



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 85% of our revenues and 97% of our assets under advisement. 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 incent 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 \$9.2 million.

Qualifying for the Brick Bonus

All full-time and part-time employees are eligible for bonus payments except for managing directors and full variable compensation financial advisors (VP, SVP, and Principal Financial Advisors).

Current Brick Bonus Plan (effective June 2020)

The firm will set annual target for net new bricks. Note: 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.

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.

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
- Interns are eligible after 6 months of service for a \$250 bonus

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 will be given credit for time worked. Length of service is calculated as of May 31, 2021.



BRICK GOAL AND BRICK BONUS PROGRAM FAQs, CONT.

Brick Count Goal

900 net bricks=100% goal for 2020-21

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

