



The Bay Area 150: Who is advising Compensation Committees?

Compensia

1731 TECHNOLOGY DRIVE SUITE 810 SAN JOSE CA 95110
(T) 408 876 4025 (F) 408 876 4027

770 TAMALPAIS DRIVE SUITE 207 CORTE MADERA CA 94925
(T) 415 462 2990 (F) 415 462 2997

COMPENSIA.COM

Our Approach

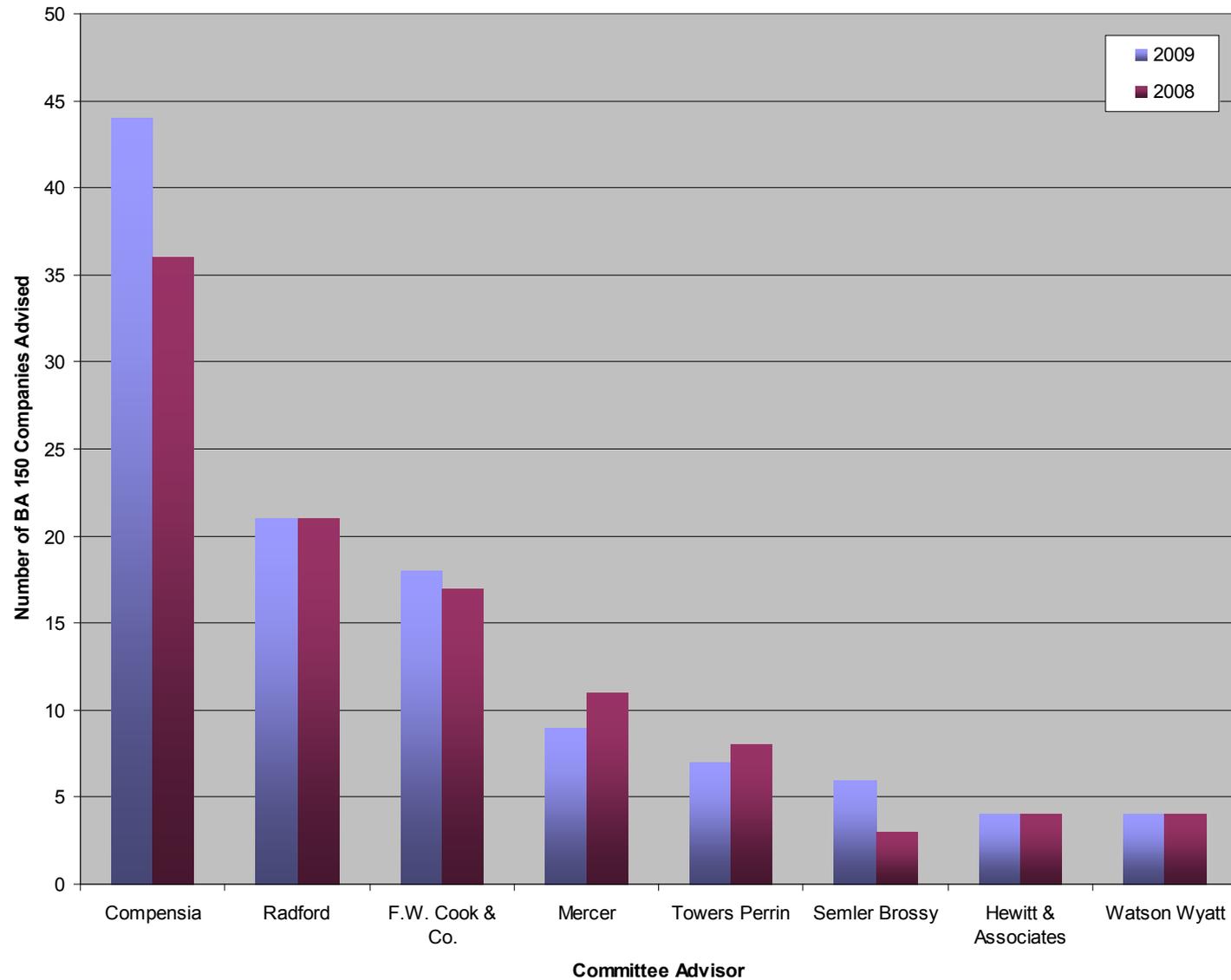
- ▶ The Bay Area 150 consists of the largest public technology and life sciences companies with headquarters in the San Francisco Bay Area
- ▶ To identify the advisors to the Board Compensation Committees of the Bay Area 150, we reviewed the most recent proxy statement filings (as of July 9, 2009) for each of the Bay Area 150 companies
- ▶ This report presents our findings

