EXECUTIVE BENEFITS
TIER STRATEGY RECOMMENDATION

SIGNATURE ESTATE & INVESTMENT ADVISORS, LLC®
Established 1997

1 **TIER ONE**
VOLUNTARY DEFERRALS

- Separate participant elections for base salary or bonus
- Always 100% vested in voluntary deferrals
- Ability to access funds while employed at the company for whatever reason (college savings, second home, etc.) without early withdrawal penalty
- Can use high deminimus as financial disincentive

2 **TIER TWO**
DISCRETIONARY "CASH" CONTRIBUTIONS

- Completely discretionary; intention is reduction of existing cash bonus compensation with retention-based incentives
- Similar to voluntary deferral dollars, funds investable by participant in a menu of funds that look and feel like a 401(k)
- If/when granted, a 5 year (or shorter) vesting schedule would apply to the awarded dollars from the date of the grant
- Company will keep revenue goals to determine award between $10-25k

3 **TIER THREE**
DISCRETIONARY "SYNTHETIC EQUITY" CONTRIBUTIONS

- Completely discretionary by the company; may or may not ever be granted
- If granted, these dollars would mirror the performance/valuation of the company
- If granted, these dollars would only vest & distribute at a *Change in Control* event, mirroring the experience of ownership at the time of transaction
- If granted, value could be issued from #1 in revenue or later starting point strike
- (SARS, Phantom Equity)

4 **TIER FOUR**
OWNER PLAN B

- Completely discretionary by the company; for owner(s) only
- Plan used to replace retirement income at 80%
- Funding Time Period to coincide with exit even timeline
- Plan used as back up plan for owner as a "just in case"

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