November 2019

2019 Top 250 Report

FW COOK

2019 TOP 250 REPORT

Table of Contents

EXECUTIVE SUMMARY

Many have observed a movement towards a "one size fits-all" executive compensation model among U.S. public companies since the introduction of Say-on-Pay voting in 2011, and the proliferation of prescribed voting-policy rules by proxy advisors and large investment funds that followed. It is now general practice to have "goal-driven" annual cash incentives combined with "balanced" long-term incentives that include varying portions of performance awards (usually shares but sometimes cash), restricted stock, and/or stock options.

Within this broad model, our research shows that large public companies continue to use long-term incentive grant types for competitive differentiation to support their business strategies. Performance awards are now granted more-or-less universally, comprising at least half the regular annual grant value to CEOs and other senior executives, while the remainder varies between restricted stock and stock options depending on the preference for low versus high performance risk and leverage in pay delivery, concern for retention versus reward, and other company strategy- and culture-related considerations.

Our 47th annual FW Cook Top 250 Report details the long-term incentive practices of the 250 largest companies in the Standard & Poor's ("S&P") 500. Overall, year-over-year changes reflect stability and continuation of trends that started with Say-on-Pay.

Prevalence of Long-Term Incentive Grant Types

Performance Awards **94%**

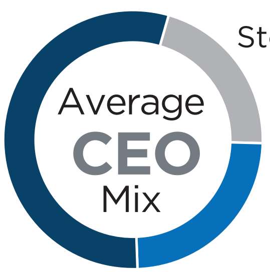
Restricted Stock **65%**

Stock Options **53%**

94% of Top 250 companies use performance awards, 65% use restricted shares, and stock option/SAR usage continues to decline

Long-Term Incentive Mix

Performance Awards
58%



Stock Options/SARs
19%

Restricted Stock
23%

58% of CEO long-term incentives delivered in Performance Awards (compared to 55% in 2018)

Long-Term Incentive Metrics

65% of companies with performance plans use TSR as a performance metric; 77% use relative TSR in combination with another metric. 54% of companies with performance plans use a profit metric and 40% use a capital efficiency metric

INTRODUCTION

Overview and Background

This report is FW Cook's 47th annual report on long-term incentives granted to executives at the 250 largest U.S. companies in the S&P 500 Index. It is intended to inform boards of directors and compensation professionals in designing and implementing effective long-term incentive programs that promote long-term success for their companies in supporting strategic objectives and aligning pay delivery with performance.

Survey Scope

The report covers the following topics:

- Executive long-term incentive grant types, usage by industry, and number of grant types employed.
- Grant type design features, including vesting schedules, and stock option term.
- Key performance plan characteristics, including performance periods, payout maximums, performance metrics, and measurement approaches.
- CEO long-term incentive grant value mix.

Top 250 Selection

The Top 250 companies, limited to those granting long-term incentives, are selected annually based on market capitalization (share price multiplied by total common shares outstanding as of March 31, 2019). Refer to the *Appendix* for a list of companies included.

Volatility in the equity markets, corporate transactions, and the ebb and flow of corporate fortunes result in changes in market capitalization and, therefore, turnover in the survey sample. As such, 26 companies (approximately 10%) are new to this year's report. Thus, trend data are influenced not only by actual changes in grant practices among continuing participants, but also by changes in the sample.

INTRODUCTION

The following table profiles the industry sectors represented in the Top 250 for 2019, defined by S&P Dow Jones and Morgan Stanley Capital International (MSCI)'s Global Industrial Classification System (GICS).

Industry Sector[1] ($Bil) (# of companies)	**Percent of 2019 Top 250**	**Median Market Data**				
		(FYE) Net Sales	**(6/30/2019) Market Cap.**	**Beta**[2] **5-Yr. Average**	**TSR**[3] **1-Year**	**TSR**[3] **5-Yr. CAGR**[4]
Information Technology (38)	15%	$12.50	$41.89	1.16	21%	23%
Industrials (35)	14%	$22.83	$42.78	1.18	14%	18%
Health Care (34)	14%	$22.34	$62.88	0.90	15%	11%
Financials (33)	13%	$16.40	$46.34	1.14	9%	7%
Consumer Discretionary (24)	10%	$19.95	$35.53	0.99	17%	17%
Consumer Staples (24)	10%	$22.78	$41.71	0.63	10%	15%
Utilities (16)	6%	$12.50	$29.46	0.26	11%	23%
Energy (15)	6%	$24.00	$37.03	1.17	-4%	-18%
Real Estate (14)	6%	$2.95	$28.19	0.47	13%	24%
Communication Services (10)	4%	$49.74	$176.25	0.97	12%	11%
Materials (7)	3%	$14.67	$42.08	0.88	15%	14%
Total Top 250 - Median	**—**	**$15.50**	**$42.51**	**1.03**	**13%**	**14%**

Source: S&P Capital IQ (net sales represents 10-k results; all other data measured as of June 30, 2019)
(1) Reflect GICS structure revised Sept. 2018; the following GICS changes may limit year-over-year comparability:
(i) Discontinued the Internet Software / Services Industry and Sub-Industry
(ii) Created a new Sub-Industry under the IT Services Industry called Internet Services / Infrastructure
(iii) Renamed the Telecommunication Services Sector the Communication Services Sector
(iv) Moved Media companies from Consumer Discretionary to Communication Services
(v) Moved Internet Service companies from Information Technology to Communication Services
(vi) Moved E-commerce companies from Information Technology to Consumer Discretionary
(vii) Moved the Media Industry Group from Consumer Discretionary to Communication Services Sector and renamed Media / Entertainment
(2) Beta is a measure of the volatility of a security in comparison to the market as a whole; a higher beta means more volatility
(3) TSR = Total Shareholder Return, a measure of stock price and dividend performance
(4) CAGR = Compounded Annual Growth Rate

INTRODUCTION

Source of Data

All information was obtained from public documents filed with the Securities and Exchange Commission (SEC), including proxy statements, 10-K 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. A grant type is considered used at a company if grants were 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 awarded in the future.

Definition of Long-Term Incentive

To be considered a long-term incentive for purposes of this report a grant must reward performance and/or continued service for a period of one year or more 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 regular grant practice. For example, a grant made as a hiring incentive, replacement of compensation forfeited from prior employer or promotional award is not considered in this report.
- A grant with limited scope but without limited frequency (annual grants of performance shares made only to the CEO) may be considered a long-term incentive, and vice versa (one-time grants made to all executives).

.

Additional References

References to shareholder views were developed from a review of proxy-voting guidelines published by large institutional investors.

References to proxy advisor views were developed from company-specific Say-on-Pay voting recommendations during the 2019 proxy season, direct conversations with Institutional Shareholder Services (ISS) and Glass Lewis, and/or a review of their proxy-voting guidelines.

