



NCEO
The National Center for
Employee Ownership

Executive Compensation in ESOP Companies

Custom Analysis

SAMPLE

May 14, 2009

This is a sample report. An actual report will be nearly identical, although the actual numbers in the tables will be different. The numbers are genuine, although we have not revealed the set of companies in this report.

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1. Project Background

This report summarizes data collected by the National Center for Employee Ownership (NCEO) between February 18 and March 24, 2009. A total of 317 companies, all of which sponsor ESOPs, completed valid questionnaires.

Questionnaire

The 29-item online survey guaranteed companies anonymity and asked respondents three types of questions:

1. Company background information (company size, filing status, ESOP details, etc.)
2. Core compensation data for six executives (CEOs, COOs, top finance/accounting executives, top sales/marketing executives, top manufacturing/products/services vice presidents, and top divisional vice presidents)
3. Compensation mechanics (drivers of incentive pay, vesting, perquisites, and determining executive compensation)

The NCEO invited approximately 2,000 people to complete the survey on behalf of their companies. Professionals who work with ESOP companies also distributed invitations to the questionnaire. A total of 488 questionnaires were started although 171 questionnaires were excluded from the analysis. Most questionnaires were excluded because their surveys were not completed in sufficient detail, although some were excluded because they are not currently sponsoring ESOPs.

Participating Companies

Forty-four percent of the valid questionnaires are from companies with 100 or fewer employees, and the same percentage have 101 to 500 employees. A third (33%) have revenue over \$50 million, and a fifth (20%) have revenue under \$10 million. The three most common industries are manufacturing, wholesale, and construction. The greatest number of firms have headquarters in the Midwest. The respondents are almost exclusively from privately held companies (99%).

Companies with minority ESOP ownership constitute 34% of the database, and 47% are 100% owned by their ESOPs. Forty percent formed their ESOPs in 2001 or later, and 39% have ESOPs from 1995 or earlier. A majority (71%) are S corporations.

2. This Report

Customization

A report similar to this one will be created for your company based on a conversation with Loren Rodgers of the NCEO. Customization consists of choosing a screening variable and a breakdown variable.

The *screening variable* determines which companies are included in the analysis, i.e., which companies are “screened in” and which are screened out.

The *breakdown variable* is used to break the dataset into subgroups.

Reading the Report

Section 3 is the heart of this report, the core compensation data. It includes base compensation, total compensation, stock-based compensation, incentive compensation, and retirement plans.

Section 4 describes who owns company shares, both currently and prior to the ESOP.

Section 5 of this report describes the companies and ESOPs that provided the data in this report.

Section 6 covers company choices regarding compensation mechanics, such as perquisites, vesting procedures, and drivers of incentive pay.

Section 7 contains the complete questionnaire.

Throughout this report we use these terms consistently:

The “**full database**” means all 317 companies that responded to the survey.

The “**dataset**” is the subset of the database selected for inclusion in this analysis (based on the screening variable).

These two may be identical if your company did not screen out any companies for this analysis.

3. Core Compensation Data

Summary Table

This table shows median base compensation and median total compensation for each of the six executives in this report's dataset.

		Dataset	A. West	B. Midwest	C. Northeast	D. Southeast	E. Mntns/Plains
		median	median	median	median	median	median
CEOs	Base	\$200,000	\$235,000	\$200,000	\$210,500	\$197,750	\$200,000
	Total	\$292,000	\$295,000	\$279,914	\$300,000	\$332,000	\$275,000
COOs	Base	\$150,000	\$166,000	\$150,000	\$155,000	\$170,000	\$140,000
	Total	\$217,000	\$218,650	\$202,000	\$240,471	\$248,119	\$178,000
CFOs	Base	\$120,000	\$121,000	\$114,500	\$130,000	\$127,500	\$120,000
	Total	\$150,000	\$150,000	\$145,718	\$160,000	\$170,000	\$150,000
Sales exec	Base	\$125,000	\$125,000	\$125,000	\$125,000	\$127,500	\$100,000
	Total	\$155,000	\$155,000	\$165,730	\$150,000	\$175,192	\$125,000
Ops VPs	Base	\$120,232	\$125,000	\$124,000	\$117,500	\$120,000	\$127,000
	Total	\$158,000	\$150,000	\$168,000	\$172,134	\$165,800	\$144,550
Divis. VPs	Base	\$125,500	\$135,000	\$120,000	\$135,000	\$137,500	\$120,902
	Total	\$165,000	\$158,293	\$150,000	\$181,667	\$205,866	\$148,902

The information in this table is presented in more detail in the compensation tables.

Compensation Tables

Detailed compensation data for the six executives is in the six compensation tables on pages 8 to 13. Excerpts from a sample of table I (Chief Executive Officers) are used below as an illustration to help you interpret the data. The data in these excerpts is for illustration only: they do not contain data relevant to this report.

The first column in each table, "Dataset," has data for all companies included in this analysis. The following columns break the dataset down into subgroups.

Each table has four subtables: A, B, C, and D.

Subtable A provides the base compensation and the total compensation for each officer. It lists the number of companies that provided data for the CEO (or other executive for later tables). In the table below, for example, there are 311 companies that provided data on the compensation of their CEOs. For the first subgroup, companies in the West, 47 provided data.

The table also shows quartiles. For the whole dataset, the median (or 50th percentile) CEO received \$200,000 in base compensation and \$292,000 in total compensation. The 25th percentile for CEO base compensation is \$150,000 for the dataset, \$152,500 in the West, and \$129,750 in the Midwest.

A. Compensation	Dataset			A. West		B. Midwest	
	N	25th 50th 75th		N	25th 50th 75th	N	25th 50th 75th
Base compensation	311	\$150,000 \$200,000 \$293,338			\$175,000 \$235,000 \$292,500	126	\$129,750 \$200,000 \$295,300
Total compensation	311	\$200,000 \$292,000 \$485,000			\$205,000 \$295,000 \$420,000	126	\$195,600 \$279,914 \$528,187

“Total compensation” is the sum of base compensation and the six types of incentive and stock-based pay listed in subtable B.

Subtable B shows how many companies grant six forms of incentive and stock-based pay. For companies that grant such awards, it shows quartiles describing award sizes.

B. Incentive and stock-based pay						
1. Cash incentive pay	222 (71%)	\$33,500 \$100,000 \$204,500	31 (66%)	\$55,000 \$100,000 \$250,000	88 (70%)	\$36,581 \$96,079 \$226,279
2. Deferred compensation	48 (15%)	\$58,000 \$205,000 \$32,900	9 (9%)	*	25 (20%)	\$15,300 \$56,000 \$176,000
3. Stock options	10 (3%)	\$16,900 \$938 \$0	2 (2%)	*	1 (1%)	*
4. SARs	13 (4%)	\$20,000 \$21,000 \$25,000	1 (2%)	*	6 (5%)	\$32,783 \$62,890 \$185,750
5. Restricted stock	8 (3%)	\$70,000 \$196,250 \$23,500	2 (4%)	*	2 (2%)	*
6. Phantom stock	18 (6%)	\$85,170 \$443,670	2 (4%)	*	8 (6%)	\$21,000 \$47,000 \$174,074

Based on this subtable, 222 CEOs received cash incentive pay, representing 71% of all CEOs for whom data is available. Considering only those CEOs who receive cash incentive pay, the 25th percentile is \$33,500 of cash incentive pay, the 75th percentile is \$204,500, and the median (or 50th percentile) is \$100,000. Median incentive pay is slightly higher in the West and somewhat lower in the Midwest.

