

**THE 2007
DOLMATCONNELL &
PARTNERS
TECH100 EXECUTIVE
COMPENSATION AND
LONG-TERM INCENTIVE
STUDY**

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Introduction

The 2007 Tech100 Study provides some exceptional insights into the evolving world of executive compensation in the 100 largest (ranked by revenue) publicly traded Technology companies in the US (the “Tech100”).

Our 2007 study provides multiple new analyses. The recent changes in SEC disclosure rules on executive compensation have provided a significant amount of new information in proxies, which include more comprehensive long-term incentive reporting, increasing detail and valuation of non-qualified deferred compensation plans/SERPs, and a new window of insight relative to target bonuses and the structure of bonus payouts.

One of the most interesting changes is in the evolution of the long-term incentive (LTI) arena – most companies now offer a portfolio of LTI instruments, more companies have added performance-based LTI vehicles, and expense and dilution pressures continue to drive change. These changes compel other companies to alter their programs to “be competitive with the market” in both the value of LTI grants and the structure of grants.

We also found continued improvement in the link between CEO pay and firm performance. The year-over-year changes in all elements of pay show encouraging trends, although the starting point of pay remains a troubling issue – things are getting better, but they aren’t *there* yet.

We hope that you find this study both informative and enlightening. If you would like to discuss any aspect of this study further, please contact us at dcinfo@dolmatconnell.com.



Jack Dolmat-Connell
Chief Executive Officer

Executive Summary

Trends in CEO & CFO Pay

In the last fiscal year, CEOs and CFOs in the Tech100 received increases in all areas of compensation, including cash and long-term incentive (LTI) compensation.

- Base salaries increased by 5.0% for CEOs and 6.0% for CFOs.
- Bonus payouts at the median were above target by 10.0% for CEOs, representing an increase of 7.5% over last year. CFO bonuses exceeded target amounts by 17.6%, showing a 16.0% increase since last year.
- Increases in base salary and bonus resulted in total cash compensation increases of 14.1% for CEOs and 12.7% for CFOs.
- LTI compensation rose significantly over the last fiscal year; CEO equity grants increased by 9.7% and CFO equity grants increased by 19.1%.
- With the considerable increases in cash and equity compensation combined, actual total direct compensation increased by 10.0% for CEOs and 12.9% for CFOs over the last fiscal year.

Realized & Unrealized Compensation

CEOs and CFOs realized substantial amounts of pay both through annual cash compensation and equity vesting and/or exercise. Executives also held a significant amount of unrealized pay through unvested full-value shares and unexercised options/SARS, as well as through pensions and deferred compensation plans.

- At the median, CEOs realized \$5.5M in compensation while their actual total direct compensation (grant-date value) totaled \$6.4M.
- At the median, CFOs realized \$1.9M in compensation while their actual total direct compensation (grant-date value) totaled \$1.9M.
- CEO total equity holdings are valued at \$24.0M at the median. 66% of CEOs have retirement plans, worth \$3.4M at the median.
- CFO total equity holdings are valued at \$5.4M at the median. 54% of CFOs have retirement plans, worth \$0.9M at the median.

Short-Term Incentive Plans

The information now available from changes in disclosure rules has provided interesting findings with regard to short-term incentive (STI) plans and practices, including:

- The most prevalent trend among companies in the Tech100 is to provide CEOs with upside bonus opportunity of 200% of target, and to provide CFOs with upside opportunity of 100% to 200% of target.
- 70% of firms use from two to four metrics in setting STI performance targets.
- The most popular metrics used in STI plans are profitability metrics (operating income/margin and EPS/net income) and revenue.

Executive Summary

Long-Term Incentives

There were significant changes to the mix of long-term incentive (LTI) vehicles used over the last year.

- Use of options and stock appreciation rights (SARs) decreased from 82% to 71%.
- 49% of firms granted restricted stock awards (RSAs) and/or restricted stock units (RSUs), compared to 47% last year and 28% the prior year.
- Performance-based long-term incentive plans (LTIP) have more than doubled in the last year, rising from 21% of companies to 45%.

This year's Tech100 study includes an expanded analysis of trends in LTI plan specifics. Some of our findings from this research include:

- The majority of firms (91%) use a graded vesting schedule for options, and 78% of firms use a graded schedule for full-value shares.
- 4 years is the most prevalent vesting term for both options (61% of firms) as well as for full-value shares (43% of firms). Alternatively, many firms use a 3-year term for options (26%) and restricted shares (34%).
- The majority (64%) of companies issue options/SARs with a 10-year term, while 20% use a 7-year term.
- 56% of companies that issued performance-based LTIP awards used a 3-year performance period. 27% of firms alternatively used a 1-year period, and those firms are the most likely to utilize an additional vesting period (after the performance period). Companies using longer performance periods typically do not have additional vesting provisions.
- Most companies granting LTIPs use one to two metrics in setting performance targets; profitability metrics are the most common measure for awards.

CEO Pay-for-Performance

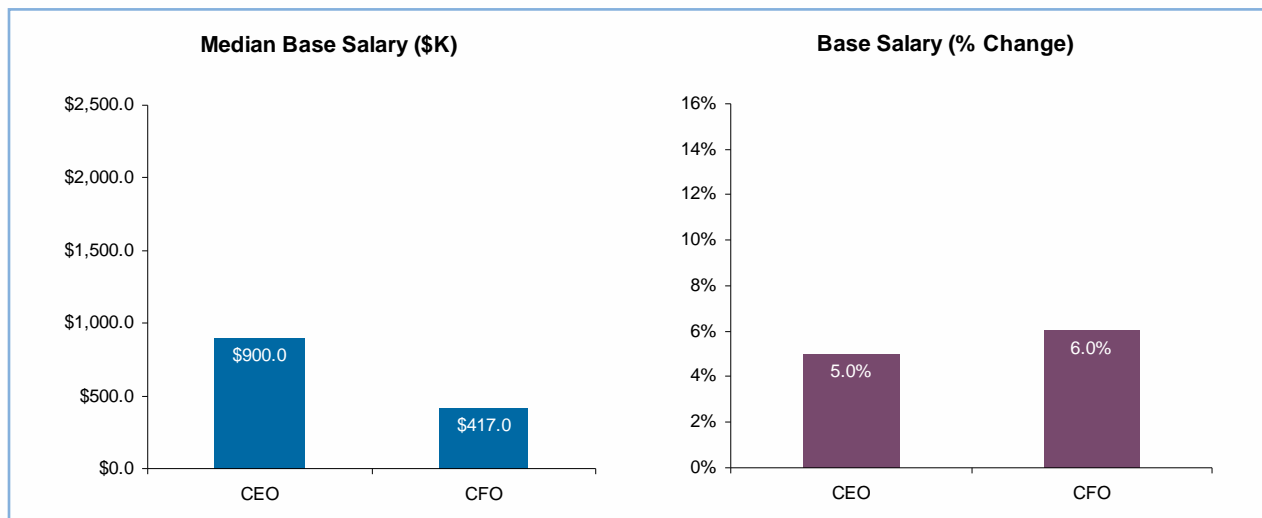
As company performance in this study is assessed using total shareholder return (TSR), "low" performers in the Tech100 include some of the largest firms who may not be able to sustain high TSR. Therefore, the compensation delivered to executives at these firms may be significantly greater than that of higher performing firms. However, CEO pay-for-performance has improved significantly from a year-over-year perspective:

- Total cash compensation increased by 26.3% for CEOs at high performing companies, and middle performing CEO total cash increased by 22.2%, while low performing CEO total cash decreased by 13.3%.
- High performing CEOs received a 13.0% increase in LTI compensation, while middle performers received a 7.2% increase and low performers received an 8.3% increase in LTI awards.
- Total direct compensation provided to high performing CEOs increase by 18.2% over the last year, and middle performing CEOs received 8.6% more than last year, while low performing CEOs received 4.6% less than last year.

Trends in CEO & CFO Pay: Cash Compensation

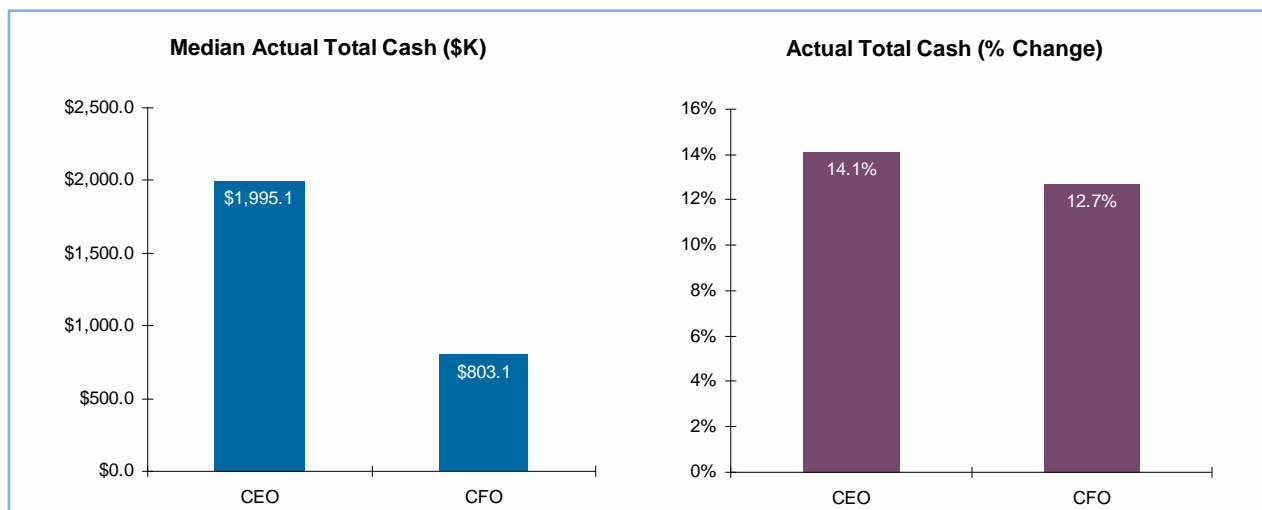
Base Salaries

Median base salary increases for CEOs and CFOs were 5.0% and 6.0%, respectively. Despite the IRC \$162M limit on the deductibility of non-performance-based executive compensation, 16% of CEOs received base salaries over \$1M. Of the 8% of CEOs receiving base salaries of exactly \$1M, none received a base salary increase greater than 1% over last year, as companies regulated increases to stay within the \$162M limit.



