



Cubist Pharmaceuticals, Inc.





CBST NASDAQ

Pharmaceuticals - Diversified

Market Capitalization USD:

\$2,158.17 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: Michael W. Bonney

Age: 53

CEO Since: 2003

	2009	2010	2011
Base Salary	\$500,000	\$550,000	\$600,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$420,000	\$506,000	\$810,000
Benefits and Perquisites	\$11,225	\$16,146	\$12,429
TOTAL ANNUAL COMPENSATION	\$931,225	\$1,072,146	\$1,422,429
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$1,054,980	\$1,262,345	\$2,197,563
Stock Awards	\$335,200	\$539,000	\$1,113,440
TOTAL COMPENSATION	\$2,321,405	\$2,873,491	\$4,733,432
Median of Other Named Executive Officers Total Compensation	\$1,258,957	\$1,568,507	\$2,130,248
Value Realized on Exercise of Stock Option	\$0	\$2,718,018	\$504,760
Value Realized on Vesting of Stock	\$0	\$107,800	\$391,444
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$2,825,818	\$896,204

Proxy Date: 26 Apr 2012

Annual Meeting Date: 7 Jun 2012

Equity Reserves: 27.70%

Stock Option Run Rate: 3.27%

Cubist Pharmaceuticals, Inc.

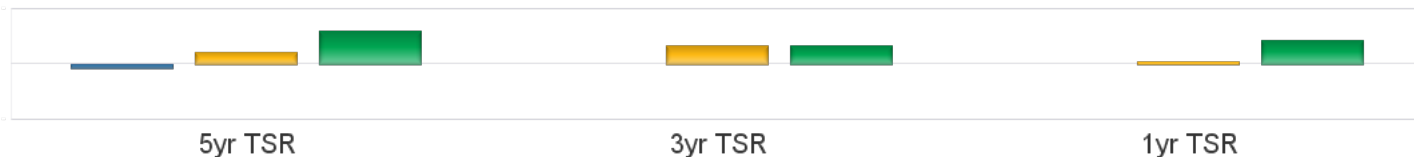
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Performance Comparison

■ S&P500 ■ Industry ■ CBST



Peer Comparisons (TRBC) =Pharmaceuticals - Diversified

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CBST	Cubist Pharmaceuticals, Inc.	\$2,321,405	\$2,873,491	\$4,733,432	\$2,158,172,123
WCRX	Warner Chilcott plc	\$6,533,058	\$7,522,431	\$6,586,777	\$3,633,281,380
BMRN	BioMarin Pharmaceutical Inc.	\$3,846,509	\$5,411,026	\$19,183,735	\$3,563,935,732
ENDP	Endo Pharmaceuticals Holdings Inc.	\$5,684,367	\$6,602,458		\$3,263,293,473
THRX	Theravance, Inc.	\$2,300,609	\$1,946,398	\$6,840,942	\$1,707,207,118
AMLN	Amylin Pharmaceuticals, Inc.	\$3,710,755	\$4,756,844	\$4,409,332	\$1,346,595,842
ARIA	ARIAD Pharmaceuticals, Inc.	\$1,201,590	\$2,131,093		\$1,165,089,677

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

Alexion Pharmaceuticals, Inc., Alkermes, Inc., Amylin Pharmaceuticals, Inc., Auxilium Pharmaceuticals, Inc., BioMarin Pharmaceutical, Inc., Endo Pharmaceuticals, Inc., Impax Laboratories Inc., Medicis Pharmaceuticals Company, Onyx Pharmaceuticals, Inc., OSI Pharmaceuticals, Inc., PDL BioPharma, Inc., Regeneron Pharmaceuticals, Inc., Salix Pharmaceuticals, Ltd., The Medicines Company, United Therapeutics Corporation, ViroPharma, Incorporated, ZymoGenetics, Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Leon O. Moulder	Chairman	54	Male	2	Outside
Alison Lawton	Member	50	Female	0	Outside
Martin Soeters	Member	58	Male	6	Outside
Michael B. Wood	Member	68	Male	7	Outside