



Stock ownership guidelines: S&P 100 2015 – 2022

WTW's Global Executive
Compensation Analysis Team

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Methodology

This study compares S&P 100 stock ownership guidelines and retention policies during 2015 and 2022.

Definitions of key terms used within the study 

Key terms:

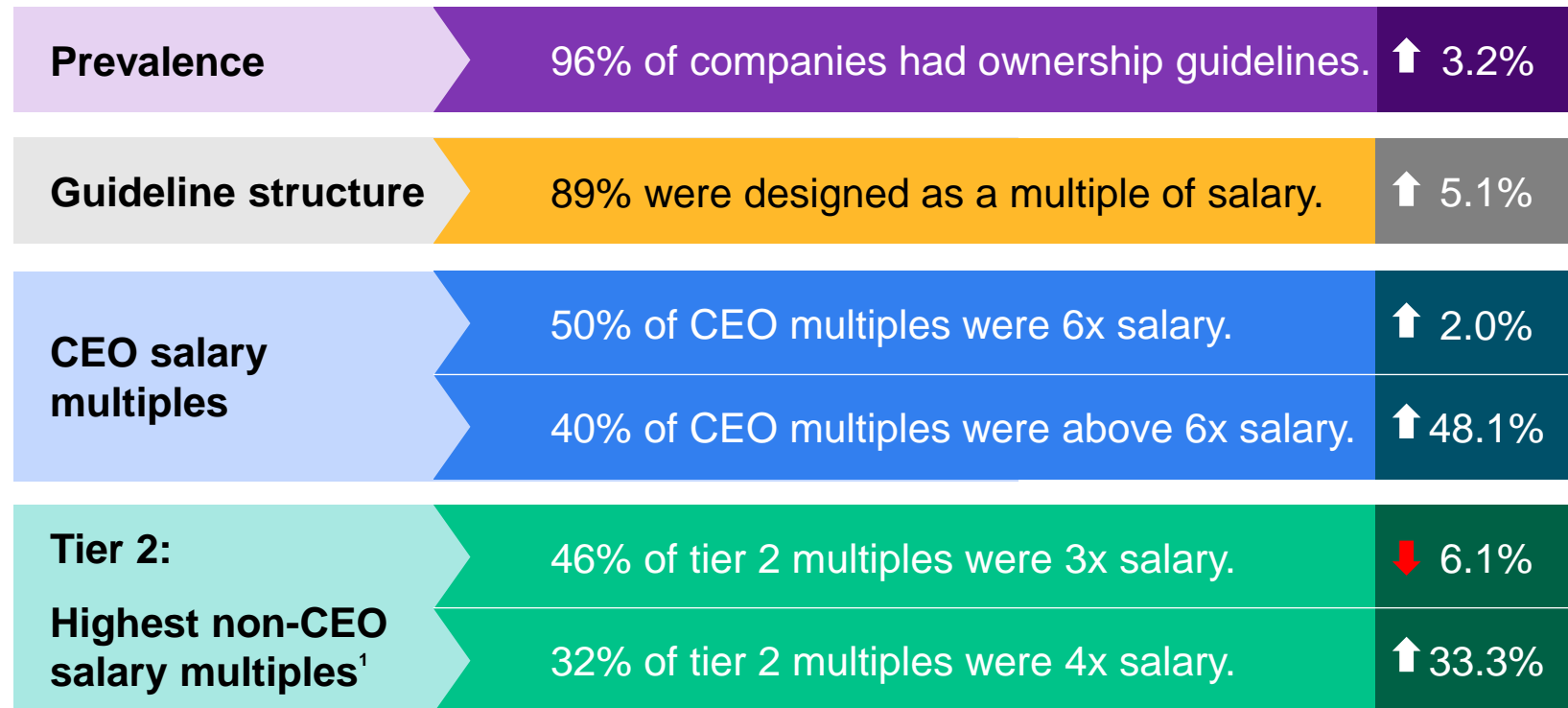
1. **Stock ownership guidelines (SOGs):** Policies requiring executives to own a specific amount of equity in the company.
2. **Compliance period:** The time frame (number of years) in which executives must attain their ownership goal specified under the stock ownership guidelines.
3. **Qualifying equity vehicles:** The different types of equity vehicles included when measuring an executive's achievement of stock ownership guidelines.
4. **Guideline structure:** The methodology used to measure an executive's level of ownership under the stock ownership guidelines. Typical methods are (i) a multiple of salary, (ii) a number of shares, or (iii) an absolute dollar value.
5. **Stock retention requirements:** Policies prohibiting executives from selling shares until a certain time frame has lapsed or until stock ownership guidelines have been achieved.
6. **Guideline-dependent retention policy:** Retention requirements prohibiting an executive from selling shares until the stock ownership guidelines are achieved.
7. **Stand-alone retention policy:** Retention requirements prohibiting executives from selling vested equity awards for a certain time frame. These requirements are separate from the ownership guidelines and apply regardless of the executive's ownership levels.

