

ESOP Executive Compensation Survey 2016

Thank you for participating in the NCEO's 2016 ESOP Executive Compensation survey. The survey should take no more than 20 minutes to complete. It asks for:

- Salary information on your top executive officers;
- Equity ownership and policies; and
- A few demographics to help in making comparisons with the data.

All of your answers to this questionnaire will be completely confidential. If you wish to receive a free summary report of the results and a discount on your purchase of the full report, provide your email address at the end of the questionnaire. We will strip your email address and any other identifying information from the database before we begin our analysis.

Contact Research Director Nancy Wiefek (nwiefek@nceo.org or 510-208-1312) with any questions.

Before we begin, does your company have an ESOP in place currently?

- Yes
- No

1. When did your company establish its ESOP? (Please answer with a 4-digit year): _____

2. What percentage of the company's shares are owned by the ESOP?(Please enter a number between 0 and 100): _____

3. Is your company an S or C corporation?

- S corporation
- C corporation

4. Is your company's stock traded?

- Yes, on an exchange
- Yes, over the counter
- No

Executive Compensation

5. Please indicate which of the following executive officers you have (select all that apply). Choose the description that best fits each officer at your company. Feel free to explain in the comment box below. If your company has an executive position not listed below, please add that title in the "other" field. You will only be prompted to give compensation data for those officers in the questions to follow.

- CEO/President
- CFO/Top Finance/Accounting Executive
- COO
- Top Divisional Vice President
- Top Human Resources/Personnel Professional
- Top Sales/Marketing Executive
- Top Manufacturing/Products/Services Vice President
- Other (please specify): _____

Comments:

6. Indicate compensation for each executive position. Estimated amounts are fine. Please exclude payments made on compensation granted in earlier years and provide all answers in dollars. Rather than leaving blanks, write in 0 for any types you don't pay.

To determine the value of equity compensation:

- Use the present value of stock-based compensation granted during the last fiscal year.
- If you do not know the value for stock options and SARs, you can use one-third of the grant price as an estimate.
- If you do not know the value for restricted or other full value awards, use the value of the award at grant date.

	Current Annual Base Salary	Cash bonuses, cash profit sharing plans, and other short-term cash incentives in the most recently completed fiscal year	Value of equity compensation granted in the most recently completed fiscal year
CEO/President			
CFO/Top Finance/Accounting Executive			
COO			
Top Divisional Vice President			
Top Human Resources/Personnel Professional			
Top Sales/Marketing Executive			
Top Manufacturing/Products/Services Vice President			
Other: _____			

7. For each executive position, please indicate which of the following types of equity compensation you provide.

- Stock option (gives employees the right to buy a number of shares at a price fixed at grant for a defined number of years into the future)
- Restricted stock/RSUs (gives employees the right to acquire or receive shares once certain restrictions, such as working a certain number of years or meeting a performance target, are met)
- Stock appreciation rights (provides the right to a cash payment equal to the increase in the value of a designated number of shares)
- Phantom stock (pays a future cash payment equal to the value of a certain number of shares)

- CEO/President: _____
- CFO/Top Finance/Accounting Executive: _____
- COO: _____
- Top Divisional Vice President: _____
- Top Human Resources/Personnel Professional: _____
- Top Sales/Marketing Executive: _____
- Top Manufacturing/Products/Services Vice President: _____
- Other (please specify): _____ : _____

8. For each executive position, indicate the value of contributions made to a 401(k), defined benefit, or other qualified retirement plans excluding the ESOP in the most recently completed plan year. Estimated amounts are fine. Write in 0 if you don't contribute to retirement plans aside from the ESOP.

- CEO/President: _____
- CFO/Top Finance/Accounting Executive: _____
- COO: _____
- Top Divisional Vice President: _____
- Top Human Resources/Personnel Professional: _____
- Top Sales/Marketing Executive: _____
- Top Manufacturing/Products/Services Vice President: _____
- Other (please specify): _____: _____

9. For each executive position, indicate the value of contributions, dividends, and/or earnings distributions made to the ESOP into that individual's account in the most recently completed plan year. Estimated amounts are fine. Write in 0 if no contributions or distributions were made to the ESOP in the most recently completed plan year.

