



Compensation Comparisons/Benchmarking

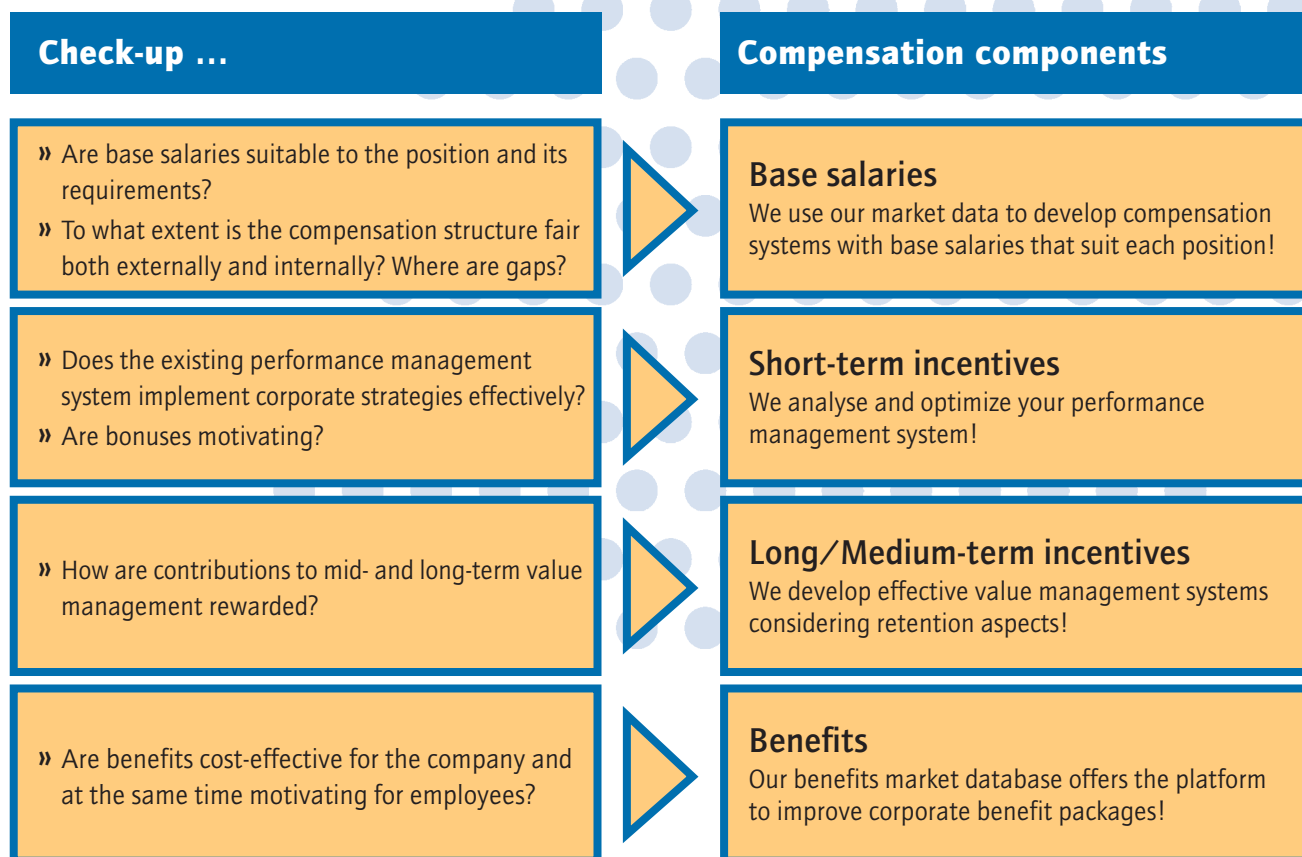
Compensation comparisons as a basis for creating total reward programs in line with corporate strategy

Attracting and retaining key positions is critical for achieving and exceeding demanding corporate objectives. Therefore it is obvious that a company's compensation strategy should take full account of market developments.

