

DEVRY INC  
Form DEF 14A  
October 07, 2011  
Table of Contents

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 (Amendment No. )

Filed by the Registrant  x

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))**
- x Definitive Proxy Statement
- .. Definitive Additional Materials
- .. Soliciting Material Pursuant to §240.14a-12

**DEVRY INC.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- x 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:

2) Aggregate number of securities to which transaction applies:

## Edgar Filing: DEVRY INC - Form DEF 14A

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):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

SEC 1913 (02-02) **Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table of Contents**

October 7, 2011

Dear Shareholder:

On behalf of the Board of Directors of DeVry Inc., it is my pleasure to invite you to attend your company's Annual Meeting of Shareholders at 9:00 a.m., Central Daylight Time, Thursday, November 3, 2011, at DeVry University's location at 225 West Washington St., Chicago, Illinois.

We will begin with a discussion of the items listed in the enclosed proxy statement, followed by a report on the progress of DeVry during the last fiscal year. DeVry's performance also is discussed in the enclosed 2011 Annual Report to Shareholders, which we think you will find to be interesting reading.

We look forward to seeing you at the meeting.

Thank you.

Sincerely,

Dr. Harold T. Shapiro

*Board Chair*

Daniel Hamburger

*President & CEO*

**Table of Contents**

**TABLE OF CONTENTS**

<b><u>PROXIES AND VOTING INFORMATION</u></b>	1
<b><u>PROPOSAL NO. 1 ELECTION OF DIRECTORS</u></b>	2
<b><u>BOARD OF DIRECTORS AND BOARD COMMITTEE INFORMATION</u></b>	8
<b><u>2011 DIRECTOR COMPENSATION</u></b>	13
<b><u>COMMUNICATION WITH DIRECTORS</u></b>	15
<b><u>CERTAIN TRANSACTIONS</u></b>	15
<b><u>POLICY FOR COMMUNICATING ALLEGATIONS RELATED TO ACCOUNTING COMPLAINTS</u></b>	16
<b><u>CODE OF CONDUCT AND ETHICS</u></b>	16
<b><u>STOCK OWNERSHIP</u></b>	17
<b><u>COMPENSATION COMMITTEE REPORT</u></b>	19
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	19
<b><u>EXECUTIVE COMPENSATION</u></b>	29
<b><u>EQUITY COMPENSATION PLAN INFORMATION</u></b>	39
<b><u>AUDIT COMMITTEE REPORT</u></b>	40
<b><u>AUDIT FEES</u></b>	41
<b><u>PROPOSAL NO. 2 SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	42
<b><u>PROPOSAL NO. 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION</u></b>	42
<b><u>PROPOSAL NO. 4 ADVISORY VOTE ON THE FREQUENCY OF THE EXECUTIVE COMPENSATION VOTE</u></b>	43
<b><u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	44
<b><u>SHAREHOLDER PROPOSALS 2012 ANNUAL MEETING</u></b>	44
<b><u>SEC REPORTS</u></b>	44
<b><u>OTHER BUSINESS</u></b>	44

**Table of Contents**

**DEVRY INC.**

**3005 Highland Parkway**

**Downers Grove, IL 60515-5799**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held On**

**November 3, 2011**

You are cordially invited to attend the Annual Meeting of Shareholders of DeVry Inc. ( DeVry ) at DeVry University s location at 225 West Washington St., Chicago, Illinois, on Thursday, November 3, 2011, at 9:00 a.m. Central Daylight Time, for the following purposes:

- (1) To elect Christopher B. Begley, David S. Brown, Gary Butler, Lisa W. Pickrum and Fernando Ruiz as Class II Directors to serve until the 2014 Annual Meeting of Shareholders (Proposal No. 1);
- (2) To ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for DeVry for the current fiscal year (Proposal No. 2);
- (3) To conduct an advisory vote on executive compensation (Proposal No. 3);
- (4) To conduct an advisory vote on the frequency of the executive compensation vote (Proposal No. 4); and
- (5) To consider such other business as may properly come before the meeting or any adjournment thereof.

You will find enclosed with this Notice a proxy card and a Proxy Statement for the meeting and a copy of the DeVry Inc. Annual Report for 2011.

The Board of Directors has fixed a record date of September 19, 2011. Only shareholders of record on that date are entitled to notice of, and to vote at, the meeting.

All shareholders are cordially invited to attend the meeting in person. However, to assure representation at the meeting, you are encouraged to vote by proxy by following the instructions on the enclosed proxy card. Postage is not required for mailing in the United States. Upon written request, DeVry will reimburse shareholders for the cost of mailing proxy cards from outside the United States. You may also vote your shares by telephone or through the Internet by following the instructions set forth on the enclosed proxy card. You may attend the meeting and vote in person even if you have returned a proxy in writing, by telephone or through the Internet.

By Order of the Board of Directors,

GREGORY S. DAVIS

*Secretary*

October 7, 2011

Edgar Filing: DEVRY INC - Form DEF 14A

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on November 3, 2011** Our Proxy Statement and the DeVry Inc. Annual Report for 2011 are available at [www.proxyvote.com](http://www.proxyvote.com).

**Table of Contents**

**DEVRY INC.**

**3005 Highland Parkway**

**Downers Grove, IL 60515-5799**

**ANNUAL MEETING OF SHAREHOLDERS, TO BE HELD ON NOVEMBER 3, 2011**

**PROXY STATEMENT**

**PROXIES AND VOTING INFORMATION**

The Board of Directors of DeVry Inc. ( DeVry ) is sending you this Proxy Statement and the accompanying proxy card to solicit your proxy to vote your shares at DeVry s Annual Meeting of Shareholders to be held on November 3, 2011, and any adjournment thereof. The solicitation of proxies gives every shareholder an opportunity to vote because your shares can be voted only if you are present or represented by proxy at the meeting. This Proxy Statement and accompanying proxy card are first being sent to shareholders on or about October 7, 2011.

When you have returned your proxy, the proxy committee (and each of them, with full powers of substitution) will vote your shares as you direct. Please follow the instructions on the enclosed card, which explain how to submit your proxy by mail, by telephone or through the Internet. If you submit a proxy by telephone or through the Internet, you should not also mail in a card. If you return your proxy to us by any of these means without choices for each proposal, the proxy committee will vote your shares on the unmarked proposals as recommended by DeVry s Board of Directors. Abstentions, directions to withhold authority and broker non-votes (where a named entity holds shares for a beneficial owner who has not provided voting instructions) will be considered present at the meeting for purposes of a quorum but will not be counted in determining the total number of votes cast. A proxy may be revoked at any time before the proxy is voted at the meeting by: (1) notifying DeVry in writing that the proxy has been revoked, (2) submitting a later-dated proxy by mail, over the telephone or through the Internet, or (3) voting in person at the meeting. The election of Christopher B. Begley, David S. Brown, Gary Butler, Lisa W. Pickrum and Fernando Ruiz as Class II Directors (Proposal No. 1), the ratification of the selection of the independent registered public accounting firm (Proposal No. 2) and the approval of executive compensation in the advisory vote (Proposal No. 3) each will require the affirmative vote of a majority of the shares of Common Stock of DeVry outstanding on the record date, as required by DeVry s Restated Certificate of Incorporation (the Certificate of Incorporation ). The effect of an abstention, direction to withhold authority or broker non-vote with respect to these proposals is the same as a no vote.

With respect to the approval standard for the shareholder advisory vote on the frequency of the executive compensation vote, under Article Fifth of DeVry s Certificate of Incorporation, [w]hen a quorum is present or represented at any meeting, the vote of the holders of a majority of the voting power of all of the shares of stock of [DeVry] outstanding and entitled to vote on any matter, question or proposal brought before such meeting shall decide such question, unless the question is one upon which, by express provision of law, [the] Certificate of Incorporation or the By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. As this is an advisory vote, the results of the shareholder vote will not be binding on DeVry, the Board of Directors or the Compensation Committee. The Board of Directors, however, will carefully consider the number of votes that each option receives when determining the frequency of the shareholder advisory vote to approve the compensation of DeVry s named executive officers.

If you are a DeVry employee who is a participant in the DeVry Inc. Employee Stock Purchase Plan and/or the DeVry Inc. Success Sharing Retirement Plan s DeVry Stock Fund, your proxy will serve as direction to the custodian of the DeVry Inc. Employee Stock Purchase Plan or the trustee of the DeVry Inc. Success Sharing Retirement Plan to vote your shares for your account as you have directed. If you submit a proxy without indicating your voting preference, your shares will be voted in the same proportion as shares for which instructions have been received.

DeVry will bear the expense of soliciting proxies and will reimburse all shareholders for the expense of sending proxies and proxy material to beneficial owners, including expenditures for foreign mailings. The solicitation initially will be made by mail but also may be made by DeVry employees by telephone, electronic means or personal contact.

As of September 19, 2011, DeVry had 68,009,527 shares of Common Stock (\$0.01 par value) outstanding. Shareholders are entitled to one vote per share owned on the record date.





**Table of Contents**

**PROPOSAL NO. 1**

**ELECTION OF DIRECTORS**

The current size of the Board of Directors is 12 Directors. The Certificate of Incorporation provides for a Board of Directors that is divided into three classes serving staggered three-year terms. The current members of Class II, whose terms of office expire in November 2011, are David S. Brown, Gary Butler, Lisa W. Pickrum and Fernando Ruiz. The Board has nominated them and recommends their re-election as Class II Directors, each for a term to expire in 2014. The Board also recommends the election of Christopher B. Begley as a Class II Director, for a term to expire in 2014, thereby bringing the number of Directors to 13. The Board of Directors has acted to increase the size of the Board of Directors to 13 members, with such change to take effect immediately prior to the 2011 Annual Meeting. All of the nominees have consented to serve as directors if elected at the Annual Meeting of Shareholders.

It is intended that all shares represented by a proxy in the accompanying form will be voted for the election of each of Christopher B. Begley, David S. Brown, Gary Butler, Lisa W. Pickrum and Fernando Ruiz as Class II Directors unless otherwise specified in such proxy. A proxy cannot be voted for more than five persons. In the event that a nominee becomes unable to serve as a Director, the proxy committee will vote for the substitute nominee that the Board designates. The Board has no reason to believe that the nominees will become unavailable for election.

Each nominee for election as a Director, and each Director continuing in office, is listed below, along with a brief statement of his or her current principal occupation, business experience and other information, including directorships in other public companies held as of the date of this Proxy Statement or within the previous five years. Under the Caption Relevant Experience, we describe briefly the particular experience, qualifications, attributes or skills that led to the conclusion that these nominees or continuing directors should serve on the Board. As explained below under the caption Board of Directors and Board Committee Information Director Nominating Process and Factors Considered, the Nominating and Governance Committee looks at the Board as a whole, attempting to ensure that it possesses the characteristics that the Board believes important to effective governance.

**Approval by Shareholders**

The election of the five nominees for Director listed below requires the affirmative vote of a majority of the shares of Common Stock of DeVry outstanding on the record date. Unless otherwise indicated on the proxy, the shares will be voted **FOR** each of the nominees listed below.

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

---

**Table of Contents**

**NOMINEES**

**CLASS II TERM EXPIRES 2014**

*Christopher B. Begley, age 59*

Since May 2007, Mr. Begley has served as executive chairman of the board of Hospira, Inc., a leading global hospital products company. He was Hospira's founding CEO, holding that position from 2004 until April 2011. Prior to joining Hospira, Mr. Begley served in a variety of roles at Abbott Laboratories between 1986 and 2004, most recently as president of Abbott's Hospital Products Division. Before joining Abbott, Mr. Begley was vice president of marketing for the V. Mueller Division of American Hospital Supply Corp. Mr. Begley earned a bachelor's degree from Western Illinois University and a master's degree in business administration from Northern Illinois

University. Mr. Begley currently serves on the boards of Sara Lee Corporation, AdvaMed and the National Center for Healthcare Leadership.

Relevant Experience. Mr. Begley brings to the Board his substantial experience as a senior executive in the healthcare industry and an awareness of policies and regulations affecting the industry, an area of increasing importance to DeVry.

*David S. Brown, age 70*

Mr. Brown has been a Director of DeVry since November 1987 and was a founding shareholder and director of Keller Graduate School of Management ( KGSM ) from 1973 to 1987. A practicing attorney until 1998, Mr. Brown, was a partner in the Chicago law firm of McBride and Baker from 1972 to 1979 and served as General Counsel of the U.S. Office of Minority Business Enterprise from 1971 to 1972. From 1980 to 1996, Mr. Brown was employed by United Laboratories, Inc., a manufacturer and seller of specialty chemicals, most recently as Executive Vice President, Chief Financial Officer and General Counsel. Mr. Brown received his undergraduate degree in political science and philosophy from Stanford University and his LLD degree from Stanford

University Law School in 1965. Mr. Brown previously served on the Executive Committee and Finance Committee of DeVry and chaired the DeVry Audit Committee for a period of seven years.

Relevant Experience. Mr. Brown's role as a founding shareholder and long-serving director give him a historical perspective on DeVry's operations, to which he adds his experience as a practicing attorney and senior business executive. As an attorney, Mr. Brown specialized in business practice and business conflict resolution.

*Gary Butler, age 65*

Gary Butler has been a Director of DeVry since November 2010. Mr. Butler currently serves as Chief Executive Officer for Automatic Data Processing, Inc. ( ADP ), a provider of business outsourcing solutions. Mr. Butler has held a variety of positions of increasing responsibility since joining ADP in 1975. Prior to assuming his current role effective August 31, 2006, Mr. Butler served as President and Chief Operating Officer for eight years. Mr. Butler received his Bachelors of Industrial Engineering from the Georgia Institute of Technology and an M.B.A. from the University of Georgia. In addition to his work at ADP, Mr. Butler serves on the boards of ADP and Liberty Mutual Group and has previously served on the board of CIT Group Inc.

Relevant Experience. Mr. Butler brings to the Board deep experience as a senior executive with a leading global company, including considerable expertise incorporating information technology into a company's products and experience in overseeing the rapid global expansion of a business, which are areas that have been of increasing importance to DeVry in recent years.



**Table of Contents**

*Lisa W. Pickrum, age 42*

Ms. Pickrum has been a Director of DeVry since November 2008 and has been the Executive Vice President and Chief Operating Officer of The RLJ Companies ( RLJ ), a diversified holding company with portfolio companies in the financial services, asset management, real estate, hospitality, professional sports, film production, and gaming industries since 2004. In her role at RLJ, Ms. Pickrum has closed \$40 million in automotive dealership acquisitions, served as the primary RLJ fundraiser for a \$610 million money management fund and managed a hotel development project in West Africa. Prior to joining The RLJ Companies, Ms. Pickrum was a Principal at

Katalyst Venture Partners, a private equity firm that invested in start-up technology companies in the media and communications industries from 1999 to 2003. From 1998 to 1999, Ms. Pickrum worked as a senior consultant for Accenture, a global management consulting, technology services and outsourcing company, in the company's communications and technology strategic services practice. From 1994-1996, Ms. Pickrum was an attorney with the Federal Communications Commission (FCC) where she worked in the commercial wireless division, spectrum auction and allocations, and PCS and cellular. Ms. Pickrum received her undergraduate degree in political science from Vassar College, her J.D. degree from Stanford University, and her master's degree in finance from the Wharton School of Business at the University of Pennsylvania. In addition to her work at RLJ, Ms. Pickrum serves on the board of Christopher & Banks Corporation.

Relevant Experience. Ms. Pickrum's experience as a senior business executive in private equity, operations and strategy and financial analysis, including mergers and acquisitions, together with her previous experience with a federal regulatory agency, give her important perspectives on the issues that come before the Board. These include business, strategic, financial and regulatory matters.

*Fernando Ruiz, age 55*

Mr. Ruiz has been a Director of DeVry since November 2005. He has been employed by The Dow Chemical Company, a specialty chemical, advanced materials, agrosience and plastics company, since 1980. He was appointed Vice President and Treasurer of The Dow Chemical Company in 2001 and promoted to Corporate Vice President and Treasurer in 2005. Mr. Ruiz served as Assistant Treasurer of The Dow Chemical Company from 1996-2001. Mr. Ruiz serves as a director for a number of Dow subsidiaries including Dow Financial Services Inc. and Dow Credit Corporation and serves as President and CEO of Liana Ltd., a holding company for Dow's insurance subsidiaries. Mr. Ruiz received his undergraduate degree in economics from the Catholic University of Quito, Ecuador.

Relevant Experience. Mr. Ruiz's experience as a senior executive with a leading global manufacturer, his significant experience in international matters and his deep experience in finance, add both a global perspective and particular corporate finance knowledge to the Board's decision-making process.

