

SEC Updates CD&Is Re: Advisory Votes on Executive Compensation

February 27, 2012

The Securities and Exchange Commission posted examples of advisory vote descriptions that would be (or would not be) consistent with the requirement that shareholders be given an advisory vote to approve the compensation paid to a company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K. For example, on its proxy card, the company can describe the advisory vote as "Advisory vote to approve named executive officer compensation," but not "To hold an advisory vote on executive compensation," because the latter description is ambiguous. The SEC regularly posts questions and answers with its interpretations of the registration and reporting provisions of Sections 12, 13 and 15 of the Exchange Act. The SEC's updated Q&A and examples can be found [here](#).