Proposed Executive Compensation Disclosure Changes at a Glance

Topic	Current Framework	Proposed Framework
Covered executives	Typically the CEO, CFO and three other highest-paid executives	Everyone who served as CEO or CFO during the year, including interim officers
Primary tables	Four primary tables, plus separate pension and deferred compensation tables	Three new tables separating opportunities, award status and outcomes
Perquisites	$10,000 aggregate reporting threshold; incremental-cost valuation	$150,000 threshold; tax-based *de minimis* tracking exclusion; more flexible classification and valuation
Compensation Discussion and Analysis (CD&A)	Seven required topics and 15 illustrative topics	Three core topics; material, company-specific discussion
Non-GAAP measures	Compensation target disclosures generally exempt from standard non-GAAP reconciliation requirements	New quantitative reconciliations for historical measures; calculation narratives for projected targets; explanation of the measure's use
Pay versus performance	Compensation Actually Paid; multiple performance measures; generally five years	Earned compensation compared with company TSR over three years; additional measures optional
Pay ratio	Generally worldwide employee population; median employee identified at least every three years	U.S. full-time employees, excluding seasonal and temporary workers; identification at least every five years
Clawbacks	Annual-report checkboxes and detailed recovery disclosures	Selected disclosure requirements removed; recovery obligations retained
Annual termination / change in control disclosure	Hypothetical payment calculations	Narrative description of material arrangements
Transaction golden parachutes	Quantified transaction disclosure	Quantification retained for CEO/CFO; table and narrative simplified
Director compensation	Prescribed table; equity generally measured at grant	Flexible presentation; equity measured upon stock vesting or option exercise
Compensation risk and option timing	Separate requirements under Items 402(s) and 402(x)	Separate requirements eliminated; material information remains disclosable
Inline XBRL	Required for pay versus performance and clawback disclosures	Those requirements removed; large accelerated filers tag the three new primary tables; tagging optional for other filers
Smaller reporting companies (SRCs) and emerging growth companies (EGCs)	Scaled compensation disclosure	All three new tables required; two years of Earned and Granted information; CD&A and pay ratio exemptions retained

EGCs would remain exempt from pay versus performance and golden parachute disclosure. SRCs that are not EGCs would remain subject to those requirements under this proposal; additional relief is addressed in the separate filer status proposal.

Pillsbury