

## Buck's FASB Statement 123 Update:

### FASB Issues Final Statement on Accounting for Share-Based Payment

***On December 16, 2004, after much deliberation, consideration, public meetings and draft publications and pronouncements, the Financial Accounting Standards Board (FASB) published Statement of Financial Accounting Standards 123 (revised 2004), Share-Based Payment (FAS 123(R)).***

FAS 123(R) will require publicly traded and privately held companies to recognize the "fair value" compensation cost for share-based payments in their financial statements. The "intrinsic value" accounting method under APB 25 (that resulted in earnings-charge-free accounting for at-the-money stock options) will no longer be permitted. FAS 123(R) is effective for publicly traded companies (other than small business issuers<sup>1</sup>) at the first annual or interim reporting period that begins after June 15, 2005. For non-publicly traded companies and publicly traded small business issuers, the effective date begins at the first annual or interim reporting period following December 15, 2005.

This paper summarizes the new accounting rules with regard to FAS 123(R) and discusses the implications for companies that are currently utilizing stock compensation or considering the implementation of stock-based programs.

#### FAS 123(R) OVERVIEW

The FASB began this journey to FAS 123(R) in March 2003, by adding the project to its agenda. Throughout the process, FASB consulted with numerous companies, consultants, valuation experts, and accountants and held roundtables, public meetings and reviewed several thousand comment letters. An exposure draft was issued on March 31, 2004, with the Final Statement issued on December 16, 2004.

FASB's stated intention in this process is to provide for a more level playing field for share-based awards, provide more transparent information on the cost of such awards to shareholders and to be Accounting Standards Board (IASB).

Although similar in many respects to the original FAS 123, FAS 123(R) replaces FAS 123, Accounting for Stock-Based compensation, and supercedes APB Opinion No. 25, Accounting for Stock Issued to Employees. FAS 123 was originally issued in 1995, and had established as preferable a fair-value based

method of accounting for share-based payment transactions with employees. FAS 123, however, permitted companies to continue to utilize APB 25, provided that the company financial statements disclosed the net income effect had the fair value method been elected. FAS 123(R) no longer permits such an election and now requires companies to expense the fair value of share-based payments in the financial statements. This final statement is not a major departure from the exposure draft that was issued at the end of March 2004, and in many respects reverts to many of the positions that were addressed in the original release of FAS 123 in 1995.

Within FAS 123(R) are covered numerous share-based arrangements including stock options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. The FASB determined that new guidance for Employee Stock Ownership Plans (ESOPs) and share plans to non-employees would not be included in this Statement, but rather undertaken as a separate initiative.

The following discussion of FAS 123(R) and its implications are organized as follows:

- Transition
- Measurement
- Attribution
- Modifications
- Income Taxes
- ESPPs
- Going Forward Considerations

<sup>1</sup>A public entity that is an WEC registrant that files as a small business issuer under the Securities Act of 1933 or the Securities Exchange Act of 1934.

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## KEY PROVISIONS OF FAS 123(R)

