Meridian Compensation Partners, LLC

2013 Corporate Governance & Incentive Design Survey

Fall 2013

Contents

Executive Summary

As companies review their executive compensation programs and related corporate governance policies, reference to common market practices often forms the basis for assessing competitiveness. Furthermore, any substantial due diligence, whether prepared for senior management or the Compensation Committee, generally includes the perspective of market "best practices." This is not to say that decisions on, and the design of, executive compensation should be driven by market practices. Rather, executive compensation programs should be tailored to company-specific circumstances and the existing business strategy.

The 2013 Corporate Governance & Incentive Design Survey presents Meridian's findings on a variety of topics related to executive compensation and corporate governance issues facing companies today. Results are reflective of 250 large publicly traded companies across a variety of industries ("Meridian 250") with median revenues and market capitalization of $14.5B and $15.6B, respectively. All information was obtained from publicly-disclosed documents. A similar analysis was conducted in 2012. All but seven of the companies used in 2013 were also surveyed in 2012, providing a great platform for trend analysis. See Profile of Survey Companies for more information on the survey sample.

Highlights of Meridian's 2013 Corporate Governance & Incentive Plan Design Survey include:

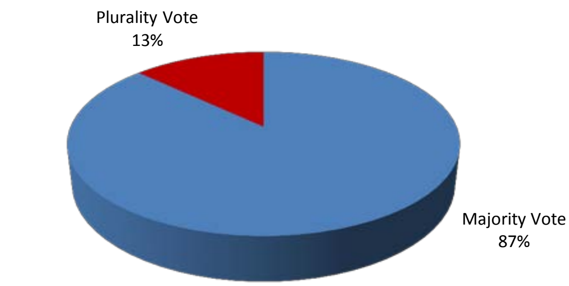
- Majority voting standards for director elections and de-classified board structures continue to be predominant practices among these leading companies.
- Forty percent (40%) of companies disclose a mandatory retirement age in which a director may no longer stand for re-election; 90% of these retirement ages for directors are between ages 72 and 75.
- Almost four in ten of the Meridian 250 currently separate the roles of Chairman of the Board (CoB) and Chief Executive Officer (CEO). However, only approximately one-eighth of the companies that currently separate the roles have mandated this practice by company policy.
- Lead Directors are now present at almost all companies (95%) that do not have a separate CoB and CEO. Lead Directors receive additional fees at 85% of companies, reflecting additional responsibilities.
- The prevalence of an executive summary at the front of the CD&A continues to increase among the Meridian 250 (87%), as companies look to provide clear descriptions of their compensation programs.
- For annual incentive plans, earnings metrics (e.g., EPS, Operating Income) remain the most widely used across the Meridian 250.
- Long-term performance-based vehicles (e.g., performance shares/units) are now used at over 90% of the Meridian 250. Further, the continued prevalence of options and service-based vesting vehicles (e.g., restricted stock/RSUs) indicates widespread use of the "portfolio approach" to long-term incentive (LTI) grant practices/design.
- Illustrating the focus on a pay-for-performance culture, performance-based vehicles now make up 53% of the annual LTI opportunity granted to senior-most executives. Stock options, which require share price appreciation for any value to be recognized, account for approximately 27% of grant value, with service-based full-value vehicles (e.g., restricted stock/RSUs) representing the remaining 20%.

Corporate Governance Practices

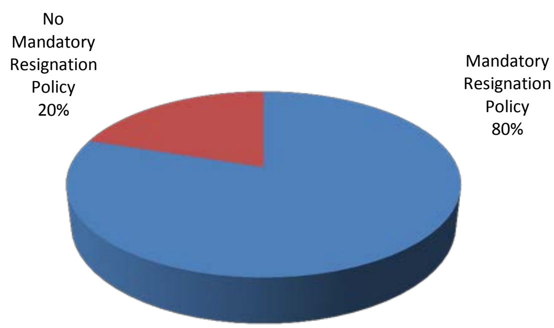
Corporate Governance Practices

Board Structure

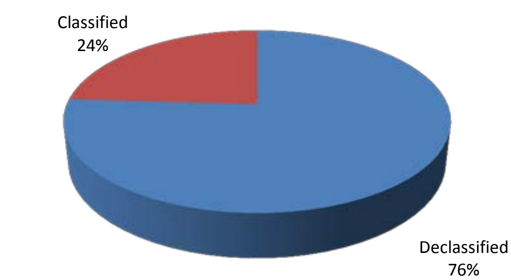
What voting standard does the company employ for uncontested director elections?



Is there a mandatory resignation policy in place if a director fails to receive majority shareholder support? (Results exclude companies that employ a plurality voting standard.)



Is the board's structure classified (i.e., director terms are staggered)?

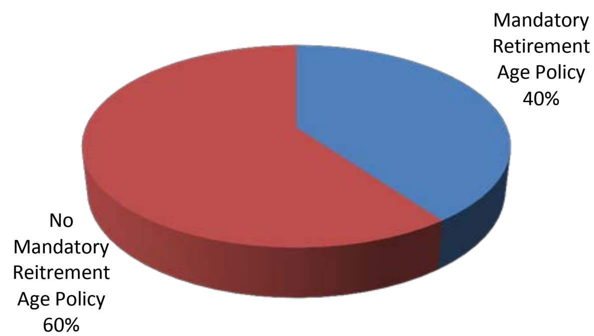


Meridian Comment

Consistent with our 2012 survey results, broad industry trends and institutional shareholder preferences, a strong majority of the Meridian 250 employ what many observers consider hallmarks of leading corporate governance structures. This includes a majority voting standard for director elections, a mandatory resignation policy if directors fail to receive majority support and a declassified board structure. Results for 2013 showed 76% of the Meridian 250 employ a declassified board structure, up from 70% in 2012. However, approximately a quarter of the companies still prefer a classified board structure to prevent an activist or single issue shareholder from taking control.

