About WorldatWork®

The Total Rewards Association

WorldatWork (www.worldatwork.org) is a global human resources association focused on compensation, benefits, work-life and integrated total rewards to attract, motivate and retain a talented workforce. Founded in 1955, WorldatWork provides a network of more than 30,000 members and professionals in 75 countries with training, certification, research, conferences and community. It has offices in Scottsdale, Arizona, and Washington, D.C.

The WorldatWork group of registered marks includes: WorldatWork®, workspan®, Certified Compensation Professional or CCP®, Certified Benefits Professional or CBP, Global Remuneration Professional or GRP®, Work-Life Certified Professional or WLCP™, WorldatWork Society of Certified Professionals®, and Alliance for Work-Life Progress® or AWLP®.

WorldatWork Journal, WorldatWork Press and Telework Advisory Group are part of the WorldatWork family.

The Global Equity Organization (GEO)

The Global Equity Organization (GEO) is a member-founded and member-driven international nonprofit organization created to provide timely and relevant information to the global stock plan community. GEO’s nearly 3,000 members represent over 1,500 companies and professional firms in over 70 countries. GEO members include stock plan designers, stock plan administrators, academics, non-governmental agencies, service providers, attorneys, brokers, and accountants who participate in networking, information sharing, and discussions through international, regional, national, and local events. GEO’s 12 local and regional chapters provide members with coordinated location-specific information about the application of stock plans in that local environment. For more information regarding GEO please visit www.globalequity.org

Media Contact:

Marcia Rhodes
14040 N. Northsight Blvd.
Scottsdale, Arizona USA
85260-3601
480-304-6885
Toll free: 877-951-9191
Fax: 480-483-8352
Marcia.Rhodes@worldatwork.org

©2008 WorldatWork Any laws, regulations or other legal requirements noted in this publication are, to the best of the publisher’s knowledge, accurate and current as of this report’s publishing date. WorldatWork is providing this information with the understanding that WorldatWork is not engaged, directly or by implication, in rendering legal, accounting or other related professional services. You are urged to consult with an attorney, accountant or other qualified professional concerning your own specific situation and any questions that you may have related to that.

No portion of this publication may be reproduced in any form without express written permission from WorldatWork.
Table of Figures

**Participation in Executive Compensation Surveys**
Figure 1: Prevalence of participation in or purchase of surveys
Figure 2: Most common survey providers used

**Use of Executive Compensation Surveys in Market Analyses**
Figure 3: Prevalence in use of more than one survey
Figure 4: Number of surveys used

**Common Stock Option Valuation Methods**
Figure 5: Service-based stock options
Figure 6: Performance-based stock options

**Suggested Changes to LTI Data Collection and Reporting**
Figure 7a: Most important change suggestions
Figure 7b: Other change suggestions
Figure 7c: Difficulty rating of problem leading to change suggestions
Figure 8: Willingness to pay more for resolution of issue(s) identified

**Impact of Proprietary Definitions and Methodologies**
Figure 9a: Product differentiation
Figure 9b: Tailored valuations
Figure 9c: Participation in multiple surveys
Figure 9d: Understanding of data being reported
Figure 9e: Comparability of data across survey providers

**Demographics of Survey Respondents**
Figure 10: Publicly traded vs. private companies
Figure 11: Organization size
Figure 12: Level of responsibility

**Appendices**
A. List of participating organizations
B. Survey instrument
Methodology

Between March and April 2008, WorldatWork and Global Equity Organization (GEO) jointly fielded a survey to their respective memberships on the topic of executive compensation surveys. A survey link was sent via e-mail to a random sample of 2,234 WorldatWork members and to 1,406 GEO members who are specifically responsible for leading equity programs for their respective companies.

Between these two populations, a total of 275 respondents participated in the survey. A list of participating organizations can be found in the Appendix. The respondent data was manually cleaned to eliminate duplicate organizations, e.g., when a member of WorldatWork and GEO from the same office responded. Any duplicates left in the participant list reflect offices in different countries or regions (e.g., Ford Motor U.S. and Ford Motor Europe).