Remember, the CEOs who did not receive any cash incentive pay are not included in these quartiles. The \$100,000 median in line 1 above does not mean that the CEO in the median ESOP company receives \$100,000 of cash incentive pay. It means that the CEO in the median company that provides cash incentive pay receives \$100,000 worth.

Subtable C lists the combined value of all stock-based compensation received by the CEO. It includes only CEOs who receive one or more stock-based award (lines 3 to 6 in subtable B).

C. Stock-based plans (combined)						
Received any stock-based awards	47 (15%)	\$30,000 \$111,800 \$300,000	5 (11%)	\$50,000 \$177,251 \$300,000	16 (13%)	\$25,000 \$74,500 \$238,667

Subtable D covers qualified retirement plan contributions. It includes contributions to the ESOP and contributions to all other qualified plans. As in prior subtables, it indicates how many CEOs receive ESOP contributions and contributions to other retirement plans.

D. Qualified retirement plan contributions

Received any retirement	256 (82%)	\$11,500 \$20,650 \$34,500 \$10,354	40 (85%)	\$9,200 \$1,000 \$2,030 \$8,582	105 (83%)	\$11,500 \$18,800 \$41,400 \$9,200
ESOP contributions	230 (74%)	\$18,400 \$27,825 \$4,425	31 (77%)	\$16,707 \$23,370 \$5,000	95 (75%)	\$16,500 \$30,050 \$3,238
Other contributions	102 (33%)	\$6,911 \$4,921	15 (32%)	\$6,600 \$12,100	44 (35%)	\$7,200 \$19,563

The ESOP contribution was calculated based on reported contribution as a percent of payroll, CEO compensation, statutory limits, and company reports about executive excluded from the ESOP.

Note on sums:

Items that look like they should be the sum of other items are not. For example, subtable C reports the total of the stock based plans from lines 3 to 6 of subtable B. The sum of those lines does not equal the figure in C because the amount in C includes CEOs who are not included in some of the lines of B.

Example: 30 CEOs each have one form of stock-based award: 10 of them receive \$100,000 in stock options each, 10 receive \$100,000 in SARs, and 10 receive \$100,000 in restricted stock. The median for lines 3, 4, and 5 in B is \$100,000, and the median for C is \$100,000 as well.

Table I: Chief Executive Officers

A. Compensation	Dataset		A. Up to \$10m		B. \$10 to 50m		C. \$50 to 200m		D. Over \$200m	
	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th
Base compensation	51	\$157,500 \$210,500 \$289,838	11	\$142,500 \$180,000 \$215,250	24	\$148,750 \$204,000 \$274,164	15	\$210,000 \$260,000 \$300,000	1	*
Total compensation	51	\$210,000 \$300,000 \$476,500	11	\$142,500 \$215,000 \$285,953	24	\$192,250 \$280,276 \$404,250	15	\$304,500 \$412,000 \$572,400	1	*

"Total compensation" is base compensation plus incentive, deferred, and stock-based pay, as described in lines 1 to 6 of subtable B below. It does not include retirement contributions.

B. Incentive and stock-based pay

1. Cash incentive pay	37 (73%)	\$33,000 \$100,000 \$200,000	7 (64%)	\$23,000 \$45,000 \$84,000	16 (67%)	\$19,250 \$100,000 \$175,000	13 (87%)	\$71,035 \$163,000 \$200,000	1 (100%)	*
2. Deferred compensation	6 (12%)	\$42,000 \$124,000 \$218,750	1 (9%)	*	3 (13%)	*	1 (7%)	*	1 (100%)	*
3. Stock options	4 (8%)	*	2 (18%)	*	2 (8%)	*	0 (0%)	*	0 (0%)	*
4. SARs	3 (6%)	*	0 (0%)	*	0 (0%)	*	3 (20%)	*	0 (0%)	*
5. Restricted stock	3 (6%)	*	0 (0%)	*	1 (4%)	*	2 (13%)	*	0 (0%)	*
6. Phantom stock	4 (8%)	*	0 (0%)	*	1 (4%)	*	2 (13%)	*	1 (100%)	*

Percentiles apply only to the companies that provide a given type of award. For example, of the 51 companies in this dataset, 37 companies, or 73%, provide their CEOs with cash incentive pay. Among those 37 companies, the median award was \$100,000, and the range from 25th to 75th percentile was \$33,000 to \$200,000. Companies that do not make cash incentive payments are excluded.

C. Stock-based plans (combined)

Received any stock-based awards	14 (27%)	\$32,675 \$55,548 \$190,000	2 (18%)	*	4 (17%)	*	7 (47%)	\$30,709 \$60,800 \$200,000	1 (100%)	*
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This subtable only reports on the 14 companies that provide their CEOs with one or more stock-based awards (numbers 3 to 6 in subtable B). \$55,548 is the median for the 14 CEOs who received one or more stock-based awards.

D. Qualified retirement plan contributions

Received any retirement	41 (80%)	\$6,900 \$20,700 \$30,000	7 (64%)	\$4,907 \$6,474 \$35,650	21 (88%)	\$6,900 \$15,350 \$25,310	13 (87%)	\$23,000 \$25,300 \$34,875	0 (0%)	*
ESOP contributions	33 (65%)	\$8,876 \$23,000 \$32,200	6 (55%)	\$4,660 \$17,650 \$34,321	15 (63%)	\$7,888 \$13,800 \$25,400	12 (80%)	\$13,225 \$25,300 \$34,500	0 (0%)	*
Other contributions	19 (37%)	\$4,450 \$6,900 \$13,353	2 (18%)	*	11 (46%)	\$4,050 \$6,900 \$14,853	6 (40%)	\$5,100 \$7,609 \$11,305	0 (0%)	*

* When fewer than five companies provide usable data, percentiles are unreliable and unduly expose individual companies. We omit percentiles for cells with fewer than five respondents.

Table 2: Chief Operating Officers

A. Compensation	Dataset		A. Up to \$10m		B. \$10 to 50m		C. \$50 to 200m		D. Over \$200m	
	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th
Base compensation	30	\$132,500 \$155,000 \$223,750	6	\$104,250 \$135,250 \$154,625	16	\$120,000 \$147,500 \$221,250	7	\$158,983 \$190,000 \$292,500	1	*
Total compensation	30	\$149,393 \$240,471 \$306,750	6	\$104,250 \$141,285 \$166,643	16	\$148,000 \$218,500 \$325,000	7	\$265,683 \$300,000 \$344,500	1	*

"Total compensation" is base compensation plus incentive, deferred, and stock-based pay, as described in lines 1 to 6 of subtable B below. It does not include retirement contributions.

