



AS YOU SOW

The 100 Most Overpaid CEOs

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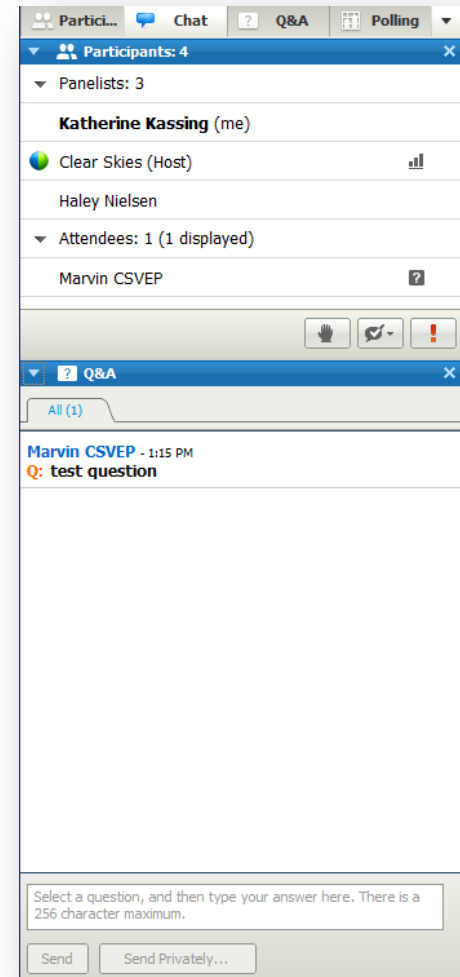
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As You Sow

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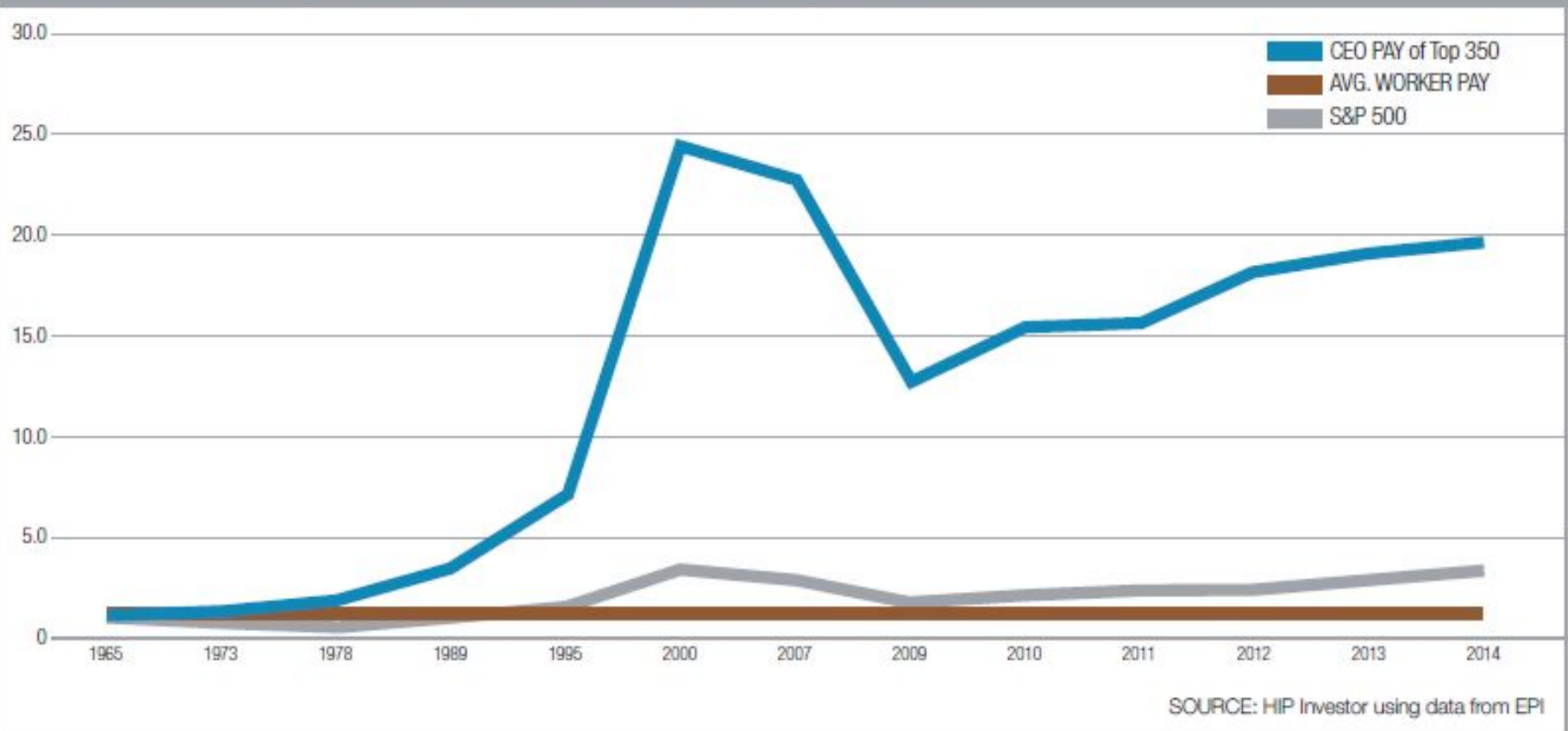
Rosanna Landis Weaver



**Report Author and
Program Manager of
As You Sow's
Executive Compensation
initiative**

How has CEO pay compared to worker pay over the last 50 years?

