The 2014 Top 250 Report

Long-Term Incentive Grant Practices for Executives

OCTOBER 2014

FREDERIC W. COOK & CO., INC.

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EXECUTIVE SUMMARY

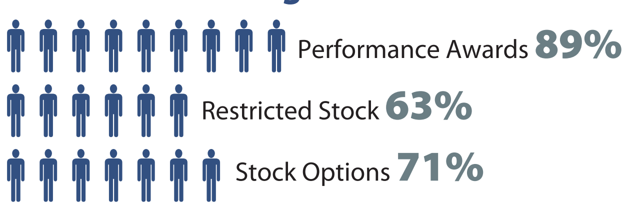
Long-term incentive design has long been sensitive to external influences. In 1950, after Congress gave stock options capital gains tax treatment, the use of stock options surged as employers sought to avoid ordinary income tax rates as high as 91%. Some forty years later, Congress added Section 162(m) to the tax code in an attempt to rein in excessive executive pay by limiting the deduction on compensation over $1 million to certain executives. Stock options qualified for a performance-based exemption leading to a spike in stock option grants to CEOs at *S&P 500* companies (+45% in the first year according to a 2006 *Wall Street Journal* article).

Fast forward twenty years and the form and magnitude of long-term incentives, the principal delivery vehicle of executive compensation, continues to be a hot button populist issue. The 2010 Dodd Frank Act introduced U.S. publicly-traded companies to Say on Pay giving shareholders a direct channel to voice their support or opposition for a company's pay practices. Another legislative addition to the litany of unintended consequences, Compensation Committees are challenged to balance the oftentimes conflicting interests of a growing number of stakeholders. As a result, we observe a narrowing range of long-term incentive practices and a growing bias for homogenous plan design. This report, the 42nd annual Frederic W. Cook & Co. Top 250 Report, details the long-term incentive practices of the 250 largest companies in the *S&P 500*. Notable trends and key findings from this year's study are as follows:

Trends Impacting Long-Term Incentive Design

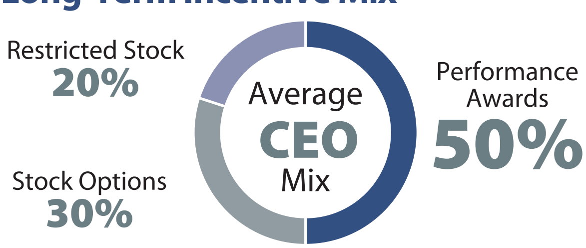
- Say on Pay magnifies growing number of "interested" parties
- Correlation between increasing number of stakeholders and decreasing prevalence of company-specific design
- Activist investors edging out ISS as the "elephant in the room"
- Despite increases in shareholder engagement, some companies continue to assume large investors blindly follow proxy advisor recommendations
- Arguably easier for companies to follow conventional practices than to educate and defend innovative design

Prevalence of Long-Term Incentive Grant Types

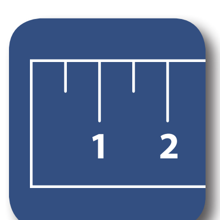


89% of Top 250 companies use performance awards; stock option use has stabilized after several years of decline

Long-Term Incentive Mix



Long-Term Incentive Metrics



58% of companies with performance awards use total shareholder return as a performance metric; only 30% use it as the sole metric

Overview and Background

Since 1973, Frederic W. Cook & Co. has published annual reports on long-term incentive grant practices for executives. This report, our 42nd edition, presents information on long-term incentives in use for executives at the 250 largest U.S. companies in the Standard & Poor's 500 Index. This survey is intended to provide information to assist boards of directors and compensation professionals in designing and implementing effective long-term incentive programs for executives that promote the long-term success of their companies.

Survey Scope

The report covers the following topics:

- Continuing, discontinued and new long-term incentive grant types
- Grant type design features, including vesting and stock option term
- Key performance plan characteristics, such as length of performance periods, payout maximums, performance metrics and measurement approaches
- Grant types by industry
- Long-term incentive mix

Top 250 Selection

The Top 250 companies are selected annually based on market capitalization, i.e., share price multiplied by total common shares outstanding as of February 28, 2014, as reported by Standard & Poor's Research Insight (see Appendix for complete list of companies).

Volatility in the equity markets, corporate transactions, and the usual ebbs and flows of corporate fortunes result in changes in market capitalization and, thus, turnover in the survey sample. Of the 2014 Top 250 companies, twenty-five are new to this year's report. As such, the trend data are influenced by these changes in the survey sample from year-to-year, in addition to actual changes in grant usage.

The table below profiles the industry sectors represented in the Top 250 in 2014, as defined by Standard & Poor's Global Industry Classification Standard (GICS). Financials once again comprise the largest sector covered in the Top 250 report, with 49 companies (20%) in 2014.

Industry Sector (# of companies) *sorted by prevalence*	Percent of Companies	Annual Sales ($B)	Market Capitalization ($B)	Beta 5--Yr Average	TSR 1--Yr	TSR 5--Yr Average
Financials (49)	20%	$10.2B	$26.3B	1.33%	32.7%	18.0%
Health Care (36)	14%	$14.2B	$30.7B	0.78%	46.0%	24.2%
Consumer Discretionary (32)	13%	$24.8B	$38.3B	1.05%	39.6%	34.9%
Industrials (30)	12%	$22.9B	$34.9B	1.24%	41.6%	24.0%
Information Technology (30)	12%	$12.2B	$46.8B	1.14%	38.7%	23.9%
Consumer Staples (24)	10%	$26.2B	$36.9B	0.49%	25.8%	19.7%
Energy (23)	9%	$22.3B	$34.0B	1.25%	32.1%	19.9%
Materials (12)	5%	$15.0B	$34.8B	1.26%	29.6%	29.0%
Utilities (11)	4%	$15.1B	$22.8B	0.49%	10.3%	11.3%
Telecommunication Services (3)	1%	$120.6B	$140.6B	0.61%	9.6%	13.8%
Total Top 250 – Median	**100%**	**$16.3B**	**$33.6B**	**1.09%**	**34.8%**	**22.7%**

Source: S&P Research Insight. Company size and performance statistics as of fiscal year end.

Source of Data

All information was obtained from public documents filed with the Securities and Exchange Commission (SEC), including proxy statements and 8-K filings.

