



Hutchison Law Group



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2011 ANNUAL COMPENSATION SURVEY

Venture-Backed Technology & Life Science Companies in North Carolina

Hutchison Law Group – Driven by Our Clients' SuccessSM
hutchlaw.com

Carlyle & Conlan – Meeting the Demand for Experienced ProfessionalsSM
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Disclaimer

This survey has been compiled by Hutchison Law Group and Carlyle & Conlan. This report should be used only as one of many factors in determining appropriate levels of compensation for certain employee positions.

Please note that all compensation data within this report is subject to statistical bias based on the relatively small number of responses received.

Confidentiality

Hutchison Law Group and Carlyle & Conlan recognize the importance of confidentiality regarding compensation data. As a result, only the aggregate results of these surveys have been disclosed, and all individual responses have been kept anonymous and treated as confidential.

Distribution

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INTRODUCTION

Purpose

One of the key issues for North Carolina companies is attracting and retaining top-level executives. While a number of compensation surveys are undertaken each year, this survey is intended to specifically address the unique North Carolina market for venture-backed technology and life science companies.

Hutchison Law Group and Carlyle & Conlan have produced this report as a service to our clients and the entrepreneurial community.

Participant Profile

The 2011 compensation survey questionnaire was sent to over 230 companies and a total of 40 responded. These emerging growth companies, based in North Carolina, have received equity financing from an institutional investor or have received equity financing of at least \$500,000 from angel investors.

Hutchison Law Group and Carlyle & Conlan requested information regarding general employee policies, benefits and compensation data for the following executive positions:

- * Chief Executive Officer
- * Chief Financial Officer
- * Chief Operating Officer
- * Chief Technology Officer
- * Chief Scientific Officer
- * Chief Medical Officer
- * Vice President of Engineering
- * Vice President of Business Development
- * Vice President of Sales
- * Vice President of Marketing
- * Vice President of Human Resources
- * Controller

We requested information regarding the Board of Directors and Board of Advisors and information regarding trends.

It is our intention to compile this report and distribute the results on an annual basis. We strive annually to improve the breadth of the information reported. In this year's survey, we have added new positions (Chief Medical Officer and Controller), trend information on equity incentive plan offerings and 2012 anticipated fundraising efforts, general trend information gathered through research, and an interview with an industry veteran. It is our honor to produce this survey and we encourage comments and questions on the information contained within it, in addition to suggestions related to future reports.

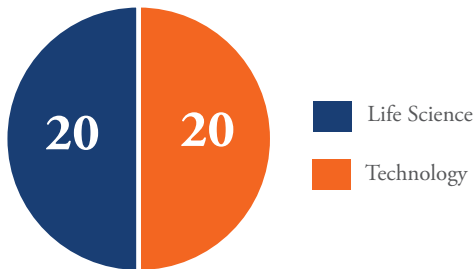
Questions or Additional Information

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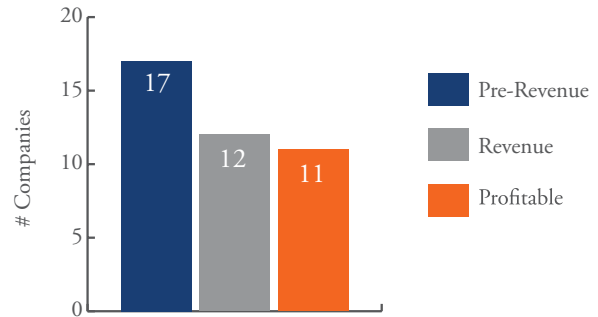
Please note that all figures are based on data provided from the year 2011, unless otherwise indicated.

OVERVIEW OF PARTICIPATING COMPANIES

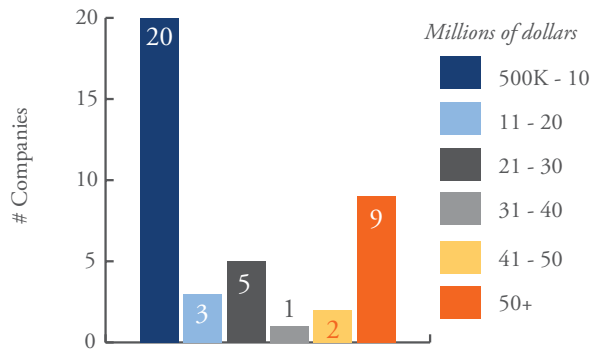
Industry



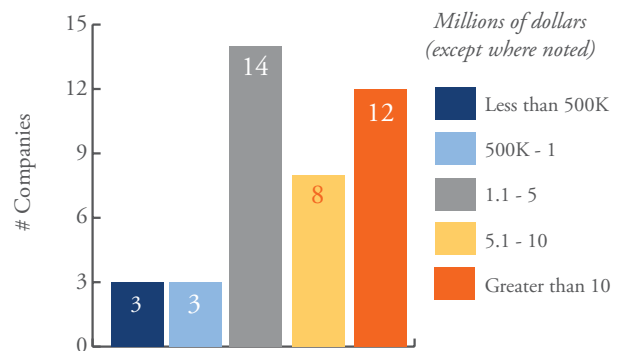
Stage of Development



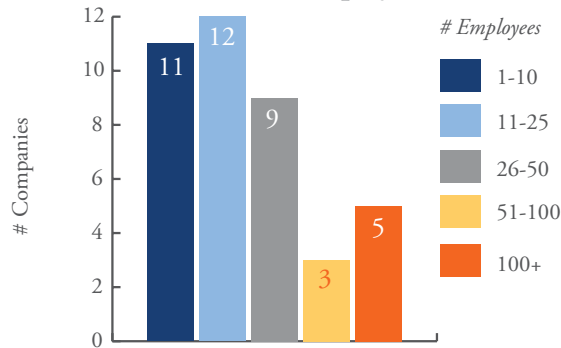
Total Equity Financing



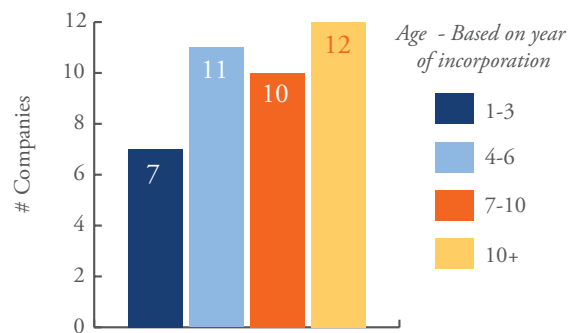
2011 Operating Budget



Number of Employees



Company Age



90

Percentage of respondents offering equity through an incentive plan designed to attract, retain and motivate service providers

33

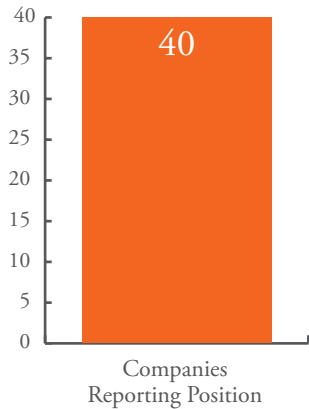
Percentage of respondents reporting on the fully diluted equity reserved for issuance under the plan

3-30% Fully diluted equity pool size

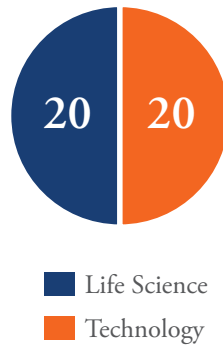
13.1% Mean **15%** Median

CHIEF EXECUTIVE OFFICER

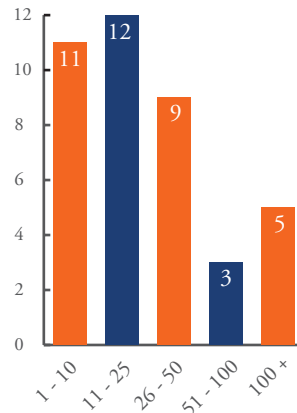
Total Responses



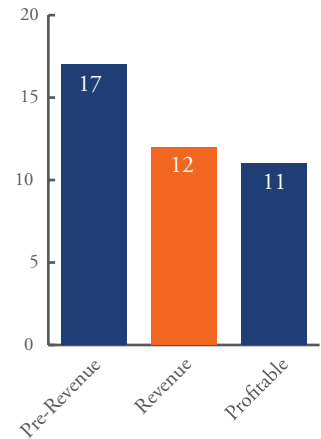
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



70 Percentage of respondents eligible for an annual bonus

39 Average annual bonus as a percentage of salary awarded in 2010

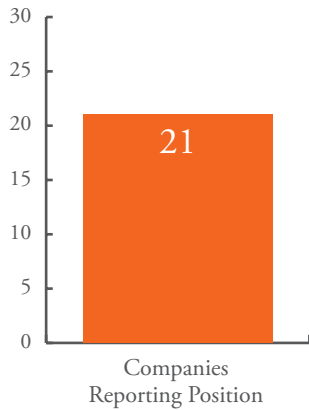
53 Percentage of respondents with a pre-negotiated severance arrangement

