



PRESIDIO PAY ADVISORS, INC.

NEWS RELEASE

Contact: Kyle Holm, Principal
415-438-3401
kyle@presidiopay.com

FOR IMMEDIATE RELEASE

Presidio Pay Survey Finds Initial Public Offering Companies Bypassing Public Shareholder Approval of Key Element of Equity Compensation

Use of "Evergreen Provisions" To Replenish Stock Option Pools Is Dramatically Increasing Among IPO Companies, and Does Not Require Public Shareholder Approval

SAN FRANCISCO, CA – May 8, 2008 – A new [survey from Presidio Pay Advisors](#), 2008 IPO Executive Compensation Survey, finds use of “evergreen plans” among IPO companies increased nearly 20% each year for the past three years. An “evergreen plan,” or a stock option plan with an “evergreen provision,” automatically gives boards of directors each year a renewable pool of stock shares to distribute to the company’s executives and employees as compensation. The term “evergreen” refers to the fact that the board needs to obtain authorization to institute the plan only once instead of every few years.

[Institutional investors](#) and [unions](#) often set guidelines to automatically vote against evergreen provisions due to the dilutive impact these compensation vehicles have on earnings. Having an automatically renewable stock option plan removes shareholder oversight, and many see such provisions as a symptom of executive compensation excess.

“About half the companies that went public in 2007 implemented ‘evergreen’ provisions in their stock option plans prior to their IPO,” said Kyle Holm, a Principal at Presidio Pay Advisors. “Since they were still private when they implemented the provision, it only required the approval of their venture capitalists and board members, avoiding the stringent scrutiny from institutional investors and shareholder advocacy groups. On the other hand, when public shareholders buy the IPO stock, they are implicitly signing off on the evergreen plan,” Holm concludes.

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[About Presidio Pay Advisors, Inc.](#)

Presidio Pay Advisors is a San Francisco-based compensation consulting firm that provides companies with independent, strategic advice and support on a wide range of compensation issues. The firm's collective expertise encompasses a diverse array of human resources, finance, accounting, regulatory, and shareholder perspectives. You can find the [IPO survey](#) and other [industry-specific compensation surveys](#) on their website at www.presidiopay.com.

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Presidio Pay Advisors *2008 IPO Executive Compensation Survey* complimentary synopsis is available to the media to [download](#), or by contacting Kyle Holm at 415-438-3401. The survey is available to the public to purchase for \$1,000 at [Presidio Pay's website](#).