

## "Say on Pay" Now a Reality for TARP Participants

February 26, 2009 | Client Update

Media and public attention surrounding the American Recovery and Reinvestment Act of 2009, enacted on February 17, 2009 and commonly referred to as the stimulus bill, has typically focused on the law's restrictions on the amounts and forms of compensation payable to executives of TARP participants. An important provision of the stimulus bill that has not as yet received much notice, but is now a reality for all institutions that receive or have received government assistance under TARP, is the requirement that such institutions permit their shareholders to vote on executive compensation – a so-called “say on pay” vote.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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