	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	223,869	225,000	0 - 432,782	92,888	100,000	10,000 - 216,391	18.32	8.84	0.00 - 100.00
Founder									
Executive also a Founder	204,029	199,000	0 - 415,000	83,029	100,000	10,000 - 175,000	26.95	15.42	3.00 - 100.00
Executive not a Founder	256,936	250,000	110,000 - 432,782	107,208	100,000	28,500 - 216,391	4.44	5.00	0.00 - 8.00
Industry									
Technology	183,325	167,500	70,000 - 330,000	83,063	100,000	10,000 - 180,000	18.65	9.90	0.00 - 100.00
Life Science	264,413	265,500	0 - 432,782	100,734	100,000	20,000 - 216,391	18.50	8.00	2.58 - 67.00
Number of Employees									
1 to 10	150,442	150,000	0 - 266,000	28,375	26,750	10,000 - 50,000	26.18	15.84	0.00 - 67.00
11 to 25	225,083	227,500	120,000 - 358,000	82,350	69,000	20,000 - 151,000	13.15	7.50	2.58 - 45.00
26 to 50	291,420	275,000	130,000 - 432,782	120,549	110,000	20,000 - 216,391	23.89	8.50	4.03 - 100.00
51 to 100	208,300	225,000	150,000 - 249,900	103,500	103,500	100,000 - 107,000	17.33	8.00	4.00 - 40.00
100+	270,246	250,000	150,000 - 351,230	120,428	128,356	50,000 - 175,000	8.07	7.00	0.00 - 19.50
Stage of Development									
Pre-Revenue	221,414	218,256	0 - 432,782	69,366	50,000	10,000 - 216,391	18.58	8.00	2.58 - 67.00
Revenue	213,019	212,500	110,000 - 351,230	83,218	100,000	20,000 - 180,000	11.65	8.92	0.00 - 45.00
Profitable	239,500	230,000	141,600 - 350,000	126,056	120,000	69,000 - 175,000	26.17	15.00	4.00 - 100.00

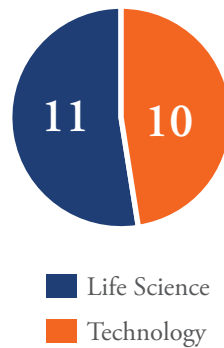
* Maximum possible values for 2011 performance were used for calculations. Mean/median data represents only those eligible. Low/High values not included where only 1 response was available.

CHIEF FINANCIAL OFFICER

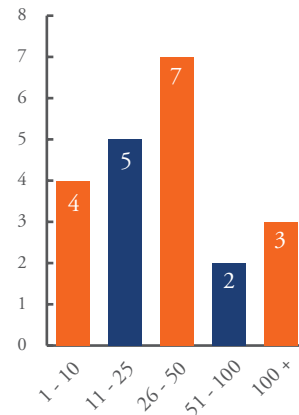
Total Responses



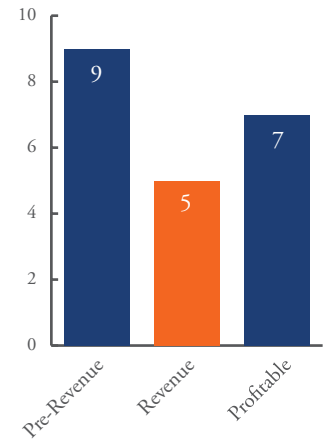
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



88

Percentage of respondents eligible for an annual bonus

31

Average annual bonus as a percentage of salary awarded in 2010

50

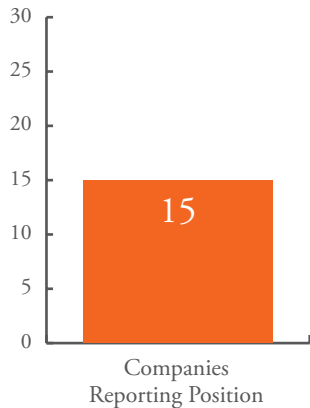
Percentage of respondents with a pre-negotiated severance arrangement

	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	170,840	180,000	0 - 274,580	60,188	52,000	26,200 - 120,000	6.60	1.23	0.28 - 100.00
Founder									
Executive also a Founder	159,400	208,000	0 - 244,000	90,667	100,000	52,000 - 120,000	19.72	2.90	1.50 - 100.00
Executive not a Founder	174,414	178,577	0 - 274,580	52,568	50,000	26,200 - 80,000	1.11	1.00	0.28 - 2.50
Industry									
Technology	137,015	167,500	0 - 225,000	60,917	51,000	40,000 - 120,000	11.54	1.75	1.00 - 100.00
Life Science	201,589	210,000	78,000 - 274,580	59,702	61,405	26,200 - 100,000	1.67	0.86	0.28 - 9.00
Number of Employees									
1 to 10	59,500	39,000	0 - 160,000	N/A	N/A	N/A - N/A	1.18	1.25	0.30 - 2.00
11 to 25	195,916	200,000	120,000 - 274,580	64,911	64,823	50,000 - 80,000	1.41	1.20	0.75 - 2.50
26 to 50	194,896	184,275	131,000 - 250,000	60,378	43,035	26,200 - 120,000	16.17	1.13	0.28 - 100.00
51 to 100	151,077	151,077	125,000 - 177,153	46,250	46,250	42,500 - 50,000	1.00	1.00	1.00 - 100.00
100+	234,540	245,621	208,000 - 250,000	62,802	61,405	52,000 - 75,000	1.98	1.84	1.20 - 2.90
Stage of Development									
Pre-Revenue	166,206	184,275	0 - 274,580	48,583	50,000	26,200 - 68,645	0.95	0.75	0.28 - 2.90
Revenue	207,924	244,000	120,000 - 250,000	69,101	68,203	40,000 - 100,000	2.64	1.67	1.20 - 9.00
Profitable	150,308	175,000	0 - 225,000	62,174	55,500	30,000 - 120,000	13.68	1.00	0.90 - 100.00

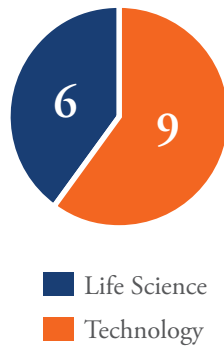
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CHIEF OPERATING OFFICER

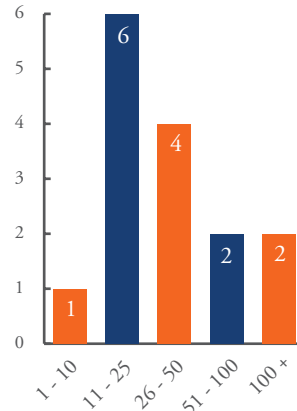
Total Responses



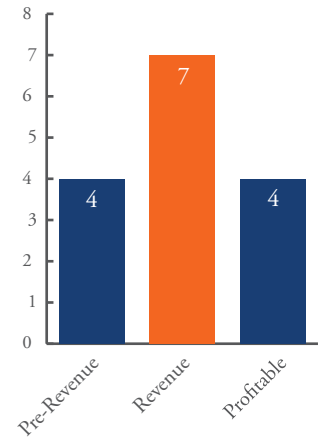
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



87 Percentage of respondents eligible for an annual bonus

30 Average annual bonus as a percentage of salary awarded for 2010

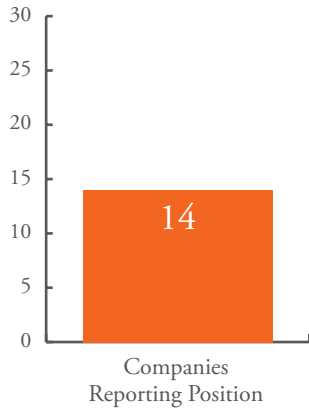
60 Percentage of respondents with a pre-negotiated severance arrangement

	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	209,674	200,000	140,000 - 298,436	64,792	57,700	20,000 - 120,000	13.90	2.50	0.00 - 100.00
Founder									
Executive also a Founder	183,800	175,000	152,000 - 225,000	61,100	43,750	20,000 - 120,000	32.27	18.00	1.39 - 100.00
Executive not a Founder	224,048	245,000	140,000 - 298,436	67,430	60,000	25,000 - 105,000	2.42	2.13	0.00 - 6.00
Industry									
Technology	197,500	190,000	140,000 - 250,000	75,625	80,000	25,000 - 120,000	16.09	3.25	0.00 - 100.00
Life Science	225,906	230,500	152,000 - 298,436	53,960	53,700	20,000 - 80,000	10.40	1.52	1.10 - 30.00
Number of Employees									
1 to 10	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
11 to 25	207,906	177,500	152,000 - 298,436	43,752	43,750	20,000 - 74,609	8.21	6.00	1.10 - 11.94
26 to 50	234,000	237,500	200,000 - 261,000	88,000	90,000	52,000 - 12,000	33.51	16.25	1.52 - 100.00
51 to 100	192,500	192,500	140,000 - 245,000	82,500	82,500	60,000 - 105,000	2.13	2.13	2.00 - 2.25
100+	183,750	183,750	167,500 - 200,000	N/A	N/A	N/A - N/A	0.70	0.70	0.00 - 1.39
Stage of Development									
Pre-Revenue	278,812	277,000	261,000 - 298,436	60,670	55,400	52,000 - 74,609	1.31	1.31	1.10 - 1.52
Revenue	184,143	175,000	152,000 - 250,000	46,100	41,750	20,000 - 100,000	6.26	4.00	0.00 - 18.00
Profitable	202,500	212,500	140,000 - 245,000	91,250	92,500	60,000 - 120,000	33.56	16.13	2.00 - 100.00

* Maximum possible values for 2011 performance were used for calculations. Mean/median data represents only those eligible. Low/High values not included where only 1 response was available.

