



Five Star Quality Care, Inc.


FVE AMEX

Healthcare Facilities

Market Capitalization USD:

\$118.89 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: Bruce J. Mackey

Age: 41

CEO Since: 2008

	2009	2010	2011
Base Salary	\$300,000	\$300,000	\$300,000
Discretionary Bonus	\$450,000	\$500,000	\$575,000
Annual Cash Incentive	\$0	\$0	\$0
Benefits and Perquisites	\$1,129	\$1,129	\$1,129
TOTAL ANNUAL COMPENSATION	\$751,129	\$801,129	\$876,129
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$0	\$0	\$0
Stock Awards	\$185,400	\$366,000	\$163,500
TOTAL COMPENSATION	\$866,239	\$1,167,129	\$1,039,629
Median of Other Named Executive Officers Total Compensation	\$496,259	\$646,284	\$439,316
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$111,660	\$277,590	\$131,340
TOTAL REALIZED EQUITY COMPENSATION	\$111,660	\$277,590	\$131,340

Proxy Date: 21 Feb 2012

Annual Meeting Date: 15 May 2012

Equity Reserves: 2.36%

Stock Option Run Rate:

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Performance Comparison

■ S&P500 ■ Industry ■ FVE



Peer Comparisons (TRBC) =Healthcare Facilities

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
FVE	Five Star Quality Care, Inc.	\$866,239	\$1,167,129	\$1,039,629	\$118,893,405
EXAM	ExamWorks Group, Inc.		\$361,933	\$35,509	\$353,126,059
SBRA	Sabra Health Care REIT, Inc.		\$4,348,388		\$351,723,085
BIOS	BioScrip, Inc.	\$1,796,145	\$953,237	\$1,147,531	\$347,942,988
HWAY	Healthways, Inc.	\$3,139,930	\$3,148,453		\$331,296,646
LHCG	LHC Group, Inc.	\$1,476,942	\$1,525,414		\$320,548,068
ALC	Assisted Living Concepts, Inc.	\$1,028,972	\$1,359,872	\$1,449,140	\$290,902,794

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

Kindred Healthcare, Inc.; Sun Healthcare Group, Inc.; Emeritus Corporation; Assisted Living Concepts, Inc.; Capital Senior Living Corporation; Sunrise Senior Living, Inc.; National HealthCare Corporation; Brookdale Living Communities, Inc.; and Extendicare REIT

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Barbara D. Gilmore	Chairman	61	Female	8	Outside
Bruce M. Gans	Member	65	Male	11	Outside
Donna D. Fraiche	Member	60	Female	2	Outside