



Capstead Mortgage Corporation

CMO NYSE

Financials - Specialty

Market Capitalization USD:

\$973.93 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: Andrew F. Jacobs

Age: 52

CEO Since: 2003

	2009	2010	2011
Base Salary	\$908,000	\$931,450	\$1,032,970
Discretionary Bonus	\$1,450,000	\$760,000	\$870,000
Annual Cash Incentive	\$0	\$0	\$0
Benefits and Perquisites	\$362,136	\$138,379	\$153,229
TOTAL ANNUAL COMPENSATION	\$2,720,136	\$1,829,829	\$2,056,199
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$0	\$0	\$0
Stock Awards	\$460,000	\$1,220,000	\$1,350,000
TOTAL COMPENSATION	\$3,180,136	\$3,049,829	\$3,406,199
Median of Other Named Executive Officers Total Compensation	\$1,816,744	\$1,735,703	\$1,946,329
Value Realized on Exercise of Stock Option	\$368,250	\$0	\$0
Value Realized on Vesting of Stock	\$299,124	\$233,196	\$215,075
TOTAL REALIZED EQUITY COMPENSATION	\$667,374	\$233,196	\$215,075

Proxy Date: 16 Mar 2012

Annual Meeting Date: 25 Apr 2012

Equity Reserves: 1.44%

Stock Option Run Rate: 0.01%

Capstead Mortgage Corporation

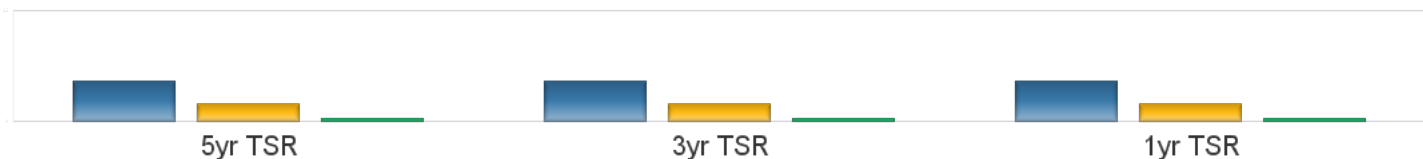
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Performance Comparison

■ vs S&P500 ■ vs Industry ■ CMO



Peer Comparisons (TRBC) =Financials - Specialty

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CMO	Capstead Mortgage Corporation	\$3,180,136	\$3,049,829	\$3,406,199	\$973,929,493
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		\$1,333,531,626
TWO	Two Harbors Investment Corp.				\$1,241,351,095
CYS	CYS Investments, Inc.				\$998,530,074

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

Internally Managed Peers: Annaly Capital Management, Inc., Anworth Mortgage Asset Corporation, Dynex Capital, Inc., MFA Financial, Inc., New York Mortgage Trust, Inc.

Externally Managed Peers: American Capital Agency Corp., ARMOUR Residential REIT, CYS Investments, Inc., Hatteras Financial Corp., Two Harbors Investment Corp.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Mark Whiting	Chairman	55	Male	12	Outside Related
Garv Keiser	Member	68	Male	8	Outside
Jack Biealer	Member	68	Male	7	Outside