

CONSOL Energy Inc
Form DEF 14A
March 28, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement.

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).

Definitive Proxy Statement.

Definitive Additional Materials.

Soliciting Material Pursuant to §240.14a-12.

CONSOL Energy Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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- (4) Date Filed:

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CONSOL Energy Inc.
CNX Center
1000 CONSOL Energy Drive
Canonsburg, Pennsylvania 15317
Telephone (724) 485-4000
Annual Meeting of Shareholders
to be held on May 4, 2011

Dear Shareholder:

You are cordially invited to attend CONSOL Energy Inc.'s 2011 Annual Meeting of Shareholders on May 4, 2011, at 11:00 a.m., Eastern Time, at the Hyatt Regency Pittsburgh International Airport, Earhart AB Room, 1111 Airport Boulevard, Pittsburgh, Pennsylvania 15231.

The enclosed Notice of Annual Meeting and Proxy Statement describe the various matters to be acted upon during the meeting. In addition, there will be a report on the state of CONSOL Energy Inc.'s business and an opportunity for you to ask questions on subjects related to CONSOL Energy Inc.'s operations.

Whether or not you plan to attend the Annual Meeting, you can ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone or by internet (as described in the enclosed proxy card or voting instruction card) or by completing and returning the enclosed proxy card or voting instruction card, which requires no additional postage if mailed in the United States.

If you need assistance, please contact CONSOL Energy Inc.'s Investor Relations Office at (724) 485-4000. Our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 accompanies this Proxy Statement.

The Annual Meeting gives us an opportunity to review CONSOL Energy Inc.'s results and discuss the steps CONSOL Energy Inc. has taken to assure a strong performance in the future. We appreciate your ownership of CONSOL Energy Inc. and hope you will be able to join us at this year's Annual Meeting.

Sincerely,

J. Brett Harvey

Chairman of the Board and Chief Executive Officer

March 24, 2011

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CONSOL Energy Inc.

CNX Center

1000 CONSOL Energy Drive

Canonsburg, PA 15317

Telephone (724) 485-4000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 4, 2011

Notice is hereby given that the Annual Meeting of Shareholders of CONSOL Energy Inc. (the Annual Meeting) will be held on May 4, 2011, at 11:00 a.m., Eastern Time, at the Hyatt Regency Pittsburgh International Airport, Earhart AB Room, 1111 Airport Boulevard, Pittsburgh, Pennsylvania 15231, for the following purposes:

1. To elect directors to hold office in accordance with the Amended and Restated Bylaws of CONSOL Energy Inc.;
2. To ratify the anticipated selection of Ernst & Young LLP, an independent registered public accounting firm, as the independent auditor of CONSOL Energy Inc. for the fiscal year ending December 31, 2011;
3. To hold an advisory vote on executive compensation; and
4. To hold an advisory vote to consider the frequency of future advisory votes on executive compensation.

By resolution of the Board of Directors, we have fixed the close of business on March 18, 2011, as the record date for determining the shareholders of CONSOL Energy Inc. entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof.

Whether or not you plan to attend the Annual Meeting, you can ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone or by internet (as described in the enclosed proxy card or voting instructions card), or by completing and returning the enclosed proxy card or voting instruction card, which requires no additional postage if mailed in the United States. Your prompt response will be helpful and your cooperation is appreciated. If you attend the meeting, you may withdraw your proxy and vote in person, if you so choose.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDERS MEETING TO BE HELD ON MAY 4, 2011:

The Proxy Statement, Annual Report on Form 10-K and related materials are available at <http://www.edocumentview.com/CNX>.

Sincerely,

P. Jerome Richey

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*Executive Vice President Corporate Affairs, Chief Legal
Officer and Corporate Secretary*

March 24, 2011

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CONSOL Energy Inc.

CNX Center

1000 CONSOL Energy Drive

Canonsburg, PA 15317

INFORMATION ABOUT THE ANNUAL MEETING

March 24, 2011

The enclosed proxy is being solicited by the Board of Directors (the Board) of CONSOL Energy Inc. (CONSOL Energy or the Corporation or the Company) to be voted at the Annual Meeting of Shareholders to be held on May 4, 2011, at 11:00 a.m., Eastern Time, at the Hyatt Regency Pittsburgh International Airport, Earhart AB Room, 1111 Airport Boulevard, Pittsburgh, Pennsylvania 15231 (the Annual Meeting).

The specific proposals to be considered, and voted upon, at the Annual Meeting are summarized in the Notice of Annual Meeting of Shareholders. Each proposal is described in more detail in this Proxy Statement.

Voting

The persons named as proxies on the accompanying proxy card have informed CONSOL Energy of their intention, if no contrary instructions are given, to vote the shares represented by such proxies:

in favor of the election as directors of CONSOL Energy of those persons nominated in this Proxy Statement to hold office in accordance with the Amended and Restated Bylaws of CONSOL Energy;

in favor of the ratification of the anticipated selection of Ernst & Young LLP, an independent registered public accounting firm, as the independent auditor of CONSOL Energy for the fiscal year ending December 31, 2011;

in favor, on an advisory basis, of the compensation paid to our executive officers as reported in this Proxy Statement;

in favor, on an advisory basis, of a biennial vote on compensation paid to our executive officers; and

in accordance with their judgment, on any other matters which may properly come before the Annual Meeting.

The Board does not know of any other business to be brought before the Annual Meeting other than as indicated in the Notice of Annual Meeting of Shareholders.

Annual Report

CONSOL Energy's Annual Report to Shareholders and Annual Report on Form 10-K are being mailed together with this Proxy Statement on or about March 28, 2011 to shareholders of record, as of March 18, 2011, of CONSOL Energy common stock.

Record Date and Vote Required for Approval

The record date with respect to this solicitation is March 18, 2011. All holders of record of CONSOL Energy common stock as of the close of business on March 18, 2011 (the Record Date) are entitled to vote at the Annual Meeting and any adjournment or postponement thereof. As of

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March 18, 2011, the Corporation had 226,592,241 shares of common stock outstanding. Each share of common stock is entitled to one vote. Shareholders do not have cumulative voting rights. The holders of a majority of the outstanding shares of common stock of the Corporation entitled to vote generally in the election of directors, represented in person or by proxy, will constitute a quorum at a meeting of shareholders, except in certain limited circumstances. Election of directors at all meetings of the

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shareholders at which directors are to be elected shall be by ballot, and, subject to the rights of the holders of any series of preferred stock to elect directors under specified circumstances, a majority of the votes cast at the Annual Meeting is required for the election of directors. The advisory vote to approve the compensation paid to our executive officers as reported in this Proxy Statement and the vote to ratify the anticipated selection of Ernst & Young LLP as the independent auditor of the Corporation for the fiscal year ending December 31, 2011 will each be determined by the affirmative vote of a majority of the shares of common stock present in person or represented by proxy at the meeting and entitled to vote on the matter. The advisory vote to determine the frequency of future votes to approve the compensation paid to our executive officers will be determined by a plurality of the votes cast.

Except as otherwise provided by law, CONSOL Energy's Restated Certificate of Incorporation or Amended and Restated Bylaws, on all other matters, the affirmative vote of a majority of the shares of common stock present in person or represented by proxy at the meeting and entitled to vote on the matter is required for approval.

If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. Brokers that have not received voting instructions from their clients cannot vote on their clients' behalf on non-routine proposals, such as the election of directors (Proposal No. 1), the advisory vote on the compensation paid to our executive officers as reported in this Proxy Statement (Proposal No. 3) and the advisory vote to consider the frequency of future advisory votes on compensation paid to our executive officers (Proposal No. 4), although they may vote their clients' shares on routine matters, such as the ratification of the anticipated selection of Ernst & Young LLP, an independent registered public accounting firm, to serve as the independent auditor for the fiscal year ending December 31, 2011 (Proposal No. 2). In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained. Abstentions have the same effect as votes against the matter. Proxies received but marked as abstentions and broker non-votes will be counted for quorum purposes.

The voting instructions form also serves as the voting instruction for the trustees who hold shares of record for participants in the CONSOL Energy Inc. Investment Plan for Salaried Employees. If voting instructions representing shares in this plan are not received, those shares will not be voted.

Director Resignation Policy

Our Amended and Restated Bylaws provide, among other matters, that if an incumbent director is not elected at any meeting for the election of directors and no successor has been elected at such meeting, the director must promptly tender his or her resignation to the Board. The Nominating and Corporate Governance Committee of the Board will make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board will act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation, and publicly disclose its decision and the rationale behind it (by a press release, a filing with the SEC or other broadly disseminated means of communication) within 90 days from the date of the certification of the election results.

Revocation of Proxy

If you are the owner of record as of the close of business on the record date, you can revoke your proxy at any time before its exercise by:

sending a written notice to CONSOL Energy, at CNX Center, 1000 CONSOL Energy Drive, Canonsburg, PA 15317, attention: Secretary, bearing a date later than the date of the proxy that is received prior to the Annual Meeting, and stating that you revoke your proxy;

submitting your voting instructions again by telephone or over the internet;

signing another valid proxy card(s) bearing a later date and mailing it so that it is received by the Corporation prior to the Annual Meeting; or

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attending the Annual Meeting and voting in person.

If you hold your shares through a bank, broker or other nominee, you must follow the instructions found on the voting instruction card, or contact your bank, broker or other nominee in order to revoke your previously delivered proxy.

If a proxy is properly executed and is not revoked by the shareholder, the shares it represents will be voted at the Annual Meeting in accordance with the instructions from the shareholder. If the proxy card is signed and returned without specifying choices, the shares will be voted in accordance with the recommendations of the Board and in accordance with their judgment, on any other matter that may properly come before the Annual Meeting. Attendance at the Annual Meeting without a request to revoke a proxy will not by itself effectively revoke a previously executed and delivered proxy.

Proxy Solicitation

All costs relating to the solicitation of proxies will be borne by CONSOL Energy. Georgeson Inc. has been retained by CONSOL Energy to aid in the solicitation of proxies, at an estimated cost of \$8,500 plus reimbursement of out-of-pocket expenses. Proxies may also be solicited by officers, directors and employees personally, by mail, or by telephone, facsimile transmission or other electronic means. Upon request, CONSOL Energy will pay brokers and other persons holding shares of common stock in their names or in the names of their nominees for their reasonable expenses in sending soliciting material to, and seeking instructions from, their principals.

Secrecy in Voting

As a matter of policy, proxies, ballots and voting tabulations that identify individual shareholders are held confidential by CONSOL Energy. Such documents are available for examination only by the inspectors of election and certain employees who assist in the tabulation of the vote. The vote of any individual shareholder will not be disclosed except as may be necessary to meet legal requirements.

Attendance at the Meeting

Subject to space availability, all shareholders as of the Record Date, or their duly appointed proxies, may attend the Annual Meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration will begin at 10:00 a.m. Those who attend may be asked to present valid picture identification, such as a driver's license or passport, and may be issued a ticket for admission to the meeting. Cameras, recording devices and other electronic devices will not be permitted at the Annual Meeting. Please also note that if you hold your shares in street name (that is, through a broker or other nominee), a copy of a brokerage statement reflecting your stock ownership as of the Record Date must be provided during check-in at the registration desk at the Annual Meeting. If you require directions to the Annual Meeting, please contact CONSOL Energy's Investor Relations Office at (724) 485-4000.

CONSOL Energy will provide to any shareholder, without charge and upon the written request of the shareholder, a copy (without exhibits, unless otherwise requested) of CONSOL Energy's Annual Report on Form 10-K as filed with the United States Securities and Exchange Commission (the SEC) for CONSOL Energy's fiscal year ended December 31, 2010. Any such request should be directed to CONSOL Energy Inc., Investor Relations Department, 1000 CONSOL Energy Drive, Canonsburg, PA 15317.

BOARD OF DIRECTORS AND COMPENSATION INFORMATION

BOARD OF DIRECTORS AND ITS COMMITTEES

Board of Directors

The business and affairs of CONSOL Energy are managed under the direction of our Board. Our Board is currently comprised of eleven members. Those members are J. Brett Harvey, John Whitmire, James E. Altmeyer, Sr., Philip

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W. Baxter, William E. Davis, Raj K. Gupta, Patricia A. Hammick, David C. Hardesty, Jr., John T. Mills, William P. Powell, and Joseph T. Williams. We do not have a policy regarding directors' attendance at our annual meetings of shareholders; however, directors are encouraged to attend. All of the members of our Board attended the 2010 annual meeting of shareholders.

Board Leadership Structure

Prior to June 29, 2010, the position of Chairman was held by Mr. Whitmire and the position of Chief Executive Officer was held by Mr. Harvey. For the reasons described below, on June 29, 2010, Mr. Harvey became Chairman of the Board, Mr. Whitmire became Vice Chairman of the Board and Mr. Baxter became the Lead Independent Director of the Board.

Following the Corporation's acquisition of the Appalachian exploration and production business of Dominion Resources, Inc. (the "Dominion Acquisition") and around the time the Corporation acquired all of the outstanding shares of CNX Gas Corporation's ("CNX Gas") common stock, the Board reviewed its leadership structure and determined that it was in the best interests of the Corporation to combine the role of Chief Executive Officer and Chairman into one person as described below. Accordingly, on June 29, 2010, Mr. Harvey assumed the position of Chairman in addition to his role as the Corporation's Chief Executive Officer. In connection with this change, Mr. Whitmire was named Vice Chairman of the Board to ensure a smooth transition and Mr. Baxter was elected Lead Independent Director by the Board.

We believe that by combining the roles of Chief Executive Officer and Chairman in one individual, we are able to centralize Board leadership and provide effective communication to the other members of the Board at a time in which the Corporation is integrating and developing the Dominion assets. We also believe that Mr. Harvey's role as Chief Executive Officer and Chairman of the Board will further decisive leadership, ensure clear accountability and enhance the Corporation's ability to communicate its message and strategy clearly and consistently to the Corporation's shareholders, employees, customers and suppliers. Mr. Harvey has been Chief Executive Officer and a director of CONSOL Energy since January 1998. He also served as President of the Corporation from January 1998 until his resignation from that position on February 23, 2011. With more than 30 years of natural resources industry experience, Mr. Harvey is especially qualified to understand the risks and leadership challenges facing a diversified energy company like CONSOL Energy. Mr. Harvey also brings substantial corporate governance expertise to the CONSOL Energy Board, which he has acquired through his years of service on multiple public company boards.

In connection with the Board's decision to combine the role of Chief Executive Officer and Chairman into one person, the Board determined that it was appropriate and necessary to appoint a Lead Independent Director, who must be an independent director that has served for at least one year with the Corporation. The Lead Independent Director has the following duties:

To act as a liaison between the Chairman and the independent directors;

To preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;

To review with the Chairman the schedule of meetings, meeting agendas and types of information to be provided for each Board meeting and review with the Chairman whether there are risks which the Board should focus upon at such meetings;

Authority to direct the Chief Executive Officer or Secretary to call a special meeting of the independent directors; and

To perform such other duties as may from time to time be delegated to the Lead Independent Director by the Board.

On June 29, 2010, the Board appointed Philip W. Baxter to serve as its Lead Independent Director. With Mr. Baxter's service as a member of the CONSOL Energy Board and chairman of the board of directors of CNX Gas, for the past twelve years collectively, he was ideally suited for the position of Lead Independent Director.

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Our Board is composed of a majority of independent directors. In addition, each of our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, described below in *Committees of the Board of Directors*, is composed entirely of independent directors, including the chairperson to each respective committee. We believe that the number of independent directors that make up our Board, along with the independent oversight of the Board by our Lead Independent Director, benefits the Corporation, as well as our shareholders.

Board's Role in Risk Management

Our management team is responsible for the management and assessment of risk at the Corporation and communicating those risks to our Board. Through regular presentations to the Board and the appropriate committees (as determined by the subject matter of the particular risk), management identifies and discusses risks regarding the Corporation and its business. In 2011, our management team performed a comprehensive risk analysis that included a review of the material risks that could affect the Corporation and communicated the results of the analysis to the full Board.

Under our Corporate Governance Guidelines, the Board is charged with assessing major risks facing the Corporation and reviewing options for their mitigation, with the assistance of the various committees. Even when a risk has been delegated to a particular committee, the Board as a whole continues to monitor such risk through its receipt and review of reports provided by the respective committee chairperson at each regularly-scheduled Board meeting.

The Audit Committee assists the Board in its general oversight of, among other things, the Corporation's policies, guidelines and related practices regarding risk assessment and risk management, including the risk of fraud. As part of this endeavor, the Audit Committee reviews and assesses the Corporation's major financial, legal, regulatory, environmental and similar risk exposures and the steps that management has taken to monitor and control such exposures. The Audit Committee also reviews and assesses the quality and integrity of the Corporation's public reporting, the Corporation's compliance with legal and regulatory requirements, the performance and independence of the Corporation's independent auditors, the performance of the Corporation's internal audit department, the effectiveness of the Corporation's disclosure controls and procedures, and the adequacy and effectiveness of the Corporation's risk management policies and related practices.

Our Finance Committee is also charged with monitoring and evaluating risks affecting the Corporation. Consistent with its charter, our Finance Committee reviews the Corporation's financial plans, strategic plans, debt and investments, as well as the Corporation's compliance with debt covenants.

Our Health, Safety and Environmental Committee addresses various risks associated with health, safety and the environment. This Committee reviews (i) any material compliance issues with health, safety and environmental laws, (ii) any material pending or threatened administrative, regulatory, or judicial proceedings regarding health, safety or environmental matters, and (iii) management's response to the foregoing legal matters.

Our Nominating and Corporate Governance Committee addresses risks associated with our management structure, by reviewing, among other matters, the qualifications and backgrounds of our directors on an annual basis to ensure that our Board is composed of individuals who are capable of providing appropriate oversight and insight to our executive management team in light of the Corporation's business.

Finally, our Compensation Committee reviews and comments on our succession planning and assesses whether our compensation policies and practices incentivize excessive risk-taking. See *Compensation Policies and Practices As They Relate To CONSOL Energy's Risk Management* on page 46 for a discussion of the Compensation Committee's findings and conclusions with respect to the Corporation's compensation policies and practices.

Committees of the Board of Directors

Our Board has five standing committees: Audit, Compensation, Nominating and Corporate Governance, Finance and Health, Safety and Environmental. Actions taken by our committees are reported to the full Board. On

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February 23, 2011, the Board determined that all members of each of the Audit, Compensation and Nominating and Corporate Governance Committees are independent under the current listing standards of the New York Stock Exchange (NYSE) and any other applicable regulatory requirements. See *Determination of Director Independence* on page 23 for additional information regarding the Board's independence determinations with respect to its members.

