

# 2024 Corporate Governance and Incentive Design Survey

Fall 2024



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# Executive Summary

As companies review their executive compensation program designs and related corporate governance policies, it can be helpful to consider current market practices and recent trends in order to inform discussions in the boardroom.

Meridian's 2024 Corporate Governance and Incentive Design Survey offers comprehensive insights into key executive compensation and corporate governance topics relevant to companies today.

The Survey summarizes market practices at 200 large publicly traded companies across all industries (referred to herein as the "Meridian 200"). These companies have median revenues and market capitalizations of \$24.8B and \$41.0B, respectively, making them a representative sample of the S&P 500.

All information was gathered from annual proxy statements. Meridian has conducted a similar analysis annually since 2011, with minimal changes to the list of reviewed companies (98% of the 2024 Meridian 200 constituents were reviewed in 2023). This consistency allows us to identify emerging trends. For more details, please refer to the Profile of Survey Companies section.

## Highlights of Meridian's 2024 Corporate Governance & Incentive Design Survey:

### Governance Practices and Company Policies



**Board Diversity Disclosures are a Universal Practice** – All companies (100%) directly address current board diversity (i.e., gender or ethnicity) in their most recent annual proxy statement. All Meridian 200 companies have at least one female board member, with 82% disclosing more than 30% female board members. 97% of companies disclose ethnic diversity statistics for current board membership.

**Mandatory Retirement Age Policies are Typical** – Similar to last year, 77% of the Meridian 200 companies disclose a mandatory retirement age policy for board members. Most of these companies set the retirement age between 72 and 75, with a recent trend towards the older end of this range.

**Independent Board Chair Remains Common** – 57% of the Meridian 200 companies maintain a separation between the Board Chair and CEO roles. Among the companies that separate the roles, the majority (70%) appoint an independent director as Board Chair.



**Companies Cap Outside Board Seats** – Over three-quarters of companies (77%) disclose director overboarding policies. These policies limit the number of public company board seats an incumbent director may hold.



**Most Companies Maintain Clawback Provisions Beyond the Dodd-Frank Requirements** – In late 2023, NYSE- and Nasdaq-listed companies were required to adopt and implement a Dodd-Frank compliant mandatory clawback policy. 78% of companies choose to maintain policies or provisions that exceed the requirements of the mandatory policy. Companies' expanded policies feature additional triggers (i.e., beyond financial restatement), cover a broader employee group and/or apply to more elements of compensation.

## Proxy Disclosures

**Uptick in Compensation-Related Shareholder Proposals; Support Remains Low** – In 2024, 24% of companies received at least one compensation-related shareholder proposal, up from 17% of companies in 2023. However, most compensation-related shareholder proposals received limited shareholder support.

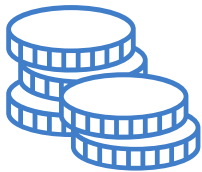


**Nearly All Companies Engage in Shareholder Outreach** – 95% of the Meridian 200 disclose shareholder outreach efforts. 53% of the Meridian 200 provide specific detail on feedback received and/or actions taken as a result of the feedback.

**Year 2 of SEC “Pay Versus Performance” Disclosure Closely Resembles Year 1** – With most companies now in the second year of complying with the mandatory pay versus performance disclosure, few companies made material changes to disclosures. Consistent with last year, most companies (81%) elect to compare TSR against an industry specific index and a strong majority of companies (92%) use graphical disclosure to depict the relationship between “compensation actually paid” and performance.



## Annual Incentive Plan Design Practices



**Earnings Metrics Drive Annual Incentives** – 86% of companies include an earnings metric in the annual incentive plan. On average, earnings metrics account for 51% of the overall plan weighting.

**Financial Metric Prevalence Remains Consistent** – Consistent with previous years, the most prevalent performance metrics are Operating Income, Revenue, Cash Flow and Earnings per Share (EPS).

**Non-Financial Measures are also Common; Types of Measures Vary Widely** – Most companies (80%) include non-financial measures in the annual incentive plan; this reflects a 10-percentage point increase over 2019 prevalence. 41% of companies include environmental, sustainability or human capital metrics while 46% of companies include other types of operational or strategic corporate goals. Additionally, 41% of companies measure individual performance, either as a weighted metric (19% prevalence) or as a modifier (22% prevalence).

## Long-Term Incentive Plan Design Practices



**Performance Awards are the Main LTI Vehicle** – Nearly all Meridian 200 companies (99%) include performance-based vehicles in the long-term incentive plan. On average, performance awards represent 62% of CEOs’ annual target LTI value.

**Standard Performance Period: 3 Years** – It is most typical (93%) for Meridian 200 companies to assess performance over a three-year measurement period. Typically, goals are set over the three-year cumulative period, rather than set as individual annual goals.

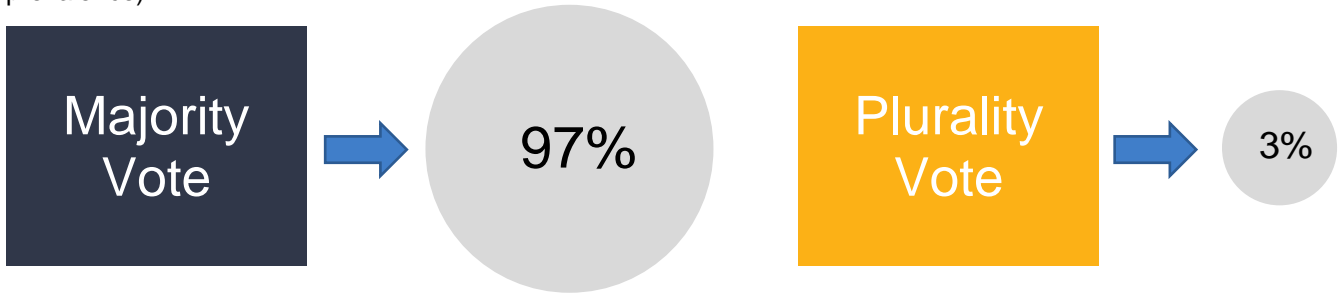


**Relative TSR Remains the Predominant Metric** – 78% of companies include a relative TSR measure in performance awards, on average, accounting for 54% of the overall plan weighting. Most companies (62%) incorporate relative TSR as a weighted measure, rather than a modifier, and most (91%) pair TSR with at least one other performance measure.

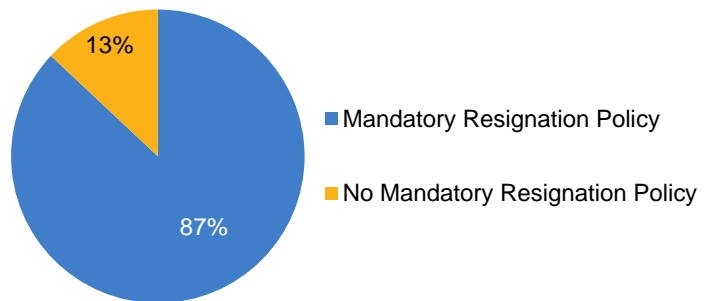
# Corporate Governance Practices

## Board Structure

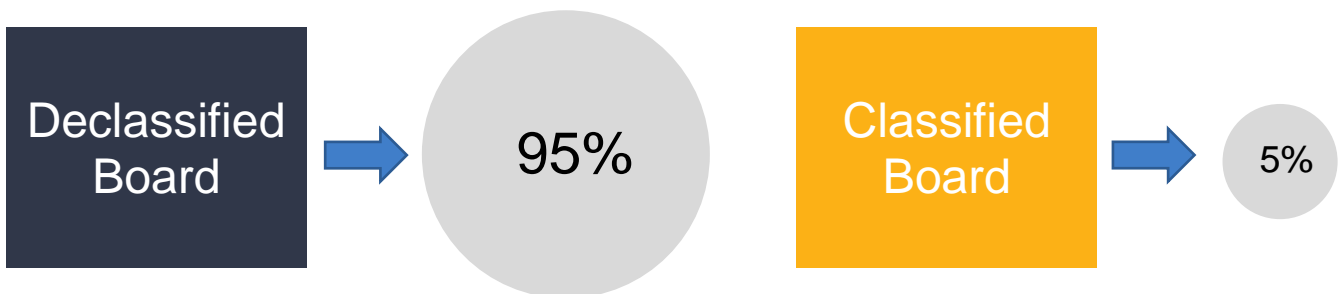
Maintaining a majority vote standard in uncontested elections continues to be a near universal practice (97% prevalence).



Among companies with a majority vote standard, 87% have a mandatory resignation policy for directors who do not receive majority shareholder support.

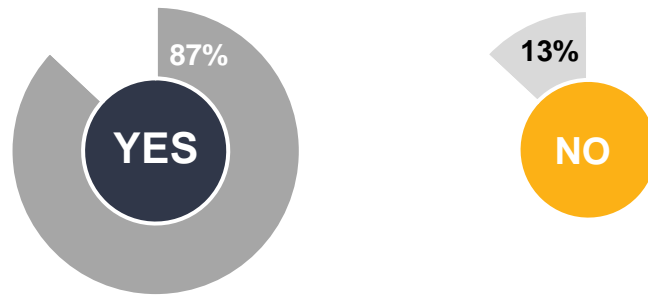


95% of Meridian 200 companies maintain a declassified board structure. In recent years, the prevalence of declassified boards has increased in part due to shareholder advocacy for annual director elections to enhance accountability and responsiveness.



## Proxy Access

A strong majority of the Meridian 200 companies (87%) have adopted proxy access bylaws. Proxy access prevalence has gradually increased the last several years (+10 percentage points since 2019).



### Meridian Comment

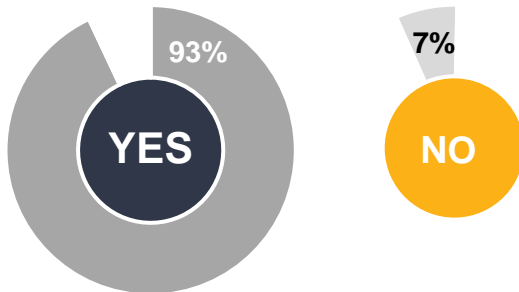
Meridian 200 companies continue to adopt and maintain “shareholder-friendly” governance practices. Consistent with prior surveys, most companies have implemented a majority voting standard for director elections, a mandatory resignation policy for directors who fail to receive majority support, a declassified board structure and proxy access bylaws.

Since we began our survey in 2011, the prevalence of several key corporate governance practices, including majority voting standards and declassified board structures, has increased by over 20 percentage points.

Recent increases in the prevalence of proxy access bylaws are complemented by the 2022 introduction of universal proxy card rules, which standardize the inclusion of shareholder-nominated candidates and underscore a broader shift towards greater shareholder engagement and accountability.

## Director Skills Matrix

The majority of Meridian 200 companies (93%) include a skills matrix in the proxy statement detailing outside directors' key areas of expertise.

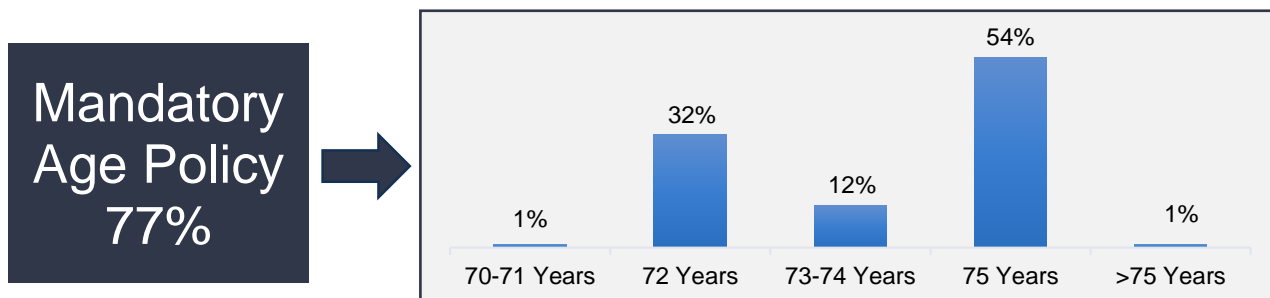


### Meridian Comment

The prevalence of director skill matrix disclosures has increased in each of the last five years (72% prevalence in 2019).

## Mandatory Retirement Age

Over three-quarters of the Meridian 200 (77%) disclose a mandatory retirement age policy for board members, consistent with 2023 disclosures.



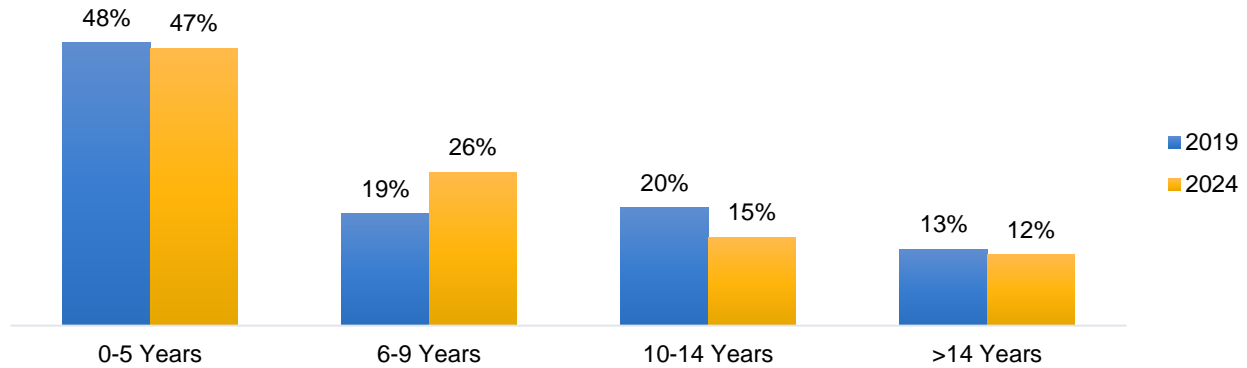
### Meridian Comment

Companies with a mandatory retirement policy generally set the retirement age between 72 and 75. In recent years, the prevalence of a retirement age of 75 has risen, now adopted by over one-half of the companies with mandatory retirement age policies. Since 2019, the proportion of companies defining retirement at age 72 has dropped by 14 percentage points, while those setting the retirement age at 75 has increased by 19 percentage points.



## Director Tenure

The tenure of Meridian 200 independent directors is shown below. Over the last five years, the prevalence of directors with 10 or more years of service has decreased from 33% to 27%.



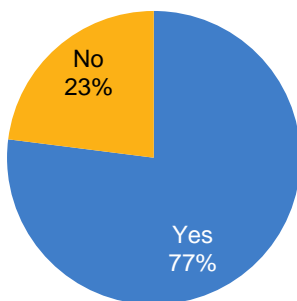
Most companies do not disclose mandatory term limits for directors.



### Meridian Comment

Despite mandatory retirement ages trending higher (i.e., age 75 instead of age 72), boards still emphasize “refreshment.” Nearly one-half of directors have served on their respective Board for five or fewer years. Though board refreshment has become a focus, only 12% of Meridian 200 companies have gone as far as disclosing mandatory term limits for directors.

## Director Overboarding Policies



### Meridian Comment

Slightly over three-quarters of Meridian 200 companies have adopted a director overboarding policy, limiting the number of public company board seats an incumbent may hold at one time.

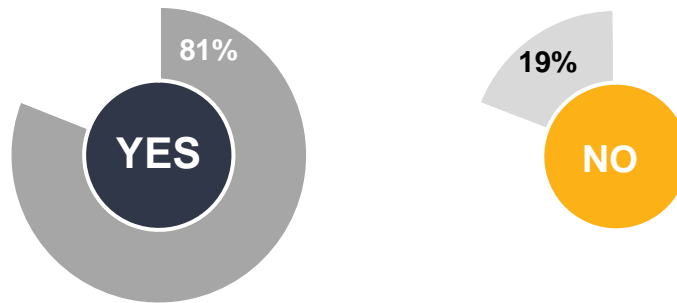
Overboarding guidelines from proxy advisory firms and major institutional investors seem to have prompted boards to enhance the transparency of their time commitment policies.

## Corporate Responsibility

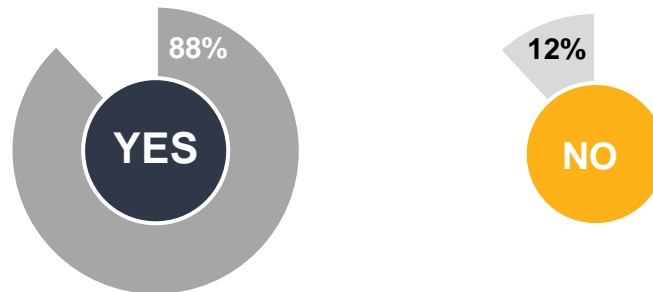
### Meridian Comment

Shareholders and proxy advisory firms continue to increase their focus on companies' corporate responsibility and the management of environmental and sustainability risks. As this scrutiny intensifies, many companies are responding by providing more detailed disclosures of environmental goals and often making reference to standalone Corporate Responsibility Reports.

