



CEO Pay at NSE 100 companies

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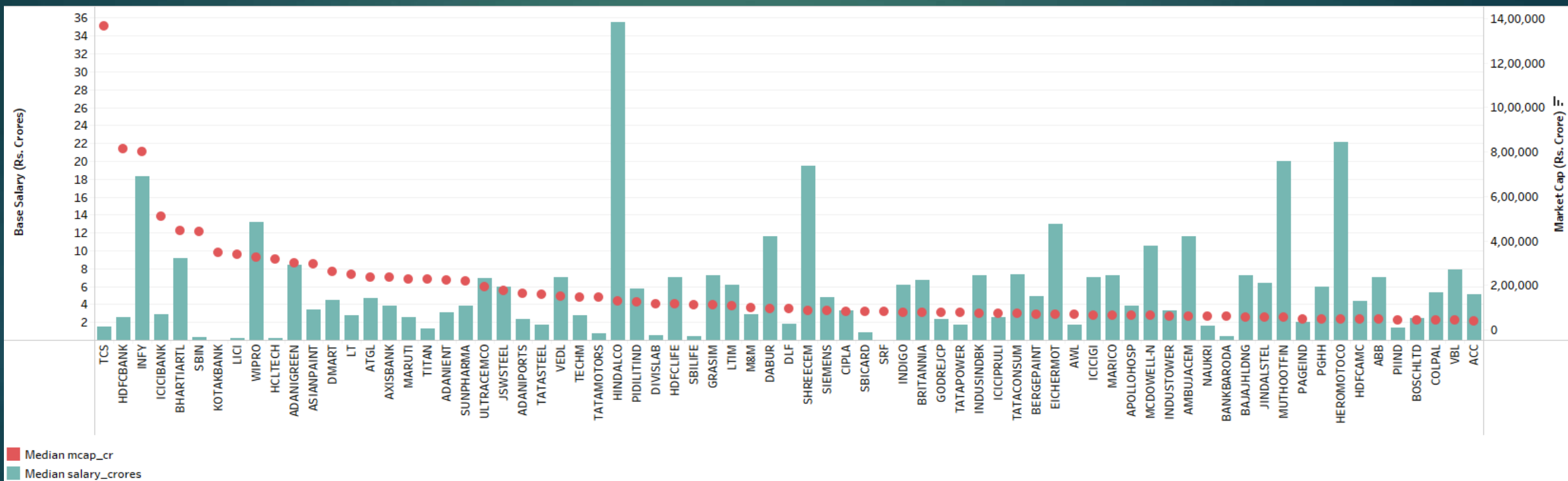
- We have analysed the top 100 companies on the NSE (also known as NSE 100). Considering the development around increased disclosure requirements and scrutiny for listed Indian organisations, we think this report will provide relevant information for senior executives, Chairs of Boards and Compensation Committees as well as Chief Human Resources Officers.
- As would be expected, there is significant variance among different sectors, organisation ownership and type and organisation sizes in the dataset.
- The data presented in this report has been presented mainly at the Base Pay or Fixed Remuneration level as disclosure in the annual reports corresponding to incentive payout (opportunity vs actual pay) is relatively obscure.
- For this report, we have combined CEO, Managing Director roles although we note pay differences between the 2 roles.
- In addition to Fixed Pay information, we have also provided structural information about STI and LTI that is more prominently found in similar sized organisations.
- This report, although has been produced with the NSE100 companies, can be used as a reference point for organisations outside the top 100.
- Although not provided exclusively, the typical STI and LTI ranges for the CEO are as follows:

	Short-Term Incentive	Long-Term Incentive
Target (as % of Base)	50%-70%	75%-100%
Maximum (as % of Base)	75%-100%	150%-200%

