

Symbol	Company Name	HQ	Auditor	Expected Volatility	Contractual Term (y)	Expected Term (y)	Vesting Period (y)	ESO Fair Value (\$)	Exercise Multiple	Forfeiture Rate	Valuation Model	Granted (millions)	Interest Rate	Dividend Yield	Comments
AA	Alcoa Inc.	PA	PwC	43.00%	10	5.8	3	4.96	1.45	5.00%	Lattice SOEF	4.500	3.44%	0.90%	Exp Vol range 36-43%; Exer Multiple based on hist avg; Int Rate range 0.19-3.44%
AXP	American Express Company	NY	PwC	40.00%	10	6.2	4	16.21			B-S-M	1.197	2.30%	1.60%	Exp Vol based on hist and implied vola
BA	The Boeing Company	IL	Deloitte	29.80%	10	6.0	3	17.96			Black-Scholes	5.659	2.50%	2.30%	Exp Vol based on hist and implied vola; Exp Term SAB 110
BAC	Bank of America Corporation	NC	PwC	-	-	-	-	-			-	-	-	-	No options granted since 2008
CAT	Caterpillar Inc.	IL	PwC	32.70%	10	8.0	3	36.73			Lattice SOEF	2.960	3.51%	2.20%	Exp Vol range 20.9-45.4%; Int Rate range 0.25-3.51%; Exp Term b/o hist data
CSCO	Cisco Systems, Inc.	CA	PwC	-	-	-	-	-			-	-	-	-	No ESOs granted in 2011, used lattice-binomial model for prev FV calc
CVX	Chevron Corporation	CA	PwC	31.00%	10	6.2	3	21.24			Black-Scholes	14.260	2.60%	3.60%	Exp Vol based on hist vola; Exp Term based on hist exer and post-vest cancellation
DD	E.I. du Pont de Nemours and Co	DE	PwC	33.26%	7	5.3	3	12.32			Black-Scholes	3.739	2.30%	3.20%	Exp Vol based on hist daily vola; Exp Term is based on hist experience
DIS	The Walt Disney Company	CA	PwC	28.00%	10	-	4	10.96	1.40	2.50%	Lattice SOEF	11.000	3.20%	1.15%	Exp Vol based on hist and implied vola
GE	General Electric Company	CT	KPMG	30.00%	10	7.7	5	4.00			Black-Scholes	105.944	2.60%	3.90%	Exp Vol based on hist and implied vola; Dividend Yield based on 5-year hist avg
HD	The Home Depot, Inc.	GA	KPMG	27.30%	10	5.0	4	7.42			Black-Scholes	3.236	2.00%	2.70%	Provides both incentive and non-qualified stock options
HPQ	Hewlett-Packard Company	CA	E&Y	41.00%	8	5.3	4	7.85			Black-Scholes	18.804	1.20%	1.97%	Expected Vol based on implied; Exp Term based on hist data and post-vest behavior
IBM	International Business Machines	NY	PwC	-	-	-	-	-			-	-	-	-	ESOs not granted for the past 3 yrs, outstanding ESOs valued with B-S
INTC	Intel Corporation	CA	E&Y	27.00%	7	5.4	4	3.91			Black-Scholes	14.700	2.20%	3.40%	Exp Vol based on implied vola; Exp Term based on hist option exercise data
JNJ	Johnson & Johnson	NJ	PwC	18.20%	10	6.0	4	7.47			Black-Scholes	9.530	2.41%	3.60%	Exp Vol 4-yr daily hist vola, 5-week avg implied vola of 2-yr opts; Exp Term hist exp
