

ERI's Executive Compensation Assessor Software



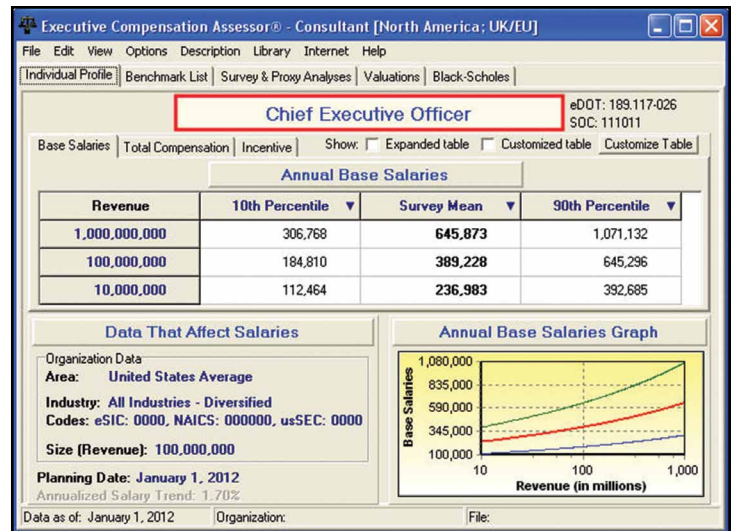
Executive compensation data

EXECUTIVE COMPENSATION

Executive Compensation Analyses

ERI's **Executive Compensation Assessor**[®] software reports competitive base salaries, incentives, and total cash compensation for more than 400 top management job titles. Executive compensation data is gathered from thousands of survey sources and presented via this easy-to-use analytics software.

How it works... First users input the executive's job title by clicking on the job title bar. A pop-up box opens where you can type in the job title or scroll through the list of over 500 jobs.



The screenshot shows the 'Enter New Position' dialog box. It features a search string 'CHIEF O' and a list of positions. The 'Chief Operating Officer' position is selected. Below the list is a detailed 'Position Description (original)' for the Chief Operating Officer role.

Search String
CHIEF O

Select A Position

Position Title	eDOT Code	SOC Code	ERI Code
Chief Marketing & Sales Officer	189.117-503	111021	4
Chief Marketing Executive	189.117-115	111021	85614
Chief Medical Officer	189.117-078	119111	44454
Chief Merchandising Officer	189.117-501	113061	44455
Chief of Staff	189.117-078	119111	44460
Chief Operating Officer	189.117-006	111011	2

Position Description (original)

Heads, plans, oversees, and coordinates the entire operation of an organization toward the achievement of established operating objectives.

- Collaborates in the planning and formulation of organization policies and practices.
- Oversees the design, operation, and improvement of the system that creates and delivers the organization's products or services.
- Oversees and adjusts organization's processes and operations as necessary to ensure efficient and effective execution of policies and procedures.
- This position is nearly always the second highest paid position in the organization.
- Provides operational guidance in analyzing and appraising the effectiveness of organizational operations.
- Participates in the planning, development, implementation, and evaluation of strategic business and performance goals, short- and long-term objectives, plans, budgets, programs, and policies.
- Evaluates operating results throughout the organization to ensure that organization growth and objectives are being met.

Show Modified (if available) Edit Description

Job Descriptions

To verify that the job title selected matches the job in your organization, review the job description at the bottom of the page. If satisfied, click on the **OK** button to return to the *Individual Profile* screen.

EXECUTIVE COMPENSATION

Organization Specifics

Executive compensation differs based upon the industry, size of the organization, and the geographic location. To adjust for these variables, click on the *Data That Affects Salaries* tab.

For location, select from over 370 areas in the United States or Canada. (A European edition is also available.) The geographic areas expand to nearly 7,000 when you also subscribe to ERI's **Geographic Assessor**[®] software.

Data That Affect Salaries	
Organization Data	
Area:	United States Average
Industry:	All Industries - Diversified
Codes:	eSIC: 0000, NAICS: 000000, usSEC: 0000
Size (Revenue):	100,000,000
Planning Date:	January 1, 2012
Annualized Salary Trend: 1.70%	

Next specify the organization's industry, annual revenue, and salary planning date. ERI uses the Standard Industrial Classification (eSIC) system for industry codes. To help select the most appropriate industry, click on the **Browse** button to the far right of the *Industry* field. You can search for industries by text keyword or code.

