



2020 Edition

CEO and Executive Compensation Practices

Based on disclosure by Russell 3000
and S&P 500 companies.



Gallagher

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USING THIS REPORT

CEO and Executive Compensation Practices: 2020 Edition documents trends and developments in senior management compensation at 2,733 companies issuing equity securities registered with the U.S. Securities and Exchange Commission (SEC). Included in the report are those organizations that filed their proxy statement between July 1, 2019, and June 30, 2020, and as of July 1, 2019, were included in the Russell 3000 (R3000) Index. This report benchmarks individual elements of compensation packages as well as design features of short-term and long-term incentive plans (STIPs and LTIPs).

Gallagher's Executive Compensation Consulting team used multiple sources for the compilation of the study, including compensation data from MyLogIQ and company disclosures on compensation (annual reports and proxy statements) reviewed by our analysts. Our team chose the Russell 3000 Index because it comprises the largest 3,000 public companies listed in U.S. national stock exchanges, representing approximately 98% of the investable U.S. equity markets. In addition, we provide a subset of the S&P 500 Index, and segmentation by industry groups and company size that provide a very comprehensive benchmarking source.

Figures used in the Key Findings analysis are organized as follows:

- **Part I: CEO Compensation**
- **Part II: NEO Compensation**
- **Part III: Incentive Plans**

Parts I, II and III provide benchmarking information on the compensation awarded in fiscal year 2019 to the chief executive officer (CEO), other non-CEO named executive officers (NEOs) and the chief financial officer (CFO) of R3000 companies. In addition to total compensation figures, Parts I, II and III offer details on base salaries and incentive-related elements of a typical compensation package. Included are annual bonuses (discretionary bonus plus non-equity incentive), stock awards (including long-term incentive, or LTI, cash) and stock-option grants—as well as all other compensation.

Compensation figures included in this report reflect disclosure made by companies in the summary compensation tables (SCTs) and grant plan-based awards tables (GPBAT) included, under SEC rules, in filed proxy statements. For newly appointed executives who did not serve on the post for the entirety of the reported year, we annualized the base salary disclosed in the SCT. Since SCTs typically state the value of stock and option awards on their grant date, the total compensation figures published in this report should not mislead the reader, because they do not reflect the actual amount brought home by CEOs over the course of the year. That amount may in fact be higher or lower, depending on the market value that the equity will have attained when sold. Occasionally, companies may appoint co-CEOs. When we found such instances in the R3000 sample, we used the compensation figures of the CEO receiving the highest compensation package. Our team used a similar approach for a very small number of companies that do not explicitly designate a top executive as the CEO, and instead opt for titles such as principal executive officer or president. We excluded from the report a handful of R3000 companies with no clearly designated leader in their executive teams.

The Stock Awards and Stock Options Categories in the SCT

Under Section 229 Item 402 of Regulation S-K, companies must report the aggregate grant date fair value of all stock awards and option awards granted during the reported fiscal year. Such compensation is computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures and without regard to the rules on when such expense is recognized. This regulatory terminology simplifies and lumps in two main categories the complex array of equity-based compensation types that a compensation committee may use in the design of an executive incentive plan.

For the purpose of SEC rules and the SCT included in proxy statements, “stock awards” are equity awards wherein value is derived from the company’s equity securities or that may be settled by issuance of the company’s equity securities. Restricted stock, restricted stock units, phantom stock, phantom stock units, common stock equivalent units and other similar instruments that do not have option-like contractual features all represent stock awards. “Option awards” include stock options, stock appreciation rights (whether they can be settled in stock or cash, either at the election of the company or a NEO) and other similar instruments with option-like contractual features.

A section on compensation mix illustrates each element as a percentage of the total compensation value as well as bonus and LTI as a percentage of salary. The commentary included in the Key Findings section primarily refers to median (midpoint) values. However, to highlight possible outliers, the report also may reference the mean (average) of variables and major percentiles (10th, 25th, 50th, 75th and 90th percentile).

Throughout Parts I and II, we have segmented compensation figures according to business industry and company size. The industry analysis aggregates companies within 11 groups (Exhibit B), using the applicable Global Industry Classification Standard (GICS). For the company-size breakdown, we have categorized data along nine annual-revenue groups and six asset-value groups. We selected these company-size ranges to follow the distribution of revenues and assets among the most and least profitable of the exceedingly diverse Russell 3000 Index. Annual revenue and asset values are measured in U.S. dollars.

We included comparisons with the S&P 500, another commonly followed equity index, to offer an additional perspective on the difference between large and small firms. In particular, we used the S&P 500, or a subset of the S&P 500, to further examine certain compensation practices. Figures and illustrations used throughout the report refer to the R3000 analysis unless otherwise specified.

The R3000 sample distribution is illustrated in Exhibits A through D.

- **Exhibit A: By Index**
- **Exhibit B: By Industry**
- **Exhibit C: By Revenue Size**
- **Exhibit D: By Asset Size**

For figures comprising Part III—Incentive Plans, we used information disclosed in annual proxy statements. The figures outline the major features of incentive plans including short-term incentive (STI), LTI payout design, equity mix and LTI award types.

Data in this report are descriptive, not prescriptive. **Readers should use this report only to identify the latest practices and emerging trends.** None of the commentaries included are intended as recommendations on executive compensation design, compensation-related resolutions or board oversight practices in the field. On the contrary, Gallagher recommends that organizations make compensation and governance decisions after careful consideration of the specific circumstances the company faces in the current marketplace, including its overall compensation policy, strategic priorities and business needs.

While the world is constantly changing around us, our focus on community remains unchanged in these unprecedented times. At Gallagher, we are constantly evolving and changing to make sure we can best serve our clients. Our goal is to help businesses grow, communities thrive and people prosper by building confidence together.

EXECUTIVE SUMMARY

This year of 2020 has unfolded in a way nobody could have anticipated. Compensation committee agendas and priorities have pivoted as companies struggle to respond to the effects of the pandemic on business activity, workforce health, supply chains and organizational wellbeing. Gallagher's preliminary research indicates many companies altered their performance plans, froze or reduced salaries, and furloughed a portion of their workforce. However, this report focuses on 2019 pay programs as provided in 2020 proxy filings with data supplied by MyLogIQ; 2020 pay changes will be discussed in the 2021 proxy filings.

Gallagher's 2020 report provides an important baseline for assessing the impact of the pandemic on executive compensation. Recent trends likely to continue include increasing emphasis on pay for performance. As companies enjoy greater flexibility in the design and implementation of performance-based compensation plans, they will experience continuing close scrutiny by investors of companies' incentive compensation plans. Such scrutiny will increase this year with the onset of a pandemic-induced recession.

CEO and Executive Compensation Practices: 2020 Edition includes more than 2,700 companies with compensation data provided by MyLogIQ. This report is designed to provide a comprehensive set of benchmarking data and analysis that can support compensation committee members in the fulfillment of their responsibilities. The report delves into the most recent corporate disclosure by R3000 companies to review individual elements of compensation packages, the evolving features of incentive plans, and executive compensation trends by major industry and company size. This report provides in-depth data for CEOs and NEOs as well as summary compensation data for CFOs. Drawn from such a review, the following summarizes key insights for what lies ahead in the field.

CEO pay as well as senior executive pay grew at 3.1% and 2.1% respectively for the overall R3000 and S&P 500 indices. This contrasts with the rates of 12.4% and 9.1% for the year prior (see [Figure 1.7](#)).

Executive pay increases have slowed for a couple of reasons: investor and other stakeholder scrutiny, and the tax reform put in place at the end of 2017. The trend toward performance-based pay did continue, however, at the same time. While it is difficult to point to the CEO pay ratio as providing a meaningful brake on executive pay, this element has to be a factor to consider along with the general economic inequality debate.

CEO PAY GROWTH HAS SLOWED SIGNIFICANTLY FROM 2018 TO 2019

2019

Russell 3000

3.1%

S&P 500

2.1%

2018

Russell 3000

12.4%

S&P 500

9.1%

We have seen a 3.1% and 2.1% increase for the overall R3000 and S&P 500 indices in 2019. By comparison, the pay increase rates for these same indices reached 12.4% and 9.1% for the year prior (2018 over 2017).

Executive pay slowed for a couple of reasons: investor and other stakeholder scrutiny, and the tax reform enacted at the end of 2017.

While the reliance on performance-based stock awards has increased, companies now benefit from greater flexibility in the design and implementation of those arrangements because they no longer need to meet the technical requirements of Section 162(m). Specifically, the tax deductibility of performance-based compensation components depended upon a number of conditions. Those included the approval of the incentive plan by shareholders and the restricted use of discretion. Now that companies can no longer claim deductibility for this compensation, compensation committees can consider using a wider variety of metrics and can exercise more discretion—including through modifiers or year-end adjustments—in determining the ultimate number of performance-based shares paid to executives.

While CEO pay growth has declined, incumbent CEO pay growth remains much higher. This fact seems to suggest that successful CEOs continue to be rewarded. In 2019, median total compensation for R3000 CEOs increased by 3.1%, down from the 12.4% of 2018 and for a 5.9% compound annual growth rate (CAGR) since 2015. However, the compound annual growth in CEO compensation since 2015 was 10.5% for incumbents—CEOs in place since 2015 (see [Figure 1.7](#)). Continued increases appear in all but three of the 11 market segments (see [Figure 1.8](#)). Other NEOs earn approximately 65% less than CEOs, but their total direct compensation (TDC) CAGR since 2015 appeared similar at 6.1% (see [Figure 2.7](#)).

WHILE CEO PAY GROWTH HAS DECLINED, THE GROWTH IN INCUMBENT CEO PAY IS MUCH HIGHER

Compound Annual Growth in CEO Compensation Since 2015

10.5%

While R3000 CEO pay increased by 3.1%, down from the 12.4% of 2018 and for a 5.9% CAGR since 2015, **the CAGR in CEO compensation since 2015 was 10.5% for incumbents—CEOs in place since 2015.**

The disparity of pay increase rates between larger and smaller companies shows that the compensation gaps continue to close as smaller companies hire from larger companies, and typically represent a higher-growth business model. Smaller biotech companies gaining talent from larger life science companies represents an example of this trend.

Just as investors' emphasis on pay for performance has led to an increase in the percentage of CEO compensation delivered via stock awards, investors may encourage companies to extend the vesting and performance-measurement periods of such awards.

In the S&P 500, the portion of CEO pay represented by stock awards, including stock options, restricted stock and performance-based shares, continued to hold steady at 68% of TDC. This share of compensation has ranged between 67% and 69% the past five years (see [Figure 1.4](#)). Both performance stock and time-based restricted stock increased in the LTI mix, at the expense of stock options. The latter declined from a 22% share of LTI in 2015 to 16% in 2019 (see [Figure 3.7a](#)). For CEOs in the R3000, stock awards now represent approximately 65% of TDC. Similar to S&P 500 companies, the share of performance stock has increased while the stock option share decreased. Meanwhile, the time-vested restricted stock share of LTI has remained flat for both S&P 500 companies and R3000 companies. In the coming years, company boards may ask their compensation committees to consider extending the vesting period and associated performance assessment period for performance-based shares beyond the traditional three-year period.

While compensation committees enjoy greater discretion in designing and implementing performance-based compensation, they could collide with investors if they choose metrics that investors do not view as appropriate or if they take action viewed as delinking pay from performance.

U.S. public companies rely on performance-based stock awards more than ever, despite the removal of the performance-based deduction exemption under IRC Code 162(m). This is true in part because performance-based equity awards are viewed as critical in optimizing pay and performance alignment. In 2019, R3000 performance-based stock awards continued to approach 50% of the total LTI award value, increasing from a 42% share in 2015 to 47% in 2019. Use of LTI share of performance awards also has risen at S&P 500 companies, increasing from 53% in 2015 to 59% in 2019 (see [Figure 3.7a](#)).

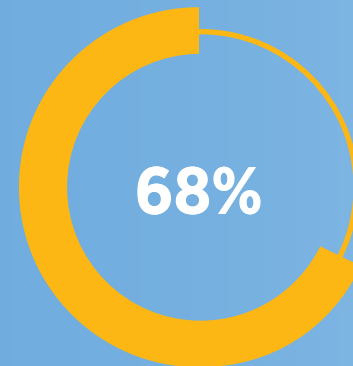
Nevertheless, compensation committees should be careful to choose metrics that investors will accept as valid indicators of corporate performance. Further, compensation committees should be aware that applying a higher degree of discretion in making year-end adjustments to financial metrics could put the company at odds with institutional investors, especially if economic and market conditions deteriorate. Institutional investors, in particular, continue to argue against the amount of discretion companies retain in adjusting the non-GAAP performance metrics included in incentive plans. Such investors complain about the adequacy of disclosures included in the Compensation Discussion and Analysis sections (CD&As).¹

Scrutiny of generous executive pay could intensify, prompting the need for greater transparency on the pay-for-performance alignment and the far-reaching strategic benefits that incentive plans are meant to generate. The pandemic has altered the landscape of compensation decisions in 2020 seen in dramatically varying effects by industry. These effects will become more clear as companies disclose their executive compensation decisions more fully in the 2021 proxy season. Meanwhile, we suspect that investors will be keenly interested in how compensation committees will address issues relating to falling revenue and profits and the effect on incentive pay. Public scrutiny could intensify amid deteriorating economic conditions and the implications of widening income gaps.

The issue of inequality in the United States has become inextricably tied to executive compensation since the financial crisis of 2008. Income inequality has influenced legislative agenda and has become a growing concern for institutional investors, some of whom carry a fiduciary duty to safeguard the economic interest of large groups of employees and retirees.² In the last two decades in particular, executive wages have outpaced the growth of the median worker's salary, magnifying income gaps and thrusting inequality to the forefront of public policy discussions.

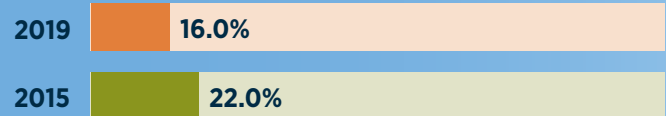
PAY FOR PERFORMANCE HAS LED TO AN INCREASE IN THE PERCENTAGE OF CEO COMPENSATION DELIVERED VIA STOCK AWARDS

CEO pay represented by stock awards



In the S&P 500, the portion of CEO pay represented by stock awards (including stock options, restricted stock and performance-based shares) continued to hold steady at **68% of TDC**.

Stock options in LTI mix



Both performance stock and time-based restricted stock have increased in the LTI mix at the expense of stock options, **which declined from a 22% share of LTI in 2015 to 16% in 2019.**

Given the growing significance of equity compensation, investors are expected to push for additional measures—including longer vesting and holding periods—to ensure that plans reward long-term performance.

Environmental, social and governance (ESG) performance measures continue to be top-of-mind for STIPs, particularly with the new SEC rules requiring disclosure of human capital measures or objectives.

¹ In a petition filed on April 29, 2019, the Council of Institutional Investors (CII) asked the SEC to require companies, in the CD&A section of their proxy statements, to explain why they are using any non-GAAP metrics in setting executive compensation and provide a quantitative reconciliation of such metrics to their GAAP financials. CII is an association of asset owners, asset managers and other financial service providers representing approximately \$40 trillion worth of assets under management. See <https://bit.ly/2x9ocab>.