Audit Committee

Our Audit Committee, which currently consists of three directors, provides assistance to our Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, financial reporting, internal control and compliance functions of the Corporation and its subsidiaries. Our Audit Committee employs an independent registered public accounting firm to audit the financial statements of CONSOL Energy and its subsidiaries and perform other assigned duties. Further, our Audit Committee provides general oversight with respect to the accounting principles employed in financial reporting and the adequacy of CONSOL Energy's internal controls. In discharging its responsibilities, our Audit Committee may rely on the reports, findings and representations of the Corporation's auditors, legal counsel, and responsible officers. Our Board has determined that all members of the Audit Committee are financially literate within the meaning of SEC rules and under the current listing standards of the NYSE. Our Board has also determined that Messrs. Gupta, Mills and Baxter each qualify as an audit committee financial expert. A copy of the audit committee's report for the 2010 fiscal year is set forth in this Proxy Statement.

Compensation Committee

Our Compensation Committee, which currently consists of four directors, establishes executive compensation policies consistent with the Corporation's objectives and shareholder interests. Our Compensation Committee also reviews the performance of our executive officers and establishes, adjusts and awards compensation, including incentive-based compensation, as more fully discussed below. In addition, our Compensation Committee generally is responsible for:

establishing and periodically reviewing our compensation philosophy and the adequacy of compensation plans and programs for our directors, executive officers and other employees;

overseeing our compensation plans, including the establishment of performance goals under the Company's incentive compensation arrangements and the review of performance against those goals in determining incentive award payouts;

reviewing and monitoring our management development and succession plans and activities;

overseeing our executive employment contracts, special retirement benefits, severance, change in control arrangements and/or similar plans;

reviewing and recommending to our Board the compensation of our non-employee directors for their service as directors on our Board; and

overseeing the outside consultant engaged by the Compensation Committee.

Our Compensation Committee's charter generally permits it to delegate its authority, duties and responsibilities or functions to one or more members of the Compensation Committee or to the Corporation's officers, except where otherwise prohibited by law or applicable listing standards. The terms of our Equity Incentive Plan (the Plan) also permit our Compensation Committee to delegate its power and authority under the Plan to our officers. In February 2010, the Compensation Committee authorized our Chief Executive Officer to grant up to 890,000 shares of our common stock (underlying stock option or restricted stock unit awards) to our non-executive employees in compliance with the terms and conditions of such delegation, the Plan and applicable laws and regulations.

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Our Compensation Committee periodically reviews the compensation paid to our non-employee directors and the principles upon which their compensation is determined. The Compensation Committee also periodically reports to

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the Board on how our non-employee director compensation practices compare with those of other similarly situated public corporations and, if the Compensation Committee deems it appropriate, recommends changes to our director compensation practices to our Board for approval.

Outside consulting firms retained by our Compensation Committee and management also provide assistance to the Compensation Committee in making its compensation-related decisions. In 2010, our Compensation Committee directly engaged Deloitte Consulting LLP (Deloitte) to assist the committee with its evaluation of our compensation programs for executive officers and directors. The scope of Deloitte's work for the Compensation Committee in 2010 included, among other matters:

the development of a relevant peer group of companies;

the benchmarking of components of our compensation programs with those of our peer group;

assisting our Compensation Committee with the development of performance goals underlying the Long-Term Incentive Program under the Plan;

assessing the stock ownership guidelines applicable to our directors and executive officers;

assessing the overall competitiveness of our compensation program;

assessing the compensation paid to our non-employee directors relative to the compensation paid to the directors of other companies included in our peer group and making recommendations to the Compensation Committee based on the market analysis;

assisting in the calculation of the estimated potential Internal Revenue Code (the Code) Section 280G tax gross-up for named executives; and

analyzing competitive data for other companies that have implemented transaction-based incentive awards to assist the committee in determining the appropriate value of awards granted in connection with the Dominion Acquisition which is described in more detail in *Compensation Discussion and Analysis* on page 41 of this Proxy Statement.

For additional information regarding the Compensation Committee's processes and procedures for reviewing and determining executive officer compensation, see *Compensation Discussion and Analysis* on page 30.

Deloitte provided advice and/or recommendations to the Compensation Committee regarding amounts and forms of executive and director compensation in 2010. In connection with these services, the Company paid \$266,164 in aggregate fees in 2010. Deloitte Tax, an affiliate of Deloitte, also provided, at management's request, tax services to the Company which in 2010 totaled \$266,796 in aggregate fees. The tax services were reviewed by the Audit Committee.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee, which currently consists of three directors, monitors our corporate governance system, assesses Board membership needs, makes recommendations to the Board regarding potential director candidates for election at the annual meetings of shareholders or in the event of any director vacancy, and performs any other functions or duties deemed appropriate by the Board. Messrs. Harvey, Whitmire, Baxter, Altmeyer, Davis, Gupta, Hardesty, Mills, Powell and Williams and Ms. Hammick were each recommended by our Nominating and Corporate Governance Committee to our Board for nomination for election at the Annual Meeting.

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In making director recommendations, the Nominating and Corporate Governance Committee will consider for nomination candidates whose names are submitted by shareholders. Shareholders should submit the names of candidates to the Secretary, CONSOL Energy Inc., 1000 CONSOL Energy Drive, Canonsburg, PA 15317. See *Additional Matters* on page 84 for more information on submitting director nominations. In assessing the Board's membership needs, the Nominating and Corporate Governance Committee generally seeks to maintain a Board that is comprised of individuals who are competent in the following areas:

industry knowledge;

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accounting and finance;

business judgment;

management;

leadership;

international markets;

business strategy;

crisis management;

corporate governance; and

risk management.

Directors must have experience in positions with a high degree of responsibility and leadership experience in the companies or institutions with which they are or have been affiliated. Directors are selected based upon contributions that they can make to CONSOL Energy. The Nominating and Corporate Governance Committee's process for identifying and evaluating director nominees is as follows:

determine what types of backgrounds, skills, and attributes of Board members are needed to help strengthen and balance it, taking into account the competencies described above;

at appropriate times, actively seek individuals qualified to become members of the Board; and

evaluate and recommend to our Board the slate of nominees for directors to be elected by the shareholders at CONSOL Energy's next annual meeting of shareholders.

CONSOL Energy does not maintain a separate policy regarding the diversity of its Board members. However, consistent with its charter, the Nominating and Corporate Governance Committee, and ultimately the Board, seeks directors (including nominees for director) with diverse personal and professional backgrounds, experience and perspectives that, when combined, provide a diverse portfolio of experience and knowledge that will well serve the Corporation's governance and strategic needs.

Finance Committee

Our Finance Committee, which currently consists of five directors, monitors and provides advice and counsel to our Board and management regarding our asset mix, potential mergers and acquisitions, capital structure and policies, financial position and policies, financing activities, compliance with debt covenants, dividend policies and material investments and contracts. No member of the Finance Committee may be an officer or employee of CONSOL Energy or any of our subsidiaries.

Health, Safety and Environmental Committee

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Our Health, Safety and Environmental Committee, which currently consists of five directors, provides oversight of the Corporation's policies and management systems with respect to health, safety and environmental matters. Our Health, Safety and Environmental Committee is generally responsible for:

reviewing the Corporation's strategy, including objectives and policies, relative to the protection of the safety and health of employees, contractors, customers and the public, and the environment;

reviewing (i) any material compliance issues with health, safety and environmental laws, (ii) any material pending or threatened administrative, regulatory, or judicial proceedings regarding health, safety or environmental matters, and (iii) management's response to the foregoing legal matters; and

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reviewing any significant health, safety and environmental public policy, legislative, political and social issues and trends that may materially affect the business operations, financial performance, or public image of the Corporation or the industry, and management's response to such matters.

Corporate Governance Web Page and Available Documents

We maintain a corporate governance page on our website at www.consolenergy.com. The following documents are currently included on the corporate governance page of our website:

CONSOL Energy Corporate Governance Guidelines;

CONSOL Energy Code of Director Business Conduct and Ethics;

CONSOL Energy Code of Employee Business Conduct and Ethics, which covers all employees of CONSOL Energy, including executive employees; and

Charters of the Audit, Nominating and Corporate Governance, Compensation, Finance and Health, Safety and Environmental Committees.

We will also provide a printed copy of any of these documents free of charge if you contact the Investor Relations department in writing at CONSOL Energy Inc., 1000 CONSOL Energy Drive, Canonsburg, Pennsylvania 15317 and make your request.

Membership and Meetings of the Board of Directors and its Committees

All of the incumbent directors attended no fewer than 91% of the aggregate of:

the total number of meetings held by our Board (during the period for which he or she was a director during 2010); and

the total number of meetings held by all committees of our Board on which he or she served (during the period that he or she served on such committees).

Current committee membership and the number of meetings of the full Board and its committees are shown in the following table:

	Board of Directors	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Finance Committee	Health, Safety and Environmental Committee
J. Brett Harvey	Chair	-	-	-	-	-
John Whitmire	Vice Chair	-	-	-	Member	Member
Philip W. Baxter	Lead Indep.	Member	Member	-	-	-
	Director					
James E. Altmeyer, Sr.	Member	-	-	-	Member	Chair
William E. Davis	Member	-	-	Chair	-	Member
Raj K. Gupta	Member	Chair	-	-	-	Member
Patricia A. Hammick	Member	-	-	Member	Member	-
David C. Hardesty, Jr.	Member	-	-	-	Member	Member

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John T. Mills	Member	Member	Member	-	-	-
William P. Powell	Member	-	Chair	Member	-	-
Joseph T. Williams	Member	-	Member	-	Chair	-
No. of 2010 Meetings	13 ⁽¹⁾	11	9	3	7	4

(1) Of the 13 Board meetings, 5 were Regularly Scheduled and 8 were Special Meetings.

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During 2010, the non-management directors held five executive sessions of the Board. For those meetings that occurred prior to June 29, 2010 (the date on which Mr. Harvey assumed the position of Chairman), the presiding director for the executive sessions was Mr. Whitmire, the then Chairman of the Board. For those meetings that occurred after June 29, 2010, the presiding director for the executive sessions was Mr. Baxter, our Lead Independent Director.

Communication with the Board of Directors

Shareholders and other interested persons who wish to communicate with the Board may do so by writing to the Board and should address their communications to the attention of the Secretary at CONSOL Energy Inc., 1000 CONSOL Energy Drive, Canonsburg, PA 15317 or by sending an e-mail to directors@consolenergy.com. The Secretary will relay all such communication to the Board in its entirety or to individual directors (as appropriate) at the next regularly scheduled Board meeting (or earlier as necessary) except for spam, junk mail, mass mailings, solicitations, resumes, job inquiries or other matters unrelated to the Corporation. Communications that are intended specifically for the Chairman, the independent directors or the non-management directors should be sent to the street address or e-mail address noted above, to the attention of the Chairman. Information concerning communications with the Board is also included on CONSOL Energy's website at www.consolenergy.com.

DIRECTOR COMPENSATION TABLE - 2010

The following table sets forth the compensation of the Board for the 2010 fiscal year, and includes fees paid for service on the CONSOL and CNX Gas board of directors (the CNX Gas Board), as applicable:

Name ⁽¹⁾	Fees Earned or Paid in Cash	Stock Awards ⁽²⁾	Option Awards ⁽³⁾	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
James E. Altmeyer, Sr.	\$ 90,417	\$ 95,000	-	-	-	-	\$ 185,417
Philip W. Baxter	\$ 108,472 ⁽⁴⁾	\$ 95,000	-	-	-	-	\$ 203,472
William E. Davis	\$ 90,417	\$ 95,000 ⁽⁵⁾	-	-	-	-	\$ 185,417
Raj K. Gupta	\$ 103,750 ⁽⁶⁾	\$ 95,000	-	-	-	-	\$ 198,750
Patricia A. Hammick	\$ 82,500	\$ 95,000 ⁽⁷⁾	-	-	-	-	\$ 177,500
David C. Hardesty, Jr.	\$ 82,500	\$ 95,000 ⁽⁸⁾	-	-	-	-	\$ 177,500
John T. Mills	\$ 90,000	\$ 95,000 ⁽⁹⁾	-	-	-	-	\$ 185,000
William P. Powell	\$ 90,417	\$ 95,000 ⁽¹⁰⁾	-	-	-	-	\$ 185,417
John Whitmire	\$ 92,389	\$ 250,000 ⁽¹¹⁾	-	-	-	\$ 402,500 ⁽¹²⁾	\$ 744,889
Joseph T. Williams	\$ 90,417	\$ 95,000	-	-	-	-	\$ 185,417

(1) Mr. Harvey is a member of the Board of Directors of CONSOL Energy. Mr. Harvey's compensation is reported in the Summary Compensation Table and other sections of this Proxy Statement. As an employee of CONSOL Energy, he does not receive any additional compensation in connection with his service on our Board.

(2) The values set forth in this column are based on the aggregate grant date fair value of awards computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, Compensation-Stock Compensation (FASB ASC Topic 718) (disregarding any estimate of forfeitures related to service-based vesting conditions) and relate to equity awards granted by CONSOL Energy. The grant date fair value is computed based upon the closing price of CONSOL Energy's stock on the date of grant. The values reflect the awards' fair market value at the date of grant, and do not correspond to the actual value that will be recognized by the directors.

As of December 31, 2010, the number of restricted stock units held by our non-employee directors was: (i) 2,265 for Messrs. Altmeyer, Gupta, Williams, Baxter, Davis, Hardesty, Mills, Powell and Ms. Hammick and (ii) 5,964 for Mr. Whitmire. In addition, as of December 31, 2010: (i) Ms. Hammick, Messrs. Hardesty and Powell each had 7,566 deferred restricted stock units outstanding; (ii) Mr. Williams had 3,291 deferred restricted stock units outstanding; (iii) Mr. Gupta had 2,217 deferred restricted stock units outstanding; (iv) Mr. Mills had 4,514 deferred restricted stock units outstanding; (v) Mr. Davis had 3,286 deferred restricted stock units outstanding; (vi) Mr. Whitmire had 11,896 deferred restricted stock units outstanding and (vii) Messrs. Whitmire and Gupta had 10,806 and 2,369 deferred stock units outstanding, respectively.

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(3) No options were granted to Directors in 2010 by CONSOL Energy.

As of December 31, 2010, the number of options held by our non-employee directors was: (i) 12,962 for Messrs. Davis and Gupta and Ms. Hammick; (ii) 12,352 for Mr. Whitmire; (iii) 15,962 for Mr. Powell; (iv) 2,692 for Mr. Hardesty; (v) 2,962 for Mr. Williams; (vi) 8,592 for Mr. Mills, and (vii) 3,643 for Mr. Altmeyer.

(4) Mr. Baxter's fees for 2010 included \$102,639 for service on CONSOL Energy's Board, which was paid by CONSOL Energy, and \$5,833 for service on the CNX Gas Board, which was paid by CNX Gas.

(5) Mr. Davis elected to defer until termination of service, 100% (or 2,248 restricted stock units) of his restricted stock unit award granted on May 4, 2010. Upon termination of service, all of the shares underlying this restricted stock unit award will be delivered to him in a one-time distribution.

(6) Mr. Gupta's fees for 2010 included \$97,917 for service on CONSOL Energy's Board, which was paid by CONSOL Energy, and \$5,833 for service on the CNX Gas Board, which was paid by CNX Gas.

(7) Ms. Hammick elected to defer until termination of service, 100% (or 2,248 restricted stock units) of her restricted stock unit award granted on May 4, 2010. Upon termination of service, all of the shares underlying this restricted stock unit award will be delivered to her in a one-time distribution.

(8) Mr. Hardesty elected to defer until termination of service, 100% (or 2,248 restricted stock units) of his restricted stock unit award granted on May 4, 2010. Upon termination of service, shares underlying the restricted stock unit award will be delivered to him in a one-time distribution.

(9) Mr. Mills elected to defer until termination of service, 100% (or 2,248 restricted stock units) of his restricted stock unit award granted on May 4, 2010. Upon termination of service, shares underlying the restricted stock unit award will be delivered to him in a one-time distribution.

(10) Mr. Powell elected to defer until termination of service, 100% (or 2,248 restricted stock units) of his restricted stock unit award granted on May 4, 2010. Upon termination of service, shares underlying the restricted stock unit award will be delivered to him in a one-time distribution.

(11) Mr. Whitmire elected to defer until termination of service, 100% (or 5,916 restricted stock units) of his restricted stock unit award granted on May 4, 2010. Upon termination of service, all of the shares underlying this restricted stock unit award will be delivered to him in five equal annual installments.

(12) Mr. Whitmire was provided clerical support by CONSOL Energy, which for 2010 totaled \$40,000, and was paid \$362,500 in consulting fees as described in *Understanding Our Director Compensation Table - CONSOL Energy Consulting Agreement with Mr. Whitmire* on page 13 of this Proxy Statement.

UNDERSTANDING OUR DIRECTOR COMPENSATION TABLE

Executive Summary of Director Compensatory Arrangements

We use a combination of cash and stock-based compensation to attract and retain qualified candidates to serve on our Board. Each of our non-employee directors is entitled to receive annual fees for their service, any portion of which may be deferred at such director's election. In lieu of all or any portion of the annual retainer otherwise payable to our non-employee directors, our Board may grant deferred stock units, which carry dividend equivalent rights. The nature of each of these fees and awards are described in greater detail below.

CONSOL Energy Non-Employee Director Annual Fees and Awards

Our non-employee director compensation program for 2010 and for 2011 is set forth in the following table:

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Element of Annual Compensation	Dollar Value for 2010 Board Compensation	Dollar Value for 2011 Board Compensation
Board Retainer	\$ 80,000	\$ 95,000
Committee Chair Retainer (excluding Audit Committee Chair Retainer)	\$ 7,500	\$ 10,000
Audit Committee Chair Retainer	\$ 15,000	\$ 17,500
Audit Committee Member Retainer (excluding Audit Committee Chair Retainer)	\$ 7,500	\$ 7,500
Equity Award (restricted stock units)	\$ 95,000	\$ 130,000

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The changes to non-employee director compensation recommended by our Compensation Committee for 2011 and ultimately adopted by our Board were the result of a competitive assessment provided to the Compensation Committee by its outside compensation consultant of board compensation paid by (i) companies included in the Corporation's Peer Group (defined below), (ii) companies in the S&P 500, excluding financial service companies, and (iii) a select group of approximately 100 similar-sized companies in the S&P 500. The Compensation Committee also conducted a review of current board compensation trends and developments affecting the compensation paid to non-employee directors generally.

CONSOL Energy Non-Employee Director Stock Options

Prior to October 2006, our non-employee directors received nonqualified stock options to acquire shares of the Corporation's common stock. The exercise price per share of each nonqualified stock option award granted to a director was the fair market value of the Corporation's common stock on the grant date. Each nonqualified stock option is intended to be exempt from coverage under Section 409A of the Code. These options are fully vested. Subject to the provisions of the particular nonqualified stock option agreement and the Plan, the holders of these options may exercise all or any part of their options at any time prior to the tenth anniversary of the grant date, which is the expiration date. If the director is terminated for cause, all options will be forfeited as of the termination date.

