

SVB FINANCIAL GROUP

Form DEF 14A

March 31, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

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Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

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

## SVB FINANCIAL GROUP

(Name of Registrant as Specified In Its Charter)

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

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  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:



**Notice of Annual Meeting of Stockholders**  
**Thursday, May 11, 2006**  
**4:00 P.M.**

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TO THE STOCKHOLDERS:

I am pleased to invite you to attend the 2006 Annual Meeting of Stockholders of SVB Financial Group, a Delaware corporation (the Company), which will be held at the Company's headquarters located at 3003 Tasman Drive, California 95054, on Thursday, May 11, 2006 at 4:00 p.m., local time. The purposes of the meeting are to:

1. Elect ten (10) directors to serve for the ensuing year and until their successors are elected.
2. Approve the adoption of the Company's 2006 Equity Incentive Plan.
3. Ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2006.
4. Transact such other business as may properly come before the meeting.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. To assure your representation at the meeting, you are encouraged to vote your shares as soon as possible. The enclosed Proxy Card contains instructions for voting over the Internet, by telephone and by returning your Proxy Card via mail. Any stockholder attending the meeting may vote in person even if such stockholder has previously returned a Proxy Card.

Only stockholders of record at the close of business on March 23, 2006 may vote at the meeting or any postponement or adjournment thereof.

**BY ORDER OF THE BOARD OF DIRECTORS,**

Alex W. Hart  
Chairman of the Board

Santa Clara, California

April 7, 2006

**YOU ARE CORDIALLY INVITED TO ATTEND THE MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY, OR VOTE OVER THE TELEPHONE OR THE INTERNET AS INSTRUCTED IN THESE MATERIALS, AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. A RETURN ENVELOPE (WHICH IS POSTAGE PREPAID IF MAILED IN THE UNITED STATES) IS ENCLOSED FOR YOUR CONVENIENCE. EVEN IF YOU HAVE VOTED BY PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. WE ENCOURAGE YOU TO VOTE FOR THE ELECTION OF ALL TEN (10) NOMINEES FOR DIRECTOR, AS WELL AS IN FAVOR OF THE REMAINING PROPOSALS ABOVE.**

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\* Indicates matters to be voted on at the Annual Meeting.



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Mailed to Stockholders on or about April 7, 2006

**PROXY STATEMENT  
OF  
SVB FINANCIAL GROUP  
3003 Tasman Drive  
Santa Clara, California 95054**

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**INFORMATION CONCERNING THE PROXY SOLICITATION**

**General**

## Edgar Filing: SVB FINANCIAL GROUP - Form DEF 14A

This Proxy Statement is furnished in connection with the solicitation of the enclosed Proxy by, and on behalf of, the Board of Directors of SVB Financial Group, a Delaware corporation and financial holding company (the "Company") for Silicon Valley Bank (the "Bank") and its affiliates, for use at the 2006 Annual Meeting of Stockholders of the Company to be held at the Company's headquarters located at 3003 Tasman Drive, Santa Clara, California 95054, on Thursday, May 11, 2006 at 4:00 p.m., local time and at all postponements or adjournments thereof (the "Meeting"). Only stockholders of record on March 23, 2006 (the "Record Date") will be entitled to vote at the Meeting and any postponements or adjournments thereof. At the close of business on the Record Date, there were 35,215,813 shares of the Company's Common Stock, \$.001 par value (the "Common Stock"), outstanding.

The Company's principal executive offices are located at 3003 Tasman Drive, Santa Clara, California 95054 and its telephone number at that location is (408) 654-7400.

### **Voting**

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Stockholders of the Company's Common Stock are entitled to one vote for each share held on all matters covered by this Proxy Statement, except for the election of directors. With respect to the election of directors, each stockholder has the right to invoke cumulative voting, which entitles each stockholder to as many votes as shall equal the number of shares held by such stockholder multiplied by the number of directors to be elected. A stockholder may cast all of his or her votes for a single candidate or distribute such votes among as many of the candidates as he or she chooses (up to a maximum of the number of directors to be elected). However, no stockholder shall be entitled to cumulate votes (in other words, cast for any candidate a number of votes greater than the number of shares of stock held by such stockholder) for a candidate unless such candidate's name has been properly placed in nomination prior to the voting in accordance with Section 6 of the Restated Certificate of Incorporation of the Company and the stockholder (or any other stockholder) has given notice at the meeting prior to the voting of the stockholder's intention to cumulate votes. If any stockholder has given such notice, all stockholders may cumulate their votes for candidates properly placed in nomination. If cumulative voting is properly invoked, the Proxy holders are given discretionary authority under the terms of the Proxy to cumulate votes represented by shares for which they are named Proxy holders as they see fit among management's nominees in order to assure the election of as many of such nominees as possible.

Whether you hold shares in your name or through a broker, bank or other nominee, you may vote without attending the meeting. You may vote by granting a Proxy or, for shares held through a broker, bank or other nominee, by submitting voting instructions to that nominee. Instructions for voting by telephone, by using the Internet or by mail are on your Proxy Card. For shares held through a broker, bank or other nominee, follow the instructions on the voting instruction card included with your voting materials. If you provide specific voting instructions, your shares will be voted as you have instructed and as

the Proxy holders may determine within their discretion with respect to any other matters that properly come before the meeting.

If you hold shares in your name, and you sign and return a Proxy Card without giving specific voting instructions, your shares will be voted as recommended by our Board on all matters and as the Proxy holders may determine in their discretion with respect to any other matters that properly come before the meeting. If you hold your shares through a broker, bank or other nominee and you do not provide instructions on how to vote, your broker or other nominee may have authority to vote your shares on certain matters. See Quorum; Abstentions; Broker Non-Votes below.

**Quorum; Abstentions; Broker Non-Votes**

The required quorum for the transaction of business at the Meeting is a majority of the shares of Common Stock issued and outstanding on the Record Date. Shares that are voted FOR, AGAINST or WITHHELD FROM a matter are treated as being present at the meeting for purposes of establishing a quorum and are also treated as shares represented and voting at the Meeting (the Votes Cast ) with respect to such matter.