Actual Total Cash

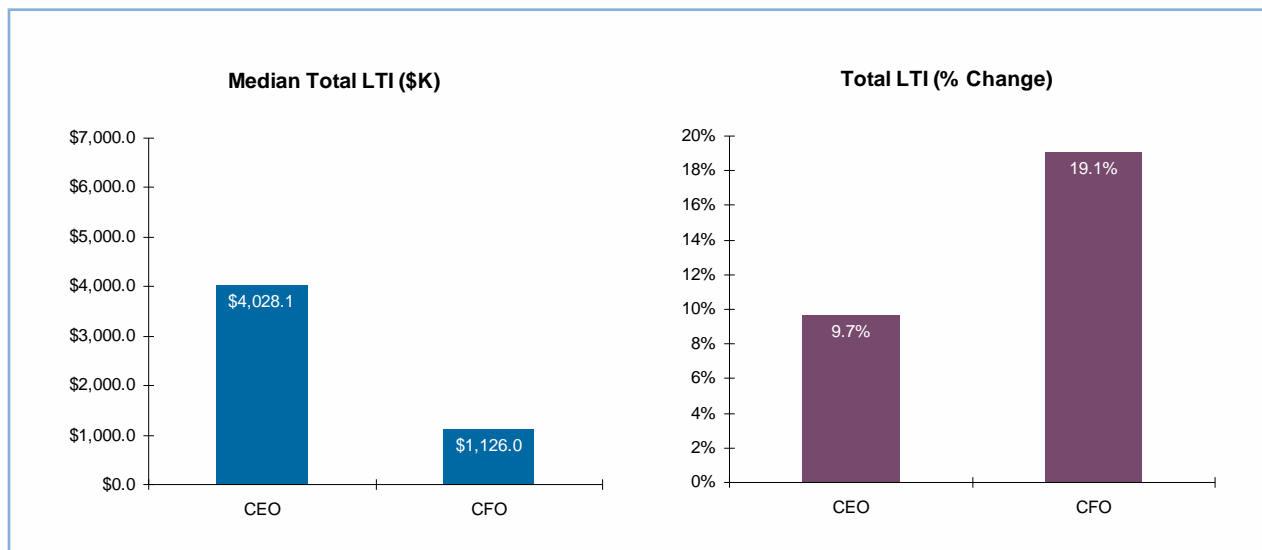
Total cash compensation increases for CEOs and CFOs were 14.1% and 12.7%, respectively. Considering the modest growth in base salary, the dramatic increase in actual total cash shows a significant increase in the amount of STI compensation provided to executives. Median CEO and CFO bonus payouts were 110.0% and 117.6% of target, respectively.



Trends in CEO & CFO Pay: Long-Term Incentive and Total Direct Compensation

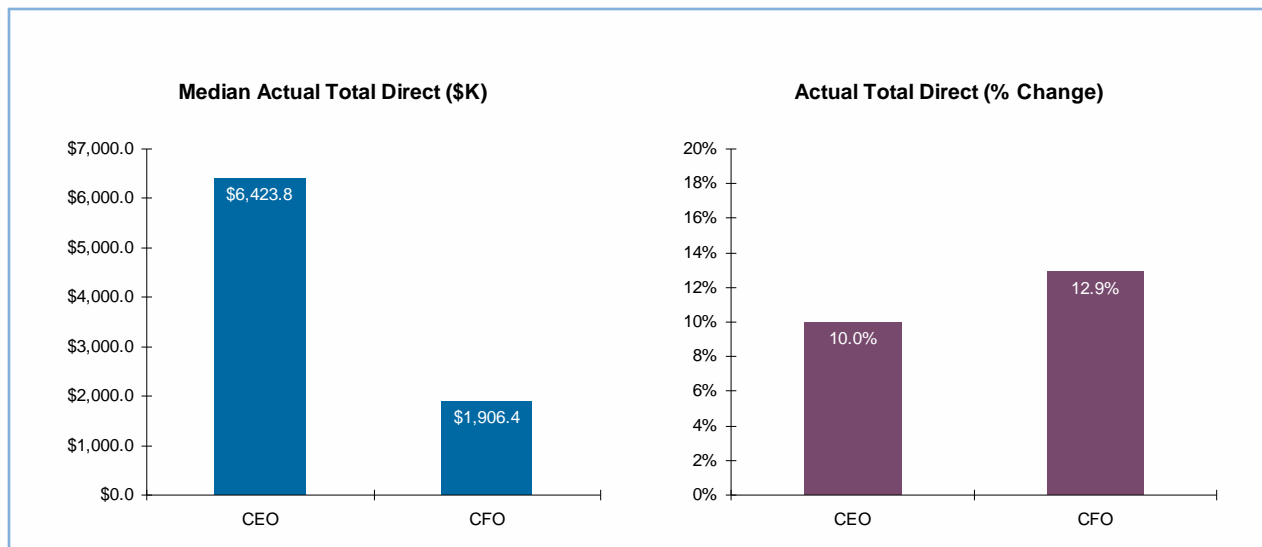
Total Long-Term Incentives

Long-term incentives (excluding non-qualified deferred compensation) increased modestly for CEOs at 9.7%, and significantly for CFOs at 19.1% over last fiscal year.



Actual Total Direct Compensation

Median actual total direct compensation (actual total cash plus total LTI) increases for CEOs and CFOs were 10.0% and 12.9%, respectively. While the increase in CEO actual total direct compensation can be attributed more to increases in actual total cash, the increase in CFO actual total direct compensation is equally due to increases in actual total cash and total long-term incentives.

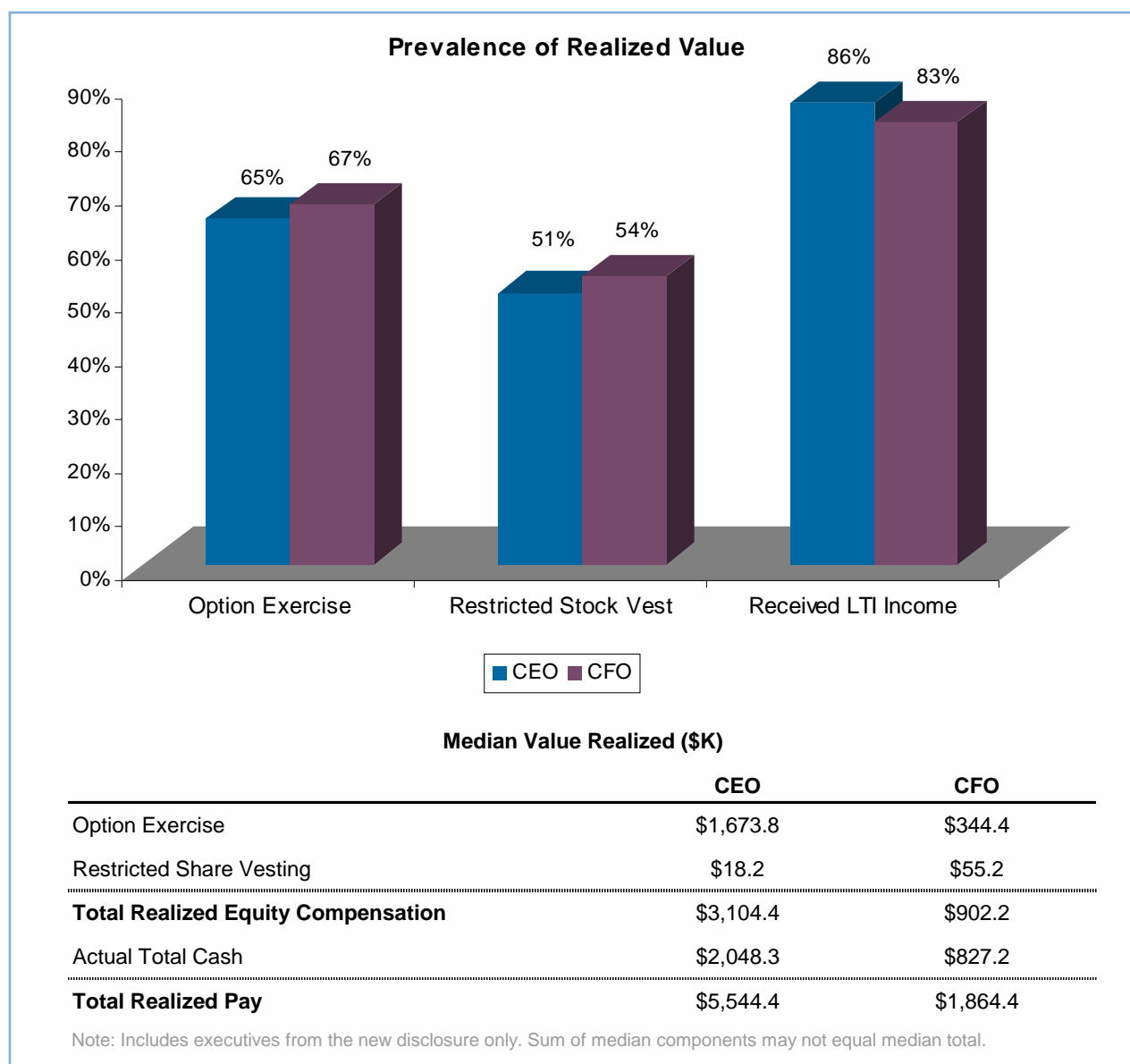


Trends in CEO & CFO Pay: Realized Value

Value Realized in the Last Fiscal Year

While the old SEC disclosure rules provided limited perspective into LTI income by only requiring companies to report the value realized on exercised options, the new regulations require public firms to disclose the value of restricted shares vested in the year, allowing for a better look at total realized value.

- In the last fiscal year, of those companies who filed using the new disclosure, 65% of CEOs and 67% of CFOs exercised options, while 51% of CEOs and 54% of CFOs had restricted stock vest.
- 86% of CEOs and 83% of CFOs (of those companies filing under the new disclosure rules) received LTI income over the last fiscal year, representing total realized values of \$3.1M and \$0.9M, respectively, from option exercise and restricted stock vesting.



Trends in CEO & CFO Pay: Long-Term Incentive Compensation

Unrealized Equity Income

In addition to the required disclosure of unexercised and unvested options from the old format, new regulations now require listing the value of unvested restricted stock, providing a better perspective on the total unrealized equity held by executives.

- At the median, CEOs and CFOs reporting in the new disclosure had total unexercised and unvested equity holdings valued at \$24.0M and \$5.4M, respectively.

Median Unrealized Value (\$K)		
	CEO	CFO
Vested Options	\$12,511.7	\$1,541.2
Unvested Options	\$1,102.9	\$368.7
Unvested Restricted Shares	\$3,592.5	\$798.1
Total Unrealized Equity Value	\$24,029.5	\$5,371.8

Note: Includes executives from the new disclosure only. Sum of median components may not equal median total.

Other Findings: Retirement Income

Pension Plans and Deferred Compensation

Public companies now must also disclose any pensions and/or non-qualified deferred compensation (NQDC) held by executives.

