



**Paul J. Sarvadi**  
**Chairman of the Board**  
**and Chief Executive Officer**

April 17, 2023

Dear Fellow Stockholders:

On behalf of your Board of Directors and management, I am pleased to invite you to attend the Annual Meeting of Stockholders of Insperity, Inc. to be held in the Auditorium of Centre I of our corporate headquarters located at 19001 Crescent Springs Drive, Kingwood, Texas 77339, on May 22, 2023, at 1:30 p.m. Houston, Texas time.

Please carefully consider the information in the enclosed proxy statement regarding the proposals to be presented at the meeting. Our annual report on Form 10-K for the year ended December 31, 2022 is also enclosed.

It is important that your shares are represented at the meeting. Whether or not you plan to attend the meeting, please submit your proxy via the Internet or telephone or by completing and returning the enclosed proxy card or voting instruction card in the envelope provided. You may also attend and vote at the meeting by following the procedures that we have described in the proxy statement.

Thank you for your continued support and investment in our business. We look forward to seeing you at the meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul J. Sarvadi".

Paul J. Sarvadi  
Chairman of the Board and Chief Executive Officer





**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS OF INSPERITY, INC.**

**Date:** May 22, 2023

**Time:** 1:30 p.m. Houston, Texas time

**Place:** The Auditorium in Centre I of our corporate headquarters  
19001 Crescent Springs Drive, Kingwood, Texas 77339

At the meeting, stockholders will consider and act upon the following matters:

1. To elect the three nominees named in the proxy statement to the Board of Directors;
2. Approval of the Insperity, Inc. Incentive Plan;
3. To cast an advisory vote to approve executive compensation ("say-on-pay" vote);
4. To cast an advisory vote on the frequency of holding the advisory vote on executive compensation; and
5. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2023.

**Important Notice Regarding the Availability of Proxy Materials: A full set of all proxy materials for the Annual Meeting of Stockholders to be held on May 22, 2023 is enclosed with this notice. Additionally, the Company's proxy statement, most recent annual report on Form 10-K, and other proxy materials are available at [www.insperity.com/annualmeeting](http://www.insperity.com/annualmeeting).**

Only stockholders of record at the close of business on April 4, 2023 are entitled to notice of, and to vote at, the meeting.

**It is important that your shares be represented at the Annual Meeting of Stockholders regardless of whether you plan to attend. Therefore, please submit your proxy via the Internet or telephone or by completing and returning the enclosed proxy card or voting instruction card.**

By Order of the Board of Directors

A handwritten signature in black ink that reads "Daniel D. Herink".

Daniel D. Herink  
Executive Vice President of Legal,  
General Counsel and Secretary

April 17, 2023  
Kingwood, Texas

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INSPERITY, INC.

**PROXY STATEMENT**

**SOLICITATION**

The accompanying proxy is solicited by the Board of Directors, or Board, of Insperity, Inc., a Delaware corporation, for use at the 2023 Annual Meeting of Stockholders to be held on May 22, 2023, and at any reconvened meeting after an adjournment thereof. The 2023 Annual Meeting of Stockholders will be held at 1:30 p.m. (Houston, Texas time), in the Auditorium in Centre I of our corporate headquarters at 19001 Crescent Springs Drive, Kingwood, Texas 77339. The approximate date on which this proxy statement and the accompanying proxy card will first be sent to stockholders is April 18, 2023.

**QUESTIONS AND ANSWERS ABOUT VOTING AND THE ANNUAL MEETING**

**Why am I receiving these materials?**

We are providing these proxy materials to holders of shares of our common stock in connection with the solicitation of proxies by our Board to vote at the 2023 Annual Meeting of Stockholders, and at any adjournment(s) or postponement(s) thereof.

**When and where is the 2023 Annual Meeting of Stockholders?**

Our 2023 Annual Meeting of Stockholders will be held on May 22, 2023, at 1:30 p.m. (Houston, Texas time), in the Auditorium in Centre I of our corporate headquarters at 19001 Crescent Springs Drive, Kingwood, Texas 77339.

**Who can vote at the 2023 Annual Meeting of Stockholders?**

The Board has fixed April 4, 2023 as the record date for the 2023 Annual Meeting of Stockholders. Stockholders of record at the close of business on April 4, 2023 will be entitled to receive notice of, and vote at, the 2023 Annual Meeting of Stockholders or any reconvened meeting after an adjournment thereof. At the close of business on April 4, 2023, 38,203,488 shares of our common stock, par value \$0.01 per share, were outstanding. Each share of our common stock is entitled to one vote upon each of the matters to be voted on at the 2023 Annual Meeting of Stockholders.

