I realize that the purpose of the proposal is to allow a vote for shareholders to assent to executive comensation that has been set to comply with rules that are set by the EESA.

Management and the compensation committee should represent in writing that the compensation they are proposing adheres to the guidelines set by EESA. Moreover, an auditor (internal or external) could then ensure that it does and represent that fact in writing to the meeting.

This would eliminate a lot of subjectivity in how management otherwise will present and communicate the material for the vote, or how the voting shareholders will easily decide that the compensation does meet the criteria.

There is an area of the EESA where it would be highly subjective for shareholders to evaluate whether compensation is in compliance:

> Sec 111 (b)(2) CRITERIA.—The standards required under this subsection shall include—
> (A) limits on compensation that exclude incentives for executive officers of a financial institution to take unnecessary and excessive risks that threaten the value of the financial institution during the period that the Secretary holds an equity or debt position in the financial institution;

In order for shareholders to determine that the compensation meets this provision, they would need to know that no incentives exist to reward management for actions, even profitable ones, that push the institution beyond its risk tolerances. This might also be represented and internally audited prior to the shareholders's vote.

As a risk manager, I know that it is difficult for boards to decide on and manage to their risk tolerances. However this measure would be necessary to truly be able to have the shareholders decide whether the incentives would be in excess of them.