² At the request of board members, which expressed concern about the risk to investment from income inequality and political unrest, CalPERS has recently announced that it is seeking the collaboration of "industry peers and partners to fully develop and increase adoption of frameworks and standards for reporting on Human Capital topics, including workforce compensation." See Beth Richtman, Sustainable Investments Update, CalPERS Investment Office, March 18, 2019, available at https://www.calpers.ca.gov/docs/board-agendas/201903/invest/item09a-01_a.pdf.

Tasked with the delicate role of balancing the need to compete for top talent with the expectation to reward performance and avoid overpaying, today more than ever, compensation committees cannot ignore how their decisions will be perceived by employees and the public. Committees may find it helpful to include in proxy statements a description of the compensation policy that elaborates on the rationale for the weights assigned to individual compensation components and the choice of performance metrics. The statement should be thorough, and clearly articulate how the board of directors intends to align pay and performance milestones.

Compensation committees should be aware that the current economic downturn is exacerbating challenges described above. Committees therefore would benefit from continuing to develop the skills needed to successfully engage with large institutional investors and gain their voting support. A survey by The Conference Board confirms that, following the introduction of say-on-pay vote by the Dodd-Frank Act of 2010, compensation committees and management have proactively pursued forms of engagement with shareholders, especially large institutions that can make or break the advisory vote. This engagement seems to be having an impact.

Nonetheless, some investors continue to submit shareholder proposals on such compensation-related topics as equity retention, limits to golden parachutes, clawback policies and gender pay gap disclosure. Moreover, given the continued scrutiny of executive compensation, many investors take the view that CEO and other executive compensation is best discussed by the chair of the compensation committee or another board member, not management. Hence, it is important for one or more compensation committee members to be prepared to engage with investors about the company's executive compensation programs, including topics relating to the mix of compensation, incentive plan design, choice of metrics and any discretion the committee may have exercised.



About Gallagher

Arthur J. Gallagher & Co. (NYSE: AJG), a global insurance brokerage, risk management and consulting services firm, is headquartered in Rolling Meadows, Illinois. Gallagher's Benefits and HR Consulting division delivers a comprehensive approach to benefits, compensation, retirement, employee communication and workplace culture: Gallagher Better WorksSM. It aligns an organization's human capital strategy with its overall business goals and empowers employers to face the future with confidence.

About James F. Reda, director of the report, *CEO and Executive Compensation Practices: 2020 Edition*

James F. Reda is managing director of the Executive Compensation Consulting practice in Gallagher's Benefits and HR Consulting division. James works with both public and private organizations in planning, creating and implementing incentive programs. He also advises companies on incentive strategy, including long- and short-term senior executive employment arrangements, change-in-control metrics, business combinations, shareholder rights, and corporate governance issues. Reda is a recognized expert in the area of integrating incentive and corporate strategies. He brings more than 33 years of experience, specifically in senior executive compensation. Prior to forming his own firm in 2004 (acquired by Arthur J. Gallagher & Co. in 2011), he worked at three major executive compensation consulting firms. James began his executive compensation consulting career at The Bachelder Group in 1987, where he worked for nine years.



About MyLogIQ

MyLogIQ is a data provider that powers intelligent decision-making. CompanyIQ, a platform specifically for U.S. public companies, provides historical data and analytics that cover financial performance, corporate governance, executive and director compensation, regulatory compliance, audit activity, shareholder proposals activity, and ESG. Using artificial intelligence (AI), MyLogIQ identifies, extracts and collates information from relevant public sources in near real time.

KEY FINDINGS

PART I: CEO COMPENSATION

Total CEO Compensation

In 2019, total CEO compensation grew in the Russell 3000 group of companies (R3000) at a slightly higher rate than in the S&P 500 group of companies (S&P 500). However, each rate of growth was lower than in 2017 or 2018. The increase in median total compensation for R3000 CEOs was 3.1% in 2019, compared to 12.4% in 2018. For S&P 500 CEOs, the increase in median total compensation was 2.1% in 2019, compared to 9.1% in 2018. The CAGR for the CEO role since 2015 was 5.9% at R3000 companies and 5.7% at S&P 500 companies. However, a review of CEOs in place since 2015 (incumbent CEOs) indicates a CAGR of 10.5% at R3000 and 10.7% at S&P 500. Moreover, the median TDC for S&P 500 CEOs (\$11,803,000) continues to far exceed that of R3000 CEOs (\$4,404,000). As discussed below, the overall growth is primarily driven by the rise of stock awards and performance-based compensation observed in both indexes (see [Figure 1.7](#)). Findings are based on compensation data provided by MyLogIQ.

In the R3000, the ratio between the CEO lower and upper quartiles for annual bonuses and LTI as compared with salaries is much higher, which shows higher growth and variance in incentive awards. For example, the R3000 base salary ranges from \$525,000 at the lower quartile (25th percentile) and \$999,000 at the upper quartile (75th percentile), with the 75th percentile being higher by a factor of 1.9. By comparison, the 75th percentile for annual bonuses of \$1.5 million is 5.9 times higher than the 25th percentile value of \$256,000. Similarly, the value of stock awards varies from \$849,000 (25th) to \$5.5 million (75th) with the 75th being higher by a factor of 6.5. Consequently, TDC varies from \$2.06 million at the 25th percentile to \$7.93 million at the 75th percentile for a 75th to 25th ratio of 3.85. This spread is less pronounced for S&P 500 companies where TDC ranges from \$7.8 million at the 25th percentile to \$16 million at the 75th percentile, or a ratio of 2.05 to 1 as compared with 3.85 to 1 for R3000 companies (see [Figure 1.1](#)).

By industry sector, median CEO TDC in 2019 ranged from \$2.4 million (financials) to \$6.1 million (consumer staples). The median CEO TDC for the 11 industries was \$5 million. For the remaining nine industries, five industries saw median TDC between \$4 million and \$5 million (communication services, healthcare, industrials, real estate and utilities), and four industries saw median TDC between \$5.2 million and \$5.7 million (consumer discretionary, energy, information technology and materials; see [Figure 1.2](#)).

Within the R3000, CEOs in consumer staples saw the most substantial increases in pay, according to Gallagher's analysis. Though not the only industry with double-digit compensation increases in 2019, the increase in median total compensation at 31.1% exceeded the next highest, at 13.5% for materials CEOs. Other double-digit increases went to the CEOs in the information technology sector, which includes software, hardware and semiconductor companies (12.1%) and the consumer discretionary sector (11.9%). In contrast, the median total compensation of the CEOs of communication services companies dropped by 15.4% from the prior year's level following a 33.1% increase in the prior year. CEOs in two other industries experienced decreases following substantial increases in 2018: utilities down 3.6% and industrials down 2.8%. Looking at CAGR by industry, information technology has taken the lead at 9.8% since 2015, with utilities following as the next highest at 9%. All industries saw positive CAGR since 2015, although two industries, communication services and consumer discretionary, both fell below 2% (see [Figure 1.8](#)).

As the company size analysis illustrates, CEO TDC growth was negative or slightly higher than in 2018. The only exception was compensation for CEOs of companies between \$50 million and \$199 million in annual revenue, which saw an increase of 14.4% at the median. Based on the CAGR, most of the largest increases came from the smallest companies in the R3000.

The reported shortage of highly skilled labor and innovative thinkers across business industries is a possible explanation for this finding, because smaller companies traditionally find it harder to compete for leadership talent. In particular, companies with revenue of less than \$50 million reported a CEO TDC decrease of 2.7% (CAGR of 7.2%) since 2015. The next size class of \$50 to \$199 million increased 14.4% (CAGR of 13.3%) since 2015. In comparison, just the next bracket up (\$200 million to \$499 million in annual revenue) showed a CEO compensation CAGR of just 2.9% since 2015. Compensation growth since 2015 is generally lower as companies become larger, with the smallest compensation growth for companies with revenue between \$5 billion and \$10 billion (1.3% CAGR) and revenue greater than \$20 billion (2.2% CAGR). By asset value, a benchmarking measure used by financial, insurance and real estate businesses, the largest increases were reported for the smallest category of less than \$1 billion (26% CAGR at the median), while the largest companies with assets greater than \$200 billion reported CEO median total compensation CAGR of just 1.2% (see [Figure 1.9](#)).

CEOs in all company sizes by revenue received between 65% and 73% of their pay in stock awards, with the largest percentages seen in companies with less than \$200 million in revenue. Salaries as a percentage of TDC trend downward as company revenue and asset size increase. On the other hand, bonuses as a percentage of TDC trend upward as company revenue increases. By contrast, the asset scopes show no discernable size relationship with bonuses (see [Figure 1.6](#)).

As would be expected, as company revenue (or assets in the case of financials) increases, TDC increases. [Figure 1.3a](#) illustrates the wide difference between CEO TDC for companies with less than \$50 million in revenue (median TDC of \$2.1 million) and CEOs at companies with revenue of \$20 billion and greater (\$15.6 million). [Figure 1.3b](#) shows similar effects based on asset size of financials.

CEO Compensation Mix

In the S&P 500, the portion of CEO pay represented by stock awards held relatively steady around 68% since 2015, as indicated from historical compensation data provided by MyLogIQ. Also since 2015, performance-vested stock-based grants have increased from 53% of total LTI in 2015 to 59% in 2019. On the other hand, stock options declined from a 22% share in 2015 to a 16% share in 2019. Time-vested restricted stock-based grants remained around 25% of the LTI mix. For CEOs in the R3000, stock awards increased from 63% in 2015 to 65% in 2019. Performance-based stock awards, which, upon the accomplishment of measurable performance metrics, continue their rise to prominence in the median CEO compensation package. As the compensation mix analysis shows for CEOs in the S&P 500, stock awards represented 68% of pay delivered in 2019. This is down slightly from 69% in 2018, but equal to 68% in 2015. At 65% of pay for R3000 CEOs, the proportion of pay delivered as stock awards was equal to 2018, but up from 63% in 2015 (see [Figures 1.4](#) and [3.7a](#)).

Stock options measured at the median for S&P 500 companies have shown a continual decline from 22% of the LTI mix in 2015 to 16% in 2019. We observed the same trend for R3000 companies in which the stock option share of LTI declined from 19% in 2015 to 15% in 2019. Base salary and bonus also remained relatively constant as proportions of pay, with CEO salary representing roughly 10% of CEO TDC at S&P 500 companies and 14% of R3000 CEO compensation. CEO bonuses at S&P 500 companies held steady between 21% and 23% of pay, ending 2019 at 22%. R3000 annual bonuses represented 21% of TDC in 2018 and 2019 (see [Figures 1.4](#) and [3.7a](#)).

By industry, the compensation mix tends to resemble that of the Russell 3000 Index as a whole, with notable exceptions within communication services, financials, healthcare and information technology. Communication services and financials exhibit a lower share of LTI and higher annual bonuses. The LTI share of TDC for these two industries is in the low 50% range as compared with 65% for the R3000. The bonus share for these two industries is approximately 30% of TDC. At the other end of the spectrum, healthcare and information technology exhibit a higher share of LTI and a lower share of bonuses. The LTI share of TDC for these two industries is 75% as compared with 65% for the R3000. The LTI share has steadily increased from 71% in 2015. Correspondingly, the share of salary and bonuses is lower than the R3000 (see [Figure 1.5](#)).

While healthcare and information technology have a higher than average LTI share of TDC, healthcare relies much more on stock options (43% of LTI for CEOs) as this industry exhibits approximately an even split between performance-based equity, time-vested restricted equity and stock options. On the other hand, information technology had both performance-based equity and time-vested restricted stock at more than 40% of LTI, and stock options at just a 13% share for CEOs and 11% for NEOs (see [Figures 1.2, 3.8a and 3.8b](#)).

This report also touches on all other compensation as reported in the SCT. This category includes compensation items that exceed \$10,000 and is not included in any other column in the SCT. Examples included 401(k) matches, personal use of company aircraft, club fees, financial services and severance payments. [Figure 1.10](#) shows how these disclosed values increase with the size of the company and vary substantially by industry, with the median for utilities at \$742,000, while the median for healthcare came to just \$13,000.

PART II: NEO COMPENSATION

For the R3000, NEO TDC in 2019 increased 6.2% as compared with CEO growth of 3.1%. The NEO/CEO spread at S&P 500 was much narrower with 2019 NEO growth of 2.7%, as compared to 2.1% for CEOs, according to MyLogIQ's compensation data.

The median R3000 NEO, excluding the CEO, earned \$1,588,000 in 2019. Median 2019 earnings for an S&P 500 NEO were \$3,629,000, still less than one-third of what the median CEO of companies in the S&P 500 took home in the same year, but more than double the earnings for R3000 NEOs. On the other hand, the increase over 2018 pay for S&P 500 NEOs at 2.7% fell below that for R3000 NEOs at 6.2%. In addition, the CAGR for NEOs was 6.1% for R3000 companies, as compared with 4.9% for S&P 500 NEOs (see [Figures 1.7 and 2.7](#)).

As seen in [Figure 2.11](#), R3000 CFO TDC was slightly higher than the NEO median in 2019—\$1,616,000 as compared to \$1,588,000. The 2019 CFO increase was lower than overall NEOs at 4.1% versus 6.2%. However, the CAGR for CFOs since 2015 was slightly higher at 6.2% versus 6.1%. S&P 500 CFOs also earned slightly less than overall NEOs but saw a slightly higher increase in 2019 TDC (3.3% versus 2.7%). On the other hand, the NEO CAGR since 2015 of 4.9% was higher than that for CFOs at 4.1%.

[Figure 2.12](#) breaks down CFO TDC by industry. CFOs in financials earned less than their colleagues in other industries, but gained ground since 2015 by earning the second-highest percent increases after information technology. CFO TDC is highest in information technology, real estate, consumer staples, energy and communication services.

In the R3000, the spread between the lower and upper quartiles would be relatively narrow if it were not for the difference in the size of stock awards made to NEOs. For example, the R3000 base salary ranges from \$323,000 at the lower quartile (25th percentile) to \$550,000 at the upper quartile (75th percentile). By comparison, the value of stock awards varies from \$300,000 (25th) to \$1,742,000 (75th). Consequently, TDC varies from \$870,000 at the 25th percentile to \$2,906,000 at the 75th percentile. This spread is less pronounced for S&P 500 companies, where TDC ranges from \$2,453,000 at the 25th percentile to \$5,620,000 at the 75th percentile, or a ratio of 2.3 to 1 as compared with 3.3 to 1 for R3000 companies (see [Figure 2.1](#)).

The industry analysis shows only small differentials. The only significant exception concerns NEOs working in financials, one of the largest sample sizes in the survey; this group reported a 2019 median total compensation of \$1,062,000. Across other industries, median compensation in 2019 between \$1.4 million and \$1.7 million (consumer discretionary, consumer staples, healthcare, industrials, materials, real estate and utilities) or between \$1.9 and \$2.0 million (information technology, energy and communication services; see [Figure 2.2](#)).

