

Sun CEO's pay package cut by a third in '09

October 29 2009, By JORDAN ROBERTSON , AP Technology Writer



File - Sun Microsystems CEO Jonathan Schwartz gives a keynote address at Oracle Open World conference in San Francisco, in this Oct. 25, 2006 file photo. The value of Sun Microsystems Inc. CEO Jonathan Schwartz's latest pay package dropped 37 percent from last year according to calculations by The Associated Press from Sun's proxy filing Wednesday Oct. 28, 2009 with the Securities and Exchange Commission. The company lost more than \$2 billion and was in such dire financial shape that it was forced to put itself up for sale. (AP Photo/Paul Sakuma, File)

(AP) -- The value of Sun Microsystems Inc. CEO Jonathan Schwartz's latest pay package dropped 37 percent from last year as the company lost more than \$2 billion and was in such dire financial shape that it was forced to put itself up for sale.

In April, [Oracle Corp.](#) won a bidding contest with IBM Corp. for Sun, but can't complete its \$7.4 billion deal yet because it is being held up by [antitrust regulators](#) in Europe who are worried about possible harm to competition in the database market.

Schwartz, 43, received a pay package for the 2009 fiscal year valued at nearly \$7 million, according to calculations by The Associated Press from Sun's proxy filing Wednesday with the Securities and Exchange Commission.

Last year, his compensation was valued at about \$11.1 million, according to the AP's calculations.

His \$1 million salary was unchanged, and the roughly \$55,000 Sun spent on Schwartz's chauffeur and matching 401(k) contributions was only a few thousand dollars less than last year.

The key difference was that Schwartz wasn't given a cash bonus this past year (he received a \$1 million bonus the year before) and received stock grants worth \$3 million less than in the 2008 period.

Schwartz did receive restricted stock worth \$3.16 million on the date it was granted and \$2.8 million worth of performance-based restricted stock. But the performance-based units were canceled because Sun's performance didn't meet the board's expectations.

Santa Clara, Calif.-based Sun lost \$2.2 billion on \$11.4 billion in revenue in the fiscal year ended June 30, compared with profit of \$403 million on \$13.9 billion in revenue in the prior year. Sun's scattershot performance since the dot-com meltdown nearly a decade ago was a key factor in Sun's decision to sell the company. Sun, which makes computer servers and software, has struggled because of a shift toward cheaper servers and heavy expenses at the company despite rounds of [layoffs](#).

Sun said last week it plans to eliminate up to 3,000 jobs, or 10 percent of its global work force, over the next year.

Schwartz had \$694,824 worth of restricted stock vest during the latest fiscal year, according to the filing. He didn't exercise any stock options.

©2009 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Sun CEO's pay package cut by a third in '09 (2009, October 29) retrieved 24 April 2024 from <https://phys.org/news/2009-10-sun-ceo-package.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.