CEO Pay Data – different slices of NSE100

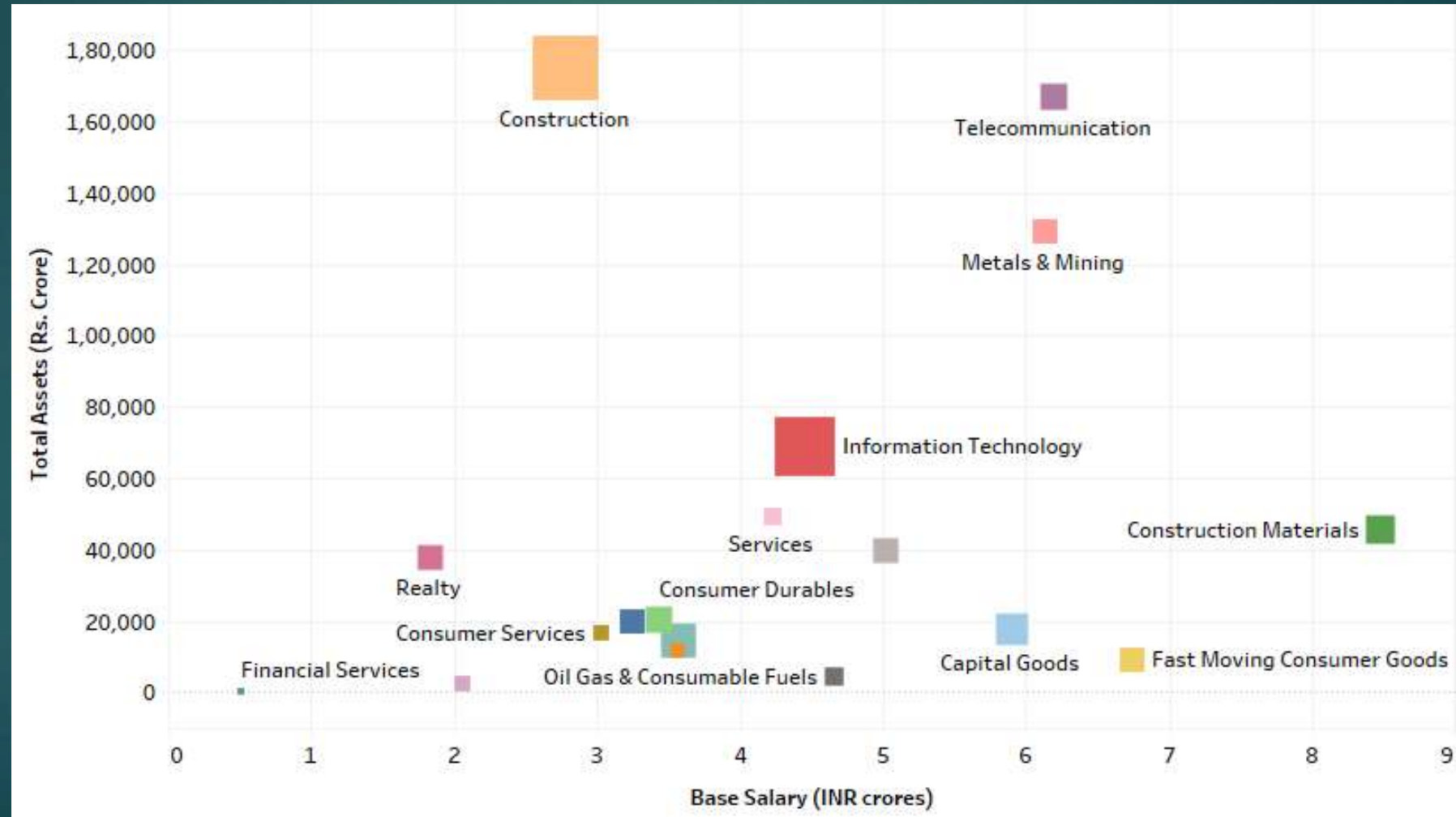
CEO pay as a function of company size (Market capitalization)