As with CEOs, the proportion of pay represented by stock awards continues to increase, while stock options weigh less and less on the total compensation mix. In 2018 and 2019, stock awards constituted 63% of total NEO pay in the S&P 500 as compared to 59% in the R3000, with stock options falling to around 15% from around 20% in 2015 of the total package value in both indices. Annual bonuses constituted around 20% of pay since 2015 for NEOs in both indices (see [Figures 2.4 and 3.7b](#)).

NEO TDC by industry primarily comprises equity grants, making up more than 50% of target compensation. Only financial LTI compensation fell to less than 50% of total compensation (44%). The median across the 11 industries hit 56% in 2019, the same as in 2015. On the high end, NEOs in information technology received 74% of compensation in the form of LTI grants. NEOs in healthcare also receive a substantial portion of direct compensation, with 68% in the form of LTI. Of the remaining compensation, approximately 20% comprises salaries, and another 20% comprises bonuses. Information technology pays a much lower percentage of TDC in salaries (14%) and bonuses (12%). Healthcare NEOs also receive a smaller share of compensation in the form of bonuses at just 14%. On the other hand, NEOs in financials receive a high percentage of compensation in the form of cash bonuses (33% of TDC), with the next highest in real estate at 25% (see [Figure 2.5](#)).

Showing the influence of size on pay makeup, NEOs in the largest companies by revenue (\$20 billion and greater) received 66% of their pay in stock awards, while NEOs of companies in other size classes generally received stock award percentages in the low 60s. NEOs in companies (financials) with asset value of \$200 billion or more received 54% of compensation as stock awards with smaller asset classes below 50%. Salaries as a percentage of TDC trend downward as company revenue increases. On the other hand, bonuses as a percentage of TDC trend upward as company revenue increases (see [Figure 2.6](#)).

NEOs showed a wide range of pay movements over one year depending on which industry they worked in, from a drop of 0.3% to an increase of 20.2%. Total compensation figures are often a function of market performance and total shareholder returns. This explains why NEOs working in the energy sector saw a decline in median total compensation between 2018 and 2019. In contrast, NEOs in consumer staples, financials and utilities reported double-digit increases, more than doubling the rate of inflation at over 6%. NEOs in consumer staples received the highest rise of all, at 20.2%. Since 2015, information technology saw the highest TDC growth (8.4% CAGR), financials (7.9% CAGR), and communication services and healthcare (7.3% CAGR; see [Figure 2.8](#)).

NEOs receiving the largest increases in median total compensation generally work in the smallest firms. In companies with revenue below \$2 billion, increases ranged between 3.6% and 5.9%, with only the smallest category of under \$50 million reporting a negative change. NEOs of companies with revenue at \$5 billion and higher experienced reduced compensation. In contrast, NEOs in all asset sizes saw their median total compensation increase; for financial companies with assets valued less than \$1 billion, median total compensation increased 23.6% (see [Figure 2.9](#)).

As would be expected, as company revenue (or assets in the case of financials) increases, TDC increases. [Figure 2.3a](#) illustrates the wide difference between NEO TDC for companies with less than \$50 million in revenue (median TDC of \$1.1 million) and NEOs at companies with revenue \$20 billion and higher (\$4.9 million). It is important to note, however, that this spread is much smaller than the CEO spread. [Figure 2.3b](#) shows similar effects based on asset size of financials.

Regarding all other compensation as reported in the proxy's SCT, [Figure 2.10](#) shows how these disclosed values increase with the size of the company and vary by industry. Utilities reported a median of \$370,000, while healthcare reported a median of \$14,000.

PART III: INCENTIVE PLANS

Companies are relying on performance-based awards more than ever, despite the removal of the performance-based deduction exemption under IRC Code 162(m). According to compensation data provided by MyLogIQ, in 2019 performance-based awards comprised 47% of CEO LTI award value, up from 42% in 2015. LTI grants for CEOs in the S&P 500 show 59% of LTI in performance-based equity at the median, up from 53% in 2015 (see [Figure 3.7a](#)).

Based on 2019 disclosures, there is no sign of companies trending away from performance-based awards, proving the importance of this type of equity vehicle regardless of tax deductibility. As performance-based awards continue to increase, appreciation shares have continued their decline for CEOs from 19% in 2015 to 15% in 2019. In an interesting footnote, stock options still comprise the majority or 71% of LTI for companies under \$50 million in revenue, and a near majority or 42% for company revenue between \$50 million and \$199 million. The share of time-vested restricted equity grant has held steady at around 38%. These LTI trends for R3000 companies also are manifested for S&P 500 companies. For NEOs, the share of PSUs appear slightly lower and RSUs slightly higher, with stock options a percentage point lower than for CEOs (see [Figures 1.3a, 3.7a and 3.7b](#)).

Performance-vested equity as a share of LTI are highest in utilities at 64%, followed by materials and real estate at 54% for CEOs and 50% for NEOs. The lowest shares of LTI appear in healthcare at 31% for CEOs and 29% for NEOs, and in communication services at 41% for CEOs and 39% for NEOs. All other industries report near 49% (see [Figures 3.8a and 3.8b](#)).

Most companies grant more than one form of equity as described above. For example, 78% of companies grant performance-vested equity, 81% grant time-vested restricted equity, and 38% grant stock options. The prevalence of full share grants increased since 2015, while the prevalence of stock option grants steadily declined. Compared with CEOs, NEOs show a slightly lower prevalence of PSUs and a slightly higher prevalence of RSUs (see [Figures 3.9a and 3.9b](#)).

The types of equity used by S&P 500 companies is substantially different than R3000, excluding S&P 500 (non-S&P 500) companies. Performance-vested equity is granted at 93% of S&P 500 companies as compared to 74% of non-S&P 500 companies, which most often grant time-vested restricted equity (84%). S&P 500 companies also are more likely to grant all three equity types because the prevalence of stock options is much higher than non-S&P 500 companies (see [Figures 3.10a and 3.10b](#)).

R3000 industries reporting the highest use of performance-vested equity include utilities and materials at 92% prevalence for CEOs, as well as for NEOs at 89% for utilities and 91% for materials. Industries reporting the lowest incidence of use include healthcare at 60% for CEOs and 57% for NEOs, financials at 73% for CEOs and NEOs, communication services at 73% for CEOs and 76% for NEOs and information technology at 75% for CEOs and 69% for NEOs. Stock option prevalence for CEOs and NEOs fell below 50% for all industries with the exception of healthcare at 72% for CEOs and 70% for NEOs. Real estate saw the lowest stock option prevalence at below 10% for both CEOs and NEOs (see [Figures 3.11a and 3.11b](#)).

The use of only full shares (PSUs and/or RSUs) represents the most common mix of equity grants at about 40% prevalence. This signals a significant increase from 2015, where the mix was evident in just 26% of R3000 companies. The next most prevalent mix concerns use of all three equity types at 18%. RSUs with stock options, PSUs with stock options, PSUs only and RSUs only all fall in the 8% to 13% range of prevalence (see [Figures 3.12a and 3.12b](#)). S&P 500 companies are more likely to use all three types of equity, much more likely to use PSUs with stock options and less likely to use RSUs (see [Figures 3.13a and 3.13b](#)).

Industries most likely to use all types of equity include materials (33%), industrials (27% of CEOs, 28% of NEOs) and healthcare (26% CEOs, 27% for NEOs). Those industries least likely to use all types of equity include real estate (4% of CEOs, 3% of NEOs), utilities (10% of CEOs, 7% of NEOs) and financials (11% of CEOs and 13% of NEOs). Full-value shares most often appear in energy (53%/57%), real estate (62%/66%) and utilities (61%) (see [Figures 3.14a and 3.14b](#)).

Once a major trend, the portfolio approach to LTI is dropping off as companies place continued emphasis on performance-based awards. Around the time that Dodd-Frank was signed into law in 2010, a portfolio approach to LTI began to trend. Using this strategy, companies granted a mix of all three equity award vehicles—appreciation awards (i.e., a form of bonus compensation given to employees equal to the appreciation of company stock over an established time period), time-based awards and performance-based awards—in various ratios. The mix depended on the company's compensation goals and objectives for retention, incentive value and shareholder alignment. However, only 18% of R3000 companies granted all types of equity in 2019: performance-vested, time-vested and stock options. S&P 500 companies are somewhat more inclined to grant all types of equity, with 25% of CEOs receiving all three equity types. Also, as shown in [Figures 3.12a](#) and [3.12b](#), the percentage of R3000 companies granting only full-value shares (no stock options) to CEOs and NEOs increased from 26% in 2015 to 40% for CEOs and 41% for NEOs in 2019 (see [Figures 3.13a](#) and [3.13b](#) for more information on LTI prevalence).

Companies that have tried the once-trending portfolio approach now are opting to select the one or two award vehicles that work best for their objectives, focusing on performance-based awards tied to financial performance measures.

Payout ranges for performance-vested equity have been relatively stable since 2015. Threshold payouts between 25% and 50% of target for threshold performance are most prevalent at 40% of R3000 companies. Another 25% of companies, which has been trending down, start the payout range at 0%. Payout caps appear most often between 175% and 200% of target (58% of R3000 companies). This prevalence is up slightly from 55% in 2015 (see [Figures 3.15a](#) and [3.15b](#)).

The median target PSU payout for R3000 CEOs is 2.43 or 243% of salary. The median target payout for NEOs is at a 1.05 multiple of salary. The median target PSU payout for S&P 500 CEOs is much higher, at a 4.25 multiple of salary; meanwhile, the median target for NEOs was 1.9 times salary. All these multiples have steadily increased since 2015 (see [Figures 3.16a](#) and [3.16b](#) for details).

In general, STI design trends remained relatively stable over the past five years. In a few cases, some slight movement appears in the data, but generally R3000 companies report the following few changes in the median values since 2015:

- The target bonus as a percent of salary at the median has increased for CEOs from 103% in 2015 to 115% in 2019, and for NEOs from 70% to 75% (see [Figures 3.1a](#) and [3.1b](#)).
 - » CEO target percentages were highest in consumer discretionary, consumer staples and real estate (see [Figures 3.5a](#) and [3.5b](#)).
 - » CEO target percentages were lowest in healthcare, financials, communication services and utilities.
- The median for maximums as a percent of target for CEOs and NEOs remained steady at 200% of target. The median for minimums as a percent of target held steady at 25% for the past three years, 2017 to 2019 for CEOs and 2018 to 2019 for NEOs (see [Figures 3.2a](#) and [3.2b](#)).
- As expected, target percentages of salary are generally higher for S&P 500 companies. Minimum and maximums as a percent of target are similar for both R3000 and S&P 500 companies, although S&P 500 companies tend to have a wider range between the minimum and maximum percentages of target. (see [Figures 3.3a](#), [3.3b](#), [3.4a](#) and [3.4b](#)).
- Companies most often set minimum performance hurdles at 0% of target (38% prevalence for CEOs, 37% for NEOs) or 25% to 50% of target (38% prevalence). CEOs and other NEOs generally use the same minimums and maximums (see [Figures 3.6a](#) and [3.6b](#)).

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Exhibit A: BY INDEX

	n=	%
Russell 3000 Companies	2,733	
Russell 3000 Companies (Excluding S&P 500)	2,251	82%
S&P 500	482	18%
Total	2,733	100%

Exhibit B: BY INDUSTRY

	n=	%
Communication Services	107	4%
Consumer Discretionary	304	11%
Consumer Staples	98	4%
Energy	141	5%
Financials	509	19%
Healthcare	485	18%
Industrials	371	14%
Information Technology	341	12%
Materials	123	5%
Real Estate	183	7%
Utilities	71	3%
Total	2,733	100%

Exhibit C: BY REVENUE SIZE*

	n=	%
\$0-\$50M	259	12%
\$50M-\$199M	206	9%
\$200M-\$499M	307	14%
\$500M-\$999M	292	13%
\$1B-\$1.99B	341	15%
\$2B-\$4.99B	380	17%
\$5B-\$9.99B	183	8%
\$10B-\$19.99B	130	6%
\$20B+	126	6%
Total	2,224	100%

*Excludes financial companies.

Exhibit D: BY ASSET SIZE*

	n=	%
<\$1B	36	7%
\$1B-\$4.9B	206	40%
\$5B-\$14.9B	128	25%
\$15B-\$49.9B	79	16%
\$50B-\$199.9B	39	8%
>\$200B	21	4%
Total	509	100%

*Includes financial companies only.

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Figure 1.1: PAY COMPONENTS, BY INDEX

2019 | USD Thousands

	USD Thousands					
	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
R3000 (n=2,733)						
Base Salary	373	525	750	783	999	1,236
Annual Bonus	0	256	693	1,192	1,507	2,845
Full-Value Shares	0	327	1,912	3,207	4,313	7,768
Stock Options	0	0	0	883	1,000	2,814
Long-Term Cash	0	0	0	29	0	0
Total LTI	10	849	2,696	4,118	5,497	9,630
Total Direct Compensation	948	2,056	4,404	6,091	7,928	12,889
R3000 (n=2,251) (Excluding S&P 500)						
Base Salary	353	500	680	703	900	1,038
Annual Bonus	0	221	528	886	1,142	1,949
Full-Value Shares	0	178	1,408	2,197	3,168	5,190
Stock Options	0	0	0	726	730	2,240
Long-Term Cash	0	0	0	17	0	0
Total LTI	0	628	2,114	2,939	4,099	6,570
Total Direct Compensation	857	1,771	3,646	4,526	6,085	9,175
S&P 500 (n=482)						
Base Salary	725	945	1,140	1,155	1,346	1,591
Annual Bonus	318	1,212	2,000	2,620	3,383	5,000
Full-Value Shares	1,252	3,634	6,346	7,923	9,472	13,185
Stock Options	0	0	0	1,620	2,598	4,312
Long-Term Cash	0	0	0	83	0	0
Total LTI	2,667	5,224	8,000	9,622	11,526	15,464
Total Direct Compensation	5,295	7,840	11,803	13,401	16,049	20,774

Figure 1.2: CEO—PAY COMPONENTS, BY INDUSTRY

2019 | USD Thousands

	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
Communication Services (n=107)						
Base Salary	82	380	700	876	1,141	1,774
Annual Bonus	0	250	701	2,082	1,934	5,112
Full-Value Shares	0	476	1,800	5,972	4,611	10,865
Stock Options	0	0	0	1,796	356	4,424
Long-Term Cash	0	0	0	29	0	0
Total LTI	0	910	2,311	7,796	6,416	11,901
Total Direct Compensation	860	2,339	3,974	10,755	9,681	19,890
Consumer Discretionary (n=304)						
Base Salary	358	647	911	914	1,102	1,400
Annual Bonus	0	233	963	1,359	1,915	3,221
Full-Value Shares	0	645	2,395	3,325	5,000	7,728
Stock Options	0	0	0	760	1,000	2,396
Long-Term Cash	0	0	0	32	0	0
Total LTI	0	1,000	3,273	4,116	5,971	9,537
Total Direct Compensation	1,125	2,264	5,355	6,388	9,086	13,351
Consumer Staples (n=98)						
Base Salary	500	651	929	923	1,170	1,321
Annual Bonus	0	419	1,070	1,570	1,985	3,998
Full-Value Shares	0	369	2,550	3,743	4,990	8,282
Stock Options	0	0	0	1,009	1,527	2,801
Long-Term Cash	0	0	0	0	0	0
Total LTI	50	972	3,358	4,752	6,227	11,253
Total Direct Compensation	1,148	2,904	6,088	7,245	9,504	16,294
Energy (n=141)						
Base Salary	397	562	800	803	1,000	1,331
Annual Bonus	30	403	1,035	1,406	1,917	2,582
Full-Value Shares	0	1,084	3,001	4,014	5,750	10,251
Stock Options	0	0	0	402	0	1,250
Long-Term Cash	0	0	0	3	0	0
Total LTI	156	1,286	3,252	4,419	6,583	10,597
Total Direct Compensation	1,305	2,582	5,214	6,628	9,353	13,697
Financials (n=509)						
Base Salary	366	490	700	724	946	1,100
Annual Bonus	50	240	652	1,311	1,681	3,450
Full-Value Shares	0	126	750	2,056	2,640	5,668
Stock Options	0	0	0	242	0	640
Long-Term Cash	0	0	0	16	0	0
Total LTI	0	195	850	2,314	2,911	6,422
Total Direct Compensation	649	1,062	2,384	4,342	5,763	10,060

Continued on next page

Figure 1.2: CEO—PAY COMPONENTS, BY INDUSTRY (CONT.)

