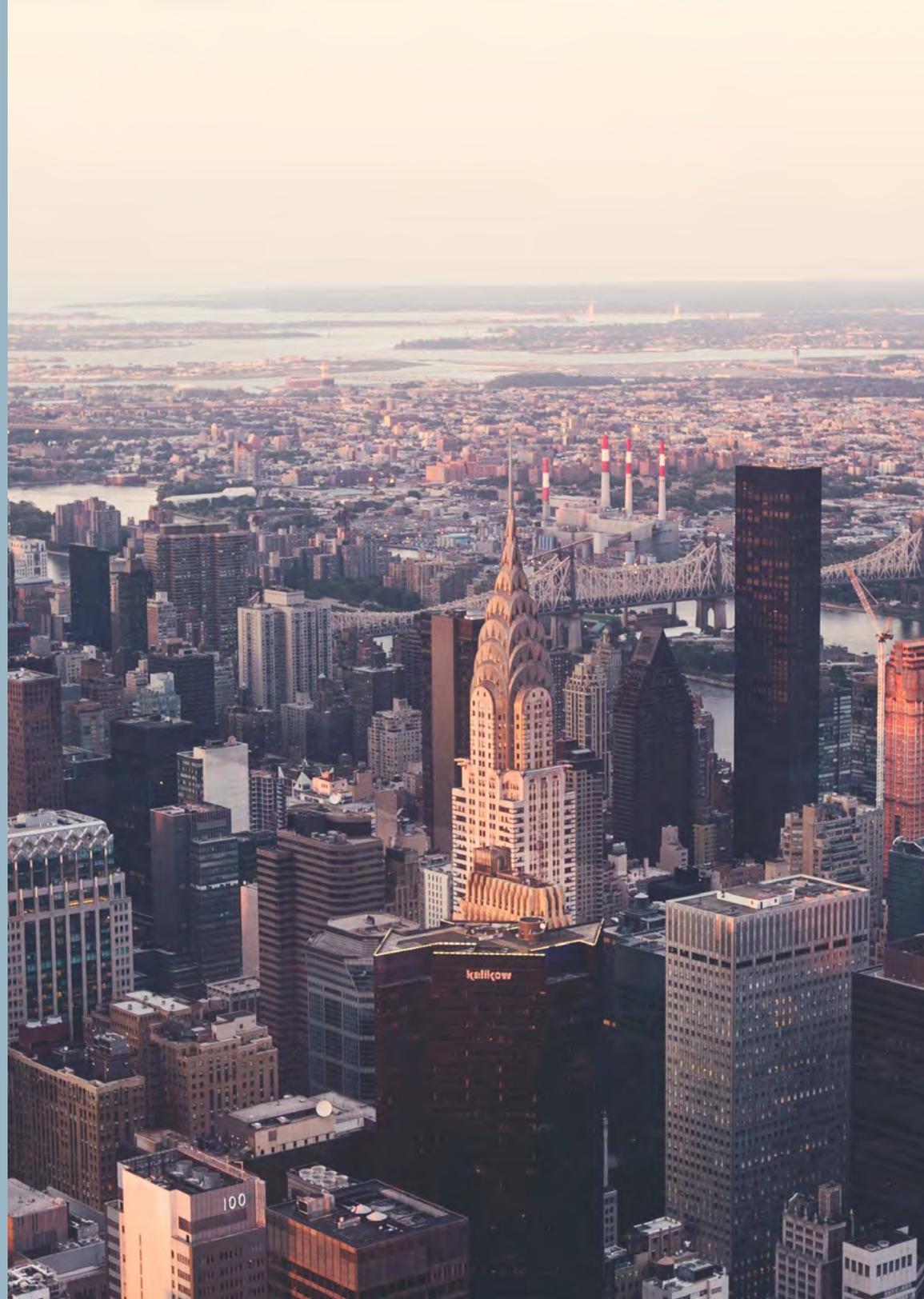


relocation benchmark report.

prepared exclusively for the
FOOD & BEVERAGE INDUSTRY



October 2016

Proprietary & Confidential
October 2016

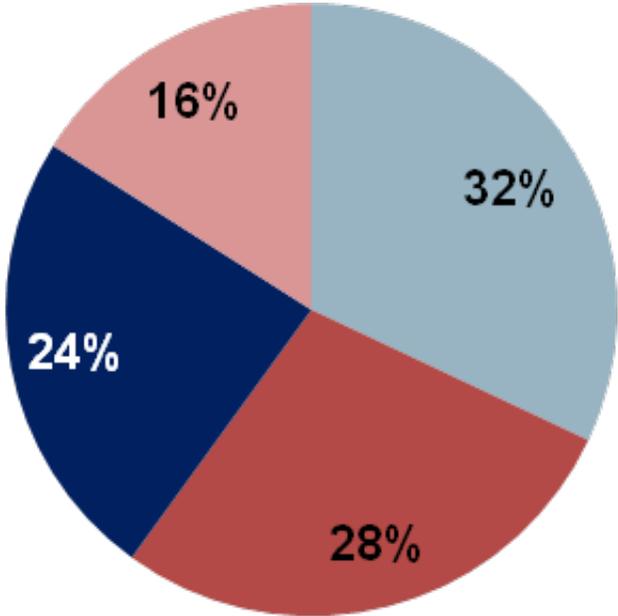
25 companies similar in scope within the food and beverage industry.

We benchmarked 25 companies within the food and beverage industry with specialties ranging from alcoholic beverages to organic snack foods. Employee size ranged from fewer than 10,000 employees to over 100,000 globally. Company names have been randomized in data and assigned a generic title to maintain confidentiality, e.g. Company A, Company B, Company C.

This report highlights the trends and differences among their policies.

Employee Size

The average number of employees per companies surveyed is 42,000. There are eight companies (32%) with fewer than 10,000 employees—which is the most common employee size. Seven companies (28%) have more than 10,000 employees but fewer than 25,000 employees. Six companies (24%) have between 25,001 and 100,000 employees. Four companies (16%) have more than 100,000 employees.



- Fewer than 10,000
- 10,000 - 25,000
- 25,000 - 100,000
- 100,000 +

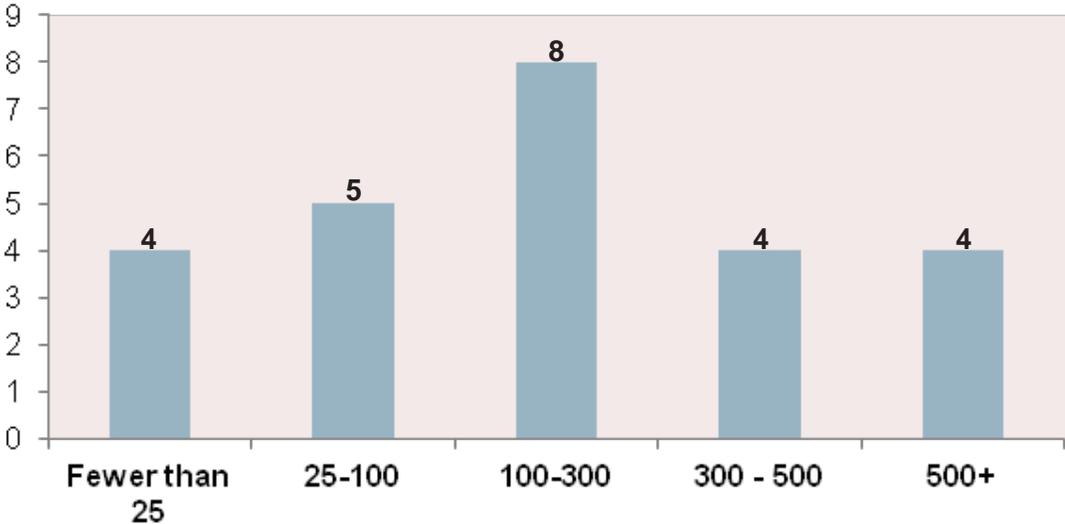
annual volume.

The number of participating companies' annual relocations varies based on company size, with larger companies typically relocating the most employees. A third of companies surveyed relocate between 100 and 300 employees annually. The other two-thirds of the companies relocate fewer than 100 or greater than 300 employees.

A deeper dive into the data collected:

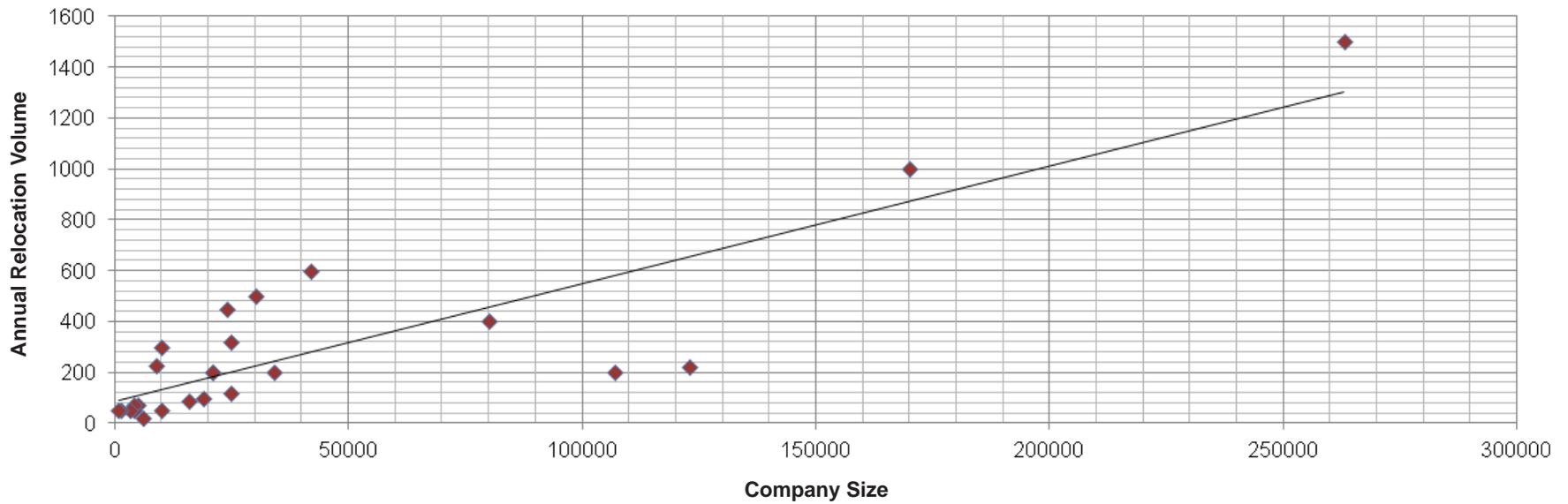
- The average number of transferees as a percentage of total employees in this studied industry is 0.94%
- The highest percentage of transferees to total employees is 3%
- The lowest percentage of transferees to total employees is 0.03%
- Sixteen companies (64%) transfer fewer than 1% of their employee size

Annual Volume of Relocations



According to the Worldwide ERC® 2015 U.S. Transfer Volume & Cost Survey, the average percentage of transferees to total employees is 1.56%.

