



THE BDO 600

2020 Study of CEO and CFO
Compensation Practices of
600 Mid-Market Public Companies



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BDO'S GLOBAL EMPLOYER SERVICES PRACTICE

BDO's Global Employer Services practice consists of an experienced and dedicated team of professionals who are committed to assisting leadership and boards with developing strategies and compensation programs designed to attract, retain and reward the executive team. Our services include designing and benchmarking executive compensation programs, including cash- and equity-based programs, board remuneration, compensation committee development, nonqualified and deferred compensation plans, advising on compensation-related tax and accounting issues and other related services.

Our services are tailored, scalable and designed to accommodate the unique needs of public, private and nonprofit clients of all sizes and across all industries, including multinational Fortune 500 companies.

Introduction

Executive compensation weighs heavily on the minds of most companies' leadership. External pressures scrutinizing executive pay practices continue to intensify as shareholder activists, investors and employees demand greater transparency. The ongoing quest to align compensation programs with shareholders' value creation metrics represents both new and ongoing challenges, especially in light of current economic uncertainty. Designing a smart, well-balanced compensation strategy and program requires careful consideration of both internal and external factors. Accounting, regulatory and tax issues must be evaluated alongside the effectiveness of incentive programs that are designed to reward executives for their contributions toward achieving organizational goals.

ABOUT THE BDO 600 STUDY

This study examines the chief executive officer (CEO) and chief financial officer (CFO) compensation plans and pay levels of 600 middle market public companies, reviews the key components of pay packages and provides comparisons by title, company size and industry.

The BDO 600 Study details the compensation practices for CEOs and CFOs of publicly traded companies in the following industries:



ENERGY



FINANCIAL SERVICES—BANKING



FINANCIAL SERVICES—NONBANKING



HEALTHCARE



MANUFACTURING



REAL ESTATE



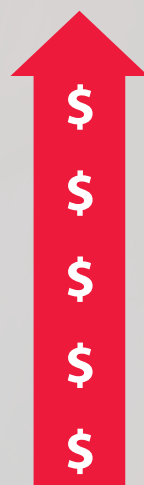
RETAIL



TECHNOLOGY

Companies in the six nonfinancial service industries have annual revenues between \$100 million and \$3 billion. Companies in the two financial service industries have assets between \$100 million and \$6 billion. All data in our study were extracted from proxy statements that were filed between April 2019 and March 2020. Consolidated proxy data were provided by Salary.com.

Our study is unique in the industry because it focuses on middle market companies while most compensation studies focus on much larger companies.



In fiscal year 2019, **CEO** Total Direct Compensation increased by an average of

4.7%

In fiscal year 2019, **CFO** Total Direct Compensation increased by an average of

4.4%

Executive Compensation in a COVID-19 Climate

The year 2020 has been a time of challenges and changes. Our report focuses on pay levels as reported in the 2020 proxies, which reflect a pre-COVID-19 world. However, executive compensation has not avoided the impact of the pandemic. Research of the BDO 600 companies' 8K SEC filings, which were filed between March and June of 2020, found a 20% reduction in executive pay levels. CEOs saw average salary reductions of 47% for an average of five-and-a-half months. Of the organizations that announced pay cuts, 61% extended pay reductions to executives beyond the C-Suite. The most common reduction was between 20% and 50% of base pay. The table below summarizes the pay reduction actions for CEOs, CFOs and other named executive officers (NEOs).

DISCLOSED SALARY REDUCTIONS OF BDO 600 COMPANIES

	CEO	CFO	NEO
Percent disclosing salary reductions	19%	17%	17%
Median decrease	-33%	-20%	-20%
Median number of months	6	5.75	6

In many cases, COVID-19 increased scrutiny of "excess pay" by proxy advisory firms, amplified existing compensation issues and created urgency for change. [Glass Lewis](#) made their guidance clear: "Trying to make executives whole at even further expense to shareholders and other employees is a certainty for proposals to be rejected and boards to get thrown out and [is] an open invitation for activists and lawsuits [to get] on to a company's back for years to come. Even those companies [that] project a 'business as usual' approach to executive pay will face opposition if employees and shareholders see their own 'paychecks' cut. Companies would be wise to avoid this."¹

For companies experiencing reduced cash flow, reductions in pay, staff, or both have been necessary to keep companies financially viable. Other compensation-related changes have included modifying goals or changing payout schedules and, in some cases, implementing deferral arrangements. Again, the proxy advisory firms have been clear that saving money at the expense of employees should not translate into increased pay levels for executives. Glass Lewis expressed concern that we may see "...'crocodile tears' for maintaining, or even increasing, executive pay." As such, for NEOs, companies may want to assess carefully their financial situation and consider delaying pay increases. As they respond to the COVID-19 pandemic, companies will be well advised to make it clear that they are thinking beyond just their executives.

¹ www.glasslewis.com/everything-in-governance-is-affected-by-the-coronavirus-pandemic/

Thought Leadership: Bringing Data to Life and Other Insights

To accompany the data in this report, BDO presents insight papers covering topics on the forefront of the minds of leadership and executive compensation professionals. This year we are focusing on key issues, including:

- ▶ **Incentive Metrics:** Discover a completely new approach for selecting appropriate incentive metrics and setting goals. This new solution to an age-old problem has been exacerbated in the face of COVID-19.
- ▶ **Pay for Performance:** Explore the relationship between executive pay and company performance. We examined the companies in the BDO 600 Study and found a significant correlation between company performance and CEO pay increases in specific industry groups.
- ▶ **IRS Proposed 162(m) Regulations:** Learn about the new rules and their impact.
- ▶ **Executive Pay Levels:** Engage your mind in a creative study about the rationality of the relative levels of executive pay, which offers a truly fresh yet highly analytical approach to evaluating executive compensation using the laws of nature and physics.



Learn more about these insights below and click to read the full articles.

DIMENSIONALITY OF INCENTIVE METRICS

An ongoing challenge for compensation committees is aligning the interests of executives with shareholders and other stakeholders. Incentive pay, including both short-term incentives (STI) and long-term incentives (LTI), is generally considered an effective approach for linking the financial interests of the top executives to that of the company and other stakeholders. However, the development of metrics and the goal-setting process can be incredibly challenging. These challenges have escalated in the world of COVID-19. There are hundreds of potential metrics for both STI and LTI programs to choose from, and some are much more difficult to track and analyze than others.

To help our clients understand and visualize incentive plans, BDO has categorized performance metrics into five potential dimensions. This article presents this concept and offers an analysis of each category of short- and long-term metrics by industry classification for the companies comprising the BDO 600. Find out if your company has aligned its metrics appropriately for your industry.

[Read the article](#)



CEO PAY LEVELS AND PAY STRUCTURE – PREDICTORS OF COMPANY PERFORMANCE?

BDO examined executive pay and company performance alignment among the 600 companies in the BDO 600 Study and found a significant correlation between company performance and CEO pay increases in specific industry groups. In concert with changes in company total shareholder return (TSR), CEO pay increased or decreased over time in manufacturing, energy, retail and financial services-nonbanking industries. Other industry groups did not show a significant alignment between CEO pay and TSR performance.

A significant relationship between the portion of CEO total compensation delivered through incentives and change in company performance for at least one measure of company performance was evident in seven of the eight industry groups reviewed.

We examined the relationship between CEO total compensation changes and company performance over a multi-year period in each of the eight industry groups. We also assessed the degree to which CEO pay mix (expressed as a portion of total compensation derived from base salaries or incentives) correlated with company performance.

[Read the article](#)



IRS PROPOSES 162(m) REGULATIONS LIMITING PUBLIC COMPANY DEDUCTIONS FOR EXECUTIVE COMPENSATION OVER \$1 MILLION

In December 2019, the IRS published proposed regulations implementing changes made to Internal Revenue Code Section 162(m) by the Tax Cuts and Jobs Act (TCJA). The new rules clearly set the tone that the IRS will broadly apply the Section 162(m) executive compensation deduction disallowance. The new rules generally follow the interim guidance, but provide, among other things, new information for privately held companies that are going public; certain foreign companies; publicly traded companies with Section 409A nonqualified deferred comp programs fitting certain design criteria for earnings accruals; and publicly traded corporations that pay certain executives through partnerships, subsidiaries or affiliates. Learn more about how these regulations may impact your business.

[Read the article](#)



CYCLING AND SCIENCE AS GUIDEPOSTS FOR SETTING COMPENSATION

What do a flock of geese, a school of dolphins, a peloton of cyclists, and compensation levels for named executive officers (NEOs) have in common? Perhaps a lot more than you would imagine.

In this article, BDO and ClearBridge Compensation Group extrapolate from the concept of the bicycling race peloton, which focuses on aerodynamics and close formation, and apply this concept to company structure, performance and rewards. We explore whether the empirical data from the bicycle-race peloton and leadership in a company can be extrapolated to the value of employee rewards and compensation. For example, theoretically, should pay levels of the direct reports to a CEO be 28% less than the CEO, which is the equivalent of the reduced effort tier of the peloton? Explore how this concept can change the way you look at compensation planning.

[Read the article](#)





Methodology

The data collected from the 600 companies in the sample represent the compensation policy in effect at each company's fiscal year end, as disclosed in the executive compensation narrative in public filings. We analyzed the data in aggregate by the standard five components of compensation: salary, bonuses and annual incentives, stock options, other long-term incentives (LTIs) and full-value stock awards.

Year-over-year analyses are based on the average change in overall pay levels for base salary, total cash compensation and total direct compensation (TDC). Year-over-year changes to annual incentives are not shown because the results can be driven by companies' specific situations. For stock and other LTIs, not all CEOs or CFOs received annual stock or LTI awards. As such, year-over-year comparisons may not accurately indicate market trends and have been excluded.

Starting in 2020, BDO updated our methodology for calculating year-over-year pay increases. We now calculate the overall average company-by-company, year-over-year changes in pay data rather than comparing year-over-year pay data based on published reports. Each report typically represents a slightly different array of companies due to delistings, mergers and other circumstances. This year, the tables show the 2019 pay data and the net change in pay levels. We no longer report the 2018 data from the prior year's report since it is not being used as a comparison.

TYPES OF COMPENSATION

- ▶ **Salary** is the annualized base salary.
- ▶ **Bonus and Annual Incentives** comprise discretionary bonuses earned, as well as payments received under performance-based annual incentive plans.
- ▶ **Total Cash Compensation** is salary plus any bonus or annual incentive earned.
- ▶ **Stock + Long-Term Incentives** are the total long-term incentives (LTI) including stock options, full-value stock awards and other LTIs.
 - **Stock Options** are the grant date fair value awards as reported by each company. If a company did not report these values, the values were calculated using the assumptions as reported in the proxy. Irregular grants have been annualized.
 - **Full-Value Stock Awards** data include both stock and stock unit awards. The grant date fair value of the awards was used in this analysis. Irregular grants have been annualized.
 - **Other Long-Term Incentives** refer to payments received under LTI plans such as cash-based LTIs.
- ▶ **Total Direct Compensation (TDC)** represents the sum of salary, bonus and annual incentives, stock options, full-value stock awards and other LTIs for each incumbent.

SCOPE FACTORS

Compensation levels and program design features for the CEOs and CFOs are organized by company size and industry. The results can be benchmarked by either of these factors to obtain different perspectives on pay levels and compensation practices.

COMPANY SIZE

Most traditional executive compensation studies used annual revenues, or assets in the case of financial services institutions, as the primary scope factor because of the well-established and direct correlation between company size and executive compensation.

Our study reports compensation for three groups of companies based on size:

Size Category	Revenue Range	Asset Range (Financial Services)
Group A	\$100 million – \$500 million	\$100 million – \$1.25 billion
Group B	\$500 million – \$1.25 billion	\$1.25 billion – \$2.5 billion
Group C	\$1.25 billion – \$3 billion	\$2.5 billion – \$6 billion

INDUSTRY

This study also reports the pay levels and compensation practices for CEOs and CFOs for companies in eight industries.

