

BANKRATE INC  
Form DEF 14A  
April 28, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e) (2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under § 240.14a-12

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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- .. Fee paid previously with preliminary materials.
  
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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**BANKRATE, INC.**

**11760 U.S. Highway One, Suite 200**

**North Palm Beach, Florida 33408**

**(561) 630-2400**

May 1, 2009

Dear Bankrate, Inc. Shareholders,

You are cordially invited to attend the Annual Meeting of Shareholders of Bankrate, Inc., to be held on Wednesday, June 17, 2009. The Annual Meeting will begin promptly at 9:00 a.m., local time, at The Embassy Suites Hotel, 4350 PGA Boulevard, Palm Beach Gardens, Florida 33410.

We are pleased this year to furnish proxy materials to our shareholders over the Internet, as allowed by the U.S. Securities and Exchange Commission (SEC) rules. We believe that this will expedite our shareholders' receipt of proxy materials, while also lowering the costs of delivering materials to shareholders and reducing the environmental impact of printing and mailing these materials.

To ensure your representation at the Annual Meeting, you are urged to vote by proxy using one of the following methods as promptly as possible:

1. Vote via the Internet or telephone pursuant to the instructions provided in the notice of Internet availability of proxy materials or proxy card, as applicable, that we will mail no later than May 6, 2009 to holders of voting securities as of the record date; or
2. Request printed copies of the proxy materials by mail pursuant to the instructions provided in the notice of Internet availability of proxy materials and complete, date, sign and return the proxy card that you will receive in response to your request.

The Notice of Annual Meeting and Proxy Statement on the following pages contain information about the official business of the Annual Meeting. Whether or not you expect to attend, please vote your shares now. Of course, if you decide to attend the Annual Meeting, you will have the opportunity to revoke your proxy and vote your shares in person. This Proxy Statement and our 2008 Annual Report to Shareholders are also available at [www.investor.bankrate.com/annual-proxy.cfm](http://www.investor.bankrate.com/annual-proxy.cfm).

We gratefully acknowledge your continuing interest in our business, and we hope that many of you will attend the Annual Meeting.

Sincerely,

Thomas R. Evans

President and Chief Executive Officer

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**BANKRATE, INC.**

**11760 U.S. Highway One, Suite 200**

**North Palm Beach, Florida 33408**

**(561) 630-2400**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD JUNE 17, 2009**

**NOTICE IS HEREBY GIVEN** that the Annual Meeting of Shareholders of Bankrate, Inc. will be held at The Embassy Suites Hotel, 4350 PGA Boulevard, Palm Beach Gardens, Florida 33410, at 9:00 a.m., local time, on Wednesday, June 17, 2009, for the following purposes:

1. To elect two (2) directors to the Board of Directors;
  
2. To ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm for the current fiscal year;
  
3. To transact any business as may properly come before the Annual Meeting or any adjournments or postponements.

The Board of Directors has fixed the close of business on April 13, 2009 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting.

By Order of the Board of Directors,

Edward J. DiMaria

Senior Vice President-Chief Financial Officer and

Secretary

May 1, 2009

North Palm Beach, Florida

*This Proxy Statement is being made available beginning on or around May 1, 2009 to all shareholders entitled to vote at the Annual Meeting.*

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**BANKRATE, INC.**

**11760 U.S. Highway One, Suite 200**

**North Palm Beach, Florida 33408**

**(561) 630-2400**

**PROXY STATEMENT**

**FOR THE ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON**

**JUNE 17, 2009**

**INFORMATION CONCERNING SOLICITATION AND VOTING**

**Introduction**

We are furnishing this Proxy Statement on behalf of Board of Directors (the Board of Directors) of Bankrate, Inc., a Florida corporation, for use at our 2009 Annual Meeting of Shareholders, or at any adjournments or postponements of the meeting (the Annual Meeting), for the purposes set forth below and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at The Embassy Suites Hotel, 4350 PGA Boulevard, Palm Beach Gardens, Florida 33408, at 9:00 a.m. local time, on Wednesday, June 17, 2009.

**In accordance with SEC rules, instead of mailing printed copies of our proxy materials to each beneficial shareholder, as of the record date, we are furnishing the proxy materials for the Annual Meeting by providing access to these documents on the Internet. In connection with this change, a notice of Internet availability of proxy materials is being mailed to holders of our voting securities as of the record date no later than May 6, 2009. This notice contains instructions for accessing and reviewing our proxy materials and voting by proxy over the Internet. The notice will also tell you how to request our proxy materials in printed form or by e-mail, at no charge. The notice contains a control number that you will need to vote your securities. Our proxy materials were also made available at <http://investor.bankrate.com/annual-proxy.cfm> on the date that we first mailed or delivered the notice of Internet availability.**

As used in this Proxy Statement, the terms us, we, our, refer to Bankrate, Inc., and, where appropriate, Bankrate, Inc., and its subsidiaries. The term Common Stock means shares of our common stock, par value, \$.01 per share.

**Shareholders Entitled to Notice and to Vote; Quorum**

Only holders of record of our Common Stock at the close of business on April 13, 2009, which the Board of Directors has set as the record date, are entitled to notice of, and to vote at, the Annual Meeting. As of the record date, we had 18,776,986 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Our shares of Common Stock were held by approximately 7,927 shareholders of record. Each shareholder of record of Common Stock on the record date will be entitled to one vote for each share held on all matters to be voted upon at the Annual Meeting. There are no cumulative voting rights in the election of directors.

The presence, in person or by proxy, of not less than thirty-three and one-third percent (33 1/3%) of the votes entitled to be cast on a matter to be voted on at the Annual Meeting constitutes a quorum for action on that matter. The shares of Common Stock represented by properly executed Proxy Cards or properly authenticated voting instructions recorded electronically through the Internet or by telephone, will be counted for purposes of determining the presence of a quorum at the Annual Meeting. Abstentions and broker non-votes will be counted

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toward fulfillment of quorum requirements. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner.