B. Incentive and stock-based pay

1. Cash incentive pay	21 (70%)	\$18,000 \$95,000 \$163,000	3 (50%)	*	11 (69%)	\$16,500 \$50,000 \$186,000	6 (86%)	\$95,000 \$97,500 \$147,250	1 (100%)	*
2. Deferred compensation	3 (10%)	*	1 (17%)	*	0 (0%)	*	1 (14%)	*	1 (100%)	*
3. Stock options	1 (3%)	*	0 (0%)	*	1 (6%)	*	0 (0%)	*	0 (0%)	*
4. SARs	2 (7%)	*	0 (0%)	*	1 (6%)	*	1 (14%)	*	0 (0%)	*
5. Restricted stock	0 (0%)	*	0 (0%)	*	0 (0%)	*	0 (0%)	*	0 (0%)	*
6. Phantom stock	2 (7%)	*	0 (0%)	*	0 (0%)	*	1 (14%)	*	1 (100%)	*

Percentiles apply only to the companies that provide a given type of award. For example, of the 30 companies in this dataset, 21 companies, or 70%, provide their CEOs with cash incentive pay. Among those 21 companies, the median award was \$95,000, and the range from 25th to 75th percentile was \$18,000 to \$163,000. Companies that do not make cash incentive payments are excluded.

C. Stock-based plans (combined)

Received any stock-based awards	4 (13%)	*	0 (0%)	*	1 (6%)	*	2 (29%)	*	1 (100%)	*
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This subtable only reports on the 4 companies that provide their CEOs with one or more stock-based awards (numbers 3 to 6 in subtable B).

D. Qualified retirement plan contributions

Received any retirement	26 (87%)	\$10,398 \$17,562 \$25,675	5 (83%)	\$3,800 \$4,364 \$15,120	14 (88%)	\$10,398 \$17,562 \$27,600	7 (100%)	\$15,750 \$25,300 \$25,550	0 (0%)	*
ESOP contributions	22 (73%)	\$10,348 \$15,900 \$27,775	4 (67%)	*	12 (75%)	\$9,328 \$19,175 \$30,475	6 (86%)	\$12,075 \$19,550 \$25,300	0 (0%)	*
Other contributions	10 (33%)	\$4,166 \$4,582 \$10,568	2 (33%)	*	6 (38%)	\$3,275 \$4,232 \$5,796	2 (29%)	*	0 (0%)	*

* When fewer than five companies provide usable data, percentiles are unreliable and unduly expose individual companies. We omit percentiles for cells with fewer than five respondents.

Table 3: Chief Financial Officers

A. Compensation	Dataset		A. Up to \$10m		B. \$10 to 50m		C. \$50 to 200m		D. Over \$200m	
	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th
Base compensation	47	\$92,000 \$130,000 \$157,500	10	\$57,500 \$81,383 \$107,500	23	\$89,235 \$135,000 \$157,680	13	\$121,557 \$140,000 \$166,250	1	*
Total compensation	47	\$105,000 \$160,000 \$218,990	10	\$62,604 \$87,500 \$119,000	23	\$108,500 \$156,000 \$193,500	13	\$175,000 \$222,979 \$270,000	1	*

"Total compensation" is base compensation plus incentive, deferred, and stock-based pay, as described in lines 1 to 6 of subtable B below. It does not include retirement contributions.

B. Incentive and stock-based pay

1. Cash incentive pay	35 (74%)	\$10,000 \$25,000 \$74,000	7 (70%)	\$4,942 \$10,000 \$13,500	16 (70%)	\$9,625 \$25,500 \$45,500	11 (85%)	\$28,000 \$78,000 \$92,500	1 (100%)	*
2. Deferred compensation	1 (2%)	* * *	0 (0%)	* * *	0 (0%)	* * *	0 (0%)	* * *	1 (100%)	*
3. Stock options	1 (2%)	* * *	0 (0%)	* * *	1 (4%)	* * *	0 (0%)	* * *	0 (0%)	*
4. SARs	2 (4%)	* * *	0 (0%)	* * *	0 (0%)	* * *	2 (15%)	* * *	0 (0%)	*
5. Restricted stock	3 (6%)	* * *	0 (0%)	* * *	1 (4%)	* * *	2 (15%)	* * *	0 (0%)	*
6. Phantom stock	3 (6%)	* * *	0 (0%)	* * *	1 (4%)	* * *	1 (8%)	* * *	1 (100%)	*

Percentiles apply only to the companies that provide a given type of award. For example, of the 47 companies in this dataset, 35 companies, or 74%, provide their CEOs with cash incentive pay. Among those 35 companies, the median award was \$25,000, and the range from 25th to 75th percentile was \$10,000 to \$74,000. Companies that do not make cash incentive payments are excluded.

C. Stock-based plans (combined)

Received any stock-based awards	9 (19%)	\$24,750 \$29,863 \$100,000	0 (0%)	*	3 (13%)	*	5 (38%)	\$9,000 \$50,000 \$100,000	1 (100%)	*
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This subtable only reports on the 9 companies that provide their CEOs with one or more stock-based awards (numbers 3 to 6 in subtable B). \$29,863 is the median for the 9 CEOs who received one or more stock-based awards.

D. Qualified retirement plan contributions

Received any retirement	43 (91%)	\$6,500 \$14,400 \$24,125	8 (80%)	\$3,697 \$12,510 \$19,397	22 (96%)	\$6,400 \$12,513 \$19,995	13 (100%)	\$11,550 \$24,750 \$25,750	0 (0%)	*
ESOP contributions	40 (85%)	\$5,669 \$12,763 \$23,513	8 (80%)	\$3,697 \$10,860 \$16,453	19 (83%)	\$5,488 \$10,800 \$19,265	13 (100%)	\$9,975 \$23,000 \$25,300	0 (0%)	*
Other contributions	17 (36%)	\$2,800 \$4,000 \$6,650	2 (20%)	*	10 (43%)	\$2,831 \$4,050 \$10,517	5 (38%)	\$2,800 \$4,000 \$6,020	0 (0%)	*

* When fewer than five companies provide usable data, percentiles are unreliable and unduly expose individual companies. We omit percentiles for cells with fewer than five respondents.

Table 4: Sales/Marketing Executives

A. Compensation	Dataset		A. Up to \$10m		B. \$10 to 50m		C. \$50 to 200m		D. Over \$200m	
	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th
Base compensation	39	\$100,000 \$125,000 \$150,000	8	\$61,875 \$75,673 \$117,500	19	\$104,500 \$115,000 \$150,000	12	\$130,500 \$144,076 \$175,000	0	*
Total compensation	39	\$112,923 \$150,000 \$199,995	8	\$69,625 \$80,921 \$120,875	19	\$114,000 \$140,000 \$192,495	12	\$153,108 \$193,700 \$213,500	0	*

"Total compensation" is base compensation plus incentive, deferred, and stock-based pay, as described in lines 1 to 6 of subtable B below. It does not include retirement contributions.