Eighty-one percent (81%) of the Meridian 200 currently disclose internal tracking of their long-term sustainability or climate change goals within the proxy statement.



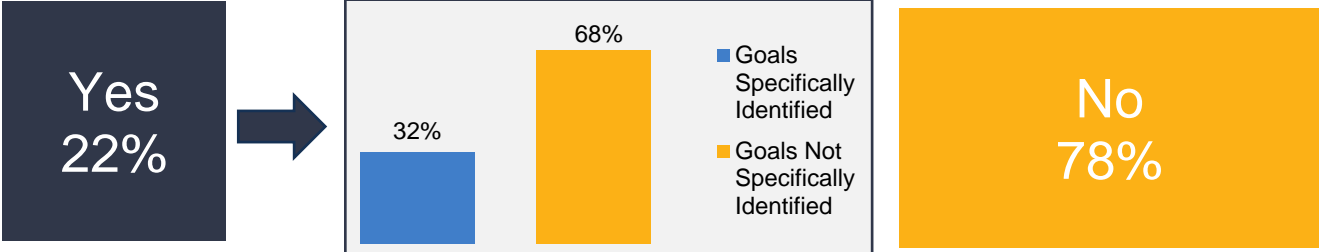
Nearly 90% of Meridian 200 companies referenced their annual Corporate Responsibility Report in their proxy statements.



### Meridian Comment

Corporate Responsibility Reports typically include environmental achievements and future goals toward the achievement of long-term sustainability initiatives. Often, these reports also describe actions the company is taking to address diversity and build an inclusive culture.

Furthermore, less than one-quarter of the Meridian 200 (22%) disclose alignment with the United Nations (“U.N.”) Sustainable Development goals.



**Meridian Comment**

Three years ago, Meridian began tracking whether companies disclosed alignment with the 17 U.N. Sustainable Development Goals, adopted in 2015 as part of the “2030 Agenda for Sustainable Development.” The percentage of companies reporting alignment with these goals has remained relatively consistent over the last several years.



## Diversity

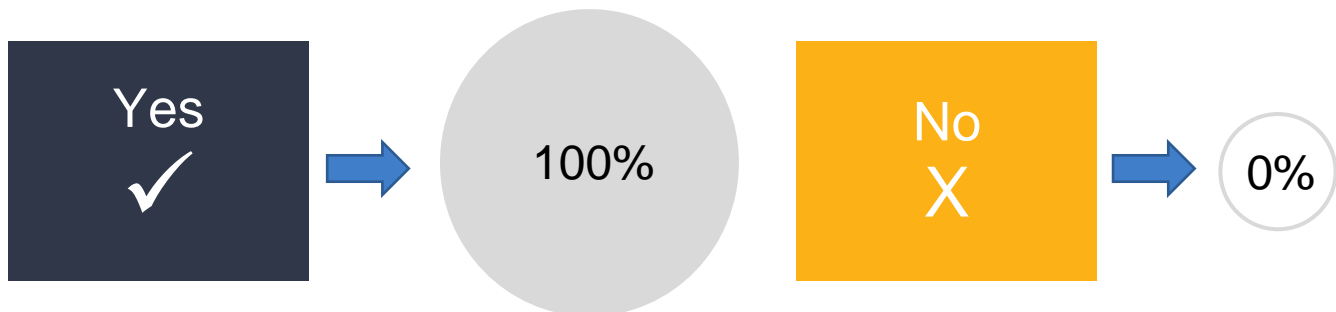
### Meridian Comment

Boards have enhanced their processes and strategies to expand their talent pools for directors. When recruiting new directors, many boards are now considering multiple facets of diversity, including race, ethnicity, gender, skills and experiences, to improve their performance and effectiveness.

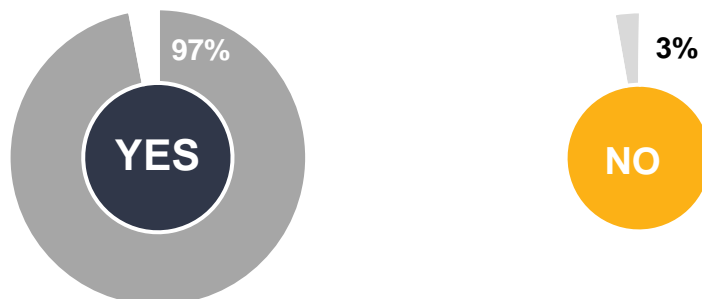
Board member gender and ethnic diversity is also a critical focal point with proxy advisory firms and institutional investors like BlackRock and State Street. BlackRock believes that boards “should aspire to at least 30% diversity of membership” and State Street believes that companies traded on major indices should have at least 30% female representation. Additionally, absent mitigating factors, ISS typically recommends an AGAINST vote for the chair of the nominating/governance committee at companies that have no apparent ethnically diverse members serving on the board.

### Board Level

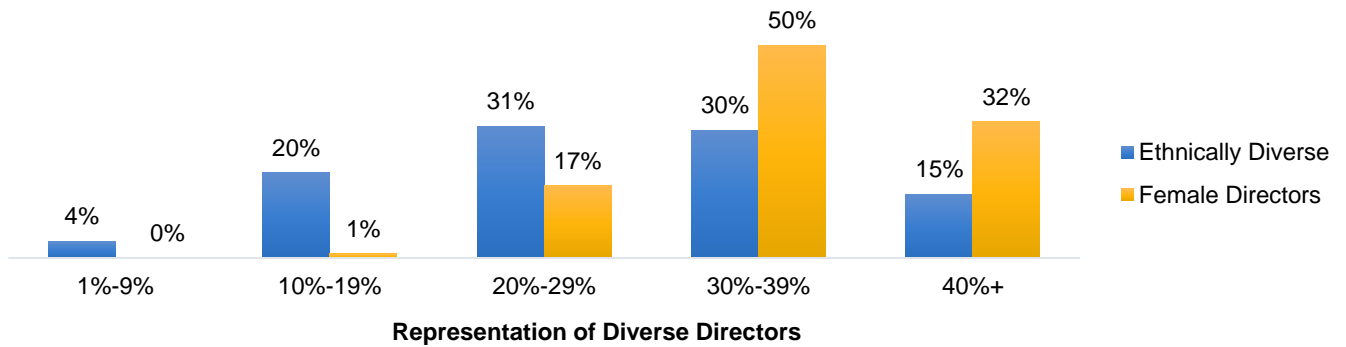
For the first time since Meridian began conducting this Survey in 2011, 100% of the Meridian 200 companies include proxy disclosures addressing current board member diversity including age, gender and/or ethnicity.



Nearly all of the Meridian 200 (97%) disclose ethnic diversity statistics for their current board membership. In 2020, ethnic diversity statistic disclosures were a minority practice – now, nearly all Meridian 200 companies include some level of disclosure.



The representation of ethnically diverse and female directors is steadily rising among the Meridian 200. 45% of companies report at least 30% ethnically diverse directors, while 82% disclose at least 30% female director representation.

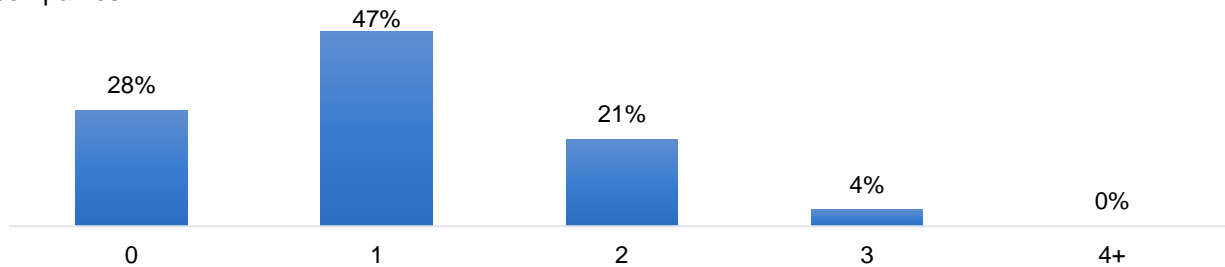


### Meridian Comment

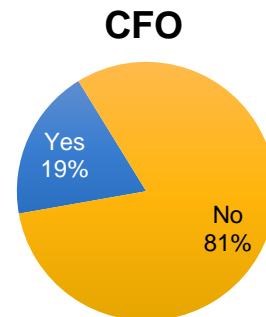
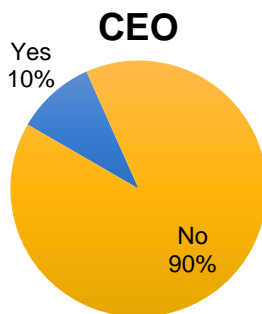
In recent years, Meridian 200 companies have made significant strides in improving ethnic and gender diversity on their boards. Many achieve this by actively adding new members to the board, rather than waiting for existing members to retire or choose not to stand for re-election.

### Management Level

Female representation among Named Executive Officers (NEOs) has not increased at the same rate as female board representation. 28% of Meridian 200 companies do not disclose a female NEO and only 4% disclose that a majority of NEOs are female. The chart below describes the number of female NEOs across Meridian 200 companies.

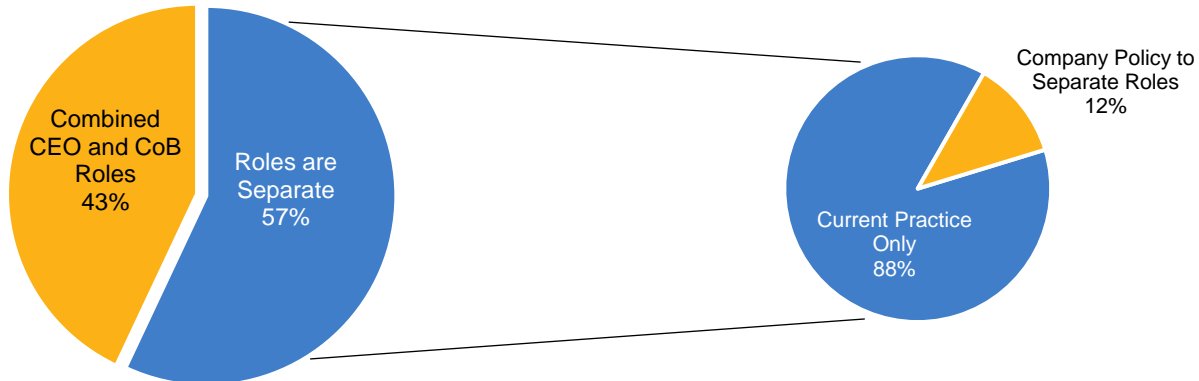


Similarly, a small minority of the Meridian 200 have a female CEO (10%) or CFO (19%). Five years ago, only 5% of the Meridian 200 had a female CEO.



## Board Leadership

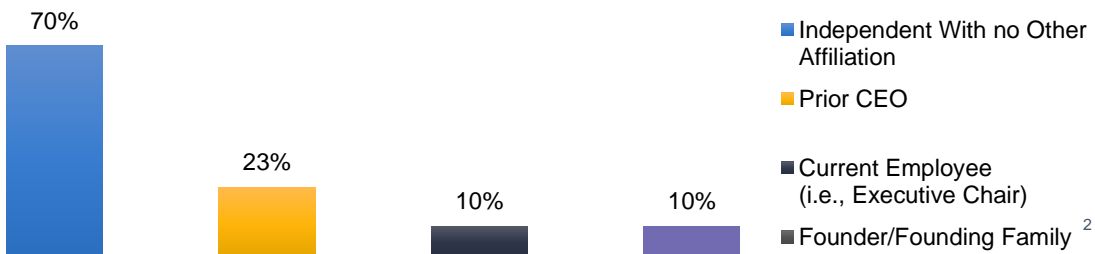
A majority of the Meridian 200 (57%) have a leadership structure in which the roles of the Chairperson of the Board (CoB) and CEO are separate. 43% combine the two roles.



### Meridian Comment

The prevalence of separating the CoB and CEO became a majority practice in 2020. Since then, Meridian has observed a gradual increase in prevalence (+1 percentage point this year).

## Non-CEO Board Chair Relationship to the Company<sup>1</sup>



<sup>1</sup> Sum of prevalence percentages exceeds 100% as incumbents may be included in multiple categories.

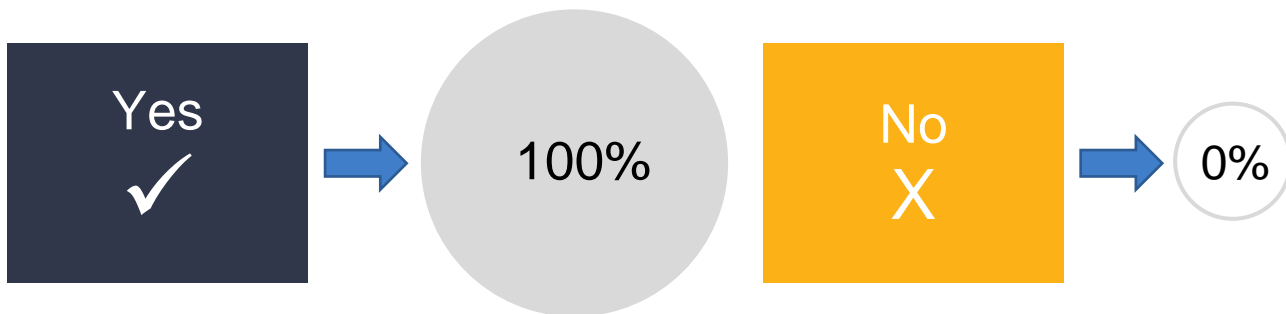
<sup>2</sup> Founding family includes 2<sup>nd</sup> or 3<sup>rd</sup> generation members of the original founder.

### Meridian Comment

Among companies separating the CEO and Chairperson roles, most companies appointed an independent chair.

### Lead Director Prevalence

All Meridian 200 companies maintain a Lead Director position when the CoB and CEO roles are combined. (Statistics below exclude companies where the CoB and CEO roles are separated.)

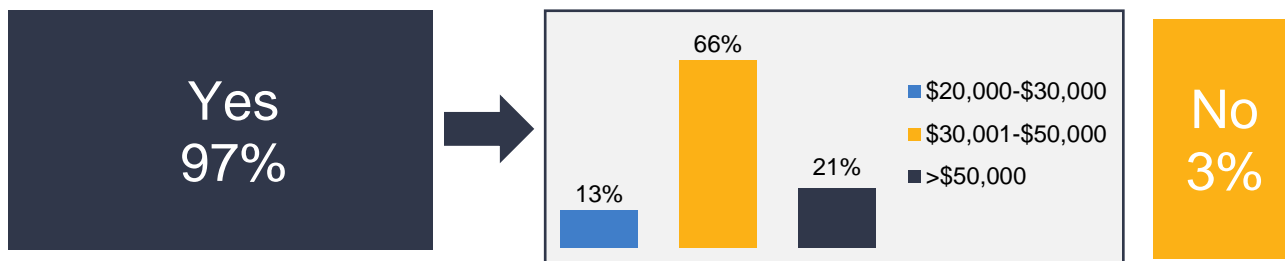


#### Meridian Comment

Lead Directors typically preside over meetings of the independent directors, absent a Non-Executive Chair.

### Lead Director Fees

A majority of Meridian 200 companies (97%) provide additional fees to designated Lead Directors. Additional annual fees are generally between \$30,000-\$50,000 (66%).



#### Meridian Comment

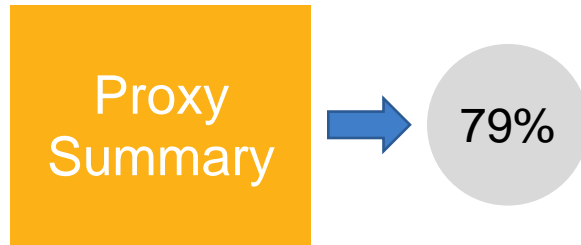
Lead Director premium fees have risen in recent years, with the proportion of companies offering a retainer fee exceeding \$30,000, climbing from 44% in 2019 to 87% in 2024. This increase of 43 percentage points suggests a growing recognition of the Lead Director's expanded responsibilities and time commitments.