### **Distinction Between Holding Shares as a Shareholder of Record and as a Beneficial Owner**

Some of our shareholders hold their shares through a broker, trustee, or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those shares owned beneficially.

**Shareholder of Record.** If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., then you are considered, with respect to those shares, the shareholder of record. As the shareholder of record, you have the right to grant your voting proxy directly to us or to a third party, or to vote in person at the Annual Meeting.

**Beneficial Owner.** If your shares are held in a brokerage account, by a trustee or, by another nominee, then you are considered the beneficial owner of those shares. As the beneficial owner of those shares, you have the right to direct your broker, trustee, or nominee how to vote and you also are invited to attend the Annual Meeting. However, because a beneficial owner is not the shareholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting.

If you are not a shareholder of record, please understand that we do not know that you are a shareholder, or how many shares you own.

### **Voting Deadline**

If you are a shareholder of record on the record date, then your proxy must be received no later than 11:59 p.m. on Tuesday, June 16, 2009 (the day before the Annual Meeting), to be counted. If you are the beneficial owner of your shares held through a broker, trustee, or other nominee, please follow the instructions of your broker, trustee, or other nominee in determining the deadline for submitting your proxy.

### **Voting Without Attending the Annual Meeting**

Whether you hold shares directly as a shareholder of record or through a broker, trustee, or other nominee, you may direct how your shares are voted without attending the Annual Meeting. You may give voting instructions by the Internet, by telephone, or, if you requested and received printed materials, by mail. Instructions are on the notice of Internet availability of proxy materials or proxy card, as applicable. The proxy holders will vote all properly executed proxies that are delivered in response to this solicitation, and not later revoked, in accordance with the instructions given by you.

### **Voting In Person**

Shares held in your name as the shareholder of record on the record date may be voted in person at the Annual Meeting. Shares for which you are the beneficial owner but not the shareholder of record may be voted in person at the Annual Meeting only if you obtain a legal proxy from the broker, trustee, or other nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the Annual Meeting, we recommend that you vote by proxy as described below so that your vote will be counted if you later decide not to attend the Annual Meeting.

The vote you cast in person will supersede any previous votes that you submitted, whether by Internet, telephone, or mail.



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### **Voting Requirements**

At the Annual Meeting, shareholders will consider and act upon the election of two directors, the ratification of the appointment of our independent registered public accounting firm, and such other business as may properly come before the Annual Meeting.

Our Bylaws provide that directors are elected by a plurality of the votes cast. This means that the director nominee with the most votes for a particular seat on the Board of Directors is elected for that seat. Only votes actually cast will be counted for purposes of determining whether a director nominee received the most votes for a particular seat on the Board of Directors. The withholding of authority by a shareholder (including broker non-votes) as to the election of directors (Proposal 1) has no effect on the results of the election.

Under Florida law, the ratification of the appointment of our independent registered public accounting firm (Proposal 2) must be approved by a majority of the votes cast. Abstentions and broker non-votes are not treated as votes cast and thus have no effect on the vote for Proposal 2.

At the record date, our directors and executive officers owned or controlled the power to vote 4,580,505 shares of Common Stock eligible to be voted at the Annual Meeting, constituting approximately 24% of the outstanding Common Stock. We believe that our directors and executive officers will vote all of their shares of Common Stock in favor of the election of each of the director nominees and in favor of Proposal 2 and, therefore, the election of the director nominees, and the ratification of the appointment of the independent registered public accounting firm, is reasonably assured.

### **Treatment of Voting Instructions**

If you provide specific voting instructions, your shares will be voted as instructed.

If you hold shares as the shareholder of record and sign and return a proxy card or vote by Internet or telephone without giving specific voting instructions, then your shares will be voted **FOR** each of the nominees for election to the Board of Directors, as set forth in Proposal 1, and **FOR** the ratification of the appointment of the independent registered public accounting firm, as set forth in Proposal 2.

If you are the beneficial owner of shares held through a broker, trustee, or other nominee, and you do not give instructions to that nominee on how you want your shares voted, then generally your nominee can vote your shares on certain routine matters. At the Annual Meeting, both Proposals 1 and 2 are considered routine, which means that your broker, trustee, or other nominee can vote your shares on these proposals if you do not timely provide instructions to vote your shares.

If your broker, trustee, or other nominee that is entitled to vote your shares leaves those shares unvoted, it is called a broker nonvote. A broker non-vote will be treated as unvoted for purposes of determining approval for the proposal and will have the effect of neither a vote for nor a vote against the proposal. If you are the beneficial owner of shares held through a broker, trustee, or other nominee, and that nominee does not have discretion to vote your shares on a particular proposal and you do not give your broker instructions on how to vote your shares, then the votes will be considered broker non-votes.

You may have granted to your broker, trustee, or other nominee discretionary voting authority over your account. Your broker, trustee, or other nominee may be able to vote your shares depending on the terms of the agreement you have with your broker, trustee, or other nominee.

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The persons identified as having the authority to vote the proxies granted by the Proxy Card will also have discretionary authority to vote, in their discretion, to the extent permitted by applicable law, on such other business as may properly come before the Annual Meeting and any postponement or adjournment. The Board of Directors is not aware of any other matters that are likely to be brought before the Annual Meeting. If any other matter is properly presented for action at the Annual Meeting, including a proposal to adjourn or postpone the Annual Meeting to permit us to solicit additional proxies in favor of any proposal, the persons named in the Proxy Card will vote on such matter in their own discretion.

### **Revocability of Proxies**

A shareholder of record who has given a proxy may revoke it at any time prior to its exercise at the Annual Meeting by either (i) giving written notice of revocation to our Corporate Secretary, (ii) properly submitting a duly executed proxy bearing a later date, or (iii) appearing in person at the Annual Meeting and voting in person.

If you are the beneficial owner of shares held through a broker, trustee, or other nominee, you must follow the specific instructions provided to you by your broker, trustee, or other nominee to change or revoke any instructions you have already provided to your broker, trustee, or other nominee.

