

Chief
Executive
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RESEARCH

2023–2024

CEO & Senior Executive Compensation Report for Private U.S. Companies

Volume I – CEO Compensation

This report was researched and produced by Chief Executive Research, a division of Chief Executive Group, LLC.

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Executive Summary

Executive Summary

- ▶ Chief Executive Research surveyed 1,634 U.S. companies in April, May, June and July of 2023 about their 2022 compensation levels and practices for CEOs and senior executives, their current and expected cash compensation levels in 2023, and their forecast for 2024.
- ▶ Our data shows that in 2022, the median private company CEO received a total compensation package of \$412,850 (including base salary, bonus, benefits, perks, new equity grants and equity gains).
 - ▶ The median CEO base salary was \$300,000, and the median bonus was \$77,850.
 - ▶ The median CEO didn't receive any new equity grants and, unlike 2021, reported \$0 in equity gains but owned 10% of the company's equity, which was worth approximately \$1,500,000.
- ▶ **Beyond the median:**
 - ▶ Top-quartile total CEO compensation was \$1,111,209 (269% above the median).
 - ▶ Bottom-quartile total CEO compensation was \$243,625 (59% of the median).
 - ▶ The average total compensation was \$2,506,860 (skewed by equity gains among the top 10%).

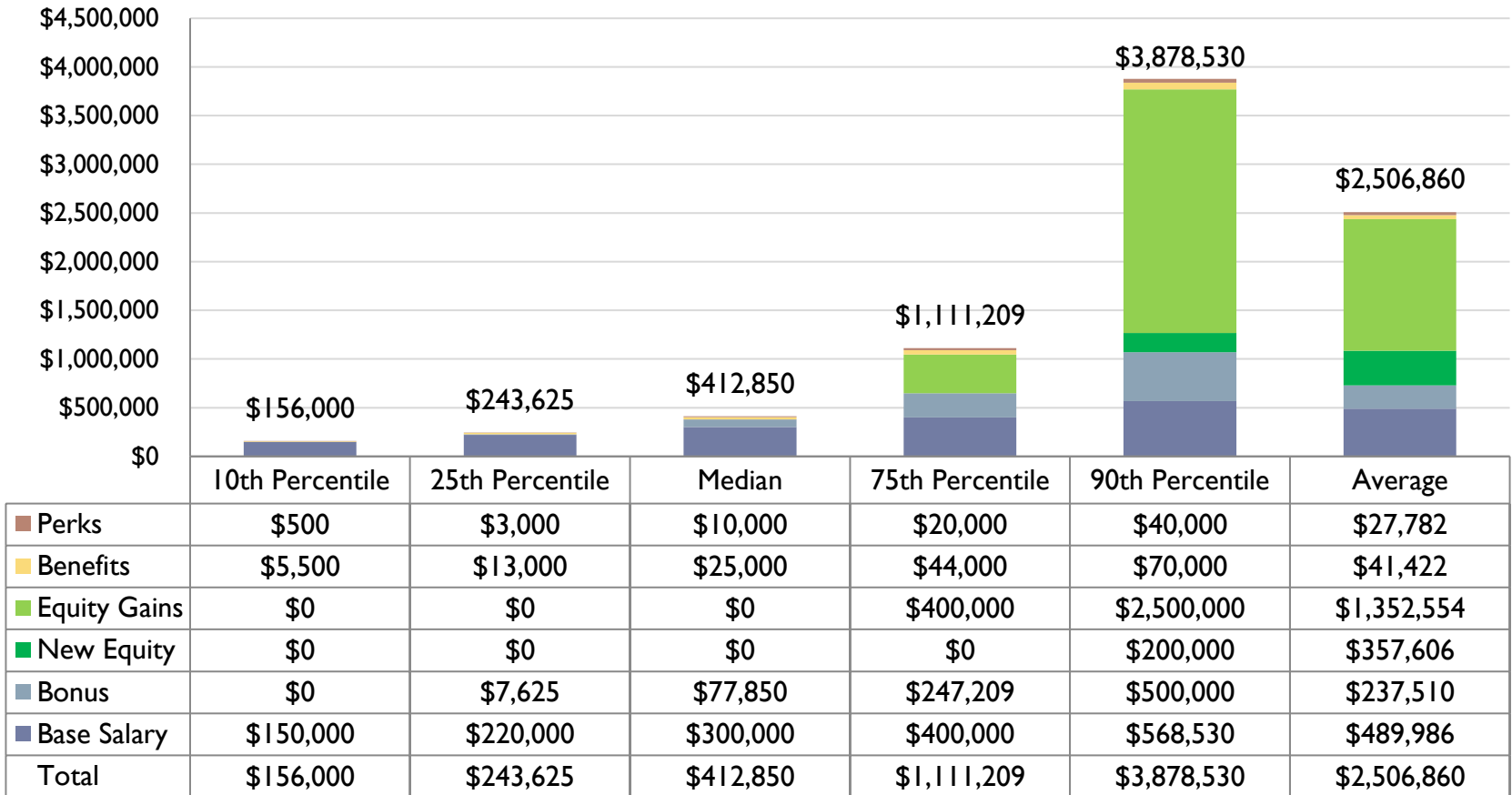
Executive Summary – Continued

- ▶ While overall median CEO compensation data is interesting, when assessing the competitiveness of a compensation program, it is more valuable to look at quartiles by company size, which is a primary driver of compensation at the CEO and senior executive level.
 - ▶ CEO and senior executive compensation increases at an accelerating rate with the size of the enterprise.
 - ▶ For example, while median total CEO compensation was \$168,600 for companies with less than \$2M in annual revenues, it was \$326,991 (94% higher) for companies with revenues of \$10M to 24.9M, \$633,900 for companies with \$100M to 249.9M (376% higher) and \$1,952,725 for companies with \$1 to \$9.9B in revenues (1,058% higher).
 - ▶ In addition, there are substantial differences in compensation mix (the percentage of the total compensation that comes from salary, bonuses, equity and benefits/perks) by company size.
- ▶ Compensation also differs by type of ownership (e.g., the median CEO compensation among PE-backed companies was \$546,000 which is 32% higher than the median CEO overall) and by industry.
 - ▶ Among companies with less than \$10M in annual revenues, Pharma/Bio and Energy CEOs enjoyed the highest median compensation packages in 2022, while among companies with \$100M+ in annual revenues, Consumer Manufacturing and Energy CEOs were the most highly remunerated.

Executive Summary - Continued

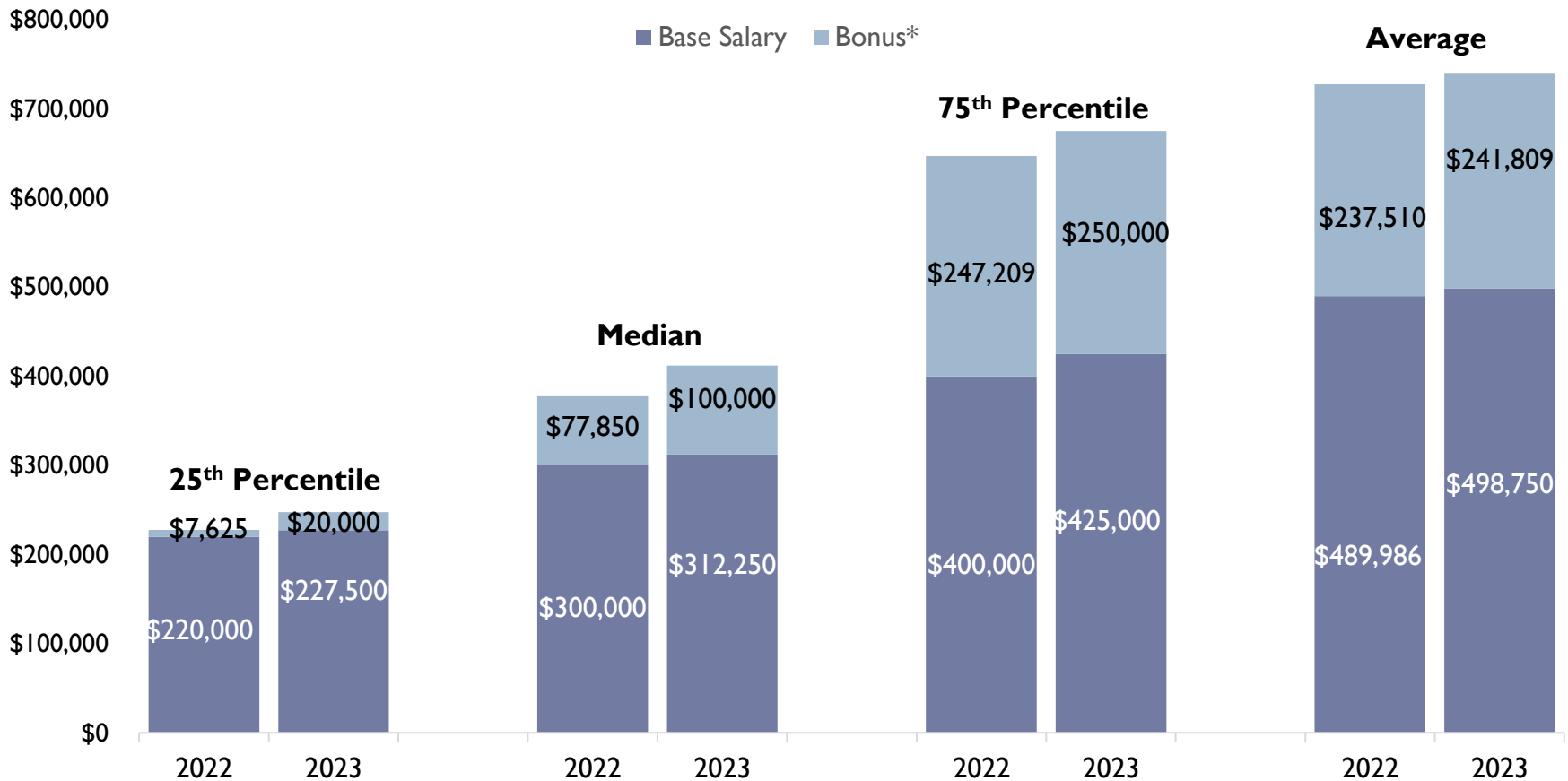
- ▶ After the CEO, the next highest paid senior executive is the president, with a median total compensation package of \$345,616 in 2022.
 - ▶ The other highest paid senior executives were COO (median total compensation of \$280,616 in 2022), CFO (\$266,107) and CSO (\$261,616)—although the order and relative levels vary by industry.
- ▶ As is the case for CEOs, total compensation packages for senior executive positions are highly correlated to a company's annual revenues, but there are also material differences by industry, type of ownership and geographic market.
- ▶ Many private companies compensate their senior executives with equity or phantom equity plans, but the gains in these instruments are not frequently measured. This prevents these executives' total true compensation numbers from being captured each year—and makes their compensation appear lower than it may actually be.
 - ▶ Companies funded by private equity or venture capital typically do a better job of regularly valuing and communicating equity gains than other types of private companies.
 - ▶ Similarly, best-performing PE- and VC-backed enterprises know the value of strategic incentives for CEOs and top managers, but more than half of private companies are not utilizing many of these tools.

2022 Total CEO Compensation



- ❖ The average total compensation of \$2.5 million for CEOs of U.S. private companies in 2022 is heavily skewed by the top 10%. The median private company CEO compensation package was \$412,850, slightly lower than in 2021 due to smaller bonus packages and lower equity gains
- ❖ Further benchmarking by company size, industry ownership type and other such variables provides an even more precise figure.

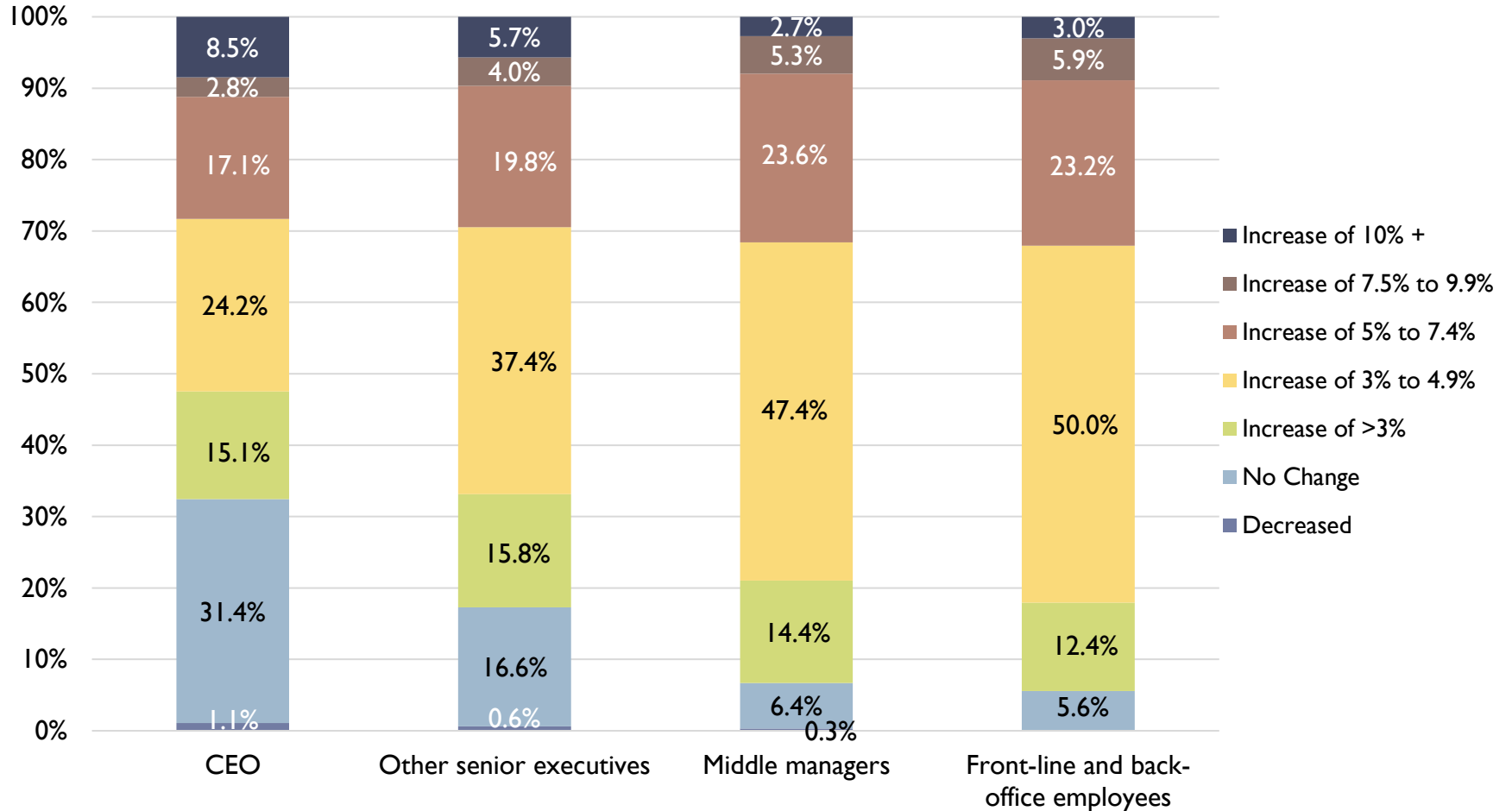
Change in CEO Cash Compensation 2022 vs. 2023



- ❖ The median CEO base salary increased by 4.1% in 2023, and the final bonus paid is expected to rise 28.5%—for a total cash compensation increase of 9%.
- ❖ At the top quartile, CEOs saw an increase of 6.3% to their base salary in 2023 but expect a smaller increase in their bonus of 1.1%, because more companies are facing margin pressure from economic headwinds in 2023.

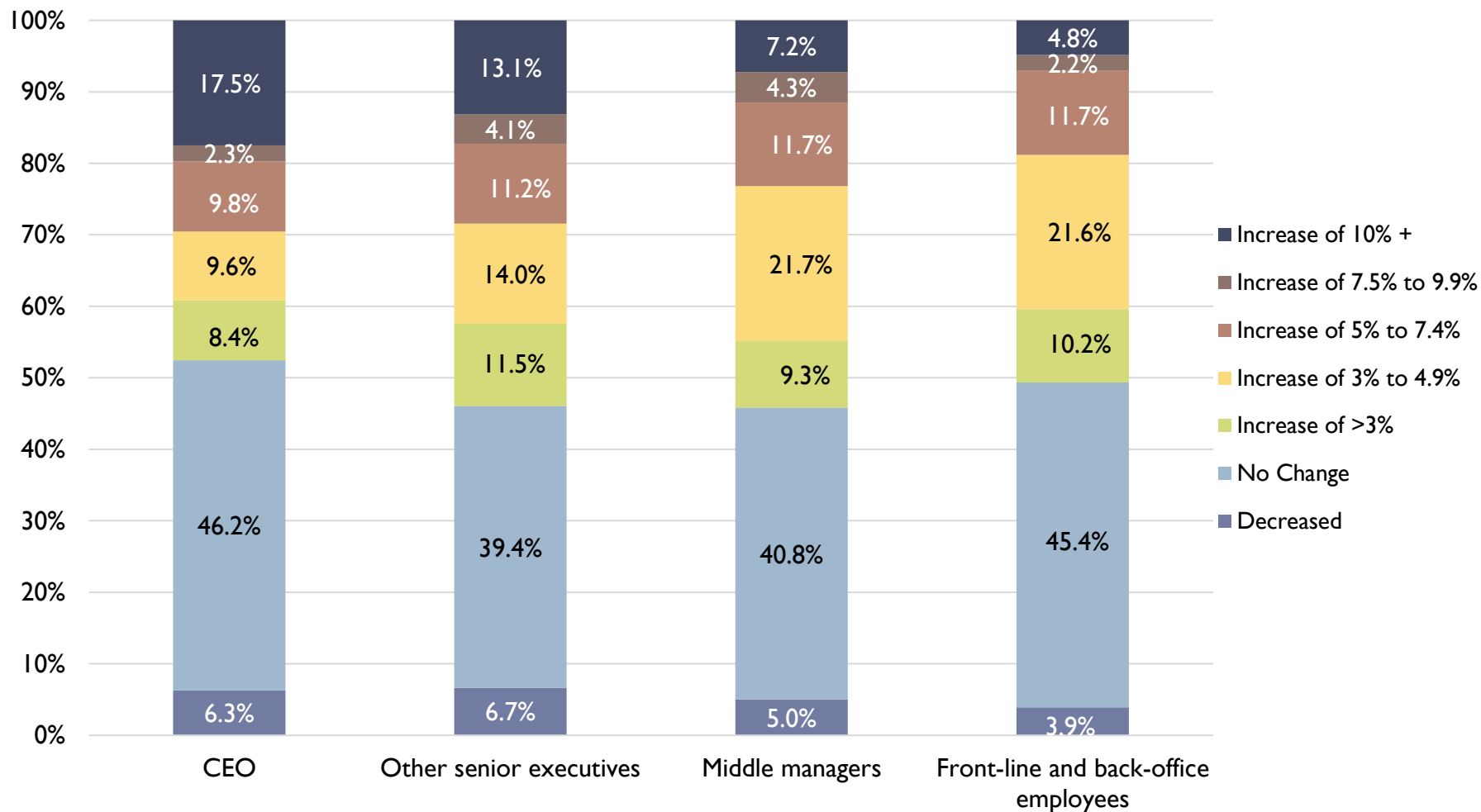
*Denotes expected value.

Expected Base Salary Changes in 2024, by Level of Seniority



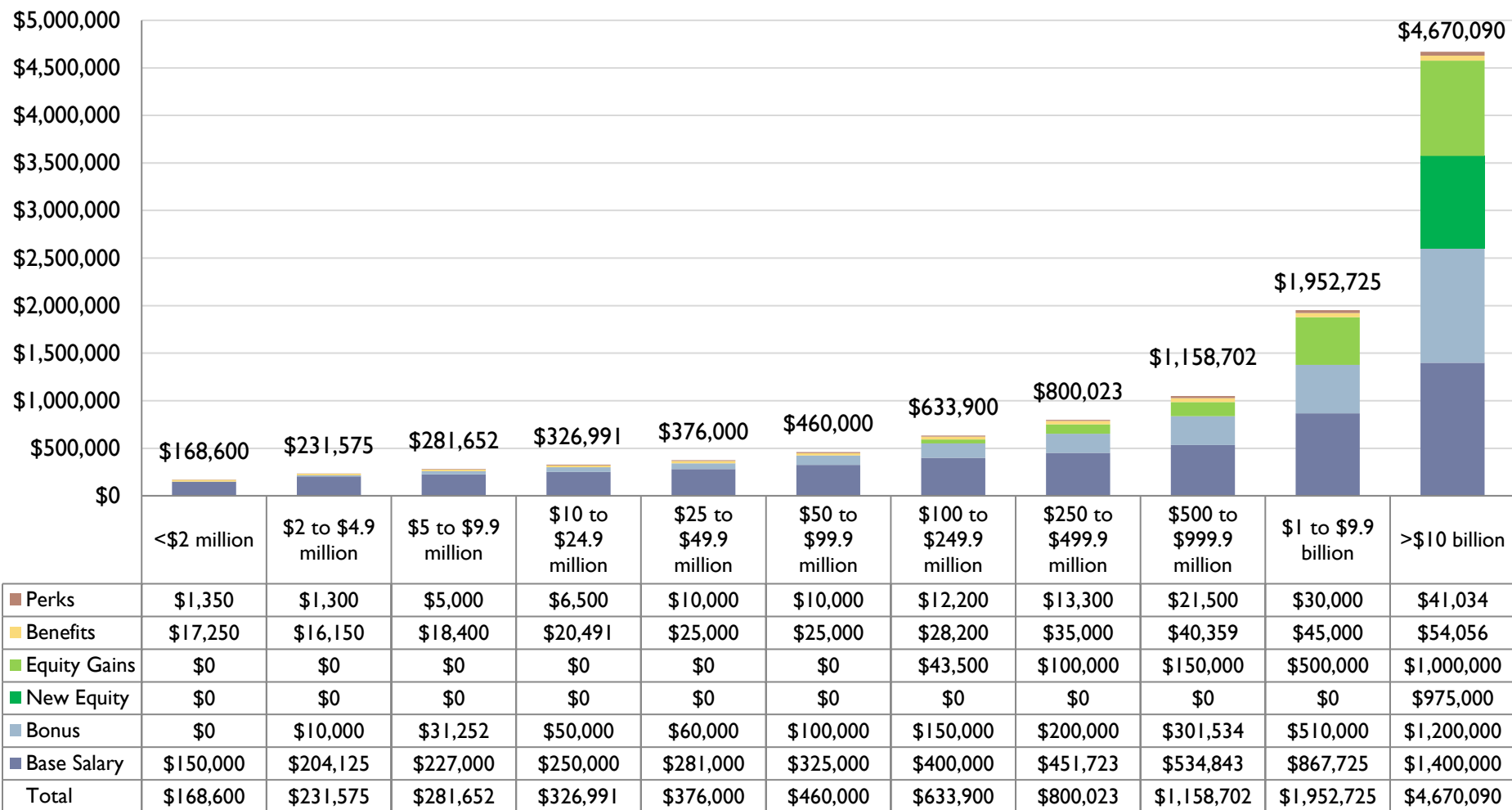
- ❖ Fewer CEOs expect to see an increase in their base salary in 2024 than for their middle managers and front/back-office employees.
 - For front-line and back-office employees, an increase of 3% to 4.9% in their base salary is expected and common.

Expected Bonus Changes in 2024, by Level of Seniority



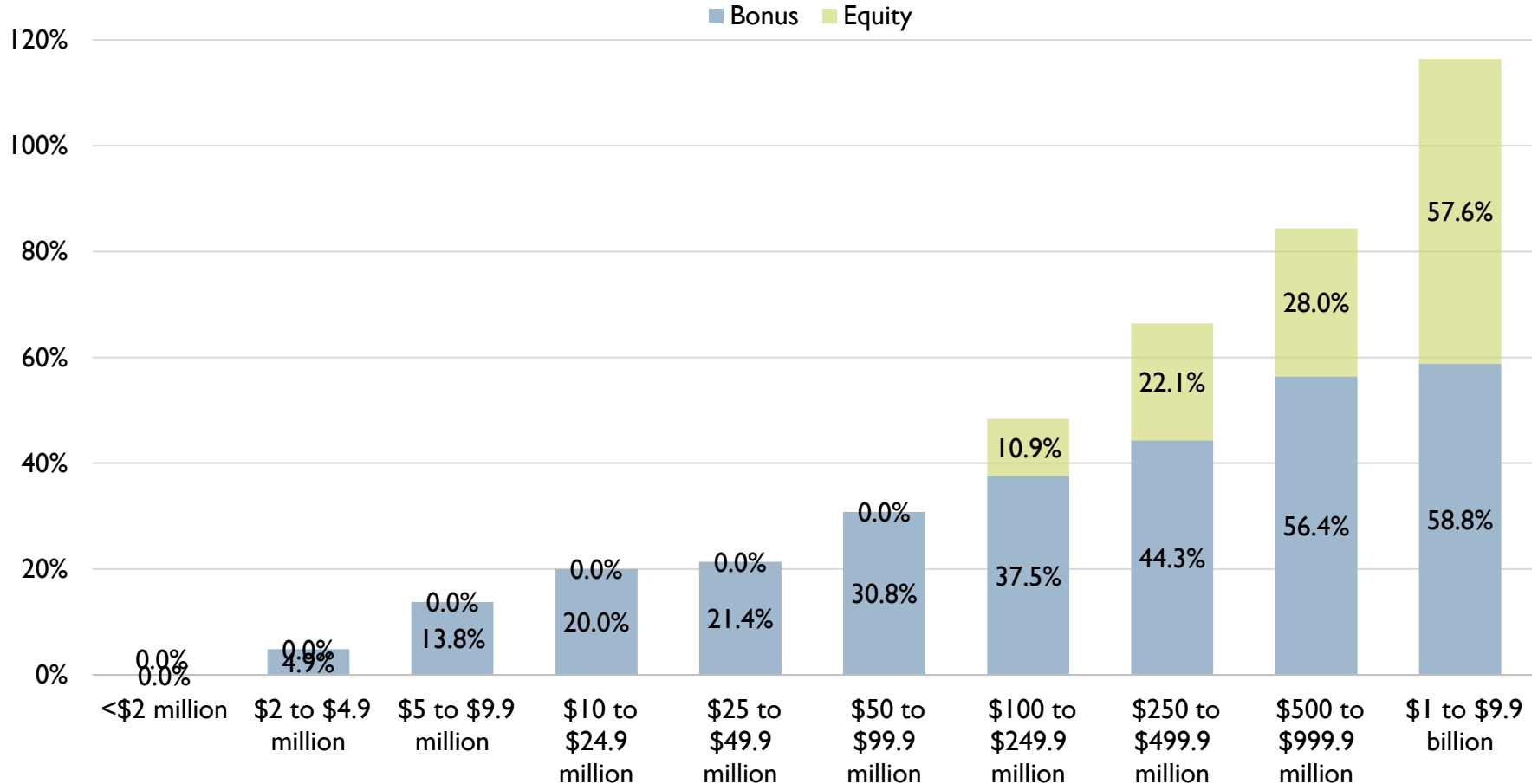
❖ After challenging years for bonuses in 2022 and 2023, most CEOs are expecting larger bonuses for more of their employees in 2024 (although only 47.5% expect larger bonuses for themselves)

2022 Total CEO Compensation by Company Revenue – Median



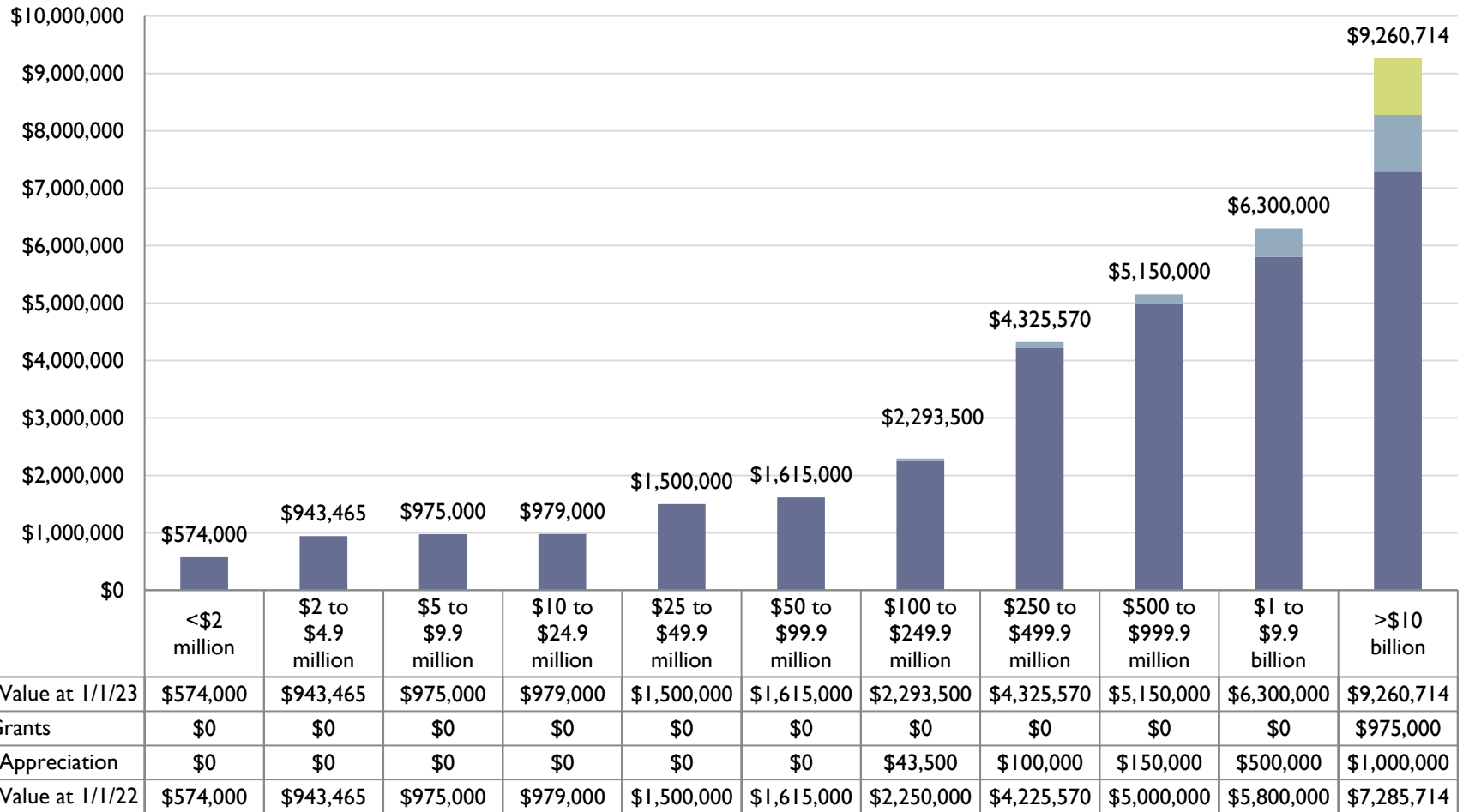
- ❖ There is a strong correlation between company size (by annual revenues) and CEO compensation.
- ❖ Most companies, regardless of size, saw increases in CEO salaries but decreases in bonus payouts and equity gains in 2022 compared to 2021.

CEO 2022 Variable Pay as % of Base Salary by Company Revenue – Median



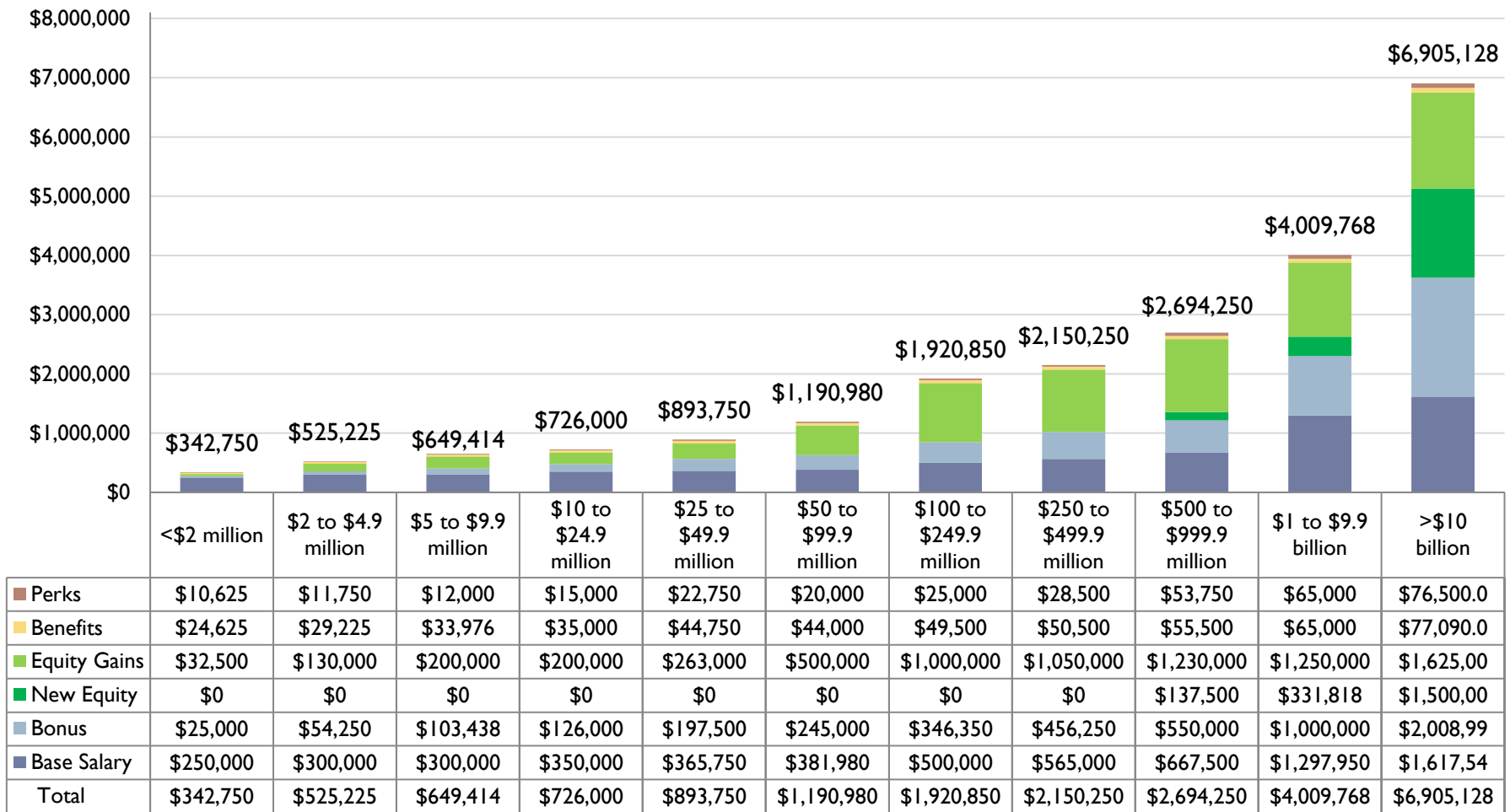
- ❖ Variable pay as a percentage of base salary tends to increase with the size (and sophistication) of companies. The largest companies tend to make better use of both long-term (equity) incentives and short-term bonuses.
- ❖ The majority of CEOs enjoyed material equity gains in 2022 (except at smaller companies <\$2M).

CEO Equity Gains and Total Equity Value by Company Revenue – Median



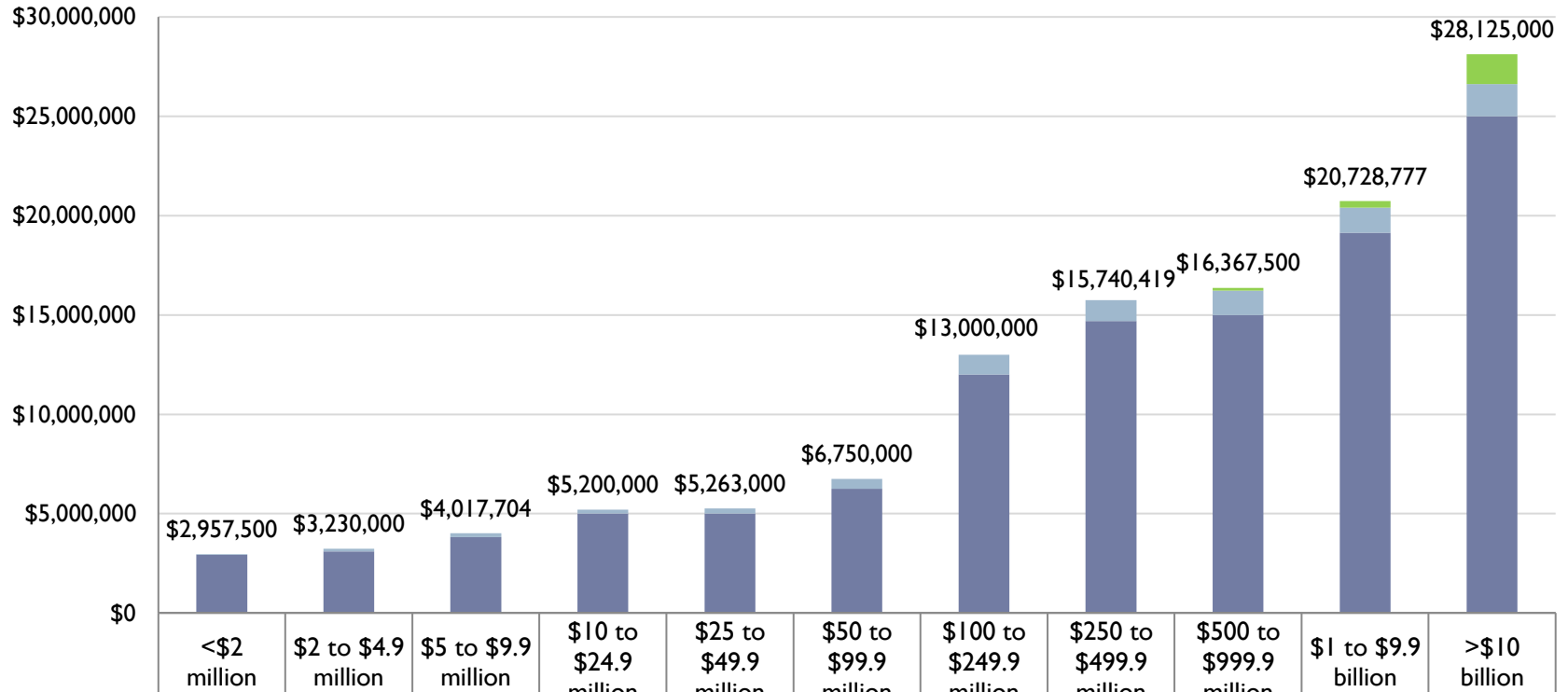
❖ Most CEOs have material equity stakes in their business, and larger company CEOs typically own a smaller piece of much bigger pies.

2022 Total CEO Compensation, by Company Revenue – Top Quartile



- ❖ Top quartile CEO compensation also remains highly correlated with company size.
- ❖ There were substantial equity gains and increases across company sizes in 2022 for the top quartile.

CEO Equity Gains and Total Equity Value by Company Revenue – Top Quartile

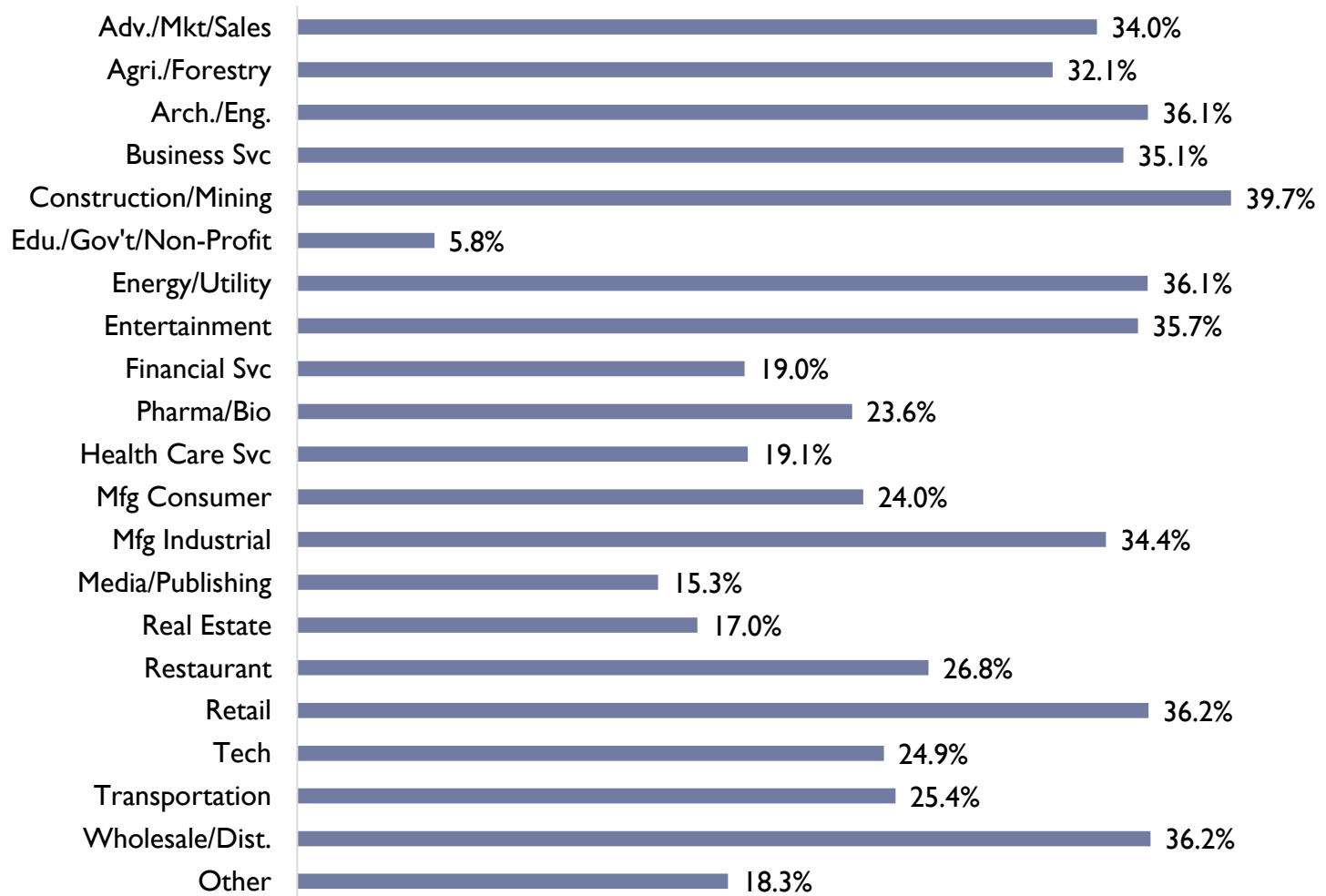


❖ Top-quartile CEOs across all company sizes benefited from equity appreciation, but only those leading companies with annual revenues of \$500M or more received significant new equity or option grants in 2022.

2022 Total CEO Compensation by Industry – Median

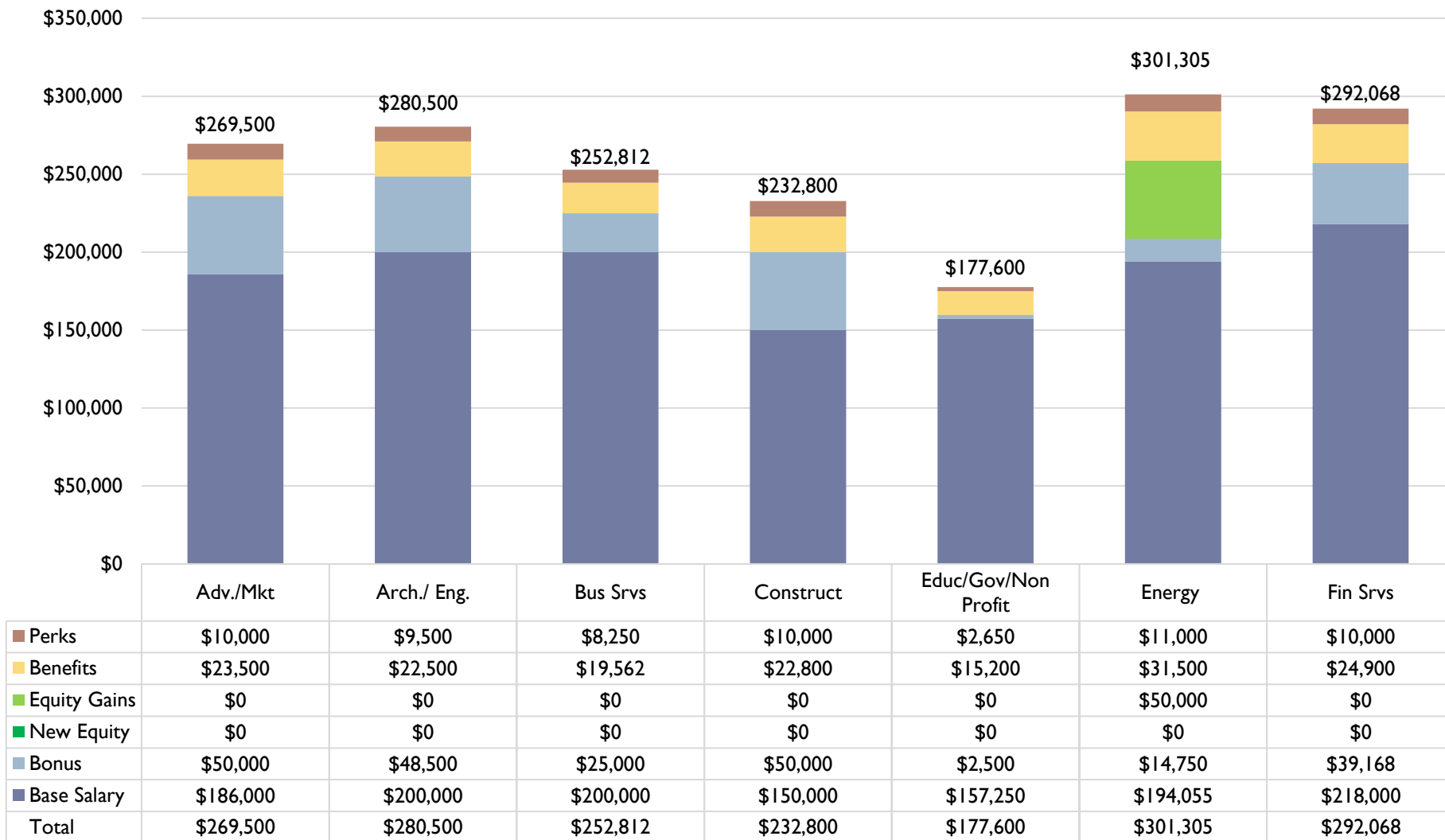
Industry	Base Salary	Bonus	Cash Comp. Subtotal	New Equity	Equity Gains	Benefits	Perks	Total
Advertising/Marketing/Sales	\$265,000	\$90,000	\$355,000	\$0	\$50,000	\$25,650	\$10,000	\$440,650
Agriculture/Forestry/Fishing	\$257,500	\$82,600	\$340,100	\$0	\$0	\$32,951	\$11,540	\$384,591
Architecture/Engineering	\$274,000	\$99,000	\$373,000	\$0	\$30,000	\$27,500	\$10,000	\$440,500
Business Services	\$285,000	\$100,000	\$385,000	\$0	\$0	\$28,000	\$10,000	\$423,000
Construction/Mining	\$290,000	\$115,000	\$405,000	\$0	\$50,000	\$26,700	\$12,000	\$493,700
Education/Government/Non-Profit	\$240,500	\$14,000	\$254,500	\$0	\$0	\$28,500	\$7,500	\$290,500
Energy/Utility/Oil/Gas	\$330,000	\$119,200	\$449,200	\$0	\$88,000	\$29,000	\$11,500	\$577,700
Entertainment	\$277,972	\$99,250	\$377,222	\$0	\$0	\$28,250	\$11,250	\$416,722
Financial Services	\$373,790	\$71,000	\$444,790	\$0	\$0	\$28,800	\$18,000	\$491,590
Health Care - Pharma/Bio	\$365,000	\$86,000	\$451,000	\$0	\$0	\$20,750	\$8,750	\$480,500
Health Care – Services	\$345,000	\$66,000	\$411,000	\$0	\$0	\$21,731	\$11,762	\$444,493
Manufacturing – Consumer	\$312,000	\$75,000	\$387,000	\$0	\$0	\$25,350	\$13,500	\$425,850
Manufacturing – Industrial	\$278,000	\$95,500	\$373,500	\$0	\$0	\$25,000	\$10,000	\$408,500
Media/Publishing	\$293,706	\$45,000	\$338,706	\$0	\$25,000	\$23,150	\$11,400	\$398,256
Real Estate	\$306,000	\$52,000	\$358,000	\$0	\$0	\$21,800	\$10,827	\$390,627
Restaurant	\$279,812	\$75,000	\$354,812	\$0	\$5,000	\$24,988	\$10,000	\$394,800
Retail	\$272,000	\$98,336	\$370,336	\$0	\$0	\$24,250	\$9,725	\$404,311
Tech	\$301,032	\$75,000	\$376,032	\$0	\$66,200	\$19,591	\$6,560	\$468,383
Transportation	\$300,000	\$76,211	\$376,211	\$0	\$50,000	\$19,050	\$10,928	\$456,189
Wholesale/Distribution	\$287,000	\$104,000	\$391,000	\$0	\$43,600	\$28,750	\$10,000	\$473,350
Other	\$277,972	\$50,850	\$328,822	\$0	\$0	\$23,250	\$10,000	\$362,072

CEO Bonus as % of Base Salary, by Industry – Median



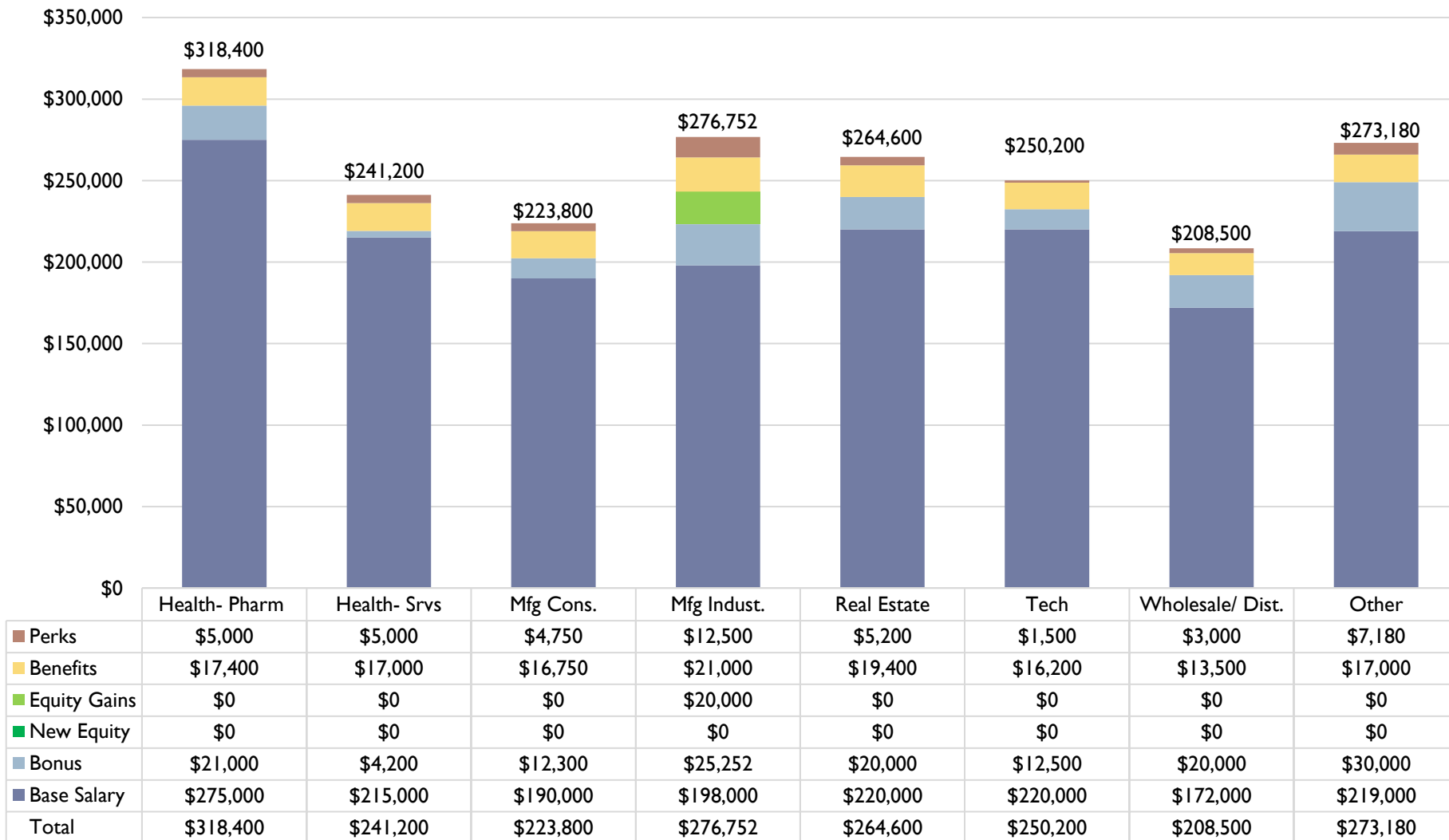
❖ Construction/mining CEOs tipped the scales with a 39.7% bonus as percent of base salary after a few lucrative years of growth post-Covid.

2022 CEO Total Compensation, by Company Revenue for Select Industries – Median Company Revenue <\$10 Million (Part I of 2)



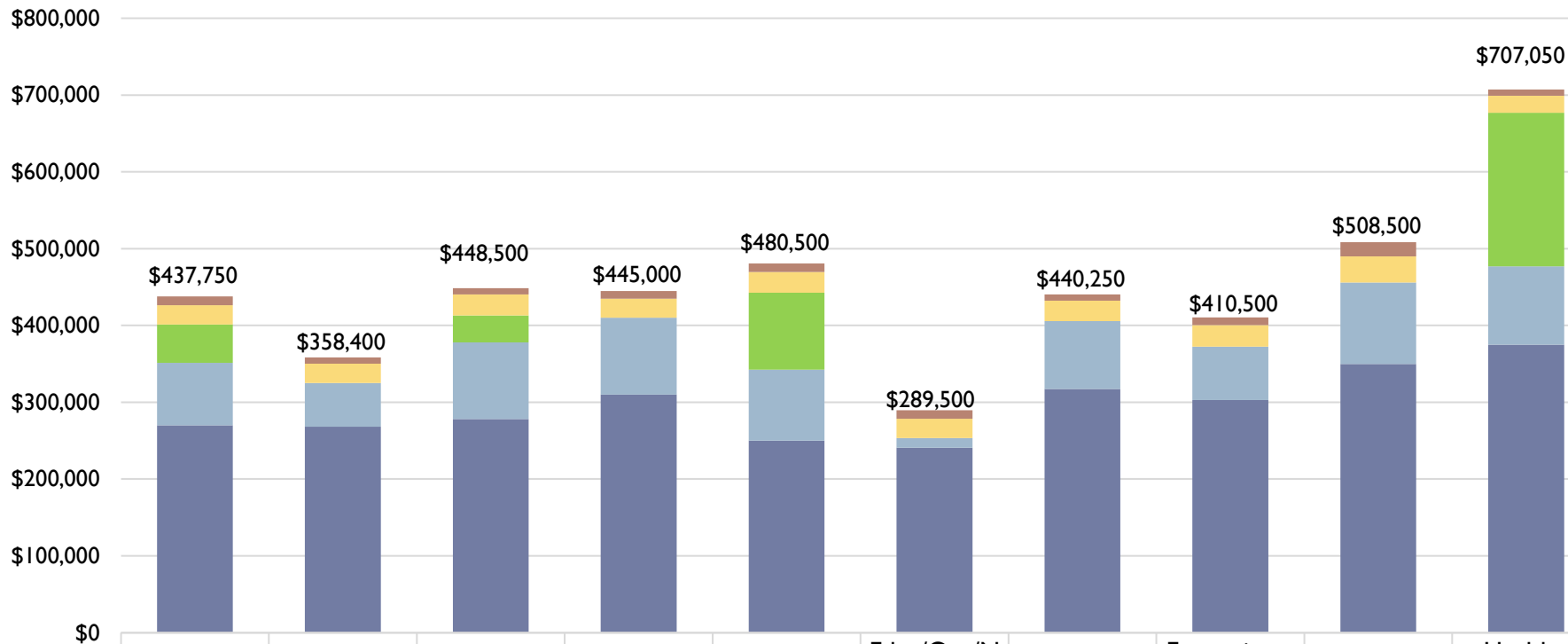
2022 CEO Total Compensation, by Company Revenue for Select Industries – Median (cont.)

Company Revenue <\$10 Million (Part 2 of 2)



2022 CEO Total Compensation, by Company Revenue for Select Industries – Median

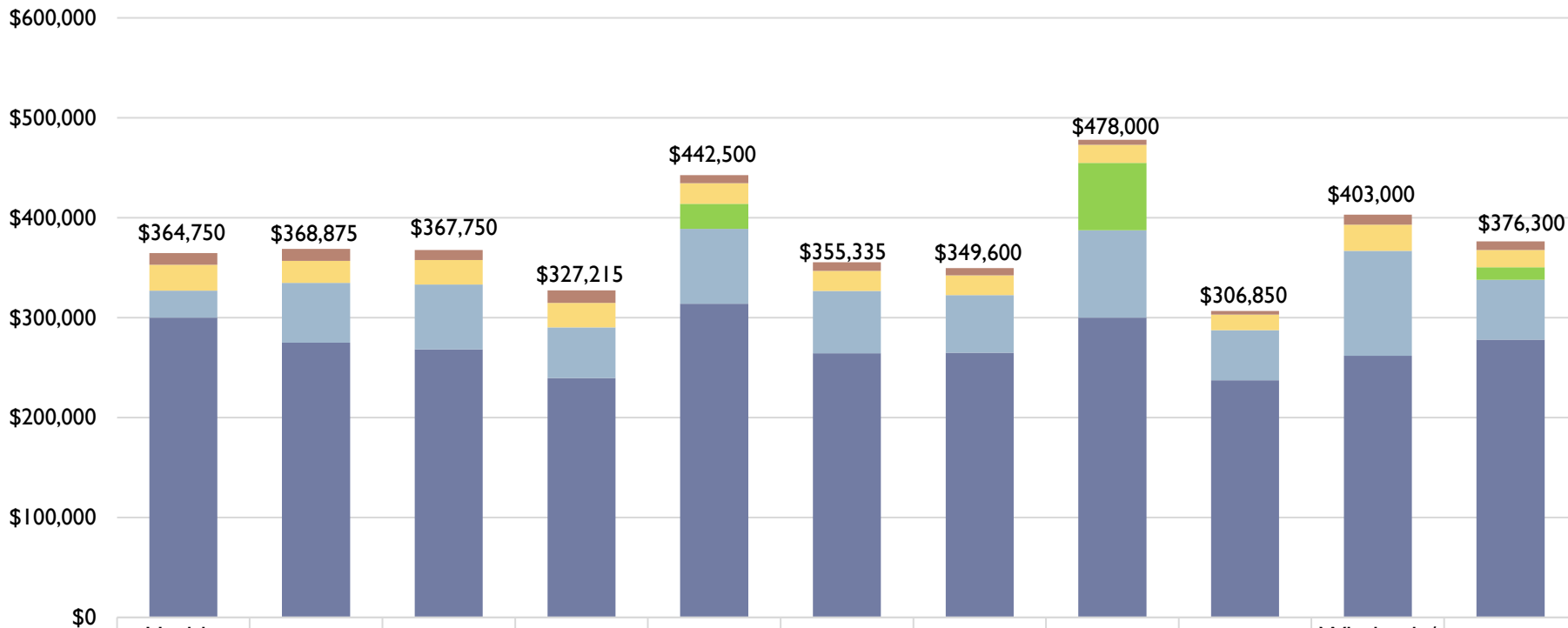
Company Revenue \$10 to \$99.9 Million (Part I of 2)



	Adv./Mkt	Ag./ Forest	Arch./ Eng.	Bus Svcs	Construct	Educ/Gov/N on Profit	Energy	Entertainment	Fin Svcs	Health-Pharm
Perks	\$11,500	\$8,200	\$8,250	\$10,000	\$11,000	\$11,000	\$8,000	\$10,000	\$18,500	\$8,000
Benefits	\$25,000	\$25,200	\$27,250	\$25,000	\$27,000	\$25,000	\$26,750	\$28,000	\$34,000	\$22,050
Equity Gains	\$50,000	\$0	\$35,000	\$0	\$100,000	\$0	\$0	\$0	\$0	\$200,000
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$81,250	\$57,000	\$100,000	\$100,000	\$92,500	\$12,500	\$88,000	\$69,500	\$106,000	\$102,000
Base Salary	\$270,000	\$268,000	\$278,000	\$310,000	\$250,000	\$241,000	\$317,500	\$303,000	\$350,000	\$375,000
Total	\$437,750	\$358,400	\$448,500	\$445,000	\$480,500	\$289,500	\$440,250	\$410,500	\$508,500	\$707,050

2022 CEO Total Compensation, by Company Revenue for Select Industries – Median (cont.)

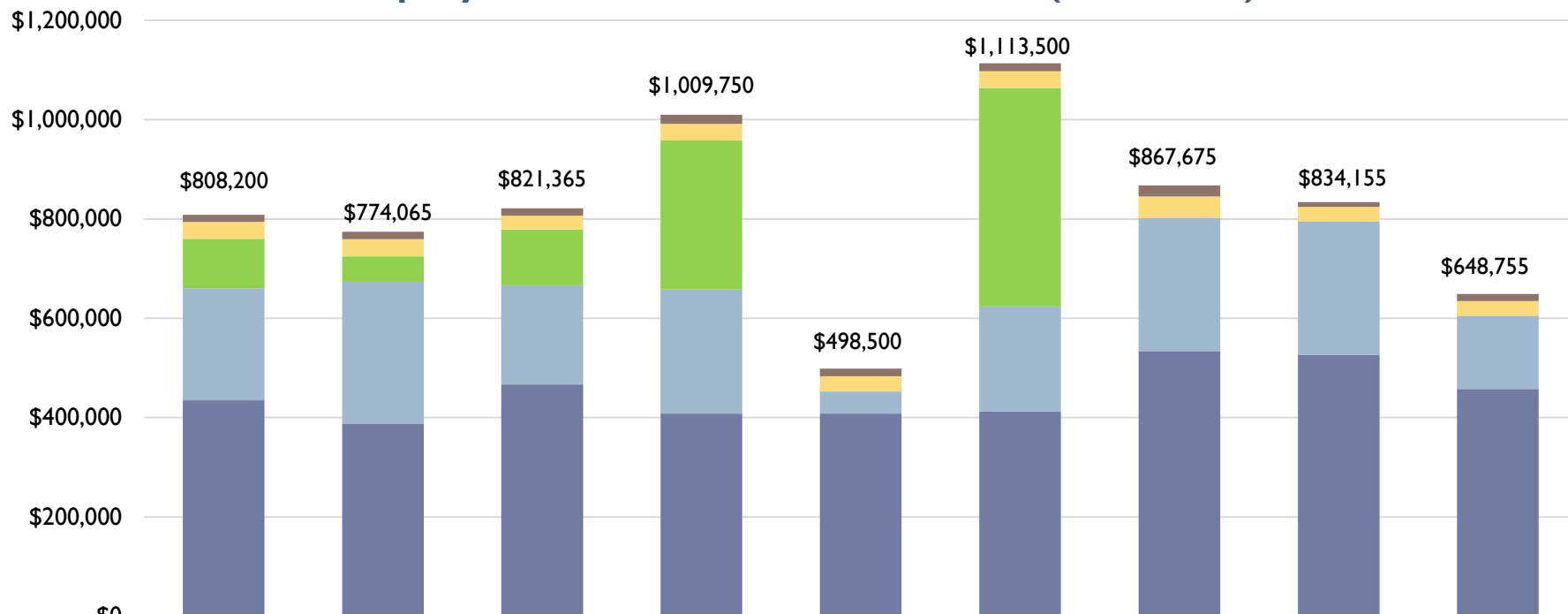
Company Revenue \$10 to \$99.9 Million (Part 2 of 2)



	Health-Srvs	Mfg Cons.	Mfg Indust.	Media/Pub	Real Estate	Restaurant	Retail	Tech	Transp.	Wholesale/Dist.	Other
Perks	\$11,750	\$12,125	\$10,000	\$12,500	\$8,000	\$8,500	\$7,300	\$5,000	\$3,600	\$10,000	\$8,600
Benefits	\$26,000	\$21,750	\$24,500	\$24,500	\$20,500	\$20,000	\$19,800	\$18,000	\$15,750	\$26,000	\$17,200
Equity Gains	\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$67,500	\$0	\$0	\$12,500
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$27,000	\$60,000	\$65,000	\$50,665	\$75,000	\$62,500	\$57,500	\$87,500	\$50,000	\$105,000	\$60,000
Base Salary	\$300,000	\$275,000	\$268,250	\$239,550	\$314,000	\$264,335	\$265,000	\$300,000	\$237,500	\$262,000	\$278,000
Total	\$364,750	\$368,875	\$367,750	\$327,215	\$442,500	\$355,335	\$349,600	\$478,000	\$306,850	\$403,000	\$376,300

2022 CEO Total Compensation, by Company Revenue for Select Industries – Median

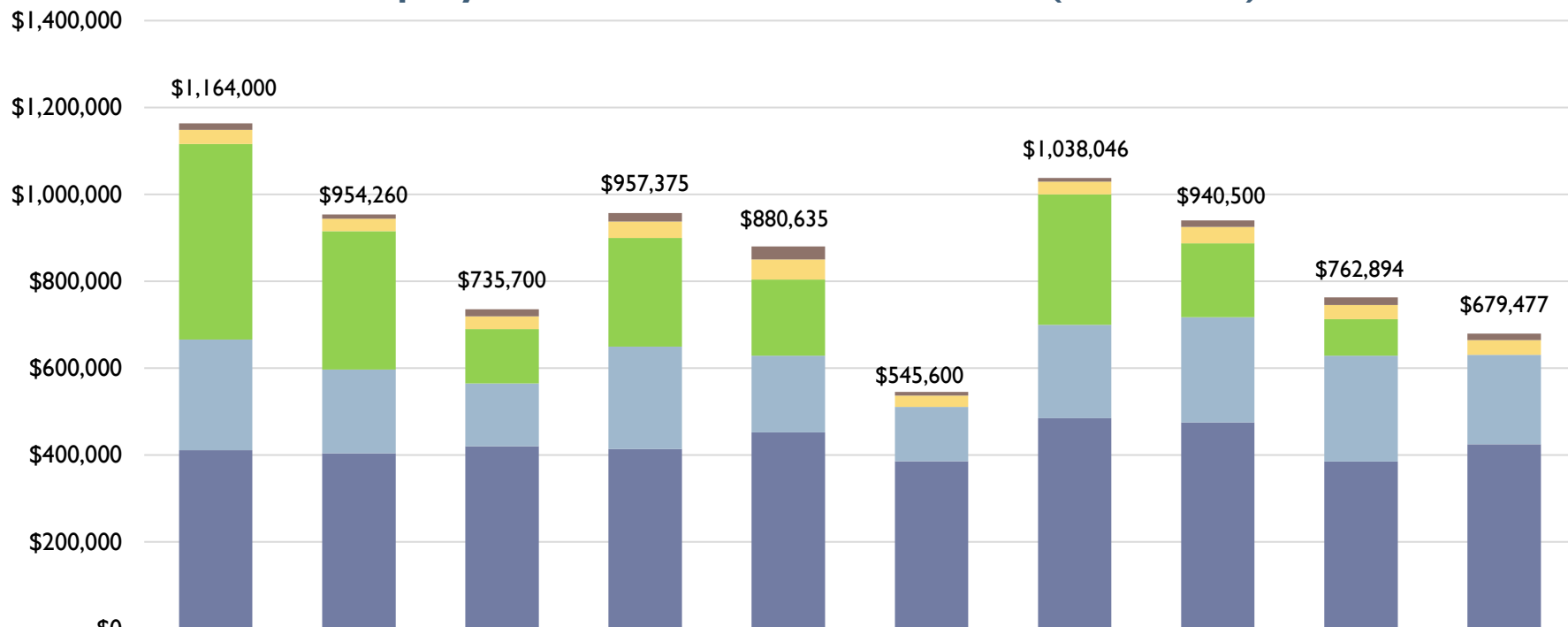
Company Revenue \$100 to \$999.9 Million (Part I of 2)



	Adv./Mkt	Arch./ Eng.	Bus Svcs	Construct	Educ/Gov/N on Profit	Energy	Fin Svcs	Health-Pharm	Health- Svcs
Perks	\$14,200	\$15,000	\$15,000	\$18,250	\$15,000	\$16,000	\$22,500	\$10,000	\$14,250
Benefits	\$34,000	\$34,250	\$27,900	\$33,500	\$31,250	\$33,500	\$43,700	\$28,800	\$29,500
Equity Gains	\$100,000	\$50,015	\$112,000	\$300,000	\$0	\$440,000	\$0	\$0	\$0
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$225,000	\$287,800	\$200,000	\$250,000	\$44,250	\$212,000	\$267,500	\$268,780	\$147,505
Base Salary	\$435,000	\$387,000	\$466,465	\$408,000	\$408,000	\$412,000	\$533,975	\$526,575	\$457,500
Total	\$808,200	\$774,065	\$821,365	\$1,009,750	\$498,500	\$1,113,500	\$867,675	\$834,155	\$648,755

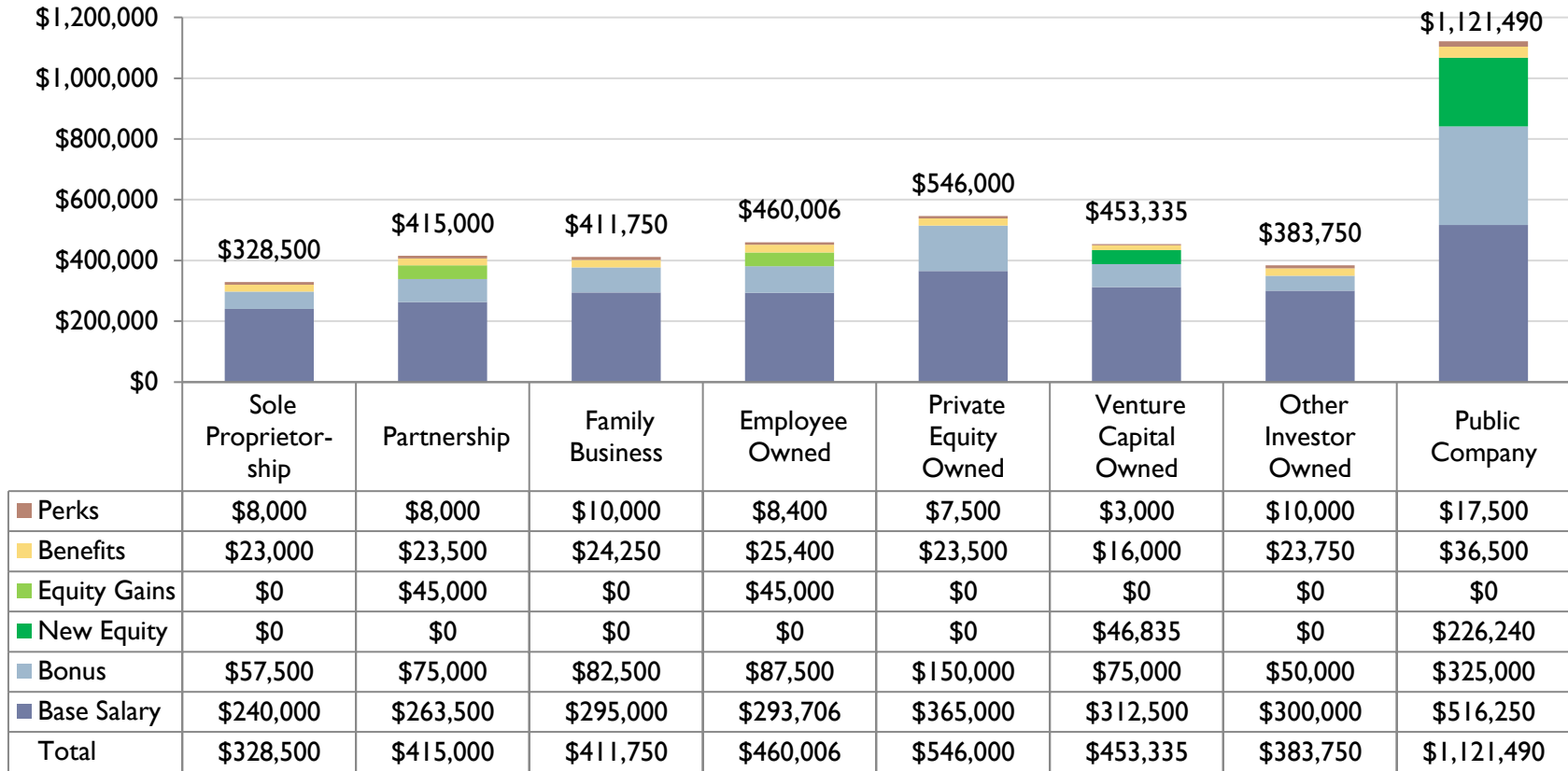
2022 CEO Total Compensation, by Company Revenue for Select Industries – Median (cont.)

Company Revenue \$100 to \$999.9 Million (Part 2 of 2)



	Mfg Cons.	Mfg Indust.	Media/Pub	Real Estate	Restaurant	Retail	Tech	Transp.	Wholesale/ Dist.	Other
Perks	\$15,000	\$10,000	\$16,000	\$20,000	\$30,000	\$8,600	\$8,398	\$15,000	\$17,500	\$15,000
Benefits	\$33,000	\$28,800	\$29,500	\$37,500	\$46,500	\$26,000	\$29,648	\$37,800	\$32,500	\$33,500
Equity Gains	\$450,000	\$318,710	\$125,000	\$250,000	\$175,000	\$0	\$300,000	\$170,000	\$84,000	\$0
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$255,000	\$193,000	\$145,000	\$236,250	\$176,900	\$125,000	\$215,000	\$242,700	\$243,894	\$205,977
Base Salary	\$411,000	\$403,750	\$420,200	\$413,625	\$452,235	\$386,000	\$485,000	\$475,000	\$385,000	\$425,000
Total	\$1,164,000	\$954,260	\$735,700	\$957,375	\$880,635	\$545,600	\$1,038,046	\$940,500	\$762,894	\$679,477

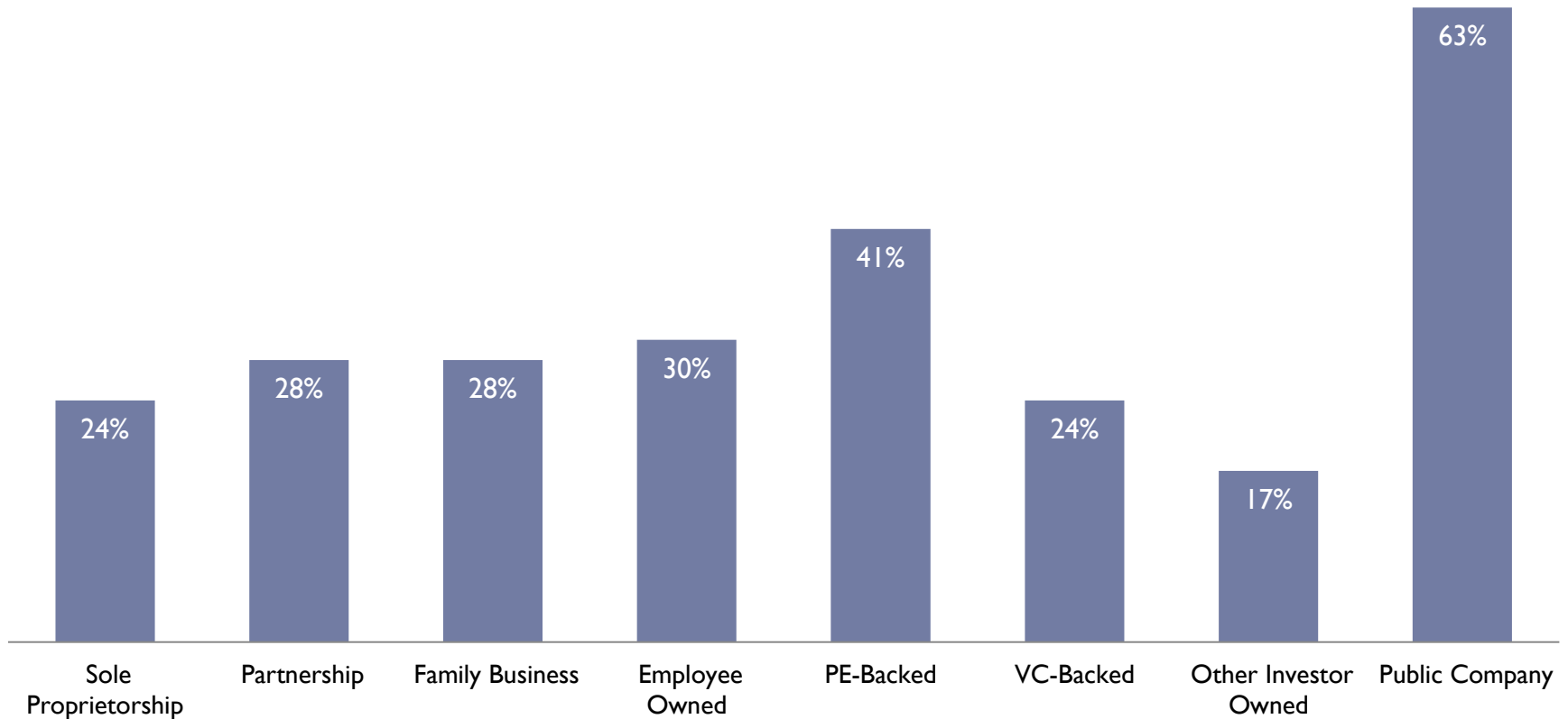
2022 Total CEO Compensation, by Ownership Type – Median



- ❖ The largest public company CEOs generate media buzz for their lucrative compensation packages, but even beyond the largest ones, the median public company CEO also earns substantially more than the CEOs of other ownership types.
- ❖ Among private companies, CEOs of PE-backed companies earn more on average than the CEOs of other private ownership types.

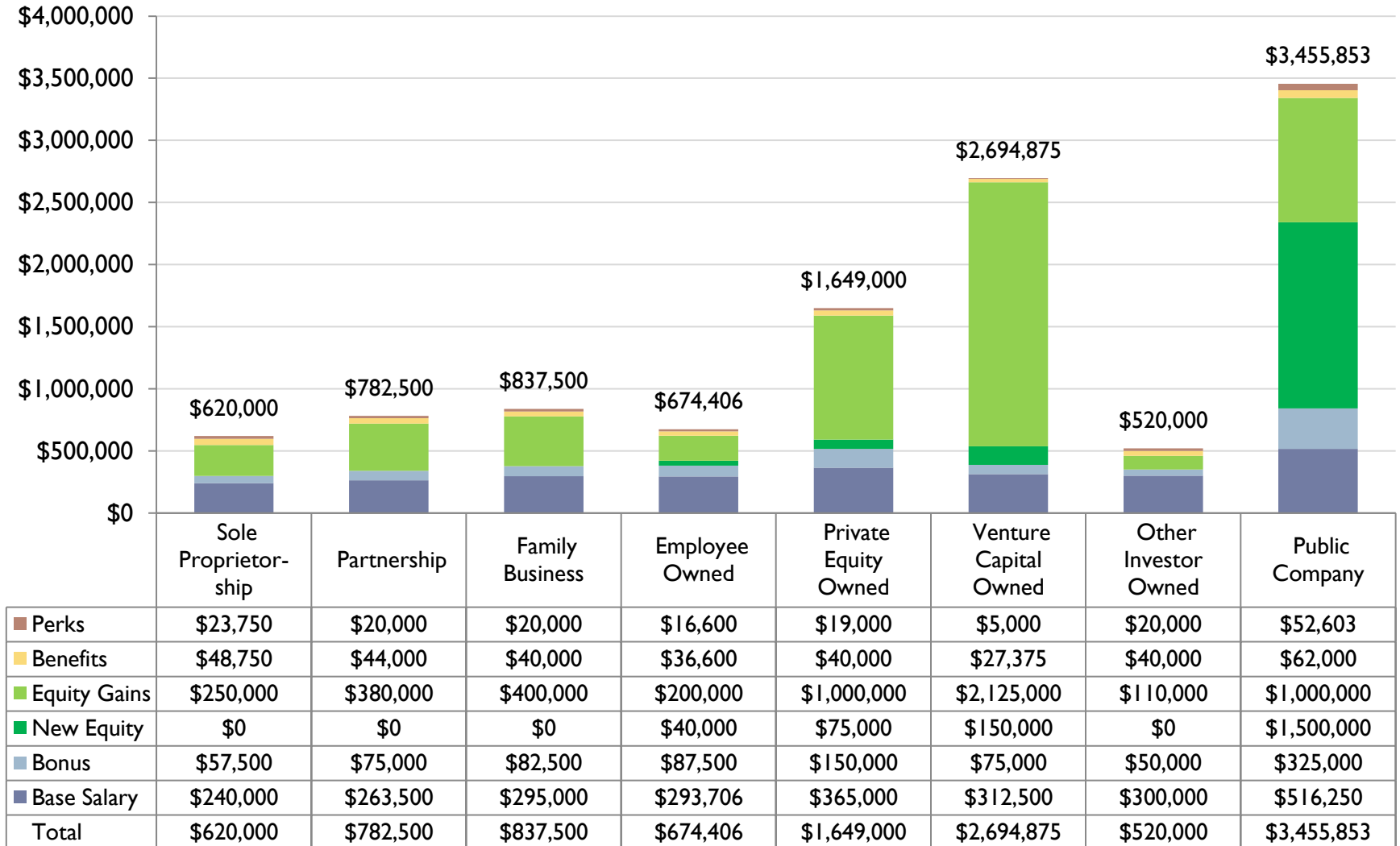
*Public companies were excluded from all calculations in this report except where they are shown on the "Ownership Type" comparison pages like this page.

CEO Bonus as a % of Base Salary 2022, by Ownership Type – Median



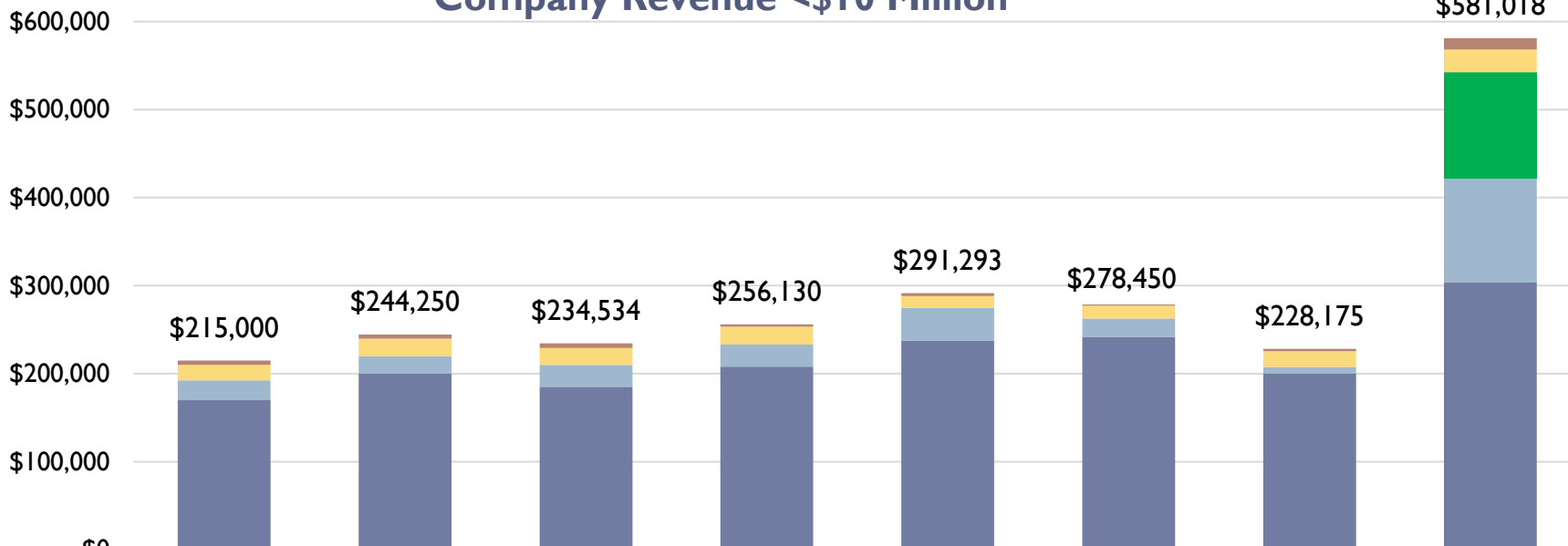
- ❖ While public companies have much more incentive-based compensation plans than any other type of companies, PE-owned companies are also quite aggressive in using bonuses as an incentive tool.

2022 Total CEO Compensation, by Ownership Type – Top Quartile



2022 Total CEO Compensation, by Ownership Type and Company Revenue - Median

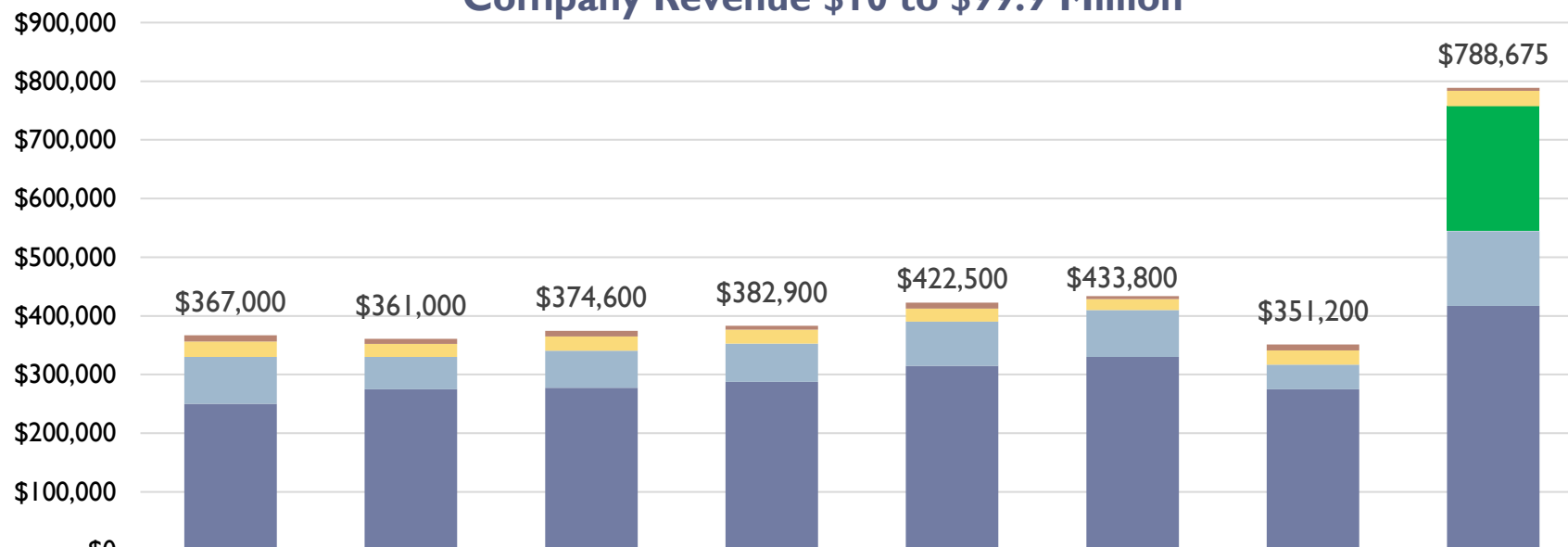
Company Revenue <\$10 Million



	Sole Proprietorship	Partnership	Family Owned	Employee Owned	Private Equity Owned	Venture Capital Owned	Other Investor Owned	Public Company
Perks	\$5,000	\$4,500	\$5,500	\$2,750	\$3,000	\$1,200	\$2,725	\$13,000
Benefits	\$17,500	\$19,750	\$19,000	\$20,300	\$13,500	\$14,700	\$17,950	\$25,600
Equity Gains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120,620
Bonus	\$22,500	\$20,000	\$25,000	\$25,000	\$37,500	\$21,300	\$7,500	\$117,798
Base Salary	\$170,000	\$200,000	\$185,034	\$208,080	\$237,293	\$241,250	\$200,000	\$304,000
Total	\$215,000	\$244,250	\$234,534	\$256,130	\$291,293	\$278,450	\$228,175	\$581,018

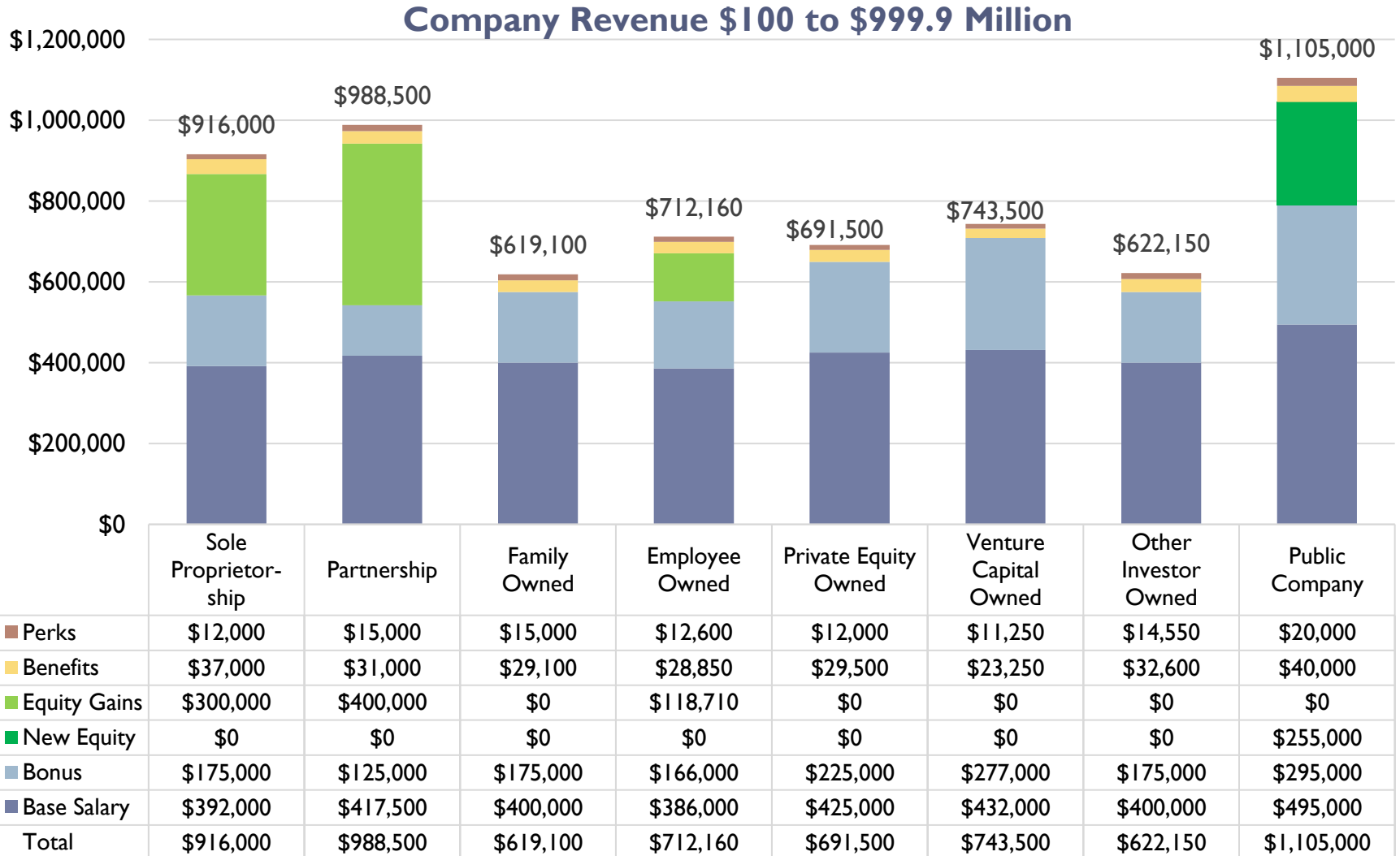
2022 Total CEO Compensation, by Ownership Type and Company Revenue – Median

Company Revenue \$10 to \$99.9 Million

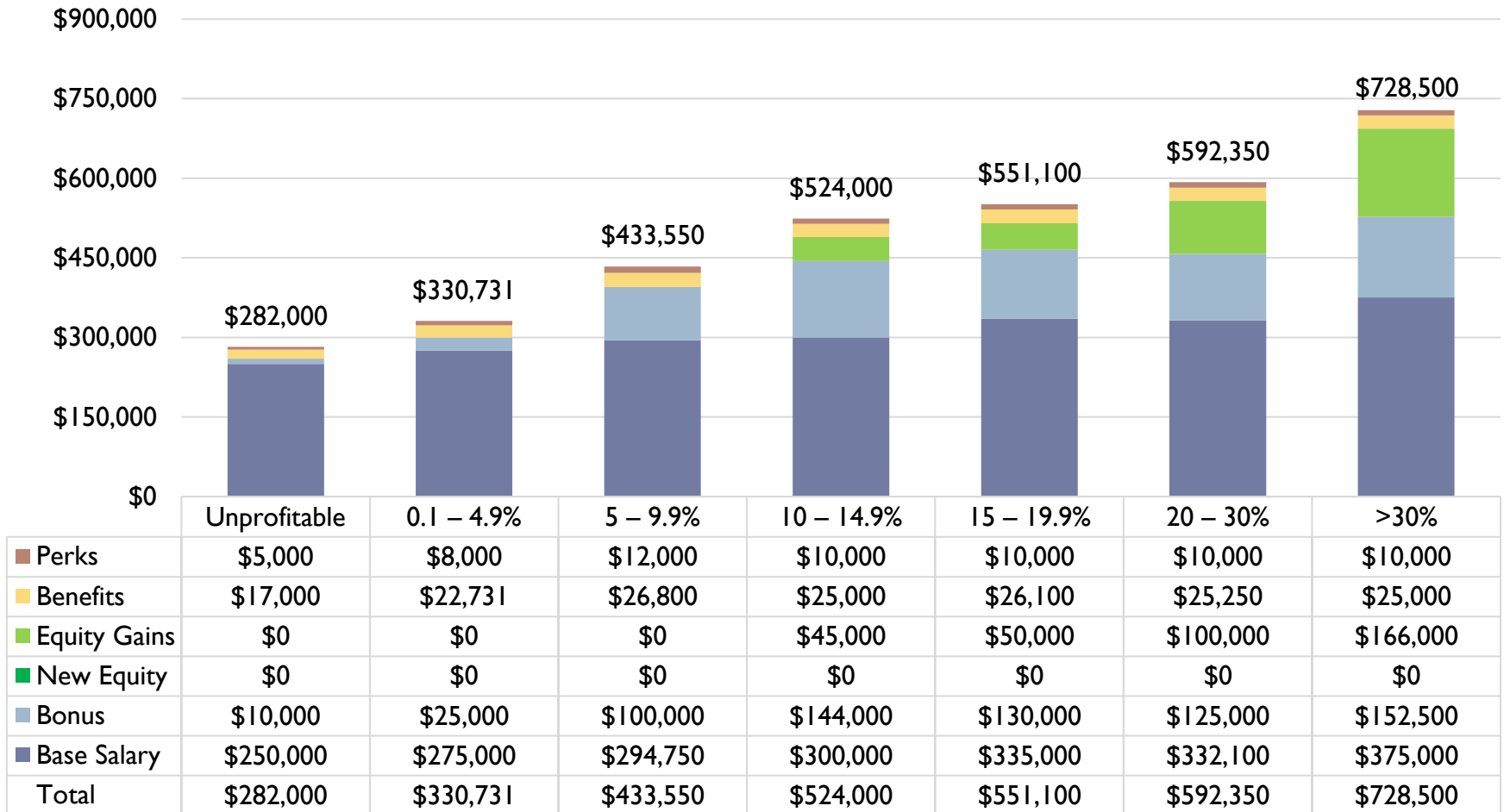


	Sole Proprietorship	Partnership	Family Owned	Employee Owned	Private Equity Owned	Venture Capital Owned	Other Investor Owned	Public Company
Perks	\$11,000	\$9,000	\$10,000	\$6,500	\$10,000	\$5,000	\$10,000	\$5,000
Benefits	\$26,000	\$22,000	\$24,100	\$23,700	\$22,500	\$18,800	\$24,200	\$26,200
Equity Gains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$213,000
Bonus	\$80,000	\$55,000	\$63,000	\$65,000	\$75,000	\$80,000	\$42,000	\$127,500
Base Salary	\$250,000	\$275,000	\$277,500	\$287,700	\$315,000	\$330,000	\$275,000	\$416,975
Total	\$367,000	\$361,000	\$374,600	\$382,900	\$422,500	\$433,800	\$351,200	\$788,675

2022 Total CEO Compensation, by Ownership Type and Company Revenue – Median

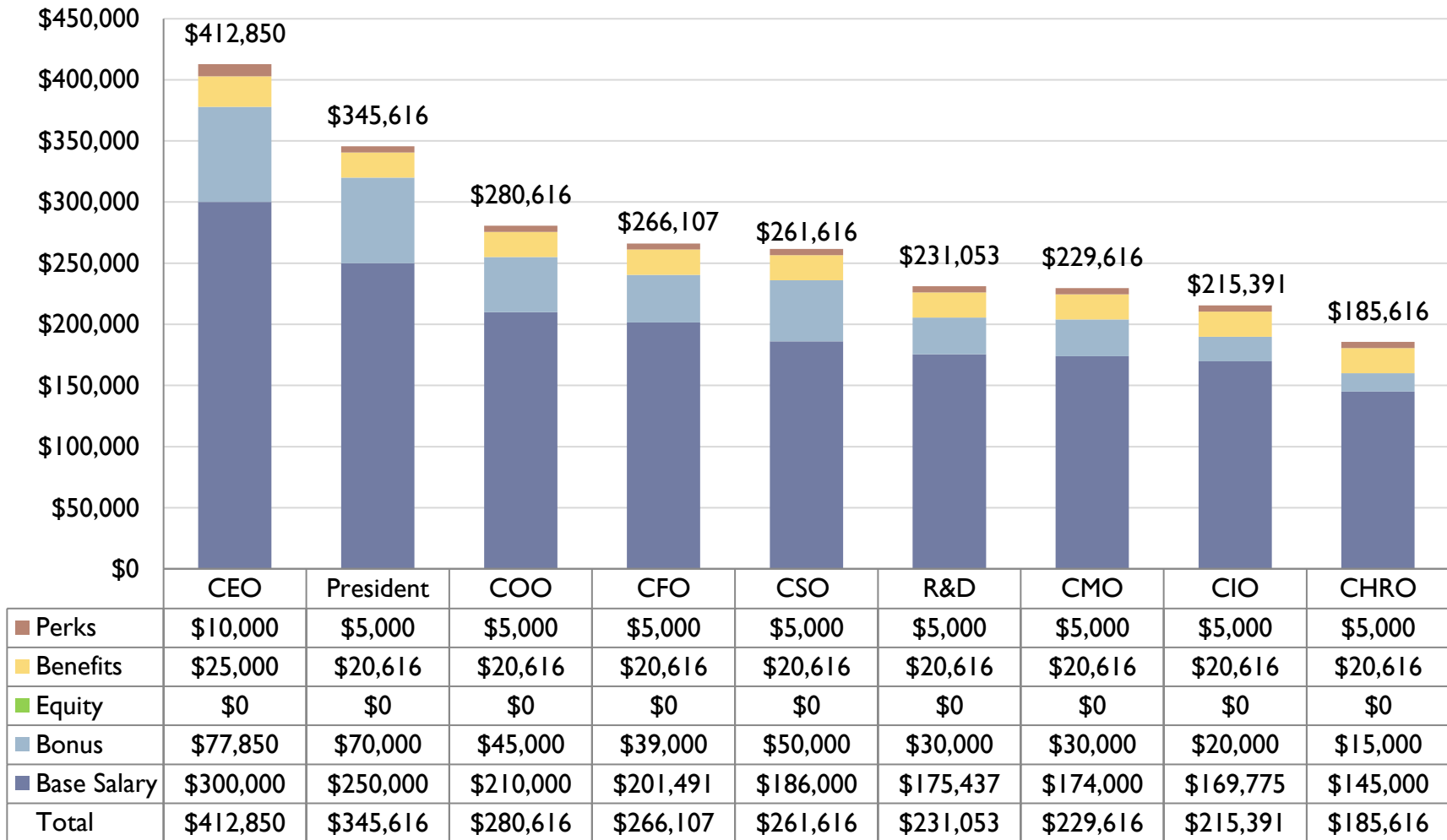


2022 Total CEO Compensation, by Level of Profitability – Median



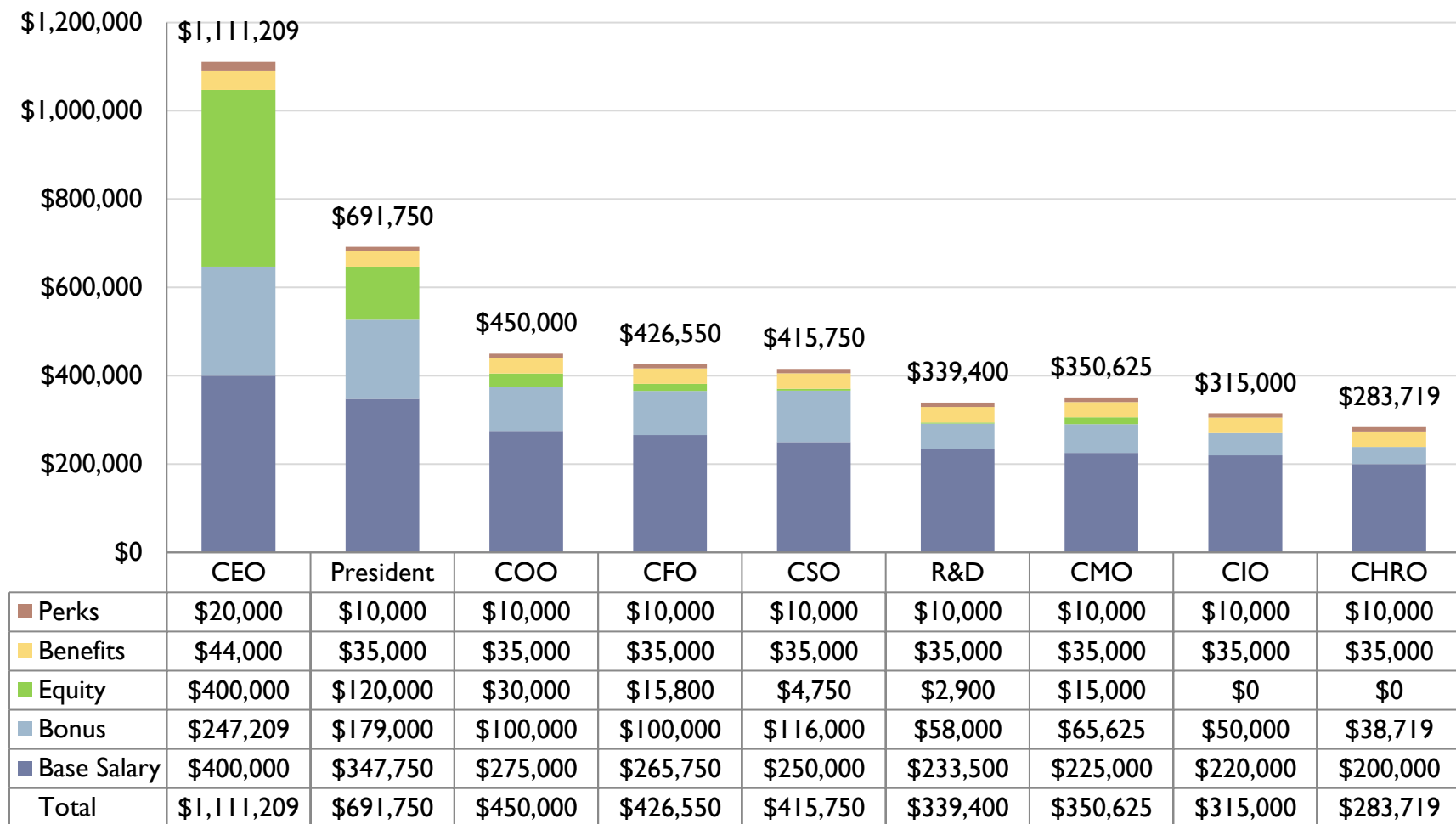
❖ While compensation tends to increase with profitability, some of the most profitable companies are smaller companies. We isolate the impact of company size vs. profit margin on pages [196-199](#).

2022 Compensation of Senior Executives – Median



❖ After CEOs, Presidents, COOs and CFOs enjoyed higher median salaries, bonuses and overall total compensation in 2022, when compared to other senior executives.

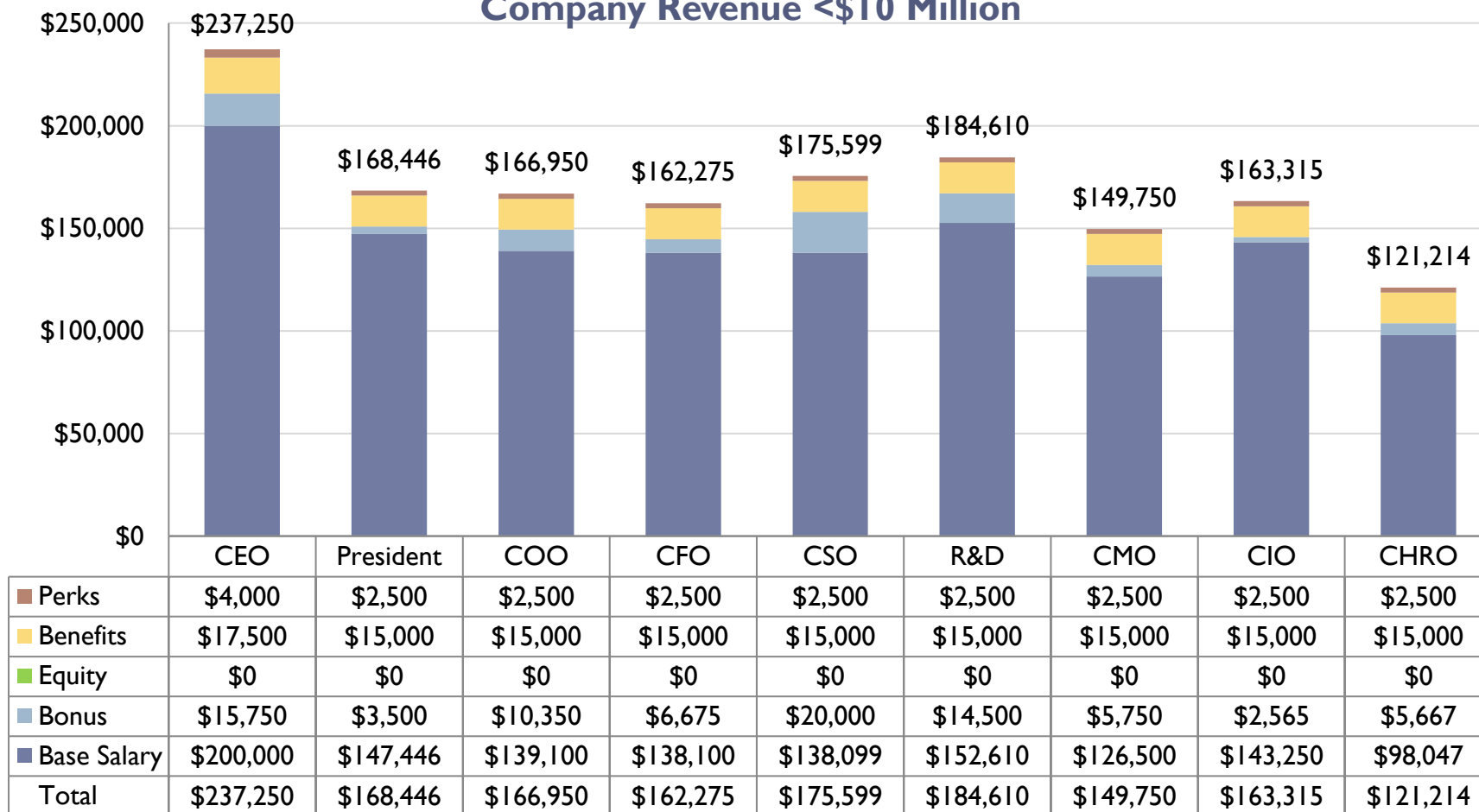
2022 Compensation of Senior Executives – Top Quartile



❖ Highest top-quartile compensation packages were found among CEOs, Presidents, COOs, CFOs and CSOs in 2022, in that order.

2022 Compensation of Senior Executives, by Company Revenue – Median

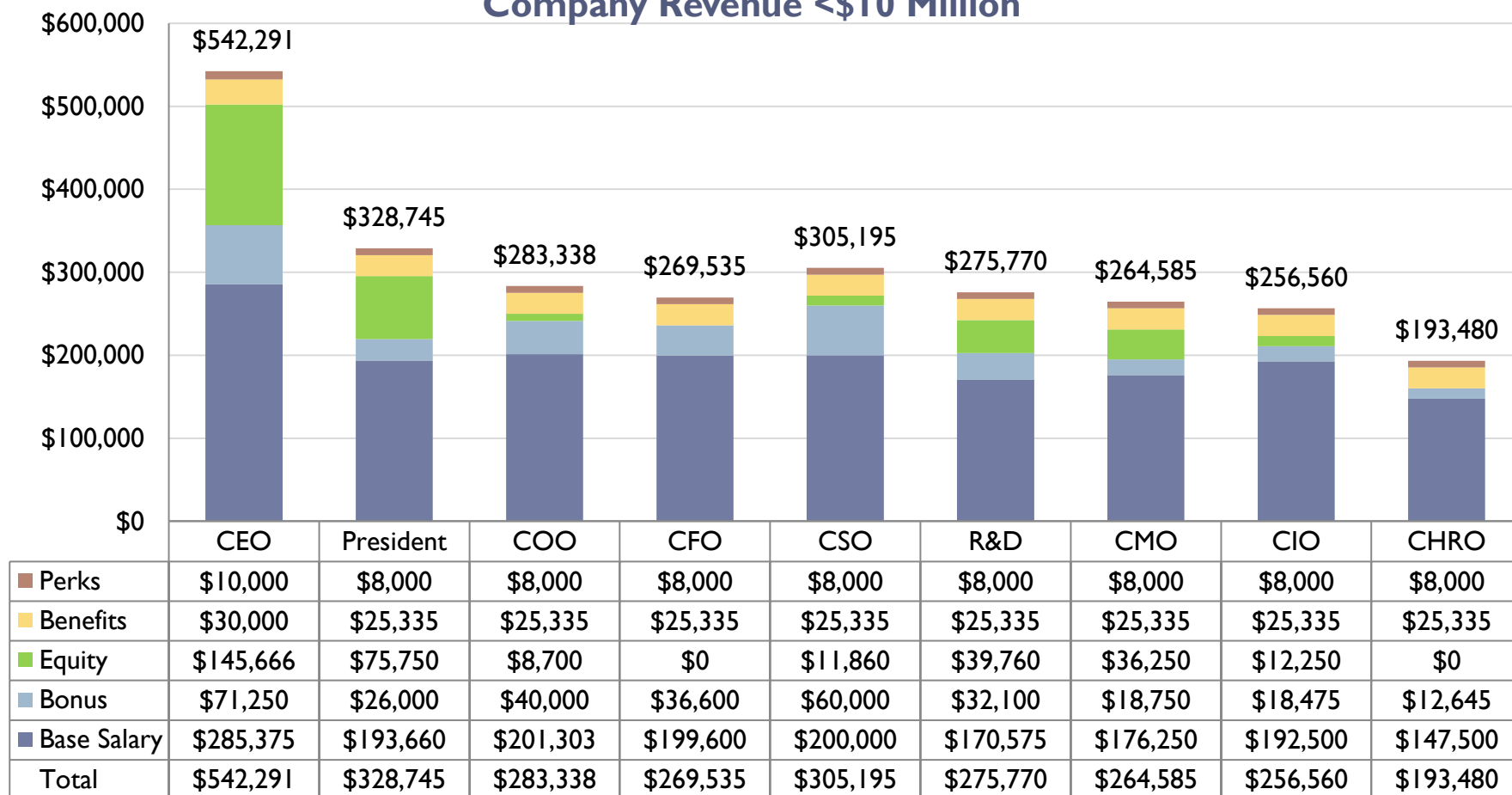
Company Revenue <\$10 Million



❖ Among companies with less than \$10 million in revenues, most executives saw modest increases in salaries but a majority of CEOs and Presidents earned less overall than they did the prior year because of declines in bonus payouts and equity gains in 2022.

