

MERCER

The background of the cover features a blue-tinted photograph of two men in business suits shaking hands. They are positioned in front of a large window with multiple panes, which allows natural light to filter through, creating a bright and professional atmosphere. The silhouettes of the men are dark against the lighter background of the window.

**Mercer Executive
Remuneration Guides**

European Energy Industry

Consider these questions ...

- What are your competitors doing for 2010 salary reviews and incentive design?
- Do you have an easy-to-use source for comparing compensation and benefits across Europe, both internally and externally?
- Are you able to evaluate the competitive position of each element of your total direct remuneration on a pan-European basis?
- Would you like up-to-date information on global and European trends to support your executive remuneration strategy?
- Can you generate instant, automated and fully customised comparisons between your organisation and the market?

... obtain the right solutions

The European Energy Industry (EEI) survey, part of Mercer Executive Remuneration Guides, provides the market data and analytical tools to support remuneration programmes for leading energy organisations in Europe.

The EEI survey covers all aspects of total direct remuneration for 58 benchmark top executive positions at the executive board and next three reporting levels. This survey is managed by consultants from our energy centre of excellence and our executive remuneration team.

This guide provides consistent and accurate market data and covers the full reward package, including all forms of cash compensation, long-term incentives and an overview of benefit practices.

Regional data: Mercer Executive Remuneration Guides are available in regional general industry databases: Middle East and Western Europe. See page 6.



EEI – a step ahead ...

- **Coverage** – The EEI survey covers 58 benchmark positions across Europe and provides all-industry as well as energy- and utility-specific results.
- **Versatility** – Online tools allow you to analyse survey data according to your individual needs and conduct “what-if” analyses to instantly measure your competitiveness in specific markets.
- **Flexibility** – Analyse the data by job position, job size or a combination of these approaches.
- **Reliability** – Consistent participation by organisations creates a solid representation of the European energy industry.
- **Accessibility** – Access survey data and tools on the Internet – any time, anywhere.
- **Expert advice** – Mercer experts work closely with participating organisations when collecting and analysing data. We also provide assistance in the job matching and/or job evaluation process.

Mercer Executive Remuneration Guides are made up of four components*

COMP 1	Total base salary (Monthly base salary times the number of months guaranteed)
COMP 2	Total guaranteed cash remuneration (COMP1 plus other guaranteed or legally required cash payments)
COMP 3	Total annual cash remuneration (COMP2 plus short-term incentives)
COMP 4	Total direct remuneration (COMP3 plus value of long-term incentive programmes)

*Please contact your local Mercer consultant to verify regional availability.

Job families and positions surveyed (from the executive board and next three reporting levels)

- Company secretary
- Engineering
- Exploration
- Finance
- General management
- Human resources
- Information technology
- Legal and compliance
- Trading
- Operations
- Sales and marketing
- Research and development

For a full list of surveyed roles, please visit www.imercer.com/eei.

Online tool – Mercer PayMonitor™

EI data is delivered online through Mercer PayMonitor™, our interactive web-based tool.

PayMonitor™ allows you to customise searches and statistics according to your individual needs, and to provide instant and automated comparisons of your organisation's data against the market.

The screenshot displays the Mercer PayMonitor web application interface. At the top, the Mercer logo is on the left, and the user's name 'Mattias Kletback' and 'Exit PayMonitor' are on the right. Below the header, there are navigation links for 'My PayMonitor', 'Preferences', 'User Guide', 'Help', 'License', and 'Feedback'. A message center banner provides an 'Attention All Clients' notice regarding survey data availability. The main content area is titled 'My Purchased Surveys' and includes tabs for 'My Reports' and 'My Templates'. A filter section allows users to select a survey based on 'Where the country is Europe' and 'Where the survey date falls within 2009'. A table lists several survey titles, including '2009 Europe TRS Demo (Comp1-5) (Jan)' and various 'Mercer Executive Remuneration Guide' reports. To the right, a 'Report Wizard' panel is open, showing a five-step process: 1. Select Positions, 2. Select Market, 3. Set Aging (optional), 4. Compare My Data (optional), and 5. Generate Report. Below this, the '2008 Pan-European Mercer Executive Remuneration Guide (Jun) - Standard Detail Report' is selected, and a 'Select Market' dialog box is shown. This dialog box contains a list of criteria for selection, such as 'Exclude My Data', 'All Data', 'Employees', 'Revenue', 'Industry', 'Position Class', 'Organisation Type', 'Regional Responsibility', 'Job Level in Organisation', 'Member of Board or Executive Committee', 'Role (Subsidiary/Group)', 'Base Salary', 'Total Cash Remuneration (Actual)', 'Total Direct Remuneration', 'Total Remuneration', and 'Location Parent Organisation'. It also features radio buttons for 'Predefined queries' and 'Premium queries', checkboxes for 'QuickCount Report' and 'Create Peer Group by Organization Name', and a 'Clear all selections' button. At the bottom of the dialog, a 'Your Selections' table is visible, showing the chosen options for each criterion.

