



Arthur J. Gallagher & Co.





AJG NYSE

Financials - Specialty

Market Capitalization USD:

\$2,964.98 mm

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: J. Patrick Gallagher

Age: 60

CEO Since: 1995

	2009	2010	2011
Base Salary	\$1,000,000	\$1,000,000	\$1,000,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$1,000,000	\$1,000,000	\$1,000,000
Benefits and Perquisites	\$787,294	\$763,262	\$862,976
TOTAL ANNUAL COMPENSATION	\$2,787,294	\$2,763,262	\$2,862,976
Increase in Post-Retirement Benefits	\$40,869	\$36,544	\$102,903
Stock Option Awards	\$0	\$196,403	\$134,400
Stock Awards	\$1,000,014	\$817,163	\$882,385
TOTAL COMPENSATION	\$3,828,177	\$3,813,372	\$3,982,664
Median of Other Named Executive Officers Total Compensation	\$1,957,541	\$2,051,327	\$2,055,447
Value Realized on Exercise of Stock Option	\$0	\$215,384	\$36,045
Value Realized on Vesting of Stock	\$0	\$307,002	\$101,803
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$522,386	\$137,848

Proxy Date: 23 Mar 2012

Annual Meeting Date: 8 May 2012

Equity Reserves: 15.79%

Stock Option Run Rate: 0.54%

Performance Comparison

■ S&P500 ■ Industry ■ AJG



Peer Comparisons (TRBC) =Financials - Specialty

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
AJG	Arthur J. Gallagher & Co.	\$3,828,177	\$3,813,372	\$3,982,664	\$2,964,984,362
WSH	Willis Group Holdings Public Limited Company	\$10,926,880	\$12,090,586	\$11,476,277	\$6,721,696,148
CIM	Chimera Investment Corporation	\$0			\$2,845,138,130
BRO	Brown & Brown, Inc.	\$3,611,617	\$1,780,264	\$3,282,618	\$2,544,044,601
HTS	Hatteras Financial Corp.		\$834,358	\$1,398,164	\$1,891,694,101
OCN	Ocwen Financial Corporation	\$1,809,544	\$1,862,938	\$1,874,544	\$1,333,531,626
TWO	Two Harbors Investment Corp.				\$1,241,351,095

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Ace Ltd, CNA Financial Corp, American Financial Group Inc., Marsh & McLennan Companies, Inc., Aon Corporation, National Financial Partners, Arch Capital Group Ltd, Old Republic International Corp, Axis Capital Holdings Ltd, Raymond James Financial Corp, Berkley (W R) Corp, Unum Group, Brown & Brown, Inc., Willis Group Holdings Ltd, Chubb Corp, XL Capital Plc, Cigna Group

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Ilene S. Gordon	Chairman	58	Female	13	Outside Related
David S. Johnson	Member	55	Male	9	Outside
Elbert O. Hand	Member	72	Male	10	Outside Related
Kav W. McCurdy	Member	61	Female	7	Outside