<b>How will publicly traded U.S. companies measure the compensation cost of employee equity grants?</b>	Share-based award costs will be measured at the grant date using a fair value model. The compensation cost will be accrued over the requisite service period.
<b>How will publicly traded U.S. companies measure the compensation cost of employee cash (liabilities) awards?</b>	Liabilities or cash awards will be measured at fair value and will be recalculated each quarter until the settlement date (variable accounting).
<b>What fair value models will be required to calculate costs for stock options and other share-based awards?</b>	The FASB will permit companies to select a lattice (binomial) or closed-form (Black-Scholes) valuation model. The FASB in its exposure draft had originally stated that the lattice model was preferred, but FAS 123(R) does not indicate a preference.
<b>How will companies measure the accounting impact of a share-based award that is modified after the grant date?</b>	Additional incremental cost is accrued if the fair value of the award immediately after modification is greater than the fair value of the award immediately prior to modification based on current circumstances.
<b>How will the compensation cost be accrued in the income statement?</b>	Share-based awards with cliff vesting will be accrued on a straight-line basis over the vesting period. Companies can elect to expense awards with graded vesting using either a straight-line accrual over the full vesting period, or an accelerated amortization method prescribed by FASB Interpretation Number (FIN) 28 (regardless of the method of estimation for the value of the award). FIN 28 is described in greater detail later in this paper.
<b>Will Employee Stock Purchase Plans (ESPPs) incur accounting costs under the final accounting rules?</b>	Generally yes, under most ESPPs that exist today. ESPPs can avoid an accounting cost if the plan provides for a maximum discount of only five percent or less and does not have a look-back feature.
<b>How are income tax benefits recognized?</b>	In situations where the realized tax deduction benefits are in excess of the compensation cost recognized, the result is a credit to additional paid-in capital for the excess tax benefit, and the associated cash flow is recognized as a financing cash inflow. In cases where the tax return deductions are less than the compensation costs recognized, the result is a write-off of the excess deferred tax asset previously recognized.
<b>How will non-public companies measure the compensation cost of equity share options and liability (cash) awards?</b>	Non-publicly traded companies must measure share-based awards classified as equity instruments using the fair value based method (fixed accounting). Awards classified as liability instruments can be valued at fair value or intrinsic value, but regardless of the method selected, re-measurement at each reporting date is required (variable accounting).
<b>How must companies transition to the new accounting treatment?</b>	For publicly traded companies, the transition to the fair value accounting method will take place under the modified-prospective, the modified-prospective with interim quarter restatement, or the modified-retrospective methods. For non-publicly traded companies, the transition to the fair value method must be prospective only if they had previously used the minimum value method to measure employee stock options. For non-public entities that had previously used the fair value method, the transition will take place similar to the choice offered to public entities.
<b>Are there separate transition rules for early adopters of FAS 123(R)?</b>	No. No other transition rules are offered to companies that voluntarily adopted FAS 123(R) prior to the effective date.
<b>What is the effective date for implementation of the new rules?</b>	The new rules will be effective for publicly traded companies (other than small business issuers) in the first interim or annual reporting period after July 15, 2005. For publicly traded small business issuers, the rules are effective in the first interim or annual reporting period after December 15, 2005. For non-publicly traded companies, the rules are effective in the first fiscal year beginning after December 15, 2005.

