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September 30, 2025

Via E-mail: rule-comments@sec.gov

Securities and Exchange Commission,  
100 F Street, N.E.,  
Washington, DC 20549-1090.

Attention: Vanessa A. Countryman, Secretary

Re: SEC Announces Roundtable on Executive Compensation  
Disclosure Requirements – File No. 4-855

Ladies and Gentlemen:

We appreciate the opportunity to respond to the Commission's request for comments to the roundtable on executive compensation disclosure requirements, held on June 26, 2025 in Washington, DC. In this letter, we reiterate some proposals we suggested in past letters<sup>1</sup> to the Commission regarding Regulation S-K disclosures relating to (i) business and financial disclosure<sup>2</sup> and (ii) management, certain security holders and corporate governance matters<sup>3</sup>, as refined in light of new developments and the roundtable discussion. We believe these suggestions, old and new, will result in more meaningful, principles-based

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<sup>1</sup> Letter submitted by Sullivan & Cromwell LLP (Aug. 9, 2016) in response to the Commission's Release No. 33-10064; 34-77599; File No. S7-06-16, Concept Release on Business and Financial Disclosure Required by Regulation S-K (Apr. 13, 2016); Letter submitted by Sullivan & Cromwell LLP (Nov. 3, 2016) in response to the Commission's Release No. 33-10198; File No. S7-18-16, Request for Comment on Subpart 400 of Regulation S-K Disclosure Requirements Relating to Management, Certain Security Holders and Corporate Governance Matters (Aug. 25, 2016).

<sup>2</sup> Release Nos. 33-10064; 34-77599 (Apr. 22, 2016).

<sup>3</sup> Release Nos. 33-10198; 34-78687 (Aug. 25, 2016).

disclosure that is more conducive to comparability across registrants while also reducing immaterial disclosure and boilerplate.

Our suggestions in this letter include the following, all of which are detailed further below:

- An overarching materiality standard applicable to all line items in Regulation S-K, requiring the inclusion of additional material information as may be necessary to make the required statements not misleading, and permitting the omission of information called for by a line item on the grounds that it is not material and, thus, its omission would not be misleading.
- Replacing the current summary compensation table with two new tables that present target compensation and earned compensation of named executive officers in a manner that is more consistent with how registrants view and grant compensation and how market participants connect pay with performance and reorganizing certain other executive compensation disclosure items.
- Replacing the current potential payments upon termination or change-in control table with a new table that includes both potential payments and forfeitures in various termination and change-in-control scenarios.
- Narrowing the pension and non-qualified deferred compensation requirements to apply only to those registrants who utilize these programs extensively and relative to how pertinent they are to the registrant's overall compensation scheme, and aligning this requirement with more of a materiality focus.
- Consistently using a fiscal year time period for disclosure in order to increase consistency in year-over-year disclosure and improve comparability among registrants, with disclosure for the period after the end of the last fiscal year to be required only if it is material to the understanding of the fiscal year disclosure.
- Additional changes to specific line items that we believe will improve the quality of disclosure and reduce boilerplate.

#### Overarching Materiality Standard

As an initial matter, we reiterate our suggestion, discussed in our letters to the Commission dated August 9, 2016 and November 3, 2016, that one of

the best and most efficient ways the Commission could drive improvement in the overall quality of registrants' disclosure would be to subject all of Regulation S-K line-item disclosure requirements to an overarching materiality standard. We believe this applies equally in the context of governance disclosure as it does in the context of business and financial disclosure.

In our letter to the Commission submitted in August 2016 , we supported the adoption of a new subsection (g) to Item 10 of Regulation S-K as follows: "In addition to the information expressly required to be disclosed, the registrant shall disclose such additional material information, if any, as may be necessary to make the required statements in the light of the circumstances under which they are made not misleading, and issuers may omit information otherwise called for by a line item on the ground that it is not material, as long as the effect of omitting the information would not be misleading. It shall be presumed, in the absence of facts to the contrary, that the omission of any disclosure called for by a Regulation S-K line item was an intentional omission by the registrant in reliance upon this subsection (g) and not a failure to provide the disclosure called for by such line item." Our earlier letter also suggested that the Commission expressly provide that for disclosure purposes "materiality" is an economic standard, relating solely to matters that could ultimately be thought to bear on firm value and thus the value of the registrant's securities.