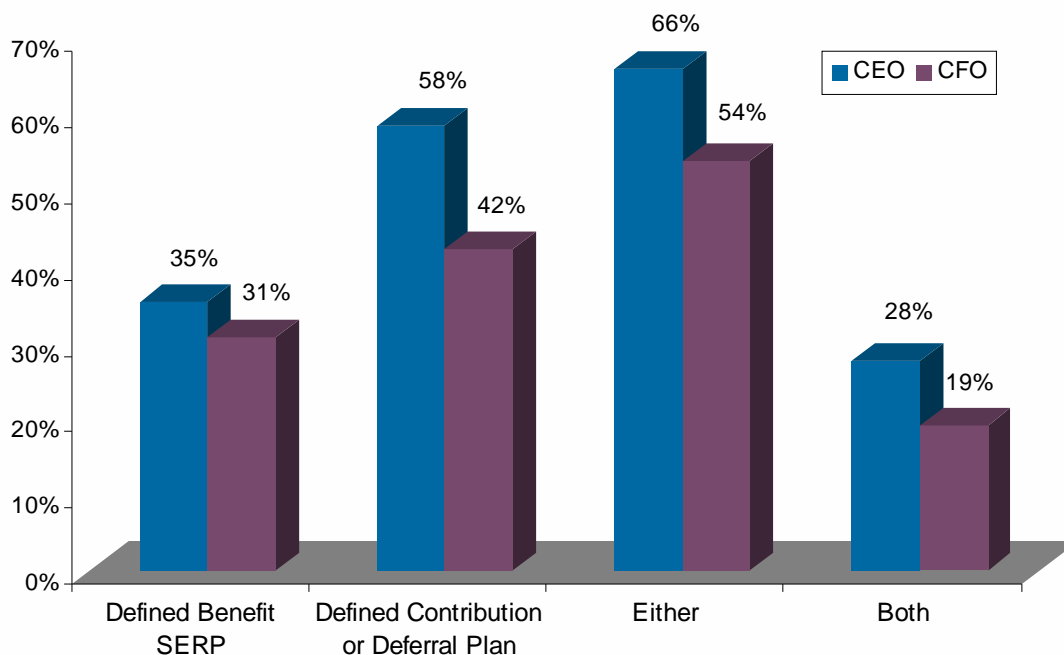
- 58% of CEOs and 42% of CFOs have a defined contribution or deferral plan, while only 35% of CEOs and 31% of CFOs still have a defined benefit supplemental executive retirement plan (SERP).
- 66% of CEOs and 54% of CFOs have either a defined benefit, defined contribution, or deferral plan, but few executives have both: only 28% of CEOs and 19% of CFOs have a SERP in addition to a deferral plan.

Median Pension & Deferred Compensation Plan Balance (\$K)

	CEO	CEO (Excluding Zeros)	CFO	CFO (Excluding Zeros)
Pension Value	\$0.0	\$2,663.3	\$0.0	\$1,492.1
<i>Change in Pension Value</i>	<i>\$0.0</i>	<i>\$720.5</i>	<i>\$0.0</i>	<i>\$266.3</i>
Non-Qualified Deferred Compensation Balance	\$339.2	\$2,290.6	\$0.0	\$469.2
<i>Non-Qualified Deferred Compensation Earnings</i>	<i>\$0.0</i>	<i>\$38.0</i>	<i>\$0.0</i>	<i>\$35.0</i>
Total Unrealized Value	\$1,821.0	\$3,444.3	\$160.7	\$854.5

Note: Includes executives from the new disclosure only. Sum of median components may not equal median total.

Pension & Deferred Compensation Plan Prevalence

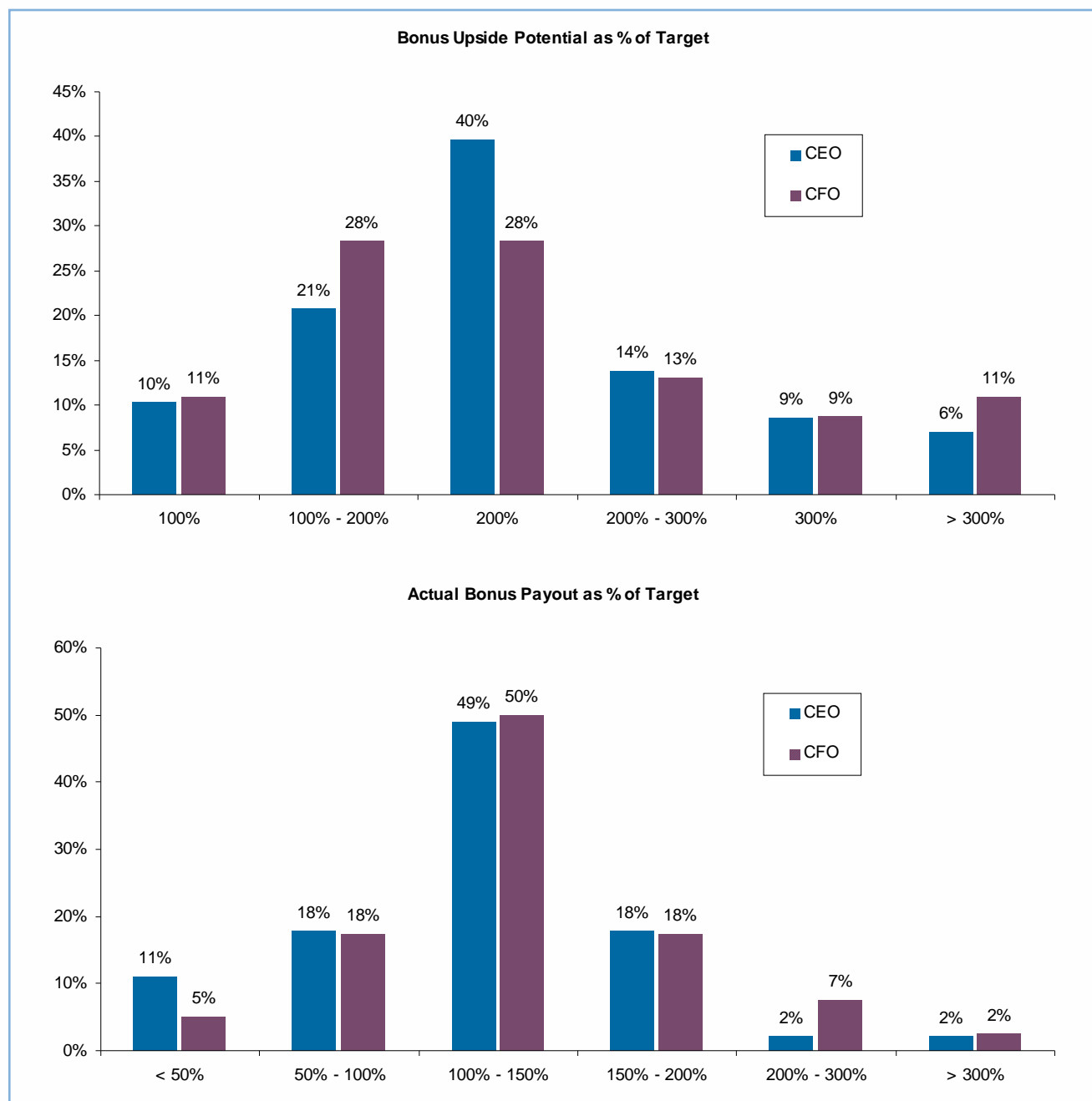


Short-Term Incentive Plans: Upside Potential

Driving Above-Target Performance

The majority of companies with annual cash-based incentive plans provide additional upside potential to reward executives for above-target performance. The most prevalent practice among firms in the Tech100 is to provide an upside bonus opportunity of 200% of target to CEOs and from 100% to 200% of target to CFOs.

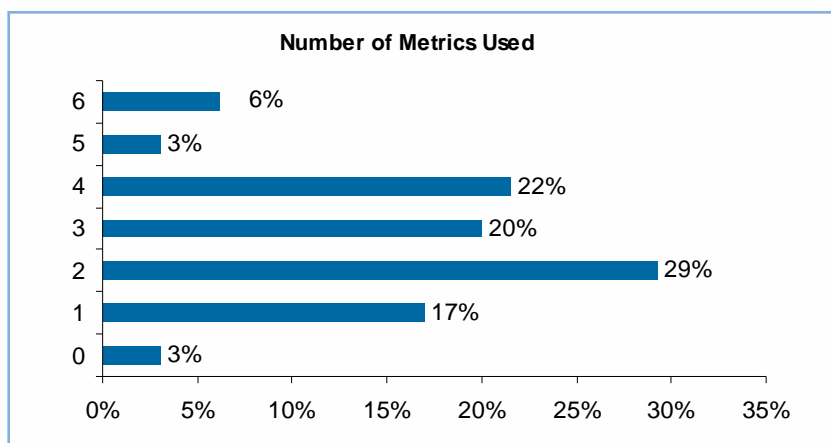
49% of CEOs and 50% of CFOs received bonus payouts from 100% to 150% of target. Interestingly, 11% of CEOs, but only 5% of CFOs, received bonus payouts which were less than 50% of target.



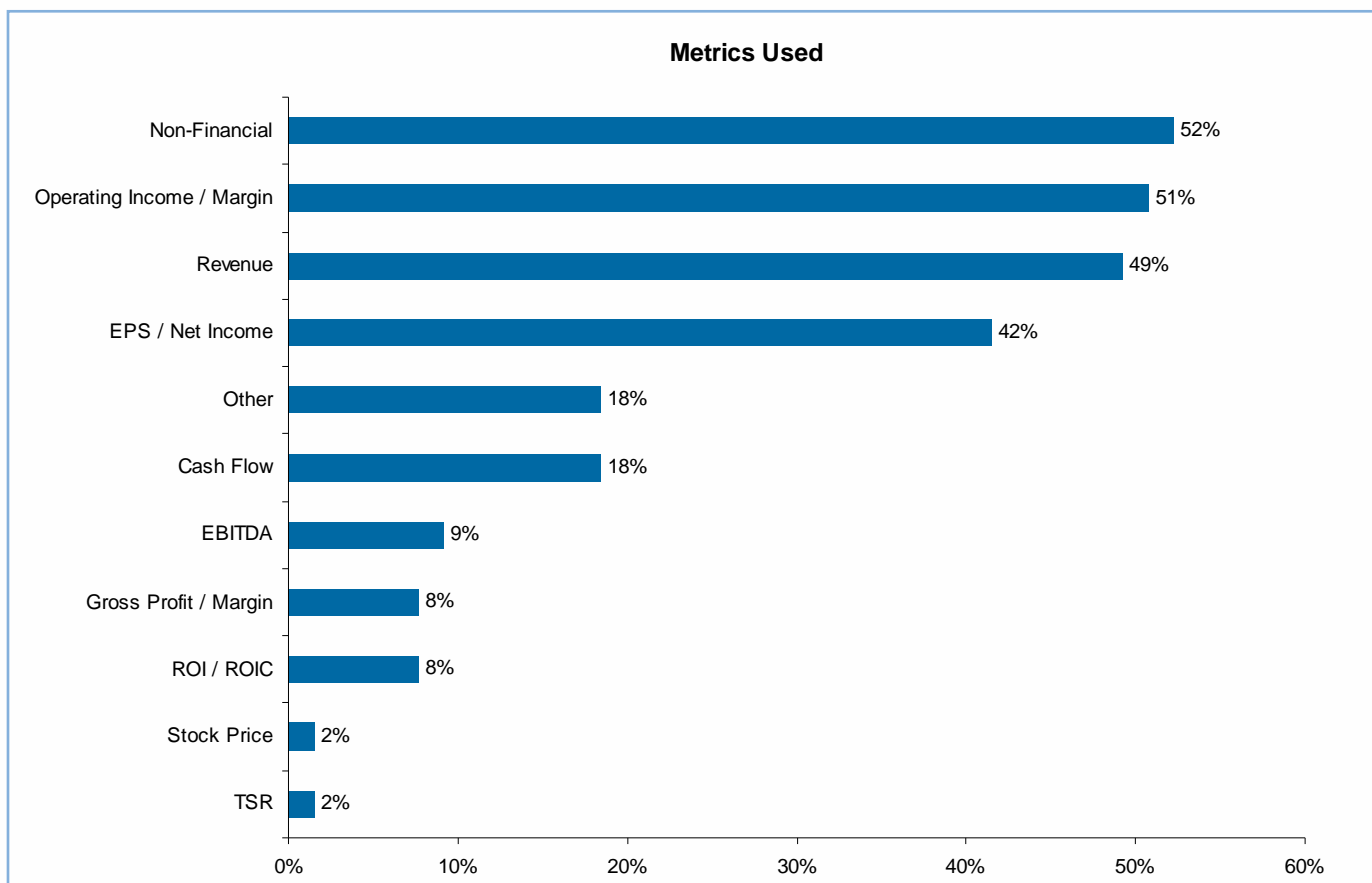
Short-Term Incentive Plans: Plan Metrics

Performance Metrics

There is significant variation among the number of metrics used by Tech100 firms who disclosed short-term incentive plans; however, 88% of firms use from one to four metrics in setting short-term incentive targets.



