SEC Adopts Final Rules Regarding Shareholder Approval of Executive and Golden Parachute Compensation

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On January 25, 2011, the Securities and Exchange Commission ("SEC") adopted final rules concerning shareholder advisory votes on

(i) executive compensation ("say-on-pay"),

(ii) the frequency of conducting say-on-pay votes ("say-on-frequency"), and

(iii) compensation arrangements in connection with significant corporate transactions ("say on-goldenparachutes").

These rules implement Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), and they apply to all public companies that have a class of equity securities registered under Section 12 of the Securities Exchange Act of 1934 ("Exchange Act") and that are subject to the federal proxy rules. The new rules become effective 60 days after publication in the Federal Register.

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