

2012-2013

**Board of Directors
Compensation Survey**



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This survey has been prepared based on the responses received by **Compensation Resources, Inc.** Although **CRI** believes that the data provided by participants was reliable and representative of the practices within responding organizations, the survey results are provided for informational purpose only and without warranty of any kind. The results represented in this survey report should be considered in light of your organization's mission, business plan, strategy, competitive position and the manner in which the information contained herein supports its direction. **CRI** recommends that this study be used in concert with additional sources of information in order to validate all results.

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I. ABOUT *COMPENSATION RESOURCES, INC.*

Compensation Resources, Inc. specializes in providing comprehensive Compensation and Human Resource consulting services to emerging and mid-sized corporations, as well as Fortune 500 corporations. The primary areas in which we provide compensation consulting services are:

Executive Compensation	Sales Compensation
Wage and Salary Administration	Short and Long-Term Incentive Compensation
Board of Director's Compensation	Custom Surveys

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II. INTRODUCTION

The responsibilities of Board members continue to increase as they face increased scrutiny by regulatory agencies. Board governance, particularly resulting from legislation enacted since the economic downturn, has become an important guiding principle for Board members. Addressing stakeholder demands for transparency, best practices, and commensurate rewards requires Board members to devote considerable time, effort and commitment to their Board duties. Board members must ask questions, and must understand their duty to challenge their organization's leaders, if appropriate. A thorough understanding of executive compensation, and the Board's role in its determination and oversight, is a critical aspect of a Board's effectiveness. Boards have also implemented processes aimed at transparency, such as self-evaluations and publicly disclosing their committee charters and governance guidelines. Board compensation, therefore, is very much earned by its members and should be commensurate with their efforts, while recognizing the competitive marketplace.

Compensation Resources, Inc. (CRI) is pleased to present the results of our 2012-2013 Board of Directors Compensation Survey. The purpose of this study was to obtain compensation market data and trends for Boards of Directors, segregated by for-profit and not-for-profit organizations. Data was compiled from survey questions that were developed by **CRI** and distributed to companies in a variety of industrial classifications. Participant data was collected from October 2012 through January 2013. There were 92 organizations that participated in this survey.

For questions on this survey, or for more information on our compensation consulting services, please contact us at 201-934-0505 or visit our website at www.compensationresources.com.

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III. OVERVIEW

The 2012-2013 Board of Directors Compensation Survey is divided into two (2) major sections: data reported specifically by for-profit respondents, and data reported by not-for-profit respondents. Typically, compensation is provided to Board members of for-profit companies, while members of Boards of not-for-profit organizations are generally volunteers and thus do not receive any compensation. However, there are certain similarities that can be seen in the policies and practices implemented by Boards across both categories.

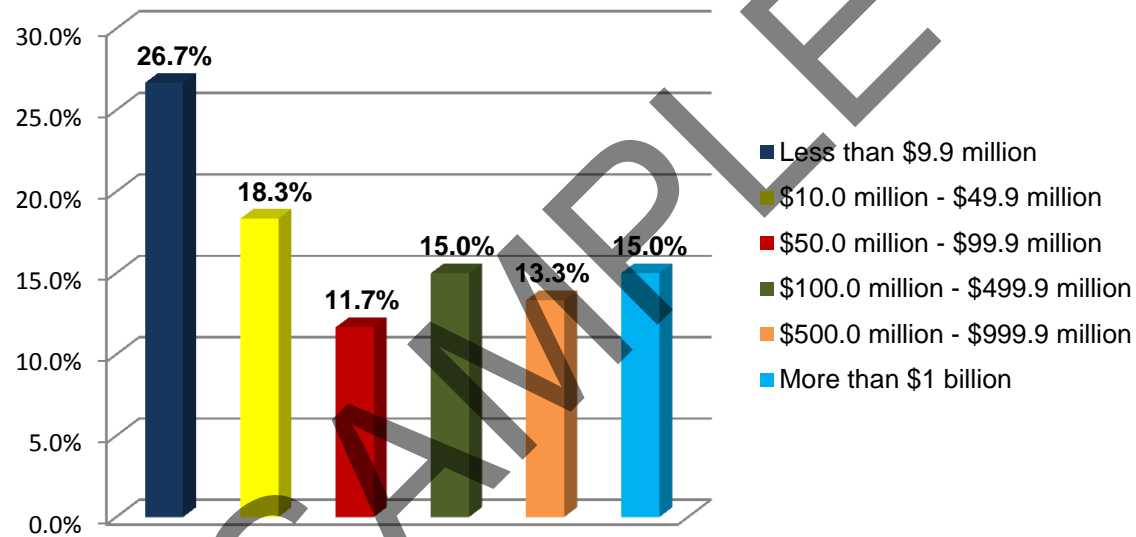
- **Frequency of Board meetings:** On average, for-profit and not-for-profit organizations hold Board meetings most likely on a bi-monthly basis, with for-profit companies having, on average, five (5) meetings per year, with not-for-profit organizations meeting seven (7) times per year.
- **Audit Committee:** Both for-profit and not-for-profit survey respondents average four (4) Audit Committee meetings per year.
- **Compensation Committee Authority on Executive Pay:** Both categories of respondents report that their Compensation Committees make recommendations to the full Board, which is then responsible for approving actions on executive compensation.
- **On-Going Board Education:** Both for-profit and not-for-profit respondents reported similarly that they have a process for on-going education of its Board members, although its prevalence is greater in not-for-profit organizations.