CONSOL Energy Non-Employee Director Restricted Stock Units

Each restricted stock unit received as part of an award represents the right to receive one share of common stock following the vesting date of that unit. Non-employee director restricted stock unit awards vest in full one year from the grant date. A director is not entitled to shareholder rights, including voting rights and actual dividend rights with respect to the shares underlying a restricted stock unit award, until the director becomes the record holder of the shares following their actual issuance. Should a regular cash dividend be declared on our common stock at a time before shares subject to a restricted stock units award are issued, then the number of shares subject to the award will be automatically increased by a certain number of shares determined in accordance with a pre-established formula. The additional shares resulting from this calculation will be subject to the same terms and conditions as the unissued shares of common stock to which they relate under the award.

The non-employee director restricted stock unit awards provide that in the event of death or disability or upon the completion of a change in control (as defined in our Plan), all shares subject to such award will vest automatically and be delivered to the director immediately, or as soon as administratively practical thereafter (but in no event later than the 15th day of the third month following that date). If the director is terminated for cause (as defined in our Plan) or ceases to provide services for any reason other than death, disability or in connection with a change in control, the director's award will be cancelled with respect to any unvested shares, and the number of restricted stock units will be reduced accordingly. The director will then cease to have any rights or entitlements to receive any shares of common stock under those cancelled units.

As a condition to a director's right and entitlement to receive shares subject to a restricted stock unit award, the director must agree to abide by the terms and conditions of the proprietary information covenant included in the award agreement and must return Corporation materials also as described above. See *CONSOL Energy Equity Incentive Plan Definitions* on page 77 for definitions under our Plan.

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CONSOL Energy Chairman Agreement with Mr. Whitmire

We entered into an agreement with Mr. Whitmire on February 22, 1999 pursuant to which he was engaged as the non-executive Chairman of our Board, subject to election by our shareholders. In order to more formally and completely document his duties and responsibilities as Chairman, as well as his compensation arrangements, a new agreement was entered into with him as of April 27, 2004. This agreement was amended and restated on April 29, 2008 and ultimately terminated on July 1, 2010, when Mr. Whitmire stepped down as Chairman of the Board and assumed the role of Vice Chairman of the Board. Mr. Whitmire is currently entitled to the same payments for services as other non-employee directors of the Board.

Under the terms of his former agreement, as amended and restated, Mr. Whitmire received annual compensation as follows:

\$100,000, in quarterly installments; and

restricted stock units having a fair market value of \$250,000 on the grant date.

The above-described compensation was paid to Mr. Whitmire in lieu of any and all cash, equity or other compensation which other Board members were entitled to receive in connection with their service on our Board. In addition, Mr. Whitmire was provided clerical support by us at an annual cost not to exceed \$30,000 and was reimbursed for business expenses incurred in connection with the performance of his duties for the Corporation.

CONSOL Energy Consulting Agreement with Mr. Whitmire

In connection with the Dominion Acquisition—a \$3.47 billion transformative acquisition for CONSOL Energy—we entered into a consulting agreement (the Consulting Agreement) with Mr. Whitmire, effective July 1, 2010, pursuant to which Mr. Whitmire was engaged as an independent contractor to provide certain high-level strategic advice to our Chief Executive Officer and such other executive officers as the Corporation may reasonably request, in order to assist the Corporation with the integration and development of the Dominion assets. The following highlights the importance of the Dominion Acquisition to CONSOL Energy, and thus, the need for Mr. Whitmire's specific expertise and guidance on the integration of these assets:

As a result of this strategically compelling addition to our business, CONSOL Energy acquired a much stronger position in natural gas to complement its already leading position in coal production in the Eastern United States.

The Dominion Acquisition provided CONSOL Energy with a leading position in the strategic Marcellus Shale fairway by tripling its development assets to approximately 750,000 acres, including the approximately 500,000 prospective net Marcellus Shale acres located predominantly in southwest Pennsylvania and northern West Virginia.

The Dominion Acquisition increased CONSOL Energy's total proved gas reserves by more than 50 percent (compared to 2009) from 1.9 trillion cubic feet to approximately 3 trillion cubic feet.

CONSOL Energy also acquired a total of 1.46 million net oil and gas acres, including Marcellus Shale acres, from Dominion along with over 9,000 producing wells.

With the Dominion Acquisition, CONSOL Energy's natural gas business is expected to account for as much as 35 percent of CONSOL Energy's total revenue.

With Mr. Whitmire's more than 45 years of experience in engineering, operations and the management of exploration and production companies worldwide, he is uniquely positioned to assist us in accelerating the growth of this Corporation into a leading diversified energy company with a

strong position in natural gas and coal, thereby delivering sustainable long-term growth and increased value to shareholders.

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Pursuant to the terms of the Consulting Agreement, Mr. Whitmire will receive \$725,000 per year, payable in equal monthly installments in arrears. Mr. Whitmire will also be provided clerical support by the Corporation at an annual cost not to exceed \$50,000 and will be reimbursed for any out-of-pocket business expenses incurred in connection with the performance of his duties for the Corporation. The financial terms of this arrangement were reviewed with two separate advisors to the Corporation prior to us entering into the agreement.

The initial term of Mr. Whitmire's Consulting Agreement will terminate on June 30, 2011, subject to the terms and conditions of the Consulting Agreement and unless terminated earlier in accordance with the agreement; provided, however, that beginning on July 1, 2011 and on each anniversary thereafter, the term of the Consulting Agreement will be automatically extended for an additional one-year period, subject to the terms and conditions of the Consulting Agreement and unless terminated earlier in accordance with the terms of the agreement.

In the event the Consulting Agreement is terminated by the Corporation other than for cause (as defined in the Consulting Agreement), Mr. Whitmire will be entitled to receive (i) the pro rata portion of his annual payment earned for services performed through the date of termination plus (assuming Mr. Whitmire executes a release in the form prescribed by the Consulting Agreement) the balance of the annual payment, if any, that would have otherwise been paid to Mr. Whitmire during the term in which the termination occurred, if the Consulting Agreement had not been terminated, and (ii) any out-of-pocket business expenses incurred by Mr. Whitmire through the date of termination. For purposes of the Consulting Agreement, cause means a material breach of the Consulting Agreement by Mr. Whitmire, provided that to the extent curable such breach continues unabated for 20 days after receipt by Mr. Whitmire of written notice from the Corporation containing a reasonable description of the alleged continuing material breach by him.

The Consulting Agreement also includes non-compete and non-disparagement provisions, which apply during the term of the agreement and for two years thereafter.

CONSOL Energy Non-Employee Directors Deferred Compensation Plan (adopted 1999)

The CONSOL Energy Directors Deferred Compensation Plan was adopted on October 25, 1999. The CONSOL Energy Directors Deferred Compensation Plan permits members of our Board to defer all or a portion of any Board fees, such as the annual retainer, meeting fees or other amounts earned for services performed as a member of our Board and allows each participant's earnings under the plan to be based on the performance of specified authorized hypothetical investments that participants may periodically designate. These hypothetical investment options may include hypothetical investments in CONSOL Energy's common stock. The CONSOL Energy Directors Deferred Compensation Plan is an unfunded and unsecured liability of CONSOL Energy and benefits will be paid from our general assets. Accordingly, participants are general unsecured creditors of the Corporation with respect to the benefits. At this time, Mr. Whitmire is the only participant in the CONSOL Energy Directors Deferred Compensation Plan.

CONSOL Energy Non-Employee Directors Deferred Fee Plan (adopted 2004)

The CONSOL Energy Directors Deferred Fee Plan was adopted on July 20, 2004 to allow non-employee directors of the Corporation to defer payment of all or a portion of their annual cash Board retainer and director meeting fees. Participation in the plan is at the election of the particular director. Upon the Corporation's receipt of a deferral agreement from a director, an account is established by the Corporation on behalf of such person and is credited with all fees determined by the participating director. Prior to February 21, 2006, the account of each participant in the Directors Deferred Fee Plan was credited, on a quarterly basis, with interest based on the interest rate in effect on the last day of the applicable quarter. On February 21, 2006, our Board approved an amendment to the CONSOL Energy Directors Deferred Fee Plan, which provides that a participant's account will be adjusted by an amount equal to the amount that would have been earned (or lost) if amounts deferred under the plan had instead been invested in hypothetical investments designated by the participant based on a list of hypothetical investments provided by the plan administrator from time to time or, in the event that a participant fails to designate such hypothetical investments, the participant's account shall earn interest as provided in the plan. Earnings are credited to the participant's account on a quarterly basis. The amount payable to a director participant will be paid in cash as soon as administratively practicable after the earlier of: (i) the director's termination of service as a director or (ii) the date elected by such director, which date must be at least two years after the end of the plan year for which fees are deferred. The CONSOL Energy Directors Deferred Fee Plan is an unfunded and unsecured liability of the

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Corporation, and benefits will be paid from our general assets. Accordingly, participants are general unsecured creditors of the Corporation with respect to the benefits. At this time, Messrs. Gupta and Williams are the only participants in the Directors Deferred Fee Plan.

CONSOL Energy Non-Employee Director Deferred Stock Units

Under the terms of our Plan, non-employee directors may elect to receive deferred stock units in lieu of all or any portion of their retainer fees otherwise payable to such director in cash, or to defer receipt of shares to be paid in the form of deferred stock units. The deferred stock units have dividend equivalent rights. Deferred stock units that have vested are paid following the earlier of: (i) the director's separation from service; or (ii) the date elected by the director on his or her payment date election form previously filed with the Corporation. Upon a change in control, unvested deferred stock units will accelerate and vest.

A director is not entitled to shareholder rights, including voting rights and actual dividend rights, with respect to the shares subject to an award until the director becomes the record holder of the shares following their actual issuance. Should a regular cash dividend be declared on the Corporation's common stock at a time when the director holds deferred stock units, he or she will be entitled to dividend equivalent payments equal to the cash dividends declared on the shares. Dividend equivalents are converted into additional deferred stock units based on a pre-established formula. The additional deferred stock units resulting from this calculation will be subject to the same terms and conditions as the deferred stock units subject to the award.

If the director ceases to be a director on account of death, disability, or retirement at normal retirement age for directors, all unvested deferred stock units granted to a director will automatically vest and become non-forfeitable. If the director is terminated for cause or ceases to provide services for any reason other than death, disability or retirement at a normal age, all unvested deferred stock units and any rights to the underlying shares will be immediately forfeited for no consideration. In addition, in the event of a termination for cause (as defined in our Plan) or a breach of the proprietary information covenant contained in the deferred stock unit agreement, the director will also forfeit all of his or her right, title and interest in and to any shares which have vested under their award. See *CONSOL Energy Equity Incentive Plan Definitions* on page 77 for definitions of cause and disability under our Plan. Deferred stock units are structured to comply with Section 409A of the Code.

CONSOL Energy Stock Ownership Guidelines for Directors

Our Board has adopted stock ownership guidelines for our directors to further align their interests with those of our shareholders and to ensure that they maintain an appropriate financial stake in CONSOL Energy. The stock ownership guidelines provide, among other things, that our directors hold CONSOL Energy common stock (not including shares issuable upon the exercise of options) with a value equal to three times the annual Board cash retainer on or before the fifth anniversary of becoming a Board member. As of March 18, 2011, each Board member was in compliance with our stock ownership guidelines.

Conversion of CNX Gas Non-Employee Director Stock Options

On May 28, 2010, CNX Gas merged with and into a subsidiary of the Corporation and became a wholly-owned subsidiary of the Corporation (the Merger). In connection with the Merger, all of CNX Gas outstanding stock options that had already vested converted into the right to receive a cash payment equal to \$38.25 per share and all of CNX Gas outstanding stock options that had not vested converted into stock options to purchase shares of CONSOL Energy. Messrs. Baxter and Gupta, who each held vested CNX Gas stock options at the time of the Merger, were paid \$99,187 and \$24,804, respectively, for their shares.

BENEFICIAL OWNERSHIP OF SECURITIES

The following table sets forth information with respect to the beneficial ownership of the Corporation's common stock by:

beneficial owners of more than five percent of CONSOL Energy's common stock as of December 31, 2010, based upon information filed with the SEC; and

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each director and each nominee for director, each executive officer named in the Summary Compensation Table set forth below, and all directors and executive officers of the Corporation as a group, based on information known to the Corporation as of March 1, 2011.

Amounts shown below include options that are currently exercisable, or that may become exercisable within 60 days of March 1, 2011 (or by April 30, 2011), and the shares underlying deferred stock units and restricted stock units, which a person listed below may acquire before April 30, 2011. Unless otherwise indicated, the named person has the sole voting and dispositive powers with respect to the shares of CONSOL Energy common stock set forth opposite such person's name.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class
Wellington Management Company, LLP ⁽²⁾ 75 State Street Boston, MA 02109	26,291,821	11.61%
BlackRock, Inc. ⁽³⁾ 40 East 52nd Street New York, NY 10022	24,459,989	10.80%
Capital World Investors ⁽⁴⁾ 333 South Hope Street Los Angeles, CA 90071	13,556,400	5.98%
T. Rowe Price Associates, Inc. ⁽⁵⁾ 100 E. Pratt Street Baltimore, MD 21202	11,919,801	5.26%
The Vanguard Group, Inc. ⁽⁶⁾ 100 Vanguard Boulevard Malvern, PA 19355	11,391,735	5.03%
J. Brett Harvey ⁽⁷⁾⁽⁸⁾	1,622,163	*
William J. Lyons ⁽⁷⁾	309,046	*
Nicholas J. DeJuliis ⁽⁷⁾	276,739	*
P. Jerome Richey ⁽⁷⁾	76,955	*
Robert P. King ⁽⁷⁾	61,510	*
John Whitmire ⁽⁷⁾⁽⁹⁾	42,493	*
David C. Hardesty, Jr. ⁽⁷⁾	12,349	*
Patricia A. Hammick ⁽⁷⁾	25,629	*
Raj K. Gupta ⁽⁷⁾⁽⁹⁾	33,295	*
William E. Davis ⁽⁷⁾	32,533	*
Joseph T. Williams ⁽⁷⁾	22,368	*
James E. Altmeyer, Sr. ⁽⁷⁾⁽¹⁰⁾	28,806	*
William P. Powell ⁽⁷⁾	27,543	*
John T. Mills ⁽⁷⁾	28,124	*
Philip W. Baxter	14,482	*
All directors and executive officers as a group (16) ⁽⁷⁾	2,709,100	1.20%

* Indicates less than one percent (1%) ownership.

(1) As of March 1, 2011, there were 226,520,569 shares of CONSOL Energy common stock outstanding.

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- (2) Based on a Schedule 13G/A filed by Wellington Management Company, LLP, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, on February 14, 2011. Wellington Management Company, LLP is deemed to be the beneficial owner of and have shared dispositive power with respect to 26,291,821 shares and shared voting power with respect to 14,334,985 shares.

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- (3) Based on a Schedule 13G/A filed by BlackRock, Inc. on January 10, 2011, BlackRock, Inc., as a parent holding company for a number of investment management subsidiaries, is deemed to be the beneficial owner of, and have sole voting and dispositive power with respect to all 24,459,989 shares. The following subsidiaries of BlackRock, Inc. are investment advisors which hold shares of our common stock: BlackRock Japan Co. Ltd, BlackRock Advisors LLC, BlackRock Advisors (UK) Limited, BlackRock Asset Management Canada Limited, BlackRock Asset Management Australia Limited, BlackRock Capital Management, Inc., BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock Investment Management, LLC, BlackRock Investment Management (Australia) Limited, BlackRock Investment Management (Korea) Ltd, BlackRock (Luxembourg) S.A., BlackRock (Netherlands) B.V., BlackRock Fund Managers Ltd, BlackRock Asset Management Ireland Limited, BlackRock International Ltd, BlackRock Investment Management UK Ltd and State Street Research & Management Co.
- (4) Based on a Schedule 13G/A filed by Capital World Investors, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, with the SEC on February 14, 2011. Capital World Investors is deemed to be the beneficial owner of and has sole dispositive power and sole voting power with respect to 13,556,400 shares.
- (5) Based on a Schedule 13G/A filed by T. Rowe Price Associates, Inc., an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, on February 10, 2011. T. Rowe Price Associates, Inc. is deemed to be the beneficial owner of and have sole dispositive power with respect to 11,919,801 shares and sole voting power with respect to 2,587,486 shares. T. Rowe Price Associates, Inc. has advised the Company that (i) these securities are owned by various individual and institutional investors which T. Rowe Price Associates, Inc. serves as an investment adviser with power to direct investments and/or sole power to vote the securities, and (ii) for the purposes of the reporting requirements of the Exchange Act (defined below), T. Rowe Price Associates, Inc. is deemed to be a beneficial owner of such securities; however, T. Rowe Price Associates, Inc., expressly disclaims that it is, in fact, the beneficial owner of such securities.
- (6) Based on a Schedule 13G filed by The Vanguard Group, Inc., an investment company registered under Section 203 of the Investment Advisers Act of 1940, on February 10, 2011. The Vanguard Group, Inc. is deemed to be the beneficial owner of and has sole voting power with respect to 283,614 shares, sole dispositive power with respect to 11,108,121 shares and shared dispositive power with respect to 283,614 shares.
- (7) Includes shares issuable pursuant to options that are currently exercisable (or may become exercisable on or before April 30, 2011) as follows: Mr. Harvey, 1,301,932; Mr. Lyons, 227,430; Mr. DeIulii, 84,859; Mr. Richey, 52,412; Mr. King, 42,683; Mr. Whitmire, 12,352; Ms. Hammick, 12,962; Mr. Williams, 2,962; Mr. Altmeyer, 3,643; Mr. Davis, 12,962; Mr. Powell, 15,962; Mr. Gupta, 12,962; Mr. Mills, 8,592; Mr. Hardesty, 2,692; and for all directors and executive officers as a group, 1,835,005.
- (8) Includes 73,000 shares of common stock held in a Grantor Retained Annuity Trust. Also includes 2,000 shares of common stock held in Mr. Harvey's wife's Amended and Restated Revocable Trust, dated December 17, 2007, in which Mr. and Mrs. Harvey serve as trustees, and 13,848 shares of common stock held in Mr. Harvey's Amended and Restated Revocable Trust, dated December 17, 2007, in which Mr. and Mrs. Harvey serve as trustees.
- (9) Includes 10,828 and 2,373 deferred stock units held by Messrs. Whitmire and Gupta, respectively.
- (10) Includes 1,600 shares of common stock held in a trust established for the benefit of Mr. Altmeyer's spouse. Mr. Altmeyer disclaims beneficial ownership of such shares, and the inclusion of such shares shall not be an admission that the reporting person is the beneficial owner for purposes of Section 16 under the Securities Exchange Act of 1934 (the "Exchange Act").

