

The Hewitt logo consists of the word "Hewitt" in a white, serif font, centered within a solid blue square.

New
Bridge
Street

Hewitt New Bridge Street

Leaders in Executive Remuneration



50
HIGHLY EXPERIENCED
CONSULTANTS

25
YEARS'
EXPERIENCE

100+
FTSE 350
CLIENTS

Making the right decisions on Executive Remuneration has never been of greater concern for companies. Increased scrutiny, regulation and complexity have added to the number and importance of the challenges faced by Boards. A company's ability to respond effectively to these issues is significantly impacted by the quality of the advice and the support which it receives.

Hewitt New Bridge Street is the UK's leading executive remuneration consultancy. Almost 40% of the FTSE 350 choose to work alongside us, many of whom are truly international organisations. We also act for FTSE Small Cap and AIM companies, as well as private and mutual organisations. We often advise at times of corporate change, including company divestments, refinancings and IPOs.



Why Hewitt New Bridge Street?

Experience

We have been advising on executive pay for decades. We advise more companies than any other firm in the UK and advise large and small organisations locally and globally. As a result we understand the issues faced by organisations whatever the stage of their development (whether private, planning an IPO or fully listed companies) and across all sectors.

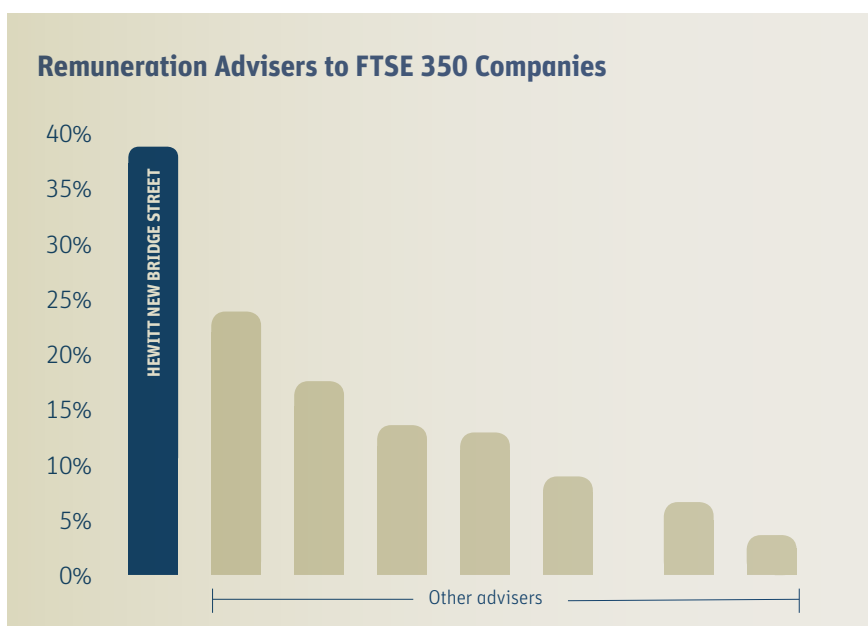
Principal/Partner level consultants lead our client assignments. There are often no clear 'right or wrong' answers and our clients have direct access to experienced advisers carefully chosen to meet specific client requirements. They draw on their expertise and judgement to offer business-driven solutions.

Strength in depth

We have around 50 executive pay consultants in the UK and one of the very largest teams globally (with the Hewitt US executive compensation practice advising over a quarter of the Fortune 500). This allows us to field very strong client teams to ensure the highest level of service on a global basis.

Multi-disciplinary approach

Our team includes accountants, lawyers, reward experts, investor relations specialists, communicators and actuaries. Unlike many of our competitors, we can support our clients on all aspects of executive pay, from design through to technical implementation.



(Based on those companies that disclosed their adviser)

A blurred photograph of a busy pedestrian walkway, likely a bridge or elevated walkway, with a large domed building (St. Paul's Cathedral) in the background. The image is used as a background for a text overlay.

ALMOST 40%
OF THE FTSE 350
CHOOSE US TO
ADVISE THEM

Tailored advice

We firmly believe that a remuneration structure should be fully aligned to business strategy and company needs. We do not believe in off-the-shelf solutions.