In our letter to the Commission submitted in November 2016, we proposed a number of specific comments that we believe are consistent with this general principle and with the goals of the Commission's Disclosure Effectiveness Initiative and the study of the requirements contained in Regulation S-K called for by the FAST Act.<sup>4</sup> We are steadfast in our belief that the changes described below would, in fact, be beneficial even if the Commission determines not to adopt such an overarching materiality standard.

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<sup>4</sup> Pub. L. 114-94, Sec. 72003, 129 Stat. 1312 (2015).

Executive Compensation Disclosure

We reiterate our proposed substantive and organizational changes to the named executive officer compensation disclosure in Item 402. Most significantly, we believe that certain tabular disclosure requirements should be replaced or modified to present executive compensation in a manner consistent with how registrants' boards and compensation committees make compensation decisions and how market participants evaluate the connection between pay and performance.

1. *Replacing the summary compensation table with two new tables presenting target and earned compensation.*

Currently, the summary compensation table in Item 402(b) mixes both (1) awards earned for a year (cash bonuses and non-equity incentive compensation) with awards granted during a year (equity compensation) and (2) the target value of awards (equity compensation) with the amount actually earned (cash bonuses and non-equity incentive compensation). As such, the current summary compensation table presents a mix of compensation opportunities with compensation outcomes and also elevates form over function with respect to the timing of disclosure. Ultimately, the current presentation generally does not reflect either how registrants view or would describe their executive compensation programs or how market participants evaluate the connection of company performance with compensation decisions or compensation outcomes. As a result, registrants almost universally include non-standard tables that present target compensation, amounts awarded and/or amounts earned (such as with respect to equity performance awards). These tables provide meaningful disclosure but increase the length and complexity of registrants' filings. Moreover, while these non-standard tables cure the inconsistencies inherent in the current summary compensation table, the lack of comparability across registrants necessarily limits their utility to investors. We note that, in proposing new Item 402(v) with respect to Pay Versus Performance ("PVP") disclosure, the Commission also found it necessary

to present compensation in a format different from that currently required by the summary compensation table.<sup>5</sup>

We propose replacing the summary compensation table with a target compensation table and an earned compensation table. Consistent with a principles-based approach, our proposed target and earned compensation tables seek, respectively, to answer (1) what are the level and components of the annual compensation opportunity of each named executive officer for each of the three preceding fiscal years and (2) what are the level and amount of the compensation earned by each named executive officer for the performance periods ending each of the three preceding fiscal years. As discussed further below, in our proposed tables, target equity awards would be disclosed in the target compensation table in the fiscal year for which they are granted and in the earned compensation table in the fiscal year for which any performance condition is satisfied (and in neither case would the fiscal year in which they are granted be determinative). Consistent with a principles-based approach, Item 402(a)(5) regarding omission of any inapplicable column or table would continue to apply. We believe our proposed tables could also replace the grants of plan-based awards table in Item 402(d) and the option exercises and stock vested table in Item 402(g). We believe our proposed tables will result in disclosure that is more efficient for investors, facilitating comparison of both compensation opportunity and compensation operation over time and/or among registrants, while providing registrants flexibility to present their compensation programs as they have designed them.