Board Tenure

Does the company disclose a mandatory retirement age policy for directors (i.e., an age at which directors cannot stand for re-election at the next annual meeting)?



At what age do companies prohibit a director from standing for re-election? (Results only include companies with a mandatory retirement age policy.)

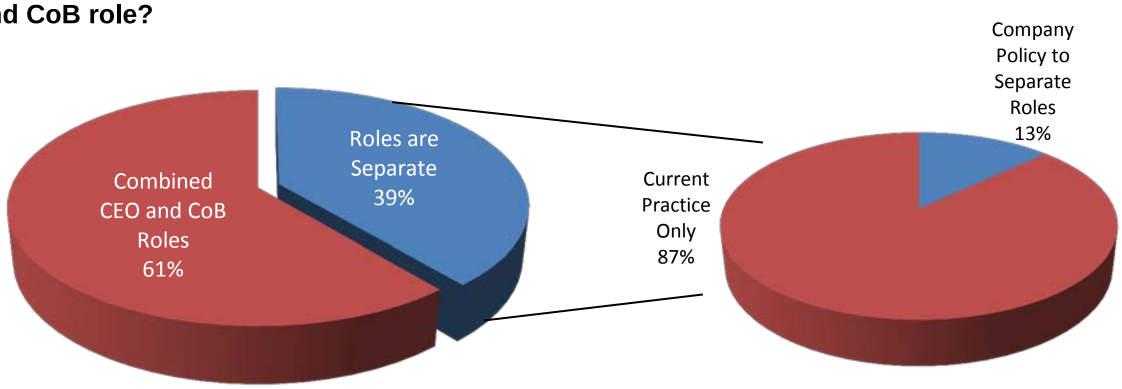
Age	Prevalence
70	8%
71	1%
72	64%
73	4%
74	4%
75	18%
76	1%

Meridian Comment

Forty percent (40%) of the Meridian 250 disclose having a mandatory retirement policy in place. Of the companies with mandatory retirement policies, 90% have selected an age between 72 and 75. This area of governance has seen considerable change over the past several years, as numerous companies have either removed mandatory retirement policies or raised the age at which a director may no longer stand for re-election. In addition, a few companies have implemented term limits for directors.

Board Leadership

Does the CEO also serve as CoB? If not, is it the company's policy to *mandate* the separation of the CEO and CoB role?



If the CEO and CoB roles are separate, what is the CoB's relationship to the Company?

Non-CEO Chairman[1]	Prevalence
Independent	52%
Prior CEO	31%
Founder	9%
Founding Family[2]	4%
Prior Employee Other Than CEO	4%
Current Employee	8%

[1] Incumbents may be included in multiple categories.

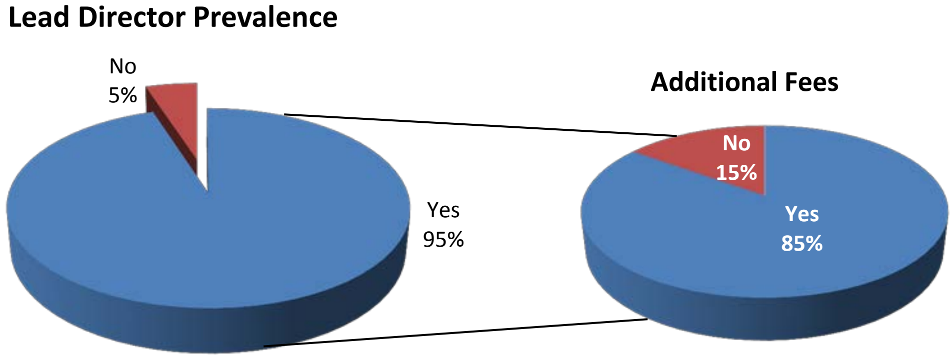
[2] Founding family includes 2nd or 3rd generation members of the original founder.

Meridian Comment

A considerable minority of the Meridian 250 (39%) separate the roles of CoB and CEO. This prevalence has remained fairly consistent for several years. At the majority of companies that separate the roles (52%), the CoB is an independent director with no prior executive relationship with the company. Only a small minority of these companies (13%) disclose that this leadership structure is a formal policy of the company. This has decreased over each of the last two years from 23% in 2011.

Separating the CoB and CEO role is especially advantageous for companies going through a transition period, or where a new CEO has little or no experience as CEO and/or limited board experience. However, the majority of companies still prefer a leadership structure where the CoB and CEO roles are combined. This is a governance area that is receiving particular attention, consistent with practices in other developed countries, and we expect further debate and related shareholder proposals in the coming proxy season. To our knowledge, no compelling study exists that demonstrates better performance and shareholder returns at companies that have separated the two roles.

Is a standing (i.e., non-rotating) Lead Director designated? If so, does the Lead Director receive additional fees? (Results exclude companies where the CoB and CEO roles are separated.)



Meridian Comment

Almost all of the Meridian 250 (95%) use a Lead Director if the roles of CoB and CEO are combined. This is consistent with results from 2012, illustrating that the establishment of formal board leadership roles is becoming a best practice. A non-rotating Lead Director role can provide considerable leadership in the absence of a separate CoB.

Most of the Meridian 250 with a Lead Director (85%) provide additional fees to recognize the increased time commitment and responsibility of the role. In our experience, the additional fees range from $10,000 to $30,000 and are typically calibrated with, or somewhat higher than, the Audit Committee Chair's fees.

Proxy Disclosure

Did the Company provide any of the following supplemental items in its proxy statement?

Proxy Disclosure	Prevalence
Executive Summary of the CD&A	87%
Supporting Narrative in Say on Pay Resolution	78%
Proxy Summary[1]	29%

[1] Refers to a summary at the front of the proxy statement highlighting key information throughout the disclosure, including all management and shareholder proposals.

