

COVID-19 Disruption: Tracking Executive and Director Compensation Changes

Information as of July 31st, 2020

Companies Reporting Pay Actions as of July 31st, 2020



EXECUTIVES



DIRECTORS

S&P 500

121

74

Russell
3000

587

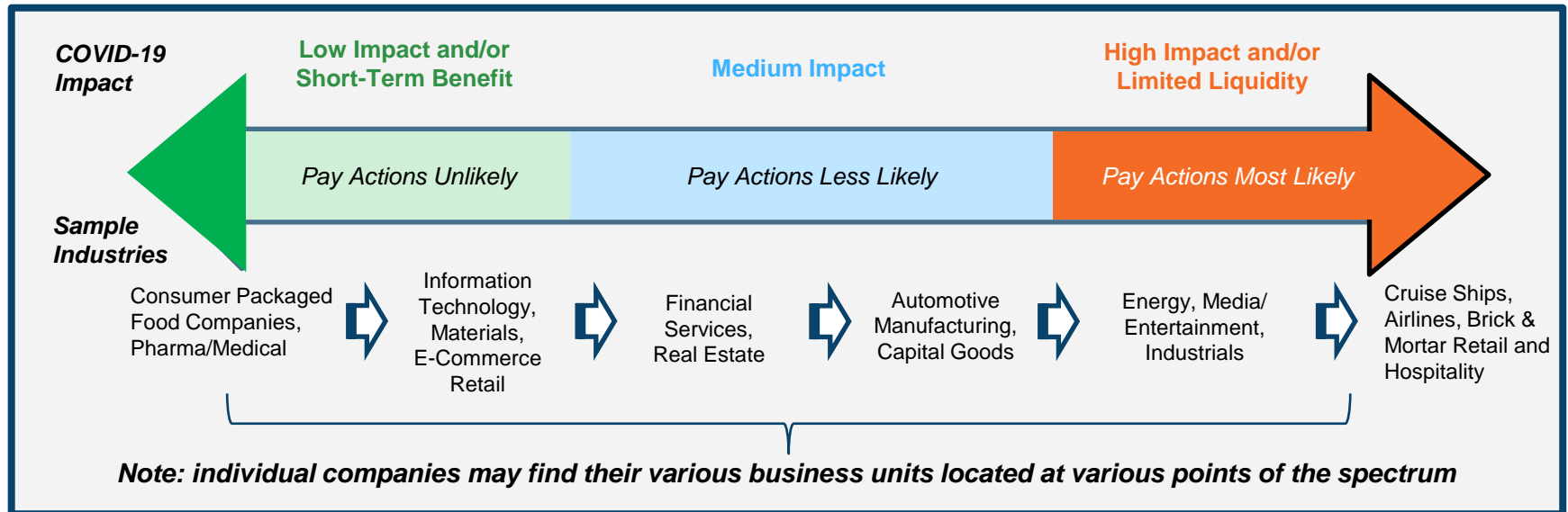
383

All but a handful of companies reporting changes to non-employee director compensation also reported changes to executive compensation

Overview – Spectrum of Impact from COVID-19

While all companies are affected by COVID-19, they are unequally impacted along a spectrum of impact shown below