B. Incentive and stock-based pay

1. Cash incentive pay	26 (67%)	\$12,070 \$30,000 \$82,750	6 (75%)	\$3,374 \$11,248 \$12,000	11 (58%)	\$21,500 \$35,000 \$189,500	9 (75%)	\$25,780 \$55,000 \$92,000	0	*
2. Deferred compensation	1 (3%)	* * *	1 (13%)	* * *	0 (0%)	* * *	0 (0%)	* * *	0	*
3. Stock options	0 (0%)	* * *	0 (0%)	* * *	0 (0%)	* * *	0 (0%)	* * *	0	*
4. SARs	1 (3%)	* * *	0 (0%)	* * *	0 (0%)	* * *	1 (8%)	* * *	0	*
5. Restricted stock	1 (3%)	* * *	0 (0%)	* * *	0 (0%)	* * *	1 (8%)	* * *	0	*
6. Phantom stock	2 (5%)	* * *	0 (0%)	* * *	1 (5%)	* * *	1 (8%)	* * *	0	*

Percentiles apply only to the companies that provide a given type of award. For example, of the 39 companies in this dataset, 26 companies, or 67%, provide their CEOs with cash incentive pay. Among those 26 companies, the median award was \$30,000, and the range from 25th to 75th percentile was \$12,070 to \$82,750. Companies that do not make cash incentive payments are excluded.

C. Stock-based plans (combined)

Received any stock-based awards	4 (10%)	* * *	0 (0%)	* * *	1 (5%)	* * *	3 (25%)	* * *	0	*
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This subtable only reports on the 4 companies that provide their CEOs with one or more stock-based awards (numbers 3 to 6 in subtable B).

D. Qualified retirement plan contributions

Received any retirement	36 (92%)	\$7,162 \$13,460 \$25,075	6 (75%)	\$5,584 \$13,140 \$20,880	19 (100%)	\$6,540 \$11,250 \$20,530	11 (92%)	\$13,050 \$20,100 \$30,088	0	*
ESOP contributions	33 (85%)	\$7,289 \$11,250 \$23,400	6 (75%)	\$4,624 \$11,040 \$18,585	16 (84%)	\$6,235 \$9,495 \$20,438	11 (92%)	\$8,830 \$20,100 \$28,093	0	*
Other contributions	14 (36%)	\$3,096 \$4,820 \$7,085	2 (25%)	* * *	8 (42%)	\$3,064 \$5,378 \$9,451	4 (33%)	* * *	0	*

* When fewer than five companies provide usable data, percentiles are unreliable and unduly expose individual companies. We omit percentiles for cells with fewer than five respondents.

Table 5: Manufacturing / Services / Products Vice Presidents

A. Compensation	Dataset		A. Up to \$10m		B. \$10 to 50m		C. \$50 to 200m		D. Over \$200m	
	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th
Base compensation	26	\$80,625 \$117,500 \$160,201	5	\$65,000 \$65,000 \$66,780	13	\$95,000 \$115,000 \$163,601	8	\$126,000 \$137,000 \$185,000	0	*
Total compensation	26	\$88,875 \$172,134 \$189,938	5	\$66,000 \$67,000 \$76,582	13	\$108,500 \$155,000 \$189,753	8	\$183,000 \$202,500 \$280,000	0	*

"Total compensation" is base compensation plus incentive, deferred, and stock-based pay, as described in lines 1 to 6 of subtable B below. It does not include retirement contributions.

B. Incentive and stock-based pay

1. Cash incentive pay	17 (65%)	\$9,802 \$35,000 \$95,000	4 (80%)	*	7 (54%)	\$18,750 \$33,000 \$35,000	6 (75%)	\$92,750 \$95,000 \$98,750	0	*
2. Deferred compensation	0 (0%)	*	0 (0%)	*	0 (0%)	*	0 (0%)	*	0	*
3. Stock options	1 (4%)	*	0 (0%)	*	1 (8%)	*	0 (0%)	*	0	*
4. SARs	1 (4%)	*	0 (0%)	*	0 (0%)	*	1 (13%)	*	0	*
5. Restricted stock	1 (4%)	*	0 (0%)	*	0 (0%)	*	1 (13%)	*	0	*
6. Phantom stock	1 (4%)	*	0 (0%)	*	1 (8%)	*	0 (0%)	*	0	*

Percentiles apply only to the companies that provide a given type of award. For example, of the 26 companies in this dataset, 17 companies, or 65%, provide their CEOs with cash incentive pay. Among those 17 companies, the median award was \$35,000, and the range from 25th to 75th percentile was \$9,802 to \$95,000. Companies that do not make cash incentive payments are excluded.

C. Stock-based plans (combined)

Received any stock-based awards	4 (15%)	*	0 (0%)	*	2 (15%)	*	2 (25%)	*	0	*
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This subtable only reports on the 4 companies that provide their CEOs with one or more stock-based awards (numbers 3 to 6 in subtable B).

D. Qualified retirement plan contributions

Received any retirement	23 (88%)	\$9,791 \$17,550 \$20,230	3 (60%)	*	12 (92%)	\$7,963 \$10,908 \$17,325	8 (100%)	\$18,375 \$22,700 \$28,725	0	*
ESOP contributions	20 (77%)	\$9,550 \$17,640 \$20,163	3 (60%)	*	9 (69%)	\$6,200 \$12,000 \$17,550	8 (100%)	\$16,275 \$22,700 \$27,225	0	*
Other contributions	9 (35%)	\$2,850 \$5,078 \$7,400	1 (20%)	*	5 (38%)	\$2,850 \$5,078 \$9,765	3 (38%)	*	0	*

* When fewer than five companies provide usable data, percentiles are unreliable and unduly expose individual companies. We omit percentiles for cells with fewer than five respondents.

Table 6: Top Divisional Vice Presidents

A. Compensation	Dataset		A. Up to \$10m		B. \$10 to 50m		C. \$50 to 200m		D. Over \$200m	
	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th	N	25th 50th 75th
Base compensation	29	\$114,088 \$135,000 \$155,000	3	*	12	\$121,000 \$150,000 \$169,868	13	\$116,388 \$126,000 \$150,000	1	*
Total compensation	29	\$143,000 \$181,667 \$217,822	3	*	12	\$150,000 \$178,334 \$203,966	13	\$157,826 \$191,000 \$329,000	1	*

"Total compensation" is base compensation plus incentive, deferred, and stock-based pay, as described in lines 1 to 6 of subtable B below. It does not include retirement contributions.

B. Incentive and stock-based pay

1. Cash incentive pay	22 (76%)	\$11,250 \$45,000 \$98,000	3 (100%)	*	9 (75%)	\$10,000 \$35,000 \$46,667	10 (77%)	\$45,000 \$96,000 \$161,250	0 (0%)	*
2. Deferred compensation	1 (3%)	*	0 (0%)	*	0 (0%)	*	1 (8%)	*	0 (0%)	*
3. Stock options	2 (7%)	*	0 (0%)	*	2 (17%)	*	0 (0%)	*	0 (0%)	*
4. SARs	3 (10%)	*	0 (0%)	*	1 (8%)	*	2 (15%)	*	0 (0%)	*
5. Restricted stock	2 (7%)	*	0 (0%)	*	0 (0%)	*	2 (15%)	*	0 (0%)	*
6. Phantom stock	2 (7%)	*	0 (0%)	*	0 (0%)	*	2 (15%)	*	0 (0%)	*

Percentiles apply only to the companies that provide a given type of award. For example, of the 29 companies in this dataset, 22 companies, or 76%, provide their CEOs with cash incentive pay. Among those 22 companies, the median award was \$45,000, and the range from 25th to 75th percentile was \$11,250 to \$98,000. Companies that do not make cash incentive payments are excluded.