Definition of Usage

This report presents the most recently disclosed long-term incentive grant types in use at the Top 250 companies as of mid-2014. A grant type is generally considered to be in use at a company if grants have been made in the current or prior year and there is no evidence the grant practice has been discontinued, or if the company indicates the grant type will be used prospectively.

Definition of Long-Term Incentive

To be considered a long-term incentive for purposes of this report, a grant must possess the following characteristics:

The grant type must be made under a formal plan or practice and cannot be limited by both scope and frequency. A grant with limited scope is awarded to only one executive or a very small or select group of executives. A grant with limited frequency is an award that is not part of a company's typical grant practices and appears to fall outside the principal long-term incentive program. For example, a grant determined to be made specifically as a hiring incentive, replacement of lost benefits upon hiring, or promotional award is not considered a long-term incentive for this report. A grant with limited scope but without limited frequency (e.g., annual grants of performance shares made only to the CEO) may be considered a long-term incentive, and vice versa (e.g., one-time grants made to all executives). Grants must reward performance, continued service, or both for a period of more than one year.

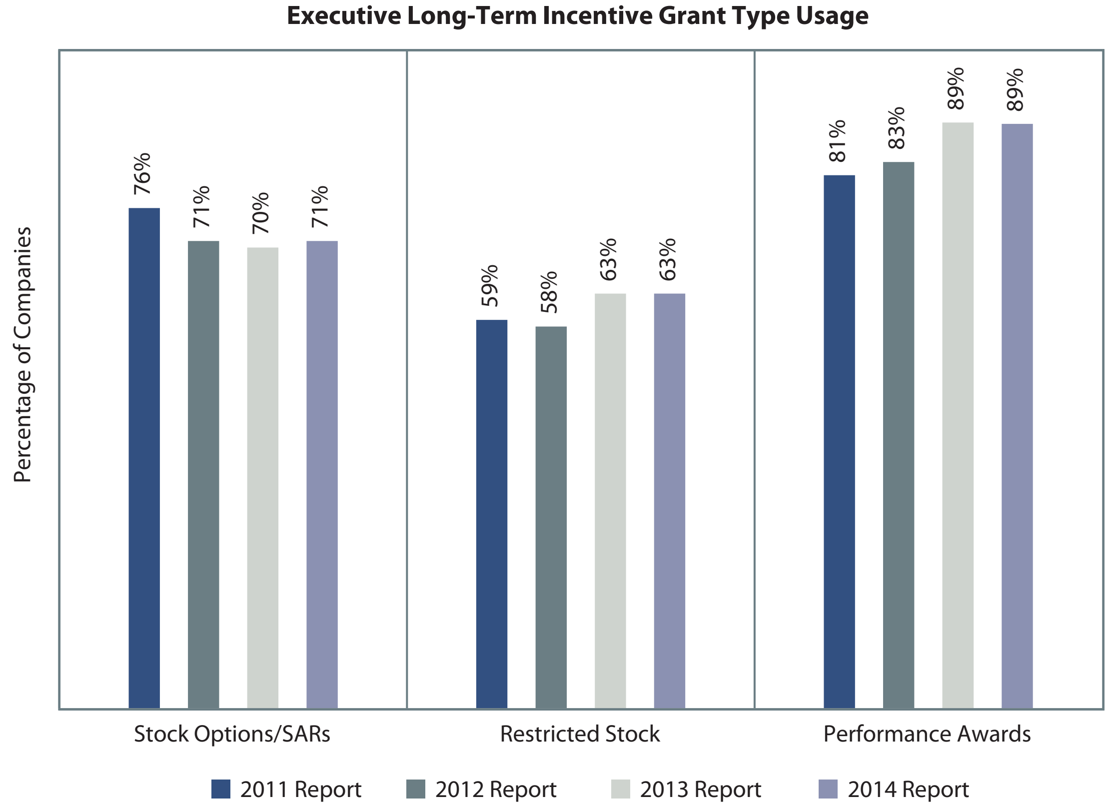
In some circumstances, totals may not add to 100% due to rounding or companies having more than one type of practice.

Additional References

Shareholders Reference to shareholder views were developed from a review of proxy voting guidelines published by, or from direct interviews with, large institutional investors.

Proxy Advisors Reference to proxy advisor views were developed from company-specific Say on Pay vote recommendations during the 2014 proxy season, direct conversations with, or a review of proxy voting guidelines published by Institutional Shareholder Services (ISS) and Glass Lewis.

Summary of Grant Types in Use



Stock Options / Stock Appreciation Rights (SARs) are derivative securities where stock price has to appreciate for an executive to receive value. Stock options are rights to purchase company stock at a specified exercise price over a stated term; SARs are rights to receive at exercise the increase between the grant price and the market price of a share of stock. The use of stock options has stabilized over the past three years after an extended period of decline.

Once considered the most shareholder-friendly grant type due to its inherent alignment with shareholder interests, stock options appear to be recovering from mixed employee perceptions and investor concerns about potential dilution and performance orientation. Some observers foresee an increase in the use of stock options as investor confidence in the markets is restored, employees recover from the hangover caused by extended exposure to underwater stock options, employers reconsider the role of leverage, and fungible share pools mitigate concern over potential dilution relative to full-value shares.

Restricted Stock includes actual shares or share units that are earned by continued employment, often referred to as time-based awards. There was no change in the overall percentage of companies granting restricted stock (63%) with only two companies discontinuing their use. Companies that disclosed performance-vesting criteria solely to satisfy Internal Revenue Code (IRC) Section 162(m) requirements are counted as restricted stock.

Performance Awards consist of stock-denominated actual shares or share units (performance shares) and grants of cash or dollar-denominated units (performance units) earned based on performance against predetermined objectives over a defined period. For the fourth consecutive year, performance awards rank as the most widely used grant type with 89% of the Top 250 granting performance shares, performance units, or a combination of both. The proliferation of this award type is due, in large part, to Say on Pay as companies seek to demonstrate a relationship between pay and performance.

Of those companies using performance awards, 82% denominate the awards in stock, 9% denominate the awards in cash units, and 9% use a combination of both. These findings are consistent with those of last year.

