

Global Top 250 Compensation Survey 2024

Compensation of Chief Executives and Chief Financial Officers

GLOBAL TOP 250 COMPENSATION SURVEY 2024

Frederic W. Cook & Co, FIT Remuneration Consultants and Pretium Partners have worked in association together for a number of years. The association between the three affiliated firms, based in the US, Europe and Asia, allows us to provide our clients with a global perspective.

We are proud to present our third edition of our Global Top 250 compensation survey.

2024 GLOBAL TOP 250 COMPENSATION SURVEY

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INTRODUCTION

Welcome to our third Global Top 250 Compensation Survey.

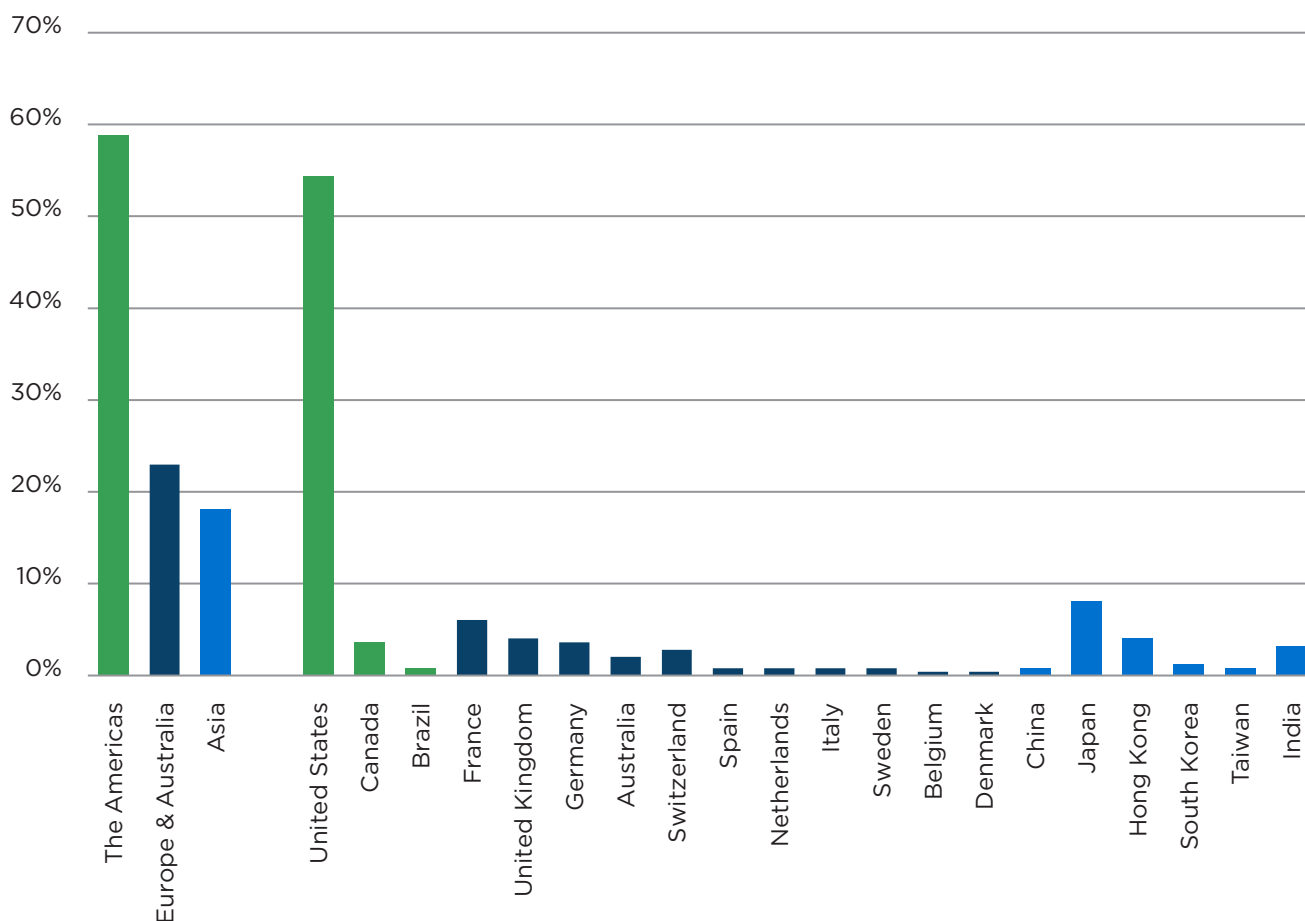
This report presents information on compensation levels for the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), the design of long-term incentives (LTI) and share usage at the 250 largest listed companies globally.

Constituents of the Global Top 250

The Global Top 250 is made up of the largest 250 listed companies worldwide by market capitalisation (as of December 31, 2023). In determining jurisdiction, companies' primary exchange listing has been used. Based on geographic region, 59% of the constituents are made up of companies from the Americas, 23% from Europe & Australia and 18% from Asia. In Asia, state-owned enterprises are replaced by other leading Asian companies. We categorise Europe and Australia together as pay practices in Australia has historically lent more on European (particularly the UK) than of Asia.

These broad categories mask nuances of remuneration within continents, but such categorization provides for a fair overall picture of differences between each group.

Geographic Breakdown of the Global Top 250



To provide an overview of how compensation practice varies between jurisdictions, we have analysed practices and levels between these three regions and also provided data, where available, on the jurisdictions with the most companies in the group. Note that the data points among some Chinese companies are limited as pay levels of the senior executive team are either disclosed in aggregate or only total compensation is reported on an individual basis.

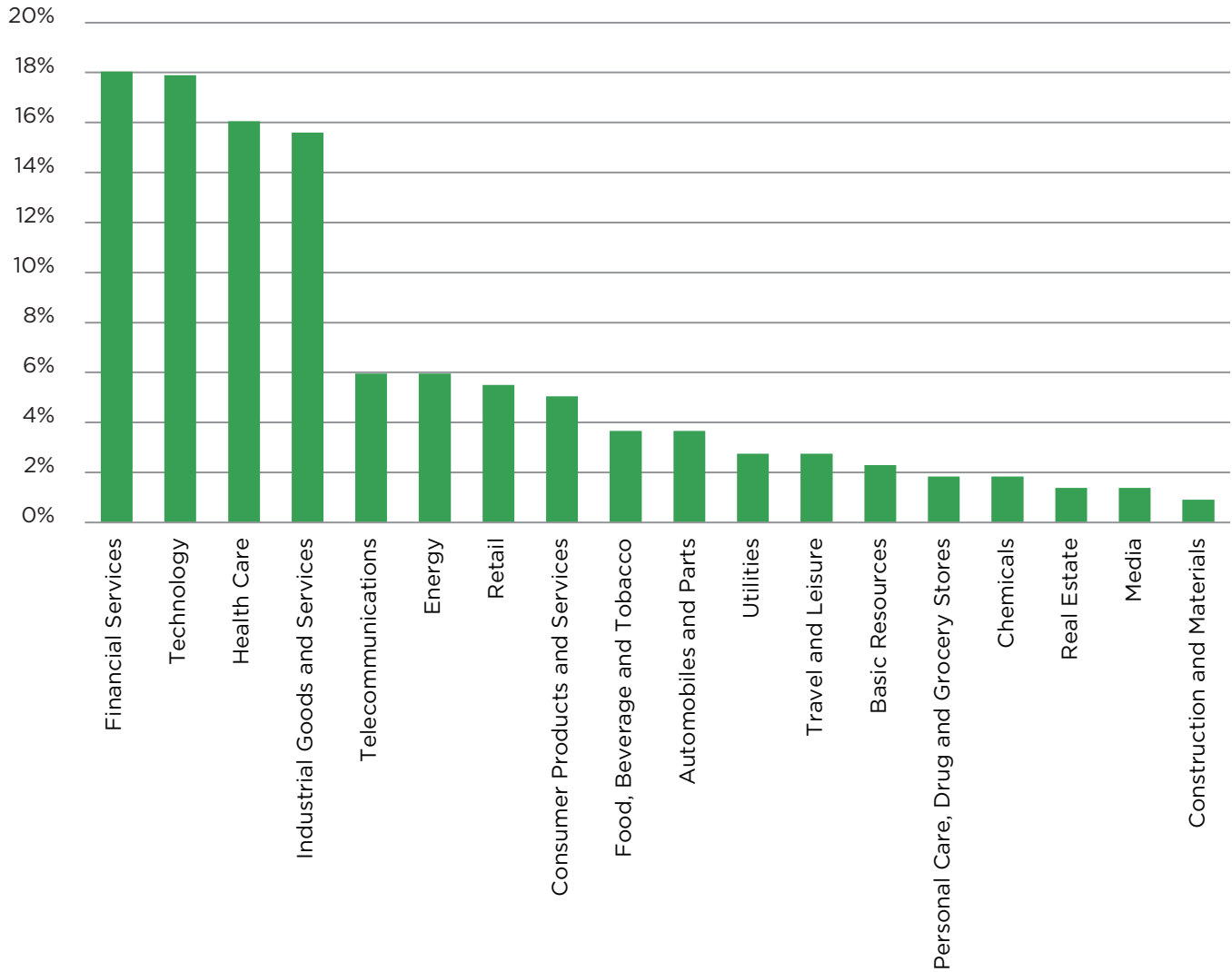
Notably, some companies have not presented the compensation of their CEO and/or CFO in their most recent disclosures, and we have excluded these companies from the analysis where appropriate.

INTRODUCTION

The following illustration below provides a breakdown of the constituents by industry classification.

Industry Breakdown of the Global Top 250

The median market capitalisation of the companies within each region and within the largest jurisdictions are shown below.



INTRODUCTION

Market capitalisation (U.S. dollar millions)

Percentile	Market capitalisation ¹ 50th
The Americas	\$120,985
Europe & Australia	\$107,360
Asia	\$75,218
United States	\$125,804
Japan	\$67,790
France	\$122,056
United Kingdom	\$91,752
Canada	\$74,086
Hong Kong	\$62,789
Germany	\$104,784
India	\$80,377

Data Presentation

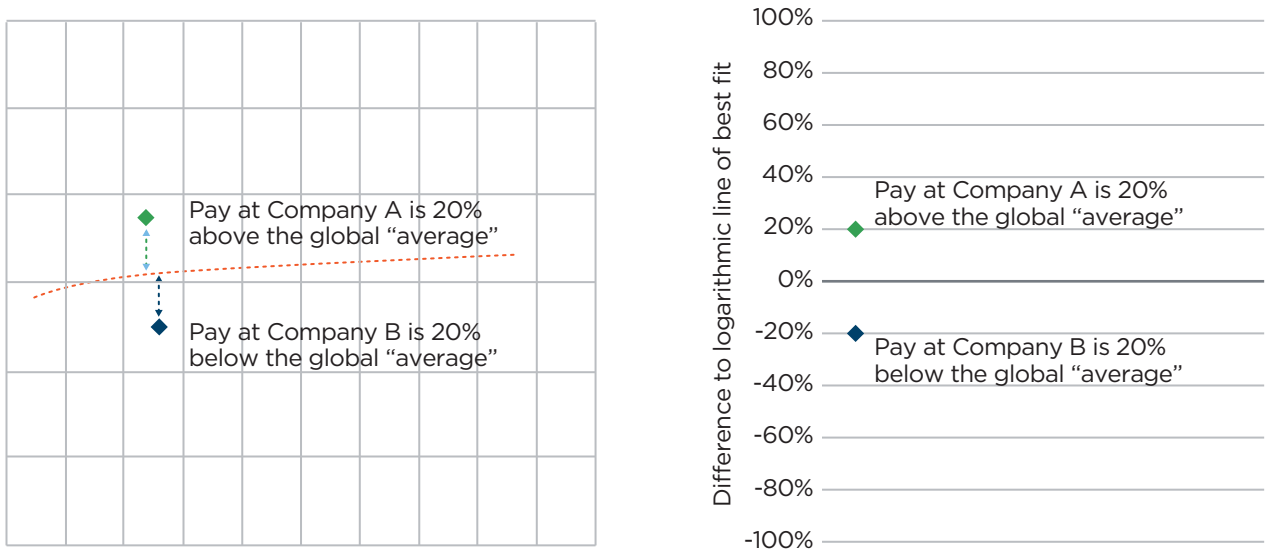
In much of the analysis that follows, we have presented a quartile analysis of the data, broken down by region and jurisdiction. We have labelled these as the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile). To ensure statistical accuracy, medians are presented only when at least three data points are available, and the upper and lower quartiles are presented only when there are at least five data points.

¹ Reflects market capitalisation and currency conversion rates as of December 31, 2023.

INTRODUCTION

Because the companies vary in size, comparing pay levels across different geographies can be misleading. To adjust pay data to reflect scale, we prepared a line of best fit² which provides a more comparable and balanced view on compensation differences between jurisdictions.

Data points above the line of best fit represent companies that pay above the global “average” level after adjusting for size and those below the line of best fit represent companies that pay below this level. An illustration follows:



The chart to the above left shows the compensation element (in this case, base salary) regressed against the market capitalisation of each company, along with the size-adjusted line of best fit. The chart to the above right shows the percentage difference between actual compensation paid at each company and the line of best fit.

A line of best fit analysis provides a broad assessment based on the relative size of companies, but additional factors should be considered when analysing market pay levels across geographies. Factors to consider include industry, revenue and profitability, growth trajectory, cost of living and other company-specific criteria.

Refer to the “Methodology” section for further details on the data presented in this report.

Retirement Benefits

Retirement benefits vary considerably between jurisdictions, both in terms of the specific arrangements and value. The position is further complicated as the costs of such provision may not directly be borne by the employer, with some countries providing largely uncapped arrangements through social security provision. Given the differing levels of disclosure, such arrangements have been excluded, which should be borne in mind when considering the analysis.

² The “line of best fit” shows the implied compensation level across the range of market capitalisations based on the logarithmic regression trend line that is formed by plotting the compensation and market capitalisation data against each other.

