

SELECT EXECUTIVE COMPENSATION ADMINISTRATION ISSUES

1 TYPES OF COMPENSATORY ARRANGEMENTS TO CONSIDER

- Stock Options
- Non-Qualified Stock Options
- Incentive Stock Options
- Restricted Stock
- Restricted Stock Units
- Bonus Stock
- Phantom Stock
- Stock Appreciation Rights
- Deferred Compensation Programs
- Employment Agreements
- Severance Plans/Agreements
- Change-in-Control Plans/Agreements
- Employee Stock Purchase Plans
- Executive Perquisites and Fringe Benefits
- Bonus Plans
- Retention Arrangements

2 MERGER & ACQUISITIONS ISSUES

- Tax Issues
- Securities Law Issues
- Say-on-Golden Parachute Disclosures
- Parachute Payment Problems
- Proxy Disclosure Issues
- Equity Conversions
- General Employee Benefits
- Transition Issues
- Documentation Issues
- Accounting Considerations
- Tender Offer Rules

3 COMPLIANCE ISSUES ASSOCIATED WITH COMPENSATORY ARRANGEMENTS

INTERNAL REVENUE CODE COMPLIANCE*

- 83 (Equity Compensation Taxation)
- 105(h) (Executive Health Benefits)
- 132 (Fringe Benefits)
- 162(m) (Deductibility of Compensation)**
- 280G (Deduction for Golden Parachute Payments)
- 409A (Taxation of Deferred Compensation)
- 422 (Taxation of Incentive Stock Options)
- 423 (Taxation of Employee Stock Purchase Plans)
- 457A (Deferred Compensation in International or Private Equity Transactions)
- 3121/3401 (Employment and Payroll Tax Issues)
- 4999 (Penalty Tax on Golden Parachute Payments)
- 6039 (Stock Option Reporting)

SECURITIES LAW COMPLIANCE

- Reporting and Restrictions Regarding Officer/Director Sales (Section 16 of the Securities Exchange Act of 1934 and Forms 3, 4, and 5)
- Securities Registration (Form S-8) and Exemptions (Rule 701, Section 4 of the Securities Act of 1933, Regulation D, Bonus Stock, and "No Sale")
- General Restrictions on Executive Compensation Practices (Sarbanes-Oxley and Dodd-Frank)
- Executive Compensation Disclosures (Proxy Statements and Forms 10-K and 8-K)
- Executive Trading Issues (Rule 10b5-1, Insider Trading Policies, and Rule 144)

*All numerical references refer to sections of the Internal Revenue Code.

** Relevant for purposes of grandfathering and IPO transition relief.

4 GENERAL GOVERNANCE ISSUES

- NYSE & NASDAQ Rules for Equity-Based Compensation Plans (including Shareholder Approval Rules)
- Compensation Committee Independence Requirements (NYSE/NASDAQ, Securities Exchange Act of 1934, and Internal Revenue Code)
- State Corporate/Partnership Law Governance and Delegation Issues
- Case Law Parameters, including Business Judgment Rule Standards (Duty of Care and Duty of Loyalty)
- Management Succession Planning
- Internal Controls
- Grant Policies
- Say-on-Pay Approvals
- Clawback Implementation
- Pay-for-Performance
- Pay Ratio Rule Compliance
- Proxy Advisor Guidance (ISS and Glass Lewis)
- Shareholder Engagement/Proxy Solicitors
- Golden Parachutes
- Tax Gross-Ups
- Compensation Committee Charter Maintenance
- Indemnification Provisions and D&O Insurance
- Stock Ownership Guidelines
- Insider Trading Policies
- Risk Assessment
- Director Compensation Issues
- Executive Compensation Litigation
- International Issues

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