- CEO/President: _____
- CFO/Top Finance/Accounting Executive: _____
- COO: _____
- Top Divisional Vice President: _____
- Top Human Resources/Personnel Professional: _____
- Top Sales/Marketing Executive: _____
- Top Manufacturing/Products/Services Vice President: _____
- Other (please specify): _____: _____

10. Please note here anything specific to your company's officers or compensation structure not noted above.

Equity Ownership and Compensation Mechanics

11. Please indicate the number of common shares in each of the following categories. (The sum of the answers below should be the total number of shares outstanding.)

	Number
Number of shares held by the ESOP (both allocated and unallocated)	
Number of shares held directly by current executive employees (outside the ESOP)	
Number of shares held directly by current non-executive employees (outside the ESOP)	
Number of shares held directly by former employees (outside the ESOP)	
Number of shares held directly by directors (who were never employees)	
Number of shares held directly by all others (e.g. outside investors)	

12. Please indicate the number of granted common shares/units in each of the following categories. (Only include shares/units that have not yet been exercised.)

	Approximate number
Stock options	
SARs	
Phantom stock	
Restricted stock and RSUs	
Any other kind of equity compensation	

13. What is your current plan for granting equity compensation to executives? (Select all that apply)

- N/A - No equity compensation is granted to executives
- On Hire
- Tenure-based
- Based on an individual performance metric
- Based on a company performance metric
- On a discretionary basis
- Annually
- Periodically, less often than annually
- Other _____

13.1. Please indicate the type of vesting you use for equity compensation awards granted to executives. (Select all that apply.)

- N/A
- Company performance-based vesting
- Group performance-based vesting
- Individual performance-based vesting
- Time-based cliff vesting
- Time-based graded vesting

13.2. If your company uses time-based vesting, please indicate how many years the typical grant is vested after: ____

14. Please indicate which (if any) executives are NOT participants in the ESOP:

- CEO/President
- CFO/Top Finance/Accounting Executive
- COO
- Top Divisional Vice President
- Top Human Resources/Personnel Professional
- Top Sales/Marketing Executive
- Top Manufacturing/Products/Services Vice President
- Other (please specify): _____

Please indicate which (if any) executives have direct share ownership outside the ESOP (founding shares, vested restricted stock, granted on hire, etc.)

- CEO/President
- CFO/Top Finance/Accounting Executive
- COO
- Top Divisional Vice President
- Top Human Resources/Personnel Professional
- Top Sales/Marketing Executive
- Top Manufacturing/Products/Services Vice President
- Other (please specify): _____

15. Are any executives expected to receive a payment following a change-in-control of the company?

- Yes
- No

16. How is your board compensation committee composed? ("Independent directors" have no affiliation with the company except in their capacity as a director.)

- We do not have a board compensation committee.
- None of the directors on our board compensation committee is independent.
- At least one of the directors on our board compensation committee is independent.
- The majority of the directors on our board compensation committee are independent.
- All of the directors on our board compensation committee are independent.

17. How many members serve on your board compensation committee? _____

Demographics

18. Which of the below best describes your industry?

- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Finance, insurance, real estate
- Professional, scientific and technical services
- Health care and social assistance
- Information, technology (computers, biotechnology, software)
- Other (please specify) _____

19. How many full- and part-time employees does your company have?

20. Where is your company's headquarters?

State: ____

Postal Code: _____

21. What was the company's average annual change in stock price over the past five years? (If your company has had an ESOP for fewer than five years, answer for the number of years the plan has been in place.)

- Negative (we had a loss)
- 0-10%
- 11-20%
- 21% or higher

22. Which of the following best describes your pre-tax profits as a percent of revenue in the most recently completed fiscal year?

- Negative (we had a loss)
- 0-10%
- 11-20%
- 21% or higher

23. What is the approximate value of all of your company's outstanding shares based on the most recently completed ESOP valuation? (Please provide your answer in dollars). _____

24. What was the dollar value of your company's revenues in the most recently completed fiscal year?

24.1. If you don't feel comfortable answering the exact amount, please choose a category below for the dollar value of your company's revenues in the most recently completed fiscal year.

- Up to \$10 million
- \$10 million to \$50 million
- \$51 million to \$100 million
- \$101 million to \$200 million
- \$201 million to \$500 million
- \$501 million or more

25. What impact does having an ESOP have on your approach to compensation?

26. What is the biggest challenge you face incorporating the ESOP into your compensation structure?

27. How is the ESOP used in your recruitment strategy?