---

**Table of Contents**

**INCUMBENT DIRECTORS**

**CLASS I TERM EXPIRES 2013**

*Connie R. Curran, age 63*

Dr. Curran has been a Director of DeVry since November 2003. She is President of Curran Associates, a healthcare consulting company. From September 2003 until June 2006, Dr. Curran served as the Executive Director of C-Change (formerly the National Dialogue on Cancer), an organization that brings together the public, private, and nonprofit sectors to focus on the eradication of cancer. She spent the preceding 15+ years in several healthcare leadership positions – President, Cardinal Health Consulting Services, 2000-2003; President and CEO, CurranCare, from 1995 until its acquisition by Cardinal Health in 2000; Vice Chairman/National Director for Patient Care Services,

APM Incorporated, 1990-1995; and Vice President for HealthCare Management and Patient Care Services, American Hospital Association, 1985-1989. Prior to 1989, Dr. Curran was the Dean of the College of Nursing at the Medical College of Wisconsin and held professorships at the University of San Francisco and Columbia University. She is a prolific author with over 200 publications and several research programs. She is chairman of the Silver Cross Hospital Board and serves on the boards of several nonprofit organizations. Dr. Curran is also a director of Hospira, Inc. and Volcano, Inc. Dr. Curran received her undergraduate degree in nursing from the University of Wisconsin and her master's degree in nursing from DePaul University. She also earned her ED.D in educational psychology from Northern Illinois University and an MBA certificate from Harvard Business School.

Relevant Experience. Dr. Curran has substantial experience as an educator and business leader in healthcare and healthcare consulting, an area that has been of increasing importance to DeVry in recent years.

*Daniel Hamburger, age 47*

Mr. Hamburger has been the President and Chief Executive Officer of DeVry and a Director since November 2006. He joined DeVry as Executive Vice President in November 2002. From January 2001 to November 2002, he served as Chairman and CEO of an Accenture subsidiary, Indeliq Inc., which developed education technology. Prior to that, Mr. Hamburger served as President of the Internet Commerce division of W.W. Grainger, Inc. Prior to that Mr. Hamburger was employed at R.R. Donnelley and at Bain & Co. Mr. Hamburger received his undergraduate and master's degrees in industrial/operations engineering from the University of Michigan and his master's degree in business administration from Harvard Business School.

Relevant Experience. Mr. Hamburger's role as Chief Executive Officer of DeVry, which gives him deep and current knowledge of DeVry's academic and business operations and strategy, makes him an essential member of the Board.

*Harold T. Shapiro, age 76*

Dr. Shapiro has been a Director of DeVry since November 2001 and has served as Board Chair since November 2008. Dr. Shapiro is President Emeritus of Princeton University and a professor of economics in its Woodrow Wilson School of Public and International Affairs. He was the President and a professor of economics and public affairs there from 1988 until his retirement as President in June 2001. Dr. Shapiro joined the faculty of the University of Michigan in 1964 and was that university's President from 1980 to 1988. Dr. Shapiro received his undergraduate degree in commerce from McGill University, and his master's and doctoral degrees in economics from Princeton University. Dr. Shapiro has previously served on the boards of The Dow Chemical Company, Kellogg Company and Unisys Corporation.

Relevant Experience. Dr. Shapiro's experience as the President of two leading universities (one a public-sector and one an independent university), along with his accomplishments as a scholar and instructor, bring a strong and knowledgeable academic, operational, and strategic

perspective to the Board's deliberations and to his role as Board Chair.

**Table of Contents**

*Ronald L. Taylor, age 68*

Mr. Taylor has been a Director of DeVry since November 1987. In July 2004 he became DeVry's Chief Executive Officer and served in that capacity until November 2006. From August 1987 until his November 2002 appointment as Co-Chief Executive Officer, he was President and Chief Operating Officer. In 1973 Mr. Taylor co-founded Keller Graduate School of Management and was its President and Chief Operating Officer from 1981 to 1987 and its Chief Operating Officer from 1973 until 1981. Mr. Taylor is a consultant/evaluator for the Higher Learning Commission and is a member of the Board of Trustees of the North Central Association of Colleges and Schools. Mr. Taylor received his undergraduate degree, cum laude, in government and international relations from Harvard University, and his master's degree in business administration from Stanford University.

Relevant Experience. Mr. Taylor's experience as a co-founder, long-serving director and senior executive of DeVry, including several years as co- or sole Chief Executive Officer, give him a deep understanding of DeVry, a broad knowledge of the education marketplace and a historical perspective on its development. His role as the first and only person from a private-sector university to serve on the board of the Higher Learning Commission gives him unique experience in the accreditation process.

**CLASS III TERM EXPIRES 2012**

*Darren R. Huston, age 45*

Mr. Huston has been a Director since November 2009. In September 2011, he was appointed to the position of Chief Executive Officer of Booking.com, a global leader in online travel accommodations, based in Amsterdam, and a subsidiary of the Priceline Group. He previously served at Microsoft Corporation, a software products and services company. His positions at Microsoft included Corporate Vice President of Global Consumer & Online (2008 to 2011), President & Chief Executive Officer of Microsoft Japan (2005 to 2008), and Corporate Vice President, US Small and Mid-Market Solutions and Partners (2003 to 2005). Prior to joining Microsoft, Mr. Huston was a Senior Vice President at Starbucks Coffee Company, in charge of acquisitions, alliances and new product development from 1998 through 2003.

Mr. Huston was an executive in McKinsey & Company's marketing and strategy practice from 1994 through 1998. From 1990 to 1992, Mr. Huston was an economic advisor for the Government of Canada's Department of Finance. Mr. Huston earned his bachelor's degree from Trent University in Peterborough, Ontario, his master's in economics from the University of British Columbia, and his master's in business administration from Harvard University Graduate School of Business.

Relevant Experience. Mr. Huston brings to the Board a background in marketing and strategic planning, gained in senior business leadership roles with Microsoft and Starbucks and in the consulting business. His familiarity with the uses of information technology and global leadership experience also adds important perspectives.

---

**Table of Contents**

*William T. Keevan, age 65*

Mr. Keevan has been a Director of DeVry since November 2005. He has more than 40 years of financial statement auditing, consulting, internal investigation, litigation support, regulatory compliance and corporate governance experience. He was with Arthur Andersen LLP for 28 years, including 20 years (from 1982 to 2002) as a partner in a number of senior management positions. From June 2002 to December 2006, Mr. Keevan was Senior Managing Director of Navigant Consulting Inc., a specialty consulting firm. In December 2006, Mr. Keevan joined Kroll Inc., a leading international risk consulting firm, where he was a Senior Managing Director and the

U.S. leader of the firm's Complex Accounting, Disputes and Regulatory Compliance Services practice. In September 2010, subsequent to the sale of Kroll Inc. by Marsh & McLennan, Mr. Keevan became an independent consultant and Senior Advisor to Chess Consulting LLC, the successor to the practice he led at Kroll. Early in his career, Mr. Keevan spent five years in private industry in various financial management positions involving SEC reporting, financial analysis, cost accounting and merger and acquisition due diligence. He has been recognized in multiple forums as an expert witness on financial accounting, cost accounting, auditing and regulatory compliance matters. His clients have included companies in a wide range of industries, many of them doing substantial business with the U.S. and foreign governments and therefore subject to unique business and regulatory risks. Mr. Keevan received his undergraduate degree in accounting from the University of Akron in December 1968. He is a CPA and is licensed to practice in Virginia, Maryland and the District of Columbia. He is a registered CPA in Illinois.

**Relevant Experience.** Mr. Keevan has a broad background in financial accounting and auditing, risk analysis, risk management, regulatory compliance and corporate governance, gained in senior leadership positions with several leading global business organizations and in other board positions. His experience also qualifies him to serve as an audit committee financial expert.

*Lyle Logan, age 52*

Mr. Logan has been a Director of DeVry since November 2007. Mr. Logan has been Executive Vice President and Managing Director, Global Financial Institutions Group (the asset management arm of Northern Trust Corporation, a financial holding company) at The Northern Trust Company since 2005. He previously served as Senior Vice President and Head of Chicago Private Banking within the Personal Financial Services business unit of Northern Trust from 2000 to 2005. Prior to 2000, he was Senior Vice President in the Private Bank and Domestic Portfolio Management Group at Bank of America. Mr. Logan received his undergraduate degree in accounting and economics from Florida A&M University and his master's degree in finance from the University of Chicago Graduate School of Business.

**Relevant Experience.** Mr. Logan's experience in senior leadership positions with leading banking and investment management organizations adds perspective and an understanding of global investment markets to the Board's consideration of finance and investment management matters.

*Julia A. McGee, age 69*

Ms. McGee has been a Director of DeVry since November 1994. She retired at the end of 2007 from Harcourt Inc, where she served as group President and CEO for six operating units that included trade, library and school publishing from 2003 to 2007. Prior to joining Harcourt, she served as President of Basal and Test Publishing at McGraw-Hill Education and earlier as Executive Vice President for Education at Scholastic, Inc. From 1991 to 2000, Ms. McGee was President of McDougal Littell & Co. and, upon its acquisition by Houghton Mifflin, a publishing company, in 1994, she also became Executive Vice President of Houghton Mifflin. Before she joined McDougal Littell as Editorial Director in 1988, Ms. McGee was a senior manager at Ligature Inc. and, for three years, Director of Marketing and Software Development for a division of Tandy Corporation. Ms. McGee



---

**Table of Contents**

received her undergraduate and master's degrees in English Literature from the University of Oklahoma and completed the Summer Executive Program at Stanford University. She was the chair of the Executive Committee of the School Division of the American Association of Publishers for two terms and an instructor in the summer Publishing Program at Stanford.

*Relevant Experience.* Ms. McGee's experience in senior leadership positions in publishing companies gives her an in-depth understanding of the regulatory, financial and content trends that shape the educational marketplace. Her experience in managing diverse publishing operations gives her insight into the similarly diverse challenges that DeVry faces. Her tenure on the Board also means that she brings a historical perspective to the Board's deliberations.

**BOARD OF DIRECTORS AND BOARD COMMITTEE INFORMATION**

**Board of Directors**

DeVry's Board of Directors held five meetings during fiscal year 2011, consisting of four regular meetings and one special meeting. Board members are expected to attend Board meetings, the meetings of the committees on which they serve and the Annual Meeting of Shareholders, except in unusual circumstances. During fiscal year 2011, all incumbent Directors attended 75% or more of the aggregate total number of meetings of the Board of Directors and of the committees on which they served. All of the Directors, except one, attended DeVry's 2010 Annual Meeting of Shareholders. During fiscal year 2011, the Board met in executive session without employee Directors or other employees present at each regular Board of Directors meeting. Dr. Harold Shapiro presided over these sessions as the non-executive Board Chair.

**Director Independence**

The Board of Directors has considered whether or not each Director, and Mr. Begley as a director nominee, has any material relationship with DeVry (either directly or as a partner, shareholder or officer of an organization that has a relationship with DeVry) and has otherwise complied with the requirements for independence under the applicable listing standards of the New York Stock Exchange ( NYSE ).

As a result of this review, the Board of Directors affirmatively determined that all of DeVry's current Directors and Mr. Begley are independent of DeVry and its management within the meaning of the applicable NYSE rules, with the exception of Mr. Taylor and Mr. Hamburger. Mr. Taylor is considered an inside director because of his status as a Senior Advisor to DeVry. In addition, Mr. Hamburger is considered an inside Director because of his employment as President and CEO of DeVry.

The Board considered the relationship between DeVry and Northern Trust Corporation, at a subsidiary of which DeVry maintains depository accounts and through which a significant portion of DeVry's disbursement activity is conducted, because Mr. Logan is Executive Vice President and Managing Director, Global Financial Institutions Group, with Northern Trust Global Investments, a business unit of Northern Trust Corporation. In fiscal year 2011, DeVry incurred approximately \$1.2 million in fees to Northern Trust Corporation, which were partially offset against compensating balance credits earned on an average monthly outstanding balance of approximately \$10.6 million. The Board of Directors concluded, after considering that Mr. Logan had no involvement in the transactions, the lack of materiality of the transactions to DeVry and to Northern Trust Corporation, and the fact that the terms of the transactions are not preferential either to DeVry or to Northern Trust Corporation, that the relationship is not a material one for purposes of the NYSE listing standards and would not influence Mr. Logan's actions or decisions as a Director of DeVry.

The Board also considered the relationship between DeVry and Automatic Data Processing, Inc. ( ADP ) because Mr. Butler is Chief Executive Officer of ADP. In fiscal year 2011, DeVry paid approximately \$2.1 million in fees for services purchased in the ordinary course of business relating to benefits solution centers, payroll outsourcing and hosting, COBRA and health care flex spending administration and student refund administration. The Board of Directors concluded, after considering that Mr. Butler had no involvement in the transactions, the lack of materiality of the transactions to DeVry and to ADP, and the fact that the terms of the transactions are not preferential either to DeVry or to ADP, that the relationship is not a material one for purposes of the NYSE listing standards and would not influence Mr. Butler's actions or decisions as a Director of DeVry.

---

## **Table of Contents**

### **Board Leadership Structure**

In accordance with DeVry's Corporate Governance Principles, the Board believes that it makes its selection of the Board Chair and the CEO in the way that it deems best for the organization and its shareholders and assesses this determination on an ongoing basis. The Board therefore has no specific policy with respect to the separation of the offices of Board Chair and CEO. The Board believes that this issue can be part of the succession planning process and that it is in the best interests of DeVry and its shareholders for the Board to make a determination regarding this issue when it annually elects the Board Chair. Since 2004, the offices of Board Chair and CEO have been held by different individuals, with the Board Chair currently being an independent director. The Board believes that the existing leadership structure currently serves DeVry and its shareholders well.

### **Board Committees**

The Board has standing committees: the Nominating and Governance, Audit, Compensation, Finance, Academic and External Relations Committees. A current copy of the charters of each of these committees and a current copy of DeVry's Corporate Governance Principles are available in print from the Secretary of DeVry, 3005 Highland Parkway, Downers Grove, IL 60515-5799, to any shareholder upon written request and can also be found on DeVry's website, [www.devryinc.com](http://www.devryinc.com). Only Directors who meet the NYSE listing standards definition of independent are appointed to the Nominating and Governance and Compensation Committees. Only Directors who meet the NYSE listing standards and the Securities and Exchange Commission definitions of independent are appointed to the Audit Committee.

*Academic Committee.* Directors Connie R. Curran (Chair), Gary Butler, Darren R. Huston and Ronald L. Taylor serve as members of DeVry's Academic Committee, which was established to assure that the academic perspective is heard and represented at the highest policy-setting level, and incorporated in all of DeVry's activities and operations. The purpose of the Committee, which met two times in fiscal year 2011, is to support improvement in academic quality by providing oversight of DeVry's academic policy and input to the Board and management regarding academic activities. The Committee reviews each of the academic policies of DeVry's institutions. Specifically, the Academic Committee evaluates the academic quality and assessment process and evaluates curriculum and programs, offering recommendations for improvement. The Committee also has oversight responsibility for risks and exposures related to academic quality, including accreditation, curriculum development and delivery, student persistence and outcomes.

*Audit Committee.* Directors William T. Keevan (Chair), David S. Brown, Lisa W. Pickrum and Fernando Ruiz serve as members of the Audit Committee, which was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act. The Committee met eight times in fiscal year 2011. The Board of Directors has determined that all of the members of the Audit Committee are independent as required by the applicable listing standards of the NYSE and by the applicable rules and regulations issued by the Securities and Exchange Commission. The Board also has determined that the Audit Committee has one audit committee financial expert serving on that Committee; namely, William T. Keevan, whose business background may be found on page 7 of this Proxy Statement.

The principal duties of the Audit Committee include:

Selecting DeVry's independent registered public accounting firm, subject to ratification by the shareholders;

Evaluating the independent registered public accounting firm's independence;

Monitoring the scope, approach and results of the annual audits and quarterly reviews of financial statements and discussing the results of those audits and reviews with management and the independent registered public accounting firm;

Overseeing the effectiveness of DeVry's internal audit function and overall risk management processes; and

---

## **Table of Contents**

Discussing with management and the independent registered public accounting firm the nature and effectiveness of DeVry's internal control systems.

Additional detail about the Committee's activities are spelled out in the Committee's Charter, which was most recently amended and restated by the Board of Directors on March 2, 2011. The report of the Audit Committee appears on page 40 of this Proxy Statement. The Committee also has oversight responsibility for risks and exposures relating to the adequacy and effectiveness of the accounting, information technology, and financial controls, including DeVry's policies and procedures to assess, monitor and manage exposure to risk (business and financial) and the steps management has taken with respect thereto; DeVry's adherence to legal, regulatory and ethics compliance programs; and enterprise-wide risk management.