In addition to profitability metrics, such as operating income/margin and EPS/net income, revenue is the most commonly used financial performance metric in short-term incentive plans, used by 49% of firms.



Long-Term Incentives: Instrument Use

Taking a Portfolio Approach

Companies in the Tech100 are continuing to shift towards a portfolio approach to CEO long-term incentive compensation, providing a mix of options/SARs, RSAs/RSUs, and performance awards. While options are still the most prevalent instrument used in the Tech100, 54% of firms grant either full-value shares, performance-based LTIP awards, or both, in addition to options; only 17% of firms grant options exclusively.

- Looking back at instrument usage in last year's Tech100 study, there has been a shift towards full-value shares and performance awards and a decrease in the use of options. Option/SAR use compared to last year's Tech100 study is down 11%, restricted share use is up 2%, and performance award use more than doubled, jumping from 21% in last year's study to 45% this year.

Instrument Prevalence			
	2007 Study	2006 Study	2005 Study
Options/SARs	71%	82%	75%
RSAs/RSUs	49%	47%	28%
Performance-Based LTIP	45%	21%	20%

Note: LTI instrument data is based upon CEO position at each company.

Deciphering the Shift

While the composition of the Tech100 has changed slightly since last year, the increase in the use of full-value shares and performance awards in the broader technology market is clear. Indeed, there have been significant factors in the past year influencing the mix of LTI instruments used, some of which include:

- **Burn Rate** – As options require the use of a greater number of shares to achieve a specific dollar value (as compared to full-value shares), many companies are switching to RSAs/RSUs to manage burn rate; that is, the number of shares granted as a percent of shares outstanding.
- **Shareholder & Media Scrutiny** – Continued suspicion about executive pay still finds its way into papers and periodicals. Interestingly, the more credible and respected criticisms demand not that pay be decreased, but rather that it be restructured such that it is more strongly linked to company performance. In light of these criticisms, companies have increased the use of performance awards, frequently tied to financial performance or other corporate objectives.

Long-Term Incentives: Instrument Details

Balancing Time and Performance

Time-vesting is still the most popular vesting provision among Tech100 firms: 79% of firms grant time-vested stock options/SARs, and 50% of firms grant time-vested RSAs/RSUs. However, the use of performance-vesting is increasing, and 40% of firms provide performance-vested equity awards.

- One company grants performance-vested options in lieu of time-vested options; two companies grant performance-vested or –performance accelerated options in addition to time-vested options.
- 38% of firms grant performance-vested RSAs/RSUs, and two firms grant performance-accelerated full-value shares.

Eight firms provide long-term cash awards; however, each of the firms provides long-term cash in addition to equity-based LTI awards.

30% of firms use only one instrument in executive LTI grants, 44% of firms use two instruments in LTI grants, 19% of firms use all three award types, and 7% of firms did not grant equity in the last year.

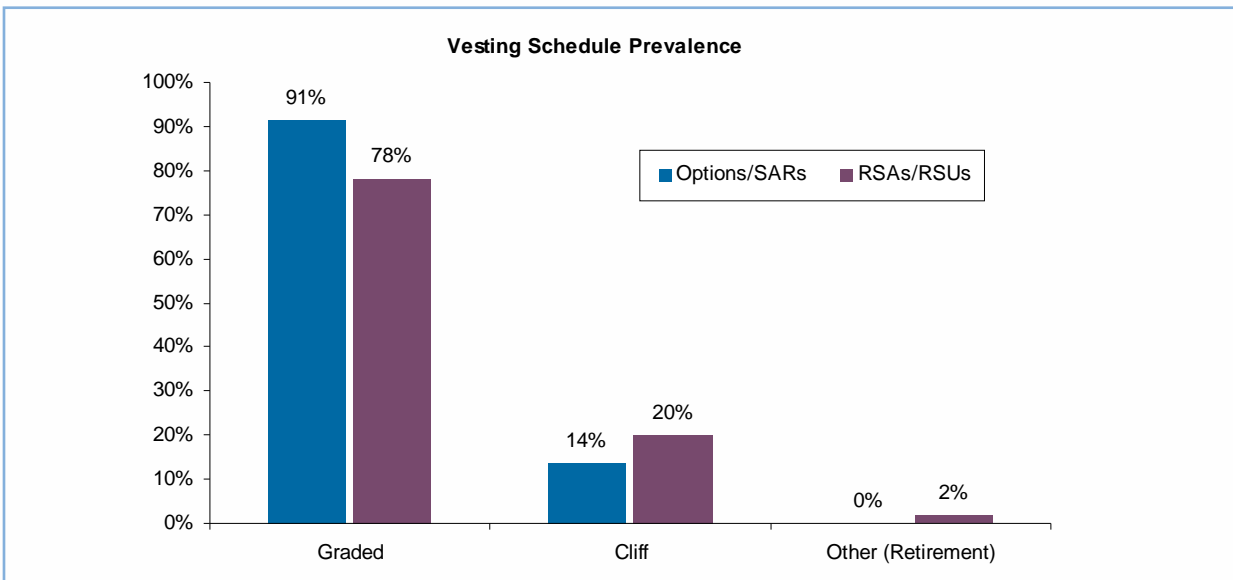
Stock Options	78%
Time Vested	77%
Performance	4%
<i>Vested</i>	3%
<i>Accelerated</i>	1%
Premium Priced	0%
Indexed	1%
SARs	2%
Time Vested	2%
Restricted Stock Awards (RSAs)	33%
Time Vested	20%
Performance	19%
<i>Vested</i>	18%
<i>Accelerated</i>	1%
Restricted Stock Units (RSUs)	41%
Time Vested	30%
Performance	21%
<i>Vested</i>	20%
<i>Accelerated</i>	1%
Long-Term Cash	8%

Note: LTI instrument data is based upon CEO and CFO positions at each company.
Prevalence totals in the chart above may not equal summary prevalence figures discussed in this study as some companies grant a combination of options and SARs or RSAs and RSUs.

Long-Term Incentives: Instrument Details

Vesting Prevalence

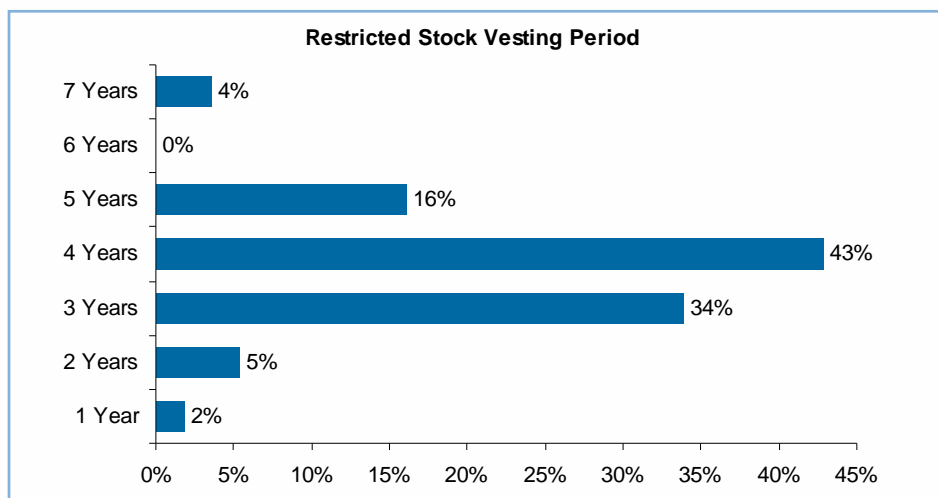
91% of firms issuing options/SARs use graded vesting schedules (equal installments over a number of years), while only 14% use cliff vesting (100% immediate vesting after a number of years) for options. Similarly, the majority (78%) of firms granting RSAs/RSUs use a graded vesting schedule, while only 20% use cliff vesting. (Note: Some companies grant awards to CEOs and CFOs with different vesting schedules; prevalence figures may total over 100%.)



Restricted Stock Vesting Period

Of those firms granting RSAs/RSUs, the most common vesting period is 4 years, used by 43% of firms. Alternatively, 34% of firms use a 3-year vesting period.

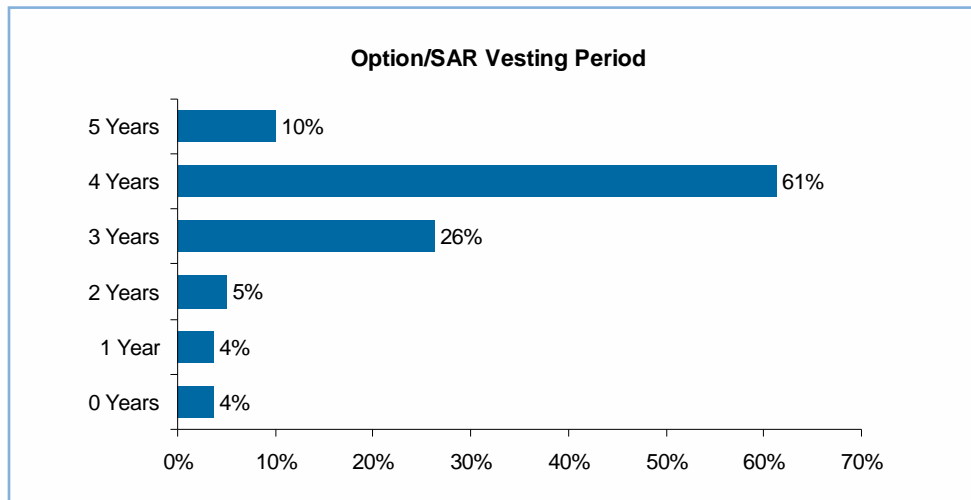
- Interestingly, two companies made RSA grants with two different vesting periods, despite having the same vesting schedules (graded).



Long-Term Incentives: Instrument Details

Option/SAR Vesting Period

61% percent of firms issuing options/SARs employ a 4-year vesting period, while 26% of firms use a 3-year vesting period. (Note: Some companies have made multiple option/SAR grants with different vesting periods; vesting period prevalence may total over 100%.)