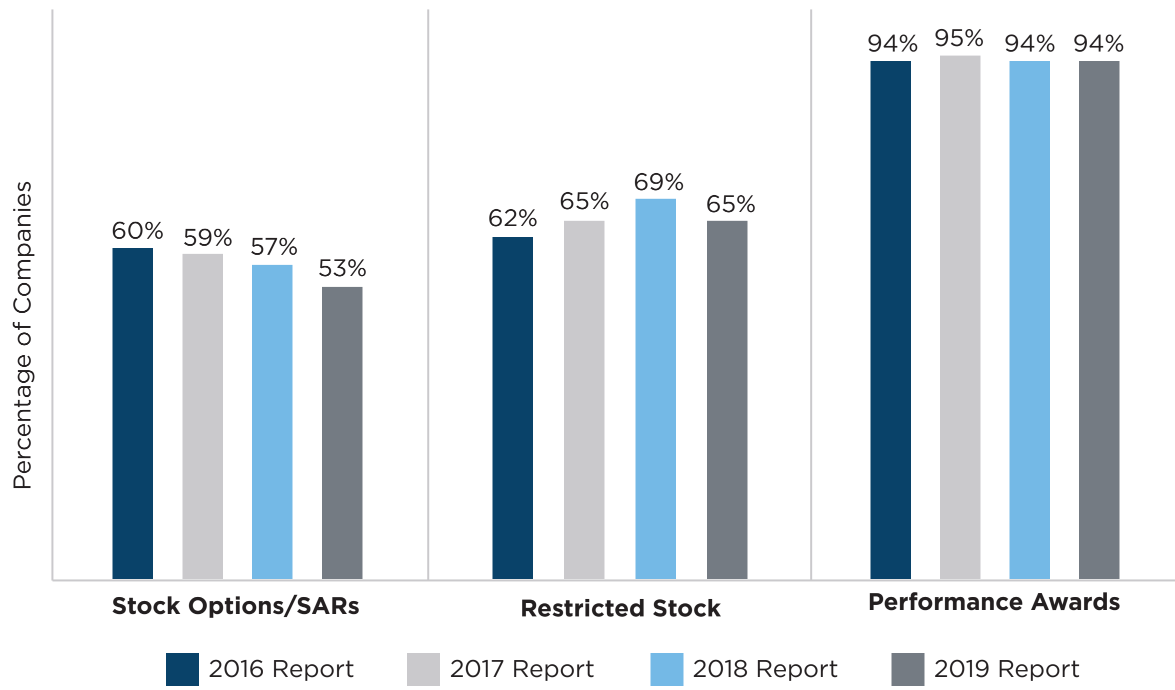
General Note

Percentages presented in the charts may not always add up to 100% due to rounding.

EXECUTIVE LONG-TERM INCENTIVE GRANT TYPES AND USAGE

Summary of Grant Types in Use

Executive Long-Term Incentive Grant Type Usage



Stock Options/Stock Appreciation Rights (SARs) are derivative securities, where stock price must appreciate for them to deliver value. Stock options are rights to purchase company stock at a specified exercise price over a stated term; SARs are rights to receive the increase between the grant price and the market price of a share of stock at exercise.

Once considered the most shareholder-friendly vehicle due to inherent alignment with stock price returns, stock options/SARs continue to decrease in prevalence. As compensation risk has become a focal point for regulators and financial institutions, stock options/SARs have been viewed less favorably due to their asymmetric risk profile (i.e., upside gain, with only opportunity cost at risk if the share price does not increase). Other factors influencing the decline of stock option/SAR use likely include potential accounting inefficiencies and views of the proxy advisory firms and certain institutional investors that time-vesting stock options are not performance-based because "all boats rise with the tide."

Restricted Stock includes actual shares or share units that are earned for continued employment. Since 2013, restricted stock prevalence has hovered in the low-to-mid 60% range, with prevalence trending upward between 2015 and 2018. While 2019 restricted stock prevalence decreased 4%, FW Cook partially attributes the decrease to a change in sample rather than the beginning of a trend towards decreased use of restricted stock.

Performance Awards consist of stock-denominated 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 of more than one year. Since 2010, performance awards have been the most widely granted award type with prevalence of 94% in 2019 and 2018. The proliferation of this award type is partially attributable to the implementation of Say-on-Pay and companies' desire to directly align pay and performance.

Of the companies granting performance awards, 89% denominate the awards in stock, 4% in cash, and the remaining 7% use a combination of both.

EXECUTIVE LONG-TERM INCENTIVE GRANT TYPES AND USAGE

Grant Type Usage by Industry

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

- Performance award prevalence is nearly universal regardless of industry classification, with at least 80% of companies in each sector granting some type of performance-based award vehicle.
- Industry-specific option usage varies yearly, but stock options/SARs prevalence is generally higher within the Health Care, Industrials and Materials sectors.
- Conversely, the Real Estate, Utilities and Energy sectors perennially rank among the lowest in usage of stock options/SARs and among the highest as restricted stock granters. This "awards bias" is due to industry-specific fact patterns (e.g., high dividends within the Real Estate sector).

Industry Sector (# of companies)		**Grant Type by Industry**	
	Stock Options/SARs	**Restricted Stock**	**Performance Awards**
Information Technology (38)	50%	79%	87%
Industrials (35)	71%	60%	97%
Health Care (34)	76%	56%	94%
Financials (33)	36%	67%	100%
Consumer Discretionary (24)	54%	63%	92%
Consumer Staples (24)	75%	58%	92%
Utilities (16)	19%	75%	100%
Energy (15)	40%	93%	93%
Real Estate (14)	14%	64%	93%
Communication Services (10)	40%	50%	80%
Materials (7)	71%	29%	86%
Total Top 250	**53%**	**65%**	**94%**

EXECUTIVE LONG-TERM INCENTIVE GRANT TYPES AND USAGE

Number of Long-Term Incentive Grant Types in Use

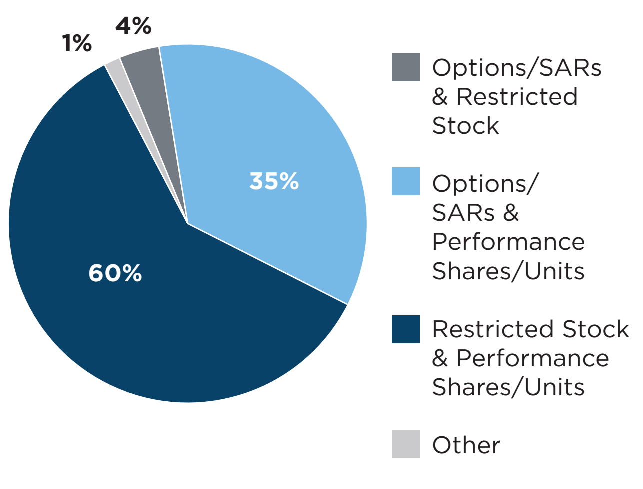
Most companies (86%) employ a “portfolio approach” that combines multiple grant types to balance the objectives of rewarding stock price appreciation, promoting longer-term financial and/or strategic performance and retaining executives.

In 2019, the portion of Top 250 companies using one grant type increased from 10% to 14%. Approximately one in seven companies now grants only a single equity vehicle. Among companies employing a single equity type, 66% use performance-based awards, 20% use stock options/SARs and 14% use restricted stock.

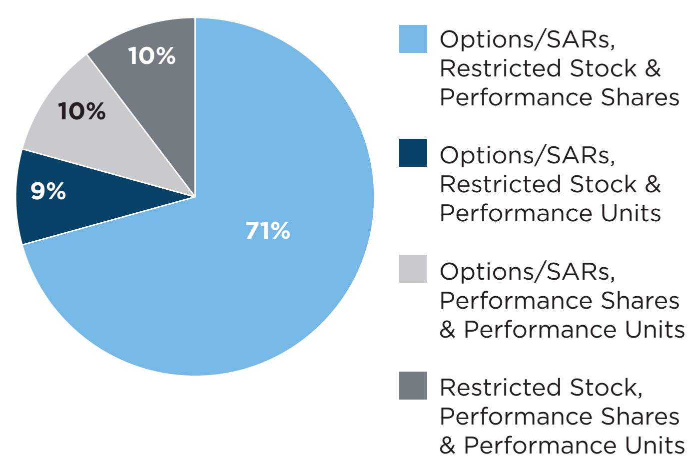
	Percent of Companies Using			
Number of Grant Types	**2016 Report**	**2017 Report**	**2018 Report**	**2019 Report**
1 Type	12%	12%	10%	14%
2 Types	55%	51%	54%	54%
3 Types	32%	36%	35%	31%
4 Types	1%	1%	1%	1%

Among companies using two grant types, the most common approach is to grant a mix of time-vesting and performance-vesting awards (95% prevalence). Companies favor complementing performance-based awards with time-based restricted stock over stock options/SARs as restricted stock has a potentially stronger retentive value. Among companies using three grant types, most (80%) use a mix of stock options/SARs, restricted stock, and one type of performance award. The remainder grant both performance shares and performance units, along with either stock options/SARs or restricted stock (split evenly at 10% prevalence).