FIGURE 2 - GROWTH OF CEO PAY COMPARED TO WORKER PAY, STOCK MARKET PERFORMANCE OVER 50 YEARS



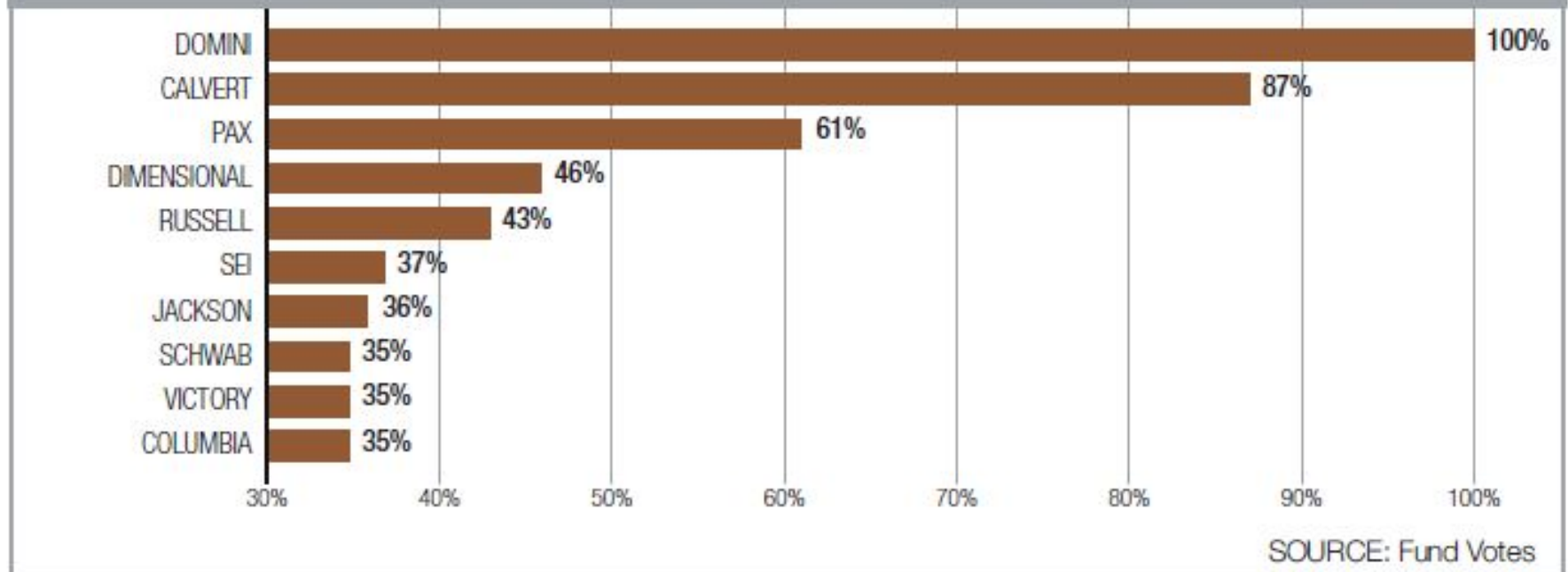
Top 25 Most Overpaid CEOs

FIGURE 1 – TOP 25 MOST OVERPAID CEOs

RANK	COMPANY	CEO	TOTAL DISCLOSED COMPENSATION
1	Discovery Communications Inc.	David Zaslav	\$156,077,912
2	Oracle Corporation	Safra A Catz/Mark Hurd	\$75,335,428
3	CBS Corporation	Leslie Moonves	\$57,175,645
4	Chipotle Mexican Grill, Inc.	Steve Ells & Monty Moran	\$57,077,473
5	Microsoft Corporation	Satya Nadella	\$84,308,755
6	Vertex Pharmaceuticals Incorporated	Jeffrey Leiden	\$36,635,468
7	Yahoo! Inc.	Marissa Mayer	\$42,083,508
8	Exxon Mobil Corporation	Rex Tillerson	\$33,096,312
9	QUALCOMM, Inc.	Steven Mollenkopf	\$60,740,592
10	General Electric Company	Jeffrey Immelt	\$37,250,774
11	salesforce.com, inc.	Marc Benioff	\$39,907,534
12	Honeywell International Inc.	David Cote	\$29,142,121
13	The Walt Disney Company	Robert Iger	\$46,497,018
14	Bristol-Myers Squibb Company	Lamberto Andreotti	\$27,062,382
15	Viacom, Inc.	Philippe Dauman	\$44,334,858
16	JPMorgan Chase & Co.	James Dimon	\$27,701,709
17	Prudential Financial Inc.	John Strangfeld	\$37,483,092
18	The Coca-Cola Company	Muhtar Kent	\$25,224,422
19	Regeneron Pharmaceuticals Inc.	Leonard Schleifer	\$41,965,424
20	CVS Health Corporation	Larry Merlo	\$32,350,733
21	Target Corporation	Brian Cornel	\$28,164,024
22	Wynn Resorts, Limited	Stephen Wynn	\$25,322,854
23	Allergan PLC (formerly Actavis)	Brenton L. Saunders	\$36,613,829
24	Comcast Corporation	Brian Roberts	\$32,961,056
25	Bed Bath & Beyond Inc.	Steven H. Temaras	\$19,116,040

