



ShareSoc

UK Individual Shareholders Society

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Press Release

ShareSoc blasts £4m CEO pay at mid-cap oil company Premier Oil at today's AGM

Premier Oil shareholder, and ShareSoc Director, Mark Bentley posed the following question at today's Premier Oil AGM:

"Firstly, I would like congratulate the remuneration committee on presenting a clear exposition of total director remuneration on page 73 of the annual report, despite needing 20 pages to explain director remuneration. However, I am concerned to observe that total pay for the 5 executive directors in 2011 was an extraordinary £13.2m, with the CEO receiving a package worth 183x the median UK salary. Emoluments rose over 30% against 2010. Considering that the share price fell in 2011 and that average production came in below guidance, please could you explain how such incredible rewards are justified."

Mark reported that he could detect distinct discomfort amongst remuneration committee members and their chairperson in attempting to justify this outrageous award. Needless to say, Mark voted against Premier Oil's remuneration report and against the re-election of Remuneration committee chairperson Jane Hinckley. Mark also voted against the re-election of Chairman Mike Welton, who was CEO of Balfour Beatty at the time of the Hatfield rail crash.

ShareSoc's view is that shareholders must act to question Boards that reward failure in this manner and pay scant heed to what is fair, decent and in the best long term interests of the companies they are meant to be overseeing. We are pleased to note that besides our director's vote, 9.3% of votes overall were cast against that resolution and applaud any institutional investors that have also taken a stand on this matter.

ShareSoc strongly urges all shareholders to vote against unreasonable pay packages.

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Note any members of the press who wish to receive a complimentary copy of our informative monthly newsletter should send a request to sharesoc@btconnect.com. Our newsletters cover not just the affairs of our organisation but contain general financial news and commentary. Examples of our past newsletters are available on our web site. You can also follow ShareSoc reports on topical news, and comments thereon, on Twitter from @ShareSocUK.

About the UK Individual Shareholders Society (ShareSoc)

ShareSoc represents and supports individual investors who invest in the UK stock markets (and who own over 10% of the shares in UK public companies in aggregate). We are a mutual association controlled by our members with "not-for-profit" articles and incorporated as a company limited by guarantee. The organisation is financed by member subscriptions, donations from supporters and by the services it provides to members. Associate Membership of ShareSoc is free and is open to everyone with an interest in stock market investment (go to www.sharesoc.org/membership.html to register). More information on ShareSoc can be obtained from our web site at www.sharesoc.org (our objects are fully defined on this page: www.sharesoc.org/objects.html).