Relocating Employees vs. Company Employee Size



relocation
program
structure.



in-house vs. outsourced.

Fifteen of the participating companies (60%) fully outsource their relocation management to a third-party company. Four companies (16%) manage their relocation program in house, and the remaining six companies (24%) combine the services of a third-party with in-house staff.

A deeper dive into the data collected:

Of the six companies that use a combination of a third-party and in-house

staff, one company (17%) manages all services in-house with the exception of its homesale program and destination services.

- Two of these six companies (33%) fully outsource with the exception of their lump sum programs
- Another two (33%) outsource everything except for counseling
- One company (17%) manages its lump sum program and counseling in-house while outsourcing all other services

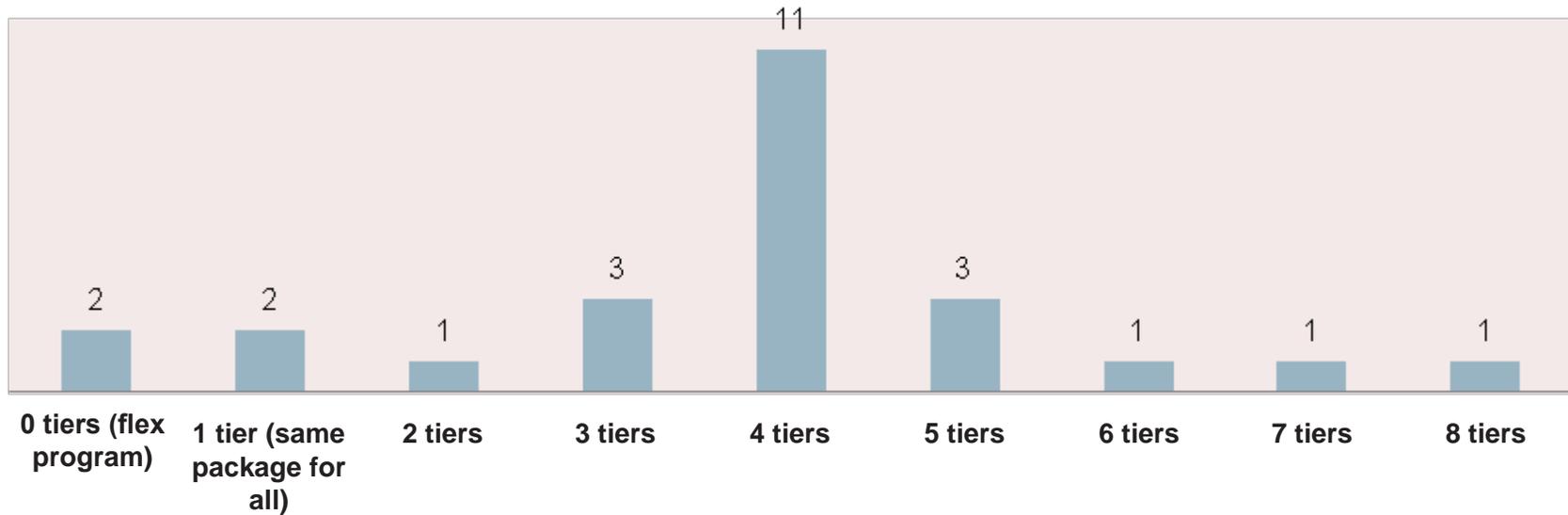


60% of participating companies fully outsource their relocation management to a third-party vendor

program tiers.

There is a wide variety of program structures amongst respondents. The most common program contains four tiers and is used by eleven companies (44%).

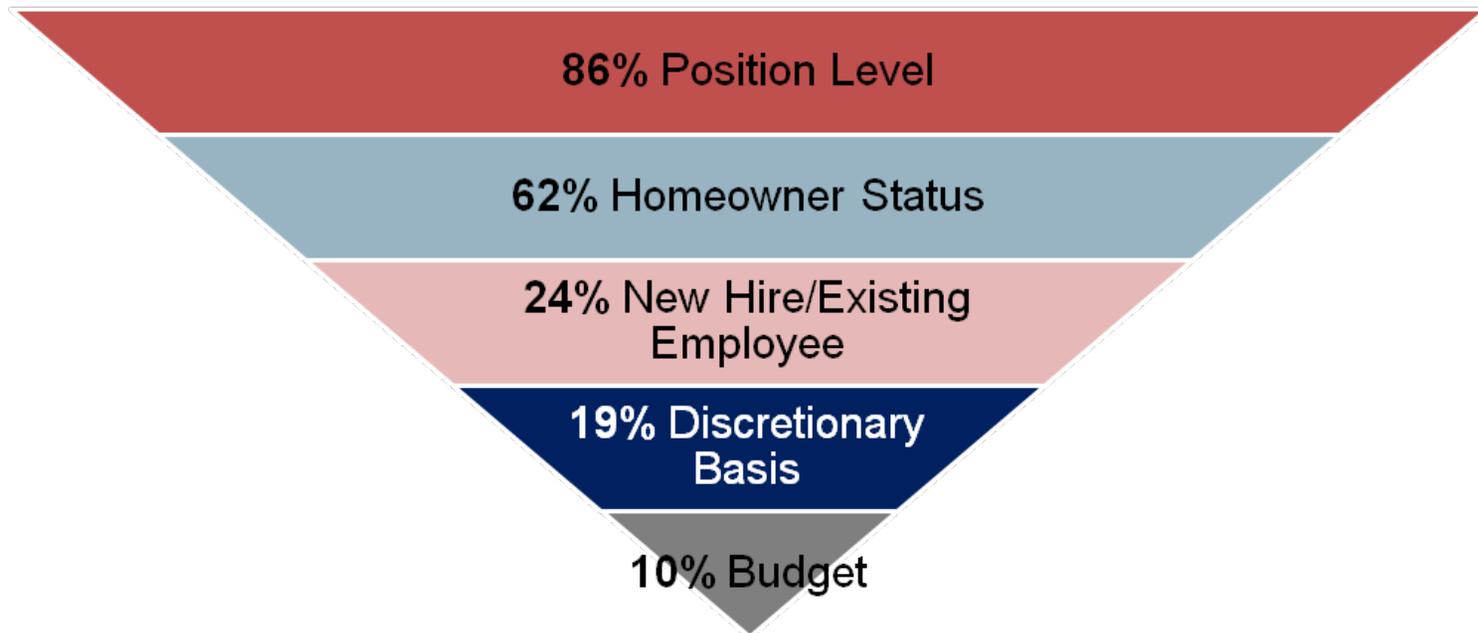
How many tiers does your policy have?



program tier structure.

We identified five different factors that participating companies use to create tiers within their relocation programs. These factors include position level, homeowner/renter status, new hire or existing employee, managerial/departmental discretion or need, and budget. The most common tier structure factor used is position level. The least common factor is budget. Most companies use at least two factors to design their policy tiers.

How Tiers are Determined



These numbers are based on twenty-one companies as four companies either do not have tiers (flex program) or only have one tier for all employees.

detailed
benefits
analysis.



lump sum programs.

Lump sum, relocation allowance, travel allowance, and miscellaneous allowance are all terms used for a cash payment given to a transferee for a number of reasons.

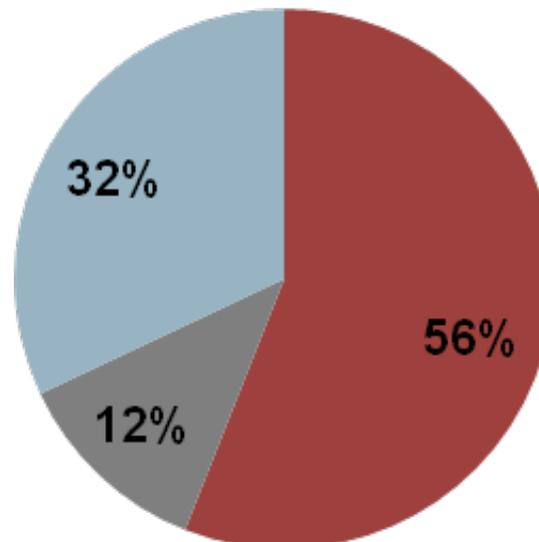
For this section of the study, we use “lump sum only” to refer to a payment that is the primary piece of the relocation package. We use “lump sum plus” to refer to a lump sum program that covers an additional benefit that the company pays for (e.g., household goods shipment).