*Compensation Committee.* Directors Julia A. McGee (Chair), Gary Butler, Connie R. Curran and William T. Keevan serve as members of the Compensation Committee, which held six meetings in fiscal year 2011, consisting of four regular meetings and two special meetings. The Board of Directors has determined that all of the members of the Compensation Committee are independent as defined in the applicable NYSE listing standards. The role of the Compensation Committee is discussed below in the section on Compensation Discussion and Analysis. The report of the Compensation Committee appears on page 19 of this Proxy Statement.

The principal duties of the Compensation Committee include:

Periodically reviewing the compensation paid to non-employee directors and making recommendations to the Board for any adjustments;

Reviewing eligibility criteria and award guidelines for DeVry's compensation programs;

Assisting the other non-employee members of the Board in establishing CEO annual goals, objectives and compensation;

Monitoring and evaluating matters relating to DeVry's compensation structure; and

Retaining independent compensation consultants to advise the Compensation Committee, as it deems appropriate, including approval of the consultants' fees and other retention terms.

The Compensation Committee also has oversight responsibility for risks and exposures related to employee compensation programs and management succession planning and assesses whether the organization's compensation practices encourage risk taking that would have a material adverse effect on DeVry. In connection with fulfilling this responsibility, the Compensation Committee reviewed the structure and elements of DeVry's compensation program and its policies and practices that manage or mitigate such risk, including, the balance of short-term and long-term incentives, use of multiple performance measures, a multi-year vesting schedule for long-term incentives, the stock ownership guidelines, and the implementation of a claw-back policy. Based on this review, we concluded that our compensation program does not encourage excessive risk taking.

*Finance Committee.* Directors Fernando Ruiz (Chair), David S. Brown, Lyle Logan and Lisa W. Pickrum serve as members of DeVry's Finance Committee, which met four times during fiscal year 2011, consisting of two regular meetings and two special meetings. The Committee's principal duties include review and recommendation with respect to DeVry's financing policies and actions related to investment, capital structure and financing strategies, as well as a risk management policy related thereto. The Committee also has oversight responsibility for risks and exposures related to DeVry's capital structure and debt.

*Nominating and Governance Committee.* Directors Lyle Logan (Chair), David S. Brown and Julia A. McGee serve as members of DeVry's Nominating and Governance Committee, which met four times during fiscal year 2011. The Board of Directors has determined that all of the members of the Nominating and Governance Committee are independent, as defined in the applicable NYSE listing standards. In accordance with the Committee's Charter, its responsibilities include:

## Edgar Filing: DEVRY INC - Form DEF 14A

Regularly reviewing the skills and experience of the Board as a whole, and evaluating their suitability to serve the current and future interests of DeVry and its employees, students and shareholders;

## **Table of Contents**

Regularly updating DeVry's director search criteria to ensure an appropriate and effective Board composition that provides effective governance for the growing, complex, global educational operations of DeVry and as a reflection of the broad spectrum of students that DeVry serves, including representing a diversity of thought, background, experience and other characteristics;

Overseeing CEO and director succession;

Overseeing risks and exposures stemming from governance structures and processes as well as Board composition and function;

Proposing a slate of directors for election by the shareholders at each annual meeting and proposing candidates to fill any vacancies on the Board;

Reviewing the committee structure; and

Leading the Board and committee evaluation process.

The Nominating and Governance Committee will consider shareholder recommendations of candidates for Director. Such recommendations should be sent to the Secretary of DeVry. Detailed procedures, including minimum qualifications and specific qualities or skills believed necessary, and the Committee's process (arising primarily out of DeVry's By-Laws) for identifying and evaluating nominees, have been codified in DeVry's policy on the Director Nominating Process, which is described below under the caption "Director Nominating Process and Factors Considered."

Mr. Begley's candidacy resulted from an extensive search process assisted by the firm of Russell Reynolds Associates, which was retained by the Board for this purpose. The Nominating and Governance Committee evaluated Mr. Begley against other candidates and the criteria set forth in the policy on the Director Nominating Process, which is discussed below, and recommended him to the full Board of Directors for nomination.

*External Relations Committee.* Directors Lisa W. Pickrum (Chair), Darren R. Huston and Ronald L. Taylor serve as members of DeVry's External Relations Committee, which met four times during fiscal year 2011. The Committee's principal duties include assisting DeVry's management team and the Board in identifying, evaluating and monitoring political and legislative trends, issues and concerns and determining how DeVry can anticipate and adjust to government policy trends in order to more effectively achieve its business goals. The Committee also has oversight responsibility for risks and exposures related to present and future public policy on education, as well as laws and regulations applicable to DeVry.

### **Director Nominating Process and Factors Considered**

The Nominating and Governance Committee is responsible for making recommendations of nominees for directors to the Board. The Committee's goal is to put before the shareholders candidates who, with the incumbent directors, will constitute a board that has the characteristics necessary to provide effective oversight for the growing, complex, global educational operations of DeVry and reflects the broad spectrum of students that DeVry serves, including representing a diversity of thought, background, experience and other characteristics. To this end, DeVry's Governance Principles provide that nominees are to be selected on the basis of, among other things, knowledge, experience, skills, expertise, diversity, personal and professional integrity, business judgment, time availability in light of other commitments, absence of conflicts of interest and such other relevant factors that the Committee considers appropriate in the context of the interests of DeVry and its Board. When considering nominees, the Committee seeks to ensure that the Board as a whole possesses, and individual members possess at least one of, the following characteristics or expertise:

Accounting and finance expertise;

Business judgment;

Management experience;

Industry knowledge;

Accreditation and other specialized knowledge of higher education;

**Table of Contents**

Public policy experience, particularly in higher education;

Leadership; and

Strategic vision.

The Committee has implemented this policy by evaluating each prospective director nominee as well as each incumbent director on the criteria described above and in the context of the composition of the full Board, to determine whether she or he should be nominated to stand for election or re-election.

In screening director nominees, the Committee also reviews potential conflicts of interest, including interlocking directorships and substantial business, civic, and social relationships with other members of the Board that could impair the prospective nominee's ability to act independently.

The Committee will not only consider nominees that it identifies, but will consider nominees submitted by shareholders in accordance with the process for shareholder nominations identified in the By-Laws. Under this process, all shareholder nominees must be submitted in writing to the Secretary of DeVry Inc., 3005 Highland Parkway, Downers Grove, IL 60515-5799, not less than 90 days prior to the anniversary of the immediately preceding Annual Meeting of Shareholders. Such shareholder's notice shall be signed by the shareholder of record who intends to make the nomination (or his duly authorized proxy) and shall also include, among other things, the following information:

the name and address, as they appear on DeVry's books, of such shareholder and the beneficial owner or owners, if any, on whose behalf the nomination is made;

the number of shares of DeVry's Common Stock which are beneficially owned by such shareholder or beneficial owner or owners;

a representation that such shareholder is a holder of record entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to make the nomination;

the name and residence address of the person or persons to be nominated;

a description of all arrangements or understandings between such shareholder or beneficial owner or owners and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by such shareholder;

such other information regarding each nominee proposed by such shareholder as would be required to be disclosed in solicitations of proxies for elections of directors, or would otherwise be required to be disclosed, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, including any information that would be required to be included in a proxy statement filed pursuant to Regulation 14A had the nominee been nominated by the Board of Directors; and

the written consent of each nominee to be named in a proxy statement and to serve as a director if so elected.

In addition to candidates submitted through this By-Law process for shareholder nominations, shareholders may also recommend candidates by following the procedures set forth below under the caption "Communication with Directors."

In identifying potential nominees and determining which nominees to recommend to the Board, the Nominating and Governance Committee has retained the advisory services of Russell Reynolds Associates. In connection with each vacancy, the Nominating and Governance Committee develops a specific set of ideal characteristics for the vacant director position. The Nominating and Governance Committee looks at nominees it

## Edgar Filing: DEVRY INC - Form DEF 14A

identifies and any identified by shareholders on an equal basis using these characteristics and the general criteria identified above.



**Table of Contents****Board of Directors Role in Risk Oversight**

DeVry's full Board is responsible for assessing major risks facing DeVry and overseeing management's plans and actions directed toward their mitigation and/or elimination. The Board has assigned specific elements of the oversight of risk management of DeVry to committees of the Board, as summarized below. Each committee meets periodically with members of management and, in some cases, with outside advisors regarding the matters described below and, in turn, reports to the full Board at least after each regular meeting regarding any findings.

<b>Board/Committee</b>	<b>Primary Areas of Risk Oversight</b>
Full Board	Risks and exposures related to DeVry's reputation and its adherence to applicable legal and regulatory requirements and ethical business practices; additionally, risks and exposures related to achievement of DeVry's long-term strategic objectives as well as significant shorter term operational goals and major organizational actions
Academic Committee	Risks and exposures related to academic quality, including accreditation, curriculum development and delivery, student persistence and outcomes
Audit Committee	Risks and exposures related to the quality of DeVry's accounting and disclosure practices, adequacy, and effectiveness of its accounting, information technology, and financial controls, including DeVry's enterprise wide risk management policies and procedures to assess, monitor and manage exposure to risk and the steps management has taken with respect thereto; DeVry's adherence to legal and regulatory requirements and its Code of Conduct and Ethics and other compliance programs
Compensation Committee	Risks and exposures related to employee compensation programs and management succession planning
Finance Committee	Risks and exposures related to capital structure and debt
Nominating and Governance Committee	Risks and exposures stemming from governance structures and processes as well as Board composition and function
External Relations Committee	Risks and exposures related to present and future public policy on education, as well as laws and regulations applicable to DeVry

**2011 DIRECTOR COMPENSATION**

Directors (except Mr. Hamburger) were paid an annual retainer of \$70,000, paid quarterly. In addition, the Board Chair receives an annual retainer of \$120,000. The Chair of the Audit Committee receives an additional annual retainer of \$20,000 for such services, the Chair of the Compensation Committee receives an additional retainer of \$15,000 and the chairs of the other committees each receives an additional annual retainer of \$5,000 for their roles as committee chairs. Directors are reimbursed for any reasonable and appropriate expenditures attendant to Board membership.

Under the DeVry Inc. Nonqualified Deferred Compensation Plan, a Director may elect to defer all or a portion of Board compensation. Any amount so deferred is, at the Director's election, valued as if invested in various investment choices made available by the Compensation Committee for this purpose, and is payable in cash in installments or as a lump-sum on or after termination of service as a Director or at a date specified by the Director.

**Table of Contents**

As long-term incentive compensation for Directors, each non-employee Director received restricted stock units commonly referred to at DeVry as Full-Value Shares with an estimated value of \$100,000 directly following the 2010 Annual Meeting of Shareholders. Each full-value share represents the right to receive one share of DeVry Inc. common stock following the satisfaction of the vesting period. The Full-Value Shares vest at a rate of 33.33% per year over three years. Prior to fiscal year 2010, Directors received stock options as long-term incentive compensation.

This table discloses all compensation provided in fiscal year 2011 to the Directors of DeVry (other than Mr. Hamburger who received no compensation for his service as a Director).

Name	Fees Earned	Stock	Total
	or Paid in Cash \$(1)	Awards \$(2)	
David S. Brown	70,000	100,131	170,131
Gary Butler (3)	35,000	100,131	135,131
Connie R. Curran (4)	117,000	114,595	231,595
Darren R. Huston (5)	70,000	100,131	170,131
William T. Keevan	88,750	100,131	188,881
Lyle Logan (6)	75,000	100,131	175,131
Julia A. McGee	82,500	100,131	182,631
Lisa W. Pickrum (7)	75,000	100,131	175,131
Fernando Ruiz (8)	88,750	100,131	188,881
Harold T. Shapiro	190,000	100,131	290,131
Ronald L. Taylor (9)	100,750	114,595	215,345

- (1) Includes all retainer fees paid or deferred pursuant to the DeVry Inc. Nonqualified Deferred Compensation Plan.
- (2) The amounts reported in the Stock Awards column represent the grant date fair value of 2,140 restricted stock units granted on November 10, 2010 to each of the Directors named above, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. Also see Note 3: Stock-Based Compensation to DeVry's consolidated financial statements set forth in the Form 10-K for fiscal year 2011, filed with the SEC on August 26, 2011, for the assumptions made in determining the valuations of these awards. The number of restricted stock units granted to each of the directors named above was determined by dividing \$100,000 by \$46.79, which represents the fair market value of a share of common stock on the November 10, 2010 date of grant, and rounding to the nearest 10 shares.
- (3) Butler has elected to defer 100% of his director fees into the DeVry Inc. Nonqualified Deferred Compensation Plan.
- (4) This amount includes \$42,000 in cash and 875 stock options, valued at \$14,464, Ms. Curran received as compensation for her service as a director on the board of a DeVry subsidiary. The value of these stock options was computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. Also see Note 3: Stock-Based Compensation to DeVry's consolidated financial statements set forth in the Form 10-K for fiscal year 2011, filed with the SEC on August 26, 2011, for the assumptions made in determining the valuations of these options.
- (5) Mr. Huston has elected to defer 50% of his director fees into the DeVry Inc. Nonqualified Deferred Compensation Plan.
- (6) Mr. Logan has elected to defer 100% of his director fees into the DeVry Inc. Nonqualified Deferred Compensation Plan.

## Edgar Filing: DEVRY INC - Form DEF 14A

- (7) Ms. Pickrum elected to defer 30% of her director fees into the DeVry Inc. Nonqualified Deferred Compensation Plan during the first six months of fiscal year 2011. Ms. Pickrum elected to defer 50% of her director fees into the DeVry Inc. Nonqualified Deferred Compensation Plan during the last six months of fiscal year 2011.

**Table of Contents**

- (8) This amount includes \$15,000 in cash Mr. Ruiz received as compensation for his services as a director on the board of a DeVry subsidiary.
- (9) This amount includes \$30,750 in cash and 875 stock options, valued at \$14,464, Mr. Taylor received as compensation for his service as a director on the board of a DeVry subsidiary. The value of these stock options was computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. Also see Note 3: Stock-Based Compensation to DeVry's consolidated financial statements set forth in the Form 10-K for fiscal year 2011, filed with the SEC on August 26, 2011, for the assumptions made in determining the valuations of these options.

The aggregate number of option awards outstanding at June 30, 2011 for each of the Directors was as set forth below. Prior to fiscal year 2010, Board members received grants of stock options instead of restricted stock units upon their election or re-election to the Board.

Name	Options Outstanding (#)
David S. Brown	18,250
Gary Butler	0
Connie R. Curran	875
Darren R. Huston	0
William T. Keevan	12,500
Lyle Logan	3,500
Julia A. McGee	3,000
Lisa W. Pickrum	3,500
Fernando Ruiz	12,500
Harold T. Shapiro	5,250
Ronald L. Taylor	408,375

**COMMUNICATION WITH DIRECTORS**

Shareholders and other interested parties wishing to communicate with the Board of Directors or any member or committee of the Board of Directors are encouraged to send any communication to: Secretary, DeVry Inc., 3005 Highland Parkway, Downers Grove, IL 60515-5799 and should prominently indicate on the outside of the envelope that it is intended for the board of directors, or a member or committee of the board of directors. Any such communication must be in writing, must set forth the name and address of the shareholder (and the name and address of the beneficial owner, if different), and must state the form of stock ownership and the number of shares beneficially owned by the shareholder making the communication. DeVry's Secretary will compile and periodically forward all such communication to the Board of Directors.

**CERTAIN TRANSACTIONS**

Various DeVry policies and procedures, including the Code of Conduct and Ethics, which applies to DeVry's directors, officers and all other employees, and annual questionnaires completed by all DeVry directors, director nominees and executive officers, require disclosure of transactions or relationships that may constitute conflicts of interest or otherwise require disclosure under applicable Securities and Exchange Commission rules. The Board annually reviews the continuing independence of DeVry's non-employee directors under applicable law or rules of the NYSE. The Board, excluding any director who is the subject of an evaluation, reviews and evaluates Director transactions or relationships with DeVry, including the results of any investigation, and makes a determination with respect to whether a conflict or violation exists or will exist or whether a director's independence is or would be impaired.

No relationships or transactions existed or occurred between DeVry and any officer, director or nominee for director, or any affiliate of or person related to any of them, since the beginning of DeVry's last fiscal year, of the type and amount that are required to be disclosed under applicable Securities and Exchange Commission rules.