- ▶ Energy
- ▶ Financial Services–Banking
- ▶ Financial Services–Nonbanking
- ▶ Healthcare
- ▶ Manufacturing
- ▶ Real Estate
- ▶ Retail
- ▶ Technology

ADDITIONAL NOTES ON THE STUDY

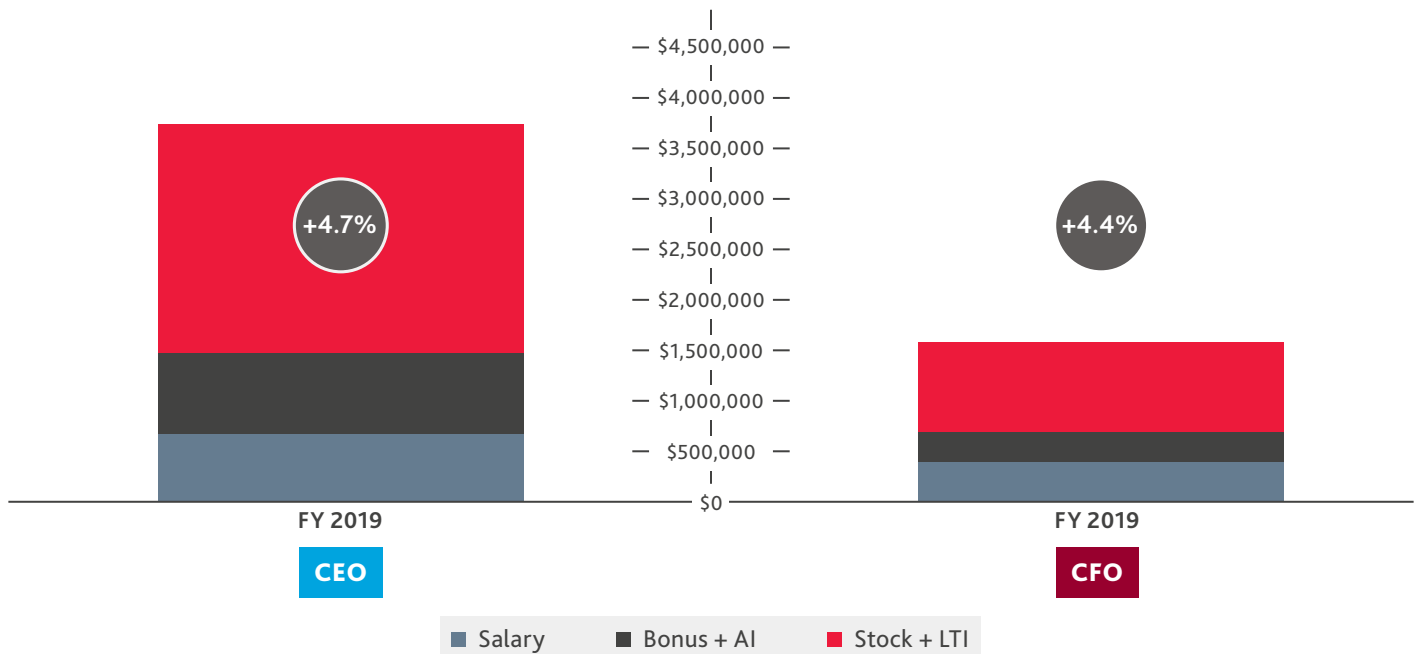
In cases where there was more than one CEO or CFO at a company within the fiscal year, we used the compensation for the incumbent who occupied the position for the majority of the fiscal year.

To establish a common comparative base for all 600 companies in the study sample, we used a consistent methodology to value compensation levels, including annualizing salary data as appropriate. If a company could not be brought into parity with other companies in the sample, then that company was excluded from the sample and replaced with a similar company to obtain a representative sample across industries and company size.

SUMMARY OF FINDINGS BY COMPANY SIZE

Overall Results

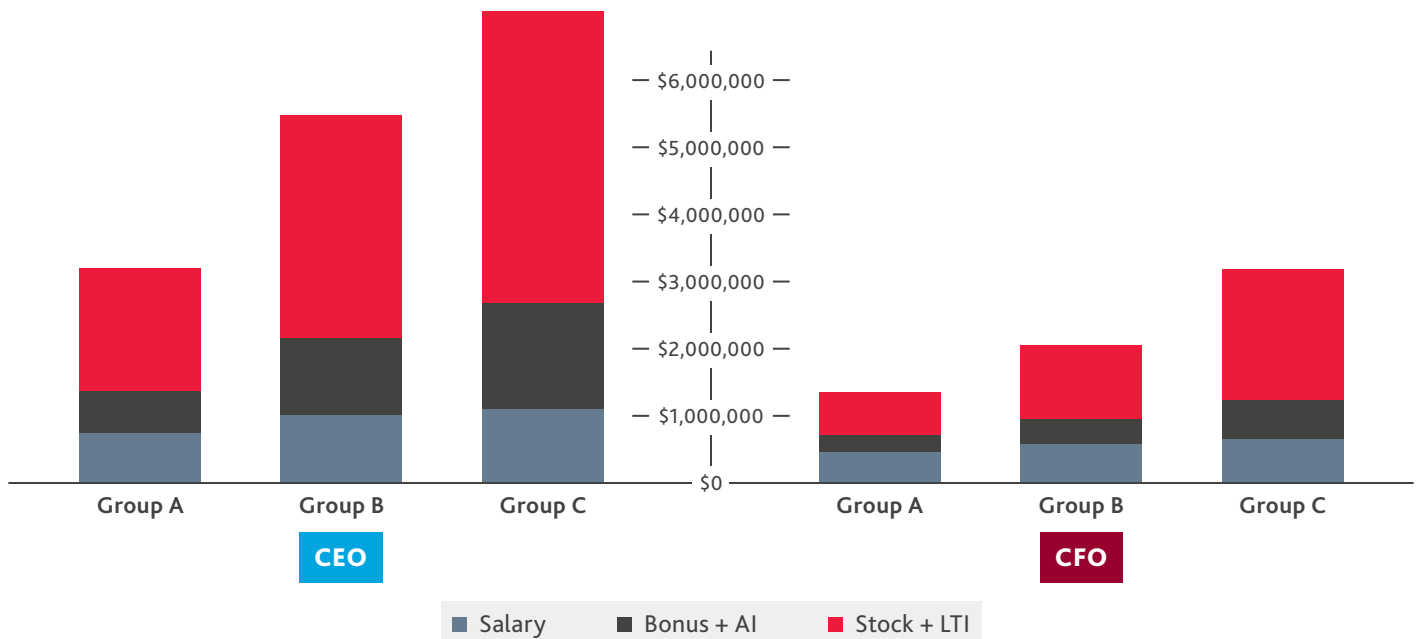
OVERALL RESULTS - TOTAL DIRECT COMPENSATION (TDC)



Key findings from our analysis of CEO and CFO compensation based on company size include:

- In aggregate, CEOs and CFOs experienced moderate pay increases of 4.7% and 4.4%, respectively.** These increases consisted of salary increases, bonuses and annual incentives, and LTIs.
- When comparing year-over-year change, CEOs and CFOs experienced the following increases:**
 - CEOs were provided salary increases of 2.0% on average, which is lower than the typical merit increases of approximately 3%, while total cash increased by 6.3% and LTIs by 5.3%.
 - CFOs received salary increases of 4.2% on average, while total cash increased by 4.3% and LTIs increased by 4%.

OVERALL RESULTS BY COMPANY SIZE



3. Pay continues to be highly correlated with company size. As the chart above illustrates, a positive correlation exists between CEO and CFO compensation and company size.

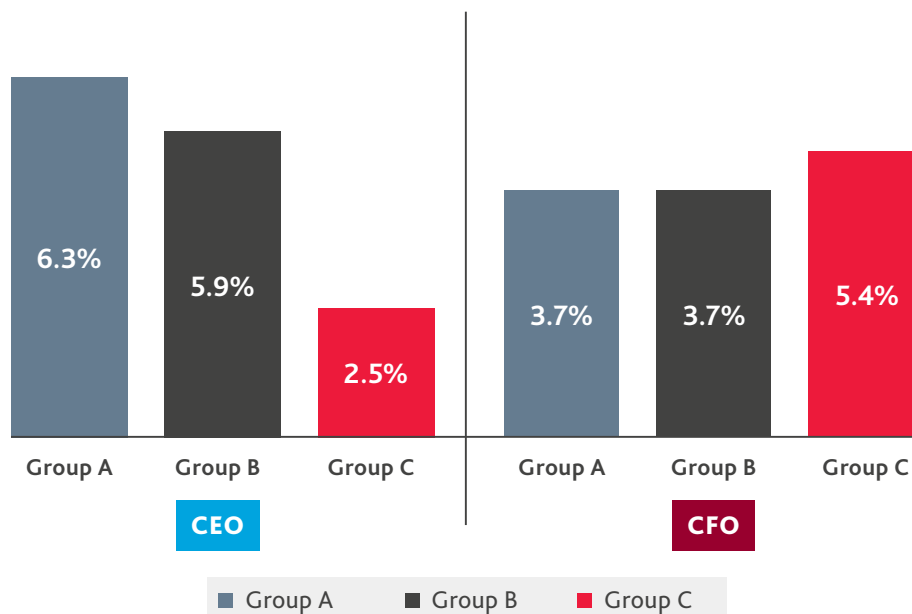
Average CEO TDC ranges from \$2,393,690 for companies in the smallest size category² (Group A) to \$5,282,637 for companies in the largest size category³ (Group C). Average CFO TDC ranges from \$1,001,738 for companies in Group A to \$2,383,190 for companies in Group C.

² \$100 million–\$500 million revenues and \$100 million–\$1.25 billion in assets (financial services).

³ \$1.25 billion–\$3 billion revenues and \$2.5 billion–\$6 billion in assets (financial services).

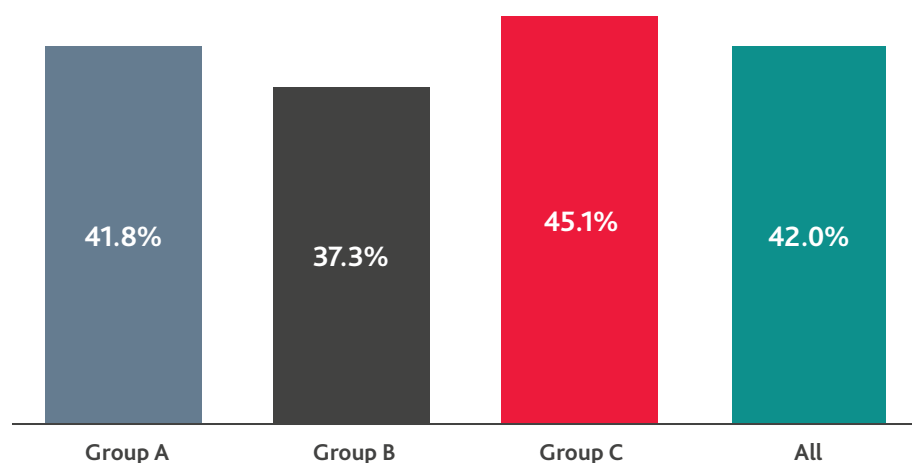
4. Smaller company CEOs had the largest pay increases: CEOs in Group A experienced the largest increase in pay (6.3%) while CEOs in Group B experienced a 5.9% increase. Pay moved up only 2.5% year-over-year for CEOs of the largest companies in the sample (Group C). CFO pay also increased across all groups; Groups A and B both experienced a 3.7% increase, and Group C saw a 5.4% increase.

YEAR-OVER-YEAR CHANGE IN TDC



5. CFO pay levels are less than half of CEO pay levels: Pay levels for CFOs are approximately 42% of CEO pay for the companies in our sample. The following graph presents a comparison of median CFO TDC to median CEO TDC for all companies and by company size.

CFO TDC AS % OF CEO TDC



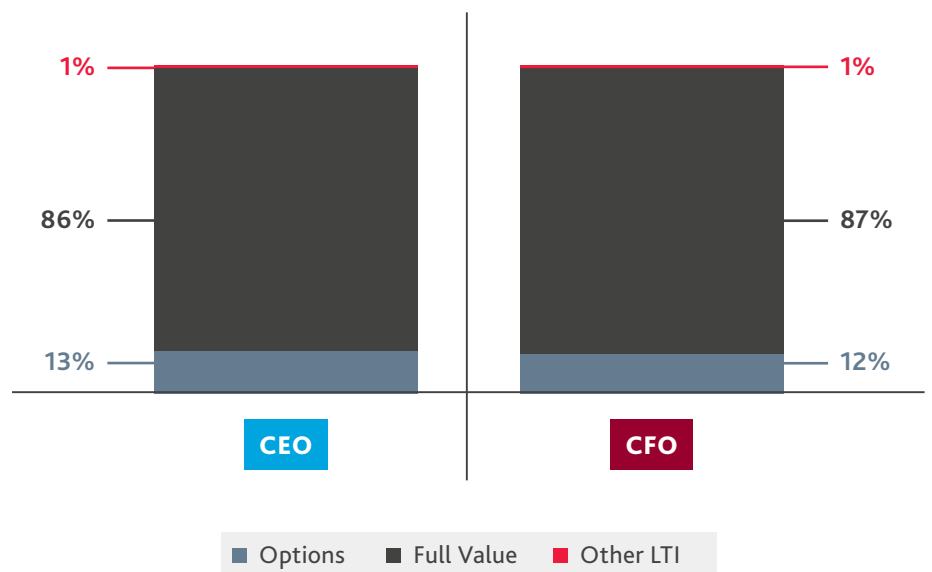
6. Full-value shares dominate LTIs:

Stock options continue to be only a small fraction of the LTI mix, as most companies regardless of size opted to give both CEOs and CFOs full-value stock.