EXECUTIVE SUMMARY

While pay practices vary significantly between and within jurisdictions, we have been able to identify certain patterns in the compensation of CEOs and CFOs between the Americas, Europe & Australia and Asia.

- Pay levels in the Americas are, overall, higher than in the other jurisdictions, although this is not driven from base salaries, which are more modest than in Europe & Australia. It is the greater performance related pay and, in particular, the size of the long-term incentive awards for US executives that results in the higher total compensation.
- In general, base salaries in Europe & Australia are higher than in other jurisdictions, with total cash compensation (i.e. base salary plus annual bonus) being only marginally below those seen in the Americas, which is consistent with what we observed in the previous iteration of our study. Long-term incentives are considerably more modest in Europe & Australia, and total pay is significantly lower than in the Americas as a result.
- Pay levels among Asian companies are generally lower than in other regions, influenced by factors such as lower living costs, reduced inflation, and the economic development stage of many Asian countries. Structurally, there is stronger emphasis on cash compensation, with some short-term incentives linked to profit sharing. Additionally, some Asian companies either do not grant long-term incentives annually or do not provide them at all.
- In the Americas, there exists variation in pay structure and pay mix between CEOs and CFOs, with CEOs having greater emphasis on variable pay, particularly long-term incentives. This is reflective of the “star culture” in the US, where the CEO is often considered to be the main driving force behind a company’s strategy and performance and is, therefore, highly incentivised.
- Conversely, pay structure is broadly similar between CEOs and CFOs in Europe & Australia, with base salary being the main differentiator (other elements of pay being driven off that level). This is partly led by the United Kingdom, where the CFO is typically on the Board, and by limited disclosure in some other jurisdictions where this is less likely to be the case.
- In Asia, pay is generally similar between CEOs and CFOs in terms of structure, compensation mix, and levels given collective accountability in key decisions.

Below, we outline some of the key features of CEO and CFO compensation between the three regions.

The Americas



Base salaries are typically below the global “average” level when adjusting for company size.



Annual bonus levels are higher than in the other jurisdictions, particularly for the CEO but are in line with Europe & Australia for the CFO.



Total cash compensation is typically in line with the global “average” level when adjusting for company size.



Long-term incentive value is significantly higher for both the CEO and CFO than in other jurisdictions. LTIs take the form of Stock Options, Restricted Stock or Performance Stock, and the majority are some mix of these.



Total direct compensation is typically above the global “average” level when adjusting for company size.



At median, a CFO’s base salary is 61% of the CEO’s whereas a CFO’s total direct compensation is 35% of the CEO’s due to lower annual bonus and long-term incentive awards.

Total pay levels are higher in the Americas than in Europe & Australia or Asia, although at median a significant portion of the total package (92% for the CEO and 87% for the CFO) is tied to annual bonus and long-term incentives and the majority of the package (78% for the CEO and 69% for the CFO) is weighted towards long-term incentives.

EXECUTIVE SUMMARY

Europe & Australia



Base salaries are typically above the global “average” level when adjusting for company size.



Annual bonus levels are more modest than in the Americas for both the CEO and CFO.



Total cash compensation is typically in line with the global “average” level when adjusting for company size.



Long-term incentive value is typically significantly lower than in the Americas, although the majority of companies do operate an LTI program. These typically take the form of Performance Stock.



Total direct compensation is typically below the global “average” level when adjusting for company size.



At median, a CFO’s base salary is 59% of the CEO’s and a CFO’s total direct compensation is 53% of the CEO’s due to slightly lower annual bonus and long-term incentive awards.

Total pay levels are lower in Europe & Australia than in the Americas (but higher than those in Asia) and, although at median a significant portion of the total package (73% for the CEO and 71% for the CFO) is performance-linked, this is a much smaller proportion than is the case in the Americas, with pay at median split more equally between base salary, annual bonus and long-term incentives in Europe & Australia.

Asia



Base salaries are typically significantly below the global “average” level when adjusting for company size.



Annual bonus levels are lower than in the other jurisdictions for both the CEO and CFO.



Total cash compensation is typically significantly below the global “average” level when adjusting for company size.



89% of the companies in Asia provide long-term incentives, making them nearly as prevalent as in the Americas or in Europe & Australia. When LTIs are granted, they typically take the form of Performance Awards.



Total direct compensation is typically significantly below the global “average” level when adjusting for company size.

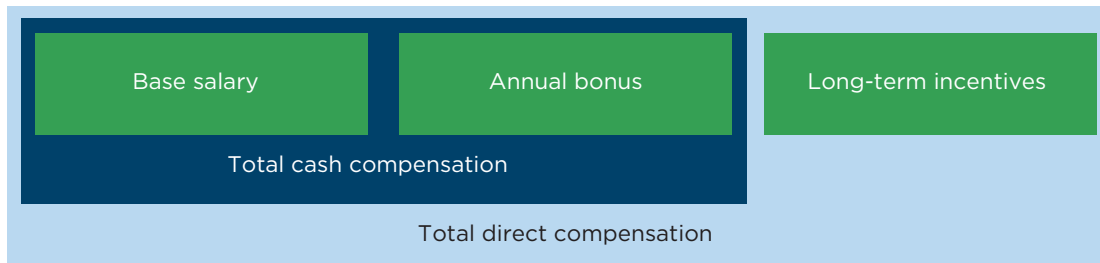


At median, a CFO’s base salary is 49% of the CEO’s and a CFO’s total direct compensation is 43% of the CEO’s.

Total pay levels are, therefore, lower in Asia than in the Americas and Europe & Australia due to lower annual bonus or long-term incentives as a percentage of base salaries. However, the weighting of the total package, at median, is more skewed toward performance-linked elements than fixed compensation (67% for both the CEO and the CFO at median is performance-linked). This is due to a stronger emphasis on aligning executive rewards with business goals and competitive market dynamics. Additionally, increasing focus on corporate governance has led to a push for more performance-oriented compensation packages.

COMPENSATION LEVELS

Total direct compensation is made up of base salary and annual bonus (together, total cash compensation) and long-term incentives. The analysis which follows considers each element of total direct compensation individually and in aggregate.



Base Salary

Setting the base salary at an appropriate level is very important, as institutional investors and proxy guidance services heavily scrutinise perceived unwarranted increases and above-market pay levels. It is important always to consider base salary in the context of the compensation package as a whole, as an increase to base salary can often flow through into the annual bonus opportunity and the value of long-term incentive awards.

The table below presents a quartile analysis of base salary, broken down into the three regions and shown for the largest jurisdictions. This data has not been adjusted to reflect the differing market capitalisations.

Base Salary (\$'000)

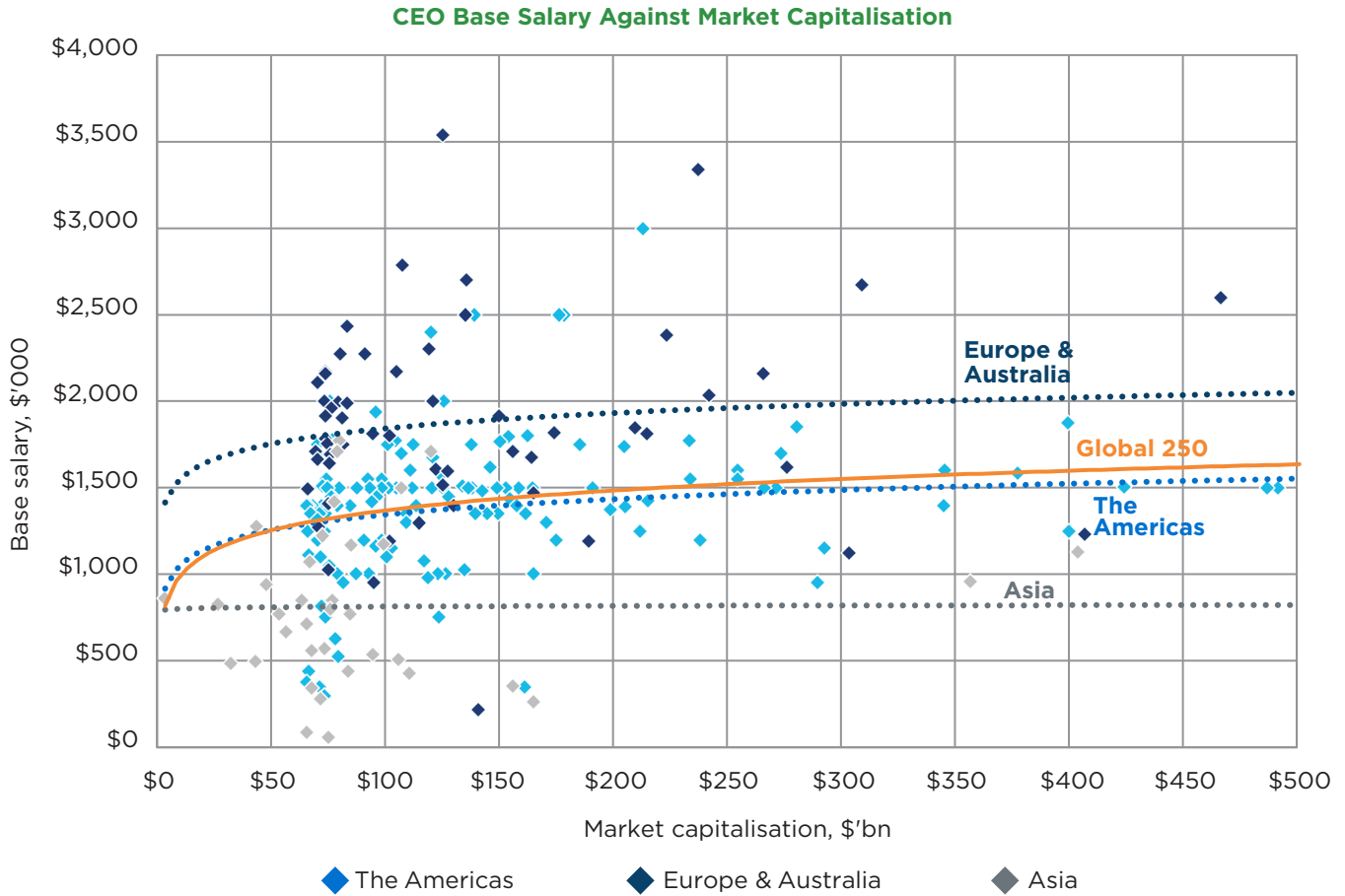
Percentile	CEO			CFO		
	25th	50th	75th	25th	50th	75th
The Americas	\$1,182	\$1,425	\$1,580	\$700	\$861	\$1,000
Europe & Australia	\$1,598	\$1,811	\$2,163	\$974	\$1,102	\$1,230
Asia	\$488	\$770	\$1,130	\$262	\$348	\$503
United States	\$1,200	\$1,450	\$1,596	\$720	\$888	\$1,000
Japan	\$504	\$770	\$973	\$298	\$362	\$512
France	\$1,264	\$1,606	\$2,078	-	-	-
United Kingdom	\$1,721	\$1,780	\$1,838	\$1,035	\$1,057	\$1,195
Canada	\$815	\$1,075	\$1,350	\$482	\$556	\$705
Hong Kong	-	\$1,068	-	-	-	-
Germany	\$1,622	\$1,914	\$2,170	\$973	\$1,107	\$1,230
India	\$311	\$438	\$823	-	-	-

COMPENSATION LEVELS

The median CEO's base salary at companies in Europe & Australia is 27% higher than in the Americas, despite the median market capitalisation being 10% lower. The median CEO base salary in Asia is around half that seen in the Americas.

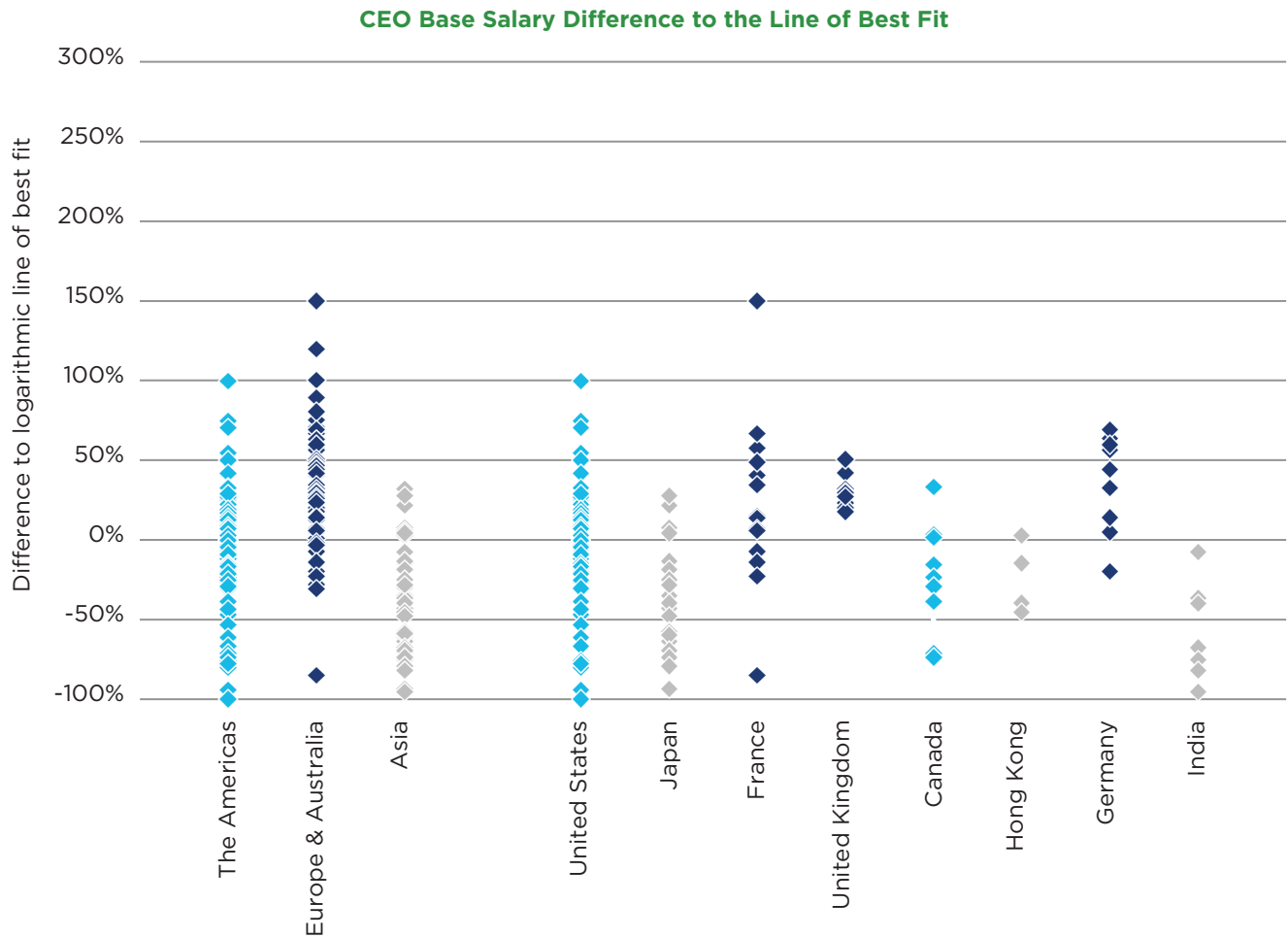
This same pattern is reflected for CFOs, with median base salary for CFOs in Europe & Australia being 28% higher than in the Americas and the median base salary in Asia being considerably lower than the other two regions.

