Program Overview

The achievement of Carnegie Mellon Africa's ("*CMU-Africa*") strategic objectives is largely dependent on its ability to attract and retain high-caliber faculty and staff. The CMU-Africa Employee Retention Bonus Program (the "*Program*") seeks to attain this goal by making retention bonus payments to eligible faculty and staff in amounts, and subject to eligibility and vesting rules, set out herein.

Program Definitions

Eligibility

Full-time and part-time Carnegie Mellon University employees employed at CMU-Africa, and who work at least 1,000 hours each Bonus Year (as defined below), are eligible to participate in the Program. Provided, however, if an employee participates in a Carnegie Mellon University retirement plan, and Carnegie Mellon is already making employer contributions on their Eligible Base Salary (as defined below) under such retirement plan, the employee may not participate in the Program.

Bonus Year

A bonus year shall commence on the first of the month coincident with or following an employee's date of hire and shall end on the day immediately preceding such day of the next following calendar year (each, a "*Bonus Year*"). For example, the Bonus Year of an employee hired on June 15 would commence on July 1 and end on the following June 30.

Threshold Vesting Period

In order to receive a bonus payment under the Program, the following "*Threshold Vesting Period*" rules apply:

1. Employees must have worked at least 1,000 hours in each of three Bonus Years.
2. The required hours may be worked in either or both CMU-Africa or another Carnegie Mellon University location.
3. The three Bonus Years do not need to be consecutive. However, if an employee incurs a break in service of five or more years in a row, and at such time the employee was not vested, credit for all prior years of service for vesting purposes would be canceled. For example, if an employee meets the hours requirement in two Bonus Years and then has a five consecutive year break in service before returning to work, the prior two years would be cancelled for vesting purposes.
4. Once an employee is vested, the employee is vested for life regardless of any subsequent breaks in service as long as the Program is in effect.

Eligible Base Salary

Bonuses under this Program are calculated on base salary paid to an employee during a given Bonus Year while employed at CMU-Africa only, and do not include activity pay, overtime, or, in the case of faculty members with nine-month appointments, summer salaries (the "*Eligible Base Salary*").

Calculation of Bonus Payments

1. For 12-month appointments, a bonus payment shall equal 8% of Eligible Base Salary paid to an employee during a given Bonus Year.
2. For nine-month appointments, a bonus payment shall equal 9⅞% of Eligible Base Salary paid to an employee during a given Bonus Year.
3. Bonuses paid under the Program shall be subject to standard payroll deductions and withholdings.
4. For purposes of calculating the bonus payment for a given Bonus Year, CMU-Africa shall use the exchange

rates as of the dates on which the Eligible Base Salary payments during said Bonus Year were deposited into the employee's banking account.

Payment of Bonuses

The bonuses payable hereunder shall be paid as follows:

1. *Threshold Vesting Period Bonus Payment:* Upon completion of the Threshold Vesting Period, CMU-Africa shall calculate the bonus payment on the Eligible Base Salary paid to the employee during the Threshold Vesting Period.
2. *Annual Bonus Payments:* Following the payment of the Threshold Vesting Period Bonus Payment, upon completion of each Bonus Year thereafter, CMU-Africa shall calculate the annual bonus payment on the Eligible Base Salary paid to the employee during the then-ending Bonus Year.
3. If employment ceases prior to attaining the Threshold Vesting Period or completing a Bonus Year for any reason, the employee will not be eligible to receive the bonus payment for that period, or any pro rata portion thereof.
4. Bonus payments are not payments for services rendered and are not earned until the end of the Threshold Vesting Period or completion of the relevant Bonus Year.
5. Bonuses, less any standard payroll deductions and withholdings, shall be paid with the regularly scheduled salary payment in the month following completion of the Threshold Vesting Period and/or completion of each Bonus Year.
    1. The Program is not a contract or guarantee of employment with CMU-Africa or Carnegie Mellon University.
    2. Carnegie Mellon University reserves the right to amend, modify, suspend, replace or terminate this Program, in whole or in part, without the consent or concurrence of persons affected.

Illustrative Examples

Example 1: Employee A is hired for a full-time position on May 14, 2022 to work at Carnegie Mellon's Pittsburgh campus. She later accepts an offer to work at CMU-Africa beginning on December 1, 2022, and Carnegie Mellon does not make employer contributions under a Carnegie Mellon University retirement plan on her CMU-Africa base salary. Employee A's eligibility and bonuses under the Program would be determined as follows:

- *Bonus Year:* Employee A's Bonus Year begins on June 1 (the first of the month following the hire date) and ends on May 31.
- *Threshold Vesting Period:* Employee A's first Bonus Year for threshold vesting purposes begins on June 1, 2022 and ends on May 31, 2023. Even though Employee A did not start working at CMU-Africa until December 1, 2022, Employee A's time at the Pittsburgh campus counts towards meeting the threshold vesting.
- *Eligible Base Salary:* For purposes of calculating the first bonus following the Threshold Vesting Period, Eligible Base Salary would consist of the following pay periods: (1) December 1, 2022 (the date on which she commences earning a CMU-Africa base salary) through May 31, 2023; and (2) June 1, 2023, through May 31, 2024. While Employee A's time in Pittsburgh counts towards vesting, the base salary paid to her while working in Pittsburgh is not Eligible Base Salary.
- *Annual Bonuses:* Employee A's Bonus Year begins on June 1 and ends on May 31 of all subsequent years.

Example 2: Assume the same fact scenario as in Example 1. However, Employee A is enrolled in a Carnegie Mellon University retirement plan, and Carnegie Mellon pays employer contributions to Employee A's retirement account on salary earned while working at CMU-Africa. Because of the employer contributions on the Eligible Base Salary, Employee A is not eligible to participate in the Program.

Example 3: Employee B is employed at CMU-Africa and participates in the Program. Employee B accepts an appointment to work at Carnegie Mellon's Pittsburgh campus. The salary paid to Employee B while working at the Pittsburgh campus is not Eligible Base Salary and not be subject to the Program.