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# COMPENSATION SURVEY FOR CEOs AND OTHER EXECUTIVE OFFICERS

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2019

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# THE STUDY

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Dedicated exclusively to present compensation and benefits packages of company CEOs and Executive Officers, **Page Executive's Compensation Study, now in its 7th Edition**, aimed at assisting you in your company's guidelines and in your career direction.

In 2019, in addition to the analysis of our database and a series of surveys with a select group of top-ranking executives, we have the collaboration of the Human Resources departments of 54 companies, from a variety of sectors and with wide-ranging revenues.

The surveys were conducted through a systematized tool, ensuring total confidentiality of the participants – whether companies or executives.

The aim of data cross-checking was to outline all aspects that compose the overall compensation of senior management in Brazil, analyzing variables such as current bonuses, long-term incentives, D&O insurance, and other benefits including medical assistance, company commuting, etc.

## METHODOLOGY

In order to make the study more functional, the compensation packages were divided by position (grouping the same or very similar duties), company origin (Brazilian or multinational), and by range of company revenue.

The size ranges were defined in relation to the statistical relevance of our activity. Range 4, for example, may show greater distortions. Thus, we present the average compensation per position and type of company, as follows:

> **Range 1: up to R\$100 million**

> **Range 2: R\$100–R\$500 million**

> **Range 3: R\$500 million–R\$1 billion**

> **Range 4: >R\$1 billion**

The amounts of bonuses and long-term incentives are based on an average number of proposed salaries, according to the results delivered in the year.

For companies that reported not having long-term incentives, the compensation described as LTI was incorporated into the total compensation package.

# THE COMPANIES

We used the 2019 Compensation Survey for Company CEOs and Executive Officers to obtain some important data that can help us understand the compensation packages presented.

## COMPANY CAPITAL

For yet another consecutive year, most survey participants work at privately held companies.

Here are the numbers:



publicly-held listed companies



publicly-held non-listed companies



privately-held companies

Additionally, we asked executives about Private Equity or Venture Capital shareholdings in their companies.

The response was negative in 81% of the cases. In other words, only 19% of companies have the participation of funds in their companies.

Regarding the type of Board present at the organization, the responses were as follows:



no board



directors board



advisory board

## COMPANY SIZE

We also segregate the responses in relation to annual revenue and according to the number of employees allocated in Brazil.

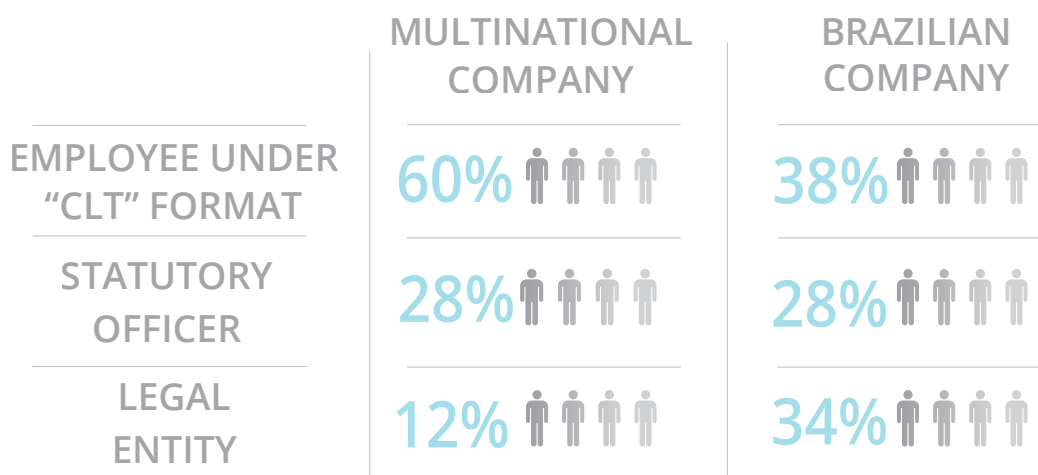
Below are the details.

