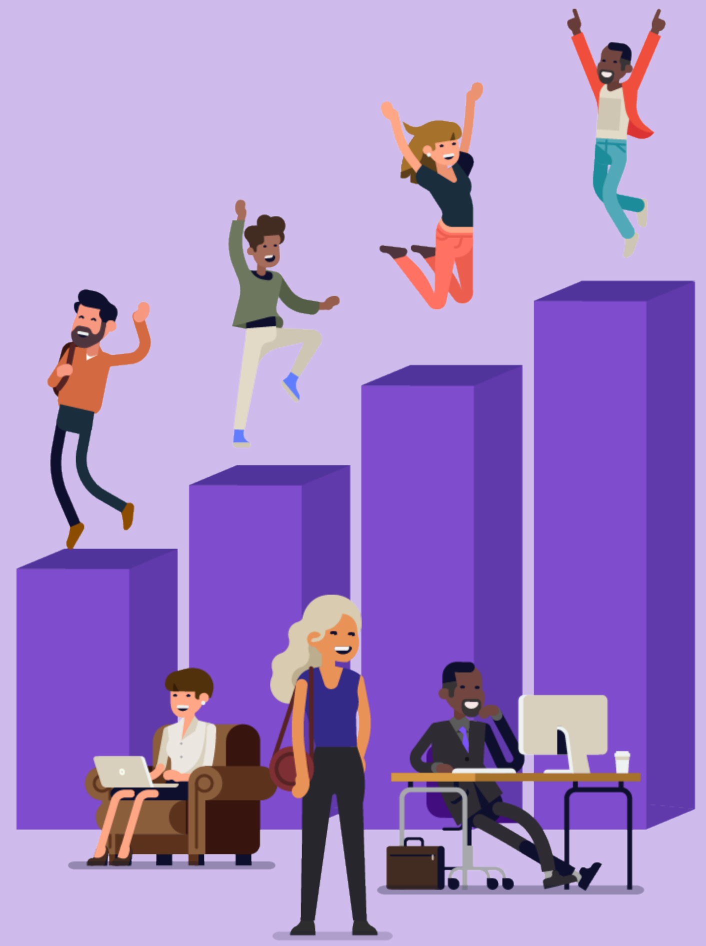
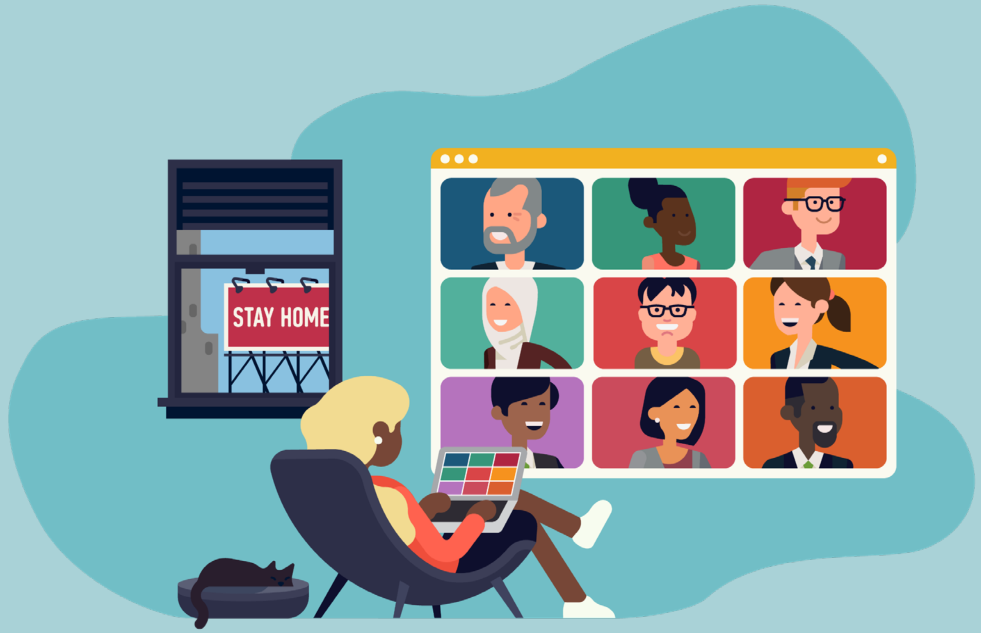