JPM	JP Morgan Chase & Co.	NY	PwC	34.00%	10	6.5	5	13.04			Black-Scholes	15.300	2.58%	2.20%	Granted (ESOs and SARs), Exp Vol based on implied vola; Exp Term hist exp
KFT	Kraft Foods Inc.	IL	PwC	18.92%	10	6.0	3	3.84			Black-Scholes	16.320	2.34%	3.72%	Exp Vol based on hist vola
KO	The Coca-Cola Company	GA	E&Y	19.00%	10	5.0	4	9.28			B-S-M	26.000	2.30%	2.70%	Exp Vol based on hist and implied vola; Exp Term based on hist exer behavior
MCD	McDonald's Corporation	IL	E&Y	21.50%	10	6.3	4	12.18			Closed-Form	3.900	2.80%	3.20%	Exp Vol based on hist vola; Exp Term based on historical trends
MMM	3M Company	MN	PwC	22.00%	10	6.0	3	16.10			Black-Scholes	5.515	2.80%	2.60%	Exp Vol avg of hist vola (1-yr, rolling, exp life) and implied vola; exp term from hist
MRK	Merck & Co., Inc.	NJ	PwC	23.40%	10	7.0	3	5.39			Black-Scholes	8.209	2.50%	4.30%	Exp Vol based on hist and implied vola; Contractual Term range 7-10 yrs
MSFT	Microsoft Corporation	WA	Deloitte	-	-	-	-	-			-	-	-	-	No ESOs granted in 2011 (including in conj with business aquisition)
PFE	Pfizer Inc.	NY	KPMG	25.55%	10	6.3	3	3.15			B-S-M	66.850	2.59%	4.14%	Exp Vol uses hist and implied vola; Exp Term uses hist exer and post-vest forf
PG	The Procter & Gamble Company	OH	Deloitte	16.00%	10	8.8	3	11.09			Lattice SOEF	29.141	3.40%	2.40%	Exp Vol range 14-18%; Int Rate range 0.3-3.7%; Exercise behavior based on hist
T	AT&T Inc.	TX	E&Y	14.74%	10	7.0	-	1.57			Black-Scholes	2.00	2.91%	5.96%	Exp Term based on historical exercise experience
TRV	The Travelers Companies, Inc.	NY	KPMG	28.20%	10	6.0	3	12.94			Black-Scholes	2.380	2.62%	2.70%	Exp Vol range 28-28.6%; Int Rate range 1.19-2.62%; Exp Div range \$1.44-1.64
UTX	United Technologies Corporation	CT	PwC	26.00%	10	8.0	3	20.26			Binomial Lattice	0.320	3.50%	2.40%	Exp Vol range 26-32%; Exp Term range 7.5-8.0 years; Int Rate range 0.1-3.5%
VZ	Verizon Communications Inc.	NY	E&Y	-	-	-	-	-			-	-	-	-	No options granted since 2004, Outstanding options valued with B-S
WMT	Wal-Mart Stores, Inc.	AR	E&Y	17.60%	10	3.0	5	9.61			B-S-M	2.042	1.30%	2.90%	Exp Vol based on hist vola; Exp Term based on hist exercise and expiration activity
XOM	Exxon Mobil Corporation	TX	PwC	-	-	-	-	-			-	-	-	-	No options granted since 2003
Average Calculations				27.01%	9.7	6.2	3.6						2.58%	2.91%	
Minimum				14.74%	7.0	3.0	3.0						1.20%	0.90%	
Maximum				43.00%	10.0	8.8	5.0						3.51%	5.96%	

