

# State of Board Pay

San Diego Public Companies  
*January 2012 Release*



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# LETTER FROM BARNEY & BARNEY

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Dear Clients and Friends:

Barney & Barney is pleased to provide you with the *2011 State of Board Pay Report for San Diego*.

This annual report is designed to provide an overview of compensation levels and trends for Board of Directors at publicly-traded companies in the San Diego area. This year's report focuses on 2011 Director compensation levels and trends for 74 publicly-traded companies.

In this report, we share our findings on compensation elements including Board and Committee annual retainers, Board and Committee meeting fees (in-person and telephonic) and Board and Committee initial and annual equity grants. We also share our findings on Director compensation trends (e.g., prevalence of additional annual retainers for Board Chair, Lead Independent, Committee Chairs and Committee members and equity mix, etc.).

This report is one in a series of reports focusing on public companies in California. Other reports include:

- State of Board Pay (Orange County / Los Angeles Technology, Bay Area Life Sciences, Bay Area Technology)
- State of CFO Pay (San Diego, Orange County / Los Angeles Technology, Bay Area Life Sciences, Bay Area Technology)

In this competitive business environment, we believe your success depends on appointing Board members who will effectively guide the overall philosophy and direction of your organization, attract, retain and motivate top executive talent, and be responsive to stockholders. As a result of the financial crisis and new regulations implemented by the Securities and Exchange Commission, Directors are faced with the challenges of managing the organization's risks while adding value to the company.

Barney & Barney's Compensation Consulting Practice helps our clients reevaluate their compensation programs and strategies while considering current market trends, industry norms and the economic outlook. Our Compensation Consulting Practice provides a specialized level of expertise in several areas of compensation, including executive compensation, Board compensation, sales effectiveness, and broad-based rewards advisory services. Our fact-based consulting approach is driven by an understanding of industry norms and is tailored to the specific needs of our clients.

We look forward to working with you.

Best regards,

A handwritten signature in black ink that reads "Matt Ward".

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## ADDENDUM

### Overview of Barney & Barney's Compensation Consulting Practice



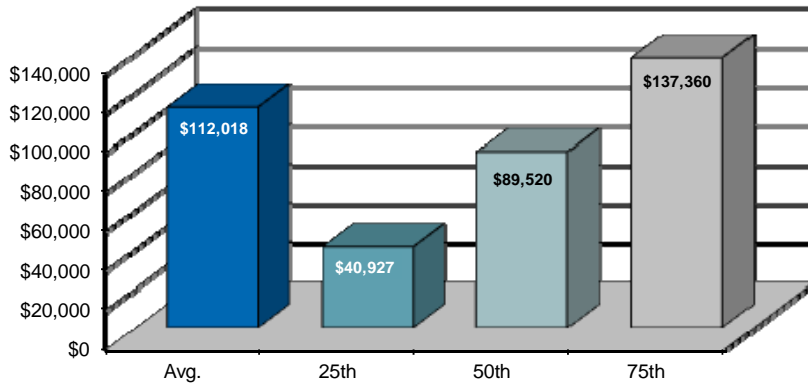
Data included in this report is partially based on SEC-filing research provided by Main Data Group. Main Data Group's **snapshot**<sup>™</sup> data service provides comprehensive competitive intelligence on the national landscape of executive total reward, and previously-unavailable information on the prevalence and value of retirement benefits and executive perquisites.

[www.maintatagroup.com](http://www.maintatagroup.com)

# EXECUTIVE SUMMARY

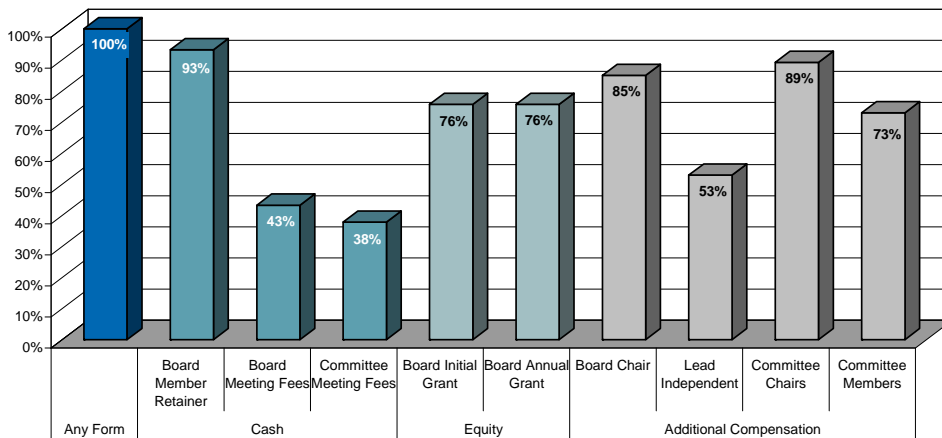
# EXECUTIVE SUMMARY

Total Annual Compensation



Last year, the median Director made approximately \$89,520 in total annual compensation for service on the Board of a publicly-traded company in San Diego ...

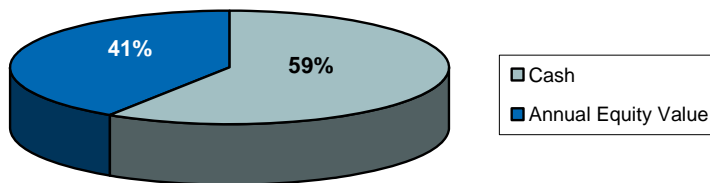
Total compensation for Board members ranges from \$40,000 to over \$200,000 annually.



All companies provide some form of compensation to their Directors ...

A majority of companies provided compensation to their Directors primarily in the form of an annual retainer and initial and annual equity grants. Additional compensation for Committee Chairs was more prevalent than additional compensation for the Board Chair or Lead Independent and Committee Members. Payments for Board and Committee meeting attendance were least prevalent.

Average Director Pay Mix

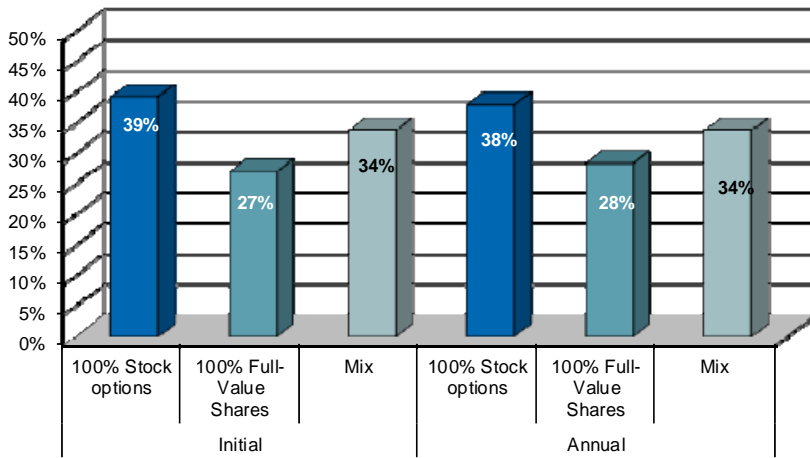


On average, Directors received 59% of their total annual compensation in cash and the other portion in equity ...

Most equity grants came in the form of ongoing stock options.

# EXECUTIVE SUMMARY (CONTINUED)

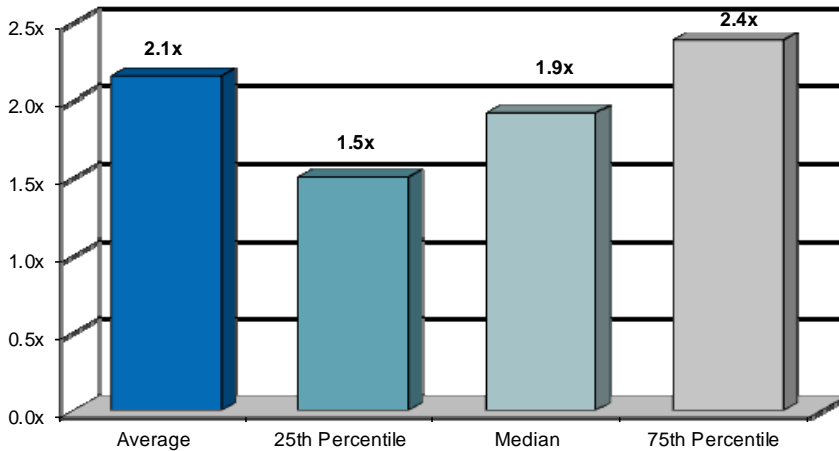
Average Equity Vehicle Mix



Initial equity grants are most often in the form of stock options or a combination of stock options and full value shares ...