2021 NORWEST TALENT & PEOPLE PRACTICES BENCHMARK SURVEY

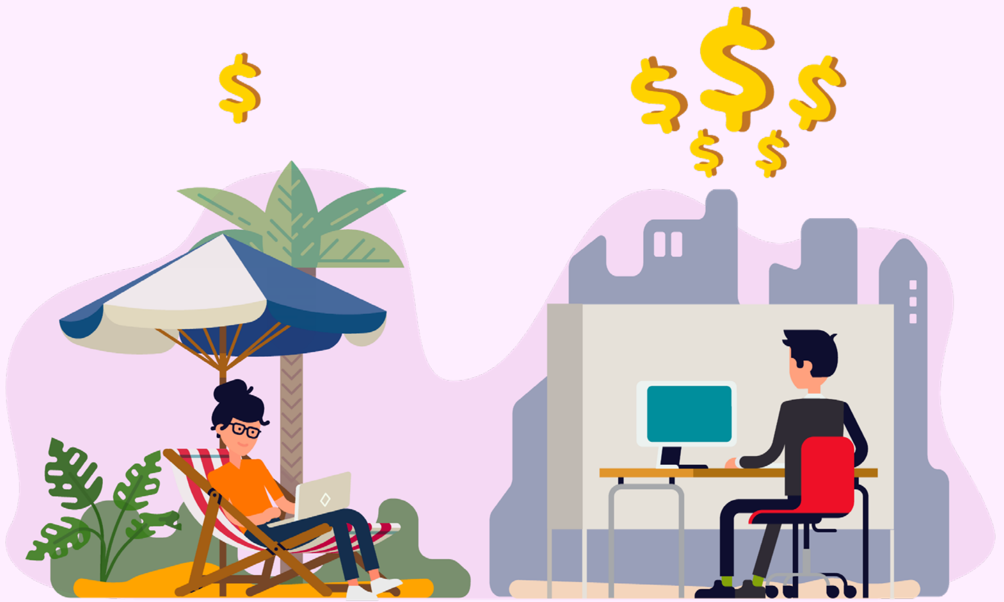


1. COVID'S EFFECT ON REMOTE WORK WILL BE LONG-TERM:

53% of companies added (or already had) fully remote options, and 14% have closed all offices to go fully remote. Looking at the full pie, only 7% have seen no change, and 93% of responding companies have adjusted their remote work policy in some capacity.

Our Take:

The pandemic forced many employers shift to remote work, and in doing so perhaps revealed something they weren't expecting: employees were not only still productive while working from home, but productivity spiked in many cases. While it is too early to tell what the remote work landscape will look like 5-10 years from now, it's safe to say that a heightened acceptance of remote work will have a lasting impact.