Mutual Funds That Vote Against Overpaid CEOs

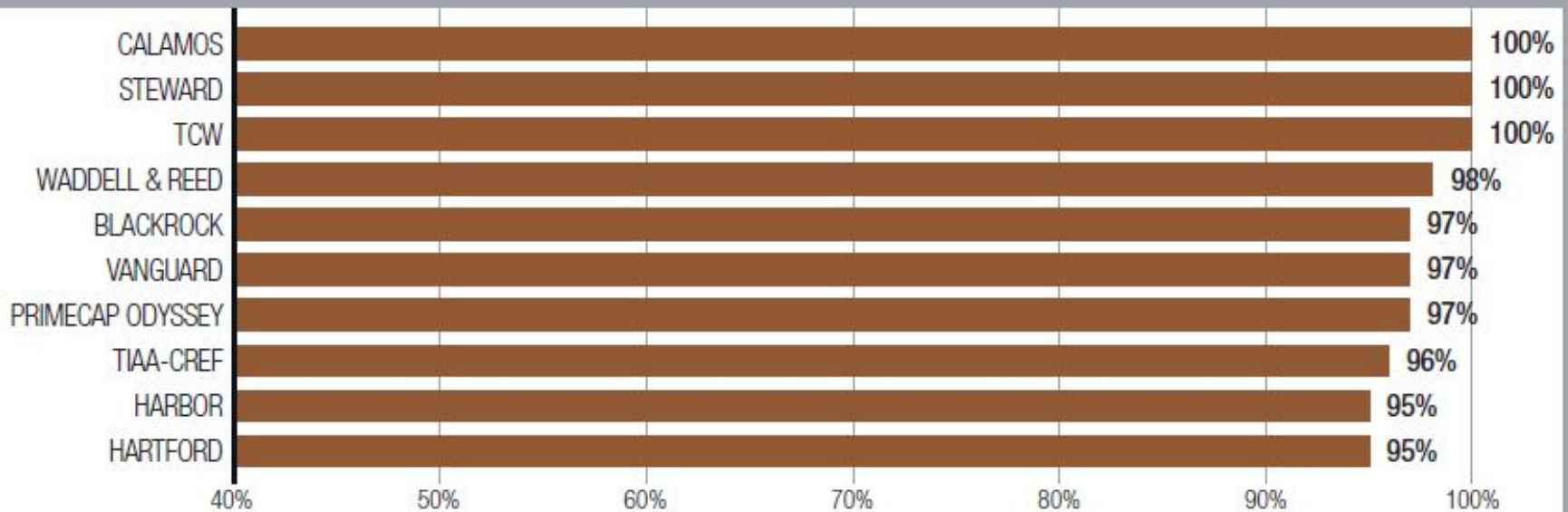
FIGURE 4 - MUTUAL FUND FAMILIES WITH HIGHEST OPPOSITION TO OVERPAID CEO PAY PACKAGES



* Funds that had less than 25 votes at the representative companies were excluded from this list.

Rubber-Stamping Mutual Funds

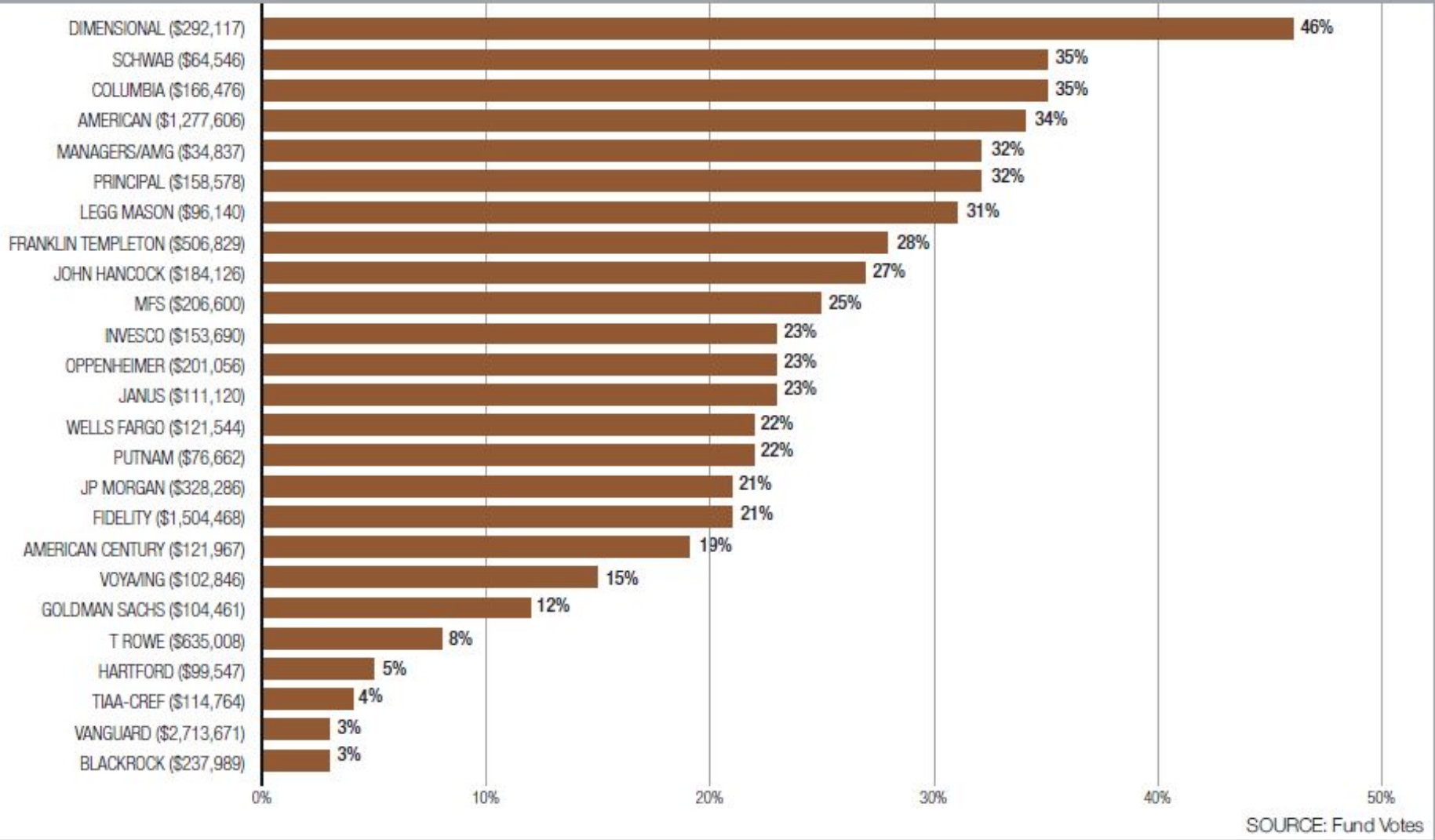
FIGURE 5 – PERCENT OF TIME RUBBER-STAMPING MUTUAL FUNDS APPROVE OVERPAID CEO PACKAGES



