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EQUILAR

Preparing for Proxy Season 2023

An Equilar Publication

Featuring Commentary From

DFIN

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Executive Summary

As 2022 comes to a close, companies across Corporate America are preparing for a year that will likely be headlined by new disclosure requirements. On August 25, 2022, the United States Securities and Exchange Commission (SEC) officially adopted Pay Versus Performance rules, following several rounds of comments and proposals. The new rules require public companies to disclose information reflecting the relationship between compensation actually paid to a company's named executive officers (NEOs) and the company's financial performance.

Of course, investors and other key stakeholders will also pay close attention to how companies showcase their practices related to environmental, social and governance (ESG) issues, human capital management (HCM), and board oversight, to name a few. Communicating these policies in a clear and concise manner is more critical than ever before. The annual proxy statement (DEF14A) has evolved into a tool for companies to effectively communicate their respective governance and executive compensation practices.

Nevertheless, the proxy features a high volume of information, and investors and other stakeholders may find it challenging to navigate the document. At times, the most critical disclosures may be overlooked or missed due to the design of the document. Indeed, the overall design of the proxy and compensation discussion and analysis (CD&A) portion of the document are paramount. For a reader seeking information about a specific issue, the use of navigational tools, charts and graphs and other visual elements are immensely helpful in guiding them to the information they need. Overall, the design of the document must strike a balance between required and voluntary disclosure using both technical and more broadly understandable language.

The *Preparing for Proxy Season 2023* publication features trends and strategies in proxy design observed at Equilar 100 companies. DFIN offers independent commentary on disclosure strategies to effectively facilitate shareholder discourse and understanding of the proxy statement.

Pay for Performance Disclosures Decline by More Than 50%—For Now

The concept of pay for performance has long been advocated by investors, particularly given the influence they have on pay packages. However, the new SEC rules bring greater attention—and potentially greater scrutiny—to executive pay misalignment that may have not been observed by companies in several years. Companies across Corporate America have disclosed pay for performance graphs in their proxies since the implementation of the Dodd-Frank Wall Street Reform and Consumer

Protection Act in 2010. However, the prevalence of companies that disclosed those graphs has steadily declined over the last five years.

In 2021, just 9% of the Equilar 100 disclosed a graph that showed the relationship between their executives and financial performance. While this is up one percentage point from 2020, the figure is down overall by more than 50% since 2017 when 18.2% of companies disclosed a pay for performance graph.

The SEC's new Pay Versus Performance disclosure requirement will indeed accelerate the use of these graphs; however, the looming question remains whether the new rules will have any impact on Say on Pay results in the coming years. While it's too soon to draw any specific conclusions, it's in the best interest of companies to begin preparing how to tell their pay story. "Companies that have struggled on Say on Pay or are anticipating a struggle with Say on Pay are going to find that the new pay for performance disclosure probably doesn't help them and will be looked at as well," said Joe Yaffe, Partner and West Coast Chair, Executive Compensation and Benefits at Skadden, during a recent Equilar webinar covering the new rules.

ESG Becomes a Proxy Standard

The discussion around ESG has dominated the governance landscape over the last few years, and it is likely that this will continue into 2023. While the ESG conversation expands across several topics, the impacts of the COVID-19 pandemic have placed a greater emphasis on the "S" in ESG, as companies have made employee well-being a top priority. As a result, issues such as health and safety, income equity, and diversity, equity and inclusion (DEI) have found their way on agendas at board and executive meetings across Corporate America. Once again, the proxy statement plays a pivotal role as a vehicle to communicate these policies to investors who have become more socially conscious over the last two years.

Perhaps to no surprise, detailed disclosures of ESG policies have become a majority practice at Equilar 100 companies over the last five years. During the course of the study period, the percentage of companies disclosing their ESG policies increased from 6.3% in 2017 to 63.9% in 2021. Furthermore, an additional 33% of companies mentioned their ESG practices within the proxy statement. In total, 96.9% of companies addressed ESG to some degree in their 2021 proxies—up from just 18.9% in 2017.

Methodology

Preparing for Proxy Season 2023, an Equilar Publication, analyzes the annual proxy statements and CD&As of companies in the Equilar 100—the top 100 U.S.-listed companies by revenue—over the last five fiscal years. Samples included a total of 97 companies in 2021 and 2020, 96 companies in 2019, and 95 companies in 2018 and 2017. Fiscal year one was defined as companies with a fiscal year ending from June 1, 2021 and May 31, 2022, with subsequent years following suit.

Disclosure examples were chosen to highlight both the typical and exceptional examples of proxy disclosure. The narrative part of this report highlights proxy design trends and features of Equilar 100 companies. DFIN has provided independent commentary for added context and color regarding new and existing disclosure requirements, as well as insight on how the proxy statement serves as an effective vehicle to communicate to shareholders.

Key Findings

80.4%

Of Equilar 100 companies included a proxy summary in 2021

45.4%

Of Equilar 100 companies included a CD&A table of contents in 2021—up 22.4% from 2020

50.5%

Decline in the prevalence of Equilar 100 companies that disclosed a pay for performance graph from 2017 to 2021

96.9%

Of Equilar 100 companies discussed their ESG policies to some extent in 2021—up from just 18.9% in 2017

Beyond the Numbers | DFIN

A Q&A With Ron Schneider

To provide additional perspective on the trends uncovered in *Preparing for Proxy Season 2023*, Equilar sat down with contributor Ron Schneider, Director of Corporate Governance Services at DFIN. Schneider shared his thoughts on the new Pay Versus Performance disclosure requirements, best practices for proxy design and more. An in-depth discussion featuring Schneider's commentary can be found at the end of this publication.

Equilar: What are some key considerations that companies should consider with respect to the design related to the SEC's newly adopted Pay Versus Performance disclosure requirements? What steps during the compliance process can companies take to ensure an effective disclosure?

Ron Schneider: There are three primary components of the new Pay Versus Performance (PvP) rule:

1. PvP table: Disclosure of "compensation actually earned" (similar to "realizable pay"), and measures of company performance including company and peer TSR
2. Description of the relationship between the tabular items (which can be narrative and/or graphical)
3. "Most important pay measures" table: three to seven most important financial performance measures linking actual compensation to company performance

So, as we discuss "design," the rule calls for primarily tabular disclosure, which can be supplemented narratively and/or graphically.

Companies first have choices to make, including about which peer group(s) to use, and which are their "most important pay measures," before compiling the data and completing the tables.

Finally, with the rule released in late August 2022 and required in spring 2023 proxies, companies have limited time to digest the new rules, make their decisions and compile the required information. This may limit the degree of supplemental and contextual information companies provide in year one of the new rule.

We think about this as a two- (or more) year process:

- In year one, companies are working diligently to comply, with most anticipating placing the required tables toward the back of the proxy, along with existing tables and not in the compensation discussion & analysis ("CD&A") section. For most companies, expectations for "high design" around these disclosures is low in year one, and the main goal is to "comply."
- Companies that already discuss "pay for performance (PfP)" in their own terms in the CD&A—many including PfP graphs often including realized or realizable pay—now will also be disclosing a second, standardized set of similar data points. These may support, or conflict with, their existing PfP narrative, and in the latter case, companies should anticipate questions from investors and others about the disparate data. Going forward, companies likely will seek to harmonize the new data into one integrated PfP story.
- Similarly, companies with formulaic short- and/or long-term incentive plans (i.e., using pre-set and pre-disclosed performance metrics and weightings), should carefully consider including some of these among their "most important financial performance measures," or expect questioning about why they did not. Companies utilizing non-financial and ESG-related performance measures also may consider including these in this disclosure.
- Investors and proxy advisors, for the most part, have not yet updated their Say on Pay and other voting policies to factor in the new disclosures, so

this new data may have limited impact on voting in 2023. That said, once investors have a year of viewing these disclosures, by year two, they likely will sharpen how they will integrate the data into their analysis and voting. Ongoing engagement with top investors during this policy evaluation process is advisable.

