

Report on Bachelor/Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

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Advisor:	Doc. PhDr. Adam Geršl, Ph.D.
Title of the thesis:	Determinants of Executive Compensation in Czech Companies

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

The thesis focuses on executive compensation in the Czech Republic and tries to close the gap in the literature on this issue, especially in respect to the Czech environment. The author addresses two main hypotheses. The first one concerns the level of pay and its dependence on financial and corporate governance-related variables, the second one concerns the sensitivity of managerial remuneration on a company's performance. The main technique is OLS regression including panel data analysis and the dataset used covers majority of the CzechTOP100 companies complemented with other companies. The author finds that the selected performance and company-related parameters determine executive compensation and that a company's annual performance is related to annual income in manager's pay.

The thesis is well structured and researched and it is written in good English. It includes all the formal requirements such as lists of tables and figures and outputs in appendices. The figures and tables are clear and properly titled. The methods used are slightly above the required level and properly documented. I appreciate the topic, which is highly relevant and contributes to the discussion on corporate governance culture in the Czech Republic. Unfortunately, the author does not describe the source of the data in the Dataset section and neither the References nor the Appendix makes this issue clear. However, apart from this issue I consider this thesis as **excellent**.

SUMMARY OF POINTS AWARDED:

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	19
<i>Methods</i> (max. 30 points)	26
<i>Contribution</i> (max. 30 points)	29
<i>Manuscript Form</i> (max. 20 points)	20
TOTAL POINTS (max. 100 points)	94
GRADE (1 – 2 – 3 – 4)	1

REFEREE'S NAME: Tomáš Klinger

DATE: 9. 6. 2014

REFEREE'S SIGNATURE