01 / EXECUTIVE DIRECTIVE

# Compensation Philosophy & Pay Administration

ORDER OF THE CHIEF EXECUTIVE OFFICER / ADOPTION OF COMPANY-WIDE PAY STANDARDS

The Company will compete for exceptional people through exceptional compensation, clear responsibility, and measurable professional performance. Symbolic rewards and workplace amenities shall not substitute for fair, serious cash pay. Accordingly, I direct the following company-wide policy to take effect on **1 January 2024**.

## 01 POLICY ADOPTION

Approve the **Compensation Philosophy & Pay Administration Policy** in Appendices A–C as the Company standard for U.S. personnel and approved overseas roles.

## 02 MARKET PREMIUM TARGET

Set the fully qualified role-reference base salary target at **110% of the validated market 90th percentile (P90)** for comparable work and geography. Exceptions require a recorded reason.

## 03 VISIBLE SALARY ARCHITECTURE

Human Resources shall maintain documented salary bands, role classifications and benchmark dates. Employees shall receive their applicable band and a written explanation of pay decisions.

## 04 MEANINGFUL ANNUAL REVIEW

Review market pay references **quarterly** and individual base pay at least annually. Seek inflation-beating increases for employees meeting standards. A lower market benchmark shall not reduce an existing base salary.

## 05 PAY FOR PERFORMANCE

Differentiate rewards on verified contribution, judgment, competence and results. Job-related assessment must be consistent with applicable employment and equal-opportunity laws.

## 06 EDUCATION DEBT ASSISTANCE

Authorize discretionary direct payment of eligible student-loan obligations for demonstrated high-impact personnel, subject to a separately signed **five-year service agreement**.

## 07 IMPLEMENTATION & CONTROLS

CFO controls financial exposure; HR maintains benchmarks and records; function heads certify performance; the CEO retains final authority over policy exceptions and strategic awards.

## 08 EFFECTIVE DATE & SCOPE

Apply this policy to compensation decisions made on or after 1 January 2024. Existing agreements remain subject to their written terms and applicable law.

ATTACHMENTS / A: Market standard · B: Reviews & governance · C: Education assistance



**BUICK CHADFORD**

Chief Executive Officer / Order approved

APPENDIX A / MARKET BENCHMARK STANDARD

# Set the bar above the market.

The P90 reference reflects the 90th percentile of verified annual base pay for substantially comparable positions in the relevant labor market. The Company sets its ordinary role-reference base salary at 110% of that P90 figure, subject to documented role fit and review.

## A1 REFERENCE COMPUTATION

REFERENCE BASE SALARY

**1.10 x P90**

### ILLUSTRATIVE ROLE / LOCATION

Suppose validated market P90 for the role in its operating geography is **$160,000**. The Chadford role-reference target is **$176,000** in annual base salary. This is a calculation example, not a published salary offer or actual market survey.

## A2 BENCHMARK QUALITY & ROLE MATCHING

### 01 CLASSIFY

Define job scope, decision authority, technical competence, seniority and location. Match actual responsibilities, not aspirational titles.

### 02 VALIDATE

Use at least two credible independent market sources where reasonably available; record geography, date, sample and comparability.

### 03 DOCUMENT

Record the final P90, calculation, salary band, individual pay positioning, reviewer and date; exclude bonuses from base-pay benchmark.

## A3 BAND-SETTING AND CONTROLLED EXCEPTIONS

### BENCHMARK BASIS

Use comparable annualized base salary (or hourly equivalent); verify full-time equivalence, shift premiums and geographic cost differences.

### BAND TRANSPARENCY

Publish the role band internally and provide the employee with band placement, reference date and the reasons for an offer or adjustment.

### NON-ROUTINE CASES

Training roles, new acquisitions, scarce specialties and unusual geography may require transitional plans or written CEO-approved exceptions.

**Interpretation:** The 110%-of-P90 figure is a policy reference for a fully qualified role and is not an unconditional individual guarantee, an equity award or a promise of permanent market superiority without review. Deviations shall be documented and reviewed.

APPENDIX B / ANNUAL REVIEW AND PAY ADMINISTRATION

# A premium that stays meaningful.

Market-leading starting pay cannot become a stagnant salary. Market benchmarks are checked each quarter; individual pay and purchasing power are reviewed at least annually.

## B1 ANNUAL CYCLE

### QUARTERLY

**MARKET CHECK**

HR checks comparable-market P90 and updates role references when warranted.

### ANNUAL

**PERFORMANCE**

Leaders document individual contribution, professional growth and accountability.

### ANNUAL

**PAY DECISION**

Approved base salary adjustments are communicated and recorded.

### AS NEEDED

**EXCEPTION REVIEW**

Role changes, retention risks and market shocks may trigger review sooner.

## B2 INFLATION-BEATING PAY OBJECTIVE

For employees who meet expectations, the Company will normally seek a **base-pay adjustment exceeding annual inflation**. The published price index, review period, market movement and affordability must be documented. A decrease in market benchmarks **does not reduce existing base pay**. Exceptional economic or performance conditions may justify a recorded departure from the increase objective.

ILLUSTRATIVE REVIEW

**3.0% inflation**

**4.0% salary increase**

Example only; not an automatic award.

## B3 ACCOUNTABILITY AND APPROVALS

### LINE MANAGER

Provides evidence of individual results and role scope; recommends adjustments without unilateral approval.

### HUMAN RESOURCES

Maintains benchmarks, salary bands, documentation and employee communication; audits consistency.

### FINANCE & CEO

CFO verifies financial feasibility and funding; CEO approves strategic deviations and policy exceptions.

**PAY IS PAY:** Bonuses, consumer products, discretionary awards, workplace amenities and publicity shall not replace the contracted base salary. Financial incentives, where separately authorized, are additional and governed by their own written terms.

APPENDIX C / SPECIAL ASSISTANCE & IMPLEMENTATION

# Invest in people who deliver.

High compensation is our normal practice. Exceptional long-term employee investment is available only where the Company can identify concrete professional value, organizational need and an enforceable written arrangement.

## C1 STUDENT LOAN ASSISTANCE / FIVE-YEAR COMMITMENT

### ELIGIBILITY

Eligible recipients are employees with documented high-impact contributions or critical expertise, recommended by a function head and reviewed by HR and Finance.

### ASSISTANCE

The Company may arrange direct payment of verified eligible education debt. Amount, payment schedule and tax treatment must be specified in a separate individual agreement.

### SERVICE PERIOD

Acceptance requires a five-year continuing-service commitment under a signed agreement that specifies departure, hardship and repayment terms in advance.

### EMPLOYEE PROTECTION

Any lawful reimbursement on early departure must be reasonable, proportionate to the unserved period where required, and set out in writing; no unauthorized wage deductions.

### DISCRETION

No employee has an automatic entitlement. The program requires both exceptional professional justification and available approved funding.

### LEGAL REVIEW

HR and Legal must review each arrangement for employment, tax and loan-servicing compliance before the Company pays any lender.

## C2 OVERSIGHT AND PUBLICATION

**Governance.** HR shall maintain a single controlled master policy, exception register, annual survey record, employee-level pay decision log and student-assistance agreements. CFO shall certify affordability; the CEO retains amendment authority. Supervisors shall not promise pay or loan assistance outside an approved written offer.

**Employee communication.** Salary ranges and evaluation criteria shall be accessible to affected employees. This directive may be cited in Careers materials, with operational details subject to the controlled policy and signed employment documents. Local-law addenda prevail where required.

**BUILD. EXTRACT. ASCEND.**

The Company pays for capability, judgment and execution. It is not in the business of replacing meaningful compensation with applause.