SOURCE: Fund Votes

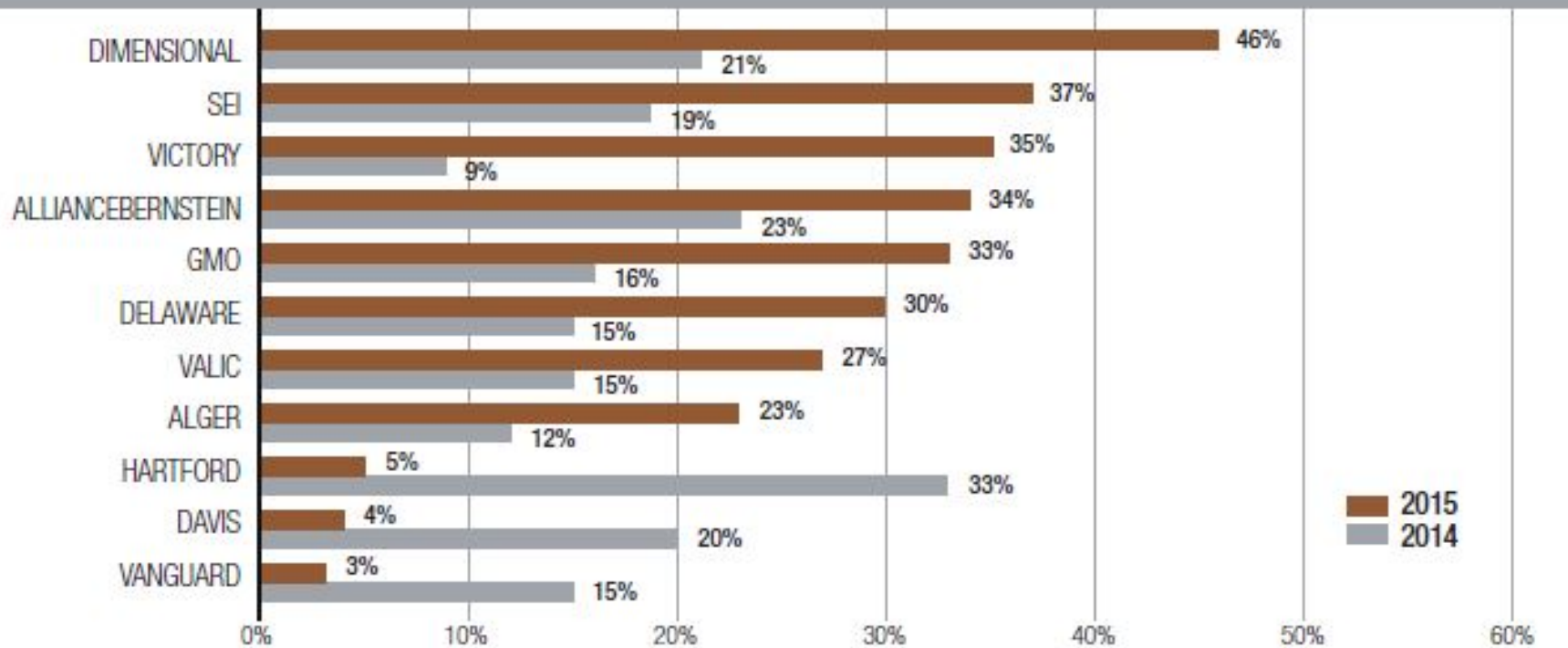
* Funds that had less than 25 votes at the representative companies were excluded from this list.

FIGURE 6 – OPPOSITION TO OVERPAID CEO PAY PACKAGES AT LARGE MUTUAL FUND FAMILIES



Funds With Year Over Year Change

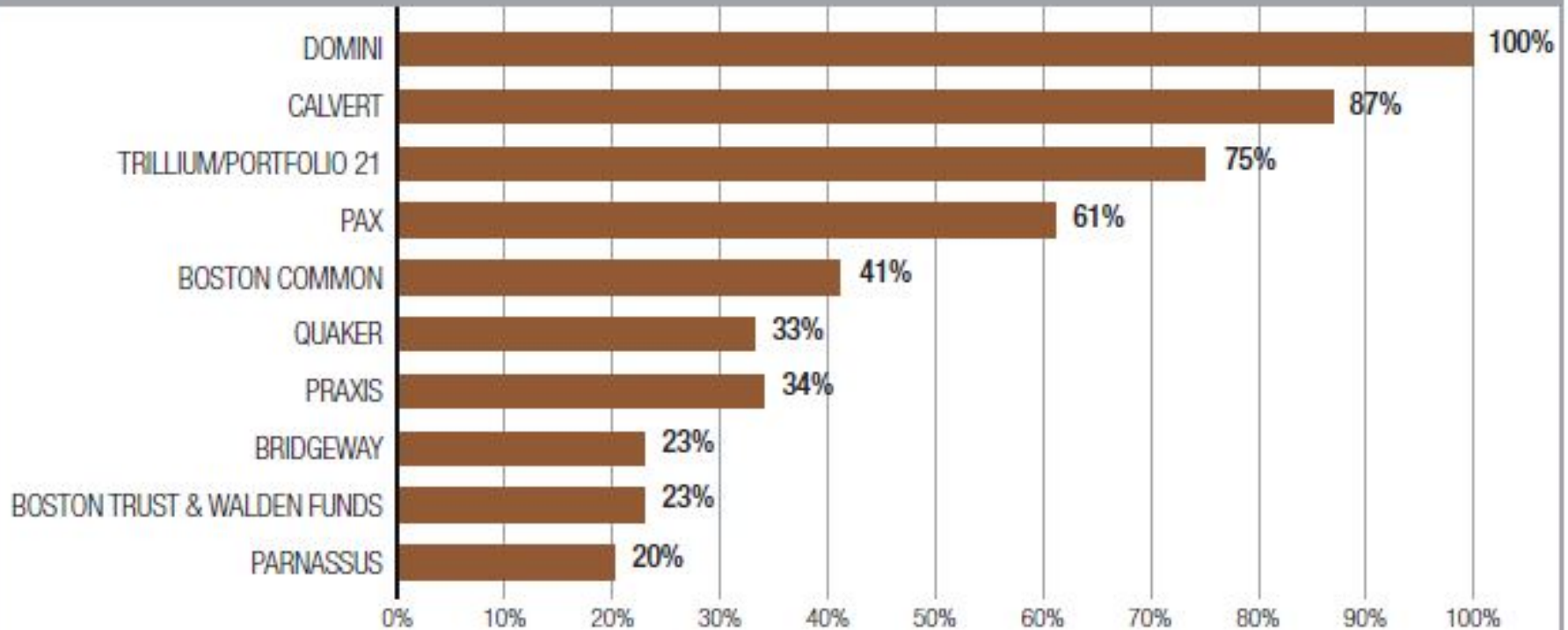
FIGURE 7 - FUNDS WITH GREATEST YEAR OVER YEAR CHANGE IN LEVEL OF OPPOSITION TO OVERPAID CEOS



