



HCP, Inc.	HCP NYSE
Healthcare Facilities	Market Capitalization USD: \$14,275.70 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: James F. Flaherty

Age: 54

CEO Since: 2003

	2009	2010	2011
Base Salary	\$600,000	\$600,000	\$600,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$1,462,500	\$1,462,500	\$1,462,500
Benefits and Perquisites	\$11,290	\$11,290	\$12,644
TOTAL ANNUAL COMPENSATION	\$2,073,790	\$2,073,790	\$2,075,144
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$2,006,431	\$1,770,001	\$1,587,495
Stock Awards	\$3,893,345	\$4,130,028	\$10,100,013
TOTAL COMPENSATION	\$7,973,566	\$7,973,819	\$13,762,652
Median of Other Named Executive Officers Total Compensation	\$1,773,268	\$1,960,973	\$3,785,153
Value Realized on Exercise of Stock Option	\$3,810,000	\$0	\$0
Value Realized on Vesting of Stock	\$3,483,548	\$5,660,688	\$4,850,240
TOTAL REALIZED EQUITY COMPENSATION	\$7,293,548	\$5,660,688	\$4,850,240

Proxy Date: 13 Mar 2012

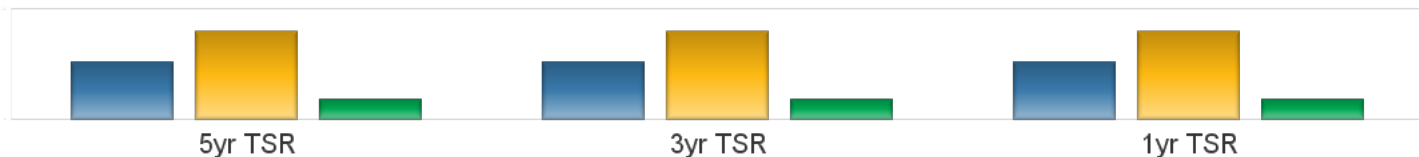
Annual Meeting Date: 26 Apr 2012

Equity Reserves: 3.86%

Stock Option Run Rate: 0.17%

Performance Comparison

■ vs S&P500 ■ vs Industry ■ HCP



Peer Comparisons (TRBC) =Healthcare Facilities

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
HCP	HCP, Inc.	\$7,973,566	\$7,973,819	\$13,762,652	\$14,275,703,593
VTR	Ventas, Inc.	\$6,251,425	\$8,541,106		\$14,223,245,085
HCA	HCA Holdings, Inc.		\$38,201,047		\$10,426,340,736
HCN	Health Care REIT, Inc.	\$4,670,902	\$6,510,825		\$8,304,515,107
LH	Laboratory Corporation of America Holdings	\$8,938,814	\$9,672,746		\$8,015,670,000
DGX	Quest Diagnostics Incorporated	\$12,474,784	\$12,341,844		\$7,813,011,916
DVA	DaVita Inc.	\$11,672,142	\$14,121,043		\$5,853,378,000

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

AvalonBay Communities, Inc., Host Hotels & Resorts, Inc., Boston Properties, Inc., ProLogis, Equity Residential, Public Storage, General Growth Properties, Inc., Ventas, Inc., Health Care REIT, Inc., Vornado Realty Trust.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
David B. Henry	Chairman	63	Male	8	Outside
Lauralee E. Martin	Member	61	Female	4	Outside
Peter L. Rhein	Member	70	Male	27	Outside Related