Vehicle Mix Among Companies Using 2 Vehicles



Vehicle Mix Among Companies Using 3 Vehicles



EXECUTIVE LONG-TERM INCENTIVE GRANT TYPES AND USAGE

At least 70% of companies in every industry sector use either two or more grant types.

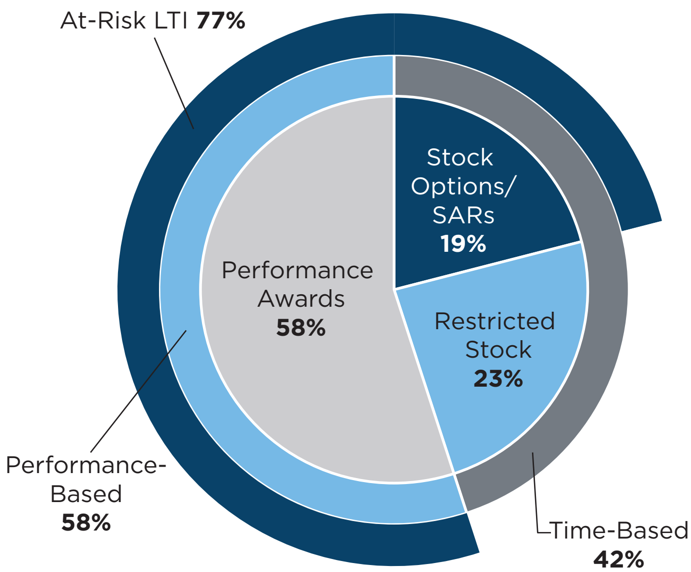
Industry Sector (# of companies)	Grant Types by Sector			
	1 Type	2 Types	3 Types	4 Types
Information Technology (38)	13%	58%	29%	0%
Industrials (35)	11%	37%	49%	3%
Health Care (34)	12%	44%	44%	0%
Financials (33)	12%	67%	21%	0%
Consumer Discretionary (24)	17%	50%	33%	0%
Consumer Staples (24)	4%	54%	38%	4%
Utilities (16)	19%	69%	13%	0%
Energy (15)	13%	47%	40%	0%
Real Estate (14)	29%	71%	0%	0%
Communication Services (10)	30%	70%	0%	0%
Materials (7)	14%	71%	14%	0%

EXECUTIVE LONG-TERM INCENTIVE GRANT TYPES AND USAGE

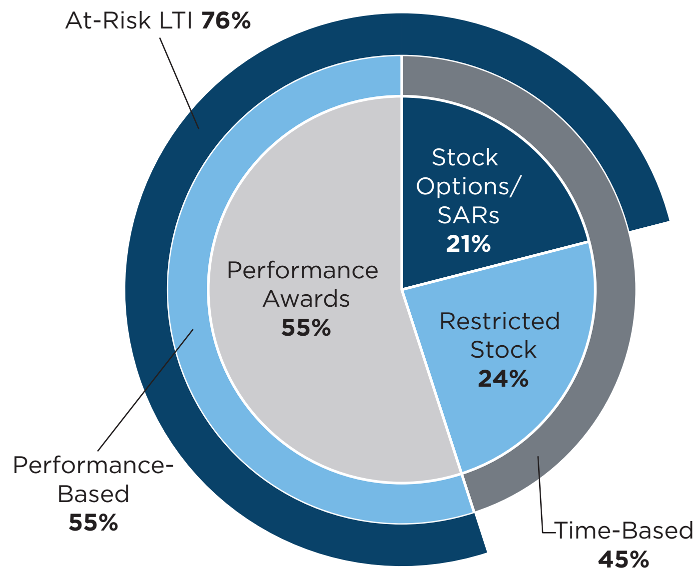
Long-Term Incentive Mix

LTI mix continues to creep towards performance-based awards. On average, performance awards account for 58% of a Top 250 CEO's total long-term incentive value, an increase of 3% from 2018. Restricted stock represents 23% of the mix and stock options/SARs make up the remaining 19%. The influence of proxy advisors and some shareholders who do not view stock options as "performance-based" is evidenced by the continued decline of stock options' weighting in CEOs' total equity.

Average Top 250 CEO (2019 Report)



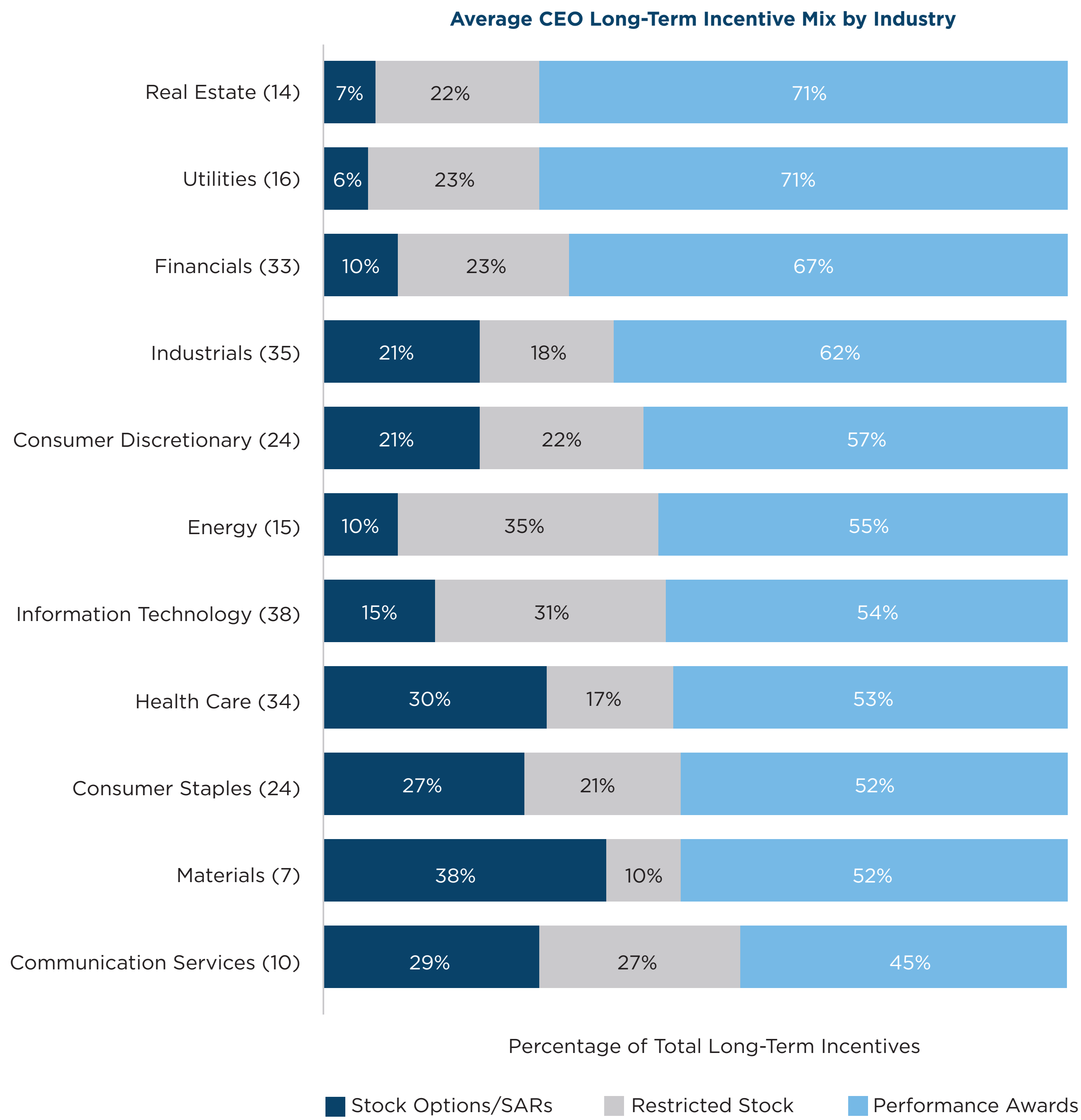
Average Top 250 CEO (2018 Report)



