



NEWS & INFORMATION

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Very Stable Equity Incentive Plan Run Rates and Slight Decrease in Total Overhang at Most Large U.S. Companies

NEWTON, MA—According to a recent study of annual “run rate” and “overhang” levels among *Fortune 100* companies by Meridian Compensation Partners, LLC, the annual and three-year average run rates (or share usage) for *Fortune 100* companies have remained constant at 0.7% - 0.8%. The median existing and total overhang at these organizations has declined slightly since 2017.

| Fortune 100 | Median Annual Run Rate | Median Three-Year Annualized Run Rate | Median Existing Overhang | Median Total Overhang |
|--------------------|-------------------------------|--|---------------------------------|------------------------------|
| 2019 | 0.7% | 0.8% | 2.3% | 7.8% |
| 2018 | 0.7% | 0.8% | 2.5% | 7.6% |
| 2017 | 0.8% | 0.8% | 2.8% | 8.3% |

An analysis of the fair market value of equity incentive awards granted compared to market capitalization indicated that most companies granted equity incentive awards valued at approximately 0.43% of market capitalization.

Run rate measures the annual rate at which a company uses its shares for incentive grants to employees. The higher a company’s run rate, the earlier it will need to seek shareholder authorization for an increase in its approved share pool. Overhang represents the number of shares that can be transferred to management compared to total shares outstanding. Existing overhang represents outstanding awards and the total overhang includes the remaining shares in the shareholder-approved share pool.

About Meridian Compensation Partners, LLC

We are independent executive compensation consultants providing trusted counsel to Boards and Management at hundreds of large companies in North America. We consult on executive compensation and its design, amounts and related governance practices. Visit us at www.meridiancp.com.