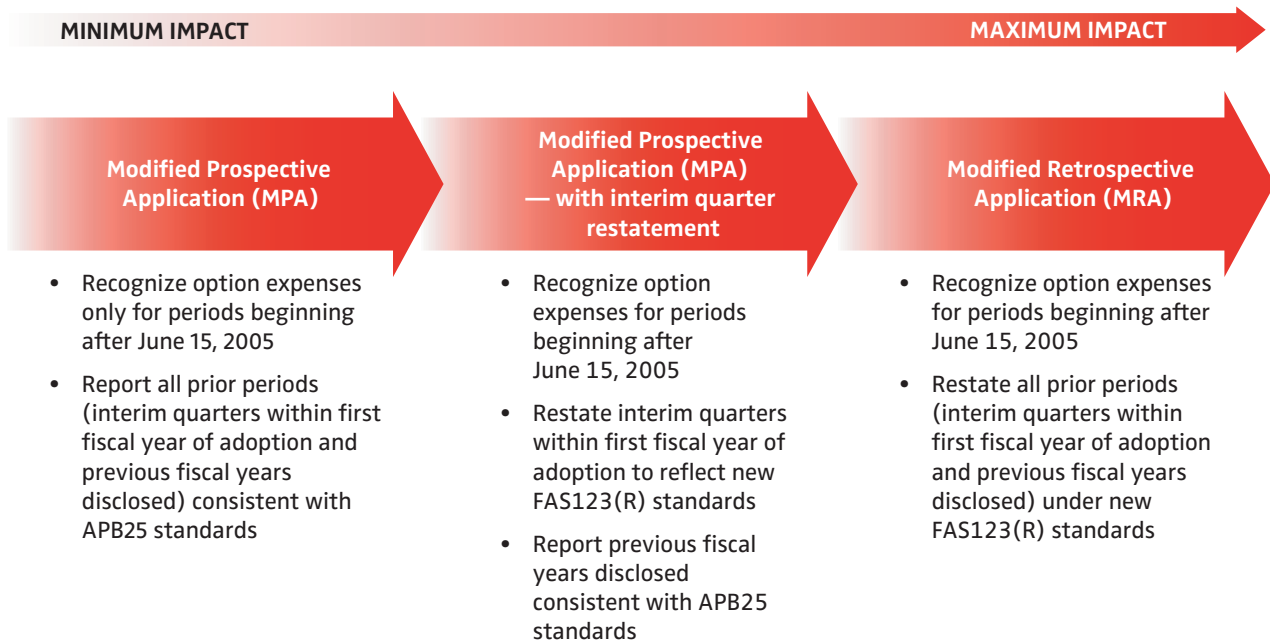
**TRANSITION**

The transition guidelines under FAS 123(R) are different for U.S. publicly traded and non-publicly traded companies. Publicly traded companies are expected to apply the modified prospective method, the modified prospective method with interim quarter restatement, or the modified retrospective method of transition for all share-based awards granted, modified or settled after the date of adoption as well as for any awards that were granted prior to the adoption date for which the requisite service has not been provided as of the adoption date (generally those awards that are unvested).

The three methods are substantially similar except that under the modified prospective with interim quarter restatement would restate to the beginning of the fiscal year and under the retrospective method the company would restate periods prior to adoption by recognizing in the financial statements the same amount of compensation cost as previously reported in the pro forma footnote disclosures under the provisions of the original FAS 123.

**BUCK NOTE:** *This represents a change to the prior transition rules that allowed for a prospective-only transition option. Companies will no longer be allowed prospective-only application and must now select one of the three permitted methods — even if they voluntarily adopted the rules before the mandatory effective date.*

**TRANSITION EXAMPLE:**



Non-publicly traded companies that used the minimum value method to estimate fair value of stock options are required to apply the new treatment on a prospective-only basis (no accrual of compensation costs for unvested awards prior to the adoption date). Those non-publicly traded companies that used the fair value method for measurement of stock options are required to select one of the transition methods described below for publicly traded companies.

**MEASUREMENT**

Measurement is based on the classification of the share-based award:

- Equity (e.g., stock options, stock appreciation rights settled in shares, performance shares and restricted stock shares) will be measured on the grant date of the award (fixed accounting).
- Liability (e.g., stock appreciation rights settled in cash and cash unit plans) will be measured at the end of each quarterly reporting period (variable accounting).

**Service, Performance and Market Conditions**

FAS 123(R) identifies three types of conditions that can affect the value of a share-based award: service, performance and market conditions. The table below provides definitions and examples of these three conditions.

Any of these conditions that affect the price, quantity or term of the award will have an impact on the award's calculated value. However, if the condition only affects the vesting or exercisability of the award, it doesn't have an impact on the calculated value, but does affect the method of cost amortization. This is discussed in more detail in the Attribution section of this paper.

### Share-Based Payment Compensation Cost: Full-Value Awards Settled in Shares

The compensation cost of full-value awards (e.g., restricted stock, performance shares or units settled in shares) is based on the common stock price of the underlying award on the grant date. If dividends are paid over the course of the vesting or performance period, publicly traded companies are not obligated to realize an incremental compensation cost, unless the full-value awards are canceled and the dividends payments are not reimbursed to the company. If dividends are not paid on the units/shares, the grant-date value of the award is reduced by the present value of the foregone dividends.