Brokerage account agreements may grant security interests in securities held at the broker to secure payment and performance obligations of the brokerage account holder in the ordinary course. Shares shown in the table for the directors and executive officers may be subject to this type of security interest.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Corporation's directors, executive officers and persons who beneficially own more than ten percent of a class of the Corporation's registered equity securities to file with the SEC and deliver to the Corporation initial reports of ownership and reports of changes in ownership of such registered equity securities. To our knowledge, based solely upon a review of Section 16 filings with the SEC, written representations that no other reports were required, and on CONSOL Energy's records, we believe that during 2010, all Section 16(a) filing requirements applicable to the Corporation's executive officers, directors and more than ten percent shareholders were complied with, except for three instances due to administrative error: (i) Robert F. Pusateri filed a Form 4 on December 9, 2010 reporting that on

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May 5, 2010, his wife acquired 1,000 shares of CONSOL Energy common stock, of which he is deemed an indirect beneficial owner, (ii) J. Brett Harvey filed a Form 4 on January 24, 2011, reporting a gift of 2,151 CONSOL Energy shares on December 18, 2009 by a trust established by Mr. Harvey, the shares of which Mr. Harvey is deemed to be the indirect beneficial owner, and (iii) Nicholas J. DeIuliis filed a Form 4 on February 18, 2010 reporting that on December 31, 2009, 57,693 shares of his CONSOL Energy common stock were withheld to satisfy tax liability resulting from the vesting of restricted stock units previously granted to him (a report reflecting this withholding was timely filed, but was erroneously filed under CNX Gas Corporation as opposed to CONSOL Energy).

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PROPOSAL NO. 1 - ELECTION OF DIRECTORS

The nominees for election as directors are identified below. Each director will hold office until the next annual meeting and until the director's successor is elected and qualified. All nominees are current members of the Board. If any nominee should for any reason become unable to serve, all shares represented by valid proxies will be voted for the election of such other person as the Board may designate following a recommendation by the Nominating and Corporate Governance Committee. Alternatively, the Board may reduce the number of directors to eliminate the vacancy.

Biographies of Directors

The following biographies include information concerning the nominees for director, including their recent employment, positions with CONSOL Energy, other directorships, and ages as of March 1, 2011.

J. Brett Harvey

Chairman of the Board and Chief Executive Officer, age 60

J. Brett Harvey has been our Chief Executive Officer since January 1998, and served as our President from January 1998 through February 2011. He has also been a director of CONSOL Energy since January 1998 and on June 29, 2010 was appointed Chairman of the Board. Mr. Harvey has also been a director of CNX Gas since June 30, 2005 and has served as chairman of the CNX Gas Board since January 2009. He was also elected to the position of chief executive officer of CNX Gas in January 2009. Mr. Harvey is a member of the coal industry advisory board of the International Energy Agency, chairman of the Bituminous Coal Operators' Association board of directors, and is a member of the Leadership Council of the American Coalition for Clean Coal Electricity. He is a member of the board of directors of Barrick Gold Corporation, the world's largest gold producer (Barrick), where he serves on the compensation and environmental, health and safety committees. Mr. Harvey is also a member of the board of directors of Allegheny Technologies Incorporated, a specialty metals producer and serves on its nominating and corporate governance committee and personnel and compensation committee. In addition, he is a member of the Virginia Coalfield Economic Development Authority, the National Coal Council, Waterways Council, Inc., and The Conservation Fund. He is a member of the Executive Committee of the Allegheny Conference on Community Development, the National Executive Board of the Boy Scouts of America and a director and past chairman of the Greater Pittsburgh Council of the Boy Scouts.

Qualifications: As Chief Executive Officer of the Company, Mr. Harvey is the most senior executive of the Company and as such provides our Board with the greatest insight into the Company's business and the challenges and material risks it faces. Mr. Harvey has more than 30 years of natural resources industry experience and is especially qualified to understand the risks and leadership challenges facing a diversified energy company. Mr. Harvey also brings substantial corporate governance expertise to our Board, which he acquired through his years of service on multiple public company boards, including Barrick Gold Corporation and Allegheny Technologies Incorporated.

John Whitmire

Vice Chairman of the Board, age 70

John Whitmire has served as Vice Chairman since June 29, 2010. Mr. Whitmire served as Chairman of CONSOL Energy from March 3, 1999 to June 29, 2010. Mr. Whitmire currently serves on the Finance and Health, Safety and Environmental Committees. From November 2007 until July 2010, Mr. Whitmire served as a director of Transocean, Inc., which is engaged in the business of offshore drilling for oil and natural gas reserves, and from November 2001 until November 2007, he served as a director of GlobalSantaFe Corporation (which merged into Transocean Inc. in November 2007). Mr. Whitmire is also a director of El Paso Corporation, which provides natural gas and related energy products. Mr. Whitmire currently serves as chair of the El Paso Corporation health, safety and environmental committee.

Qualifications: Having served as Chairman of our Board for over ten years, Mr. Whitmire provides valuable insight into the Company's business, including the challenges and material risks it faces. Mr. Whitmire offers tremendous

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senior leadership and energy industry expertise to our Board as well, with more than 45 years experience in engineering, operations and the management of exploration and production companies worldwide. In addition, as a result of his having served on a number of public company boards for the past 17 years, Mr. Whitmire contributes significant corporate governance expertise to our Board.

Philip W. Baxter

Lead Independent Director, age 62

Philip W. Baxter rejoined the CONSOL Energy Board in January 2009. He is currently the Lead Independent Director and serves as a member of the Audit and Compensation Committees. Mr. Baxter previously served as a director of CONSOL Energy (as well as Chairman of its Audit Committee and a member of its Finance Committee) from August 1999 until August 2005. Mr. Baxter also served as a director of CNX Gas from June 30, 2005 until May 28, 2010 and was the chairman of the board of directors from June 30, 2005 until January 2009. With respect to the CNX Gas Board, he served as a member of the audit committee and the finance committee. Mr. Baxter has been the President of Stan Johnson Company, a nationally recognized leader in commercial real estate brokerage specializing in single-tenant properties, since September 2002. He was chief financial officer and executive vice president of the Tulsa-based energy conglomerate, Mapco Inc., until March 1998, when it merged with The Williams Company. During his 18-year career at Mapco, Mr. Baxter held a number of officer level positions including chief information officer and senior vice president of strategic planning. Prior to his career at Mapco, he held a number of financial positions with Williams Energy Company, a subsidiary of The Williams Company.

Qualifications: Mr. Baxter brings over 40 years of business experience to our Board, including over 30 years of energy industry experience, accumulated principally in the areas of finance, strategic planning, mergers and acquisitions, technology, government affairs and human resources. Having served in various supervisory executive-level positions over the course of his career, Mr. Baxter has developed significant management and leadership skills and is well accustomed to interfacing with rating agencies, investors, analysts, auditors, outside advisors and governmental officials. He has served as a member of our Board and/or the board of CNX Gas for 13 years, collectively, and has served on each of the Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee.

James E. Altmeyer, Sr.

Director, age 72

James E. Altmeyer, Sr. has served on the CONSOL Energy Board since November 2003. He was a director of CNX Gas from June 30, 2005 until April 28, 2009 during which time he was chairman of the compensation committee and served on the audit committee. He currently serves as Chairman of the Health, Safety and Environmental Committee and as a member of the Finance Committee of CONSOL Energy. Mr. Altmeyer served as president and chief executive officer of Altmeyer Funeral Homes, Inc. of West Virginia, Ohio, Virginia and North Carolina from 1972 until 2007, at which time he became chairman of Altmeyer Funeral Homes, Inc. He has also been president of Altmeyer Realty, a real estate holding company, and of Martin-Steadfast Insurance Company since 1972. Mr. Altmeyer served on the board of directors of WesBanco, Inc., a multi-state bank holding company from 1987 until April 2010 when he retired from the board. During that time he served on the board's audit committee. Mr. Altmeyer is also a member of the executive committee of the Wheeling Hospital board of directors, vice chairman of the Chambers Foundation and a director of the General Douglas MacArthur Foundation.

Qualifications: Mr. Altmeyer brings over 35 years of business experience to our Board and more than 20 years of board experience. In addition to his service on our Board and his previous service on the board of directors of CNX Gas, Mr. Altmeyer served as a director on the board of directors of WesBanco, Inc. for over 20 years and that of Wheeling Hospital for 30 years and as such offers significant corporate governance and financial expertise to our Board. Having graduated from the United States Military Academy at West Point in 1961 and serving on active duty until October 1972, Mr. Altmeyer brings significant leadership to our Board. Among his numerous combat (Vietnam) awards are a Silver Star and three Bronze Stars.

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William E. Davis

Director, age 68

William E. Davis joined the CONSOL Energy Board in January 2004. He currently serves as Chairman of the Nominating and Corporate Governance Committee and as a member of the Health, Safety and Environmental Committee. From November 2007 until December 2010, Mr. Davis was a director of AbitibiBowater Inc., which produces a broad range of forest products marketed around the world, and served on its governance, finance and audit committees. Mr. Davis was a director of Abitibi Consolidated Inc., which produced newsprint and commercial printing paper, from April 2003 to November 2007, and served on its audit and nominating and governance committees. Mr. Davis was also the chairman of the board of directors and Chief Executive Officer of Niagara Mohawk Power Corporation, an electricity and natural gas utility located in upstate New York from May 1993 to February 2002. Following the sale of Niagara Mohawk in February 2002 and until his retirement in April 2003, Mr. Davis served as chairman of National Grid USA and as an executive director of National Grid (UK), owner and operator of the electricity transmission network in England and Wales. He served as chairman and chief executive officer of the Metropolitan Development Foundation of Central New York until December 4, 2008.

Qualifications: Having served as chairman and chief executive officer of Niagara Mohawk Power Corporation, a major investor owned gas and electric utility, for nine years, and as chairman of National Grid USA and executive director of National Grid (UK), Mr. Davis provides our Board with substantial insight into the energy industry. Mr. Davis also contributes significant knowledge with respect to corporate governance matters acquired through his years of multiple board service and a unique corporate governance insight having graduated from the National Association of Corporate Directors certification course.

Raj K. Gupta

Director, age 68

Raj K. Gupta has served on the CONSOL Energy Board since February 2004. He currently serves as chairman of the Audit Committee and as a member of the Health, Safety and Environmental Committee. He also served as a director of CNX Gas from June 30, 2005 until May 28, 2010, where he served as a member of the audit committee. From July 2007 to April 2009, Mr. Gupta also served as chairman of the board of directors of Quetzal Energy Inc., a Canadian-based international oil and gas company operating in Guatemala, Central America. Mr. Gupta currently works as an independent management consultant. From 1965 until his retirement in 2000, Mr. Gupta held various management positions with Phillips Petroleum Company, an international integrated oil and gas company now part of ConocoPhillips, including Vice President of Strategic Planning, managing business development, strategic growth and globalization efforts in South America, China, the Middle East and the former Soviet Union. From 2000 to December 2004, Mr. Gupta served on the board of directors of Yukos Oil Company, Moscow, Russia, chaired its compensation committee and was a member of its audit and finance committees. From 2000 to 2009, Mr. Gupta was a member of the Advisory Council of the Industrial, Manufacturing and Systems Engineering Department at Kansas State University. He also serves on the Board of Preng & Associates in Houston.

Qualifications: Mr. Gupta brings over 40 years of business experience in the integrated oil and gas industry including upstream and downstream businesses in the areas of strategic planning, finance, operations and technology. Through his more than ten years of collective service on the boards of CONSOL Energy, Quetzal Energy, Inc and Yukos Oil Company, Mr. Gupta has acquired a wealth of knowledge regarding the natural resources industry and the challenges and risks it faces, that he shares with our Board. In addition, his financial experience, and in particular his experience overseeing and assessing the performance of companies and independent public accounting firms, including (i) the corporate financial reporting process, and (ii) the preparation and integrity of financial information and statements, makes him an invaluable asset to our Company and our Audit Committee. Having served as a member of the Board for the past seven years and having served as a member of the CNX Gas Board for almost five years, Mr. Gupta is very familiar with our business and the challenges and material risks it faces.

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Patricia A. Hammick

Director, age 64

Patricia A. Hammick has served on the CONSOL Energy Board since June 2001. She currently serves on the Finance and Nominating and Corporate Governance Committees. Since April of 2003, Ms. Hammick has served on the board of directors of Dynege, Inc., an independent power producer. She was elected lead director at Dynege, Inc. in May 2004, chairing all non-management executive sessions as well as all independent director special committees, and then became the chairman of the board in February 2011. Since January 2007, she has also been a director of SNC Lavalin Group, Inc. (SNC), a Montreal-based company engaged in engineering and construction, infrastructure ownership and management, and facilities and operations management. She currently serves as a member of SNC's audit and compensation committees.

Qualifications: Ms. Hammick brings 35 years of progressively senior level management experience in the energy industry to our Board and in-depth knowledge in the areas of natural gas exploration and production, transmission, distribution, oil production and power generation and development, shareholder relations and merger and acquisitions management. As a member of the National Association of Corporate Directors and as a result of her more than ten years service on multiple public company boards in sectors directly relevant to the Company, Ms. Hammick offers expertise in corporate governance matters, the assessment of company exposure to risks associated with economic factors, financial matters and competitive market and regulatory compliance. She is also experienced in the identification, development and execution of risk response strategies.

David C. Hardesty, Jr.

Director, age 65

David C. Hardesty, Jr. joined the CONSOL Energy Board in October 2005. He currently serves as a member of the Finance and Health, Safety and Environmental Committees. Mr. Hardesty is president emeritus and professor of law at West Virginia University (WVU). He was president of WVU from 1995 to 2007. While serving as president, he was also a member of the National Security Higher Education Advisory Board. In addition, Mr. Hardesty served as the permanent chair of WVU's affiliated research corporation, teaching hospital and the hospital's parent health care system of hospitals. He is a member of numerous professional and civic organizations. Prior to his career in academia, Mr. Hardesty was a partner in the law firm of Bowles Rice McDavid Graff & Love in Charleston, West Virginia, where he practiced in the areas of state and local taxation, corporate and banking and administrative law. He is currently of counsel at this law firm. Mr. Hardesty was a state tax commissioner during Senator John D. Rockefeller IV's first term as governor of West Virginia (1977-1980). He also served as chairman of the National 4-H Council, a director and officer in the Big East Conference, and a member of the Bowl Championship Series Presidential Oversight Committee, as well as a founding director of the Blanchette Rockefeller Neurosciences Institute.

Qualifications: Mr. Hardesty brings more than 17 years of senior level executive experience to our Board. Mr. Hardesty also offers a unique and invaluable perspective into corporate governance matters, having practiced as an attorney in the areas of corporate law, banking and administrative law and state and local taxation for 18 years. Mr. Hardesty has developed significant leadership skills over the course of his career, having been a CEO of a major higher education institution, an agency head in state government, a law professor, and chair of a large health care system. He has also been a member of numerous civic and charitable boards and commissions, including the National Security Higher Education Advisory Board.

John T. Mills

Director, age 63

John T. Mills joined the CONSOL Energy Board in March 2006. Mr. Mills currently serves as a member of the Audit and the Compensation Committees. He serves on the board of directors of Cal Dive International Inc., a marine contractor providing manned diving, derrick, pipeline and pipe burial services to the offshore oil and natural gas industry, and serves on the audit, compensation and corporate governance and nominating committees. From January 2008 through June 2010, Mr. Mills was a member of the board of directors and audit, conflicts and risk management committees of Regency GP, LLC, the general partner of Regency GP, LP, the general partner of

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Regency Energy Partners LP, a natural gas gathering, processing and transportation master limited partnership. Mr. Mills joined the board of directors of Horizon Offshore, Inc., a marine construction company, in June 2002 and served as the chairman of the board of directors from September 2004 until December 11, 2007, when Horizon Offshore, Inc. was acquired by Cal Dive International, Inc. Mr. Mills was the Chief Financial Officer of Marathon Oil Corporation, an integrated energy company, from January 2002 until his retirement in December 2003.

Qualifications: As a licensed attorney with 36 years of business experience, including 16 years as an officer of Marathon Oil Corporation and USX Corporation, Mr. Mills brings significant knowledge and experience to our Board. In particular, Mr. Mills brings an in depth understanding of the evaluation of organic growth capital projects and acquisition and disposition opportunities, and the importance of maintaining a competitive capital structure and liquidity. In addition, having previously served as senior vice president, finance and administration and later the chief financial officer of Marathon Oil Corporation, Mr. Mills has developed a wealth of financial knowledge with respect to the oversight of (i) the preparation of consolidated financial statements, (ii) internal audit functions and (iii) public accountants, skills which are critical to our Company and particularly our Audit Committee.

William P. Powell

Director, age 55

William P. Powell has served on the CONSOL Energy Board since January 2004. He currently serves as Chairman of the Compensation Committee and as a member of the Nominating and Corporate Governance Committee. Since 1993, Mr. Powell has also been a director of Cytec Industries, a global specialty chemicals and materials company, where he chairs the governance committee and has served on the audit committee. He has also served on the board of directors of International Executive Service Corps, a nonprofit economic development organization, since 1999. Until May 2007, Mr. Powell was a managing director of Williams Street Advisors, a New York City-based merchant banking boutique. Mr. Powell resigned from Williams Street Advisors to establish a family office, 535 Partners LLC, where he serves as managing partner of 535 Partners LLC.

Qualifications: With an MBA degree and over 30 years of financial, management and investment experience, Mr. Powell brings a wealth of knowledge to our Board. Having served on multiple public company boards for over 17 years, Mr. Powell also has significant expertise in corporate governance matters.

Joseph T. Williams

Director, age 73

Joseph T. Williams has served on the CONSOL Energy Board since January 2004. He currently serves as Chairman of the Finance Committee and is a member of the Compensation Committee. From July 2006 until January 2009, he was also a director of CNX Gas and served on the nominating and corporate governance and finance committees. Mr. Williams is a retired oil and natural gas industry executive who has held positions as chairman or chief executive officer or both for NASDAQ, American, and New York Stock Exchange listed companies. He is currently a member of the Society of Petroleum Engineers and the Dallas Wildcat Committee.

Qualifications: Mr. Williams brings 50 years of operational, engineering and corporate business experience to our Board. Mr. Williams has served in senior executive positions for a number of private and public companies in the oil and natural gas industry, including Chevron Corporation, Mitchell Energy and Development Corp., Lear Petroleum Corporation, PG & E Resources, Enserch Exploration, Inc., MCN Investment Corporation and DevX Energy Inc. Having served in these positions, Mr. Williams provides our Board with a broad understanding of the energy industry generally and the challenges and material risks inherent in the Company's businesses.

Related Party Policy and Procedures

Our Audit Committee adopted a written Related Party Policy and Procedures for the review and approval or ratification of related party transactions with directors, nominees for director and executive officers and certain family members (related persons). A copy of the policy is available on our website at www.consolenergy.com.

