General Counsel Pay Trends

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Featuring Commentary From

barkergilmore

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Executive Summary

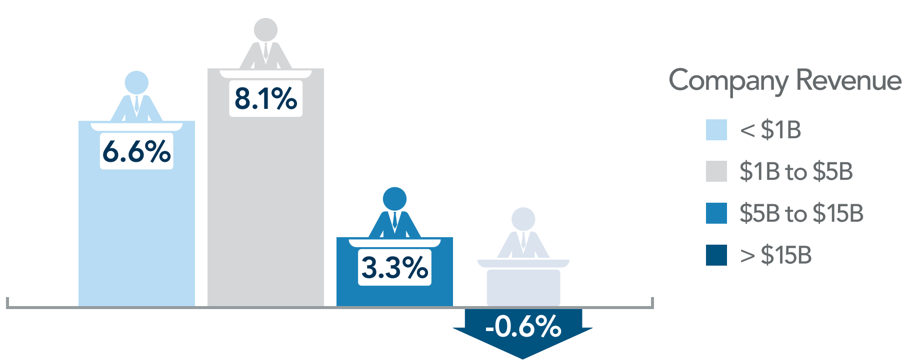
The General Counsel acts as a company's top legal officer, but this role is also expanding into corporate strategy and risk management and response. Alongside an expanded senior management role, GC pay packages are exposed to similar influences affecting compensation for C-suite executives and are evolving similarly.

Since shareholders gained the ability to approve executive pay packages through Say on Pay votes in 2011, compensation of the C-suite has continued to grow on an absolute basis. For example, median pay for CEOs at the 500 largest U.S. companies by revenue (Equilar 500) grew more than 6% between fiscal years 2015 and 2016. Meanwhile, long-term incentive (LTI) awards are being granted more frequently as performance-vesting stock, contingent on hitting pre-determined goals, rather than as stock options. At the smallest companies by revenue (less than $1 billion), nearly half of the reported compensation of GCs was in the form of equity awards that vest over a number of years rather than cash in the form of salary or bonus. At the largest companies by revenue (over $15 billion), about 62% of the average GC pay package was granted as either stock options or restricted stock.

GCs at Smaller Companies Saw Biggest Pay Increases (p. 11)

From fiscal 2015 to 2016, GCs at public companies below $5 billion in revenue saw a greater increase in total compensation compared to GCs at larger companies. While the GCs at larger companies were awarded packages that far exceeded their colleagues at smaller companies, the GCs at smaller companies saw pay rise at higher rates, and in some cases, in higher absolute values. GCs at companies reporting revenues between $1 billion and $5 billion were awarded a median $1.5 million in total compensation, up over 8% from the year prior—an absolute increase of approximately $111,000. GCs at companies with revenues of less than $1 billion experienced a 6.6% (or $56,000) increase in median pay to nearly $918,000 in 2016.

Year-Over-Year Change in GC Pay



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Meanwhile, GCs at companies reporting revenue over $15 billion received a median $3.8 million in total compensation in 2016, down 0.6% from 2015. GCs at companies reporting revenues between $5 billion and $15 billion saw total compensation rise 3.3% to a median $2.4 million in 2016, an absolute increase of about $75,000.

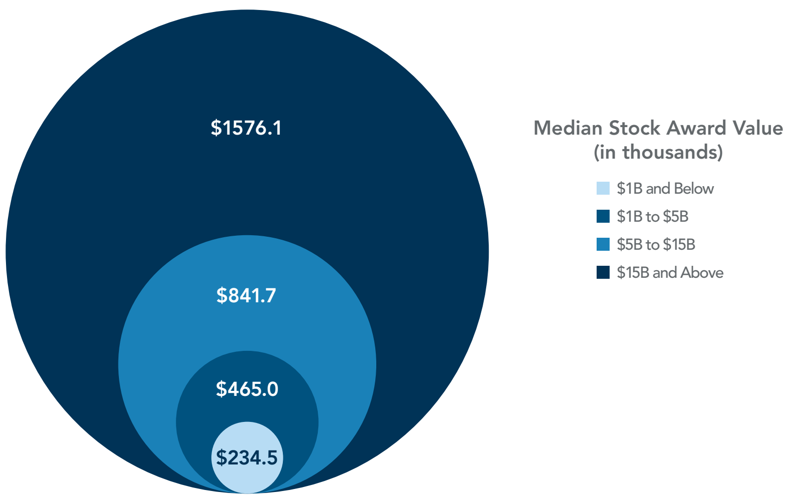
Stock Awards Bolstered GC Pay at Largest Companies (p. 15)

Stock-based awards granted in 2016 were largest for GCs at companies over $15 billion in revenue at a median $1.6 million, nearly twice that of GCs at companies with revenues between $5 billion and $15 billion. By comparison, GCs at the smallest companies (less than $1 billion revenue) in the study received a median $235,000 in stock awards.

On average, 46% of GC pay at the largest companies was delivered in stock, outpacing GCs at the smallest companies who received about one-third of total compensation in stock.

Among Equilar 500 companies, GCs serving in the technology sector received 63% of average 2016 total compensation in stock, the highest proportion of any sector. No other sector granted over 50% of total pay in stock, the closest being basic materials companies at nearly 49%. In terms of cash-based pay, the financial sector paid GCs the highest proportion of total compensation in salary and annual bonus, covering nearly 45% of the average pay package.

Larger Companies Provide More Stock to General Counsel



Relative TSR Most Commonly Determined Performance Award Payouts (p.23)

The metrics used to measure goals for performance-vesting long-term incentives (LTI) of GCs closely mirrored performance metrics commonly utilized for CEOs. Of the GCs that received performance LTI, 52.3% had relative total shareholder return (TSR) linked to an award in 2016.

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EQUILAR Institute

Equilar provides up-to-date data and analysis on executive compensation and corporate governance issues to help executives and boards align with their shareholders. Visit the Equilar Institute to learn more about research reports, webinars, daily blog updates, newsletters, *C-Suite* magazine and more.

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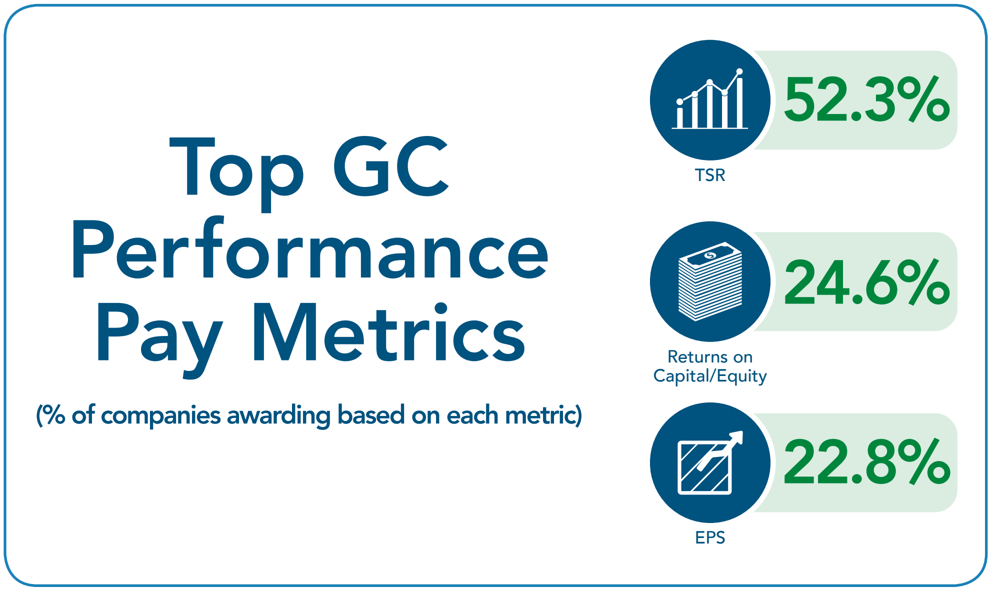
Similarly, about half of CEOs received awards in the same year tied to TSR performance, according to previous Equilar studies. Moreover, as investors voice a preference for return on invested capital (ROIC), companies have responded by leveraging the metric more frequently than years past. Performance LTI awards were linked to ROIC metrics for nearly one-quarter of GCs. Earnings per share (EPS) and revenue were also included for at least 20% of GCs, while earnings before interest, tax, depreciation and amortization (EBITDA) was the fifth most common metric in 2016 awarded to 17% of GCs.