- The new tables will be the first portion of proxies requiring Inline XBRL data tagging (which DFIN is prepared to provide for our clients). By its nature, this new, “tagged” data will permit ready analysis by third parties, which could include activists, class-action law firms and others. Some companies will find themselves “positive outliers,” and others “negative outliers," and the latter may find themselves targeted for potential activism, with the “PvP misalignment” being another messaging point for the activist.

Equilar: What are some concepts of proxy design that companies may often overlook but are essential for effective proxy design? How do companies avoid any communication gaps to investors within the proxy?

Schneider: Companies provide investors with a range of documents and information channels. While each has its own purpose and intended audience, over time, there has been some “mission creep” among them, including what topics are discussed through which channels. These include:

- Investor relations website
- Investor presentation
- Annual report/10-k
- Proxy statement
- ESG or sustainability report
- Direct engagement with investors

While all the above come from the company, they may have different authors or drafting teams and been created at different points in time. For this reason, it’s important to review them all to ensure they consistently reflect the most current branding and messaging. Regulators and investors are watching carefully for inconsistent or conflicting messaging.

Investors also have available to them non-company provided resources, including:

- Analyst research reports
- Proxy advisor reports and vote recommendations
- ESG rater and ranker reports

Given the above, with respect to proxy season, major issues we have been focusing on with our clients include:

- A company publishes their inaugural sustainability report, which is much more highly designed than their existing documents. In some cases, these may appear to have come from different companies. This is driving an effort to harmonize the branding (as well as the messaging) between these core documents, not to make them look identical, but to all properly represent the company’s current branding.
- Investors are intensely interested in ESG and expect to learn the “full story” at the company’s website, including in formal reports aligned with widely adopted materiality and reporting standards (GRI, SASB, TCFD). Many investors indicate they also want to see “highlights” of the program in the proxy, at least the major tenets or pillars of the program, and perhaps progress toward disclosed goals. Clearly, you want the proxy, and ESG report disclosures, to reflect the same top-level tenets and pillars. Investors also want to learn about board oversight of ESG. If you indicate “the full board” or “the nominating and governance committee” has oversight responsibility, expect investors to turn to the board bios, and to skills matrices, to better understand if and how the responsible directors

have necessary competencies in these areas. So, these board disclosures need to be harmonized as well.

- With the increasing ownership by long-term indexed or "passive" (from a portfolio construction perspective) investors such as BlackRock, Vanguard, State Street Global Advisors and others (which collectively own over 20% of Corporate America and can own a greater percentage of particular companies), it is advisable to incorporate some "IR 101" or "company and strategy overview" into your proxy. These investors may not be as aware of your latest strategies or be as tuned into your ongoing IR communications as are more "active" managers, yet they do want to vote thoughtfully. During proxy season, they may not have the bandwidth to review all your IR and other disclosures prior to voting, which is why we urge our clients to make investors' jobs easier by leveraging IR and repurposing some high-level company overview information into the proxy

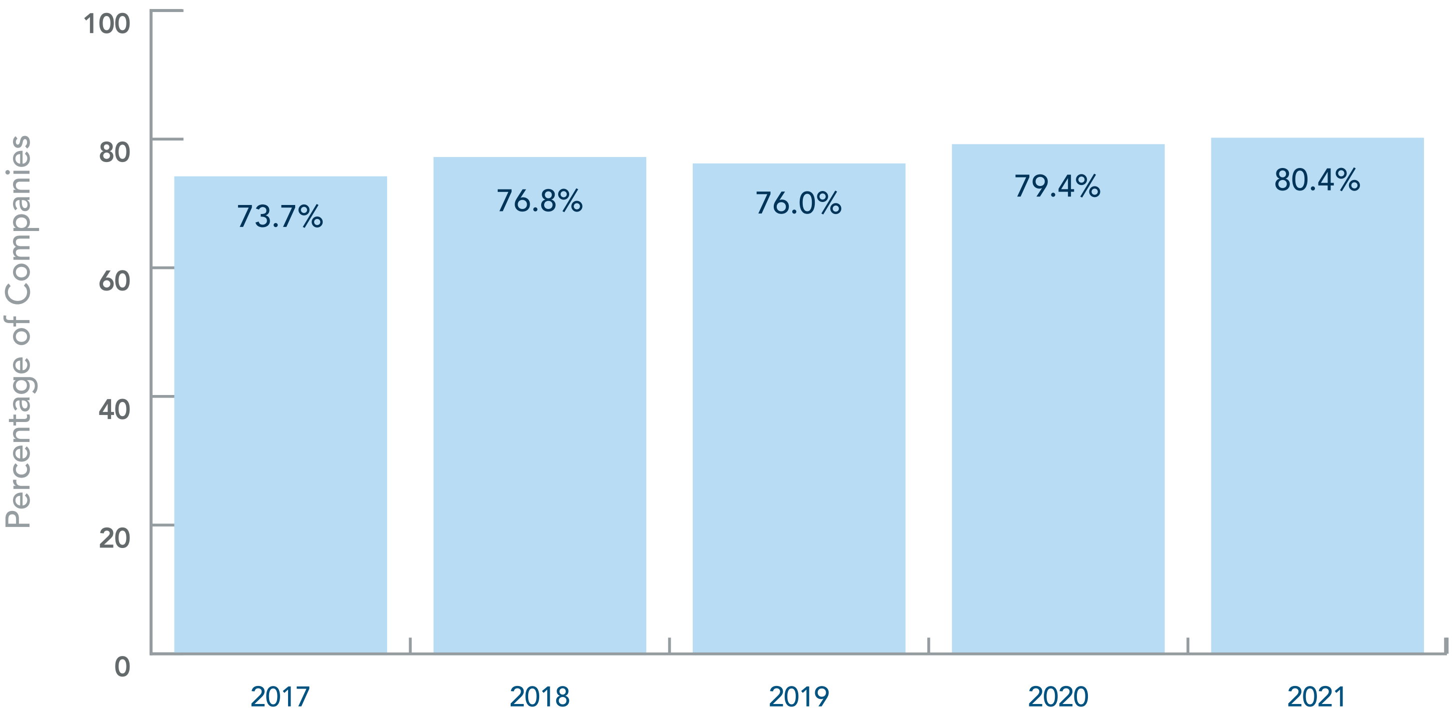
Read More From DFIN

The Essentials of Proxy Design

on page 20 of this report.

