

Harmonization of Benefits

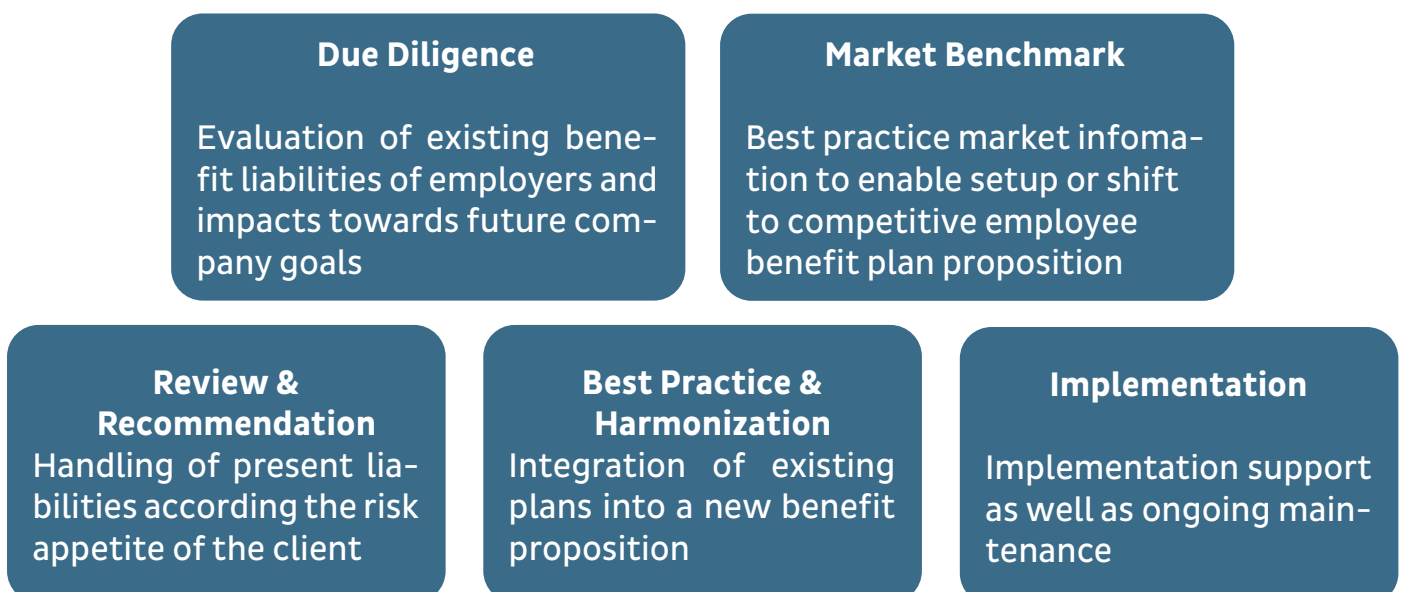
Germany: Identify need for action related to M&A

Employee benefits schemes are under constant change caused by evolving market trends or due to in-organic or organic company modifications like M&A activities. Profion provides therefore a benefits risk consulting proposition to enable the harmonization and modernization of single and multiple employee benefits setups.

5 questions to identify need for action in your company environment:

- 1 How did you secure that all relevant information on all benefits granted from all parties involved have been considered?
- 2 With a focus on Pension (DB or DC) within German legislation, do you have confirmation on the detailed plan setup?
- 3 In the case of an existing Defined Benefit liability, can you assure that the liability is fully financed at any point of time?
- 4 In case of Defined Benefits for Death and Disability Pension, have you specified the related liability in your balance sheet or in case of an incurring claim?
- 5 Do you have assurance that the current financing model of benefit liabilities is state of the art related to expected changes in your business environment (i.e. M&A activities)?