General Counsel Pay Trends Webinar

Join Equilar and BarkerGilmore for a webinar to discuss the latest trends in compensation and recruiting for GCs at public companies. Learn more about how companies are strategizing succession planning for their top legal talent.

www.equilar.com/webinars

Beyond the Numbers

A Q&A with BarkerGilmore

The role of top legal officers at public companies has evolved over the past few years, and with that, compensation levels have increased and pay structures have been reimagined. Equilar spoke with Bob Barker and John Gilmore, Partners, and Ann Harlan and Bill Solomon, Senior Advisors at BarkerGilmore—a boutique executive search firm dedicated to the placement of General Counsel, Chief Compliance Officers and their strategic hires—about the changing corporate environment and how that affects recruiting and compensation for top legal talent.

Equilar: What changes have occurred within GC roles in the past few years, and how have those changes affected recruiting and compensation?

Robert Barker: For most GCs, their role evolves during their tenure to include responsibilities beyond legal and compliance. We typically see a new GC gaining the trust and respect of the executive team and board over time. As this relationship solidifies, the scope of responsibilities expands as well. For example, a GC's initial role might begin with legal, compliance, and governance, but grow to include other functions including human resources, risk management, government relations, communications, and even business oversight. As responsibilities are added, compensation follows suit. This is one reason why the initial compensation for a newly hired GC may not be equivalent to that of the outgoing GC.

Equilar: How have GC roles shifted and expanded—particularly in terms of interaction with the boardroom—with respect to duties that may not have been their responsibilities in the past?

Ann Harlan: With the current pace of change, GCs are indispensable advisors to the board on everything from changing risks to the role of a special committee in an acquisition context. As the world moves faster and faster, a talented GC is called upon to help prioritize the legal issues that require board attention.

Bill Solomon: Given the imposition of greater legal and practical responsibility on the board and the GC, especially in light of failures, scandals, and disappointments over the past 20 years, shareholders, plaintiffs' attorneys, regulators, and the public expect a much higher level of scrutiny and performance by the GC.

Equilar: How have corporate governance changes at public companies affected the GC role? As a result, how have recruiting and onboarding practices changed from the top down in legal departments?

Harlan: Good corporate governance is transparent and also reflects the company's culture. Investors are making buying decisions based in part on how well the governance structure is working and how well the process is communicated to shareholders. Those same shareholders are starting to track good governance as a measure of revenue and profitability. The General Counsel plays a critical role in managing governance changes and identifying best practices.

John Gilmore: GCs are forced to get to know all facets of the business. Onboarding today involves a GC traveling globally to international offices or job sites and meeting customers to gain full insight to the challenges and inner workings of the business.

Equilar: Succession planning is an important focus for legal departments—with pay typically being higher when an executive joins from an outside firm, what are companies doing to incentivize top talent to stick around, especially if there is a well-respected, entrenched GC incumbent?

Gilmore: While short-term cash compensation and long-term incentives that vest over time contribute to the satisfaction and longevity of high-performing succession candidates, less tangible attributes of the position can ultimately make the biggest difference. General Counsel who empower successors to take on new challenges, gain direct exposure to the executive team and board,

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Beyond the Numbers (continued)

and who acknowledge the contributions that are made are typically rewarded with loyalty. While this fosters loyalty, it isn't failsafe. As painful as it can be, most GCs feel fulfilled and endorse a potential successor leaving for a General Counsel opportunity outside the company. This signals a job well done and gives credence to the incumbent GC's own legacy.

Equilar: How much overlap and transferability of skills are there for a GC from industry to industry or company to company? What are companies looking for if they are recruiting new GCs from the outside?

Barker: This is an excellent question, which is completely dependent on the direction of the search established by the CEO or hiring committee. For the most part, broad legal experience (which includes public company governance), leadership, gravitas, and an appropriate cultural fit are the key components to being a successful GC. GCs regularly move seamlessly between industries, but many times the CEO will only consider lawyers with specific industry experience to more quickly align with the business. (This typically comes into play in highly regulated industries such as financial, healthcare, or energy.) In most cases, we highly recommend not limiting a search to a narrow industry, since you might miss out on some incredible talent.

Equilar: How has the relationship between GCs, other C-level management and the board evolved?

Solomon: External influences such as government regulators, shareholders and the public have heightened the scrutiny of board directors in terms of oversight and even the management of the company, creating the potential for more tension between aggressive management of the company by the C-suite, and a more cautious, tempered approach by the board.

Harlan: The relationship between the General Counsel and senior management and the board has evolved. The GC is no longer a siloed professional who is called upon when there is an issue, and the role that most General Counsel play today is that of a business partner and trusted advisor. Today's business environment, regardless of the industry, requires a highly functioning leadership team that includes a General Counsel focused on creative solutions for regulatory hurdles, risk mitigations and creative structuring of acquisitions to maximize corporate assets. Though the relationship and interplay between GC, board, and senior management will continue to evolve over time, there is no question that successful GCs are also involved business partners.

Equilar: What are some of the critical risks facing GCs at public companies in 2017? How have these changes to the corporate environment influenced recruiting practices?

Gilmore: The risks for today's General Counsel include an increase in regulation and enforcement in the face of shrinking budgets, privacy and data security, crisis management, IP theft and enforcement, and reputational risk for the company. What is rarely mentioned is the reputational risk for the General Counsel themselves. These risks on both sides have transformed the search process to become much more selective. Companies are more cautious and take longer to reach a hiring decision as they determine whether the candidate's experience, risk tolerance, ethics, and cultural fit align with business objectives and values. General Counsel candidates are being equally selective of the opportunities they consider to be sure that personal reputational risk is protected. A tarnished reputation would be devastating to the career of a GC.

About BarkerGilmore

BarkerGilmore is a boutique executive search firm dedicated exclusively to the placement of General Counsel, Chief Compliance Officers and their strategic hires. Our niche concentration affords us access to a specialized network of talent, and we have established the relationships that allow us to identify the best legal professionals for any assignment. We are attentive to each of our client's business culture and understand their brand, strategy and leadership needs. We pride ourselves on being able to provide the highest standard of service and at establishing meaningful and long-lasting relationships with our clients.

The hard measures of our operational efficiency keep existing clients returning to the firm and provide our new clients with the peace of mind of knowing the success of their search is inevitable. Our industry leading, audited metrics over the past three years include: a 96% retention rate of placements made, 44% of which are women, 24% ethnically diverse, a 96-day average timeframe to execute a search, and guaranteed results.

For more information visit www.barkergilmore.com

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Methodology

General Counsel Pay Trends, an Equilar publication, examines the compensation of General Counsel (GC) disclosed in SEC filings by public companies for the fiscal years 2016 and 2015. Companies that filed a proxy statement (DEF 14A) or disclosed compensation information in an amended 10-K filing (10-K/A) by May 1, 2017 were included in the fiscal 2016 year—2015 was defined similarly. Analysis of GC compensation is divided by company revenue ranges for the larger sample of all public companies in the Equilar database.

In addition, industry sector breakdowns are included for the Equilar 500, an index which tracks the 500 largest, by reported revenue, U.S.-headquartered companies trading on one of the major U.S. stock exchanges (NYSE, Nasdaq or NYSE MKT (formerly AMEX)), adjusted to approximate the industry sector mix of similar large-cap indices. The Equilar 500 was chosen for this analysis to normalize by company size and type. Industry sectors are based on Yahoo! Finance classifications, and conglomerates were excluded from charts throughout the report due to small sample size, but these companies are included in the overall figures. The sample sizes are detailed in the tables below.

	Less than $1B	Between $1B and $5B	Between $5B and $15B	Over $15B
FY 2015	552	386	138	58
FY 2016	539	385	144	55

	Equilar 500
FY 2015	176
FY 2016	180

Total compensation is defined as the sum of summary compensation table (SCT) reported salary, bonus, non-equity incentive plan compensation, stock awards, option awards and all other compensation—change in pension value and nonqualified deferred compensation was excluded to omit changes in actuarial value. The term "stock" used throughout the report comprises all full-value shares, including restricted stock awards and restricted stock units. Similarly, stock options and stock-appreciation rights (SARs) are combined under "options."

The narrative portion of this report identifies compensation trends for general counsel. BarkerGilmore has offered independent commentary to provide color and context to how companies recruit and compensate their GCs.