Key findings

Stock ownership guidelines

Stock ownership guidelines for 2022

2022 vs. 2015



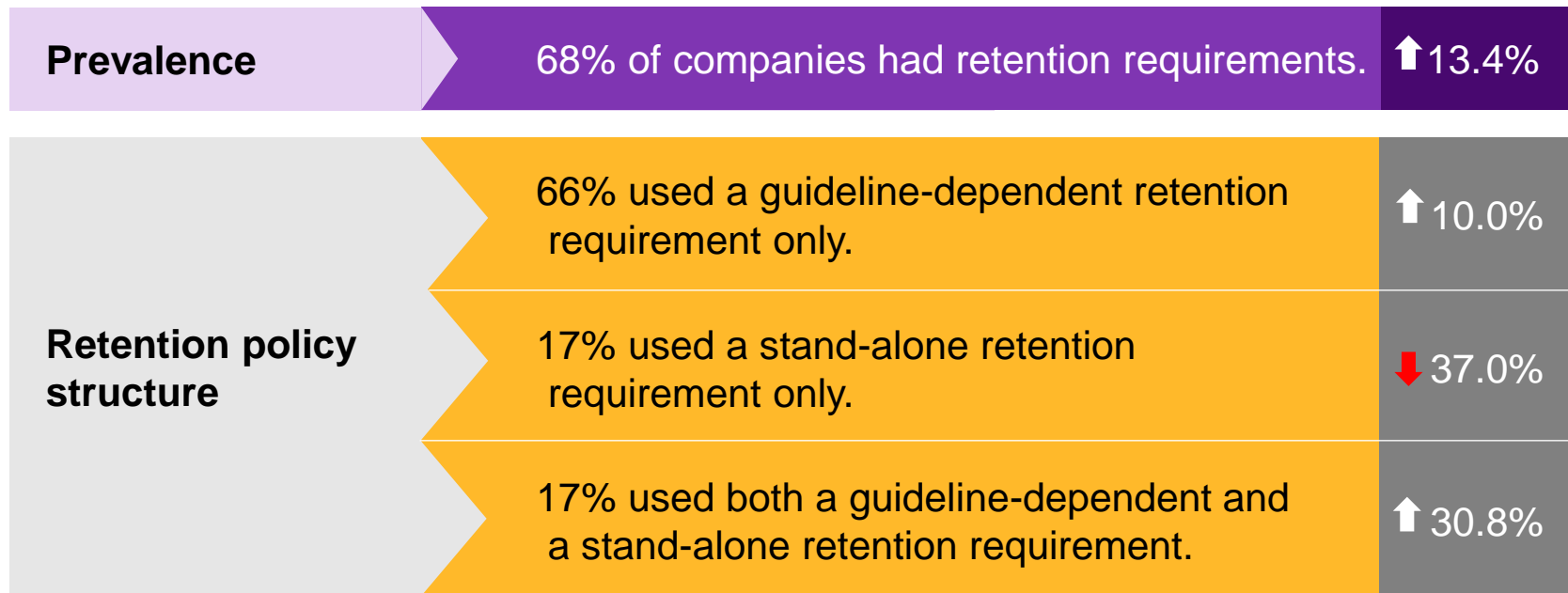
¹Tier 2 excludes executive chairs of the board (COBs).

Key findings

Stock retention requirements

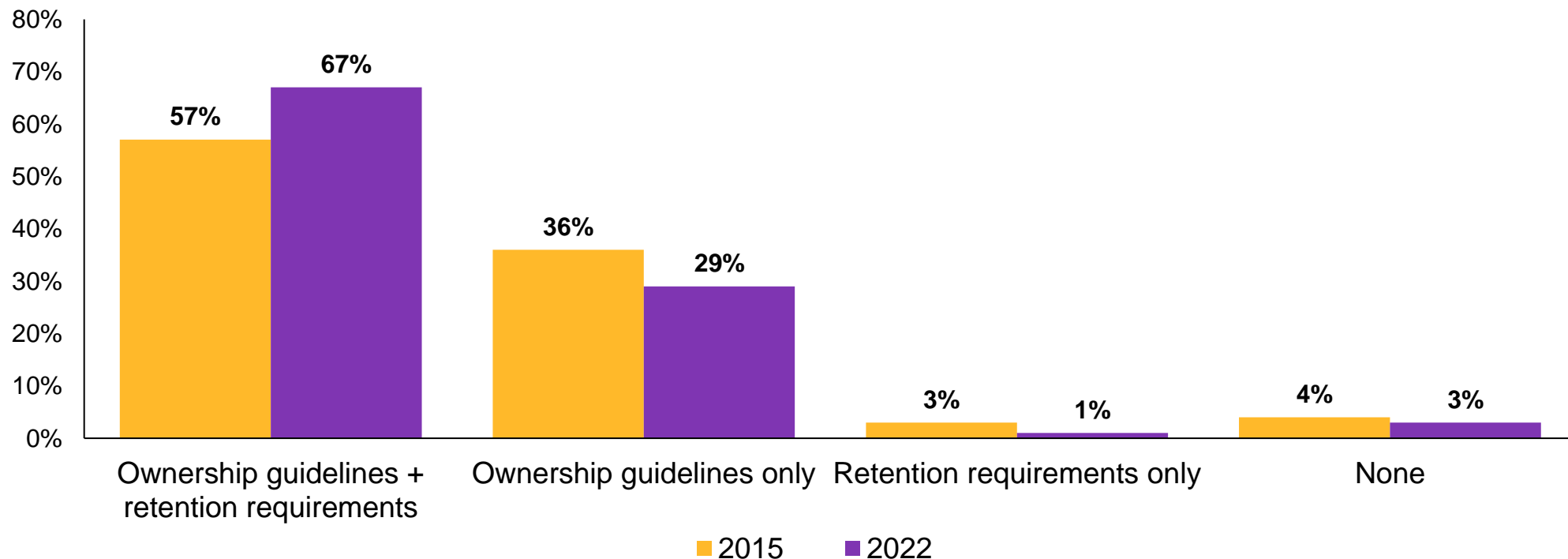
Stock retention requirements for 2022

2022 vs. 2015



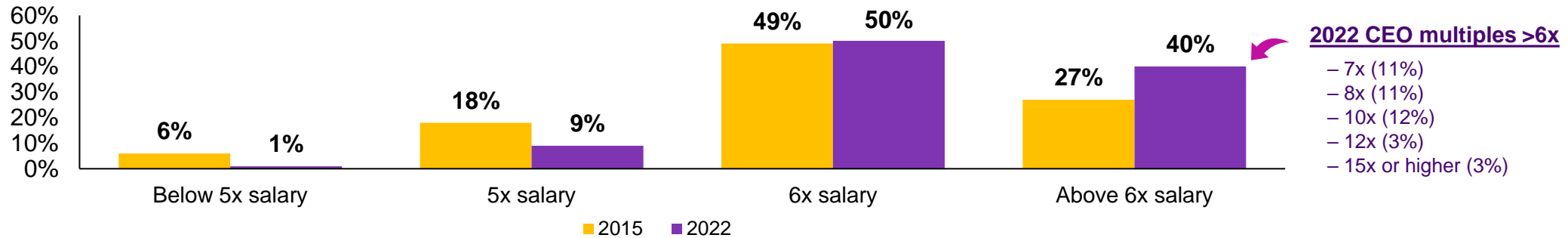
Prevalence of stock ownership guidelines and retention requirements

Companies with both ownership guidelines and retention requirements grew 17.5% over 2015 – 2022, while companies with only ownership guidelines fell by 19.4%.

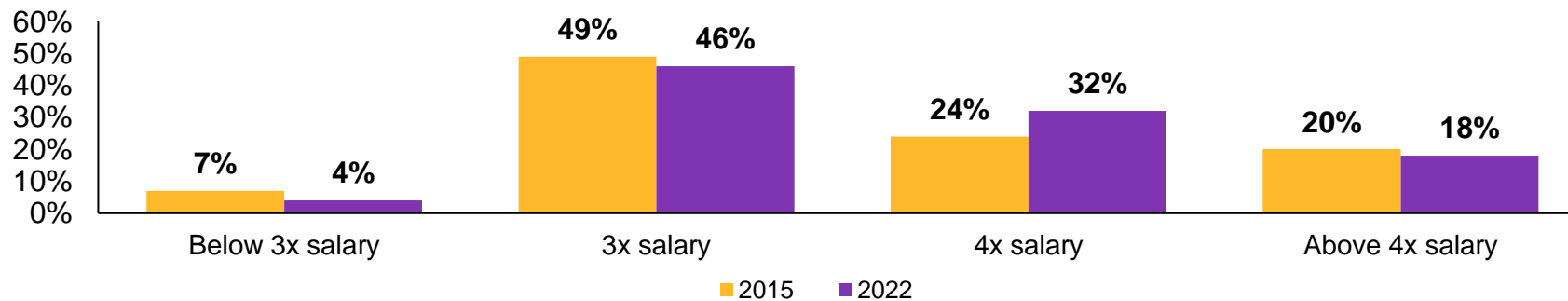


Salary multiples used for ownership guidelines

CEO salary multiples



Tier 2: Highest non-CEO salary multiples^{1,2}

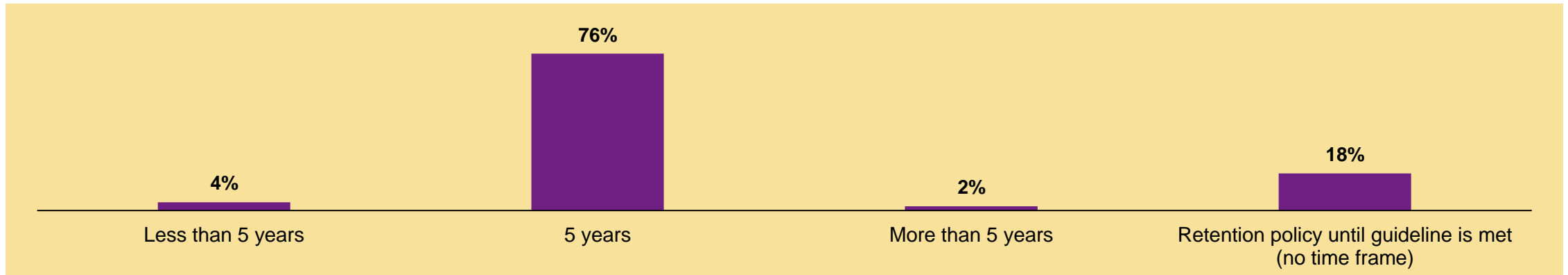


¹Tier 2 excludes executive COBs.

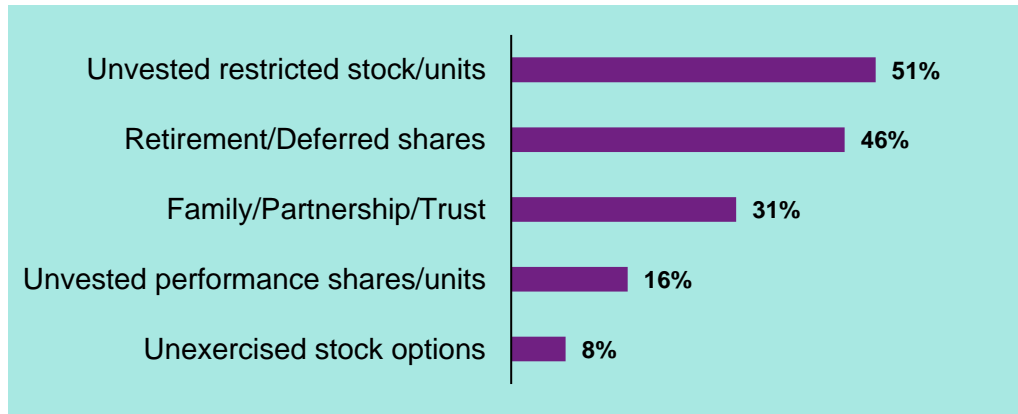
²Includes one example of 3.5x salary in 2015.