In case of uncertainty: Apply Profion's Benefit Risk Consulting Process Evaluate - Modernize - Harmonize



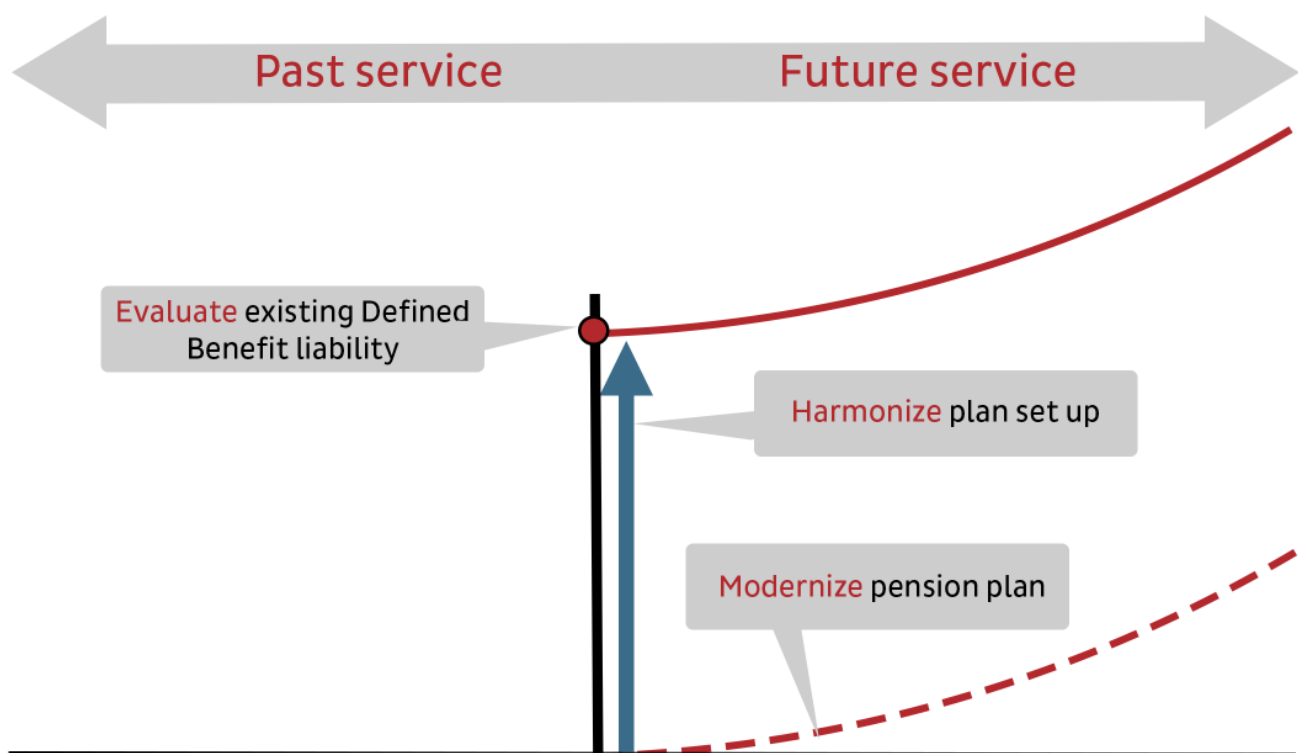
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Deep Dive on Defined Benefit Pension liabilities

Germany is a prime market for M&A activities aimed at foreign investors' inorganic growth in Europe. One of the main challenges is to manage existing employee benefit liabilities. Still a significant portion involves historical pension plans resp. Defined Benefit Plans financed through book reserves by the employer.

How to apply Profion's Benefit Risk Consulting Process

- 1 **Evaluate** existing Defined Benefit liabilities in the balance sheet (Past service)
- 2 **Modernize** benefit plan setup towards Defined Contribution (Future service) according to market benchmark and definition of a best practice
- 3 **Harmonize** and implement multiple past service liabilities in one future service employee benefits plan setup



If you are interested in learning more about Profion's Benefit Risk Consulting Process or would like to get a consultation, please contact us at new-business@profion.de.