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## Corporate Governance Update: Corporate "Clawback" Provisions

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An increasing number of companies have adopted provisions allowing them to recover executive pay that has been awarded based upon financial statements that are subsequently restated. A recent study found that 246 of 2,121 companies reviewed incorporated this type of recoupment ("clawback") policy as part of their executive compensation programs. This is a large increase over the 2003 figures, which indicated only fourteen of 1,800 companies had such provisions.

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### Attorney

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