

AGENDA

THE WEEK'S NEWS FROM OTHER BOARDROOMS

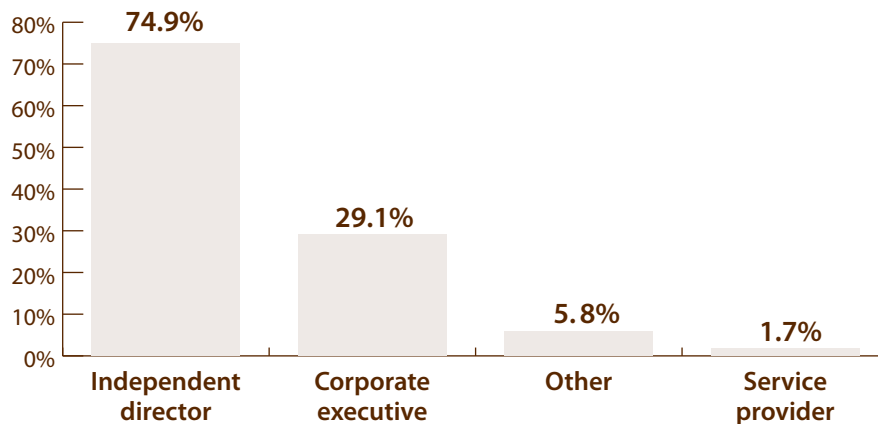
November 9, 2009 | www.AgendaWeek.com

A Financial Times Service

Directors and Officers Outlook: Q4

Editor's note: Agenda's most recent Directors and Officers Outlook survey for the fourth quarter was conducted between Oct. 22 and Nov. 4 and included 175 total responses. In addition to questions on the economy, which we ask each quarter, in this survey we asked for feedback on executive compensation.

Survey Respondents



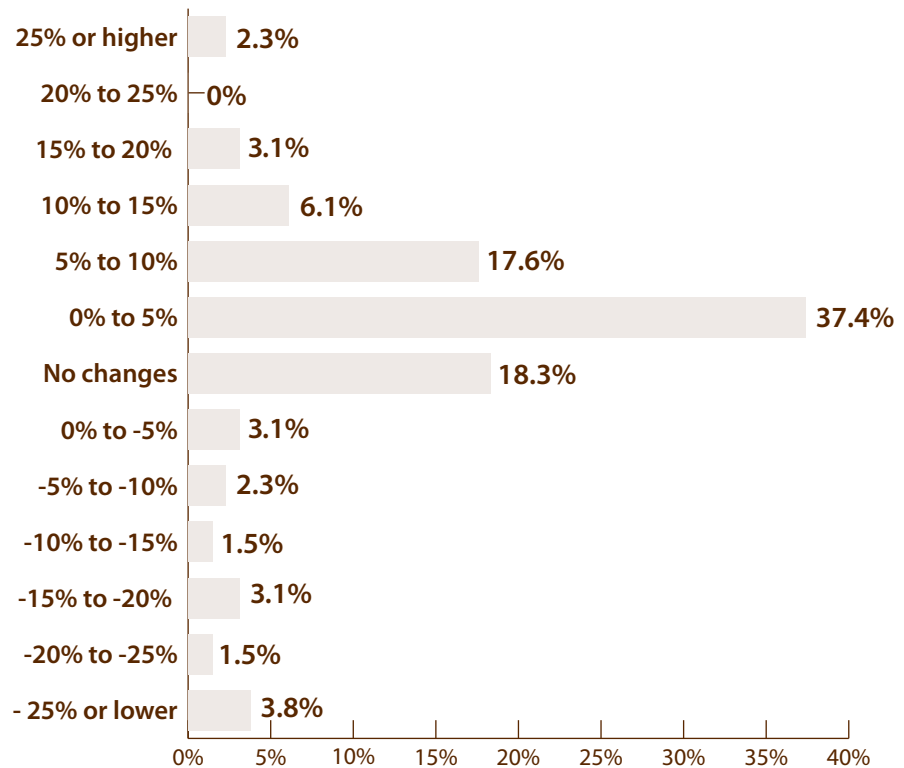
Note: Based on 175 responses; respondents could choose more than one option

Table of Contents

- 2** 2010 Executive Compensation
- 5** Say on Pay
- 6** The Trouble With Executive Pay: A Board Perspective
- 6** Compensation Consultants
- 7** Director Confidence on the Rise

2010 CEO Compensation

What do you expect to happen to total direct compensation for the CEO at your company in 2010?

