

**The Nightly Business Report**  
**CEO Compensation – How Much is Too Much?**  
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The latest flap about excessive CEO compensation is Bob Nardelli's recent ouster at Home Depot and his \$210 million pay package. Even though this pay package was included in his contract when he was recruited, it looks excessive compared to the company's performance.

I serve on compensation committees and know firsthand that there is enormous pressure to give a new CEO what he or she wants, especially if that person is recruited from the outside to save the company.

Many directors today think compensation practices need overhaul. But there is no consensus in corporate America about how to do this. There is great competition for top talent, and directors are often convinced that their key executives will go, leaving the board to face angry shareholders. So, compensation just ratchets up.

However, there are hopeful signs. First, new transparency. For this year's proxies, the SEC requires disclosure of **all** compensation for the CEO and other top executives -- salary, bonus, stock options, stock grants, deferred compensation, perks, and severance. Second, tougher talk on Capitol Hill from the incoming chairman of the House Financial Services Committee, among others.

A perfect storm may be emerging that will give new muscle to compensation committees and boards to take a fresh look and just say no to the excesses we now see. I hope so.

I'm Barbara Hackman Franklin