ISS does not endorse a specific grant mix but indicates a general preference for performance awards. While not a formal policy, ISS is critical of CEO long-term incentive mix not weighted at least 50% in performance awards, as well as a reduction in the weighting of performance awards. CEO performance-based LTI is also a factor evaluated in ISS' Equity Plan Scorecard model, where a low weighting generally results in a lower maximum authorizable share reserve.

EXECUTIVE LONG-TERM INCENTIVE GRANT TYPES AND USAGE

The table below illustrates the average CEO long-term incentive mix by industry sector with the industry sectors sorted by prevalence of performance awards.



FW COOK

OTHER LONG-TERM INCENTIVE PRACTICES

Stock Option/SAR Full Term and Expected Term

The full term of a stock option/SAR is the period between the grant date and the regular expiration, when not impacted by employment termination, M&A, etc. Typically measured in years, the most common term is ten years, though 14% of companies report a shorter term. This practice is consistent across all industry sectors.

Option/SAR Full Term	Percent of Companies Using		
	2017 Report	2018 Report	2019 Report
10 years	87%	87%	86%
9 years	0%	0%	0%
8 years	2%	2%	1%
7 years	9%	10%	11%
6 years	2%	1%	1%
5 years	0%	0%	1%

The Financial Accounting Standards Board (FASB) requires companies to account for employee stock options based on their expected term, as opposed to the full term, under Accounting Standards Codification (ASC) 718. The expected term of a stock option grant is the duration an option is expected to be outstanding before it is exercised.

The expected exercise term for companies granting stock options/SARs ranges anywhere from 3 to 7 years.

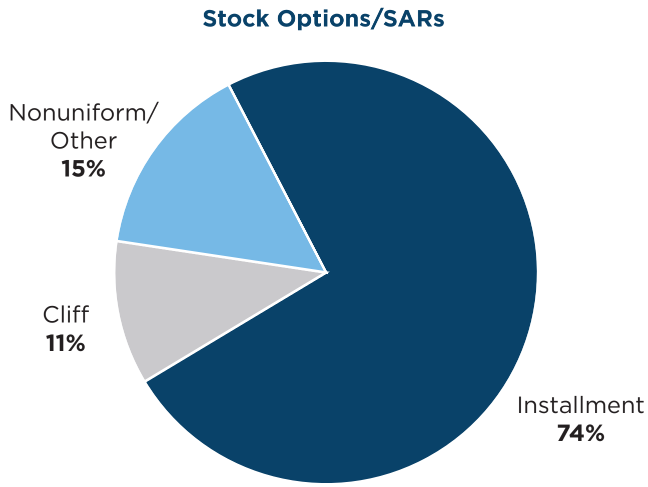
Expected Term	# of Companies	Percent of Companies Using 2019 Report
Greater Than 8 Years	3	2%
7 – 8 Years	13	10%
6 – 7 Years	33	25%
5 – 6 Years	45	34%
3 – 5 Years	35	26%
Not Disclosed	4	3%

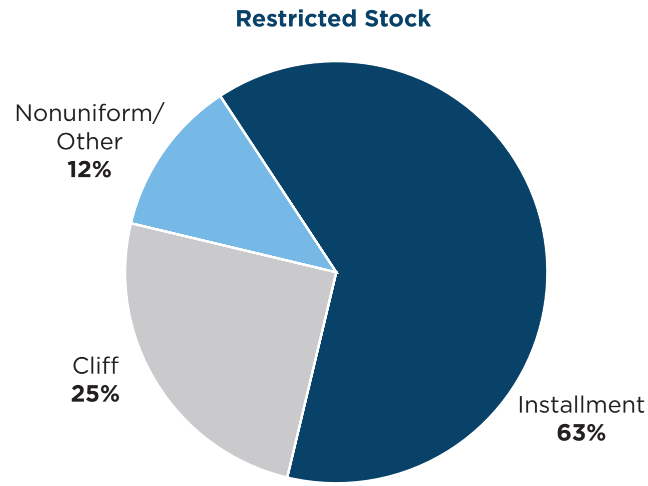
Most stock option awards have an expected term equal to approximately 55% to 65% of the contractual term.

OTHER LONG-TERM INCENTIVE PRACTICES

Vesting Schedules

Type of Vesting Fundamentally, there are two approaches to vesting long-term incentives: “installment” (ratable vesting over a given period), or “cliff” (full vesting at the end of the period). Most Top 250 companies use the installment approach for both stock options/SARs (74%) and restricted stock (63%). Restricted stock has been gravitating towards installment vesting and away from cliff vesting. This is likely attributable to the increasing prevalence and weight of performance awards that generally cliff vest, and to the replacement of stock options (which typically vest in installments) with restricted stock.



