



Compensation Report: General Counsel

Sizing Up the Rewards of the Post

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Table of Contents

Background and Methodology	Page 3
Introduction	Page 4

1

General Counsel Ranking	Page 5
-------------------------	--------

2

Compensation by Sector	Page 7
------------------------	--------

3

Compensation by Gender	Page 8
------------------------	--------

4

The Making of a General Counsel	Page 9
---------------------------------	--------

Meet the Team	Page 11
---------------	---------

Copyright	Page 12
-----------	---------



Background

Law360 Pulse's 2023 Compensation Report looks at the compensation of general counsel and chief legal officers at the Standard & Poor's 500. Which companies are paying the most and what makes up the bulk of compensation for those GCs? What sectors are doing so well — or consider their GCs so important — as to pay them in excess of \$10 million? Are women earning as much as men? Which firms and law schools have produced the most high-profile GCs? Our data provides a framework for answering these questions. The Law360 Pulse Compensation Report: General Counsel is part of a series of reports that aim to expand the data-driven insights available as part of Law360 Pulse, a news service focused on the business of law.

Methodology

We took the compensation data of GCs at S&P 500 companies from the U.S. Securities and Exchange Commission filings for the fiscal year 2022. Half of those companies listed their general counsel or chief legal officer as one of the top five named executive officers for whom they were reporting compensation. To come up with our list of highest-paid GCs, we measured the compensation of GCs whose compensation was reported — in other words, those who were identified as NEOs in the filings — against the compensation of the lowest-paid NEO for companies that did not list a GC or CLO in that top five, on the assumption that compensation for GCs or CLOs at those companies would fall below that line. Rankings were calculated both by total compensation value and total cash. Total compensation is the sum of salary, bonus, stock and option awards, nonequity incentive plans and all other compensation. Total cash is the sum of salary and bonus. We used the Global Industry Classification Standard to identify sectors in our breakdown, and we also collected information from company websites and LinkedIn.

Introduction

**By Sam Bell, Michele Gorman
and Pamela Wilkinson**

Law360 Pulse

Now more than ever, CEOs, directors and other corporate leaders realize the value of general counsel: Their ability to understand the problems a business faces — perhaps even more so than an upper-level manager — since top corporate lawyers typically deal with issues that touch other departments, from human resources to board governance to privacy.

As the corporate environment has evolved, so, too, has the role of the in-house lawyer. The modern general counsel deals with increasing cost pressures, and is haunted by the adage of Do More With Less amid geopolitical challenges that accompany doing

business abroad, an evolving regulatory landscape, the adoption and use of artificial intelligence, and environmental, social and governance issues. And all of that's on top of the so-called typical legal advice that is table stakes for today's in-house lawyer.

Still, there's a wide range of compensation for this distinguished post. Even among those who are the highest-paid, there's close to a \$14 million difference in total compensation between first and 10th place. Aside from stocks, which give big jumps to certain lawyers' pay packages, compensation may also be affected by factors including sector, law school and experience. Being a woman did not appear to be a disadvantage at this level, with average and median compensation running higher for female GCs than for their male counterparts.



1. General Counsel Ranking

Our ranking is made up of the 250 GCs identified as named executive officers by their companies in SEC filings for fiscal year 2022. They are ranked both by total compensation and by total cash.

Total Compensation

The highest paid GC by total compensation was Apple Inc.'s Kate Adams, who earned \$27 million. That sum exceeds the compensation threshold of \$20 million set by the lowest-paid NEO at ExxonMobil – the lowest-paid of all the executives listed by the companies that did not list legal officers among their NEOs.

Large stock awards gave enormous bumps to the total compensation packages for the 10 highest-paid GCs. Apple and Alphabet each reported more than \$22 million in stock awards for their general counsel last year. While other general counsel further down on the list, such as Prologis' Edward Nekritz and Oracle's Dorian Daley, had stock awards that were less than half of Adams' or Kent Walker's, they still saw substantive stock awards – nearly \$10.4 million and close to \$13 million, respectively.

