

# **CAT CEO's Pay Package Grew 42 Percent In 2011**

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The CEO of heavy equipment maker Caterpillar Inc. saw the value of his pay package jump 42 percent last year as the company's global sales grew nearly as much and topped \$60 billion.

The world's largest maker of construction and mining equipment disclosed the details of Doug Oberhelman's \$14.8 million compensation in documents it filed on Wednesday with the Securities and Exchange Commission.

Oberhelman's salary rose 32 percent to \$1.4 million, but the biggest increases in his compensation came in his stock options and bonus.

He got stock options worth \$8.3 million in 2011 as part of a long-term incentive plan. That's up 36 percent from \$6.1 million in 2010, when he took over the company's top job.

His non-equity incentive pay was \$4.9 million last year, up from \$2.7 million in 2010.

Caterpillar's board said Oberhelman deserves the raise because the company completed several acquisitions successfully and still delivered strong results. Its net income soared 83 percent to \$4.9 billion in 2011, and its sales grew 41 percent to \$60.1 billion.

The AP formula calculates an executive's total compensation during the last fiscal year by adding salary, bonuses, perks, above-market interest the company pays on deferred compensation and the estimated value of stock and stock options awarded during the year. The AP formula does not count changes in the present value of pension benefits. That makes the AP total slightly different in most cases from the total reported by companies to the Securities and Exchange Commission.

Caterpillar, which is based in Peoria, Ill., said its shareholders will have a chance to vote on four different shareholder proposals and several company proposals when they meet in San Antonio, Texas, on June 13.

Caterpillar opposes all the shareholder proposals.

One would encourage Caterpillar to give shareholders the power to take action by written consent outside of annual meetings. The board recommended that shareholders instead approve its measure to allow them to call a special stockholder meeting if at least 25 percent of them agree.

Another of the shareholder proposals would require Caterpillar to produce a detailed report on its political contributions and lobbying.

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

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A third measure would ask Caterpillar's board to require new director nominees to earn a majority of the votes cast to be elected.

The final proposal would require Caterpillar to review all its policies to make sure they conform with international humanitarian standards.

**Source URL (retrieved on 10/01/2014 - 1:14am):**

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