Equity vehicle mix does not greatly differ between initial and annual grant.

Multiple of Initial to Ongoing Grant

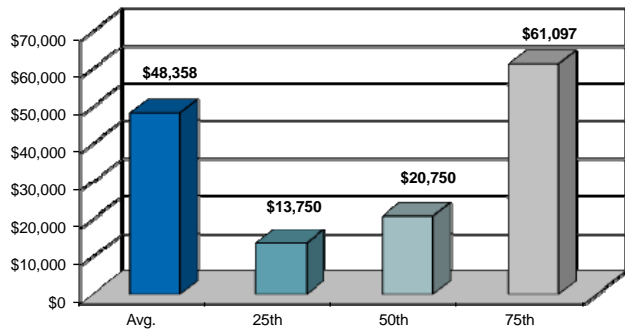


At median, Directors receive 1.9x the size of an ongoing grant when first elected to the Board ...

Most Boards provide a larger grant up front than is provided annually.

# EXECUTIVE SUMMARY (CONTINUED)

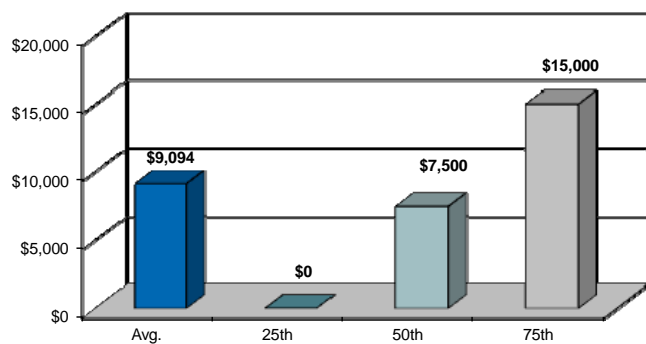
Board Chair - Total Additional Compensation



Total additional compensation for Board Chairs is \$20,750 at median ...

Average additional compensation is higher, at \$48,358, due to several companies providing significantly greater additional compensation.

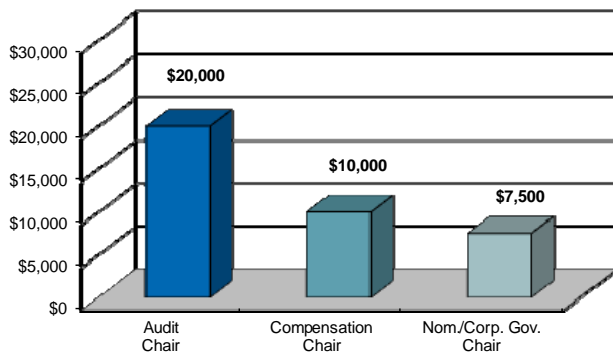
Lead Independent - Total Additional Compensation



Total additional compensation for Lead Independents is \$7,500 at median ...

Most Lead Independents are paid in additional cash compensation.

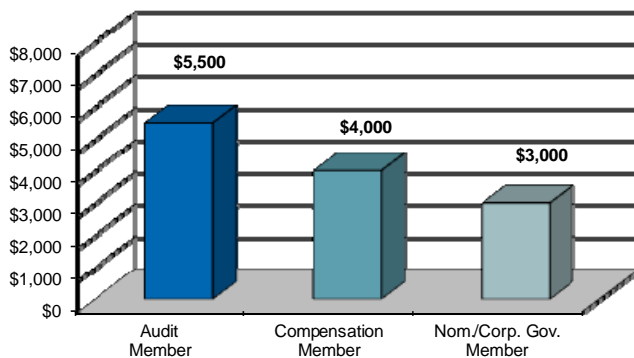
Committee Chair - Total Additional Compensation  
50th Percentile



Additional compensation for Committee Chairs is a common practice ...

Most Committee Chairs are paid in additional cash compensation.

Committee Member - Total Additional Compensation  
50th Percentile



Additional compensation for Committee Members is also a common practice ...

The increased role of the Audit Committee and the increased role of the Compensation Committee led to additional premiums.

