



June 25, 2025

The Honorable Paul Atkins  
Chairman  
U.S. Securities & Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**RE: File Number 4-855 Executive Compensation Disclosure Requirements**

Dear Chairman Atkins:

Transparency and simplicity are the most important aspects of any new or revised executive compensation disclosures.

We have summarized specific revisions, additions and deletions that the Commission should consider with respect to executive compensation disclosures.

**ANNUAL COMPENSATION DISCLOSURES**

There is considerable misinformation about target compensation and compensation actually received by executives under the current disclosure requirements.

We believe there are two essential disclosures that should be presented to stakeholders (shareholders, employees, customers, media, and communities in which companies operate):

- annual target compensation
- annual realized compensation (compensation actually paid)

By disclosing these two compensation measurements, stakeholders will readily understand the target opportunity amount and how much an executive actually earned.

**Summary Compensation Table**

The current Summary Compensation Table (SCT) includes annual salary, earned short term incentive compensation, earned annual bonus (short term non-incentive

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compensation) and the accounting value of long term incentive awards granted during the fiscal year.

Some of the commentaries previously submitted have indicated the inconsistency with the timing and amounts presented in the SCT.

We recommend that the current SCT structure be revised and replaced by an Annual Target Compensation Table and an Annual Realized Compensation Table.

### **Annual Target Compensation Table**

Annual target compensation should be comprised of:

- annual salary target
- annual short term incentive award value
- target long term incentive award value

Most organizations establish long term incentive awards either as a specific dollar amount or as a % of annual salary and not by the accounting expense method.

### **Annual Realized Compensation Table**

Annual realized compensation should be disclosed in a separate table including:

- annual salary paid
- annual short term incentive earned (cash and equity)
- annual bonus paid (non-incentive based)
- realized value of long term incentives
- qualified and nonqualified defined contribution retirement plan company contributions/allocations
- qualified and nonqualified defined benefit retirement plan normal cost & past service cost
- executive benefits / perquisites

Realized long term incentives would include both equity awards and cash awards as follows:

- vested time based equity awards
- vested time based cash awards
- vested performance based equity awards
- vested performance cash award
- exercised stock options

Executive benefits and perquisites would include all company expenditures and resources provided to executives.

The \$10,000 limit for disclosures of specific company expenditures should be increased to reflect current expense levels.

## **EXECUTIVE OFFICER DISCLOSURES**

The current requirement to provide compensation and demographic information for the CEO, CFO and next three highest paid executive should continue.

Transparency is essential to the complete understanding of pay practices, internal pay equity and the different impact and responsibilities of key company positions and incumbents.

Technology changes from 2006 to 2025 have enhanced data access and analysis, including opportunities for companies to disclose data for all executive officers.

## **HISTORIC COMPENSATION ANALYSIS**

The pay versus performance disclosure requirements introduced in 2022 should be eliminated, as the information does not properly convey the compensation earned relative to company performance.

Proxy advisor firms have their own methodology to evaluate pay for performance, as do many large institutional investors.

As part of executive compensation governance, many companies conduct an annual historic compensation analysis which includes pay for performance analytics.

Rather than prescribe absolute and/or relational pay for performance analysis methodology, companies should be given the directive to describe the pay for performance analysis that is part of the executive compensation governance process.

## **WEALTH ACCUMULATION ANALYSIS**

There are various sources of information related to executive wealth accumulation, including the beneficial ownership table, the table showing annual vesting of equity awards and the outstanding equity awards table.

We believe that a summary of wealth accumulation for each executive in a table format would be more beneficial for stakeholders and for the executive compensation governance process.

The table would include:

- value of shares owned
- value on nonvested time based shares
- value of nonvested performance based shares
- value of nonvested stock options
- value of nonexercised stock options
- value of retirement and deferred compensation account balances

By providing a wealth accumulation summary, stakeholders will readily understand the current and potential future values of the company executive compensation structure.

### **CEO PAY RATIO**

The CEO Pay Ratio does not provide an accurate comparison of pay equity within organizations.

Various industries have different workforce and compensation structures, which prohibit meaningful evaluation using the CEO Pay Ratio.

We recommend that the CEO Pay Ratio be discontinued and replaced by a narrative describing company pay practices.

A description of company compensation strategy, pay structures and pay equity analysis would provide greater insight to stakeholders concerning the relationship of executive compensation to overall company pay practices.

A handwritten signature in black ink, appearing to read "F. Michael J. Lackey". The signature is fluid and cursive, with a long horizontal stroke at the end.

F. Michael J. Lackey  
President & Managing Director

## **F. Michael J. Lackey**

### **President and Managing Director**

Mr. Lackey is President and Managing Director of Total Rewards Strategies. He has over 30 years of experience in human resources, compensation and benefits consulting including design, funding and expense projections for executive compensation and employee benefit programs.

Prior to founding Total Rewards Strategies, Mr. Lackey was Managing Principal and Global Compensation Practice leader of JPMorgan Compensation and Benefits Strategies (formerly CCA Strategies). He was previously National Compensation Practice Leader for Palmer & Cay and worked for Towers Perrin as Manager of the St. Louis office. Mr. Lackey also worked for William M. Mercer in the United States and Canada and was Director of Compensation and Benefits for a multinational Canadian company.

Among the clients that Mr. Lackey has served are Anheuser-Busch InBev, Arch Resources, Ascension Health, AT&T, Bank of America, BioSTL, BJC Health Care, Bunge Limited, Carnival Cruise Lines, Centene, Charter Communications, Commerce Bancshares, Emerson Electric, Essex Industries, Fred Weber, Gateway Arch Park Foundation, General Dynamics, Haynes International, Healthways, Hershey Entertainment, Major Brands, McBride Homes, McLaren Engineering Group, Missouri Foundation for Health, Monsanto, Pace Properties, Peabody Energy, SeaWorld, Sigma-Aldrich, Spire, Stoneridge, tvsdesign, United Van Lines, The United Way of Greater St. Louis, U.S. Bancorp, and Washington University.

Mr. Lackey received an Honors Bachelor of Mathematics Degree in Actuarial Science from the University of Waterloo, Canada. He is a member of the Compensation and Benefits Network of Greater St. Louis, the National Association of Stock Plan Professionals and WorldatWork.

Mr. Lackey is a member of the Board of Directors of the St. Louis Arc and The Special Education Foundation. He is a former member of the Board of Directors of Art St. Louis, the St. Louis Chapter of the American Heart Association, the St. Louis Art Fair and Safe Connections.