Grant Type Usage by Industry

Grant type usage is further examined by industry sector, notable observations include:

- More than 75% of companies in all sectors use performance awards, an affirmation that alignment of pay and performance transcends industry sector and applies to all companies.
- The Materials sector exhibited the highest use of stock options (92%), which is not surprising given the industry's historically high volatility. Conversely, stock option use was lowest among the Utilities and Telecommunication Services sectors. The combination of low volatility and high dividend yields can serve as a disincentive to stock option use.
- Restricted stock is still relevant with half or more of all companies in each sector reporting its use with the exception of Consumer Discretionary (44%). The Utilities sector reported the greatest annual increase in restricted stock use.

Industry Sector *sorted by prevalence*	Number of Companies	Stock Options/SARs	Restricted Stock	Performance Awards
Financials	49	61%	63%	88%
Health Care	36	86%	50%	86%
Consumer Discretionary	32	78%	44%	84%
Industrials	30	83%	63%	97%
Information Technology	30	57%	83%	77%
Consumer Staples	24	71%	58%	92%
Energy	23	70%	83%	91%
Materials	12	92%	50%	100%
Utilities	11	36%	73%	100%
Telecommunication Services	3	0%	100%	100%
Top 250	**250**	**71%**	**63%**	**89%**

Number of Long-Term Incentive Grant Types in Use

Most companies (86%) continue to employ a portfolio strategy, combining multiple grant types as a means to balance objectives of rewarding stock price appreciation, promoting longer-term financial or strategic performance, and retaining executives. Less than one in seven companies rely on a single grant type and of these companies, 53% grant performance awards, 29% grant stock options, and 18% grant restricted stock. Our research suggests that the number of grant types is influenced by business characteristics of each industry sector.

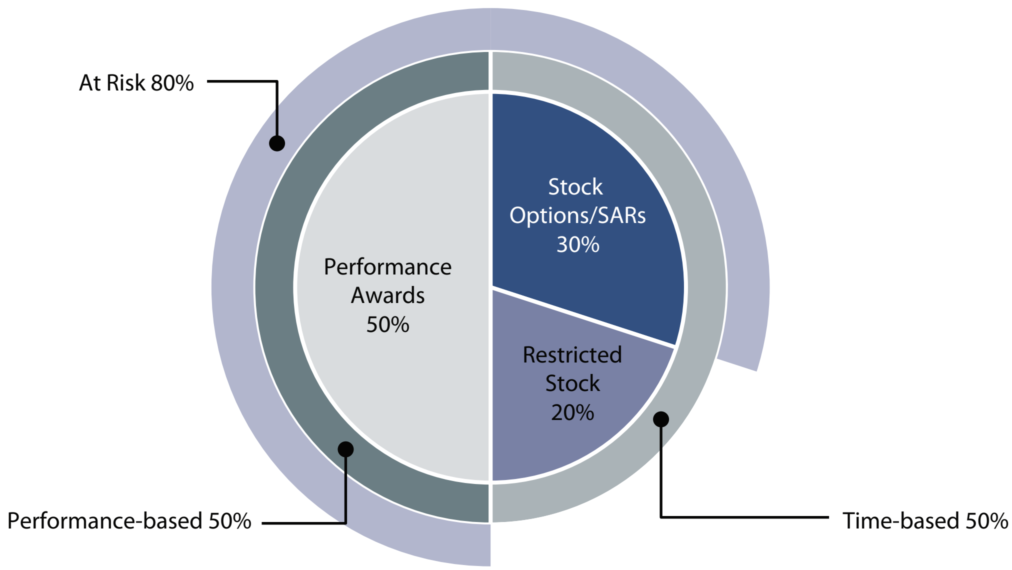
Number of Grant Types	Percent of Companies Using			
	2011 Report	2012 Report	2013 Report	2014 Report
1 Type	17%	17%	14%	14%
2 Types	45%	48%	46%	46%
3 Types	36%	34%	39%	39%
4 Types	2%	1%	1%	1%

Industry Sector (# of companies in each sector)	Number of Grant Types by Sector			
	1 Type	2 Types	3 Types	4 Types
Financials (49)	10%	61%	27%	2%
Health Care (36)	20%	33%	44%	3%
Consumer Discretionary (32)	22%	47%	31%	0%
Industrials (30)	3%	34%	60%	3%
Information Technology (30)	17%	50%	33%	0%
Consumer Staples (24)	17%	38%	38%	7%
Energy (23)	13%	30%	57%	0%
Materials (12)	8%	42%	50%	0%
Utilities (11)	9%	73%	18%	0%
Telecommunication Services (3)	0%	100%	0%	0%

Long-Term Incentive Mix

On average, performance awards comprise 50% of a Top 250 CEO's total long-term incentive value. Stock options/SARs represent 30% and restricted stock the remaining 20%. This mix is influenced by the fact that proxy advisors and some shareholders no longer view, or in the case of proxy advisors never viewed, stock options as "performance-based" awards. While this view is fiercely debated, many companies have conceded to classify stock options as an award that is "at-risk" but not performance-based.

