

Mr D Sample  
2 Sample House  
Sample Street  
Sampleshire  
DA1 1SH

## Total Reward Statement

### Understanding and appreciating your benefits

Dear Dave  
This is your first XYZ total reward statement, produced for you by the HR team so that you can see the value of your full benefits package.

We have included as much information about your benefits package as we can in a format that we think will be easy to follow and understand. If you have any comments please let us know by emailing [total.reward@xyz.co.uk](mailto:total.reward@xyz.co.uk)

From now onwards we plan to issue a total reward statement annually. Any comments we receive will be considered when we plan future statements.

We look forward to hearing from you.

Anne Oiler  
HR Director



Dear Member

### XYZ Financial Review of 2007

We are delighted to announce another year of increased profit in 2007, resulting in the highest ever profit share payment to all employees at the Firm.

F Firstly, thanks to everyone for their hard work in so many ways towards making the year a financial success. The quality of our people remains our biggest asset, and has allowed us to deliver excellent client service and increased profitability.

I thought I would share with you a few highlights of 2007:

- Total number of clients increased from 530 to over 600.
- Revenue generated increased from £55 million to £85 million.
- Average profit margin per client increased from 11% to 14%.
- Total number of employees increased from approximately 1,600 to over 2,000, across 11 different offices in the UK.
- Average length of relationship with each client now over ten years.

I know we are all working hard towards making 2008 equally successful, and look forward to sharing more information about our performance with you during the year.

Best wishes



### Share option

The XYZ Share Option Scheme provides you with the opportunity to buy shares in XYZ at a discounted price (the option price).

You can choose how much you contribute. The minimum amount is £500 per annum and the maximum is £5,000. The savings period is 5 years. At the end of the savings period you can use your savings to buy XYZ shares at the option price or take your savings together with a guaranteed bonus as a tax free sum.

Option date	Maturity date	Option price	Monthly contribution	Current value of savings (including tax free bonus)	Current share price	Total gain on option if exercised at 1.1.2008
1.1.2007	1.1.2012	35p	£50	£700	30p	N/A
1.1.2008	1.1.2013	30p	£100	£100	30p	N/A



### Your pension at retirement

If you were to increase your contribution rate the graph below shows you the impact this might have on your final pension retirement.



These graphs show you how much your pension at retirement could increase by if you were to increase your own contribution by up to 7.5%. If you need to see the impact of paying a different level of contribution, or retiring earlier, log on to [www.xyzpensions.co.uk](http://www.xyzpensions.co.uk)

### Further details

Further details about all the benefits listed in your statement can be found on the Intranet or by contacting a member of the HR team.

### Assumptions

The projections in this statement are estimates only and reflect DMPT projections. They are provided for illustrative purposes only and do not constitute financial advice.

We have used your basic salary as at 1 January 2008, and have assumed that your pay will increase by 3.5% every year. Your actual salary may increase by more or less than this each year and so your pension may be different.

We have assumed that inflation will be 2.5% each year. We have assumed your Member Account is retained in line with the default investment fund. We assume that equity assets will grow at 7% each year, alternatives to bonds will grow each year at 7%, and money kept in cash will earn interest at 4% each year. The actual growth of your investments may be higher or lower than this and will also depend on where you choose to invest your Member Account.

The projections are based on the understanding of current UK pension legislation, HRB Revenue and Ombudsman limits, and the current rules and investment choices as at 1 January 2008, all of which may change in the future.



### Your flexible benefit choices

In addition to your core benefits you have access to the following benefits through the Flex@XYZ system. Right down the level of benefits you have purchased.

Benefit	Value purchased (per annum)
<b>Child care vouchers</b> You can purchase up to 155 of child care vouchers each week, free of income tax and National Insurance contributions.	Not selected
<b>Travel insurance</b> You can purchase European dental insurance and although the cost of the insurance is borne by you, you will benefit from our significantly discounted group premium.	Single person "day" cover selected - £17
<b>Personal Accident Insurance</b> You can purchase extra of Personal Accident Insurance cover which is designed to protect you and your family against financial hardship in the event of serious injury.	Not selected
<b>Health screening</b> You can purchase a health screening with a fullfield fitness test.	Not selected
<b>Independent Financial Advice</b> You can obtain advice on your pension and other products from a suitably qualified and regulated independent financial adviser.	Private option selected - £1,200
<b>Travel insurance</b> You can purchase comprehensive worldwide travel insurance cover provided by Worldwide Travelcare.	Not selected
<b>Charity in line items</b> You can contribute to charity using the tax efficient give as you save system.	You have chosen to contribute £150 into GAYE. The cost to you has been reduced because of tax relief.



### Your personal details

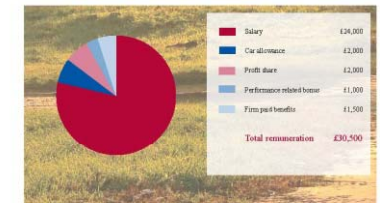
Below are the personal details we hold about you in the HR system. Please check these carefully and if there are any errors please contact the HR Team immediately.

Your full name: Mr Mike Sample  
Your NI number: AB 22 22 22 C  
Your date of birth: 06.07.1966  
Marital status: Married  
Your address: Sample House  
Sample Street  
Sampleshire

Date you joined XYZ: 06.11.2001  
Date your first benefits started: 04.02.2002  
Date you joined pension scheme: 04.02.2002

### A summary of your benefits

The graph below shows your main benefits in the form of a pie chart so that you can see the elements that make up your package.



### Your pension

Projected benefit at Normal Retirement Date (NRD)  
Your projected annual pension at NRD in today's price is £5,000 p.a.

Benefits on death in service  
A lump sum benefit of £46,000 plus 20% of the value of your Member Account will be used by us as a pension for your dependants (if any).

Your Member Account  
Fund Value at 1 January 2007: £11,000  
Plan Contribution: £1,200  
Fund Value at 1 January 2008: £13,900

The change in your Fund Value is based on the contributions made into your Member Account and the investment performance of the funds you have opted to invest in. A full breakdown will be provided in your annual pension benefit statement which will be sent to you each year or available online through our employee portal.

### Your contributions

If you have any queries regarding the contribution summary below you should contact the pension administration team.

	Your Contributions	Your Additional Contributions	Your Employer Contributions	Total Contributions
January 2007	£50	£0	£50	£100
February 2007	£50	£0	£50	£100
March 2007	£50	£0	£50	£100
April 2007	£50	£0	£50	£100
May 2007	£50	£0	£50	£100
June 2007	£50	£0	£50	£100
July 2007	£50	£0	£50	£100
August 2007	£50	£0	£50	£100
September 2007	£50	£0	£50	£100
October 2007	£50	£0	£50	£100
November 2007	£50	£0	£50	£100
December 2007	£50	£0	£50	£100
<b>Total</b>	<b>£600</b>	<b>£0</b>	<b>£600</b>	<b>£1,200</b>