

Welcome!

Welcome to the NCEO's 2013 executive compensation questionnaire for ESOP companies.

By filling out this survey, you are contributing to a unique resource that contains executive compensation data specific to ESOP companies. **If you participate by August 31, 2013, you are eligible to receive a free copy of the survey report (\$150 value), which includes the compensation data broken down by industry and revenue.**

All of your answers to this questionnaire will be completely anonymous. All identifying information will be removed from the data. Anyone with access to the data will be subject to a strict confidentiality agreement. The final question in the survey asks for your email address so we can email you a copy of the results; email addresses will then be permanently removed from the database.

Page 1 asks about your executive compensation.

Page 2 asks about compensation mechanics and the process you use to determine executive compensation.

Page 3 asks for background about your company and ESOP.

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. If you would like to view a PDF version of the questionnaire before filling it out, [click here](#) (opens as a new window). Contact Camille Kerr (ckerr@nceo.org; 510-208-1310) with questions or concerns.

Executive Compensation

For the following questions, consider only amounts granted during either:

-the 2012 calendar year or

-the 2012-2013 fiscal year (or the most recent 12 month period for which the books are closed)

Exclude payments made on compensation granted in earlier years. Provide all answers in dollars.

1. Base pay (exclude bonuses, profit sharing, and all other incentive pay)

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

2. Cash bonuses, cash profit sharing plans, and other short term cash incentives

This includes all forms of dollar-denominated incentive compensation payable in the most recently completed year. Do not count deferred compensation, stock or stock-equivalent compensation.

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

3. Long term cash incentives

This includes compensation denominated in dollars that was awarded in the most recent year and will be payable in a future year (excluding the ESOP and any other retirement plans).

CEO/President	<input type="text"/>
CFO/ Top Finance/Accounting Executive	<input type="text"/>
COO	<input type="text"/>
Top Divisional Vice President	<input type="text"/>
Top Human Resources/Personnel Professional	<input type="text"/>
Top Sales/Marketing	<input type="text"/>
Top Manufacturing/Products/Services Vice President	<input type="text"/>

4. Contributions to a 401(k) or other retirement plans (excluding the ESOP)

CEO/President	<input type="text"/>
CFO/ Top Finance/Accounting Executive	<input type="text"/>
COO	<input type="text"/>
Top Divisional Vice President	<input type="text"/>
Top Human Resources/Personnel Professional	<input type="text"/>
Top Sales/Marketing Executive	<input type="text"/>
Top Manufacturing/Products/Services Vice President	<input type="text"/>

5. Please enter the percentage of payroll your company contributed to the ESOP:

In the most recently completed fiscal year	<input type="text"/>
On average over the past five years	<input type="text"/>

6. Stock-based compensation

Please indicate which of the following types of equity compensation you provide to the following executives. If you would like a description of the different types of equity compensation, see the paragraph below this question.

	Stock options	Restricted stock/ RSUs	Stock appreciation rights	Phantom stock
CEO/President	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CFO/ Top Finance/Accounting Executive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Top Divisional Vice President	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Top Human Resources/Personnel Professional	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Top Sales/Marketing Executive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Top Manufacturing/Products/Services Vice President	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other (please specify)

Types of Stock-Based Compensation

--*Stock options* give 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* and its close relative *restricted stock units (RSUs)* give employees the right to acquire or receive shares, by gift or purchase, once certain restrictions, such as working a certain number of years or meeting a performance target, are met.

--*Phantom stock* pays a future cash bonus equal to the value of a certain number of shares.

--*Stock appreciation rights (SARs)* provide the right to the increase in the value of a designated number of shares, paid in cash or shares.

7. Stock-based compensation

Please provide the total fair value of all stock-based compensation granted during the last fiscal year, not just the amount expensed during the fiscal year.

If you do not know the fair value for stock options and SARs, you can use one-third of the grant price as an estimate. For full-value awards, use the value of the award at grant date.

CEO/President	<input type="text"/>
CFO/ Top Finance/Accounting Executive	<input type="text"/>
COO	<input type="text"/>
Top Divisional Vice President	<input type="text"/>
Top Human Resources/Personnel Professional	<input type="text"/>
Top Sales/Marketing Executive	<input type="text"/>
Top Manufacturing/Products/Services Vice President	<input type="text"/>

Equity Ownership and Compensation Mechanics

8. Please indicate the number of common shares/units in each of the following categories:

Number of shares held by the ESOP	<input type="text"/>
Number of shares held directly by executives/ other employees:	<input type="text"/>
Number of shares held by non-employees (including directors and founders who are not employees, outside investors, etc.)	<input type="text"/>

Approximate number of granted stock options	<input type="text"/>
Approximate number of granted SARs	<input type="text"/>
Approximate number of granted phantom stock	<input type="text"/>
Approximate number of granted restricted stock and RSUs	<input type="text"/>
Other (please specify type and number)	<input type="text"/>

9. 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)

10. Please indicate how the following types of compensation are granted:

	Based on discretion	Based on an individual performance metric	Based on a company performance metric
Bonuses, profit sharing, and other short term cash incentives	<input type="text"/>	<input type="text"/>	<input type="text"/>
Long term cash incentives	<input type="text"/>	<input type="text"/>	<input type="text"/>
Stock-based pay	<input type="text"/>	<input type="text"/>	<input type="text"/>

11. How do the following types of incentive pay vest, in general:

	Type of vesting	Vesting schedule (fully vested after):
Long term cash incentives	<input type="text"/>	<input type="text"/>
Stock-based pay	<input type="text"/>	<input type="text"/>

12. Please indicate which (if any) of the following officers...

	...are NOT participants in the ESOP.	...have direct share ownership outside the ESOP (founding shares, vested restricted stock, granted on hire, etc.)
CEO/President	<input type="checkbox"/>	<input type="checkbox"/>
CFO/ Top Finance/Accounting Executive	<input type="checkbox"/>	<input type="checkbox"/>
COO	<input type="checkbox"/>	<input type="checkbox"/>
Top Divisional Vice President	<input type="checkbox"/>	<input type="checkbox"/>
Top Human Resources/Personnel Professional	<input type="checkbox"/>	<input type="checkbox"/>
Top Sales/Marketing Executive	<input type="checkbox"/>	<input type="checkbox"/>
Top Manufacturing/Products/Services Vice President	<input type="checkbox"/>	<input type="checkbox"/>

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

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

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

- Yes
- No

15. Please indicate who receives the following benefits (choose one category of employees per row):

	We do not provide this benefit	All employees	Most employees (e.g. all but hourly employees)	Managerial/ technical employees and above	Only executives	Only the CEO
Bonuses/ profit sharing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
401(k) contributions/ matching	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wellness plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Health insurance premiums	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Life insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Short term disability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paid family and medical leave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paid sick days leave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personal travel/transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stock-based compensation besides the ESOP	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Above market base pay	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you provide other benefits? Please describe the benefit and which employees receive it:

Company and ESOP Background

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

- 50 or fewer
- 51 to 100
- 101 to 200
- 200 to 500
- 501 to 1,000
- More than 1,000

17. Which of the below best describes your industry?

- Manufacturing
- Retail
- Wholesale
- Financial, insurance, or real estate
- Engineering, architecture, and related fields
- Construction
- Health Care
- Technology (computers, biotechnology, software)
- Other (please specify)

18. Where is your company's headquarters?

- West (AK, CA, HI, NV, OR, WA)
- Midwest (MN, IA, MO, WI, IL, MI, IN, OH)
- Northeast (NY, ME, VT, NH, MA, CT, RI, PA, NJ)
- Mid-Atlantic / Southeast (KY, WV, DE, MD, DC, VA, TN, NC, AR, LA, MS, AL, GA, SC, FL)
- Mountains / Plains (ID, MT, ND, SD, WY, UT, CO, NE, KS, AZ, NM, OK, TX)

19. What was the company's average change in stock price over the past five years?

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

20. 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

21. When did you start your ESOP? (Answer with a 4-digit year)

**22. What percentage of the company's shares is owned by the ESOP?
(Please enter a number between 0 and 100)**

23. Is your company an S corporation or a C corporation?

- S corporation
- C corporation

24. Is your company's stock traded on a stock exchange?

- Yes
- No

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

- Up to \$5 million
- More than \$5 million, up to \$10 million
- More than \$10 million, up to \$50 million
- More than \$50 million, up to \$200 million
- More than \$200 million, up to \$500 million
- More than \$500 million, up to \$1 billion
- More than \$1 billion

**26. What is the approximate median W-2 compensation for employees at your company?
(Enter an approximate annual salary without commas or a dollar sign).**

Closing

27. Please describe your compensation philosophy.

(Compensation philosophy is your approach for using base salary, incentive compensation, and qualified retirement plans including the ESOP to design your executive compensation plan. For example, if you seek to provide base salary that is at the median level versus the market, and use cash incentives or equity awards to provide total direct compensation that is above market norms, we would like to understand why you use this approach.)

28. Your contact information.

You may leave this question blank if you prefer. However, you must provide us your email address if you would like an advance summary of the results of this survey. We will not use your email for any purpose other than follow-up to this survey, and we will remove your contact information from the database.

Your name

Email address

29. Check here if you would like to receive notification about the next edition of the NCEO's publication *Executive Compensation and ESOP Companies* or about custom analysis of the ESOP executive compensation data.

- Notify me when *Executive Compensation in ESOP Companies* is published.
- Notify me when customized reports on executive compensation are available.

30. Any comments?

The NCEO's goal is to make this survey as useful for ESOP companies as possible without asking a burdensome number of questions. Help us improve this survey by telling us which questions were most and least useful or by making suggestions for future surveys. We welcome your comments here and you can contact Camille Kerr at any time (ckerr@nceo.org; 510-208-1310).