Meridian Comment

Though not currently required by SEC disclosure rules, a strong majority of the Meridian 250 (87%) now provide an executive summary to the CD&A. As companies continue to strive to more clearly communicate their compensation programs, executive summaries are emerging as a best practice.

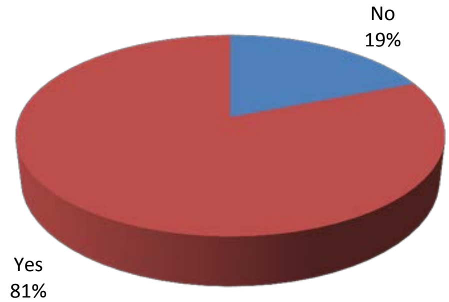
Approximately 88% of companies in the Meridian 250 held a Say on Pay vote in 2013. Of these companies, almost 80% included a narrative to their Say on Pay resolution that provided a rationale for shareholders to support the proxy proposal. Despite high levels of shareholder support (averaging over 90%), companies continue to provide comprehensive disclosures to describe and defend their executive compensation practices.

Only 2% of the Meridian 250 had a failed Say on Pay vote in 2013, with another 8% receiving between 50%-70% support, the so-called “yellow card” status.

The inclusion of a proxy summary is a growing trend to help alert readers to the proxy’s structure. Some proxy summaries include a glimpse of the important pay messages and outline key vote information.

Pay and/or Performance Disclosure

Did the company provide any pay and/or performance analysis in the CD&A?



Which of the following pay and/or performance analyses were provided in the CD&A? (Results only include companies that provided at least one of the following disclosures.)

CD&A Disclosure	Prevalence
Tabular/Graphical/Narrative Representation of Company Performance	95%
Tabular/Graphical Pay and Performance Relationship	33%
Tabular/Graphical Representation of Realized/Realizable Compensation Versus Target or Total Reported Compensation[1]	22%
[1] Total reported compensation refers to compensation disclosed in the Summary Compensation Table of the CD&A.	

Meridian Comment

Consistent with disclosures over the past couple of years, the great majority of companies in the Meridian 250 discuss a pay-for-performance philosophy as a foundational part of the executive compensation program.

While representations of a company's pay and performance relationship are not currently required by SEC disclosure, the prevalence of companies that provide them continues to increase. Of the companies that provided tabular or graphical disclosures in the CD&A, 71% provide multiyear performance comparisons (i.e., 3 or more years) versus 29% that only provided year-over-year comparisons. Further, the majority of pay and performance comparisons focus solely on the CEO position.

In addition, approximately one-fifth (22%) of companies in the Meridian 250 provided a representation of realized and/or realizable pay. Of these companies, the practice was split between comparing realized/realizable compensation to target compensation or reported compensation (i.e., as disclosed in the company's Summary Compensation Table).

In light of increasing pressure from institutional shareholders and their advisors, as well as the annual Say on Pay vote at most organizations, companies will continue to look for ways to clearly communicate the pay-for-performance elements of their executive compensation program.

Company Policies

Company Policies

Executive Stock Ownership Guidelines

The table below displays data on stock ownership guidelines for the CEO, the Highest Paid Named Executive Officer (NEO) other than the CEO and the Lowest Paid NEO.

	CEO		"Highest Paid NEO"		"Lowest Paid NEO"	
	Design Prevalence	Amount (Average)	Design Prevalence	Amount (Average)	Design Prevalence	Amount (Average)
Multiple of Salary	83%	5.7×	82%	3.4×	82%	2.9×
Number of Shares	10%	≈ 203,000	10%	≈ 67,000	10%	≈ 53,000
Hold Until Retirement	2%	N/A	2%	N/A	2%	N/A
None Disclosed	5%	N/A	6%	N/A	5%	N/A

Which of the following are defined as "stock" for purposes of achieving stock ownership guideline requirements? (Prevalence only includes companies that disclosed a definition of "stock.")

Vehicle	Prevalence
Actual Stock Award	100%
Unvested Restricted Stock/RSUs	68%
Shares Held in Retirement/Savings Accounts	64%
Unvested Deferred Shares	35%
Stock Options	17%
Unearned Performance Shares/Units	15%

What is the timing requirement to meet the multiple of salary or number of shares guidelines?

Timing	Prevalence
5 Years	72%
1-4 Years	8%
Hold Until Met[1]	20%

[1] See description of Hold Until Met requirements on the following page.

Hold Until Met Requirement

- As shown above, 20% of companies require an executive to hold a specified number of shares until ownership guidelines are met. (***Note**: This design is different from and far less onerous than a guideline structure that requires an executive to hold a specified number of shares until retirement, which still represents a small minority practice*.)

- A common Hold Until Met feature requires an executive to retain a certain percentage of the "net of tax" shares received on either stock option exercises or vesting of full-value shares. This table illustrates the most common percentages of "net of tax" shares that must be held.

Percent of Net Shares	Percent
100%	31%
75%	13%
50%	43%
Other	13%

- Fourteen percent (14%) of companies impose a holding requirement only if the executive is not compliant with the company ownership guidelines within the allotted time period.

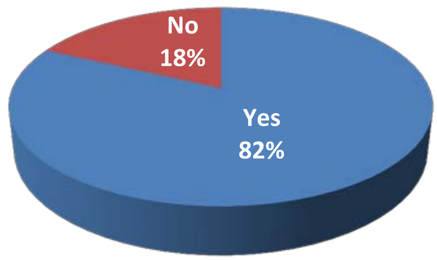
Meridian Comment

The Multiple of Salary approach to executive stock ownership guidelines continues to be the strong majority practice across the Meridian 250. The amount required to be held is also consistent with our experience and the market in general. However, we believe that the amount of ownership required will increase modestly as companies re-evaluate appropriate ownership levels.

