

DICE HOLDINGS, INC.  
Form DEF 14A  
March 12, 2010  
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**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Dice Holdings, 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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

(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:

Edgar Filing: DICE HOLDINGS, INC. - Form DEF 14A

.. 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:

Table of Contents

March 17, 2010

Dear Fellow Stockholder,

I am pleased to invite you to our 2010 Annual Meeting of Stockholders, which will be held on Friday, April 23, 2010, at 9:00 a.m., local time, at the Grand Hyatt New York, Park Avenue at Grand Central, New York, New York 10017.

At the meeting, we will be electing one class of directors, as well as considering the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010. The Board of Directors recommends a vote **FOR** the election of all director nominees and the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm.

You may vote your shares using the Internet or the telephone by following the instructions on the enclosed proxy card. Of course, you may also vote by returning the enclosed proxy card.

Only Dice Holdings, Inc. stockholders may attend the annual meeting. If you wish to attend the meeting in person, you will need to request an admission ticket in advance. You can request a ticket by following the instructions set forth in the proxy statement.

Thank you very much for your support of Dice Holdings, Inc.

Sincerely,

Scot W. Melland

Chairman, President and Chief Executive Officer

**Table of Contents**

**DICE HOLDINGS, INC.**

1040 Avenue of the Americas, 16<sup>th</sup> Floor

New York, New York 10018

March 17, 2010

**NOTICE OF ANNUAL MEETING**

Dice Holdings, Inc., a Delaware corporation (the *Company*), will hold its 2010 Annual Meeting of Stockholders (the *Annual Meeting*) at the Grand Hyatt New York, Park Avenue at Grand Central, New York, New York 10017, on Friday, April 23, 2010, at 9:00 a.m., local time, to:

1. Elect three Class III directors, each for a term of three years, or until their successors are duly elected and qualified;
2. Ratify the selection of Deloitte & Touche LLP as the *Company*'s independent registered public accounting firm for the fiscal year ending December 31, 2010; and

3. Transact any other business that may properly come before the Annual Meeting and any adjournments or postponements thereof. Stockholders of record of Dice Holdings, Inc. common stock (NYSE: DHX) as of the close of business on March 17, 2010, are entitled to vote at the Annual Meeting and any adjournments or postponements thereof. A list of these stockholders will be available at the offices of the *Company* in New York, New York.

**Whether or not you plan to attend the Annual Meeting in person, please sign and date the enclosed proxy card and return it promptly, or submit your proxy by telephone or the Internet.** Any stockholder of record who is present at the Annual Meeting may vote in person instead of by proxy, thereby revoking any previous proxy.

Brian P. Campbell

Vice President, General Counsel and Corporate Secretary

**Table of Contents**

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

**to be Held on April 23, 2010**

The proxy statement and Annual Report on Form 10-K are available at [www.investor.diceholdingsinc.com](http://www.investor.diceholdingsinc.com). The means to vote is available by Internet at [www.investorvote.com/dhx](http://www.investorvote.com/dhx) or by calling 1-800-652-VOTE (8683).

**Your Vote is Important**

Please vote as promptly as possible

by using the Internet or telephone or

by signing, dating and returning the enclosed proxy card

**If you plan to attend the meeting, you must request an admission ticket in advance of the meeting. Tickets will be issued to registered and beneficial owners and to one guest accompanying each registered or beneficial owner.**

Please note that if you hold your shares in street name (through a broker or other nominee), you will need to send a written request for a ticket, along with proof of share ownership, such as a copy of the portion of your voting instruction form showing your name and address, a bank or brokerage firm account statement or a letter from the broker, trustee, bank or nominee holding your shares, confirming ownership.

Requests for admission should be addressed to the Corporate Secretary, Dice Holdings, Inc., 1040 Avenue of the Americas, 16<sup>th</sup> Floor, New York, New York 10018 or by calling (212) 448-4181, and will be processed in the order in which they are received and must be requested no later than April 20, 2010. Please note that seating is limited and requests for tickets will be accepted on a first-come, first-served basis. On the day of the Annual Meeting, each stockholder will be required to present a valid picture identification such as a driver's license or passport with their admission ticket. Seating will begin at 8:30 a.m. and the meeting will begin promptly at 9:00 a.m., local time. Cameras (including cell phones with photographic capabilities), recording devices and other electronic devices will not be permitted at the Annual Meeting.

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>Directors and Corporate Governance</u>	3
<u>Board Structure</u>	3
<u>Composition of our Board of Directors</u>	3
<u>Director Independence</u>	6
<u>Board Leadership Structure</u>	6
<u>Corporate Governance</u>	6
<u>Controlled Company</u>	6
<u>Required Certifications</u>	6
<u>Committees of the Board</u>	7
<u>Audit Committee</u>	7
<u>Audit Committee Report</u>	7
<u>Nominating and Corporate Governance Committee</u>	8
<u>Compensation Committee</u>	9
<u>Compensation Committee Interlocks and Insider Participation</u>	10
<u>Corporate Governance Guidelines and Code of Conduct and Ethics</u>	10
<u>Risk Management</u>	10
<u>Certain Relationships and Related Person Transactions</u>	11
<u>Stockholder Agreement</u>	11
<u>Executive Compensation</u>	14
<u>Compensation Committee Report</u>	14
<u>Compensation Discussion and Analysis</u>	14
<u>2009 Overview</u>	14
<u>Compensation Program Philosophy and Objectives</u>	14
<u>The Process of Setting Executive Compensation</u>	15
<u>Benchmarking</u>	15
<u>Management's Role in the Compensation-Setting Process</u>	16
<u>Elements of Executive Compensation</u>	16
<u>Tax and Accounting Considerations</u>	21
<u>Summary Compensation Table For Fiscal Year 2009</u>	22
<u>Grants of Plan-Based Awards For Fiscal Year 2009</u>	23
<u>Employment Agreements</u>	23
<u>Outstanding Equity Awards at Fiscal Year-End 2009</u>	25
<u>Potential Post-Employment Payments Upon Termination or Change in Control</u>	26
<u>Equity Award Provisions</u>	28
<u>Termination Payments</u>	29
<u>Change of Control Termination</u>	30
<u>Board Compensation</u>	30
<u>Compensation Risks</u>	31
<u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	33
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	35
<u>Items To Be Voted On</u>	36
<u>Proposal 1: Election of Directors</u>	36
<u>Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm</u>	36
<u>Policy for Approval of Audit and Permitted Non-Audit Services</u>	37
<u>Principal Accounting Fees and Services</u>	37
<u>Other Matters</u>	37
<u>Other Procedural Matters</u>	38
<u>Electronic Delivery of Proxy Materials and Annual Report</u>	38
<u>Reduce Duplicate Mailings Householding</u>	38
<u>Proxy Solicitation Costs</u>	38

Edgar Filing: DICE HOLDINGS, INC. - Form DEF 14A

<u>Stockholder Communications</u>	38
<u>Stockholder Proposals for Inclusion in 2011 Proxy Statement</u>	39
<u>Director Nominations and Other Stockholder Proposals for Presentation at the 2011 Annual Meeting</u>	39



Table of Contents

**PROXY STATEMENT**

**FOR ANNUAL MEETING OF STOCKHOLDERS**

**To be held on April 23, 2010**

This proxy statement is furnished to the stockholders of record of Dice Holdings, Inc., a Delaware corporation, in connection with the solicitation by the Company's Board of Directors of proxies for the 2010 Annual Meeting of Stockholders of the Company (the "Annual Meeting") to be held at the Grand Hyatt New York, Park Avenue at Grand Central, New York, New York 10017 on Friday, April 23, 2010, at 9:00 a.m., local time, and at any adjournments or postponements thereof, for the purpose of considering and acting upon the matters set forth in the accompanying Notice of Annual Meeting of Stockholders. In this proxy statement, we refer to Dice Holdings, Inc. as the "Company," "we" or "us."

This proxy statement and accompanying proxy and voting instructions are first being mailed on or about March 19, 2010 to holders of the Company's common stock, par value \$0.01 (the "Common Stock"), entitled to vote at the Annual Meeting. The presence in person or by proxy of the holders of a majority of the total number of shares of Common Stock entitled to vote at the Annual Meeting shall constitute a quorum for the transaction of any business at the Annual Meeting. Each owner of record of the Common Stock on the record date is entitled to one vote for each share. The record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting, is March 17, 2010. At the close of business on March 11, 2010, there were outstanding and entitled to vote 62,418,859 shares of the Common Stock. The shares of Common Stock are publicly traded on the New York Stock Exchange (the "NYSE") under the symbol "DHX."

At the Annual Meeting, three directors (the "Class III Directors") will be elected by a plurality of the votes cast in person or by proxy and eligible to vote at the Annual Meeting. The ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm will require the affirmative vote of a majority in voting power of shares of Common Stock present in person or by proxy and entitled to vote at the Annual Meeting. Our principal stockholders, which consist of certain affiliates of General Atlantic LLC (the "General Atlantic Stockholders") and certain affiliates of Quadrangle Group LLC (the "Quadrangle Stockholders," and together with the General Atlantic Stockholders, the "Principal Stockholders"), control approximately 72% of the Common Stock outstanding, and as a result, the Principal Stockholders have the ability to cause the election of all nominees for the Class III Directors and the ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2010. The Company expects the Principal Stockholders will vote **FOR** the election of the Class III Directors and the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm, thereby ensuring the approval of the election of all nominees for the Class III Directors and the ratification of the selection of Deloitte & Touche LLP.

Broker non-votes and shares with respect to which a stockholder abstains are included in determining whether a quorum is present. An abstention is not deemed to be a vote cast with respect to the election of directors, but will be considered a vote cast with respect to any proposal requiring the approval of the affirmative vote of a majority in voting power. Broker non-votes will not be considered votes cast. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power on that item and has not received instructions from the beneficial owner. Under NYSE rules, proposals to elect directors are not considered discretionary items but proposals to approve the appointment of the independent registered public accounting firm are considered discretionary items, which means that brokerage firms may vote in their discretion on the ratification of the appointment of the independent registered public accounting firm on behalf of clients who have not furnished voting instructions. Under Delaware law, an abstention or a broker non-vote will have no legal effect on the election of directors, and an abstention, but not a broker non-vote, will have the same legal effect as a vote against the proposal to ratify the appointment of the independent registered public accounting firm.

**Table of Contents**

All shares entitled to vote and represented by properly executed proxies received prior to the Annual Meeting, and not revoked, will be voted as instructed on those proxies. If no instructions are indicated, the shares will be voted as recommended by the Board of Directors. If any other matters are properly presented at the Annual Meeting for consideration, the persons named in the enclosed form of proxy will have discretion to vote on those matters in accordance with their own judgment to the same extent as the person signing the proxy would be entitled to vote.

Stockholders will have the option to submit their proxies or voting instructions electronically through the Internet, by telephone or by using a traditional proxy card. Stockholders should check their proxy card or voting instructions forwarded by their broker, bank or other holder of record to see which options are available. The deadline for voting via the Internet or by telephone is 11:59 P.M., Eastern Daylight Time, on April 22, 2010. Stockholders submitting proxies or voting instructions via the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies that would be borne by the stockholder.

Any stockholder of record may revoke a proxy at any time before it is voted by filing with the Corporate Secretary, at or before the taking of the vote at the Annual Meeting, a written notice of revocation or duly executed proxy, in either case dated later than the prior proxy relating to the same shares, or by attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not by itself revoke a proxy).

Any written notice of revocation or subsequent proxy should be delivered to Dice Holdings, Inc., 1040 Avenue of the Americas, 16<sup>th</sup> Floor, New York, New York Attention: Corporate Secretary, or hand delivered to the Corporate Secretary, before the taking of the vote at the Annual Meeting. To revoke a proxy previously submitted via the Internet or by telephone, a stockholder may simply submit a new proxy (including by means of the Internet or by telephone) at a later date before the taking of the vote at the Annual Meeting, in which case, the later submitted proxy will be recorded and the earlier proxy will be revoked.

**Table of Contents****DIRECTORS AND CORPORATE GOVERNANCE****Board Structure*****Composition of our Board of Directors***

Our board of directors currently consists of eight directors. The board met seven times during fiscal 2009. Each director attended at least 70% of all of the meetings of the board and committees on which he served. Under the Company's Corporate Governance Guidelines, each director is expected to dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties, including by attending annual and special meetings of the stockholders of the Company and meetings of the board and committees of which he is a member.

Our amended and restated by-laws provide that our board of directors will consist of no less than five or more than 20 persons. The exact number of members on our board of directors will be determined from time to time by resolution of a majority of our full board of directors; however, our shareholders agreement among us, our Principal Stockholders and certain management stockholders (the Management Stockholders) dated July 23, 2007 (the Institutional Shareholder Agreement) requires that the board consist of at least eight directors, one of whom must be our Chief Executive Officer. Our board is divided into three classes, with each director serving a three-year term and one class being elected at each year's annual meeting of stockholders. Messrs. Barter, Melland and Wyman are currently serving as Class III directors (with a term expiring at the 2010 Annual Meeting) and have been nominated for reelection. Messrs. Ezersky, Gordon and Hodgson are currently serving as Class I directors (with a term expiring at the 2011 Annual Meeting). Mr. Bingham and Ms. Siegel, who joined the Board in July and October, respectively, are currently serving as Class II directors (with a term expiring at the 2012 Annual Meeting).

Under the Institutional Shareholder Agreement, each of the Principal Stockholders has the right to designate up to (1) three members of our board of directors if such Principal Stockholder owns 17.5% or more of our Common Stock, (2) two members of our board of directors if it owns less than 17.5% but at least 10% of our Common Stock and (3) one member of our board of directors if it owns less than 10% but at least 5% of our Common Stock. Each Principal Stockholder has agreed to vote its shares in favor of the directors designated by the other Principal Stockholder in accordance with the terms of the Institutional Shareholder Agreement. Initially, the Principal Stockholders each only designated two members to our board of directors. Currently, Mr. Ezersky and Ms. Siegel have been designated as members of our board of directors by the Quadrangle Stockholders and Messrs. Bingham and Hodgson have been designated as members of our board of directors by the General Atlantic Stockholders.

