



Executive Retirement Benefits Database

Benefits Data Source — United States (BDS U.S.)

Executive Retirement Benefits Database

A renewed focus on executive rewards and the need for transparency require all companies to properly assess their executive reward programs. As always, the underlying objective for most companies is to ensure that executives receive adequate and appropriate reward packages.

The Executive Retirement Benefits Database is a comprehensive database that encompasses nonqualified defined benefit plans, nonqualified defined contribution plans and deferred compensation arrangements covering U.S. executives. The database provides you with robust analytical tools to assist you in assessing your company's executive retirement program by:

- Assessing the prevalence of executive retirement benefit design and financing practices
- Benchmarking the level of executive benefits against peer groups
- Reviewing the balance between various program elements
- Providing support for the level of benefits provided
- Providing support for potential program redesign

Reporting Protocols/Use of Data

Company-specific executive benefit information is gathered from publicly available sources. Accordingly, this information is made available to participants and for other benefit analyses for Towers Watson clients and prospects (including nondatabase participants), as well as our quality assurance, training, research and development, and general promotional activities.

Components of the Executive Retirement Benefits Database

Executive Retirement Benefit Programs

- Nonqualified defined benefit plans
- Nonqualified defined contribution plans
- Deferred compensation arrangements

Executive Retirement Benefit Provisions

- Plan type
- Coverage
- Vesting
- Pay definition
- Benefit amount
- Payment provisions
- Employee deferrals
- Investment earnings
- Change-in-control provisions
- Financing arrangements

Industries Covered

Aerospace
Apparel and textiles
Automobiles and other transportation equipment
Building materials
Chemical and allied products
Computers, office equipment and data services
Construction
Electronics and electrical equipment
Energy
Entertainment
Finance
Food, beverage and tobacco
Health services
Hotel, leisure and food services
Insurance
Metal manufacturing
Mining
Miscellaneous business services
Miscellaneous manufacturing
Paper and allied products
Petroleum and pipelines
Pharmaceuticals
Printing and publishing
Professional services
Retail
Rubber, plastics and leather
Scientific equipment
Soap and toiletries
Telecommunications
Transportation
Wholesale

Database Membership

The Executive Retirement Benefits Database includes information for over 300 companies and contains market data for 31 industries.

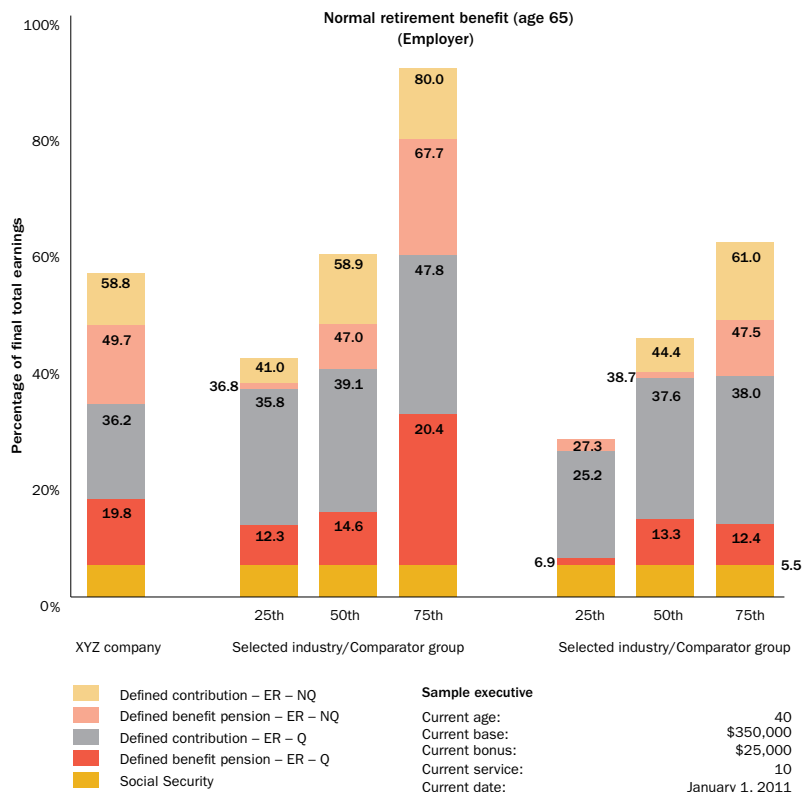
Fortune 1000 companies that have filed public disclosure with the SEC and are also members of our broad-based U.S. benefit database are automatically included in the database. If your company does not meet these criteria, you can request membership in the Executive Retirement Benefits Database in conjunction with your BDS U.S. broad-based benefit database membership.*