Salary Adjustments

Organization Data
Name: ABC Aircrafts

Location (city): Dallas, Texas

Use the Geographic Assessor's Area Database of 7,000+ Cities

Industry
eSIC Code: 3720 NAICS: 336400 usSEC: 3720

Description: Aerospace Manufacturing

Revenue: 280,000,000

Salary Planning Date: 1/ 1/2012

Disk Operations

EXECUTIVE COMPENSATION

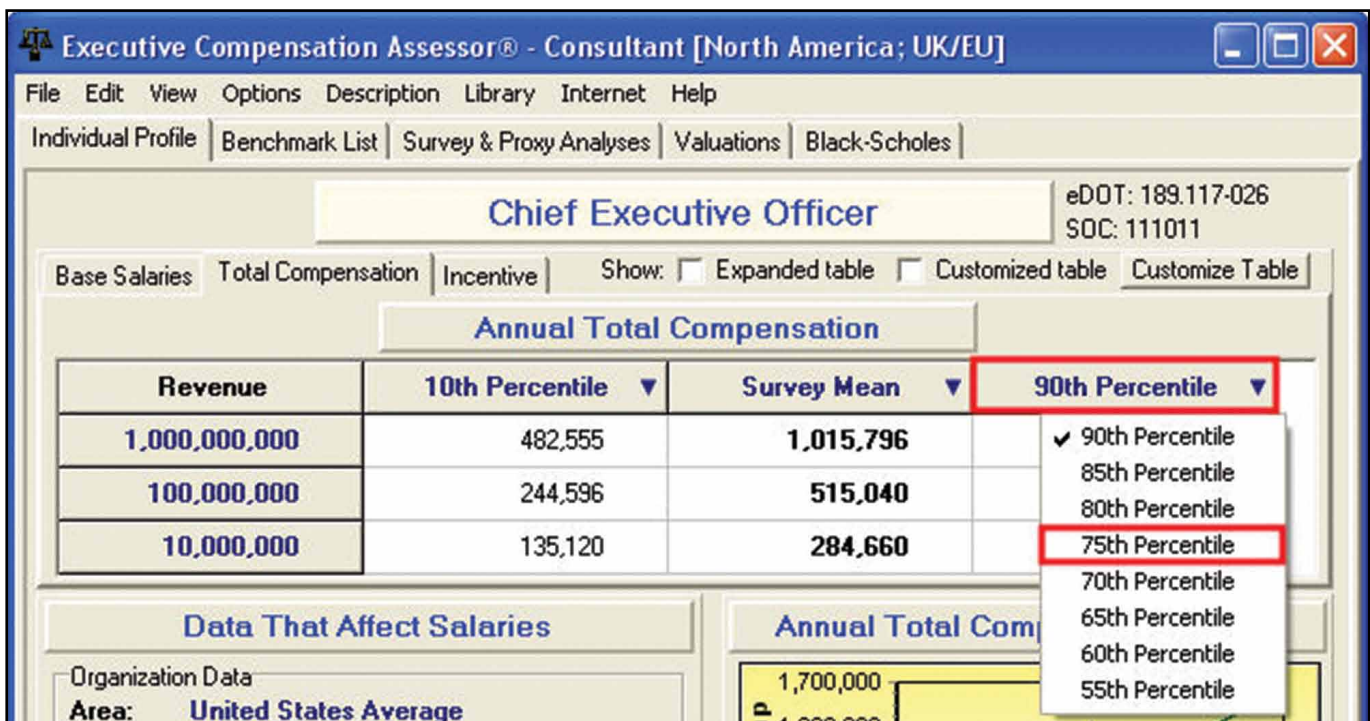
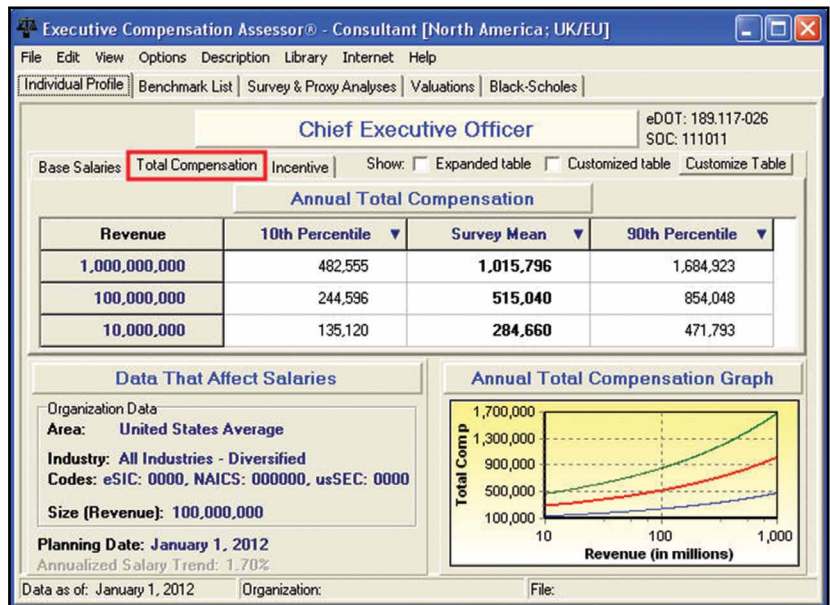
Executive Compensation Reports