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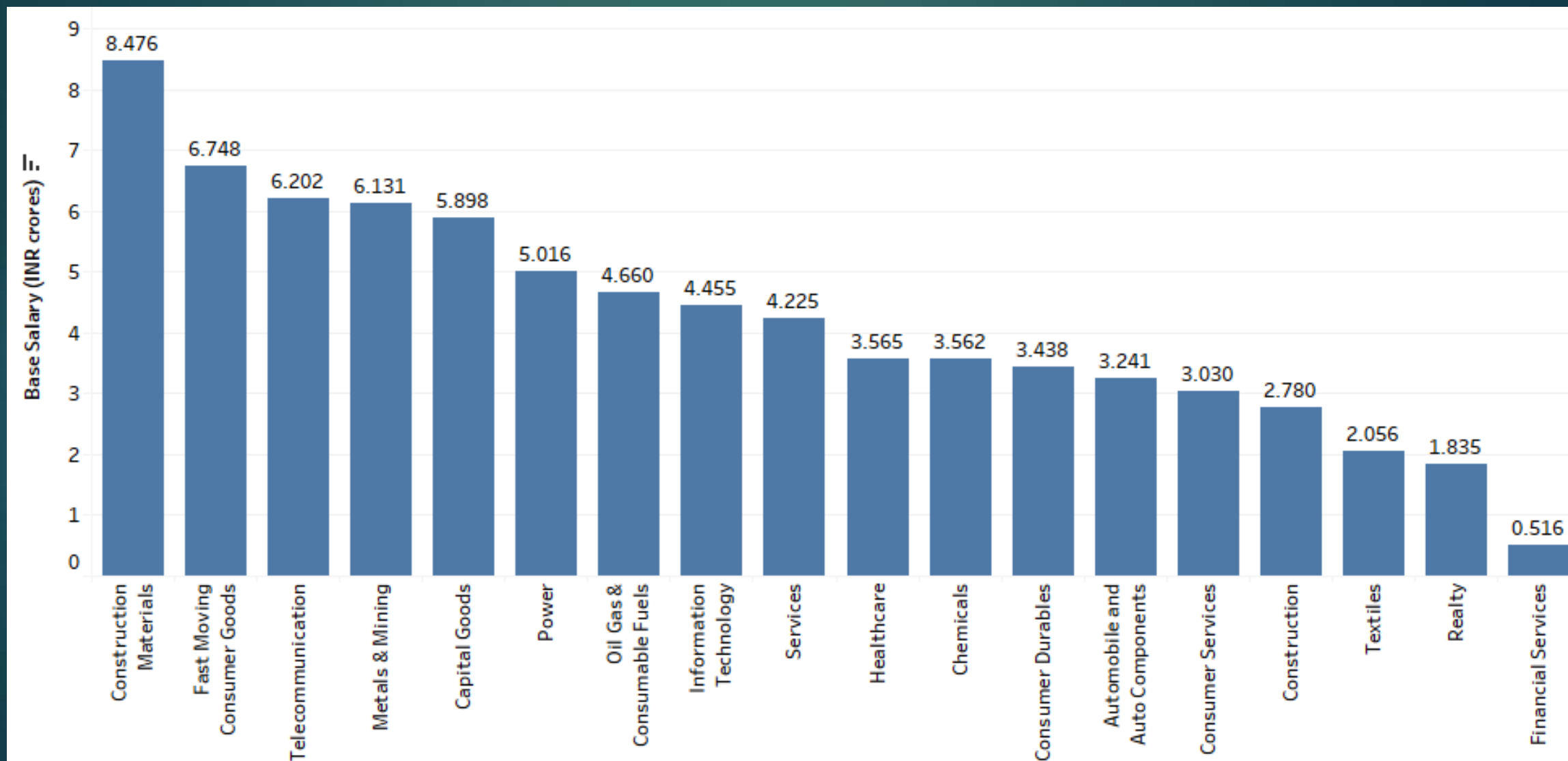
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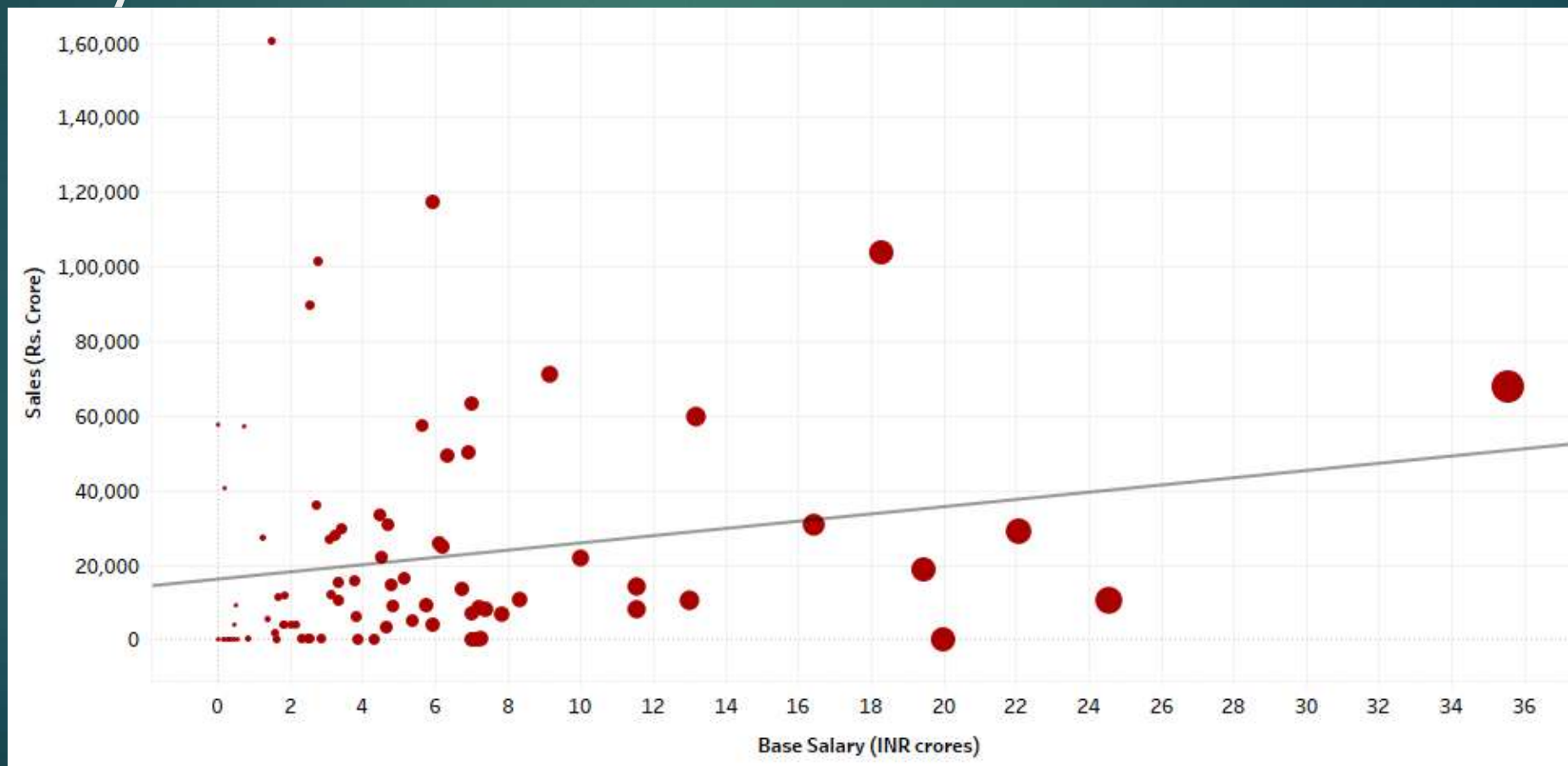