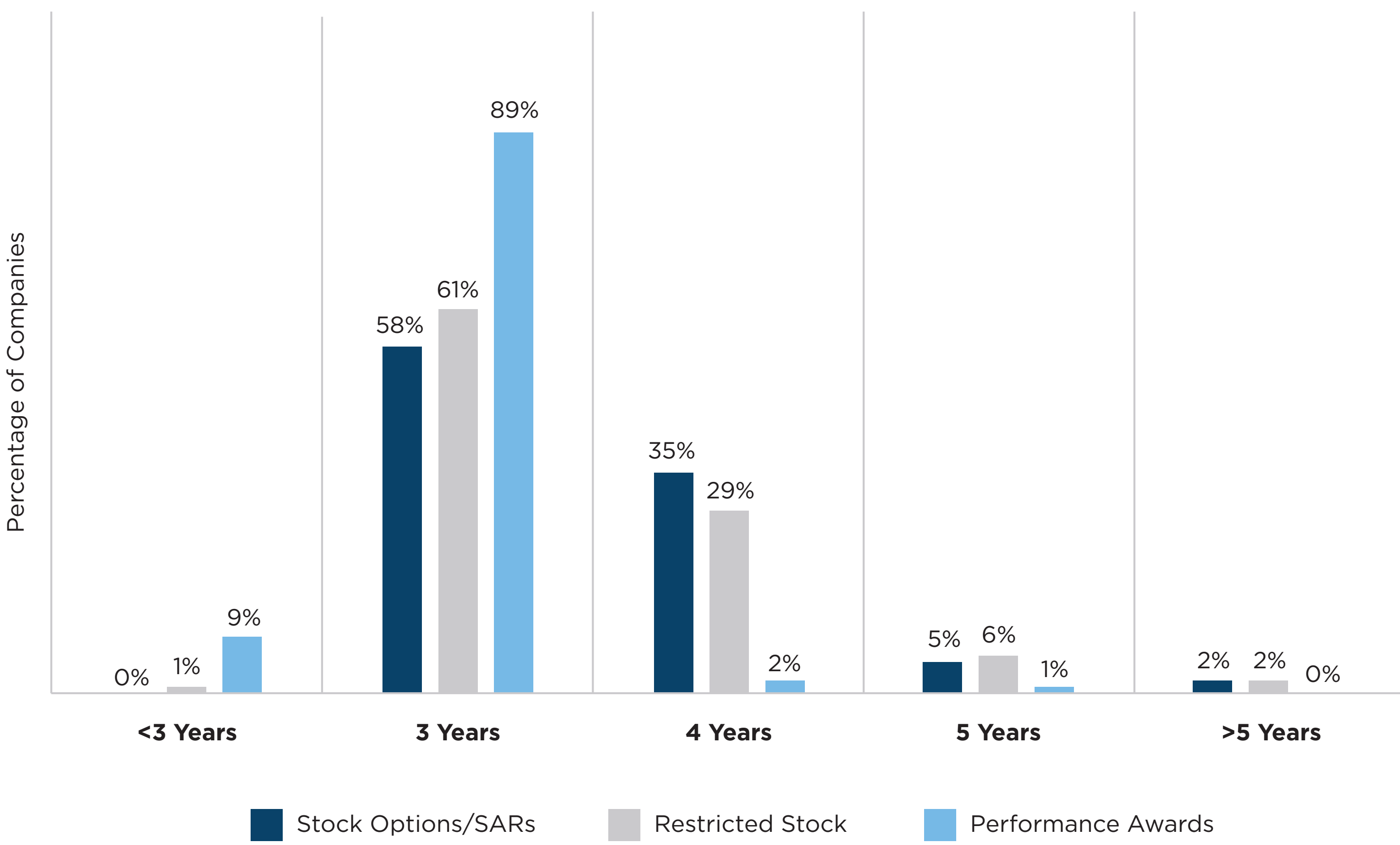


OTHER LONG-TERM INCENTIVE PRACTICES

Vesting Period The most common vesting period for all long-term incentive award types is three years. Vesting periods shorter than three years are rare in regular grants, as are periods longer than five years. Time-based awards with short vesting periods provide less "retention glue," which is the intent behind such awards.

ISS does not prescribe a minimum vesting period, but it is a consideration in the ISS QualityScore governance model and Equity Plan Scorecard. Similarly, Glass Lewis does not indicate a preferred minimum vesting period, although its policies suggest that equity grants should be subject to minimum vesting and/or holding periods sufficient to ensure sustainable performance and promote retention.

Vesting Period of Award Types



OTHER LONG-TERM INCENTIVE PRACTICES

Performance Metrics

TSR and profit-based measures continue to be the most common categories of long-term performance metrics used by 65% and 54% of companies, respectively. Since demonstrating alignment between pay and performance is a common predictor for securing Say-on-Pay support, companies continue to evaluate how to measure performance and set goals (absolute goals measured against internal targets versus relative goals measured against external benchmarks).

TSR, specifically relative TSR, emerged as the metric of choice under Say-on-Pay and has remained the most prevalent metric since our 2013 study. For shareholders, there is an elegance to TSR in that it demonstrates the return relative to alternative investments. It is also the predominant definition of corporate performance used by ISS, as well as the sole performance metric required by the SEC under its proposed rules for pay and performance disclosure under Dodd-Frank. As such, some companies view relative TSR as a way to satisfy shareholder, proxy advisor and SEC preferences. Further, relative TSR can serve as a manageable solution to challenges with setting multi-year financial/operating goals, particularly in uncertain economic environments.

Critics of TSR as an incentive measure believe 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 poor performers that rebound during the measurement period. Perhaps due to the potential drawbacks of using TSR, 77% of the Top 250 companies using TSR do so in combination with one or more additional metrics (flat from 78% in 2018).