2022 Compensation of Senior Executives, by Company Revenue – Top Quartile

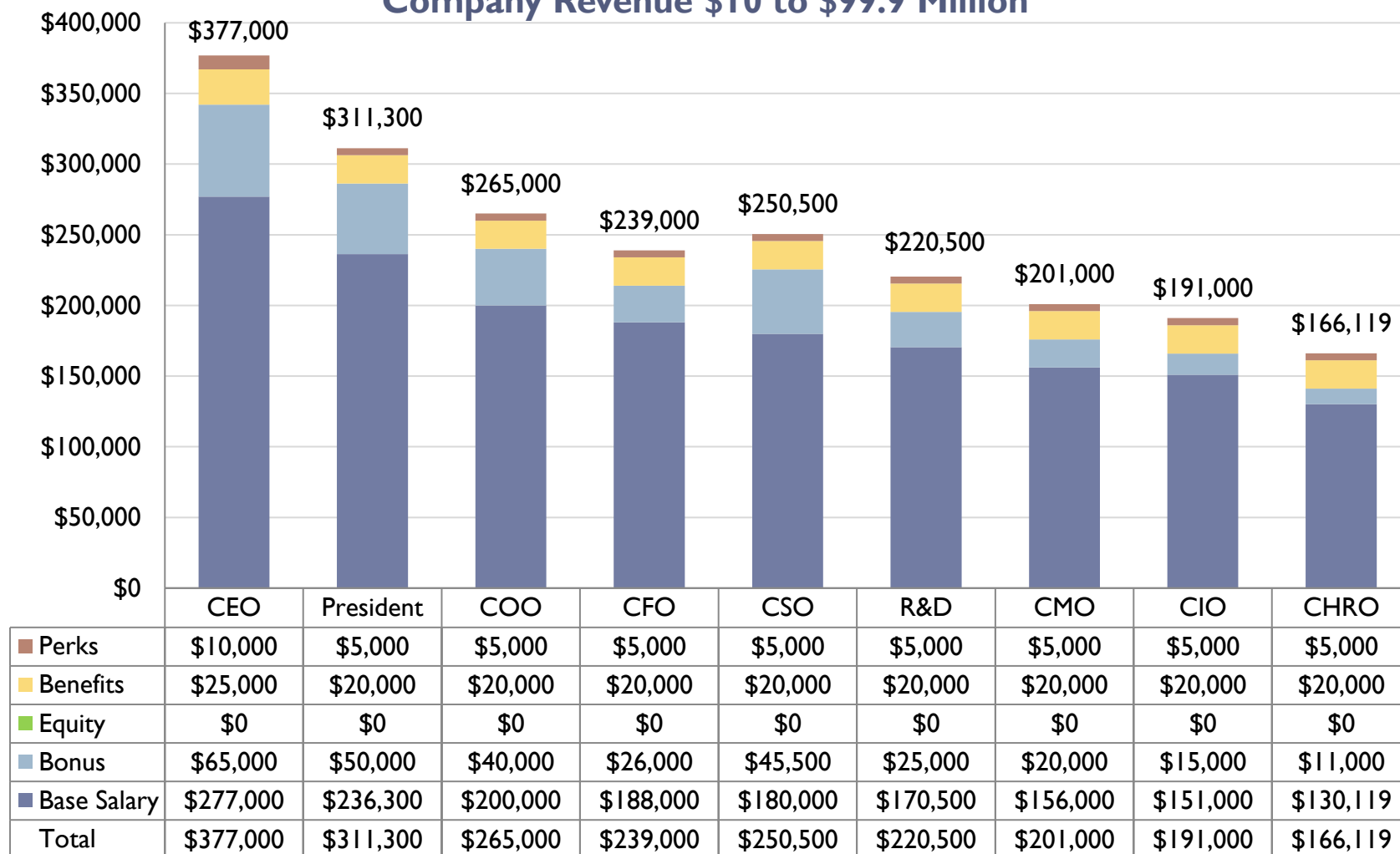
Company Revenue <\$10 Million



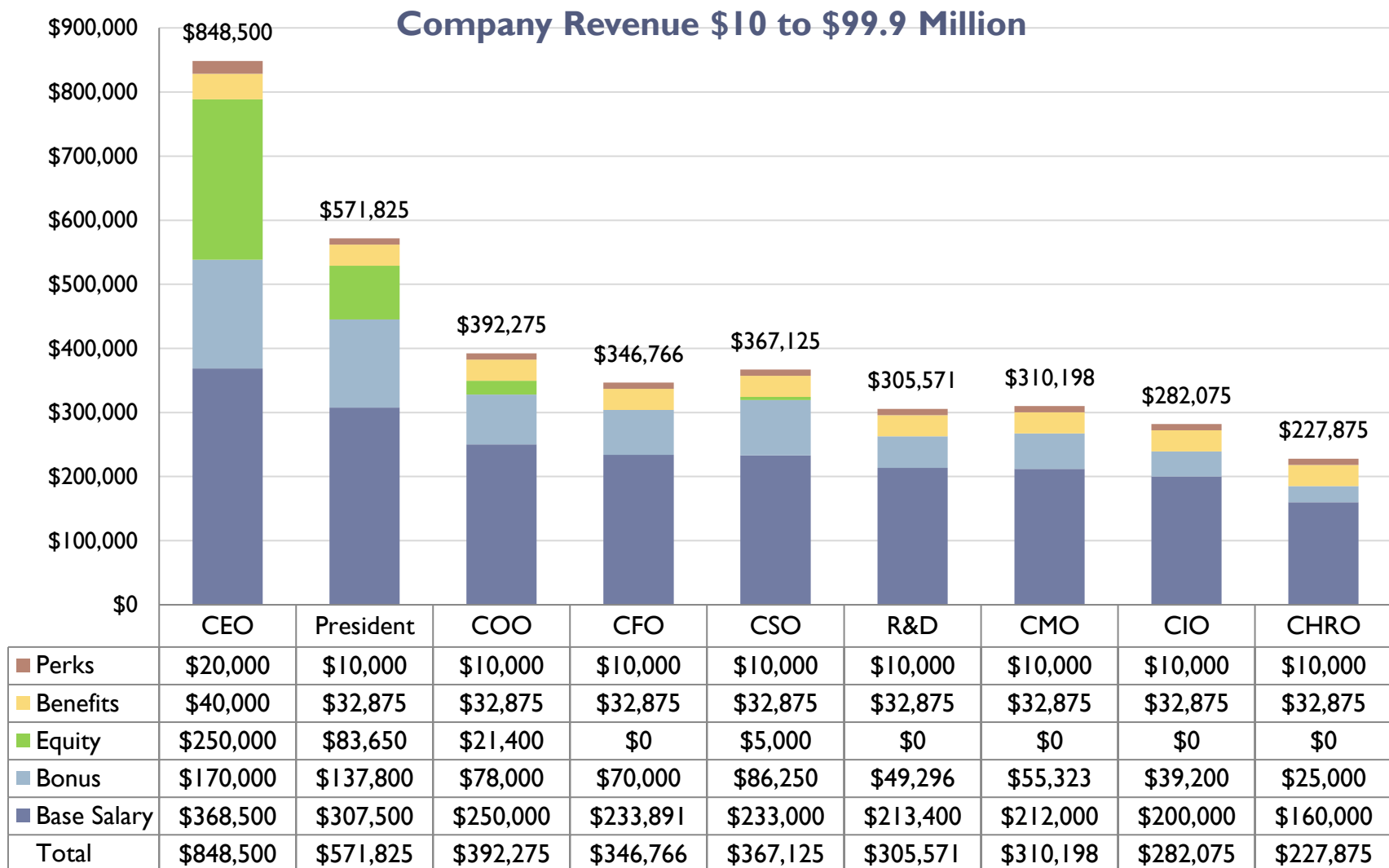
- ❖ While salaries were up modestly across all the senior executive positions at the 75th percentile (among companies with <\$10 M revenues), the CEOs, COOs and CSOs in this group earned less overall than in the prior year.

2022 Compensation of Senior Executives, by Company Revenue – Median

Company Revenue \$10 to \$99.9 Million

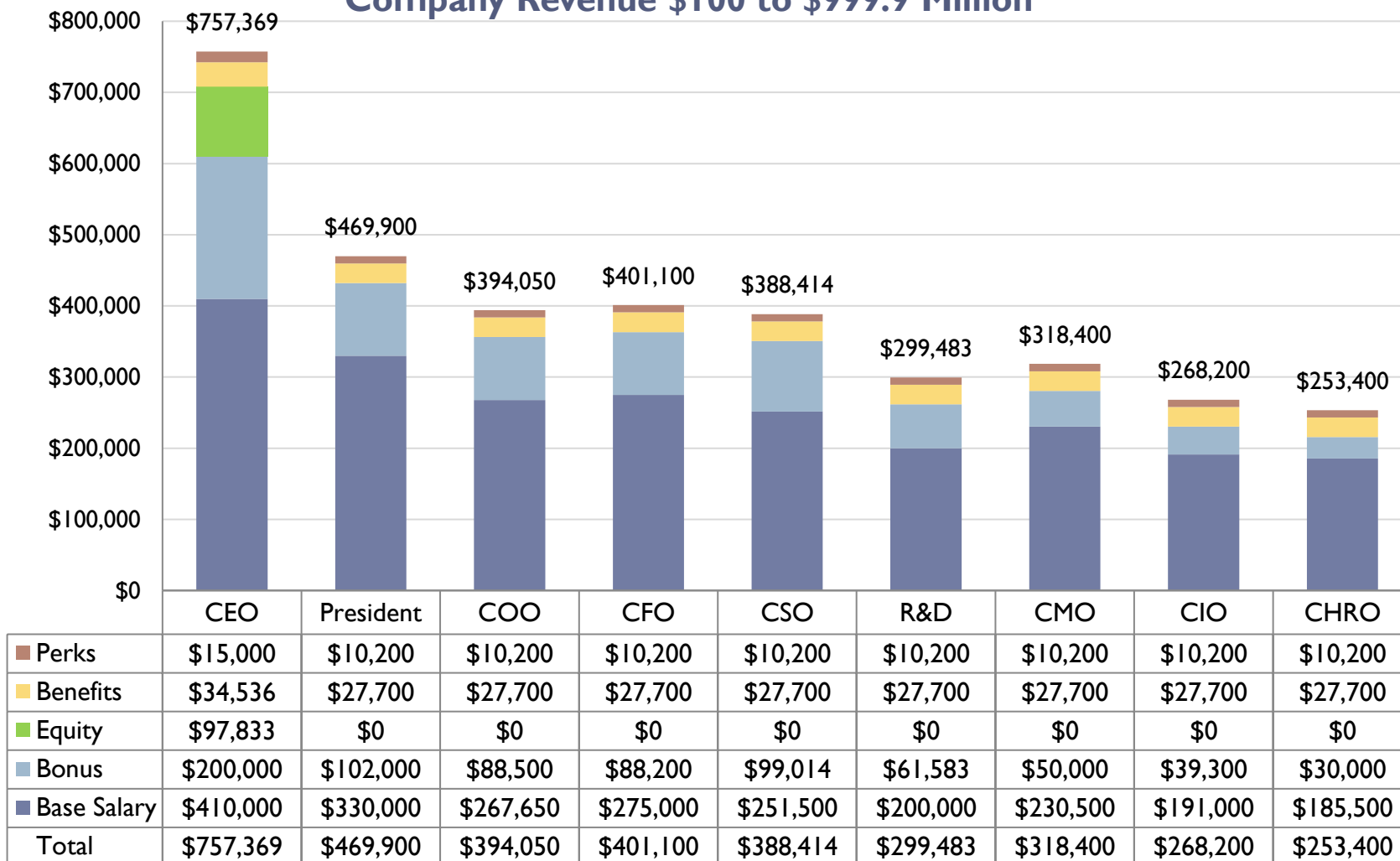


2022 Compensation of Senior Executives, by Company Revenue – Top Quartile



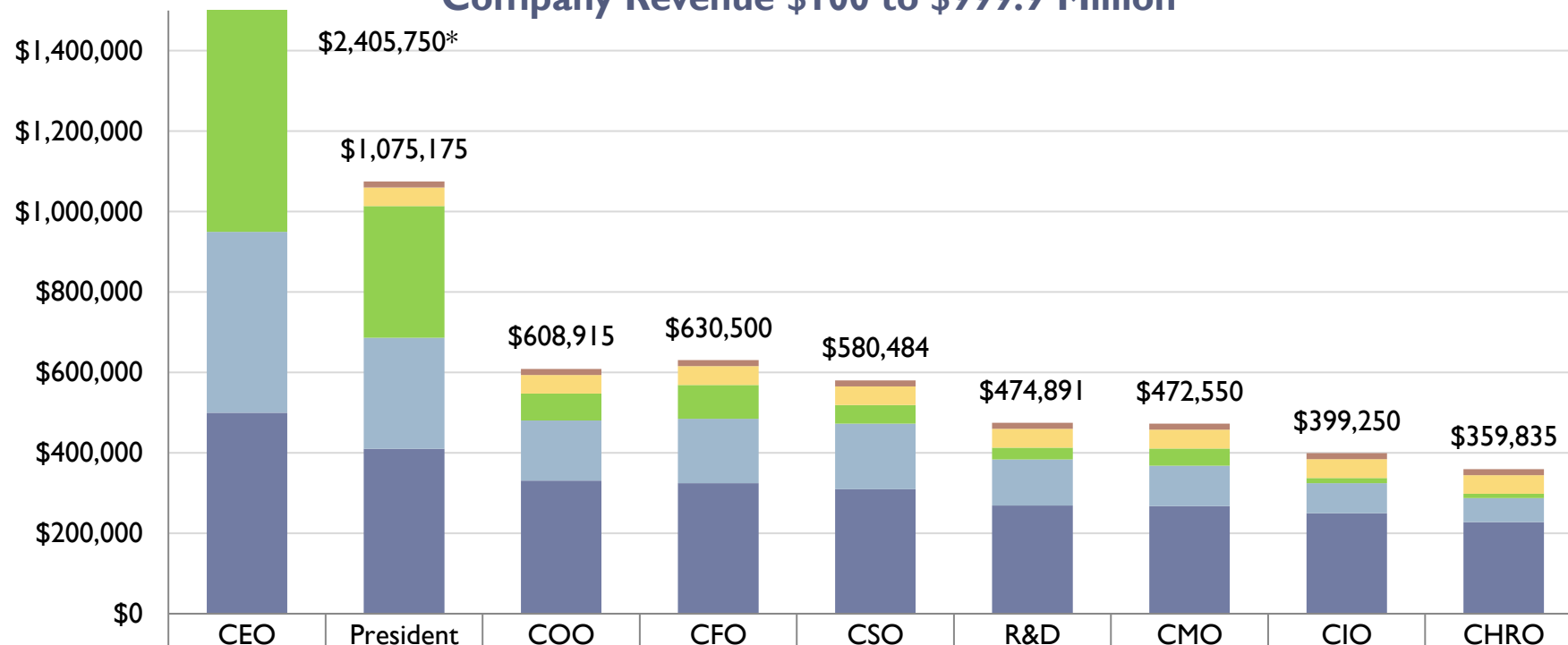
2022 Compensation of Senior Executives, by Company Revenue – Median

Company Revenue \$100 to \$999.9 Million



2022 Compensation of Senior Executives, by Company Revenue – Top Quartile

Company Revenue \$100 to \$999.9 Million

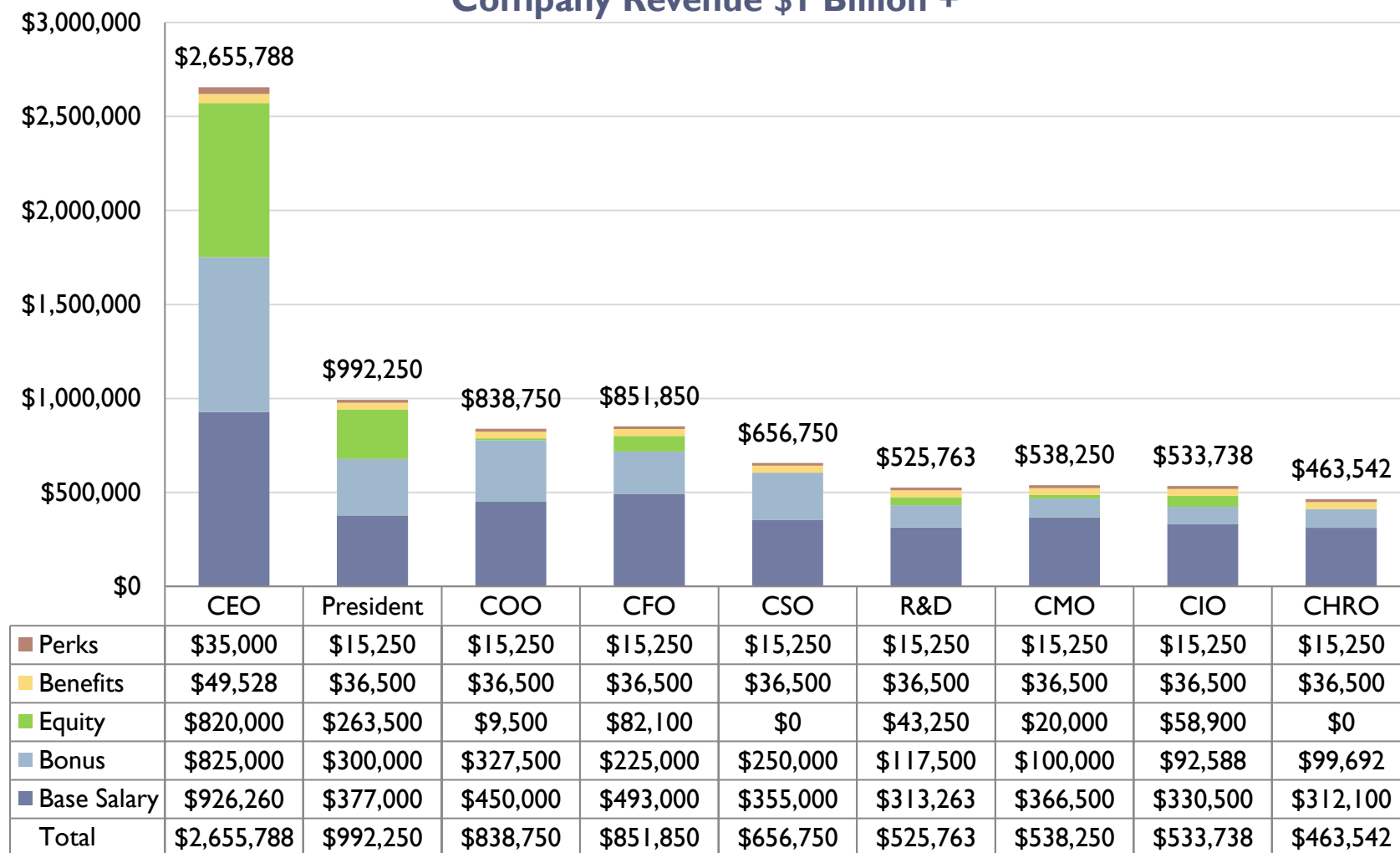


	CEO	President	COO	CFO	CSO	R&D	CMO	CIO	CHRO
Perks	\$35,750	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Benefits	\$50,000	\$46,750	\$46,750	\$46,750	\$46,750	\$46,750	\$46,750	\$46,750	\$46,750
Equity	\$1,370,000	\$327,500	\$66,300	\$83,750	\$46,250	\$29,141	\$43,000	\$12,500	\$10,100
Bonus	\$450,000	\$275,925	\$150,115	\$160,000	\$162,484	\$115,000	\$100,000	\$75,000	\$60,000
Base Salary	\$500,000	\$410,000	\$330,750	\$325,000	\$310,000	\$269,000	\$267,800	\$250,000	\$227,985
Total	\$2,405,750	\$1,075,175	\$608,915	\$630,500	\$580,484	\$474,891	\$472,550	\$399,250	\$359,835

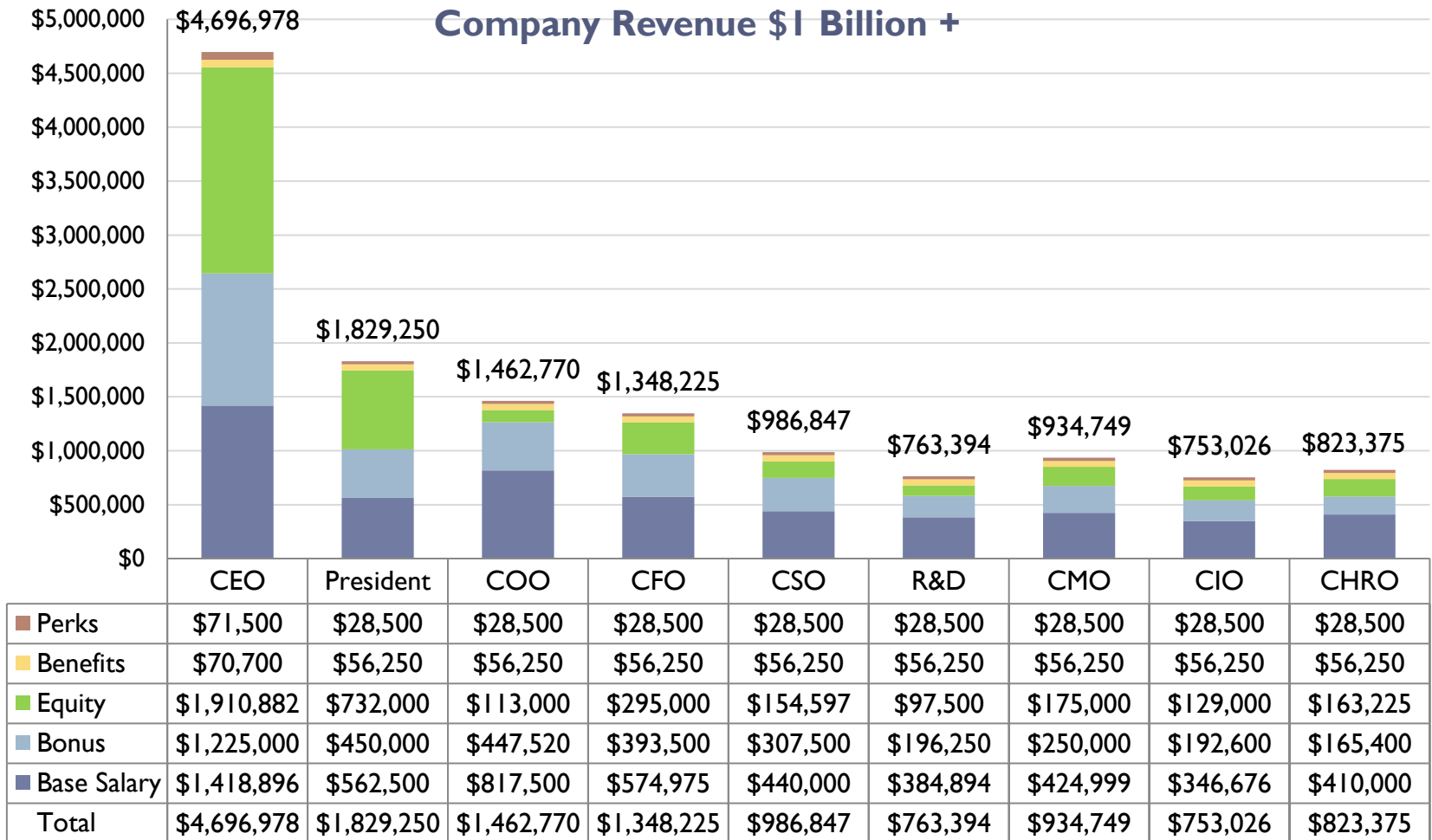
*Column not drawn to scale.

2022 Compensation of Senior Executives, by Company Revenue – Median

Company Revenue \$1 Billion +



2022 Compensation of Senior Executives, by Company Revenue – Top Quartile



- ❖ Many large private companies compete with public companies for senior talent, so CEOs, CFOs and other senior executives often have lucrative equity plans.

CEO & Senior Executive Compensation Best Practices

- ▶ A well-thought-out competitive executive compensation strategy is critical to your company's ability to recruit, retain, align and motivate top-performing executives.
- ▶ It's important to be proactive and make informed, data-driven decisions to remain competitive; it's often too late when an executive is approached by another firm with a superior offer.
- ▶ Best-performing companies use all elements of compensation—salary, bonuses, benefits, perks and equity incentives—to build competitive strategies.
 - ▶ Competitive salaries, benefits and perks provide guaranteed security that many strong executives require, as opposed to more variability in bonus and equity packages.
 - ▶ Top companies use bonuses strategically to focus executives on the attainment of short-term (annual) goals.
 - ▶ Most private companies use equity and phantom equity tools to encourage CEOs and other senior executives to build the long-term value of the companies they lead, but few take full advantage of this motivational tool because they fail to communicate the value of their equity programs regularly (at least annually).
 - ▶ Integrating all elements of compensation cohesively helps companies recruit, retain and motivate top-performing CEOs and leadership teams to propel their businesses and human capital strategies.

CEO & Senior Executive Compensation Best Practices

- ▶ Being strategic means not being “average” across all the components of compensation and across job titles.
- ▶ Most private companies can’t afford to pay aggressively on *all* components for *all* their executives—nor should they.
 - ▶ Some executive positions are more strategically important depending on the company’s industry and business strategy (e.g., an early-stage Tech company may prioritize recruiting a world-class R&D executive, while a low-cost manufacturer may prioritize a great CFO or COO).
- ▶ Different ownership types offer different benefits—play to your strength.
- ▶ Some executives are more risk-averse than others. Having flexibility to match an executive’s individual needs is ideal.

CEO & Senior Executive Compensation Best Practices (Continued)

- ▶ **Best-performing companies:**
 - ▶ Are proactive
 - ▶ Start with company culture and mission to attract and retain top talent—money won't make up for shortcomings there
 - ▶ Have a formal annual incentive plan tied to performance of goals and, at least, an annual discussion/review
 - ▶ Have a formal equity program with, at least, an annual re-pricing of the value of stock and option holdings
 - ▶ Regularly and clearly communicate the value of equity gains to the CEO and other key shareholders
 - ▶ Have vesting based on performance metrics rather than just time
 - ▶ Structure equity plans and other compensation components for tax efficiency
 - ▶ Make quick decisions if they need to cut costs in a crisis, but go on the offense faster than competitors to recruit needed talent when business stabilizes



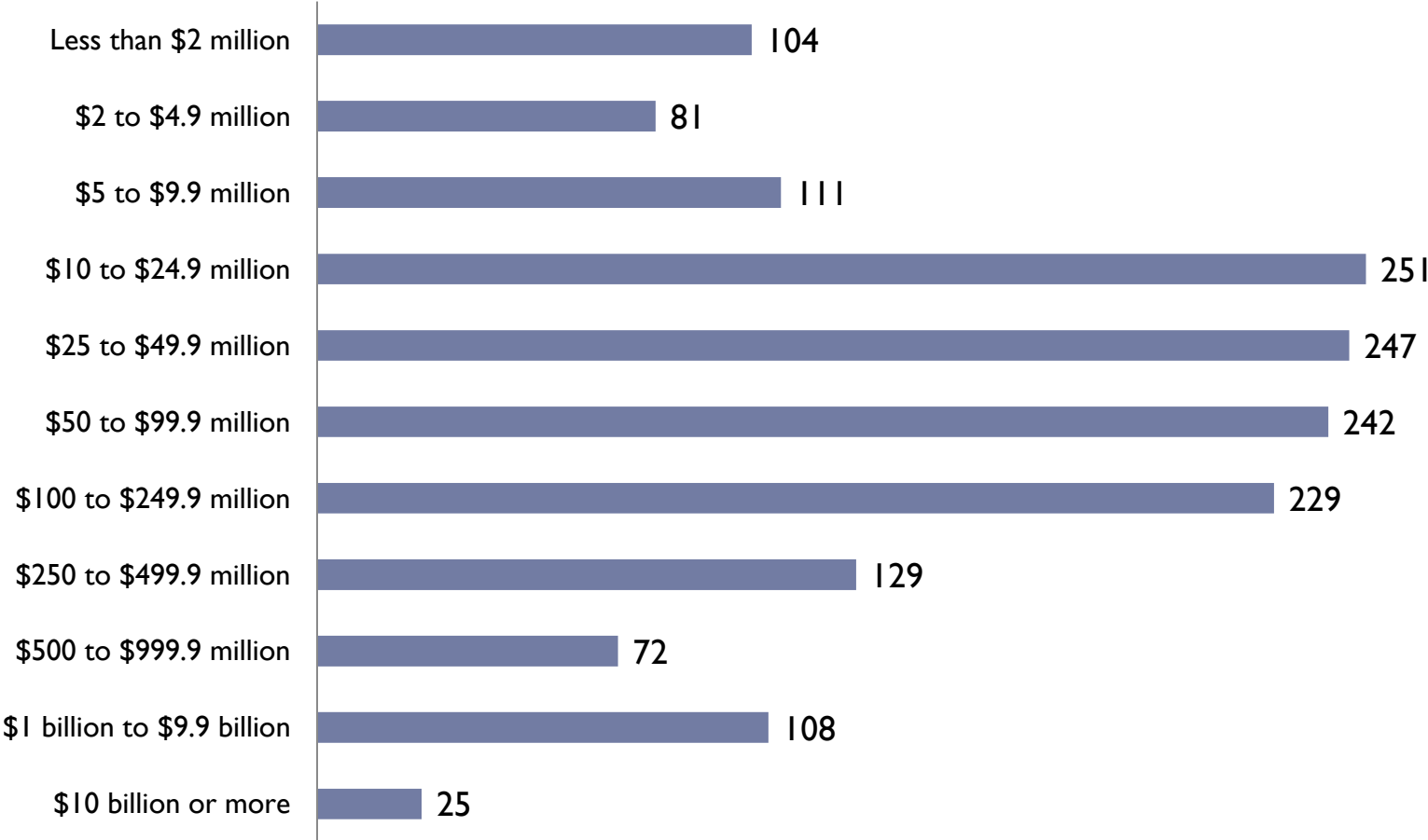
Who We Surveyed and What They Do

Research Methodology

- ▶ In April, May, June and July of 2023, Chief Executive Research sent surveys to the readers of *Chief Executive* magazine and to select segments of our database of CEOs, CHROs and CFOs.
- ▶ Overall, 1,634 companies responded to the survey.
- ▶ Strong response rates were received from private companies representing a wide range of:
 - ▶ Sizes, by annual company revenues
 - ▶ Sizes, by number of employees
 - ▶ Industries
 - ▶ Types of ownership (e.g., family, partnership, private equity, venture capital)
 - ▶ Geographies and markets (northeast, west, rural, small metro, large metro, etc.)
- ▶ The survey effort focused on private U.S. companies in all revenue size ranges, allowing for meaningful datasets to be compiled for small (<\$10 million in revenue), mid-sized (\$10-99.9 million), upper middle market (\$100-999.9 million) and large (\$1 billion +) companies.
 - ▶ Companies with less than \$10 million in revenue represent 18.5% of the responses (296 responses), \$10-99.9 million represent 46.3% (740), \$100-999.9 million represent 26.9% (430) and \$1 billion+ represent 8.3% (133).

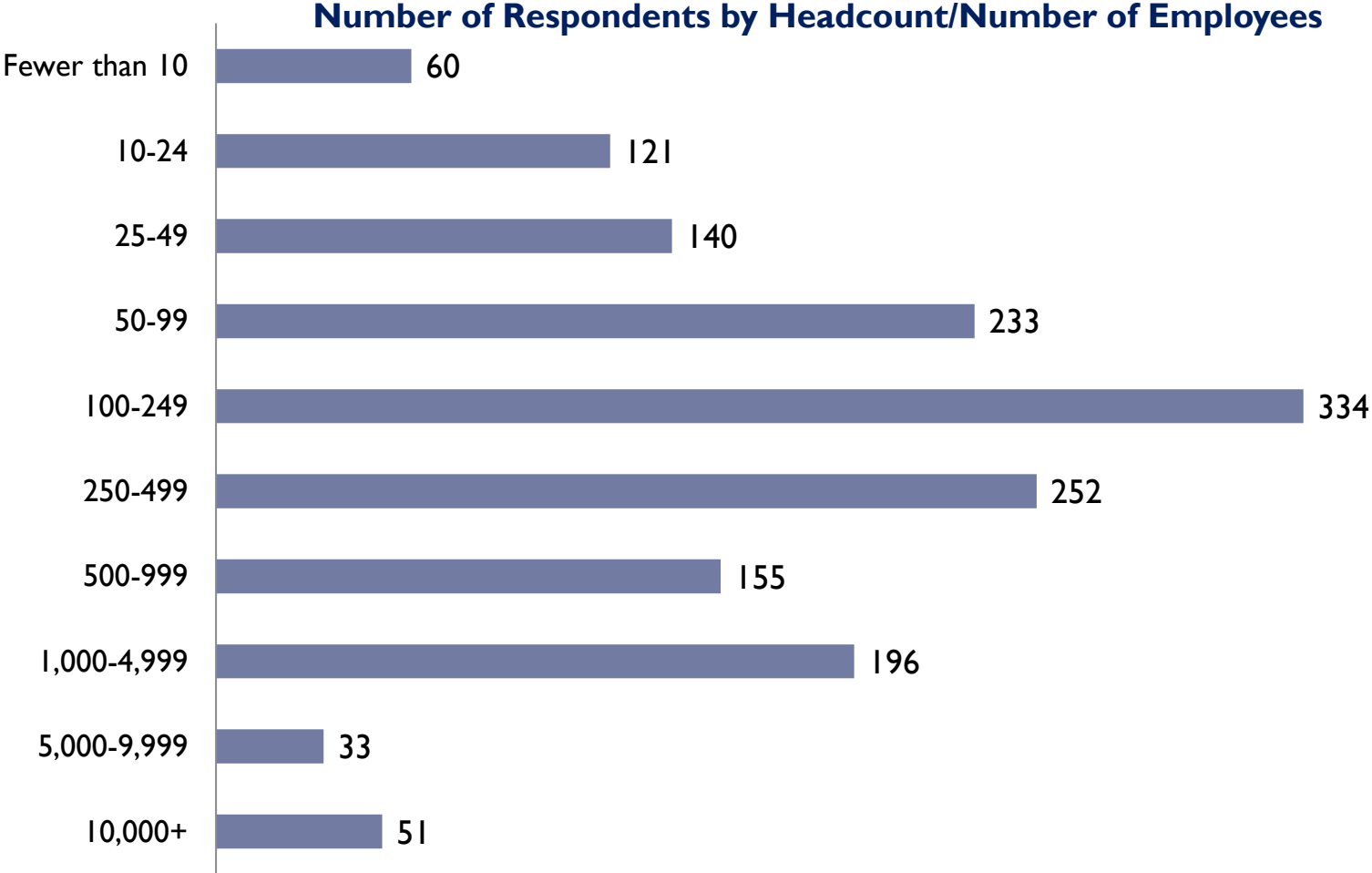
Survey Respondents Include Large, Mid and Small Companies

Number of Respondents by Company Revenue



❖ Company size is the strongest determinant of CEO and (most) senior executive compensation. As company size increases, so does compensation for the leadership team.

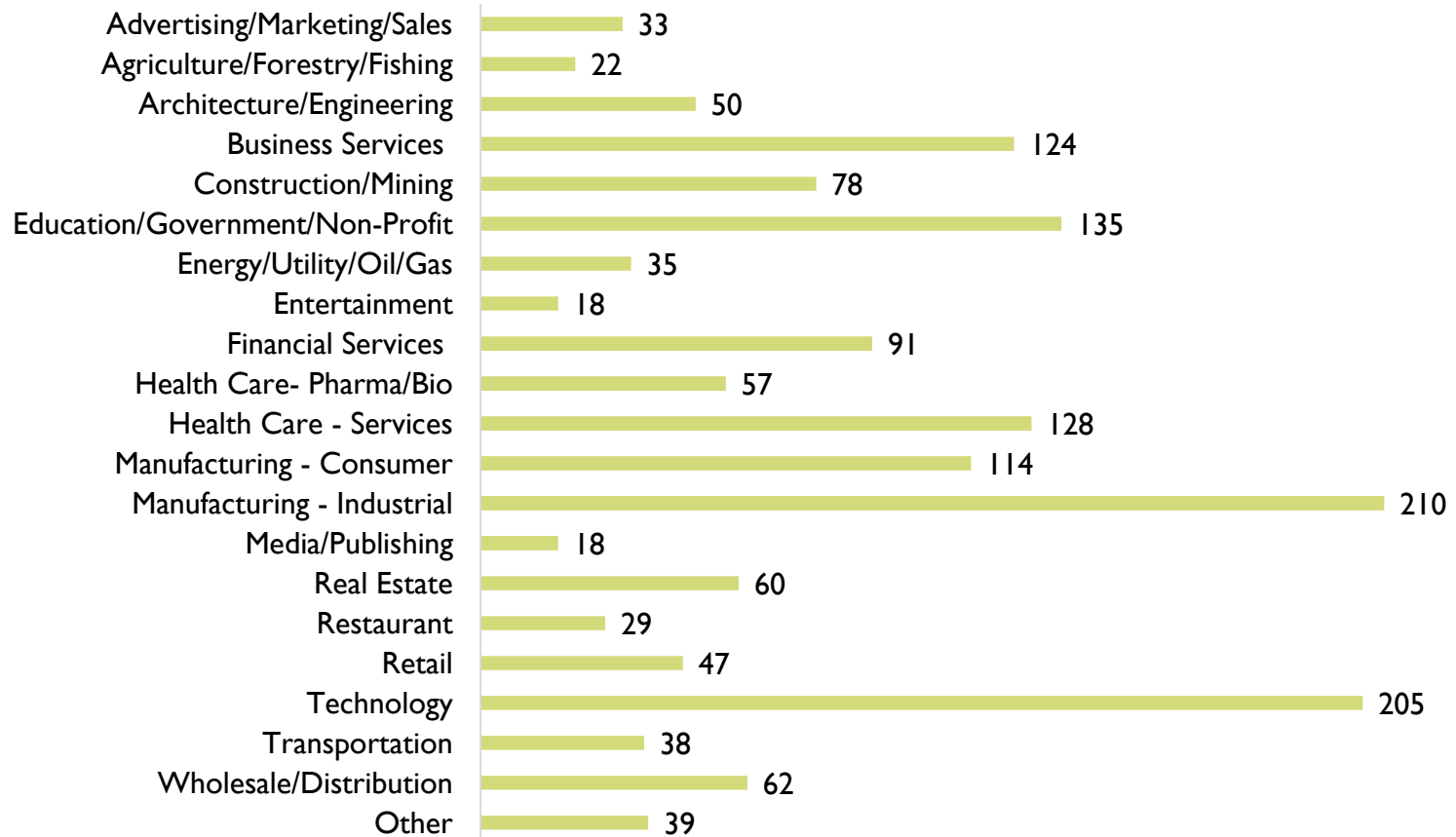
Survey Respondents Include Large, Mid and Small Companies



❖ Company size by headcount shares a similar relationship to executive compensation as company size by revenue. Its level of correlation, however, depends on several factors, including operating model and industry.

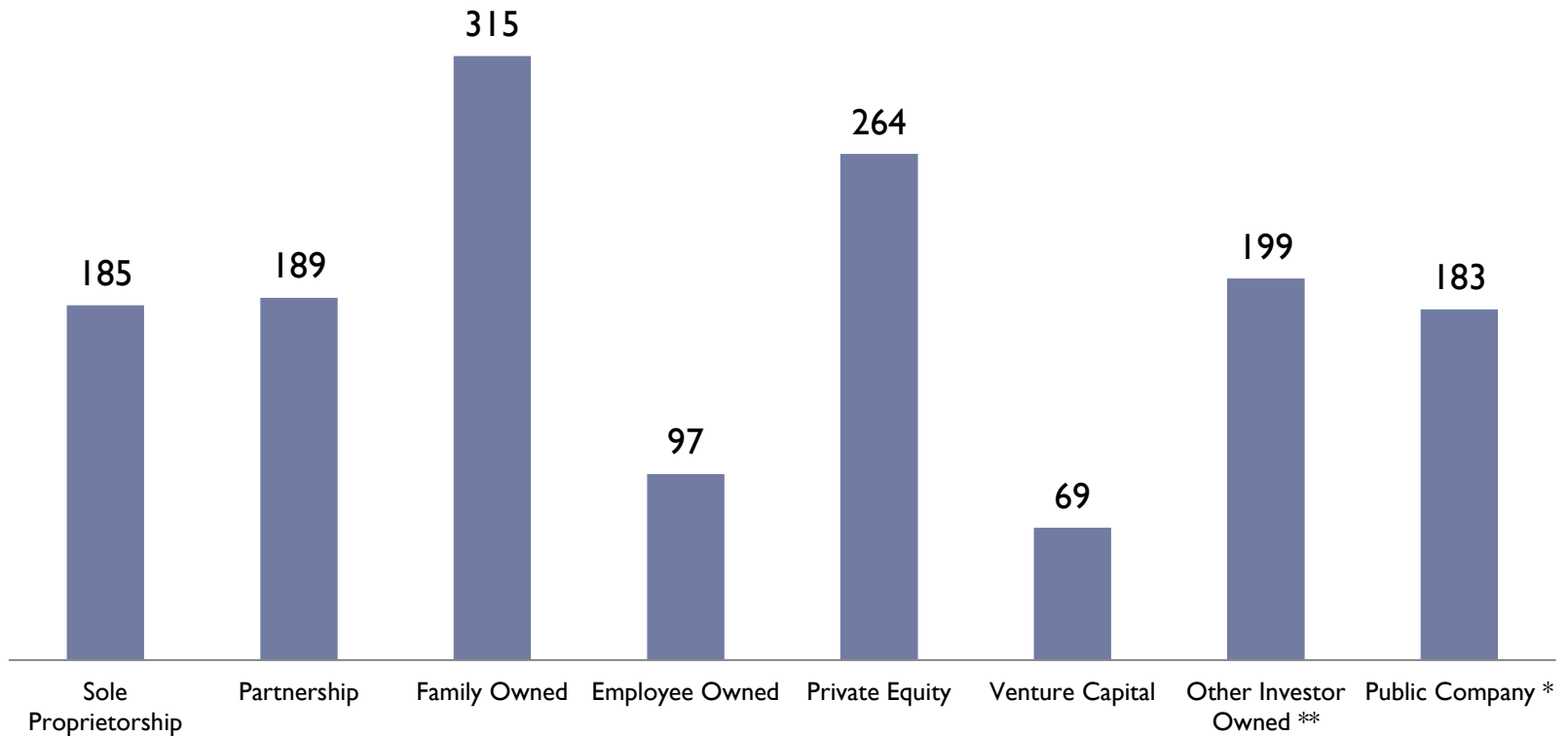
Strong Response Rates Across Industries

Number of Respondents by Industry



- ❖ Industry has a major impact on executive pay due to differences in underlying profitability, growth rates and average size and business cycles. For example, energy CEOs had a great year in 2022 with record profits, while CEOs in education/gov/nonprofit tend to have less lucrative compensation packages on average.

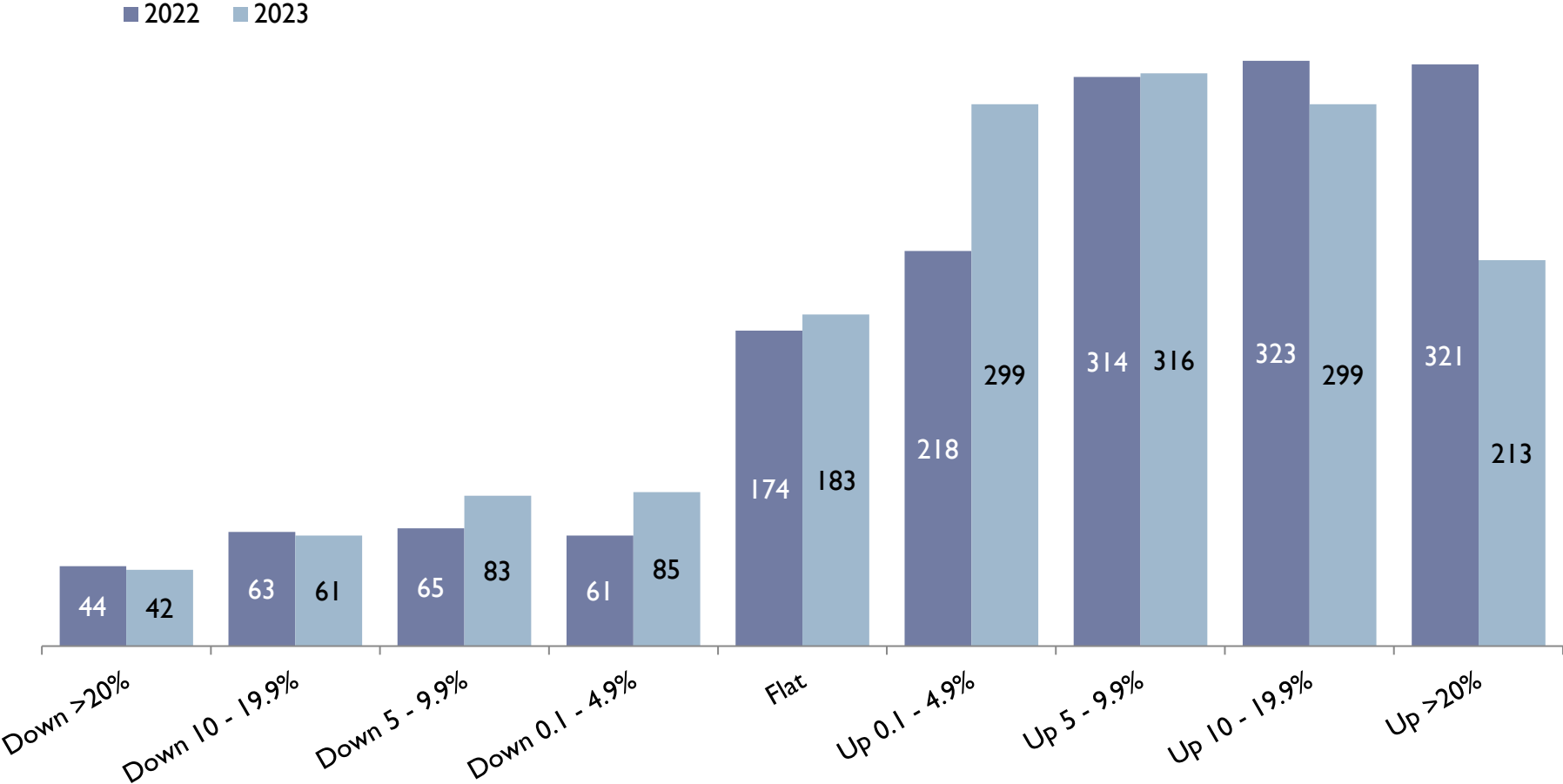
Survey Respondents Include All Ownership Types*



**Public company data is provided on certain pages of this report for comparative purposes only. Unless expressly specified, these companies were excluded from all data analysis and aggregate calculations of overall compensation in private companies.*

***Other investor owned refers to private companies that have a different ownership structure than the six specified.*

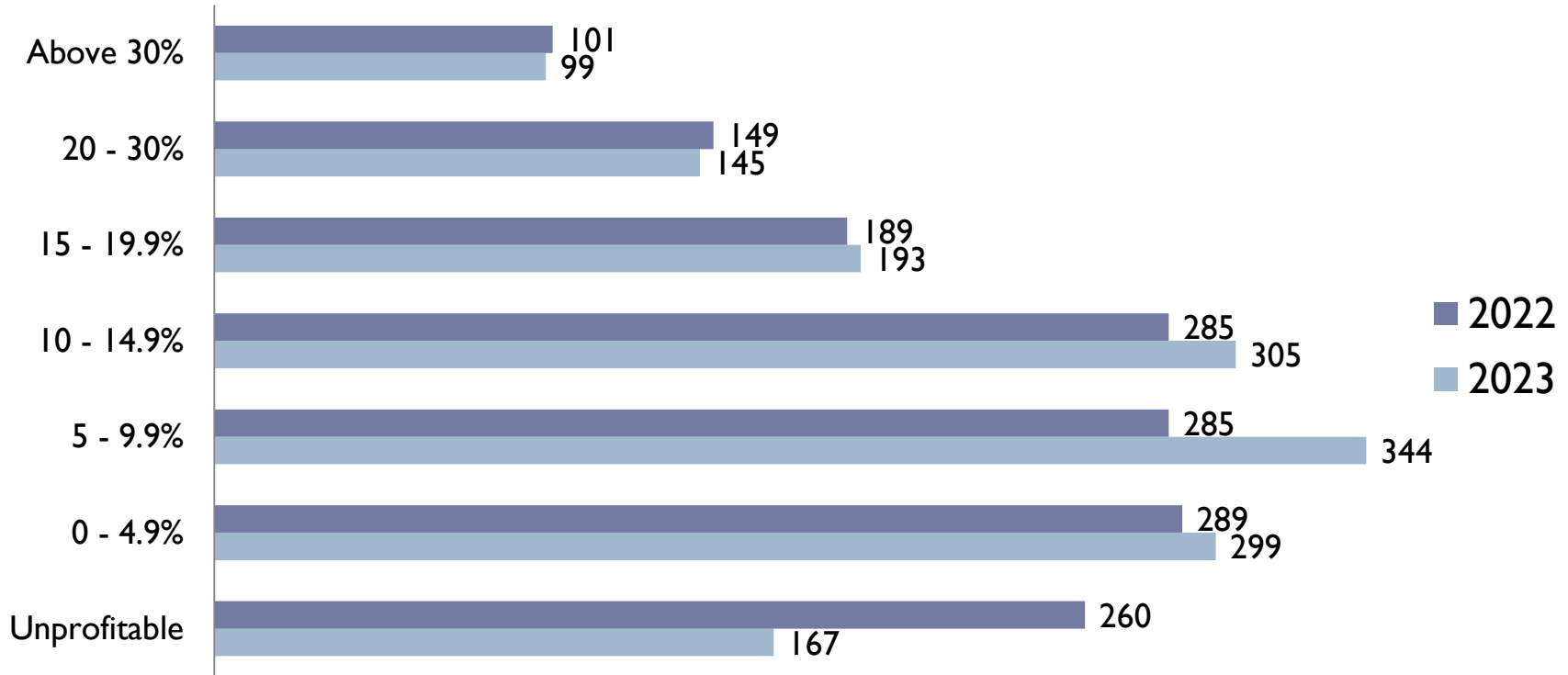
Survey Respondents Report Varying Revenue Growth Rates



❖ While most surveyed companies forecast revenue growth in 2023, a majority expect their growth rate to slow vs. 2022.

Most Companies Have Healthy Profit Margins

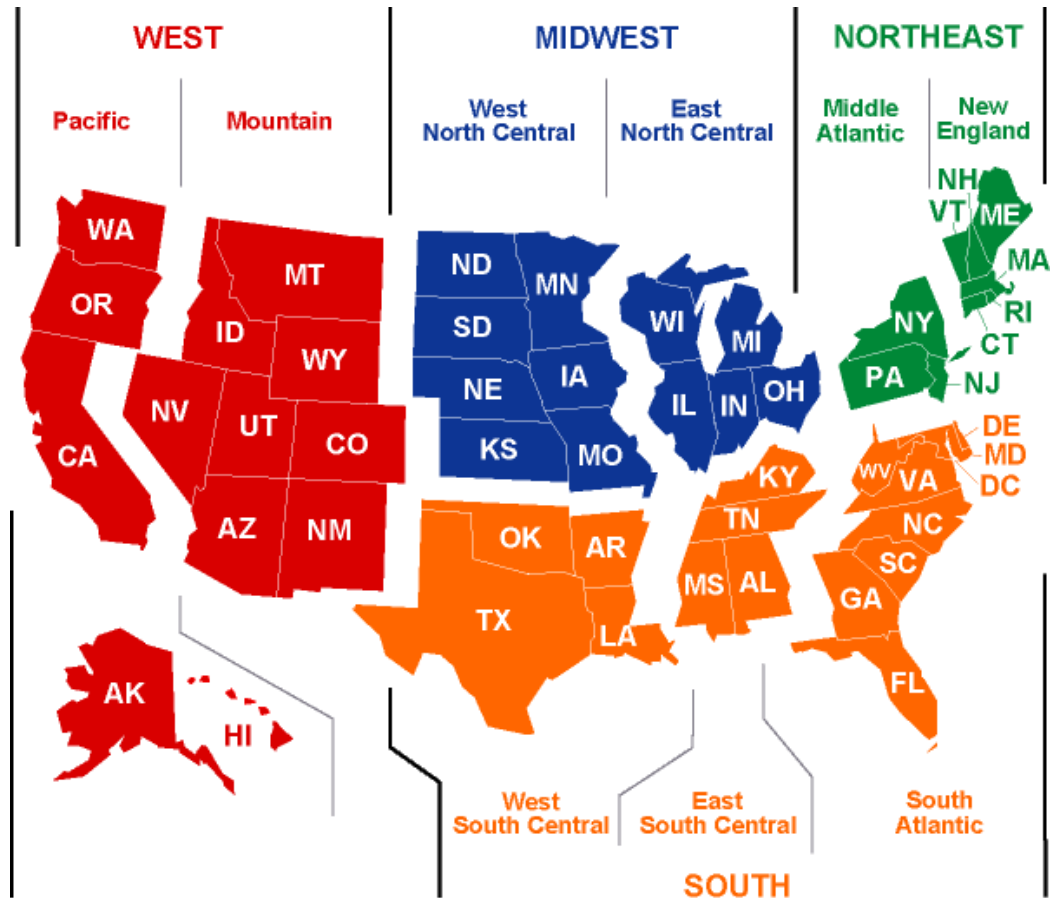
Number of Respondents by Operating Profit Margin (EBITDA)



- ❖ 83% of participating companies were profitable in 2022, slightly below the 88% that were profitable the prior year, but 89% of companies expect to be profitable in 2023.
- ❖ 47% of surveyed companies had profit margins above 10% in 2022, compared to 69% the prior year. In 2023 that percentage is expected to be up slightly, at 48%.

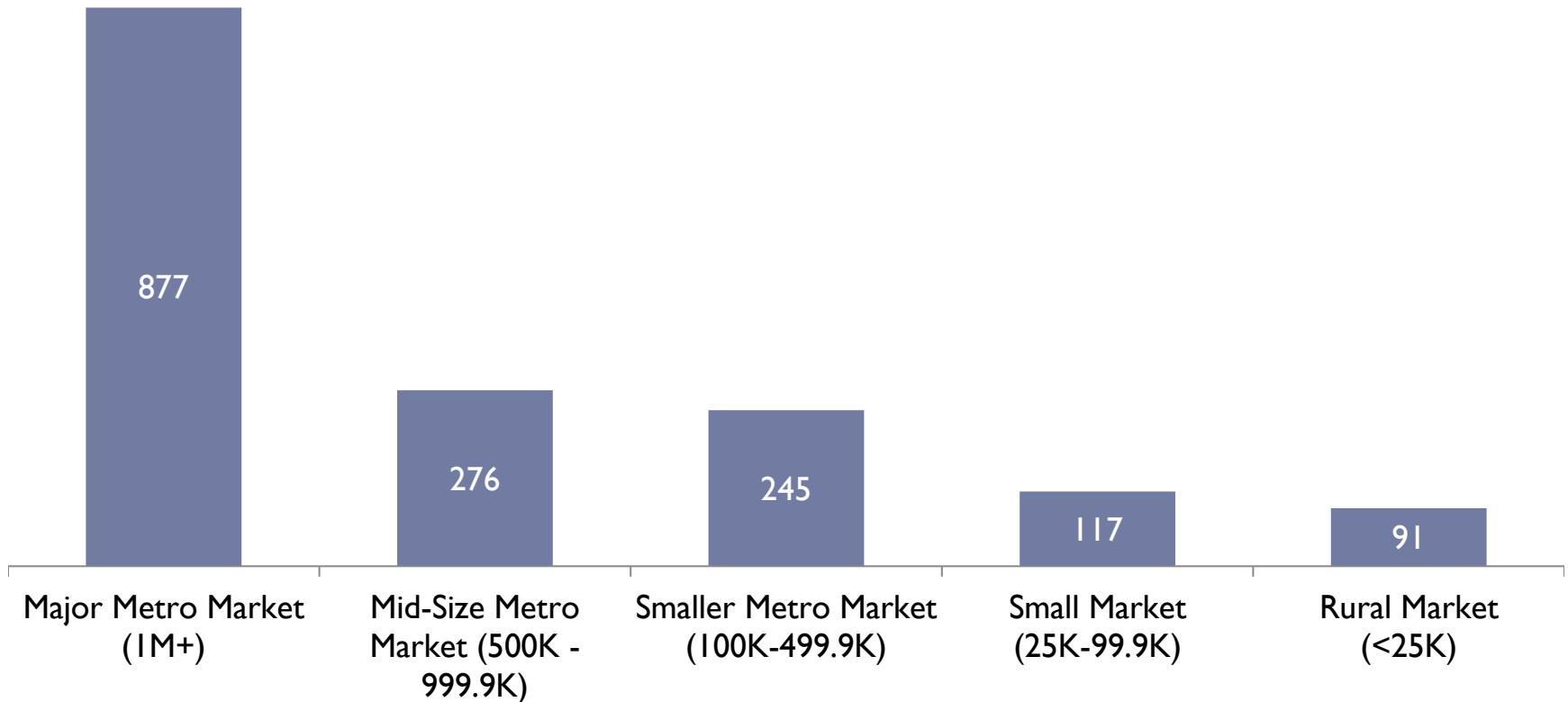
Geographic Regions of Respondents

Region	Respondents
New England	111
Mid-Atlantic	193
South Atlantic	285
East South Central	52
East North Central	225
Mountain	137
West South Central	161
West North Central	117
Pacific	264
Other U.S. Territories & Canada	62



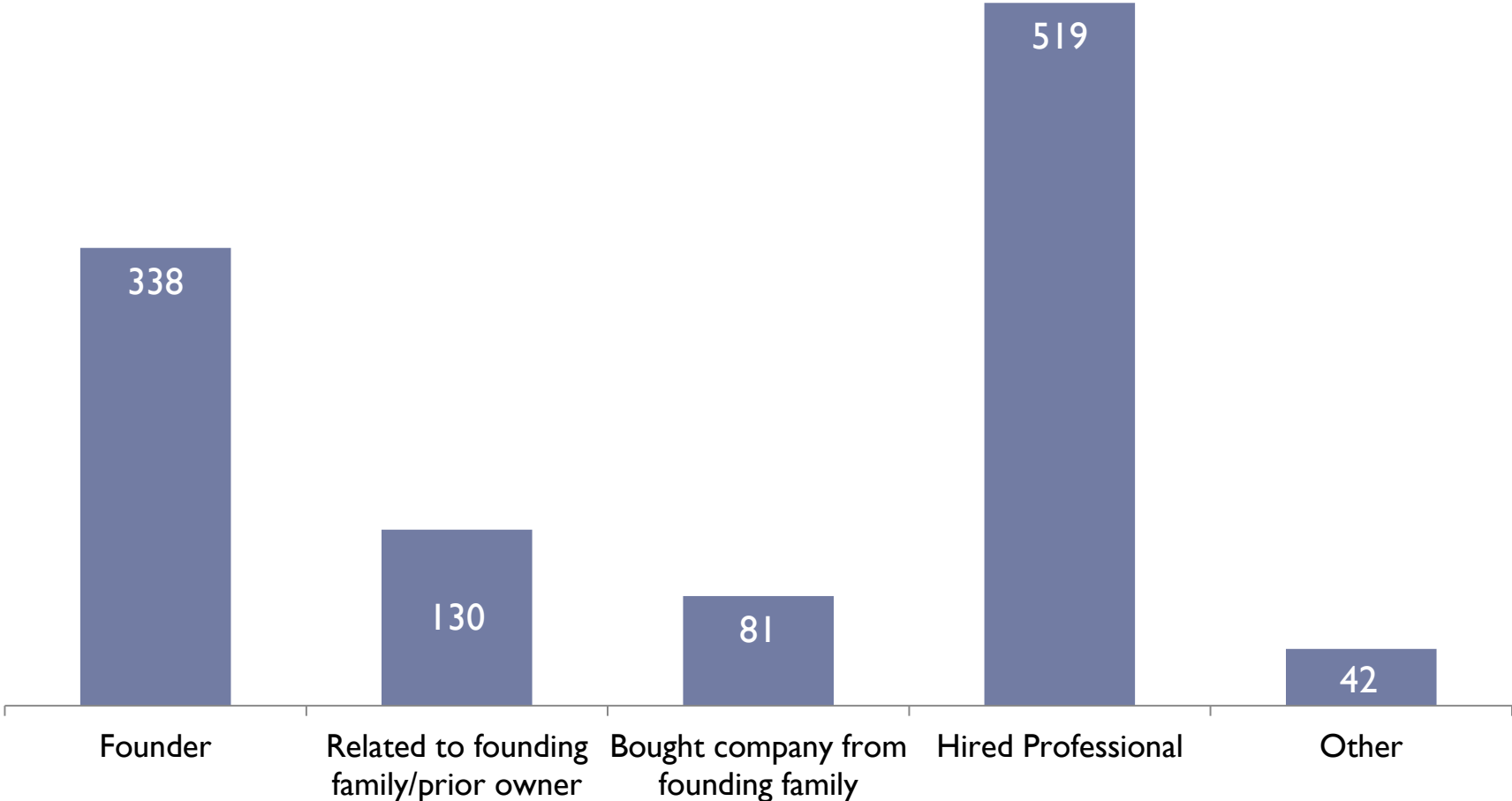
❖ Senior executive talent is highly global and portable. Region bears little weight in executive compensation.

Respondents from All Market Sizes



- ❖ Executives located in major metro markets tend to earn more, on average, than executives in smaller markets. This could be correlated with the fact that some of the more lucrative industries like financial services and tech tend to be more concentrated in metro markets.

CEO Relationship to Company Founder



Summary:

Who We Surveyed and What they Do

- ▶ Strong representation across key segments:
 - ▶ All company revenue size segments from <\$2 million to \$1 billion+.
 - ▶ All private ownership types were targeted.
 - ▶ Significant data was collected across 20 industry groups.
 - ▶ All major regions of the U.S. were represented.
 - ▶ Data reflects impact of all market sizes, from rural to major metropolitan areas.
- ▶ Most CEOs represented by the survey are successfully leading their companies.
 - ▶ 83% of participating companies were profitable in 2022, and 47% enjoyed EBITDA margins of more than 10%. In 2023, 89% of companies are expected to be profitable, while 48% expected margins of more than 10%.
 - ▶ 74% of companies surveyed reported positive revenue growth in 2022, while 71% expect the same for 2023.

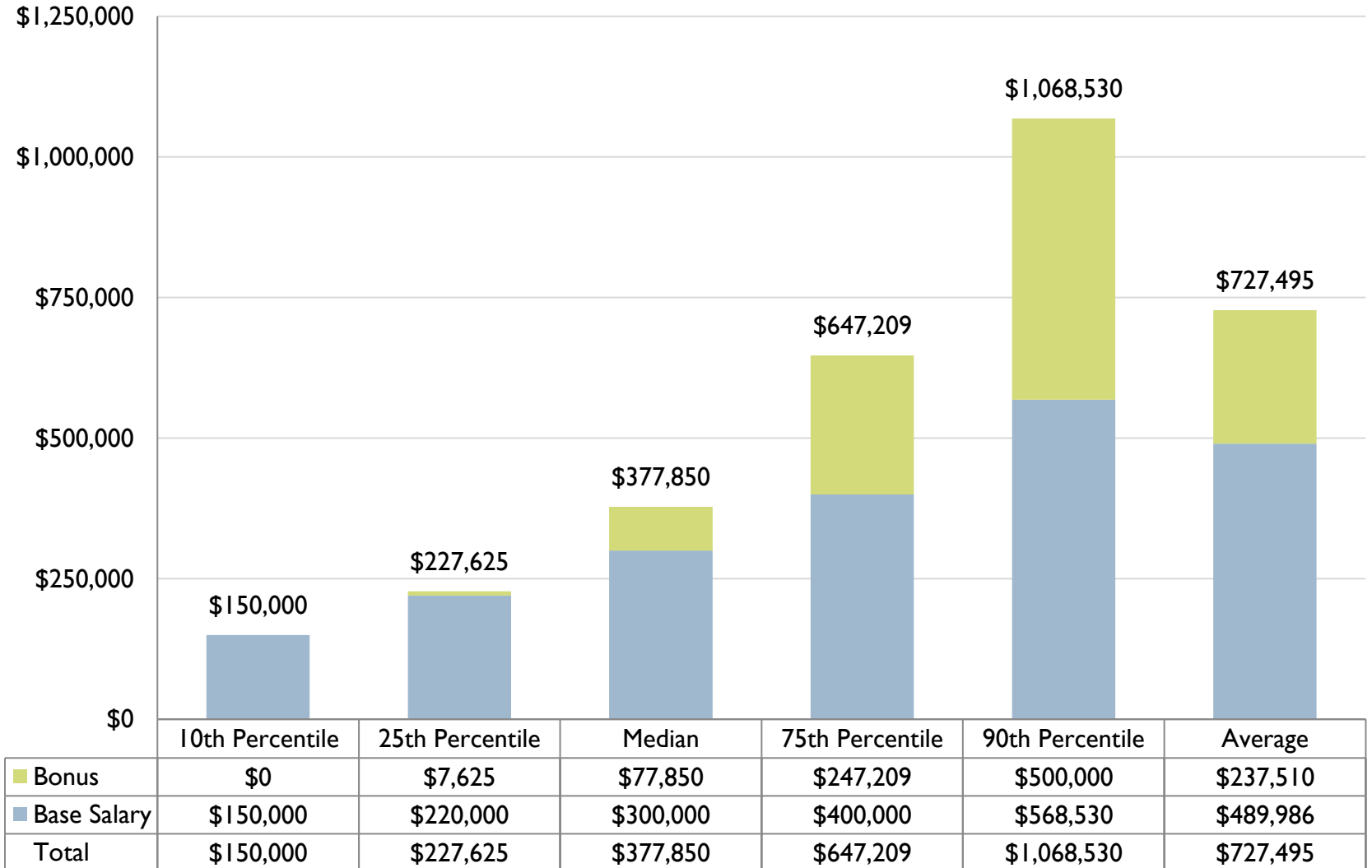


CEO Cash Compensation

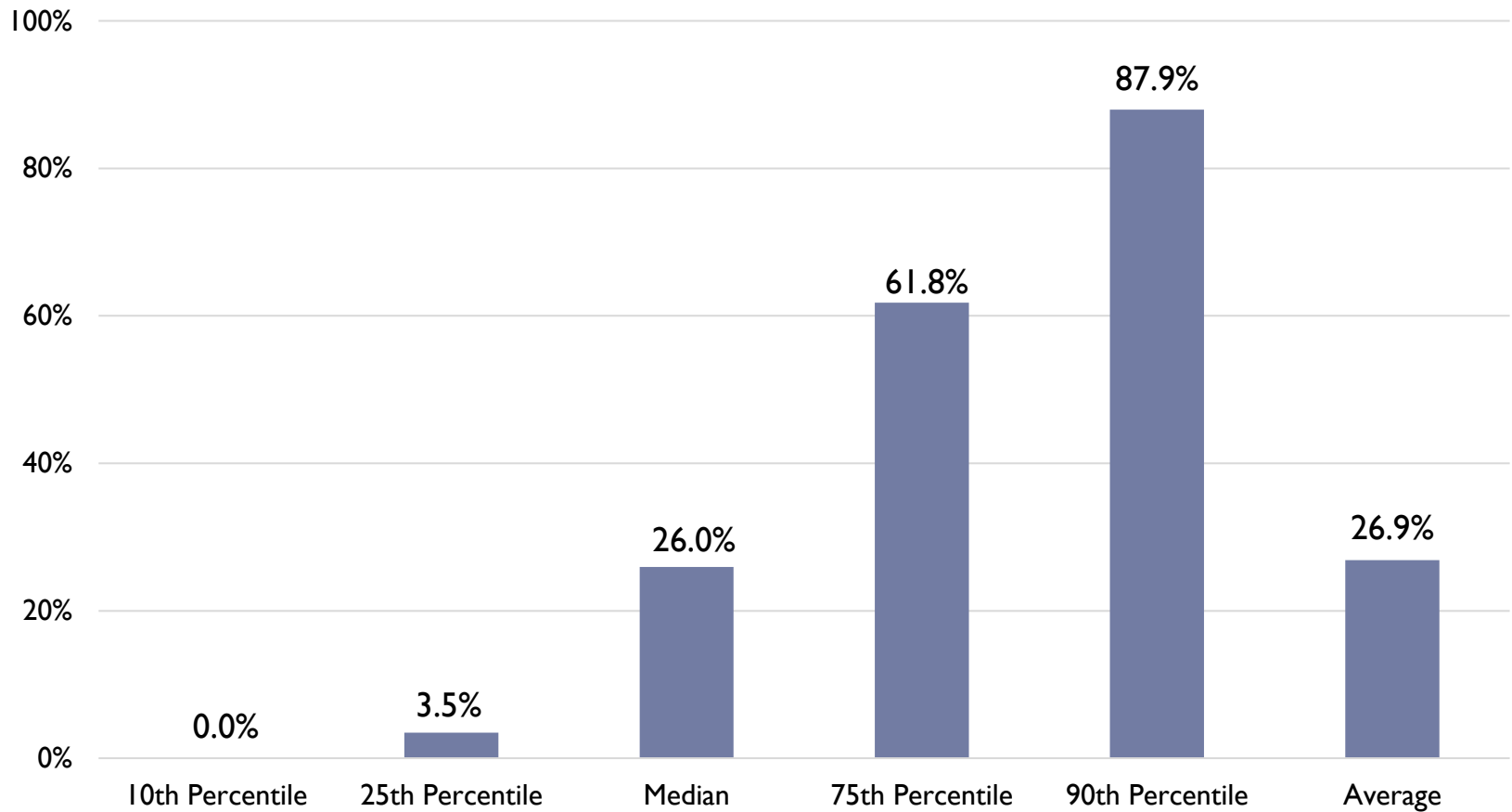
CEO Cash Compensation Overview

- ▶ The median CEO had a total cash compensation of \$377,850 in 2022—compared to \$381,000 in 2021—a slight decrease (-0.8%) that is mainly due to economic headwinds and reduced bonus payouts from the prior year.
 - ▶ Median base salary increased 4.9% in 2022 to \$300,000
 - ▶ Median bonus declined 18% in 2022 to \$77,850 (vs. \$95,000 prior year)
- ▶ Base salary and bonus are both highly correlated with company size, as shown on page 65. As company revenue and headcount increase, so does the CEO's cash compensation.
- ▶ Bonuses are also highly correlated with revenue growth and profitability levels—more so than base salaries -- though both show a significant correlation.
 - ▶ This indicates that performance-based bonus incentives effectively align a CEO's performance with that of the company.
- ▶ The median CEO is expected to receive total cash compensation of \$400,000 in 2023 (a 5% increase from 2022).
 - ▶ Median base salary: \$312,250 (a 4.1% increase)
 - ▶ Median expected bonus: \$100,000 (a 28.4% increase over 2022 but only 5.3% over 2021)

2022 CEO Cash Compensation

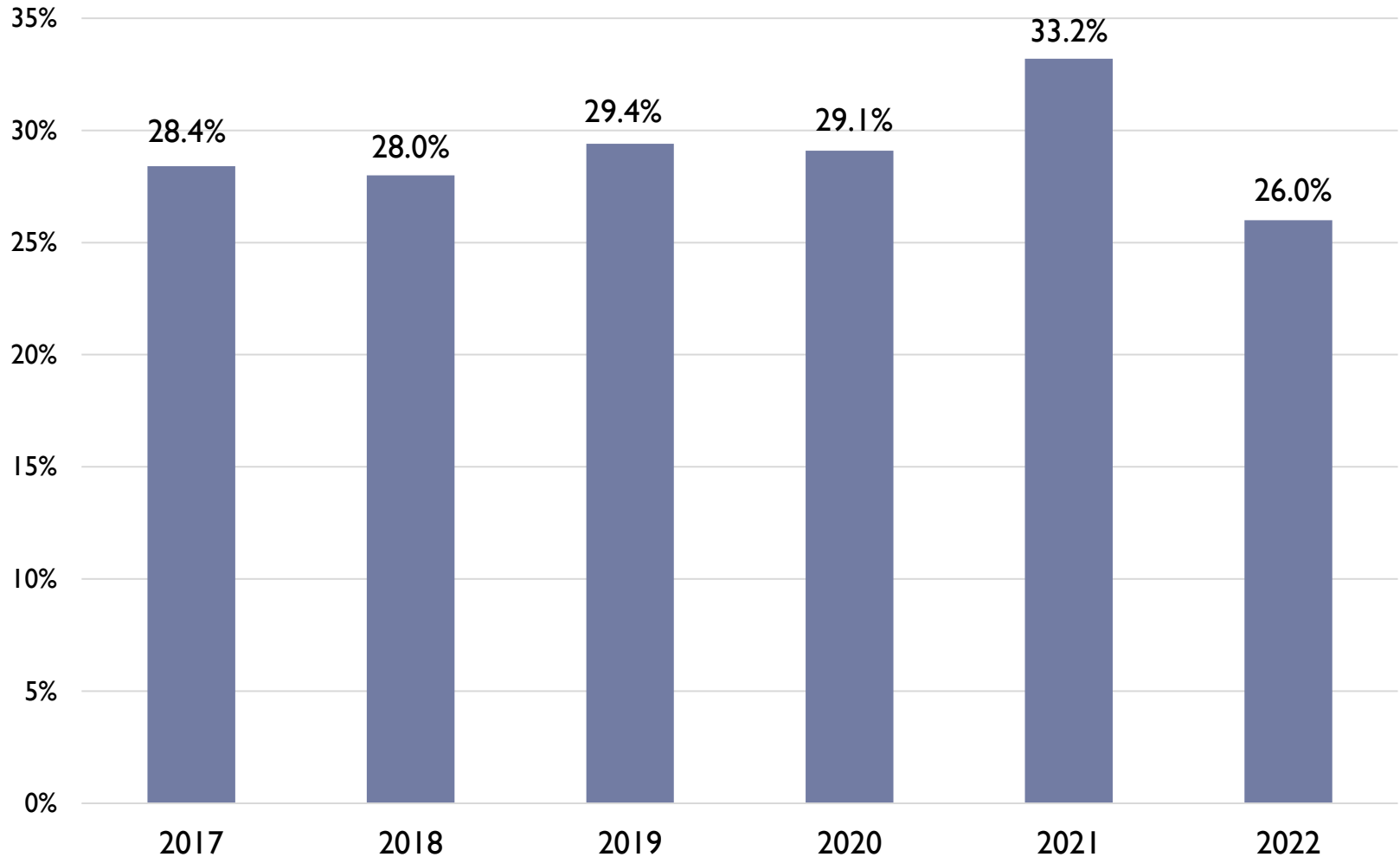


Bonus Paid as % of Base Salary in 2022



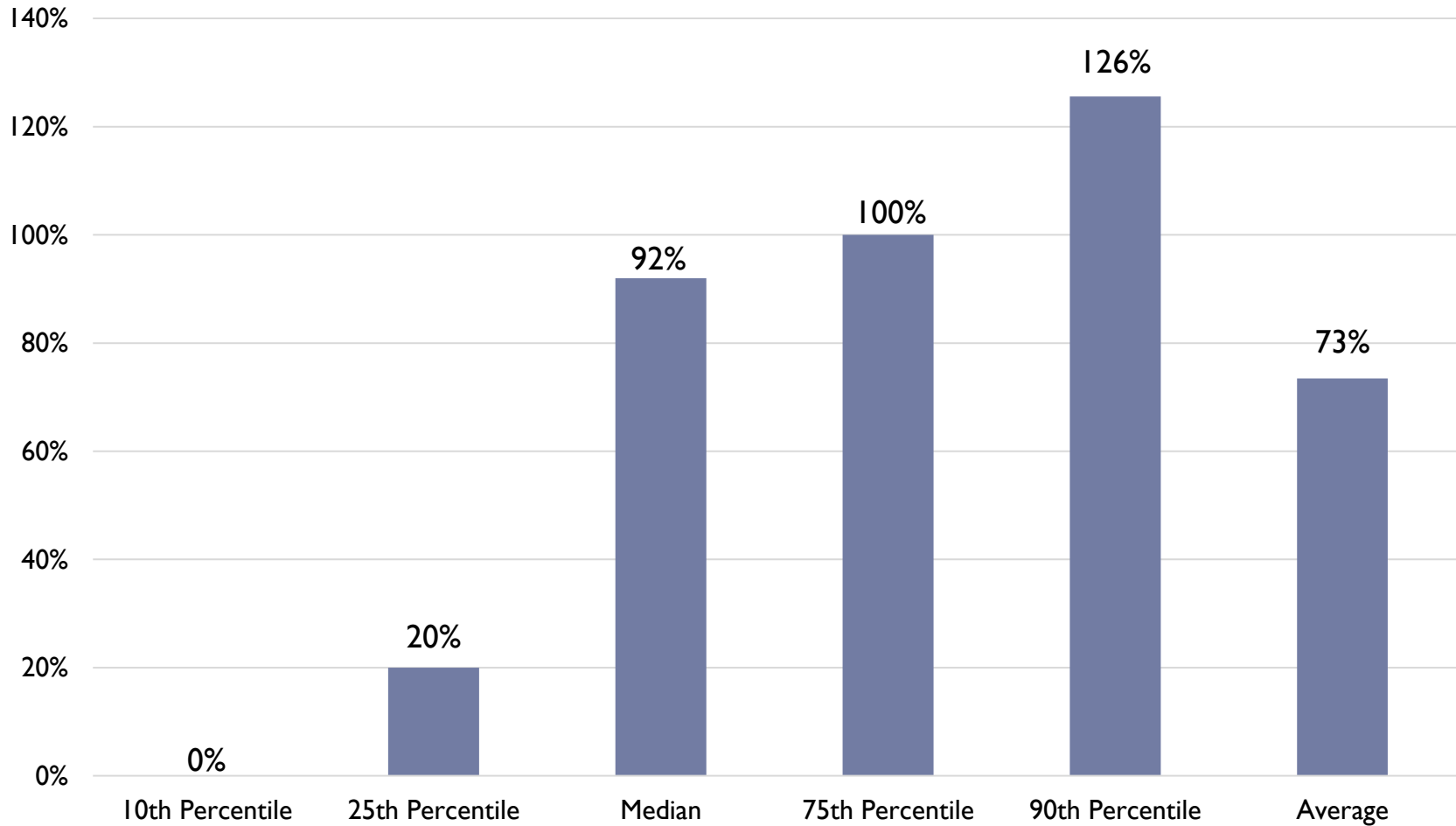
- ❖ 2022 bonus percentages were lower than what we've seen the past few years (see chart on next page) – probably due to economic headwinds and margin pressure.

Median Bonus Paid as % of Base Salary Over the Years

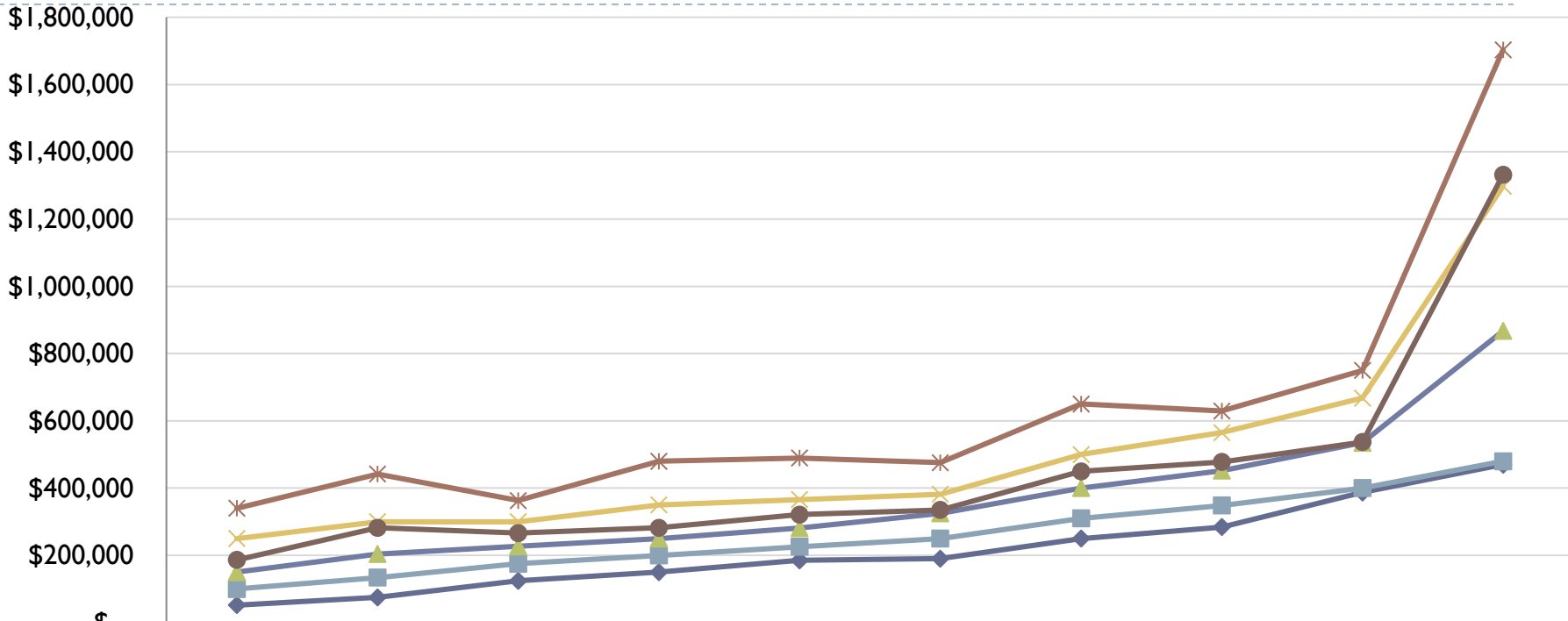


- ❖ 2021 was a particularly good year for bonuses as companies recovered from Covid-19, while 2022 saw a decline due to slowing growth and lower margins for many companies.

Bonus Paid as % of Target Bonus in 2022



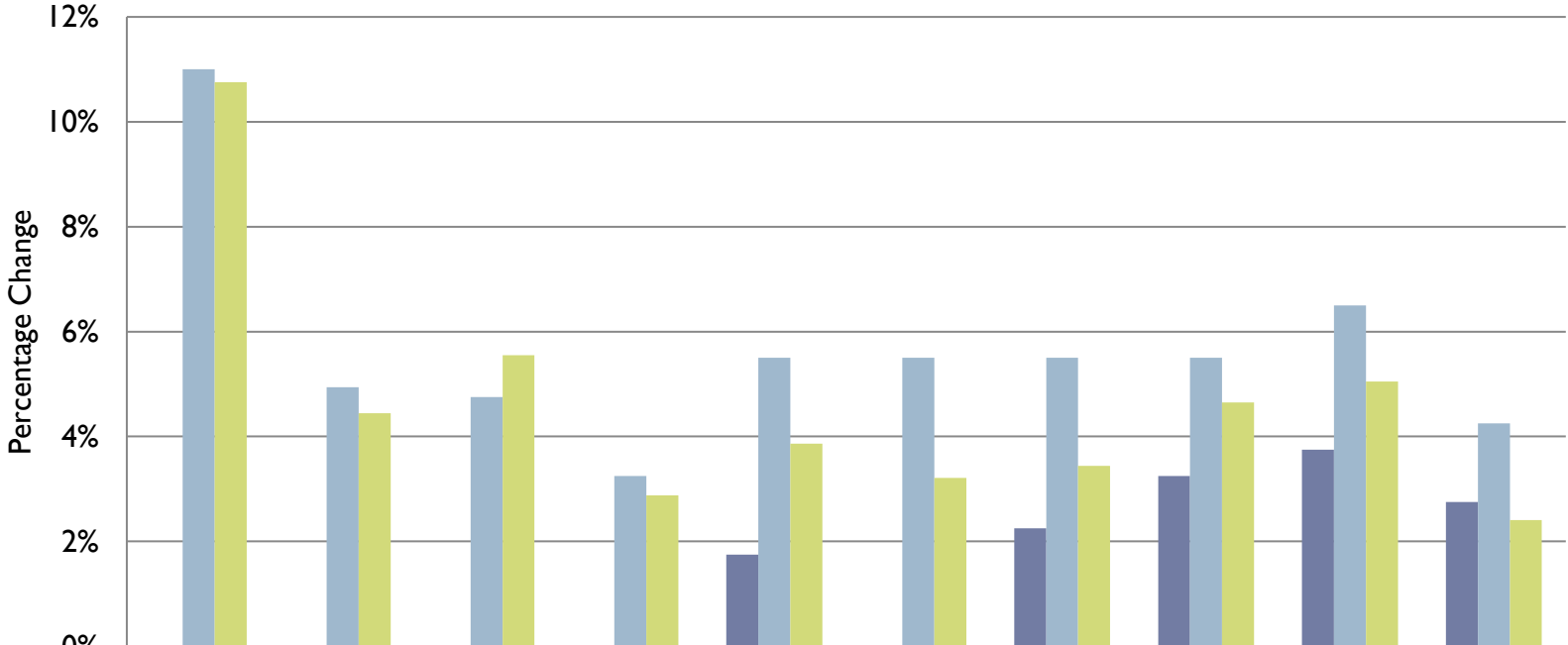
2022 CEO Base Salary by Company Revenue



	<\$2 million	\$2 to \$4.9 million	\$5 to \$9.9 million	\$10 to \$24.9 million	\$25 to \$49.9 million	\$50 to \$99.9 million	\$100 to \$249.9 million	\$250 to \$499.9 million	\$500 to \$999.9 million	\$1 to \$9.9 billion
◆ 10th percentile	\$52,000	\$75,000	\$124,400	\$150,000	\$185,000	\$190,310	\$250,000	\$284,000	\$387,000	\$470,000
■ 25th percentile	\$100,000	\$133,750	\$175,000	\$200,000	\$225,500	\$250,000	\$310,000	\$348,500	\$400,000	\$480,000
▲ Median	\$150,000	\$204,125	\$227,000	\$250,000	\$281,000	\$325,000	\$400,000	\$451,723	\$534,843	\$867,725
✕ 75th percentile	\$250,000	\$300,000	\$300,000	\$350,000	\$365,750	\$381,980	\$500,000	\$565,000	\$667,500	\$1,297,950
✱ 90th percentile	\$340,000	\$442,000	\$363,000	\$480,000	\$489,490	\$475,500	\$650,000	\$629,207	\$750,000	\$1,703,789
● Mean	\$186,255	\$282,115	\$266,237	\$281,904	\$321,240	\$334,997	\$450,000	\$477,863	\$536,969	\$1,332,311

❖ There is a strong, positive correlation between base salary and company revenue.

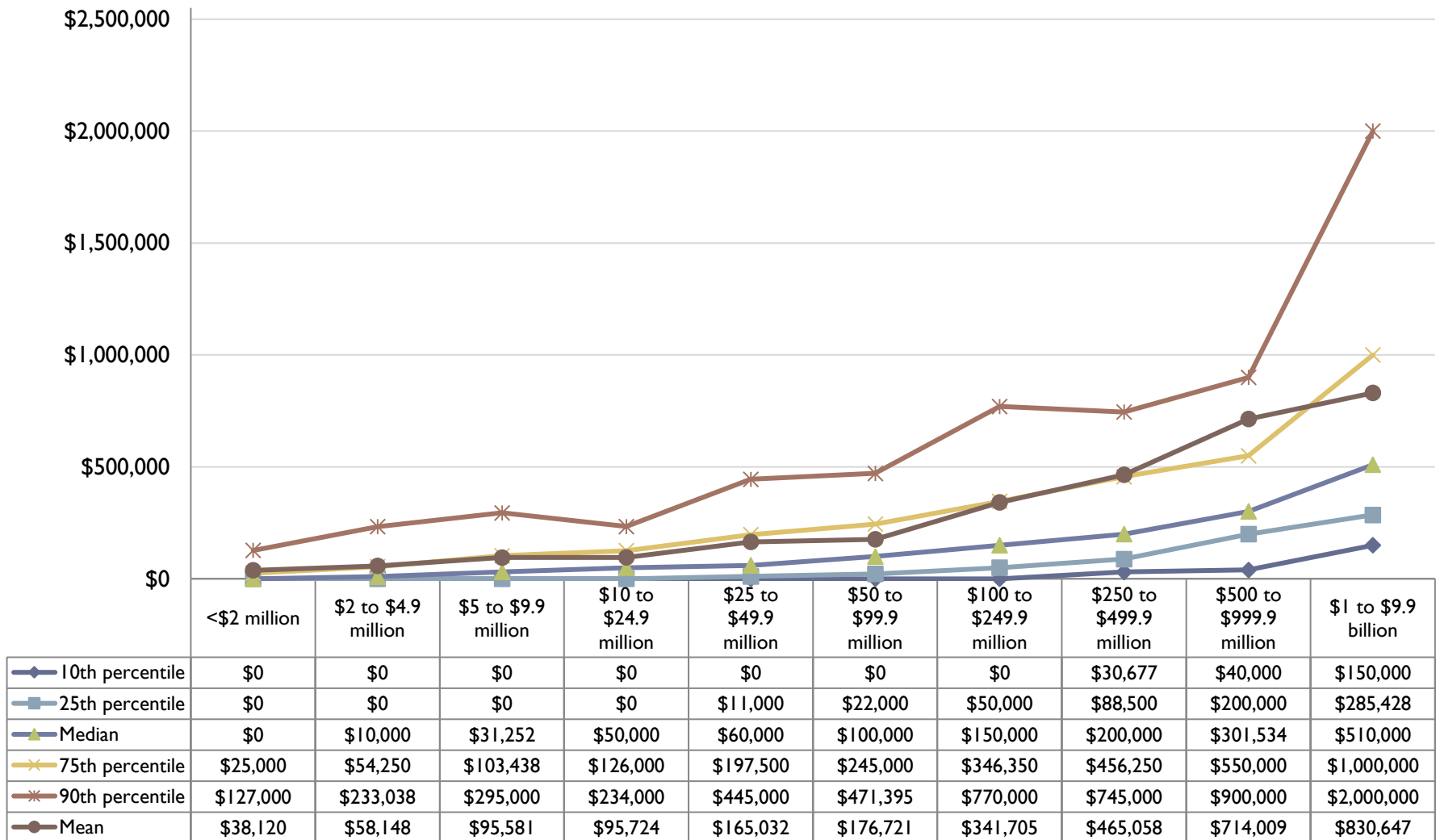
Change in CEO Base Salary from 2021 to 2022, by Company Revenue



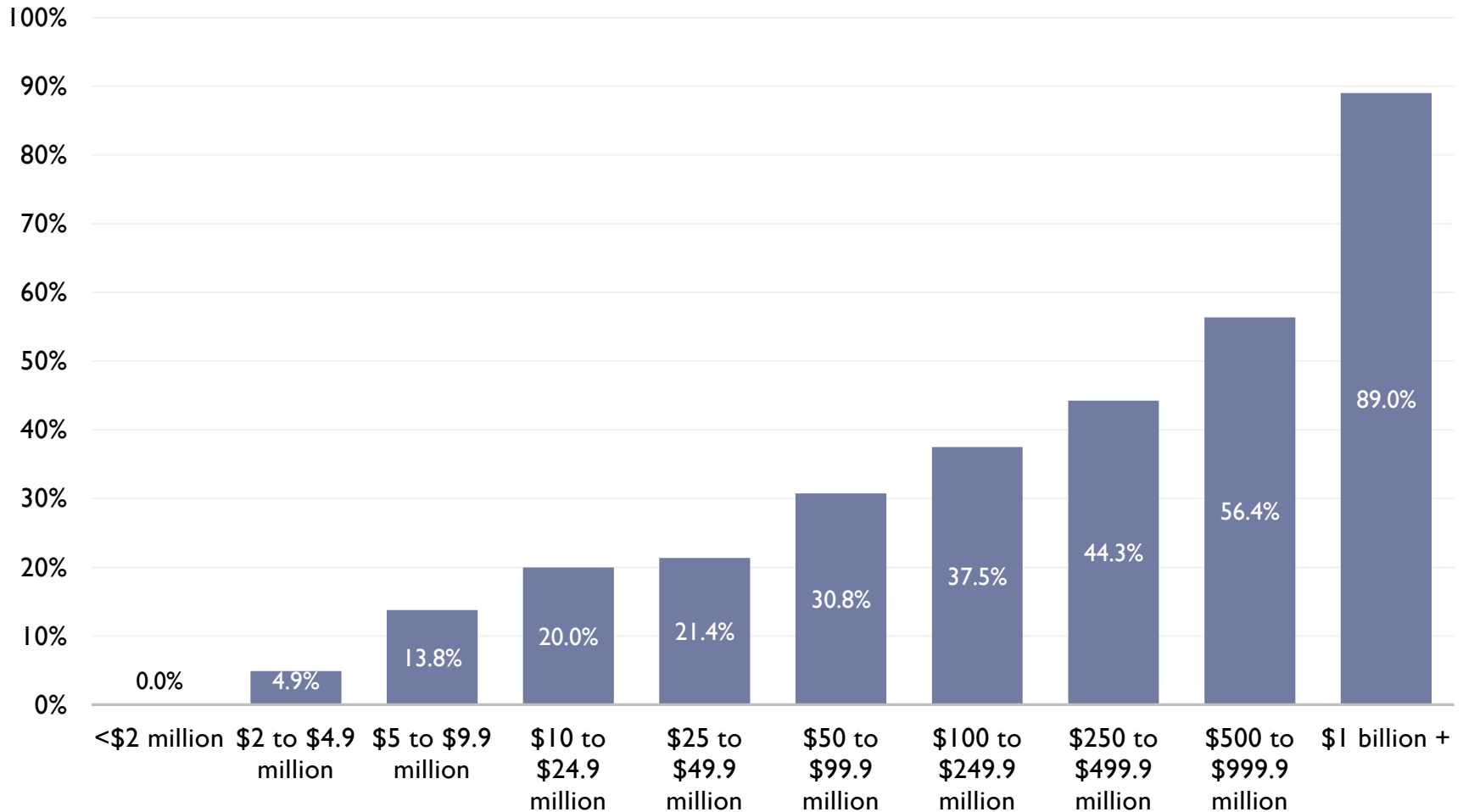
	<\$2 million	\$2 to \$4.9 million	\$5 to \$9.9 million	\$10 to \$24.9 million	\$25 to \$49.9 million	\$50 to \$99.9 million	\$100 to \$249.9 million	\$250 to \$499.9 million	\$500 to \$999.9 million	\$1 to \$9.9 billion
■ 50th Percentile	0%	0%	0%	0%	1.75%	0%	2.25%	3.25%	3.75%	2.75%
■ 75th Percentile	11.0%	4.94%	4.75%	3.25%	5.5%	5.5%	5.5%	5.5%	6.5%	4.25%
■ Mean	10.75%	4.45%	5.55%	2.88%	3.86%	3.21%	3.44%	4.65%	5.05%	2.41%

- ❖ The median CEO base salary among smaller companies (less than \$25 million in revenue) remained flat from 2021 to 2022, while at companies with \$100 million or more in revenue it increased from 2.25% to 3.75%.
- ❖ At the top quartile, CEOs across all company sizes saw healthy increases in their base salary from 2021 to 2022.

2022 CEO Bonus by Company Revenue

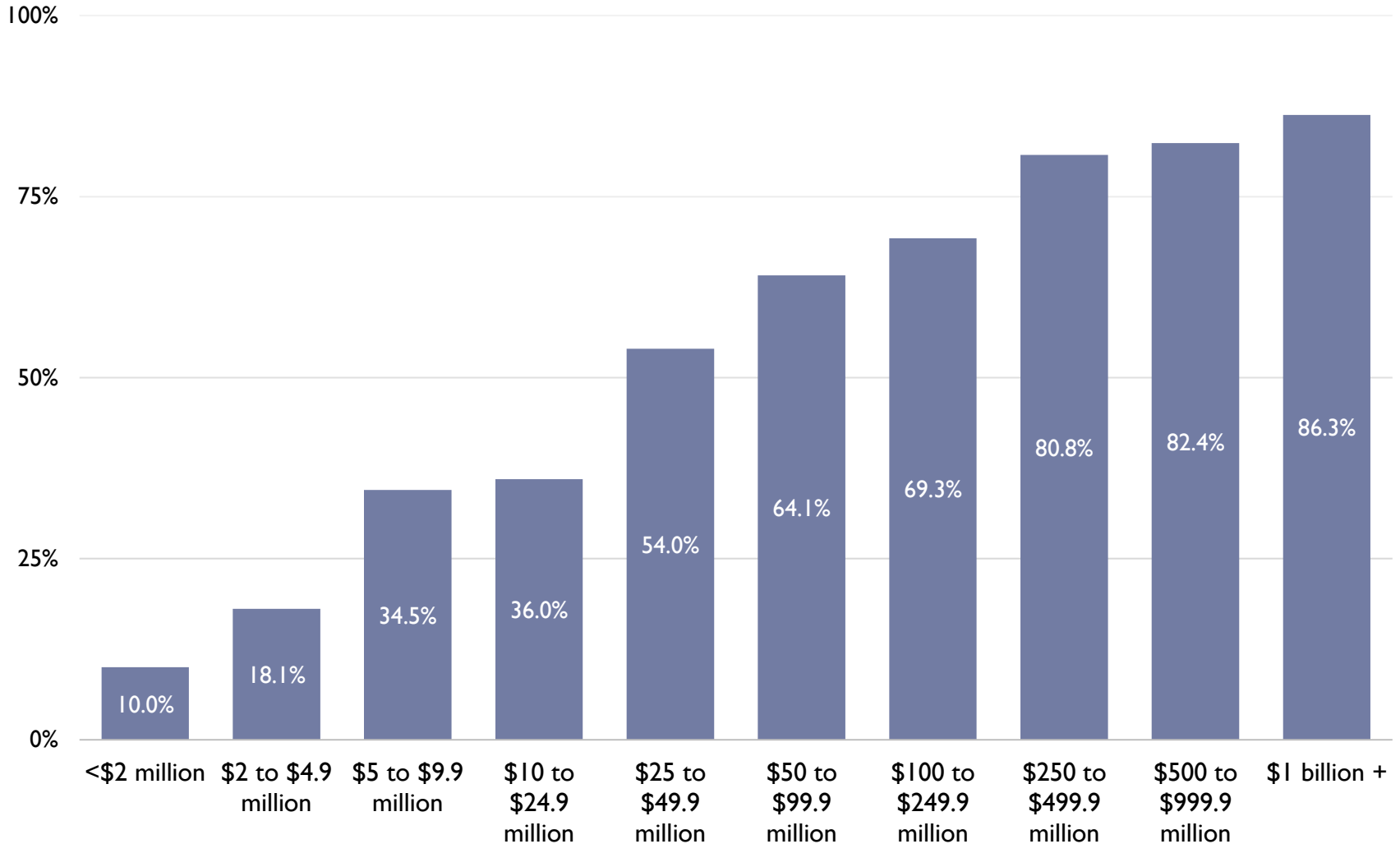


CEO Bonus as % of Base Salary by Company Revenue – Median

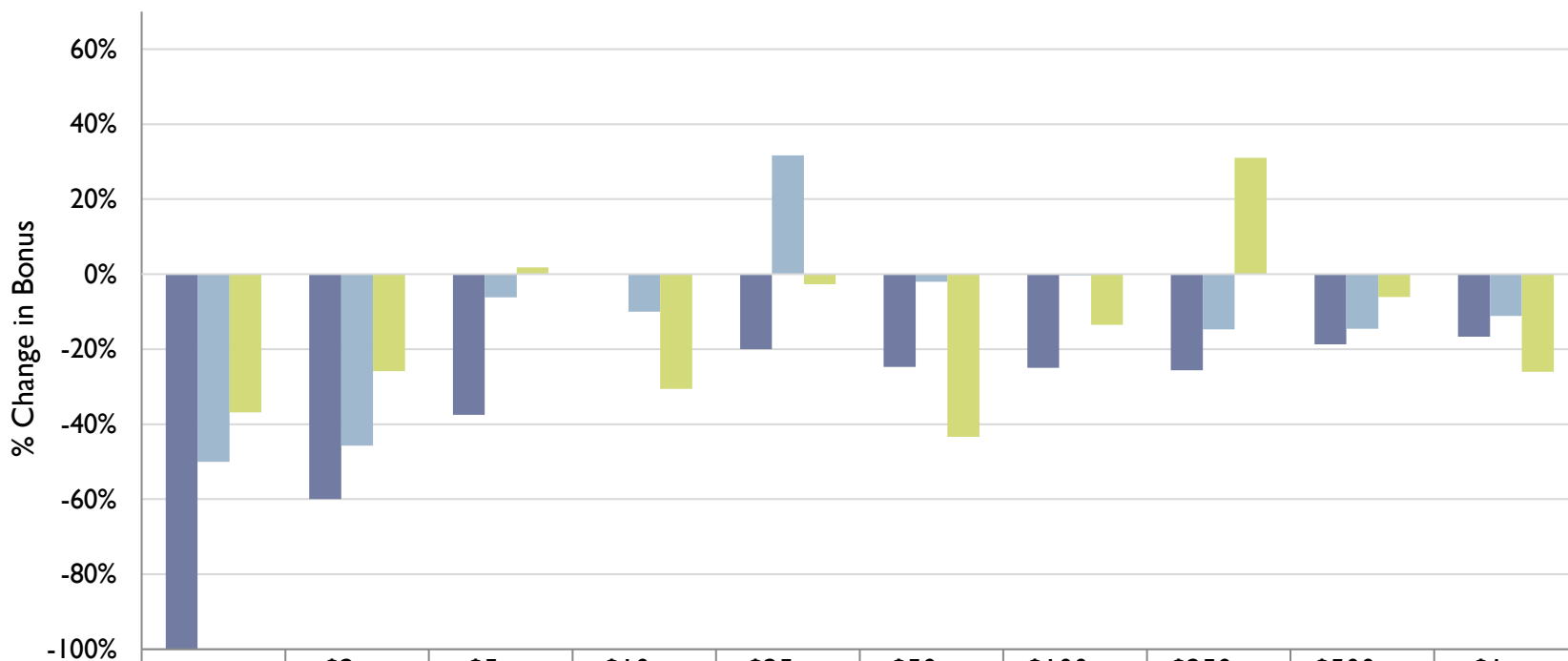


❖ The size of bonuses relative to base salaries tends to increase with company size—even faster than base salaries do.

CEO Bonus as % of Base Salary by Company Revenue – Top Quartile



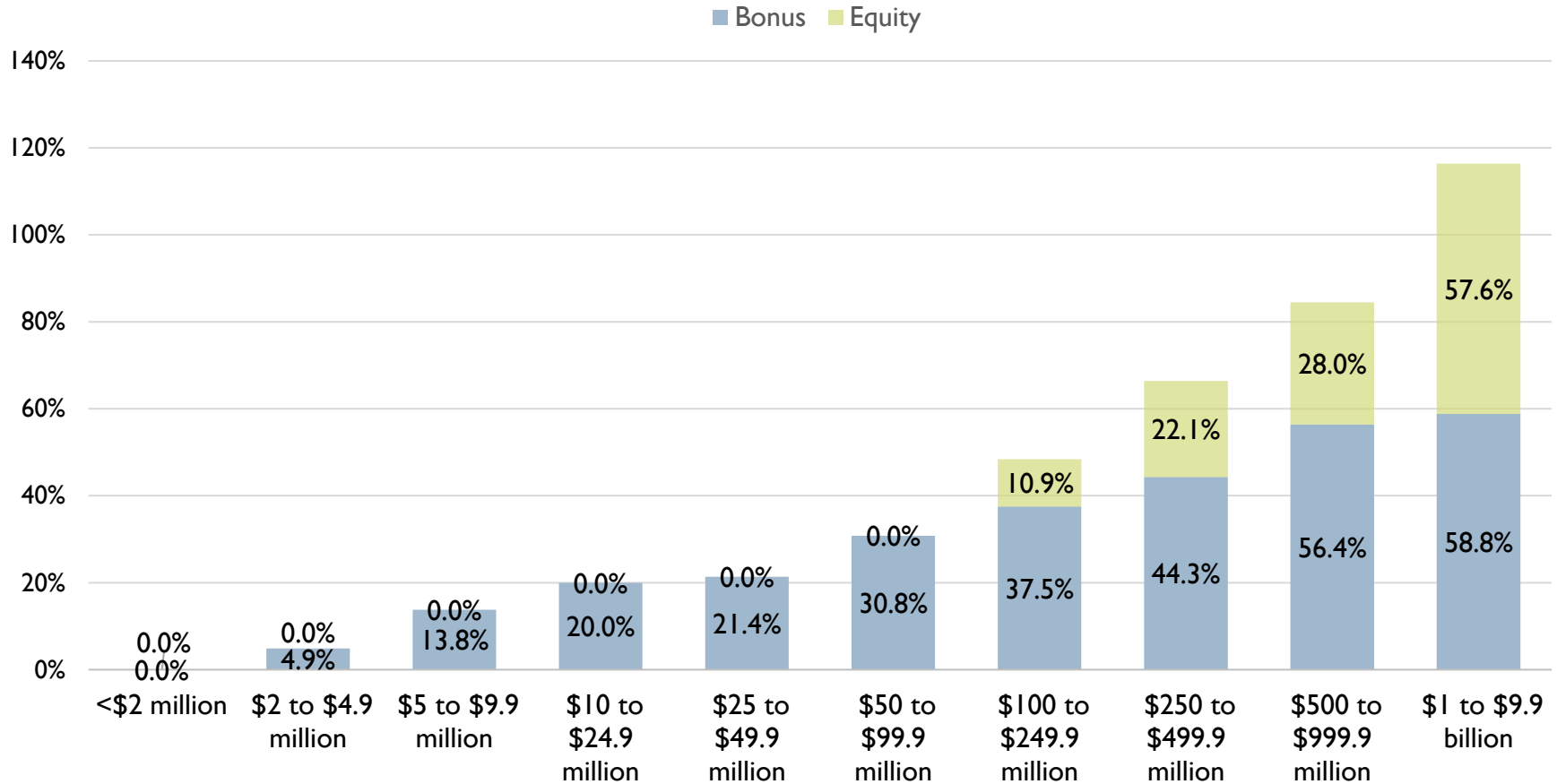
Change in CEO Bonus from 2021 to 2022 by Company Revenue – Median and Top Quartile



	<\$2 million	\$2 to \$4.9 million	\$5 to \$9.9 million	\$10 to \$24.9 million	\$25 to \$49.9 million	\$50 to \$99.9 million	\$100 to \$249.9 million	\$250 to \$499.9 million	\$500 to \$999.9 million	\$1 to \$9.9 billion
■ 50th Percentile	-100%	-60%	-37%	0%	-20%	-25%	-25%	-26%	-19%	-17%
■ 75th Percentile	-50%	-46%	-6%	-10%	32%	-2%	0%	-15%	-15%	-11%
■ Mean	-37%	-26%	2%	-31%	-3%	-43%	-14%	31%	-6%	-26%

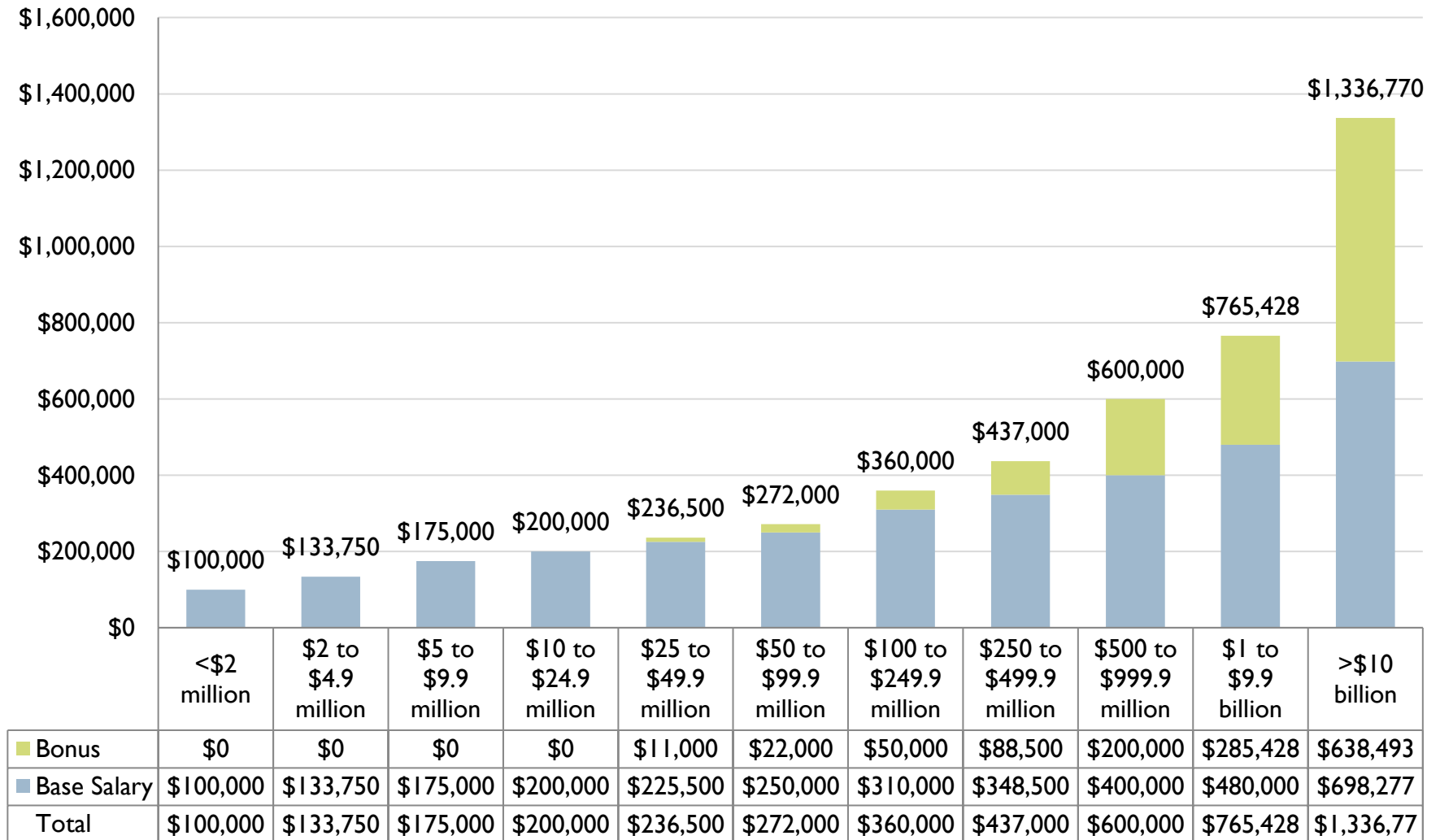
❖ At the median level, bonuses were down in 2022 for CEOs in almost every size range. At the top quartile, some CEOs saw a boost, likely dependent on the industry.

CEO Variable Pay as % of Base Salary by Company Revenue – Median

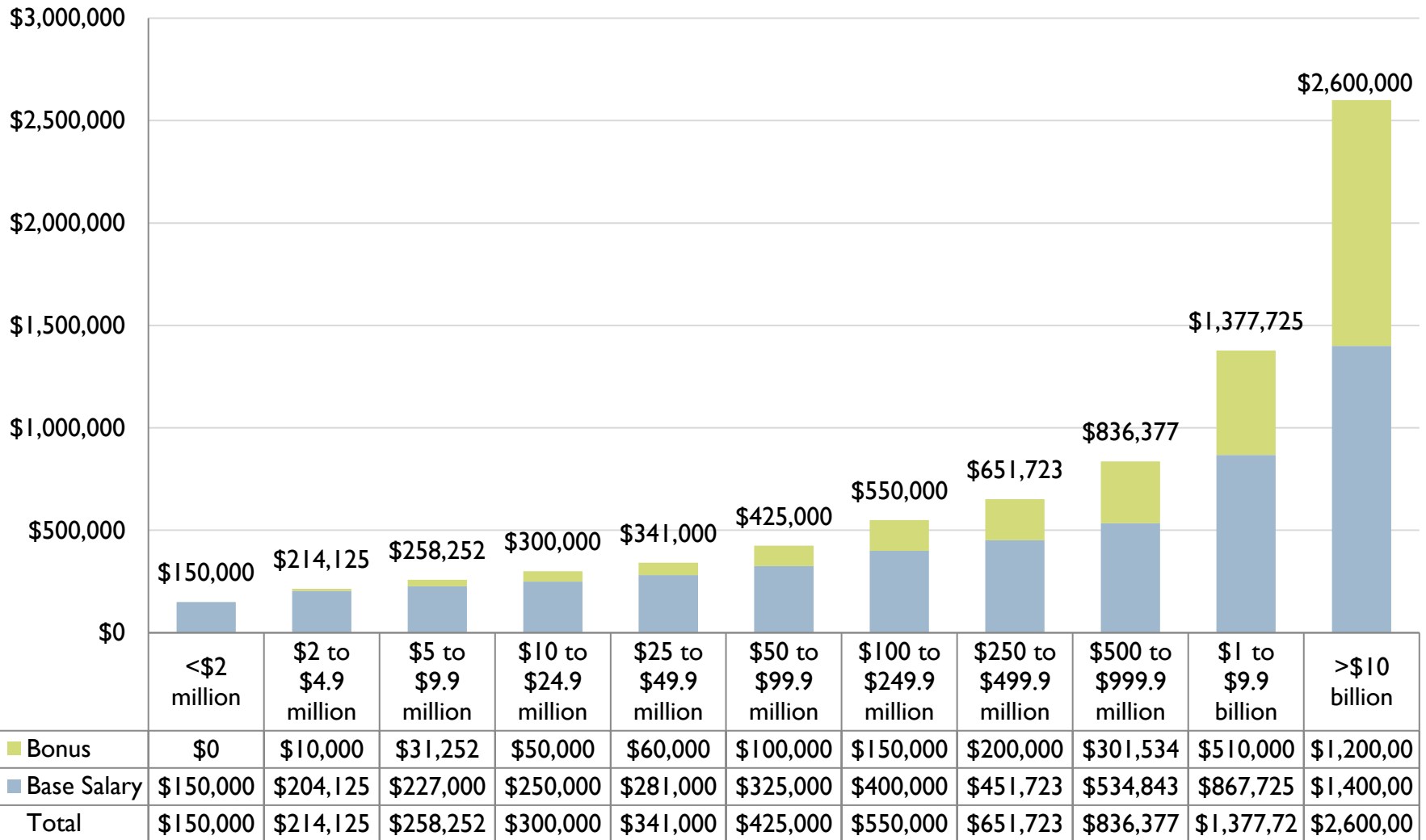


- ❖ Variable pay as % of base salary tends to increase with size (and sophistication) of companies. The largest companies tend to make better use of both long-term (equity) incentives and short-term bonuses.
- ❖ Compared to 2021, when most CEOs saw equity gains, the markets in 2022 were not as favorable, and far fewer CEOs reported gains on their equity.