# Proxy Disclosure Practices



## Executive Summary Disclosures

A majority of Meridian 200 companies include a Proxy Summary at the beginning of the proxy statement.

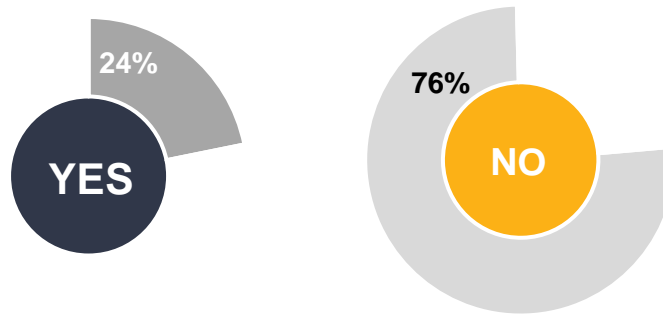


### Meridian Comment

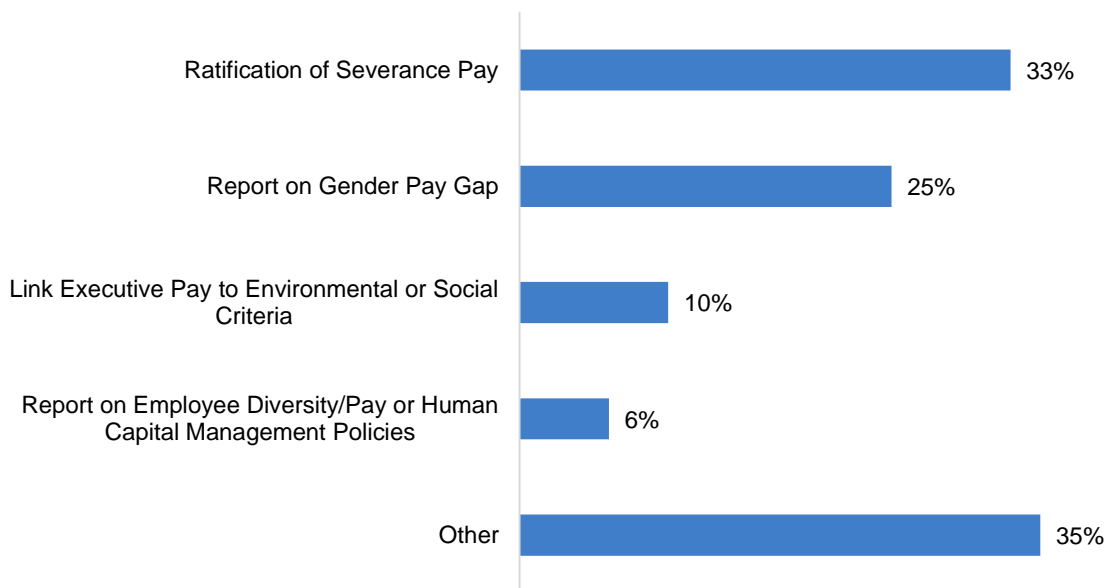
Consistent with previous years, a majority of Meridian 200 companies include a proxy summary. These summaries often highlight the company's business strategy, feature letters from the CEO, Chair of the Board, or Committee Chairs, and provide information on board member diversity, ESG initiatives, significant pay messages, financial performance, and key voting details on management and shareholder proposals.

## Shareholder Proposals

A minority of Meridian 200 companies received compensation-related shareholder proposals in 2023.



For those companies with a compensation-related shareholder proposal, the proposal addressed one or more of the following topics:



“Other” proposals include considering enhanced stock retention requirements for executives and reporting on the racial pay gap within the organization.

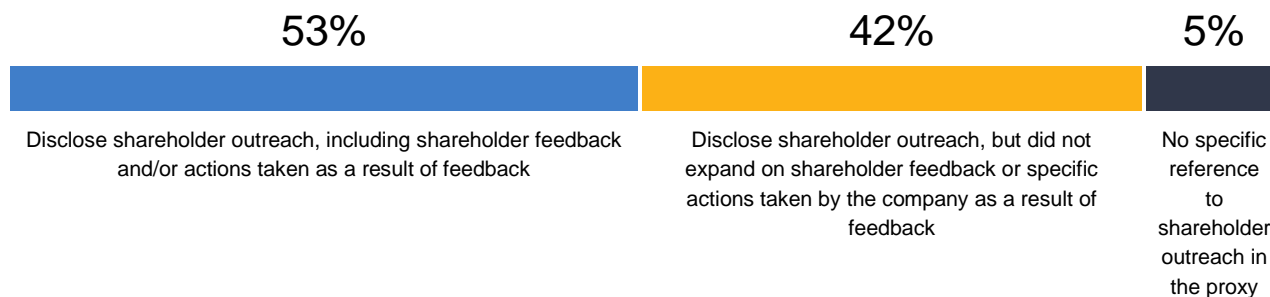
**Note:** Sum of prevalence percentages exceeds 100% as some companies received multiple compensation-related shareholder proposals.

### Meridian Comment

This year, most shareholder proposals focused on governance, social, environmental, or voting issues. Compensation-related proposals remain rare, with most occurring at large U.S. corporations. Compensation proposals have received limited support in 2024; support for these proposals has declined over the past two voting cycles.

## Shareholder Outreach Disclosures

While regular shareholder outreach has long been a common practice, public disclosure of these efforts has significantly increased in recent years. Currently, 95% of Meridian 200 companies include details about shareholder engagement in their proxy statements, a 13-percentage point rise over the past five years.

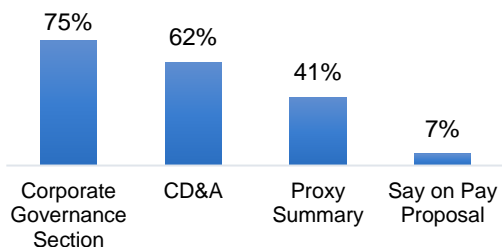


### Meridian Comment

Over one-half of the Meridian 200 companies (53%) provide details of the feedback received from shareholders and/or the specific actions taken to address their concerns. Institutional investors and proxy advisors increasingly encourage this level of transparency, particularly when a company received low shareholder support in the previous year's Say on Pay vote.

From Meridian's perspective, disclosing comprehensive outreach efforts not only showcases a company's responsiveness, but also strengthens the justification for its compensation decisions. These engagement disclosures typically include direct communications with major institutional investors on a range of issues, including company performance, business strategy, executive compensation, business risks, human capital management, and other environmental, social and governance (ESG) matters.

Meridian 200 companies most commonly disclose shareholder outreach efforts in the corporate governance section (75%) and/or CD&A (62%).

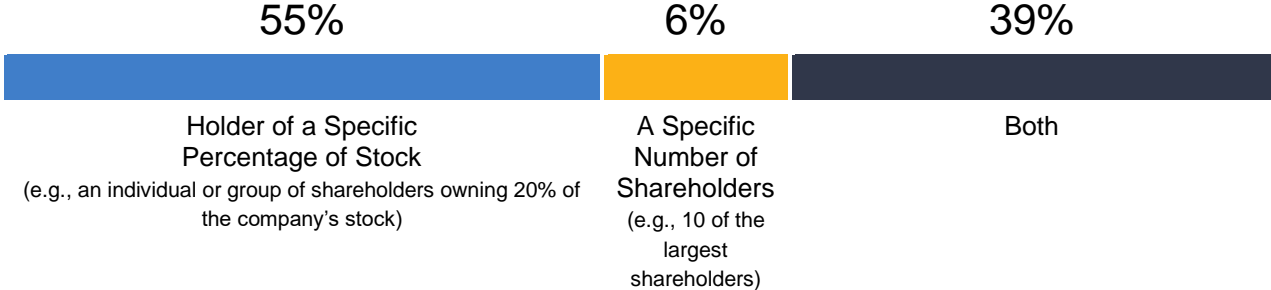


**Note:** Sum of prevalence percentages exceeds 100% due to companies that disclose shareholder outreach in multiple locations throughout the proxy.

### Meridian Comment

Disclosures vary considerably in terms of detail, content and location within the proxy. Additionally, nearly two-thirds (64%) of companies disclosing shareholder outreach programs discuss their efforts in more than one location within the proxy.

Over three-fourths of the companies (77%) that disclose shareholder outreach reported details on the shareholders they engaged. Most Meridian 200 companies (55%) disclose that they conducted outreach with “holders of a specific percentage of stock” (e.g., an individual or group of shareholders owning 20% of the company’s stock).



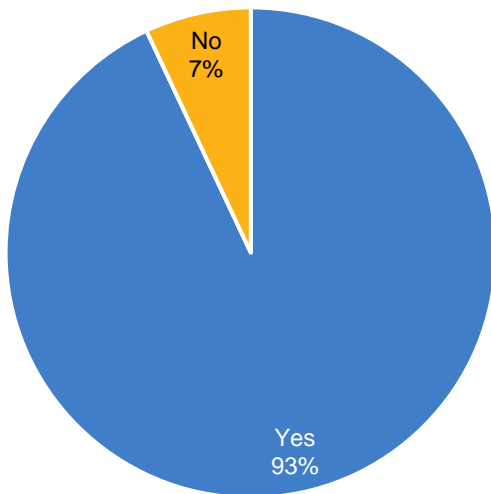
## Performance Disclosure

Most Meridian 200 companies include disclosure summarizing company performance results. Note that this is different from a comparison of pay and performance, for which prevalence data is provided on the following pages. Performance disclosures generally fall into two categories:

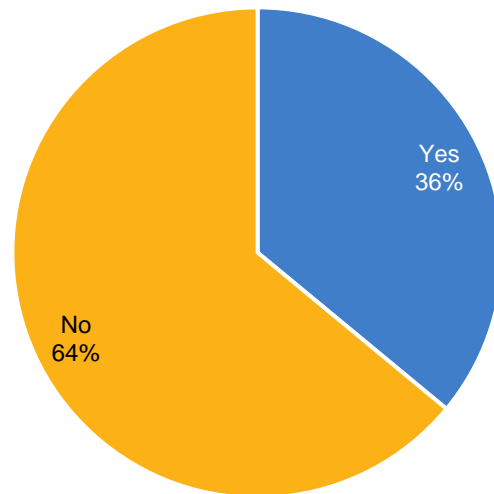
**Absolute Performance** – A disclosure solely depicting the company's financial or stock price/TSR performance (i.e., no relative comparison).

**Relative Performance** – A disclosure comparing the company's financial performance or stock price/TSR to the performance of other companies/index.

*Absolute Performance*



*Relative Performance*



### Meridian Comment

The majority of Meridian 200 companies (93%) include absolute performance disclosures that highlight recent financial results and business achievements. These disclosures are often used to demonstrate how performance outcomes align with compensation decisions.

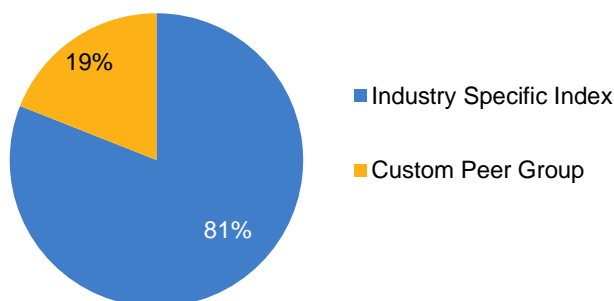
Additionally, 36% of Meridian 200 companies provide relative performance disclosures, which typically compare company performance against a broad industry index (62%), such as the S&P 500, and/or an industry-specific index (42%).

## Mandatory Pay Versus Performance (PVP) Disclosures

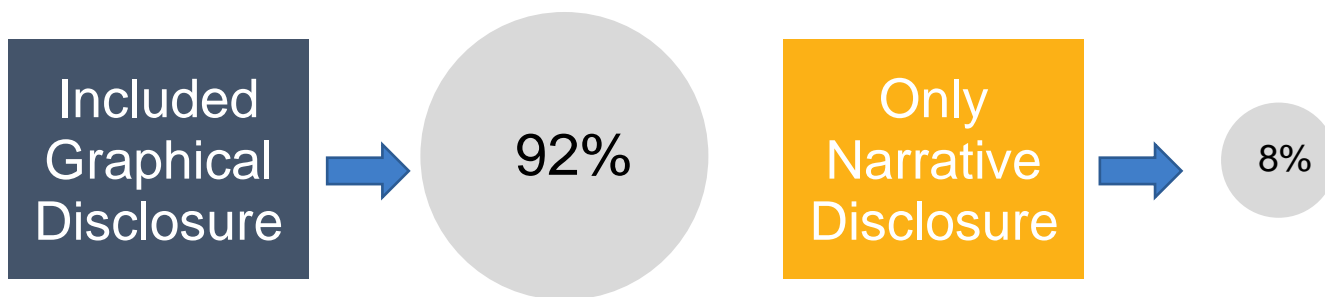
For most companies in the Meridian 200, the 2024 proxy marked the second year of complying with the mandatory “Pay Versus Performance” disclosure. The rule requires companies to include a table comparing “Compensation Actually Paid” (a new pay definition created by the SEC), compensation as reported in the Summary Compensation Table, TSR (both for the company and a peer group), net income and performance for a “company selected measure.”

Overall, for Meridian 200 companies, 2024 PVP disclosure practices were similar to 2023 practices. Despite companies having an opportunity to update disclosure choices in 2024, most companies opted to keep the disclosures consistent with the prior year.

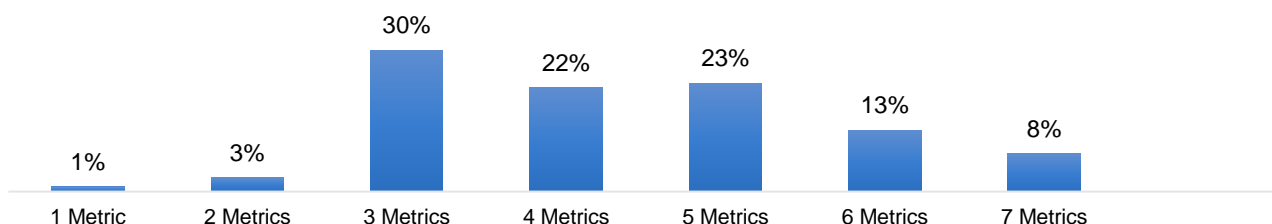
One decision for issuers is the peer group against which TSR performance is compared. Issuers can select from an executive compensation peer group (benchmarking or performance comparison), or the peer group/industry-specific index disclosed in its Form 10-K performance graph. Consistent with prior year results, most companies elected to compare TSR against an industry-specific index (81%) as opposed to a custom peer group (19%).



Companies are also tasked with describing the relationship between Compensation Actually Paid and company performance. They can either make these disclosures graphically or in narrative form. Like last year, companies tend to favor graphical disclosures, supplementing with limited narrative explanations.



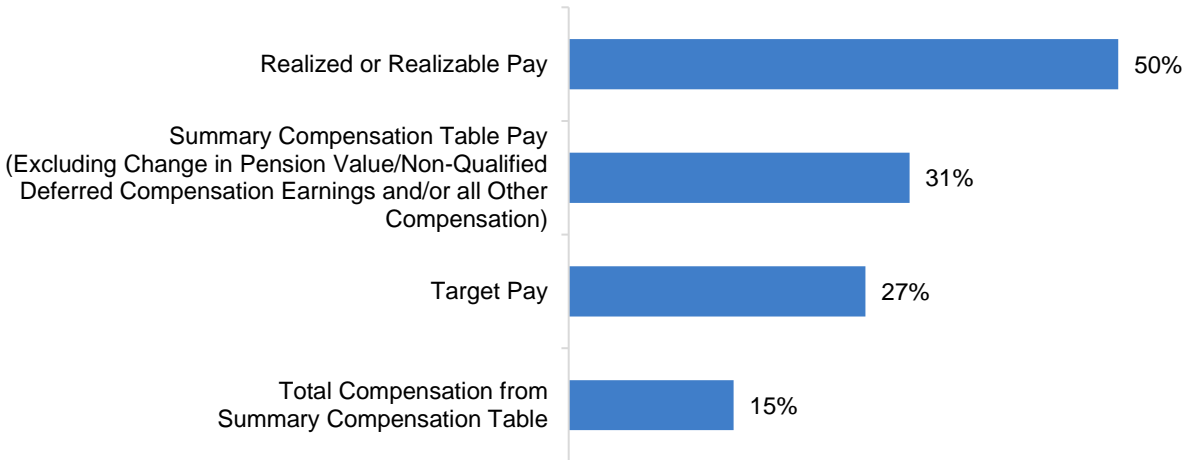
In addition to the tabular disclosure and description of relationship between Compensation Actually Paid and company performance, companies are required to list the three to seven “most important” measures used to link Compensation Actually Paid in 2023 to company performance. Companies typically include three to five other “most important” measures.



