



## Smaller-Cap Firms Lead the Trend to Adopt Clawback Policies

*FOR IMMEDIATE RELEASE*

**Portland, Maine; February 18, 2010** – A new report from The Corporate Library, an independent corporate governance research firm, found that the number of companies with [clawback provisions](#) continued to increase in 2009, and almost half of such companies are smaller-cap firms outside the Russell 1000. A clawback provision is a policy that requires executives to reimburse the company for any and all incentive payments and any profits from the sale of stock that were received in a year prior to an accounting restatement resulting from executive misconduct.

Additionally, the report differentiates between three different types of clawback provisions based on the kind of situations they cover. “Performance-based provisions are considered the most effective from a governance standpoint,” said Senior Research Associate Paul Hodgson, author of the report. “Hearteningly, these provisions are most common.” A clawback provision is performance-based if it applies to all executives who receive an incentive payment of some kind based on incorrect financials.

The report, titled “2010 Proxy Season Foresights #3: The Growth of Clawback Provisions,” is available for \$15 from The Corporate Library’s [online store](#). The [data set](#) upon which the report is based is also available for purchase.

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### **About The Corporate Library**

For ten years, The Corporate Library has been the leading independent research firm providing corporate governance information products, research services and data to a broad variety of clients including institutional investors, corporations, D&O liability insurers, law firms, accounting firms, executive search firms, academic institutions and the media. The Corporate Library produces the definitive ratings of U.S. corporate boards of directors, allowing businesses that subscribe to the service to evaluate governance as an element of investment and other risk. The Corporate Library is also a leading publisher of corporate governance reports and studies, including reports on CEO employment contracts, governance practices, mutual fund proxy voting, and executive and director compensation, which its analysts compile using its extensive database of over 3,200 public companies and over 47,000 executives and directors. Additional information on The Corporate Library and its suite of online corporate governance data and analysis products can be found on its website at [www.thecorporatelibrary.com](http://www.thecorporatelibrary.com).

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