


**Argan, Inc.****AGX NYSE****Integrated Telecommunications Services**

Market Capitalization USD:

**\$138.53 mm****CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated.
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: Rainer H. Bosselmann****Age: 69****CEO Since: 2003**

	2009	2010	2011
<b>Base Salary</b>	\$200,000	\$200,000	\$200,000
<b>Discretionary Bonus</b>	\$175,000	\$125,000	\$125,000
<b>Annual Cash Incentive</b>	\$0	\$0	\$0
<b>Benefits and Perquisites</b>	\$1,200	\$1,250	\$1,200
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$376,200</b>	<b>\$326,250</b>	<b>\$326,200</b>
<b>Increase in Post-Retirement Benefits</b>	\$0	\$0	\$0
<b>Stock Option Awards</b>	\$259,200	\$176,250	\$0
<b>Stock Awards</b>	\$0	\$0	\$49,000
<b>TOTAL COMPENSATION</b>	<b>\$632,559</b>	<b>\$502,500</b>	<b>\$375,200</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$318,598	\$605,115	\$675,238
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$207,025	\$0
<b>Value Realized on Vesting of Stock</b>	\$0	\$0	\$0
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$0</b>	<b>\$207,025</b>	<b>\$0</b>

Proxy Date: 4 May 2012

Annual Meeting Date: 26 Jun 2012

Equity Reserves: 8.73%

Stock Option Run Rate: 1.64%

# Argan, Inc.

AGX NYSE

Integrated Telecommunications Services

Market Capitalization USD: \$138.53 mm

## Performance Comparison

■ S&P500 ■ Industry ■ AGX



## Peer Comparisons (TRBC) = Integrated Telecommunications Services

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
AGX	Argan, Inc.	\$632,559	\$502,500	\$375,200	\$138,529,378
GNCMA	General Communication, Inc.	\$1,470,989	\$2,314,035	\$3,633,783	\$349,128,702
ALSK	Alaska Communications Systems Group, Inc.	\$2,017,577	\$1,983,801	\$1,252,306	\$296,069,445
EGHT	8x8, Inc.				\$253,965,793
CBEY	Cbeyond, Inc.	\$1,322,071	\$1,941,400	\$1,548,157	\$216,839,999
MSPD	Mindspeed Technologies, Inc.	\$1,519,604	\$4,134,941	\$5,059,974	\$180,077,944
HTCO	HickoryTech Corporation	\$570,053	\$766,067	\$899,687	\$128,729,260

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

NA

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
James W. Quinn	Chairman	54	Male	9	Outside
Cvthia Flanders	Member	57	Female	3	Outside
William F. Leimkuhler	Member	60	Male	5	Outside

This report is for informational purposes only, and should not be considered a solicitation to buy or sell any security. Thomson Reuters Business Classification (TRBC) is a global industry classification system that is owned and operated by Thomson Reuters and has been licensed for use by GMI Ratings.

COPYRIGHT 2012 | GMI Ratings | ALL RIGHTS RESERVED