A deeper dive into the data collected:

- Seventeen of the twenty-five participating companies (68%) offer a lump sum type tier
 - Eleven companies (44%) offer a simple lump sum only tier
 - Eight companies (32%) offer a lump sum “plus” tier, which includes a household goods move
 - One of the eight also offers home purchase benefits

Lump Sum Programs

■ Lump Sum Tier ■ Multiple Lump Sum Tiers ■ No Lump Sum



lump sum configuration.

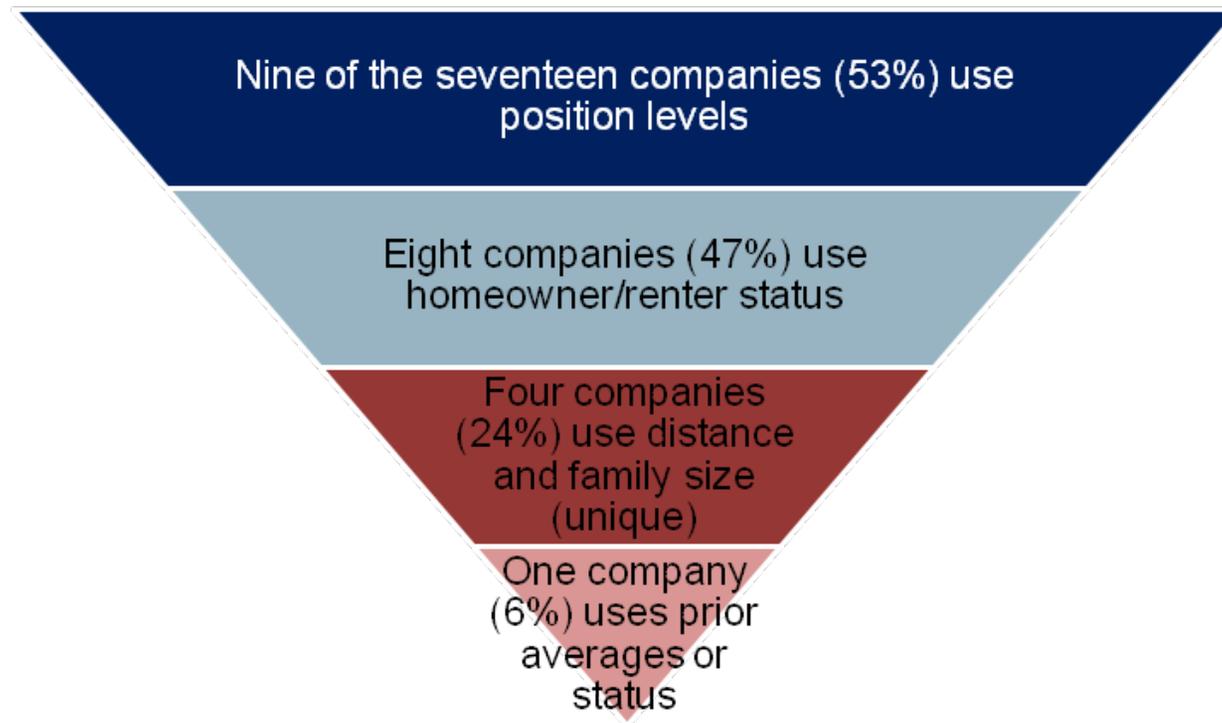
There is a variety of factors that companies use to determine the lump sum amount a transferee receives, and many companies use multiple factors.

There are five factors identified in this study that companies use to determine lump sum amount: position level, homeowner status, distance and family size, employment status (existing vs. new hire), and prior year averages.

A deeper dive into the data collected:

- Nine of the seventeen companies that offer a lump sum tier (53%) use position level to determine the lump sum amount
- Eight (47%) use homeowner/renter status
- Four (24%) use a combination of distance to the new location as well as family size
- One (6%) has used employment status or prior year averages

Determination of Lump Sum Amounts

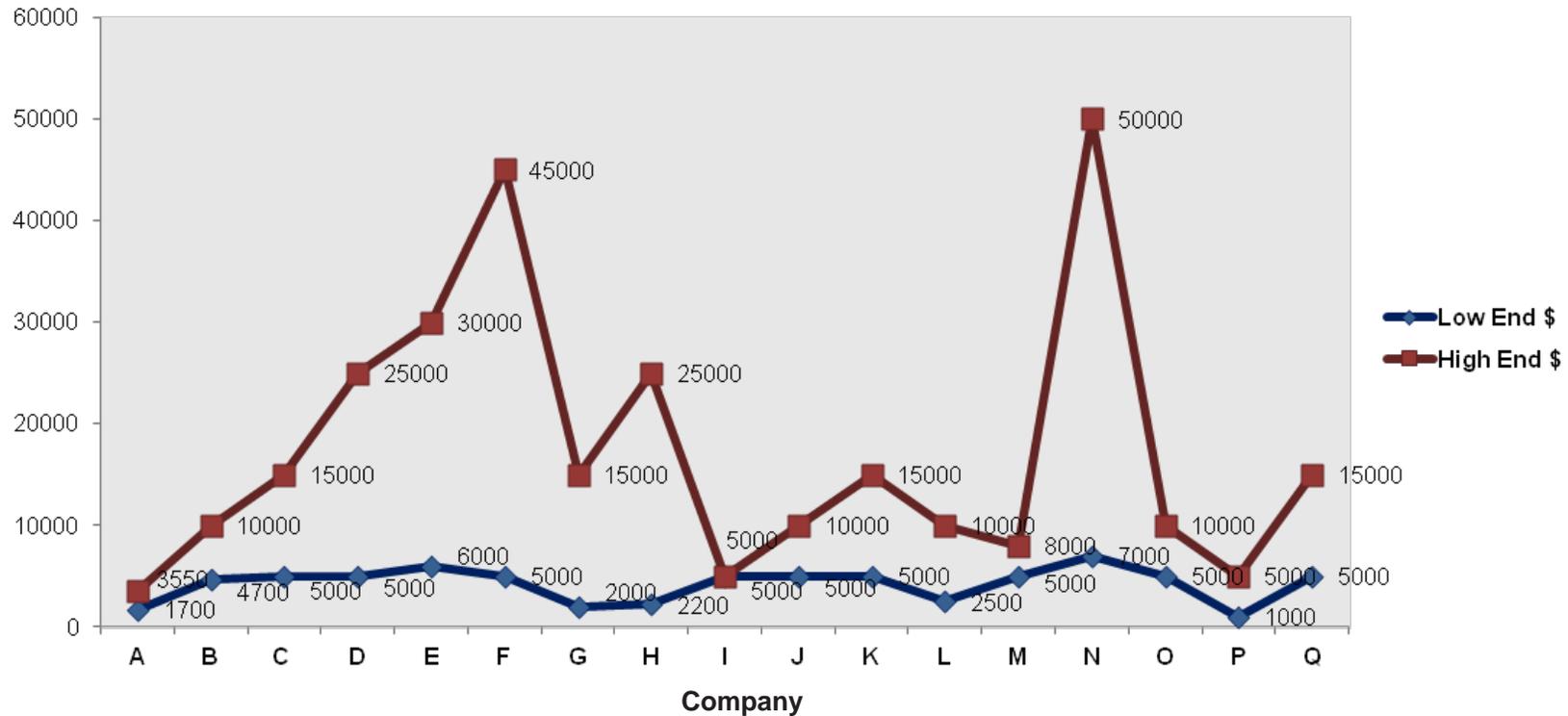


lump sum amounts.

There is a range of lump sum amounts provided in lump sum only tiers and/or lump sum “plus” tiers. The graphic below depicts the range of amounts offered by the seventeen companies with lump sum tiers.

The most commonly used low end amount is \$5,000 (used by nine companies). The average is \$4,200.

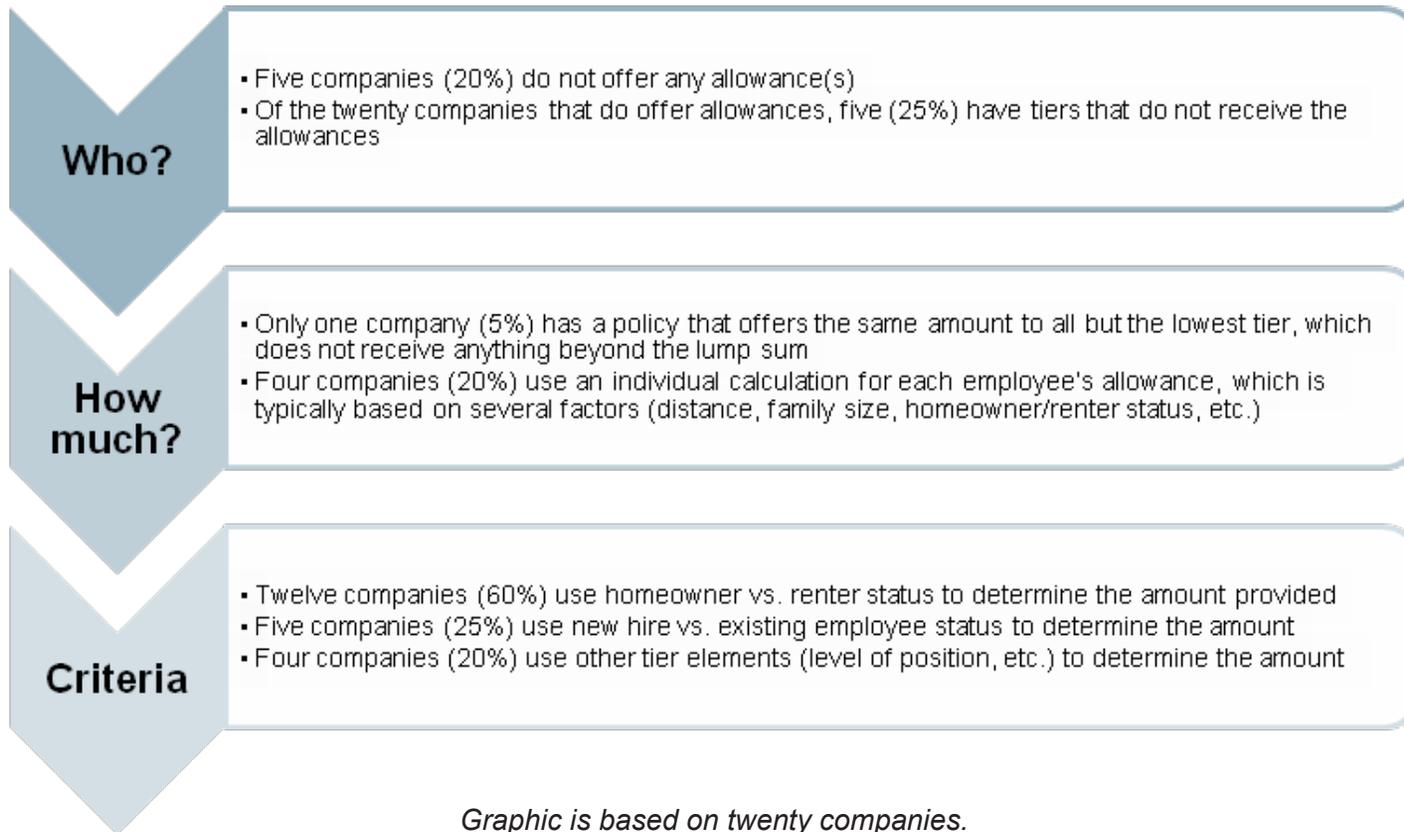
The most commonly used high end amounts are \$10,000 and \$15,000 (each used by four companies). The average is \$17,500.