Set forth below is information relating to the Company's directors, including the Class III Directors who are nominated for re-election at the Annual Meeting, as of March 17, 2010.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Scot W. Melland(1)(5)	47	Chairman, President and Chief Executive Officer
John W. Barter(2)(5)	63	Director
H. Raymond Bingham(6)	64	Director
Peter R. Ezersky(3)(6)	49	Director
David S. Gordon(4)	68	Director
David C. Hodgson(3)	53	Director
Amanda B. Siegel	33	Director
William W. Wyman(4)(5)(7)	72	Director

- (1) Chairman of the Nominating and Corporate Governance Committee.
- (2) Chairman of the Audit Committee.
- (3) Member of the Nominating and Corporate Governance Committee

---

**Table of Contents**

- (4) Member of the Audit Committee.
- (5) Class III Director nominated for re-election at the 2010 Annual Meeting.
- (6) Member of the Compensation Committee.
- (7) Chairman of the Compensation Committee.

*Scot W. Melland* has been our President and Chief Executive Officer and a Director since joining our predecessor, Dice Inc., in April 2001. Prior to joining the Company, he served as President and Chief Executive Officer of Vcommerce Corporation since 1999. From 1996 to 1999, he served as Vice President and later Senior Vice-President Interactive Services for Cendant Corporation. Previously, Mr. Melland served as Vice President, Investments and Alliances for Ameritech (now AT&T). Mr. Melland began his career as a consultant, joining McKinsey & Company in 1985. He is a member of the boards of directors of Globalspec, Inc. and Career Resources Inc., a nonprofit workforce development agency in Connecticut. He holds a B.S. in economics from the University of Pennsylvania and a M.B.A. from Harvard University's Graduate School of Business Administration. Mr. Melland was appointed to serve as the Chairman of our board because his day to day leadership as our President and Chief Executive Officer provides him with intimate knowledge of our business, our business strategy and our industry.

*John W. Barter* has been a director since April 2007. From 1988 to 1994, he was senior vice president and chief financial officer of AlliedSignal, Inc., now known as Honeywell International, Inc., an advanced technology and manufacturing company. From October 1994 until his retirement in December 1997, Mr. Barter was executive vice president of AlliedSignal, Inc. and president of AlliedSignal Automotive. After retiring from AlliedSignal, Inc., Mr. Barter served briefly as chief financial officer of Kestrel Solutions, Inc., a privately-owned early stage company established to develop and bring to market a new product in the telecommunications industry, from January 2000 to May 2001. Kestrel filed a voluntary petition for bankruptcy protection in October 2002. Mr. Barter also serves on the boards of directors of SRA International and Genpact Limited. Mr. Barter was appointed to serve on our board based on his broad and extensive experience serving in management roles at other companies and his service on the board of directors of other public companies, both of which we believe enable him to provide effective oversight to our board. The board also considered Mr. Barter's prior experience as a chief financial officer, which was instrumental in his being selected to serve as Chairman of the Audit Committee.

*H. Raymond Bingham* has been a Director since July 2009 and is an Advisory Director of General Atlantic. He was Executive Chairman of the Board of Directors of Cadence Design Systems, Inc., a supplier of electronic design automation software and services, from May 2004 to July 2005, and served as a director of Cadence from November 1997 to July 2005. Prior to being Executive Chairman, he served as President and Chief Executive Officer of Cadence from April 1999 to May 2004 and as Executive Vice President and Chief Financial Officer from April 1993 to April 1999. Mr. Bingham also serves as a director of Flextronics International Ltd., Oracle Corporation and STMicroelectronics N.V. Mr. Bingham was appointed to serve on our board pursuant to the Institutional Shareholder Agreement based on his broad and extensive experience serving in management roles at technology companies, including as chief financial officer, as well as his experience as an Advisory Director of General Atlantic. Mr. Bingham's significant service on the board of directors of other publicly-traded technology companies and his extensive knowledge and experience managing portfolio companies both within and outside our industry brings unique insight to our board.

*Peter R. Ezersky* has been a director since August 2005 and is a Managing Principal of Quadrangle. Prior to the formation of Quadrangle in March 2000, Mr. Ezersky was a Managing Director of Lazard Frères & Co. LLC and headed the firm's worldwide Media and Communications group. Prior to joining Lazard, Mr. Ezersky was a Vice President in the Mergers and Acquisitions group of The First Boston Corporation. Mr. Ezersky also serves on the Boards of Directors of Cinemark, Get AS, Hargray Holdings, MGM and Protection One and on the Advisory Board of Bresnan Broadband. Mr. Ezersky received a J.D. from Yale Law School, where he was an editor of The Yale Law Journal and received a B.A., summa cum laude, in political science from Amherst College, where he was a member of Phi Beta Kappa. Mr. Ezersky was appointed to serve on our board pursuant

**Table of Contents**

to the Institutional Shareholder Agreement based on his extensive experience in investment banking, including as the head of the Media and Communications group at Lazard, as well as his experience as a Managing Principal of Quadrangle. Mr. Ezersky's significant service on the board of directors of other publicly-traded companies and his extensive knowledge and experience managing portfolio companies both within and outside our industry brings unique insight to our board.

*David S. Gordon* has been a director since December 2006 and is Principal of Gordon Advisory, LLC. He was the Chief Executive Officer and a director of the Milwaukee Art Museum from October 2002 until February 2008. Before that, he was the Secretary (Director) of the Royal Academy of Arts in London for six years. He also spent 12 years as the Chief Executive Officer of The Economist Newspaper Ltd. He was associated with eFinancialNews for 10 years, first as a consultant and then as non-executive chairman and oversaw the sale of eFinancialCareers to us in 2006. Mr. Gordon also serves on the board of directors of Profile Books Ltd. Mr. Gordon was appointed to serve on our board based on his prior association with, and intimate knowledge of, eFinancialCareers and his experience as a chief executive officer. Mr. Gordon brings to the board expertise in business strategy and development as well as insight on doing business outside the United States.

*David C. Hodgson* has been a director since August 2005 and is a Managing Director of General Atlantic. He joined General Atlantic in 1982, helped found their partnership, and has over 25 years of experience identifying and assisting portfolio companies worldwide in all areas of their development. Mr. Hodgson serves on the boards of directors of a number of public and private companies including Pierpont Securities, InsightExpress, Inc., ipValue Management, Inc., Liberata Limited and TriNet Group, Inc. Mr. Hodgson graduated summa cum laude from Dartmouth College in 1978 with a degree in Mathematics and Social Sciences. He is a member of Phi Beta Kappa and received the Kemeny Prize in computing at his alma mater. In 1982, Mr. Hodgson received a M.B.A. from the Stanford University Graduate School of Business. Mr. Hodgson is chair of the board of the Echoing Green Foundation, a provider of fellowship support for not-for-profit entrepreneurs. He also serves as chair of the executive committee of the Manhattan Theatre Club and as a trustee of Johns Hopkins University and the Spence School in New York. Mr. Hodgson was appointed to serve on our board pursuant to the Institutional Shareholder Agreement based on his experience as a Managing Director of General Atlantic. Mr. Hodgson's significant experience creating value for portfolio companies and managing the challenges that they face provides important guidance to our company.

*Amanda B. Siegel* has been a Director since October 2009 and is a Principal of Quadrangle. Ms. Siegel joined Quadrangle Group LLC in 2003 and is a Principal focused on the firm's media and communications private equity business. Ms. Siegel also serves on the Boards of Directors of Cequel Communications, and Hargray Holdings. Prior to joining Quadrangle, Ms. Siegel was an Associate with DLJ Merchant Banking Partners. She also worked as an Analyst in the Investment Banking Division at Donaldson, Lufkin & Jenrette. She received a M.B.A. from Harvard Business School and graduated with a B.S., magna cum laude, in economics and a concentration in finance and accounting from the Wharton School at the University of Pennsylvania. Ms. Siegel was appointed to serve on our board pursuant to the Institutional Shareholder Agreement based on her extensive experience in investment banking and private equity, including as a Principal of Quadrangle with significant knowledge of the media and communications industry.

*William W. Wyman* has been a director since December 2006 and is currently an international management consultant, assisting corporate chief executives as an individual business advisor and counselor on a broad range of issues. During 2001, Mr. Wyman was Chief Executive Officer of Predictive Systems, Inc. From 1984 to 1995, Mr. Wyman was founder and managing partner of Oliver, Wyman & Company, management consultants to large financial institutions. From 1965 to 1984, Mr. Wyman held several positions at the international management consulting firm of Booz, Allen & Hamilton including President of the Management Consulting Group, member of the executive committee and member of the board of directors. He currently serves on the board of directors of Pegasystems, Allston Trading and Summit Regional Bankshares. He is a member of the Board of Advisors of The Sprout Group, Castle Harlan Partners and Francisco Partners. He is the co-founder of Wyman Worldwide Health Partners, serves as a trustee of the Dartmouth Hitchcock Medical Center, and served as a trustee of the Hitchcock Clinic and the Mary Hitchcock Memorial Hospital from 1996 to 2008.

## **Table of Contents**

He graduated from Colgate University in 1959, served in the United States Navy from 1959 to 1963, and graduated from the Harvard Business School in 1965. Mr. Wyman was appointed to serve on our board based on his significant experience serving in management roles at other operating companies and his service on the board of other publicly-traded companies. Mr. Wyman's management consulting expertise plays a key role in board discussions of our business strategy and was a key factor in his being selected to serve as Chairman of the Compensation Committee.

### ***Director Independence***

We have determined that Messrs. Barter, Bingham, Ezersky, Gordon, Hodgson, and Wyman and Ms. Siegel are independent as such term is defined by the applicable rules and regulations of the NYSE for purposes of serving on our board of directors. Additionally, each of these directors meets the categorical standards for independence established by our board, as set forth in our Corporate Governance Guidelines, which is posted on our website.

### ***Board Leadership Structure***

Mr. Melland serves as both our Chief Executive Officer and the Chairman of our board of directors. We believe that combining the role of Chairman and CEO is appropriate for our Company because Mr. Melland is most familiar with our business strategy and our industry. We also believe that the combined role of Chairman and CEO facilitates the flow of information between the board and management and helps promote effective corporate governance. We also have independent board members that bring experience, oversight and expertise from outside the Company and our industry, as well as board members affiliated with our Principal Stockholders who bring extensive knowledge and experience from managing portfolio companies both within and outside our industry. The board meets as necessary in executive sessions of the non-management directors. At any such executive session, the non-management directors take turns serving as the presiding director as provided in the Company's Corporate Governance Guidelines. As a controlled company for purposes of the NYSE rules (as defined below), we believe our board structure provides the appropriate balance of management oversight and non-management oversight.

### **Corporate Governance**

#### ***Controlled Company***

The Common Stock is listed on the NYSE. For purposes of the NYSE rules, we are a controlled company. Controlled companies under those rules are companies of which more than 50% of the voting power is held by an individual, a group or another company. Together, our Principal Stockholders control more than 50% of the voting power of our Common Stock and are able to elect our entire board of directors and ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm. Accordingly, we are eligible to take advantage of certain exemptions from NYSE governance requirements provided in the NYSE rules. Specifically, as a controlled company under NYSE rules, we are not required to have (1) a majority of independent directors, (2) a Nominating and Corporate Governance Committee composed entirely of independent directors or (3) a Compensation Committee composed entirely of independent directors. For instance, our Chief Executive Officer is a member of our Nominating and Corporate Governance Committee. Additionally, the Institutional Shareholder Agreement requires us to take advantage of the controlled company exemption to the extent it remains available.

#### ***Required Certifications***

The Company has filed with the Securities and Exchange Commission (the Commission), as an exhibit to its Annual Report on Form 10-K, the certifications required by its Chief Executive Officer and Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002. The Company has also timely submitted to the NYSE the Section 303A Annual CEO Certification for 2009, and such certification was submitted without any qualifications.

## **Table of Contents**

### ***Committees of the Board***

Our board of directors has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The following is a brief description of our committees.

#### ***Audit Committee***

The members of the Audit Committee are:

John W. Barter (Chair)  
David S. Gordon  
William W. Wyman

The Audit Committee met nine times during fiscal 2009. Our Audit Committee assists the board in monitoring the audit of our financial statements, our independent registered public accounting firm's qualifications and independence, the performance of our audit function and independent registered public accounting firm, and our compliance with legal and regulatory requirements. The Audit Committee has direct responsibility for the appointment, compensation, retention (including termination) and oversight of our independent registered public accounting firm, and our independent registered public accounting firm reports directly to the Audit Committee. The Audit Committee also reviews and approves related-party transactions as required by the rules of the NYSE. The authority and responsibility of the Audit Committee is further set forth in its charter, which is available under the Investor Relations section of our website and in print to any stockholder who requests a copy from the Corporate Secretary.

Messrs. Barter, Gordon and Wyman qualify as audit committee financial experts under the rules of the Commission implementing Section 407 of the Sarbanes-Oxley Act of 2002. Messrs. Barter, Gordon and Wyman meet the independence and the experience requirements of the NYSE and the federal securities laws.

#### ***Audit Committee Report***

The charter of the Audit Committee, which is available under the Investor Relations section of our website, specifies that the purpose of the Audit Committee is to assist the board in its oversight of:

the accounting and financial reporting processes of the Company, including the integrity of the financial statements and other financial information provided by the Company to its stockholders, the public, any stock exchange and others;

the Company's compliance with legal and regulatory requirements;

the Company's independent registered public accounting firm's qualifications and independence;

the audit of the Company's financial statements; and

the performance of the Company's internal audit function and independent registered public accounting firm, and such other matters as shall be mandated under applicable laws, rules and regulations as well as listing standards of the NYSE.

In carrying out these responsibilities, the Audit Committee, among other things:

## Edgar Filing: DICE HOLDINGS, INC. - Form DEF 14A

monitors preparation of quarterly and annual financial reports by the Company's management;

supervises the relationship between the Company and its independent registered public accounting firm, including having direct responsibility for their appointment, compensation and retention; reviewing the scope of their audit services; approving audit and non-audit services; and confirming the independence of the independent registered public accounting firm; and

oversees management's implementation and maintenance of effective systems of internal and disclosure controls, including review of the Company's policies relating to legal and regulatory compliance, ethics and conflicts of interests and review of the Company's internal auditing program.



## **Table of Contents**

The Audit Committee schedules its meetings with a view to ensuring that it devotes appropriate attention to all of its tasks. The Audit Committee's meetings include, whenever appropriate, executive sessions in which the Audit Committee meets separately with the Company's independent registered public accounting firm, the Company's internal auditors, the Company's Chief Financial Officer and the Company's General Counsel.

