
SEC Adopts Final Rules Regarding Compensation Committees and Compensation Advisors

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Last week, the Securities and Exchange Commission ("SEC") adopted final rules (the "Final Rules") that direct the national securities exchanges (the "exchanges") and national securities associations to establish certain listing standards related to the independence of compensation committees and their compensation advisors. The Final Rules will also require new disclosures in proxy statements concerning the use of compensation consultants and related conflicts of interest. The new rules implement Section 952 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), which added Section 10C to the Securities Exchange Act of 1934 ("Exchange Act"). Like the proposed rules issued by the SEC last year, the Final Rules largely mirror the relevant Dodd-Frank statutory requirements and delegate to the exchanges the task of developing their own rules.

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