SOURCE: Fund Votes

SRI Funds & Opposition

FIGURE 8 - OPPOSITION TO OVERPAID CEO PAY PACKAGES AT SRI FUNDS

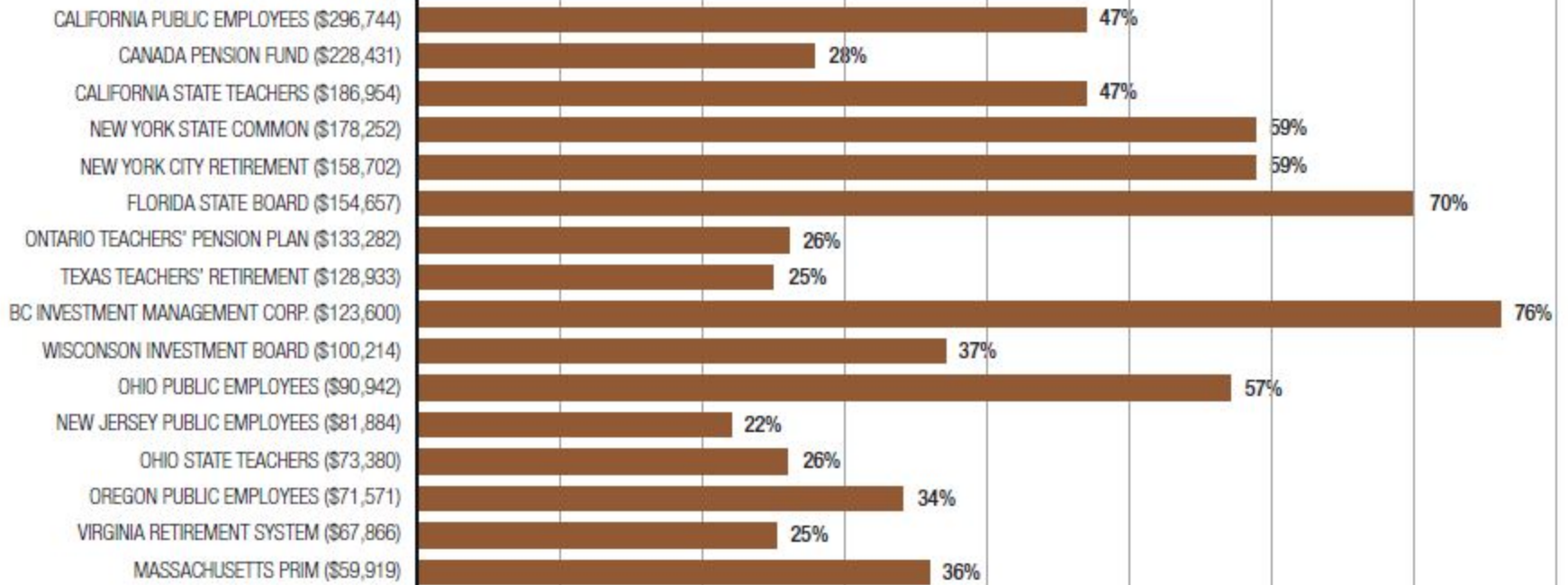


SOURCE: Fund Votes

Public Pension Funds & Opposition

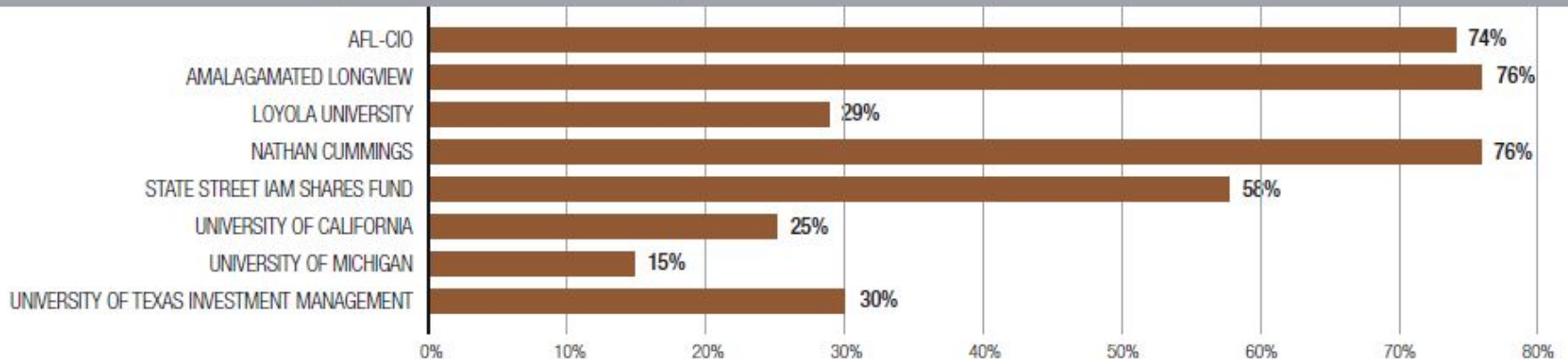
FIGURE 9 – OPPOSITION TO OVERPAID CEO PAY PACKAGES AT PUBLIC PENSION FUNDS

(AUM US\$ MILLIONS)



