



Reference Guide Pay Versus Performance Disclosure

Eventus Advisory Group, LLC

Background

In August 2022, Pay Versus Performance, the latest rulemaking regarding executive compensation, went final. This rulemaking requires the Pay Versus Performance Disclosure to be included in annual proxy or information statements for fiscal years ending on or after December 16, 2022, when executive compensation disclosure is required.

Disclosure and services

Requirements

The Pay Versus Performance Disclosure requires each registrant to disclose the relationship between executive compensation paid and the registrant's financial performance.

Executive compensation includes amounts paid to the Principal Executive Officer (PEO) and generally two additional Named Executive Officers (NEOs). Much of this information is leveraged from the Summary Compensation Table, which is an existing requirement for the proxy or information statement, but additional calculations are required as well to determine "Compensation Actually Paid". Financial performance is represented by Total Shareholder Return and Net Income.

The information above must be presented following the required format, which is a combination of tables and footnotes with supporting details. There is also a requirement to present the information in a graph, narrative, or combination of the two.

Exceptions

The following types of companies are exempt from this disclosure requirement:

- Foreign Private Issuers
- Registered Investment Companies
- Emerging Growth Companies

In addition, while Smaller Reporting Companies are not exempt from the rulemaking, they have been provided with certain scaled disclosure requirements.

Our services

Eventus can provide the following services pertaining to the Pay Versus Performance Disclosure:

1. Guidance/instruction for clients to assist in preparation of the disclosure
2. Review of client-prepared disclosures to ensure completeness, accuracy, and compliance with the rule
3. Preparation of the disclosure on behalf of clients

We have national reach with personalized presence: