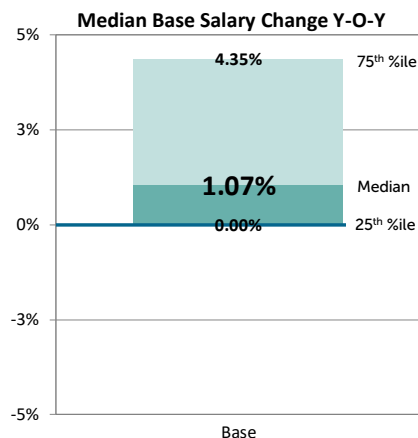


# Oil & Gas Drilling CEO Pay Trends:

A CAP study of 16 drilling companies

## Base Salary

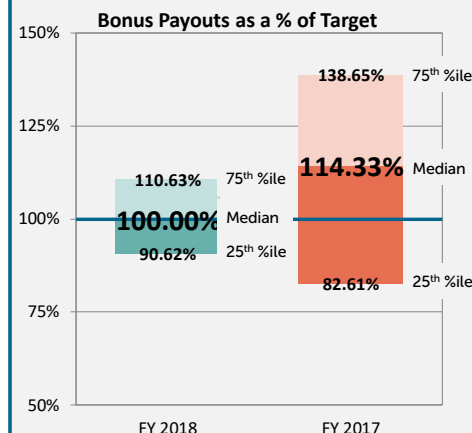
50% of companies did not increase CEO base salaries.



- Our study showed that base salary levels saw no change at the 25<sup>th</sup> but a 1% increase at the median of the market.
- A 4% adjustment would be at the 75<sup>th</sup> percentile.

## Annual Incentives / Bonuses

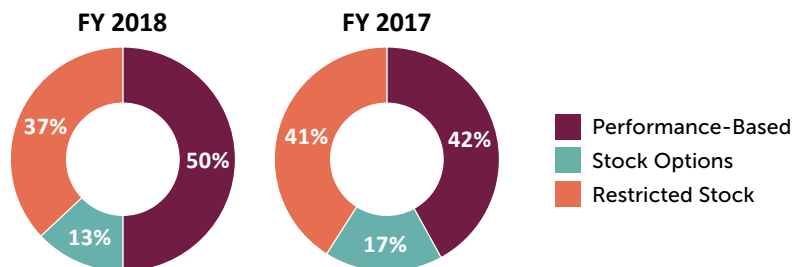
Bonus payouts dropped in 2018 (down 14%).



- Median payout for 2018 performance: **At target**
- Average payout for 2018 performance: **105% of target**
- Actual total cash paid was up approximately 10% year-over-year, while Target total cash increased almost 4% over last year.

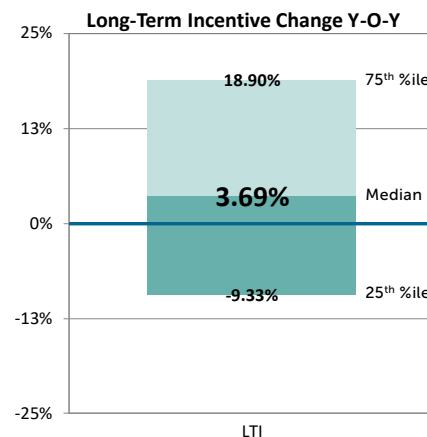
## Long-Term Incentives (LTI)

Long-term incentive award mix shifted more towards performance based awards in 2018.



- Time based awards now account for 50% of total LTI award value while performance-based awards represent the other half of the total LTI value awarded in 2018.
- A meaningful shift further emphasizing performance based awards occurred. Stock option utilization dropped 4% over last year.

50% of drilling companies increased CEO LTI award values over last year.



- CEO Long-term incentive values increased approximately **4% at the median year-over-year**.
- 44% of the drilling companies reviewed decreased LTI award value.
- 1 company's LTI value did not change year-over-year.