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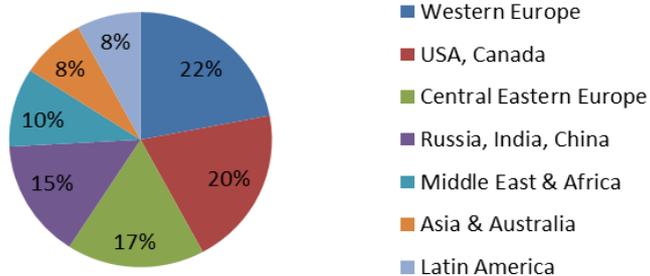
Top Line Survey Results: Expatriate Country Managers

1. Where do your expatriate CEOs / Country Managers originate from?

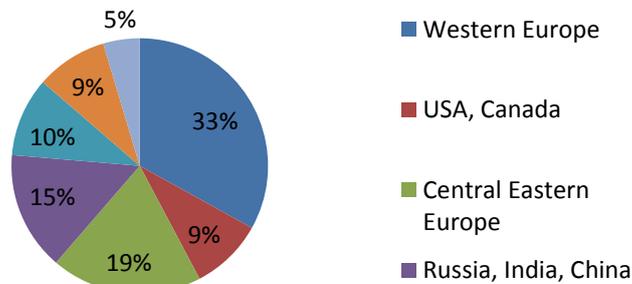
42% of expatriate country managers are either from Western Europe or the United States, 58% originate from emerging markets. There is strong tendency to assign expatriate country managers from the country of the headquarters location.

Country of Origin	US Companies	Western European Companies
Western Europe	22%	33%
USA, Canada	20%	9%
Central Eastern Europe	17%	19%
Russia, India, China	15%	15%
Middle East & Africa	10%	10%
Asia & Australia	8%	9%
Latin America	8%	5%

US Companies



Western European Companies



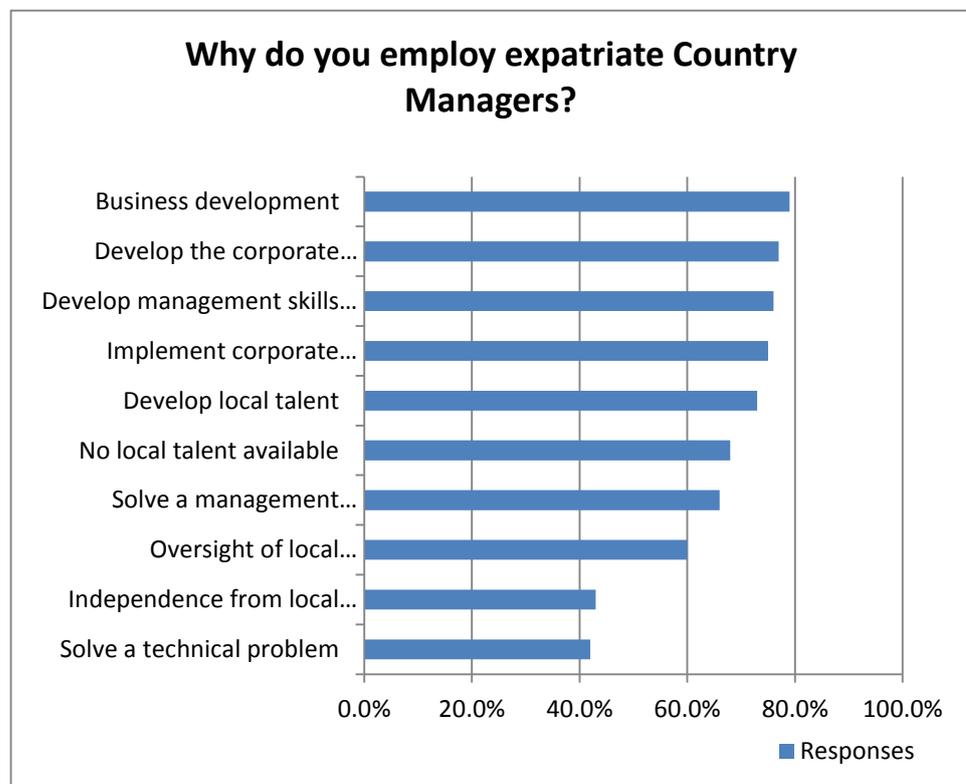
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2. Why do you employ expatriate CEOs / Country Managers?

Companies assign expatriate country managers for 3 main reasons:

- Business needs in the host country: The main goals are to grow business and help develop local talent.
- Implement corporate culture, structures, and processes in the local organization.
- Develop the management skills of the expatriate: In many companies, a successful international assignment is a prerequisite for further career development within the corporation and part of the leadership strategy.