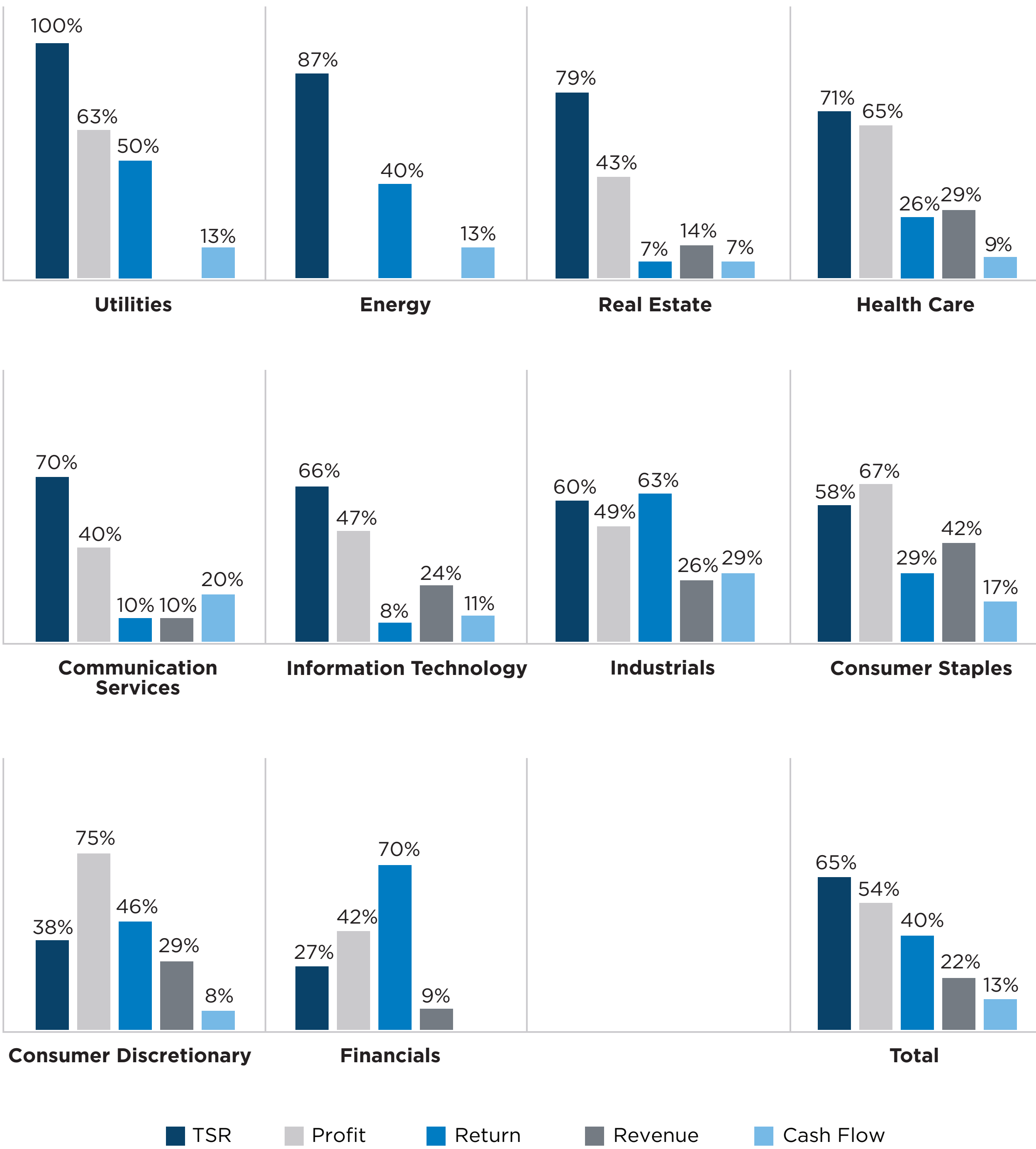
Performance Measure Categories

		Percent of Companies with Performance Awards Using			Performance Measurement Approach 2019 Report		
Category	**Performance Measures**	**2017**	**2018**	**2019**	**Absolute**	**Relative**	**Both**
Total Shareholder Return	Stock Price Appreciation Plus Dividends	60%	62%	**65%**	2%	91%	7%
Profit	EPS, Net Income EBIT, EBITDA Operating/Pretax Profit	49%	52%	**54%**	89%	10%	1%
Capital Efficiency	Return on Equity Return on Assets Return on Capital	42%	43%	**40%**	77%	14%	10%
Revenue	Revenue Organic Revenue	19%	20%	**22%**	88%	12%	0%
Cash Flow	Cash Flow Operating Cash Flow Free Cash Flow	14%	16%	**13%**	100%	0%	0%
Other	Safety, Quality Assurance New Business Individual Performance	16%	15%	**14%**	N/A	N/A	N/A

OTHER LONG-TERM INCENTIVE PRACTICES

Long-term incentive plans used in the Utilities, Real Estate, Health Care, Communication Services and Information Technology sectors tend to favor TSR followed by profit measures. Conversely, TSR is relatively uncommon among the Financials sector companies. Instead, the Financials sector relies more heavily on capital efficiency measures (70%), as successful performance in that sector is often viewed as a product of deploying capital efficiently to generate returns.

Performance Metric Prevalence by Industry Sector



Note: Excludes detail from the Materials sector (sample is fewer than 10 companies)

OTHER LONG-TERM INCENTIVE PRACTICES

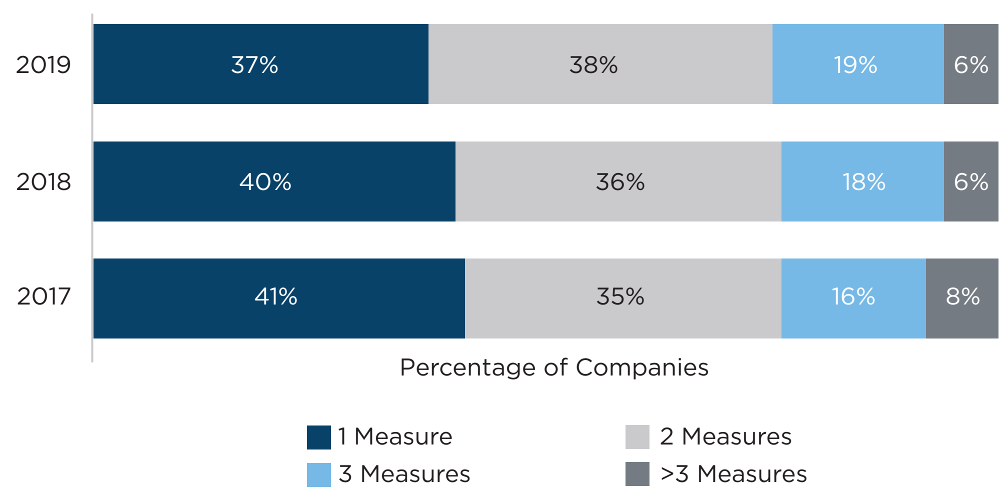
Measurement Approach There are two basic approaches for measuring performance achievement: the first measures performance relative to pre-established internal (absolute) goals, while the second measures performance against external benchmark (relative). The relative approach is not readily applicable to most performance metrics, as companies often use a variety of different non-GAAP definitions and measures. TSR is the only performance metric category where more than 14% of companies in the Top 250 use the relative approach. Of the companies using relative TSR, 55% measure performance against an index, 26% relative to their compensation peer group, and 16% relative to a custom ("performance") peer group. Market-based metrics, such as TSR, tend to be easier to compare across external benchmarks due to readily available information and consistent definitions. Relative TSR is a versatile metric that can be employed effectively as either a standalone measure or as a modifier of performance results. Modifiers (both additive and multiplicative) account for 25% of the relative TSR measures reflected throughout the Top 250; the other 75% use relative TSR as a weighted metric to determine earnout.

The selection of the external comparison group used to benchmark relative TSR (i.e., compensation, custom, broad industry or index) is a key consideration in developing relative performance goals. Proxy advisors, as well as some investment funds, question the appropriateness of comparisons against broad market indices when a company has several industry competitors with similar operating characteristics, but there is an increasing realization that small peer groups magnify the volatility of relative TSR measures.

Proxy advisors advocate for the use of measuring performance on a relative basis. In fact, relative measurement of pay and TSR performance has been the cornerstone of ISS' CEO Pay-for-Performance Test, and Glass Lewis routinely criticizes the sole use of absolute performance metrics as they may reflect economic factors or industry-wide trends beyond the control of executives. ISS and Glass Lewis both view the use of a relative metric as "best practice" in LTI design but they are agnostic to whether the relative metric is TSR or a financial metric.

Number of Measures The majority of Top 250 companies use two or more performance measures (63%), 37% of companies use a single measure, which for the first time in our study, no longer represents the most-prevalent practice.

Number of Performance Measures



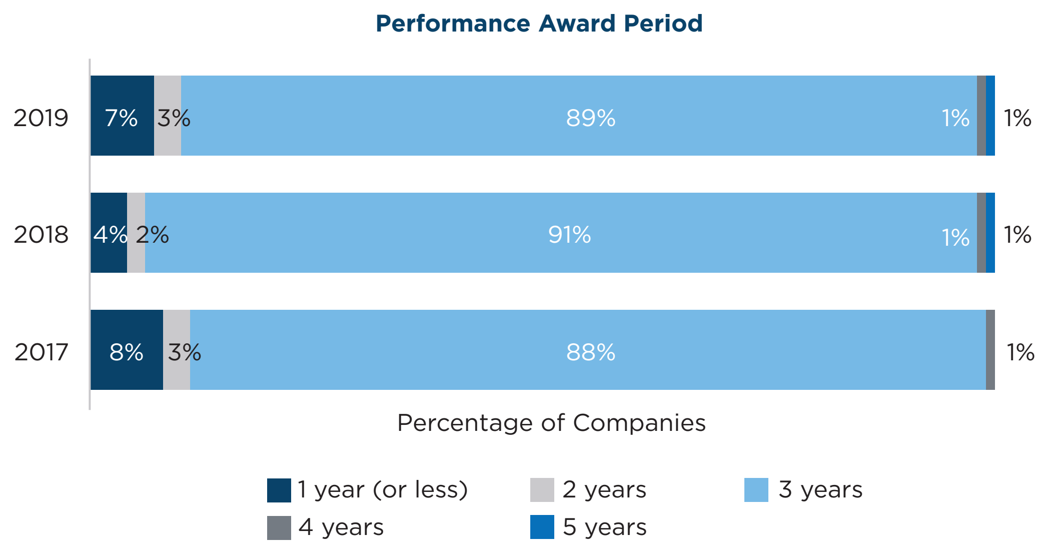
Glass Lewis discourages the use of a single performance measure, even if that metric is relative TSR. Glass Lewis argues that the use of multiple metrics provides a more complete picture of company performance and that a single metric may cause management to focus too much on a narrow range of performance. 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.

