



**Hanger Orthopedic Group, Inc.**

HGR NYSE

Healthcare Facilities

Market Capitalization USD:

\$632.93 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: Thomas F. Kirk**Age: 66****CEO Since: 2008**

	2009	2010	2011
Base Salary	\$605,000	\$619,398	\$636,364
Discretionary Bonus	\$0		\$0
Annual Cash Incentive	\$575,909	\$559,540	\$371,449
Benefits and Perquisites	\$19,081	\$39,532	\$44,832
TOTAL ANNUAL COMPENSATION	\$1,199,990	\$1,218,470	\$1,052,645
Increase in Post-Retirement Benefits	\$1,335,249	\$1,440,335	\$481,809
Stock Option Awards	\$0		\$0
Stock Awards	\$0	\$2,128,650	\$1,846,363
TOTAL COMPENSATION	\$2,535,239	\$4,787,455	\$3,380,817
Median of Other Named Executive Officers Total Compensation	\$1,333,149	\$1,378,054	\$1,211,961
Value Realized on Exercise of Stock Option	\$0	\$0	\$3,692,500
Value Realized on Vesting of Stock	\$1,180,482	\$1,427,281	\$1,739,524
TOTAL REALIZED EQUITY COMPENSATION	\$1,180,482	\$1,427,281	\$5,432,024

Proxy Date: 3 Apr 2012

Annual Meeting Date: 10 May 2012

Equity Reserves: 6.76%

Stock Option Run Rate: 0.00%

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Performance Comparison

■ S&P500 ■ Industry ■ HGR



Peer Comparisons (TRBC) =Healthcare Facilities

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
HGR	Hanger Orthopedic Group, Inc.	\$2,535,239	\$4,787,455	\$3,380,817	\$632,929,473
THC	Tenet Healthcare Corporation	\$10,700,750	\$12,242,946	\$10,740,341	\$1,898,598,754
HMA	Health Management Associates, Inc.	\$4,306,064	\$6,384,344		\$1,758,391,410
OHI	Omega Healthcare Investors, Inc.	\$1,130,700	\$1,565,251		\$1,642,341,534
CYH	Community Health Systems, Inc.	\$17,835,990	\$20,960,569		\$1,551,060,259
BKD	Brookdale Senior Living Inc.	\$6,340,529	\$1,372,222		\$1,529,549,094
HLS	HealthSouth Corporation	\$6,038,344	\$6,635,055	\$7,689,035	\$1,422,606,289

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

Select Medical Holdings Corporation, Teleflex Incorporated, Amedisys Inc., Gentiva Health Services Inc., MEDNAX, Inc., Five Star Quality Care Inc., Emeritus Corp., Skilled Healthcare Group, Inc., Integra LifeSciences Holdings Corporation, AmSurg Corp., National Healthcare Corp., The Ensign Group, Inc., Orthofix International N.V., Wright Medical Group Inc., IPC The Hospitalist Company, Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Eric Green	Chairman	50	Male	11	Outside Related
Peter J. Neff	Member	73	Male	3	Outside
Thomas P. Cooper	Member	68	Male	21	Outside Related