

compINSIGHT® Legal
2006 National Legal Practices & Compensation Survey Highlights

Associate entry-level and Intellectual Property lawyer salaries up in 2006

Are you failing to attract or retain the best and brightest? Find out if compensation is the reason?

Trust compINSIGHT® LEGAL to provide the information you need. Included is detailed salary information for over 80 positions from both law firms and corporate counsel and a comprehensive analysis of benefits, incentives, law firm practices, human resource policies, a special Partner's Report including Partner compensation and billing rates, and a special report on corporate legal practices including in-house counsel corporate responsibilities, staffing levels, etc. The on-line system allows for "customizing" reports using five filters based on geographical location, organizational type (law firm/corporate), number of lawyers, industry type, and sales revenue. There is no extra charge for this service.

To participate, please visit www.compinsight.com and follow the links to complete the legal subscription agreement. For more information, please contact us at 1-888-491-1693, or email info@perssyst.com

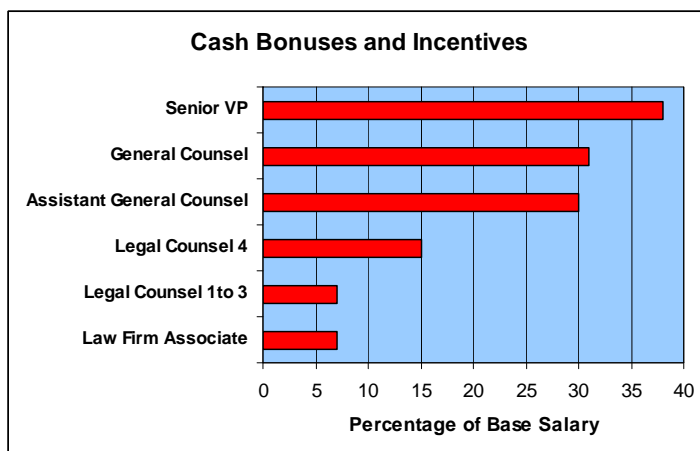
compINSIGHT®Legal has been designed to provide the information you need to make informed compensation decisions. It has been the preferred source for reliable and comprehensive legal market information since 1988.

compINSIGHT®-Legal provides one-stop shopping – it is the only survey to:

- Provide data on law firms and corporate positions all in one survey for comparison purposes.
- Provide legal compensation (base salary and incentives) local, regional and national data.
- Provide updated data throughout the year, available 365days on a 24/7 basis - data are continuously updated as soon as new data received.
- Sort data based on participant requirements (geographical region, organizational size, sales revenue, industry sector etc.) or choose a standard report.
- Have endorsement of the Canadian Bar Association & Canadian Corporate Counsel Association
- Utilize online technology for the easy input of data and retrieval of reports

Compensation Trends and Business Practices

Bonuses and Incentives



Bonuses and incentives paid to law firm Associates are similar, on a percentage basis, to those paid to junior to intermediate corporate counsel. However, once Corporate Legal Counsel are elevated to senior or management ranks the cash bonus or incentive is substantially higher than senior Law Firm Associates.

The total cash draw for Partners can be equivalent or substantially higher than that of senior corporate counsel positions.

Some Comparative Salaries (2006 base salary and total cash compensation)

	Base Salary	Total Cash		Base Salary	Total Cash
Associate Year 3	104211	119306	Corporate Counsel-Intermediate	108269	115799
Senior Associate	136572	145145	Assistant General Counsel	144422	187557

Law Firm Trends

- **Earnings of Associates, on average, showed little or no increase over 2005.** The exception is for first year Associates where a base salary increase of about 5% over 2005 was reported possibly indicating a more highly competitive environment for recruitment. Survey results also indicate that while base salaries for Associates increase rapidly during the first five years of employment, salaries for these same incumbents tend to level out beyond 5 years until elevation to partner level. Associates are defined as salaried lawyers having up to 7 years work since Bar admission.
- **Salaries for Intellectual Property Associates** are reported as significantly higher than other Associates regardless of length of experience
- **Billable hours for Partners, Associates and Paralegals** did not change significantly in 2006. Whereas number of billable hours for Associates peak at around 1600 after 6 years since Bar admission they reduce slightly each year to about 1200 hours for those with 20 years or more experience.
- **Salaries of articling students** are increasing at a slower pace than in the past with average salary levels increasing by only 1.8%.

Corporate Counsel Trends

- **Corporate Counsel base salaries averaged increases of about 2.0% in 2006.** An exception was for Assistant General Counsel where a base salary increase of about 7% was reported. Being the entry level to management ranks this trend may be due to promotional salary increases as well as market adjustments.
- Corporations continue to use variable pay (incentives, performance bonuses, etc.) as a method of awarding performance for Corporate Counsel positions.
- Over 60% of General Counsel jobs also oversee other corporate departments. The most common being Human Resources, General Administration, and Information Technology.

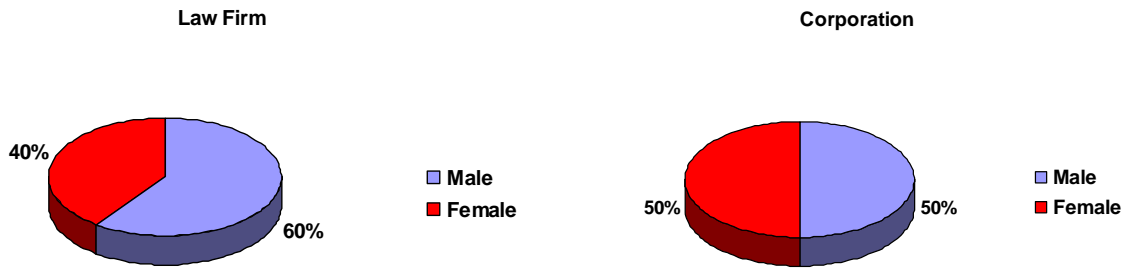
Staffing Trends

Law Firm staffing projections for 2007 indicate a slight growth in the number of Partners in law firms and a slight reduction in the number of Associate, Paralegal and Administrative positions in 2007.

Corporate Counsel project only a small increase in staffing at any level.

Gender Makeup

The difference between the number of male and female lawyers from this year's survey shows a clear distinction between Corporations and Law Firms.



Although no specific reasons are available for the above differences it is highly possible that female lawyers are attracted to the “family friendly” policies of large corporations. These include flexible working hours, family leave, childcare, topping up of maternity/parental leave employment insurance, and the like.

Notes:

- All data are extracted from the compINSIGHT® database as at August 31, 2006. Updates are available to subscribers on-line throughout the year.
- All salary information is based on the National weighted average. These numbers will differ based on certain demographics such as region, size of company or law firm and the like.

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