ERI's software calculates competitive labor market levels for the executive employee based on composite results of executive compensation surveys, proxy statements, and annual reports.

Toggle between base salary, total cash compensation, and incentive data by clicking on the appropriate tab.

Pay Strategy

The **Executive Compensation Assessor** provides ranges of compensation data, which you can adjust based on your organization's pay policy. The *Individual Profile* screen defaults to display data at the 10th percentile, survey mean (or average), and 90th percentile. If your organization wishes to pay at the 75th percentile, click on the *90th Percentile* column header. Then select *75th Percentile* from the drop-down menu to view competitive salary data at this level.



To toggle between mean (average) and median pay data, click on the **Survey Mean** column header.

EXECUTIVE COMPENSATION

Salary Structures

This software also provides a *Benchmark List* screen to streamline the creation and updating of top management salary structures. Click on this tab to input your organization's benchmark jobs and the actual salaries. The software reports average or median salaries for these positions, plus a market index comparing your organization's pay to the executive labor market. This reveals your organization's competitive position, helping you identify positions that may be underpaid and at risk for experiencing high turnover.

#	Position	ERI Survey Mean Annual Salary	Actual / Present Annual Salary	ERI Market Index
1	Chief Financial Officer	236,803		
2	Chief Human Resources Officer	206,058	215,000	104.3
3	Chief Operating Officer	261,007	255,000	97.7
4	Public Relations Director	106,818	101,000	94.6
5	Chairman of the Board & CEO	375,439	381,000	101.5

Reasonable Compensation

ERI's **Executive Compensation Assessor** software *Survey & Proxy Analyses* screen provides total compensation and maximum reasonable compensation estimates. Click on this tab to review estimated mean/median compensation and maximum reasonable compensation limits for an organization's top six positions. (Select these top positions by clicking **Edit I Job/Position** in the top menu.)

Position	Year	Annual Compensation Salary	Bonus	Total Cash Comp.	Stock Awards	Option Awards	Non-Equity Comp.	Change in Pension, etc.	All Other Comp.	Total All Comp.
Chief Executive Officer	2011									
Estimated Survey Mean Comp.		380,234	122,013	502,247	239,029	406,850	288,977	159,698	31,759	1,628,560
Maximum Reasonable Comp.		696,344	583,939	1,280,283						
Chief Operating Officer	2011									
Estimated Survey Mean Comp.		267,945	77,604	345,549	126,448	286,701	203,638	112,536	19,224	1,094,096
Maximum Reasonable Comp.		485,270	382,519	867,789						

Data as of: January 1, 2012 Organization: File:

EXECUTIVE COMPENSATION

Valuations

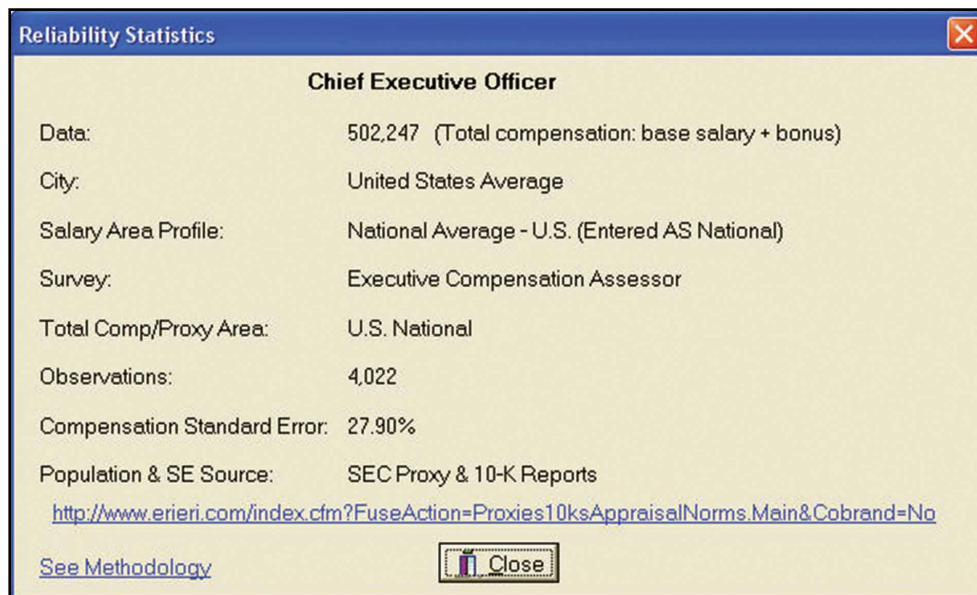
ERI compensation data is useful for the following executive compensation analyses:

- valuations (where owner/manager compensation affects stock value)
- estate planning
- appraisals
- charitable gifts
- buy/sells
- ESOP feasibility studies
- accumulated earnings
- divorce and other litigation
- insurance funding


Reliability Statistics

ERI's reporting of maximum reasonable compensation was developed with a methodology designed to support those who serve as expert witnesses in federal, tax, and state courts. ERI used IRS cases to develop a statistical definition of *maximum reasonable compensation* as the range of pay containing roughly 95% of the executive population. This applies the standard error of the distribution of observed compensation for comparable executives to show a range corresponding to approximately two standard errors above and below the mean. Since ERI observations are restricted to only the publicly disclosed executive salaries rather than the sum total of all observations from all survey sources whose updated competitive figures are reflected in the database, ERI's reliability statistics are considered to be extremely conservative.

Executive Compensation Assessor data has been successfully utilized in Federal Tax Court and has met all Daubert criteria for expert witness testimony. To view reliability statistics for the data reported, go to the *Survey & Proxy Analyses* tab and click on **View I Reliability Statistics**.



The screenshot shows a window titled "Reliability Statistics" with a close button in the top right corner. The window content is as follows:

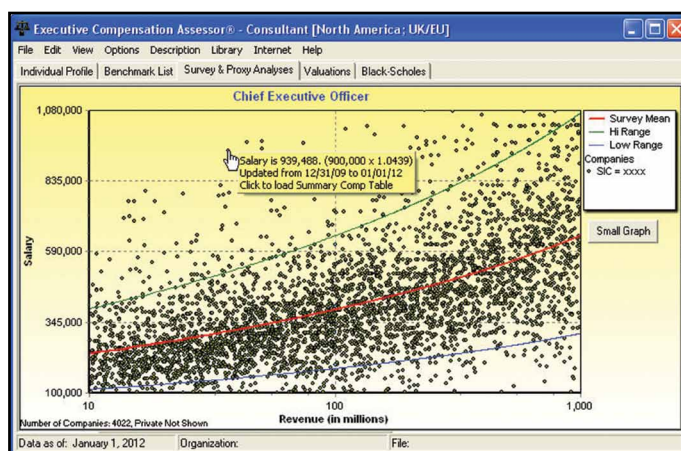
Chief Executive Officer	
Data:	502,247 (Total compensation: base salary + bonus)
City:	United States Average
Salary Area Profile:	National Average - U.S. (Entered AS National)
Survey:	Executive Compensation Assessor
Total Comp/Proxy Area:	U.S. National
Observations:	4,022
Compensation Standard Error:	27.90%
Population & SE Source:	SEC Proxy & 10-K Reports
http://www.eri.com/index.cfm?FuseAction=Proxies10ksAppraisalNorms.Main&Cobrand=No	
See Methodology	

EXECUTIVE COMPENSATION

Source Data

What sets ERI's **Executive Compensation Assessor** software apart is our sample size. ERI collects executive compensation data from salary survey sources, both public and private, in addition to proxy statements. To view a listing of many of these sources, see our Executive Salary Sources webpage or select **View I Salary Surveys** in the software's top menu.