CHIEF TECHNOLOGY OFFICER

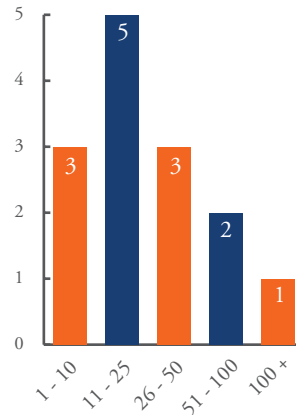
Total Responses



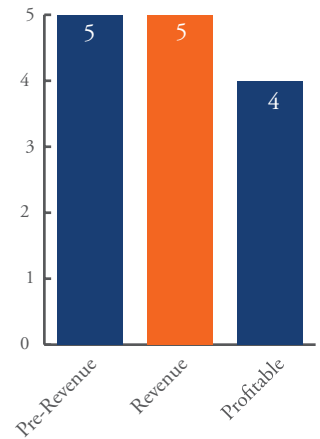
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



62 Percentage of respondents eligible for an annual bonus

29 Average annual bonus as a percentage of salary awarded in 2010

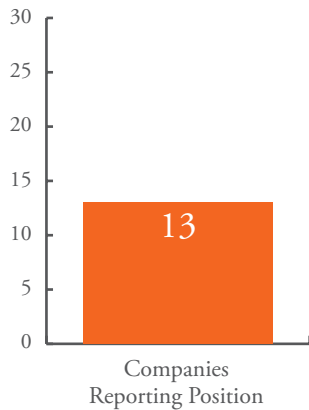
30 Percentage of respondents with a pre-negotiated severance arrangement

	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	155,629	157,500	0 - 230,000	54,200	40,000	15,000 - 120,000	7.63	4.52	0.50 - 25.00
Founder									
Executive also a Founder	146,111	145,000	0 - 225,000	77,667	73,000	40,000 - 120,000	12.12	8.00	4.00 - 25.00
Executive not a Founder	172,760	200,000	100,800 - 230,000	36,600	30,700	15,000 - 70,000	1.34	1.00	0.50 - 3.00
Industry									
Technology	167,600	170,000	100,800 - 230,000	54,200	40,000	15,000 - 120,000	6.05	4.00	0.50 - 25.00
Life Science	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Number of Employees									
1 to 10	76,933	100,800	0 - 130,000	N/A	N/A	N/A - N/A	12.17	9.80	1.70 - 25.00
11 to 25	171,000	170,000	130,000 - 210,000	49,000	49,000	25,000 - 73,000	4.38	4.52	0.50 - 8.00
26 to 50	193,333	225,000	125,000 - 230,000	68,333	70,000	15,000 - 120,000	2.00	2.00	1.00 - 3.00
51 to 100	152,500	152,500	130,000 - 175,000	40,000	N/A	N/A - N/A	16.50	16.50	8.00 - 25.00
100+	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Stage of Development									
Pre-Revenue	128,600	130,000	0 - 208,000	36,400	N/A	N/A - N/A	10.83	8.90	0.50 - 25.00
Revenue	174,000	170,000	125,000 - 230,000	36,667	25,000	15,000 - 70,000	3.51	3.00	0.50 - 8.00
Profitable	166,450	170,000	100,800 - 225,000	77,667	73,000	40,000 - 120,000	10.23	4.00	1.70 - 25.00

* Maximum possible values for 2011 performance were used for calculations. Mean/median data represents only those eligible. Low/High values not included where only 1 response was available.

CHIEF SCIENTIFIC OFFICER

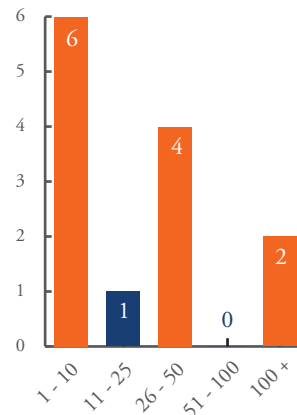
Total Responses



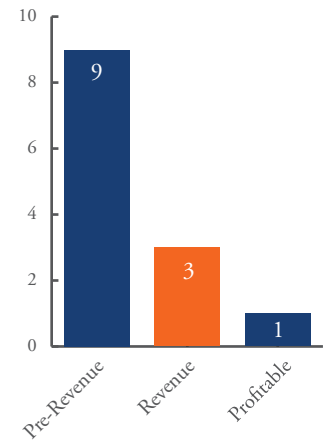
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



54 Percentage of respondents eligible for an annual bonus

30 Average annual bonus as a percentage of salary awarded in 2010

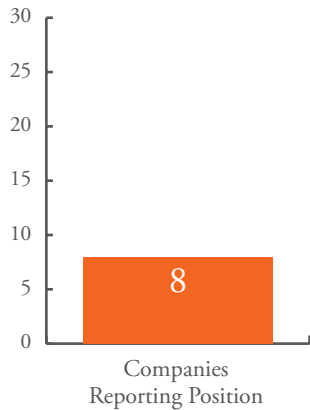
46 Percentage of respondents with a pre-negotiated severance arrangement

	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	191,130	206,000	0 - 405,000	64,536	67,827	20,000 - 103,128	5.34	2.03	0.23 - 10.00
Founder									
Executive also a Founder	171,379	200,000	0 - 405,000	64,376	70,000	20,000 - 103,128	9.60	7.00	2.00 - 25.00
Executive not a Founder	214,173	221,000	102,732 - 271,308	64,657	64,814	47,000 - 82,000	1.08	1.16	0.23 - 2.06
Industry									
Technology	150,000	150,000	50,000 - 250,000	45,000	45,000	20,000 - 70,000	6.00	6.00	2.00 - 10.00
Life Science	198,608	206,000	0 - 405,000	72,351	67,827	47,000 - 130,128	5.12	1.76	0.23 - 25.00
Number of Employees									
1 to 10	102,789	76,366	0 - 264,000	N/A	N/A	N/A - N/A	8.55	7.00	0.23 - 25.00
11 to 25	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
26 to 50	296,413	272,326	236,000 - 405,000	73,376	70,000	47,000 - 103,128	2.68	2.06	2.00 - 3.98
51 to 100	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
100+	238,654	238,654	206,000 - 271,308	64,814	64,814	61,800 - 67,827	1.31	1.31	1.16 - 1.45
Stage of Development									
Pre-Revenue	172,487	200,000	0 - 405,000	56,709	47,000	20,000 - 103,128	6.97	3.98	0.23 - 25.00
Revenue	242,436	250,000	206,000 - 271,308	66,542	67,827	61,800 - 70,000	1.54	1.45	1.16 - 2.00
Profitable	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A

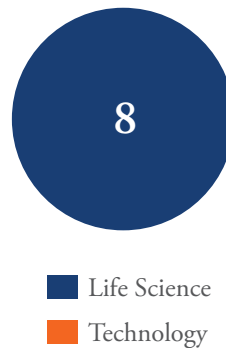
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CHIEF MEDICAL OFFICER

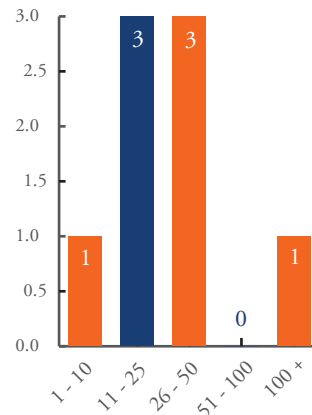
Total Responses



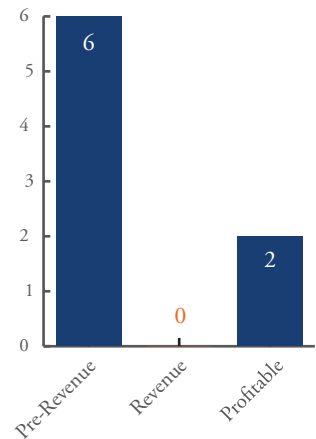
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