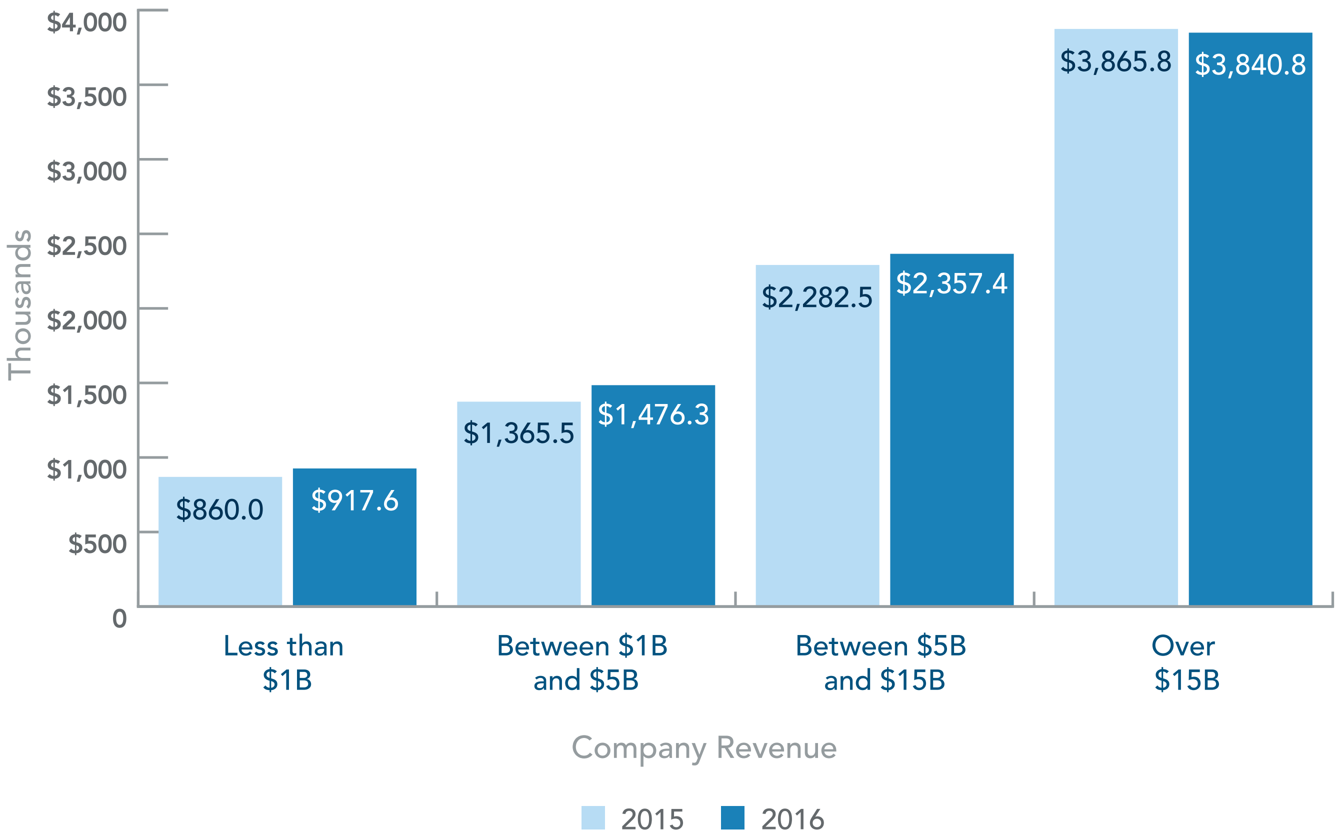
Key Findings

1. Median total direct compensation (TDC) for GCs increased moderately from 2015 to 2016, except at companies above $15 billion in revenue, which fell slightly.
2. The median ratio of CEO-to-GC compensation was greatest at companies with revenues between $1 billion and $15 billion, at about 3.7-to-1, and smallest for companies under $1 billion in revenue where the median ratio was less than 3-to-1.
3. Median GC base salary ranged from about $325,000 among the smallest companies to $650,000 at the largest—meanwhile, median stock grants at the largest companies were more than seven times those awarded at the smallest.
4. Stock grants represented the largest pay component at the median for GCs across all Equilar 500 sectors—basic materials companies granted the highest median value of compensation in stock, at about $1.2 million, almost twice the value of stock granted within the industrial goods sector, which offered the least amount.
5. At least 60% of all companies above $1 billion in revenue granted performance-based stock awards, and awards were most commonly linked to relative TSR performance.
6. Performance bonuses for more than 30% of GCs in 2016 were measured by revenue, non-financial and EBITDA metrics.

Total Direct Compensation

General Counsel Pay Trends

Figure 1 GC Median Total Direct Compensation, by Revenue Range



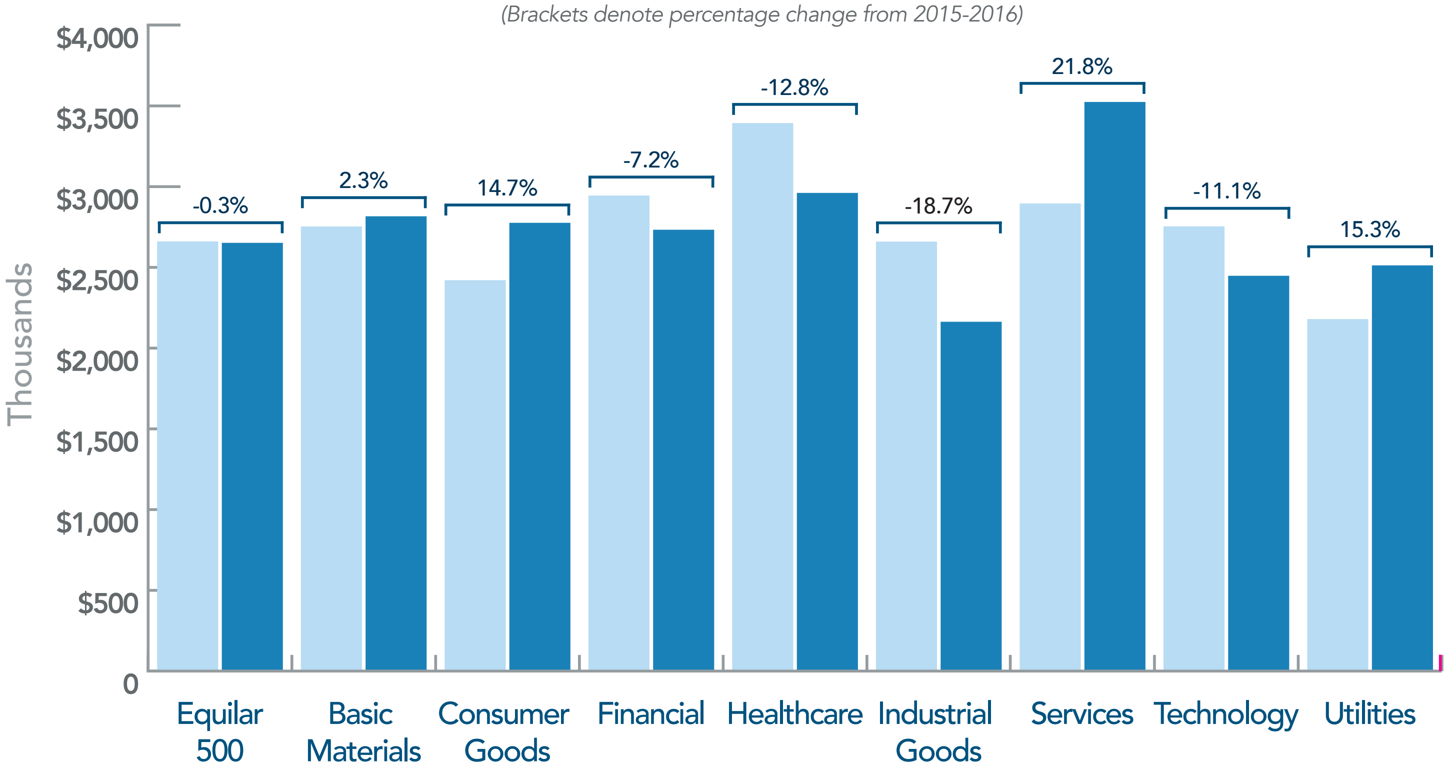
Data Points

- Median pay for general counsels (GCs) increased moderately in each revenue range from fiscal years 2015 to 2016, except at companies above $15 billion in revenue, which fell slightly *(Fig. 1)*
- The largest increase in both absolute value (approximately $111,000) and percentage-wise (8.1%) occurred for GCs that served companies between $1 billion and $5 billion in revenue *(Fig. 1)*
- Median total direct compensation (TDC) for GCs in the study irrespective of revenue increased by 4% overall

BarkerGilmore Commentary

Total annual compensation at large cap companies was flat overall, while small-cap and mid-cap companies rewarded GCs with sizable gains. While base compensation and cash bonuses increased by a modest 2%, the largest gains came in the form of RSUs, performance shares and options.