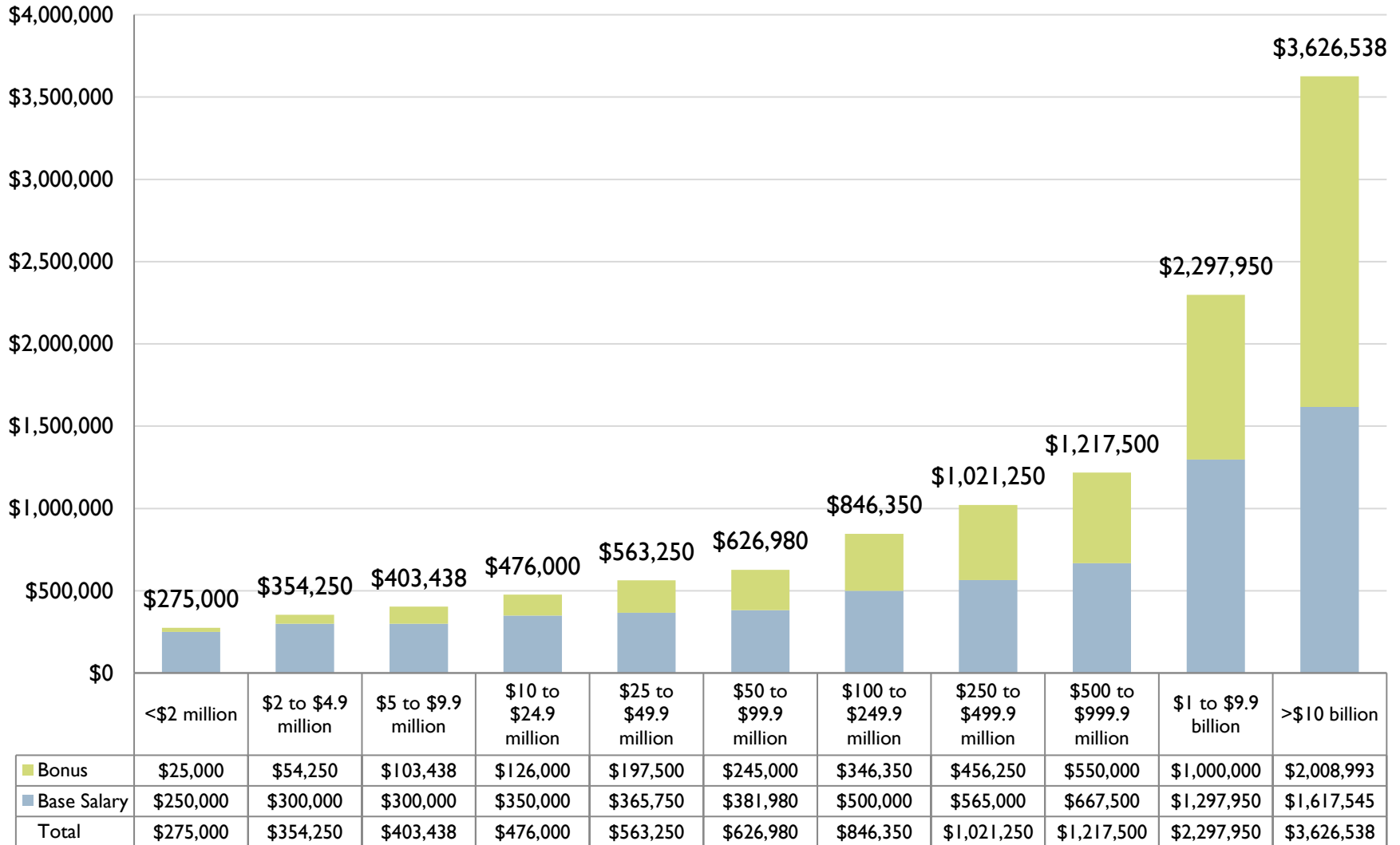
CEO Total Cash Compensation, by Company Revenue – 25th Percentile



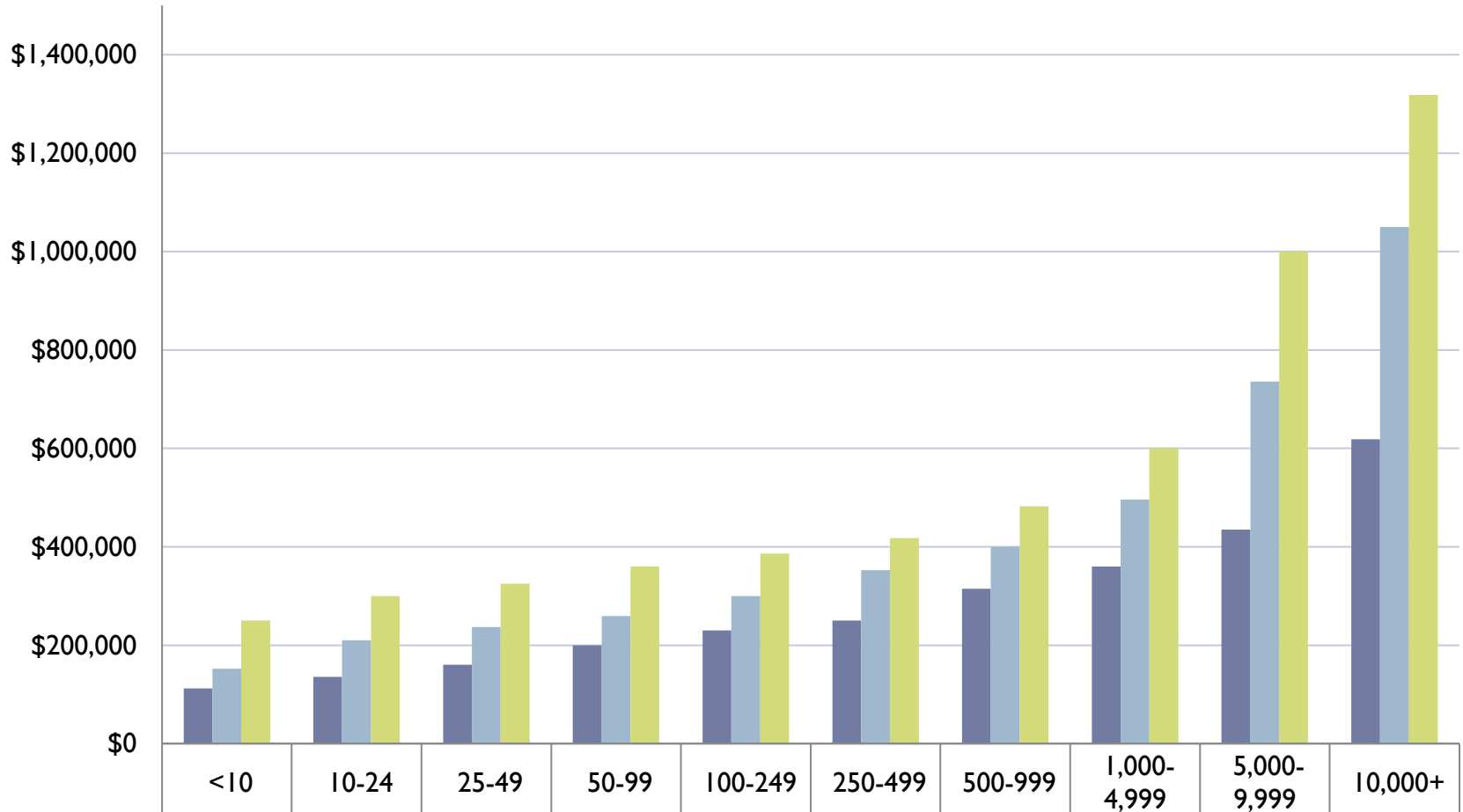
CEO Total Cash Compensation, by Company Revenue – Median



CEO Total Cash Compensation, by Company Revenue – Top Quartile

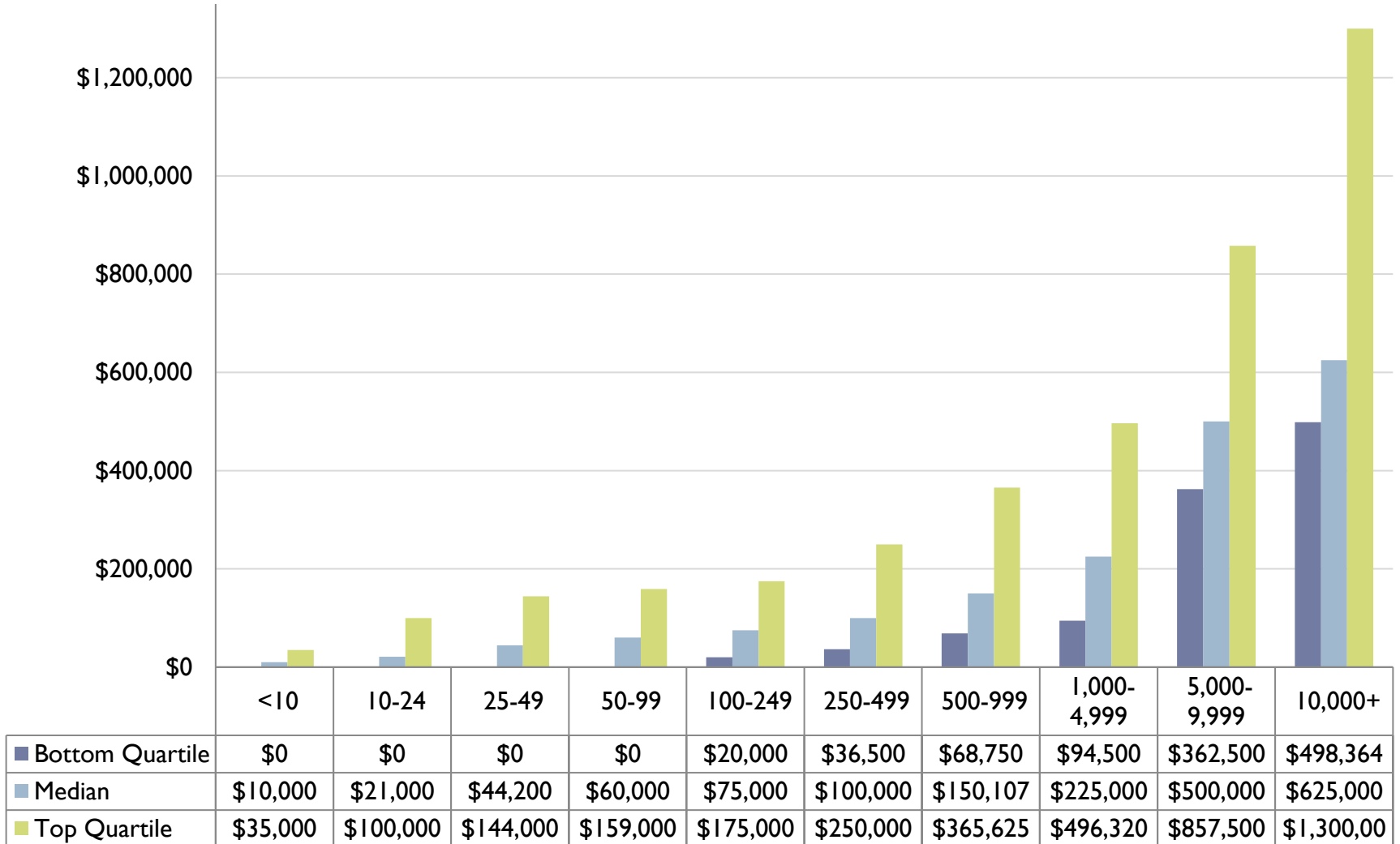


CEO Base Salary, by Number of Employees

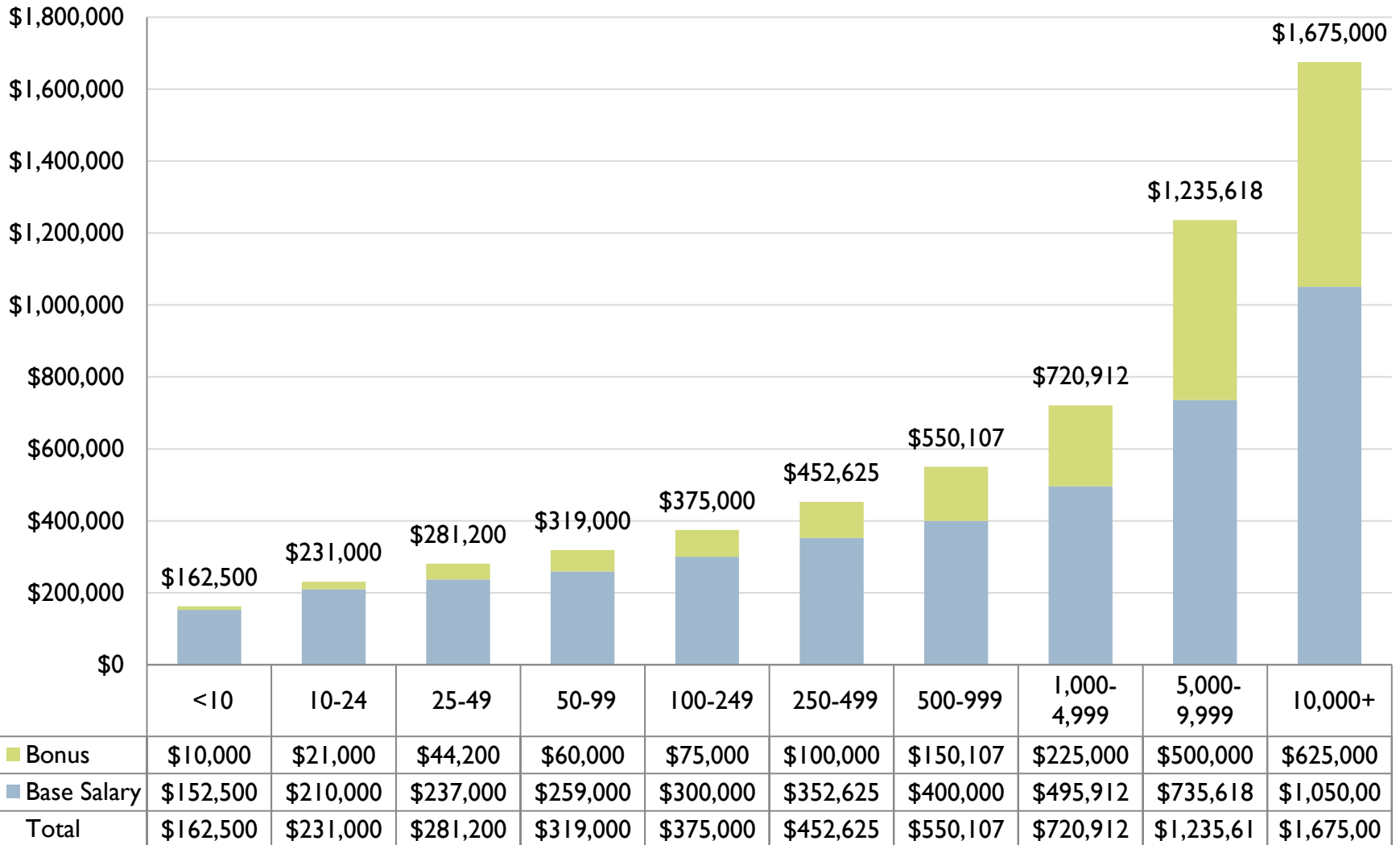


	<10	10-24	25-49	50-99	100-249	250-499	500-999	1,000-4,999	5,000-9,999	10,000+
■ Bottom Quartile	\$112,500	\$135,500	\$160,000	\$200,000	\$230,000	\$250,000	\$315,000	\$360,000	\$435,000	\$618,255
■ Median	\$152,500	\$210,000	\$237,000	\$259,000	\$300,000	\$352,625	\$400,000	\$495,912	\$735,618	\$1,050,000
■ Top Quartile	\$250,000	\$300,000	\$325,000	\$360,000	\$386,500	\$417,500	\$482,500	\$600,000	\$1,000,000	\$1,318,250

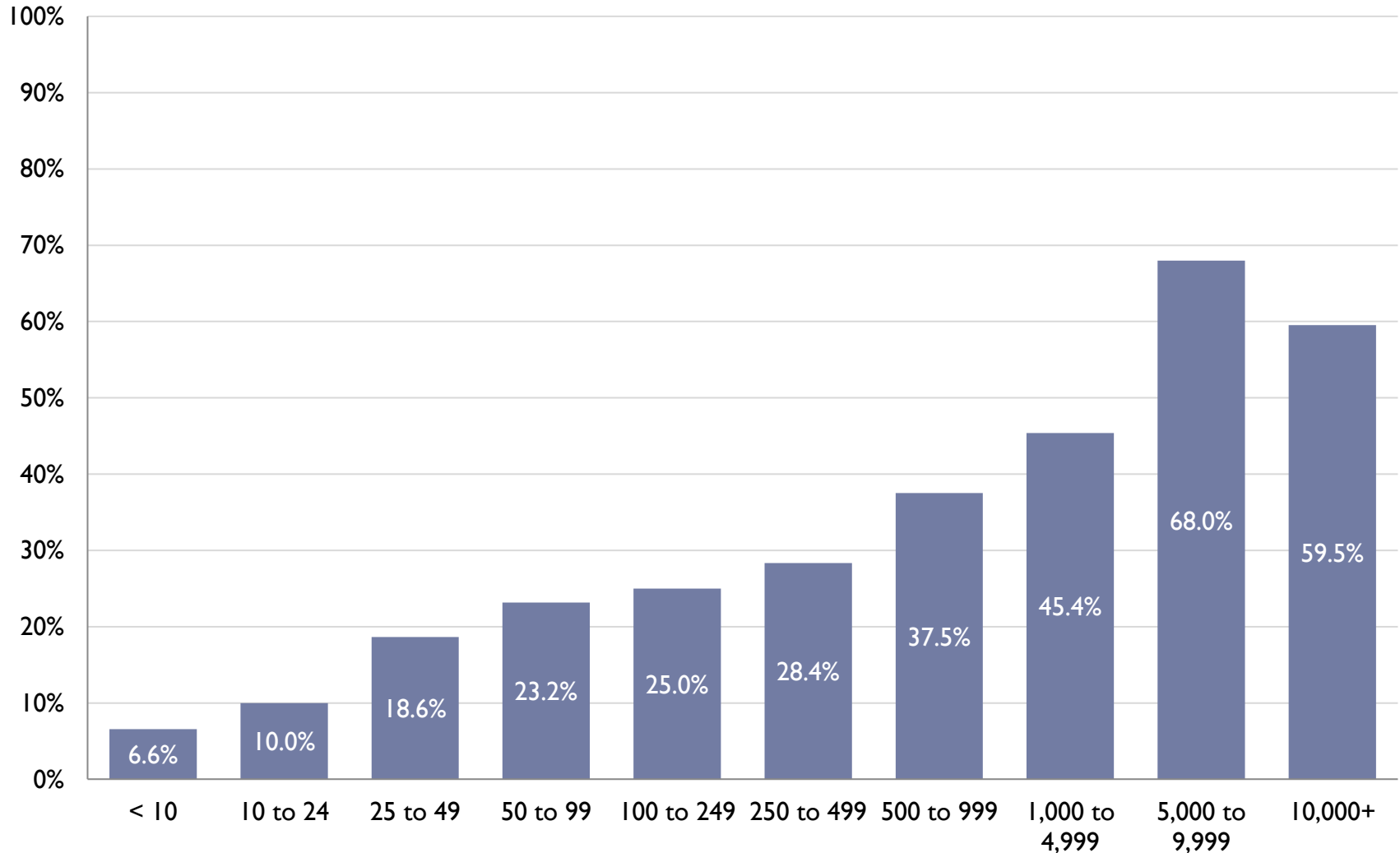
CEO Bonus, by Number of Employees



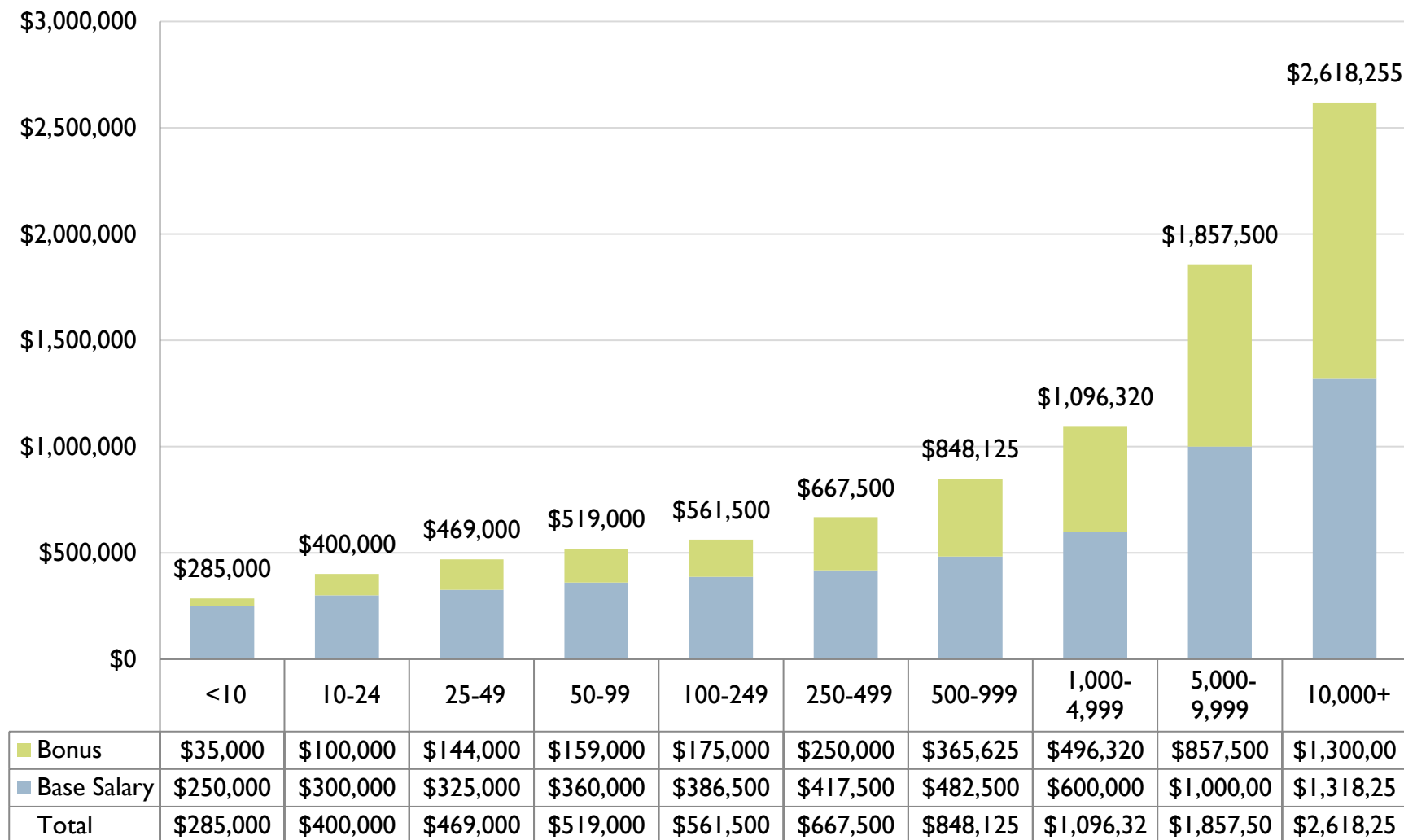
CEO Total Cash Compensation, by Number of Employees – Median



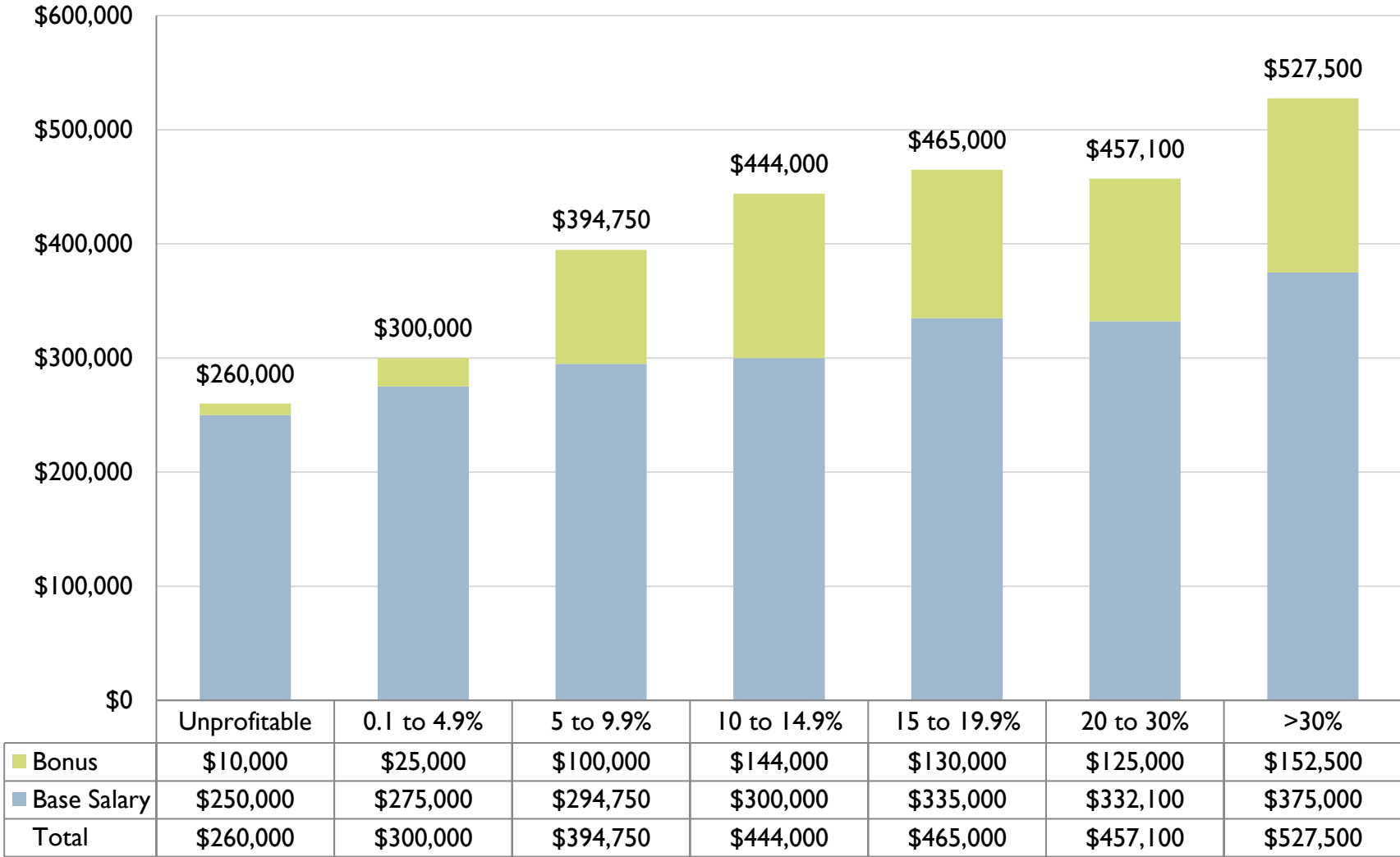
CEO Bonus as % of Base Salary, by Number of Employees – Median



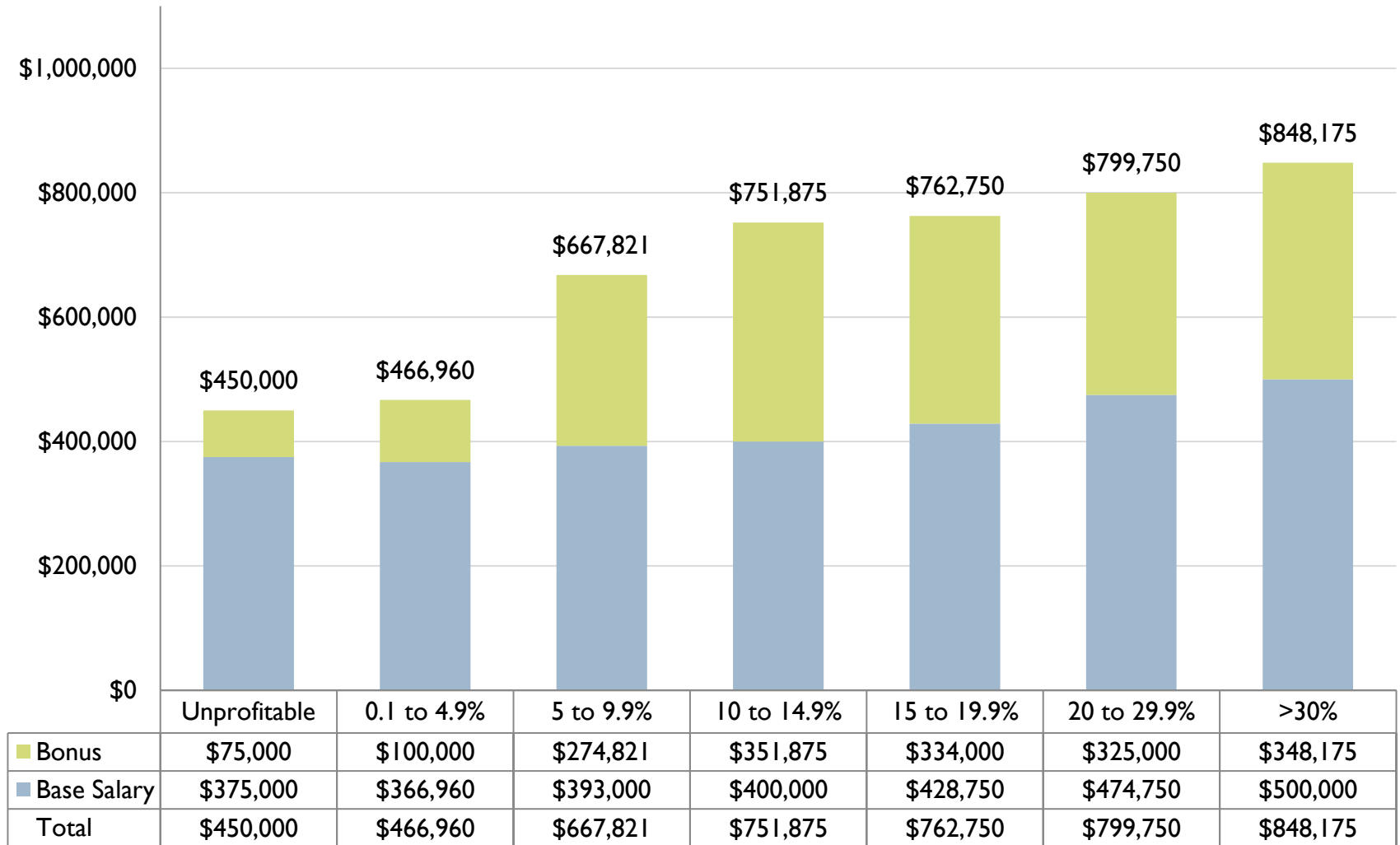
CEO Total Cash Compensation, by Number of Employees – Top Quartile



CEO Total Cash Compensation, by Level of Profitability – Median

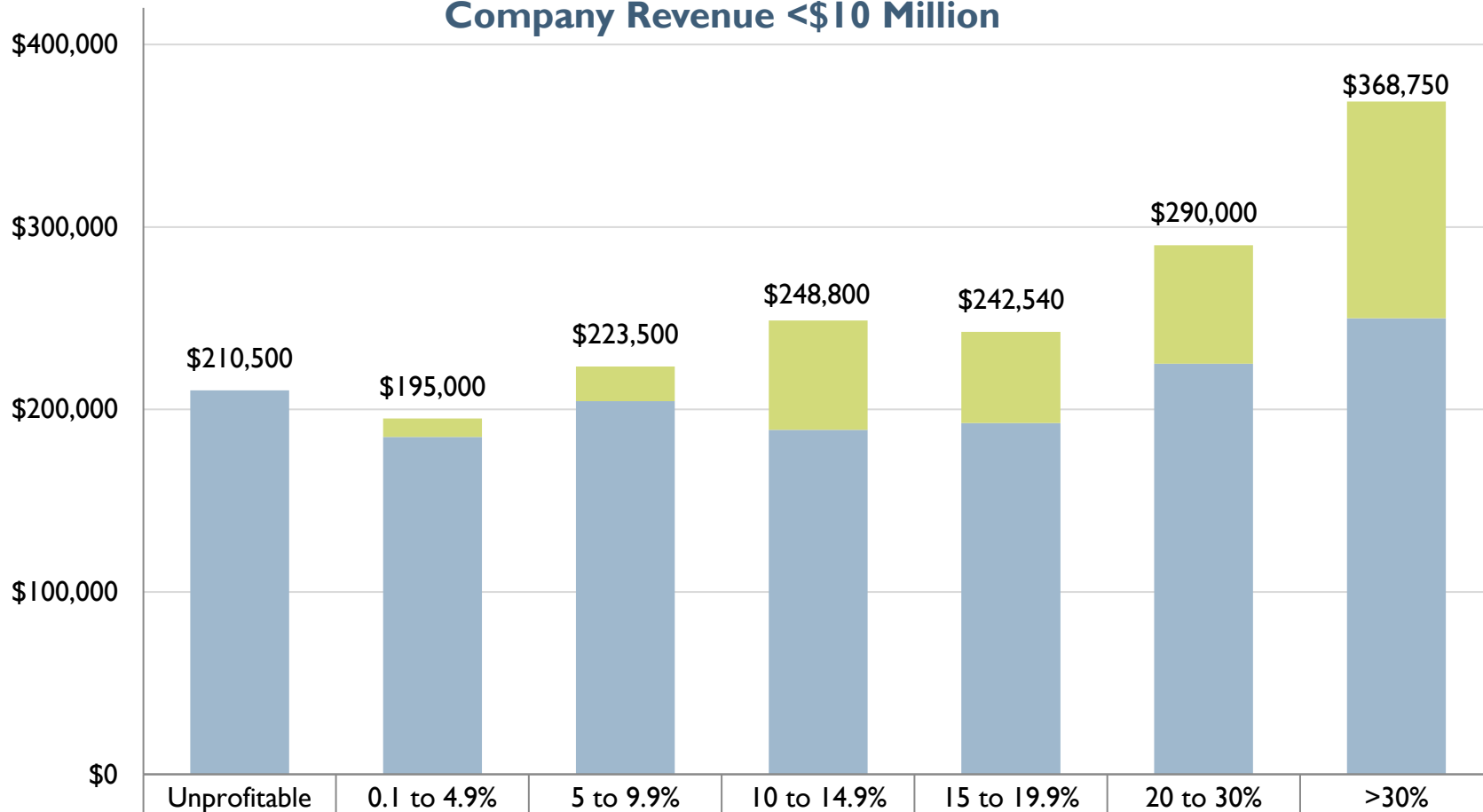


CEO Total Cash Compensation, by Level of Profitability – Top Quartile



CEO Total Cash Compensation, by Profitability and Company Revenue – Median

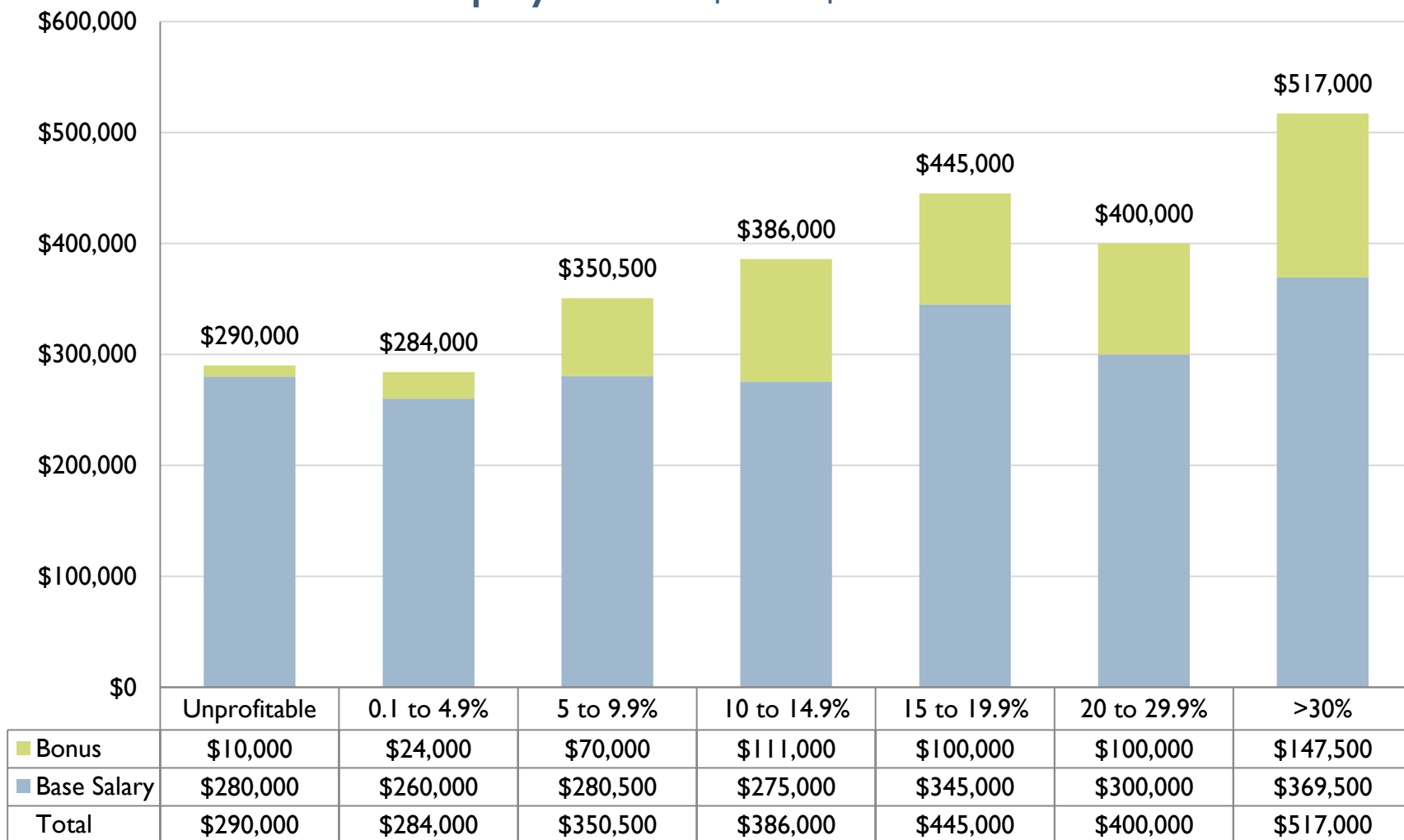
Company Revenue <\$10 Million



Bonus	\$0	\$10,000	\$19,000	\$60,000	\$50,000	\$65,000	\$118,750
Base Salary	\$210,500	\$185,000	\$204,500	\$188,800	\$192,540	\$225,000	\$250,000
Total	\$210,500	\$195,000	\$223,500	\$248,800	\$242,540	\$290,000	\$368,750

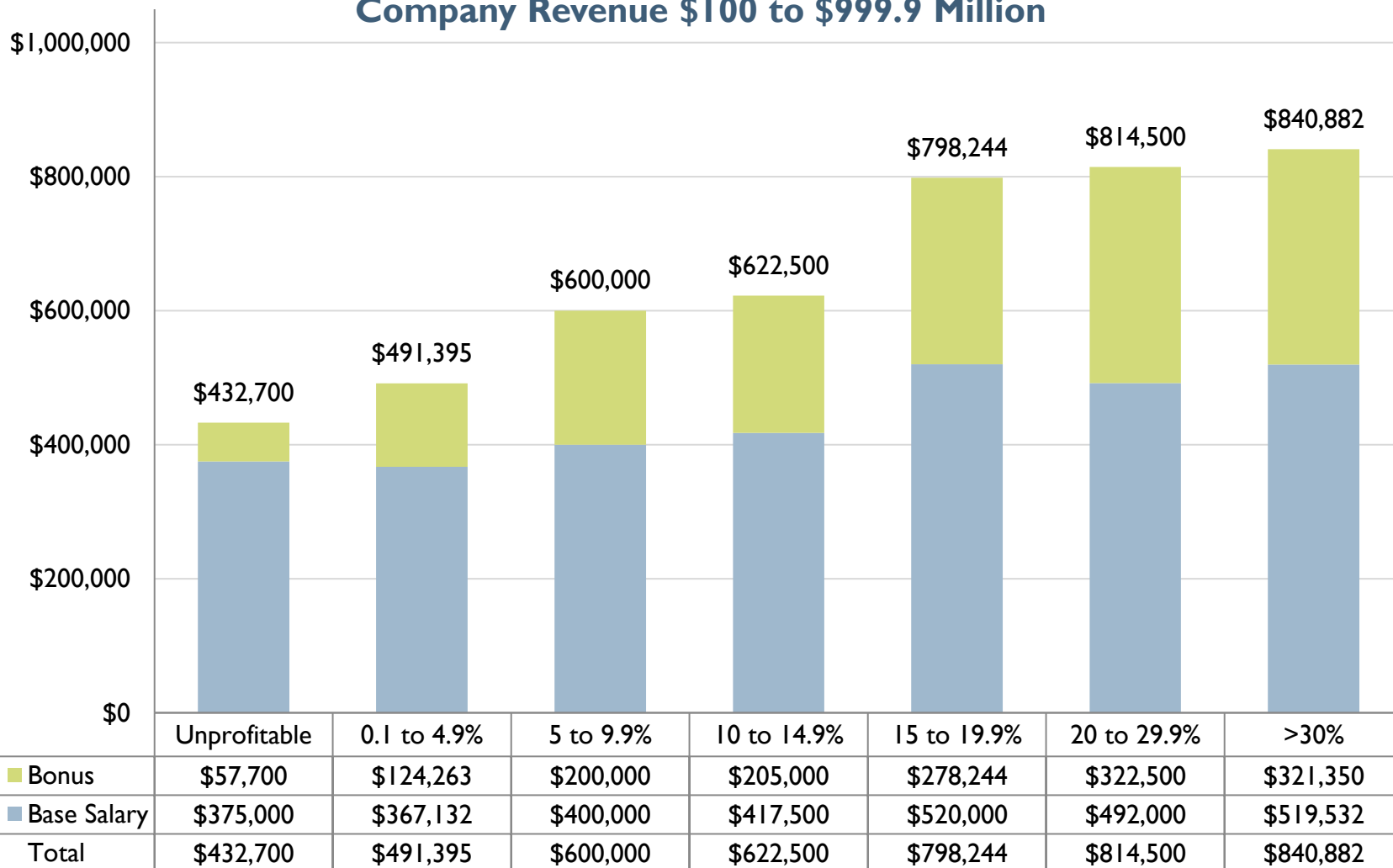
CEO Total Cash Compensation, by Profitability and Company Revenue– Median

Company Revenue \$10 to \$99.9 Million



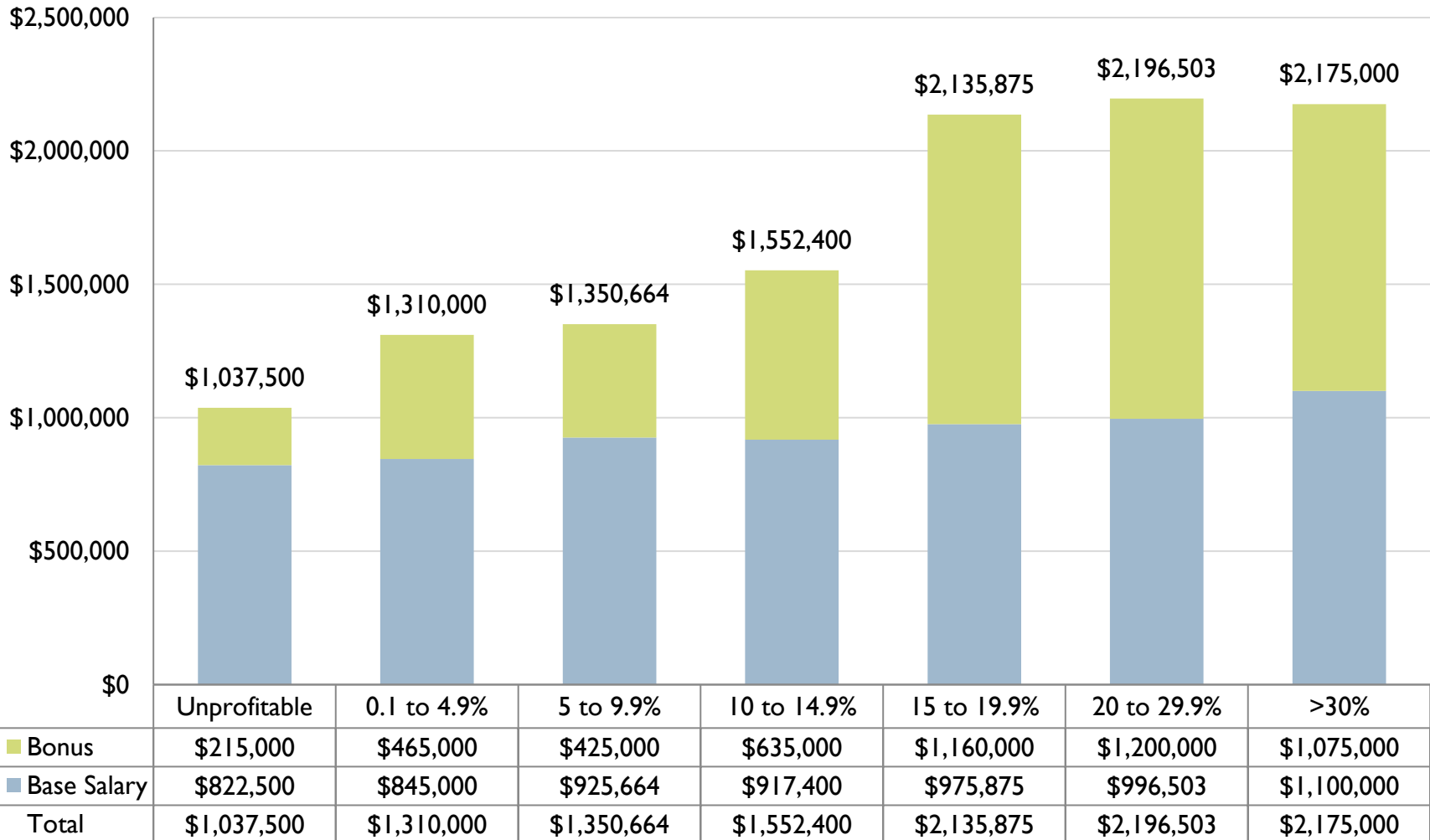
CEO Total Cash Compensation, by Profitability and Company Revenue – Median

Company Revenue \$100 to \$999.9 Million

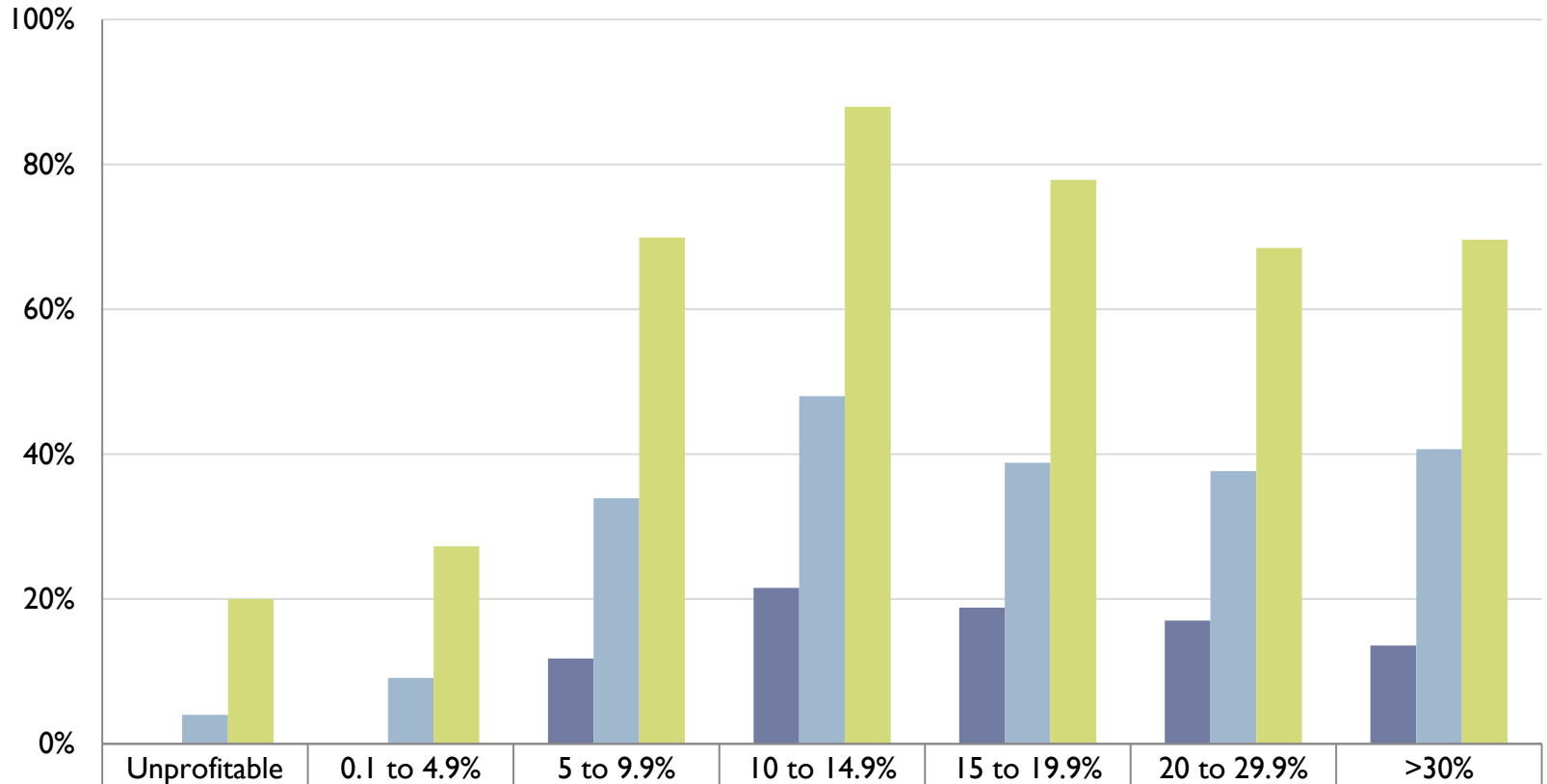


CEO Total Cash Compensation, by Level of Profitability – Median

Company Revenue \$1 Billion +

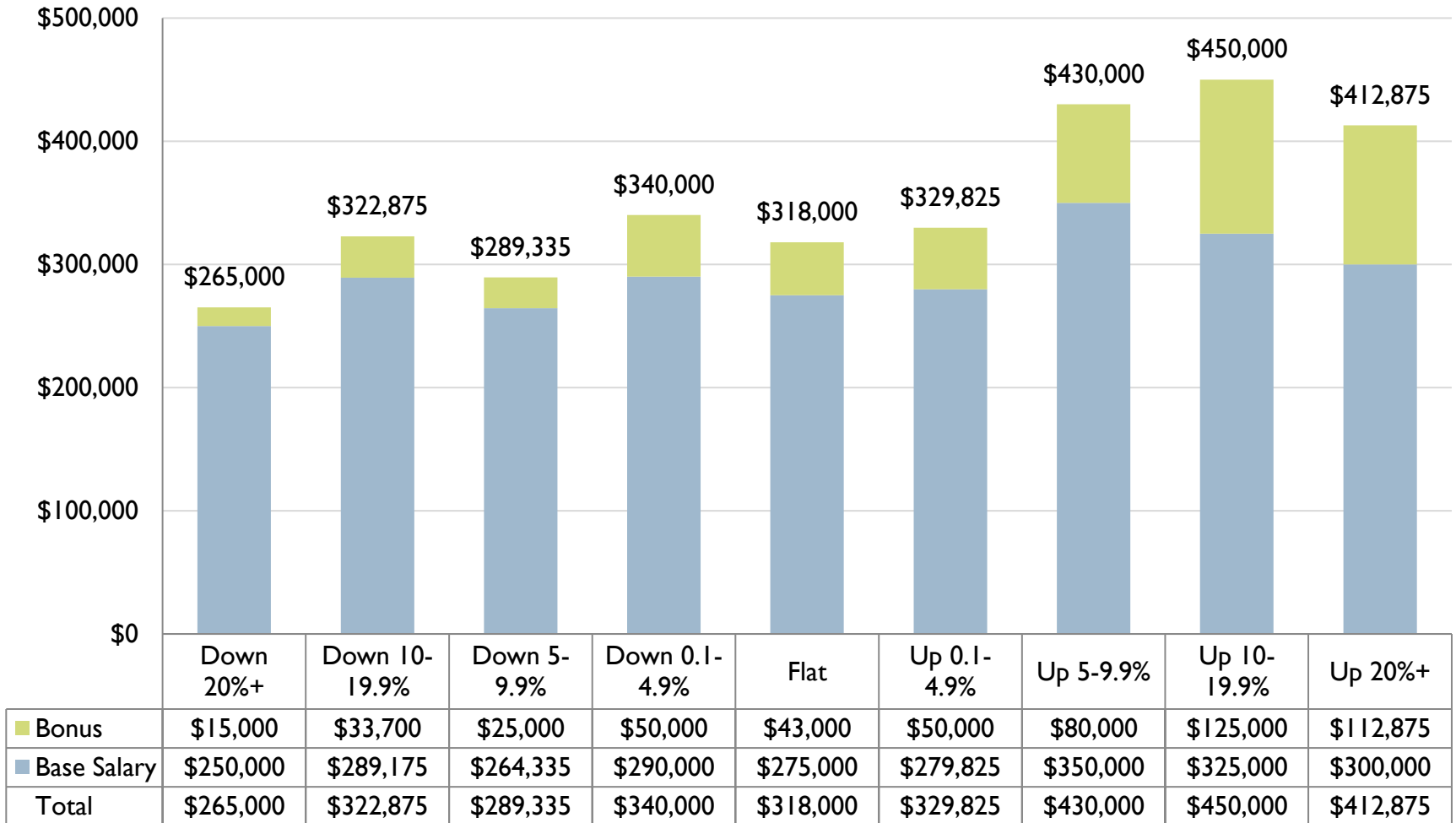


CEO Bonus as % of Base Salary, by Level of Profitability



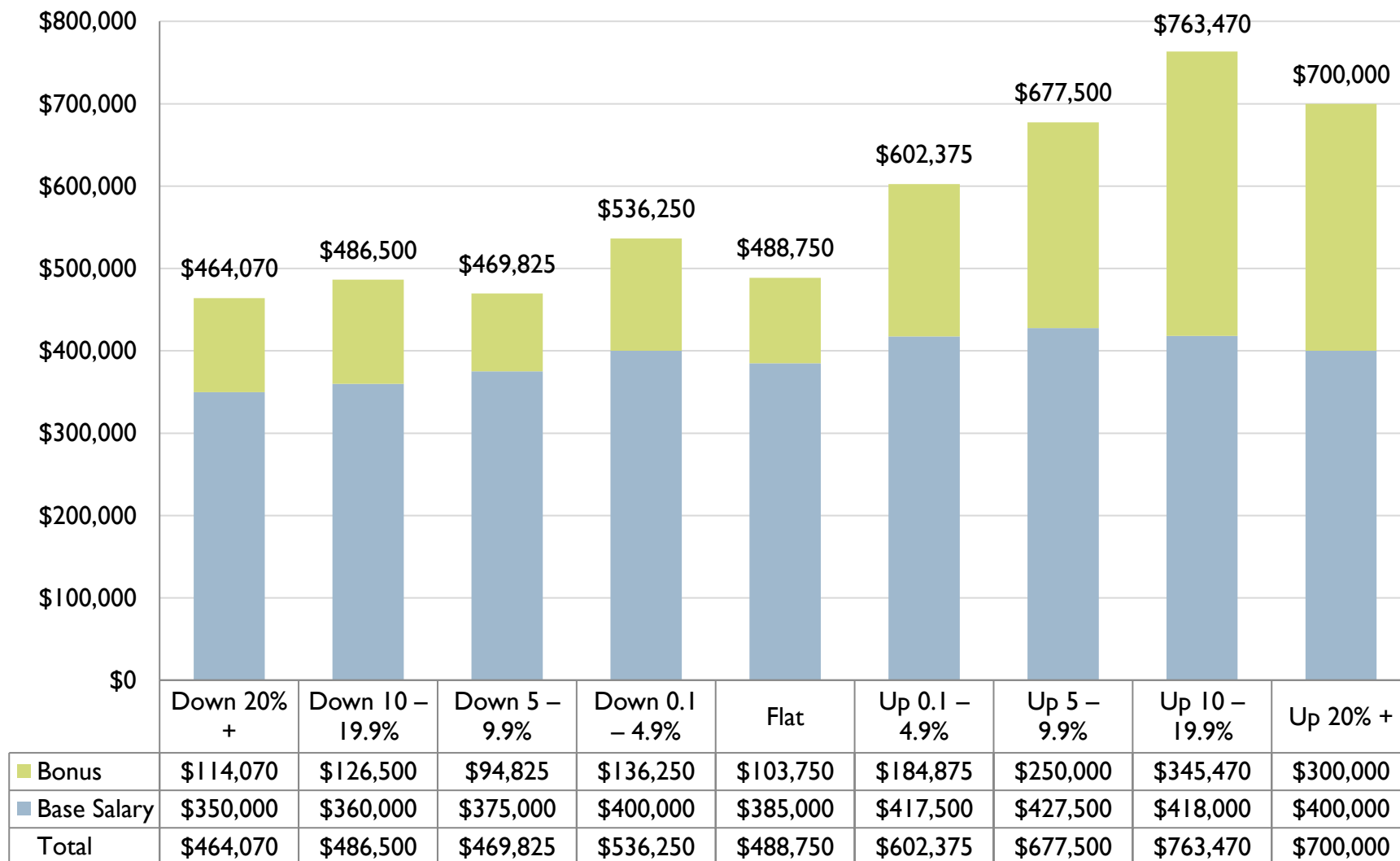
❖ CEO bonus as % of base salary were highest at companies with 10% to 14.9% EBITDA margins in 2022 compared to other groups, as companies with higher profit margins focused more on protecting their margins.

CEO Total Cash Compensation, by Revenue Growth Rate – Median

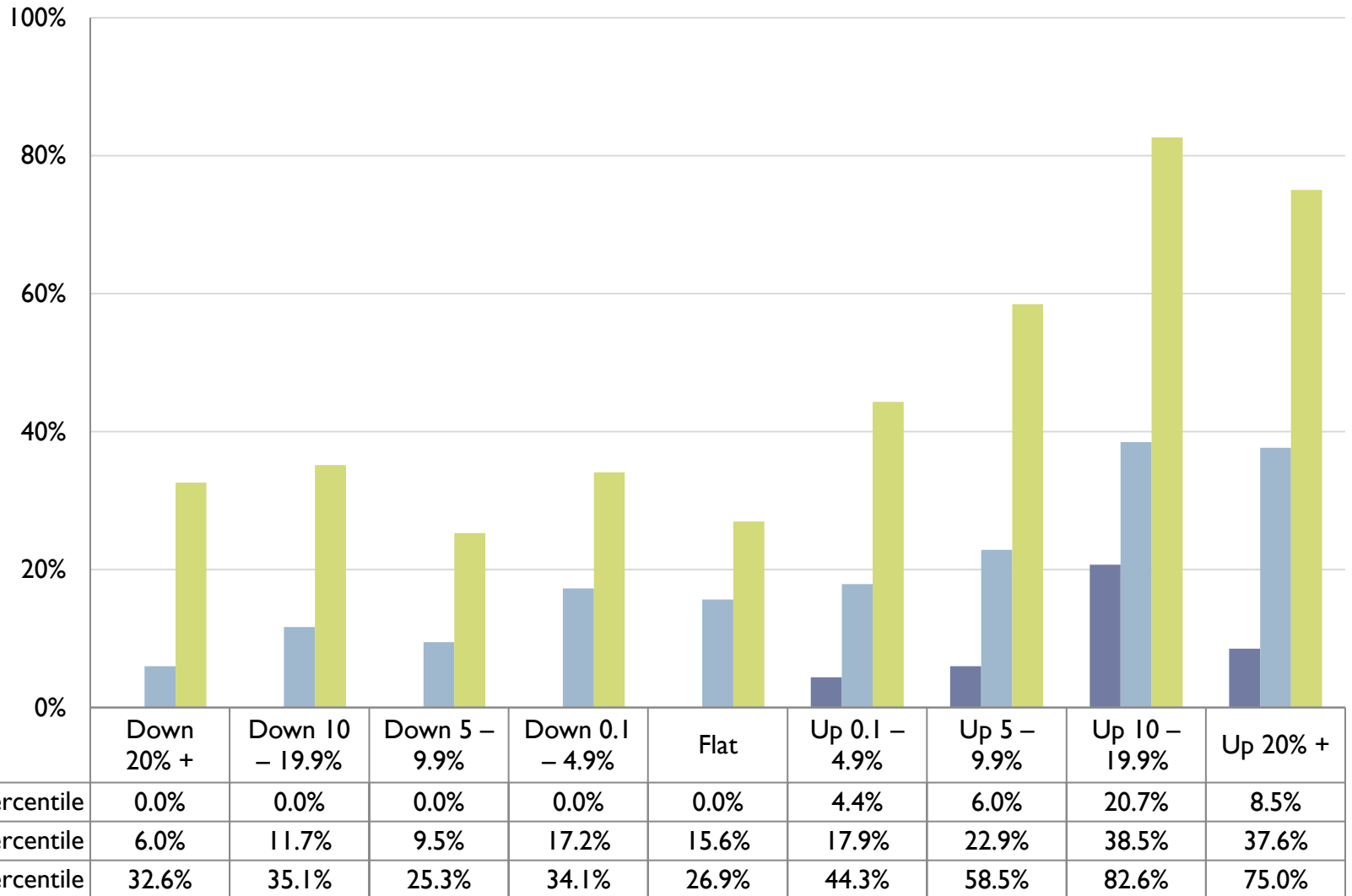


❖ As one would expect, CEO total cash compensation tends to increase with the company’s growth rate, and as it does, larger bonuses become an increasingly important part of the compensation mix.

CEO Total Cash Compensation, by Revenue Growth Rate – Top Quartile

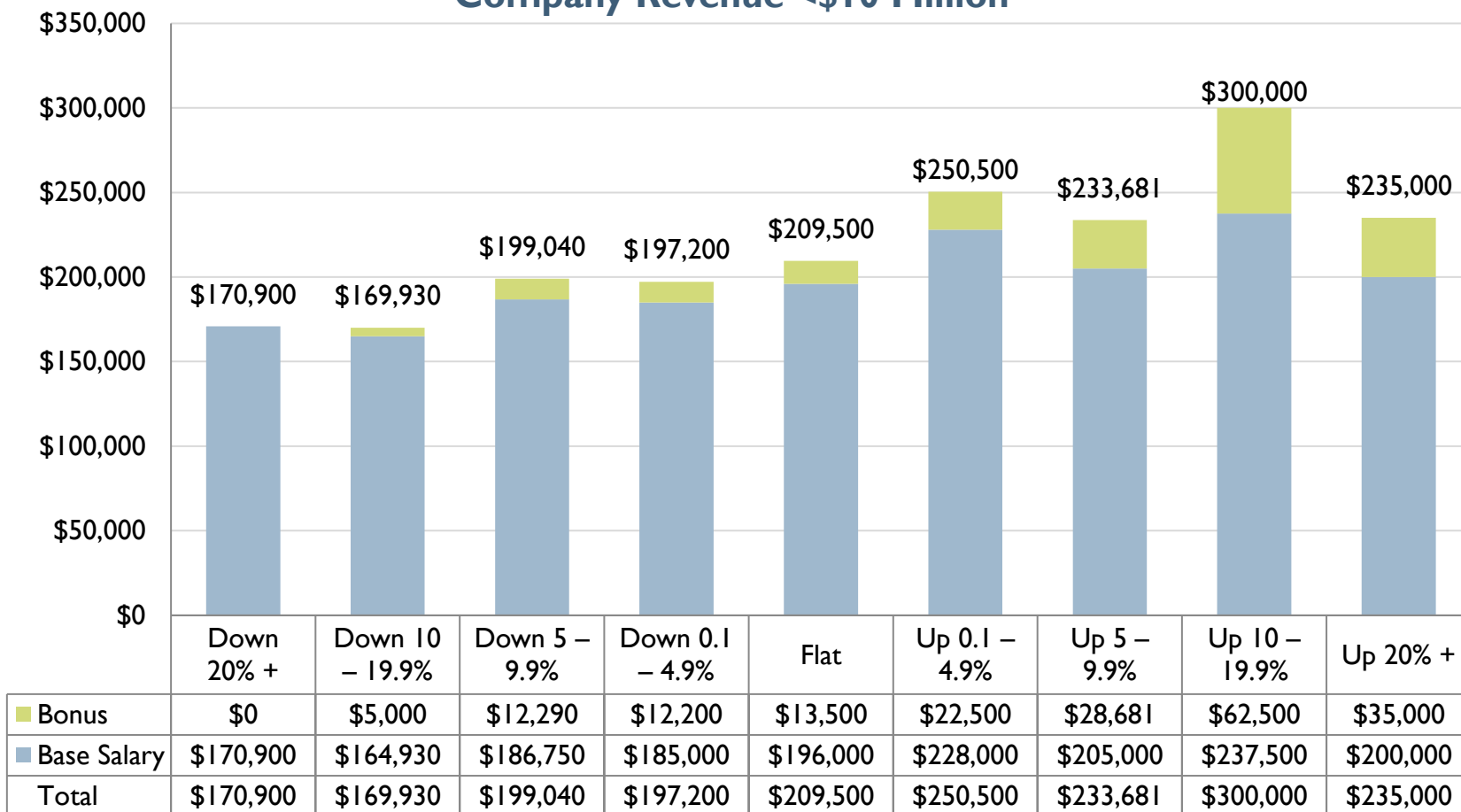


CEO Bonus as % of Base Salary, by Revenue Growth Rate



CEO Cash Compensation, by Revenue Growth Rate and Company Revenue – Median

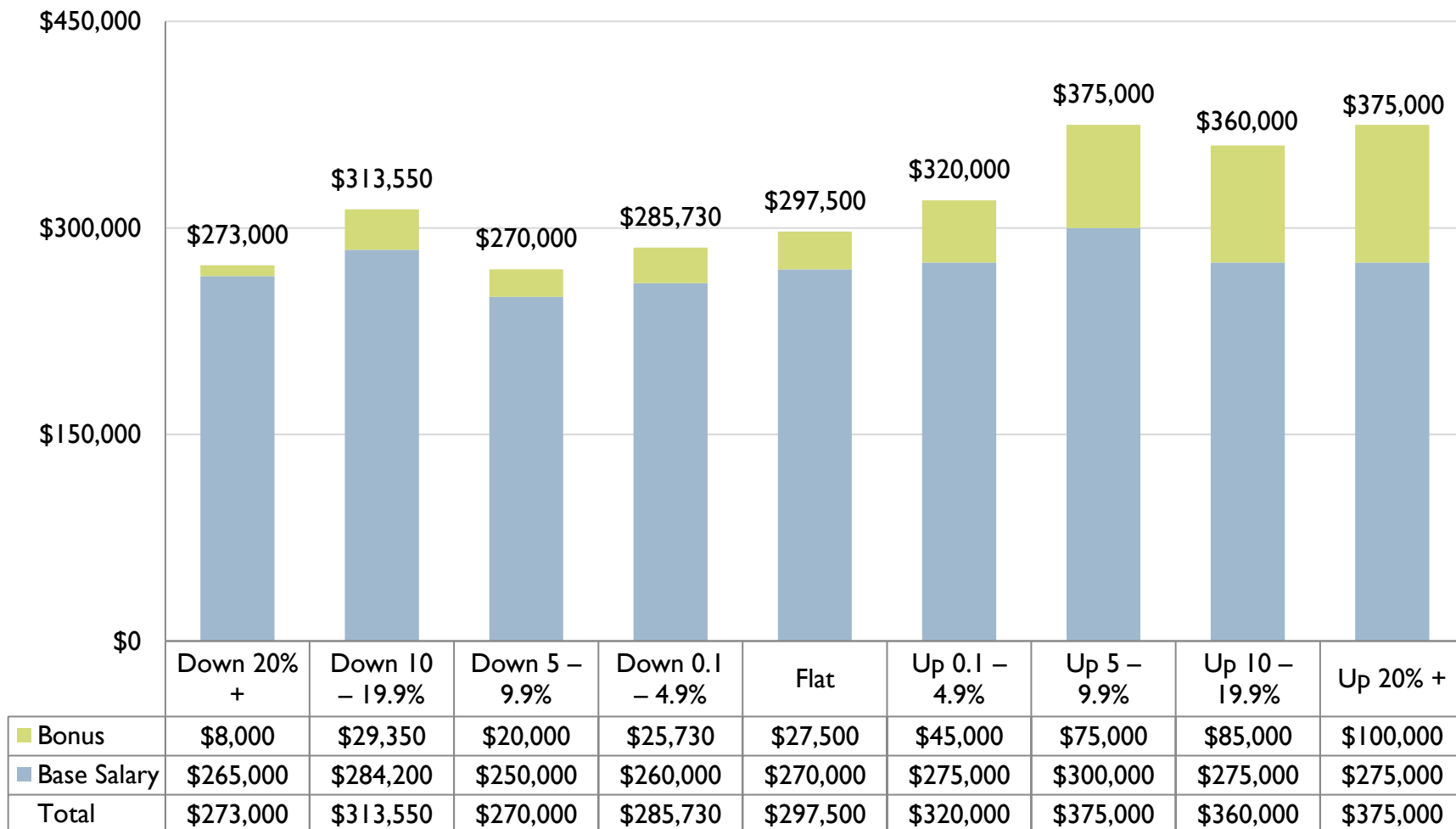
Company Revenue <\$10 Million



- ❖ While there is a correlation between revenue growth and compensation, the fastest-growing companies have a higher mix of smaller revenue companies.

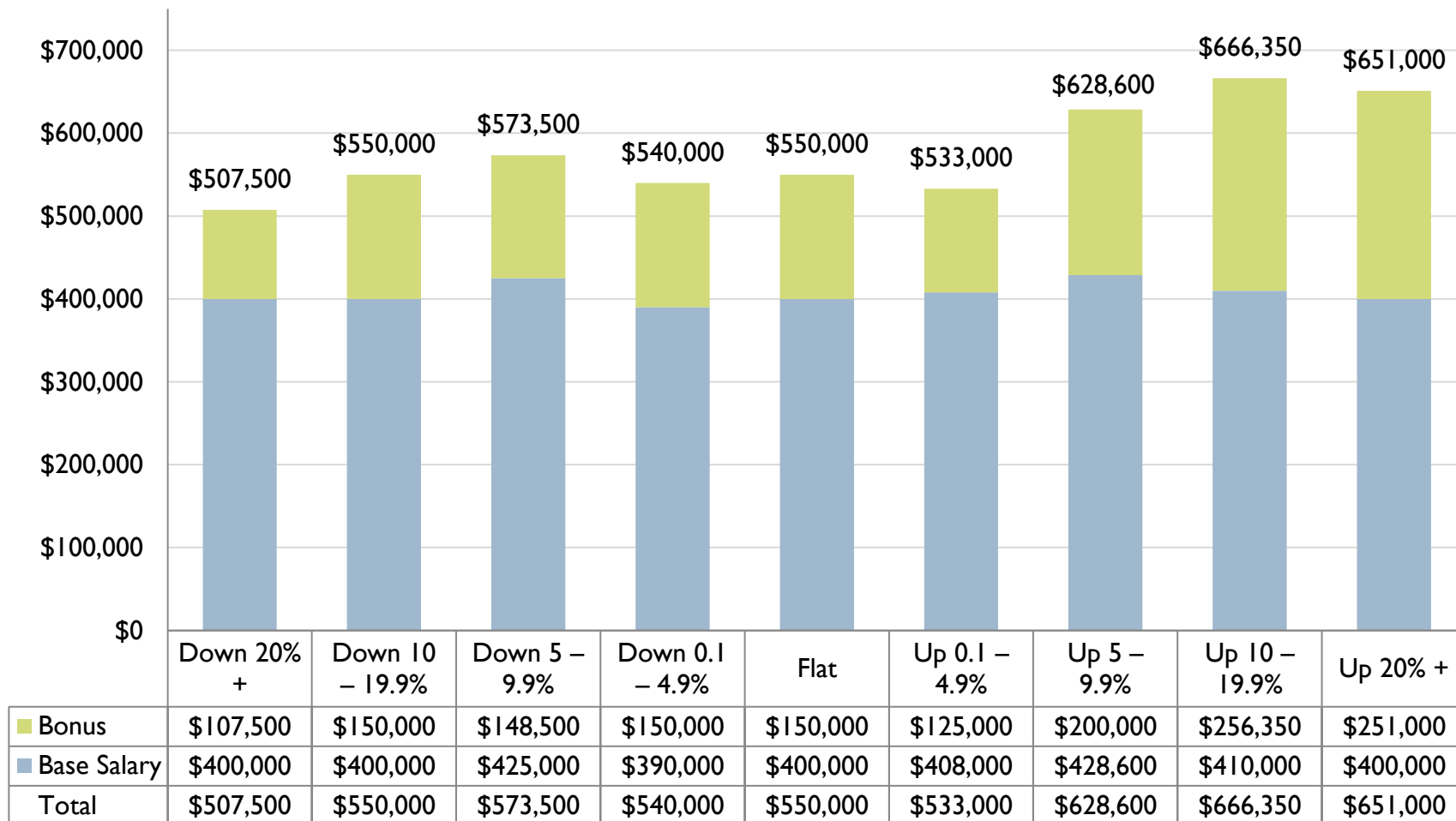
CEO Cash Compensation, by Revenue Growth Rate and Company Revenue – Median

Company Revenue \$10 to \$99.9 Million



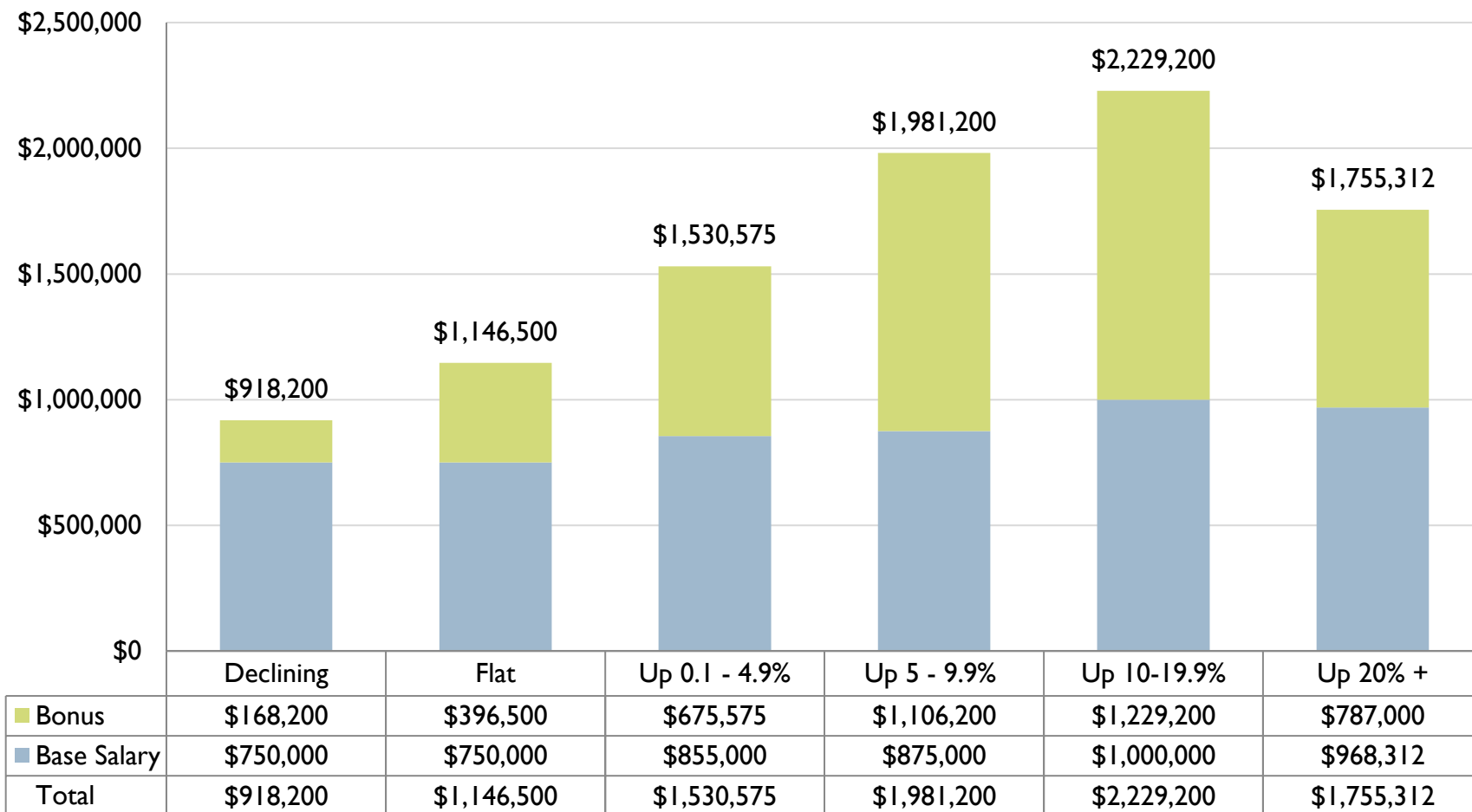
CEO Cash Compensation, by Revenue Growth Rate and Company Revenue – Median

Company Revenue \$100 to \$999.9 Million



CEO Cash Compensation, by Revenue Growth Rate and Company Revenue – Median

Company Revenue \$1 Billion +

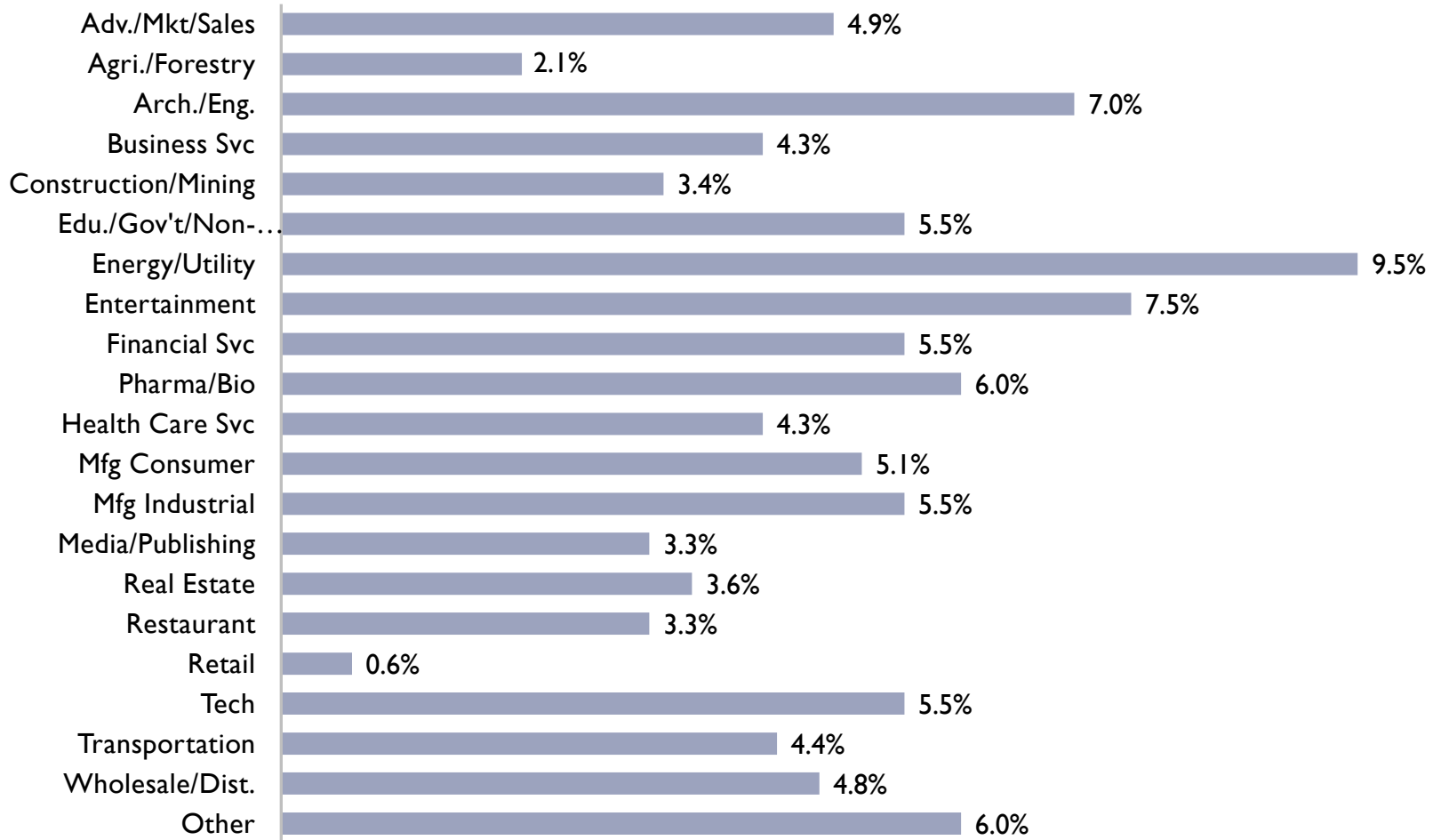


*Results on this chart are not statistically significant due to sample size. Nonetheless, they are a useful benchmark.

CEO Base Salary, by Industry

Industry	Bottom Quartile	Median	Top Quartile
Advertising/Marketing/Sales	\$210,000	\$265,000	\$367,080
Agriculture/Forestry/Fishing	\$162,500	\$257,500	\$356,250
Architecture/Engineering	\$215,202	\$274,000	\$342,500
Business Services	\$200,000	\$285,000	\$400,000
Construction/Mining	\$221,527	\$290,000	\$400,000
Education/Government/Non-Profit	\$192,500	\$240,500	\$380,000
Energy/Utility/Oil/Gas	\$260,000	\$330,000	\$480,500
Entertainment	\$265,000	\$277,972	\$425,000
Financial Services	\$250,000	\$373,790	\$500,000
Health Care - Pharma/Bio	\$305,000	\$365,000	\$446,000
Health Care – Services	\$226,067	\$345,000	\$417,000
Manufacturing – Consumer	\$229,590	\$312,000	\$422,000
Manufacturing – Industrial	\$200,000	\$278,000	\$371,500
Media/Publishing	\$246,250	\$293,706	\$400,000
Real Estate	\$250,000	\$306,000	\$500,000
Restaurant	\$202,300	\$279,812	\$405,000
Retail	\$196,250	\$272,000	\$450,000
Tech	\$225,000	\$301,032	\$400,000
Transportation	\$223,750	\$300,000	\$416,750
Wholesale/Distribution	\$211,250	\$287,000	\$400,000
Other	\$212,000	\$277,972	\$412,500

Change in CEO Salary From 2021 to 2022, by Industry – Top Quartile

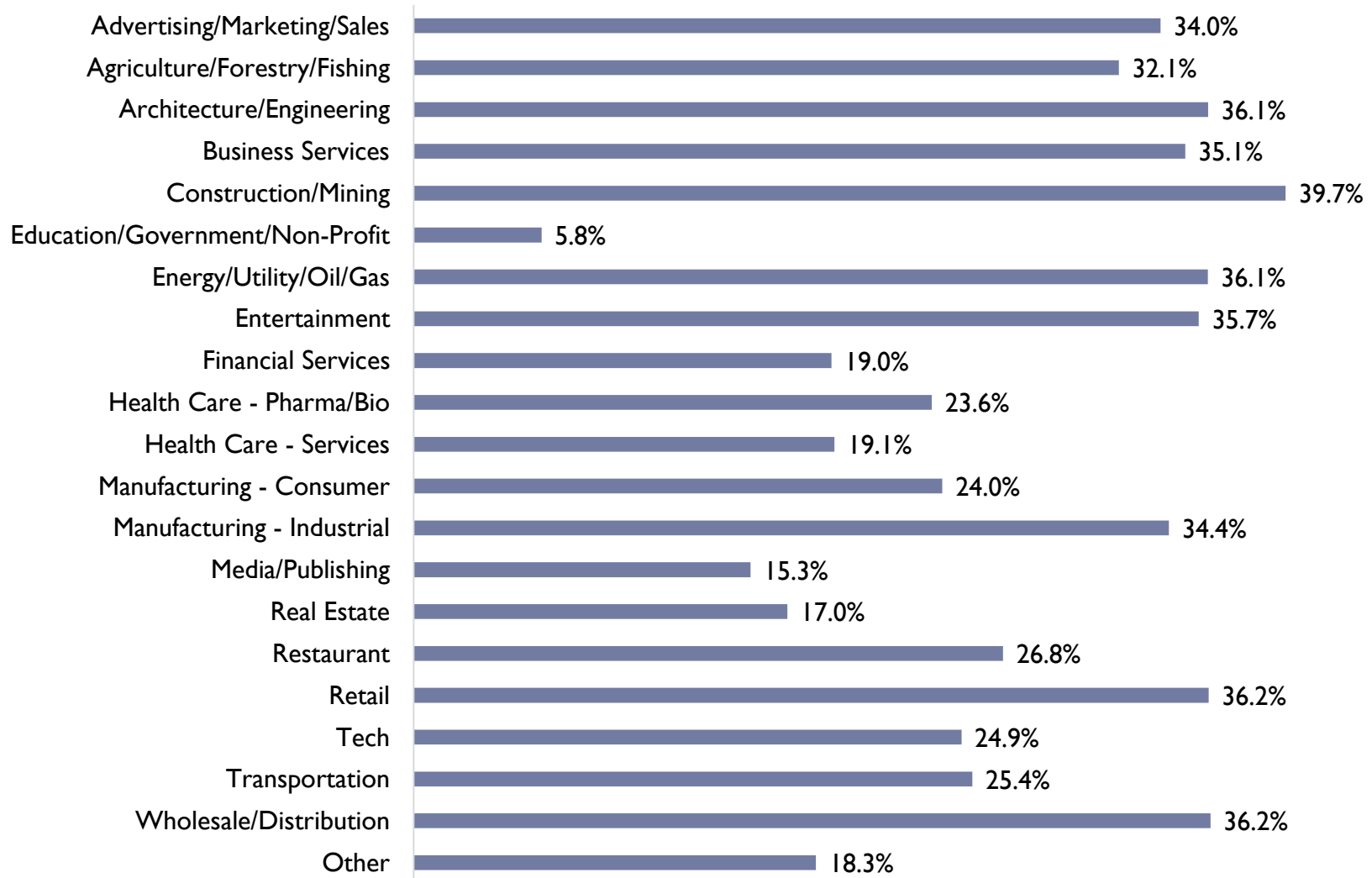


- ❖ Energy/utility CEOs tipped the scales with an increase in base salary of 9.5%, which was expected after large profit for energy companies in 2022.

CEO Bonus, by Industry

Industry	Bottom Quartile	Median	Top Quartile
Advertising/Marketing/Sales	\$36,250	\$90,000	\$218,750
Agriculture/Forestry/Fishing	\$37,750	\$82,600	\$305,000
Architecture/Engineering	\$41,750	\$99,000	\$333,009
Business Services	\$10,000	\$100,000	\$300,000
Construction/Mining	\$45,000	\$115,000	\$258,600
Education/Government/Non-Profit	\$0	\$14,000	\$65,000
Energy/Utility/Oil/Gas	\$78,000	\$119,200	\$338,800
Entertainment	\$7,500	\$99,250	\$228,000
Financial Services	\$0	\$71,000	\$275,000
Health Care - Pharma/Bio	\$12,500	\$86,000	\$144,750
Health Care – Services	\$10,500	\$66,000	\$200,000
Manufacturing – Consumer	\$12,750	\$75,000	\$257,500
Manufacturing – Industrial	\$25,500	\$95,500	\$209,500
Media/Publishing	\$11,250	\$45,000	\$115,000
Real Estate	\$0	\$52,000	\$175,000
Restaurant	\$12,500	\$75,000	\$250,000
Retail	\$10,000	\$98,336	\$112,500
Tech	\$0	\$75,000	\$200,000
Transportation	\$0	\$76,211	\$182,744
Wholesale/Distribution	\$21,000	\$104,000	\$423,000
Other	\$20,000	\$50,850	\$250,000

CEO Bonus as % of Base Salary, by Industry – Median

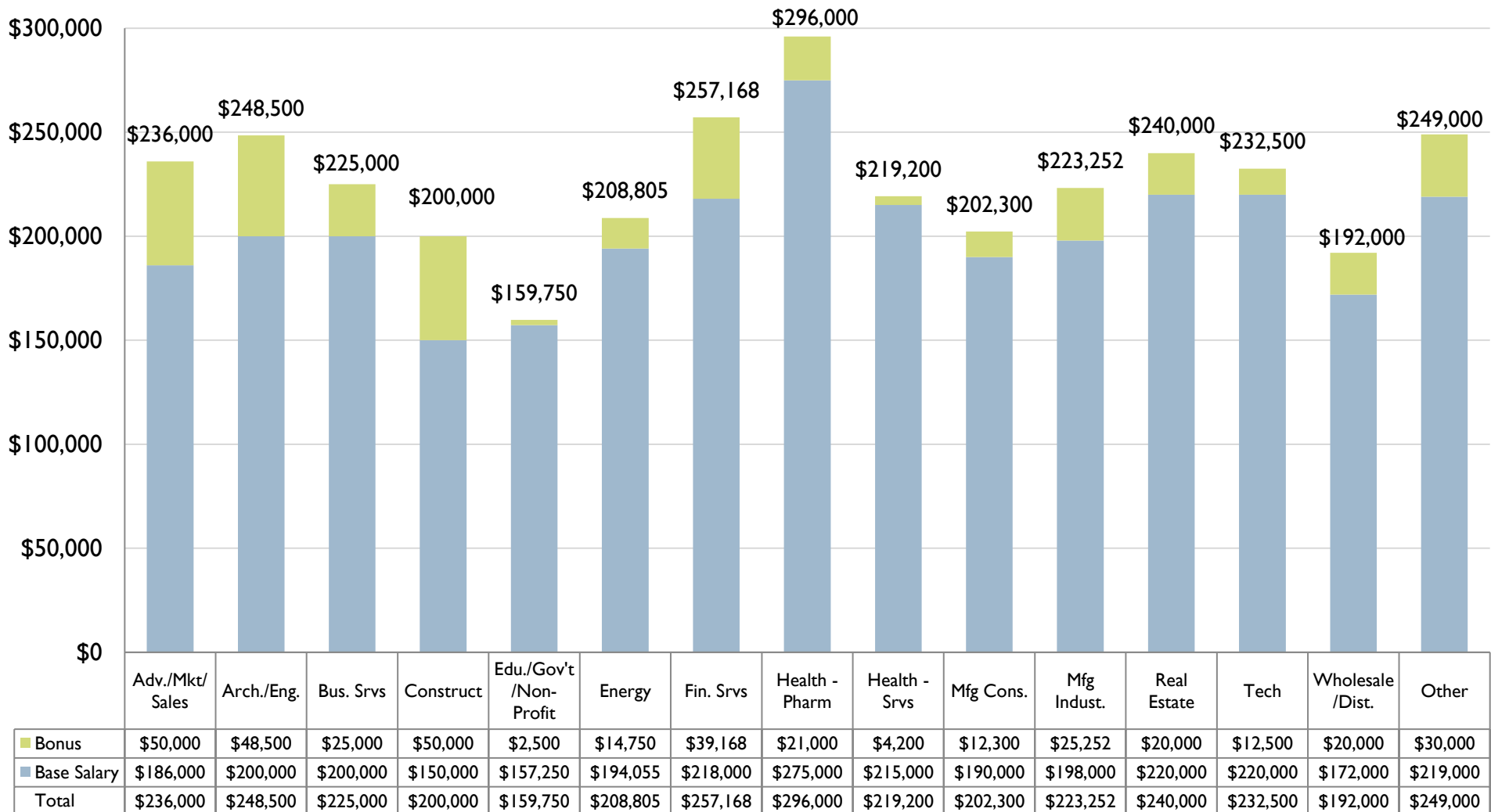


Total CEO Cash Compensation, by Industry – Median

Industry	Base Salary	Bonus	Total
Advertising/Marketing/Sales	\$265,000	\$90,000	\$355,000
Agriculture/Forestry/Fishing	\$257,500	\$82,600	\$340,100
Architecture/Engineering	\$274,000	\$99,000	\$373,000
Business Services	\$285,000	\$100,000	\$385,000
Construction/Mining	\$290,000	\$115,000	\$405,000
Education/Government/Non-Profit	\$240,500	\$14,000	\$254,500
Energy/Utility/Oil/Gas	\$330,000	\$119,200	\$449,200
Entertainment	\$277,972	\$99,250	\$377,222
Financial Services	\$373,790	\$71,000	\$444,790
Health Care - Pharma/Bio	\$365,000	\$86,000	\$451,000
Health Care – Services	\$345,000	\$66,000	\$411,000
Manufacturing – Consumer	\$312,000	\$75,000	\$387,000
Manufacturing – Industrial	\$278,000	\$95,500	\$373,500
Media/Publishing	\$293,706	\$45,000	\$338,706
Real Estate	\$306,000	\$52,000	\$358,000
Restaurant	\$279,812	\$75,000	\$354,812
Retail	\$272,000	\$98,336	\$370,336
Tech	\$301,032	\$75,000	\$376,032
Transportation	\$300,000	\$76,211	\$376,211
Wholesale/Distribution	\$287,000	\$104,000	\$391,000
Other	\$277,972	\$50,850	\$328,822

CEO Cash Compensation, by Company Revenue for Select Industries – Median

Company Revenue <\$10 Million



CEO Cash Compensation, by Company Revenue for Select Industries – Median

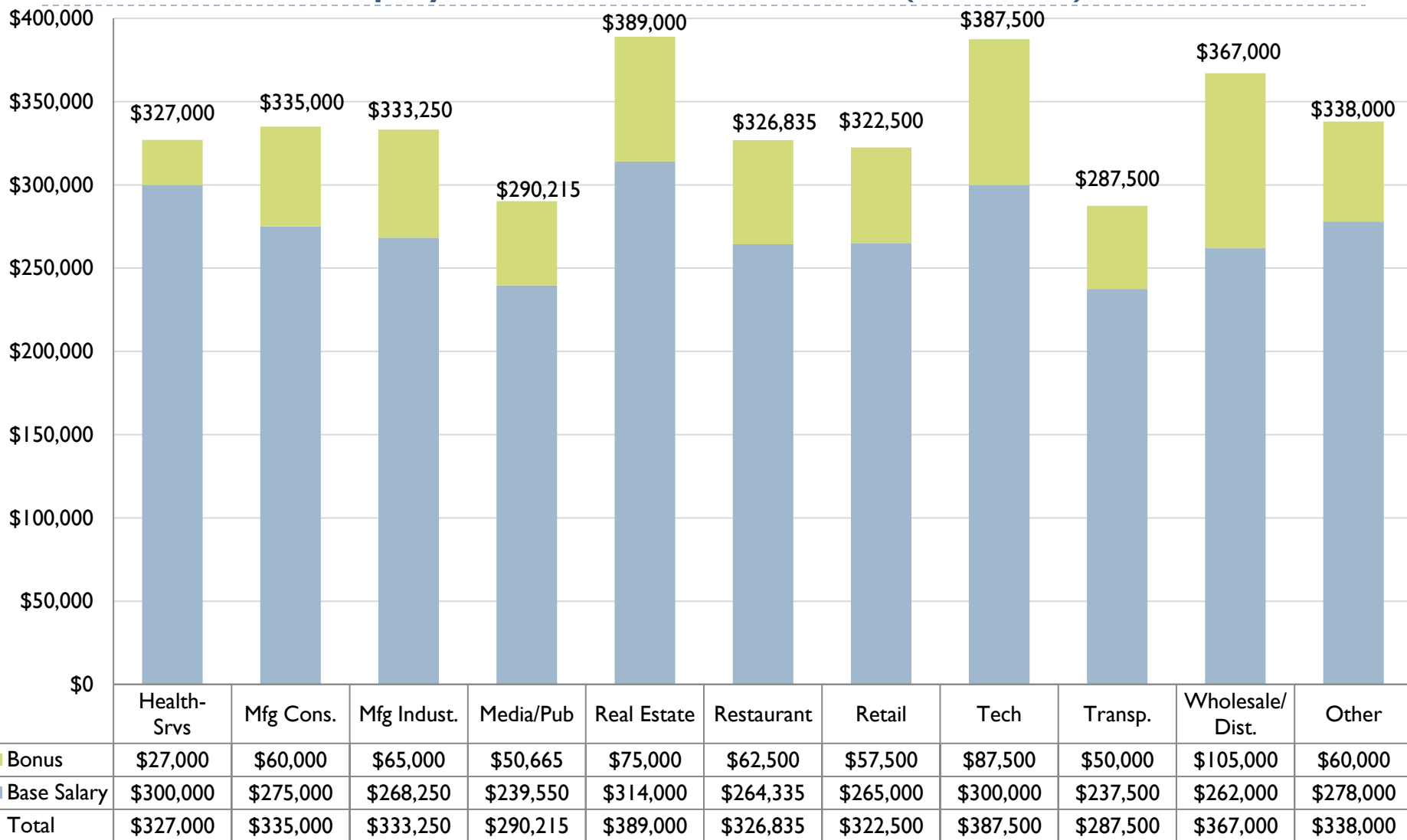
Company Revenue \$10 to \$99.9 Million (Part I of 2)



	Adv./Mkt	Ag./ Forest	Arch./ Eng.	Bus Srvs	Construct	Educ/Gov/N on Profit	Energy	Entertainment	Fin Srvs	Health-Pharm
■ Bonus	\$81,250	\$57,000	\$100,000	\$100,000	\$92,500	\$12,500	\$88,000	\$69,500	\$106,000	\$102,000
■ Base Salary	\$270,000	\$268,000	\$278,000	\$310,000	\$250,000	\$241,000	\$317,500	\$303,000	\$350,000	\$375,000
Total	\$351,250	\$325,000	\$378,000	\$410,000	\$342,500	\$253,500	\$405,500	\$372,500	\$456,000	\$477,000

CEO Cash Compensation, by Company Revenue for Select Industries – Median (cont.)

Company Revenue \$10 to \$99.9 Million (Part 2 of 2)



CEO Cash Compensation, by Company Revenue for Select Industries – Median

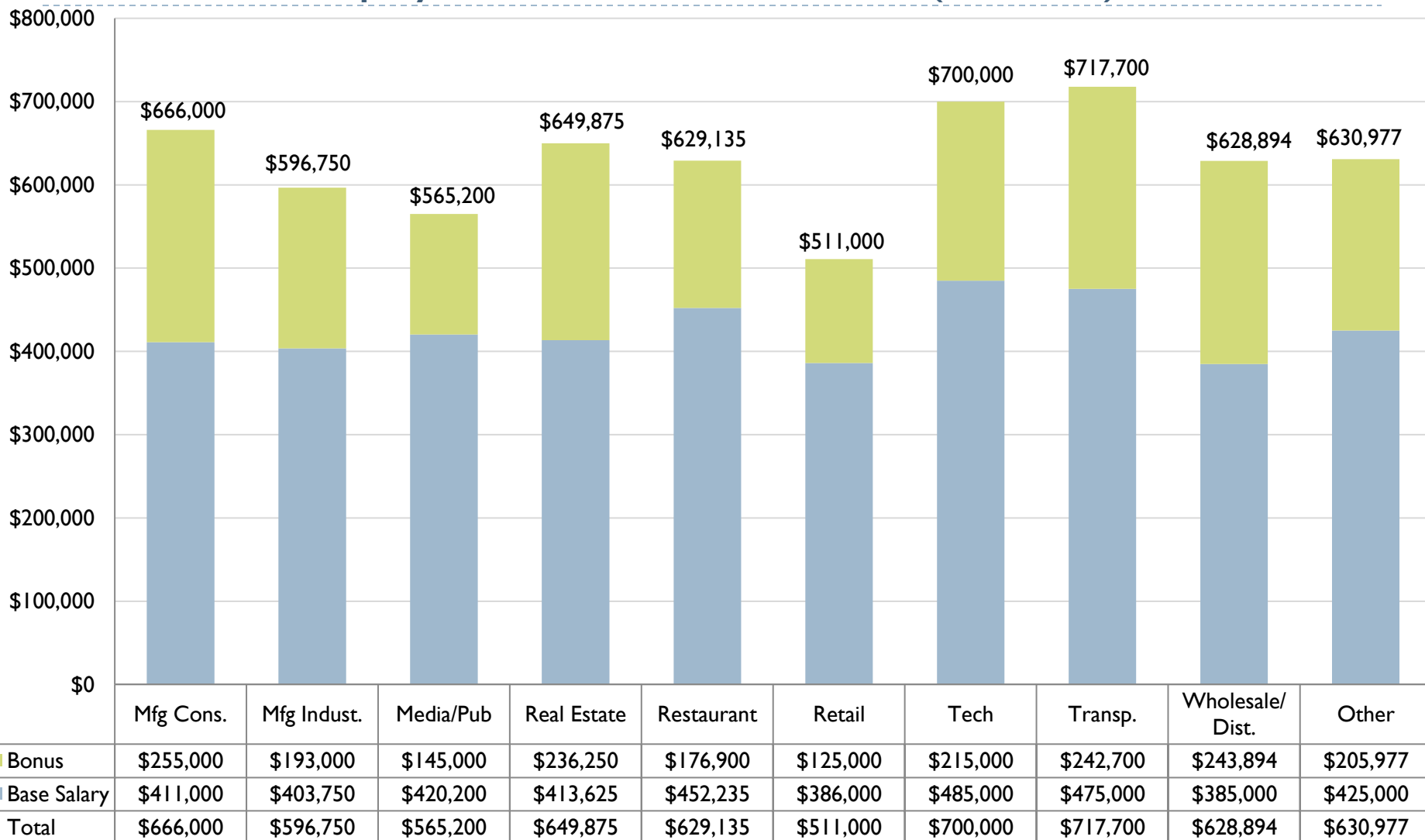
Company Revenue \$100 to \$999.9 Million (Part I of 2)



	Adv./Mkt	Arch./ Eng.	Bus Svcs	Construct	Educ/Gov/N on Profit	Energy	Entertainment	Fin Svcs	Health-Pharm	Health- Svcs
Bonus	\$225,000	\$287,800	\$200,000	\$250,000	\$44,250	\$212,000	\$150,000	\$267,500	\$268,780	\$147,505
Base Salary	\$435,000	\$387,000	\$466,465	\$408,000	\$408,000	\$412,000	\$462,000	\$533,975	\$526,575	\$457,500
Total	\$660,000	\$674,800	\$666,465	\$658,000	\$452,250	\$624,000	\$612,000	\$801,475	\$795,355	\$605,005

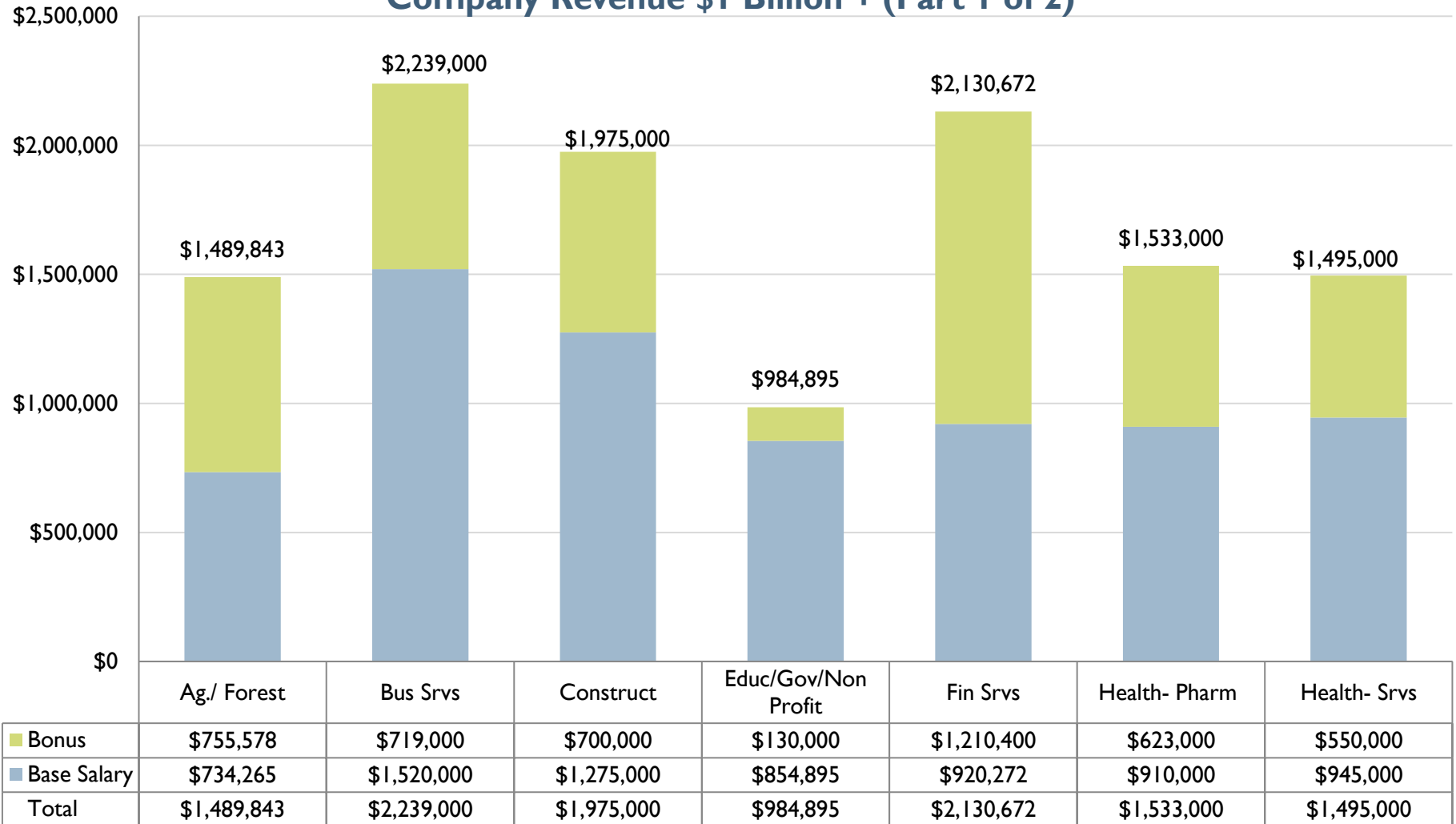
CEO Cash Compensation, by Company Revenue for Select Industries – Median (cont.)

Company Revenue \$100 to \$999.9 Million (Part 2 of 2)



CEO Cash Compensation, by Company Revenue for Select Industries – Median*

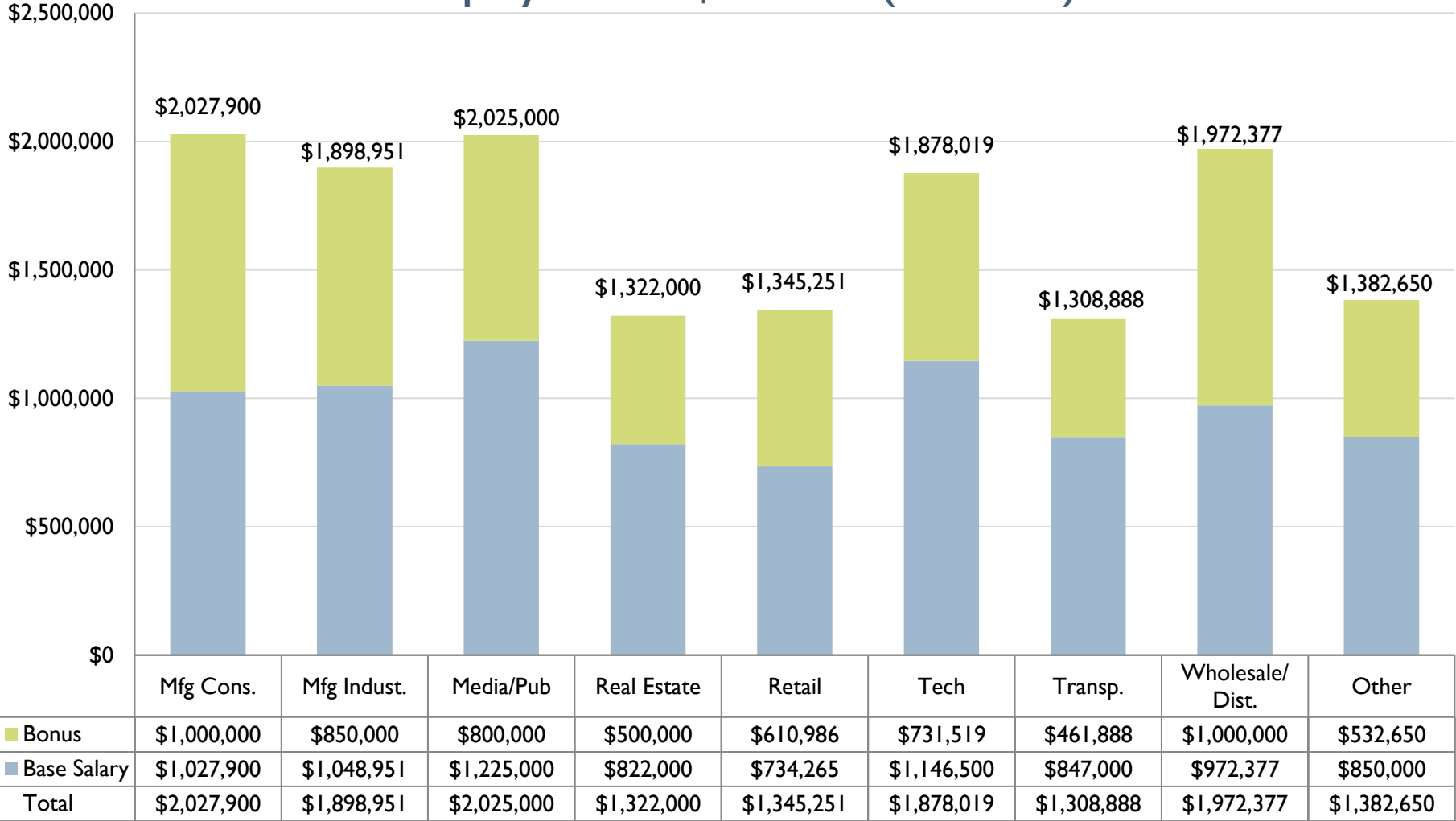
Company Revenue \$1 Billion + (Part 1 of 2)



*The results on this chart are not statistically significant due to sample size. Nonetheless, they are a useful benchmark.

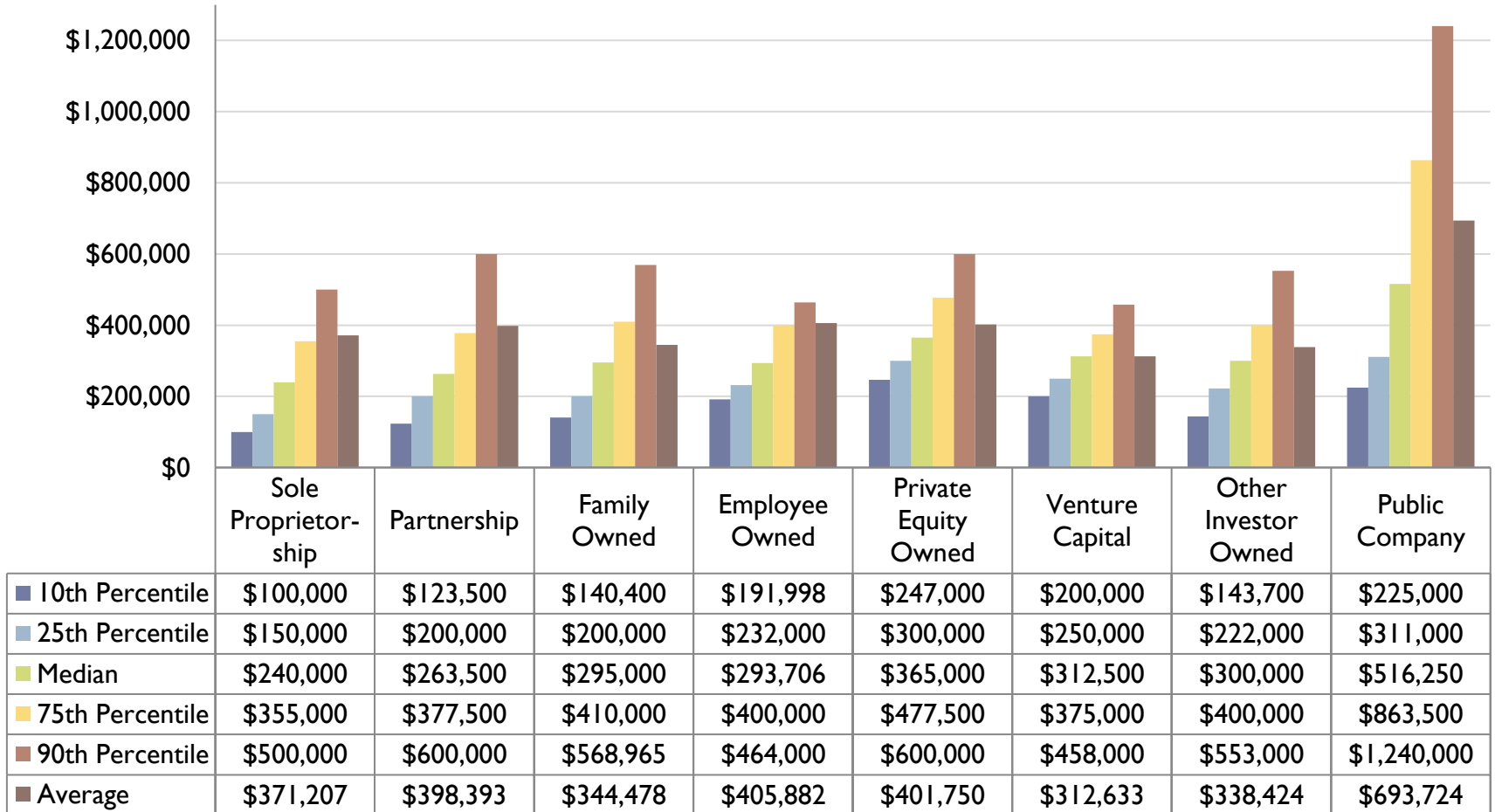
CEO Cash Compensation, by Company Revenue for Select Industries – Median* (cont.)

Company Revenue \$1 Billion + (Part 2 of 2)



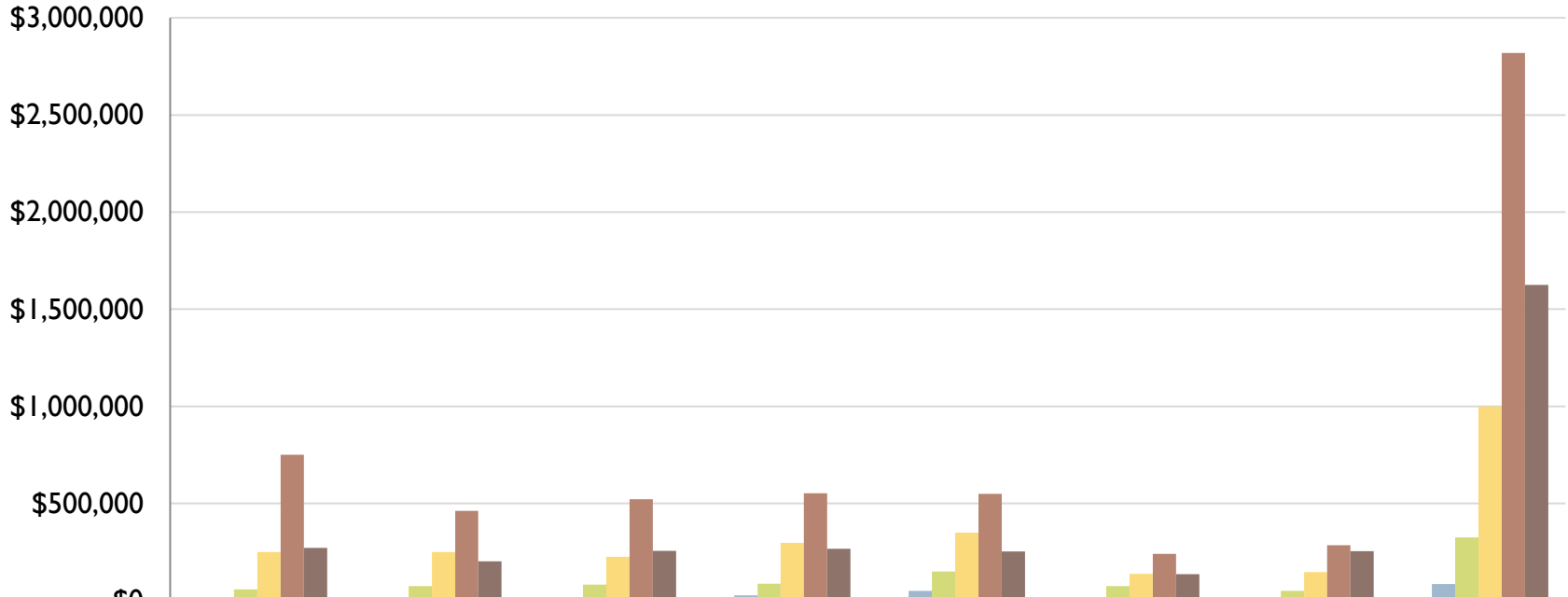
*The results on this chart are not statistically significant due to sample size. Nonetheless, they are a useful benchmark.