Less than R\$ 100 million/year	16%
R\$100 – 500 million/year	39%
R\$500 million – R\$1 billion/year	11%
R\$1 – 2 billion/year	11%
Above R\$ 2 billion/year	23%
Up to 100 employees	12%
101 – 500 employees	33%
501 – 1,000 employees	11%
1,001 – 5,000 employees	24%
> 5,000 employees	20%

## FORMS OF HIRING

Most multinational companies hire executives in the “CLT” format [i.e., governed by Brazil’s “Consolidated Labor Laws”] (66%). When we looked exclusively at Legal Entity contracts, one can see that Brazilian companies tend to use this model more often than multinationals.

Below we show the main recruitment models of the professionals surveyed.



# THE BENEFITS

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Practically all executive respondents have the usual market benefits.

Sometimes these benefits are combined with more elaborate ones, which help the company's attractiveness and complement the compensation package for professionals.

See below.

## CAR

Car worth up to R\$ 100,000	23%
Car worth between R\$ 100,000 and R\$ 150,000	27%
Car worth more than R\$ 150,000	7%
Bulletproof car	7%
Maintenance and fuel	49%
Driver	3%
Option of 2nd vehicle	3%
Purchase of the old vehicle in exchange for a new one	18%
Parking	68%
Maintenance charge / own vehicle expenses	15%


## HEALTH AND WELL-BEING

Individual life insurance	56%
Reimbursement/discounts for medicine	21%
Incentive for sports activities	14%
Annually check-up	35%
Dental care	61%
Medical assistance with free choice and reimbursement	75%

## OTHER BENEFITS

Discounted stock options	13%
School fees for children and dependents	2%
Full or partial incentive for graduate studies	31%
Total or partial incentive for foreign language courses	41%
Flexible schedule	51%
Home-office	33%
Subsidized loans	12%
Corporate cell phone with unlimited plan	79%
Home rental	10%

In making a qualitative analysis of the responses, we noted that the payment of home rental and school tuition for dependents are common benefits for executives transferred to other cities.



# LTI & PENSION

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At Brazilian companies, 44% of executives have Long Term Incentives in the composition of their professional contracts.

The number of multinationals offering LTI is around 55%.

	MULTINATIONAL	NATIONAL	GENERAL
STOCK OPTIONS	31%	35%	<b>33%</b>
RSUs	10%	16%	<b>13%</b>
RETENTION BONUS	59%	49%	<b>54%</b>

Above is the distribution by Type of Long-Term Incentive provided, divided into Stock Options, Phantom Stock Options or Restricted Share Units, P&L Evolution, and the most common incentive, Retention Bonuses.

## PRIVATE PENSION

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When questioned about Private Pension programs, 57% of executives said that they have the contribution of their companies - keeping the overlooking from other years.



**offer Private Pension**



**do not offer Private Pension**



# D&O INSURANCE

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The Directors and Officers Liability Insurance, known as D&O Insurance, is a civil and criminal liability insurance primarily directed at senior executives in charge of their companies.

41%

of the interviewees have D&O Insurance



59%

of the professionals do not have D&O Insurance

It is activated when Company Officers or Board Members are held liable (judicially or administratively) for damages caused to third parties.

The insurance covers bodily, material and/or moral damages, according to the decisions and situations arising from the company's activities.

## THE TREND

Throughout the latest survey that we conducted, we noted the growing relevance of Directors & Officers (D&O) insurance coverage, principally for the executives under the statutory regime.

The coverage becomes a major differentiator in the movement of executives and, due to the political and economic scenario of the last three years in Brazil, a practice to ensure the safety of senior management.

# CEO

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- > Country Manager
- > Managing Director
- > General Director
- > General Manager

## domestic companies

	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$ 792.870,00	R\$ 39.000,00	5	2
Range 2	R\$1.215.810,00	R\$ 57.000,00	6	2
Range 3	R\$ 2.001.080,00	R\$ 76.000,00	8	5
Range 4	R\$ 3.123.990,00	R\$ 103.000,00	10	7

## multinational companies

	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$ 831.190,00	R\$ 43.000,00	4	2
Range 2	R\$ 1.120.395,00	R\$ 56.500,00	4,5	2
Range 3	R\$ 1.571.760,00	R\$ 72.000,00	5,5	3
Range 4	R\$ 3.026.424,00	R\$ 112.800,00	9	4,5