Subscribers can also retrieve source data via the *Survey & Proxy Analyses* screen, which graphs executive pay at comparable companies. Click on a dot to view its source and the Summary Compensation Table for that organization will open in a separate screen.



Comparable Companies

Chaus Bernard Inc | Heartland, Inc. | Kewaunee Scientific Corp /De/ | Lca Vision Inc | Selected Graph Data Point

Load Full Proxy | Load Full 10-K | Load Comp Table | Search Text | Print | Save As | Copy

4 KIDS ENTERTAINMENT INC

1414 AVE OF THE AMERICAS
NEW YORK, NY 10019

Ticker:
SIC: 7313, 7319, 6794, 4833, 6022

HISTORIC SUMMARY COMPENSATION TABLE - Record Date: 04/29/2011

Name and Principal Position	Year	Salary	Bonus	Stock Awards (1)	Option Awards	All Other Compensation (2)	Total
Alfred R. Kahn, Chairman of the Board of Directors, Chief Executive Officer	2010	\$ 765,000	\$ —	\$ —	\$ —	21,979	\$ 786,979
	2009	900,000	—	72,750	—	20,098	992,848
	2008	900,000	—	392,500	—	16,770	1,309,270
Bruce R. Foster, Executive Vice President, Chief Financial Officer	2010	\$ 500,000	\$ —	\$ —	\$ —	19,979	\$ 519,979
	2009	600,000	—	27,281	—	18,098	645,379
	2008	600,000	—	117,750	—	14,770	732,520

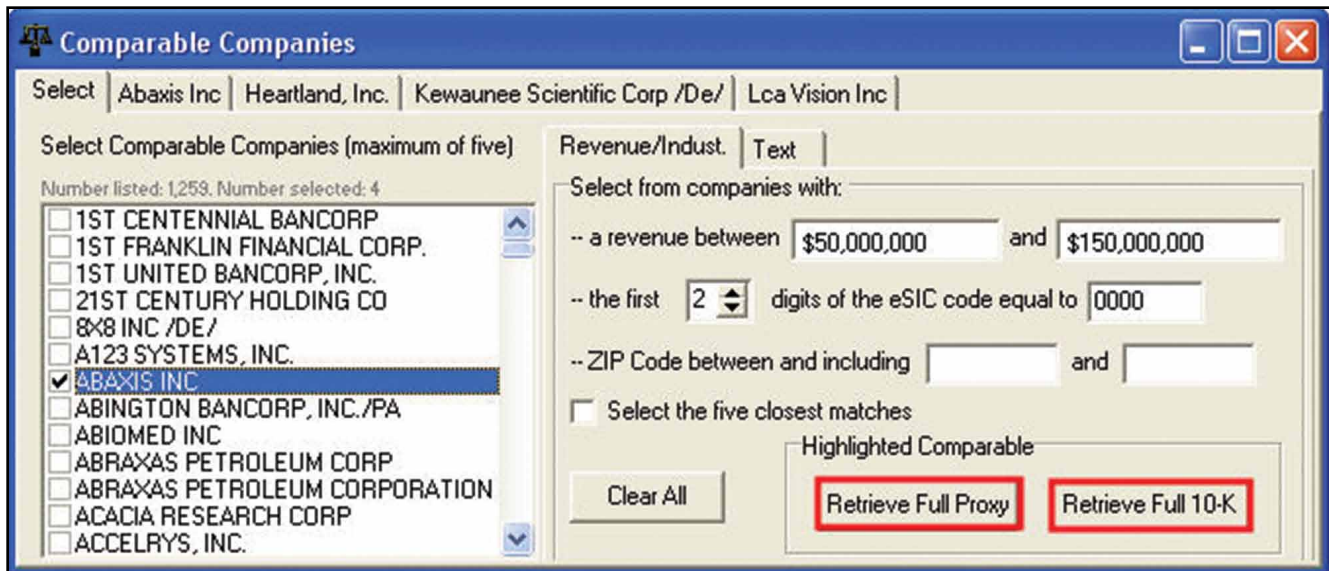
Storing Data

Executive Compensation Assessor data can be printed, emailed, saved, and exported to other applications (Word, Excel, etc.). Export the data by selecting **Edit I Copy To Clipboard I Compensation Table**.