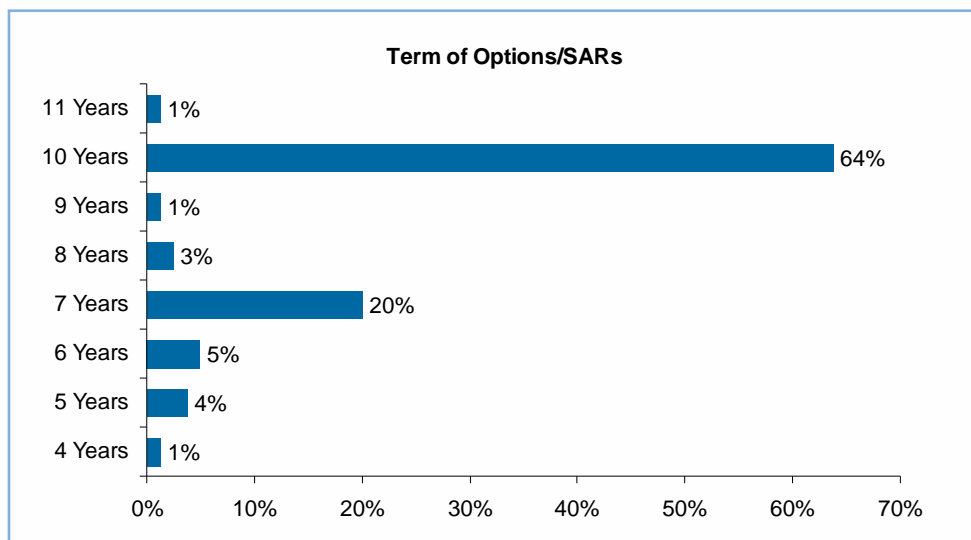


Option/SAR Term

The majority of firms (64%) issuing options/SARs employ a 10-year term. 20% of firms use a 7-year term, the most prevalent alternative to the 10-year term.

- 34% of firms use a term of less than 10 years, most likely to manage equity overhang and accounting expense.

(Note: Some companies issued options/SARs with different terms to CEOs and CFOs; term prevalence figures may total over 100%.)



Long-Term Incentives: Performance Period & Additional Vesting

Performance Period

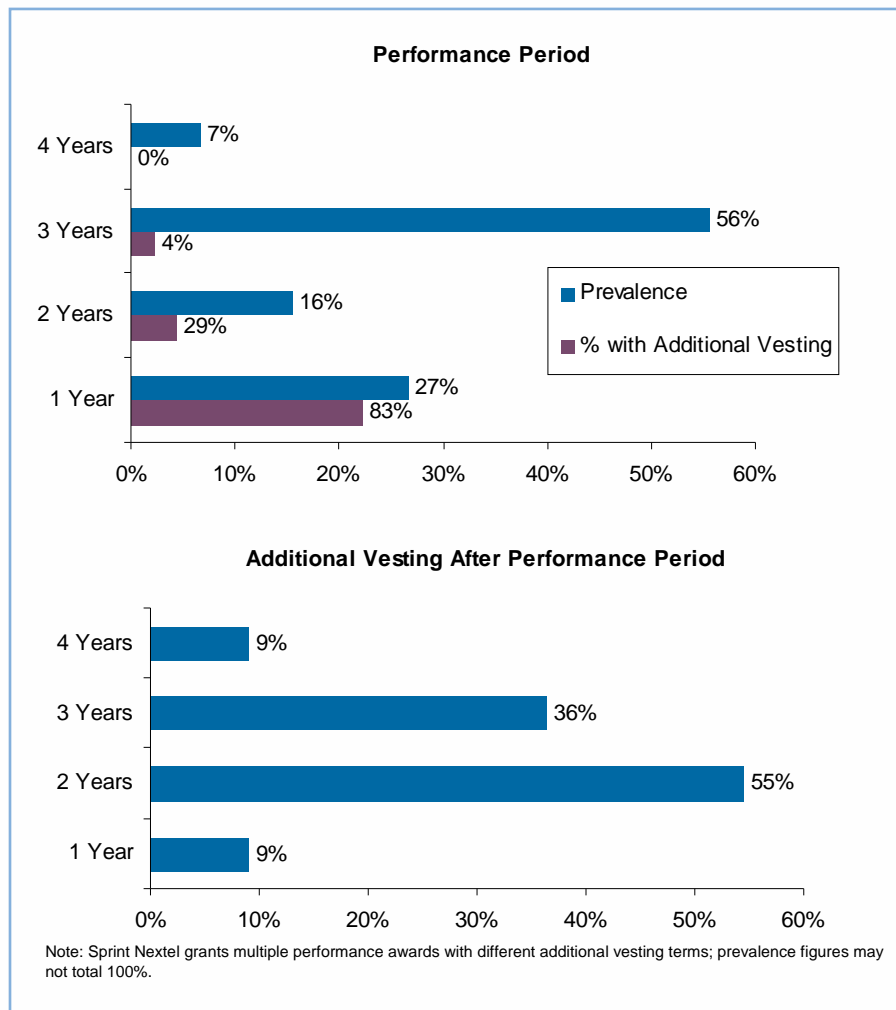
45% of firms in the Tech100 granted performance based LTIP awards in the last year.

- Of those firms, 56% grant performance awards with a 3-year performance period, indicating a focus on mid-term objectives. The second most common practice is to employ a performance period of 1 year, used by 27% of companies.

Additional Vesting

The majority of firms (71%) do not require any additional vesting after the performance period. Of those that do, however, the most common provision is for a two-year additional vesting term after the performance period, a practice used by 55% of companies.

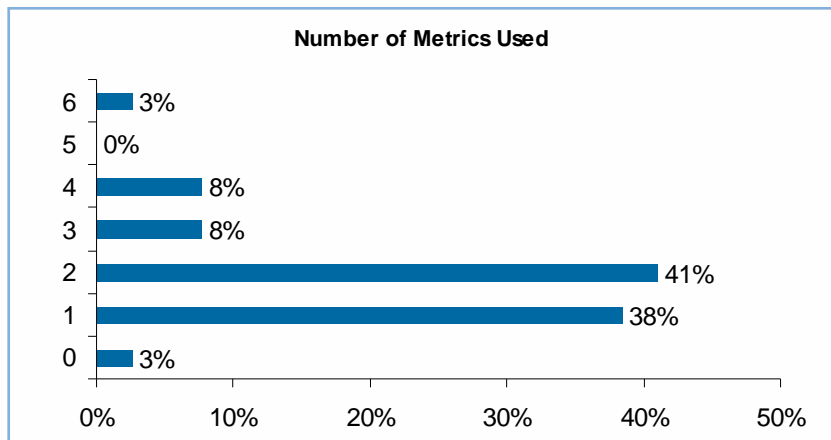
83% percent of firms using a one-year performance period also employ an additional vesting provision. Typically, firms with longer performance periods tend not to use any additional vesting for performance-based LTIP.



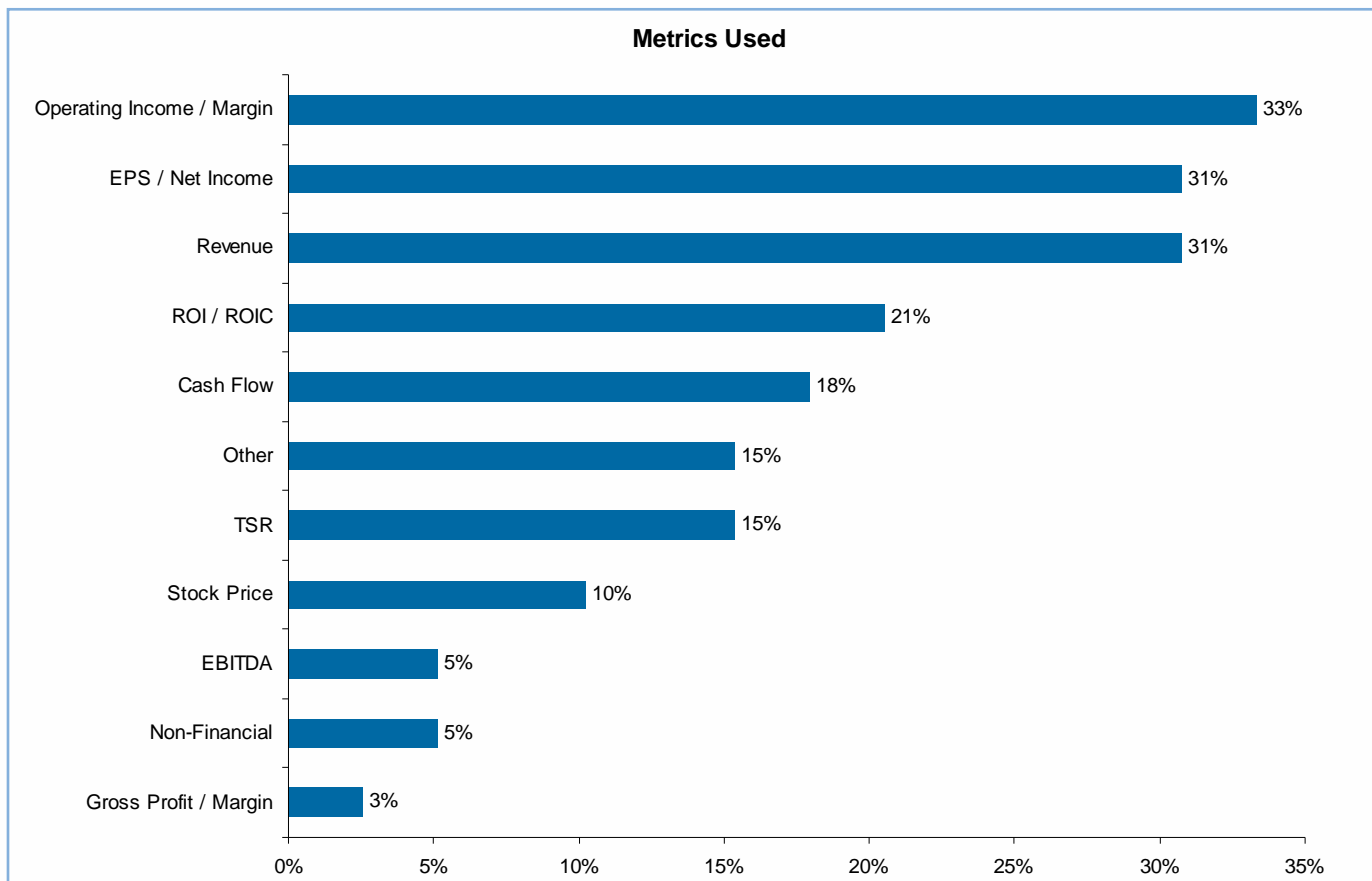
Long-Term Incentives: Performance Metrics

Performance Metrics

Most companies (79%) use one or two metrics, the two most prevalent practices among Tech100 companies granting performance awards.



Profitability metrics (including operating income/margin and EPS/net income) as well as revenue are the most commonly used LTIP performance targets.



