

## Executive Summary

### Growth in Total Compensation Has Slowed for Risk Professionals in Energy

The **2008 Risk Talent Associates Professional Compensation Survey – Energy** shows an average growth rate of 7% in total compensation for energy risk professionals in 2007 over 2006, lower than the 14% observed for 2006 over 2005. The average growth rate in salaries also dropped to 5% in 2007 over 2006, down from 8% in 2006 over 2005.

The survey data indicates that job movement within the energy segment has also slowed. Approximately 21% of survey respondents reported changing jobs within the last two years, less than the 28% who reported job movement in last year's survey. This figure is expected to stay consistent as 21% of survey participants predict they will change jobs in the next two years. Another 36% predict they "may" change jobs and the remaining 43% expect to stay with the same employer. Demonstrating that the energy sector is not insulated from the economic downturn, only 38% percent of survey respondents expect that their risk management group will grow in size, far lower than the 56% observed last year. Fifty-seven percent expect their groups to stay the same size, while 6% expect to see staff reductions.

For risk management groups that are expanding, the most popular way of filling open positions remains internal recruiting or corporate staffing. However, job boards such as [www.globalriskjobs.com](http://www.globalriskjobs.com) have increased in popularity and are now used by almost half of survey respondents, as well as contingency recruiting firms and retained search firms.

## Survey Analysis

### 1. Compensation Growth Across Tenures

This survey shows trends similar to prior years by tenure and title. For example, bonuses as a percentage of total compensation increase from one-third for junior to one-half for senior titles.

**Figure 1: Total Compensation, Salary and Bonus by Years of Experience (US Dollars)**

	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2006	2007	2006	2007	2006	2007	2006	2007
0-6 years	31%	\$ 142,000	\$ 154,000	\$ 98,000	\$ 105,000	\$ 20,000	\$ 23,000	\$ 24,000	\$ 26,000
7-15 years	53%	\$ 287,000	\$ 310,000	\$ 150,000	\$ 160,000	\$ 62,000	\$ 70,000	\$ 75,000	\$ 80,000
16+ years	16%	\$ 308,000	\$ 332,000	\$ 182,000	\$ 188,000	\$ 72,000	\$ 88,000	\$ 54,000	\$ 56,000

Source: Risk Talent Associates Salary Survey 2008. All figures in US Dollars and rounded to nearest thousand.