A. *The target table would show annual total direct compensation.*

Our proposed target compensation table would show base compensation, target cash and equity annual incentive opportunities, and target cash and equity long-term incentive opportunities granted for services provided in each fiscal year, compensation components often referred to as “direct”

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<sup>5</sup> Release No. 34-74835 (Apr. 29, 2015).

compensation. We have provided an example of a proposed form of this table in Annex A. Maximum and threshold payouts of performance awards would be disclosed in footnotes, so that readers are presented with both the target amount and the potential opportunity. Registrants with direct compensation components that are not target-based programs would present the amounts actually awarded for a fiscal year with respect to those components. For such registrants, incentive compensation relating to performance year 2025, for example, would be disclosed alongside salary earned during 2025, even if the grant date was in 2026, and even if there is a multi-year performance period. As stated above, we expect the target compensation table could replace the grants of plan-based awards table in Item 402(d). The target compensation table would conform the period of reference for these compensation components, providing a clear view to the investor of the level and components of the annual compensation opportunity of each named executive officer for each of the three preceding fiscal years.

B. *The earned compensation table would show actual cash and equity when earned.*

The earned compensation table would show compensation actually earned for performance conditions satisfied during each fiscal year, including annual cash incentive earned for a year. We provide an example of a proposed form of this table in Annex B. Awards with performance-based conditions would be shown as earned in the fiscal year the performance condition is satisfied (or, in the case of options and stock appreciation rights, when they become exercisable, if later, in light of the performance features embedded within those types of awards). Awards with only service or time-based vesting conditions would be shown as earned in the fiscal year for which they are granted and valued at the grant date fair value (and would appear the same way in the target table above). All equity awards would be valued using the fair value of the award on the date the relevant condition for inclusion in the table is satisfied. The table would also include above-market or preferential aggregate interest or other earnings accrued under nonqualified deferred compensation plans and aggregate change in the actuarial

present value of accumulated benefit under nonqualified defined benefit and actuarial pension plans for the fiscal year, as well as all other compensation, including perquisites (similar to the all other compensation column in the current summary compensation table). Compensation in this table would reflect value actually received by the participant and allow for consistent reference across fiscal periods. The earned table could also replace the option exercises and stock vested table in Item 402(g).

2. *Narrative disclosure of our proposed target and earned compensation tables and the discussion of the role of the compensation committee in executive compensation should move to the Compensation Discussion & Analysis ("CD&A").*

The current narrative disclosures to the summary compensation and grants of plan-based awards tables in Item 402(e) would be replaced with discussions of the target and earned compensation tables and moved to the CD&A in Item 402(b). This change would reduce duplicative disclosure and organize in one place the compensation discussion. Many registrants already include these disclosures in their CD&As, and organizing these disclosures in the CD&A would provide context and clarity.

In addition, disclosure relating to the compensation committee and its role in executive compensation is currently included with other governance disclosures rather than with executive compensation disclosures. We propose moving the discussion of the role of the compensation committee in the consideration and determination of executive compensation in Item 407(e) to the CD&A in Item 402(b).<sup>6</sup> (Disclosure relating to the compensation committee's role in director compensation would move to Item 402(k) regarding director compensation).

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<sup>6</sup> While the CD&A in Item 402(b) relates to compensation of named executive officers, we would envision that the relocated Item 407(e) would continue to call for a discussion relating to the committee's processes and procedures for consideration and determination of executive compensation.

We think these changes have the potential to streamline disclosure and present disclosure in a more meaningful format.

3. *Other disclosure items that reference information from the summary compensation table would be revised to refer to the target or earned compensation table.*

Disclosures that reference information from the summary compensation table would be revised to refer to the new proposed tables. For example, in Item 402(u), total annual compensation of the principal executive officer used for the pay ratio would be the principal executive officer's total target compensation from our proposed target table. Although we are suggesting to remove the PVP requirement, if retained, the proposed PVP item would refer to earned compensation from our proposed earned compensation table.