The data for several open-ended questions was also manually coded to distill themes and common responses where they existed.

In aggregate, the typical demographic profile of the 275 respondents was of a practitioner employed at the manager/assistant-director level and above, with at least five years of experience in human resources, compensation or equity. More detail regarding respondent demographics is included in the Survey Demographics section.
Summary of Key Findings

A brief survey completed by compensation and equity professionals on the topic of executive compensation survey products provides valuable insight into not only how practitioners use these products, but also their opinions about how these survey products might be improved.

- Eight in 10 respondents said that their organization uses more than one compensation survey when conducting a marketing analysis of an executive position — which has been identified as a best practice in the field. Further, one in five organizations (20%) use four or more different surveys when performing a market analysis.

- When given an open-ended opportunity to indicate why they use several surveys when performing a market analysis, the most common answer related to a desire to obtain more confidence and accuracy in the analysis through the use of multiple data points.

- When asked about the methodology used in their organization to determine the fair value of certain long term incentives (LTI), respondents most commonly answered the Black-Scholes model. For service-based stock options, Black-Scholes was indicated by 83% of companies, followed by the Lattice model at 11%. For performance-based options, however, Black-Scholes was mentioned less frequently at 66%, and the second most common response was Simulation model (sometimes known as Monte Carlo) at 14%. The Lattice model was indicated fourth most frequently at 10%.

- When respondents were asked in an open-ended and unprompted way what they might change in the way LTI data is collected and reported, the largest single percentage (47%) said the “most important” change that could be made would be the establishment of a common or consistent methodology. Secondly, 35% indicated they would like to receive more information from the surveys, either through additional data collection or through additional or different data reporting.

- In a follow-up question, when provided with a 10-point scale where a rating of 1 would mean minimal inconvenience and a rating of 10 would mean significant pain, respondents rated the issue of consistent or common methodology at 8.2.

- When asked if they would be willing to pay more for products in which their identified issues had been resolved, respondents seemed split. While 42% said they would not be willing to pay more to have their executive compensation survey issue or issues resolved, 48% said they would be willing to pay a premium of anywhere from 5% to more than 10% in order to obtain a solution to their issue.

- Finally, respondents were asked a four-part question designed to draw out their opinions regarding the pluses and minuses of survey providers’ use of proprietary methodologies and definitions. In aggregate, it would seem that respondents generally do not favor this practice:
  - A combined 44% disagreed that proprietary methodologies create better surveys because they allow providers to differentiate their products
  - A combined 44% also disagreed that survey companies make the practitioners’ job easier by providing tailored valuation methodologies.
- A combined 69% agreed, however, that proprietary definitions and methodologies make it more difficult to participate in different surveys

- A combined 77% agreed that proprietary definitions and methodologies make it more difficult for practitioners to compare data across different survey providers.

In aggregate, the data collected from the professionals who regularly work with executive compensation surveys indicates they believe that improvements could be made to compensation survey products that would improve their utility and effectiveness.
Detailed Survey Results

**Figure 1:** "Does your organization typically participate in and/or purchase any executive compensation surveys?" (n=255)

- Participate in and purchase executive compensation survey(s), 80%
- Only participate in executive compensation survey(s); do not typically purchase, 3%
- Only purchase executive compensation survey(s); do not typically participate, 4%
- Neither participate in nor purchase any executive compensation surveys, 13%

The 13% of respondents reporting that their organization neither participates in nor purchases executive compensation surveys were asked to discontinue the survey and submit.

**Figure 2:** "Please indicate the executive compensation survey providers of which your organization has been a client during the past five years (through either survey participation and/or the purchase of an executive compensation survey product)." (n=221)

Respondents were provided a list with the names of 21 firms who are prominent in the executive compensation survey field, plus three additional open-ended “other” response opportunities. Firms that were mentioned two or more times in the open-ended responses were included in the table below. The 38 firms mentioned only once are reflected in the 17% “other.”