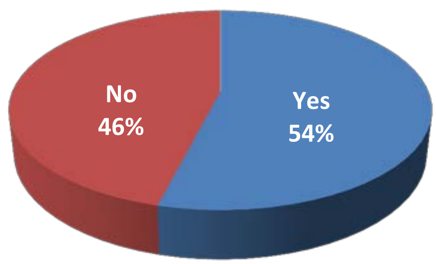
Though the Hold Until Retirement design is increasingly preferred among corporate governance observers, its use remains a distinct minority practice. Alternatively, it seems clear that the use of either a Hold Until Met or Hold if in Non-Compliance approach will continue to increase in prevalence.

Anti-Hedging and Anti-Pledging Policies

Does the company disclose the existence of an anti-hedging policy?



Does the company disclose the existence of an anti-pledging policy?



Meridian Comment

The disclosure of anti-hedging policies among the Meridian 250 increased by 11% this past year and 25% since 2011. Based on our experience, the prevalence of these disclosures continues to increase generally due to companies either (i) updating their insider trading policies to incorporate anti-hedging language; or (ii) disclosing their previously implemented policies for the first time. In either case, the anticipation of Dodd-Frank disclosure requirements has been the primary catalyst for the increase in prevalence.

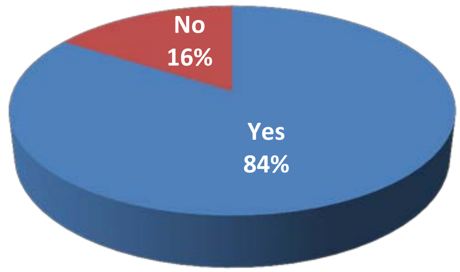
In addition, over one-half (54%) of the Meridian 250 disclosed that an anti-pledging policy is in place. Of these companies, 80% prohibit all pledging of shares, while 20% prohibit all pledging of shares unless approval is received by the board and/or management.

This past proxy season was the first since Institutional Shareholder Services (ISS) released its new anti-pledging policy, in which it takes into consideration whether “significant” pledging exists at a company when determining its recommendations for director elections. As such, we anticipate that the prevalence of anti-pledging policy disclosures will continue to increase moving forward.

***Note**: The SEC announced in July 2012 that it delayed its rule-making timeline regarding anti-hedging policies. It is currently unclear when the SEC will release proposed rules, but they are **unlikely** to apply to the upcoming 2014 proxy season.*

Recoupment (Clawback) Policies

Does the company disclose the existence of a recoupment/clawback policy (excluding SOX requirement)?



Clawbacks are triggered by which of the following?

Triggering Events	Percent
Ethical Misconduct Leading to a Financial Restatement	39%
Financial Restatement Only	20%
Financial Restatement or Ethical Misconduct	14%
Ethical Misconduct Leading to Financial Restatement or Non-Compete Violation	7%
Ethical/Criminal Misconduct Only	6%
Financial Restatement, Ethical Misconduct or Non-Compete Violation	6%
Not Disclosed	4%
Financial Restatement or Non-Compete Violation	2%
Other	2%

Who is covered under the company's clawback policy?

Roles	Percent
Key Executives (e.g., Section 16 Officers)	70%
All Employees	16%
Named Executive Officers Only	9%
Not Disclosed	5%

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Which of the following elements of compensation are covered under the company's clawback policy?

Compensation Element	Percent
Cash Incentives	91%
Equity Incentives Generally (including performance shares)	83%
Restricted Stock/Units	9%
Vested Options	7%
Unvested Options	6%
Performance Shares/Units	5%

Meridian Comment

Over the past year, there was an 8% increase in the disclosure of clawback policies. In addition, companies continue to increase the amount of details provided in their clawback disclosures. Disclosures themselves were far more robust in 2013, providing additional information such as clawback triggers, covered employees and applicable compensation elements.

***Note**: The SEC announced in July 2012 that it delayed its rule-making timeline regarding clawback policies. It is currently unclear when the SEC will release proposed rules, but they are **unlikely** to apply to the upcoming 2014 proxy season.*

Peer Groups

- Of companies that benchmark executive pay levels and design practices against a custom peer group, the most common approach is to use one peer group (83%) followed by two peer groups (15%).
- Approximately 59% of companies have a custom benchmarking peer group that contains between 12 and 20 companies.
- The average size of a custom peer group is 19 companies.

Meridian Comment

Approximately 83% of the Meridian 250 use one peer group, typically with 12 to 20 companies. Companies generally select peer groups based on multiple criteria including: revenues, assets, market capitalization, industry segment, complexity, geographic reach, performance and competitors for talent and investors.

