

COMPENSATION PHILOSOPHY



At Cross Company our goal is to **“Create an amazing place where top talent wants to work.”**

The Cross compensation program is designed to meet five key objectives:

1. Transparency

Provide managers and associates access to their individual job-related content, pay guidelines and salary ranges

2. Flexibility

Support a diverse, decentralized organization to accommodate differences and changes in job requirements, job market and the economy.

3. External Competitiveness

Reflect equitable pay rates for comparable jobs and worth within the relevant labor market.

4. Internal Comparability

Provide pay guidelines that ensure similar jobs are paid fairly and equitably across the organization.

5. Recognition

Reward performance through salary increases, bonuses and incentives; extraordinary performance and contributions are further rewarded at a level that signifies the value of the associate to the organization and encourages retention.

Base Pay

We strive to administer our base pay in a way that rewards competitive performance in a competitive marketplace.

The base compensation for each position is periodically benchmarked against similar geographic, industry, and position data in the marketplace.

Increases to base pay

Performance is evaluated annually on:

- Cross Company standards for values, culture, and our “core competencies”; a universal set of skills and abilities that we believe are key to achieving great results in a manner consistent with our culture.
- Technical and position specific skills
- Achievement of specific annual goals

Variable Compensation

Variable compensation plans are intended to drive and motivate performance and behaviors to achieve specific results. Every associate is eligible for one or more of our bonus programs which include:

- Commission plans
- KPI bonus plans
- Discretionary year-end bonus’
- Spot bonus program

We believe that variable compensation and year-end bonuses are the best way to reward extraordinary performance. These are based on the performance of the company as a whole, the group, the team, and the individual.

Owner Compensation

Cross Company is 100% Employee owned. Each associate who has met the eligibility requirements for participation in the Employee Stock Ownership Program, or ESOP, receives an annual contribution.

- The Board of Directors determines the annual ESOP contribution based on the current performance and future goals and objectives of the company.
- The ESOP contribution is based on a percentage of the total earnings of the individual, with all associates’ contributions being the same percentage regardless of position.

This form of compensation is intended for the long-term benefit and retention of the associates.