---

**Table of Contents**

**POLICY FOR COMMUNICATING ALLEGATIONS RELATED TO ACCOUNTING COMPLAINTS**

Shareholders, employees and other interested persons are encouraged to communicate or report any complaint or concern regarding financial statement disclosures, accounting, internal accounting controls, auditing matters or violations of DeVry's Code of Conduct and Ethics (collectively, "Accounting Complaints") to the General Counsel of DeVry Inc. at the following address:

General Counsel

DeVry Inc.

3005 Highland Parkway

Downers Grove, IL 60515-5799

Accounting Complaints also may be submitted in a sealed envelope addressed to the Chair of the Audit Committee, in care of the General Counsel, at the address indicated above, and labeled with a legend such as: "To Be Opened Only by the Audit Committee." Any person making such a submission who would like to discuss an Accounting Complaint with the Audit Committee should indicate this in the submission and should include a telephone number at which he or she may be contacted if the Audit Committee deems it appropriate.

Employees may also report Accounting Complaints using any of the reporting procedures specified in DeVry's Code of Conduct and Ethics. All reports by employees shall be treated confidentially and may be made anonymously. DeVry will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of his or her employment based upon any lawful actions taken by such employee with respect to the good faith submission of Accounting Complaints.

**CODE OF CONDUCT AND ETHICS**

DeVry has adopted a Code of Conduct and Ethics (the "Code") that applies to its directors, officers (including the CEO, the Chief Financial Officer and the Controller) and all other employees. The Code is intended to promote:

honest and ethical conduct;

full, fair, accurate, timely and understandable disclosure;

compliance with applicable laws, rules and regulations;

prompt internal reporting of violations of the Code; and

accountability for adherence to the Code.

The Code is available in print, without charge, from the Secretary of DeVry, 3005 Highland Parkway, Downers Grove, IL 60515-5799, to any shareholder upon written request and is also available on DeVry's website, [www.devryinc.com](http://www.devryinc.com). DeVry posts any amendments to or waivers from the Code (to the extent applicable to DeVry's directors and executive officers) on DeVry's website, [www.devryinc.com](http://www.devryinc.com).

**Table of Contents****STOCK OWNERSHIP**

The table below sets forth the number and percentage of outstanding shares of Common Stock beneficially owned by (1) each person known by DeVry to own beneficially more than five percent of the Common Stock, (2) each Director of DeVry, (3) each nominee for election as Director, (4) each Named Executive Officer, and (5) all Directors and officers of DeVry as a group, in each case as of June 30, 2011, except as otherwise noted. DeVry believes that each individual or entity named has sole investment and voting power with respect to the shares of Common Stock indicated as beneficially owned by them, except as otherwise noted.

Name	Amount and Nature of Beneficial Ownership			Percentage Ownership
	Common Stock Beneficially Owned Excluding Options(1)	Stock Options Exercisable within 60 days of June 30, 2011	Total Common Stock Beneficially Owned	
Baron Capital Management, Inc. 767 Fifth Avenue New York, NY 10153	6,637,949(2)		6,637,949	9.7
Wellington Management Company, LLP 280 Congress Street Boston, MA 02210	3,500,428		3,500,428	5.1
Dennis Keller	5,770,799(3)	109,700	5,880,799	8.6
Ronald L. Taylor	998,094	387,719	1,406,469	2.0
Christopher B. Begley	0	0	0	*
David S. Brown	10,930	18,250	29,180	*
Gary Butler	2,140	0	2,140	*
Connie R. Curran	3,430	218	4,305	*
Darren R. Huston	3,430	0	3,430	*
William T. Keevan	3,430	12,500	15,930	*
Lyle Logan	3,430	3,500	6,930	*
Julia A. McGee	23,430	3,000	26,430	*
Lisa W. Pickrum	3,430	3,500	6,930	*
Fernando Ruiz	3,430	12,500	15,930	*
Harold T. Shapiro	3,680	5,250	8,930	*
Daniel Hamburger	25,587	426,012	761,687	1.1
Richard M. Gunst	9,356	21,014	107,617	*
William B. Hughson	1,000	5,931	24,725	*
David J. Pauldine	25,495	102,880	185,475	*
Steven Riehs	3,000	34,397	65,276	*
All Directors and Officers as a Group (27 persons)	1,138,078	1,209,257	3,016,999	4.4

\* Represents less than one percent of the outstanding Common Stock.

(1) Common Stock Beneficially Owned Excluding Options includes stock held in joint tenancy, stock owned as tenants in common, stock owned or held by spouse or other members of the holder's household, and stock in which the holder either has or shares voting and/or investment power, even though the holder disclaims any beneficial interest in such stock. Options exercisable within 60 days after June 30, 2011, are shown separately in the Stock Options Exercisable within 60 days of June 30, 2011 Column.

**Table of Contents**

(2) As of December 31, 2010, as reported in a statement on Schedule 13G/A filed with the SEC on February 14, 2011 by Baron Capital Management, Inc.

(3) Mr. Keller has 1,469,922 shares pledged to secure various personal lines of credit.

**Stock Ownership Guidelines**

In February 2010, the Board of Directors adopted stock ownership guidelines that apply to all Directors and executive officers of DeVry, including the NEOs. Under the guidelines, all executive officers are expected to maintain ownership of DeVry stock equal to a multiple of his or her current base salary (as adjusted from time to time), as follows: the CEO three times current base salary; all other NEOs two times current base salary; and all other executive officers one times current base salary. All directors are expected to maintain ownership of DeVry stock equal to a multiple of three times his or her current annual retainer (as adjusted from time to time). Shares that count toward satisfaction of the Guidelines include DeVry stock directly and/or beneficially owned, DeVry stock held in DeVry's Profit Sharing 401(k) Retirement Plan or other private accounts, DeVry stock held in DeVry's Nonqualified Deferred Compensation Plan, vested Full-Value Shares, and the after-tax value of unvested Full-Value Shares and/or vested options, provided that these can make up no more than 50% of the ownership requirement. All participants who were Directors or executive officers when the guidelines were adopted will have until February 2015 to achieve his or her respective expected stock ownership level, and participants who became Directors or executive officers after February 2010 will have until five years following the date of hire to achieve his or her respective expected stock ownership level.

**Table of Contents**

**COMPENSATION COMMITTEE REPORT**

The Compensation Committee of the Board of Directors (the Compensation Committee ) hereby furnishes the following report to the shareholders of DeVry in accordance with rules adopted by the Securities and Exchange Commission. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis of this Proxy Statement with DeVry's management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

This report is submitted on behalf of the members of the Compensation Committee:

Julia A. McGee, Chair

Gary Butler

Connie R. Curran  
William T. Keevan

**COMPENSATION DISCUSSION AND ANALYSIS**

This section provides an overview and analysis for fiscal year 2011 of our compensation program and policies, the material compensation decisions of the Board of Directors and the Compensation Committee made under the program and policies, how the Board of Directors and the Compensation Committee made those decisions, and the material factors the Board of Directors and the Compensation Committee considered in making those decisions. Later in this Proxy Statement, under the heading Executive Compensation you will find a series of tables and related narratives containing specific information about the compensation earned or paid in fiscal year 2011 to the following individuals, whom we refer to as our Named Executive Officers or NEOs :

Daniel M. Hamburger, President and Chief Executive Officer, DeVry Inc.

Richard M. Gunst, Chief Financial Officer and Treasurer, DeVry Inc.

William B. Hughson, President, Healthcare Group, DeVry Inc.

David J. Pauldine, President, DeVry University

Steven Riehs, President, K-12, Professional and International Education, DeVry Inc.

On June 8, 2011, Mr. Gunst informed DeVry of his decision to retire from DeVry. Mr. Gunst also informed DeVry that he will continue in his role while DeVry conducts an internal and external search for his successor and as long as necessary to ensure a smooth transition of duties.

The discussion below is intended to help you understand the detailed information provided in those tables and related narratives and put that information into context within our overall compensation program. When we use the words we, our or us, they refer to DeVry.

**Executive Compensation Philosophy and Objectives**

For fiscal year 2011, the overall goals of our compensation program were to serve the essential purpose of the organization, which is to empower students to achieve their educational and career goals, and to maximize the long-term return to our stakeholders. We designed our program to:



Attract, motivate and retain high-quality executives;

Align NEO compensation with academic, student service and financial objectives; and

Reward organizational and individual performance.

As part of our compensation philosophy, we believe we should pay our NEOs total compensation that is competitive with other alternatives available to them in the marketplace and that a significant portion of each NEO's total compensation should be variable with both upside potential and downside risk depending upon the performance of DeVry and of the individual. In addition, we believe we should maintain a clear, straightforward and transparent approach to our executive compensation program.

---

**Table of Contents****How the Compensation Committee Determined Executive Compensation*****Role of the Compensation Committee***

The Compensation Committee has responsibility for establishing, implementing and monitoring adherence to our compensation program. The Compensation Committee's role is to oversee, on behalf of the Board and for the benefit of DeVry and its shareholders, our compensation and benefit plans and policies and their effective execution, including reviewing and approving equity awards to directors and NEOs, and reviewing and approving annually all compensation decisions relating to our NEOs. The Compensation Committee meets periodically to review the design and effective functioning of our executive compensation program, including approving compensation levels and performance targets, reviewing management performance, and approving annual cash incentive compensation distributions and long-term incentive compensation awards. The Compensation Committee operates under a written Charter, a copy of which is available on DeVry's website, [www.devryinc.com](http://www.devryinc.com).

***Role of Executive Officers and Management***

The Compensation Committee invites select members of management to participate in its meetings. The CEO, General Counsel and Senior Vice President of Human Resources were regular attendees at Compensation Committee meetings in fiscal year 2011. The Compensation Committee also invited the CFO to provide perspective and participate in its meetings from time to time. Management's role was to contribute input and analysis to the Compensation Committee's discussions. At the Compensation Committee's direction and request, management made recommendations to the Compensation Committee with respect to the key elements of our executive compensation program for fiscal year 2011, which are discussed in more detail below. The CEO and Senior Vice President of Human Resources, with input from the CFO, recommended the aggregate dollars to be available to all of DeVry's employees for increases in base salaries (known as the merit pool), as well as the guidelines under which merit increases to base salaries of employees were to be made. The CEO and Senior Vice President of Human Resources, with input from the CFO, recommended the aggregate dollars available to be distributed to eligible employees under DeVry's Management Incentive Plan (MIP) for fiscal year 2011, and made specific recommendations to the Compensation Committee with respect to MIP awards for members of the senior leadership team that report directly to the CEO. Similarly, the CEO and Senior Vice President of Human Resources, with input from the CFO, made recommendations to the Compensation Committee concerning the aggregate number of stock options and restricted stock units to be awarded to deserving employees under DeVry's long-term incentive plans for fiscal year 2011, and made specific recommendations with respect to individual equity awards to members of the senior leadership team. As we discuss below, our CEO made specific recommendations to the Compensation Committee for his direct reports, including the other NEOs, regarding performance goals, increases to their annual base salaries, MIP awards and long-term incentive compensation grants for fiscal year 2011. After receiving the recommendations of management, the Compensation Committee gave feedback on the recommendations, regularly met in executive session for further discussion and analysis, and consulted with outside advisors. It approved the overall magnitude of MIP awards and equity grants, and all compensation decisions for the NEOs other than Mr. Hamburger. The Compensation Committee made all final compensation decisions with respect to the NEOs (other than Mr. Hamburger), and the independent members of the Board approved all compensation decisions for Mr. Hamburger.

***Role of Independent Consultants***

For fiscal year 2011, management used widely-published surveys (provided by Watson Wyatt, Towers Perrin and Mercer) to help inform many of the decisions related to the total compensation of its executive team. For fiscal year 2011, the Compensation Committee engaged The Delves Group as compensation consultants to review management's recommendations and provide data and insights that ensure that our executive compensation program is fair, reasonable, and consistent with our compensation objectives. The role of the outside consultants involved in our compensation processes was purely advisory in nature and the Compensation Committee retained ultimate responsibility for its compensation-related decisions.

---

## **Table of Contents**

The Compensation Committee and management analyzed and considered survey data provided by the consultants to help provide a broad perspective on the marketplace and market trends given DeVry's stated objective of paying compensation that is competitive with other marketplace alternatives. This survey data was one of many pieces of information included in a subjective process of determining executive compensation. The Compensation Committee used the survey data as general guidance, together with its own knowledge, experience and discretion, in establishing each of the individual elements of NEO compensation for its executives. The Compensation Committee did not target any specific percentile levels in establishing compensation levels and opportunities.

### ***The Role of Performance***

A significant portion of the total compensation of the NEOs is performance-based. The performance criteria include the financial performance of DeVry and/or their specific functional or operating unit, along with the NEO's performance relative to individual objectives. Under DeVry's operating philosophy that quality leads to growth, we believe that this places appropriate emphasis on academic quality, student service and career outcomes, thereby helping us to achieve our most significant short-term and long-term objectives. The Compensation Committee used specific goals and objectives to measure performance, and these goals and objectives played an important role in establishing the amounts paid to our NEOs in each element of our executive compensation program.

### ***Performance Goals and Measures***

We have a confidential five-year strategic plan containing various milestones, which was developed by our executive management team and approved by our Board. The plan is rigorously reviewed and updated annually. At the outset of fiscal year 2011, our executive management team recommended, and our Board subsequently approved, a fiscal year operating plan based upon our five-year strategic plan. The specific, quantitative goals set for NEO and organizational performance in fiscal year 2011 were, in turn, derived from our 2011 operating plan.

The Compensation Committee continued its recent practice of using earnings per share and annual revenue as the key measures of organizational performance. For fiscal year 2011, DeVry's organizational performance goals were revenue of \$2,228.3 million and earnings per share of \$4.50.

The Compensation Committee used operating unit revenue and operating income as key measures in assessing the performance of NEOs in operating roles in fiscal year 2011. We do not disclose the particular operating unit performance goals utilized in our annual cash incentive program (MIP) or otherwise. We consider such information confidential, as its disclosure would cause competitive harm. The internal revenue and earnings goals for the various operating segments flowed from the DeVry organization-wide goals.

The Compensation Committee considered the organization's performance goals to represent the best estimate of what the organization could deliver, if management, individually and collectively, were to materially satisfy its goals and objectives for the year. The Compensation Committee intended all the goals to be aggressive yet achievable. At the time the Compensation Committee set these goals, it expected that it would take extraordinary performance on the part of management to exceed them to the extent necessary to yield maximum incentive payouts under our MIP. We believe that DeVry's incentive plans have successfully implemented its philosophy of pay for performance in fiscal year 2011 because they focused management and the entire organization on key value drivers and performance incentives to deliver strong results.

### ***Individual Performance Goals***

At the beginning of fiscal year 2011, the Compensation Committee approved individual performance goals and objectives for the CEO. The CEO also worked collaboratively with the other NEOs in developing their individual performance goals and to assign weightings to them to place additional emphasis on tactical priorities. These individual performance goals reflected functional results or operating unit performance appropriate for each NEO's respective role. Each stressed the building of academic outcomes, organizational strength and advancement of DeVry's core values. The individual performance goals are factors in determining base salary,

**Table of Contents**

annual cash incentive compensation (MIP) and long-term incentive compensation. The individual performance goals intentionally include elements that can be rated objectively as well as elements that are of a subjective nature. This allows the evaluator the independent members of the Board in the case of the CEO and the CEO with input and approval from the Compensation Committee in the case of the other NEOs to assess the individual's performance objectively, while utilizing its discretion to make adjustments based on the individual's perceived contributions and other subjective criteria.

The primary individual performance goals and objectives set for our CEO, Mr. Hamburger, were to:

Achieve high quality academic outcomes;

Implement DeVry's growth and diversification strategy; and

Strengthen infrastructure.

The primary individual performance goals and objectives set for our CFO, Mr. Gunst, in his role as the head of a critical function for DeVry, were to:

Provide insightful business analysis/planning;

Lead and coordinate mergers and acquisitions evaluation and due diligence efforts;

Provide strategic and executional leadership to business units on all key real estate activity;

Pursue cost savings opportunities in purchasing/supply management;

Lead risk management and insurance efforts across the organization;

Pursue tax planning opportunities while ensuring full compliance;

Evaluate alternative capital structure opportunities;

Effectively represent DeVry externally to media, investors, government agencies, and the general public;

Monitor and enhance internal control and enterprise risk management processes; and

Build the finance team, and develop succession and talent management plans.

The primary individual performance goals and objectives set for Mr. Hughson, Mr. Pauldine and Mr. Riehs as operating division heads were to:

Achieve high quality academic outcomes;

Optimize operational and financial performance; and

Effectively execute strategic plans, particularly concerning facilities, student services and relationships with accreditation, government and other education professionals.