<table>
<thead>
<tr>
<th>Firm</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Towers Perrin</td>
<td>62%</td>
</tr>
<tr>
<td>Mercer</td>
<td>53%</td>
</tr>
<tr>
<td>Hewitt Associates</td>
<td>49%</td>
</tr>
<tr>
<td>Watson Wyatt Worldwide</td>
<td>43%</td>
</tr>
<tr>
<td>Radford Surveys + Consulting</td>
<td>23%</td>
</tr>
<tr>
<td>Hay Group</td>
<td>22%</td>
</tr>
<tr>
<td>ORC Worldwide</td>
<td>13%</td>
</tr>
<tr>
<td>Clark Consulting</td>
<td>10%</td>
</tr>
<tr>
<td>Buck Consultants</td>
<td>10%</td>
</tr>
<tr>
<td>Pearl Meyer &amp; Partners</td>
<td>9%</td>
</tr>
<tr>
<td>Salary.com</td>
<td>8%</td>
</tr>
<tr>
<td>Aon Consulting</td>
<td>8%</td>
</tr>
<tr>
<td>McLagan Partners</td>
<td>8%</td>
</tr>
<tr>
<td>Culpepper Surveys</td>
<td>5%</td>
</tr>
<tr>
<td>Fredric W. Cook &amp; Co. Inc.</td>
<td>3%</td>
</tr>
<tr>
<td>Equilar</td>
<td>2%</td>
</tr>
<tr>
<td>Sibson Consulting</td>
<td>2%</td>
</tr>
<tr>
<td>Comdata Surveys</td>
<td>2%</td>
</tr>
<tr>
<td>LOMA</td>
<td>1%</td>
</tr>
<tr>
<td>Economic Research Institute (ERI)</td>
<td>1%</td>
</tr>
<tr>
<td>Stanton Group</td>
<td>1%</td>
</tr>
<tr>
<td>Abbott Langer &amp; Associates</td>
<td>1%</td>
</tr>
<tr>
<td>MGMC</td>
<td>1%</td>
</tr>
<tr>
<td>The Survey Group</td>
<td>1%</td>
</tr>
<tr>
<td>Compensation Research</td>
<td>1%</td>
</tr>
<tr>
<td>Olney</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
</tr>
</tbody>
</table>
Figure 3: “Does your organization use more than one executive compensation survey when conducting a market analysis for executives?” (n=221)

As indicated below, eight out of 10 respondents reported using more than one survey in conducting a market analysis, a concept that is considered a best practice in the field.

![Pie chart showing 79% Yes and 21% No.]

Figure 4: “If yes, how many (surveys do you typically use in a market analysis)?” (n=133) This question provided only an open-ended response opportunity. The ranges in the pie chart below were created based on respondents who provided a single numerical value. The 9% “other” category in the pie chart below includes respondents who provided either a range of numbers, or a text response such as: ‘it depends,’ ‘as needed’ or ‘varies.’

![Pie chart showing 80% 2 to 3 surveys, 10% 4 to 6 surveys, and 9% Other.]

As an additional follow-up, respondents were asked why they typically use the number of surveys they do when market pricing for executive positions. Again, this was an open-ended only response opportunity. Answers varied considerably, but the most common answers related to a desire to validate data points, and therefore, increase the confidence and accuracy of the analysis.
Figure 5: “Which of the following methods is most commonly used by your organization to determine the fair value of stock options that are service-based?” (n=169)

![Bar chart showing the percentage of organizations using different methods to determine the fair value of service-based stock options. Black-Scholes is the most commonly used method at 83%, followed by Lattice model at 11%, A hybrid or internally-developed method at 8%, A proprietary method provided by survey provider(s) at 5%, Simulation model (Monte Carlo) at 1%, and Other at 4%.]

Figure 6: “Which of the following methods is most commonly used by your organization to determine the fair value of stock options that are performance-based?” (n=124)

![Bar chart showing the percentage of organizations using different methods to determine the fair value of performance-based stock options. Black-Scholes is the most commonly used method at 66%, followed by Simulation model (Monte Carlo) at 14%, A hybrid or internally-developed method at 12%, Lattice model at 10%, A proprietary method provided by survey provider(s) at 3%, and Other at 4%.]