2019 | USD Thousands

	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
Healthcare (n=485)						
Base Salary	384	505	598	683	800	1,108
Annual Bonus	0	212	375	777	770	1,870
Full-Value Shares	0	0	830	2,280	3,045	6,938
Stock Options	0	0	1,299	2,021	3,000	5,155
Long-Term Cash	0	0	0	37	0	0
Total LTI	188	1,249	3,000	4,338	5,925	11,236
Total Direct Compensation	1,027	2,114	4,130	5,798	7,515	14,038
Industrials (n=371)						
Base Salary	485	639	850	861	1,000	1,250
Annual Bonus	0	405	821	1,198	1,485	2,314
Full-Value Shares	0	1,007	2,231	2,982	3,921	6,854
Stock Options	0	0	0	686	973	2,250
Long-Term Cash	0	0	0	59	0	0
Total LTI	215	1,350	2,656	3,727	4,734	9,250
Total Direct Compensation	1,373	2,738	4,508	5,782	7,243	12,033
Information Technology (n=341)						
Base Salary	320	450	652	669	875	1,023
Annual Bonus	0	170	523	919	1,138	1,959
Full-Value Shares	0	900	3,165	4,891	6,335	10,176
Stock Options	0	0	0	1,008	1,083	2,994
Long-Term Cash	0	0	0	26	0	0
Total LTI	0	1,533	4,017	5,919	7,725	11,697
Total Direct Compensation	1,026	2,669	5,677	7,513	9,465	14,309
Materials (n=123)						
Base Salary	570	742	961	1,008	1,139	1,333
Annual Bonus	0	361	838	1,163	1,578	2,570
Full-Value Shares	441	1,391	2,900	3,447	4,849	7,681
Stock Options	0	0	0	674	956	2,231
Long-Term Cash	0	0	0	45	0	0
Total LTI	615	1,781	3,520	4,166	5,713	8,442
Total Direct Compensation	1,855	3,425	5,523	6,337	8,575	12,146
Real Estate (n=183)						
Base Salary	300	545	750	706	879	1,000
Annual Bonus	0	489	1,162	1,259	1,791	2,398
Full-Value Shares	0	1,009	2,683	3,354	4,306	6,463
Stock Options	0	0	0	139	0	0
Long-Term Cash	0	0	0	2	0	0
Total LTI	261	1,105	2,869	3,496	4,393	7,492
Total Direct Compensation	1,181	2,188	4,969	5,461	6,950	10,989

Continued on next page

Figure 1.2: CEO—PAY COMPONENTS, BY INDUSTRY (CONT.)

2019 | USD Thousands

	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
Utilities (n=71)						
Base Salary	450	609	891	898	1,209	1,350
Annual Bonus	200	509	906	1,314	1,757	2,836
Full-Value Shares	153	711	2,027	3,047	5,105	7,395
Stock Options	0	0	0	363	0	998
Long-Term Cash	0	0	0	43	0	0
Total LTI	203	777	2,094	3,452	5,703	7,750
Total Direct Compensation	950	1,949	4,029	5,663	8,935	11,954

Figure 1.3a: CEO—PAY COMPONENTS, BY COMPANY SIZE (ANNUAL REVENUE)

USD Thousands

	Annual Revenue					
	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
Under \$50M (n=259) - (Median Revenue \$16M)						
Base Salary	252	388	515	478	573	642
Annual Bonus	0	126	253	283	364	478
Full-Value Shares	0	0	0	653	644	1,678
Stock Options	0	0	814	1,572	2,109	4,131
Long-Term Cash	0	0	0	4	0	0
Total LTI	0	393	1,231	2,228	2,708	5,481
Total Direct Compensation	502	987	2,114	2,989	3,617	6,163
\$50M–\$199M (n=206) - (Median Revenue \$117M)						
Base Salary	253	400	535	540	630	742
Annual Bonus	0	106	349	394	545	797
Full-Value Shares	0	0	659	1,338	1,996	3,373
Stock Options	0	0	0	979	1,103	3,215
Long-Term Cash	0	0	0	2	0	0
Total LTI	0	256	1,458	2,319	3,251	5,516
Total Direct Compensation	600	1,231	2,381	3,253	4,526	6,578
\$200M–\$499M (n=307) - (Median Revenue \$320M)						
Base Salary	325	440	564	566	701	800
Annual Bonus	0	171	433	613	751	1,207
Full-Value Shares	0	418	1,269	1,895	2,764	4,655
Stock Options	0	0	0	620	445	2,128
Long-Term Cash	0	0	0	0	0	0
Total LTI	0	703	1,591	2,515	3,548	6,057
Total Direct Compensation	788	1,731	2,738	3,694	4,985	7,676
\$500M–999M (n=292) - (Median Revenue \$723M)						
Base Salary	353	567	700	692	831	997
Annual Bonus	0	291	671	836	1,172	1,873
Full-Value Shares	0	645	1,882	2,475	3,441	5,532
Stock Options	0	0	0	609	369	1,717
Long-Term Cash	0	0	0	8	0	0
Total LTI	149	1,032	2,335	3,091	4,011	7,493
Total Direct Compensation	1,165	2,493	3,968	4,619	5,888	9,087
\$1B–1.9B (n=341) - (Median Revenue \$1.42B)						
Base Salary	524	691	800	815	925	1,005
Annual Bonus	0	410	840	949	1,326	1,839
Full-Value Shares	0	1,200	2,278	2,930	3,900	6,092
Stock Options	0	0	0	632	617	1,710
Long-Term Cash	0	0	0	1	0	0
Total LTI	602	1,600	2,900	3,562	4,157	7,000
Total Direct Compensation	1,863	3,040	4,685	5,327	6,370	9,173

Continued on next page

Figure 1.3a: CEO—PAY COMPONENTS, BY COMPANY SIZE (ANNUAL REVENUE) (CONT.)

USD Thousands

	Annual Revenue					
	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
\$2B–\$4.9B (n=380) - (Median Revenue \$3.05B)						
Base Salary	600	829	961	936	1,050	1,200
Annual Bonus	0	574	1,127	1,411	1,779	2,889
Full-Value Shares	437	1,924	3,342	4,275	5,431	9,163
Stock Options	0	0	0	854	1,232	2,389
Long-Term Cash	0	0	0	84	0	0
Total LTI	1,106	2,481	4,411	5,211	6,571	10,215
Total Direct Compensation	2,953	4,388	6,738	7,555	9,624	13,073
\$5B–9.99B (n=183) - (Median Revenue \$7.03B)						
Base Salary	641	946	1,055	1,050	1,231	1,385
Annual Bonus	256	917	1,577	1,991	2,415	3,722
Full-Value Shares	1,009	2,841	4,720	5,588	6,961	10,187
Stock Options	0	0	0	1,358	1,977	3,204
Long-Term Cash	0	0	0	34	0	0
Total LTI	1,450	4,000	5,563	6,972	8,440	11,946
Total Direct Compensation	3,530	6,098	8,614	10,022	12,334	16,407
\$10B–\$19.9B (n=130) - (Median Revenue \$13.79B)						
Base Salary	823	1,000	1,200	1,240	1,338	1,559
Annual Bonus	418	1,354	2,103	2,853	3,429	5,719
Full-Value Shares	1,002	3,003	6,003	6,936	8,565	11,701
Stock Options	0	0	0	1,870	2,469	5,157
Long-Term Cash	0	0	0	42	0	0
Total LTI	2,582	5,025	7,567	8,848	10,965	14,057
Total Direct Compensation	5,042	8,871	11,890	12,941	14,864	20,528
\$20B and over (n=126) - (Median Revenue \$39.18B)						
Base Salary	834	1,173	1,387	1,356	1,583	1,773
Annual Bonus	95	1,611	2,762	3,227	4,147	5,665
Full-Value Shares	2,421	5,360	8,490	11,320	11,591	14,501
Stock Options	0	0	750	1,752	3,126	4,500
Long-Term Cash	0	0	0	188	0	0
Total LTI	3,673	7,893	10,836	13,260	13,267	17,213
Total Direct Compensation	7,409	11,084	15,622	17,842	18,626	23,588

Figure 1.3b: CEO—PAY COMPONENTS, BY COMPANY SIZE (ASSETS)

USD Thousands

	Asset Value					
	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
Under \$1B (n=36) - (Median Assets \$701M)						
Base Salary	223	344	500	525	663	758
Annual Bonus	0	73	303	646	877	1,647
Full-Value Shares	0	0	735	1,542	2,164	4,653
Stock Options	0	0	0	281	0	212
Long-Term Cash	0	0	0	0	0	0
Total LTI	0	0	792	1,822	2,853	5,017
Total Direct Compensation	610	988	2,121	2,993	4,116	5,956
\$1B–\$4.9B (n=206) - (Median Assets \$1.98B)						
Base Salary	350	431	509	567	650	851
Annual Bonus	41	150	280	575	539	1,527
Full-Value Shares	0	22	195	656	577	2,437
Stock Options	0	0	0	104	0	226
Long-Term Cash	0	0	0	2	0	0
Total LTI	0	86	255	763	788	2,485
Total Direct Compensation	541	745	1,111	1,905	2,234	4,779
\$5B–\$14.9B (n=128) - (Median Assets \$8.30B)						
Base Salary	418	600	755	721	874	1,000
Annual Bonus	109	322	698	1,266	1,498	2,935
Full-Value Shares	0	359	815	1,649	1,988	4,328
Stock Options	0	0	0	218	0	479
Long-Term Cash	0	0	0	19	0	0
Total LTI	0	379	852	1,887	2,277	4,857
Total Direct Compensation	1,084	1,542	2,270	3,845	4,803	9,203
\$15B–\$49.9B (n=79) - (Median Assets \$25.79B)						
Base Salary	660	850	994	948	1,075	1,160
Annual Bonus	625	966	1,388	1,918	2,124	4,364
Full-Value Shares	0	1,100	2,200	2,679	3,215	5,865
Stock Options	0	0	0	226	0	657
Long-Term Cash	0	0	0	45	0	0
Total LTI	288	1,219	2,300	2,951	4,010	6,351
Total Direct Compensation	2,460	3,488	4,853	5,817	7,423	10,109
\$50B–\$199.9B (n=39) - (Median Assets \$105.38B)						
Base Salary	895	975	1,000	1,086	1,225	1,450
Annual Bonus	1,404	1,748	2,500	3,302	4,221	6,618
Full-Value Shares	1,920	3,105	5,400	5,544	7,019	8,725
Stock Options	0	0	0	740	889	2,590
Long-Term Cash	0	0	0	0	0	0
Total LTI	1,937	3,389	6,000	6,284	8,207	10,821
Total Direct Compensation	5,365	7,280	9,348	10,671	13,108	16,758

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Figure 1.3b: CEO—PAY COMPONENTS, BY COMPANY SIZE (ASSETS) (CONT.)

USD Thousands

	Asset Value					
	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
\$200B and over (n=21) - (Median Assets \$475.78B)						
Base Salary	498	897	1,200	1,105	1,500	1,500
Annual Bonus	1,610	2,837	3,375	3,966	5,780	6,375
Full-Value Shares	3,487	4,550	8,073	10,324	14,724	23,708
Stock Options	0	0	0	804	1,375	2,800
Long-Term Cash	0	0	0	89	0	0
Total LTI	4,550	5,500	8,250	11,218	14,724	23,708
Total Direct Compensation	8,177	9,750	13,932	16,289	24,374	31,000

Figure 1.4: CEO—COMPENSATION MIX, BY INDEX (2015–2019)

Based on Average Values

	2019	2018	2017	2016	2015
R3000					
Percent of TDC					
Base Salary	14%	14%	15%	15%	15%
Annual Bonus	21%	21%	22%	22%	21%
Total LTI	65%	65%	63%	63%	63%
Percent of Salary					
Bonus (Percent of Salary)	148%	149%	148%	142%	141%
Total LTI (Percent of Salary)	444%	446%	409%	396%	405%
R3000 (Excluding S&P 500)					
Percent of TDC					
Base Salary	16%	16%	18%	18%	18%
Annual Bonus	20%	20%	21%	21%	21%
Total LTI	63%	63%	61%	60%	61%
Percent of Salary					
Bonus (Percent of Salary)	122%	124%	119%	115%	118%
Total LTI (Percent of Salary)	386%	384%	342%	323%	330%
S&P 500					
Percent of TDC					
Base Salary	10%	10%	10%	10%	11%
Annual Bonus	22%	21%	23%	22%	21%
Total LTI	68%	69%	67%	68%	68%
Percent of Salary					
Bonus (Percent of Salary)	221%	219%	227%	209%	198%
Total LTI (Percent of Salary)	637%	653%	620%	608%	600%

Figure 1.5: CEO—COMPENSATION MIX, BY INDUSTRY (2015–2019)

Based on Average Values

	2019	2018	2017	2016	2015
Communication Services					
Percent of TDC					
Base Salary	14%	14%	16%	16%	14%
Annual Bonus	30%	28%	32%	31%	24%
Total LTI	55%	58%	53%	53%	60%
Percent of Salary					
Bonus (Percent of Salary)	213%	198%	204%	198%	177%
Total LTI (Percent of Salary)	386%	410%	337%	343%	443%
Consumer Discretionary					
Percent of TDC					
Base Salary	15%	15%	16%	16%	15%
Annual Bonus	22%	22%	24%	23%	23%
Total LTI	63%	63%	60%	61%	62%
Percent of Salary					
Bonus (Percent of Salary)	147%	152%	154%	147%	156%
Total LTI (Percent of Salary)	429%	431%	384%	389%	413%
Consumer Staples					
Percent of TDC					
Base Salary	14%	16%	16%	14%	15%
Annual Bonus	24%	20%	20%	21%	23%
Total LTI	63%	64%	64%	65%	63%
Percent of Salary					
Bonus (Percent of Salary)	170%	124%	130%	153%	154%
Total LTI (Percent of Salary)	451%	400%	408%	465%	428%
Energy					
Percent of TDC					
Base Salary	12%	12%	11%	13%	13%
Annual Bonus	21%	21%	19%	20%	18%
Total LTI	67%	68%	69%	67%	69%
Percent of Salary					
Bonus (Percent of Salary)	175%	170%	168%	160%	143%
Total LTI (Percent of Salary)	549%	554%	602%	534%	534%
Financials					
Percent of TDC					
Base Salary	18%	17%	18%	19%	19%
Annual Bonus	32%	30%	31%	29%	30%
Total LTI	51%	53%	51%	52%	51%
Percent of Salary					
Bonus (Percent of Salary)	178%	172%	171%	155%	159%
Total LTI (Percent of Salary)	285%	302%	280%	281%	275%

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Figure 1.5: CEO—COMPENSATION MIX, BY INDUSTRY (2015–2019) (CONT.)

