



**FARO Technologies, Inc.**

**FARO NASDAQ**

**Electrical Components / Equipment**

Market Capitalization USD:

**\$524.26 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: Jay Freeland**

**Age: 42**

**CEO Since: 2006**

	2009	2010	2011
<b>Base Salary</b>	\$384,617	\$400,000	\$416,154
<b>Discretionary Bonus</b>	\$0	\$0	\$0
<b>Annual Cash Incentive</b>	\$0	\$174,000	\$189,000
<b>Benefits and Perquisites</b>	\$10,387	\$2,116	\$8,437
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$395,004</b>	<b>\$576,116</b>	<b>\$613,591</b>
<b>Increase in Post-Retirement Benefits</b>	\$0	\$0	\$0
<b>Stock Option Awards</b>	\$304,200	\$359,498	\$548,096
<b>Stock Awards</b>	\$0	\$0	\$0
<b>TOTAL COMPENSATION</b>	<b>\$699,204</b>	<b>\$935,614</b>	<b>\$1,161,687</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$368,754	\$461,044	\$571,198
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$0	\$1,062,192
<b>Value Realized on Vesting of Stock</b>	\$0	\$0	\$0
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,062,192</b>

**Proxy Date:** 13 Apr 2012

**Annual Meeting Date:** 16 May 2012

**Equity Reserves:** 14.10%

**Stock Option Run Rate:** 1.61%

# FARO Technologies, Inc.

FARO NASDAQ

Electrical Components / Equipment

Market Capitalization USD: **\$524.26 mm**

## Performance Comparison

■ S&P500 ■ Industry ■ FARO



## Peer Comparisons (TRBC) =Electrical Components / Equipment

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
<b>FARO</b>	<b>FARO Technologies, Inc.</b>	<b>\$699,204</b>	<b>\$935,614</b>	<b>\$1,161,687</b>	<b>\$524,258,904</b>
AOS	A.O. Smith Corporation	\$6,272,372	\$6,569,477	\$7,503,360	\$1,480,089,163
WCC	Wesco International, Inc.	\$4,880,133	\$4,315,526		\$1,451,267,887
WSO	Watsco, Inc.	\$4,861,842	\$20,392,521		\$1,445,458,035
LII	Lennox International Inc.	\$5,232,110	\$6,916,120	\$5,674,960	\$1,369,503,077
SPB	Spectrum Brands Holdings, Inc.		\$14,470,150	\$13,744,111	\$1,236,109,239
BGC	General Cable Corporation	\$3,822,998	\$3,778,682	\$4,959,105	\$1,218,061,646

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

MKS Instruments, Cognex Corp., MTS Systems Corp., Cohu, Inc., Rofin Sinar Technologies, LTZ- Credence Corp., Radysis Corp., Zygo Corp., Measurement Specialites, Inc., X-Rite, Inc., Mercury Computer Systems, IPG Photonics Corp., IXIA, Keithley Instrument, Stratasys, OYO Geospace, Rudolph Technologies, Nanometrics.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Stephen R. Cole	Chairman	60	Male	12	Outside Related
John Donofrio	Member	50	Male	4	Outside
John E. Caldwell	Member	62	Male	10	Outside Related
Marvin R. Sambur	Member	66	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