Google's ex-CEO gets $101M pay package in new job

MICHAEL LIEDTKE - AP Technology Writer - Associated Press

Shifting from Google's CEO to executive chairman proved to be lucrative career move for Eric Schmidt.

Google Inc. awarded Schmidt a compensation package valued at $101 million last year, according to a Friday regulatory filing. The amount is 322 times higher than the $313,219 package that Schmidt received in 2010 during his final full year as the Internet search leader's CEO.

Schmidt, 56, ended a decade-long stint as Google's CEO last April and turned over the job to Google co-founder Larry Page.

Shortly before the change in command, Google gave Schmidt stock and stock options valued at nearly $94 million, according to the company's proxy statement. Google had designed the stock and stock option package to be worth $100 million, but the compensation formula spelled out by securities regulators arrived at a slightly different calculation.

To top it off, Google raised Schmidt's salary from $1 annually as CEO to $1.25 million as executive chairman. His 2011 salary ended up being $937,500 because he spent the first three months of the year in the lower-paying job as CEO.

The rest of Schmidt's 2011 compensation consisted of a $6 million bonus and perks worth nearly $264,000. Schmidt deposited half of his bonus last year in a company plan that can defer payment for up to five years.

Page's compensation package totaled $1 last year, consisting solely of a nominal salary. He has maintained a $1 salary since 2005, although in some years he has accepted the Google's companywide holiday bonus. That's what happened in 2010 when Page's pay package totaled $1,723.

Weekly paychecks, annual bonuses and stock options haven't been essential to Schmidt or Page since Google's initial public offering of stock in August 2004. That IPO turned them, along with Google co-founder Sergey Brin, into multibillionaires who are perennials on Forbes' list of the world's richest people.

Forbes' latest rankings estimate Page, 39, and Brin, 38, are each worth nearly $19 billion. The magazine pegs Schmidt's wealth at nearly $7 billion.

Like Page, Brin limited his pay package last year to $1.

Since Google's IPO, Schmidt's total compensation package as CEO had never exceeded $560,000, based on an analysis of Google's past regulatory filings. From 2004 through 2010, Schmidt's combined compensation totaled $2.2 million.

In his new job as executive chairman, Schmidt serves as a company ambassador who meets with government regulators, explores potential acquisitions and makes public appearances.

In its proxy statement, Google described Schmidt's big stock and stock option package as a way to recognize his accomplishments as CEO. When Schmidt took in job in 2002, Google had annual revenue of $86 million and fewer than 300 employees. In Schmidt's final full year as CEO, Google had grown to a company with $29 billion in revenue and more than 24,000 employees.

Even after last year's big windfall, Schmidt is still raising cash. In February, he filed plans to sell up to 2.4 million shares of stock currently worth about $1.4 billion.

Page and Brin are in the process of selling 5 million Google shares apiece under a program scheduled to be completed in 2015.

Page, Brin and Schmidt have been Google's controlling shareholders since the IPO, thanks to a special class of stock that gives them 10 times the voting power of other shareholders. To ensure they remain in power as Google doles out more stock to pay employees and finance acquisitions, Brin and Page are pursuing a 2-for-1 stock split that will create new class of shares with zero voting power.

The unusual stock split announced last week has been derided by corporate governance experts who oppose disenfranchising other shareholders.

But the proposal is almost certain to be approved at Google's June 21 annual meeting because Page, Brin and Schmidt support it.

Friday's regulatory filing disclosed that the idea for the stock split was first broached in June 2010. Google's board then formed a special committee to analyze the pros and cons. After some haggling with Brin and Page over the limits on their control, the board reached a compromise earlier this month.