
BRICK GOAL AND BRICK BONUS PROGRAM FAQs

History of the Brick Bonus Program

In 2010, we set out to establish a single metric that represents our collective success as a firm—one number that we could all easily focus on to measure our rate of success. We decided that the ideal metric would be the total number of brick clients we serve. Our brick client count is a metric that everyone can contribute to in some way. Not everyone can bring in a new client, but everyone contributes to client retention. Thus, this single metric creates great alignment throughout the organization. As a reminder, brick clients are defined as wealth management clients that generate a minimum of \$10,000 in recurring revenue and institutional clients that generate a minimum of \$25,000 in recurring revenue. These clients currently represent over 88% of our revenues and 98% of total assets. In sum, we all win with more brick clients!

It is important to note that the bonus payments are made on a formulaic basis—not a discretionary merit-based construct. Our goal was to keep the formula easy to understand and tied to your cumulative contributions to the firm (years of tenure) and your current salary (with the assumption that the higher your salary, the more value you should be bringing to the success of the firm). To incentivize ownership, current MIU and vested shareholders were and remain eligible to convert all or a portion of the brick bonus to shares.

When we established the program, we set brick client growth goals that we believed we could achieve in an 18- to 24-month period. Fortunately, we grew faster than anticipated and averaged a bonus payout every 19 months. Based on employee feedback, we modified the bonus program so that it is now paid out every year in June. To date, Brick Bonus payments total \$15.01 million.

Qualifying for the Brick Bonus

All regular full-time and regular part-time employees (as defined in the employee handbook) are eligible for bonus payments except for managing directors, senior directors and financial advisors with titles of Vice President, Senior Vice President, and Principal. Interns and other temporary employees are eligible after six months of continuous service.

Current Brick Bonus Plan (effective June 2020)

The firm will set annual target for net new bricks.

The annual period for calculations will be from June 1 to May 31 each year, with payments to be made on or before June 30. A regular full-time employee or part-time employee otherwise eligible under the Brick Bonus Program must be employed through May 31 to be eligible to receive a bonus under the Program.

Bricks from organic growth count at 100%. Bricks from acquisition growth count at 50% with a maximum of 200 bricks per acquisition counted toward goal.

The bonus pool amount will range from 0% to 200% based on actual brick count achieved versus the goal. The amount of the bonus pool is tied to the percentage of the goal we achieve. For example, if we reach 80% of the goal, then the bonus amounts will be reduced by 20%. However, if we exceed the goal, the bonus amounts will be increased proportionately, up to a cap of 200%.


Formula Components

Salary Percentage

- Regular full-time employees: 1.20%
- Part-time regular employees' salary calculated based on average number of hours worked per week
 - Hours are determined by looking at last year of hours worked per week and dividing by 38.5 hours
- Interns are eligible after 6 months of service

Tenure

Term of service is generally calculated from the employees' actual start date with CAPTRUST as a regular employee. This includes both acquired and hired employees. Interns and temporary employees who are hired as regular full-time or part-time employees will be given credit for time worked as a temporary employee. Length of service is calculated as of May 31, 2023 and will be rounded to the nearest hundredth of a decimal.





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Brick Count Goal

1,700 net bricks=100% goal for 2022-23

Bonus Caps

The bonus is capped at \$6,000 at 100% of the goal. The bonus maximum will fluctuate based on the percent of the target met. For example, if the firm achieves 150% of the goal, the maximum brick bonus would be \$9,000 (\$6,000 x 1.50). The overall maximum bonus is \$12,000 (at 200% of goal, \$6,000 x 2). In the event the firm does not achieve the goal, the maximum bonus is capped at \$6,000.

Examples

Example #1

Employee Salary = \$60,000

Salary % Per Year = 1.20%

Employee Tenure = 7 years

Company achieves 100% of Brick goal

Bonus = $\$60,000 \times 1.20\% \times 7 = \$5,040 \times 1$ (or 100% of the goal)

Example #2

Employee Salary = \$80,000

Salary % Per Year = 1.20%

Employee Tenure = 7 years

Company achieves 126.4% of Brick goal

Initial Brick Bonus Calculation* = $\$80,000 \times 1.20\% \times 7 = \$6,720 \times 1.264 = \$8,494$

Brick Bonus for employee #2 = \$7,584* (BONUS CAP for 126.4% of goal)

*If, as of the last brick count, the company has achieved 126.4% of the goal, the maximum brick bonus paid would be \$7,584 (\$6,000 x 1.264).

Example #3

Employee Salary = \$60,000

Salary % Per Year = 1.20%

Employee Tenure = 2 years 3 months

Company achieves 130.6% of Brick goal

Brick Bonus Calculation = $\$60,000 \times 1.20\% \times 2.25 = \$1,620 \times 1.306 = \$2,115.72$

Example #4

Employee Salary = \$60,000

Salary % Per Year = 1.20%

Employee Tenure = 2 years; 91 days

Company achieves 80% of Brick goal

Brick Bonus Calculation = $\$60,000 \times 1.20\% \times 2.25 = \$1,620 \times .8 = \$1,296$





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Additional Notes

CAPTRUST administers and interprets the Brick Bonus Program in its sole and exclusive discretion. All decisions of CAPTRUST shall be conclusive, final, and binding on CAPTRUST and the eligible employees.

CAPTRUST reserves the right in its sole and exclusive discretion, to amend, adjust, modify, or terminate the Brick Bonus Program, at any time. Any such amendments, adjustments, modifications, or termination shall be made in writing and communicated to eligible employees.

All payments under the Brick Bonus Program are subject to termination of the Program and subject to any amendments, adjustments or modifications to the Program. No payment under the Program is determinable or earned until CAPTRUST makes final calculations and approvals. Further, CAPTRUST reserves the right to correct and recoup any overpayments made to current and former eligible employees as a result of incomplete or inaccurate data, alignment information, calculation errors or any other reason. In the event of any overpayment, CAPTRUST may recoup such overpayment by reducing any payments for future Program periods and/or other non-salaried compensation.

Employees may not be eligible to receive a bonus under the Program if they receive a written or final warning during the annual time period covered by the Program.

The net new brick count can vary based on market conditions. For example, if a wealth client had \$1.05m of assets under management and the market had a significant drop, it is possible that the client would no longer be a brick client and thus not count toward the net new brick total.