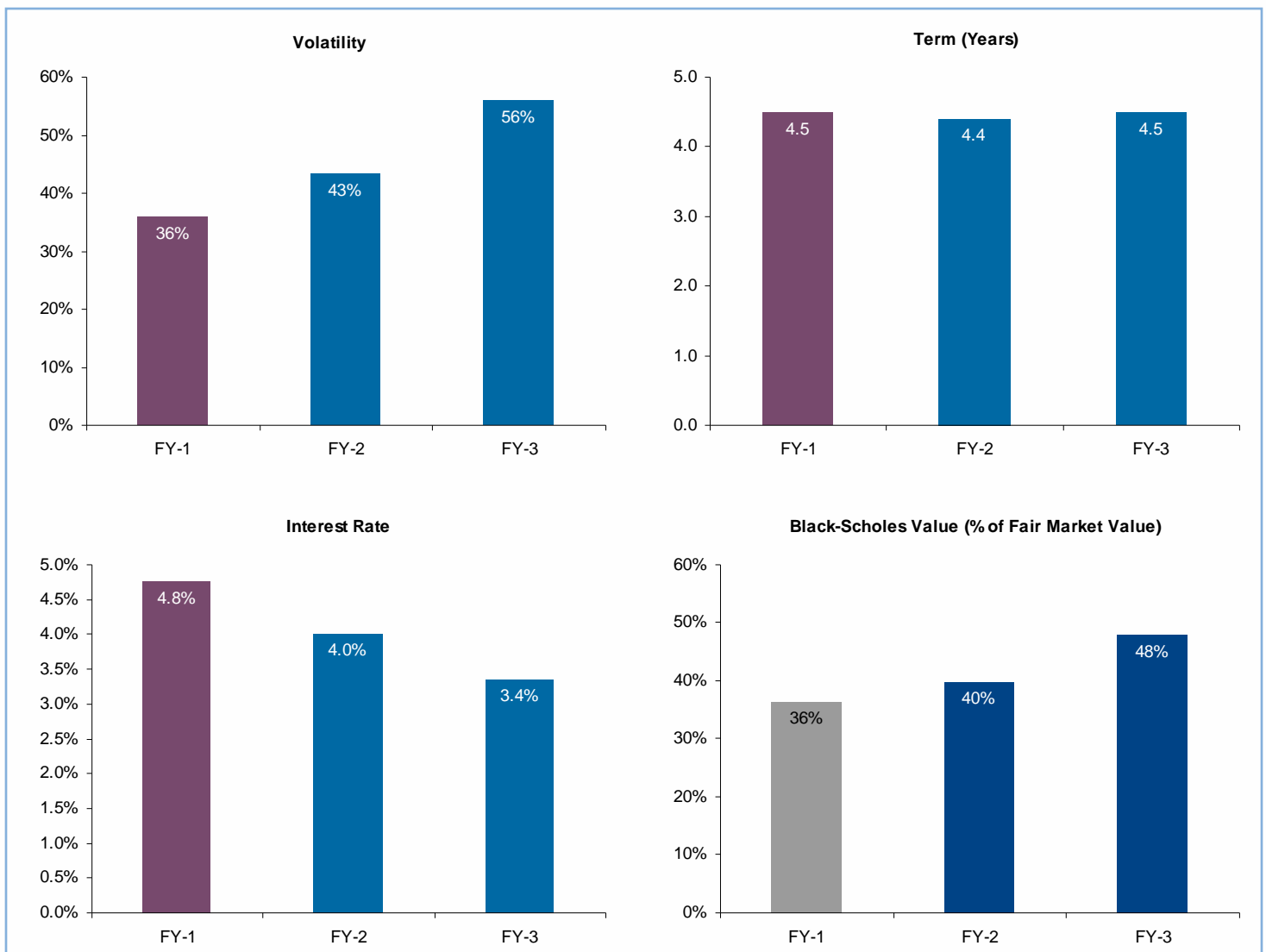
Long-Term Incentives: FAS123R Assumptions

A 3-year Look at Option Valuation

An analysis of the changes in FAS123R assumptions over the past three years shows us that the Black-Scholes value, at the median, is on the decline. The term component of the Black-Scholes option valuation model has remained relatively constant over the past three years at approximately 4.5 years, just as the median dividend yield has remained at 0.0% over the same period. The volatility and interest rate components, however, have undergone significant changes:

- Volatility of options (a measure of fluctuation in stock price) has decreased significantly, falling from 56% to 36% at the median.
- Interest rates have risen steadily over the last three years, from 3.4% to 4.8% at the median.

The result of these changes is a steady decrease in the median Black-Scholes value of options from 48% to 36% of the stock price on the date of grant, enabling companies to trim stock-based compensation expense.



CEO Pay-for-Performance: Company Performance

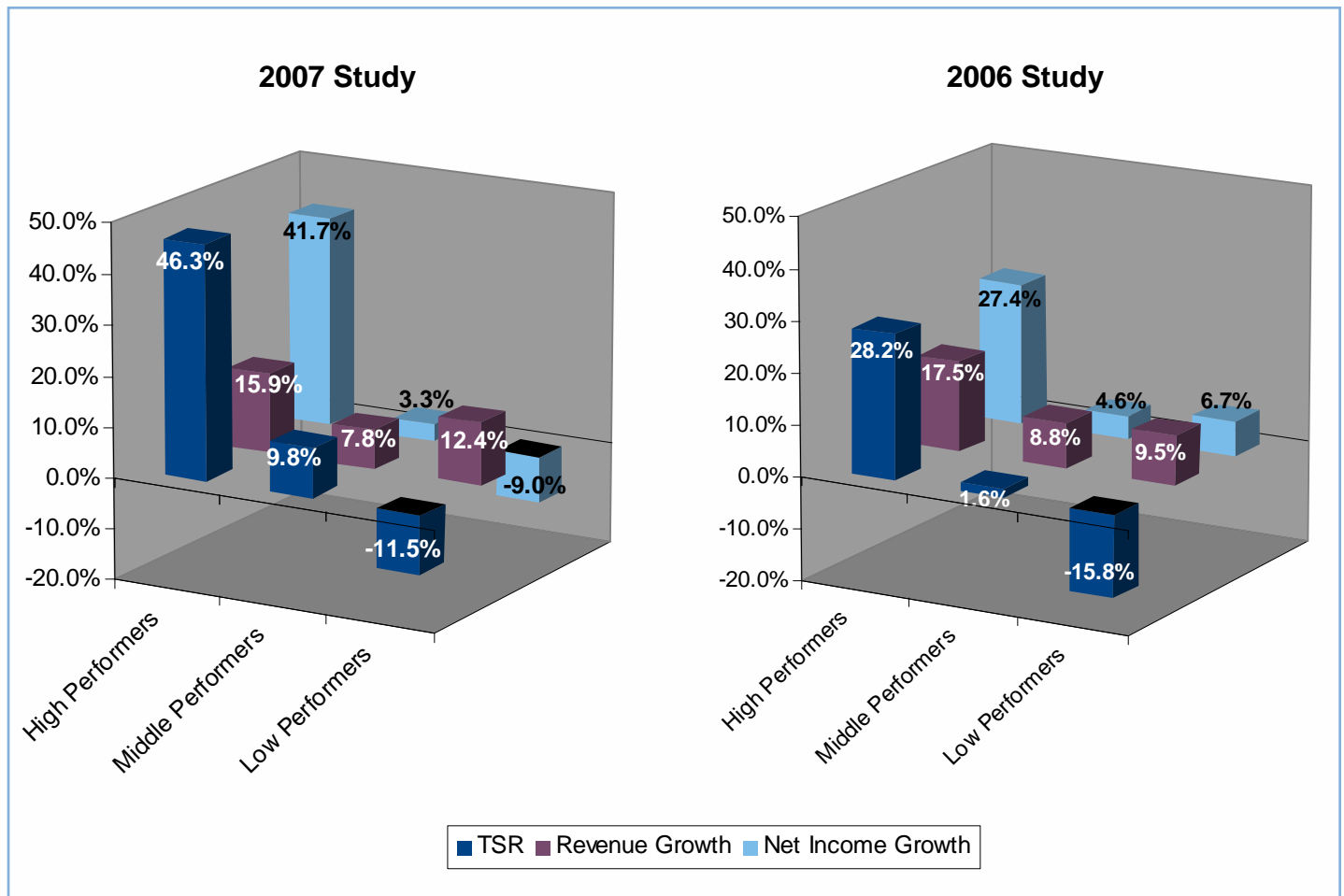
Performance Trends in the Tech100

Overall, Tech100 firms experienced a robust financial year. Some highlights include:

- Median revenue growth of 12.4%.
- Median net income growth of 11.1%.
- Median TSR of 9.8%.
- Median EPS growth of 14.6%.

Performance-Based Analysis

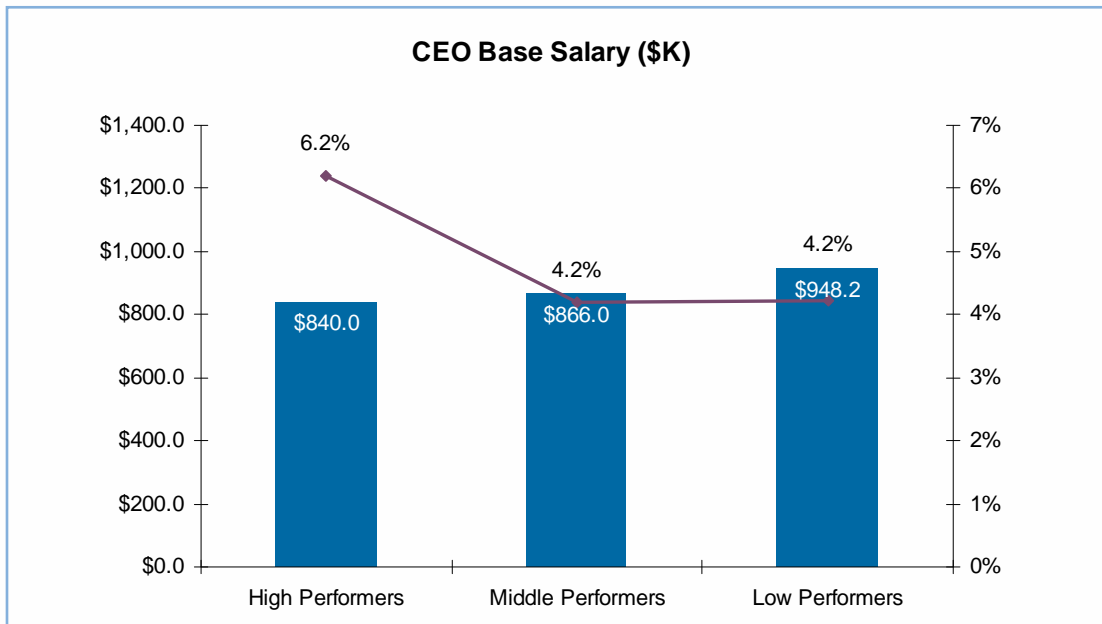
The following pages provide an analysis of CEO compensation in the Tech100 segmented by company performance. The companies in the Tech100 were subdivided into three performance groups – high, middle, and low – determined by one-year total shareholder return (TSR). Typically, TSR is a meaningful, objective indicator of company performance and allows for relative comparison of two firms in a similar industry with substantially different revenues and market capitalizations.



