (AEX).

<b>Headquarters</b>	United Kingdom
<b>Founded</b>	1979
<b>Operating Profit</b>	US\$4.934 million (2016)
<b>Total Employees</b>	19 (worldwide)

### ARYZTA

**ARYZTA** is a food business based in Zurich with operations in the Americas, Europe, Asia, Australia and New Zealand. It is incorporated in Switzerland and has listings on the Swiss and Irish Stock Exchanges.

<b>Headquarters</b>	Switzerland
<b>Founded</b>	August 2008
<b>Operating Profit</b>	€211.5123m (2016)
<b>Total Employees</b>	19,857 (worldwide)

### BANK OF IRELAND

**BANK OF IRELAND** is a commercial bank operation in Ireland and one of the Big Four Irish banks.

<b>Headquarters</b>	Dublin
<b>Founded</b>	1783
<b>Operating Profit</b>	€1.208m (2016)
<b>Total Employees</b>	11,086 (worldwide)

### CAIRN HOMES PLC

**CAIRN HOMES PUBLIC LIMITED COMPANY** was set up on Wednesday the 12th of November 2014. The company has 7 directors who have also been the director of 111 other Irish companies between them; 29 of which are now closed.

<b>Headquarters</b>	Dublin
<b>Founded</b>	2014
<b>Revenue</b>	€40.9 million (2016)
<b>Gross Profit</b>	€7.1 million
<b>Total Employees</b>	38

### C&C GROUP PLS

**CRH PLC** is the parent company for an international group of diversified building materials businesses which are engaged in the manufacture and supply of a wide range of building materials and in the operation of builders' merchandising and DIY stores.

Headquarters	Dublin
Founded	1970
Operating Profit	€1.3bn (2016)
Total Employees	86,778

### DALATA

**DALATA** is Ireland's largest hotel operator, with a current portfolio of 41 hotels (owned, leased and managed).

Headquarters	Dublin
Founded	2007
Operating Profit	€55.067m (2016)
Total Employees	3,000

### DCC PLC

**DCC PLC** is an Irish diversified investments group and holding company. DCC is organised and managed in four separate divisions, each focused on specific market sectors.

Headquarters	Republic of Ireland
Founded	1976
Operating Profit	€300.5m (2016)
Total Employees	10,500

### FBD HOLDINGS PLC

**FBD HOLDINGS PLC** is an Irish insurance company. It is quoted on the Irish Stock Exchange and the London Stock Exchange. FBD also has financial service businesses as well as hotel and leisure property interests.

Headquarters	Dublin
Founded	1969
Operating Profit	€11.4m (2016)
Total Employees	750

### GLANBIA PLC

**GLANBIA PLC** is a global performance nutrition and ingredients group with operations in 32 countries. It has leading market positions in sports nutrition, cheese, dairy ingredients, speciality non-dairy ingredients and vitamin and mineral premixes.

Headquarters	Kilkenny
Founded	1997
Operating Profit	€213.6 million (2016)
Total Employees	6,200

### GRAFTON GROUP PLC

**GRAFTON GROUP PLC** is a United Kingdom & Ireland-based builders merchants business. It is listed on the London Stock Exchange, and is a constituent of the FTSE 250 Index.

Headquarters	Republic of Ireland
Founded	1909
Operating Profit	Stg£142m (2016)
Total Employees	10,000

## GRENCORE

**GRENCORE** is a leading international producer of convenience foods.

<b>Headquarters</b>	Dublin
<b>Founded</b>	1991
<b>Revenue</b>	Stg£1,418.9 million (2016)
<b>Gross Profit</b>	Stg£102.0 million
<b>Total Employees</b>	12,000

## ICG

**ICG** is a shipping and transport group principally engaged in the transport of passengers, cars and freight on routes between Ireland, the United Kingdom and Continental Europe.

<b>Headquarters</b>	Dublin
<b>Founded</b>	1972
<b>Operating Profit</b>	€62.6 million (2016)
<b>Total Employees</b>	302

## INDEPENDENT NEWS & MEDIA PLC ('INM')

**INDEPENDENT NEWS & MEDIA PLC ('INM')** is a leading newspaper and media group across the island of Ireland. It manages gross assets of €187.6m. INM has market-leading newspaper positions in Ireland and Northern Ireland, with a strong and growing digital presence.

