

## REPORT ON EQUITY, EXTERNAL COMPETITIVENESS, AND SALARY STRUCTURE ANALYSIS



1. Description
2. Methodology
3. Peer Group
4. Internal Equity Report
5. Internal Equity Details
6. - 7. Equity Graphs
8. External Competitiveness Summary
9. Position vs Market (Comp 1 - Comp 5tg)



## INTERNAL EQUITY

The internal equity assessment *seeks to understand the current status of employee compensation compared to the “weight” of each position within the organization*. It is a snapshot of the current situation that enables making decisions related to salary management at the organization. The greater the impact / contribution of a position to the business, the greater the difference in compensation.

## EXTERNAL COMPETITIVENESS

A salary assessment that *enables comparing the company’s remuneration levels compared to remuneration in the market*. The market is represented by a select group of companies that compete in products and/or for talent.

This analysis enables determining the remuneration level and position of the company compared to the market in which it operates. It is assessed in percentiles, according to the company’s policy, which in this case is analyzed in terms of the Market Median.

## SALARY STRUCTURE

The salary structure is the *“Navigation Chart”* for the effects of salary management, and is developed based on the company’s internal policy and the salary ranges or levels of the market in which we compete for talent.

The salary structure always includes a range (minimum, midpoint and maximum) that represents the amplitude available to the organization to differentiate between the compensation received by two positions in the same organizational category, as a function, for example, of an employee’s experience in the position (development level) and performance.

## REMUNERATION COMPONENTS



### BASIC ANNUAL SALARY – COMP 1

Basic monthly salary multiplied by the number of mandatory payments for each country.



### GUARANTEED ANNUAL CASH AMOUNT – COMP 2

Basic Annual Salary + Other guaranteed cash payments



### TOTAL CASH AMOUNT – COMP 3

Guaranteed Annual Cash Amount + Short-term Incentives such as performance bonuses, incentives, commissions and other variable payments.



### TOTAL DIRECT COMPENSATION – COMP 4

Total Cash Amount + Long-term Incentives quantified based on the Black-Scholes method (when granted in shares).



### TOTAL ANNUAL REMUNERATION – COMP 5

Total Direct Compensation + quantified benefits.