### **Costs of Proxy Solicitation**

Proxies will be solicited from our shareholders by mail and through the Internet. We will pay all expenses in connection with the solicitation, including postage, printing and handling, and the expenses incurred by brokers, custodians, nominees and fiduciaries in forwarding proxy material to beneficial owners. We may employ a proxy solicitation firm to solicit proxies in connection with the Annual Meeting, and we estimate that the fee payable for such services would be less than \$10,000. It is possible that our directors, officers and other employees may make further solicitations personally or by telephone, facsimile or mail. Our directors, officers and other employees will receive no additional compensation for any such further solicitations.

4 Bankrate, Inc. Notice of Annual Meeting and Proxy Statement

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth the amount and percent of shares of Common Stock that as of April 13, 2009, are deemed under the rules of the Securities and Exchange Commission to be beneficially owned by each member of the Board of Directors, by each nominee for election to the Board of Directors, by each of our executive officers named in the Summary Compensation Table below, by all of our directors and executive officers as a group, and by any person or group (as that term is used in the Securities Exchange Act of 1934, as amended ( Exchange Act )) known to us to be a beneficial owner of more than 5% of the outstanding shares of Common Stock as of that date. The information concerning the beneficial ownership of our directors and officers is based solely on information provided by those individuals. Unless otherwise stated, the beneficial owner has sole voting and investment power over the listed Common Stock or shares such power with his or her spouse.

Name of Beneficial Owner	Common Stock Beneficially Owned <sup>(1)</sup>	
	Number of Shares of Common Stock	Percentage of Class
Peter C. Morse <sup>(2)</sup>	4,029,375	21.4%
Wells Fargo & Company <sup>(3)</sup>	2,192,687	11.7%
Waddell & Reed Financial, Inc. <sup>(4)</sup>	1,905,567	10.1%
Baron Capital Group, Inc. <sup>(5)</sup>	1,551,217	8.3%
Philippe Laffont <sup>(6)</sup>	1,067,642	5.7%
Warburg Pincus & Co. <sup>(7)</sup>	1,026,300	5.5%
T. Rowe Price Associates, Inc. <sup>(8)</sup>	1,006,700	5.4%
Thomas R. Evans	880,000	4.5%
Robert P. O Block	382,074	2.0%
Randall E. Poliner	375,456	2.0%
Edward J. DiMaria	121,250	*
Donaldson M. Ross	105,675	*
William C. Martin	60,850	*
Steven L. Horowitz	52,916	*
Richard J. Pinola	25,000	*
Daniel P. Hoogterp	35,000	*
All current executive officers and directors as a group (13 persons)	6,281,753	30.7%

\* Less than 1% of the outstanding Common Stock

- (1) For purposes of calculating the percentage beneficially owned, the number of shares of Common Stock deemed outstanding includes (i) 18,776,986 shares outstanding as of April 13, 2009; (ii) shares issuable by us pursuant to options held by the respective persons which may be exercised within 60 days following the record date; and (iii) restricted stock awards vesting on April 30, 2009. The shares issuable pursuant to options and restricted stock awards are considered to be outstanding and beneficially owned by the person holding such options and restricted stock awards for the purpose of computing the percentage ownership of such person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. The shares issuable by us pursuant to options exercisable within 60 days and restricted stock awards vesting on April 30, 2009 include: Mr. Morse, 75,000 shares; Mr. Evans, 880,000 shares; Mr. O Block 75,000 shares; Mr. Poliner, 75,000 shares; Mr. DiMaria, 118,750 shares; Mr. Ross, 104,375 shares; Mr. Martin, 52,500 shares; Mr. Horowitz, 52,916 shares; Mr. Hoogterp, 35,000 shares; and Mr. Pinola, 20,000 shares.
- (2) The address of Mr. Morse is 11760 US Highway One Suite 200, North Palm Beach, FL 33408.
- (3) Based solely on Schedule 13G filed with the SEC on January 10, 2009, Wells Fargo & Company ( Wells Fargo ) reported that it is the beneficial owner of 2,192,687 shares, including sole voting power of 2,079,897 shares, sole dispositive power of 2,184,931 shares, and shared dispositive power of 256 shares, as a result of being the parent holding company of subsidiaries acting as investment advisers to various investment companies classified as a registered investment advisor in accordance with Regulation

