

MERGERS & ACQUISITIONS

Compensation Due Diligence

THE CURRENT COMPENSATION ENVIRONMENT

A Target's executive compensation plans and their liabilities are often some of the most significant encountered by a Buyer's due diligence team. Whether through employment contracts, deferred compensation plans, supplemental executive retirement plans (SERPs), equity plans, CIC arrangements or severance plans, executive compensation payouts and liabilities can comprise millions of dollars and generate unwanted attention. Decisions to continue, terminate or integrate these programs post-closing can ultimately affect the success of a transaction.

Pearl Meyer & Partners (PM&P) M&A professionals have the deep technical skills necessary to identify significant issues as well as the practical expertise to understand how alternative resolutions might impact the combined entity following closing. Our goal is simple—to provide an unparalleled level of compensation expertise and experience that helps you make the most of your acquisition.

■ OUR SERVICES

- Identifying and quantifying deal related compensation payouts and liabilities including:
 - Deferred compensation plans, SERPs, CIC arrangements, equity plans, split dollar life insurance, and severance plans.
- Reviewing the target's executive compensation plans for accounting, tax and regulatory compliance.
- Preparing IRC Section 280G golden parachute analyses.
- Comparing Target compensation programs to Buyer plans.
- Modeling the cost of and designing go-forward compensation plans.

OUR APPROACH

Our M&A specialists include executive compensation and benefit consultants, certified public accountants, and attorneys with extensive experience performing due diligence reviews and advising senior management and Boards in transactions. We identify issues and assist clients through the maze of compensation issues in all phases of transactions—from CIC planning, due diligence and post-merger integration.

Our consulting advice is designed around each client's specific needs. We have worked with numerous entities in a variety of industries on these issues, from the smallest transactions to larger transactions of up to \$40 billion in deal value. Together, we identify and address all compensation issues so that the deal will provide maximum shareholder value.

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OUR COMMITMENT

Our commitment to you begins with our first meeting. Each assignment is staffed by senior professionals who bring a wealth of knowledge and expertise. PM&P is dedicated to providing the best compensation advice in the industry. Throughout our firm's history, we have achieved this by developing innovative compensation designs and practices that are now commonplace and by advancing the relevance of our compensation surveys and custom market research.

Our firm is actively involved with local compensation groups as well as national organizations, such as the National Association of Corporate Directors, to promote good compensation practices and governance. Our consultants frequently speak on a variety of compensation and governance topics with these organizations as well as virtually through our firm's website www.pearlmeyer.com.

ABOUT PEARL MEYER & PARTNERS

For more than twenty years, PM&P (www.pearlmeyer.com) has served as a trusted independent advisor to Boards and their senior management in the areas of compensation governance, strategy and program design. The firm provides comprehensive solutions to complex compensation challenges through the development of programs that align rewards with business goals to create long-term value for all stakeholders: shareholders, executives and employees. The firm maintains offices in New York, Atlanta, Boston, Charlotte, Chicago, Houston, Los Angeles, San Francisco and San Jose.

For more information on how PM&P can help you create comprehensive compensation solutions, please visit our website www.pearlmeyer.com or contact the PM&P office nearest you.

