

Faint hopes for clarity on CEOs' pay

By Cliff Weight

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Sir, Investors, with aggregate funds of \$1,500bn, wrote last Thursday to Christopher Cox, chairman of the Securities and Exchange Commission, advocating advisory votes on executives' compensation at US companies. This is a good idea, one of two I suggested in a letter you published on August 9 last year.

My other suggestion was that the London Stock Exchange should implement a similar rule to the SEC proposal that would require US companies to provide one number representing total annual compensation for each named executive. We can learn from the US in this respect just as they are (hopefully) learning from us about the benefits of votes on executive compensation.

As the annual report season approaches we are about to be deluged with 16 or so pages per company of almost impenetrable explanations of directors' remuneration. I, for one, doubt that companies will disclose anywhere in these pages the total they pay their chief executive in a single figure, unless there is a regulatory or companies act requirement to do so.

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