<b>Headquarters</b>	Dublin
<b>Founded</b>	1972
<b>Operating Profit</b>	€40.2 million (2016)
<b>Total Employees</b>	876

## KENMARE RESOURCES LTD

**GRENCORE** is a leading international producer of convenience foods.

<b>Headquarters</b>	Dublin
<b>Founded</b>	1985
<b>Revenue</b>	US\$141.5 (2016)
<b>Operating Profit</b>	US\$5.2 million
<b>Total Employees</b>	1,323

## KERRY GROUP

**KERRY GROUP** is a public food company headquartered in Ireland. It is quoted on the Dublin ISEQ and London stock exchanges.

<b>Headquarters</b>	Tralee
<b>Founded</b>	1972
<b>Operating Profit</b>	€682.2m (2016)
<b>Total Employees</b>	23,036

## KINGSPAN GROUP PLC

**KINGSPAN GROUP PLC** is a building materials company based in Ireland.

<b>Headquarters</b>	Republic of Ireland
<b>Founded</b>	1960
<b>Operating Profit</b>	€246.8 million (2016)
<b>Total Employees</b>	10,000



### ORIGIN ENTERPRISES PLC

**ORIGIN ENTERPRISES PLC** is an Irish food and agribusiness group majority owned by Swiss/Irish food company Aryzta. It is listed on the Irish Stock Exchange.

<b>Headquarters</b>	Republic of Ireland
<b>Founded</b>	2006
<b>Operating Profit</b>	€68.585 million (2016)
<b>Total Employees</b>	1,128

### PADDY POWER

**PADDY POWER** is an Irish bookmaker. Offline it conducts business through a chain of licensed betting shops in Ireland and the United Kingdom, and by operating Ireland's largest telephone betting service.

<b>Headquarters</b>	Dublin
<b>Founded</b>	1988
<b>Operating Profit</b>	Stg330 million (2016)
<b>Total Employees</b>	7,300

### PERMANENT TSB GROUP HOLDING PLC

**PERMANENT TSB GROUP HOLDINGS PLC**, formerly Irish Life and Permanent plc is a provider of personal financial services in Ireland.

<b>Headquarters</b>	Dublin
<b>Founded</b>	1984
<b>Operating Profit</b>	€120 million (2016)
<b>Total Employees</b>	2,400

### RYANAIR LTD

**RYANAIR LTD** is an Irish low-cost airline headquartered in Swords, Dublin, Ireland, with its primary operational bases at Dublin and London Stansted Airports.

<b>Headquarters</b>	Dublin
<b>Founded</b>	1985
<b>Operating Profit</b>	€1.460.1 million (2016)
<b>Total Employees</b>	11,458

### SMURFIT KAPPA GROUP

**SMURFIT KAPPA GROUP** is Europe's leading corrugated packaging company and one of the leading paper-based packaging companies in the world.

<b>Headquarters</b>	Dublin
<b>Founded</b>	2005
<b>Operating Profit</b>	€815 million (2016)
<b>Total Employees</b>	45,000

### TOTAL PRODUCE

**TOTAL PRODUCE** is one of the world's largest and most accomplished fresh produce providers. Operating out of 23 countries while serving many more, Total Produce's global infrastructure of over 120 facilities extends across Europe, India and North America.

<b>Headquarters</b>	Dublin
<b>Founded</b>	1850s
<b>Operating Profit</b>	€56.2m (2016)
<b>Total Employees</b>	4,800

### TULLOW OIL

**TULLOW OIL** is a leading independent oil exploration and production company, focused on finding and monetising oil in Africa and South America.

Headquarters	Dublin
Founded	1985
Revenue	US\$1.270 (2016)
Operating Loss	US\$546.9 million
Total Employees	1,152

### UDG HEALTHCARE PLC

**UDG HEALTHCARE PLC**, formerly United Drug, is a Dublin-based international company and ... The company was established in Ballina in County Mayo as The United Drug Chemical Company, a co-operative controlled by Irish pharmacists.

Headquarters	Dublin
Founded	1948
Revenue	€943.1 million (2016)
Operating Profit	€104.2million
Total Employees	6,300

## Commercial Semi-States

### AN POST

**AN POST** is a major commercial organisation providing a wide range of services which encompass postal, distribution and financial services.

