



**Chesapeake Utilities Corporation**

**CPK NYSE**

**Utilities - Natural Gas**

Market Capitalization USD:

**\$383.62 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: Michael P. McMasters**

**Age: 53**

**CEO Since: 2011**

	2009	2010	2011
<b>Base Salary</b>	\$398,775	\$415,425	\$350,000
<b>Discretionary Bonus</b>	\$66,541	\$0	\$0
<b>Annual Cash Incentive</b>	\$158,430	\$252,000	\$205,800
<b>Benefits and Perquisites</b>	\$83,521	\$93,373	\$39,765
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$707,267</b>	<b>\$760,798</b>	<b>\$595,565</b>
<b>Increase in Post-Retirement Benefits</b>	\$50,253	\$180,228	\$103,531
<b>Stock Option Awards</b>	\$0	\$0	\$0
<b>Stock Awards</b>	\$324,715	\$329,447	\$431,845
<b>TOTAL COMPENSATION</b>	<b>\$1,082,235</b>	<b>\$1,270,473</b>	<b>\$1,130,941</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$509,981	\$629,455	\$616,135
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$0	\$0
<b>Value Realized on Vesting of Stock</b>	\$510,720	\$483,360	\$236,331
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$510,720</b>	<b>\$483,360</b>	<b>\$236,331</b>

**Proxy Date:** 3 Apr 2012

**Annual Meeting Date:** 2 May 2012

**Equity Reserves:** 3.89%

**Stock Option Run Rate:** 0.00%

# Chesapeake Utilities Corporation

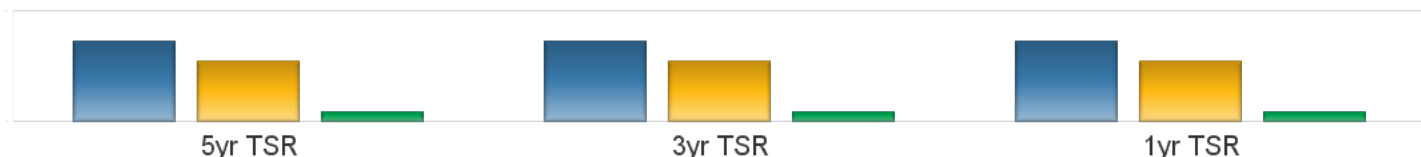
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## Performance Comparison

■ vs S&P500 ■ vs Industry ■ CPK



## Peer Comparisons (TRBC) = Utilities

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CPK	Chesapeake Utilities Corporation	\$1,082,235	\$1,270,473	\$1,130,941	\$383,619,941
NWN	Northwest Natural Gas Company	\$2,418,958	\$2,786,298		\$1,176,331,646
SJI	South Jersey Industries, Inc.	\$1,997,665	\$3,535,899	\$4,175,543	\$1,494,223,638
XTXI	Crosstex Energy, Inc.	\$2,033,039	\$934,695		\$636,001,012
CTWS	Connecticut Water Service, Inc.	\$673,873	\$752,171		\$217,756,440
AWR	American States Water Company	\$1,003,796	\$1,114,048		\$633,975,671
ALE	ALLETE, Inc.	\$1,921,814	\$1,281,779		\$1,315,068,135

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

Central Vermont Public Service Corporation; Delta Natural Gas Company, Inc.; Empire District Electric Company; The Laclede Group, Inc.; MGE Energy Inc.; Northwest Natural Gas Company; RGC Resources, Inc.; South Jersey Industries, Inc.; Suburban Propane Partners LP; and Unitil Corporation.

### Performance Peer Group

AGL Resources, Inc.; Atmos Energy Corporation; Delta Natural Gas Company, Inc.; Gas Natural, Inc.; The Laclede Group, Inc.; New Jersey Resources Corp.; Northwest Natural Gas Company; Piedmont Natural Gas Company, Inc.; RGC Resources, Inc.; South Jersey Industries, Inc.; and WGL Holdings, Inc. For the 2011-2013 performance periods, the Edward Jones Distribution Group includes AGL Resources, Inc.; Atmos Energy Corporation; Delta Natural Gas Company, Inc.; The Laclede Group, Inc.; New Jersey Resources Corp.; Northwest Natural Gas Company; Piedmont Natural Gas Company, Inc.; RGC Resources, Inc.; South Jersey Industries, Inc.; and WGL Holdings, Inc.

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Richard Bernstein	Chairman	69	Male	18	Outside Related
Calvert A. Moraan	Member	64	Male	12	Outside Related
Dianna F. Moraan	Member	60	Female	4	Outside
Joseph E. Moore	Member	69	Male	11	Outside Related

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