



**Hospira, Inc.**




**HSP NYSE**

**Pharmaceuticals - Generic / Specialty**

Market Capitalization USD:

**\$6,100.17 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: F. Michael Ball**

**Age: 56**

**CEO Since: 2011**

	2009	2010	2011
<b>Base Salary</b>	\$1,050,000	\$1,086,538	\$731,250
<b>Discretionary Bonus</b>	\$0	\$0	\$0
<b>Annual Cash Incentive</b>	\$2,100,000	\$1,189,759	\$117,000
<b>Benefits and Perquisites</b>	\$94,500	\$76,057	\$79,928
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$3,244,500</b>	<b>\$2,352,354</b>	<b>\$928,178</b>
<b>Increase in Post-Retirement Benefits</b>	\$420,374	\$486,866	\$0
<b>Stock Option Awards</b>	\$1,422,353	\$1,999,998	\$2,450,000
<b>Stock Awards</b>	\$2,478,790	\$3,000,001	\$8,958,829
<b>TOTAL COMPENSATION</b>	<b>\$7,566,017</b>	<b>\$7,839,219</b>	<b>\$12,337,007</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$2,910,359	\$3,098,099	\$3,050,673
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$17,889,469	\$0
<b>Value Realized on Vesting of Stock</b>	\$0	\$2,856,897	\$0
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$0</b>	<b>\$20,746,366</b>	<b>\$0</b>

**Proxy Date:** 23 Mar 2012

**Annual Meeting Date:** 9 May 2012

**Equity Reserves:** 13.62%

**Stock Option Run Rate:** 1.35%

# Hospira, Inc.

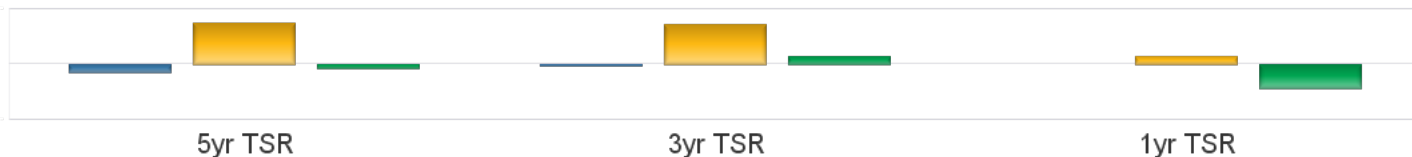
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## Performance Comparison

■ S&P500 ■ Industry ■ HSP



## Peer Comparisons (TRBC) =Pharmaceuticals - Generic / Specialty

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
HSP	Hospira, Inc.	\$7,566,017	\$7,839,219	\$12,337,007	\$6,100,167,689
MCK	McKesson Corporation	\$34,218,965	\$54,584,021		\$17,889,654,971
ABC	AmerisourceBergen Corporation	\$7,641,062	\$7,428,824	\$4,405,976	\$10,035,194,041
PRGO	Perrigo Company	\$3,674,023	\$5,264,683		\$9,047,090,490
FRX	Forest Laboratories, Inc.	\$5,117,999	\$8,267,236		\$8,453,577,084
IDXX	IDEXX Laboratories, Inc.	\$2,642,417	\$3,364,960	\$8,680,243	\$3,920,533,231
MRX	Medicis Pharmaceutical Corporation	\$6,151,658	\$6,301,482		\$2,236,675,841

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

Allergan Inc., Becton Dickinson & Company, Biogen Idec. Inc., Boston Scientific Corp., CareFusion Corporation, Celgene Corporation, CR Bard Inc., Forest Laboratories Inc., Gilead Sciences Inc., Hospira Inc.(2), Mylan Inc., St. Jude Medical, Inc., Stryker Corp., Watson Pharmaceuticals Inc.

### Performance Peer Group

Abbott Laboratories, Johnson & Johnson, Agilent Technologies, Inc., Laboratory Corp. of America Holding, Allergan, Inc., Life Technologies Corp., AmerisourceBergen Corp., Lilly (Eli) & Co., Amgen, McKesson Corp., Baxter International Inc., Medco Health Solutions Inc., Becton Dickinson, Medtronic Inc., Biogen IDEC Inc., Merck & Co., Boston Scientific, Mylan Inc., Bristol-Myers Squibb, Patterson Cos. Inc., Cardinal Health Inc., PerkinElmer, Carefusion Corp., Pfizer Inc., Celegen Corp., Quest Diagnostics, Cerner Corp., St Jude Medical, CR Bard Inc., Stryker Corp., DaVita Inc., Tenet Healthcare Corp., Dentsply International, Thermo Fisher Scientific, Express Scripts Inc., Varian Medical Systems, Forest Laboratories, Waters Corporation, Gilead Sciences, Watson Pharmaceuticals, Hospira, Inc., Zimmer Holdings, Intuitive Surgical Inc.

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Roger W. Hale	Chairman	68	Male	6	Outside
Constance R. Curran	Member	64	Female	8	Outside
Heino von Prondzvnski	Member	63	Male	3	Outside
Jacque J. Sokolov	Member	57	Male	8	Outside

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