

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
MMM	3M Co	MN	PwC	20.00%	10	6.3	3	13.46			Black-Scholes	6.220	1.20%	2.70%	Exp Vola - avg of recent 1 year vola; Exp Term based on weighted avg of hist grants
AXP	American Express Co	NY	PwC	39.00%	10	6.3	4	21.11			B-S-M	0.463	1.30%	1.40%	Exp Vola based on hist and Implied vola; Exp Term based on hist data and expectations
I	AT&T Inc	TX	E&Y	-	-	-	-	-			-	-	-	-	No ESOs granted in 2013
BA	Boeing Co/The	IL	Deloitte	29.00%	10	6.0	3	15.85			Black-Scholes	6.699	1.00%	2.60%	Exp Vola based on hist and implied vola
CAT	Caterpillar Inc	IL	PwC	30.60%	10	8.0	3	28.34			Lattice-Based	4.276	1.88%	2.10%	Exp Vola based on hist and current implied vola from trade options on our stock
CXV	Chevron Corp	CA	PwC	31.30%	10	6.0	3	24.48			Black-Scholes	13.190	1.20%	3.30%	Exp Vola based on hist vola; Exp Term based on hist exer and post-vest cancellation
CSCO	Cisco Systems Inc	CA	PwC	-	-	-	-	-			-	-	-	-	No ESOs granted in 2013 but Employee Stock Purchase Plan awards were granted
KO	Coca-Cola Co/The	GA	E&Y	17.00%	10	5.0	4	3.73			B-S-M	56.000	0.90%	2.80%	Exp Vola based on hist and implied vola; Exp Term based on hist exer behavior
DD	EI du Pont de Nemours & Co	DE	PwC	34.86%	7	5.3	3	10.40			Black-Scholes	5.758	1.00%	3.60%	Exp Vola based on blended historical and implied vola
XOM	Exxon Mobil Corp	TX	PwC	-	-	-	-	-			-	-	-	-	No ESOs granted since 2003
GE	General Electric Co	CT	KPMG	28.00%	10	7.5	5	4.52			Black-Scholes	62.762	2.50%	4.00%	Exp Vola based on hist and implied vola; Exp Term based on hist exer behavior
GS	Goldman Sachs Group Inc/The	NY	PwC	-	-	-	-	-			-	-	-	-	No ESOs granted since 2010
HD	Home Depot Inc/The	GA	KPMG	26.30%	10	5.0	4	13.10			Black-Scholes	1.704	0.80%	2.20%	Grants both Incentive and Non-Qualified Stock Options
INTC	Intel Corp	CA	E&Y	25.00%	7	5.2	4	3.11			Black-Scholes	20.100	0.80%	3.90%	Exp Vola based on implied vola; Exp Term based on hist option exercise data
IBM	International Business Machines	NY	PwC	-	-	-	-	-			-	-	-	-	ESOs not granted for the past 3 yrs, o/s ESOs valued with BS, 4-year vesting
JNJ	Johnson & Johnson	NJ	PwC	14.04%	10	6.0	4	4.88			Black-Scholes	29.010	1.01%	3.40%	Exp Vola 4-yr daily hist vola, 5-week avg implied vola of 2-yr opts; Exp Term hist exp
