

Meridian Client Update

September 27, 2010

Many Companies Will Not Be Subject Proxy Access Until 2012

Companies that mailed their 2010 proxy statements *prior to March 15, 2010* will not be subject to the recently adopted proxy access rules until the 2012 proxy season.

The proxy access rules require a company to include in its corporate proxy materials directors nominated by eligible shareholders or shareholder groups.

The March 15, 2010 cutoff is the result of the complex interplay between the effective date of the proxy access rules, the window period during which shareholders must submit director nominees for inclusion in company proxy materials and transition issues unique to the 2011 proxy season.

Effective Date

The proxy access rules will become effective on November 15, 2010 (“Effective Date”) due to their publication in the Federal Register on September 16, 2010 (i.e., the rules become effective 60 days after their publication in the Federal Register).

Window Period

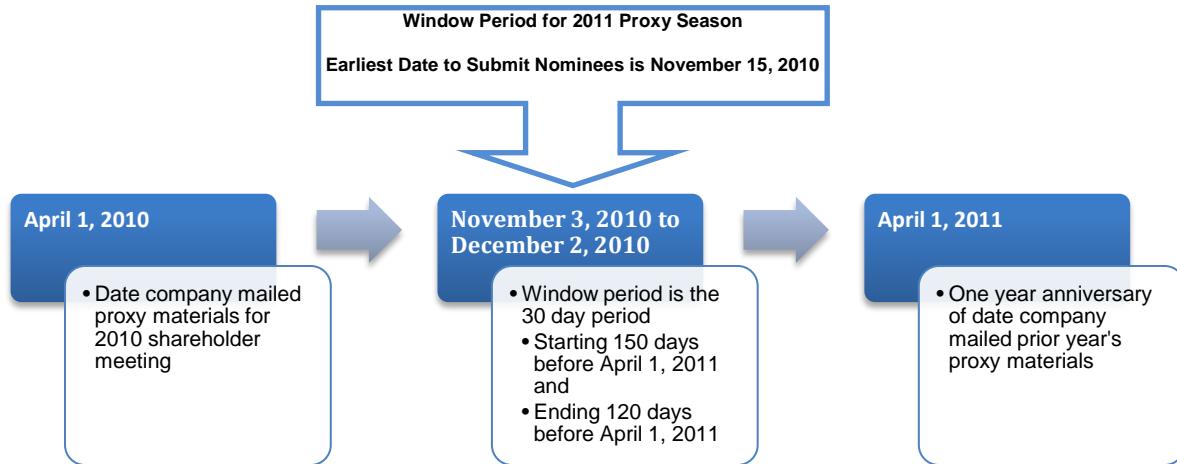
The “window period” during which an eligible shareholder (or shareholder group) must submit director nominee(s) for inclusion in company proxy materials is no earlier than 150 calendar days, and no later than 120 calendar days before the one-year anniversary of the date that the company mailed its proxy statement for the prior year’s annual meeting. The timing of the window period in relation to the November 15, 2010 effective date will determine if a company is initially subject to the proxy access rules in 2011 or 2012.

Window Period for 2011 Proxy Season	Proxy Access Applicable to 2011 Proxy Season
Window period opens and closes before 11/15/2010	No
Window period opens before 11/15/2010 and closes after 11/15/2010	Yes
Window period opens on or after 11/15/2010	Yes

In the case where a window period opens before the Effective Date but closes after the Effective Date, shareholders may not submit director nominees earlier than November 15, 2010.

The window period is not impacted by the date a company mails its 2011 proxy materials to shareholders.

The schematic below illustrates a circumstance where the window period straddles the effective date.



In the foregoing example, shareholders would be required to submit director nominees to be included in the corporate proxy materials within a 17 day period beginning on November 15, 2010. Despite the fact that the window period begins on November 3, 2010, shareholders would not be permitted to submit director nominees prior to the November 15, 2010 effective date.

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The **Client Update** is prepared by Meridian Compensation Partners' Technical Team led by Donald Kalfen. Questions regarding this Client Update or executive compensation technical issues may be directed to Donald Kalfen at 847-235-3605 or dkalfen@meridiancp.com.

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