EXECUTIVE COMPENSATION

Researching Competitors' Executive Pay

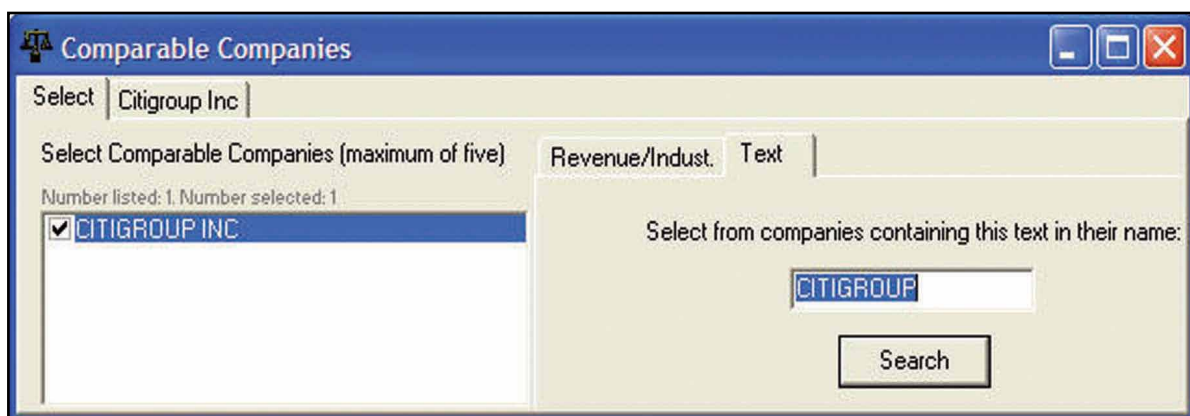
This software makes it fast and easy to preselect comparable public organizations by searching proxies according to size, industry, and location. Open the lower window called *Comparable Companies*. Then click on the **Select** tab to input your specifications.



The organizations shown in blue are the closest matches.

With an active Internet connection you can download the proxies and 10-Ks for these comparable organizations. Simply highlight an organization and click on the **Retrieve Full Proxy** or **Retrieve Full 10-K** button. Then select a year from the pop-up box.

You can also preselect a known competitor by using the Text search function to find a company by name.



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Quarterly Updates

ERI's **Executive Compensation Assessor** software is sold on an annual subscription basis.

Software quarterly updates are released in January, April, July, and October of each annual subscription year, at no extra cost. Subscribers can update their **Assessor** databases via Internet download or quarterly mailed DVDs.

Operating System Requirements

Disc Space: 98MB

RAM: 256MB

Processor Speed: 233Mhz

O/S: Windows XP, Vista, and Windows 7

Free Demonstration DVD

To download a free demo version of this software, please visit www.eri.com. This demo download provides access to a limited version of the software. If your company has firewalls or you have a slow Internet connection, please click here to request that a free ERI **Platform Library**® DVD be mailed to you.

How to Order

Place your order:

- **Online** at www.eri.com
- **By Phone** at 800.627.3697 or 425.556.0205 from North America
- **By Fax/Mail** using our Order Sheet PDF at www.eri.com/pdf/ordersheet.pdf.

More Questions?

Please email questions to: info.eri@eri.com or call us toll free at 800.627.3697.

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WHY SUBSCRIBE TO ERI?

ERI Economic Research Institute is a world leader in compensation survey data. Since 1987, we have published updated consensus reports of competitive wages and salaries covering the United States, Canada, and the European Union. Our cost-of-living reports cover every major city in the world for relocation applications and family expenditure budget projections.

What Compensation Surveys Do You Provide?

We are primarily a data, research, and compensation analytics company that provides market analyses via our compensation survey software. Our survey library includes thousands of published cost-of-living and compensation surveys from around the world. Our compensation survey databases combine public and private surveys covering every industry by SIC and NAICS code.

