



by Charles Raj

WHAT'S in a pay packet? A lot, if you ask the guys who helped boot out New York Stock Exchange (NYSE) chief Richard Grasso.

Apparently, they felt the US\$ 188 million pay package to oversee and run the world's largest stock exchange for 36 years was a bit too much, even by US standards.

So what's all the fuss, ask some Grasso supporters who feel his package was justified given the nature of the job.

But what must have been really perplexing is the fact that Grasso's bounty did not come to light until now. Keeping it under wraps must have been quite an achievement in itself. Finally, the NYSE succumbed to pressure and divulged the data.

Well, what one gets paid seems to be a very sensitive issue everywhere, from New York to Kuala Lumpur. People go to great lengths to hide, disguise or mislead others about their remuneration. They don't say 'Never ask a woman her age or a man his pay' for nothing.

This seems to ring true, especially where directors of Kuala Lumpur Stock Exchange-listed companies are concerned. Less than 10% of the companies state the exact remuneration of their directors.

After more than three years of the Code

When it comes to corporate governance and transparency, being leaders in the region or even Asia will put us head and shoulders above the rest. With everyone fighting to attract foreign funds to their bourses, wouldn't we be well placed if we were the best?

on Corporate Governance in place, it's still the same old practice. Minority shareholders don't have a clue as to who gets what. Even loss-making companies pay out hefty salaries.

It is timely to remind ourselves that once a company decides to go public, it will definitely be subject to public scrutiny. If a company doesn't like this, then it is better to remain private.

Even the salaries of those in the public sector, including the Cabinet, are public knowledge.

Minorities are not supposed to guess who

A Need to be More Open

Malaysia still has a long way to go where corporate governance and transparency is concerned, especially about the earning capacity of the people at the top. But this shouldn't be the case, especially with globalisation and the like hot on our heels.

is in the top remuneration band and so on. Sometimes, they may have to sieve through the whole annual report just to determine how the total remuneration is apportioned among board members. Even then, they are none the wiser as to who earns what.

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Now that the controversy over the NYSE chairman's pay package has broken out, locals who are wondering what our very own KLSE chairman earns will be disappointed.

The KLSE's annual report does not provide details of salaries of board members. All the income statement reveals is that total staff cost for the group rose from RM78.24 million in 2001 (July 1, 2000 – June 30, 2001) to RM129.58 million (July 1, 2001 – Dec 31, 2002). We suppose that when the KLSE goes for listing under its demutualisation exercise, it would have to follow the rules just like any other listed company.

For the record, with all the hue and cry over Grasso's pay package nearly over, NYSE's new boss John Reed has announced what he would be paid – just US\$ 1. Under a new contract till 2007, Grasso was to have been paid US\$ 2.4 million in salaries and minimum bonus.

Now that's what we call a pay cut. **mb**