Management is responsible for the Company's financial reporting process, including the Company's internal control over financial reporting, and for the preparation of the Company's consolidated financial statements in accordance with generally accepted accounting principles. Deloitte & Touche LLP, as the Company's independent registered public accounting firm, is responsible for auditing those financial statements and expressing its opinion as to the fairness of the financial statement presentation in accordance with generally accepted accounting principles. Our responsibility is to oversee and review this process. We are not, however, professionally engaged in the practice of accounting or auditing and do not provide any expert or other special assurance as to such financial statements concerning compliance with laws, regulations or generally accepted accounting principles or as to auditor independence. We rely, without independent verification, on the information provided to us and on the representations made by management and the independent registered public accounting firm.

As part of its oversight of the preparation of the Company's financial statements, the Audit Committee reviews and discusses with both management and the Company's independent registered public accounting firm all annual and quarterly financial statements prior to their issuance. During fiscal 2009, management advised the Audit Committee that each set of financial statements reviewed had been prepared in accordance with generally accepted accounting principles, and reviewed significant accounting and disclosure issues with the Audit Committee. These reviews included discussion with the independent registered public accounting firm of matters required to be discussed pursuant to Statement on Auditing Standards No. 114 (Communication with Audit Committees), including the quality of the Company's accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Committee also discussed with Deloitte & Touche LLP matters relating to its independence, including a review of audit and non-audit fees and the written disclosures and letter from Deloitte & Touche LLP to the Audit Committee required by applicable requirements of the Public Company Accounting Oversight Board.

In addition, the Audit Committee reviewed key initiatives and programs aimed at maintaining the effectiveness of the Company's internal and disclosure control structure. As part of this process, the Audit Committee continued to monitor the scope and adequacy of the Company's internal auditing program, reviewing internal audit department staffing levels and steps taken to maintain the effectiveness of internal procedures and controls.

Taking all of these reviews and discussions into account, the undersigned Audit Committee members recommended to the board that the board approve the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, for filing with the Commission.

Members of the Audit Committee:

John W. Barter (Chair)

David S. Gordon

William W. Wyman

### ***Nominating and Corporate Governance Committee***

The members of the Nominating and Corporate Governance Committee are:

Scot W. Melland (Chair)

Peter R. Ezersky

David C. Hodgson

## **Table of Contents**

The Nominating and Corporate Governance Committee met four times in 2009 and has also met twice in 2010 in preparation for the Annual Meeting. The Nominating and Corporate Governance Committee selects, or recommends that the board select, candidates for election to our board of directors, develops and recommends to the board of directors corporate governance guidelines that are applicable to us and oversees board of directors and management evaluations. The authority and responsibility of the Nominating and Corporate Governance Committee is further set forth in its charter, which is available under the Investor Relations section of our website and in print to any stockholder who requests a copy from the Corporate Secretary.

With respect to director nominees, the Nominating and Corporate Governance Committee, which the Chief Executive chairs, (i) identifies individuals qualified to become members of the board (consistent with criteria approved by the board), (ii) reviews the qualifications of any such person submitted to be considered as a member of the board by any stockholder or otherwise, (iii) conducts background checks of individuals the Nominating and Corporate Governance Committee intends to recommend to the board as director nominees and (iv) selects, or recommends that the board select, the director nominees for the next annual meeting of stockholders or to fill in vacancies on the board. In identifying and reviewing qualifications of candidates for membership on the board, the Nominating and Corporate Governance Committee evaluates all factors which it deems appropriate, including the requirements of the Company's Corporate Governance Guidelines and the other criteria approved by the board.

Pursuant to the Company's Corporate Governance Guidelines, the Nominating and Corporate Governance Committee will seek members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. The assessment of candidates for the board includes an individual's independence, as well as consideration of diversity, age, skills and experience in the context of the needs of the board. The Nominating and Corporate Governance Committee also takes into account the Company's obligations with respect to board composition set forth in the Institutional Shareholder Agreement. The Nominating and Corporate Governance Committee assesses the effectiveness of its diversity policy set forth in the Corporate Governance Guidelines annually in connection with the nomination of directors for election at the annual meeting of stockholders. The composition of the current board reflects diversity in business and professional experience, skills, age and gender.

The Institutional Shareholder Agreement requires that our Nominating and Corporate Governance Committee consist of three members, including one director designated by the Quadrangle Stockholders, one director designated by the General Atlantic Stockholders and one director designated by the board (upon the recommendation of the Nominating and Corporate Governance Committee). Messrs. Ezersky and Hodgson were appointed to the Nominating and Corporate Governance Committee as the Quadrangle Stockholders' designee and the General Atlantic Stockholders' designee, respectively, under the Institutional Shareholder Agreement.

### ***Compensation Committee***

The members of the Compensation Committee are:

William W. Wyman (Chair)

H. Raymond Bingham

Peter R. Ezersky

The Compensation Committee met seven times in 2009. The Compensation Committee reviews and recommends policies relating to compensation and benefits of our directors and employees and is responsible for approving the compensation of our Chief Executive Officer and other executive officers. Our Compensation Committee also administers the issuance of awards under our equity incentive plans. The authority and responsibility of the Compensation Committee is further set forth in its charter, which is available under the Investor Relations section of our website and in print to any stockholder who requests a copy from the Corporate Secretary.

## **Table of Contents**

The Institutional Shareholder Agreement requires that our Compensation Committee consist of three members, including one director designated by the Quadrangle Stockholders, one director designated by the General Atlantic Stockholders and one independent director designated by the board (upon the recommendation of the Nominating and Corporate Governance Committee). Messrs. Bingham and Ezersky were appointed to the Compensation Committee as the General Atlantic Stockholders designee and the Quadrangle Stockholders designee, respectively, under the Institutional Shareholder Agreement (succeeding Anton Levy and Jeffrey Nordhaus who resigned from our Board in July 2009 and October 2009, respectively).

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

None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers who serve on our board of directors or Compensation Committee.

### ***Corporate Governance Guidelines and Code of Conduct and Ethics***

The board of directors has adopted Corporate Governance Guidelines, which set forth a flexible framework within which the board, assisted by its committees, directs the affairs of the Company. The Corporate Governance Guidelines address, among other things, the composition and functions of the board of directors, director independence, stock ownership by directors and compensation of directors, management succession and review, board committees and selection of new directors. A copy of the Company's Corporate Governance Guidelines is available under the Investor Relations section of our website and in print to any stockholder who requests a copy from the Corporate Secretary.

The Company has also adopted a Code of Conduct and Ethics, which is applicable to all directors, officers and employees of the Company, including the principal executive officer, the principal financial officer and the principal accounting officer. A copy of the Company's Code of Conduct and Ethics is available under the Investor Relations section of our website and in print to any stockholder who requests a copy from the Corporate Secretary. If the Company amends or waives the Code of Conduct and Ethics with respect to the directors, Chief Executive Officer, Chief Financial Officer or principal accounting officer, it will post the amendment or waiver at the same location on its website.

### ***Risk Management***

The board has an active role in overseeing the Company's risk management. The board regularly reviews information presented by management regarding the Company's business and operational risks, including relating to security, privacy, credit and liquidity. The board committees also play an active role in managing the Company's risk. The Audit Committee reviews and discusses with management the Company's major financial risk exposures and the steps management has taken to monitor, control and manage such exposures. The Audit Committee reviews and discusses at least annually the Company's code of ethics and procedures in place to enforce the code of ethics and, if there are any amendment or waiver requests relating to the Company's code of ethics for the chief executive officer or senior financial officers, would review and make a determination on such requests. In addition, the Audit Committee reviews related party transactions and potential conflicts of interest related thereto. The Compensation Committee reviews the Company's overall compensation program and its effectiveness at linking both executive pay to performance and aligning the interests of our executives and our stockholders. The Nominating and Corporate Governance Committee manages risks associated with director independence. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board of directors is regularly informed through committee reports about such risks.

## **Table of Contents**

### **CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

The Company has adopted a written Related Person Transaction Policy (the "policy"), which sets forth our policy with respect to the review, approval, ratification and disclosure of all related person transactions by our Audit Committee. In accordance with the policy, our Audit Committee has overall responsibility for the implementation and compliance with this policy.

For the purposes of the policy, a "related person transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we were, are or will be a participant and in which any related person (as defined in the policy) had, has or will have a direct or indirect material interest. A "related person transaction" does not include any employment relationship or transaction involving an executive officer and any related compensation resulting solely from that employment relationship which has been reviewed and approved by our board of directors or Compensation Committee.

Our policy requires that notice of a proposed related person transaction be provided to our legal department prior to entering into such transaction. If our legal department determines that such transaction is a related person transaction, the proposed transaction will be submitted to our Audit Committee for consideration at its next meeting. Under the policy, our Audit Committee may only approve those related person transactions that are in, or not inconsistent with, our best interests. In the event we become aware of a related person transaction that has not been previously reviewed, approved or ratified under our policy and that is ongoing or is completed, the transaction will be submitted to the Audit Committee so that it may determine whether to ratify, rescind or terminate the related person transaction.

Our policy also provides that the Audit Committee review certain previously approved or ratified related person transactions that are ongoing to determine whether the related person transaction remains in our best interests and the best interests of our stockholders. Additionally, we will also make periodic inquiries of directors and executive officers with respect to any potential related person transaction of which they may be a party or of which they may be aware.

#### **Stockholder Agreement**

The Institutional Shareholder Agreement contains restrictions on the ability of the Principal Stockholders and certain of our executive officers, including Messrs. Melland, Durney, Silver, Campbell and Melde and Ms. Melrose, who are "Management Stockholders" under the Institutional Shareholder Agreement, to transfer shares of our Common Stock and provisions related to registration rights granted to such stockholders.

In addition, the Institutional Shareholder Agreement contains provisions related to the composition of our board of directors and the committees of our board of directors and our corporate governance, which are more fully discussed under "*Directors and Corporate Governance*" *Board Structure* and "*Directors and Corporate Governance*" *Corporate Governance*. If both Principal Stockholders hold less than 5% of our Common Stock, these provisions terminate.

#### *Restrictions on Transfer*

Under the Institutional Shareholder Agreement, neither of the Principal Stockholders may sell or transfer shares of our capital stock (except for transfers to certain permitted transferees or certain block sale transfers) without the consent of the other Principal Stockholder. A Management Stockholder may transfer all of his or her holdings.

Additionally, the Principal Stockholders and the Management Stockholders have agreed not to sell any shares during the period beginning 14 days prior to the effective date of a registration statement filed in connection with the exercise of demand or piggyback registration rights by any stockholder until the earlier of

## **Table of Contents**

(1) 90 days after any public offering and (2) the expiration of the underwriters lock-up period for the applicable offering, provided that the Principal Stockholders and Management Stockholders have agreed that notwithstanding this provision, they will remain subject to the terms of any underwriter lock-up agreement for the applicable offering.

### *Other Provisions*

Under the Institutional Shareholder Agreement, we have agreed that the doctrine of corporate opportunity will not apply against our Principal Stockholders in a manner that would prohibit them from investing in competing businesses or doing business with our clients and customers.

The Institutional Shareholder Agreement requires us to deliver to each stockholder who is a party to the agreement and owns 5% or more of our Common Stock in the aggregate certain monthly financial statements as soon as practicable after they are available, subject to customary confidentiality provisions. Additionally, except to the extent available on the Commission's EDGAR system, we are required to deliver to each stockholder who is a party to the agreement and owns 5% or more of our Common Stock copies of all financial statements, reports, notices and proxy statements and all regular and periodic reports, and registration statements or prospectuses filed by us with the Commission.

### *Registration Rights*

Under the Institutional Shareholder Agreement, each of the Principal Stockholders is entitled to certain demand registration rights, including the right to require us to effect a shelf registration if we are eligible to file registration statements on Form S-3.

Under the Institutional Shareholder Agreement, in a demand registration, the non-requesting Principal Stockholder and the Management Stockholders are entitled to piggyback registration rights with respect to any registration request made by a Principal Stockholder, subject to limited exceptions. If the registration requested by a Principal Stockholder is in the form of an underwritten offering, and if the managing underwriter of the offering determines that the number of securities proposed to be offered would have an adverse affect on the offering, the number of shares included in the offering will be determined as follows:

first, shares offered by the Principal Stockholders and the Management Stockholders (but only to the extent such shares were not acquired pursuant to the exercise of options) (pro rata, based on the number of their respective shares requested to be included in such offering);

second, shares offered by any other stockholders (pro rata, based on the number of their respective shares requested to be included in such offering); and

third, shares offered by us for our own account.

The Institutional Shareholder Agreement also provides that each Principal Stockholder and Management Stockholder is entitled to piggyback registration rights with respect to any registration initiated by us, subject to certain limited exceptions. If we initiate a registration in the form of an underwritten offering, and if the managing underwriter of the offering determines that the number of securities proposed to be offered would have an adverse affect on the offering, then the number of shares included in the offering shall be determined as follows:

first, shares offered by us for our own account;

second, shares requested to be included by the Principal Stockholders and the Management Stockholders (pro rata, based on the number of their respective shares requested to be included in such offering);

third, shares offered by any other stockholders (pro rata, based on the number of their respective shares requested to be included in such offering).



**Table of Contents**

In any piggyback registration, including our initial public offering, we have agreed to indemnify the participating Principal Stockholders and Management Stockholders and to pay all registration expenses (other than underwriting discounts and commissions and certain legal expenses of the selling stockholders).

*Block Sales*

Under the Institutional Shareholder Agreement, a Principal Stockholder may request to sell Common Stock in a block sale, provided that the Principal Stockholder gives written notice to us and the other Principal Stockholder. The other Principal Stockholder will then have the right to participate in the block sale on a proportional basis with the requesting Principal Stockholder. Each Principal Stockholder may make up to two block sales in any one year period, and each block sale must recognize proceeds of at least \$20 million. These provisions terminate with respect to a Principal Stockholder if it owns less than 10% of our Common Stock.

**Table of Contents**

**EXECUTIVE COMPENSATION**

**Compensation Committee Report**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with 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 and incorporated by reference in the Company's Annual Report on Form 10-K.

Members of the Compensation Committee:

William W. Wyman (Chair)

Peter R. Ezersky

H. Raymond Bingham

**Compensation Discussion and Analysis**

***2009 Overview***

During 2009, along with conducting its normal oversight responsibilities, the Compensation Committee again reviewed the Company's compensation practices in light of the Company's performance, stock market valuation and the difficult business environment. Using the peer group information and recommendations from Frederick W. Cook & Company (as described in more detail below), the Committee reviewed and confirmed, with minor adjustments, its policies governing senior management compensation including plans for annual salaries, incentive compensation and long-term equity compensation. The Committee reviewed 2009 performance company-wide and for individual members of senior management and awarded bonuses as more fully described below. The Committee reviewed the parameters for annual management equity awards and approved an annual option grant effective February 9, 2009.