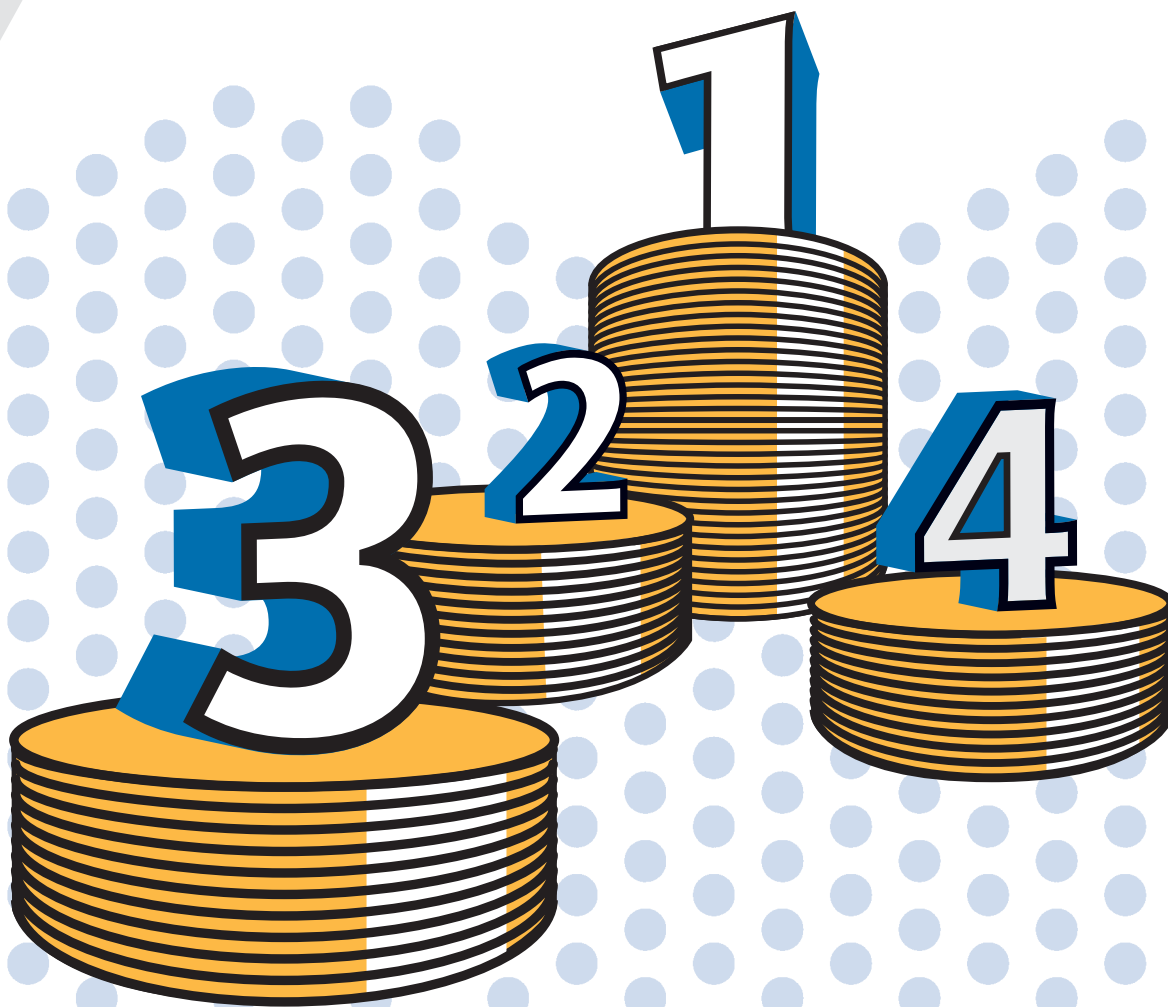
Kienbaum provides valid, current and custom-tailored market data for companies of all sizes and industries, both in Germany and other countries in Europe.

Comparing our market data with a company's compensation practice sheds light on the positioning observe to competitors. It forms a basis for creating an appealing compensation policy as part of a comprehensive and cutting-edge total reward strategy.

To develop medium- and long-term reward strategies, it is important to analyze and evaluate a company's existing compensation policy.



For more than 40 years we have been making market data available for analyzing and evaluating total reward programs. For just as long we have helped companies in developing and implementing state-of-the-art compensation systems.



Collecting, analyzing and evaluating compensation data is one of our core competencies – since the company was founded. Today the Kienbaum compensation database represents 50,000 specific position reports from more than 5,000 companies. This extensive database is supplemented and updated by regular surveys.

Our market surveys comprise:

- » monetary compensation (base salaries and total cash compensation)
- » variable pay
- » short- and long-term incentive programs
- » pension schemes, company car policies and other non-cash benefits
- » total reward.

Depending on specific clients' needs

- » provide information on cash compensation and benefits
- » perform customized market comparisons for management as well as for staff positions
- » analyze and optimize executive compensation packages
- » conduct special club benchmarking surveys by addressing different market segments (industries, regions, sizes, etc.).

We have carried out more than 3,000 compensation comparisons for companies from different industries and sizes around the globe. This highlights our broad expertise and unique competency in human resource management.