Based on Average Values

	2019	2018	2017	2016	2015
Healthcare					
Percent of TDC					
Base Salary	12%	13%	14%	15%	13%
Annual Bonus	13%	14%	14%	15%	16%
Total LTI	75%	74%	72%	70%	71%
Percent of Salary					
Bonus (Percent of Salary)	112%	110%	99%	104%	118%
Total LTI (Percent of Salary)	620%	591%	522%	470%	530%
Industrials					
Percent of TDC					
Base Salary	15%	15%	16%	16%	17%
Annual Bonus	20%	21%	23%	20%	22%
Total LTI	64%	64%	60%	64%	61%
Percent of Salary					
Bonus (Percent of Salary)	131%	145%	140%	126%	127%
Total LTI (Percent of Salary)	419%	442%	368%	396%	361%
Information Technology					
Percent of TDC					
Base Salary	11%	10%	11%	13%	13%
Annual Bonus	14%	16%	17%	17%	16%
Total LTI	75%	74%	71%	70%	71%
Percent of Salary					
Bonus (Percent of Salary)	131%	151%	154%	137%	127%
Total LTI (Percent of Salary)	693%	710%	626%	546%	553%
Materials					
Percent of TDC					
Base Salary	16%	16%	15%	16%	17%
Annual Bonus	18%	22%	21%	21%	18%
Total LTI	66%	62%	64%	63%	65%
Percent of Salary					
Bonus (Percent of Salary)	115%	142%	142%	134%	108%
Total LTI (Percent of Salary)	411%	400%	425%	393%	393%
Real Estate					
Percent of TDC					
Base Salary	13%	14%	14%	14%	14%
Annual Bonus	24%	24%	23%	24%	24%
Total LTI	63%	62%	63%	62%	63%
Percent of Salary					
Bonus (Percent of Salary)	177%	174%	166%	170%	172%
Total LTI (Percent of Salary)	466%	453%	447%	436%	457%

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Figure 1.5: CEO—COMPENSATION MIX, BY INDUSTRY (2015–2019) (CONT.)

Based on Average Values

	2019	2018	2017	2016	2015
Utilities					
Percent of TDC					
Base Salary	16%	16%	16%	17%	17%
Annual Bonus	23%	23%	22%	22%	22%
Total LTI	61%	62%	62%	61%	60%
Percent of Salary					
Bonus (Percent of Salary)	146%	143%	137%	133%	129%
Total LTI (Percent of Salary)	385%	390%	382%	367%	350%

Figure 1.6: CEO—COMPENSATION MIX, BY COMPANY SIZE (2019)

Based on Average Values

	Revenue								
	\$0–\$50M	\$50–\$199M	\$200–\$499M	\$500–\$999M	\$1–\$1.99B	\$2–\$4.99B	\$5–\$9.99B	\$10–\$19.99B	>\$20B
Percent of TDC									
Base Salary	17%	17%	16%	16%	16%	13%	12%	11%	9%
Annual Bonus	10%	12%	17%	19%	19%	19%	20%	24%	22%
Total LTI	73%	71%	67%	65%	65%	68%	68%	65%	68%
Percent of Salary									
Bonus (Percent of Salary)	57%	73%	107%	119%	116%	151%	170%	224%	235%
Total LTI (Percent of Salary)	428%	425%	421%	410%	410%	524%	564%	607%	719%

	Assets					
	<\$1B	\$1–\$4.9B	\$5–\$14.9B	\$15–\$49.9B	\$50–\$199.9B	>\$200B
Percent of TDC						
Base Salary	18%	30%	20%	16%	10%	9%
Annual Bonus	23%	30%	35%	33%	31%	30%
Total LTI	59%	40%	46%	51%	59%	61%
Percent of Salary						
Bonus (Percent of Salary)	123%	101%	175%	202%	304%	353%
Total LTI (Percent of Salary)	324%	133%	226%	311%	578%	720%

Figure 1.7: CEO—TOTAL DIRECT COMPENSATION, MEDIAN BY INDEX (2015–2019)

USD Thousands

Median Total Direct Compensation

	CEO Role* Median Data					CEO Role* Change		Incumbent CEO** Change	
	2019	2018	2017	2016	2015	Change 2019 Over 2018	CAGR (2016–2019)	Change 2019 Over 2018	CAGR (2016–2019)
R3000	4,404	4,270	3,801	3,609	3,504	3.1%	5.9%	6.9%	10.5%
R3000 (Excluding S&P 500)	3,646	3,457	3,070	2,829	2,736	5.5%	7.4%	6.8%	10.4%
S&P 500	11,803	11,557	10,592	9,983	9,469	2.1%	5.7%	7.2%	10.7%

* "CEO Role" denotes median CEO data (TDC of CEO at the end of each year).

** "Incumbent CEO" denotes change by individual CEO.

Figure 1.8: CEO—TOTAL DIRECT COMPENSATION, MEDIAN BY INDUSTRY (2015–2019)

USD Thousands

Industry	CEO Role Median Data					Change (CEO Role)	
	2019	2018	2017	2016	2015	Increase Over 2018	CAGR (2016–2019)
Communication Services	3,974	4,697	3,530	3,684	3,781	-15.4%	1.3%
Consumer Discretionary	5,355	4,785	4,638	4,439	5,014	11.9%	1.7%
Consumer Staples	6,088	4,646	4,909	5,610	5,306	31.1%	3.5%
Energy	5,214	5,191	5,203	4,417	4,720	0.4%	2.5%
Financials	2,384	2,275	2,003	1,930	1,807	4.8%	7.2%
Healthcare	4,130	4,053	3,370	3,051	3,203	1.9%	6.6%
Industrials	4,508	4,640	3,949	3,859	3,474	-2.8%	6.7%
Information Technology	5,677	5,065	4,725	4,045	3,912	12.1%	9.8%
Materials	5,523	4,868	4,672	4,714	4,536	13.5%	5.0%
Real Estate	4,969	4,615	4,333	4,083	3,846	7.7%	6.6%
Utilities	4,029	4,179	3,686	3,431	2,981	-3.6%	7.8%

Figure 1.9: CEO—TOTAL DIRECT COMPENSATION, MEDIAN BY COMPANY SIZE (2015–2019)

USD Thousands

CEO Role Median Data						Change (CEO Role)	
Annual Revenue	2019	2018	2017	2016	2015	Increase Over 2018	CAGR (2016–2019)
<\$50M	2,114	2,171	2,122	1,330	1,602	-2.7%	7.2%
\$50M–\$199M	2,381	2,082	1,901	1,553	1,447	14.4%	13.3%
\$200M–\$499M	2,738	2,784	2,682	2,286	2,446	-1.7%	2.9%
\$500–\$999M	3,968	4,016	3,530	3,168	3,124	-1.2%	6.2%
\$1B–\$1.99B	4,685	4,615	4,340	4,223	4,164	1.5%	3.0%
\$2B–\$4.9B	6,738	6,782	6,851	6,254	6,078	-0.7%	2.6%
\$5B–\$9.9B	8,614	9,332	8,937	8,553	8,169	-7.7%	1.3%
\$10B–\$19.9B	11,890	12,619	11,941	10,358	9,507	-5.8%	5.8%
>\$200B	15,622	15,466	14,600	15,147	14,320	1.0%	2.2%
Asset Value							
<\$1B	2,121	2,158	1,241	1,141	837	-1.7%	26.2%
\$1B–\$4.9B	1,111	1,078	996	904	1,015	3.1%	2.3%
\$5B–\$14.9B	2,270	2,196	2,108	2,333	2,113	3.4%	1.8%
\$15B–\$49.9B	4,853	4,789	4,557	4,492	4,113	1.3%	4.2%
\$50B–\$199.9B	9,348	9,088	8,577	8,391	7,215	2.9%	6.7%
>\$200B	13,932	14,980	15,045	12,971	13,300	-7.0%	1.2%

Figure 1.10: CEO—ALL OTHER COMPENSATION

2019 | USD Thousands

	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
By Index						
R3000	3	13	57	445	257	938
R3000 Excluding S&P 500	1	11	40	254	159	517
S&P 500	18	98	377	1,337	1,225	4,009
By Industry						
Communication Services	0	10	61	663	181	809
Consumer Discretionary	6	17	62	359	245	771
Consumer Staples	10	38	128	669	399	1,908
Energy	6	19	48	701	337	1,649
Financials	13	33	105	355	314	820
Healthcare	0	4	13	205	67	297
Industrials	12	29	108	715	386	1,993
Information Technology	0	8	19	171	88	336
Materials	25	86	266	885	804	2,725
Real Estate	4	11	34	165	121	375
Utilities	26	202	742	1,819	2,307	4,963
By Revenue						
<\$50M	0	0	9	68	18	55
\$50M–\$199M	0	4	13	58	48	113
\$200M–\$499M	0	8	21	128	74	222
\$500–\$999M	3	11	32	320	122	494
\$1B–\$1.99B	7	17	55	269	182	637
\$2B–\$4.9B	11	30	123	454	348	1,066
\$5B–\$9.9B	15	68	241	724	613	1,676
\$10B–\$19.9B	19	108	473	1,366	1,766	4,712
>\$200B	37	142	674	2,390	3,026	7,150
By Assets						
<\$1B	4	14	41	128	168	312
\$1B–\$4.9B	11	27	67	169	173	388
\$5B–\$14.9B	14	48	103	394	351	1,249
\$15B–\$49.9B	32	77	226	474	636	1,022
\$50B–\$199.9B	30	84	308	781	641	1,807
>\$200B	22	156	584	1,089	1,305	2,187

Figure 2.1: NEO — PAY COMPONENTS, BY INDEX

2019 | USD Thousands (n=companies; incumbents)

	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
R3000 (n= 2,733; 10,684)						
Base Salary	228	323	420	467	550	724
Annual Bonus	0	103	259	482	568	1,100
Full-Value Shares	0	162	565	1,156	1,312	2,737
Stock Options	0	0	0	302	250	859
Long-Term Cash	0	0	0	11	0	0
Total LTI	45	300	783	1,468	1,742	3,348
Total Direct Compensation	484	870	1,588	2,418	2,906	4,922
R3000 (n=2,251; 8553) (Excluding S&P 500)						
Base Salary	213	300	391	410	492	602
Annual Bonus	0	84	205	350	408	776
Full-Value Shares	0	105	426	787	950	1,861
Stock Options	0	0	0	260	183	696
Long-Term Cash	0	0	0	6	0	0
Total LTI	18	226	600	1,054	1,236	2,462
Total Direct Compensation	438	765	1,300	1,813	2,193	3,599
S&P 500 (n=482; 2,131)						
Base Salary	399	500	613	696	761	975
Annual Bonus	89	400	685	1,015	1,185	2,100
Full-Value Shares	432	927	1,706	2,639	3,000	5,358
Stock Options	0	0	0	469	614	1,250
Long-Term Cash	0	0	0	27	0	0
Total LTI	700	1,228	2,147	3,133	3,650	6,200
Total Direct Compensation	1,620	2,453	3,629	4,846	5,620	8,936

Figure 2.2: NEO—PAY COMPONENTS, BY INDUSTRY

2019 | USD Thousands (n=companies; incumbents)

	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
Communication Services (n=107; 411)						
Base Salary	189	314	475	664	703	1,100
Annual Bonus	0	75	276	810	794	2,349
Full-Value Shares	0	203	662	1,675	1,749	4,249
Stock Options	0	0	0	466	127	1,108
Long-Term Cash	0	0	0	8	0	0
Total LTI	0	301	767	2,150	2,431	5,246
Total Direct Compensation	525	950	1,854	3,624	4,117	8,036
Consumer Discretionary (n=304; 1,294)						
Base Salary	240	350	484	526	643	836
Annual Bonus	0	75	291	467	611	1,076
Full-Value Shares	0	231	604	1,147	1,299	2,625
Stock Options	0	0	0	281	234	762
Long-Term Cash	0	0	0	7	0	0
Total LTI	77	346	800	1,435	1,677	3,209
Total Direct Compensation	520	948	1,679	2,428	2,888	4,990
Consumer Staples (n=98; 426)						
Base Salary	258	364	502	522	650	821
Annual Bonus	0	137	338	548	685	1,267
Full-Value Shares	0	104	511	1,218	1,364	2,971
Stock Options	0	0	0	300	328	693
Long-Term Cash	0	0	0	3	0	0
Total LTI	0	211	686	1,519	1,832	3,539
Total Direct Compensation	541	912	1,671	2,591	3,254	5,921
Energy (n=141; 558)						
Base Salary	199	309	413	442	532	700
Annual Bonus	0	151	360	518	639	1,059
Full-Value Shares	72	397	1,011	1,489	2,000	3,126
Stock Options	0	0	0	104	0	339
Long-Term Cash	0	0	0	1	0	0
Total LTI	109	429	1,048	1,594	2,118	3,406
Total Direct Compensation	497	986	1,896	2,554	3,292	5,217
Financials (n=509; 1,946)						
Base Salary	212	285	388	458	537	701
Annual Bonus	28	101	256	681	786	1,634
Full-Value Shares	0	66	287	819	901	2,100
Stock Options	0	0	0	87	0	209
Long-Term Cash	0	0	0	8	0	0
Total LTI	0	92	334	913	1,005	2,390
Total Direct Compensation	343	554	1,062	2,052	2,488	4,503

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Figure 2.2: NEO—PAY COMPONENTS, BY INDUSTRY (CONT.)