The chart below shows the base salary paid to the CEO and CFO against the market capitalisation of each company, along with the size-adjusted line of best fit. Data points which are shown above the line of best fit represent companies which pay above this global "average" level and those which are shown below the line of best fit represent companies which pay below this level.



COMPENSATION LEVELS

The chart below shows the average percentage difference between actual salary paid at each company and the line of best fit.



82% of companies in Europe & Australia pay base salaries which are above the line of best fit, compared with only 53% of companies in the Americas and 19% of companies in Asia. In other words, among the Global Top 250, after adjusting for companies' size, companies in Europe & Australia typically have higher CEO base salaries than companies in the Americas, and companies in Asia typically have the lower CEO base salaries than both.

COMPENSATION LEVELS

Both internal and external factors play a key role in the setting of compensation levels, with internal relativities being an important input into a compensation review. The following table analyses the relationship between the salary of the CEO and the CFO.

CFO Base Salary Expressed as a % of CEO Base Salary

Percentile	CFO as % of CEO ¹
	50th
The Americas	61%
Europe & Australia	59%
Asia	49%
United States	62%
Japan	51%
France	-
United Kingdom	62%
Canada	55%
Hong Kong	-
Germany	58%
India	53%

The median relationship is similar in the Americas and Europe & Australia at 61% and 59% respectively. In Asia, the median relationship is 49%.

¹ Only companies which disclose the base salaries of both the CEO and CFO are included in this analysis

COMPENSATION LEVELS

Annual Bonus

Annual bonus plans are common among companies in the Global Top 250. Most commonly, individuals' bonuses are subject to an annual limit which is expressed as a percentage of salary. A number of Global Top 250 companies (particularly in Europe & Australia) now defer a portion of any annual bonuses into shares, so it is important to look at both the cash and deferred elements when examining annual award levels. Annual bonus deferral remains less prevalent in the Americas and Asia except for companies in the financial services industry.

The table below shows the target annual bonus opportunity for CEOs and CFOs as a percentage of their base salaries, broken down into the three regions and shown for the largest jurisdictions. Where the annual bonus opportunity is not disclosed (as is often the case in Asia), we have taken the average bonus paid over the last three years as a proxy for the target level.

Target Annual Bonus (% of Base Salary)

Percentile	CEO			CFO		
	25th	50th	75th	25th	50th	75th
The Americas	150%	200%	200%	100%	115%	158%
Europe & Australia	85%	100%	125%	82%	100%	104%
Asia	67%	116%	184%	79%	102%	172%
United States	150%	200%	210%	100%	115%	160%
Japan	94%	114%	162%	85%	102%	141%
France	100%	106%	123%	-	-	-
United Kingdom	102%	119%	146%	100%	108%	120%
Canada	110%	150%	200%	100%	100%	125%
Hong Kong	-	196%	-	-	-	-
Germany	87%	100%	121%	81%	100%	101%
India	58%	85%	194%	-	55%	-

The highest target bonus levels for CEOs and CFOs (as a percentage of salary) are seen in the Americas. Median bonus levels are lower in Europe & Australia, although these are typically driven off higher base salaries. In Asia, median bonus levels are comparable with Europe & Australia, but we see a wider interquartile range of bonuses, with the 25th percentile being lower than that in the Americas or Europe & Australia, but the 75th percentile being near or above that of CEOs and CFOs in the Americas. This is due to more diverse market conditions in Asia and some companies adopt profit sharing rather than target bonus mechanism where bonuses fluctuate significantly based on performance.

CFOs' bonuses are distributed differently to those of CEOs, with similar median levels between the Americas, Europe & Australia and Asia (115% of salary, 100% and 102% of salary, respectively).

COMPENSATION LEVELS

Total Cash Compensation

Total cash compensation consists of base salary and annual bonus and historically represented compensation paid during (or soon after) the end of the financial year. The term “cash compensation” has become a misnomer in many jurisdictions, as shareholders and legislators increasingly look to companies to defer a portion of their annual bonus into shares. Such deferred elements are included within the analysis.

The table below shows a quartile analysis of target total cash compensation (i.e. the base salary plus the target annual bonus – or three-year average bonus where bonus opportunity is not disclosed), broken down into the three regions and shown for the largest jurisdictions. This data has not been adjusted to reflect the differing market capitalisations.

Target Total Cash Compensation (\$'000)

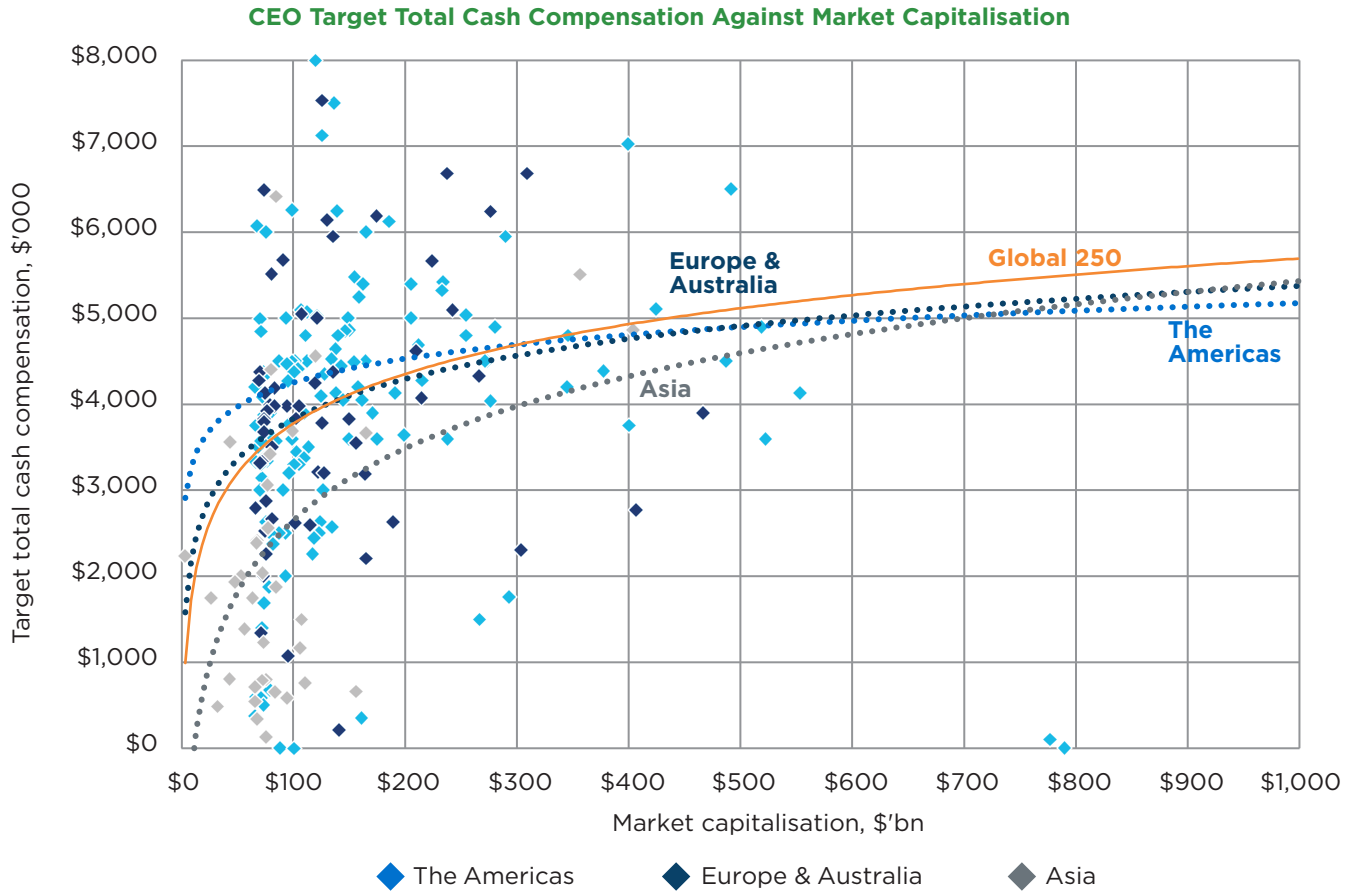
Percentile	CEO			CFO		
	25th	50th	75th	25th	50th	75th
The Americas	\$3,300	\$4,200	\$4,994	\$1,461	\$1,878	\$2,606
Europe & Australia	\$2,877	\$3,897	\$4,620	\$1,879	\$2,088	\$2,407
Asia	\$791	\$1,878	\$3,422	\$545	\$765	\$1,523
United States	\$3,345	\$4,200	\$5,003	\$1,501	\$1,960	\$2,646
Japan	\$1,074	\$1,751	\$2,278	\$620	\$721	\$1,081
France	\$2,606	\$3,212	\$4,156	-	-	-
United Kingdom	\$3,513	\$3,952	\$4,238	\$2,114	\$2,365	\$2,462
Canada	\$2,257	\$3,142	\$3,375	\$1,084	\$1,204	\$1,440
Hong Kong	-	\$3,628	-	-	-	-
Germany	\$3,828	\$3,980	\$4,380	\$1,955	\$2,031	\$2,168
India	\$656	\$798	\$2,552	-	\$166	-

The median CEO target total cash compensation at companies in Europe & Australia is 7% lower than in the Americas; whereas the median base salary was 27% higher among companies in Europe & Australia. Total cash compensation for the Chief Financial Officer is 11% higher in Europe & Australia than in the Americas which is consistent with a 28% higher median base salary.

The median total cash compensation for both the CEO and CFO in Asia is significantly lower than in the Americas or Europe & Australia, with the gap compared to the Americas having widened.

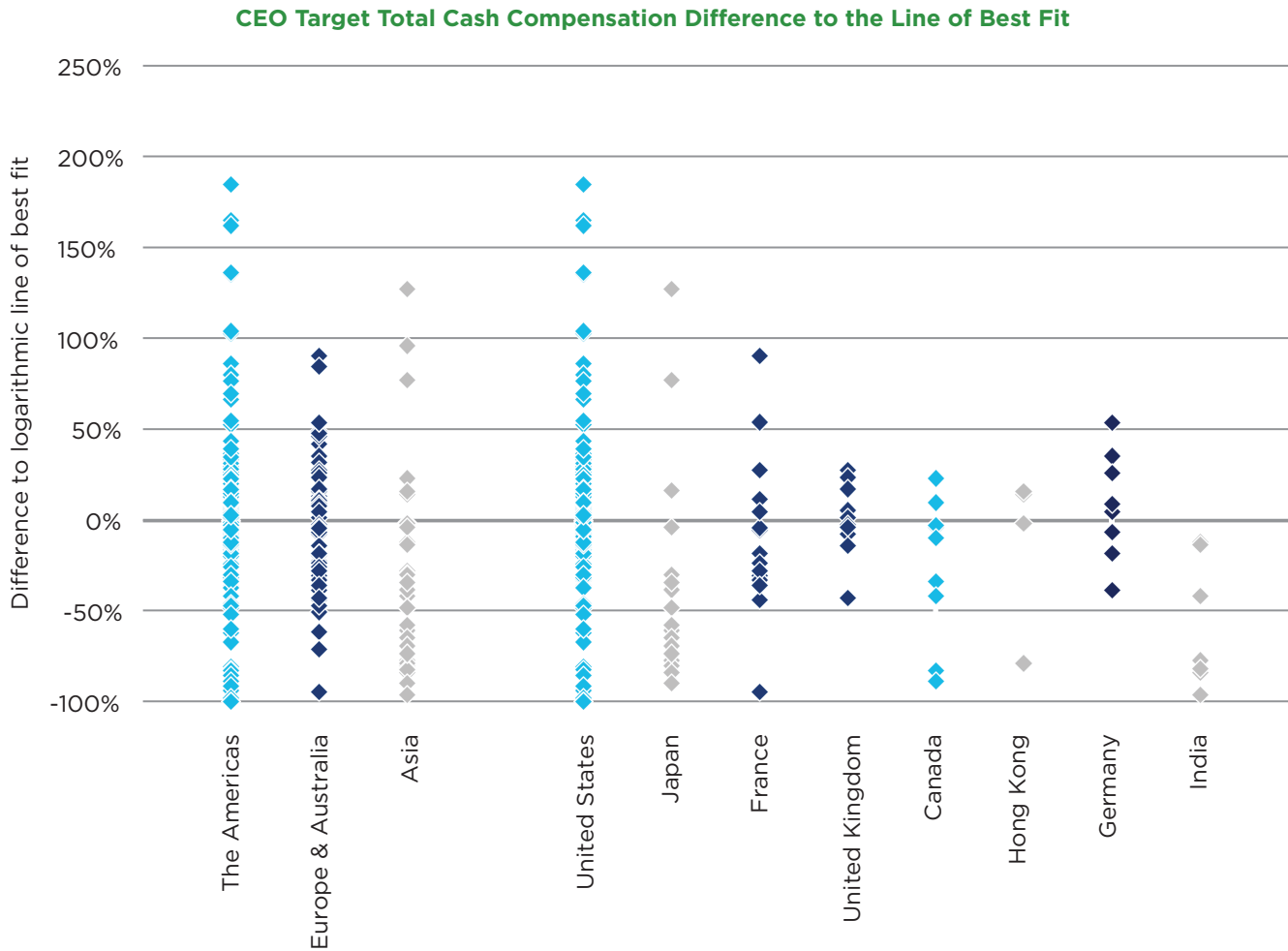
COMPENSATION LEVELS

The chart below shows the target total cash compensation paid to the CEO and CFO against the market capitalisation of each company, along with the line of best fit.