Key

B-S-M: Black-Scholes-Merton
SOEF: Sub Optimal Exercise Factor

Closed-Form: Model or formula similar to B-S-M
Exp Vol: Expected Volatility

Hist Vol: Historical Volatility
Exp Term: Expected Term

Source: Company 10-K Reports for FY2011

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Symbol	Company Name	ESOs	SARs	ESPP	RSAs	RSUs	RS	Cash	Option	TSR	Target	Comments
AA	Alcoa Inc.	x			x		x					Performance Stock Awards based on sales and prof targets, RSA/PC FV= \$16.15
AXP	American Express Company	x			x		x	x				RSA FV = \$45.11
BA	The Boeing Company	x				x	x	x				PCA initial value: \$100 and payout from \$0-\$200, RSU FV = \$71.44
BAC	Bank of America Corporation			x	x	x	x	x				RSA/U FV: \$14.49
CAT	Caterpillar Inc.	x	x			x						FMV for RSU= stock price - PV of exp div during vesting, RSU FV = \$97.51
CSCO	Cisco Systems, Inc.			x	x	x						FV for RSU= stock price - PV of exp div during vesting, exp div = 0%, RSA/U FV= \$20.62, No ESOs granted in 2011,
CVX	Chevron Corporation	x										Issues Restored Options
DD	E.I. du Pont de Nemours and Co	x				x				x		TSR based on corp rev growth relative to peers, award range from 0%-200% of org grant, FV est w/ Monte Carlo, TSR/RSU FV= \$53.19
DIS	The Walt Disney Company	x				x	x					RSU FV = \$39.62
GE	General Electric Company	x				x	x					RSUs only issued settleable in equity, RSU FV = \$16.74
HD	The Home Depot, Inc.	x		x	x		x		x	x		TSR compared to percentile ranking againsts companies of S&P 500 index, ESPP sold at 85% of market value, RSU/PC FV = \$35.83
HPQ	Hewlett-Packard Company	x		x	x	x			x	x		TSR relative to S&P 500 3 yr pd, award range from 0%-200% of org grant, TSR FV est w/ Monte Carlo, RSU FV= \$38, ESPP at 95% FMV
IBM	International Business Machines			x		x	x					ESPP at 95% FV, RSU/Performance Share Units FV = \$154
INTC	Intel Corporation	x		x		x				x		TSR vs peer group 3 yr pd, FV for RSU= stock price - PV of exp div during vesting, RSU FV calculated w/ Monte Carlo, RSU FV = \$19.86
JNJ	Johnson & Johnson	x				x	x					RSU FV = \$55.90
JPM	JP Morgan Chase & Co.	x	x			x						RSU FV = \$44.05,
KFT	Kraft Foods Inc.	x			x							RSA FV= \$31.97
KO	The Coca-Cola Company	x				x	x					FV for RSU= stock price - PV of exp div during vesting, PC Awards settled in equity except when death or disability, RSU FV = \$53.08
MCD	McDonald's Corporation	x			x		x					RSU FV = stock price - PV of exp div during vesting, RSU FV = \$67.96,
MMM	3M Company	x		x	x	x			x			Reload Options, Perf Criteria Factors: Sales Growth, ROI Capital and new product sales, ESPP 85%, RSU FV = \$89.46
MRK	Merck & Co., Inc.	x				x	x	x				RSU FV = \$36.36
MSFT	Microsoft Corporation			x	x		x					PC Awards grants between 0%-150% number of shares depending on performance, RSA FV = \$22.17, ESPP at 90% market value
PFE	Pfizer Inc.	x	x			x				x		RSU FV = \$18.91, TSR target shares determined by ref to FV of SBP to similar employees in industry group peers,
PG	The Procter & Gamble Company	x			x	x	x					In 2011, implements PSP (performance stock program) for the first time
T	AT&T Inc.	x			x		x	x				RSU FV = \$28.17,
TRV	The Travelers Companies, Inc.	x				x	x					Performance awards are based on adj return on equity, perf awards 50%-130%, RSU FV = \$56.39,
UTX	United Technologies Corporatio	x	x		x		x	x				PC Awards FV = \$87.65,
VZ	Verizon Communications Inc.					x		x			x	RSU paid in cash upon vesting, Performance Stock Units paid in cash upon vesting, options not granted since 2004, RSU FV= \$36.38
WMT	Wal-Mart Stores, Inc.	x			x		x	x	x			Perf awards range from 0%-150% of original award amount, RSA FV = \$55.03, .
XOM	Exxon Mobil Corporation				x							Not granted stock options since 2003, Restricted Stock is settled by cash, RSU FV= \$68.74
Total Granted		24	4	8	15	19	19	8	4	5	1	
Dow 30 Participation Rate		80%	13%	27%	50%	63%	63%	27%	13%	17%	3%	

Key

ESOs: Employee Stock Options
SARs: Stock Appreciation Rights

ESPP: Employee Stock Purchasing Plan
RSAs: Restricted Stock Awards

RSUs: Restricted Stock Units
PC RS: Stock-settled Performance Condition

PC Cash: Cash-settled Performance Condition
PC Both: Both Stock and Cash-settled Performance Condition

TSR: Total Shareholder Return: Relative TSR
Price Target: Absolute TSR

Source: Company 10-K Reports for FY2011

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