Figure 01

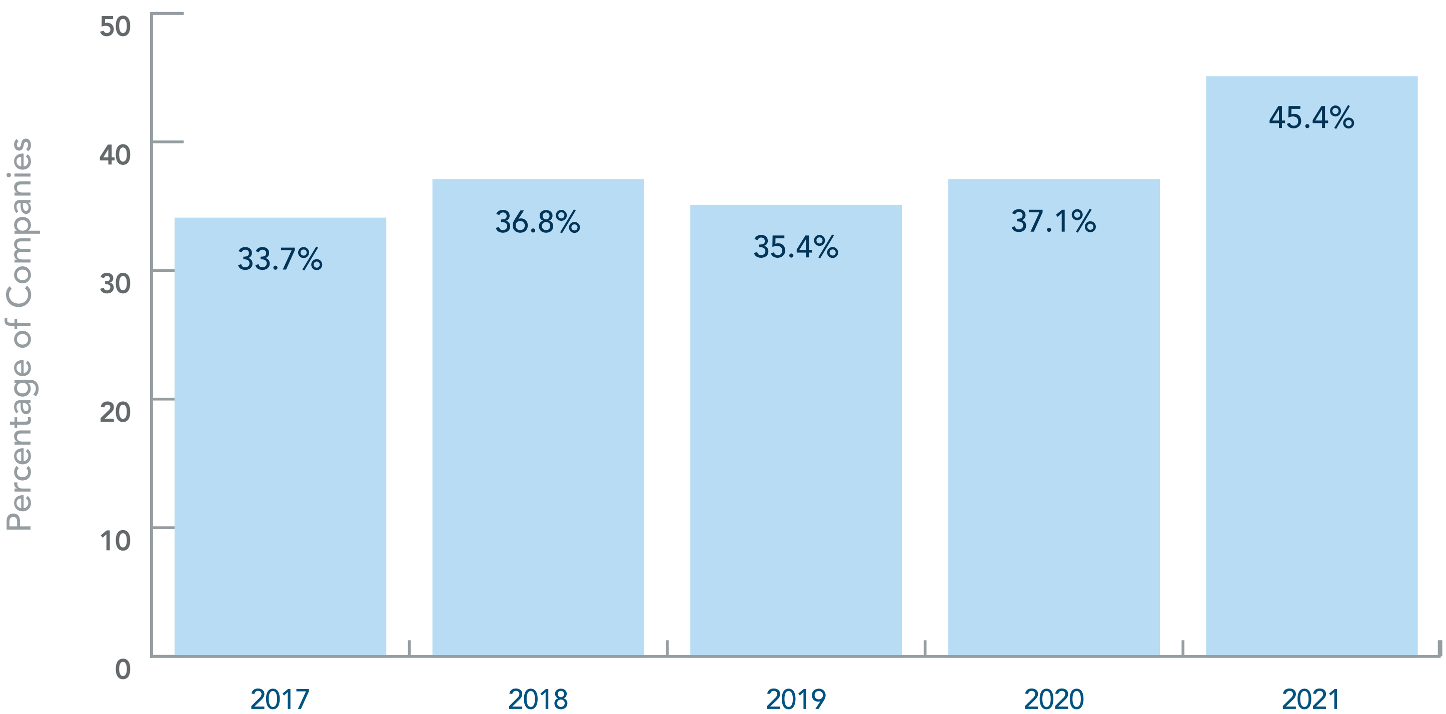
Equilar 100 Companies Including a Proxy Summary



Data Points

1. The percentage of Equilar 100 companies including a proxy summary in their filings reached a study peak of 80.4% in 2021, up nearly five percentage points from 2019 *(Fig. 1)*
2. The prevalence of proxy summaries in Equilar 100 proxies rose by 9.1% overall during the study period *(Fig. 1)*

Figure 02 | Equilar 100 Companies Including a CD&A Table of Contents

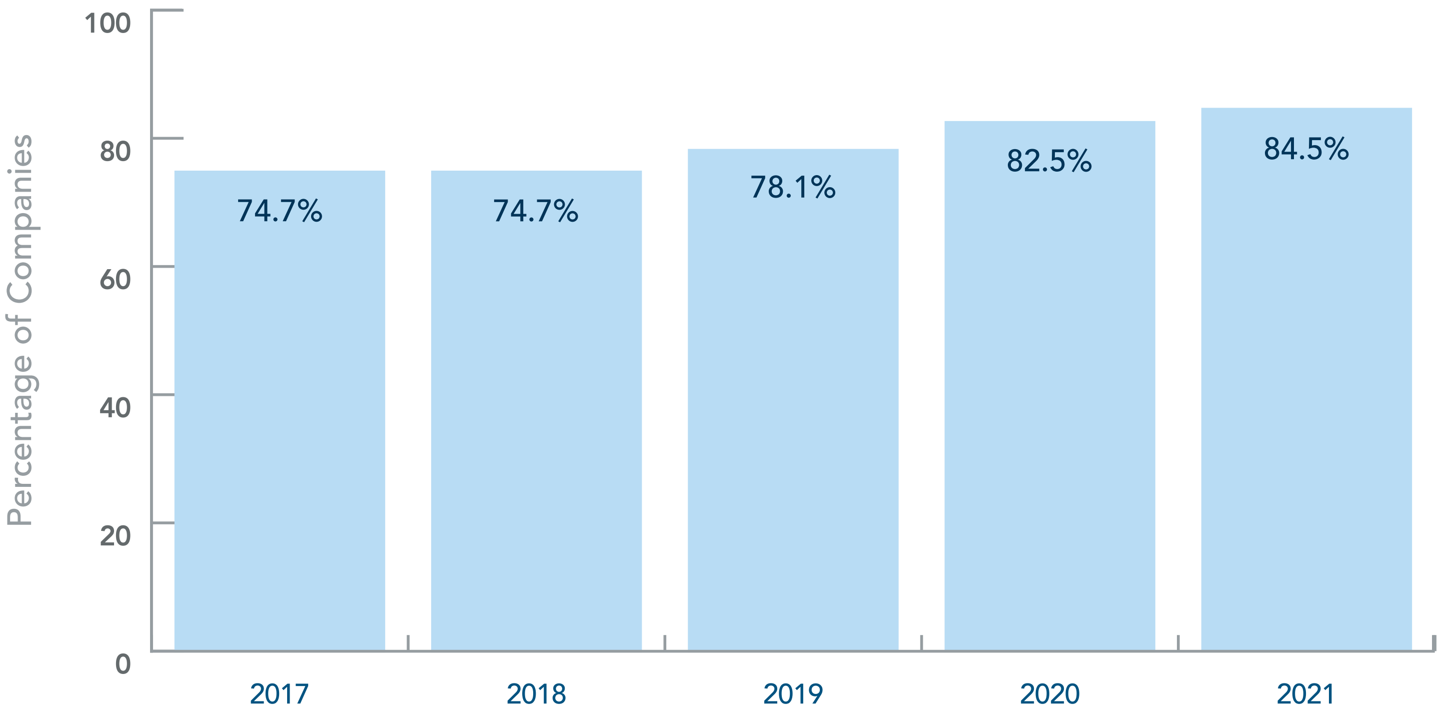


Data Points

1. The percentage of Equilar 100 companies including a table of contents within the CD&A section of their proxy grew by 22.4% between 2020 and 2021, from 37.1% to 45.4% *(Fig. 2)*
2. Through the course of the study, the prevalence of tables of contents in Equilar 100 CD&As fluctuated and increased overall by 34.7% since 2017 *(Fig. 2)*

