



Capital Southwest Corporation

CSWC NASDAQ

Investment Services

Market Capitalization USD:

\$277.72 mm

CONCERN LEVEL: LOW

- 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: Gary L. Martin

Age: 65

CEO Since: 2007

	2009	2010	2011
Base Salary	\$306,250	\$362,500	\$441,250
Discretionary Bonus	\$263,542	\$390,625	\$568,750
Annual Cash Incentive	\$0	\$0	\$0
Benefits and Perquisites	\$23,000	\$24,500	\$24,500
TOTAL ANNUAL COMPENSATION	\$592,792	\$777,625	\$1,034,500
Increase in Post-Retirement Benefits	\$271,850	\$462,576	\$759,788
Stock Option Awards	\$283,086	\$366,609	\$473,852
Stock Awards	\$0	\$0	\$8,360
TOTAL COMPENSATION	\$1,147,728	\$1,606,810	\$2,276,500
Median of Other Named Executive Officers Total Compensation	\$372,111	\$372,111	\$555,313
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$0	\$0	\$0
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$0	\$0

Proxy Date: 15 Jun 2012

Annual Meeting Date: 18 Jul 2012

Equity Reserves: 6.26%

Stock Option Run Rate: 0.33%

Capital Southwest Corporation

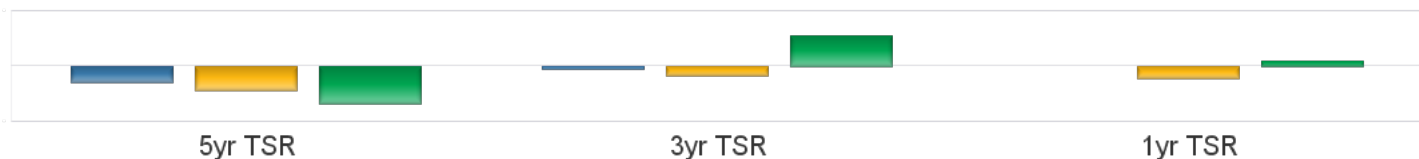
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Performance Comparison

■ S&P500 ■ Industry ■ CSWC



Peer Comparisons (TRBC) - Investment Services

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CSWC	Capital Southwest Corporation	\$1,147,728	\$1,606,810	\$2,276,500	\$277,724,812
GHL	Greenhill & Co., Inc.	\$4,118,689	\$8,273,398	\$4,079,539	\$832,765,917
FNGN	Financial Engines, Inc.		\$604,555	\$2,575,915	\$817,755,112
BGCP	BGC Partners, Inc.	\$8,500,000	\$10,750,000		\$759,904,441
MF	MF Global Holdings Ltd.	\$1,936,919	\$2,261,949		\$681,006,421
FSC	Fifth Street Finance Corp.				\$674,542,754
IBKR	Interactive Brokers Group, Inc.	\$1,350,000	\$1,350,000	\$1,350,000	\$634,728,585

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

Management prepares, for the Compensation Committee, a compensation analysis from seven internally managed, publically traded business development companies ("BDCs" or "BDC Peer Group"). Comparable BDCs include Mainstreet Capital (MAIN), Harris & Harris (TINY), Triangle Capital Corp. (TCAP), Hercules Tech GC (HTGC), Kohlberg Capital Corp (KCAP), MCG Capital (MCGC) and Medallion Capital (TAXI).

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
John H. Wilson	Chairman	69	Male	24	Outside Related
Richard F. Strup	Member	59	Male	0	Outside
Samuel B. Liaon	Member	73	Male	9	Outside
T. Duane Morgan	Member	62	Male	0	Outside

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