CEO Base Salary, by Ownership Type



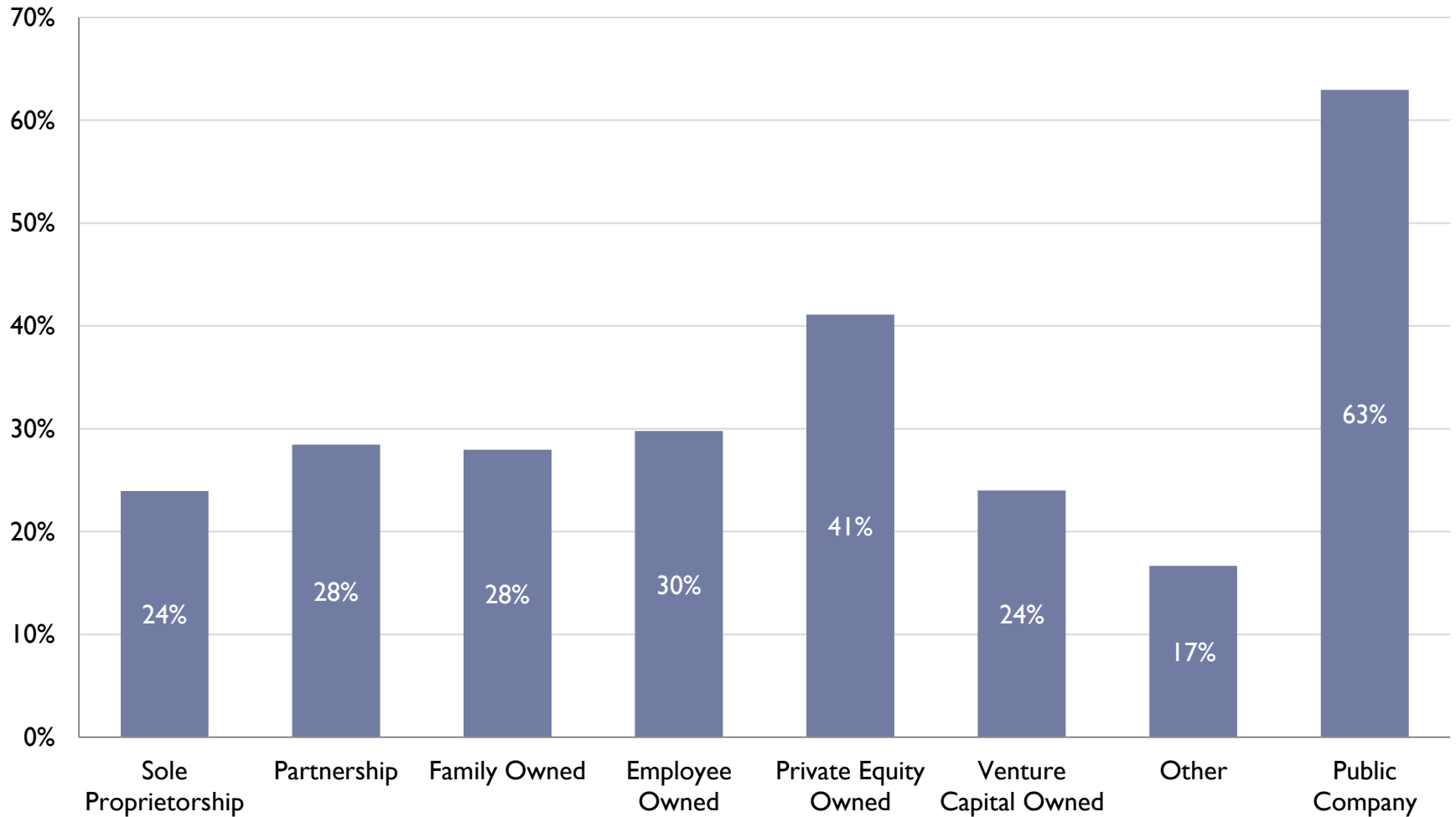
**Public companies in the “by ownership” section are shown for comparative purposes but are excluded from overall analysis and in other segments.*

CEO Bonus, by Ownership Type



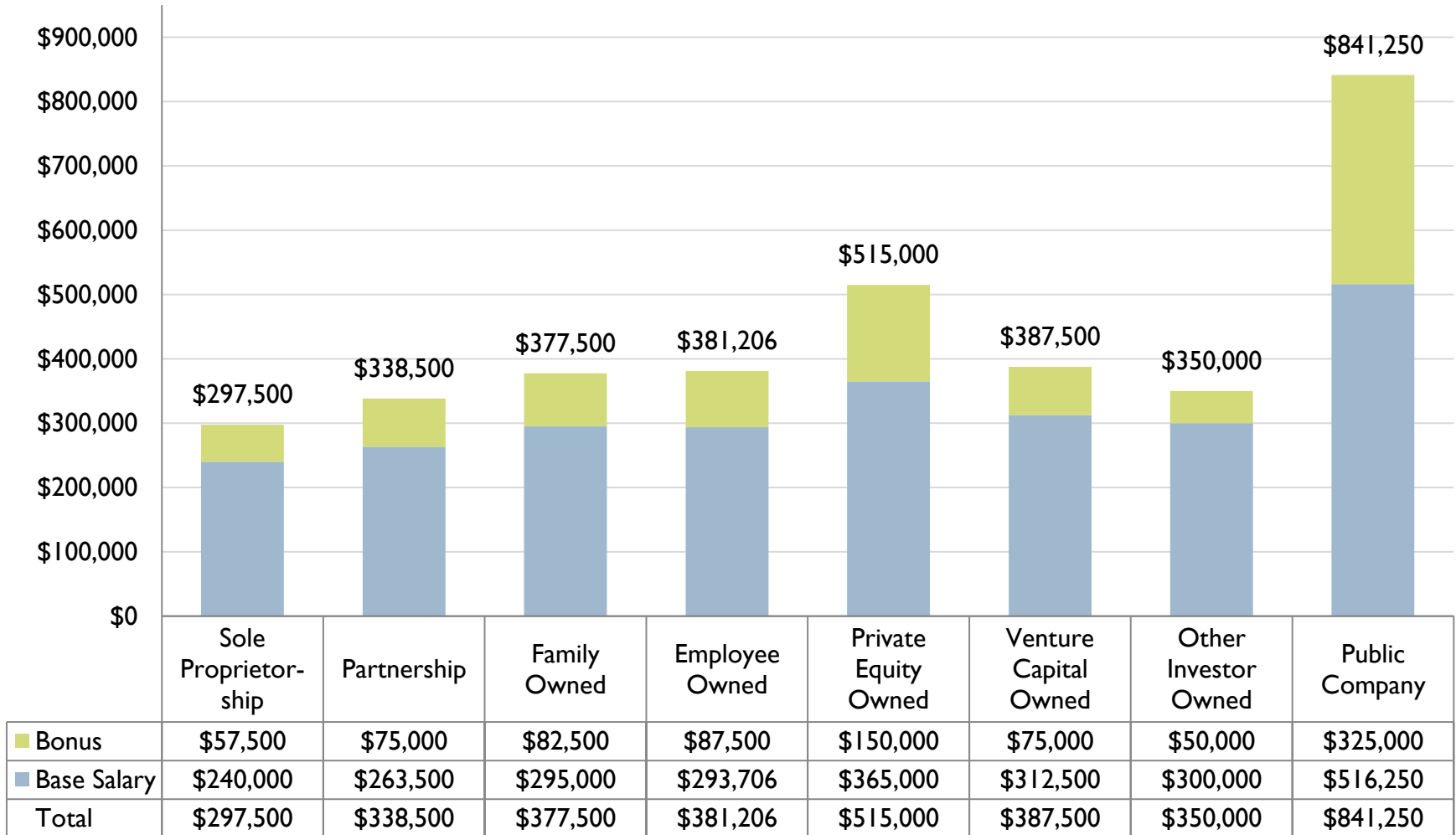
	Sole Proprietorship	Partnership	Family Owned	Employee Owned	Private Equity Owned	Venture Capital	Other Investor Owned	Public Company
■ 10th Percentile	\$0	\$0	\$0	\$6,000	\$0	\$0	\$0	\$0
■ 25th Percentile	\$0	\$0	\$13,500	\$26,160	\$50,000	\$0	\$0	\$85,000
■ Median	\$57,500	\$75,000	\$82,500	\$87,500	\$150,000	\$75,000	\$50,000	\$325,000
■ 75th Percentile	\$250,000	\$250,000	\$225,000	\$297,135	\$350,000	\$137,500	\$147,000	\$1,000,000
■ 90th Percentile	\$750,000	\$462,000	\$522,500	\$553,162	\$550,000	\$240,000	\$285,000	\$2,820,000
■ Average	\$271,007	\$202,280	\$255,541	\$266,616	\$253,095	\$136,262	\$254,387	\$1,624,590

CEO Bonus as a % of Base Salary, by Ownership Type – Median



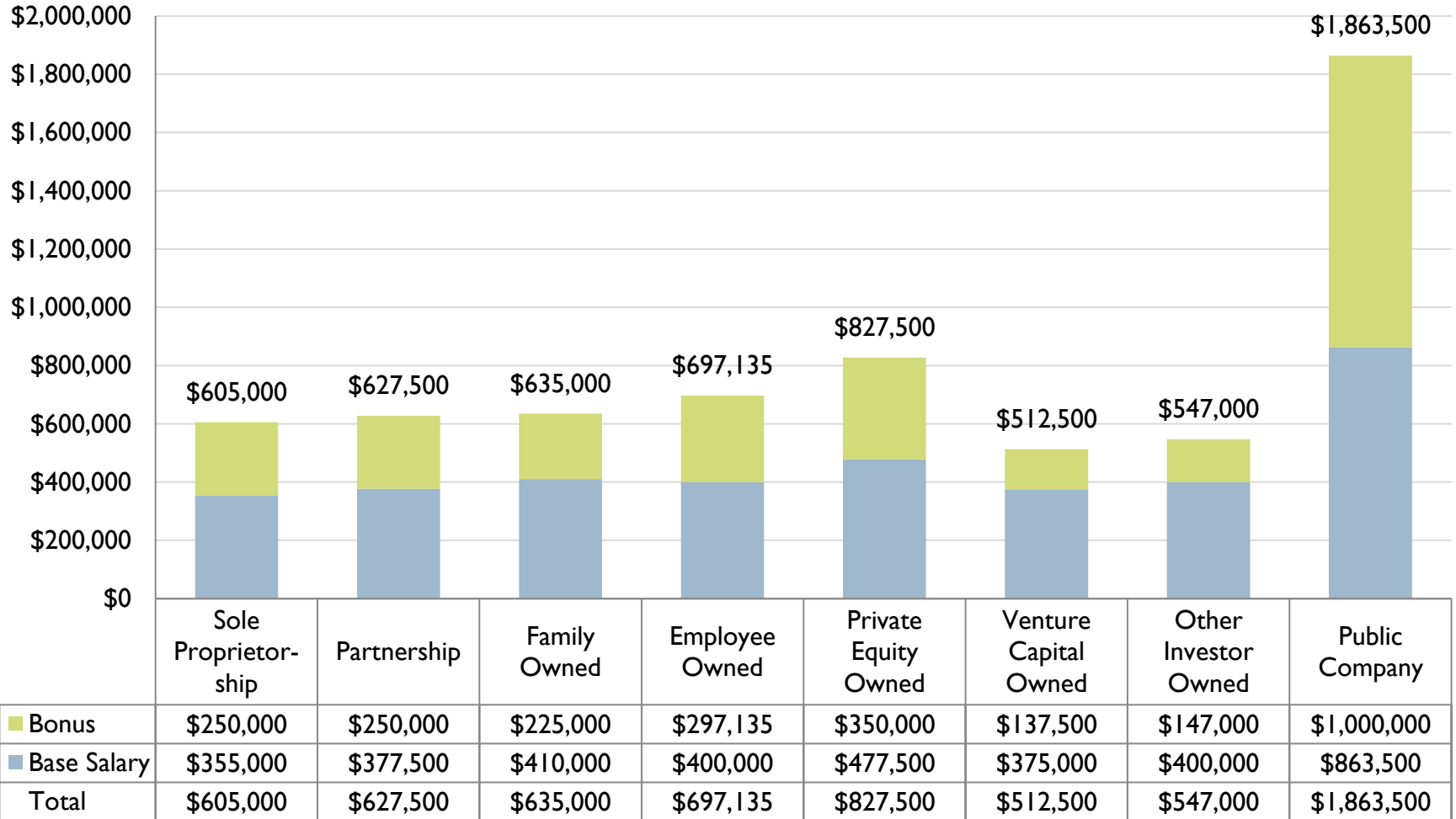
- ❖ While public companies tend to pay the highest median bonus payouts overall, among privately held companies, PE-owned companies tend to be more aggressive in using bonuses as an incentive tool.

CEO Total Cash Compensation, by Ownership Type – Median



❖ While public companies tend to have the richest median compensation packages overall, among privately held companies, PE-owned companies pay the highest median cash compensation packages to CEOs

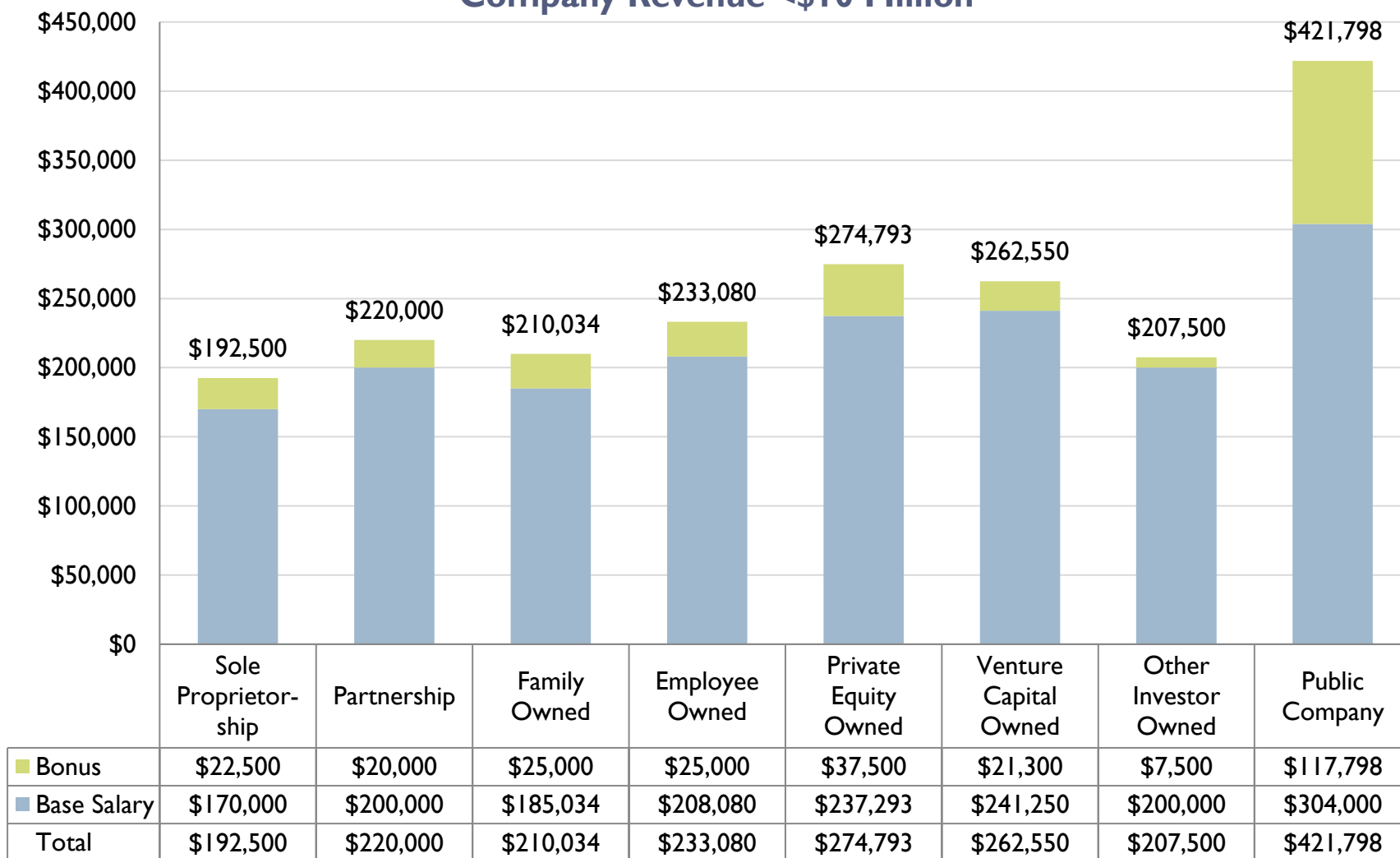
CEO Total Cash Compensation, by Ownership Type – Top Quartile



❖ Top quartile VC-owned companies often make up for the smaller base salaries and bonuses with richer equity packages (shown later on).

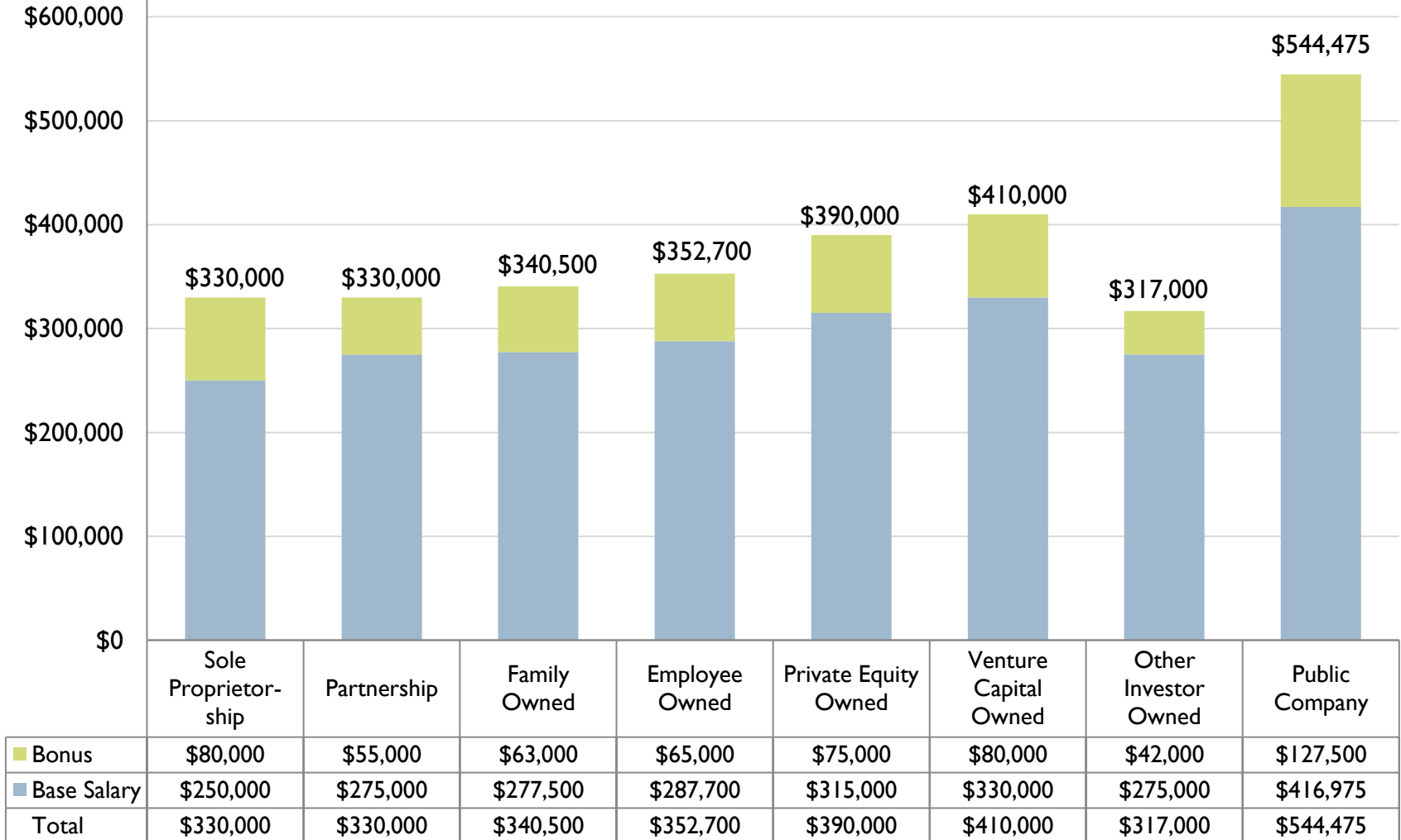
CEO Total Cash Compensation, by Ownership Type and Company Revenue – Median

Company Revenue <\$10 Million



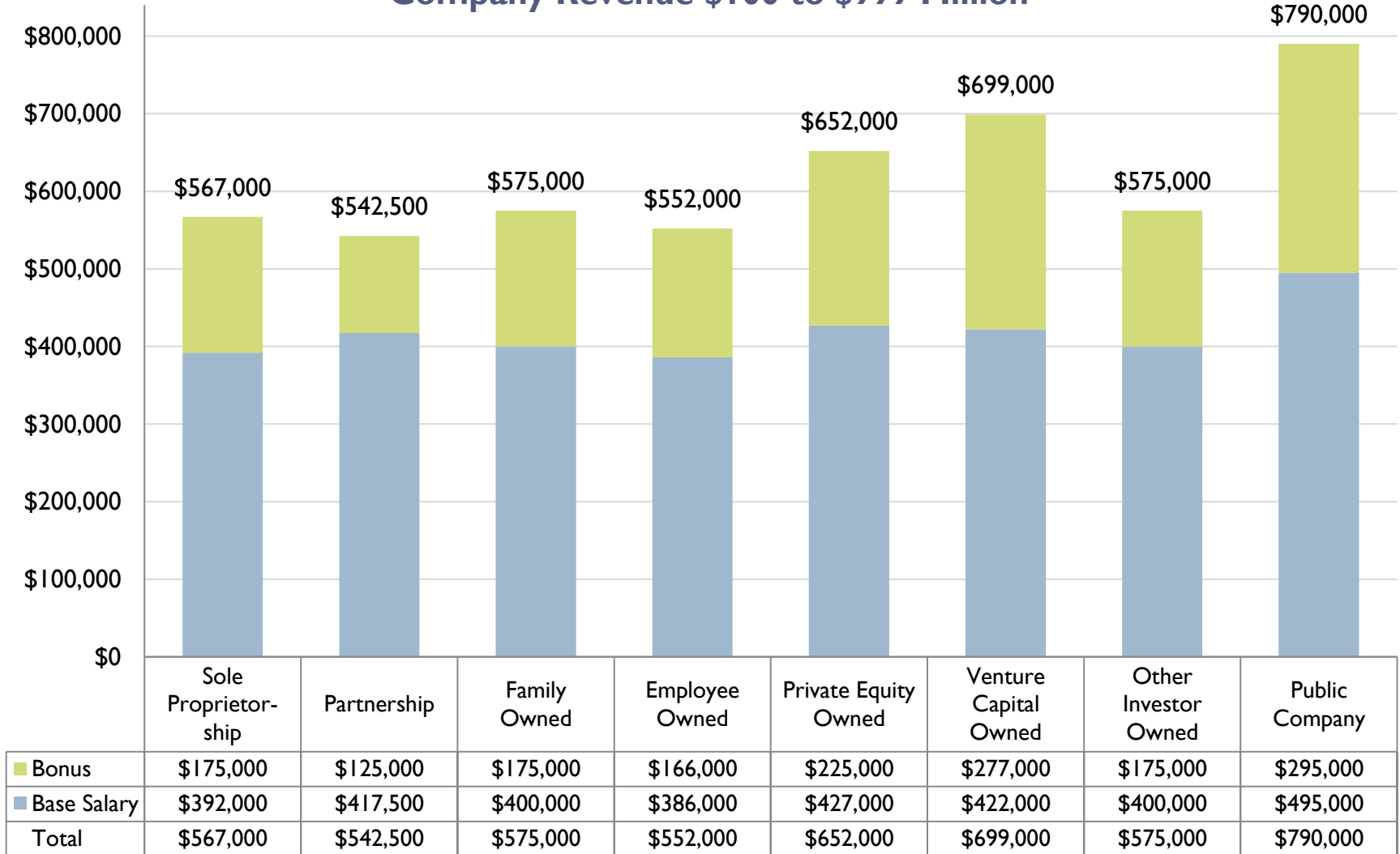
CEO Total Cash Compensation, by Ownership Type and Company Revenue – Median

Company Revenue \$10 to \$99.9 Million



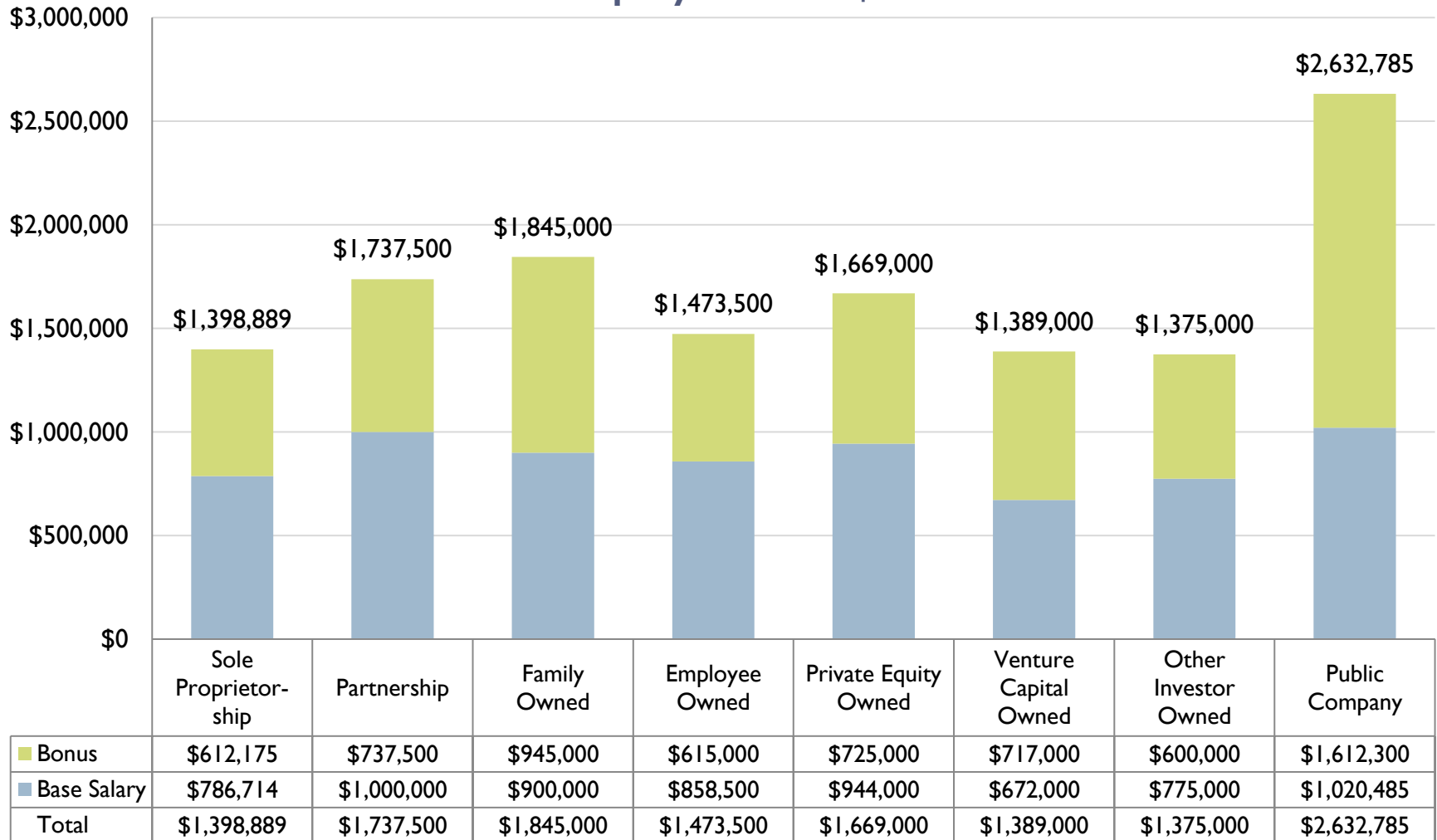
CEO Total Cash Compensation, by Ownership Type and Company Revenue – Median

Company Revenue \$100 to \$999 Million



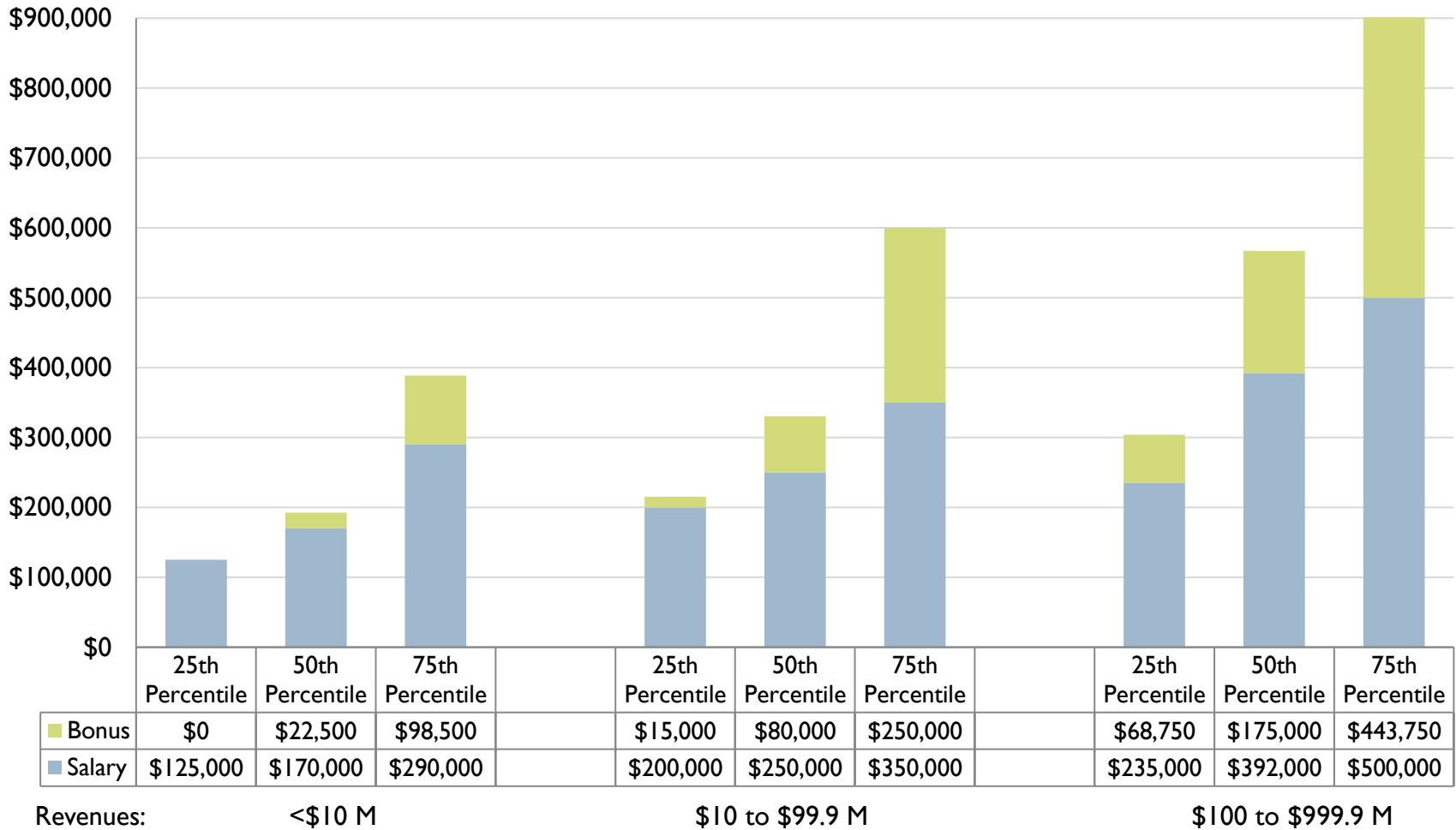
CEO Total Cash Compensation, by Ownership Type and Company Revenue – Median*

Company Revenue \$1 Billion +



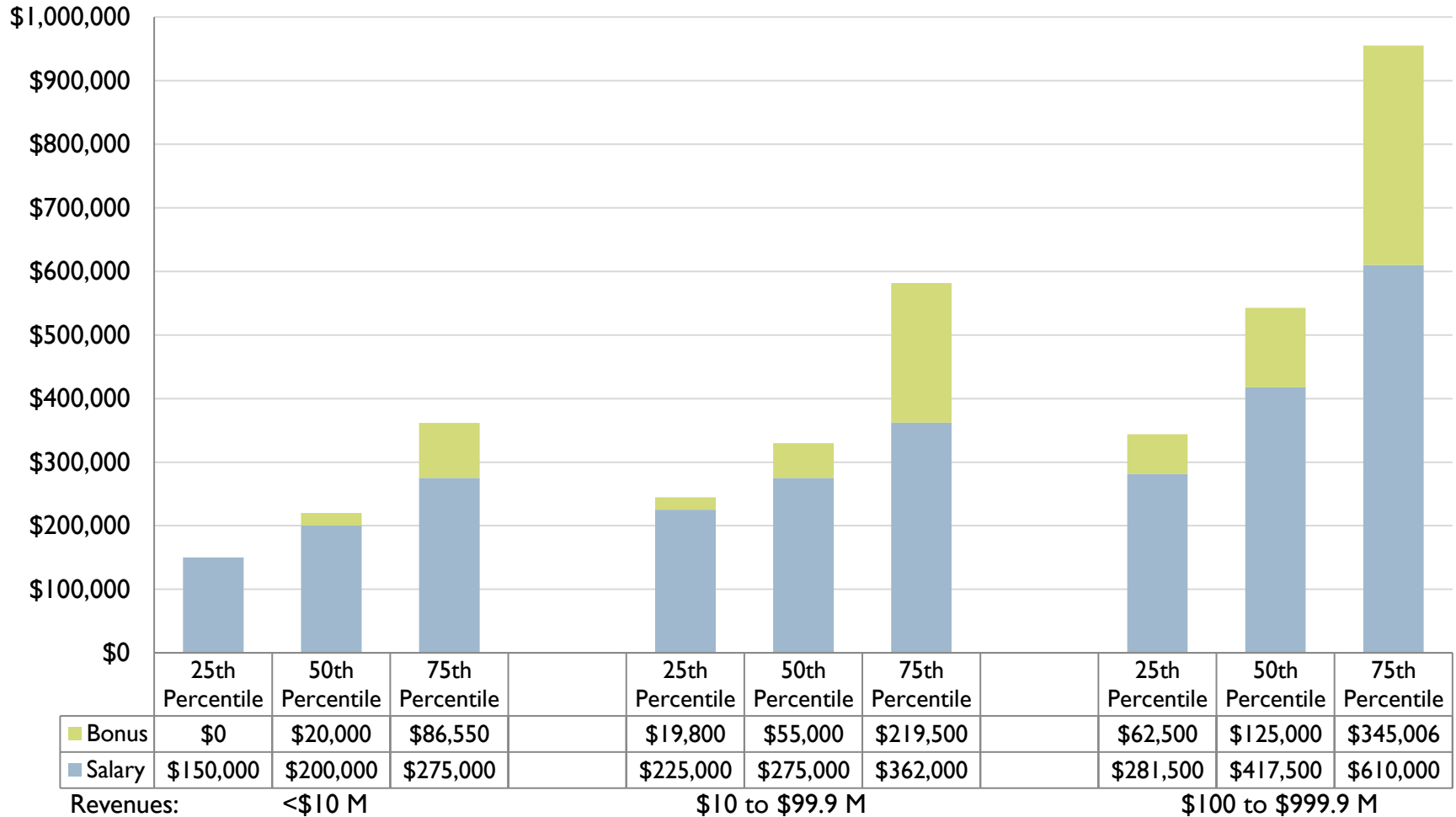
*The results on this chart are not statistically significant due to sample size. Nonetheless, they are a useful benchmark.

CEO Cash Compensation in Sole Proprietorships, by Company Revenue and Percentile



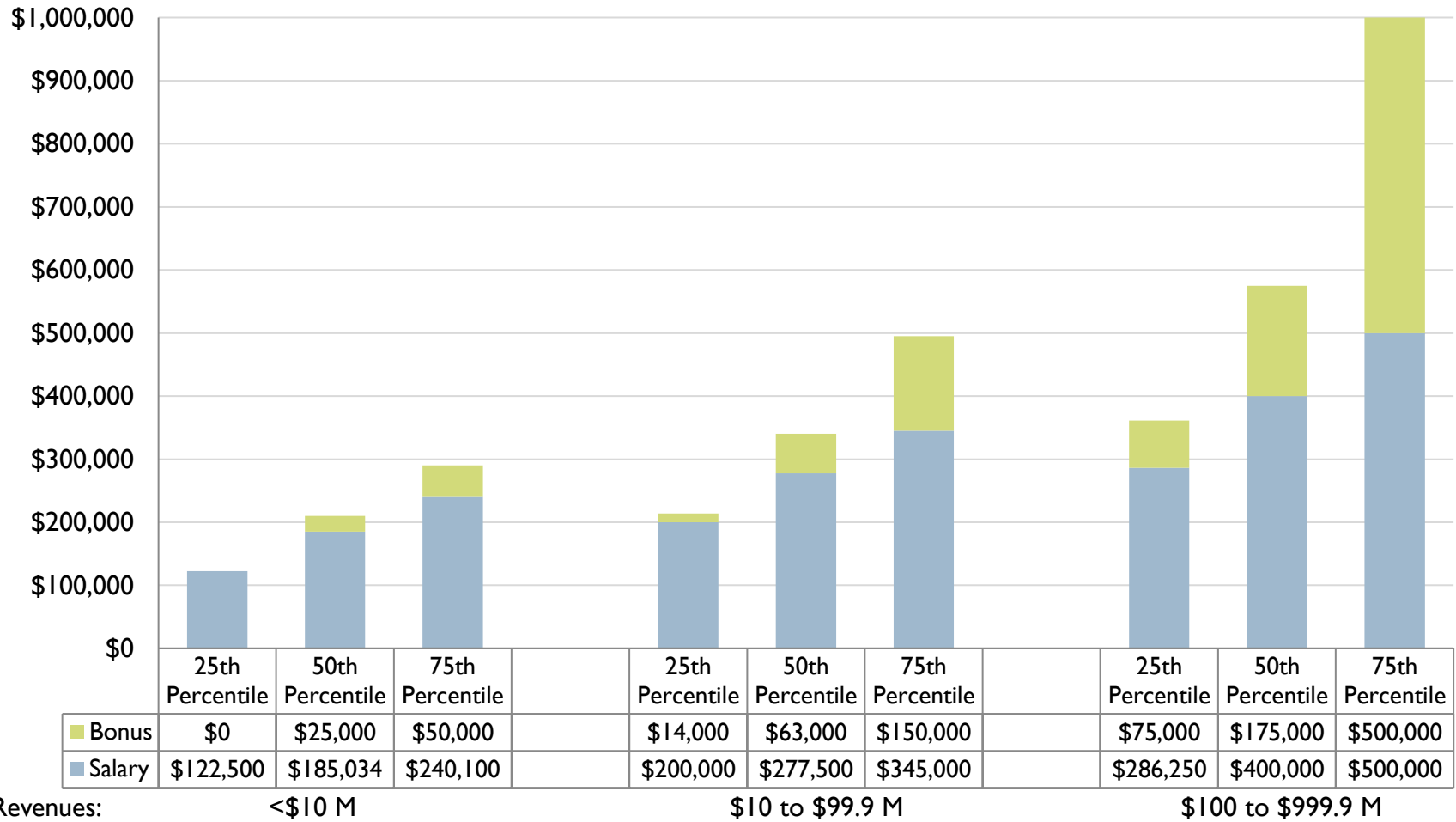
❖ The median \$1 billion+ sole proprietorship paid its CEO a base salary of \$786,714 and a bonus of \$612,175.

CEO Cash Compensation in Partnerships, by Company Revenue and Percentile



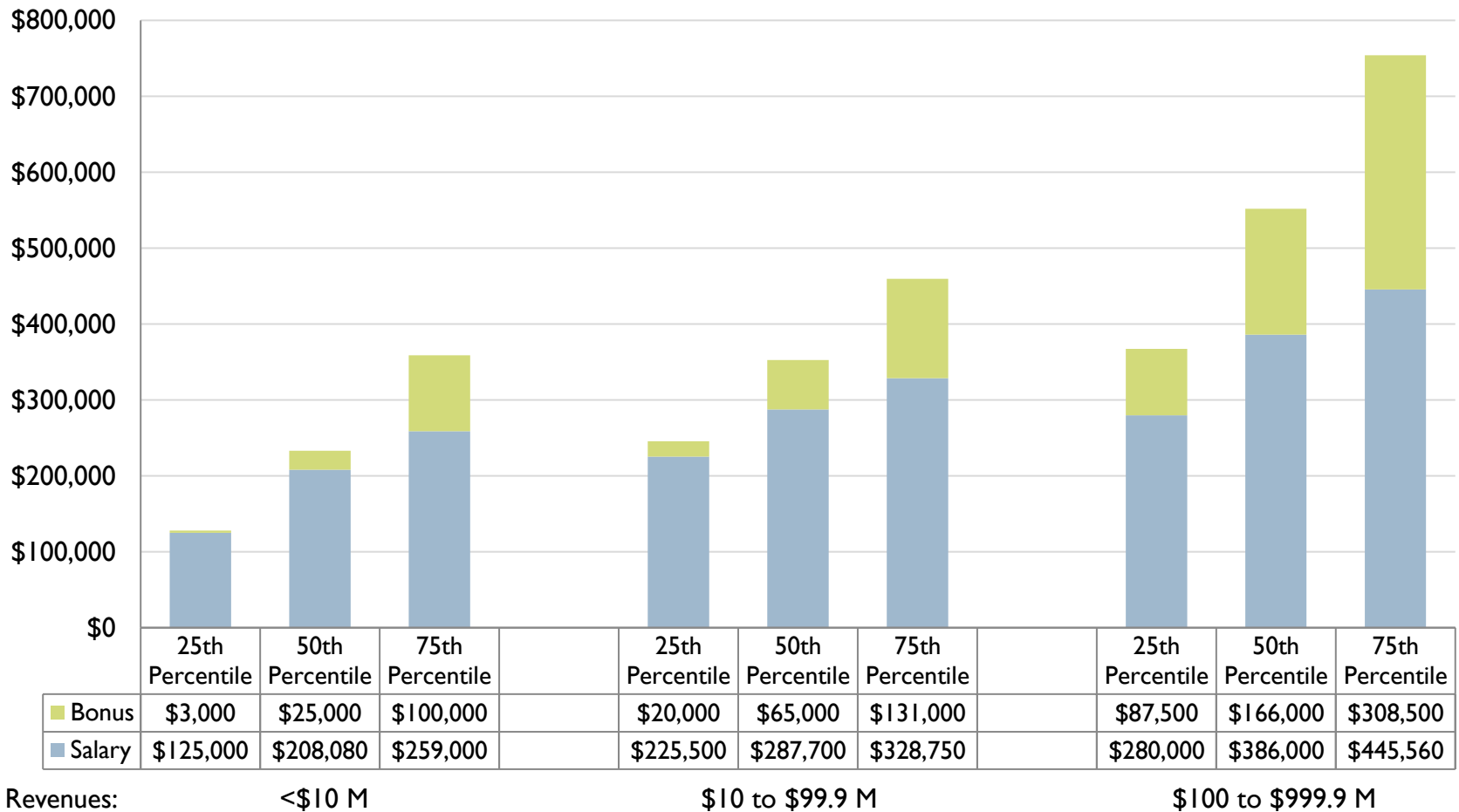
❖ The median \$1 billion+ partnership paid its CEO a base salary of \$1,000,000 and a bonus of \$737,500.

CEO Cash Compensation in Family-Owned Companies, by Company Revenue and Percentile



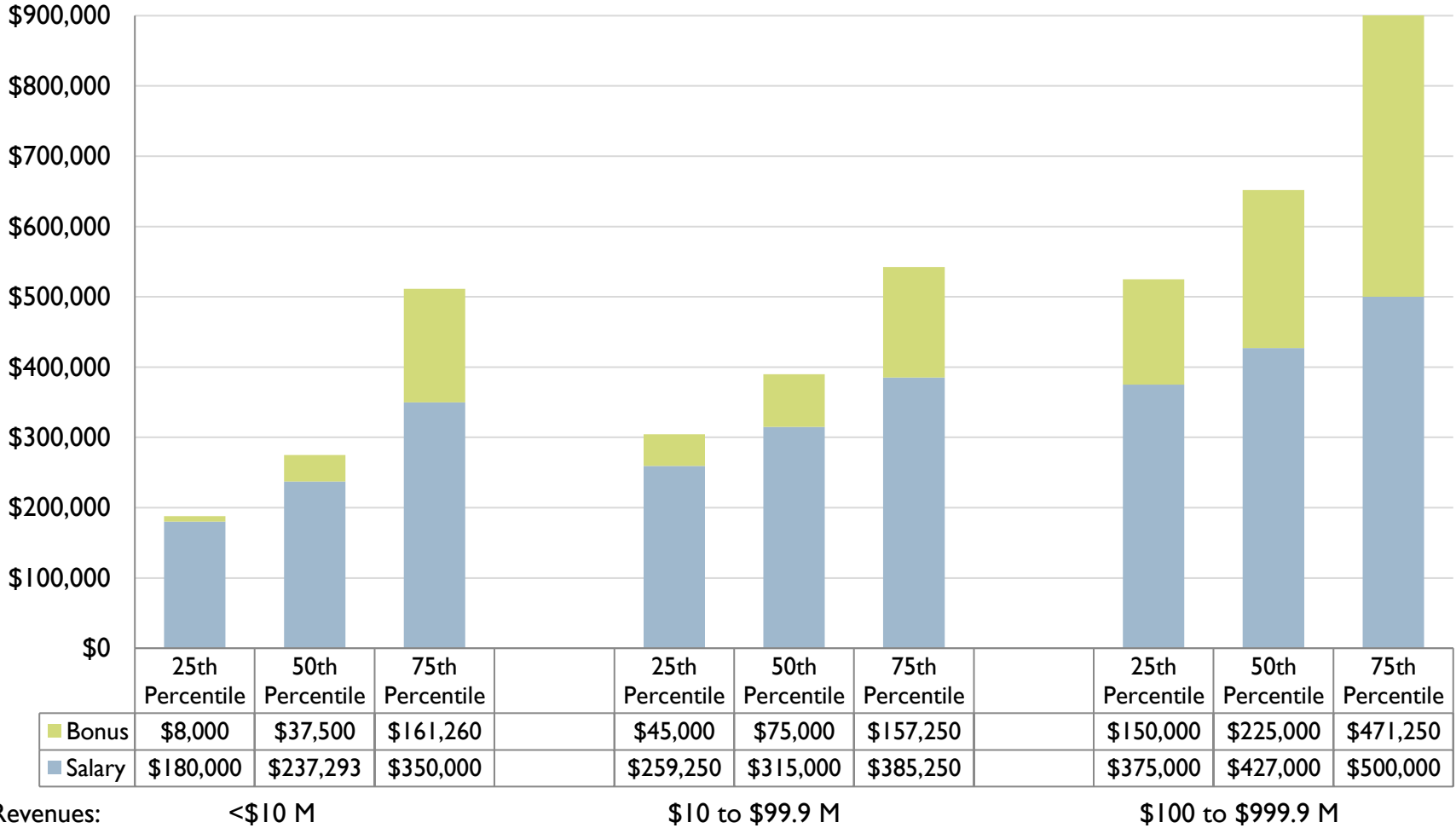
❖ The median \$1 billion+ family business paid its CEO a base salary of \$900,000 and a bonus of \$945,000.

CEO Cash Compensation in Employee-Owned Companies, by Company Revenue and Percentile



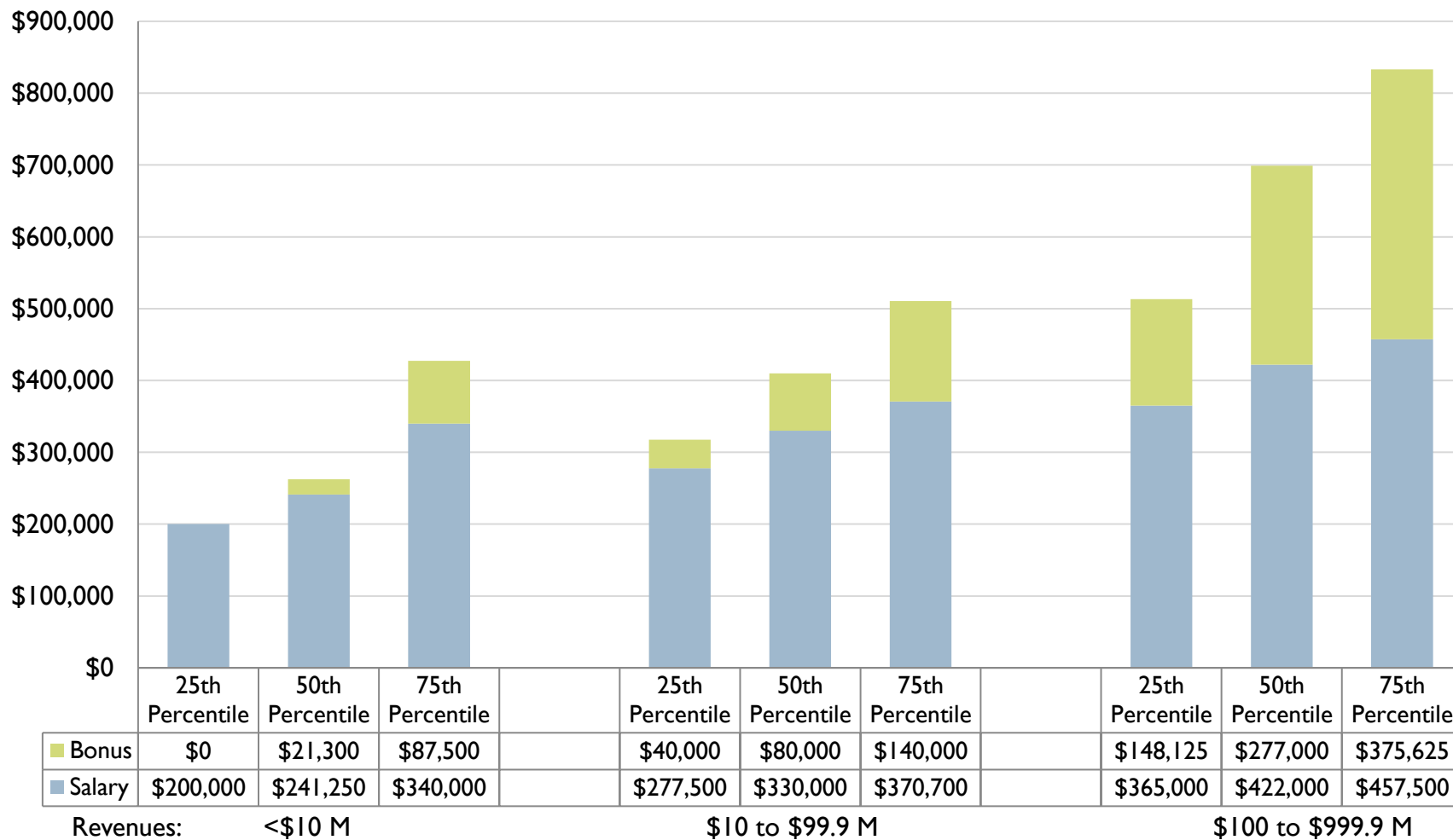
❖ The median \$1 billion+ employee-owned organization paid its CEO a base salary of \$858,500 and a bonus of \$615,000.

CEO Cash Compensation in PE-Owned Companies, by Company Revenue and Percentile



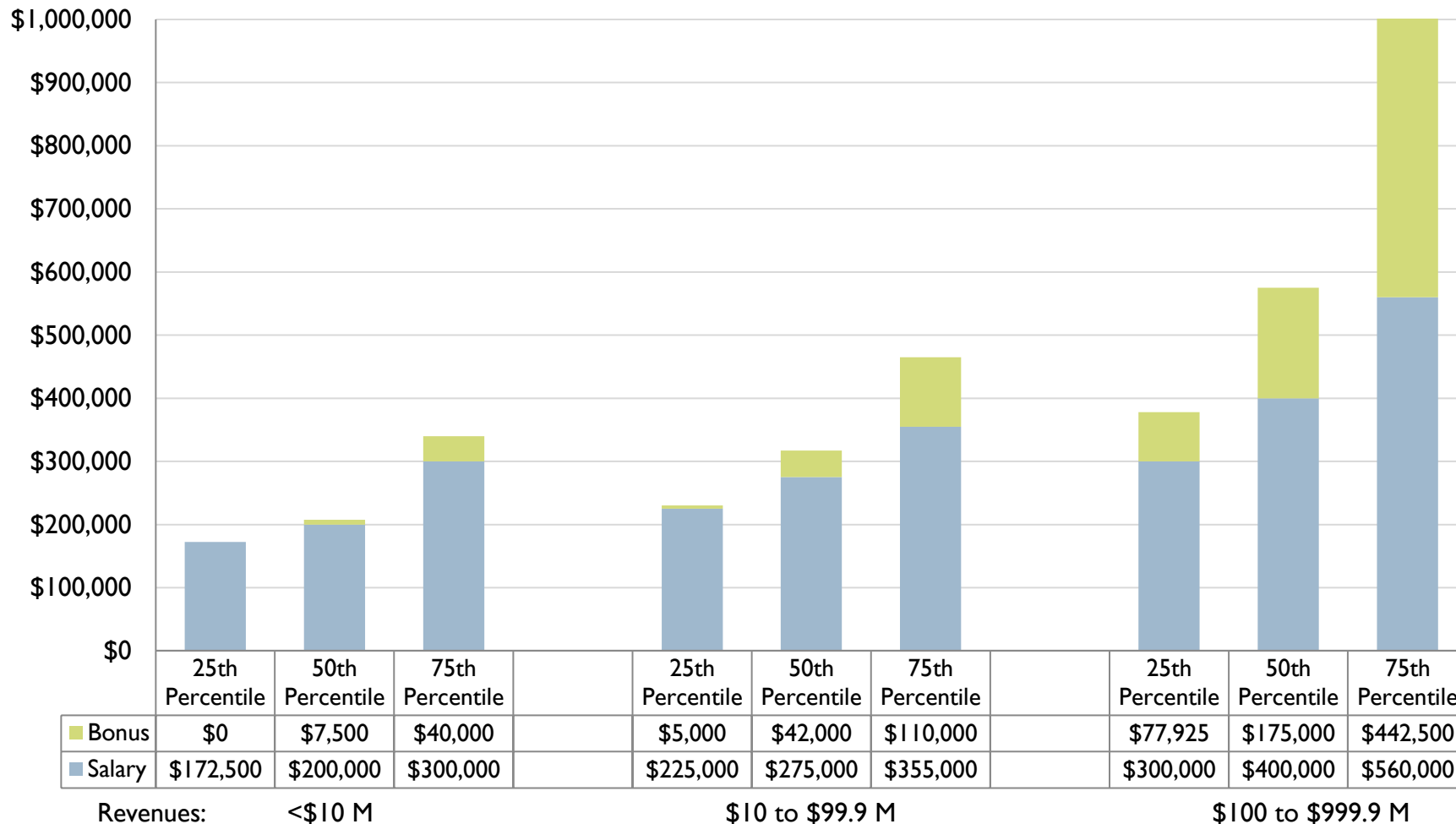
❖ The median \$1 billion+ private equity-owned company paid its CEO a base salary of \$944,000 and a bonus of \$725,000.

CEO Cash Compensation in VC-Owned Companies, by Company Revenue and Percentile



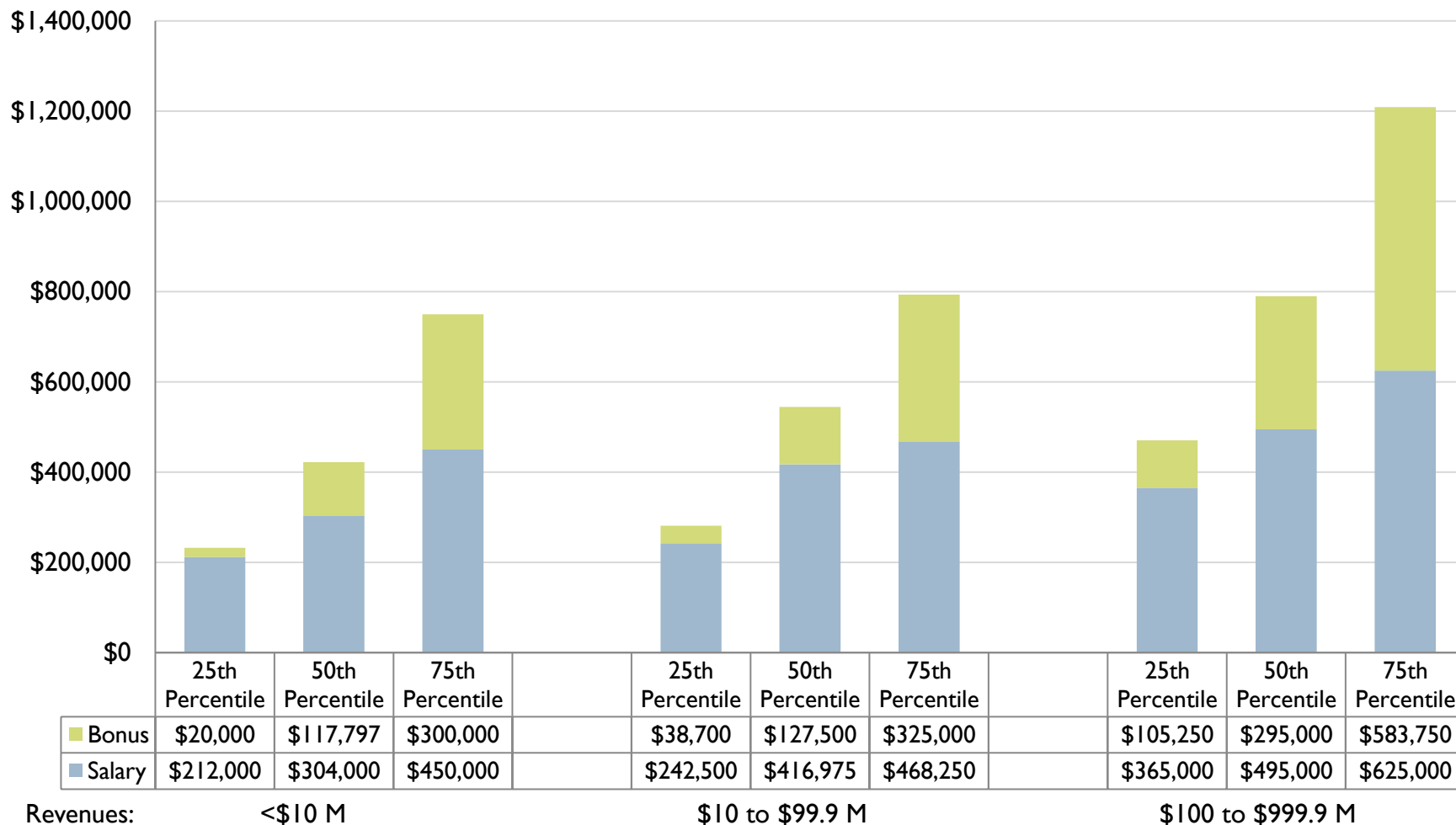
❖ The median \$1 billion+ sole proprietorship paid its CEO a base salary of \$672,000 and a bonus of \$717,000.

CEO Cash Compensation in Other-Investor-Owned Companies, by Company Revenue and Percentile



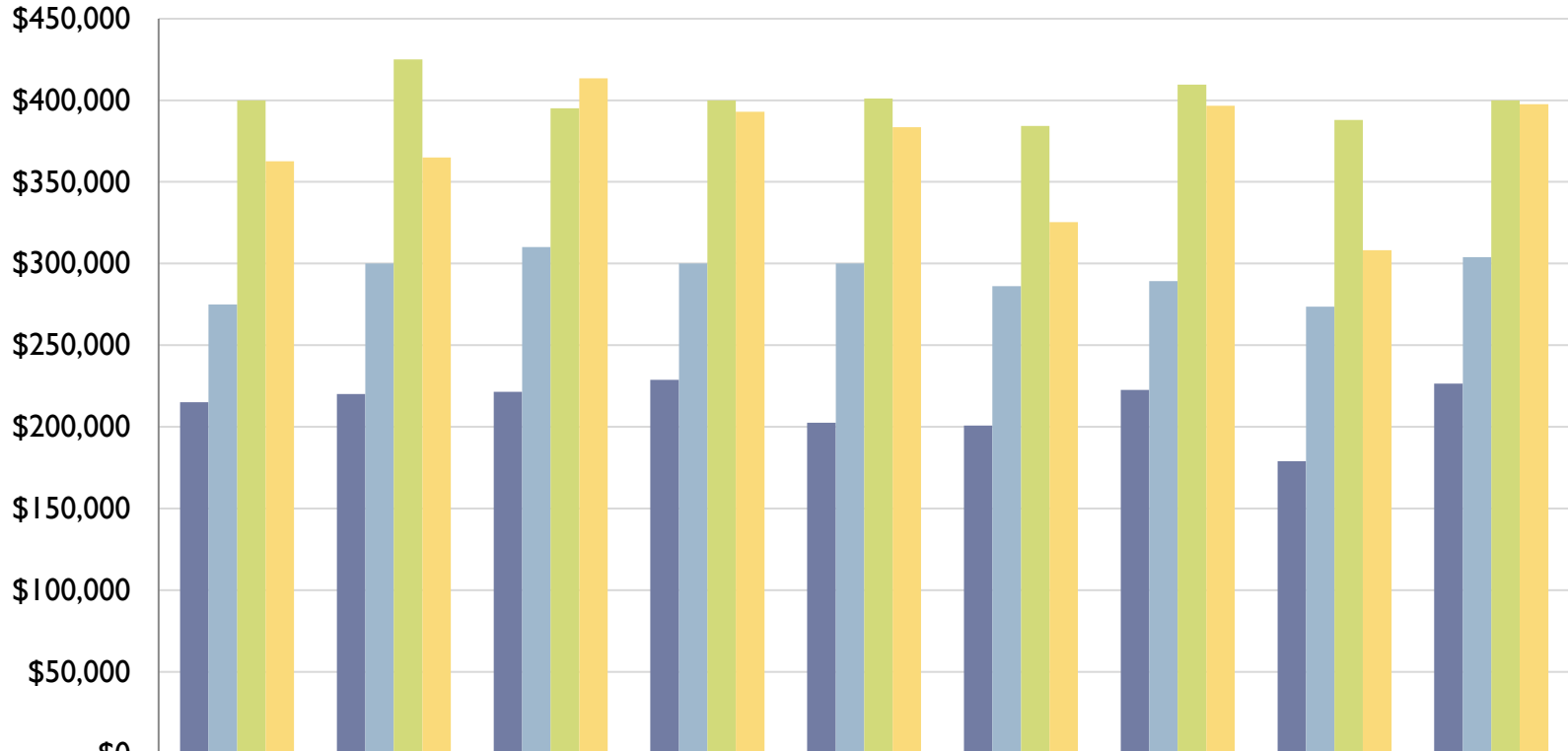
❖ The median \$1 billion + other-investor-owned company paid its CEO a salary of \$775,000 and a bonus of \$600,000.

CEO Cash Compensation in Public Companies, by Company Revenue and Percentile



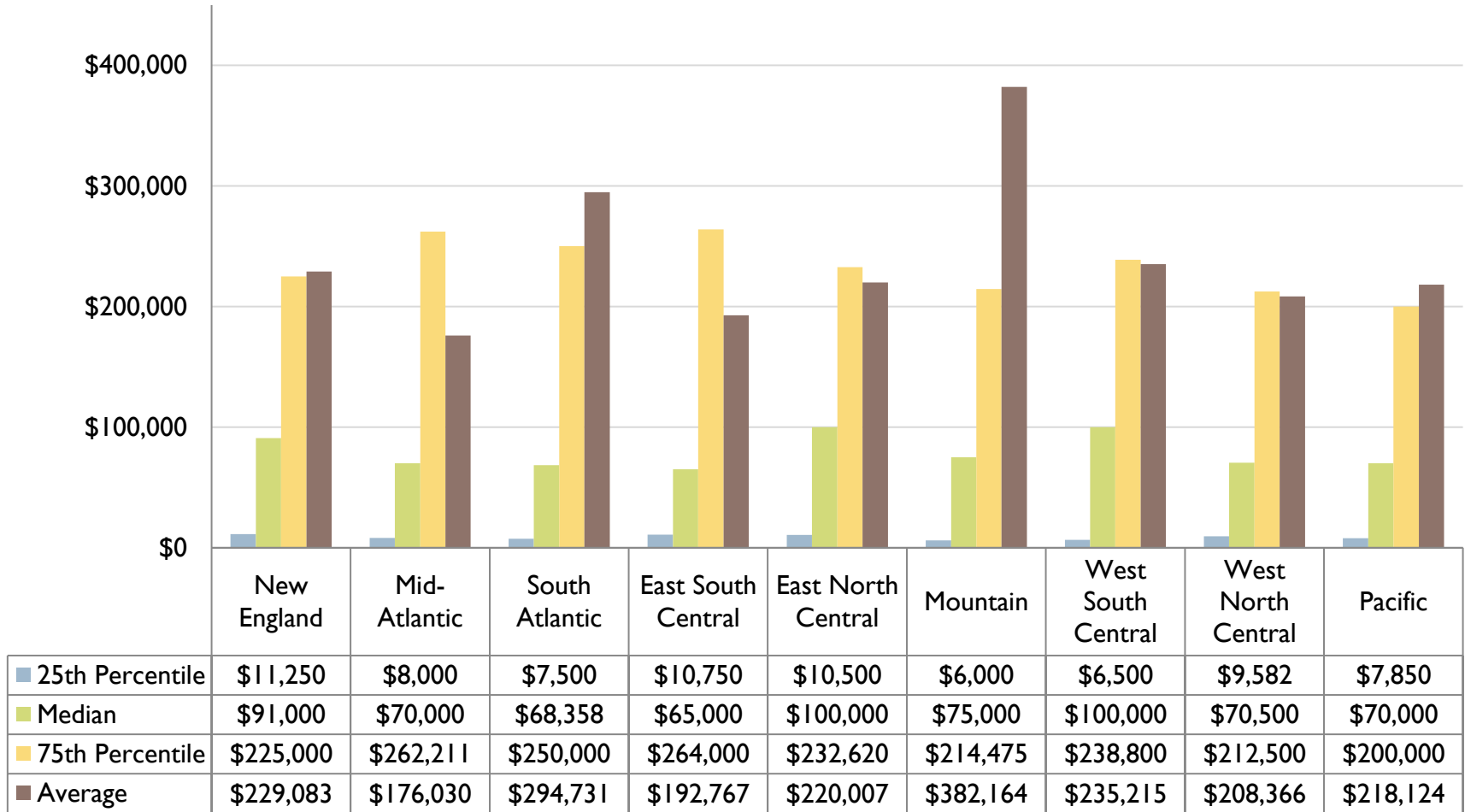
❖ The median \$1 billion+ public company paid its CEO a base salary of \$1,020,485 and a bonus of \$1,612,300.

CEO Base Salary, by Region



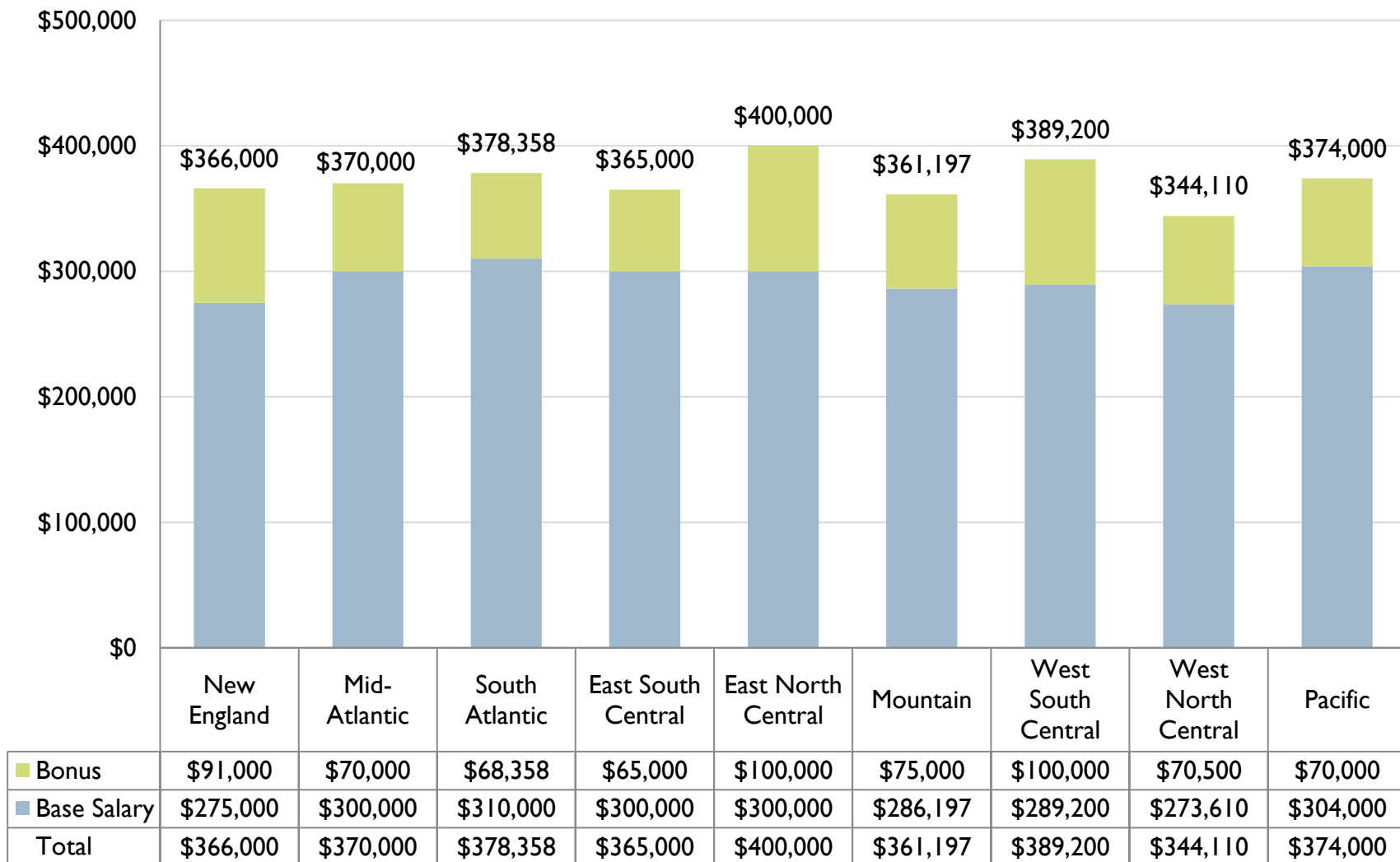
	New England	Mid-Atlantic	South Atlantic	East South Central	East North Central	Mountain	West South Central	West North Central	Pacific
■ 25th Percentile	\$215,000	\$220,000	\$221,518	\$228,840	\$202,500	\$200,750	\$222,500	\$179,000	\$226,550
■ Median	\$275,000	\$300,000	\$310,000	\$300,000	\$300,000	\$286,197	\$289,200	\$273,610	\$304,000
■ 75th Percentile	\$400,000	\$425,000	\$395,000	\$400,000	\$401,100	\$384,300	\$409,500	\$388,000	\$400,000
■ Average	\$362,617	\$364,867	\$413,442	\$393,019	\$383,517	\$325,365	\$396,665	\$308,069	\$397,511

CEO Bonus, by Region

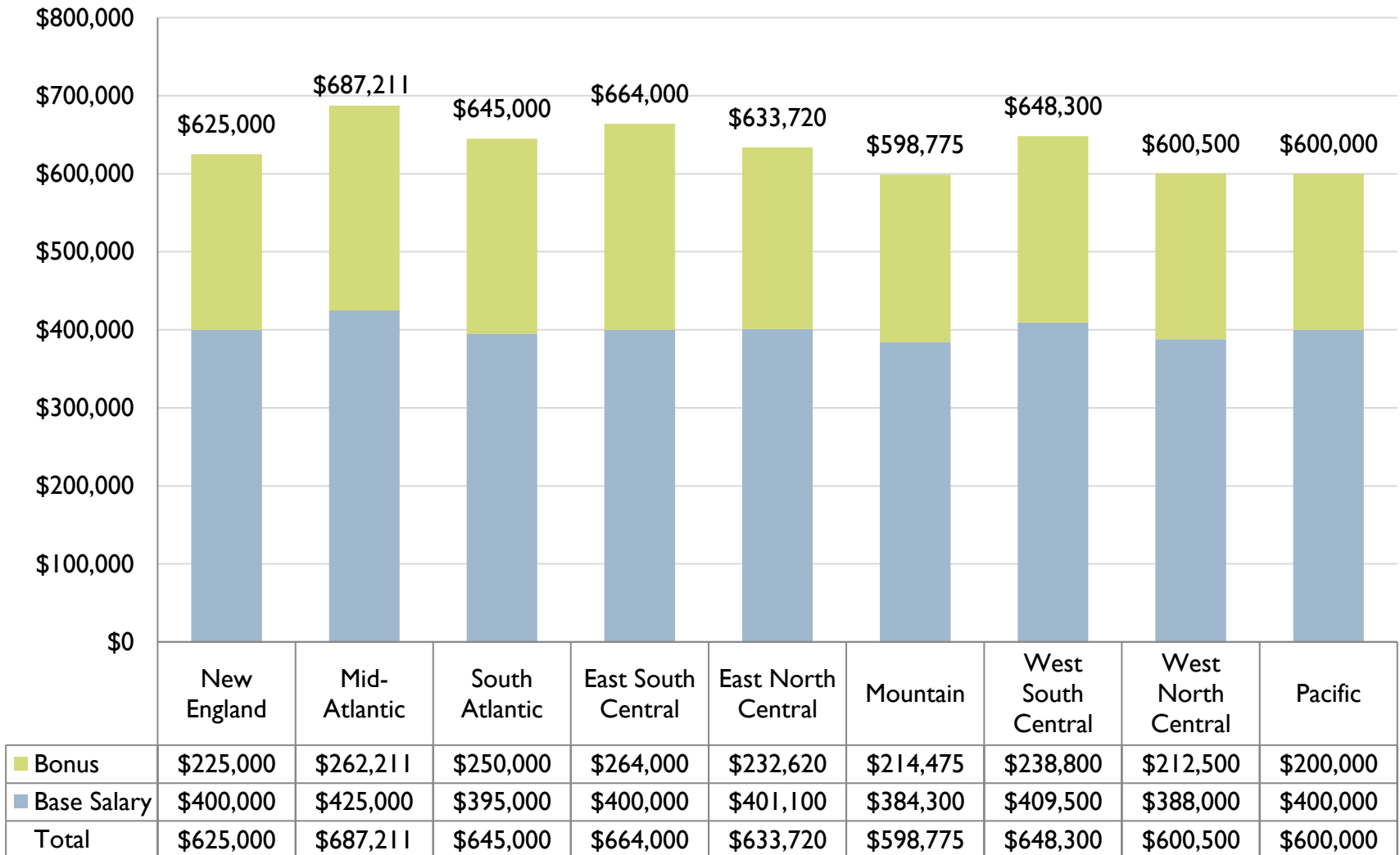


❖ Some of the regional changes are driven by industry mix. For example, while bonuses in most industries were down, median bonuses in West South Central (which has a heavy concentration of oil and gas) were up.

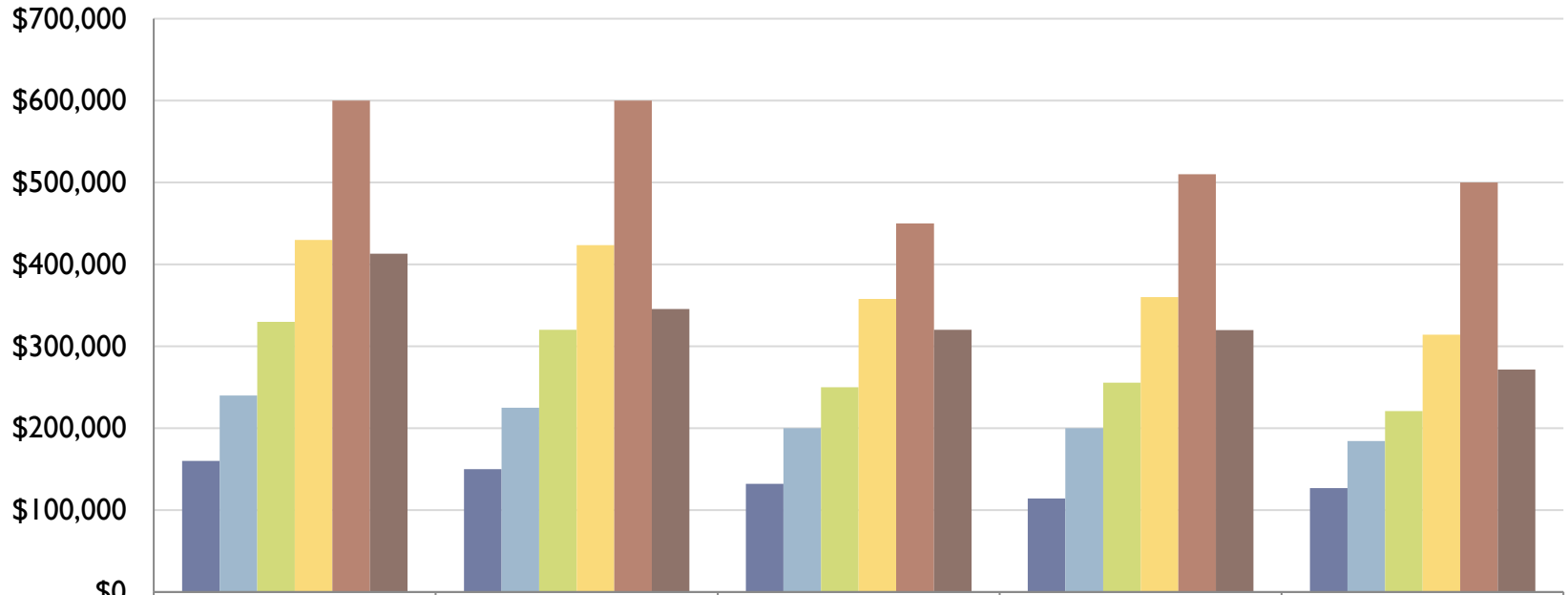
CEO Total Cash Compensation, by Region – Median



CEO Total Cash Compensation, by Region – Top Quartile

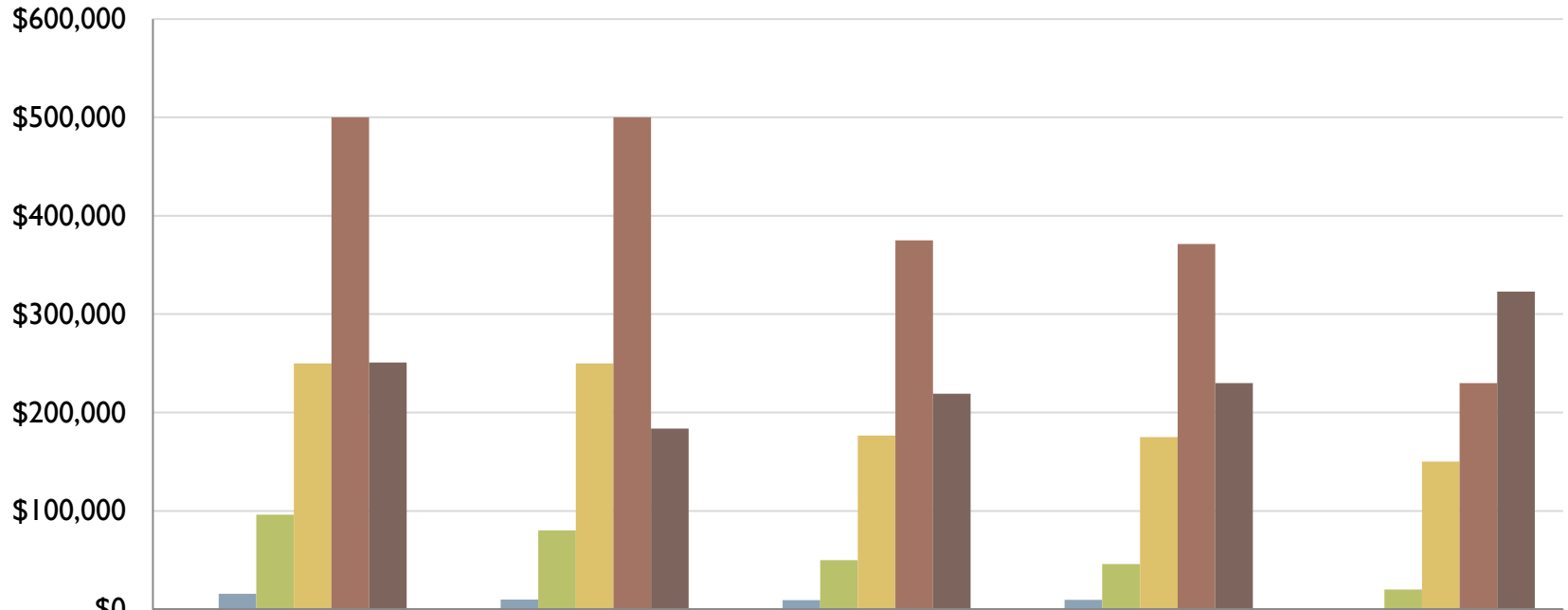


CEO Base Salary, by Labor Market



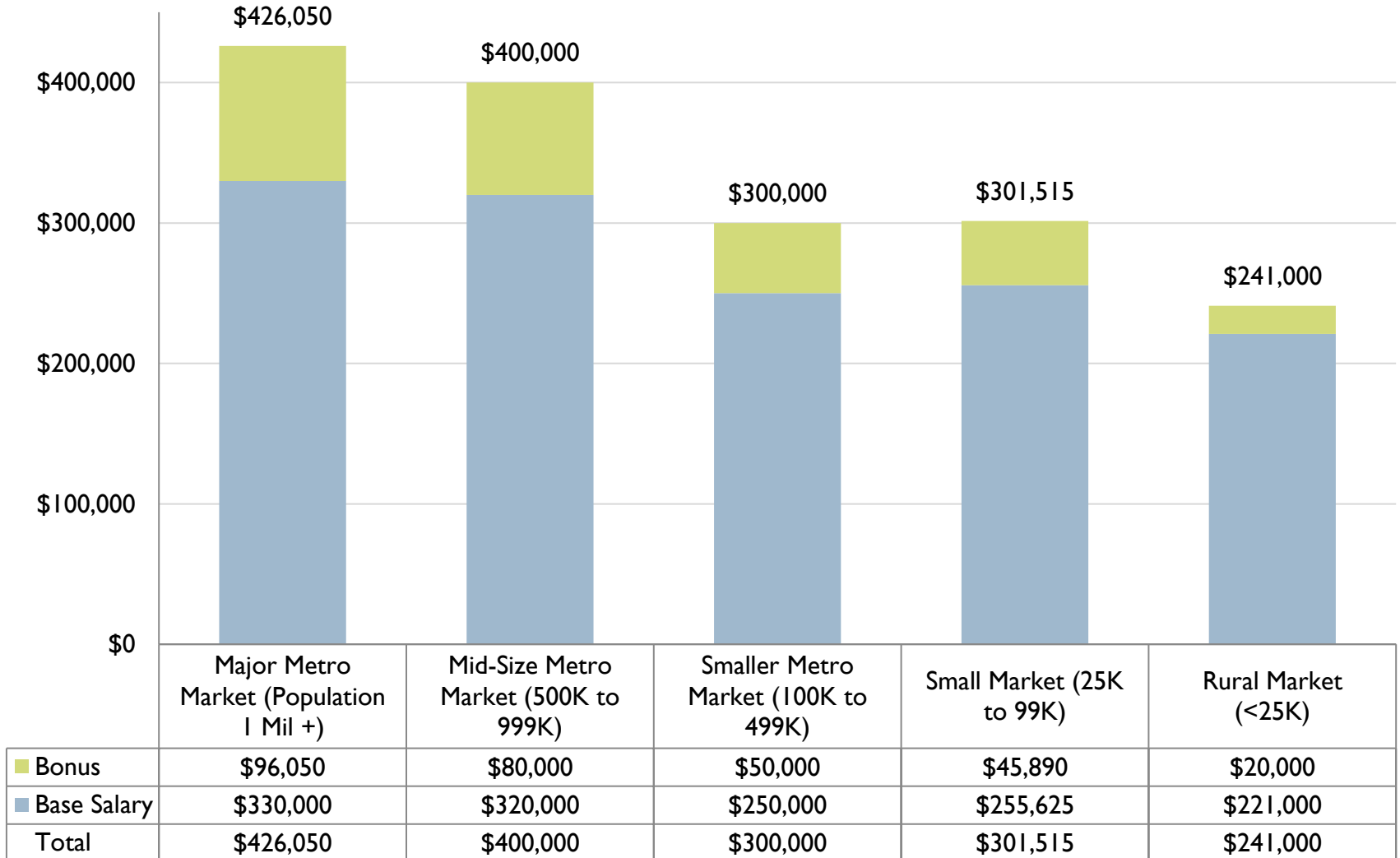
	Major Metro Market (Population 1 Mil+)	Mid-Size Metro Market (500K to 999K)	Smaller Metro Market (100K to 499K)	Small Market (25K to 99K)	Rural Market (<25K)
■ 10th Percentile	\$160,000	\$150,000	\$132,000	\$114,000	\$127,000
■ 25th Percentile	\$240,000	\$225,000	\$200,000	\$200,000	\$184,250
■ Median	\$330,000	\$320,000	\$250,000	\$255,625	\$221,000
■ 75th Percentile	\$430,000	\$423,500	\$358,000	\$360,000	\$314,250
■ 90th Percentile	\$600,000	\$600,000	\$450,000	\$509,932	\$500,000
■ Average	\$413,081	\$345,679	\$319,964	\$319,601	\$271,640

CEO Bonus, by Labor Market

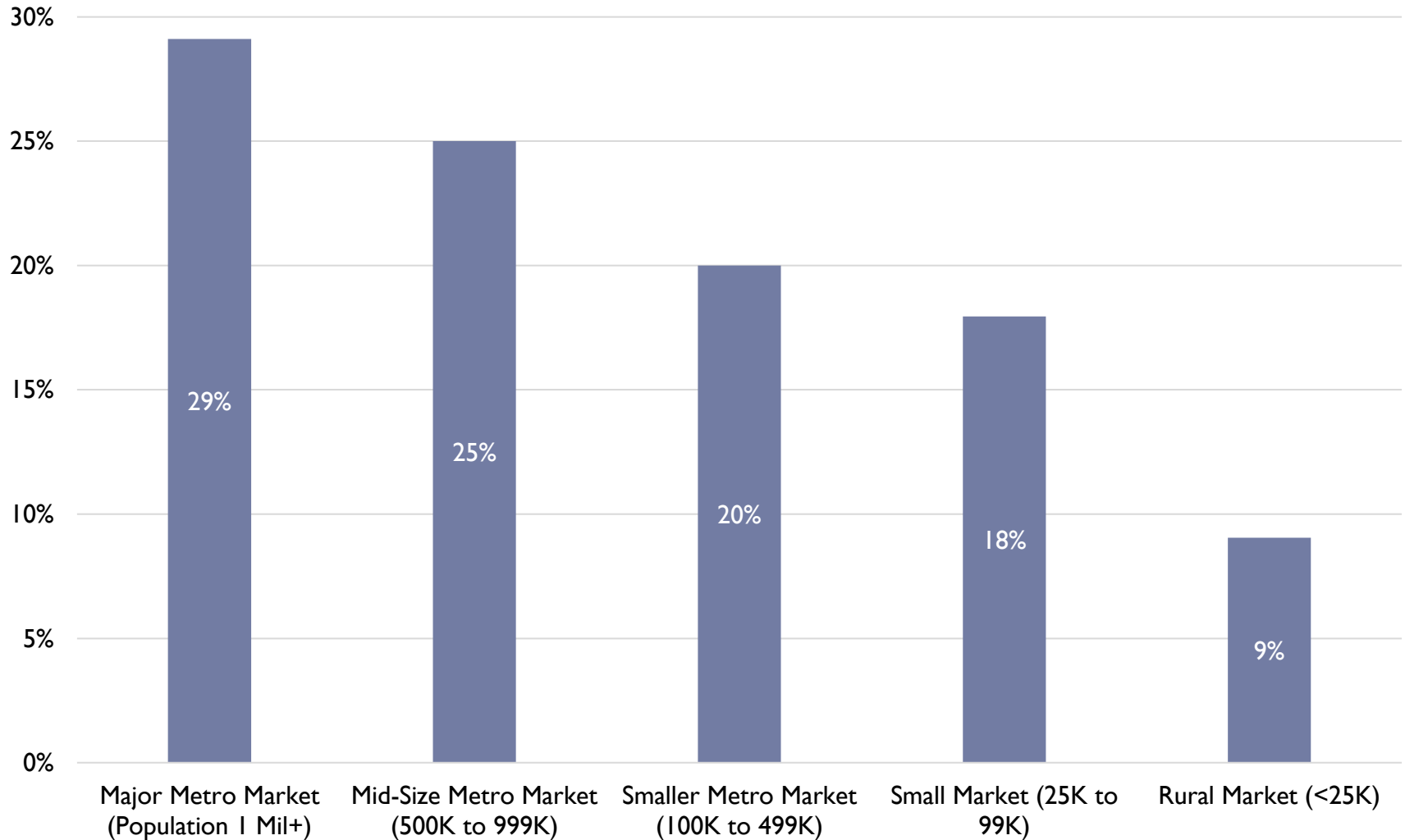


	Major Metro Market (Population 1 Mil+)	Mid-Size Metro Market (500K to 999K)	Smaller Metro Market (100K to 499K)	Small Market (25K to 99K)	Rural Market (<25K)
■ 10th Percentile	\$0	\$0	\$0	\$0	\$0
■ 25th Percentile	\$15,750	\$9,913	\$9,160	\$9,531	\$0
■ Median	\$96,050	\$80,000	\$50,000	\$45,890	\$20,000
■ 75th Percentile	\$250,000	\$250,000	\$176,700	\$175,000	\$150,107
■ 90th Percentile	\$500,000	\$500,000	\$375,000	\$371,200	\$230,000
■ Average	\$250,800	\$183,575	\$219,076	\$229,760	\$322,878

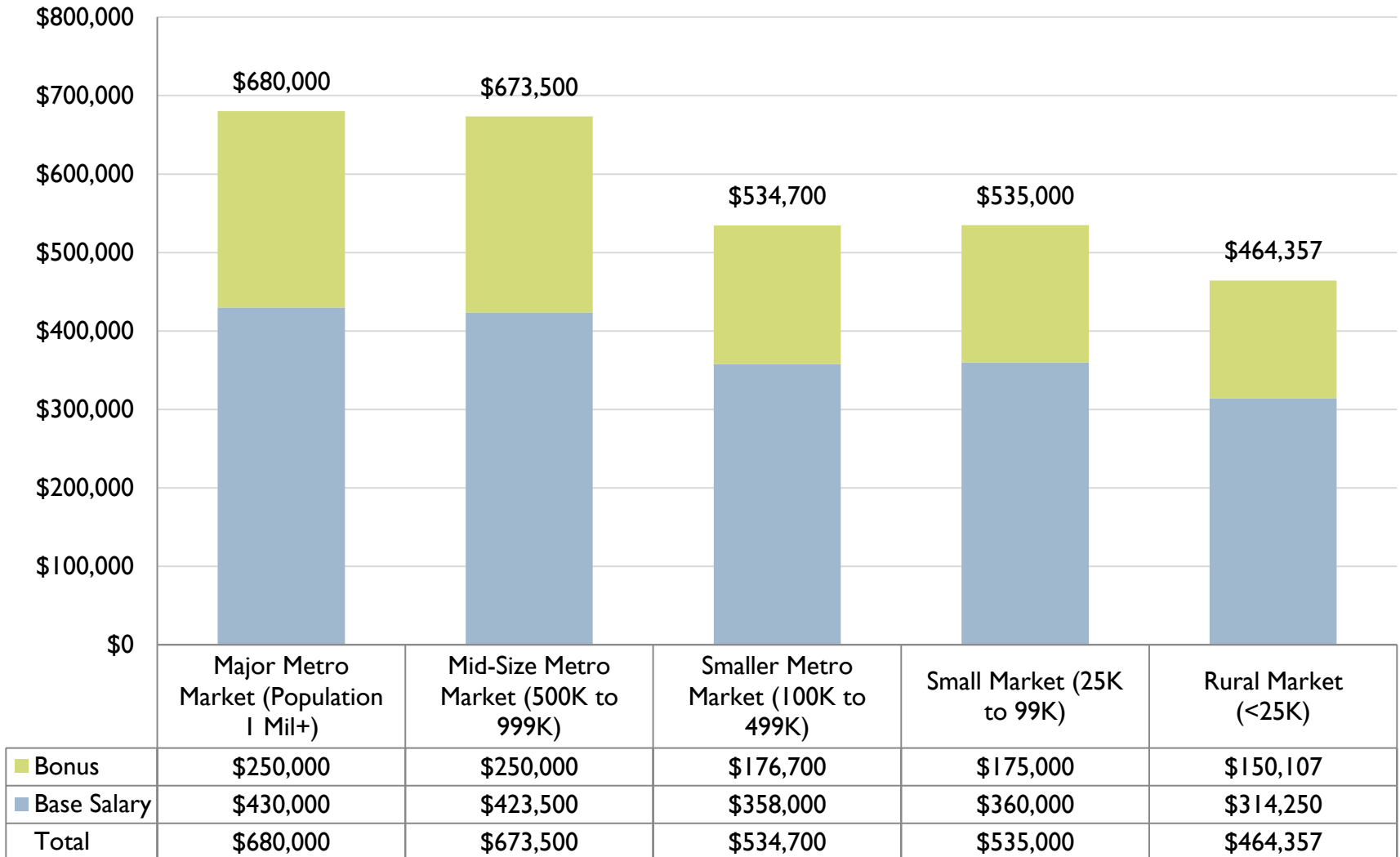
CEO Total Cash Compensation, by Labor Market – Median



CEO Bonus as % of Base Salary, by Labor Market – Median

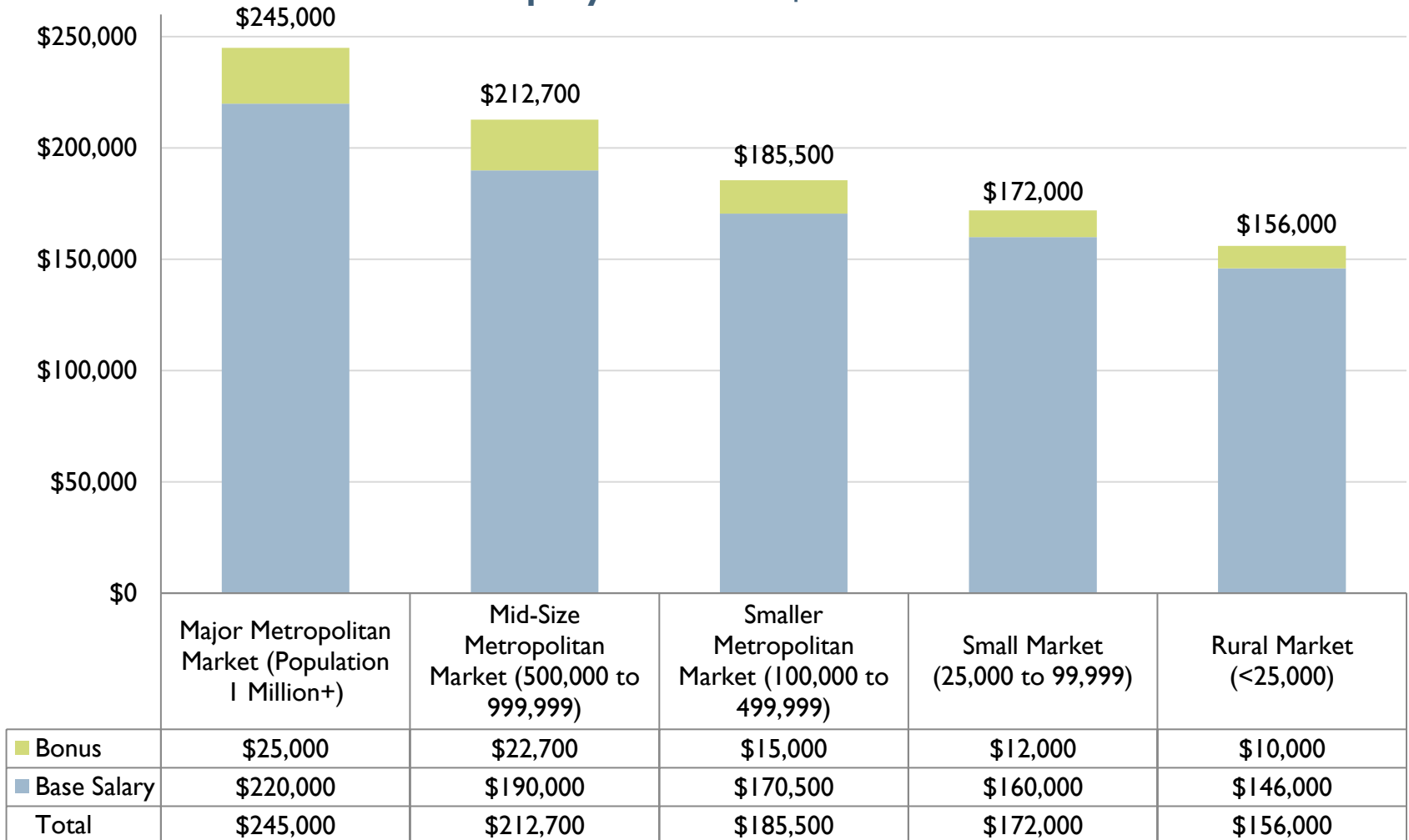


CEO Total Cash Compensation, by Labor Market – Top Quartile



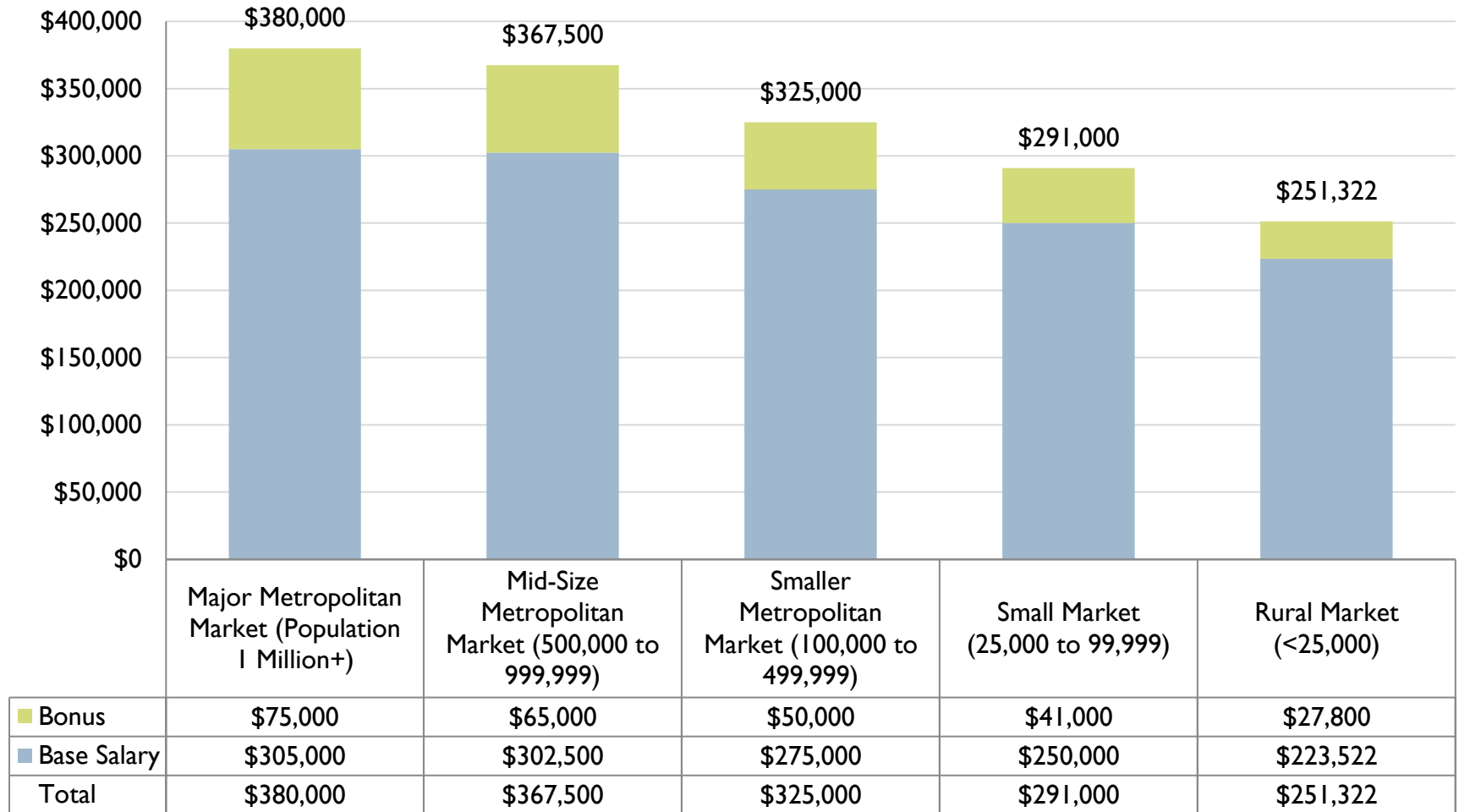
CEO Total Cash Compensation, by Labor Market and Company Revenue – Median

Company Revenue <\$10 Million



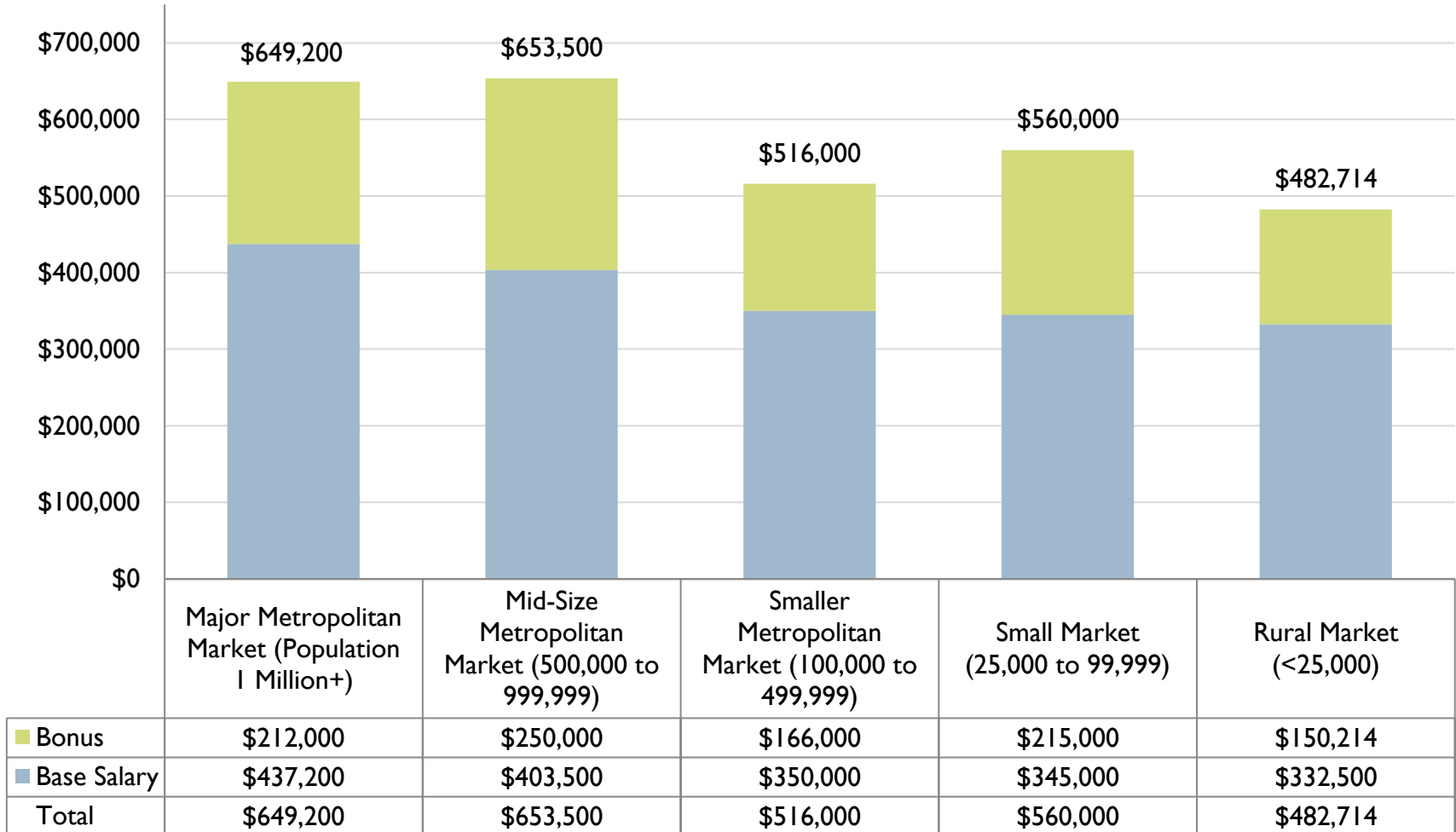
CEO Total Cash Compensation, by Labor Market and Company Revenue – Median

Company Revenue \$10 to \$99.9 Million



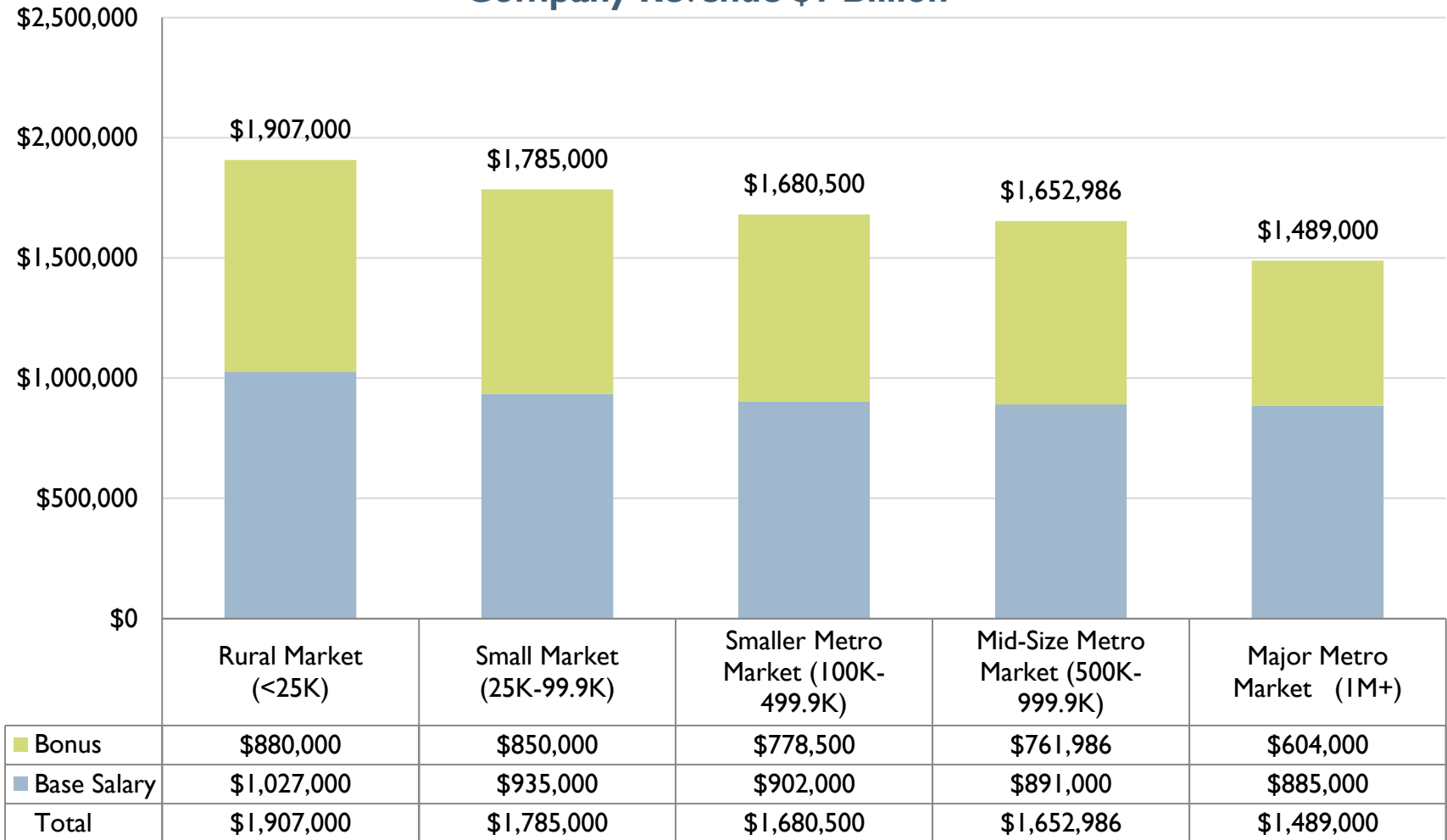
CEO Total Cash Compensation, by Labor Market and Company Revenue – Median

Company Revenue \$100 to \$999.9 Million



CEO Total Cash Compensation, by Labor 1 and Company Revenue – Median*

Company Revenue \$1 Billion +



*The results on this chart are not statistically significant due to sample size. Nonetheless, they are a useful benchmark.

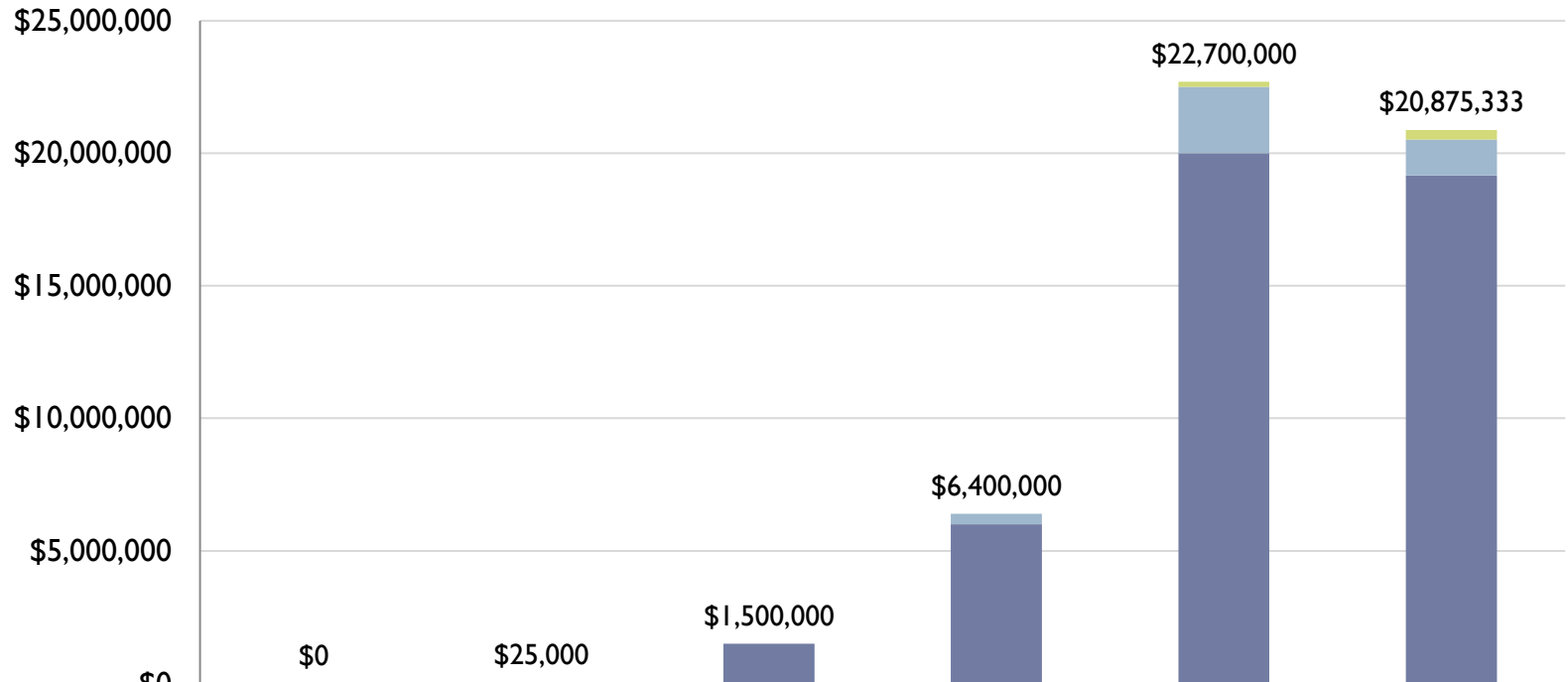


CEO Equity

CEO Equity Overview

- ▶ The median CEO did not record any new in-the-money grants or equity appreciation in 2022.
 - ▶ While the median CEO's equity didn't appreciate in 2022, he/she still owned 10% of the company's equity in 2022, with a value of \$1,500,000, so had a significant amount of “skin in the game” and alignment with the company's long-term success.
- ▶ Top-quartile CEOs enjoyed a \$400,000 increase in their equity value in 2022 and started 2023 with a \$6,400,000 equity stake.
- ▶ CEO ownership percentages are negatively correlated with company size by annual revenue (i.e., the smaller the company, the larger the equity ownership percentage by the CEO, although the value of the equity stake increases with size.)
 - ▶ Median <\$10 M revenue company CEO owned 36%, and the value of their equity stake on 01/01/2023 was \$700,000.
 - ▶ Median \$10 to \$99.9 M revenue company CEO owned 10%, and the value of their equity on 01/01/2023 was \$1,000,000.
 - ▶ Median \$100 to \$999.9 M revenue company CEO owned 5%, and the value of their equity on 01/01/2023 was \$3,097,833.
 - ▶ Median \$1 billion+ revenue company CEO owned 1%, and the value of their equity on 01/01/2023 was \$6,862,857.
- ▶ The median CEOs of sole proprietorships and partnerships own far larger equity stakes (100% and 42% respectively), but VC- and PE-backed CEOs have the largest equity stakes in terms of dollar value.

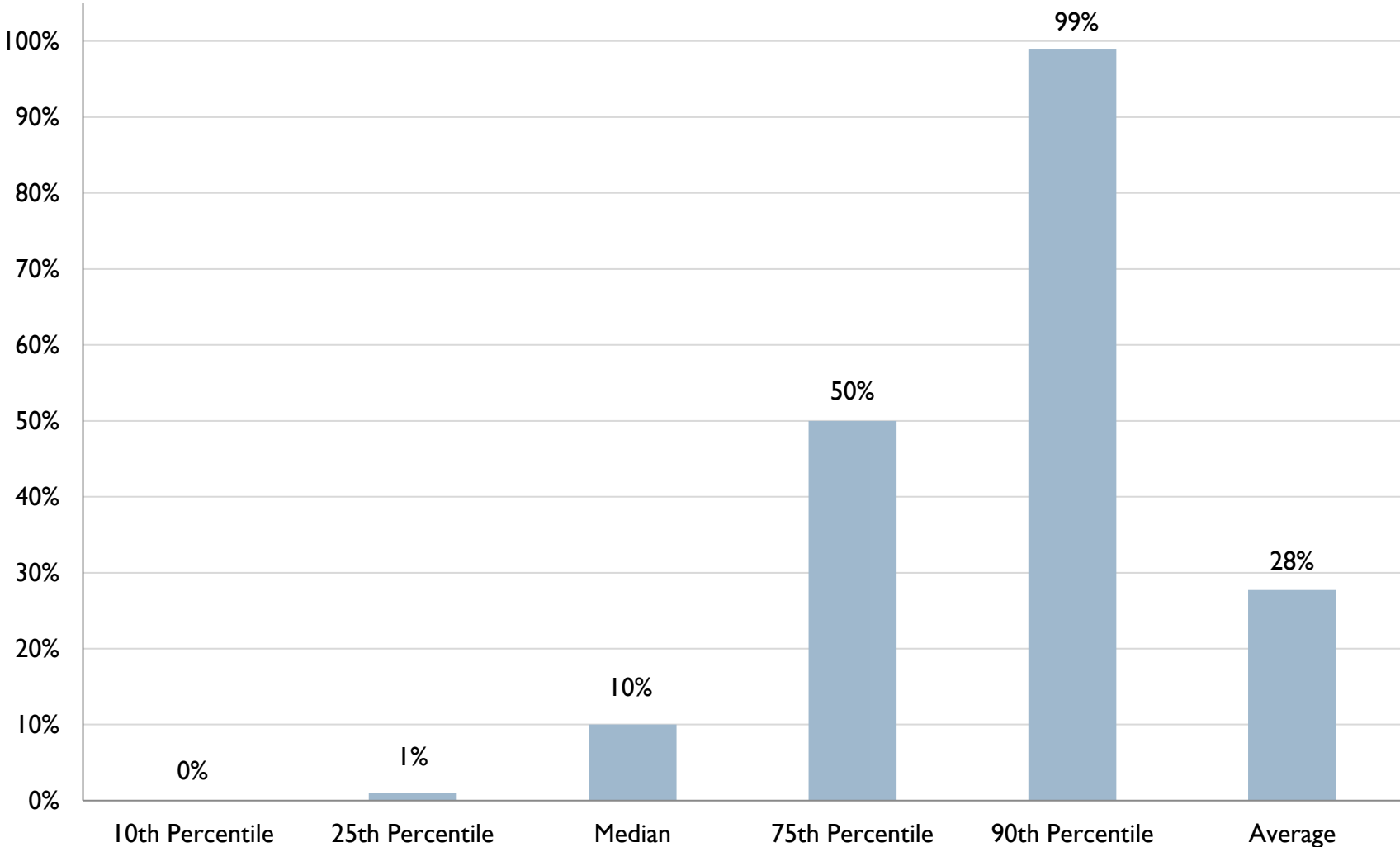
CEO Equity Gains and Total Equity Value



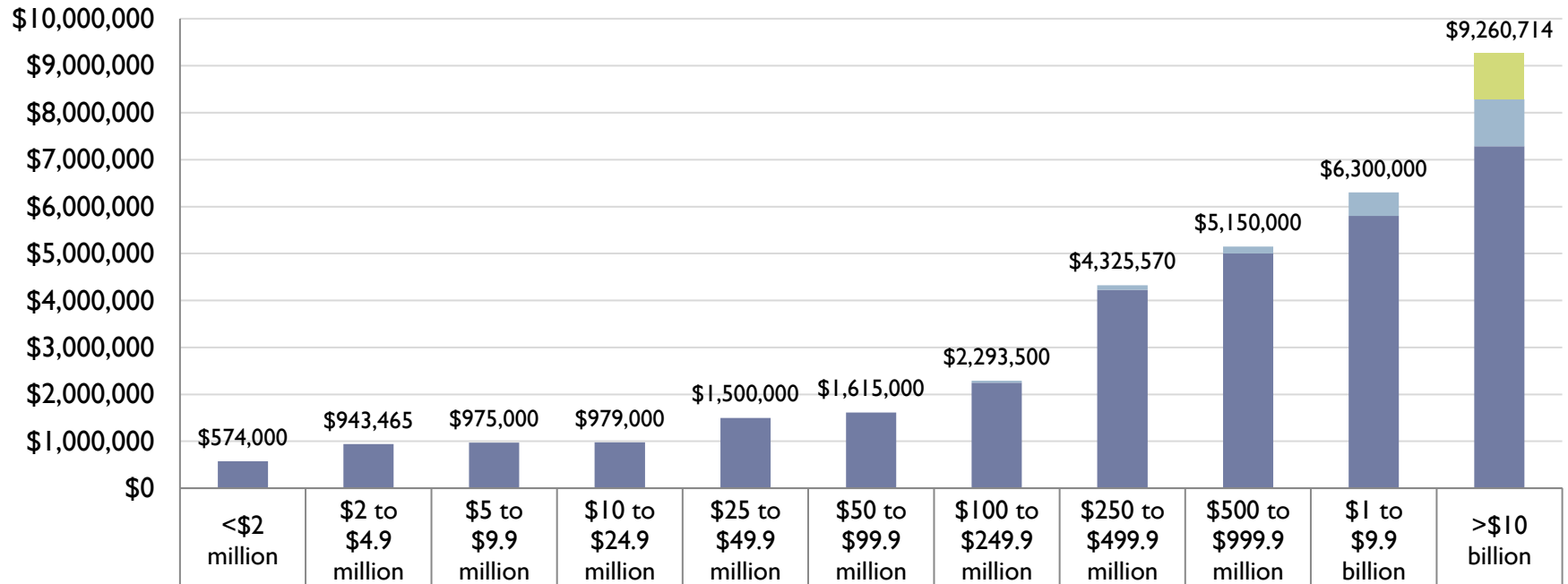
	10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile	Average
Equity Value at 1/1/23	\$0	\$25,000	\$1,500,000	\$6,400,000	\$22,700,000	\$20,875,333
New Grants	\$0	\$0	\$0	\$0	\$200,000	\$357,606
Equity Appreciation	\$0	\$0	\$0	\$400,000	\$2,500,000	\$1,352,554
Equity Value at 1/1/22	\$0	\$25,000	\$1,500,000	\$6,000,000	\$20,000,000	\$19,165,173

- ❖ Many companies don't report equity gains because they don't formally revalue the company each year or communicate the impact on the CEO's equity value (a best practice).