Figure 03

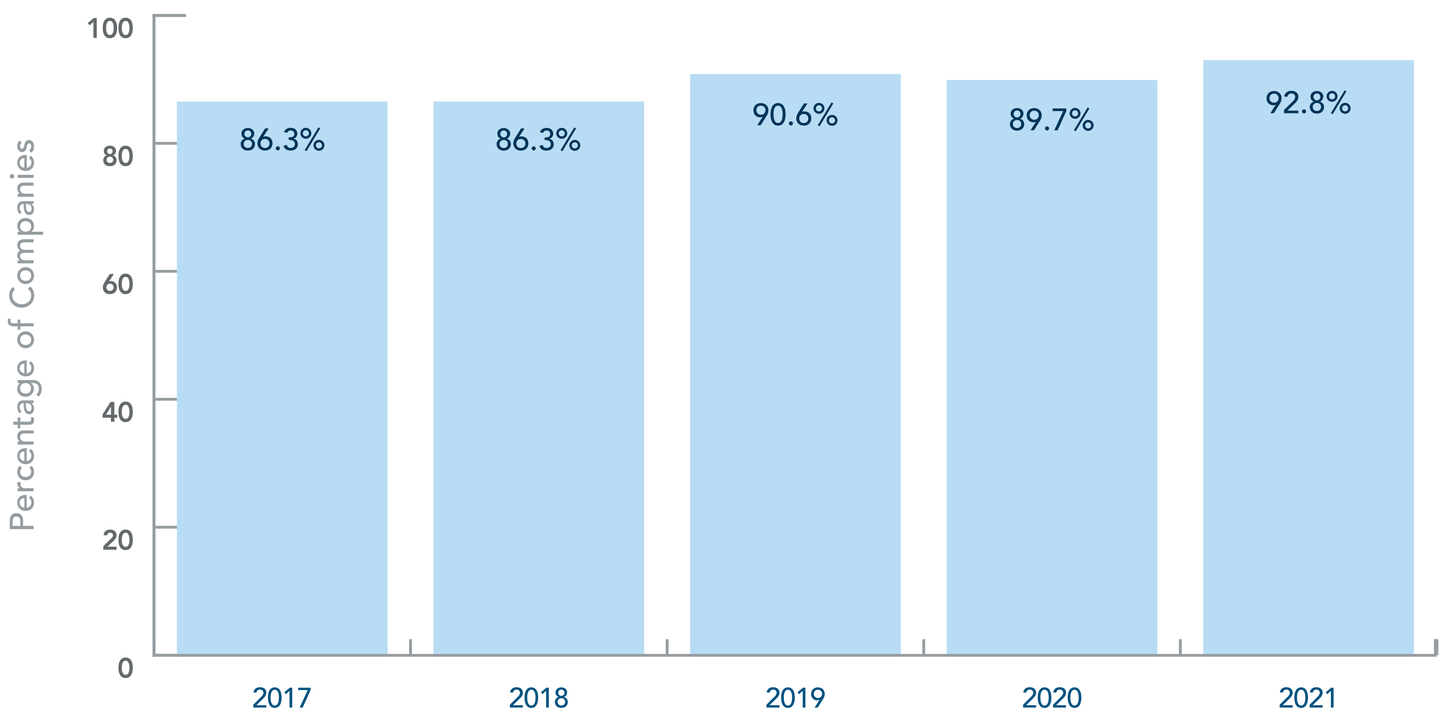
Equilar 100 Companies Including a Compensation Program Checklist



Data Points

1. 84.5% of Equilar 100 companies included a compensation program checklist in 2021 proxy filings, up from 74.7% in 2017 *(Fig. 3)*
2. The prevalence of compensation checklists increased by 2.4% between 2020 and 2021, and 13.1% overall during the study period *(Fig. 3)*

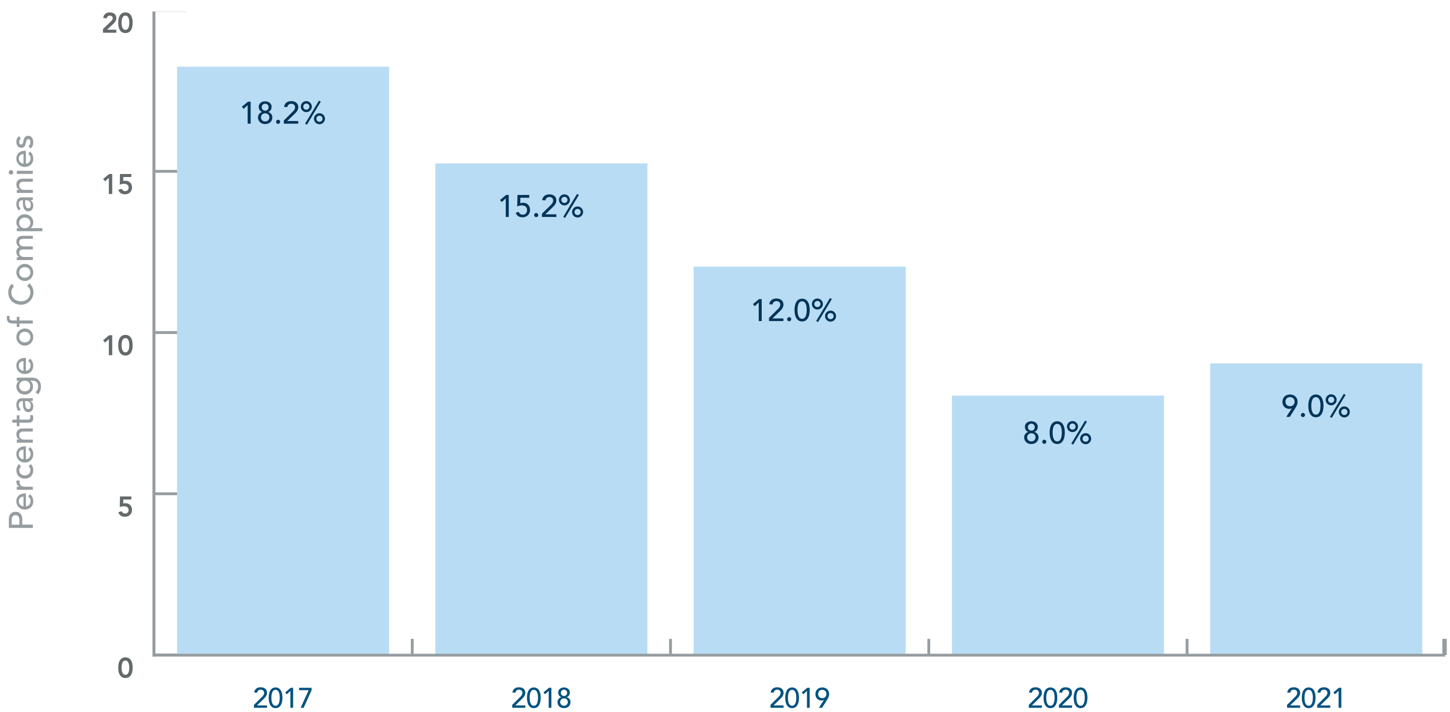
Figure 04 | Equilar 100 Companies Including a Supplemental Graph



Data Points

1. The practice of including a supplemental graph in compensation disclosures is nearly ubiquitous among Equilar 100 companies, with 92.8% prevalence in 2021, up from 89.7% in 2020 *(Fig. 4)*
2. Supplemental graphs have grown in prevalence by 7.5% since 2017, the first year studied *(Fig. 4)*

Figure 05 | Equilar 100 Companies Including a Pay for Performance Graph



Data Points

1. In contrast with the growing prevalence of supplemental graphs in general, pay for performance graphs have become less common over the last five years, with just 9% of Equilar 100 companies including one in 2021 proxies, down from 18.2% in 2017 *(Fig. 5)*
2. Prevalence of pay for performance graphs fell in each year from 2017 to 2020, before jumping one percentage point in 2021—a trend likely to continue in the wake of SEC Pay Versus Performance rules finalized in 2022 *(Fig. 5)*

Disclosure Example | The Goldman Sachs Group, Inc.