***Compensation Program Philosophy and Objectives***

Our primary objective with respect to executive compensation is to provide competitive compensation and benefits to attract, retain, motivate and reward the highest quality executive officers, while supporting our core values and strategic initiatives. A further key objective is to create a pay-for-performance culture such that a substantial portion of each executive officer's compensation is contingent on, and variable with, achievement of objective corporate and individual performance goals and other objective measures of success.

In addition, we aim to establish compensation plans that align the performance of our executive officers with our business plan and strategic objectives and promote the interests of stockholders by focusing management on achieving strong short-term (annual) performance in a manner that supports and ensures our long-term success and profitability.

Finally, it is a key objective to ensure that compensation provided to executive officers remains reasonable and responsible yet competitive relative to the compensation paid to similarly situated executives at comparable companies. It is essential that our overall compensation levels be sufficiently competitive to attract talented leaders and motivate those leaders to achieve superior results. At the same time, our executive compensation programs are intended to be consistent with our focus on controlling costs.

In addition to rewarding corporate and individual performance, our compensation program is designed to reward the level of responsibility of, and the position undertaken by, an executive. Total compensation and accountability should generally increase with position and responsibility. As a result, total compensation is higher for individuals with greater responsibility and greater ability to influence our achievement of targeted results and strategic initiatives. Additionally, as position and responsibility increases, a greater portion of the executive officer's total compensation is performance-based pay contingent on the achievement of performance



## **Table of Contents**

objectives. In the same way, equity-based compensation is higher for persons with higher levels of responsibility, making a significant portion of their total compensation dependent on long-term stock appreciation.

### ***The Process of Setting Executive Compensation***

Our Compensation Committee meets throughout the year, including in executive session, to evaluate the performance of our named executive officers, to determine their bonuses for the prior fiscal year, to establish the individual and corporate performance objectives for each executive for the current fiscal year, to set their base salaries for the next fiscal year, to determine the portion of total compensation that will be contingent, performance-based pay, and to consider and approve any grants of equity incentive compensation. Our Compensation Committee also reviews the appropriateness of the financial measures used in incentive plans and the degree of difficulty in achieving specific performance targets. Our Compensation Committee engages in an active dialogue with our Chief Executive Officer concerning strategic objectives and performance targets.

Our Compensation Committee establishes, together with the performance objectives, targeted annual cash compensation levels (i.e. maximum achievable compensation) for each of the named executive officers by determining each named executive officer's base salary and amount of bonus compensation upon achievement of performance targets. In preparing the target amounts, the size of one individual element of compensation does, in some respects, affect the Compensation Committee's determination of what the targeted amount of other components of compensation should be. For example, each executive's base pay is used as a basis for calculating a target contribution percentage for purposes of establishing the bonus pool. As a general proposition, the Compensation Committee attempts to determine the overall best mix of fixed and incentive compensation. In making this determination, the Compensation Committee is guided by the compensation philosophy described above. The Compensation Committee also considers historical compensation levels, the relative compensation levels among our senior executive officers and the competitive pay practices at other companies using third-party compensation studies and surveys performed by independent organizations. We use these third-party compensation studies as a basis for comparing and setting individual elements of executive compensation for the named executive officers because they provide compensation information for companies in our industry and also provide comprehensive compensation information not obtainable from public sources. The Compensation Committee may also consider industry conditions, corporate performance versus a peer group of companies and the overall effectiveness of our compensation program in achieving desired performance levels. In 2007, the Compensation Committee, in consultation with Frederic W. Cook & Company, a compensation consulting firm retained by the Compensation Committee, identified the following peer group of companies based on size and business focus: Bankrate, Inc., Blue Nile, Inc., ComScore, Inc., drugstore.com, inc., Greenfield Online Inc., Kenexa Corporation, Limelight Networks, Inc., Liquidity Services, Inc., LoopNet, Inc., Shutterfly, Inc., TechTarget, Inc., The Knot, Inc., VistaPrint Limited, WebMD Health Corp. and Websense, Inc. We continued to use data from this peer group for comparison purposes in 2009, although not all the companies in the group continued to operate as independent public companies.

We believe that internal pay equity is an important factor to be considered in establishing compensation for our officers. The Compensation Committee has not established a policy regarding the ratio of total compensation of the Chief Executive Officer to that of the other officers, but it does review compensation levels to ensure that appropriate pay equity exists, which is determined in the Compensation Committee's discretion based on our Compensation Committee members' experience with, and knowledge of, other companies' practices. The Compensation Committee intends to continue to review internal compensation equity and may adopt a formal policy in the future if we deem such a policy to be appropriate.

### ***Benchmarking***

The Compensation Committee does not believe that it is appropriate to establish compensation levels primarily based on benchmarking. While we recognize that our compensation practices must be competitive in the marketplace, such marketplace information is one of the many factors that we consider in assessing the reasonableness of compensation. When a named executive officer is scheduled to receive his or her annual raise,

## **Table of Contents**

the Compensation Committee sometimes reviews independent compensation studies in order to compare the compensation received by comparable executives in similar-sized companies to ensure that the compensation we award is competitive in the market place, as detailed in the section *The Process of Setting Executive Compensation* above. In September 2007, Frederic W. Cook & Company conducted a comprehensive review of our then-existing compensation programs for executive officers. The purpose of the review was to assess the design and competitive positioning of our compensation programs and to make recommendations for change, if appropriate, to be implemented as part of our compensation program going forward. For 2009, the Compensation Committee used the Frederick W. Cook & Company analysis in part to evaluate and determine the compensation for Mr. Melland, Mr. Durney, Mr. Silver and Mr. Campbell. Frederick W. Cook & Company is currently working with the Compensation Committee to update this analysis to assist with executive compensation decisions for 2010. Frederick W. Cook & Company also continues to advise the Compensation Committee from time to time on our compensation program and related executive compensation matters.

### ***Management's Role in the Compensation-Setting Process***

Our Chief Executive Officer, Mr. Melland, plays a significant role in the compensation-setting process. Mr. Melland evaluates the performance of the other named executive officers, recommends business performance targets and objectives for the other named executive officers and recommends salary and bonus levels and option awards for other executive officers. Mr. Durney recommends salary and bonus levels and option awards for Mr. Campbell. All recommendations of Mr. Melland and Mr. Durney are subject to Compensation Committee approval. The Compensation Committee discusses the recommendations with Mr. Melland or Mr. Durney, as appropriate, and then makes its decisions in its sole discretion. Similarly, Mr. Melland's compensation, performance targets and objectives are discussed among the members of the Compensation Committee and the Compensation Committee sets Mr. Melland's compensation. Mr. Melland may ask the Compensation Committee for the right to exercise discretion in awarding executive compensation in exceptional circumstances, but our general practice is that all decisions of the Compensation Committee are considered final.

Mr. Melland helps the Compensation Committee set its agenda for meetings and participates in committee meetings at the committee's request. He provides background information regarding our strategic objectives, evaluates the performance of the senior executive officers, and makes compensation recommendations for senior executive officers. Other executives also prepare information for each Compensation Committee meeting.

### ***Elements of Executive Compensation***

#### ***Base Salary***

Base pay provides executives with a base level of regular income. In determining a named executive officer's base salary, we consider the executive's qualifications, experience and industry knowledge, the quality and effectiveness of their leadership at our company, the scope of their responsibilities and future potential, the goals and objectives established for the executive, the executive's past performance, the base salary paid to officers in comparable positions at companies who are reflected in independent studies, internal pay equity and other factors as deemed appropriate. In addition, we consider the other components of executive compensation and the mix of performance pay to total compensation. The Compensation Committee does not apply any specific weighting to these factors.

Annually, the Compensation Committee reviews each executive's past salary and performance, and general economic conditions in our industry, and decides whether or not to adjust the salary. Adjustments, if any, are implemented effective as of January 1 in the case of Messrs. Melland, Durney and Benson, and effective typically on anniversary dates in the case of Messrs. Silver and Campbell. Subject to the limitations found in each executive's employment agreement we entered into with each of the executives, the Compensation Committee can increase or decrease an executive's base salary at its discretion.

---

**Table of Contents**

In light of the challenging economic environment, Mr. Melland and Mr. Durney recommended against salary increases during 2009 for the named executive officers who report to them and the Compensation Committee agreed with those recommendations. Accordingly, base salaries remained flat for Mr. Melland (\$440,000); Mr. Durney (\$355,000); Mr. Campbell (\$277,000); and Mr. Benson (approximately \$216,346 (reflecting £137,800 converted at US\$1.57 for each £1)). Mr. Silver's base salary also remained flat (\$308,000) until the time of his promotion to Senior Vice President, North America in September 2009. At that time, Mr. Melland recommended a salary increase for Mr. Silver to \$325,000, which was approved by the Compensation Committee. Base salaries also remained flat for the majority of senior management within the Company.

*Senior Bonus Plan*

We award annual cash bonuses under our Senior Bonus Plan for achievement of specified performance objectives with a time horizon of one year or less. We make awards from an established bonus pool. The Compensation Committee determines the total size of our bonus pool by taking into account our qualitative and financial performance. Within the parameters of the overall pool, there are separate sub-pools allocated to the performance of the individual operating units. The Compensation Committee determines the size of an award that we make to a particular executive by considering his or her individual performance as measured against pre-set performance targets and objectives and his or her individual impact on our overall performance. Each of those pieces is equally weighted. We believe this pool-based bonus system helps to foster teamwork and ensures that all executives work together as one in the interest of our performance. The current structure of the plan has been in place since 2004.

In determining the annual cash bonuses awarded to each named executive officer under our Senior Bonus Plan, the Company takes into account many of the same factors that it considers when determining base salaries, with particular focus on the Committee's evaluation of the named executive officer's performance in the preceding fiscal year. Similar to the determinations with respect to base salary and equity incentives, the Committee considers all relevant factors taken as a whole in setting the applicable annual cash bonus award for the fiscal year.

The revenue target and the Adjusted EBITDA target for bonus pool purposes are set on an annual basis. In December 2008, our proposed 2009 bonus plan was presented to the board and the final plan was approved in February 2009. For purposes of funding the senior bonus pool for 2009, the Compensation Committee established a target for revenue of \$109.6 million and a target for Adjusted EBITDA of \$47.4 million. For purposes of Mr. Benson's participation in the Senior Bonus Plan, the target for revenue and the target for Adjusted EBITDA (as converted from British Pounds to U.S. Dollars at an exchange rate of US\$1.57 for each £1) was approximately \$29.2 million and approximately \$10.6 million, respectively, representing the goals for the worldwide eFinancialCareers business. The revenue target for purposes of the Senior Bonus Plan was not intended to be in accordance with U.S. GAAP and includes various adjustments that cause the measurement amount to differ from our actual results. Likewise, the Adjusted EBITDA target includes various adjustments, such as the exclusion of stock based compensation and the exclusion of the accrual for the senior bonus. Additionally, the actual revenue and Adjusted EBITDA results are adjusted to use foreign exchange rates that were assumed when the target amounts were determined, therefore eliminating the impact of changes in exchange rates. We calculate our total bonus pool by taking a percentage of each executive's base compensation and contributing that amount to the total bonus pool for our executives. In 2009, this target contribution percentage was 75% for Mr. Melland as Chief Executive Officer, 60% for Mr. Durney as Chief Financial Officer, 53% for Mr. Silver as Senior Vice President (reflecting a prorated combination of his 50% target prior to his promotion in September 2009 and 60% after his promotion), 50% for Mr. Benson as Chief Executive Officer of eFinancialCareers and 35% for Mr. Campbell as Vice President and General Counsel. We multiply this percentage by the executive's annual base compensation to obtain each executive's targeted pay contribution to the pool.

---

**Table of Contents**

The total bonus pool available for the named executive officers and other senior executives designated by the Compensation Committee is funded in the following way:

30% of the pool is funded automatically;

35% is funded according to the percentage of the revenue target achieved; and

35% is funded according to the percentage of the Adjusted EBITDA target achieved.

For 2009, if our actual results are lower than 85% of the revenue target or the Adjusted EBITDA target, the 35% of the bonus pool to be funded upon achieving the applicable target is not funded. If 85% of the applicable target is achieved, 50% of the 35% to be funded with respect to the applicable target is funded. If our actual revenue or Adjusted EBITDA falls between 85% and 100% of the applicable target, the amount to be funded for each target to the bonus pool increases from 50% to 100% of the applicable 35% portion of the bonus pool on a pro-rata basis. Further, for 2009, the size of our bonus pool would increase by 6.25% for each 1% that our actual revenue exceeds our revenue target (the revenue multiplier), provided that actual Adjusted EBITDA is also equal to or greater than the sum of (1) the Adjusted EBITDA target plus (2) 50% of the amount by which actual revenue exceeds our revenue target. (If actual Adjusted EBITDA exceeds our Adjusted EBITDA target but actual revenue does not exceed our revenue target, the bonus pool does not increase.) The Compensation Committee reduced the revenue multiplier from 12.5% in 2008 to 6.25% in 2009 to reflect the lower aggregate revenue target in the plan.

If our actual revenue exceeds our target amount, and our actual Adjusted EBITDA performance is sufficient such that the bonus pool is increased as described above, then the contribution we make to the bonus pool in respect of each executive's base compensation can be increased so that each individual's base compensation contribution to the bonus pool can be as much as two times their targeted base compensation contribution.

In 2009, for purposes of the bonus pool, the actual revenue was \$107.2 million and the actual Adjusted EBITDA amount was \$50.4 million. For the worldwide eFinancialCareers business, the actual revenue and the Adjusted EBITDA (as converted from British Pounds to U.S. Dollars at an exchange rate of US\$1.57 for each £1) was approximately \$26.7 million and approximately \$10.1 million, respectively. Because our actual revenues for bonus pool purposes were below our budget targets, the bonus pool funding was decreased by 3% (16% in the case of Mr. Benson) and, accordingly, we multiplied each executive officer's targeted base compensation contribution amount by 97% (except that for Mr. Benson the multiplier was 84%) to determine how much would be contributed to the bonus pool with respect to his or her base compensation. As a result, the total bonus pool for the Senior Bonus Plan for 2009 was \$1.7 million. The five named executive officers plus 18 other members of senior management participated in the Senior Bonus Plan and were eligible for bonuses out of the total bonus pool.