### Share-Based Payment Compensation Cost: Appreciation Awards Settled in Shares

The compensation cost of appreciation awards (e.g., stock options, stock appreciation rights settled in shares) is based on the fair value of the award on the grant date. The fair value is estimated based on a "lattice" (e.g., binomial) valuation model or a "closed-form" (e.g., Black-Scholes) model for recognizing compensation costs. Both models use the same six core inputs:

While the binomial model and the Black-Scholes model will yield substantially similar values given the same basic inputs, binomial has the ability to accept much more complex and varied assumptions.

For example, while Black-Scholes can only accept one volatility, one risk-free rate and one dividend yield assumption, held constant over the expected holding period from grant to exercise, the binomial has the flexibility to vary these inputs over the holding period from grant to exercise. Additionally, Black-Scholes can only calculate the value of an option that is exercised at the end of the expected holding period. Binomial can assume exercise at any point in time during the holding period, and the probability of exercise at any given point can be manually changed to reflect expected employee behaviors.

FAS 123(R) does not require publicly traded companies to select one valuation model. Unlike the Exposure Draft, FAS 123(R) does not suggest a preference for one valuation model. There are indications within FAS 123(R) that either model can be adjusted with proper inputs to achieve a more accurate estimation of share value. Notwithstanding, the lattice may provide a more "accurate" result based on more flexible inputs relating to:

- Future expected changes in volatility and dividend yields
- "Sub-optimal" employee exercise behaviors
- Value of early exercisability on dividend yielding stock
- Projected changes in business structure
- Macroeconomic trends

However, this presupposes that these complex assumptions can be accurately established. Because these models call for predictive assumptions like expected stock volatility and expected employee holding and exercise behaviors, it becomes increasingly difficult to maintain accuracy as the number of inputs required increases. While it is undeniable that a complex binomial model can be constructed

## SERVICE, PERFORMANCE & MARKETING CONDITIONS:

Condition	Definition: A condition affecting price, quantity, term, or vesting/exercisability ...	Example	Affects Calculated Value?
Service	... based solely on an employee rendering service for a specified period of time.	Cliff vest at the end of 3 years	NO
Performance	... based on both (1) an employee's rendering of service for a time, and (2) performance against operational targets.	1X target if annual ROE < 15%, 2X target if annual ROE is 15%	NO
Market	... based on achievement of (1) specified price or intrinsic value of award, or (2) stock performance against an index.	Option price indexed to S&P 500 performance	YES

<b>Fair Value Model Input</b>	<b>Example</b>
<b>Underlying Stock's Fair Market Value</b>	<i>An increase in the input will result in an increase to the award's fair value.</i>
<b>Exercise Price</b>	<i>The more a holder has to pay for the underlying share relative to the fair market value of the stock at the time of the grant, the lower the option value.</i>
<b>Dividend Yield</b>	<i>The greater the dividend, the lower the value of the underlying option because of the opportunity cost of foregone dividends.</i>
<b>Risk-Free Rate</b>	<i>Interests rates reflect the carrying cost of the underlying security — the higher the interest rate, the greater the benefit of having the option rather than the underlying security.</i>
<b>Volatility</b>	<i>Lower volatility implies less likelihood that the stock will appreciate far above the exercise price by the expiration date. Therefore, the higher the volatility, the higher the value of the underlying option.</i>
<b>Option Term</b>	<i>A shorter term provides less time for the option to appreciate. Therefore, as option term increases, value likewise increases.</i>

to accept many varied inputs, it is premature to say that binomial is therefore more accurate for use in valuing employee stock options.

The selection of valuation method is an important consideration and any change to such method after selection will be viewed as a change in accounting estimate under APB 20 (Accounting Changes).

Non-publicly traded companies must also use the fair value method for the estimation of share value (the minimum value method is no longer permissible). One of the concerns for non-publicly traded companies was the difficulty of determining volatility, consequently, the minimum value method provided for a volatility of zero. To counter this obstacle, FAS 123(R) provides for an alternative method for calculating fair value where the volatility cannot be reasonably estimated (calculated value). An index such as one based on the historical volatility of an appropriate industry sector would be substituted for the expected volatility of a company's stock and combined with the various other inputs required to determine fair value.