# BUSINESS UNIT DIRECTOR

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- > Sales & Marketing Director
- > Commercial Director
- > BU Director

domestic companies				
	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$ 540.735,00	R\$ 29.500,00	3	2
Range 2	R\$ 803.035,00	R\$ 39.500,00	5	2
Range 3	R\$ 965.675,00	R\$ 47.500,00	5	2
Range 4	R\$ 1.384.460,00	R\$ 62.000,00	6	3

multinational companies				
	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$ 604.890,00	R\$ 33.000,00	3	2
Range 2	R\$ 813.030,00	R\$ 41.000,00	4,5	2
Range 3	R\$ 1.062.330,00	R\$ 51.000,00	4,5	3
Range 4	R\$ 1.399.800,00	R\$60.000,00	5	5

# FINANCE DIRECTOR

> Administration & Finance Director

## domestic companies

	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$ 611.975,00	R\$ 32.500,00	3,5	2
Range 2	R\$ 955.510,00	R\$ 47.000,00	5	2
Range 3	R\$ 1.395.134,00	R\$59.800,00	7	3
Range 4	R\$ 1.950.410,00	R\$ 77.000,00	8	4

## multinational companies

	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$ 599.230,00	R\$ 31.000,00	4	2
Range 2	R\$ 869.850,00	R\$ 45.000,00	4	2
Range 3	R\$ 1.158.810,00	R\$ 57.000,00	4,5	2,5
Range 4	R\$ 1.607.760,00	R\$ 72.000,00	6	3

# OPERATIONS DIRECTOR

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- > Supply Chain
- > Logistics
- > Production
- > Manufacturing
- > Quality
- > Security & Environment

## domestic companies

	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$ 534.900,00	R\$ 30.000,00	3	1,5
Range 2	R\$ 734.540,00	R\$ 38.000,00	4	2
Range 3	R\$ 916.520,00	R\$ 44.000,00	4	3,5
Range 4	R\$ 1.221.405,00	R\$ 53.500,00	6	3,5

## multinational companies

	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$ 595.725,00	R\$ 32.500,00	3	2
Range 2	R\$ 842.775,00	R\$ 42.500,00	4,5	2
Range 3	R\$ 1.083.160,00	R\$ 52.000,00	4,5	3
Range 4	R\$ 1.187.310,00	R\$ 57.000,00	4,5	3

# HUMAN RESOURCES DIRECTOR

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- > Talent
- > Attraction & Selection
- > Training & Development
- > Salary & Benefits
- > Diversity

## domestic companies

	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$ 424.580,00	R\$ 26.000,00	3	0
Range 2	R\$ 514.395,00	R\$ 31.500,00	3	0
Range 3	R\$ 713.200,00	R\$ 40.000,00	3	1,5
Range 4	R\$ 1.228.970,00	R\$ 59.000,00	5	2,5

## multinational companies

	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$420.750,00	R\$ 25.000,00	2	1,5
Range 2	R\$ 684.672,00	R\$ 38.400,00	3	1,5
Range 3	R\$ 806.520,00	R\$ 44.000,00	3	2
Range 4	R\$ 1.246.785,00	R\$ 64.500,00	4	2

# TECHNOLOGY DIRECTOR

- > Information Technology
- > Networks
- > Development
- > Tech Projects
- > Digital Transformation

## domestic companies

	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$ 429.240,00	R\$ 28.000,00	2	0
Range 2	R\$ 604.210,00	R\$ 37.000,00	3	0
Range 3	R\$ 832.860,00	R\$ 42.000,00	4	2,5
Range 4	R\$ 1.162.485,00	R\$ 54.500,00	5	3

## multinational companies

	Total annual average compensation	Average fixed monthly compensation	Annual bonus (multiples of monthly salary)	LTI Annual amount (multiples of salary)
Range 1	R\$ 462.825,00	R\$ 27.500,00	2	1,5
Range 2	R\$ 706.125,00	R\$ 37.500,00	3,5	2
Range 3	R\$ 971.670,00	R\$ 49.000,00	4,5	2
Range 4	R\$ 1.240.130,00	R\$ 61.000,00	4,5	2,5



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