While there is no definitive statutory or case law authority in Delaware as to the proper treatment of abstentions, the Company believes that abstentions should be counted for purposes of determining both (i) the presence or absence of a quorum for the transaction of business, and (ii) the total number of Votes Cast with respect to a proposal (other than the election of directors). In the absence of controlling precedent to the contrary, the Company intends to treat abstentions in this manner. Accordingly, abstentions will have the same effect as a vote against the proposal.

Proxy authority granted or votes cast by brokers, banks or other nominees in respect of shares held by them as nominees for beneficial holders on certain matters for which brokers, banks or other nominees are prohibited from exercising discretionary authority are known as broker non-votes. The New York Stock Exchange ( NYSE ) prohibits brokers or other nominees that are NYSE member organizations from voting in favor of proposals relating to equity compensation plans unless they receive specific instructions from the beneficial owner of the shares to vote in that manner. National Association of Securities Dealers, Inc. ( NASD ) member brokers are also prohibited from voting on such proposals without specific instructions from beneficial holders. Accordingly, all shares that you hold through a broker or other nominee who is a NASD or NYSE member organization will only be voted on approval of equity compensation plans if you have provided specific voting instructions to your broker or other nominee to vote your shares on such proposal.

Broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business but will not be counted for purposes of determining the number of Votes Cast with respect to proposals on which brokers, bank or other nominees are prohibited from exercising their discretionary authority. Accordingly, broker non-votes will not affect the outcome of the voting on a proposal that requires a majority of the Votes Cast.

**Revocability of Proxies**

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Any person giving a Proxy in the form accompanying this Proxy Statement has the power to revoke the Proxy at any time prior to its use. A Proxy is revocable prior to the Meeting by delivering either a written instrument revoking it or a duly executed Proxy bearing a later date to the Secretary of the Company or to the Company's transfer agent. Such Proxy is also automatically revoked if the stockholder is present at the Meeting and votes in person.

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**Solicitation**

This solicitation of Proxies is made by, and on behalf of, the Board of Directors of the Company. The Company will bear the entire cost of preparing, assembling, printing, and mailing Proxy materials furnished by the Board of Directors to stockholders. Copies of Proxy materials will be furnished to brokerage houses, fiduciaries and custodians to be forwarded to the beneficial owners of the Company's Common Stock. In addition to the solicitation of Proxies by mail, some of the officers, directors and employees of the Company and the Bank may (without additional compensation) solicit Proxies by telephone or personal interview, the costs of which the Company will bear.

Unless otherwise instructed, each valid returned Proxy that is not revoked will be voted in the election of directors:

- FOR each of the Company's nominees to the Board of Directors,
- FOR approval of the adoption of the Company's 2006 Equity Incentive Plan,
- FOR ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2006, and
- At the Proxy holders' discretion on such other matters, if any, as may properly come before the Meeting or any postponement or adjournment thereof (including any proposal to adjourn the Meeting).

**Delivery of Voting Materials**

## Edgar Filing: SVB FINANCIAL GROUP - Form DEF 14A

You may receive more than one set of voting materials, including multiple copies of this Proxy Statement and multiple Proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one Proxy Card. Please complete, sign, date and return each Proxy Card and voting instruction card that you receive.

### **How to Obtain a Separate Set of Voting Materials**

## Edgar Filing: SVB FINANCIAL GROUP - Form DEF 14A

If you share an address with another stockholder, you may receive only one set of Proxy materials (including our 2005 Year in Review, 2005 Annual Report on Form 10-K and Proxy Statement) unless you have provided contrary instructions. If you wish to receive a separate set of Proxy materials now or in the future, you may write or call us to request a separate copy of these materials from:

SVB Financial Group  
3003 Tasman Drive  
Santa Clara, California 95054  
Attention: Lisa Bertolet, Investor Relations  
Telephone: (408) 654-7282  
*<http://www.svb.com/ir/overviewfs.html>*

## Edgar Filing: SVB FINANCIAL GROUP - Form DEF 14A

Similarly, if you share an address with another stockholder and have received multiple copies of our Proxy materials, you may write or call us at the above address and phone number to request delivery of a single copy of these materials.

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**CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS**

The Company is committed to having sound corporate governance principles which are important to the way the Company manages its business and to maintaining the Company's integrity in the marketplace. The Company's Corporate Governance Guidelines adopted by the Company's Board of Directors and the charters of the Audit Committee, Compensation Committee and Governance Committee of the Company's Board of Directors are available at <http://www.svb.com>. The contents of the website are not incorporated herein by reference and the website address provided is intended to be an inactive textual reference only.

**Board Independence**

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The Board has determined that with the exception of Mr. Kenneth P. Wilcox, our President and Chief Executive Officer, all of our current directors, as well as all of our incumbent directors standing for re-election, are independent within the meaning of the director independence standards set by the Nasdaq Stock Market, Inc. ( Nasdaq ) and the Securities and Exchange Commission ( SEC ), as currently in effect. Furthermore, the Board has determined that each of the current members of the Audit Committee, Compensation Committee and Governance Committee are independent within such director independence standards.

Additionally, the Company's independent directors meet in regularly scheduled executive sessions at which only independent directors are present.

### **Audit Committee Independence and Financial Expert**

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The Board has determined that all of the current members of the Audit Committee, Messrs. Roger F. Dunbar, David M. Clapper and Joel P. Friedman, meet all of the requirements of independence, and all of the attributes of an audit committee financial expert, as those meanings are defined for purposes of audit committee members by the applicable rules and regulation of the SEC and Nasdaq.

### **Consideration of Director Nominees**

#### *Stockholder Nominees*

The Company's Governance Committee will consider Board nominees proposed by stockholders, although the Governance Committee has no formal policy with regard to stockholder nominees as it considers all nominees on their merits as discussed below. Any stockholder nominations proposed for consideration by the Governance Committee should include the nominee's name and qualifications for Board membership and should be addressed to:

Corporate Secretary  
SVB Financial Group  
3003 Tasman Drive  
Santa Clara, California 95054

In addition, the bylaws of the Company permit stockholders to nominate directors for consideration at an annual stockholder meeting. For a description of the process for nominating directors in accordance with the bylaws, please see [Stockholder Proposals](#) below.