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- 13d-1(b)(1)(ii)(E) and banking subsidiaries. Evergreen Investment Management Co., a wholly owned subsidiary of Wells Fargo and a company classified as a registered investment advisor in accordance with Regulation 13d-1(b)(1)(ii)(E), is the beneficial owner of 1,610,690 shares, including sole voting power of 1,605,680 shares and sole dispositive power of 1,610,690 shares. The address of Wells Fargo is 420 Montgomery Street, San Francisco, CA 94163.
- (4) Based solely on a Schedule 13G/A filed with the SEC on April 7, 2009, Waddell & Reed Financial, Inc. ( WDR ), Waddell & Reed Financial Services, Inc., a parent holding company ( WRFSI ), Ivy Investment Management Company, an investment advisor ( IICO ), Waddell & Reed, Inc., a broker-dealer and underwriter ( WRI ), and Waddell & Reed Investment Management Company, an investment advisor ( WRIMCO ), (i) WDR reported that it had sole voting and dispositive power of 1,905,567 shares; (ii) WRFSI reported that it had sole voting and dispositive power of 1,601,588 shares; (iii) IICO reported that it had sole voting and dispositive power of 303,979 shares; (iv) WRI reported that it had sole voting and dispositive power of 1,601,588 shares; and WRIMCO reported that it had sole voting and dispositive power of 1,601,588 shares. The address for WDR is 6300 Lamar Avenue, Overland Park, KS 66202.
- (5) Based solely on a Schedule 13G filed with the SEC on February 13, 2009, Baron Capital Group, Inc. ( BCG ), BAMCO, Inc. ( Bamco ), an investment advisor, Bamco Capital Management, Inc. ( BCM ), an investment advisor, and Ronald Baron, Chairman and CEO of BCG, Bamco, and BCM, (i) BCG reported that it had shared voting power of 1,282,367 shares and shared dispositive power of 1,551,217 shares; Bamco reported that it had shared voting power of 1,254,500 shares and shared dispositive power of 1,521,350 shares; (iii) BCM reported that it had shared voting power of 27,867 shares and shared dispositive power of 29,867 shares; and (iv) Mr. Baron reported that he had shared voting power of 1,282,367 shares and shared dispositive power of 1,551,217 shares. BCG and Mr. Baron disclaimed beneficial ownership of shares held by their controlled entities (or the investment advisory clients thereof) to the extent such shares are held by persons other than BCG and Mr. Baron. Bamco and BCM disclaim beneficial ownership of shares held by their investment advisory clients to the extent such shares are held by persons other than Bamco, BCM, and their affiliates. The address of BCG is 767 Fifth Avenue, New York, NY 10153.
- (6) Based solely on a Schedule 13G/A filed with the SEC on February 13, 2009, Philippe Laffont reported that he, as the investment manager and general partner of two private investment funds, was the beneficial owner of 1,067,642 shares, as a result of acting as an investment adviser. Mr. Laffont reported that he had sole power to voting power of 1,067,642 shares and sole dispositive power of 1,067,642 shares. Mr. Laffont disclaimed beneficial ownership in the shares reported except to the extent of his pecuniary interest. The address for Mr. Laffont is c/o Coatue Management, LLC, 126 East 56<sup>th</sup> Street, New York, NY 10022.
- (7) Based solely on a Schedule 13D filed with the SEC on March 26, 2009, Warburg Pincus Private Equity, L.P. ( WP X ), Warburg Pincus X Partners, L.P. ( WPP X and together with WPX, the Funds ), Warburg Pincus X, L.P., the sole general partner of the Funds ( WP X LP ), Warburg Pincus X LLC, the sole general partner of WP X LP ( WP X LLC ), Warburg Pincus Partners, LLC, the sole member of WP X LLC ( WPP LLC ), Warburg Pincus LLC, a company that manages each of the Funds ( WP LLC ), and Warburg Pincus & Co, managing member of WPP LLC ( WP ), and Messrs. Charles R. Kaye and Joseph P. Landy, each a general partner of WP and co-president and managing member of WP LLC, collectively the Reporting Persons report that they had shared voting and dispositive power of 1,026,300 shares. Messrs. Kaye and Landy disclaim beneficial ownership of the shares held by the Funds. The address of the Reporting Persons is co Warburg Pincus, 466 Lexington Avenue, New York, New York, 10017.
- (8) Based solely on a Schedule 13G/A filed with the SEC on February 13, 2009, T. Rowe Price Associates, Inc. ( T. Rowe ) reported that it was the beneficial owner of 1,006,700 shares, as a result of acting as an investment adviser. T. Rowe, a registered investment adviser, reported that it had sole voting power over 88,500 shares and sole dispositive power over 1,006,700 shares. These securities are owned by various individual and institutional investors to which T. Rowe serves as investment advisor with power to direct investment and/or sole power to vote securities. The address for T. Rowe is 100 E. Pratt Street, Baltimore, MD 21202.

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**PROPOSAL 1**

**ELECTION OF DIRECTORS**

**Introduction**

The Board of Directors is divided into three classes, and the members of each class, serve for staggered three-year terms. At each annual meeting of shareholders, a class of directors is elected for a three-year term to succeed the directors of the same class whose terms are then expiring. The Board of Directors is currently comprised of two Class II directors (Mr. Evans and Mr. Pinola) whose terms expire at the 2010 Annual Meeting of Shareholders, two Class III directors (Mr. Morse and Mr. Martin) whose terms expire at the 2011 Annual Meeting of Shareholders and two Class I directors (Mr. O Block and Mr. Poliner) whose terms expire at the Annual Meeting. The Nominating Committee has nominated Mr. O Block and Mr. Poliner to stand for reelection as a director at the Annual Meeting. If reelected, they will each serve as a Class I director with a term expiring at the 2012 Annual Meeting of Shareholders. There are no family relationships among any of the directors or the nominees.

Shares represented by validly executed proxies will be voted **FOR** the election of the nominees, if authority to do so is not withheld. In the event that any nominee is unavailable for election, such shares may be voted for the election of such substitute nominee or nominees, if any, as the Board of Directors may select.

**The Board of Directors recommends a vote FOR each of the nominees.**

**Information Concerning the Nominees and Directors**

Biographical information for each director and nominee appears below. The information is based entirely upon information provided by the respective directors and nominees.

*Nominees to Serve as a Class I Directors (Term Expiring in 2012)*

**Robert P. O Block**, age 66, has served as a director since 1999. Mr. O Block held senior positions with McKinsey & Company, Inc. for 30 years until his retirement in 1998, serving as a consultant to a wide variety of business, nonprofit and public sector organizations in the United States, Europe and the Far East. As a Director of McKinsey & Company, Mr. O Block led studies in financial restructuring; corporate, business unit and product strategy; manufacturing operations; and organization. He started his career as a member of the faculty of Harvard University, where he performed research and taught courses in the areas of production and operations management, business economics and real estate. Mr. O Block is currently a general partner of Freeport Center, a real estate and distribution complex in Utah. He is the current Vice Chairman of the Boston Symphony Orchestra Board of Trustees and is also a Trustee Emeritus of the U.S. Ski and Snowboard Team Foundation. Mr. O Block received a bachelor's degree in mechanical engineering from Purdue University and an M.B.A. from Harvard Business School.

**Randall E. Poliner**, age 53, has served as a director since 1998. Since 1993, Mr. Poliner has served as President of Antares Capital Corporation, a private venture capital firm investing equity capital in expansion stage companies and management led buy-out opportunities. Mr. Poliner holds a Bachelor of Electrical Engineering from the Georgia Institute of Technology, an M.S. from Carnegie-Mellon University and an M.B.A. from Harvard Business School.

