



Clawback Provisions Proposed by Treasury

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As Treasury puts it, many aspects of measuring performance-based remuneration are reliant on information contained in company financial statements. Treasury is proposing legislation that would ensure that any executive remuneration or incentives earned based on materially misstated misleading financial statements could be clawed back. Such a claw back could be recoupment of remuneration already paid to the executive, or a cancellation of an outstanding but unvested and unpaid future award. Provision is also envisaged for the corporate regulator to have the power to commence legal action in order to recover these funds.

Treasury has called for submissions on this proposed legislation by March 2011. Egan Associates will keep you informed of the progress of this legislation.
