Anderson Pay Advisors LLC

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Sample Compensation Philosophy

Summary

The philosophy of the Company's compensation program is to create a compensation program that supports the company's mission and values. We believe our compensation program is a management tool that when aligned with an effective communication plan is designed to support, reinforce, and align our values, business strategy, operational & financial needs with a goal of growth and profitability.

The Company's compensation programs are designed to attract, motivate, and retain employees who drive the company's success. We strive to provide compensation that is aligned with the market. The Company targets the market median (or 50th percentile) for cash compensation and above the market median for equity compensation.

When employees are fully proficient and meeting expectations, we expect their pay to be at market levels. We believe that employee consistently performing above expectations and are proficient in the role should be rewarded with above market pay. Employees who are new to their role and/or not meeting expectations may be paid below the targeted 50th percentile.

Pay for performance rewards are a critical component of the compensation philosophy of the Company. In addition to base salary, the Company will utilize annual cash bonuses as well as equity compensation as a way to meet the strategic goals of the Company.

In alignment with our Company culture, we will strive to communicate openly about the goals of the Company and the design of the various compensation programs. The compensation process is intended to be fair and simple so that all employees and managers understand the goals and the outcomes of the process. The Company will administer the compensation program in a manner that is consistent and free of discrimination.

Market Comparison

Competitive Market Definition: The Company will benchmark based on a defined set of scope factors, including industry, size, geography, etc. We believe that this definition of competitive set is most representative of our market.

Targeted Market Position: The Company will target the 50th percentile of the defined competitive market. Individual placement against that target will be based on experience and performance.

Sample Illustration

Overall Objectives

- Attract, retain and motivate superior executive talent
- Provide incentives that reward the achievement of performance goals that directly correlate to the enhancement or shareholder value, as well as to facilitate executive retention
- Align the executives' interest with those of shareholders through long-term incentives linked to specific performance

Comparative Framework

Primary Market	*Secondary Market*	*Data Sources*
• Specific peers in the specific industry with a similar financial profile	• Broader, size- appropriate companies in the specific industry	• Public SEC filings for specific peers • Industry Survey

- Comparative framework is used to define specific peer companies and data sources to be used in the assessment

Illustrative Compensation Positioning

Base Salary	Target Total Cash	Long-Term Incentives
Market 50th percentile (+/- based on experience and performance)	**Market 50th percentile (+/- based on performance)** *Variable- tied to key corporate/individual performance*	**Market 50th percentile** Aligned to achieve long-term goals to drive shareholder value & superior corporate performance

- Individual pay levels may be above or below the philosophy based on the experience of each executive, tenure with the Company, performance delivery, and position scope
- The compensation positioning is intended to guide the executive pay programs in the aggregate
- Actual pay positioning will also consider internal equity and company constraints