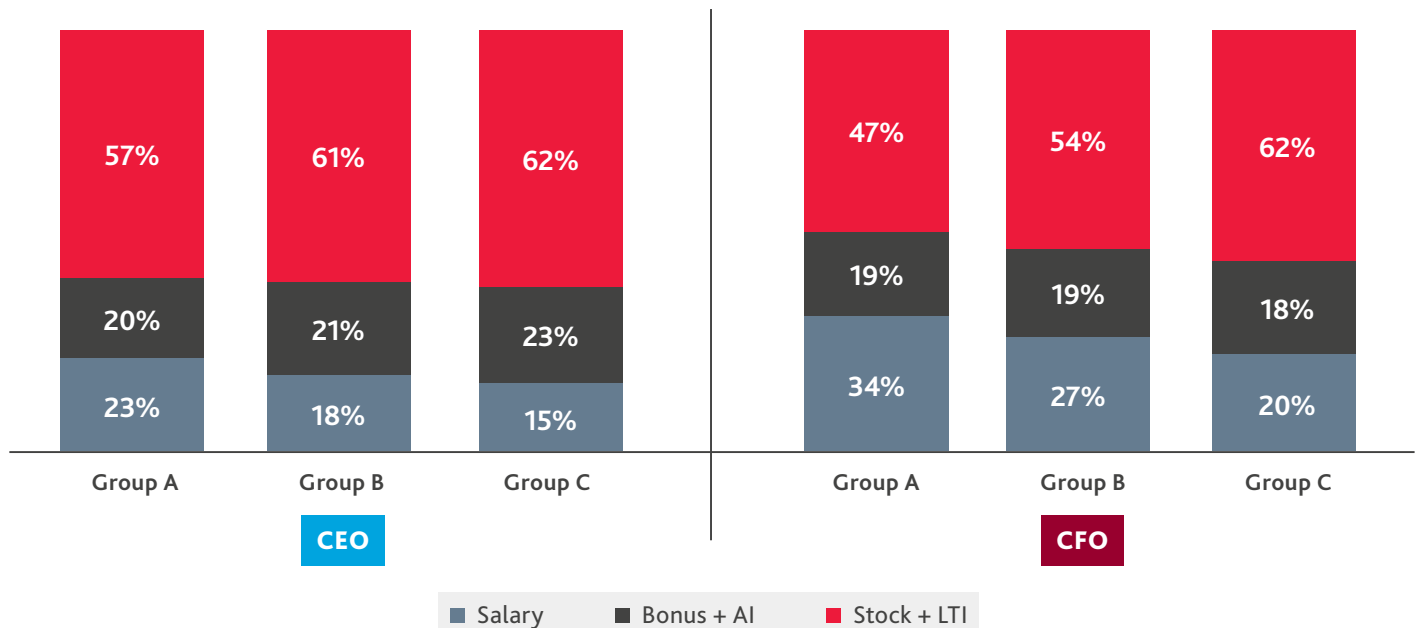
7. Larger companies place the greatest percentage of pay at risk:

The graph below illustrates that approximately 80% of the pay for CEOs was in the form of incentive compensation. Variable compensation for both CEOs and CFOs increased in tandem with company size.

MIX OF LTIs



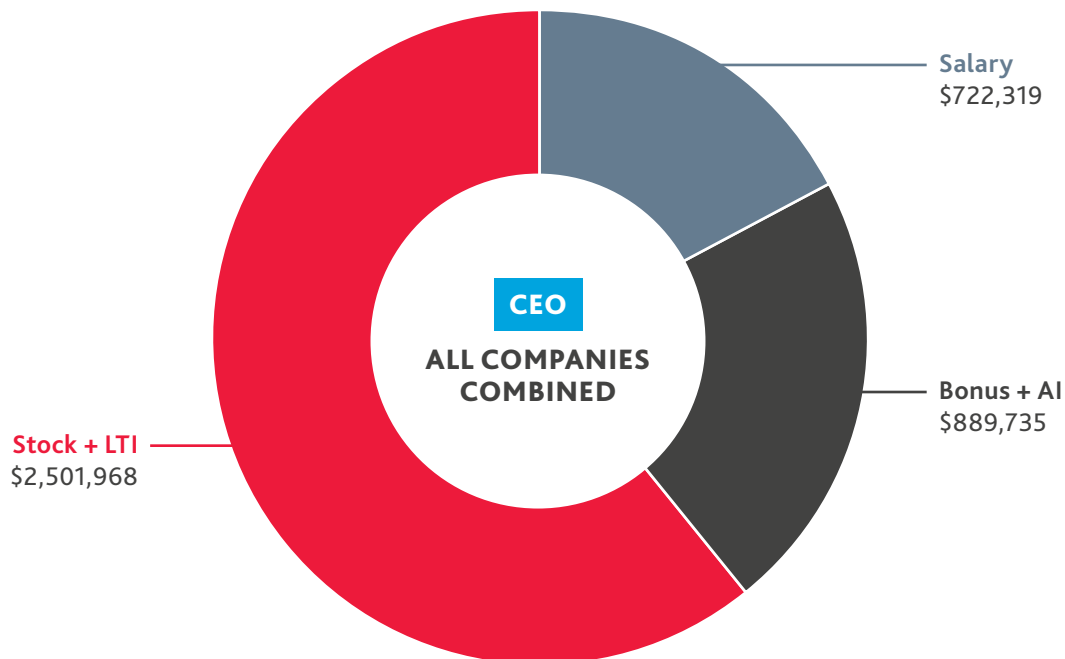
PAY MIX BY COMPANY SIZE



The following pages detail our findings for the CEO and CFO.



The following chart indicates the composition of TDC for CEOs. The LTI component represents over 50% of the total compensation package.



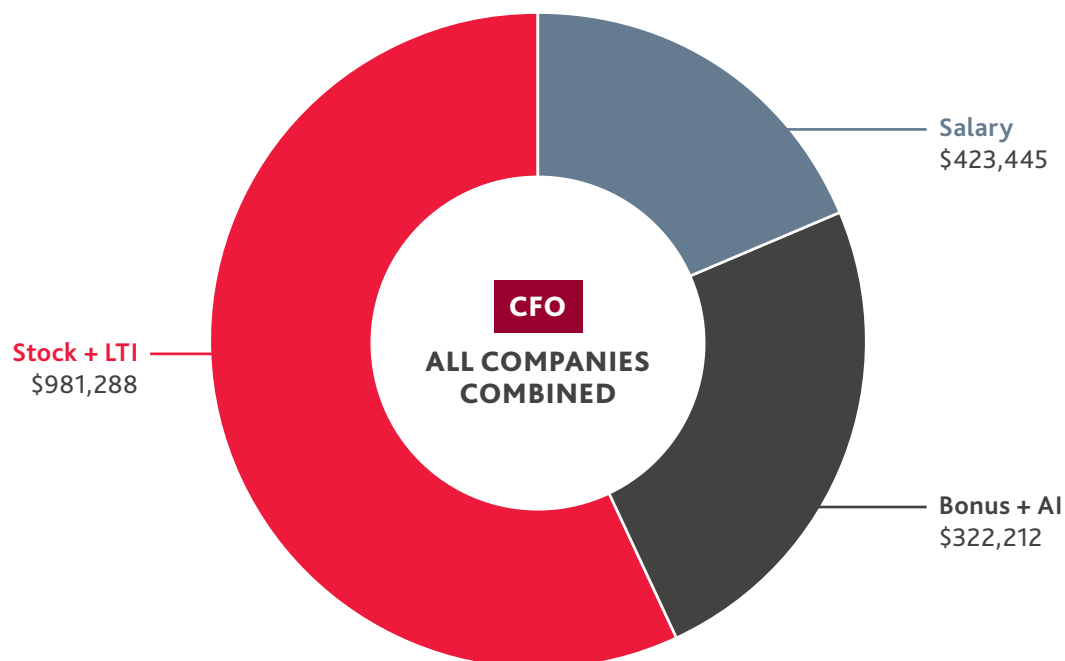
The table below summarizes average pay for CEOs, and the change from fiscal year 2018 to 2019 for three pay components. TDC for CEOs increased by 4.7%.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$722,319	\$889,735	\$1,612,054	\$2,501,968	\$4,114,023
Change over Prior Year	2.0%	--	6.3%	--	4.7%

COMPENSATION MIX

The compensation mix has remained consistent over the last several years. The average compensation mix for CEOs in 2019 continues to favor stock and LTIs. The majority of equity value provided to both CEOs and CFOs was delivered through full-value stock awards.

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	18%	22%	60%



The table below summarizes average pay for CFOs, and the change from fiscal year 2018 to 2019 for three pay components. TDC for the CFO position increased by 4.4%.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$423,445	\$322,212	\$745,657	\$981,288	\$1,726,945
Change over Prior Year	4.2%	--	4.3%	--	4.4%

COMPENSATION MIX

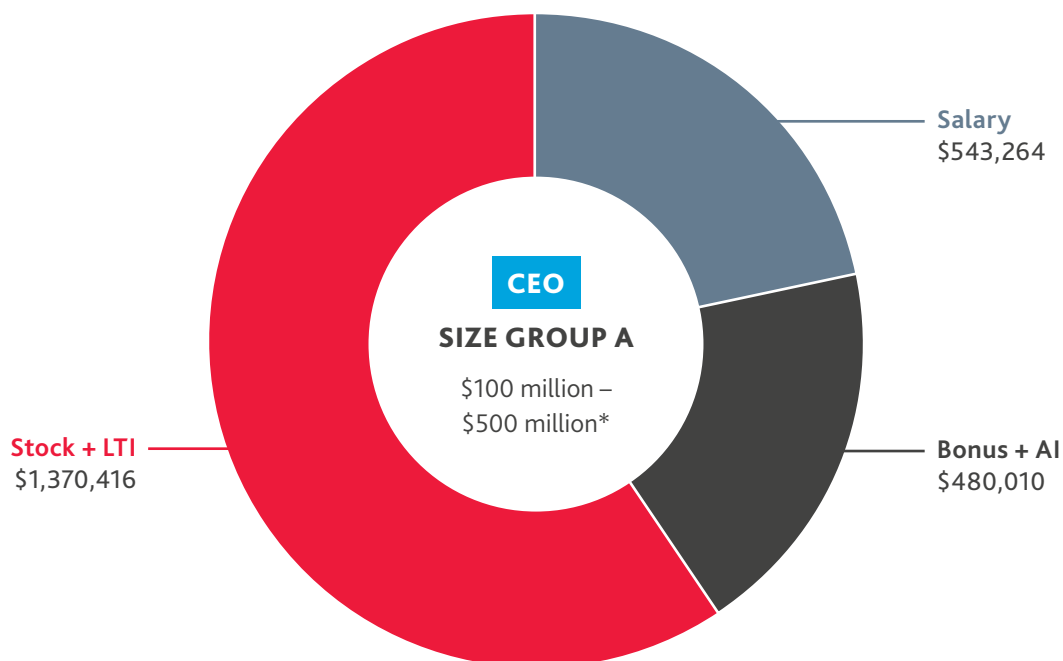
Compared to CEOs, CFOs' average compensation mix in 2019 was more evenly split between cash and LTIs/equity with equity being slightly higher than cash.

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	25%	19%	56%

The remainder of this study presents results by company size and industry.

COMPENSATION LEVELS BY COMPANY SIZE

Overall Results



The average compensation paid to CEOs of the smallest-sized companies for fiscal year 2019 and the change of three components over 2018 is listed below.

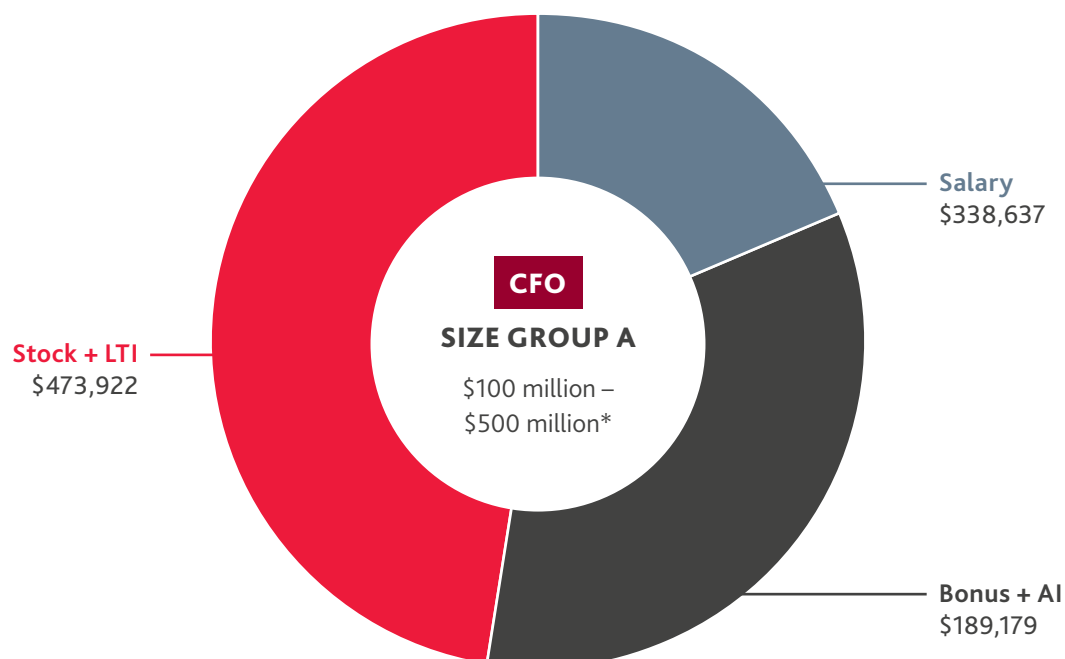
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$543,264	\$480,010	\$1,023,274	\$1,370,416	\$2,393,690
Change over Prior Year	1.5%	--	9.3%	--	6.3%

COMPENSATION MIX

CEOs in Size Group A received 43% of their compensation through salary and bonuses/incentives, and 57% through equity and LTIs.

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	23%	20%	57%

*Revenue range: \$100 million–\$500 million; asset range (financial services): \$100 million–\$1.25 billion.



The average compensation paid to CFOs of the smallest sized companies for fiscal years 2018 and 2017 is provided in the table below.

