



**FBR & Co.**





**FBRC NASDAQ**

**Investment Services**

Market Capitalization USD:

**\$144.53 mm**

**CONCERN LEVEL: AVERAGE**

- 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: Richard J. Hendrix**

**Age: 46**

**CEO Since: 2009**

	2009	2010	2011
<b>Base Salary</b>	\$750,000	\$750,000	\$750,000
<b>Discretionary Bonus</b>	\$1,139,750	\$400,000	\$0
<b>Annual Cash Incentive</b>	\$0	\$0	\$0
<b>Benefits and Perquisites</b>	\$0	\$0	\$0
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$1,889,750</b>	<b>\$1,150,000</b>	<b>\$750,000</b>
<b>Increase in Post-Retirement Benefits</b>	\$0	\$0	\$0
<b>Stock Option Awards</b>	\$870,000	\$730,000	\$0
<b>Stock Awards</b>	\$0	\$5,212,252	\$142,125
<b>TOTAL COMPENSATION</b>	<b>\$2,759,750</b>	<b>\$7,092,252</b>	<b>\$892,125</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$934,074	\$1,669,516	\$787,954
<b>Value Realized on Exercise of Stock Option</b>	\$43,062	\$0	\$0
<b>Value Realized on Vesting of Stock</b>	\$0	\$40,089	\$202,132
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$43,062</b>	<b>\$40,089</b>	<b>\$202,132</b>

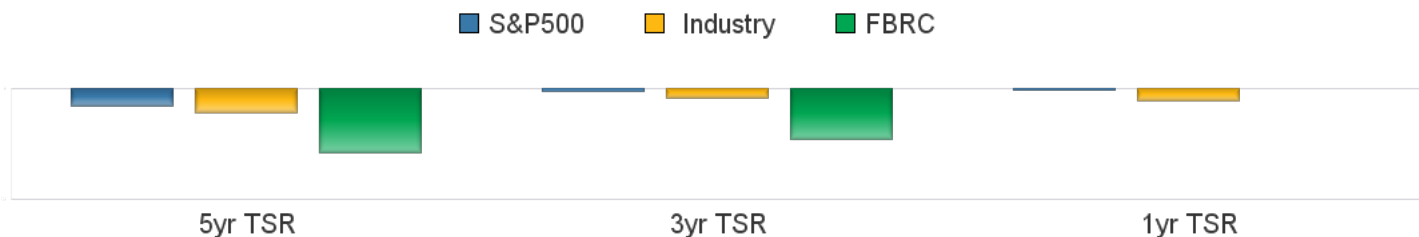
**Proxy Date:** 7 May 2012

**Annual Meeting Date:** 5 Jun 2012

**Equity Reserves:** 31.54%

**Stock Option Run Rate:** 2.67%

### Performance Comparison



### Peer Comparisons (TRBC) - Investment Services

#### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
<b>FBRC</b>	<b>FBR &amp; Co.</b>	<b>\$2,759,750</b>	<b>\$7,092,252</b>	<b>\$892,125</b>	<b>\$144,533,620</b>
ITG	Investment Technology Group, Inc.	\$1,210,357	\$3,943,576		\$392,578,999
INTL	INTL FCStone Inc.	\$1,083,863	\$973,810	\$1,836,239	\$378,272,485
PJC	Piper Jaffray Companies	\$1,611,691	\$2,815,858	\$2,008,524	\$344,567,659
VRTS	Virtus Investment Partners, Inc.	\$1,933,976	\$1,892,400	\$2,964,379	\$333,298,166
ENV	Envestnet, Inc.		\$1,904,057	\$572,236	\$317,435,490
EPHC	Epoch Holding Corporation	\$1,183,347	\$1,751,165		\$316,885,174

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

Cowen Group, Inc., Evercore Partners Inc., Gleacher & Co., Greenhill & Co., Jefferies Group, Inc., JMP Group Inc., KBW, Inc., Knight Capital Group, Inc., Lazard Group LLC, Oppenheimer Holdings Inc., and Piper Jaffray Companies.

#### Performance Peer Group

NA

### COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Arthur J. Reimers	Chairman	57	Male	5	Outside
Ralph S. Michael	Member	57	Male	3	Outside
Thomas J. Hvnes	Member	72	Male	5	Outside