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Under the policy, prior to entering into a related person transaction, a related person must notify our chief financial officer and general counsel of the material facts regarding the transaction. If our chief financial officer and general counsel determine that the proposed transaction is a related person transaction, the details of the transaction are presented to our Audit Committee (or if it is not practicable or desirable to wait until the next Audit Committee meeting, to the chairman of the Audit Committee) for approval. The Audit Committee will consider all relevant facts and circumstances including the terms of the transaction and terms that would be available to unrelated parties, the benefits to us, and, if the transaction involves an independent director, any impact the transaction would have on independence. The Audit Committee will also inform our Nominating and Corporate Governance Committee of any related person transactions involving directors or nominees. Since the SEC's related party regulation also applies to directors' and executive officers' family members as well as entities in which they may be deemed to have an indirect material interest, it is possible that related person transactions could occur without a director or executive officer being aware of them and bringing them to us for approval. When we become aware of a related person transaction that has not been previously approved, the policy provides that the details of the transaction will be presented to our Audit Committee for ratification or other action. The policy also provides that our Audit Committee will review, on an annual basis, ongoing related person transactions having a remaining term of more than six months or a remaining amount in excess of \$120,000. We also require that officers and directors complete director and officer questionnaires annually and that they adhere to written codes of business conduct and ethics regarding various topics including conflicts of interest, loans from the Corporation, the receipt of gifts, service in outside organizations, political activity and corporate opportunities. Officers and directors must certify compliance with these codes in writing each year.

Mr. Altmeyer, a member of the Board (and former member of the CNX Gas Board) has a brother who is a member of Phillips, Gardill, Kaiser & Altmeyer, PLLC, a twelve attorney law firm based in Wheeling, West Virginia. The Corporation and CNX Gas paid this law firm approximately \$460,266 and \$20,109, respectively, in 2010 for workmen's compensation, litigation and land-related legal services, which amounts represented approximately 1.5% and 0.5% of total amounts paid by the Corporation and CNX Gas, respectively, to all law firms retained in 2010. CONSOL Energy engaged Phillips Gardill Kaiser & Altmeyer PLLC many years prior to Mr. Altmeyer becoming a member of the Board.

Determination of Director Independence

Our Board is required under the NYSE rules to affirmatively determine the independence of each director each year and to disclose this determination in the Proxy Statement for each annual meeting of shareholders of CONSOL Energy. Based on the independence standards set forth in our Corporate Governance Guidelines, which are described below, our Board, at its meeting held on February 23, 2011, determined that each of Messrs. Altmeyer, Baxter, Davis, Gupta, Hardesty, Mills, Powell and Williams and Ms. Hammick, had no material relationship with CONSOL Energy (either directly or indirectly, including as a partner, shareholder, or officer of an organization that has a relationship with CONSOL Energy) and are independent under our Corporate Governance Guidelines and the corporate governance rules of the NYSE codified in Section 303A of the NYSE Listed Company Manual. The Board also determined that each member of the Audit Committee meets the heightened independence standards required for audit committee members under the NYSE listing standards and the SEC rules.

The Board established the following standards for determining director independence which are reflected in our Corporate Governance Guidelines, which are available on the Corporate Governance section of the Corporation's website at www.consolenergy.com.

A director will not be deemed independent if:

- (i) the director is, or has been within the previous three years, employed by CONSOL Energy, or an immediate family member is, or has been within the previous three years, an executive officer of CONSOL Energy; provided, that employment as an interim Chairman or CEO or other executive officer shall not disqualify a director from being considered independent following that employment;
- (ii) the director or an immediate family member has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from CONSOL Energy, other than director

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and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); provided, that compensation received by a director for former service as an interim Chairman or CEO or other executive officer need not be considered in determining independence under this paragraph (ii) and provided, further, that compensation received by an immediate family member for service as an employee of CONSOL Energy (other than an executive officer) need not be considered in determining independence under this paragraph (ii);

(iii) (A) the director or an immediate family member is a current partner of the firm that is CONSOL Energy's internal auditor or external auditor (each an Audit Firm); (B) the director is a current employee of an Audit Firm; (C) the director has an immediate family member who is a current employee of an Audit Firm and who personally works on CONSOL Energy's audit; or (D) the director or an immediate family member was, within the previous three years (but is no longer), a partner or employee of an Audit Firm and personally worked on CONSOL Energy's audit within that time;

(iv) the director or an immediate family member is, or has been within the previous three years, employed as an executive officer of another company where any of CONSOL Energy's present executive officers at the same time serves or served on such company's compensation (or equivalent) committee of the board of directors; or

(v) the director is a current employee, or an immediate family member is an executive officer, of a company that has made payments to, or received payments from, CONSOL Energy for property or services in an amount which, in any of the previous three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues. For purposes of the foregoing, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year; and

(vi) for members of the audit committee only: other than in the capacity as a member of the audit committee, the Board, or any other committee of the Board, the director (A) does not accept, directly or indirectly, any consulting, advisory, or other compensatory fee from CONSOL Energy, provided that compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with CONSOL Energy (provided that such compensation is not contingent in any way on continued service), or (B) is not an affiliated person of CONSOL Energy.

Immediate family members of a director include the director's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who share such person's home. When applying the look-back period referenced in clauses (i) - (v) above, directors need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

Executive officer has the meaning specified for the term officer in Rule 16a-1(f) under the Exchange Act.

Any related person transaction required to be disclosed under SEC Regulation S-K, Item 404, shall be considered in determining the independence of a director or nominee.

Required Vote

As more fully set forth in Section 2.9 of CONSOL Energy's Amended and Restated Bylaws, subject to the rights of the holders of any series of preferred stock to elect directors under specified circumstances, a majority of the votes cast at the Annual Meeting shall elect directors.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR

THE ABOVE-NAMED NOMINEES FOR THE BOARD OF DIRECTORS.

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EXECUTIVE COMPENSATION AND STOCK OPTION INFORMATION

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<u>Executive Summary</u>	

This Compensation Discussion and Analysis section is designed to explain the material elements of compensation paid by the Corporation to the following named executives and to describe the manner and context in which compensation is awarded to and earned by these individuals:

J. Brett Harvey, Chairman and Chief Executive Officer

Nicholas J. DeIulii, President (elected February 23, 2011; Executive Vice President and Chief Operating Officer in 2010)

William J. Lyons, Executive Vice President and Chief Financial Officer

P. Jerome Richey, Executive Vice President and Chief Legal Officer

Robert P. King, Executive Vice President Business Advancement and Support Services

Compensation Philosophy

Our compensation philosophy is intended (i) to provide competitive compensation packages relative to our peers that attract, retain and motivate our management team, and (ii) to align our named executives' interests with those of our shareholders by rewarding performance that meets or exceeds the goals the Compensation Committee establishes with the objective of increasing shareholder value. In line with our pay for performance philosophy, the total compensation (salary, short-term incentive compensation and long-term incentive compensation) received by our named executives will vary based on individual and corporate performance measured against annual and long-term performance goals.

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In fact, the table below illustrates our emphasis on performance-based compensation (particularly with respect to moving our Chief Executive Officers and our Presidents compensation mix to a higher level of performance-based compensation than in prior years):

Named Executive	2010	2011
	Total At-Risk Compensation (Short-Term Incentive	Total At-Risk Compensation (Short-Term Incentive
	Compensation, Options and Performance Share Units)*	Compensation, Options and Performance Share Units)*
Chief Executive Officer	79.7%	90.7%
President	60.8%	67.1%
Chief Financial Officer	56.6%	56.9%
Chief Legal Officer	52.5%	52.7%
EVP Business Advancement and Support Services	50.6%	50.5%

* Assumes target payout for Short-Term Incentive Compensation and Performance Share Units.

The Compensation Committee also reviewed and analyzed target versus actual compensation for 2010, and as a result, determined that actual compensation for 2010 was significantly less than target compensation for 2010. We believe that the discrepancy is largely attributable to the short term market reaction to the \$3.47 billion Dominion Acquisition, which closed in April 2010. Because our named executives' compensation is so closely linked to stock performance, their actual compensation, measured for 2010, has been negatively impacted, as demonstrated below:

Named Executive	Value of Compensation	
	Awarded in 2010 as of	
	2010 Target Compensation (with Transaction Award) ⁽¹⁾	December 31, 2010 ⁽²⁾ (with Transaction Award)
Chief Executive Officer	\$ 16.30 million	\$ 9.52 million
President	\$ 6.97 million	\$ 3.92 million
Chief Financial Officer	\$ 4.46 million	\$ 2.48 million
Chief Legal Officer	\$ 2.72 million	\$ 1.56 million
EVP Business Advancement and Support Services	\$ 2.55 million	\$ 1.38 million

(1) The long-term incentive value is based on the (i) Black-Scholes value of stock options, (ii) grant date value of restricted stock units, and the (iii) grant date value of the target number of performance share units.

(2) Includes the Short-Term Incentive Compensation award for 2010 that was paid in February 2011. Equity award values are based on the Corporation's closing stock price on December 31, 2011 (\$48.74) and do not consider the vesting conditions of the award. Assumes the target number of performance share units awarded in 2010 are earned. Performance share units and restricted stock units include dividend equivalents earned through December 31, 2010.

2010 Business Highlights

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Despite a challenging economic environment, management delivered strong operational and financial results for fiscal year 2010. In 2010, CONSOL Energy had several significant achievements in a number of important areas in which we judge performance:

We recorded our best safety performance in the history of CONSOL Energy. Our Coal Division improved its reportable incidence rate by approximately 5% from 2009 (approximately 2.6 times better than the industry average) and our Gas Division employees had no lost time accidents.

We improved our safety compliance and reduced (i) Mine Safety and Health Administration (MSHA) orders by 46% and (ii) MSHA citations by 8%, each compared to 2009.

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We improved our environmental compliance and reduced (i) notices of violation of well permits by 85% and (ii) notices of violation of mining permits by 57%, each compared to 2009.

We reported record total revenue and other income of \$5.2 billion, as compared to \$4.6 billion in 2009, an increase of 13%. We generated \$1.131 billion of annual cash flow from operations.

Our production of coal and natural gas generated approximately \$347 million of total Net Income and approximately \$1.2 billion of EBITDA in 2010 (please refer to *EBITDA Reconciliations* on page 44 for information on the calculation of EBITDA for 2010).

Our Coal Division sold 63.9 million tons of coal in 2010, as compared to 58.1 million tons of coal in 2009 (including the export of 6.8 million tons of coal), an increase of 10%.

Our Gas Division produced a record 127.9 Bcf in 2010 (including approximately 24.5 Bcf of increased production from the assets acquired in the Dominion Acquisition), up 35% from the 94.4 Bcf produced in 2009.

Our Gas Division reported record proved gas reserves of 3.7 Tcf at year-end 2010 (including approximately 0.9 Tcf of increased reserves from the assets acquired in the Dominion Acquisition), or nearly double the 1.9 Tcf at year-end 2009.

We completed the \$3.47 billion Dominion Acquisition, as well as a tender offer and purchase of remaining publicly-owned shares of CNX Gas, together with all related financings and offering transactions.

We were named to Forbes Magazine's 2010 list of The 100 Most Trustworthy Companies which recognition demonstrates our collective commitment to making ethics and compliance our second core value, with safety remaining the first.

Corporate Governance and Our Executive Compensation Program

Our executive compensation program and corporate governance goals are linked and we have incorporated best corporate governance practices into our executive compensation program to maintain alignment between them as follows:

Stock ownership guidelines, which require the ownership of a significant level of stock until the executive retires or otherwise terminates service.

80% of the Chief Executive Officer's pay is at risk and 50-60% of the other named executives' pay is at risk. In addition, effective for 2011, an even greater portion of the Chief Executive Officer's and President's compensation has been allocated to at-risk compensation.

A no-hedging policy in our insider trading policy that prohibits our directors, officers, and employees from engaging in hedging transactions involving shares of CONSOL Energy common stock.

Elimination of all tax-gross ups for our executive officers (except for change in control agreements that were entered into prior to April 2009).

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Review of both the external marketplace and internal comparisons among the executive team in order to factor in internal equity considerations when making compensation determinations.

Existing change in control agreements generally require a termination of employment in addition to a change in control of CONSOL Energy before change in control benefits are triggered.

A strong risk management program with specific responsibilities assigned to management, the Board, and the Board's committees. Please see *Board's Role in Risk Management* on page 5 for a more detailed description of our risk management program, including management's involvement, and see *Compensation*

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Policies and Practices as They Relate to CONSOL Energy's Risk Management on page 46 for a discussion of the steps CONSOL has taken to mitigate any potential risks inherent in compensation programs.

Equity granting practices that preclude the timing of grants to take advantage of short-term stock price movements.

Objectives of Our Executive Compensation Program

One of the primary objectives of our executive compensation program is to attract, retain and motivate talented individuals to manage and lead CONSOL Energy. Accordingly, our Compensation Committee is responsible for approving the compensation of our executive officers and, in the case of our Chief Executive Officer, recommending his compensation to the independent members of the Board for approval.

We believe that the quality, skills and dedication of our executive officers are critical factors affecting the short- and long-term value of CONSOL Energy. As a result, the primary objectives of our compensation program are as follows:

align our named executives' interests with the interests of CONSOL Energy and its shareholders by providing a significant amount of compensation in at-risk pay;

provide compensation opportunities that will attract and retain superior executive personnel who will make significant contributions to CONSOL Energy's short- and long-term success;

provide incentives for our named executives to achieve CONSOL Energy's annual and long-term performance objectives; and

reward our named executives for achieving and exceeding performance goals.

Our named executives have 50% or more of their compensation tied to equity and accordingly, our executives' interests are fundamentally in line with our shareholders' interests. Through the use of our long-term compensation program, executive officers have the opportunity to receive total compensation at the top quartile among our peer group of companies, only if absolute and/or relative performance warrant such a payout.

Role of Outside Compensation Consultant

The Compensation Committee has engaged an outside compensation consulting firm to assist it with the development of our compensation program, and this consultant works for the Compensation Committee in coordination with management.

The Compensation Committee looks to the outside compensation consultant to review the elements of our compensation program and recommend any modifications thereto, including the appropriate mix of short- and long-term incentives, based on the consultant's review of the market practices of a peer group of companies and the Company's compensation objectives. The peer companies are recommended by the consultant after discussions with the Compensation Committee and management, and approved by the Compensation Committee. The consultant also provides ongoing input on the design of our incentive programs and the underlying performance metrics.

The Compensation Committee also uses the compensation consultant's benchmarking studies to determine the market pay practices of executives from comparable companies who are similarly situated to our named executives. The Compensation Committee's policy is to use the data prepared and presented by the outside compensation consultant as a reference point or guideline. Actual compensation may be higher or lower than the compensation paid to executives in similar positions at comparable companies.

In connection with the 2010 compensation program, the compensation consultant benchmarked the proposed compensation packages against (i) proxy data of fourteen energy industry companies (the Peer Group), and (ii) published survey data (including the Mercer Executive Compensation Survey, the Watson Wyatt Top Management Calculator and the Economic Research Institute Executive Compensation Assessor). Proposed compensation packages for total direct compensation were also compared to the trended energy industry peer group data.

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The rationale for having higher or lower compensation than that paid to other executives at comparable companies is a function of an executive's performance, skills, experience and specific role in the organization, as well as CONSOL Energy's overall performance. For example, with respect to each of our executive officers, the compensation consultant found in February 2010, that the 2010 compensation packages were between the 56th and 92nd percentiles of proxy data, or the 51st to 91st percentiles of trended proxy data (that is proxy data that is trended forward by 5% per year to account for the fact that the proxy data available at the time reflected 2008 compensation information). It was determined that for each of these individuals, their history with the Corporation, the depth and breadth of their experiences, their job responsibilities and CONSOL Energy's performance in 2009 warranted the recommended level of compensation for 2010. Additionally, when reviewing the ranking of CONSOL Energy's compensation packages to those of its peers, the Compensation Committee analyzes the size of CONSOL Energy relative to the other companies included in the Peer Group. In early 2010, CONSOL Energy's revenues of \$4.6 billion positioned it at the 7⁹ percentile of the Peer Group (based on the last quarter in 2008 and first three quarters in 2009), and CONSOL Energy's market capitalization of \$9.6 billion was positioned at the 65th percentile of the Peer Group (based on data as of February 2010).

2010 Peer Group

For purposes of establishing 2010 compensation, the Compensation Committee approved a Peer Group that consisted of the following 14 companies:

Allegheny Energy Inc.	Noble Energy, Inc.
Alpha Natural Resources, Inc.	Patriot Coal Corporation
Arch Coal, Inc.	Peabody Energy Corporation
Chesapeake Energy Corporation	PPL Corporation
EQT Corporation	Questar Corporation
EOG Resources, Inc.	Teco Energy, Inc.
Massey Energy Company	Vectren Corporation

The consultant's standard methodology is to recommend that peer companies are in the same sub-industry (coal) and/or industry (energy) as CONSOL Energy and then to examine the size of companies based on revenues and market capitalization to identify the most comparable companies.

2011 Peer Group

In light of the \$3.47 billion Dominion Acquisition, CONSOL Energy acquired a leading position in the strategic Marcellus Shale fairway by tripling its development assets to approximately 750,000 acres, including the approximately 500,000 prospective net Marcellus Shale acres located predominantly in southwest Pennsylvania and northern West Virginia. This strategically compelling and transformational addition to our business caused our Compensation Committee to reexamine our Peer Group.

In May 2010, our outside compensation consultant reviewed additional companies in the coal and energy industries. Based on that review, our Compensation Committee approved incorporating the following companies into the Peer Group based on size and/or emphasis on oil and gas exploration:

Devon Energy Corp.

El Paso Corp.

Murphy Oil Corp.

Pioneer Natural Resources Corp.

Southwestern Energy Co

Spectra Energy Corp

Williams Companies Inc.

QEP Resources (spun out from Questar Corporation)

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In connection with that review, the following companies were then eliminated from our Peer Group because they fell below the pre-established size parameters used to select appropriately sized peer companies:

Allegheny Energy Inc.

Patriot Coal Corporation

PPL Corporation

Questar Corporation

Teco Energy, Inc.

Vectren Corporation

Considerations of the Compensation Committee

The Compensation Committee relies on its own judgment in setting each executive officer's compensation and not on any rigid guidelines or strict formulas. To establish compensation for a particular executive officer, the Corporation's human resources personnel make an initial assessment and submit it to our Chief Executive Officer for review (except in the case of the Chief Executive Officer's compensation). For each individual executive officer, this assessment considers relevant industry salary practices, the particular position's complexity and level of responsibility, the position's importance to the Corporation in relation to other executive positions, and the competitiveness of an executive officer's total compensation. Our Chief Executive Officer may make appropriate changes to this assessment based on his determination of such executive officer's past performance. The Compensation Committee then reviews:

our Chief Executive Officer's compensation recommendations for each executive officer (other than himself);

our Chief Executive Officer's evaluation of each executive officer's performance and internal value; and

the benchmarking studies compiled by the outside compensation consultant.

From this information, the Compensation Committee approves, in consultation with the Chief Executive Officer and the outside compensation consultant, the amount of each executive officer's annual base salary, short- and long-term incentive compensation.

To establish compensation for our Chief Executive Officer, the Compensation Committee reviews:

the benchmarking studies and compensation alternatives compiled by the outside compensation consultant; and

the Chief Executive Officer's self-evaluation of his performance in light of the prior year's goals and objectives, and the Board's evaluation of his performance.

