



**Cavco Industries, Inc.**


**CVCO NASDAQ**

Homebuilding

Market Capitalization USD:

**\$237.29 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: Joseph H. Stegmayer**

**Age: 61**

**CEO Since: 2001**

	2009	2010	2011
<b>Base Salary</b>	\$236,250	\$236,250	\$400,000
<b>Discretionary Bonus</b>	\$9,660	\$0	\$200,000
<b>Annual Cash Incentive</b>	\$0	\$0	\$1,010,573
<b>Benefits and Perquisites</b>	\$1,089	\$1,220	\$1,338
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$246,999</b>	<b>\$237,470</b>	<b>\$1,611,911</b>
<b>Increase in Post-Retirement Benefits</b>	\$0	\$0	\$0
<b>Stock Option Awards</b>	\$0	\$819,200	\$414,675
<b>Stock Awards</b>	\$0	\$0	\$0
<b>TOTAL COMPENSATION</b>	<b>\$265,585</b>	<b>\$1,056,670</b>	<b>\$2,026,586</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$481,020	\$481,020	\$511,143
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$815,011	\$1,220,260
<b>Value Realized on Vesting of Stock</b>	\$0	\$0	\$0
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$0</b>	<b>\$815,011</b>	<b>\$1,220,260</b>

Proxy Date: 11 Jun 2012

Annual Meeting Date: 11 Jul 2012

Equity Reserves: 10.75%

Stock Option Run Rate: 1.37%

# Cavco Industries, Inc.

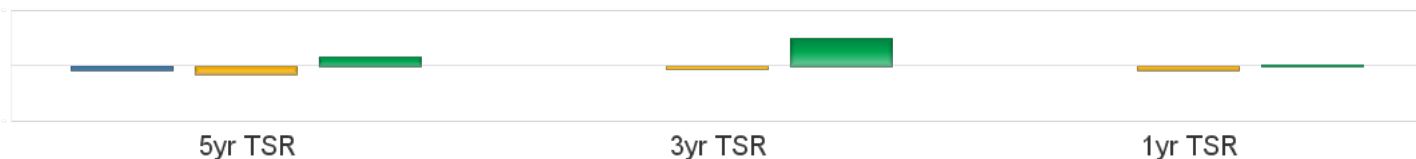
CVCO NASDAQ

Homebuilding

Market Capitalization USD: **\$237.29 mm**

## Performance Comparison

■ S&P500 ■ Industry ■ CVCO



## Peer Comparisons (TRBC) =Homebuilding

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CVCO	Cavco Industries, Inc.	\$265,585	\$1,056,670	\$2,026,586	\$237,292,047
KBH	KB Home	\$9,028,489	\$6,730,381	\$5,946,279	\$515,991,277
MTH	Meritage Homes Corporation	\$2,459,419	\$3,284,388	\$2,809,675	\$490,681,389
SPF	Standard Pacific Corp.	\$13,148,314	\$3,371,968	\$3,724,701	\$489,132,514
RYL	Ryland Group, Inc. (The)	\$7,312,976	\$8,249,605	\$6,223,900	\$472,951,526
UMH	UMH Properties, Inc.	\$211,801	\$681,360	\$742,702	\$133,376,524
BZH	Beazer Homes USA, Inc.	\$6,430,253	\$6,893,362	\$8,515,576	\$114,276,588

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

Cavalier Homes, Champion Enterprises, Inc.; Coachmen Industries, Inc.; Fleetwood Enterprises, Inc.; Palm Harbor Homes, Inc.; and Skyline Corporation.

We also considered the following Arizona-based companies with whom we may compete with for executives and which were selected because, during our last fiscal year, each was publicly traded and roughly similar in size to Cavco in terms of annual revenue: Amtech Systems, Inc.; iGo, Inc.; Inventure Foods, Inc.; Limelight Networks, Inc.; Rockford Corporation; and Universal Technical Institute, Inc.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
David A. Greenblatt	Chairman	50	Male	4	Outside
Jack Hanna	Member	65	Male	9	Outside
William C. Boor	Member	46	Male	4	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