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IV. FOR-PROFIT PARTICIPANT DEMOGRAPHICS

All Companies Reported

Revenue

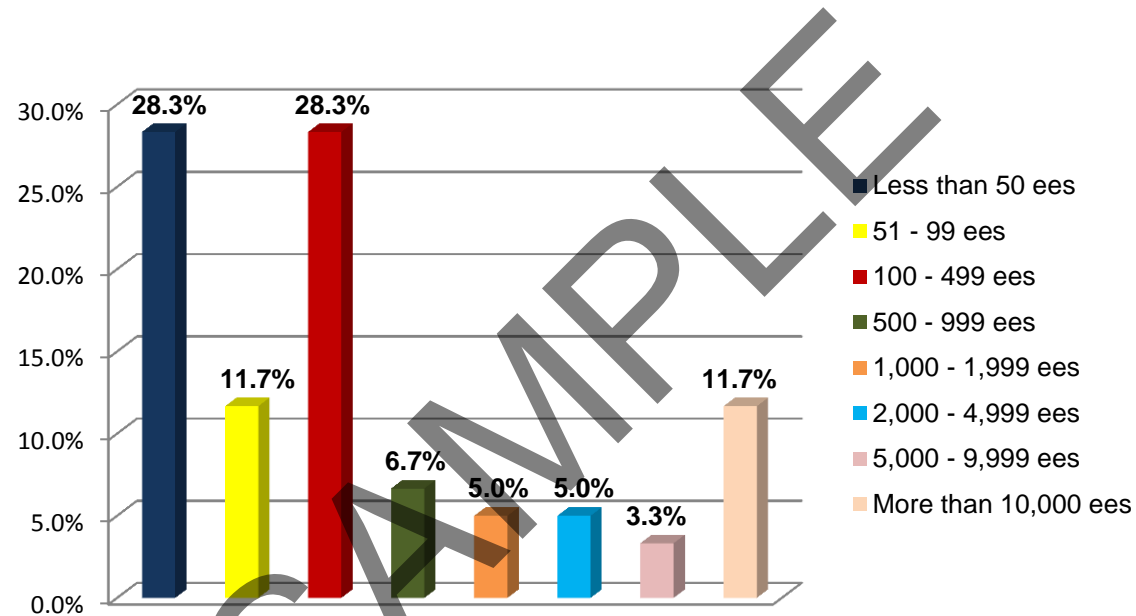


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IV. FOR-PROFIT PARTICIPANT DEMOGRAPHICS (CONT.)