#### *Selection and Evaluation of Director Candidates*

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The Governance Committee, with the participation of the full Board, is responsible for identifying candidates for membership on the Board and makes determinations as to whether to recommend such candidates nomination to the Board based on their character, judgment, and business experience, as well

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as their ability to diversify and add to the Board's existing strengths. This assessment typically includes issues of expertise in industries important to the Company (such as technology, life sciences and wine), functional expertise in areas such as banking, investment banking, global markets, venture capital, private equity, law, accounting, finance and information technology, and an assessment of an individual's abilities to work constructively with the existing Board and management, all in the context of an assessment of the perceived needs of the Board at that point in time. The Governance Committee has not formally established any minimum qualifications for director candidates. All nominees to be considered at the Meeting were recommended by the Governance Committee.

**Communications with the Board**

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Individuals who wish to communicate with the Company's Board may do so by sending an e-mail to the Company's Board at *bod@svbank.com*. Any communications intended for non-management directors should be sent to the e-mail address above to the attention of the Chair of the Governance Committee.

### **Code of Ethics**

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The Company has a Code of Ethics that applies to our principal executive officer and its senior financial officers, including our principal financial officer and principal accounting officer. A copy of this Code of Ethics is available on the Company's website at [www.svb.com](http://www.svb.com) under Corporate Governance, or can be obtained without charge to any person requesting it. To request a copy of our Code of Ethics, please contact: Lisa Bertolet, Investor Relations, SVB Financial Group, 3003 Tasman Drive, Santa Clara, California 95054, (408) 654-7282.

The Company intends to disclose any changes in or waivers from its Code of Ethics by posting such information on our website. No such changes or waivers were made during fiscal year 2005.

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**Proposal No. 1**

**ELECTION OF DIRECTORS**

**The Board of Directors Recommends a Vote For All Nominees**

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The Company's bylaws currently provide for a range of eight (8) to twelve (12) authorized directors and permit the exact number to be fixed by the Board of Directors. As of the Record Date, the Board has fixed the number of authorized directors at eleven (11), however, effective as of date of the Meeting, the number of authorized directors is expected to be set at ten (10), the total number of director nominees standing for re-election.

Pursuant to the Company's bylaws, the Board of Directors shall not have more than two directors who do not meet the definition of an Outside Director, which is any director which meets the independence and experience requirements as required by the SEC and Nasdaq, and who, in the opinion of the Board, has the ability to exercise independent judgment in carrying out the responsibilities of a director of the Company. Additionally, pursuant to the Company's bylaws, Outside Directors are subject to a term limit of up to a maximum of nine (9) consecutive one-year terms, beginning as of April 30, 2001; provided, however, that if in any one year, more than three Outside Directors are required to end their service on the Board of Directors because of the application of this term limit, the Board of Directors may extend the term of one or more such directors for successive one year terms so as to avoid requiring more than three outside directors to end their service in any one year. Any Outside Director who has served the maximum term or resigned prior to serving the maximum term may be eligible to stand for election for another maximum term after a one-year waiting period, during which the director may serve as an advisory director.

### **Nominees for Director**

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All Proxies will be voted FOR the election of the following ten (10) nominees recommended by the Board of Directors for a term of one year, unless authority to vote for the election of directors (or for any particular nominee) is withheld. All of the nominees have served as directors of the Company since the last annual meeting of stockholders.

All incumbent directors are nominees for re-election to the Board, except Mr. Larry Sonsini. (See Appointment of Advisory Director below.) If any of the nominees should unexpectedly decline or be unable to act as a director, the Proxies may be voted for a substitute nominee designated by the Board of Directors. As of the Record Date, the Board of Directors has no reason to believe that any nominee will become unavailable and has no present intention to nominate persons in addition to or in lieu of those listed below. Directors of the Company serve until the next annual meeting of stockholders and until their successors are elected and qualified, or until his or her earlier death, resignation or removal.

The members of the Company's Board of Directors are also expected to serve on the Bank's Board of Directors, however, the stockholders are being requested to elect directors to the Company's Board only, not the Bank's Board.

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The names and certain biographical information about each of the Company's nominees for director as of the Record Date are set forth below.

Name of Director Nominee	Age	Biographical Information	Director Since
<b>Eric A. Benhamou</b>	50	<p><b>Mr. Benhamou is Chairman and CEO of Benhamou Global Ventures, LLC, which was formed in 2003, and invests and plays an active role in innovative high tech firms throughout the world. Mr. Benhamou is also the Chairman of the Boards of Directors of 3Com Corporation, and Palm, Inc. He served as Chief Executive Officer of 3Com Corporation from September 1990 until December 2000, and served as interim Chief Executive Officer of Palm from November 2001 to November 2003. Previously, he held a variety of senior management positions at 3Com. In 1981, Mr. Benhamou co-founded Bridge Communications, an early networking pioneer, and was Vice President of Engineering until its merger with 3Com in 1987.</b></p> <p><b>In 2003, Mr. Benhamou was appointed to the Joint High Level Advisory Panel of the U.S.- Israel Science and Technology Commission by U.S. Commerce Secretary Donald Evans. He currently serves as Chairman of the Board of Directors of Cypress Semiconductor, which produces semiconductors (since 1993), and as a member of the Board of Directors of RealNetworks, Inc, a creator of digital media services and software (since 2003). He also serves as a member of the Board of Directors of several privately held companies, including Atrica, a provider of Optical Ethernet solutions (since 2000), Go Networks, a wireless network hardware provider (since 2004), WisdomArk, Inc., a consumer web service company (since 2005), Blue Security, a security software company (since 2005), as well as the New America Foundation, a Washington DC-based think tank (since 2000). Mr. Benhamou serves on the executive committee of TechNet, the Computer Science and Telecommunications Board (CSTB), Stanford University School of Engineering and Ben Gurion University of Negev. Additionally, he is a visiting professor at the INSEAD Business School and the Chairman of the Israel Venture Network, a venture philanthropy organization for a stronger Israeli society.</b></p> <p><b>Mr. Benhamou holds a diplôme d'Ingenieur de l'Ecole Nationale Supérieure d'Arts et Métiers in Paris, France, a master's degree in Science from the School of Engineering at Stanford University and honorary doctoral degrees from Ben Gurion University, Widener University, Western Governors University and the University of South Carolina.</b></p>	2005

