

July 16, 1992

To Our Clients:

Executive Compensation

Recent statements by Chairman Richard Breeden of the SEC indicate that the new SEC proxy-statement-disclosure requirements will be in effect for the 1993 proxy season. While the requirements are for additional disclosure, there are extremely important substantive elements such as

- the composition of the compensation committee
- the procedures followed by the compensation committee
- the manner in which the deliberations of the compensation committee are recorded, and
- the current relationship of compensation to performance

that should be taken into account now in preparation for the new disclosure requirements.

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