



PageExecutive

COMPENSATION **RESEARCH**

Presidents and Chief Executive Officers

2017/2018

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2. INTRODUCTION



For the sixth consecutive year, Page Executive do Brasil presents its compensation study exclusively for Presidents and Chief Executive Officers. Differently from the previous year, we launched this edition at the beginning of the first semester. We point out here the changes contained in the elaboration of compensations for the company's senior management, according to the political, social and economic scenario of the country in the year 2017, and taking into consideration business trends for 2018.

Defined by political and economic reforms directly affecting business management, the year 2017 was one of attention and caution. However, there was more stability and a shy increase in the country's production. Today, the market feels the beginning of changes in average term and makes plans for the future.

Following a trend in search for high performance and entrepreneurial profile professionals, the companies started recruiting again in a more intelligent and profitable manner. Thus, they are prepared for the recovery of the market and eventual setbacks along the way.

With a still uncertain perspective of reaching relevant results for full compensation in the form of bonuses, the average monthly salary is one of the main points of attraction for professionals of high demand performances, but also the routine flexibility and engagements as per special projects, one of the new entrepreneurial pillars for the end of this decade.

We hope this material is useful in your career development and for your company's guidelines.

3. METHODOLOGY



For this research, the questionnaire was addressed to a group of executives of our relationship network, with whom we kept in touch throughout the last seven years. During this period, we had the opportunity of recruiting executives for companies of different nationalities, sectors, sizes, and stages of Corporate Governance. We counted with a base of more than 13 thousand professionals for this study, being them only executives active in the Brazilian market.

Research was carried out through the systematized tool, ensuring total confidentiality of the interviewee's identity, besides accurateness of data collected.

From our total base of invitees, we interviewed more than 1,150 executives belonging to several sectors, who hold major offices in their companies. These are companies of distinct sizes, sectors, origins, and regions of the country, composing a very comprehensive and heterogeneous scope.

Data computation sought to emphasize all aspects of the composition of the country's senior management compensation, analyzed under several variables that impact the executive market. The values of Actual Bonus and LTI (long-term incentives) addressed, for example, are based on the average of the total number of salaries proposed to be received, according to the results delivered in the year.

3. METHODOLOGY

Important remarks:

- In order to make this study more functional, compensation packages were divided by position, company's origin (domestic or subsidiary of a multinational company) and size (billing);
- Size ranges were defined as a basis for the statistical relevance of our performance. Range 4, considered the more comprehensive, may show more distortions;
- Values of bonuses and LTI are based on the total average of the salaries proposed to be received, according to the results delivered in the year;
- Approximately 56% of the companies consulted do not offer LTI. For such cases, the compensation described as LTI is totally or partially incorporated into the total compensation package.



4. HIGHLIGHTS



DIRECTORS AND OFFICERS LIABILITY INSURANCE (D&O)

During the last three years, we keep pace with the growing importance of the Directors & Officers (D&O) insurance coverage for executives under a statutory regime. This civil and criminal liability coverage became a high differential in the turnover of executives and, due to the political and economic scenario of the country, a practice to guarantee the security of senior management. In the two last years, we noticed a slight increase in the offer of D&O insurance and we can affirm that the majority of the statutory professionals have this protection.

TOTAL COMPENSATION AND LTI

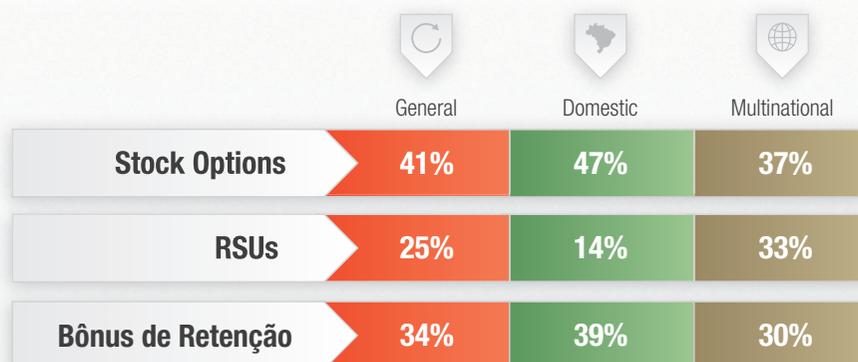
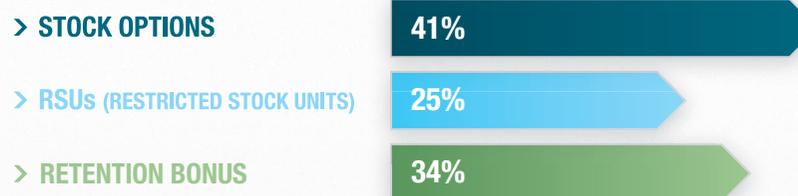
The year 2017 was politically and economically challenging, although more stable than the previous year. As regards compensation balancing, this study reveals a decrease in the annual gross compensation for senior and middle management positions. This was caused by a decrease of a general average of 15% in LTI, mainly affected by companies' performance and by the payment of bonus below expectations. In return, we see that the average monthly salary of executives interviewed showed a slight rise, seeking a stabilization in remuneration.