C. Stock-based plans (combined)

Received any stock-based awards	8 (28%)	\$7,774 \$15,100 \$52,397	0 (0%)	*	2 (17%)	*	6 (46%)	\$5,321 \$12,000 \$15,150	0 (0%)	*
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This subtable only reports on the 8 companies that provide their CEOs with one or more stock-based awards (numbers 3 to 6 in subtable B). \$15,100 is the median for the 8 CEOs who received one or more stock-based awards.

D. Qualified retirement plan contributions

Received any retirement	27 (93%)	\$5,803 \$15,000 \$21,555	3 (100%)	*	11 (92%)	\$7,888 \$15,700 \$21,555	13 (100%)	\$10,819 \$18,000 \$30,054	0 (0%)	*
ESOP contributions	24 (83%)	\$5,839 \$12,910 \$23,237	2 (67%)	*	10 (83%)	\$6,131 \$11,696 \$22,150	12 (92%)	\$8,357 \$16,740 \$27,150	0 (0%)	*
Other contributions	11 (38%)	\$3,924 \$5,156 \$5,860	1 (33%)	*	5 (42%)	\$3,000 \$4,848 \$5,156	5 (38%)	\$5,354 \$5,720 \$6,000	0 (0%)	*

* When fewer than five companies provide usable data, percentiles are unreliable and unduly expose individual companies. We omit percentiles for cells with fewer than five respondents.

4. Ownership of Shares

The following three tables show the percentage of company shares owned by each of the six executives. The first table shows the number of shares directly owned as a percentage of outstanding shares. The second is the percentage of shares owned directly plus deemed owned shares (in the form of options, SARs, restricted stock, or phantom stock) as a percentage of fully-diluted shares. The third table shows the percentage of the company owned by each officer prior to the establishment of the ESOP.

As with the six tables above, the “dataset” column in these tables is all the companies included in this analysis.

Table 7: Prior Ownership

Prior to the ESOP, what percentage of outstanding shares was owned by each of the following? (Add in any shares purchase at fair market value after the ESOP was established.)

	Dataset			A. Up to \$10m			B. \$10 to 50m			C. \$50 to 200m			D. Over \$200m		
	N	25th 50th 75th		N	25th 50th 75th		N	25th 50th 75th		N	25th 50th 75th		N	25th 50th 75th	
CEO	27 (53%)	43% 75% 100%		6 (55%)	35% 82% 100%		16 (67%)	44% 70% 80%		5 (33%)	97% 100% 100%		0 (0%)	*	
COO	19 (63%)	2% 4% 7%		2 (33%)	* * *		9 (56%)	4% 20% 37%		1 (14%)	* * *		0 (0%)	*	
CFO	7 (15%)	1% 2% 7%		2 (20%)	* * *		4 (17%)	* * *		1 (8%)	* * *		0 (0%)	*	
Sales Executive	6 (15%)	1% 1% 2%		0 (0%)	* * *		5 (26%)	1% 1% 2%		1 (8%)	* * *		0 (0%)	*	
Operations VP	7 (27%)	1% 2% 16%		0 (0%)	* * *		6 (46%)	1% 4% 21%		1 (13%)	* * *		0 (0%)	*	
Divisional VP	9 (31%)	1% 3% 20%		1 (33%)	* * *		6 (50%)	2% 12% 24%		2 (15%)	* * *		0 (0%)	*	

Prior to the establishment of the ESOP, 53% of CEOs and 15% of CFOs for whom data is available owned company shares. Among those who owned shares, the median CEO owned 75% and the median CFO owned 2% of company shares.

* When fewer than five companies provide usable data, percentiles are unreliable and unduly expose individual companies. We omit percentiles for cells with fewer than five respondents.

Table 8: Direct Ownership

What percentage of outstanding shares is owned by each of the following? (Consider shares that are owned directly, restricted shares, and ESOP shares.)

	Dataset			A. Up to \$10m			B. \$10 to 50m			C. \$50 to 200m			D. Over \$200m		
	N	25th 50th 75th		N	25th 50th 75th		N	25th 50th 75th		N	25th 50th 75th		N	25th 50th 75th	
CEO	41 (80%)	3% 7% 26%		8 (73%)	3% 9% 32%		20 (83%)	5% 17% 33%		13 (87%)	2% 3% 6%		0 (0%)	*	
COO	21 (70%)	2% 3% 6%		3 (50%)	*		12 (75%)	3% 4% 10%		6 (86%)	1% 2% 3%		0 (0%)	*	
CFO	32 (68%)	1% 2% 3%		5 (50%)	1% 3% 3%		15 (65%)	1% 2% 4%		12 (92%)	0% 2% 2%		0 (0%)	*	
Sales Executive	22 (56%)	1% 2% 4%		5 (63%)	1% 1% 5%		10 (53%)	1% 2% 3%		7 (58%)	1% 2% 3%		0	*	
Operations VP	17 (65%)	1% 2% 3%		2 (40%)	*		9 (69%)	1% 2% 3%		6 (75%)	1% 2% 2%		0	*	
Divisional VP	21 (72%)	1% 2% 3%		0 (0%)	*		10 (83%)	2% 3% 9%		11 (85%)	1% 1% 2%		0 (0%)	*	
Other officers	16	1% 3% 16%		1	*		9	3% 6% 28%		6	1% 2% 7%		0	*	
Non-employee directors	10	6% 25% 41%		3	*		4	*		3	*		0	*	
All other employees (inc ESOP)	41	29% 49% 86%		8	33% 59% 81%		21	25% 34% 62%		12	37% 81% 90%		0	*	
Outsiders	10	14% 36% 78%		2	*		4	*		4	*		0	*	
Others	7	19% 27% 61%		1	*		3	*		3	*		0	*	

In the dataset used in this report, 41 CEOs (or 80% of the total for whom data is available) directly own shares in their companies. Among those who own shares, the median percentage of shares owned is 7% for the full database and 9% for those in subgroup "A. Up to \$10m."

* When fewer than five companies provide usable data, percentiles are unreliable and unduly expose individual companies. We omit percentiles for cells with fewer than five respondents.

Table 9: Diluted Ownership

What percentage of fully-diluted shares is owned by each of the following? (Consider stock options, stock appreciation rights, phantom stock, shares that are owned directly, restricted shares, and ESOP shares.)

