

Recent European Compensation Developments: Financial Institutions and Beyond

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Almost half a decade after the onset of the financial crisis, populist sentiment and the resulting political environment continue to fuel stricter regulation of executive and director compensation, with the latest wave in Europe including substantive restrictions on compensation in the financial services industry and “say-on-pay” initiatives (i.e., initiatives providing for shareholder approval of compensation). This memorandum describes these recent European compensation developments, namely:

- The so-called “banker bonus cap” – substantive limits on the amount of variable compensation that can be paid to certain employees at financial institutions; and
- Say-on-pay developments in the E.U. and Switzerland.

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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