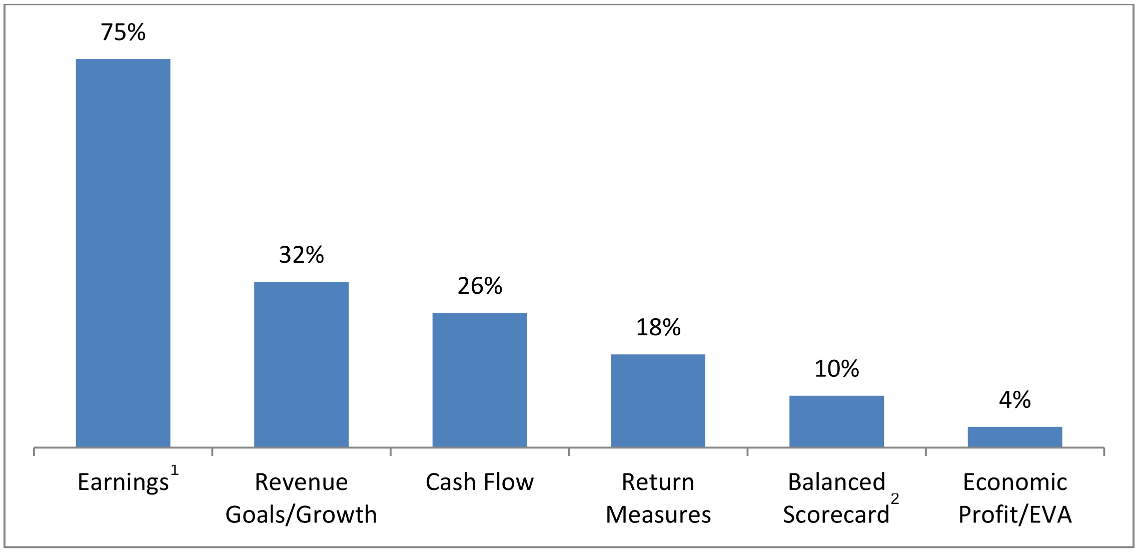
Peer groups are increasingly a focal point of committees and outside observers. A peer group is often used for several benchmarking purposes (e.g., executive and director pay levels, incentive plan design practices, run rate and overhang, FASB ASC Topic 718 (formerly FAS 123) assumptions and Black-Scholes values). As such, results of benchmarking may influence a company's pay practices and compensation levels. We believe companies should annually evaluate their peer groups for continued appropriateness, with an eye on the policies and perspectives of shareholder advisory groups, such as ISS.

Annual Incentive Plan Design Practices

Annual Incentive Plan Design Practices

Metrics

What types of corporate financial metrics are used in annual incentive plans?



[1] Includes EPS, EBIT/EBITDA, Operating Income, Net Income, etc.
[2] Represents the prevalence of companies with 5 or more metrics in their annual incentive plan.

***Note**: A substantial number of companies also incorporate individual performance objectives in their annual incentive plans.*

How many companies use relative performance in the annual incentive plan?

- Only 5% of the Meridian 250 use relative performance in the annual incentive plan.
- In almost all cases, a peer group or index that is different from the company's compensation benchmarking peer group is used to assess relative performance.

Meridian Comment

Consistent with 2011 and 2012 results, the use of earnings measures is by far the most common category of metrics across the Meridian 250 (75%). Of companies using earnings metrics, the performance level needed for a maximum payout was 113% of target, while the performance level required for a threshold payout was 86% of target (both the maximum and threshold performance levels represent the median of responses).

The prevalence of revenue, cash flow and return measures decreased slightly or remained constant from 2012. Interestingly, after observing an increase in the use of revenue metrics from 2011 to 2012, which signaled companies were preparing for growth, the prevalence of such metrics decreased slightly from 2012 (-4%). However, companies generally used revenue along with one or more other metrics.

The use of relative measures in annual incentive plans (5%) is much less common than their use with long-term incentives. This is more than likely due to difficulty in assessing relative performance using financial goals and the volatility of such performance over one-year horizons.

Leverage

What is the maximum potential payout (as a percent of target) in the annual incentive plan?

Maximum (As a Percent of Target)	Percent of Meridian 250
100%-199%	14%
200%	65%
201%-299%	14%
300%+	7%

What is the non-zero threshold payout (as a percent of target) in the annual incentive plan?

Non-Zero Threshold (As a Percent of Target)	Percent of Meridian 250
< 25%	18%
25%-49%	31%
50%	42%
51%-74%	3%
75%-< 100%	6%

Meridian Comment

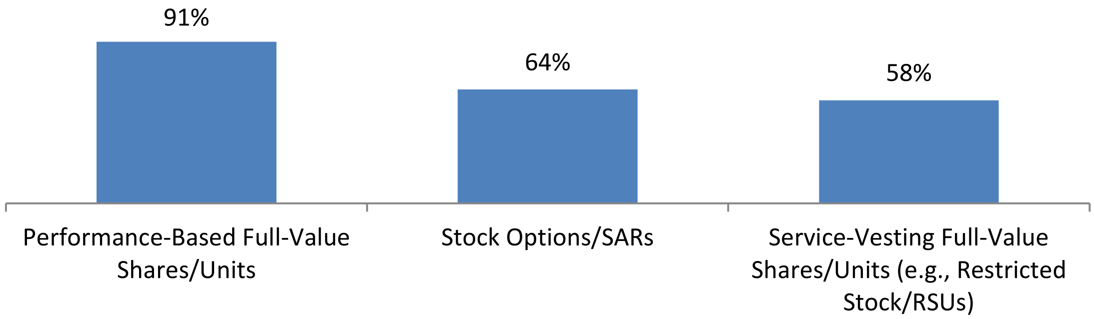
Consistent with results from the past three years, the most prevalent maximum and threshold payouts are 200% and 50% of target, respectively. Furthermore, most of the Meridian 250 (91%) set threshold payouts at 50% or less of target.

Long-Term Incentive Design Practices

Long-Term Incentive Design Practices

Vehicle Use and Mix

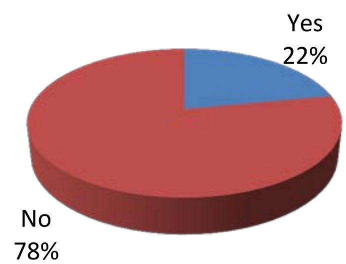
What LTI vehicles does the company use in its annual LTI mix?



What is the stated annual LTI mix for senior-most executives?

LTI Vehicle	Average LTI Mix
Performance-Based Full-Value Shares/Units	53%
Stock Options/SARs	27%
Service-Vesting Full-Value Shares/Units	20%

Does the stated LTI mix significantly differ between the CEO versus other NEOs?