relocation allowance.

Outside of a “lump sum only” policy, additional relocation allowances are often provided to supplement the primary benefits. Some companies use these allowances for househunting trips, temporary housing, and final move expenses. Some companies offer multiple allowances to cover multiple uses.

Companies Offering Relocation Allowances



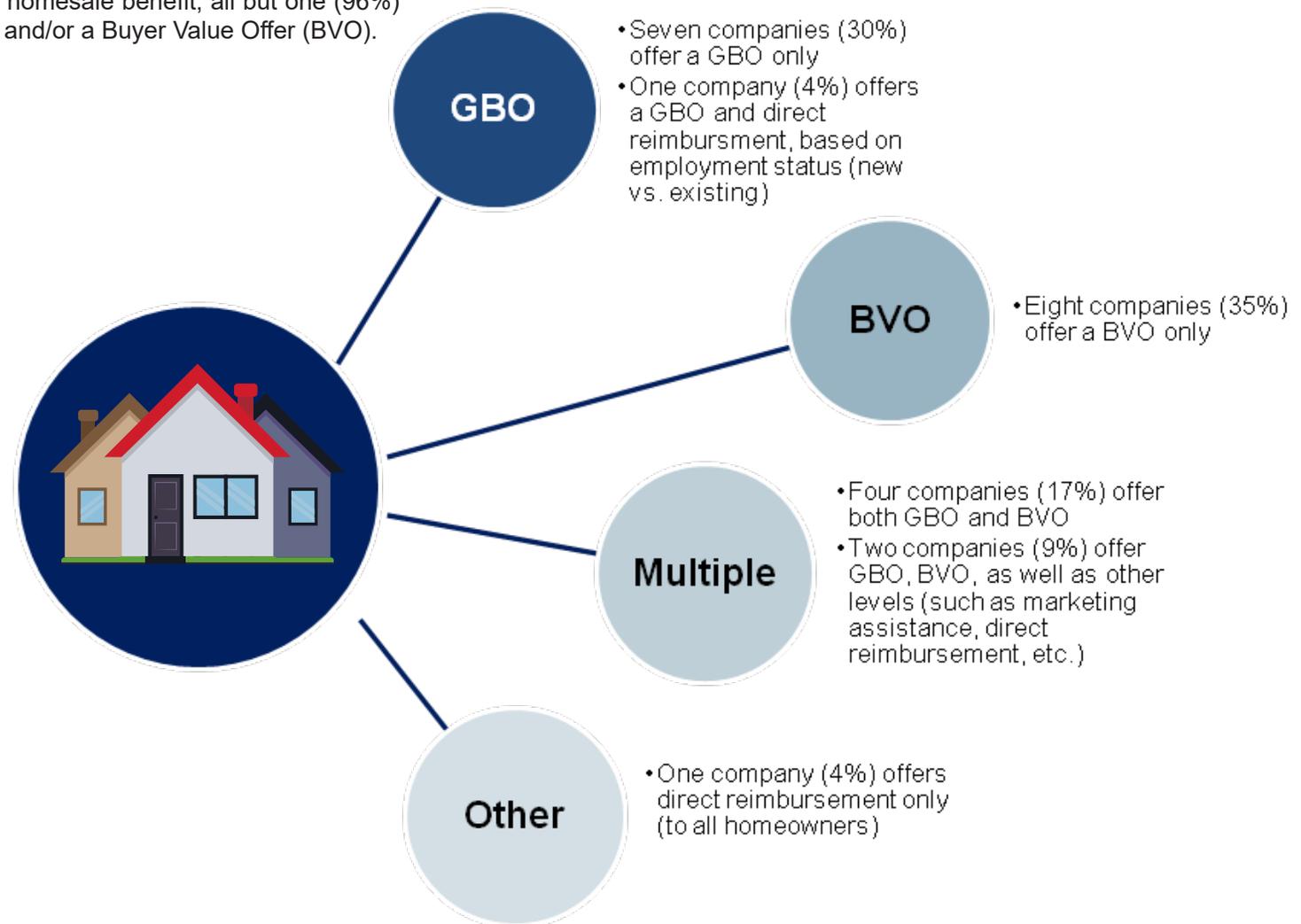
allowances by company.

| | | | |
|------------------|--|------------------|--|
| Company A | Existing= 1 month pay. New= \$1k renters, \$2k homeowners. | Company K | Based on pre-move assessment, typically 1 month salary. |
| Company B | Based on tier. Renters= \$10k, \$20k, \$30k. Homeowners= \$25k, \$45k, \$65k. | Company L | Varies by tier. Up to \$7.5k. |
| Company C | Based on tier. T1=\$0. T2= \$5.5k renters/ \$10.5k homeowners. T3= \$18k. | Company M | Varies by tier. \$1.5k to \$5k. |
| Company D | Homeowners=4 weeks' pay capped at \$10k. Existing renters= 2 weeks' pay capped at \$5k. New hire renters= \$8k. | Company N | \$3k for most tiers, \$5k for highest tier. |
| Company E | 6% salary; Homeowners= capped at \$9k, Renters= \$3k. | Company O | Low tier= \$3k, all others 5% of salary capped at \$5k. |
| Company F | Existing= 1 month pay capped, New= set amount. Amount varies with homeowner and renter for both. Range is \$1.5k to \$10k. | Company P | Homeowners= 1 month salary, capped at \$8k; Renters= 1/2 month salary, capped at \$4k. |
| Company G | Homeowner= 10% up to \$10k; Renter= 5% up to \$5k. | Company Q | 2 allowances. All receive individual move allowance. Existing= 2nd allowance, 1 month salary, capped at \$3k for homeowners, \$1.5k for renters. |
| Company H | 2 allowances. All receive individual move allowance. T2= 2nd allowance, homeowner= 1 month pay uncapped**, renter= 1/2 month pay uncapped**. | Company R | 1 month salary, capped. New hires and renters= \$3.5k, homeowners and executives=\$10k. |
| Company I | 2 allowances. All tiers above two lowest receive individual move allowance. Existing= 2nd allowance, 1 month salary, capped at \$7k. | Company S | \$7.5k for all tiers above lump sum only. |
| Company J | For tiers above lump sum. Amount set at \$2k or \$3.5k. | Company T | Varies by tier, no amount given. |

** This portion of the policy is under review; may add capped limit.

homesale benefits.

All but two companies (92%) offer some level of homesale benefits, and when asked, neither of these companies have ever offered a buyout in the past. Of the twenty-three companies that offer a homesale benefit, all but one (96%) offer a Guaranteed Buyout Offer (GBO) and/or a Buyer Value Offer (BVO).



agent fees.

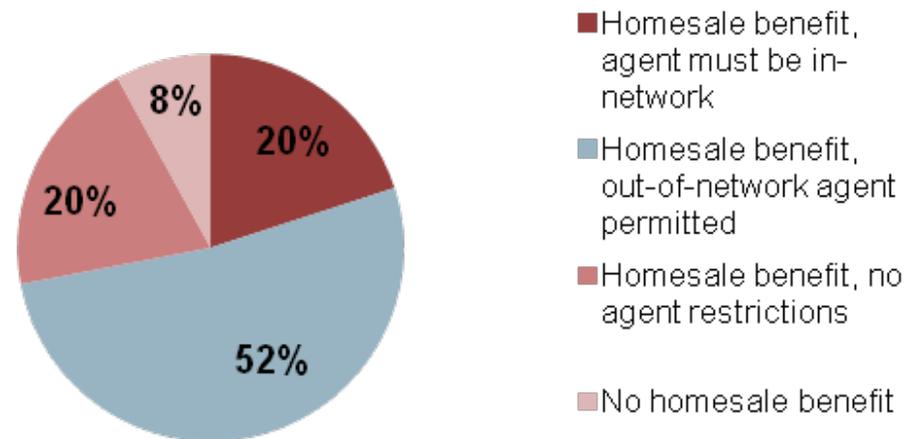
Referral fees are commonplace in relocation homesales. Eighteen of the twenty-three companies that offer a homesale benefit (78%) require referral fees.

Thirteen companies (72%) permit the use of an out-of-network agent provided he or she pays a referral, while five companies (28%) require the agent to already be in-network (and pay the referral).