Goldman Sachs

The prevalence of Equilar 100 companies that disclosed a pay for performance graph dwindled to just 9% by 2021. However, following the SEC's August 2022 approval of new Pay Versus Performance rules, attention around executive pay alignment has accelerated in recent months. The Goldman Sachs Group's disclosure offers detailed information on its pay for performance alignment in the context of CEO pay and annual ROE of its peers.

COMPENSATION MATTERS—COMPENSATION DISCUSSION AND ANALYSIS

2021 ANNUAL COMPENSATION

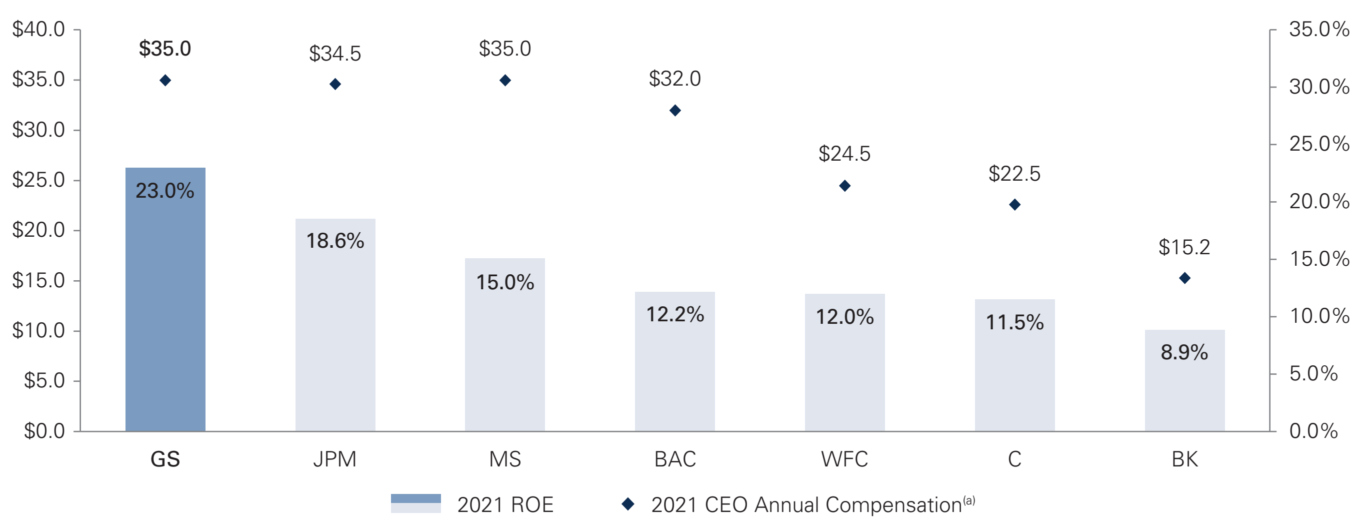
- Each of our NEOs also focused on the continued implementation of an operating approach that delivers *One Goldman Sachs* to our clients, is underscored by a multi-year financial-planning process, invests in new and existing businesses and enhances accountability and transparency.

The Committee continues to focus on ensuring that the structure and amount of our NEO compensation appropriately incentivizes our NEOs to continue to build long-term, sustainable growth and to achieve our financial targets, without undue emphasis on shorter-term results.

- For example, each of our NEOs receives at least 60% of his or her variable compensation in equity-based awards that promotes alignment with long-term shareholder interests.
- Further, equity-based awards for our Management Committee, including for our continuing NEOs, are in the form of PSUs, resulting in a significant portion of compensation for our most senior leaders being subject to ongoing performance metrics.

Spotlight on 2021 U.S. Peer CEO Compensation

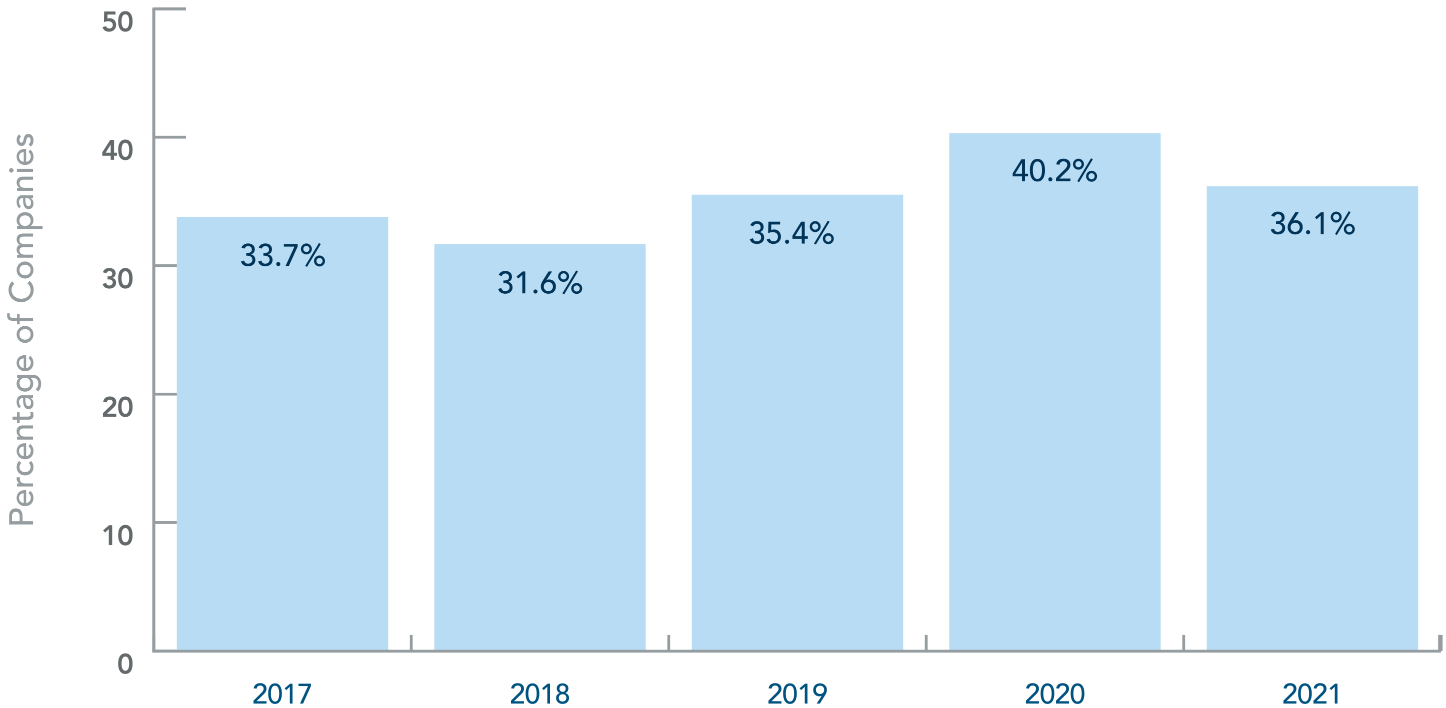
- Peer comparability is an important factor in assessing our pay-for-performance alignment.
- The chart below provides additional information on our pay-for-performance alignment in the context of available 2021 annual CEO pay determinations and annual ROE for our U.S. Peers.



