



**Babcock & Wilcox Company (The)****BWC NYSE****Heavy Electrical Equipment**

Market Capitalization USD:

\$2,302.50 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: E. James Ferland**Age: 45****CEO Since: 2012**

	2009	2010	2011
Base Salary		\$665,503	\$887,500
Discretionary Bonus		\$0	\$0
Annual Cash Incentive		\$841,500	\$1,050,000
Benefits and Perquisites		\$111,292	\$95,281
TOTAL ANNUAL COMPENSATION		\$1,618,295	\$2,032,781
Increase in Post-Retirement Benefits		\$509,958	\$1,046,462
Stock Option Awards		\$865,320	\$1,044,645
Stock Awards		\$2,191,026	\$2,692,136
TOTAL COMPENSATION		\$5,184,599	\$6,816,024
Median of Other Named Executive Officers Total Compensation		\$1,637,251	\$2,880,974
Value Realized on Exercise of Stock Option		\$32,156	\$2,071,666
Value Realized on Vesting of Stock		\$3,122,478	\$4,841,141
TOTAL REALIZED EQUITY COMPENSATION		\$3,154,634	\$6,912,807

Proxy Date: 29 Mar 2012

Annual Meeting Date: 8 May 2012

Equity Reserves: 6.54%

Stock Option Run Rate: 0.43%

Babcock & Wilcox Company (The)

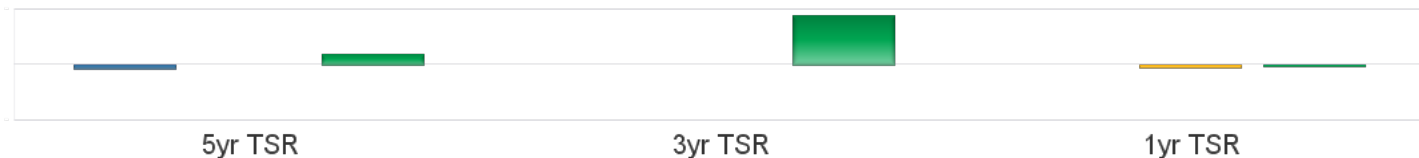
BWC NYSE

Heavy Electrical Equipment

Market Capitalization USD: **\$2,302.50 mm**

Performance Comparison

■ S&P500 ■ Industry ■ BWC



Peer Comparisons (TRBC) = Industrials

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
BWC	Babcock & Wilcox Company (The)		\$5,184,599	\$6,816,024	\$2,302,504,710
NAV	Navistar International Corporation	\$8,181,126	\$10,382,469	\$15,167,755	\$2,330,990,541
NDSN	Nordson Corporation	\$7,565,640	\$4,140,168	\$4,515,269	\$2,711,085,451
OC	Owens Corning	\$7,631,594	\$9,729,956	\$9,278,252	\$2,675,948,850
LFUS	Littelfuse, Inc.	\$1,725,428	\$3,058,360	\$2,820,369	\$924,960,360
MSA	Mine Safety Appliances Company	\$2,624,869	\$3,051,005	\$4,455,962	\$987,441,597
IRM	Iron Mountain Incorporated	\$1,676,456	\$1,420,217		\$6,350,440,960

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

17 companies from the engineering and construction, aerospace and defense, heavy electrical and industrial machinery industries, and with median and average annual revenues of \$6.7 billion and \$9.2 billion, respectively.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Stephen G. Hanks	Chairman	61	Male	2	Outside
Larr L. Wevers	Member	66	Male	2	Outside
Robert W. Goldman	Member	70	Male	2	Outside
Thomas A. Christopher	Member	67	Male	1	Outside

This report is for informational purposes only, and should not be considered a solicitation to buy or sell any security. Thomson Reuters Business Classification (TRBC) is a global industry classification system that is owned and operated by Thomson Reuters and has been licensed for use by GMI Ratings.

COPYRIGHT 2012 | GMI Ratings | ALL RIGHTS RESERVED