## Volitional Pay and Performance Disclosures

Only 13% of the Meridian 200 provide additional volitional disclosure (separate from the SEC required disclosure) comparing NEO pay to company performance.

Companies that include a volitional pay and performance disclosure define pay as the following:



**Note:** Sum of prevalence percentages exceeds 100% due to companies that show multiple forms of pay in their pay and performance disclosures. Results only include companies providing disclosures comparing NEO pay to company performance.

### Meridian Comment

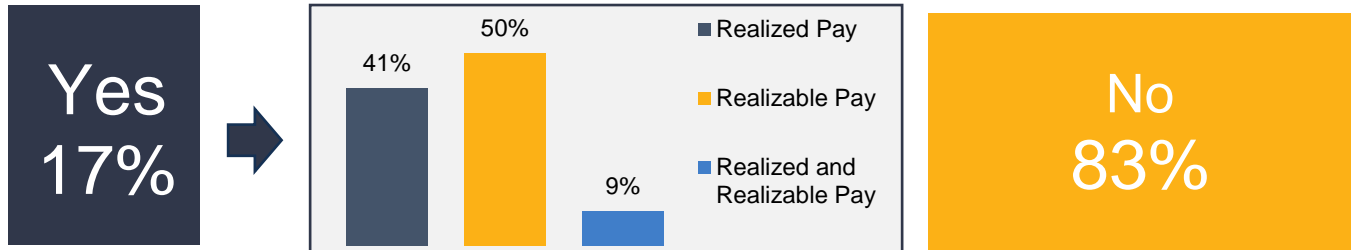
The prevalence of volitional pay and performance disclosures remains consistent with the prior year's results. Most companies that include supplemental disclosure choose to locate it in the Compensation Discussion and Analysis.

Despite the flexibility afforded with volitional disclosures (e.g., companies can select definition of pay, definition of performance, etc.), companies may find it unnecessary, confusing and/or redundant to include two separate pay and performance disclosures within the proxy statement. 2% of Meridian 200 companies include a volitional pay and performance disclosure *within* the mandatory "Pay Versus Performance" section of the proxy.

Among companies that include a volitional pay and performance disclosure, most define pay as realized or realizable.

## Realized/Realizable Pay Disclosure

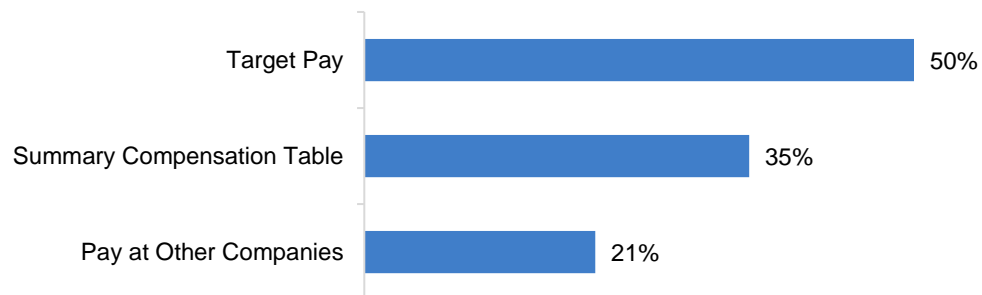
Only 17% of the Meridian 200 provide voluntary disclosures with alternative measurements of pay based on earned (realized) or projected (realizable) compensation. Disclosures showing realizable pay are slightly more common than disclosures summarizing realized pay. Note that in addition to pay and performance disclosures detailed on the prior page, the data below also includes pay disclosures not presented in relation to performance.



Whose pay is included in the realized or realizable pay disclosure?

NEO Pay Included in Disclosure	Prevalence
CEO Only	70%
All Named Executive Officers Depicted Separately	15%
CEO and Average of Other Named Executive Officers	12%
Average of All Named Executive Officers	3%

Is realized or realizable pay compared to target pay, Summary Compensation Table pay and/or pay at other companies?



**Note:** Sum of prevalence percentages exceeds 100% due to companies that compare realized/realizable pay to multiple reference points.

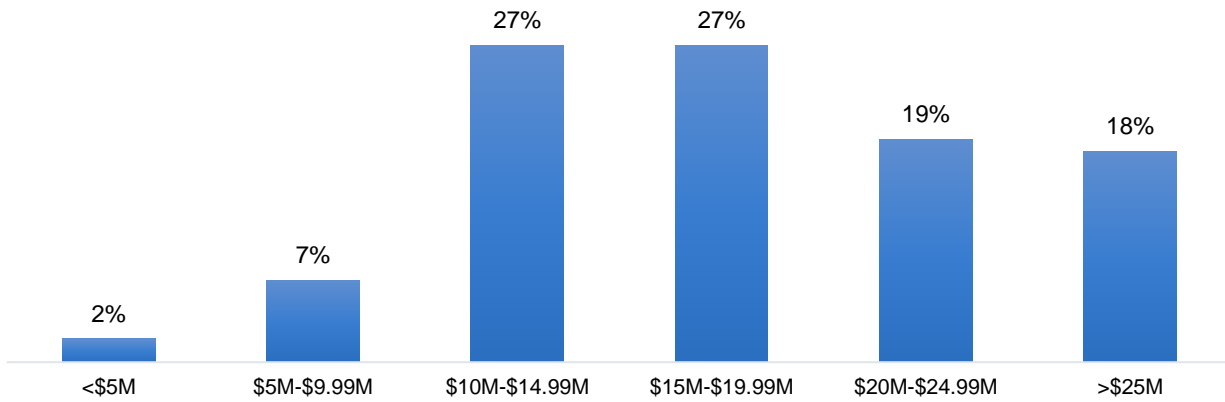
### Meridian Comment

Including disclosures of realized or realizable pay continues to be a minority practice. Despite its limited prevalence, some compensation committees annually review realized and/or realizable pay to monitor quantum of pay delivered to key executives.

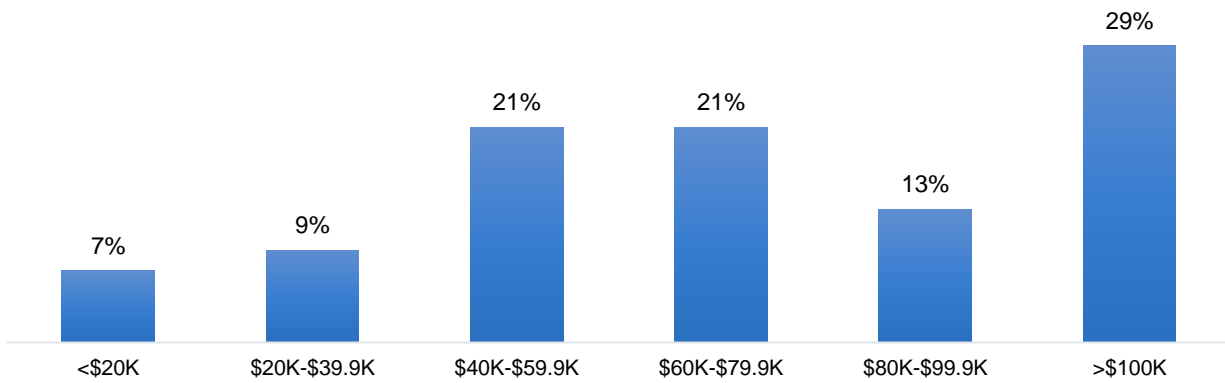


## CEO Pay Ratio

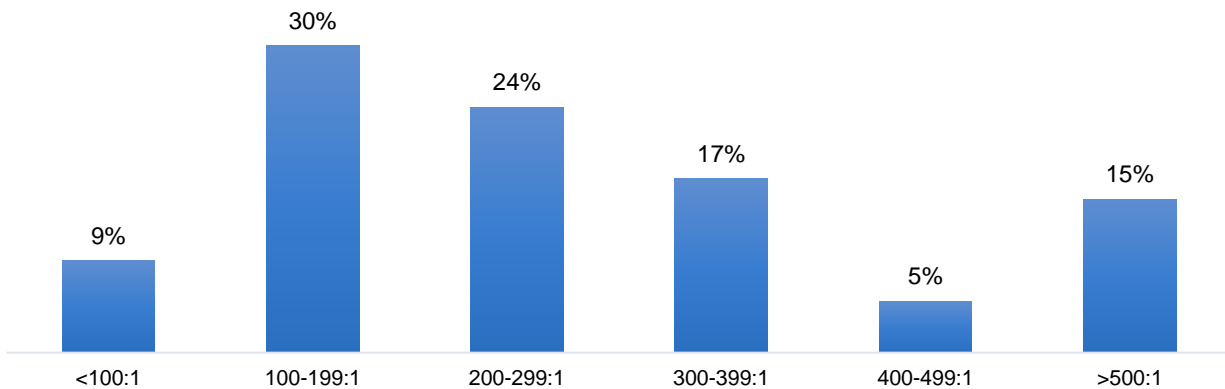
### CEO Total Pay Prevalence



### Median Employee Total Pay Prevalence



### CEO Pay Ratio Prevalence



## Median and Average CEO Pay Ratio by Industry

Pay Definition	Number of Companies	Median CEO Pay Ratio	Average CEO Pay Ratio ▼
Consumer Discretionary	28	510:1	780:1
Consumer Staples	26	336:1	447:1
Information Technology	18	275:1	329:1
Communication Services	11	274:1	306:1
Healthcare	22	282:1	276:1
Financials	13	210:1	253:1
Materials	16	217:1	234:1
Industrials	37	201:1	222:1
Energy	19	108:1	133:1
Utilities	10	83:1	109:1
<b>Total</b>	<b>200</b>	<b>243:1</b>	<b>339:1</b>

### Meridian Comment

The median CEO pay ratio among Meridian 200 companies is 243:1, up from 213:1 in 2023. Over the last several years, the median CEO pay ratio has remained consistent (between 200:1 and 250:1).

While company size (e.g., revenue, market cap, number of employees) is directionally aligned with CEO pay ratios, the largest ratios are observed within industry sectors influenced largely by economic circumstances and global workforces. Among Meridian 200 companies, Utilities have the lowest median CEO pay ratio (83:1) while the Consumer Discretionary industry sector continues to have the highest median CEO pay ratio (510:1).

## Company Policies

## Executive Equity Holdings

### Stock Ownership Guidelines

Almost all Meridian 200 companies (99%) have stock ownership guidelines for their NEOs, with the “multiple of salary” structure remaining the most common approach.

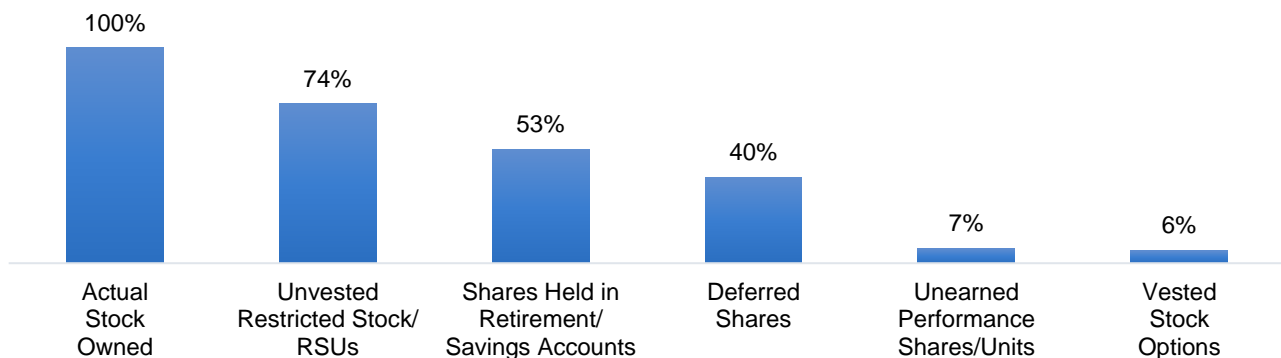
Stock Ownership Guidelines Structure	Prevalence
Multiple of Salary	96%
Number of Shares	2%
Combination of Multiple of Salary and Number of Shares <sup>1</sup>	1%
None Disclosed	1%

<sup>1</sup> Guidelines expressed both as a multiple of salary and a number of shares most often require executives to achieve the lesser of a multiple of salary or a specific number of shares.

The average CEO multiple is 6.8x base salary, while the most prevalent multiple is 6.0x base salary. The most prevalent multiple for the Highest and Lowest Paid non-CEO NEO continues to remain at 3.0x base salary. The table below discloses the average and most prevalent multiple of salary among the Meridian 200.

Multiple of Salary Level	CEO	Highest NEO Multiple	Lowest NEO Multiple
Average	6.8x	3.7x	3.1x
Most Prevalent	6.0x	3.0x	3.0x

The following are defined as “stock” for purposes of achieving stock ownership guideline requirements. (Prevalence only includes companies that disclose a definition of “stock.”)



### Meridian Comment

Few companies count unearned performance shares/units or vested stock options toward achievement of the ownership guideline requirements (7% and 6%, respectively). Under current ISS policy, companies do not receive credit for executive stock ownership guidelines if they permit the inclusion of unearned performance awards or unexercised options (or any portion of their value, such as the current “in-the-money” amount) in satisfying these requirements.

Among Meridian 200 companies with stock ownership guidelines, over three-quarters (78%) have a timing requirement to meet ownership guidelines, with five years being the most prevalent. 22% have a holding requirement in place in lieu of specific timing requirements (see *additional details below*).

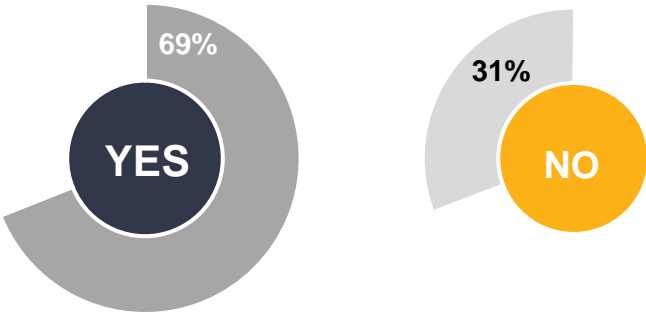


**Holding Requirements**

The holding requirement structures are defined as:

- **Hold Until Met** – Requires an executive to retain a specified percentage of shares received from vested/earned share-based awards or exercised options, until ownership guidelines are fully achieved.
- **Hold Only if Non-Compliant** – Requires an executive to retain a specified percentage of shares received from vested/earned share-based awards or exercised options if the ownership guidelines are not met within the allotted timeframe or if an executive falls out of compliance.
- **Hold Until Retirement** – Requires an executive to retain a specified percentage of shares received from vested/earned share-based awards or exercised options until employment ends.
- **Holding Requirement Always in Place** – Requires an executive to retain a specified percentage of shares received from vested/earned share-based awards or exercised options for a specific period of time regardless of whether ownership guidelines are achieved (e.g., hold for one year post-vesting).

Approximately seventy percent (69%) of the Meridian 200 companies disclose using a stock holding requirement either in addition to or instead of a required stock ownership level. The prevalence of stock holding requirements has remained consistent over the last five years.



If the company discloses a holding requirement, how is it structured?