78% of companies offering a homesale benefit require referral fees

Agents



Graphic is based on all twenty-five companies.

loss on sale benefits.

Loss on sale (LOS) questions were asked of the twenty-two companies that offer a GBO/BVO. Fourteen companies (64%) offer LOS.

With the market slowly improving since 2011, the need for LOS has diminished in some markets. Fourteen of the companies offering GBO/BVO programs (64%) provide a type of homesale incentive program (bonus).

A deeper dive into the data collected:

- Eight companies (57%) only offer LOS to certain tiers
- Six companies (43%) only offer LOS to GBO homesales
- Twelve companies (86%) cap the LOS amount given
- Seven companies (50%) will only cover a set percentage of the loss (the employee is responsible for a portion of the loss)

sale bonus benefits.

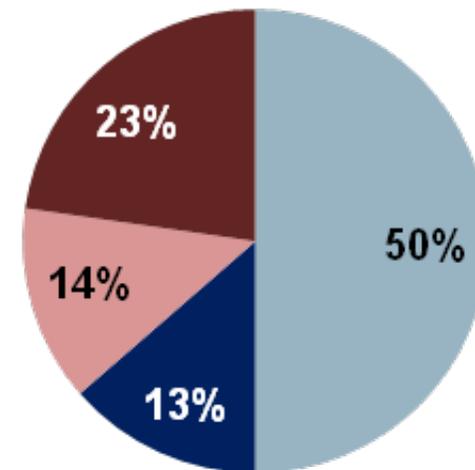
Homesale bonuses are often given to incentivize an independent sale before a home is taken into inventory, but not all companies limit bonuses to GBO homesales.

A deeper dive into the data collected:

- Ten companies (71%) base the bonus on a percentage of the sale price
- Nine companies (64%) cap the amount given

Additional Homesale Benefits

■ Bonus and LOS ■ Bonus Only ■ LOS Only ■ None



Graphic is based on the twenty-two companies that offer GBO/BVO.

- Eight companies (57%) only offer a bonus to GBO sales
- Five companies (36%) limit the bonus to a sale within 60 days, and one (7%) limits the bonus to a sale within 30 days
- Three companies (21%) indicated that the bonus amount decreases over time

listing for GBO.

Listing procedures for GBO homesales are an important step in protecting a company from an influx of inventory homes. Many companies treat the list process for GBO homesales similarly. Fifteen companies offer GBO homesales.

Pre-Appraisal

- 43% require homes to be listed based on BMAs before appraisals

Buyout

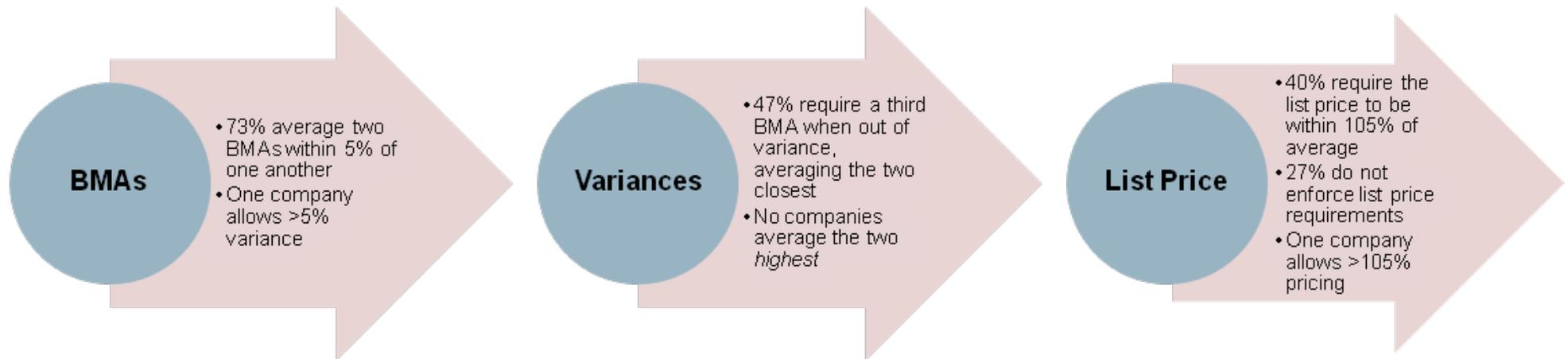
- 79% require two appraisals within 5% to set the buyout value
- One company allows >5% variance

List Price

- 47% require a reduction in price to 105% of the buyout
- 14% do not require any deductions in price
- One company allows >105% pricing

listing for BVO.

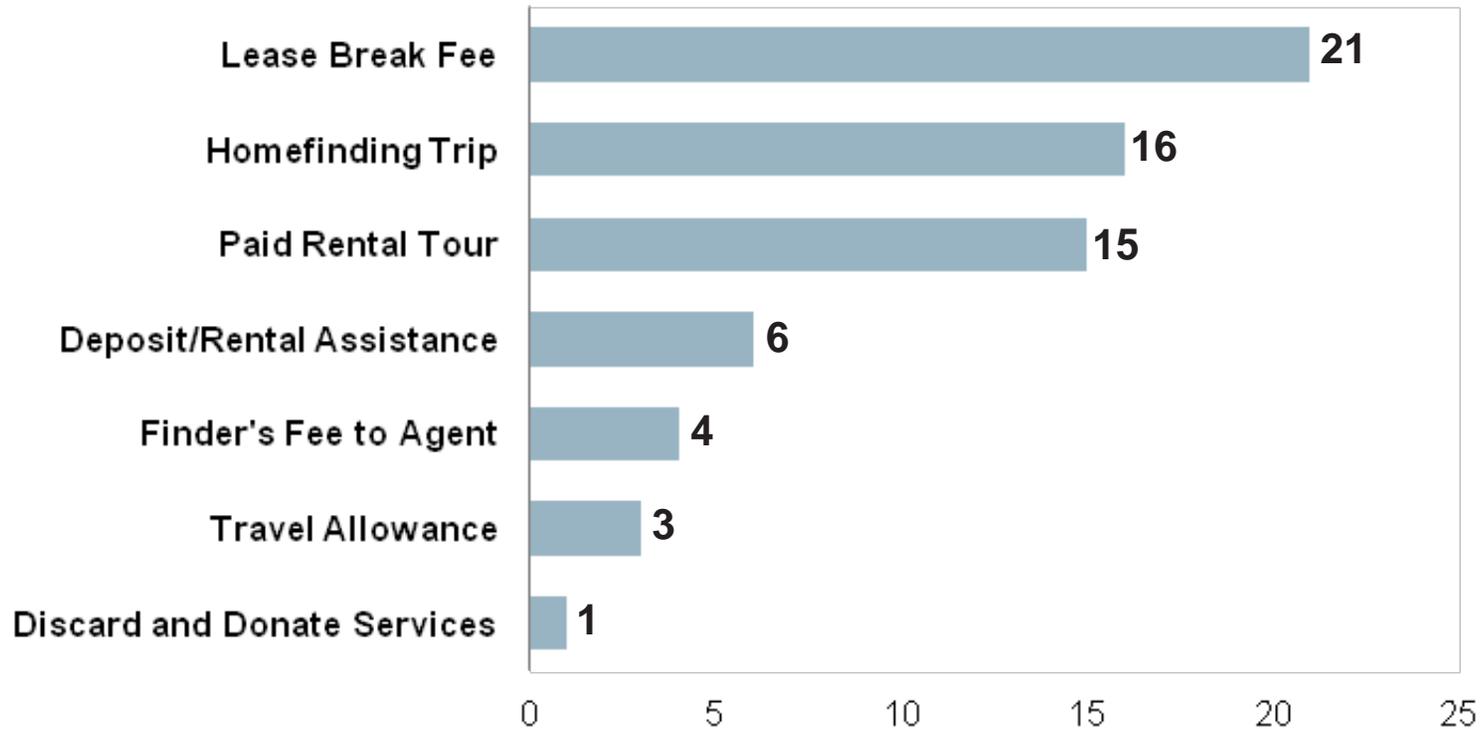
Listing procedures for BVO homesales help guide employees, but since the buyout is ultimately determined by the buyer's offer, companies sometimes do not put as many stringent requirements on these homesales. Fifteen companies offer BVO homesales.



benefits for renters.

Twenty-three of the twenty-five participating companies (92%) offer rental benefits. Five of those twenty-three companies (22%) have a tiered renter program, while the remaining companies have a set program for all renters. The graphic below shows which benefits are most commonly used.

Benefits for Renters



household goods shipments.

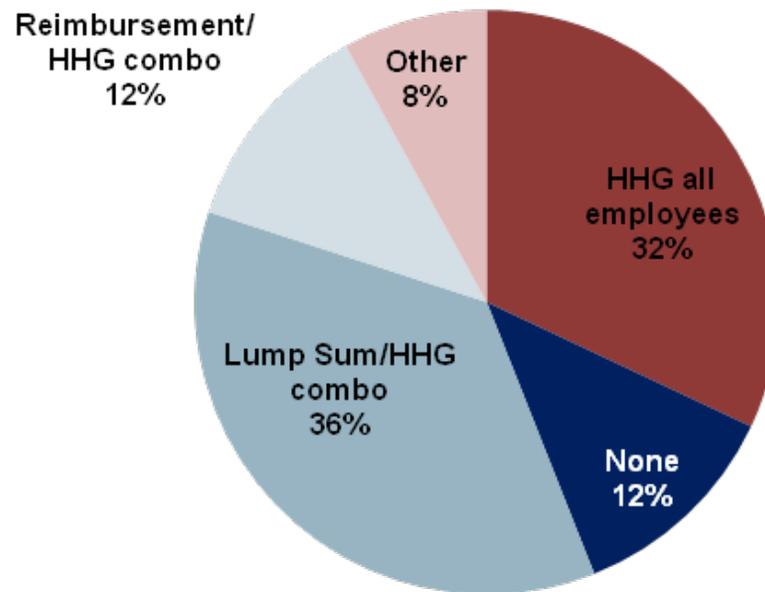
Eight of all twenty-five companies (32%) offer full household goods shipments for all relocating employees, while three companies (12%) do not cover this benefit at all. One company (4%) only reimburses self-moves (for all employees).