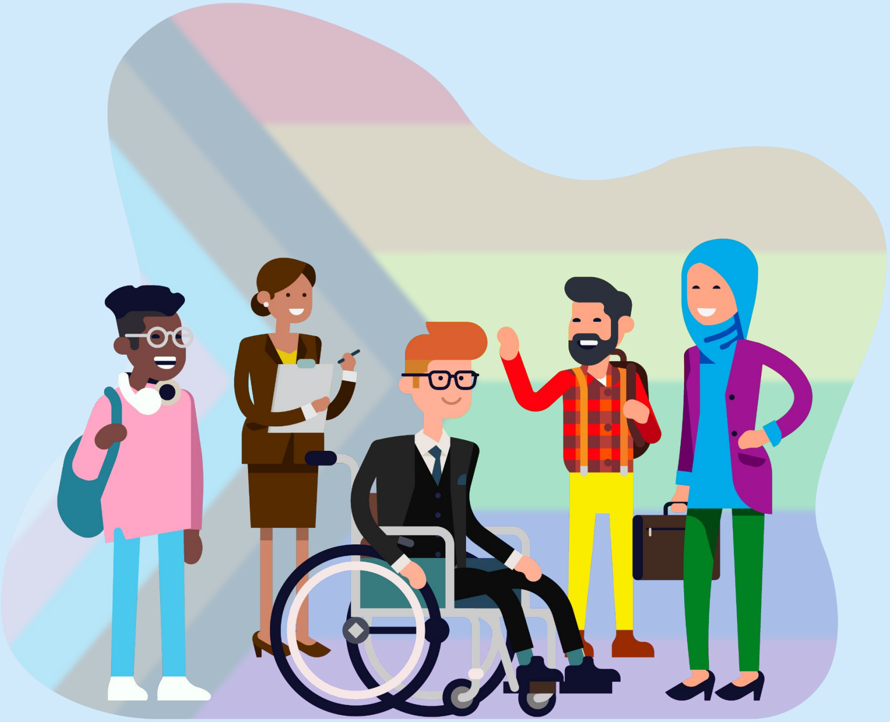


2. GEOGRAPHY-BASED COMP ADJUSTMENT IS A CONTENTIOUS TOPIC:

56% of responding companies indicated that they do not plan to adjust compensation based on geography, while 39% said they had plans to modify cash but not equity.

Our Take:

Undoubtedly a heated topic, tech companies have weighed their options and come out on both sides of this compelling issue. Zillow recently announced it would do away with location-based pay, citing that an employee's "long-term earning potential is determined by how they perform, and will not be limited by where they live." Google, on the other hand, told employees it would cut salaries of remote workers, with a few commute-based caveats. While Zillow's approach may be aimed, in part, at avoiding future recruitment pitfalls, a survey conducted by WorldatWork in February 2021 found that 67% of employees expected their compensation to reflect their geographic location. We don't foresee this issue being resolved anytime soon, but we do expect employers to factor geography-based compensation into their recruitment strategies.

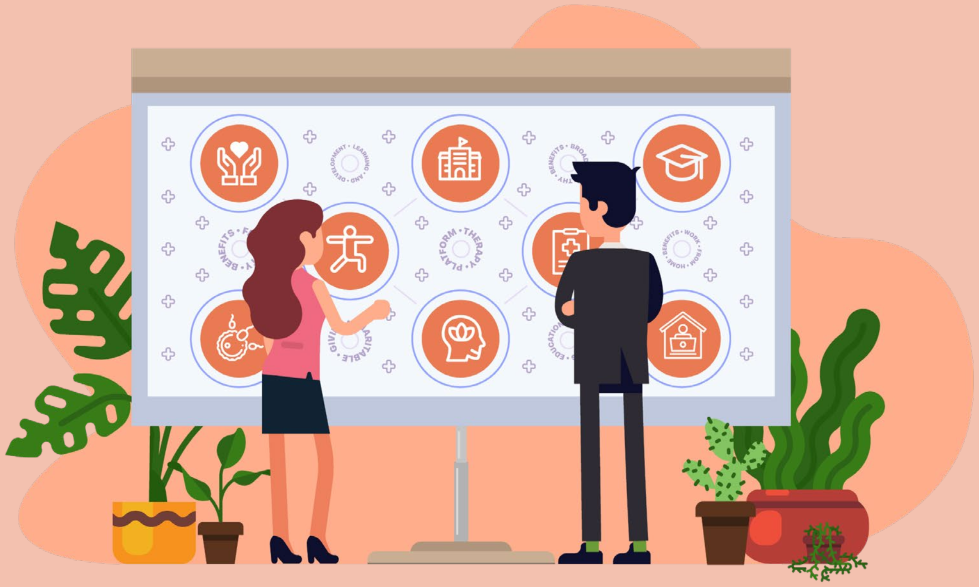


3. DEI PROGRAMS ARE FRONT OF MIND FOR 2022:

Almost 50% of responding companies say that diversity, equity, and inclusion programs are a priority for 2022.

