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Subject: Compensation Committee Rules

Following the June 2012 SEC mandate, the NYSE and Nasdaq last week submitted proposals to the SEC outlining requirements for independent compensation committees at listed companies.

**Has your board reviewed the rules?**

**Six Questions To Consider**

1. Does your board have a separate compensation committee? Are its members completely independent?
2. Does the compensation committee charter provide for the necessary authority, responsibility and funding requirements for advisors?
3. Is the compensation committee directly responsible for appointing, compensating and providing oversight to any advisors?
4. Are compensation consultants independent and free of conflicts?
5. When is the last time the compensation committee reviewed its charter and its compensation philosophy?
6. How will the company's annual proxy statement disclosure need to be modified?

**Ask these questions during the executive session at your next board meeting.  
The answers might help your board become more effective and the company stronger.**

New questions are posted each month at [www.governancesolutionsgroup.com](http://www.governancesolutionsgroup.com). Every board can benefit from periodically taking a hard look at how it is functioning and at the status of its corporate governance structure. Sometimes high-performing individuals find it helpful to talk with an outside expert – much like the occasional consult with the golf pro, or the visit to the doctor for an annual physical.



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*"Good governance is part of every good business solution." Mary Denise Kuprionis*