

CLIENT ALERT | JUN 2012

SEC Finalizes Rules for Compensation Committee and Adviser Independence



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This Alert discusses the SEC's newest Board governance standards and how they compare to the agency's earlier proposal. It explains the next step in the regulatory process, which will require each of the Stock Exchanges to develop detailed rules for their listed companies concerning the independence of Compensation Committees and their advisers, and what companies should be doing now to prepare.

Also included is a detailed timeline for scheduled implementation of all Dodd-Frank's compensation-related provisions, including these newest standards in four key areas:

- Compensation Committee Independence
- Compensation Committee Adviser Retention, Oversight and Funding
- Compensation Committee Adviser Independence
- Disclosure of Adviser Use and Potential Conflicts of Interest

About the Author

Deborah Lifshey is a managing director at Pearl Meyer, where she specializes in advising clients on compensation matters from a legal perspective including securities disclosure, taxation and corporate governance issues, negotiation contracts, and reasonableness opinion letters.

About Pearl Meyer

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