	Dataset			A. Up to \$10m			B. \$10 to 50m			C. \$50 to 200m			D. Over \$200m		
	N	25th 50th 75th		N	25th 50th 75th		N	25th 50th 75th		N	25th 50th 75th		N	25th 50th 75th	
CEO	40 (78%)	3% 10% 26%		7 (64%)	3% 5% 38%		20 (83%)	11% 19% 33%		13 (87%)	2% 4% 6%		0 (0%)	*	
COO	19 (63%)	2% 4% 7%		2 (33%)	*		11 (69%)	3% 4% 13%		6 (86%)	1% 2% 4%		0 (0%)	*	
CFO	32 (68%)	1% 2% 3%		5 (50%)	1% 3% 3%		15 (65%)	1% 2% 5%		12 (92%)	0% 2% 2%		0 (0%)	*	
Sales Executive	22 (56%)	1% 2% 4%		4 (50%)	*		10 (53%)	1% 3% 4%		8 (67%)	1% 2% 3%		0	*	
Operations VP	18 (69%)	1% 3% 5%		2 (40%)	*		10 (77%)	2% 3% 7%		6 (75%)	1% 2% 2%		0	*	
Divisional VP	21 (72%)	1% 2% 4%		0 (0%)	*		10 (83%)	2% 7% 18%		11 (85%)	1% 1% 2%		0 (0%)	*	
Other officers	16	1% 3% 12%		1	*		10	3% 9% 24%		5	1% 1% 2%		0	*	
Non-employee directors	11	7% 30% 48%		3	*		4	*		4	*		0	*	
All other employees (inc ESOP)	39	27% 40% 75%		7	31% 49% 79%		20	24% 34% 58%		12	37% 74% 91%		0	*	
Outsiders	10	14% 36% 78%		2	*		4	*		4	*		0	*	
Others	9	10% 27% 40%		1	*		4	*		4	*		0	*	

Considering all stock and stock-linked benefits, 40 CEOs (or 78% of the total for whom data is available) either directly own or are deemed to own shares in their companies. Among those who own or are deemed to own shares, the range from 25th to 75th percentile is 3% to 26% of fully-diluted shares.

* When fewer than five companies provide usable data, percentiles are unreliable and unduly expose individual companies. We omit percentiles for cells with fewer than five respondents.

5. Company and ESOP Characteristics

The charts below show the results for the 11 survey questions that describe the companies and the characteristics of their ESOPs.

In each table, the first column (“Full Database”) shows the results for all 317 companies that responded to the questionnaire. The total for this column will not necessarily be 317: some companies did not answer some of the questions.

The second column (“Dataset”) is the results for all companies included in this custom report, i.e., the subset of companies that you selected for inclusion. The other columns show the results for the companies within the dataset, broken down into subgroups.

These tables do not follow the order in the questionnaire. See section 7 for the questionnaire and the exact wording of these survey items

Which of the below best describes your industry? (item 2)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
Construction	38 12%	4 8%	1 8%	1 4%	2 13%	
Consulting/Analysis	20 6%	4 8%	1 8%	3 12%		
Engineering/Archit	31 10%	9 17%	2 17%	5 20%	2 13%	
FIRE	22 7%	4 8%	2 17%	2 8%		
Health Care	8 3%	1 2%		1 4%		
Manufacturing	82 26%	20 38%	4 33%	7 28%	8 53%	
Other	8 3%	3 6%	2 17%	1 4%		
Retail	23 7%	3 6%		1 4%	2 13%	
Service	12 4%	2 4%		2 8%		
Technology	22 7%	1 2%		1 4%		
Transport/Distrib	7 2%					
Wholesale	42 13%	2 4%		1 4%	1 7%	
Total	315 100%	53 100%	12 100%	25 100%	15 100%	

How many employees do you have? (count both full- and part-time employees) (item 1)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
A. 100 or fewer	140 44%	27 51%	11 92%	16 64%		
B. 101 to 500	138 44%	23 43%	1 8%	7 28%	14 93%	1 100%
C. 501 to 1,000	23 7%	3 6%		2 8%	1 7%	
D. More than 1,000	15 5%					
Total	316 100%	53 100%	12 100%	25 100%	15 100%	1 100%

Where is your company's headquarters? (item 3)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
A. West	50 16%					
B. Midwest	127 40%					
C. Northeast	53 17%	53 100%	12 100%	25 100%	15 100%	1 100%
D. Southeast	44 14%					
E. Mntns/Plains	42 13%					
Total	316 100%	53 100%	12 100%	25 100%	15 100%	1 100%

What was the approximate average annual change in your stock value over the past five years? (item 4)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
A. Up 20%+	72 23%	8 15%	1 8%	2 8%	4 29%	1 100%
B. Up 10-19%	95 31%	21 40%	5 42%	10 40%	6 43%	
C. Up 0-10%	106 34%	18 35%	3 25%	13 52%	2 14%	
D. Decrease	37 12%	5 10%	3 25%		2 14%	
Total	310 100%	52 100%	12 100%	25 100%	14 100%	1 100%

When did you start your ESOP? [Grouped into categories] (item 5)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
A. Up to 1985	50 16%	5 9%		1 4%	4 27%	
B. 1986-1995	72 23%	14 26%	5 42%	5 20%	4 27%	
C. 1996-2000	67 21%	11 21%	2 17%	4 16%	4 27%	1 100%
D. 2001-2005	75 24%	16 30%	3 25%	11 44%	2 13%	
E. 2006-2009	49 16%	7 13%	2 17%	4 16%	1 7%	
Total	313 100%	53 100%	12 100%	25 100%	15 100%	1 100%

What percentage of the company's shares is owned by the ESOP? (item 6)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
A. Less than 30%	54 17%	11 21%	3 25%	6 24%	2 13%	
B. 30% to 50%	52 17%	13 25%	3 25%	8 32%	2 13%	
C. 51% to 99%	59 19%	7 13%	1 8%	5 20%	1 7%	
D. 100%	149 47%	22 42%	5 42%	6 24%	10 67%	
Total	314 100%	53 100%	12 100%	25 100%	15 100%	

Is your company an S corporation or a C corporation? (item 7)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
C corp	88 29%	25 48%	6 50%	15 60%	4 29%	
S corp	217 71%	27 52%	6 50%	10 40%	10 71%	1 100%
Total	305 100%	52 100%	12 100%	25 100%	14 100%	1 100%

Is your company's stock traded on a stock exchange? (item 8)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
Yes	4 1%	2 4%	2 17%			
No	311 99%	51 96%	10 83%	25 100%	15 100%	1 100%
Total	315 100%	53 100%	12 100%	25 100%	15 100%	1 100%

What was the dollar value of your company's revenues in the most recently completed fiscal year? (item 9)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
A. Up to \$10m	64 20%	12 23%	12 100%			
B. \$10 to 50m	146 46%	25 47%		25 100%		
C. \$50 to 200m	83 26%	15 28%			15 100%	
D. Over \$200m	22 7%	1 2%				1 100%
Total	315 100%	53 100%	12 100%	25 100%	15 100%	1 100%

What percentage of payroll did your company contribute to the ESOP in the most recently completed fiscal year? (item 18)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
A. No contribution	27 9%	7 14%	2 20%	4 16%	1 7%	
B. 4% or less	52 18%	9 18%	2 20%	5 20%	2 13%	
C. 5% to 8%	70 24%	13 25%	2 20%	7 28%	4 27%	
D. 9% to 14%	63 22%	9 18%	1 10%	5 20%	3 20%	
E. 15% to 24%	54 18%	9 18%	2 20%	3 12%	4 27%	
F. 25% or higher	27 9%	4 8%	1 10%	1 4%	1 7%	1 100%
Total	293 100%	51 100%	10 100%	25 100%	15 100%	1 100%

What was the total equity value of your company at the end of the most recently completed fiscal year? [categories] (item 21)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
A. Under \$3m	53 19%	9 19%	4 44%	5 20%		
B. \$3 to \$6m	50 18%	9 19%	3 33%	6 24%		
C. \$6 to \$10m	46 17%	10 21%	2 22%	5 20%	3 23%	
D. \$10 to \$20m	47 17%	7 15%		5 20%	2 15%	
E. \$20 to \$40m	45 16%	10 21%		4 16%	6 46%	
F. Over \$40m	35 13%	2 4%			2 15%	
Total	276 100%	47 100%	9 100%	25 100%	13 100%	

6. Compensation Mechanics

For survey questions 24 to 29, listed below, the custom analysis will show the breakdown for the entire database and also for the selected data.