Figure 2 GC Median Total Direct Compensation, Equilar 500 by Sector



	Equilar 500	Basic Materials	Consumer Goods	Financial	Healthcare	Industrial Goods	Services	Technology	Utilities
2015	$2,652.2	$2,744.6	$2,412.1	$2,936.2	$3,385.2	$2,650.9	$2,887.3	$2,745.3	$2,171.2
2016	$2,643.3	$2,807.7	$2,767.3	$2,724.4	$2,952.5	$2,154.5	$3,515.8	$2,439.3	$2,503.7

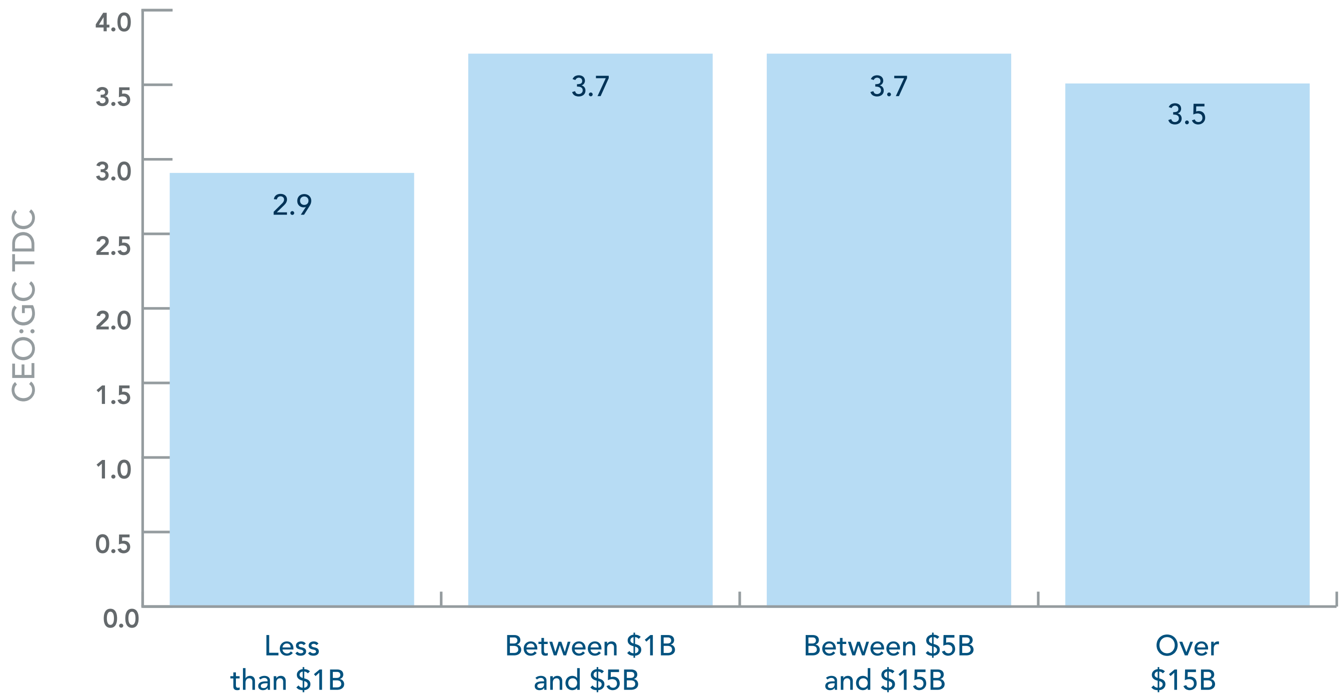
Data Points

- GCs at financial, healthcare, industrial goods and technology companies in the Equilar 500 experienced a decline in median TDC from 2015 to 2016 *(Fig. 2)*
- Median TDC for GCs at Equilar 500 services companies surpassed $3 million between 2015 to 2016, increasing from $2.9 million to $3.5 million *(Fig. 2)*
- The median TDC at utility, consumer goods and services companies all saw the largest proportional increases, as all three increased more than 12% from 2015 to 2016 *(Fig. 2)*
- While all sectors, excepting basic materials and financial, experienced more than a 10% change in median total compensation one way or another, as a whole the Equilar 500 shifted less than 0.5% from the 2015 median *(Fig. 2)*

BarkerGilmore Commentary

Companies will have certain legal expertise or industry experience that is expected for a new GC, typically due to the current state of the company and/or future business plans. That said, assessments for softer skills remain the same. This includes leadership capabilities, emotional intelligence, strategic thinking and cultural fit. In 2016, we saw consistent demand for talent across all sectors. The only exception would be energy, which is slowly recovering from the highs of 2013.

Figure 3 Median Ratio of CEO-to-GC TDC, by Revenue Range in 2016



Data Points

- Shareholders often evaluate executive pay based on internal equity, or the relationship and ratio of CEO pay to other individuals reported in proxy statements
- The median ratio of CEO-to-GC compensation was greatest for the middle two revenue ranges at about 3.7-to-1, and smallest for companies under $1 billion in revenue—the only median ratio less than 3-to-1 *(Fig. 3)*

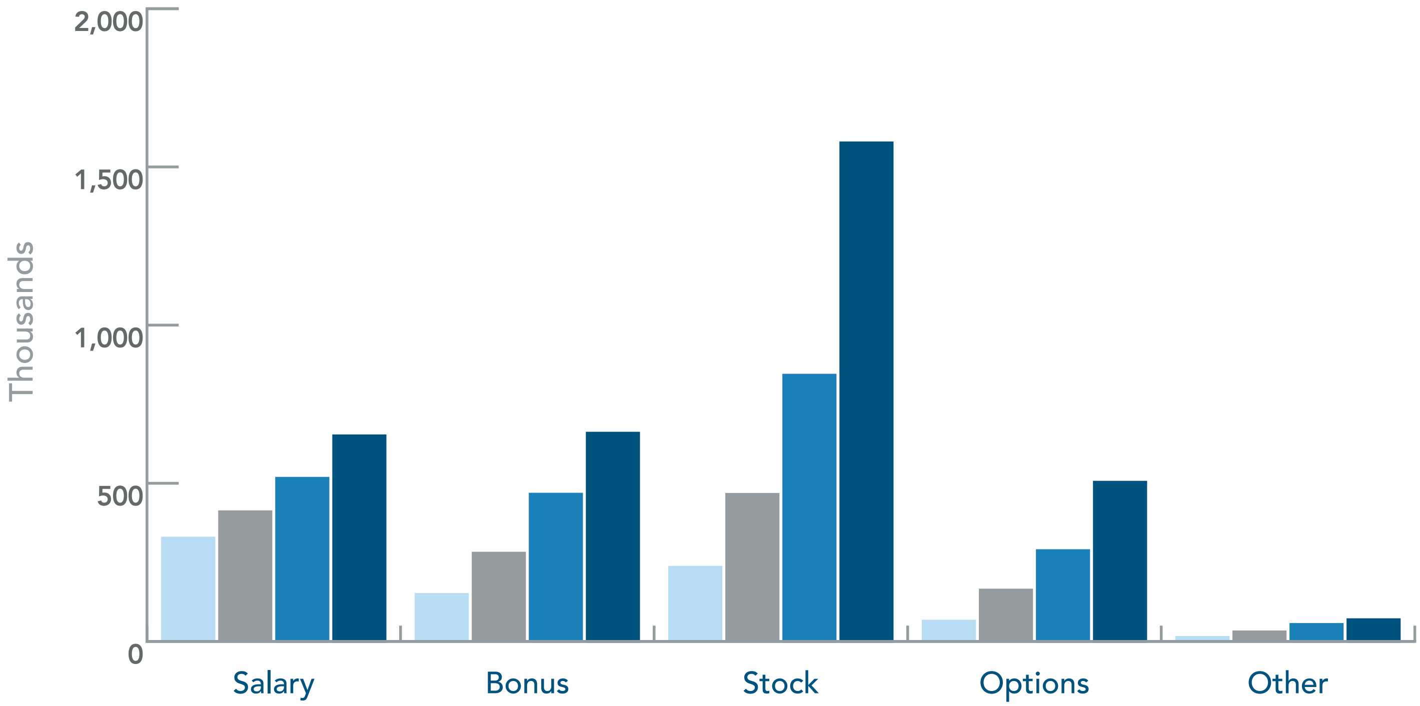
BarkerGilmore Commentary

The GC has become an integral part of the executive team, with equal or more influence than any other member of the C-suite. Many GCs now have the title of Chief Legal Officer (CLO) to reflect their seat at the table.