OTHER LONG-TERM INCENTIVE PRACTICES

Performance Measurement Period

Three-year financial goals are set to measure performance in 89% of performance award plans. In contrast, 7% of companies set financial goals annually and average three years of results to avoid the complexity and imprecision of multi-year goal setting; it is important to note that proxy advisors criticize this approach for failing to promote sustained long-term performance as it operates more like an annual incentive plan.

A three-year performance period balances the inherent challenge in setting long-term performance goals with best practice and external expectations of using multi-year performance periods. Many companies argue that it is challenging to set realistic long-term performance goals due to market volatility and uncertainty. 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 based on company guidance regarding long-term performance expectations.



OTHER LONG-TERM INCENTIVE PRACTICES

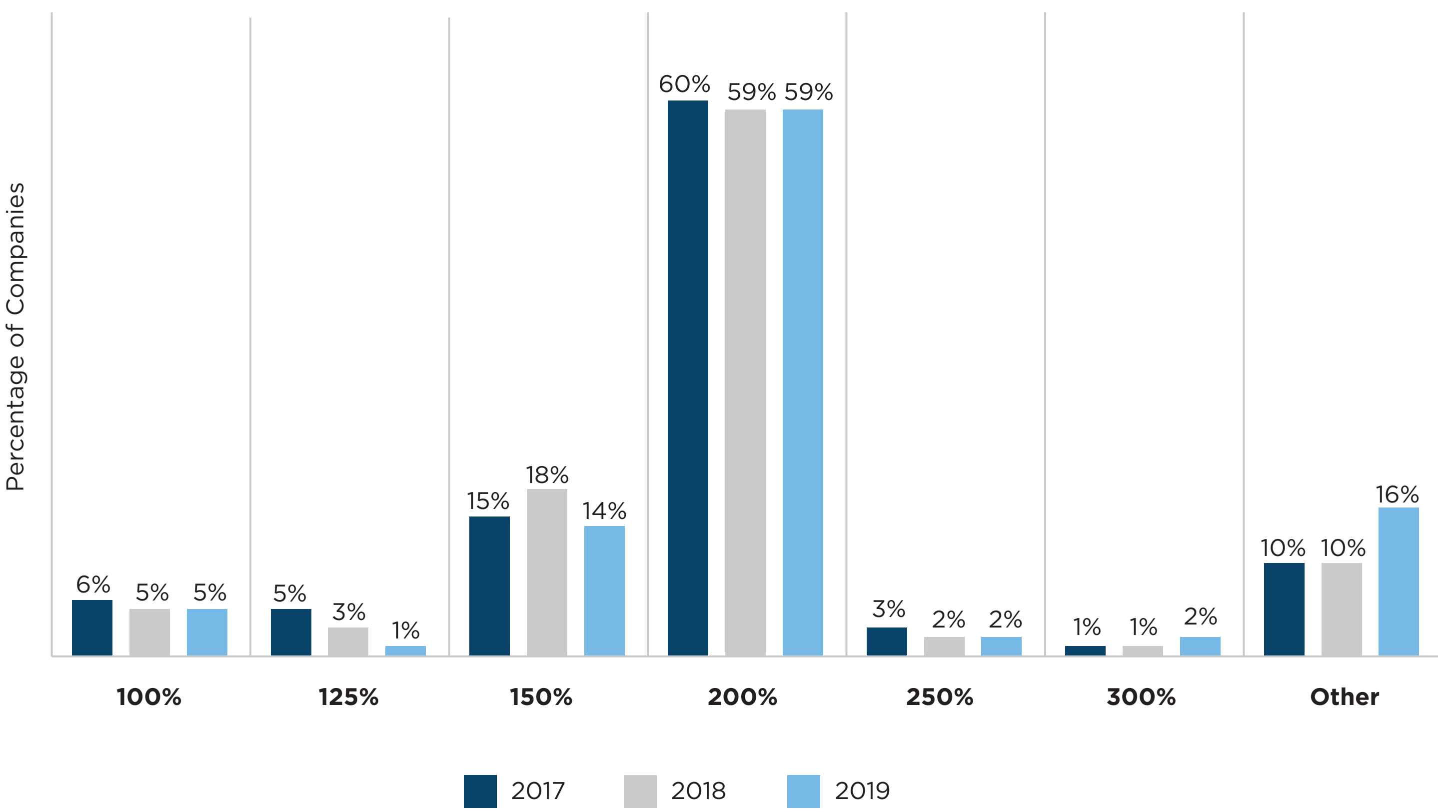
Performance Award Maximum Payout Opportunity

The most prevalent maximum payout opportunity for performance awards is 200% of target, used by 59% of the Top 250 companies. The second most prevalent maximum payout leverage is 150% of target, which is employed by 14% of the companies granting performance awards.

Our research reveals that the distribution of performance leverage varies by industry sector, where we observed:

- A maximum payout opportunity of 200% of target is the most common among all the industry sectors, except the Financials sector where 150% prevails.
- Fifty-four percent of Financials sector companies reported a maximum payout opportunity of 150% or lower, two reported maximum opportunities of 165% and 175%, and the remaining 30% reported a maximum of 200% or higher (only one company "higher"). The high prevalence of a lower maximum reflects practices among large banks and is used to mitigate compensation risk, as prescribed by the Federal Reserve and other regulatory bodies.
- The Energy sector represents the opposite end of the spectrum. Seventy-nine percent of companies reported a 200% maximum opportunity, while the remaining 21% reported maximum opportunities of either 250% or 300%.

Performance Award Maximum (% of Target)



APPENDIX – COMPANIES IN THE 2019 TOP 250

Communication Services (10 Companies)

AT&T Inc.
Charter Communications, Inc.
Comcast Corp.
Electronic Arts Inc.
Facebook, Inc.
Fox, Corp.
Netflix, Inc.
The Walt Disney Company
Twitter, Inc.*
Verizon Communications Inc.

Consumer Discretionary (24 Companies)

AutoZone, Inc.*
Best Buy Co., Inc.
Booking Holdings Inc.
Carnival Corp.
Chipotle Mexican Grill, Inc.*
Dollar General Corp.
Dollar Tree, Inc.
eBay Inc.
Ford Motor Co.
General Motors Co.
Hilton Worldwide Holdings Inc.
Lowe's Companies Inc.
Marriott International Inc.
McDonald's Corp.
NIKE, Inc.
O'Reilly Automotive Inc.
Ross Stores Inc.
Royal Caribbean Cruises Ltd.
Starbucks Corp.
Target Corp.
The Home Depot Inc.
The TJX Companies Inc.
Ulta Beauty*
V.F. Corp.

Consumer Staples (24 Companies)

Altria Group Inc.
Archer-Daniels-Midland Co.
Brown-Forman Corp.
Colgate-Palmolive Co.
Constellation Brands Inc.
Costco Wholesale Corp.
General Mills Inc.
Hormel Foods Corp.
Kellogg Co.
Kimberly-Clark Corp.
Mondelez International Inc.
Monster Beverage Corp.
Pepsico Inc.
Philip Morris International Inc.
Sysco Corp.
The Clorox Co.*
The Coca-Cola Co.
The Estée Lauder Companies Inc.
The Hershey Co.
The Kroger Co.
The Procter & Gamble Co.
Tyson Foods Inc.
Walgreens Boots Alliance Inc.
Wal-Mart Stores Inc.

