

CLIENT ALERT | JUL 2015

## SEC Proposes Rules on Clawback Policies

### Broad Sweeping, No Fault Recoupment of Incentive Compensation Based on Financials, Stock Price, or TSR

Nearly five years after enactment of the Dodd-Frank Wall Street Reform Act of 2010 (DFA or the Act), the Securities and Exchange Commission (SEC) has issued long-awaited guidance on Section 954 of the Act concerning recoupment of excess executive incentive compensation triggered by an accounting restatement (commonly known as “clawback” provisions). The proposed rules (Proposal or Proposed Rules) will satisfy the last remaining executive compensation provision in the DFA for which rules have not been proposed or finalized, unsurprising considering the tough interpretative questions this provision raised for the SEC.

### 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.

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