The information technology and communica-

Top 10 GC Earners of 2022 by Total Compensation

COMPANY	GENERAL COUNSEL	TOTAL COMPENSATION
Apple	Kate Adams	\$27,147,223
Alphabet	Kent Walker	\$24,451,264
Amazon	David A. Zapolsky	\$18,181,043
Goldman Sachs	Kathryn Ruemmler	\$17,129,562
Disney	Horacio E. Gutierrez	\$15,198,008
Prologis	Edward Nekritz	\$15,021,203
Oracle	Dorian E. Daley*	\$14,879,642
Broadcom	Mark D. Brazeal	\$13,883,483
Cisco	Dev Stahlkopf	\$13,277,746
Netflix	David Hyman	\$13,250,652

*No longer with the company.

tion services sectors hold seven out of the top 10 spots in total compensation. Amazon holds the top spot for the consumer discretionary sector, Goldman Sachs leads for the financials sector, and Prologis is representing real estate in the top 10. The discrepancy between Apple and Broadcom Inc., whose GC holds the 7th spot, is steep – more than \$13 million.



Salary and Bonus

Steven Fivel of Simon Property Group was the highest-paid GC by total cash. Fivel has served as GC for Simon Property Group since 2011. David Hyman of Netflix came in second, with more than 20 years in the top legal role, having joined Netflix in 2002, only five years after its inception. The third-highest earner in total cash was Kathryn Ruemmler, who joined Goldman Sachs in 2020 as a partner and broke into the top three with only one year of experience as a GC.

As with total compensation, the total cash ranking revealed a big discrepancy in pay, with first-ranked Steven Fivel earning more than double the total cash of fourth-ranked Caroline Tsai of financials company FIS.

Bonuses most commonly exceed salaries, which can vary widely not only in the top 10, but in all of the data points evaluated.

Netflix, Goldman Sachs and Disney not only pay some of the highest salaries, but also offer very generous benefit packages.

Top 10 GC Earners of 2022 by Total Cash (Salary + Bonus)

COMPANY	GENERAL COUNSEL	SALARY	BONUS	TOTAL CASH
Simon Property Group	Steven E. Fivel	\$650,000	\$6,750,000	\$7,400,000
Netflix	David Hyman	\$6,000,000		\$6,000,000
Goldman Sachs	Kathryn Ruemmler	\$1,500,000	\$4,200,000	\$5,700,000
FIS	Caroline Tsai	\$527,083	\$2,500,000	\$3,027,083
Fox	Viet D. Dinh	\$3,000,000		\$3,000,000
Cisco	Dev Stahlkopf	\$675,000	\$2,200,000	\$2,875,000
Disney	Horacio E. Gutierrez	\$870,000	\$2,000,000	\$2,870,000
UnitedHealth Group	Rupert Bondy	\$706,731	\$2,000,000	\$2,706,731
HCA Healthcare	Michael R. McAlevey	\$860,536	\$1,600,000	\$2,460,536
Ecolab	Laneshia T. Minnix	\$340,114	\$1,693,267	\$2,033,381

2. Compensation by Sector

Communication services outstripped other sectors in the pay being offered to GCs and CLOs, both in average and median total compensation, with companies like Alphabet, Disney and Netflix in the lead. When it comes to average total compensation, information technology wasn't far behind. Companies in the third-ranked energy sector also significantly outstripped utilities in total compensation for their general counsel.

Both the average and median total compensation of GCs in communication services is more than double that of GCs in consumer staples, which ranks eighth in both calculations. We see an even higher variance by median between communications and other sectors, with communication services offering more than double the total compensation of real estate, which ranks seventh by median.

Ranking of GC Total Compensation by Sector

SECTOR	AVERAGE TOTAL COMPENSATION	MEDIAN TOTAL COMPENSATION	NUMBER OF GCs
Communication services	\$9,105,564	\$7,147,585	15
Health care	\$4,861,031	\$4,749,445	37
Energy	\$5,052,936	\$4,566,775	14
Information technology	\$6,086,312	\$4,366,078	40
Financials	\$4,673,594	\$3,683,517	17
Consumer discretionary	\$4,717,558	\$3,595,208	24
Real estate	\$4,740,393	\$3,333,321	16
Consumer staples	\$3,517,515	\$3,211,725	14
Utilities	\$2,806,886	\$2,714,909	24
Industrials	\$3,194,548	\$2,565,478	32
Materials	\$3,030,168	\$2,545,892	17