5. BENEFITS

Long-term incentive (LTI):

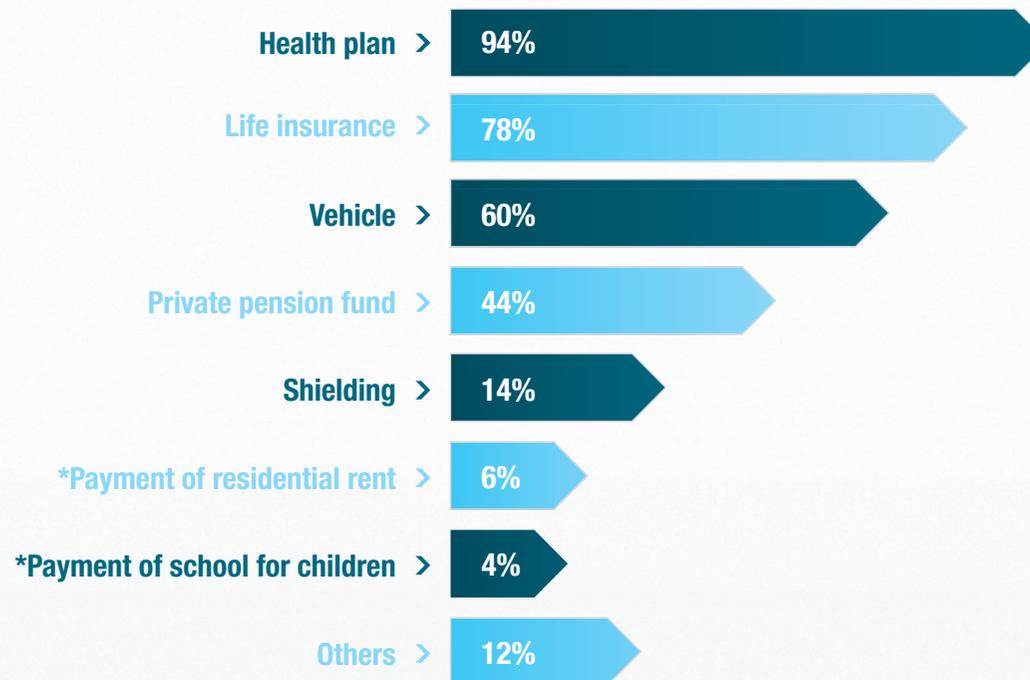
- In Brazilian companies, 43% of executives claim to have LTI;
- In multinational companies, 57% of executives claim to have LTI.

The charts below show the distribution by type of LTI, for executives claiming to have this type of incentive.



6. OTHER BENEFITS

Which benefits do the executives interviewed have?



*In making a qualitative analysis of the answers, we noticed that the payment of residential rent and the children's school are ordinary benefits for executives transferred to other cities.

7. HIRING

- The major part of multinational companies hires under the CLT regime (72%).
- The Brazilian companies rely more on the Legal Person (PJ) contract than multinational companies (25% x 9%).

The table below shows the main models of the hiring of professionals interviewed.