Average Top 250 CEO Mix



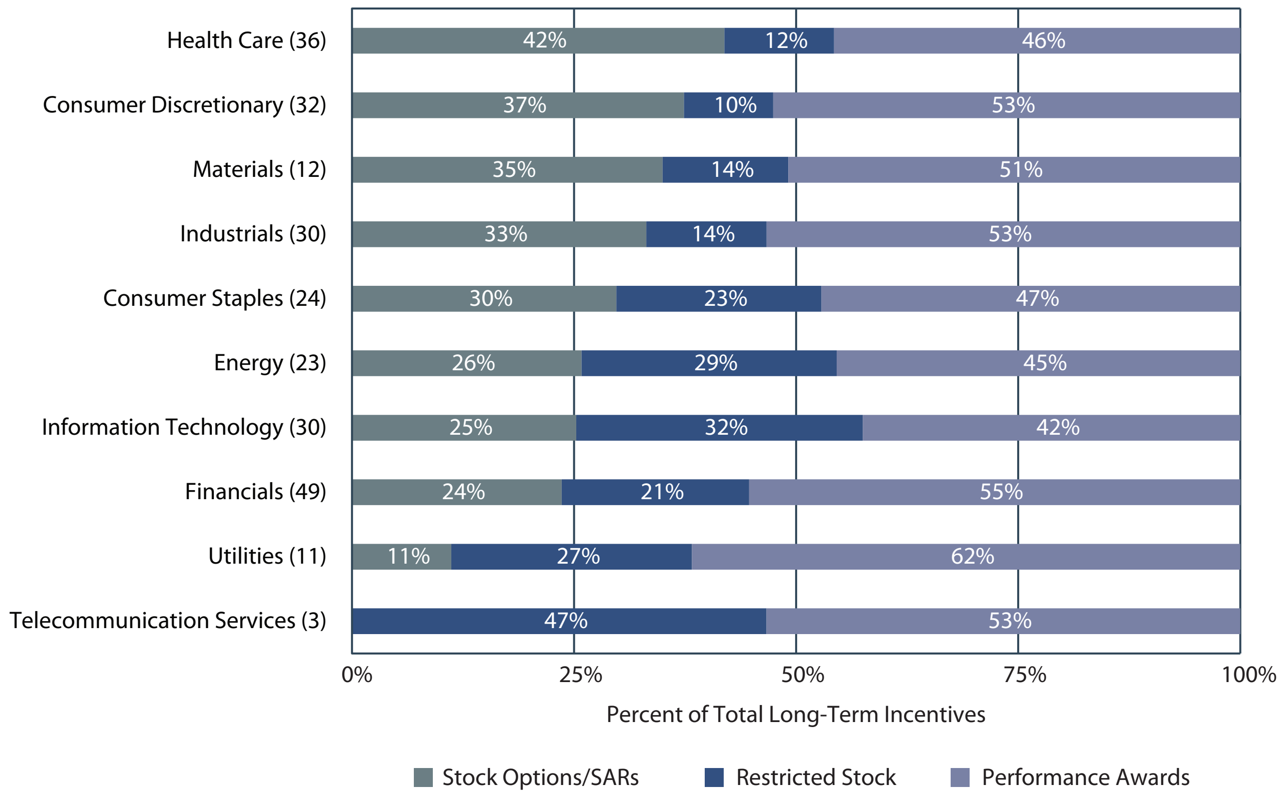
Our research did not identify any prescribed long-term incentive mix by shareholders, but there is an obvious preference for award types that incent management teams to drive shareholder value. One large institutional investor we spoke with suggested that the "right" mix may vary by company size. ISS does not endorse a specific mix (specifically, a minimum allocation to performance awards), but they do indicate a general preference for performance awards – the higher the percentage the better. While not a formal policy, we have observed instances when ISS criticized a CEO's long-term incentive mix for not being sufficiently performance-based if it is below 50% of the total long-term incentive grant value.

We also examined the average mix among other named executive officers, which revealed no material difference from the CEO, suggesting that all senior executives are usually held to the same standards of performance. For the minority (18%) of companies that reported a different mix for the CEO, 57% reported a higher weighting on performance awards, 50% reported higher weighting on stock options, and 16% reported a higher weighting on restricted stock.

EXECUTIVE LONG-TERM INCENTIVE GRANT TYPES AND USAGE

The exhibit below illustrates the average CEO long-term incentive mix by industry sector. The industry sectors are sorted by prevalence of stock option/SAR usage, and the data suggest a trade-off between the two time-vesting award types, stock options/SARs and restricted stock.

Average CEO Long-Term Incentive Mix by Industry



Stock Option/SAR Term

The full term of a stock option or SAR is the period of time between the grant date and the expiration date. Typically measured in years, the most common term is ten years for Top 250 companies (85%). While we have not observed extensions beyond ten years, 15% of companies report a shorter term. This practice was mirrored in all industry sectors with the exception of Information Technology where 47% reported a full term that was less than ten years.

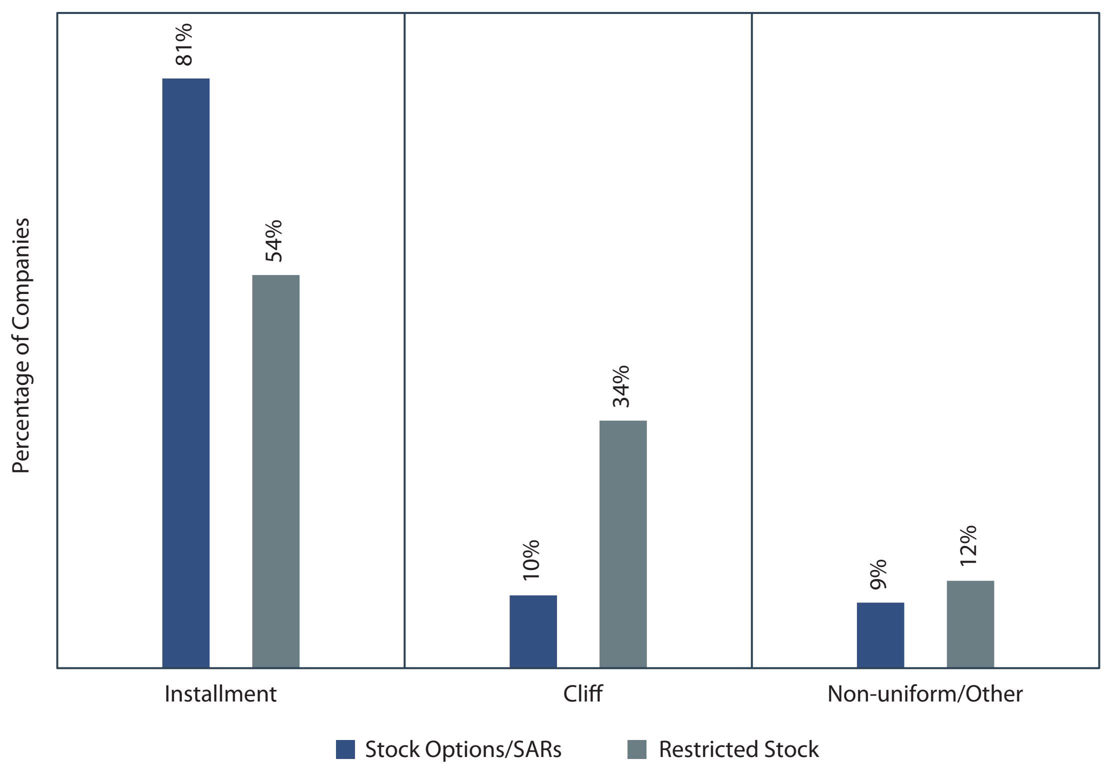
Option/SAR Term	Percent of Companies Using		
	2012 Report	2013 Report	2014 Report
10 years	79%	84%	85%
9 years	0%	1%	0%
8 years	3%	2%	2%
7 years	16%	11%	11%
6 years	1%	1%	2%
5 years	1%	1%	0%

The Financial Accounting Standards Board (FASB) requires companies to account for employee stock options based on their expected term as opposed to their full term under Accounting Standards Codification (ASC) 718. ISS values stock options based on their full term as opposed to their expected term to reflect the full economic value of the stock option. This creates a difference between a company's reported stock option value and ISS' calculated stock option value used in ISS' proprietary CEO Pay for Performance test.