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### *Continuing Directors*

Our directors continuing in office as Class II Directors, with terms expiring at the 2010 Annual Meeting of Shareholders, are as follows:

**Thomas R. Evans**, age 54, has served as a director since 2004, and was appointed President and Chief Executive Officer in June 2004. From August 1999 to August 2003, Mr. Evans served as Chairman and Chief Executive Officer of Official Payments Corp., specializing in processing consumer credit card payments for government taxes, fees and fines. From 1998 to 1999, Mr. Evans was President and Chief Executive Officer of GeoCities Inc., a community of personal Web sites on the Internet. From 1991 to 1998, Mr. Evans was President and Publisher of *U.S. News & World Report*. In addition to his duties at *U.S. News & World Report*, Mr. Evans served as President of *The Atlantic Monthly* (1996-1998) and as President and Publisher of *Fast Company* (1995-1998), a magazine launched in 1995. Mr. Evans received a Bachelor of Science degree in business administration from Arizona State University. Mr. Evans is also a director of Navisite, Inc. and Future Fuel Corp.

**Richard J. Pinola**, age 63, has served as a director since 2004. Mr. Pinola has served as a principal of GPS Investment Group since July 2008. Mr. Pinola served as principal of Eric M. Golshalk & Co. from February 2005 through June 2008. From July 1992 until his retirement in February 2005, Mr. Pinola was President and Chief Executive Officer of Right Management Consultants, a career transition and organizational consulting firm and a wholly-owned subsidiary of Manpower Inc. Mr. Pinola also serves as a director of K-Tron International, Nobel Learning Communities, Inc., Kenexa, Inc., and three real estate investment trusts-Corporate Property Associates 15 Inc., Corporate Property Associates 16 Inc., and Corporate Property Associates 17-Global Inc. In addition, he serves on the Board of Trustees of King's College in Wilkes-Barre, Pennsylvania. Mr. Pinola received a Bachelor of Science degree in accounting from King's College.

Our directors continuing in office as Class III Directors, with terms expiring at the 2011 Annual Meeting of Shareholders, are as follows:

**Peter C. Morse**, age 62, has been a director since 1993, and served as our Chief Executive Officer from 1993 until 1997. Mr. Morse served as our Chairman from 1997 until 1999, and since 2002. Since 1982, Mr. Morse has also served as president of Morse Partners, Ltd., a private equity firm that acquires operating companies and provides expansion capital, and is also a general partner of Permit Capital. From 1986 to 1990, Mr. Morse was chairman of FAO Schwarz, the national chain of children's gift stores. Mr. Morse currently serves on the Board of Trustees of Children's Hospital of Philadelphia and is Chairman of the Investment Committee. Mr. Morse is also a member of the Board of Governors of Boys and Girls Clubs of America, the Board of Directors of Georgetown University, the Board of Trustees of the J.M. Foundation, and the Board of Trustees of Gesu School. Mr. Morse holds a B.S.B.A. from Georgetown University and an M.B.A. from Columbia University Graduate School of Business.

**William C. Martin**, age 31, has served as a director since 2000. He is the Chairman and Chief Investment Officer of Raging Capital Management, LLC, a private investment partnership. He is also the co-founder and principal of Indie Research LLC and InsiderScore LLC, providers of proprietary investment and research tools for individual and institutional investors. In 1998, Mr. Martin co-founded Raging Bull, an online financial media company.

## CORPORATE GOVERNANCE

### **Board of Directors Meetings and Committees**

During 2008, the Board of Directors held seven meetings. Each incumbent director attended at least 75% of the aggregate number of meetings of the Board of Directors and committees of the Board of Directors on which he served.

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The Board of Directors affirmatively determined that a majority of our directors are independent directors under the NASDAQ Global Select Market listing requirements. There were no transactions, relationships, or arrangements not otherwise disclosed in this Proxy Statement that were considered by the Board of Directors in determining the independence of any of the directors deemed to be independent under the NASDAQ Global Select Market listing requirements. Our independent directors include current directors, Messrs. Martin, Pinola, and current directors and nominees, Mr. O Block and Mr. Poliner.

Our independent directors have established a policy to meet separately from the other directors in regularly scheduled executive sessions at least twice annually, and at such other times as may be deemed appropriate by our independent directors. Any independent director may call an executive session of independent directors at any time. In 2008, the independent directors met in an executive session four times.

The Board of Directors has three standing committees: the Audit Committee, the Compensation Committee, and the Nominating Committee. The Audit Committee and the Nominating Committee have written charters, which are published on the Investor Relations section of our web site at [www.bankrate.com](http://www.bankrate.com). The Compensation Committee does not have a written charter. The Board of Directors has determined that all members of the Audit, Compensation, and Nominating Committees are independent as that term is defined in Rule 4200(a)(15) of the NASDAQ Marketplace Rules.

The Audit Committee are Messrs. Pinola (Chairman), O Block, and Poliner. The Board of Directors has determined that each Audit Committee member meets the NASDAQ Global Select Market listing standards financial knowledge requirements. In addition, the Board of Directors determined that Messrs. Pinola and Poliner each qualifies as an audit committee financial expert as defined by the Securities and Exchange Commission. The Audit Committee's primary function is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by us to governmental bodies or the public; our systems of internal controls regarding finance, accounting, legal compliance and ethics established by management and the Board of Directors; and our accounting and financial reporting process. The Audit Committee encourages continuous improvement of, and fosters adherence to, our policies, procedures and practices at all levels. In 2008, the Audit Committee met eight times.

The members of the Compensation Committee are Messrs. O Block (Chairman) and Poliner, both of whom are independent directors within the meaning of applicable NASDAQ Global Select Market listing standards. Mr. O Block replaced Mr. Poliner as Chairman in 2008. Our Board of Directors has vested authority in our Compensation Committee to review, evaluate and approve the compensation and benefits of all of our officers at the Senior Vice-President level and above, and to review and recommend to our Board of Directors general policy matters relating to compensation and benefits of our employees. Our Board of Directors has also delegated the authority to administer our stock option plans to the Compensation Committee, which may further delegate such responsibility to the extent permitted by law. In 2008, the Compensation Committee met 14 times.