# COMPANY LIST

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Dollars in Millions

Company	Ticker	Industry	Industry Sector	SIC Code	Location	FYE	LFY	
							# of Ees.	Revenues
ACADIA Pharmaceuticals	ACAD	Biotechnology	Pharmaceuticals Manufacturers	2834	San Diego	12/31/10	27	\$42.1
Alphatec Holdings	ATEC	Medical Technology	Medical Devices	3841	Carlsbad	12/31/10	460	\$171.6
AMN Healthcare Services	AHS	Other	Health Care Staffing	7361	San Diego	12/31/10	1,833	\$689.2
Amylin Pharmaceuticals	AMLN	Biotechnology	Pharmaceuticals Manufacturers	2834	San Diego	12/31/10	1,400	\$668.8
Anadys Pharmaceuticals	ANDS	Biotechnology	Biopharmaceuticals & Biotherapeutics	2834	San Diego	12/31/10	27	\$0.0
Apricus Biosciences	APRI	Biotechnology	Drug Delivery Systems	2834	San Diego	12/31/10	35	\$5.0
Ardea Biosciences	RDEA	Biotechnology	Drug Manufacturers	2834	San Diego	12/31/10	77	\$27.4
Arena Pharmaceuticals	ARNA	Biotechnology	Pharmaceuticals Manufacturers	2834	San Diego	12/31/10	351	\$16.6
BioMed Realty Trust	BMR	Other	Office REITs	6798	San Diego	12/31/10	159	\$386.4
Bofi Holdings	BOFI	Other	Banking	6035	San Diego	06/30/10	170	\$93.9
Cadence Pharmaceuticals	CADX	Biotechnology	Pharmaceuticals Manufacturers	2834	San Diego	12/31/10	247	\$0.0
Callaway Golf Company	ELY	Other	Golf Equipment	3949	Carlsbad	12/31/10	2,100	\$967.7
Cardium Therapeutics	CXM	Biotechnology	Biopharmaceuticals & Biotherapeutics	2836	San Diego	12/31/10	15	\$0.2
CareFusion	CFN	Medical Technology	Medical Equipment & Supplies	3841	San Diego	06/30/10	15,000	\$3,929.0
Cohu	COHU	High Technology	Semiconductor Equipment & Materials	3559	Poway	12/31/10	1,100	\$322.7
Cubic	CUB	High Technology	Aerospace & Defense Parts Manufacturing	3577	San Diego	09/30/10	7,700	\$1,194.2
Cymer	CYMI	High Technology	Semiconductor Equipment & Materials	3559	San Diego	12/31/10	953	\$534.2
Cytori Therapeutics	CYTX	Biotechnology	Medical Equipment & Supplies	3841	San Diego	12/31/10	124	\$10.6
DexCom	DXCM	Medical Technology	Medical Devices	3841	San Diego	12/31/10	520	\$48.6
Digirad	DRAD	Medical Technology	Medical Equipment & Supplies	3845	Poway	12/31/10	349	\$56.2
Encore Capital Group	ECPG	Other	Collections	7322	San Diego	12/31/10	1,900	\$381.3
Entropic Communications	ENTR	High Technology	Communications Chips	3674	San Diego	12/31/10	300	\$210.2
Excel Trust	EXL	Other	Retail REITs	6798	San Diego	12/31/10	31	\$17.5
First PacTrust Bancorp	FPTB	Other	Regional Banks & Thrifts	6035	Chula Vista	12/31/10	107	\$45.8
Franklin Wireless	FKWL	High Technology	Network Access & Communication Devices	3577	San Diego	06/30/10	58	\$101.9
Gen-Probe	GPRO	Biotechnology	Diagnostic Substances	2835	San Diego	12/31/10	1,468	\$543.3
Glacier Water Services	GWSV	Other	Water & Ice	5149	Vista	12/31/10	419	\$100.1
Halozyne Therapeutics	HALO	Biotechnology	Biopharmaceuticals & Biotherapeutics	2836	San Diego	12/31/10	102	\$13.6
Illumina	ILMN	Medical Technology	Biotechnology Research Equipment	3826	San Diego	12/31/10	2,100	\$902.7
Imagenetix	IAGX	Biotechnology	Pharmaceuticals Manufacturers	2834	San Diego	12/31/10	16	\$6.6
International Stem Cell	ISCO	Biotechnology	Pharmaceuticals Manufacturers	2834	Oceanside	12/31/10	18	\$1.1
Isis Pharmaceuticals	ISIS	Biotechnology	Biopharmaceuticals & Biotherapeutics	2834	Carlsbad	12/31/10	270	\$108.5
Jack in the Box	JACK	Other	Fast-Food & Quick-Service Restaurants	5812	San Diego	09/30/10	29,300	\$2,297.5
Kratos Defense & Security Solutions	KTOS	Other	Information Technology Services	7373	San Diego	12/31/10	2,900	\$408.5
Leap Wireless International	LEAP	High Technology	Wireless Network Operators	4812	San Diego	12/31/10	4,362	\$2,697.2
Life Technologies	LIFE	Biotechnology	Biotechnology Research Equipment	2836	Carlsbad	12/31/10	11,000	\$3,588.1
Ligand Pharmaceuticals	LGND	Biotechnology	Biopharmaceuticals & Biotherapeutics	2834	La Jolla	12/31/10	31	\$23.5
LRAD	LRAD	High Technology	Audio Equipment	3669	San Diego	09/30/10	38	\$16.7
Maxwell Technologies	MXWL	High Technology	Discrete & Passive Components	3675	San Diego	12/31/10	368	\$121.9
MediciNova	MNOV	Biotechnology	Biopharmaceuticals & Biotherapeutics	2834	San Diego	12/31/10	18	\$0.0
Natural Alternatives International	NAII	Biotechnology	Vitamins, Nutritionals & Other Health-Related P	2834	San Marcos	06/30/10	164	\$65.6
Neurocrine Biosciences	NBIX	Biotechnology	Biotechnology	2836	San Diego	12/31/10	66	\$33.5
Novatel Wireless	NVTL	High Technology	Network Access & Communication Devices	3669	San Diego	12/31/10	489	\$338.9
NTN Buzztime	NTN	High Technology	Entertainment	7999	Carlsbad	12/31/10	134	\$25.3
NuVasive	NUVA	Medical Technology	Medical Devices	3841	San Diego	12/31/10	789	\$478.2
Optimer Pharmaceuticals	OPTR	Biotechnology	Biopharmaceuticals & Biotherapeutics	2834	San Diego	12/31/10	87	\$1.5
Orexigen Therapeutics	OREX	Biotechnology	Drug Manufacturers	2834	La Jolla	12/31/10	33	\$1.2
Overland Storage	OVRL	High Technology	Optical Disk & Magnetic Tape Storage	3572	San Diego	06/30/10	190	\$77.7
PacWest Bancorp	PACW	Other	Regional Banks & Thrifts	6022	San Diego	12/31/10	929	\$339.1
Patriot Scientific	PTSC	High Technology	Microprocessors, Microcontrollers & DSPs	3669	Carlsbad	05/31/11	17	\$0.6
PICO Holdings	PICO	Other	Investment Firms	6719	La Jolla	12/31/10	57	\$32.2
PriceSmart	PSMT	Other	Warehouse Clubs & Superstores	5399	San Diego	08/31/10	4,728	\$1,395.9
PURE Bioscience	PURE	Biotechnology	Medical Equipment & Supplies	2842	El Cajon	07/31/10	24	\$1.4
QUALCOMM	QCOM	High Technology	Wireless Communications Components	3663	San Diego	09/30/10	17,500	\$10,991.0
Quidel	QDEL	Medical Technology	Diagnostic Substances	2835	San Diego	12/31/10	532	\$113.3
Realty Income	O	Other	Retail REITs	6798	Escondido	12/31/10	79	\$345.0
ResMed	RMD	Medical Technology	Medical Equipment & Supplies	3841	San Diego	06/30/10	3,200	\$1,092.4
RF Industries	RFIL	High Technology	Electronic Connectors	3678	San Diego	10/31/10	110	\$16.3
Royale Energy	ROYL	Other	Independent Oil & Gas	1311	San Diego	12/31/10	22	\$11.6
Santarus	SNTS	Biotechnology	Drug Manufacturers	2834	San Diego	12/31/10	224	\$125.4
Sempra Energy	SRE	Other	Natural Gas Distribution & Marketing	4924	San Diego	12/31/10	13,504	\$9,003.0
Senomyx	SNMX	Biotechnology	Comm Phys. & Biological Res.	8731	San Diego	12/31/10	113	\$28.7
SEQUENOM	SQNM	Biotechnology	Biotechnology Research Equipment	3826	San Diego	12/31/10	237	\$47.5
Solera Holdings	SLH	High Technology	Fin. Services, Legal & Government SW	7372	San Diego	06/30/10	2,202	\$631.3
Somaxon Pharmaceuticals	SOMX	Biotechnology	Drug Manufacturers	2834	San Diego	12/31/10	44	\$1.4
The Active Network	ACTV	High Technology	Database & File Management Software	7372	San Diego	12/31/10	2,490	\$279.6
ViaSat	VSAT	High Technology	Satellite & Broadcast Network Equipment	3663	Carlsbad	03/31/11	2,200	\$802.2
Vical	VICL	Biotechnology	Biopharmaceuticals & Biotherapeutics	2836	San Diego	12/31/10	114	\$8.7
Volcano	VOLC	Medical Technology	Medical Equipment & Supplies	3845	San Diego	12/31/10	1,144	\$294.1
Warburg Pincus Private Equity	BPI	Other	Services - Educational Services	8200	San Diego	12/31/10	3,000	\$713.2
WD-40 Company	WDFC	Other	Specialty Chemical Manufacturing	2899	San Diego	08/31/10	316	\$321.5
Websense	WBSN	High Technology	Security Software	7372	San Diego	12/31/10	1,442	\$332.8
Xenonics Holdings	XNNH	High Technology	Electrical Products	3648	Carlsbad	09/30/10	17	\$4.4
Zogenix	ZGNX	Biotechnology	Pharmaceuticals Manufacturers	2834	San Diego	12/31/10	144	\$23.4

# REPORT METHODOLOGY AND DEFINITIONS

## REPORT METHODOLOGY AND DEFINITIONS

Barney & Barney's 2011 State of Board Pay Report for San Diego is comprised of Board of Director compensation data for the fiscal year 2010 as reported in the proxy filings for publicly-traded companies in the San Diego area. The selection criteria included companies headquartered in the San Diego and trading on one of the major stock exchanges in the United States. The sample size consisted of 74 companies in 2010 that have filed their most recent proxy by July 31, 2011.

The data represented in this report is a statistical summary of the following pay elements: Board annual retainer, Board and Committee meeting fees (in-person and telephonic), Board initial and annual equity grants and additional compensation for the Board Chair and Committee Chairs. We excluded Director data in the statistical summary for a particular pay element if the Director did not receive that particular pay element (with the exception of prevalence statistics).

Our findings are summarized into two categories: one based on company size, and one based on industry. Most companies were categorized into the biotechnology, high technology or medical technology industries. Companies in retail, financial services, consumer products, defense, and other services were categorized into "other".

The following tables provide a summary of key financial data for the companies included in this study:

Headcount Category	# of Cos.	Median Last Fiscal Year	
		# of EEs	Annual Revenues (MM)
1,000+ employees	23	2,490	\$802.2
100 - 999 employees	29	247	\$77.7
Under 100 employees	22	31	\$5.8
<b>All Companies</b>	<b>74</b>	<b>258.5</b>	<b>\$101.0</b>

Industry Category	# of Cos.	Median Last Fiscal Year	
		# of EEs	Annual Revenues (MM)
Biotechnology	28	95	\$15.1
High Technology	19	368	\$210.2
Medical Technology	9	789	\$294.1
Other	18	674	\$363.2

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## REPORT METHODOLOGY AND DEFINITIONS (CONTINUED)

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**Board Member Retainer:** Cash value provided to each non-employee Director for their role as a Board member, as reported in the most recent proxy filing. Statistical data is limited to each Director who received this particular pay element.