CEO Pay-for-Performance: Cash Compensation

Base Salaries

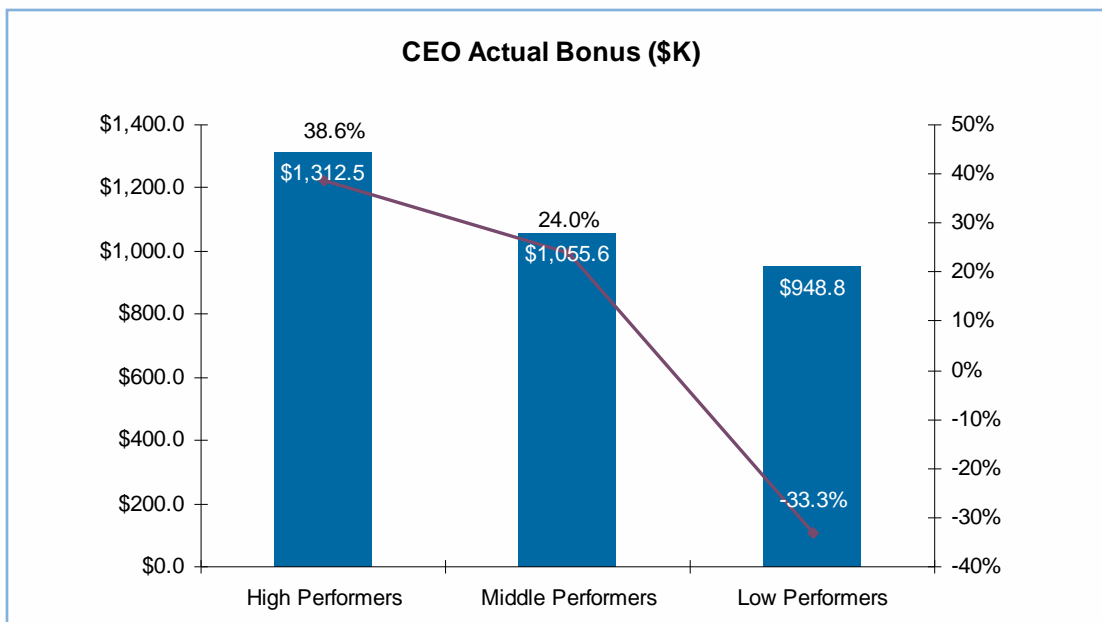
Median CEO base salary increases are greatest for high performers at 6.2%; middle and low performers exhibited typical base salary growth of 4.2% over the last year.



Actual Bonus

Median CEO bonus growth increased for high performers by 38.6%, increased for middle performers by 24.0%, and decreased for low performers by 33.3%, showing a significant link between bonus payouts and company performance.

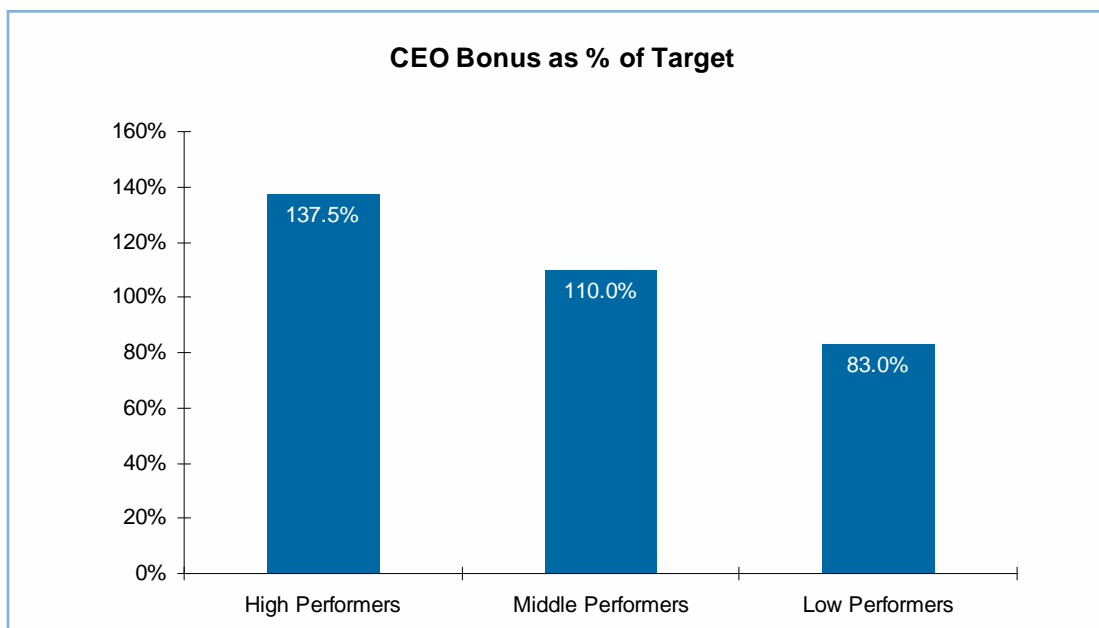
While 100% of high performing CEOs received bonuses, only 92% of middle performing CEOs and 80% of low performing CEOs received a bonus payout for the last fiscal year.



CEO Pay-for-Performance: Cash Compensation

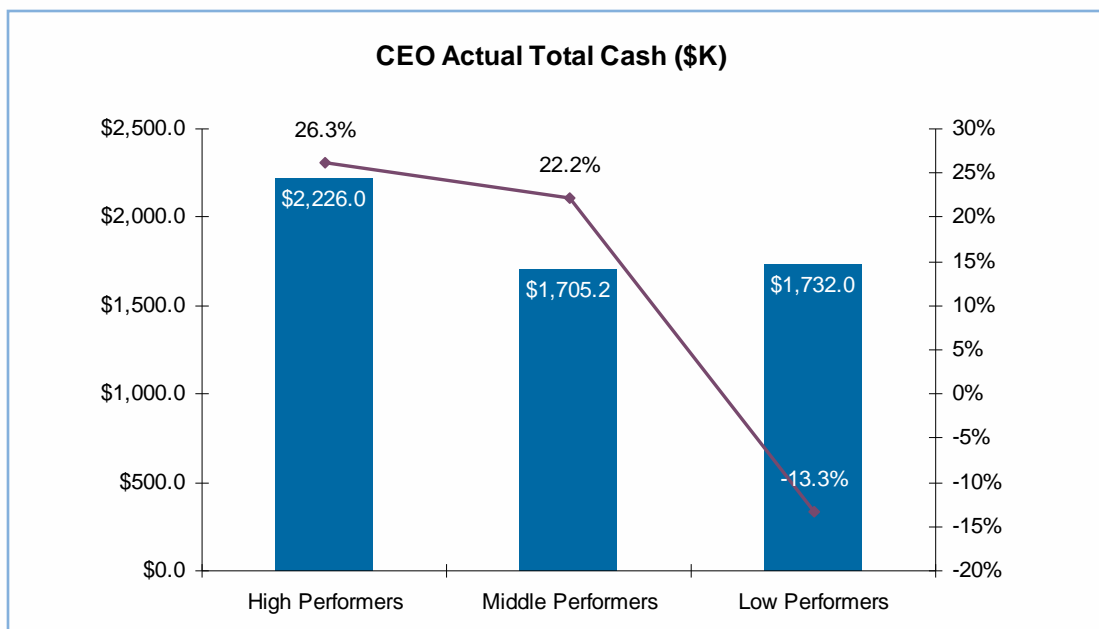
Bonus as a Percent of Target

Median CEO bonuses (as a percent of target) were 137.5% for high performers, 110.0% for middle performers, and 83.0% for low performers. Target payout represents at-standard performance; therefore, bonus payouts above 100% reflect above-standard performance just as payouts below 100% reflect below-standard performance.



Actual Total Cash

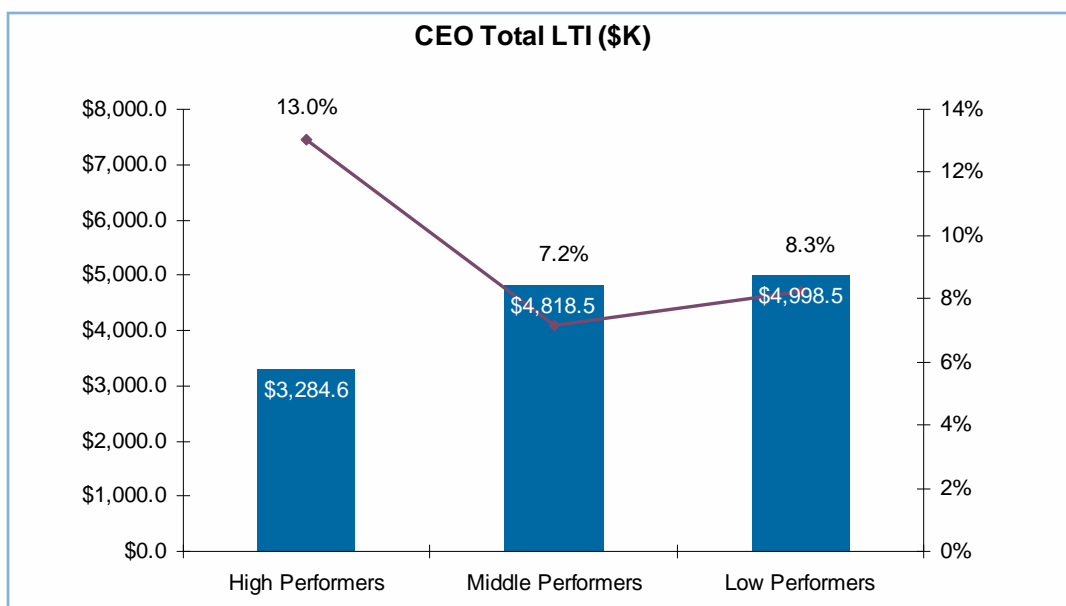
Median actual total cash increased by 26.3% for high performers and by 22.2% for middle performers, but decreased by 13.3% for low performers, largely due to changes in STI compensation.



