



Delivering Pay Transparency in Real-time

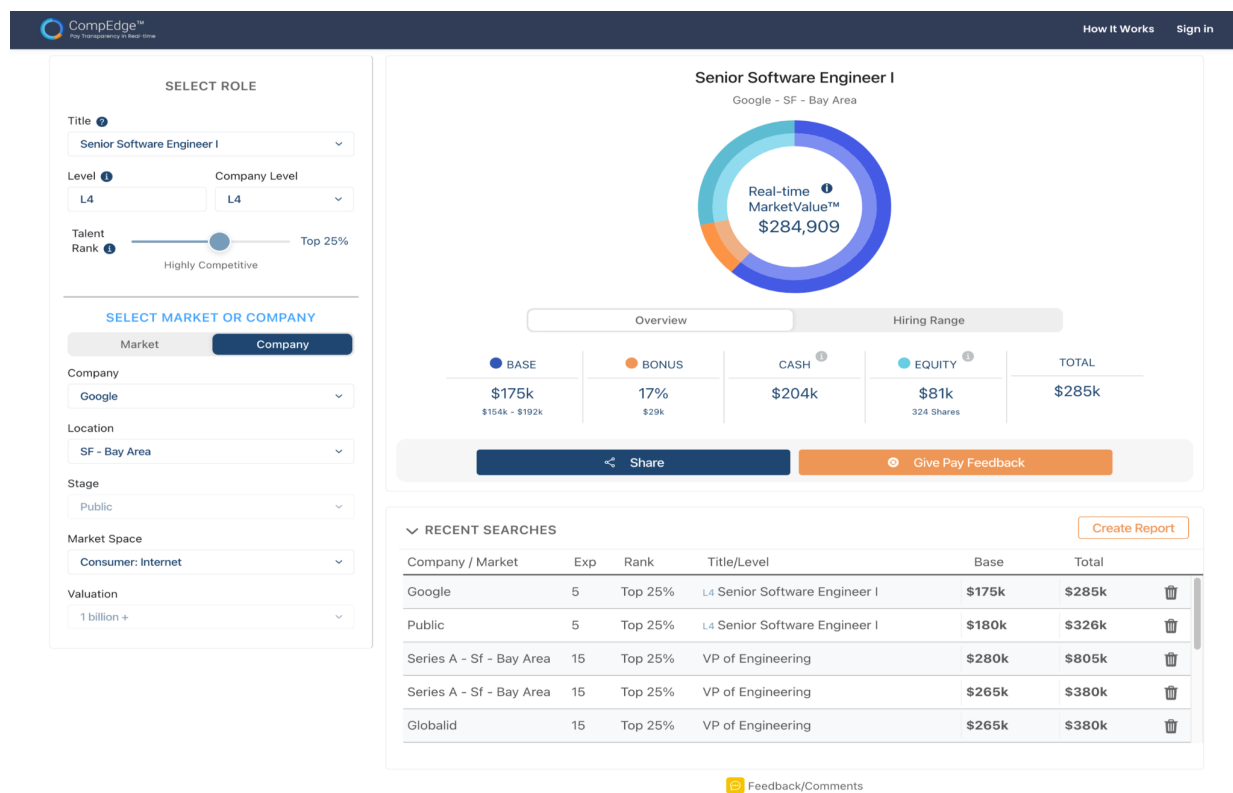


CompEdge™ is a revolutionary compensation research and analytics platform. It is offered as a free, web-based search tool and SaaS compensation analytics solution at www.compedge.io. The patent-pending platform currently incorporates more than 1.2 million verified salaries, including those enabled by new Pay Transparency laws; “blinded” corporate salaries; and H1B data. CompEdge™ applies artificial intelligence (AI) and statistically-derived relationships between 15 compensation factors to peg compensation for 85 million unique roles in *today’s* job market. It’s the first solution to report Real-Time MarketValue™.

CompEdge™ is fast becoming a leading source for Pay Transparency. Users can search, share and instantaneously create “market compensation” reports for more than 5000 titles at 17,000 companies for 50 market spaces, within 21 regions, across 11 funding stages in the tech sector.