COMPENSATION LEVELS

The chart below shows the average percentage difference between target total cash compensation paid at each company and the line of best fit.



55% of Global Top 250 companies in Europe & Australia have total cash compensation above the line of best fit, compared with 53% of companies in the Americas and 19% of companies in Asia. In other words, among the Global Top 250, after adjusting for company size, companies in Europe & Australia have target total cash compensation for CEOs which is broadly in line with (although slightly higher than) those of companies in the Americas, and companies in Asia typically have lower CEO total cash compensation than the other two regions. When performing the same analysis on base salaries, those in Europe & Australia were highest.

COMPENSATION LEVELS

The following table analyses the relationship between the target total cash compensation of the CEO and the CFO.

CFO Target Total Cash Compensation Expressed as a % of CEO Target Total Cash

Percentile	CFO as % of CEO ¹
	50th
The Americas	48%
Europe & Australia	56%
Asia	40%
United States	48%
Japan	45%
France	-
United Kingdom	58%
Canada	48%
Hong Kong	-
Germany	55%
India	36%

The median relationship is 48% for companies in the Americas, compared with 61% on base salaries. This is reflective of the material difference in target annual bonuses as a percentage of salary between CEOs and CFOs in the Americas (200% of salary at median for CEOs, compared with 115% for CFOs).

In Europe & Australia, the difference is far smaller (56% for total target cash compensation and 59% for base salaries), where median target annual bonuses are the same (100% of salary for CEOs and CFOs).

In Asia, the median relationship is 40%, compared with 49% for base salary (the median CEO bonus is 116% and the median for CFOs is 102% of salary).

To some extent, the European data is influenced by the inclusion of United Kingdom companies. In the UK, it is typical for the CFO to serve on the board, which impacts overall pay packages and narrows the ratio between the CEO and CFO's compensation.

This suggests that, among companies in Europe & Australia, CEOs and CFOs have structurally more similar cash compensation (with differences primarily driven from base salaries) whereas, in the Americas or Asia, CEOs receive higher annual bonus levels.

¹ Only companies which disclose the base salaries of both the CEO and CFO are included in this analysis

COMPENSATION LEVELS

Long-Term Incentives

In addition to annual bonus plans, the majority of companies in the Global Top 250 provide long-term incentives. We separately discuss key design features and performance measures, and how these vary by jurisdiction – see “Long Term Incentive Design”.

The table below presents a quartile analysis of the value of LTI awards to the CEO and CFO.

For consistency in the valuation of LTI awards across regions, we made the following assumptions:

- Performance-based Stock Options were valued at 20% of the exercise price.
- Time-based Stock Options were valued at 30% of the exercise price.
- Performance Stock was valued at 100% of the target payout. In situations where only the maximum opportunity is disclosed, Performance Stock was valued at 50% of the maximum payout.
- Restricted Stock was valued at 100% of the grant date closing stock price.
- LTI grants were averaged over three years in order to reduce the impact of irregular grant practices.

Target Value of LTI Awards (% of Base Salary)

Percentile	CEO			CFO		
	25th	50th	75th	25th	50th	75th
The Americas	833%	1023%	1420%	357%	506%	752%
Europe & Australia	108%	156%	245%	105%	150%	213%
Asia	9%	73%	218%	20%	63%	118%
United States	868%	1048%	1463%	376%	542%	797%
Japan	30%	88%	145%	49%	76%	118%
France	72%	122%	192%	-	-	-
United Kingdom	206%	250%	284%	188%	200%	240%
Canada	550%	650%	705%	250%	284%	352%
Hong Kong	-	755%	-	-	-	-
Germany	123%	154%	186%	113%	125%	150%
India	17%	70%	360%	-	58%	-

COMPENSATION LEVELS

In both the Americas and Europe & Australia it is most common to make LTI awards on an annual basis. The highest target values of LTI for CEOs as a percentage of salary are seen in the Americas, with LTI levels significantly higher than annual bonus levels (1023% of salary at median, compared with 200% of salary for the annual bonus). In Europe & Australia, the median LTI and median annual bonus are more similar, at 156% of salary and 100% of salary at median respectively.

The same pattern is seen for CFOs, although the effect is less pronounced due to the median LTI fair value for CFOs being around half of that for CEOs in the Americas. In Europe & Australia, the median LTI fair value as a percentage of salary is similar, at 156% of salary for CEOs and 150% of salary for CFOs.

Many Asian companies grant LTI on an irregular basis, leading to significant variability in the interquartile range of these incentives. These companies typically grant LTI based on a percentage of total outstanding shares rather than a percentage of base salary. This can align executives' interests with shareholder value by tying rewards to long-term growth and profitability.

COMPENSATION LEVELS

Total Direct Compensation

Total direct compensation is the aggregate of total cash compensation (being base salary and target annual bonus) and the value of long-term incentives. When determining the suitability of a compensation package (or any element of a package) it is imperative that the potential levels of total compensation are considered. A modest increase in base salary can, in some jurisdictions, result in significant increases in total direct compensation if the annual bonus opportunity and the long-term incentive awards are determined as a percentage of base salary.

Examining the value of all elements of pay in aggregate allows stakeholders to value a compensation package. When calculating total direct compensation, it is important to remember that the targeted values attributed to a package and the actual levels of compensation received are unlikely to be the same. The actual level of total compensation is dependent on performance outcomes for the annual bonus and Performance Stock and share price movement.

As a reminder, it should be noted that our analysis ignores the value of retirement benefits although this can be significant (especially when defined benefit pension arrangements are available) and this likely understates the value of packages. This was due to both relatively poor levels of disclosure and the complexity of deciding whether to only include employer sponsored benefits or also generous state plans financed through high social security charges. However, companies should be aware of the impact of such arrangements, as it can have a material impact on data. Other perquisites have also been excluded.

The table below shows a quartile analysis of target total direct compensation, broken down into the three regions and shown for the largest jurisdictions. This data has not been adjusted to reflect the differing market capitalisations.

Target Total Direct Compensation (\$'000)

Percentile	CEO			CFO		
	25th	50th	75th	25th	50th	75th
The Americas	\$15,966	\$20,201	\$24,206	\$4,615	\$6,659	\$10,179
Europe & Australia	\$5,250	\$7,440	\$8,404	\$2,844	\$3,670	\$4,877
Asia	\$1,113	\$2,465	\$4,422	\$715	\$1,401	\$2,685
United States	\$16,588	\$20,473	\$24,500	\$5,063	\$6,827	\$10,309
Japan	\$1,709	\$2,369	\$3,563	\$876	\$1,384	\$1,573
France	\$4,296	\$5,356	\$7,813	-	-	-
United Kingdom	\$7,927	\$8,302	\$8,997	\$4,353	\$4,594	\$4,925
Canada	\$8,634	\$9,986	\$12,599	\$1,547	\$2,779	\$3,349
Hong Kong	\$828	\$5,111	\$19,768	\$1,052	\$1,405	\$2,555
Germany	\$6,667	\$7,440	\$8,307	\$3,071	\$3,424	\$4,702
India	\$1,782	\$2,756	\$3,405	\$608	\$2,719	\$2,889

COMPENSATION LEVELS

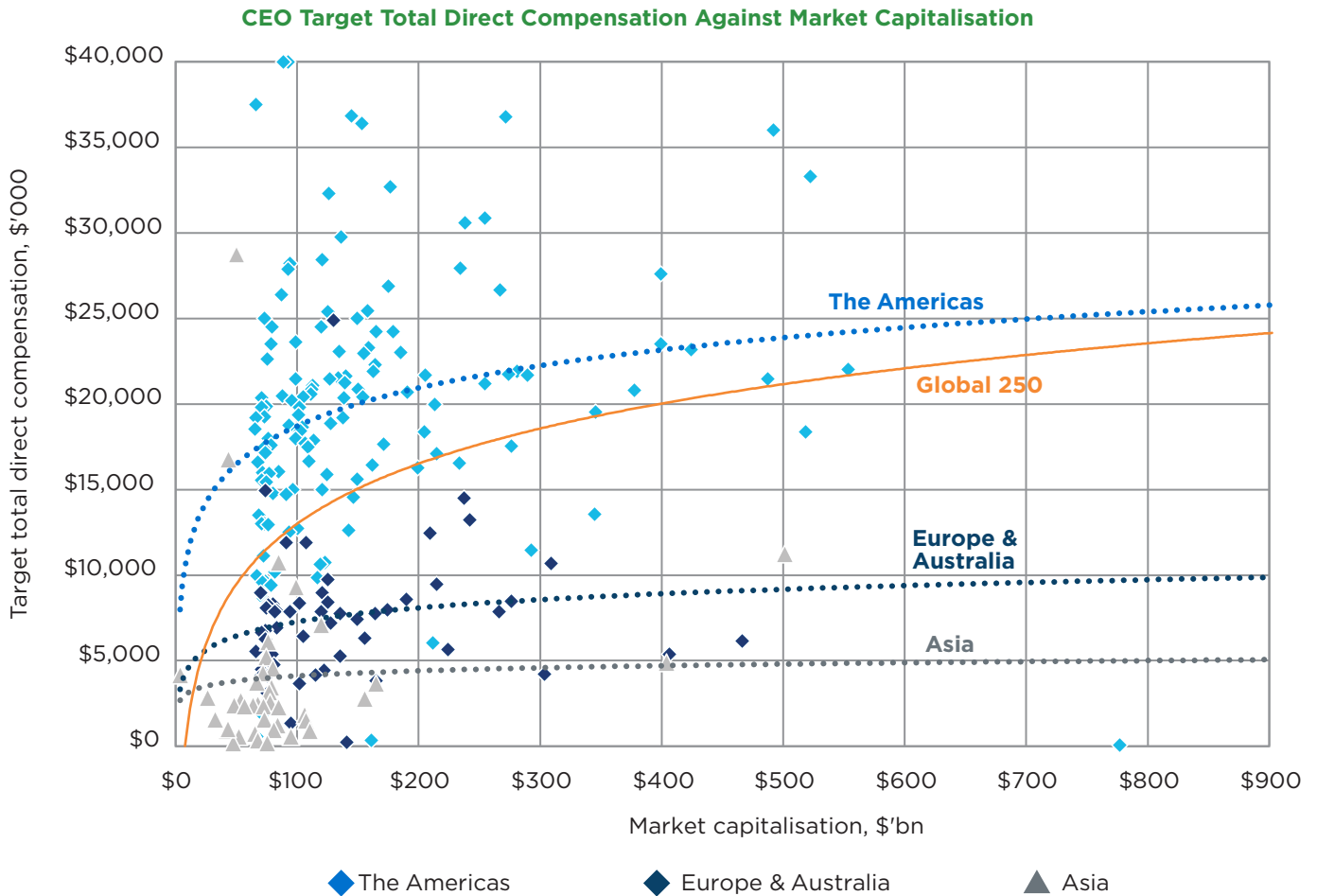
The median CEO target total direct compensation in Europe & Australia is 63% lower than in the Americas. By contrast, total cash compensation is 7% lower and base salaries are 27% higher.

The median CFO target total direct compensation in Europe & Australia is 45% lower than in the Americas. Total cash compensation is 11% higher and base salaries are 28% higher.

The median total direct compensation for CEOs and CFOs is lower in Asia than in the Americas and Europe & Australia, with the gap widening due to the impact of long-term incentives.