4. *The outstanding equity awards at fiscal year-end table should include outstanding and vested but not yet delivered awards and present the market value of performance awards at target.*

The outstanding equity awards at fiscal year-end table in Item 402(f) should include vested, but not yet delivered, equity awards (such as exercised stock appreciation rights with a holding period, or vested restricted stock units with a deferred delivery date). Currently, in light of Question 125.05 of the Commission staff's Compliance and Disclosure Interpretations on Regulation S-K, vested but not yet delivered equity awards are commonly included in the nonqualified deferred compensation table in Item 402(i), with increases and decreases in stock price being reported as changes in the nonqualified deferred compensation balance at fiscal year-end. Registrants and investors do not typically consider these awards deferred compensation. Including such awards in the outstanding equity awards at fiscal year-end table would be a more logical and intuitive location for this disclosure, as they are outstanding equity awards.



Furthermore, Instruction 3 should be revised to require disclosure of the market value of performance awards at their market value at target (rather than the next higher performance measure of target or maximum) with a footnote disclosing the market value at maximum performance. Calculating where performance measures are tracking at a year-end date mid-performance cycle is arbitrary and does not provide meaningful disclosure. Moreover, unlike the current summary compensation table, our proposed earned compensation table will fully incorporate the value of earned performance awards.

5. *The pension and nonqualified deferred compensation table should be limited to only those registrants for which these types of plans play a fundamental role in the overall compensation structure.*

As pension and nonqualified deferred compensation plans were predominantly popular decades ago, and are much less common today, requiring companies to disclose plans that are legacy programs and no longer an active part of a company's active compensation policy may provide a distorted image to investors. We suggest that the requirement be narrowed to those companies in which these types of compensation structures are integral to the overall compensation scheme, and loosen or remove the requirement altogether for companies in which these programs are frozen (i.e., no longer open to new participants) or only play a miniscule role. As the requirement exists now, in some situations, this disclosure is only burdensome and provides nominal information to market participants, reflecting past compensation decisions rather than highlighting the current focal compensation structure. Consistent with our materiality standard approach, measuring the reliance on these programs on the proportion, size and scope yields a more comprehensible landscape of a registrant's compensation structure, rather than confusing or misleading investors with information that is no longer relevant and material. Additionally, these plans are already disclosed within the current summary compensation table structure; therefore, requiring a separate table only creates redundancy and supplements the aforementioned consequences that including these moot programs may cause.

6. *The potential payments upon termination or change-in-control should also include potential forfeitures upon termination.*

Currently, Item 402(j) requires registrants to disclose estimated payments to named executive officers in connection with various termination events from the company, including, but not limited to, a change in control, termination with or without cause, resignation, retirement, death and disability. As such, disclosure is limited to payouts and does not provide a holistic view of the total consequences that may result upon such termination. Since the rule only requires disclosure of gross payments or benefits, investors are looking at an incomplete economic picture. With a focus merely on gross payouts, investors may overestimate the benefit to executives, overlooking the fact that termination of a named executive officer may also result in the loss or forfeiture of compensation (and in many cases, a substantial amount of forfeited compensation), including unvested equity awards, long-term incentives and deferred compensation.

We propose that the line-item also require registrants to disclose potential forfeitures in each of the various termination scenarios, as applicable. We have provided an example of a proposed form of this table in Annex C. The proposed table would list each applicable termination scenario and within each, include a column for both potential payments and forfeitures, with footnotes detailing the breakdown of such forfeiture (i.e., unvested equity awards, long-term incentives and deferred compensation).

Consistent with a principles-based approach, our proposed table would provide a more accurate and comprehensive illustration of what named executive officers are actually receiving or giving up as a result of an applicable termination. For example, the current framework may give the illusion of a windfall, when the value to an executive may actually be less than an executive's current compensation, such as in a scenario in which a named executive officer is forfeiting long-term awards upon termination. Increasingly, investors and proxy advisors look for net outcomes on which to base their decision-making, rather than just gross

payouts. Further, many companies already disclose forfeitures elsewhere in their disclosures, such as in the CD&A. Our table would provide a quantified and unified approach, as well as satisfy the ultimate goal of transparency in executive compensation disclosure.