CompEdge™ offers these “firsts:”

- Reports “total” compensation, including base salary, bonuses, stock
- 8 search filters. Search by company, employee experience, Talent Rank, location; funding stage, marketplace, #employees and valuation.
- Calculates customized compensation targets for Remote employees.
- Offers a salary Negotiation tool.
- Pay Equity Demographics analytics dashboard: age, gender and ethnicity.
- Competitive Pay benchmarks: 1) job market; 2) company peers and 3) salary surveys.
- Updates “market compensation” weekly.



CompEdge™ searches and injects new data and market updates for recently published verified salaries weekly. It curates, validates and incorporates compensation feedback from experts and market participants to increase market accuracy.

CompEdge™ aspires to be a market leader for delivering Pay Transparency and the most precise source for benchmarking compensation in “today’s” job market.

Technology Innovations

CompEdge offers breakthrough compensation benchmarking and analytics for companies and professionals, while simultaneously delivering a new level of pay transparency for employees.

CompEdge is among the first to offer a professional grade compensation research and analytics tool. The platform is neither a salary survey, nor a conventional compensation platform. It complements and adds octane to both. It creates visibility into job market compensation previously unavailable. CompEdge serves both business and consumer markets. In a sense, the platform is a marketplace for compensation, not unlike NASDAQ is for stocks.

By deploying a scientifically robust, patent-pending compensation market model and tracking market compensation conditions, including carefully integrating the latest verified and validated compensation data, we aim to help deliver real-time pay transparency to the tech market and beyond. Our goal is to make the invisible transparent and create new efficiencies in salary negotiations and market pay.

I. First compensation metric for Job Market compensation

Market salaries are estimated in so many different ways, there is really no way to know how accurate they are given current market conditions. The process of making job offers is inherently subjective, ad-hoc and downright random at times. A 5% rate for imprecise job offers in the tech sector, where more than \$900 billion in cash compensation is offered annually, can impose a \$45 billion cost in tech alone. Clearly precision matters.

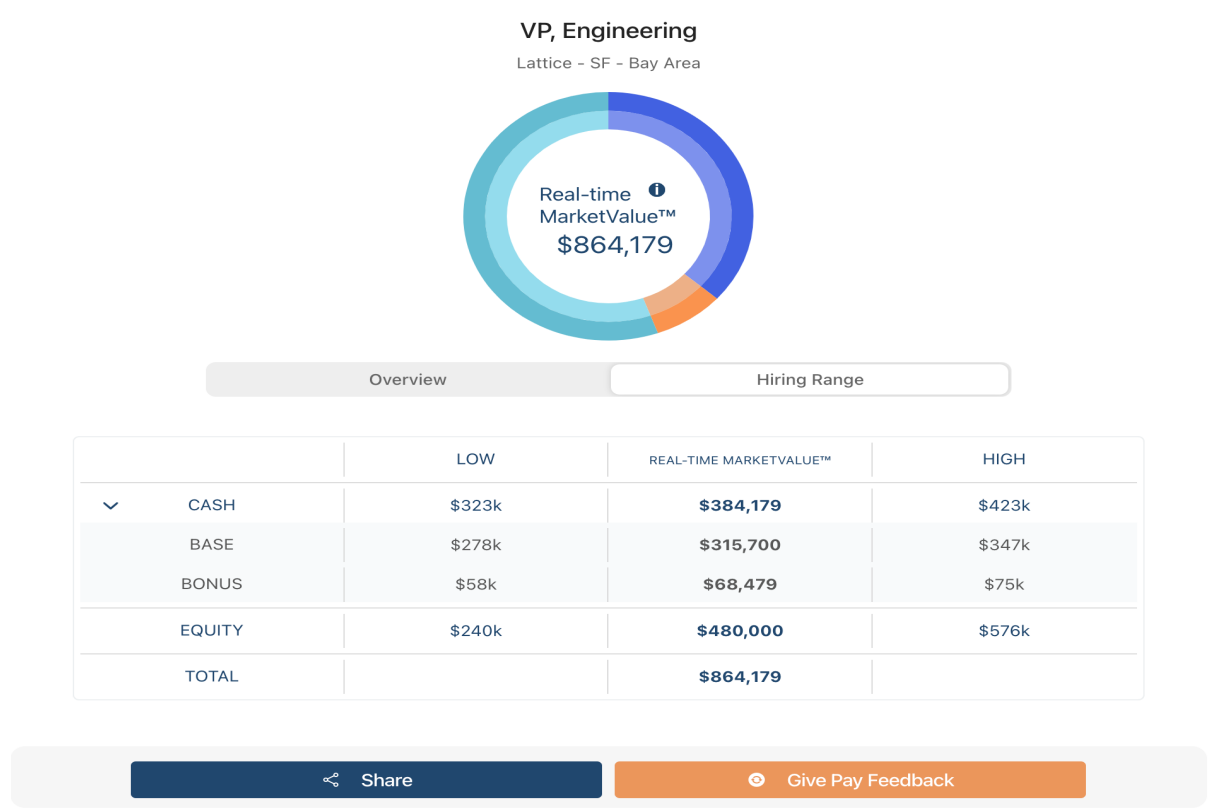
The first breakpoint in the current model is that salary survey data is likely to be out-of-date. Thus surveys are not necessarily the best tool for *job market* compensation. In fact, surveys typically report salaries 10-25% lower than job market compensation. The second problem is salary surveys tend to aggregate data across fundamentally different companies, where size, stage, location and market space factors aren't always controlled for. For instance, one leading salary survey aggregates across a pool of 800+ SaaS companies to determine what to pay software engineers. But would the same salary schedule for a senior engineer at a series A company in Atlanta apply to a senior engineer at Google in Seattle?

