Pearl Meyer

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The SEC's Holiday Gift: Final Rules for 2010 Compensation and Corporate Governance Disclosures



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The SEC's newly released rules for proxy disclosure of executive compensation and corporate governance apply to statements filed on or after February 28, 2010 - a period that will encompasses most, if not all, calendar year companies in the 2010 proxy season.

While generally similar to the SEC's original proposal last July, the final rules adopted last Dec. 16 by a 4-1 vote include meaningful and practical changes and clarifications that incorporate some of the voluminous public commentary submitted. Overall, the Commission took a sensible and practical approach to its goal of providing investors with the most clear and meaningful information.

Among the key areas of disclosure expanded under the new requirements:

- Compensation-Related Risk
- Grant Date Fair Value in Summary Compensation Tables (SCT)
- Use of Compensation Consultants
- Director and Nominee Experience and Qualifications
- Board Leadership
- Board's Role in Risk Oversight

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 is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term

success. Our strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.