Energy (15 Companies)

Anadarko Petroleum Corp.
Chevron Corp.
Concho Resources Inc.
ConocoPhillips
EOG Resources Inc.
Exxon Mobil Corp.
Halliburton Co.
Marathon Petroleum Corp.
Occidental Petroleum Corp.
ONEOK, Inc.
Phillips 66
Pioneer Natural Resources Co.
Schlumberger Ltd.
The Williams Companies Inc.
Valero Energy Corp.

*(*Denotes new company in 2019 Top 250)*

APPENDIX – COMPANIES IN THE 2019 TOP 250

Financials (33 Companies)

Aflac Incorporated
American Express Company
American International Group, Inc.
Bank of America Corporation
BB&T Corporation
BlackRock, Inc.
Capital One Financial Corporation
Citigroup Inc.
CME Group Inc.
Discover Financial Services
Fifth Third Bancorp
Intercontinental Exchange, Inc.
JPMorgan Chase & Co.
M&T Bank Corp
Marsh & McLennan Co.
MetLife, Inc.
Moody's Corporation
Morgan Stanley
Northern Trust Corporation
Prudential Financial, Inc.
S&P Global Inc.
State Street Corporation
SunTrust Banks, Inc.
Synchrony Financial
T. Rowe Price Group, Inc.
The Allstate Corporation
The Bank of New York Mellon Corp.
The Charles Schwab Corporation
The Goldman Sachs Group, Inc.
The PNC Financial Services Group
The Progressive Corporation
The Travelers Companies, Inc.
U.S. Bancorp

Healthcare (34 Companies)

Abbott Laboratories
AbbVie Inc.
Agilent Technologies, Inc.
Alexion Pharmaceuticals Inc.
Align Technology, Inc.
Amgen Inc.
Anthem Inc.
Baxter International Inc.
Becton, Dickinson and Co.
Biogen Inc.
Boston Scientific Corp.
Bristol-Myers Squibb Co.
Celgene Corp.
Centene Corp*
Cigna Corp.
CVS Health Corp.
Danaher Corp.
Edwards Lifesciences Corp.
Eli Lilly and Co.
Gilead Sciences Inc.
HCA Holdings Inc.
Humana Inc
Illumina Inc.
Intuitive Surgical Inc.
IQVIA Holdings Inc.
Johnson & Johnson
McKesson Corp.
Merck & Co. Inc.
Pfizer Inc.
Regeneron Pharmaceuticals Inc.
Stryker Corp.
Thermo Fisher Scientific Inc.
UnitedHealth Group Inc.
Vertex Pharmaceuticals Inc.

Industrials (35 Companies)

3M Company
AMETEK, Inc.*
Caterpillar Inc.
Cintas Corporation*
CSX Corporation
Cummins Inc.
Deere & Company
Delta Air Lines, Inc.
Emerson Electric Co.
FedEx Corporation
Fortive Corporation
General Dynamics Corporation
General Electric Company
Harris Corporation*
Honeywell International Inc.
Illinois Tool Works Inc.
Lockheed Martin Corporation
Norfolk Southern Corporation
Northrop Grumman Corporation
PACCAR Inc
Parker-Hannifin Corporation
Raytheon Company
Republic Services, Inc.
Rockwell Automation, Inc.
Roper Technologies, Inc.
Southwest Airlines Co.
Stanley Black & Decker, Inc.
The Boeing Company
TransDigm Group Incorporated*
Union Pacific Corporation
United Airlines Holdings, Inc.*
United Parcel Service, Inc.
United Technologies Corporation
Verisk Analytics, Inc.*
Waste Management, Inc.

*(*Denotes new company in 2019 Top 250)*

APPENDIX – COMPANIES IN THE 2019 TOP 250

Information Technology (38 Companies)

Adobe Inc.
Advanced Micro Devices, Inc.*
Amphenol Corporation
Analog Devices, Inc.
Apple Inc.
Applied Materials, Inc.
Arista Networks, Inc.*
Autodesk, Inc.
Automatic Data Processing, Inc.
Broadcom Inc.*
Cisco Systems, Inc.
Cognizant Technology Solutions Corp
Corning Incorporated
Fidelity National Information Services
Fiserv, Inc.
FleetCor Technologies, Inc.*
Global Payments Inc.*
Hewlett Packard Enterprise Company
HP Inc.
Intel Corporation
IBM Corp
Intuit Inc.
Lam Research Corporation
Mastercard Incorporated
Microchip Technology Incorporated
Micron Technology, Inc.
Microsoft Corporation
Motorola Solutions, Inc.*
NVIDIA Corporation
Oracle Corporation
Paychex, Inc.
PayPal Holdings, Inc.
QUALCOMM Incorporated
RedHat
salesforce.com, inc.
Texas Instruments Incorporated
VeriSign, Inc.*
Visa Inc.

Materials (7 Companies)

Air Products and Chemicals, Inc.
Ball Corporation*
DowDuPont Inc.
Ecolab Inc.
Newmont Goldcorp Corporation
PPG Industries, Inc.
The Sherwin-Williams Company

Real Estate (14 Companies)

American Tower Corporation (REIT)
AvalonBay Communities, Inc. Corporation
Boston Properties, Inc.*
Crown Castle Corp.
Digital Realty Trust, Inc.
Equinix, Inc. (REIT)
Equity Residential
Essex Property Trust, Inc.*
Prologis, Inc.
Public Storage
Realty Income Corporation*
SBA Communications
Simon Property Group, Inc.
Ventas, Inc.*

Utilities (16 Companies)

American Electric Power Co. Inc.
American Water Works Co. Inc.*
Consolidated Edison, Inc.
Dominion Energy, Inc.
DTE Energy Company
Duke Energy Corporation
Edison International
Eversource Energy
Exelon Corporation
FirstEnergy Corp.*
NextEra Energy, Inc.
PPL Corporation
Public Service Enterprise Inc.
Sempra Energy
The Southern Company
WEC Energy Group, Inc.

*(*Denotes new company in 2019 Top 250)*

COMPANY PROFILE

FW Cook 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 3,000 companies of divergent size and business focus from our offices in New York, Chicago, Los Angeles, San Francisco, Atlanta, Houston and Boston. We currently serve as the independent advisor to the compensation committees at a substantial number of the most prominent companies in the U.S.

Our office locations:

New York
685 Third Avenue
28th Floor
New York, NY 10017
212-986-6330

Chicago
190 LaSalle Street
Suite 2120
Chicago, IL 60603
312-332-0910

Los Angeles
11100 Santa Monica Blvd.,
Suite 300
Los Angeles, CA 90025
310-277-5070

San Francisco
135 Main Street
Suite 1750
San Francisco, CA 94105
415-659-0201

Atlanta
3344 Peachtree Road, NE
Suite 1700
Atlanta, GA 30326
404-439-1001

Houston
Two Allen Center
1200 Smith Street
Suite 1100
Houston, TX 77002
713-427-8300

Boston
34 Washington Street
Suite 230
Wellesley Hills, MA 02481
781-591-3400

Website: www.fwcook.com

Authors

This report was authored by Henry Paulin with oversight by Eva Gencheva and research assistance from Christina LaRocque and Joshua Meier. Questions and comments should be directed to **Mr. H. Paulin** in our Chicago office at **hpaulin@fwcook.com (312) 894-0081**, or **Ms. Gencheva** in our New York office at **egencheva@fwcook.com (212) 299-3716**.