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SEC Proposes Rules for Implementing Say on Pay Advisory Votes - Implementation of Some Dodd-Frank Provisions Delayed



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Addressing many of the pressing questions raised by the Dodd-Frank Wall Street Reform and Protection Act, the SEC has proposed rules to implement Say on Pay (SOP), Say on Frequency (SOF) and Say on Golden Parachutes (SGP), collectively referred to as the SOP Advisory Votes.

In releasing its proposals on October 18, 2010, the SEC asked for public comment on 50 specific areas by November 18, 2010, to be followed by the final rules. However, it is clear that SOP and SOF will be required of companies filing proxies for annual meetings on or after January 21, 2011, regardless of whether the final rules are adopted or when proxy materials are filed. Implementation of SGP may be delayed until final rules are adopted.

This Client Alert summarizes the key provisions of the SEC proposal, as well as a companion SEC release related to Dodd-Frank's required disclosure of SOP votes by institutional investment managers. It includes the most current schedule for implementing the Act's various compensation-related provisions, which would delay implementation, presumably until the 2012 proxy season, of requirements related to clawbacks, pay-for-performance, internal equity, independence and hedging disclosure, and proxy access.

About the Author

Deb advises on executive compensation from a legal and regulatory perspective, including securities disclosure, tax and governance matters, contract negotiation, and reasonableness opinion letters.

About Pearl Meyer

Pearl Meyer

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