**Board Member per Meeting Fee (in-person):** Cash value provided to each non-employee Director for his/her attendance in person at a Board meeting. Unless otherwise noted, we assumed each Director attended all Board meetings in person. Statistical data is limited regarding which Directors participated in-person or by telephone; consequently, we have not estimated telephonic meeting fees.

**Board Member Total Cash Compensation:** The sum of the Board Member retainer and Board meeting fees. Unless otherwise noted, we assumed each Director attended all Board meetings in person.

**Board Member Initial Equity Grant Value:** The Black-Scholes fair value of options plus the face value of full-value shares granted to each non-employee Director upon initial election to the Board. The Black-Scholes fair value is calculated using each company's Black-Scholes assumptions as reported in the annual report filing (10-K) and the stock price on the date of grant as reported in the proxy filing. The face value is calculated using the number of full-value shares granted multiplied by the stock price on the date of grant as reported in the proxy filing. Statistical data is limited to each Director with a stated guideline for an initial equity grant. For those without a stated guideline for an initial equity grant but have a stated guideline for an annual equity grant, the initial equity grant is assumed to be the same as the annual equity grant.

**Board Member Annual Equity Grant Value:** The Black-Scholes fair value of options plus the face value of full-value shares granted to each non-employee Director upon initial election to the Board. The Black-Scholes fair value is calculated using each company's Black-Scholes assumptions as reported in the annual report filing (10-K) and the stock price as of the fiscal year end. The face value is calculated using the number of full-value shares granted multiplied by the stock price as of the fiscal year end.

**Board Member Total Annual Compensation:** The sum of the Board Member retainer, Board meeting fees, and Board annual equity grant value.

**Additional Board Chair / Lead Independent Retainer:** Cash value provided to each non-employee Director for his/her role as a Board Chair / Lead Independent, incremental to the Board Member retainer, as reported in the most recent proxy filing. Statistical data is limited to each Director who received this particular pay element.

**Additional Board Chair / Lead Independent Meeting Fee:** Cash value provided to each non-employee Director for attending meetings as a Board Chair / Lead Independent, incremental to the Board Member per meeting fee (in-person), as reported in the most recent proxy filing. Statistical data is limited to each Director who received this particular pay element.

**Additional Board Chair / Lead Independent Annual Equity Grant:** The Black-Scholes fair value of options plus the face value of full-value shares granted to each non-employee Director for his/her role as a Board Chair / Lead Independent, incremental to the Board Member annual equity grant, as reported in the most recent proxy filing. The Black-Scholes fair value is calculated using each company's Black-Scholes assumptions as reported in the annual report filing (10-K) and the stock price on the date of grant as reported in the proxy filing. The face value is calculated using the number of full-value shares granted multiplied by the stock price on the date of grant as reported in the proxy filing.

**Additional Board Chair / Lead Independent Total Annual Compensation:** The sum of the additional Board Chair / Lead Independent retainer, meeting fees and annual equity grant. Statistical data is limited to each Director who received any of these particular pay elements.

**Additional Committee Chair Retainer:** Cash value provided to each non-employee Director for his/her role as a Committee Chair, incremental to the Board Member retainer, as reported in the most recent proxy filing. Statistical data is limited to each Director who received this particular pay element.

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## REPORT METHODOLOGY AND DEFINITIONS (CONTINUED)

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**Additional Committee Chair Meeting Fee:** Cash value provided to each non-employee Director for attending meetings as a Committee Chair, incremental to the Committee per meeting fee (in-person), as reported in the most recent proxy filing. Statistical data is limited to each Director who received this particular pay element.

**Additional Committee Chair Annual Equity Grant:** The Black-Scholes fair value of options plus the face value of full-value shares granted to each non-employee Director for his/her role as a Committee Chair, incremental to the Board Member annual equity grant, as reported in the most recent proxy filing. The Black-Scholes fair value is calculated using each company's Black-Scholes assumptions as reported in the annual report filing (10-K) and the stock price on the date of grant as reported in the proxy filing. The face value is calculated using the number of full-value shares granted multiplied by the stock price on the date of grant as reported in the proxy filing. Statistical data is limited to each Director with a stated guideline for an additional annual equity grant.

**Additional Committee Chair Total Annual Compensation:** The sum of the additional Committee Chair retainer, meeting fees and annual equity grant. Statistical data is limited to each Director who received any of these particular pay elements.

**Additional Committee Member Retainer:** Cash value provided to each non-employee Director for his/her role as a Committee Member, incremental to the Board Member retainer, as reported in the most recent proxy filing. Statistical data is limited to each Director who received this particular pay element.

**Additional Committee Member Meeting Fee:** Cash value provided to each non-employee Director for attending meetings as a Committee Member, incremental to the Committee per meeting fee (in-person), as reported in the most recent proxy filing. Statistical data is limited to each Director who received this particular pay element.

**Additional Committee Member Annual Equity Grant:** The Black-Scholes fair value of options plus the face value of full-value shares granted to each non-employee Director for his/her role as a Committee Member, incremental to the Board Member annual equity grant, as reported in the most recent proxy filing. The Black-Scholes fair value is calculated using each company's Black-Scholes assumptions as reported in the annual report filing (10-K) and the stock price on the date of grant as reported in the proxy filing. The face value is calculated using the number of full-value shares granted multiplied by the stock price on the date of grant as reported in the proxy filing.

**Additional Committee Member Total Annual Compensation:** The sum of the additional Committee Member retainer, meeting fees and annual equity grant. The data is limited to each Director who received any of these particular pay elements.

# REPORT FINDINGS

# CASH COMPENSATION

Figure 1

Headcount Group	Prevalence of Cash Compensation Elements				
	Any	Board Member Retainer	Committee Member Retainer	Board Meeting Fee	Committee Meeting Fee
1,000+ employees	96%	96%	52%	39%	43%
100 to 999 employees	100%	93%	41%	52%	38%
Under 100 employees	91%	91%	36%	36%	32%
All Companies	96%	93%	43%	43%	38%

## Prevalence of Cash Compensation Elements – By Employee Size

A majority of companies provided cash compensation to their Directors primarily in the form of an annual retainer. Less than half of all companies are providing meeting fees for in-person attendance at a Board or Committee meeting. [Figure 1]

Figure 2

Headcount Group	Median Pay Amount	
	Board Member Retainer	Board Meeting Fees
1,000+ employees	\$50,000	\$0
100 to 999 employees	\$30,000	\$6,000
Under 100 employees	\$20,000	\$0
All Companies	\$30,000	\$0

## Median Pay Amount per Element – By Employee Size

In response to the additional time commitment of a Board Member and to the additional liability associated with serving on the Board, the annual retainer has increased over the last few years, with larger companies paying more than smaller companies. [Figure 2]

Figure 3

Headcount Group	Total Cash Compensation			
	Avg.	25th	50th	75th
1,000+ employees	\$53,457	\$45,000	\$50,000	\$60,000
100 to 999 employees	\$35,157	\$27,000	\$33,500	\$44,500
Under 100 employees	\$28,686	\$20,000	\$27,000	\$35,600
All Companies	\$38,921	\$25,250	\$37,500	\$50,000

## Total Cash Compensation – By Employee Size

The median Director total cash compensation was \$37,500. [Figure 3]

## CASH COMPENSATION (CONTINUED)

Figure 4

Industry Group	Prevalence of Cash Compensation Elements				
	Any	Board Member Retainer	Committee Member Retainer	Board Meeting Fee	Committee Meeting Fee
Biotechnology	96%	96%	32%	43%	29%
High Technology	89%	84%	53%	53%	53%
Medical Technology	100%	89%	11%	22%	22%
Other	100%	100%	33%	44%	44%

### Prevalence of Cash Compensation Elements – By Industry

High technology sector companies provide a Committee Member retainer and Board and Committee per meeting fee more often than companies within the Biotechnology or Medical Technology industry sectors. [Figure 4]

Figure 5

Industry Group	Median Pay Amount	
	Board Member Retainer	Board Meeting Fees
Biotechnology	\$27,500	\$0
High Technology	\$30,000	\$8,000
Medical Technology	\$36,500	\$0
Other	\$32,500	\$0

### Median Pay Amount per Element – By Industry

In response to the additional time commitment of a Board Member, many companies have transitioned from the “activity-based” compensation approach, which provides for Board and Committee per meeting fees, to the “role-based” compensation approach, which provides for Board and Committee annual retainers. [Figure 5]