(a) Annual compensation includes base salary, cash bonus paid and deferred cash/equity-based awards granted, in each case for 2021 performance, as reported in SEC filings.

Filed 3/18/2022

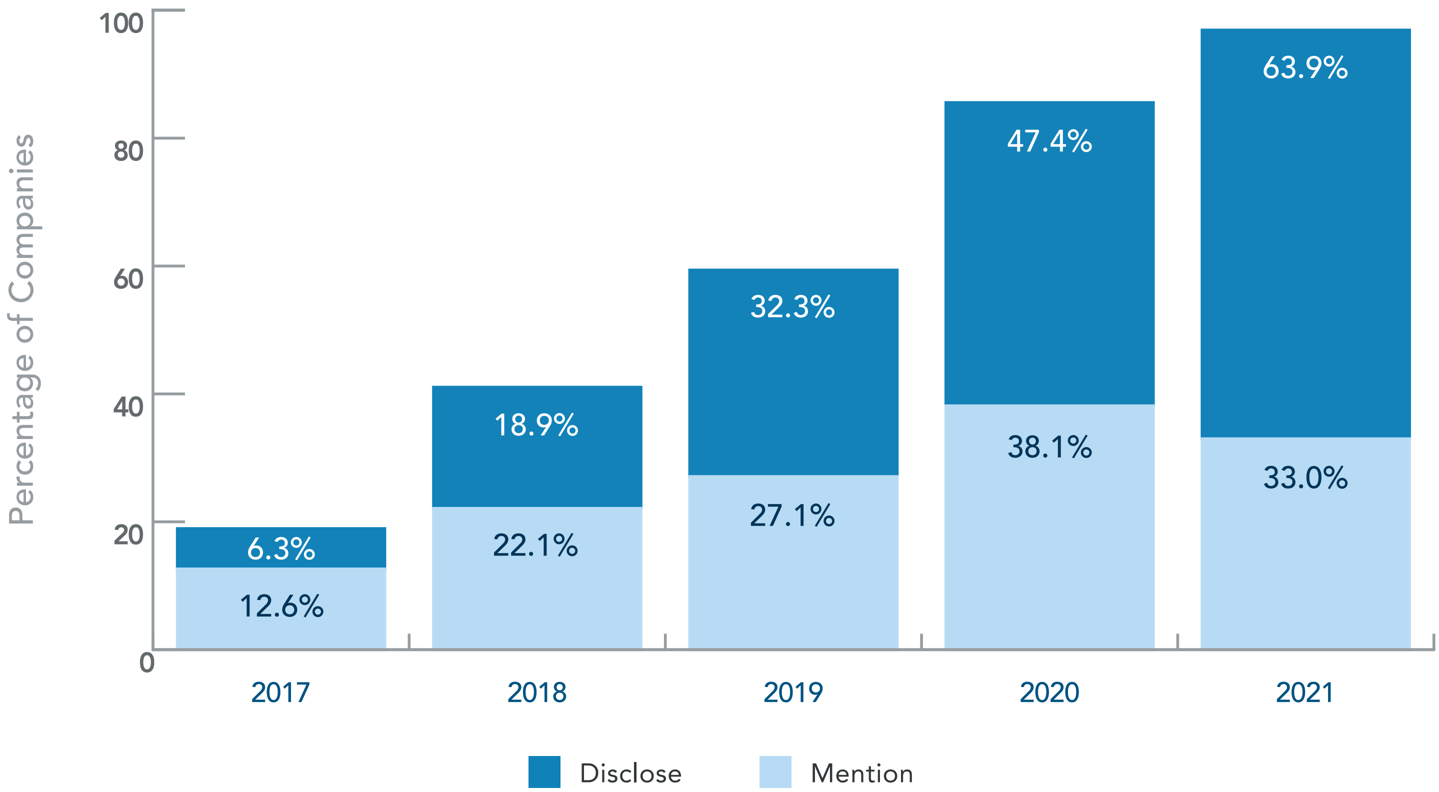
Figure 06 | Equilar 100 Companies Including an Alternative Pay Graph or Table



Data Points

1. 36.1% of Equilar 100 companies included a graph or table detailing an alternative pay calculation in proxy statements in 2021, down from a study peak of 40.2% in 2020 *(Fig. 6)*
2. Alternative pay graphs and tables have wavered in prevalence during the period, increasing modestly from 33.7% to 36.1% between 2017 and 2021 *(Fig. 6)*
3. The average year-over-year growth in prevalence during the study period was 2.3% *(Fig. 6)*

Figure 07 | Equilar 100 ESG Disclosures



Data Points

1. Detailed disclosures of ESG practices have become a majority practice in the Equilar 100 over the past five years, growing from 6.3% prevalence in 2017 to 63.9% prevalence in 2021 *(Fig. 7)*
2. An additional 33% of Equilar 100 companies mentioned ESG practices in disclosures but did not include detailed information about practices *(Fig. 7)*
3. In total, the percentage of Equilar 100 disclosures addressing ESG practices has ballooned from 18.9% in 2017 to 96.9% in 2021 *(Fig. 7)*

Disclosure Example | AT&T Inc.

Heading into 2023, ESG will undoubtedly continue to be a point of focus for investors and key stakeholders. In 2021, the overwhelming majority of Equilar 100 discussed their ESG practices to some extent in the proxy. In this example, AT&T concisely explains the impacts the Company has made with respect to ESG, specifically those environmental and social issues, supported by key data points.

SELECT HIGHLIGHTS OF ESG INTEGRATION AND IMPACT:

ESG INTEGRATION ACROSS AT&T OPERATIONS

Focus on material ESG issues (pages 32, 34)	• In 2021, we conducted our 6th stakeholder assessment to identify and prioritize our most material ESG issues and how we should focus our resources, goals and reporting. • We integrate our most material ESG issues into corporate enterprise risk assessment activities.
Political engagement transparency (page 35)	• In 2021, our leadership in political engagement transparency was again recognized via independent third-party analysis.