The Compensation Committee then reviews each executive's performance against his individual performance objectives (set forth below) and may further increase or decrease the percentage for any particular executive if that executive has had a significant impact in helping us achieve superior company performance. We believe this ensures that executives whose performance is outstanding receive proportionately larger bonuses as a reward. It is possible that any single participant may be allocated a bonus from the bonus pool in an amount up to a maximum of two times his or her targeted base compensation contribution to the bonus pool, if his or her performance warrants such a payout based on the Compensation Committee's qualitative assessment of the executive's performance against his or her goals and objectives. Similarly, it is also possible that any participant in the Senior Bonus Plan may be allocated less than his or her targeted base compensation contribution to the bonus pool, based on his or her performance against his or her goals and objectives.

The 2009 individual performance goals and objectives for Mr. Melland included:

achieving 2009 financial and operating targets, including revenue, EBITDA, and operating cash flow;

focusing on customer service and improving customer retention at Dice and eFinancialCareers;



**Table of Contents**

broadening the addressable market for eFinancialCareers; pursuing additional country expansion;

creating new services and features for our professional communities; developing related revenue streams;

further developing the organization and its infrastructure to support growth and enhance quality; and

pursuing growth opportunities in new verticals or related services.

The 2009 individual performance goals and objectives for Mr. Durney included:

ensuring timely, accurate and informative management and external financial reporting;

improving global strategic planning process;

realigning global finance and accounting teams to provide maximum efficiency internally and streamlined external reporting;

Managing external reporting process; completing Sarbanes-Oxley compliance and control improvements;

leading corporate development activities; and

identifying areas for cost reduction and performance improvement.

The 2009 individual performance goals and objectives for Mr. Silver included:

improving customer acquisition, lead generation and cross-selling activities;

developing and launching complementary services; improving retention rates;

improving the size, quality and uniqueness of user segments of Dice and ClearanceJobs;

achieving North American sales targets for 2009;

successfully implementing planned product enhancements for Dice and ClearanceJobs; and

increasing customer and job seeker satisfaction with Dice and ClearanceJobs services.

The 2009 individual performance goals and objectives for Mr. Benson included:

achieving 2009 sales and EBITDA targets for eFinancialCareers Europe & Asia;

successfully implementing eFinancialCareers sector broadening across all country markets;

improving local brand awareness and application traffic in new and development markets;

exploring and implementing new revenue generating services;

exploring opportunities to extend Dice's position in the tech vertical in new markets globally; and

evaluating acquisition and business development opportunities in employment and work related industries.

The 2009 individual performance goals and objectives for Mr. Campbell included:

maintaining our legal files and endeavoring to ensure compliance with applicable laws and regulations;

monitoring spam and ensuring our compliance with privacy legislation;

providing legal and deal-related support to sales negotiations and documentation; and

helping support strategic expansion initiatives, including managing the legal issues surrounding the acquisition of AllHealthcareJobs.com.

---

**Table of Contents**

Based on input received from Mr. Melland and Mr. Durney with respect to each of their direct reports, the Compensation Committee determines in its sole discretion the extent to which such individuals' goals and objectives are achieved. For 2009, the Compensation Committee did not make any adjustments to the bonus pool allocations as a result of individual performance for Messrs. Melland, Durney, Silver and Campbell and each of them was awarded a bonus equal to 100% of his basic bonus allocation (which represented 97% of his respective targeted base compensation contribution amount) based on meeting his performance goals and objectives and due to the overall management of the business in a difficult environment during 2009. For 2009, the Compensation Committee awarded Mr. Benson a bonus equal to 87% of his basic bonus pool allocation (which represented 73% of his base compensation contribution amount) due to the lower financial performance of the eFinancialCareers business unit and slower than expected progress on certain global operating goals.

*Equity Incentives*

We believe that equity compensation is the most effective means of creating a long-term link between the compensation provided to executives and gains realized by our stockholders, as the value of stock-based compensation is dependent upon long-term appreciation in stock price. Accordingly, we believe stock options should be a significant part of the total mix of executive compensation. Under our 2005 Omnibus Stock Plan and our 2007 Equity Award Plan, all stock options incorporate the following features:

the term of the grant does not exceed 10 years;

the grant price is not less than the fair market value of our Common Stock on the date of grant; and

options typically vest over four years, with the first 25% typically vesting on the first anniversary of the vesting commencement date, and 6.25% vesting quarterly thereafter.

We continue to use stock options as a long-term incentive vehicle because:

Stock options align the interests of executives with those of the stockholders, support a pay-for-performance culture, foster employee stock ownership, and focus the management team on increasing value for the stockholders.

Stock options are performance based: all the value received by the recipient from a stock option is based on the growth of the stock price above the option price.

Stock options help to provide a balance to the overall compensation program: while salary and cash bonuses focus on the achievement of annual performance targets, the four year vesting for stock options creates incentive for increases in stockholder value over a longer term.

The vesting period encourages executive retention and the preservation of stockholder value.

In determining the number of options to be granted to each named executive officer, the Compensation Committee takes into account (1) the individual's position, scope of responsibility, and ability to affect company performance and stockholder value; (2) the Compensation Committee's evaluation of the named executive officer's performance in preceding fiscal years; (3) the extent to which the long-term equity award grant value is competitive with our peer group companies for long-term equity award grants for comparable positions in the Company's industry; (4) any extraordinary changes that have occurred (such as a significant change in responsibilities or a promotion); and (5) the value and potential value for the executive of the other elements of the Company's compensation program and the value of stock options in relation to such other elements of total compensation.

In addition, the Committee considers the following material factors that have particular relevance to long-term equity grants: (1) the Company-wide equity budget (which is the aggregate grant values of all long-term equity awards available for grant to Company employees,



## Edgar Filing: DICE HOLDINGS, INC. - Form DEF 14A

expressed as a percentage of the Company's market capitalization), which is taken into account in determining the relative size of awards granted to the named executive officers to ensure there is sufficient value available for grant to the other eligible employees of the

---

**Table of Contents**

Company; and (2) the named executive officer's unrealized value from previous grants, including the number of options currently held by him or her and the level of options granted in prior years (with an emphasis on the extent to which outstanding equity grants are still unvested and thus continue to represent substantial retentive value). As with the determinations with respect to other elements of compensation, the Committee considers all relevant factors taken as a whole in setting the applicable equity grant for the fiscal year.

In February 2009, the Compensation Committee approved an option grant to key members of our management team, including Messrs. Melland, Durney, Silver, Benson and Campbell. This was part of an annual option grant and part of our overall compensation program. In October 2009, Mr. Silver received an additional option grant in connection with his promotion to Senior Vice President, North America. In determining the size of these grants for our named executive officers, the Compensation Committee took into account the material factors set forth above, in conjunction with the Frederick W. Cook & Company analysis. As part of its overall review of the Company's compensation program, the Compensation Committee set a seven year term for the stock options, consistent with the 2008 option grant.

In 2010, while we will continue to grant stock options to our named executive officers subject to similar vesting criteria as in previous years, we may grant a portion of each annual equity award in the form of shares of restricted stock to assist in retention of key executives.

*Employee Benefits*

Executive officers participate in other employee benefit plans generally available to all employees on the same terms, such as a 401(k) plan with a Company matching contribution. In addition, certain executive officers participate in a Supplemental Disability Plan.

*Severance and Change-in-Control Arrangements*

Each named executive officer is entitled to receive severance benefits under the terms of his or her employment agreement upon either termination by us without cause or resignation by the executive for good reason. For details on our change of control severance plan, see *Potential Post-Employment Payments Upon Termination or Change in Control*. We award severance payments in the event of a termination related to a change of control to ensure that each executive is focused on our best interests, even if that means working himself or herself out of a job.

*Reasonableness of Compensation*

After considering all components of the compensation paid to the named executive officers in respect of 2009, we considered the total compensation reasonable because:

Management and the Company performed well in a challenging economic environment in 2009;

The total compensation levels for the named executive officers are comparable with those of similarly situated executives in comparable companies.

***Tax and Accounting Considerations***

We generally seek to maximize the deductibility for tax purposes of all elements of compensation. For example, we have consistently issued nonqualified stock options that will result in a tax deduction to us upon exercise. Section 162(m) of the Internal Revenue Code (the "Code") generally disallows a tax deduction to public corporations for non-qualifying compensation in excess of \$1.0 million paid to our named executive officers (other than our Chief Financial Officer) in any fiscal year. Since the date of our initial public offering in 2007, we have not been subject to the provisions of Section 162(m) because of a transitional relief exception that applies to newly public companies. The Compensation Committee reviews compensation plans in light of applicable tax

**Table of Contents**

provisions, including Section 162(m), and may revise compensation plans from time to time to maximize deductibility. However, the Compensation Committee may approve compensation that does not qualify for deductibility when we deem it to be in our best interests.

**Summary Compensation Table**

The following table sets forth the cash and non-cash compensation paid by us or incurred on our behalf to our named executive officers during each of our last three completed fiscal years.

Name and Principal Position	Year	Salary (\$)	Bonus \$(1)	Non-Equity	Option	All Other	Total (\$)
				Incentive Plan Compensation \$(2)	Awards \$(3)	Compensation \$(4)	
Scot W. Melland(5) Chairman, President & Chief	2009	440,000		321,500	462,000	6,840	1,230,340
	2008	439,654		270,150	600,030	5,583	1,315,417
	2007	413,000	70,000	372,770	537,463	7,388	1,400,621
<b>Executive Officer</b>							
Michael P. Durney Senior Vice President, Finance and Chief Financial Officer	2009	355,000		207,500	308,000	7,503	878,003
	2008	354,077		174,000	400,020	5,583	933,680
	2007	306,877	30,000	203,000	177,083	7,388	724,348
Thomas Silver Senior Vice President, Chief	2009	312,577		161,500	361,000	10,048	845,125
	2008	299,577		122,700	220,011	5,583	647,871
	2007	283,519		170,600	177,083	7,388	638,590
<b>Marketing Officer</b>							
Brian P. Campbell Vice President, Business and Legal Affairs General Counsel and Secretary	2009	277,000		94,500	123,200	56,516	551,216
	2008	270,395		77,500	160,008	5,583	513,486
	2007	257,142	30,000	108,300	27,184	7,388	430,014
John P.R. Benson(6) Chief Executive Officer	2009	216,346		79,285	123,200	10,148	428,979
	2008	254,930		109,150	160,008	13,971	538,059
	2007	262,500		262,500		33,600	558,600

**eFinancial Careers**

- (1) Represents a special bonus for services in connection with our initial public offering completed in July 2007. The bonuses for Messrs. Melland and Durney were awarded and paid in 2008 and the bonus for Mr. Campbell was awarded and paid in 2007.
- (2) Represents awards made pursuant to the Senior Bonus Plan and earned during the year indicated, although the awards were actually paid in the following year.
- (3) Represents the aggregate grant date fair value of stock options granted during the year in accordance with the Financial Accounting Standards Board Accounting Standards Codification ( FASB ASC ) Topic 718, Stock Compensation (disregarding any forfeiture assumptions). These amounts do not correspond to the actual value that may be realized by our named executive officers for these awards. See Note 12 to our consolidated financial statements and *Management's Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies Stock and Stock Based Compensation* included in our Annual Report on Form 10-K for the assumptions made in determining these values.
- (4) For 2009, this amount is comprised of: (a) employer contributions to our 401(k) plan of \$6,516, \$6,516, \$8,250, and \$6,516 for Messrs. Melland, Durney, Silver and Campbell, respectively; (b) reimbursements of medical expenses pursuant to the terms of the Company's health reimbursement account plan of \$324, \$987, \$1,798 and \$50,000 for Messrs. Melland, Durney, Silver and Campbell, respectively; and (c) a contribution made by us to Mr. Benson's pension plan which represents the equivalent of National Insurance payments that would have been due and payable to him, but for his contribution of his bonus to his pension plan.
- (5) Mr. Melland is also a member of our board of directors but does not receive any additional compensation for his services in this capacity.
- (6) All compensation amounts for Mr. Benson have been converted from British Pounds to U.S. dollars at an exchange rate of US\$1.57, US\$1.85 and US\$2.00 for each £1 for 2009, 2008 and 2007, respectively.



**Table of Contents****Grants of Plan-Based Awards For Fiscal Year 2009**

The following table details grants to our named executive officers during 2009:

	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)		All Other Option Awards:		Grant Date Fair Value of Option Awards(3)
		Target Bonus Payments(\$)	Maximum Bonus Payments(\$)	Number of Securities Underlying Options(2)	Exercise Price of Option Awards(\$)	
Scot W. Melland	2/9/2009			300,000	\$ 2.88	\$ 462,000
		330,000	660,000			
Michael P. Durney	2/9/2009			200,000	\$ 2.88	308,000
		213,000	426,000			
Thomas M. Silver	2/9/2009			130,000	\$ 2.88	200,200
	10/2/2009			60,000	\$ 6.09	160,800
		165,623	331,246			
Brian P. Campbell	2/9/2009			80,000	\$ 2.88	123,200
		96,950	193,900			
John P.R. Benson	2/9/2009			80,000	\$ 2.88	123,200
		108,173(4)	216,346(4)			

- (1) For a description of the material terms of these awards, please see the Compensation Discussion and Analysis Elements of Executive Compensation Senior Bonus Plan.
- (2) The options vest 25% on the first anniversary of the grant date and 6.25% vest quarterly thereafter, subject to continued employment.
- (3) We estimated the fair value of option awards on the grant date using the Black-Scholes option-pricing model and in accordance with the FASB ASC Topic 718 Stock Compensation. See Note 12 to our consolidated financial statements and *Management's Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies Stock and Stock Based Compensation* included in our Annual Report on Form 10-K for the assumptions made in determining these values.
- (4) Converted from British Pounds to U.S. dollars at an exchange rate of US\$1.57 for each £1.

**Employment Agreements**

We have entered into an employment agreement with each of our named executive officers. Each agreement contains confidentiality provisions and a representation and warranty that performance of the executive's employment obligations under the agreement will not cause him or her to breach any non-disclosure agreement by which he is bound.

*Scot W. Melland*

Mr. Melland's employment agreement provides that Mr. Melland will continue to serve as our President and Chief Executive Officer until his employment is terminated by us or by Mr. Melland, which may be at any time, with or without cause, subject to the provisions of his employment agreement. The agreement contains a covenant not to engage in any business that competes with us during the term of his employment and for a period of nine months thereafter, and a covenant not to solicit employees during the term of his employment and for a period of 12 months thereafter.