Kienbaum Methodology

We offer custom-tailored market comparisons.
Our structured approach is divided into four stages:

Qualified Job Matching

We record all relevant compensation data via questionnaires or structured interviews considering:

- » profile of the company: industry, size of the business, economic situation, national vs international activities, organizational structure, etc.
- » job profile: jobholder's accountabilities and job requirements (qualitative and quantitative job description, scope, hierarchy, education, experiences, etc.)
- » the present compensation and contractual situation.

Comprehensive compensation database

We provide up-to-date data on compensation from comparable companies using:

- » evaluations of our compensation database
- » knowledge and experience from ongoing and completed consulting projects
- » confidential telephone surveys
- » written request surveys.

Expert analysis

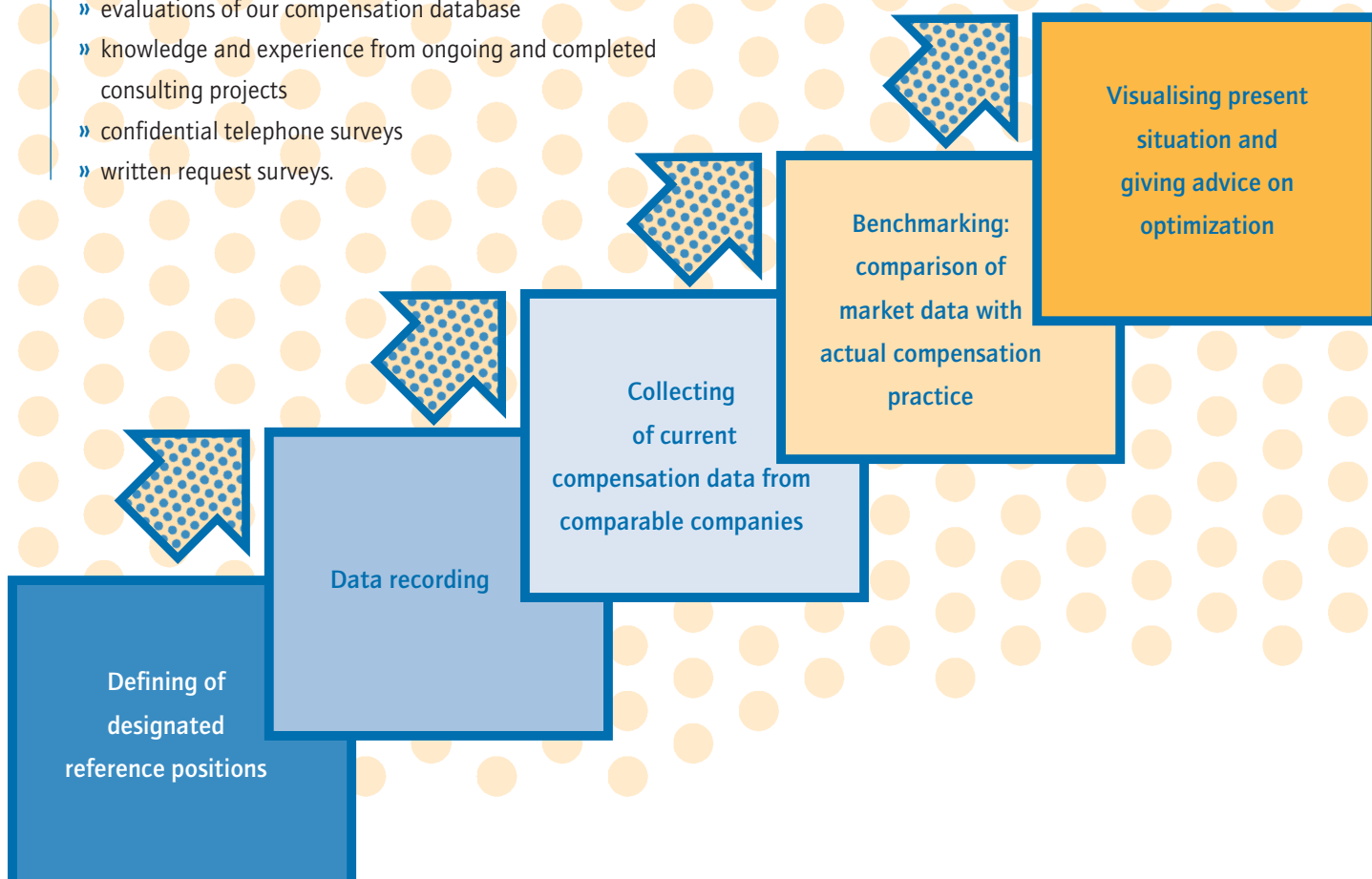
We systematically compare actual compensation practice with the market considering:

- » level and composition of monetary compensation
- » composition of variable components
- » type and prevalence of benefits.