Vesting Schedules

Type of Vesting The majority of Top 250 companies apply a uniform installment or ratable vesting approach (equal installments) to stock options/SARs (81%) and restricted stock grants (54%). This is the first time we observed more than half of the companies using an installment vesting approach rather than a cliff vesting approach (100% vest at the end of the period) for restricted stock, but it is consistent with the broader trend towards greater use of the installment method for grant types that vest based on service. This trend is attributed, in part, to the increasing prevalence and weight of performance awards that are usually subject to cliff vesting and arguably provide sufficient retention hold.

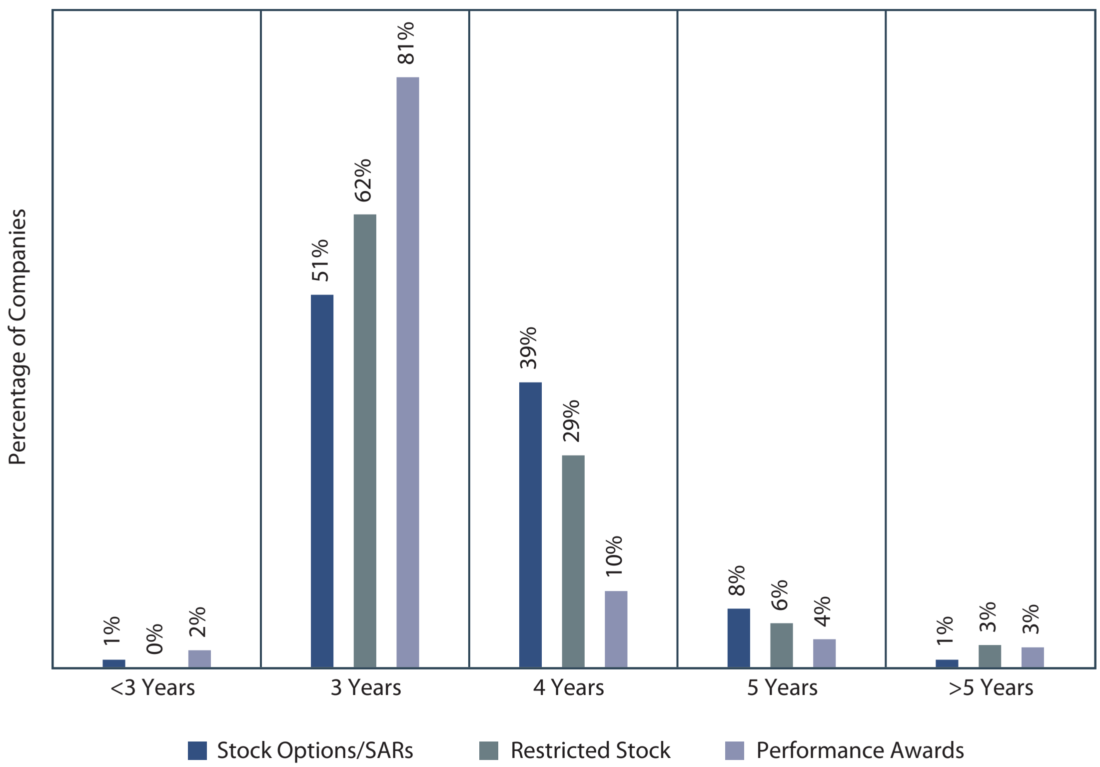
Vesting Type for Stock Options/SARs and Restricted Stock



Vesting Period The most common vesting period for all long-term incentive award types is three years. This corresponds with the minimum vesting period advocated by some large institutional investors while other investors have since eliminated this policy to provide companies with greater flexibility.

ISS does not prescribe a minimum vesting period, but it is one consideration in its QuickScore governance model. Similarly, Glass Lewis has not published a minimum vesting period, but its guidelines suggest that stock grants should be subject to minimum vesting and/or holding periods sufficient to ensure sustainable performance and promote retention. In 2014, Glass Lewis took issue with companies vesting restricted stock over a period of less than three years for failing to fully reflect the long-term performance of the company and shifting what should be at-risk compensation closer to a guaranteed payment.

Vesting Period of Award Types



Performance Metrics

Categories of Performance Measurement Consistent with prior findings, TSR and profit-based measures continue to be the most prevalent performance categories among companies that grant performance awards at 58% and 50%, respectively. Since demonstrating alignment between pay and performance is a requisite for securing Say on Pay support, companies are rethinking what performance goals to measure and how to measure them (i.e., absolute goals measured against internal targets versus relative goals measured against external benchmarks).

TSR, specifically relative TSR, has emerged as the metric of choice under Say on Pay. For shareholders, there is an elegance to TSR in that it demonstrates the return relative to alternative investments. It is also the singular definition of corporate performance used by ISS. As such, some companies view relative TSR as a means to "check the box" with regards to shareholder and ISS preferences.

Critics of TSR as an incentive measure denounce the fact that it does not drive performance, that market valuation can become disconnected from financial/operating performance, and that consistently high-performing companies may be disadvantaged when compared against companies that exhibit a performance rebound during the measurement period. In light of these drawbacks, we observe that 70% of Top 250 companies using TSR do so in combination with one or more financial metrics.

Performance Measure Categories

		Percent of Companies with Performance Awards Using			Performance Measurement Approach 2014 Report		
Category	**Performance Measures**	**2012**	**2013**	**2014**	**Absolute**	**Relative**	**Both**
Total Shareholder Return	Stock Price Appreciation Plus Dividends	48%	54%	58%	5%	87%	9%
Profit	EPS, Net Income EBIT, EBITDA Operating/Pretax Profit	50%	49%	50%	87%	12%	2%
Capital Efficiency	Return on Equity Return on Assets Return on Capital	37%	40%	41%	84%	8%	9%
Revenue	Revenue Organic Revenue	20%	20%	21%	87%	13%	0%
Cash Flow	Cash Flow Operating Cash Flow Free Cash Flow	13%	12%	13%	96%	0%	4%
Other	Safety, Quality Assurance New Business Individual Performance	16%	17%	15%	N/A	N/A	N/A

Measurement Approach There are two basic approaches for measuring performance: against an absolute (internal) goal and against a relative (external) benchmark. The relative approach is not readily applicable to all performance metrics as indicated by its low prevalence across performance categories. TSR is the only performance category where more than 15% of Top 250 companies use the relative approach.

