

Bridging Interests

Motivating Executives,
Navigating Shareholder
Expectations

HUGESSEN
CONSULTING

**STEVEN HALL
& PARTNERS**
EXECUTIVE COMPENSATION

Navigating Shareholder Expectations

Hugessen & Hall are offering an independent “fresh set of eyes” on critical compensation issues to board members making tough pay decisions

Shareholder Lens on Proxy Disclosure

Proxy disclosure is the primary tool for communicating with shareholders – is your disclosure telling the story you want it to tell?

Hugessen & Hall will review your proxy disclosure and provide commentary on how it may be viewed by institutional shareholders and proxy advisors

We advise on market standards and best practices, using insight gained from our extensive relationships with major institutional shareholders (e.g., BlackRock, TIAA-CREF, Fidelity) and proxy advisors (ISS, Glass Lewis)

What is included



Shareholder Engagement Workshop

Direct engagement between Boards and shareholders is becoming increasingly important as proxy advisors and activist shareholders exert growing influence – the keys to effective engagement are preparation and an understanding of how shareholders think

Hugessen & Hall will provide a 90 minute director development session for compensation committees on the basics of shareholder engagement, including a presentation and discussion

Topics include:

- What led to the emergence of engagement
- How engagement differs from typical IR roadshow
- How engagement can affect:
 - External views of the company
 - The influence of proxy advisor recommendations
- Key players and their unique perspectives
- How to prepare
- Challenges

What is included



CEO Performance Assessment – Best Practice Review

A robust performance evaluation process is essential for Boards to fulfil their key fiduciary duties, and to ensure confidence in the decisions they are making

Hugessen & Hall will evaluate the current process used to determine the CEO's performance, including timelines, role of Board members and management, any questionnaires used by Board members to assess the CEO's performance, and specific metrics used

We will outline an optimal step-by-step process, based on evolving market practices

What is included



Beyond TSR: The Street's Perspective on Your Pay-for-Performance

To ensure pay decisions are fully informed and defensible, it is important for Boards to have up-to-date information on shareholder perspectives, together with a credible pay-for-performance narrative

We will provide a summary of corporate performance as seen by "the street" and shareholders, specifically looking at the key industry metrics used by research analysts

We then will analyze the relationship between corporate performance and the company's executive pay levels over various time periods, and provide a summary of our observations

What is included



NOTE: THE SERVICES OUTLINED ABOVE ARE BASED SOLELY ON PUBLIC INFORMATION, AND DO NOT INVOLVE ANY STAKEHOLDER INTERVIEWS OR CONSULTING. CONSEQUENTLY, THE REPORTS ARE PURELY INFORMATIONAL

Hugessen & Hall is a partnership between **Hugessen Consulting Inc.** and **Steven Hall & Partners** – two leading compensation consulting firms joining together to provide clients with an expanded North American footprint. We help Boards make the right decisions on executive compensation and its governance, in an environment of heightened complexity and scrutiny from shareholders.

We understand the inherent tension that can exist between management compensation and shareholder confidence – and we pride ourselves

on providing both expert advice on compensation matters, as well as an informed shareholder perspective that many traditional compensation firms do not have.

We specialize in building trusted relationships with our clients as a result of our commitment to independence and direct accountability to the Board. By asking the right questions and working collaboratively with the Board and management, we take the time to understand both the business and the people.

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