

## Dodd-Frank Act Executive Compensation Rulemaking Status — July 1, 2015

Green: Final rules adopted and in effect

Yellow: Initial rules proposed but not yet finalized

Provision	Act §	Brief Description	Rule-Making Status	Location of Rules
Say-on-Pay	951(a)	Non-binding shareholder vote on executive compensation as disclosed in the annual proxy statement	<ul style="list-style-type: none"> <li>– Currently in effect</li> <li>– SEC final rules published on January 25, 2011</li> </ul>	– Final SEC rules at: <a href="http://www.sec.gov/rules/final/2011/33-9178.pdf">http://www.sec.gov/rules/final/2011/33-9178.pdf</a>
Say-on-Frequency	951(a)	Non-binding shareholder vote on the frequency for the say-on-pay vote; choices are one, two or three year cycles; must provide say-on-frequency vote at least once every six years	– Same as for Say-on-Pay	– Same as for Say-on-Pay
Say-on-Golden Parachutes	951(b)	Non-binding shareholder vote on compensation to target company executives in certain M&A transactions	– Same as for Say-on-Pay	– Same as for Say-on-Pay
Compensation Committee Independence	952	Heightened standards for “independence” of compensation committee members	<ul style="list-style-type: none"> <li>– Currently in effect</li> <li>– SEC final rules published on June 20, 2012; related changes to listing rules implemented by various exchanges in January 2013</li> </ul>	– Final SEC rules at: <a href="http://www.sec.gov/rules/final/2012/33-9330.pdf">http://www.sec.gov/rules/final/2012/33-9330.pdf</a>
Compensation Consultant and Adviser Independence	952	Mandates factors to be considered regarding independence of compensation consultants and other advisers to the compensation committee; does not mandate use of independent advisers	– Same as for Compensation Committee Independence	– Same as for Compensation Committee Independence
Executive Compensation Disclosures	953	Requires “clear disclosures” in annual proxy statement of linkage between pay and performance; also requires disclosure of ratio of CEO pay to median employee pay	<ul style="list-style-type: none"> <li>– Not effective until rules finalized</li> <li>– SEC proposed rules regarding CEO pay ratio disclosure in September 2013; numerous comments received; timing for final rules unclear; to be effective for the fiscal year following the effective date of the final rule</li> <li>– SEC proposed rules regarding pay-for-performance disclosures in May 2015; initial comment period runs through July 6, 2015; timing of final rules unclear</li> </ul>	<ul style="list-style-type: none"> <li>– Proposed CEO Pay Ratio Disclosure Rules at: <a href="https://www.sec.gov/rules/proposed/2013/33-9452.pdf">https://www.sec.gov/rules/proposed/2013/33-9452.pdf</a></li> <li>– Proposed Pay-for-Performance Disclosure Rules at: <a href="https://www.sec.gov/rules/proposed/2015/34-74835.pdf">https://www.sec.gov/rules/proposed/2015/34-74835.pdf</a></li> </ul>
Compensation Recovery (Clawbacks)	954	Requires companies to adopt, comply with and disclose a compensation recovery policy for certain incentive awards to current and former executive officers that were based on financial information later restated	<ul style="list-style-type: none"> <li>– Not effective until rules finalized (both SEC and applicable exchanges)</li> <li>– SEC proposed rules on July 1, 2015; initial comment period through September 1, 2015; timing of final rules unclear</li> </ul>	– SEC proposed rules at: <a href="http://www.sec.gov/rules/proposed/2015/33-9861.pdf">http://www.sec.gov/rules/proposed/2015/33-9861.pdf</a>
Hedging Policies	955	Requires disclosure as to whether directors or employees of the company are permitted to hedge against stock price drops with respect to equity compensation awards	<ul style="list-style-type: none"> <li>– Not effective until rules finalized</li> <li>– SEC proposed rules in February 2015</li> </ul>	– SEC proposed rules at: <a href="https://www.sec.gov/rules/proposed/2015/33-9723.pdf">https://www.sec.gov/rules/proposed/2015/33-9723.pdf</a>
Excessive Compensation at Covered Financial Institutions	956	Prohibits “excessive compensation” or other incentive arrangements that could encourage “inappropriate risks” at certain “covered financial institutions”	<ul style="list-style-type: none"> <li>– Not effective until rules finalized</li> <li>– Proposed rules published jointly by the SEC and various banking agencies on March 30, 2011</li> </ul>	– Proposed rules at: <a href="http://www.sec.gov/rules/proposed/2011/34-64140.pdf">http://www.sec.gov/rules/proposed/2011/34-64140.pdf</a>
Broker Non-Votes	957	Prohibits discretionary voting by brokers on shares they do not beneficially own on (i) election of directors, (ii) executive compensation, and (iii) any other “significant matter” as determined by the SEC	<ul style="list-style-type: none"> <li>– NYSE listing rules adopted Sept. 9, 2010, including clarification that this applies to shareholder votes under §951</li> <li>– No current schedule for rules to determine “other significant matters”</li> </ul>	– NYSE listing rules at: <a href="http://www.sec.gov/rules/sro/nyse/2010/34-62874.pdf">http://www.sec.gov/rules/sro/nyse/2010/34-62874.pdf</a>