

Service

Securities &
Corporate
Governance

First Deadline Nears for Compliance with Compensation Committee Rules

As the first deadline approaches for compliance with the compensation listing standards approved by the Securities and Exchange Commission (SEC) in January, companies listed on either the New York Stock Exchange (NYSE) or Nasdaq should ensure that their compensation committee charter reflects the new requirements. Our previous alert highlighted the changes proposed by each exchange in response to the SEC's rulemaking and Congressional mandate under the Dodd-Frank Act that compensation committee members be "independent" and that committees have the authority to retain "independent" advisors as defined by each exchange. The deadlines and required changes are as follows:

By **July 1, 2013**, companies listed on either exchange must authorize and require their compensation committee to retain its own advisors;
provide appropriate funding for payment to the advisors; and
before retaining any advisor, including outside legal counsel, the compensation committee must consider the independence factors identified in the listing standards.

By the earlier of the first annual meeting after **January 15, 2014**, or **October 31, 2014**, listed companies must comply with the new standards for compensation committee member independence; and
Nasdaq companies that do not have a compensation committee charter must have one in place and submit annual certifications that the charter has been

reviewed and reassessed to ensure the charter adequately reflects the committee's duties and authorities.

A chart reviewing each requirement and the applicable deadline is available [here](#).

Contact Information

If you have any questions concerning these or any other Securities or Corporate Governance issues, please contact your Husch Blackwell attorney.

Husch Blackwell regularly publishes updates on industry trends and new developments in the law for our clients and friends. Please contact us if you would like to receive updates and newsletters or request a printed copy.

Husch Blackwell encourages you to reprint this material. Please include the statement, "Reprinted with permission from Husch Blackwell LLP, copyright 2013, www.huschblackwell.com" at the end of any reprints. Please also email info@huschblackwell.com to tell us of your reprint.

This information is intended only to provide general information in summary form on legal and business topics of the day. The contents hereof do not constitute legal advice and should not be relied on as such. Specific legal advice should be sought in particular matters.