CEO Percentage Ownership of Company Equity



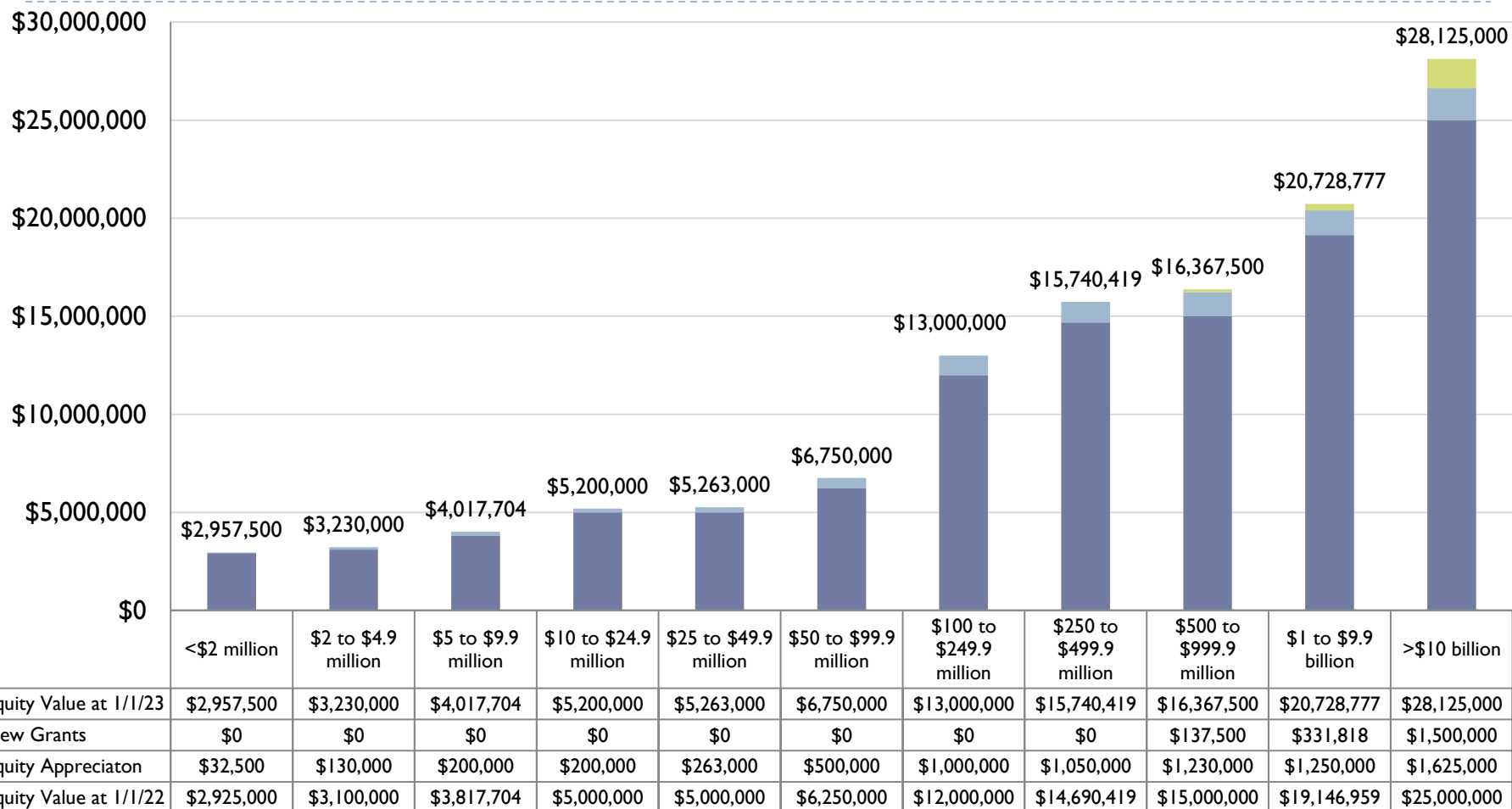
CEO Equity Gains and Total Equity Value by Company Revenue – Median



	<\$2 million	\$2 to \$4.9 million	\$5 to \$9.9 million	\$10 to \$24.9 million	\$25 to \$49.9 million	\$50 to \$99.9 million	\$100 to \$249.9 million	\$250 to \$499.9 million	\$500 to \$999.9 million	\$1 to \$9.9 billion	>\$10 billion
Equity Value at 1/1/23	\$574,000	\$943,465	\$975,000	\$979,000	\$1,500,000	\$1,615,000	\$2,293,500	\$4,325,570	\$5,150,000	\$6,300,000	\$9,260,714
New Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$975,000
Equity Appreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$43,500	\$100,000	\$150,000	\$500,000	\$1,000,000
Equity Value at 1/1/22	\$574,000	\$943,465	\$975,000	\$979,000	\$1,500,000	\$1,615,000	\$2,250,000	\$4,225,570	\$5,000,000	\$5,800,000	\$7,285,714

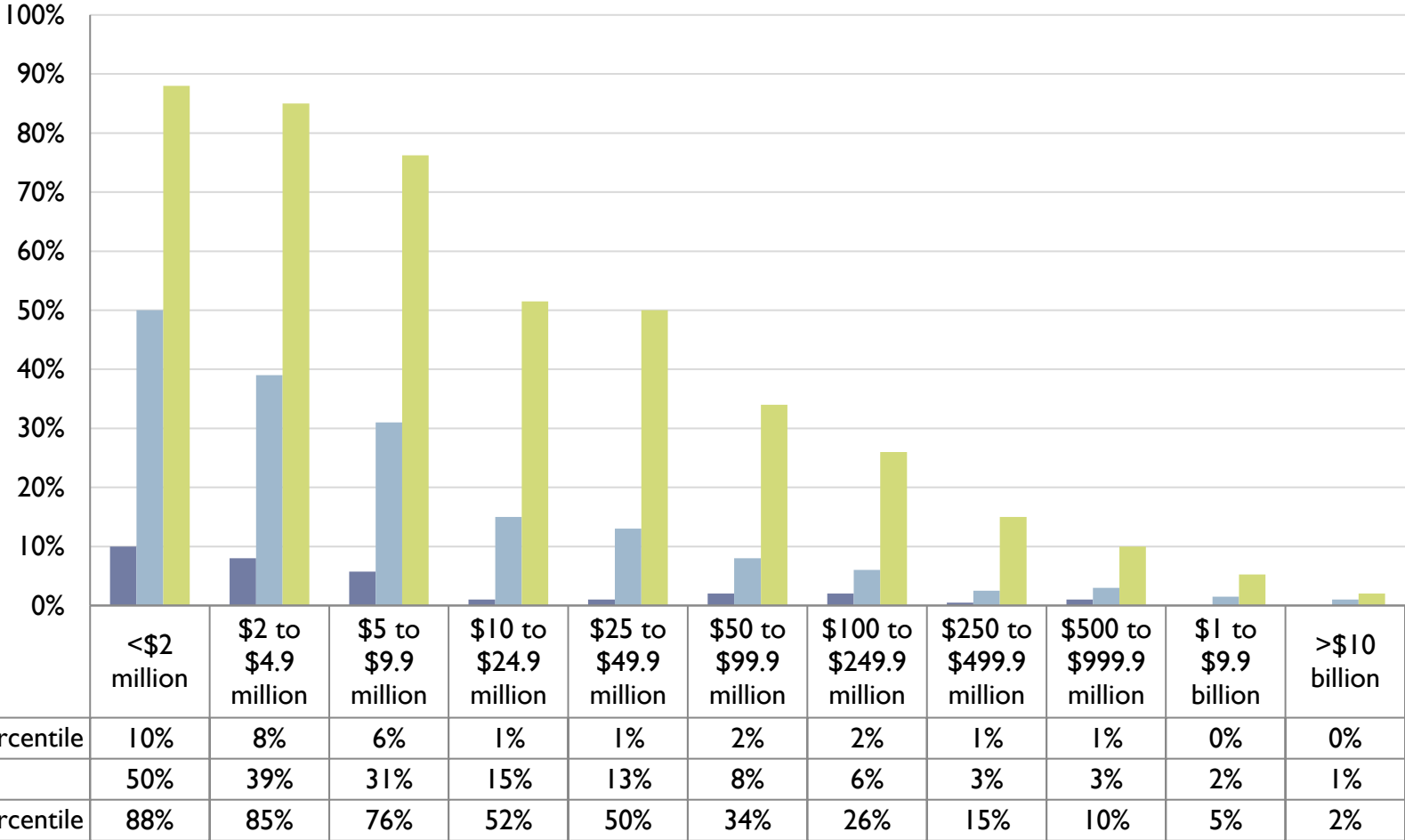
- ❖ Most CEOs have material stakes in their business, and larger company CEOs typically own a smaller piece of much bigger pies.
- ❖ 2022 was a weak year for the stock market and many private businesses. As public companies continue to offer equity incentives to top executives, more private companies (especially larger ones) are estimating their enterprise value increases—and communicating that to their CEO.

CEO Equity Gains and Total Equity Value by Company Revenue – Top Quartile



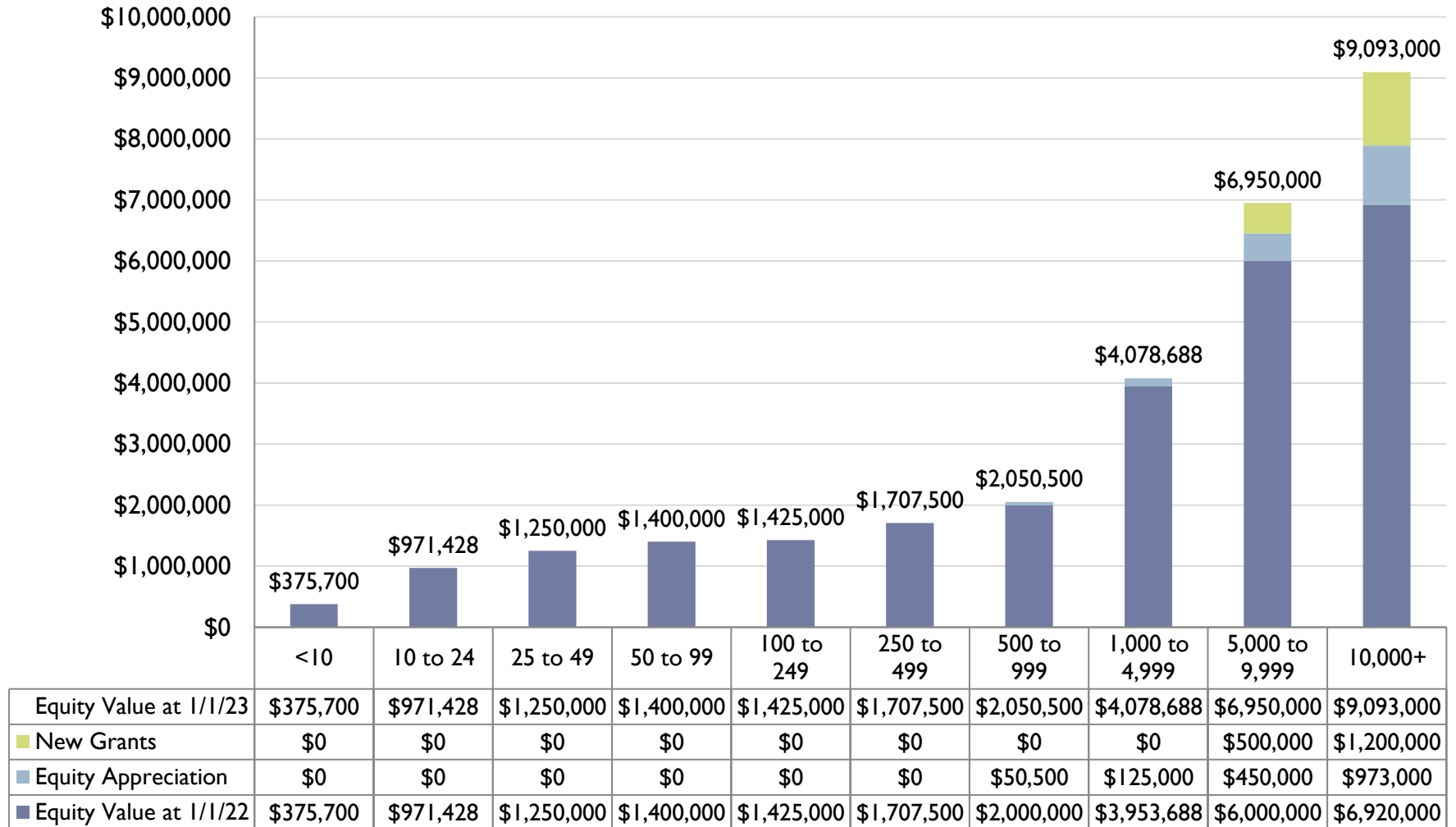
❖ Top-quartile CEOs across all company sizes benefited from equity appreciation in 2022, but only those leading companies of \$500 million + in revenue received new equity or option grants that year (because these larger private companies are competing more directly with public companies for senior talent).

CEO Percentage Ownership of Company Equity, by Company Revenue

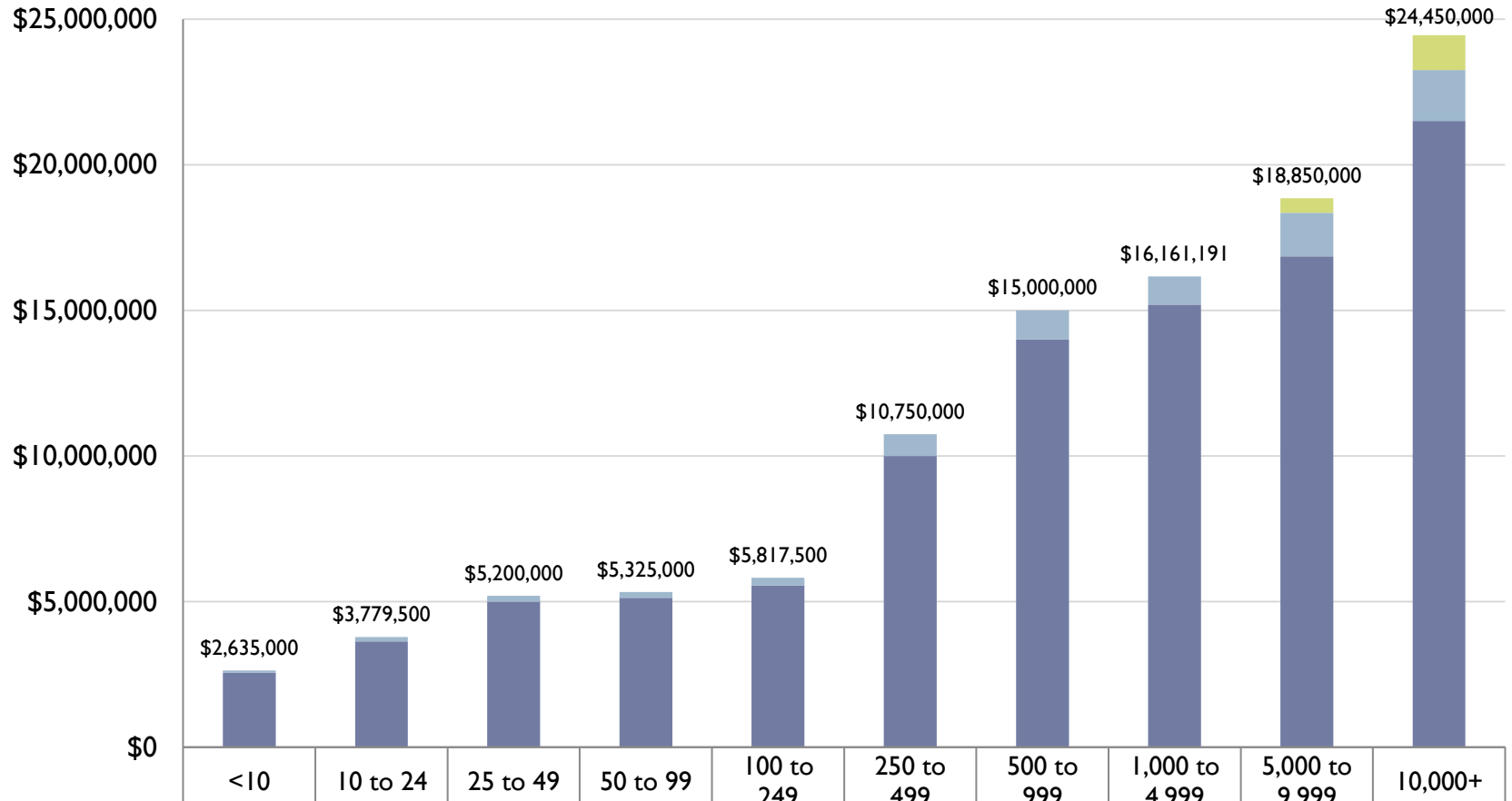


❖ CEO ownership percentages are negatively correlated with company size by annual revenues. The smaller the company, the larger the equity ownership % owned by the CEO, although the value of the equity stake increases with size.

CEO Equity Gains and Total Equity Value, by Number of Employees – Median

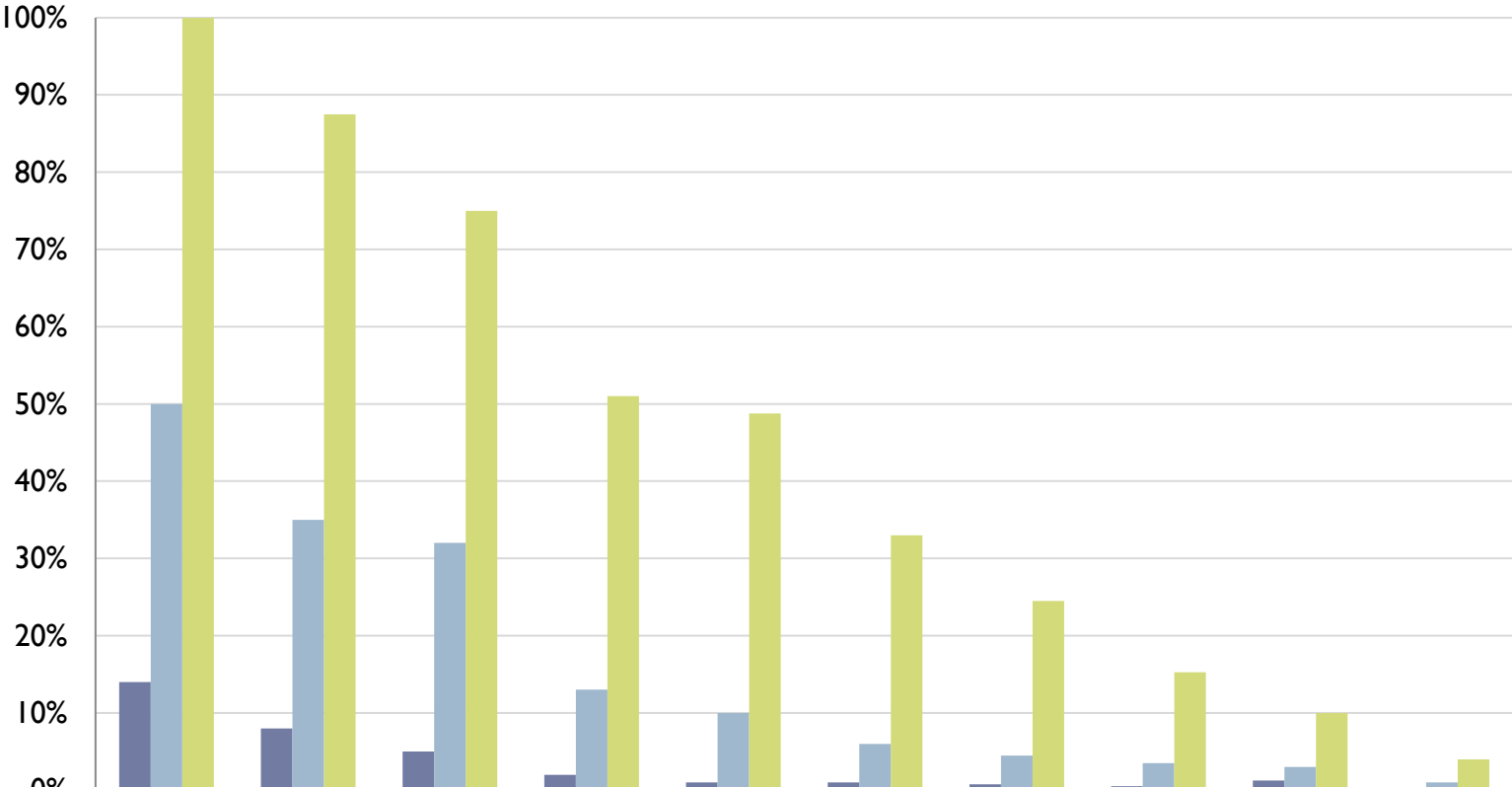


CEO Equity Gains and Grants, by Number of Employees – Top Quartile



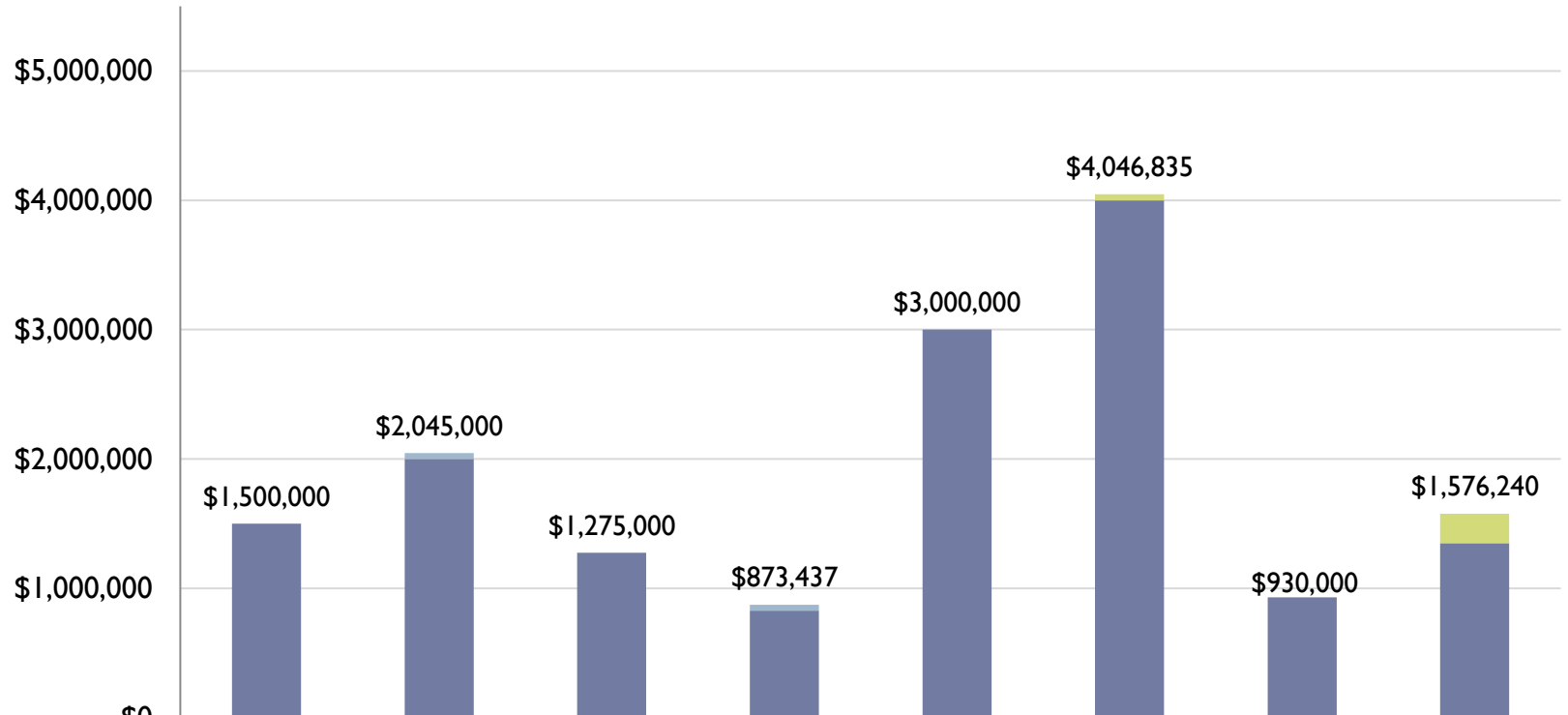
	<10	10 to 24	25 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1,000 to 4,999	5,000 to 9,999	10,000+
Equity Value at 1/1/23	\$2,635,00	\$3,779,50	\$5,200,00	\$5,325,00	\$5,817,50	\$10,750,0	\$15,000,0	\$16,161,1	\$18,850,0	\$24,450,0
New Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$1,200,00
Equity Appreciation	\$85,000	\$150,000	\$200,000	\$200,000	\$267,500	\$750,000	\$1,000,00	\$961,191	\$1,500,00	\$1,750,00
Equity Value at 1/1/22	\$2,550,00	\$3,629,50	\$5,000,00	\$5,125,00	\$5,550,00	\$10,000,0	\$14,000,0	\$15,200,0	\$16,850,0	\$21,500,0

CEO Percentage Ownership of Company Equity, by Number of Employees



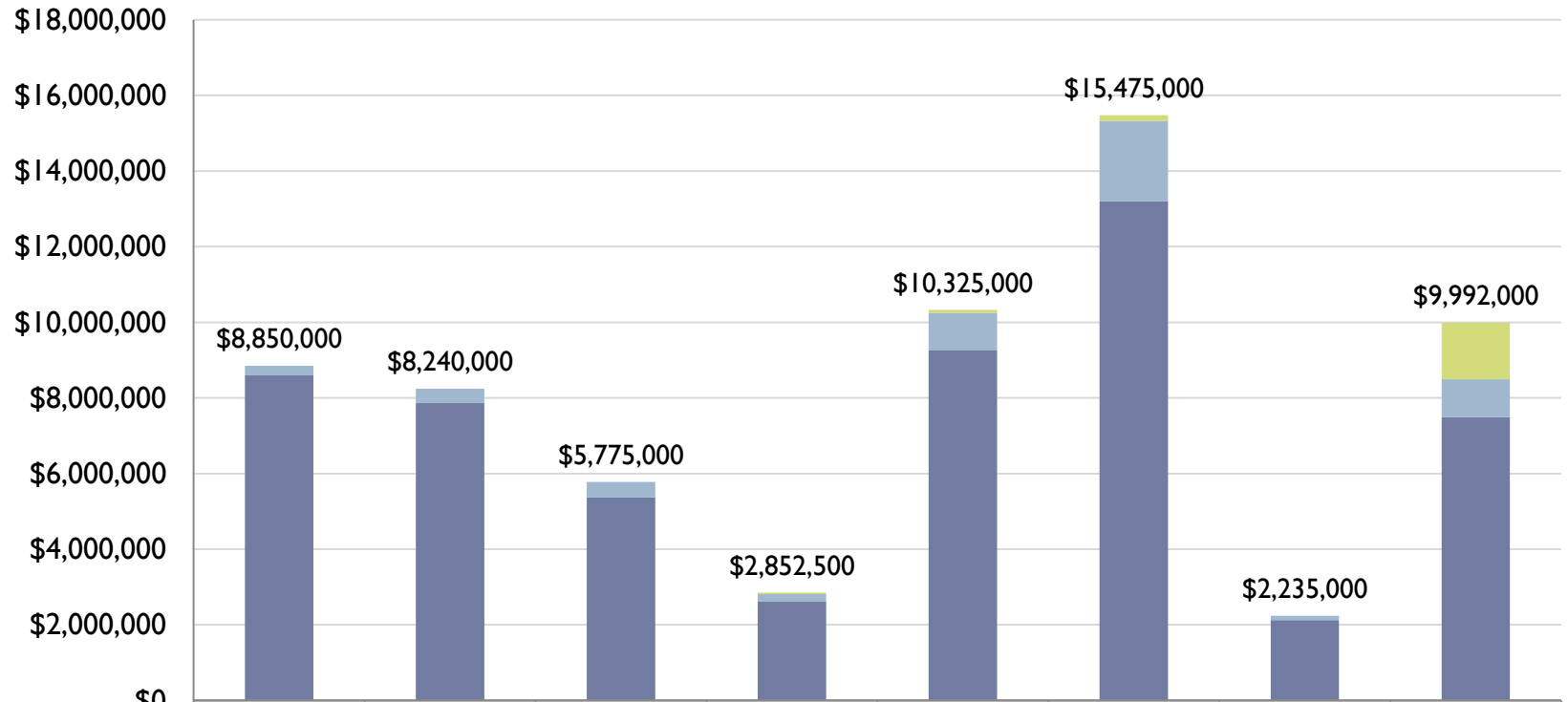
	<10	10 to 24	25 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1,000 to 4,999	5000 to 9,999	10,000+
■ 25th Percentile	14%	8%	5%	2%	1%	1%	1%	0.5%	1%	0.25%
■ Median	50%	35%	32%	13%	10%	6%	5%	4%	3%	1%
■ 75th Percentile	100%	87.5%	75%	51%	49%	33%	24.5%	15%	10%	4%

CEO Equity Gains and Total Equity Value, by Ownership Type – Median



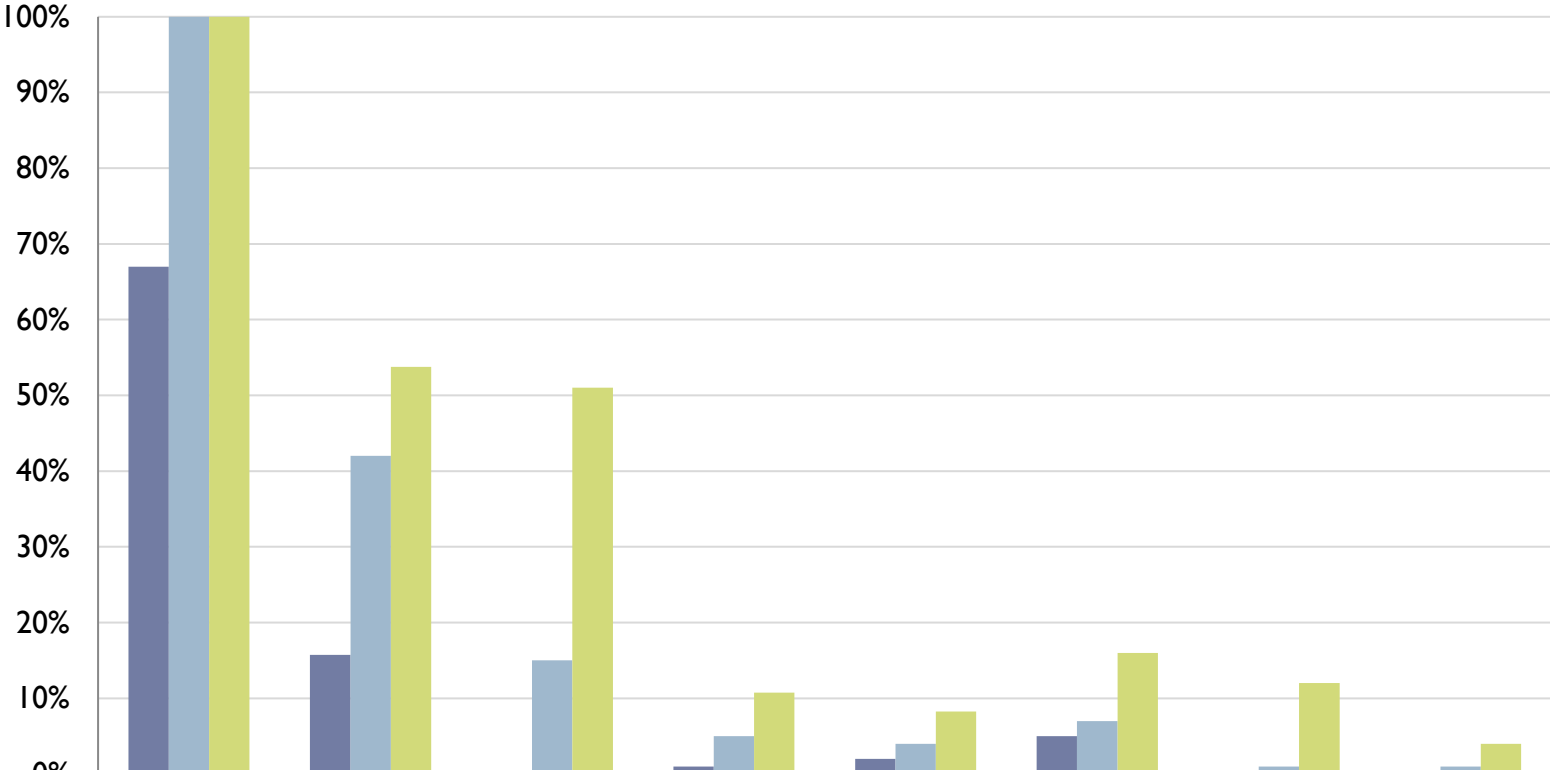
	Sole Proprietorship	Partnership	Family Owned	Employee Owned	Private Equity Owned	Venture Capital Owned	Other Investor Owned	Public Company
Equity Value at 1/1/23	\$1,500,000	\$2,045,000	\$1,275,000	\$873,437	\$3,000,000	\$4,046,835	\$930,000	\$1,576,240
New Grants	\$0	\$0	\$0	\$0	\$0	\$46,835	\$0	\$226,240
Equity Appreciation	\$0	\$45,000	\$0	\$45,000	\$0	\$0	\$0	\$0
Equity Value at 1/1/22	\$1,500,000	\$2,000,000	\$1,275,000	\$828,437	\$3,000,000	\$4,000,000	\$930,000	\$1,350,000

CEO Equity Gains and Total Equity Value, by Ownership Type – Top Quartile



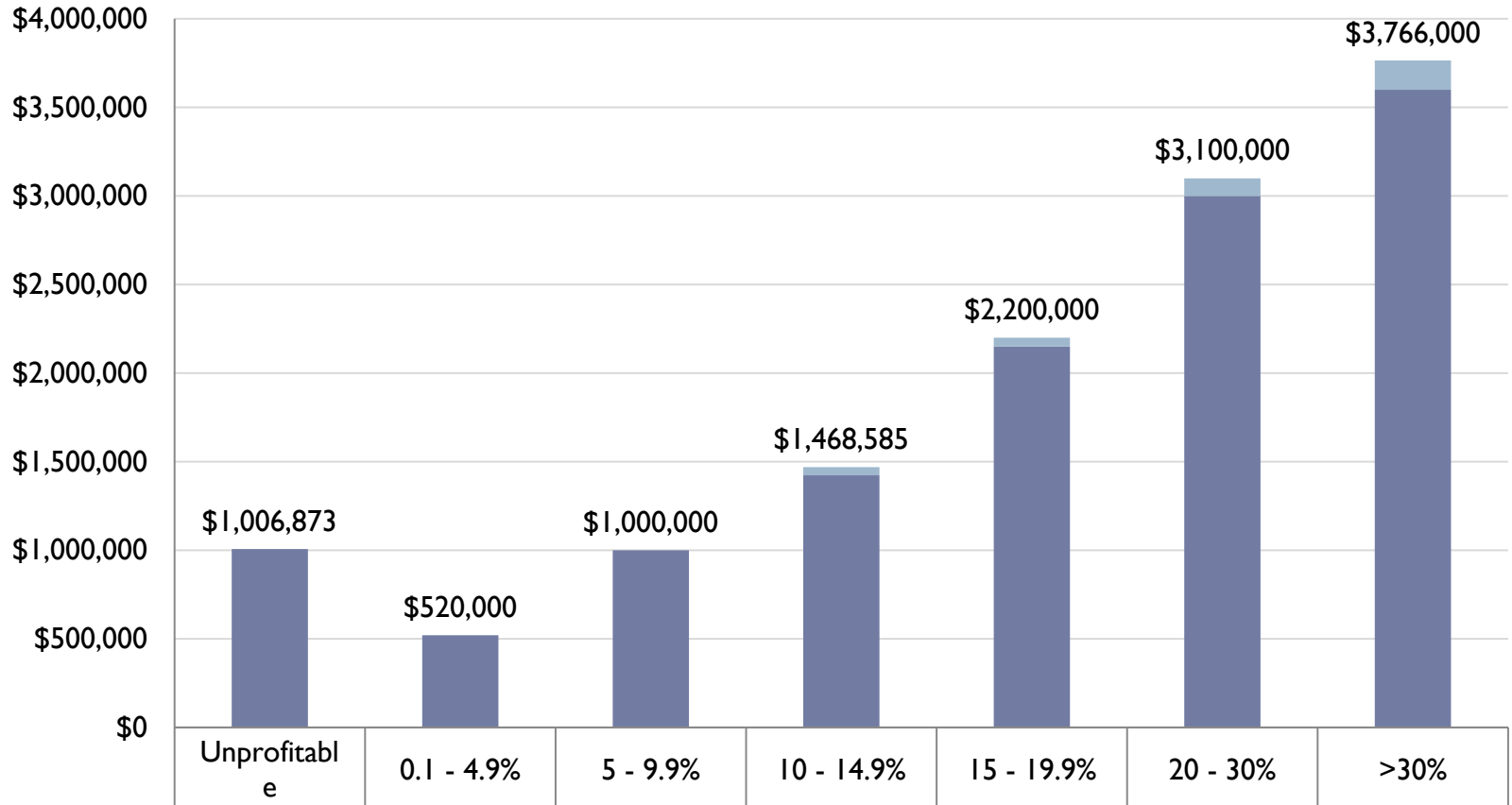
	Sole Proprietorship	Partnership	Family Owned	Employee Owned	Private Equity Owned	Venture Capital Owned	Other Investor Owned	Public Company
Equity Value at 1/1/23	\$8,850,000	\$8,240,000	\$5,775,000	\$2,852,500	\$10,325,000	\$15,475,000	\$2,235,000	\$9,992,000
New Grants	\$0	\$0	\$0	\$40,000	\$75,000	\$150,000	\$0	\$1,500,000
Equity Appreciation	\$250,000	\$380,000	\$400,000	\$200,000	\$1,000,000	\$2,125,000	\$110,000	\$1,000,000
Equity Value at 1/1/22	\$8,600,000	\$7,860,000	\$5,375,000	\$2,612,500	\$9,250,000	\$13,200,000	\$2,125,000	\$7,492,000

CEO Percentage Ownership of Company Equity, by Ownership Type



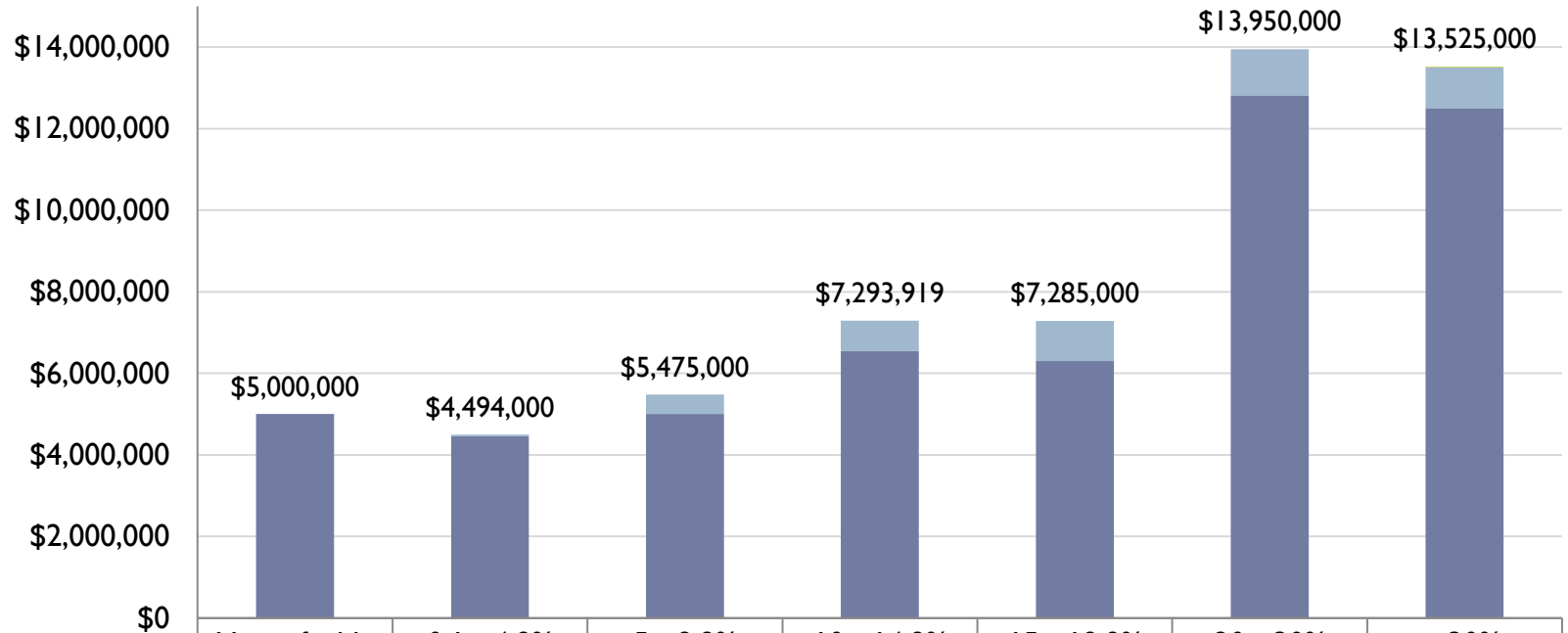
	Sole Proprietorship	Partnership	Family Owned	Employee Owned	Private Equity Owned	Venture Capital Owned	Other Investor Owned	Public Company
■ 25th Percentile	67%	16%	1%	1%	2%	5%	0%	0%
■ Median	100%	42%	15%	5%	4%	7%	1%	1%
■ 75th Percentile	100%	54%	51%	11%	8%	16%	12%	4%

CEO Equity Gains and Total Equity Value, by Level of Profitability – Median



	Unprofitable	0.1 - 4.9%	5 - 9.9%	10 - 14.9%	15 - 19.9%	20 - 30%	>30%
Equity Value at 1/1/23	\$1,006,873	\$520,000	\$1,000,000	\$1,468,585	\$2,200,000	\$3,100,000	\$3,766,000
New Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Appreciation	\$0	\$0	\$0	\$45,000	\$50,000	\$100,000	\$166,000
Equity Value at 1/1/22	\$1,006,873	\$520,000	\$1,000,000	\$1,423,585	\$2,150,000	\$3,000,000	\$3,600,000

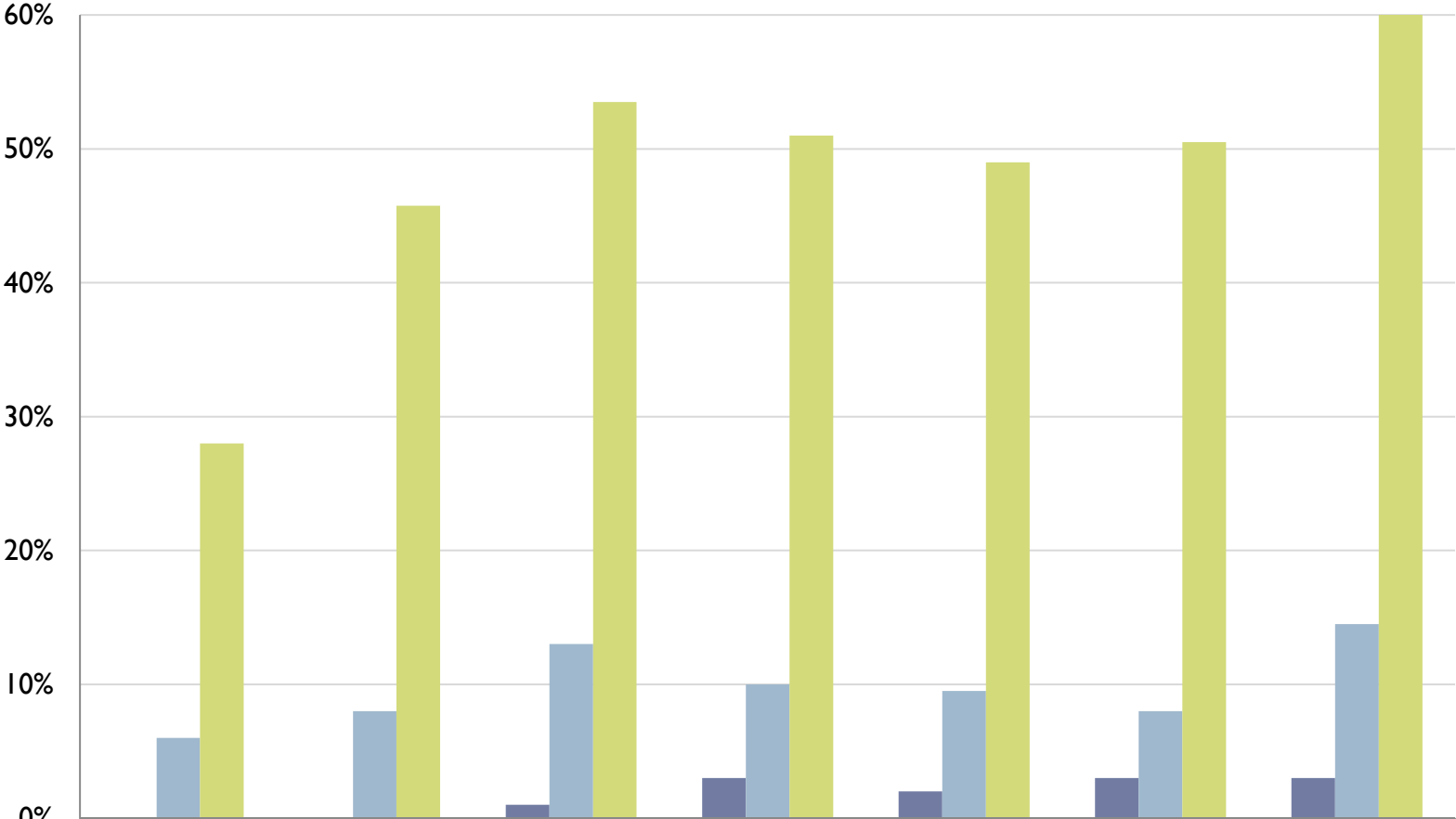
CEO Equity Gains and Total Equity Value, by Level of Profitability – Top Quartile



	Unprofitable	0.1 - 4.9%	5 - 9.9%	10 - 14.9%	15 - 19.9%	20 - 30%	>30%
Equity Value at 1/1/23	\$5,000,000	\$4,494,000	\$5,475,000	\$7,293,919	\$7,285,000	\$13,950,000	\$13,525,000
New Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000
Equity Appreciation	\$0	\$34,000	\$475,000	\$750,000	\$985,000	\$1,150,000	\$1,000,000
Equity Value at 1/1/22	\$5,000,000	\$4,460,000	\$5,000,000	\$6,543,919	\$6,300,000	\$12,800,000	\$12,500,000

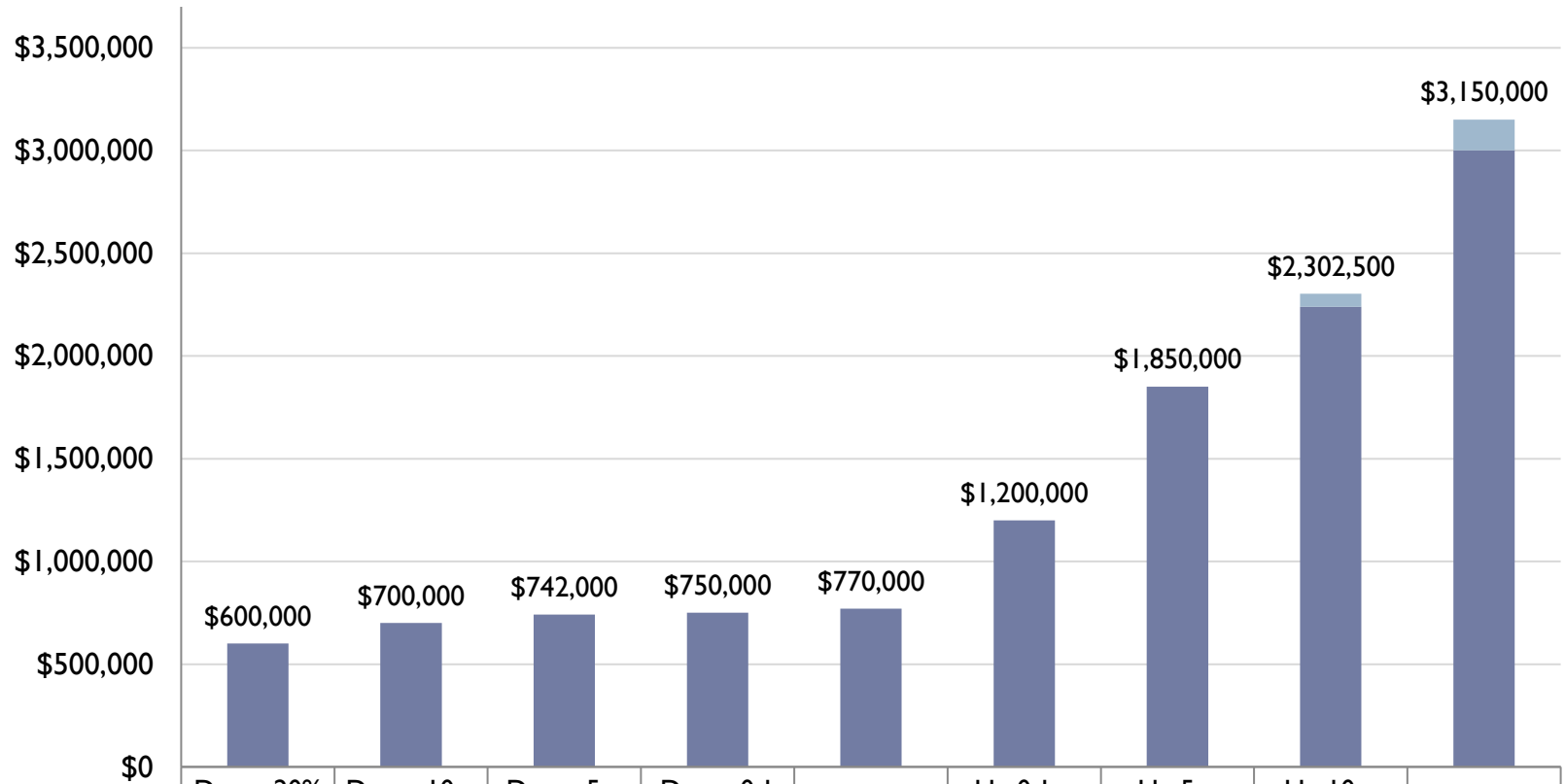
- ❖ While the median CEOs of the most profitable companies enjoyed equity appreciation, the most profitable companies are not usually the largest companies, so there's not a strong correlation with equity value.
- ❖ Additionally, many of the unprofitable companies are early-stage companies that have significant equity value.

CEO Percentage Ownership of Company Equity, by Level of Profitability



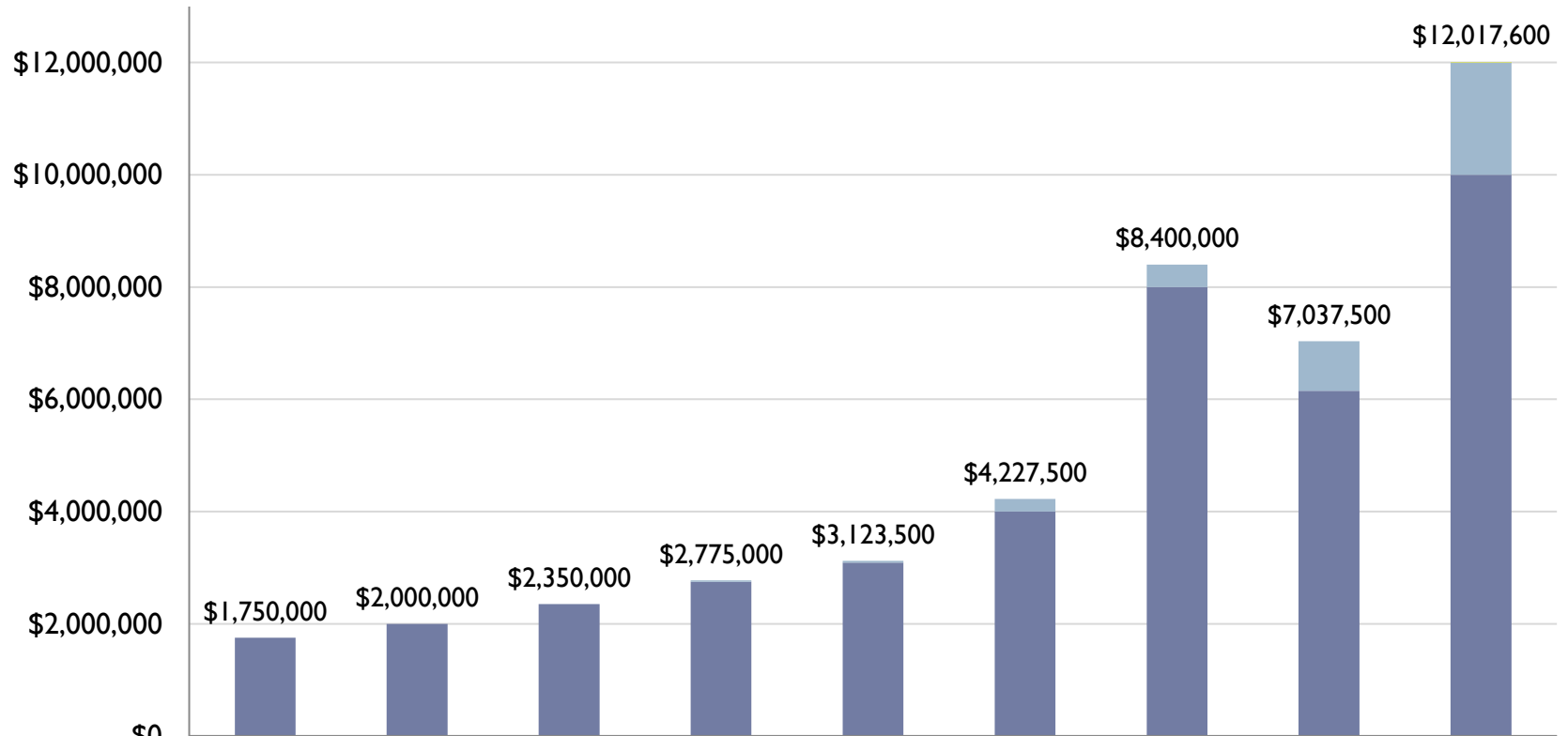
	Unprofitable	0.1 - 4.9%	5 - 9.9%	10 - 14.9%	15 - 19.9%	20 - 30%	>30%
■ 25th Percentile	0%	0%	1%	3%	2%	3%	3%
■ Median	6%	8%	13%	10%	10%	8%	14.5%
■ 75th Percentile	28%	46%	54%	51%	49%	51%	66%

CEO Equity Gains and Total Equity Value, by Revenue Growth Rate – Median



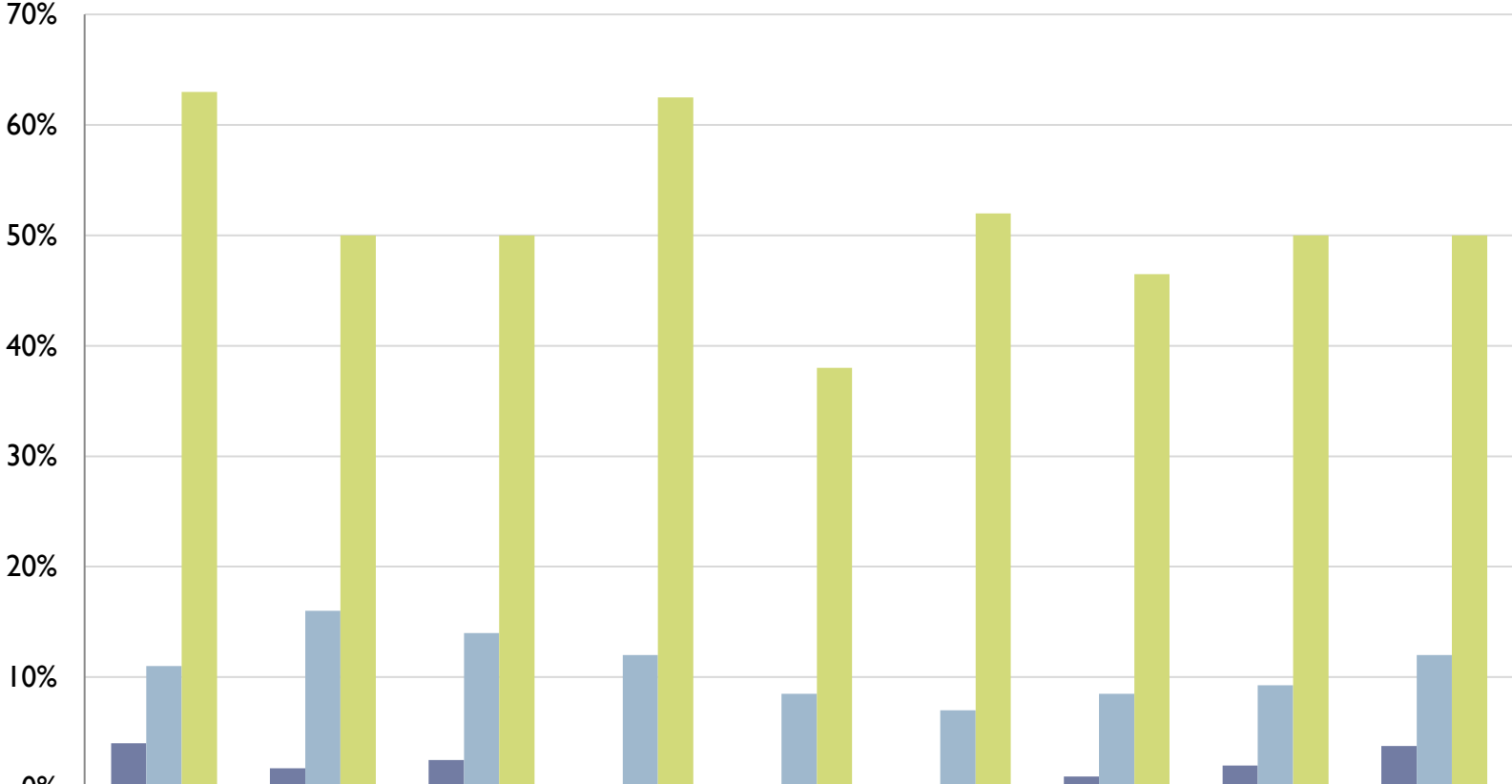
	Down 20% +	Down 10 – 19.9%	Down 5 – 9.9%	Down 0.1 – 4.9%	Flat	Up 0.1 – 4.9%	Up 5 – 9.9%	Up 10 – 19.9%	Up 20% +
Equity Value at 1/1/23	\$600,000	\$700,000	\$742,000	\$750,000	\$770,000	\$1,200,000	\$1,850,000	\$2,302,500	\$3,150,000
New Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Appreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,500	\$150,000
Equity Value at 1/1/22	\$600,000	\$700,000	\$742,000	\$750,000	\$770,000	\$1,200,000	\$1,850,000	\$2,240,000	\$3,000,000

CEO Equity Gains and Total Equity Value, by Revenue Growth Rate – Top Quartile



	Down 20% +	Down 10 – 19.9%	Down 5 – 9.9%	Down 0.1 – 4.9%	Flat	Up 0.1 – 4.9%	Up 5 – 9.9%	Up 10 – 19.9%	Up 20% +
Equity Value at 1/1/23	\$1,750,000	\$2,000,000	\$2,350,000	\$2,775,000	\$3,123,500	\$4,227,500	\$8,400,000	\$7,037,500	\$12,017,600
New Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,600
Equity Appreciation	\$0	\$0	\$0	\$25,000	\$33,500	\$227,500	\$400,000	\$887,500	\$2,000,000
Equity Value at 1/1/22	\$1,750,000	\$2,000,000	\$2,350,000	\$2,750,000	\$3,090,000	\$4,000,000	\$8,000,000	\$6,150,000	\$10,000,000

CEO Percentage Ownership of Company Equity, by Revenue Growth Rate



	Down 20% +	Down 10 – 19.9%	Down 5 – 9.9%	Down 0.1 – 4.9%	Flat	Up 0.1 – 4.9%	Up 5 – 9.9%	Up 10 – 19.9%	Up 20% +
■ 25th Percentile	4%	2%	3%	0%	0%	0%	1%	2%	4%
■ Median	11%	16%	14%	12%	9%	7%	9%	9.25%	12%
■ 75th Percentile	63%	50%	50%	62.5%	38%	52%	47%	50%	50%

Appreciation and Total Value of CEO Equity, by Industry – Median

Industry	Equity Appreciation and New Equity Granted in 2022	Total Equity Value at 1/1/23
Advertising/Marketing/Sales	\$50,000	\$2,320,000
Agriculture/Forestry/Fishing	\$0	\$485,700
Architecture/Engineering	\$30,000	\$830,000
Business Services	\$0	\$1,000,000
Construction/Mining	\$50,000	\$2,350,000
Education/Government/Non-Profit	\$0	\$0
Energy/Utility/Oil/Gas	\$88,000	\$3,588,000
Entertainment	\$0	\$1,514,285
Financial Services	\$0	\$2,250,000
Health Care - Pharma/Bio	\$0	\$1,750,000
Health Care – Services	\$0	\$531,428
Manufacturing – Consumer	\$0	\$1,375,000
Manufacturing – Industrial	\$0	\$1,000,000
Media/Publishing	\$25,000	\$1,475,000
Real Estate	\$0	\$3,057,000
Restaurant	\$5,000	\$1,605,000
Retail	\$0	\$1,000,000
Tech	\$66,200	\$3,426,200
Transportation	\$50,000	\$2,350,000
Wholesale/Distribution	\$43,600	\$1,243,600
Other	\$0	\$1,560,000

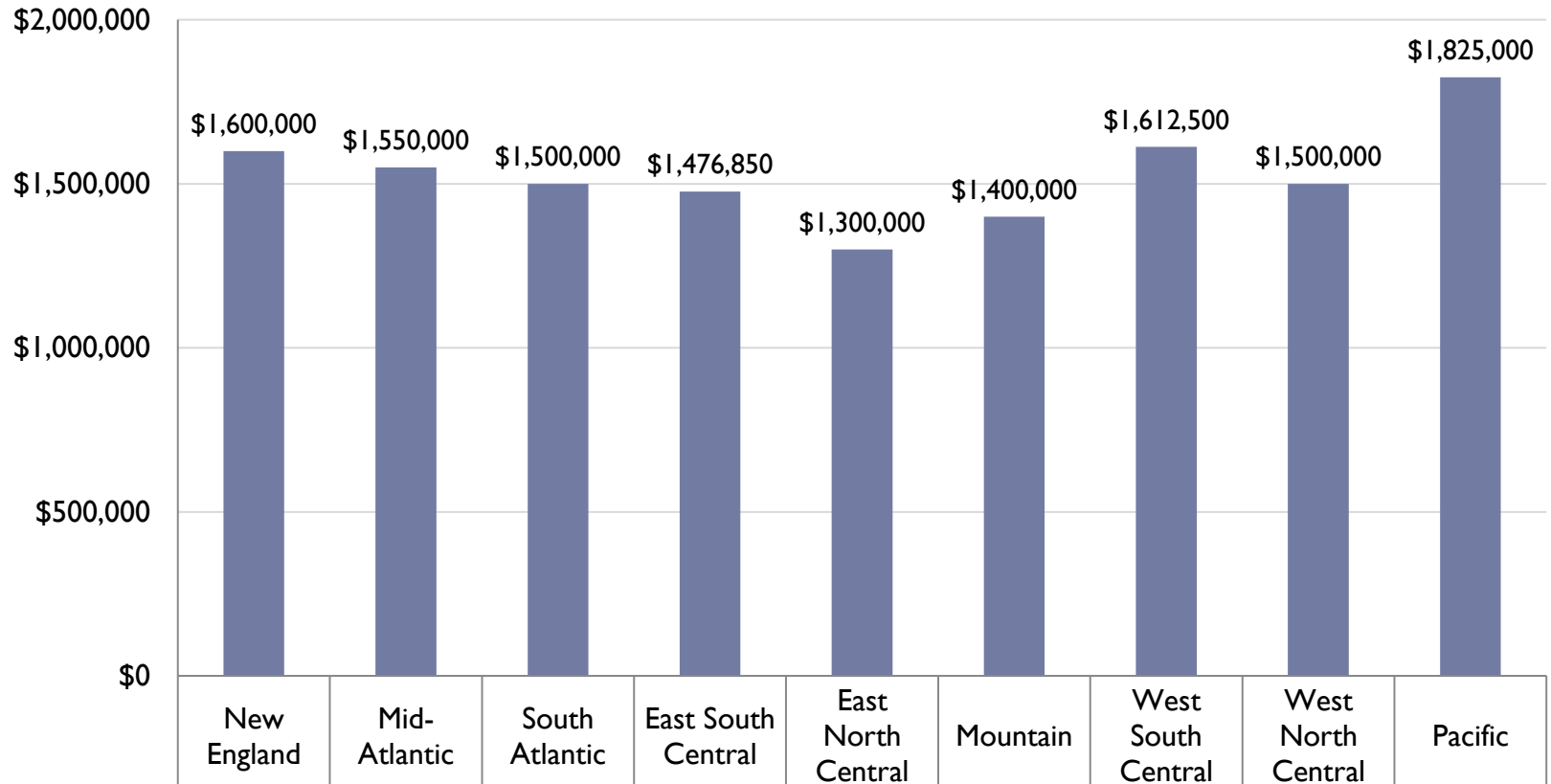
Appreciation and Total Value of CEO Equity, by Industry – Top Quartile

Industry	Equity Appreciation and New Equity Granted in 2022	Total Equity Value at 1/1/23
Advertising/Marketing/Sales	\$367,500	\$6,067,500
Agriculture/Forestry/Fishing	\$40,900	\$3,890,900
Architecture/Engineering	\$183,750	\$2,183,750
Business Services	\$250,000	\$5,250,000
Construction/Mining	\$875,000	\$6,225,000
Education/Government/Non-Profit	\$0	0
Energy/Utility/Oil/Gas	\$1,625,000	\$14,125,000
Entertainment	\$600,000	\$7,100,000
Financial Services	\$262,500	\$7,100,000
Health Care - Pharma/Bio	\$862,500	\$6,362,500
Health Care – Services	\$365,000	\$4,427,500
Manufacturing – Consumer	\$387,500	\$6,387,500
Manufacturing – Industrial	\$660,000	\$5,660,000
Media/Publishing	\$100,000	\$4,600,000
Real Estate	\$500,000	\$8,625,000
Restaurant	\$180,250	\$8,680,250
Retail	\$275,000	\$5,535,000
Tech	\$562,500	\$13,062,500
Transportation	\$730,000	\$9,876,959
Wholesale/Distribution	\$367,500	\$7,242,500
Other	\$362,500	\$5,237,500

CEO Percentage Ownership of Company Equity, by Industry

Industry	25 th Percentile	Median	75 th Percentile	Average
Advertising/Marketing/Sales	7.5%	20%	60%	58%
Agriculture/Forestry/Fishing	3%	15%	42%	23%
Architecture/Engineering	5%	19%	38%	34%
Business Services	6%	45%	100%	48%
Construction/Mining	5%	34%	59%	34%
Education/Government/Non-Profit	0%	0%	0%	3%
Energy/Utility/Oil/Gas	3%	6%	27%	22%
Entertainment	1%	9%	33%	27%
Financial Services	0%	8%	35%	19%
Health Care - Pharma/Bio	4%	6%	15%	15%
Health Care – Services	0%	2%	15%	18%
Manufacturing – Consumer	1%	8%	50%	26%
Manufacturing – Industrial	1%	10%	50%	29%
Media/Publishing	1.2%	10%	40%	38%
Real Estate	3%	12%	61%	21%
Restaurant	3%	12%	45%	26%
Retail	3.5%	12%	44%	34%
Tech	5%	13%	39%	25%
Transportation	4%	19%	54%	35%
Wholesale/Distribution	4%	16%	57%	35%
Other	1.5%	16%	55%	22%

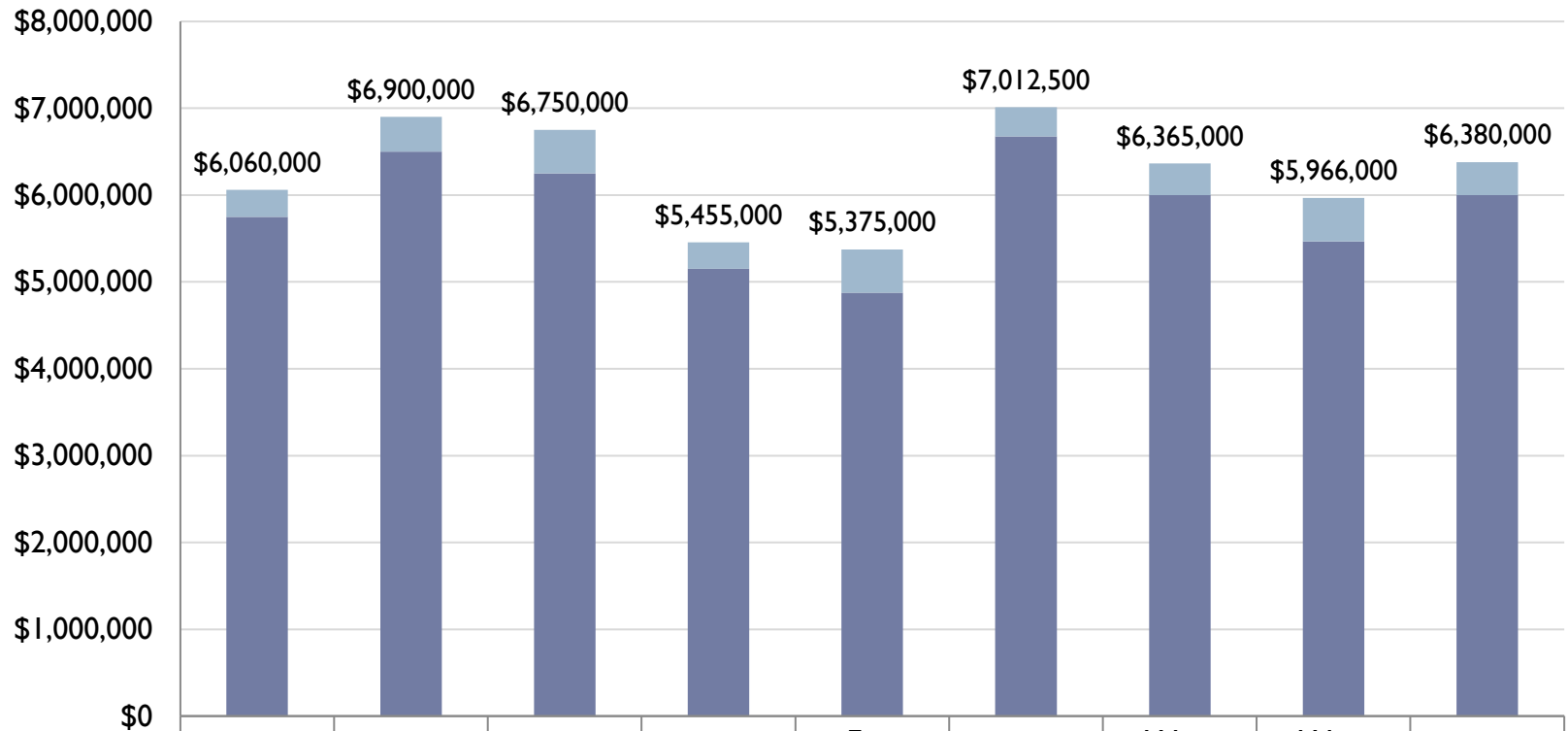
CEO Equity Gains and Total Equity Value, by Region – Median



	New England	Mid-Atlantic	South Atlantic	East South Central	East North Central	Mountain	West South Central	West North Central	Pacific
Equity Value at 1/1/23	\$1,600,000	\$1,550,000	\$1,500,000	\$1,476,850	\$1,300,000	\$1,400,000	\$1,612,500	\$1,500,000	\$1,825,000
New Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Appreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Value at 1/1/22	\$1,600,000	\$1,550,000	\$1,500,000	\$1,476,850	\$1,300,000	\$1,400,000	\$1,612,500	\$1,500,000	\$1,825,000

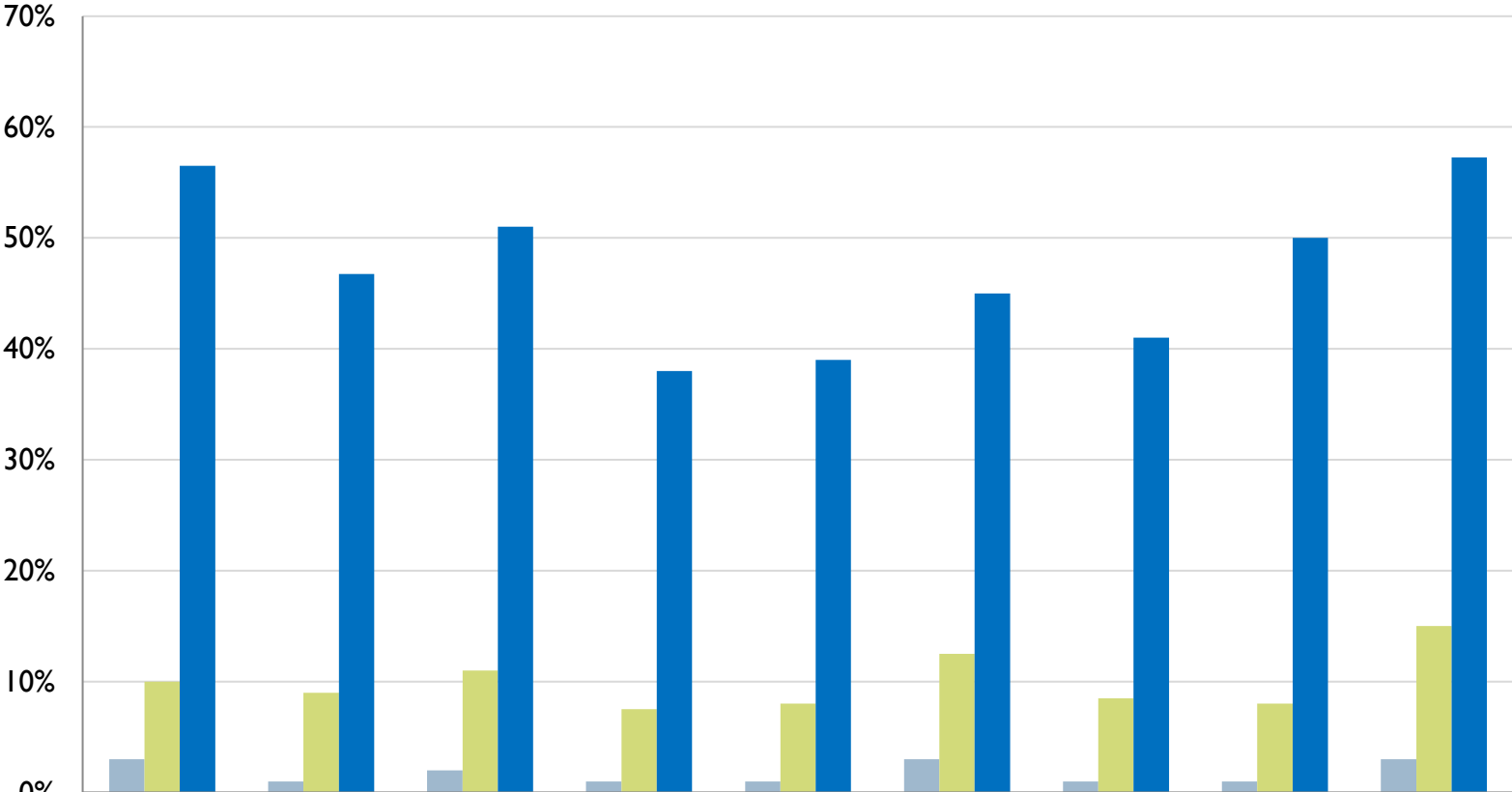
❖ Equity stakes tend to be the highest on the coasts and the South.

CEO Equity Gains and Total Equity Value, by Region – Top Quartile



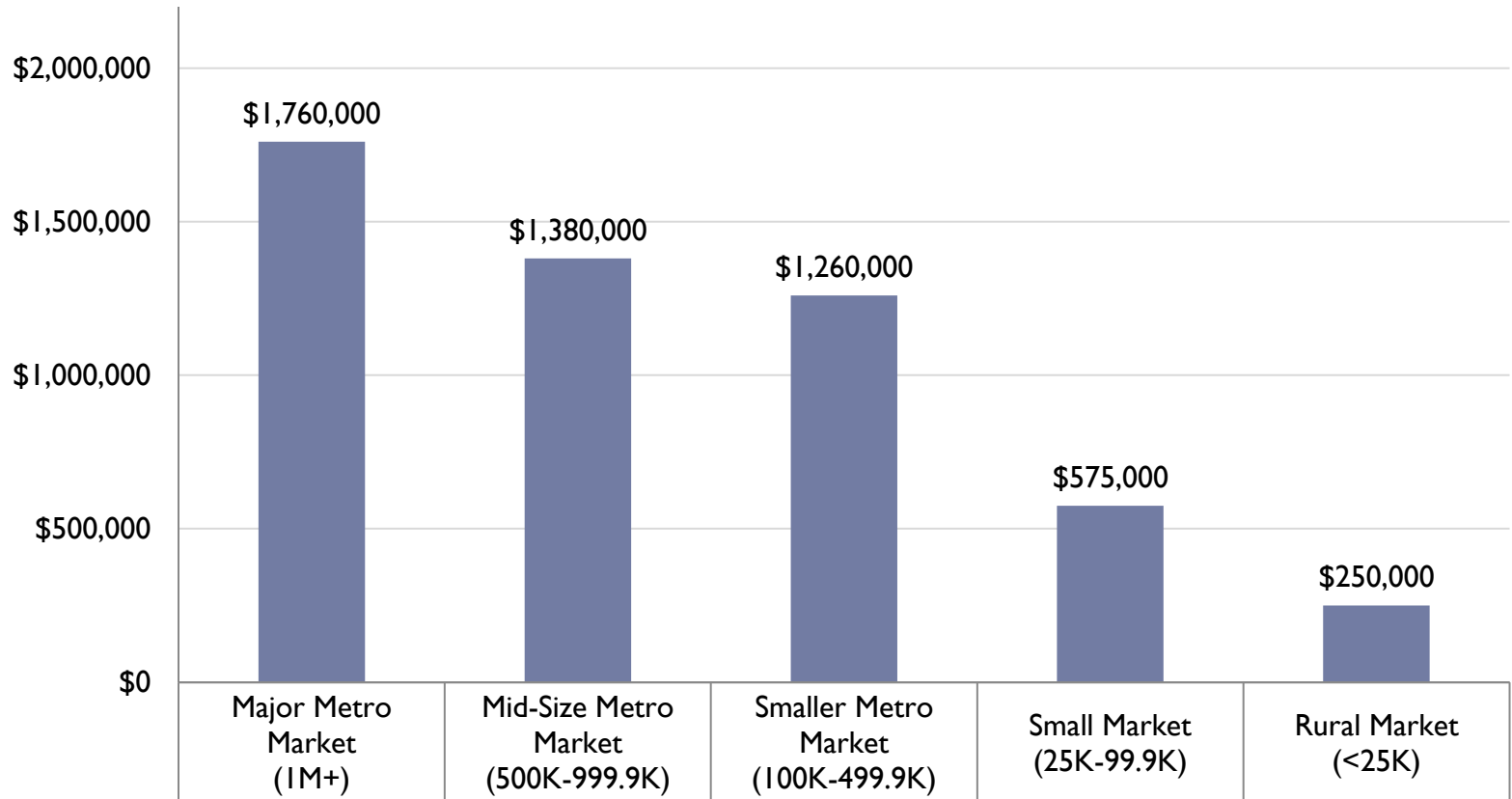
	New England	Mid-Atlantic	South Atlantic	East South Central	East North Central	Mountain	West South Central	West North Central	Pacific
Equity Value at 1/1/23	\$6,060,000	\$6,900,000	\$6,750,000	\$5,455,000	\$5,375,000	\$7,012,500	\$6,365,000	\$5,966,000	\$6,380,000
New Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Appreciation	\$310,000	\$400,000	\$500,000	\$305,000	\$500,000	\$337,500	\$365,000	\$500,000	\$380,000
Equity Value at 1/1/22	\$5,750,000	\$6,500,000	\$6,250,000	\$5,150,000	\$4,875,000	\$6,675,000	\$6,000,000	\$5,466,000	\$6,000,000

CEO Percentage Ownership of Company Equity, by Region



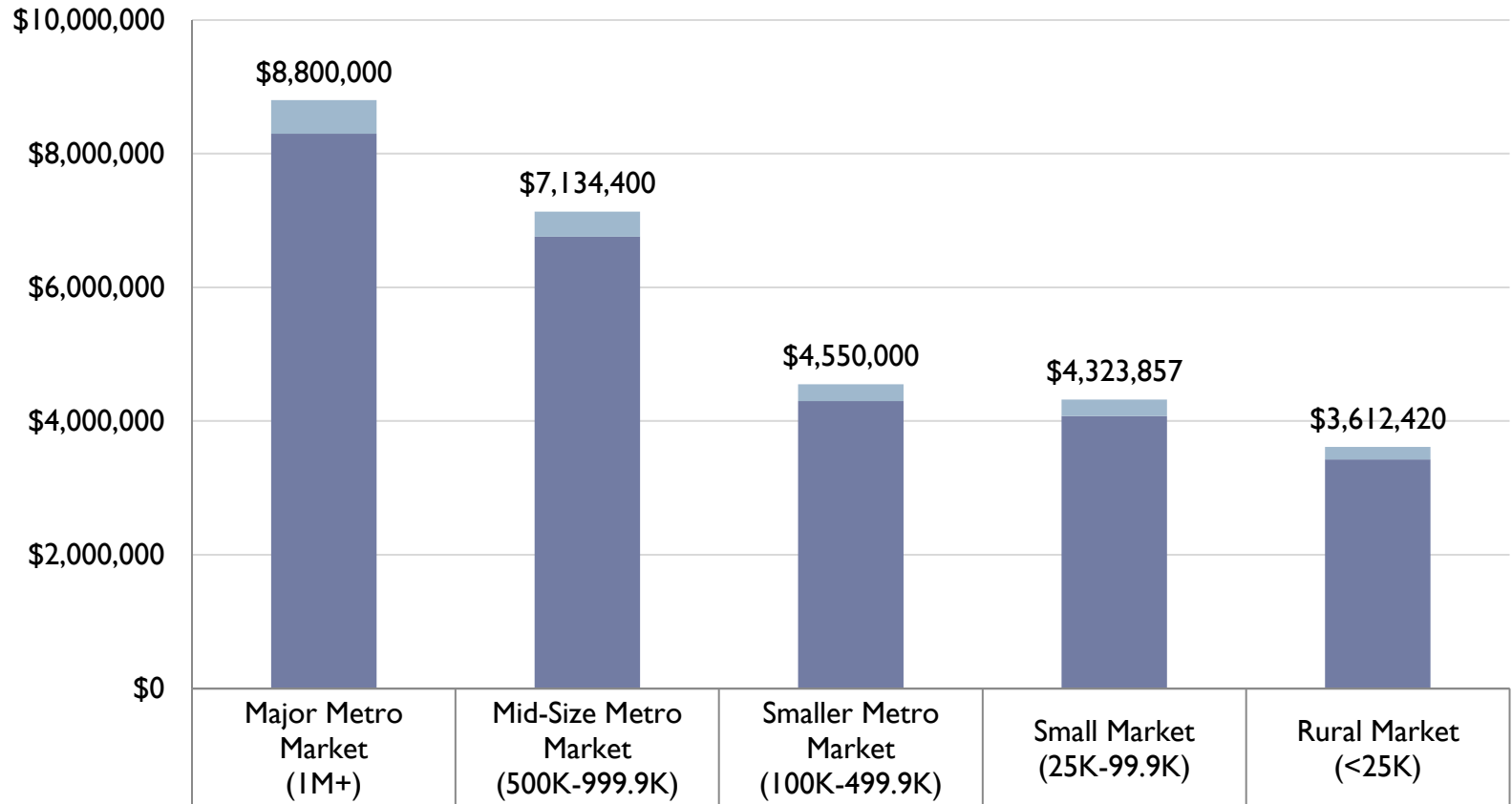
■ 25th Percentile	3%	1%	2%	1%	1%	3%	1%	1%	3%
■ Median	10%	9%	11%	8%	8%	13%	9%	8%	15%
■ 75th Percentile	56.5%	47%	51%	38%	39%	45%	41%	50%	57%

CEO Equity Gains and Total Equity Value, by Labor Market – Median



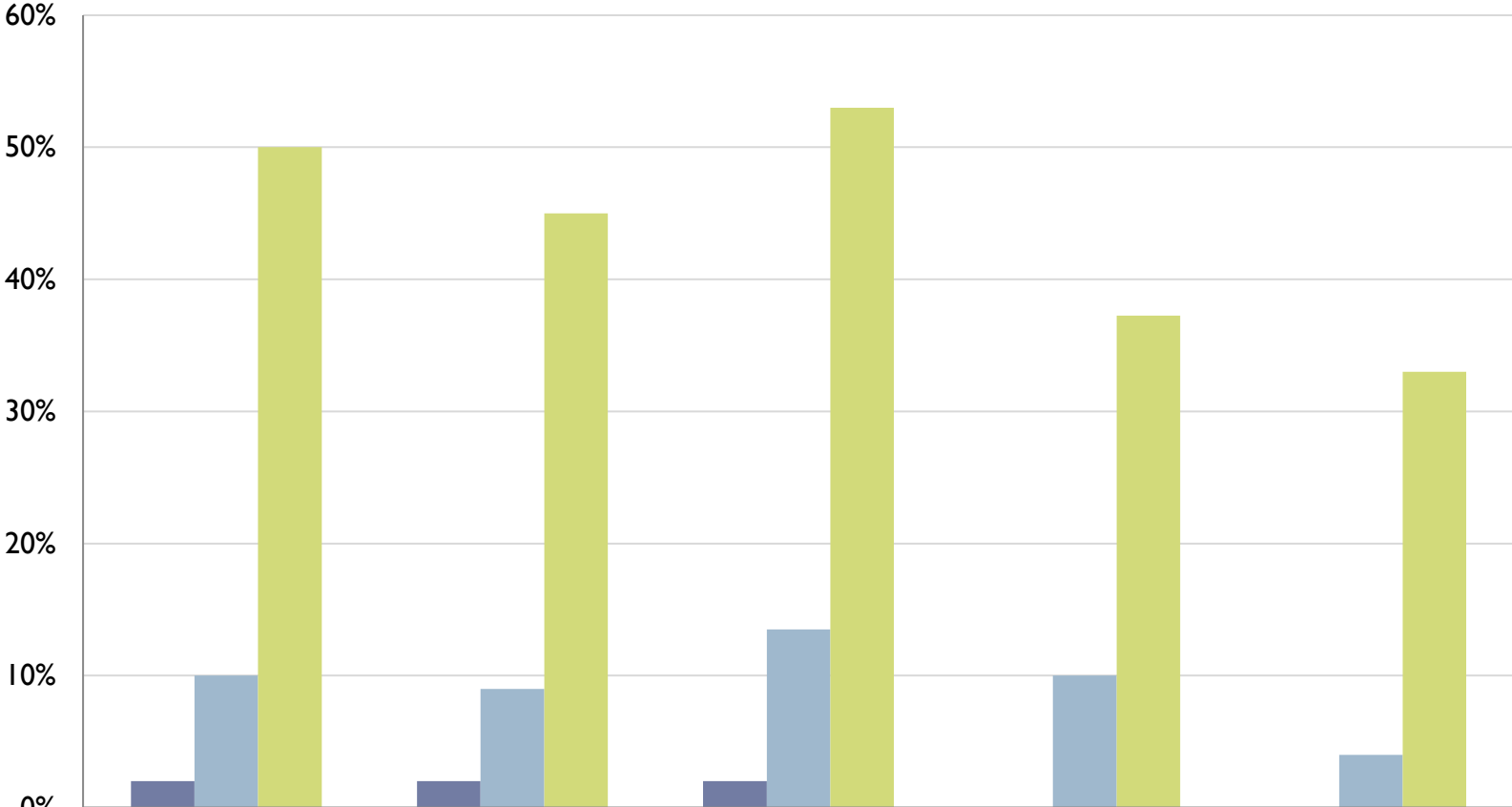
Equity Value at 1/1/23	\$1,760,000	\$1,380,000	\$1,260,000	\$575,000	\$250,000
■ New Grants	\$0	\$0	\$0	\$0	\$0
■ Equity Appreciation	\$0	\$0	\$0	\$0	\$0
■ Equity Value at 1/1/22	\$1,760,000	\$1,380,000	\$1,260,000	\$575,000	\$250,000

CEO Equity Gains and Total Equity Value, by Labor Market – Top Quartile



Equity Value at 1/1/23	\$8,800,000	\$7,134,400	\$4,550,000	\$4,323,857	\$3,612,420
■ New Grants	\$0	\$0	\$0	\$0	\$0
■ Equity Appreciation	\$500,000	\$375,000	\$250,000	\$250,000	\$187,420
■ Equity Value at 1/1/22	\$8,300,000	\$6,759,400	\$4,300,000	\$4,073,857	\$3,425,000

CEO Percentage Ownership of Company Equity, by Labor Market



	Major Metro Market (1M+)	Mid-Size Metro Market (500K-999.9K)	Smaller Metro Market (100K-499.9K)	Small Market (25K-99.9K)	Rural Market (<25K)
■ 25th Percentile	2%	2%	2%	0%	0%
■ Median	10%	9%	14%	10%	4%
■ 75th Percentile	50%	45%	53%	37%	33%

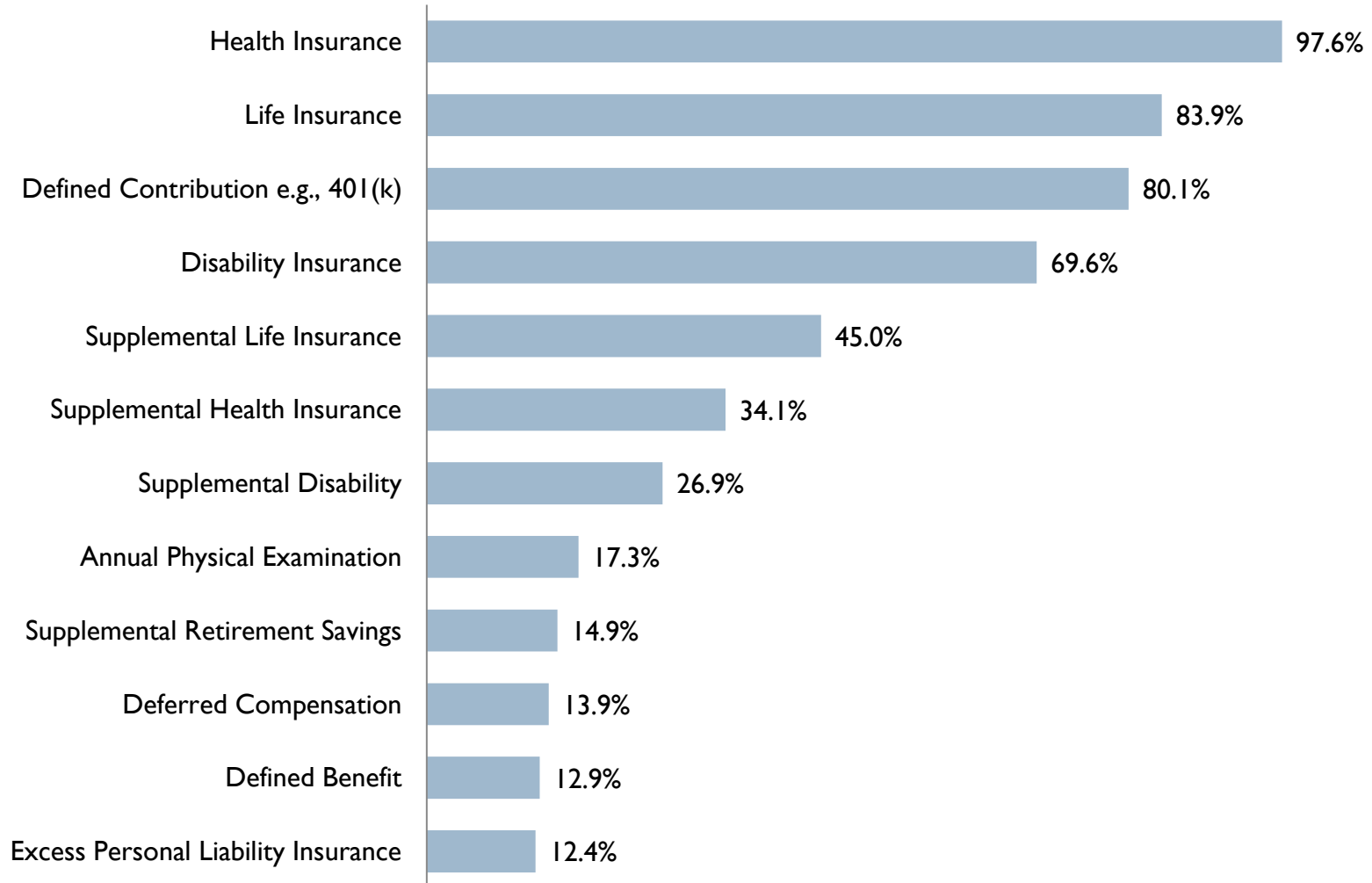


CEO Benefits and Perquisites

CEO Benefits and Perks Overview

- ▶ Private company CEOs tend to have generous but not lavish benefits and perquisites packages.
 - ▶ In 2022, the median CEO benefits package was worth \$25,000 (including healthcare), and the median perks package was worth \$10,000.
 - ▶ The median CEO benefits package was 21% greater than that of other senior executives, while the median CEO perks package was fully twice that of other senior executives.
- ▶ The benefits and perks provided to private company CEOs tend to be less than those provided to public company CEOs.
 - ▶ The median public company CEO received a benefits package worth \$36,500 and a perks package worth \$17,500.
- ▶ The value of benefits and perks packages is positively correlated with company size, both in terms of annual revenue and number of employees.
- ▶ 57% of companies have no severance agreement in place for their CEO, and only 27% provide employment contracts for them.
- ▶ Larger companies tend to have more tax-efficient compensation packages for their CEOs (e.g., higher non-taxable benefits and perks, including deferred compensation plans).

Prevalence of Specific Benefits to CEOs



Percentage of Companies Offering Benefit to CEO, by Company Revenue

Revenue	<\$2M	\$2-4.9M	\$5-9.9M	\$10-24.9M	\$25-49.9M	\$50-99.9M	\$100-249.9M	\$250-499.9M	\$500-999.9M	\$1B+
Health Insurance	89.4%	97.7%	96.4%	96.2%	98.3%	98.4%	98.3%	100.0%	98.9%	100.0%
Supplemental Health Insurance	26.7%	26.5%	37.5%	34.1%	34.5%	40.5%	37.9%	38.0%	41.8%	58.3%
Life Insurance	50.0%	72.5%	74.4%	83.3%	86.2%	86.5%	90.4%	94.0%	95.9%	100.0%
Supplemental Life Insurance	26.3%	29.4%	35.1%	37.1%	46.6%	45.2%	54.8%	56.6%	62.7%	66.6%
Defined Benefit	8.3%	11.7%	8.9%	9.8%	12.1%	15.9%	18.5%	19.2%	17.6%	25.4%
Defined Contribution (e.g., 401k)	54.4%	70.6%	75.0%	78.0%	81.9%	81.7%	90.4%	86.0%	86.4%	91.7%
Supplemental Retirement Savings	13.9%	11.8%	17.9%	13.6%	13.8%	13.5%	16.8%	24.0%	22.7%	33.3%
Disability Insurance	43.3%	61.8%	71.4%	68.2%	69.0%	73.8%	72.2%	82.0%	82.7%	83.3%
Supplemental Disability	10.6%	14.7%	28.6%	25.8%	24.1%	30.2%	32.9%	38.0%	45.5%	46.7%
Excess Personal Liability Insurance	4.2%	11.8%	17.9%	15.9%	12.5%	12.5%	14.8%	16.3%	22.7%	26.7%
Annual Physical Examination	15.6%	11.8%	12.5%	12.1%	19.8%	19.8%	22.6%	23.4%	32.7%	40.3%
Deferred Compensation	5.6%	5.9%	10.1%	11.4%	14.7%	12.7%	16.5%	20.4%	27.3%	33.3%

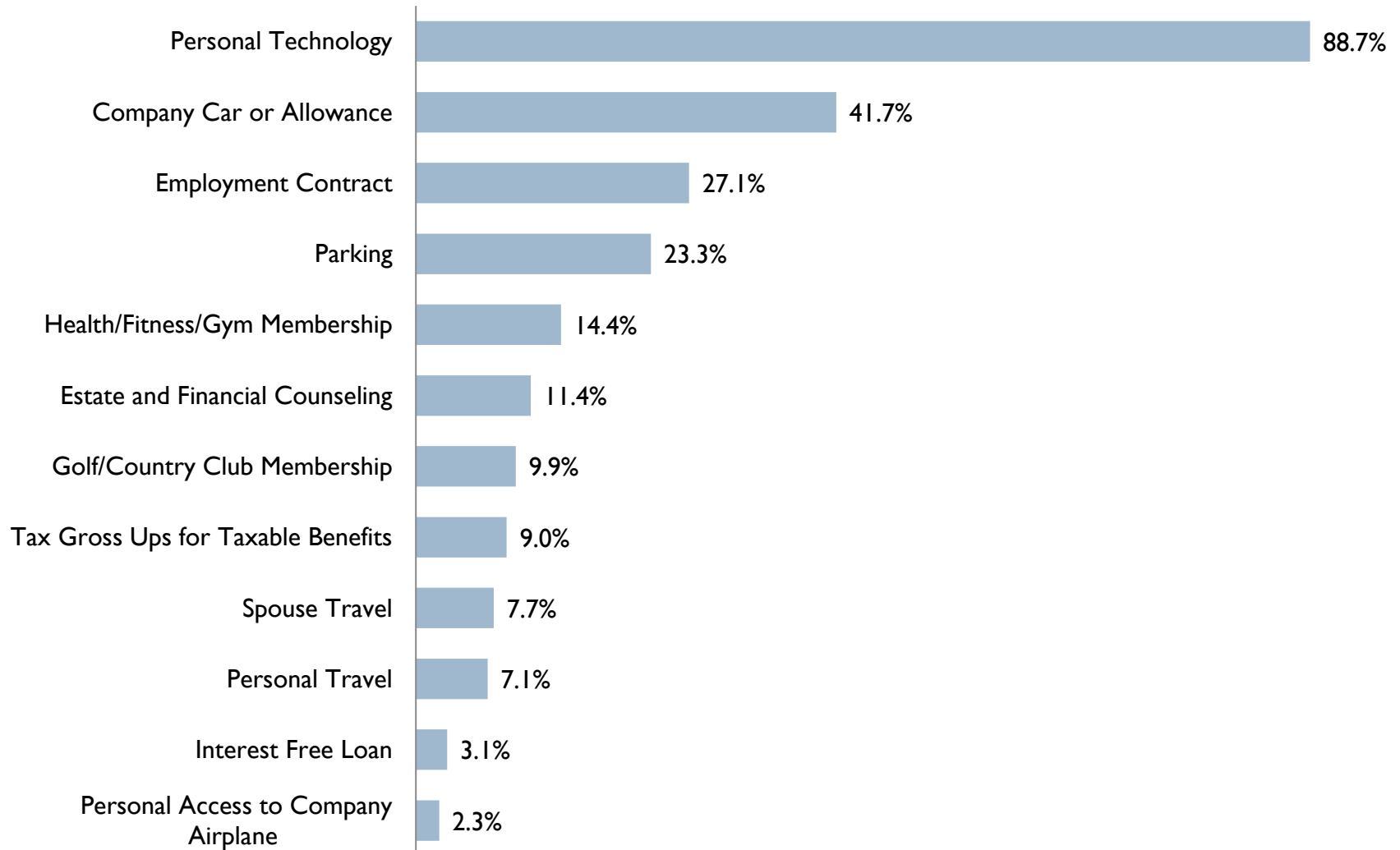
Percent of Companies Offering Benefit to CEO, by Number of Employees

# of Employees	<10	10 to 24	25 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1,000 to 4,999	5,000 +
Health Insurance	90.2%	96.8%	97.4%	98.2%	97.1%	99.1%	98.4%	100.0%	100.0%
Supplemental Health Insurance	23.8%	25.8%	33.8%	36.8%	39.8%	40.4%	38.9%	41.8%	42.9%
Life Insurance	49.6%	71.7%	80.4%	84.7%	86.8%	89.3%	87.7%	98.5%	97.9%
Supplemental Life Insurance	24.8%	27.4%	37.7%	45.6%	48.5%	49.1%	56.9%	55.2%	62.9%
Defined Benefit	9.5%	11.3%	8.9%	9.6%	15.5%	16.4%	19.8%	24.2%	25.3%
Defined Contribution (e.g., 401k)	45.1%	74.2%	75.3%	77.2%	85.4%	82.1%	89.2%	88.3%	91.4%
Supplemental Retirement Savings	15.0%	12.9%	15.6%	12.6%	15.5%	16.9%	21.5%	30.3%	28.6%
Disability Insurance	33.3%	59.5%	62.3%	66.7%	71.3%	75.0%	78.5%	84.8%	83.9%
Supplemental Disability	10.2%	17.7%	19.5%	22.8%	28.7%	31.3%	38.5%	37.9%	43.2%
Excess Personal Liability Insurance	4.8%	12.9%	11.7%	12.3%	13.5%	12.5%	14.2%	15.2%	28.6%
Annual Physical Examination	14.8%	11.7%	12.1%	15.2%	20.2%	19.6%	22.4%	35.8%	40.1%
Deferred Compensation	5.8%	9.7%	10.5%	11.3%	14.6%	18.2%	17.4%	27.3%	42.6%

Percent of Companies Offering Benefit to CEO, by Ownership Type

Ownership Type	Sole Proprietorship	Partnership	Family Business	Employee Owned	Venture Capital Owned	Private Equity Owned	Other Investor Owned	Public Company
Health Insurance	97.8%	94.4%	98.9%	100.0%	96.8%	100.0%	96.7%	100.0%
Supplemental Health Insurance	41.9%	38.9%	37.4%	34.0%	31.5%	23.5%	26.9%	30.6%
Life Insurance	75.3%	78.9%	87.2%	94.0%	76.5%	85.5%	92.3%	83.3%
Supplemental Life Insurance	33.3%	40.0%	54.7%	48.0%	46.8%	44.2%	42.3%	44.4%
Defined Benefit	12.9%	15.8%	11.7%	20.0%	10.5%	9.8%	19.2%	15.1%
Defined Contribution	75.3%	72.2%	82.1%	86.0%	70.6%	87.9%	84.6%	88.9%
Supplemental Retirement Savings	9.7%	14.4%	12.8%	22.0%	11.3%	9.8%	18.5%	22.2%
Disability Insurance	63.4%	66.7%	70.9%	76.0%	73.4%	64.7%	80.8%	81.7%
Supplemental Disability	22.6%	23.3%	27.9%	30.0%	28.2%	29.4%	25.0%	24.4%
Excess Personal Liability Insurance	17.2%	12.3%	10.1%	18.2%	5.9%	12.1%	19.2%	21.1%
Annual Physical Examination	19.4%	17.6%	19.6%	18.0%	12.1%	15.9%	28.8%	26.7%
Deferred Compensation	10.8%	7.8%	14.5%	28.0%	9.7%	10.9%	23.1%	26.7%

Prevalence of Specific Perquisites to CEO



Percent of Companies Offering Perquisite to CEO, by Company Revenue

Revenue	<\$2M	\$2-4.9M	\$5-9.9M	\$10-24.9M	\$25-49.9M	\$50-99.9M	\$100-249.9M	\$250-499.9M	\$500-999.9M	\$1B+
Personal Technology	85.9%	83.5%	90.5%	85.2%	87.9%	89.4%	88.6%	92.0%	92.9%	91.1%
Estate and Financial Counseling	5.6%	7.8%	11.9%	10.6%	10.9%	10.3%	13.9%	14.0%	18.2%	22.7%
Interest Free Loan	2.8%	3.1%	3.6%	2.3%	2.6%	5.6%	4.3%	2.0%	3.7%	4.0%
Company Car or Allowance	29.4%	28.2%	36.9%	38.8%	44.0%	46.0%	49.6%	48.0%	59.1%	61.7%
Parking	23.9%	20.6%	25.6%	28.9%	29.3%	25.4%	24.3%	29.7%	27.3%	33.3%
Health/Fitness/Gym Membership	18.3%	16.7%	12.1%	15.9%	12.9%	15.9%	20.0%	25.0%	23.6%	25.0%
Golf/Country Club Membership	5.5%	11.8%	5.6%	11.4%	8.9%	8.7%	13.9%	16.4%	19.1%	18.3%
Personal Access to Company Airplane	1.1%	1.2%	1.0%	1.5%	1.7%	2.4%	4.8%	8.0%	13.6%	18.3%
Personal Travel	7.6%	7.9%	8.9%	8.4%	6.0%	6.8%	6.1%	8.0%	10.5%	12.5%
Spouse Travel	7.8%	8.8%	5.9%	8.3%	7.3%	8.3%	6.1%	5.2%	9.1%	12.5%
Employment Contract	16.9%	15.9%	18.5%	25.0%	31.6%	32.8%	36.1%	34.0%	54.5%	50.0%
Tax Gross Ups for Taxable Benefits	3.1%	4.9%	5.1%	6.8%	10.2%	8.3%	12.4%	8.0%	15.2%	16.7%

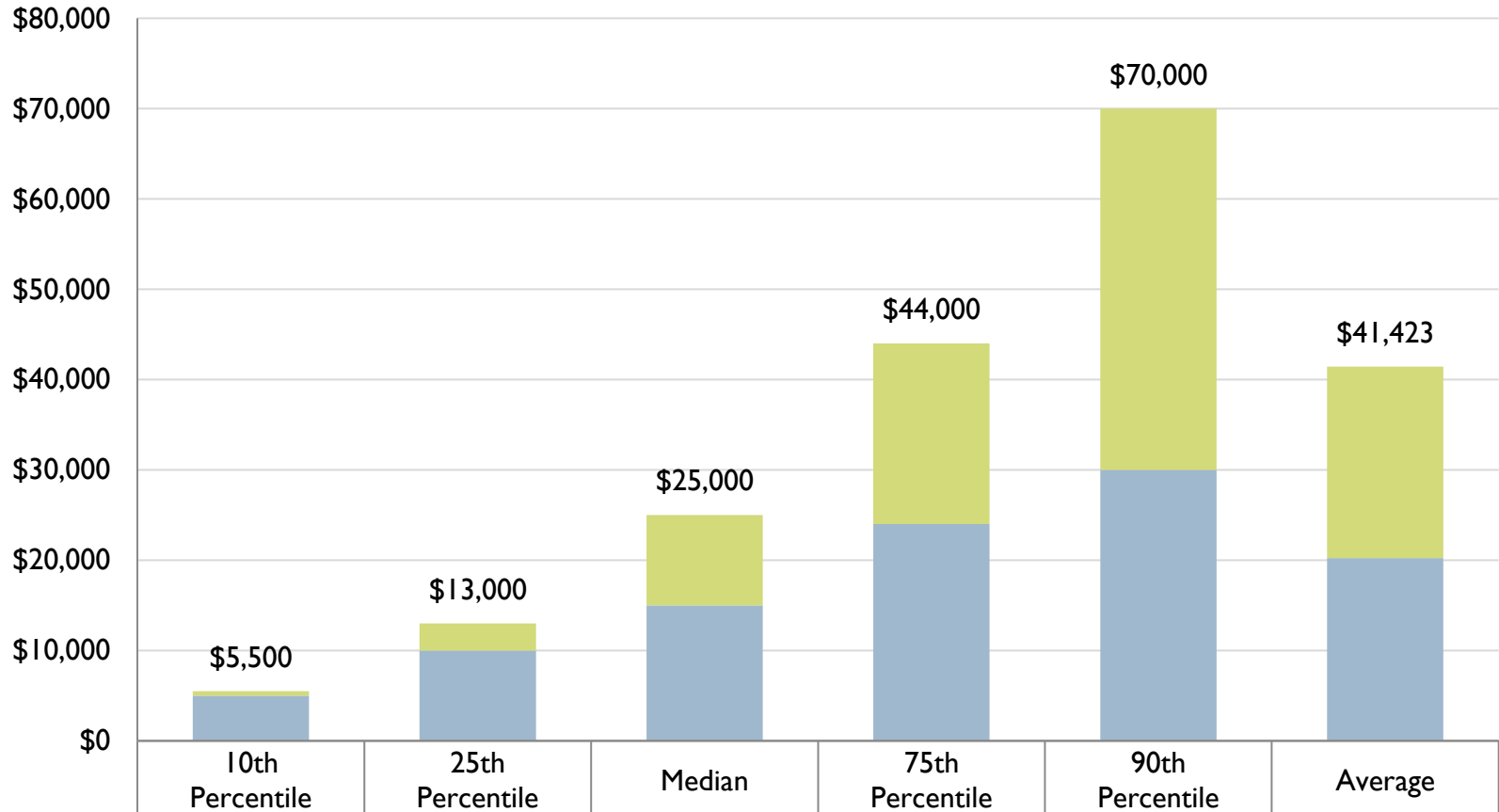
Percent of Companies Offering Perquisite to CEO, by Number of Employees

# of Employees	<10	10 to 24	25 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1,000 to 4,999	5,000 +
Personal Technology	86.2%	82.6%	84.7%	88.1%	88.4%	86.8%	91.5%	93.4%	95.1%
Estate and Financial Counseling	9.5%	10.1%	11.7%	11.4%	10.8%	10.7%	12.3%	15.2%	19.3%
Interest Free Loan	2.8%	6.6%	5.2%	4.9%	3.9%	3.6%	3.1%	5.1%	10.4%
Company Car or Allowance	33.3%	33.9%	32.5%	40.8%	45.0%	46.7%	55.4%	51.5%	56.9%
Parking	27.8%	30.3%	22.5%	19.3%	24.6%	25.9%	24.6%	34.8%	42.9%
Health/Fitness/ Gym Membership	15.3%	16.1%	16.9%	14.9%	13.3%	13.2%	15.4%	14.7%	19.3%
Golf/Country Club Membership	9.5%	8.2%	7.8%	6.3%	11.1%	14.1%	13.8%	16.7%	17.4%
Personal Access to Company Airplane	0.9%	1.1%	0.9%	1.8%	2.9%	2.7%	5.1%	8.5%	19.3%
Personal Travel	5.8%	8.1%	9.1%	6.1%	5.6%	6.3%	9.2%	10.6%	10.4%
Spouse Travel	7.6%	9.7%	8.2%	7.8%	6.3%	6.3%	5.1%	10.6%	10.4%
Employment Contract	9.5%	14.5%	15.6%	25.2%	26.1%	38.8%	33.8%	40.9%	42.9%
Tax Gross Ups for Taxable Benefits	2.8%	4.5%	6.5%	6.1%	8.8%	10.5%	12.2%	18.2%	28.6%

Percent of Companies Offering Perquisite to CEO, by Ownership Type

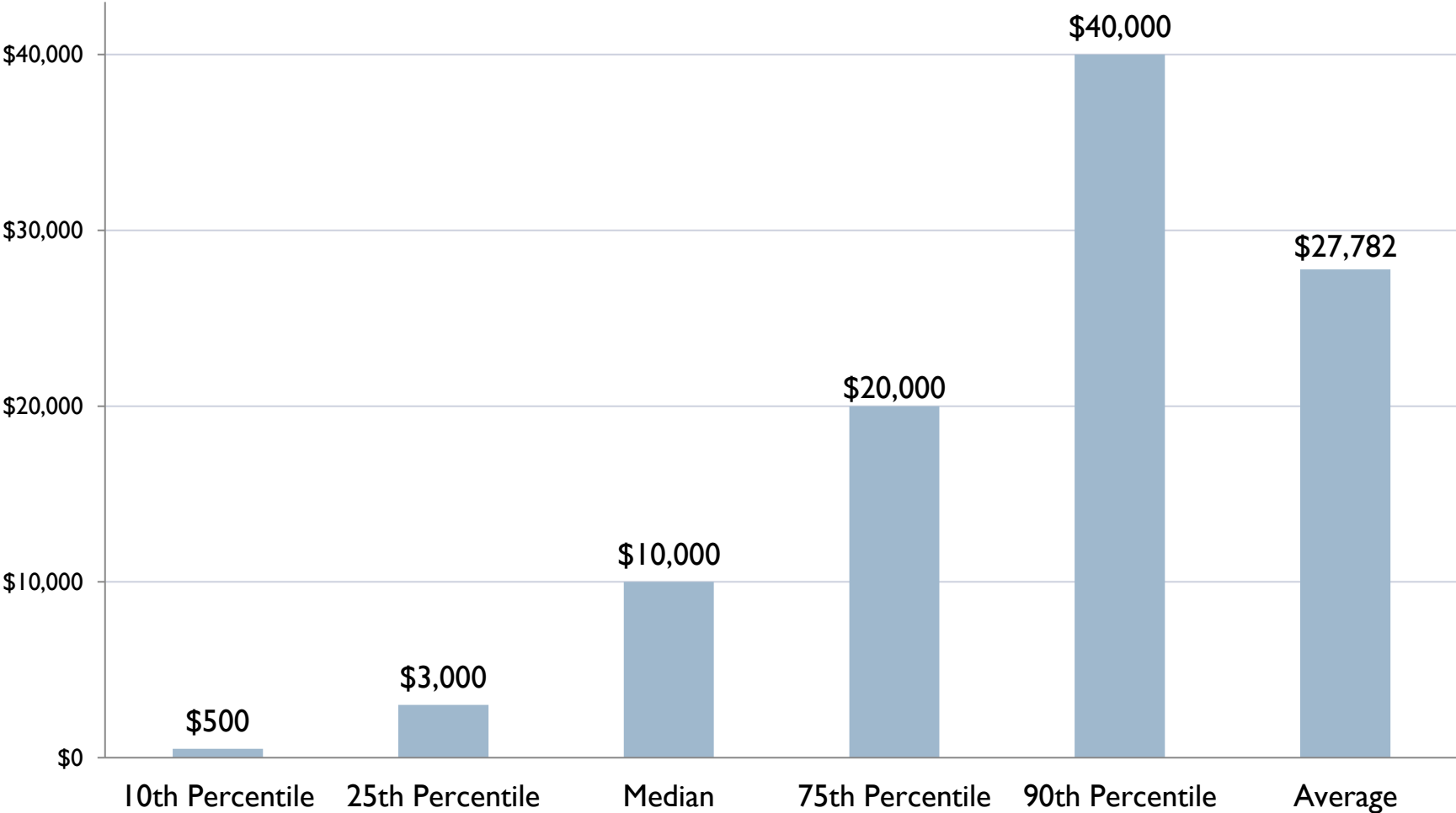
Ownership Type	Sole Proprietorship	Partnership	Family Business	Employee Owned	Venture Capital Owned	Private Equity Owned	Other Investor Owned	Public Company
Personal Technology	91.2%	92.3%	84.4%	94.5%	84.4%	92.9%	87.3%	88.9%
Estate and Financial Counseling	19.4%	10.8%	15.1%	10.0%	7.1%	10.9%	7.3%	26.7%
Interest Free Loan	9.7%	3.2%	2.8%	4.1%	1.8%	2.9%	5.8%	2.3%
Company Car or Allowance	46.2%	36.7%	55.9%	44.2%	3.9%	26.5%	38.5%	22.2%
Parking	28.0%	31.1%	24.6%	28.0%	14.5%	15.9%	18.1%	14.4%
Health/Fitness/Gym Membership	14.0%	17.7%	15.1%	16.0%	12.9%	13.7%	17.3%	10.0%
Golf/Country Club Membership	11.8%	8.9%	14.0%	12.0%	1.6%	8.0%	11.5%	6.7%
Personal Access to Company Airplane	2.2%	1.1%	5.0%	2.0%	1.6%	1.1%	1.8%	5.2%
Personal Travel	14.0%	8.9%	6.1%	2.0%	1.6%	4.9%	3.8%	2.2%
Spouse Travel	11.8%	8.9%	6.1%	2.0%	0.0%	1.1%	4.5%	3.3%
Employment Contract	15.4%	14.2%	19.0%	24.0%	43.5%	44.7%	32.7%	48.9%
Tax Gross Ups for Taxable Benefits	14.0%	7.8%	9.5%	7.7%	5.5%	13.7%	6.8%	4.3%