Mr. Melland is entitled to receive an annual base salary set at \$440,000 (as of January 2008), and in accordance with the terms of his employment agreement, the Senior Bonus Plan and our benefit policies, is eligible for an annual discretionary target bonus of 75% of his base salary, determined by the Compensation Committee and subject to the performance of both Mr. Melland and us. Mr. Melland participates in our long-term incentive plan, and all employee benefit plans including a 401(k) plan. Mr. Melland is entitled to four weeks of vacation per year.

**Table of Contents**

*Michael P. Durney*

Mr. Durney's employment agreement provides that Mr. Durney will continue to serve as our Senior Vice President, Finance and Chief Financial Officer until his employment is terminated by us or by Mr. Durney, which may be at any time, with or without cause, subject to the provisions of his employment agreement. The agreement contains a covenant not to engage in any business that competes with us or to solicit employees during the term of his employment and for a period of 12 months thereafter.

Mr. Durney is entitled to receive an annual base salary set at \$355,000 (as of January 2008), and in accordance with the terms of his employment agreement, the Senior Bonus Plan and our benefit policies, is eligible for an annual discretionary target bonus of 60% of his base salary. Mr. Durney participates in our long-term incentive plan, and all employee benefit plans including a 401(k) plan. Mr. Durney is entitled to four weeks of vacation per year.

*Thomas M. Silver*

Mr. Silver's employment agreement provides that Mr. Silver will continue to serve as our Senior Vice President, North America until his employment is terminated by us or by Mr. Silver, which may be at any time, with or without cause, subject to the provisions of his employment agreement. The agreement contains a covenant not to engage in any business that competes with us during the term of his employment and for a period of nine months thereafter, and a covenant not to solicit employees during the term of his employment and for a period of 12 months thereafter.

Mr. Silver is entitled to receive an annual base salary set at \$325,000 (as of September 2009), and in accordance with the terms of his employment agreement, the Senior Bonus Plan and our benefit policies, is eligible for an annual discretionary target bonus of 60% of his base salary. Mr. Silver participates in our long-term incentive plan, and all employee benefit plans including a 401(k) plan. Mr. Silver is entitled to four weeks of vacation per year.

*Brian P. Campbell*

Mr. Campbell's employment agreement provides that Mr. Campbell will continue to serve as our Vice President, Business and Legal Affairs and General Counsel until his employment is terminated by us or by Mr. Campbell, which may be at any time, with or without cause, subject to the provisions of his employment agreement. The agreement contains a covenant not to engage in any business that competes with us during the term of his employment and for a period of nine months thereafter, and a covenant not to solicit employees during the term of his employment and for a period of 12 months thereafter.

Mr. Campbell is entitled to receive an annual base salary set at \$277,000 (as of August 2008), and in accordance with the terms of his employment agreement, the Senior Bonus Plan and our benefit policies, is eligible for an annual discretionary target bonus of 35% of his base salary, determined by the Chief Financial Officer and the board, participation in our long-term incentive plan, and all employee benefit plans including a 401(k) plan. Mr. Campbell is entitled to four weeks of vacation per year.

*John P.R. Benson*

Mr. Benson has entered into an employment agreement with eFinancialCareers. Mr. Benson's employment agreement provides that Mr. Benson will serve as the Chief Executive Officer for eFinancialCareers until his employment is terminated by eFinancialCareers or by Mr. Benson, which may be at any time, with or without cause, on six months written notice. The agreement contains a covenant not to engage in any business that competes with eFinancialCareers during the term of his employment and for a period of nine months thereafter, and a covenant not to solicit employees or customers during the term of his employment and for a period of nine months thereafter.

**Table of Contents**

Mr. Benson is entitled to receive an annual base salary set as £137,800 (as of January 2008), which is equivalent to approximately \$216,346 (as converted from British Pounds to U.S. dollars at an exchange rate of US\$1.57 for each £1). Although not specified in his employment agreement, Mr. Benson is a participant in the Senior Bonus Plan, and is eligible for an annual discretionary target bonus of 50% of his base salary, determined by the Compensation Committee and subject to the performance of both Mr. Benson and us. In addition, although not specified in his employment agreement, Mr. Benson participates in our long-term incentive plan, and all employee benefit plans made available to employees of eFinancialCareers. Mr. Benson is entitled to 25 working days paid holiday in each calendar year.

**Outstanding Equity Awards at Fiscal Year-End 2009**

Name	Option Awards			
	Number of Securities Underlying Unexercised Options		Option Exercise Price	Option Expiration Date
	Exercisable (#)	Unexercisable (#)(1)		
Scot W. Melland	1,833,916		\$ 0.20(2)	08/31/15
	1,100,349		\$ 1.98(3)	08/31/15
	219,320	99,692	\$ 6.49(4)	01/31/17
	131,250	168,750	\$ 6.65(5)	02/12/15(9)
		300,000	\$ 2.88(7)	02/09/16(9)
Michael P. Durney	623,791		\$ 0.20(2)	08/31/15
	374,274		\$ 1.98(3)	08/31/15
	72,261	32,847	\$ 6.49(4)	01/31/17
	87,500	112,500	\$ 6.65(5)	02/12/15(9)
		200,000	\$ 2.88(7)	02/09/16(9)
Thomas M. Silver	623,791		\$ 0.20(2)	08/31/15
	374,274		\$ 1.98(3)	08/31/15
	72,261	32,847	\$ 6.49(4)	01/31/17
	48,125	61,875	\$ 6.65(5)	02/12/15(9)
		130,000	\$ 2.88(7)	02/09/16(9)
	60,000	\$ 6.09(8)	10/02/16(9)	
Brian P. Campbell	132,538		\$ 0.20(2)	08/31/15
	79,522		\$ 1.98(3)	08/31/15
	11,092	5,043	\$ 6.49(4)	01/31/17
	35,000	45,000	\$ 6.65(5)	02/12/15(9)
		80,000	\$ 2.88(7)	02/09/16(9)
John P.R. Benson	217,822	72,608	\$ 4.19(6)	11/01/16
	35,000	45,000	\$ 6.65(5)	02/12/15(9)
		80,000	\$ 2.88(7)	02/09/16(9)

- (1) If Mr. Melland's employment is terminated by us without cause prior to a change of control, 25% of his then unvested stock options will become immediately vested and exercisable. If Mr. Melland's employment is terminated at any time following a change of control, all of his outstanding stock options will immediately become vested and exercisable. If Mr. Durney's employment is terminated by us without cause prior to a change of control, all of his then unvested stock options will immediately become vested and exercisable. If Mr. Silver's employment is terminated by us without cause prior to a change in control, 25% of his then unvested stock options will immediately become vested and exercisable. If Messrs. Durney, Silver or Campbell is terminated within 12 months following a change of control, all of their outstanding stock options will immediately become vested and exercisable.

**Table of Contents**

- (2) On March 23, 2007, the option exercise price on the then unvested options was further reduced from \$1.98 to \$0.20 to reflect a non-recurring dividend to our stockholders of \$1.95 per share. In lieu of a dividend, each holder of vested options received a payment of \$1.95 per vested option.
- (3) On October 27, 2006, the option exercise price was adjusted from \$2.17 (as stated in the Nonqualified Stock Option Agreement entered into by each of our named executive officers) to \$1.98 to reflect a non-recurring dividend to our preferred stockholders of \$0.22 per share.
- (4) Under the agreements pursuant to which these options were granted, 25% of the options granted are exercisable on the first anniversary of the vesting commencement date, January 31, 2007, and in installments of 6.25% quarterly thereafter.
- (5) Under the agreements pursuant to which these options were granted, 25% of the options granted are exercisable on the first anniversary of the vesting commencement date, February 12, 2008, and in installments of 6.25% quarterly thereafter.
- (6) Under the agreement with Mr. Benson pursuant to which these options were granted, 25% of the total options granted are exercisable on the first anniversary of the vesting commencement date, November 1, 2006, and in installments of 6.25% quarterly thereafter. On March 23, 2007, the option exercise price on the then unvested options was reduced from \$5.97 to \$4.19 to reflect a non-recurring dividend to our stockholders of \$1.95 per share.
- (7) Under the agreements pursuant to which these options were granted, 25% of the options granted are exercisable on the first anniversary of the vesting commencement date, February 19, 2009, and in installments of 6.25% quarterly thereafter.
- (8) Under the agreement pursuant to which these options were granted, 25% of the options granted are exercisable on the first anniversary of the vesting commencement date, October 2, 2009, and in installments of 6.25% quarterly thereafter.
- (9) The options granted on February 12, 2008 and thereafter have a term of seven years. Prior grants had a term of ten years.

***Potential Post-Employment Payments Upon Termination or Change in Control***

*Employment Agreements for Messrs. Melland, Durney, Silver and Campbell*

The employment of each named executive officer may be terminated by us or by the executive at any time, with or without cause, subject to the provisions of his or her employment agreement. Each named executive officer is entitled to receive severance benefits pursuant to the terms of his or her employment agreement upon either termination by us without cause or resignation by the executive for good reason. A named executive officer is not eligible for benefits if his or her termination is due to death or permanent disability.

A termination for good reason includes any of the following company actions:

a diminution in the executive's responsibilities, title, duties and reporting lines compared to those existing immediately prior to a change of control;

a reduction in the executive's salary, incentive compensation and other employee benefits compared to those existing immediately prior to a change of control;

relocation of the executive to an office more than 40 miles from the executive's principal office immediately prior to a change of control;

breach by us of the executive's employment agreement; or

failure of any successor to assume, in writing, all obligations under the executive's employment agreement.

A termination for cause includes any of the following actions by the executive: embezzlement; misappropriation of our funds; conviction of a felony; any act of fraud, deceit, or dishonesty causing us material economic harm; material breach of the executive's employment agreement; willful failure to substantially perform his or her duties; willful breach of fiduciary duty to us involving personal profit; significant violation of our policies or other contractual, statutory or common law duties to us.



---

**Table of Contents**

A change of control for these purposes consists of any of the following:

an acquisition of more than 50% of our voting securities (other than acquisitions from or by us);

any stockholder-approved transfer or disposition of all or substantially all of our assets;

any plan of liquidation providing for the distribution of all or substantially all of our assets;

the consummation of a reorganization, merger or consolidation or sale or disposition of all or substantially all our assets or the acquisition of assets or stock of another corporation or other business combination, unless following such business combination (1) all or substantially all of the beneficial owners of our securities before the business combination beneficially own more than 60% of the voting securities of the resulting corporation in substantially the same proportions as their ownership before the transaction; (2) no person owns 20% or more of the voting securities of the resulting corporation except to the extent that such ownership existed before the business combination; and (3) the members of our board of directors prior to such business combination constitute at least a majority of the board of directors of the resulting corporation; or

a change in the composition of our board over a period of 36 months or less such that a majority of the board members cease to be continuing directors.

Under each named executive officer's employment agreement, the executive may become entitled to certain Severance Payments upon termination of employment without cause or by the employee for good reason after a change in control. These Severance Payments are described more specifically below, but generally include a lump sum payment tied to salary and bonus level and accelerated vesting of stock options. In the event that any Severance Payments would be subject to the excise tax imposed by Section 4999 of the Code, we will gross up, on an after-tax basis, the executive officer's compensation so as to put him in the same after-tax position he would have enjoyed had the Section 4999 excise tax not applied to the Severance Payments. These make-whole provisions include certain computational assumptions and conventions, for example: (1) any other payments or benefits received in connection with a change in ownership or control will be treated as parachute payments, and all excess parachute payments are treated as subject to the excise tax, both as defined by Section 280G of the Code, and (2) the amount of the severance payments which will be treated as subject to the excise tax will be the lesser of the total amount of the severance payments or the amount of the excess parachute payments.

Upon any termination, each named executive officer, his or her spouse and eligible dependents will be entitled to continued medical and dental benefits at active-employee rates for a period of 12 months following termination, and such benefits will not be reduced by benefits obtained from a subsequent employer.

Any named executive officer who voluntarily resigns for any reason other than good reason during the 12 month period following a change of control will not be entitled to any severance payment or acceleration of the vesting of any unvested stock options.

*Employment Agreement for Mr. Benson*

The employment of Mr. Benson may be terminated by eFinancialCareers or by Mr. Benson at any time, with or without cause, subject to the provisions of his employment agreement (which generally requires six months advance notice of termination). However, eFinancialCareers may terminate Mr. Benson's employment at any time if he has been unable to perform his duties by reason of ill health or injury for 30 days in any period of 52 consecutive weeks; if he becomes of unsound mind or a patient for the purpose of any mental health statute, or bankrupt; if he is convicted of a crime other than one that in the opinion of the board of directors of eFinancialCareers does not affect his position as an employee of eFinancialCareers; or if he is guilty of any serious default or misconduct in connection with or affecting the business of eFinancialCareers, commits any serious or repeated breach of his obligations under his employment, is guilty of serious neglect or negligence in the performance of his duties or behaves in a manner which is likely to bring eFinancialCareers into disrepute or which seriously impairs his ability to perform his duties.



## **Table of Contents**

### *Equity Award Provisions*

According to the terms of each named executive officer's Nonqualified Stock Option Agreements, if their employment is terminated due to their death or disability or for any other reason except by us for cause, the unvested portion of their stock option will expire on the date they are terminated. The vested portion will remain exercisable until the earlier of either the expiration of the option period or 12 months after such termination in the case of termination due to death or disability, or 90 days after any other termination other than termination by us for cause.

If we terminate any named executive officer's employment for cause, both the unvested and vested portions of the stock option will terminate on the same date their employment is terminated.

### *Scot W. Melland*

If Mr. Melland's employment is terminated by us without cause prior to a change of control, he will be entitled to a lump sum severance payment of one times the sum of his then current annual salary plus his then current target bonus, and accelerated vesting of 25% of his then unvested stock options.

If Mr. Melland's employment is terminated following a change of control, either by us without cause or by him for good reason, he will be entitled to a lump sum severance payment of 117% of his then current annual salary plus his then current target bonus, and all of his outstanding stock options will immediately become vested and exercisable.

Mr. Melland will be entitled to an additional lump sum payment equal to 50% of his then current annual salary if, within 60 days after any termination, he enters into a written separation agreement containing a covenant not to engage in any business that competes with us, solicit our employees, or disparage us for a period of 18 months following such termination. Mr. Melland will also be entitled to this lump sum payment if we do not negotiate such a separation agreement with him within 60 days following his termination.

