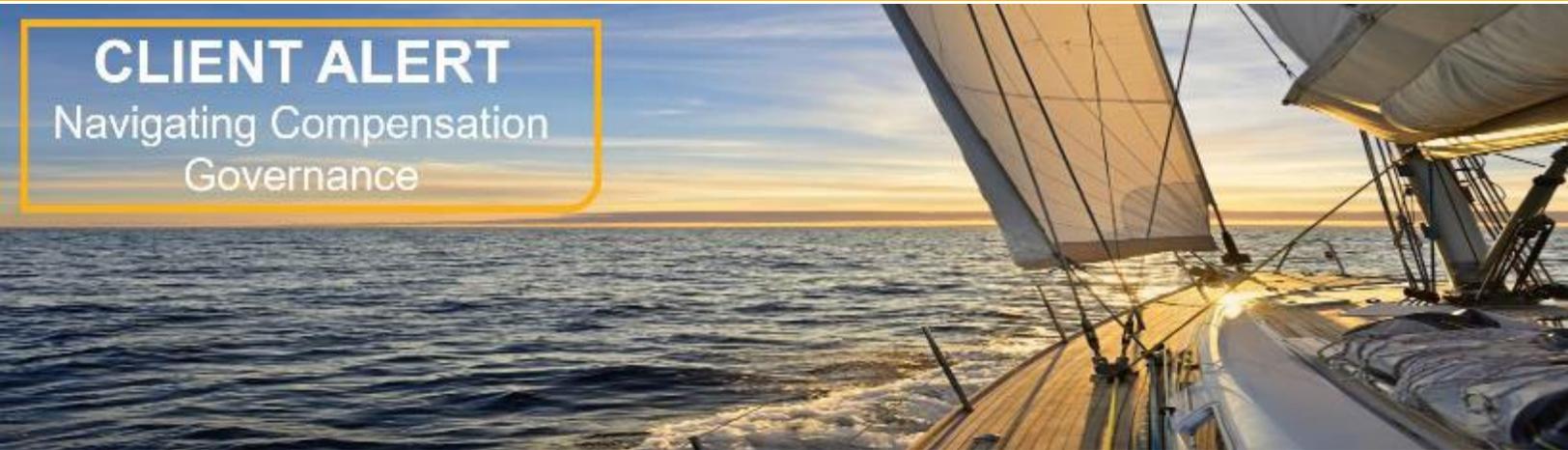


CLIENT ALERT
 Navigating Compensation Governance



SEC Publishes Updated Regulatory Flexibility Agenda

Securities Exchange Commission Spring Agenda includes a limited number of executive compensation and corporate governance related rulemaking proposals.

The SEC has published its Spring 2024 Regulatory Flexibility Agenda, which covers several dozen items, but only four are related to executive compensation and corporate governance.

| Topic | Rulemaking Stage | Description | Target Date for Issuance of Rule |
|-------------------------------------|--------------------------|--|----------------------------------|
| Incentive Compensation* | Proposed Rule (Reissued) | Prohibit incentive-based compensation plans at covered financial institutions with greater than \$1 billion in assets that encourages inappropriate risks by a financial institution by providing excessive compensation or that could lead to a material financial loss | October 2024 |
| Human Capital Management Disclosure | Proposed Rule | Enhance disclosures regarding human capital management | October 2024 |
| Board Diversity | Proposed Rule | Enhance disclosures about the diversity of board members and nominees | April 2025 |
| Shareholder Proposals | Final Rule | Revise certain substantive bases for exclusion of shareholder proposals | April 2025 |

*Not all federal banking regulators have joined in issuing the repropoed rules, including the Federal Reserve. Federal Reserve Chair Jerome Powell has indicated a disinclination to move forward with the proposed rules.

The SEC is under no obligation to meet its self-imposed deadlines under the Agenda and often does not.

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The *Client Update* is prepared by Meridian Compensation Partners' Governance and Regulatory Team led by Donald Kalfen. Questions regarding this Client Update or executive compensation technical issues may be directed to Donald Kalfen at 847-347-2524.

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