Please indicate how incentive pay is issued. (item 24)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
Number of companies	317	53	12	25	15	1
Individual targets	102 32%	24 45%	4 33%	16 64%	4 27%	
Department or division targets	82 26%	23 43%	4 33%	13 52%	6 40%	
Corporate profit	228 72%	39 74%	10 83%	19 76%	9 60%	1 100%
Change in stock price	19 6%	3 6%		1 4%	2 13%	
Other	26 8%	4 8%		2 8%	2 13%	

Respondents checked all answers that apply to their company, so percentages in each column will not necessarily add to 100%.

Answers volunteered for respondents who checked "other" (entire database):

Board Discretion
 Corporate Sales Goals
 Corporate and individual targets
 Chair of Board/President's best judgement
 corporate sales
 Corporate Profit and Other
 prorata according to salary
 straight percentage of salary
 Based on combination of seniority and overall profitability
 ROIC
 do not have an incentive plan, only a bonus schedule
 Living the company's core values
 Cash Position at year end
 % of Added Value to Payroll & MBO
 Individual performance with no specific targets
 revenue growth, expansion of business and customer bases, maintaining/improving technical quality of products and work environment for employees
 Growth in EBITDA
 overall company targets (sales goal)
 discretionary and return on equity
 Discretionary
 Corporate revenue
 Exceeding business plan targets. Paid based on percentage of wage of the total employee wage pool.
 Vested fractionally each year if continued to be employed
 Discretionary
 1/2 Corp Profit, 1/2 Corp revenues
 performance evaluation by majority owners

Are most of your cash incentive awards subject to vesting? (item 25)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
No	261 91%	49 96%	10 91%	25 100%	13 93%	1 100%
Yes, based on a combination of performance and service requirements	8 3%	1 2%	1 9%			
Yes, based on achieving performance targets	3 1%					
Yes, over 1-3 years	3 1%	1 2%			1 7%	
Yes, over 4-5 years	5 2%					
Yes, over 5 or longer	7 2%					
Total	287 100%	51 100%	11 100%	25 100%	14 100%	1 100%

In general, are most of your stock or stock-equivalent awards subject to vesting? (item 26)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
No	97 40%	16 36%	4 44%	9 39%	2 17%	1 100%
Yes, based on a combination of performance and service requirements	5 2%	2 4%		1 4%	1 8%	
Yes, based on achieving performance targets	2 1%	1 2%		1 4%		
Yes, over 1-3 years	33 14%	8 18%		5 22%	3 25%	
Yes, over 4-5 years	60 25%	7 16%	3 33%	2 9%	2 17%	
Yes, over 5 or longer	45 19%	11 24%	2 22%	5 22%	4 33%	
Total	242 100%	45 100%	9 100%	23 100%	12 100%	1 100%

Please indicate which, if any, of the following perquisites you provide your CEO. (item 27)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
Number of companies	317	53	12	25	15	1
Top-hat retirement plans	15 5%	3 6%			2 13%	1 100%
Life insurance	161 51%	24 45%	6 50%	9 36%	8 53%	1 100%
Personal travel/transportation	63 20%	6 11%	1 8%	1 4%	4 27%	
Entertainment	36 11%	3 6%		2 8%	1 7%	
Disability insurance	134 42%	21 40%	5 42%	8 32%	8 53%	
Other	36 11%	8 15%	1 8%	4 16%	3 20%	

Respondents checked all answers that apply to their company, so percentages in each column will not necessarily add to 100%.

Answers volunteered for people who checked “other” (entire database):

- Auto (allowance or company vehicle) (16 responses)
- Nothing extra (6 responses)
- Long-term care (6 responses)
- Country club / golf (4 responses)
- Medical insurance (4 responses)
- Cash to buy as desired
- Fitness club
- Cell phone
- Annual physical
- Executive health
- Executive Physicals
- Tax Prep
- Will Prep
- Financial Planning
- Exec medical reimbursement policy
- Airline club memberships
- Tax prep

The response “none” is not reported.

Please indicate which, if any, of the following perquisites you offer to any other top executive. (item 28)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
Number of companies	317	53	12	25	15	1
Top-hat retirement plans	13 4%	3 6%			2 13%	1 100%
Life insurance	130 41%	21 40%	3 25%	9 36%	8 53%	1 100%
Personal travel/transportation	45 14%	5 9%	1 8%	2 8%	2 13%	
Entertainment	23 7%	3 6%		2 8%	1 7%	
Disability insurance	116 37%	20 38%	5 42%	9 36%	6 40%	
Other	31 10%	8 15%	1 8%	4 16%	3 20%	

Respondents checked all answers that apply to their company, so percentages in each column will not necessarily add to 100%.

Answers volunteered for people who checked “other” (entire database):

- Auto (allowance or company vehicle) (13 responses)
- Nothing extra (7 responses)
- Medical insurance (4 responses)
- Long-term care (4 responses)
- Tax Prep (2 responses)
- Country club (2 responses)
- Exec medical reimbursement policy
- Airline club memberships
- Cash to buy as desired
- Executive Physicals
- Will Prep
- Financial Planning
- Executive health
- Fitness club
- Cell phones
- Annual physical

The response “none” is not reported.

How is overall CEO compensation determined? (item 29)

	Full Database	Dataset	A. Up to \$10m	B. \$10 to 50m	C. \$50 to 200m	D. Over \$200m
A. Board alone	195 64%	29 57%	6 50%	15 63%	8 57%	
B. Board with independent compensation adviser	38 12%	7 14%	2 17%	4 17%	1 7%	
C. Independent board compensation committee	55 18%	13 25%	4 33%	3 13%	5 36%	1 100%
D. CEO	12 4%	1 2%		1 4%		
E. Other	7 2%	1 2%		1 4%		
Total	307 100%	51 100%	12 100%	24 100%	14 100%	1 100%

Respondents that volunteered the answer “CEO” under “other” are grouped together as answer D in the table. The other volunteered answers for entire database are below:

- By CEO's direct reports upon request
- By the majority stockholder
- CEO, HR Director, and Board
- Determined by 3 heads of the company
- Employment Contract
- Officers
- Set by team of lawyers, bankers, previous owners, and ESOP trustee as part of ESOP transaction agreement

7. Questionnaire

2009 ESOP Executive Compensation Survey

February 18, 2009

Welcome to the NCEO's 2009 executive compensation questionnaire for ESOP companies.

By filling out this questionnaire, you will be contributing to a unique resource and the first update of the NCEO's executive compensation data since the inaugural survey in 2005, when over 200 companies completed the questionnaire. You will also receive a pre-publication summary of the data if you so request.

All of your answers to this questionnaire will be completely confidential. No specific information will be released to anyone outside the NCEO on a given company's practices. The final question in the survey asks for your email address so we can email you the advance copy of the results; email addresses will then be permanently removed from the database.

Page 1 asks for background about your company and ESOP.