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<b>David M. Clapper</b>	54	<p>Mr. Clapper currently serves as President and CEO of SurgRx, Inc., a medical device manufacturer. Prior to joining SurgRx, he served as President, CEO and a member of the Board of Directors of Novacept, a medical device company, from November 1999 until its acquisition by Cytoc Corporation in March 2004. From 1994 to 1999 Mr. Clapper was President and CEO and a Director of Focal, Inc. Before joining Focal, Mr. Clapper was employed at various divisions of Johnson &amp; Johnson from 1977 until 1993.</p> <p>Mr. Clapper is currently a member of the Boards of Directors of Conor Medsystems, a developer of innovative controlled vascular drug delivery technologies (since 2004), and Pulmonx, a medical device company (since 2003).</p> <p>Mr. Clapper holds a bachelor's degree in Marketing from Bowling Green State University.</p>	2004
<b>Roger F. Dunbar</b>	60	<p>Mr. Dunbar retired from Ernst &amp; Young in October 2004 where he held the position of Global Vice Chairman. From 1974 to October 2004, Mr. Dunbar held a variety of senior leadership roles at Ernst &amp; Young, including Partner-in-Charge, Area Managing Partner, Pacific North West Area and was a member of Ernst &amp; Young's Global Management Committee.</p> <p>Mr. Dunbar has taught at Santa Clara University's Graduate School of Business and in Ernst &amp; Young's National Education Program. Mr. Dunbar is a member of the Advisory Board for Santa Clara University and also served as a member of Joint Venture Silicon Valley's 21st Century Education Board. From January 2001 to October 2004, Mr. Dunbar served as an advisory member of the Company's Board and the Bank's Board.</p> <p>Mr. Dunbar holds a bachelor's degree in Business from San Francisco State University and holds a master's degree in business administration from Santa Clara University.</p>	2004

<b>Joel P. Friedman</b>	58	<p>Mr. Friedman retired from Accenture, a global management consulting and technology services company in August 2005, where he had held the position of President of Accenture's Business Process Outsourcing organization since March 2003. Mr. Friedman held a variety of senior leadership roles at Accenture, including Partner in Accenture's Corporate Development organization from November 2002 to March 2003, and Managing General Partner Accenture Technology Ventures from March 2002 to November 2002 and Accenture Technology Ventures, Americas from May 2001 to March 2002, and was responsible for Accenture's banking industry group globally from 1997 to 2000. Mr. Friedman is currently a member of the Board of Directors of Junior Achievement of the Bay Area (since 2004). Mr. Friedman is an advisor to the Boards of Community Gatepath, a non-profit organization dedicated to enabling persons with disabilities to live as fully integrated members of the community (since 2005) and Financial Technology Ventures, a venture capital firm (since 2005). He was also a member of Accenture's Board of Directors and a member of the Dean's Advisory Council for Stanford Graduate School of Business.</p> <p>Mr. Friedman holds a bachelor's degree in Economics from Yale University and a master's degree in business administration from Stanford Graduate School of Business.</p>	2004
<b>G. Felda Hardymon</b>	58	<p>Mr. Hardymon has been a General Partner of Bessemer Venture Partners, a venture capital firm, since May 1981. Mr. Hardymon has been on the faculty at Harvard Business School since July 1998 where he is currently Professor of Management Practice.</p> <p>Mr. Hardymon is currently a member of the Boards of Directors of: Endeca Inc., a provider of enterprise search solutions (since 2000), First Index, a global sourcing service for custom made parts (since 2000), and Portrait Software, which specializes in customer interaction management (since 2002). He was also a member of the Boards of Directors of: Videoserver, Davox, Parametric Tech, LBMS, Portrait Group, Summagraphics and Celtel International.</p> <p>Mr. Hardymon holds a bachelor's degree in Mathematics from Rose Polytechnic Institute, a master's degree in Mathematics from Duke University, a Ph.D. in Mathematics from Duke University, and a master's degree in business administration from Harvard University.</p>	2001

- Alex W. Pete Hart** 65 Mr. Hart has been an independent consultant to the financial services industry since November 1997. From August 1995 to November 1997, he served as Chief Executive Officer and from March 1994 to August 1996, as Executive Vice Chairman, of Advanta Corporation, a diversified financial services company. From 1988 to 1994, he was President and Chief Executive Officer of MasterCard International, the worldwide payment service provider. He is currently a member of the Boards of Directors of Fair Isaac Corporation, a predictive software company (since 2002), Global Payments, Inc., a payment services company (since 2001), USEncode, an online authentication service (since 2002) and eharmony.com, an online compatibility service (since 2004). He was also a member of the Board of Directors of Shopping.com, Actrade Financial Technologies and Sanchez Computer Associates. Mr. Hart holds a bachelor's degree in Social Relations from Harvard University. 2001
- C. Richard Kramlich** 70 Mr. Kramlich has been Co-Founder and General Partner of New Enterprise Associates, a venture capital firm since 1978. Prior to joining NEA, Mr. Kramlich was a general partner of Arthur Rock & Associates from 1969 to 1977 and Executive Vice President of Gardner & Preston Moss from 1964 to 1969. He is currently a member of the Boards of Directors of: Tabula, a semiconductor company (since 2005), NEXT HOP, a provider of networking software solutions (since 2005), Fabric7 Systems, a enterprise server company (since 2003), Financial Engines, a creator of advice technology (since 1997), Force10 Networks, a developer of communication network routing and switching equipment (since 2000), Graphic Enterprises, a software developing company (since 2002), Informative, a developer of programs that cultivate and enhance brand advocacy (since 2002), Xoom, a money transfer company (since 2004), and Zhone Technologies, a provider of broadband access equipment (since 1999). He was also a member of Celetronix, Decru, Chalone Wine Group, Silicon Graphics, 3Com Corporation, Ascend Communications, Dallas Semiconductor, Healtheon/WedMD, Immunex, InfoGear, Juniper Networks, Macromedia, NetSolve (which was acquired by Cisco) and Semiconductor Manufacturing International. He was recently Chairman and President of the National Venture Capital Association. From July 2003 to January 2005, Mr. Kramlich, served as an advisory member of the Company Board and the Bank Board. Mr. Kramlich holds a bachelors of science degree in History from Northwestern University and a master's degree in business administration from Harvard University. 2005