In accordance with the terms of the Nonqualified Stock Option Agreements entered into by Mr. Melland, the stock options granted to him will immediately become fully vested and exercisable on the date of any change of control and will remain exercisable until expiration of the relevant option periods.

### *Michael P. Durney*

If Mr. Durney's employment is terminated by us without cause prior to a change of control, we will provide him with a severance payment in an amount equal to his then current annual salary, provided he executes and delivers a release form prepared by us. In the event of such termination, all of Mr. Durney's outstanding options will immediately become vested and exercisable.

If Mr. Durney's employment is terminated either by us without cause or by him for good reason within 12 months following a change of control, he will be entitled to a lump sum severance payment of one times the sum of his then current annual salary plus his then current target bonus (or, if higher, the amount of bonus attributable to a calendar year's service paid to the executive immediately prior to the change of control), and all outstanding stock options will immediately become vested and exercisable.

### *Thomas M. Silver*

If Mr. Silver's employment is terminated by us without cause prior to a change of control, he will be entitled to a lump sum severance payment of one times his then current annual base salary, and accelerated vesting of 25% of his then unvested stock options.

If Mr. Silver's employment is terminated either by us without cause or by him for good reason following a change of control, he will be entitled to a lump sum severance payment of one times the sum of his then current annual salary plus his then current target bonus, and all outstanding stock options will immediately become vested and exercisable.

**Table of Contents***Brian P. Campbell*

If Mr. Campbell's employment is terminated by us without cause before a change of control, he will be entitled to a lump sum severance payment of 75% of his then current annual salary.

If Mr. Campbell's employment is terminated either by us without cause or by him for good reason within 12 months following a change of control, he will be entitled to receive a lump sum severance payment equal to one times his then current annual salary plus the amount of his most recently paid regular annual bonus, excluding special bonuses (or, if higher, the amount of bonus attributable to a calendar year's service paid to him immediately prior to the change of control), and all outstanding stock options will immediately become vested and exercisable.

*John P.R. Benson*

If Mr. Benson's employment is terminated by us because Mr. Benson is unable to perform his duties as a result of ill health or injury, he will be entitled, for so long as his employment continues, to his salary during any period of incapacity of not more than 30 days in any period of 52 consecutive weeks. With the exception of the six months advance written notice of termination of employment (other than for cause), Mr. Benson is not entitled to any severance payments upon the termination of his employment by us or to any acceleration of the vesting of his outstanding stock options.

**Termination Payments**

The following table sets forth the payments each of our named executive officers would have received if their employment had been terminated by us without cause on December 31, 2009 and there was no change of control.

Name	Benefit	Amount Payable for Termination Without Cause
Scot W. Melland	Cash Severance	\$ 761,500
	Medical and Dental Benefits	12,719
	*Option Acceleration Value	272,527
	Entry into a Separation Agreement with us	220,000
Michael P. Durney	Cash Severance	355,000
	Medical and Dental Benefits	5,834
	*Option Acceleration Value	724,721
Thomas M. Silver	Cash Severance	325,000
	Medical and Dental Benefits	13,113
	*Option Acceleration Value	125,121
Brian P. Campbell	Cash Severance	207,750
	Medical and Dental Benefits	13,113
John P.R. Benson	Cash Severance(1)	108,173
	Medical and Dental Benefits	1,918

\* Option acceleration values reflect the cash-out value of the non-vested options equal to their spread (fair value of the underlying stock as of December 31, 2009 less the exercise price as determined under the applicable equity plan) at the assumed payment date, which is December 31, 2009. Under the 2005 Omnibus Stock Plan, the exercise price is equal to the average of the highest and lowest sale prices of the stock on the date prior to the date of determination. Under the 2007 Equity Award Plan, the exercise price is equal to the closing price of the stock on the date of determination.

**Table of Contents**

- (1) Cash severance amounts for Mr. Benson represent the cash equivalent of approximately six months advance notice of termination of employment. All amounts for Mr. Benson have been converted from British Pounds to U.S. dollars at an exchange rate of US\$1.57 for each £1.

**Change of Control Termination**

The following table sets forth the payments each of our named executive officers would have received if, following a change of control, their employment had been terminated by us without cause, or by them (other than Mr. Benson) for good reason on December 31, 2009.

Name	Benefit	Amount Payable for Termination Without Cause or for Good Reason
Scot W. Melland	Cash Severance	\$ 890,955
	Medical and Dental Benefits	12,719
	*Option Acceleration Value	1,090,107
	Entry into a Separation Agreement with us	220,000
Michael P. Durney	Cash Severance	562,500
	Medical and Dental Benefits	5,834
	*Option Acceleration Value	724,721
Thomas M. Silver	Cash Severance	486,500
	Medical and Dental Benefits	13,113
	*Option Acceleration Value	500,483
Brian P. Campbell	Cash Severance	371,500
	Medical and Dental Benefits	13,113
	*Option Acceleration Value	289,403
John P.R. Benson	Cash Severance(1)	108,173
	Medical and Dental Benefits	1,918

\* Option acceleration values reflect the cash-out value of the non-vested options equal to their spread (fair value of the underlying stock as of December 31, 2009 less the exercise price as determined under the applicable equity plan) at the assumed payment date, which is December 31, 2009. Under the 2005 Omnibus Stock Plan, the exercise price is equal to the average of the highest and lowest sale prices of the stock on the date prior to the date of determination. Under the 2007 Equity Award Plan, the exercise price is equal to the closing price of the stock on the date of determination.

- (1) Cash severance amounts for Mr. Benson represent the cash equivalent of approximately six months advance notice of termination of employment. All amounts for Mr. Benson have been converted from British Pounds to U.S. dollars at an exchange rate of US\$1.57 for each £1.

**Board Compensation**

Under the Company's Corporate Governance Guidelines, non-employee director compensation is determined by the Compensation Committee in accordance with the policies and principles set forth in its charter. Directors who are also employees of the Company receive no additional compensation for service as a director.

The Company paid its independent directors a \$20,000 annual fee for their services during 2009.

Mr. Wyman receives an additional \$7,500 per year as chairman of our Compensation Committee and member of our Audit Committee.

Mr. Barter receives an additional \$15,000 per year as chairman of our Audit Committee.

**Table of Contents**

Restricted stock awards of 15,000 shares each were issued to Messrs. Barter, Gordon and Wyman in May 2009 for their service on the board. The restriction is lifted one year after issuance of the stock if they are still serving on the board. We estimated the fair value of the award on the grant date using the value of the Company's stock on the date of the grant.

*Director Compensation Table for Fiscal 2009*

	Fees Earned or Paid in Cash (\$)	Stock Awards \$(1)	Option Awards (\$)	Total (\$)
Scot W. Melland(2)	\$	\$	\$	\$
John Barter	35,000	62,250		97,250
H. Raymond Bingham(3)				
Peter R. Ezersky(3)				
David S. Gordon	20,000	62,250		82,250
David C. Hodgson(3)				
Anton J. Levy(3)				
Jeffrey S. Nordhaus(3)				
Amanda B. Siegel(3)				
William W. Wyman	27,500	62,250		89,750

- (1) Represents the aggregate grant date fair value of restricted stock granted during the year in accordance with the FASB ASC Topic 718, Stock Compensation. See Note 12 to our consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies-Stock and Stock-Based Compensation in our Annual Report on Form 10-K for the assumption made in determining these values. On December 31, 2009, each of Messrs. Barter, Gordon and Wyman had 15,000 shares of restricted stock outstanding. On December 31, 2009, Mr. Wyman held options to purchase 117,094 shares of common stock at an exercise price of \$4.19, of which 87,820 options were vested. On December 31, 2009, Mr. Barter held options to purchase 117,094 shares of common stock at an exercise price of \$7.11, of which 73,183 options were vested. On December 31, 2009, Mr. Gordon held options to purchase 70,000 shares of common stock at an exercise price of \$8.09, of which 26,250 options were vested. No other non-employee director had any shares of restricted stock outstanding and no other non-employee director had any outstanding stock options.
- (2) Mr. Melland is also an executive officer of the Company. He does not receive any additional compensation for his services as a board member.
- (3) None of Messrs. Bingham, Ezersky, Hodgson, Levy, Nordhaus or Ms. Siegel receives or have received any compensation for their service as members of our board of directors.

**Compensation Risks**

The Compensation Committee has reviewed the Company's compensation policies and practices for all employees, including our executive officers, as they relate to risk management practices and risk-taking incentives and has determined that there are no risks arising from these policies and practices that are reasonably likely to have a material adverse effect on the Company. Frederick W. Cook & Company also concurs in this conclusion. The Compensation Committee considers that our compensation programs incorporate several features which promote the creation of long-term value and reduce the likelihood of excessive risk-taking by our employees. These features include: (i) a balanced mix of cash and equity, annual and longer-term incentives, and types of performance metrics, (ii) the ability of the Compensation Committee to exercise negative discretion over all incentive program payouts, (iii) performance targets for incentive compensation that include both objective Company performance targets (such as revenue and Adjusted EBITDA targets) and individual performance goals, (iv) time-based vesting of stock option awards that encourages long-term retention, (v) a bonus pool for the majority of non-executive employees that is capped at an amount equal to a small percentage of each employee's annual base salary, and (vi) internal controls on commissions paid to employees in the sales division.

**Table of Contents**

It is also our policy that the Compensation Committee will, to the extent permitted by governing law, have the sole and absolute authority to make retroactive adjustments to any cash or equity based incentive compensation paid to executive officers and certain other officers where the payment was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement. Where applicable, we will seek to recover any amount determined to have been inappropriately received by the individual executive.

**Table of Contents**

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS  
AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The table below sets forth, as of January 31, 2010, information with respect to the beneficial ownership of our Common Stock by:

each of our directors and each of the executive officers named in the Summary Compensation Table under Executive Compensation ;

each person who is known to be the beneficial owner of more than 5% of any class or series of our capital stock; and

all of our directors and executive officers as a group.

The amounts and percentages of Common Stock beneficially owned are reported on the basis of the regulations of the Commission governing the determination of beneficial ownership of securities. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities.

Name and Address of Beneficial Owners	Shares of Common Stock Beneficially Owned	
	Number of Shares	Percentage of Class
<i>5% Stockholders</i>		
General Atlantic Partners 79, L.P.(1)(2)	14,554,051	23.3%
General Atlantic Partners 84, L.P.(1)(2)	1,382,349	2.2%
GAP Coinvestments CDA, L.P.(1)(2)	3,024	*
GapStar, LLC(1)(2)	393,517	*
GAP- W, Holdings, L.P.(1)(2)	4,716,470	7.6%
GAP Coinvestments III, LLC(1)(2)	1,230,077	2.0%
GAP Coinvestments IV, LLC(1)(2)	285,160	*
GAPCO GmbH& Co., KG(1)(2)	35,662	*
Quadrangle Capital Partners II LP(2)(3)	19,722,658	31.6%
Quadrangle Select Partners II LP(2)(3)	527,611	*
Quadrangle Capital Partners II-A LP(2)(3)	2,350,031	3.8%
Quadrangle GP Investors II LP(2)(3)	42,755	*
<i>Directors and Executive Officers</i>		
Scot W. Melland(2)(4)(5)	3,559,708	5.4%
Michael P. Durney(2)(4)(6)	1,347,833	2.1%
Thomas M. Silver(2)(4)(7)	1,174,929	1.8%
Brian P. Campbell(2)(4)(9)	295,672	*
John P.R. Benson(4)(8)	1,006,836	1.6%
John W. Barter(4)(10)	103,501	*
H. Raymond Bingham(1)(11)	22,600,310	36.2%
Peter R. Ezersky(12)	22,643,055	36.2%
David S. Gordon(4)(13)	305,855	*
David C. Hodgson(1)(11)	22,600,310	36.2%
Amanda B. Siegel(12)	22,643,055	36.2%
William W. Wyman(4)(14)	118,138	*
All current directors and executive officers as a group (14 persons)(15)	53,578,455	77.2%



