



**CVS Caremark Corporation**

CVS NYSE

Retail - Drugs

Market Capitalization USD: **\$45,173.21 mm****CONCERN LEVEL: LOW**

- 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: Larry J. Merlo**Age: 56****CEO Since: 2011**

	2009	2010	2011
Base Salary	\$1,400,000	\$1,475,000	\$1,208,333
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$3,512,526	\$2,200,000	\$3,834,020
Benefits and Perquisites	\$268,759	\$281,481	\$211,144
TOTAL ANNUAL COMPENSATION	\$5,181,285	\$3,956,481	\$5,253,497
Increase in Post-Retirement Benefits	\$14,197,821	\$13,760,025	\$2,071,265
Stock Option Awards	\$4,625,000	\$4,375,004	\$2,250,002
Stock Awards	\$6,425,007	\$7,125,026	\$4,500,026
TOTAL COMPENSATION	\$30,429,113	\$29,216,536	\$14,074,790
Median of Other Named Executive Officers Total Compensation	\$6,882,384	\$8,714,794	\$6,693,586
Value Realized on Exercise of Stock Option	\$6,050,675	\$28,243,853	\$6,868,061
Value Realized on Vesting of Stock	\$5,332,402	\$22,119,464	\$2,908,252
TOTAL REALIZED EQUITY COMPENSATION	\$11,383,077	\$50,363,317	\$9,776,313

Proxy Date: 26 Mar 2012

Annual Meeting Date: 10 May 2012

Equity Reserves: 8.96%

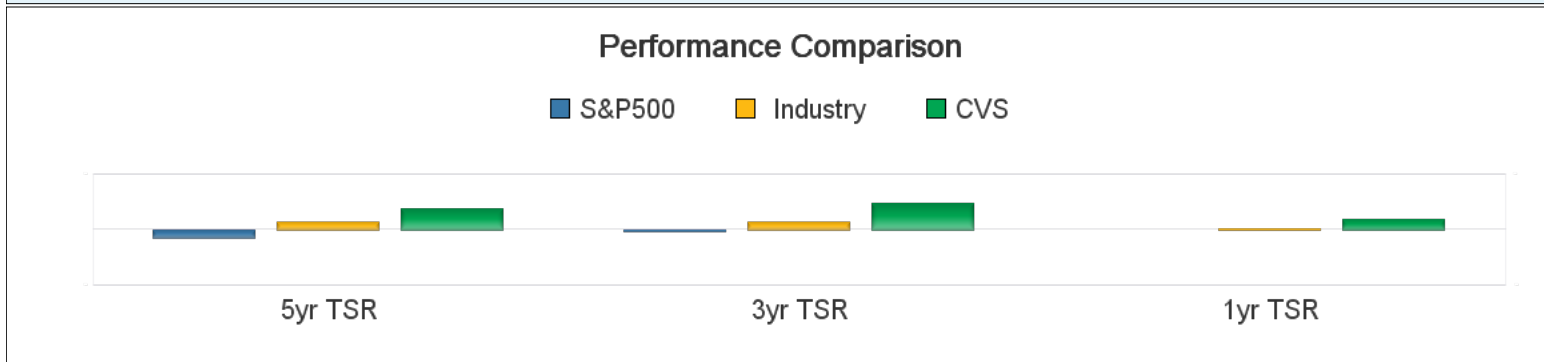
Stock Option Run Rate: 1.03%

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Peer Comparisons (TRBC) = Non-Cyclical Consumer Goods / Services

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CVS	CVS Caremark Corporation	\$30,429,113	\$29,216,536	\$14,074,790	\$45,173,210,701
KFT	Kraft Foods Inc.	\$26,345,201	\$19,287,983		\$59,305,865,101
EL	Estee Lauder Companies Inc. (The)	\$6,060,811	\$14,372,042		\$17,037,102,155
SYG	Sysco Corporation	\$5,183,110	\$5,933,638		\$15,278,491,015
GIS	General Mills, Inc.	\$13,378,603	\$12,300,414		\$24,766,675,095
RAI	Reynolds American Inc.	\$16,442,578	\$23,813,815	\$8,513,822	\$21,846,636,093
CL	Colgate-Palmolive Company	\$17,160,398	\$15,377,997	\$14,120,838	\$43,493,820,849

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

Retail Peers: The Kroger Co., Costco Wholesale Corporation, Walgreen Co., The Home Depot, Inc., Target Corporation, Lowe's Companies, Inc.

Health Care Peers: McKesson Corporation, Cardinal Health, Inc., UnitedHealth Group Incorporated, AmerisourceBergen Corporation, Medco Health Solutions, Inc., Wellpoint, Inc., Express Scripts, Inc., Aetna Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
C. David Brown	Chairman	60	Male	5	Outside
David W. Dorman	Member	58	Male	6	Outside
Marian L. Heard	Member	71	Female	13	Outside Related
Tony L. White	Member	65	Male	1	Outside

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