External benchmark selection (e.g., compensation peer group, custom performance peer group, broad industry or market index) is a key consideration in developing relative performance plans. Proxy advisors as well as some shareholders question the appropriateness of comparisons against broad market indices (e.g., S&P 500) when a company has a sufficient number of direct competitors with similar operating characteristics.

Proxy advisors advocate the use of relative performance measurement. In fact, relative measurement of pay and TSR performance is the cornerstone of ISS' CEO Pay for Performance test. Glass Lewis routinely critiques the sole use of absolute performance metrics as they may reflect economic factors or industry-wide trends beyond the control of executives.

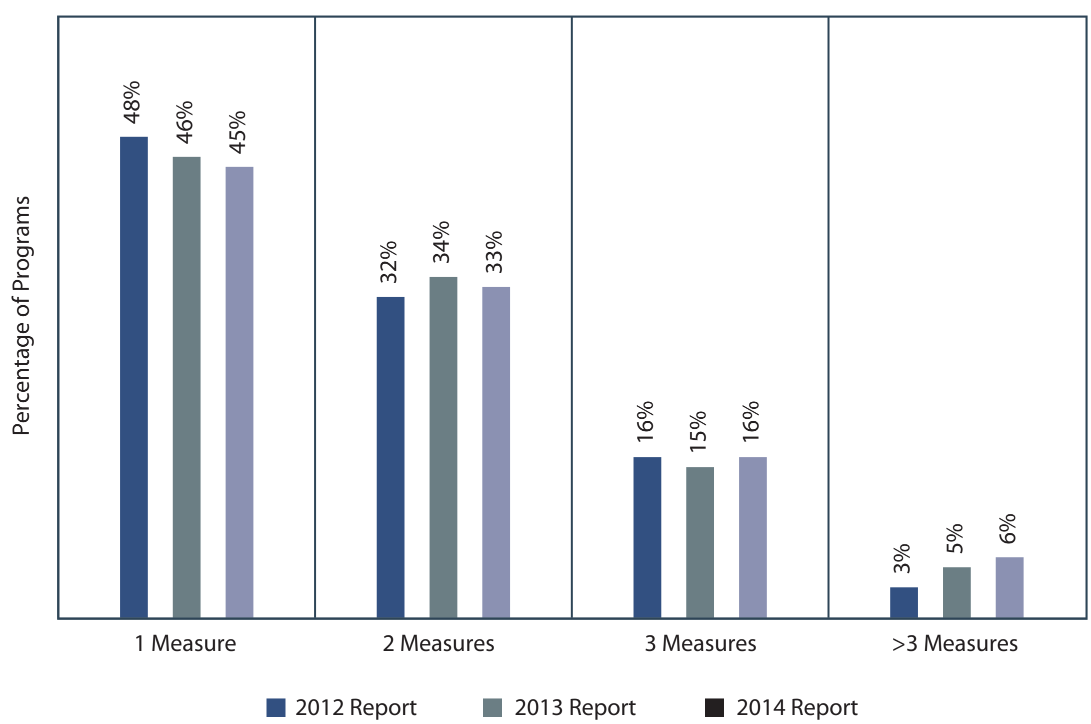
In regard to relative TSR, an increasing number of companies are drawing criticism from proxy advisors for performance goals that are not deemed "rigorous." Glass Lewis often questions payouts when TSR is below median, and ISS often questions the rigor of performance when relative TSR plans payout at 100% of target for median TSR performance, which is the predominant practice (70%) among Top 250 companies (i.e., median pay for median performance). Of the Top 250 companies that use relative TSR, only 27% set target performance above the benchmark median. (For additional details on relative TSR plan design, please go to our website at **www.fwcook.com** and view our Research Report "2014 Relative Total Shareholder Return Performance Award Report," to be posted shortly after the release of this report.)

Number of Measures The Top 250 companies are split on how many performance measures to use, with just under half (45%) using one measure with the other half using two or more.

Glass Lewis discourages the use of a single performance measure, even if that metric is relative TSR. They argue that the use of multiple metrics provide a more complete picture of company performance and that a single metric may focus management too much on a single target. The risk of putting "all eggs in one basket" and the potential to overemphasize one metric at the expense of other business priorities are concerns shared by some shareholders.

Of the Top 250 companies relying on a single performance measure, 51% use TSR, 24% use a capital efficiency measure, and 20% use a profit-based measure.