Our Take:

Norwest is committed to supporting all our portfolio companies with achieving their DEI goals in 2022 and beyond. We have internal teams in place building out strategy for hiring, wiring, and a special focus on ways to support our portfolio companies, including working with external partners to offer resources and tools to strengthen DEI efforts across the portfolio. Stay tuned for information about our DEI Toolkit, launching soon.



4. DON'T OVERLOOK BENEFITS COVERAGE AS A KEY RECRUITMENT TOOL:

Employer coverage of benefits continues to be critical for attracting top talent. 77% of responding companies pay at least 80% of employee premium costs, and close to one quarter pay that high percentage for dependents as well.

Our Take:

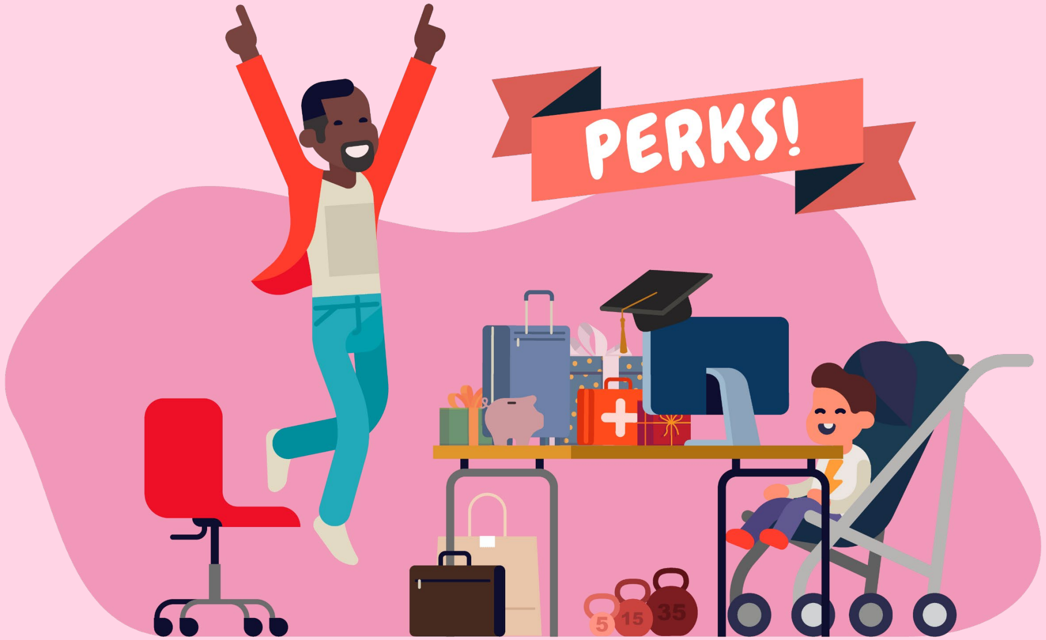
An often-neglected recruitment tool, disclosing benefits coverage after an employee signs an offer letter can be a misstep. [A recent study by Staples] found that benefits can be as important as salary to job seekers, with 62% of respondents indicating that they would accept a lower salary in exchange for better benefits.

5. 401(K) IS A NO-BRAINER:

Almost all responding companies (89%) offer 401(k) plans, and the percentage of Norwest portfolio companies that match contributions has increased from 27% in 2018 to 36% in 2021.

Our Take:

Job seekers expect to see 401(k) plans as part of a company's total compensation package, and companies are catching on. Offering a competitive match is also holding steady, with Fidelity reporting that employers continue to make matching contributions, even after a tumultuous year. As of Q1 2021, Fidelity indicated that the average 401(k) employer contribution rate was 4.6%, which is only down 0.1% from our last full benchmark survey in 2019.

