FOTUNE

FEATURES

5 N.P. 2549

July 10, 2006 • Vol. 154, No. 1



34 BUFFETT'S STARTLING GIFT The world's greatest investor plans to gradually give away the bulk of his Berkshire Hathaway stock, which is valued today at \$44 billion. Most of it will go to the Bill & Melinda Gates Foundation. A FORTUNE exclusive. BY CAROL J. LOOMIS

44 Bill Gates Reboots

Microsoft's founder on his decision to step aside, Warren Buffett's gift, and why it all gets him a little choked up. BY BRENT SCHLENDER

48 The Real CEO Pay Problem

Voters are outraged. Big investors are demanding change. Even some CEOs admit there's a crisis. But rewards that defy all economic logic don't simply spring from greed. Corporate America's executive-compensation system is broken. An inside look.

BY RIK KIRKLAND

57 Five Commandments for Paying the Boss

The problem is not that CEOs make a fortune. It's that they are being paid for the wrong things. Here's how to change that.

BY SHAWN TULLY

BRAINSTORM 2006

60 Life in a Connected World

The Internet is old news. But its 700 million users are changing business and society so fast it's sometimes hard to keep up.
As thought leaders gather for FORTUNE's Brainstorm conference in Aspen, we take stock. BY DAVID KIRKPATRICK

63 A Virtual Roundtable

Seven thinkers sound off on how connectivity is changing the planet, from blogging in China to the power of "collective intelligence."

FORTUNE Asia (ISSN 0738-5587) is published 23 issues a year by Time Inc. Principal office: Time & Life Building, Rockefeller Center, New York, N.Y. 10020-1393. Ann S. Moore, Chairman and CEO; John S. Redpath Jr., Secretary, FORTUNE Asia may also publish occasional extra issues. Customer Service and Subscriptions: For 24/7 service, please use our website: www.fortune.com/customerservice, You may also contact Customer Services Center at 852-3128-5688, or e-mail to enquiries@limeinc.com or write to 30/F, Oxford House, Tailkoo Place, 979 King's Road, Quarry Bay, Hong Kong. Subscribers: If the postal authorities alert us that your magazine is undeliverable, we have no further obligation unless we receive a corrected address within two years. Mailing List: We make a portion of our mailing list savailable to reputable firms. If you would prefer that we not include your name, please contact Customer Services Center. Member, Audit Bureau of Circulations, @2006 Time Inc. All rights reserved. FORTUNE is a registered mark of Time Inc. FORTUNE Asia is printed in Singapore. Singapore MICA (P)312/06/2005. Malaysia KKDN permit PPS 1162/04/2005. Publisher. Michael Federle.