



**Dynamics Research Corporation**

**DRCO NASDAQ**

**IT Services / Consulting**

Market Capitalization USD:

**\$91.99 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: James P. Regan**

**Age: 71**

**CEO Since: 1999**

	2009	2010	2011
<b>Base Salary</b>	\$489,411	\$492,589	\$497,753
<b>Discretionary Bonus</b>	\$0	\$0	\$417,971
<b>Annual Cash Incentive</b>	\$388,545	\$522,680	\$360,882
<b>Benefits and Perquisites</b>	\$43,313	\$52,334	\$85,127
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$921,269</b>	<b>\$1,067,603</b>	<b>\$1,361,733</b>
<b>Increase in Post-Retirement Benefits</b>	\$11,933	\$7,326	\$11,314
<b>Stock Option Awards</b>	\$0	\$0	\$0
<b>Stock Awards</b>	\$113,929	\$0	\$70,508
<b>TOTAL COMPENSATION</b>	<b>\$1,047,131</b>	<b>\$1,074,929</b>	<b>\$1,443,555</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$392,965	\$380,825	\$488,294
<b>Value Realized on Exercise of Stock Option</b>	\$1,799,600	\$15,114	\$3,484,698
<b>Value Realized on Vesting of Stock</b>	\$76,134	\$133,416	\$137,818
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$1,875,734</b>	<b>\$148,530</b>	<b>\$3,622,516</b>

**Proxy Date:** 20 Apr 2012

**Annual Meeting Date:** 13 Jun 2012

**Equity Reserves:** 5.81%

**Stock Option Run Rate:** 0.00%

# Dynamics Research Corporation

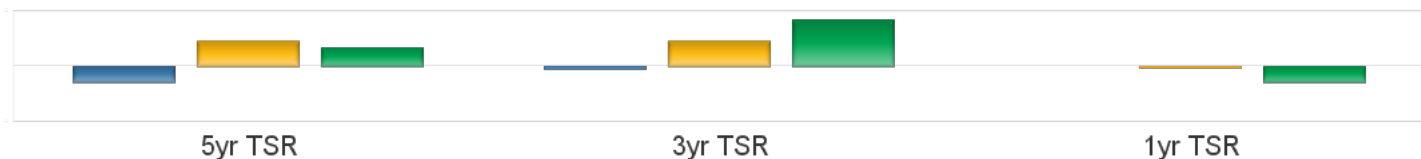
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## Performance Comparison

■ S&P500 ■ Industry ■ DRCO



## Peer Comparisons (TRBC) =IT Services / Consulting

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
DRCO	Dynamics Research Corporation	\$1,047,131	\$1,074,929	\$1,443,555	\$91,987,696
LLNW	Limelight Networks, Inc.	\$626,084	\$4,841,152	\$2,639,647	\$268,815,500
INAP	Internap Network Services Corporation	\$3,381,481	\$1,955,202	\$1,826,693	\$258,861,646
PRFT	Perficient, Inc.	\$248,973	\$1,948,238	\$1,424,490	\$225,054,190
DMAN	DemandTec, Inc.	\$1,968,781	\$2,180,369		\$217,689,812
INTX	Intersections Inc.		\$2,451,682	\$3,025,471	\$217,348,787
TTGT	TechTarget, Inc.	\$3,042,000	\$904,431		\$215,767,515

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

CACI International, Inc., ManTech International Corp., Maximus, Inc., MTC Technologies, Inc., NCI, Inc., SI International, Inc., SRA International, Inc., TechTeam Global, Inc. and Tyler Technologies, Inc.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
George T. Babbitt	Chairman	69	Male	8	Outside
Richard G. Tennant	Member	67	Male	2	Outside
W. Scott Thompson	Member	65	Male	2	Outside

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