

**** House Counter Offer ****

Title: Senate Title XI, Subtitle E
Matter: Executive Compensation

The House proposes the following amendments to the Base text:

1. Add Shareholder Vote on Golden Parachutes. House and Senate agree on annual, non-binding, shareholder vote on executive compensation, but Senate does not include House shareholder vote on golden parachutes. **Senate Accepted.**

2. Add House provision on Enhanced Compensation Oversight for Financial Industry. House requires all Federal financial regulators to issue and enforce joint compensation rules specifically applicable to all financial institutions with a Federal regulator. Senate bill requires only that Fed to consult with the FDIC & OCC to set safety and soundness standards for BHCs prohibiting excessive compensation plans. **Senate Rejected, House Counter Offers with Revised Text that:**

- **Incorporates Senate Standard into House Structure;**
- **Maintains House joint rulemaking by all financial regulators**
- **Maintains House applicability to:**
 - **All financial institutions ≥\$1B with a Federal Regulator (including Fannie/Freddie)**

3. Add House mandate that SEC require that independence standards applied to compensation committee consultants are competitively neutral and treat large and small consultants equally. **Senate Accepted from Original House Offer.**

4. Add House mandate that SEC require institutional investor to disclose their voting in compensation-related voting. **Senate Accepted from Original House.**

ADDITIONS

5. ADDITION: Amends Section 972 (Subtitle G) Proxy Access of the base text so that only shareholders that have owned not less than 5% of outstanding shares for not less than 2 years have access to the proxy. **Response Pending.**

6. ADDITION: Strike Section 971 (Subtitle G) of the Chairman's base text. **Accept Senate Addition.**

7. ADDITION: Amends Sec. 951 'Shareholder Approval of Executive Compensation' to require that 1st such shareholder vote also include vote allowing shareholders to decide whether future such votes should occur every 1, 2 or 3 years. Adds SEC authority to exempt issuers or classes of issuers, specifically noting small issuers. **Accept Senate Addition.**