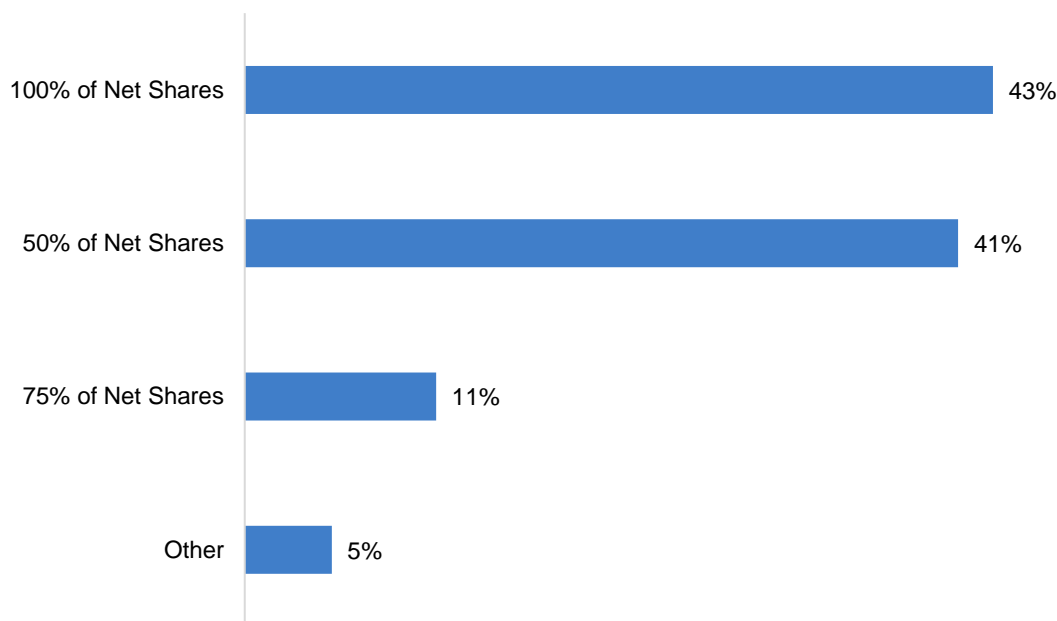
Holding Requirement Structure	Prevalence Among the Meridian 200 <sup>1</sup>	Prevalence Among Companies with a Holding Requirement <sup>2</sup>
Hold Until Met	57%	83%
Hold Only if Non-Compliant	14%	20%
Holding Requirement Always in Place	5%	7%
Hold Until Retirement	3%	4%

<sup>1</sup> Sum of prevalence percentages exceeds holding requirement prevalence (69%) since companies may have multiple holding requirements.

<sup>2</sup> Sum of prevalence percentages exceeds 100% since companies may have multiple holding requirements.

### Hold Until Met Requirement

As noted above, the most common stock holding requirement structure is “Hold Until Met.” The chart below illustrates the percentages of “net of tax” shares that must be held by an executive with a Hold Until Met requirement.

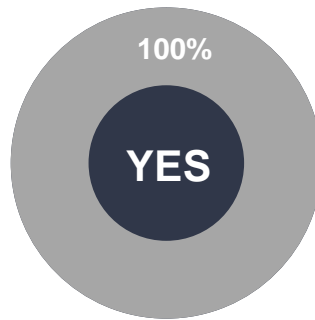


### Meridian Comment

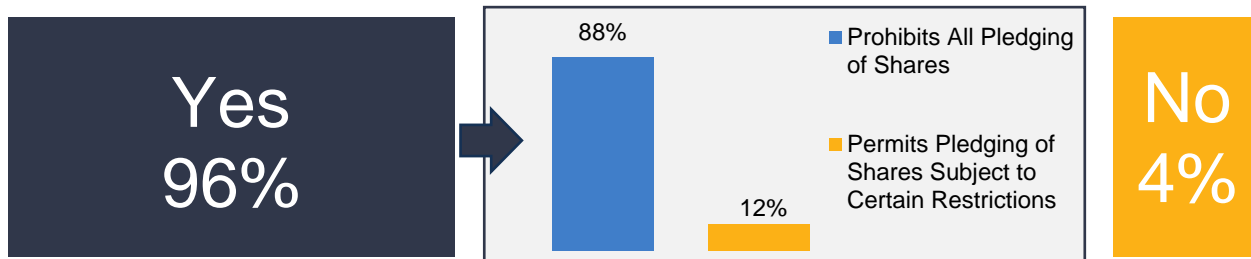
The prevalence and design of holding requirements have remained steady in recent years. A significant majority of companies with “Hold Until Met” policies mandate that either 100% (43%) or 50% (41%) of net shares be held. Few Meridian 200 constituents have adopted a holding policy requiring participants to hold shares after the ownership guidelines are met (e.g., “hold until retirement” or “holding requirement always in place”).

## Anti-Hedging and Anti-Pledging Policies

All Meridian 200 companies disclose the existence of an anti-hedging policy.



A significant majority of Meridian 200 companies disclose the existence of an anti-pledging policy.



### Meridian Comment

Consistent with 2023, all Meridian 200 companies disclose an anti-hedging policy.

Nearly all Meridian 200 companies (96%) disclose an anti-pledging policy. Among those with such policies, 88% completely prohibit share pledging, while the remaining 12% allow it under specific conditions, such as board approval.

## Recoupment (Clawback) Policies

### Meridian Comment

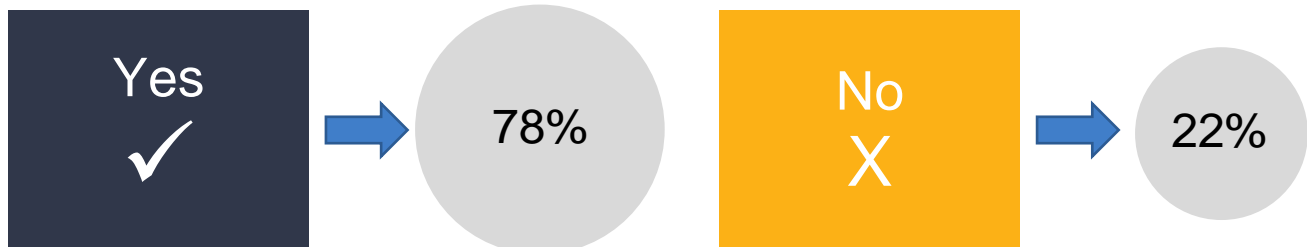
In October 2022, the SEC finalized clawback regulations as mandated by the Dodd-Frank Act. These rules required NYSE- and Nasdaq-listed companies to implement a mandatory clawback policy to recoup excess incentive compensation from both current and former executive officers in the event of a financial restatement.

The SEC-approved listing standards were effective October 2, 2023, and NYSE- and Nasdaq-listed companies were required to adopt and implement a Dodd-Frank compliant mandatory clawback policy by December 1, 2023. These policies apply to incentive-based compensation received by executive officers on, or after, October 2, 2023.

All Meridian 200 companies maintain a clawback policy that aligns with the standards outlined by the Dodd-Frank Act. Over three-quarters of companies also maintain **additional clawback policies or provisions** that exceed the requirements mandated by Dodd-Frank. Some companies implemented these policies while waiting for the Dodd-Frank mandatory clawback rules to go into effect, while others approved new, additional requirements at the same time as adopting the mandatory Dodd-Frank clawback policy.

All the clawback-related descriptions below focus on policies and provisions **beyond** the Dodd-Frank requirements.

Does the company maintain clawback policies or provisions that exceed the requirements mandated by Dodd-Frank?



### Meridian Comment

Companies expand upon the mandatory Dodd-Frank provisions in different ways, namely: additional triggers (i.e., beyond financial restatement), a broader covered employee group, or more elements of compensation (e.g., time-based equity awards). For companies with expanded policies, typically the board (or compensation committee) has discretionary authority to recoup compensation. They are not required to recoup pay (as they are with the mandatory Dodd-Frank policy).



## Additional Clawback Triggers

Additional Clawback Triggers	Prevalence Among the Meridian 200 <sup>1</sup>	Prevalence Among Companies with Clawback Provisions Beyond the Dodd-Frank Mandatory Policy <sup>2</sup>
Ethical Misconduct	49%	62%
Violation of Restrictive Covenants	26%	33%
Reputational Risk	24%	31%
Failure to Supervise	10%	13%
Other	6%	7%

<sup>1</sup> Sum of prevalence percentages exceeds additional clawback provision prevalence (78%) since companies may have multiple additional triggers.

<sup>2</sup> Sum of prevalence percentages exceeds 100% since companies may have multiple additional triggers.

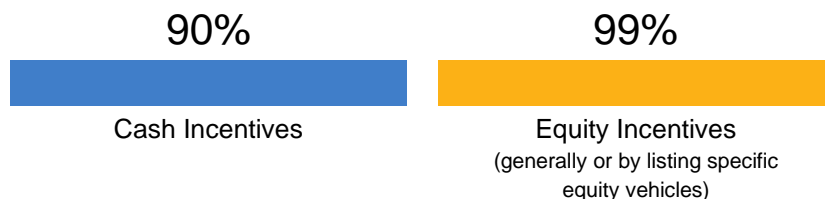
**Note:** Financial restatement clawback trigger not presented above as this trigger is mandated by the Dodd-Frank policy.

Who is covered under the company's additional clawback policy?<sup>1</sup>

Roles	Prevalence
Current Key Executives (e.g., Section 16 Officers)	40%
All Incentive (Annual and/or Equity) Plan Participants	33%
Current and Former Key Executives (e.g., Section 16 Officers)	24%
Current Named Executive Officers Only	3%

<sup>1</sup> The primary source of this data is proxy statements, which often focus on key executive populations, so broader coverage is likely in actual practice.

While the Dodd-Frank mandatory policy only covers "incentive-based" compensation, over 90% of companies have opted to broaden their policies to encompass a wider range of compensation elements, including time-based equity awards. Strong majority practice is to include both cash and equity incentives under a company's clawback policy.



### Meridian Comment

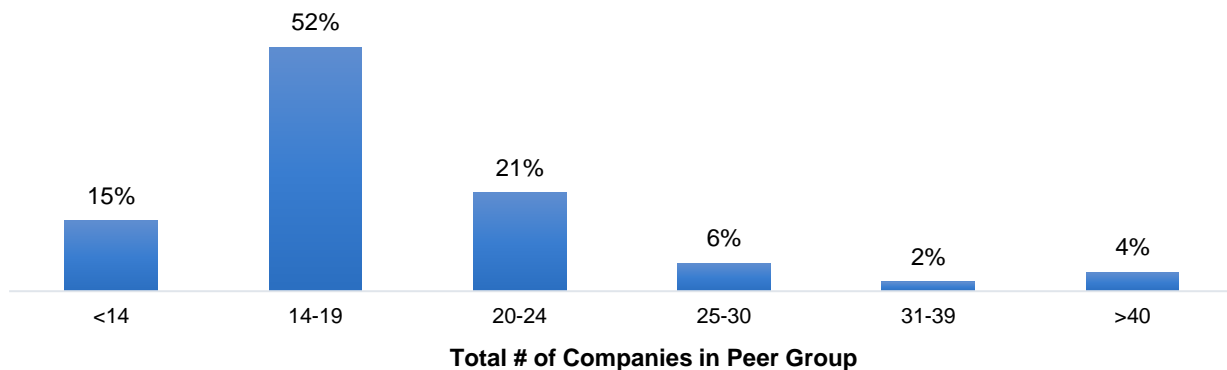
As companies implemented the Dodd-Frank mandatory clawback policy last fall, they had the opportunity to revisit their existing clawback arrangements and determine if they were appropriately complementary of the mandatory policy. Based on the data from this year's survey, while some companies choose to maintain only the mandatory policy, over three-quarters of companies determined that the best approach was to include additional discretionary clawback provisions and we expect more will do so in 2024-2025.

## Peer Groups

Nearly all (97%) of the Meridian 200 disclose the use of at least one custom benchmarking peer group.

Number of Peer Groups	Prevalence
One Custom Peer Group	89%
Two Custom Peer Groups	8%
N/A – Company Does Not Disclose Any Benchmarking Peer Groups	3%

It is considered good governance for companies to have a robust peer group, generally comprised of 15-25 companies. The graph below displays the *total* number of companies used in custom compensation benchmarking peer group(s).



**Note:** The total is based on all companies used in the custom benchmarking peer group(s) that are disclosed.

### Meridian Comment

Companies typically select peer groups based on a range of criteria, including size (e.g., revenue, assets, market capitalization), industry segment, complexity, geographic reach, performance, and competition for talent and investors.

73% of companies include between 14 and 24 companies in their peer group. The average Meridian 200 peer group includes 19 companies.

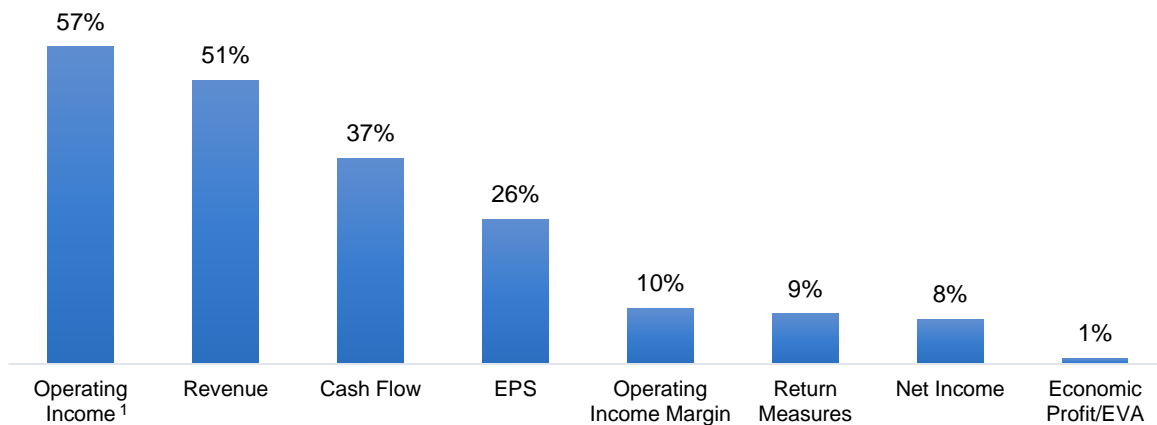
Peer groups are frequently employed to benchmark executive and director compensation, incentive plan design and share utilization. Additionally, many companies use custom peer groups for relative performance comparisons, even if these comparisons are not part of formal incentive plans. Compensation committees and external observers closely scrutinize peer groups due to their significant impact on a company's pay practices and compensation levels.

We advise companies to review peer groups annually to ensure their continued appropriateness.

# Annual Incentive Plan Design Practices

## Annual Incentive Plan Metrics

### Financial Metrics Used to Determine Annual Incentive Plan Payouts



<sup>1</sup> Includes EBIT, EBITDA, Operating Income, Pre-Tax Income, etc.

Metric	Median Weighting	Average Weighting
<b>All Earnings Metrics (Combined)</b>	50%	51%
Operating Income	50%	51%
Net Income	41%	45%
EPS	40%	44%
<b>Revenue</b>	30%	32%
<b>Return Measures</b>	28%	30%
<b>Operating Margin</b>	25%	30%
<b>Cash Flow</b>	25%	27%

**Note:** Weighting statistics only consider companies that use the metric in the annual incentive plan and define a weighting (i.e., excludes instances of 0% weighting and modifiers).

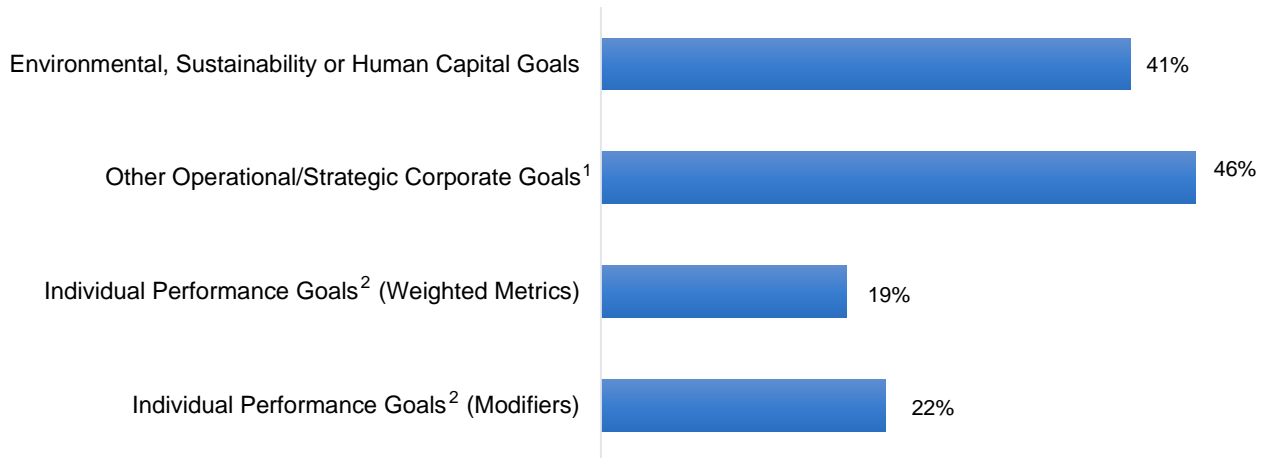
### Meridian Comment

The prevalence of annual incentive metrics remains consistent with prior year results. Earnings-based measures (e.g., Operating Income, EPS or Net Income) continue to be the predominant metric in annual incentive plans, with a strong majority of companies (86%) including an earnings measure in their plan. Revenue is used by a majority of companies, while cash flow metrics remain a strong minority practice.

Across annual incentive plans, earnings metrics, on average, account for 51% of the overall plan weighting while revenue metrics account for 32%, on average. Typically, companies include two financial metrics in the annual incentive plan.