Mercer PayMonitor™ provides you with greater, more individualised control over survey data and statistics. It enables you to:

- Generate unlimited customised reports and statistics built from any combination of specifications, such as total revenue, employee number, group/subsidiary roles and/or geographic responsibility
- Narrow the scope to particular industries and geographic locations relevant to your own analyses
- Age the data/trend forward
- Request customised peer analysis (for a minimum of 10 peer companies; statistics will only be provided where there is adequate information to meet Mercer's confidentiality guidelines – a minimum of five data points from five companies to provide average, median, upper-quartile and lower-quartile information)
- Export and/or print all results, including the entire published report

Further information on Mercer PayMonitor™ can be found at www.imercer.com/paymonitor.

What do you receive?

Survey overview

- Significant trends and other developments in executive remuneration – globally and in Europe
- Commentary on survey results
- Economic indicators related to human resource management decisions

Salary policy, incentives and benefits overview – typical practices and provisions

- Salary increase trends
- Short-term incentives
- Long-term incentives
- Key benefits (life assurance, long-term disability, private medical insurance, cars, holidays)

Summary tables and actual market data

- Detailed market analysis of individual survey positions
- Roles displayed in survey tables for each element of compensation

Custom analysis

Custom statistics tailored to your needs using Mercer PayMonitor™, such as:

- Peer group (minimum of 10 companies, one peer group cut provided free with survey)
- Group/subsidiary role
- Revenue/employee number and more

Market regression

Regression statistics and graphs by:

- Position class
- Functional area for each of the major components of total direct remuneration
- Upstream, utilities, trading, oilfield services



Sample actual market data table.
The following information is provided for each survey role in the hard-copy report.

Position Title: Head of Communications
Position Class: 66 - 68
Currency: Euro
Position Description: To take responsibility for the internal and external communication strategy and implementation; to take responsibility for internal and external communication; to define communication strategy and changes to communication channels/messages; to develop marketing policy including advertising agency alignments and training; to determine the communication policies of the organisation.

Energy

	Actual Data of Recipients Only			Receiving Item		
	25th Percentile	Average	Median	75th Percentile	Num Obs	% Obs
Position Class	65	68	68	69	10	100
Base Salary	203,164	268,161	245,324	315,651	10	100
Guaranteed Allowances	--	--	--	--	1	2
Guaranteed Cash	295,441	272,426	245,458	315,465	10	100
Target Bonus - Amount	98,258	190,865	170,935	279,614	5	50
Target Bonus - % Salary	42.5	62.9	53.6	87.2	5	50
Maximum Bonus - Amount	155,168	326,684	278,384	455,835	5	50
Maximum Bonus - % Salary	64.8	107.6	91.3	132.2	5	50
Total Cash Remuneration (Target)	204,166	365,355	315,988	454,495	10	100
Actual Bonus - Amount	126,514	225,846	202,664	352,137	9	92
Actual Bonus - % Salary	55.4	85.8	62.0	103.9	9	92
Total Cash Remuneration (Actual)	322,384	438,351	377,122	705,169	10	100
Eligible for LTI	--	--	--	--	10	100
Share Plan Value	37,843	117,811	59,965	125,043	6	58
Share Options Value	6,354	45,602	15,016	90,684	7	75
Cash Plan Value	--	--	--	--	1	8
Deferred Bonus Company Match	--	--	--	--	0	0
Actual Expected Value LTI - Amount	22,240	115,848	85,090	149,681	10	100
Actual Expected Value LTI - % Salary	6.2	40.5	30.9	58.3	10	100
Total Direct Remuneration	362,056	595,883	460,067	889,148	10	100
Level	2	3	3	3	10	100
Age	41	47	45	50	7	9
Tenure	3	8	8	12	7	9

Location	Num Obs	% Obs	Regional Responsibility	Num Obs	% Obs
UK	3	25	Global	9	75
Switzerland	1	8	Regional	3	25
Germany	2	17	Country	6	50
France	3	25	On Board	2	17
Ireland	0	0			
Belgium	0	0			
Other	3	25			

Further information and enrolment

Visit www.imercer.com/eei to view the following:

- List of survey roles
- Pricing details
- Participant-only survey conditions
- Survey schedule
- Mercer PayMonitor™ demo
- Executive remuneration consultants' contact details

The participants in [Mercer Executive Remuneration Guides](#) regularly receive thought-provoking Mercer intellectual capital pieces on the latest executive remuneration practices and trends in Europe and globally.