The Compensation Committee uses a variety of resources, including tally sheets, competitive market analysis, and input from outside consultants to make decisions regarding our executives' compensation that are consistent with our executive compensation philosophy and objectives. The Compensation Committee considers the Corporation's business performance, financial goals, the current industry environment and various tax considerations in determining how to apply the Corporation's executive compensation philosophy to decisions regarding executive compensation.

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The Compensation Committee's current intent is to perform at least annually a strategic review of our executive officers' overall compensation packages to determine whether they provide competitive incentives and whether they properly compensate our executive officers relative to comparable officers in other companies with which we compete for talent. Our Compensation Committee's most recent overall compensation review occurred in February 2011.

The Compensation Committee meets independently with the Chief Executive Officer and other members of management as appropriate to review pertinent data, including a review of all of the Chief Executive Officer's direct reports and matters regarding compensation structure. However, the executive officers are not present during that portion of the meeting in which their compensation is considered and approved.

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Performance Goals and Objectives

2010 Performance Goals and Objectives

As mentioned above, the performance of our executive officers is considered when establishing individual compensation. This means that the individual's performance is taken into account when compensating such person for prior performance and/or approving a targeted compensation package for the following year.

The Compensation Committee did not separately consider each individual goal and objective identified below, nor did it assign any relative weights to these goals and objectives. For purposes of considering an individual's performance, the Compensation Committee made a subjective determination based on a review of each executive officer's overall performance relative to such goals and objectives.

Our Corporation takes a team approach to achieving our strategic vision for CONSOL Energy. For 2010, our executive officers had the following as their combined primary performance goals and objectives:

Executives Primary Goals and Objectives for 2010

Safety	Improving safety by continuing CONSOL Energy's efforts to achieve a zero incidence rate. The Corporation's efforts to achieve zero accidents are not measured by the safety incidence rate (as no accidents are acceptable), but rather how and whether the Corporation established an effective safety incentive program and training program.
Continuous Improvement	Continuing to improve operations, including optimizing production rates and offsetting rising costs through efficient deployment of CONSOL Energy's resources (such as investment in upgrading older mines with new technology). The Corporation's efforts to optimize production rates are not measured by the amount of coal the Corporation produces, but rather the efficiency by which the Corporation produces that coal.
Sales and Marketing	Expanding both financial margins and market share for CONSOL Energy's coal. Specific targets regarding financial margins and market share are generally not determined. Rather, the Compensation Committee in a very general manner considers, at end of the year, sales prices under the Corporation's sales contracts for the year and the Corporation's market share. However, the Corporation does consider production volumes and costs per ton with respect to coal results and costs per Mcf with respect to gas results (see <i>2010 Short-Term Incentive Compensation</i> set forth below on page 34 for 2010 target information).
Finance	Protecting the Corporation's current financial position measured by CONSOL Energy's (i) Net Income and (ii) earnings before deducting net interest expense (interest expense less interest income), income taxes and depreciation, depletion and amortization (which we refer to as EBITDA).*
Organization	Continuing to analyze CONSOL Energy's corporate and management structure to identify opportunities for enhancement and to unlock value, and effectively recruit the best and brightest to ensure organizational growth and development.
Business Development	Expanding core business and business support via acquisitions and joint ventures.
Environmental	Participating in greenhouse gas initiatives and developing innovative environmental processes and controls to maintain regulatory compliance.
Corporate Governance	Effectuating good corporate governance by continuing to assist the Board in its oversight of CONSOL Energy and further enhancing communication between management and the Board.

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Public Image & Branding	Continuing to enhance CONSOL Energy’s corporate image and build its reputation as a leader in energy and environmental policy, as well as a community leader. These efforts are also consistent with our commitment to recruiting and enhancing the Corporation’s image as an employer.
Regulation Risk	Actively managing potential adverse risk associated with new governmental regulations.

* CONSOL Energy’s EBITDA and Net Income targets for 2010 were \$1,129,538,000 and \$410,192,000, respectively. Please refer to *EBITDA Reconciliations* on page 44 for information on the calculation of the target EBITDA for 2010.

These performance measures are used in determining awards under the Short-Term Incentive Compensation Plan and the Long-Term Incentive Program. The Compensation Committee also considers, in part, individual performance against these goals in determining the compensation for each named executive for the current year.

The Compensation Committee, in conjunction with our Chief Executive Officer, determined that our named executives exceeded their 2010 goals and objectives.

2011 Performance Goals and Objectives

Our executive officers’ collective goals and objectives for 2011 are substantially similar to their goals and objectives for 2010. The 2011 goals and objectives remain largely the same because these goals are long-term objectives which will be realized over time and which will drive CONSOL Energy’s strategic success. As a result of the transformational \$3.47 billion Dominion Acquisition that closed in 2010, the Board placed more emphasis on the Finance goal referenced above to include a focus on return on capital. The Compensation Committee will review in 2012, as it did in 2011 prior to approving award pay-outs for 2010 performance, whether our executive officers made strides toward the achievement of these goals in the one-year period.

Elements of Our Executive Compensation Program

The Compensation Committee seeks to achieve its objectives through the following elements of our executive compensation program for 2010:

Element	Form of Compensation	Purpose	Performance Criteria
1. Base Salary	Cash	To provide fixed compensation necessary to attract and retain key executives and to offset the cyclical nature in our business that may impact variable pay year-to-year.	-
2. Short-Term Incentive Compensation	Cash	To provide incentives to our employees to achieve performance goals and to reward our employees for the achievement of those goals.	Performance criteria include production, cost and safety goals determined by the Board, together with individual goals. Payout requires that one of the following threshold financial performance metrics is satisfied for that year: (i) total shareholder return (relative to peers), (ii) net income or (iii) EBITDA.

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Element	Form of Compensation	Purpose	Performance Criteria
3. Long-Term Incentive Compensation	Restricted Stock Units, Stock Options and Performance Share Units (all settle in stock)	To create a strong incentive for our key management members to achieve our longer-term performance objectives and strategic plan, and to align management's interests with our shareholders' interests.	Performance criteria include total shareholder return (relative to peers) and cumulative EBITDA. Payout requires that one of the following threshold financial performance metrics is satisfied for the three-year performance period: (i) total shareholder return (relative to peers), (ii) net income or (iii) EBITDA.
4. Post-Employment Compensation	Employment and Letter Agreements, Change in Control Agreements and Other Retirement Benefits	To attract and retain key management members and, for change in control agreements, to motivate executives to take actions that are in the best interests of CONSOL Energy.	-
5. Perquisites	Country club memberships, corporate aircraft, financial planning assistance, and a vehicle allowance.	To provide a competitive compensation package and, in certain cases, to optimize an executive officer's time.	-

1. Base Salary
2010 Base Salary

Factors considered in establishing base salaries include competitiveness with external market data, internal worth and value assigned to the named executive's role and responsibilities at CONSOL Energy, and the named executive's skills and performance.

The Compensation Committee (and in the case of the Chief Executive Officer, the independent members of the Board) approved the base salaries of our named executives in February 2010 after the 2009 proxy data (containing 2008 compensation information) and survey data became available.

In February 2010, the Compensation Committee approved annual base salary increases for each of our named executives and in the case of our Chief Executive Officer, the independent members of the Board approved the Compensation Committee's recommendation. The increases ranged from 5.5% to 10.0% of 2009 base salaries. These increases were attributable, in part, to outstanding performances in 2009.

The annual base salaries for 2010 were as follows:

Named Executive	Salaries for 2010
Chief Executive Officer	\$ 1,100,000
President	\$ 640,000
Chief Financial Officer	\$ 540,000
Chief Legal Officer	\$ 425,000
EVP Business Advancement and Support Services	\$ 390,000

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2011 Base Salary

In February 2011, the Compensation Committee approved annual base salary increases for each of our named executives, and in the case of our Chief Executive Officer, the independent members of the Board ratified the Compensation Committee's recommendation. The increases ranged from 0.0% to 9.0% for 2011. These increases were attributable, in part, to outstanding performances in 2010 and additional responsibilities assumed by certain of the executive officers. In order to further align our Chief Executive Officer with our stakeholders, the Compensation Committee recommended, and the independent members of the Board approved, maintaining the Chief Executive Officer's salary from 2010, and instead, increasing his performance-based compensation (as further explained below).

2. Short-Term Incentive Compensation

2010 Short-Term Incentive Compensation

The Short-Term Incentive Compensation Plan (which we call the Short-Term Plan) is designed to deliver greater cash awards when CONSOL Energy and our employees are successful in meeting or exceeding established targets and to pay less when CONSOL Energy and/or our employees fall short of these targets. The Short-Term Plan is also designed to provide incentive compensation (measured at target) that is comparable to compensation provided by companies with which CONSOL Energy competes for executive talent.

Each of our executive officers had an opportunity to earn a 2010 bonus if CONSOL Energy achieved threshold level performance goals for any of the following reasons: (i) total shareholder return relative to the Shareholder Return Peer Group (as summarized below) was at or exceeded the 50th percentile, (ii) EBITDA of \$564,769,000 (50% of targeted EBITDA for 2010),* or (iii) annual Net Income of \$205,096,000 (50% of targeted Net Income for 2010), and in the case of (ii) and (iii), were developed from the Board-approved profit objective for the year. If any of these three threshold level performance goals were achieved, each executive officer had the opportunity to earn his maximum bonus which the Compensation Committee could, in its discretion, reduce through the exercise of negative discretion.

In February 2011, the Compensation Committee determined that CONSOL Energy had achieved two of the three threshold level performance goals. To summarize, the Compensation Committee determined that:

Annual EBITDA (adjusted pursuant to the terms of the Short-Term Plan) for fiscal year 2010 was \$1,222,934,000 (i.e., exceeding \$564,769,000 (50% of the target EBITDA for 2010)).*

Annual Net Income for fiscal year 2010 was \$347,868,800 (i.e., exceeding \$205,096,000 (50% of the target Net Income for 2010)).

*Please refer to *EBITDA Reconciliations* on page 44 for information on the calculation of the target EBITDA, the actual EBITDA and the Short-Term Plan adjusted EBITDA for 2010.

As a result, the maximum payout opportunity was achieved subject to the Compensation Committee's exercise of negative discretion. In exercising its negative discretion, the Compensation Committee may rely on a number of factors, including the following formula, to determine the amount to be actually paid:

$$\begin{array}{rcccccc}
 \text{Base Salary} & & \times & \text{Opportunity} & & \times & \text{Annual Incentive} & & = & \text{Annual Award} \\
 & & & \text{Percentage} & & & \text{Compensation} & & & \text{Payment} \\
 & & & & & & \text{Factor} & & &
 \end{array}$$

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The Opportunity Percentage referenced in the above formula is expressed as a percentage of base salary. In early 2010, the Compensation Committee determined the Opportunity Percentages for each of our executive officers based on a review of competitive data and performance. The Compensation Committee approved (and in the case of the Chief Executive Officer, the independent members of the Board approved) the Opportunity Percentages for each of the named executives as follows:

Named Executive	Opportunity Percentages for 2010 As A Percentage of		Target Payout under the Short-Term Plan*
	Base Salary		
Chief Executive Officer	140%		\$ 1,540,000
President	100%		\$ 640,000
Chief Financial Officer	70%		\$ 378,000
Chief Legal Officer	60%		\$ 255,000
EVP Business Advancement and Support Services	60%		\$ 234,000

*The 2010 target payout amounts for the named executives under the Short-Term Plan ranged from a 5.5% to 18.5% increase from the 2009 target payout amounts, the latter being the increase for the Chief Executive Officer. The Compensation Committee increased the Chief Executive Officer's target payout under the Short-Term Plan in order to more closely link his cash compensation to performance. The Opportunity Percentages and Target Payouts are benchmarked against the Peer Group and survey data (as available). This data was utilized to ensure that the recommendations were within market. As a result of this study, the Compensation Committee approved the executive officers' Opportunity Percentages and Target Payouts, with the Target Payouts being positioned between the 63rd and 77th percentile levels of the Peer Group.

The Annual Incentive Compensation Award Factor, as referred to in the above formula, consists of the following three targets (each weighted equally):

Coal Results Target (which is based on 1/3 production, 1/3 costs and 1/3 safety)

Gas Results Target (which is based on 1/3 production, 1/3 costs and 1/3 safety)

Individual Performance Target (which includes those objectives set forth in the section above)

Each of these targets is measured independently such that if one target is not achieved, an opportunity exists for the other targets to be achieved, resulting in an annual award payment. The scores may range from 70-200% for each target, with a 100% score indicating achievement of a target and a higher score (up to 200%) indicating that the target was exceeded. If the minimum score of 70% is not reached for a particular target, a score of zero will be recorded for that target.

Coal Results for 2010

In early 2011, the Compensation Committee and the independent members of the Board reviewed and evaluated the Coal Results for 2010, and determined the following scores for Coal:

Element	Original Target	Actual Results	Coal Score
Production	60,941,000 tons	62,866,371	155%
Cost/Ton	\$34.98/ton	\$33.81/ton	153%

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Safety	Zero Accidents	Positive Trend	134%
Total	-	-	147%

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In early 2011, the Compensation Committee and the independent members of the Board reviewed and evaluated the Gas Results for 2010, and determined the following scores for Gas:

Element	Original Target	Actual Results	Gas Score
Production	100,000,000 Mcf	104,100,000Mcf*	168%
Cost/Mcf	\$4.07/Mcf	\$3.69/Mcf	193%
Safety	Zero Accidents	Zero Accidents	200%
Total	-	-	187%

* Adjusted to exclude production from the Dominion Acquisition.

Individual Results for 2010

In February 2011, our Chief Executive Officer reviewed and discussed with the Compensation Committee his assessment of the other executive officers' performances in 2010 relative to the target goals referenced above. Our Compensation Committee concurred with our Chief Executive Officer's assessment of executive performance and approved performance scores for our President, Chief Financial Officer, Chief Legal Officer and EVP Business Advancement and Support Services that were at or within the following range: 190% to 200%. Similarly, the Compensation Committee and the independent members of the Board reviewed and evaluated the Chief Executive Officer's self-assessment in light of his stated goals and objectives and agreed to an individual performance score of 200%.

Exercising Negative Discretion

After reviewing the Coal Results, the Gas Results and the Individual Results, the Compensation Committee exercised negative discretion, consistent with the formula referenced on pages 34-35 of the Proxy Statement. Information regarding the maximum payouts, the amount by which the payouts were reduced from the maximum payouts, and the amount of the actual payouts, is set forth below:

Named Executive	Maximum Payout under the Short-Term Plan	Amount by which the Maximum Payout was Reduced under the Short-Term Plan	Actual Payout under the Short-Term Plan
Chief Executive Officer	\$ 3,080,000	\$ 330,000	\$ 2,750,000
President	\$ 1,280,000	\$ 80,000	\$ 1,200,000
Chief Financial Officer	\$ 756,000	\$ 81,000	\$ 675,000
Chief Legal Officer	\$ 510,000	\$ 64,000	\$ 446,000
EVP Business Advancement and Support Services	\$ 468,000	\$ 50,000	\$ 418,000

Section 162(m)

With some exceptions, Section 162(m) of the federal income tax laws limits CONSOL Energy's deduction for compensation in excess of \$1 million paid to certain covered employees (generally our Chief Executive Officer and the three next highest-paid executive officers). Compensation paid to covered employees is not subject to the deduction limitation if it is considered qualified performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). Awards made under our Short-Term Plan and our Long-Term Incentive Program (discussed below) are intended to comply with Section 162(m) of the Code.

2011 Short-Term Incentive Compensation

In February 2011, the Compensation Committee approved the 2011 Short-Term Plan award opportunities which, if earned, will be paid to the Corporation's officers and other employees in the first quarter of 2012. Similar to the 2010 Short-Term Plan, 2011 award opportunities were

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approved under the Executive Annual Incentive Plan so that awards to be granted thereunder to covered employees would comply with Section 162(m) of the Code. In

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consultation with the outside compensation consultant and management, the Compensation Committee determined to retain the design of the Short-Term Plan and approved 2011 target awards with substantially similar terms and conditions to the 2010 Short-Term Plan awards. Target awards (in dollars) for each of our named executives (except the President) increased by 4.6% - 9.0% from 2010, with the increase primarily attributable to increases in base salary effective for 2011 (except with respect to our Chief Executive Officer, whose salary remained the same for 2011). The President's target award (in dollars) increased by 18.6% due to his increased job responsibilities and internal pay equity.

3. Long-Term Incentive Compensation

2010 Mix of Long-Term Incentive Compensation

The Compensation Committee generally believes that combined grants of stock options, restricted stock units and performance share units for our executive officers provide a balance between risk and potential reward consistent with the market trends of our peers. In February 2010, the Compensation Committee determined that target long-term incentive opportunities for our executive officers (other than the Chief Executive Officer) would be derived 1/3 from stock options, 1/3 from restricted stock units and 1/3 from performance share units (each with three year ratable vesting), assuming target performance is achieved. This allocation was based primarily on a desire to balance risk and retention. The Compensation Committee also determined that this general mix of officer awards, would reward stock price appreciation as well as financial performance over both the short- and long-term.

For a more detailed description of the conclusions reached by management and our Compensation Committee with respect to our compensation programs and policies generally and risk, please see *Compensation Policies and Practices as They Relate to CONSOL Energy's Risk Management* on page 46.

For the Chief Executive Officer, the Compensation Committee approved, and the independent members of the Board approved, maintaining a long-term incentive mix that is more performance-oriented (options and performance share units), and less time-based (restricted stock units). Accordingly, his target long-term incentive expected value in 2010 was derived 37.0% from stock options, 50.0% from performance share units and 13.0% from restricted stock units. The rationale for this mix was to link our Chief Executive Officer's compensation more to performance-related equity (as opposed to time-based restricted stock units).

2010 Long-Term Incentive Compensation Awards

In February 2010, the Compensation Committee reviewed the mix of total long-term compensation described above for purposes of establishing each executive officer's target long-term incentive value. The Compensation Committee, in coordination with our Chief Executive Officer, approved maintaining the same mix of restricted stock units, stock options and performance share units to be granted to our executive officers, other than the Chief Executive Officer. As discussed above, the Compensation Committee in 2010 decided to emphasize the long-term performance component of our executive officers' 2010 total compensation in order to incentivize their contribution to the Corporation's achievement of our long-term performance objectives and strategic plan.

In light of this decision, the Compensation Committee approved an increase from 2009 in the long-term incentive opportunity for each of our Chief Executive Officer, our President, our Chief Financial Officer, our Chief Legal Officer and our EVP Business Advancement and Support Services of 24.2%, 9.8%, 14.2%, 67.4% and 20.7%, respectively. As a result, the Compensation Committee approved the following equity awards (in the dollar amounts shown below):

Named Executive	Stock Options	Restricted Stock Units	Performance Share	
			Units (Target)	Total
Chief Executive Officer	\$ 2,850,000	\$ 1,000,000	\$ 3,850,000	\$ 7,700,000
President	\$ 778,333	778,333	\$ 778,333	\$ 2,335,000
Chief Financial Officer	\$ 466,667	\$ 466,667	\$ 466,667	\$ 1,400,000
Chief Legal Officer	\$ 240,750	\$ 240,750	\$ 240,750	\$ 722,250
EVP Business Advancement and Support Services	\$ 168,667	\$ 168,667	\$ 168,667	\$ 506,000

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These 2010 long-term incentive opportunities were positioned between the 53rd and 88th percentiles of the Peer Group. Additional information regarding each of the equity grants and their terms and conditions is more fully described in *Understanding Our Summary Compensation and Grants of Plan-Based Awards Tables* on page 50.