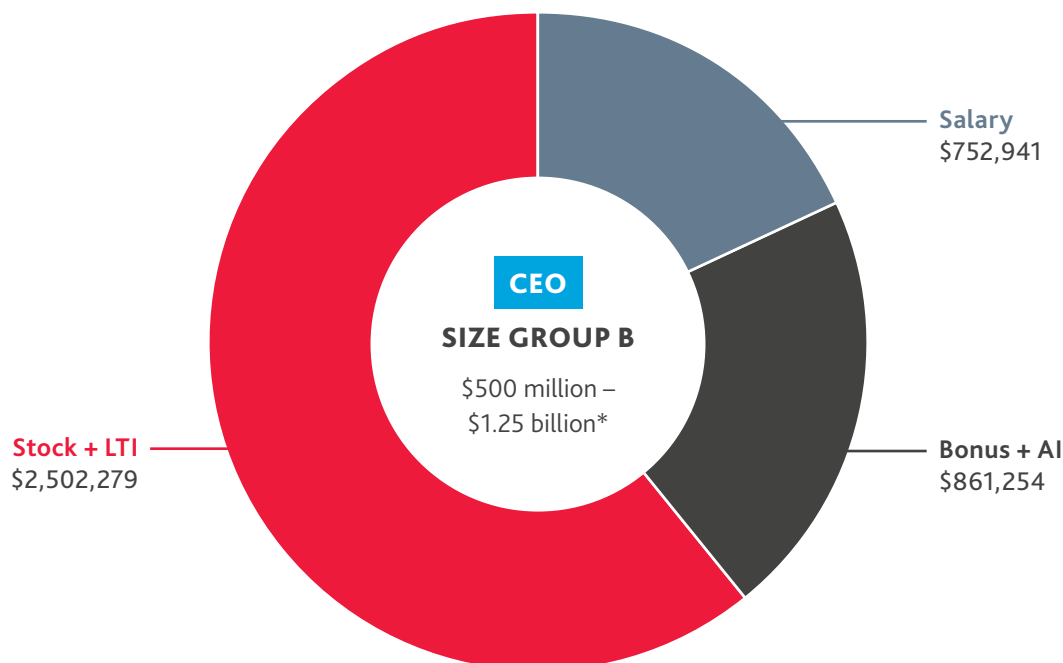
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$338,637	\$189,179	\$527,816	\$473,922	\$1,001,738
Change over Prior Year	3.5%	--	5.4%	--	3.7%

COMPENSATION MIX

CFOs in this group received slightly more than half (53%) of their pay in cash in 2019.

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	34%	19%	47%

*Revenue range: \$100 million–\$500 million; asset range (financial services): \$100 million–\$1.25 billion.



The average compensation paid to CEOs of mid-sized companies for fiscal year 2019 is listed in the table below. The year-over-year increase in CEOs' TDC was driven in part by increases in total cash compensation.

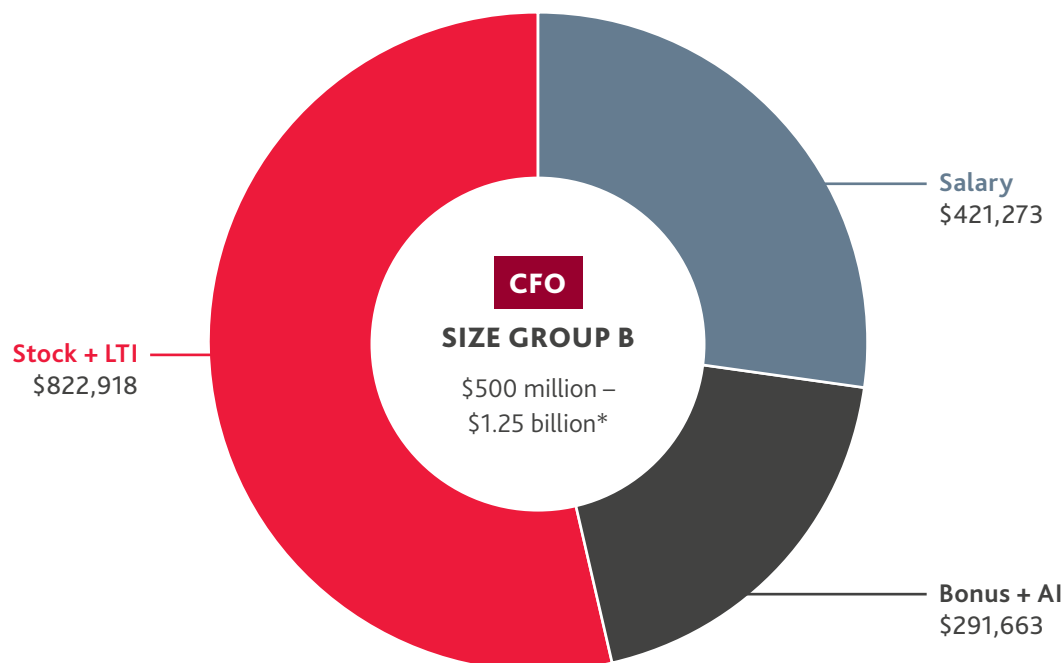
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$752,941	\$861,254	\$1,614,195	\$2,502,279	\$4,116,474
Change over Prior Year	3.4%	--	5.3%	--	5.9%

COMPENSATION MIX

CEOs in this group have a slightly higher percentage of compensation paid through stock and LTIs than the smaller companies in Size Group A.

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	18%	21%	61%

*Revenue range: \$500 million–\$1.25 billion; asset range (financial services): \$1.25 billion–\$2.5 billion.



The average compensation paid to CFOs of mid-sized companies for fiscal year 2019 is listed in the table below.

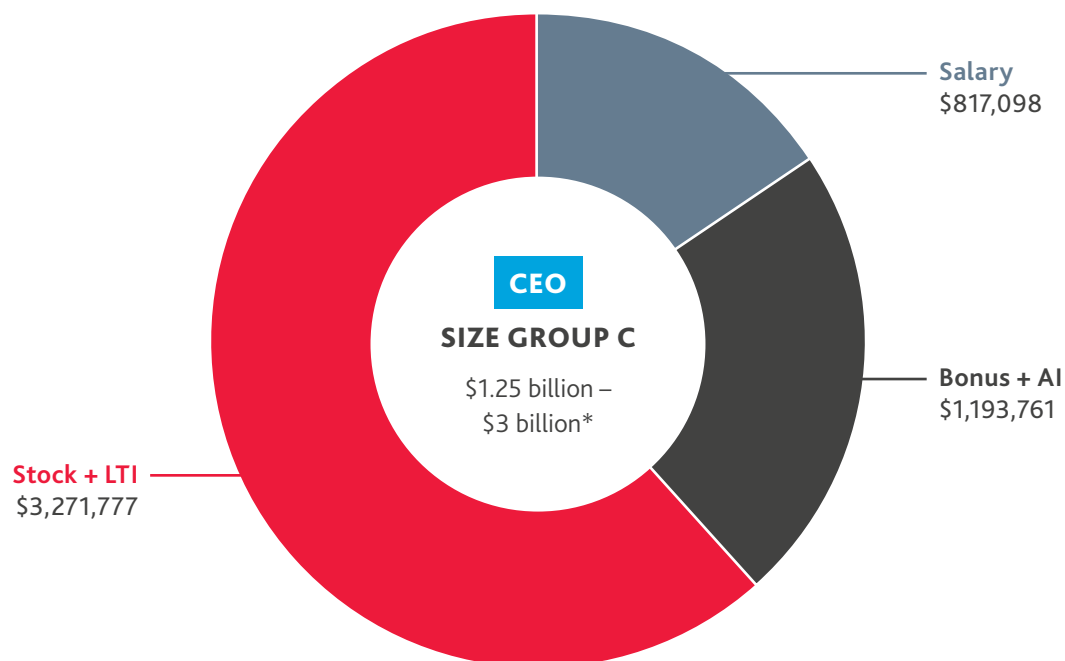
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$421,273	\$291,663	\$712,936	\$822,918	\$1,535,854
Change over Prior Year	4.7%	--	2.9%	--	3.7%

COMPENSATION MIX

LTI and equity for CFOs comprise slightly over half of their TDC.

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	27%	19%	54%

*Revenue range: \$500 million–\$1.25 billion; asset range (financial services): \$1.25 billion–\$2.5 billion.



The average compensation paid to CEOs of the largest companies in our sample for fiscal year 2019 is listed in the table below. CEOs in this group saw the smallest increase in TDC over the last year.

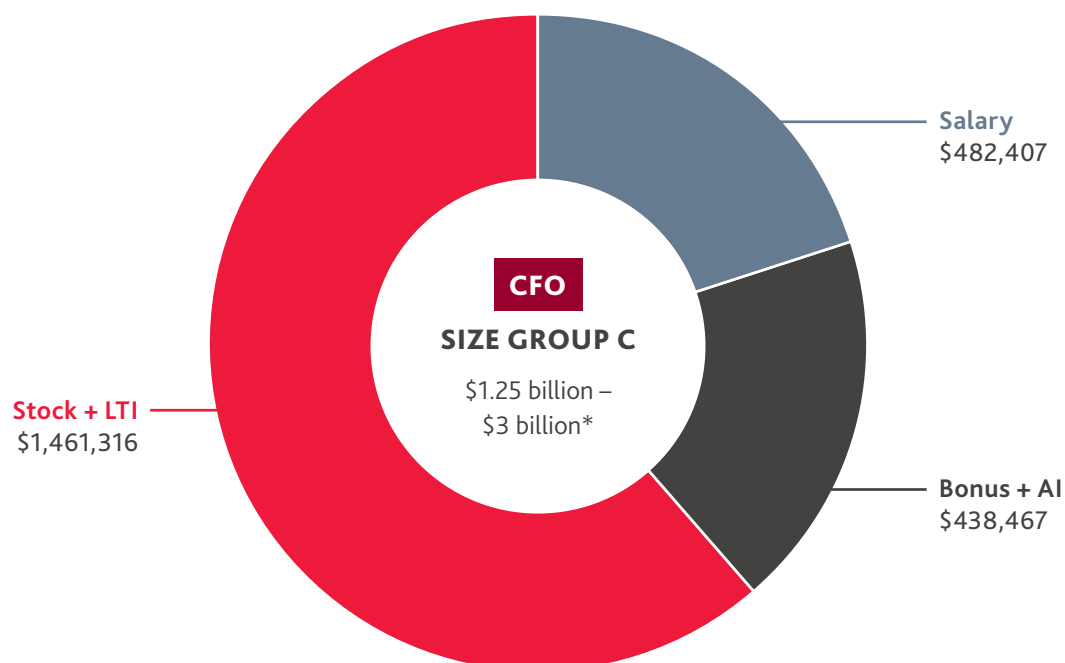
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$817,098	\$1,193,761	\$2,010,859	\$3,271,777	\$5,282,637
Change over Prior Year	1.1%	--	5.1%	--	2.5%

COMPENSATION MIX

The CEOs in this group received 38% of their pay in cash and 62% in stock and LTIs.

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	15%	23%	62%

*Revenue range: \$1.25 billion–\$3 billion; asset range (financial services): \$2.5 billion–\$6 billion.



The average compensation paid to CFOs of the largest companies in our sample for fiscal year 2019 is listed in the table below.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$482,407	\$438,467	\$920,874	\$1,461,316	\$2,382,190
Change over Prior Year	4.3%	--	4.7%	--	5.4%

COMPENSATION MIX

CFOs' stock and LTI component comprised 62% of total pay in 2019.

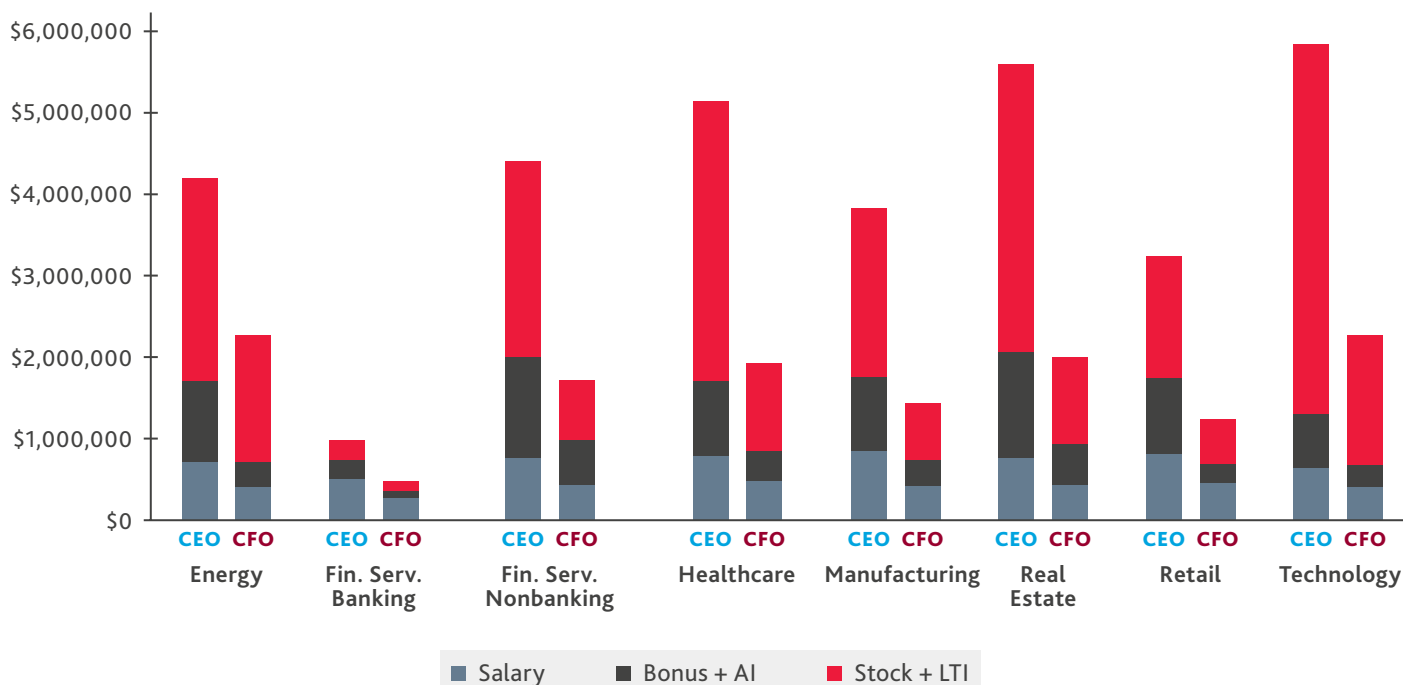
Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	20%	18%	62%

*Revenue range: \$1.25 billion–\$3 billion; asset range (financial services): \$2.5 billion–\$6 billion.