Labor Funds, Foundations, and Endowments

FIGURE 10 - OPPOSITION TO OVERPAID CEO PAY PACKAGES BY LABOR FUNDS, FOUNDATIONS, AND ENDOWMENTS



SOURCE: Fund Votes and As You Sow Research

Compensation Committee Directors

FIGURE 11 – COMPENSATION COMMITTEE DIRECTORS AT THE TOP 10 MOST OVERPAID

RANK	COMPANY	COMPENSATION COMMITTEE MEMBER	PRIMARY EMPLOYMENT	OTHER PUBLIC COMPANY BOARDS
1	Discovery Communications Inc	Gould, Paul	Managing Director, Executive VP Allen & Company (investment banker)	Ampco-Pittsburgh Corporation and Liberty Global
		Miron, Robert J. – (Chair)	Chairman, Discovery	
		Beck, Robert R.		
2	Oracle Corporation	Chizen, Bruce R. – Chair	Senior Adviser to Permira Advisers LLP; Venture Partner, Voyager Capital	Synopsys
		Conrades, George H.	Akamai Technologies (Chair)	Harley-Davidson, Ironwood Pharmaceuticals
		Seligman, Naomi O.	senior partner at Ostriker von Simson, a technology research firm	Akamai Technologies, iGate Corp
3	CBS Corporation	Gordon, Bruce S.		Northrop Grunman, ADT
		Gifford, Charles K. – Chair		Chairman Emeritus Bank of America, Eversource Energy
		Morris, Doug	CEO, Sony Music	
		Cohen, William S.	Chairman, CEO, Cohen Group	
4	Chipotle Mexican Grill, Inc.	Friedman, Darlene, J. – Chair		
		Flynn, Patrick		
5	Microsoft Corporation	Dublon, Dina*	Former CFO & EVP, JPMorgan Chase	Pepsico, Accenture PLC, supervisory board Deutsche Bank
		Stanton, John	Chairman, Trilogy International Partners	Columbia Sportswear
		Panke, Helmut	Former Chairman of the Board of Management, BMW Bayerische Motoren Werke AG	USB AG, Singapore Airlines Limited, Bayer AG (supervisory Board)
		Klawe, Maria M.	President, Harvey Mudd College	Broadcom

Directors on Compensation Committees of Overpaid Companies

DIRECTOR	COMPENSATION COMMITTEES AT S&P 500 COMPANIES	OTHER BOARDS	PRIMARY AFFILIATION
Barr, William P.	Dominion Resources, Inc.; Time Warner Inc.	Selected Funds	Former VP Verizon Communications
Bethune, Gordon M.	Honeywell International Inc.; Prudential Financial Inc.	Sprint Corporation	Retired CEO Continental Airlines, Managing Director of g-b1 Partners
Bollenbach, Stephen F.	Mondelēz International, Inc.; Time Warner Inc.	KB Home; Macy's; Moelis & Company	Former CEO Hilton Hotels
Burns, M. Michele	Alexion Pharmaceuticals; Inc., Goldman Sachs Group	Cisco Systems, Inc.; Etsy, Inc.	Center Fellow and Strategic Advisor, Stanford University Center on Longevity
Calhoun, David L.	The Boeing Company; Caterpillar Inc.	Nielsen Holdings N.V.	Managing Director Blackstone Group
Collins, Jr., Arthur D.	Alcoa Inc.; The Boeing Company	Cargill, Inc.; U.S. Bancorp	Senior Advisor Oak Hill Capital Partners (private equity)
Duberstein, Kenneth M.	The Boeing Company; Travelers Companies Inc	Mack-Cali Realty Corporation	Chairman & CEO The Duberstein Group (Consulting Company)
Gerber, Murry S.	BlackRock; Inc., Halliburton Company	U.S. Steel Corporation	
Gordon, Bruce S.	CBS Corporation; Northrop Grumman Corporation	The ADT Corporation	Retired Executive of Verizon Communications
Johnson, James A.*	Goldman Sachs Group, Inc.; Target Corporation		Chair, Johnson Capital Partners (Consulting)





Overpaid by Pay and Performance Indicators

FIGURE 13 - OVERPAID BY PAY AND PERFORMANCE INDICATORS

COMPANY	HIGHEST NEIC LOWEST TSR	LOW AVERAGE ROA AND INCREASE IN PAY OF	3/5 YEAR LOW ROIC & A HIGH PAY MEASUREMENT OR HIGH INCREASE	CIP SCORE FROM EVA	EVA MOMENTUM & HIGH PAY	HIGHEST INCENTIVE IN 4 OUT OF 5 YEARS	BUYBACKS OVER INCOME; BONUS ABOVE MEDIAN	LARGEST DIFFERENCE BETWEEN NET INCOME AND NON-GAAP AN HIGHEST PAY	EQUITY AWARDS OVER \$10M	OPTIONS OVER \$3 MILL 6 OF 9 YEARS, INCLUDING LAST 3	DATA STANDARD OPTION AS PERCENT OF VALUE, OVER 60	TOTAL
International Business Machines Corp.												6
Alcoa Inc												5
AT&T Inc.												4
Celgene Corporation												4
Ford Motor Company												4
McKesson Corporation												4
QUALCOMM, Inc.												4
salesforce.com, inc.												4
Vertex Pharmaceuticals Incorporated												4

Overpaid by Upward Spiral Indicators

FIGURE 14 – OVERPAID BY UPWARD SPIRAL INDICATORS

COMPANY	CEO PAY MULTIPLE TO DISCLOSED PEER MEDIAN	CEO PAY MULTIPLE TO ISS PEER MEDIAN	BENCHMARKED ABOVE 50	SALARY \$1.5 OR ABOVE	NON PERFORMANCE BONUS OVER \$150,000	HIGHEST RETIREMENT	ALL OTHER OVER \$500K	TOTAL
CBS Corporation								11
Discovery Communications Inc.								10
Comcast Corporation								8
General Electric Company								8
Honeywell International Inc.								8
Oracle Corporation								7
Precision Castparts Corp.								7
American Express Company								6