The number of performance share units received by an individual is based on the closing market price of CONSOL Energy's common stock on the grant date and the number of stock options received by an individual is based on the Corporation's calculation of the Black-Scholes value for stock options on the grant date.

2011 Mix of Long-Term Incentive Compensation

In February 2011, the Compensation Committee in coordination with our Chief Executive Officer, approved maintaining the same mix of restricted stock units, options and performance share units to be granted to our executive officers, other than the Chief Executive Officer and President for the 2011 compensation year. With respect to our Chief Executive Officer, the Compensation Committee approved, and the independent members of the Board approved, maintaining a long-term incentive mix for 2011 that had more performance-oriented stock options and performance share units, and did not grant him time-based restricted stock units. Accordingly, our Chief Executive Officer's target long-term incentive opportunity for 2011 is derived 16% from stock options and 84% from performance share units. In connection with the promotion of our Chief Operating Officer to President, the Compensation Committee determined to increase the portion of his long-term incentive compensation which is at-risk to further motivate achievement of performance goals with 25% in the form of stock options, 25% in the form of restricted stock units and 50% in the form of performance share units.

2011 Long-Term Incentive Compensation Awards

Consistent with its decisions in 2010, the Compensation Committee decided to place more emphasis on the long-term performance component of our executive officers' 2010 total compensation in order to incentivize their contribution to the Corporation's achievement of our long-term performance objectives and our strategic plan. Accordingly, the Compensation Committee approved increases to the long-term incentive opportunities (measured in dollars) for each of our Chief Executive Officer, President, Chief Financial Officer, Chief Legal Officer and EVP Business Advancement and Support Services, ranging from 8.0% to 18.5%.

Options and Restricted Stock Units

The Compensation Committee has the authority to administer the Plan and make annual awards of non-qualified stock options and restricted stock units to our executive officers (along with associated dividend equivalent rights, which accrue and are ultimately paid in stock only if the underlying units vest). The Compensation Committee believes that our stock option and restricted stock unit awards promote the achievement by CONSOL Energy of short- and long-term performance objectives, while aligning our named executives' interests with CONSOL Energy's shareholders.

The stock option and restricted stock unit awards vest ratably over a three-year period to enhance our retention objectives. The stock option and restricted stock unit awards also provide that, upon a change in control, the unvested portion of the awards will vest. In the event of a potential change in control transaction, this provision will motivate executives to take actions that are in the best interests of CONSOL Energy and its shareholders and reduce the distraction regarding the impact of such a transaction on the personal situation of the executives.

Additionally, our award agreements contain confidentiality provisions, two-year non-competition and two-year non-solicitation provisions, which are designed to protect our business. If an executive violates these covenants, such person will automatically forfeit the award. See *CONSOL Energy Stock Options* on page 74 and *CONSOL Energy Restricted Stock Units* on page 76 for a more detailed description of the restrictive covenants in option and restricted stock unit awards and the effects of employment termination.

Payout Under the 2008 Long-Term Incentive Program (LTIP)

In February 2008, the Compensation Committee approved (and, in the case of our Chief Executive Officer, the independent members of the Board approved) the award of performance share units (along with associated dividend

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equivalent rights, which accrue and are ultimately paid in stock only if the underlying units vest) to our executive officers and other key employees, which awards had a performance period from January 1, 2008 to December 31, 2010. The vesting of these awards was conditioned on the achievement of the following criteria (each weighted equally) over the three-year performance period: first, total shareholder return (that is, stock price appreciation/depreciation plus the compounding effect of reinvested dividends) compared to the companies in a shareholder return peer group (as defined in the 2008 proxy); second, CONSOL Energy's cumulative EBITDA for 2008-2010; and third, CONSOL Energy's cumulative Net Income for 2008-2010. In accordance with the terms of the LTIP at the time the awards were established in 2008, EBITDA and Net Income calculations were adjusted for the impairment of intangible and tangible assets pursuant to Financial Accounting Standards Board Accounting Standards Codification 360 Property, Plant and Equipment (ASC 360) (formerly FAS 144), fluctuations in natural gas prices and expenses associated with reorganizations and restructurings.

If any of these goals was achieved, the maximum award would be subject to the Compensation Committee's exercise of negative discretion, which discretion could include consideration of CONSOL Energy's performance relative to total shareholder return to its peers during the period and EBITDA performance. The incorporation of negative discretion provides our Compensation Committee with the flexibility to reduce an award, after taking into account each executive's performance and the performance of CONSOL Energy.

The applicable schedules follow:

OUTCOME RELATIVE TO PEER GROUP TOTAL SHAREHOLDER RETURN (2008-2010)

Level of Performance	Percentage Ranking in TSR	Percent of Performance Units Earned (Prior to Weighting)
Below Threshold	Below 25th percentile	0%
Threshold	25th percentile	25%
Target	50th percentile	100%
Outstanding	75th percentile and Above	200%

CUMULATIVE EBITDA (2008-2010)

Level of Performance	Absolute EBITDA	Percent of Performance Units Earned (Prior to Weighting)
Below Threshold	Below \$3,200,191,000	0%
Threshold (80% of Target)	Equal to 3,200,191,000	50%
Target	Equal to \$4,000,239,000*	100%
Outstanding (120% of Target)	Equal to or Greater than \$4,800,286,800	200%

For the 2008-2010 performance period, the cumulative EBITDA hurdle (\$2,000,119,500*) and cumulative Net Income hurdle (\$868,493,500) were each achieved. As a result, the maximum awards were earned and the Compensation Committee applied negative discretion to the awards based on our total shareholder return, which was ranked at the 29th percentile, and our aggregate EBITDA (adjusted per the LTIP program terms), which was \$4,172,410,327.* After performing an interpolation between the relevant levels of performance, it was determined that the total shareholder return metric was achieved at a 37.0% payout, and the EBITDA metric was achieved at a 121.6% payout. In accordance with the plan, it was then determined that the officers and other participating employees were eligible to receive the average of the total shareholder return and EBITDA payout percentages, or 79.3% of the targeted amount of their 2008 performance share units.

*Please refer to *EBITDA Reconciliations* on page 44 for information on the calculation of the target EBITDA, the actual EBITDA and the LTIP adjusted EBITDA for 2008-2010.

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As a result of the above performance, the performance share units were settled as follows:

Named Executive	Performance Share Units Granted in February 2008 (including Subsequent Dividends)	Shares of Common Stock (Earned Performance Share Units)
Chief Executive Officer	34,131	27,066
President	-	-
Chief Financial Officer	5,245	4,160
Chief Legal Officer	1,745	1,384
EVP Business Advancement and Support Services	1,525	1,210

Additional information regarding the 2008 LTIP is included in the CONSOL Energy proxy statement filed on March 23, 2009.

Awards Issued Under the 2010 LTIP

In February 2010, the Compensation Committee approved (and the independent members of the Board with respect to the Chief Executive Officer approved) performance share unit awards (along with associated dividend equivalent rights, which accrue and are ultimately paid in stock only if the underlying units vest) for each of our executive officers for the performance period of January 1, 2010 through December 31, 2012. The 2010 LTIP provides that each executive officer's maximum award will be eligible for potential vesting if a threshold level of performance is achieved for any one of the following three performance goals: (i) total shareholder return relative to CONSOL Energy's peers that meets or exceeds the 25th percentile, (ii) cumulative EBITDA for the period, or (iii) cumulative Net Income for the period. If any of these goals is achieved, maximum awards will be subject to Compensation Committee discretion to reduce the awards by exercising negative discretion, which negative discretion may include consideration of CONSOL Energy's performance relative to (x) total shareholder return compared to its peers and (y) EBITDA results, each measured during the period. The incorporation of negative discretion provides the Compensation Committee with the flexibility to reduce an award, after taking into account each executive officer's performance and the performance of CONSOL Energy.

The target information for our total shareholder return performance metric is as follows:

OUTCOME RELATIVE TO PEER GROUP TOTAL SHAREHOLDER RETURN (2010-2012)

Level of Performance	Percentage Ranking in TSR	Percent of Performance Units Earned (Prior to Weighting)
Below Threshold	Below 25th percentile	0%
Threshold	25th percentile	25%
Target	50th percentile	100%
Outstanding	75th percentile and Above	200%

The target information for our EBITDA performance metric is as follows:

CUMULATIVE EBITDA (2010-2012)

Level of Performance	Absolute EBITDA	Percent of Performance Units Earned (Prior to Weighting)
Below Threshold	*	0%
Threshold (80% of Target)	*	50%
Target	*	100%
Outstanding (120% of Target)	*	200%

*

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The Compensation Committee determined that the EBITDA and Net Income target numbers for 2011 and 2012 constitute confidential information. When EBITDA and Net Income goals were established, the Compensation Committee believed that they were challenging, yet achievable target levels based upon a review of CONSOL Energy's performance in the prior three-

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year period and its business goals and objectives for the performance period covering 2010-2012. The target goals will be disclosed in the 2013 proxy once the performance cycle has been completed and earned awards are reported.

The performance share unit award agreements include a change in control provision, which provides that in the event of a change in control of CONSOL Energy, the units will accelerate and vest at target. In the event of a potential change in control transaction, this provision will motivate executives to take actions that are in the best interests of CONSOL Energy and its shareholders and reduce the distraction regarding the impact of such a transaction on the personal situation of the executives.

The Shareholder Return Peer Group (as referenced above) is comprised of the following 28 companies:

Alliance Resource Partners, L.P.	International Coal Group Inc.
Alpha Natural Resources, Inc.	James River Coal Company
Anadarko Petroleum Corporation	Massey Energy Company
Apache Corporation	Newfield Exploration Company
Arch Coal Inc.	Nexen Inc.
Cabot Oil & Gas Corporation	Noble Energy Inc.
Callon Petroleum Co/DE	Peabody Energy Corporation
Chesapeake Energy Corporation	Penn Virginia Corporation
Cimarex Energy Co.	Pioneer Natural Resources Company
Comstock Resources Inc.	Rio Tinto Group (GBR) ADR
Denbury Resources Inc.	St. Mary Land & Explor Company
Devon Energy Corporation	Stone Energy Corporation
Encana Corporation	Ultra Petroleum Corporation
EOG Resources, Inc.	Westmoreland Coal Company

*In the event a Peer Group company ceases to exist during the performance period, such Peer Group company shall be excluded from the calculation of Total Shareholder Return; provided, however, that any Peer Group company that is liquidated and/or files for Chapter 11 reorganization would not be deemed excluded, but rather would automatically be deemed to be in last place for purposes of calculating Total Shareholder Return.

For purposes of measuring total shareholder return, the Compensation Committee selected the above group of 28 energy companies with which we compete for capital in the market. How well CONSOL Energy performs in that competition is measured by our respective total shareholder return. The Compensation Committee believes that from an investor's perspective these companies are similar to CONSOL Energy. Unlike the 14-company Peer Group used to benchmark pay levels, this peer group was not selected based on company size, and represents a broader mix of energy companies.

2011 LTIP

In February 2011, the Compensation Committee approved (and the independent members of the Board with respect to the Chief Executive Officer approved) new performance share unit awards for each of our executive officers. The program is structured substantially similar to the 2010 LTIP and covers the performance period of January 1, 2011 through December 31, 2013. The only differences are: (i) replacing the EBITDA performance metric with an average return on capital employed performance metric, and (ii) adding a safety modifier whereby the total units earned could increase or decrease by as much as 25%, depending on the percentage of locations without recordable incidents (also known as at zero) and the potential severity of incidents incurred, in each case for the three-year performance period. As a result of the transformational \$3.475 billion Dominion Acquisition that closed in 2010, the Board placed more emphasis on the Finance goal for 2011 to include a focus on return on capital (as referenced above).

Nonqualified Performance Stock Option Awards Under The Transaction Incentive Plan

In June 2010, the Corporation adopted a transaction incentive plan (the Transaction Incentive Plan) to incent management to achieve the gas production and cost goals in connection with the Dominion Acquisition, which the Corporation considers to have been a transformational opportunity. Pursuant to the terms of the Transaction Incentive Plan, the Compensation Committee granted nonqualified performance stock options (the Performance Options) under the Plan to certain executive officers and key employees of the Corporation, who the Compensation

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Committee deemed to be instrumental in the successful integration and development of the Dominion assets, which were acquired on April 30, 2010 for \$3.47 billion. Among others, Messrs. Harvey, DeLuliis, Lyons, Richey and King each received Performance Options. The exercise price of the options was set at a dollar amount twelve-percent (12%) higher than the Corporation's closing stock price on the date the Performance Options were granted, so as to ensure that the Corporation's shareholders were rewarded before the Performance Option recipients. For a description of the additional terms of the Performance Options, see *Understanding Our Summary Compensation And Grants Of Plan-Based Awards Tables*.

The terms of the award agreements provide that, subject to a Participant's continuous employment with the Corporation and the Corporation's achievement of certain gas production goals and cost goals (the Annual Performance Goals), which shall be equally weighted and mutually exclusive, related to the Corporation's wholly-owned subsidiary, CNX Gas, in each of the fiscal years ending December 31, 2010, 2011, 2012 and 2013, respectively (each a Performance Period), up to twenty-five percent (25%) of the Performance Options may vest and become exercisable with respect to each such Performance Period, as provided in the award agreement, on such date as the Compensation Committee certifies that the applicable Annual Performance Goals with respect to such Performance Period and other material terms of the award agreements have been satisfied.

At its meeting on February 10, 2011, the Compensation Committee determined that the applicable annual performance goals and other material terms of the Performance Options had been satisfied with respect to the six month performance period beginning on July 1, 2010 and ending on December 31, 2010 (the 2010 Performance Period). The Gas Production Goal (upon which 50% of the vesting of the Performance Option is based) was 70 Bcf for the 2010 Performance Period and was achieved at 72 Bcf. The Gas Cost Goal (upon which 50% of the vesting of the Performance Option is based) was \$3.68/Mcf for the 2010 Performance Period and was achieved at \$3.67/Mcf. The Compensation Committee therefore approved the vesting of 25% of the shares underlying each recipient's Performance Option award, and accordingly, 25% of each recipient's Performance Option award became exercisable as of February 10, 2011. The following table represents the Performance Options that were originally granted, and the portion that vested for purposes of the 2010 Performance Period:

Name	Shares Underlying Performance Option Awards Granted on June 15, 2010	Percentage of Performance Option Awards that Vested (Period through December 31, 2010)	2010 Vested Performance Option Shares
J. Brett Harvey	243,273	25%	60,818
Nicholas J. DeLuliis	152,046	25%	38,011
William J. Lyons	97,309	25%	24,327
P. Jerome Richey	60,819	25%	15,204
Robert P. King	66,900	25%	16,725

Stock Ownership Guidelines for Executives

The stock ownership guidelines provide that all employees designated as officers for purposes of the policy should own shares of the Corporation's stock, the value of which is a multiple of that employee's base salary. Shares issuable upon the exercise of options under the Transaction Incentive Plan or settlement of performance share units held by an individual are not counted for purposes of determining whether an individual has satisfied the ownership guideline requirement. In connection with granting Performance Options, the Compensation Committee increased the stock ownership guidelines as follows:

Named Executive	Original Multiple of Base Salary	Increased Multiple of Base Salary
Chief Executive Officer	5.0	5.5
President	3.0	3.5
Chief Financial Officer	3.0	3.5
Chief Legal Officer	2.0	2.5
EVP Business Advancement and Support Services	2.0	2.5

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Our stock ownership guidelines were implemented by the Compensation Committee in order to further align our executive officers' interests with those of our shareholders and to comply with best practices. CONSOL Energy reviews compliance with the stock ownership guidelines annually. As of February 2011, all of our named executives had satisfied their stock ownership guidelines.

4. Post Employment Benefits

Employment and Letter Agreements

We previously entered into an employment agreement with our Chief Executive Officer and into a letter agreement with our Chief Legal Officer. CONSOL Energy entered into each of these agreements for purposes of attracting the particular executive to CONSOL Energy. In the case of our Chief Executive Officer's most recent employment agreement, the Compensation Committee believed that such an agreement was necessary for purposes of maintaining consistency with market and past practice and retaining our Chief Executive Officer. For a description of the additional terms of each of these agreements, see *Understanding our Summary Compensation and Grants of Plan-Based Awards Tables* on page 50 and *Understanding Our Change in Control and Employment Termination Tables* on page 69.

Change in Control Agreements

We previously entered into change in control agreements with each of our executive officers (which we refer to as "CIC Agreements"). The Compensation Committee believes that the CIC Agreements will motivate executives to take actions that are in the best interests of CONSOL Energy and its shareholders and reduce the distraction regarding the impact of such a transaction on the personal situation of the executives. Under the CIC Agreements, each executive officer will receive severance benefits if such person's employment is terminated or constructively terminated after, or in connection with, a change in control (as defined in the respective CIC Agreements) if such executive officer enters into a general release of claims reasonably satisfactory to us. Under these circumstances, these executive officers would be entitled to receive a lump sum cash payment equal to a multiple of base pay plus a multiple of incentive pay (as defined in their respective CIC Agreements) as follows:

Named Executive	Multiple of Base Salary and Incentive Pay
Chief Executive Officer	3.0
President	2.5
Chief Financial Officer	2.5
Chief Legal Officer	2.0
EVP - Business Advancement and Support Services	2.0

Additionally, benefits would be continued for two to three years and the vesting of equity grants would accelerate. To protect our business interests, the CIC Agreements also contain confidentiality obligations, a one-year non-competition covenant and a two-year non-solicitation covenant. Additional terms of these agreements are more fully described in *Understanding Our Change in Control and Employment Termination Tables* on page 69.

Change in Control Tax Gross-Up

In connection with the Compensation Committee's objective to provide compensation opportunities that will attract and retain superior executive personnel who will make significant contributions to CONSOL Energy, our CIC agreements that were entered into several years ago provide for tax gross-ups in the event of a change in control. If it is determined that any payment or distribution by CONSOL Energy or CNX Gas (in the case of its President) to or for the disqualified person's benefit would constitute an excess parachute payment, CONSOL Energy or CNX Gas (in the case of its President) will pay to the disqualified person a gross-up payment, subject to certain limitations, such that the net amount retained by the disqualified person after deduction of any excise tax imposed under Section 4999, and any tax imposed upon the gross-up payment, will be equal to the excise tax on such payments or distributions. In connection with incorporating gross-up provisions in the CIC agreements, the Compensation Committee determined that such gross-up payments were consistent with general market practice at

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the time these agreements were entered into and ensured that each executive received the intended level of severance benefits, unencumbered by the 20% excise tax. In 2010, CONSOL Energy did not enter into any new agreements or amend any existing agreements, to provide for the gross-ups described above.