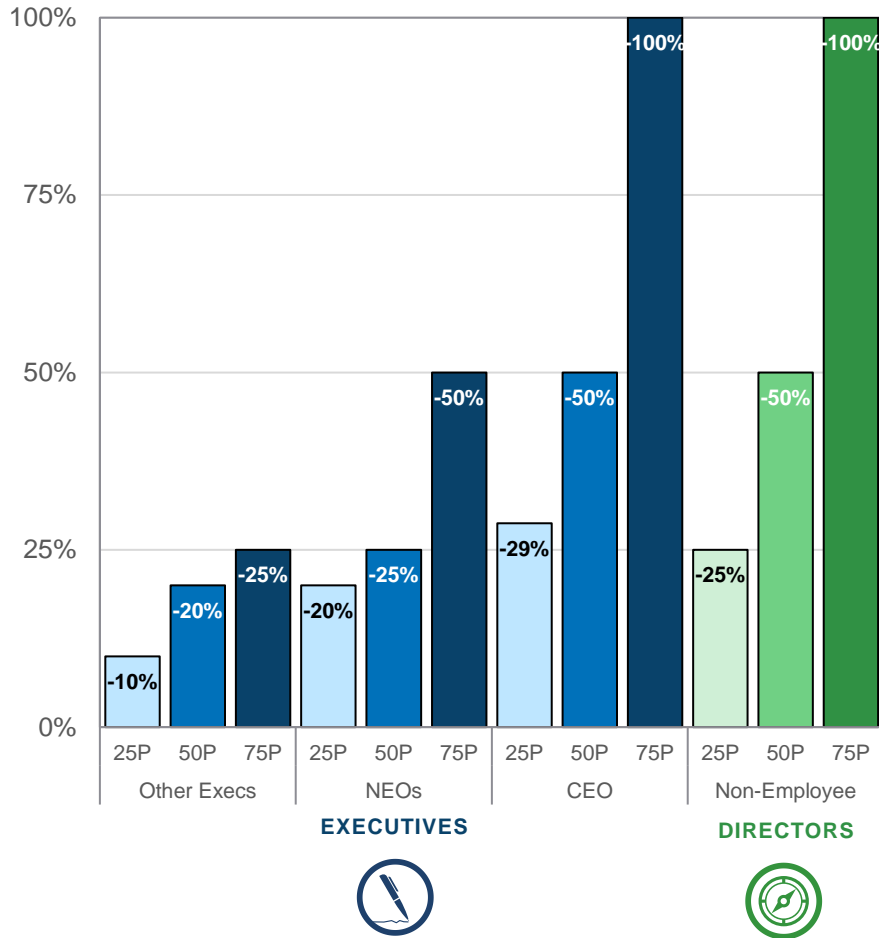
COVID-19 SPECTRUM OF IMPACT



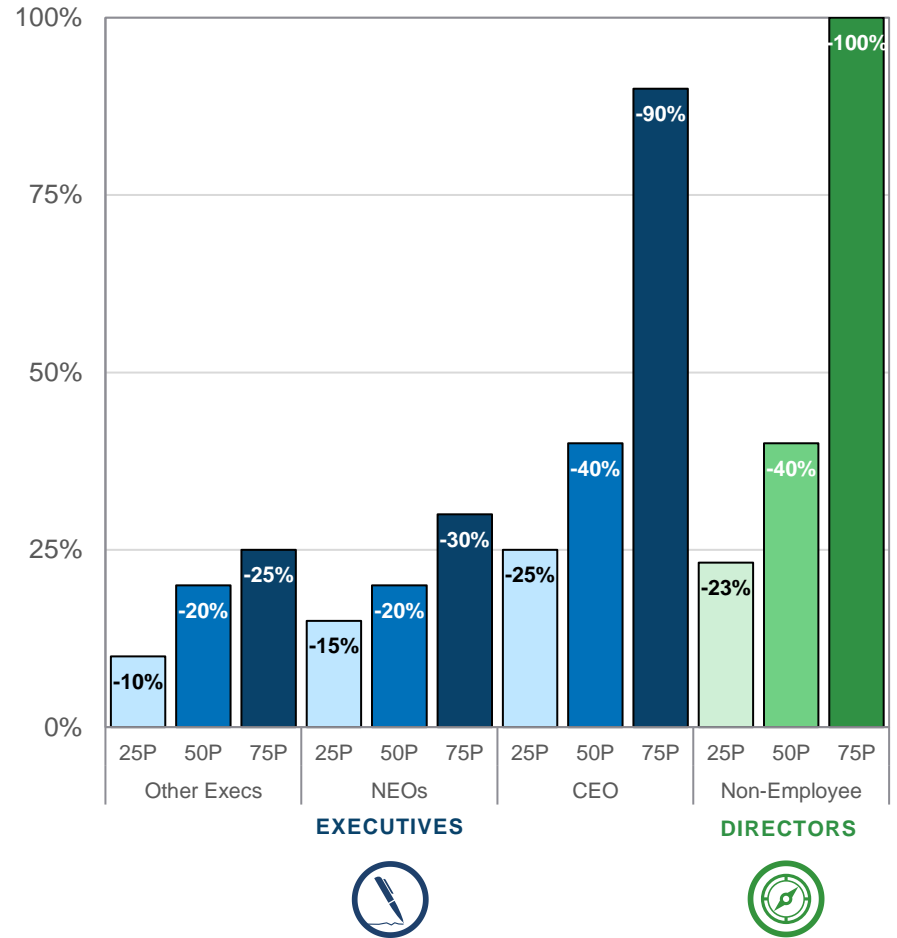
- To date, a number of organizations in the “high impact” category of the above spectrum have announced executive, non-employee director, and broad-based employee pay actions (see detail on the next three pages) to shore-up liquidity during a period of unprecedented uncertainty
 - Some organizations in the “medium impact” category have announced similar pay actions, although these are less prevalent and less severe
 - To date, nearly 25% of S&P 500 companies and nearly 20% of Russell 3000 companies have announced executive pay actions, with most of these companies concentrated towards the right of the above spectrum
- As stay-at-home orders have lifted and business as usual has returned somewhat, we have observed nearly 30 Russell 3000 companies publicly disclosing that executive and director compensation has been restored to pre-COVID-19 levels
 - In the Russell 3000, we have observed nearly 30 companies fully or partially restoring compensation