COMPENSATION LEVELS BY INDUSTRY

Overall Results

OVERALL RESULTS BY INDUSTRY



For middle market companies, industry is just as important as company size for benchmarking CEO and CFO compensation. As indicated in the chart above, CEO and CFO compensation levels vary considerably by industry.

CHANGES TO CEO COMPENSATION

CEOs in the healthcare industry experienced the largest year-over-year increase in average TDC (8.4%), followed by financial services-nonbanking with a 7.2% increase. Retail industry CEOs experienced a 6.7% increase. The only industry to experience a decrease was energy: CEO compensation fell 1.4% primarily as a result of a decrease in the value of their stock and LTIs. Retail CEOs went from seeing a 3% decrease last year to a 6.7% growth due to better than expected performance in 2019.⁴

Average compensation varies widely from \$5,700,761 for the technology industry CEOs to \$931,426 for CEOs in the financial services-banking industry. Our findings reveal that companies in the financial services-banking industry favor cash over equity, with a compensation mix of 79% cash and 21% equity/LTIs. Other industries feature a more balanced compensation mix between annual cash and equity/LTIs.

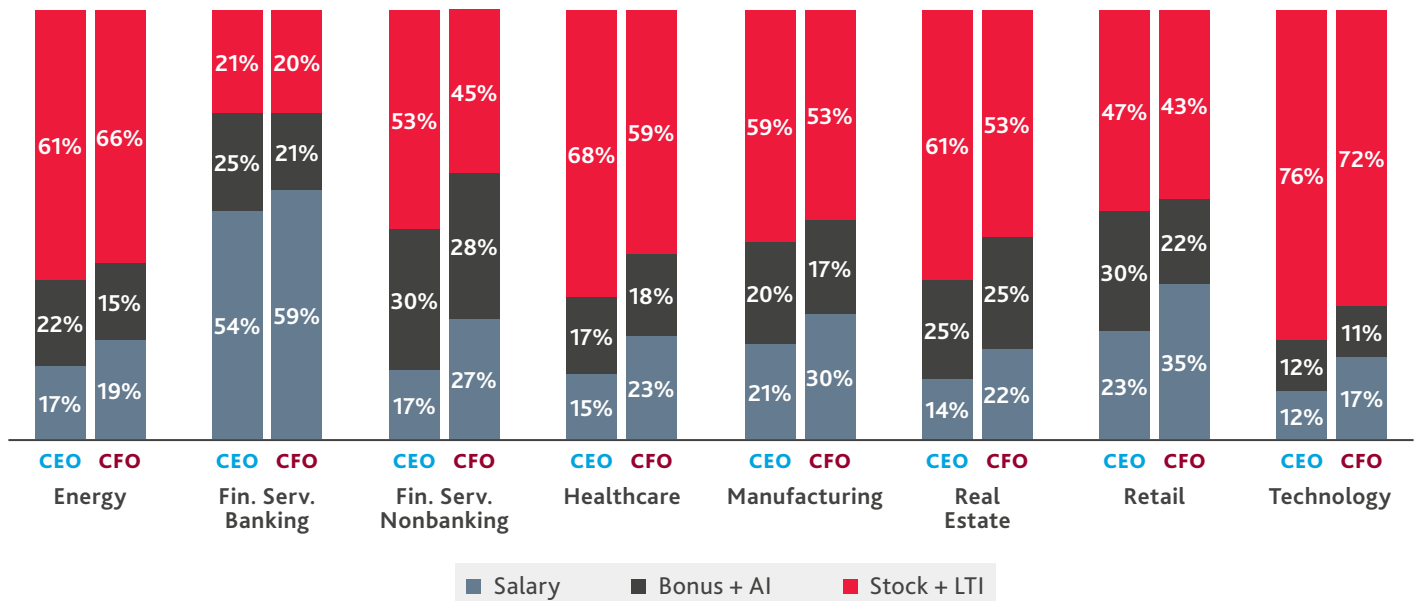
CHANGES TO CFO COMPENSATION

Retail and manufacturing industries' CFOs experienced the largest percentage increase on average in TDC (6.9%). Healthcare industry CFOs saw a 5.2% increase, while technology and energy industries' CFOs each experienced a 4.0% increase.

Technology CFOs have the highest average compensation at \$2,479,656; CFOs of financial services-banking companies fall on the lowest end at \$478,408. The industry variation of CFO compensation mix is similar to that of CEOs. Companies in the financial services-banking industry favor cash over equity, with a compensation mix of 80% cash and 20% equity/LTIs. Other industries feature a more balanced mix of pay between annual cash and equity/LTIs. Full-value stock awards are favored over stock options for companies across all industries.

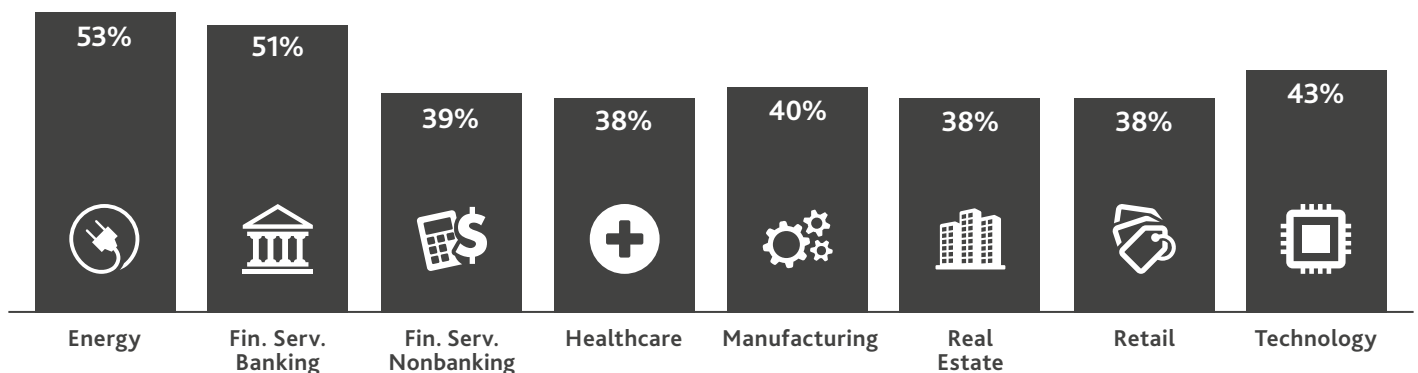
⁴ www.nrf.com/insights/economy/state-retail

PAY MIX BY INDUSTRY



The relationship of CFO to CEO pay varies somewhat by industry. The biggest gap is found in the financial services-nonbanking industry, healthcare, real estate, and retail, where CFOs earn 38% of the CEOs' average TDC. CFOs in the energy industry are the most well-paid as a percentage of CEO compensation, earning 53% of what CEOs make in other industries.

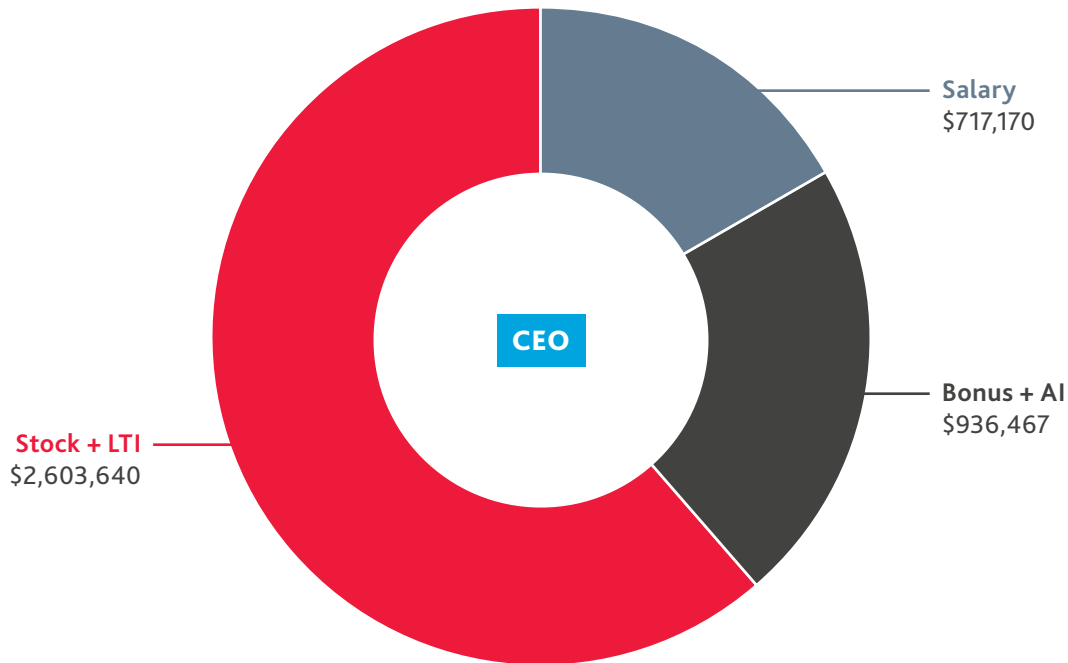
CFO TDC AS % OF CEO TDC



The following pages detail our findings for each of the eight industries.

COMPENSATION LEVELS BY INDUSTRY

Energy

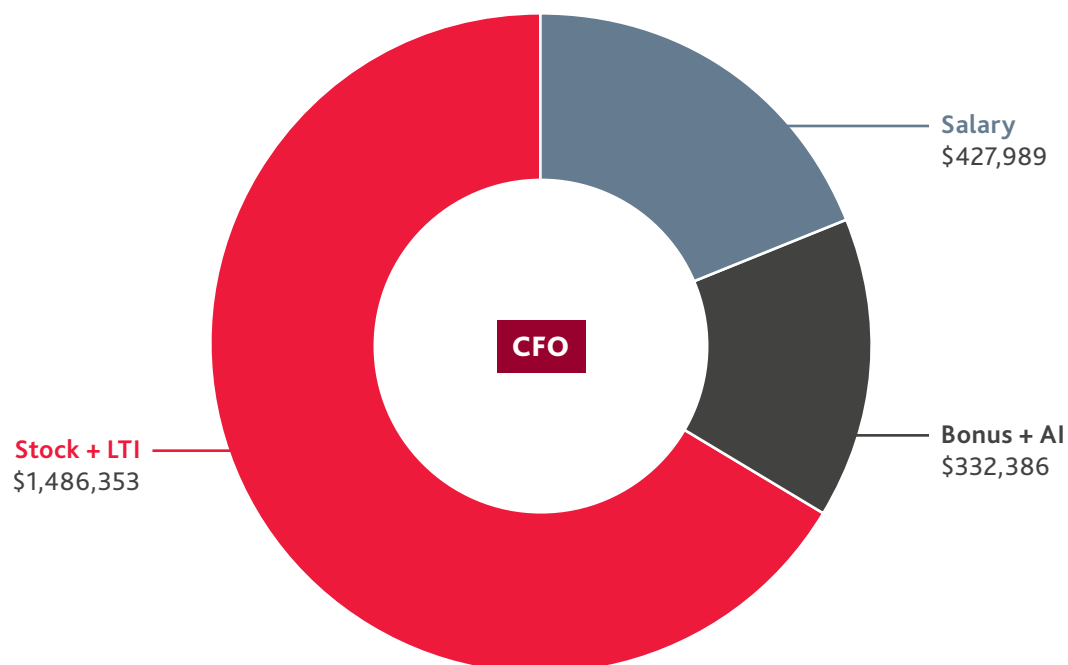


The average TDC paid to the energy industry CEOs for fiscal year 2019 is listed below. At one time, the energy industry CEOs reported the highest average compensation among the industries. However, in recent years, the energy industry CEO compensation levels have fallen behind healthcare, real estate, financial services-nonbanking and technology. In 2019, the energy industry CEOs experienced a 1.4% decrease in pay from the prior year. This was the only industry that saw a decrease in CEO compensation in 2019.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$717,170	\$936,467	\$1,653,637	\$2,603,640	\$4,257,277
Change over Prior Year	0.3%	--	4.7%	--	-1.4%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	17%	22%	61%



The average TDC paid to energy industry CFOs for fiscal year 2019 is listed below. In contrast to CEO compensation in this industry, which saw a slight decrease in total pay, CFO pay rose 4%.