JPM	JPMorgan Chase & Co	NY	PwC	28.00%	10	6.6	5	9.58			Black-Scholes	46.171	1.18%	2.66%	Exp Vola based on implied vola; Dividend (forward-looking)
MCD	McDonald's Corp	IL	E&Y	20.60%	10	6.1	4	11.09			Closed-Form	3.700	1.20%	3.50%	Exp Vola based on hist vola; Expected Term based on historical trends
MRK	Merck & Co Inc	NJ	PwC	25.00%	10	7.0	3	6.21			Black-Scholes	5.703	1.20%	4.20%	Exp Vola based on hist and implied vola; Exp Term based on hist and fore exer behavior
MSFT	Microsoft Corp	WA	Deloitte	-	-	-	-	-			-	2.000	-	-	Grants Options primarily in conjunction with business acquisitions, stock awards granted
NKE	NIKE Inc	OR	PwC	35.00%	10	5.3	4	12.71			Black-Scholes	14.600	0.60%	1.50%	Exp Vola based on implied vola; Exp Term based on hist and expected future patterns
PFE	Pfizer Inc	NY	KPMG	19.68%	10	6.5	3	3.13			B-S-M	45.013	1.16%	3.45%	Exp Vola based on Blended hist and implied vola
PG	Procter & Gamble Co/The	OH	Deloitte	15.00%	10	8.9	3	8.19			Binomial Lattice	24.820	1.80%	2.90%	Exp Vola based on Blended hist and implied vola
TRV	Travelers Cos Inc/The	NY	KPMG	28.80%	10	6.0	3	17.09			Black-Scholes	1.863	1.14%	2.26%	Exp Vola range 28.7-28.8%; Int Rate range 1.11-1.14%;
UTX	United Technologies Corp	CT	PwC	27.00%	10	7.6	3	19.91			Binomial Lattice	0.309	1.90%	2.60%	Exp Vola based hist and implied vola-26-27%; Exp Term-7.3-7.6 years; Int Rate-0.1-1.9%
UNH	UnitedHealth Group Inc	MN	Deloitte	43.00%	-	5.3	-	19.00	5.00%		Binomial	8.000	1.60%	1.60%	Exp based on hist and Implied vola
VZ	Verizon Communications Inc	NY	E&Y	-	-	-	-	-			-	-	-	-	No ESOs granted since 2004
V	Visa Inc	CA	KPMG	29.30%	10	6.1	3	39.03			Black-Scholes	0.579	0.80%	0.90%	Exp Term based on peer companies, Exp Vola based on hist and implied vola
WMT	Wal-Mart Stores Inc	AR	E&Y	15.20%	10	3.3	5	15.27			B-S-M	3.688	0.40%	2.50%	Exp Vola based on hist vola; Exp Term based on hist exercise and expiration activity
DIS	Walt Disney Co/The	CA	PwC	26.00%	10	-	4	12.38	1.41	2.70%	Binomial	8.000	1.80%	1.60%	Exp Vola based on Blended hist and implied vola
Average Calculations				26.42%	9.727	6.147	3.636					15.4428	1.23%	2.68%	
Minimum				14.04%	7.000	3.300	3.000					0.3090	0.40%	0.90%	
Maximum				43.00%	10.000	8.900	5.000					62.7620	2.50%	4.20%	

