

a potentially challenging vote this season, decide whether it makes sense to order a NOBO list early to save time. “NOBO” means non-objecting beneficial owner.

Achieving Majority or Supermajority Vote Requirements Is Not Getting Easier. Last year, we saw a number of smaller companies struggle to achieve the requisite vote requirements for non-controversial

issues, such as an increase in authorized common stock. The challenges are a product of a growing number of retail brokers that have opted to voluntarily eliminate discretionary voting. In light of recent trends, it is important that companies identify cases where vote requirements may be potentially difficult and plan ahead for them. Don't take the vote for granted.

Pandemic Compensation Rollercoaster Continues

By Cam Hoang

At the beginning of the pandemic, in March 2020, businesses put cash in reserve, cut costs and imposed temporary salary reductions, frequently providing special stock awards in place of salary or as a reward for extraordinary efforts. Then the stock markets rebounded, riding a wave of stimulus and optimism about the economic recovery, lifting the value of these special stock awards with them.

Headed into 2021, there were companies that moderated performance targets and goals in anticipation of continuing pandemic headwinds. And in fact, labor shortages and input cost inflation have

Cam Hoang is a partner of Dorsey LLP.

plagued performance. In multiple industries, however, business rebounded in unexpected ways, and these companies now find that executives are earning payouts well beyond the modest targets originally set at the beginning of the year. Now compensation committees will have to decide whether these payouts are to be adjusted, and in any case, how to explain the decisions that are made in proxy statements.

Looking forward to 2022, establishing challenging yet achievable incentives will require foresight and some degree of luck. With the focus on human capital management, incentives for the broader workforce should be just as much a focus for the compensation committee as executive programs, as employees increasingly have options to work elsewhere...or simply stay at home.

Should You Tie Part of Incentive Compensation to ESG Metrics?

By Jurgita Ashley

When deciding whether to incorporate ESG goals into the company's compensation program, consider

Jurgita Ashley is a partner of Thompson Hine LLP.

the maturity level of the company's ESG journey and what data the company has available to track and measure various ESG initiatives. Some companies may not have sufficient information available yet to tie quantitative ESG metrics into their incentive compensation programs. As an example, if a