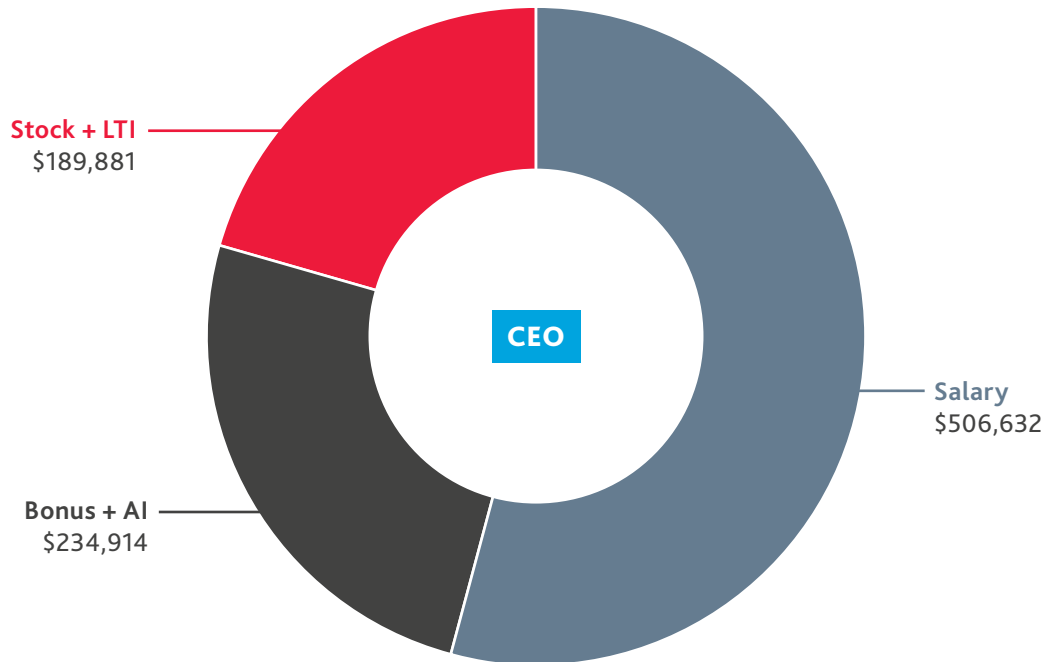
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$427,989	\$332,386	\$760,375	\$1,486,353	\$2,246,729
Change over Prior Year	5.6%	--	5.3%	--	4.0%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	19%	15%	66%

COMPENSATION LEVELS BY INDUSTRY

Financial Services-Banking

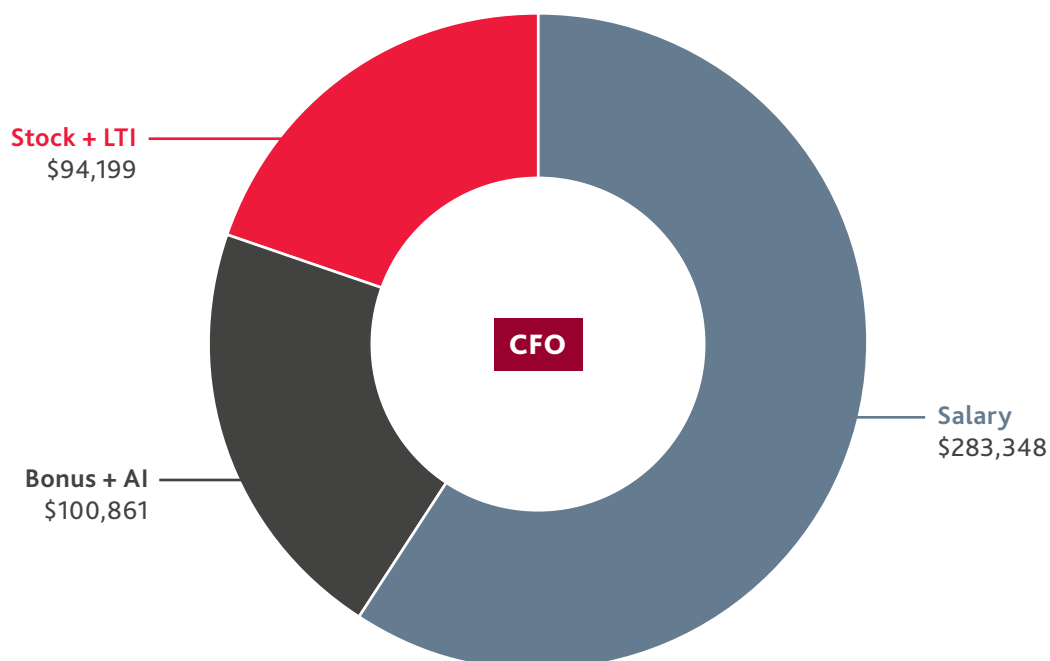


The average TDC paid to CEOs of companies in the financial services-banking industry for fiscal year 2019 is listed below. Financial services-banking institutions provide the highest percentage of compensation in terms of salary and bonus/annual incentives among all industries studied. Average CEO and CFO compensation levels, however, remain the lowest of all industries included in our study. In 2019, CEO pay levels climbed 4.4%.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$506,632	\$234,914	\$741,546	\$189,881	\$931,426
Change over Prior Year	4.4%	--	6.0%	--	4.4%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	54%	25%	21%



The average TDC paid to CFOs of companies in the financial services-banking industry for fiscal year 2019 is listed below.

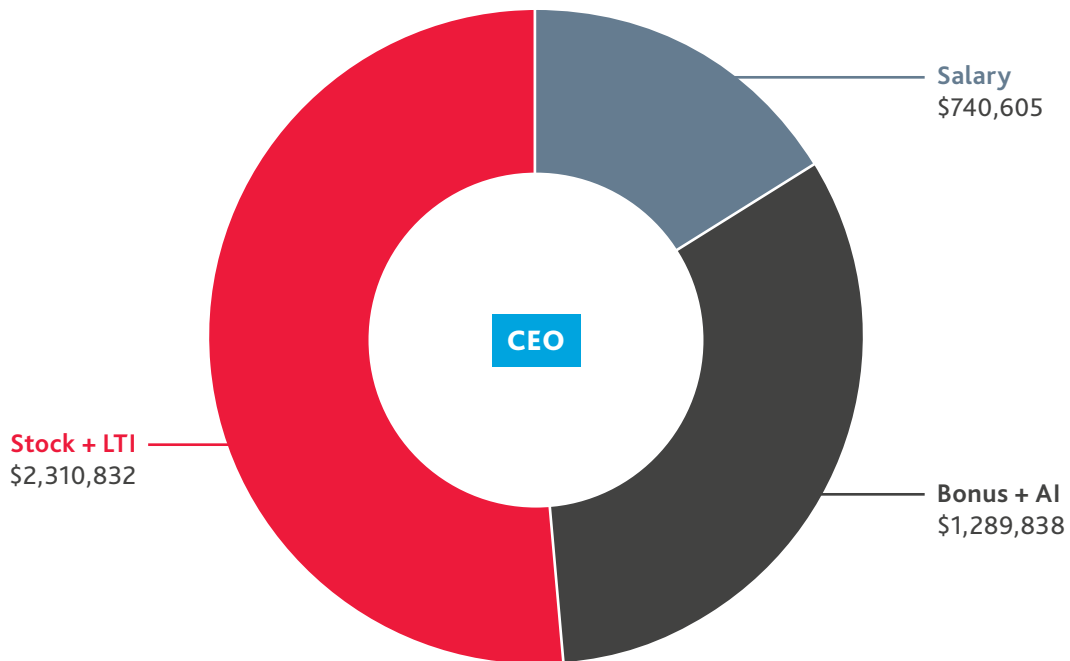
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$283,348	\$100,861	\$384,209	\$94,199	\$478,408
Change over Prior Year	4.7%	--	6.6%	--	3.0%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	59%	21%	20%

COMPENSATION LEVELS BY INDUSTRY

Financial Services-Nonbanking

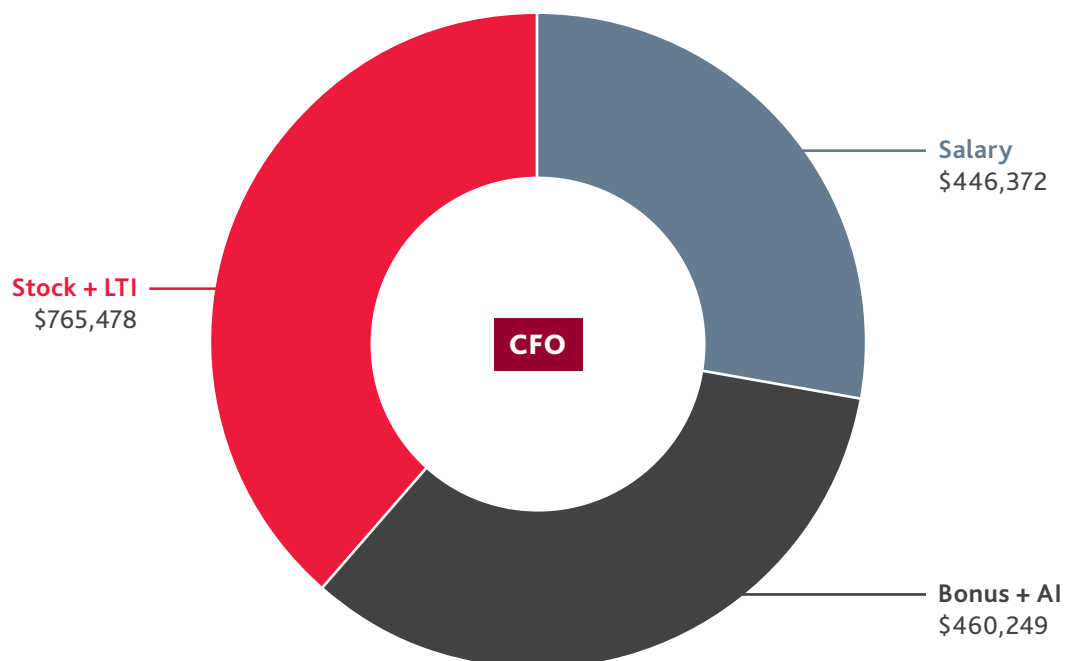


The average TDC paid to CEOs of companies in the financial services-nonbanking industry for fiscal year 2019 is listed below. The year 2016 was the first instance in which CEOs were paid more in LTIs/equity (51%) compared to annual cash (49%) — a trend that has continued with 53% of TDC paid in stock and LTIs.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$740,605	\$1,289,838	\$2,030,443	\$2,310,832	\$4,341,275
Change over Prior Year	2.5%	--	2.2%	--	7.2%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	17%	30%	53%



The average TDC paid to CFOs of companies in the financial services-banking industry for fiscal year 2019 is listed below. They had the most modest increase of average total compensation (1.5%) of all the industry cuts.

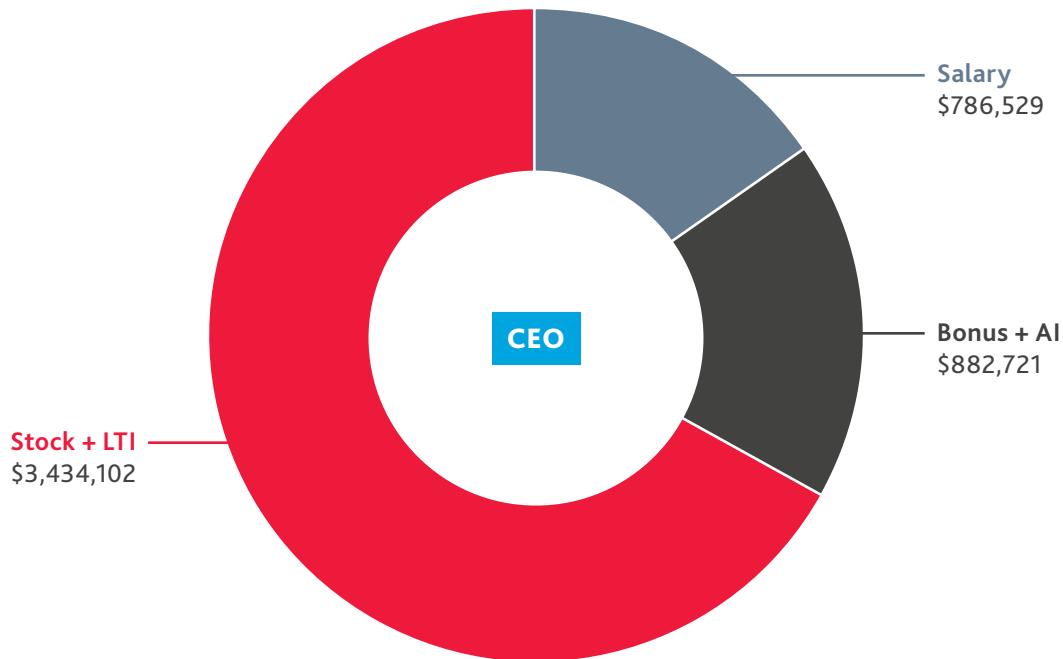
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$446,372	\$460,249	\$906,621	\$765,478	\$1,672,099
Change over Prior Year	3.4%	--	-0.4%	--	1.5%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	27%	28%	45%