## Non-Financial Metrics

Most companies (80%) also incorporate operational goals, strategic goals and/or individual performance objectives in their annual incentive plans, typically as supplements to the financial metrics.



<sup>1</sup> Not related to environmental, sustainability or human capital topics.

<sup>2</sup> Performance goals that are established separately for each executive.

**Note:** Sum of prevalence percentages exceeds 100% due to companies that include multiple types of non-financial metrics.

### Meridian Comment

Most companies continue to incorporate non-financial goals into the annual incentive plan. Since 2019, the prevalence of non-financial metrics in annual incentive plans has increased 10-percentage points.

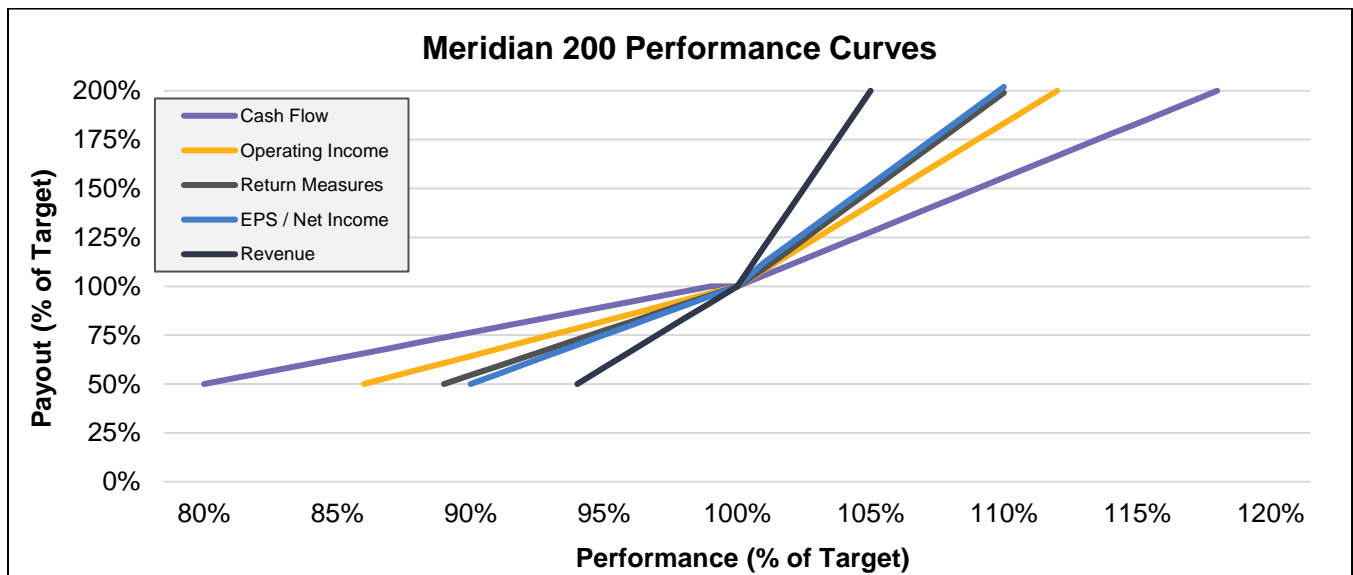
In terms of environmental, sustainability and human capital measure prevalence, 41% of Meridian 200 companies incorporate an annual incentive plan metric focusing on one of those topics. The use of individual performance modifiers and weighted individual performance goals remains consistent with prior year results.

## Annual Incentive Performance Curves

The median threshold and maximum performance requirements (as a percentage of the target goal) for companies using five common financial metrics are provided below.

Financial Metrics	Median <u>Threshold</u> Performance Goal as a Percent of Target	Median <u>Maximum</u> Performance Goal as a Percent of Target
EPS/Net Income	90%	110%
Operating Income	86%	112%
Revenue	94%	105%
Return Measures	89%	110%
Cash Flow	80%	118%

Typical performance curves are depicted graphically below. Most often, companies set the threshold *payout* opportunity at 50% of target and the maximum *payout* opportunity at 200% of target.



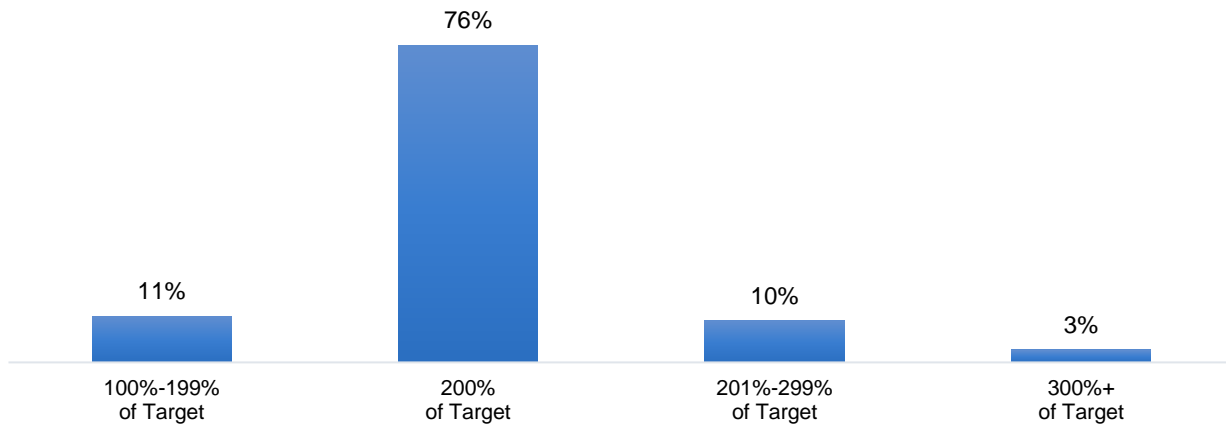
### Meridian Comment

The median threshold and maximum performance goals (as a percentage of target) have remained largely consistent with the previous year's survey. Typically, these threshold and maximum goals are associated with a 50% of target and 200% of target payout, respectively.

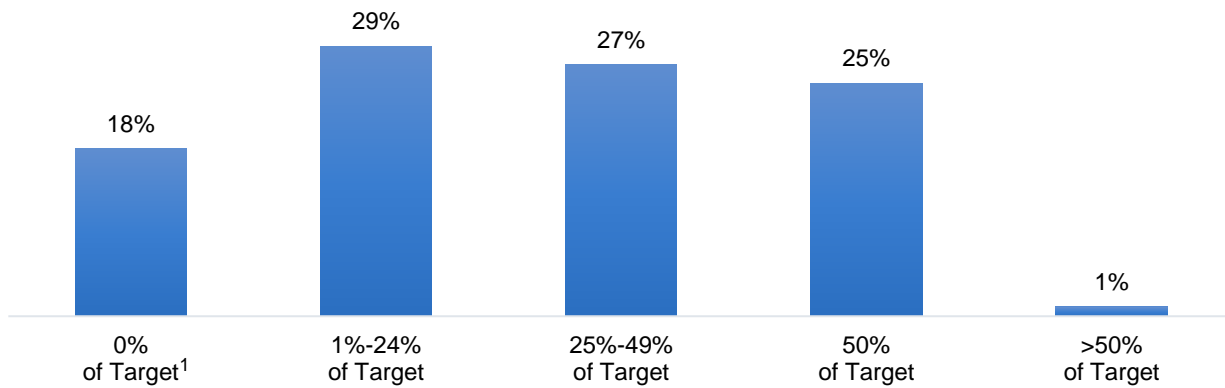
When establishing these goals, Meridian 200 companies tend to set narrower performance ranges for revenue goals compared to other financial metrics, reflecting better line of sight for management to achieving performance goals that are further up the income statement. Although market results provide useful insights, we find that other factors often play a significant role in shaping the structure of performance goal ranges. These factors include internal budget and performance expectations, investor demands, and company-specific elements such as pay philosophy, capital structure, overall performance and volatility.

## Payout Curves (Leverage)

### Maximum Potential Payout (as a Percent of Target)



### Threshold Payout (as a Percent of Target)



<sup>1</sup> Payouts start at \$0 for threshold level performance.

### Meridian Comment

The most prevalent maximum payout opportunity within annual incentive plans among the Meridian 200 continues to be 200% of target (76%) and nearly all Meridian 200 companies (99%) set threshold payout opportunity at or below 50% of target.

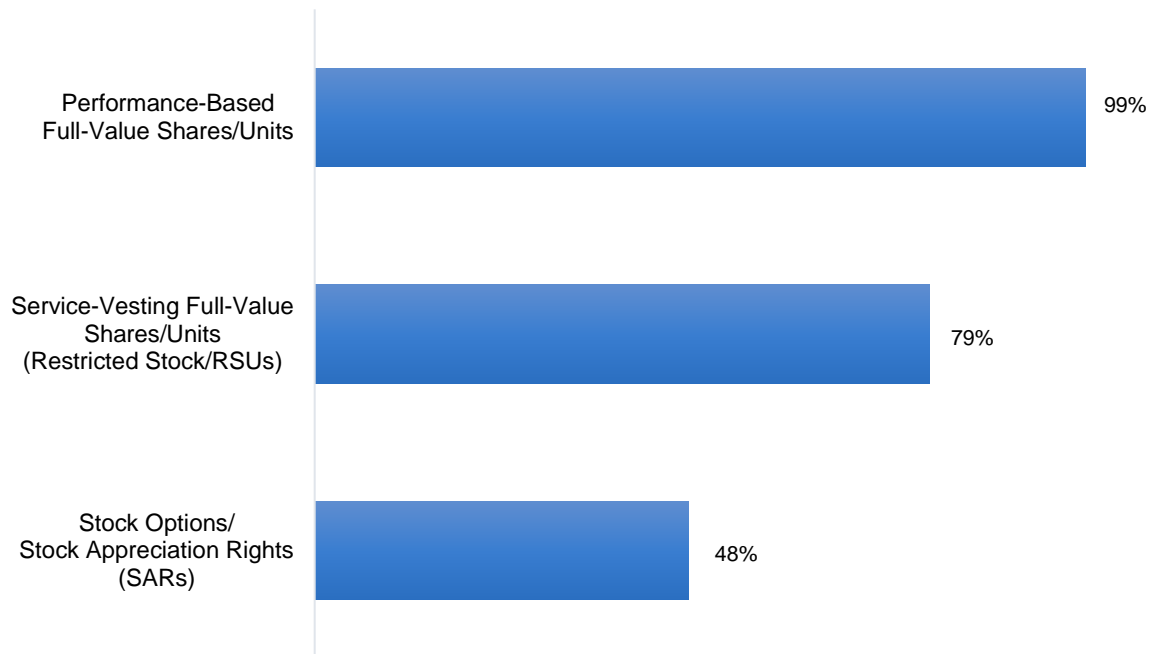
Exact threshold payout opportunities are varied. Numerous companies (18%) interpolate payouts all the way down to 0% (i.e., performance just above threshold earns a \$1 payout). Most companies, however, set the overall plan payout threshold above 0% of target. On an individual metric basis, it is most common to set the threshold payout at 50% of target performance.

# Long-Term Incentive Plan Design Practices



## Vehicle Use and Mix

### Prevalence of LTI Vehicles at the NEO Level

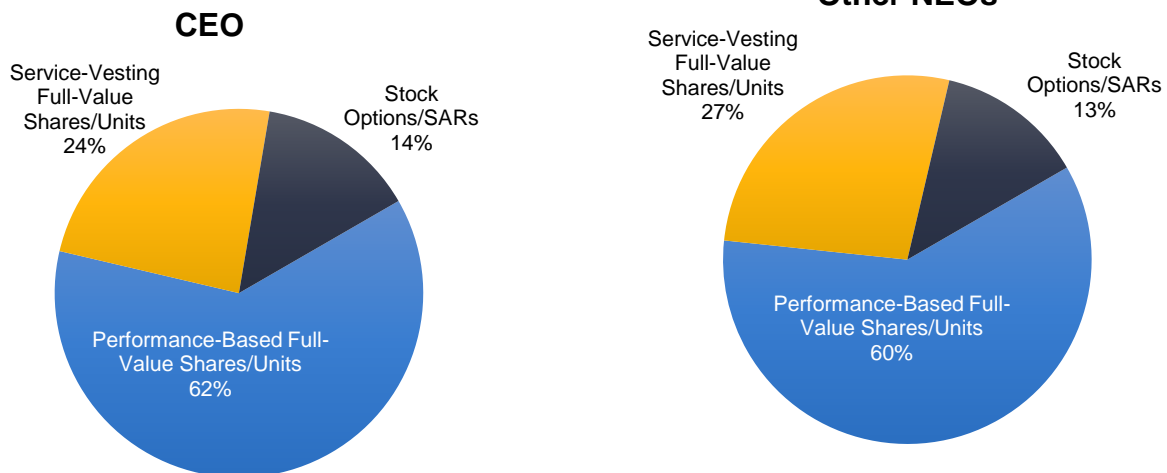


#### Meridian Comment

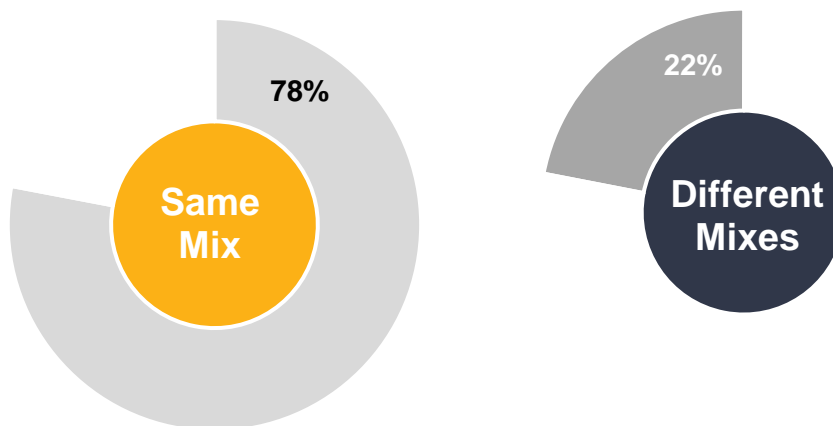
The majority of companies (58%) grant two LTI vehicles annually. 37% grant three or more LTI vehicles annually while only 5% grant one vehicle.

Nearly all Meridian 200 companies (99%) grant performance-based full value shares/units, underscoring their commitment to a pay-for-performance approach to executive pay. Service-vesting full-value shares (i.e., restricted stock and/or restricted stock units) are also common (79%). For the first time since we began conducting this survey in 2011, fewer than one-half of Meridian 200 companies grant stock options or SARs (48%).

## Stated LTI Mix (Based on Value)



For most companies (78%), the disclosed LTI mix is consistent between the CEO and other NEOs.



### Meridian Comment

In every study since 2012, performance-based vehicles comprised at least 50% of total LTI value. The disclosed LTI mix remains generally consistent with prior year results.

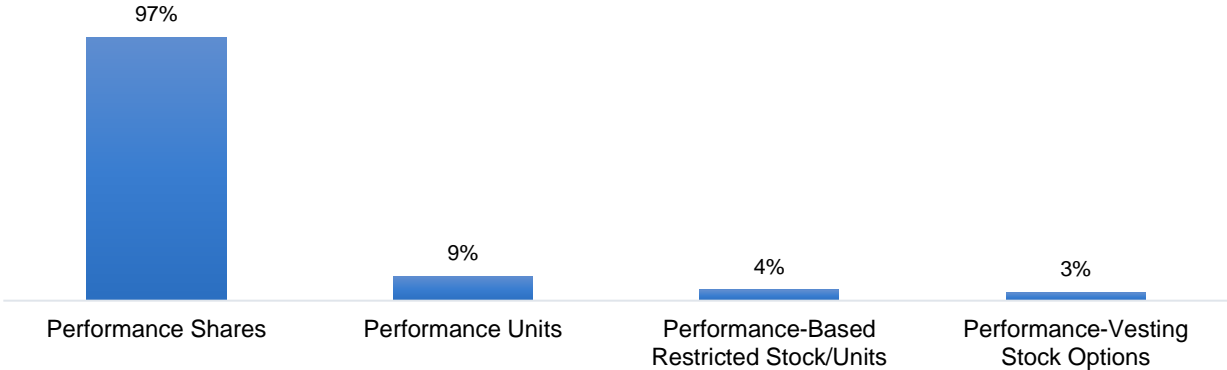
# Performance-Based Long-Term Incentives

## Performance-Based Vehicle Use

Meridian 200 companies incorporate several different types of performance vehicles within the LTI mix, though performance shares are the most prevalent.