Page 2 asks about your executive compensation.

Page 3 asks about compensation mechanics and the process you use to determine executive compensation.

Many of the questions ask you to fill in compensation data for various executives. An estimated amount is acceptable. If there is more than one person in a category, please answer for the highest paid person in that category.

You do not have to be an NCEO member to take the survey. More information about us can be found at www.nceo.org.

The questionnaire will be open until **March 13 at 5:00 PM Pacific time.**

Contact Loren Rodgers (LRodgers@nceo.org; 510-208-1307) with questions or concerns.

Page 1: Company and ESOP Background

1. **How many full and part-time employees do you have?** *(choose one answer)*
2. **Which of the below best describes your industry?** *(choose one answer)*
3. **Where is your company's headquarters?** *(choose one answer)*
4. **What was the approximate average annual change in your stock value over the past five years?** *(choose one answer)*
5. **When did you start your ESOP?** *(enter the year)*
6. **What percentage of the company's shares is owned by the ESOP?** *(choose one answer)*
7. **Is your company an S or C corporation?** *(choose one answer)*
8. **Is your company's stock traded on a stock a stock exchange?** *(choose one answer)*
9. **What was the dollar value of your company's revenues in the most recently completed fiscal year?** *(choose one answer)*

Page 2: Executive Compensation

Cash Compensation

Consider all cash compensation granted in the most recently completed fiscal year. Consider only amounts granted during that year: exclude payments made on compensation granted in earlier years. Provide all answers in dollars.

	CEO/ Pres	COO	Top Fin/ Acctg Exec	Top Sales/ Mktg Exec	Top Mfg/Pr oducts / Serv VP	Top Divisio nal VP
10. Base pay (exclude bonuses, profit sharing, and all other incentive pay)						
11. Cash incentive pay Count all forms of dollar-denominated incentive compensation payable in the most recently completed year,						

such as bonuses and profit sharing. Do not count deferred compensation or equity-linked compensation (stock appreciation rights, phantom stock, etc.)						
12. Deferred compensation (excluding the ESOP)						
13. Qualified retirement plans (excluding the ESOP)						

Stock options and stock appreciation rights

For stock options and stock appreciation rights (SARs), include the total fair value of the grants made during the last fiscal year, not just the amount expensed during the fiscal year. "Fair value" is the value calculated for accounting purposes using a pricing model such as Black-Scholes or a lattice model. Provide all answers in dollars.

If you do not know or cannot find the fair value, you can use one-third of the grant price as an estimate.

	CEO/ Pres	COO	Top Fin/ Acctg Exec	Top Sales/ Mktg Exec	Top Mfg/Pr oducts / Serv VP	Top Divisio nal VP
14. Stock options						
15. Stock appreciation rights (SARs)						

Restricted Stock and Phantom Stock

Use the value of the shares (based on the grant date face value) that were granted during the most recent fiscal year. Provide all answers in dollars.

	CEO/ Pres	COO	Top Fin/ Acctg Exec	Top Sales/ Mktg Exec	Top Mfg/Pr oducts / Serv VP	Top Divisio nal VP
16. Restricted stock, restricted stock units, performance shares						
17. Phantom stock						

NOTE: For this questionnaire, "restricted stock" means shares of stock that are granted to employees subject to forfeiture until certain restrictions have been met, generally tenure or performance.

ESOP

18. What percentage of payroll did your company contribute to the ESOP in the most recently completed fiscal year? (If the contribution has not yet been made, please estimate.) *(enter the percentage)*

19. Please indicate which of the following officers are NOT participants in the ESOP. *(check all that apply)*

Accumulated Assets

20. What percentage of outstanding shares is owned by each of the following? *(enter the percentage for each)*

- CEO/President
- Chief Operating Officer
- Top Finance/Accounting Executive
- Top Sales/Marketing Executive
- Top Manufacturing/Products/Services Vice President
- Top Divisional Vice President
- Other officers
- Non-employee directors
- All other employees
- Outsiders (non-directors, non-employees)

Consider shares that are owned directly, restricted shares, and ESOP shares. Please answer with a number from 0 to 100 showing the percent of all outstanding shares. Numbers should add to 100.

21. What was the total equity value of your company at the end of the most recently completed fiscal year? *(enter the dollar figure)*
(NOTE: approximate values are acceptable.)

22. What percentage of fully-diluted shares is owned by each of the following? *(enter the percentage for each)*

- [same list as item 20]

Consider stock options, stock appreciation rights, phantom stock, shares that are owned directly, restricted shares, and ESOP shares. Please answer with a number from 0 to 100 showing the percent of all outstanding shares. Numbers should add to 100.

23. Prior to the ESOP, what percentage of outstanding shares was owned by each of the following? *(enter the percentage for each)*

- CEO/President
- Chief Operating Officer
- Top Finance/Accounting Executive
- Top Sales/Marketing Executive

- Top Manufacturing/Products/Services Vice President
- Top Divisional Vice President

Add in any shares purchase at fair market value after the ESOP was established. Please answer with a number from 0 to 100 showing the percent of all outstanding shares.

Page 3: Compensation Mechanics and Process

24. Please indicate how incentive pay is issued. *(Check all that apply.)*

- ☐ Individual targets
- ☐ Department or division targets
- ☐ Corporate profit
- ☐ Change in stock price
- ☐ Other (please specify)

25. Are most of your cash incentive awards subject to vesting? *(Check one.)*

26. In general, are most of your stock or stock equivalent awards subject to vesting? *(Check one.)*

27. Please indicate which, if any, of the following perquisites you provide your CEO. *(Check all that apply.)*

- ☐ Top-hat retirement plans
- ☐ Life insurance
- ☐ Personal travel/transportation
- ☐ Entertainment
- ☐ Disability insurance
- ☐ Other

28. Please indicate which, if any, of the following perquisites you offer to any other top executive as defined in the questions above.

[Same list as in 27.]

29. How is overall CEO compensation determined?

- ☐ Board alone
- ☐ Board with independent compensation advisor
- ☐ Independent board compensation committee
- ☐ Other (please specify)

8. Acknowledgements

Generous support from Bank of America made this research possible.

The following ESOP service providers made this year's project more successful than the 2005 survey by collectively securing 46% of survey respondents: Willamette Management Associates; Principal Financial Group; ComStock Valuation Advisors; Atlantic Management Company; RSM McGladrey Retirement Resources; ESOP Services; Gallop, Johnson & Neuman; Steiker, Fischer, Edwards & Greenapple; Bank of America; Morgan Stanley; CroweHorwath; TeamsWork; and Crenshaw Dupree & Milam.

Loren Rodgers gratefully acknowledges the input of the following people, whose insight vastly improved the questionnaire and report: Mike Klingenberg (Scot Forge), Cindy Turcot (Gardeners Supply), Jim Steiker (SES Advisors), Nathan Perkins (Morgan Stanley), and Mike Sessions (Pizzagalli Construction). My colleagues at the National Center for Employee Ownership Christine Zwerling, Pam Chernoff, Scott Rodrick, and Corey Rosen provided their standard outstanding level of thorough review, creative insight and helpful comments.

The NCEO independently performed, administered, and analyzed the data in this report.

**The NCEO thanks Bank of America
for supporting this research.**

Bank of America