#### Director Compensation Disclosure

Similar to our proposed comprehensive board disclosure item, we envision that director compensation items will be organized together by combining Item 402(k) (regarding director compensation) and Item 407(e)(3) (with respect to compensation decisions with respect to directors). This organizational change would provide additional context on the process of setting director compensation and group similar disclosures together. Registrants would include a description of the process for setting director compensation, including objectives, rationale, how amounts and form of compensation are determined, peer analysis and whether a compensation consultant is used, expanding on and replacing the more general disclosure requirement as to director compensation in Item 407(e)(3). As discussed above, Item 407(e) with respect to executive compensation would be moved to the CD&A in Item 402(b).

In addition, similar to our proposed changes to named executive officer compensation tables, we suggest that disclosed equity awards in the compensation of directors table be by reference to the fiscal year for which they are granted, not the year in which they are made. In addition to consistency with the other tables, this change would better reflect how boards make these decisions.

#### Disclosure Timeframe

All Subpart 400 disclosure should be by reference to the registrant's fiscal year (rather than calendar year, prior year or since the beginning of the last fiscal year). This change would conform all of Subpart 400 to the timeframe in Item 402 and promote consistency in year-over-year disclosure and comparability across registrants. A registrant would be required to provide disclosure for the

period after the end of the last fiscal year only if material to the understanding of the fiscal year disclosure, similar to the existing Instruction 2 to Item 402(b). We believe this change will allow investors to focus on the latest fiscal period and any material changes going forward, streamlining and making disclosure more investor-friendly.

We note two Subpart 400 items as examples of where the current prescribed disclosure timeframes often result in a lack of consistency and comparability. First, Item 404(a) requires disclosure of any related party transaction since the beginning of the last fiscal year (that is, the period including the full prior year and the stub period through the date of the filing). Many related party transactions have an ongoing nature, and when presented in an annual report or annual meeting proxy statement, the rule results in disclosure for an arbitrary period of time during the current fiscal year and for a period of time that overlaps in subsequent proxy statements. The focus of the disclosure in the annual report and proxy statement should be the prior fiscal year, as it is for financial, business and compensation purposes.<sup>7</sup> This proposed change would set a more logical and consistent time period for disclosures. Any proposed related party transactions or related party transactions occurring during the period after the end

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<sup>7</sup> This treatment is consistent with the principle behind the Item 404(a) time period requirements. The adopting release for the current Item 404(a) rule discusses that in the case of directors and executive officers, as compared to 5% or greater shareholders, the Commission believes "it is appropriate to require disclosure for transactions in which the person had a material interest occurring at any time during the fiscal year." Commission Release Nos. 33-8732A; 34-54302A, Executive Compensation and Related Person Disclosure, at 156 (Aug. 29, 2006) ("404(a) Release").

of the last fiscal year would continue to be disclosed if material to the understanding of the fiscal year disclosure.<sup>8</sup>

Second, Item 403 currently requires a beneficial ownership table to be presented as of the most recent practicable date prior to the filing. As a result, in subsequent years, registrants may choose to present the table on a different date than that used prior years. In addition, many registrants report beneficial ownership of 5% or greater shareholders using information from Schedule 13D or 13G reports that provide disclosure as of the calendar year-end. In practice, this means that the most recent practicable date reference has little impact on the disclosure that is provided with respect to 5% or greater shareholders of such registrants. Finally, the date used for the beneficial ownership table generally differs from the year-end date used in the table of outstanding equity awards at fiscal year-end, even though using the same date for both tables would permit investors to assess executive share ownership in the context of total equity exposure through compensation awards. In order to promote consistency and comparability, we propose requiring the beneficial ownership table as of the end of the registrant's last completed fiscal year.