### **Share-Based Compensation Cost: Equity Awards Settled in Cash**

In cases where publicly traded companies choose to grant liability awards, the compensation cost will be measured at the end of each quarterly reporting period. Appreciation awards settled in cash will be valued at the end of each quarter using the binomial

or Black-Scholes option valuation model until settlement. Full-value awards settled in cash will be valued based on the closing stock price at the end of each quarterly reporting period until the award settles in cash. As a result, cash-settled awards will be significantly less cost-effective under the new rules than vehicles settled only in stock.

FAS 123(R) added one more element to the liability classification whereby there exists a "put" or callable feature in an award and either of the following conditions is met: (a) the repurchase feature permits the employee to avoid bearing the risks and rewards normally associate with equity share ownership for a reasonable period of time from the date the share is issued or vests (generally six months) or (b) it is probable that the employer would prevent the employee from bearing those risks and rewards for a reasonable period of time from the date that the share is issued (six months or more).

### **Share-Based Compensation Cost: Equity Awards and Intrinsic Value**

In those unique situations where publicly traded companies cannot estimate the fair value of an award at grant date, FAS 123 (R) mandates the share-based award be valued at the end of each quarterly reporting period using the intrinsic value method. This intrinsic value method should continue even if the company subsequently determines that it is possible to reasonably estimate the award's fair value.

## ATTRIBUTION

FAS 123(R) requires U.S. publicly traded companies to allocate the compensation cost of share-based awards over the “requisite service period.” The requisite service period can either be explicit, implicit or derived, defined in the table below.

The number of shares/units expected to vest and the corresponding compensation cost is adjusted based on expected forfeitures over the service or performance period. Publicly traded companies are permitted to revise the initial amortized compensation cost if the share-based awards satisfy the service or performance conditions and to the extent that actual forfeitures differ from the predicted, a true-up must occur. However, for market conditions that affect either vesting or exercisability, any costs accrued for an award that is ultimately forfeited or cancelled without becoming vested cannot be reversed.

### Recognition of Share-Based Compensation Cost

Companies are required to recognize share-based compensation costs over the requisite service period. Share-based awards with cliff vesting will be accrued on a straight-line basis over the requisite service or vesting period. Companies with share-based awards that have graded vesting will be permitted to treat each vesting group as a separate award. Alternatively, the award may be valued as a single award. For graded vested awards the compensation cost can be expensed using either a straight-line attribution method or an accelerated amortization method prescribed by FASB Interpretation Number (FIN) 28, regardless of how the value of the award was determined. While the total cost of

a share-based award is not changed by the selection of either method, the accelerated method shifts a much greater portion of the cost into the earlier years of the vesting period.

Figure One compares the accrual process under the straight-line and FIN 28 with a four-year annual vesting schedule.

Companies that have not yet voluntarily adopted the expensing treatment and plan to continue granting ratably vesting options leading up to the time in which mandated expensing may have an opportunity to shift a greater portion of the costs into the FAS 123 footnotes in early years and out of actual financials in later years by applying the FIN 28 method as soon as possible.

### Share-Based Modifications and Cancellations

FAS 123(R) requires publicly traded companies to accrue an incremental compensation cost (difference between the fair value of the modified award and original award at modification date) for any modifications to the stock price, the term, settlement date, vesting schedule, transferability, share-based restructuring or equity exchanges in cases of corporate activity. In addition, the Statement classifies cancellations of share-based awards as a “modification” if the original holder simultaneously receives a new share-based award. FAS 123(R) also added a provision where modifications that change an award that had been classified as a liability to an equity classification should be treated similarly to that of a modification of an equity award.

Figure Two illustrates the basics of accounting process for modifications of outstanding share-based awards.