Pay Components

General Counsel Pay Trends

Figure 4 Median GC Pay Components, by Revenue Range in 2016

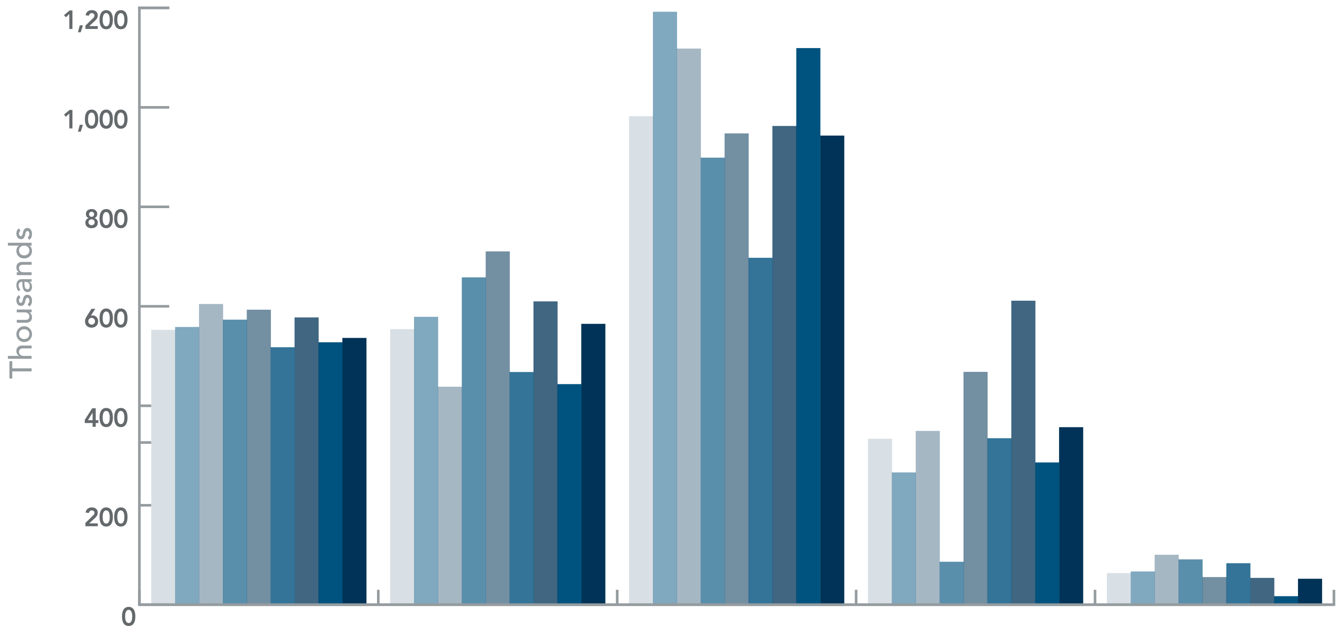


	Salary	Bonus	Stock	Options	Other
< $1B	$326.8	$148.6	$234.5	$64.3	$12.9
$1B - $5B	$410.0	$279.1	$465.0	$162.5	$30.3
$5B - $15B	$515.8	$465.6	$841.7	$287.1	$53.8
>$15B	$650.0	$658.4	$1,576.1	$503.3	$68.8

Data Points

- The median value for each component of GC pay was directly proportional to company revenue—as company revenues were larger, so were median GC compensation values *(Fig. 4)*
- Median GC base salary ranged from about $325,000 among the smallest companies to $650,000 at the largest *(Fig. 4)*
- Salary was the largest pay component at the median for companies below $1 billion in revenue, while stock was the largest median pay component for larger companies *(Fig. 4)*
- Stock grants increased most substantially with ascending revenue compared to other pay components in terms of total value—GCs at companies over $15 billion in revenue were awarded more than seven times the amount in stock value compared to companies with revenue less than $1 billion *(Fig. 4)*

Figure 5 Median GC Pay Components, by Equilar 500 Sector in 2016

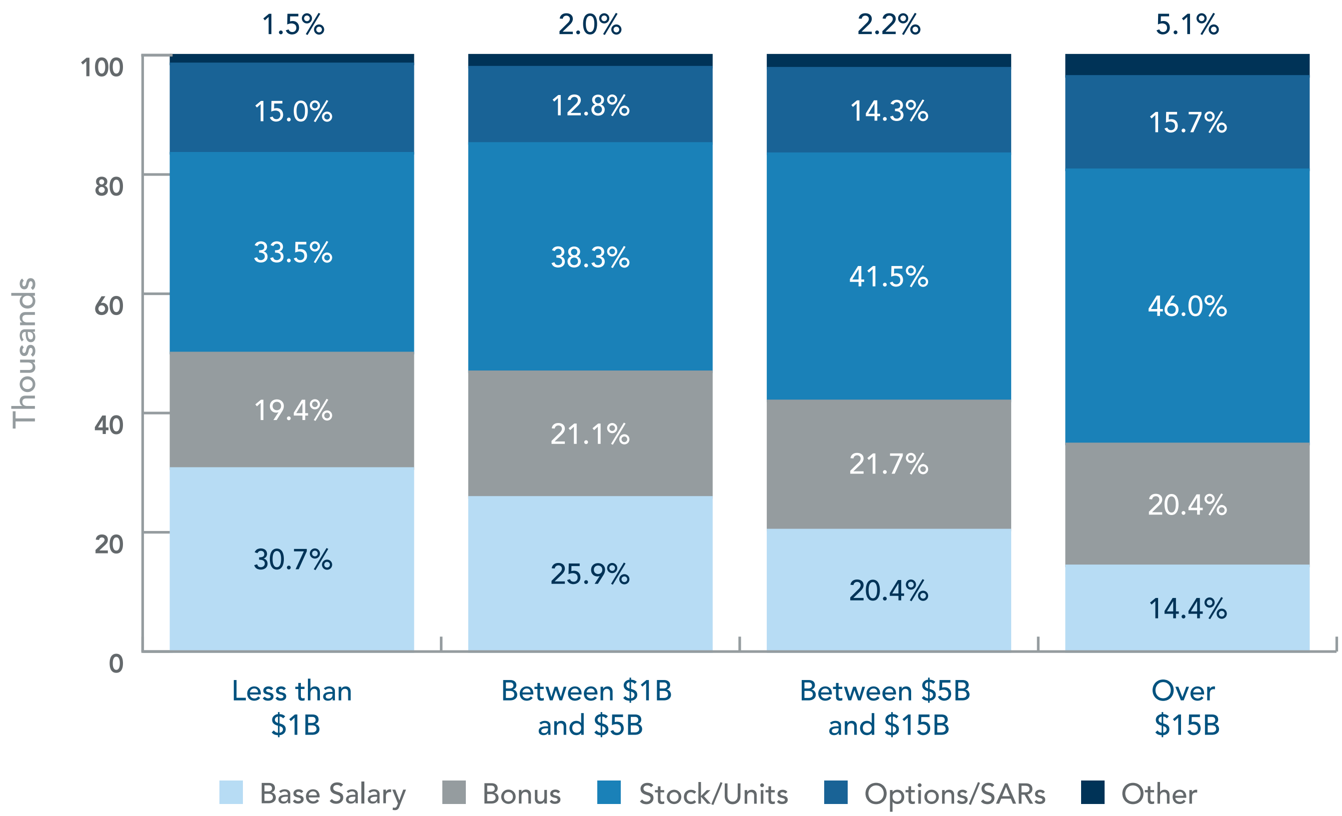


	Salary	Bonus	Stock	Options	Other
Equilar 500	$550	$552	$980	$331	$61
Basic Materials	$556	$576	$1,190	$263	$64
Consumer Goods	$602	$436	$1,116	$347	$98
Financial	$571	$656	$896	$84	$89
Healthcare	$591	$708	$945	$466	$53
Industrial Goods	$515	$465	$695	$332	$81
Services	$575	$607	$960	$609	$51
Technology	$525	$441	$1,117	$283	$14
Utilities	$534	$562	$941	$354	$50

Data Points

- Stock grants represented the largest pay component at the median for GCs across all sectors *(Fig. 5)*
- Basic materials companies granted the highest median value of compensation in stock, at about $1.2 million, almost twice the value of stock granted within the industrial goods sector, which offered the lowest at a median $695,000 *(Fig. 5)*
- The financial sector granted the lowest median options value at a median of $84,000, while services companies granted the highest median at $609,000 *(Fig. 5)*