Figure 6

Industry Group	Total Cash Compensation			
	Avg.	25th	50th	75th
Biotechnology	\$38,261	\$26,750	\$37,750	\$46,250
High Technology	\$36,000	\$18,500	\$38,000	\$48,000
Medical Technology	\$44,450	\$30,000	\$37,000	\$50,000
Other	\$40,266	\$28,500	\$40,750	\$50,000

### Total Cash Compensation – By Industry

Total cash compensation was highest for Directors at other companies, at \$40,750, at median. [Figure 6]

# EQUITY COMPENSATION

Figure 7

Headcount Group	Total Equity Compensation (Value)			
	Initial Grant			
	Avg.	25th	50th	75th
1,000+ employees	\$188,578	\$6,832	\$117,699	\$222,246
100 to 999 employees	\$94,086	\$8,894	\$71,619	\$132,569
Under 100 employees	\$67,346	\$695	\$36,966	\$52,176
All Companies	\$115,505	\$1,065	\$64,014	\$159,002

## Initial Equity Grant Value – By Employee Size

Upon initial election to the Board, a Director received an equity grant valued at approximately \$64,000, at median. Directors at larger size companies received higher initial equity grant values than Directors at smaller companies. [Figure 7]

Figure 8

Headcount Group	Total Equity Compensation (Value)			
	Annual Grant			
	Avg.	25th	50th	75th
1,000+ employees	\$118,482	\$11,654	\$60,000	\$147,232
100 to 999 employees	\$62,260	\$13,309	\$65,480	\$94,542
Under 100 employees	\$39,935	\$0	\$11,278	\$28,580
All Companies	\$73,097	\$3,197	\$49,237	\$97,716

## Annual Equity Grant Value – By Employee Size

On an ongoing basis, a Director received an equity grant valued at approximately \$49,000, at median. Directors at larger size companies received higher annual equity grant values than Directors at smaller companies. [Figure 8]

Figure 9

Industry Group	Total Equity Compensation (Value)			
	Initial Grant			
	Avg.	25th	50th	75th
Biotechnology	\$99,780	\$18,504	\$75,827	\$158,601
High Technology	\$92,909	\$0	\$33,237	\$150,616
Medical Technology	\$315,419	\$52,500	\$125,599	\$300,000
Other	\$63,861	\$0	\$50,640	\$80,770

## Initial Equity Grant Value – By Industry

Upon initial election to the Board, Directors at medical technology companies received the highest equity grant valued \$125,600, at median. [Figure 9]

Figure 10

Industry Group	Total Equity Compensation (Value)			
	Annual Grant			
	Avg.	25th	50th	75th
Biotechnology	\$67,368	\$7,758	\$65,882	\$98,078
High Technology	\$61,401	\$0	\$33,237	\$101,811
Medical Technology	\$175,741	\$37,800	\$97,647	\$125,599
Other	\$43,033	\$2,338	\$30,000	\$59,120

## Annual Equity Grant Value – By Industry

On an ongoing basis, Directors at medical technology companies received the highest equity grant valued at \$97,600, at median. [Figure 10]

## EQUITY COMPENSATION (CONTINUED)

Figure 11

Headcount Group	Shares Granted as a % of Company			
	Initial Grant			
	Avg.	25th	50th	75th
1,000+ employees	0.023%	0.006%	0.013%	0.034%
100 to 999 employees	0.047%	0.007%	0.039%	0.061%
Under 100 employees	0.059%	0.002%	0.044%	0.058%
All Companies	0.043%	0.006%	0.029%	0.060%

### Initial Equity Grant as a % of Company – By Employee Size

Upon initial election to the Board, the median Director equity grant as a percent of company was 0.029%. Directors serving on the Board at companies with under 100 employees received the highest grant as a percent of company at 0.044%, at median. [Figure 11]

Figure 12

Headcount Group	Shares Granted as a % of Company			
	Annual Grant			
	Avg.	25th	50th	75th
1,000+ employees	0.016%	0.004%	0.010%	0.016%
100 to 999 employees	0.036%	0.012%	0.028%	0.053%
Under 100 employees	0.057%	0.000%	0.016%	0.024%
All Companies	0.036%	0.003%	0.015%	0.033%

### Annual Equity Grant as a % of Company – By Employee Size

On an annual basis, the median equity grant as a percent of company was 0.015%. Directors serving on the Board at companies with 100 to 999 employees received the highest grant as a percent of company at 0.028%, at median. [Figure 12]

Figure 13

Industry Group	Shares Granted as a % of Company			
	Initial Grant			
	Avg.	25th	50th	75th
Biotechnology	0.045%	0.012%	0.039%	0.073%
High Technology	0.032%	0.000%	0.034%	0.048%
Medical Technology	0.062%	0.028%	0.044%	0.061%
Other	0.043%	0.000%	0.009%	0.036%

### Initial Equity Grant as a % of Company – By Industry

Upon initial election to the Board, Directors at biotechnology companies received the highest equity grant as a percent of company at 0.039%, at median. Directors at companies in other industries received the lowest equity grant as a percent of company at 0.009%, at median. [Figure 13]

Figure 14

Industry Group	Shares Granted as a % of Company			
	Annual Grant			
	Avg.	25th	50th	75th
Biotechnology	0.026%	0.006%	0.020%	0.037%
High Technology	0.023%	0.000%	0.017%	0.031%
Medical Technology	0.042%	0.012%	0.022%	0.044%
Other	0.062%	0.000%	0.008%	0.017%

### Annual Equity Grant as a % of Company – By Industry

On an annual basis, Directors at biotechnology companies received the highest equity grant as a percent of company at 0.020%, at median. Directors at companies in other industries received the lowest equity grant as a percent of company at 0.008%, at median. [Figure 14]

## EQUITY COMPENSATION (CONTINUED)

Figure 15

Headcount Group	Average Equity Vehicle Mix					
	Initial			Ongoing		
	100% Stock Options	100% Full-Value Shares	Mix	100% Stock Options	100% Full-Value Shares	Mix
1,000+ employees	17%	43%	39%	17%	43%	39%
100 to 999 employees	45%	24%	31%	48%	28%	24%
Under 100 employees	55%	14%	32%	45%	14%	41%
All Companies	39%	27%	34%	38%	28%	34%

### Equity Vehicle Mix – By Employee Size

For smaller companies, the initial and annual equity grants are most often in the form of stock options. For larger companies, the initial and annual equity grants are most often in the form of full-value shares or a combination of stock options and full-value shares. [Figure 15]

Figure 16

Headcount Group	Grant Ratio - # of Shares of Initial Grant to Annual Grant			
	Avg.	25th	50th	75th
1,000+ employees	2.2x	1.5x	1.8x	2.6x
100 to 999 employees	2.1x	1.5x	2.0x	2.1x
Under 100 employees	2.1x	1.7x	1.9x	2.0x
All Companies	2.1x	1.5x	1.9x	2.4x

### Equity Grant Ratio – By Employee Size

Overall, a Director received an initial equity grant approximately two times the size of the annual equity grant. This ratio does not differ based on company size. [Figure 16]

Figure 17

Industry Group	Average Equity Vehicle Mix					
	Initial			Ongoing		
	100% Stock Options	100% Full-Value Shares	Mix	100% Stock Options	100% Full-Value Shares	Mix
Biotechnology	68%	7%	25%	64%	7%	29%
High Technology	21%	32%	47%	21%	32%	47%
Medical Technology	44%	22%	33%	33%	33%	33%
Other	11%	56%	33%	17%	56%	28%

### Average Equity Vehicle Mix – By Industry

Each industry sector has a different approach to granting equity. Biotechnology companies provide equity in the form of stock options. High technology companies provide equity in the form of a combination of stock options and full-value shares. Medical technology companies provide equity in all forms. Other companies are more focused on granting full-value shares. [Figure 17]

Figure 18

Industry Group	Grant Ratio - # of Shares of Initial Grant to Annual Grant			
	Avg.	25th	50th	75th
Biotechnology	1.7x	1.5x	1.7x	2.0x
High Technology	2.6x	1.6x	1.8x	3.0x
Medical Technology	2.3x	1.4x	2.4x	2.6x
Other	2.6x	1.9x	2.8x	3.0x