<b>James R. Porter</b>	70	<p>Mr. Porter retired in February 1998. Prior to his retirement, he served as Chairman of Firstwave Technologies, a software company from 1993 through May 2003, and as Chairman of Activant Solutions (formerly CCI/Triad name changed to Activant Solutions in November 2003), a computer services company from February 1997 to May 1999. From September 1985 to February 1997, he was the President, Chief Executive Officer and Director of Triad Systems, Corporation, a computer software company.</p> <p>Mr. Porter is currently a member of the Board of Directors of Activant Solutions, which provides vertical enterprise resource planning software (since 1985), the Board of Directors of Cardone Industries, a manufacturing company (since 1998), the Board of Regents of Pepperdine University (since 1993), and the Board of Trustees of Abilene Christian University (since 1990). He was also a member of the Board of Directors of Firstwave Technologies and the Advisory Board of American Central Gas Technologies.</p> <p>Mr. Porter received a bachelor's degree in Industrial Engineering degree from Texas A&amp;M University and attended graduate school at Harvard University.</p>	1994
<b>Michaela K. Rodeno</b>	59	<p>Ms. Rodeno is currently the Chief Executive Officer of Skalli Corporation (dba St. Supery Vineyards and Winery), located in Rutherford, California, where she has been serving since November 1988. Ms. Rodeno is the Chairman of the Meritage Association, a group of American vintners who identify hand-crafted wines blended from the traditional noble Bordeaux varietals (since 1999), and the Wine Market Council, a non-profit association of grape growers, wine producers, importers, wholesalers, and other affiliated businesses and organizations (since 2005). She has served on the Board of Directors of the Wine Market Council since 1996.</p> <p>Ms. Rodeno received a bachelor's degree in French from the University of California, Davis, a master's degree in French Literature from the University of California, Davis and a master's degree in business administration from the University of California, Berkeley.</p>	2001

<b>Kenneth P. Wilcox</b>	58	<p>Mr. Wilcox joined the Bank in April 1990 as Regional Vice President of the Bank's East Coast Technology Group. Prior to becoming Executive Vice President and Manager of the East Coast Technology Group in November 1995, Mr. Wilcox held increasingly responsible positions with the Bank (having served as Manager of the East Coast Technology Group since June 1993). Mr. Wilcox was appointed Chief Banking Officer in December 1997. Mr. Wilcox was named President and Chief Operating Officer of the Bank in May 1999 and was appointed Chief Executive Officer of the Bank in January 2000. In April 2001, Mr. Wilcox was named President and Chief Executive Officer of the Company.</p> <p>Mr. Wilcox serves on the Board of the Federal Reserve Bank of San Francisco (since 2005). He is also on the Board of Directors of Silicon Valley Leadership Group, an organization with an emphasis on issues of importance to employers, employees, and residents of Silicon Valley (since 2001).</p> <p>Mr. Wilcox received a bachelor's degree in German Studies from Oakland University, a Ph.D. in German studies from Ohio State University and a master's degree in business administration from Harvard University.</p>	2000
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**Vote Required**

The ten (10) nominees for director receiving the highest number of affirmative votes of the shares entitled to be voted for them shall be elected as directors. Votes withheld from any director are counted for purposes of determining the presence or absence of a quorum.

**Appointment of Advisory Director**

Effective as of the date of Annual Meeting, the Board of Directors has appointed Mr. Larry Sonsini as an advisory director of the Company. Mr. Sonsini has been a member of the Board of Directors of the Company since October 2003, and will serve as a director through the end of his term until April 2006.

Biographical information about Mr. Sonsini is set forth below:

Name of  
Director  
Nominee

**Larry W. Sonsini**

<b>Age</b>	<b>Biographical Information</b>	<b>Director Since</b>
65	<p>Mr. Sonsini is currently the Chairman of the law firm of Wilson Sonsini Goodrich &amp; Rosati, P.C., headquartered in Palo Alto, California. He is also currently a member of the Boards of Directors of: Echelon Company, a supplier of infrastructure hardware and software located in San Jose, California (since 1993) and PIXAR, Inc., an animation studio located in Emeryville, California (since April 1995). Mr. Sonsini was also a member of the Board of Directors of the New York Stock Exchange from 2001 to 2003, and is currently the NYSE's chairman of the Regulation, Enforcement and Listing Standards Committee and chairman of the Legal Advisory Committee.</p> <p>Mr. Sonsini is a graduate of U.C. Berkeley and holds a J.D. from Boalt Hall School of Law, University of California at Berkeley.</p>	2003

**BOARD COMMITTEES AND MEETING ATTENDANCE**

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As of the date of this Proxy Statement, the Company Board has the following committees that meet on a regular basis: (1) Audit, (2) Finance, (3) Compensation, and (4) Governance. Additionally, the Bank Board has a Directors' Loan Committee. Each of the Audit, Governance and Compensation committee charters are available on the Company's website at <http://www.svb.com>. During fiscal year 2005, the Boards of the Company and the Bank held ten (10) meetings. Except for Messrs. Hardymon, Kramlich and Sonsini, each director attended or participated telephonically in 75% or more of the aggregate of the meetings of the Company and Bank Boards and of the committees on which he or she served, held during the period for which he or she was a director or committee member, respectively. It is the Company Board's policy that each director uses his or her best efforts to attend each of the Company's annual stockholder meetings. Except for Mr. Benhamou, all Board members then in office attended the annual meeting of stockholders in 2005.

