



Capella Education Company




CPLA NASDAQ

Personal Services

Market Capitalization USD:

\$431.52 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: J. Kevin Gilligan

Age: 58

CEO Since: 2009

	2009	2010	2011
Base Salary	\$464,423	\$629,808	\$664,250
Discretionary Bonus	\$20,000	\$0	\$0
Annual Cash Incentive	\$600,599	\$893,955	\$278,780
Benefits and Perquisites	\$10,506	\$10,858	\$10,960
TOTAL ANNUAL COMPENSATION	\$1,095,528	\$1,534,621	\$953,990
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$617,508	\$1,303,797	\$1,017,909
Stock Awards	\$634,161	\$1,009,835	\$523,491
TOTAL COMPENSATION	\$2,347,197	\$3,848,253	\$2,495,390
Median of Other Named Executive Officers Total Compensation	\$739,241	\$854,237	\$856,658
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$0	\$251,310	\$167,940
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$251,310	\$167,940

Proxy Date: 23 Mar 2012

Annual Meeting Date: 8 May 2012

Equity Reserves: 18.46%

Stock Option Run Rate: 1.37%

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Performance Comparison

■ S&P500 ■ Industry ■ CPLA



Peer Comparisons (TRBC) =Personal Services

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CPLA	Capella Education Company	\$2,347,197	\$3,848,253	\$2,495,390	\$431,524,370
CSTR	Coinstar, Inc.	\$2,274,523	\$2,819,068		\$1,229,491,200
CECO	Career Education Corporation	\$5,440,951	\$4,576,923		\$995,335,871
ONE	Higher One Holdings, Inc.		\$1,114,307		\$928,819,937
STRA	Strayer Education, Inc.	\$5,580,080	\$1,549,800	\$674,800	\$920,711,859
BPI	Bridgepoint Education, Inc.	\$20,532,304	\$2,233,826		\$916,208,185
RGS	Regis Corporation	\$7,628,470	\$4,462,333		\$813,396,312

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

Companies in the education industry, including: American Public Education, Inc., Apollo Group, Bridgepoint Education, Career Education Company, Corinthian Colleges, DeVry, Education Management, Grand Canyon Education, ITT Educational Services, K12 and Strayer Companies outside the education industry with similar business models, including Administaff, Advisory Board Company, Allscripts Healthcare Solutions, Corporate Executive Board, FTI Consulting, Huron Consulting, Interactive Data Corporation, Monster Worldwide, Morningstar Inc., WebMD Health Corporation and Weight Watchers

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Andy M. Slavitt	Chairman	45	Male	5	Outside
David W. Smith	Member	67	Male	14	Outside Related
Jeffrey W. Tavior	Member	58	Male	10	Outside Related
Michael Linton	Member	55	Male	2	Outside

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