



# WE ARE ALL OWNERS!

At Neighborly, **every** associate makes a difference, and the **Associate Equity Program** was created to acknowledge that we are all owners! The AEP gives our associates the opportunity to receive a substantial payment at the next Neighborly sale transaction as we continue to **grow our future** together.

## WHAT A POSSIBLE PAYOUT COULD LOOK LIKE:



Achieve a 3X return  
to our investors

Eligible  
Compensation

Payout  
See reverse for examples

You must be employed at the next Neighborly sale transaction to be eligible.

neighborly®

## What a possible payout could look like at a targeted 3X return:

Eligible Compensation	Bonus	Eligible Compensation	Bonus	Eligible Compensation	Bonus
30K	\$22,500.00	65K	\$48,750.00	100K	\$75,000.00
35K	\$26,250.00	70K	\$52,500.00	105K	\$78,750.00
40K	\$30,000.00	75K	\$56,250.00	110K	\$82,500.00
45K	\$33,750.00	80K	\$60,000.00	115K	\$86,250.00
50K	\$37,500.00	85K	\$63,750.00	120K	\$90,000.00
55K	\$41,250.00	90K	\$67,500.00	125K	\$93,750.00
60K	\$45,000.00	95K	\$71,250.00	130K	\$97,500.00

## Associate Equity Program FAQs

### What is the AEP?

Neighborly recognizes every associate as playing a role in overall value creation, and therefore has created a cash transaction bonus program that is designed to pay out upon the next Neighborly sale transaction based on the increase in the equity value of Neighborly's parent company after the acquisition of Neighborly by KKR on September 1, 2021.

### What associates participate in the AEP?

All associates hired as permanent (excluding non-temporary/seasonal basis/interim), full time and part-time, that are not offered or eligible to participate in any other leadership equity program are included as participants in the AEP.

### What is my AEP bonus target?

Neighborly is targeting 75% of your base salary/hourly compensation (excluding overtime) and commissions (if applicable), assuming the company meets anticipated investor returns. This target could be higher or lower depending on our investor returns (overall company performance).

### How will the eligible compensation be calculated for the bonus target?

We encourage growth and rewarding good performance through merit increases at Neighborly. As such, the calculation will consider eligible compensation paid during the year preceding the next Neighborly sale transaction instead of your eligible compensation today. For instance, if the next Neighborly sale transaction is in 2026, Neighborly would consider compensation paid through 12/31/25 for the calculation.

Example 1: Susie's annual base compensation in the year preceding the next Neighborly sale transaction is \$45,000 (salaried). She is not eligible for commissions. Her bonus target would be \$33,750 (75% of base). Depending on the amount of the increase in the equity value at the time of the next Neighborly sale transaction, this bonus may be higher or lower.

Example 2: Nathan's annual base compensation in the year preceding the next Neighborly sale transaction is \$60,000 (salaried) and he earned \$55,000 in sales commissions for total base compensation of \$115,000. His bonus target would be \$86,250 (75%). Depending on the amount of the increase in the equity value at the time of the future next Neighborly sale transaction, this bonus may be higher or lower.

Example 3: John's hourly rate is \$19/hour (hourly) and his annual compensation paid in the year preceding the next Neighborly sale transaction is \$39,520 (worked 2080 regular hours; overtime hours are not included). He is not eligible for commissions. His bonus target is \$29,640 (75%). Depending on the amount of the increase in the equity value of Neighborly's parent company at the time of the next Neighborly sale transaction, this bonus may be higher or lower.

Example 4: Harry was hired on January 1 of the year of the next Neighborly sale transaction (which hypothetically occurs December 15). Harry's annual base salary is \$100,000 and he is not eligible for commissions. His bonus target would be \$11,250 (\$75,000 base salary earned through calendar quarter which ended prior to the Neighborly sale transaction multiplied by 75% multiplied by 0.2 (representing how he is 20% vested at the time of the Neighborly sale transaction)). Depending on the amount of the increase in the equity value of Neighborly's parent company at the time of the next Neighborly sale transaction, this bonus may be higher or lower.

All bonus amounts are expected to be taxed as ordinary income and subject to normal withholdings.

### Why are commissions included, but not annual bonus in determining eligible compensation under the AEP?

Associates earning individual sales commissions rely heavily on them as part of their day to day base income (sometimes 100% of their base compensation or more). As such, commissions are considered eligible compensation.

### Am I still eligible for other, non-commission based bonus plans?

Yes, the AEP is in addition to any other bonus plan.

### What is the vesting schedule?

Associates that join Neighborly past 12/1/21 will vest into the right to receive the AEP payment as follows: 10% on the first day of the first calendar quarter that begins after they have completed 90 days of continuous employment with Neighborly, an additional 10% on the last day of each of the next 3 calendar quarters, an additional 30% on the second anniversary of the date on which they commenced employment with Neighborly and the final 30% on the third anniversary of the date on which they commenced employment with Neighborly. Fully vested after 3 years of service. Any unvested portion of their AEP payment will be forfeited when the next Neighborly sale transaction occurs.

### Will I be paid the bonus if I exit Neighborly before the next Neighborly sale transaction?

No. Associates must be actively employed at the time of the next Neighborly sale transaction to receive payment.

### Can I invest my own money into the company?

At this time, the AEP does not allow for associates to make individual investment contributions.