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 strategy
- Identify potential participants
- Determining, award terms 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

**Integration Bonus**
- Define strategic objectives, milestones, and key performance measures
- Identify participants and establish competitive and compelling bonus levels

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

**Long-Term Incentives**
- Develop LTIP strategy, inclusive vehicle (options, restricted stocks, profits interests, 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 rollover 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