**Figure 2: Total Compensation, Salary and Bonus by Title (US Dollars)**

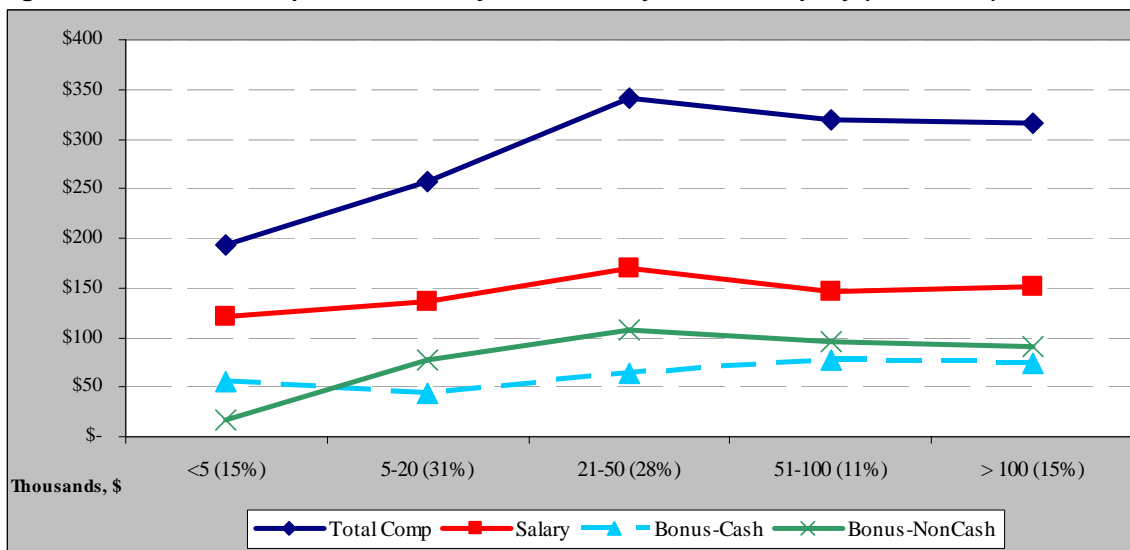
	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2006	2007	2006	2007	2006	2007	2006	2007
Analyst/Associate	23%	\$ 130,000	\$ 141,000	\$ 88,000	\$ 94,000	\$ 21,000	\$ 24,000	\$ 21,000	\$ 23,000
Senior Associate	8%	\$ 132,000	\$ 136,000	\$ 94,000	\$ 96,000	\$ 13,000	\$ 15,000	\$ 25,000	\$ 25,000
Manager	23%	\$ 201,000	\$ 217,000	\$ 128,000	\$ 140,000	\$ 48,000	\$ 52,000	\$ 25,000	\$ 25,000
Vice President	11%	\$ 231,000	\$ 242,000	\$ 170,000	\$ 172,000	\$ 40,000	\$ 47,000	\$ 21,000	\$ 23,000
Director	18%	\$ 277,000	\$ 338,000	\$ 150,000	\$ 160,000	\$ 53,000	\$ 65,000	\$ 74,000	\$ 113,000
Managing Director	8%	\$ 510,000	\$ 545,000	\$ 230,000	\$ 235,000	\$ 117,000	\$ 140,000	\$ 163,000	\$ 170,000
Chief Risk Officer	7%	\$ 509,000	\$ 531,000	\$ 244,000	\$ 249,000	\$ 110,000	\$ 126,000	\$ 155,000	\$ 156,000

Source: Risk Talent Associates Salary Survey 2008. All figures in US Dollars and rounded to nearest thousand.

**2. Highest Compensation at Largest Companies**

Within the energy segment, the majority of risk professionals (59%) work for companies with 5-20 or 21-50 risk professionals. Compensation is highest at companies with 21-50 risk professionals and lowest in risk groups with less than 5 professionals.

**Figure 3: 2007 Total Compensation, Salary and Bonus by Size of Company (US Dollars)**

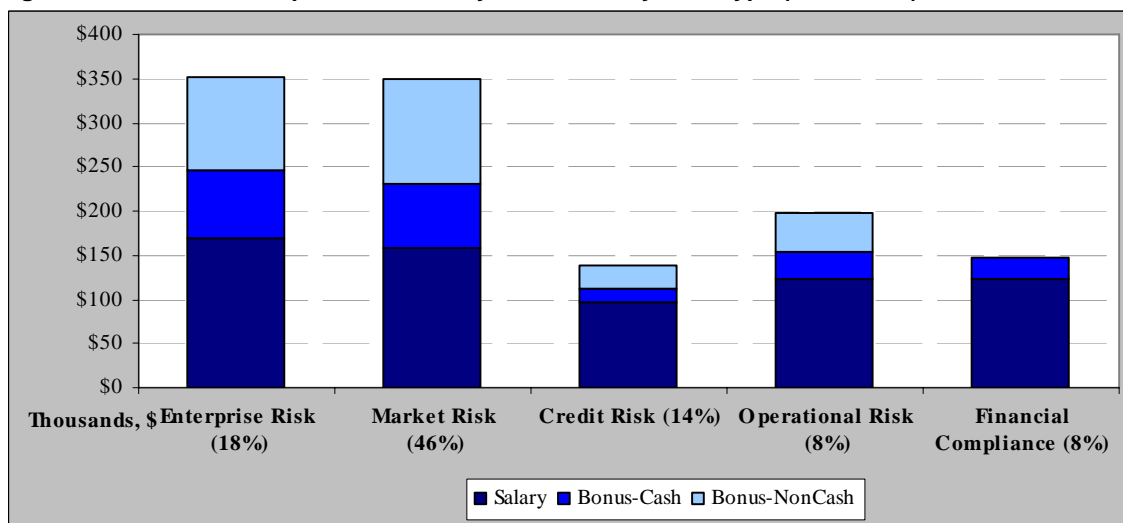


Source: Risk Talent Associates Salary Survey 2008. All figures in US Dollars.  
Note: Percentage of overall respondents reported in brackets "(%)"

**3. Enterprise and Market Risk Professionals Receive Highest Total Compensation**

Professionals reporting a focus on enterprise risk or market risk earn substantially more than professionals who focus exclusively on credit risk, operational risk or financial compliance.