	<i>Definition: A service period that is ...</i>	<i>Example</i>
<b>Explicit</b>	<i>... directly stated in the terms of the share-based award arrangement.</i>	<i>Award cliff vests at the end of 3 years. Requisite Service Period: 3 years</i>
<b>Implicit</b>	<i>... not directly stated in the terms, but can be reasonably inferred from analysis of those terms and other performance conditions.</i>	<i>Award vests when new product is launched. New product expected to be completed in 18 months. Requisite Service Period: 18 months</i>
<b>Derived</b>	<i>... relevant only for awards with market conditions. Fair value models can be used to derive the assumed rates of return on company stock and from this, the time expected to meet that market condition.</i>	<i>Award vests when stock price doubles. A valuation model can be used to establish the modal time required to achieve the target based on the underlying assumptions. For example, 5 years is the expected period required to double the stock price. Requisite Service Period: 5 years</i>

## Share-Based Compensation Tax Issues

In general terms, FAS 123(R) provides that a company's tax deduction on the income statement for share-based awards cannot be greater than the cost recognized. In the event a tax deduction is greater than the company's reported compensation cost, the company must recognize the excess tax benefit in a credit to additional paid-in capital and the cash flows as financing cash inflows. In cases where the tax deduction is less than the company's reported compensation cost, the company recognizes the difference in the income statement, except to the extent that the credits previously had been recognized in additional paid-in capital for deductions in excess of compensation cost for prior awards.

### ESPP PROGRAMS

As previously mentioned, any ESPP program providing a discount to employees that is five percent or less and does not provide a look-back feature will be considered non-compensatory and will not incur an accounting charge. Common

ESPP designs include a discount (generally 15 percent) applied to the lower of the stock price at the beginning or end of a specified period, typically ranging from six to 24 months. Under the proposed accounting changes, both this typical discount offered and the look-back, or option, feature must be valued and accrued as a cost.

### GOING FORWARD

A Flash Survey published last year (Responding to Mandatory Option Expensing, July 2004) had indicated that few companies had taken any concrete steps toward redefining compensation. With the postponement of the effective date to mid-2005 and later for the adoption of FAS 123(R), there was an additional period of "wait and see" that was adopted by many organizations. Companies were hoping for clarification from the FASB and attempting to determine the marketplace reaction to the new expensing regime.

Notwithstanding the delay in the implementation of concrete programs, because it appeared that expensing would be inevitable,

Figure One

Assumptions: 1,000 shares granted • Fair value = \$10 • Four year, annual vesting of 25% per year

Under straight-line accrual, this is viewed as a single grant and accrued as follows:

Grant Value:	Percent Vesting In ...				=	Amount Accrued In ...				
	Year 1	Year 2	Year 3	Year 4		Year 1	Year 2	Year 3	Year 4	
\$10,000 x	25%	25%	25%	25%		\$2,500	\$2,500	\$2,500	\$2,500	
As a percent of original \$10,000 share grant value:						25%	25%	25%	25%	= 100%
Percent accrued in footnotes:						25%	NA	NA	NA	= 25%
Percent accrued in actual financials:						0%	25%	25%	25%	= 75%

Under FIN 28, this would be viewed as four separate grants valued at \$2,500 each and accrued as follows:

Grant Value:	Percent Vesting In ...				=	Amount Accrued In ...				
	Year 1	Year 2	Year 3	Year 4		Year 1	Year 2	Year 3	Year 4	
\$2,500 x	100%					\$2,500				
\$2,500 x	50%	50%				\$1,250	\$1,250			
\$2,500 x	33%	33%	33%			\$833	\$833	\$833		
\$2,500 x	25%	25%	25%	25%		\$625	\$625	\$625	\$625	
TOTAL:						\$5,208	\$2,708	\$1,458	\$625	
As a percent of original \$10,000 share grant value:						52%	27%	15%	6%	= 100%
Percent accrued in footnotes:						52%	NA	NA	NA	= 52%
Percent accrued in actual financials:						0%	27%	15%	6%	= 48%

