1.1.2 Shell compensates for mortgage negative equity

Housing crisis? What crisis? Former Shell executive Malcolm Brinded is not suffering from sleepless nights. When the company told the world Brinded, head of the upstream division, was leaving, the press release was careful and friendly. But a Shell spokesman was more direct, saying ‘we asked him to leave the company. It was time for new leadership’. Brinded was given a pay-off totalling €2.5 million (basic salary plus annual bonus) and kept the right to his long-term bonus. And, if he is forced to sell his Wassenaar home, which cost €3.75 million to buy, Shell will cover any eventual negative equity.

1.1.3 Creative golden parachutes

AkzoNobel chief Hans Wijers was given a golden parachute of one-year’s salary plus an extra pension payment when he left- an amount totalling €1.2 million. This conflicts with the 2004 Tabaksblat corporate governance code, but because Wijers joined the coatings giant a year before the code came into force, it does not apply to him.

SBM Offshore announced its former chief executive Tony Mace was ‘not paid a redundancy package’. Perhaps it was not formally named as such, but Mace will remain attached to the marine services company as an adviser until he reaches retirement age in 2013. His new contract, says supervisory board president Heinz Rothermund, is ‘Significantly less attractive than his old contract’. Mace is no longer part of the management and so the company does not have to publish his new remuneration package.

Former Grontmij executive Jean Luc Schnoebelen was let go at the end of January because of ‘his functioning and behaviour’ and ‘lack of cooperation’ in revising the company’s financial structure. In other words, Schnoebel-en had made a mess of things.

On departure he was given €2.7 million- over six times his basic annual salary. He was able to spend €400,000 on part of the company’s Ginger subsidiary. It is unique in Dutch corporate history for a director to be sacked and then given part of the company.

1.2 Corporate break-ups

2012 was the year in which the net effect of breaking up companies became clear. The separation of TNT Post into the stable, dividend-providing PostNL and TNT Express, suitable for the adventurous investor, was a washout. PostNL ended up with the old company’s debts and pension obligations with just 30 percent of TNT Express as a buffer. As soon as TNT Express began to slide on the stock

exchange, PostNL had to take in its losses, on paper at least, knocking out the dividend. The takeover of TNT Express by UPS should have ended PostNL’s misery but, after a year of dithering, at the beginning of 2013, the European Commission vetoed the deal. No takeover and so no cash for PostNL.

After years of dispute between investors and chip machin-ery-maker ASMI over breaking up the company, the company agreed in 2012 to carry out a study into ‘the causes of the present non-recognition by the financial markets of the value of the combined businesses’. ASMI expects to publish this in spring 2013. Even founder and major shareholder Arthur del Prado, a long-time opponent of separating the back and front ends of the company, has said he will not now stop a break up.