

Apple's Cook gets hefty bonus for 2014

January 23 2015, by Brandon Bailey

Apple CEO Tim Cook got a hefty cash bonus that brought his total compensation to \$9.2 million last year. That's more than double what he received the previous year, as the company enjoyed a surge in sales and profit fueled by the popularity of its new, over-sized iPhone 6 models.

Cook's pay for fiscal 2014 included \$1.7 million in salary and \$6.7 million in incentive pay that was awarded by Apple's board after he beat the performance goals that directors had set for him, according to a regulatory filing Thursday. He also received \$774,176 in other compensation, including a 401k contribution, company-paid insurance premiums and security expenses.

Apple reported \$182.8 billion in revenue for the fiscal year that ended Sept. 27 and \$39.5 billion in profit, after seeing record sales last fall. Sales of iPhones rose 21 percent in the company's fourth quarter, which made up for a decline in sales of iPads. Apple's annual revenue has increased in each of the last three years.

Cook and the company's other top officers were awarded the maximum bonus possible under Apple's incentive plan, after the company's annual revenue and \$52.5 billion in operating profit each exceeded the plan's maximum goals by 7 percent, the filing said.

The Associated Press calculates an executive's total compensation by counting salary, bonuses, perks, stock and options awarded during the year.

Despite his bonus, Apple's CEO collected less than the company's four other top officers, all of whom garnered sizable stock awards. The highest paid was Senior Vice President Angela Ahrendts, the former CEO at luxury goods maker Burberry who was hired in May to run Apple's retail operations. Her \$73 million pay package included a hiring bonus of \$33 million in restricted Apple stock grants and another \$37 million in restricted stock grants that Apple said were intended to compensate for Burberry stock that she forfeited on leaving her old job.

While Cook's total pay has increased for the last two years, it still pales against the \$378 million in cash and stock grants he was awarded when he took the CEO job in 2011.

Apple reported the [compensation](#) figures in advance of its annual shareholder meeting on March 10. The company also announced that board member Millard "Mickey" Drexler, will retire when his term expires at that meeting. Drexler, 70, is CEO of J. Crew and former CEO of the Gap retail chain. Apple said a replacement has not been nominated.

Apple shares closed Thursday at \$112.40, up 2.6 percent for the day and more than 40 percent in the past year. With a stock market value of \$659 billion, Apple is the most valuable company in the world.

© 2015 The Associated Press. All rights reserved.

Citation: Apple's Cook gets hefty bonus for 2014 (2015, January 23) retrieved 3 May 2024 from <https://phys.org/news/2015-01-apple-cook-hefty-bonus.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.