Quality of delivery

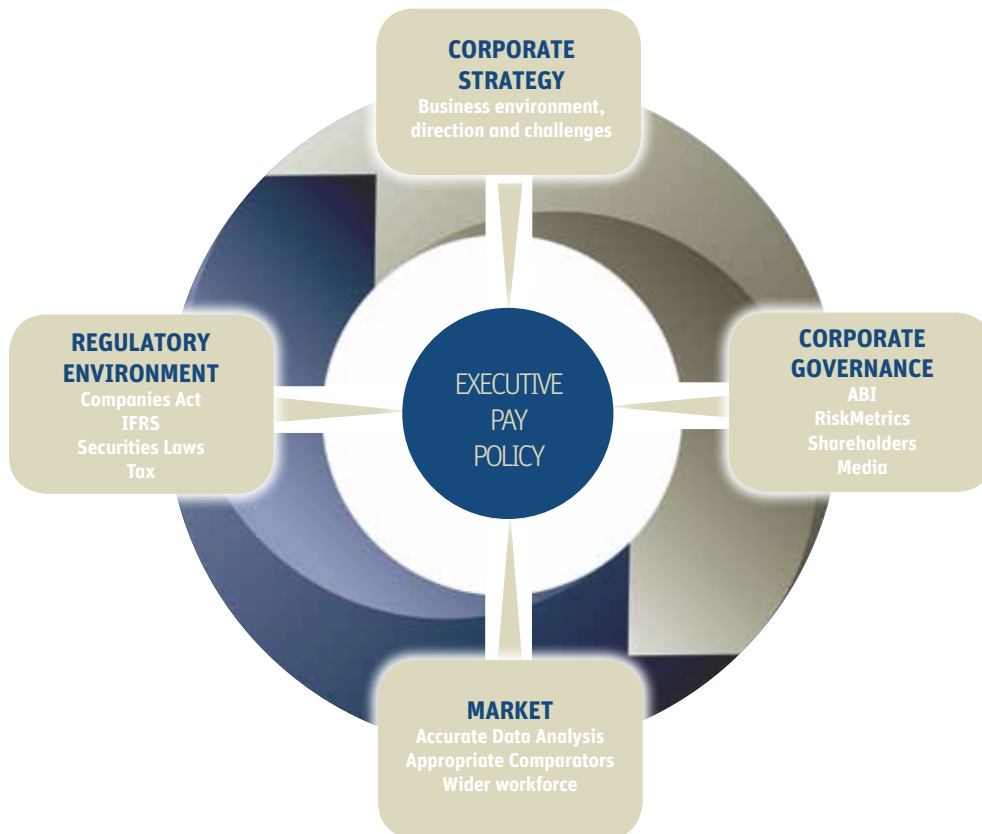
We are delivery-focused and proud of what and how we deliver. We frequently deal with complex issues, but our reports and recommendations are clear and straightforward. Our teams are highly client-focused and have a consistent track record of providing high quality advice.

Investor insight

As the leading adviser to many of the UK's largest companies, our experience of helping companies to deal with UK shareholders is unrivalled. We are able to identify potential shareholder concerns early on and help clients react accordingly.

Access to Hewitt's wider HR consulting expertise

As part of Hewitt's HR consulting team we can offer the knowledge and experience of our colleagues around the world on a wide range of employee reward, benefit and communication issues.





Our Services

Executive pay benchmarking

We have access to some of the most comprehensive UK and international executive pay databases:

- Our database of listed company pay information includes data on every company listed on the FTSE All-Share, the AIM 100, the Eurotop 100 and the Irish Stock Exchange.
- Our Executive Total Reward Survey holds total remuneration data for the five most senior job levels and over 50 distinct roles, as well as data on middle management positions, for more than 200 UK companies.
- We also operate sector-specific pay surveys e.g. in the Biotech, Insurance and Retail sectors and can draw upon Hewitt's Total Compensation Measurement™ databases around the globe.

We present our data clearly and transparently. We explain it simply. Where possible, we allow you to get behind the numbers. This allows all interested parties to take comfort that a robust approach is being adopted.

Annual bonus design

Annual bonuses play an increasingly important role in executive remuneration packages and are now a key focus of shareholder attention, both in the UK and overseas. We help companies to design and implement their short-term incentives to ensure they are fully aligned with business strategy.



OUR EXPERTISE
OF HELPING
COMPANIES TO
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SHAREHOLDERS
IS UNRIVALLED



WE USE OUR
EXPERIENCE
AND JUDGEMENT
TO OFFER
BUSINESS-DRIVEN
SOLUTIONS



Long-term incentive design

Share-based long-term incentives are another key feature of the executive pay landscape and one that attracts considerable debate. Long-term incentives should not be designed in a vacuum but, instead, must take full account of the particular corporate circumstances and be structured to support the delivery of long-term strategic goals.