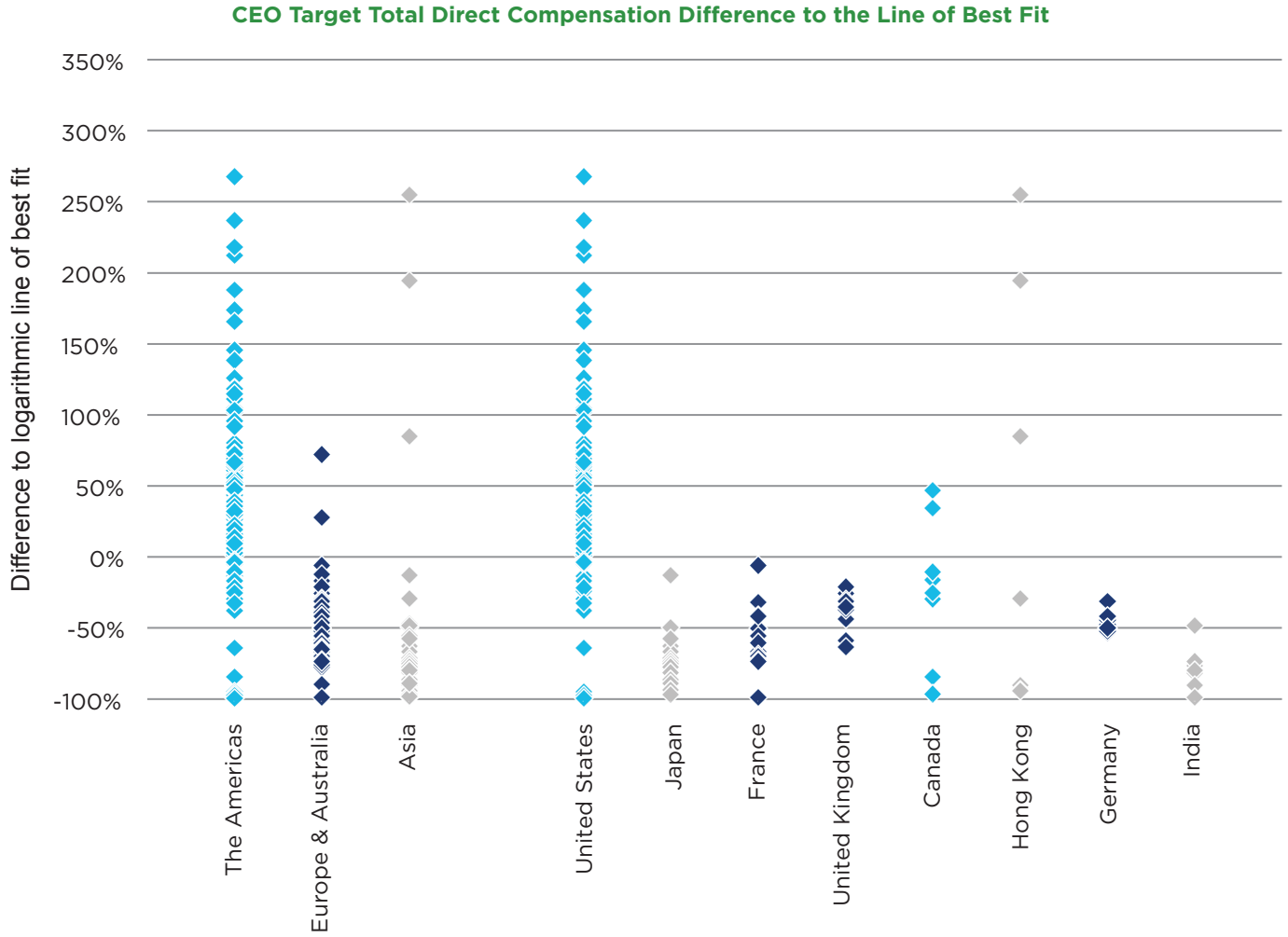
In a number of jurisdictions, there are companies which disclose total direct compensation but do not provide a breakdown of the individual components of pay. As a result, the total direct compensation data above represents a slightly broader sample than offered in the earlier analysis of total cash.

The chart below shows the target total direct compensation for the CEO against the market capitalisation of each company. We have restricted the axis to show compensation of up to \$40m, although there are a handful of companies (all in the Americas) with higher levels of compensation.



COMPENSATION LEVELS

The chart below shows the average percentage difference between total direct compensation at each company and the line of best fit.



79% of companies in the Americas have packages for the CEO which are above the line of best fit, compared with 5% of companies in Asia and 4% of companies in the Europe and Australia. In other words, among the Global Top 250, after adjusting for company size, companies in the Americas have target total direct compensation which is higher than that in Asia and Europe and Australia which are broadly aligned. This contrasts with base salaries, where Europe & Australia were highest, and target total cash compensation, where the Americas and Europe & Australia were not too different.

COMPENSATION LEVELS

The following table analyses the relationship between the target total direct compensation of the CEO and the CFO.

CFO Target Total Direct Compensation Expressed as a % of CEO Target Total Direct Compensation

Percentile	CFO as % of CEO ¹
	50th
The Americas	35%
Europe & Australia	53%
Asia	43%
United States	35%
Japan	44%
France	-
United Kingdom	54%
Canada	29%
Hong Kong	24%
Germany	51%
India	47%

The median relationship is 35% for companies in the Americas, compared with 48% on total cash compensation and 61% on base salaries. This is reflective of the material difference in the value of LTI as a percentage of salary between CEOs and CFOs in the Americas (1023% of salary at median for CEOs, compared with 506% for CFOs).

In Europe & Australia, the difference is far smaller (53% for target total direct compensation, 56% for target total cash compensation and 59% for base salaries), where median values of LTI as a percentage of salary are more similar for CEOs and CFOs (156% of salary and 150% of salary, respectively).

This suggests that, among companies in Europe & Australia, CEOs and CFOs have structurally more similar total direct compensation (with differences primarily driven from base salaries) whereas, in the Americas, CEOs receive higher variable pay levels.

The median relationship is 43% for companies in Asia, compared with 40% for target total cash compensation and 49% for base salaries. The similarity in ratios reflect a clear hierarchical structure rooted in a consistent pay philosophy, where the CEO's compensation is recognized as the highest while valuing the CFO's significant role.

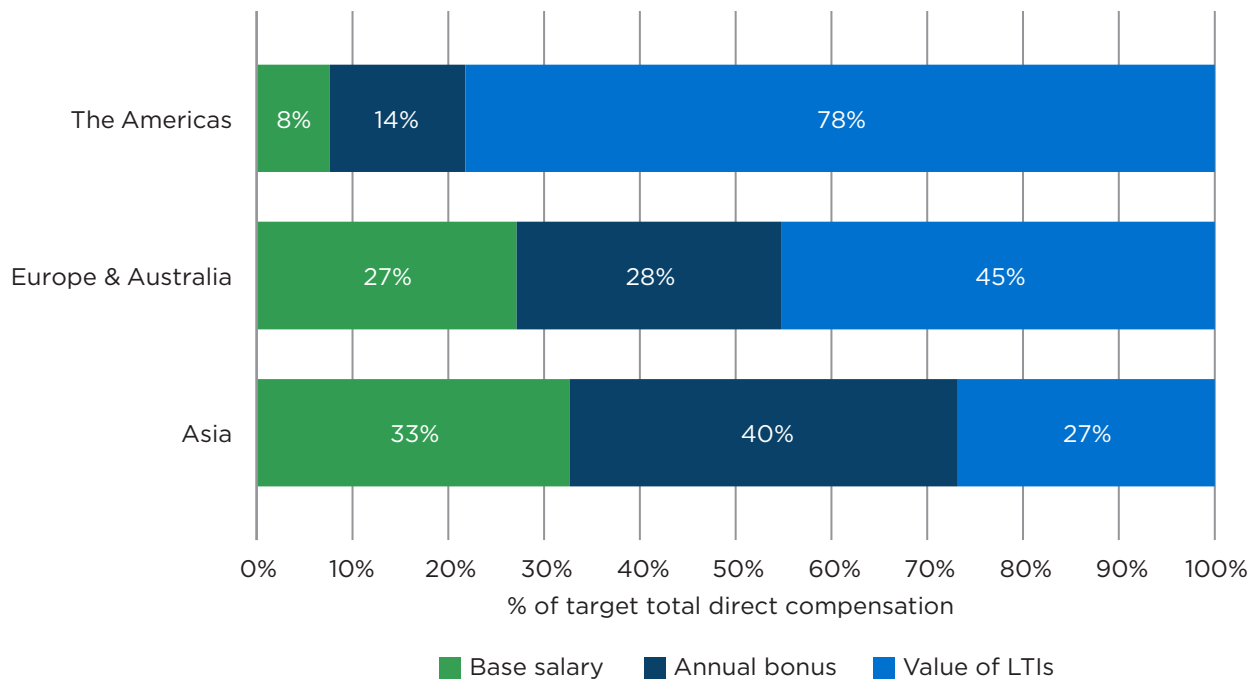
¹ Only companies which disclose the Total Direct Compensation of both the CEO and CFO are included in this analysis

COMPENSATION LEVELS

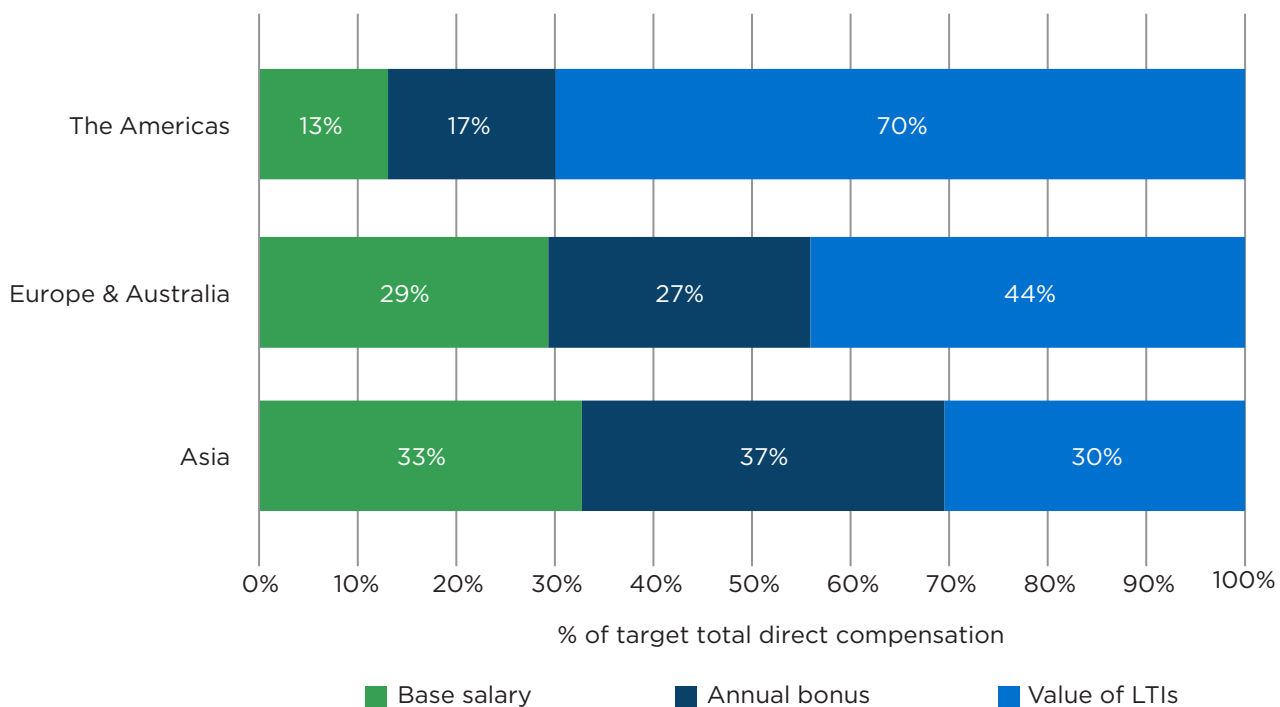
Compensation Mix

The charts below show the median mix of target total direct compensation between base salary, target annual bonus and the target value of LTI for CEOs and for CFOs, broken down into the three regions.

CEO Mix of Total Direct Compensation



CFO Mix of Total Direct Compensation



COMPENSATION LEVELS

This highlights two key points:

- Compensation is considerably more weighted towards long-term incentives in the Americas, with pay components more evenly spread between base salary, annual bonus, and long-term incentives in Europe & Australia and Asia. These observations on weightings are consistent with our previous study where the higher weighting on variable compensation in the Americas was also highlighted.
- On average, the structure of compensation does not differ materially between CEOs and CFOs in Europe & Australia or in Asia. Among companies in the Americas, 8% of the total package is base salary for CEOs and 13% is base salary for CFOs. While this difference may not sound large, it is significant as it means that the multiples of salary used for the annual bonus and LTIs are considerably lower for CFOs.

LONG-TERM INCENTIVE DESIGN

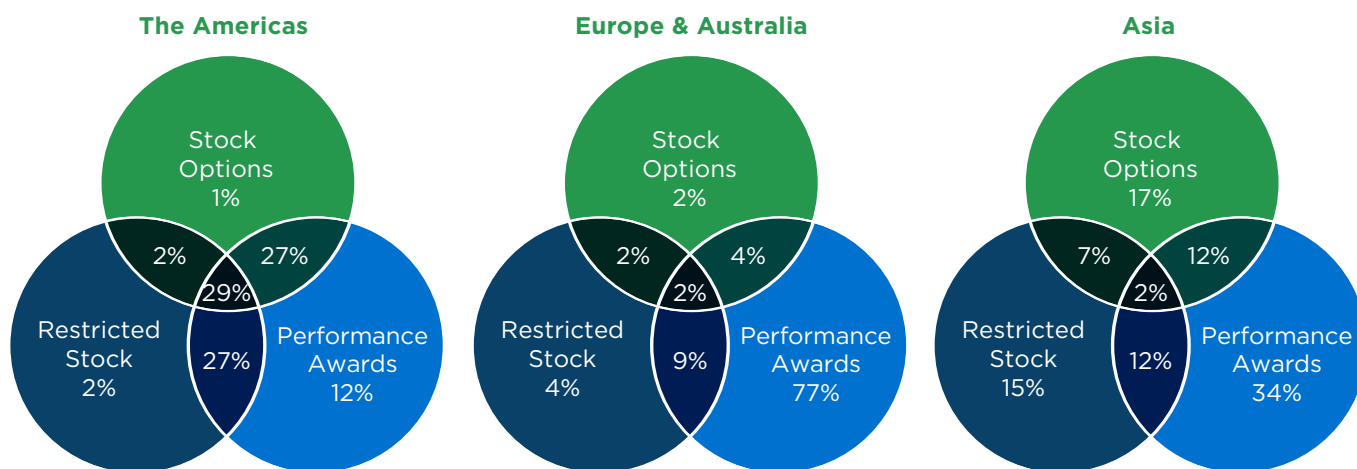
In this section, we discuss key long-term incentive design features and performance measures, and how these vary by jurisdiction. We categorise the LTI structures as follows:

- **Stock Options** – grants of stock options or Stock Appreciation Rights (“SARs”) with the strike price based on the market price at grant; typically not subject to pre-vest performance conditions.
- **Restricted Stock** – grants of free stock or stock units which vest based on time only and are not subject to performance conditions.
- **Performance Stock** – grants of free stock or stock units which vest based on time and are subject to performance conditions.