Number of Performance Measures

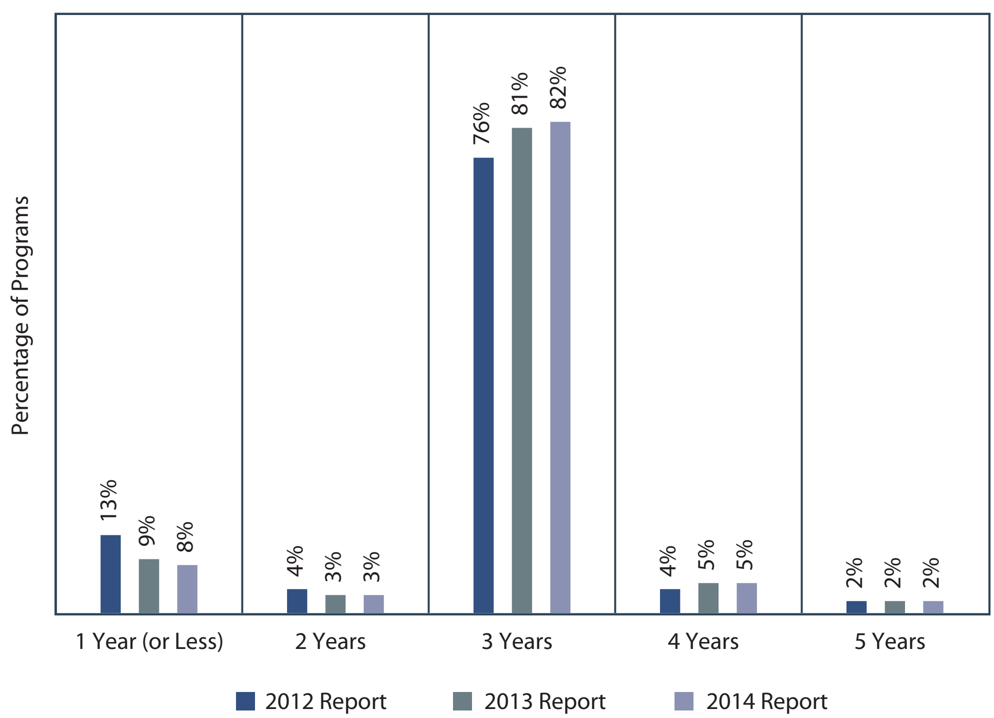


Performance Measurement Period

Performance is measured over a period of three years in 82% of performance award programs, indicating that most performance periods run in tandem with the award's vesting period. Companies that measure performance annually (i.e., reset targets each year over a three-year period) are included in this statistic. We anticipate this practice will decline as proxy advisors scrutinize this treatment for failing to require the achievement of sustained long-term results (i.e., operates more like an annual incentive plan).

In a similar vein, performance periods of one year or less with an extended vesting tail (i.e., one-year performance period followed by two additional years of time-based vesting) have declined in prevalence (8% in 2014). Many companies voice challenges in setting realistic long-term performance goals due to market volatility. Some shareholders dispute this argument, particularly when a company's peers demonstrate the ability to set cumulative three-year goals and shareholders themselves make investments on the basis of company guidance and long-term performance expectations.

Performance Award Period



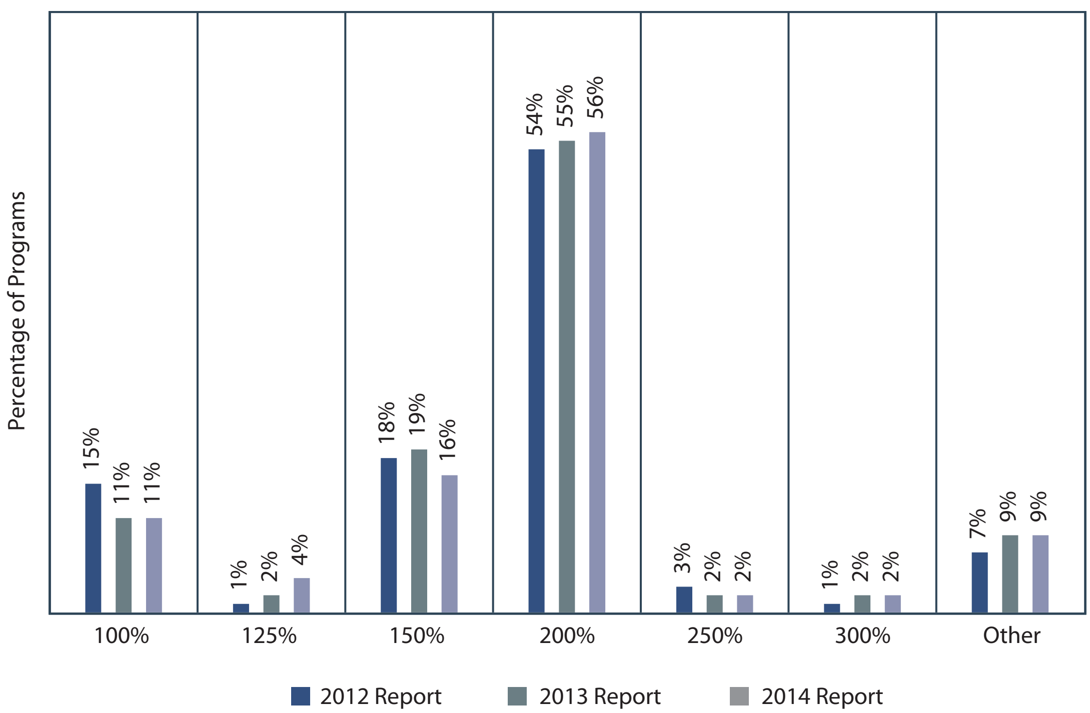
Performance Leverage (Maximum Payout Opportunity)

The most prevalent maximum payout opportunity was 200% of target, found in 56% of the performance award programs used by Top 250 companies. Payout at 150% of target was the next most prevalent maximum payout level (16%).

Our research reveals that the distribution of leverage opportunities vary by industry sector. Key observations include:

- Only 33% of the companies in the Financials sector report a 200% maximum; 56% of the companies in this sector report a maximum payout opportunity of 150% or less. This is consistent with a trend among large banks to reduce long-term incentive plan leverage as a means of mitigating risk as prescribed by the Federal Reserve and other regulatory bodies.
- In comparison, all companies in the Utilities sector have a 200% maximum.
- The Consumer Discretionary sector reports an equal distribution of companies reporting maximum leverage at or below 200% of target (44%, respectively); 15% of companies in this sector report a maximum opportunity at 300% of target (highest prevalence among all industry sectors).