These goals were selected by the Compensation Committee in the case of the CEO, and the CEO in the case of the NEOs, because they were reflective of management's role in DeVry achieving the overall goals set forth in the fiscal year 2011 operating plan and, in turn, our long-term strategic objectives. At the same time, these goals were selected because they were reflective of a number of qualities we expect of all of our executives, such as behaviors that:

Reinforce DeVry's core values;

Attract, motivate, reward and retain employees who consistently deliver strong performance to ensure DeVry's long term success;

Promote teamwork that is focused on meeting the expectations of customers (students and employers of graduates), various outside agencies (regulators and accreditors) and shareholders; and

Promote dedication to the empowerment of students to achieve their educational and career goals.

---

**Table of Contents**

**Elements of Executive Compensation**

The key elements of our executive compensation program for fiscal year 2011 were unchanged from fiscal year 2010:

Annual base salary;

Annual cash incentive (MIP); and

Long-term incentive (LTI).

The Compensation Committee aimed to provide total compensation to each NEO that was market-competitive, combining a stable base salary element with two at-risk elements (annual cash incentive awards and long-term incentive awards) available to be earned based upon individual and organizational performance. For example, approximately 85% of the CEO's total compensation was at-risk in fiscal 2011, consistent with the nature of our compensation program. We believe this approach helps reinforce a culture of performance by recognizing individual potential and rewarding results.

The following is a description for fiscal year 2011 of the three main components of our compensation program, the purpose of each, and the role each played in fiscal year 2011 in meeting the overarching objectives of our compensation program for our NEOs.

***Annual Base Salary***

We pay base salaries as a secure, predictable component of cash compensation, which is essential for attracting and retaining talented executives. An initial base salary is negotiated at the outset of employment, thereby establishing it as satisfactory to the executive and thus, by inference, consistent with current market conditions. The Compensation Committee then adjusts base salaries, effective as of the early part of each succeeding fiscal year to reflect the executive's prior performance and to respond to changes in market conditions.

The Compensation Committee evaluated the CEO's annual base salary early in fiscal year 2011. Its evaluation took into account actual results versus the performance targets and goals previously set for DeVry and for him for fiscal year 2010, which are described above under Individual Performance Goals. The Compensation Committee also considered its interaction with Mr. Hamburger, its observation of his performance throughout fiscal year 2010 and the perceived market for CEOs, thus adding a further discretionary element to its evaluation. The Compensation Committee believes that our executive compensation program is better because of this element, as it allows for the consideration of unforeseen circumstances and factors that cannot be measured with precision. DeVry did exceptionally well in fiscal year 2010, particularly in a year of difficult economic conditions. The CEO contributed materially to these favorable results and achieved or exceeded nearly all of his individual performance objectives for fiscal year 2010. The Committee felt these considerations, taken alone, were sufficient to justify a significant increase in Mr. Hamburger's base salary. At the same time, the Committee took into account additional considerations, including the uncertain economic outlook at the time and the conservative approach taken with respect to merit increases throughout the organization. As a result, for fiscal year 2011, the Compensation Committee set Mr. Hamburger's annual base salary at \$800,000, which represented approximately a 5.9% increase over his fiscal year 2010 salary. The Compensation Committee increased the CEO's salary because the Compensation Committee wanted to reward the CEO for DeVry's and the CEO's excellent performance during the previous fiscal year, as well as for his consistently strong executive performance, his success in building a high quality executive team, his potential to continue building a positive future for DeVry and to ensure that his salary is comparable to the salaries of chief executive officers at other companies in the marketplace.

**Table of Contents**

Mr. Hamburger recommended to the Compensation Committee the annual base salary of each of the other NEOs at the outset of fiscal year 2011. His recommendations were made in consultation with the Senior Vice President of Human Resources. They were based upon their experience with and analysis of the market at that time, their monitoring of the compensation levels at other companies in DeVry's market and Mr. Hamburger's assessment of each NEO's performance for the prior year. Generally, the CEO made his assessments for adjustment of the other NEOs' fiscal year 2011 salaries, based on the following seven criteria:

- (1) DeVry's overall financial performance compared to the prior year operating plan;
- (2) Each NEO's performance against his previously established individual goals and objectives;
- (3) Each NEO's effectiveness in instilling a culture of teamwork, student service and integrity;
- (4) Each NEO's expected future contributions;
- (5) The compensation practices of other similar or competitor companies, including average salary increases in the U.S.;
- (6) The general merit increase parameters set for all employees in the organization; and
- (7) Discretion based on interaction and observation throughout the year.

We believe that the annual base salaries paid in fiscal year 2011 to each NEO served our executive compensation objectives to:

Retain our high-quality executives by paying them a market competitive annual base salary; and

Reward individual performance by increasing annual base salaries from prior year levels as a result of DeVry's overall, and each NEO's individual, positive performances.

***Annual Cash Incentive Compensation***

The MIP is a portion of executive cash compensation. It is an annual cash incentive program designed to motivate and reward our NEOs and other management employees by putting a substantial portion of cash compensation at risk and paying annual incentives depending upon the extent to which DeVry's financial objectives and each NEO's respective individual performance goals are met or exceeded. We determine and pay the MIP payments for a particular fiscal year only after that fiscal year has ended (i.e., in the beginning of the next fiscal year). Thus, MIP awards for fiscal year 2011 were determined and paid in the early part of fiscal year 2012, after the results for fiscal year 2011 were known and confirmed.

The Compensation Committee considered three primary items in determining the amounts of MIP awards for fiscal year 2011:

- (1) MIP Targets;
- (2) Organizational and/or operating unit performance; and
- (3) Individual performance.

## Edgar Filing: DEVRY INC - Form DEF 14A

An NEO's ability to hit his or her MIP Target is based 70% on the organization's and/or applicable operating unit's achievement of its performance metrics and 30% on the achievement of his or her individual performance goals.

### *2011 NEO MIP Targets*

MIP Targets were set for each NEO as a percentage of base salary at the outset of the fiscal 2011 year. The CEO's MIP Target is 100% of base salary rate, pursuant to his employment agreement, which is discussed in more detail below. MIP Targets for the other NEOs are recommended by the CEO and approved by the Compensation Committee. The possible payouts derived from the MIP Targets for all of the NEOs are set forth on the 2011 Grants of Plan Based Awards table on page 31 below.



**Table of Contents***Organizational, Operating Unit and Individual Performance Measures*

As discussed above, the Compensation Committee selected DeVry earnings per share, DeVry revenue, operating unit operating income and operating unit revenue as the measures most reflective of management's role in DeVry achieving its operating plan. The Compensation Committee also used individual performance measures because it believed this served to advance our short-term goal of each NEO meeting his respective individual performance goals for the year, which the Compensation Committee believed would, on a combined basis, help DeVry meet its aggregate goals. These various measures were allocated to best align the measurements with each NEO's respective role and the goals of the organization and our compensation programs. The relative percentages assigned to each of the organizational, operating unit and individual performance goals for each NEO for fiscal year 2011 were as follows:

Name	NEO Organizational, Operating Unit, and Individual Performance Measure Allocations				
	DeVry Earnings Per Share	DeVry Revenue	Operating Unit Operating Income	Operating Unit Revenue	Individual Performance
Daniel M. Hamburger	40%	30%			30%
Richard M. Gunst	40%	30%			30%
William B. Hughson	20%	10%	25%	15%	30%
David J. Pauldine	20%	10%	25%	15%	30%
Steven Riehs	20%	10%	25%	15%	30%

*MIP Payouts for Fiscal Year 2011*

MIP payouts for each NEO can be as low as zero but also provide an overachievement opportunity of up to 200% of MIP Target, which rewards exceptional performance compared to expectations, over-delivery of strategic initiatives, and/or achievement of initiatives not contemplated at the time goals were set.

The independent members of the Board, based on the recommendation of the Compensation Committee, awarded Mr. Hamburger a MIP payout of \$867,000 which was approximately 108% of his MIP Target. In doing so, they took into account that DeVry's organizational goals were well satisfied as it over-performed against its fiscal year 2011 operating plan in terms of earnings per share. In addition, the independent members of the Board evaluated Mr. Hamburger's achievement of his personal performance goals and found his performance in that regard to be outstanding.

The process was essentially the same for the other NEOs, except that the CEO reviewed each NEO's performance, and the CEO's recommendations were reviewed and approved by the Committee. NEO MIP awards were based on an evaluation of organizational performance, individual performance, and in the case of Messrs. Hughson, Pauldine and Riehs, their respective operating unit performance. Please see Executive Compensation 2011 Summary Compensation Table below for specific information about annual cash incentive (MIP) awards for the NEOs.

We believe that the annual incentive compensation that we paid for fiscal year 2011 to each NEO served our executive compensation objectives to:

Retain our high-quality executives by providing them with the opportunity to earn market competitive annual incentive compensation;

Reward DeVry performance by paying NEOs when pre-established organization performance goals were met or exceeded; and

Reward individual performance by paying NEOs for meeting or exceeding pre-established individual performance goals.

---

**Table of Contents**

***Long-Term Incentive Compensation***

In fiscal year 2011 the Compensation Committee continued its reliance on long-term incentive vehicles to align the long-term interests of management and shareholders. In doing so, the Compensation Committee encouraged its executives to focus on the behaviors and initiatives that would lead to increased long-term value to our students and other stakeholders. The Compensation Committee believes that long-term equity compensation also is an important retention tool and, thus, the Compensation Committee chose to use a four-year vesting schedule for option grants and a three-year cliff vesting schedule for restricted stock units, to encourage longer-term focus and retention.

The Compensation Committee made equity grants to each of the NEOs in the early part of fiscal year 2011 based on both retrospective and prospective considerations. The Committee took into account the same seven criteria described in the Annual Base Salary section above in determining the size of these grants. The Compensation Committee targeted the value of the long-term equity compensation for each NEO to represent a substantial percentage of total compensation to serve two complementary objectives of our compensation program: the long-term retention of quality executives and the creation of long-term value.

The Compensation Committee granted Incentive Stock Options (ISOs) with a value of up to the \$100,000 IRS limitation applicable to each one-year vesting period. To the extent this limitation was met for any NEO, the remaining portion of the award was issued in the form of non-qualified stock options. The Compensation Committee recognizes that DeVry may not receive a tax deduction for ISOs. The Compensation Committee weighed this consideration against the benefit ISOs provide to employees and the consequent enhancement to DeVry's ability to attract and retain executives and determined it was in DeVry's best interest to continue utilizing ISOs in the manner described.

The Compensation Committee may grant performance-based restricted stock units commonly referred to by DeVry as performance shares to NEOs, in addition to stock options. The Compensation Committee has again determined that 70% of long-term incentive compensation be in the form of stock options, with the remaining 30% in the form of performance shares. Performance shares are granted under the DeVry Inc. Incentive Plan of 2005. Some key design elements of the performance share program are:

There is a three-year performance period associated with each grant of performance shares.

The performance shares vest based on the level of attainment of annual targets within the performance period but shares of common stock are only distributed after the end of the performance period.

The performance metric for the performance shares is Return on Invested Capital (ROIC). The target ROIC for performance shares granted in fiscal year 2011 was 12.1%. The Compensation Committee set the target ROIC for performance shares granted in fiscal year 2012 as 14.3%. Participants have the opportunity to accrue one-third of the target number of performance shares in each year of the three-year performance period if ROIC is attained at target or higher.

At the end of the three-year performance period, there is a cumulative look-back feature whereby there is an opportunity to earn up to 120% of the target number of shares based on the three-year average of ROIC.

Details concerning fiscal year 2011 stock option and performance share grants for the NEOs appear in the 2011 Grants of Plan-Based Awards table on page 31. The Compensation Committee awarded the option and performance share grants reflected in the table based on an evaluation of individual performance and the extent to which DeVry's goals, and in the case of Messrs. Hughson Pauldine and Riehs their respective operating unit goals, were met or exceeded.

---

## **Table of Contents**

We believe that the long-term incentive compensation granted in fiscal year 2011 to each NEO served our executive compensation objectives to:

Align NEO compensation with our pre-established business objectives;

Reward individual and DeVry performance by tying a portion of the number of stock options and performance shares that we granted to each NEO to both our organization's and each NEO's individual performance against pre-established goals; and

Provide incentives consistent with the overall goal of enhancing long-term value by requiring the stock options to vest in equal installments over a four-year period and performance shares to be distributed at the end of a three-year performance period, which provides incentives to our NEOs to remain with DeVry for an extended period of time in order to realize the greatest possible value of their equity compensation grants.

### ***Incentive Compensation Recoupment Policy***

DeVry has adopted an incentive compensation recoupment policy, which is applicable to all executive officers. The policy provides that in addition to any other remedies available to DeVry (but subject to applicable law), if the Board of Directors or any committee of the Board of Directors determines that it is appropriate, DeVry may recover (in whole or in part) any incentive payment, commission, equity award or other incentive compensation received by an executive officer of DeVry to the extent that such incentive payment, commission, equity award or other incentive compensation is or was paid on the basis of any financial results that were subsequently restated due to conduct determined by the independent directors to have been as a result of the executive officer's knowing or intentional fraudulent or illegal conduct.

### **All Other Compensation**

In general, we do not provide perquisites to our NEOs that are not available to other employees, with the exception of these:

Matching contributions credited in fiscal year 2011 under the DeVry Inc. Nonqualified Deferred Compensation Plan;

A leased automobile or cash automobile allowance;

Certain medical insurance costs, and

Personal financial planning services (for the NEOs other than the CEO).

Perquisites make up the smallest portion of each NEO's total compensation package. The nature and quantity of perquisites provided by DeVry did not change materially in fiscal year 2011 versus 2010, consistent with our philosophy that perquisites should not represent a primary component of our compensation program. The Compensation Committee periodically reviews the perquisite program and allowances provided to each NEO to determine if adjustments are appropriate.

The All Other Compensation column of the 2011 Summary Compensation Table shows the amounts of perquisite compensation we provided for fiscal year 2011 to each of the NEOs.

### **Deferred Compensation**

DeVry maintains the DeVry Inc. Nonqualified Deferred Compensation Plan (the "Deferred Plan"). The Deferred Plan is a voluntary, non-tax qualified, deferred compensation plan for executives and directors to save for retirement by deferring a portion of their current compensation until termination of service with DeVry or other specified dates. We credit matching contributions to participants' accounts under the Deferred Plan to the extent their matching contributions to our tax-qualified Success Sharing 401(k) Retirement Plan are limited by the Internal Revenue

## Edgar Filing: DEVRY INC - Form DEF 14A

Code. The Deferred Plan enables the NEOs and other employees with a certain level of annual compensation (\$110,000 for fiscal year 2011) to save a portion of their income for retirement on a scale consistent with other employees not subject to IRS limits. We did not contribute to the Deferred Plan except as a

---

**Table of Contents**

matching contribution to amounts the NEOs contributed during the 2011 fiscal year. We do not have a defined benefit pension plan, and, therefore, our Success Sharing 401(k) Retirement Plan and the Deferred Plan are the only retirement savings vehicles for executives.

**Employment Agreements**

DeVry and Mr. Hamburger entered into an employment agreement effective November 15, 2006 that provides for an initial base salary, annual salary increases and annual cash incentive during the term and sets forth the severance benefits that will be provided upon termination of his employment under certain conditions.

DeVry and each of Mr. Gunst and Mr. Pauldine entered into employment agreements effective October 12, 2009, and DeVry and Mr. Hughson entered into an employment agreement effective September 9, 2009. The employment agreements set forth, among other things, the severance benefits that will be provided upon certain employment termination scenarios.

The Compensation Committee believes that the employment agreements with Messrs. Gunst, Hughson and Pauldine provide:

security and incentives that help enable DeVry to retain and attract top executives,

greater ability for DeVry to retain its key executives following the occurrence of an extraordinary corporate transaction, and

benefits to DeVry, including non-competition and non-solicitation covenants by the NEOs.

Each of these employment agreements is discussed in detail in the narrative accompanying the Summary Compensation Table under the caption Employment Agreements, and DeVry's obligation to provide severance benefits in accordance with the agreements is discussed beginning on page 35 under the caption 2011 Potential Payments Upon Termination or Change-in-Control.

**Deductibility of Compensation**

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for certain compensation in excess of \$1 million per year paid to covered employees, defined as the chief executive officer and the three other most highly compensated officers (other than the chief financial officer) employed as executive officers at year-end. Certain compensation, including performance-based compensation, may qualify for an exemption from the deduction limit if it satisfies certain requirements under Section 162(m). The Compensation Committee views the tax deductibility of executive compensation as one factor to be considered in the context of its overall compensation philosophy. The Compensation Committee reviews each material element of compensation on a continuing basis and takes steps to assure deductibility if that can be accomplished while still remaining faithful to our executive compensation philosophy and objectives.