Overpaid by Sustainability Indicators

FIGURE 16 – OVERPAID BY SUSTAINABILITY INDICATORS

COMPANY	SUSTAINABILITY CONCERNS COUPLED WITH HIGH PAY	VIOLATION TRACKER 2010-2014	TOTAL COMP AS % OF EBIT	TOTAL COMP AS % OF REVENUE	RATIO OF CEO PAY TO AVERAGE OFFICER	RATIO OF CEO PAY TO NEXT	TOTAL
Discovery Communications Inc.							8
Wynn Resorts, Limited							7
Yahoo! Inc.							7
Bed Bath & Beyond Inc.							6
Hasbro, Inc.							6
Universal Health Services, Inc.							6
Chipotle Mexican Grill, Inc.							4
Dominion Resources, Inc.							3

Overpaid by Consensus Measures

FIGURE 17 – COMPANIES WITH EIGHT OR MORE THIRD-PARTY CONCERN MEASURES

Agilent Technologies Inc
Bed Bath & Beyond Inc.
Bristol-Myers Squibb Company
Caterpillar Inc.
The Coca-Cola Company
Expeditors International of Washington
Halliburton Company
JPMorgan Chase & Co.
Oracle Corporation
Philip Morris International Inc.
Praxair, Inc.
salesforce.com, inc.
SL Green Realty Corp
Staples, Inc.
Vertex Pharmaceuticals Incorporated

R. Paul Herman



R. Paul Hermon
CEO + Founder
HIP Investor

Top 25 Most Overpaid CEOs by HIP

FIGURE 12 – TOP 25 MOST OVERPAID BY HIP INVESTOR REGRESSION ANALYSIS

RANK	COMPANY	CEO NAME(S)	CEO PAY VALUE	EXCESS RELATIVE TO REGRESSION
1	DISCOVERY COMMS. 'A'	David M. Zaslav	\$156,077,912	\$142,258,415
2	MICROSOFT		\$84,308,755	\$71,837,305
3	ORACLE	Safra A. Catz and Mark V. Hurd	\$75,335,428	\$62,878,735
4	QUALCOMM	Steven M. Mollenkopf	\$60,740,592	\$48,379,119
5	CHIPOTLE MEXICAN GRILL	Steve Ells and Monty Moran	\$57,077,473	\$40,786,070
6	CBS 'B'	Leslie Moonves	\$57,175,645	\$40,048,682
7	WALT DISNEY	Robert A. Iger	\$46,497,018	\$32,178,753
8	VIACOM 'B'	Philippe P. Dauman	\$44,334,858	\$29,868,252
9	YAHOO	Marissa A. Mayer	\$42,083,508	\$29,310,423
10	PRUDENTIAL FINANCIAL	John R. Strangfeld	\$37,483,092	\$24,189,915
11	GENERAL ELECTRIC	Jeffrey R. Immelt	\$37,250,774	\$24,064,362
12	VERTEX PHARMACEUTICALS	Jeffrey M. Leiden	\$36,635,468	\$23,438,711
13	REGENERON PHARMACEUTICALS	Leonard S. Schleifer	\$41,965,424	\$22,973,967
14	EXXON MOBIL	Rex W. Tillerson	\$33,096,312	\$21,118,524
15	LOCKHEED MARTIN	Marilyn A. Hewson	\$33,687,442	\$20,703,635
16	ACTAVIS	Brenton L. Saunders	\$36,613,829	\$20,689,611
17	TIME WARNER CABLE	Robert D. Marcus	\$34,615,597	\$19,424,582
18	CVS HEALTH	Larry J. Merlo	\$32,350,733	\$19,261,594
19	TIME WARNER	Jeffrey L. Bewkes	\$32,903,139	\$18,890,365
20	COMCAST 'A'	Brian L. Roberts	\$32,961,056	\$18,516,049
21	TARGET	Brian C. Cornell	\$28,164,024	\$16,194,690
22	SALESFORCE.COM	Marc Benioff – (Chief Executive Officer and Chairman of the Board)	\$31,333,332	\$15,679,287
23	JP MORGAN CHASE & CO.	James Dimon	\$27,701,709	\$15,403,974
24	HONEYWELL INTL.	David M. Cote	\$29,142,121	\$15,272,245
25	BOEING	W. James McNerney, Jr.	\$28,861,920	\$14,970,976

How HIP Investor Analyzed CEO Pay and Linkages to Financial Performance

- **Reliable sources:**
 - ISS for Total Disclosed Compensation for S&P500 executives
 - Thomson Reuters for financial returns, and some Exec Pay data
- **Relationships tested:**
 - 1, 3, 5 and 10 year performance
 - Total Shareholder Return (TSR), and, Return on Invested Capital (ROIC)
 - CEO's most-recent pay, and multi-year average; Exec team's most-recent-pay, and multi-year average
- **Regressions output:**
 - Highest correlation = 2.4% for 3-year TSR of CEO-most-recent-pay
 - Typical correlation = less than 1% for multiple years & performance