2019 | USD Thousands (n=companies; incumbents)

	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
Healthcare (n=485; 1,695)						
Base Salary	233	340	414	435	500	654
Annual Bonus	0	105	188	327	342	748
Full-Value Shares	0	0	417	850	1,100	2,409
Stock Options	0	0	443	783	1,055	1,904
Long-Term Cash	0	0	0	13	0	0
Total LTI	195	511	1,076	1,646	2,192	3,751
Total Direct Compensation	660	1,069	1,762	2,408	3,120	4,954
Industrials (n=371; 1,506)						
Base Salary	265	343	432	465	548	710
Annual Bonus	0	115	283	403	500	899
Full-Value Shares	4	250	500	880	1,013	2,049
Stock Options	0	0	0	233	212	555
Long-Term Cash	0	0	0	21	0	0
Total LTI	103	340	666	1,134	1,235	2,677
Total Direct Compensation	580	891	1,430	2,001	2,365	4,127
Information Technology (n=341; 1,348)						
Base Salary	216	313	386	415	497	626
Annual Bonus	0	71	228	373	427	843
Full-Value Shares	0	397	1,051	2,169	2,381	5,265
Stock Options	0	0	0	380	281	995
Long-Term Cash	0	0	0	12	0	0
Total LTI	117	582	1,333	2,559	2,919	6,000
Total Direct Compensation	587	1,100	2,047	3,348	3,764	7,124
Materials (n=123; 533)						
Base Salary	264	350	447	481	565	681
Annual Bonus	0	85	265	394	490	930
Full-Value Shares	85	239	600	906	1,135	1,948
Stock Options	0	0	0	154	210	429
Long-Term Cash	0	0	0	14	0	0
Total LTI	143	364	769	1,074	1,250	2,368
Total Direct Compensation	585	928	1,502	1,949	2,420	3,752
Real Estate (n=183; 660)						
Base Salary	195	325	420	418	503	620
Annual Bonus	0	185	429	540	725	1,100
Full-Value Shares	5	381	861	1,218	1,407	2,485
Stock Options	0	0	0	39	0	0
Long-Term Cash	0	0	0	0	0	0
Total LTI	101	405	885	1,257	1,499	2,601
Total Direct Compensation	577	988	1,791	2,216	2,644	4,169

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Figure 2.2: NEO—PAY COMPONENTS, BY INDUSTRY (CONT.)

2019 | USD Thousands (n=companies; incumbents)

	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
Utilities (n=71; 307)						
Base Salary	279	350	455	489	622	748
Annual Bonus	79	183	334	449	610	986
Full-Value Shares	25	227	588	857	1,146	1,871
Stock Options	0	0	0	53	0	205
Long-Term Cash	0	0	0	16	0	0
Total LTI	37	239	603	926	1,250	2,095
Total Direct Compensation	507	809	1,456	1,863	2,529	3,733

Figure 2.3a: NEO—PAY COMPONENTS, BY COMPANY SIZE (ANNUAL REVENUE)

2019 | USD Thousands (n=companies; incumbents)

	Annual Revenue					
	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
Under \$50M (n=259; 475) - (Median Revenue \$16M)						
Base Salary	179	264	369	343	426	462
Annual Bonus	0	57	143	142	189	249
Full-Value Shares	0	0	0	198	291	673
Stock Options	0	0	395	665	936	1,653
Long-Term Cash	0	0	0	1	0	0
Total LTI	19	253	567	864	1,114	2,148
Total Direct Compensation	392	668	1,087	1,349	1,754	2,723
\$50M–\$199M (n=206; 681) - (Median Revenue \$117M)						
Base Salary	148	250	325	328	400	485
Annual Bonus	0	3	121	149	212	323
Full-Value Shares	0	0	257	547	729	1,262
Stock Options	0	0	0	373	387	1,222
Long-Term Cash	0	0	0	1	0	0
Total LTI	0	134	482	920	1,202	2,300
Total Direct Compensation	323	531	995	1,397	1,802	2,948
\$200M–\$499M (n=307; 1,104) - (Median Revenue \$320M)						
Base Salary	203	281	340	342	400	479
Annual Bonus	0	49	162	236	301	470
Full-Value Shares	0	117	400	788	907	1,754
Stock Options	0	0	0	279	166	750
Long-Term Cash	0	0	0	0	0	0
Total LTI	29	211	524	1,068	1,194	2,616
Total Direct Compensation	436	679	1,093	1,646	1,933	3,423

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Figure 2.3a: NEO—PAY COMPONENTS, BY COMPANY SIZE (ANNUAL REVENUE) (CONT.)

2019 | USD Thousands (n=companies; incumbents)

	Annual Revenue					
	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
\$500M–\$999M (n=292; 1,164) - (Median Revenue \$723M)						
Base Salary	237	315	380	393	452	550
Annual Bonus	0	80	214	290	376	650
Full-Value Shares	0	175	461	849	1,048	1,917
Stock Options	0	0	0	204	79	553
Long-Term Cash	0	0	0	2	0	0
Total LTI	53	251	583	1,055	1,263	2,543
Total Direct Compensation	503	773	1,246	1,737	2,078	3,428
\$1B–\$1.99B (n=341; 1,430) - (Median Revenue \$1.42B)						
Base Salary	257	350	420	441	500	605
Annual Bonus	0	125	275	352	450	731
Full-Value Shares	0	0	0	189	136	388
Stock Options	17	301	563	976	1,150	2,153
Long-Term Cash	0	0	0	2	0	0
Total LTI	158	400	689	1,167	1,306	2,592
Total Direct Compensation	692	1,012	1,443	1,960	2,286	3,727
\$2B–\$4.99B (n=380; 1,630) - (Median Revenue \$3.05B)						
Base Salary	300	400	484	503	581	692
Annual Bonus	0	163	350	463	586	972
Full-Value Shares	166	396	800	1,362	1,589	3,039
Stock Options	0	0	0	328	258	620
Long-Term Cash	0	0	0	27	0	0
Total LTI	285	550	1,000	1,716	1,982	3,670
Total Direct Compensation	874	1,285	1,928	2,682	3,093	4,982
\$5B–\$9.99B (n=18; 826) - (Median Revenue \$7.03B)						
Base Salary	346	461	552	563	650	778
Annual Bonus	0	238	483	655	805	1,278
Full-Value Shares	52	595	1,087	1,554	1,988	3,068
Stock Options	0	0	0	299	360	788
Long-Term Cash	0	0	0	11	0	0
Total LTI	303	750	1,287	1,861	2,275	3,809
Total Direct Compensation	1,089	1,626	2,444	3,081	3,741	5,689
\$10B–\$19.99B (n=130; 588) - (Median Revenue \$13.79B)						
Base Salary	375	500	621	720	750	950
Annual Bonus	0	375	648	863	1,045	1,640
Full-Value Shares	149	696	1,339	2,058	2,315	4,330
Stock Options	0	0	0	462	526	1,349
Long-Term Cash	0	0	0	12	0	0
Total LTI	450	1,000	1,670	2,532	3,001	5,049
Total Direct Compensation	1,346	2,175	3,060	4,115	4,736	7,404

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Figure 2.3a: NEO—PAY COMPONENTS, BY COMPANY SIZE (ANNUAL REVENUE) (CONT.)

2019 | USD Thousands (n=companies; incumbents)

	Annual Revenue					
	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
\$20B and over (n=126; 593) - (Median Revenue \$39.0B)						
Base Salary	466	600	750	773	896	1,086
Annual Bonus	0	502	948	1,211	1,512	2,432
Full-Value Shares	731	1,451	2,438	3,783	3,962	7,323
Stock Options	0	0	145	594	840	1,550
Long-Term Cash	0	0	0	54	0	0
Total LTI	1,100	2,000	3,080	4,431	4,946	8,905
Total Direct Compensation	2,385	3,423	4,885	6,416	7,137	12,882

Figure 2.3b: NEO—PAY COMPONENTS, BY COMPANY SIZE (ASSETS)

2019 | USD Thousands (n=companies; incumbents)

	Asset Value					
	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
Under \$1B (n=36; 119) - (Median Assets \$701M)						
Base Salary	192	250	313	334	394	473
Annual Bonus	27	79	250	521	720	1,498
Full-Value Shares	0	34	230	734	818	1,578
Stock Options	0	0	0	47	0	20
Long-Term Cash	0	0	0	0	0	0
Total LTI	0	58	250	781	829	1,602
Total Direct Compensation	292	520	1,092	1,636	1,970	3,687
\$1B–\$4.9B (n=206; 713) - (Median Assets \$1.98B)						
Base Salary	191	240	300	330	396	500
Annual Bonus	22	57	116	356	259	838
Full-Value Shares	0	6	85	347	257	794
Stock Options	0	0	0	59	0	88
Long-Term Cash	0	0	0	1	0	0
Total LTI	0	38	106	406	346	952
Total Direct Compensation	281	373	555	1,092	1,055	2,390
\$5B–\$14.9B (n=128; 517) - (Median Assets \$8.30B)						
Base Salary	237	301	375	396	475	579
Annual Bonus	31	118	223	529	530	1,212
Full-Value Shares	0	113	250	565	613	1,281
Stock Options	0	0	0	73	0	182
Long-Term Cash	0	0	0	11	0	0
Total LTI	0	133	277	650	781	1,617
Total Direct Compensation	442	632	912	1,575	1,850	3,333

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Figure 2.3b: NEO—PAY COMPONENTS, BY COMPANY SIZE (ASSETS) (CONT.)

2019 | USD Thousands (n=companies; incumbents)

	Asset Value					
	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
\$15B–\$49.9B (n=79; 327) - (Median Assets \$25.79B)						
Base Salary	338	424	503	539	650	750
Annual Bonus	166	300	490	764	921	1,730
Full-Value Shares	0	313	523	860	1,063	2,015
Stock Options	0	0	0	55	0	134
Long-Term Cash	0	0	0	19	0	0
Total LTI	131	365	595	934	1,217	2,120
Total Direct Compensation	833	1,212	1,721	2,237	2,819	4,191
\$50B–\$199.9B (n=39; 162) - (Median Assets \$105.38B)						
Base Salary	458	550	625	655	748	900
Annual Bonus	536	653	1,130	1,406	1,715	2,672
Full-Value Shares	602	900	1,324	1,661	2,118	3,041
Stock Options	0	0	0	246	387	899
Long-Term Cash	0	0	0	0	0	0
Total LTI	667	924	1,600	1,907	2,454	3,668
Total Direct Compensation	1,740	2,471	3,600	3,968	4,630	6,432
\$200B and over (n=21; 99) - (Median Assets \$475.78B)						
Base Salary	499	579	700	1,286	1,000	1,723
Annual Bonus	645	1,096	1,800	2,580	3,000	5,860
Full-Value Shares	842	1,508	2,866	4,190	5,270	10,022
Stock Options	0	0	0	259	438	963
Long-Term Cash	0	0	0	28	0	0
Total LTI	1,132	2,066	3,300	4,477	5,652	10,022
Total Direct Compensation	3,085	4,262	6,118	8,344	11,673	17,502

Figure 2.4: NEO—COMPENSATION MIX, BY INDEX (2015–2019)

Based on Average Values

	2019	2018	2017	2016	2015
R3000					
Percent of TDC					
Base Salary	20%	20%	21%	22%	22%
Annual Bonus	20%	21%	22%	22%	21%
Total LTI	59%	59%	57%	56%	57%
Percent of Salary					
Bonus (Percent of Salary)	101%	104%	102%	98%	96%
Total LTI (Percent of Salary)	293%	288%	275%	262%	274%
R3000 (Excluding S&P 500)					
Percent of TDC					
Base Salary	24%	24%	25%	27%	26%
Annual Bonus	19%	20%	21%	21%	20%
Total LTI	57%	56%	53%	52%	54%
Percent of Salary					
Bonus (Percent of Salary)	83%	86%	81%	78%	77%
Total LTI (Percent of Salary)	244%	239%	216%	200%	217%
S&P 500					
Percent of TDC					
Base Salary	15%	15%	15%	16%	16%
Annual Bonus	22%	22%	23%	23%	22%
Total LTI	63%	63%	62%	62%	62%
Percent of Salary					
Bonus (Percent of Salary)	145%	148%	153%	145%	141%
Total LTI (Percent of Salary)	406%	399%	408%	393%	385%

Figure 2.5: NEO—COMPENSATION MIX, BY INDUSTRY (2015–2019)

Based on Average Values

	2019	2018	2017	2016	2015
Communication Services					
Percent of TDC					
Base Salary	19%	19%	19%	17%	19%
Annual Bonus	23%	21%	25%	23%	21%
Total LTI	58%	61%	56%	60%	60%
Percent of Salary					
Bonus (Percent of Salary)	123%	111%	130%	130%	108%
Total LTI (Percent of Salary)	302%	325%	290%	342%	313%
Consumer Discretionary					
Percent of TDC					
Base Salary	22%	21%	22%	24%	23%
Annual Bonus	20%	20%	22%	21%	22%
Total LTI	58%	58%	54%	55%	56%
Percent of Salary					
Bonus (Percent of Salary)	89%	94%	99%	91%	97%
Total LTI (Percent of Salary)	261%	272%	241%	234%	246%
Consumer Staples					
Percent of TDC					
Base Salary	22%	22%	22%	23%	21%
Annual Bonus	23%	20%	20%	22%	21%
Total LTI	56%	58%	58%	55%	58%
Percent of Salary					
Bonus (Percent of Salary)	105%	91%	89%	99%	101%
Total LTI (Percent of Salary)	258%	264%	257%	244%	278%
Energy					
Percent of TDC					
Base Salary	18%	18%	16%	19%	19%
Annual Bonus	21%	22%	20%	20%	17%
Total LTI	62%	61%	64%	61%	64%
Percent of Salary					
Bonus (Percent of Salary)	117%	122%	129%	102%	92%
Total LTI (Percent of Salary)	348%	343%	403%	314%	343%
Financials					
Percent of TDC					
Base Salary	23%	23%	23%	24%	24%
Annual Bonus	33%	33%	33%	31%	31%
Total LTI	44%	44%	44%	45%	45%
Percent of Salary					
Bonus (Percent of Salary)	146%	143%	143%	127%	129%
Total LTI (Percent of Salary)	193%	187%	194%	186%	189%

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Figure 2.5: NEO—COMPENSATION MIX, BY INDUSTRY (2015–2019, CONT.)

Based on Average Values

	2019	2018	2017	2016	2015
Healthcare					
Percent of TDC					
Base Salary	18%	19%	20%	22%	19%
Annual Bonus	14%	14%	14%	15%	16%
Total LTI	68%	68%	65%	63%	65%
Percent of Salary					
Bonus (Percent of Salary)	75%	73%	68%	66%	81%
Total LTI (Percent of Salary)	369%	364%	319%	285%	336%
Industrials					
Percent of TDC					
Base Salary	24%	23%	25%	25%	25%
Annual Bonus	21%	23%	22%	21%	21%
Total LTI	55%	54%	52%	53%	54%
Percent of Salary					
Bonus (Percent of Salary)	84%	98%	89%	84%	83%
Total LTI (Percent of Salary)	225%	231%	209%	208%	211%
Information Technology					
Percent of TDC					
Base Salary	14%	15%	17%	18%	17%
Annual Bonus	12%	15%	16%	16%	15%
Total LTI	74%	71%	67%	66%	68%
Percent of Salary					
Bonus (Percent of Salary)	86%	97%	97%	92%	84%
Total LTI (Percent of Salary)	535%	473%	400%	376%	391%
Materials					
Percent of TDC					
Base Salary	25%	26%	24%	26%	27%
Annual Bonus	20%	24%	22%	23%	20%
Total LTI	55%	51%	53%	51%	54%
Percent of Salary					
Bonus (Percent of Salary)	80%	92%	91%	89%	73%
Total LTI (Percent of Salary)	223%	196%	217%	194%	200%
Real Estate					
Percent of TDC					
Base Salary	19%	20%	20%	20%	21%
Annual Bonus	25%	25%	25%	27%	26%
Total LTI	55%	56%	55%	53%	53%
Percent of Salary					
Bonus (Percent of Salary)	128%	128%	125%	133%	128%
Total LTI (Percent of Salary)	285%	283%	278%	267%	258%

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Figure 2.5: NEO—COMPENSATION MIX, BY INDUSTRY (2015–2019, CONT.)