A significant proportion of companies in the Global Top 250 operate more than one type of LTI vehicle for their CEO and/or CFO. This is most common in the Americas, where 85% of packages combine at least two of Stock Options, Restricted Stock and, most commonly, Performance Stock. Levels of disclosure of LTIs vary between (and within) jurisdictions and, in certain jurisdictions (such as South Africa), it is uncommon for companies to disclose the operation of LTIs at all.

The Venn diagrams below show the prevalence of different LTI structures, where an LTI plan is operated and disclosed, broken down by region. 95% of companies in both the Americas and Europe & Australia disclosed the operation of an LTI plan, compared with 89% of companies in Asia. The high prevalence of LTI in Asia is driven by the significant representation of high-tech and financial services companies on the list.

Long-Term Incentives Available to the Chief Executive Officer and Chief Financial Officer



In the Americas, Performance Stock awards are most common, with 95% of companies with an LTI making awards of Performance Stock or Performance Stock Units. Restricted Stock is the second most common (60%), followed by Stock Options (59%).

In Europe & Australia, it is almost universal practice to grant awards of Performance Stock, with 92% of companies with an LTI granting such awards. There are only limited examples of Restricted Stock (17%) or Stock Options (10%).

LONG-TERM INCENTIVE DESIGN

Conversely, in Asia (although we note that the sample is small) 38% of companies with an LTI are making awards of Stock Options, compared with only 60% making awards of Performance Stock and 36% making awards of Restricted Stock.

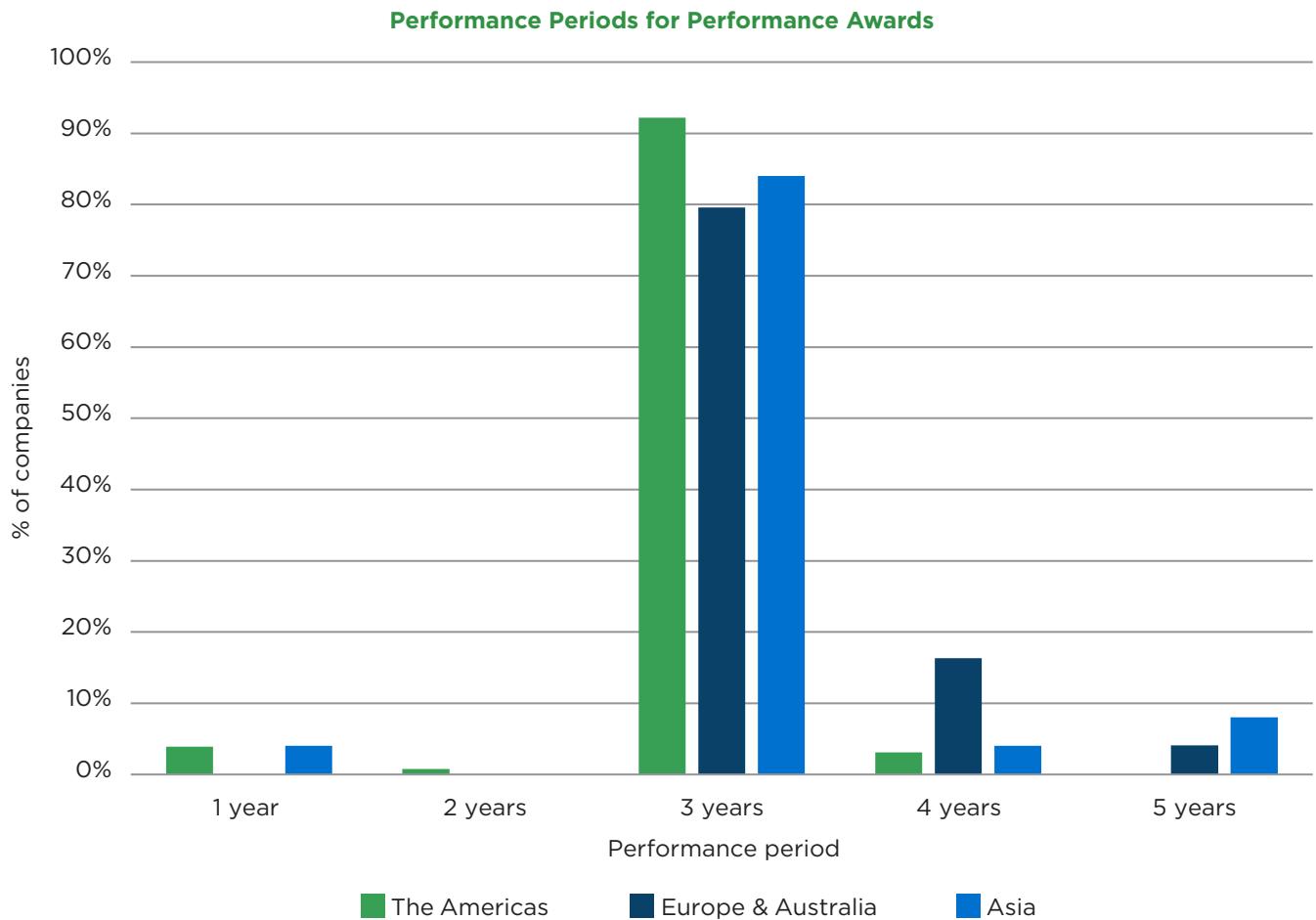
Equity award type prevalence percentages in the United States reflect the ongoing emphasis on performance-based LTI structures. Conversely, in the United Kingdom & Australia, there has been movement in the other direction, away from the perceived “high” and volatile payouts associated with performance awards and towards more stable restricted stock, although their detailed design differs from the U.S. as such awards will typically be subject to some basic level of performance underpin which would not be common in the U.S.

The way in which companies determine and disclose performance award values vary significantly between jurisdictions. In the United States, the largest jurisdiction in the Global Top 250, and Asian companies typically determine a “target” award level, with a threshold and a maximum defined as a percentage of the target (for example, from 50% to 200% of target). In other jurisdictions (e.g., the United Kingdom) an award is made over a maximum number of shares with vesting between, for example, 25% and 100% of the maximum value. While the precise wording differences could be dismissed as semantics, this is reflective of a genuine design difference; among United Kingdom companies (and many others in Europe) no “target” level is defined for long term incentives. This also tracks into performance measures with American and Asian companies typically permitting relative TSR vesting over a lower quartile to upper quartile range, whereas European & Australian companies typically operate over a median to upper quartile range.

LONG-TERM INCENTIVE DESIGN

Performance Award Vesting Schedules

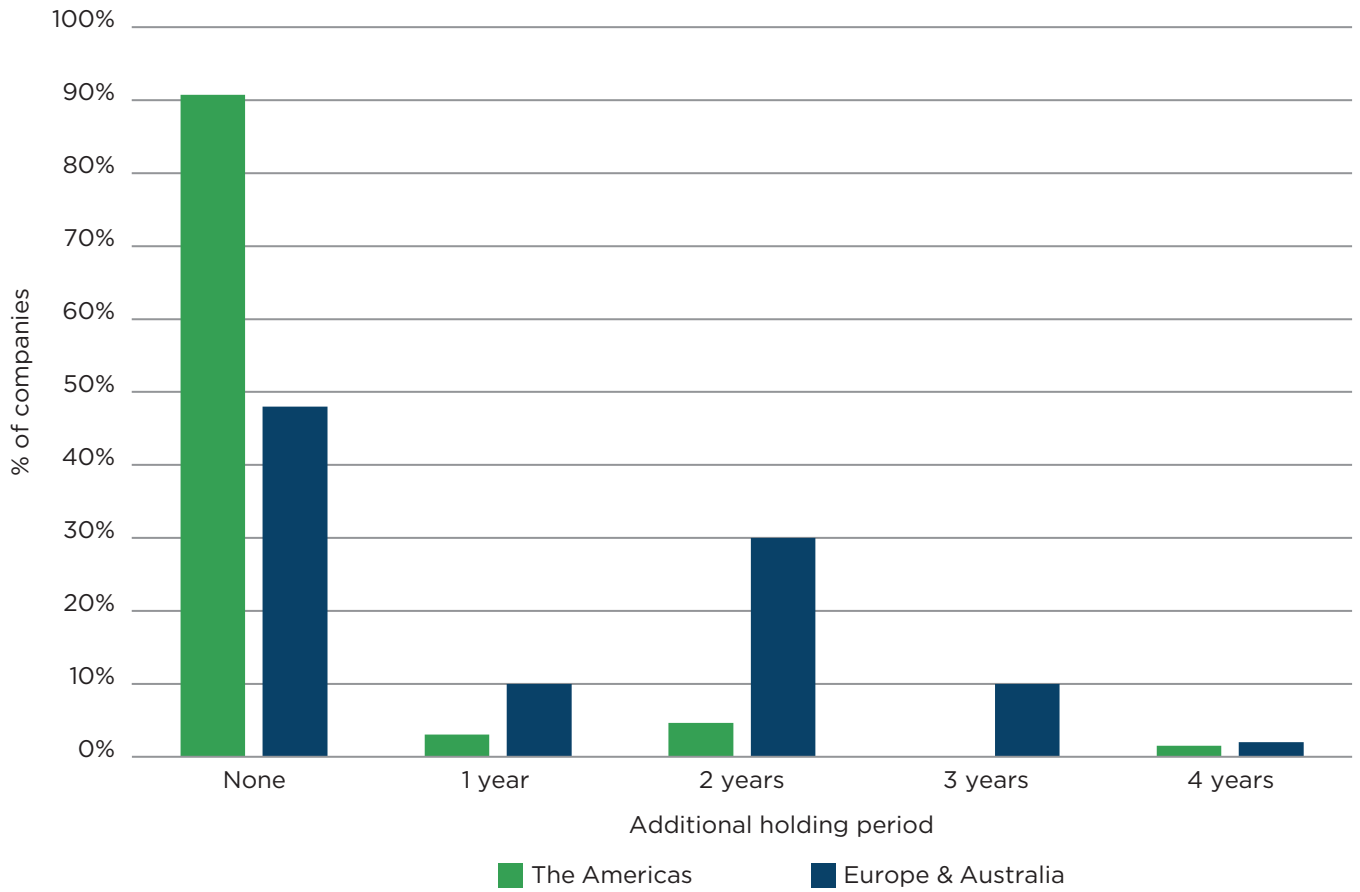
The following chart shows a breakdown of the vesting periods for Performance Stock.



In addition to the performance periods, a number of companies operate further “holding periods” on Performance Stock which mean that Performance Stock does not vest, or cannot be sold, for a period after the end of the performance period. This is minority practice in the Americas but is common among companies in Europe & Australia.

LONG-TERM INCENTIVE DESIGN

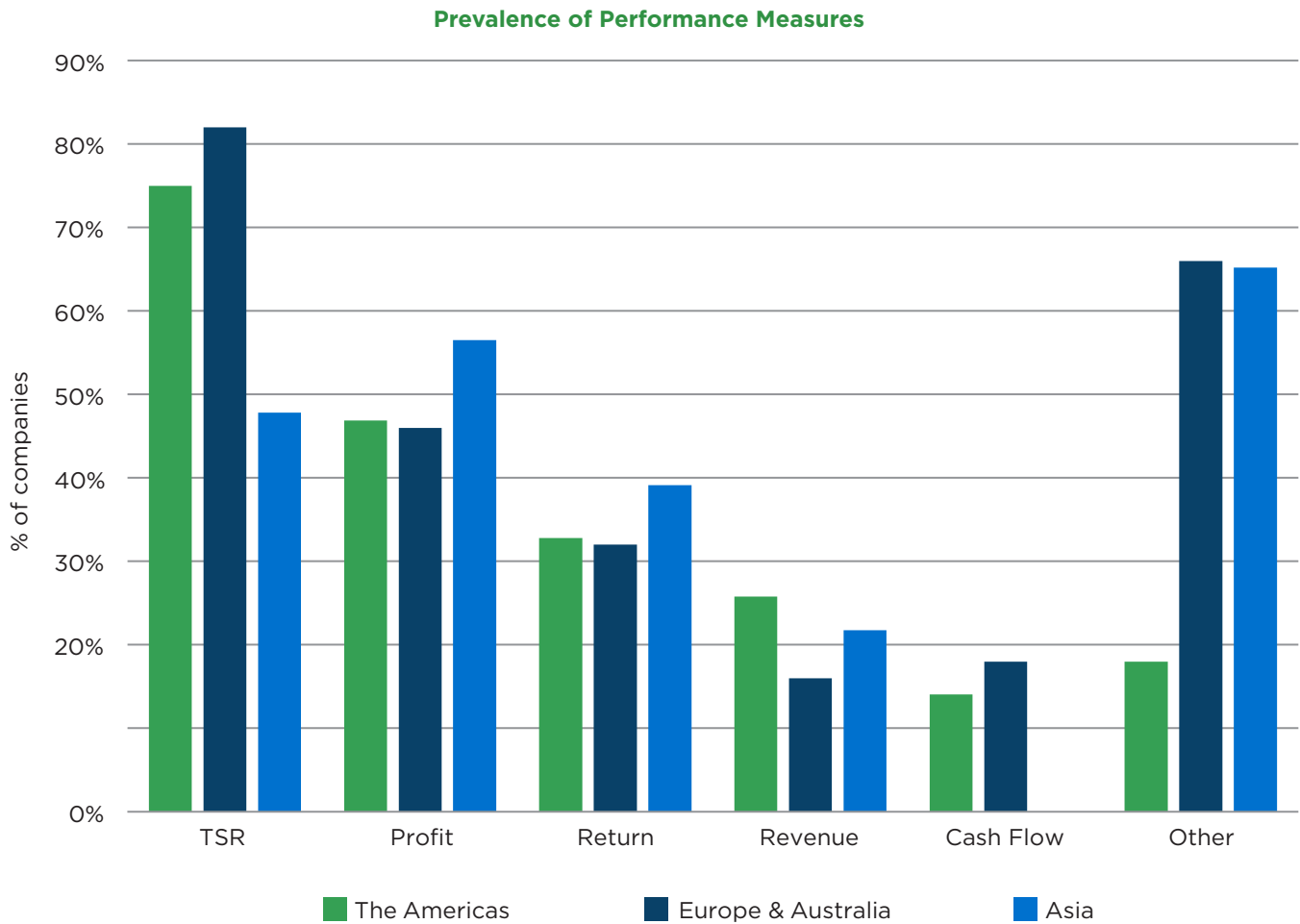
Additional Holding Periods for Performance Awards



LONG-TERM INCENTIVE DESIGN

Measuring Long-Term Performance

82% of companies in the Global Top 250 disclose making awards of Performance Stock. The chart below shows the prevalence of performance measures used in these plans.

