

Apple CEO Tim Cook could top pay list in 2011

January 10 2012, By RYAN NAKASHIMA , AP Business Writer

(AP) -- Tim Cook could well end up being the highest paid CEO in America in 2011, after Apple Inc. granted him a million restricted stock units last August for taking the reins shortly before co-founder Steve Jobs died.

An Associated Press review of a securities filing shows Cook's pay package was valued at \$378 million. The vast majority came in a grant of a million restricted stock units worth \$376 million at the time. Half of the stock units will vest in August 2016, the other half in August 2021.

His salary and performance bonus, about \$900,000 each, made up much of the rest. He also made \$16,520 from company contributions to a 401(k) retirement account and company-paid life insurance premiums.

In comparison, Jobs accepted a \$1 annual salary for years and owned about 5.5 million shares, worth about \$2.3 billion today.

In total, Cook has about 1.36 million restricted shares that haven't yet vested and 13,754 regular shares worth a combined \$580 million, the filing showed.

Cook's award is well above that given to Philippe Dauman, the [Viacom](#) Inc. chief executive who led the top paid CEOs of 2010 with an \$84.5 million haul based on a new contract that granted him shares and stock options.

Cook's pay package was also valued at more than all of the next nine highest paid CEOs of 2010 combined, or about \$356 million.

Apple said that its compensation goal is to encourage long-term results above short-term risk-taking, and the 51-year-old former chief operating officer won't begin to reap the actual benefits of the stock award for another four years.

But [Securities and Exchange Commission](#) rules compel companies to book a share grant's value in the year it is granted, making Cook's whopper of a [pay package](#) unlikely to be beat.

Cook's share grant was already known last year. The filing disclosed that the company also decided in November to raise his base annual salary to \$1.4 million and double the bonus target for paid executives to 100 percent of their annual salary.

Apple said it raised the bonus target to keep its executive pay more in line with that of other technology and entertainment peers like Google Inc. or The Walt Disney Co.

The filing was released the same day Apple shares reached a new high in midday trading, briefly hitting \$427.75 before falling back to close at \$421.73.

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 SEC.

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Citation: Apple CEO Tim Cook could top pay list in 2011 (2012, January 10) retrieved 26 April 2024 from <https://phys.org/news/2012-01-apple-ceo-tim-cook.html>

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