



2015 CEO Pay Strategies

SAMPLE

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Equilar's award-winning Equilar Insight product suite is the gold standard for benchmarking and tracking executive compensation, board compensation, equity grants, and award policies. With an extensive database and more than a decade's worth of data, the Equilar Insight platform allows clients to accurately measure executive and board pay practices. With Equilar's Governance Center, companies can better prepare by analyzing historical voting results and modeling pay for performance analyses to ensure successful Say on Pay outcomes.

Equilar Insight's Governance Center provides a comprehensive set of tools including:

- Institutional Shareholder Services (ISS) Simulator
- Glass Lewis Modeler
- Pay for Performance Analytics Solution

Equilar's Research Services eliminates the complexity of conducting benchmarking and governance research, frees up internal resources for our clients, and delivers the information needed for strategic decision making. Whether you need benchmarking data, pay for performance analytics, employment agreement trends, or anything in between, we have the expertise to help.

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Introduction

Executive Summary

The landscape of executive compensation continues to be shaped by new SEC regulations as well as the attentions of both institutional investors and proxy advisory firms. Despite market performance regularly breaking records in fiscal 2014, CEO compensation was still subject to the aforementioned pressures to change. This report seeks to elucidate and encapsulate these changes to the way America's top executives are compensated.

Methodology

The CEOs included in this analysis include all who served in such a position at the end of their company's applicable fiscal year, and for the entire preceding year. Previous versions of this report have excluded CEOs not in place for at least two full years and included only those years in the analysis. The new methodology has the benefit of more accurately reflecting the current makeup of America's CEO population and allowing comparison across any number of years. The period chosen for most graphs and statistics is five years, encapsulating the developments taking place since the financial crisis reshaped the American economy and once again brought increased national attention to compensation-related issues. The conglomerates sector was excluded from graphs displaying sector information due to the small sample of companies. However, those companies and their CEOs were included in all index-level statistics.

Although the graphics provided herein display a wide range of statistical information pertaining to CEO compensation, they are only a small sampling of available information.

KEY FINDINGS

- 1 Compensation of CEOs has continued to grow.**
Median compensation in the S&P 500 was **\$10.3 million** (up 2.0% year over year) and median compensation in the S&P 1500 was **\$5.3 million**.
- 2 Performance equity has remained an important part of pay.**
83.2% and **82.2%** of S&P 500 and S&P 1500 CEOs, respectively, received performance equity awards.
- 3 Options have given up more ground.**
The median S&P 500 CEO saw only **15.4%** of his or her total compensation value in the form of options. Less than half of S&P 1500 CEOs received options at all.