Meridian Comment

Consistent with 2012 results, the prevalence of each LTI vehicle category indicates strong use of the "portfolio approach" across the Meridian 250. In addition, over 90% now use performance-based vehicles (e.g., 3-year cash or stock-based performance plans), which are overwhelmingly supportive of a pay-for-performance approach to executive compensation.

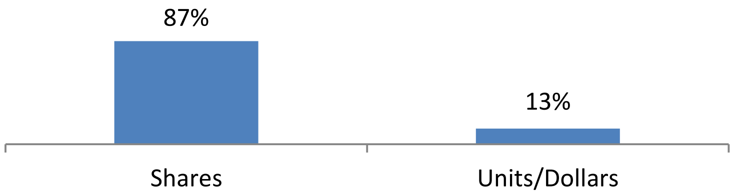
Performance-based vehicles now represent the largest portion of LTI granted on an annual basis. Over the last 10 years, not only has the use of performance-based vehicles increased (to more than 90% of companies), but the portion of total value granted through performance-based vehicles has strongly increased (over one-half (53%) of the total LTI value granted). In conjunction, there has been a substantial decrease in the relative value granted through stock options.

The Meridian 250 now grants 80% of annual LTI value in performance-focused vehicles (defined as stock options and performance shares/units).

Performance-Based Full-Value Shares/Units

General

Of the companies using performance-based full-value shares, is the plan denominated in shares or dollars?



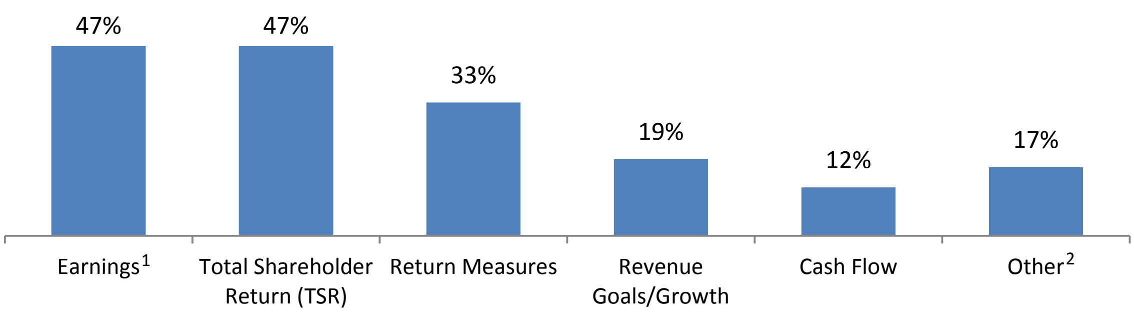
Goal Setting

To determine performance share/unit payouts, how does the company set its goals?

	Prevalence
Multiyear Goals (e.g., 3-Year TSR)	79%
Multiple 1-Year Goals Over Performance Period	13%
1-Year Goals With Additional Vesting	8%

Metrics

What types of corporate financial metrics are used in performance-based full-value awards?



[1] Includes EPS, EBIT/EBITDA, Operating Income, Net Income, etc.
[2] "Other" includes metrics such as: Economic Value Added (EVA), business unit goals, balanced scoreard, etc.

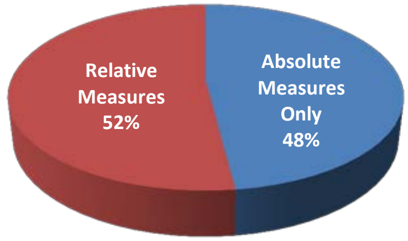
Meridian Comment

A substantial majority of companies (85%) denominate their performance-based vehicles in shares instead of dollars, which represents a 5% increase from 2012. Companies prefer the use of shares as a currency over cash for a number of reasons including shareholder alignment, additional leverage, compliance with ownership guidelines and non-cash expense.

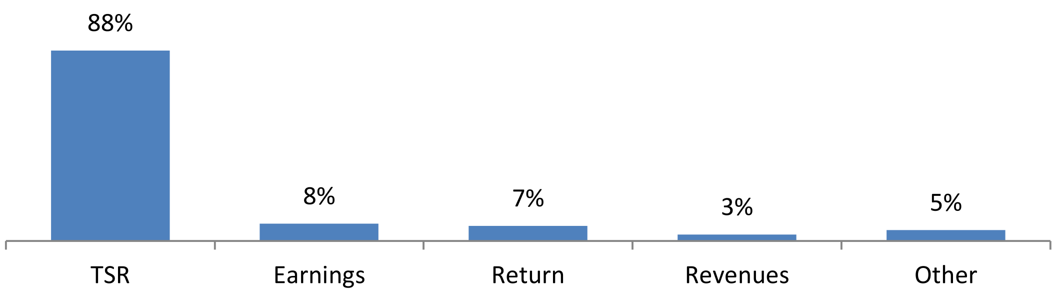
Interestingly, the prevalence of earnings and TSR metrics is now equal, each being used by 47% of companies. This represents an approximately 10% decrease in the use of earnings metrics, along with a 5% increase in the use of TSR over the past year. Of companies using earnings metrics, the performance level needed for a maximum payout was 111% of target, while the performance level required for a threshold payout was 90% (both the maximum and threshold performance levels represent the median of responses).

Relative Performance Goals

Does the company use relative or absolute financial goals?



If a company has relative goals, what metrics are measured on a relative basis?



If relative financial goals are used, what is performance assessed against?

Peer Group/Index	Prevalence[1]
Market Index	43%
Performance Peer Group[2]	29%
Compensation Benchmarking Peer Group	28%
Subset of Compensation Benchmarking Peer Group	4%

[1] Sum of prevalence percentages exceeds 100% due to companies that assess performance against more than one peer group/index.

[2] Represents peer groups that include at least some variation in companies from the compensation benchmarking peer group (i.e., not simply a subset of the compensation benchmarking peer group).