All Companies Reported

Employee Size

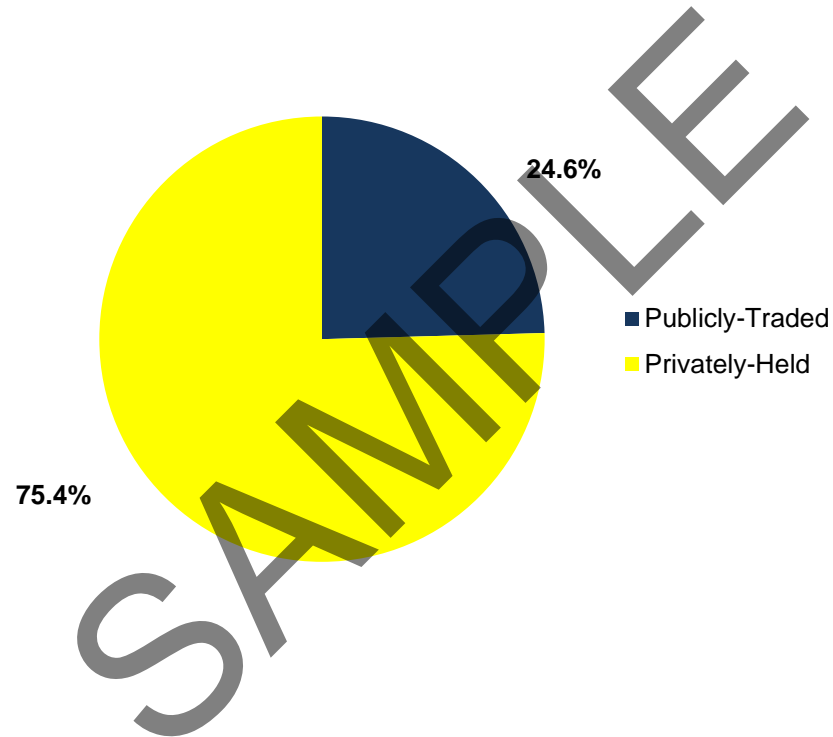


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IV. FOR-PROFIT PARTICIPANT DEMOGRAPHICS (CONT.)