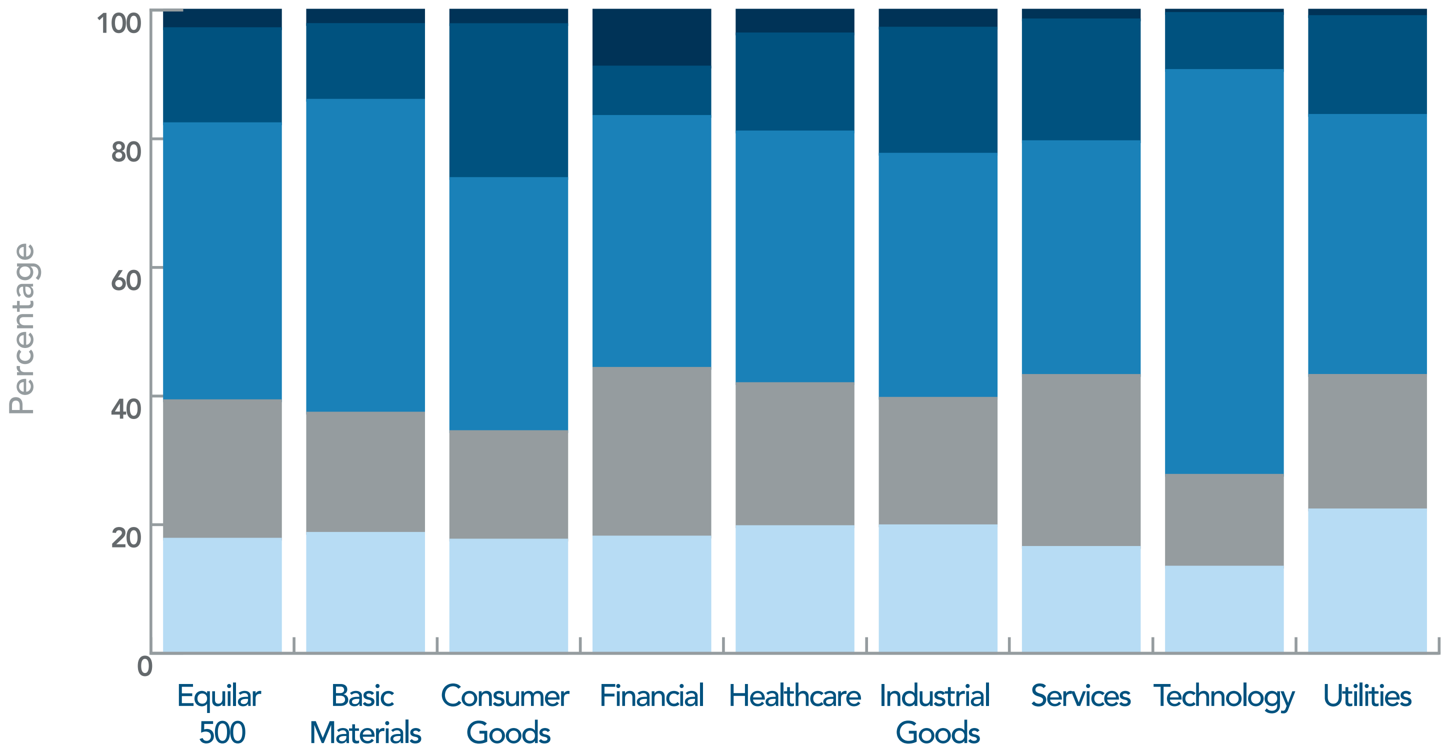
Figure 6 GC Average Pay Mix, by Revenue Range in 2016



Data Points

- The average percentage of base salary in the total compensation mix decreased as company revenue increased *(Fig. 6)*
- As an average percentage of total compensation, salary was 16 percentage points lower at companies over $15 billion in revenue compared to companies with revenue less than $1 billion, representing 14.4% and 30.7% respectively *(Fig. 6)*
- Equity compensation, or the total of stock and options, accounted for nearly 62% of the total compensation on average at companies with more than $15 billion in revenue, while GCs at companies with revenue less than $1 billion were granted 48.5% of TDC in equity awards *(Fig. 6)*

Figure 7 GC Average Pay Mix, Equilar 500 Companies by Sector in 2016



	Equilar 500	Basic Materials	Consumer Goods	Financial	Healthcare	Industrial Goods	Services	Technology	Utilities
Salary	17.7%	18.7%	17.6%	18.1%	19.7%	19.8%	16.5%	13.4%	22.3%
Bonus	21.5%	18.7%	16.9%	26.2%	22.2%	19.8%	26.7%	14.3%	20.9%
Stock	43.1%	48.6%	39.4%	39.2%	39.1%	38.0%	36.3%	63.0%	40.4%
Options	14.8%	11.8%	23.9%	7.7%	15.2%	19.6%	18.9%	8.9%	15.4%
Other	2.9%	2.2%	2.2%	8.8%	3.7%	2.8%	1.5%	0.5%	1.0%

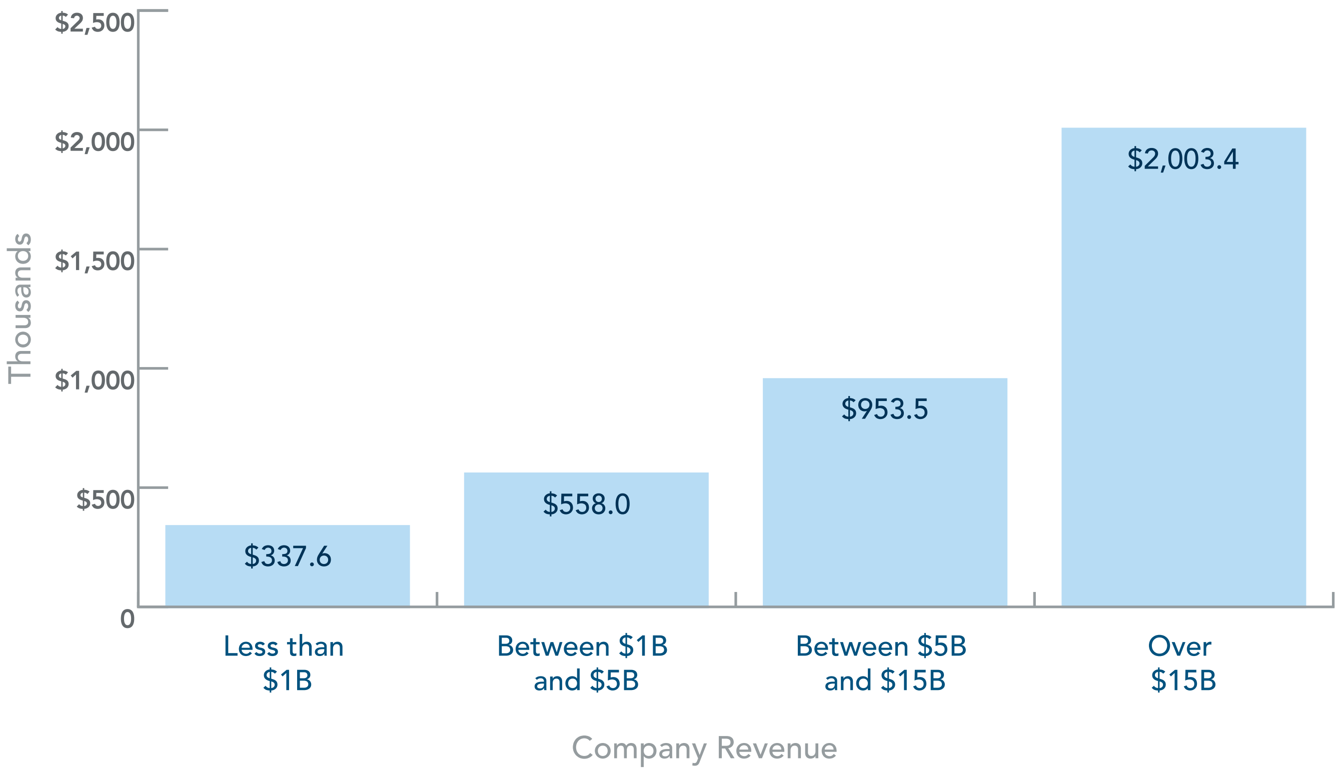
Data Points

- Equilar 500 technology companies granted the highest proportion of stock to GCs, at about 63% of the total on average, compared to the lowest average percentage of pay in the services sector at 36.3% *(Fig. 7)*
- GCs in the technology sector were paid, on average, close to 72% of total compensation in the form of equity, or the sum of stock and options, followed by consumer goods at 63.3% and basic materials at 60.4% *(Fig. 7)*
- Services companies paid GCs about 27% in bonus, the highest among all sectors in the study, while technology companies granted about 14% of total compensation as an annual bonus, the lowest average percentage *(Fig. 7)*
- Utilities companies were the only sector to award more than 20% of average pay in base salary *(Fig. 7)*