Design of stock ownership guidelines for 2022

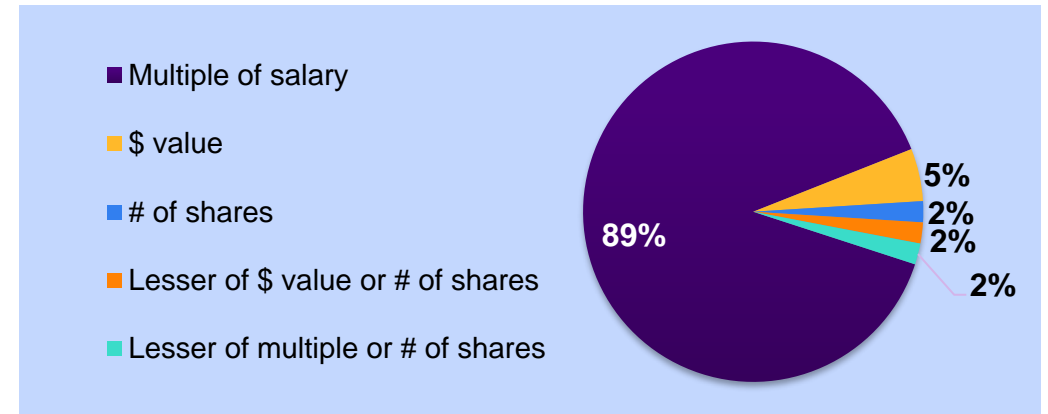
Compliance period



Qualifying equity vehicles



Guideline structure

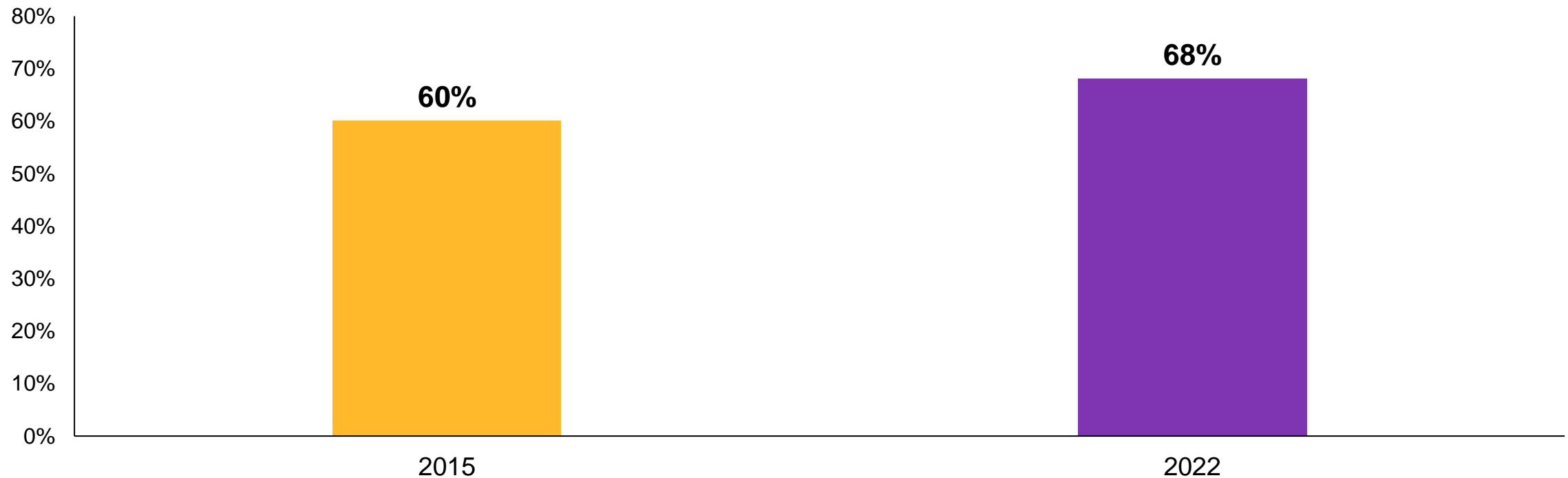


Stock retention requirements

Prevalence and policy structures

Prevalence of stock retention requirements

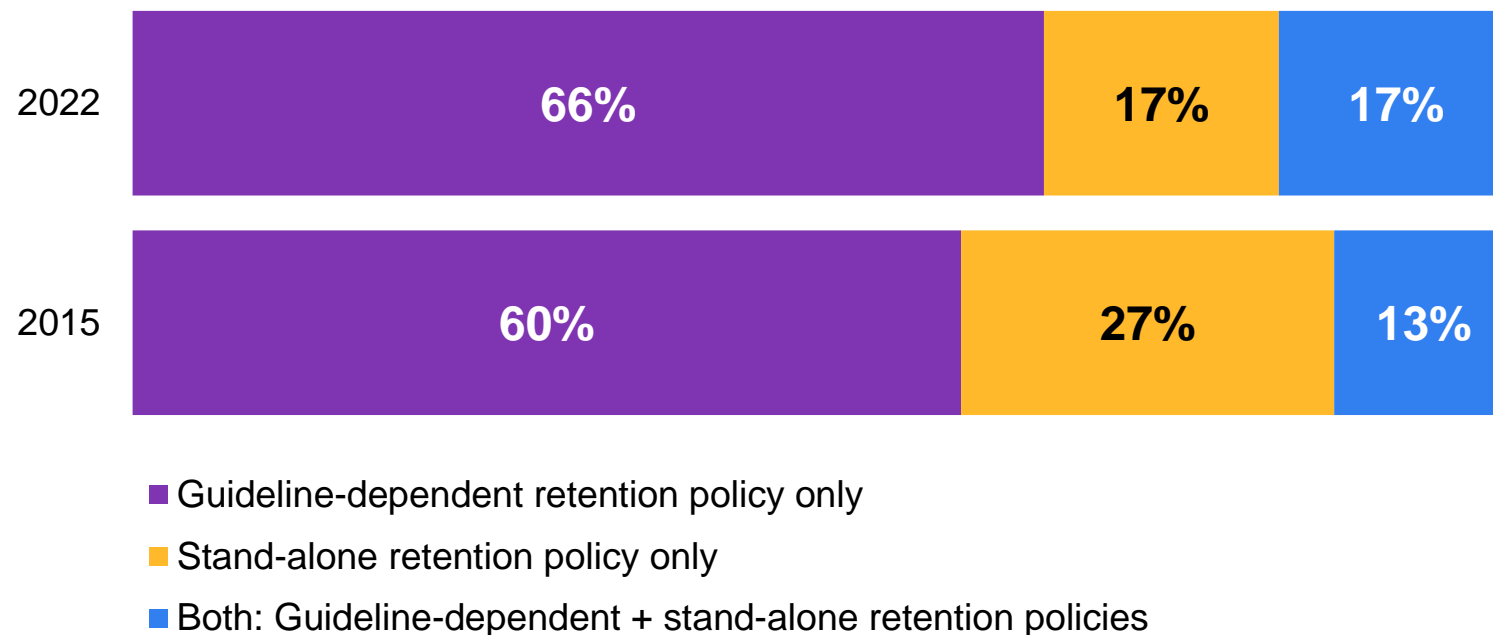
Companies with stock retention requirements increased by 13.3% from 2015 to 2022.