If this is the year in which expensing is adopted, you only accrue 48% of the cost in the actual financials because 52% was already accrued in the SFAS 123 footnotes in Year 1. If you were straight-line accruing, you would have to accrue 75% in the actual financials as only 25% would have been accrued in the SFAS 123 footnotes in Year 1.

serious reevaluation of equity programs was to occur. The survey findings indicated that a majority of the respondent companies would significantly reduce overall equity compensation, particularly below the executive ranks. Various other recent articles and surveys have confirmed this to be true.

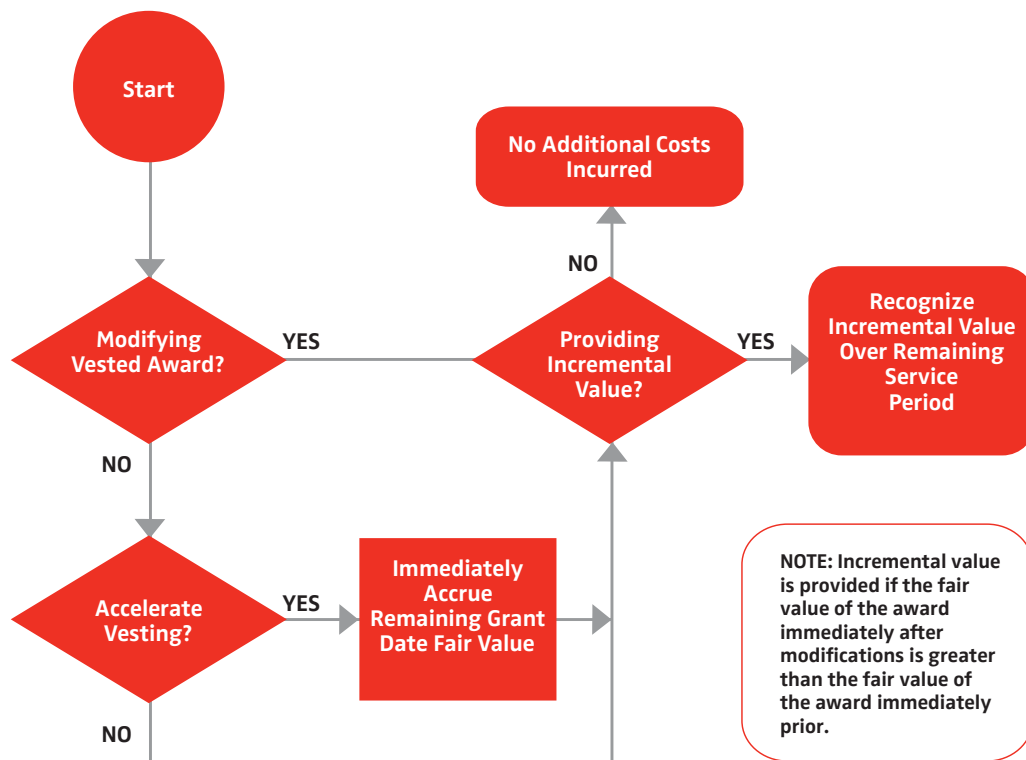
The implications of FAS 123(R), shareholder and institutional pressure as well as Sarbanes-Oxley has led to a panoply of ideas in reacting to the new equity compensation environment. Various techniques have developed in response to change and the need to attune equity programs to performance of the organization. These ideas include, but are certainly not limited to, the following:

- Premium-priced options
- Linking equity awards to business strategy and business imperatives
- Focus on shareholder/investor expectations
- Indexed option award pools
- Capping potential option gain

- Performance based option and share award programs
- Elimination of reload or evergreen provisions in equity programs
- Reevaluation of stock settled SARs or Restricted Stock units
- Permitting choice of long-term award mix for senior executives
- Establishing independent committees to administer executive pay programs
- Limiting equity awards to non-employee directors
- Wholesale reduction in the number of options delivered