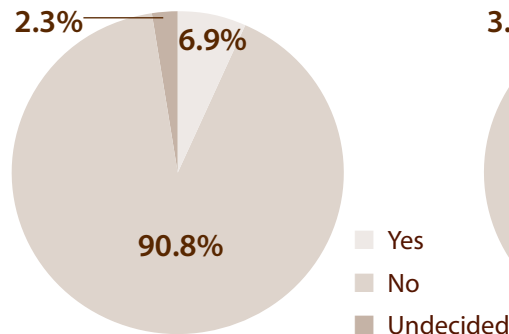


Note: Based on 131 responses from independent directors
 Source: Agenda's survey "Directors and Officers Outlook: Q4"

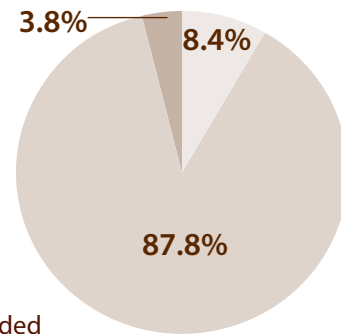
2010 CEO Compensation *continued*

Performance Periods

For your CEO's annual incentive plan are you planning to use less than an annual performance period, such as quarterly or semi-annual?



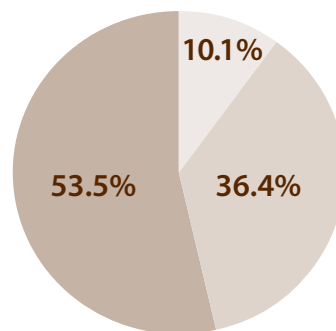
For your CEO's long term incentive plan are you planning to use performance periods which are less than the full performance period?



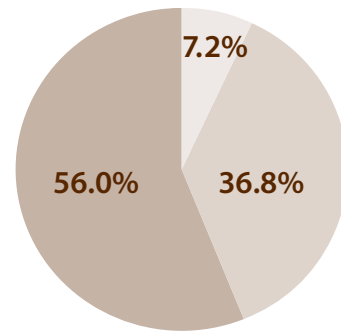
Note: Based on 131 responses from independent directors
Source: Agenda's survey "Directors and Officers Outlook: Q4"

For 2010, what are you planning to do to your CEO's performance threshold levels for the following?

Annual incentive plan



Long-term incentive plan



■ Lower threshold levels ■ Increase threshold levels ■ No change

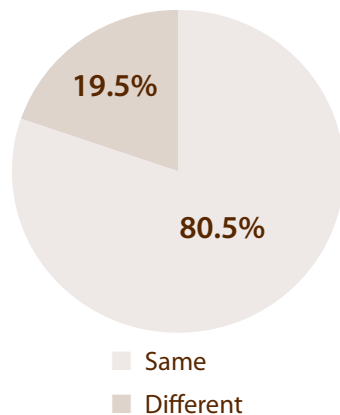
Note: Based on 129 responses from independent directors

Note: Based on 125 responses from independent directors

Source: Agenda's survey "Directors and Officers Outlook: Q4"

2010 CEO Compensation *continued*

Will the top three metrics from your 2009 comp program be the same or different for 2010?



