

**From the Tampa Bay Business Journal**

**:<http://www.bizjournals.com/tampabay/blog/morning-edition/2012/01/how-you-can-have-a-say-on-your-boss-pay.html>**

# How you can have a say on your boss' pay

**Tampa Bay Business Journal by Margie Manning, Public companies editor/Senior staff writer**

Date: Monday, January 30, 2012, 7:16am EST



[Margie Manning](#)

Public companies editor/Senior staff writer - *Tampa Bay Business Journal*

[Email](#) | [Facebook](#) | [Twitter](#)

We're just about to enter what for many business-news junkies is the most exciting time of the year.

It's proxy season, when most public companies – those with fiscal years that coincide with the calendar and end on Dec. 31 – will file their statements inviting shareholders to the annual meeting and disclosing executive compensation and other corporate governance issues.

Proxies have become even more detailed since passage of the Dodd-Frank act in 2010. The measure required companies to obtain an advisory shareholder vote approving executive compensation and to ask shareholders how often such "say on pay" votes should occur.

"The voting results in 2011 showed there was a strong preference for having an annual say on pay vote. Initially I don't think that's what we expected," said Carolyn "Carrie" Long, partner at Foley & Lardner LLP in the law firm's Tampa office.

Shareholders at most companies said OK to the pay scales for the top executives, Long said. Eight companies in the S&P 500, however, "failed" the first round of say on pay votes, obtaining less than 50 percent of votes cast in favor of their executive compensation programs, according to [Margaret Engel](#), partner at Compensation Advisory Partners in New York.

The eight were profiled recently in GMI's blog.

"Where companies got a negative say on pay in 2011, probably the leading cause was the perception of a disconnect between pay and performance, such as a poor stock price and increasing pay," Long said.

Directors at companies where there was opposition to executive pay should change their

practices this year, she said. She suggested contacting significant shareholders who voted no to say on pay last year and have an open dialogue with them.

New rules kick in this year regarding say on pay. The company has to say whether and how it considered the results of last year's vote in determining compensation policies and decisions.

By June 2012, regulators will decide on a wider-ranging proposal: whether proxy statements have to include statements showing the relationship between executive compensation and the financial performance of a company, and the ratio of median employee total compensation versus CEO total compensation.

Another item to watch this year is proxy access. Although an appellate court last year struck down a rule that allowed shareholders to put their own nominees for the board of directors in a company's proxy statement, another rule that allows shareholder nominees to the board was stayed during the litigation and is in effect this year. It gives shareholders and companies the chance to establish proxy access standards on a company-by-company basis, rather than a specified standard, said Mary Schapiro, chair of the **U.S. Securities and Exchange Commission**.

"We expect to see 20 to 30 of these proposals," Long said. "The big question is will they pass."

All this executive compensation stuff is mind-boggling, even for directors. Maybe that's why Meridian Compensation Partners, a consulting firm in suburban Chicago, developed its Compensation Committee Handbook app. Available for free at the iTunes Store or Meridian's website it has a library of primers on executive compensation, and a feature that lets users follow up to 10 of their favorite companies with a quick link to important disclosure data.

Sounds like fun!

Margie Manning's beats include health care, banking and technology.