We conduct surveys ourselves that are not already done by other research bodies. For example, we analyze Securities Exchange Commission (SEC) pay information, including proxies, 10Ks, and compensation tables covering executive compensation at public corporations. We report this data to our subscribers via our **Executive Compensation Assessor** software. This software provides unlimited analyses of executive compensation at for-profit organizations. Its companion product, the **Nonprofit Comparables Assessor** software, provides executive compensation data for tax-exempt organizations (including Form 990 extracts since 2000).

What Compensation Survey Sources Does ERI Use?

In addition to collecting thousands of published compensation surveys, ERI analyzes compensation data on specific benchmark jobs from the following sources: Chambers of Commerce, trade associations, consulting firms, the IRS, and the SEC. You can view many of our survey sources by visiting ERI's **Survey Sources** webpage.

What is ERI's Reputation?

Our subscribers have included Human Resources and corporate managers as well as federal/state/provincial agencies (e.g., the CIA, IRS, NSA, DCAA, UN, US and Canadian militaries). For example, the US Department of Interior uses ERI's **Salary Assessor** software to police contracts, ensure compliance, and assure that bid rates are based on rational pay predictions and the ability to attract employees. Most US Fortune 500 companies rely on ERI research products to establish their organizations' salaries, cost-of-living allowances, and relocation costs. In addition, compensation consultants, forensic economists, CPAs, law firms, disability carriers, career counselors, and academic researchers utilize ERI compensation survey data and cost-of-living adjustment estimates.

This is all we do — publish the most current and complete summary of competitive salary and cost-of-living information in fast, secure, and portable software databases that are updated every quarter.

Assessor Series software databases are designed for professional use by the compensation and Human Resource specialists for whom we are a research outsource. We license individual users rather than companies or computers, and we offer unlimited training to all licensed subscribers. For a list of online courses that provide instruction on our compensation survey software, see the ERI Distance Learning Center at www.eridlc.com. Free online tutorials and teleconference training sessions are also available to our subscribers at www.erieri.com.

How Can I Try Out ERI Products?

You can download free demos of our compensation survey software from ERI's website, where you can also explore our **Free Compensation Resources**. Please call if you have any further questions or would like to place an order. ERI Subscriber Services is available at 800.627.3697 or by emailing info.eri@erieri.com.

ERI COMPENSATION PRODUCTS

In addition to the **Executive Compensation Assessor** software, ERI provides a full suite of products that include:

Salary Assessor® Software

HR professionals set salaries for over 6,600 positions in the US, Canada, and Europe using this reliable salary survey database. Salary levels are calculated based on user input for position, industry, location, pay strategy, employee experience level, and salary planning date. A *Benchmark Listing* screen helps users quickly update salary structures using current labor market data for industry-specific benchmark jobs. A *Geographic List* screen contrasts salaries for a single position in up to 99 locations at once.

Geographic Assessor® Software

Fortune 500 companies utilize ERI's labor cost calculator to design branch office salary structures that are fair and competitive. This desktop software reports geographic salary and cost-of-living differentials for nearly 7,000 US and Canadian locations. A European edition covers over 1,300 locations.

Relocation Assessor® Software

ERI's relocation calculator compares cost-of-living levels in over 11,500 locations worldwide. This software enables users to set employee relocation allowances using the most up-to-date cost-of-living information available. Relocation allowances are calculated based on user input for employee earnings level, family size, home ownership, and spending patterns. Additional screens provide per diem rates and compare the cost of living in up to 99 locations at once.

Nonprofit Comparables Assessor™ Software

Tax-exempt organizations use this software to set competitive executive salaries, assess reasonableness of pay, and review comparable organizations' executive pay packages and financial statements. Utilized by the IRS and NY State Attorney General, ERI is a trusted source of executive compensation data.

Occupational Assessor® Software (eDOT®)

This job analysis software provides ready-made job descriptions for over 18,900 position titles. The **enhanced Dictionary of Occupational Titles** enables users to create custom job analysis reports for compensation and career planning. Alternative work opportunities are calculated based on user input for an individual's education, work history, interests, physical capabilities, and cognitive/emotional limitations. This software also provides an FLSA module to determine a position's eligibility for overtime pay.

ERI Distance Learning Center (DLC)

ERI's Human Resources education website offers over 50 online courses at www.eridlc.com. Each course lasts 1-2 hours and focuses on a unique topic in compensation and benefits administration. Courses provide the following types of continuing education credit: PHR/SPHR/GPHR, CBP/CCP/GRP, CPE, CE, and CRCC.

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