COMPENSATION LEVELS BY INDUSTRY

Healthcare

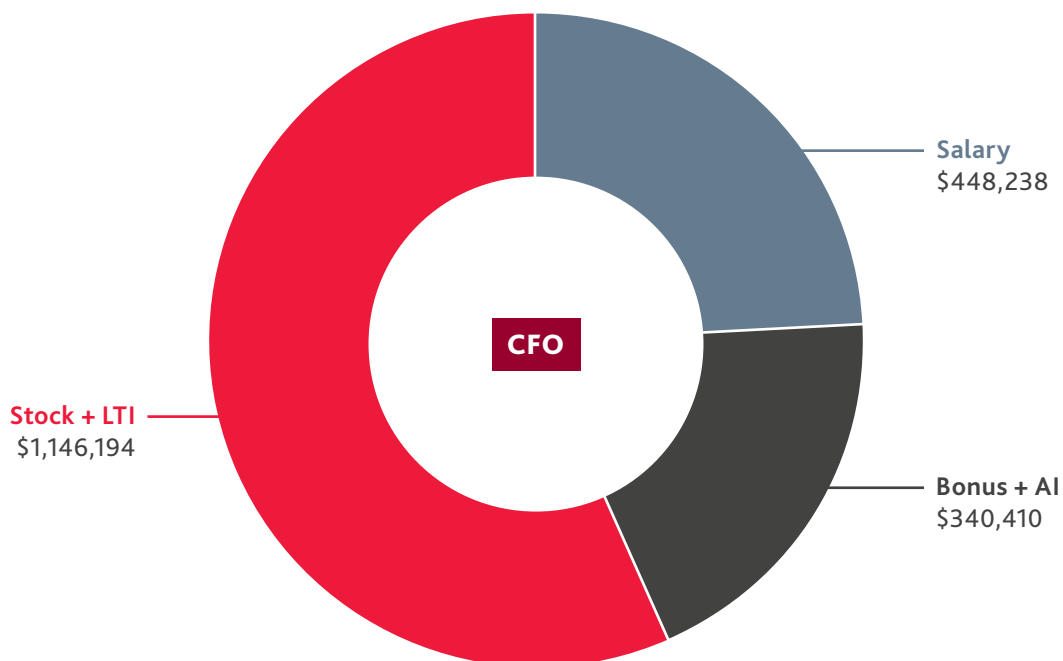


The average TDC paid to healthcare industry CEOs for fiscal year 2019 is listed below. The TDC for CEOs saw a year-over-year increase of 8.4%, the highest of all industries.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$786,529	\$882,721	\$1,669,250	\$3,434,102	\$5,103,351
Change over Prior Year	0.6%	--	6.2%	--	8.4%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	15%	17%	68%



The average TDC paid to healthcare industry CFOs for fiscal year 2019 is listed below. Healthcare CFOs saw a 5.2% increase in total compensation.

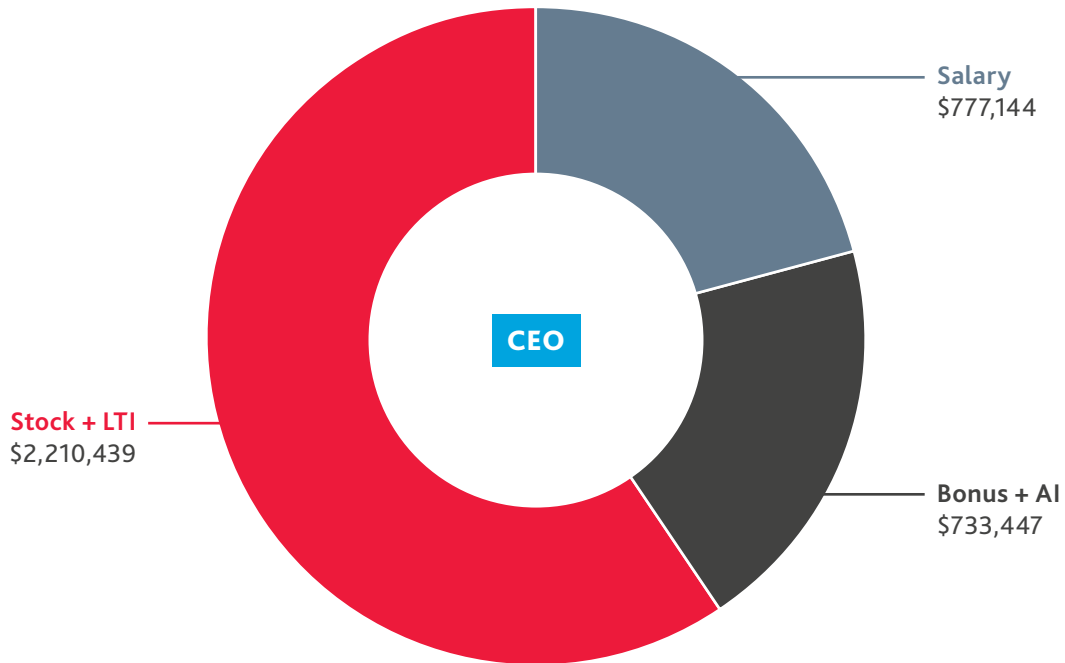
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$448,238	\$340,410	\$788,648	\$1,146,194	\$1,934,842
Change over Prior Year	3.8%	--	2.8%	--	5.2%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	23%	18%	59%

COMPENSATION LEVELS BY INDUSTRY

Manufacturing

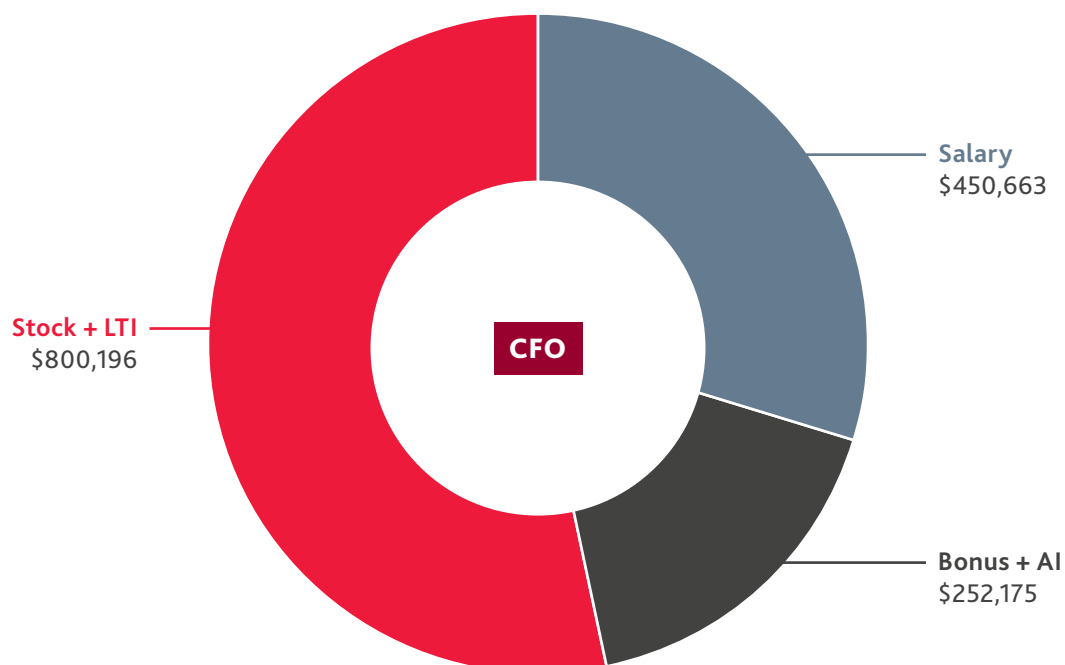


The average TDC paid to manufacturing CEOs for fiscal year 2019 is listed below. Manufacturing CEOs experienced an increase of 6.4% in pay in 2019.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$777,144	\$733,447	\$1,510,591	\$2,210,439	\$3,721,030
Change over Prior Year	1.6%	--	4.2%	--	6.4%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	21%	20%	59%



The average TDC paid to manufacturing CFOs for fiscal year 2019 is listed below. CFOs experienced a 6.9% increase in TDC driven in part by a 5.9% increase in base salary.

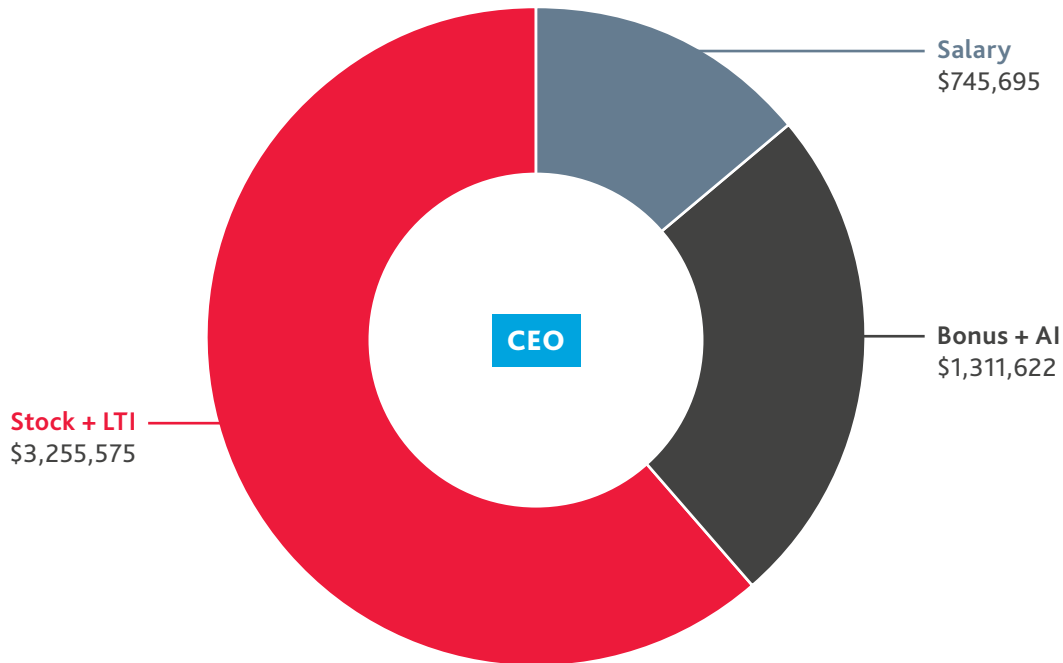
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$450,663	\$252,175	\$702,838	\$800,196	\$1,503,034
Change over Prior Year	5.9%	--	3.9%	--	6.9%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	30%	17%	53%

COMPENSATION LEVELS BY INDUSTRY

Real Estate

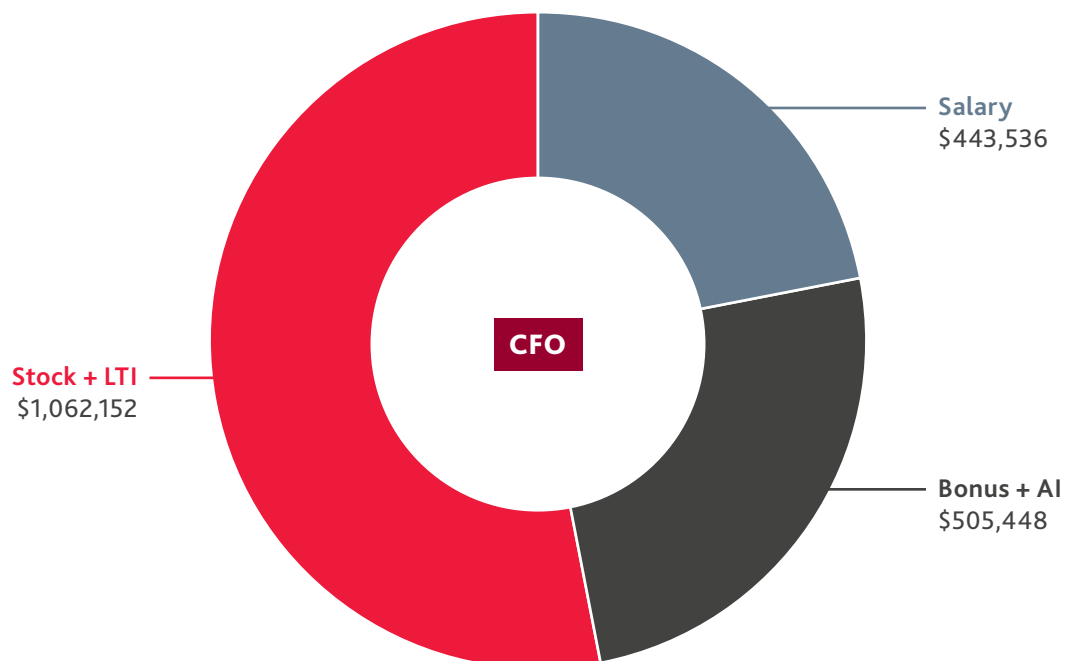


The average TDC paid to CEOs of companies in the real estate industry for fiscal year 2019 is listed below. Real estate CEOs are the second highest paid among all industry groups, reporting a 3.3% pay increase over the prior year.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$745,695	\$1,311,622	\$2,057,317	\$3,255,575	\$5,312,893
Change over Prior Year	1.3%	--	8.5%	--	3.3%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	14%	25%	61%



The average TDC paid to CFOs of companies in the real estate industry for fiscal year 2019 is listed below.