75 Percentage of respondents eligible for an annual bonus

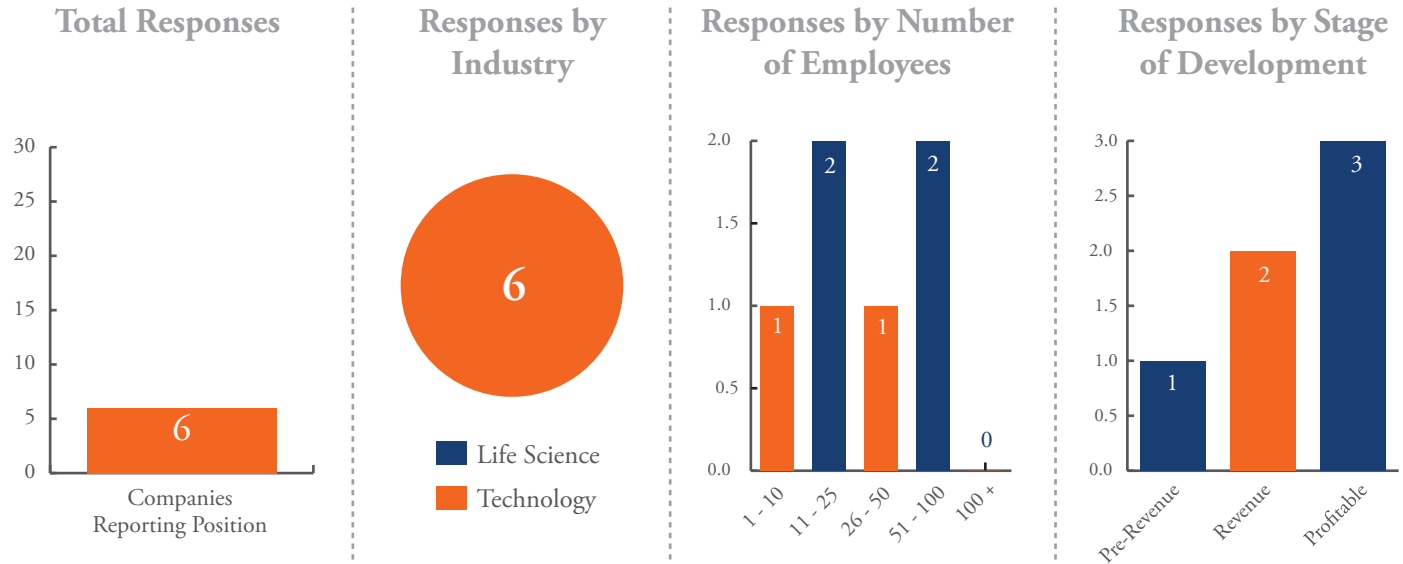
24 Average annual bonus as a percentage of salary awarded in 2010

38 Percentage of respondents with a pre-negotiated severance arrangement

	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	255,378	255,000	125,000 - 394,000	56,110	48,500	22,000 - 115,160	0.75	0.50	0.00 - 1.22
Founder									
Executive also a Founder	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Executive not a Founder	255,378	255,000	125,000 - 394,000	56,110	48,500	22,000 - 115,160	0.75	0.50	0.00 - 1.22
Industry									
Technology	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Life Science	255,378	255,000	125,000 - 394,000	56,110	48,500	22,000 - 115,160	0.75	0.50	0.00 - 1.22
Number of Employees									
1 to 10	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
11 to 25	232,000	250,000	186,000 - 260,000	45,667	50,000	22,000 - 65,000	1.01	0.75	0.29 - 2.00
26 to 50	319,342	329,027	235,000 - 394,000	81,080	81,080	47,000 - 115,160	0.86	0.86	0.50 - 1.22
51 to 100	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
100+	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Stage of Development									
Pre-Revenue	288,671	262,000	235,000 - 394,000	69,290	57,500	50,000 - 115,160	0.65	0.50	0.29 - 1.22
Revenue	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Profitable	155,500	155,500	125,000 - 186,000	29,750	29,750	22,000 - 37,500	1.00	1.00	0.00 - 2.00

* Maximum possible values for 2011 performance were used for calculations. Mean/median data represents only those eligible. Low/High values not included where only 1 response was available.

VICE PRESIDENT OF ENGINEERING



50 Percentage of respondents eligible for an annual bonus

22 Average annual bonus as a percentage of salary awarded in 2010

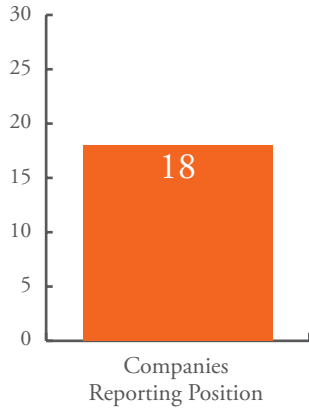
17 Percentage of respondents with a pre-negotiated severance arrangement

	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	156,667	152,500	120,000 - 195,000	35,667	30,000	20,000 - 57,000	2.33	0.72	0.25 - 2.00
Founder									
Executive also a Founder	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Executive not a Founder	162,000	165,000	120,000 - 195,000	35,667	30,000	20,000 - 57,000	0.84	0.50	0.25 - 9.80
Industry									
Technology	156,667	152,500	120,000 - 195,000	35,667	30,000	20,000 - 57,000	2.33	0.72	0.25 - 2.00
Life Science	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Number of Employees									
1 to 10	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
11 to 25	142,500	142,500	120,000 - 165,000	N/A	N/A	N/A - N/A	0.72	0.72	0.50 - 0.94
26 to 50	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
51 to 100	165,000	165,000	140,000 - 190,000	43,500	43,500	30,000 - 57,000	0.38	0.38	0.25 - 0.50
100+	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Stage of Development									
Pre-Revenue	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Revenue	142,500	142,500	120,000 - 165,000	N/A	N/A	N/A - N/A	0.72	0.72	0.50 - 0.94
Profitable	175,000	190,000	140,000 - 195,000	43,500	43,500	20,000 - 57,000	0.92	0.50	0.25 - 2.00

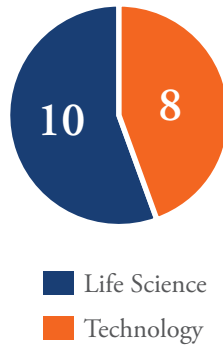
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VICE PRESIDENT OF BUSINESS DEVELOPMENT

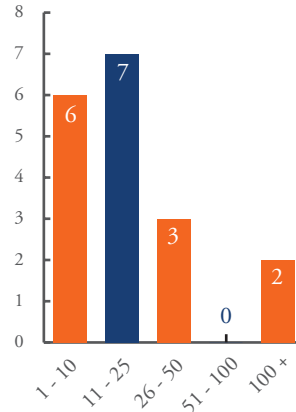
Total Responses



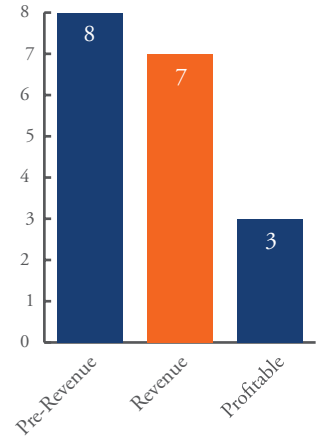
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



67 Percentage of respondents eligible for an annual bonus

33 Average annual bonus as a percentage of salary awarded in 2010

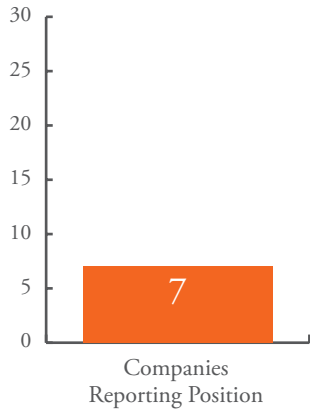
22 Percentage of respondents with a pre-negotiated severance arrangement

	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	161,099	162,500	60,000 - 293,789	62,330	60,000	10,000 - 102,826	2.58	1.16	0.00 - 18.00
Founder									
Executive also a Founder	168,333	175,000	120,000 - 210,000	N/A	N/A	N/A - N/A	9.30	6.91	3.00 - 18.00
Executive not a Founder	159,653	150,000	60,000 - 293,789	63,563	60,150	10,000 - 102,826	1.03	0.96	0.00 - 2.00
Industry									
Technology	123,125	120,000	60,000 - 185,000	63,333	60,000	50,000 - 80,000	2.26	1.50	0.12 - 6.91
Life Science	191,479	200,000	120,000 - 293,789	61,953	57,650	10,000 - 102,826	2.82	0.73	0.00 - 18.00
Number of Employees									
1 to 10	120,000	120,000	60,000 - 210,000	N/A	N/A	N/A - N/A	3.94	1.41	0.70 - 18.00
11 to 25	175,714	185,000	120,000 - 200,000	61,000	55,000	40,000 - 80,000	2.59	2.00	0.32 - 6.91
26 to 50	174,798	162,500	115,000 - 293,789	78,565	80,000	50,000 - 102,826	1.75	2.00	0.73 - 3.00
51 to 100	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
100+	195,500	195,500	190,000 - 201,000	53,900	53,900	47,500 - 60,300	0.48	0.48	0.00 - 0.96
Stage of Development									
Pre-Revenue	177,974	165,000	120,000 - 293,789	51,957	47,500	10,000 - 102,826	3.39	0.73	0.32 - 18.00
Revenue	152,286	175,000	80,000 - 201,000	59,560	60,000	47,500 - 80,000	2.20	1.50	0.00 - 6.91
Profitable	136,667	150,000	60,000 - 200,000	90,000	90,000	80,000 - 100,000	1.06	1.06	0.12 - 2.00

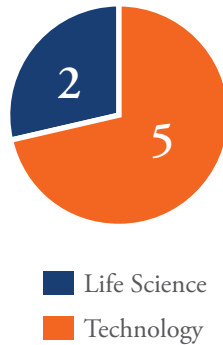
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VICE PRESIDENT OF SALES

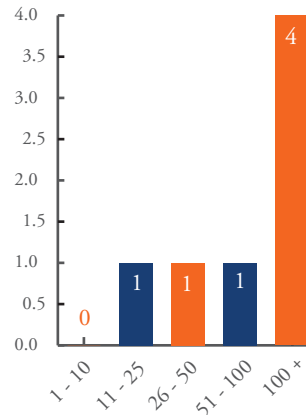
Total Responses



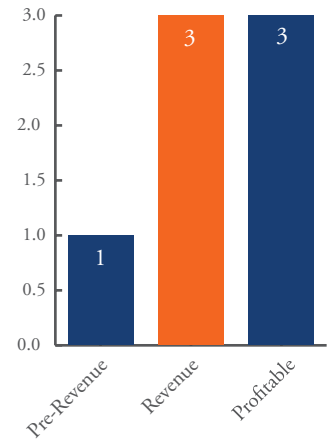
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



86 Percentage of respondents eligible for an annual bonus

58 Average annual bonus as a percentage of salary awarded in 2010

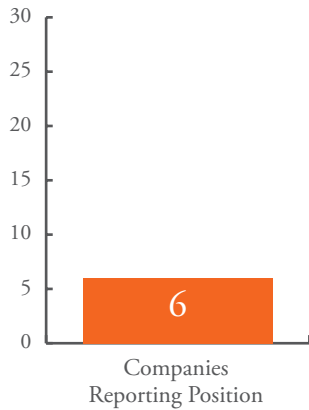
57 Percentage of respondents with a pre-negotiated severance arrangement

	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	170,468	171,600	150,000 - 221,676	94,250	100,000	52,500 - 143,000	0.43	0.30	0.00 - 1.00
Founder									
Executive also a Founder	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Executive not a Founder	171,600	173,300	150,000 - 221,676	102,600	100,000	70,000 - 143,000	0.52	0.50	0.00 - 1.00
Industry									
Technology	164,320	171,600	150,000 - 175,000	102,600	100,000	70,000 - 143,000	0.63	0.75	0.00 - 1.00
Life Science	185,838	185,838	150,000 - 221,676	N/A	N/A	N/A - N/A	0.05	0.05	0.00 - 0.09
Number of Employees									
1 to 10	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
11 to 25	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
26 to 50	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
51 to 100	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
100+	179,569	173,300	150,000 - 221,676	88,500	70,000	52,500 - 143,000	0.32	0.09	0.00 - 0.50
Stage of Development									
Pre-Revenue	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Revenue	190,559	175,000	175,000 - 221,676	85,000	85,000	70,000 - 100,000	0.05	0.05	0.00 - 0.09
Profitable	150,000	150,000	150,000 - 150,000	84,167	100,000	52,500 - 100,000	0.67	1.00	0.00 - 1.00

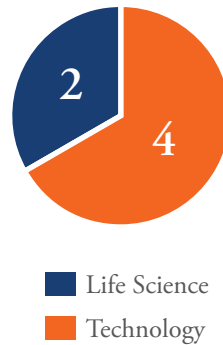
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VICE PRESIDENT OF MARKETING

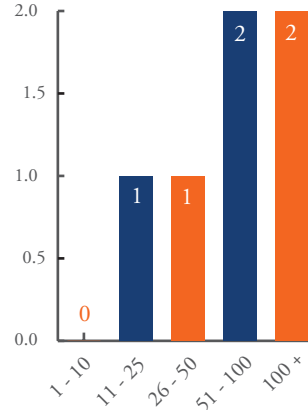
Total Responses



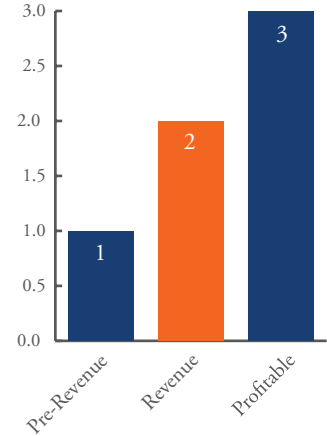
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



83 Percentage of respondents eligible for an annual bonus

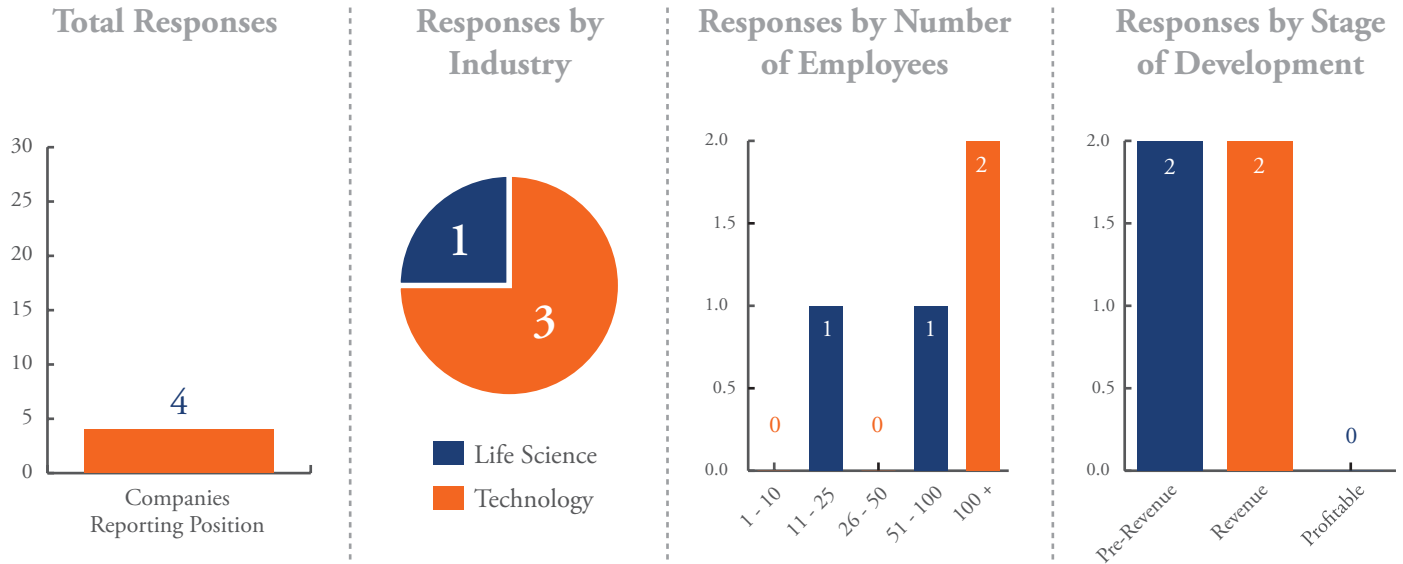
27 Average annual bonus as a percentage of salary awarded in 2010

40 Percentage of respondents with a pre-negotiated severance arrangement

	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	156,350	158,050	125,000 - 182,000	42,500	39,500	25,000 - 78,000	1.11	0.95	0.50 - 2.00
Founder									
Executive also a Founder	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Executive not a Founder	156,020	158,099	125,000 - 182,000	43,250	35,000	25,000 - 78,000	0.98	0.90	0.50 - 2.00
Industry									
Technology	157,525	161,550	125,000 - 182,000	47,667	40,000	25,000 - 78,000	0.98	0.70	0.50 - 2.00
Life Science	154,000	154,000	150,000 - 158,000	34,750	34,750	30,000 - 39,500	1.38	1.38	1.00 - 1.76
Number of Employees									
1 to 10	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
11 to 25	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
26 to 50	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
51 to 100	141,550	141,550	125,000 - 158,099	32,500	32,500	25,000 - 40,000	0.50	0.50	N/A - N/A
100+	170,000	170,000	158,000 - 182,000	58,750	58,750	39,500 - 78,000	1.33	1.38	0.90 - 1.76
Stage of Development									
Pre-Revenue	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Revenue	161,500	161,500	158,000 - 165,000	N/A	N/A	N/A - N/A	1.88	1.88	1.76 - 2.00
Profitable	144,367	150,000	125,000 - 150,000	31,667	30,000	25,000 - 40,000	0.67	0.50	0.50 - 1.00

* Maximum possible values for 2011 performance were used for calculations. Mean/median data represents only those eligible. Low/High values not included where only 1 response was available.

VICE PRESIDENT OF HUMAN RESOURCES



50 Percentage of respondents eligible for an annual bonus

25 Average annual bonus as a percentage of salary awarded in 2010

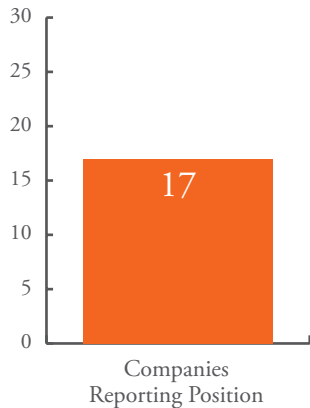
50 Percentage of respondents with a pre-negotiated severance arrangement

	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	120,625	131,250	60,000 - 160,000	37,500	37,500	35,000 - 40,000	0.36	0.25	0.06 - 0.40
Founder									
Executive also a Founder	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Executive not a Founder	120,625	131,250	60,000 - 160,000	37,500	37,500	35,000 - 40,000	0.36	0.28	0.06 - 0.40
Industry									
Technology	107,500	117,500	60,000 - 145,000	35,000	N/A	N/A - N/A	0.20	0.15	0.06 - 0.40
Life Science	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Number of Employees									
1 to 10	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
11 to 25	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
26 to 50	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
51 to 100	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
100+	152,500	152,500	145,000 - 160,000	37,500	37,500	35,000 - 40,000	0.60	0.60	0.40 - 0.80
Stage of Development									
Pre-Revenue	131,250	131,250	117,500 - 145,000	35,000	N/A	N/A - N/A	0.28	0.28	0.15 - 0.40
Revenue	110,000	110,000	60,000 - 160,000	40,000	N/A	N/A - N/A	0.43	0.43	0.06 - 0.80
Profitable	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A

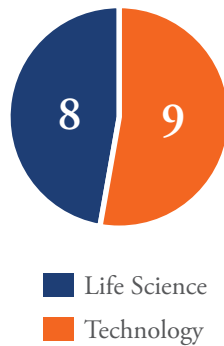
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CONTROLLER

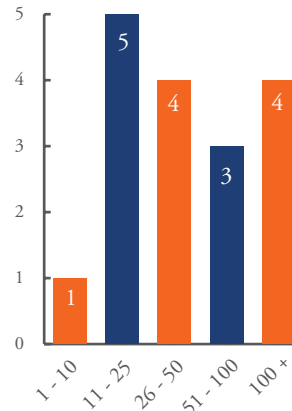
Total Responses



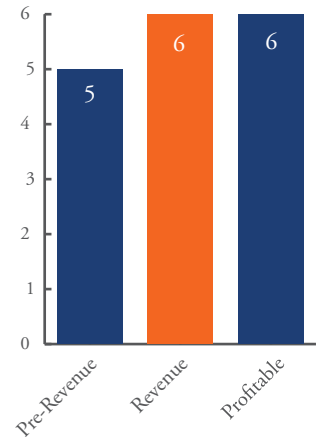
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



72 Percentage of respondents eligible for an annual bonus

27 Average annual bonus as a percentage of salary awarded in 2010

6 Percentage of respondents with a pre-negotiated severance arrangement

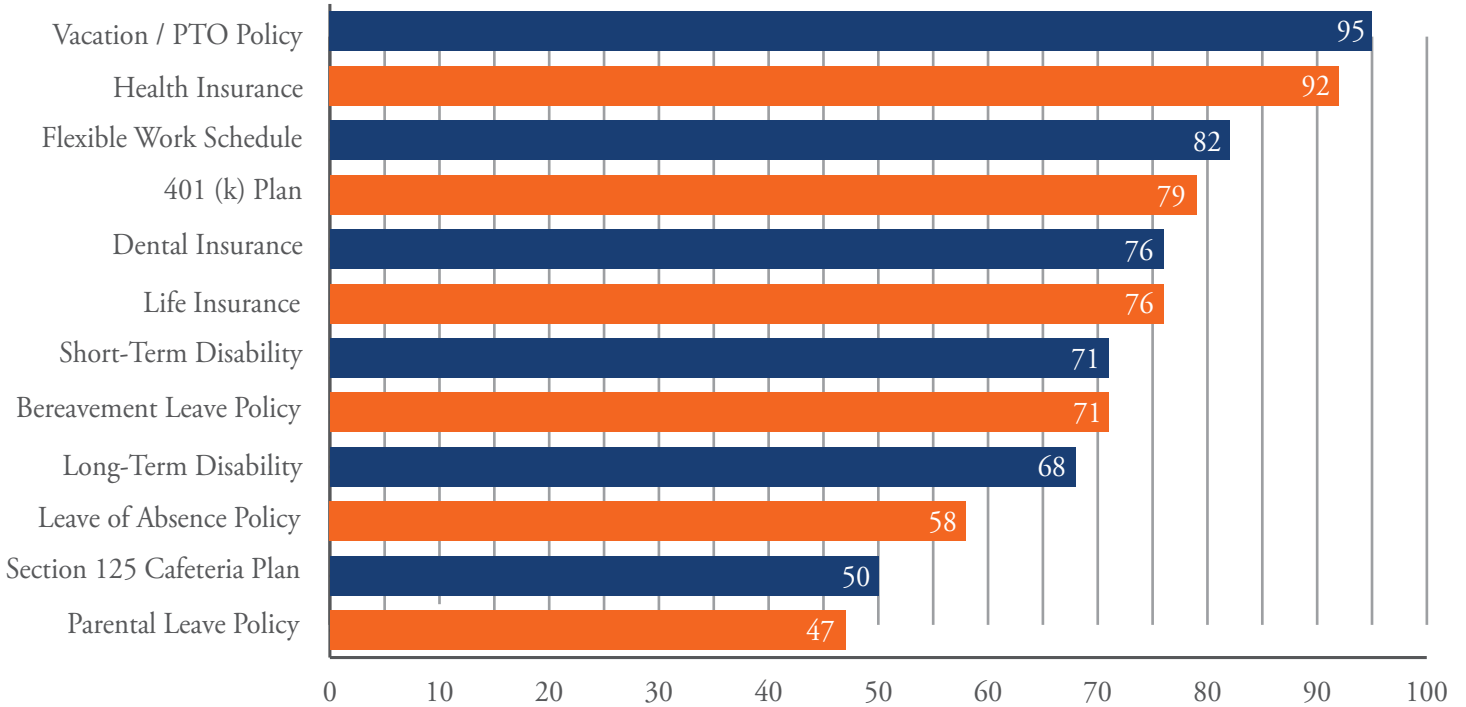
	Salary (\$)			Annual Bonus (\$) *			Equity (% of Company)		
	Mean	Median	Low - High	Mean	Median	Low - High	Mean	Median	Low - High
All Respondents	98,682	95,000	65,000 - 150,000	27,312	14,850	5,000 - 150,000	0.50	0.10	0.00 - 3.50
Founder									
Executive also a Founder	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
Executive not a Founder	98,682	95,000	65,000 - 150,000	27,312	14,850	5,000 - 150,000	0.50	0.10	0.00 - 3.50
Industry									
Technology	97,838	95,000	65,000 - 131,040	15,000	10,000	5,000 - 35,000	0.60	0.10	0.00 - 3.50
Life Science	99,631	96,025	65,000 - 150,000	35,006	19,525	5,000 - 150,000	0.38	0.09	0.00 - 0.10
Number of Employees									
1 to 10	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A	N/A	N/A	N/A - N/A
11 to 25	87,400	73,000	65,000 - 121,000	16,067	1,400	10,000 - 24,200	0.52	0.18	0.08 - 3.50
26 to 50	96,750	86,000	65,000 - 150,000	13,333	5,000	5,000 - 30,000	0.40	0.18	0.08 - 3.50
51 to 100	103,680	95,000	85,000 - 131,040	12,500	12,500	10,000 - 15,000	0.14	0.14	0.08 - 0.20
100+	112,375	111,250	99,000 - 128,000	22,963	23,425	10,000 - 35,000	0.27	0.09	0.00 - 0.10
Stage of Development									
Pre-Revenue	96,310	95,000	65,000 - 121,000	61,400	24,200	10,000 - 150,000	0.25	0.08	0.08 - 0.10
Revenue	91,167	94,500	65,000 - 115,000	13,970	10,000	5,000 - 35,000	0.56	0.10	0.00 - 3.50
Profitable	108,173	106,500	73,000 - 150,000	20,200	15,000	10,000 - 32,000	0.57	0.10	0.00 - 1.00

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GENERAL EMPLOYEE POLICIES

Employee Benefits

Percentage of Companies Offering



Trend Alert: *Unlimited Vacation*

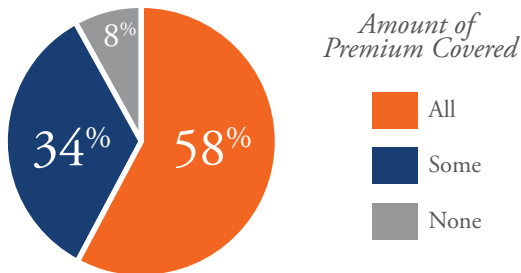
“Some employers have moved away from traditional vacation policies and implemented unlimited vacation policies for exempt employees. Employees simply take vacation time when they wish but subject to the requirements of their job.” *Bloomberg Law Reports*

GENERAL EMPLOYEE POLICIES

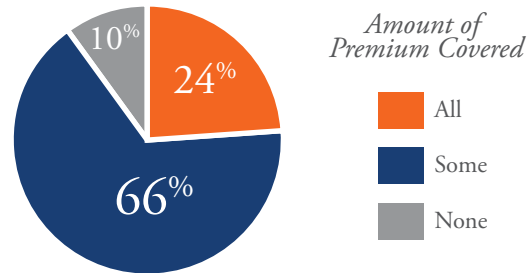
Health and Dental Benefits

Of the percentages of companies offering health and dental insurance, further details are listed below.

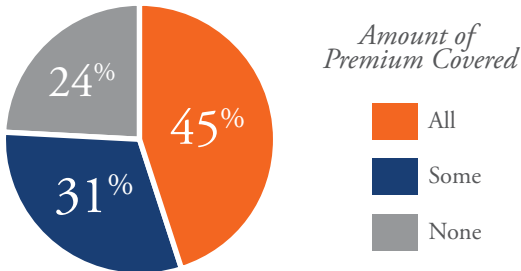
Employee Health Insurance



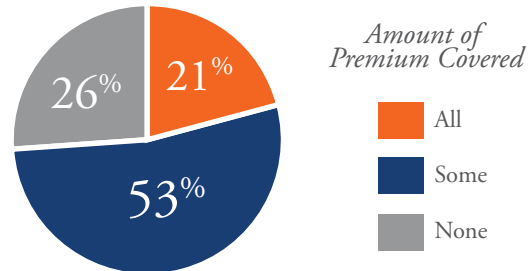
Family Health Insurance



Employee Dental Insurance



Family Dental Insurance

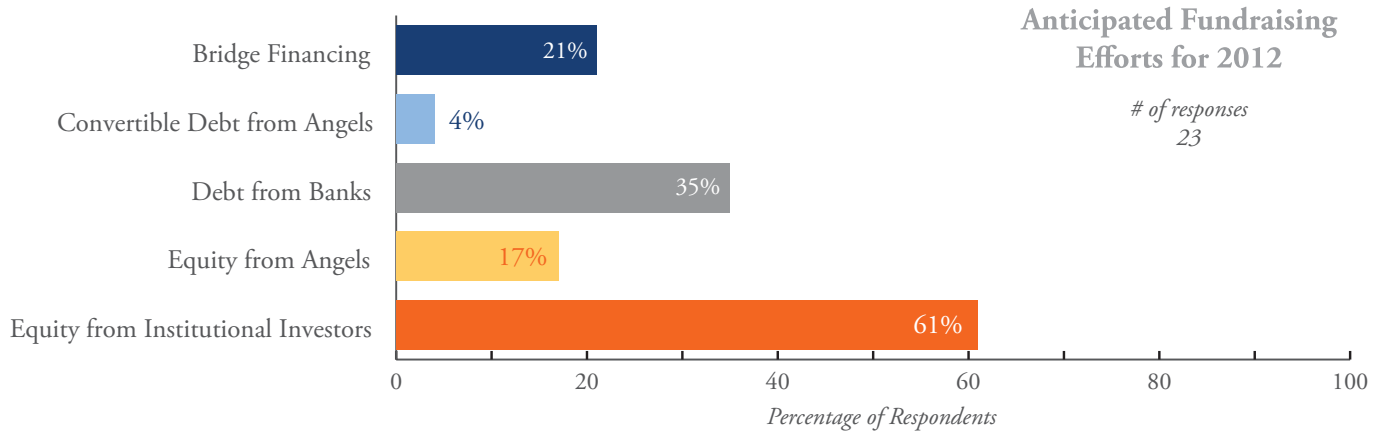


Trend Alert: *Health Benefits*

“U.S. Employers can expect to see health care costs rise by 8.5% in 2012, compared with an increase of 8% in 2011. However, mitigating changes in health benefit plan designs, including increased cost-sharing with employees, could keep employers’ cost increases to an average of 7% in 2012.” *Corporate One Benefits Agency, Inc.*

TRENDS AND FORECASTS

Fundraising



\$3,875,000 *Average total dollars anticipated from 2012 Fundraising Efforts*

Ask an Expert

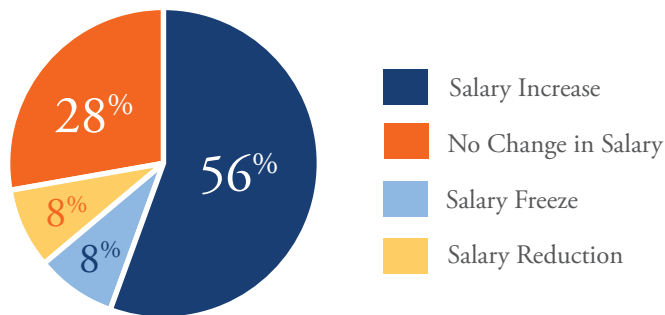
“In the private company sector, there used to be little cash compensation coupled with a high degree of equity, usually in the form of stock options. While equity is still the pre-dominant compensation used by private companies, there is a growing trend toward the use of cash that reflects the longer trajectory toward a liquidity event. Additionally, larger pre-IPO organizations may be thinking about using private stock as a method to compete against public competitors. There are a whole host of issues that a company may face with this type of strategy including taxable vesting events and the relative lack of liquid markets for companies that are non-public. The use of bonus programs are permeating through various organizational ranks, aside from the executive suite, and have moved away from discretionary bonuses to plans that apply more rigorous metrics to these programs. Private companies continue to compensate non-investor directors with equity in the range of 1/10th to ¼ of a percent stock option grant. Additionally, many venture backed companies have developed formal compensation committees at earlier stages in their development so there is a more formal approach than in prior years. Companies should, from a governance perspective, consider getting ready for IPO 12-24 months ahead of time.”

Michael Benkowitz, Executive Vice President of Organizational Development at United Therapeutics. Prior to joining United Therapeutics, Michael worked at Compensia, a Bay area firm specializing in executive and board compensation strategy. Michael holds a BBA in Finance at UT Austin and a JD from the University of Kansas School of Law.

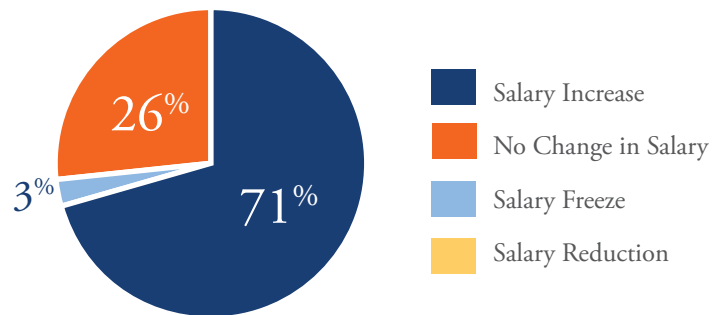
TRENDS AND FORECASTS

Salary

2011 Salary Trend:



2012 Salary Forecast:



Trend Alert: *Executive Compensation and Pay Increases in 2012*

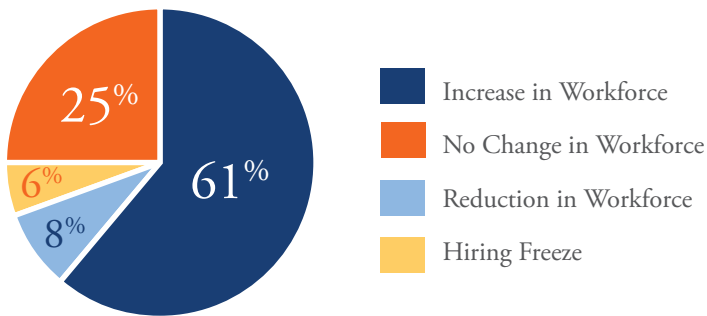
“While there is projected to be a slight uptick in salary increases in 2012 compared to 2011, companies will continue to place the greatest focus on variable pay...The growing use of variable pay, along with lower salary increases, represents the new normal in compensation practices for employers nationwide. This pay mix creates greater motivation for employees to be productive and greater flexibility for employers to compensate based on individual and company performance. However, this does create a need for performance discussions throughout the year, so employees know what they are doing well and areas for improvement in order to maximize productivity and potential pay opportunity.” *MarketWatch, The Wall Street Journal*

“2012 pay increases are projected to be right around 3%, as they were this year.” *TLNT: The Business of HR*

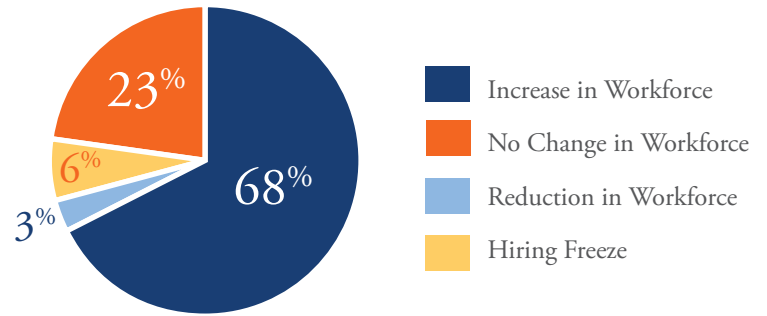
TRENDS AND FORECASTS

Workforce

2011 Workforce Trend:

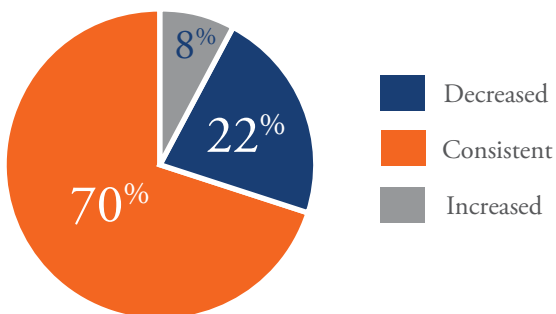


2012 Workforce Forecast:

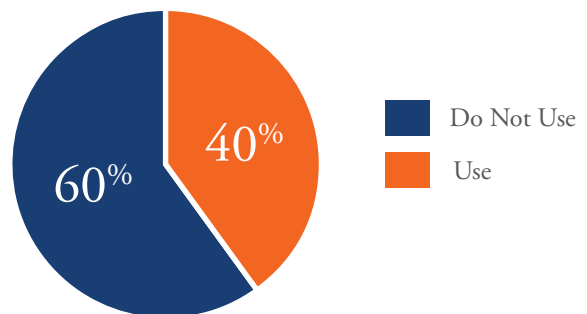


Employee-Initiated Exits & Counter-Offers

Employee-Initiated Exits in 2011
as Compared to 2010:

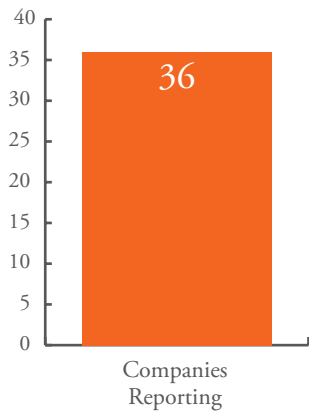


Use of Counter-Offers in Response to
Notice of Employee-Initiated Exit:

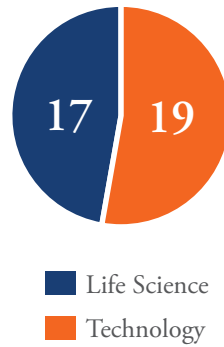


BOARD OF DIRECTORS

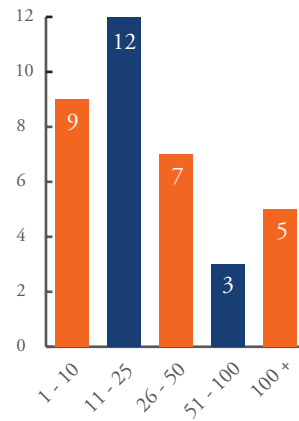
Total Responses



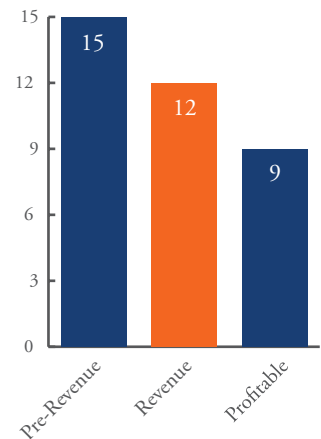
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



78

Percentage of companies with independent directors serving on the Board

75

Percentage of companies with Board members that are reimbursed for their travel expenses

Percentage of companies with the following Board committees:

Audit: **56**

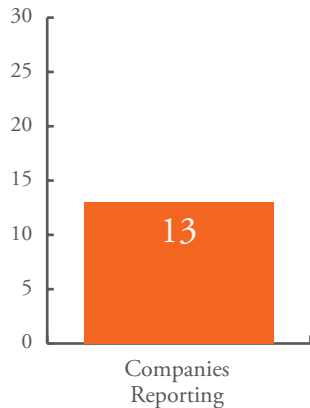
Compensation: **75**

Nominating & Corporate Governance: **25**

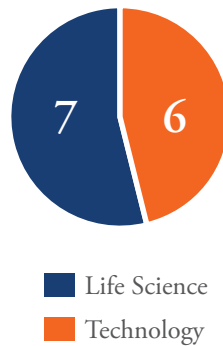
	Directors (#)			Independent Directors (#)		
	Responses	Mean	Low - High	Responses	Mean	Low - High
All Respondents	36	5.0	0 - 10	36	1.4	0 - 4
Industry						
Technology	19	4.5	2 - 7	19	1.2	0 - 3
Life Science	17	5.7	1 - 10	17	1.6	0 - 4
Number of Employees						
1 to 10	9	4.2	2 - 6	9	1.2	0 - 4
11 to 25	12	4.7	1 - 10	12	1.2	0 - 3
26 to 50	7	6.3	0 - 8	7	1.3	0 - 3
51 to 100	3	5.0	4 - 6	3	2.3	1 - 3
100+	5	6.0	5 - 8	5	1.8	1 - 3
Stage of Development						
Pre-Revenue	15	5.3	1 - 10	15	1.3	0 - 4
Revenue	12	5.2	3 - 8	12	1.6	0 - 3
Profitable	9	4.7	0 - 6	9	1.3	0 - 3

BOARD OF ADVISORS

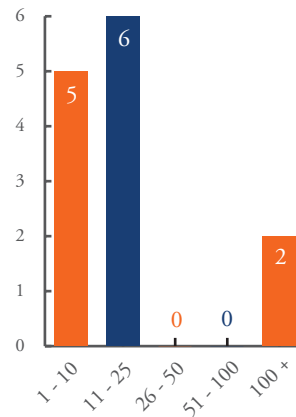
Total Responses



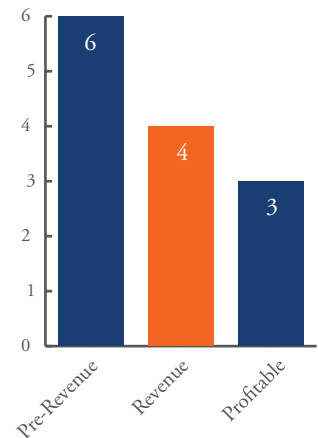
Responses by Industry



Responses by Number of Employees



Responses by Stage of Development



25

Percentage of companies that award cash compensation to independent advisors for their annual service

58

Percentage of companies that award fully-diluted equity to independent advisors for their annual service

75

Percentage of companies with advisors that are reimbursed for their travel expenses

	Advisors (#)		
	Responses	Mean	Low - High
All Respondents	13	5.2	0 - 14
Industry			
Technology	6	4.5	0 - 14
Life Science	7	5.7	1 - 12
Number of Employees			
1 to 10	5	5.6	1 - 14
11 to 25	6	5.2	0 - 12
26 to 50	0	N/A	N/A - N/A
51 to 100	0	N/A	N/A - N/A
100+	2	4.0	1 - 7
Stage of Development			
Pre-Revenue	6	4.5	1 - 12
Revenue	4	5.5	2 - 8
Profitable	3	6.0	0 - 14

ABOUT HUTCHISON LAW GROUP

Hutchison Law Group provides business and intellectual property counsel to established and emerging companies throughout the country, but with primary focus on the Southeast.

Practice Areas

- Entity Formation
- Corporate Governance
- Venture Capital
- Intellectual Property Protection
- Mergers & Acquisitions
- Licensing & Corporate Partnering
- Securities
- Employment Law, Benefits & Compensation

About Our Employment Law Practice

Hutchison Law Group advises and represents employers and individual executives in a wide variety of employment related matters. This assistance includes the offer process and negotiation of employment agreements, compensation issues, reviews and performance improvement issues, terminations, reductions in force and IRS Section 409A compliance.

We help prepare employee handbooks and craft and implement policies designed to avoid employment related claims. Hutchison Law Group emphasizes proactive employment advice, well in advance of any proposed action or likely disagreement. We understand the critical relationship between the employer and its most valuable asset, its employees.

For more information, visit hutchlaw.com

BY THE NUMBERS

1

Hutchison Law Group's ranking among all law firms in issuer-side, venture-backed IPOs in North Carolina from 1996-2008

Source: VentureSource

73

Number of M&A transactions closed by Hutchison Law Group from 2003-2010

100+

Number of venture capital transactions closed by Hutchison Law Group from 2008-2010.

ABOUT CARLYLE & CONLAN

Carlyle & Conlan is a nationally-recognized, boutique search firm headquartered in the Research Triangle Park. We have specialized expertise in placing exceptionally talented mid- to executive-level professionals in the following industries:

- Life Sciences
- Technology
- Electronics
- Manufacturing
- Finance

Each Carlyle & Conlan client partners directly with one or more of our Partners, Vice Presidents or Directors who average almost 14 years of experience in the executive search industry. Our leadership team takes great pride in our in-depth knowledge of the industries we serve, as well as the depth and breadth of our networks. Beyond providing executive search and recruitment services, Carlyle & Conlan leaders provide industry insight and industry introductions to our clients and candidates that enable them to more quickly and prosperously build their businesses and careers.

At Carlyle & Conlan, we combine our industry expertise, exceptional training, and cutting-edge search technology with our following values to ensure that we bring the greatest value possible to our clients and candidates every day.

- Optimism
- Respect
- Excellence
- Passion
- Integrity
- Finesse
- Perspicuity
- Maturity
- Seriousness
- Professionalism
- Moderation
- Conservative Approach

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President's Club

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