In addition to the strategies mentioned above, companies are looking toward other significant cost mitigation strategies prior to the adoption of FAS 123(R). Included in this category is the discussion around the accelerated vesting of awards that are currently underwater. Because this modification does not change the strike price of the award, or the number of shares underlying the award, it does not trigger variable accounting. A fixed, one-time

Figure Two



accounting charge equal to the positive spread, if any, between the strike price of the award and the company's stock price on the day of modification. However, if the award is underwater, there is no positive spread and the resulting charge is \$0.

Although accelerated vesting is permitted (with appropriate approval of the company's outside auditor), there are numerous SEC disclosure issues to consider, together with investor reaction to vesting additional shares to employees without regard to service or performance conditions attached.

**Based upon this uncertain environment, what steps should be taken to address the equity considerations in the design of compensation programs?**

First and foremost companies should determine the impact stock option expensing will have on their actual financial statement using both the binomial and Black-Scholes valuation models. As companies estimate the expected compensation cost for granting stock options in the new environment, they should reevaluate their current equity granting strategy and determine if delivering options or some other form of share-based award vehicles will best achieve company objectives while at the same time minimizing the actual compensation cost. The more level accounting playing field offered by the expensing treatment

provides an opportunity for companies to revisit their long-term incentive programs and choose the vehicles that best fit the company's strategic goals over the long term rather than choosing the vehicle that provides only the best accounting treatment. Many human resources and finance professionals will be searching for reliable information on what other companies are doing in response to this issue.

Unfortunately, due to the fast evolving nature of these changes, good market data on how others are responding will not be available until at least some time after this coming proxy season. Because of the delay in the required adoption of FAS 123(R), the answers may not arrive until after the proxy disclosures in 2006. Instead, human resources and finance professionals will have to look internally to make the decisions that are right for their own companies based on strategic objectives defined and cost/benefit analysis performed.

To help companies prepare for the proposed accounting rules, Buck recommends that human resources and finance professionals consider five key actions before the rules are mandated.

These are all important action items that need to be addressed before the new accounting rules take effect so that well-thought, strategic decisions can be made.

**Calculate Compensation Cost for Current and Expected Future Awards**

*Determine the estimated compensation cost of granting stock options under the company's current valuation methodology.*

**Assess Binomial vs. Black-Scholes and the Underlying Assumptions**

*Examine current use of Black-Scholes as an option valuation approach to determine if an alternative approach, or changes to the assumptions, may offer a better result.*

**Adopt FIN 28**

*Seek auditor's approval to adopt the FIN 28 cost accrual method to front load option costs in the FAS 123 footnote for fiscal years beginning before June 15, 2004.*

**Examine ESPP**

*Model the projected costs of the ESPP program under its current design, as well as variations on look-back periods and discounts offered. The interplay of the ESPP with other rewards programs including short- and long-term incentive opportunities and retirement/savings programs must also be considered.*

**Reevaluate Equity Delivery Strategy**

*Assess if an alternative equity approach is more suitable in accomplishing strategic business objectives. Determine how equity participation rates and grant levels might need to change in anticipation of the new accounting rules.*

## HOW CAN BUCK HELP?

Buck's compensation consulting professionals have extensive experience in the evaluation and design of equity compensation. Buck has developed specialized equity design and planning tools: Equity Strategist<sup>SM</sup> and FLEX-LTISM to assist companies in reevaluating their equity delivery strategy. With Buck as your advisor, our compensation consultants can combine your company's equity grant history — or future alternatives — with

more than 100 financial and company-specific assumptions to produce prospective earnings per share calculations. These calculations will prove invaluable in ensuring that your company's compensation programs best match your philosophy and strategic business goals. In addition, Buck's human resource solutions can assist you with marketplace insight and context, plan design or equity plan proxy vote issues.

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