Equity and Long-Term Incentives

General Counsel Pay Trends

Figure 8 Median GC Equity and Long-Term Incentives, by Revenue Range in 2016



Data Points

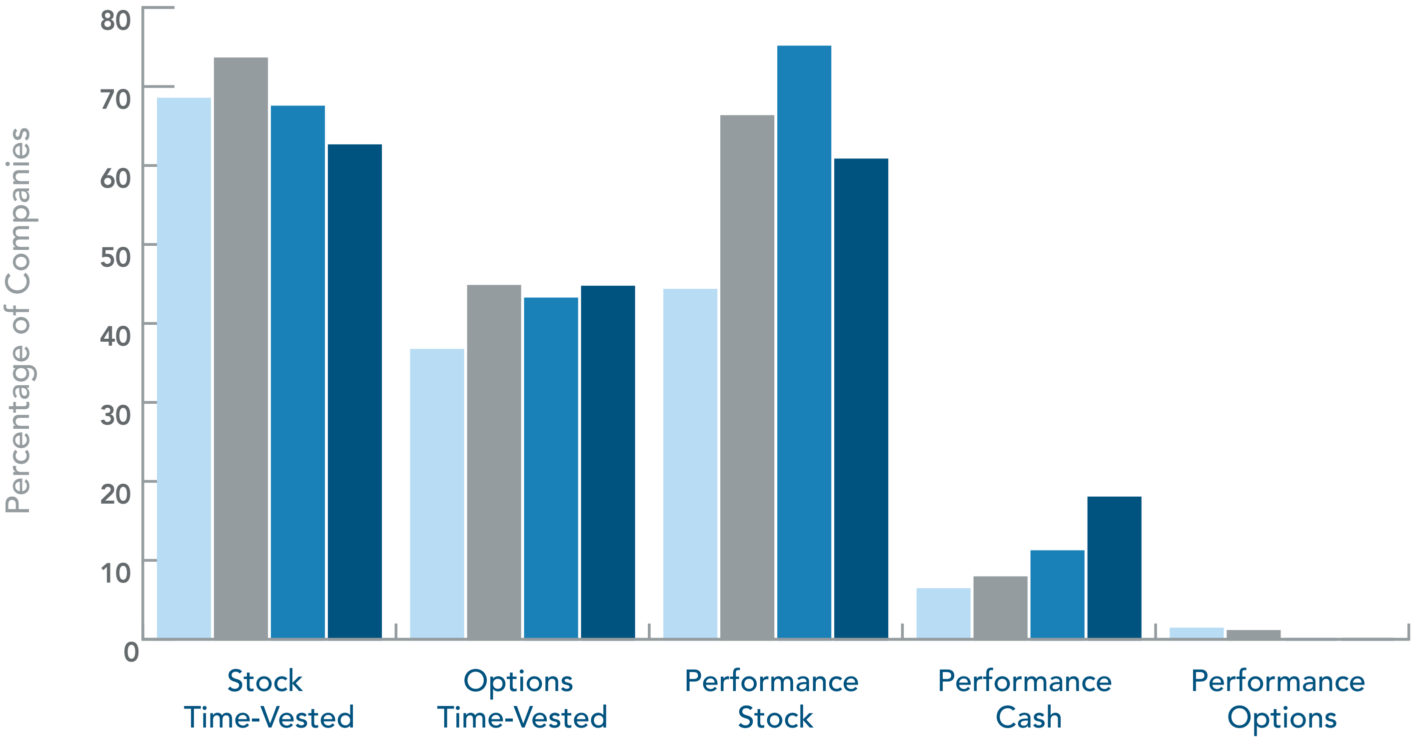
- Companies with revenue over $15 billion granted 594% more long-term incentive (LTI) value to GCs—over $2 million—compared to $338,000 at companies with revenue less than $1 billion *(Fig. 8)*
- GCs at companies with over $15 billion received more in long-term incentives at the median than all other revenue ranges combined *(Fig. 8)*

Assess the Metrics in Your Incentive Plans

Equilar and the Center On Executive Compensation have partnered to develop the Incentive Plan Analytics Calculator (IPAC^sm^), which encompasses Financial Metric Correlation and Incentive Plan Design. With IPAC, you can assess the robustness of your incentive plan metrics compared to the metrics used by your peers, allowing you to adequately motivate your executives while satisfying investor interests.

Learn more: www.equilar.com/ipac

Figure 9 Equity and LTI Vehicle Prevalence, by Revenue Range in 2016



	Stock Time-Vested	Options Time-Vested	Performance Stock	Performance Cash	Performance Options
< $1B	68.4%	36.6%	44.2%	6.3%	1.3%
$1B - $5B	73.5%	44.7%	66.2%	7.8%	1.0%
$5B - $15B	67.4%	43.1%	75.0%	11.1%	0.0%
>$15B	62.5%	44.6%	60.7%	17.9%	0.0%

Data Points

- Time-vested stock was the most common equity vehicle for GCs across every revenue range other than those between $5 and $15 billion *(Fig. 9)*
- At least 43% of GCs received stock options at companies greater than $1 billion in revenue *(Fig. 9)*
- At least 60% of all companies above $1 billion in revenue granted performance stock, with the largest percentage of companies doing so in the $5 billion to $15 billion range at 75% *(Fig. 9)*
- As company revenue increased, so did the prevalence of performance cash awards *(Fig. 9)*

Data Points

- Four-year graded vesting was the most common option vesting schedule used among public companies in 2016 at 45.9% *(Fig. 10)*
- A majority of option awards, 89.5%, will complete vesting at the end of three or four years *(Fig. 10)*
- Three- and four-year graded vesting schedules were most common for 2016 stock grants, at 42.3% and 25.3%, respectively *(Fig. 11)*
- Of all the stock awards granted in 2016, 60.4% had three-year vesting schedules *(Fig. 11)*
- Cliff vesting among both options and stock grants was most prevalent for awards with a three-year vesting period *(Figs. 10 and 11)*

Figure 10 GC Options Vesting Schedules in 2016

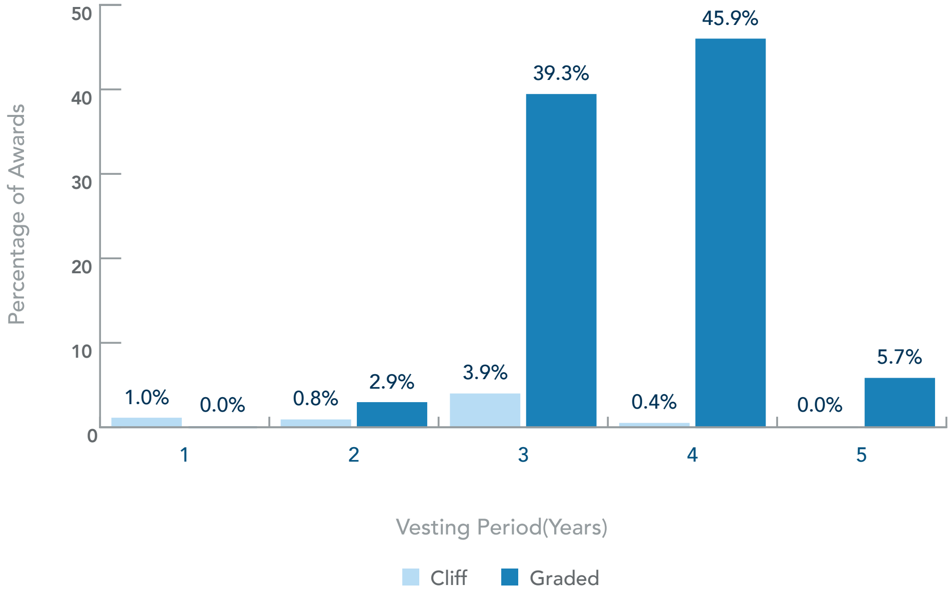
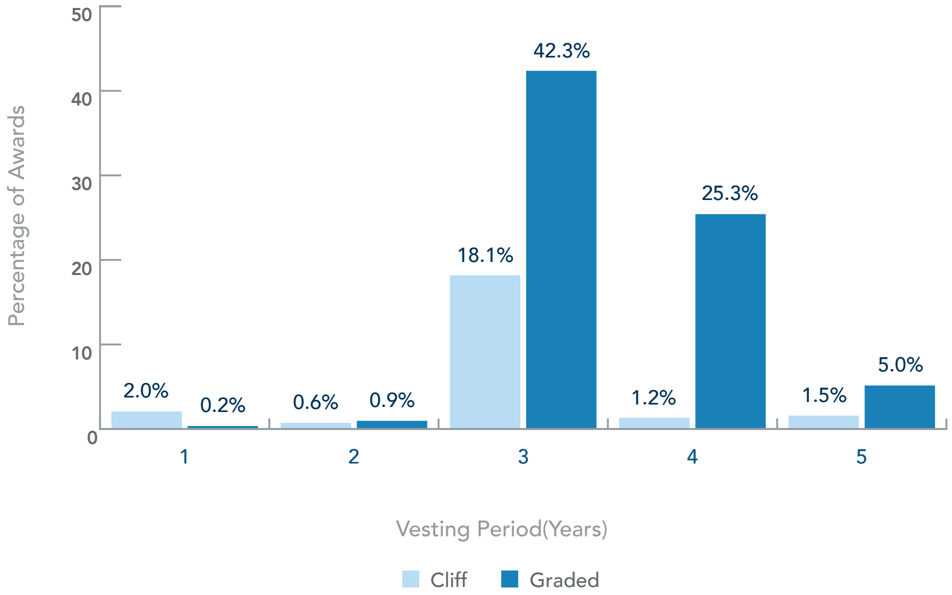


