

October 13, 2014

Reminder to NYSE and NASDAQ Companies to Comply With Dodd-Frank Act Compensation Committee Requirements and Certify Compliance

Public companies with securities listed on the NASDAQ Stock Market or the New York Stock Exchange should take note of the approaching deadline for complying with the final portions of the new compensation committee requirements mandated by Section 952 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”).

NASDAQ and NYSE adopted listing standards in 2013 concerning, among other things, the independence of compensation committee members, compensation committee authority to retain or obtain the advice of compensation consultants, legal counsel and other advisors, and the independence of compensation consultants. These standards were required by Section 952 of the Dodd-Frank Act and the Securities and Exchange Commission’s Rule 10C-1 promulgated under the Securities Exchange Act of 1934, as amended.

The amended portions of NASDAQ Rule 5605(d)(3) and NYSE Listing Manual Section 303A.05 regarding compensation committee authorities, funding and responsibilities became effective July 1, 2013. NASDAQ-listed companies are required to comply with the remaining compensation committee rules contained in Rule 5605(d), including the requirement to establish a separate compensation committee, the heightened independence standards of compensation committee members and the written charter requirement, by the earlier of (i) their first annual stockholders’ meeting held after January 15, 2014, or (ii) October 31, 2014. NYSE-listed companies are subject to the same deadline to comply with the heightened independence standard of compensation committee members contained in Section 303A.02(a)(ii) and its commentary.

NASDAQ requires listed companies to submit a one-time compliance certification no later than 30 calendar days after the applicable deadline. The NASDAQ certification form, available [here](#), requires a listed company to certify that such company is either in compliance with, or covered by an exemption from, the compensation committee requirements in Rule 5605(d). NYSE does not require a separate certification and NYSE-listed companies must instead certify compliance or reliance on an available exemption in their Annual Written Affirmation, available [here](#), which is due each year within 30 days after the annual stockholders’ meeting.

NYSE- and NASDAQ-listed public companies should confirm that their compensation committee and its charter comply with the new rules and make sure to certify compliance within the applicable deadline.

This document is intended to provide you with general information regarding Dodd-Frank Act compensation committee requirements for public companies. The contents of this document are not intended to provide specific legal advice. If you have any questions about the contents of this document or if you need legal advice as to an issue, please contact the attorneys listed or your regular Brownstein

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Hyatt Farber Schreck, LLP attorney. This communication may be considered advertising in some jurisdictions.

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