

ESSENTIAL NEXT STEPS

Retention Elements

Severance

- Benchmark competitive levels
- Confirm statutory requirements
- Define what is appropriate within the context of the deal

Short-Term And Long-Term Retention Plans

- Develop retention strategy
- Identify potential participants
- Determine award tiers and vesting
- Benchmark program cost

Transaction Bonus

- Define objectives and key performance metrics
- Identify potential participants
- Determine bonus pool size and allocation approach

Contractual Payments

- Calculate payouts upon change in control and/or termination
- Estimate potential IRC 280G liabilities
- Recommend amendments to existing agreements or develop new agreements based on market benchmarks
- Evaluate potential cash flows and payment timing to inform the development of retention or new incentive plans

Competitive Pay

- Define compensation philosophy
- Benchmark competitiveness of current compensation levels (using Mercer's global resources: mercer.com)
- Advise on potential changes
- Design and execute compensation integration

Long-Term Incentives

- Develop LTI strategy, including vehicle (options, restricted stock, profits interest, cash)
- Determine performance conditions and vesting requirements
- Recommend award values
- Review overall program cost and shareholder dilutive impact

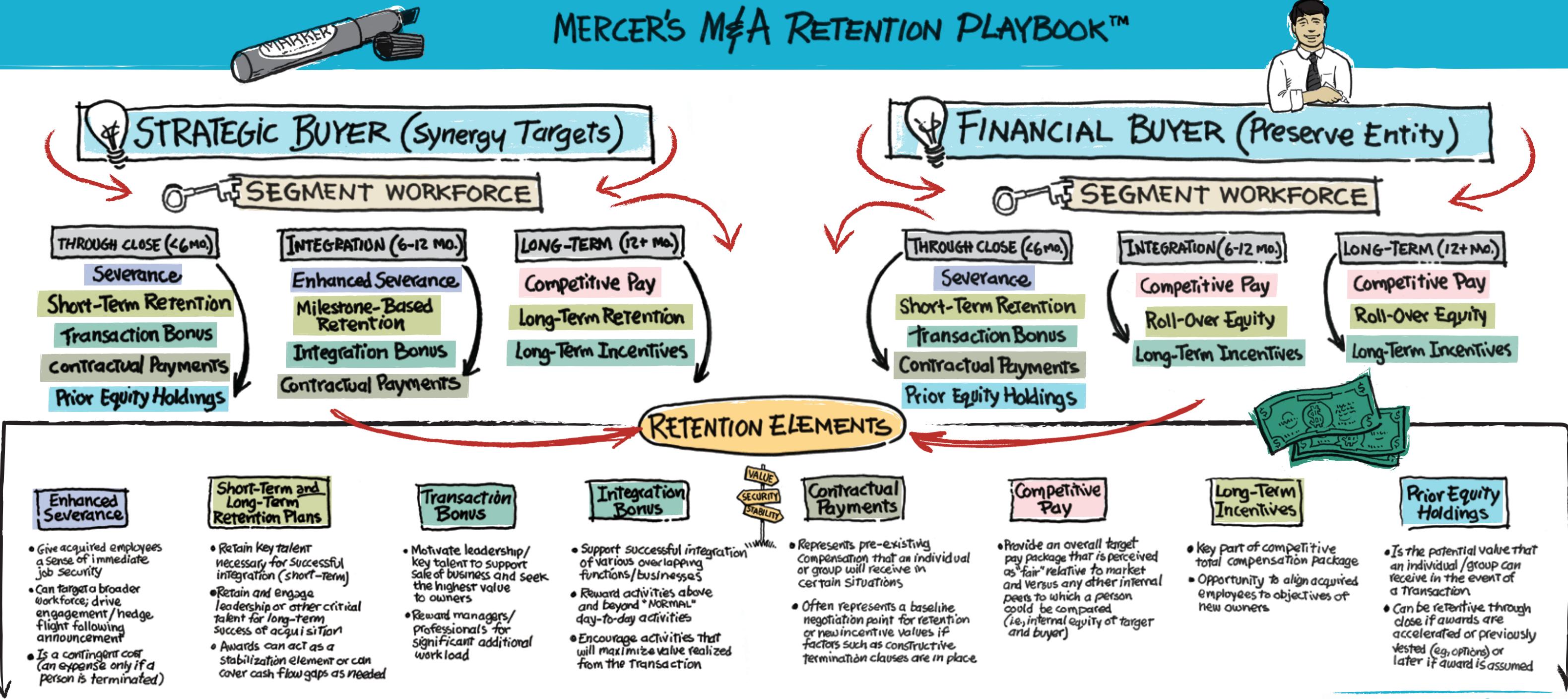
Prior Equity Holdings

- Analyze potential payout or roll-over values to inform retention plan design and/or design purchase agreement earn-out provisions
- Use data and factors like future vesting to develop retention and/or new incentive plan designs



DATA • INSIGHTS • DIRECTION

MERCER'S M&A RETENTION PLAYBOOK™



DATA • INSIGHTS • DIRECTION