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Summer Doldrums – or Time to Think About 2027 Executive Compensation Programs?

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‘Let’s go surfin’ now
Everybody’s learnin’ how
Come on and “comp safari” with me!’

School is out, and vacations are in full force. At the risk of throwing cold water on hot summer fun, one question you nonetheless should be asking yourself now as a professional responsible for executive compensation is, in the fall, what will you wish you had done last summer? Some more surfing? Of course. But that still leaves enough time to get ahead of the compensation curve so that, when November rolls around, you’re well clear of where you need to be (and perhaps even feeling a bit smug) instead of wishing there were just a couple more weeks to prepare.

And so, what does that type of summer reading list look like? The most logical first step probably is to look at your compensation committee meeting checklist and identify those items that would benefit from a head start, even (and perhaps especially) those items that are not fully ripe for some time, which could include things like the following:

- Evaluate how in-flight 2026 compensation programs are faring, and, as a result, whether there may be reason to give early thought to changes for the 2027 programs.
- Evaluate whether the existing programs are resulting in any unanticipated risks due to changes in economic and geopolitical circumstances since grant.
- Evaluate whether new-hire practices remain generally appropriate to avoid undue scrambling at the time of hire.
- Evaluate the adequacy of share reserves given dilution projections so that you can start marshaling support for an increase.
- Consider whether any additional clawback protections may be appropriate considering your circumstances.
- Evaluate the adequacy of compensation governance procedures generally and whether changes should be put in place for the coming compensation season.
- Give thought to whether the annual proxy disclosure could benefit from a fundamental refresh, which is a notoriously time-consuming exercise and ill-fitted to a pivot late in the year.
- Make sure any annual stockholder outreach is on track and preferably ahead of pace, whether driven by reason of say-on-pay results or otherwise.

Of course, if you don’t already have a compensation committee meeting checklist, one thing that should be near the very top of your summer list is to develop one. And, for companies that do have a checklist, another item for consideration is whether any changes in content or timing are appropriate.

One of the best ways to do that is to find time for an informal meeting with the compensation committee chair to get their views on what is and is not working and what might be best handled differently. Having that meeting when there actually is time for quiet reflection will be most effective and likely also greatly appreciated by the chair.

That also might give rise to discussion about the need for collateral actions that could be scheduled for the fall, such as committee member education sessions about, for example, the status of the proposed executive compensation disclosure rule changes, shifts in market practices and any other noteworthy trends.

In a similar and complementary vein, a reach-out to your compensation consultant (if you have one) to get their views on the foregoing and any other items they see as important to the coming compensation season will better position you to address those matters when the time comes.

Finally, similar considerations to all of the foregoing apply where a compensation committee has been delegated responsibilities that often are lodged with other board committees, such as succession planning and human capital issues generally.

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Sorry to bum you out when all you want to do is surf and then surf some more, but it's just a word to the wise: A little time found and spent now likely will save you a lot of time later and result in a much smoother process when time is short and you are wishing it were still the dog days of summer.

Cooley's compensation and benefits group is ready to help you craft an efficient review of the type contemplated here so that you still have plenty of time to rejoice in those summer doldrums. For our friends attending the 2026 Society for Corporate Governance National Conference in Nashville from July 7 to 10, please reach out – we'd love to connect with you!

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