\* Less than 1%

**Table of Contents**

- (1) General Atlantic LLC ( General Atlantic ) is the general partner of each of General Atlantic GenPar, L.P. ( GA GenPar ), General Atlantic Partners 79, L.P. ( GAP 79 ), and GAP Coinvestments CDA, L.P. ( CDA ). GA GenPar is the general partner of General Atlantic Partners 84, L.P. and GAP-W Holdings, L.P. ( GAP-W ). The officers of GapStar, LLC ( GapStar ) and managing members of GAP Coinvestments III, LLC ( GAPCO III ) and GAP Coinvestments IV, LLC ( GAPCO IV ) are managing directors of General Atlantic. GAPCO Management GmbH ( GmbH Management ) is the general partner of GAPCO GmbH & Co. KG ( KG and, together with GAP 79, GAP 84, GAP-W, CDA, GapStar, GAPCO III, GAPCO IV and GmbH Management, the General Atlantic entities ). There are 25 managing directors of GA (the GA Managing Directors ). General Atlantic, GA GenPar, GAP 79, GAP 84, GAP-W, CDA, GapStar, GAPCO III, GAPCO IV, GmbH Management and KG and are a group, as defined in Rule 13d-5 of the rules and regulations promulgated under the Securities Exchange Act of 1934 (as amended (the Exchange Act ), and may be deemed to own beneficially any aggregate of 22,600,310 shares of the Common Stock, which represents approximately 36.2% of the outstanding shares of Common Stock. David C. Hodgson is a GA Managing Director. Mr. Hodgson disclaims beneficial ownership of such shares beneficially owned by the General Atlantic entities except to the extent of his pecuniary interest therein. H. Raymond Bingham is a GA Advisory Director. Mr. Bingham disclaims beneficial ownership of such shares beneficially owned by the General Atlantic entities except to the extent of his pecuniary interest therein. The mailing address for the General Atlantic entities (other than KG and GmbH Management) is c/o General Atlantic Service Company, LLC, 3 Pickwick Plaza, Greenwich, CT 06830. The mailing address of KG and GmbH Management is c/o General Atlantic GmbH, Koenigsallee 63, 40212 Düsseldorf, Germany.
- (2) Given the terms of the Institutional Shareholder Agreement, the General Atlantic Stockholders, the Quadrangle Stockholders and the Management Stockholders may be deemed to constitute a group that, as of the date set forth above, collectively beneficially owns approximately 52,416,459 shares of Common Stock, or 76% of the Company's total number of shares of Common Stock outstanding for purposes of Section 13(d)(3) of the Exchange Act. Each of the General Atlantic Stockholders, the Quadrangle Stockholders and the Management Stockholders disclaims beneficial ownership of the shares of Common Stock beneficially owned by the other parties to the Institutional Shareholder Agreement. For additional information with respect to the Institutional Shareholder Agreement, see *Directors and Corporate Governance-Certain Relationships and Related Party Transactions-Stockholders Agreement*.
- (3) QCP GP Investors II LLC is the general partner of Quadrangle GP Investors II LP, which is the general partner of each of Quadrangle Capital Partners II LP, Quadrangle Select Partners II LP and Quadrangle Capital Partners II-A LP (collectively, the Quadrangle Stockholders and, together with Quadrangle GP Investors II LP, the Quadrangle Entities ). QCP GP Investors II LLC disclaims beneficial ownership of the shares of common stock that may be deemed beneficially owned by the Quadrangle Entities or any of their affiliates. The managing members of QCP GP Investors II LLC make voting and investment decisions with respect to the securities held by the Quadrangle Entities. There are four managing members of QCP GP Investors II LLC. Peter R. Ezersky is a managing member of QCP GP Investors II LLC and a member of our board of directors. Mr. Ezersky disclaims beneficial ownership of such shares that may be deemed beneficially owned by the Quadrangle Entities or any of their affiliates. Amanda B. Siegel is a Principal of Quadrangle Group LLC, which is an affiliate of QCP GP Investors II LLC and a member of our board of directors. Ms. Siegel disclaims beneficial ownership of such shares that may be deemed beneficially owned by the Quadrangle Entities or any of their affiliates. In addition, the other managing members of QCP GP Investors II LLC are Michael Huber, Edward Sippel and Joshua Steiner. Each of these individuals disclaims ownership of such shares that may be deemed beneficially owned by the Quadrangle Entities or any of their affiliates.
- (4) Such person's business address is c/o Dice Holdings, Inc., 1040 Avenue of the Americas, 18<sup>th</sup> Floor, New York, NY 10018.
- (5) This amount includes options to purchase 3,398,524 shares of Common Stock that are vested and exercisable or will become vested and exercisable within 60 days.
- (6) This amount includes options to purchase 1,226,896 shares of Common Stock that are vested and exercisable or will become vested and exercisable within 60 days.

---

**Table of Contents**

- (7) This amount includes options to purchase 1,164,396 shares of Common Stock that are vested and exercisable or will become vested and exercisable within 60 days.
- (8) This amount includes 85,285 shares held by John Benson and Denton & Co Trustees Limited, Mr. Benson's pension plan. This amount also includes 68,228 shares held by Mr. Benson's wife, which Mr. Benson may be deemed to indirectly beneficially own, and options to purchase 295,974 shares of common stock that are vested and exercisable or will become vested and exercisable within 60 days.
- (9) This amount includes options to purchase 284,161 shares of Common Stock that are vested and exercisable or will become vested and exercisable within 60 days.
- (10) This amount includes options to purchase 80,501 shares of Common Stock that are vested and exercisable or will become vested and exercisable within 60 days.
- (11) Such person's business address is c/o General Atlantic Service Company, LLC, 3 Pickwick Plaza, Greenwich, CT 06830.
- (12) Mr. Ezersky is a managing member of QCP GP Investors II LLC, which is the general partner of Quadrangle GP Investors II LP. Ms. Siegel is a Principal of Quadrangle Group LLC, which is an affiliate of QCP GP Investors II LLC, which is the general partner of Quadrangle GP Investors II LP. Quadrangle GP Investors II LP is the general partner of Quadrangle Capital Partners II LP, Quadrangle Select Partners II LP and Quadrangle Capital Partners II-A LP, and Mr. Ezersky and Ms. Siegel may therefore be deemed to share beneficial ownership of 22,643,055 shares of Common Stock owned by the Quadrangle Entities. Mr. Ezersky and Ms. Siegel each expressly disclaims beneficial ownership of the shares owned by the Quadrangle Entities or any of their affiliates. Mr. Ezersky and Ms. Siegel's business address is c/o Quadrangle Group LLC, 375 Park Avenue, New York, NY 10152.
- (13) This amount includes options to purchase 35,000 shares of Common Stock that are vested and exercisable or will become vested and exercisable within 60 days.
- (14) This amount includes options to purchase 95,138 shares of Common Stock that are vested and exercisable or will become vested and exercisable within 60 days.
- (15) This amount includes (a) options to purchase 6,980,158 shares of Common Stock that are vested and exercisable or will become vested and exercisable within 60 days, (b) 22,600,310 shares owned by the General Atlantic Stockholders, which may be deemed to be beneficially owned by Messrs. Hodgson and Bingham and (c) 22,643,055 shares owned by the Quadrangle Stockholders, which may be deemed to be beneficially owned by Mr. Ezersky and Ms. Siegel. See also footnotes (1), (2), (3) and (10) above.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Based upon a review of filings with the Commission and written representations that no other reports were required, we believe that all of our directors, executive officers and beneficial owners of more than 10% of our Common Stock complied during fiscal 2009 with the reporting requirements of Section 16(a) of the Exchange Act, except for a grant of stock options to Thomas Silver that was inadvertently reported late.

**Table of Contents****ITEMS TO BE VOTED ON****Proposal 1: Election of Directors**

The current term of office of the Company's Class III Directors expires at the 2010 Annual Meeting. The Board proposes that the following nominees, all of whom are currently serving as directors, be re-elected for a new term of three years or until their successors are duly elected and qualified. Each of the nominees has consented to serve if elected. If any of them becomes unavailable to serve as a director before the Annual Meeting, the board may designate a substitute nominee. In that case, the persons named as proxies will vote for the substitute nominee designated by the board. See *Directors and Corporate Governance Board Structure Composition of our Board of Directors*, for a full biography of each nominee.

John W. Barter

Scot W. Melland

William W. Wyman

Directors are elected by a plurality of the votes cast at the Annual Meeting by the holders of shares present in person or represented by proxy at the meeting and entitled to vote in the election. Our Principal Stockholders control approximately 72% of the vote for the election of the Class III Directors. As a result of its shareholdings, the Principal Stockholders have the ability to cause the election of all Class III Directors. The Company expects the Principal Stockholders will vote **FOR** the approval of the nominees for the Class III Directors ensuring the election of the entire slate of Class III Directors nominated by the board.

**THE BOARD RECOMMENDS A VOTE FOR EACH OF THE PERSONS NOMINATED BY THE BOARD.****Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm**

The Audit Committee has selected Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2010. Services provided to the Company and its subsidiaries by Deloitte & Touche LLP in fiscal 2009 are described below under *Principal Accounting Fees and Services*.

Deloitte & Touche LLP, an independent registered public accounting firm, has served as the Company's auditors since the Company's incorporation in 2005. Representatives of Deloitte & Touche LLP will be present at the Annual Meeting and will be given the opportunity to make a statement if they desire to do so and to respond to appropriate questions from stockholders.

Stockholder approval is not required for the selection of Deloitte & Touche LLP since the Audit Committee has the responsibility for the selection of auditors. However, the selection is being submitted for approval at the Annual Meeting. In the event the stockholders do not ratify the selection of Deloitte & Touche LLP as the independent registered public accounting firm for fiscal 2010, the selection will be reconsidered by the Audit Committee and the board. Even if the selection of Deloitte & Touche LLP is ratified by our stockholders, the Audit Committee, in its discretion, may select a different registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

The affirmative vote of a majority in voting power of shares of Common Stock present in person or represented by proxy and entitled to vote is needed to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm. Our Principal Stockholders control approximately 72% of the vote for the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm. As a result of its shareholdings, the Principal Stockholders have the ability to cause the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010. The Company expects the Principal Stockholders will vote **FOR** the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2010.

**Table of Contents****THE BOARD RECOMMENDS A VOTE FOR THE RATIFICATION OF THE SELECTION OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2010.*****Policy for Approval of Audit and Permitted Non-Audit Services***

The Audit Committee has adopted a policy governing the pre-approval by the Audit Committee of all services, audit and non-audit, to be provided to the Company by its independent registered public accounting firm. Under the policy, the Audit Committee has generally pre-approved the provision by the Company's independent registered public accounting firm of specific audit, audit related, tax and other non-audit services, subject to the fee limits established from time to time by the Audit Committee, as being consistent with auditor independence.

***Principal Accounting Fees and Services***

The firm of Deloitte & Touche LLP and the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, the Deloitte Entities) conducted the 2009 and 2008 audits of the Company's financial statements. Fees billed by the Deloitte Entities to the Company for services provided during the 2009 and 2008 fiscal years were as follows:

	<b>Fiscal 2009</b>	<b>Fiscal 2008</b>
Audit fees(1)	\$ 495,395	\$ 581,683
Audit-related fees(2)		
Tax fees(3)	100,207	158,626
Total fees for services provided	\$ 595,602	\$ 740,309

- (1) Audit fees are fees billed by the Deloitte Entities for professional services for the audit of the Company's annual financial statements and the audit of internal control over financial reporting. Audit fees also include fees billed for professional services for the review of financial statements included in the Company's quarterly reports on Form 10-Q and for services that are normally provided by the Deloitte Entities in connection with statutory and regulatory filings or engagements.
- (2) Audit related fees are fees billed by the Deloitte Entities for assurance and related services that are related to the performance of the audit or review of the Company's financial statements and are not reported as audit fees in (1) above.
- (3) Tax fees are fees billed by the Deloitte Entities for tax consulting and compliance services and tax related acquisition and tax due diligence services.

**Other Matters**

As of the mailing date of this proxy statement, the board of directors is not aware of any matters other than those referred to in the accompanying Notice of Annual Meeting of Stockholders that may properly be presented at the Annual Meeting. However, if any other matter is properly presented at the Annual Meeting, the proxy holders will vote as recommended by the board or, if no recommendation is given, in their own discretion.

**Table of Contents**

**OTHER PROCEDURAL MATTERS**

**Electronic Delivery of Proxy Materials and Annual Report**

This proxy statement and the Company's Annual Report on Form 10-K are available on the Investor Relations section of the Company's website at [www.investor.diceholdingsinc.com](http://www.investor.diceholdingsinc.com). You can save the Company the cost of producing and mailing documents to you, reduce the amount of mail you receive and help preserve environmental resources by consenting to access these documents over the Internet. If you consent, you will receive notice next year when these documents are available with instructions on how to view them and submit voting instructions. If you are a stockholder of record, you may sign up for this service by checking the appropriate box on the accompanying proxy card. If you hold your shares through a bank, broker or other holder of record, contact the record holder for information regarding electronic access of materials. Your consent to electronic access will remain in effect until you revoke it. If you choose electronic access, you may incur costs, such as telephone and Internet access charges, for which you will be responsible.

**Reduce Duplicate Mailings Householding**

In accordance with notices to many stockholders who hold their shares through a bank, broker or other holder of record (a street name stockholder) and share a single address, only one annual report and proxy statement is being delivered to that address unless contrary instructions from any stockholder at that address were received. This practice, known as householding, is intended to reduce the Company's printing and postage costs. However, any such street name stockholder residing at the same address who wishes to receive a separate copy of this proxy statement or accompanying annual report may request a copy by contacting the bank, broker or other holder of record or the Company at: Dice Holdings, Inc., 1040 Avenue of the Americas, 16<sup>th</sup> Floor, New York, New York 10018 Attention: Investor Relations, or by calling Investor Relations at (212) 448-4181.

**Proxy Solicitation Costs**

The proxies being solicited under this proxy statement are being solicited by the board of directors of the Company. All expenses of this solicitation will be borne by the Company.

Directors, officers and other employees of the Company may, but without compensation other than their regular compensation and reimbursement of reasonable out-of-pocket expenses, solicit proxies by further mailing or personal conversations, or by telephone, telex, facsimile or electronic means. We will, upon request, reimburse brokers, fiduciaries, custodians and other nominees for their reasonable expenses in forwarding solicitation material to the beneficial owners of our Common Stock held in their names.

**Stockholder Communications**

Stockholders and interested parties may contact any of the Company's directors, including the Chairman, the non-management directors as a group, the chairs of any committee of the board of directors or any committee of the board of directors by writing them as follows:

[Name(s)/Title(s)]

c/o Corporate Secretary

Dice Holdings, Inc.

1040 Avenue of the Americas, 16th Floor

New York, NY 10018

Concerns relating to accounting, internal controls or auditing matters should be communicated to the Company through the Corporate Secretary and will be handled in accordance with procedures established by the Audit Committee with respect to such matters.

**Table of Contents**

**Stockholder Proposals for Inclusion in 2011 Proxy Statement**

Pursuant to Rule 14a-8 under the Exchange Act, stockholders may present proper proposals for inclusion in the Company's proxy statement and for consideration at the next annual meeting of its stockholders by submitting their proposals to the Company's Corporate Secretary at its principal executive office in a timely manner. In order to be included in the Company's proxy statement for the 2011 Annual Meeting, stockholder proposals must be received by the Company no later than the close of business on November 13, 2010, and must otherwise comply with the requirements of Rule 14a-8.

**Director Nominations and Other Stockholder Proposals for Presentation at the 2011 Annual Meeting**

In addition, the Company's by-laws establish an advance notice procedure with regard to certain matters, including stockholder proposals not included in the Company's proxy statement, to be brought before an annual meeting of stockholders. In general, notice must be received by the Corporate Secretary not less than 90 days nor more than 120 days prior to the anniversary of the date of the prior year's annual meeting of stockholders and must contain specified information concerning the matters to be brought before such meeting and concerning the stockholder proposing such matters. Therefore, to be presented at the Company's 2011 Annual Meeting, such a proposal must be received by the Company on or after December 24, 2010, but no later than January 23, 2011.

Any stockholder business may be excluded if the exclusion is permitted by the applicable regulations of the Commission. If a stockholder who has notified the Company of his, her or its intention to present a proposal at the annual meeting does not appear at such annual meeting, the Company need not present the proposal for a vote at such meeting.

The form of proxy and the proxy statement have been approved by the board of directors and are being mailed and delivered to the Company's stockholders by its authority. This proxy statement is being mailed on or about March 17, 2010.

Scot W. Melland

Chairman, President and

Chief Executive Officer

March 17, 2010

**Table of Contents**





**Table of Contents**



**Table of Contents**