Expert recommendations

We evaluate present compensation packages and give advice on optimization regarding:

- » competitiveness of salaries
- » effectiveness of variable pay as an instrument for managing and motivating employees
- » attractiveness of benefit packages
- » appropriateness of a total reward strategy.



Examples

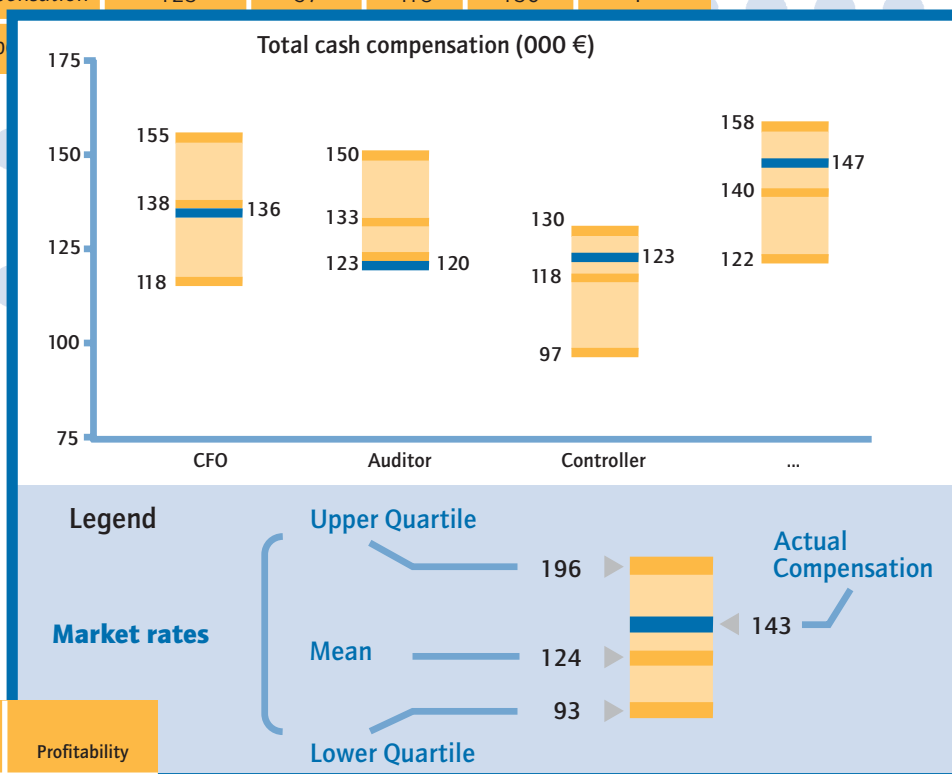
Our service depends on specific survey needs. We give advice on all compensation issues and deliver a profound basis for optimizing your compensation policies.

Examples:

Level/Position		...	Market rates (000 €)			Evaluation ^{*)}
			Actual Compensation	Lower Quartile	Mean	
CFO	Total cash compensation	136	118	138	155	-
Auditor	Total cash compensation	120	123	133	150	--
Controller	Total cash compensation	123	97	118	130	+
...	Total cash comp					

*) Legend

- jobholders compensation lies below the lower quartile
- jobholders compensation lies between the lower quartile and the median
- 0 jobholders compensation lies around the median
- + jobholders compensation lies between the median and the upper quartile
- ++ jobholders compensation lies above the upper quartile



Base data

Number of management staff	Employees	Sales * (in mill. €)	Profitability
2	96	33,9	average

*incl. sales made abroad

Market values

Dept.		Market values (000 €)			Sample Inc.	
		Lower Quartile	Mean	Upper Quartile	Actual Compensation (000 €)	Market
Technical/Sales	Base salary	103	128	158	108	-
	Total annual compensation	124	156	197	169	+
Commercial	Base salary	101	123	154	100	--
	Total annual compensation	120	151	191	161	+

Why Kienbaum?

» We listen to you before taking action

Our first task is to learn more about your company. Considering specific developments in your industry, the defined business objectives as well as the prevailing corporate culture, we develop and implement state-of-the-art solutions covering all aspects of total reward. Listening carefully is therefore an important part of our work.