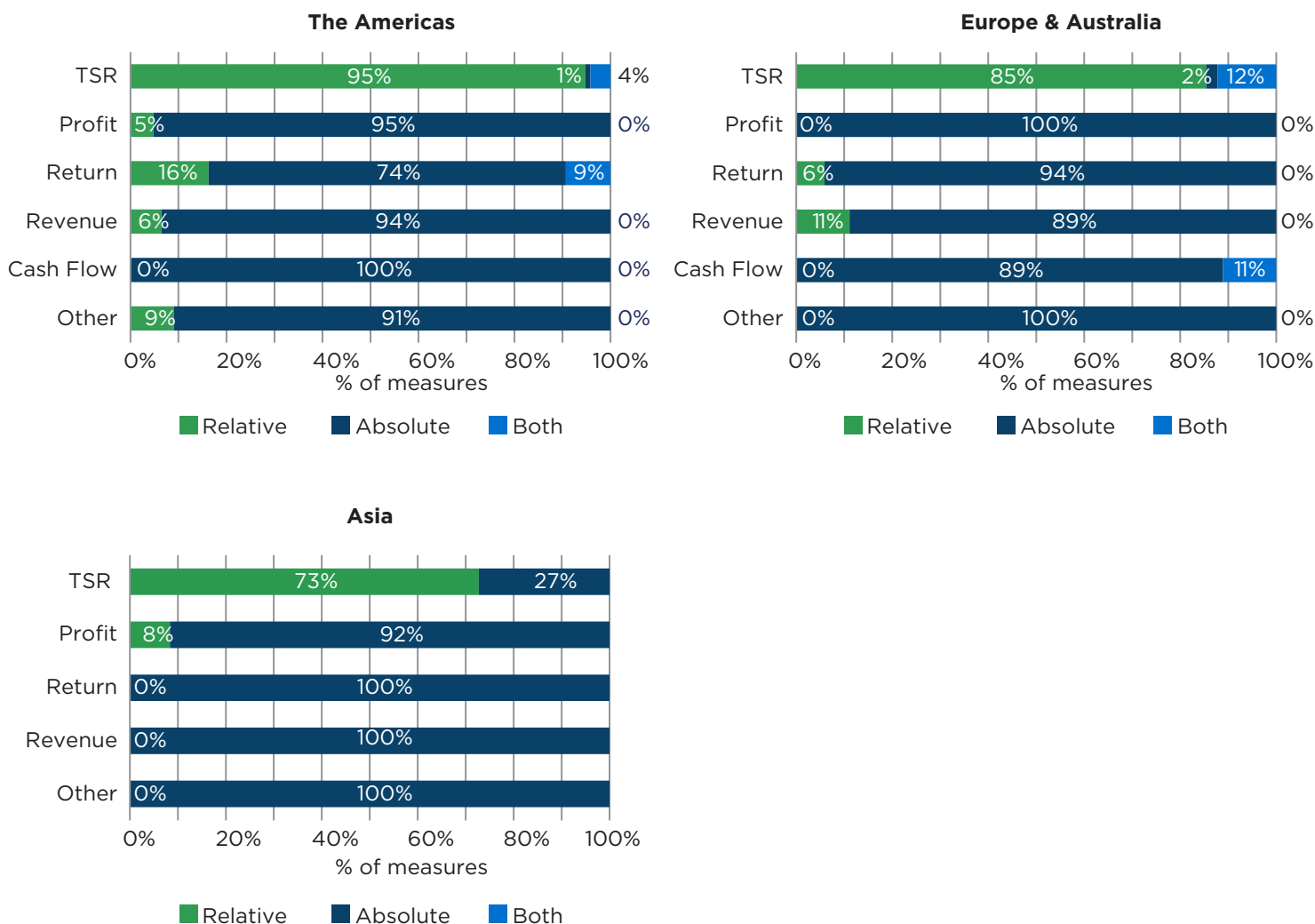


Total Shareholder Return (“TSR”) and profit measures (such as Earnings Per Share) are the most common performance measures in the Americas, Europe & Australia and Asia. Other performance measures include ESG index, growth in net asset or book value, etc.

LONG-TERM INCENTIVE DESIGN

With the exception of TSR, it is most common for companies to measure their performance on an absolute basis. The charts below show the percentage of companies measuring each performance measure on a relative basis, an absolute basis and on both bases.

Basis of Performance Measurement



In the Americas, 95% of companies with a TSR performance measure use only a relative measure, while 4% measure TSR on both basis and only 1% measure TSR on an absolute basis only. In Europe & Australia 85% measure on a relative basis only, 2% on an absolute basis only and 12% measuring on both bases. In Asia, 73% of companies measure TSR on a relative basis only and 27% solely on an absolute basis.

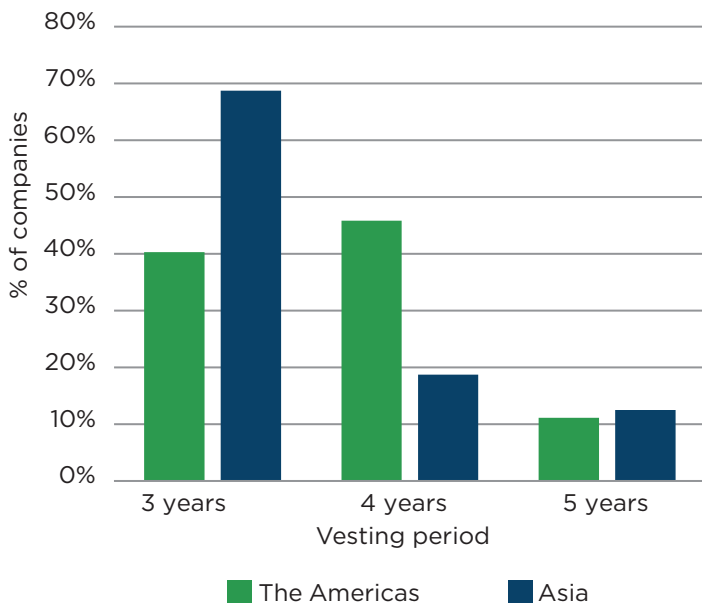
This suggests that relative TSR is the most common measure both in the Americas and in Europe & Australia. However, as noted earlier, the same scales do not apply globally. In the US and in Asia, it would be typical for the vesting scale to be wider (with lower quartile being the threshold and upper decile the maximum against a target pay-out at median) while, in Europe & Australia, the most common scales are median to upper quartile. Further, the proportion of maximum payable for achieving a median level of performance varies from, typically, 50% in the Americas (and also in Australia and Asia) to 25% in much of Europe.

LONG-TERM INCENTIVE DESIGN

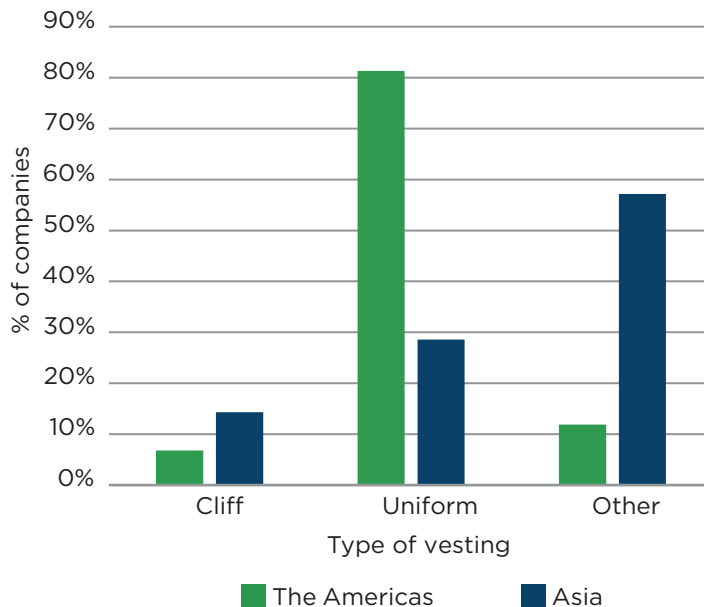
Stock Options and Restricted Stock Vesting Schedules

The charts below show a breakdown of the vesting periods for Stock Options and whether vesting occurs all at once (“cliff vesting”) or in tranches, either “uniform” (e.g. 50% after 3 years and 50% after 4 years) or “non-uniform” (e.g. 50% after 3 years, 25% after 4 years and 25% after 5 years). Due to the lack of Stock Option awards among companies in Europe & Australia, this analysis is shown only for companies in the Americas and Asia.

Vesting Periods for Stock Options

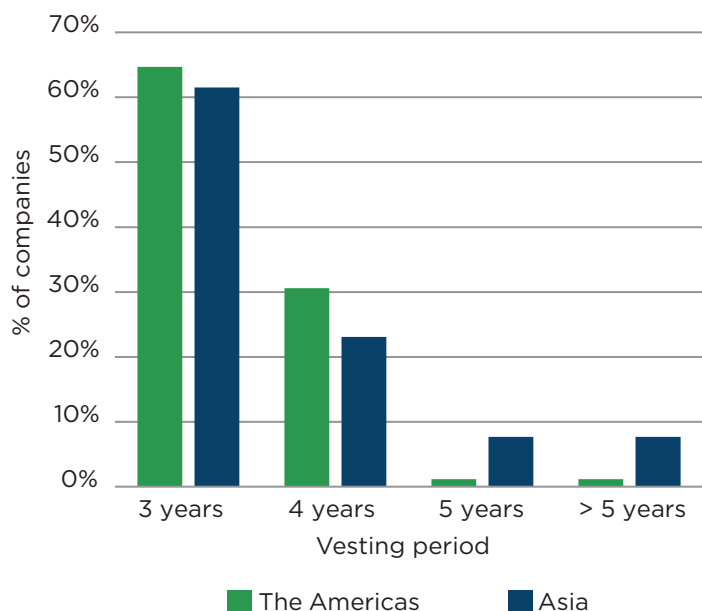


Type of Vesting for Stock Options

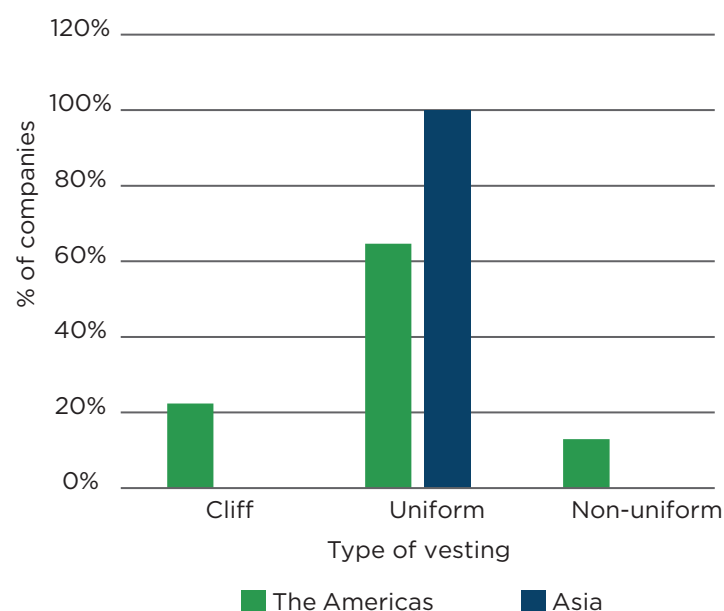


The following charts show a breakdown of the vesting periods for Restricted Stock and whether vesting is cliff or in uniform or non-uniform tranches. Again, due to the lack of Restricted Stock awards among companies in Europe & Australia, this analysis is shown only for companies in the Americas and Asia.

Vesting Periods for Restricted Stock



Type of Vesting for Restricted Stock



SHARE USAGE

Share usage is a significant concern to shareholders of companies that grant stock awards, due to the dilutive impact of such grants (as well as the company's potential to incur an accounting charge. The amount of stock issued or purchased each year as a percentage of total issued share capital is called the "run rate". In order to provide a more representative analysis, we have analysed the average run rate over the last three years.

The table below shows a quartile analysis of the 3-year run rate at each company (excluding companies where no shares have been disclosed to be issued or purchased), broken down into the three regions and shown for the largest jurisdictions. This data has not been adjusted to reflect the differing market capitalisations.