The members of the Nominating Committee are Messrs. O Block (Chairman) and Poliner, both of whom are independent directors within the meaning of applicable NASDAQ Global Select Market listing standards. Our Board of Directors has vested authority in our Nominating Committee to develop and review background information for candidates for the Board of Directors, including candidates recommended by shareholders, and make recommendations to the Board of Directors about these candidates; evaluate the performance of current Board members proposed for reelection; recommend to the Board for approval a slate of nominees for election to the Board; and develop plans for our managerial succession. Although the Nominating Committee charter requires a minimum of two meetings each year, because the Nominating Committee was established in mid-2008, the Nominating Committee met only one time during the year.

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### **Nomination of Directors**

The Nominating Committee annually reviews and makes recommendations to the full Board regarding the composition and size of the Board so that the Board consists of members with the proper expertise, skills, attributes, and personal and professional backgrounds needed by the Board, consistent with applicable NASDAQ and regulatory requirements.

Our Nominating Committee will identify nominees by first evaluating the current members of the Board of Directors willing to continue in service. Current members of the Board of Directors with skills and experience that are relevant to our business and who are willing to continue in service are considered for re-nomination. If any member of the Board of Directors does not wish to continue in service or if the Nominating Committee decides not to re-nominate a member for re-election, the Nominating Committee then identifies the desired skills and experience of a new nominee in light of the criteria above. Current members of the Board of Directors are polled for suggestions as to individuals meeting the criteria described above. The Nominating Committee may also engage in research to identify qualified individuals. In 2009, the Nominating Committee engaged a third party expert to assist in identifying and evaluating potential nominees. In evaluating a director nominee, the Nominating Committee considers the following factors:

the appropriate size of our Board of Directors;

our needs with respect to the particular talents and experience of our directors;

the nominee's knowledge, skills and experience, including experience in finance, administration or public service, in light of prevailing business conditions and the knowledge, skills and experience already possessed by other members of the Board of Directors;

whether the nominee is independent, as that term is defined under NASDAQ Global Select Market listing standards;

the familiarity of the nominee with our industry;

the nominee's experience in political affairs;

the nominee's experience with accounting rules and practices; and

the desire to balance the benefit of continuity with the periodic injection of the fresh perspective provided by new Board of Directors members.

Our goal is to assemble a Board of Directors that brings together a variety of perspectives and skills derived from high quality business and professional experience. In doing so, the Nominating Committee will also consider candidates with appropriate non-business backgrounds.

Other than the foregoing, there are no stated minimum criteria for director nominees, although the Nominating Committee may also consider such other factors as it may deem in our best interests and the best interest of our shareholders. We also believe it is appropriate for certain key members of our management to participate as members of the Board of Directors.

Mr. O Block and Mr. Poliner were nominated for re-election by the Nominating Committee. The Nominating Committee did not receive any recommendations from shareholders requesting that the Nominating Committee consider a candidate for inclusion among the nominees in our Proxy Statement for this Annual Meeting. The absence of such a recommendation does not mean, however, that a recommendation would not have been considered had one been received. The Nominating Committee would have considered any candidate proposed in good faith by a shareholder. To propose a nominee, a shareholder should send the candidate's name, credentials, contact information, and his or her consent to be



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considered as a candidate to Edward J. DiMaria, our Senior Vice President-Chief Financial Officer. The proposing shareholder should also include his or her contact information and a statement of his or her share ownership (how many shares owned and for how long).

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### **Shareholder Communications with the Board of Directors**

Every effort is made to ensure that the Board of Directors or individual directors, as applicable, hear the views of shareholders and that appropriate responses are provided to shareholders in a timely manner. Any matter intended for the Board of Directors, or for any individual member or members of the Board of Directors, should be directed to Edward J. DiMaria, our Senior Vice President-Chief Financial Officer, with a request to forward the matter to the intended recipient. All such communications will be forwarded unopened.

### **Director Attendance at Annual Meeting of Shareholders**

We encourage all incumbent directors, as well as all nominees for election as director, to attend the Annual Meeting of Shareholders. All of our incumbent directors attended our Annual Meeting in June 2008.

### **Codes of Conduct and Ethics**

We have adopted the Bankrate, Inc. Code of Business Conduct applicable to all officers, directors and employees, and the Bankrate, Inc. Finance Code of Professional Conduct, applicable to our Chief Executive Officer, Chief Financial Officer, Controller and other finance organization employees. Both the Code of Conduct and the Finance Code of Ethics are publicly available on our web site at <http://www.bankrate.com>.

### **Review and Approval of Transactions with Related Persons**

The Audit Committee of the Board of Directors, pursuant to its written charter, is charged with the responsibility of reviewing and approving any related person transactions, including those required to be disclosed as a related person transaction under applicable federal securities laws. On an annual basis, each director and executive officer is required to complete a questionnaire that requires disclosure of any transactions the director or executive officer, or their immediate family members or associates, may have with us in which the director or executive officer, or their immediate family members or associates, has a direct or indirect material interest. The Audit Committee considers the responses in the questionnaires and other information regarding potential relationships between us and the directors and executive officers. No transaction requiring disclosure under applicable federal securities laws occurred during fiscal year 2008 that was submitted to the Audit Committee for approval as a related person transaction.

### **Compensation Committee Interlocks and Insider Participation**

The following non-employee directors were the members of the Compensation Committee of the Board of Directors during 2008: Robert O. Block (Chairman) and Randall E. Poliner. None of the members of the Compensation Committee is an executive officer of a public company of which a Bankrate executive officer is a director.

### **Retention Policy**

We have established a policy for our executive officers regarding the retention of shares purchased upon exercise of any new stock option grants or received upon the vesting of any new restricted stock or earn-out performance shares. Each executive officer is required to retain at least 25% of any shares remaining after payment of the option exercise price and taxes owed at the exercise of options, vesting of restricted stock, or earn-out performance shares, up to the maximum value of 100% of the executive officer's base salary described above.