Executive Retirement Benefits Database Tools and Services

- **Plan Summaries:** Request easy-to-read summaries of other participants' executive plans.
- **Search:** Request prevalence data on specific benefit practices among your peer companies' executive benefit plans.

- **Retirement Income Illustrations:** Compare retirement benefit levels for executives at various age, pay and service levels, showing results for your company versus other companies or industry quartiles.
- **Executive Retirement Benefit Values:** Compare the value of your executive retirement benefits to those provided by other employers.
- **Total Rewards Valuation:** Using data from our compensation and benefit databases, you can assess the overall value and competitiveness of your combined total rewards programs for individual positions, career levels or functional areas.
- **Executive Retirement Benefit Reports:** Receive a report containing a summary of the executive benefit practices for all database companies.

Executive illustration: Normal retirement benefit (Age 65)



Plan Summary

TOWERS WATSON

XYZ Company

Plan Summary

EXECUTIVE DEFINED BENEFIT
SERP

A. General

1. EXECUTIVES COVERED
Plan Administrator: discretion
Minimum grade level
Titles Covered: Senior Executives

2. ELIGIBILITY CRITERIA
Interpreted to apply to Tier 1 and 2

3. PLAN OBJECTIVES
Attract & retain key executives

4. VESTING
100% at age 55 & 10 years of service or
100% at age 62 & 5 years of service

5. OFFSETS
Broad-based plan
Restoration plan

B. Benefits

1. COVERED PAY
Base Salary: Yes
Management Incentive: Yes
Deferred Base: Yes
Deferred Incentive: Yes
Long-Term Incentive: No

2. AVERAGE PAY
Highest 5 years in last 10

3. NORMAL RETIREMENT
Eligibility: Age 65
Benefit Formula:
1.3% of FAE5 x yrs of svc to 30
+0.3% of FAE5 over 175% of Covered Comp x yrs of svc to 30
+0.5% of FAE5 x yrs of svc over 30

4. EARLY RETIREMENT
Eligibility:
1. Age 62 & 5 years of service
2. Age 55 & 10 years of service

Benefit Amount
1. Accrued benefit: Unreduced
2. Accrued benefit: Reduced 4% per year before 62

C. Payment Forms

1. NORMAL FORMS OF PAYMENT
Single Employees
Life annuity
Married Employees
Employer paid 50% J&S

2. LUMP SUM PAYMENT OPTION
Interest Rate: 30-year Treasury rate - 0.5%
Mortality Table: 1983 Group Annuity Mortality Table

Special Election Conditions: No

3. TRIGGERS FOR PAYMENT
Retirement
Death

D. Financing

1. CHANGE IN CONTROL
Plan Provision: Immediate vesting
Accrued benefit payable immediately
External Arrangements: None

2. FINANCING
Company book reserves
Rabbi trust

C 10/1/10
BTY -F-903

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This report is strictly confidential and is intended solely for use by participants.

*See our BDS U.S. brochure for more details.

About Towers Watson

Towers Watson is a leading global professional services company that helps organizations improve performance through effective people, risk and financial management. With 14,000 associates around the world, we offer solutions in the areas of employee benefits, talent management, rewards, and risk and capital management.