Value of CEO Benefits

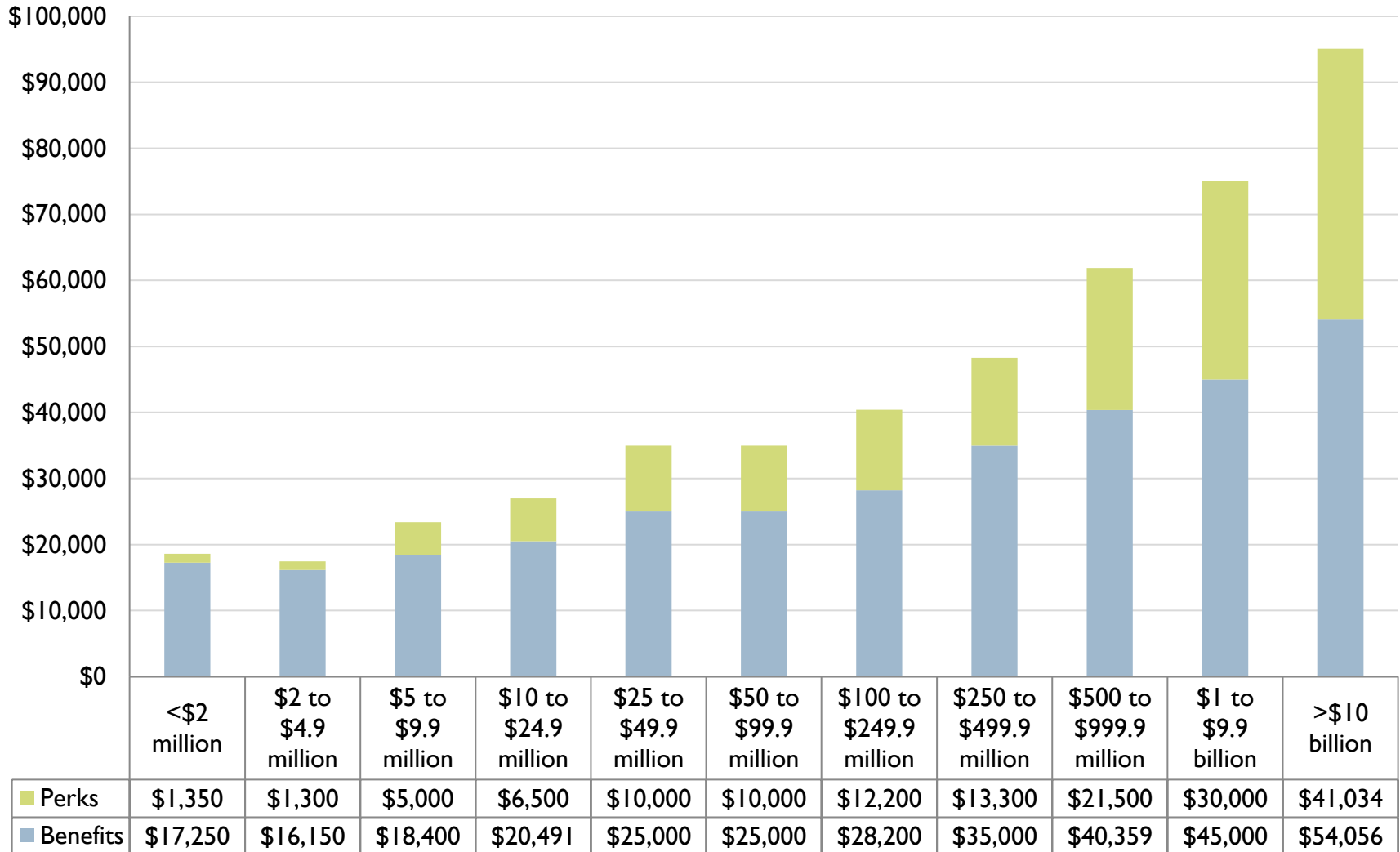


Other Benefits	\$500	\$3,000	\$10,000	\$20,000	\$40,000	\$21,210
Health Insurance	\$5,000	\$10,000	\$15,000	\$24,000	\$30,000	\$20,213
Total	\$5,500	\$13,000	\$25,000	\$44,000	\$70,000	\$41,423

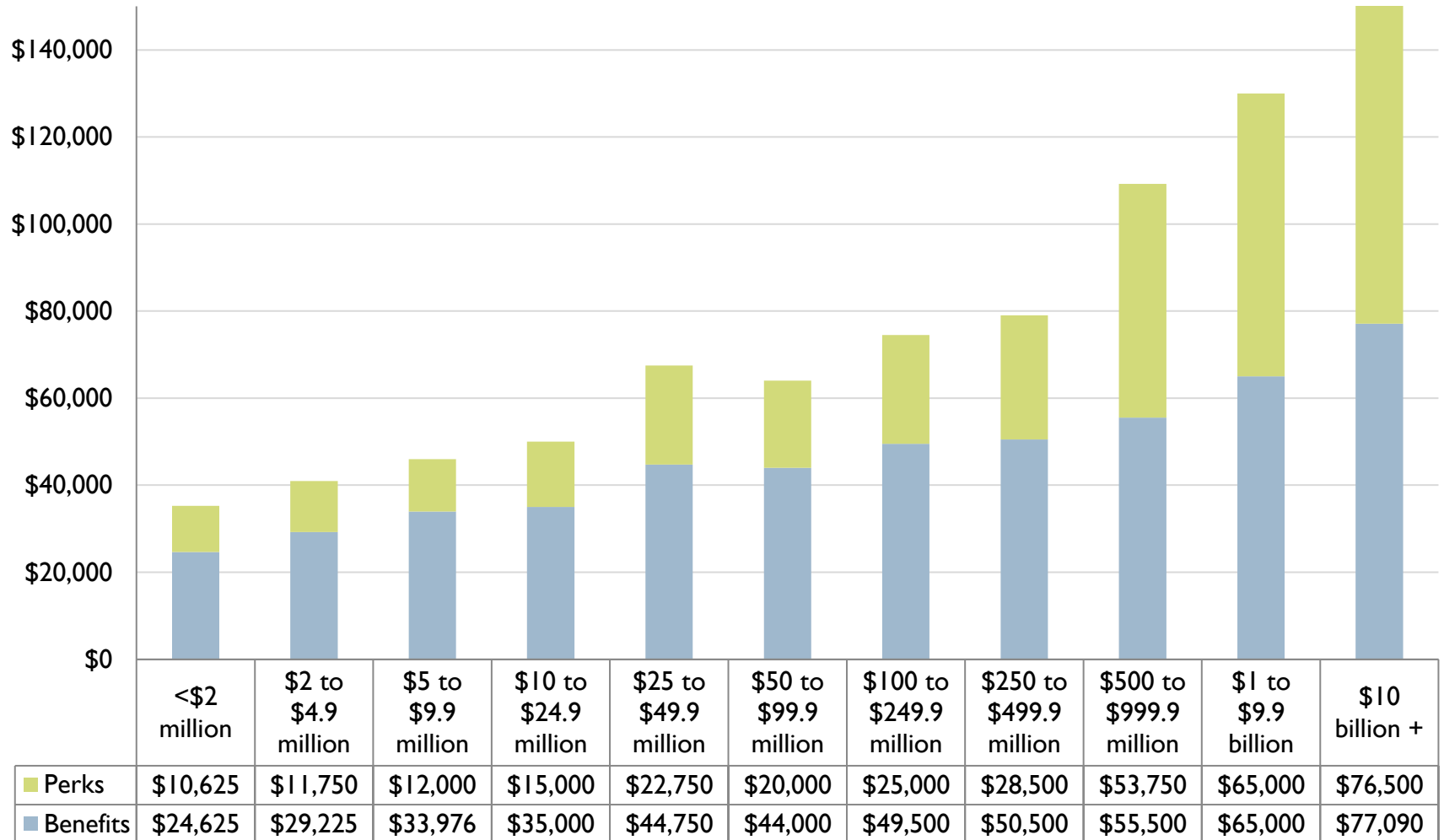
Value of CEO Perquisites



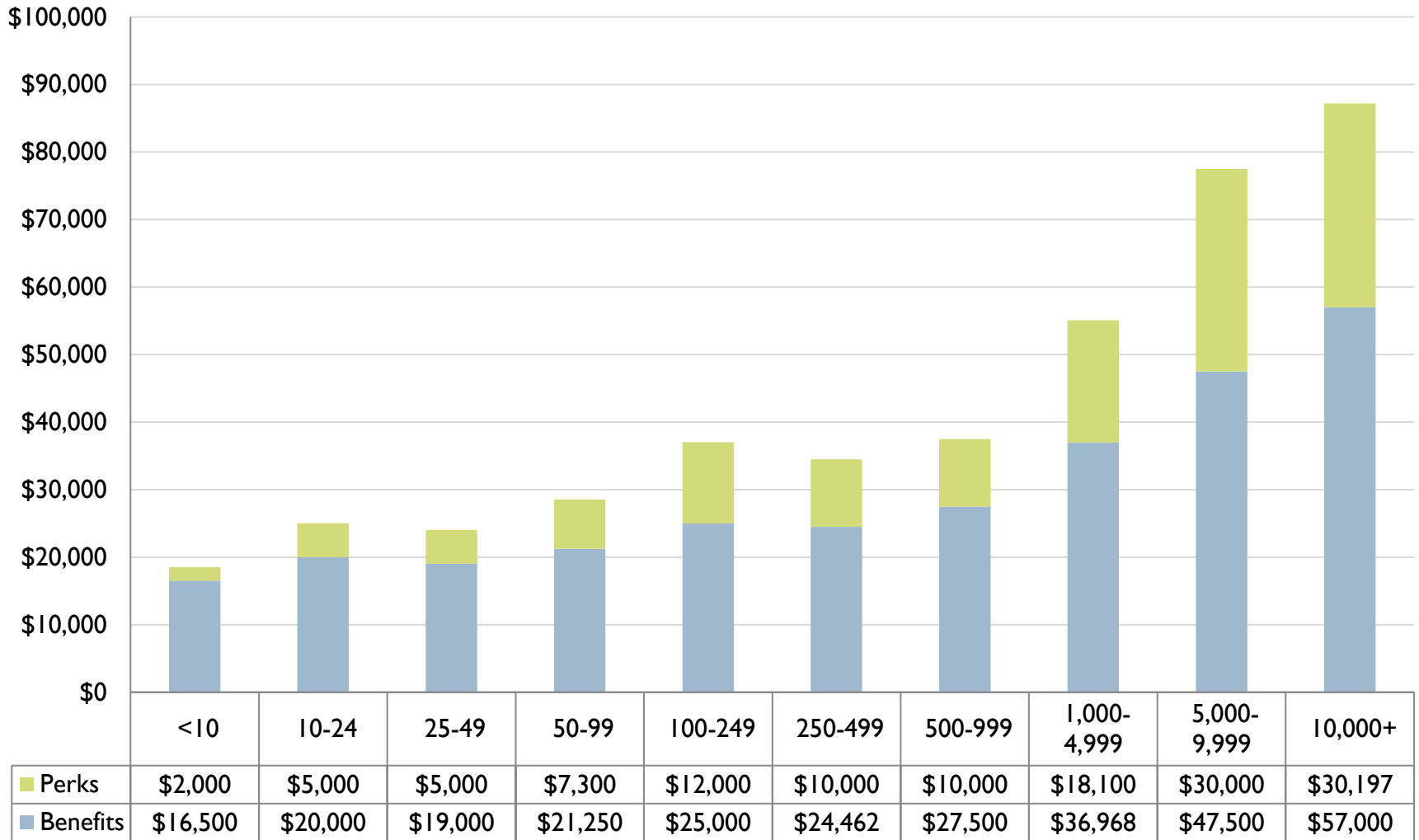
Value of CEO Benefits and Perks, by Company Revenue – Median



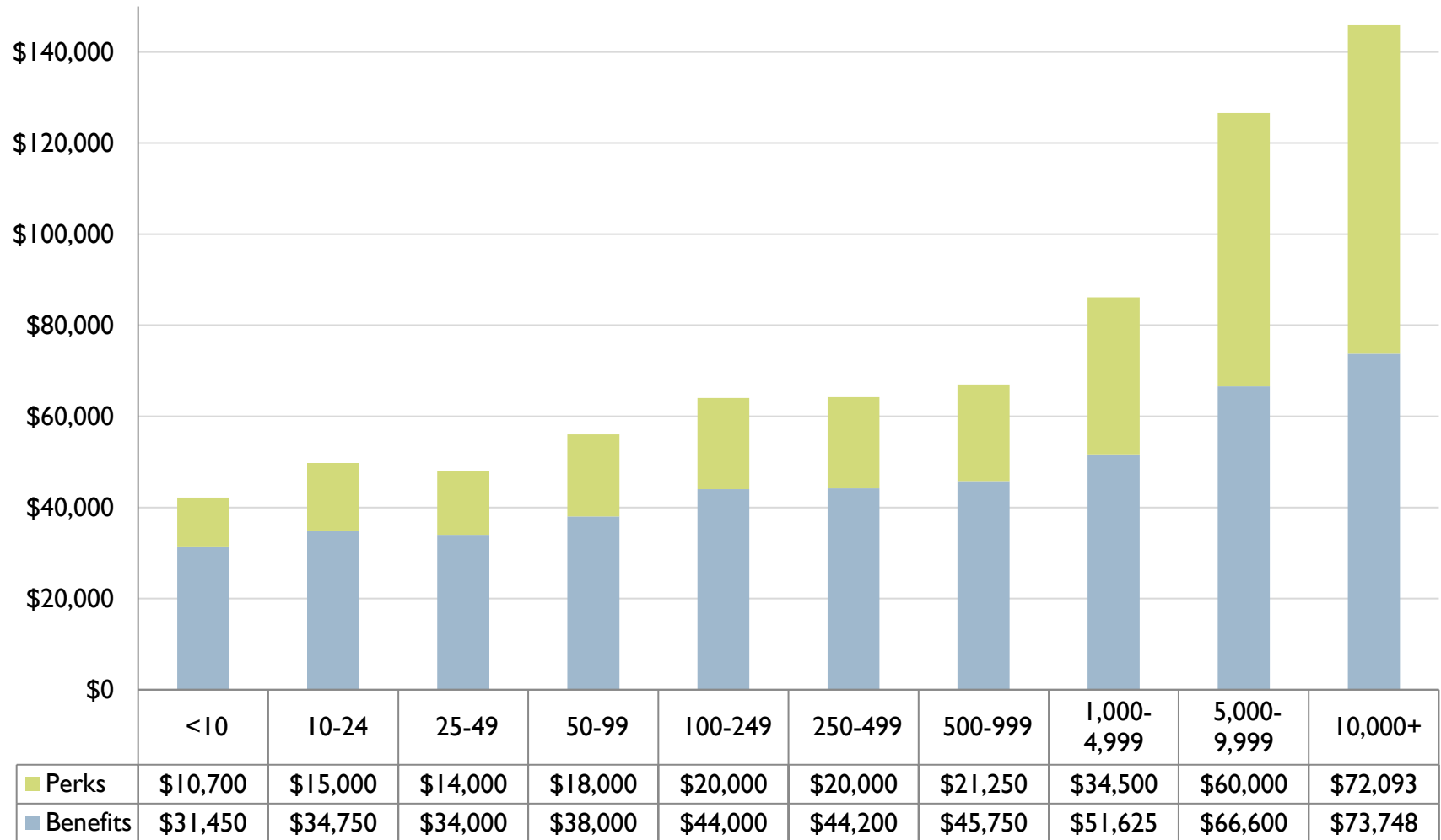
Value of CEO Benefits and Perks, by Company Revenue – Top Quartile



Value of CEO Benefits and Perks, by Number of Employees – Median



Value of CEO Benefits and Perks, by Number of Employees – Top Quartile



Value of CEO Benefits and Perks, by Industry – Median

Industry	Benefits	Perks
Advertising/Marketing/Sales	\$25,650	\$10,000
Agriculture/Forestry/Fishing	\$32,951	\$11,540
Architecture/Engineering	\$27,500	\$10,000
Business Services	\$28,000	\$10,000
Construction/Mining	\$26,700	\$12,000
Education/Government/Non-Profit	\$28,500	\$7,500
Energy/Utility/Oil/Gas	\$29,000	\$11,500
Entertainment	\$28,250	\$11,250
Financial Services	\$28,800	\$18,000
Health Care - Pharma/Bio	\$20,750	\$8,750
Health Care – Services	\$21,731	\$11,762
Manufacturing – Consumer	\$25,350	\$13,500
Manufacturing – Industrial	\$25,000	\$10,000
Media/Publishing	\$23,150	\$11,400
Real Estate	\$21,800	\$10,827
Restaurant	\$24,988	\$10,000
Retail	\$24,250	\$9,725
Tech	\$19,591	\$6,560
Transportation	\$19,050	\$10,928
Wholesale/Distribution	\$28,750	\$10,000
Other	\$23,250	\$10,000

Value of CEO Benefits and Perks, by Industry – Top Quartile

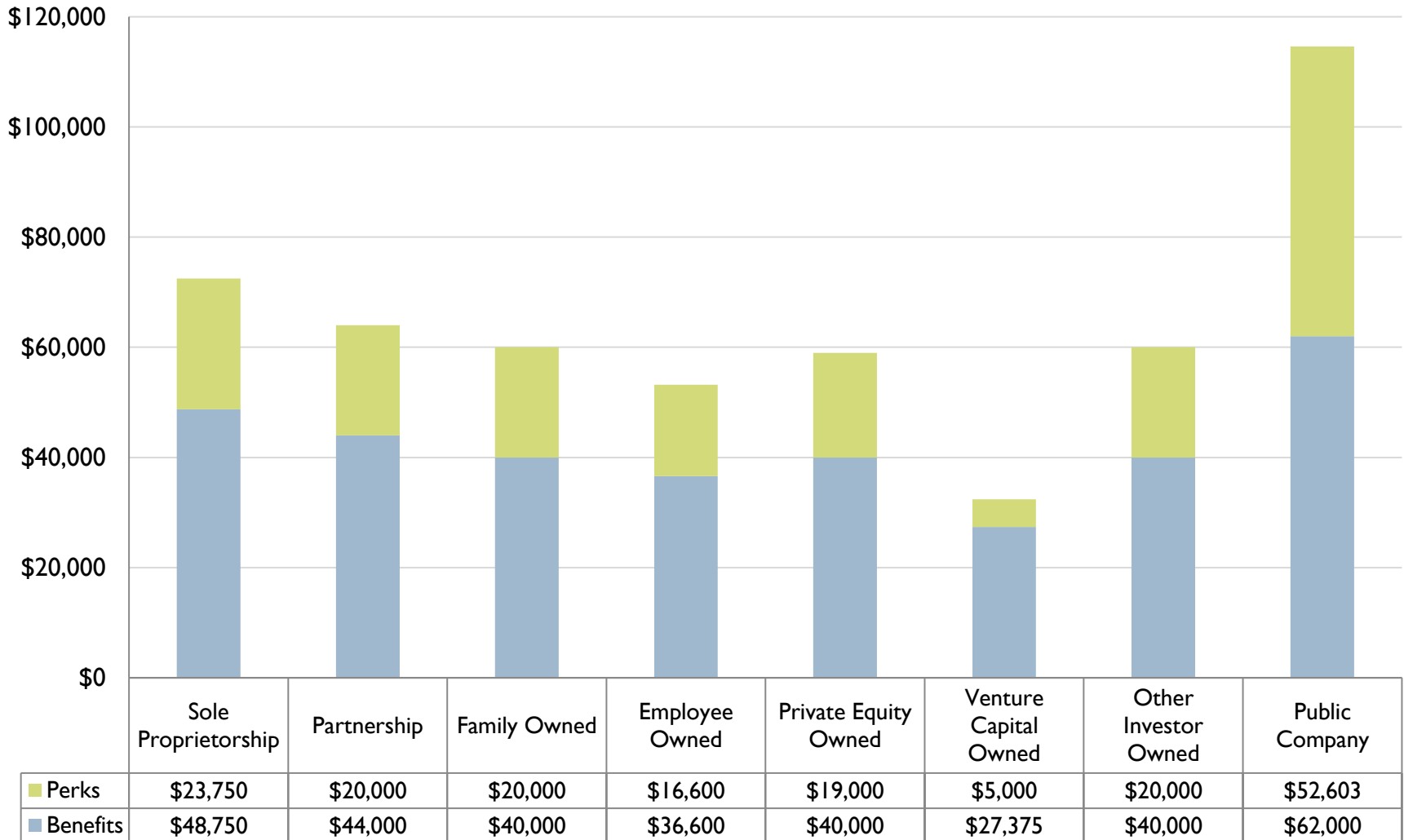
Industry	Benefits	Perks
Advertising/Marketing/Sales	\$46,000	\$17,500
Agriculture/Forestry/Fishing	\$49,600	\$18,800
Architecture/Engineering	\$39,789	\$25,000
Business Services	\$52,250	\$25,000
Construction/Mining	\$46,250	\$25,000
Education/Government/Non-Profit	\$47,500	\$21,500
Energy/Utility/Oil/Gas	\$48,750	\$19,444
Entertainment	\$48,225	\$36,625
Financial Services	\$62,750	\$32,750
Health Care - Pharma/Bio	\$33,200	\$19,500
Health Care – Services	\$43,111	\$20,000
Manufacturing – Consumer	\$44,000	\$20,500
Manufacturing – Industrial	\$35,000	\$18,500
Media/Publishing	\$42,250	\$20,250
Real Estate	\$43,125	\$18,125
Restaurant	\$46,350	\$23,000
Retail	\$39,850	\$22,250
Tech	\$29,500	\$9,500
Transportation	\$39,500	\$18,000
Wholesale/Distribution	\$42,000	\$21,500
Other	\$37,000	\$19,500

Value of CEO Benefits and Perks, by Ownership Type – Median



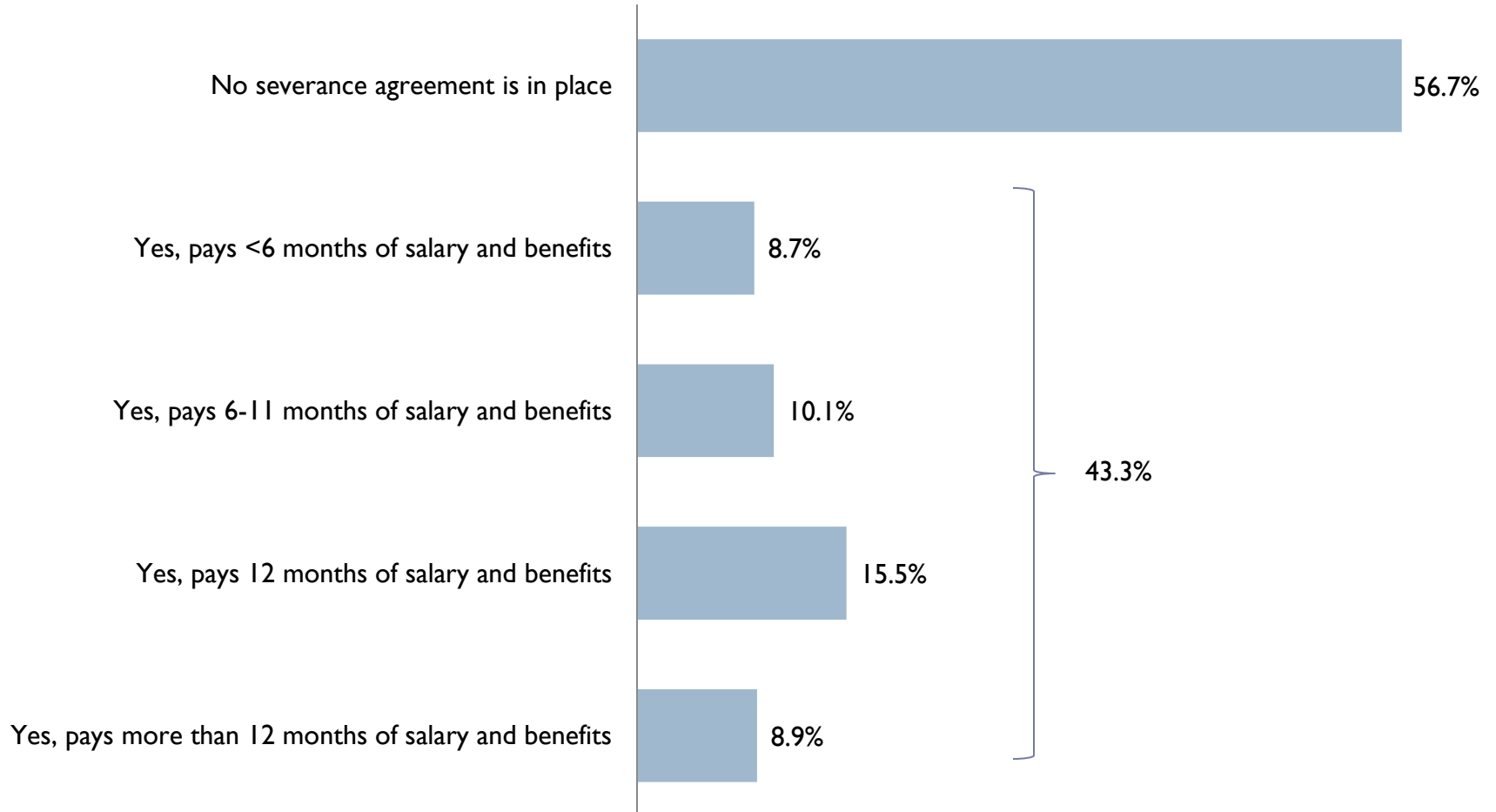
- ❖ VC-backed company CEOs tend to have fewer benefits and perks than other ownership types. They more than make up for this with stock options and tend to skew younger, which reduces healthcare costs.

Value of CEO Benefits and Perks, by Ownership Type – Top Quartile



Existence of Severance Agreement if CEO Employment Is Terminated

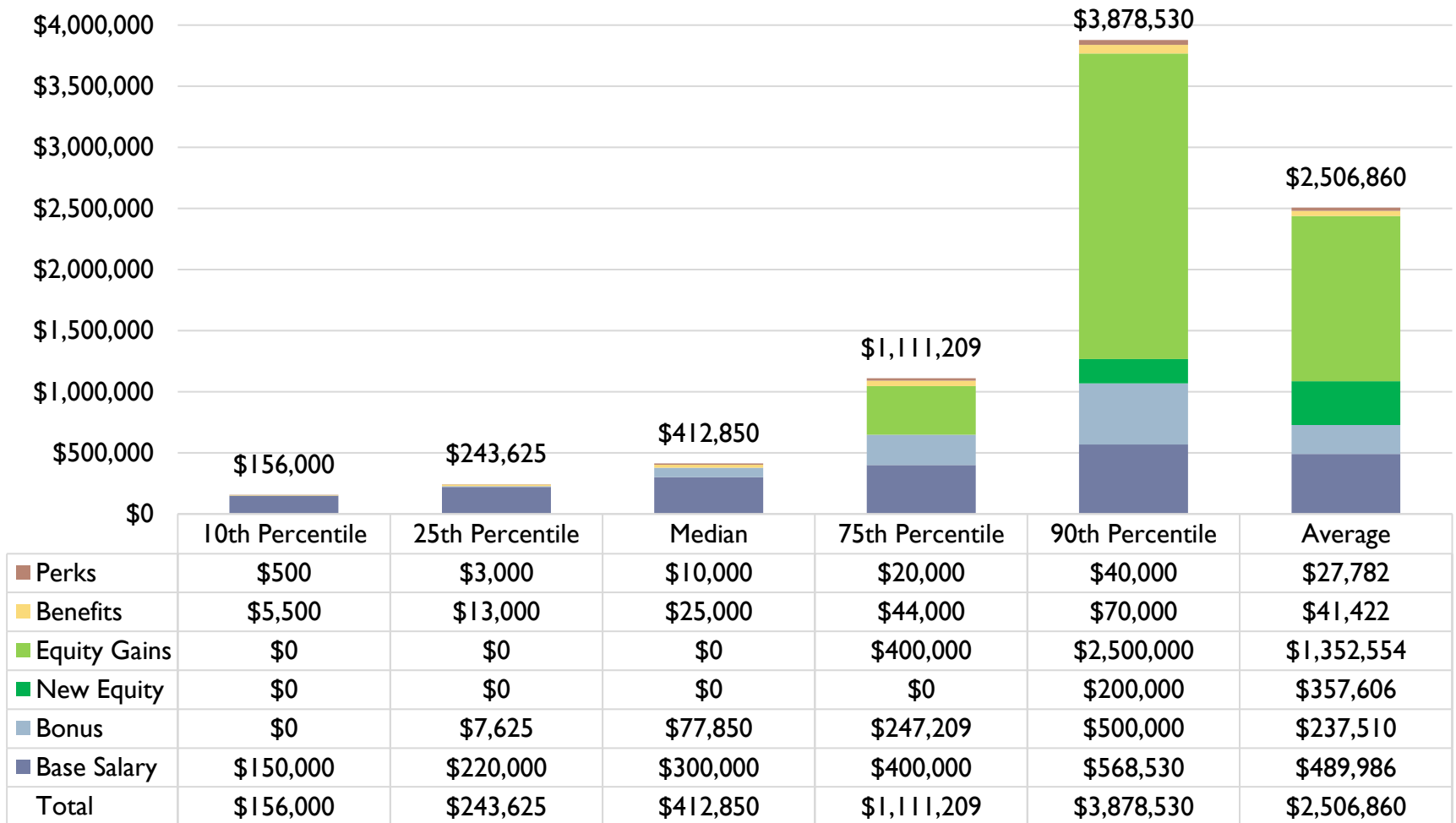
Percent of Companies Offering Severance Agreements





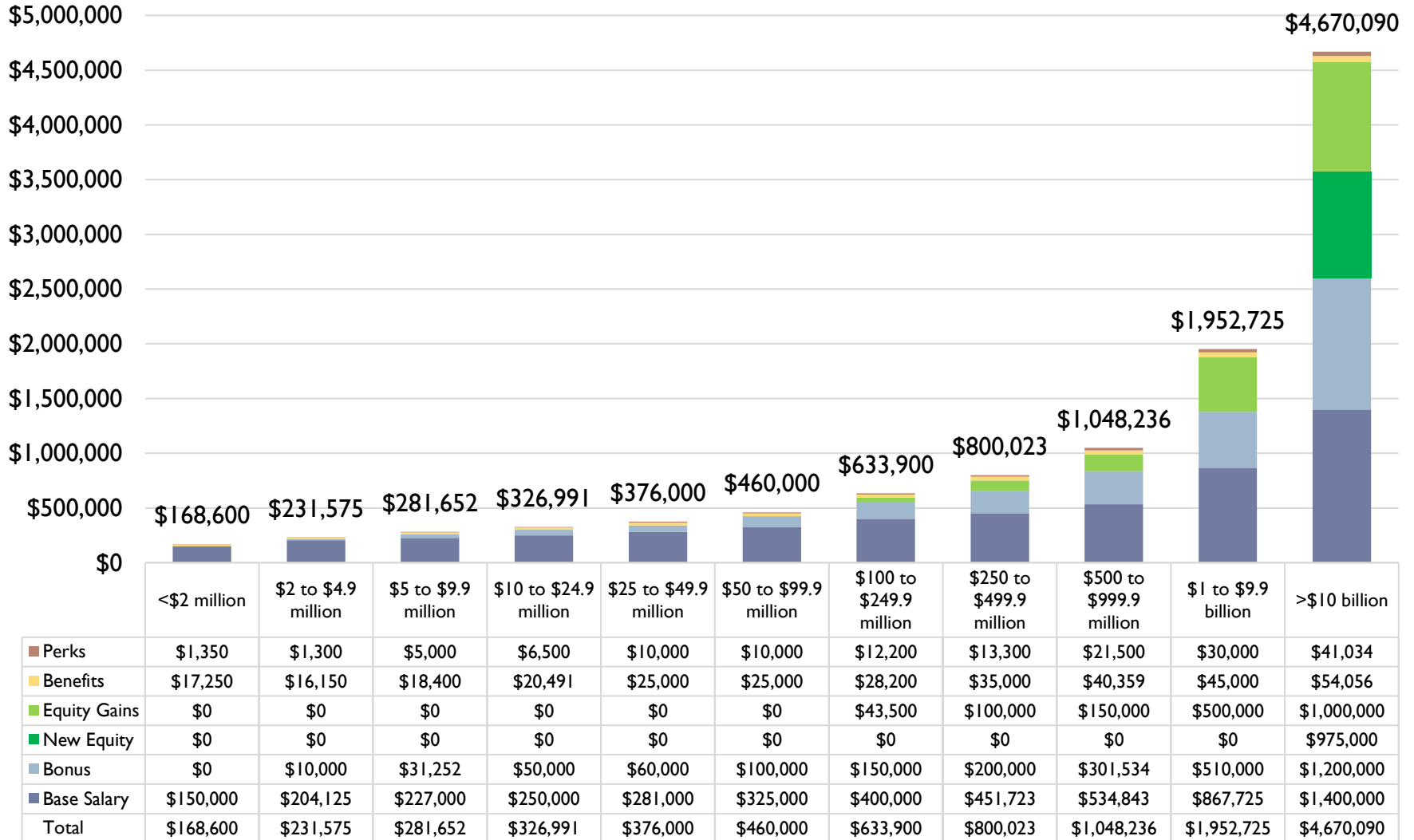
2022 CEO Total Compensation

2022 Total CEO Compensation

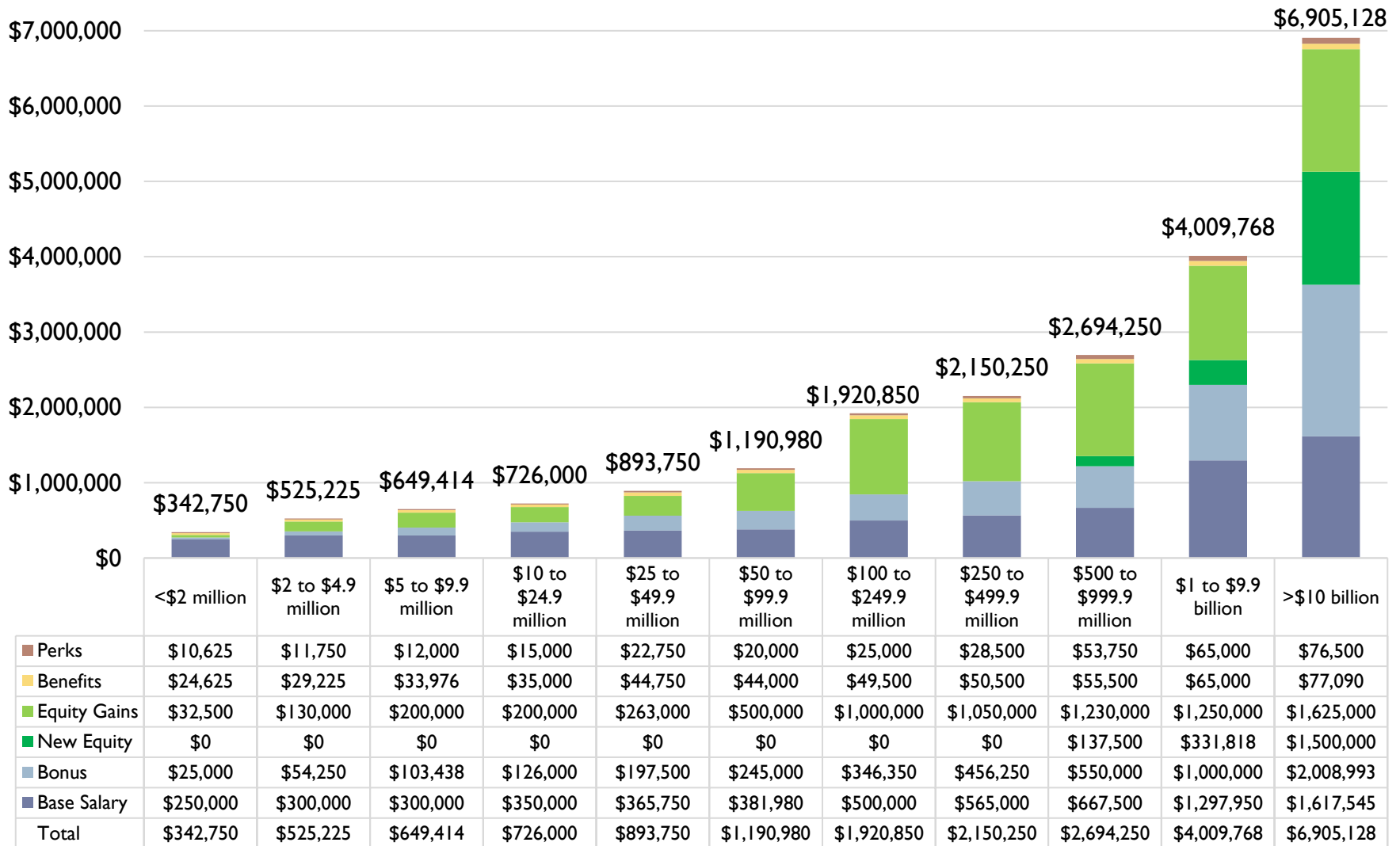


❖ While salaries were up for all percentile groups, total compensation was down for median and higher percentiles given lower bonuses and equity appreciation in 2022 than 2021 for most companies.

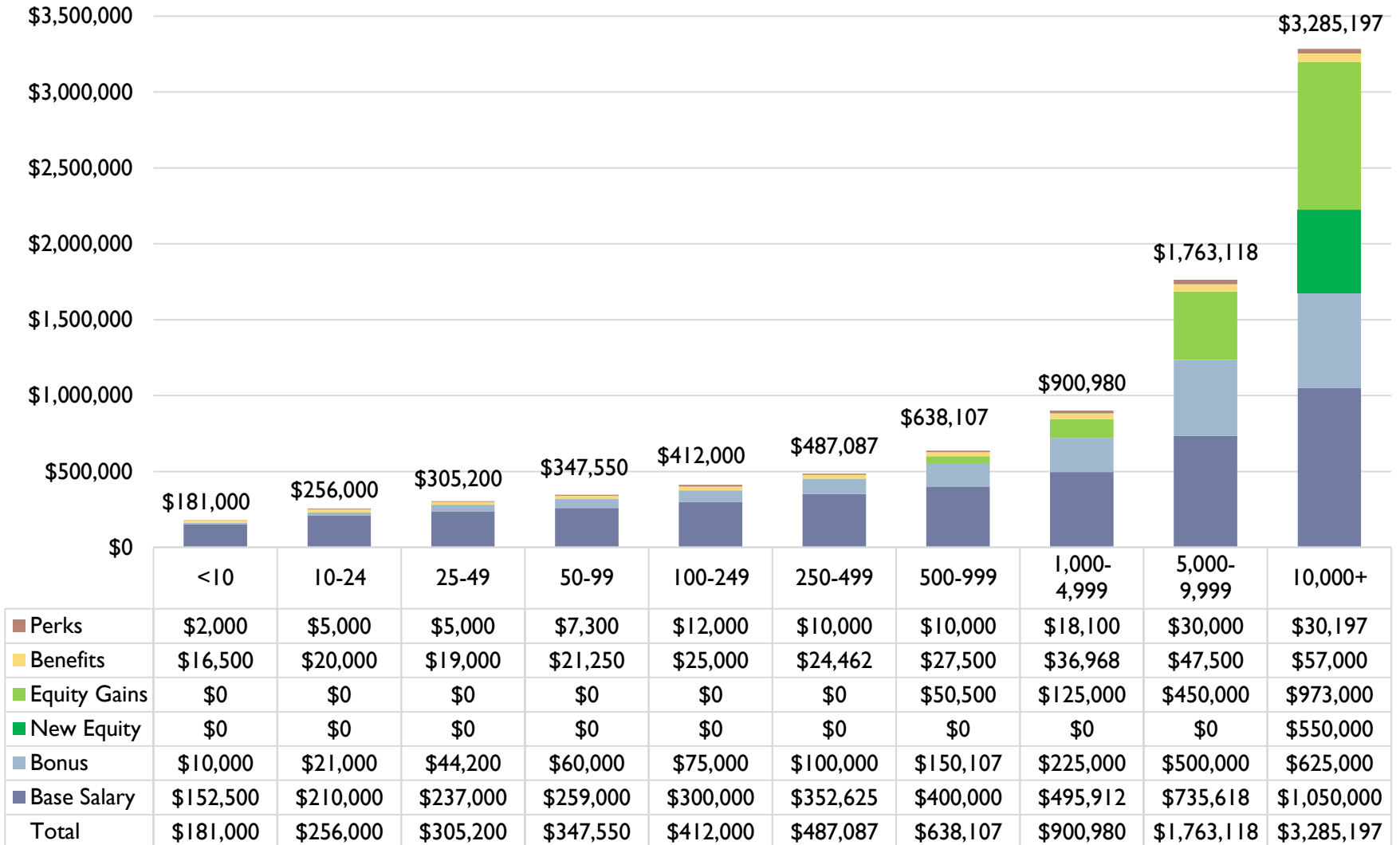
2022 Total CEO Compensation, by Company Revenue – Median



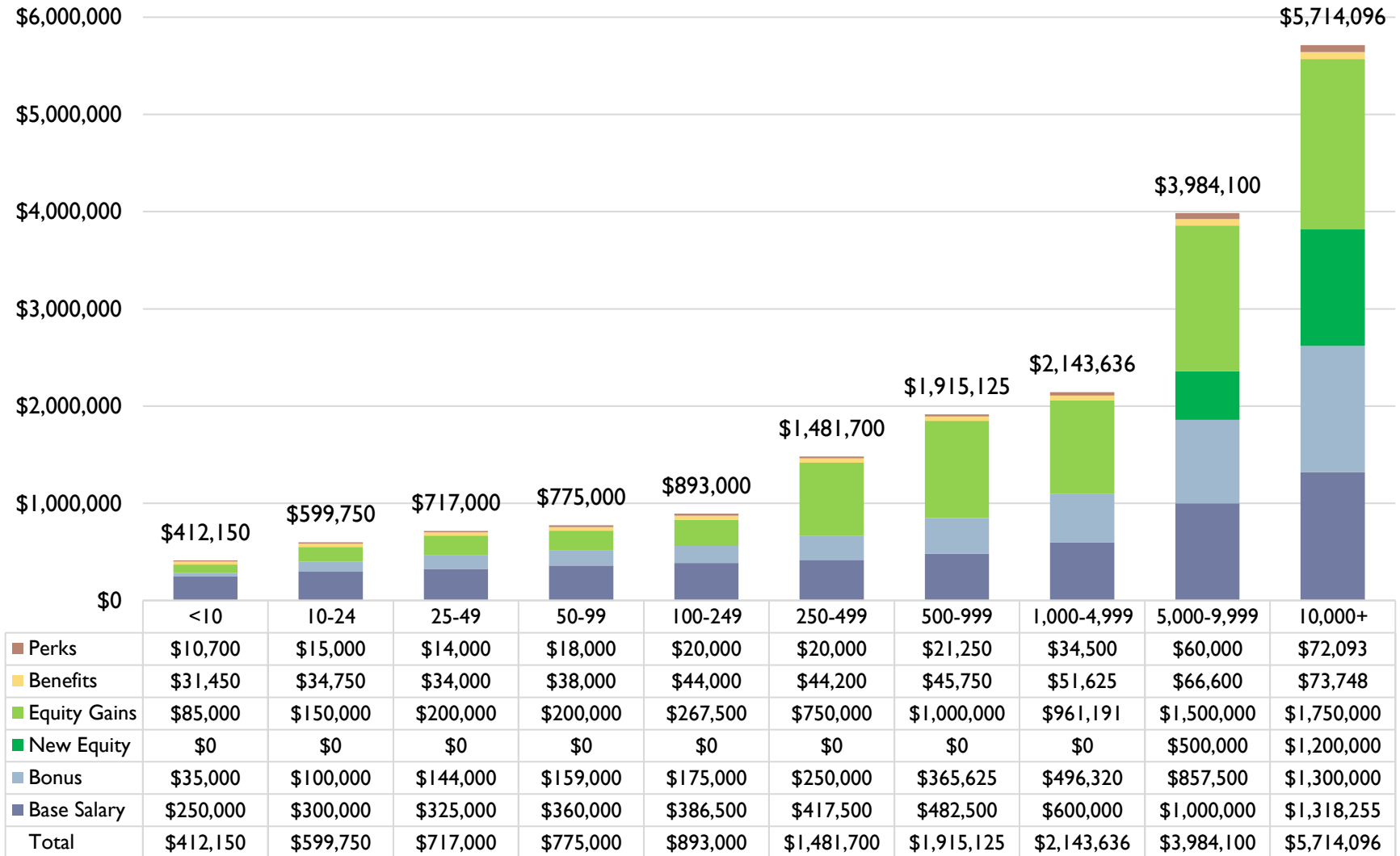
2022 Total CEO Compensation, by Company Revenue – Top Quartile



2022 Total CEO Compensation, by Number of Employees – Median



2022 Total CEO Compensation, by Number of Employees – Top Quartile



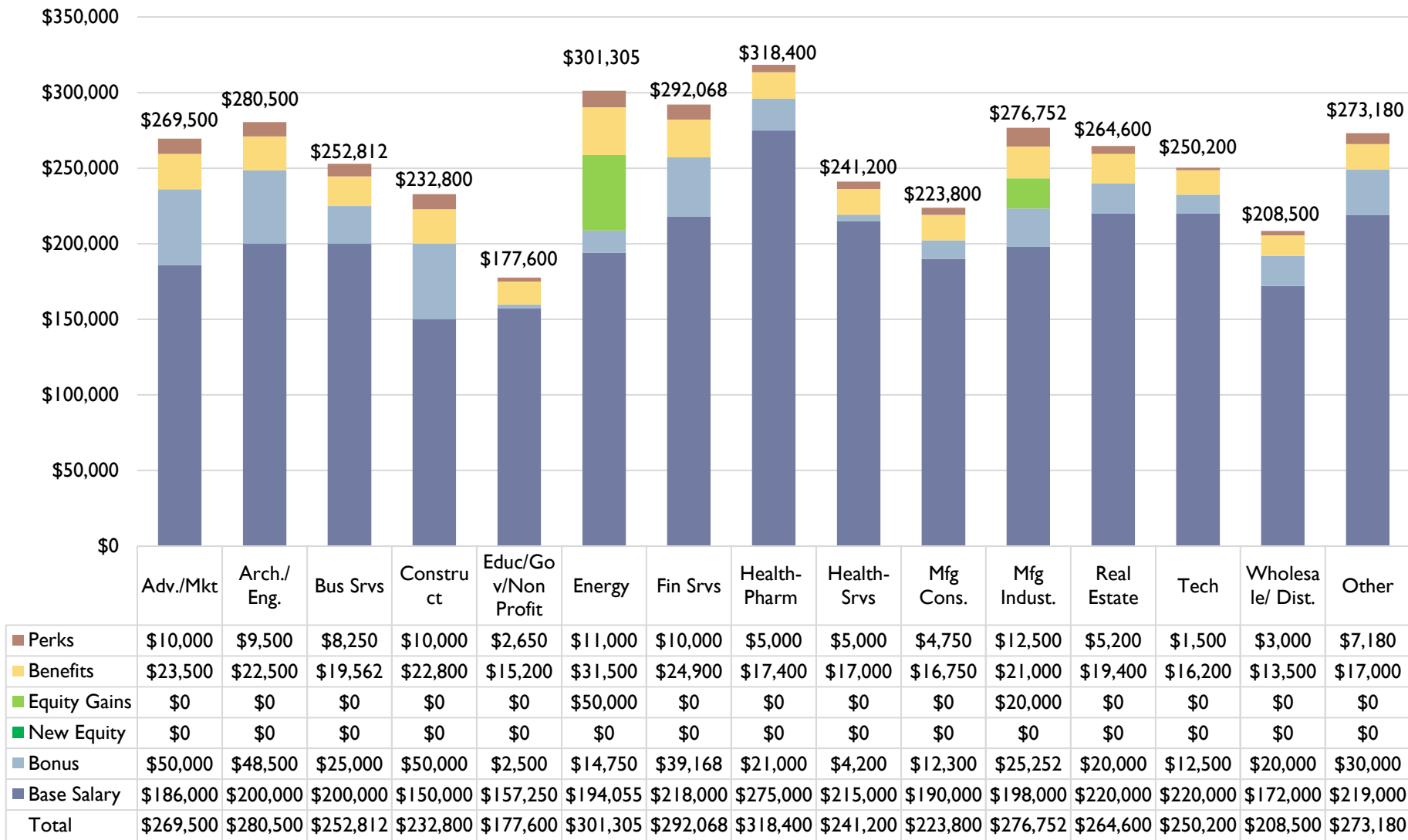
2022 Total CEO Compensation, by Industry – Median

Industry	Base Salary	Bonus	Cash Comp. Subtotal	New Equity	Equity Gains	Benefits	Perks	Total
Advertising/Marketing/Sales	\$265,000	\$90,000	\$355,000	\$0	\$50,000	\$25,650	\$10,000	\$440,650
Agriculture/Forestry/Fishing	\$257,500	\$82,600	\$340,100	\$0	\$0	\$32,951	\$11,540	\$384,591
Architecture/Engineering	\$274,000	\$99,000	\$373,000	\$0	\$30,000	\$27,500	\$10,000	\$440,500
Business Services	\$285,000	\$100,000	\$385,000	\$0	\$0	\$28,000	\$10,000	\$423,000
Construction/Mining	\$290,000	\$115,000	\$405,000	\$0	\$50,000	\$26,700	\$12,000	\$493,700
Education/Government/Non-Profit	\$240,500	\$14,000	\$254,500	\$0	\$0	\$28,500	\$7,500	\$290,500
Energy/Utility/Oil/Gas	\$330,000	\$119,200	\$449,200	\$0	\$88,000	\$29,000	\$11,500	\$577,700
Entertainment	\$277,972	\$99,250	\$377,222	\$0	\$0	\$28,250	\$11,250	\$416,722
Financial Services	\$373,790	\$71,000	\$444,790	\$0	\$0	\$28,800	\$18,000	\$491,590
Health Care - Pharma/Bio	\$365,000	\$86,000	\$451,000	\$0	\$0	\$20,750	\$8,750	\$480,500
Health Care – Services	\$345,000	\$66,000	\$411,000	\$0	\$0	\$21,731	\$11,762	\$444,493
Manufacturing – Consumer	\$312,000	\$75,000	\$387,000	\$0	\$0	\$25,350	\$13,500	\$425,850
Manufacturing – Industrial	\$278,000	\$95,500	\$373,500	\$0	\$0	\$25,000	\$10,000	\$408,500
Media/Publishing	\$293,706	\$45,000	\$338,706	\$0	\$25,000	\$23,150	\$11,400	\$398,256
Real Estate	\$306,000	\$52,000	\$358,000	\$0	\$0	\$21,800	\$10,827	\$390,627
Restaurant	\$279,812	\$75,000	\$354,812	\$0	\$5,000	\$24,988	\$10,000	\$394,800
Retail	\$272,000	\$98,336	\$370,336	\$0	\$0	\$24,250	\$9,725	\$404,311
Tech	\$301,032	\$75,000	\$376,032	\$0	\$66,200	\$19,591	\$6,560	\$468,383
Transportation	\$300,000	\$76,211	\$376,211	\$0	\$50,000	\$19,050	\$10,928	\$456,189
Wholesale/Distribution	\$287,000	\$104,000	\$391,000	\$0	\$43,600	\$28,750	\$10,000	\$473,350
Other	\$277,972	\$50,850	\$328,822	\$0	\$0	\$23,250	\$10,000	\$362,072

2022 Total CEO Compensation, by Industry – Top Quartile

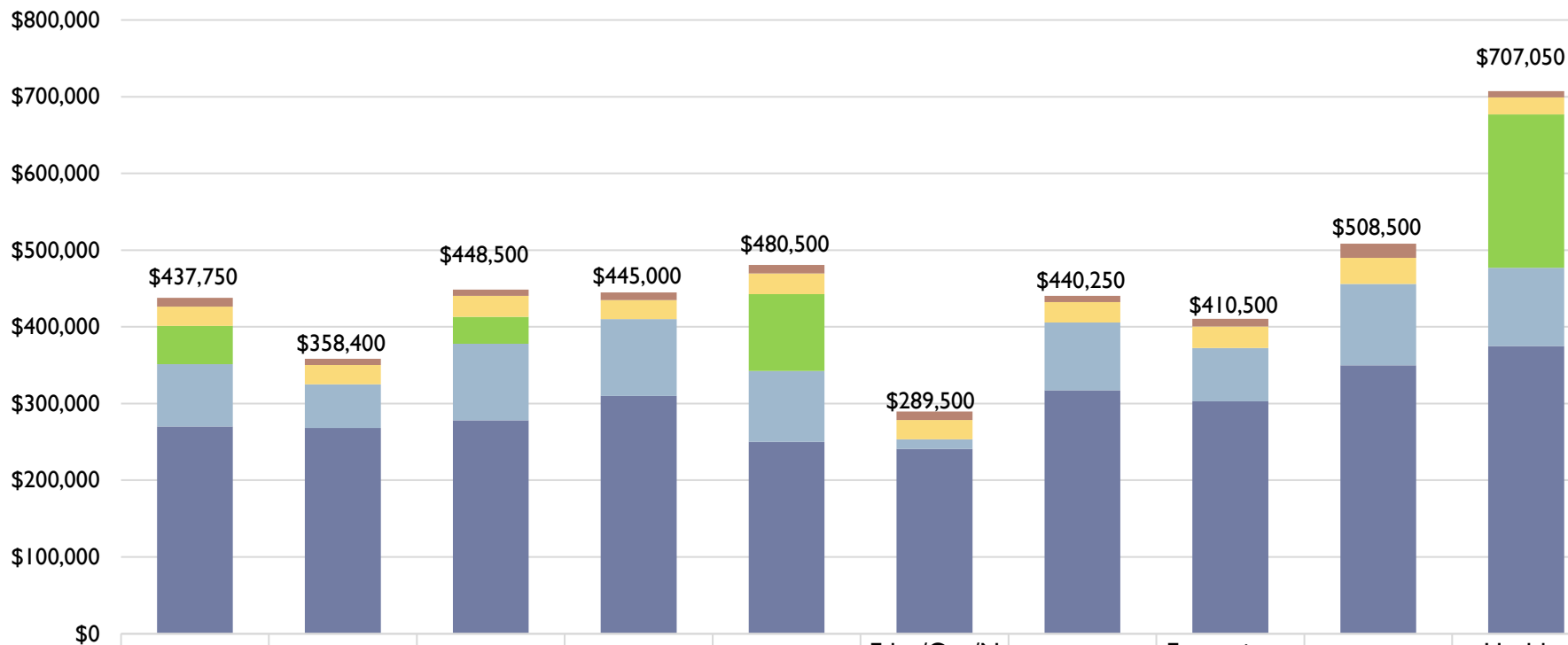
Industry	Base Salary	Bonus	Cash Comp. Subtotal	New Equity	Equity Gains	Benefits	Perks	Total
Advertising/Marketing/Sales	\$367,080	\$218,750	\$585,830	\$17,500	\$350,000	\$46,000	\$17,500	\$1,016,830
Agriculture/Forestry/Fishing	\$356,250	\$305,000	\$661,250	\$0	\$40,900	\$49,600	\$18,800	\$770,550
Architecture/Engineering	\$342,500	\$333,009	\$675,509	\$38,750	\$145,000	\$39,789	\$25,000	\$924,048
Business Services	\$400,000	\$300,000	\$700,000	\$0	\$250,000	\$52,250	\$25,000	\$1,027,250
Construction/Mining	\$400,000	\$258,600	\$658,600	\$0	\$875,000	\$46,250	\$25,000	\$1,604,850
Education/Government/Non- Profit	\$380,000	\$65,000	\$445,000	\$0	\$0	\$47,500	\$21,500	\$514,000
Energy/Utility/Oil/Gas	\$480,500	\$338,800	\$819,300	\$125,000	\$1,500,000	\$48,750	\$19,444	\$2,512,494
Entertainment	\$425,000	\$228,000	\$653,000	\$0	\$600,000	\$48,225	\$36,625	\$1,337,850
Financial Services	\$500,000	\$275,000	\$775,000	\$0	\$262,500	\$62,750	\$32,750	\$1,133,000
Health Care - Pharma/Bio	\$446,000	\$144,750	\$590,750	\$112,500	\$850,000	\$33,200	\$19,500	\$1,605,950
Health Care – Services	\$417,000	\$200,000	\$617,000	\$0	\$365,000	\$43,111	\$20,000	\$1,045,111
Manufacturing – Consumer	\$422,000	\$257,500	\$679,500	\$0	\$387,500	\$44,000	\$20,500	\$1,131,500
Manufacturing – Industrial	\$371,500	\$209,500	\$581,000	\$0	\$660,000	\$35,000	\$18,500	\$1,294,500
Media/Publishing	\$400,000	\$115,000	\$515,000	\$0	\$100,000	\$42,250	\$20,250	\$677,500
Real Estate	\$500,000	\$175,000	\$675,000	\$0	\$500,000	\$43,125	\$18,125	\$1,236,250
Restaurant	\$405,000	\$250,000	\$655,000	\$5,250	\$175,000	\$46,350	\$23,000	\$904,600
Retail	\$450,000	\$112,500	\$562,500	\$0	\$275,000	\$39,850	\$22,250	\$899,600
Tech	\$400,000	\$200,000	\$600,000	\$0	\$562,500	\$29,500	\$9,500	\$1,201,500
Transportation	\$416,750	\$182,744	\$599,494	\$0	\$730,000	\$39,500	\$18,000	\$1,386,994
Wholesale/Distribution	\$400,000	\$423,000	\$823,000	\$0	\$367,500	\$42,000	\$21,500	\$1,254,000
Other	\$412,500	\$250,000	\$662,500	\$0	\$362,500	\$37,000	\$19,500	\$1,081,500

2022 CEO Total Compensation, by Company Revenue for Select Industries – Median Company Revenue <\$10 Million



2022 CEO Total Compensation, by Company Revenue for Select Industries – Median

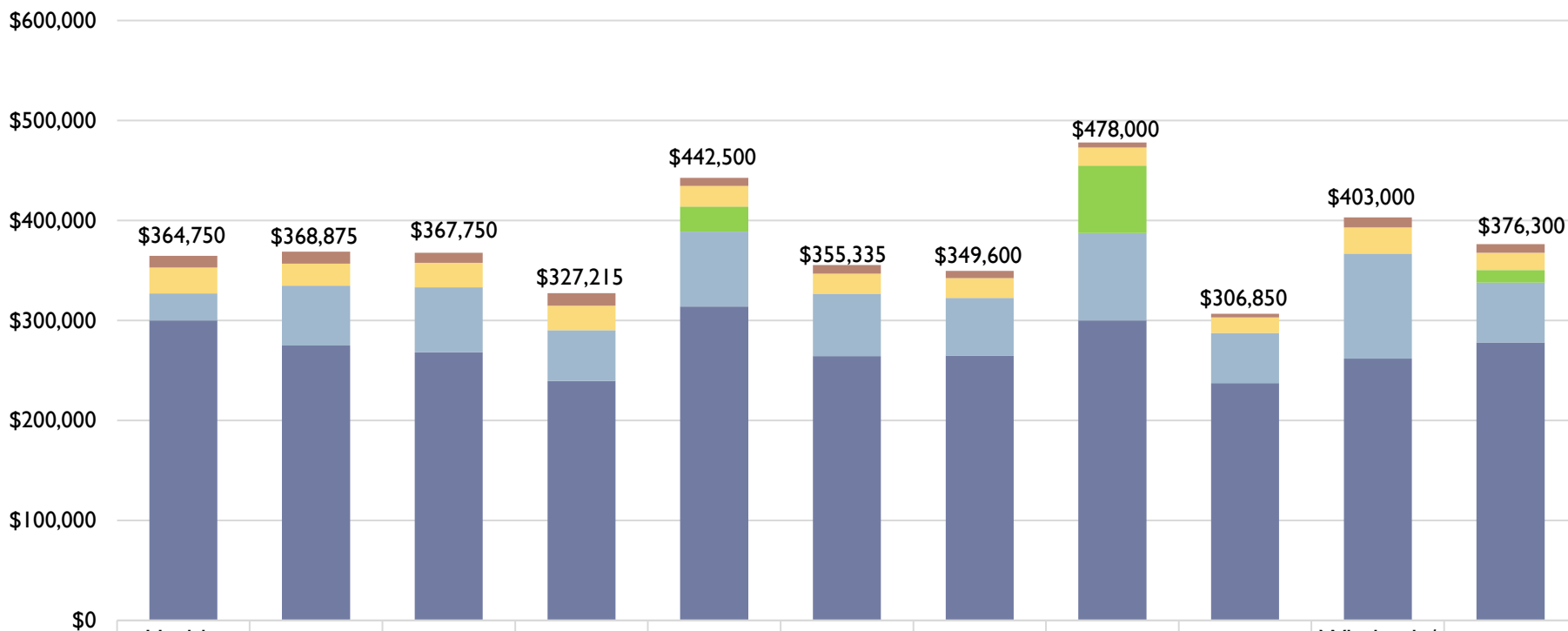
Company Revenue \$10 to \$99.9 Million (Part 1 of 2)



	Adv./Mkt	Ag./ Forest	Arch./ Eng.	Bus Svcs	Construct	Educ/Gov/N on Profit	Energy	Entertainment	Fin Svcs	Health-Pharm
Perks	\$11,500	\$8,200	\$8,250	\$10,000	\$11,000	\$11,000	\$8,000	\$10,000	\$18,500	\$8,000
Benefits	\$25,000	\$25,200	\$27,250	\$25,000	\$27,000	\$25,000	\$26,750	\$28,000	\$34,000	\$22,050
Equity Gains	\$50,000	\$0	\$35,000	\$0	\$100,000	\$0	\$0	\$0	\$0	\$200,000
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$81,250	\$57,000	\$100,000	\$100,000	\$92,500	\$12,500	\$88,000	\$69,500	\$106,000	\$102,000
Base Salary	\$270,000	\$268,000	\$278,000	\$310,000	\$250,000	\$241,000	\$317,500	\$303,000	\$350,000	\$375,000
Total	\$437,750	\$358,400	\$448,500	\$445,000	\$480,500	\$289,500	\$440,250	\$410,500	\$508,500	\$707,050

2022 CEO Total Compensation, by Company Revenue for Select Industries – Median (cont.)

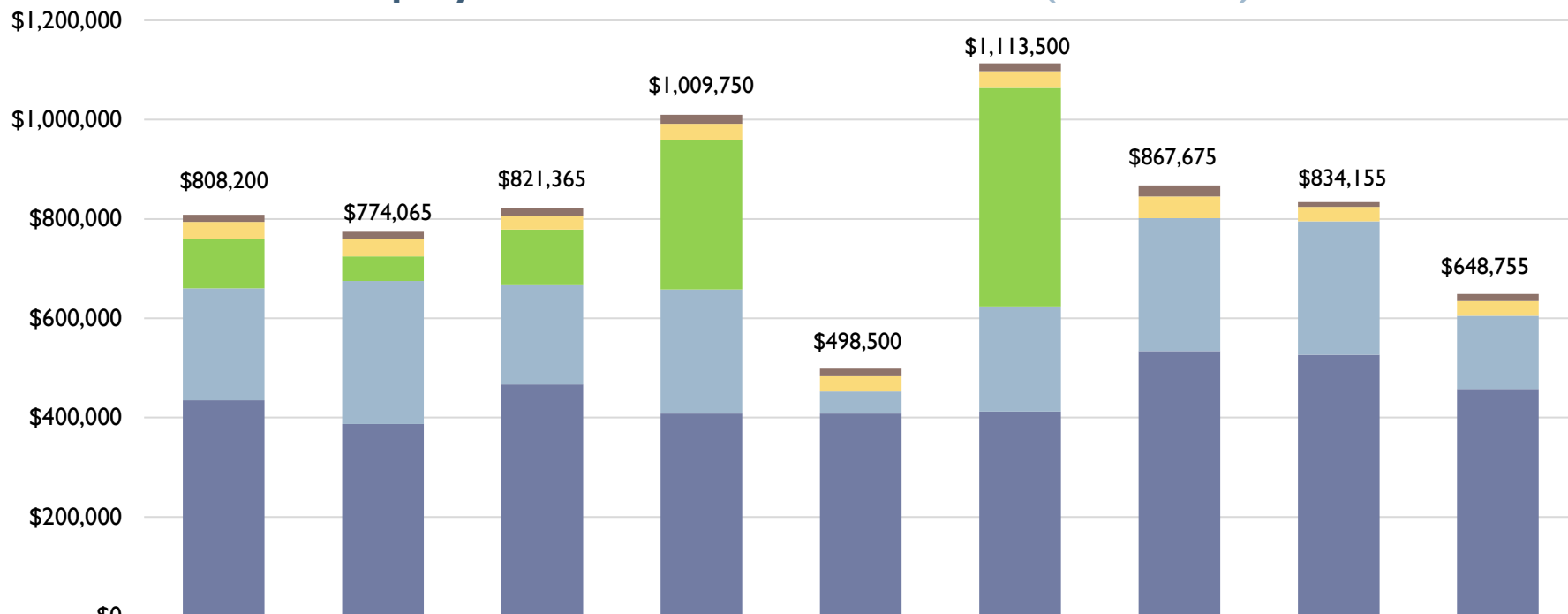
Company Revenue \$10 to \$99.9 Million (Part 2 of 2)



	Health-Srvs	Mfg Cons.	Mfg Indust.	Media/Pub	Real Estate	Restaurant	Retail	Tech	Transp.	Wholesale/Dist.	Other
Perks	\$11,750	\$12,125	\$10,000	\$12,500	\$8,000	\$8,500	\$7,300	\$5,000	\$3,600	\$10,000	\$8,600
Benefits	\$26,000	\$21,750	\$24,500	\$24,500	\$20,500	\$20,000	\$19,800	\$18,000	\$15,750	\$26,000	\$17,200
Equity Gains	\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$67,500	\$0	\$0	\$12,500
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$27,000	\$60,000	\$65,000	\$50,665	\$75,000	\$62,500	\$57,500	\$87,500	\$50,000	\$105,000	\$60,000
Base Salary	\$300,000	\$275,000	\$268,250	\$239,550	\$314,000	\$264,335	\$265,000	\$300,000	\$237,500	\$262,000	\$278,000
Total	\$364,750	\$368,875	\$367,750	\$327,215	\$442,500	\$355,335	\$349,600	\$478,000	\$306,850	\$403,000	\$376,300

2022 CEO Total Compensation, by Company Revenue for Select Industries – Median

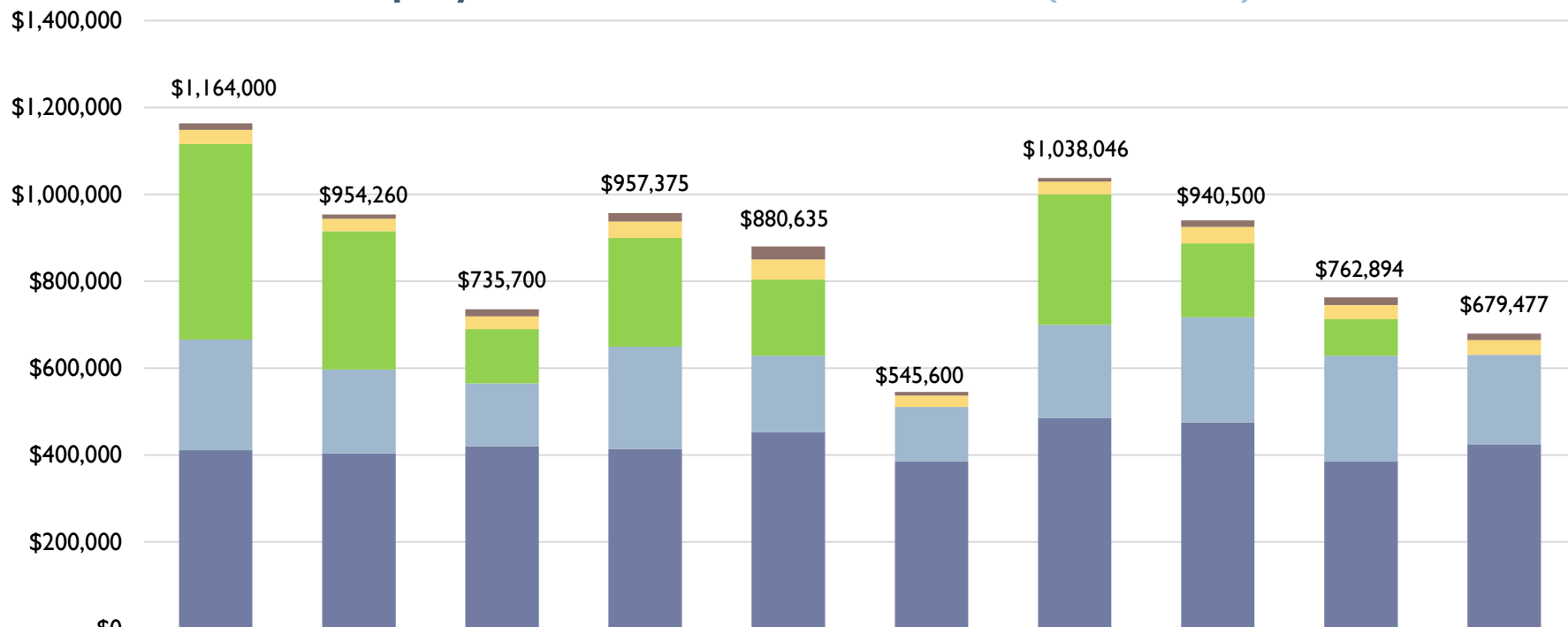
Company Revenue \$100 to \$999.9 Million (Part I of 2)



	Adv./Mkt	Arch./ Eng.	Bus Svcs	Construct	Educ/Gov/N on Profit	Energy	Fin Svcs	Health-Pharm	Health- Svcs
Perks	\$14,200	\$15,000	\$15,000	\$18,250	\$15,000	\$16,000	\$22,500	\$10,000	\$14,250
Benefits	\$34,000	\$34,250	\$27,900	\$33,500	\$31,250	\$33,500	\$43,700	\$28,800	\$29,500
Equity Gains	\$100,000	\$50,015	\$112,000	\$300,000	\$0	\$440,000	\$0	\$0	\$0
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$225,000	\$287,800	\$200,000	\$250,000	\$44,250	\$212,000	\$267,500	\$268,780	\$147,505
Base Salary	\$435,000	\$387,000	\$466,465	\$408,000	\$408,000	\$412,000	\$533,975	\$526,575	\$457,500
Total	\$808,200	\$774,065	\$821,365	\$1,009,750	\$498,500	\$1,113,500	\$867,675	\$834,155	\$648,755

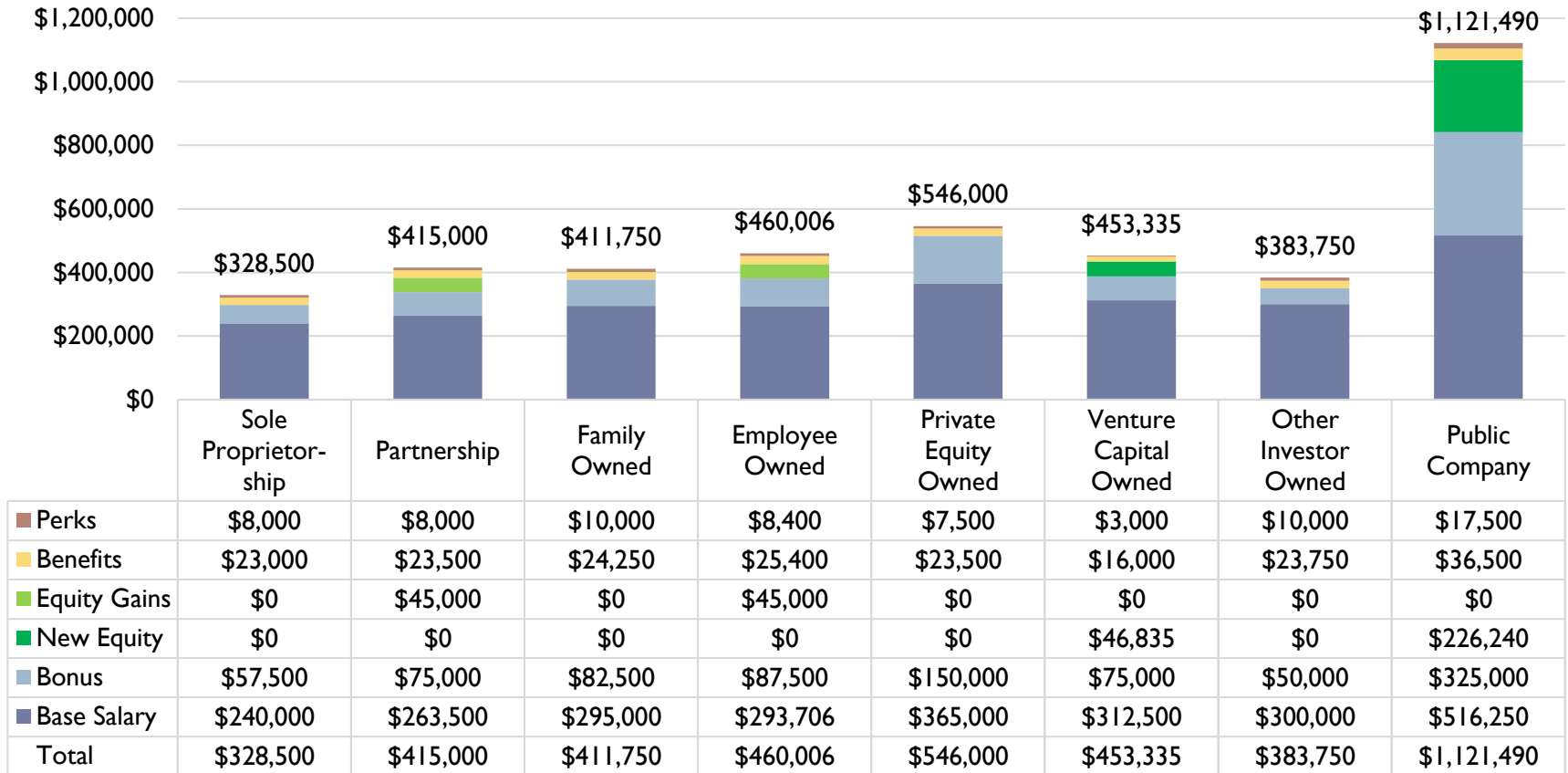
2022 CEO Total Compensation, by Company Revenue for Select Industries – Median (cont.)

Company Revenue \$100 to \$999.9 Million (Part 2 of 2)



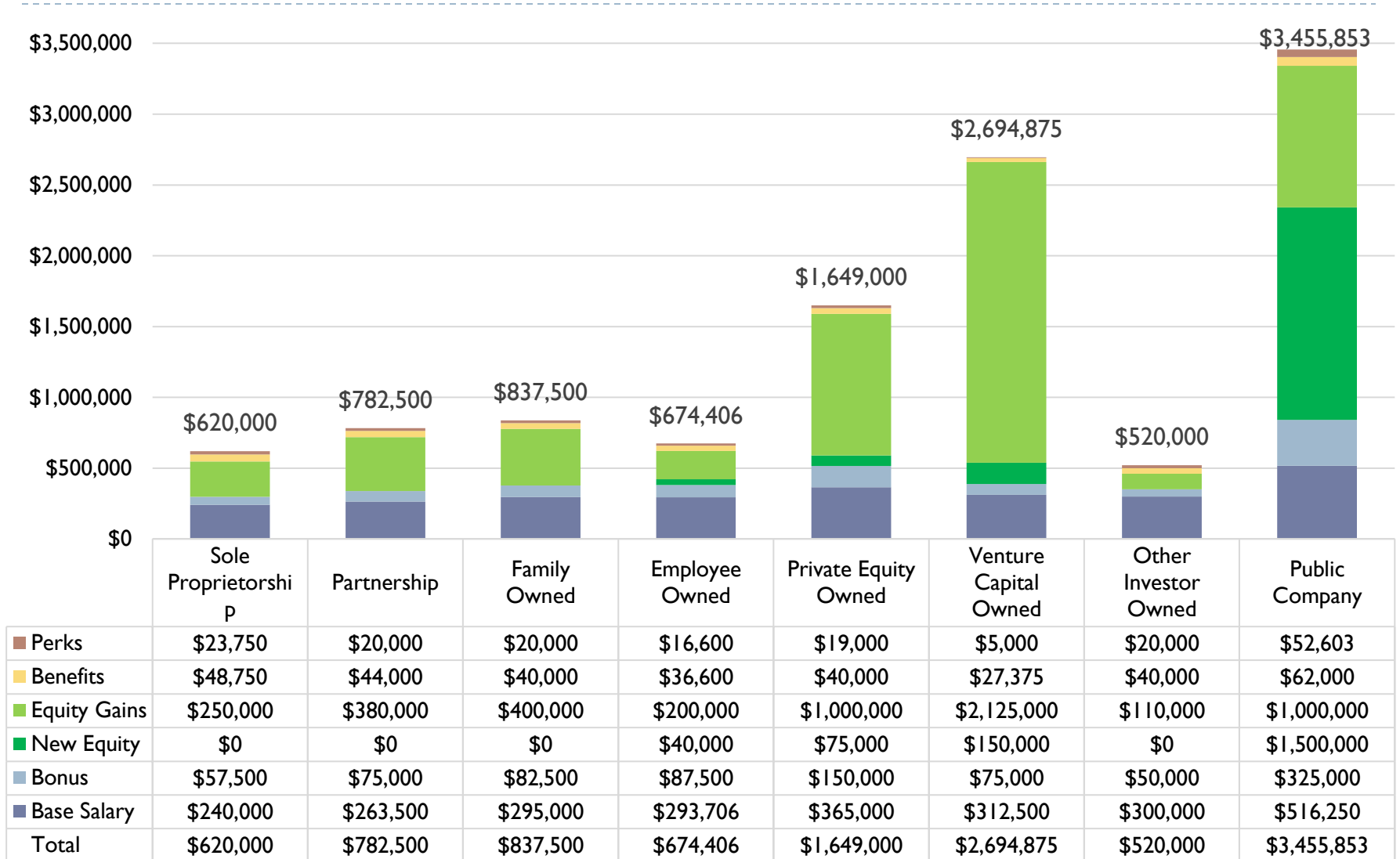
	Mfg Cons.	Mfg Indust.	Media/Pub	Real Estate	Restaurant	Retail	Tech	Transp.	Wholesale/ Dist.	Other
Perks	\$15,000	\$10,000	\$16,000	\$20,000	\$30,000	\$8,600	\$8,398	\$15,000	\$17,500	\$15,000
Benefits	\$33,000	\$28,800	\$29,500	\$37,500	\$46,500	\$26,000	\$29,648	\$37,800	\$32,500	\$33,500
Equity Gains	\$450,000	\$318,710	\$125,000	\$250,000	\$175,000	\$0	\$300,000	\$170,000	\$84,000	\$0
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$255,000	\$193,000	\$145,000	\$236,250	\$176,900	\$125,000	\$215,000	\$242,700	\$243,894	\$205,977
Base Salary	\$411,000	\$403,750	\$420,200	\$413,625	\$452,235	\$386,000	\$485,000	\$475,000	\$385,000	\$425,000
Total	\$1,164,000	\$954,260	\$735,700	\$957,375	\$880,635	\$545,600	\$1,038,046	\$940,500	\$762,894	\$679,477

2022 Total CEO Compensation, by Ownership Type – Median



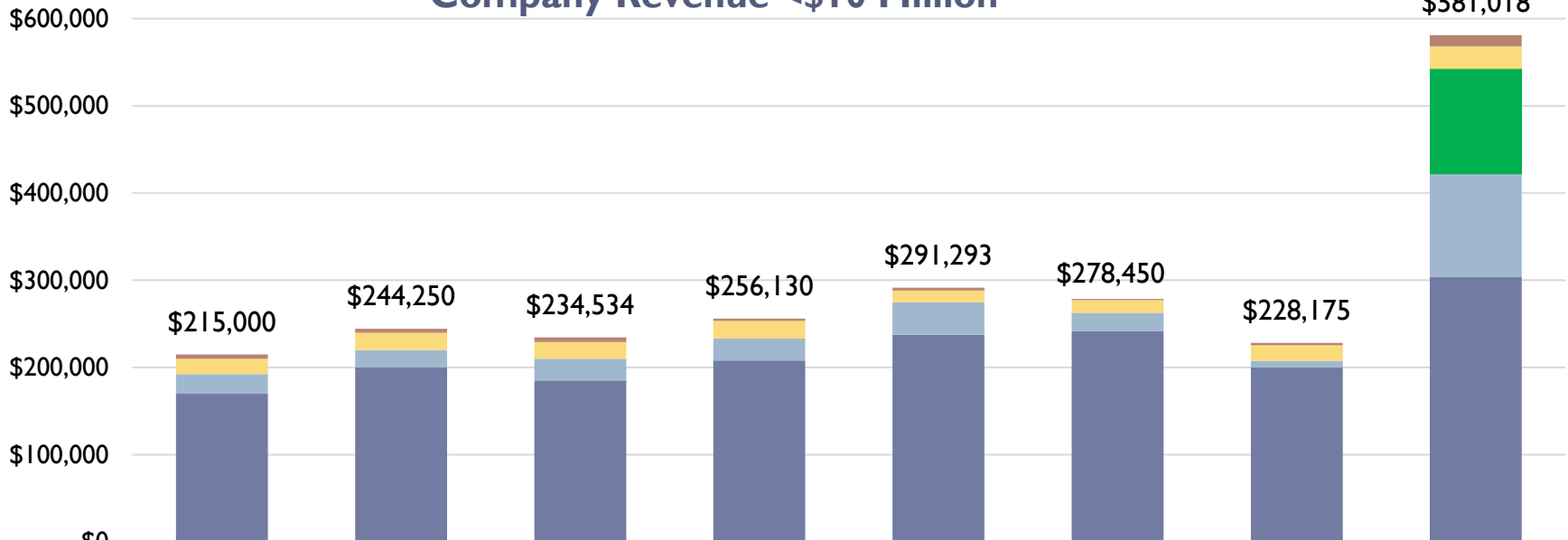
- ❖ While Public company CEOs had the highest median compensation packages overall, PE-back and ESOP company CEOs had the highest median packages among privately held companies.
- ❖ Some of the differences are attributable to the median company size by ownership type (e.g., the median PE-owned company is larger than the median sole proprietorship), but the differences remain even after controlling for company size, as seen on the following pages.

2022 Total CEO Compensation, by Ownership Type – Top Quartile



2022 Total CEO Compensation, by Ownership Type and Company Revenue - Median

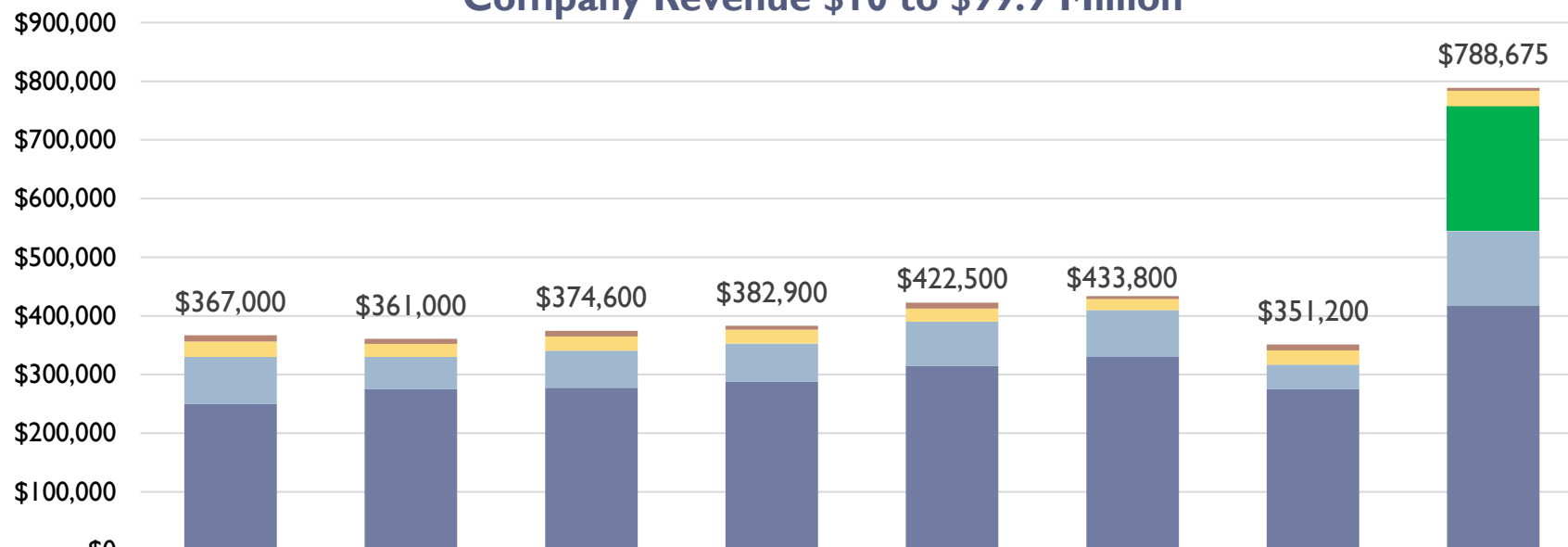
Company Revenue <\$10 Million



	Sole Proprietorship	Partnership	Family Owned	Employee Owned	Private Equity Owned	Venture Capital Owned	Other Investor Owned	Public Company
Perks	\$5,000	\$4,500	\$5,500	\$2,750	\$3,000	\$1,200	\$2,725	\$13,000
Benefits	\$17,500	\$19,750	\$19,000	\$20,300	\$13,500	\$14,700	\$17,950	\$25,600
Equity Gains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120,620
Bonus	\$22,500	\$20,000	\$25,000	\$25,000	\$37,500	\$21,300	\$7,500	\$117,798
Base Salary	\$170,000	\$200,000	\$185,034	\$208,080	\$237,293	\$241,250	\$200,000	\$304,000
Total	\$215,000	\$244,250	\$234,534	\$256,130	\$291,293	\$278,450	\$228,175	\$581,018

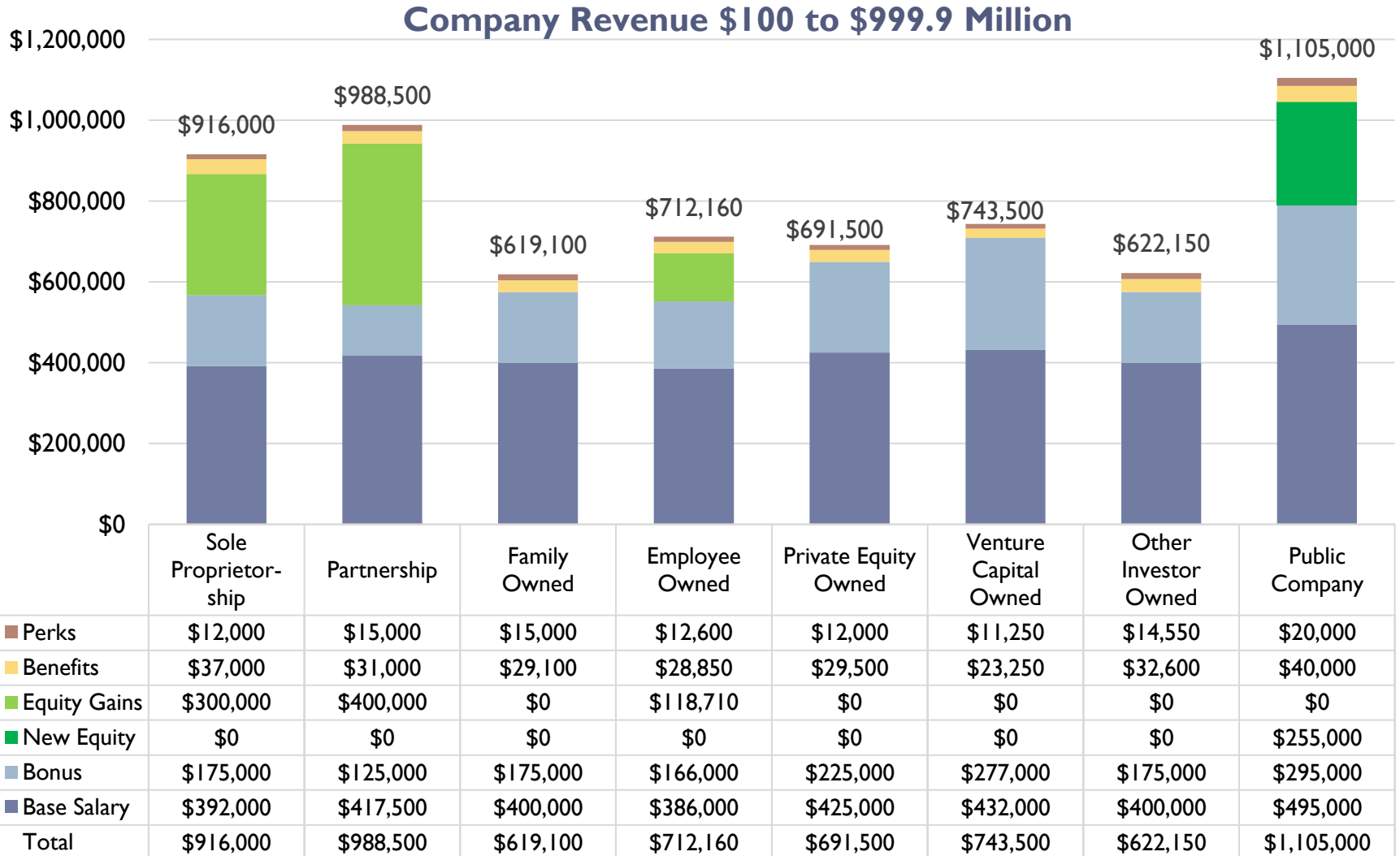
2022 Total CEO Compensation, by Ownership Type and Company Revenue – Median

Company Revenue \$10 to \$99.9 Million

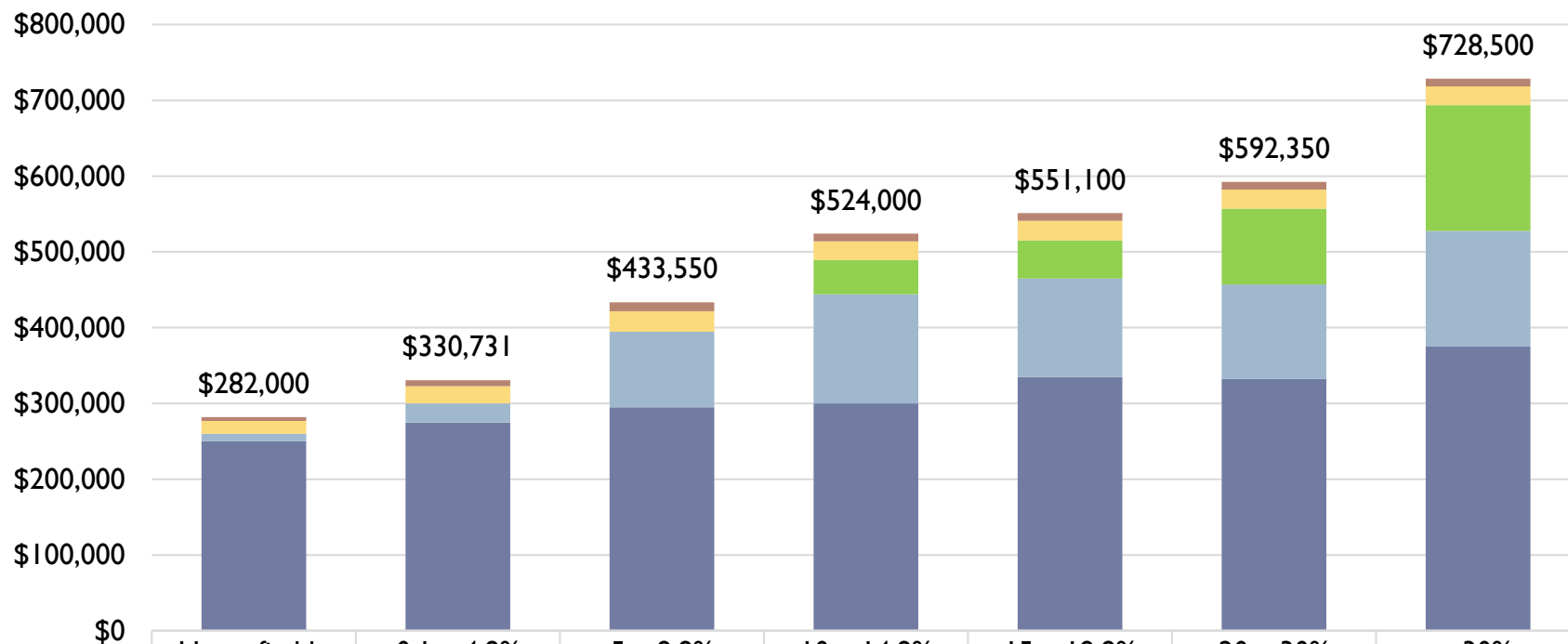


	Sole Proprietorship	Partnership	Family Owned	Employee Owned	Private Equity Owned	Venture Capital Owned	Other Investor Owned	Public Company
Perks	\$11,000	\$9,000	\$10,000	\$6,500	\$10,000	\$5,000	\$10,000	\$5,000
Benefits	\$26,000	\$22,000	\$24,100	\$23,700	\$22,500	\$18,800	\$24,200	\$26,200
Equity Gains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$213,000
Bonus	\$80,000	\$55,000	\$63,000	\$65,000	\$75,000	\$80,000	\$42,000	\$127,500
Base Salary	\$250,000	\$275,000	\$277,500	\$287,700	\$315,000	\$330,000	\$275,000	\$416,975
Total	\$367,000	\$361,000	\$374,600	\$382,900	\$422,500	\$433,800	\$351,200	\$788,675

2022 Total CEO Compensation, by Ownership Type and Company Revenue – Median

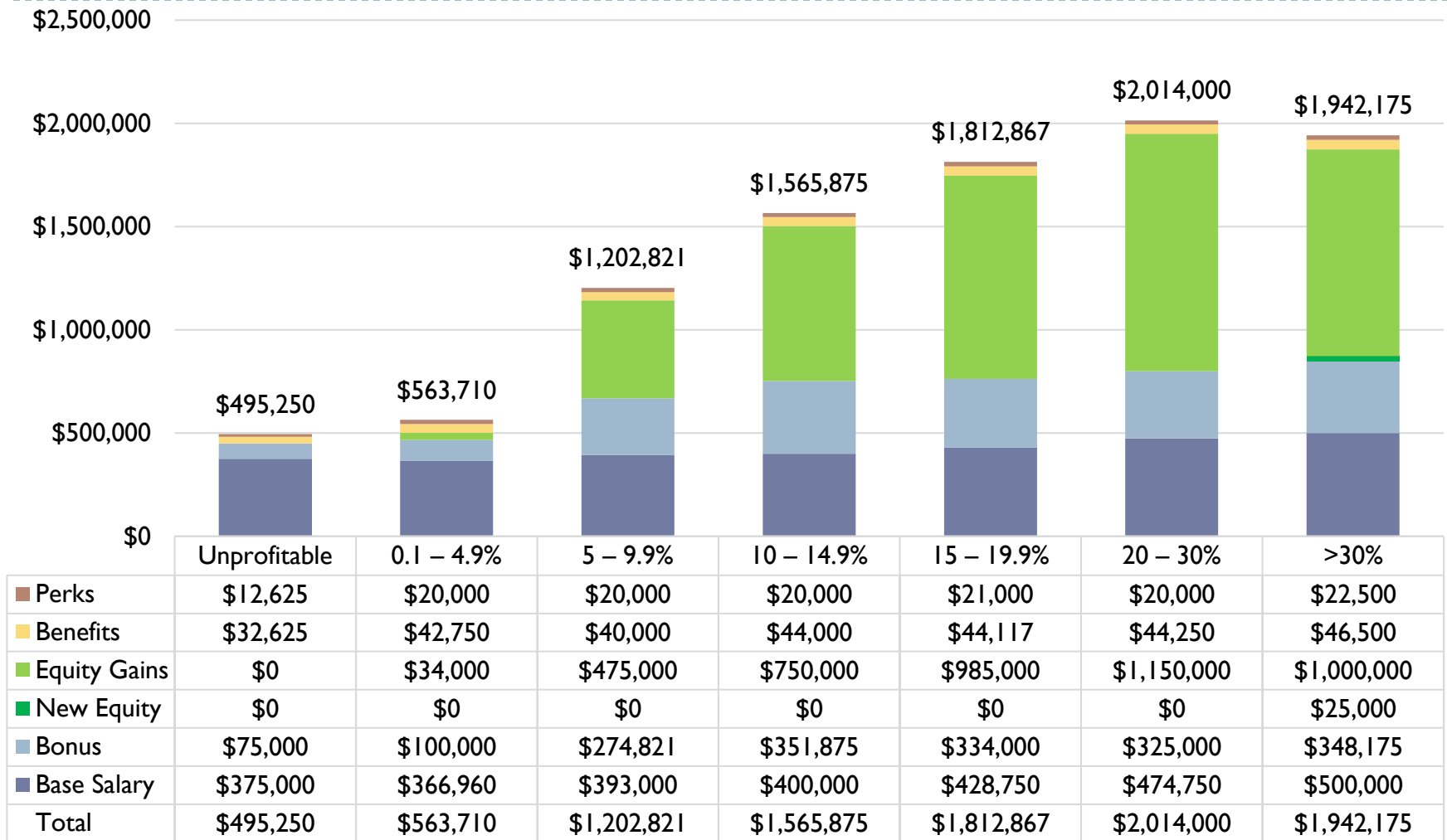


2022 Total CEO Compensation, by Level of Profitability – Median



	Unprofitable	0.1 – 4.9%	5 – 9.9%	10 – 14.9%	15 – 19.9%	20 – 30%	>30%
Perks	\$5,000	\$8,000	\$12,000	\$10,000	\$10,000	\$10,000	\$10,000
Benefits	\$17,000	\$22,731	\$26,800	\$25,000	\$26,100	\$25,250	\$25,000
Equity Gains	\$0	\$0	\$0	\$45,000	\$50,000	\$100,000	\$166,000
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$10,000	\$25,000	\$100,000	\$144,000	\$130,000	\$125,000	\$152,500
Base Salary	\$250,000	\$275,000	\$294,750	\$300,000	\$335,000	\$332,100	\$375,000
Total	\$282,000	\$330,731	\$433,550	\$524,000	\$551,100	\$592,350	\$728,500

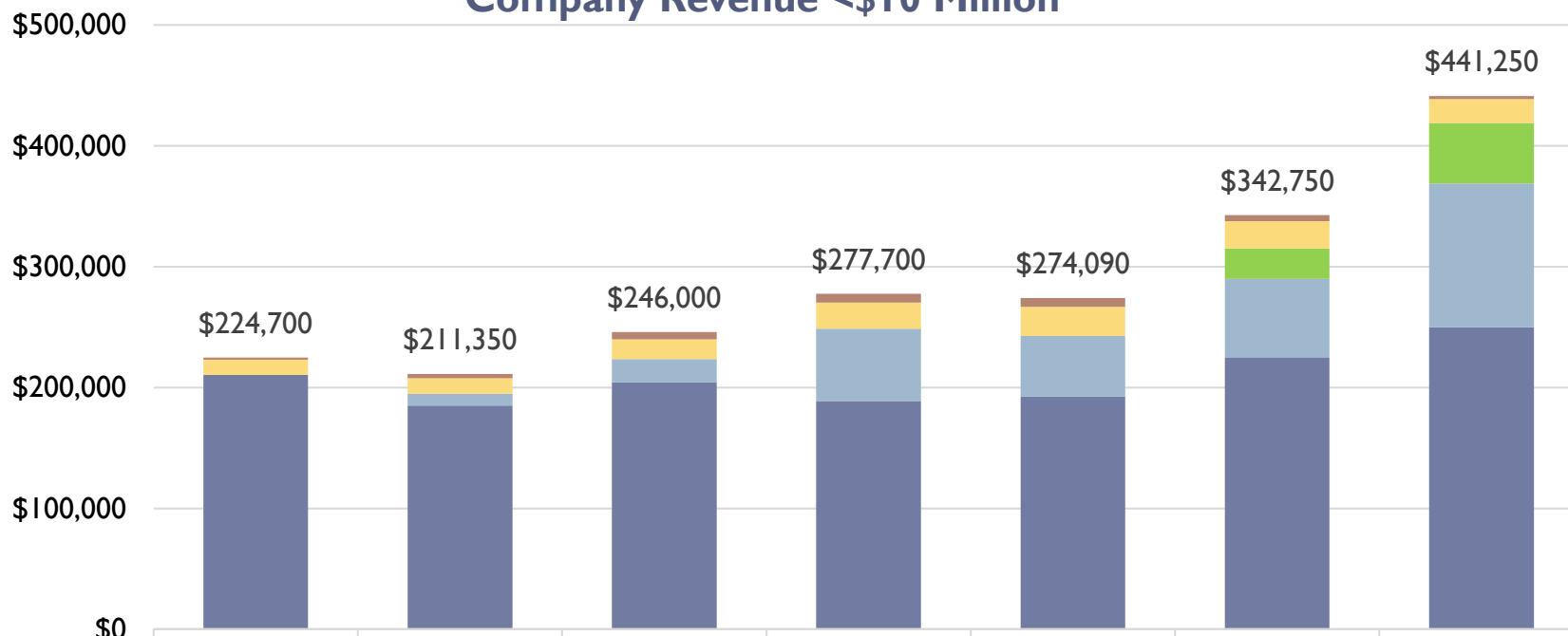
2022 Total CEO Compensation, by Level of Profitability – Top Quartile



❖ While compensation tends to increase with profitability, some of the most profitable companies are smaller companies. We isolated the impact of company size vs. profit margin on pages 196-199.

2022 Total CEO Compensation, by Profitability and Company Revenue – Median

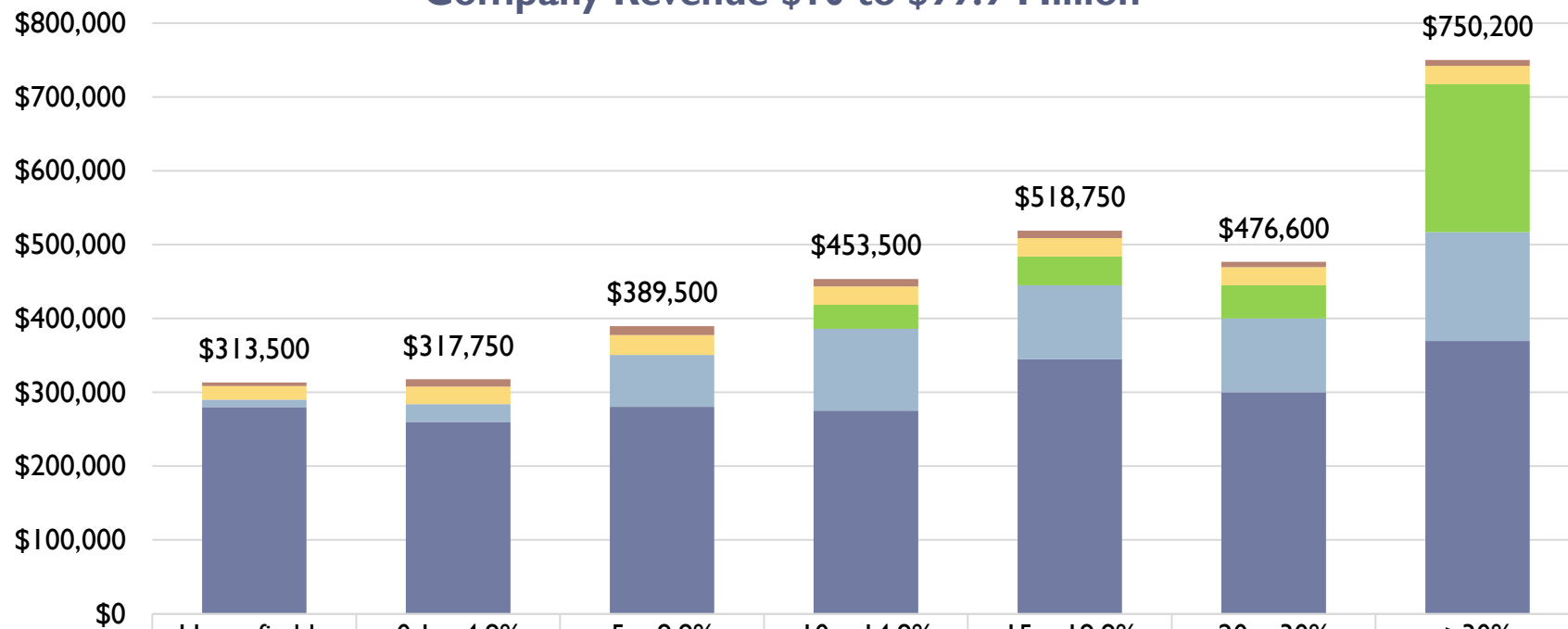
Company Revenue <\$10 Million



	Unprofitable	0.1 – 4.9%	5 – 9.9%	10 – 14.9%	15 – 19.9%	20 – 30%	>30%
Perks	\$1,600	\$3,550	\$6,000	\$7,500	\$7,250	\$5,000	\$2,500
Benefits	\$12,600	\$12,800	\$16,500	\$21,400	\$24,300	\$22,750	\$20,000
Equity Gains	\$0	\$0	\$0	\$0	\$0	\$25,000	\$50,000
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$0	\$10,000	\$19,000	\$60,000	\$50,000	\$65,000	\$118,750
Base Salary	\$210,500	\$185,000	\$204,500	\$188,800	\$192,540	\$225,000	\$250,000
Total	\$224,700	\$211,350	\$246,000	\$277,700	\$274,090	\$342,750	\$441,250

2022 Total CEO Compensation, by Profitability and Company Revenue – Median

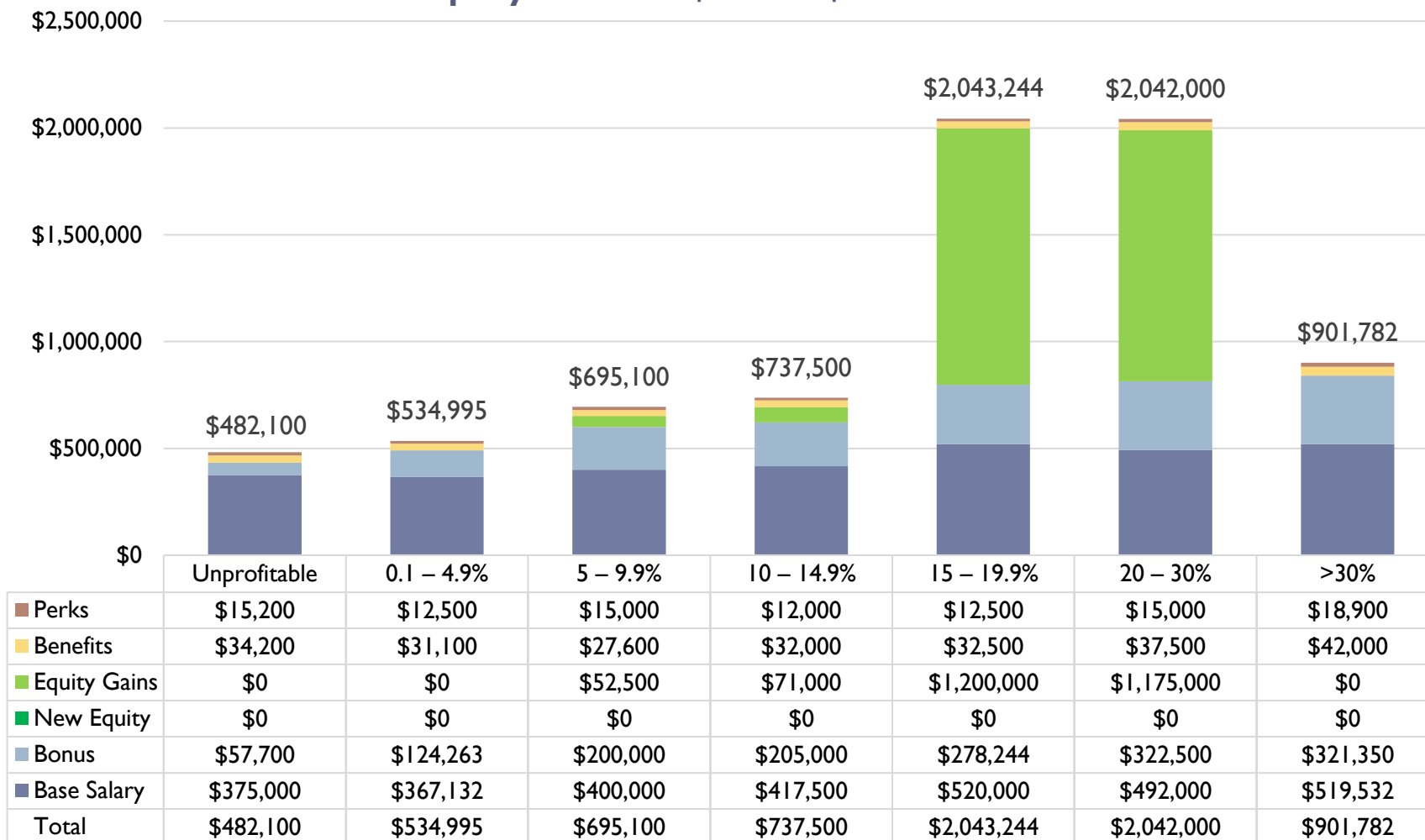
Company Revenue \$10 to \$99.9 Million



	Unprofitable	0.1 – 4.9%	5 – 9.9%	10 – 14.9%	15 – 19.9%	20 – 30%	>30%
Perks	\$5,000	\$10,000	\$12,000	\$10,000	\$10,000	\$7,000	\$8,200
Benefits	\$18,500	\$23,750	\$27,000	\$25,000	\$25,000	\$24,600	\$25,000
Equity Gains	\$0	\$0	\$0	\$32,500	\$38,750	\$45,000	\$200,000
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$10,000	\$24,000	\$70,000	\$111,000	\$100,000	\$100,000	\$147,500
Base Salary	\$280,000	\$260,000	\$280,500	\$275,000	\$345,000	\$300,000	\$369,500
Total	\$313,500	\$317,750	\$389,500	\$453,500	\$518,750	\$476,600	\$750,200

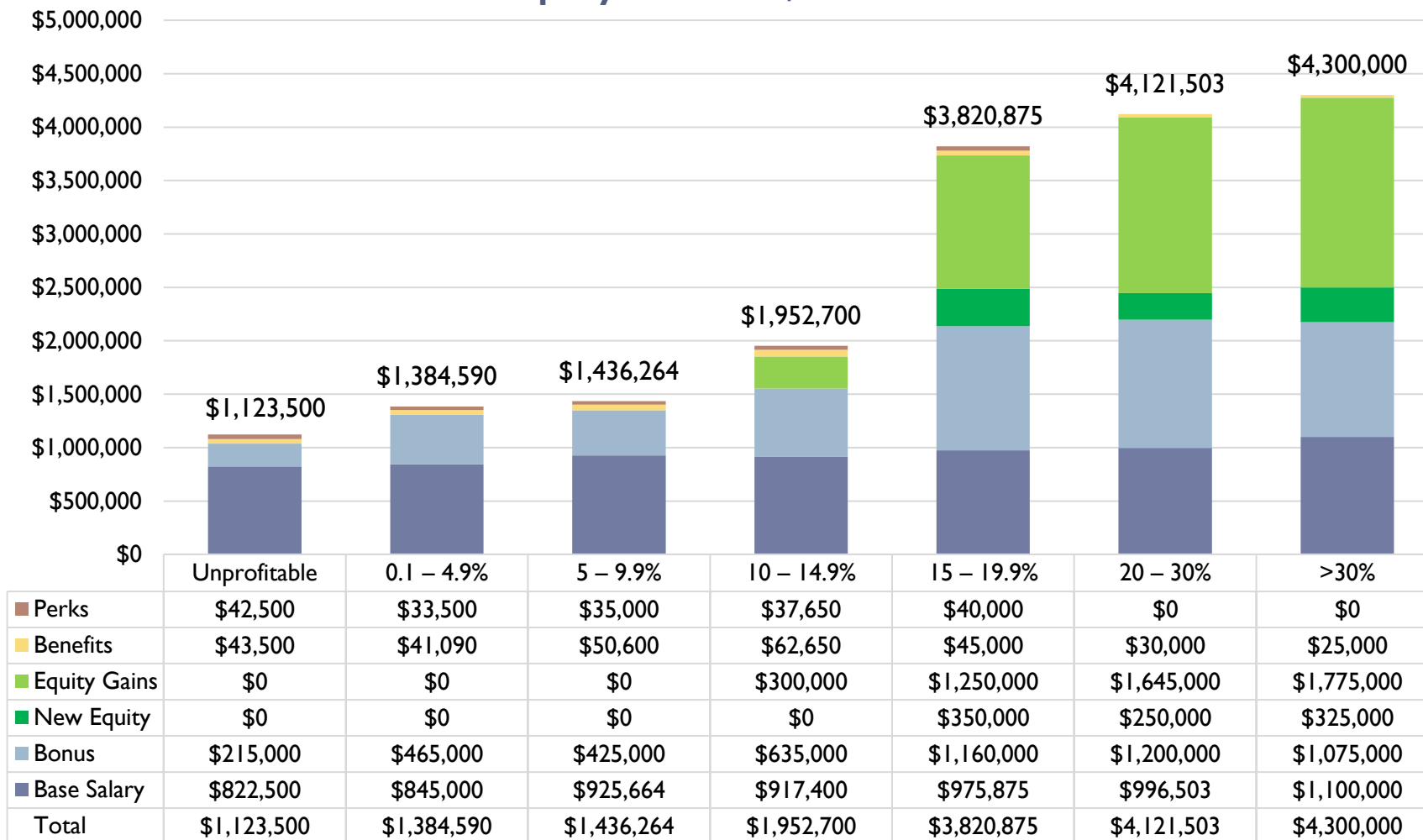
2022 Total CEO Compensation, by Profitability and Company Revenue – Median

Company Revenue \$100 to \$999.9 Million

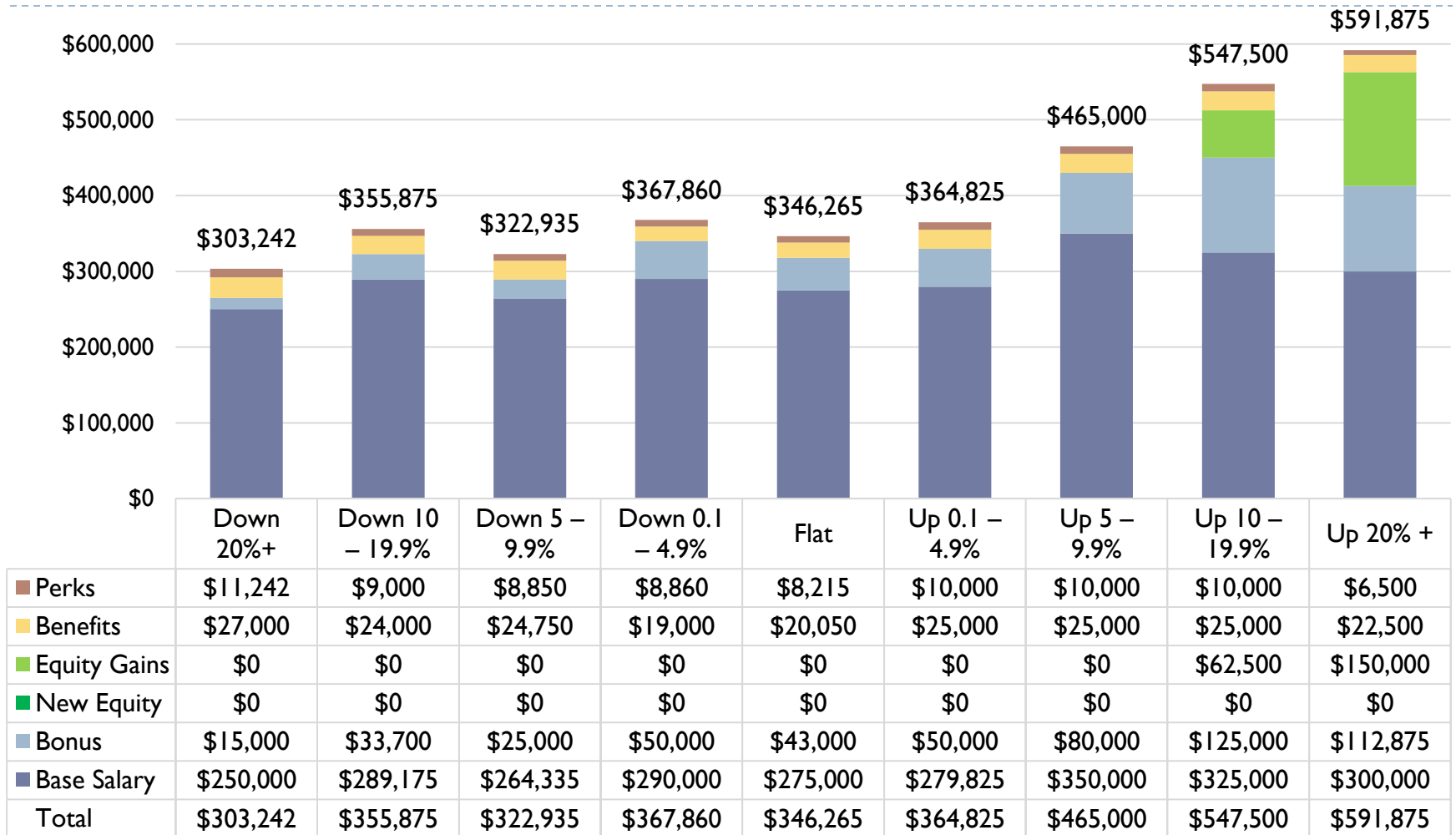


2022 Total CEO Compensation, by Profitability and Company Revenue – Median

Company Revenue \$1 Billion +

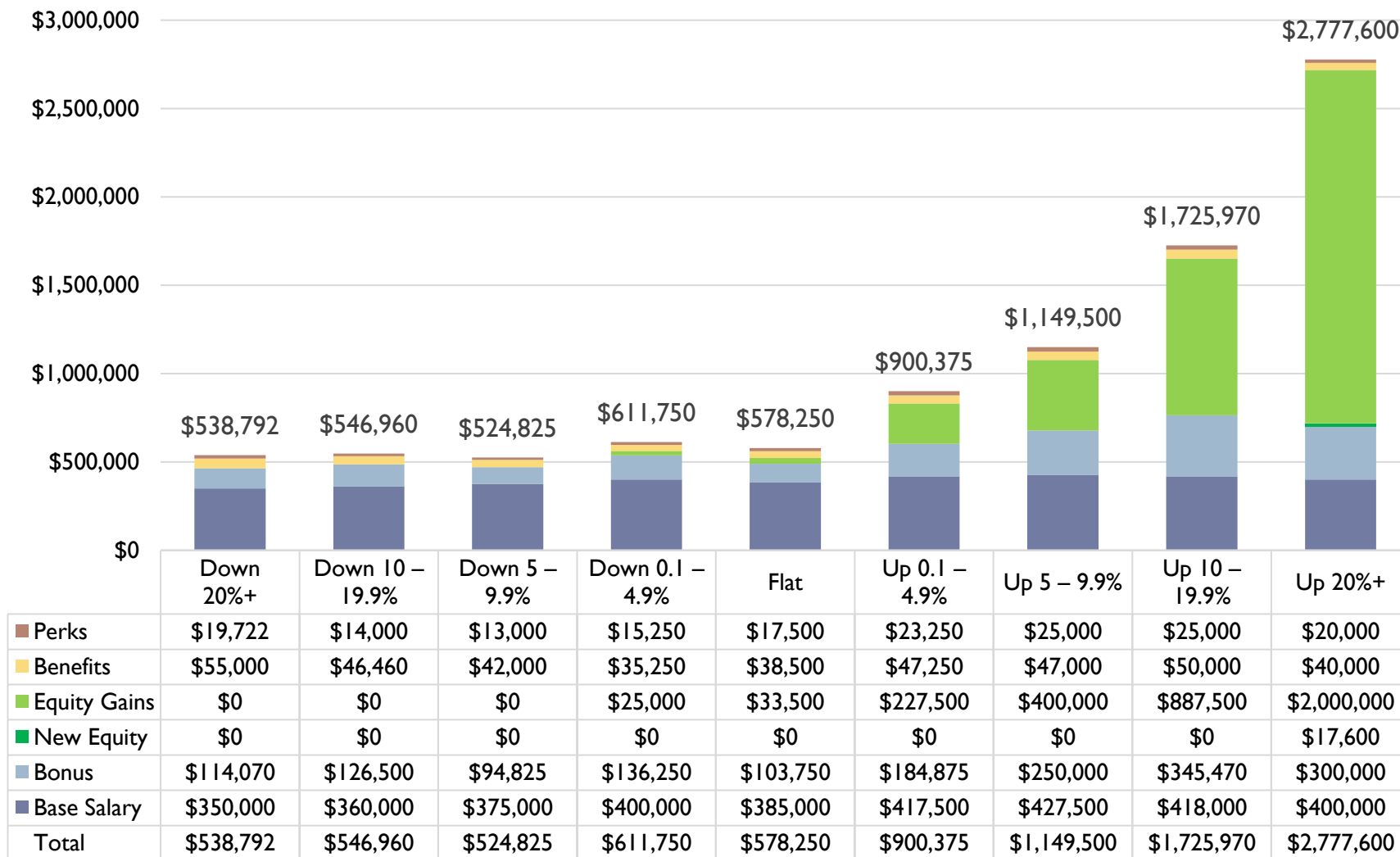


2022 Total CEO Compensation, by Revenue Growth Rate – Median



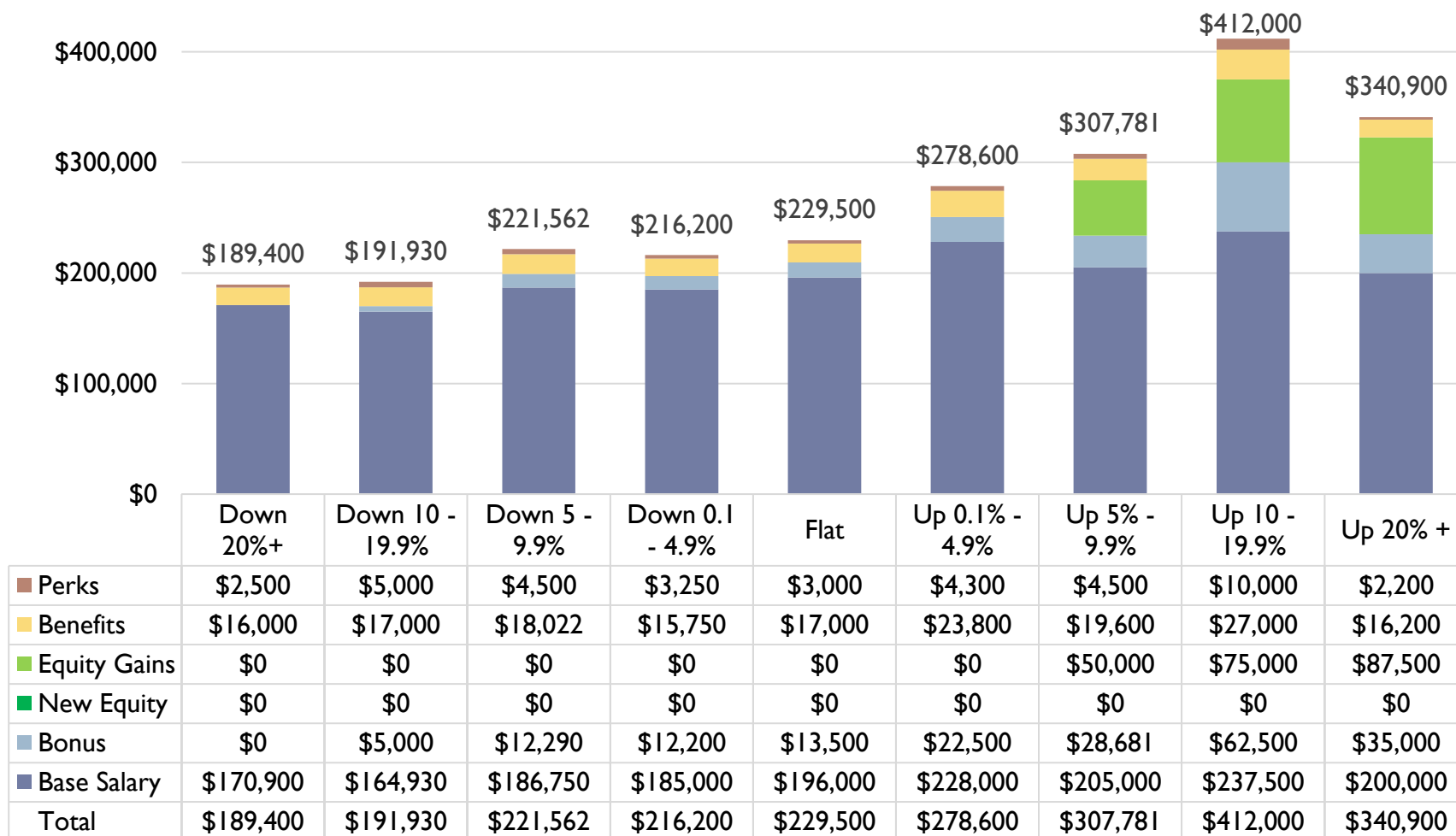
❖ There isn't a strong correlation between CEO salaries and companies' revenue growth rate, but bonuses and equity gains increased with revenue growth.

