Executive Compensation Consulting—Technical Capabilities and Resources

Fair and competitive compensation goes a long way toward attracting and retaining executives with the vision and strategy for mapping a company’s future direction. An effective approach to executive compensation requires a multi-faceted process that incorporates a full complement of technical and regulatory capabilities and resources.

Aon Hewitt maintains unparalleled technical capabilities and resources to support even the most challenging executive compensation needs. They enable us to provide the highest quality analysis and recommendations, delivering solutions you can trust.

Corporate Governance
We help clients develop executive compensation philosophy, director compensation, and Compensation Committee charters. Other services include:
- Director education
- External market and legislative updates
- CD&A and proxy development
- Committee and CEO evaluations
- Tally sheet preparation
- Pay/Performance and disclosure review or analysis
- Testing vs. ISS and Glass Lewis models for acceptable practices

Communication of Executive Compensation
We deliver the expertise to help clients develop the right messaging to communicate their plans to both internal and external constituents through:
- Communication strategy development
- Individual participant statements
- Shareholder education materials
- Plan documents
- Assistance with shareholder outreach plans to educate major shareholders

Programme Design
Our design capabilities are comprehensive—from full total rewards strategy and design to individual contract analysis. Other areas include:
- Equity and cash-based long-term incentive design
- Performance metrics analysis and selection
- Employment contract analysis
- Change-in-control and severance plan design
- Non-qualified SERP and restoration plan design and costing

For more information about Aon Hewitt’s Executive Compensation capabilities, email apac.marketing@aonhewitt.com
Deferred compensation plan design/costing
Benefits and perquisite analysis and design
Total Rewards architecture and monitoring
Peer group selection and analysis
Pay/Performance analysis

Corporate Change and Transition
We conduct plan design and integration work for spin-offs, divestitures, and public offerings. A wide variety of companies have turned to us for:
- Equity design and transition from parent company’s plans
- Bankruptcy planning, testimony, and emergence planning and design
- Global or domestic restructuring
- Assistance in taking a company public and developing reward programs that support the new stand-alone company

Executive Compensation and Analysis
Our world-class technical resources empower us to perform a variety of invaluable services, including:
- Custom peer group selection and performance/pay analysis
- External market studies and job pricings
- Competitive market valuations for salary, bonus, long-term incentives, benefits, and perquisites
- Pay and performance alignment
- Best practice and emerging trends research
- Outside Director compensation design/analysis
- Black-Scholes, Monte Carlo, binomial, and ASC 718 calculations and support
- Equity grant run rate and dilution analysis
- Tally sheet preparation
- Interactive modeling of proposed compensation programmes and business strategy

Technical Support Services
Clients rely on us to deliver a full complement of technical support, including:
- Special programme design, implementation, and communications
- Long-term incentive plan design and shareholder approval
- Share pool analysis and usage
- Internal Revenue Code Section 162m assistance
- 409A compliance and analysis
- Plan documentation and award agreements
- Tax, accounting, and securities law analysis and excise tax calculations
- Tracking of legislative and regulatory changes
- Pre-disclosure ISS and Glass Lewis analysis
- Share request calculations
- Annual risk analysis of executive compensation plans

Pay and Performance Alignment
Through pay and performance alignment evaluations, we identify performance definitions for use at all levels. Our alignment services include:
- Annual and long-term metrics selection, hurdle selection, and modeling
- Pay element mix selection to ensure consistency with total rewards strategy
- Company differentiator identification and success factors for inclusion in reward plans
- Review of checks and balances to reward structure, goal setting, and payout curves
- Annual risk assessment of compensation programs, metrics, governance practices, and outcomes
Available Market Data From the Aon Hewitt Total Compensation Measurement™ Database

- Europe—Austria, Belgium, Bulgaria, Czech Republic, France, Germany, Greece, Hungary, Italy, Netherlands, Poland, Romania, Russia, Slovakia, Slovenia, Spain, Switzerland, Turkey, United Kingdom
- Asia-Pacific and Middle East—Australia, China, Hong Kong, India, Japan, Malaysia, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, United Arab Emirates, Vietnam
- The Americas—Argentina, Brazil, Canada, Chile, Mexico, Puerto Rico, United States, Venezuela