Base salaries do not qualify as performance-based compensation under Section 162(m). However the base salaries of DeVry's NEOs are below the \$1 million level. Amounts paid to an executive that are excludable from gross income, such as Success Sharing Retirement Plan contributions reflected in the All Other Compensation column in the Summary Compensation Table, are not subject to Section 162(m). Incentive compensation paid by DeVry in fiscal year 2011 under the MIP that is based on DeVry performance is expected to qualify as performance-based compensation. Gains on the exercise of stock options in fiscal year 2011 by persons who were covered employees at the end of the fiscal year qualify as performance-based compensation under Section 162(m).

**Table of Contents****EXECUTIVE COMPENSATION****2011 Summary Compensation Table**

This table shows the compensation of DeVry's Chief Executive Officer, Chief Financial Officer and each of the other NEOs for the fiscal years 2011, 2010 and 2009, which ended June 30, 2011, June 30, 2010 and June 30, 2009, respectively.

Name and Principal Position	Year	Salary \$(1)	Stock Awards \$(2)	Option Awards \$(3)	Non-Equity Incentive	All Other Compensation (\$)	Total (\$)
					Plan Compensation \$(4)		
Daniel Hamburger	2011	788,067	1,336,218	3,043,173	867,000	101,698(5)	6,136,156
Chief Executive Officer and President	2010	751,689	1,189,269	2,688,253	1,339,969	89,025(5)	6,058,205
	2009	734,116		4,579,392	1,019,277	54,296(5)	6,387,081
Richard M. Gunst	2011	382,162	222,639	507,058	248,332	28,643(7)	1,388,834
Chief Financial Officer and Treasurer(6)	2010	369,348	200,543	453,719	343,742	39,856(7)	1,407,208
	2009	360,258		572,424	260,440	41,720(7)	1,234,842
William B. Hughson	2011	383,221	118,792	270,679	239,630	339,531(8)	1,351,853
President, Healthcare Group	2010	287,019	74,601	175,812	285,230	52,132(8)	874,794
David J. Pauldine	2011	417,840	215,358	490,115	318,597	46,113(9)	1,488,023
President, DeVry University	2010	400,983	186,034	420,238	514,466	43,628(9)	1,565,349
	2009	391,114		601,163	369,902	39,374(9)	1,401,553
Steven Riehs	2011	309,179	126,456	288,035	181,461	31,653(10)	936,784
President, International, K-12 and Professional Education	2010	298,812	119,186	268,999	261,599	28,384(10)	976,980
	2009	297,871		352,487	225,048	20,349(10)	895,755

- (1) This column shows the salaries paid by DeVry to its NEOs in fiscal years 2011, 2010 and 2009. Amounts shown are inclusive of deferrals. The following NEOs have elected to defer a portion of their salary under the Deferred Plan: Mr. Hamburger \$47,284 for 2011, \$41,072 for 2010 and \$26,346 for 2009; Mr. Gunst \$3,565 for 2011, \$39,595 for 2010 and \$76,565 for 2009; Mr. Pauldine \$25,070 for 2011, \$24,059 for 2010 and \$11,856 for 2009; Mr. Hughson \$0 for 2011 and \$0 for 2010; and Mr. Riehs \$7,833 for 2011, \$7,362 for 2010 and \$2,945 for 2009.
- (2) The amounts reported in the Stock Awards column represent the grant date fair value of awards of performance-based restricted stock units, which is an estimated value computed in accordance with Financial Accounting Standards Board Statement Accounting Standards Codification Topic 718, granted in fiscal year 2011 and 2010 to each of the NEOs. The number of performance-based restricted stock units awarded was: Mr. Hamburger 34,870 in August 2010 and 22,950 in August 2009; Mr. Gunst 5,810 in August 2010 and 3,870 in August 2009; Mr. Pauldine 5,620 in August 2010 and 3,590 in August 2009; Mr. Hughson 3,100 in August 2010 and 1,390 in November 2009; and Mr. Riehs 3,300 in August 2010 and 2,300 in August 2009. The grant date fair values of these restricted stock unit awards are based on the probable outcome of the performance conditions to which the restricted stock units are subject, and the shares the recipient would receive under such outcome. Also see Note 3: Stock-Based Compensation to DeVry's consolidated financial statements set forth in the Form 10-K for fiscal year 2011, filed with the SEC on August 26, 2011, and Note 3: Stock-Based Compensation to DeVry's consolidated financial statements set forth in the Form 10-K for fiscal year 2010, filed with the SEC on August 25, 2010 for the assumptions made in the valuations of these awards. Details regarding fiscal year 2011 stock awards can be found in the tables 2011 Grants of Plan-Based Awards and 2011 Outstanding Equity Awards At Fiscal Year-End.
- (3) The amounts reported in the Options Awards column represent the grant date fair value, which is an estimated value computed in accordance with Financial Accounting Standards Board Statement Accounting Standards Codification Topic 718, for the fiscal years 2011, 2010 and 2009, of outstanding option grants to each of the NEOs. Also see Note 3: Stock-Based Compensation to DeVry's consolidated financial statements set forth in the Form 10-K for fiscal year 2011, filed with the SEC on August 26, 2011, Note 3: Stock-Based Compensation to DeVry's consolidated financial statements set forth in the Form 10-K for fiscal year 2010, filed with the SEC on August 25,

2010 and Note 3: Stock-Based Compensation to

**Table of Contents**

DeVry's consolidated financial statements set forth in the Form 10-K for fiscal year 2009, filed with the SEC on August 26, 2009 for the assumptions made in the valuations of these awards.

- (4) The MIP compensation reported in this column was earned in fiscal years 2011, 2010 and 2009 and paid in fiscal years 2012, 2011 and 2010, respectively, based upon the MIP guidelines. Amounts shown are inclusive of deferrals. The following have elected to defer a portion of their MIP compensation under the Deferred Plan: Mr. Hamburger \$0 for 2011, \$0 for 2010 and \$0 for 2009; Mr. Gunst \$24,833 for 2011, \$0 for 2010 and \$52,088 for 2009; Mr. Pauldine \$47,790 for 2011, \$77,170 for 2010 and \$55,485 for 2009; Mr. Hughson \$0 for 2011 and \$0 for 2010; and Mr. Riehs \$18,146 for 2011, \$41,856 for 2010 and \$22,505 for 2009.
- (5) All other compensation reported for Mr. Hamburger, for fiscal years 2011, 2010 and 2009 respectively, represents (i) DeVry's matching and success sharing contributions credited under the Success Sharing Retirement Plan, \$16,606 for 2011, \$14,529 for 2010 and \$14,069 for 2009; (ii) DeVry's contributions credited under the Deferred Plan, \$71,264 for 2011, \$61,544 for 2010 and \$24,570 for 2009; (iii) car allowance, \$4,083 for 2011, \$4,083 for 2010 and \$4,083 for 2009; (iv) group life insurance, \$156 for 2011, \$0 for 2010 and \$397 for 2009; and (v) executive medical benefits, \$9,590 for 2011, \$8,868 for 2010 and \$11,177 for 2009.
- (6) On June 8, 2011, Mr. Gunst informed DeVry of his decision to retire from DeVry. Mr. Gunst also informed DeVry that he will continue in his role while DeVry conducts an internal and external search for his successor and as long as necessary to ensure a smooth transition of duties.
- (7) All other compensation reported for Mr. Gunst, for fiscal years 2011, 2010 and 2009 respectively, represents (i) DeVry's matching and success sharing contributions credited under the Success Sharing Retirement Plan, \$16,179 for 2011, \$14,214 for 2010 and \$13,449 for 2009; (ii) DeVry's contributions credited under the Deferred Plan, \$0 for 2011, \$13,074 for 2010 and \$12,622 for 2009; (iii) car allowance, \$8,400 for 2011, \$8,400 for 2010 and \$8,400 for 2009; (iv) group life insurance, \$1,292 for 2011, \$615 for 2010 and \$417 for 2009; and (v) executive medical benefits, \$2,772 for 2011, \$3,553 for 2010 and \$6,832 for 2009.
- (8) All other compensation reported for Mr. Hughson, for fiscal year 2011 and 2010 respectively represents (i) DeVry's contributions credited under the Success Sharing Retirement Plan, \$16,255 for 2011 and \$10,961 for 2010; (ii) relocation benefits of \$320,675 for 2011 and \$40,878 for 2010; (iii) group life insurance, \$601 for 2011 and \$293 for 2010; and (iv) personal financial planning services, \$2,000 for 2011 and \$0 for 2010.
- (9) All other compensation reported for Mr. Pauldine, for fiscal years 2011, 2010 and 2009 respectively, represents (i) DeVry's matching and success sharing contributions credited under the Success Sharing Retirement Plan, \$16,397 for 2011, \$14,069 for 2010 and \$14,754 for 2009; (ii) DeVry's contributions credited under the Deferred Compensation Plan, \$22,070 for 2011, \$17,668 for 2010 and \$17,695 for 2009; (iii) leased car value, \$3,917 for 2011, \$3,917 for 2010 and \$3,917 for 2009; (iv) group life insurance, \$1,017 for 2011, \$676 for 2010 and \$461 for 2009; and (v) executive medical benefits, \$2,712 for 2011, \$7,298 for 2010 and \$2,547 for 2009.
- (10) All other compensation reported for Mr. Riehs, for fiscal years 2011, 2010 and 2009 respectively, represents (i) DeVry's matching and success sharing contributions credited under the Success Sharing Retirement Plan, \$16,320 for 2011, \$14,532 for 2010 and \$14,134 for 2009; (ii) DeVry's contributions credited under the Deferred Plan, \$8,616 for 2011, \$7,429 for 2010 and \$0 for 2009; (iii) car allowance, \$6,000 for 2011, \$6,000 for 2010 and \$6,000 for 2009; and (iv) group life insurance, \$717 for 2011, \$424 for 2010 and \$215 for 2009.

**Employment Agreement with Mr. Hamburger**

DeVry and Mr. Hamburger are parties to an employment agreement dated as of November 15, 2006, which provides for (i) an initial salary of \$675,000 per year, subject to annual increases (but no decreases), (ii) an annual cash incentive under the MIP targeted at 100% of base salary, (iii) benefits and perquisites made available to senior management generally, and (iv) reimbursement of expenses consistent with DeVry's policy in effect from time to time.





**Table of Contents****Employment Agreements with Mr. Gunst, Mr. Hughson and Mr. Pauldine**

Effective October 12, 2009, DeVry entered into an employment agreement with each of Mr. Gunst and Mr. Pauldine. Effective September 9, 2009 DeVry entered into an employment agreement with Mr. Hughson. Each of these employment agreements provides for (i) a base salary, subject to annual increases (but no decreases unless in the case of an across-the-board percentage reduction affecting all executives equally at the NEO's respective level); (ii) an annual cash incentive under the MIP targeted as a percentage of base salary; (iii) benefits and perquisites made available to senior management generally; (iv) reimbursement of expenses consistent with DeVry's policy in effect from time to time; and (v) severance benefits that will be provided upon certain terminations of employment, which are described beginning on page 35 under the caption "2011 Potential Payments Upon Termination or Change-in-Control."

On June 8, 2011, Mr. Gunst informed DeVry of his decision to retire from DeVry. Mr. Gunst also informed DeVry that he will continue in his role while DeVry conducts an internal and external search for his successor and as long as necessary to ensure a smooth transition of duties.

**2011 Grants of Plan-Based Awards**

This table sets forth information for each NEO with respect to (1) estimated future payouts under non-equity incentive plan awards that could have been earned for fiscal year 2011, (2) estimated future payouts under equity incentive plan awards that could have been earned for fiscal year 2011 and (3) restricted stock units granted in fiscal year 2011.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Option Awards: Number of Securities Underlying	Exercise or Base Price of Option	Grant Date Fair Value of Stock and Option Awards(11)
		Threshold \$(3)	Target \$(4)	Maximum \$(5)	Threshold #(6)	Target #(7)	Maximum #(8)	Options #(9)	Awards \$(sh)(10)	Option Awards(11)
Daniel M. Hamburger	8/27/10	\$ 400,000	\$ 800,000	\$ 1,600,000	27,896	34,870	41,844	184,100	\$ 38.71	\$ 1,336,218
	8/27/10									\$ 3,043,173
Richard M. Gunst	8/27/10	115,848	231,696	463,393	4,648	5,810	6,972	30,675	38.71	\$ 222,639
	8/27/10									\$ 507,058
William B. Hughson	8/27/10	115,875	231,750	463,500	2,480	3,100	3,720	16,375	38.71	\$ 118,792
	8/27/10									\$ 270,679
David J. Pauldine	8/27/10	148,143	296,287	592,573	4,496	5,620	6,744	29,650	38.71	\$ 215,358
	8/27/10									\$ 490,115
Steven Riehs	8/27/10	85,914	171,828	343,655	2,640	3,300	3,960	17,425	38.71	\$ 126,456
	8/27/10									\$ 288,035

(1) Payouts under the MIP were based on performance in fiscal year 2011. Therefore, the information in the Threshold, Target and Maximum columns reflect the range of potential payouts when the performance goals were set in September 2010. The amounts actually paid under the MIP for fiscal year 2011 appear in the Non-Equity Incentive Plan Compensation column of the 2011 Summary Compensation Table.

(2) Restricted stock units, commonly referred to within DeVry as Performance Shares, were issued as part of the fiscal year 2011 annual incentive grant under the Incentive Plan of 2005. The restricted stock units are paid out at the end of the three-year performance period if certain performance goals are achieved.



**Table of Contents**

- (3) Pursuant to the MIP, performance below a performance goal threshold will result in no payment with respect to that performance goal. If a performance goal threshold is met or exceeded, then the performance would result in a payment ranging from the threshold amount (50% of the Target) to the maximum amount payment for such performance goal, depending upon the level at which the performance goal had been attained.
- (4) The amount shown in this column represents the Target incentive payment under the MIP, which is calculated as a set percentage of base salary.
- (5) Pursuant to the MIP, the amount shown in this column represents the maximum incentive payment, 200% of the Target.
- (6) At the end of the three-year performance period, participants can earn a threshold of 80% of the target number of restricted stock units if the three-year average of return on invested capital performance goal is attained at the threshold level (9.9%). Straight line interpolation will be used to determine achievement between threshold and target.
- (7) In each year of the three-year performance period, participants can accrue one-third of the target number of restricted stock units if the performance goal of return on invested capital is attained at target level (12.1%) or higher for fiscal year 2011. If the target is not attained at the end of each fiscal year, then no restricted stock units are earned in that fiscal year.
- (8) At the end of the three-year period, participants can earn up to 120% of the target number of restricted stock units if the three-year average of return on invested capital performance goal is attained at the maximum level (13.2%). Straight line interpolation will be used to determine achievement between target and maximum.
- (9) Stock option grant issued as part of the annual incentive grant under the Incentive Plan of 2005, which becomes exercisable at 25% per year for four years and has a maximum term of ten years.
- (10) All options granted to the NEOs in fiscal year 2011 have an exercise price equal to the closing sales price of the common stock on the date of grant.
- (11) This column shows the grant date fair value of the performance-based restricted stock units (assuming payout at target value) and stock options awarded to each of the NEOs in fiscal year 2011, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, which was \$16.53 for stock options and \$38.32 for Performance Shares. Also see Note 3: Stock-Based Compensation to the Consolidated Financial Statements contained in DeVry's Annual Report on Form 10-K for the year ended June 30, 2011, filed with the SEC on August 26, 2011, for an explanation of the assumptions made by DeVry in the valuation of these awards.

**Table of Contents****2011 Outstanding Equity Awards At Fiscal Year-End**

This table sets forth information for each NEO with respect to each grant of options to purchase DeVry common stock that was made at any time, has not yet been exercised, and remained outstanding at June 30, 2011.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)(4)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(5)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(6)
Daniel Hamburger	30,000(2)	0	21.40	06/15/2015		
	39,375(1)	11,000(1)	21.62	10/03/2016		
	40,000(1)	10,000(1)	28.80	02/06/2017		
	66,000(1)	44,000(1)	34.53	08/31/2017		
	97,600(3)	97,600(3)	51.23	08/28/2018		
	29,106(3)	87,319(3)	52.28	08/28/2019		
	0	184,100(3)	38.71	08/27/2020	57,820	3,418,897
Richard M. Gunst	6,536(1)	7,000(1)	20.97	07/24/2016		
	0(1)	10,000(1)	34.53	08/31/2017		
	12,200(3)	12,200(3)	51.23	08/28/2018		
	4,913(3)	14,737(3)	52.28	08/28/2019		
	0(3)	30,675(3)	38.71	08/27/2020	9,680	572,378
William B. Hughson	1,838(3)	5,512(3)	54.15	11/10/2019		
	0(3)	16,375(3)	38.71	08/27/2020	4,490	265,494
David J. Pauldine	37,505(1)	0(1)	21.76	10/24/2015		
	12,000(1)	6,000(1)	21.62	10/03/2016		
	18,600(1)	12,400(1)	34.53	08/31/2017		
	12,813(3)	12,812(3)	51.23	08/28/2018		
	4,072(3)	14,128(3)	52.28	08/28/2019		
	0(3)	29,650(3)	38.71	08/27/2020	9,210	544,587
Steven Riehs	2,373(1)	0	15.75	11/15/2014		
	1,812(2)	0	21.40	06/15/2015		
	3,995(1)	960(1)	21.62	10/03/2016		
	5,436(1)	3,600(1)	34.53	08/31/2017		
	7,513(3)	7,512(3)	51.23	08/28/2018		
	2,578(3)	9,072(3)	52.28	08/28/2019		
	0	17,425(3)	38.71	08/27/2020	5,600	331,128

(1) Options vest 20% per year over the first five years of the 10-year option term.

