



What Clients Say About Radford

"We partner with Radford Analytic Services (RAS) to assist our small HR staff with survey input, as well as targeted competitive analyses. The RAS "You vs. the Market" tools are powerful and easy to use, and shed light on our place in the biotechnology market. We're big fans of RAS!"

Martin Rexroad
VP, Human Resources
Osteotech, Inc.

"As a growing, small technology company in the healthcare IT space, we were challenged to implement a market-based salary structure and long-term incentive plan. We selected Radford Analytic Services because of their extensive database and experience working with similar companies. Radford's thoroughness, insight and work product was terrific. I recommend them highly!"

Jim Ranton
SVP & Chief People Officer
Surescripts

Radford is an Aon Consulting Company

RADFORD ANALYTIC SERVICES

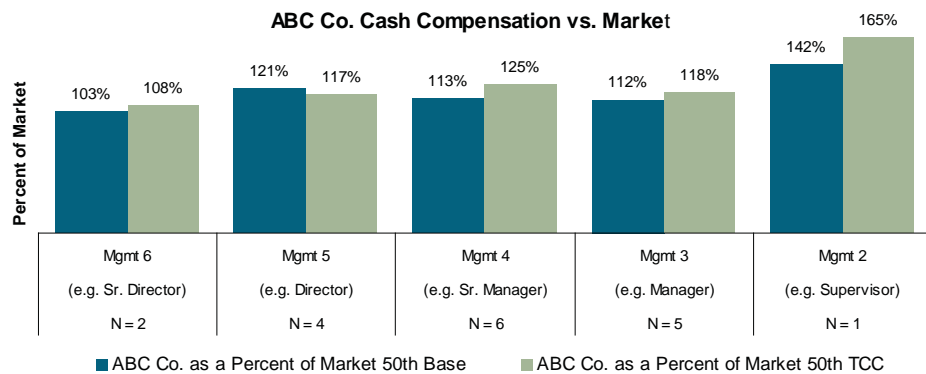
Compensation Solutions for Small Companies

Growing companies are faced with a unique set of human resources and compensation challenges, from rapid employee growth to limited budgets to lack of market pay intelligence. Meet these challenges with Radford Analytic Services (RAS). Designed as a one-stop shop for small and start-up companies, Radford Analytic Services offers **budget-conscious solutions for establishing competitive pay programs at all employee levels.**

Leveraging Radford's comprehensive survey databases, tools and analyses, as well as leading-edge consulting expertise, the Analytic Services team can develop compensation programs and ensure market competitive pay that address your specific needs.

Customized services and analyses for your company include:

- > **Custom Benchmarking** via You vs. Market Analyses: Incumbent-level analysis of your pay vs. the market for base salary, annual bonus and annual total cash



- > **Bonus Program Assessment:** Review of competitive bonus amounts and discussion of incentive design characteristics, including payout curves and performance metrics

	ABC Co Data			Market 50th			ABC Co vs. Market 50th	
	Target Bonus %	Target Bonus \$	Emp Count	Target Bonus %	Target Bonus \$	Emp Count	Target Bonus %	Target Bonus \$
Level 6 Professional	11%	17,852	15	19%	32,635	4,491	-9%pt	55%
Level 5 Professional	7%	9,547	47	15%	19,618	23,931	-7%pt	49%
Level 4 Professional	7%	8,078	53	12%	13,103	51,721	-4%pt	62%
Level 3 Professional	5%	5,649	70	10%	9,251	46,785	-5%pt	61%
Level 2 Professional	5%	3,730	36	9%	6,582	22,271	-4%pt	57%
Level 1 Professional	5%	3,697	22	8%	4,835	6,333	-3%pt	76%
Overall:							-5%pt	59%

RAS Reports and Analyses:

Reports

"You vs. Market"

- US Benchmark
- US GLS Benchmark
- US Stock by Level
- Global Total Cash
- Global Job Leveling

Analyses

BOD Compensation Equity Trends Analysis

Radford Analytic Services

Compensation Solutions for Small Companies continued

- > **Salary Structure Design:** Development of market-based salary structures customized to your employee population and delivery of guidelines for annual base pay administration processes including merit increases

Proposed Salary Structure						Avg. 50th Market Base of Roles in			Avg Current	Avg Current
Salary Grade	Min	Mid	Max	Midpoint Progression ¹	Range Spread ²	Grade	Job Count	EE Count	EE Salary	EE Comp-Ratio ³
9	\$150,000	\$195,000	\$240,000	25%	60%	\$179,975	2	3	\$184,448	95%
8	\$119,200	\$155,000	\$190,800	20%	60%	\$154,376	9	11	\$170,883	110%
7	\$100,000	\$130,000	\$160,000	15%	60%	\$124,852	7	9	\$137,675	106%
6	\$88,500	\$115,000	\$141,500	15%	60%	\$108,998	13	18	\$128,673	112%
5	\$76,900	\$100,000	\$123,100	15%	60%	\$94,912	11	26	\$101,740	102%
4	\$68,000	\$85,000	\$102,000	15%	50%	\$81,808	9	19	\$80,547	95%
3	\$60,000	\$75,000	\$90,000	15%	50%	\$64,139	4	8	\$59,685	80%
2	\$52,000	\$65,000	\$78,000	15%	50%	\$57,805	2	2	\$61,173	94%
1	\$36,800	\$46,000	\$55,200	-	50%	\$46,290	1	1	\$43,260	94%
Overall:							59	97	-	101%

¹ Midpoint Progression is the percentage increase from one grade midpoint to the midpoint of the next higher grade.

² Range Spread is a measure of grade width, calculated as follows: (Max-Min)/Min.

³ Comp-Ratio is a measure of how well current incumbent salaries are fitting into the new structure. Note that incumbents are slotted into the appropriate grade based on what the market data determines the role SHOULD be paid (the definition of a "market-based structure").

However, actual incumbent salaries may or may not be at the desired market rate. Midpoint ratio is the current incumbent salary as a percent of the midpoint for their assigned salary grade.

- > **Equity Grant Guidelines:** Development of equity allocation schedules based on competitive market positioning, desired levels of participation, limits to plan pools and annual burn rate budget

Salary Grade	Annual Equity Grant Guidelines			New-Hire Equity Grant Guidelines		
	% of Employees Receiving	Stock Options	Restricted Stock Units	% of Employees Receiving	Stock Options	Restricted Stock Units
9	90%	30,000	N/A	100%	60,000	N/A
8	75%	10,000	3,000	100%	40,000	N/A
7						
6	50%	N/A	5,000	75%	30,000	N/A
5						
4	50%	N/A	2,500	75%	15,000	N/A
3						
2	25%	N/A	1,000	50%	6,000	N/A
1						

- > **Survey Database Mining:** Customized analyses built to your specifications drawing upon Radford's rich survey databases

About Radford

For more than 35 years, Radford has provided compensation market intelligence to the technology and life sciences industries. Global survey databases, which include 3.6 million incumbents, offer current, reliable data to nearly 2,000 clients. Leveraging Radford survey data, our thought-leading global Radford Consulting team creates tailored solutions for the toughest global business and compensation challenges facing companies at all stages of development. In addition to our consulting team, we also offer equity valuation assistance via Radford Valuation Services, and leading-edge market analyses and survey services with Radford Analytic Services. Radford's suite of surveys includes the Global Technology, Sales, and Life Sciences Surveys, as well as the US Benefits Survey. For more information, visit us at www.radford.com.

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