### Equity Grant Ratio – By Industry

For companies in the other industry sector, Directors received the highest initial equity grant of 2.8 times the size of the annual equity grant at median. [Figure 18]

# TOTAL ANNUAL COMPENSATION

Figure 19

Headcount Group	Total Direct Compensation			
	Avg.	25th	50th	75th
1,000+ employees	\$171,939	\$56,585	\$131,708	\$212,872
100 to 999 employees	\$97,417	\$53,058	\$94,875	\$133,002
Under 100 employees	\$68,620	\$35,563	\$55,932	\$96,666
All Companies	\$112,018	\$40,927	\$89,520	\$137,360

## Total Annual Compensation – By Employee Size

Median total annual was approximately \$89,520, at median. [Figure 19]

Figure 20

Headcount Group	Average Pay Mix	
	Cash	Annual Equity
1,000+ employees	59%	41%
100 to 999 employees	54%	46%
Under 100 employees	67%	33%
All Companies	59%	41%

## Average Pay Mix – By Employee Size

Companies provided their Directors with a compensation package made up of a higher percentage of cash than equity. [Figure 20]

Figure 21

Industry Group	Total Direct Compensation			
	Avg.	25th	50th	75th
Biotechnology	\$105,629	\$42,162	\$101,171	\$134,371
High Technology	\$97,401	\$25,000	\$82,422	\$140,906
Medical Technology	\$220,191	\$74,300	\$153,197	\$225,599
Other	\$83,298	\$50,000	\$61,585	\$112,716

## Total Annual Compensation – By Industry

Directors at medical technology companies received the highest total annual compensation at \$153,197, at median. Directors at companies in other industries received the lowest total annual compensation at approximately \$61,600. [Figure 21]

Figure 22

Industry Group	Average Pay Mix	
	Cash	Annual Equity
Biotechnology	56%	44%
High Technology	66%	34%
Medical Technology	42%	58%
Other	66%	34%

## Average Pay Mix – By Industry

Medical technology was the only industry to provide more value in the form of equity than cash. [Figure 22]

# ADDITIONAL BOARD CHAIR COMPENSATION

Figure 23

Headcount Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
1,000+ employees	73%	64%	9%	0%
100 to 999 employees	94%	89%	17%	28%
Under 100 employees	82%	73%	9%	27%
All Companies	85%	78%	13%	20%

## Prevalence of Additional Compensation – By Employee Size

Eighty-five percent of all companies provided additional compensation to the Board Chair, primarily in the form of an additional annual retainer. [Figure 23]

Figure 24

Headcount Group	Total Additional Compensation			
	Avg.	25th	50th	75th
1,000+ employees	\$22,818	\$9,000	\$20,000	\$27,500
100 to 999 employees	\$64,839	\$15,000	\$25,000	\$76,616
Under 100 employees	\$46,927	\$11,250	\$21,500	\$76,899
All Companies	\$48,358	\$13,750	\$20,750	\$61,097

## Total Additional Compensation – By Employee Size

The median additional compensation provided to the Board Chair was approximately \$20,800. [Figure 24]

Figure 25

Industry Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
Biotechnology	82%	82%	0%	18%
High Technology	100%	100%	0%	0%
Medical Technology	71%	71%	14%	29%
Other	83%	58%	25%	17%

## Prevalence of Additional Compensation – By Industry

The prevalence of providing additional compensation to the Board Chair was the highest at high technology companies at 100%, primarily in the form of an additional annual retainer. Additional annual grants were most common at companies in the medical technology industries. [Figure 25]

Figure 26

Industry Group	Total Additional Compensation			
	Avg.	25th	50th	75th
Biotechnology	\$34,291	\$13,750	\$25,000	\$45,000
High Technology	\$17,143	\$12,500	\$20,000	\$20,000
Medical Technology	\$66,088	\$7,500	\$20,000	\$111,500
Other	\$49,385	\$13,750	\$25,750	\$70,900

## Total Additional Compensation – By Industry

Board Chairs at other companies received the highest total additional compensation at approximately \$25,800, at median. [Figure 26]

# ADDITIONAL LEAD INDEPENDENT COMPENSATION

Figure 27

Headcount Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
1,000+ employees	64%	64%	0%	0%
100 to 999 employees	50%	50%	0%	0%
Under 100 employees	0%	0%	0%	0%
<b>All Companies</b>	<b>53%</b>	<b>53%</b>	<b>0%</b>	<b>0%</b>

## Prevalence of Additional Compensation – By Employee Size

Fifty-three percent of all companies provided additional compensation to the Lead Independent, primarily in the form of an additional annual retainer. The prevalence of providing additional compensation to the Lead Independent varied by company size when larger companies were more likely to have a Lead Independent. [Figure 27]

Figure 28

Headcount Group	Total Additional Compensation			
	Avg.	25th	50th	75th
1,000+ employees	\$10,045	\$0	\$10,000	\$17,500
100 to 999 employees	\$8,750	\$0	\$7,500	\$16,250
Under 100 employees	\$0	\$0	\$0	\$0
<b>All Companies</b>	<b>\$9,094</b>	<b>\$0</b>	<b>\$7,500</b>	<b>\$15,000</b>

## Total Additional Compensation – By Employee Size

The median additional compensation provided to the Lead Independent was \$7,500. [Figure 28]

Figure 29

Industry Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
Biotechnology	33%	33%	0%	0%
High Technology	67%	67%	0%	0%
Medical Technology	33%	33%	0%	0%
Other	100%	100%	0%	0%

## Prevalence of Additional Compensation – By Industry

The prevalence of providing additional compensation to the Lead Independent was the highest at other companies at 100%, primarily in the form of an additional annual retainer. Additional annual grants are not a common practice. [Figure 29]

Figure 30

Industry Group	Total Additional Compensation			
	Avg.	25th	50th	75th
Biotechnology	\$7,500	\$0	\$0	\$15,000
High Technology	\$9,250	\$1,875	\$8,750	\$13,750
Medical Technology	\$6,667	\$0	\$0	\$10,000
Other	\$12,500	\$11,250	\$12,500	\$13,750

## Total Additional Compensation – By Industry

Lead Independent Directors at other companies received the highest total additional compensation at approximately \$12,500, at median. [Figure 30]

# ADDITIONAL AUDIT CHAIR COMPENSATION

Figure 31

Headcount Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
1,000+ employees	100%	100%	39%	0%
100 to 999 employees	93%	83%	41%	7%
Under 100 employees	73%	73%	32%	5%
<b>All Companies</b>	<b>89%</b>	<b>85%</b>	<b>38%</b>	<b>4%</b>

## Prevalence of Additional Compensation – By Employee Size

The majority of companies (89%) provided additional compensation to the Audit Chair, primarily in the form of an additional annual retainer. Larger companies provided additional compensation to the Audit Chair more often than smaller companies. [Figure 31]

Figure 32

Headcount Group	Total Additional Compensation			
	Avg.	25th	50th	75th
1,000+ employees	\$25,117	\$16,000	\$25,000	\$28,100
100 to 999 employees	\$14,700	\$10,000	\$20,000	\$23,500
Under 100 employees	\$14,521	\$1,250	\$13,000	\$21,500
<b>All Companies</b>	<b>\$20,323</b>	<b>\$10,000</b>	<b>\$20,000</b>	<b>\$25,000</b>

## Total Additional Compensation – By Employee Size

The median additional compensation provided to the Audit Chair was \$20,000. [Figure 32]

Figure 33

Industry Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
Biotechnology	89%	82%	32%	7%
High Technology	89%	89%	53%	0%
Medical Technology	100%	100%	22%	0%
Other	83%	78%	39%	6%

## Prevalence of Additional Compensation – By Industry

The prevalence of providing additional compensation to the Audit Chair was the highest at medical technology companies, at 100%, primarily in the form of an additional annual retainer. [Figure 33]

Figure 34

Industry Group	Total Additional Compensation			
	Avg.	25th	50th	75th
Biotechnology	\$15,995	\$9,000	\$19,500	\$22,500
High Technology	\$23,879	\$12,500	\$20,000	\$33,000
Medical Technology	\$20,667	\$15,000	\$20,000	\$25,000
Other	\$23,130	\$6,250	\$22,250	\$25,900