The different types of performance-based vehicles include:

- **Performance Shares** – A performance-based award with the same value as a share of company stock that provides a range of potential payouts depending on achievement against goals.
- **Performance Units** – A performance-based award that assigns a notional value (e.g., \$1) to each unit that is not related to the value of a share of company common stock, provides for a range of potential payouts depending on the achievement against goals and is typically paid out in cash.
- **Performance-Based Restricted Stock/Units** – A performance-contingent equity award with no upside payout opportunity (i.e., maximum payout that can be earned is 100% of target).
- **Performance-Vesting Stock Options** – A performance-based stock option award that vests contingent on performance and may offer a range of potential payouts depending on achievement against goals.



**Note:** Total exceeds 100% as some companies grant more than one type of performance award.

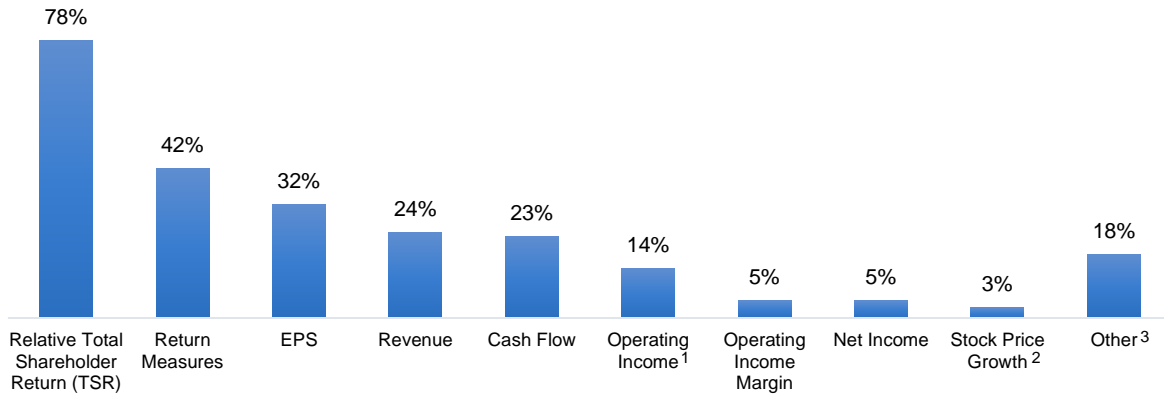
### Meridian Comment

Meridian 200 companies favor performance shares (i.e., awards that provide a range of payout opportunities above and below target) to other types of performance-based equity vehicles. Cash-denominated performance awards are relatively uncommon. Companies generally prefer the use of shares over cash within long-term incentive plans for several reasons, including: shareholder alignment, additional leverage from stock price growth, compliance with ownership guidelines (most often after the performance cycle has completed), conservation of cash and favorable accounting treatment.

**Note:** The rest of this section refers solely to performance-based full value share/unit awards (i.e., not performance-vesting stock options).



## Financial Metrics Used to Determine Performance-Based Award Payouts



<sup>1</sup> Includes EBIT, EBITDA, Operating Income and Pre-Tax Income.

<sup>2</sup> Stock Price Growth includes absolute TSR (stock price appreciation + dividends) performance metrics.

<sup>3</sup> "Other" includes metrics such as: Economic Value Added (EVA), Economic Profit and operational goals.

Metric	Median Weighting	Average Weighting
<b>All Earnings Metrics (Combined)</b>	50%	56%
Operating Income	50%	55%
Net Income	42%	54%
EPS	50%	54%
<b>Relative TSR</b>	50%	54%
<b>Return Measures</b>	50%	50%
<b>Operating Margin</b>	50%	48%
<b>Cash Flow</b>	40%	42%
<b>Revenue</b>	38%	40%

**Note:** Weighting statistics only consider companies that use the metric in the long-term plan and define a weighting (i.e., excludes instances of 0% weighting and modifiers).

### Meridian Comment

Prevalence of long-term incentive metrics generally remained consistent year-over-year. Relative TSR remains the most prevalent long-term incentive metric (78%) and has a higher prevalence than all earnings-based metrics (e.g., EPS, Operating Income or Net Income) combined. No single financial metric is used by a majority of Meridian 200 companies.

Relative TSR measures come in two forms: a discrete weighted metric or a performance modifier (discussed in more detail on the following pages).

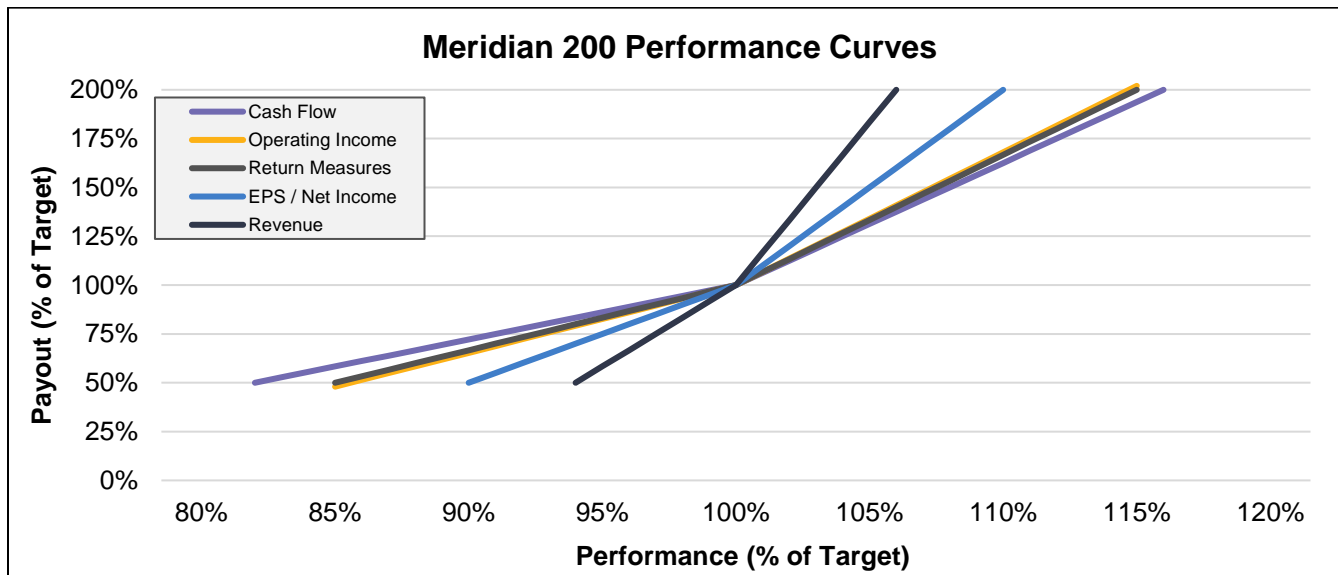
Across the eight most common incentive metrics, the average weighting per metric is at least 40%. Unlike annual incentive plans, which often feature several metrics with low allocated weighting, each long-term incentive metric typically accounts for a more substantial portion of the overall plan.

## Long-Term Incentive Performance Curves

The median threshold and maximum performance requirements (as a percentage of the target goal) for companies using five common financial metrics are provided below.

Financial Metrics	Median <u>Threshold</u> Performance Goal as a Percent of Target	Median <u>Maximum</u> Performance Goal as a Percent of Target
EPS/Net Income	90%	110%
Operating Income	85%	115%
Revenue	94%	106%
Return Measures	85%	115%
Cash Flow	82%	116%

Typical performance curves are depicted graphically below. Most often, companies set the threshold *payout* opportunity at 50% of target and the maximum *payout* opportunity at 200% of target.



## Goal Setting

Most companies set multi-year goals to determine performance-based award payouts.

Goal Setting Approach	Prevalence <sup>1</sup>
Multi-Year Goals (e.g., 3-year cumulative TSR or EPS)	93%
Multiple 1-Year Goals over Performance Period with Goals set Annually	7%
Multiple 1-Year Goals over Performance Period with Goals set at the Beginning of the Performance Period	6%
1-Year Goals with Additional Service Vesting	3%

<sup>1</sup> Sum of prevalence exceeds 100% as companies may set goals differently for different performance metrics.

### Meridian Comment

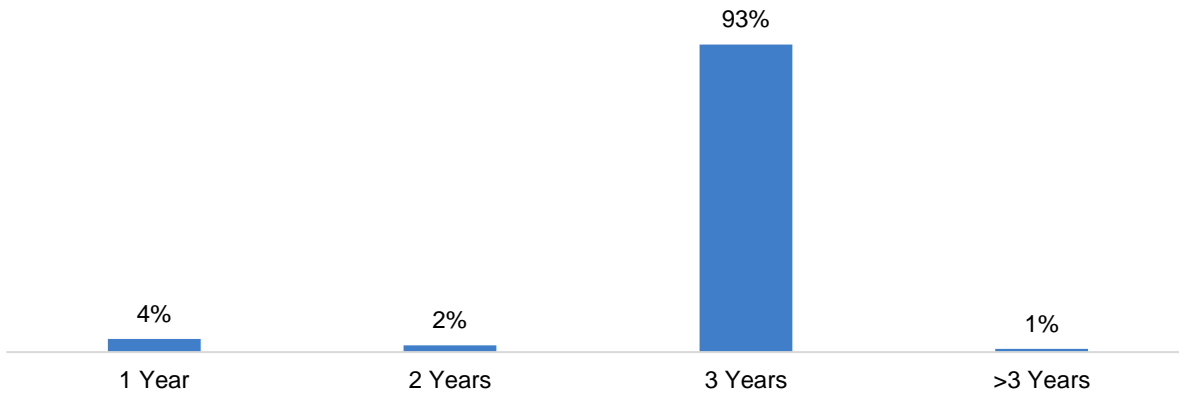
Median long-term performance goal ranges are set in a similar fashion to annual incentive plan goals. Revenue goals have the narrowest performance range from threshold to maximum, while cash flow has the widest range. Consistent with the annual goal setting process, market reference points are not the sole factor considered when setting long-term performance goals.

The median threshold and maximum performance curves are similar to the prior year survey results. Compared to the 2019 survey, the threshold to maximum performance goal ranges are now “wider” for most metrics.

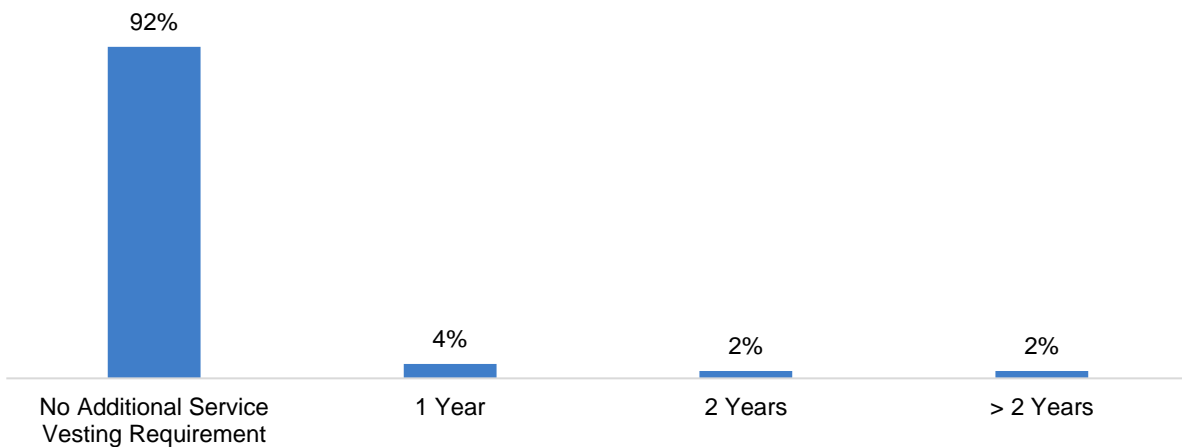
Also consistent with 2023 results, setting a three-year cumulative goal remains the most prevalent goal setting approach, used by over 90% of companies.

## Performance Periods

The overwhelming majority of companies use a three-year performance period.



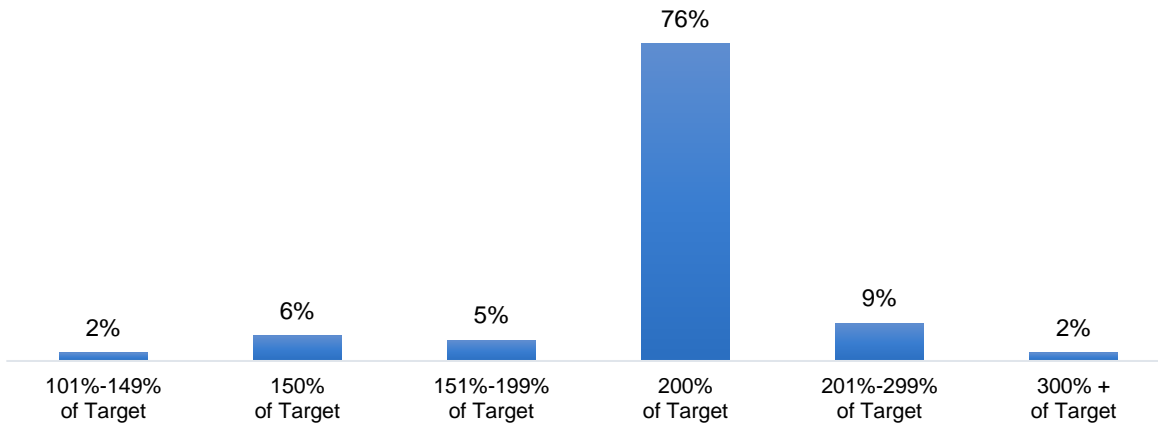
A small minority of companies require additional service vesting after the performance period has been completed.



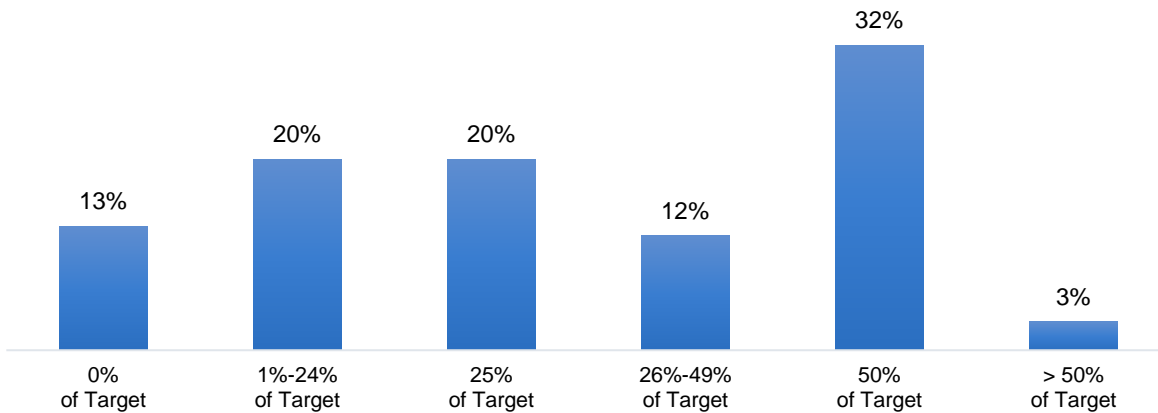
### Meridian Comment

Among Meridian 200 companies, the standard performance period is three years with no additional vesting requirement. 8% of companies with performance-based long-term awards, however, mandate additional service vesting after the performance period. These companies generally have one- or two-year performance periods with an additional one to three years of required service.