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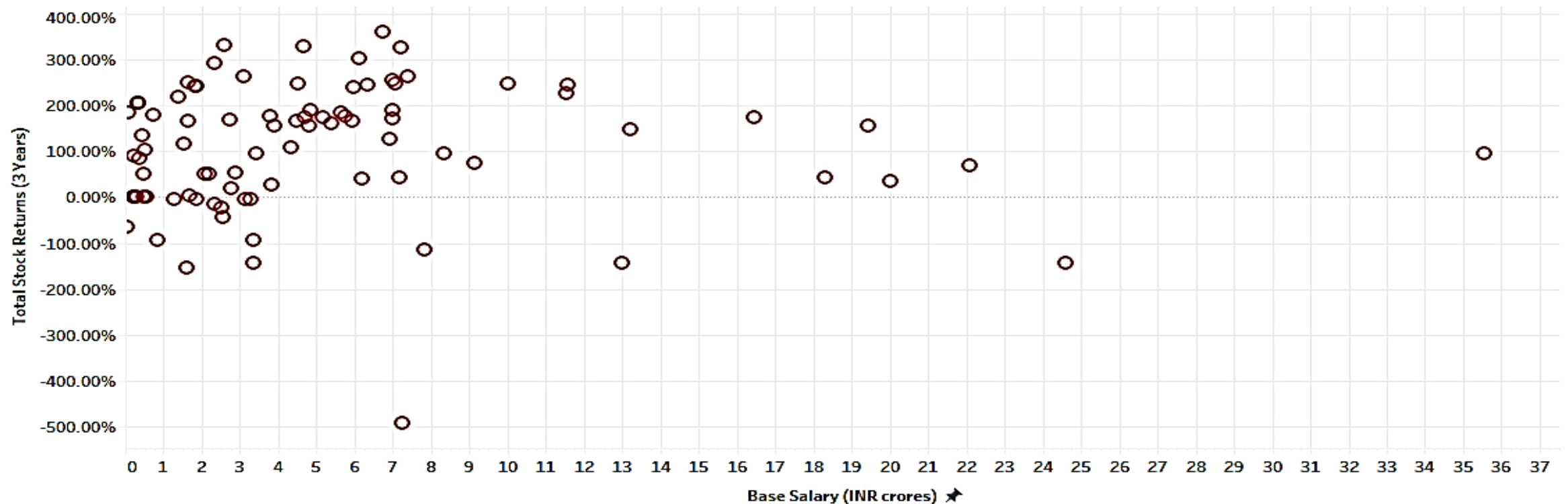
CEO pay as a function of short-term company performance (Sales)

