

[Company Letterhead]

[Date]

[Executive Name]

[Executive Title]

[Company Name]

Subject: Notification of Executive Compensation Compliance

Dear [Executive Name],

This letter serves to formally outline the structure of your compensation package for the fiscal year [Year], as reviewed and approved by the [Board of Directors/Compensation Committee].

In accordance with [Regulatory Authority Name] guidelines and [Specific Law/Act Name], your compensation has been structured to ensure full regulatory compliance. The details are as follows:

- **Base Salary:** \$[Amount]
- **Short-Term Incentive (Bonus):** \$[Amount], subject to [Performance Metric] and clawback provisions.
- **Long-Term Incentive (Equity/Stock):** [Number] units, vesting over [Number] years.
- **Deferred Compensation:** [Details of deferral, if applicable].

Regulatory Affirmations:

1. This package complies with Section [Number] of the [Act/Regulation] regarding executive pay caps and risk management.
2. All variable compensation is subject to the company's "Clawback Policy" in the event of financial restatement or misconduct.
3. The ratio of executive pay to median employee pay has been calculated and disclosed as per [Regulation Name].

Please review the attached formal agreement. To indicate your acknowledgment of these compliance terms, please sign and return a copy to the Legal Department by [Date].

Sincerely,

[Signature]

[Name of Head of Compensation/Compliance Officer]

[Title]

[Company Name]