The committee membership as of the Record Date and the duties of each of these committees are described below:

### ***Audit***

Roger F. Dunbar, Chair  
David M. Clapper  
Joel P. Friedman

### ***Governance***

Alex W. Hart, Chair  
Eric Benhamou  
G. Felda Hardymon  
Larry W. Sonsini

### ***Compensation***

Michaela K. Rodeno, Chair  
Alex W. Hart  
C. Richard Kramlich  
James R. Porter

### ***Finance***

Roger F. Dunbar, Chair  
Joel P. Friedman  
G. Felda Hardymon  
C. Richard Kramlich

### ***Loan (Bank Board Committee)***

James R. Porter, Chair  
David M. Clapper  
Michaela K. Rodeno



**AUDIT COMMITTEE**

20 meetings in fiscal year 2005

- Oversees the Company's corporate accounting and reporting practices and the quality and integrity of the Company's financial statements and reports.
- Selects, hires, oversees and terminates the Company's independent auditors.
- Monitors the Company's independent auditors' qualifications, independence and performance.
- Monitors the Company's and its affiliates' compliance with legal and regulatory requirements.
- Oversees the Company's and the Bank's internal auditing functions and controls.
- Oversees the Company's and its affiliates' risk management function.

**FINANCE COMMITTEE**

4 meetings in fiscal year 2005

- Oversees the Company's and its affiliates' finance policies.
- Oversees the Company's financial initiatives, such as hedging activities.
- Oversees the Company's merchant banking activities.

**GOVERNANCE COMMITTEE**

5 meetings in fiscal year 2005

- Oversees the development and periodic review of Corporate Governance Guidelines for the Company.
- Leads the Company's and the Bank's Boards in their annual reviews of their respective Board performance.
- Assists the Company's and the Bank's Boards in identifying individuals qualified to become Board members.
- Recommends to the Company's Board director nominees for its annual stockholder meetings.
- Recommends to the Company's and the Bank's Boards director nominees for each respective Board's committees and committee chairs.

**COMPENSATION COMMITTEE**

8 meetings in fiscal year 2005

- Approves and evaluates the directors' and officers' compensation and plans, policies and programs related thereto.
- Oversees employee compensation and benefits plans, policies and programs, including ensuring that such plans, policies and programs are effective in aligning the interests of the employees with those of the Company's stockholders.

**DIRECTORS LOAN COMMITTEE (BANK BOARD COMMITTEE)**

4 meetings in fiscal year 2005

- Oversees the Bank's credit management and credit review practices.
- Approves the Bank's allowance for loan and lease losses.
- Maintains a credit policy that conforms with applicable laws and regulations.

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- Maintains credit procedures that effectively implement credit policy and that ensure compliance with the credit policy.
- Maintains procedures to monitor compliance with the credit policy and credit procedures, including, without limitation, compliance with legal lending limits and the Bank's in-house lending restrictions.

#### **REPORT OF THE AUDIT COMMITTEE OF THE BOARD**

*The Report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended (the Exchange Act), except to the extent that the Company specifically incorporates the information contained in the report by reference, and shall not otherwise be deemed filed under such acts.*

The Company's Audit Committee has prepared the following report for inclusion in this Proxy Statement. The Audit Committee is governed by a charter, which specifies, among other things, the scope of its responsibilities and how those responsibilities are performed. The Audit Committee members are independent as defined by Nasdaq, the listing standard applicable to the Company.

The Board of Directors has adopted a written charter for the Audit Committee that was attached as Appendix A to the Company's Proxy Statement in 2004. The Audit Committee charter was amended in 2003 and 2004 to meet new regulatory requirements, including those issued by Nasdaq and the SEC in response to the Sarbanes-Oxley Act of 2002. No material amendment to the charter has been made since the date of the 2004 Proxy Statement.

The primary responsibility of the Audit Committee is to act on behalf of the Board in fulfilling the Board's responsibility with respect to overseeing the Company's accounting and reporting practices and the quality and integrity of the Company's financial statements and reports, and to review the qualifications, independence, and performance of the certified public accountants engaged as the Company's independent auditors. Management has the primary responsibility for the financial statements and the reporting process. The Company's independent registered public accounting firm, KPMG LLP, is responsible for expressing an opinion on the conformity of the Company's audited financial statements with U.S. generally accepted accounting principles.

In this context, the Audit Committee has reviewed and discussed with management and the independent auditors the audited financial statements. The Audit Committee discussed with the independent auditors the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (Communication with Audit Committees). In addition, the Audit Committee received from the independent auditors the written disclosures and letter required by Independence Standards Board Standard No.1 (Independence Discussions with Audit Committees), and discussed with the independent auditors the auditors' independence from the Company and its management.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Company's Board of Directors that the audited financials be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005, for filing with the SEC.

This report is included herein at the direction of the members of the Audit Committee.

**AUDIT COMMITTEE**  
**Roger F. Dunbar (Chair)**  
**David M. Clapper**  
**Joel P. Friedman**

**Proposal No. 2**

**APPROVAL OF THE 2006 EQUITY INCENTIVE PLAN**

**The Board of Directors Recommends a Vote For Approval of the 2006 Equity Incentive Plan**

The stockholders are being asked to approve a new employee equity incentive plan, the 2006 Equity Incentive Plan (the "Incentive Plan"). The Company's current 1997 Equity Incentive Plan is set to expire in December 2006. The Board has approved the Incentive Plan, subject to approval from the stockholders at the Annual Meeting. If the stockholders approve the Incentive Plan, it will replace the current version of the Company's 1997 Equity Incentive Plan and no further awards will be made under the 1997 Equity Incentive Plan, but it will continue to govern awards previously granted thereunder. Otherwise, the 1997 Equity Incentive Plan will remain in effect through the remainder of its term. Approval of the Incentive Plan requires the affirmative vote of the holders of a majority of the shares of the Company's common stock that are present in person or by Proxy and entitled to vote at the Annual Meeting.

The Board of Directors (the "Board") believes that long-term incentive compensation programs align the interests of management, employees and the stockholders to create long-term stockholder value. The Board believes that plans such as the Incentive Plan increase the Company's ability to achieve this objective, especially, in the case of the Incentive Plan, by allowing for several different forms of long-term incentive awards, which the Board believes will help the Company to recruit, reward, motivate and retain talented personnel. The recent changes in the equity compensation accounting rules, which became effective for the Company on January 1, 2006, also make it important for the Company to have greater flexibility under its employee equity incentive plan. As the new equity compensation accounting rules come into effect for all companies, competitive equity compensation practices may change materially, especially as they pertain to the use of equity compensation vehicles other than stock options.