## Total Additional Compensation – By Industry

Audit Chairs at other companies received the highest additional compensation at approximately \$22,300, at median. [Figure 34]

# ADDITIONAL COMPENSATION CHAIR COMPENSATION

Figure 35

Headcount Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
1,000+ employees	96%	91%	39%	0%
100 to 999 employees	90%	76%	41%	7%
Under 100 employees	64%	55%	32%	5%
All Companies	84%	74%	38%	4%

## Prevalence of Additional Compensation – By Employee Size

The majority of companies (84%) provided additional compensation to the Compensation Chair, primarily in the form of an additional annual retainer. Larger companies provided additional compensation to the Compensation Chair more often than smaller companies. [Figure 35]

Figure 36

Headcount Group	Total Additional Compensation			
	Avg.	25th	50th	75th
1,000+ employees	\$14,622	\$8,750	\$15,000	\$20,000
100 to 999 employees	\$11,370	\$5,000	\$10,000	\$20,000
Under 100 employees	\$7,445	\$0	\$4,750	\$12,000
All Companies	\$12,532	\$4,125	\$10,000	\$16,000

## Total Additional Compensation – By Employee Size

The median additional compensation provided to the Compensation Chair was \$10,000. [Figure 36]

Figure 37

Industry Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
Biotechnology	82%	75%	32%	7%
High Technology	84%	68%	53%	0%
Medical Technology	100%	100%	22%	0%
Other	78%	67%	39%	6%

## Prevalence of Additional Compensation – By Industry

The prevalence of providing additional compensation to the Compensation Chair was the highest at medical technology companies, at 100%, primarily in the form of an additional annual retainer. [Figure 37]

Figure 38

Industry Group	Total Additional Compensation			
	Avg.	25th	50th	75th
Biotechnology	\$10,916	\$4,375	\$12,000	\$15,250
High Technology	\$11,911	\$2,500	\$10,000	\$17,000
Medical Technology	\$14,911	\$10,000	\$15,000	\$20,000
Other	\$14,512	\$2,150	\$7,250	\$15,750

## Total Additional Compensation – By Industry

Compensation Chairs at medical technology companies received the highest additional compensation at approximately \$15,000, at median. [Figure 38]

# ADDITIONAL NOMINATING / CORPORATE GOVERNANCE CHAIR COMPENSATION

Figure 39

Headcount Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
1,000+ employees	91%	83%	39%	0%
100 to 999 employees	76%	66%	34%	0%
Under 100 employees	55%	45%	32%	5%
All Companies	74%	65%	35%	1%

## Prevalence of Additional Compensation – By Employee Size

The majority of companies (74%) provided additional compensation to the Nominating / Corporate Governance Chair, primarily in the form of an additional annual retainer. Larger companies provided additional compensation to the Nominating / Corporate Governance Chair more often than smaller companies. [Figure 39]

Figure 40

Headcount Group	Total Additional Compensation			
	Avg.	25th	50th	75th
1,000+ employees	\$10,204	\$6,000	\$10,000	\$12,500
100 to 999 employees	\$6,700	\$1,000	\$7,500	\$10,000
Under 100 employees	\$4,709	\$0	\$2,444	\$8,000
All Companies	\$7,185	\$125	\$7,500	\$10,000

## Total Additional Compensation – By Employee Size

The median additional compensation provided to the Nominating / Corporate Governance Chair was \$7,500. [Figure 40]

Figure 41

Industry Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
Biotechnology	79%	71%	32%	4%
High Technology	68%	53%	53%	0%
Medical Technology	100%	100%	11%	0%
Other	61%	50%	33%	0%

## Prevalence of Additional Compensation – By Industry

The prevalence of providing additional compensation to the Nominating / Corporate Governance Chair was the highest at medical technology companies, at 100%, and was primarily in the form of an additional annual retainer. [Figure 41]

Figure 42

Industry Group	Total Additional Compensation			
	Avg.	25th	50th	75th
Biotechnology	\$7,561	\$3,625	\$7,750	\$10,000
High Technology	\$7,447	\$0	\$5,000	\$11,500
Medical Technology	\$9,267	\$8,000	\$10,000	\$10,000
Other	\$5,283	\$0	\$5,000	\$8,000

## Total Additional Compensation – By Industry

Nominating / Corporate Governance Chairs at medical technology companies received the highest additional compensation at approximately \$10,000, at median. [Figure 42]

# ADDITIONAL AUDIT MEMBER COMPENSATION

Figure 43

Headcount Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
1,000+ employees	83%	52%	43%	0%
100 to 999 employees	76%	41%	38%	0%
Under 100 employees	59%	36%	32%	0%
All Companies	73%	43%	38%	0%

## Prevalence of Additional Compensation – By Employee Size

Approximately half of all companies (73%) provided additional compensation to an Audit Committee Member, primarily in the form of an additional annual retainer. Larger companies provided additional compensation to an Audit Committee Member more often than smaller companies. [Figure 43]

Figure 44

Headcount Group	Total Additional Compensation			
	Avg.	25th	50th	75th
1,000+ employees	\$9,565	\$5,000	\$8,000	\$14,250
100 to 999 employees	\$6,550	\$2,000	\$6,000	\$10,000
Under 100 employees	\$4,348	\$0	\$2,250	\$7,875
All Companies	\$6,867	\$0	\$5,500	\$10,000

## Total Additional Compensation – By Employee Size

The median additional compensation provided to an Audit Committee Member was \$5,500. [Figure 44]

Figure 45

Industry Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
Biotechnology	75%	50%	29%	0%
High Technology	74%	42%	53%	0%
Medical Technology	78%	56%	22%	0%
Other	67%	28%	44%	0%

## Prevalence of Additional Compensation – By Industry

The prevalence of providing additional compensation to an Audit Committee Member was the highest at medical technology companies at 78%, primarily in the form of an additional annual retainer. [Figure 45]

Figure 46

Industry Group	Total Additional Compensation			
	Avg.	25th	50th	75th
Biotechnology	\$6,179	\$1,500	\$6,500	\$10,000
High Technology	\$8,000	\$1,000	\$5,000	\$12,250
Medical Technology	\$9,167	\$4,500	\$10,000	\$11,000
Other	\$5,592	\$0	\$4,250	\$7,875

## Total Additional Compensation – By Industry

Audit Committee Members at medical companies received the highest additional compensation at \$10,000, at median. [Figure 46]

# ADDITIONAL COMPENSATION MEMBER COMPENSATION

Figure 47

Headcount Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
1,000+ employees	78%	43%	43%	0%
100 to 999 employees	72%	38%	34%	0%
Under 100 employees	55%	27%	32%	0%
All Companies	69%	36%	36%	0%

## Prevalence of Additional Compensation – By Employee Size

Sixty-nine percent of companies provided additional compensation to a Compensation Committee Member, in the form of an additional annual retainer and/or additional meeting fees. [Figure 47]

Figure 48

Headcount Group	Total Additional Compensation			
	Avg.	25th	50th	75th
1,000+ employees	\$6,304	\$3,000	\$6,000	\$9,500
100 to 999 employees	\$4,690	\$0	\$4,000	\$7,000
Under 100 employees	\$2,424	\$0	\$1,000	\$5,000
All Companies	\$4,560	\$0	\$4,000	\$7,000

## Total Additional Compensation – By Employee Size

The median additional compensation provided to a Compensation Committee Member was \$4,000. [Figure 48]

Figure 49

Industry Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
Biotechnology	71%	46%	29%	0%
High Technology	74%	32%	53%	0%
Medical Technology	78%	56%	22%	0%
Other	56%	17%	39%	0%

## Prevalence of Additional Compensation – By Industry

The prevalence of providing additional compensation to a Compensation Committee Member was the highest at medical technology companies at 78%, primarily in the form of an additional annual retainer. [Figure 49]

Figure 50

Industry Group	Total Additional Compensation			
	Avg.	25th	50th	75th
Biotechnology	\$4,420	\$0	\$4,500	\$7,125
High Technology	\$5,237	\$1,000	\$5,000	\$6,500
Medical Technology	\$7,300	\$4,000	\$7,500	\$10,000
Other	\$2,693	\$0	\$2,450	\$4,375

## Total Additional Compensation – By Industry

Compensation Committee Members at biotechnology companies received the highest additional compensation at approximately \$7,500, at median. [Figure 50]