ENVIRONMENTAL IMPACT

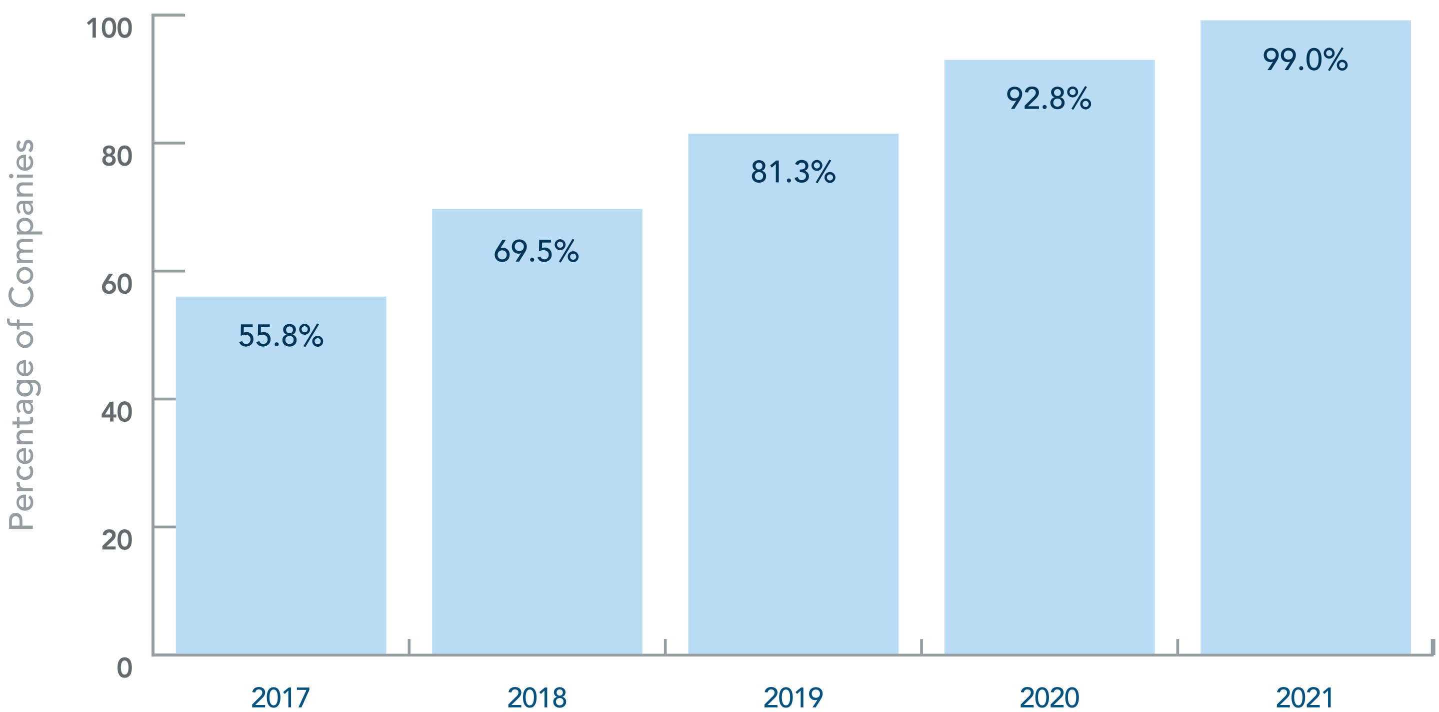
Net zero emissions by 2035 (page 36)	• Through FY2020, we progressed more than halfway toward our science-based target to reduce Scope 1 and 2 emissions 63% by 2030 (2015 base year). • In 2022 we announced 2 solar energy deals, increasing our commitments to more than 1.7 gigawatts of renewable energy capacity – helping make AT&T the 7th largest corporate renewable energy user in the U.S., according to the EPA.
Supplier and customer emissions reductions (pages 35-36)	• Through FY2021, we reached 94% of our science-based target to ensure half our spend is with suppliers that have, or have committed to, set their own science-based targets by 2024. • In 2021, we launched the AT&T Gigaton Goal to equip business customers with connectivity solutions that cumulatively save a gigaton of GHG emissions by 2035.

SOCIAL IMPACT

$2B commitment to address the digital divide (page 37)	• In 2021, we introduced AT&T Connected Learning℠ and have set a 2025 goal to reach 1 million people in need through the program. • Through the end of 2022, we will launch more than 20 AT&T Connected Learning Centers(SM) in traditionally underserved neighborhoods facing barriers to connectivity.
A diverse, equitable and inclusive workforce (page 36)	• In 2021, more than 55% of open positions and 53% of promotions were filled by diverse candidates. • We enhanced the transparency of our workforce diversity by publicly releasing AT&T and WarnerMedia Federal EEO-1 data.

Filed 3/22/2022

Figure 08 | Equilar 100 Board Diversity Disclosures



Data Points

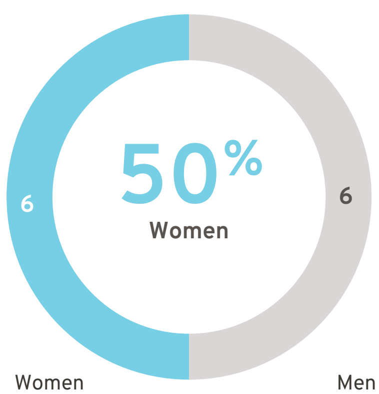
1. 99% of Equilar 100 companies included board diversity disclosures in 2021 proxies, up from 92.8% in 2020 and just 55.8% in 2017 *(Fig. 7)*
2. The largest increase observed in the period was between 2017 and 2018, when the prevalence of board diversity disclosures jumped by 24.6%, from 55.8% to 69.5% *(Fig. 7)*

Disclosure Example | General Motors Company

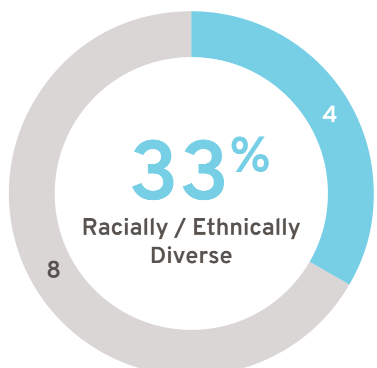
Among the many issues that come under the ESG umbrella, diversity remains a hot-button topic. The prevalence of Equilar 100 companies that disclose their board composition has accelerated over the last few years, primarily as a result of new rules, legislation and pressure from stakeholders. General Motors' disclosure on board diversity visually captures a breakdown of its statistics by gender, race and ethnicity, tenure, age, and more.

2022 Board Nominee Statistics

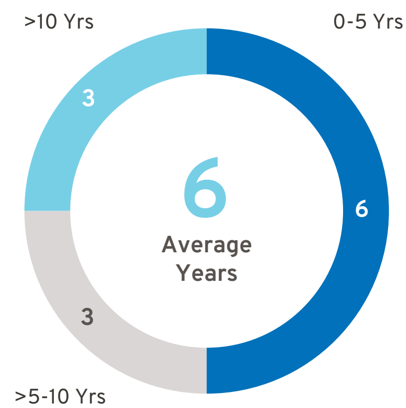
GENDER



RACE AND ETHNICITY



RANGE OF TENURE



BOARD COMMITTEES CHAIRED BY WOMEN

67%

of Committees Chaired by Women
4 out of 6

SIGNIFICANT BOARD REFRESHMENT

4

New Directors Over Past 3 Years

AGE DISTRIBUTION

63

Average Age of Director Nominees
Range: 52 – 71

Filed 4/29/2022

A Deep Dive | DFIN

The Essentials of Proxy Design

Equilar: After hovering close to 35% from 2017-2020, the percentage of Equilar 100 companies that disclosed a CD&A table of contents jumped to 45.4% in 2021. What do you believe is driving this trend?

Schneider: While ESG is the "new kid on the block" in terms of capturing investor focus, investors remain highly focused on executive compensation and how it is aligned with the business strategy. This is disclosed primarily in the CD&A section of the proxy, and the summary compensation table and other tables typically following the CD&A.