Meridian Comment

Over one-half of the Meridian 250 uses **relative performance goals** in their performance-based vehicles. When relative goals are used, TSR is overwhelmingly the most popular metric (88%), followed distantly by earnings (8%) and return metrics (7%).

Approximately 29% of companies assess relative performance against a performance peer group with an average of 15 companies. In general, performance peer groups tend to be smaller than compensation benchmarking peer groups.

As committees continue to seek ways to align executive compensation programs with performance and shareholder interests, it seems likely that relative TSR will remain a primary measure to provide shareholder alignment while eliminating the need for goal setting in an uncertain economic environment.

Leverage

What is the maximum opportunity of performance-based full-value shares/units?

Maximum Opportunity (As a Percent of Target)	Percent of Meridian 250
100% (Target)	4%
101%-149%	5%
150%	21%
151%-199%	5%
200%	59%
201%-299%	4%
300% +	2%

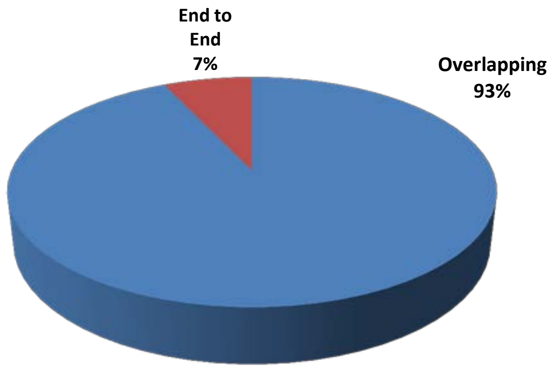
What is the non-zero threshold of performance-vesting full-value shares/units?

Non-Zero Threshold (As a Percent of Target)	Percent of Meridian 250
0%-< 25%	15%
25%	18%
26%-49%	12%
50%	49%
51%-80%	3%
100%	3%

Meridian Comment

A majority of the Meridian 250 have a maximum opportunity of 200% of target (59%), while the next most common maximum is 150% of target (21%). Approximately one-half of the Meridian 250 have a 50% of target threshold opportunity (49%).

Are the long-term performance cycles "overlapping" or "end to end"?



How long is the performance period (in years)?

- Eighty-three percent (83%) of the companies used a 3-year performance period.

If there is an additional service-vesting requirement after the performance period, how long is it?

- Only 15% of the companies require additional service vesting after the performance period. Those companies typically have a performance cycle of one or two years and require an additional service requirement of one to three years.

Meridian Comment

Overlapping and 3-year performance cycles represent the vast majority of all performance-based long-term vehicles in use (93% and 83%, respectively) across the Meridian 250.

Profile of Survey Companies

Profile of Survey Companies

Methodology

Meridian reviewed the corporate governance and incentive design practices of 250 large publicly-traded companies (the "Meridian 250") through the most recently available publicly-filed documents (typically proxy statements). Financial highlights of the companies are provided below, followed by a full listing of the companies used in the survey.

	Revenues ($M)	Market Value ($M)	Employees	ROIC (3-Year)	TSR (3-Year)
25th Percentile	$7,183	$6,103	14,600	7.5%	4.3%
Median	$14,547	$15,635	33,800	10.9%	12.9%
75th Percentile	$37,152	$34,396	78,400	15.2%	21.9%

Survey Companies (n = 250)

3M Company
Abbott Laboratories
Accenture plc
Actuant Corporation
Acxiom Corporation
The AES Corporation
Aetna Inc.
AGL Resources Inc.
Alcoa Inc.
Alexander & Baldwin, Inc.
Allegheny Technologies Incorporated
Alliance Data Systems Corporation
The Allstate Corporation
Amazon.com, Inc.
American Electric Power Company, Inc.
American Express Company
AmerisourceBergen Corporation
Anadarko Petroleum Corporation
Apache Corporation
Apple Inc.
Applied Materials, Inc.
Arch Coal, Inc.
Archer-Daniels-Midland Company
AT&T Inc.
Automatic Data Processing, Inc.
Avon Products, Inc.
Baker Hughes Incorporated
Ball Corporation
Bank of America Corporation
Barrick Gold Corporation
Baxter International Inc.
Becton, Dickinson and Company
Bemis Company, Inc.
Best Buy Co., Inc.
The Boeing Company
BorgWarner Inc.
Boston Scientific Corporation
Briggs & Stratton Corporation
Brown-Forman Corporation
Bunge Limited
Campbell Soup Company
Cardinal Health, Inc.
Carnival Corporation
Caterpillar Inc.
CBS Corporation
Celanese Corporation
CenturyLink, Inc.
Chesapeake Energy Corporation
Chevron Corporation
Chicago Bridge & Iron Company N.V.
CIGNA Corporation
The Clorox Company
ConAgra Foods, Inc.
ConocoPhillips
Consolidated Edison, Inc.
Cooper Tire & Rubber Company
Corning Incorporated
Costco Wholesale Corporation
Coventry Health Care, Inc.
Crane Co.
CSX Corporation
Cummins Inc.
CVS Caremark Corporation
Danaher Corporation

