

GMI EXECUTIVE PAY SCORECARDSM

Data & analysis provided by GMI-The Independent Leader in Corporate Governance and ESG&A

12 Mar 2012

Baker Hughes Incorporated



BHI NYSE

Oil Related Services / Equipment

Market Capitalization USD:

\$20,130.56 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: Martin S. Craighead

Age: 52

CEO Since: 2012

	2009	2010	2011
Base Salary	\$1,155,000	\$1,283,461	\$1,278,769
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$1,517,962	\$3,126,755	\$3,937,598
Benefits and Perquisites	\$446,886	\$338,256	\$487,267
TOTAL ANNUAL COMPENSATION	\$3,119,848	\$4,748,472	\$5,703,634
Increase in Post-Retirement Benefits	\$12,185	\$12,654	\$12,762
Stock Option Awards	\$2,692,629	\$2,172,269	\$2,777,745
Stock Awards	\$2,490,485	\$2,510,568	\$2,760,776
TOTAL COMPENSATION	\$8,315,147	\$9,443,963	\$11,254,917
Median of Other Named Executive Officers Total Compensation	\$2,377,809	\$3,089,126	\$3,549,590
Value Realized on Exercise of Stock Option	\$0	\$0	\$3,450,627
Value Realized on Vesting of Stock	\$1,317,218	\$2,309,202	\$3,568,616
TOTAL REALIZED EQUITY COMPENSATION	\$1,317,218	\$2,309,202	\$7,019,243

Proxy Date: 2 Mar 2012

Annual Meeting Date: 26 Apr 2012

Equity Reserves: 5.83%

Stock Option Run Rate: 0.29%

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Baker Hughes Incorporated

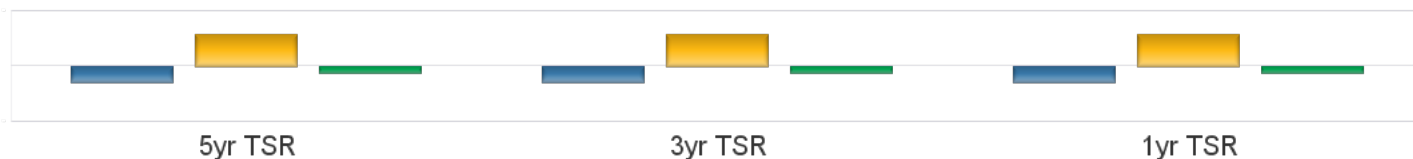
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Performance Comparison

■ vs S&P500 ■ vs Industry ■ BHI



Peer Comparisons (TRBC) =Oil Related Services / Equipment

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
BHI	Baker Hughes Incorporated	\$8,315,147	\$9,443,963	\$11,254,917	\$20,130,555,190
HAL	Halliburton Company	\$12,434,666	\$14,893,916		\$28,067,310,405
NOV	National Oilwell Varco, Inc.	\$7,019,144	\$9,250,871		\$21,700,768,567
KMI	Kinder Morgan, Inc.		\$1		\$18,304,270,647
SE	Spectra Energy Corp.	\$4,761,149	\$6,864,886		\$15,924,478,368
EP	El Paso Corporation	\$6,306,902	\$8,453,634		\$13,463,928,642
CAM	Cameron International Corporation	\$8,183,026	\$10,004,913		\$10,180,252,497

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

3M Company, Eaton Corp, National Oilwell Varco, Anadarko Petroleum Corp, Emerson Electric Co, Raytheon Co, Halliburton Co, Schlumberger Ltd, Apache Corp, Hess Corp, Textron Inc, Danaher Corp, Honeywell Int Inc, Transocean Ltd, Deere & Co, Illinois Tool Works, Weatherford Intl Ltd, Devon Energy Corp, Johnson Control Inc, Williams Cos Inc.

Performance Peer Group

The Peer Group consists of a group of five companies identified by the Compensation Committee: Baker Hughes Incorporated, Halliburton Company, National Oilwell Varco, Inc., Schlumberger Limited, Weatherford International Ltd.

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Claire W. Gargalli	Chairman	69	Female	14	Outside
Charles L. Watson	Member	62	Male	14	Outside
Clarence P. Cazalot	Member	61	Male	10	Outside
Pierre H. Junaels	Member	68	Male	6	Outside

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