The Board believes strongly that the approval of the Incentive Plan is essential to the Company's continued success. In particular, the Company believes that its employees are its most valuable assets and that the awards permitted under the Incentive Plan are vital to the Company's ability to attract and retain outstanding and highly skilled individuals in the extremely competitive labor markets in which it competes. Such awards also are crucial to the Company's ability to motivate employees to achieve the Company's goals.

**Vote Required; Recommendation of the Board of Directors**

The approval of the Incentive Plan requires the affirmative vote of a majority of the Votes Cast on the proposal at the Annual Meeting.

**THE BOARD OF DIRECTORS RECOMMENDS VOTING FOR THE ADOPTION OF THE 2006 EQUITY INCENTIVE PLAN AND THE NUMBER OF SHARES RESERVED FOR ISSUANCE THEREUNDER.**

**Summary of the 2006 Equity Incentive Plan**

The following is a summary of the principal features of the Incentive Plan and its operation. The summary is qualified in its entirety by reference to Incentive Plan itself set forth in Appendix A.

The Incentive Plan provides for the grant of the following types of incentive awards: (i) stock options, (ii) stock appreciation rights, (iii) restricted stock, (iv) restricted stock units, (v) performance shares and performance units, and (vi) and other stock awards. Each of these is referred to individually as an "Award." Those who will be eligible for Awards under the Incentive Plan include employees, directors and consultants who provide services to the Company and its affiliates. As of March 23, 2006, approximately 183 employees and directors would be eligible to participate in the Incentive Plan.

*Number of Shares of Common Stock Available Under the Incentive Plan.* Subject to receipt of stockholders' approval, the Board has approved three million shares of the Company's common for issuance under the Incentive Plan. The number of shares that may be awarded under the Incentive Plan also includes (a) any shares that have been reserved but remain unissued under the Company's 1997 Equity Incentive Plan as of the date stockholders approve the Incentive Plan, and (b) any shares subject to stock options or similar awards granted under the 1997 Equity Incentive Plan that expire or otherwise terminate without having been exercised in full and shares issued pursuant to awards granted under the 1997 Equity Incentive Plan that are forfeited to or repurchased by the Company. As of March 23, 2006, no Awards have been granted under the Incentive Plan.

Shares subject to Awards granted with an exercise price less than the fair market value on the date of grant count against the share reserve as two shares for every one share subject to such an Award. To the extent that a share that was subject to an Award that counted as two shares against the Incentive Plan reserve pursuant to the preceding sentence is returned to the Incentive Plan, the Incentive Plan reserve will be credited with two shares that will thereafter be available for issuance under the Incentive Plan.

If the Company declares a stock dividend or engages in a reorganization or other change in its capital structure, including a merger, the Board will have the discretion to adjust the number of shares (i) available for issuance under the Incentive Plan, (ii) subject to outstanding Awards, and (iii) specified as per-person limits on Awards, as appropriate to reflect the change.

*Administration of the Incentive Plan.* The Board, or a committee of directors or of other individuals satisfying applicable laws and appointed by the Board, will administer the Incentive Plan. To make grants to certain of the Company's officers and key employees, the members of the committee must qualify as non-employee directors under Rule 16b-3 of the Securities Exchange Act of 1934, and as outside directors under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code) (so that the Company can receive a federal tax deduction for certain compensation paid under the Incentive Plan). Subject to the terms of the Incentive Plan, the Board or its committee has the sole discretion to select the employees, consultants, and directors who will receive Awards, determine the terms and conditions of Awards, and to interpret the provisions of the Incentive Plan and outstanding Awards. Notwithstanding the foregoing, the Board or committee may not modify or amend an option or stock appreciation right to reduce the exercise price of that Award after it has been granted or to cancel any outstanding option or stock appreciation right and replace it with a new option or stock appreciation right with a lower exercise price. The Board or other committee administering the Incentive Plan is referred to below as the Administrator.

*Options.* The Administrator is able to grant nonstatutory stock options and incentive stock options under the Incentive Plan. The Administrator determines the number of shares subject to each option, although the Incentive Plan provides that a participant may not receive options for more than 250,000 shares in any fiscal year, except in connection with his or her initial service with the Company, in which case he or she may be granted an option to purchase up to an additional 500,000 shares.

The Administrator determines the exercise price of options granted under the Incentive Plan, provided the exercise price must be at least equal to the fair market value of the Company's common stock on the date of grant. In addition, the exercise price of an incentive stock option granted to any participant who owns more than 10% of the total voting power of all classes of the Company's outstanding stock must be at least 110% of the fair market value of the common stock on the grant date.

The term of an option may not exceed seven years, except that, with respect to any participant who owns 10% of the voting power of all classes of the Company's outstanding capital stock, the term of an incentive stock option may not exceed five years.

After a termination of service with the Company, a participant will be able to exercise the vested portion of his or her option for the period of time stated in the Award agreement. If no such period of time is stated in the participant's Award agreement, the participant will generally be able to exercise his or her option for (i) three months following his or her termination for reasons other than death or disability, and (ii) twelve months following his or her termination due to death or disability. If a participant is terminated for cause, the option will immediately terminate. In no event may an option be exercised later than the expiration of its term.

*Stock Appreciation Rights.* The Administrator will be able to grant stock appreciation rights, which are the rights to receive the appreciation in fair market value of common stock between the exercise date and the date of grant. The Company can pay the appreciation in cash, shares of common stock or a combination thereof. Stock appreciation rights will become exercisable at the times and on the terms established by the Administrator, subject to the terms of the Incentive Plan. The Administrator, subject to the terms of the Incentive Plan, will have complete discretion to determine the terms and conditions of stock appreciation rights granted under the Incentive Plan, provided, however, that the exercise price may not be less than 100% of the fair market value of a share on the date of grant and the term of a stock appreciation right may not exceed seven years. No participant will be granted stock appreciation rights covering more than 250,000 shares during any fiscal year, except that a participant may be granted stock appreciation rights covering up to an additional 500,000 shares in connection with his or her initial service as an employee with the Company.