**Table of Contents****EXECUTIVE OFFICERS**

The names, ages, and current positions of our executive officers as of the record date are listed in the table below. Executive officers are elected annually by the Board of Directors at its meeting following the Annual Meeting of Shareholders to serve for a one-year term and until their successors are elected and qualified. There are no family relationships among the executive officers nor is there any agreement or understanding between any officer and any other person pursuant to which the officer was elected. Mr. Evans serves as a director and an executive officer. For information pertaining to Mr. Evans's business experience, see Election of Directors.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Thomas R. Evans	54	President, Chief Executive Officer and Director
Robert J. DeFranco	52	Senior Vice President-Finance
Edward J. DiMaria	43	Senior Vice President-Chief Financial Officer
Daniel P. Hoogterp	49	Senior Vice President-Chief Technology Officer
Steven L. Horowitz	37	Senior Vice President-General Manager of Online Properties
Michael Ricciardelli	37	Senior Vice President-Business Development & Consumer Marketing
Donaldson M. Ross	45	Senior Vice President-Chief Revenue Officer
Bruce J. Zanca	48	Senior Vice President-Chief Communications/Marketing Officer

**Robert J. DeFranco.** Mr. DeFranco has served as our Senior Vice President-Finance since April 2006. Prior to that, he served as our Senior Vice President and Chief Financial Officer since September 2000, and as Vice President-Finance and Chief Accounting Officer from March 1999. From 1986 to 1999, he held various positions in corporate accounting and finance for companies including Ocwen Financial Corporation (as Director of Finance from January 1998 through March 1999), SunTrust Banks, Inc. (as Vice President-Financial Reporting from February 1995 through December 1997), Ryder System, Inc. and Southeast Banking Corporation. From 1978 to 1986, he was a member of the commercial audit division of Arthur Andersen & Co., Miami, Florida. Mr. DeFranco is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants. Mr. DeFranco received a Bachelor of Science degree with a major in Accounting from Florida State University in 1978.

**Edward J. DiMaria.** Mr. DiMaria has served as our Senior Vice President and Chief Financial Officer since April 2006. From February 2006 until April 2006, he served as our consultant, assisting us with our finance and accounting functions. Prior to that, Mr. DiMaria was an independent consultant for various clients on numerous matters, including private equity transactions, mergers and acquisitions, and other corporate finance projects. From August 2000 to August 2002, Mr. DiMaria was the Chief Financial Officer of Official Payments Corporation. From August 1994 to August 2000, Mr. DiMaria was employed by Best Friends Pet Care, Inc., where his final position was Executive Vice President and Chief Financial Officer. Mr. DiMaria has also held finance and accounting positions with Business Express, Inc., Advanced Network & Services, Inc., and was a member of the commercial audit division of KPMG LLP. Mr. DiMaria is a Certified Public Accountant in the State of New York and received his Bachelor of Business Administration degree with a major in Public Accounting from Pace University in New York.

**Daniel P. Hoogterp.** Mr. Hoogterp has served as our Senior Vice President and Chief Technology Officer since May 2005. From November 2002 until May 2005, he served as Chief Executive Officer of TQuist, LLC, a technology consulting company. From February 2001 to September 2002, Mr. Hoogterp served as Executive Vice President and Chief Technology Officer of Enamics, Inc., a company specializing in business technology management. From July 1999 to February 2001, he served as Senior Vice President and Chief Technology Officer of Sagemaker, Inc., a provider of enterprise information portals. From March 1991 to July 1999, he served as Chief Executive Officer of Retrieval Technologies, Inc. Mr. Hoogterp received a Post-Graduate Certificate in Business from Heriott-Watt University's Edinburgh Business School in Scotland in 2004.

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**Steven L. Horowitz.** Mr. Horowitz has served as Senior Vice President General Manager of Online Properties since May 2007. Mr. Horowitz joined us as our Vice President and Publisher in October 2004. From 2002 to 2004, Mr. Horowitz served in various positions at America Online (Time Warner), most recently as Vice President eCommerce Classifieds. From 1998 to 2002, he held Director and Senior Manager positions with Yahoo! and GeoCities, Inc. specializing in business and sales strategy for classifieds and local properties. Additionally, Mr. Horowitz served as Associate Director of Internet Marketing for BMG Music Club at BMG Direct, Bertelsmann (1998), Director of Internet Venues at a start-up entertainment Web site (1996 to 1997) and Online Publicist for Turner Entertainment Group at Turner Broadcasting Systems, Inc. (1995 to 1996). Mr. Horowitz received a Bachelor of Arts degree with a major in English from the State University of New York at Oswego in 1993.

**Michael Ricciardelli.** Mr. Ricciardelli has served as Senior Vice President Business Development & Consumer Marketing since May 2007 having joined Bankrate in September 2006. Prior to joining Bankrate, he was Vice President Marketing & Media Sales at Apartments.com/Classified Ventures where he managed all marketing functions and online advertising sales efforts. From 1999 to 2003, he was Co-Founder & Vice President of Strategic Development for Insurance.com venture funded by Fidelity Capital and sold in 2003 to Comparison Market. Earlier in his career, Mr. Ricciardelli also held positions in strategy consulting and business development at Fidelity Investments, and financial analysis at Salomon Brothers.

**Donaldson M. Ross.** Mr. Ross has served as our Senior Vice President-Chief Revenue Officer since September 2006. From June 2001 until September 2006, Mr. Ross was Senior Vice President-Sales & Marketing for Harris Connect, a leader in affinity marketing for the directory, Internet and data services business in the education and association market place. From 2000 to 2001, he held an executive management position at zUniversity.com. From 1989 to 1998, Mr. Ross held various positions in media sales and sales management at U.S. News & World Report, where he rose to the position of Vice President of Advertising Sales. Mr. Ross received his Bachelor of Arts degree from Denison University and his Masters in Advertising and Marketing from Michigan State University.

