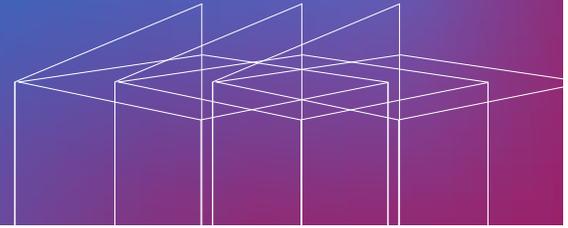


# Overview of Constituents

THAT INFLUENCE EXECUTIVE COMPENSATION



The reach of executive compensation extends far beyond the executives themselves. Many players attempt to influence compensation decisions and direction. The main constituents that influence executive pay are outlined below.

## Federal and Regulatory Agencies

Establish guidelines in the interest of public policy (e.g., tax, accounting standards – including expense of equity compensation, timing of taxation, etc.—public information disclosure, good business practices)

## Executives

Seek to be paid for individual performance and contribution to company success  
Pay is one part of value proposition

## Proxy Advisors

Provide analysis and voting recommendations to institutional investors

As such, they have significant voice on pay and governance policies

## Labor Unions/ Employee Groups

Seek to ensure that executive compensation policies and practices do not come at the expense of the broader employee population

## Influencers

## Human Resources

Responsible for the design and administration of executive compensation programs

Typically acts as the liaison between management and the Board of Directors on issues of executive compensation

## Board/Compensation Committees

As representatives elected by shareholders, seek to ensure that executive compensation programs support the creation and sustainability of shareholder value, from the attraction and retention of executive talent to performance-based compensation

## Board Advisory/ Trade Groups

Seek to provide information on trends and practices that help organizers improve performance and shape corporate governance

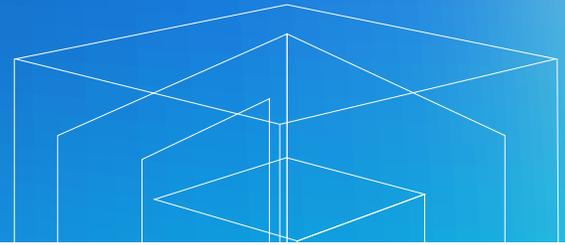
## Shareholders

Seek reasonable alignment of executive compensation with shareholder returns and sustainable company performance

A challenge in executive compensation design is the breadth of agendas and profiles among investors

COMPENSATION COMMITTEE, MANAGEMENT  
 AND INDEPENDENT CONSULTANT

# Summary of Roles



## A Collaborative Approach to Compensation Decisions

Our primary role includes working in support of the Compensation Committee to provide an external perspective grounded in both our experience as well as research and analysis and helping facilitate the process so the right conversations take place at the right time with the right information.