**Payout Curves (Leverage)**  
*Maximum Payout Opportunity*



**Threshold Payout Opportunity**



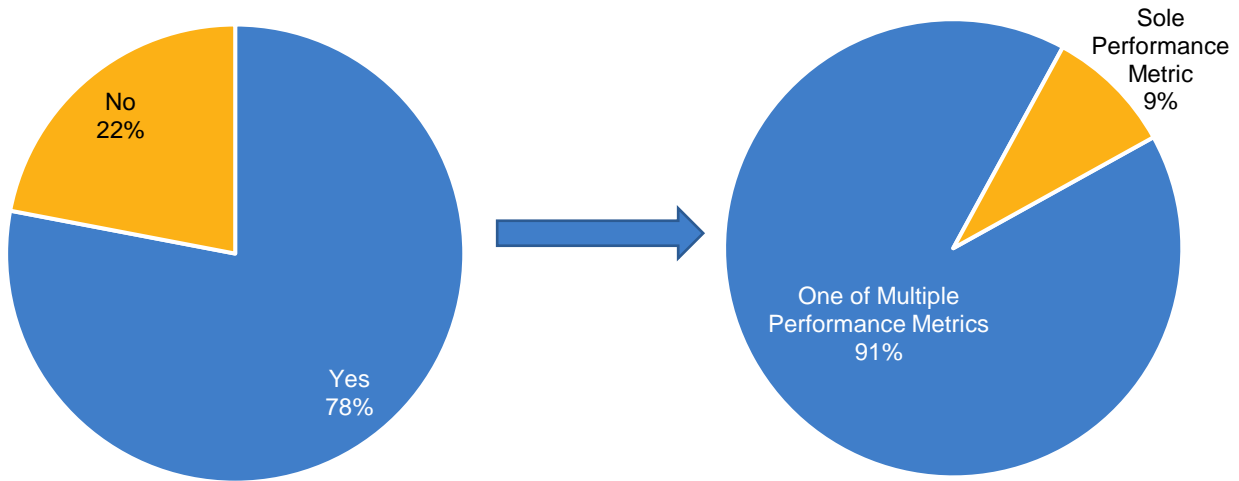
**Meridian Comment**

Consistent with annual incentive plans, the most common threshold and maximum payout opportunities for long-term incentive plans are 50% and 200% of target, respectively. Over three-quarters (76%) of companies set the maximum payout at 200% of target.

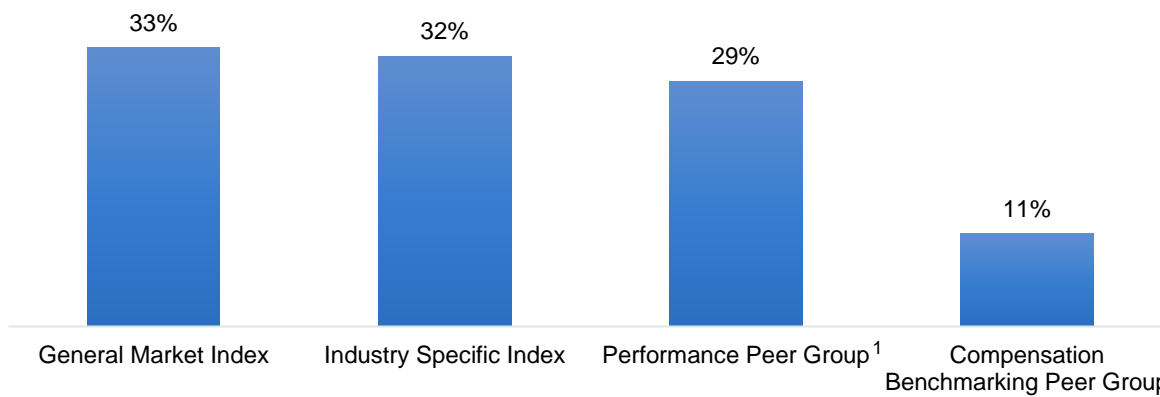


## Relative TSR Performance Metrics

More than three-quarters of the Meridian 200 (78%) include a relative TSR metric in the long-term performance plan. However, it is a minority practice (9%) to use relative TSR as the sole performance metric.



Relative TSR is typically assessed against one of the following groups:



<sup>1</sup> Represents peer groups that include at least some variation in companies from the compensation benchmarking peer group (i.e., not simply a subset of the compensation benchmarking peer group). Most often 15-30 companies.

**Note:** Sum of prevalence percentages exceeds 100% due to companies that assess performance against more than one peer group/index.

### Meridian Comment

78% of Meridian 200 companies include a relative TSR metric in the long-term incentive plan. 91% of the companies using relative TSR pair it with at least one other performance metric.

While there is no single dominant practice with respect to the group against which TSR is compared, most companies select an industry-focused group as opposed to a broad market reference group (i.e., an industry specific index, a performance peer group and most compensation benchmarking peer groups are all industry-focused groups).

39% of Meridian 200 companies use relative TSR as a modifier, consistent with 2023 results.



**Note:** Sum of prevalence exceeds 100% as one company uses relative TSR as both a weighted performance metric and a modifier.

### Meridian Comment

Relative TSR modifiers, like weighted metrics, help ensure that the final payout of long-term incentive awards is aligned with the value delivered to shareholders. Incorporating relative TSR as a modifier can help ensure that there is some link between payout and relative market performance while leaving the majority of the payout opportunity subject to financial (or non-financial) performance. Some relative TSR modifiers are structured such that only top or bottom quartile performance impacts the overall plan payout (e.g., top quartile relative TSR results increases payouts by up to 20%-25% of target, while bottom quartile relative TSR results decreases payouts by up to 20%-25% of target). Other modifiers are structured such that any performance level other than target can modify the final payout, with performance closer to target having less impact.

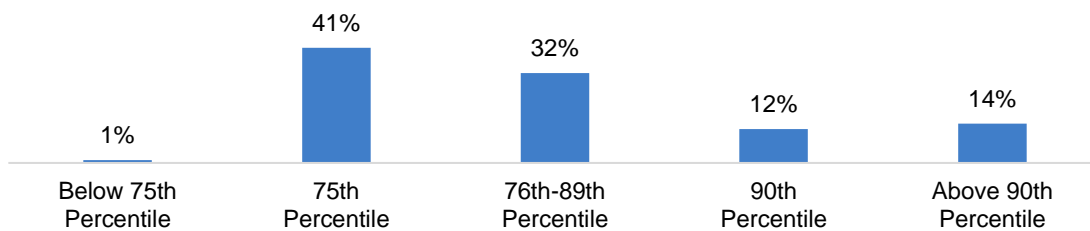
## Relative TSR Performance Goals

### Percentile Rank Relative to the Comparator Group

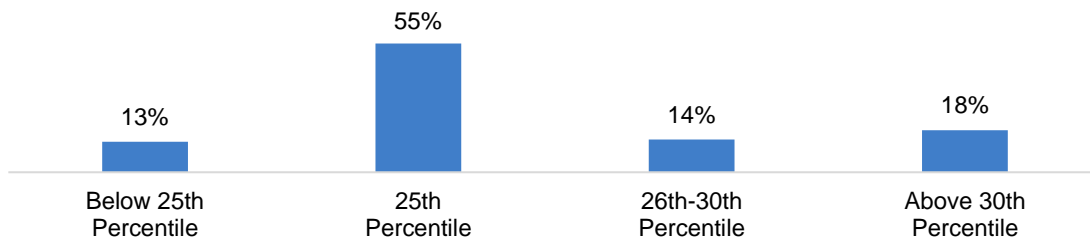
When relative TSR is used, the majority of companies set *target* performance level at the 50<sup>th</sup> percentile (excludes relative TSR modifiers).



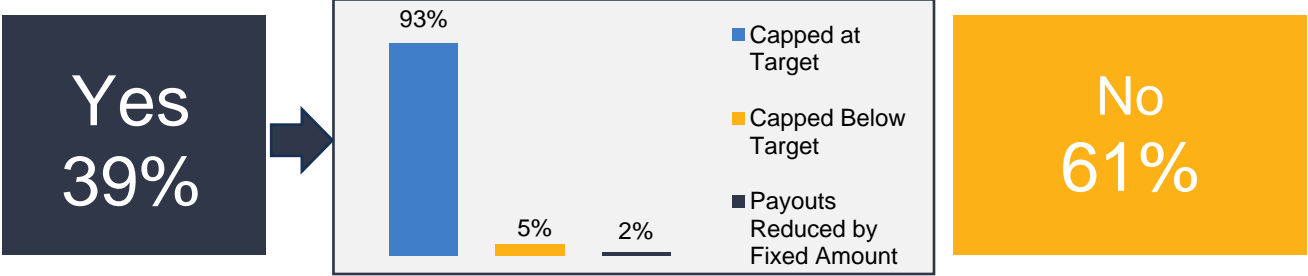
When setting relative TSR *maximum* performance level, companies set it at one of the following percentiles (excludes relative TSR modifiers).



A slight majority of companies set *threshold* performance level for relative TSR at the 25<sup>th</sup> percentile (excludes relative TSR modifiers).



Negative TSR caps limit payouts in cycles with negative absolute TSR, regardless of relative performance. 39% of Meridian 200 companies utilize a negative TSR cap, while 61% do not. Of those companies that have a cap, 93% cap the payout at target, 5% cap below target, and 2% reduce payouts by a fixed amount.



### Meridian Comment

When setting performance ranges for relative TSR, market prevalence data is just one factor to consider. The appropriate performance range can vary based on the performance period, the maximum payout multiplier and the size of the peer group, among other factors. Additionally, accounting expense considerations can influence the performance curve. For market-based awards (e.g., a relative TSR plan), the width of the performance range can significantly affect the grant date fair value and the associated accounting expense, which impacts the compensation value reported in the proxy.

Recently, there has been increased focus on negative TSR caps, which limit upside payouts for performance periods in which shareholders experience negative absolute returns. Currently, 39% of companies with long-term relative TSR plans have a negative TSR cap in place, an increase of 10% since 2019. For these companies, payouts are typically capped at the target level. While proxy advisors and some institutional investors support negative TSR caps, arguing they protect shareholder interests during downturns, other stakeholders believe these caps undermine the incentive to outperform peers during challenging macroeconomic conditions.

## Profile of Survey Companies

## Methodology

Meridian reviewed the corporate governance and incentive design practices of the Meridian 200 (i.e., 200 large publicly traded companies) through the most recently available proxy statements. Financial highlights of the companies are provided below, followed by a full listing of the companies used in the Survey. All figures shown are as of the end of each company's fiscal year.

	Revenues (\$M)	Market Value (\$M)	Employees	ROIC	Annualized TSR (3-Year)
75 <sup>th</sup> Percentile	\$58,757	\$111,459	94,250	18.2%	17.3%
Median	\$24,826	\$41,019	48,000	11.2%	8.8%
25 <sup>th</sup> Percentile	\$13,553	\$18,623	22,976	5.9%	0.1%

## Survey Companies (n = 200)

3M Company	Colgate-Palmolive Company	Ford Motor Company
Abbott Laboratories	Comcast Corporation	General Dynamics Corporation
Accenture plc	Conagra Brands, Inc.	General Electric Company
Adobe Inc.	ConocoPhillips	General Mills, Inc.
Alaska Air Group, Inc.	Consolidated Edison, Inc.	General Motors Company
Alcoa Corporation	Corning Incorporated	Global Payments Inc.
Altria Group, Inc.	Corteva, Inc.	Halliburton Company
American Electric Power Company, Inc.	Costco Wholesale Corporation	Hanesbrands Inc.
American Express Company	CSX Corporation	Harley-Davidson, Inc.
APA Corporation	Cummins Inc.	Hasbro, Inc.
Apple Inc.	CVS Health Corporation	HCA Healthcare, Inc.
Applied Materials, Inc.	Danaher Corporation	Hess Corporation
Aptiv PLC	Deere & Company	Hewlett Packard Enterprise Company
Archer-Daniels-Midland Company	Delta Air Lines, Inc.	HF Sinclair Corporation
AT&T Inc.	Devon Energy Corporation	Honeywell International Inc.
Automatic Data Processing, Inc.	Discover Financial Services	HP Inc.
Avery Dennison Corporation	Dollar General Corporation	Humana Inc.
Baker Hughes Company	Dow Inc.	IDEX Corporation
Ball Corporation	Eastman Chemical Company	Ingersoll Rand Inc.
Baxter International Inc.	Eaton Corporation plc	Intel Corporation
Becton, Dickinson and Company	eBay Inc.	International Business Machines Corporation
Best Buy Co., Inc.	Ecolab Inc.	International Paper Company
BorgWarner Inc.	Edison International	Johnson & Johnson
Boston Scientific Corporation	Elevance Health, Inc.	Johnson Controls International plc
Bristol-Myers Squibb Company	Eli Lilly and Company	Kellanova
Brown-Forman Corporation	Emerson Electric Co.	Kohl's Corporation
Bunge Global SA	Entergy Corporation	Labcorp Holdings Inc.
Campbell Soup Company	EOG Resources, Inc.	Linde plc
Cardinal Health, Inc.	Eversource Energy	Lockheed Martin Corporation
Carnival Corporation & plc	Exelon Corporation	Lowe's Companies, Inc.
Caterpillar Inc.	Exxon Mobil Corporation	Lumen Technologies, Inc.
Cencora, Inc.	FedEx Corporation	Macy's, Inc.
Centene Corporation	FirstEnergy Corp.	Marathon Oil Corporation
Chevron Corporation	Fluor Corporation	
Cintas Corporation	FMC Corporation	

Marathon Petroleum Corporation	PPG Industries, Inc.	The Interpublic Group of Companies, Inc.
Marriott International, Inc.	Prudential Financial, Inc.	The Kraft Heinz Company
Masco Corporation	Public Service Enterprise Group Incorporated	The Kroger Co.
Mastercard Incorporated	QUALCOMM Incorporated	The Mosaic Company
Mattel, Inc.	Quanta Services, Inc.	The Procter & Gamble Company
McDonald's Corporation	Quest Diagnostics Incorporated	The Sherwin-Williams Company
McKesson Corporation	Republic Services, Inc.	The TJX Companies, Inc.
Merck & Co., Inc.	Rockwell Automation, Inc.	The Travelers Companies, Inc.
MetLife, Inc.	RTX Corporation	The Walt Disney Company
Microsoft Corporation	Salesforce, Inc.	The Williams Companies, Inc.
Mondelez International, Inc.	Schlumberger Limited	THOR Industries, Inc.
Morgan Stanley	Seagate Technology Holdings plc	T-Mobile US, Inc.
Motorola Solutions, Inc.	Sealed Air Corporation	Tractor Supply Company
Newell Brands Inc.	Southwest Airlines Co.	Tyson Foods, Inc.
News Corporation	Stanley Black & Decker, Inc.	Union Pacific Corporation
NIKE, Inc.	Starbucks Corporation	United Airlines Holdings, Inc.
NiSource Inc.	Sysco Corporation	United Parcel Service, Inc.
Nordstrom, Inc.	Target Corporation	UnitedHealth Group Incorporated
Northrop Grumman Corporation	Texas Instruments Incorporated	V.F. Corporation
NOV Inc.	The AES Corporation	Valero Energy Corporation
Nucor Corporation	The Allstate Corporation	Verizon Communications Inc.
NVIDIA Corporation	The Boeing Company	Visa Inc.
Occidental Petroleum Corporation	The Cigna Group	W.W. Grainger, Inc.
Old Dominion Freight Line, Inc.	The Clorox Company	Walgreens Boots Alliance, Inc.
Omnicom Group Inc.	The Coca-Cola Company	Walmart Inc.
ONEOK, Inc.	The Estée Lauder Companies Inc.	Warner Bros. Discovery, Inc.
Oracle Corporation	The Gap, Inc.	Waste Management, Inc.
Owens Corning	The Goldman Sachs Group, Inc.	WESCO International, Inc.
Paramount Global	The Hartford Financial Services Group, Inc.	WestRock Company
PayPal Holdings, Inc.	The Hershey Company	Whirlpool Corporation
PepsiCo, Inc.	The Home Depot, Inc.	Xerox Holdings Corporation
Pfizer Inc.		Yum! Brands, Inc.
Philip Morris International Inc.		
Phillips 66		

# Meridian Compensation Partners Profile

Meridian Compensation Partners, LLC is the second largest independent executive compensation consulting firm in North America, providing trusted counsel to Boards and Management at hundreds of large and mid-sized companies. We consult on executive and board compensation and their design, amounts and corporate governance. Our many consultants throughout the U.S. and in Canada have decades of experience in pay solutions that are responsive to shareholders, reflect good corporate governance principles and align pay with performance. Our partners average 25 years of executive compensation experience and collectively serve well over 700 clients. Well over 90% of our engagements are at the Board level. As a result, our depth of resources, content expertise and Boardroom experience are unparalleled.

Our breadth of services includes:

- Pay philosophy and business strategy alignment
- Total compensation program evaluation and benchmarking
- Short-term incentive plan design
- Long-term incentive plan design
- Performance measure selection and stress testing
- Employment contracts
- Retirement and deferred compensation
- Risk evaluation
- Informed business judgments on executive pay
- Pay-for-performance analyses
- Corporate governance best practices
- Institutional shareholder and ISS voting guidelines/issues
- Senior management and board evaluations
- Change-in-control and/or severance protections
- Committee charter reviews
- Peer group development
- Peer company performance and design comparisons
- Benefits and perquisites design and prevalence
- Annual meeting preparation
- Senior executive hiring
- Succession planning
- Outside director pay comparisons
- Clawback and anti-hedging design
- Retention programs and strategies
- Tally sheets

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