**Figure 4: 2007 Total Compensation, Salary and Bonus by Risk Type (US Dollars)**

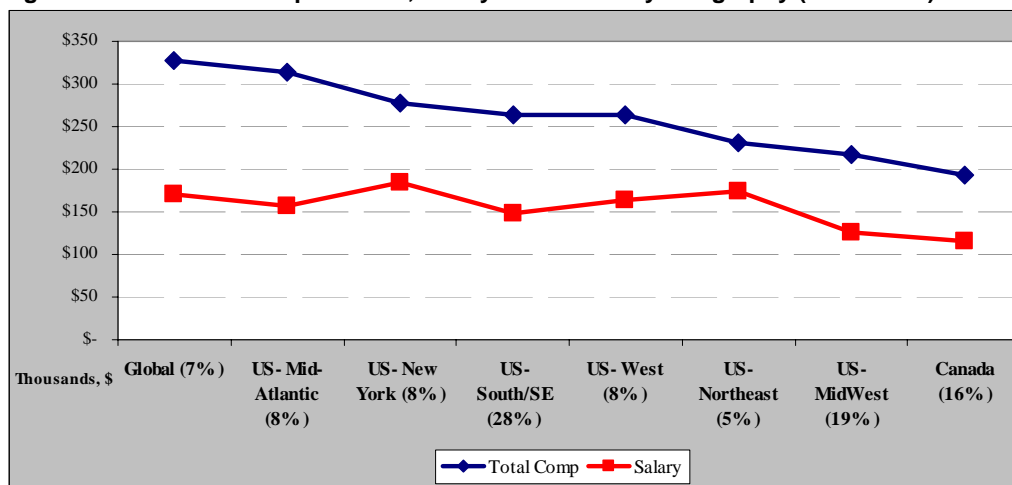


Source: Risk Talent Associates Salary Survey 2008. All figures in US Dollars.  
Note: Percentage of overall respondents reported in brackets "(%)"

**4. Highest Total Compensation in Global and Eastern US Regions**

Risk professionals based abroad and in the eastern United States earn higher total compensation than the energy hub in the US South/Southeast. However, the South/Southeast still tops other regions in the United States.

**Figure 5: 2007 Total Compensation, Salary and Bonus by Geography (US Dollars)**



Source: Risk Talent Associates Salary Survey 2008. All figures in US Dollars.  
Note: Percentage of overall respondents reported in brackets “(%)”

**5. Survey Methodology**

The **2008 Risk Talent Associates Professional Compensation Survey – Energy** was conducted during the summer of 2008 using Survey Monkey survey software. Responses were aggregated from 74 professionals in the Risk Talent Associates corporate database. The survey collected information on 2006 and 2007 salary, cash and non-cash compensation (such as stock, options, and other non-cash compensation). Survey respondents identified their years of experience, title, type of risk focus, geographic location, and size of company (based on the number of risk professionals in their organization). This is Risk Talent Associates’ fourth annual series of risk compensation surveys across capital markets, asset management, compliance, software, consulting, energy and corporate.

**About Risk Talent Associates**

Risk Talent Associates ([www.risktalent.com](http://www.risktalent.com)) is the leading international executive search firm focused exclusively on positions in the fields of market, credit and operational risk, as well as financial compliance and risk technology. Risk Talent’s expertise, industry knowledge, proprietary network and dedicated focus shorten the recruiting process to deliver senior and mid-level risk managers in the capital markets, asset management, energy, consulting and software industries. Risk Talent has offices in New York, Chicago, Hong Kong and London.

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