Note: Based on 122 responses from independent directors

Source: Agenda's survey "Directors and Officers Outlook: Q4"

Top 10 most prevalent metrics in 2010 pay plans

1	Profit/Net income
2	Revenue
3	EPS
4	Cash flow
5	EBITDA
6	Return on equity
7	Total shareholder return
8	Return on investment
9	Operating income
10	Sales

Note: Based on 120 responses from independent directors

Source: Agenda's survey "Directors and Officers Outlook: Q4"

Top 3 Most prevalent non-financial metrics in 2010 pay plans

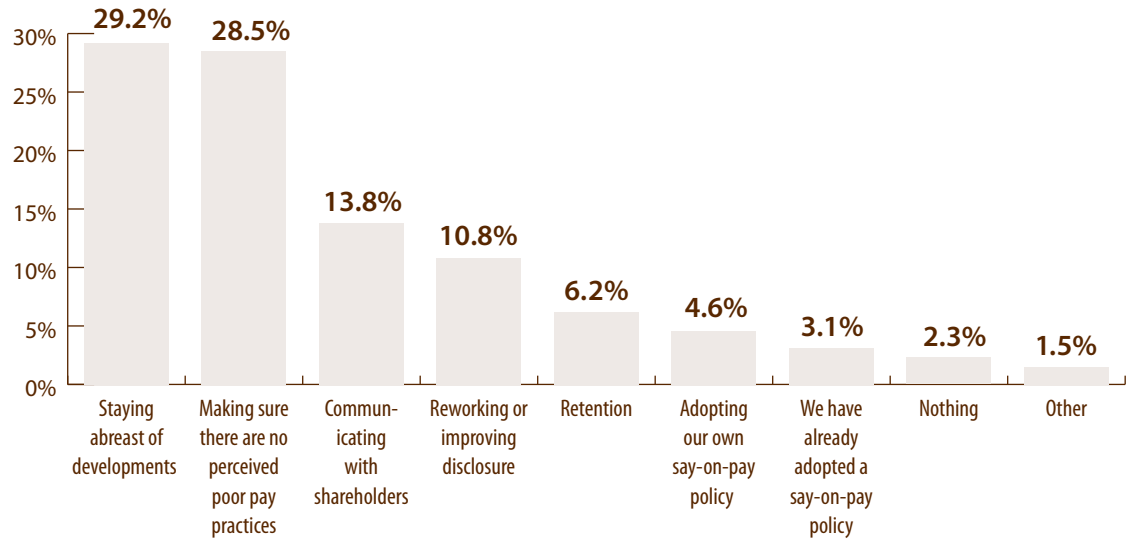
1	Customer satisfaction
2	Employee retention
3	Succession planning

Note: Based on 120 responses from independent directors

Source: Agenda's survey "Directors and Officers Outlook: Q4"

Say on Pay

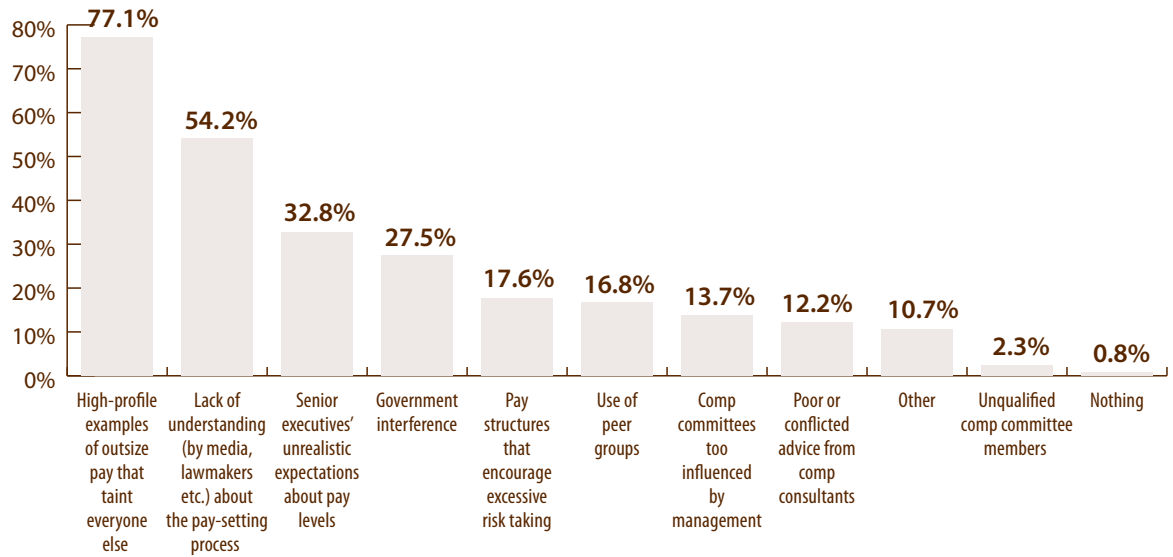
What's your no. 1 priority right now in preparing for the possibility of say on pay becoming law?



