

## **SEC. 102. EXECUTIVE COMPENSATION AND CORPORATE GOVERNANCE.**

(a) In General- Section 111 of the Emergency Economic Stabilization Act of 2008 ([12 U.S.C. 5221](#)) is amended by adding at the end the following new subsections:

(e) Across-the-Board Executive Compensation and Corporate Governance Requirements-

(1) STANDARDS REQUIRED- Notwithstanding any provision of, and in addition to any requirement of subsection (a), (b), or (c) (other than the definitions in subsection (b)(3)), the Secretary shall require any institution that became an assisted institution after the date of the enactment of the TARP Reform and Accountability Act of 2009 to meet standards for executive compensation and corporate governance while any assistance under this title is outstanding.

(2) SPECIFIC REQUIREMENTS- The standards established under paragraph (1) shall include--

(A) limits on compensation that exclude incentives for senior executive officers of such institution to take unnecessary and excessive risks that threaten the value of such institution during the period that any assistance under this title is outstanding;

(B) a provision for the recovery by such institution of any bonus or incentive compensation paid to a senior executive officer based on statements of earnings, gains, or other criteria that are later found to be materially inaccurate;

(C) a prohibition on such institution making any golden parachute payment to a senior executive officer during the period that the assistance under this title is outstanding;

(D) a prohibition on such institution paying or accruing any bonus or incentive compensation, during the period that the assistance under this title is outstanding, to the 25 most highly-compensated employees; and

(E) a prohibition on any compensation plan that would encourage manipulation of such institution's reported earnings to enhance the compensation of any of its employees.

(3) APPLICABILITY TO PRIOR ASSISTANCE- Notwithstanding any limitations included in subsection (a), (b), or (c) with regard to applicability, the Secretary may apply the requirements of and the standards established under this subsection to any assisted institution that received any assistance under this title before the date of the enactment of the TARP Reform and Accountability Act of 2009.

(f) Board Observer- The Secretary may require the attendance of an observer delegated by the Secretary, on behalf of the Secretary, to attend the meetings of the board of directors of any assisted institution that became an assisted institution before October 3, 2008, and any committees of such board of directors, while any assistance under this title is outstanding.'

(b) Repeal of De Minimis Exception- Section 111(c) of the Emergency Economic Stabilization Act of 2008 ([12 U.S.C. 5221\(c\)](#)) is amended by striking 'and only where such purchases per financial institution in the aggregate exceed \$300,000,000 (including direct purchases),'

**SEC.**