

Date: [Insert Date]

To: [Employee Name]

Employee ID: [Insert ID]

Subject: Compensation Adjustment - Capital Stress Testing Results

Dear [Employee Name],

As part of [Company Name]'s annual capital stress testing and comprehensive capital analysis review, the Board of Directors and the Compensation Committee have finalized the performance-based adjustments for the current fiscal period.

Based on the successful outcome of the recent stress tests and your individual contributions to the firm's risk management and capital adequacy objectives, we are pleased to inform you of an adjustment to your compensation structure.

Effective Date: [Insert Date]

- **Current Base Salary:** \$[Amount]
- **New Base Salary:** \$[Amount]
- **Performance-Based Variable Compensation:** \$[Amount]
- **Deferred Equity Award (if applicable):** [Amount/Units]

This adjustment reflects our commitment to maintaining a strong capital position while rewarding the professionals who ensure our institutional stability. Please note that all variable compensation remains subject to the firm's standard clawback provisions and regulatory compliance requirements regarding risk-taking activities.

Detailed documentation regarding your specific performance metrics and the vesting schedule for any deferred components is attached to this letter.

Thank you for your continued dedication to the financial integrity of [Company Name].

Sincerely,

[Sender Name]

[Title]

[Department Name]

Acknowledgment:

I acknowledge receipt of this letter and accept the terms of the compensation adjustment as outlined above.

Signature: _____ Date: _____