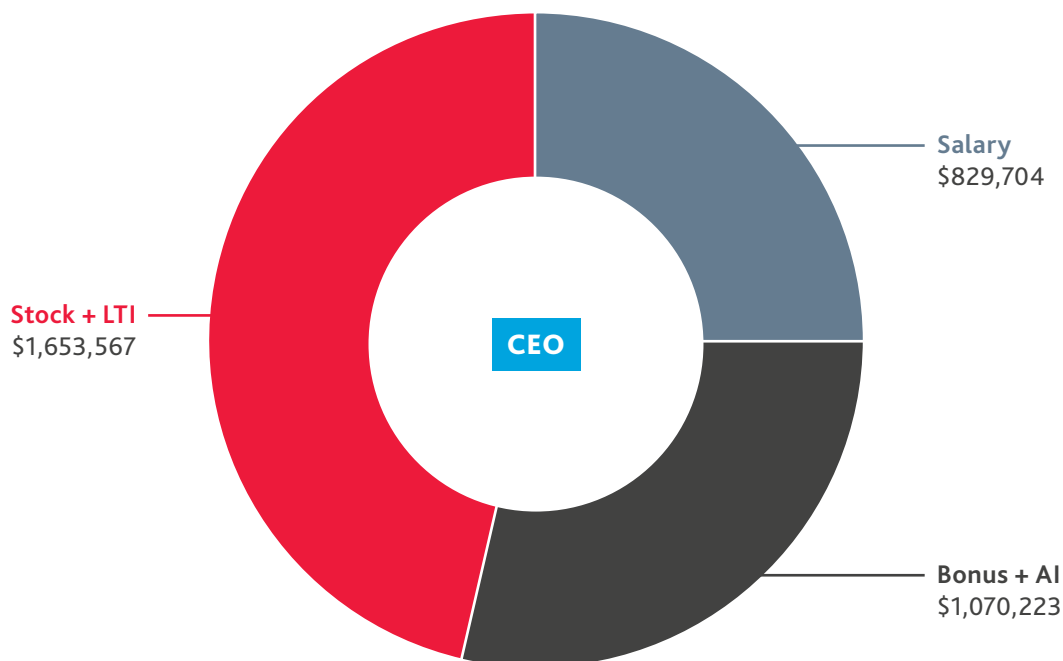
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$443,536	\$505,448	\$948,984	\$1,062,152	\$2,011,136
Change over Prior Year	1.7%	--	1.2%	--	3.2%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	22%	25%	53%

COMPENSATION LEVELS BY INDUSTRY

Retail

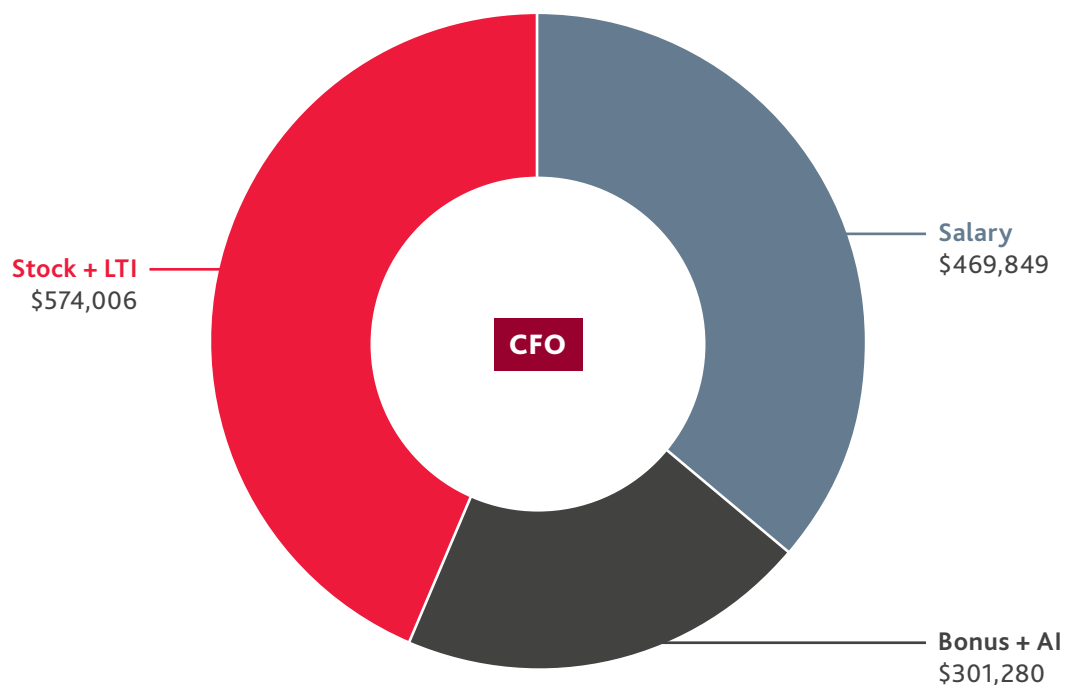


The average TDC paid to retail industry CEOs for fiscal year 2019 is listed below. The compensation mix for retail industry CEOs was less equity focused in 2019. CEO pay in this industry increased 6.7% overall. It is important to remember that these increases reflect the performance of the industry prior to COVID-19.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$829,704	\$1,070,223	\$1,899,927	\$1,653,567	\$3,553,494
Change over Prior Year	2.8%	--	12.3%	--	6.7%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	23%	30%	47%



The average TDC paid to retail industry CFOs for fiscal year 2019 is listed below. This group's average TDC rose 6.9%. As noted above for CEO pay, it is important to remember that these increases reflect the performance of the industry prior to COVID-19.

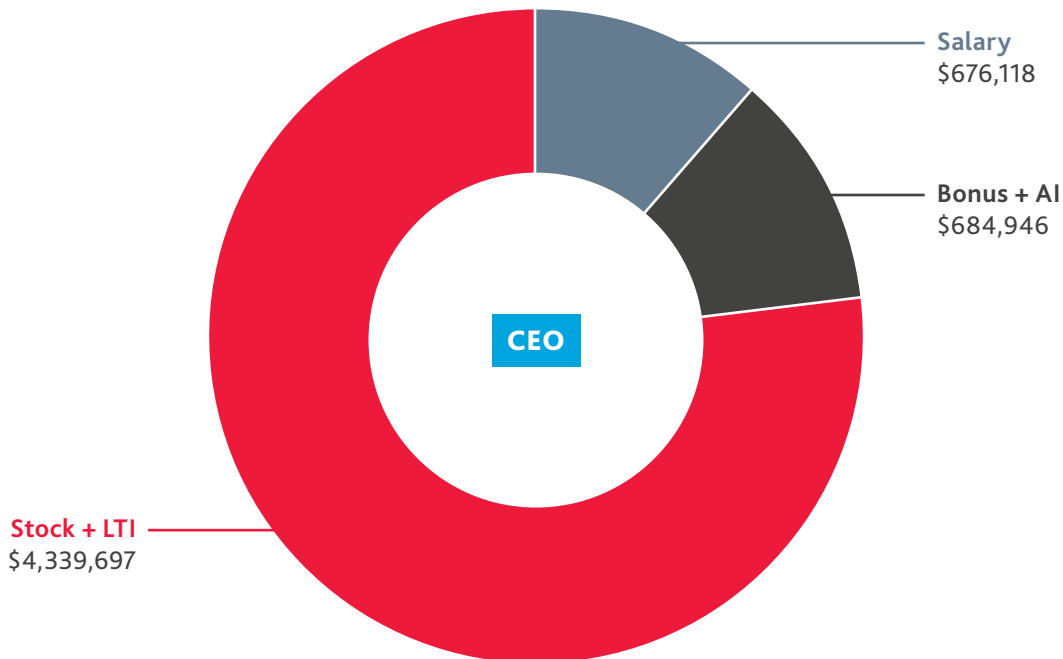
Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$469,849	\$301,280	\$771,129	\$574,006	\$1,345,135
Change over Prior Year	5.8%	--	11.4%	--	6.9%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	35%	22%	43%

COMPENSATION LEVELS BY INDUSTRY

Technology

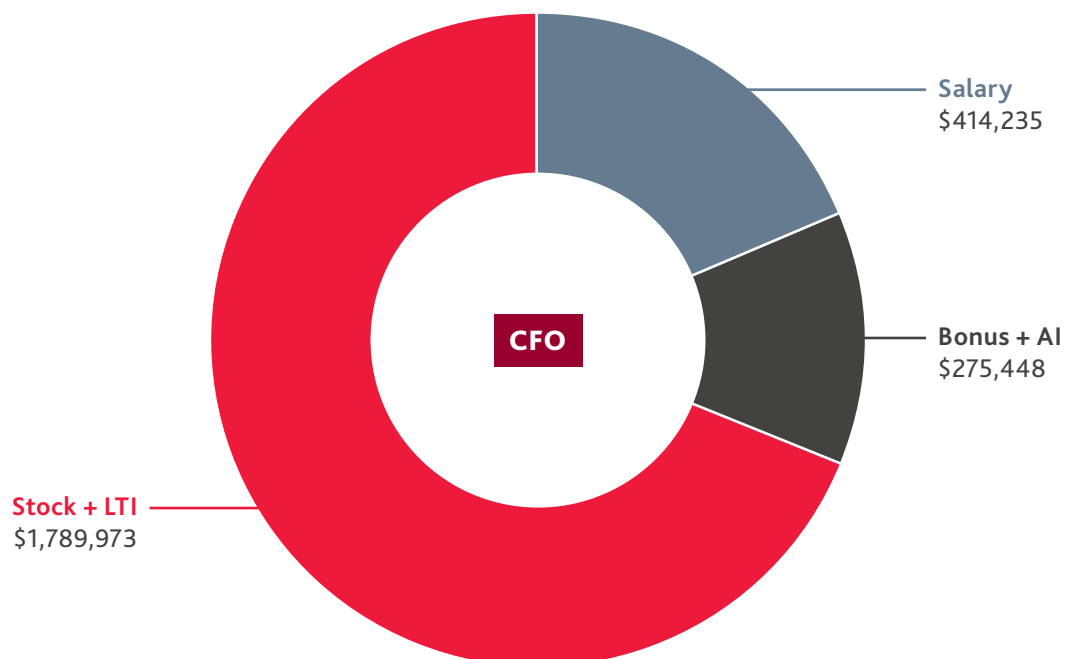


The average TDC paid to technology industry CEOs for fiscal year 2019 is listed below. This year, technology company CEOs ranked as the most highly compensated among all industry groups. Technology CEOs receive a higher percentage of compensation in the form of LTIs and equity compared to CEOs in any other industry studied. However, their overall pay increase was on the low end of the industry groups.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CEO 2019	\$676,118	\$684,946	\$1,361,064	\$4,339,697	\$5,700,761
Change over Prior Year	2.9%	--	6.8%	--	2.5%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CEO	12%	12%	76%



The average TDC paid to technology industry CFOs for fiscal year 2019 is listed below. Technology company CFOs received a higher percentage of compensation in the form of LTIs and equity than CFOs in any other industry studied.

Position	Base Salary	Bonus and Annual Incentives	Total Cash Compensation	Stock + LTI	TDC
CFO 2019	\$414,235	\$275,448	\$689,683	\$1,789,973	\$2,479,656
Change over Prior Year	3.0%	--	3.9%	--	4.0%

COMPENSATION MIX

Position	Base Salary	Bonus and Annual Incentives	Stock + LTI
CFO	17%	11%	72%

The ***BDO 600: 2020 Study of CEO and CFO Compensation Practices of 600 Mid-Market Public Companies*** examines the compensation practices of publicly traded companies in the energy, financial services-banking, financial services-nonbanking, healthcare, manufacturing, real estate, retail and technology industries. Companies in the six nonfinancial service industries in our study have annual revenues between \$100 million and \$3 billion. Companies in the two financial services industries in our study have assets under management between \$100 million and \$6 billion.

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<p>Providing comprehensive design for qualified retirement, defined benefit, and defined contribution plans—helping with all compliance requirements including annual non-discrimination testing, information returns, and distribution and loan tax planning for qualified plans and IRAs.</p>	<p>Tax consulting for nonqualified deferred compensation plans, stock options and other equity-based plans, golden parachute issues, transfer of partnership interests, and review for IRC 409A compliance.</p>	<p>Providing companies preliminary payroll review and recommendation implementation, assignment benefit and compensation gathering, and compensation worksheets to reconcile and U.S. and foreign payrolls.</p>	<p>Working with multinational companies to minimize tax burdens and compliance risk while providing integrated services and essential tools, such as our business travelers tracking application to enable seamless global and domestic employee transitions.</p>
Qualified Plan Consulting	Compensation Consulting	Employment Tax Services	Global Mobility Consulting
<p>Collaborating with a company's internal teams to design and operate strategic compensation and benefit programs that support their organizational short- and long-term business goals.</p>	<p>Providing total compensation program design and benchmarking, long-term incentive strategy development, Board briefings and support on the executive compensation regulatory environment, preparation of executive compensation disclosures, and performance management.</p>	<p>Identifying and implementing reductions in current and future employment tax burden and exposures, and taking advantage of federal, state, and local opportunities to recover overpayments from previous years.</p>	<p>Developing strategies with a company's stakeholders to determine key objectives and create or modify a Global Mobility Program to meet these objectives through enhanced assignee selection criteria, policy design, repatriation strategies, cost analysis, market analysis, and effective communication.</p>
ESOP Advisory Services	Compensation Surveys	Global Equity Services	Global Retirement Planning
<p>Helping companies evaluate and transition to a shared ownership with employees. ESOPs are one of the most tax-advantaged mechanisms for business owners who are looking for liquidity for part or all of their business, while maintaining a legacy for valued employees.</p>	<p>Delivering valuable insights and benchmarking data that can be used to design industry-specific and data-driven compensation programs.</p>	<p>Helping employers around the globe minimize tax burdens and compliance risk through BDO's international network and tools like our BDO Compensation Tax Withholding Solution and Global Equity Rewards Matrix.</p>	<p>Delivering retirement plan design and operation for companies expanding into the U.S., including totalization agreement analysis, pension benefit planning, and equalization across borders to avoid duplicate taxation of distributions and optimization of benefits.</p>



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If you have any questions, comments or suggestions, please contact our Compensation Consulting practice by emailing us at compensation@bdo.com or by calling your local BDO office.

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