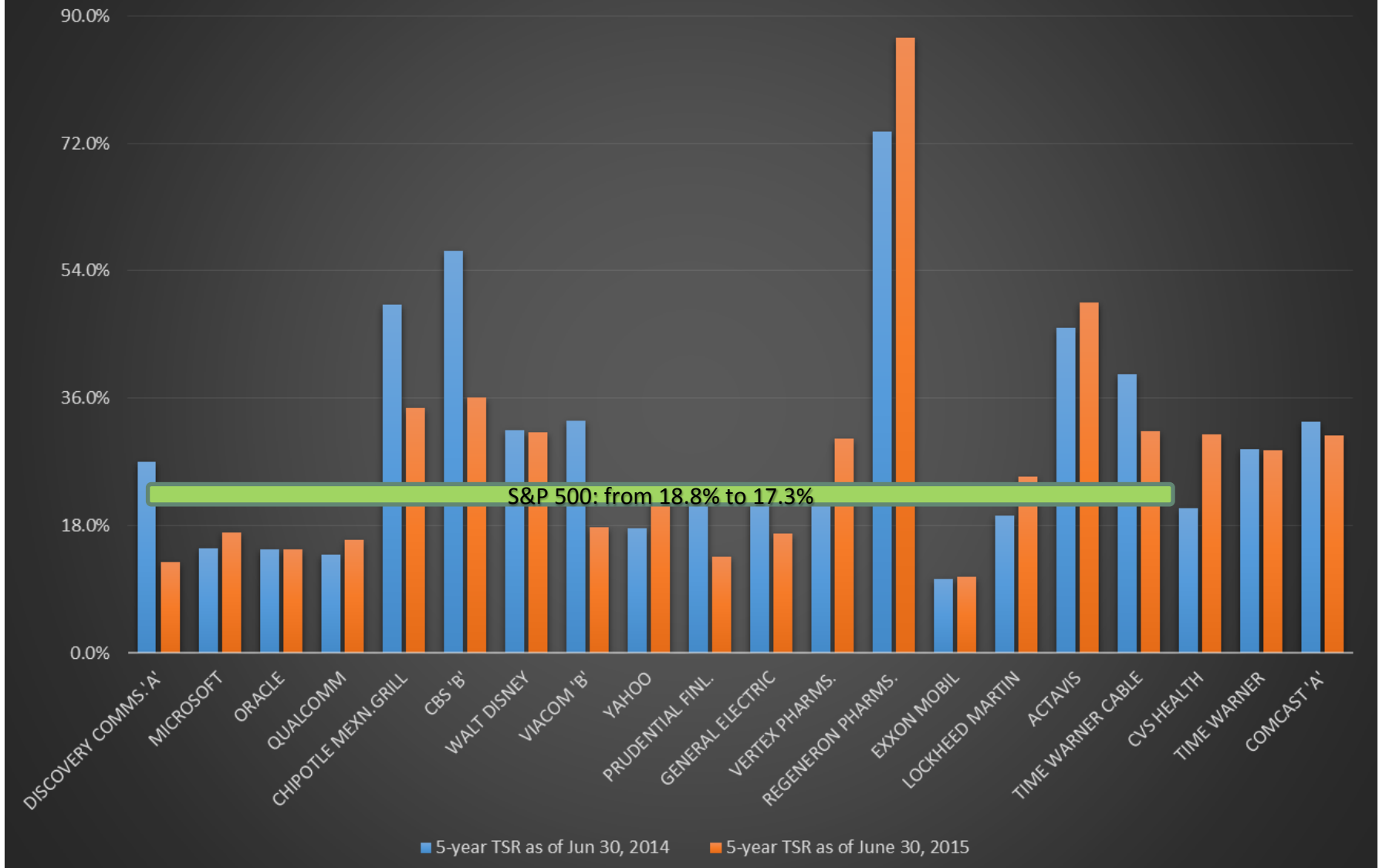
How HIP Calculated the Overpaid CEOs: *e.g. Discovery Comm's, David Zaslav*

"CEO Pay" Starting Point, based on regression analysis	\$10,827,477
Variation for Financial Performance (up for positive 5-year TSR, or down for negative 5-yr TSR)	+ or - \$ 11,093,825 Multiplied by the ratio of
Actual Financial Performance	annualized 5-year TSR: +26.97%
Expected CEO Pay	\$13,819,497
Actual CEO Pay	\$156,077,192
Overpayment to CEO based on regression analysis	\$142,258,415
<i>The predictability of CEO Pay based on Financial Performance (R-squared)</i>	0.0153 (or, 1.53%)

THE MOST OVERPAID CEOs of 2014



12 MONTHS AFTER, IS HIGH CEO PAY WORTH IT?



CEO Pay Needs Updating of Metrics and Better Accountability

- **CEO Pay is not closely linked to Financial Performance**
 - Which is a disconnect from the CEO Pay stock and option packages
- **CEO Pay frequently linked to “old” financial metrics**
 - Like Earnings Per Share (EPS)
 - Earnings are subject to massaging by accounting treatment
 - Shares outstanding are repurchased rather than invested in R&D
- **“CEO Pay to Avg Worker Pay” is a key indicator of risk**
 - HIP analysis of 4,800 companies over 9 years finds that CEOs paid 400x to 1000x the average worker destabilizes the incentive structures, and pollutes the culture
 - This “new” metric also correlates to expected changes in financial returns (shareholder value; cash flow) and financial risk (volatility)
 - SEC to require this new metric in 2017



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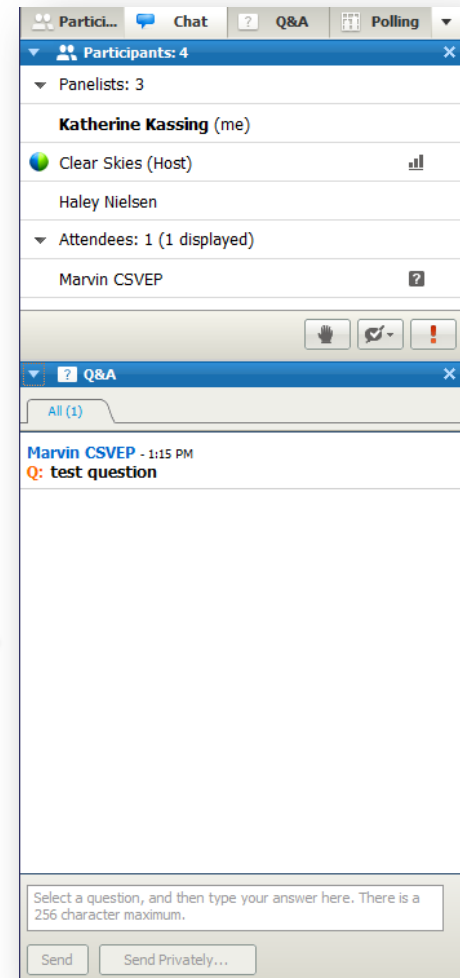
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