Note: Based on 130 responses from independent directors
 Source: Agenda's survey "Directors and Officers Outlook: Q4"

The Trouble With Executive Pay: A Board Perspective

What's wrong with executive compensation in the U.S.?

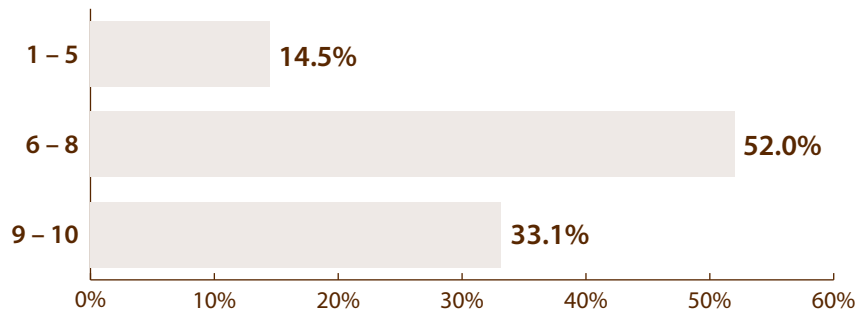


Note: Based on 131 responses from independent directors; respondents could choose up to top three
 Source: Agenda's survey "Directors and Officers Outlook: Q4"

Compensation Consultants

How would you rate the service you receive from your comp consultant?

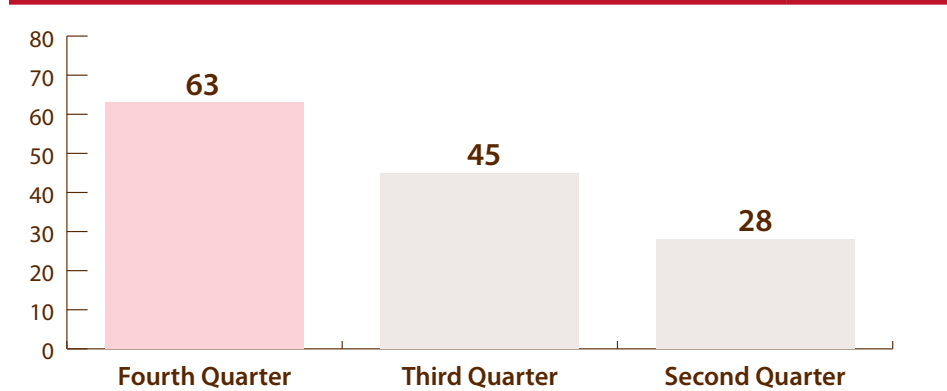
(1 being poor and 10 being excellent)



Note: Based on 124 responses from independent directors
 Source: Agenda's survey "Directors and Officers Outlook: Q4"

Director Confidence on the Rise

Director Confidence Gauge



The numbers above are the averages of scores given by directors to four areas pertaining to their companies and the economy as a whole. We have asked respondents to attach a positive, neutral or negative rating to those four areas, which received the following scores in our most recent survey:

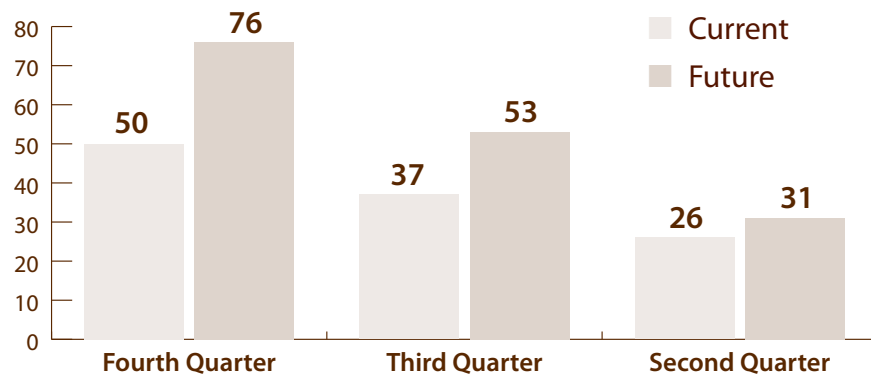
	<i>Score</i>
Current condition of your company	85
Outlook for your company over the next six months	95
Current condition of the economy	13
Outlook for the economy over the next six months	58
Average	63