Figures 7a and 7b: “If you or your company could change up to three things about the way long-term incentive data is currently collected or reported in executive compensation surveys, what would you change?” (Respondents were asked to indicate the “most important” issue they would change first, and were given two “other” text-entry boxes to note additional issues.)
Figure 7a: “Most important” responses (n=136):

- Consistency or common methodology: 47%
- More information: 33%
- More often or more timely: 3%
- Survey mechanics: 7%
- Other: 8%

Figure 7b: “Other” responses (n=109):

- Consistency or common methodology: 20%
- More often or more timely: 5%
- Survey mechanics: 10%
- Other: 7%
- More information: 58%
Figure 7c: “How much of a problem is the issue that you indicated you would like to change, on a scale of 1-10 with 1 being ‘minimal inconvenience’ and 10 being ‘significant pain’?”

Average ratings are presented below, broken down by whether the change suggestion was reported as the “most important” or as an “other” suggestion.

<table>
<thead>
<tr>
<th>Change Suggestions</th>
<th>&quot;Most Important&quot;</th>
<th>&quot;Other&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consistency or common methodology</td>
<td>8.2 (n=64)</td>
<td>7.6 (n=22)</td>
</tr>
<tr>
<td>More information</td>
<td>7.4 (n=48)</td>
<td>7.3 (n=63)</td>
</tr>
<tr>
<td>More often or more timely</td>
<td>7.3 (n=4)</td>
<td>7.0 (n=5)</td>
</tr>
<tr>
<td>Survey mechanics</td>
<td>7.0 (n=9)</td>
<td>8.0 (n=11)</td>
</tr>
<tr>
<td>Other</td>
<td>8.7 (n=11)</td>
<td>7.8 (n=8)</td>
</tr>
</tbody>
</table>

Figure 8: “Would you or your organization be willing to pay more for executive compensation survey products if the most important issue you identified (above) could be resolved?” (n=183)

In a final follow-up in the series of questions about how a respondent might like to see executive compensation surveys change in the future, participants were provided with a series of closed-ended response opportunities. A combined 48% said that they would be willing to pay more for a product if their issues identified above could be resolved; 42%, however, said they are not willing to pay more to have the issue or issues fixed.
Figures 9a - 9e: “Some salary survey providers create their own definitions and proprietary methodologies in their surveys for items such as the valuation of long-term incentives. Using the scale below, please indicate your agreement or disagreement with each of the following statements regarding this practice.”

**Figure 9a:** “(Proprietary definitions and methodologies) … Create better surveys because they enable survey providers to differentiate their products in the marketplace” (n=205).

**Figure 9b:** “(Proprietary definitions and methodologies) … Make my job easier because our survey provider(s) have tailored a valuation methodology for my industry group” (n=206)
Figure 9c: “(Proprietary definitions and methodologies) … Make it more challenging to participate in various surveys” (n=207)

Figure 9d: “(Proprietary definitions and methodologies) … Make it more challenging to understand the data being reported” (n=208)
Figure 9e: “(Proprietary definitions and methodologies) … Make it more challenging to compare data across different survey providers/reports” (n=208)
Survey Demographics

Figure 10: "Is your company publicly traded?" (n=222)

Figure 11: "How many employees does your organization employ worldwide?" (n=222)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 100</td>
<td>2%</td>
</tr>
<tr>
<td>100-499</td>
<td>6%</td>
</tr>
<tr>
<td>500-999</td>
<td>4%</td>
</tr>
<tr>
<td>1,000-2,499</td>
<td>10%</td>
</tr>
<tr>
<td>2,500-4,999</td>
<td>13%</td>
</tr>
<tr>
<td>5,000-9,999</td>
<td>14%</td>
</tr>
<tr>
<td>10,000-19,999</td>
<td>13%</td>
</tr>
<tr>
<td>20,000 to 39,999</td>
<td>13%</td>
</tr>
<tr>
<td>40,000 to 99,999</td>
<td>17%</td>
</tr>
<tr>
<td>100,000 or more</td>
<td>10%</td>
</tr>
</tbody>
</table>
**Figure 12:** “Which term best describes your current level of responsibility?” (n=221)

