






# General Dynamics Corporation

GD NYSE

Aerospace / Defense

Market Capitalization USD: **\$21,240.35 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: Jay L. Johnson**

**Age: 65 CEO Since: 2009**

	2009	2010	2011
<b>Base Salary</b>	\$700,000	\$1,400,000	\$1,400,000
<b>Discretionary Bonus</b>	\$4,500,000	\$3,100,000	\$3,600,000
<b>Annual Cash Incentive</b>	\$0	\$0	\$0
<b>Benefits and Perquisites</b>	\$12,946,400	\$258,241	\$483,177
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$18,146,400</b>	<b>\$4,758,241</b>	<b>\$5,483,177</b>
<b>Increase in Post-Retirement Benefits</b>	\$3,875,739	\$0	\$0
<b>Stock Option Awards</b>	\$0	\$5,994,482	\$7,049,856
<b>Stock Awards</b>	\$0	\$2,998,392	\$3,525,047
<b>TOTAL COMPENSATION</b>	<b>\$22,022,139</b>	<b>\$13,751,115</b>	<b>\$16,058,080</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$6,724,410	\$4,271,174	\$4,513,660
<b>Value Realized on Exercise of Stock Option</b>	\$10,094,644	\$115,579	\$88,412
<b>Value Realized on Vesting of Stock</b>	\$3,668,660	\$37,087	\$31,950
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$13,763,304</b>	<b>\$152,666</b>	<b>\$120,362</b>

Proxy Date: 16 Mar 2012

Annual Meeting Date: 2 May 2012

Equity Reserves: 18.44%

Stock Option Run Rate: 1.84%

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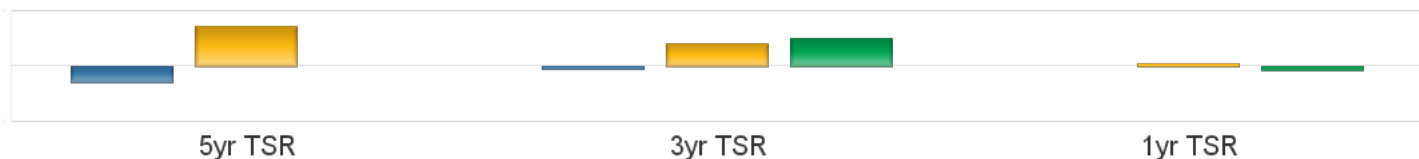
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## Performance Comparison

■ S&P500 ■ Industry ■ GD



## Peer Comparisons (TRBC) =Aerospace / Defense

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
GD	General Dynamics Corporation	\$22,022,139	\$13,751,115	\$16,058,080	\$21,240,354,255
BA	Boeing Company (The)	\$19,443,472	\$19,740,023	\$22,958,313	\$44,843,446,846
HON	Honeywell International Inc.	\$13,223,161	\$20,154,012	\$37,842,723	\$33,964,269,297
LMT	Lockheed Martin Corporation	\$22,996,763	\$21,897,820	\$25,369,641	\$25,389,347,160
PCP	Precision Castparts Corp.	\$7,417,002	\$10,873,091		\$22,390,227,238
GR	Goodrich Corporation	\$8,703,163	\$9,828,255		\$15,085,631,277
NOC	Northrop Grumman Corporation	\$17,937,340	\$22,849,412		\$14,506,217,204

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

Core Peer Group; The Boeing Company, Northrop Grumman Corporation, Goodrich Corporation, Raytheon Company, Honeywell International Inc., Rockwell Collins, Inc., L-3 Communications Holdings, Inc., Textron Inc., Lockheed Martin Corporation, United Technologies Corporation

Broader Peer Group; 3M Company, Johnson Controls, Inc., The Boeing Company, L-3 Communications Holdings, Inc., Caterpillar, Inc., Lockheed Martin Corporation, Deere & Company, Northrop Grumman Corporation, The Dow Chemical Company, Oshkosh Corporation, Emerson Electric Co., Raytheon Company, Goodrich Corporation, Rockwell Collins, Inc., Honeywell International Inc., SAIC, Inc., Illinois Tool Works Inc., Textron Inc., International Business Machines Corp., Tyco International Ltd., International Paper Company, United Technologies Corporation, ITT Corporation

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
James S. Crown	Member	58	Male	25	Outside Related
Marv T. Barra	Member	50	Female	1	Outside
Paul G. Kaminski	Member	69	Male	15	Outside Related
William A. Osborn	Member	64	Male	3	Outside
William P. Fricks	Member	67	Male	9	Outside