(2) Options vested 100% on date of grant of the 10-year option term.

(3) Options vest 25% per year over the first four years of the 10-year option term.

(4) All options were granted at market value on the date of grant based on the closing market price of the common stock for such date as reported in *The Wall Street Journal*.

- (5) Represents all performance-based restricted stock unit awards held by the NEO as of June 30, 2011, which vest on August 28, 2012 or August 27, 2013.

**Table of Contents**

- (6) Represents the value derived by multiplying the number of shares of common stock covered by the performance-based restricted stock units by \$59.13 (the closing market price of DeVry's common stock as reported in *The Wall Street Journal* for June 30, 2011). The value provided assumes the performance-based restricted stock awards payout at target value.

**2011 Option Exercises and Stock Vested**

This table sets forth information concerning (1) the exercise during fiscal year 2011 of options to purchase shares of common stock by each of the NEOs and (2) the dollar amount realized on exercise of the exercised options.

Name	Option Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)
Daniel M. Hamburger	20,144	656,538
Richard M. Gunst	26,928	785,493
William B. Hughson	0	0
David J. Pauldine	0	0
Steven Riehs	1,100	39,996

- (1) *Value Realized on Exercise.* If the exercise was executed as part of a cashless transaction where the shares acquired were immediately sold, this represents the difference between the sales price of the shares acquired and the option exercise price multiplied by the number of shares of common stock covered by the options exercised. If the exercise was executed as part of a buy and hold transaction, this represents the difference between the closing market price of the common stock as reported in *The Wall Street Journal* for the date of exercise of the option and the option exercise price multiplied by the number of shares of common stock covered by the options held.

**2011 Nonqualified Deferred Compensation**

This table sets forth the contributions by each NEO and DeVry for fiscal year 2011, the earnings accrued on each NEO's account balance in 2011 and the account balance at June 30, 2011 under the Deferred Plan.

Name	Executive Contributions in Last Fiscal Year (\$)(1)	Employer Contributions in Last Fiscal Year (\$)(2)	Aggregate Earnings/(Loss) in Last Fiscal Year (\$)(3)	Aggregate Balance at Last Fiscal Year End (\$)(4)
Daniel Hamburger	47,284	71,264	105,163	690,779
Richard M. Gunst	3,565	0	49,148	450,603
William B. Hughson	0	0	0	0
David J. Pauldine	102,240	22,070	66,205	393,683
Steven Riehs	49,689	8,616	5,030	106,358

- (1) *Executive Contributions in Last Fiscal Year.* The amount of executive contributions made by each NEO and reported in this column is included in each NEO's compensation reported on the 2011 Summary Compensation Table, either in the Salary or Non-Equity Incentive Plan Compensation column. See footnotes 1 and 3 of the Summary Compensation Table for specific deferrals made by each NEO.

- (2) *Employer Contributions in Last Fiscal Year.* The amount of DeVry contributions made and reported in this column is included in each NEO's compensation reported on the 2011 Summary Compensation Table in the All Other Compensation column.





**Table of Contents**

(3) *Aggregate Earnings/(Loss) in Last Fiscal Year.* These amounts represent the earnings in the Deferred Plan for fiscal year 2011. These amounts are not reported in the Summary Compensation Table.

(4) *Aggregate Balance at Last Fiscal Year End.* The aggregate balance as of June 30, 2011 reported in this column for each NEO reflects amounts that have been previously reported as compensation on the Summary Compensation Table for current and prior years.

**Deferred Compensation Plan**

The Deferred Plan covers directors and selected key employees approved for participation by the Compensation Committee. All of the named executive officers are eligible to participate in the Plan. Under the Deferred Plan as it applies to employees, participants may make an advance election to defer up to 50% of salary and up to 100% of annual cash incentive (MIP) compensation until termination of service with DeVry or certain other specified dates. DeVry credits matching contributions to participants' accounts under the Deferred Plan to the extent they have elected to defer the maximum amount under DeVry's Success Sharing Retirement Plan and their matching contributions to the Success Sharing Retirement Plan are limited by applicable Internal Revenue Code provisions. DeVry may also credit participants' accounts with discretionary success sharing contributions. Participants are fully vested in their own deferral and matching contributions, plus earnings, and will vest in discretionary contributions, if any, as determined by the Compensation Committee. Participants may elect to have their Deferred Plan accounts credited with earnings based on various investment choices made available by the Compensation Committee for this purpose. Participants can elect to have account balances paid in a lump sum or in installments. Distributions are generally made or commence in January of the year following termination of employment (but not earlier than six months after termination) or January of the year in which the specified payment date occurs. In the event of death before benefits commence, participants' accounts will be paid to their beneficiaries in a lump sum.

**2011 Potential Payments Upon Termination or Change-in-Control**

DeVry provides benefits to certain of the NEOs upon termination of employment from DeVry in specific circumstances. These benefits are in addition to the benefits to which these NEOs would be entitled upon a termination of employment generally (i.e., vested retirement benefits accrued as of the date of termination, stock awards that are vested as of the date of termination and the right to elect continued health coverage pursuant to COBRA). In addition, DeVry's equity compensation plans and the stock award agreements used to implement them provide for accelerated vesting of outstanding stock awards in the event of a change in control of DeVry, regardless of whether a termination of employment occurs.

**Employment Agreements**

***Mr. Hamburger***

The employment agreement of Mr. Hamburger was effective as of November 15, 2006 in connection with his assumption of the duties of President and Chief Executive Officer of DeVry. The employment agreement provides that either party may terminate Mr. Hamburger's employment upon 180 days' advance notice, except that DeVry may terminate his employment immediately for any reason, Mr. Hamburger may terminate his employment immediately for good reason, and his employment will automatically terminate immediately in the event of death or disability. The agreement provides the following severance benefits:

If a change in control of DeVry has not occurred and Mr. Hamburger's employment is terminated for reasons other than by DeVry for cause or due to retirement at age 65, he is entitled to an immediate payment equal to 12 times his monthly base salary.

If at any time Mr. Hamburger terminates his employment for good reason, he is entitled to an immediate payment equal to 12 times his monthly base salary.

If DeVry terminates Mr. Hamburger's employment following a change in control of DeVry, he is entitled to the following:

- i. an immediate payment equal to 24 times his monthly base salary;



---

**Table of Contents**

- ii. an immediate payment equal to a *pro rata* portion of the average MIP award paid to him for the two years prior to his termination; and
- iii. immediate vesting of all outstanding stock options.

For purposes of the agreement:

(i) *cause* means Mr. Hamburger's conviction of a felony or a crime involving monies, other property, fraud or embezzlement; (ii) *good reason* exists if Mr. Hamburger is not accorded the duties and responsibilities described in the agreement, if his duties or responsibilities are materially or substantially reduced, if he is not paid amounts owed under the agreement within 10 days' notice to DeVry, or if DeVry otherwise breaches the agreement; (iii) *disability* means a physical or mental disability that causes Mr. Hamburger to be unable to perform his duties under the agreement for a period of 180 days; and (iv) *change in control* means a sale of substantially all of DeVry's assets or the acquisition by another entity of a majority of DeVry's common stock.

***Mr. Gunst, Mr. Hughson and Mr. Pauldine***

On October 12, 2009, DeVry entered into employment arrangements with Mr. Gunst and Mr. Pauldine, and with Mr. Hughson on September 9, 2009. Mr. Gunst's employment agreement replaced a previous employment arrangement. These employment agreements provide, among other things, that if the NEO's employment with DeVry is terminated by DeVry without *cause* or by the NEO with *good reason* and the NEO executes a release of claims, then the NEO will be entitled to the following benefits:

one and one-half times the sum of the NEO's base salary plus MIP target, payable in 18 equal monthly payments;

a pro-rated MIP award (if employed for at least six months in the fiscal year during which termination occurs) based on actual performance paid in a lump sum at the time MIP awards are paid to other employees;

18 months of continued health benefit plan coverage at active employee rates following the termination date; and

access to a nine month senior executive level outplacement program at DeVry's sole expense.

In the case of Mr. Pauldine, his employment arrangement also provides that if his termination occurs after the day that is 18 months prior to his 55th birthday, he will be treated as having been terminated due to *retirement* for purposes of all outstanding stock options and other equity awards that include a definition of the term *retirement*, including both those outstanding on the date of the employment agreement and those thereafter granted.

In addition, the employment arrangements with Mr. Gunst, Mr. Pauldine and Mr. Hughson provide that if the NEO's employment with DeVry is terminated by DeVry without *cause* or by the NEO with *good reason* during a *change in control* period and the NEO executes a release of claims, then the NEO will be entitled to the following benefits:

two times the sum of the NEO's base salary plus MIP target, payable in 24 equal monthly payments;

24 months of continued health benefit plan coverage at active employee rates following the termination date; and

access to a 12 month senior executive level outplacement program at DeVry's sole expense.

For purposes of these employment agreements:

## Edgar Filing: DEVRY INC - Form DEF 14A

(i) cause means (A) the commission of a felony or other crime involving moral turpitude or the commission of any other act or omission involving misappropriation, dishonesty, fraud, illegal drug use or breach of fiduciary duty, (B) willful failure to perform duties as reasonably directed by the CEO or the CEO's designee, (C) the NEO's gross negligence or willful misconduct with respect to the performance of the NEO's duties under the employment agreement, (D) obtaining any personal profit not fully disclosed to and approved by DeVry's Board of Directors in connection with any transaction entered into by, or on behalf of, DeVry, or (E) any other material breach of the employment agreement or any other agreement between the NEO and DeVry; (ii) change

## **Table of Contents**

in control period means the period commencing on the date of a Change in Control (as defined in the DeVry Inc. Incentive Plan of 2005) and ending on the 12-month anniversary of such date; (iii) good reason means, without the NEO's consent, (A) material diminution in title, duties, responsibilities or authority, (B) reduction of base salary, MIP target or employee benefits except for across-the-board changes for executives at the NEO's level, (C) exclusion from executive benefit/compensation plans, (D) material breach of the employment agreement that DeVry has not cured within 30 days after the NEO has provided DeVry notice of the material breach which shall be given within 60 days of the NEO's knowledge of the occurrence of the material breach, or (E) resignation in compliance with securities, corporate governance or other applicable law (such as the US Sarbanes-Oxley Act) as specifically applicable to the NEO; (iv) MIP award means the amount actually awarded the NEO under the MIP, as in effect from time to time, upon the achievement of specific DeVry-wide and personal performance goals of the NEO that will be determined each fiscal year by the NEOs direct supervisor and/or the Compensation Committee as necessary and appropriate to comply with DeVry policy; and (v) MIP target means the percentage of the NEO's base salary established as the target under the MIP, as adjusted from time to time.

### ***Equity Award Plans***

The provisions of the equity award agreements under which options and performance shares are held by employees, including the NEOs, provide for the immediate vesting of unvested options and of performance shares at the target levels in the event of a change in control of DeVry. The provisions of the equity award agreements under which options and performance shares were granted to employees, including the NEOs, in fiscal year 2011 provide the following:

If the participant's employment is terminated due to death or disability (as defined in the agreement), options will become fully vested and exercisable for the remaining term of the option and performance shares will continue to vest in accordance with their terms.

If the participant's employment terminates due to mutual agreement, the optionee will be credited with one additional year of service for vesting purposes and the options will be exercisable until the earlier of one year from termination or the expiration of the term of the option.

If the participant's employment terminates due to retirement, options will continue to vest and be exercisable and performance shares will continue to vest in accordance with their respective terms. Retirement means the participant's termination without cause after age 55 when the sum of his age and full years of service equals or exceeds 65.

**Table of Contents****2011 Potential Severance Payments**

The tables set forth below quantify the additional benefits as described above that would be paid to each NEO under the following termination of employment or change in control events, had such an event occurred on June 30, 2011.

**Termination of Employment No Change in Control**

Name:	Daniel Hamburger	Richard M. Gunst	William B. Hughson	David J. Pauldine	Steven Riehs
Salary:	\$ 800,000	\$ 579,242	\$ 579,375	\$ 634,899	\$ 0
MIP Target Amount:	0	347,545	347,625	444,429	0
Pro-Rated MIP:	0	248,332	239,630	318,597	0
Continued Health Coverage:	0	16,012	16,424	16,424	0
Outplacement Services:	0	22,500	22,500	22,500	0

**Termination of Employment Following Change in Control**

Name:	Daniel Hamburger	Richard M. Gunst	William B. Hughson	David J. Pauldine	Steven Riehs
Salary:	\$ 1,600,000	\$ 772,322	\$ 772,500	\$ 846,532	\$ 0
MIP Target Amount:	1,103,485	463,393	463,500	592,572	0
Pro-Rated MIP:	0	248,332	239,630	318,597	0
Continued Health Coverage:	0	21,350	21,899	21,899	0
Outplacement Services:	0	30,000	30,000	30,000	0
Value of Vesting of Unvested Stock Options and Restricted Stock Units(1):	10,345,704	1,909,210	627,321	1,878,132	933,004

- (1) The options vest upon a change of control and the value is based on the difference between the exercise price and the closing market price of the common stock for June 30, 2011 as reported in *The Wall Street Journal*. The value of the restricted stock units is based on the closing market price of the common stock for June 30, 2011 as reported in *The Wall Street Journal*.

**Change in Control No Termination of Employment**

Name:	Daniel Hamburger	Richard M. Gunst	William B. Hughson	David J. Pauldine	Steven Riehs
Value of Vesting of Unvested Stock Options and Restricted Stock Units(1):	\$ 10,345,704	\$ 1,909,210	\$ 627,321	\$ 1,878,132	\$ 933,004

- (1) The value of the unvested stock options is based on the difference between the exercise price and the closing market price of the common stock for June 30, 2011 as reported in *The Wall Street Journal*. The value of the restricted stock units is based on the closing market price of the common stock for June 30, 2011 as reported in *The Wall Street Journal*.

**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION**

DeVry currently maintains four equity compensation plans: the 1994 Stock Incentive Plan, the 1999 Stock Incentive Plan, the 2003 Stock Incentive Plan and the DeVry Inc. Incentive Plan of 2005. DeVry's shareholders have approved each of these plans.

The following table summarizes information, as of June 30, 2011, relating to these equity compensation plans under which DeVry's Common Stock is authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, awards, warrants and rights (a)(1)</b>	<b>Weighted-average exercise price of outstanding options, awards, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)(2)</b>
Equity compensation plans approved by security holders	3,218,910	\$ 35.18	4,159,254
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>3,218,910</b>	<b>\$ 35.18</b>	<b>4,159,254</b>

(1) The number shown in column (a) is the number of shares that may be issued upon exercise of outstanding options and other equity awards granted under the shareholder-approved 1994 Stock Incentive Plan (11,400 shares), 1999 Stock Incentive Plan (366,008 shares), 2003 Stock Incentive Plan (1,001,530 shares) and the DeVry Inc. Incentive Plan of 2005 (1,839,972 shares).

(2) The number shown in column (c) is the number of shares that may be issued upon exercise of options and other equity awards granted in the future under the 2003 Stock Incentive Plan (98,110 shares) and the DeVry Inc. Incentive Plan of 2005 (4,061,144 shares). All of the shares remaining available for the grant of future awards of options, warrants and rights are available under the 2003 Stock Incentive Plan and the DeVry Inc. Incentive Plan of 2005. No new awards may be granted under the 1994 Stock Incentive Plan or the 1999 Stock Incentive Plan.

**Table of Contents**

**AUDIT COMMITTEE REPORT**

To Our Shareholders:

The Audit Committee of DeVry Inc., which met eight times during the last fiscal year, consists of four independent Directors and operates under a written charter that conforms to the Securities and Exchange Commission's implementing regulations and to the NYSE listing standards.