Summary of Findings

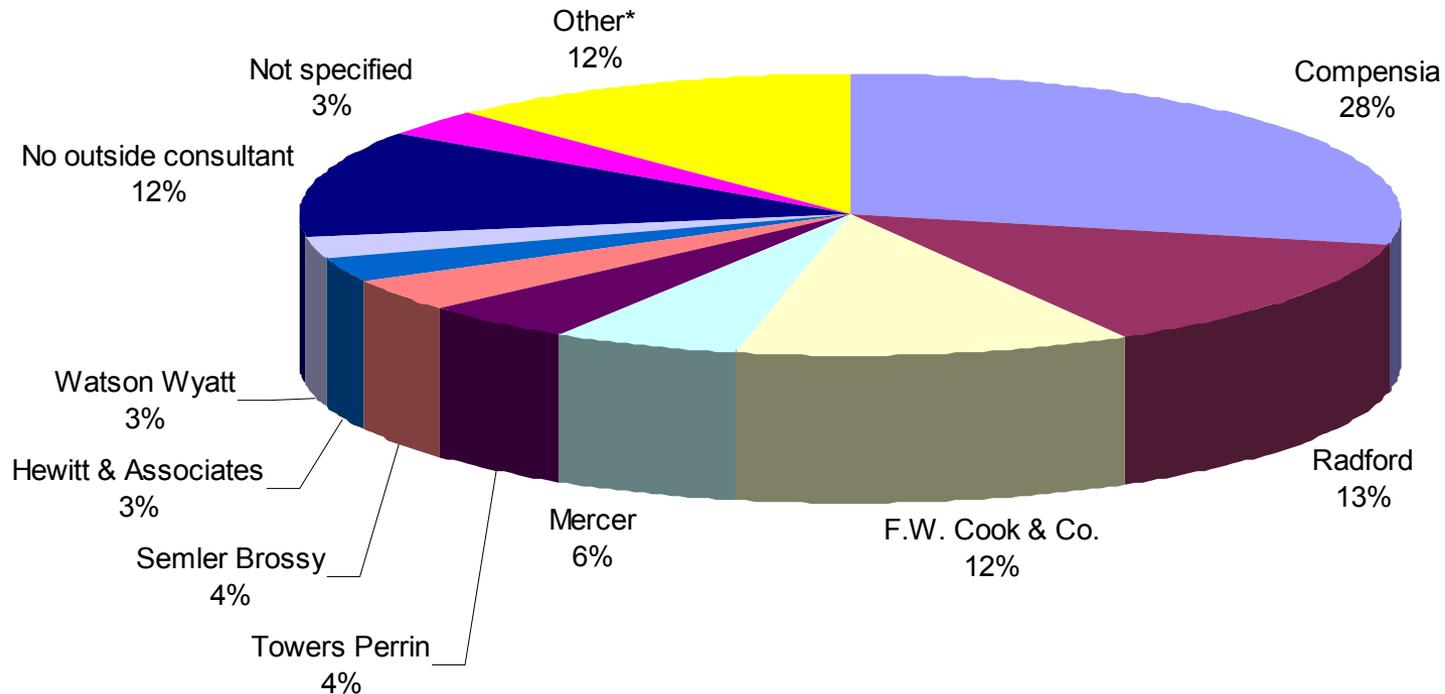
- ▶ Of the 150 companies analyzed:
 - 126 companies (84%) reported that their Board Compensation Committee used an outside compensation consultant and identified the advisor(s) by name;¹
 - Five companies (3%) reported that their Board Compensation Committee used an outside compensation consultant but did not identify the advisor; and
 - 19 companies (13%) either stated that their Board Compensation Committee did not use an outside compensation consultant or were silent as to whether they used an outside compensation consultant
- ▶ 20 different advisors were identified, although three firms account for 66% of the Compensation Committee engagements in which a consultant was identified
 - In 2008, 24 different advisors were identified and five firms accounted for 74% of the Compensation Committee engagements
- ▶ For companies identifying a compensation consultant that supported the Board Compensation Committee, Compensia was the advisor most frequently identified – 44 times (33%)
 - This is up from 27% in 2008
- ▶ 27 of the 150 companies (18%) reported a change in their Board Compensation Committee advisor relationship from 2008

1. Six companies identified using two consultants in support of the Compensation Committee. As a result, the 126 companies account for 132 consulting relationships.

Top Compensation Committee Advisors to the Bay Area 150



Who is advising the Board Compensation Committees of the Bay Area 150 (Market Share)?¹



*** 12 other compensation consultants advised a total of 19 companies**

1. For purposes of market share, we added the six companies that reported using two different consultants, bringing the total "market" to 156 company data points.

Appendix

- ▶ Advisor Detail

Advisor Detail

Advisor	Number of Clients	Percent of Total Bay Area 150
Compensia	44	34.9%
Radford	21	16.7%
F.W. Cook & Co.	18	14.3%
Mercer	9	7.1%
Towers Perrin	7	5.6%
Semler Brossy	6	4.8%
Hewitt & Associates	4	3.2%
Watson Wyatt	4	3.2%
Meyercord & Associates	3	2.4%
Pearl, Meyer & Partners	3	2.4%
Farient	2	1.6%
Compensation Strategies, Inc.	2	1.6%
Professor Brian Hall	2	1.6%
Presidio Pay	1	0.8%
Omura Consulting Group	1	0.8%
J. Richard & Co.	1	0.8%
Remedy	1	0.8%
Fenwick & West	1	0.8%
Croner Associates	1	0.8%
Compensations Resources, Inc.	1	0.8%
Totals: 20	126	

- ▶ Of the 126 companies that identified a consultant, six identified two consultants in support of the Board Compensation Committee
- ▶ As a result, the 126 companies account for 132 consulting relationships; percentage calculations were determined with reference to the 126 companies