We would apply this principle to make the following changes to the Subpart 400 line-item disclosure requirements: Item 403(a) would relate to security ownership of certain beneficial owners at fiscal year's end; Item 403(b) would provide that no disclosure is needed for named executive officers who are not employees as of the last fiscal year's end; Item 401(e) would relate to business

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<sup>8</sup> Similarly, in the context of a Current Report on Form 8-K reporting the appointment of a new director or executive officer under Item 5.02(c) or (d), we believe that the required Item 404(a) disclosure should relate to the current fiscal year (rather than since the beginning of the prior fiscal year), since that is consistent with the principle underlying the Item 404(a) time periods. In the 404(a) Release, the Commission made clear that it does not intend to require disclosure of transactions during a fiscal year during which the individual was not a related person. See 404(a) Release at 155-56 ("The definition of 'related person' that we have adopted will require disclosure of related person transactions involving the company and a person (other than a significant shareholder or immediate family member of such shareholder) that occurred during the last fiscal year, if the person was a 'related person' during any part of that year.").

experience in the past five fiscal years; Item 401(f) would relate to legal proceedings in the past 10 fiscal years; Item 401(g) promoters and control persons would relate to the past five fiscal years; and Item 404(a) related party transactions would relate to the past fiscal year only rather than to the period since the beginning of the last fiscal year. As discussed above, with respect to directors, Items 401(e), 401(f) and 404(a) would be required disclosures in our proposed comprehensive board disclosure item.

#### Other Streamlining Changes

1. *Reduce the number of named executive officers for disclosure.*

Compensation disclosure should be required only for the Chief Executive Officer and for any other officer serving on the board of directors. That disclosure would continue to completely address concerns regarding agency cost and provide the disclosure that is used by proxy advisors (and the media) to evaluate pay for performance.

The requirement for compensation disclosure for the Chief Financial Officer was implemented to support then-novel financial certification requirements and related financial reporting safeguards. Almost 20 years later, such support is no longer required and the compensation disclosure does not otherwise provide material information to investors. Similarly, disclosure of the compensation of the three highest paid executive officers is arbitrary, does not provide material information and needlessly contributes to the length and complexity of disclosure (particularly because executives responsible for business lines often are compensated differently from executives responsible for corporate functions).

Limiting the number of named executive officers is consistent with cost-effectively focusing compensation disclosure on information material to investors. However, if the Commission concludes that compensation information for additional executive officers is material to investors, then such disclosure should be

presented in an aggregated manner, which would limit the cost of disclosure and also the provision of personal information.

Limiting the number of named executive officers should also drive more limited disclosure under Item 5.02(e) of Form 8-K. Disclosure under that item too frequently results in the prominent disclosure of immaterial compensation actions, which is distracting to investors and rarely provides meaningful information outside of the context of the complete information provided by Item 402 disclosure. We also recommend that the Commission staff reconsider the related Compliance and Disclosure Interpretations 117.10, 117.11 and 117.13, which contribute to the provision of immaterial, incomplete and inconsistent information under Item 5.02(e).

2. *Eliminating premature disclosure of target information.*

For performance share awards (either performance share units or performance-vesting restricted shares), Instruction 4 to Item 402(b) has been interpreted to contemplate disclosure of target levels with respect to quantitative performance-related factors at the time awards are granted (unless the targets involve confidential trade secrets or confidential commercial or financial information, the disclosure of which would result in competitive harm). The use of performance share awards has significantly increased over the past 20 years, and this instruction has affected the design of these awards to the extent that issuers are hesitant to disclose (and therefore employ) multi-year, forward-looking targets, the disclosure of which may not cause competitive harm but which would alter the mix of forward-looking information the issuer otherwise provides. This is particularly the case for issuers who have elected not to provide guidance or other forecasts. We recommend that the instruction be clarified to require only disclosure after the relevant performance period has been satisfied. Target information therefore in all cases would be disclosed and evaluated at the same time as actual performance and award outcome information is available. This is the only time that such information can be meaningfully assessed by investors and is the same timing

as for most awards that use target levels that are competitively sensitive in advance (but which target levels are no longer competitively sensitive after the fact).