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive/Officer/Top Level:</strong></td>
<td>Along with other senior management, establishes organizational philosophy, vision and overall strategic business objectives (e.g. executive/senior vice-president)</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Senior Level:</strong></td>
<td>Maintains overall responsibility for plan design, development and negotiation; expected to execute strategies determined by the executive/top level (e.g. senior director/director, assistant director, senior manager)</td>
<td>47%</td>
</tr>
<tr>
<td><strong>Mid Level:</strong></td>
<td>Analyzes, implements, administers and audits tactical programs in alignment with established strategic plans (e.g. manager, senior analyst, specialist, internal consultant)</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Emerging Level:</strong></td>
<td>Assists in analyzing, coordinating, administering and maintaining tactical programs (e.g. analyst, representative, coordinator, administrator)</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Consultant:</strong></td>
<td>Works for an external consulting firm or as an independent consultant</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Educator/Academician:</strong></td>
<td>A university professor or researcher employed by a research organization or university</td>
<td>0%</td>
</tr>
</tbody>
</table>
Appendix A: Participating Organizations

A total of 218 organizations that participated in the survey voluntarily provided their name. The only duplicates listed are those organizations that reported being located in different places. For organizations that reported same company name and same location, only one respondent’s data was included in the final data set.

3M
Abbott laboratories
ABT Associates Inc.
Accenture
ADC Telecommunications
Aditya Birla Group
Agilent Technologies
Altria Group Inc.
American Express
American Family Insurance
Amgen
Andrew Corp.
Apogee Enterprises Inc.
Apple Inc.
Armstrong World Industries
Asante
ASML Netherlands BV
AstraZeneca Pharmaceuticals LP
AT&T
Atos Origin
Automatic Data Processing
Avaya
Baxter International Inc.
Bear Stearns
Bechtel Systems & Infrastructure Inc.
Beckman Coulter Inc.
Best Buy Canada Ltd.
Biogen Idec
Bristow Group Inc.
Callaway Golf Company
Campbell Soup Company
Carver Federal Savings Bank
Cash America
CDI
CH2M Hill
Children’s Healthcare of Atlanta
Chrysler LLC
Ciba Inc.
Clecro Corp.
Clickability
CME Group
Commonwealth Bank of Australia
ConAgra Foods
Con-way Inc.
Corning International Inc.
Corus Nederland
Covance
Covidien
Credit Acceptance Corporation
CV Therapeutics
David Michael and Company Inc.
Delphi Corporation
Delta Dental of Illinois
Dept. of Defense
Diageo
Discovery Communications
Dolby Laboratories
Dow Chemical Co.
DuPont
Eaton Corp.
Electrolux
Eli Lilly and Co.
EPCO Inc.
Erie Insurance Group
Express Scripts Inc.
Fender Musical Instruments
First Data
Ford Motor Co.
Ford Motor Co. Europe
Foster's Group
Fraser Papers Inc.
General Mills Inc.
General Motors Corp.
Genworth Financial
Girl Scouts of the USA
Goodrich Corp.
Hanesbrands Inc.
Harris Bank
Harvard University
Harvest Natural Resources Inc
HCA
Health Net Inc.
Hilb Rogal & Hobbs Co.
HJ Heinz
Honeywell International
Hovnanian Enterprises
HSBC
HSBC Costa Rica
Hutchinson Technology Inc.
IKON Office Solutions
Infineon Technologies
ING
Ingram Micro
Intel
Invitrogen
Johnson & Johnson
Jordan Valley Water Conservancy District
Kenexa
Kimberly-Clark
Kraft Foods Inc.
Lattice Semiconductor Corp.
Lawson Products
Lear Corp.
LGE MobileComm USA
Link Market Services Limited
LLBean Inc
Lockheed Martin
L’Oreal USA Inc.
McCormick & Co. Inc.
McDermott International Inc.
MDC Holdings Inc
Medtronic inc
Merck
Merck KGaA
Merck Serono International SA
Meredith Corp.
Micron Technology Inc.
MidAmerican Energy Co.
Millipore Corp.
Monster Worldwide
MphasiS An EDS Co.
Nationstar Mortgage
NCH Corp.