All Companies Reported

Ownership

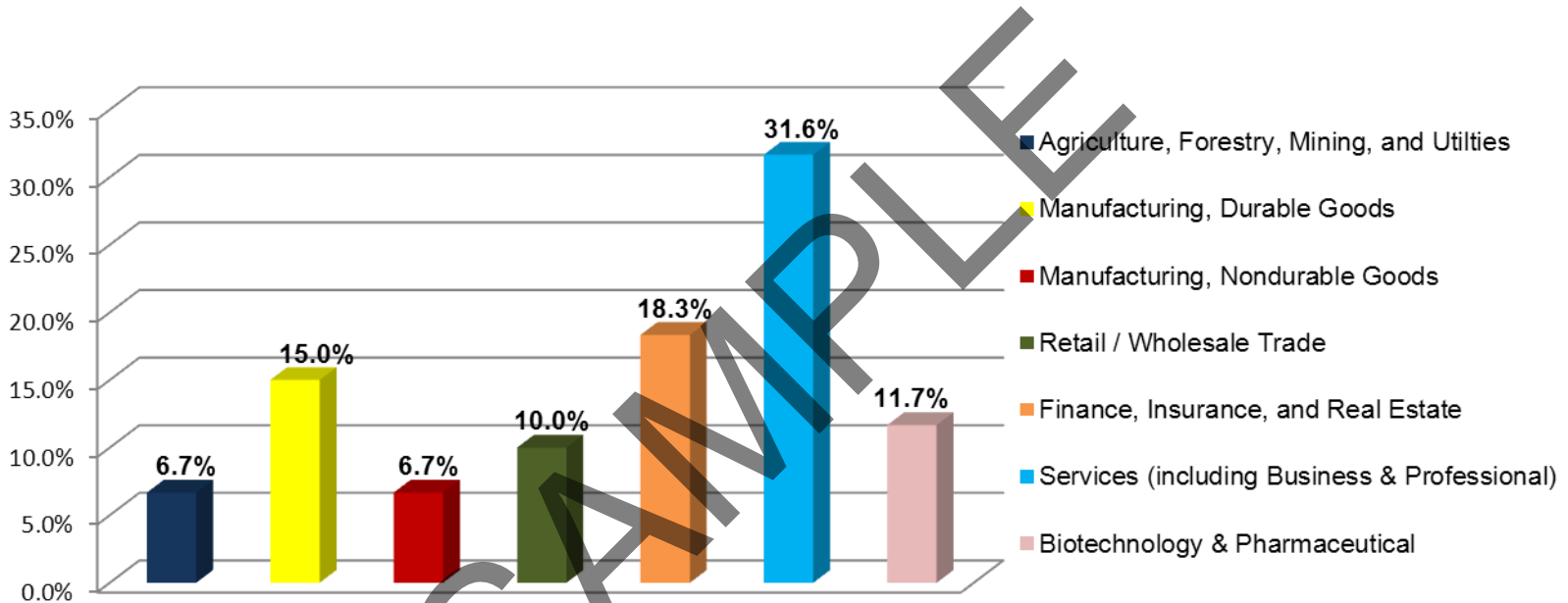


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IV. FOR-PROFIT PARTICIPANT DEMOGRAPHICS (CONT.)

All Companies Reported

Industry

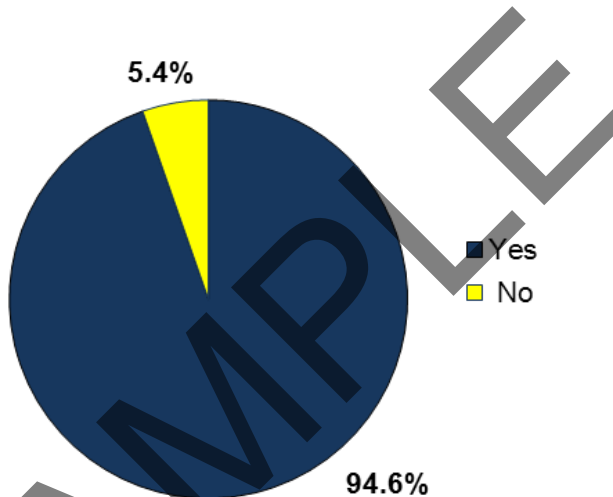


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V. FOR-PROFIT SURVEY RESULTS

General Information

DOES YOUR ORGANIZATION HAVE A FORMALLY-ESTABLISHED BOARD OF DIRECTORS (BOD) OR ADVISORS?

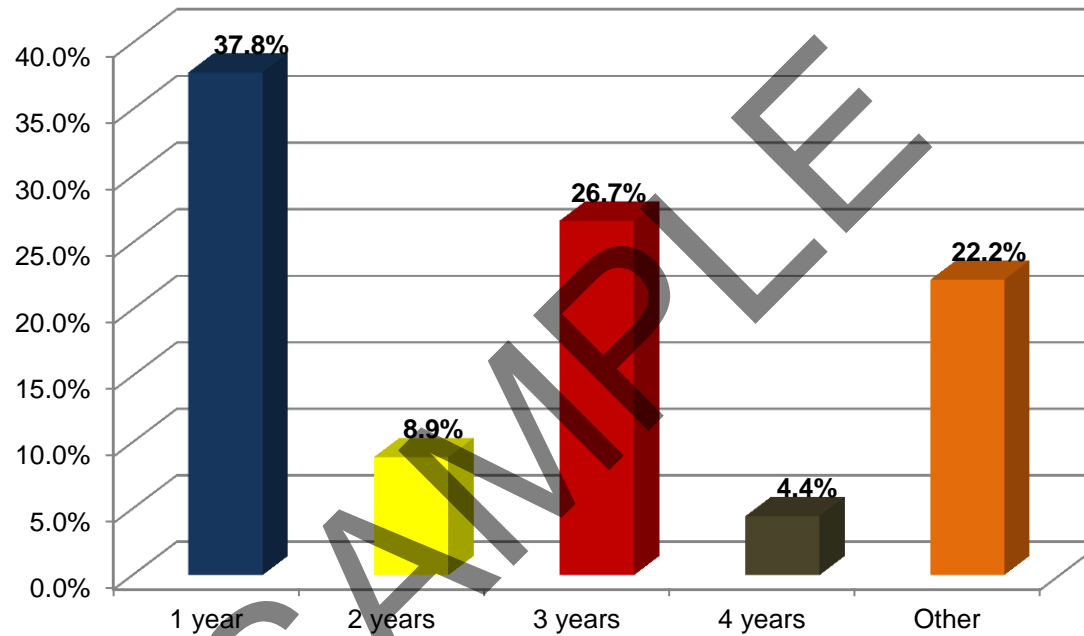


Company Type	Yes	No
Publicly-Traded	100.0%	0.0%
Privately-Held	92.3%	7.7%

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V. FOR-PROFIT SURVEY RESULTS (CONT.)