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CEO pay as a function of long-term company performance (Total Shareholder/Stock Return) and sector

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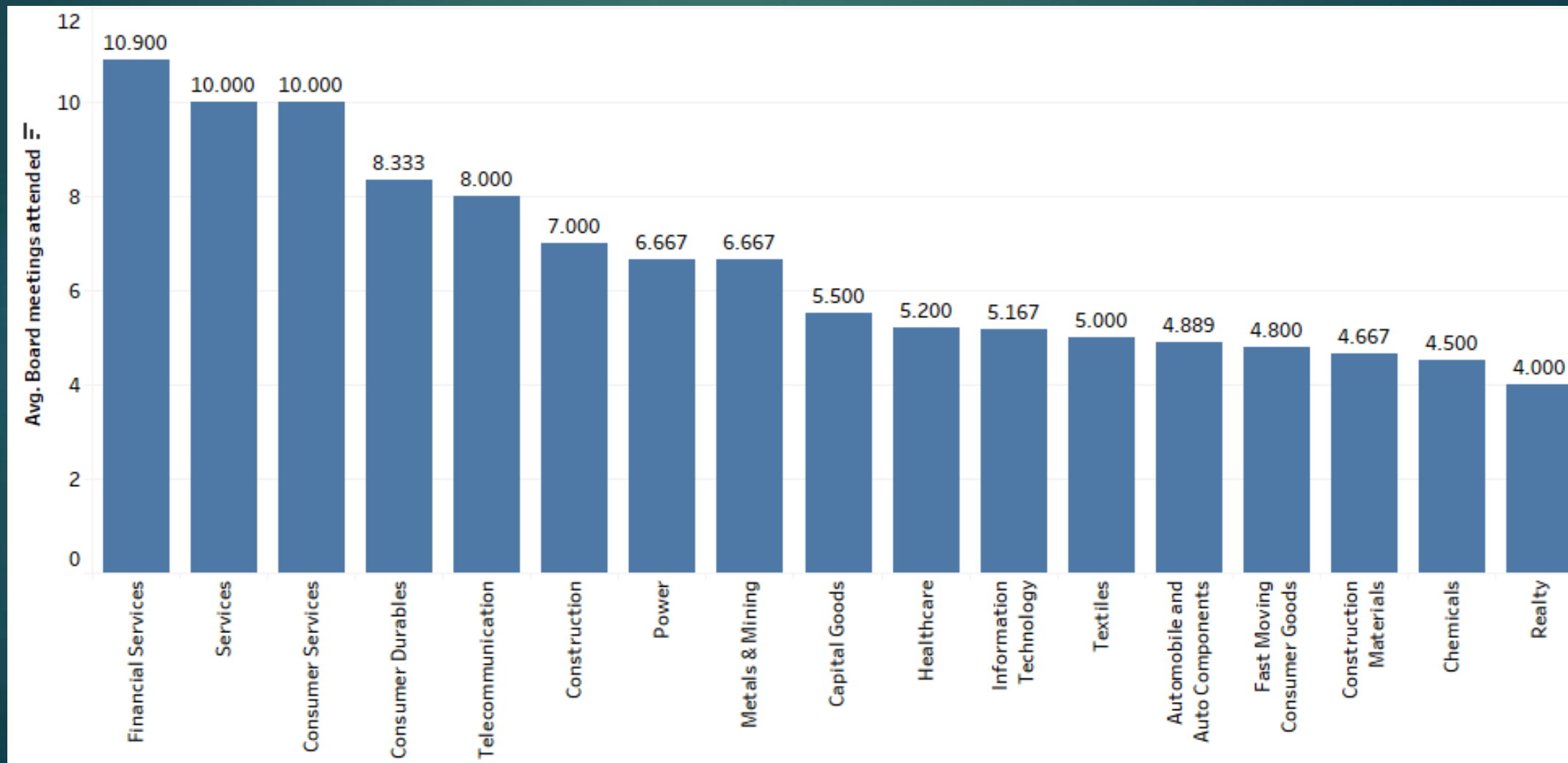
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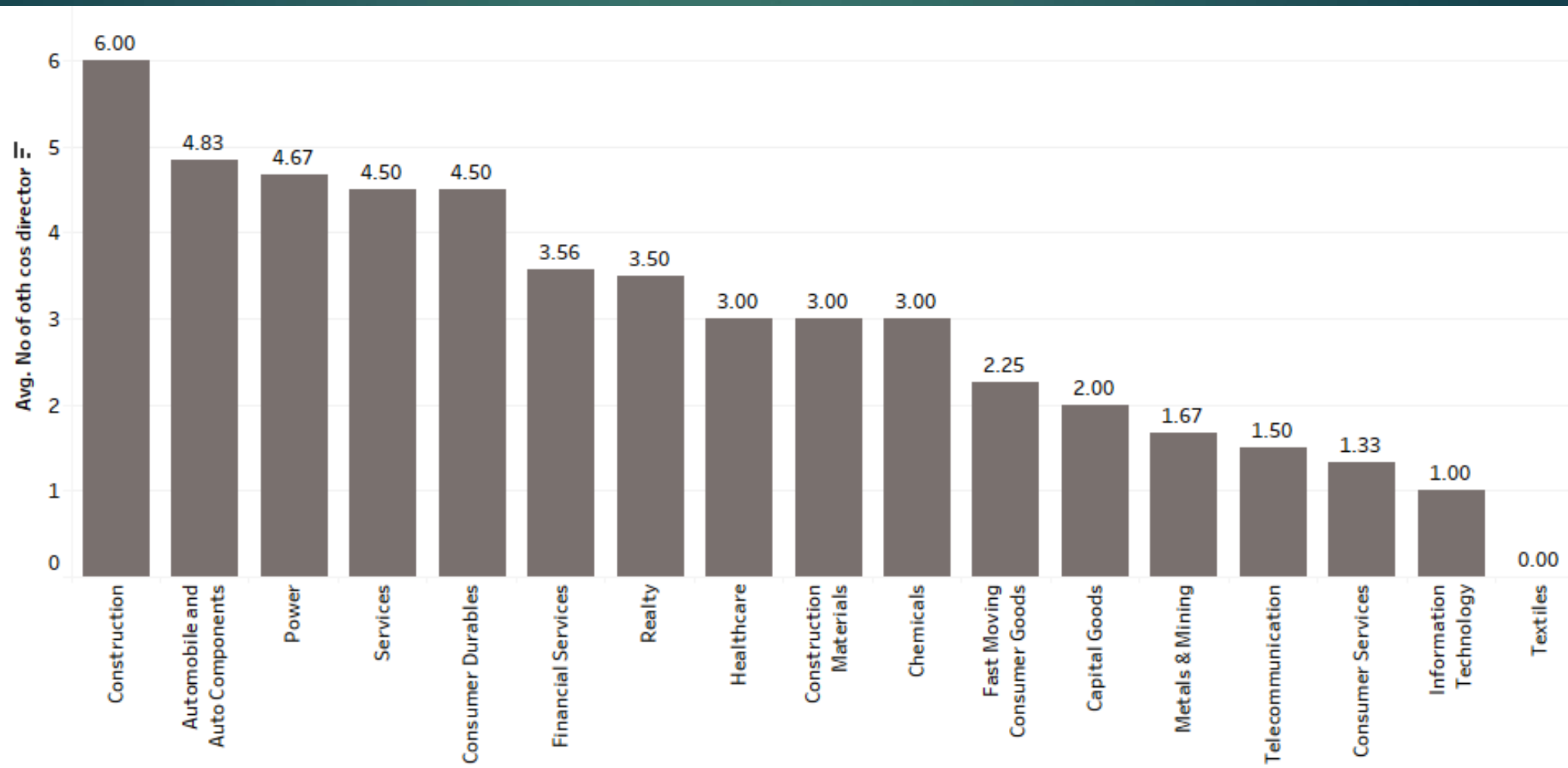
Number of Board meetings by sector

