



# Radford Surveys Data Confidentiality Assurances

## Data Confidentiality Overview

Radford treats each company's compensation data submissions in the strictest confidence. Each company has an obligation to retain confidentiality of survey results and to use them for internal purposes in evaluating its own programs. Companies violating data confidentiality policies will be ineligible to participate in future surveys.

Customized compensation data is distributed only to authorized contacts at companies that agree to submit data for the current or upcoming edition of the survey. Company-identifiable data is not released. In addition to safeguards requiring that a specific number of companies are included in any Custom Report, sufficient data must be available in order for a job and a data element to appear in the output. Details are described in the explanatory notes available with each report.

## Company Data Validation

Survey data integrity is of critical importance. We are dedicated to the review and audit of data prior to publication so that participants can rely on the results.

- Data is reported by participating companies; it is not self-reported by individuals.
- Survey data is collected on a schedule linked to each participant's pay administration schedule. This process ensures that data submissions reflect current practice. Both computerized validation processes and analysis by Survey Consultants are used to check data submissions for completeness, logic and reasonableness.
- Submitted data is tested using job-based and region-based expectations to ensure the reliability of survey data against current results. Data that falls above or below predetermined standards and expected norms is subject to additional review to verify its accuracy.
- Survey Consultants contact participants by telephone or email to verify the data. This includes discussion of proper job matching as well as the completeness of the information submitted.
- Following a company-by-company review of each survey input, the survey database is reviewed again, by section and in whole, prior to publication.
- Linking survey input with company profile data, such as revenue levels, organization type, and ownership as well as employee work location enhances comprehensive data validation efforts.

## Publication Effective Date

Radford surveys operate with a rolling database. Each company submits data once a year following completion of their annual pay administration cycle. For the various compensation data elements, the effective date is as below:

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- Base salary data reflects the rate in effect as of the data submission date, typically timed to reflect the company's most recent pay actions.
- Car allowances and other regular cash allowances reflect annualized payments being made to the employee for the company's current fiscal year.
- Target incentives reflect the company's expected current fiscal year incentive to be paid if eligible employees meet all performance objectives. Actual incentives reflect the award paid for the last complete fiscal year.
- Stock option, restricted stock and performance share guidelines reflect the practices in place for reported jobs at the time of data submission. Stock option, restricted stock, performance share and cash LTI actual grants reflect options, restricted stock, performance shares or cash LTI granted to each employee during the 12 months prior to the date of the company's survey input.

With each refresh of the survey publication database, screened input from new companies is added, prior year data is updated with new data from continuing participants, and year-old data from companies that are not expected to submit data for the current year are removed. The participant list associated with each survey data refresh indicates the companies contributing data to that database.

## Reporting Employees

Data is reported for full-time local staff only. Such employees (typically, but not always, local nationals) are employed under local employment terms and conditions; they are generally paid in local currency and are covered by a local benefit plan. Expatriates, consultants, contractors and part-time employees are excluded from standard reports. Survey participants have matched jobs and reported employees according to the Survey Job Matching Guidelines and Job Descriptions.

In general, employees at the Vice President (or equivalent) level and above are matched to Executive jobs; Management jobs include employees at the Director, Manager, or Supervisor level who manage people or functions; Professional Individual Contributor jobs typically correspond to non-management jobs that generally require a university degree; and Support Individual Contributor jobs typically do not usually require a university degree but may require technical or vocational training.

## Data Sufficiency

The number of employees included in the sample for each data element and the number of companies reporting such employees are limited to support data confidentiality.

- A list of ten companies is required to request a Custom Report on the Radford Network. In a multi-country Custom Report request at least ten companies must have operations in a country for that country to be included in the results. Requests for multiple Custom Reports must contain sufficiently different companies or underlying data updates from a sufficient number of companies to ensure that no results are identifiable to specific participants. At least three changes are required for a select list to be considered different.



- At least five companies and five employees must be reported in fixed compensation in order for a survey job to appear in the report. Within a job, at least five companies and five employees must be reported for each compensation data element to appear.
- If two, three or four companies report data for a compensation element, the company and employee count will appear, but no other data will be presented.
- If one company is reported, the number of employees also does not appear.

## Data Dominance

If any company in a sample accounts for more than 25 percent of the employees for a survey job, that company's number of employees will be reduced for purposes of calculating averages and percentiles to a number that does not exceed 25 percent of the total employees reported to the job. After determining the number of incumbents that can be retained, we count out from the median value (alternating higher and lower) to that figure and then discard those outside that limit. This ensures that data trimming supports retention of median values in every sample of company data in survey results.

## Percentile Data

Radford survey results may be reported with percentiles to demonstrate the dispersion of data. Overall survey results typically present data for the 90th, 75th, 60th, 50th, 25th and 10th percentiles as the default display. Custom Reports may use other values.

- Each percentile value reflects the percentage of responses that fall below the indicated percentile. For example, the 50th percentile (or median) is the middle value in the sorted array. Half the responses are above the median value; half the responses are below the median value. In another example, sixty percent of salaries are lower than the salary reported as the 60th percentile.
- A sample of twenty or more employees is required to present all the percentiles (90th through 10th). If the sample size is fewer than twenty, the percentiles above the 75th and below the 25th are suppressed. If one company provides more than 25 percent of the incumbents used to compute any data element, the calculated percentile values above the 75th and below the 25th are suppressed.

## About Radford

Radford delivers compensation data and advice to technology and life sciences companies. We empower the world's most innovative organizations, at every stage of development, to hire, engage and retain the top talent they need to do amazing things. Today, our surveys provide in-depth compensation insights in more than 80 countries to 3,000 participating organizations, and our consultants work with hundreds of firms annually to design rewards programs for boards of directors, executives, employees and sales professionals. Radford is part of Aon Hewitt, a business unit of Aon plc (NYSE: AON). For more information on Radford, please visit [radford.com](http://radford.com).