



**ADTRAN, Inc.****ADTN NASDAQ****Communications Equipment**

Market Capitalization USD:

\$1,704.96 mm**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Thomas R. Stanton**Age: 46****CEO Since: 2005**

	2009	2010	2011
Base Salary	\$471,290	\$510,000	\$535,000
Discretionary Bonus	\$0	\$310,000	\$0
Annual Cash Incentive	\$0	\$1,000,000	\$1,440,000
Benefits and Perquisites	\$9,800	\$9,800	\$37,508
TOTAL ANNUAL COMPENSATION	\$481,090	\$1,829,800	\$2,012,508
Increase in Post-Retirement Benefits	\$0	\$811	\$0
Stock Option Awards	\$638,586	\$823,484	\$717,779
Stock Awards	\$378,430	\$501,927	\$524,675
TOTAL COMPENSATION	\$1,498,106	\$3,156,022	\$3,254,962
Median of Other Named Executive Officers Total Compensation	\$521,673	\$879,926	\$914,507
Value Realized on Exercise of Stock Option	\$296,850	\$611,321	\$6,815,803
Value Realized on Vesting of Stock	\$0	\$0	\$0
TOTAL REALIZED EQUITY COMPENSATION	\$296,850	\$611,321	\$6,815,803

Proxy Date: 30 Mar 2012

Annual Meeting Date: 9 May 2012

Equity Reserves: 21.25%

Stock Option Run Rate: 1.61%

ADTRAN, Inc.

ADTN NASDAQ

Communications Equipment

Market Capitalization USD: **\$1,704.96 mm**

Performance Comparison

■ S&P500 ■ Industry ■ ADTN



Peer Comparisons (TRBC) =Communications Equipment

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
ADTN	ADTRAN, Inc.	\$1,498,106	\$3,156,022	\$3,254,962	\$1,704,958,778
TRMB	Trimble Navigation Limited	\$3,655,538	\$6,348,794	\$6,637,941	\$4,119,912,455
HRS	Harris Corporation	\$8,598,322	\$10,707,385		\$4,052,632,014
PLCM	Polycom, Inc.	\$2,944,633	\$4,341,868		\$3,249,092,751
RVBD	Riverbed Technology, Inc.	\$3,875,651	\$5,185,183		\$3,101,856,734
APKT	Acme Packet, Inc.	\$1,111,556	\$1,728,592	\$3,310,108	\$2,832,839,522
JDSU	JDS Uniphase Corporation	\$5,945,954	\$2,317,663		\$2,283,965,037

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Peer group not disclosed.

Performance Peer Group

NASDAQ Telecommunications Index

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
William L. Marks	Chairman	69	Male	19	Outside Related
Balan Nair	Member	45	Male	5	Outside
H. Fenwick Huss	Member	61	Male	10	Outside Related
Ross K. Ireland	Member	64	Male	4	Outside
Roy J. Nichols	Member	73	Male	18	Outside Related

This report is for informational purposes only, and should not be considered a solicitation to buy or sell any security. Thomson Reuters Business Classification (TRBC) is a global industry classification system that is owned and operated by Thomson Reuters and has been licensed for use by GMI Ratings.

COPYRIGHT 2012 | GMI Ratings | ALL RIGHTS RESERVED