

Securities and Exchange Commission
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Chris Barnard

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- **17 CFR Parts 229 and 249**
- **File No. S7-07-13**
- **Pay Ratio Disclosure**

Dear Sir.

Thank you for giving us the opportunity to comment on your proposed rule: Pay ratio Disclosure.

You are proposing amendments to Item 402 of Regulation S-K to implement Section 953(b) of the Dodd-Frank Act. Section 953(b) directs you to amend Item 402 of Regulation S-K to require disclosure of the median of the annual total compensation of all employees of an issuer (excluding the chief executive officer or "CEO"), the annual total compensation of that issuer's CEO and the ratio of the median of the annual total compensation of all employees to the annual total compensation of the CEO. The proposed disclosure would be required in any annual report, proxy or information statement or registration statement that requires executive compensation disclosure pursuant to Item 402 of Regulation S-K. The proposed disclosure requirements would not apply to emerging growth companies, smaller reporting companies or foreign private issuers.

I strongly support the proposed rule, which is reasoned, clear, flexible and practicable, and will provide meaningful information to users of financial statements. The proposals will: promote companies to consider internal pay equity; provide a relative pay measure for CEOs, both between and within industries; allow investors to evaluate CEO compensation with respect to a company's business; and enhance corporate accountability concerning CEO compensation.

I appreciate the principles-based nature of the proposed rule, which allows sufficient flexibility for companies to develop the disclosures required under Section 953(b) according to the nature and circumstances of their businesses. I also appreciate the simplifications and

options for discretion that will reduce associated costs and burdens, whilst maintaining the accuracy and integrity of the pay ratio disclosure. In particular, I support the use of statistical sampling and various consistently applied compensation measures in order to determine the median employee.¹ This alone will provide significant flexibility and relief to companies in disclosing the pay ratio.

Finally, I strongly agree that companies should disclose the methodology and material assumptions, adjustments and estimates used in the calculation of the median or annual total compensation of employees and should provide sufficient information for a reader to analyse and evaluate the disclosure.² I agree that some of the flexibility in the proposed rule will reduce comparability between companies; however, I support that clear, sufficient and complete disclosure should allow readers to make an informed comparison of different companies' pay ratio disclosures.

Yours faithfully

C.R.B.

Chris Barnard

¹ See proposed §§ (ii) and (iii) of Instruction 2 to Item 402(u).

² Note that proposed § (iv) of Instruction 2 to Item 402(u) states that: "This disclosure should be a brief overview; it is not necessary to provide technical analyses or formulas."