

Date: October 3, 2007
Initiative No. 07-0045

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

CORPORATIONS. SHAREHOLDER APPROVAL OF COMPENSATION. REPORTING REQUIREMENTS. STATUTE. Prohibits publicly traded companies doing business in California from initiating or revising any agreement relating to compensation of its directors or its ten highest paid executives without approval by a majority of its shareholders. Establishes liability for directors who make compensation agreements without required shareholder approval. Requires public companies to collect and report additional information regarding executive compensation and employee pay and benefits. Requires that specified compensation and benefit information be filed with the Secretary of State, included in annual reports to shareholders, and posted on each corporation's website. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Probably negligible one-time state costs to modify the forms that corporations use to annually report certain information. (Initiative 07-0045.)