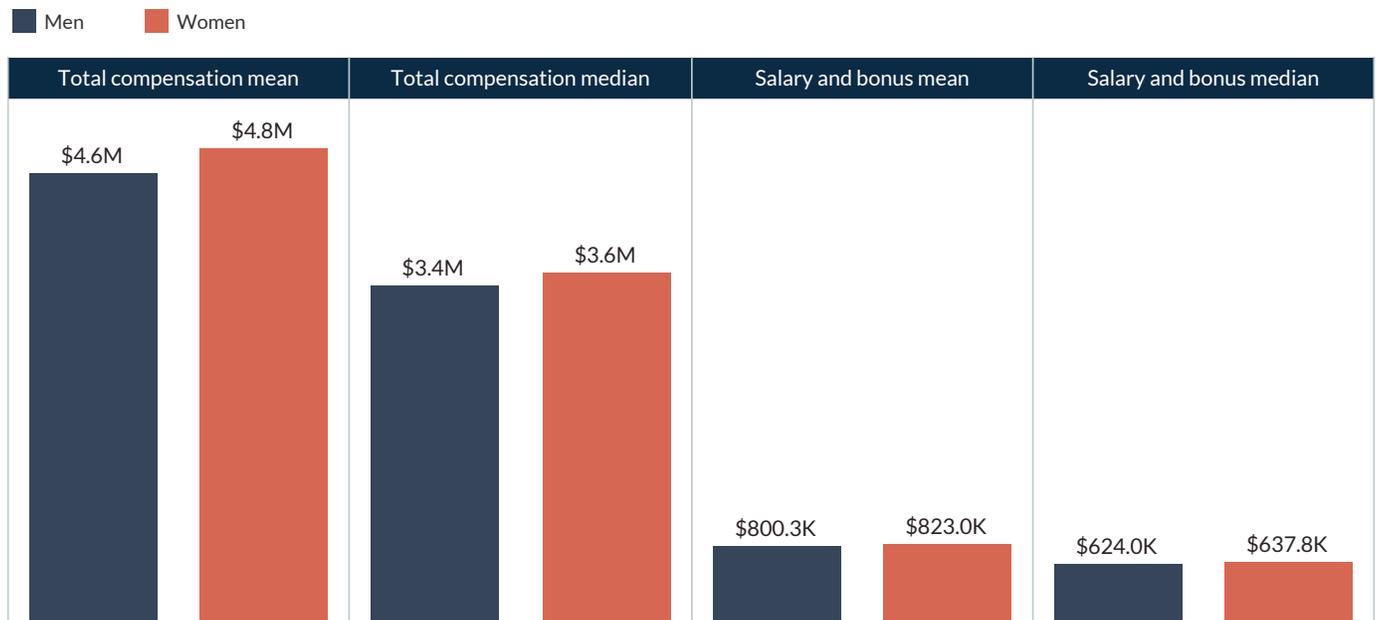
3. Compensation by Gender

The top GCs whose compensation packages were disclosed to the SEC include 152 men and 98 women, with women averaging more than men in both total compensation and total cash – a surprise given that women in the U.S. generally earn about 83 cents for every dollar that men make. Law360 Pulse has previously reported that the legal industry in 2021 saw record high numbers of women at the general counsel level in the largest American companies by revenue. The long-term trend for women has been upward for the past few years, but there’s still a gap between those demographics and

the U.S. population overall.

On average, female GCs in this group of companies earned a total compensation of \$4.8 million, compared to \$4.6 million for male GCs. The median total compensation for women in this same category was \$3.6 million – higher than the median earnings of \$3.4 million for men. Women also earned more in total cash, with female GCs earning on average \$823,000, compared to \$800,000 for male GCs. Female GCs pulled in a median \$638,000 while the median of total cash earned by male GCs was \$624,000.