WHAT IS THE LENGTH OF THE TERM OF YOUR OUTSIDE (INDEPENDENT) DIRECTORS?

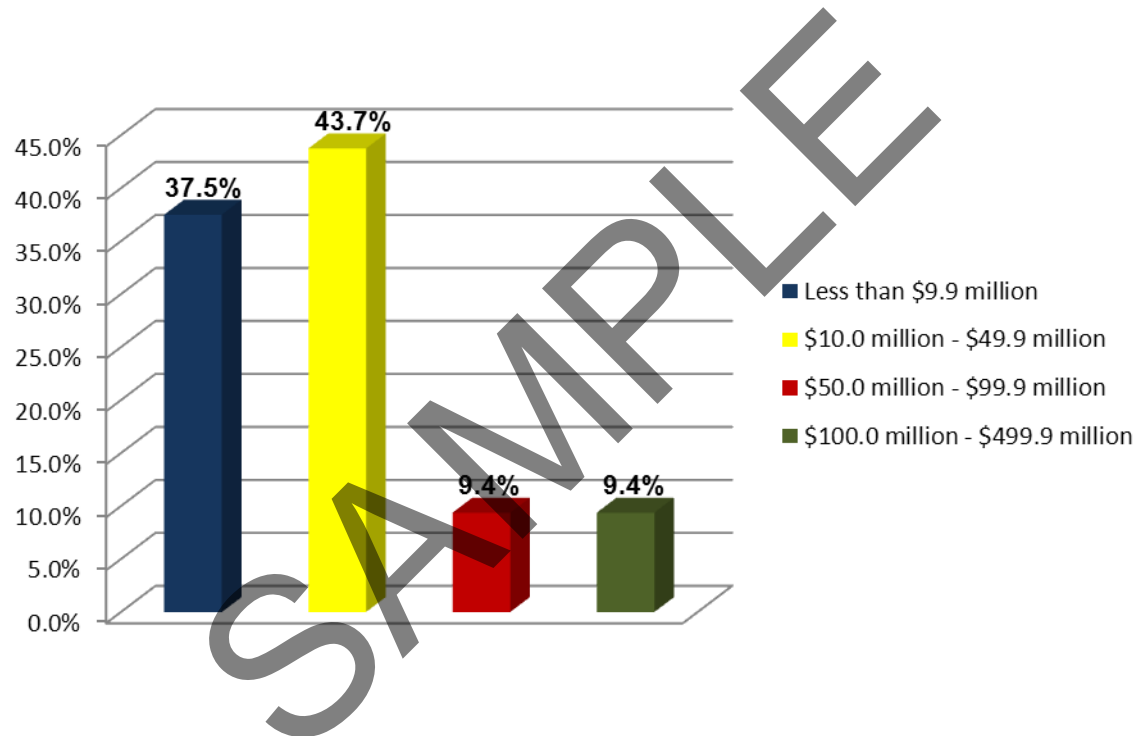


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VI. NOT-FOR-PROFIT PARTICIPANT DEMOGRAPHICS

All Companies Reported

Revenue

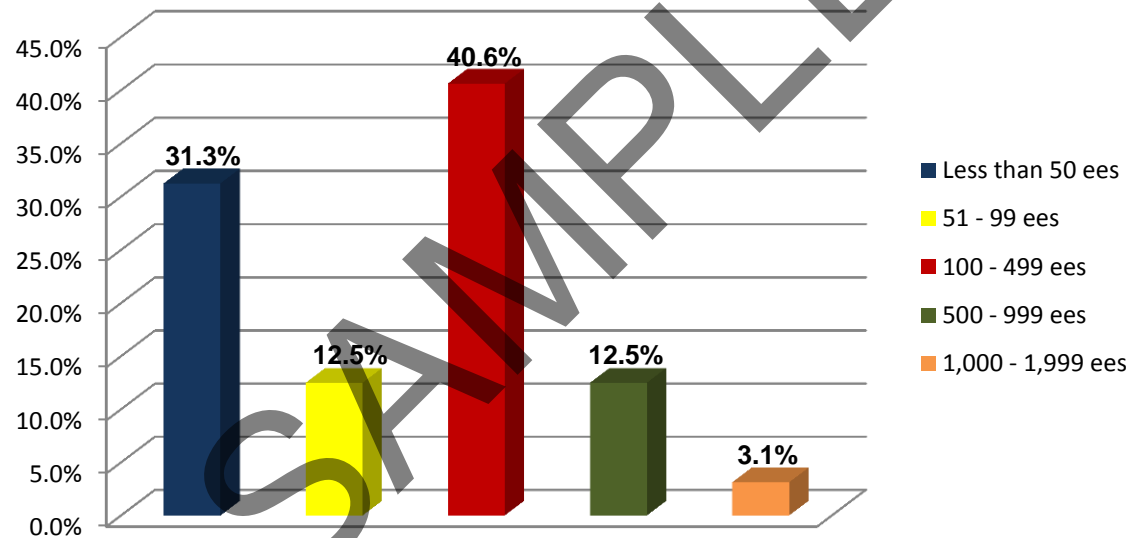