After termination of service with the Company, a participant will be able to exercise the vested portion of his or her stock appreciation right for the period of time stated in the Award agreement. If no such period of time is stated in a participant's Award agreement, a participant will generally be able to exercise his or her stock appreciation right for (i) three months following his or her termination for reasons other than cause, death, or disability, and (ii) twelve months following his or her termination due to death or disability. If a participant is terminated for cause, the stock appreciation right will immediately terminate. In no event will a stock appreciation right be exercised later than the expiration of its term.

*Restricted Stock.* Awards of restricted stock are rights to acquire or purchase shares of Company common stock, which vest in accordance with the terms and conditions established by the Administrator in its sole discretion. For example, the Administrator may set restrictions based on the achievement of specific performance goals. The Award agreement will generally grant the Company a right to repurchase or reacquire the shares upon the termination of the participant's service with the Company for any reason (including death or disability). The Administrator will determine the number of shares granted pursuant to an Award of restricted stock, but no participant will be granted a right to purchase or acquire more than 125,000 shares of restricted stock during any fiscal year, except that a participant may be granted up to an additional 250,000 shares of restricted stock in connection with his or her initial employment with the Company.

*Restricted Stock Units.* Awards of restricted stock units result in a payment to a participant only if the vesting criteria the Administrator establishes is satisfied. For example, the Administrator may set restrictions based on the achievement of specific performance goals. Upon satisfying the applicable vesting criteria, the participant will be entitled to the payout specified in the Award agreement. Notwithstanding the foregoing, at any time after the grant of restricted stock units, the Administrator may reduce or waive any vesting criteria that must be met to receive a payout. The Administrator, in its sole discretion, may pay earned restricted stock units in cash, shares, or a combination thereof. Restricted stock units that are fully paid in cash will not reduce the number of shares available for grant under the Incentive Plan. On the date set forth in the Award agreement, all unearned restricted stock units will be forfeited to the Company. The Administrator determines the number of restricted stock units granted to any participant, but during any fiscal year of the Company, no participant may be granted more than 125,000 restricted stock units during

any fiscal year, except that the participant may be granted up to an additional 250,000 restricted stock units in connection with his or her initial employment to the Company.

*Performance Units and Performance Shares.* The Administrator will be able to grant performance units and performance shares, which are Awards that will result in a payment to a participant only if the performance goals or other vesting criteria the Administrator may establish are achieved or the Awards otherwise vest. The Administrator will establish performance or other vesting criteria in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants. Notwithstanding the foregoing, after the grant of performance units or shares, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such performance units or shares. During any fiscal year, no participant will receive more than 125,000 performance shares and no participant will receive performance units having an initial value greater than \$1,000,000, except that a participant may be granted performance shares covering up to an additional 250,000 shares in connection with his or her initial employment with the Company. Performance units will have an initial dollar value established by the Administrator on or before the date of grant. Performance shares will have an initial value equal to the fair market value of a share of the Company's common stock on the grant date.

*Performance Goals.* Awards of restricted stock, restricted stock units, performance shares, performance units and other incentives under the Incentive Plan may be made subject to the attainment of performance goals relating to one or more business criteria within the meaning of Section 162(m) of the Code and may provide for a targeted level or levels of achievement including: assets; bond rating; cash flow; cash position; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; earnings per Share; economic profit; economic value added; equity or stockholder's equity; growth in earnings; growth in revenue; market share; net income; net profit; net sales; noninterest income as percent of total income; operating earnings; operating income; profit before tax; ratio of debt to debt plus equity; ratio of operating earnings to capital spending; return on equity; return on assets; return on sales; revenues; sales growth; or total return to stockholders. The performance goals may differ from participant to participant and from Award to Award and may be used to measure the performance of the Company as a whole or a business unit of the Company and may be measured relative to a peer group or index.

*Transferability of Awards.* Awards granted under the Incentive Plan are generally not transferable, and all rights with respect to an Award granted to a participant generally will be available during a participant's lifetime only to the participant.

*Change of Control.* In the event of a change of control of the Company, each outstanding Award will be assumed or an equivalent option or right substituted by the successor corporation or a parent or subsidiary of the successor corporation. In the event that the successor corporation, or the parent or subsidiary of the successor corporation, refuses to assume or substitute for the Award, the participant will fully vest in and have the right to exercise all of his or her outstanding options or stock appreciation rights, including shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on restricted stock will lapse, and, with respect to restricted stock units, performance shares and performance units, all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met. In addition, if an option or stock appreciation right becomes fully vested and exercisable in lieu of assumption or substitution in the event of a change of control, the Administrator will notify the participant in writing or electronically that the option or stock appreciation right will be fully vested and exercisable for a period of time determined by the Administrator in its sole discretion, and the option or stock appreciation right will terminate upon the expiration of such period.

*Amendment and Termination of the Incentive Plan.* The Administrator will have the authority to amend, alter, suspend or terminate the Incentive Plan, except that stockholder approval will be required





for any amendment to the Incentive Plan to the extent required by any applicable laws. No amendment, alteration, suspension or termination of the Incentive Plan will impair the rights of any participant, unless mutually agreed otherwise between the participant and the Administrator and which agreement must be in writing and signed by the participant and the Company. The Incentive Plan will terminate on February 21, 2016, unless the Board terminates it earlier.

**Number of Awards Granted to Employees, Consultants, and Directors**

The number of Awards that an employee, director or consultant may receive under the Incentive Plan is in the discretion of the Administrator and therefore cannot be determined in advance. The following table sets forth (a) the aggregate number of shares of Common Stock subject to options granted under the 1997 Plan during the last fiscal year, (b) the average per share exercise price of such options, (c) the aggregate number of shares issued pursuant to awards of restricted stock granted under the 1997 Plan during the last fiscal year, and (d) the dollar value of such shares based on \$46.84 per share, the closing price for the Company's Common Stock on December 30, 2005, as reported by Nasdaq.

**1997 EQUITY INCENTIVE PLAN BENEFITS TABLE**

Name or Identity of Group	Number of Shares Subject to Options Granted	Average Per Share Exercise Price of Options	Number of Shares of Restricted Stock Granted	Average Per Share Purchase Price of Restricted Stock(1)	Number of Shares Subject to Restricted Stock Units	Dollar Value of Restricted Stock Units
Kenneth P. Wilcox President and Chief Executive Officer	32,500	\$ 46.31				