General Counsel Compensation by Gender



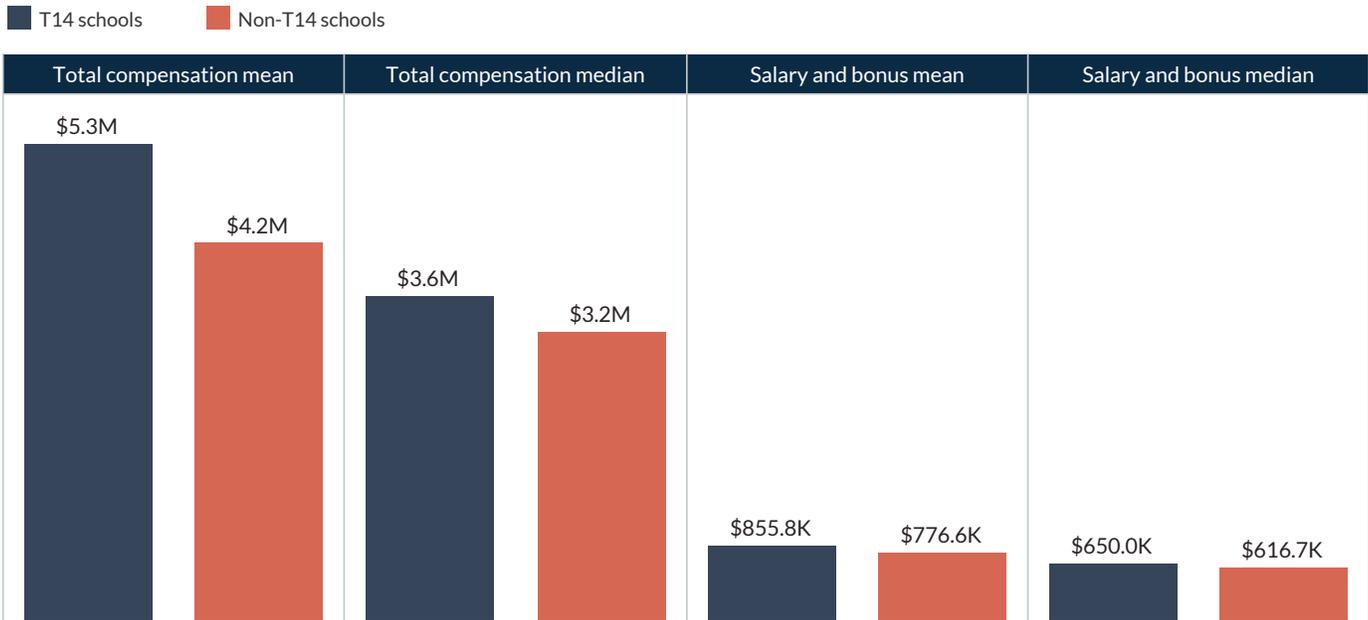
4. The Making of a General Counsel

The report found a marked difference in average total compensation between general counsel who graduated from a top law school and those who did not, with top law school graduates generally making more. Of the general counsel who disclosed their earnings to the SEC, 107 graduated from law schools in the top 14 ranked by U.S. News & World Report, and 140 graduated from non-T14 schools. The mean and median total compensation were both higher for GCs who

graduated from T14 schools.

The biggest difference is demonstrated by comparing average total compensation. T14 graduates earned on average \$5.3 million, while non-T14 graduates made \$4.2 million, a difference of \$1.1 million. The median comparisons show a less pronounced contrast, with \$3.6 million earned by T14 graduates and \$3.2 million earned by non-T14 graduates.

General Counsel Compensation by Law School



Of the GCs named in the filings by S&P 500 companies, Harvard University Law School has educated the most with 21. The University of Virginia Law School was alma mater to 14, and Georgetown University came in third with 12.

LAW SCHOOL	GENERAL COUNSEL
Harvard University	21
University of Virginia	14
Georgetown	12
Boston College	7
University of Texas	7
Stanford	7
University of Pennsylvania	7
Yale	7
American University	6
Columbia	6
New York University	6
University of Chicago	6

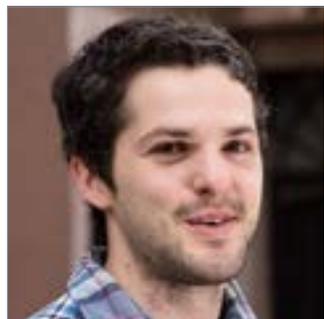
Among the companies in this same group, Latham & Watkins LLP was the most frequent former firm for GCs or CLOs, followed by Kirkland & Ellis LLP and DLA Piper.

LAW FIRM	GENERAL COUNSEL
Latham	11
Kirkland	7
DLA Piper	6
Arnold & Porter	5
Goodwin	5
Morgan Lewis	5

All of the data used in this report reflects the fiscal year 2022. The law firms and law schools data was collected from company websites and LinkedIn.



Meet the Team



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