Headquarters	Dublin
Founded	1500s
Operating Revenue	€5.2m (2015)
Operating Profit	€52.6m (2015)
Total Employees	9,600

### RTÉ

**RTE (Raidió Teilifís Éireann)** is a semi-state company and the national public service broadcaster of Ireland. It both produces programmes and broadcasts them on television, radio and the Internet.

Headquarters	Dublin
Founded	1960
Operating Profit	€14.050 (2015)
Total Employees	1,978

### ESB

**ESB (Electricity Supply Board)**, commonly known as the ESB, is a state owned electricity company operating in the Republic of Ireland.

Headquarters	Dublin
Founded	1927
Operating Profit	€531M (2015)
Total Employees	7,870

## BORD NA MÓNA

**BORD NA MÓNA** is an Irish company operating six business units: Powergen, Biomass, Resource Recovery, Peat, Horticulture, and Fuels.

Headquarters	Newbridge, Co Kildare
Founded	1946
Operating Profit	€52.425m (2015)
Total Employees	1,438

## EIRGRID

**EIRGRID PLC** is the state-owned electric power transmission operator in Ireland. It is a public limited company registered under the Companies Acts.

Headquarters	Dublin
Founded	2006
Operating Profit	€59.961 (2015)
Total Employees	250

## DAA

**DAA** previously Dublin Airport Authority, is a commercial semi-state airport company in Ireland. The company owns and operates Dublin Airport and Cork Airport.

Headquarters	Dublin
Founded	1937
Operating Profit	€100.9 m (2015)
Total Employees	3,300

## DUBLIN BUS

**DUBLIN BUS** is a bus operator providing services in Dublin. It is a subsidiary of Córas Iompair Éireann.

Headquarters	Dublin
Founded	1987
Operating Profit	€20.332m (2015)
Total Employees	3,313

## IARNRÓD ÉIREANN

**IARNRÓD ÉIREANN**, also known as Irish Rail in English, is the operator of the national railway network of Ireland. Established on 2 February 1987, it is a subsidiary of CIE.

Headquarters	Dublin
Founded	1987
Operating Profit	€29.5m (2015)
Total Employees	3,793

## VOLUNTARY HEALTH INSURANCE BOARD

**VOLUNTARY HEALTH INSURANCE BOARD** — which trades under the brand name VHI Healthcare is the largest health insurance company in Ireland.

Headquarters	Dublin
Founded	1957
Operating Profit	€47.9m (2015)
Total Employees	1,132

## COILLTE

**COILLTE** is a state-sponsored company in Ireland, based in Newtownmountkennedy. Coillte is a commercial company operating in forestry.

<b>Headquarters</b>	Newtownmountkennedy
<b>Founded</b>	1988
<b>Operating Profit</b>	€78.0m (2015)
<b>Total Employees</b>	897

## IRISH AVIATION AUTHORITY

**IRISH AVIATION AUTHORITY** Regulates the safety standards of Irish civil aviation and provides air traffic management and aeronautical communications services in Irish controlled airspace.

<b>Headquarters</b>	Dublin
<b>Founded</b>	1993
<b>Operating Profit</b>	€33.6m (2015)
<b>Total Employees</b>	655

## EIRVIA

**EIRVIA** (formerly Bord Gáis Éireann) is the commercial semi-state multi-utility company responsible for the delivery of Ireland's national gas and water infrastructure and services that underpin the growth of the Irish economy.

<b>Headquarters</b>	Dublin
<b>Founded</b>	2014
<b>Operating Profit</b>	€379m(2015)
<b>Total Employees</b>	1,600 and 5,700 indirect

## APPENDIX 2:

# Major Irish private companies ranked by Irish Times Top 1,000

(these companies do not have a statutory responsibility to report on pay)

**Table 8: Private Company Ranking**

Company	Rank
PENNEYS	23
MUSGRAVE	28
DUNNES STORES	30
ABP	37
TESCO	44
AER LINGUS	53
DIAGEO	56
GLEN DIMPLEX	59
LIDL	63
ALDI	65
EIRCOM	66
DAWN MEATS	75

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