Performance Award Maximum



APPENDIX – COMPANIES INCLUDED IN THE 2014 TOP 250

3M Co.
Abbott Laboratories
AbbVie Inc.
Accenture PLC
Ace Limited
Adobe Systems Inc.
Aetna Inc.
Aflac Inc.
Agilent Technologies Inc
Air Products & Chemicals Inc.
Alexion Pharmaceuticals Inc.
Allergan Inc.
Allstate Corp.
Altria Group Inc.
Amazon.com Inc.
American Electric Power
American Express Co.
American International Group
American Tower Corp.
Ameriprise Financial Inc.
Amgen Inc.
Anadarko Petroleum Corp.
Aon PLC
Apache Corp.
Apple Inc.
Applied Materials Inc.
Archer-Daniels-Midland Co.
AT&T Inc.
Automatic Data Processing
Autozone Inc.
Avalonbay Communities Inc.
Baker Hughes Inc.
Bank of New York Mellon Corp.
Baxter International Inc.
BB&T Corp.
Becton Dickinson & Co.
Biogen Idec Inc.
BlackRock Inc.
Boeing Co.
Boston Properties Inc.
Boston Scientific Corp.
Bristol-Myers Squibb Co.
Broadcom Corp.
Brown-Forman Corp.
Capital One Financial Corp.
Cardinal Health Inc.
Carnival Corp. PLC
Caterpillar Inc.
CBS Corp.
Celgene Corp.
CenturyLink Inc.
Cerner Corp.
Chesapeake Energy Corp.
Chevron Corp.
Chipotle Mexican Grill Inc.
Chubb Corp.
Cigna Corp.
Cisco Systems Inc.
Citigroup Inc.
CME Group Inc.
Coca-Cola Co.
Cognizant Tech Solutions
Colgate-Palmolive Co.
Comcast Corp.
ConocoPhillips
Corning Inc.
Costco Wholesale Corp.
Covidien PLC
Crown Castle International Corp.
CSX Corp.
Cummins Inc.
CVS Caremark Corp.
Danaher Corp.
Deere & Co.
Delphi Automotive PLC
Delta Air Lines Inc.
Devon Energy Corp.
DIRECTV
Discover Financial Services Inc.
Discovery Communications Inc.
Walt Disney Co.
Dollar General Corp.
Dominion Resources Inc.
Dow Chemical
E.I. DuPont De Nemours
Duke Energy Corp.
Eaton Corp PLC
eBay Inc.
Ecolab Inc.
Edison International
EMC Corp.
Emerson Electric Co.
EOG Resources Inc.
Equity Residential
Exelon Corp.
Express Scripts Holding Co.
Exxon Mobil Corp.
Facebook Inc.
FedEx Corp.
Fifth Third Bancorp
Ford Motor Co.
Forest Laboratories
Franklin Resources Inc.
Freeport-McMoRan Copper & Gold
Gap Inc.
General Dynamics Corp.
General Electric Co.
General Growth Properties Inc.
General Mills Inc.
General Motors Co.
Gilead Sciences Inc.
Goldman Sachs Group Inc.
Google Inc.
W.W. Grainger Inc.
Halliburton Co.
HCP Inc.
Health Care REIT Inc.
Hershey Co.
Hess Corp.
Hewlett-Packard Co.
Home Depot Inc.
Honeywell International Inc.
Humana Inc.
Illinois Tool Works
Ingersoll-Rand PLC
Intel Corp.

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IntercontinentalExchange Grp.
Intl. Business Machines Corp.
International Paper Co.
Intuit Inc.
Intuitive Surgical Inc.
Johnson & Johnson
Johnson Controls Inc.
JPMorgan Chase & Co.
Kellogg Co.
Kimberly-Clark Corp.
Kinder Morgan Inc.
Kraft Foods Group Inc.
Kroger Co.
Estee Lauder Cos. Inc.
Eli Lilly & Co.
Lockheed Martin Corp.
Loews Corp.
Lorillard Inc.
Lowe's Companies Inc.
LyondellBasell Industries N.V.
Macy's Inc.
Marathon Oil Corp.
Marathon Petroleum Corp.
Marsh & McLennan Cos.
MasterCard Inc.
McDonald's Corp.
McGraw Hill Financial
McKesson Corp.
Medtronic Inc.
Merck & Co.
MetLife Inc.
Micron Technology Inc.
Microsoft Corp.
Mondelez International Inc.
Monsanto Co.
Moody's Corp.
Morgan Stanley
Mosaic Co.
Motorola Solutions Inc.
Mylan Inc.
National Oilwell Varco Inc.
Netflix Inc.
Nextera Energy Inc.
Nike Inc.
Noble Energy Inc.
Norfolk Southern Corp.
Northrop Grumman Corp.
Occidental Petroleum Corp.
Omnicom Group
Oracle Corp.
PACCAR Inc.
Parker-Hannifin Corp.
PepsiCo Inc.
Pfizer Inc.
PG&E Corp.
Philip Morris International
Phillips 66 Co.
Pioneer Natural Resources Co.
PNC Financial Svcs Group Inc.
PPG Industries Inc.
PPL Corp.
Praxair Inc.
Precision Castparts Corp.
T. Rowe Price Group
Priceline Group Inc.
Procter & Gamble Co.
Prologis Inc.
Prudential Financial Inc.
Public Service Enterprise Group Inc.
Public Storage
QUALCOMM Inc.
Raytheon Co.
Regeneron Pharmaceuticals
Reynolds American Inc.
Rockwell Automation
Salesforce.com Inc.
Schlumberger Limited
Charles Schwab Corp.
Sempra Energy
Sherwin-Williams Co.
Simon Property Group Inc.
Southern Co.
Spectra Energy Corp.
St. Jude Medical Inc.
Starbucks Corp.
State Street Corp.
Stryker Corp.
SunTrust Banks Inc.
Sysco Corp.
Target Corp.
TE Connectivity Limited
Texas Instruments Inc.
Thermo Fisher Scientific Inc.
Time Warner Cable Inc.
Time Warner Inc.
TJX Companies Inc.
Travelers Cos. Inc.
Twenty-First Century Fox Inc.
Tyco International Limited
U.S. Bancorp
Union Pacific Corp.
United Parcel Service Inc.
United Technologies Corp.
UnitedHealth Group Inc.
Valero Energy Corp.
Ventas Inc.
Verizon Communications Inc.
Vertex Pharmaceuticals Inc.
VF Corp.
Viacom Inc.
Visa Inc.
Vornado Realty Trust
Walgreen Co.
Wal-Mart Stores Inc.
Waste Management Inc.
WellPoint Inc.
Wells Fargo & Co.
Western Digital Corp.
Weyerhaeuser Co.
Whole Foods Market Inc.
Williams Companies Inc.
Sandisk Corp.
Yahoo! Inc.
YUM! Brands Inc.

COMPANY PROFILE

Frederic W. Cook & Co., Inc. is an independent consulting firm specializing in executive and director compensation and related corporate governance matters. Formed in 1973, our firm has served more than 2,900 corporations, in a wide variety of industries from our offices in New York, Chicago, Los Angeles, San Francisco, Atlanta, Houston, Boston, and Tarrytown. Our primary focus is on performance-based compensation programs that help companies attract and retain business leaders, motivate and reward them for improved performance, and align their interests with shareholders. Our range of consulting services includes:

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- Compensation Committee Advisor
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