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VI. NOT-FOR-PROFIT PARTICIPANT DEMOGRAPHICS (CONT.)

All Companies Reported

Employee Size

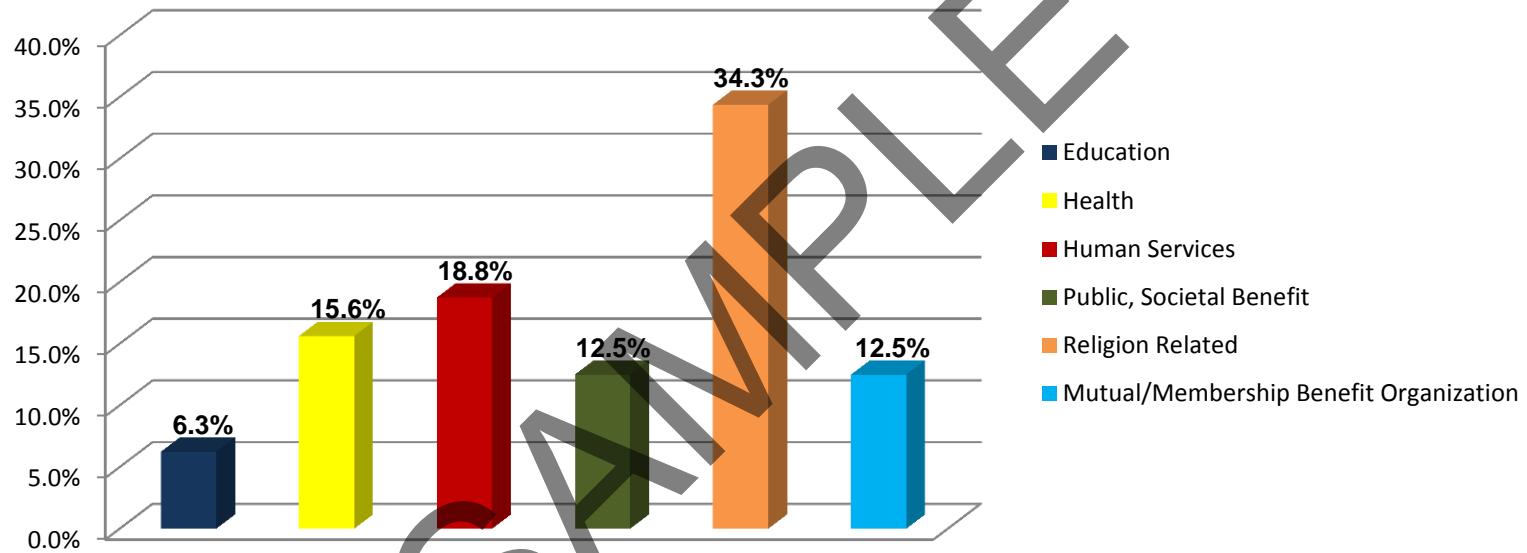


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VI. NOT-FOR-PROFIT PARTICIPANT DEMOGRAPHICS (CONT.)

