



**TITLE IX, SUBTITLE E: ACCOUNTABILITY AND EXECUTIVE COMPENSATION**

- Requires non-binding shareholder vote on executive compensation (say on pay) and golden parachute payments
- Establishes new requirements regarding compensation committee independence and use of compensation consultants and other advisors
- Requires issuers to disclose additional information to shareholders, including a description of executive compensation versus performance and information regarding the ratio of CEO compensation to the compensation of all other employees
- Requires issuers to develop clawback policies related to disclosure of incentive-based compensation and recovery of erroneously awarded compensation
- Requires issuers to disclose whether their employees or directors may purchase financial instruments designed to hedge the market value of the issuer’s equity securities
- Requires regulators to prescribe rules requiring disclosure of incentive-based compensation arrangements by “covered financial institutions” and prohibiting such institutions from employing arrangements determined to encourage inappropriate risks, and
- Establishes new rules related to broker non-votes

**Rulemakings**

<b>Securities and Exchange Commission (SEC)</b>	
<b>July 21, 2011 (1 year after enactment)</b>	<b>Bill Section</b>
SEC to direct the national securities exchanges and associations to prohibit the listing of issuers (other than certain exempt entities) that do not comply with new requirements for compensation committee independence.	§952
SEC to identify factors that affect the independence of a compensation consultant, legal counsel, or other adviser to a compensation committee of an issuer.	§952
SEC to permit national securities exchanges and associations to exempt categories of issuers from new compensation committee requirements.	§952
<b>No date given</b>	
SEC to promulgate rules regarding disclosure of golden parachute arrangements.	§951
SEC authorized to exempt issuers from new say on pay requirements.	§951
SEC to amend Regulation S-K Item 402 to require description of executive compensation versus performance of the issuer and ratio of CEO to other employee pay.	§953



SEC to direct the national securities exchanges and associations to prohibit the listing of issuers that do not develop a policy related to the disclosure of incentive-based compensation and the recovery of erroneously awarded compensation.	§954
SEC to require issuers to disclose to shareholders whether board members are permitted to hedge against issuer stock.	§955
SEC may determine by rule “significant matters” on which a member of a national securities exchange may not vote without voting instructions from the beneficial owner.	§957

<b>Board of Governors of the Federal Reserve; Office of the Comptroller of Currency;          Board of Directors of the Federal Deposit Insurance Corporation;          Director of the Office of Thrift Supervision; National Credit Union Administration Board;          Securities and Exchange Commission; Federal Housing Finance Agency (jointly)</b>	
<b>April 21, 2012 (9 months after enactment)</b>	<b>Bill Section</b>
Regulators to jointly prescribe regulations requiring disclosure of incentive-based compensation arrangements by “covered financial institutions” and prohibiting such institutions from employing arrangements determined to encourage inappropriate risks.	§956



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