

REMUNERATION

Executive packages cost Telkom R200m

Thabiso Mochiko

Information Technology Writer

Telkom's executive management team remuneration came to R200m in the year to March, according to the company's latest annual report.

The company has 47 employees in executive management positions. In 2016, 41 executive managers shared about R167.6m in salaries and other benefits.

The total package of CEO Siphos Maseko increased to R25.9m from R14.5m in 2016. His remuneration includes a

R7.4m guaranteed package and R9.6m in vested shares.

Telkom chief financial officer Deon Fredericks got R13.9m, an increase from R9.4m in 2016. He has vested shares of R3.8m while his package is worth R5.2m.

Telkom has recorded operational improvements since Maseko took over about four years ago.

The group reduced its high costs through, among other things, outsourcing some units, retrenching staff and selling off noncore assets.

It also resumed dividend

payouts in 2016.

Mergence Investment Managers portfolio manager Peter Takaendesa said the Telkom executive team had delivered outstanding results for shareholders in a very tough operating environment over the past few years.

"Whether those results have been achieved in the best way possible depends on the type of stakeholder you are.

"What is encouraging and fair is that the targets were clearly communicated and mostly measurable," Takaendesa said.

He said the executive remuneration was fair in the context

of achieving the targets agreed with the board and, in turn, Telkom's stakeholders, who vote on the appointment of those directors.

"The key question is therefore whether those targets were set at the correct level – given it's a company that has been in a turnaround mode.

"Whether the absolute amounts of executive pay are fair in the context of the country's socioeconomic picture is a big question that cuts across different industries and probably needs attention at the national

level," said Takaendesa. Mobile network Vodacom's CEO, Shameel Joosub, was paid R35.6m, which included a basic salary of R9.2m and a short-term incentive bonus of R10.8m as well as a long-term incentive bonus worth R14.3m.

MTN chairman Phuthuma Nhleko was awarded a substantial R72m package for the 2016 financial year.

He spent more than a year as executive chairman of the company after the departure of former CEO Sifiso Dabengwa in November 2015.

mochikot@bdlive.co.za