2022 Total CEO Compensation, by Revenue Growth Rate – Top Quartile



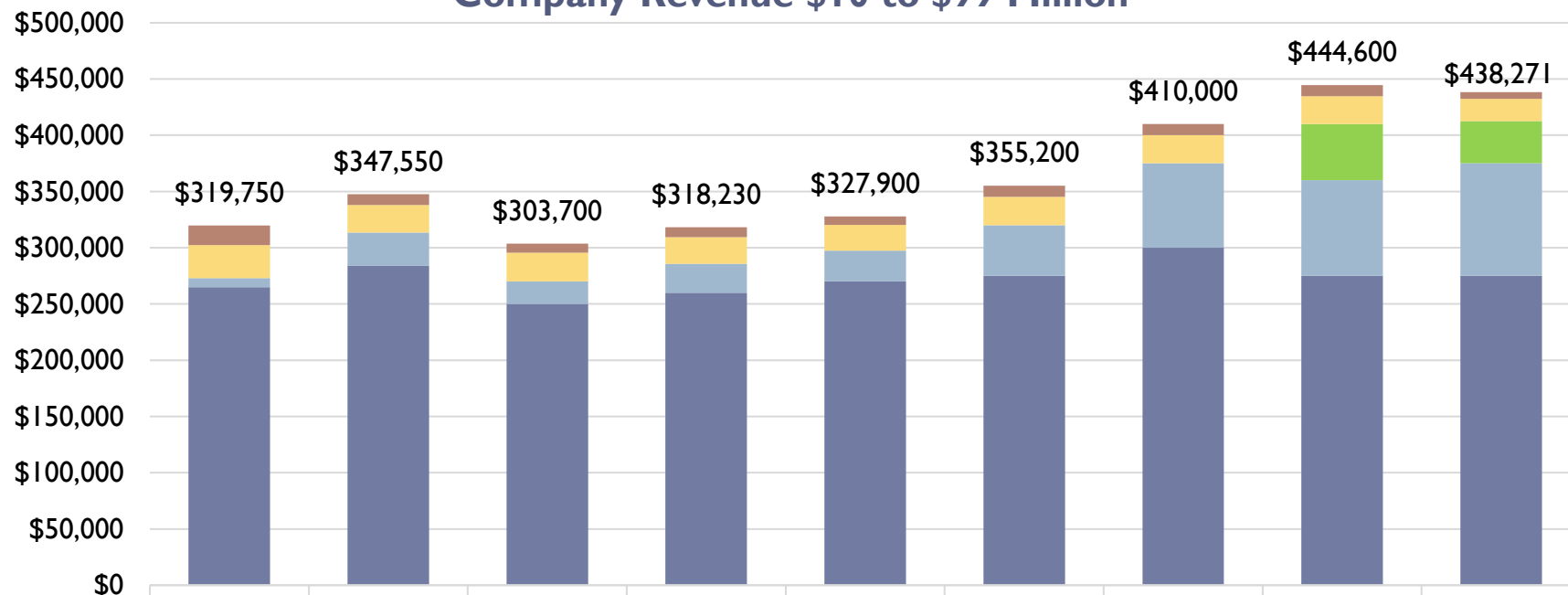
2022 Total CEO Compensation, by Revenue Growth Rate and Company Revenue – Median

Company Revenue <\$10 Million



2022 Total CEO Compensation, by Revenue Growth Rate and Company Revenue – Median

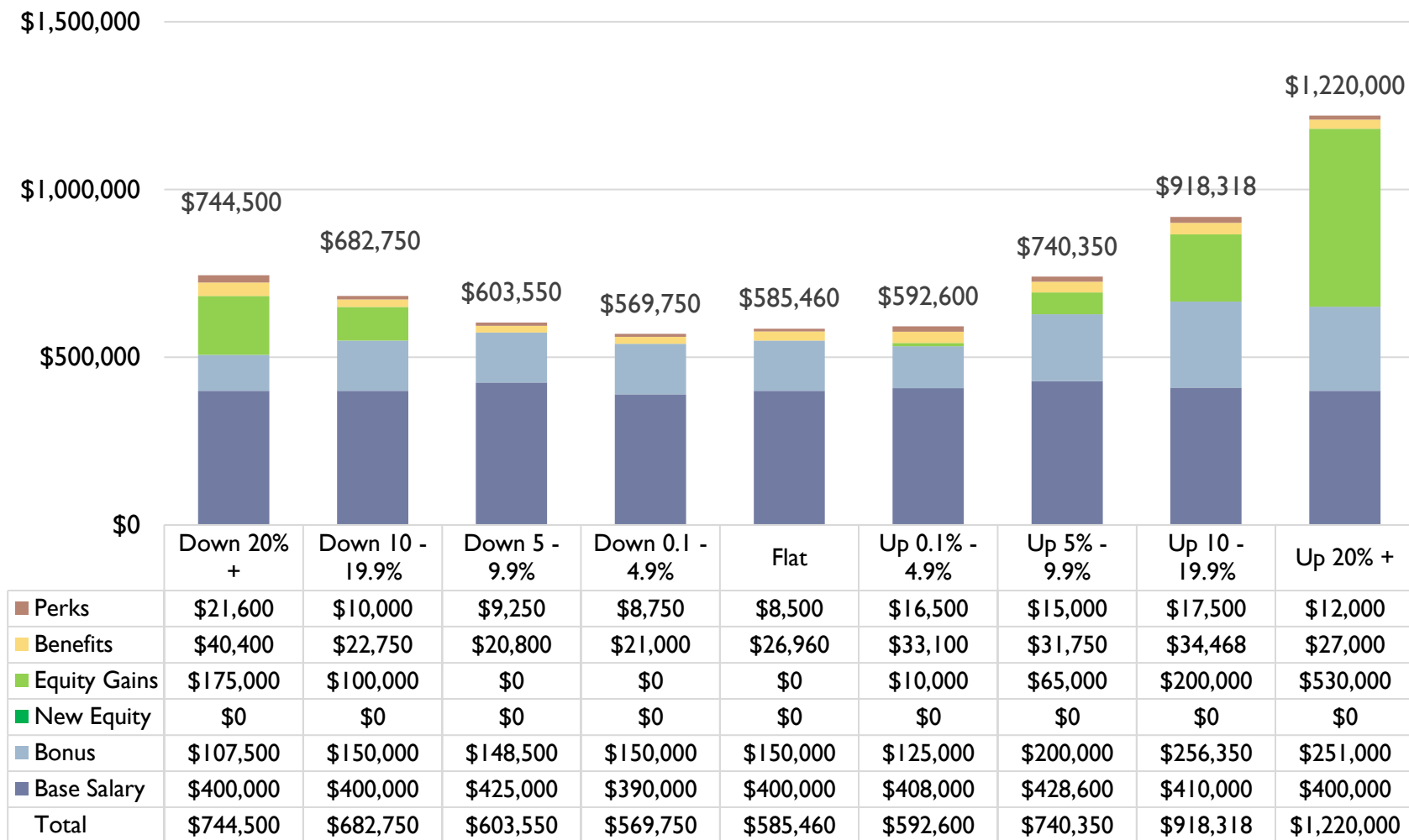
Company Revenue \$10 to \$99 Million



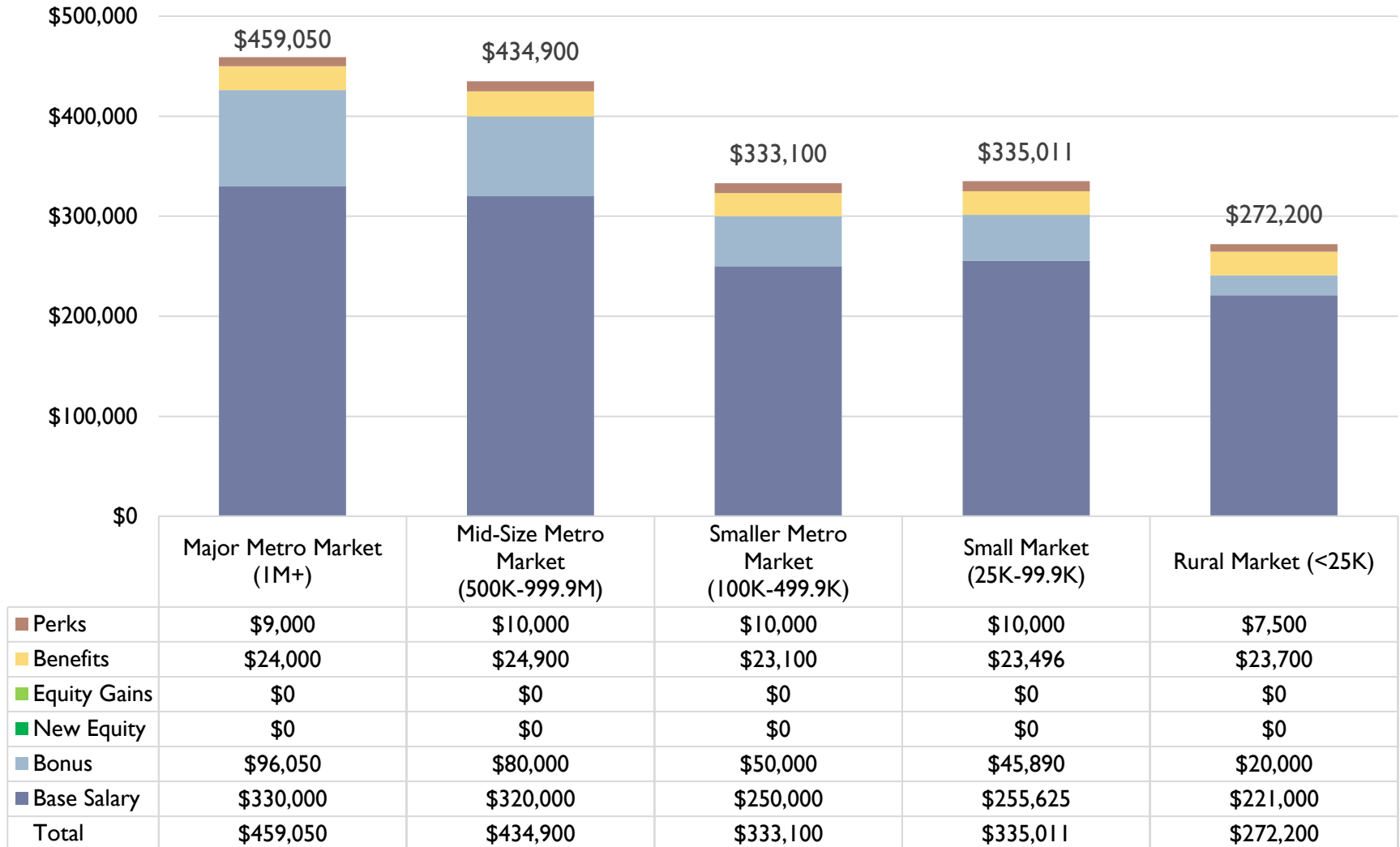
	Down 20%+	Down 10 - 19.9%	Down 5 - 9.9%	Down 0.1 - 4.9%	Flat	Up 0.1% - 4.9%	Up 5% - 9.9%	Up 10 - 19.9%	Up 20% +
Perks	\$17,500	\$9,500	\$8,200	\$9,000	\$7,700	\$10,000	\$10,000	\$10,000	\$5,961
Benefits	\$29,250	\$24,500	\$25,500	\$23,500	\$22,700	\$25,200	\$25,000	\$24,600	\$19,811
Equity Gains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$37,500
New Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonus	\$8,000	\$29,350	\$20,000	\$25,730	\$27,500	\$45,000	\$75,000	\$85,000	\$100,000
Base Salary	\$265,000	\$284,200	\$250,000	\$260,000	\$270,000	\$275,000	\$300,000	\$275,000	\$275,000
Total	\$319,750	\$347,550	\$303,700	\$318,230	\$327,900	\$355,200	\$410,000	\$444,600	\$438,271

2022 Total CEO Compensation, by Revenue Growth Rate and Company Revenue – Median

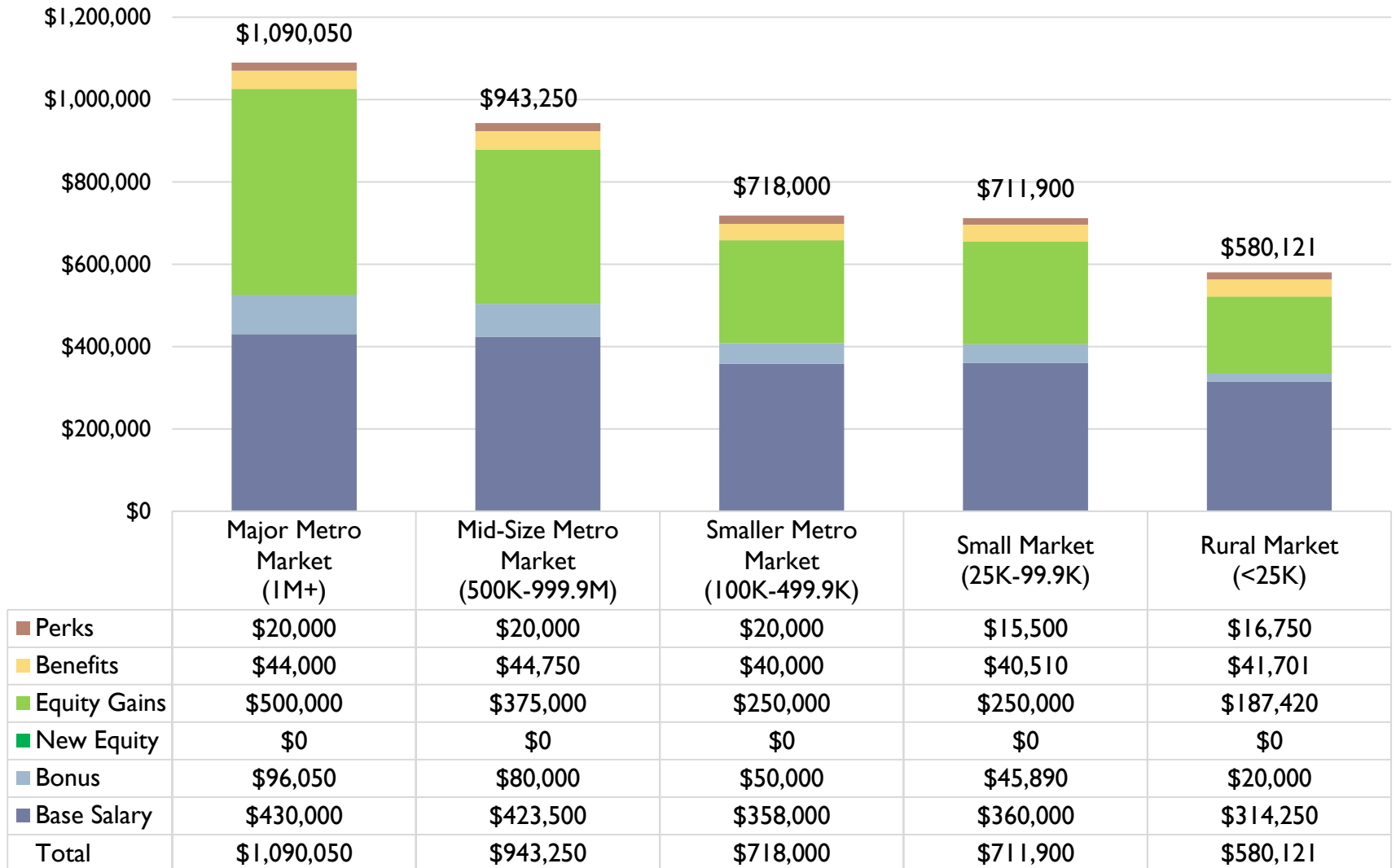
Company Revenue \$100 to \$999.9 Million



2022 Total CEO Compensation, by Labor Market – Median

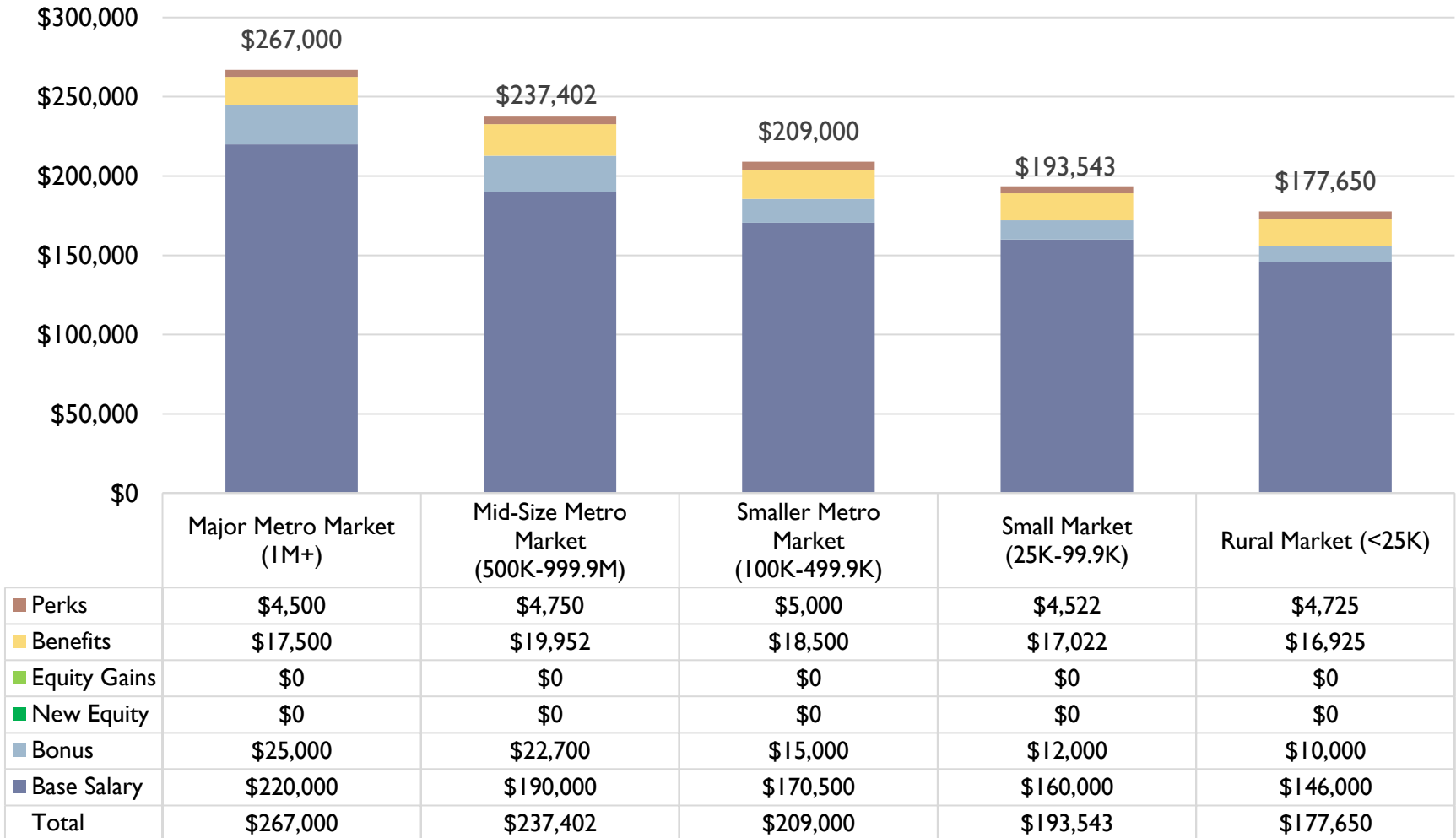


2022 Total CEO Compensation, by Labor Market – Top Quartile



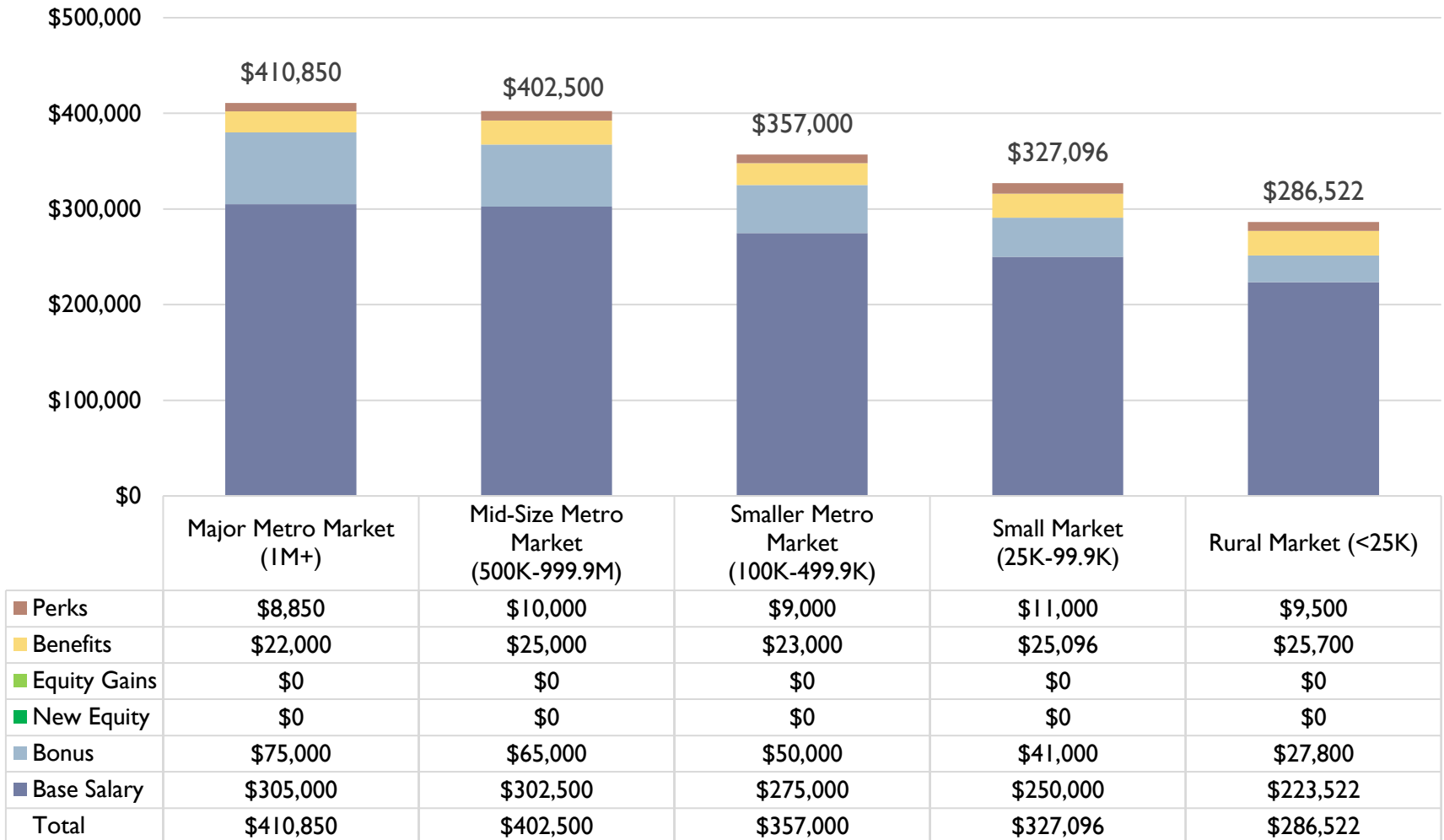
2022 Total CEO Compensation, by Labor Market and Company Revenue – Median

Company Revenue <\$10 Million



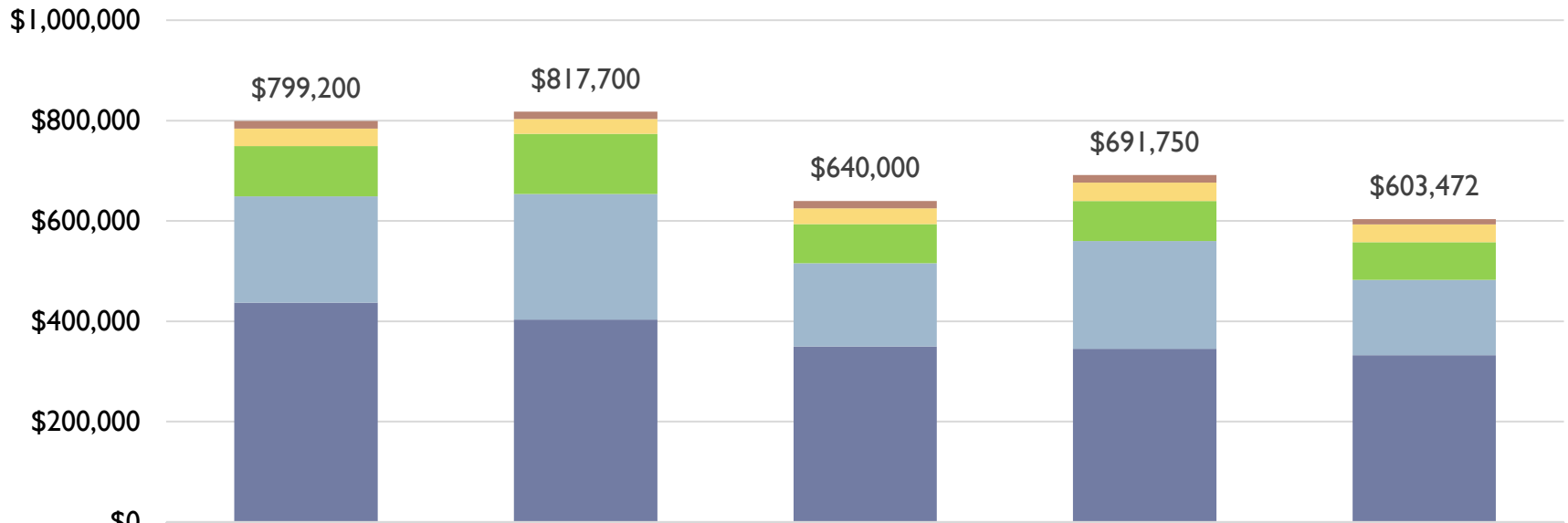
2022 Total CEO Compensation, by Labor Market and Company Revenue – Median

Company Revenue \$10 to \$99.9 Million



2022 Total CEO Compensation, by Labor Market and Company Revenue – Median

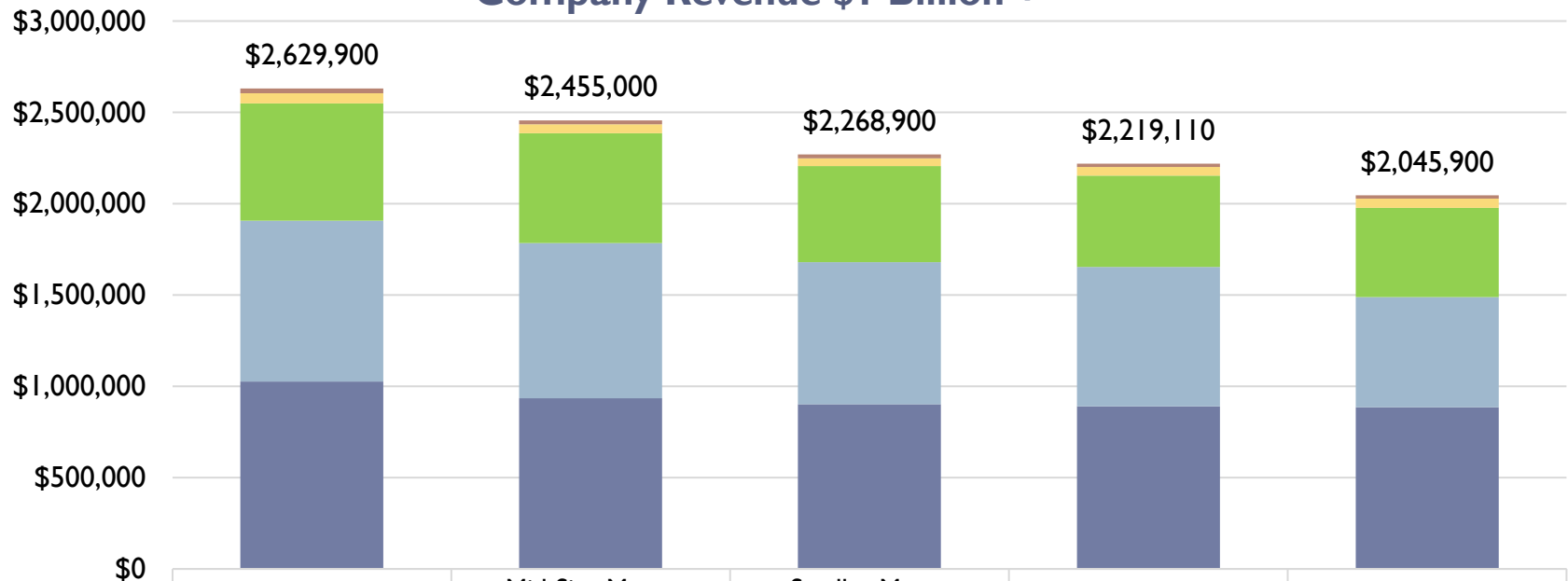
Company Revenue \$100 to \$999.9 Million



	Major Metro Market (IM+)	Mid-Size Metro Market (500K-999.9M)	Smaller Metro Market (100K-499.9K)	Small Market (25K-99.9K)	Rural Market (<25K)
Perks	\$15,000	\$14,100	\$15,000	\$15,500	\$10,400
Benefits	\$35,000	\$30,100	\$31,000	\$36,250	\$35,358
Equity Gains	\$100,000	\$120,000	\$78,000	\$80,000	\$75,000
New Equity	\$0	\$0	\$0	\$0	\$0
Bonus	\$212,000	\$250,000	\$166,000	\$215,000	\$150,214
Base Salary	\$437,200	\$403,500	\$350,000	\$345,000	\$332,500
Total	\$799,200	\$817,700	\$640,000	\$691,750	\$603,472

2022 Total CEO Compensation, by Labor Market and Company Revenue – Median*

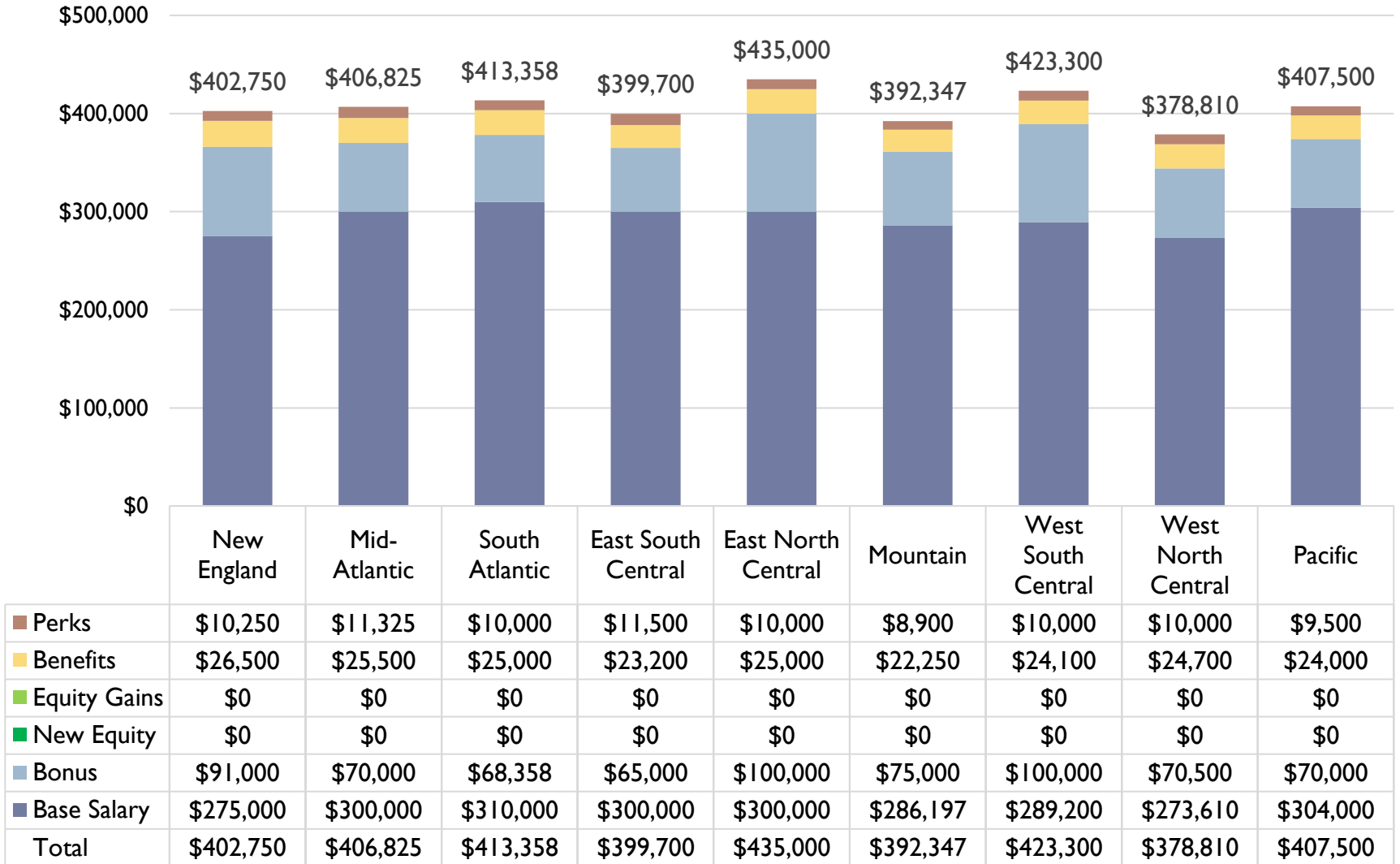
Company Revenue \$1 Billion +



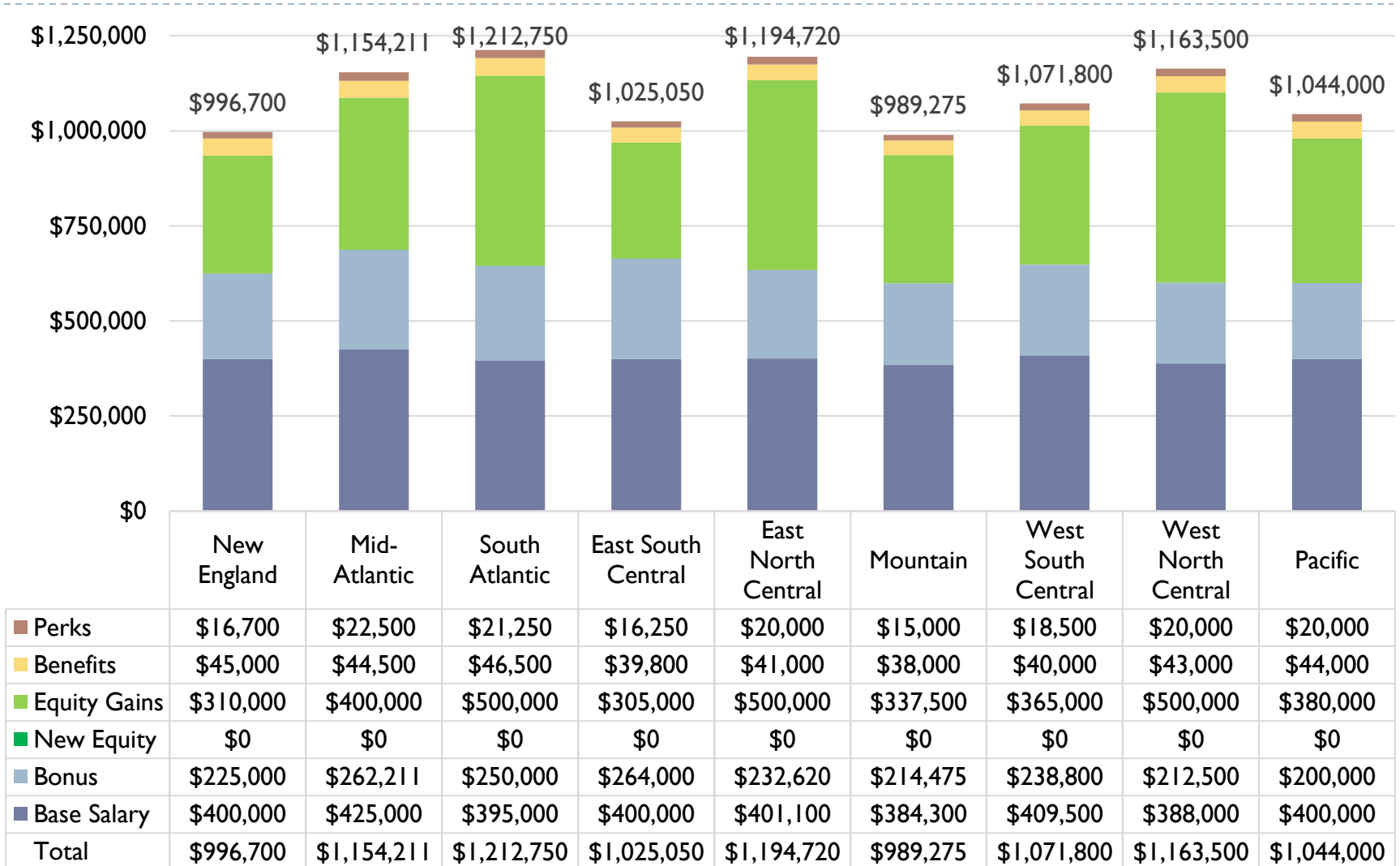
	Major Metro Market (IM+)	Mid-Size Metro Market (500K-999.9M)	Smaller Metro Market (100K-499.9K)	Small Market (25K-99.9K)	Rural Market (<25K)
Perks	\$25,000	\$20,000	\$20,000	\$19,034	\$18,500
Benefits	\$55,600	\$50,000	\$43,400	\$47,090	\$50,400
Equity Gains	\$642,300	\$600,000	\$525,000	\$500,000	\$488,000
New Equity	\$0	\$0	\$0	\$0	\$0
Bonus	\$880,000	\$850,000	\$778,500	\$761,986	\$604,000
Base Salary	\$1,027,000	\$935,000	\$902,000	\$891,000	\$885,000
Total	\$2,629,900	\$2,455,000	\$2,268,900	\$2,219,110	\$2,045,900

*Results on this chart are not statistically significant due to sample size. Nonetheless, they are a useful benchmark.

2022 Total CEO Compensation, by Region – Median



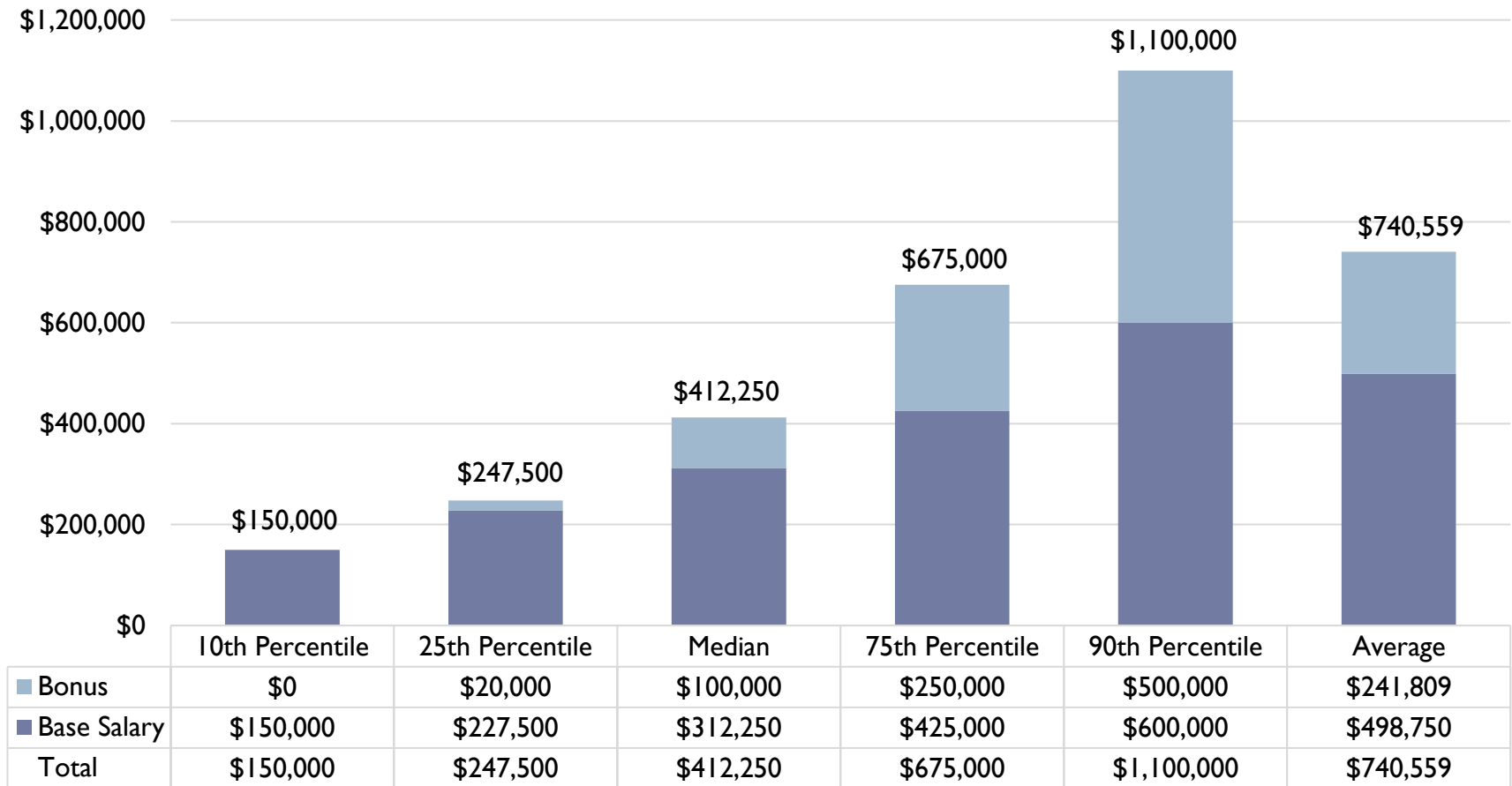
2022 Total CEO Compensation, by Region – Top Quartile





2023 Expected
Cash Compensation

Expected 2023 CEO Cash Compensation



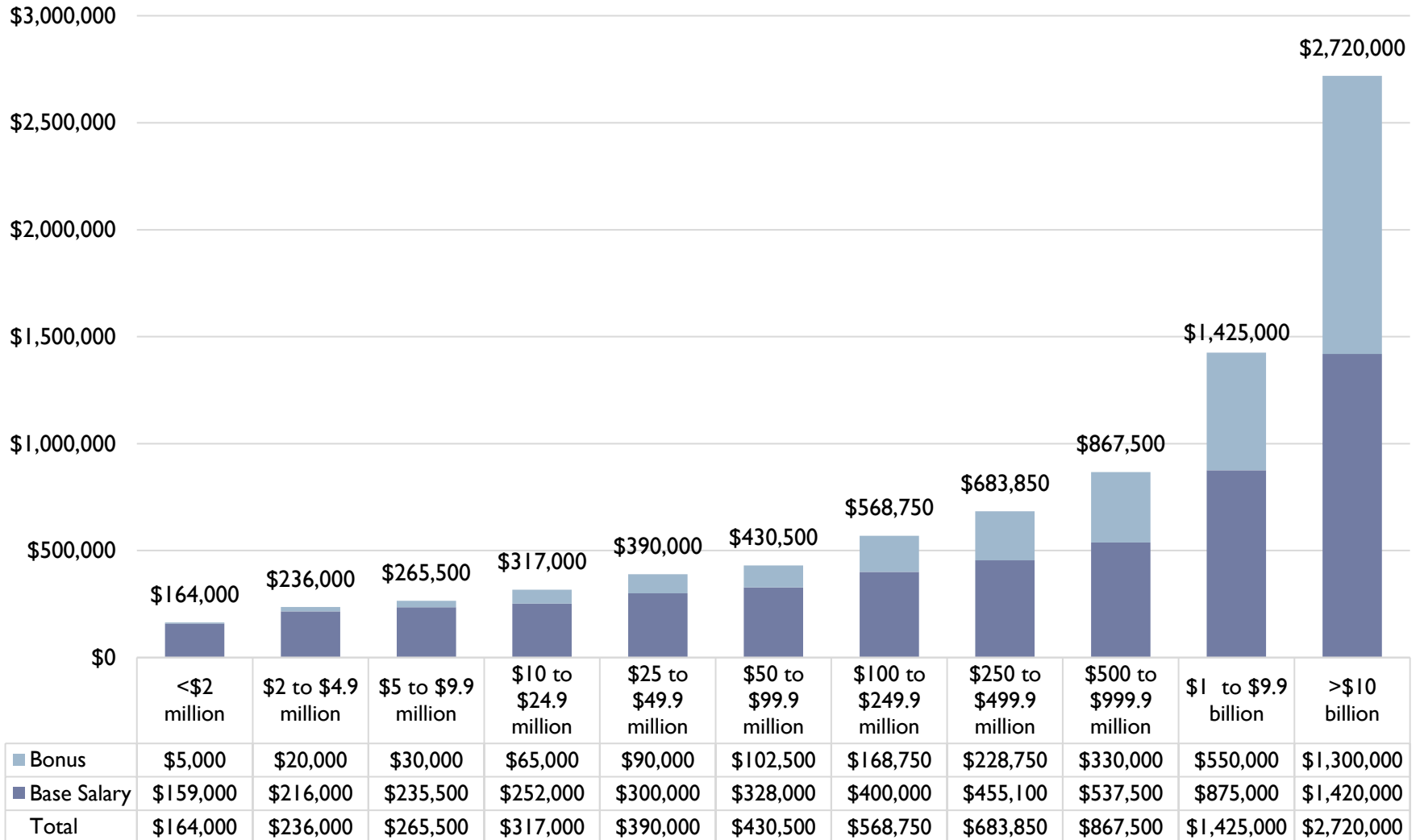
- ❖ The median CEO base salary increased by 4% in 2023, as inflation continued to rise.
- ❖ Most companies expect to pay out higher 2023 bonuses after a tough year in 2022, when many bonuses decreased.

Expected 2023 CEO Cash Comp vs. Full-Year 2022

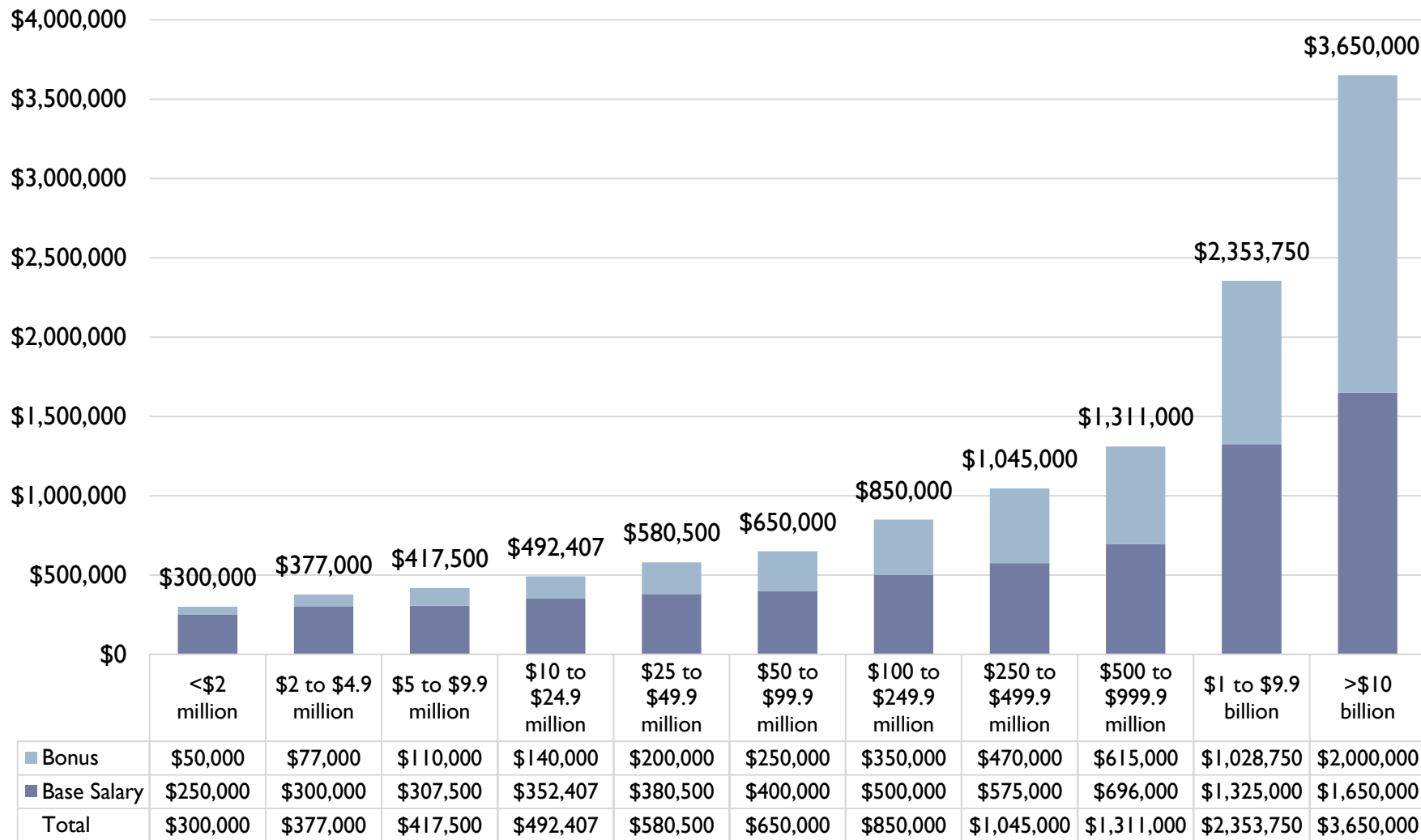


- ❖ The bottom-quartile CEO cash compensation is expected to grow in 2023 due to rising costs of living and a continuing tight labor market.
- ❖ Top-quartile cash compensation is showing a 6.25% increase in base salaries and a modest 1.1% increase in bonus awards.

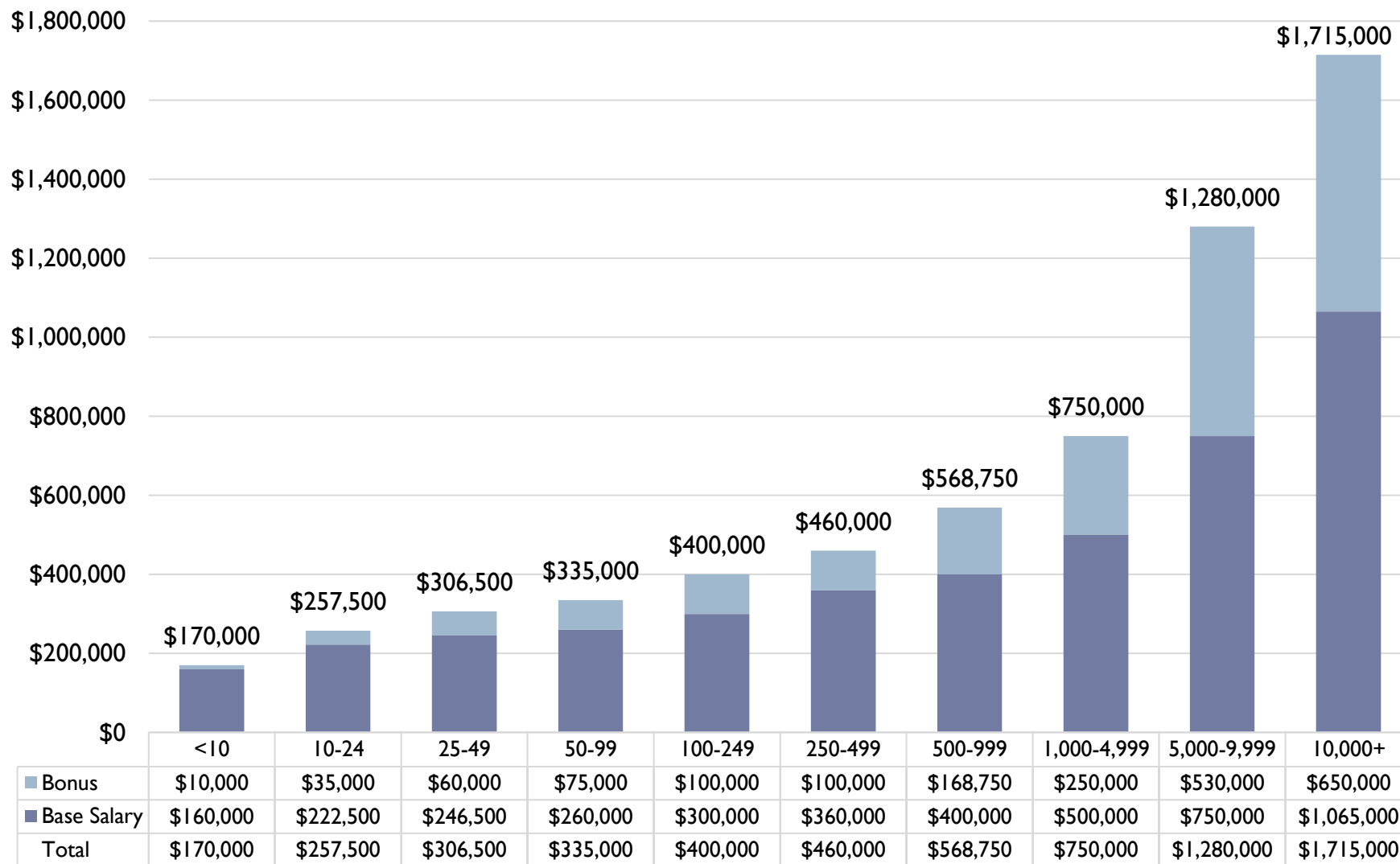
Expected 2023 CEO Cash Compensation, by Company Revenue – Median



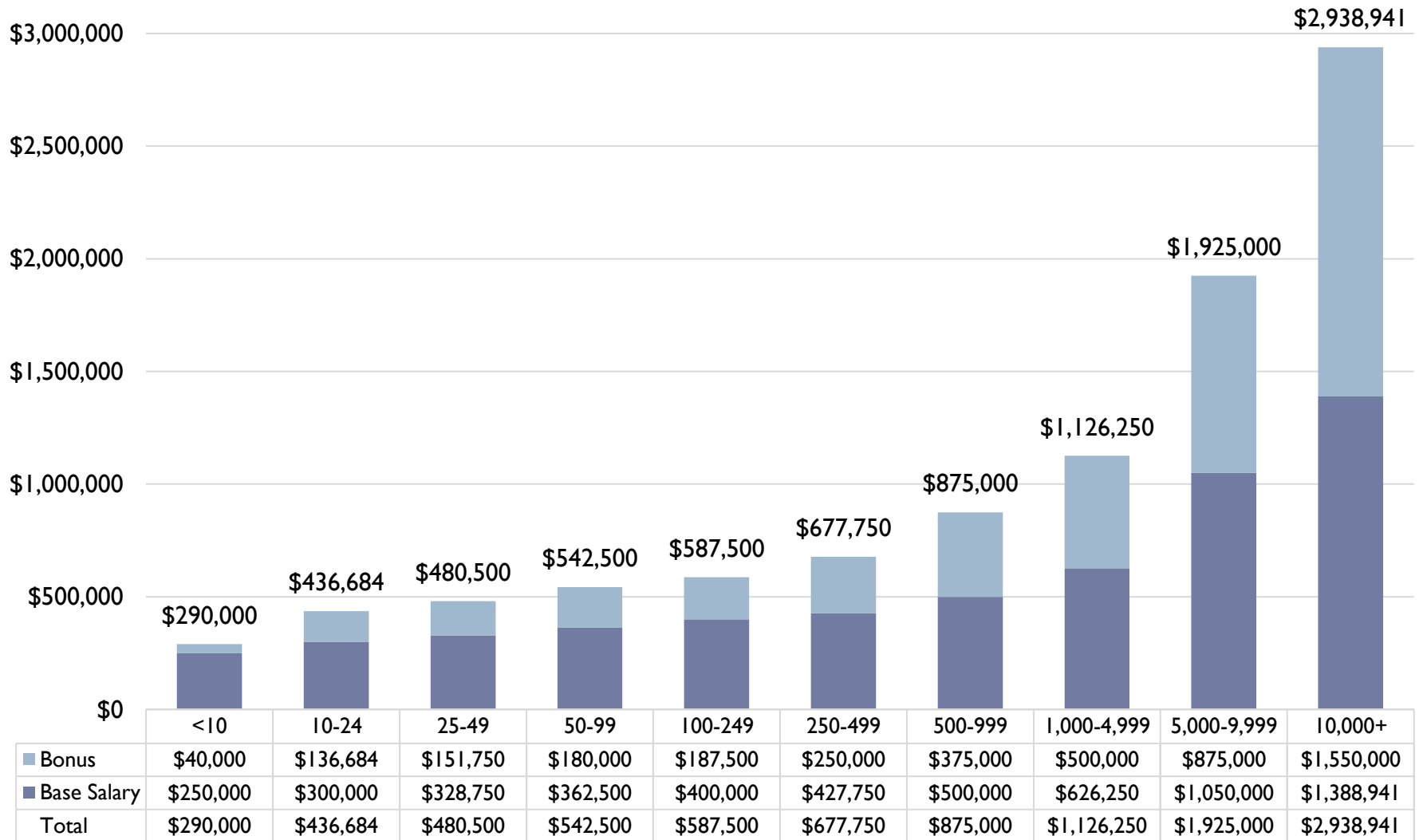
Expected 2023 CEO Cash Compensation, by Company Revenue – Top Quartile



Expected 2023 CEO Cash Compensation, by Number of Employees – Median



Expected 2023 CEO Cash Compensation, by Number of Employees – Top Quartile



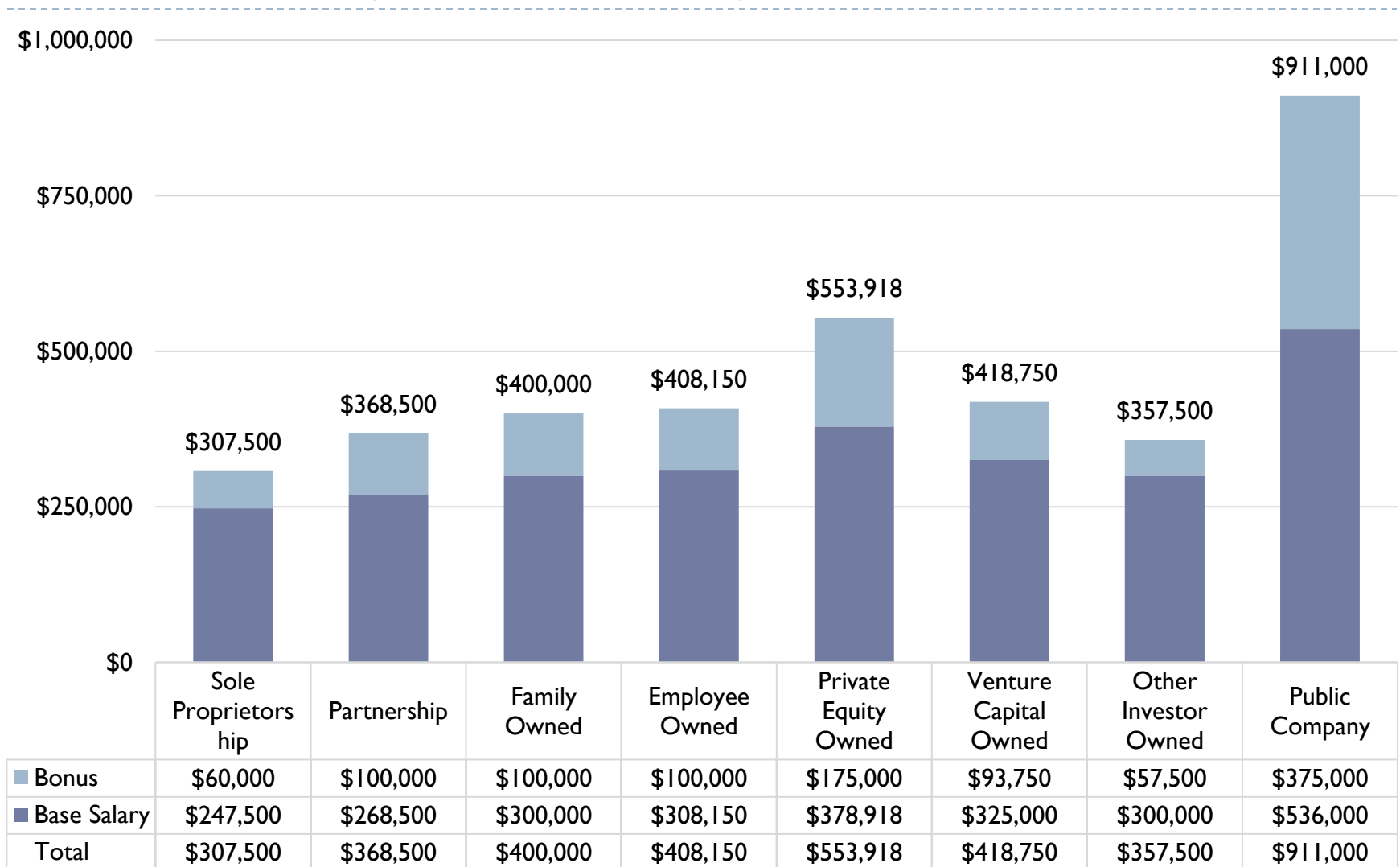
Expected 2023 CEO Cash Compensation, by Industry – Median

Industry	Base Salary	Bonus	Total Cash Compensation
Advertising/Marketing/Sales	\$275,000	\$100,000	\$375,000
Agriculture/Forestry/Fishing	\$259,000	\$90,000	\$349,000
Architecture/Engineering	\$280,000	\$100,000	\$380,000
Business Services	\$300,000	\$125,000	\$425,000
Construction/Mining	\$300,000	\$150,000	\$450,000
Education/Government/Non-Profit	\$250,000	\$15,000	\$265,000
Energy/Utility/Oil/Gas	\$347,500	\$150,000	\$497,500
Entertainment	\$283,800	\$120,000	\$403,800
Financial Services	\$385,400	\$97,500	\$482,900
Health Care - Pharma/Bio	\$370,000	\$117,750	\$487,750
Health Care – Services	\$357,500	\$75,000	\$432,500
Manufacturing – Consumer	\$320,000	\$100,000	\$420,000
Manufacturing – Industrial	\$285,000	\$100,000	\$385,000
Media/Publishing	\$297,795	\$50,000	\$347,795
Real Estate	\$315,000	\$85,000	\$400,000
Restaurant	\$286,000	\$110,000	\$396,000
Retail	\$290,000	\$100,000	\$390,000
Tech	\$321,000	\$105,000	\$426,000
Transportation	\$300,000	\$95,000	\$395,000
Wholesale/Distribution	\$287,000	\$120,000	\$407,000
Other	\$285,000	\$85,000	\$370,000

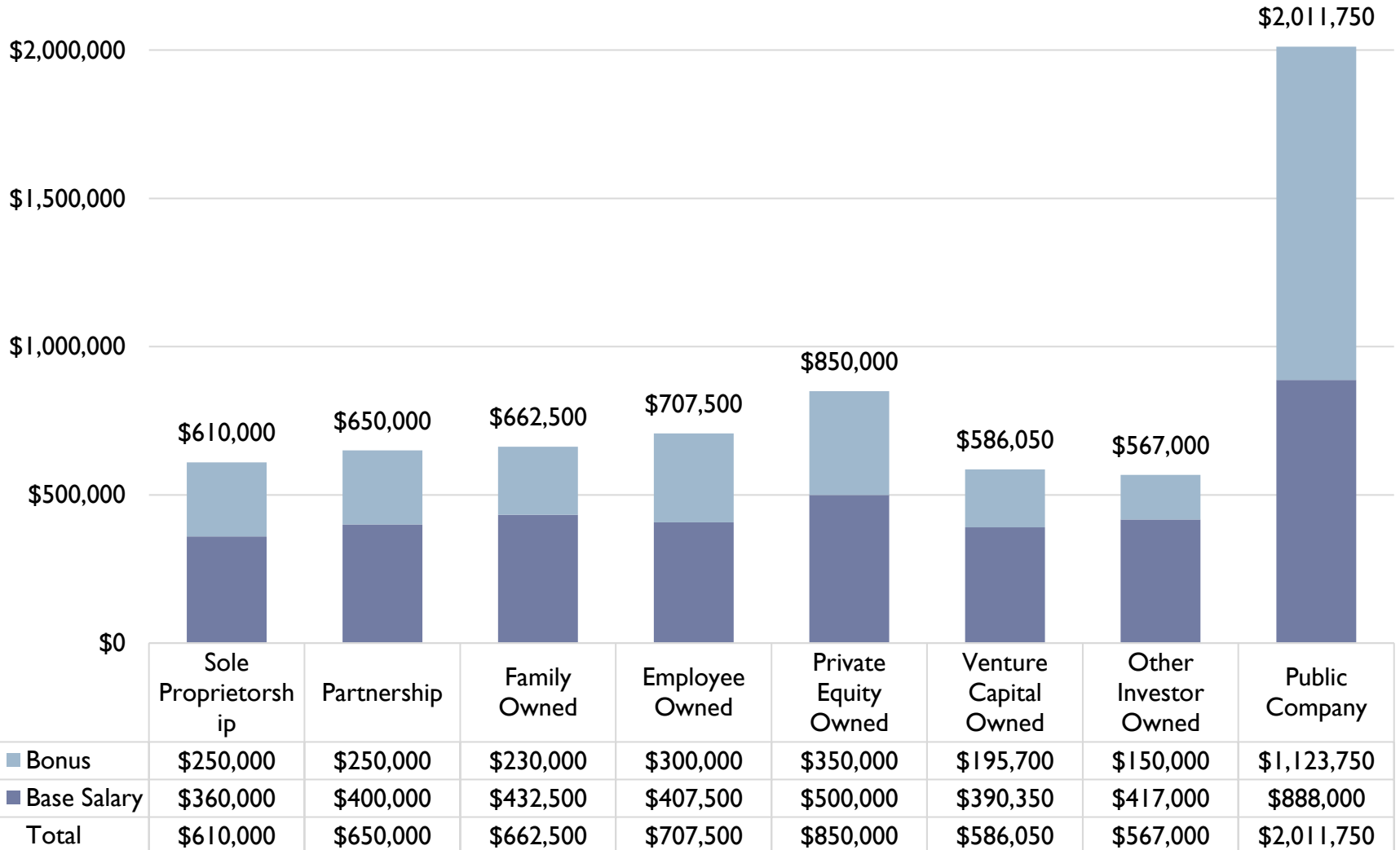
Expected 2023 CEO Cash Compensation, by Industry – Top Quartile

Industry	Base Salary	Bonus	Total Cash Compensation
Advertising/Marketing/Sales	\$379,000	\$225,000	\$604,000
Agriculture/Forestry/Fishing	\$368,750	\$328,750	\$697,500
Architecture/Engineering	\$360,000	\$335,009	\$695,009
Business Services	\$412,000	\$350,000	\$762,000
Construction/Mining	\$400,000	\$287,500	\$687,500
Education/Government/Non-Profit	\$397,500	\$67,500	\$465,000
Energy/Utility/Oil/Gas	\$502,250	\$350,000	\$852,250
Entertainment	\$450,000	\$250,000	\$700,000
Financial Services	\$531,250	\$302,250	\$833,500
Health Care - Pharma/Bio	\$456,000	\$198,925	\$654,925
Health Care – Services	\$442,500	\$210,000	\$652,500
Manufacturing – Consumer	\$433,750	\$275,000	\$708,750
Manufacturing – Industrial	\$385,625	\$211,900	\$597,525
Media/Publishing	\$406,250	\$107,500	\$513,750
Real Estate	\$500,000	\$200,000	\$700,000
Restaurant	\$430,000	\$254,000	\$684,000
Retail	\$481,250	\$118,750	\$600,000
Tech	\$405,000	\$245,700	\$650,700
Transportation	\$435,125	\$195,252	\$630,377
Wholesale/Distribution	\$407,250	\$425,000	\$832,250
Other	\$430,000	\$250,000	\$680,000

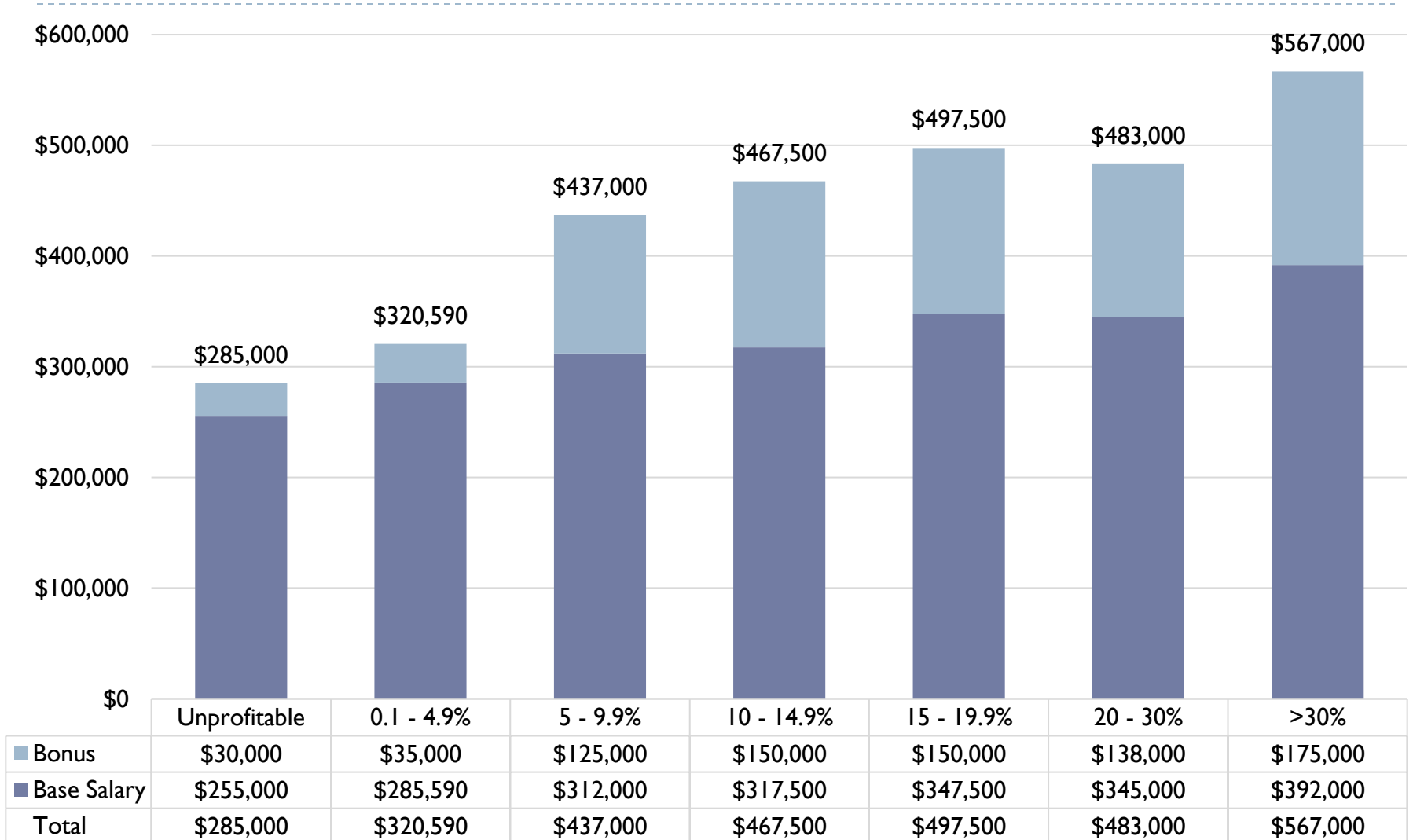
Expected 2023 CEO Cash Compensation, by Ownership Type – Median



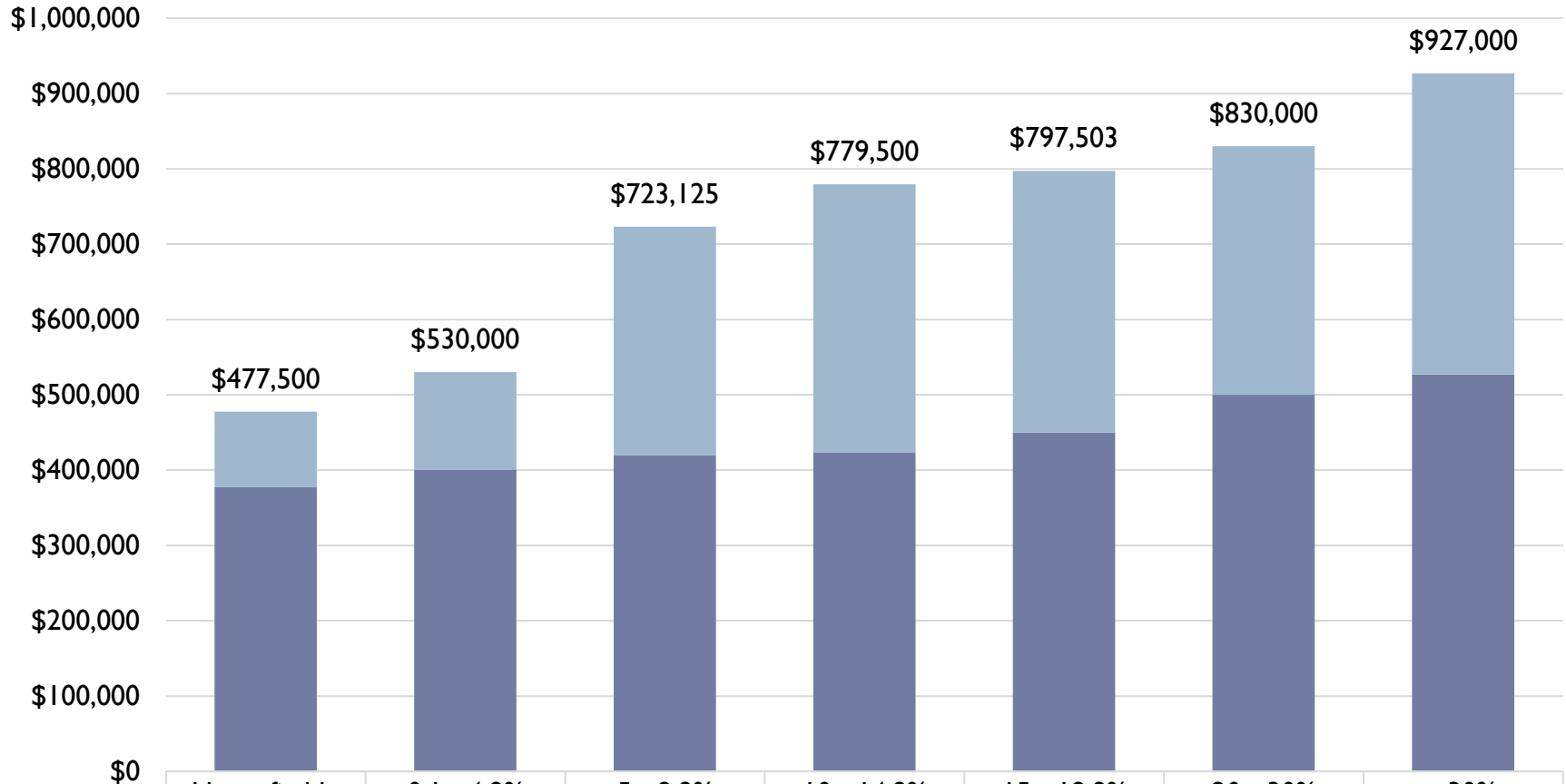
Expected 2023 CEO Cash Compensation, by Ownership Type – Top Quartile



Expected 2023 CEO Cash Compensation, by Level of Profitability – Median

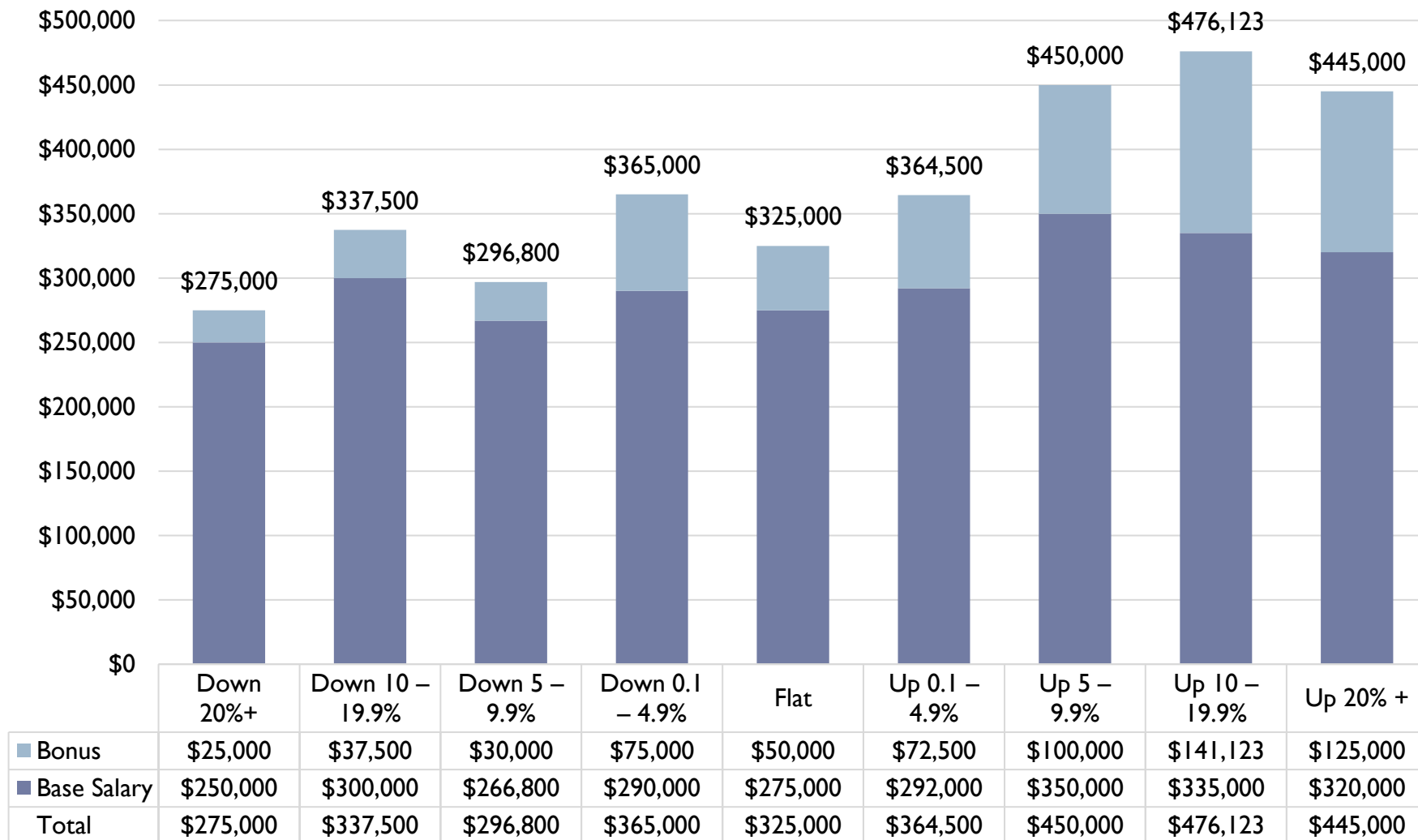


Expected 2023 CEO Cash Compensation, by Level of Profitability – Top Quartile

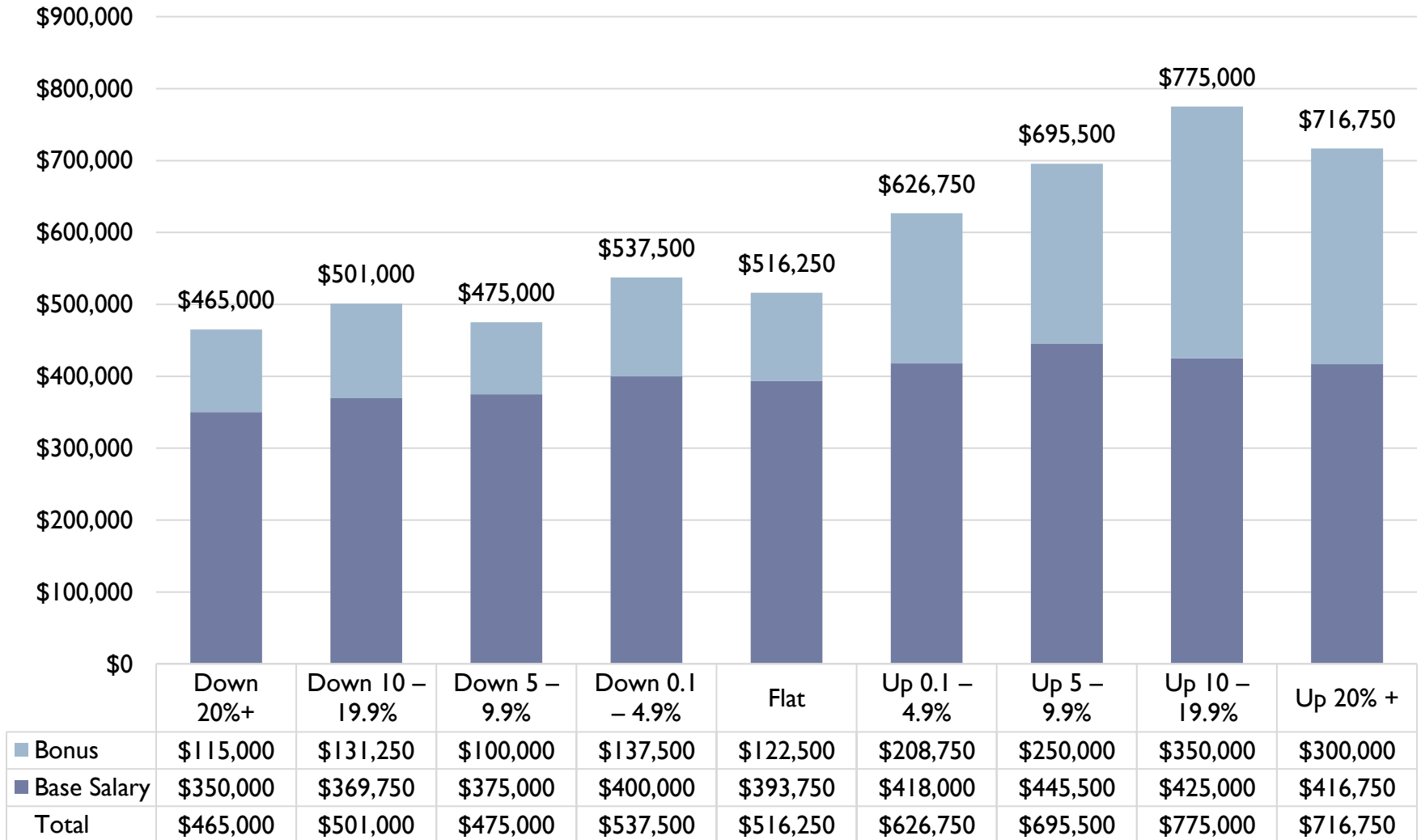


	Unprofitable	0.1 - 4.9%	5 - 9.9%	10 - 14.9%	15 - 19.9%	20 - 30%	>30%
■ Bonus	\$100,000	\$130,000	\$303,125	\$355,750	\$347,503	\$330,000	\$400,000
■ Base Salary	\$377,500	\$400,000	\$420,000	\$423,750	\$450,000	\$500,000	\$527,000
Total	\$477,500	\$530,000	\$723,125	\$779,500	\$797,503	\$830,000	\$927,000

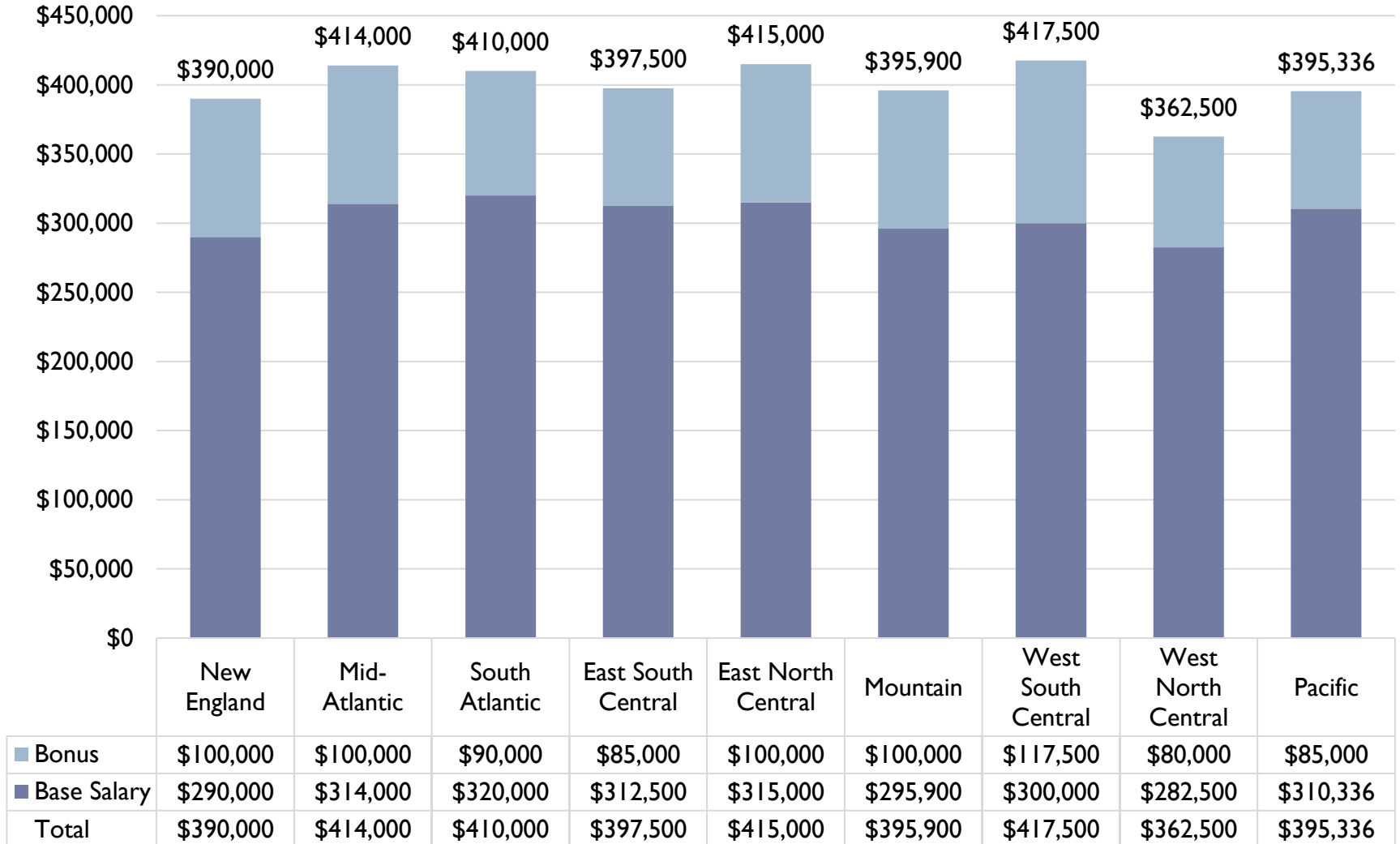
Expected 2023 CEO Cash Compensation, by Revenue Growth Rate – Median



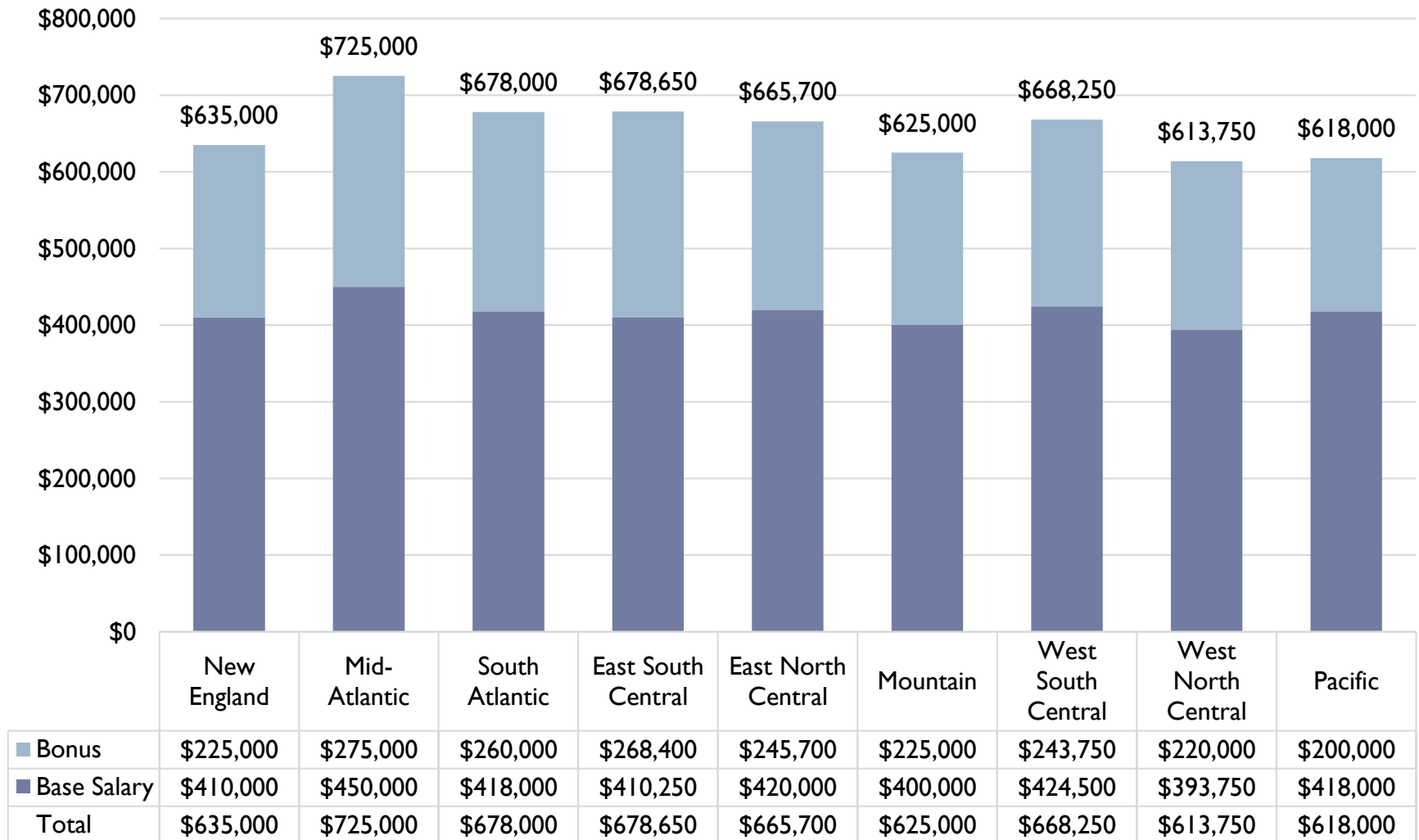
Expected 2023 CEO Cash Compensation, by Revenue Growth Rate – Top Quartile



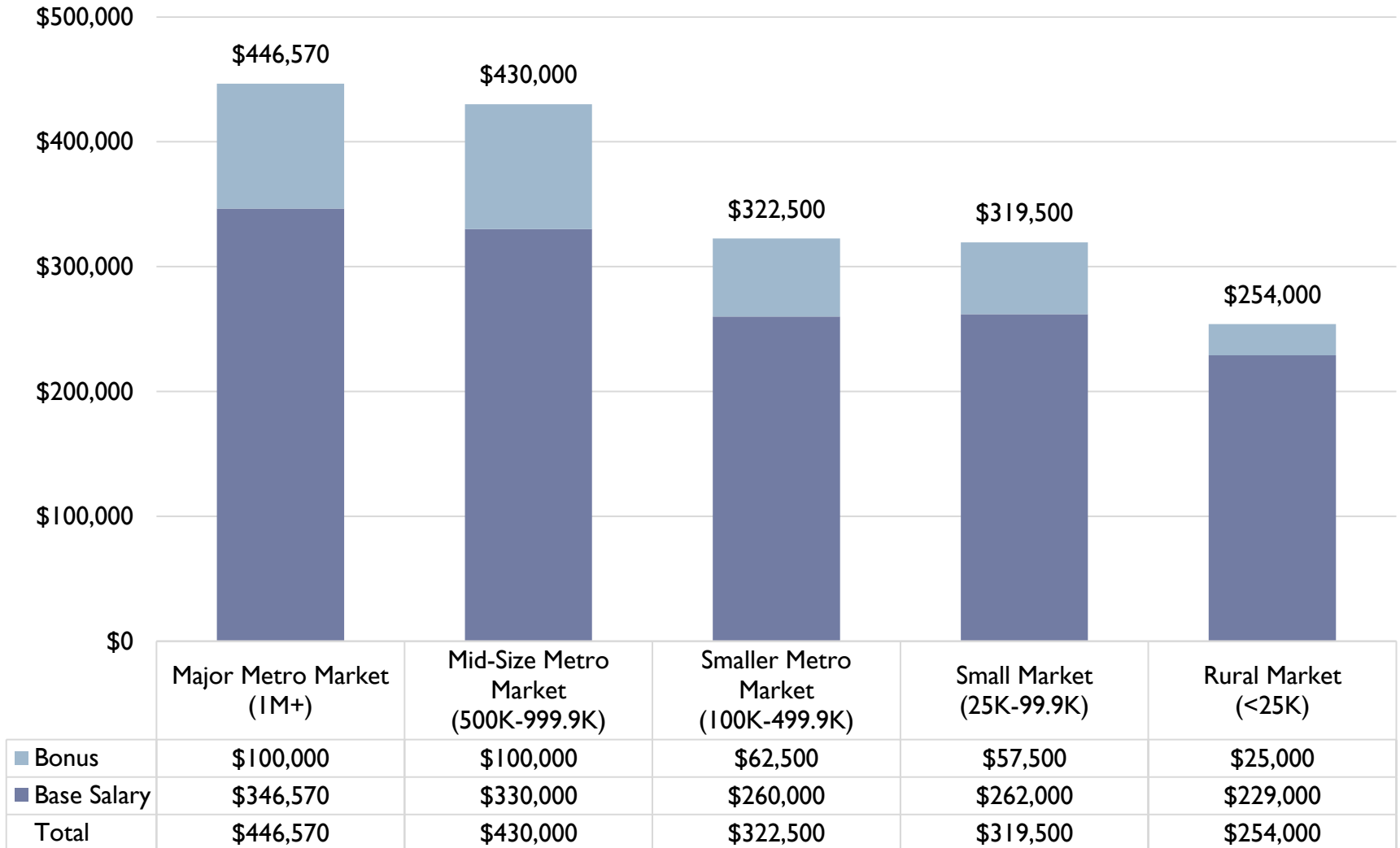
Expected 2023 CEO Cash Compensation, by Region – Median



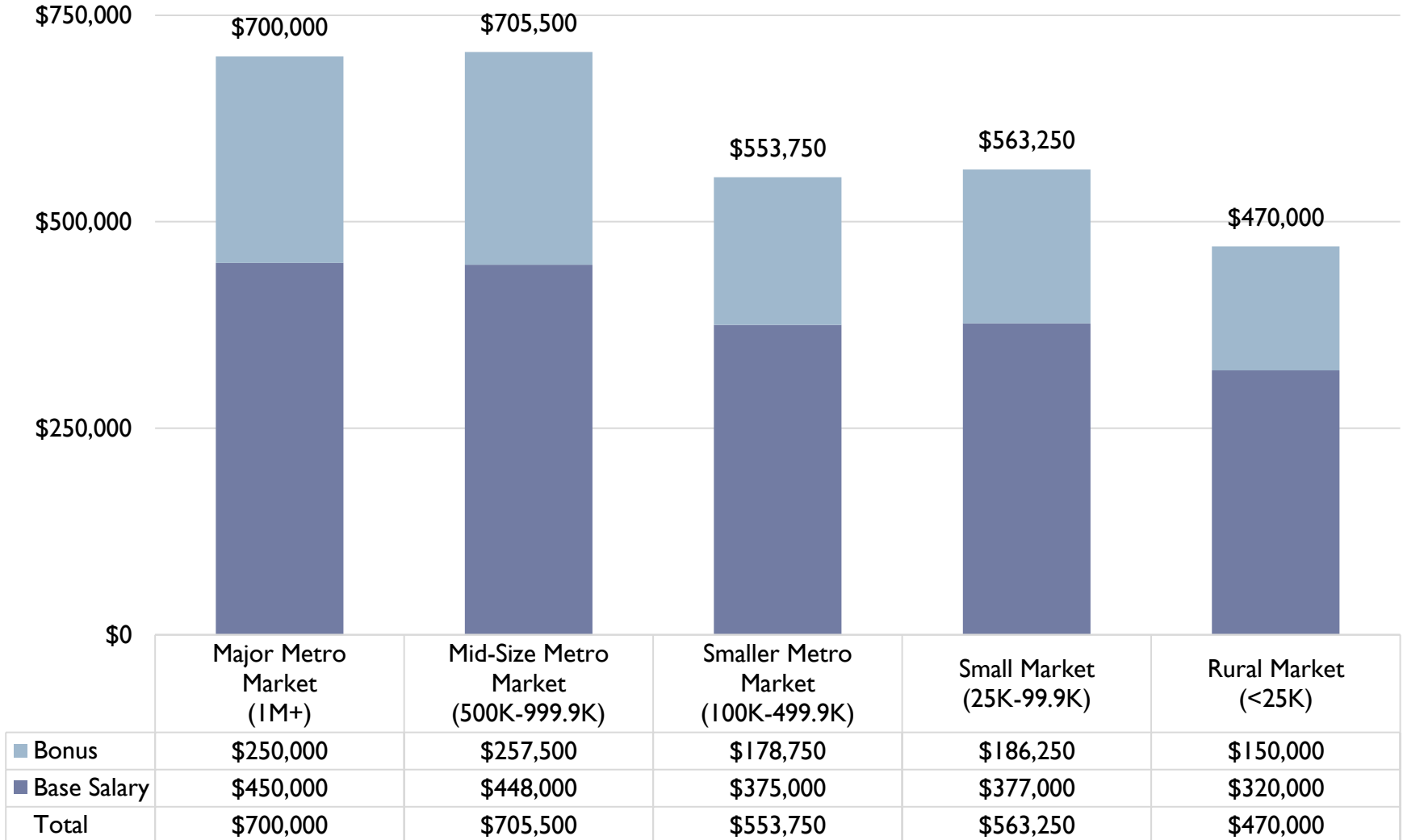
Expected 2023 CEO Cash Compensation, by Region – Top Quartile



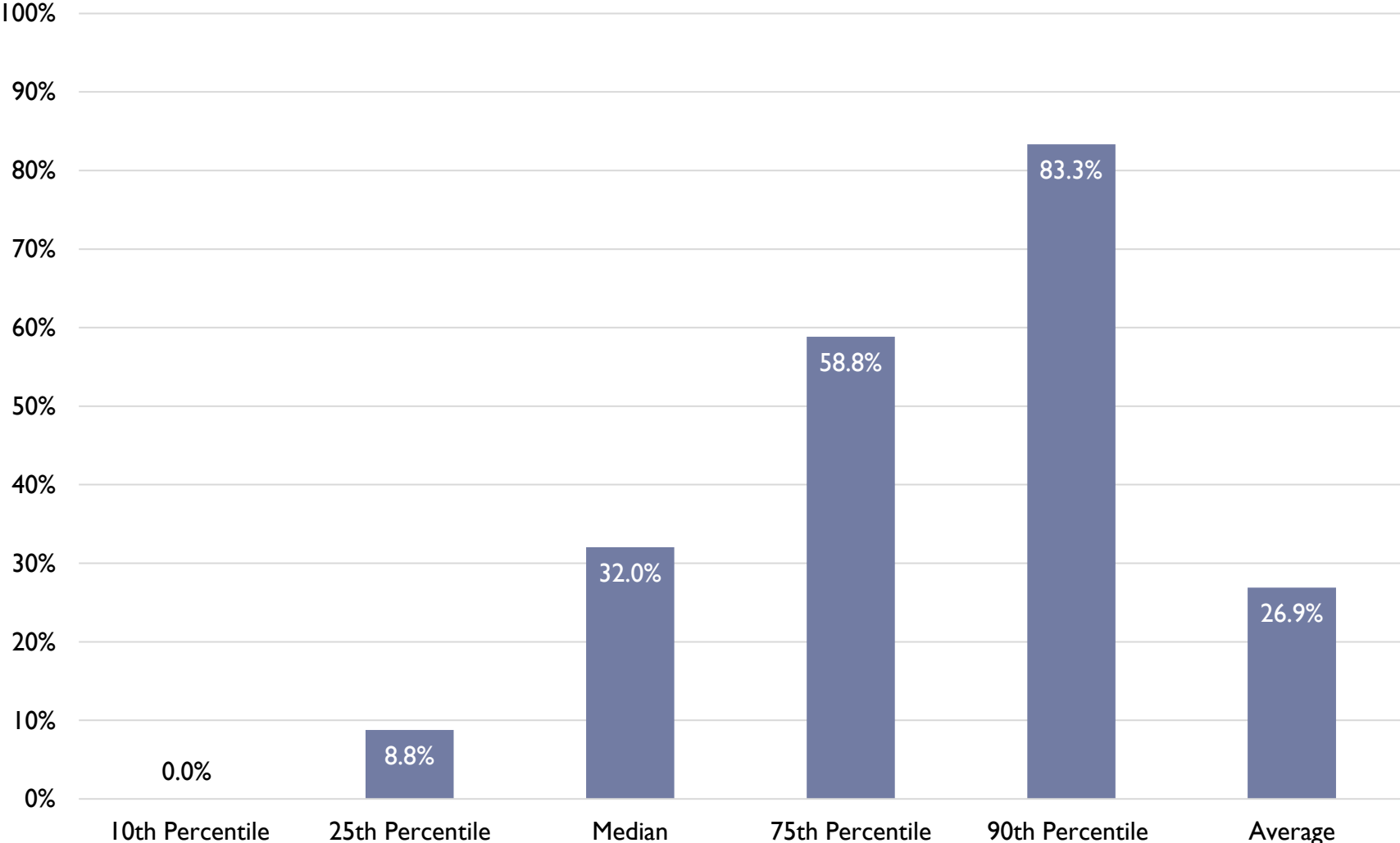
Expected 2023 CEO Cash Compensation, by Labor Market – Median



Expected 2023 CEO Cash Compensation, by Labor Market – Top Quartile



Expected CEO Bonus as % of Base Salary





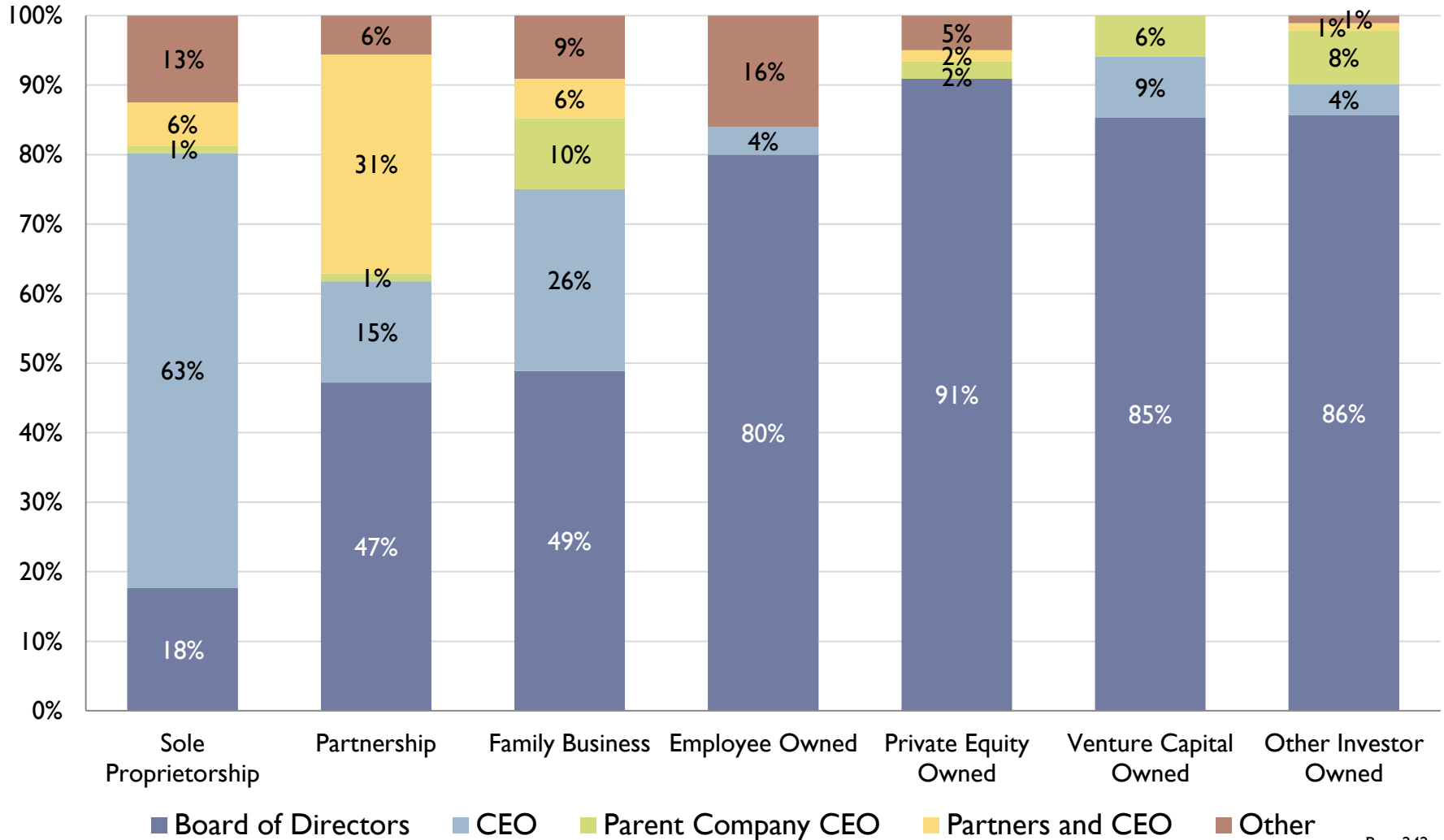
Pay Practices

Pay Practices Summary

- ▶ Many companies follow best practices for motivating and rewarding their CEOs and senior executives, but most private companies don't.
 - ▶ 57% do not have a formal long-term incentive plan. Among companies that do, 18.8% use solely performance-based vesting (vs. time-based vesting (44.2%) or both (37%)).
 - ▶ There are missed opportunities to recruit top talent because many private companies are not adequately communicating the value of annual equity gains—and not providing long-term incentive plans to align their executives with the future of the company.
- ▶ Larger private companies, along with PE, VC and employee-owned companies, are more likely to follow best practices in their rewards philosophies and programs, which helps them grow into large companies (attract, retain and motivate the needed talent).
 - ▶ The lifecycle of the company matters (but companies can go beyond their size cohort):
 - ▶ Smaller, founder-led companies tend to be entrepreneurial and have informal processes and systems (but can benefit from more formal processes to attract great people).
 - ▶ Middle-market companies often get venture capital or private equity funding to grow (but they can professionalize their executive compensation practices regardless).
 - ▶ Professionally managed companies led by hired CEOs and controlled by independent boards tend to have formal rewards programs tied to their business and talent strategies (but can often benefit from allowing for discretionary incentives).