Of the eight companies that cover the shipment for all employees, one company (13%) clarified that it only covers the household goods shipment if the employee has not already allocated his or her budget towards a homesale benefit, etc. This company allows the employee to decide where to spend the relocation budget.

The remaining thirteen companies (52%) offer a household goods shipment to some, but not all, employees:

- Of those thirteen companies, nine companies (69%) indicated that some tiers will receive the household goods shipment while lower tier(s) receive a lump sum
- Three (23%) indicated that they offer a household goods shipment for higher tiers and reimburse a self-move for lower tier(s)
- One (8%) offers a shipment to some tiers, but not all

Household Goods Shipments



Graphic is based on all twenty-five companies.

household goods storage.

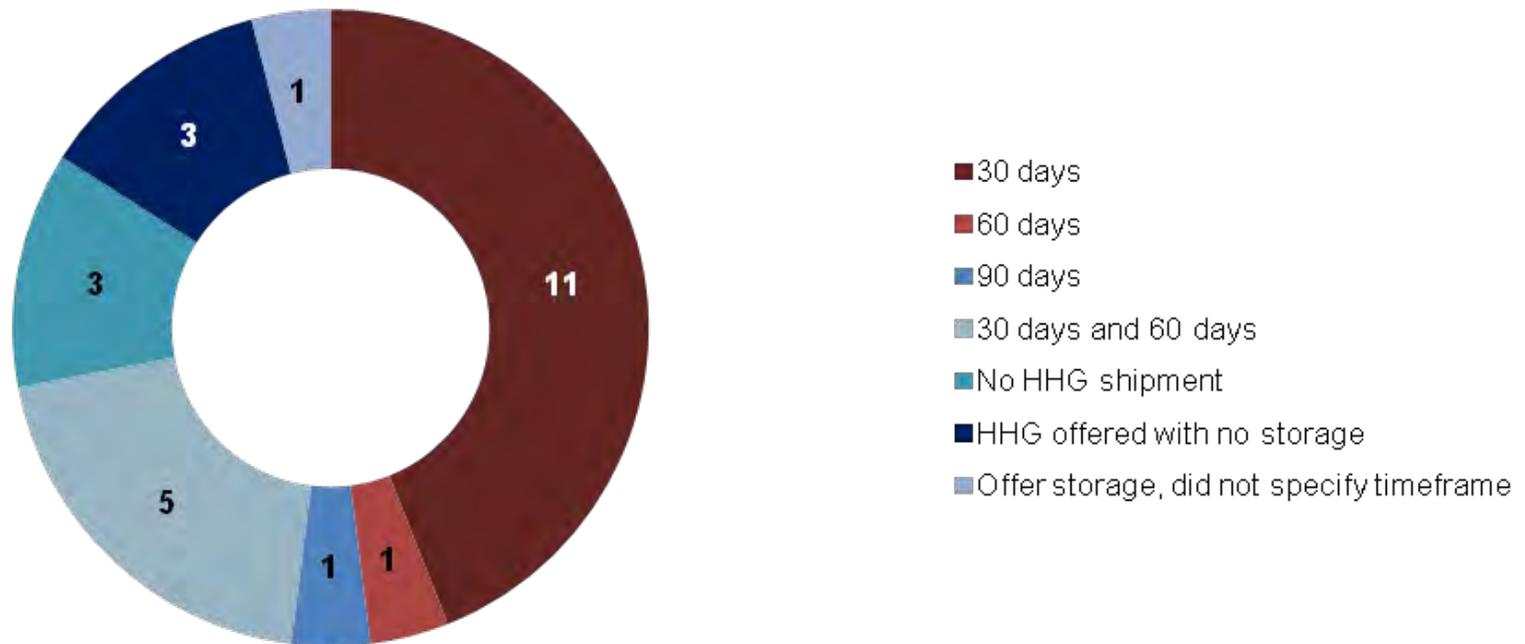
Of the twenty-two companies offering a household goods shipment, nineteen (86%) also provide temporary storage. Ten of these nineteen companies (53%) provide storage to all transferees receiving the household goods shipment, while the other nine (47%) have tiers that do not offer storage.

The most common length of temporary storage offered is 30 days, which is the only amount offered by eleven of the nineteen companies (58%). Five

companies (26%) offer a 30-day tier and 60-day tier, one company (5%) offers up to 60 days, and another offers up to 90 days.

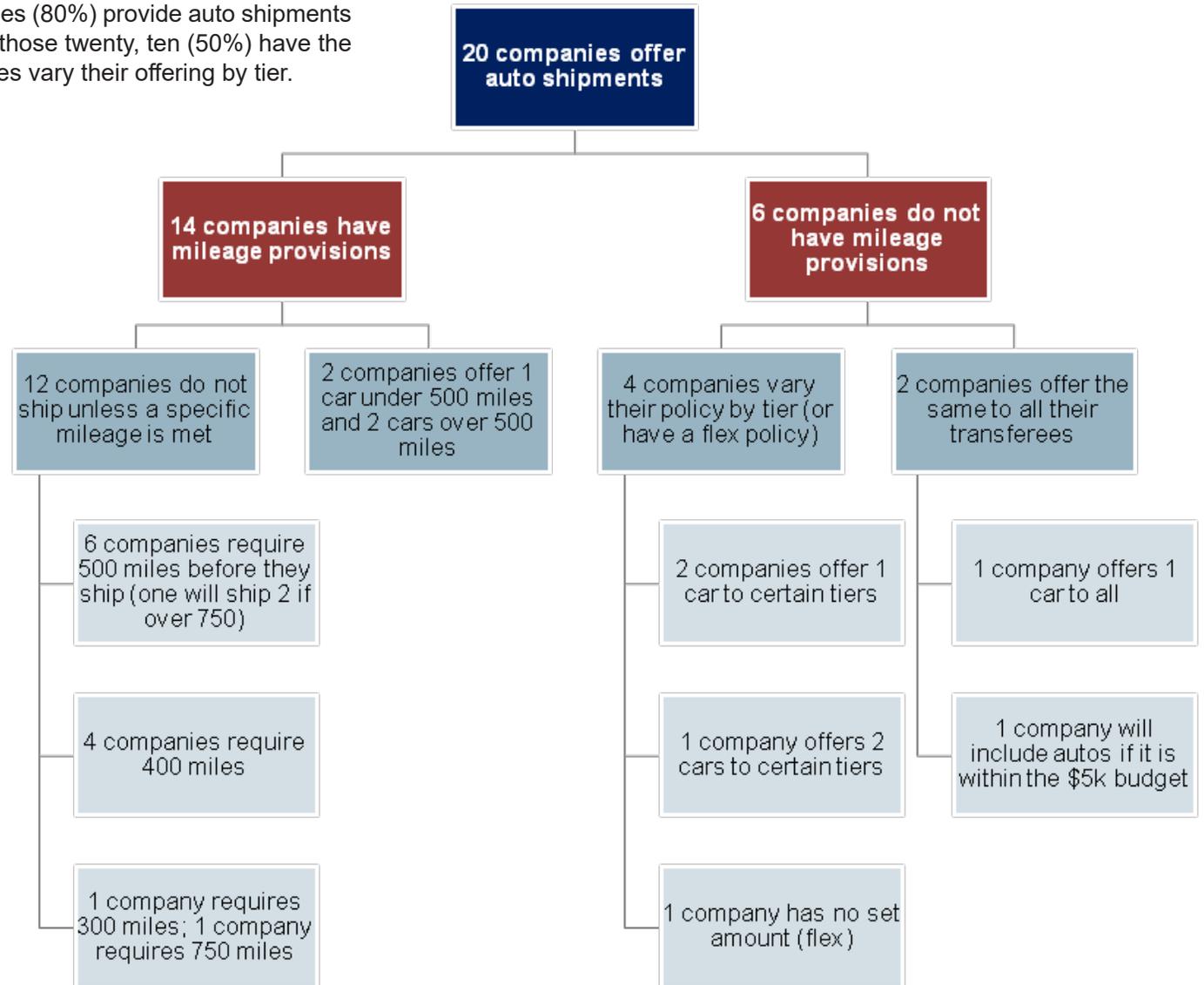
Note: One company did not report on this question.

Days of Temporary Storage Offered



auto shipping.

Twenty of the twenty-five surveyed companies (80%) provide auto shipments as a component of the benefit package. Of those twenty, ten (50%) have the same policy for all tiers. The other companies vary their offering by tier.



temporary living.

Distinction in days covered for temporary living was often made based on homeownership status (versus renters). Commonly, companies reported they cover up to 30 days for renters and up to 60 days for homeowners.

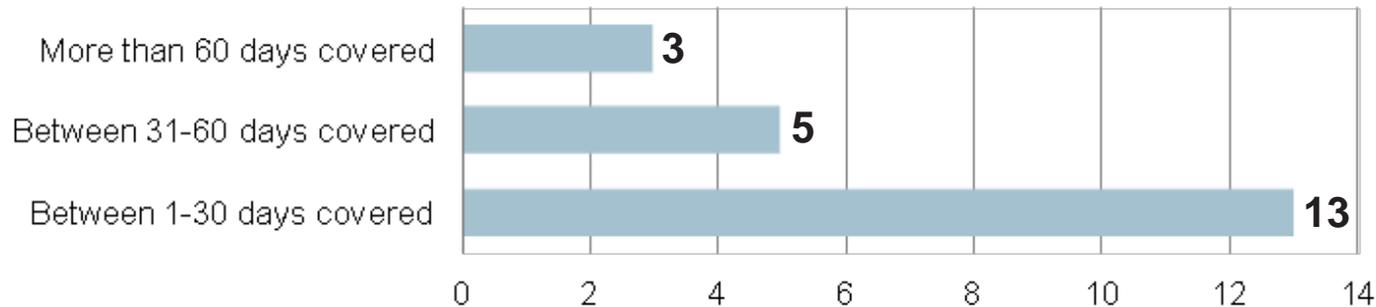
Twenty-two of the twenty-five participating companies (12%) offer temporary living.