Key

B-S-M: Black-Scholes-Merton

Closed-Form: Model or formula similar to B-S-M

Hist Vola: Historical Volatility

ESOs: Employee Stock Options

SOEF: Sub Optimal Exercise Factor

Exp Vola: Expected Volatility

Exp Term: Expected Term

Source: Company 10-K Reports and DEF 14As for FY2013

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Share-Based Payment > Best Practice Series

Alternative Forms of Equity Compensation - Dow 30 for FY2013

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Symbol	Company Name	ESOs	SARs	ESPP	RSAs	RSUs	PC RS	PC Cash	TSR	Price Target	Comments
MMM	3M Co	x	x	x	x	x			x		Reload Options, Performance Criteria Factors: Sales Growth, ROI Capital and new product sales, ESPP 85%, RSU FV = \$101.57
AXP	American Express Co	x			x		x	x	x		Performance Condition Restricted Stock FV(Fair Value) = \$60.13
T	AT&T Inc.					x	x	x	x		Grants Performance Stock Units that settle either in form common stock or cash
BA	Boeing Co/The	x				x		x			Performance Condition Awards (cash units)initial value: \$100 and payout from \$0-\$200, Restricted Stock Units FV = \$75.97
CAT	Caterpillar Inc.	x				x		x	x		Restricted Stock Units FV= Stock Price - Present Value of Expected Dividends to be paid during vesting, RSU FV = \$84.05
CVX	Chevron Corp	x						x	x	x	Currently has Performance Units outstanding and granted in 2013
CSCO	Cisco Systems Inc.			x	x	x	x		x		ESPP allows employee purchase stock at a discount up to 15%, exp div = 1.5%, RSA/U FV= \$18.52;
KO	Coca-Cola Co/The	x			x	x	x				Service Condition and Performance-based Restricted Stock; Performance Share Unit Awards
DD	El du Pont de Nemours & Co	x				x	x				Performance Condition Awards based on corp rev growth relative to peers, using Monte Carlo, TSR/RSU FV= \$48.06; Cash-based Awards
XOM	Exxon Mobil Corp				x	x					Has not granted stock options since 2003, Restricted Stock Units FV = \$87.24
GE	General Electric Co	x				x	x				Restricted Stock Units issued only settle with equity, Restricted Stock Units FV = \$24.54
GS	Goldman Sachs Group Inc./The					x		x			Restricted Stock Units FV = \$122.59
HD	Home Depot Inc./The	x		x			x				ESPP sold at 85% of market value, Restricted Stock Units / Performance Condition Units FV = \$68.44
INTC	Intel Corp	x		x		x	x		x		Relative TSR vs Peer Group 3 year period, RSU FV calculated w/ Monte Carlo, RSU FV = \$21.45; ESPP= 85% of FMV
IBM	International Business Machines Corp			x		x	x				ESPP at 95% FV, RSU/Performance Share Units FV = \$189/195
JNJ	Johnson & Johnson	x				x	x		x		Restricted Stock Units FV = \$65.90; Relative TSR was estimated on the date of grant using the Monte Carlo valuation method
JPM	JPMorgan Chase & Co	x				x		x			Restricted Stock Units FV = \$46.92
MCD	McDonald's Corp	x				x	x	x	x		Restricted Stock Units based on Company Performance Metrics
MRK	Merck & Co Inc.	x					x		x		Restricted Stock Units FV = \$45.04; Performance Stock Unit FV = \$38.25
MSFT	Microsoft Corp	x		x			x	x			LASs replaced SPSA in fiscal year 2013; Target Cash Award replaced the RSUs.
NKE	NIKE Inc.	x	x	x	x	x	x	x	x		Restricted Stock Units FV= \$46.86
PFE	Pfizer Inc.	x	x			x	x		x		RSUs FV= \$27.39; PPSs(Portfolio Performance Shares) FV=\$27.37, TSRs FV= \$5.14; and PSAs(Performance Share Awards) FV= \$40.00
PG	Procter & Gamble Co/The	x				x	x	x			Performance Stock Awards also have three year vesting condition
TRV	Travelers Cos Inc./The	x				x	x	x			Performance awards are based on adjusted return on equity, perf awards 50%-130%, RSU FV = \$79.00 / Reload Feature
UTX	United Technologies Corp	x	x				x	x	x		PC Awards FV = \$84.03,Stock Appreciation Right=\$86.87
UNH	UnitedHealth Group Inc	x	x	x		x	x				Restricted Stock Units FV = \$58 Restricted Stock Units Fair Value = \$52
VZ	Verizon Communications Inc.		x			x	x	x	x		RSU has 3 year Service Condition, Performance Stock Units paid in cash upon vesting, Restricted Stock Units Fair Value = \$47.96
V	Visa Inc.	x			x	x	x		x		Restricted Stock Units FV = \$146.18,Restricted Stock Awards FV = \$147.18
WMT	Wal-Mart Stores Inc.	x			x	x	x	x			Performance Awards range from 0%-150% of original amount, RSA FV = \$76.05, RSA and PSA settle in stock or cash
DIS	Walt Disney Co/The	x				x	x				Restricted Stock Units FV = \$50.92; 3 year Service Condition, subject to achieving Market or Performance Conditions
Total Dow 30 Granted		24	6	8	8	24	23	15	15	1	
Dow 30 Participation Rate		80%	20%	27%	27%	80%	77%	50%	50%	3%	

KeyESOs: Employee Stock Options
SARs: Stock Appreciation RightsESPP: Employee Stock Purchasing Plan
RSAs: Restricted Stock AwardsRSUs: Restricted Stock Units / Service Condition
PC RS: Stock-settled Performance Condition
PC Cash: Cash-settled Performance Condition
PC Both: Both Stock and Cash-settled Performance ConditionTSR: Relative Total Shareholder Return
Price Target: Absolute Total Shareholder Return

Source: Company 10-K Reports and DEF 14As for FY2013

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