3. *Eliminating the PVP table requirement, as its intended disclosure is satisfied by the proposed target and earned compensation tables.*

Consistent with our materiality suggestions above, the PVP Table requirement as it stands is misaligned with the core principle of materiality, as it is based on prescribed metrics regardless of whether they are material to a registrant or market participants. For example, Total Shareholder Return (“TSR”) and Net Income may be poor indicators of performance for some companies where other metrics are more salient. Additionally, the inclusion of a Company-Selected Measure (“CSM”) nominally attempts to allow some tailoring, but still restricts flexibility by requiring only one such measure, limited in scope to financial measures. This requirement ignores the fact that many companies use non-financial metrics in their incentive design, which may be more relevant to investors, especially in certain sectors. Thus, the rule mandates registrants to standardize performance metrics without considering that companies have unique and disparate models, resulting in false comparability that in some cases, misleads investors rather than provides clarity and informed decision-making.

Furthermore, Compensation Actually Paid (“CAP”) is not soundly measured on real-time economic realization, but rather on a model-driven construct. If the Commission adopts our suggestion to replace the summary compensation table, the replacement compensation earned table would satisfy the requirement to disclose compensation actually paid.

Regardless, the current PVP requirement creates redundancy in disclosures as Item 402 of Regulation S-K already requires extensive disclosure of named executive officers’ pay in the summary compensation table, grants of plan-based awards table and the CD&A. Even without a formal requirement to do so, many companies already voluntarily include realizable or realized pay analyses in their proxy materials, with approaches that are better tailored to their specific



business models and incentive designs. By prescribing a one-size-fits all approach to distinct companies, the PVP requirement creates more confusion rather than clarity for investors trying to understand a named executive officer's performance relative to a company's performance.

4. *Delete Item 401(c) regarding identification of certain significant employees.*

Delete Item 401(c) regarding disclosure of significant employees, as it is not clear who "significant employees" are, and there is rarely any disclosure in response to this item.

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We appreciate this opportunity to participate in this process and would be happy to discuss any questions with respect to this letter. Any such questions may be directed to Julia Khomenko (212-558-3295), Rebecca M. Rabinowitz (212-558-4317), Heather L. Coleman (212-558-4600) or Marc Trevino (212-558-4239) in our New York office.

Very truly yours,

*Sullivan & Cromwell LLP*

Sullivan & Cromwell LLP

Annex A

**Target Compensation Table**

Name and Principal Position	Fiscal Year	Base Salary	Target Annual Incentive Compensation			Target Long-Term Incentive Compensation			Target Other Incentive Compensation			Total Target Compensation
			Cash	Options	Shares	Cash	Options	Shares	Cash	Options	Shares	
(a)	(b)	(c)	(d)			(e)			(f)			(g)
PEO	- - -											
PFO												
A												
B												
C												

(a) The name and principal position of the named executive officer (column (a)).

(b) The fiscal year covered (column (b)).

(c) The dollar value of base salary (cash and non-cash) to be earned by the named executive officer for the fiscal year covered (column (c)).

(d) The target dollar value of all annual equity and non-equity incentive opportunities for the fiscal year covered. If there is no target level, use the dollar value of any annual bonus or award actually made for the fiscal year covered. Include separate columns, as applicable, for each of cash, stock options (or stock appreciation rights), and restricted stock or restricted stock units, and disclose in a footnote to the table the threshold and maximum potential payout if applicable. For equity awards, use the aggregate grant date fair value computed whether an incentive was guaranteed, purely discretionary or based on performance metrics and in accordance with FASB ASC Topic 718 (column (d)).

(e) The target dollar value of all long-term (i.e., multi-year) non-equity and equity incentive opportunities for the fiscal year covered. If there is no target level, use the dollar value of any long-term bonus or award actually made for the fiscal year covered. Include separate columns, as applicable for each of cash, stock options (or stock appreciation rights), and restricted stock or restricted stock units, and disclose in a footnote to the table the threshold and maximum potential payout if applicable. For equity awards, use the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 (column (e)).

