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# Creative Business Solutions

## Independence Matters

Assisting corporate compensation committees in the era of Sarbanes-Oxley.

### Problem

In the wake of Sarbanes-Oxley, compensation committees of Boards of Directors of publicly traded companies are under considerable pressure. These committees must set the compensation for senior executives—including salary, stock options, incentive bonuses, nonqualified deferred compensation arrangements, employment agreements and similar arrangements. They must do so in a way that will attract highly skilled people to these top jobs, not run afoul of federal and state laws, and avoid shareholder lawsuits for breach of fiduciary duty.

### Action

Compensation committees should hire counsel that is experienced in devising compensation plans that are designed to comply with applicable laws and regulations and also achieve the company's goal of obtaining and retaining excellent leadership.

### Results

Bringing in a team from Womble Carlyle's Employee Benefits Practice Group and its Corporate and Securities Practice Group will enable a company to align its top executives' financial incentives with those of the company and its shareholders, while minimizing legal risks.

### Contact

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