

**Meeting Between Staffs of the Federal Reserve Board, the OCC, the FDIC, the FHFA and
the SEC and Professor Sanjai Bhagat
November 3, 2016**

Participants: Alyssa O'Connor (Federal Reserve Board); Ajay Palvia and Marta Stewart-Bates (Office of the Comptroller of the Currency); Nefretete Smith and Rosalind Bennett (Federal Deposit Insurance Corporation); Carol Connelly (Federal Housing Finance Agency); and Vladimir Ivanov, Jennifer Juergens, George Papadakis, Emily Rowland, and Kevin Schopp (Securities and Exchange Commission)

Summary: Staff of the Federal Reserve Board, the OCC, the FDIC, the FHFA, and the SEC met with Professor Sanjai Bhagat of the Leeds School of Business at the University of Colorado at Boulder to discuss the NPR on Incentive-Based Compensation Arrangements (Dodd-Frank Act Section 956) (Docket No. R-1536). Professor Bhagat discussed his proposal for regulating incentive-based compensation, which was outlined in his comment letter on the proposed rule. Professor Bhagat recommended that the agencies focus on the compensation of high-level management. He proposed three limitations on executive compensation: establishing salary caps, limiting incentive compensation only to restricted stock and restricted stock options, and requiring deferral. Professor Bhagat also discussed director compensation, governance issues, and his recommendations on bank capital requirements.