Note: Two companies did not respond to this question.

A deeper dive into the data collected:

- Eighteen companies (82%) cover different amounts of time for different tiers. Five of these companies (28%) have tiers that do not receive coverage for temporary living.
- Four companies (18%) cover the same temporary living benefit to all their transferees

Amount of Time Covered
(all tiers, homeowner and renter)



Of the companies providing temporary living, six (27%) indicated using an allowance to cover this benefit. Only two (9%) indicated a direct bill relationship with a temporary living provider. Three (14%) indicated reimbursing actual expenses.

Eight (36%) provide a per diem for meals during temporary living (sometimes included in an allowance). Five companies (23%) indicated that the employee is responsible for his or her own meals.

At least half of all companies seek to find temporary living accommodations with a kitchenette (regardless of a per diem or allowance) to help with the cost of meals during this period.

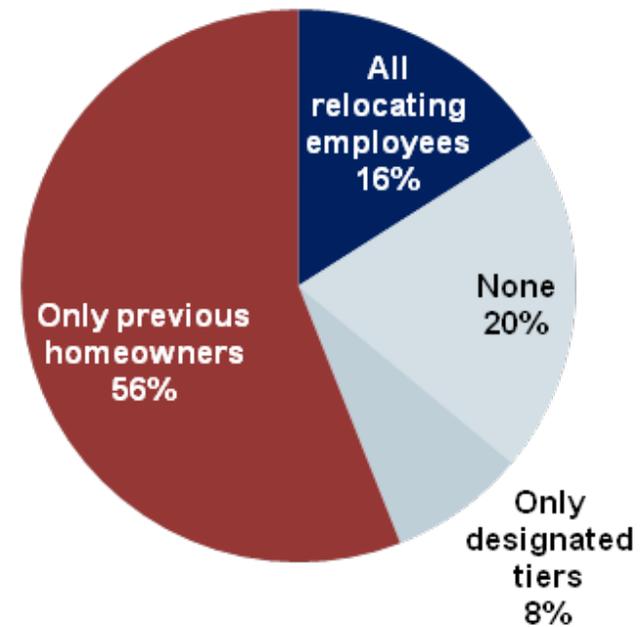
destination closing costs.

Many companies offer to cover some or all of relocating employees' closing costs in the new location. Twenty companies (80%) offer this for at least some of their employees. Most companies limit who receives this benefit.

A deeper dive into the data collected:

- Of the twenty companies that offer destination closing costs, twelve (60%) indicated that they have direct bill relationships with lenders
 - Eight companies (40%) only offer a reimbursement after closing
- Fifteen companies (75%) specified that all customary costs are covered
 - Two companies (10%) specified that they cap the amount given
- Fourteen companies (70%) require a real estate agent referral agreement with destination services
 - Ten companies (50%) allow an out-of-network agent when the agent pays a referral fee
 - Four companies (20%) require the use of an in-network agent with a referral fee

Destination Closing Costs



Graphic is based on all twenty-five companies.

cost of living allowance.

Cost of living allowance, cost of living adjustment, or location cost differential are different names for the same benefit: compensation offered to employees moving into a more expensive market. It is important to note that many companies manage this outside of relocation as a portion of their overall compensation plan. Slightly more than half of respondents (52%) reported *not* offering COLA.

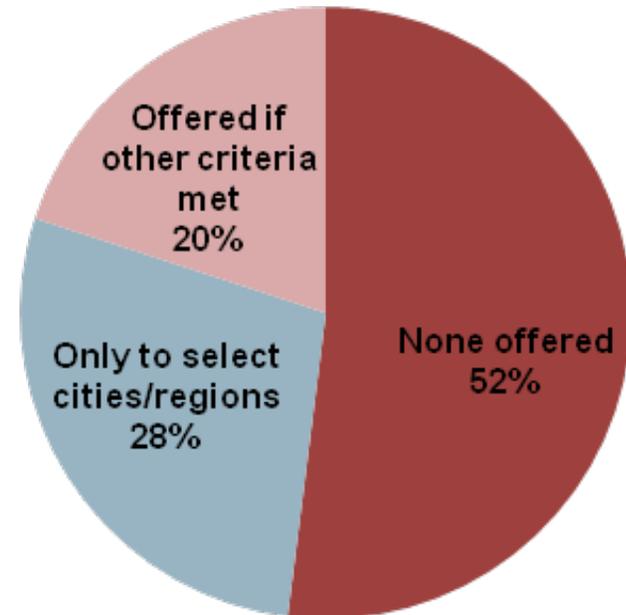
A deeper dive into the data collected:

Of the twelve companies (48%) that offer this assistance, the following trends were revealed:

- Seven companies (58%) offer this only to select cities or regions
- Five (42%) require some level of minimum change
 - One company reported any change over 1% was paid; another said any change over 5%; another, 8%; and two companies (40%) require a 10% or greater change between locations

- The most common means of payment are either a one-time payment or payments over a 3-year timespan (both had a 25% response rate)
- Other payment options mentioned were timespans of 1 year (8%), 2 years (8%), or greater than 3 years (17%)

COLA

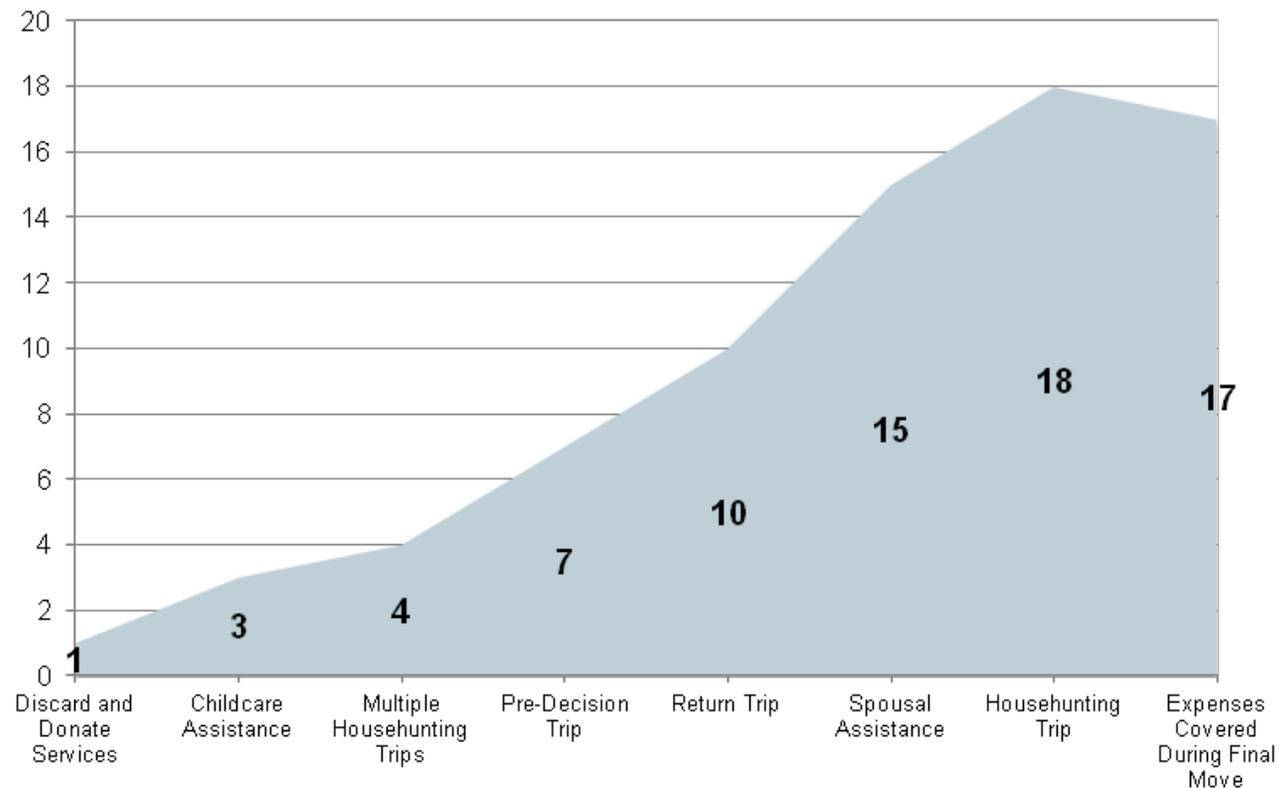


additional benefits.

The below chart depicts additional benefits offered in participating companies' relocation packages.

One item that was surveyed—multiple pre-decision trips—is not offered by any of the companies.