Magnitude of Pay Changes in S&P 500 and R 3000

S&P 500 Executive and Non-Employee Director Compensation Reductions



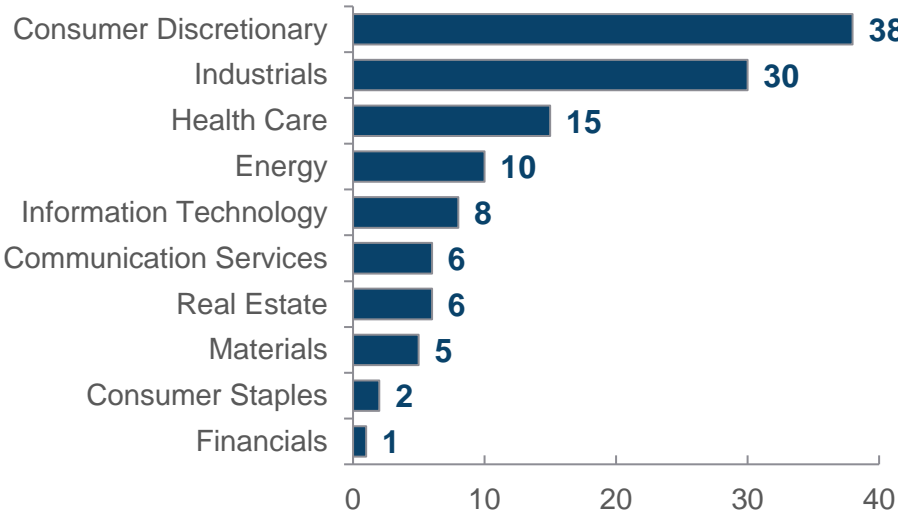
Russell 3000 Executive and Non-Employee Director Compensation Reductions



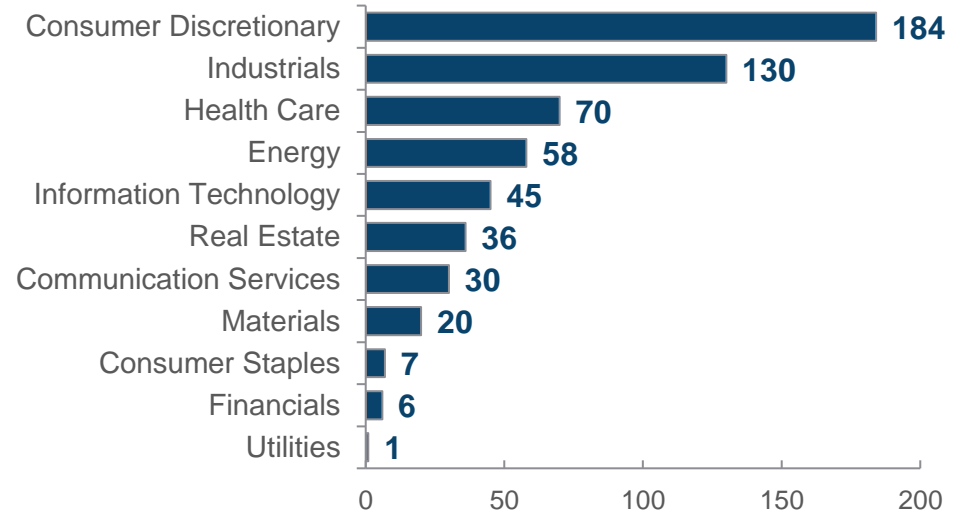
Reductions generally represent decreases to salary for executives and cash retainers for directors