Another challenge with surveys is matching company positions to industry job titles and the associated salary ranges. The process is extremely difficult, and often more “art” than “science.” In turn, judgments here can potentially lead to the creation of arbitrary internal salary ranges. As a result, potentially flawed job architecture may be used to inform market pay decisions.

Until now, there hasn’t been a single, reliable source for *job market* compensation. Salary surveys are out-dated and overly generic. Job websites use self-reported compensation to calculate salary ranges. The bottom line: there is no NASDAQ for compensation.

A. Real-Time Market-Value.

With the release of CompEdge™, we’ve taken the first step to establish credible market compensation for today’s job market. We call the underlying metric Real-time Market-Value™. As discussed previously, the platform is built on 1.2 million verified salaries and leverages an AI model, which incorporates 15 factors for determining compensation in the technology sector.

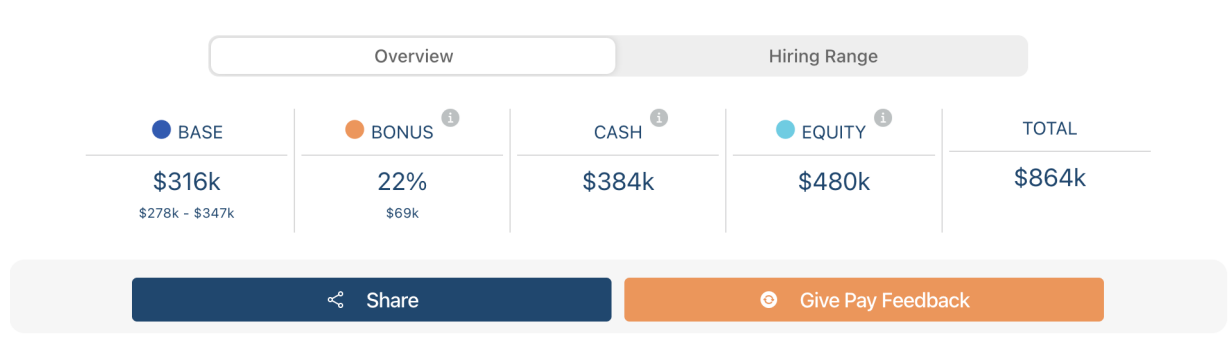


CompEdge™ is the first to combine millions of data points of verified data with a learning model that improves accuracy by increasing data, guiding timely adjustments to changing market

conditions to reveal more precise compensation metrics. If CompEdge™ can help improve the accuracy of job offers by just 1%, the tech sector can save more than \$9 billion annually. This same 1% improvement means a cost savings of \$523,000 for the average tech company.

B. Features of Model:

- **Deploys AI to fill holes in sparse datasets**, increasing the value of 1.2 million data points for displaying compensation for greater than 85 million unique roles.
- **Reports “total” compensation.** This includes base salary, all bonuses, and stock. Historically, salary surveys and other compensation tools focus on base salary as the primary metric for compensation.