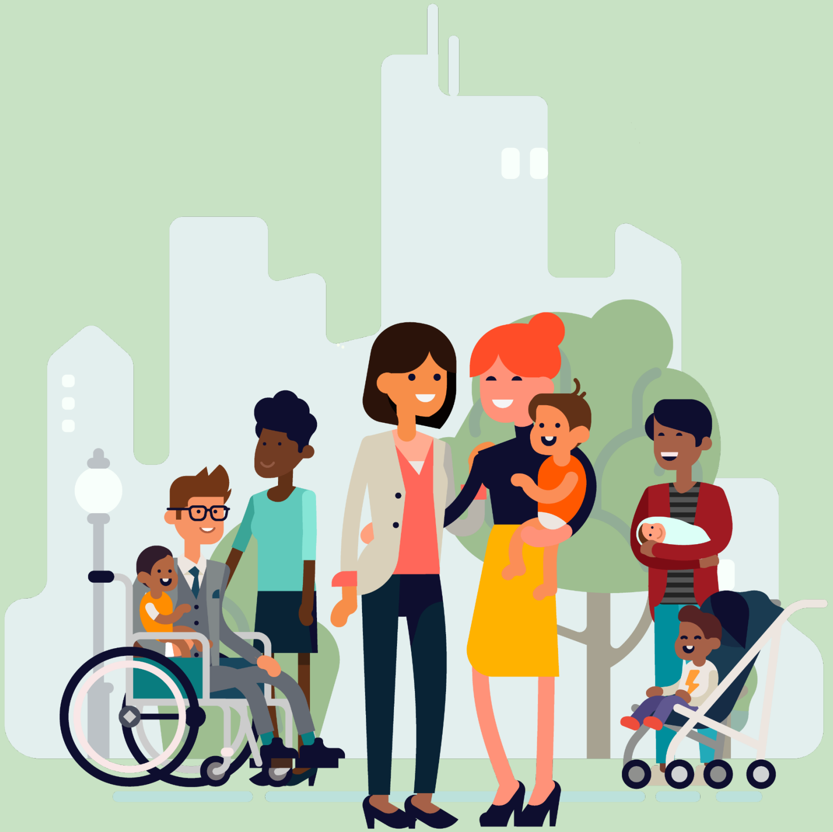


6. EMPLOYEE PERKS ARE EVOLVING:

New employee perks making an appearance in 2021 include a therapy platform, charitable giving match program, and fertility benefits. Other popular perks and benefits include: money for continuing education, tuition, or other L & D activities (23% of respondents); health, wellness, and fitness related stipends (22%); and WFH or home-office reimbursements (21%).

Our Take:

We were delighted to see portfolio companies adding therapy platforms as a health and wellness perk. A December 2020 survey by the U.S. Census Bureau found that more than 42% of people reported experiencing symptoms of anxiety or depression, an 11% increase from the previous year. Norwest portfolio companies like Calm (an award-winning meditation, sleep and relaxation app), Torch (an integrated platform for Learning and Development leaders to deliver, manage, and measure employee growth), and Talkspace (a leading virtual behavioral health company) offer a variety of technology-enabled health, wellness, and employee development tools.