CEO Pay-for-Performance: Equity Compensation

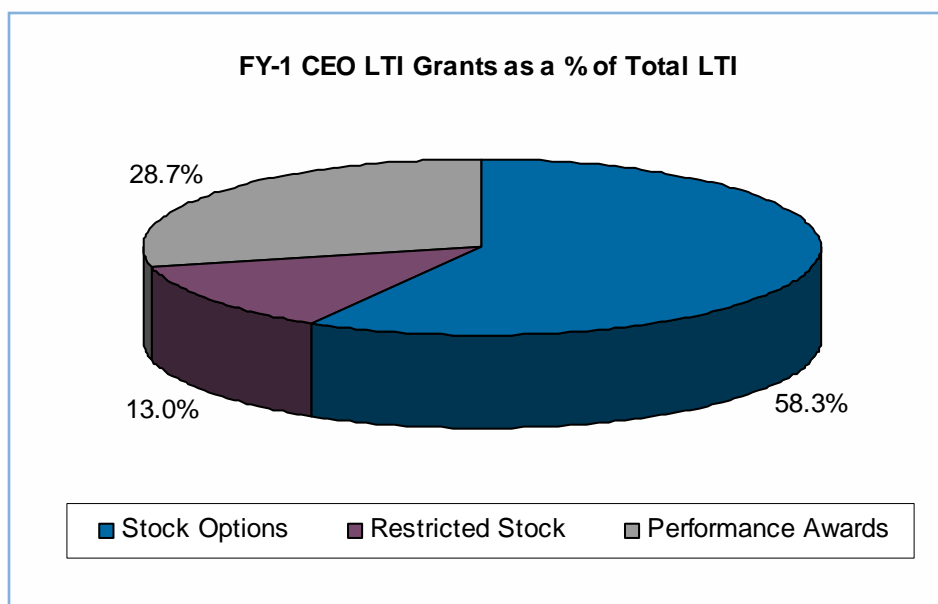
Total Long-Term Incentives

LTI compensation increased significantly for high performers (13.0%) and modestly for middle and low performers (7.2% and 8.3%, respectively). Given the large size of many firms categorized as low performers, the total value of LTI at these companies is greater than that of middle and high performers.



Long-Term Incentive Instruments

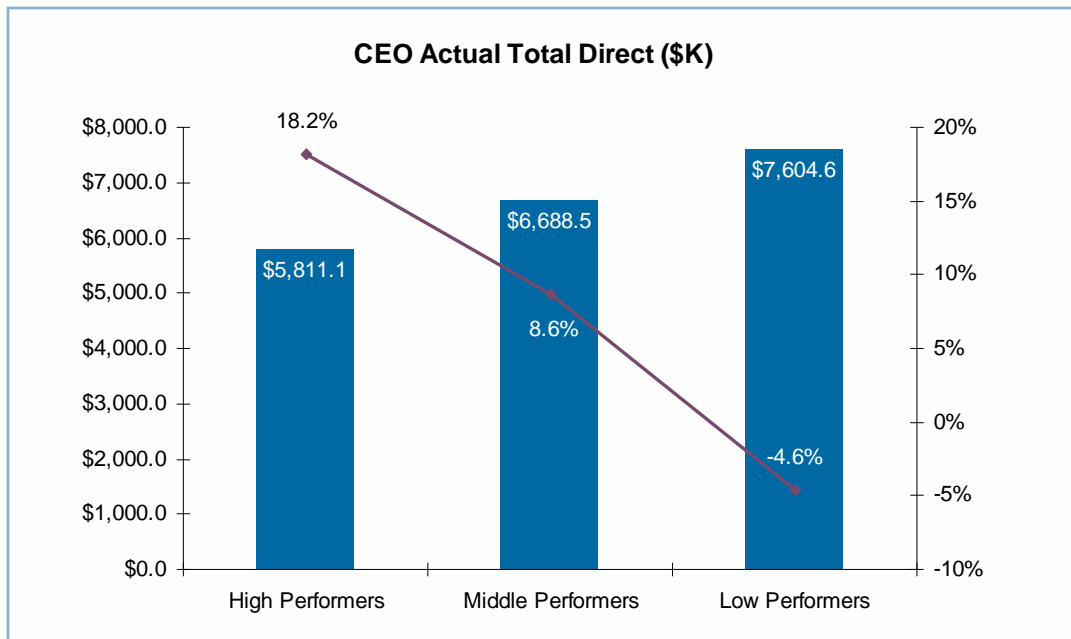
Stock options are still the predominant equity instrument in the technology industry, comprising 58.3% of grant value of total equity awards to CEOs in the last year.



CEO Pay-for-Performance: Total Direct Compensation

Actual Total Direct

The median increase in actual total direct compensation to CEOs (among firms who granted LTI over the last two years) was 18.2% for high performers and 8.6% for middle performers. Total direct compensation to low performers, on the other hand, decreased by 4.6%.



Methodology: Study Sample

The DolmatConnell & Partners Tech100 list is comprised of the top 100 (by revenue) publicly-traded, U.S.-based firms in the Technology industry.

- The median revenue size of included firms is \$3.67B.
- The median market capitalization of study firms is \$6.65B.
- The median number of employees at study firms is 10,137.
- 43% of Tech100 firms are located in California; the remainder of firms are relatively evenly distributed among the other regions of the US.
- One-third of CEOs have been in their current role between one and three years, while 6% are recent to the position, having either been promoted or newly-hired at the company in the last year. (Note: All executives, including new-hires, were included in LTI detail and STI detail analyses.)

This year's Tech100 list includes:

ACTIVISION, INC.	EBAY, INC.	NOVELLUS SYSTEMS, INC.
ADOBE SYSTEMS, INC.	ELECTRONIC ARTS, INC.	NVIDIA CORP.
ADVANCED MICRO DEVICES, INC.	EMBARQ CORP.	ON SEMICONDUCTOR CORP.
AGILENT TECHNOLOGIES, INC.	EMC CORP.	ORACLE CORP.
ALLTEL CORP.	FAIRCHILD SEMICONDUCTOR INTERNATIONAL, INC.	PALM, INC.
AMKOR TECHNOLOGY, INC.	GATEWAY, INC.	PC CONNECTION, INC.
AMPHENOL CORP.	GOOGLE, INC.	PLEXUS CORP.
ANALOG DEVICES, INC.	HARRIS CORP.	QUALCOMM, INC.
ANDREW CORP.	HEWLETT PACKARD CO.	QWEST COMMUNICATIONS INTERNATIONAL, INC.
ANIXTER INTERNATIONAL, INC.	IDT CORP.	SANDISK CORP.
APPLE, INC.	IMATION CORP.	SANMINA-SCI CORP.
APPLIED MATERIALS, INC.	INGRAM MICRO, INC.	SCANSOURCE, INC.
ARROW ELECTRONICS, INC.	INSIGHT ENTERPRISES, INC.	SOLETRON CORP.
AT&T, INC.	INTEL CORP.	SPANSION, INC.
ATMEL CORP.	INTERNATIONAL BUSINESS MACHINES CORP.	SPRINT NEXTEL CORP.
AUTODESK, INC.	INTUIT, INC.	SUN MICROSYSTEMS, INC.
AVAYA, INC.	JABIL CIRCUIT, INC.	SYMANTEC CORP.
AVNET, INC.	JUNIPER NETWORKS, INC.	SYNNEX CORP.
AVX CORP.	KLA TENCOR CORP.	TECH DATA CORP.
BELL MICROPRODUCTS, INC.	LAM RESEARCH CORP.	TELEPHONE & DATA SYSTEMS, INC.
BENCHMARK ELECTRONICS, INC.	LEVEL 3 COMMUNICATIONS, INC.	TELLABS, INC.
BMC SOFTWARE, INC.	LEXMARK INTERNATIONAL, INC.	TEXAS INSTRUMENTS, INC.
BRIGHTPOINT, INC.	LSI LOGIC CORP.	UNITED STATES CELLULAR CORP.
BROADCOM CORP.	MEMC ELECTRONIC MATERIALS, INC.	UTSTARCOM, INC.
CA, INC.	METROPCS COMMUNICATIONS, INC.	VERISIGN, INC.
CADENCE DESIGN SYSTEMS, INC.	METTLER TOLEDO INTERNATIONAL, INC.	VERIZON COMMUNICATIONS, INC.
CDW CORP.	MICRON TECHNOLOGY, INC.	VISHAY INTERTECHNOLOGY, INC.
CENTURYTEL, INC.	MICROSOFT CORP.	WESTERN DIGITAL CORP.
CISCO SYSTEMS, INC.	MOLEX, INC.	WINDSTREAM CORP.
CITIZENS COMMUNICATIONS CO.	MOTOROLA, INC.	XEROX CORP.
COMMSCOPE, INC.	NATIONAL SEMICONDUCTOR CORP.	XILINX, INC.
CORNING, INC.	NCR CORP.	YAHOO, INC.
DELL, INC.	NETWORK APPLIANCE, INC.	
DIEBOLD, INC.	NII HOLDINGS, INC.	

Methodology: Data Collection & Analysis

The elements of compensation analyzed in this study include:

- Base Salaries
- Actual Bonus – last fiscal year’s bonus plus any non-equity incentive (NEI) payout
- Target Bonus – last fiscal year’s bonus target (only available in the new disclosure)
- Actual Total Cash – base plus actual bonus
- Target Total Cash – base plus target bonus (where applicable)
- Stock Options/SARs – valued at the grant-date fair value using the Black-Scholes option pricing model and FAS123 assumptions taken from each company’s 10-K filing
- Restricted Stock Awards (RSAs)/Units (RSUs) – valued at the grant-date full value of the shares
- Performance Shares/Units – valued at target (where applicable)
- Actual Total Direct – actual total cash plus total long-term incentive compensation (excluding non-qualified deferred compensation)

Data employed in this study reflects proxy-disclosed compensation data from the most recently available filings as of December 2007.

- Data was collected for CEOs and CFOs, excluding founders.
- Only tenured executives (those who have been included in proxy disclosure for the last three fiscal years and have held their current role for at least the last two fiscal years) were included in the pay-level analysis.

Data for the survey are obtained in part from Equilar, Inc., a leading independent provider of executive and board compensation analysis.



Equilar, a NASDAQ alliance partner, is the market leader for benchmarking executive and board pay. Equilar’s online solutions help clients make informed decisions on board-level compensation matters and were voted Top 10 Product of the Year by Human Resource Executive. Equilar's research has been featured in leading media publications including Fortune, The New York Times and The Wall Street Journal.

About DolmatConnell & Partners

Who We Are

DolmatConnell & Partners is a privately held compensation consulting firm dedicated to providing independent, insightful, and innovative advice in all areas of executive compensation and Board of Directors remuneration.

At a time of unprecedented scrutiny of executive compensation programs, DolmatConnell & Partners delivers the independent advice required in today's demanding governance environment. We have no benefits brokerage, HR outsourcing, insurance, actuarial, or management consulting conflicts and no cross-selling pressures.

Our consultants draw on their significant consulting and corporate experience to provide insightful advice to a wide range of clients, including venture-backed startups and Fortune 500 companies. DolmatConnell & Partners offers expertise that rivals our largest competitors with the innovative, tailored advice and exceptional client service associated with a dynamic consulting boutique.

What We Deliver to Our Clients:

Independence

- Our independence is assured by our exclusive focus on compensation consulting. Our success is determined by long-lasting client relationships, not by cross-selling additional products or services.

Insight

- Our consultants are recognized experts in executive compensation. Since our inception, DolmatConnell & Partners' consultants have been cited in numerous publications, including The Wall Street Journal and The New York Times.

Innovation

- Our expertise and exceptional client service result in sound analysis and innovative strategies that help companies deliver appropriate compensation solutions. We provide clients with access to our industry research studies and newsletters to keep them informed of the rapidly changing executive compensation landscape.

To Learn More:

Visit our website at www.dolmatconnell.com

To join our newsletter and client advisory mailing list, please email us at dcinfo@dolmatconnell.com.



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