NEC Corp. of America
Nestle USA
Neurocrine Biosciences Inc.
New Zealand Fire Service
NIBC Bank NV
Nordstrom Inc.
Northeast Health
Novartis International AG
Novell Inc.
NRG Energy Inc.
Oldcastle Distribution (dba Allied Building Products Corp)
Opus Corp.
Orbitz Worldwide
Oxford industries Inc.
Pacific Life Insurance Co.
Plantronics Inc.
Plexus Corp.
PLIVA d.d.
Poynter Institute
PPG Industries
Prime Therapeutics LLC
Procter & Gamble
Qualcomm Inc.
Raiffeisen
Randstad Holding
RCN
Reed Elsevier
Rehabilitation Hospital of Indiana
Reliant Energy
Rich Products Corp.
Roche
Rohm and Haas Co.
Royal Ahold
Safeco Insurance
San Antonio water system
SAP
Sara Lee Corp.
SBIG
Schneider Electric
Scotiabank
Seagate Technology
Serco Group plc
Shell Oil Co.
Simpson Housing LLLP
Sisters of Charity Health System
Skyline Displays Inc.
Solutia Inc.
South African Reserve Bank
Southwest Autism Research and Resource Center
Southwest Gas Corp.
Spansion
Spectrum Health
Sprint Nextel
Starwood Hotels & Resorts Worldwide Inc.
Stepan Co.
Sun Microsystems
Sunoco Inc.
TCHIBO CIS LLC
TD Bank
TD Melche Monnex
Tech Data Corp.
Teva Pharmaceuticals
The Clorox Co.
The Dun & Bradstreet Co.
The Hershey Co.
The Medicines Co.
The Pantry Inc.
The Shaw Group Inc.
The TDL Group Corp.
The Timken Co.
Three Rivers Federal Credit Union
T-Mobile USA
Torchmark Corp.
Toshiba America Business Solutions Inc.
Tower Insurance Company of New York
Trust Company of the West
Trustmark Companies
UBS
Underwriters Laboratories
United Water
UnitedHealth Group
Unum Group
UPS
USG Corp.
V & V Supremo Foods Inc.
Valspar Corp.
VeriSign
Vermeer Corp.
Wal-Mart Canada
Washoe County
Wellpoint Inc.
Wendy's International Inc.
Western University of Health Sciences
Willis
Appendix B: Survey Instrument

WorldatWork, the association for total rewards professionals, and the Global Equity Organization (GEO) are partnering on a new survey about executive compensation survey practices. The results of this survey will advance the body of knowledge associated with compensation survey practices and provide important information for survey firms and practitioners.

1. Does your organization typically participate in and/or purchase any executive compensation surveys?
   o Yes, participate in and purchase executive compensation survey(s)
   o Only purchase executive compensation survey(s); do not typically participate
   o Only participate in executive compensation survey(s); do not typically purchase
   o Neither participate in nor purchase any executive compensation surveys. (Please skip to end and click “submit”.)

2. Please indicate the executive compensation survey providers of which your organization has been a client during the past five years (either through survey participation and/or the purchase of an executive compensation survey product.) (Check all that apply.)
   - Abbott Langer & Associates
   - Aon Consulting
   - Buck Consultants
   - Clark Consulting
   - Culpepper Surveys
   - Compdatal Surveys
   - Foote Partners
   - Hay Group
   - Hewitt Associates
   - McLagan Partners
   - Mercer
   - Milliman
   - ORC Worldwide
   - Pearl Meyer & Partners
   - Radford Surveys + Consulting
   - Salary.com
   - Sibson Consulting
   - Stanton Group
   - Towers Perrin
   - WageWatch
   - Watson Wyatt Worldwide
   - Other ______________
   - Other ______________
   - Other ______________
Does your organization use more than one executive compensation survey when conducting a market analysis for executives?
- Yes. How many? ____
- No

3a. Why or why not? __________________________________

3. Which of the following methods is most commonly used by your organization to determine the fair value of stock options that are service-based? (Check all that apply.)
- Black-Scholes
- Lattice model
- Simulation model (Monte Carlo)
- A proprietary method provided by survey provider(s)
- A hybrid or internally-developed method
- Other (Please specify.)