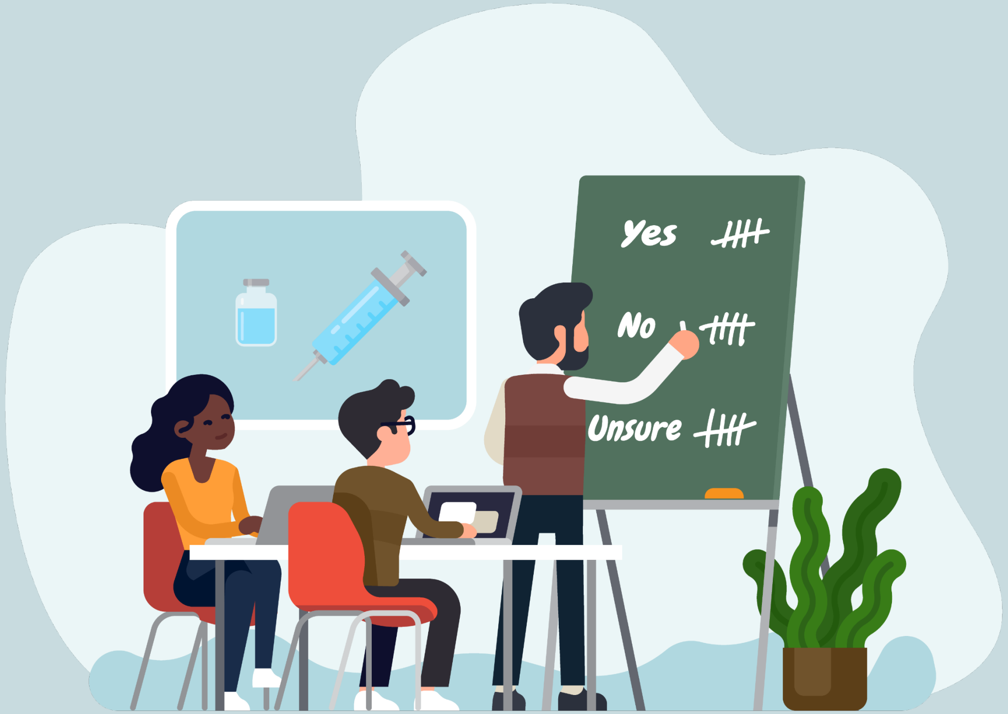


7. INCREASED EQUALITY IN PARENTAL LEAVE POLICIES:

A growing number of portfolio companies are choosing not to differentiate between primary and secondary caregivers when offering paid parental leave, and 50% of companies offer at least 11 weeks of paid time off to care for a child.

Our Take:

As more companies remove the words “primary” and “secondary” from caregiver labels, it points to a larger overall trend that promotes equity for co-parenting couples, even as 79% of U.S. workers still do not have access to paid family leave.

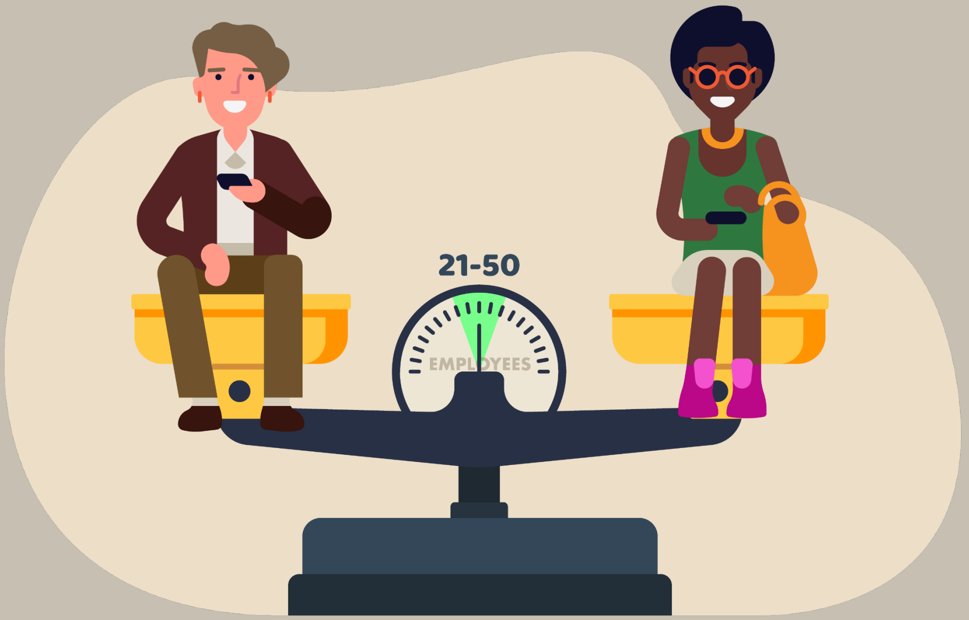


8. THE VACCINE REQUIREMENT DEBATE RAGES ON:

Opinions on vaccination requirements are evenly split between the yes, no, and undecided options. Of the companies that will require vaccination, only 14% report they will terminate employment for those who do not get the vaccine.