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Board membership of CEO by Sector

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CEO typical pay components

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Sector	Median Mcap	Median Perquisites	Median Other Rem..	Median Salary	Median Stock Opti..	Median Bonus / Co..	Median Total remu..	Count
Financial Services	3,380,711	1,845,000	2,936,040	5,161,000	45,402,593	13,970,376	6,695,000	26
Fast Moving Consumer Go..	651,145	3,267,063		67,482,068	69,217,431	25,000,000	78,630,000	11
Automobile and Auto Com..	672,293	19,261,807	28,100,000	32,412,402	26,394,000	27,667,612	80,185,204	11
Metals & Mining	1,548,105	3,600,000		61,305,000		74,115,000	87,001,987	6
Information Technology	3,201,298	151,572,433	160,921,084	44,546,922	523,365,282	56,938,279	514,245,561	6
Healthcare	995,202	4,475,900		35,649,748		68,300,000	172,600,000	6
Construction Materials	981,026	29,690,000		84,760,000		52,800,000	118,770,000	6
Chemicals	794,082	153,870,000	20,600,000	35,620,000		1,500,000	30,640,000	4
Textiles	481,747	35,000		20,560,000		24,590,000	35,220,000	3
Services	775,807	45,180,000		42,250,000			44,000,000	3
Power	2,606,797	13,232,589		50,157,503		50,000,000	89,848,092	3
Consumer Services	647,860	344,000		30,298,918		10,610,000	36,322,917	3
Consumer Durables	2,251,559	28,856,720		34,375,000		66,625,000	103,919,549	3
Telecommunication	2,521,015	1,617,467		62,019,626		37,935,131	101,572,223	2
Realty	941,732	13,488,500		18,353,000		57,600,000	90,737,000	2
Capital Goods	650,173	33,070,000		58,979,000	21,400,000	118,180,000	146,654,000	2
Oil Gas & Consumable Fuels	2,363,794		3,501,440	46,596,388			50,097,828	1
Construction	2,483,459	305,600,000		27,800,000		214,000,000	612,700,000	1
Grand Total	948,234	10,586,589	3,789,462	34,375,000	35,898,297	31,494,000	73,549,000	99