Additional Benefits



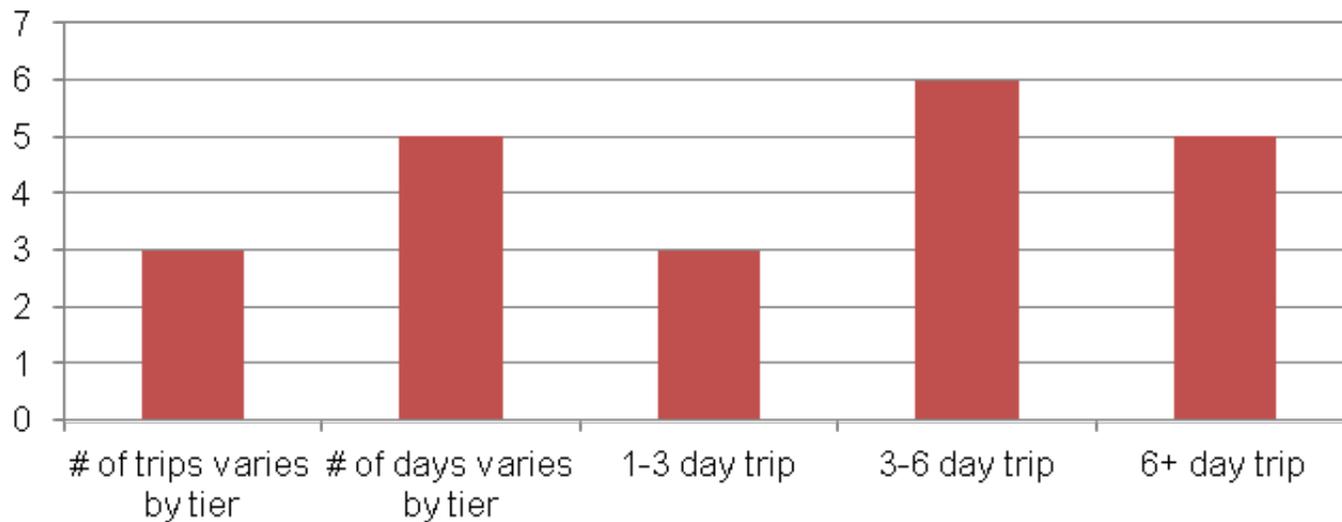
househunting trips.

Eighteen of the twenty-five companies (72%) offer a househunting trip(s).
The benefit varies in several ways.

A deeper dive into the data collected:

- Ten of the eighteen companies (56%) provide their transferees with a lump sum to cover the costs associated with the trip
- Seven of the companies (39%) reimburse actual incurred expenses

Househunting Details

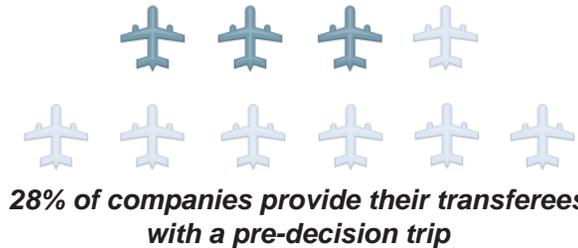


pre-decision trips.

Seven of the twenty-five companies (28%) provide their transferees with a pre-decision trip.

A deeper dive into the collected:

- Three of the seven companies (43%) offer a 1-day to 3-day trip with expenses reimbursed
- Three companies (43%) reported this benefit is offered but not through their relocation department
- The remaining company (14%) noted the pre-decision trip is directly covered by a lump sum



gross-up benefit.

Four of the twenty-five companies (16%) reported they do not gross-up benefits for their employees. Eleven of the participating companies (44%) gross-up all taxable expenses, while two (8%) gross-up all expenses (but only for select tiers). The remaining eight companies (32%) gross-up some expenses, but not all taxable expenses.



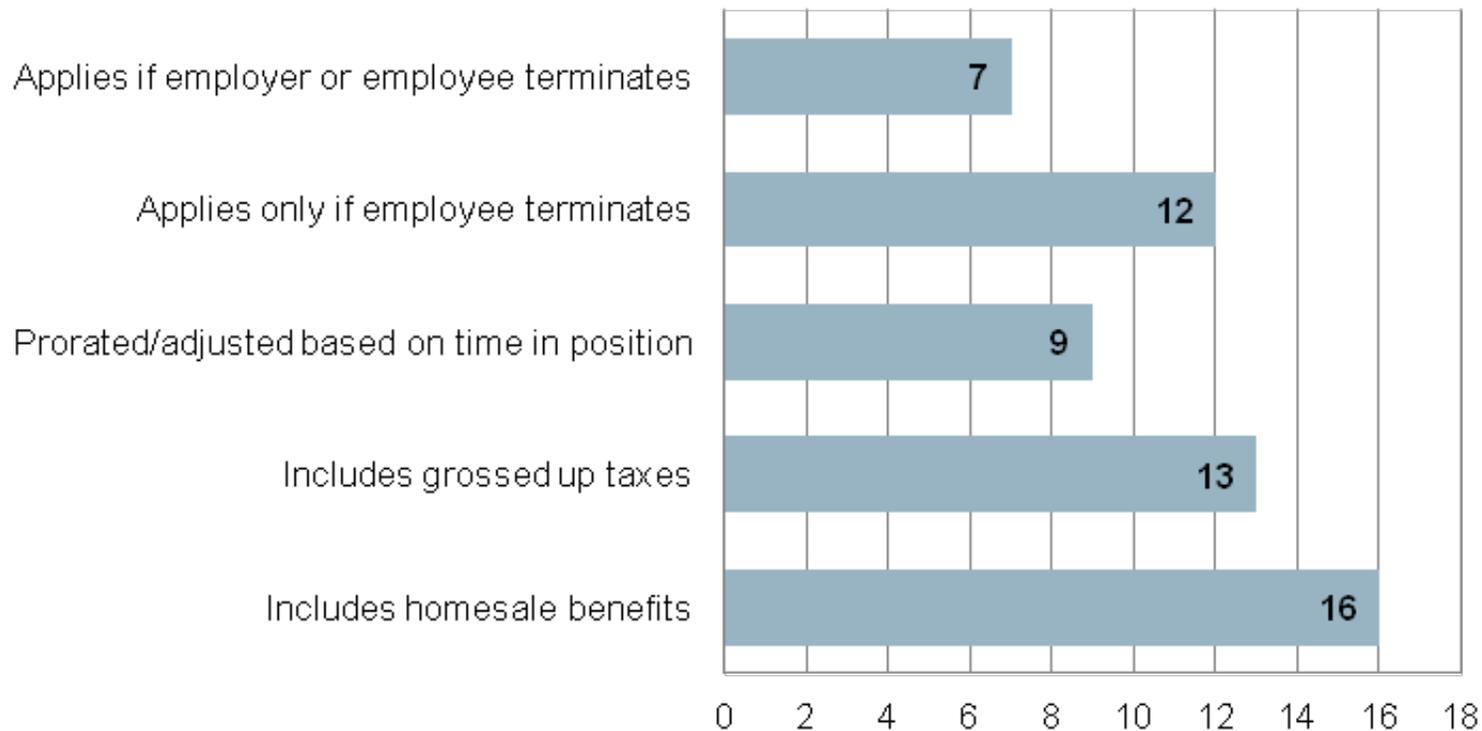
repayment agreements.

Twenty-three of the twenty-five companies (92%) have a repayment agreement with their transferring employees.

A deeper dive into the data collected:

- Eighteen of the twenty-three companies (78%) have a 2-year agreement,
- Four companies (17%) have a 1-year agreement
- Three companies (13%) have both a 1-year and 2-year agreement (dependent on tier)

Repayment Agreements



relocation
benefit
changes.



planned changes to benefits.

Loss on Sale: Loss on sale (LOS) was mentioned by five different companies (20%) when asked which parts of their program are in consideration for revision. One of those five companies (20%) completely removed LOS from its offerings while another company eliminated additional capital improvement from the LOS benefit. Two companies (40%) are in the process of, or already have, decided to offer LOS to only their top tier. One company noted the idea of completely removing the benefit.

Homesale Bonus: Homesale bonuses were mentioned by four companies (16%). Two of those four companies (50%) mentioned they had, or were in the process of, tightening the timeframe of their bonus program to create a sense of urgency and reduce the risk of homes going into inventory. The other two companies are considering removing the benefit from their programs entirely.

Guaranteed Buyout: Guaranteed buyouts (GBOs) were noted by three companies (12%). Two of those companies (67%) were considering removing the GBO program, while the other one company (33%) was considering bringing *back* the program.

COLA: COLA or LCD was noted by three companies (12%) as a benefit in consideration for being removed, simplified, or reduced.

Program Structure: Four companies (16%) noted that they either recently made drastic changes to their program structure or are in the process of doing so. Two of those companies (50%) are currently offering a program that is primarily based on a lump sum payment. Those companies are considering moving to a more “traditional” type of benefit package. Another company recently changed its structure from a tiered program to a flexible program. The final company was considering consolidating tiers to simplify its policy.

Other benefit trends mentioned:

- Capping or reducing relocation allowances
- Increasing offerings to renters
- Adding auto shipments to lower tiers
- Removing the equity advance program
- Revising length of temporary living and storage

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**Temkin Group Q3 2015 Consumer Benchmark Survey*

WHR Global is pleased to be named a Top Workplace for a third consecutive year. The Milwaukee Journal Sentinel joined forces with Philadelphia-based research firm WorkplaceDynamics, LLP for a seventh year to survey employee engagement at large, medium, and small companies throughout Southeastern Wisconsin.

According to the Journal Sentinel, "The best employers recognize that employees are their most precious asset, and those employers work hard to provide a workplace that gives each individual the greatest opportunity to succeed. Those are the businesses and organizations we want to recognize."

WHR Global's success is driven by talented, energized, and engaged employees. This award is a great recognition of the ongoing efforts to create a work environment that brings out the best in our co-workers and gives us all a place we look forward to coming to everyday.



WHR Global is a SOC 1® certified service organization for system design, operating effectiveness, and internal controls.

To ensure that WHR Group protects clients' and employees' highly sensitive data, funds, and personally identifiable information, WHR Group completes this annual SOC audit of our relocation system, conducted by an independent firm.

This formal audit is designed to test the operational controls that we have in place to protect the interests of relocation data.

Since our first audit in 2008, we have passed the audit without exception every year.



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