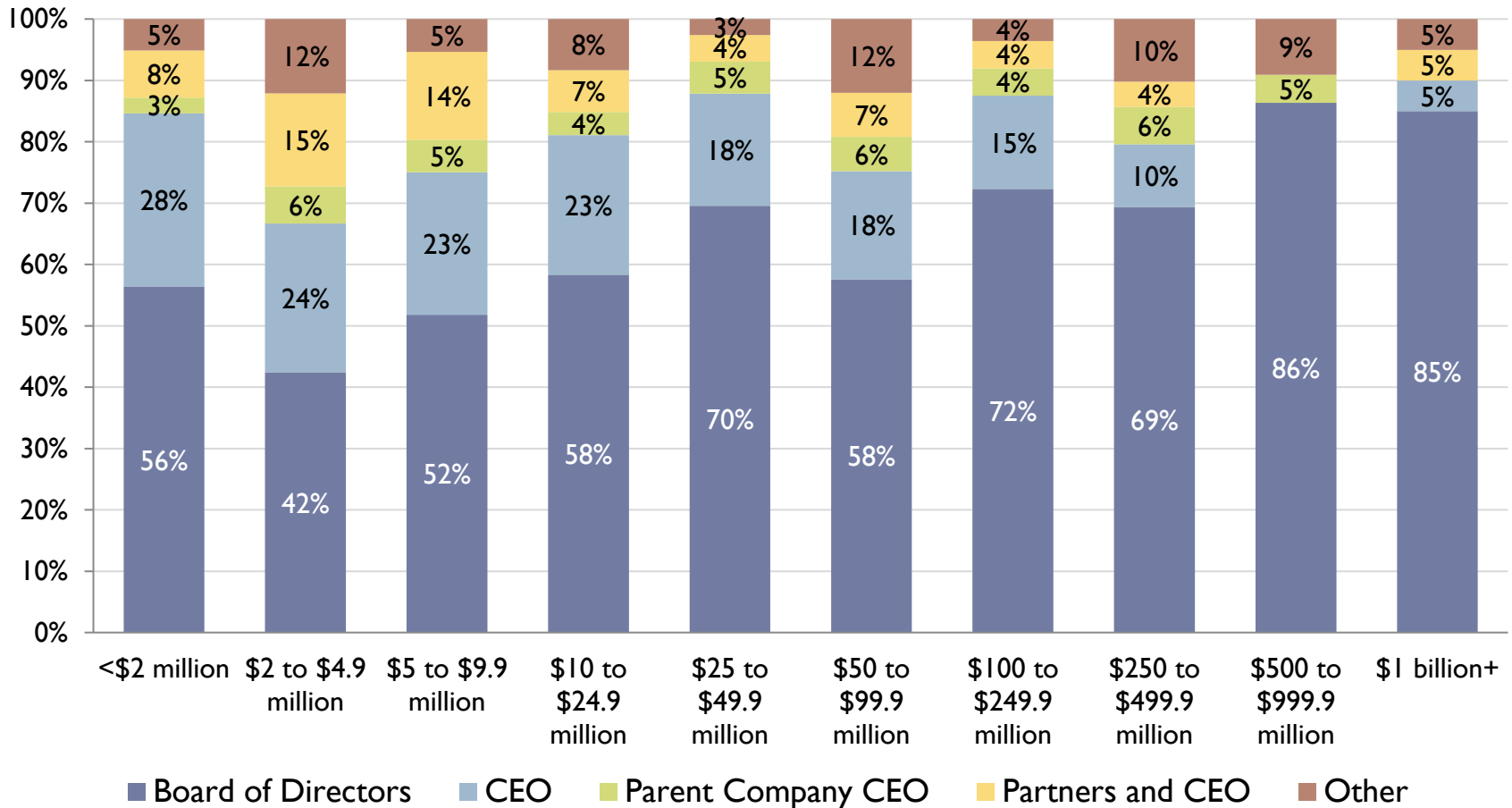
Who Approves CEO Compensation Packages?

Percentage of Companies by Ownership Type



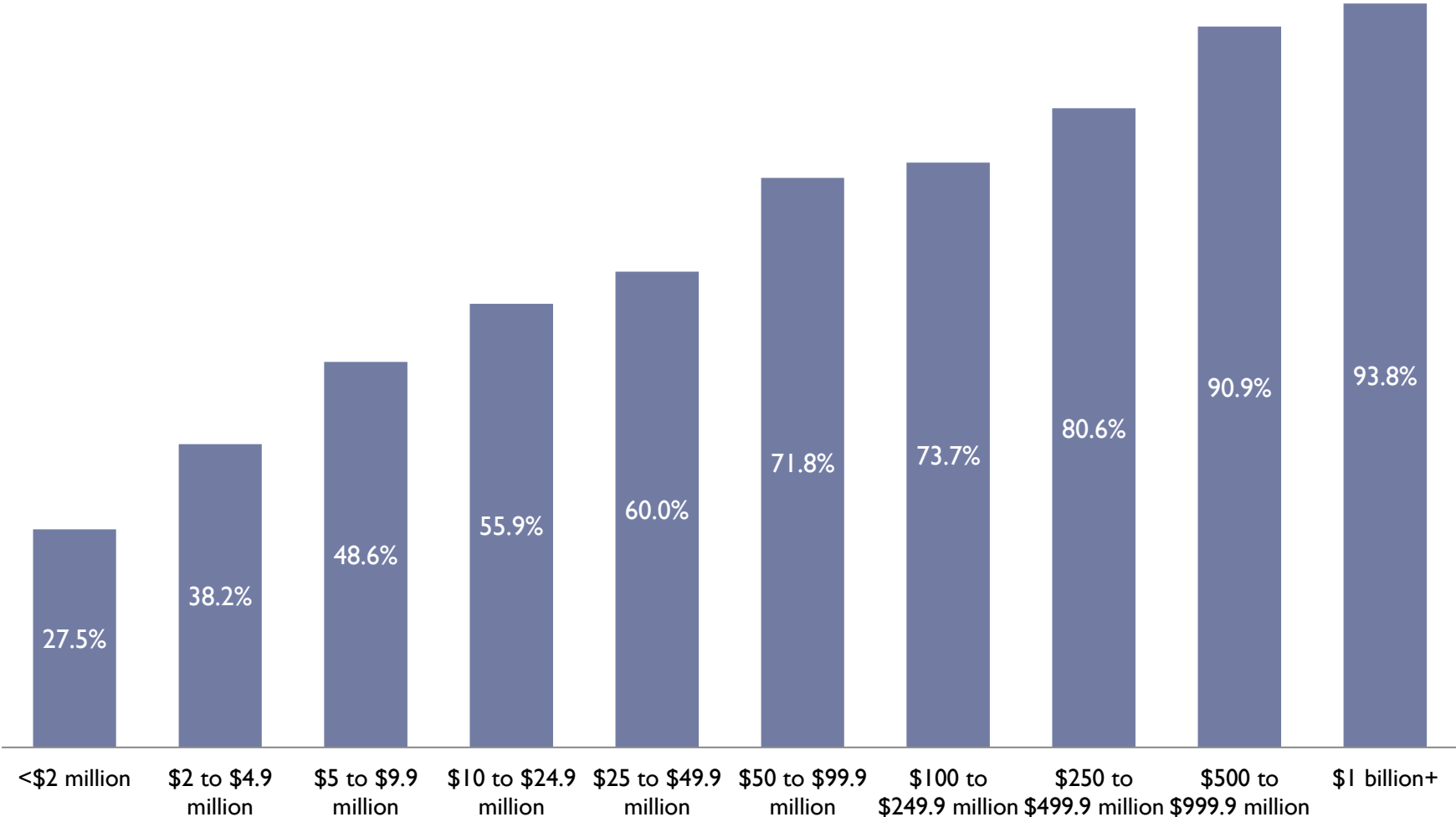
Who Approves CEO Compensation Packages?

Percentage of Companies by Company Revenue

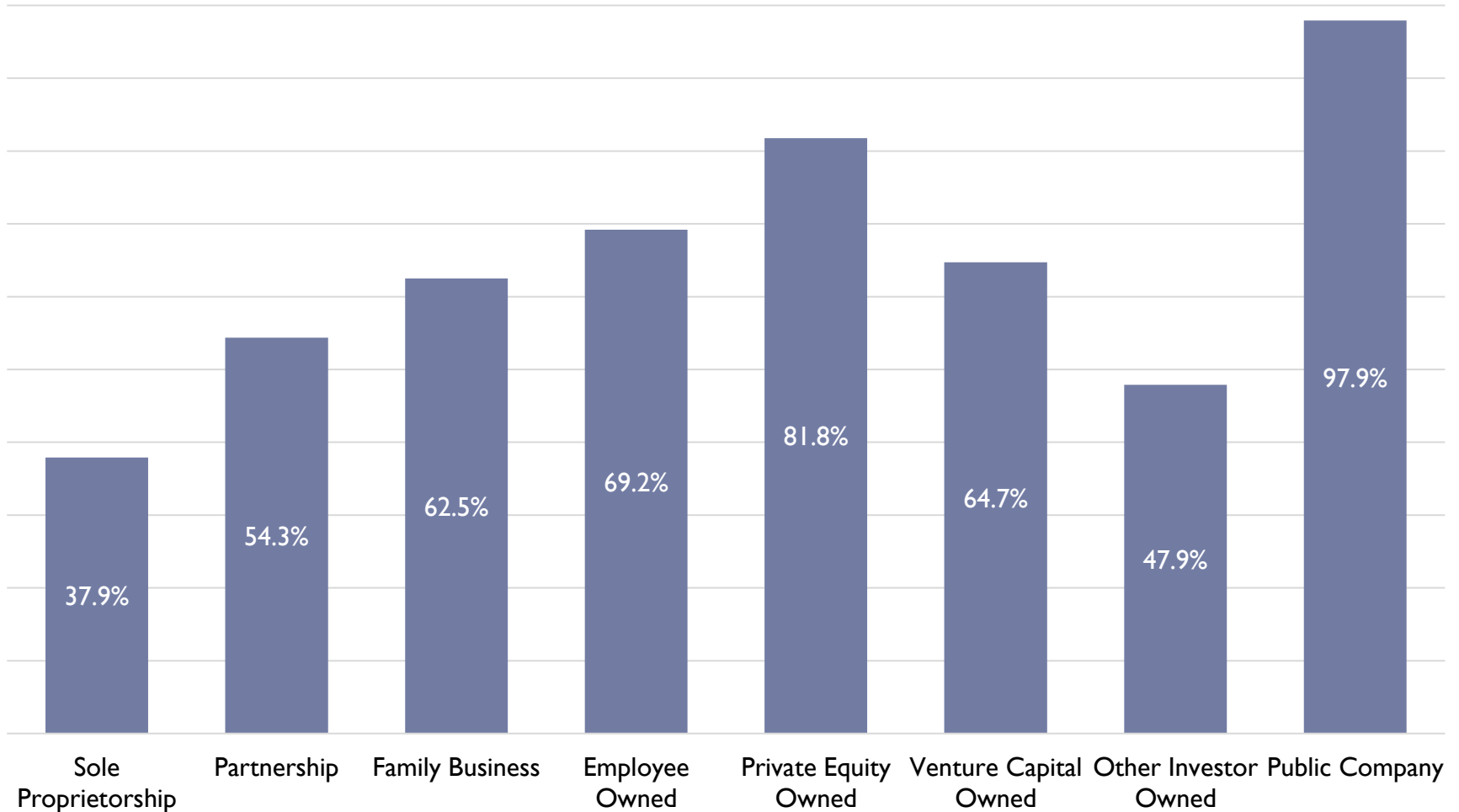


❖ An independent board approves the majority of CEO pay packages at larger companies.

Companies with Formal Annual Incentive Plans for Executives, by Company Revenue

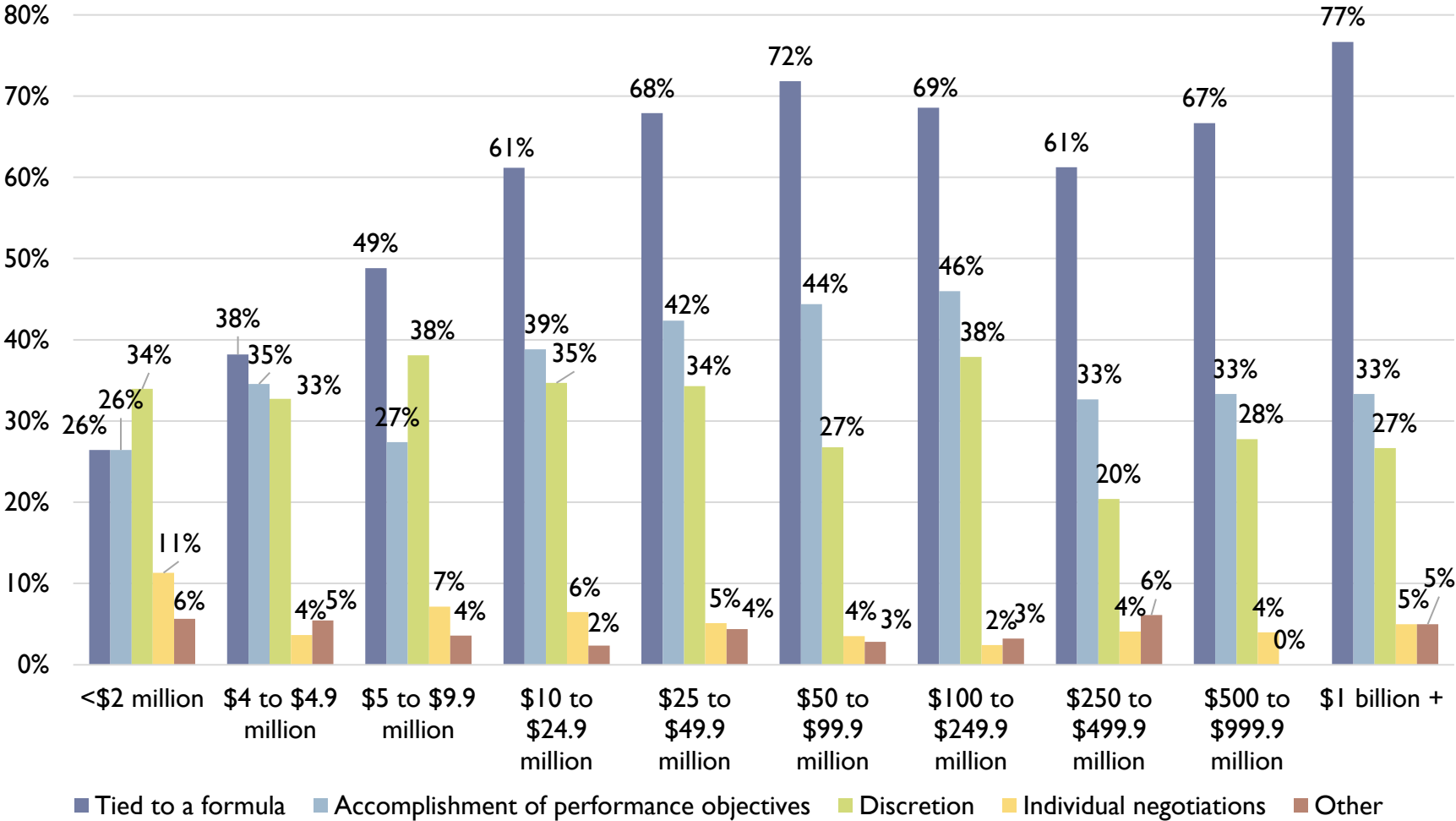


Companies with Formal Annual Incentive Plans for Executives, by Ownership Type



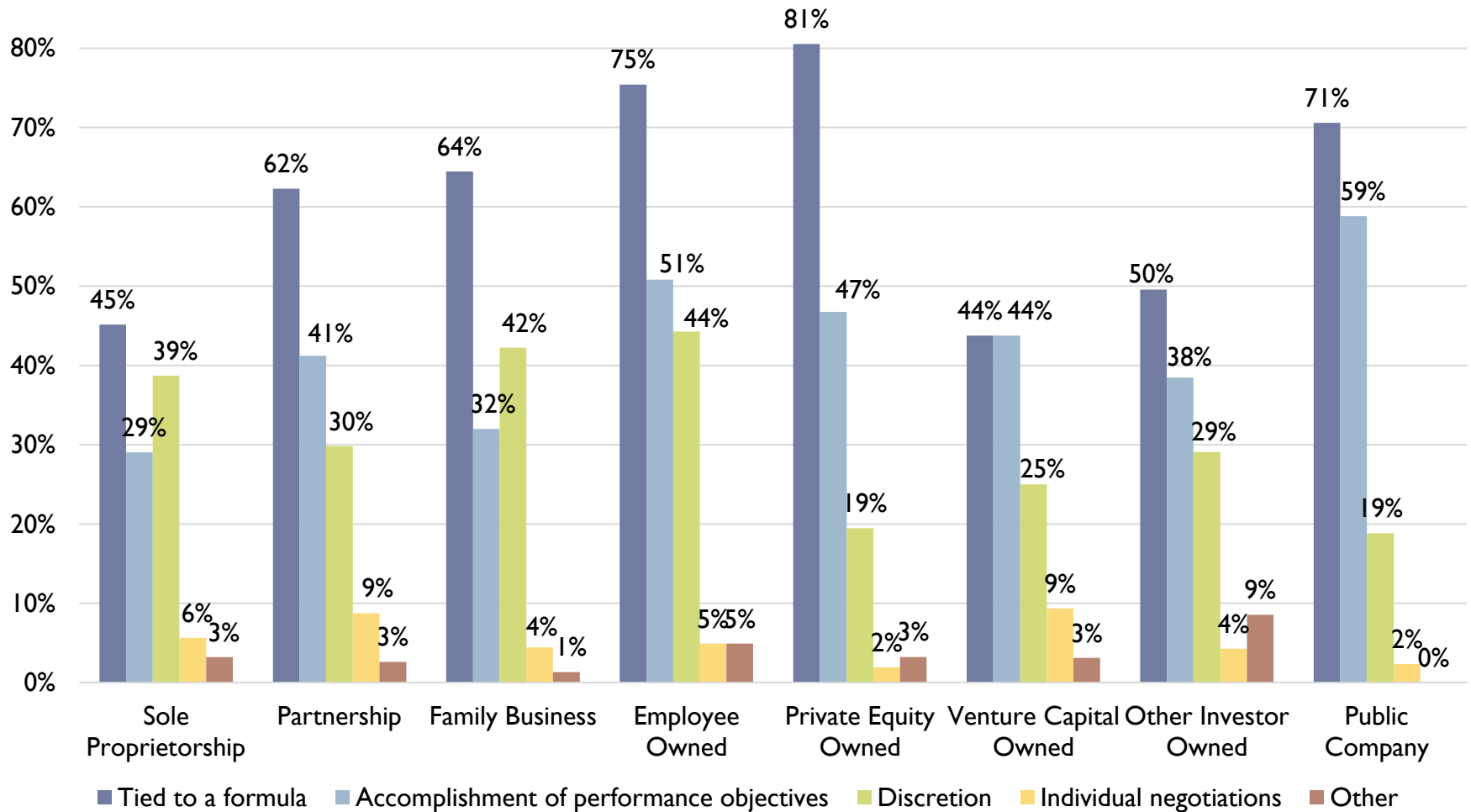
- ❖ While public companies have formal annual incentive plans most often, among privately-held companies, PE-owned companies have formal annual incentive plans more often than other privately-held companies

Basis for Total Amount of Bonus Payments, by Company Revenue



- Respondents could select multiple options, so total may be more than 100%.
- Data on this page is from the 2022-23 comp survey. This data doesn't change substantially from year to year.

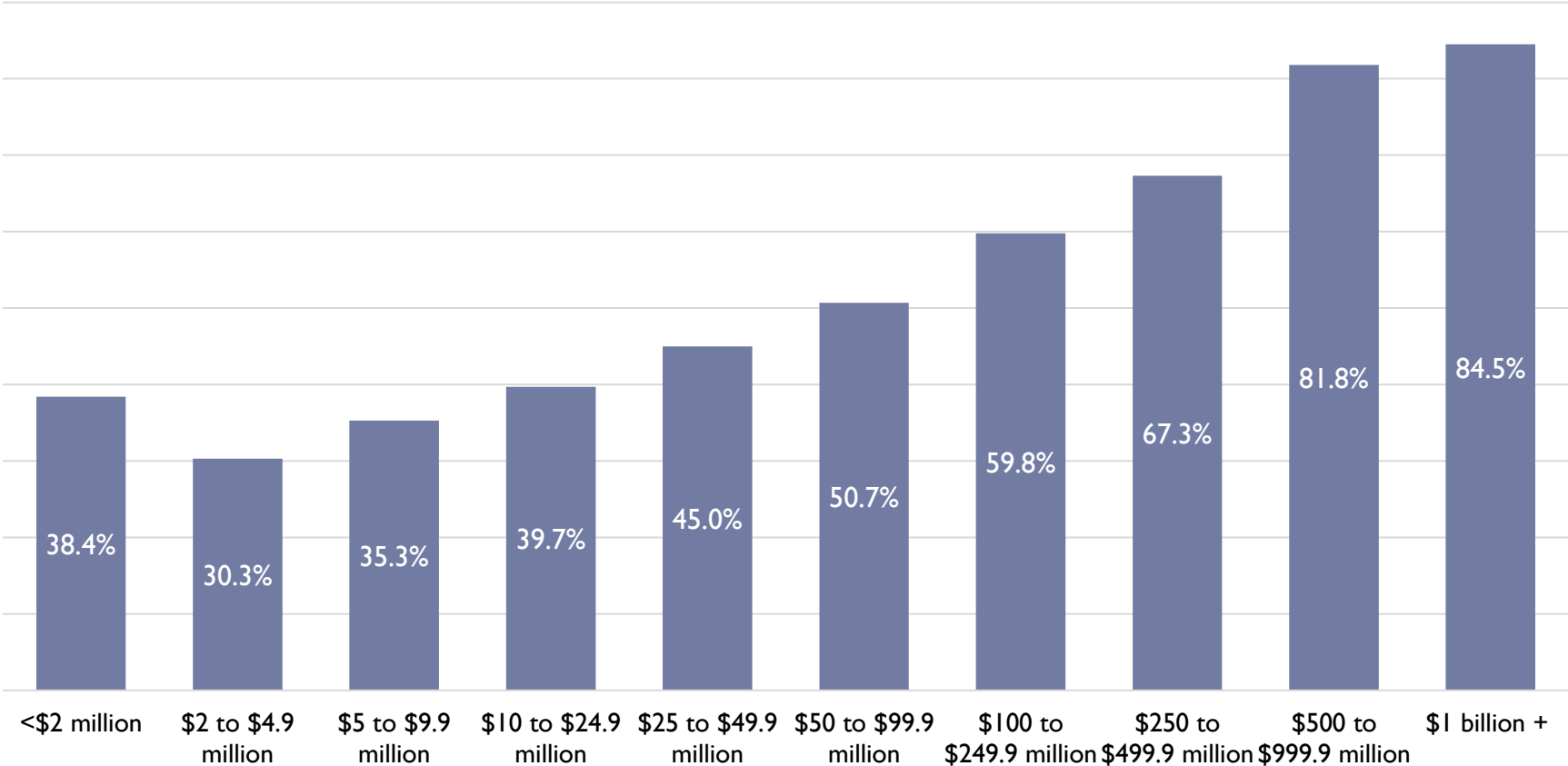
Basis for Total Amount of Bonus Payments, by Ownership Type



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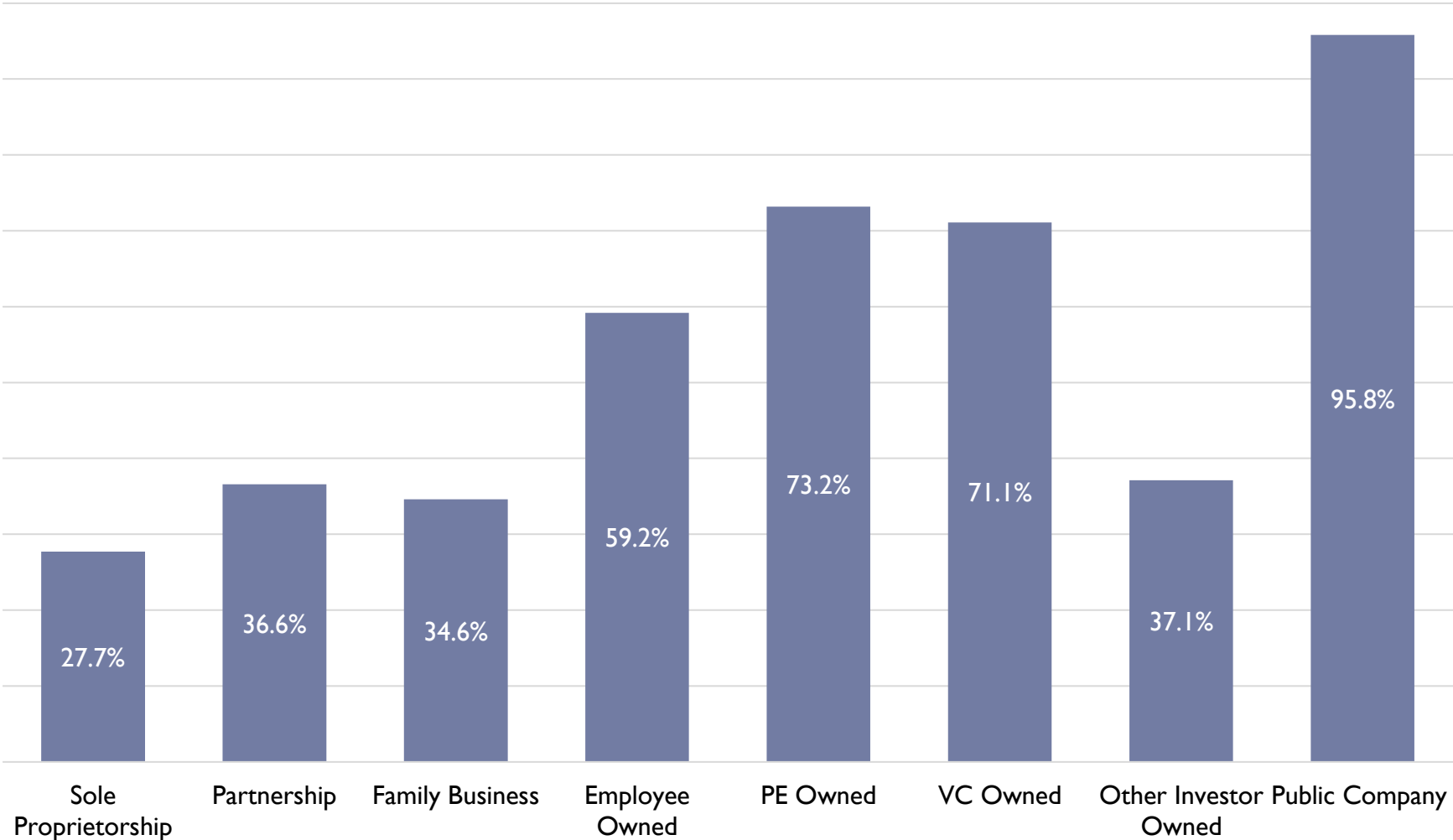
Companies with Formal Long-Term Incentive Plans, by Company Revenue

Percentage of Companies by Company Revenue

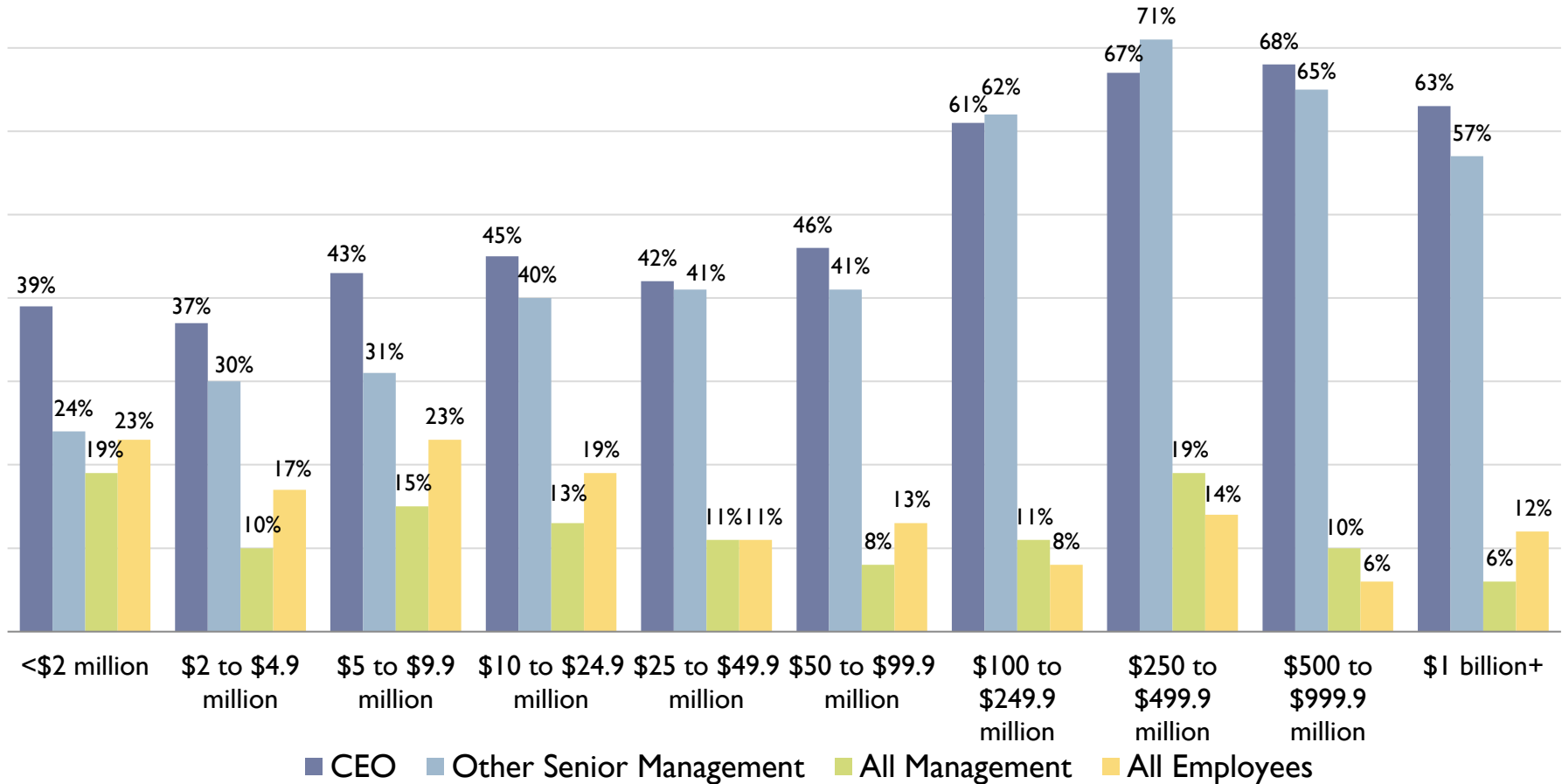


❖ Most large and upper-middle-market companies have formal long-term incentive plans for their senior executives, while small and lower-middle-market companies often do not.

Companies with Formal Long-Term Incentive Plans, by Ownership Type



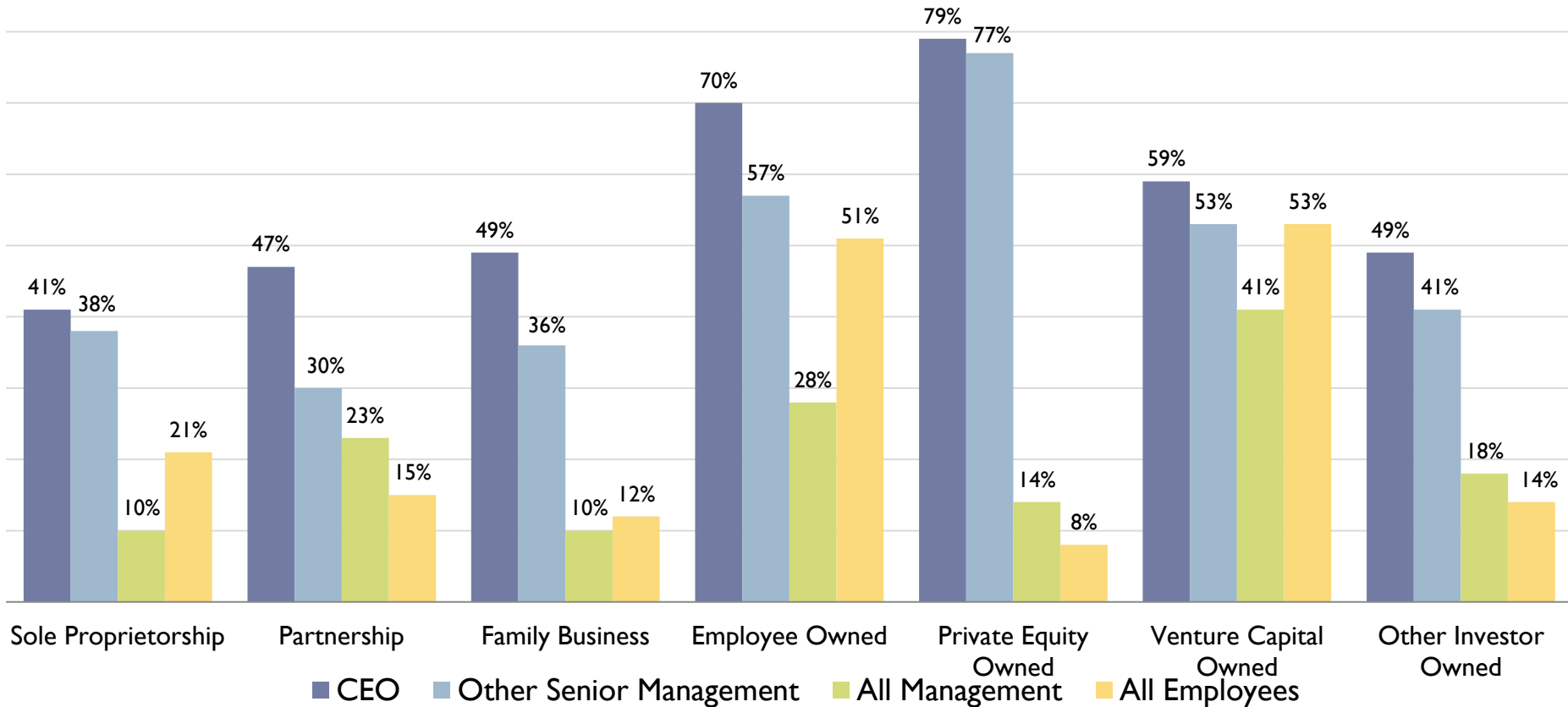
Eligibility for Long-Term Incentives, by Company Revenue



*Data on this page is from the 2021-22 comp survey. This data doesn't change substantially from year to year.

❖ Most companies with more than \$100 million in annual revenue have long-term incentive plans for their CEOs and other senior executives, but most others do not.

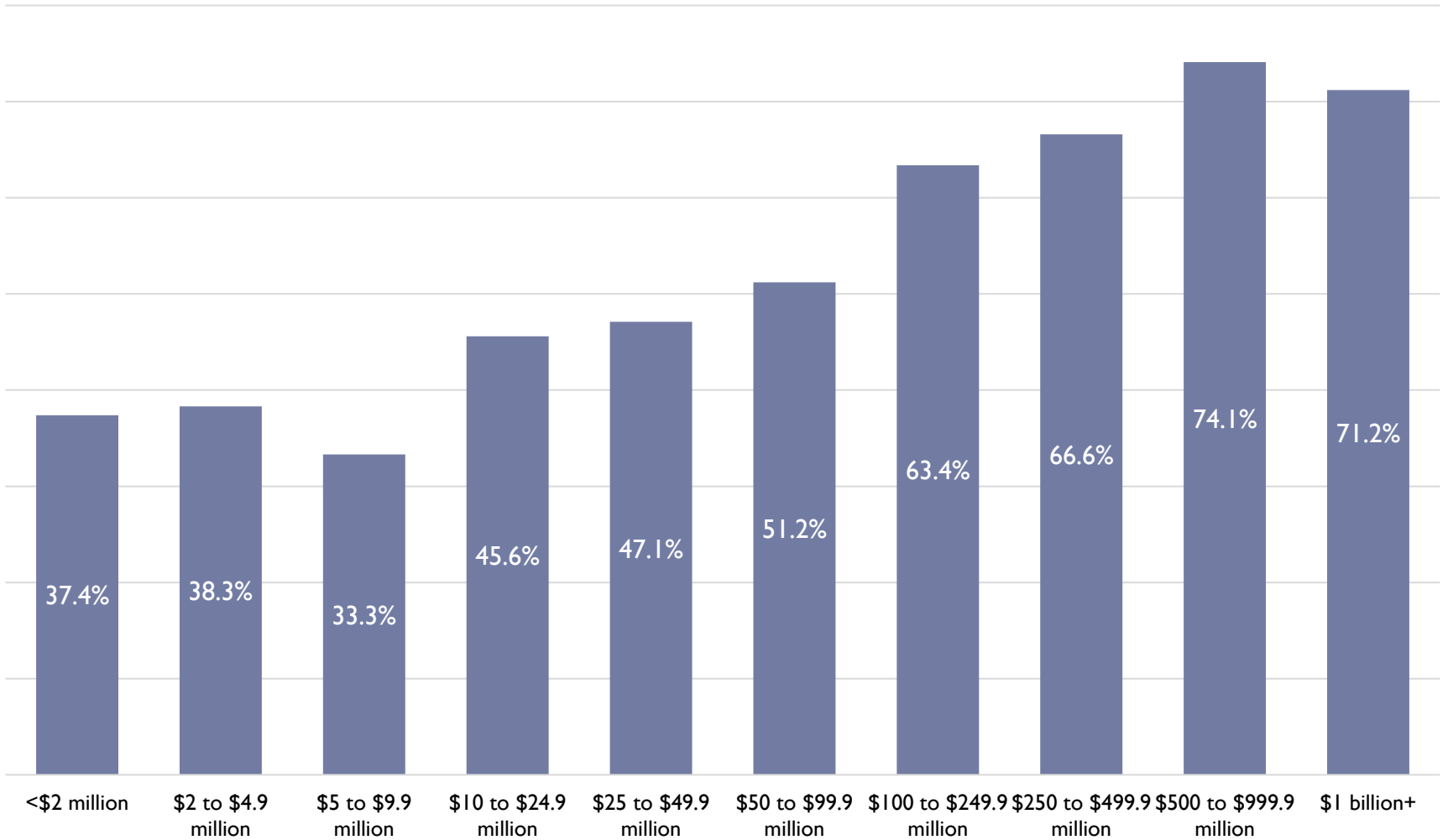
Eligibility for Long-Term Incentives, by Ownership Type



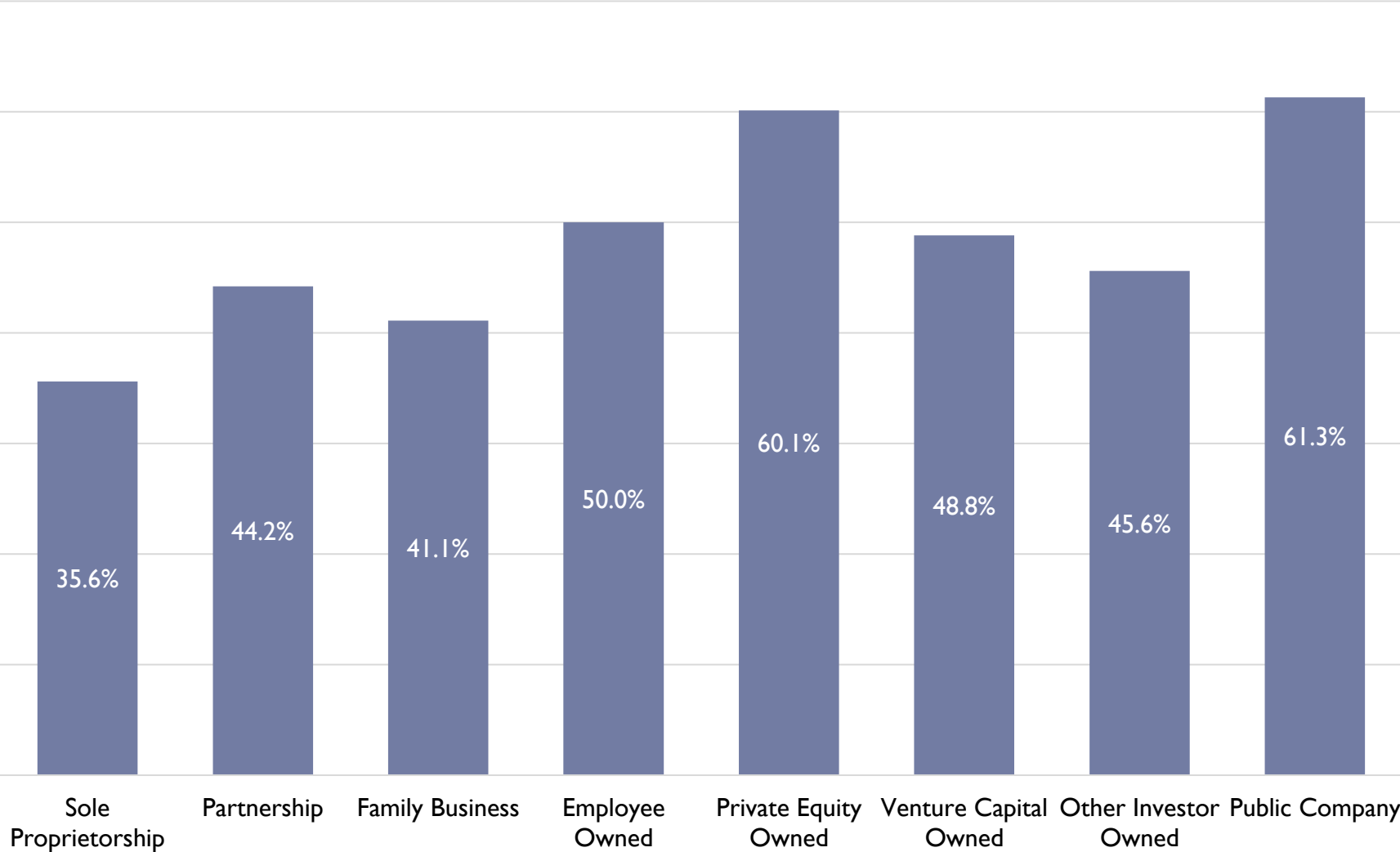
*Data on this page is from the 2021-22 comp survey. This data doesn't change substantially from year to year.

- ❖ PE-owned companies most often have long-term incentive plans for their CEOs and other senior executives, while VC and employee-owned companies most often have long-term plans for all management or all employees.

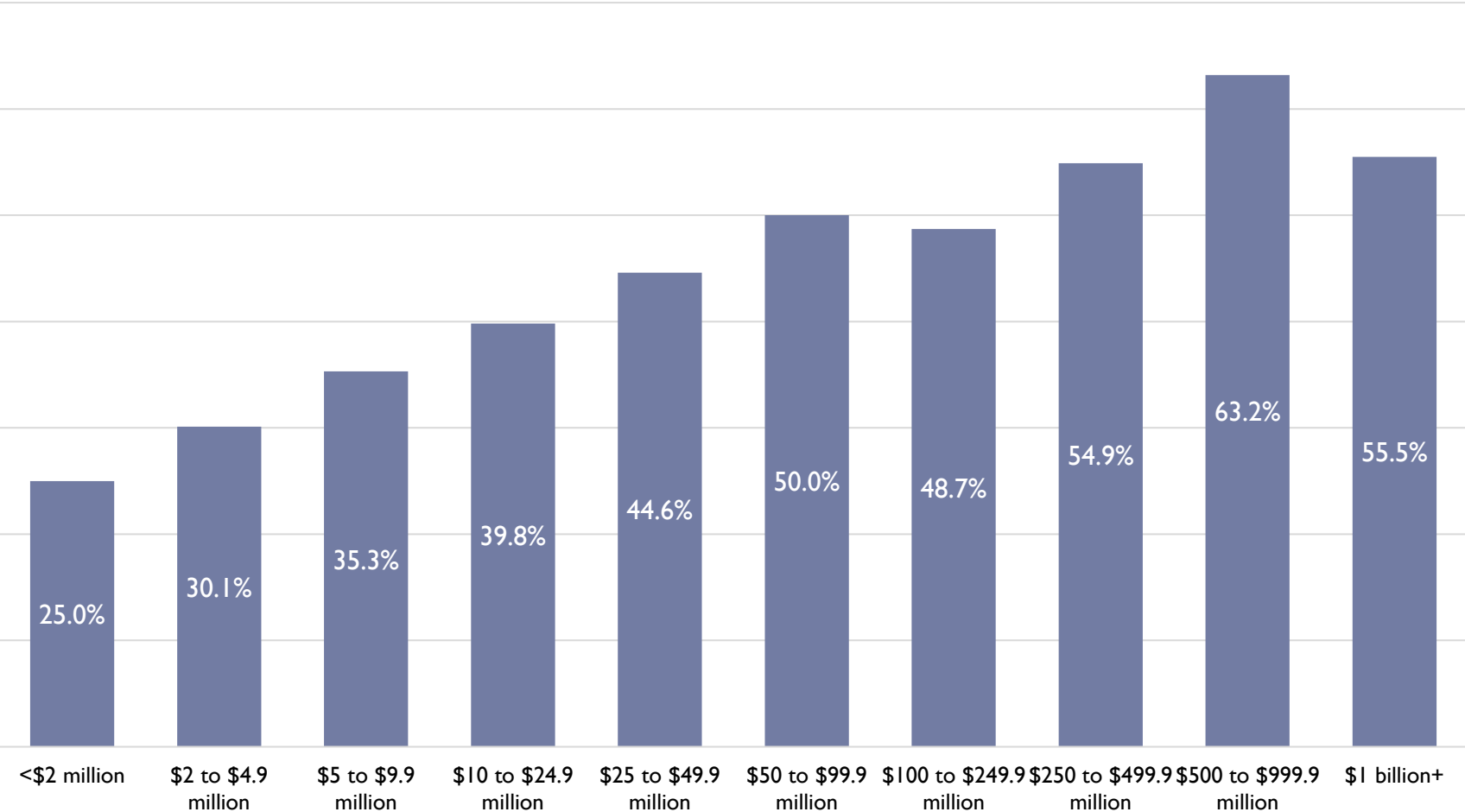
Companies with Formal Salary Plan with Regularly Scheduled Reviews, by Company Revenue



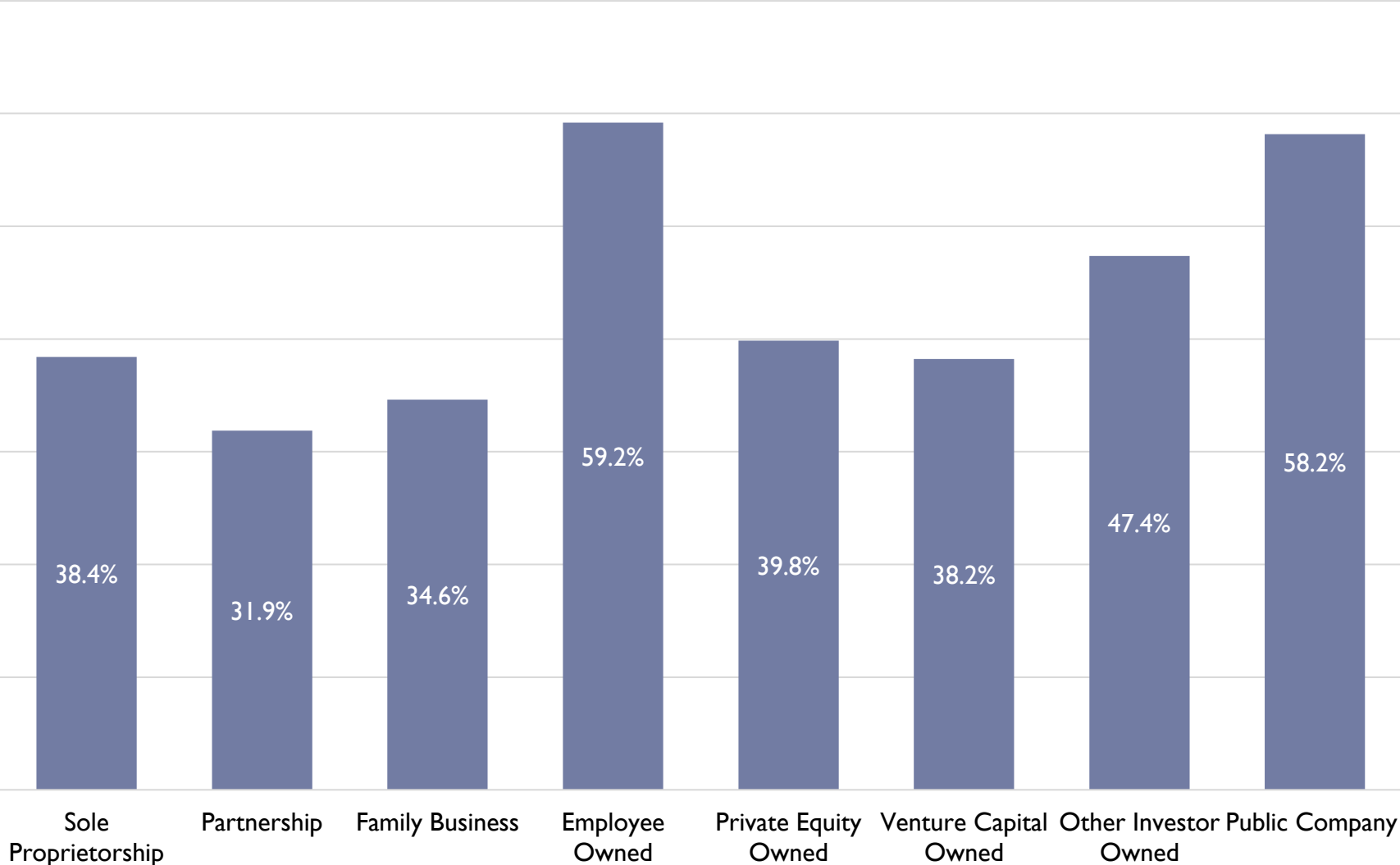
Companies with Formal Salary Plan with Regularly Scheduled Reviews, by Ownership Type



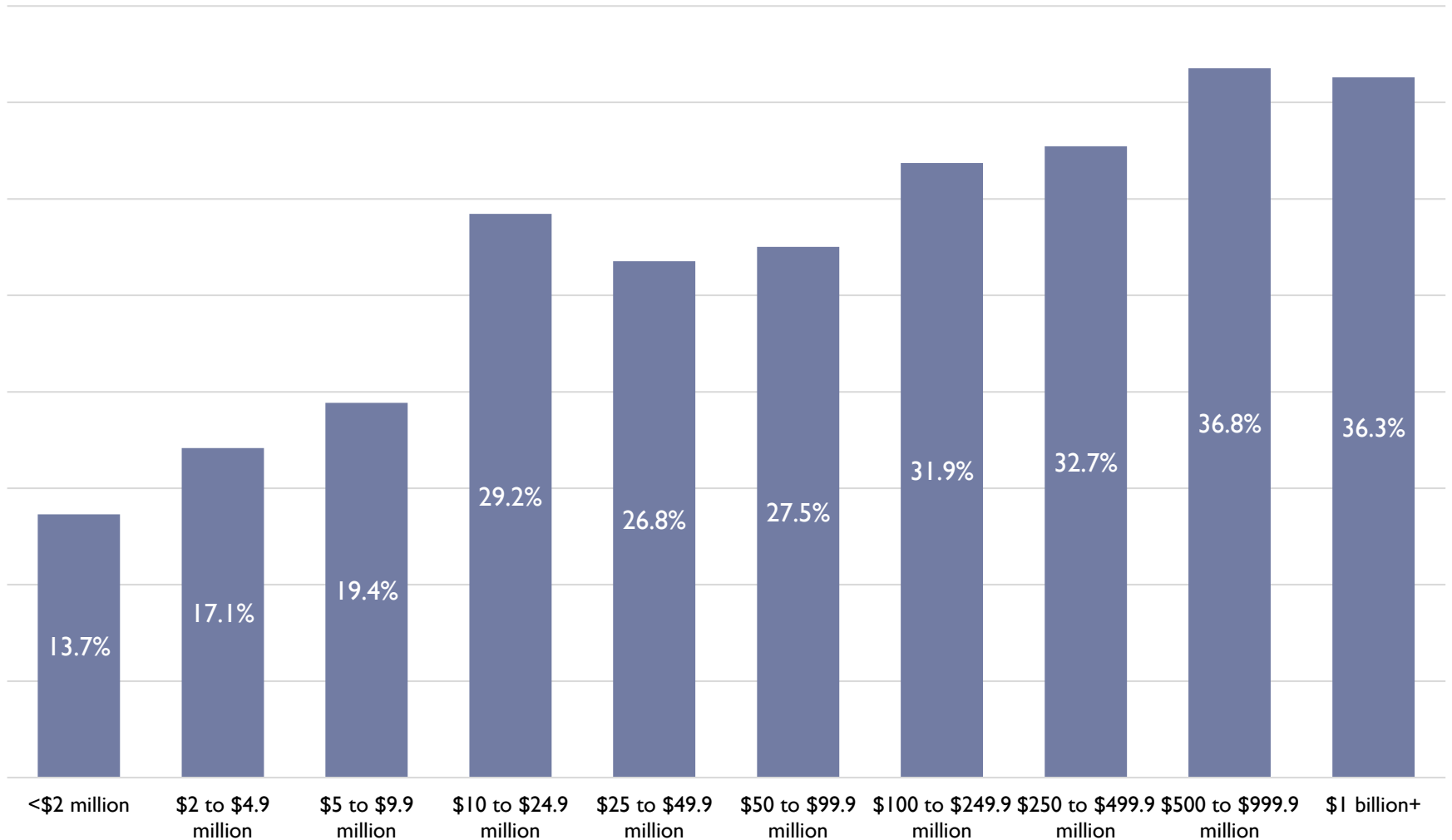
Companies that Set Salary Ranges for Specific Positions, by Company Revenue



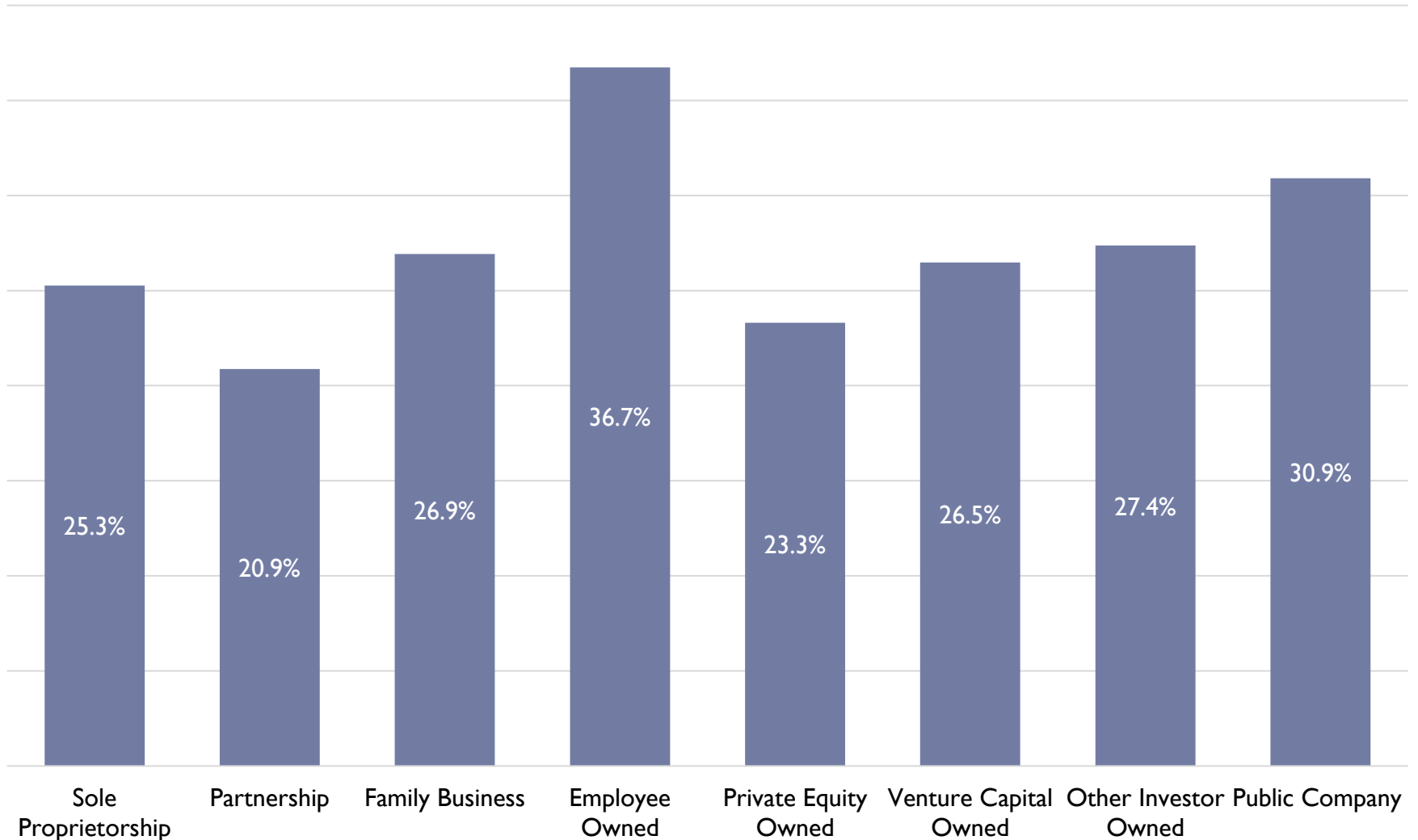
Companies that Set Salary Ranges for Specific Positions, by Ownership Type



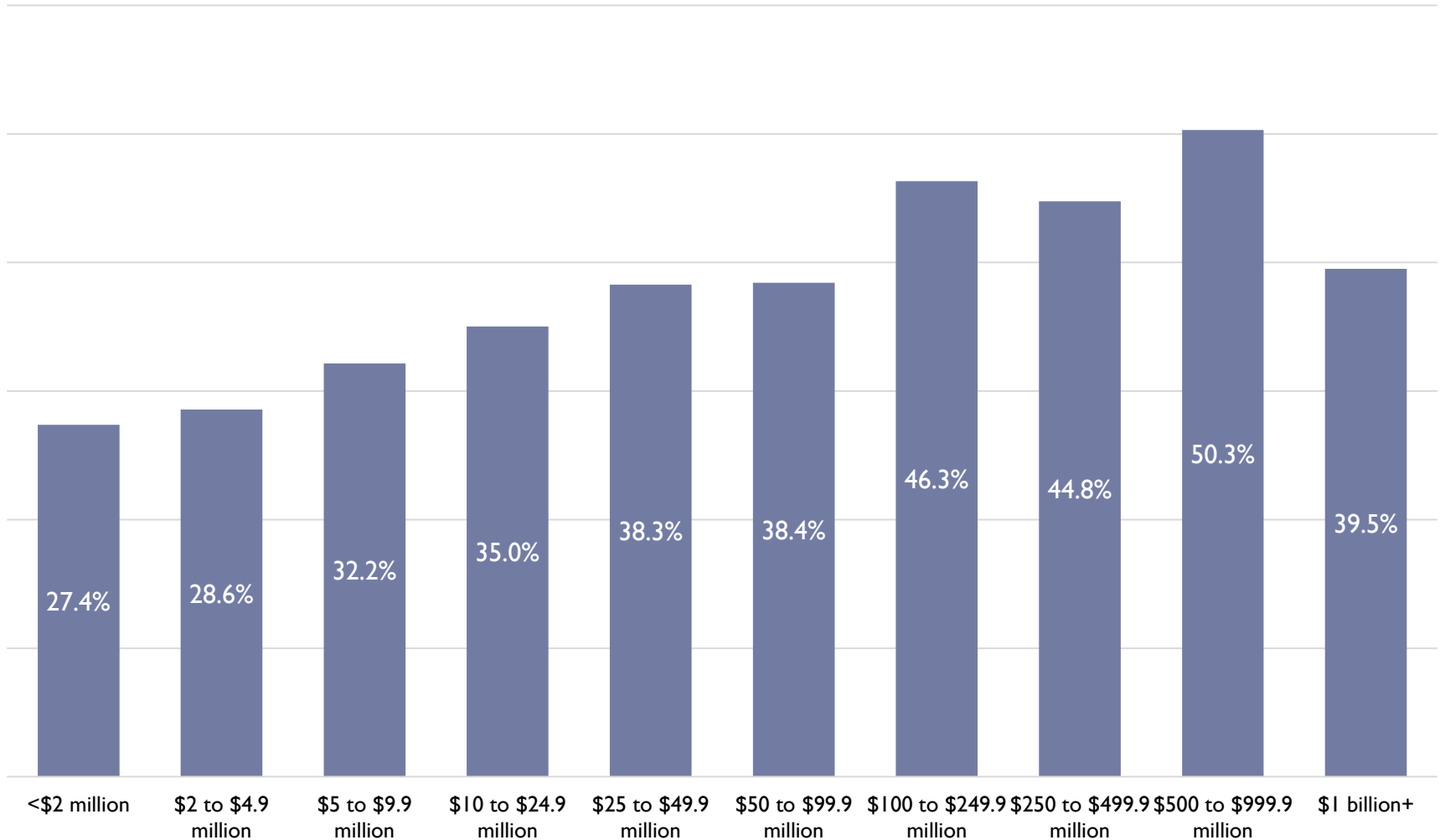
Companies that Use an Objective Formula for the Size of Pay Increases, by Company Revenue



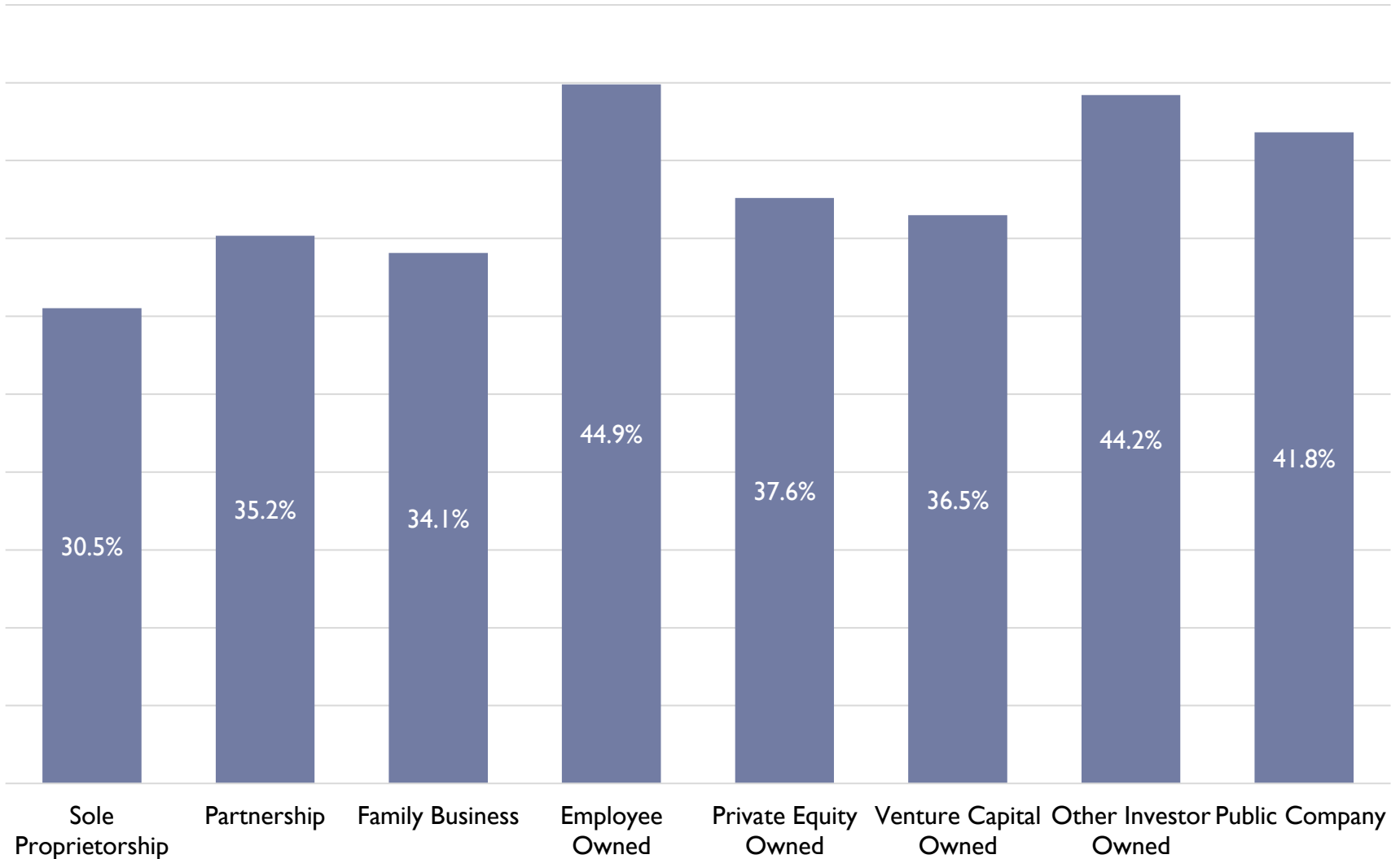
Companies that Use an Objective Formula for the Size of Pay Increases, by Ownership Type



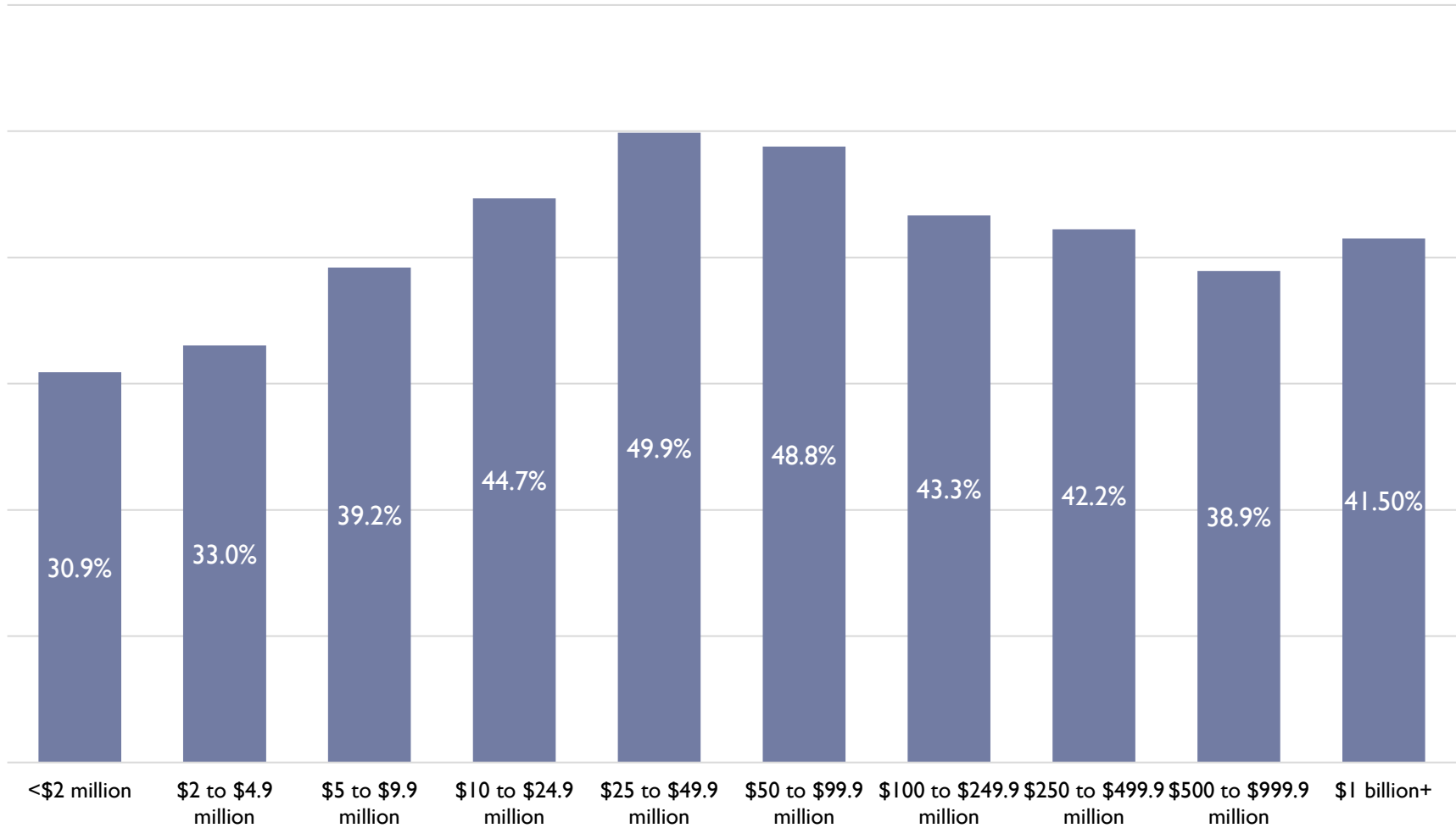
Companies with Performance Ratings Tied to Specific Salary Increases, by Company Revenue



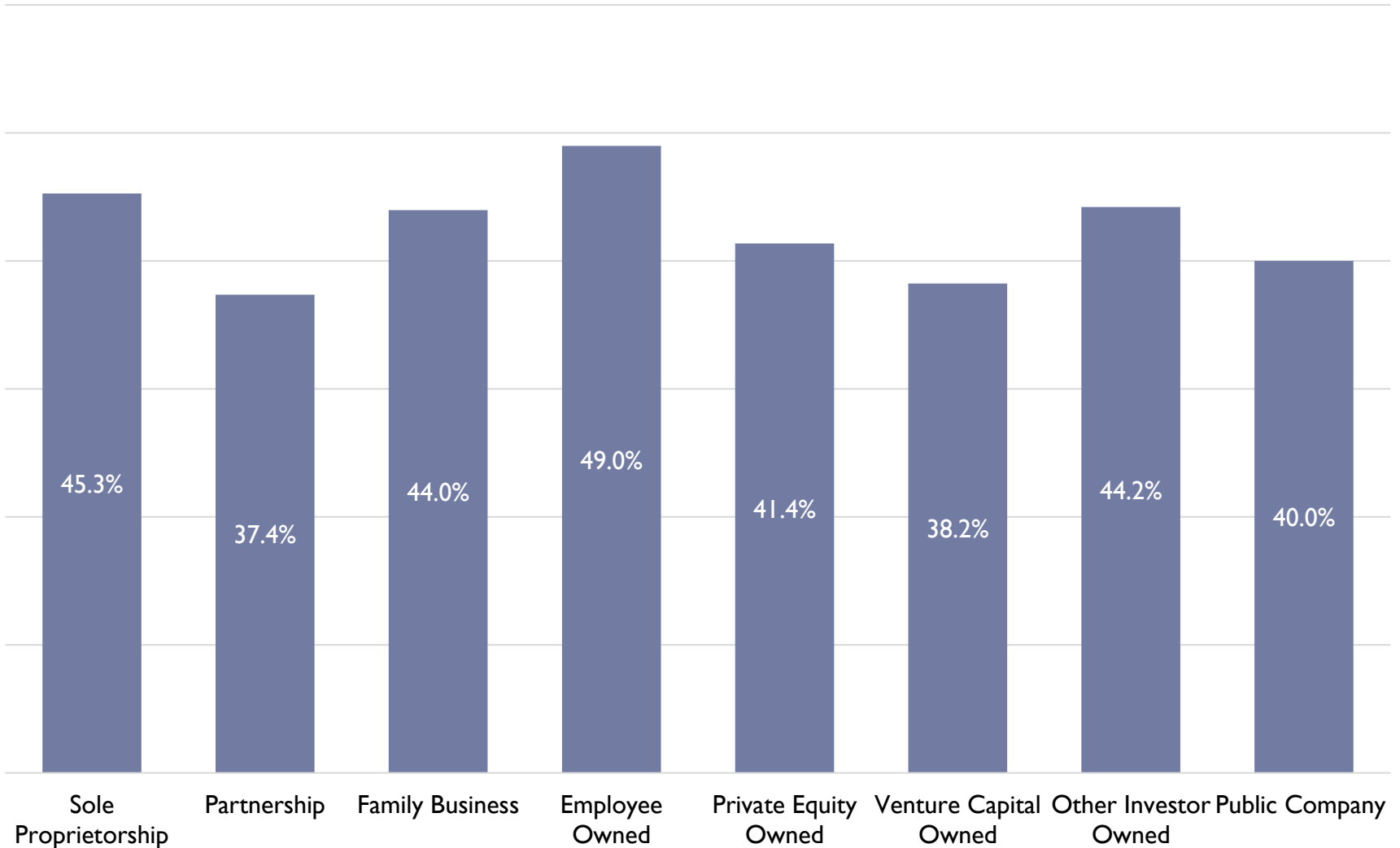
Companies with Performance Ratings Tied to Specific Salary Increases, by Ownership Type



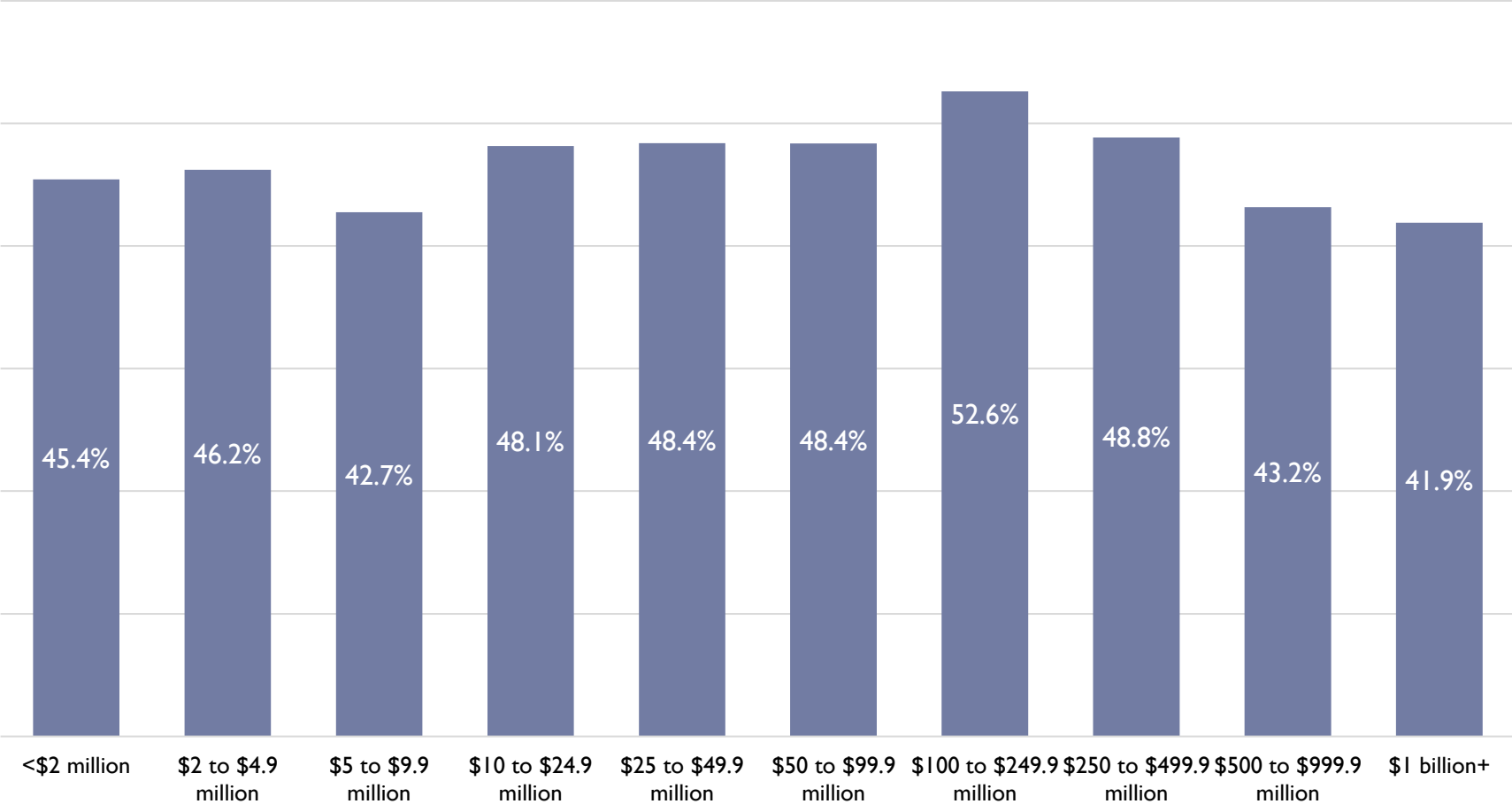
Companies Where Titles and Responsibilities Are Reviewed Annually, by Company Revenue



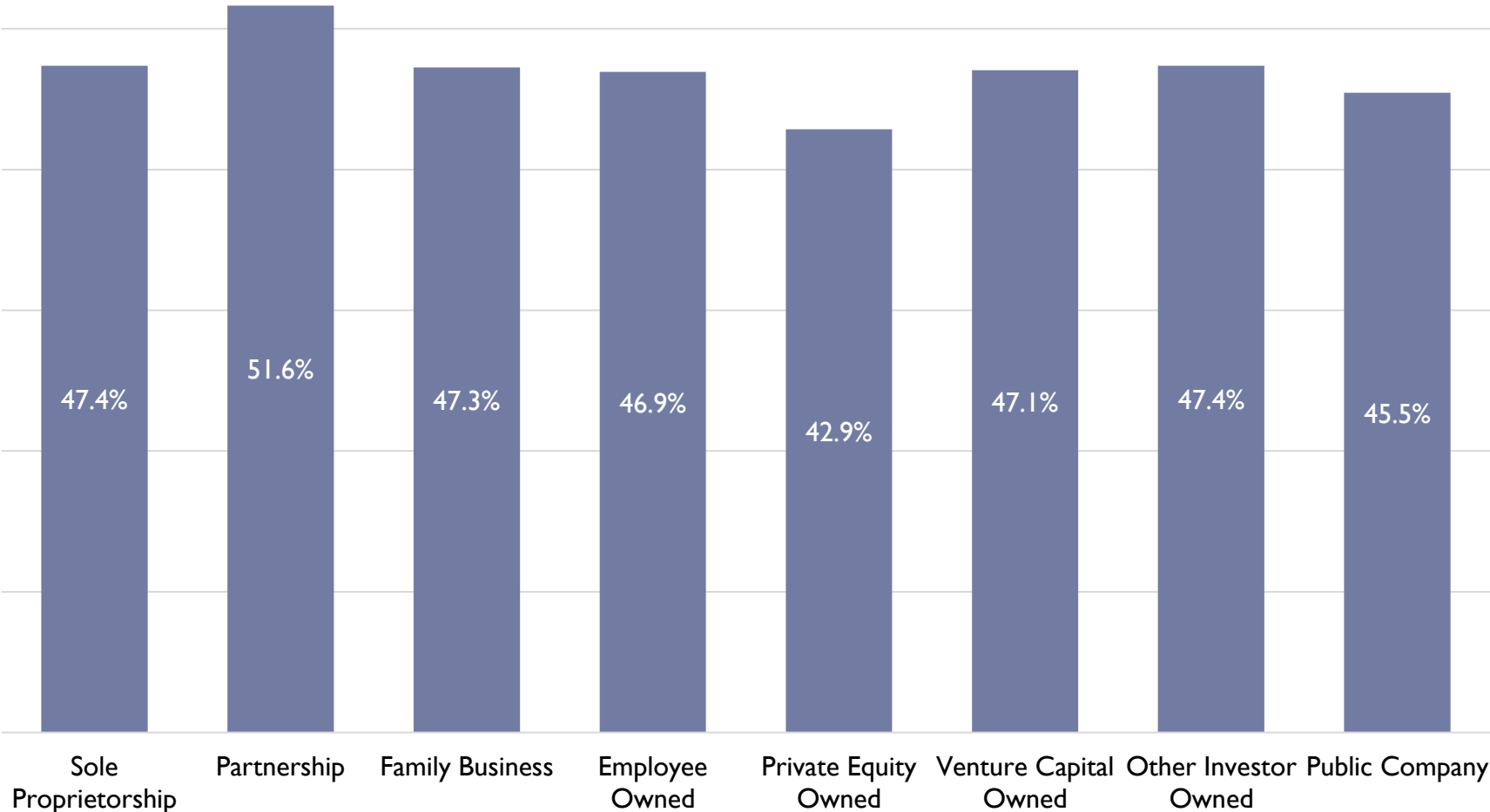
Companies Where Titles and Responsibilities Are Reviewed Annually, by Ownership Type



Companies that Consider the Relative Value/Impact Internally Among Positions, by Company Revenue

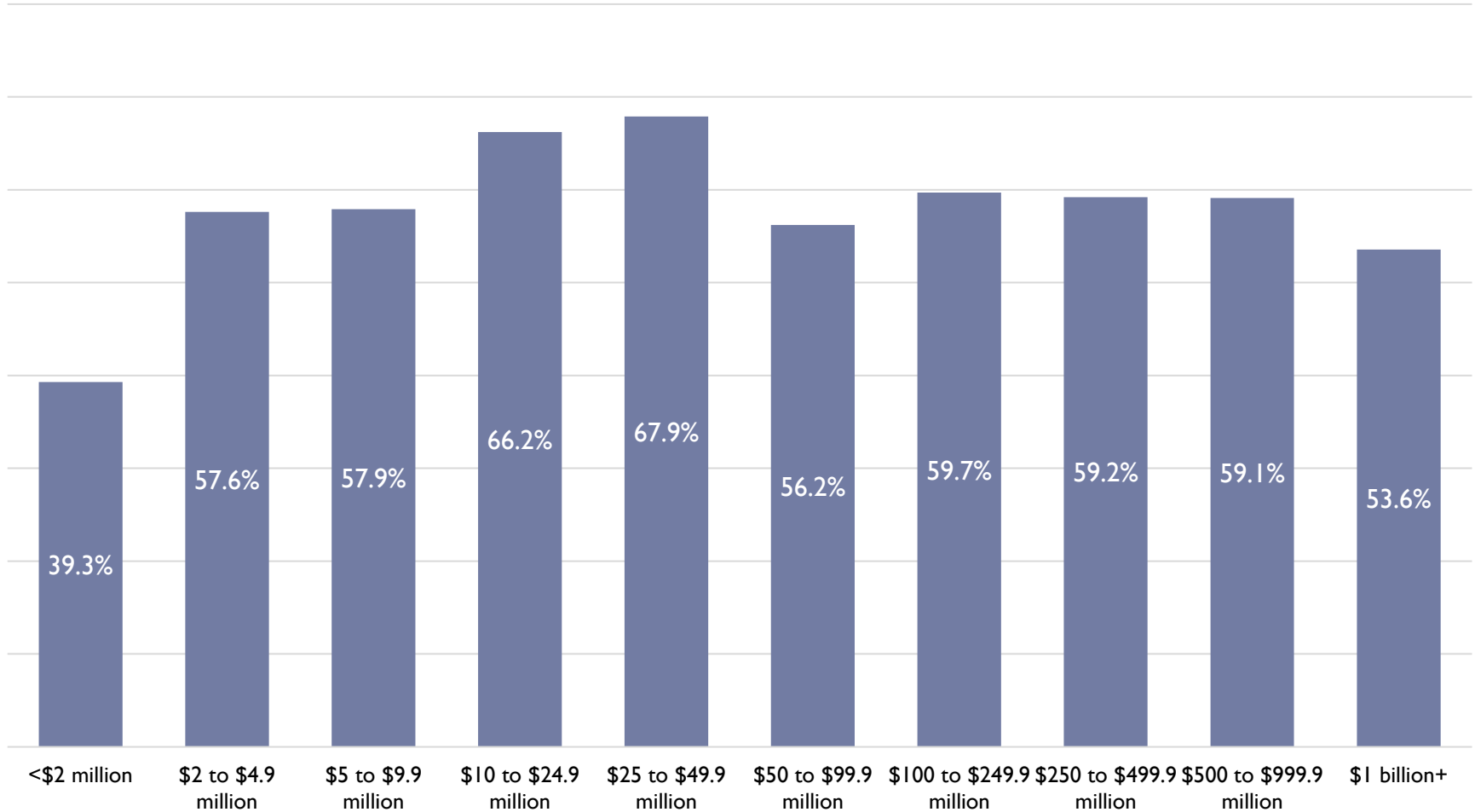


Companies that Consider the Relative Value/Impact Internally Among Positions, by Ownership Type



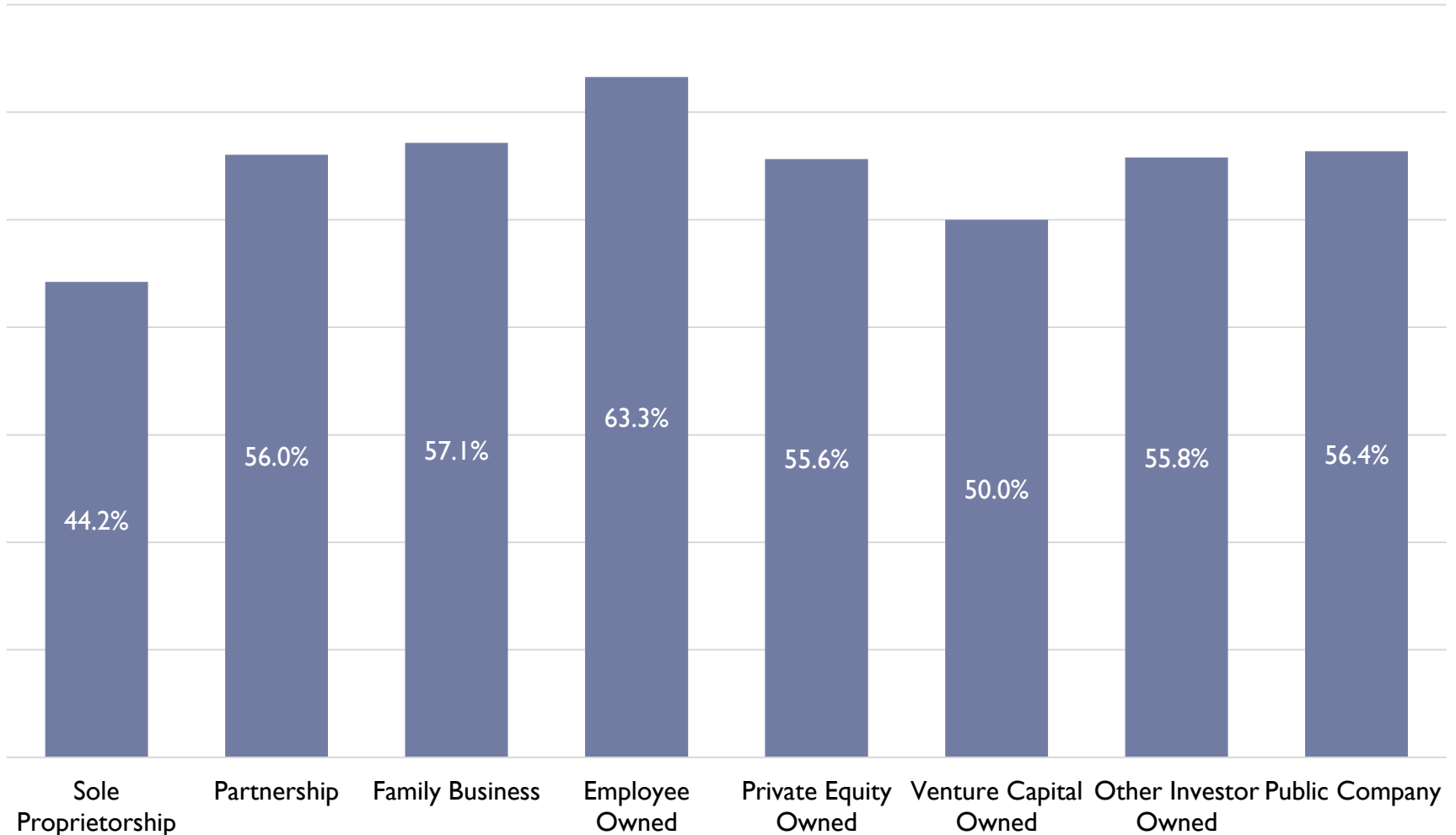
Companies that Monitor Local Salary Ranges for Comparable Positions to Remain Competitive

Percentage of Companies by Company Revenue



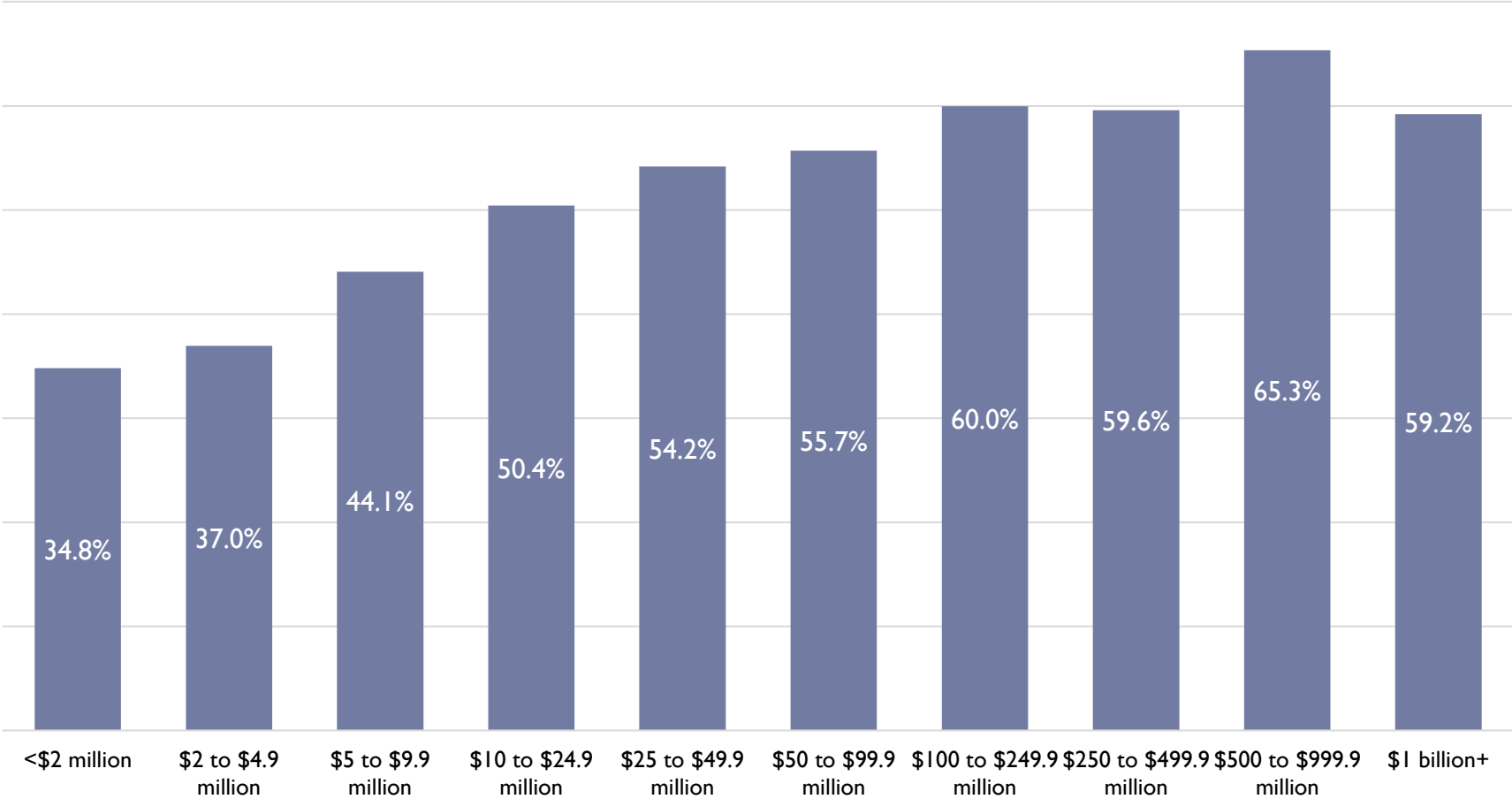
Companies that Monitor Local Salary Ranges for Comparable Positions to Remain Competitive

Percentage of Companies by Ownership Type



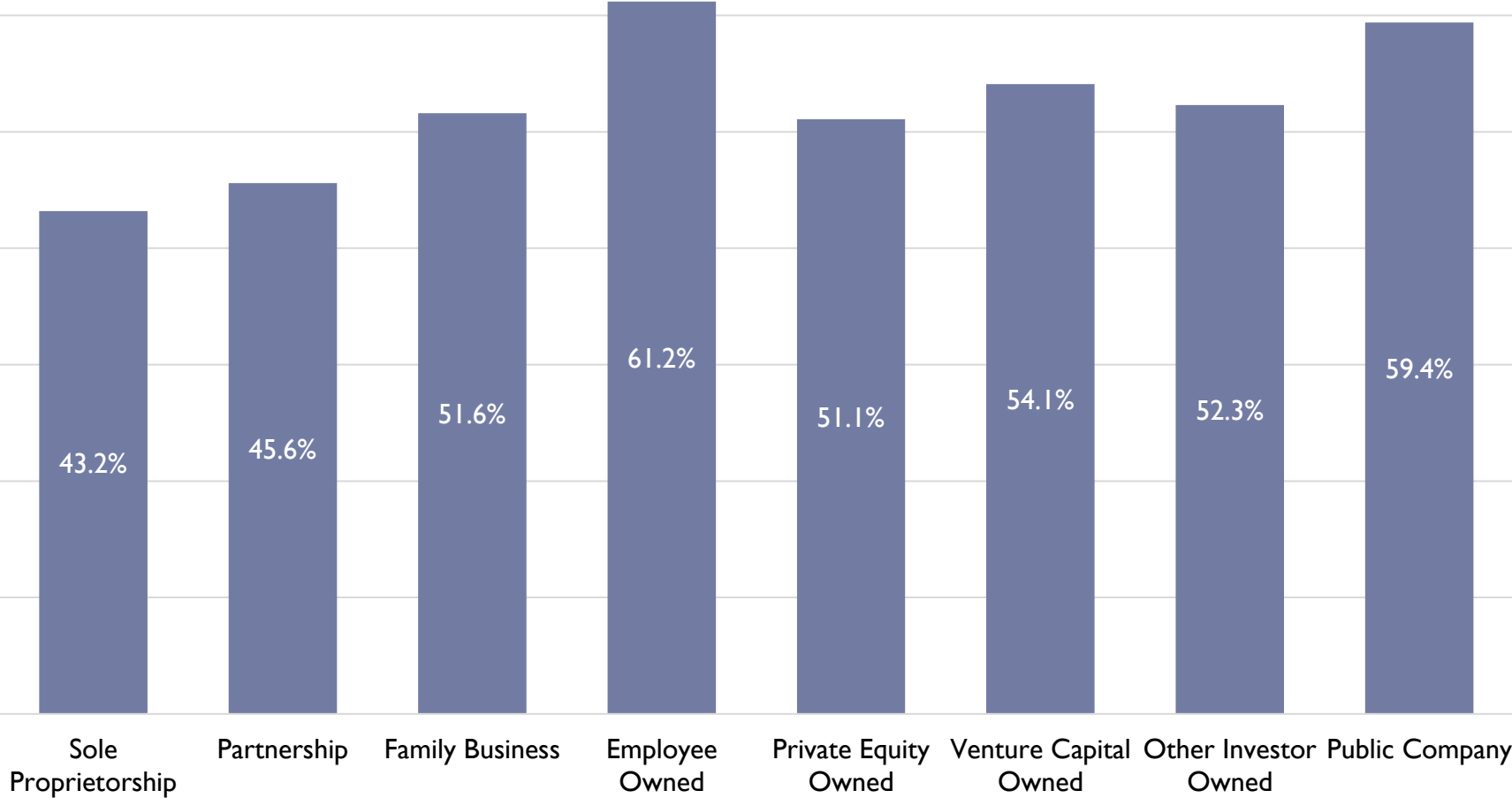
Companies that Monitor Salary Ranges Beyond the Local Market to Remain Competitive

Percentage of Companies by Company Revenue



Companies that Monitor Salary Ranges Beyond the Local Market to Remain Competitive

Percentage of Companies by Ownership Type



Companies That Use Long-Term Incentive Vehicles, by Company Revenue

Revenue	<\$2M	\$2-4.9M	\$5-9.9M	\$10-24.9M	\$25-49.9M	\$50-99.9	\$100-249.9M	\$250-499.9M	\$500-999.9M	\$1 B+
Stock grants	13.8%	11.8%	8.4%	9.4%	10.0%	13.3%	15.6%	13.7%	19.6%	23.7%
Restricted stock/units	4.8%	6.8%	7.0%	8.9%	9.7%	9.6%	11.8%	12.5%	19.6%	18.1%
Performance cash	27.3%	29.4%	30.1%	24.0%	30.8%	28.0%	26.3%	29.6%	33.0%	34.0%
Phantom stock/stock appreciation rights	1.4%	1.8%	5.2%	4.4%	5.7%	10.7%	12.4%	7.7%	15.2%	9.4%
Profit sharing	16.7%	25.0%	27.1%	25.0%	23.7%	22.4%	18.1%	14.4%	19.6%	12.6%
Employee stock purchase/retirement plan	3.6%	3.5%	4.1%	7.6%	6.0%	4.3%	5.4%	3.2%	9.4%	11.3%
Stock options	22.9%	15.8%	11.7%	14.9%	11.6%	15.1%	16.9%	18.5%	17.6%	17.5%
Performance shares/units	2.0%	2.3%	3.7%	5.4%	3.5%	7.2%	9.3%	9.6%	13.6%	14.5%
ESOP (Employee stock ownership plan)	4.4%	4.1%	4.8%	8.7%	6.5%	7.6%	5.8%	6.9%	5.1%	4.7%

Companies that Use Long-Term Incentive Vehicles, by Ownership Type

Revenue	Sole Proprietorship	Partnership	Family Business	Employee Owned	Private Equity Owned	Venture Capital Owned	Other Investor Owned	Public Company
Stock grants	3.9%	14.8%	5.8%	12.8%	11.7%	19.8%	12.0%	22.6%
Restricted stock/units	4.2%	7.2%	3.3%	10.0%	19.5%	11.1%	8.9%	35.4%
Performance cash	39.7%	28.3%	30.8%	20.3%	17.0%	22.4%	26.2%	29.9%
Phantom stock/stock appreciation rights	0.2%	4.8%	7.8%	19.0%	12.0%	16.0%	5.3%	4.9%
Profit sharing	31.5%	33.5%	30.5%	26.4%	10.2%	3.1%	9.3%	7.3%
Employee stock purchase/retirement plan	6.7%	7.8%	5.8%	19.2%	4.4%	3.2%	4.0%	8.5%
Stock options	4.7%	8.2%	4.1%	7.2%	26.6%	63.4%	28.2%	38.1%
Performance shares/units	2.9%	6.2%	2.1%	2.2%	16.1%	2.0%	1.7%	22.9%
ESOP (Employee stock ownership plan)	2.2%	1.9%	4.3%	42.5%	1.3%	5.6%	2.0%	3.3%

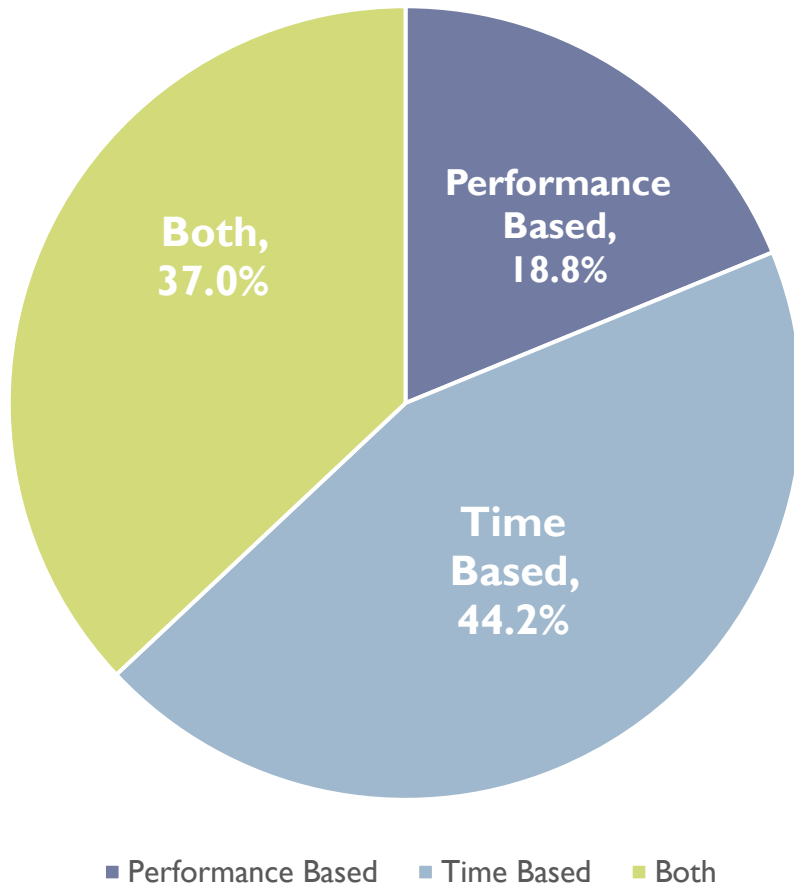
How Companies Value Stock and Option Awards, by Company Revenue

Revenue	<\$2M	\$2-4.9M	\$5-9.9M	\$10-24.9M	\$25-49.9M	\$50-99.9M	\$100-249.9M	\$250-499.9M	\$500-999.9M	\$1 B+
Have a third party (accounting, consulting firm) appraise value	45.3%	45.9%	49.8%	47.0%	52.1%	49.8%	45.2%	53.4%	54.1%	58.8%
Have the CFO or other internal staff estimate the value of shares	31.5%	24.8%	24.2%	26.0%	27.5%	19.0%	29.8%	15.5%	12.1%	6.9%
Use an objective formula based on profits, sales and/or other metrics	23.2%	29.3%	25.8%	27.1%	20.4%	31.2%	24.9%	31.1%	33.8%	34.3%

How Companies Value Stock and Option Awards, by Ownership Type

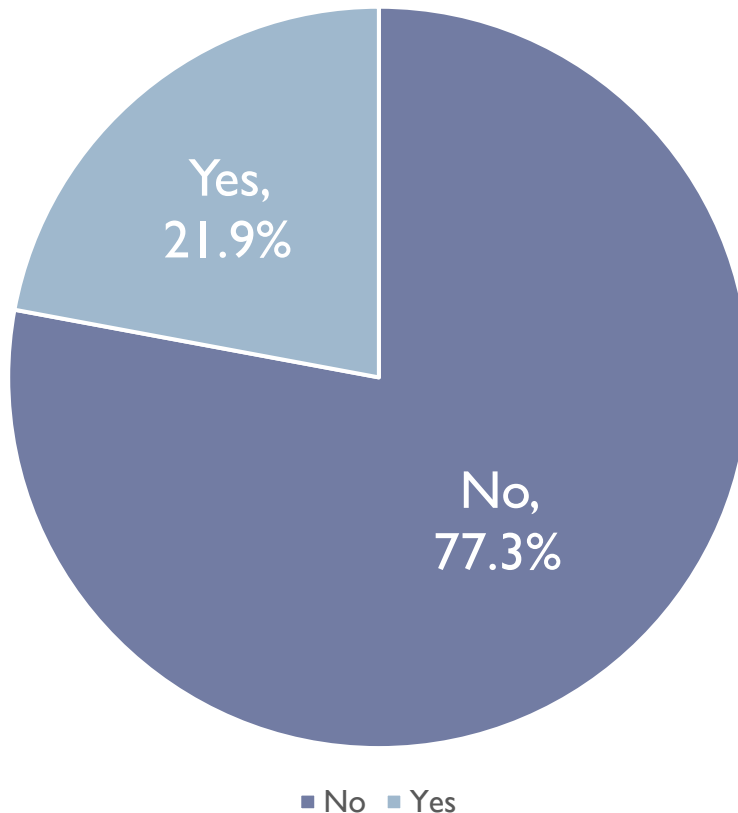
Revenue	Sole Proprietorship	Partnership	Family Business	Employee Owned	Private Equity Owned	Venture Capital Owned	Other Investor Owned	Public Company
Have a third party (accounting, consulting firm) appraise value	38.0%	42.9%	49.1%	65.8%	51.0%	52.0%	46.3%	54.0%
Have the CFO or other internal staff estimate the value of shares	31.9%	24.6%	22.0%	16.7%	29.9%	29.9%	30.2%	16.4%
Use an objective formula based on profits, sales and/or other metrics	29.2%	32.5%	28.8%	17.6%	19.2%	18.1%	23.4%	29.6%

Vesting of Equity Incentives



- ▶ Most companies have vesting provisions on their equity programs:
 - ▶ 39.55% of companies use time-based vesting only.
 - ▶ 19.32% use performance-based vesting only.
 - ▶ 41.14% of companies use both.
- ▶ Using both vesting requirements is a best practice, as it ensures the CEO performs well and is aligned with the company for several years.

Employees Put Up Funds to Invest



- ▶ Requiring employees to invest in equity better aligns them with shareholders, as the executives then also share in the downside risk of investments.
- ▶ Despite the improved alignment, only 22% of companies require employees to invest their own funds to acquire equity incentives.

**Data on this page is from the 2018-19 comp survey, The data doesn't change materially from year to year, so we ask the question every few years..*



Executive Compensation Best Practices

Compensation Is a Strategic Tool

- ▶ When properly designed, a comprehensive compensation plan will align senior executives with a firm's strategic objectives.
- ▶ Compensation plans should be seen as incentive packages, which are meant to align pay with company performance.
 - ▶ Business owners and stakeholders must first determine what the priorities of the business are (e.g., increased cash flow, position for a potential sale or IPO, increase equity value, attract and retain top talent, etc.).
 - ▶ Then, a compensation philosophy can be developed as an extension of those priorities to achieve the pre-determined business goals.
 - ▶ To properly establish goals, defined time horizons and success metrics should also be established.
- ▶ A compensation plan should share value that is created in the company to not only reward performance but also keep goals aligned, retain and attract talent, and accelerate value creation.

Defining a Compensation Philosophy

- ▶ An integral first step to crafting a successful executive compensation plan is to define a company's compensation philosophy.
 - ▶ According to Jim Heim of Pearl Meyer & Partners:

“The compensation philosophy defines the principles on which compensation decisions are based and should serve as the foundation for all compensation decision-making. An effective compensation philosophy enables management and/or the board to communicate the goals of executive compensation programs and assess whether actual payouts and performance outcomes are aligned with the programs' stated objectives.”
- ▶ The philosophy should include:
 - ▶ Clearly defined goals and objectives for the compensation plan
 - ▶ A comprehensive list of the elements of compensation to be included (e.g. ,base salary, annual and long-term incentives, benefits and perquisites)
 - ▶ How the company will benchmark its compensation versus competitors
 - ▶ Definitions of the performance goals, metrics and formulas to be used to determine compensation
 - ▶ Definitions of the methods and metrics to determine whether the compensation program is successful

Crafting Specific Compensation Plans

- ▶ Create time horizons for evaluating the success of compensation plans.
 - ▶ Determine if you will review company performance in relation to executive compensation quarterly, annually, etc.
- ▶ Determine how much cash can be allocated to incentive programs.
 - ▶ Calculate how much profit needs to be reinvested in the business each year to reach growth goals.
 - ▶ Be sure to leave room in the compensation plan for new hires or future employees.
 - ▶ Use financial models to project for good and bad years to ensure there will not be a cash crunch because of faulty formulas.
- ▶ Choose specific incentive vehicles and types that make sense for your business.
 - ▶ Consider whether cash bonuses, equity, phantom equity, profit sharing pools, etc. are the right fit for your firm's projected cash flow, strategic goals and willingness to share ownership.

Learn from Public Companies' Best Practices

- ▶ Many public company best practices can and should be applied to private companies to improve compensation practices, including:
 - ▶ Valuing company equity regularly
 - ▶ Public companies have public markets, but private companies should appraise enterprise and equity value annually to allow senior executives to have transparency into the real value of their long-term incentives and the progress they are making.
 - ▶ Strong governance and oversight
 - ▶ Independent compensation committees, boards of directors' oversight, documented processes and regular reporting of executive compensation numbers ensure compensation programs are properly aligned with company performance.
 - ▶ Develop time horizons to measure performance
 - ▶ Defining time horizons for measuring performance allows companies to determine whether their strategic goals are being achieved and if compensation plans are helping or hurting the achievement of these goals.

Leverage the Benefits of Being a Private Company

- ▶ Longer time horizons allow for more meaningful goals.
 - ▶ Public companies are often beholden to shareholders for short-term financial performance. Private companies have the benefit of not having such short-term scrutiny and can focus more on long-term value creation.
- ▶ Utilizing non-financial metrics for measuring performance.
 - ▶ Public company incentives are typically attached only to financial metrics (usually revenue or earnings per share) or stock performance, which do not necessarily capture the value created by the incented individuals.
 - ▶ Private companies have the distinct advantage of being able to identify key performance indicators (KPIs) and tying individual compensation to metrics that more meaningfully measure that individual's performance.
- ▶ Use company culture as an advantage.
 - ▶ In public companies, there is a significant amount of executive turnover, and shareholders are typically investors who are not involved in the operations of the business.
 - ▶ Private company stakeholders can use their compensation programs as a signaling device for showing loyalty to executives and wanting them to participate in long-term value creation.

The Optimal Plan Depends on Your Company – and the Executive

- ▶ Some ownership types have constraints and can't issue equity or stock options to key executives (e.g., Family-Owned businesses, Employee-Owned companies or Sole Proprietorships), but that doesn't mean they can't provide long-term incentives to key executives.
 - ▶ These companies can provide phantom equity plans or long-term cash incentives to encourage key executives to build long-term enterprise value for shareholders.
- ▶ Fast-growing and early-stage companies may be better off using limited cash to fuel investments and put more of their executives' compensation in equity and other future payouts, while some profitable companies may be better off using cash incentives vs. diluting shareholders' equity ownership.
- ▶ Recognize that different people have different risk profiles, goals and situations
 - ▶ A 55-year-old CFO with 2 kids in college may care more about his/her base salary or cash compensation and benefits and put less value on longer term incentives vs. a younger (or older) executive
 - ▶ It's OK (in fact good) to craft individual incentive packages to suit the needs of key executives as long as it aligns with the company's situation as well

Keys to Evaluating the Success of Executive Compensation Plans

- ▶ **Maintain and measure the goals stated in your compensation philosophy.**
 - ▶ Have you attracted better talent? Have you retained your top performers? Has financial performance improved? Have your KPIs improved?
- ▶ **Review compensation programs annually but be sure to maintain continuity.**
 - ▶ Minor tweaks and changes each year to improve your compensation programs are fine, but continuity and consistency are important for the long-term success of these programs. Too much change will cause a lack of transparency and understanding, which would serve to derail the goals of an effective compensation plan.
- ▶ **Make sure executives understand their compensation packages.**
 - ▶ Are performance metrics for bonus payouts easily measurable? Do executives agree with and understand the basis of their incentive compensation? Are equity gains quantified and communicated regularly (at least annually)?
- ▶ **Benchmark your total compensation versus comparable companies.**
 - ▶ After putting a compensation plan into effect, it's important to determine if your company is paying at the intended levels relative to comparable companies.

Best Practices

Practice	Benefit(s)
CEO compensation is set by board of directors and a formal comp plan is established and agreed to between the board and CEO at the beginning of each year.	<ul style="list-style-type: none">• Objectivity and independence• Separates the shareholder from the leadership duties• Aligns expectations and avoids many controllable conflicts
Formal performance reviews take place even for the CEO.	<ul style="list-style-type: none">• Encourages a learning dynamic and a continuous improvement culture.
Set clear goals and formulas for achieving specific bonus payouts.	<ul style="list-style-type: none">• Annual bonuses are meant to focus and align executives to achieve short term goals, but discretionary bonuses often fail to achieve either.• Makes bonus decisions and discussions less personal or political.
Use of equity in addition to cash incentives for top executives.	<ul style="list-style-type: none">• Ensures CEO and senior executives think like owners and adopt a long-term view.
Formal valuation and communication of share values at least annually.	<ul style="list-style-type: none">• Makes the equity ownership and gains tangible and motivating.
Vesting of equity awards, both time- and performance-based.	<ul style="list-style-type: none">• Encourages executives to achieve their specific goals and remain at the company.
Encourage or insist CEO and other top executives purchase shares (or award grants vs. only using options).	<ul style="list-style-type: none">• Increases alignment with shareholders by ensuring top executives weigh risk as well as reward (unlike options, owning shares creates downside risk and “fear of loss” is often a stronger motivator than possible gains).

Best Practices (Continued)

Practice	Benefit(s)
<p>Be proactive – do an annual benchmark of CEO and other senior executives’ compensation against comparable local companies and industry peers (and consider sharing the data with key executives).</p>	<ul style="list-style-type: none"> • Helps you remain competitive in retaining and motivating top executives and reduces the risk of non-voluntary turnover. • Executives often have bad information (e.g., self-reported data like salary.com and glassdoor, which over-inflate salaries) and feel underpaid, even when they aren’t.
<p>Don’t “average” across functions. Unless you can afford to pay all your executives top quartile salaries, differentiate based on the strategic importance of the role and the performance of the individual.</p>	<ul style="list-style-type: none"> • Boosts competitiveness for key roles (e.g., an early-stage tech company may be better off paying their head of R&D disproportionately, while a low-cost manufacturer may need a great COO and a PE-backed company with bank debt may need a world-class CFO).
<p>Play to your company’s strengths based on your company’s type of ownership.</p>	<ul style="list-style-type: none"> • A PE- or VC-backed company may be able to use equity incentives effectively whereas a multi-generation family-owned company may be better off being competitive on salary, bonuses and/or benefits and perks.
<p>If possible, have flexibility to cater to individual executive’s needs. Some value salary, benefits and perks more, whereas others value equity (feeling like an owner and/or having the upside potential) more.</p>	<ul style="list-style-type: none"> • Some executives are more risk averse than others, so they want to weigh bonuses more heavily with some (e.g., head of sales) vs. equity (e.g., head of R&D) or salary/benefits for a more conservative executive.
<p>If you had to make reductions after Covid, consider when you can restore compensation levels and if people can earn back forgone compensation to retain and motivate your key executives.</p>	<ul style="list-style-type: none"> • While many companies and industries had to make cuts, many companies restored wages quickly to a) motivate, b) align, c) reduce stress, d) gain goodwill and e) retain top talent.
<p>Consider going on the offense and recruiting key executives that competitors laid off or reduced their compensation – and/or look for talent in hard hit industries like restaurants, entertainment and hospitality.</p>	<ul style="list-style-type: none"> • It’s prudent to be proactive in recruiting key executives that can help propel your company – and be prepared if you lose a key executive unexpectedly.

Additional Resources

- ▶ Chief Executive Group Research is available to answer any questions you may have about the data and how to use this report. For custom data cuts of the database, contact Isabella Mourgelas, lead research analyst of Chief Executive Group, at 203.889.4972, or write to Research@ChiefExecutiveGroup.com.
- ▶ Chief Executive Group can provide custom benchmark reports for you and your advisors or board but does not develop custom compensation plans. If you require development of a custom compensation program, we can recommend excellent compensation consultants based on your needs and situation.
- ▶ Please visit ChiefExecutive.net for strategic compensation articles or browse through some of our recommended links:
 - ▶ [How To Make Your Private Company Exec Comp Plans More Effective](#)
 - ▶ [Getting The Most Out of Your Executive Compensation Plan](#)
 - ▶ [Executive Compensation Mistakes: Stop Treating Everyone Equally](#)



Appendix

Definitions of Terms and Abbreviations in This Report

Compensation Component	Definition
Base Salary	Cash compensation for the executive that encompasses their standard wage on an annualized basis.
Bonus	Aggregate of all short-term (one year or less) incentive-based cash compensation paid to the executive over the course of the fiscal year.
Equity	This metric includes all equity/option grants and the estimated value of other long-term incentives/bonuses granted in the fiscal year. For equity grants (and equivalent), the market value at grant. For stock options (and equivalent), the expected market value of the options (expected value per share minus the strike price per share x the number of options).
New Equity Grants	Approximate dollar value of all stock awards/grants, options and equivalents issued to the CEO in the past fiscal year. Options are calculated as: [the expected target market value per share - the strike price per share] X the number of options awarded.
Equity Appreciation	The total increase in value of all equity, options, and equivalents over the previous fiscal year that were owned by the executive at the beginning of the year. The increase in value of other long-term incentives (LTI's) are be included here.
Equity Ownership %	The percentage of all outstanding equity in the business owned personally by the CEO.
Total Equity	Approximate dollar value of all stock, options and equivalents owned by the CEO at the end of the last fiscal year.

Definitions of Terms and Abbreviations in This Report

Abbreviations for Senior Executive Positions	Definition
COO	Senior Operations Executive (e.g., COO, GM, VP Operations)
CFO	Senior Finance Executive (e.g., CFO, VP Finance)
CMO	Senior Marketing Executive (e.g., CMO, VP Marketing)
CSO	Senior Sales Executive (e.g., CSO, VP Sales)
CTO	Senior Information Technology Executive (e.g., CTO, CIO)
Head of R&D	Senior Research/Engineering Executive (e.g., Chief Scientist/Engineer, VP R&D/Engineering)
Head of HR	Senior Human Resources Executive (e.g., Human Resources Director, VP Human Resources)
Abbreviations for Ownership Types	Definition
Sole Proprietorship	The CEO or another individual owns 75% or more of the company's equity.
Partnership	Two or more members of the management team own 75% or more of the company's equity.
Family Business	The founding family (including active and inactive family members) own 75% or more of the company's equity.
Employee Owned	Employees own greater than 50% of the company's equity.
Private Equity Owned	A private equity firm owns greater than 50% of the company's equity.
Venture Capital Owned	A venture capital firm owns greater than 50% of the company's equity.
Other Investor Owned	Greater than 50% of the company's equity is owned by outside investors, who are not a PE or VC firm.

About the Authors

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Wayne oversees the team at Chief Executive Research and is chair of its parent company, Chief Executive Group. He is an experienced researcher and management consultant. He started his career as a consultant with Bain & Company and became the chairman of Monitor Group's West Coast and Asian practices. He was also CEO of Kennedy Information, where he launched their research group, and chairman of Pyramid Research, a global research and consulting firm. He is a graduate of Stanford University and Harvard Business School.

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