Since its requirement by the SEC in 2006, CD&As have generally been growing in length and complexity, with many having their own "executive summary" at the start of the section. This greater length isn't necessarily a bad thing—while it does reflect the complexities of many plans and of the pay setting process itself—much of the greater length is useful, contextual disclosure, including the all-important "why" of key pay decisions and vehicles.

Institutional investors report treating the proxy more as a "reference" than a "reading" document, jumping around to one section or another depending upon their area(s) of interest. Given the greater length and complexity of these sections (and of proxies generally), and the fact that proxies are not standardized in terms of location or sequence of information, efficient navigation is key. Most companies include a detailed table of contents (TOC) at the front of the document. With the CD&A almost being its own "document within a document," locating supplemental navigation to its contents at the start of this section makes sense. Some companies insert a supplemental CD&A TOC, while others use a more conversational "road-map" to the topics that will be discussed in this section.

Equilar: While the new Pay Versus Performance disclosures will certainly be a significant portion of the proxy this coming year, the prevalence of pay for performance disclosures decreased by more than 50% from 2017 to 2021. Why has this form of disclosure decreased so significantly in recent years? How much of the SEC's new rules will accelerate the attention around pay for performance in general?

Schneider: One reason for a decrease in company-crafted "pay for performance (PfP) alignment" graphs and similar disclosures may be the increased market volatility of recent years. Initially COVID-related, followed by geopolitical disruptions and most recently driven by inflation, Fed responses and concerns about recession, resultant stock price volatility makes it harder for companies to determine with confidence what their pay for performance results will be or for how long those trends will last. This may be contributing to a greater reluctance about committing to a particular narrative and supporting data and graphs.

A renewed focus on "long-termism" may also be impacting this trend. With the ascendancy and greater ownership of long-term, even "permanent" indexed investors (such as BlackRock, Vanguard, State Street Global Advisors and others), as well as the focus on ESG risks and opportunities and how those should be integrated into business strategy, and increasing adoption of ESG-related compensation metrics, companies may be feeling less pressure to advocate for their pay for performance alignment on an annual basis.

Equilar: The prevalence of disclosures related to ESG and board diversity have increased substantially over the last five years. What are some strategies to communicate corporate practices related to these issues to shareholders?

Schneider: With respect to ESG and human capital practices, investors look for this disclosure primarily at the company website, whether in information or formal reports. With respect to the proxy, as stated earlier, investors do want to see the program highlights, or "pillars and tenets," summarized in the proxy, as well as discussion of board oversight of this emerging set of risks and opportunities.

We are increasingly seeing these topics mentioned in contextual CEO and/or board cover letters, setting a "tone from the top" that these are important focuses of the company. With respect to board diversity, Nasdaq companies have for over a year been including their prescriptive board diversity data in proxies. That aside, investors have been interested in this for years, so we continue to see more board diversity graphics (some companies extending this to senior management and overall workforce diversity) and board skills matrices, which increasingly are highlighting relevant ESG and related competencies on the board.

Director nominee photos, board committee photos and NEO photos at the start of the CD&A are increasingly prevalent. With a return to travel and in-person meetings, we are seeing more companies include group photos (of the board, committee members, NEO's, etc.). While photos don't tell the full diversity story, they can help to dramatize the presence (or lack) of diversity within the relevant population.

Equilar: What are some challenges related to proxy design that companies should consider? How critical is the visual element of proxy design to success?

Schneider: Use of company brand elements and color palette, photography and visual elements such as graphs, callouts, shading, timelines, process flow diagrams, and other features can make the document more inviting to a range of readers than page after page of dense text, while helping to highlight key messages in an impactful and digestible manner. That said, there is such a thing as "overdesign." In cases where seemingly every page features one or more of these visual elements, investors have commented "if you highlight everything, how are we supposed to know what's really important?" The good news is that these visual elements should be used judiciously yet consistently.

More good news is that "tried and true" devices like bar, line, pie and doughnut graphs are desirable since investors are used to seeing these, and they are easy to interpret, as opposed to something that may be considered more creative and innovative, but "takes work" to figure out or worse, may be subject to misinterpretation. For this reason, we follow a mantra of "design with a purpose" (and not simply for the sake of design).

As described earlier, with ESG and sustainability reports often racing ahead of other company documents in terms of visuality and design, it's important to review key messages and channels (the IR site, investor presentation, 10-K/annual report, sustainability report and the proxy) side by side and seek to harmonize (but not necessarily duplicate) their use of the company brand and visual elements.

Regarding the use of color, increasingly we are being asked to design, SEC file and webhost a digital version of the proxy in full color, with the option of "dialing back" the use of color in the printed version for cost purposes. Digital versions can also feature more interactivity, enhanced navigation, links to company or director videos and other features.

Photography, including director, executive and even workforce images can help to humanize company leadership, and to highlight aspects of diversity.

Companies increasingly are using timelines to focus readers on longer term progress on major initiatives, beyond just changes from the prior year. This can include company history, strategy and performance, board evolution, responsiveness to investor engagement, and ESG and related reporting progress.

Equilar: Any closing thoughts or parting wisdom?

Schneider: Remember that many of your investors also own your peers, so you are constantly evaluated relative to peers and their level of disclosure and quality of presentation.

These peers may be "upping their game" from year to year, so "standing still" may not be an option.

Investor engagement (whether initiated by you or your investors) can help to identify their evolving areas of interest and informational needs, thereby guiding your disclosure evolution.

For these reasons, review your peer company disclosures at least every other year, as well as those of the "governance leader" companies. DFIN's Guide to Effective Proxies, now in its 10th anniversary U.S. edition and 5th anniversary Canadian edition, is designed to make this "best practices" benchmarking process efficient.

Review your various disclosure documents and channels side by side to ensure harmonization of branding and key messages.

About the Contributor | DFIN

Donnelley Financial Solutions (DFIN) is a leading global risk and compliance solutions company. We provide domain expertise, enterprise software and data analytics for every stage of our clients' business and investment lifecycles. Markets fluctuate, regulations evolve, technology advances, and through it all, DFIN delivers confidence with the right solutions in moments that matter.

Learn about DFIN's end-to-end risk and compliance solutions online at DFINsolutions.com or you can also follow us on Twitter @DFINSolutions or on LinkedIn.

Additional proxy disclosure examples, similar to those found in this publication, can be found in DFIN's Guide to Effective Proxies, 10th edition: www.proxydocs.com/xDFINx

Ron Schneider

Director of Corporate Governance Services
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Ron joined DFIN as Director of Corporate Governance Services in April 2013. He is responsible for providing thought leadership on emerging corporate governance, proxy and disclosure issues.

Over the past four decades, Ron has advised senior management, the C-suite and boards of public companies of all sizes, industries and stages of growth facing investor activism, as well as challenging and sensitive proxy solicitations involving corporate governance, compensation and control issues.

His primary recent focus has been helping companies conduct engagement programs with their top institutional investors with the objective of identifying and addressing investor concerns through best practices in proxy disclosure.

At DFIN, Ron works closely with clients and our firm's sales and service teams to identify and implement appropriate changes to proxy statement design, content and navigation that fit each client's unique corporate culture and proxy-related objectives.

During his career he has managed more than 1,600 proxy solicitations, 200 tender or exchange offers and 30 proxy contests, with his proxy fight clients succeeding in over 70% of such situations.

Ron earned a B.A. in Economics from Princeton University.

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