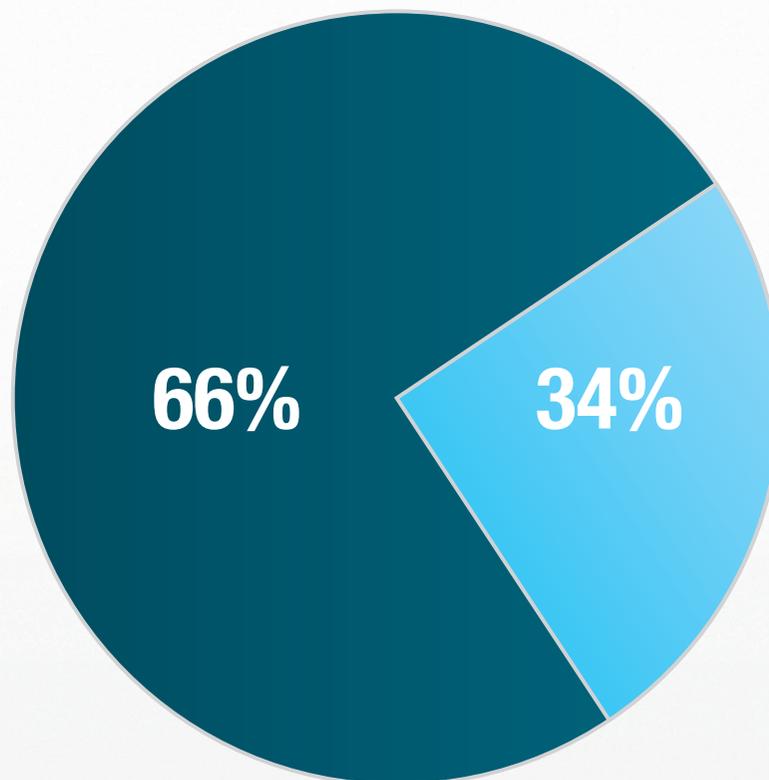
Model of Hiring	Brazilian Companies	Multinational Companies
Employee (CLT)	36%	72%
Statutory Officer	27%	7%
Employee with statutory responsibilities (CLT and Statutory)	12%	12%
Legal Person	25%	9%

8. DO YOU HAVE DIRECTORS AND OFFICERS LIABILITY INSURANCE (D&O)?

In the last two years, 66% of executives interviewed with agreements under statutory regime were covered by the insurance

2016/2017

> HAVE D&O INSURANCE



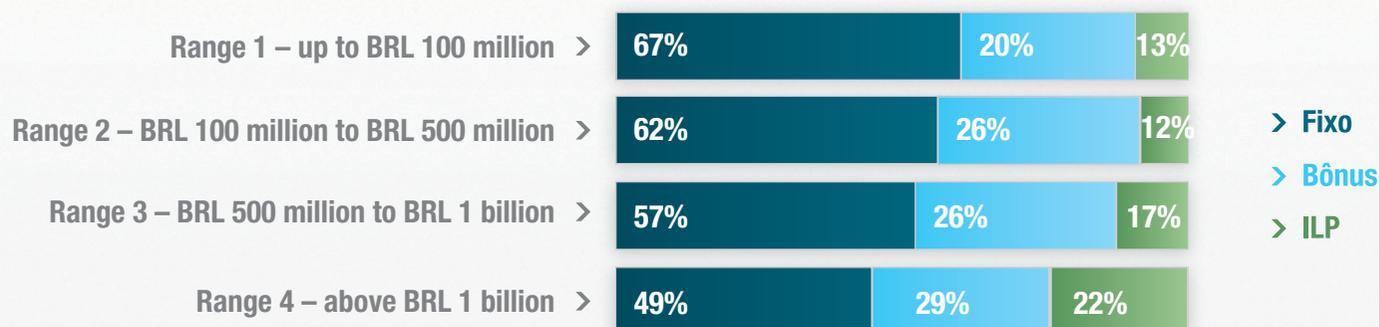
> DO NOT HAVE D&O INSURANCE

9. CEO - NATIONAL

CEO, President, General Director, Managing Director, General Manager and Country Manager.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 902.265,00	R\$ 45.500,00	4.00	2.50
Range 2	R\$ 1.194.480,00	R\$ 56.000,00	5.50	2.50
Range 3	R\$ 1.843.070,00	R\$ 79.000,00	6.00	4.00
Range 4	R\$ 3.006.300,00	R\$ 110.000,00	8.00	6.00

Percentage distribution of annual compensation:

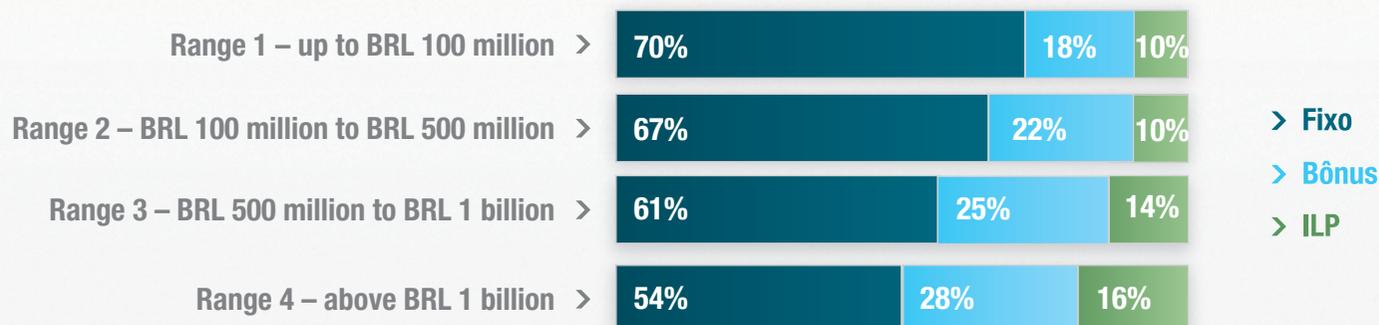


10. CEO - MULTINATIONAL

President, General Director, Managing Director, General Manager and Country Manager.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 828.520,00	R\$ 44.000,00	3.50	2.00
Range 2	R\$ 1.090.650,00	R\$ 55.000,00	4.50	2.00
Range 3	R\$ 1.528.100,00	R\$ 70.000,00	5.50	3.00
Range 4	R\$ 2.505.990,00	R\$ 103.000,00	7.00	4.00

Percentage distribution of annual compensation:

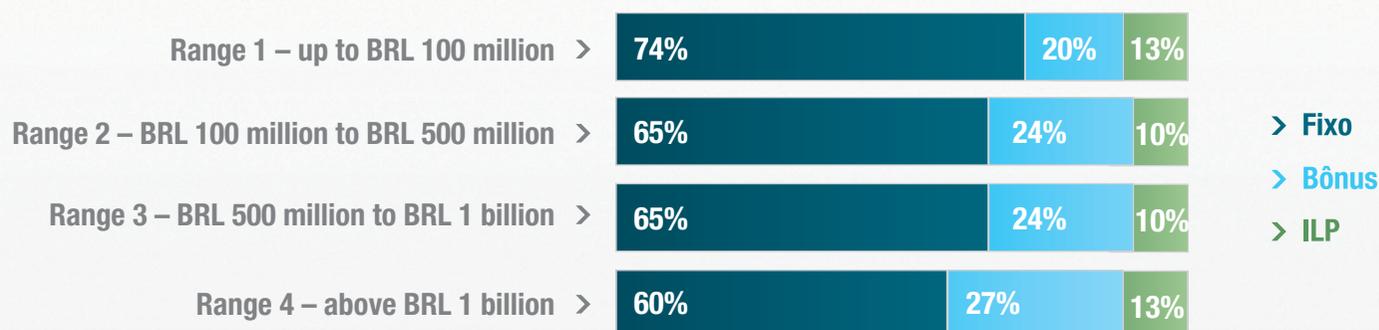


11. CFO - NATIONAL

Valid for Financial Director, Management, and Financial Director.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 570.560,00	R\$ 32.000,00	3.50	1.00
Range 2	R\$ 904.685,00	R\$ 44.500,00	5.00	2.00
Range 3	R\$ 1.179.140,00	R\$ 58.000,00	5.00	2.00
Range 4	R\$ 1.741.740,00	R\$ 78.000,00	6.00	3.00

Percentage distribution of annual compensation:

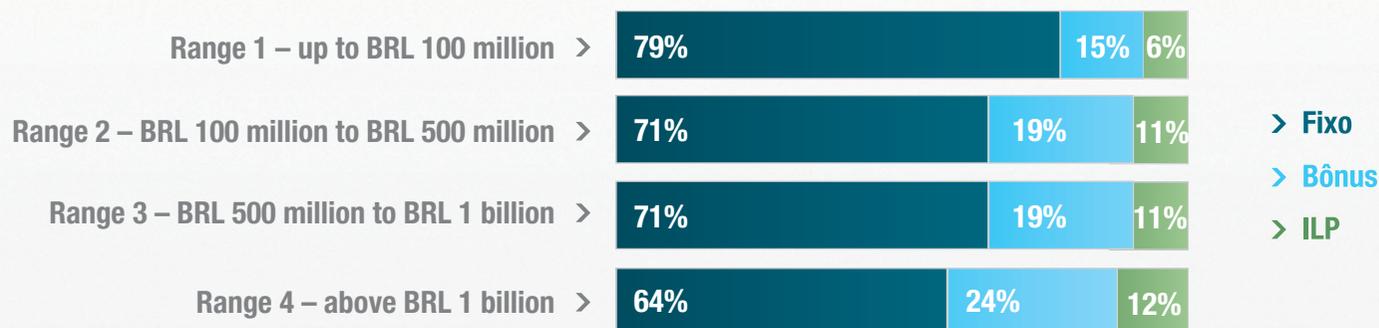


12. CFO - MULTINATIONAL

Valid for Financial Director, Management, and Financial Director.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 521.730,00	R\$ 31.000,00	2.50	1.00
Range 2	R\$ 772.030,00	R\$ 41.000,00	3.50	2.00
Range 3	R\$ 1.035.650,00	R\$ 55.000,00	3.50	2.00
Range 4	R\$ 1.353.950,00	R\$ 65.000,00	5.00	2.50

Percentage distribution of annual compensation:

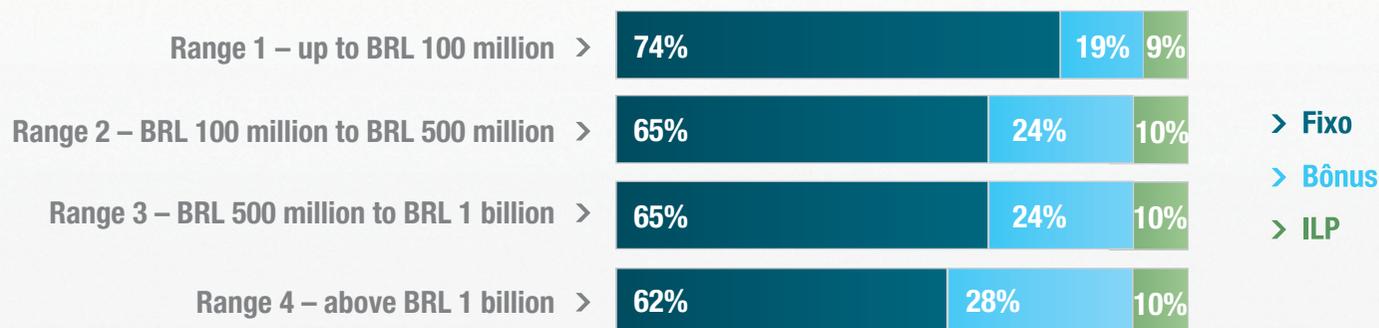


13. COMMERCIAL DIRECTOR (BUSINESS UNIT) - NATIONAL

Valid for executives responsible for sales and marketing departments, as well as for those incumbent upon profits and losses, which report to company's president.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 588.390,00	R\$ 33.000,00	3.50	1.00
Range 2	R\$ 874.190,00	R\$ 43.000,00	5.00	2.00
Range 3	R\$ 1.036.830,00	R\$ 51.000,00	5.00	2.00
Range 4	R\$ 1.343.790,00	R\$ 63.000,00	6.00	2.00

Percentage distribution of annual compensation:

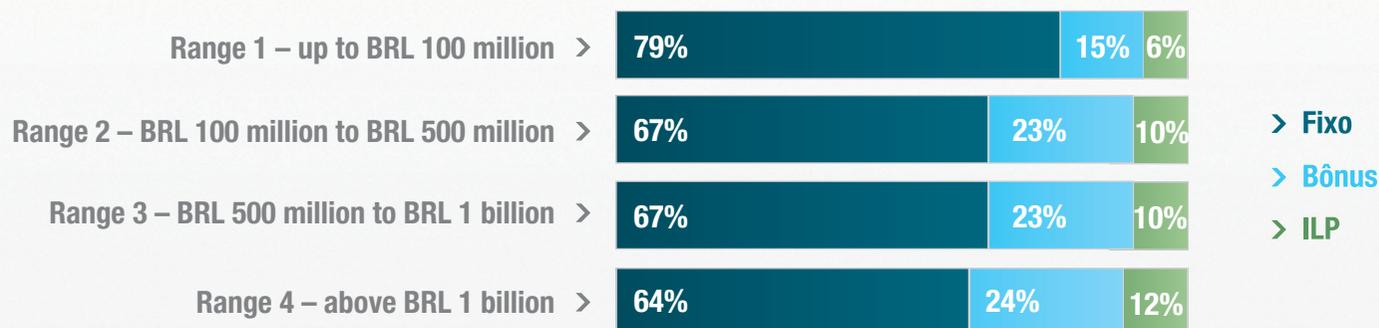


14. COMMERCIAL DIRECTOR (BUSINESS UNIT) - MULTINATIONAL

Valid for executives responsible for sales and marketing departments, as well as for those incumbent upon profits and losses, which report to company's president.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 572.220,00	R\$ 34.000,00	2.50	1.00
Range 2	R\$ 813.030,00	R\$ 41.000,00	4.50	2.00
Range 3	R\$ 971.670,00	R\$ 49.000,00	4.50	2.00
Range 4	R\$ 1.333.120,00	R\$ 64.000,00	5.00	2.50

Percentage distribution of annual compensation:

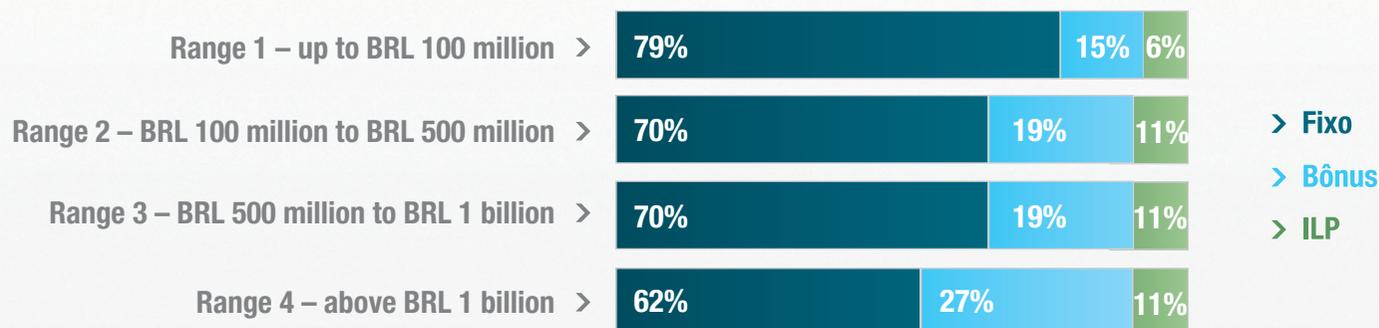


15,000 - NATIONAL

In case of industry, this executive is responsible for supplies, manufacturing, logistics, quality and health, safety and environment (SSMA). In case of a service provider, the executive is normally incumbent upon all areas directly responsible for the services affecting the client.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 538.560,00	R\$ 32.000,00	2.50	1.00
Range 2	R\$ 790.860,00	R\$ 42.000,00	3.50	2.00
Range 3	R\$ 941.500,00	R\$ 50.000,00	3.50	2.00
Range 4	R\$ 1.298.885,00	R\$ 59.500,00	6.00	2.50

Percentage distribution of annual compensation:

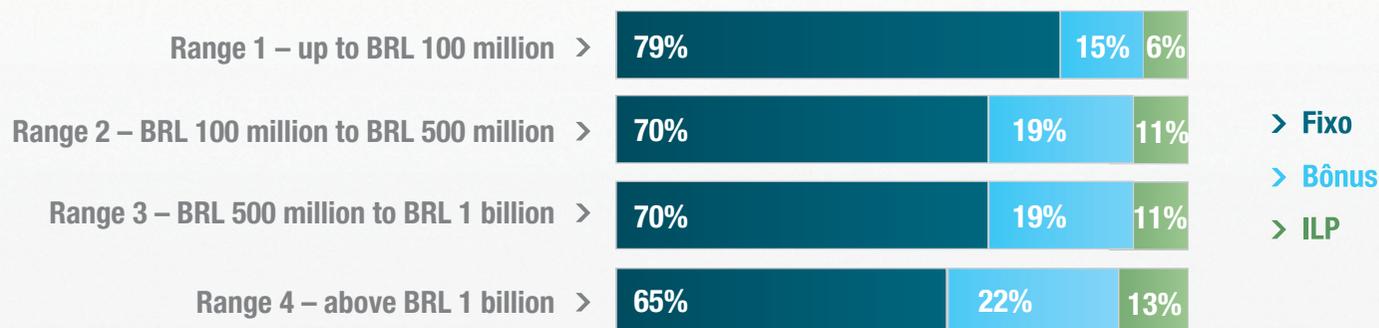


16,000 - MULTINATIONAL

In case of industry, this executive is responsible for supplies, manufacturing, logistics, quality and health, safety and environment (SSMA). In case of a service provider, the executive is normally incumbent upon all areas directly responsible for the services affecting the client.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 538.560,00	R\$ 32.000,00	2.50	1.00
Range 2	R\$ 753.200,00	R\$ 40.000,00	3.50	2.00
Range 3	R\$ 930.840,00	R\$ 48.000,00	3.50	2.00
Range 4	R\$ 1.138.480,00	R\$ 56.000,00	4.50	2.50

Percentage distribution of annual compensation:

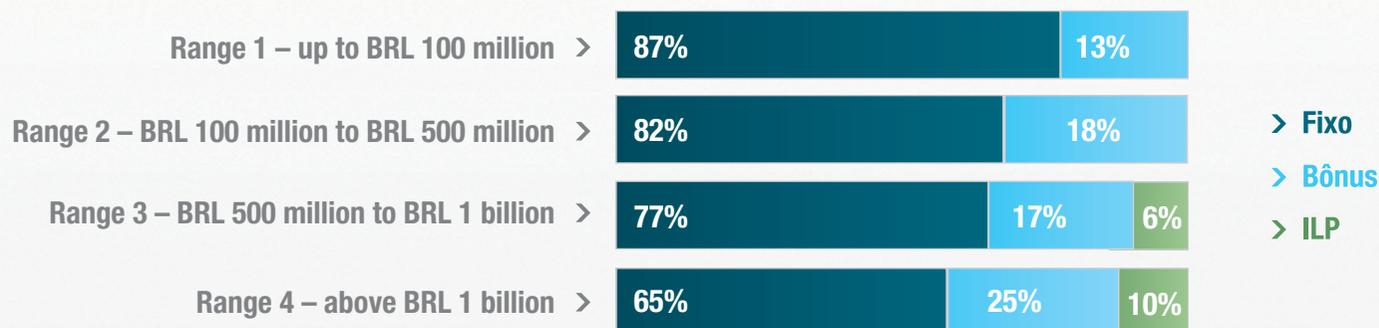


17. CHRO - NATIONAL

Valid for the position of CHRO in national companies.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 383.250,00	R\$ 25.000,00	2.00	-
Range 2	R\$ 506.230,00	R\$ 31.000,00	3.00	-
Range 3	R\$ 710.530,00	R\$ 41.000,00	3.00	1.00
Range 4	R\$ 1.219.800,00	R\$ 60.000,00	5.00	2.00

Percentage distribution of annual compensation:

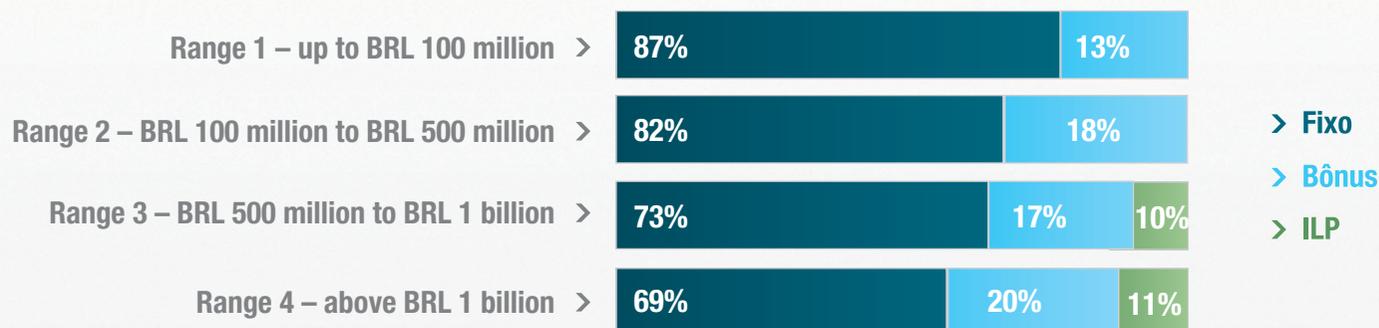


18. CHRO - MULTINATIONAL

Valid for the position of CHRO in multinational companies.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 413.910,00	R\$ 27.000,00	2.00	-
Range 2	R\$ 604.210,00	R\$ 37.000,00	3.00	-
Range 3	R\$ 824.850,00	R\$ 45.000,00	3.00	2.00
Range 4	R\$ 1.217.790,00	R\$ 63.000,00	4.00	2.00