Based on Average Values

	2019	2018	2017	2016	2015
Utilities					
Percent of TDC					
Base Salary	26%	26%	29%	26%	28%
Annual Bonus	24%	25%	24%	22%	23%
Total LTI	50%	50%	47%	52%	49%
Percent of Salary					
Bonus (Percent of Salary)	92%	95%	84%	83%	81%
Total LTI (Percent of Salary)	189%	191%	164%	197%	176%

Figure 2.6: NEO—COMPENSATION MIX, BY COMPANY SIZE (2019)

Based on Average Values

	\$0–\$50M	\$50–\$199M	\$200–\$499M	\$500–\$999M	\$1–\$1.99B	\$2–\$4.99B	\$5–\$9.99B	\$10–\$19.99B	>\$20B
Revenue									
Percent of TDC									
Base Salary	26%	25%	22%	23%	23%	20%	19%	18%	13%
Annual Bonus	11%	11%	15%	17%	18%	18%	21%	21%	20%
Total LTI	63%	64%	62%	59%	58%	62%	60%	61%	66%
Percent of Salary									
Bonus (Percent of Salary)	41%	45%	68%	73%	79%	92%	111%	120%	157%
Total LTI (Percent of Salary)	243%	259%	277%	254%	250%	315%	324%	339%	508%

	<\$1B	\$1–\$4.9B	\$5–\$14.9B	\$15–\$49.9B	\$50–\$199.9B	>\$200B
Assets						
Percent of TDC						
Base Salary	21%	33%	25%	24%	17%	15%
Annual Bonus	32%	32%	34%	34%	36%	31%
Total LTI	47%	35%	41%	42%	48%	54%
Percent of Salary						
Bonus (Percent of Salary)	156%	98%	133%	142%	215%	199%
Total LTI (Percent of Salary)	230%	106%	159%	172%	290%	349%

Figure 2.7: NEO—TOTAL DIRECT COMPENSATION, MEDIAN BY INDEX (2015–2019)

Median Total Direct Compensation | USD Thousands

	NEO Median					NEO Change	
	2019	2018	2017	2016	2015	Change 2019 Over 2018	CAGR (2016–2019)
R3000	1,588	1,495	1,382	1,286	1,252	6.2%	6.1%
R3000 (Excluding S&P 500)	1,300	1,219	1,110	1,018	1,005	6.6%	6.6%
S&P 500	3,629	3,533	3,260	3,093	3,000	2.7%	4.9%

Figure 2.8: NEO—TOTAL DIRECT COMPENSATION, MEDIAN BY INDUSTRY (2015–2019)

Median Total Direct Compensation | USD Thousands

Industry	NEO Median					NEO Change	
	2019	2018	2017	2016	2015	Change 2019 Over 2018	CAGR (2016–2019)
Communication Services	1,854	1,730	1,497	1,545	1,398	7.2%	7.3%
Consumer Discretionary	1,679	1,632	1,533	1,390	1,491	2.9%	3.0%
Consumer Staples	1,671	1,391	1,480	1,419	1,547	20.2%	2.0%
Energy	1,896	1,903	1,941	1,601	1,695	-0.3%	2.8%
Financials	1,062	943	847	802	785	12.6%	7.9%
Healthcare	1,762	1,620	1,372	1,313	1,329	8.8%	7.3%
Industrials	1,430	1,404	1,264	1,192	1,150	1.8%	5.6%
Information Technology	2,047	1,910	1,724	1,552	1,482	7.2%	8.4%
Materials	1,502	1,475	1,526	1,417	1,278	1.8%	4.1%
Real Estate	1,791	1,648	1,509	1,523	1,418	8.7%	6.0%
Utilities	1,456	1,253	1,223	1,240	1,158	16.3%	5.9%

Figure 2.9: NEO—TOTAL DIRECT COMPENSATION, MEDIAN BY COMPANY SIZE (2015–2019)

Median Total Direct Compensation | USD Thousands

	NEO Median					NEO Change	
	2019	2018	2017	2016	2015	Change 2019 Over 2018	CAGR (2016–2019)
Annual Revenue							
<\$50M	1,087	1,131	922	758	844	-3.9%	6.5%
\$50M–\$199M	995	940	731	699	662	5.9%	10.7%
\$200M–\$499M	1,093	1,038	960	866	910	5.3%	4.7%
\$500M–\$999M	1,246	1,183	1,147	1,063	1,018	5.3%	5.2%
\$1B–\$1.99B	1,443	1,393	1,374	1,314	1,270	3.6%	3.2%
\$2B–\$4.9B	1,928	1,918	1,883	1,732	1,688	0.5%	3.4%
\$5B–\$9.9B	2,444	2,512	2,401	2,350	2,352	-2.7%	1.0%
\$10B–\$19.9B	3,060	3,178	3,249	2,996	2,882	-3.7%	1.5%
>\$200B	4,885	5,135	4,781	4,908	4,690	-4.9%	1.0%
Asset Value							
<\$1B	1,092	883	690	515	435	23.6%	25.8%
\$1B–\$4.9B	555	501	481	437	446	10.9%	5.6%
\$5B–\$14.9B	912	865	784	818	853	5.4%	1.7%
\$15B–\$49.9B	1,721	1,574	1,660	1,461	1,478	9.3%	3.9%
\$50B–\$199.9B	3,600	3,185	3,119	2,899	3,262	13.0%	2.5%
>\$200B	6,118	6,037	6,177	5,587	6,649	1.3%	-2.1%

Figure 2.10: NEO—ALL OTHER COMPENSATION

2019 | USD Thousands

	10th Percentile	25th Percentile	Median	Mean	75th Percentile	90th Percentile
By Index						
R3000	4	12	35	269	137	570
R3000 (Excluding S&P 500)	3	11	28	172	91	367
S&P 500	12	36	127	659	486	1,647
By Industry						
Communication Services	1	8	23	596	108	710
Consumer Discretionary	6	12	36	242	120	486
Consumer Staples	11	22	81	520	307	1,222
Energy	10	18	40	438	211	1,074
Financials	11	21	49	193	150	434
Healthcare	0	6	14	144	57	223
Industrials	9	19	51	372	202	916
Information Technology	1	7	15	129	55	229
Materials	15	37	105	341	314	984
Real Estate	3	11	23	140	64	190
Utilities	34	101	370	725	872	1,799
By Revenue						
<\$50M	0	1	9	68	18	72
\$50M-\$199M	0	4	11	57	29	113
\$200M-\$499M	1	8	15	97	37	167
\$500M-\$999M	4	10	23	139	62	290
\$1B-\$1.99B	7	13	33	199	105	374
\$2B-\$4.9B	8	16	51	297	175	605
\$5B-\$9.9B	11	31	87	402	271	1,104
\$10B-\$19.9B	12	37	124	576	498	1,569
>\$200B	19	70	265	1,183	1,241	2,817
By Assets						
<\$1B	2	13	22	113	83	231
\$1B-\$4.9B	9	17	35	101	84	231
\$5B-\$14.9B	11	24	52	218	161	501
\$15B-\$49.9B	16	30	68	196	193	507
\$50B-\$199.9B	13	33	125	399	383	918
>\$200B	16	56	191	492	500	1,396

Figure 2.11: CFO—TOTAL DIRECT COMPENSATION, MEDIAN BY INDEX (2015–2019)

Median Total Direct Compensation | USD Thousands

	CFO Median						CFO Change	
	2019 n=	2019	2018	2017	2016	2015	Increase Over 2018	CAGR (2019–2015)
R3000	2,628	1,616	1,552	1,411	1,279	1,272	4.1%	6.2%
R3000 (Excluding S&P 500)	2,141	1,360	1,287	1,132	1,037	1,044	5.7%	6.9%
S&P 500	487	3,562	3,447	3,190	3,004	3,027	3.3%	4.1%

Figure 2.12: CFO—TOTAL DIRECT COMPENSATION, MEDIAN BY INDUSTRY (2015–2019)

Median Total Direct Compensation | USD Thousands

Industry	CFO Median						CFO Change	
	2019 n=	2019	2018	2017	2016	2015	Increase Over 2018	CAGR (2019–2015)
Communication Services	99	1,841	1,863	1,799	1,485	1,467	-1.2%	5.8%
Consumer Discretionary	307	1,671	1,651	1,402	1,335	1,412	1.2%	4.3%
Consumer Staples	101	1,875	1,368	1,033	1,320	1,473	37.1%	6.2%
Energy	148	1,868	1,872	2,038	1,582	1,804	-0.2%	0.9%
Financials	463	998	906	825	763	735	10.1%	7.9%
Healthcare	405	1,684	1,540	1,358	1,289	1,312	9.4%	6.4%
Industrials	375	1,566	1,620	1,431	1,297	1,187	-3.3%	7.2%
Information Technology	348	2,115	2,044	1,839	1,519	1,485	3.5%	9.2%
Materials	138	1,684	1,516	1,629	1,584	1,302	11.1%	6.6%
Real Estate	178	1,921	1,717	1,671	1,553	1,526	11.9%	5.9%
Utilities	66	1,246	1,209	1,180	1,159	1,108	3.1%	3.0%

Figure 3.1a: STI: CEO — PAYOUT DESIGN TARGET/PAYOUT (2015–2019)

Percentage of Salary	Target (Percent of Salary)				
	2019	2018	2017	2016	2015
25th Percentile	100%	100%	95%	90%	85%
Median	115%	112%	110%	105%	103%
75th Percentile	150%	150%	150%	150%	146%

Percentage of Salary	Payout (Percent of Target)				
	2019	2018	2017	2016	2015
25th Percentile	77%	86%	83%	75%	79%
Median	106%	113%	114%	110%	107%
75th Percentile	146%	151%	152%	148%	147%

Figure 3.1b: STI: NEO — PAYOUT DESIGN TARGET/PAYOUT (2015–2019)

Percentage of Salary	Target (Percent of Salary)				
	2019	2018	2017	2016	2015
25th Percentile	55%	51%	50%	50%	50%
Median	75%	75%	74%	72%	70%
75th Percentile	100%	100%	100%	100%	97%

Percentage of Salary	Payout (Percent of Target)				
	2019	2018	2017	2016	2015
25th Percentile	71%	82%	80%	74%	74%
Median	105%	113%	111%	108%	106%
75th Percentile	147%	153%	153%	148%	150%

Figure 3.2a: STI: CEO — PAYOUT DESIGN — MIN/MAX (2015–2019)

Percentage of Target	Minimum				
	2019	2018	2017	2016	2015
25th Percentile	0%	0%	0%	0%	0%
Median	25%	25%	25%	22%	24%
75th Percentile	50%	50%	50%	50%	50%

Percentage of Target	Maximum				
	2019	2018	2017	2016	2015
25th Percentile	150%	150%	150%	150%	150%
Median	200%	200%	200%	200%	200%
75th Percentile	200%	200%	200%	200%	200%

Figure 3.2b: STI: NEO — PAYOUT DESIGN — MIN/MAX (2015–2019)

Percentage of Target	Minimum				
	2019	2018	2017	2016	2015
25th Percentile	0%	0%	0%	0%	0%
Median	25%	25%	20%	20%	21%
75th Percentile	50%	50%	50%	50%	50%

Percentage of Target	Maximum				
	2019	2018	2017	2016	2015
25th Percentile	150%	150%	150%	150%	150%
Median	200%	200%	200%	200%	200%
75th Percentile	200%	200%	200%	200%	200%

Figure 3.3a: STI: CEO — PAYOUT DESIGN BY INDEX (2019)

Percentage of Salary	Target (Percent of Salary)		
	R3000	R3000 (Excluding S&P 500)	S&P 500
25th Percentile	100%	88%	130%
Median	115%	101%	151%
75th Percentile	150%	127%	200%

Percentage of Salary	Payout (Percent of Target)		
	R3000	R3000 (Excluding S&P 500)	S&P 500
25th Percentile	77%	73%	87%
Median	106%	104%	118%
75th Percentile	146%	143%	152%

Figure 3.3b: STI: NEO — PAYOUT DESIGN BY INDEX (2019)

Percentage of Salary	Target (Percent of Salary)		
	R3000	R3000 (Excluding S&P 500)	S&P 500
25th Percentile	55%	50%	76%
Median	75%	70%	96%
75th Percentile	100%	90%	125%

Percentage of Salary	Payout (Percent of Target)		
	R3000	R3000 (Excluding S&P 500)	S&P 500
25th Percentile	71%	65%	89%
Median	105%	101%	120%
75th Percentile	147%	142%	160%

Figure 3.4a: STI: CEO — PAYOUT DESIGN, BY INDEX (2019)

Percentage of Target	Minimum		
	R3000	R3000 (Excluding S&P 500)	S&P 500
25th Percentile	0%	0%	0%
Median	25%	25%	7%
75th Percentile	50%	50%	50%

Percentage of Target	Maximum		
	R3000	R3000 (Excluding S&P 500)	S&P 500
25th Percentile	150%	150%	200%
Median	200%	200%	200%
75th Percentile	200%	200%	200%

Figure 3.4b: STI: NEO — PAYOUT DESIGN, BY INDEX (2019)

Percentage of Target	Minimum		
	R3000	R3000 (Excluding S&P 500)	S&P 500
25th Percentile	0%	0%	0%
Median	25%	25%	6%
75th Percentile	50%	50%	50%

Percentage of Target	Maximum		
	R3000	R3000 (Excluding S&P 500)	S&P 500
25th Percentile	150%	150%	200%
Median	200%	200%	200%
75th Percentile	200%	200%	200%

Figure 3.5a: STI: CEO — PAYOUT DESIGN, BY INDUSTRY (2019)

Industry	(Percent of Salary)		(Percent of Target)	
	Target	Payout	Minimum	Maximum
Communication Services	104%	101%	30%	200%
Consumer Discretionary	125%	103%	25%	200%
Consumer Staples	133%	120%	10%	200%
Energy	120%	116%	30%	200%
Financials	101%	115%	25%	150%
Healthcare	100%	104%	0%	183%
Industrials	111%	100%	25%	200%
Information Technology	115%	100%	20%	200%
Materials	120%	93%	25%	200%
Real Estate	140%	131%	50%	156%
Utilities	105%	124%	45%	200%

Figure 3.5b: STI: NEO — PAYOUT DESIGN, BY INDUSTRY (2019)

Industry	(Percent of Salary)		(Percent of Target)	
	Target	Payout	Minimum	Maximum
Communication Services	75%	110%	25%	180%
Consumer Discretionary	75%	100%	25%	200%
Consumer Staples	80%	103%	5%	200%
Energy	82%	120%	32%	200%
Financials	69%	115%	25%	150%
Healthcare	60%	105%	0%	186%
Industrials	75%	98%	25%	200%
Information Technology	78%	98%	15%	200%
Materials	75%	96%	25%	200%
Real Estate	100%	124%	50%	156%
Utilities	70%	127%	45%	200%

Figure 3.6a: CEO — STI PAYOUT DESIGN, PREVALENCE (2015–2019)