# ADDITIONAL NOMINATING / CORPORATE GOVERNANCE MEMBER COMPENSATION

Figure 51

Headcount Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
1,000+ employees	74%	43%	39%	0%
100 to 999 employees	66%	31%	34%	3%
Under 100 employees	55%	27%	32%	0%
All Companies	65%	34%	35%	1%

## Prevalence of Additional Compensation – By Employee Size

Sixty-five percent of all companies provided additional compensation to a Nominating / Corporate Governance Committee Member, in the form of an additional annual retainer and/or additional meeting fees. [Figure 51]

Figure 52

Headcount Group	Total Additional Compensation			
	Avg.	25th	50th	75th
1,000+ employees	\$4,457	\$1,000	\$4,000	\$6,000
100 to 999 employees	\$2,950	\$0	\$2,500	\$4,000
Under 100 employees	\$1,711	\$0	\$500	\$3,563
All Companies	\$3,002	\$0	\$3,000	\$5,000

## Total Additional Compensation – By Employee Size

The median additional compensation provided to a Nominating / Corporate Governance Committee Member was \$3,000. [Figure 52]

Figure 53

Industry Group	Prevalence of Additional Compensation			
	Any	Additional Retainer	Additional Meeting Fees	Additional Annual Grant
Biotechnology	71%	46%	29%	4%
High Technology	63%	21%	53%	0%
Medical Technology	67%	56%	11%	0%
Other	56%	17%	39%	0%

## Prevalence of Additional Compensation – By Industry

The prevalence of providing additional compensation to a Nominating / Corporate Governance Committee Member was the highest at biotechnology companies at 71%. [Figure 53]

Figure 54

Industry Group	Total Additional Compensation			
	Avg.	25th	50th	75th
Biotechnology	\$3,192	\$0	\$3,000	\$5,000
High Technology	\$3,658	\$0	\$3,000	\$4,500
Medical Technology	\$3,156	\$0	\$4,000	\$5,000
Other	\$1,938	\$0	\$1,250	\$3,750

## Total Additional Compensation – By Industry

Nominating / Corporate Governance Committee Members at medical technology companies received the highest additional compensation at \$4,000, at median. [Figure 54]

# OVERVIEW OF BARNEY & BARNEY'S COMPENSATION CONSULTING PRACTICE

# Compensation Consulting Practice

In this competitive business environment, your success depends on attracting and retaining top-notch executives and employees, while preserving your bottom line.

Barney & Barney's Compensation Consulting Practice provides clients a specialized level of expertise in several areas of compensation.

Our Practice is staffed with a team of experts steeped in practical client experiences and rooted in fact-based consulting. Our solutions are driven by an understanding of industry norms and tailored to the specific needs of our clients.

## AREAS OF EXPERTISE:

- **BOARD ADVISORY SERVICES**  
Executive compensation, board pay and equity strategy consulting
- **SALES EFFECTIVENESS CONSULTING:** Sales compensation design, role definition and deployment model consulting, and quota-setting facilitation
- **BROAD-BASED REWARDS CONSULTING:** Company wide compensation strategy consulting, salary structure design, bonus and equity program development and total rewards communication
- **COMPENSATION CO-SOURCING**  
A sliding scale of compensation talent is provided; depending on your needs, act as your entire compensation department; able to stand in as a fully functional compensation department



*Compensation  
Consulting plans  
for businesses of  
all sizes*



# BOARD ADVISORY SERVICES

## Compensation Consulting Practice

Good corporate governance is paramount for both publicly traded and privately held companies. Barney & Barney offers clients board advisory services aimed at ensuring the highest level of corporate governance.

### SERVICES OFFERED:

#### Compensation Committee Assistance

- Compensation philosophy development
- CEO pay-for-performance assessment
- Compensation risk assessment facilitation
- Education and market trends updates
- Proxy disclosure assistance

#### Executive Compensation

- Peer group development
- Competitive total direct compensation benchmarking
- Short-term and long-term incentive plan design
- Executive benefits consulting
- Employment agreement review, including severance and change-in-control programs

#### Board of Directors Compensation

- Competitive total direct compensation benchmarking
- Program review and design assistance

#### Equity Strategy Management

- Competitive grant value benchmarking
- Equity grant guideline development
- Financial modeling of equity budget
- Aggregate equity utilization benchmarking (burn rate and overhang)

#### IPO Preparation

- Public peer group development: Building the peer list of public company comparables
- Executive compensation: Refining executive compensation programs as the company transitions to being public, including preparation for disclosure
- Board pay: Establishing Board pay programs as the company hires outside directors
- Equity compensation: Updating the equity strategy as the company transitions to being public, including setting up the ESPP and evaluating how ongoing equity is delivered

Our consulting services are typically provided on a project basis. We will work with you to determine the scope of the engagement and provide you with a proposal outlining our suggested project approach, key deliverables, timing, and professional arrangements associated with our support.

Contact us to learn more.



# BROAD-BASED REWARDS CONSULTING

## Compensation Consulting Practice

Employee engagement is paramount in moving your organization forward, and proper employee rewards are a key enabler in the process. Barney & Barney offers clients consulting services aimed at helping you engage employees through competitive rewards.

### SERVICES OFFERED:

- Establishment of the company's compensation philosophy and guiding pay principles
- Benchmarking of cash and equity compensation levels relative to competitors for both business and talent
- Organizational leveling and job family development
- Base salary structure development
- Bonus plan review and design
- Equity strategy development
- Financial analysis and modeling of compensation programs
- Support for program implementation and roll-out communication strategy
- Conducting employee satisfaction and engagement surveys
- Conducting custom surveys to understand market trends and norms

Our consulting services are typically provided on a project basis. We will work with you to determine the scope of the engagement and provide you with a proposal outlining our suggested project approach, key deliverables, timing, and professional arrangements associated with our support.

Contact us to learn more.



# SALES COMPENSATION CONSULTING

## Compensation Consulting Practice

Successful companies ensure that their sales team's incentives and behaviors are properly aligned with the organization's broader business objectives. Barney & Barney offers clients a consulting service aimed at helping your company achieve this alignment.

### SERVICES OFFERED:

- Establishment of a sales compensation philosophy and guiding pay principles
- Benchmarking of sales compensation levels relative to specific competitors and the broader market
- Benchmarking of incentive plan design relative to specific competitors and the broader market
- Development of target pay profiles for the sales organization
- Development of sales incentive plans for management, individual contributors and support positions
- Financial analysis and modeling of compensation programs
- Support for program implementation and roll-out of communication strategy
- Conducting employee surveys to gauge organizational effectiveness
- Conducting custom surveys to better understand market trends and norms

Our consulting services are typically provided on a project basis. We will work with you to determine the scope of the engagement and provide you with a proposal outlining our suggested project approach, key deliverables, timing, and professional arrangements associated with our support.

Contact us to learn more.



# COMPENSATION CO-SOURCING

## Compensation Consulting Practice

Each company's needs with respect to compensation-related duties and tasks vary depending on organizational size, complexity and growth trajectory.

Barney & Barney offers clients an alternative to hiring full-time staff for the compensation department. We call it compensation co-sourcing. As our co-sourcing client, we make all of our resources available to you.

### OUR ADVANTAGES:



#### Minimal ramp-up requirements

We bring all the tools necessary to begin work immediately.

#### Flexibility in duration of engagement

Depending on your needs, we can provide services over a brief period of time (e.g., while a search for full-time staff is underway) or on a more permanent basis.

#### Sliding scale of skill and experience

We provide the necessary level of skill and experience needed to most effectively meet your unique needs, from analyst support to principal-level presentations to the Board.

#### Cost efficiency

Our model is significantly less expensive than the cost of employing full-time staff and buying the tools and resources needed to meet the requirements of the compensation management function.

#### Best practices

We make our methodologies, models and survey library available at the client site, providing a professional approach to managing the function without the investment in additional resources.

#### Data library

We have an extensive data library that we can access during the engagement, which eliminates the need to spend additional money on market research.

#### Industry experts

We have extensive experience in selected industries where we understand business models and industry terminology, helping us to move more quickly on your project.

Our consulting services are typically provided on a project basis. We will work with you to determine the scope of the engagement and provide you with a proposal outlining our suggested project approach, key deliverables, timing, and professional arrangements associated with our support.

Contact us to learn more.