Historically, salary surveys and other compensation tools focus on base salary as the primary metric for compensation. Recently, bonuses have been included in many surveys. But few have added, or adopted equity grants or stock options in the overall calculation of compensation. Base salary is a single component, but really misses the key idea of comparing total compensation packages. Based on 3 years of R&D and intensive compensation research, driven by eleven compensation experts, the CompEdge team has identified root patterns for equity % allocations and annual equity consideration across 11 funding stages and other company factors in technology. CompEdge uses this expert-curated data to estimate annual equity compensation, which can be used in total compensation calculations. (Described in provisional Patent)

II. Innovations of Application

- Pay Equity analytics dashboard:** for age, gender and ethnicity. First pay equity dashboard built on market data comparisons. This controls for internal company anomalies in pay. For instance, we are comparing an African American, VP of Marketing to her peers at similar companies, not the VP of Sales, or Engineering at that company.

Pay Equity

Lattice

Group: All

Add Employee

Import

Compensation: Benchmark

Salary Survey

Demographic: Benchmark

All

Lattice

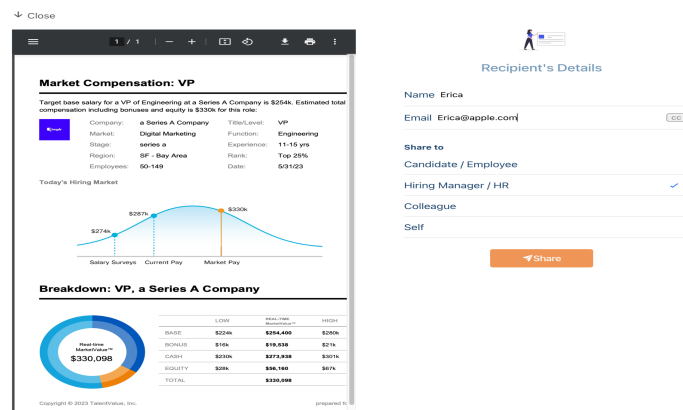
Team: All

Leader

Title

Demographic	Internal Equity	Total Pay	Base	Cash	Equity
Age Group					
▶ 30-39	--	+1.5%	+3.0%	+4.4%	-1.6%
▶ 18-29	-7.2%	-5.7%	+1.1%	+3.1%	-41.3%
▶ 40-49	-9.4%	-7.9%	-6.9%	-5.4%	-9.6%
▶ 50+	-22.3%	-20.8%	-1.6%	-8.5%	-27.5%
Gender					
▶ Male	--	+0.7%	+3.6%	+4.1%	-3.7%
▶ Non-binary	-7.2%	-6.5%	-2.2%	+3.3%	-18.2%
▶ Female	-12.0%	-11.3%	-8.5%	-7.3%	-20.8%
Ethnicity					
▶ Asian	--	+0.6%	+2.6%	+4.6%	-1.1%
▶ White	-0.5%	+0.2%	-0.1%	+2.8%	-9.5%
▶ Hispanic	-19.4%	-18.7%	-3.1%	-9.8%	-25.7%

Instant Market Pay Reports: enables users to create and instantly share market compensation reports for any role at any company in any location.



Sharing market pay promotes data-driven conversations on compensation. Negotiating stakeholders can more easily get on the same page with common compensation data based on verified salaries.

- **Competitive Pay benchmarks:** first analytics dashboard that compares current compensation of your employees to 1) job market rates; 2) any one specific company; 3) a peer group of your competitors for talent and 4) your salary survey data.

Team Member	Title	Function	Job Market	Survey	Peers	Average
Average:			-8.2%	10.5%	5.5%	2.6%
<input type="checkbox"/> Megan	Software Engineer I	Software Engineering	-20.3%	-4.0%	-8.4%	-10.9%
<input type="checkbox"/> Arun	Software Engineer V	Software Engineering	-16.1%	+1.1%	-3.6%	-6.2%
<input type="checkbox"/> Macy	Senior Software Engineer	Software Engineering	-11.2%	+7.0%	+2.1%	-0.7%
<input type="checkbox"/> Marcus	Staff Engineer	Software Engineering	-7.0%	+12.1%	+6.9%	+4.0%
<input type="checkbox"/> Thomas	Principal Software Engineer	Software Engineering	-4.8%	+14.7%	+9.4%	+6.4%
<input type="checkbox"/> Etienne	Software Engineer II	Software Engineering	-2.6%	+17.3%	+11.9%	+8.9%
<input type="checkbox"/> Jing	Senior Staff Engineer	Software Engineering	-2.0%	+18.1%	+12.7%	+9.6%
<input type="checkbox"/> Tat	VP	Software Engineering	-1.9%	+18.2%	+12.8%	+9.7%