Our Take:

A hot button issue across the globe, it is no surprise that portfolio companies are split on vaccine requirements for employees. U.S. companies with at least 100 employees may have the decision made for them, however, as President Biden announced on September 9, 2021, plans for an "emergency temporary standard requiring employers with at least 100 employees to mandate that their workers be vaccinated or undergo weekly testing."

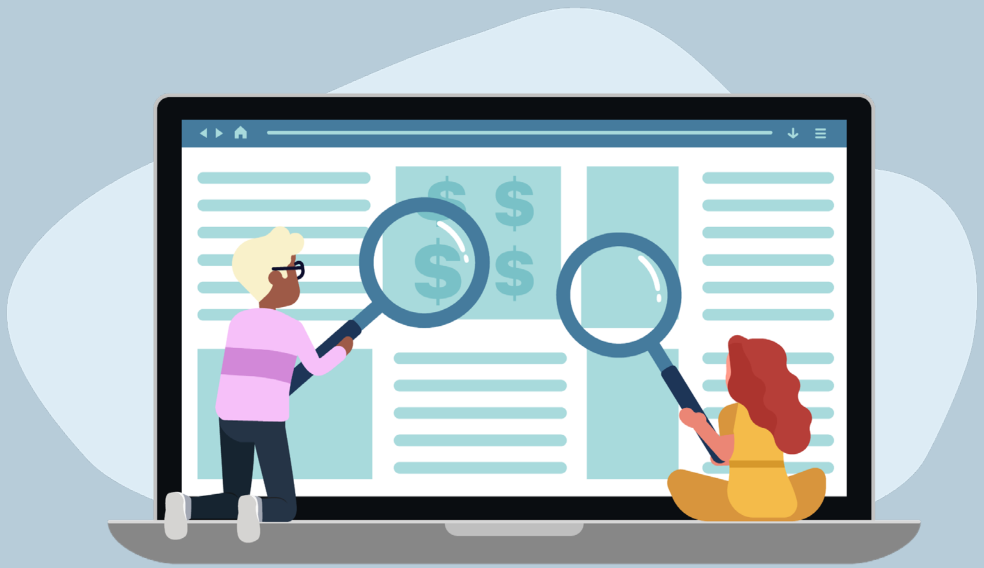


9. THE SWEET SPOT FOR A SECOND TECHNICAL LEADER:

The majority of responding companies with two technical leaders brought on the second technical title when their headcount was in the 21-50 employee range.

Our Take:

56% of companies surveyed did not have both a VP of Engineering and a CTO. Whether this is due to a company's small size or a current need for only one technical leader, there is often confusion in companies as to the specific divided roles and responsibilities of a VP of Engineering and a CTO, including how the roles can sometimes overlap.



10. ADVANCED-HR AND RADFORD PRODUCTS REMAIN DOMINANT FOR COMP DATA:

When it comes to compensation data tools, 53% of responding portfolio companies use Advanced-HR (OptionImpact/OptionDriver) and 38% use Radford.

Our Take:

11% of portfolio companies surveyed don't use any type of market data for compensation, and 5% rely on potentially unreliable sources for comp data (word of mouth, interviews, networking, generic search engines). It should be noted that free websites that feature self-reported compensation data are often "inaccurate and unverified." If you have questions about compensation data, our Talent team has resources for both compensation and equity benchmarks.