We advise on the design and implementation of all types of long-term incentive – both in the UK and on the global stage. This can take the form of traditional share options, conditional allocations of ‘free’ shares which vest depending on company performance under a ‘Performance Share Plan’, or a ‘Share Matching Plan’ where executives invest a bonus in shares and receive extra shares from the company, usually based on performance.

All-employee share plan design

We are highly experienced in designing share plans for the wider workforce (often on a global basis). These are structured efficiently in terms of tax, accounting cost and share usage while always reflecting and reinforcing the company’s culture and objectives.

In addition, through Hewitt’s HR consultants our clients also have access to expert local and global advice on workforce-related topics such as total reward optimisation, performance management, pay and grading, flexible benefits, talent management, engagement, leadership and communication.

Shareholder liaison

Liaising with shareholders is an increasingly critical aspect of executive remuneration design.

Most shareholders now have their own ‘best practice’ guidelines which they change regularly and which can vary between investors.

We play an integral role in presenting a client’s remuneration policy to its investors. We help draft consultation letters, prepare investor presentations and accompany our clients to face-to-face meetings with their shareholders.

Forewarned is forearmed. We know which investor guidelines are key and which are more aspirational. As a result, you will know the issues before they are raised by shareholders. There should be no surprises.

Financial modelling

The cost of a remuneration policy (particularly the accounting cost of share plans) is another important issue. Our specialist consultants construct financial models to show the cost impact of a pay policy and provide IFRS 2 share award valuations to over 90 companies on a regular basis.

Almost all long-term incentive plans for executives incorporate performance conditions, typically based on a company's total shareholder return (share price growth and dividends) performance relative to a peer group or its financial performance (e.g. earnings per share growth).

Regular and timely communication is vital. How will a plan incentivise if participants do not know how they are performing against the targets? Companies need to provide regular, clear communication of on-going progress against their performance conditions. Remuneration Committees also generally require independent verification of performance and the extent to which awards can vest. We provide around 100 clients with clear, simple performance updates which they can use to reinforce key messages.

Implementation

Hewitt New Bridge Street has one of the largest technical implementation teams in the UK, rivalling any 'magic circle' law firm.

We provide all necessary documentation (such as plan rules, award certificates and shareholder circulars). Tax planning, securities law, exchange control and regulatory issues are all covered, both in the UK and internationally.

In cases where we both design and implement plans, overlapping adviser fees are avoided and nothing will get lost in translation.

Communication

A pay policy will not work if it is not understood, no matter how elegantly designed, particularly if it extends overseas. We help our clients communicate their remuneration strategy to their executives. As part of Hewitt's HR consulting team, HNBS has access to a group of award-winning communications specialists who can help enhance the impact, understanding and value of the package.

In summary we can help you with the following:

- Benchmarking pay levels (Board, non-executive and the wider executive population).
- Designing both short- and long-term incentives.
- Updating the Remuneration Committee on pay trends and other developments.
- Shareholder liaison.
- Drafting LTIP and option plan documentation, AGM and Board resolutions.
- Selecting and calibrating annual bonus plan and long-term incentive performance measures.
- TSR performance monitoring/updates.
- Advising on senior executive recruitments/terminations and other sensitive issues.
- Acting as 'wise counsel' on all reward issues of interest to the Board.
- Calculating the accounting charge and dilution for long-term incentive awards.
- Producing Total Reward Statements.



WE HAVE ONE OF
THE LARGEST
TECHNICAL
IMPLEMENTATION
TEAMS IN THE UK

The Leading Advisers

Hewitt New Bridge Street represents the combination of New Bridge Street Consultants and Hewitt to form the UK's leading executive remuneration consulting firm.

Hewitt Associates is the world's leading HR consulting and outsourcing firm, operating in over 40 countries with more than 23,000 employees. Hewitt's US and global executive remuneration team is one of the largest and most respected.

HNBS has been at the leading edge of design and technical innovation for many years, advising on many of the most innovative executive incentive plans.

As a part of Hewitt's HR consulting team we also have access to wider employee remuneration expertise, data and advice as well as broader HR solutions.

If you would like more information on Hewitt New Bridge Street or have a particular issue to discuss then please contact us.

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