Structure of Short-Term Incentive Plans

STI Market Practice – some key statistics for NSE 100

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- Majority of organisations (> 95%) have in place an STI Plan; with about 65% of those organisations having multiple STI Plans
- Almost all sectors had an strong acceptance of the STI Plans
- The STI Plans were offered across the organisation and where there were multiple plans, special care was made to align the plans
- Typically, this is an annual bonus (offered each year and has a one-year performance period)
- The STI is offered predominantly in cash, with some part of it being deferred as form of RSUs
- STI is either top-down or bottom-up
 - Either a pool of money gets determined based on performance against corporate scorecard or mix of corporate and individual measures made up the overall scorecard
- Most scorecards had a majority of financial metrics although some of the metrics (about 40%) could be non-financial metrics. Typically, the financial metrics are EBITDA, Cashflow, NPAT, Net Sales while the non-financial metrics are customer, employee, safety measures
- It is also becoming increasingly common to have a gateway based on behaviour and achievement of some financial bottom-line number



Structure of Long-Term Incentive Plans

LTI Market Practice – some key statistics for NSE 100

- Majority of organisations (> 65%) have in place an LTI Plan; with about 50% of those organisations having multiple LTI Plans
- The sectors where LTI Plans are most commonly used:
 - Technology
 - Telecommunications
 - Financial Services
 - FMCG
- Although offered primarily to the executive roles, where these are also offered to other roles based on seniority and contribution to strategy
- Typically, more than 75% of the companies offer an LTI each year
- The majority of organisations offered stock options/share appreciation
- Approximately 80% of organisations had more than three-year performance period
- The main measures which are used are either TSR/EPS or bottom-line metrics (like EBITDA). Some organisations are starting to use ESG measures and rarely, have individual KPIs
- The leverage (maximum to target ratio) depends on probability of vesting, nature of instrument and types of measures



About us

About Us

- We are an executive compensation consulting firm based out of India and have consulted large, listed and private organisations across US, Asia Pacific, Australia and India.
- Our senior partners have all more than 15 years advising CEOs, CHROs, Board directors in matters of corporate governance, compensation and performance.
- We have extensive data captured from annual reports as well as have access to multiple executive salaries, due to our working with clients and partnerships and relationships.
- Our methodology for executive benchmarking uses combination of position matching (to similar roles), evaluating the roles and using custom built paylines specific to each organisation and role against a relevant hand selected peer group. This peer group creation process is central to our approach, and we consider similar organisations having regard to size, sector, business stage and maturity, value chain, nature of products/service and ownership structure (listed, private, international subsidiaries and so on)
- Typically, our benchmarking encompasses CEO/MD, their direct reports (all CXO roles) and potentially one level below (GM or President/Director) as well as Board directors. We often advice clients on designing Pay for Performance frameworks and assist Boards in having stakeholder and proxy advisor conversations.
- We have designed many incentive programs, for senior executives and broader organisation – Short Term Incentive, Long Term Incentive, Sales Incentive, Retention programs and Project specific Incentives. We also consult organisations on more complex plans like Transformation Incentive and Combined Incentive Plans.