Dean Foods Company
Deere & Company
Dell Inc.
Delta Air Lines, Inc.
Devon Energy Corporation
DIRECTV
Discover Financial Services
Dollar General Corporation
Domino's Pizza, Inc.
Domtar Corporation
The Dow Chemical Company
The Dun & Bradstreet Corporation
E. I. Du Pont De Nemours and Company
Eaton Corporation
eBay Inc.
Ecolab Inc.
Eli Lilly and Company
Emerson Electric Co.
Entergy Corporation
The Estée Lauder Companies Inc.
Exelon Corporation
Express Scripts Holding Company
Exxon Mobil Corporation
FedEx Corporation
FirstEnergy Corp.
Flowserve Corporation
FMC Corporation
Ford Motor Company
The Gap, Inc.
General Dynamics Corporation
General Electric Company
General Mills, Inc.
The Goldman Sachs Group, Inc.
Google Inc.
H. B. Fuller Company
Halliburton Company
Hanesbrands Inc.
The Hartford Financial Services Group, Inc.
Hasbro, Inc.
Health Net, Inc.
The Hershey Company
Hess Corporation
Hewlett-Packard Company
The Home Depot, Inc.
Honeywell International Inc.
Humana Inc.
IDEX Corporation
IHS Inc.
Ingersoll-Rand plc
Ingram Micro Inc.
Intel Corporation
International Business Machines Corporation
International Paper Corporation
The Interpublic Group of Companies, Inc.
ITT Corporation
Jabil Circuit, Inc.
Jarden Corporation
Johnson & Johnson
Johnson Controls, Inc.
JPMorgan Chase & Co.
Kellogg Company
Kraft Foods Group, Inc.
The Kroger Co.
Laboratory Corporation of America Holdings
Lear Corporation
Lockheed Martin Corporation
Lowe's Companies, Inc.
Macy's, Inc.
Marathon Oil Corporation
Marriott International, Inc.
Masco Corporation
MasterCard Incorporated
Mattel, Inc.
McDermott International, Inc.
McDonald's Corporation
McKesson Corporation
Mead Johnson Nutrition Company
MeadWestvaco Corporation
Merck & Co., Inc.
Meredith Corporation
MetLife, Inc.
Microsoft Corporation
Mondelēz International, Inc.
Monsanto Company
Morgan Stanley
Motorola Solutions, Inc.
Murphy Oil Corporation
National Oilwell Varco, Inc.
Navistar International Corporation
NCR Corporation
Newell Rubbermaid Inc.
News Corporation
NiSource, Inc.
Noble Corporation
Nordson Corporation
Nordstrom, Inc.
Northeast Utilities
Northrop Grumman Corporation
Old Dominion Freight Line, Inc.
Omnicom Group Inc.
ONEOK, Inc.
Oracle Corporation
Owens & Minor Inc.
Owens Corning

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Owens-Illinois, Inc.
PACCAR Inc.
Papa John's International, Inc.
PepsiCo, Inc.
Perrigo Company
Pfizer Inc.
PG&E Corporation
Philip Morris International Inc.
Pitney Bowes Inc.
PPG Industries, Inc.
Praxair, Inc.
Precision Castparts Corp.
The Procter & Gamble Company
Prudential Financial, Inc.
Public Service Enterprise Group Incorporated
Publix Super Markets, Inc.
Qualcomm Incorporated
Quest Diagnostics Incorporated
Raytheon Company
Republic Services, Inc.
Reynolds American Inc.
Rock-Tenn Company
Rockwell Automation, Inc.
Safeway Inc.
Schlumberger N.V.
Seagate Technology Public Limited Company
Sears Holdings Corporation
The Sherwin-Williams Company
Sonoco Products Company
Southwest Airlines Co.
Sprint Nextel Corporation
SPX Corporation
St. Jude Medical, Inc.
Stanley Black & Decker, Inc.
Staples, Inc.
Starbucks Corporation
Steelcase Inc.
Supervalu Inc.
Sysco Corporation
Target Corporation
Tech Data Corporation
Tenet Healthcare Corporation
Tenneco Inc.
Tesoro Corporation
Texas Instruments Incorporated
Textron Inc.
Thor Industries, Inc.
Time Warner Inc.
The TJX Companies, Inc.
Tower International, Inc.
Transocean Ltd.
The Travelers Companies, Inc.
Tyco International Ltd.
Tyson Foods, Inc.
United Continental Holdings, Inc.
United Parcel Service, Inc.
United Stationers Inc.
UnitedHealth Group Incorporated
URS Corporation
US Airways Group, Inc.
Valero Energy Corporation
The Valspar Corporation
Verizon Communications Inc.
VF Corporation
Visa Inc.
VMware, Inc.
W.W. Grainger, Inc.
Walgreen Co.
Wal-Mart Stores, Inc.
The Walt Disney Company
Walter Energy, Inc.
Waste Management, Inc.
WellPoint, Inc.
Wells Fargo & Company
Wesco International, Inc.
The Western Union Company
Whole Foods Market, Inc.
Williams-Sonoma, Inc.
The Williams Companies, Inc.
Worthington Industries, Inc.
Xerox Corporation
Yum! Brands, Inc.

Meridian Profile

Meridian Compensation Partners, LLC is an independent executive compensation consulting firm providing trusted counsel to boards and Management at hundreds of large companies. We consult on executive and board compensation and their design, amounts and governance. Our many consultants throughout the U.S. and in Canada have decades of experience in pay solutions that are responsive to shareholders, reflect good governance principles and align pay with performance. Our partners average 25 years of executive compensation experience and collectively serve over 450 clients, primarily at the board level. As a result, our depth of resources, content expertise and boardroom experience are unparalleled.

Our breadth of services includes:

- Pay philosophy and business strategy alignment
- Total compensation program evaluation and benchmarking
- Short-term incentive plan design
- Long-term incentive plan design
- Performance measure selection and stress testing
- Employment contracts
- Retirement and deferred compensation
- Risk evaluation
- Informed business judgments on executive pay
- Pay-for-performance analyses
- Governance best practices
- Institutional shareholder and ISS voting guidelines/issues
- Senior management and board evaluations
- Change-in-control and/or severance protections
- Committee charter reviews
- Peer group development
- Peer company performance and design comparisons
- Benefits and perquisites design and prevalence
- Annual meeting preparation
- Senior executive hiring
- Succession planning
- Outside director pay comparisons
- Clawback and anti-hedging design
- Retention programs and strategies
- Tally sheets

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