Management is responsible for DeVry's internal controls and the financial reporting process by which it prepares the financial statements. DeVry's independent registered public accounting firm is responsible for performing an independent audit of the annual financial statements of DeVry and expressing an opinion on those statements. The Audit Committee monitors DeVry's financial reporting processes, including its internal control systems. The principal duties of the Audit Committee include:

Selecting DeVry's independent registered public accounting firm, subject to ratification by the shareholders;

Evaluating the independent registered public accounting firm's independence;

Monitoring the scope, approach and results of the annual audits and quarterly reviews of financial statements and discussing the results of those audits and reviews with management and the independent registered public accounting firm;

Overseeing the effectiveness of DeVry's internal audit function and overall risk management processes; and

Discussing with management and the independent registered public accounting firm the nature and effectiveness of DeVry's internal control systems.

With respect to DeVry's audited financial statements for the fiscal year ended June 30, 2011:

The Audit Committee has reviewed and discussed the audited financial statements with management;

The Audit Committee has met with PricewaterhouseCoopers LLP, DeVry's independent registered public accounting firm, and discussed the matters required by Statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and

The Audit Committee has received the written disclosures and the letter from PricewaterhouseCoopers LLP required by the applicable requirements of the Public Accounting Oversight Board regarding the independent accountant's communicating with the audit committee concerning independence, and has discussed with PricewaterhouseCoopers LLP their independence.

In reliance upon the Audit Committee's reviews and discussions with both management and PricewaterhouseCoopers LLP referred to above, management's representations and the report of PricewaterhouseCoopers LLP on DeVry's audited financial statements, the Audit Committee has recommended to the Board of Directors that the audited financial statements for the fiscal year ended June 30, 2011 be included in DeVry's Annual Report on Form 10-K to be filed with the Securities and Exchange Commission.

In addition, the Audit Committee has appointed, subject to shareholder ratification, PricewaterhouseCoopers LLP as DeVry's independent registered public accounting firm for the fiscal year 2012.



## Edgar Filing: DEVRY INC - Form DEF 14A

This Audit Committee Report is not to be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that DeVry specifically incorporates this Report by reference, and is not otherwise to be deemed filed under such Acts.

William T. Keevan, Chair

David S. Brown

Lisa W. Pickrum

Fernando Ruiz

**Table of Contents****AUDIT FEES**

The Audit Committee appointed PricewaterhouseCoopers LLP ( PwC ) as DeVry 's independent registered public accounting firm for the fiscal year ended June 30, 2011. DeVry 's shareholders ratified the engagement at the Annual Meeting of Shareholders on November 10, 2010. In addition to engaging PwC to audit the consolidated financial statements for DeVry and its subsidiaries for the year and review the interim financial statements included in DeVry 's Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission, the Audit Committee also engaged PwC to provide various other audit and audit related services e.g., auditing of DeVry 's compliance with student financial aid program regulations.

The Sarbanes-Oxley Act of 2002 prohibits an independent public accountant from providing certain non-audit services for an audit client. DeVry engages various other professional service providers for these non-audit services as required. Other professional advisory and consulting service providers are engaged where the required technical expertise is specialized and cannot be economically provided by employee staffing. Such services include, from time to time, business and asset valuation studies, and services in the fields of law, human resources, information technology, employee benefits and tax structure and compliance.

The aggregate amounts included in DeVry 's financial statements for fiscal year 2011 and 2010 for fees billed or to be billed by PwC for audit and other professional services, respectively, were as follows

	<b>Fiscal 2011</b>	<b>Fiscal 2010</b>
Audit Fees	\$ 1,909,690	\$ 1,992,873
Audit Related Fees	305,500	91,132
Tax Fees	283,008	298,238
All Other Fees	3,000	1,500
<b>Total</b>	<b>\$ 2,501,198</b>	<b>\$ 2,383,743</b>

*Audit Fees* Includes all services performed to comply with generally accepted auditing standards in conjunction with the annual audit of DeVry 's financial statements and the audit of internal control over financial reporting. In addition, this category includes fees for services in connection with DeVry 's statutory and regulatory filings, consents and review of filings with the Securities and Exchange Commission such as the annual report on Form 10-K, quarterly reports on Form 10-Q and Current Reports on Form 8-K. Also included are services rendered in connection with the required annual audits of DeVry 's compliance with the rules and procedures promulgated for the administration of federal and state student financial aid programs.

*Audit Related Fees* Includes all assurance and related services such as various state regulatory filings and due diligence related to acquisitions.

*Tax Fees* Includes all services related to tax compliance, tax planning, tax advice, assistance with tax audits and responding to requests from DeVry 's tax department regarding technical interpretations, applicable laws and regulations, and tax accounting. DeVry 's Audit Committee has considered the nature of these services and concluded that these services may be provided by the independent registered public accounting firm without impairing its independence.

*All Other Fees* Includes subscriptions for on-line accounting research services and fees for continuing professional education sessions.

The Audit Committee, at each of its regularly scheduled meetings, and on an interim basis as required, reviews all engagements of PwC for audit and all other services. Prior to the Audit Committee 's consideration for approval, management provides the Audit Committee with a description of the reason for and nature of the services to be provided along with an estimate of the time required and approximate cost. Following such review, each proposed service is approved, modified or denied as appropriate. A record of all such approvals is maintained in the files of the Audit Committee for future reference. All services provided by PwC during the past year were approved by the Audit Committee prior to their undertaking.

The Audit Committee has adopted a policy for approving all permitted audit, audit-related, tax and non-audit services to be provided by PwC in advance of the commencement of such services, except for those



---

**Table of Contents**

considered to be *de minimis* by law for non-audit services. Information regarding services performed by the independent registered public accounting firm under this *de minimis* exception is presented to the Audit Committee for information purposes at each of its meetings. There is no blanket pre-approval provision within this policy. For fiscal year 2011, none of the services provided by PwC were provided pursuant to the *de minimis* exception to the pre-approval requirements contained in the applicable rules of the Securities and Exchange Commission. Audit Committee consideration and approval generally occurs at a regularly scheduled Audit Committee meeting. For projects that require an expedited decision because they should begin prior to the next regularly scheduled meeting, requests for approval may be circulated to the Audit Committee by mail, telephonically or by other means for its consideration and approval. When deemed necessary, the Audit Committee has delegated pre-approval authority to its Chair. Any engagement of the independent registered public accounting firm under this delegation will be presented for informational purposes to the full Audit Committee at their next meeting.

**PROPOSAL NO. 2**

**SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP, as independent registered public accounting firm for DeVry and its subsidiaries for fiscal year 2012. The Board of Directors recommends to the shareholders that the selection of PricewaterhouseCoopers LLP as independent registered public accounting firm for DeVry and its subsidiaries be ratified. If the shareholders do not ratify the selection of PricewaterhouseCoopers LLP, the selection of independent registered public accounting firm will be reconsidered by the Audit Committee. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting of Shareholders with the opportunity to make a statement, if they desire to do so, and to be available to respond to appropriate questions from shareholders.

**Approval by Shareholders**

The ratification of the selection of PricewaterhouseCoopers LLP as independent registered public accounting firm for DeVry for fiscal year 2012 will require the affirmative vote of a majority of the shares of Common Stock of DeVry outstanding on the record date. Unless otherwise indicated on the proxy, the shares will be voted FOR ratification of the selection of PricewaterhouseCoopers LLP as independent registered public accounting firm for DeVry for fiscal year 2012.

**The Board of Directors recommends a vote FOR Proposal No. 2, ratification of the selection of PricewaterhouseCoopers LLP as independent registered public accounting firm for DeVry for fiscal year 2012.**

**PROPOSAL NO. 3**

**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Pursuant to Section 14A of the Securities Exchange Act of 1934, as amended, we are required to submit to shareholders a resolution subject to an advisory vote to approve the compensation of our named executive officers.

The Board of Directors encourages shareholders to carefully review the Executive Compensation section of this Proxy Statement beginning on page 29, including the Compensation Discussion and Analysis, for a thorough discussion of our compensation program for named executive officers. The overall goals of our compensation program are to serve the essential purpose of the organization, which are to empower students to achieve their educational and career goals, and to maximize the long-term return to our stakeholders. We designed our program to:

Attract, motivate and retain high-quality executives;

Align named executive officer compensation with academic, student service and financial objectives; and

Reward organizational and individual performance.

---

**Table of Contents**

The key elements of our executive compensation program are:

Annual base salary;

Annual cash incentive; and

Long-term incentive.

DeVry aims to provide total cash compensation to each NEO that is market-competitive, combining a stable base salary element with two at-risk elements (annual cash incentive awards and long-term incentive awards) available to be earned based upon individual and organizational performance. We believe this approach helps reinforce a culture of performance by recognizing individual potential and rewarding results. As part of our compensation philosophy, we believe we should pay our NEOs total compensation that is competitive with other alternatives available to them in the marketplace and that a significant portion of each NEO's total compensation should be variable with both upside potential and downside risk depending upon the performance of DeVry and of the individual. In addition, we believe we should maintain a clear, straightforward and transparent approach to our executive compensation program.

Accordingly, the following resolution is submitted for an advisory shareholder vote at the Annual Meeting of Shareholders:

RESOLVED, that the compensation paid to DeVry's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved.

**Approval by Shareholders**

The approval of the compensation of DeVry's named executive officers will require the affirmative vote of a majority of the shares of Common Stock of DeVry outstanding on the record date. As this is an advisory vote, the result will not be binding on DeVry, the Board of Directors or the Compensation Committee, although the Board of Directors and the Compensation Committee will carefully consider the outcome of the vote when evaluating our compensation program. Unless otherwise indicated on the proxy, the shares will be voted FOR the approval of the compensation of DeVry's named executive officers.

**The Board of Directors recommends a vote FOR Proposal No. 3, approval of the compensation of DeVry's named executive officers.**

**PROPOSAL NO. 4**

**ADVISORY VOTE ON THE FREQUENCY OF THE EXECUTIVE COMPENSATION VOTE**

Section 14A of the Securities Exchange Act of 1934, as amended, also requires us to submit to shareholders a resolution subject to an advisory vote as to whether the shareholder vote to approve named executive officer compensation should occur yearly, every two years or every three years. Accordingly, the following resolution is submitted for an advisory shareholder vote at the Annual Meeting of Shareholders:

RESOLVED, that the shareholders determine, on an advisory basis, whether the preferred frequency of an advisory vote on the compensation of DeVry's named executive officers as set forth in DeVry's proxy statement should be every year, every two years or every three years.

A shareholder may vote for any one of these alternatives or may abstain from voting.

**Approval by Shareholders**

With respect to the approval standard for the shareholder advisory vote on the frequency of the executive compensation vote, under Article Fifth of DeVry's Certificate of Incorporation, [w]hen a quorum is present or represented at any meeting, the vote of the holders of a majority of the voting power of all of the shares of stock of [DeVry] outstanding and entitled to vote on any matter, question or proposal brought before such meeting shall decide such question, unless the question is one upon which, by express provision of law, [the] Certificate of Incorporation or the By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. As this is an

advisory vote, the results of the shareholder vote will not

---

**Table of Contents**

be binding on DeVry, the Board of Directors or the Compensation Committee. The Board of Directors, however, will carefully consider the number of votes that each option receives when determining the frequency of the shareholder advisory vote to approve the compensation of DeVry's named executive officers. Unless otherwise indicated on the proxy, the shares will be voted every 1 YEAR for conducting an advisory vote on the frequency of the executive compensation vote.

**The Board of Directors recommends a vote of every 1 YEAR for conducting an advisory vote on the frequency of the executive compensation vote (Proposal No. 4). The Board of Directors believes that conducting an advisory vote on executive compensation every year would best enable shareholders to express timely their views on DeVry's executive compensation program and enable the Board of Directors and the Compensation Committee to determine current shareholder sentiment and take such sentiment into account when evaluating executive compensation.**

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires that DeVry's Directors, executive officers and holders of more than 10% of DeVry's Common Stock file reports of ownership and changes in ownership of Common Stock with the Securities and Exchange Commission. During the fiscal year ended June 30, 2011, there were no filings made after the reporting deadline.

**SHAREHOLDER PROPOSALS 2012 ANNUAL MEETING**

Shareholder proposals intended to be presented at the 2012 Annual Meeting of Shareholders in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 must be received by DeVry no later than June 14, 2012 to be eligible for inclusion in the Proxy Statement and form of proxy for the meeting. Any such proposal also must meet the other requirements of the rules of the SEC relating to shareholder proposals. Also, under DeVry's By-Laws, other proposals and director nominations by shareholders that are not included in the Proxy Statement will be considered timely and may be eligible for presentation at that meeting only if they are received by DeVry in the form of a written notice, directed to the attention of DeVry's Secretary, not later than August 5, 2012. The notice must contain the information required by the By-Laws.

**SEC REPORTS**

A copy of DeVry's 2011 Annual Report on Form 10-K (including the financial statements and financial statement schedules), as filed with the Securities and Exchange Commission, may be obtained without charge upon written request to the office of the Secretary of DeVry at DeVry Inc., 3005 Highland Parkway, Downers Grove, IL 60515-5799. A copy of DeVry's Form 10-K and other periodic filings also may be obtained on DeVry's website at [www.devryinc.com](http://www.devryinc.com) and from the Securities and Exchange Commission's EDGAR database at [www.sec.gov](http://www.sec.gov).

**OTHER BUSINESS**

The Board of Directors is aware of no other matter that will be presented for action at this meeting. If any other matter requiring a vote of the shareholders properly comes before the meeting, the proxy committee will vote and act according to their best judgment.

By Order of the Board of Directors

*Secretary*

**Table of Contents**

*DEVRY INC.*

*3005 HIGHLAND PARKWAY*

*DOWNERS GROVE, IL 60515*

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M38385-P16791

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**



Edgar Filing: DEVRY INC - Form DEF 14A

DEVRY INC.

**For All** **Withhold All** **For All Except** To withhold authority to vote for any individual nominee(s), mark **For All Except** and write the number(s) of the nominee(s) on the line below.

**The Board of Directors recommends that you vote FOR all of the nominees listed in Item 1.**

**Vote on Directors**

1. Election of Directors

**Nominees: Class II (2014)**

- |                           |                     |
|---------------------------|---------------------|
| 01) Christopher B. Begley | 04) Lisa W. Pickrum |
| 02) David S. Brown        | 05) Fernando Ruiz   |
| 03) Gary Butler           |                     |

**Vote on Proposals**

**For Against Abstain**

**The Board of Directors recommends you vote FOR the following proposals:**

2. Ratification of selection of PricewaterhouseCoopers LLP as independent registered public accounting firm.

.. .. .

**For Against Abstain**

3. An advisory vote on the approval of compensation of our named executive officers.

.. .. .

**1 Year 2 Years 3 Years Abstain**

**The Board of Directors recommends you vote 1 YEAR in the following proposal:**

4. An advisory vote on the approval of the frequency of shareholder votes on executive compensation.

.. .. .

**NOTE:** Such other business as may properly come before the meeting or any adjournment thereof.

For address changes and/or comments, please check this box and write them on the back where indicated.

..

Please indicate if you plan to attend this meeting.

.. .. .

**Yes No**

Please date and sign below exactly as your name(s) appear(s) hereon. Joint owners should all sign. When signing in a representative capacity (such as for an estate, trust, corporation or partnership), please indicate title or capacity.

Signature [PLEASE SIGN WITHIN BOX]Date

Signature (Joint Owners)

Date

**Table of Contents**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

M38386-P16791

**PROXY**

**DeVry Inc.**

**PROXY**

**This proxy is solicited on behalf of the Board of Directors.**

The undersigned hereby appoints Gregory S. Davis and Richard M. Gunst as proxies, each with the power to act alone and with full power of substitution and revocation, to represent and vote, as specified on the other side of this Proxy, all shares of Common Stock of DeVry Inc. that the undersigned is entitled to vote at the Annual Meeting of Shareholders to be held on Thursday, November 3, 2011 at 9:00 a.m. Central Daylight Time at DeVry University's location at 225 West Washington St., Chicago, Illinois 60606, and all adjournments thereof.

**The shares represented by this Proxy will be voted as specified. If no choice is specified, this Proxy will be voted FOR ALL in Item 1, FOR Items 2 and 3 and for 1 YEAR in Item 4.**

**The proxies are authorized, in their discretion, to vote such shares upon any other business that may properly come before the Annual Meeting.**

**Address Changes/Comments:**

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN ENCLOSED PREPAID ENVELOPE.**

*(Continued and to be signed on reverse side.)*