Other Post-Employment Benefits

CONSOL Energy also maintains retirement benefit plans which are intended to attract and retain key talent including a supplemental executive retirement plan. These retirement plans are more fully described in *Understanding Our Pension Benefits Table* on page 58.

5. Perquisites

We provide our executive officers and other senior officers with perquisites that we believe are reasonable, competitive and consistent with CONSOL Energy's compensation program. Our principal perquisite programs primarily include the personal use of the corporate aircraft in accordance with the terms and conditions of the Aircraft Policy, country club memberships, financial planning assistance, and a vehicle allowance. These programs are more fully described in the footnotes to the Summary Compensation Table and *Understanding Our Summary Compensation and Grants of Plan-Based Awards Tables* on page 50. In early 2009, management and our Board collectively decided to eliminate tax gross-ups on Corporation-provided perquisite programs for our executive officers.

Mix of Total Compensation

The Compensation Committee analyzed the mix of salary, short-term incentive compensation and long-term compensation for purposes of setting 2010 compensation.

2010 TARGETED PAY MIX

Named Executive	Base Salary	Annual Incentive Compensation Awards*	Long-Term Incentive Compensation**	Total At-Risk Compensation (Short-Term Incentive Compensation,* Options and Performance Share Units**)
Chief Executive Officer	10.6%	14.9%	74.5%	79.7%
President	17.7%	17.7%	64.6%	60.8%
Chief Financial Officer	23.3%	16.3%	60.4%	56.6%
Chief Legal Officer	30.3%	18.2%	51.5%	52.5%
EVP Business Advancement and Support Services	34.5%	20.7%	44.8%	50.6%

* For purposes of the short-term incentive compensation awards, assumes target payout.

** For purposes of the performance share unit awards, assumes target payout.

As illustrated in the chart above, approximately 80% of the Chief Executive Officers and approximately 50-61% of our other named executives 2010 target total direct compensation is at risk and based on the achievement of short-term and long-term financial and business objectives, while approximately 45% or more of the named executives' total direct compensation is granted in the form of long-term incentives. We believe that this balance of fixed and variable compensation is consistent with the Corporation's executive compensation philosophy, maintains a strong link between our named executives' compensation and the Corporation's performance and motivates executives to deliver strong business performance and to create shareholder value.

EBITDA Reconciliations

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We define EBITDA as earnings before deducting net interest expense (interest expense less interest income), income taxes and depreciation, depletion and amortization.

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Reconciliations for the 2010 Performance Period

Target EBITDA (2010). Our target EBITDA for the 2010 performance period of \$1,129,538,000 was calculated as follows: Net Income (\$410,191,000), plus net interest expense (\$37,826,000), plus income taxes (\$184,566,000), plus DD&A (\$496,955,000).

Actual EBITDA (2010). For information on the calculation of our actual EBITDA for 2010 of \$1,221,121,000, please refer to Part II, Item 6 (page 63) of the CONSOL Energy Form 10-K filed on February 10, 2011.

Short-Term Plan Adjusted EBITDA (2010). Pursuant to the Short-Term Plan for the 2010 performance period, certain specified adjustments can be made to the final EBITDA calculation. Accordingly, the actual EBITDA for the 2010 performance period was increased from \$1,221,121,000 (as referred to immediately above) to \$1,222,934,000. This \$1,813,000 increase was attributable to the following program permitted adjustments: intangible and tangible impairments pursuant to ASC 360.

Reconciliations for the 2008-10 Performance Period

Target EBITDA (2008-10). Our target EBITDA for the 2008-10 performance period of \$4,000,239,000 was calculated as follows: Net Income (\$1,736,987,000), plus net interest (\$45,284,000), plus income taxes (\$819,052,000), plus DD&A (\$1,398,916,000).

Actual EBITDA (2008-10). For information on the calculation of our actual EBITDA for 2008-10 of \$3,520,253,000, please refer to Part II, Item 6 (page 63) of the CONSOL Energy Form 10-K filed on February 10, 2011.

LTIP Adjusted EBITDA (2008-10). Pursuant to the LTIP program document for the 2008-10 performance period, certain specified adjustments can be made to the final EBITDA calculation. Accordingly, the actual EBITDA for the 2008-10 performance period was increased from \$3,520,253,000 (as referred to immediately above) to \$3,946,867,327 for the performance threshold and \$4,172,410,327 for the payout measure. These increases of \$426,614,327 and \$652,157,327 for the performance threshold and the payout measure, respectively, were attributable to the following program permitted adjustments: (i) fluctuations in natural gas prices, (ii) expenses associated with reorganizations, and (iii) intangible and tangible impairments pursuant to ASC 360, and with respect to the payout measure, additional adjustments were made for extraordinary/unusual items.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed the Compensation Discussion and Analysis set forth above with CONSOL Energy's management and, based upon such review and discussion, the Compensation Committee recommended to our Board that the Compensation Discussion and Analysis be included in this Proxy Statement. The Compensation Committee's charter is available on our website at www.consolenergy.com.

Members of the Compensation Committee:

William P. Powell, Chairman

Philip W. Baxter

John T. Mills

Joseph T. Williams

March 24, 2011

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The foregoing Compensation Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other filing of CONSOL Energy under the Securities Act of 1933 or the Exchange Act, except to the extent that the Corporation specifically incorporates the Report by reference therein.

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COMPENSATION POLICIES AND PRACTICES AS THEY RELATE TO CONSOL ENERGY'S RISK

MANAGEMENT

Our compensation program is designed to motivate and reward our employees and executive officers for their performance during the fiscal year and over the long-term and for taking appropriate business risks.

In 2010, the Board requested that the Compensation Committee work with management to assess the Corporation's risks, if any, associated with our compensation policies and practices. Accordingly, several members of our management team conducted an assessment of the risks arising from our compensation policies and practices. The team reviewed and discussed the design features, characteristics, performance metrics and approval mechanisms for all of our various compensation components, to determine whether any of our compensation policies or programs could create risks that would be reasonably likely to have a material adverse effect on the Corporation. The assessment was reviewed by our Internal Auditors and Human Resources Department. Based on this review, management, the Compensation Committee and the full Board identified the following risk mitigating components, which, in their opinion, would be likely to reduce incentives for excessive risk taking and mitigate any incentives to maximize short-term results at the expense of long-term value:

Balanced Pay Mix: The target compensation mix is heavily weighted towards long-term incentive compensation.

Mix of Performance Metrics: We do not rely on a single performance metric to determine payouts for performance-based awards. Instead, performance targets are tied to a variety of financial metrics, including Safety, EBITDA, Net Income and TSR. Performance-based awards are also based, in part, on the achievement of strategic and operational objectives in addition to financial metrics.

Calculation and Verification of Performance: Controls are in place to ensure accuracy of calculations as to actual performance against metrics. In cases where management determines performance scores, the Compensation Committee (and the independent members of the Board with respect to Mr. Harvey) generally reviews and makes judgments regarding these determinations.

Negative Discretion: The Compensation Committee has discretion to reduce performance-based awards when it determines such adjustments would be appropriate based on the Corporation's and the employees' performance.

Cap on Incentive Payouts: Our incentive programs use financial measures with sliding scales, with amounts interpolated for awards between \$0, target and maximum. Payouts are capped at 200% of the target award to protect against excessive payouts.

Performance Period and Vesting Schedules: The performance period and vesting schedules for long-term incentives overlap and, therefore, reduce the motivation to maximize performance in any one period.

Stock Ownership Guidelines: As it relates to our executives, this policy requires our Chief Executive Officer to own equity in the Corporation of five and one-half times his salary and other executive officers to own equity of two and one-half to three and one-half times their salary, and to retain this level of ownership throughout their tenure with us.

Based on its review of the Corporation's internal controls and the risk mitigating components of the Corporation's compensation programs identified in the management team's risk assessment, together with the assistance of its outside compensation consultant, it was determined that the Corporation's compensation policies and practices do not encourage our executives or our other non-executive employees to take excessive risks that are reasonably likely to have a material adverse effect on the Corporation.

Table of Contents**SUMMARY COMPENSATION TABLE - 2010, 2009 AND 2008**

The following table discloses the compensation for Mr. Harvey, the principal executive officer of CONSOL Energy, William J. Lyons, the principal financial officer of CONSOL Energy, and the other three most highly compensated executive officers of CONSOL Energy who were serving as executive officers at the fiscal year ended December 31, 2010, whose total annual compensation (excluding items described in the column entitled *Change in Pension Value and Nonqualified Deferred Compensation Earnings*) exceeded \$100,000.

Name and Principal Position	Year	Salary	Stock Awards ⁽¹⁾	Option Awards ⁽²⁾	Non-Equity Incentive Plan Compensation ⁽³⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings ⁽⁴⁾	All Other Compensation	Total
J. Brett Harvey ⁽⁶⁾ CEO	2010	\$ 1,086,154	\$ 5,802,288 ⁽⁷⁾	\$ 6,850,000	\$ 2,750,000	\$ 3,527,334	\$ 142,045 ⁽⁸⁾	\$ 20,157,821
	2009	\$ 1,038,462	\$ 4,220,646	\$ 3,000,000	\$ 2,262,000	\$ 3,100,964	\$ 128,854	\$ 13,750,926
	2008	\$ 1,000,000	\$ 4,222,659	\$ 2,600,000	\$ 1,832,400	\$ 1,825,480	\$ 171,307	\$ 11,651,846
William J. Lyons EVP & CFO	2010	\$ 536,012	\$ 1,044,692 ⁽⁹⁾	\$ 2,066,667	\$ 675,000	\$ 1,133,090	\$ 43,003 ⁽¹⁰⁾	\$ 5,498,464
	2009	\$ 525,342	\$ 951,404	\$ 424,986	\$ 620,000	\$ 1,305,681	\$ 41,997	\$ 3,869,410
	2008	\$ 477,404	\$ 895,809	\$ 400,000	\$ 550,000	\$ 732,849	\$ 45,023	\$ 3,101,085
Nicholas J. DeIulii President	2010	\$ 634,462	\$ 1,742,416 ⁽¹¹⁾	\$ 3,278,333	\$ 1,200,000	\$ 818,576	\$ 73,763 ⁽¹²⁾	\$ 7,747,550
	2009	\$ 621,077	\$ 1,526,036	\$ 681,666	\$ 1,050,000	\$ 1,249,608	\$ 62,957	\$ 5,191,344
	2008	\$ 546,154	\$ 2,079,983	\$ -	\$ 1,106,000	\$ 22,663	\$ 59,915	\$ 3,814,715
P. Jerome Richey EVP Corporate Affairs, CLO & Secretary	2010	\$ 421,926	\$ 538,926 ⁽¹³⁾	\$ 1,240,750	\$ 446,000	\$ 373,965	\$ 39,451 ⁽¹⁴⁾	\$ 3,061,018
	2009	\$ 414,258	\$ 322,031	\$ 143,840	\$ 420,000	\$ 206,778	\$ 38,739	\$ 1,545,646
	2008	\$ 376,885	\$ 298,570	\$ 133,333	\$ 350,000	\$ 148,738	\$ 39,442	\$ 1,346,968
Robert P. King EVP Business Advancement and Support Services	2010	\$ 386,954	\$ 377,584 ⁽¹⁵⁾	\$ 1,268,667	\$ 418,000	\$ 211,488	\$ 45,581 ⁽¹⁶⁾	\$ 2,708,274
	2009	\$ 373,662	\$ 312,809	\$ 139,733	\$ 390,000	\$ 142,134	\$ 42,361	\$ 1,400,699

- (1) The values set forth in this column reflect awards of restricted stock units and/or performance share units, and are based on the aggregate grant date fair value of awards computed in accordance with FASB ASC Topic 718 (disregarding the impact of estimated forfeitures related to service-based vesting conditions). For restricted stock units and performance share units, the grant date fair value is computed based upon the closing price of CONSOL Energy's stock on the date of grant, except that for performance share units, there is an adjustment based on management's estimate of the probability that the performance conditions required for vesting will be achieved. The values do not correspond to the actual value that will be recognized by the named executives.
- (2) The values set forth in this column reflect stock option awards and are based on the aggregate grant date fair value of awards computed in accordance with FASB ASC Topic 718 (disregarding the impact of estimated forfeitures related to service-based vesting conditions). A discussion of the relevant assumptions made in the valuation of these awards is stated in the financial statements included in CONSOL Energy's applicable Form 10-Ks (Note 18 in the 2010 Form 10-K for the 2010 awards, Note 18 in the 2009 Form 10-K for the 2009 awards, and Note 18 in the 2008 Form 10-K for the 2008 awards). The values do not correspond to the actual value that will be recognized by the named executives.
- (3) Includes cash bonuses earned in the applicable year under the CONSOL Energy Short-Term Incentive Compensation Plan. The relevant performance measures underlying the cash awards were satisfied in the applicable annual performance period.
- (4) Amounts reflect the actuarial increase in the present value of the named executive's benefits under the CONSOL Energy Employee Retirement Plan, the CONSOL Energy Retirement Restoration Plan and the CONSOL Energy Supplemental Retirement Plan. The increase includes amounts which the named executive may not be entitled to receive such as unvested amounts. These amounts were determined using the interest rate and mortality assumptions set forth in the financial statements of CONSOL Energy's applicable Form 10-Ks (Note 15 in the 2010 Form 10-K for the 2010 amount, Note 15 in the 2009 Form 10-K for the 2009 amount, and Note 15 in the 2008 10-K for the 2008 amount).

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- (5) On April 6, 2009, CONSOL Energy filed a Form 8-K stating that it would no longer provide tax gross-ups to its officers, as defined under Section 16 of the Exchange Act, in connection with company-maintained perquisite programs.
- (6) Mr. Harvey did not receive any compensation from CONSOL Energy or CNX Gas in connection with his service as a director on either of their respective boards of directors.
- (7) With respect to Mr. Harvey's LTIP award for 2010, the maximum payout would be \$7,700,000. This value does not correspond to the actual value that will be recognized by Mr. Harvey.

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- (8) Mr. Harvey's personal benefits for 2010 include: an annual vehicle allowance, annual physical exam, country club membership, luncheon and city club dues, and financial planning. The total in column (h) also includes \$14,700 in matching contributions made by CONSOL Energy under its 401(k) plan and \$66,511 for air travel on the Corporation's airplane. The aggregate incremental cost of Mr. Harvey's personal use of the corporate aircraft is determined on a per flight basis and includes the cost of fuel used, the cost of onboard catering, landing fees, trip related hangar and parking costs, crew expenses (including hotel lodging and meals) and other variable costs specifically incurred. On occasion, Mr. Harvey had one or more family members accompany him on the airplane. Mr. Harvey has also used administrative and other staff for personal matters, for which there has been no additional incremental cost to the Corporation.
- (9) With respect to Mr. Lyons' LTIP award for 2010, the maximum payout would be \$933,334. This value does not correspond to the actual value that will be recognized by Mr. Lyons.
- (10) Mr. Lyons' personal benefits for 2010 include: an annual vehicle allowance, annual physical exam, country club membership, and financial planning. The total in column (h) also includes \$14,700 in matching contributions made by CONSOL Energy under its 401(k) plan.
- (11) With respect to Mr. DeLuliis' LTIP award for 2010, the maximum payout would be \$1,556,666. This value does not correspond to the actual value that will be recognized by Mr. DeLuliis.
- (12) Mr. DeLuliis' personal benefits for 2010 include: an annual vehicle allowance, annual physical exam, country club membership, financial planning and air travel on the Corporation's plane. The total in column (h) also includes \$14,700 in matching contributions paid by CONSOL Energy's 401(k) plan. On occasion, Mr. DeLuliis had one or more family members accompany him on the plane.
- (13) With respect to Mr. Richey's LTIP award for 2010, the maximum payout would be \$481,500. This value does not correspond to the actual value that will be recognized by Mr. Richey.
- (14) Mr. Richey's personal benefits for 2010 include: an annual vehicle allowance, financial planning and air travel on the Corporation's plane. The total in column (h) also includes \$14,700 in matching contributions made by CONSOL Energy under its 401(k) plan. On occasion, Mr. Richey had one family member accompany him on the plane.
- (15) With respect to Mr. King's LTIP award for 2010, the maximum payout would be \$337,334. This value does not correspond to the actual value that will be recognized by Mr. King.
- (16) Mr. King's personal benefits for 2010 include: an annual vehicle allowance, annual physical exam, country club membership and financial planning. The total in column (h) also includes \$14,700 in matching contributions made by CONSOL Energy under its 401(k) plan.

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The following table sets forth each grant of an award made to a named executive in the 2010 fiscal year under plans established by CONSOL Energy.

Name	Grant Date ⁽⁴⁾	Estimated Possible Payouts Under Non-Equity Incentive			Estimated Future Payouts Under Equity Incentive			All Other Stock Awards: Number of Shares of Stock or Units (RSUs) ⁽³⁾	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards (Target) ⁽⁵⁾
		Plan Awards			Plan Awards						
		(STIC Awards) ⁽¹⁾			(LTIP and Performance Options) ⁽²⁾						
		Threshold	Target	Maximum	Threshold	Target	Maximum				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
J. Brett Harvey	2/19/10	-	-	-	-	-	-	20,036	-	-	1,000,000
	2/19/10	-	-	-	-	-	-	-	132,373	49.91	2,850,000
	2/19/10	-	-	-	38,570	77,139	154,278	-	-	-	3,850,000
	6/15/10	-	-	-	-	243,273	-	-	-	45.05	4,000,000
	-	539,000	1,540,000	3,080,000	-	-	-	-	-	-	-
William J. Lyons	2/16/10	-	-	-	-	-	-	9,241	-	-	466,667
	2/16/10	-	-	-	-	-	-	-	21,338	50.50	466,667
	2/16/10	-	-	-	4,621	9,241	18,482	-	-	-	466,667
	6/15/10	-	-	-	-	97,309	-	-	-	45.05	1,600,000
	-	132,300	378,000	756,000	-	-	-	-	-	-	-
Nicholas J. DeIuliiis	2/16/10	-	-	-	-	-	-	15,413	-	-	778,333
	2/16/10	-	-	-	-	-	-	-	35,589	50.50	778,333
	2/16/10	-	-	-	7,707	15,413	30,826	-	-	-	778,333
	6/15/10	-	-	-	-	152,046	-	-	-	45.05	2,500,000
	-	224,000	640,000	1,280,000	-	-	-	-	-	-	-
P. Jerome Richey	2/16/10	-	-	-	-	-	-	4,767	-	-	240,750
	2/16/10	-	-	-	-	-	-	-	11,008	50.50	240,750
	2/16/10	-	-	-	2,384	4,767	9,534	-	-	-	240,750
	6/15/10	-	-	-	-	-	-	-	-	-	-