**Bruce J. Zanca.** Mr. Zanca has served as our Senior Vice President Chief Communications/Marketing Officer since July 2004. From January 2002 to June 2004, Mr. Zanca owned and operated a communications and marketing consulting practice. From September 1999 to December 2001, Mr. Zanca was Senior Vice President of Communications and Administration at Official Payments Corp., specializing in processing consumer credit card payments for government taxes, fees and fines. From August 1998 to June 1999 he served as Vice President Corporate Communications at GeoCities, Inc., a community of personal Web sites on the Internet. From 1995 to 1998, Mr. Zanca was Vice President of Corporate Communications at U.S. News & World Report Magazine Group. From 1981 to 1992, Mr. Zanca was a press aide in the Reagan and Bush administrations. During the first Bush administration he was a White House Spokesman and deputy to Marlin Fitzwater.

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**EXECUTIVE COMPENSATION**

**Compensation Committee Process and Procedures**

*Scope of Authority*

The Compensation Committee, which is currently comprised of Messrs. O Block (Chairman) and Poliner, has strategic and administrative responsibility for a broad range of issues, including reviewing, authorizing, and approving compensation to be paid to our executive officers and directors. During 2008, Mr. O Block replaced Mr. Poliner as Chairman of the Compensation Committee. Since 2008, the Nominating Committee recommends to the Board those persons who should serve on the Compensation Committee. The Board makes the ultimate appointments. The Board has determined that each member of the Compensation Committee is an independent director.

The Compensation Committee's policy is to review executive compensation, including incentive goals, at least annually. The Compensation Committee also periodically reviews benefits and perquisites, reviews and provides oversight of our compensation philosophy, and serves as the administrative committee for our equity-based plans.

*Delegation of Authority*

Generally, the Compensation Committee does not delegate its responsibilities to members of our management.

None of the members of the Compensation Committee is an executive officer of a public company of which one of our executive officers is a director.

*Independent Consultants*

To assist the Compensation Committee in the design of effective compensation programs, policies and practices, including developing a mix of cash and equity compensation and annual and long-term compensation that promotes our compensation objectives and that is competitive in the marketplace, the Compensation Committee retains a compensation consultant from time to time. In 2008, the Compensation Committee did not engage any independent consultants.

*Management's Role*

The Compensation Committee meets regularly, at least five times throughout the year, and agendas for the meetings are typically established with input from the Committee's Chairman, our Chief Executive Officer ( CEO ) and our Chief Financial Officer ( CFO ). The Compensation Committee may invite members of our management to attend its meetings, and at times, our CEO, CFO, or both, attended portions of the meetings of the Compensation Committee during 2008. The Compensation Committee on occasion meets with the management to obtain recommendations with respect to compensation programs for our executives and other employees. In addition, Mr. Evans is closely involved in assessing the performance of our executive officers (other than himself) and making recommendations to the Compensation Committee regarding base salary, bonus targets, performance measures, and equity compensation for these executive officers. Mr. Evans, however, is not present during voting or deliberations with respect to his own compensation.

The Compensation Committee conducts meetings regularly to consider, discuss and evaluate issues without the presence of any of our executive officers. Recommendations from management are considered by the Compensation Committee in setting compensation; however, the Compensation Committee independently develops and sets each of our executive officer's compensation package and our overall compensation philosophy.

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### **Compensation Discussion and Analysis**

#### *Overview and Objectives*

Our Board of Directors has delegated to its Compensation Committee overall responsibility for establishing the compensation programs for all executive officers, including our named executive officers. In this capacity, the Compensation Committee establishes, reviews and recommends to the Board of Directors compensation policy, approves compensation levels and performance goals, and evaluates executive officer performance against those objectives. Although this discussion and analysis refers principally to compensation for our named executive officers, the same compensation principles and practices generally apply to all of our executive officers.

The primary objective of our compensation program is the same objective that we have for our overall operations: to create long-term value for our shareholders. The Compensation Committee is responsible for establishing, reviewing and evaluating our compensation plans, policies and programs and for approving the total compensation package awarded to each of our executive officers, including the CEO. The Compensation Committee works directly with the CEO to ensure the compensation objectives are aligned with our mission and overall objectives and to provide a decision-making framework for use in formulating recommendations for each executive officer's compensation.

The Compensation Committee's overall objective is to establish a compensation policy that will (1) align the interests of executive officers with those of our long-term shareholders; (2) attract, retain and provide incentives to highly-qualified executive officers who drive our performance and help us achieve our business objectives; and (3) motivate executive officers to consistently deliver outstanding performance. In addition, our compensation program is intended to reward individual performance in a way that emphasizes strategic thinking necessary to create long-term value while balancing rewards for short-term increases in operating results. We compensate executive officers with a combination of salary and incentives designed to focus their efforts on maximizing both our near-term and long-term financial performance.

The Compensation Committee takes measure of the competitive market for senior executive officers by reviewing market compensation levels provided by comparable companies, although it does not benchmark compensation paid to our executive officers to specified levels of compensation paid to executive officers at the comparable companies. In 2007, a group of companies with a similar growth rate, performance, industry, competitive employment markets, track record, market positions and other factors was identified by the Compensation Committee. This and other market data are useful informational tools, which provides the Compensation Committee with a range of compensation paid in the market and various compensation package design alternatives in the market. Compensation levels are determined from an assortment of factors with competitive information being one of the factors considered. However, typically the most heavily weighted factor centers on our performance, which the Compensation Committee believes most closely aligns the interests of management and shareholders.

Our executive compensation packages are comprised primarily of base salary, incentive cash bonus program, and long-term equity incentive awards. The Compensation Committee believes that each element of the total compensation program serves an important function in achieving the overall objectives of our compensation program. The Compensation Committee strives to pay a base salary that is competitive within our industry to attract and retain top-level talent in a highly competitive market. The year-end cash bonuses that are paid under our incentive cash bonus program are designed to provide executive officers with strong incentive to achieve individual and Company financial and operational goals, all of which are intended to drive year over year growth in key performance metrics. Finally, the long-term eq