

[Blogs](#)

March 29, 2023

In-House Corner: How This Proxy Season Is Faring So Far



In this blog feature, our in-house readers share tips, anecdotes, and thoughts about topics that arise in their daily practice. This particular batch of thoughts is about how this proxy season is going so far—sort of a companion blog to [this blog series](#) about how to keep sane (or not) during the proxy season:

1. "It's interesting to reflect on the proxy season in the midst of it. I guess I would say it's going okay because I am accustomed to the madness. I'm not sure my husband and kids would agree."
2. "Proxy season remains busier than necessary as tasks that could have been completed a year ago were not wrapped up. Let's make the following resolutions:
 - Get a draft of your Grants of Plan Based Awards Table started NOW. You know who your executive officers are at present. Many (if not most) companies have already made annual equity grants, and established the target/maximum for annual incentive opportunities for the year. Rather than waiting until 2024, start populating the GPBA table with the data you know at present.
 - Similarly, start marking up next year's CD&A with the changes made in January/February 2023 to the compensation program. Describe (1) any new metrics or weighting for metrics for the annual incentive, (2) the rationale behind the changes, and (if applicable) (3), the difference between the target/maximum payout for that metric if it was raised or lowered from 2022 and, if so, by how much. Similarly, describe any changes to the equity mix for 2023. Once you know your say-on-pay results, update that section of the CD&A. It should be a work in progress throughout 2023—not a January 2024 project."
3. "Proxy season this year is like...WHOA."
4. "The biggest change in 2023 is that late-breaking changes to the amounts reported for named executive officers in the summary compensation table (SCT) must be taken into account for purposes of the Pay Versus Performance (PVP) disclosure."

So, for example, when the "All Other Compensation" column changes at the last minute because of some late-reported perquisite or other amount, that amount needs not only to be reflected in SCT but must also be carried over to the PVP and reflected in the Compensation Actually Paid (CAP) calculations. I suspect that this is not being done, because folks are viewing the PVP table as they have previously been done.

Remember that PVP is not like your other compensation tables—it will continue to change as the most recent fiscal year's pay numbers change in the SCT."

5. "My thoughts on proxy season this year are not fit to print."
6. "With all the hype around the impact of universal proxy, I think that many in the proxy/annual general meeting (AGM) space are breathing a sigh of relief that it doesn't appear to have been as impactful as predicted. At least, this is the case so far; maybe a year or two down the road will be different.

Another favorable change is the slight move away from remote meetings. The service providers in that space were simply pushed beyond their ability to do a good job in connection with remote meetings and it's nice to have the option to do an in-person meeting and leave all those stresses behind (hopefully for good)."

7. "Three words: Pay Versus Performance. That's all that needs to be said."

Explore more in

[Corporate Law](#)