- **New Search filters.**
 - **Search by company.** CompEdge is among the first to allow users to filter compensation by company. This is extremely important as companies with similar characteristics like size, stage, location and marketspace can adopt radically different pay philosophies, reflecting compensation differences of up to 20% or more. For instance, the difference between compensation at Google and another Publicly-traded Bay Area tech company at similar size like AMD is \$140,000 on cash compensation (base + bonus)

New Search filters (cont)

- **Employee experience**; many job websites include employee experience in their salary calculations, but few surveys pinpoint differences between a three year software engineer and one with six years of experience doing the same job.
Talent Rank: talent rank is somewhat interchangeable with a performance metric, which we can use with enterprise customers. It is really a subjective measure of functional/ domain experience, aptitude, skills, candidate quality and employee/ candidate fit with a particular role. It's important to differentiate between the human capital of employees/ candidates when measuring market compensation. CompEdge will offer advanced tools, which will allow users to calculate Talent Rank. In the meantime, it is a feature that allows HR, managers and compensation professionals to “tune” compensation packages, based on their own measure of Talent Rank. Users can use this approach; or convert to a percentile-driven approach in the SaaS platform.
- **Location**; most good surveys use location. Yet, CompEdge uses dynamic methods to evolve regional or metropolitan differences where changes are clear. For example, the gap between regions narrowed during the Covid pandemic, when remote work became more prevalent.
- **Funding stage**; few surveys consider funding stage when calculating compensation. Yet the difference between a Series A company, a private equity company and a Public company for the same role can be substantial. Sophisticated models built on 10 years of salary data across stages, enable CompEdge to make the most accurate market adjustments for this factor.
- **Market Space**. Many surveys provide 3-4 technology segments. CompEdge identifies more than 50 market spaces within technology. The difference in pay at a networking company and a Social Network can be 24% or more. Yet both are often lumped into the same IT, or Software category by leading salary surveys.
- **Valuation**: company valuation is the most reliable metric in determining pay in technology. Yet only one salary survey in tech seems to use it. For instance one Series A company with a 30 million valuation differs in total compensation for Vice President of Engineering at a \$1 billion valuation Series A company by 22% for cash compensation. #Employees can create a proxy for this metric, but it is often incorrect.

- **Remote compensation:** employees who work remotely are often paid differently from headquarters, or satellite office employees. CompEdge models the key differences between employee location, headquarters and department. CompEdge creates target compensation for remote employees in a rapidly changing landscape. (available for SaaS customers only)
- **Job Offer Negotiation** tool. Allows job candidates and companies to input their reservation prices, plus a few other data points and create a blind negotiation. CompEdge™ will suggest an ideal job offer that maximizes both company and candidate compensation targets.
- **Updates “market compensation” weekly.** CompEdge™ may be the first tool to update compensation on a weekly basis. The platform searches and injects new data and market updates for recently published verified salaries weekly. It curates, validates and incorporates compensation feedback from experts and market participants to increase market accuracy. New compensation levels are posted weekly.

III. Social Benefits

A. Pay Transparency

Pay transparency is both a social good and an economic imperative for the stakeholders in salary negotiations. It is also a hot topic and compliance with the new pay transparency laws is beginning to level-the-playing-field for employees and candidates. At the same time, transparent pay creates more trust by employees in companies sharing information. It's a win-win for all.

But it's an arduous and time consuming process for companies, and job candidates to search the many job-postings to find salary ranges for the role they intend to hire for, or interview for. Trying to find real analogs for any given role is difficult and calculating across up to 15 factors that may affect pay for each job posting is almost impossible. CompEdge simplifies the process and does the heavy lifting. It delivers Pay Transparency at Scale.