

Compensation Committee and Adviser Implementation Begins July 1: What to Do Now

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As discussed in our previous memo, in January 2013, the SEC approved amendments to the NYSE and Nasdaq listing standards relating to compensation committees and their advisers. Unless they have already done so, companies should begin implementing the new requirements with respect to compensation committees and their advisers that take effect on July 1, 2013. Compensation committee action is required in order to comply with these requirements. Companies should note that, while the new rules require compensation committees to consider the independence of their advisers, the rules do not require that such advisers be independent, nor is any aspect of the mandated independence review required to be disclosed publicly (other than proxy disclosure concerning compensation consultants to a company or its compensation committee).

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

Ning Chiu

+1 212 450 4908
ning.chiu@davispolk.com

Jeffrey P. Crandall

+1 212 450 4880
jeffrey.crandall@davispolk.com

Edmond T. FitzGerald

+1 212 450 4644
edmond.fitzgerald@davispolk.com

Kyoko Takahashi Lin

+1 212 450 4706
kyoko.lin@davispolk.com

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