» We make sure you achieve the right goals

We evaluate and develop possible solutions in close cooperation with you. The depth of our consulting expertise enables us to cut through complex facts. We support you in implementing solutions that will direct you to defined goals. If necessary we can support you throughout the implementation process.

» We consider your specific situation

Together with you we develop a tailor-made compensation system that suits your company best.

» We develop solutions that meet your expectations

The biggest assets of a company are its employees. We develop and implement solutions that meet expectations of both the management and the employees. Our work is done when defined objectives are achieved. For us, convincing results comprise flexible systems that can be easily adapted to future requirements. We actively support you in communication and training activities.

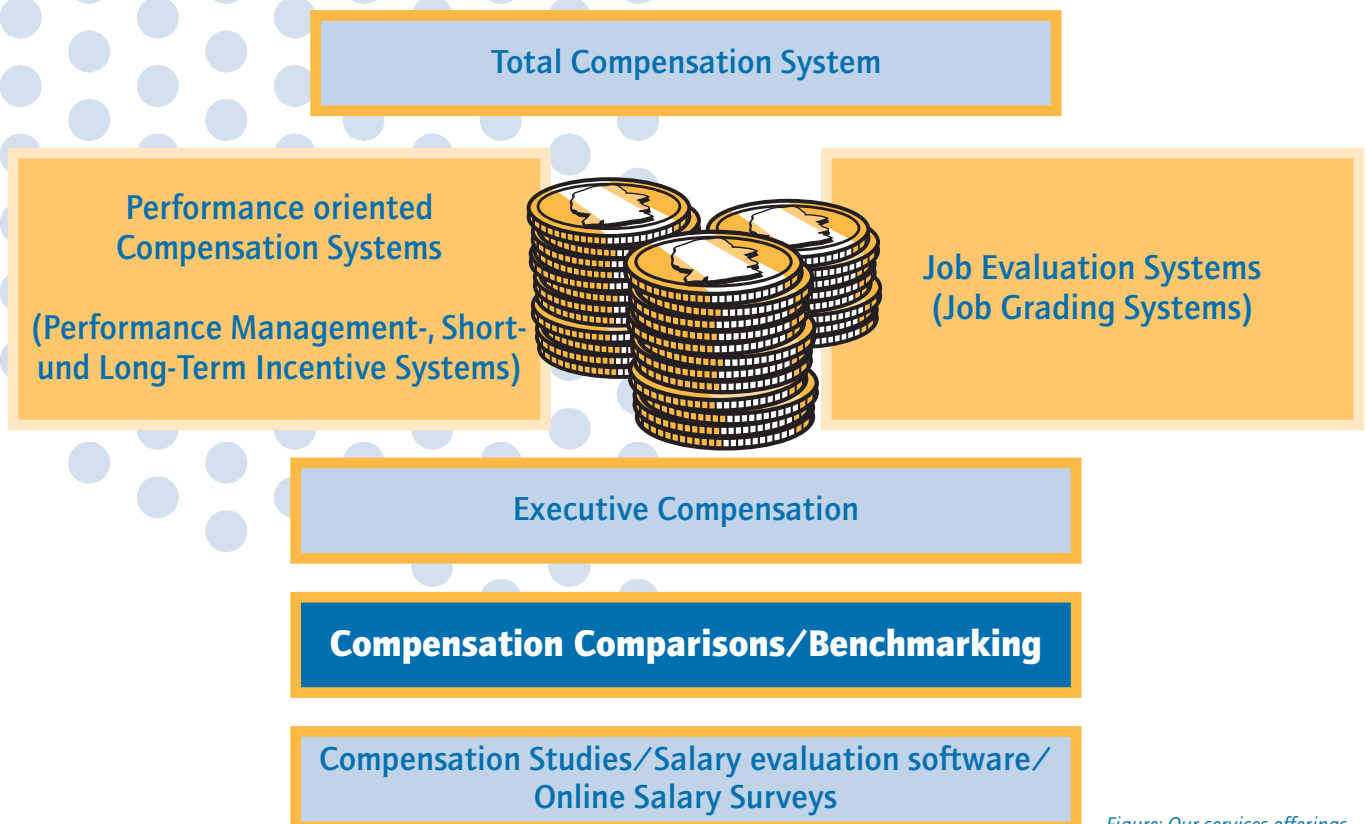


Figure: Our services offerings

Kienbaum operates 15 offices throughout Germany. Its international activities are supported by local consulting teams in Brazil, China, France, the UK, Croatia, Luxembourg, the Netherlands, Austria, Poland, Russia, Switzerland, Singapore, Thailand, the Czech Republic and Hungary.

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