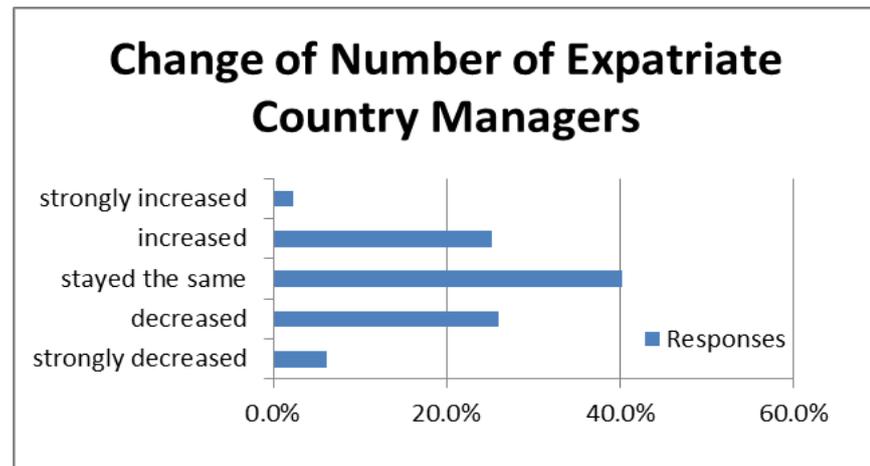
Why do you employ expatriate Country Managers?	Responses
Business development	79.00%
Develop the corporate culture	77.00%
Develop management skills through expatriate assignments	76.00%
Implement corporate structures and processes	75.00%
Develop local talent	73.00%
No local talent available	68.00%
Solve a management problem	66.00%
Oversight of local management	60.00%
Independence from local (political) environment	43.00%
Solve a technical problem	42.00%



3. How has the number of expatriate CEOs / Country Managers in your company changed in the last 5 years (2007-2012)?

The number of expatriate country managers has on average remained the same.

How has the number of expatriate Country Managers in your company changed in the last 5 years?	Responses
strongly increased	2.30%
increased	25.20%
stayed the same	40.30%
decreased	26.00%
strongly decreased	6.20%

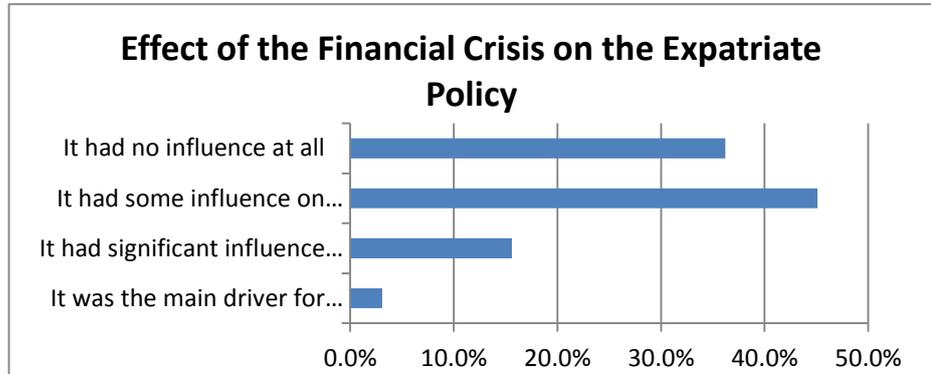


4. Did the economic crisis influence your expatriate policy in the last 5 years?

81% of the participants stated that the economic crisis has had no or only some influence on their expatriate policy. Only 19% noted that the crisis has had a strong influence or was the main driver for change of their expatriate policy.

Did the economic crisis influence your expatriate policy in the last 5 years?	Responses
It had no influence at all	36.20%
It had some influence on our expatriate policy	45.10%
It had significant influence on our expatriate policy	15.60%
It was the main driver for our expatriate policy	3.10%

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5. Compared to the cost of a local CEO/Country Manager (= 100%) what is the average total cost for an expatriate CEO/Country Manager in % including salary, bonus, company benefits (company car, insurances, etc.), and allowances (housing, school fees, etc.)?

The compensation package of an expatriate country manager is on average 3 times higher compared to a local manager. Depending on the country and the cost of living gap, the multiple between local and expatriate compensation packages is usually between 2 and 5.

6. Expatriate Compensation Packages

Compensation	Local Country Manager	Expatriate Country Manager
Base Salary	€ 84,000	€ 126,000
Bonus	€ 20,000	€ 48,000
Long term incentives	€ 3,000	€ 28,000
Benefits	€ 11,000	€ 158,000
Total	€ 118,000	€ 360,000



7. How satisfied are you with the success of expatriate CEOs /Country Managers?

On average, companies are satisfied with their expatriate programs. Their experience shows that it is easiest to reach goals related to the implementation of corporate structures and processes. Given the limitations of language and cultural barriers they report the greatest difficulties in people related issues. Expatriates can in many cases only be leaders and facilitators while they depend on locals for implementation and execution. Therefore, many companies report that success largely depends on the individual manager and less on the system of expatriation.

8. Among the expatriate CEOs/Country Managers in your company how many were recruited externally (in %)?

Most companies assign expatriate Country Managers from within the organization. Overall, only 20% of expatriate Country Managers are recruited externally. 50% of the companies don't recruit expatriate Country Managers on the external market at all.

9. How long is the term of an expatriate CEO/Country Manager typically?

78% of the participants state that the average term of an expatriate Country Manager is between 3 and 5 years.

10. Is it your policy to replace expatriate CEOs/Country Managers with local managers?

- 15% of the companies intend to replace their expatriate country manager with another expatriate.
- 50% of the companies indicate a preference to hire a local manager, typically after the full term.
- 35% have no preference for either locals or expatriate managers

Is it your policy to replace expatriate Country Managers with local managers?	Responses
Yes, we intend to replace with a local manager	45.3%
We have no preference for either expatriate or local manager	38.9%
No, we intend to replace with another expatriate	15.8%

