

Date: [Insert Date]

To: Board of Directors / Compensation Committee

From: [Legal Counsel/Consultant Name]

Subject: Advisory on Drafting Executive Compensation Clawback Provisions

Dear Members of the Board,

This letter provides a template and guidance for drafting executive compensation clawback provisions to ensure compliance with Section 10D of the Securities Exchange Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act.

1. Triggering Events

The policy shall apply in the event that the Company is required to prepare an accounting restatement due to material non-compliance with any financial reporting requirement under the securities laws. This includes:

- "Big R" restatements (material to prior periods).
- "little r" restatements (material if corrected in the current period).

2. Covered Executives

The policy applies to all current and former "Executive Officers" as defined by Rule 10D-1, including the President, principal financial officer, principal accounting officer, and any Vice President in charge of a principal business unit, division, or function.

3. Compensation Subject to Recovery

The recovery policy applies to "Incentive-Based Compensation" received during the three completed fiscal years immediately preceding the date the Company is required to prepare a restatement. This includes any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure.

4. Calculation of Recoverable Amount

The amount to be recovered is the excess of the incentive-based compensation received by the executive over the amount that would have been received had it been determined based on the restated financial statements. Calculations must be performed on a pre-tax basis.

5. No Indemnification

The Company is prohibited from indemnifying any executive officer against the loss of erroneously awarded compensation or paying premiums on insurance policies to cover potential recovery obligations.

6. Method of Recovery

The Board shall have discretion to determine the most appropriate method of recovery, which may include:

- Direct reimbursement by the executive.
- Offset from unpaid wages or future compensation.
- Cancellation of outstanding equity awards.

Sincerely,

[Your Signature]

[Your Title]