Minimum (% of Target)	Frequency				
	2019	2018	2017	2016	2015
0%	38%	38%	39%	40%	39%
0%–25%	16%	15%	15%	16%	16%
25%–50%	38%	37%	37%	36%	36%
50%–75%	7%	7%	7%	7%	7%
75%–100%	2%	2%	1%	2%	2%
Performance Hurdle	8%	8%	8%	8%	8%

Maximum (% of Target)	Frequency				
	2019	2018	2017	2016	2015
100%–125%	3%	3%	3%	3%	3%
125%–150%	20%	20%	19%	19%	18%
150%–175%	6%	7%	7%	8%	7%
175%–200%	60%	58%	57%	55%	55%
200%–250%	6%	8%	7%	7%	8%
250%–300%	3%	3%	4%	4%	5%
Over 300%	2%	2%	3%	3%	3%
Performance Hurdle	8%	8%	8%	8%	8%

Figure 3.6b: NEO — STI PAYOUT DESIGN, PREVALENCE (2015–2019)

Minimum (% of Target)	Frequency				
	2019	2018	2017	2016	2015
0%	37%	38%	40%	40%	40%
0%–25%	16%	16%	16%	16%	16%
25%–50%	37%	36%	35%	35%	34%
50%–75%	8%	8%	8%	7%	8%
75%–100%	2%	2%	2%	2%	2%
Performance Hurdle	8%	9%	8%	8%	8%

Maximum (% of Target)	Frequency				
	2019	2018	2017	2016	2015
100%–125%	3%	3%	3%	3%	3%
125%–150%	19%	18%	18%	19%	18%
150%–175%	7%	7%	7%	8%	7%
175%–200%	58%	57%	57%	55%	54%
200%–250%	8%	9%	7%	8%	9%
250%–300%	3%	3%	3%	4%	5%
Over 300%	2%	2%	4%	4%	4%
Performance Hurdle	8%	9%	8%	8%	8%

Figure 3.7a: LTIP: CEO — AVERAGE EQUITY MIX, BY INDEX (2015–2019)

Type of Award	Average (Value)				
	2019	2018	2017	2016	2015
R3000					
PSUs	47%	46%	45%	45%	42%
RSUs	38%	39%	38%	37%	38%
SOs	15%	16%	17%	18%	19%
R3000 (Excluding S&P 500)					
PSUs	44%	44%	42%	42%	40%
RSUs	43%	43%	43%	42%	44%
SOs	13%	13%	15%	16%	16%
S&P 500					
PSUs	59%	56%	55%	57%	53%
RSUs	25%	26%	25%	22%	24%
SOs	16%	18%	20%	21%	22%

Figure 3.7b: LTIP: NEO — AVERAGE EQUITY MIX, BY INDEX (2015–2019)

Type of Award	Average (Value)				
	2019	2018	2017	2016	2015
R3000					
PSUs	44%	42%	42%	43%	39%
RSUs	42%	43%	42%	40%	42%
SOs	14%	15%	16%	17%	19%
R3000 (Excluding S&P 500)					
PSUs	41%	40%	39%	40%	37%
RSUs	46%	47%	46%	45%	47%
SOs	13%	13%	14%	15%	16%
S&P 500					
PSUs	54%	52%	50%	52%	49%
RSUs	31%	32%	31%	28%	30%
SOs	15%	17%	18%	19%	21%

Figure 3.8a: LTIP: CEO — AVERAGE EQUITY MIX, BY INDUSTRY (2019)

Industry	Average (Value)		
	PSUs	RSUs	SOs
Communication Services	41%	45%	13%
Consumer Discretionary	49%	34%	16%
Consumer Staples	46%	38%	16%
Energy	49%	45%	6%
Financials	48%	44%	7%
Healthcare	31%	36%	33%
Industrials	51%	34%	15%
Information Technology	46%	41%	13%
Materials	54%	31%	15%
Real Estate	54%	44%	2%
Utilities	64%	30%	6%

Figure 3.8b: LTIP: NEO — AVERAGE EQUITY MIX, BY INDUSTRY (2019)

Industry	Average (Value)		
	PSUs	RSUs	SOs
Communication Services	39%	42%	19%
Consumer Discretionary	45%	39%	16%
Consumer Staples	46%	39%	15%
Energy	49%	47%	4%
Financials	46%	47%	7%
Healthcare	29%	40%	32%
Industrials	47%	38%	15%
Information Technology	40%	50%	11%
Materials	50%	36%	13%
Real Estate	50%	48%	2%
Utilities	64%	32%	4%

Figure 3.9a: LTIP: CEO — EQUITY MIX PREVALENCE (2015–2019)

Type of Award	Prevalence				
	2019	2018	2017	2016	2015
PSUs	78%	76%	74%	73%	69%
RSUs	81%	78%	76%	72%	73%
SOs	38%	39%	43%	45%	46%

Figure 3.9b: LTIP: NEO — EQUITY MIX PREVALENCE (2015–2019)

Type of Award	Prevalence				
	2019	2018	2017	2016	2015
PSUs	76%	73%	73%	72%	67%
RSUs	83%	81%	79%	77%	77%
SOs	37%	39%	42%	43%	46%

Figure 3.10a LTIP: CEO — EQUITY MIX PREVALENCE, BY INDEX (2019)

Type of Award	Prevalence		
	R3000	R3000 (Excluding S&P 500)	S&P 500
PSUs	78%	74%	93%
RSUs	81%	84%	68%
SOs	38%	35%	50%

Figure 3.10b LTIP: NEOs — EQUITY MIX PREVALENCE, BY INDEX (2019)

Type of Award	Prevalence		
	R3000	R3000 (Excluding S&P 500)	S&P 500
PSUs	76%	72%	90%
RSUs	83%	86%	74%
SOs	37%	33%	48%

Figure 3.11a: LTIP: CEO — EQUITY MIX PREVALENCE, BY INDUSTRY (2019)

Industry	PSUs	RSUs	SOs
Communication Services	73%	81%	30%
Consumer Discretionary	81%	75%	45%
Consumer Staples	78%	78%	49%
Energy	82%	86%	21%
Financials	73%	77%	27%
Healthcare	60%	82%	72%
Industrials	86%	78%	44%
Information Technology	75%	83%	35%
Materials	92%	82%	48%
Real Estate	86%	92%	9%
Utilities	92%	79%	15%

Figure 3.11b: LTIP: NEO — EQUITY MIX PREVALENCE, BY INDUSTRY (2019)

Industry	PSUs	RSUs	SOs
Communication Services	76%	74%	31%
Consumer Discretionary	80%	81%	39%
Consumer Staples	77%	75%	47%
Energy	84%	88%	19%
Financials	73%	81%	24%
Healthcare	57%	84%	70%
Industrials	83%	82%	45%
Information Technology	69%	88%	32%
Materials	91%	84%	47%
Real Estate	84%	93%	7%
Utilities	89%	79%	14%

Figure 3.12a: LTIP: CEO — PREVALENCE OF AWARD TYPE (2015–2019)

Type of Award	Prevalence				
	2019	2018	2017	2016	2015
All Types	18%	19%	19%	18%	19%
Full-Value Shares Only	40%	36%	32%	29%	26%
PSUs and SOs	9%	9%	10%	12%	12%
RSUs and SOs	10%	10%	11%	13%	14%
PSUs Only	10%	12%	12%	14%	13%
RSUs Only	12%	12%	13%	13%	15%
SOs Only	1%	1%	2%	1%	2%

Figure 3.12b: LTIP: NEO — PREVALENCE OF AWARD TYPE (2015–2019)

Type of Award	Prevalence				
	2019	2018	2017	2016	2015
All Types	18%	19%	20%	19%	20%
Full-Value Shares Only	41%	36%	33%	30%	26%
PSUs and SOs	8%	7%	9%	10%	10%
RSUs and SOs	10%	12%	12%	13%	15%
PSUs Only	9%	10%	10%	12%	11%
RSUs Only	13%	14%	15%	14%	17%
SOs Only	1%	1%	1%	1%	2%

Figure 3.13a: LTIP: CEO — PREVALENCE OF AWARD TYPE, BY INDEX (2019)

Type of Award	Prevalence		
	R3000	R3000 (Excluding S&P 500)	S&P 500
All Types	18%	16%	25%
Full-Value Shares Only	40%	41%	37%
PSUs and SOs	9%	5%	20%
RSUs and SOs	10%	12%	4%
PSUs Only	10%	10%	11%
RSUs Only	12%	14%	2%
SOs Only	1%	1%	0%

Figure 3.13b: LTIP: NEO — PREVALENCE OF AWARD TYPE, BY INDEX (2019)

Type of Award	Prevalence		
	R3000	R3000 (Excluding S&P 500)	S&P 500
All Types	18%	16%	25%
Full-Value Shares Only	41%	42%	39%
PSUs and SOs	8%	5%	17%
RSUs and SOs	10%	11%	5%
PSUs Only	9%	9%	9%
RSUs Only	13%	16%	4%
SOs Only	1%	1%	1%

Figure 3.14a: LTIP: CEO — PREVALENCE OF AWARD TYPE, BY INDUSTRY (2019)

Type of Award	Prevalence										
	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Healthcare	Industrials	Information Technology	Materials	Real Estate	Utilities
All Types	14%	22%	19%	16%	11%	26%	27%	13%	33%	4%	10%
Full-Value Shares Only	40%	34%	39%	53%	40%	18%	38%	46%	41%	62%	61%
PSUs and SOs	9%	12%	16%	2%	6%	13%	11%	7%	12%	1%	5%
RSUs and SOs	7%	10%	11%	1%	8%	30%	6%	14%	4%	3%	0%
PSUs Only	10%	12%	4%	11%	16%	3%	11%	9%	6%	13%	16%
RSUs Only	20%	9%	9%	15%	19%	8%	7%	10%	5%	17%	8%
SOs Only	0%	0%	3%	2%	1%	2%	0%	1%	0%	1%	0%

Figure 3.14b: LTIP: NEO — PREVALENCE OF AWARD TYPE, BY INDUSTRY (2019)

Type of Award	Prevalence										
	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Healthcare	Industrials	Information Technology	Materials	Real Estate	Utilities
All Types	6%	21%	20%	16%	13%	27%	28%	12%	33%	3%	7%
Full-Value Shares Only	44%	40%	34%	57%	42%	16%	37%	46%	41%	66%	61%
PSUs and SOs	16%	10%	15%	1%	5%	11%	9%	5%	10%	1%	4%
RSUs and SOs	8%	8%	10%	1%	5%	31%	8%	13%	3%	2%	3%
PSUs Only	10%	10%	8%	9%	14%	3%	8%	5%	6%	10%	17%
RSUs Only	15%	12%	11%	14%	21%	10%	9%	16%	6%	18%	8%
SOs Only	1%	0%	2%	2%	1%	2%	1%	1%	0%	0%	0%

Figure 3.15a: LTIP: CEO — PSUs PAYOUT DESIGN (2015–2019)

	Frequency				
	2019	2018	2017	2016	2015
Median Target (% of Salary)	243%	227%	215%	209%	203%
Minimum (% of Target)					
0%	25%	25%	28%	31%	34%
1%–25%	16%	15%	15%	15%	13%
25%–50%	40%	41%	38%	35%	35%
50%–75%	17%	18%	18%	17%	15%
75%–100%	1%	1%	2%	2%	3%
100%–125%	4%	5%	5%	5%	5%
125%–150%	17%	15%	18%	19%	18%
150%–175%	10%	12%	13%	13%	12%
175%–200%	58%	58%	54%	53%	55%
200%–250%	7%	6%	5%	6%	6%
250%–300%	3%	2%	2%	3%	2%
Over 300%	1%	2%	2%	2%	2%
Performance Hurdle	1%	1%	2%	1%	1%

Figure 3.15b: LTIP: NEO — PSUs PAYOUT DESIGN (2015–2019)

	Frequency				
	2019	2018	2017	2016	2015
Median Target (% of Salary)	105%	102%	101%	98%	95%
Minimum (% of Target)					
0%	28%	26%	29%	31%	34%
1%–25%	14%	15%	15%	15%	14%
25%–50%	39%	39%	37%	35%	36%
50%–75%	17%	17%	17%	17%	15%
75%–100%	1%	2%	2%	2%	2%
100%–125%	4%	4%	5%	5%	5%
125%–150%	16%	16%	17%	19%	19%
150%–175%	11%	11%	13%	12%	11%
175%–200%	59%	60%	56%	54%	56%
200%–250%	6%	5%	5%	5%	6%
250%–300%	3%	3%	3%	3%	2%
Over 300%	1%	2%	2%	2%	2%
Performance Hurdle	1%	1%	2%	2%	2%

Figure 3.16a: LTIP: CEO — TARGET PSUs AS PERCENTAGE OF SALARY (2015–2019)

R3000	Target PSUs as Percentage of Salary				
	2019	2018	2017	2016	2015
10th Percentile	73%	65%	60%	58%	59%
25th Percentile	134%	126%	114%	112%	107%
50th Percentile	243%	227%	215%	209%	203%
Average	423%	380%	372%	301%	306%
75th Percentile	425%	415%	390%	372%	366%
90th Percentile	661%	634%	594%	584%	585%

R3000 (Excluding S&P 500)	Target PSUs as Percentage of Salary				
	2019	2018	2017	2016	2015
10th Percentile	73%	65%	60%	58%	59%
25th Percentile	110%	101%	94%	93%	90%
50th Percentile	195%	180%	172%	160%	160%
Average	373%	329%	314%	233%	250%
75th Percentile	327%	314%	287%	261%	275%
90th Percentile	536%	502%	475%	440%	464%

S&P 500	Target PSUs as Percentage of Salary				
	2019	2018	2017	2016	2015
10th Percentile	73%	65%	60%	58%	59%
25th Percentile	292%	275%	260%	246%	214%
50th Percentile	425%	417%	379%	360%	346%
Average	561%	516%	520%	456%	426%
75th Percentile	595%	572%	544%	521%	522%
90th Percentile	875%	910%	817%	843%	788%

Figure 3.16b: LTIP: NEO — TARGET PSUs AS PERCENTAGE OF SALARY (2015–2019)

R3000	Target PSUs as Percentage of Salary				
	2019	2018	2017	2016	2015
10th Percentile	33%	33%	31%	29%	29%
25th Percentile	59%	57%	56%	55%	54%
50th Percentile	105%	102%	101%	98%	95%
Average	188%	167%	163%	173%	165%
75th Percentile	197%	193%	186%	186%	182%
90th Percentile	361%	345%	324%	332%	330%

R3000 (Excluding S&P 500)	Target PSUs as Percentage of Salary				
	2019	2018	2017	2016	2015
10th Percentile	33%	33%	31%	29%	29%
25th Percentile	49%	47%	46%	44%	43%
50th Percentile	85%	80%	79%	77%	74%
Average	148%	131%	121%	137%	128%
75th Percentile	148%	140%	137%	131%	125%
90th Percentile	268%	263%	232%	240%	230%

S&P 500	Target PSUs as Percentage of Salary				
	2019	2018	2017	2016	2015
10th Percentile	33%	33%	31%	29%	29%
25th Percentile	122%	115%	108%	104%	99%
50th Percentile	190%	185%	179%	175%	164%
Average	293%	259%	260%	250%	240%
75th Percentile	312%	298%	287%	291%	278%
90th Percentile	558%	458%	500%	488%	447%



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