Compensation Adjustments by Industry Segment

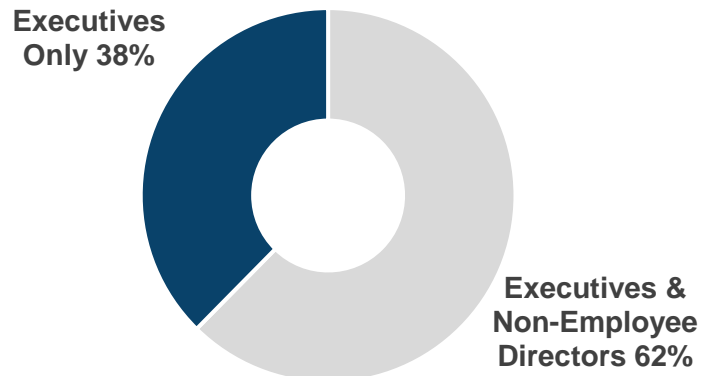
S&P 500 Pay Adjustments by Industry



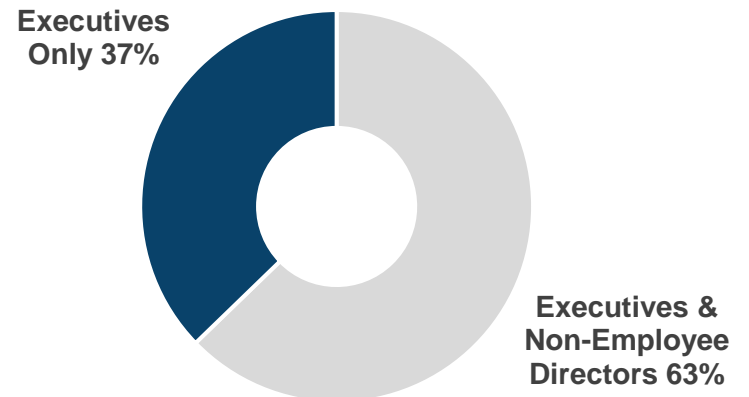
Russell 3000 Pay Adjustments by Industry



S&P 500 Salary Reduction Population

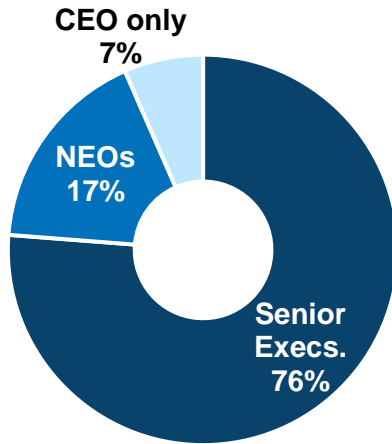


Russell 3000 Salary Reduction Population

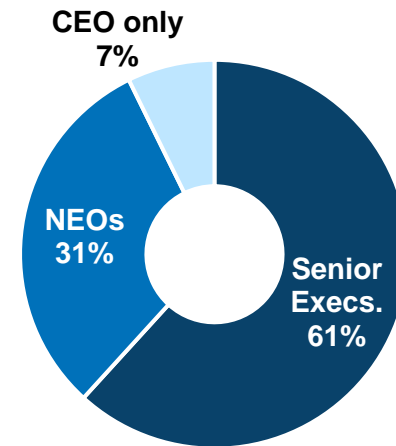


Salary Reductions by Exec Level and Time Frame

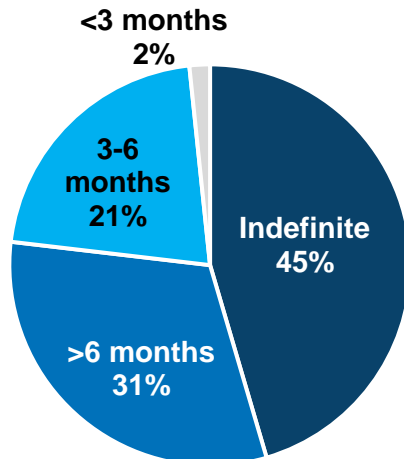
S&P 500 Salary Reductions Covered Executives



Russell 3000 Salary Reductions Covered Executives



S&P 500 Salary Reduction Time Period



Russell 3000 Salary Reduction Time Period