All Companies Reported

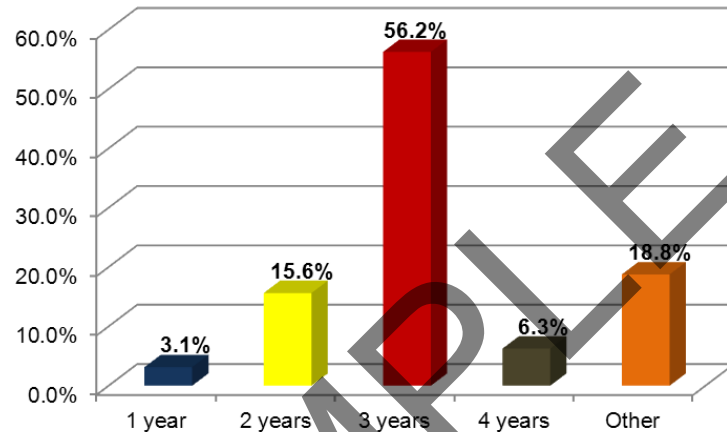
Industry



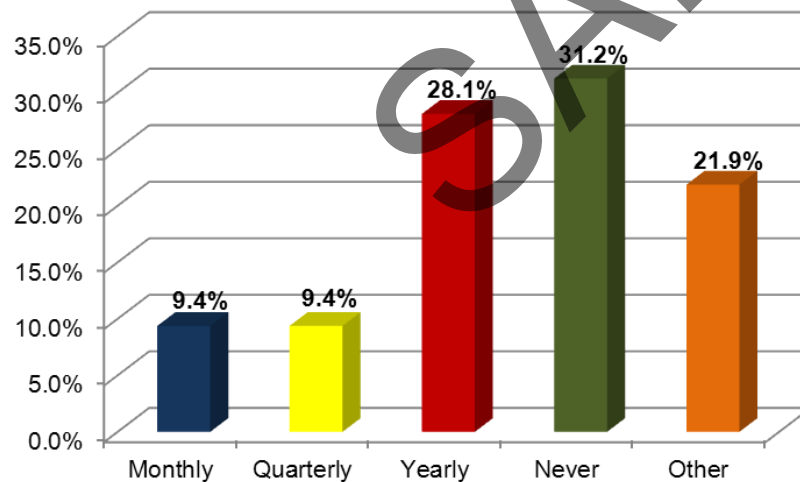
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VII. NOT-FOR-PROFIT SURVEY RESULTS (CONT.)

WHAT IS THE LENGTH OF THE TERM OF YOUR OUTSIDE (INDEPENDENT) DIRECTORS?



HOW OFTEN DOES YOUR BOARD HOLD EXECUTIVE SESSIONS DURING BOARD MEETINGS WITHOUT THE CEO?

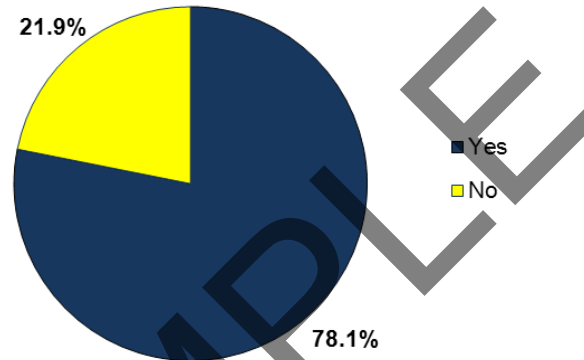


***Other response includes (in order of popularity): Every Board Meeting, as needed, and between 1-3 times per year

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VII. NOT-FOR-PROFIT SURVEY RESULTS (CONT.)

ARE EXECUTIVE SESSIONS HELD ON THE SAME DAY AS THE BOARD MEETINGS?



HOW HAVE THE RECENT BOARD GOVERNANCE ISSUES CHANGED THE FREQUENCY OR LENGTH OF YOUR FULL BOARD MEETINGS?