The scores are a measure of directors' overall confidence reflected by the expression of positive or negative sentiment. A score of 100 would reflect no negative sentiment; a score of 0 would reflect no positive sentiment. The numbers are calculated by removing the neutral responses to a question and then dividing the positive responses by the total number of positive and negative responses.

Director Confidence on the Rise *continued*

We also group the future sentiment (six-month outlook on the economy and the company) together separately from the current sentiment (current condition of the economy and the company) to create a gauge of current and future sentiment compared quarter to quarter:

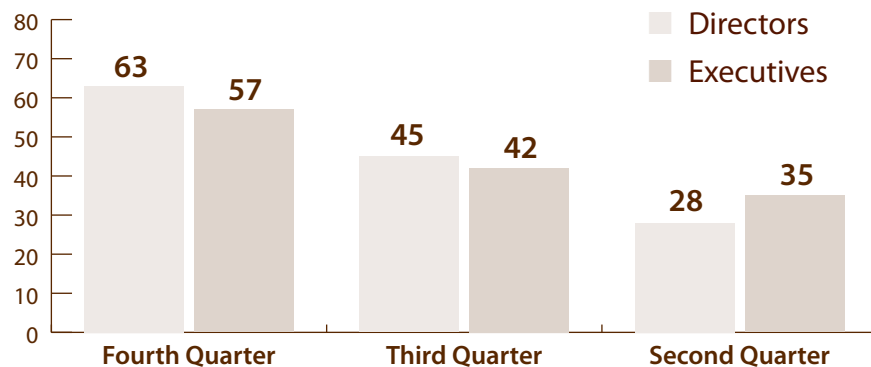
Director Current Confidence Gauge v. Director Future Confidence Gauge*



*measures views six months out

What we calculate for directors we also do for executives, allowing for the following comparison:

Directors vs. Executives Confidence Gauge



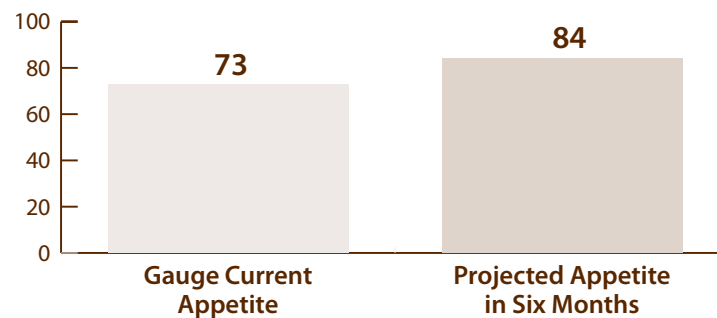
Director Confidence on the Rise *continued*

In the most recent survey, we have added the following questions:

- How would you characterize your board's current attitude toward risk-taking?
- What do you expect your board's attitude toward risk-taking to be in six months?

The resulted in the following scores:

Director Risk Appetite Gauge



In the future, we'll be able to incorporate these into our overall confidence scores and also the current and future sentiment scores.

The above director confidence scores will be the subject of a future story in *Agenda* with more detail and analysis.

Note on the surveys:

- *Directors and Officers Outlook: Q4* — conducted between Oct. 22 and Nov. 4 and included responses from 131 independent directors and 51 corporate executives.
- *Directors and Officers Outlook: Q3* — conducted between June 24 and July 1 and included responses from 291 independent directors and 136 corporate executives.
- *Directors and Officers Outlook: Q2* — conducted between Mar. 24 and Apr. 2 and included responses from 119 independent directors and 95 corporate executives.