4. Which of the following methods is most commonly used by your organization to determine the fair value of stock options that are performance-based? (Check all that apply.)
- Black-Scholes
- Lattice model
- Simulation model (Monte Carlo)
- A proprietary method provided by survey provider(s)
- A hybrid or internally-developed method
- Other (Please specify.)

5. If you or your company could change up to three things about the way long-term incentive data is collected or reported in executive compensation surveys currently, what would you change?

<table>
<thead>
<tr>
<th>Change Suggestions</th>
<th>How much of a problem is the issue that makes you recommend each change?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 (Minimal Inconvenience)</td>
</tr>
<tr>
<td>Most Important 1.</td>
<td>__________________________</td>
</tr>
<tr>
<td>Other 2.</td>
<td>__________________________</td>
</tr>
<tr>
<td>Other 3.</td>
<td>__________________________</td>
</tr>
</tbody>
</table>

6. Would you or your organization be willing to pay more for executive compensation survey products if the most important issue you identified in Question 6 could be resolved?
o No, we are not willing to pay a premium to have that issue solved.
o Yes, we might be willing to pay as much as a 5-percent premium to have that issue solved.
o Yes, we might be willing to pay as much as a 10-percent premium to have that issue solved.
o Yes, we might be willing to pay more than a 10-percent premium to have that issue solved.
o I am not involved in decisions surrounding what our organization spends on executive compensation salary surveys.

7. Some salary survey providers create their own definitions and proprietary methodologies in their surveys for items such as the valuation of long-term incentives. Using the scale below, please indicate your agreement or disagreement with each of the following statements regarding this practice:

<table>
<thead>
<tr>
<th>Different proprietary methodologies and definitions in surveys ...</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Don’t know/does not apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>create better surveys because they enable survey providers to differentiate their products in the marketplace.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>make my job easier because our survey provider(s) have tailored a valuation methodology for my industry group.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>make it more challenging to participate in various surveys.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>make it more challenging to understand the data being reported.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>make it more challenging to compare data across different survey providers/reports.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

Demographics

8. Company name: _______________________ (not required)

9. Is your company publicly traded
   o Yes, ticker symbol: ____________
   o No
10. How many employees does your organization employ worldwide?

- Less than 100
- 100-499
- 500-999
- 1,000-2,499
- 2,500-4,999
- 5,000-9,999
- 10,000-19,999
- 20,000 to 39,999
- 40,000 to 99,999
- 100,000 or more

11. Which term best describes your current level of responsibility? (Consultants, please choose the consultant category regardless of your responsibility level within your organization.)

- **Executive/Officer/Top Level**: Along with other senior management, establishes organizational philosophy, vision and overall strategic business objectives (e.g. executive/senior vice-president)
- **Senior Level**: Maintains overall responsibility for plan design, development and negotiation; expected to execute strategies determined by the executive/top level (e.g. senior director/director, assistant director, senior manager)
- **Mid Level**: Analyzes, implements, administers and audits tactical programs in alignment with established strategic plans (e.g. manager, senior analyst, specialist, internal consultant)
- **Emerging Level**: Assists in analyzing, coordinating, administrating and maintaining tactical programs (e.g. analyst, representative, coordinator, administrator)
- **Consultant**: Works for an external consulting firm or as an independent consultant
- **Educator/Academician**: A university professor or researcher employed by a research organization or university

12. E-mail address (required to receive copy of report)

____________________________________

Thank you for your participation!