Visit www.mercer.com/excremeurope, and sign up for Mercer's Executive Remuneration Perspectives at www.mercer.com/erperspectiveeu.

Other relevant Mercer surveys

Mercer Executive Remuneration Guides (MERG)

The MERG surveys are available in more than 20 countries across Europe and provide:

- Detailed total remuneration analysis for 40 benchmark top executive positions from leading companies in Europe
- A hard-copy report for each country, providing actual data, regressed data and trends on executive remuneration (policy, bonus, long-term incentives and benefits)
- The ability to customise results on PayMonitor™ by group/subsidiary, country/regional/global, industry, size, level in organisation, etc.

As a participant in the EEI survey, you also receive the MERG survey in the country of your headquarters in Europe.

For further information, please visit www.imercer.com/merg.

Regional Mercer Executive Remuneration Guides

As companies move from local peer groups to European peer groups for benchmarking executives, Mercer has developed a range of European Executive Remuneration Guides available on PayMonitor™, with more than 450 of Europe's largest organisations:

- Middle East Mercer Executive Remuneration Guide: Gulf Cooperation Council: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates
- Western European Mercer Executive Remuneration Guide
- Regional Mercer executive Remuneration Guides (total remuneration surveys)

These databases can be customised to provide regional data:

- By industry: consumer goods, durable, energy, finance/banking, insurance, non-durable, retail/wholesale, services or for all data excluding financial services
- By size: assets, employee numbers, position class (PC) score, revenue
- By scope of the role: geographic responsibility, level in organisation, executive board membership, PC score, remuneration
- By specific peer groups of named companies from the database (minimum of 10 companies)

Western European MERG geographic zones				
Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
France Netherlands	Ireland UK	Italy Portugal Spain	Denmark Finland Norway Sweden	Germany Switzerland

For further information on our European databases, please visit www.imercer.com/merg.

About Mercer

Mercer is a leading global provider of consulting, outsourcing and investment services, with more than 25,000 clients worldwide. Mercer consultants help clients design and manage health, retirement and other benefits and optimise human capital.

The firm also provides customised administration, technology and total benefit outsourcing solutions. Mercer's investment services include global leadership in investment consulting and multimanager investment management.

Mercer's global network of 17,000 employees, based in more than 40 countries, ensures integrated, worldwide solutions. Our consultants work with clients to develop solutions that address global and country-specific challenges and opportunities. Mercer is experienced in assisting both major and growing midsize companies. Providing high-quality human resource information is an integral part of our business.

Around the world, Mercer conducts more than 600 compensation, benefit, total remuneration and employee mobility surveys. Our software solutions help organisations align compensation and benefit programmes with strategic business objectives.

European Energy Centre of Excellence

Mercer has an Energy Centre of Excellence (ECE), located in London, UK. The team of compensation specialists is responsible for managing energy industry survey data and intelligence across the Europe, Middle East and African (EMEA) region.

Total remuneration surveys are run annually and include:

- Oil and Gas Exploration and Production survey
- Oilfield Engineering and Contracting survey
- Renewable and Alternative Energy survey
- Power Generation survey
- Energy Trading survey

The team can also run bespoke and club surveys for the energy industry across EMEA. Sample energy bespoke surveys include:

- Yemen Energy Club survey
- International Association of Geophysical Contractors Club survey

For further information on our range of specialist energy products, please visit www.imercer.com/energycentreofexcellence.



MERCER

Argentina

Australia

Austria

Belgium

Brazil

Canada

Chile

China

Colombia

Czech Republic

Denmark

Finland

France

Germany

Hong Kong

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India

Indonesia

Ireland

Italy

Japan

Malaysia

Mexico

Netherlands

New Zealand

Norway

Philippines

Poland

Portugal

Singapore

South Korea

Spain

Sweden

Switzerland

Taiwan

Thailand

Turkey

United Arab Emirates

United Kingdom

United States

Venezuela



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