Figure 11 GC Stock Vesting Schedules in 2016



Data Points

- Of all the public companies analyzed, 68.3% and 77.6% had an LTI and STI performance-based plan for their GCs, respectively
- Relative total shareholder return (TSR) was the most prevalent long-term incentive (LTI) metric by a wide margin, used by 52.3% of companies that granted performance LTI *(Fig. 12)*
- Of GCs granted performance LTI, nearly 25% had an award linked to return on capital, invested capital or equity (ROC/ROIC/ROE) *(Fig. 12)*
- Revenue was the most common short-term incentive (STI) metric and the fourth-most common LTI metric among GCs receiving incentive awards, at 40.3% and 20.0%, respectively *(Figs. 12 and 13)*
- More companies leveraged earnings-based metrics for their GCs in short-term plans than long-term *(Figs. 12 and 13)*

Figure 12 GC LTIP Performance Metrics in 2016

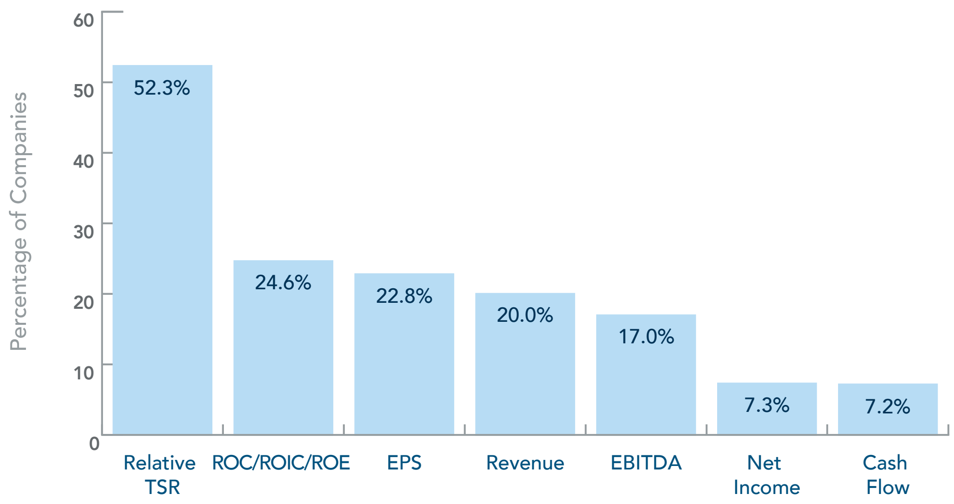
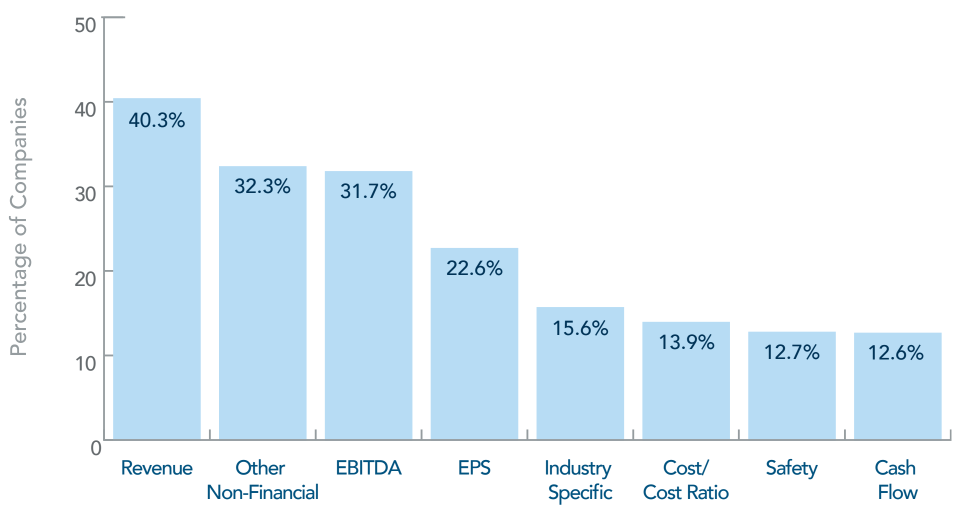


Figure 13 GC STIP Performance Metrics in 2016

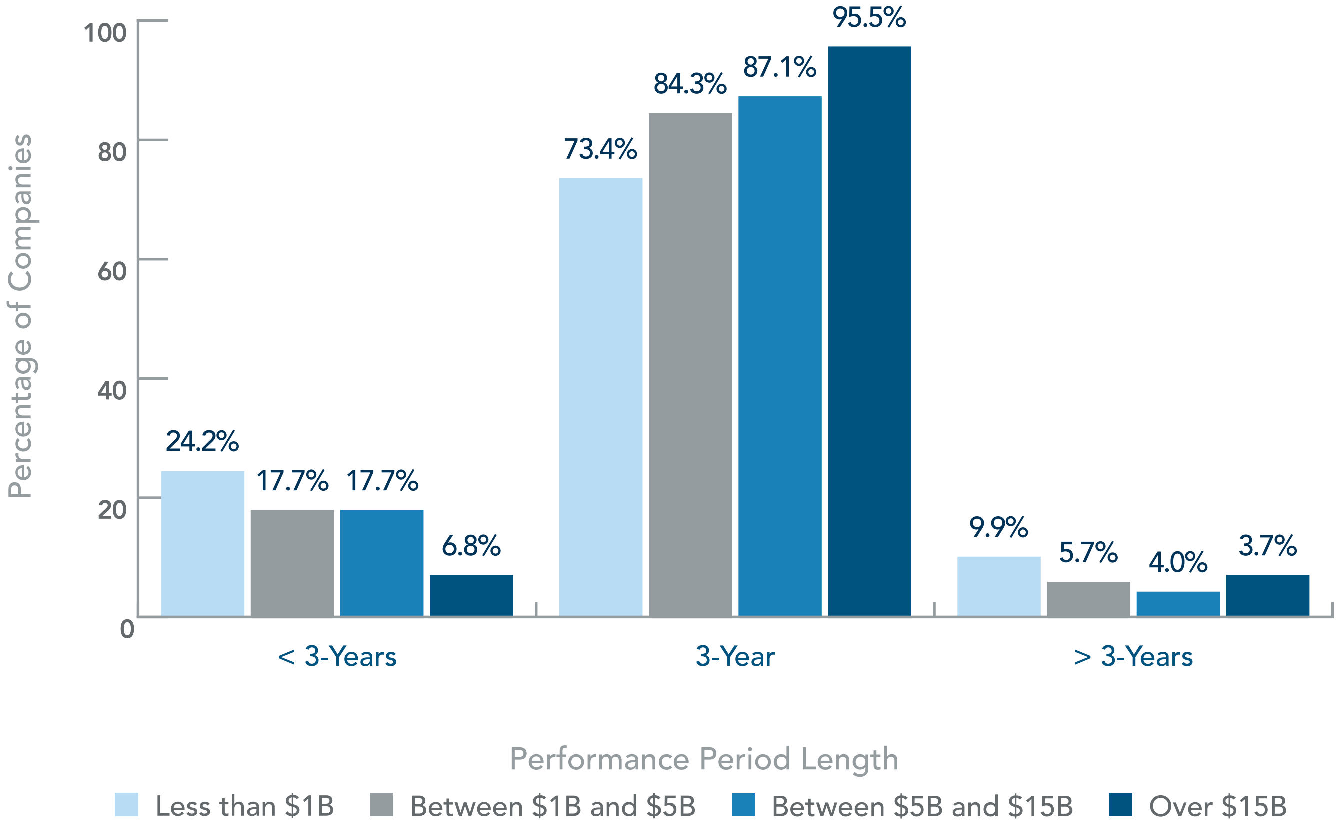


BarkerGilmore Commentary

Streamlining the contract process and winning business, optimizing IP, closing acquisitions, minimizing risk including litigation, regulatory, privacy & security, labor & employment all contribute to shareholder value.

GCs are the moral compass of the company, and a GC will not compromise ethics or their reputation to influence the stock price. The GC does have responsibility for seeing business opportunities and acting a business enabler. Their role has put them in the position of helping the business succeed, but the focus is on doing an exceptional job and not on the potential income. A job well done will be rewarded in the end.

Figure 14 Prevalence of Three-Year Performance Periods, by Revenue Range in 2016



Data Points

- Three-year performance periods were by far the most common across all revenue ranges *(Fig. 14)*
- Of companies with revenues below $1 billion that granted an LTI award to a GC, about one-quarter featured fewer than three-year performance periods, the highest prevalence of any revenue range *(Fig. 14)*
- The largest and smallest companies by revenue in the study were more likely to attach performance periods of greater than three years to LTI awards *(Fig. 14)*
- Performance periods less than three years were used by about 18% of companies between $1 and $15 billion in revenue, while only 7% of companies above $15 billion used one- or two-year performance periods *(Fig. 14)*

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