(f) The target dollar value of any non-equity or equity incentive for the fiscal year covered that neither comprises nor is a substitute for the named executive officer's annual or long-term opportunities and therefore is not shown in column (d) or (e), including, without limitation, retention or sign-on bonuses (column (f)).

(g) The dollar value of total target compensation for the applicable fiscal year (sum of (c) through (f)) (column (g)).

Annex B

**Earned Compensation Table**

Name and Principal Position	Fiscal Year	Salary	Non-Equity Incentive Compensation	Equity Incentive Compensation		Total Earned Salary and Incentive Compensation	Nonqualified Deferred Compensation Earnings and Change in Nonqualified Pension Value	All Other Compensation	Total Earned Compensation
				Options	Shares				
(a)	(b)	(c)	(d)	(e)		(f)	(g)	(h)	(i)
PEO	- - -								
PFO									
A									
B									
C									

(a) The name and principal position of the named executive officer (column (a)). (b) The fiscal year covered (column (b)).

(c) The dollar value of base salary (cash and non-cash) earned by the named executive officer during the fiscal year covered (column (c)).

(d) The dollar value of all equity and non-equity incentive compensation awards earned by the named executive officer during the fiscal year covered. Non-equity incentive compensation awards are earned in the year the applicable performance period ends (column (d)).

(e) The dollar value of equity-incentive compensation plan awards earned by the named executive officer during the fiscal year covered. Equity incentive compensation plan awards are earned in the year the applicable performance period ends and valued using fair value in accordance with FASB ASC Topic 718 on the date the relevant condition for inclusion in the table is satisfied, except that options and stock appreciation rights are not included in the table before they are exercisable and equity awards subject to time/service-based vesting requirements are earned in the year for which they are granted. Include separate columns for options or stock appreciation rights and restricted stock or restricted stock units (column (e)).

(f) The dollar value of total earned salary, bonus and incentive compensation for the fiscal year covered (sum of columns (c) through (f)) (column (f)).

(g) The dollar amount of above-market or preferential aggregate interest or other earnings accrued under nonqualified deferred compensation plans during the fiscal year covered and the aggregate change in the actuarial present value of accumulated benefit under nonqualified defined benefit and actuarial pension plans for the fiscal year. Only aggregate interest or other earnings accrued under nonqualified plans must be included (column (g)).

(h) The dollar amount of all other earnings for services during the fiscal year that could not be properly reported in any other column of this table, including, but not limited to: perquisites, "gross-ups," the compensation cost of securities purchased at a discount not generally available to all shareholders or employees of the registrant, termination and change of control payments, registrant contributions to nonqualified defined contribution plans, life insurance premiums paid by, or on behalf of, the registrant, and dividends paid on equity awards when those amounts were not factored into the fair value of those awards (column (h)).

(i) The dollar value of total earned compensation for the fiscal year covered (sum of columns (c) through (e), (g) and (h)) (column (i)).

Annex C

Potential Payments and Forfeitures Upon Termination or Change-in-Control Table<sup>9</sup>

Name and Principal Position	Fiscal Year	Termination without Cause		Termination with Cause		Retirement		Resignation	
		Payment	Forfeiture	Payment	Forfeiture	Payment	Forfeiture	Payment	Forfeiture
(a)	(b)	(c)		(d)		(e)		(f)	
PEO	- - -								
PFO									
A									
B									
C									

- (a) The name and principal position of the named executive officer (column (a)).
- (b) The fiscal year covered (column (b)).
- (c)-(f) Breakdown of payments and forfeitures (e.g., unvested equity awards, long-term incentives and deferred compensation) (columns (c)-(f)).

<sup>9</sup> This table is exemplary of the proposed structure, but is not limited to the termination scenarios listed here.