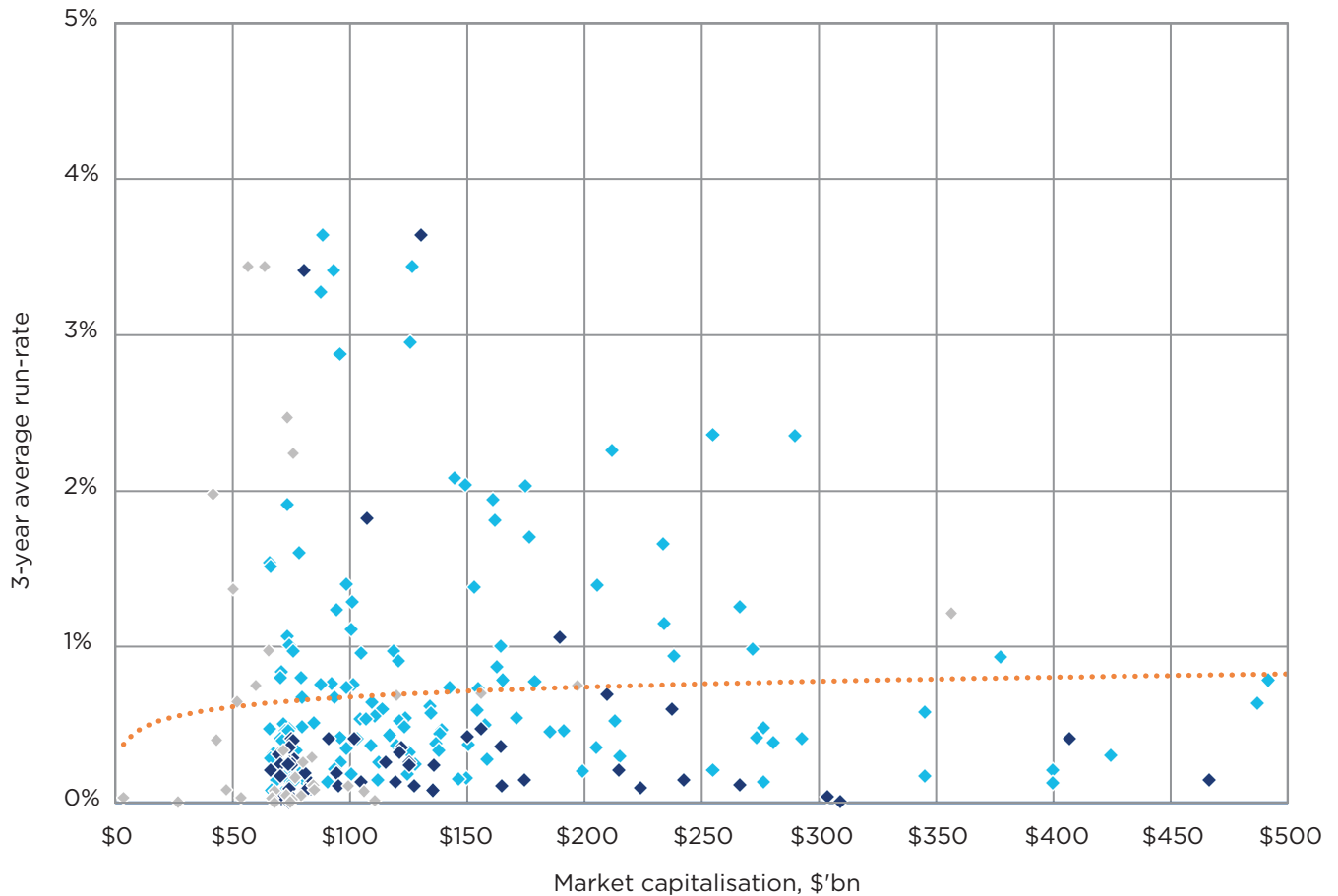
Three-Year Average Run Rate (% of total issued share capital)

Percentile	Run Rate		
	25th	50th	75th
The Americas	0.31%	0.53%	0.98%
Europe & Australia	0.12%	0.24%	0.38%
Asia	0.05%	0.26%	0.75%
United States	0.33%	0.55%	1.01%
Japan	0.03%	0.08%	0.47%
France	0.25%	0.35%	0.41%
United Kingdom	0.24%	0.32%	0.42%
Canada	0.16%	0.33%	0.43%
Hong Kong	0.75%	0.98%	1.29%
Germany	0.17%	0.25%	0.74%
India	0.08%	0.23%	0.60%

SHARE USAGE

The chart below shows the three-year average run rate against the market capitalisation of each company, along with the line of best fit. We have restricted the axis to show a run rate of up to 5% of issued share capital, although there are a few isolated examples of companies with higher run rates. Some Asian companies, such as those in Hong Kong, exhibit a wider interquartile range of run rates because some companies do not grant long-term incentives (LTIs) annually, resulting in either substantial grants or no grants in a given year.

Three-Year Average Run Rate Against Market Capitalisation



METHODOLOGY

The Global Top 250 has been struck as of 31 December 2023. We have sourced the data used in this report from publicly-available company filings and have included the latest publication as of 31 March 2024.

We have obtained data for the following roles:

CEO - this is the CEO or closest equivalent; and

CFO - this is the most senior financial executive.

New joiners are included within the analysis when the company provided sufficient information to calculate on-going total direct compensation.

In analysing the data, we have used the following methodology:

Element of Compensation	Methodology
Base salary	Reported, unadjusted current salary or salary paid in the prior year.
Target annual bonus	Based on the target level, if disclosed. If the target level is not disclosed, we have used 50% of the maximum. If neither is disclosed, the average bonus paid over the last 3 years was assumed to be at the target level.
Target total cash compensation	The aggregate of base salary and the target annual bonus.
Target value of long-term incentives	Long-term incentives reflect a three-year average of actual grants to minimise the impact of irregular grant practices across regions/jurisdictions. Target levels have been assumed to be 20% of exercise price for performance-based stock options, 30% of exercise price for time-based stock options, 100% of grant date fair value for target payout of performance awards (we have assumed target to be 50% of maximum where only a maximum award has been disclosed) and 100% of grant date closing price for restricted stock.
Target total direct compensation	The aggregate of target total cash compensation and the target value of long-term incentives.
Exchange rates	All data in this report are expressed in US\$. Where disclosures are in an alternative currency, the exchange rate as of December 31, 2023 has been used.

This report is intended to be a summary of key issues but is not comprehensive and does not constitute advice. No legal responsibility is accepted by any of the contributing firms as a result of reliance on the contents of this report.

FIRM PROFILES

FW Cook

FW Cook is an independent consulting firm specializing in executive and director compensation and related corporate governance matters. Formed in 1973, the 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. It currently serves as the independent advisor to the compensation committees at a substantial number of the most prominent companies in the U.S.

FIT Remuneration Consultants

FIT Remuneration Consultants is one of Europe's largest independent remuneration consultancies. The firm was founded in 2011 and is run by its ten partners, each having an average 20 years' experience in executive remuneration. FIT advises some of Europe's largest listed companies, mutuals and other organisations from its offices in London.

Pretium Partners

Pretium is an independent management consulting firm that helps accelerate clients' growth, increase profitability and transform the company through effective reward, performance and strategic human resources strategy. Pretium advises Asian clients on the people aspects during transformation, with reference to business needs, the latest market data, corporate governance trends and best practices.

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COMPANIES IN THE 2024 GLOBAL TOP 250

ABB Ltd	Broadcom Inc.	General Electric Company
Abbott Laboratories	Brookfield Corporation	Gilead Sciences, Inc.
AbbVie Inc.	BYD Company Limited	Glencore plc
Accenture plc	Cadence Design Systems, Inc.	GSK plc
Adobe Inc.	Canadian National Railway Company	HCA Healthcare, Inc.
Advanced Micro Devices, Inc.	Canadian Natural Resources Limited	HDFC Bank Limited
AIA Group Limited	Canadian Pacific Kansas City Limited	Hermès International Société en commandite par actions
Airbnb, Inc.	Caterpillar Inc.	Hindustan Unilever Limited
Airbus	Chevron Corporation	Hitachi, Ltd.
Alibaba Group Holding Limited	China Merchants Bank Co., Ltd.	Hon Hai Precision Industry Co., Ltd.
Allianz SE	Christian Dior SE	HONDA MOTOR
Alphabet Inc.	Chubb Limited	Honeywell International Inc.
Altria Group, Inc.	Chugai Pharmaceutical Co., Ltd.	HONG KONG EXS.& CLEAR
Amazon.com, Inc.	Cisco Systems, Inc.	HSBC Holdings plc
American Express Company	Citigroup Inc.	Iberdrola, S.A.
American Tower Corporation	CME Group Inc.	ICICI Bank Limited
Amgen Inc.	Comcast Corporation	Illinois Tool Works Inc.
Analog Devices, Inc.	Commonwealth Bank of Australia	India Shelter Finance Corporation Limited
Anheuser-Busch InBev SA/NV	Compagnie Financière Richemont SA	Industria de Diseño Textil, S.A.
Apple Inc.	ConocoPhillips	Infosys Limited
Applied Materials, Inc.	Costco Wholesale Corporation	Intel Corporation
Arista Networks, Inc.	CSL Limited	Intercontinental Exchange, Inc.
ASML Holding N.V.	CSX Corporation	International Business Machines Corporation
AstraZeneca PLC	CVS Health Corporation	Intuit Inc.
AT&T Inc.	Daiichi Sankyo Co., Ltd.	Intuitive Surgical, Inc.
Atlas Copco AB	Daikin Industries Limited	Investor AB (publ)
Automatic Data Processing, Inc.	Danaher Corporation	JD.com, Inc.
AXA SA	Deere & Company	Johnson & Johnson
Baidu, Inc.	Deutsche Telekom AG	JPMorgan Chase & Co.
Banco Santander, S.A.	Diageo plc	KDDI Corporation
Bank of America Corporation	Dr. Ing. h.c. F. Porsche AG	Keyence Corporation
Bank of Montreal	Duke Energy Corporation	KKR & Co. Inc.
Bayerische Motoren Werke Aktiengesellschaft	Eaton Corporation plc	KLA Corporation
Becton, Dickinson and Company	Elevance Health, Inc.	L'Air Liquide S.A.
Berkshire Hathaway Inc.	Eli Lilly and Company	Lam Research Corporation
Bharti Airtel Limited	Enbridge Inc.	LG Energy Solution, Ltd.
BHP Group Limited	Enel SpA	Linde plc
BlackRock, Inc.	EOG Resources, Inc.	Lockheed Martin Corporation
Blackstone Inc.	Equinix, Inc.	London Stock Exchange Group plc
BNP Paribas SA	Equinor ASA	L'Oréal S.A.
Booking Holdings Inc.	EssilorLuxottica Société anonyme	Lowe's Companies, Inc.
Boston Scientific Corporation	Exxon Mobil Corporation	LVMH Moët Hennessy - Louis Vuitton, Société Européenne
BP p.l.c.	Fast Retailing Co., Ltd.	
Bristol-Myers Squibb Company	Fiserv, Inc.	
	General Dynamics Corporation	

COMPANIES IN THE 2024 GLOBAL TOP 250

Marriott International, Inc.	QUALCOMM Incorporated	The Progressive Corporation
Marsh & McLennan Companies, Inc.	Recruit Holdings Co., Ltd.	The Sherwin-Williams Company
Mastercard Incorporated	Regeneron Pharmaceuticals, Inc.	The Southern Company
McDonald's Corporation	Reliance Industries Limited	The TJX Companies, Inc.
Medtronic plc	RELX PLC	The Toronto-Dominion Bank
Meituan	Rio Tinto Group	The Walt Disney Company
MercadoLibre, Inc.	Roche Holding AG	Thermo Fisher Scientific Inc.
Mercedes-Benz Group AG	Royal Bank of Canada	Thomson Reuters Corporation
Merck & Co., Inc.	RTX Corporation	T-Mobile US, Inc.
Merck KGaA	S&P Global Inc.	Tokyo Electron Limited
Meta Platforms, Inc.	Safran SA	TotalEnergies SE
Micron Technology, Inc.	Salesforce, Inc.	Toyota Motor Corporation
Microsoft Corporation	Samsung Electronics Co., Ltd.	U.S. Bancorp
Mitsubishi Corporation	Sanofi	Uber Technologies, Inc.
Mitsubishi UFJ Financial Group, Inc.	SAP SE	UBS Group AG
Mondelez International, Inc.	Schlumberger Limited	Unilever PLC
Moody's Corporation	Schneider Electric S.E.	Union Pacific Corporation
Morgan Stanley	ServiceNow, Inc.	United Parcel Service, Inc.
Murata Manufacturing Co., Ltd.	Shell plc	UnitedHealth Group Incorporated
National Australia Bank Limited	Shin-Etsu Chemical Co., Ltd.	Vale S.A.
Nestlé S.A.	Shopify Inc.	Verizon Communications Inc.
NetEase, Inc.	Siemens Aktiengesellschaft	Vertex Pharmaceuticals Incorporated
Netflix, Inc.	Siemens Healthineers AG	Vinci SA
NextEra Energy, Inc.	SK hynix Inc.	Visa Inc.
NIKE, Inc.	Softbank Group Corp.	Wal-Mart de México, S.A.B. de C.V.
Nintendo Co., Ltd.	Sony Group Corporation	Walmart Inc.
Nippon Telegraph and Telephone Corporation	Southern Copper Corporation	Waste Management, Inc.
Northrop Grumman Corporation	Starbucks Corporation	Wells Fargo & Company
Novartis AG	Stellantis N.V.	Workday, Inc.
Novo Nordisk A/S	Stryker Corporation	Xiaomi Corporation
NVIDIA Corporation	Synopsys, Inc.	Zoetis Inc.
Oracle Corporation	Taiwan Semiconductor Manufacturing Company Limited	Zurich Insurance Group AG
Oriental Land Co., Ltd.	Target Corporation	
Palo Alto Networks, Inc.	Tata Consultancy Services Limited	
PayPal Holdings, Inc.	Tencent Holdings Limited	
PepsiCo, Inc.	Tesla, Inc.	
Petróleo Brasileiro S.A. - Petrobras	Texas Instruments Incorporated	
Pfizer Inc.	The Boeing Company	
Philip Morris International Inc.	The Charles Schwab Corporation	
Ping An Insurance (Group) Company of China, Ltd.	The Cigna Group	
Prologis, Inc.	The Coca-Cola Company	
Prosus N.V.	The Goldman Sachs Group, Inc.	
PT Bank Central Asia Tbk	The Home Depot, Inc.	
	The Procter & Gamble Company	