Percentage distribution of annual compensation:

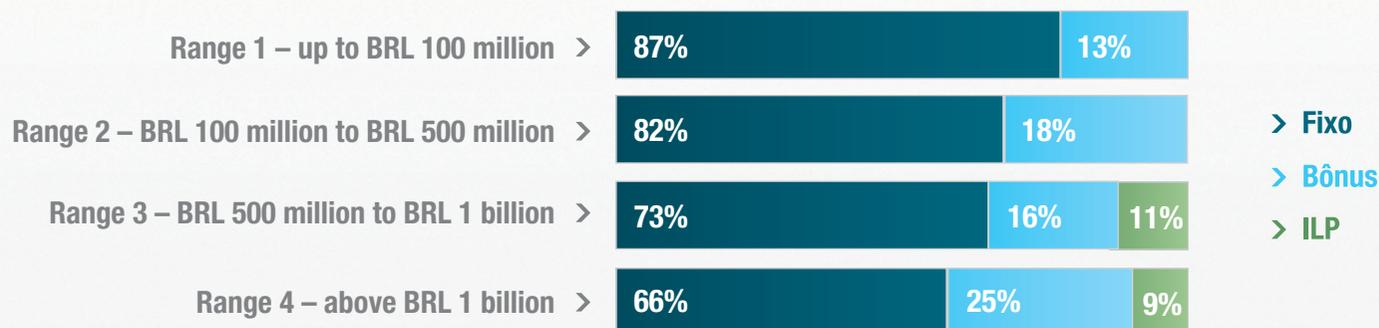


19. CIO - NATIONAL

Valid for the position of CIO in national companies.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 413.910,00	R\$ 27.000,00	2.00	-
Range 2	R\$ 555.220,00	R\$ 34.000,00	3.00	-
Range 3	R\$ 806.520,00	R\$ 44.000,00	3.00	2.00
Range 4	R\$ 1.057.160,00	R\$ 52.000,00	5.00	2.00

Percentage distribution of annual compensation:

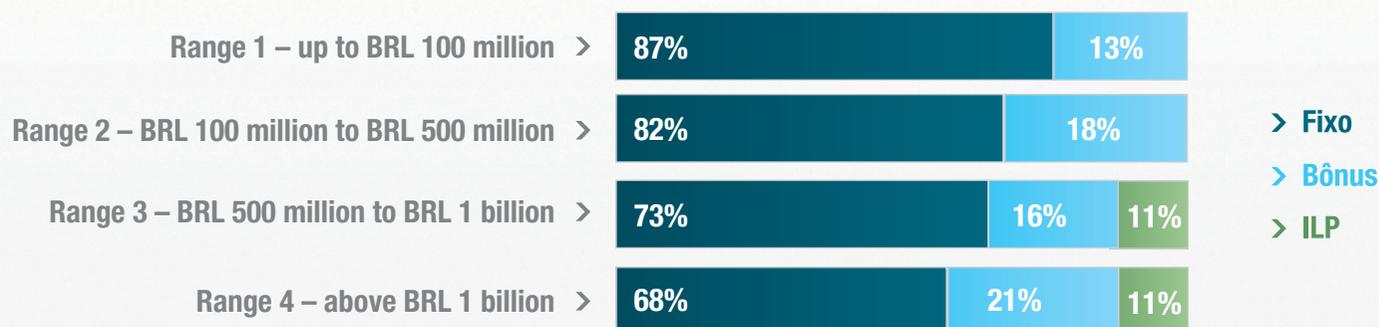


20. CIO - MULTINATIONAL

Valid for the position of CIO in multinational companies.

Company's size	Total annual average compensation (salary + annual bonus + LTI)	Monthly fixed average compensation	Annual bonus (proposed (in monthly salaries)	Annual amount of LTI (in monthly salaries)
Range 1	R\$ 421.575,00	R\$ 27.000,00	2.00	-
Range 2	R\$ 587.880,00	R\$ 36.000,00	3.00	-
Range 3	R\$ 861.510,00	R\$ 47.000,00	3.00	2.00
Range 4	R\$ 1.024.490,00	R\$ 53.000,00	4.00	2.00

Percentage distribution of annual compensation:



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