Structure of stock retention requirements

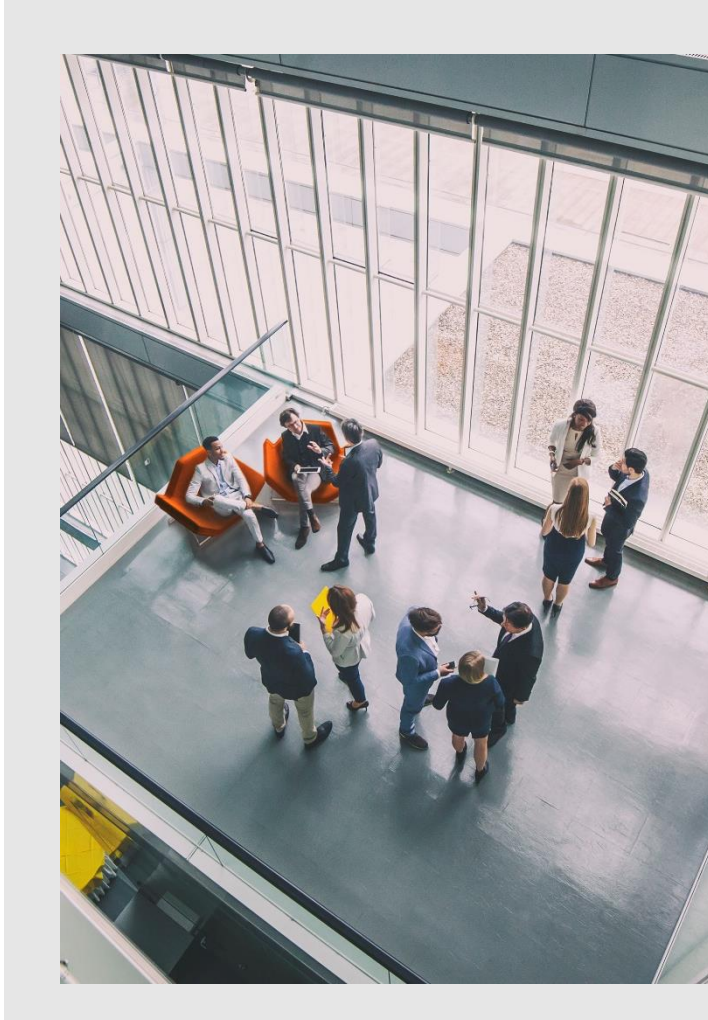
The increase in stock retention requirements is largely attributed to guideline-dependent retention policies. Companies with a guideline-dependent policy totaled 83% in 2022 compared with 73% in 2015 (a 13.7% increase).

Prevalence of guideline-dependent and stand-alone stock retention policies



Global Executive Compensation Analysis Team (GECAT)

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