**What matters will be voted on at the 2023 Annual Meeting of Stockholders, what are my voting choices, and how does the Board recommend that I vote?**

At the 2023 Annual Meeting of Stockholders, you will be asked to vote on five proposals:

Proposal	Voting Choices	Board Recommendation
<b>Proposal 1:</b> Election of the three director nominees named in this proxy statement to the Board of Directors	<ul style="list-style-type: none"> <li>• For</li> <li>• Against</li> <li>• Abstain</li> </ul>	FOR the election of all three director nominees
<b>Proposal 2:</b> Vote to approve the Insperty, Inc. Incentive Plan	<ul style="list-style-type: none"> <li>• For</li> <li>• Against</li> <li>• Abstain</li> </ul>	FOR
<b>Proposal 3:</b> Advisory vote to approve the Company’s executive compensation (“say-on-pay”)	<ul style="list-style-type: none"> <li>• For</li> <li>• Against</li> <li>• Abstain</li> </ul>	FOR
<b>Proposal 4:</b> Advisory vote on the frequency of holding the advisory vote on executive compensation	<ul style="list-style-type: none"> <li>• One year</li> <li>• Two years</li> <li>• Three years</li> <li>• Abstain</li> </ul>	ONE YEAR
<b>Proposal 5:</b> Ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2023	<ul style="list-style-type: none"> <li>• For</li> <li>• Against</li> <li>• Abstain</li> </ul>	FOR

In addition, you may vote on any other business as may properly come before the 2023 Annual Meeting of Stockholders or any adjournments or postponements thereof. The Board is not currently aware of any such other matters.

**How many votes are needed to approve each proposal?**

The following votes will be required to adopt each proposal:

- Proposal 1: A nominee for director will be elected if the votes cast “FOR” such nominee exceed the votes cast “AGAINST” such nominee.
- Proposal 2: The proposal will be approved if votes cast “FOR” such proposal exceed the votes cast “AGAINST” such proposal.
- Proposal 3: The proposal will be approved if votes cast “FOR” such proposal exceed the votes cast “AGAINST” such proposal.
- Proposal 4: The frequency receiving the greatest number of votes cast will be considered approved.
- Proposal 5: The proposal will be approved if votes cast “FOR” such proposal exceed the votes cast “AGAINST” such proposal.

In determining the number of votes cast, shares abstaining from voting or not voted on a matter will not be treated as votes cast. Accordingly, although proxies containing broker non-votes (which result when a broker holding shares for a beneficial owner has not received timely voting instructions on certain matters from such beneficial owner and when the broker does not otherwise have discretionary power to vote on a particular matter) are considered “shares present” in determining whether there is a quorum present at the 2023 Annual Meeting of Stockholders, they are not treated as votes cast with respect to the election of directors, and thus will not affect the outcome of the voting on the election of directors or any of the other proposals on non-routine matters to be voted on at the 2023 Annual Meeting of Stockholders.

**What is the difference between holding shares as a “stockholder of record” and having shares held in “street name”?**

If your name is registered on our stockholder records as the owner of the shares, then you are the “stockholder of record.” If your shares are held by a bank, broker, or other custodian, then your shares are considered held in “street name.”

**If I am a stockholder of record, how can I vote my shares?**

If you are a stockholder of record, then you may vote in one of four ways:

- by attending the meeting and voting at the meeting;

- by mail by signing, dating, and returning your proxy in the envelope provided;
- via the Internet at the address listed on your proxy card; or
- by telephone using the toll-free number listed on your proxy card.

For stockholders of record, if you either return your signed proxy or submit your proxy using the Internet or telephone procedures available to you, your shares will be voted as you direct. If you properly execute and return the proxy without indicating a voting direction, then your shares will be voted FOR the election of the nominees listed herein as directors, FOR Proposals 2, 3, and 5, and ONE YEAR for Proposal 4. For stockholders of record, if you do not vote your shares as described above, then your shares will not be voted and will not be counted as present at the 2023 Annual Meeting of Stockholders for the purposes of establishing a quorum.

**If my shares are held in street name, how can I vote my shares? Does my bank, broker, or other custodian need my instructions in order to vote my shares?**

If your shares are held in street name, then the availability of telephone and Internet voting will depend on the processes of your custodian. Therefore, if your shares are held in street name, we recommend that you follow the voting instructions on the form that you receive from your custodian. If you hold your shares in street name through a custodian, you are invited to attend the 2023 Annual Meeting of Stockholders, but you must obtain a signed proxy from your custodian in order to vote your shares at the meeting.

If your shares are held in street name and you do not give your custodian direction on how to vote your shares, then your custodian will be unable to vote your shares on most matters. For the 2023 Annual Meeting of Stockholders, your custodian may not vote your shares on Proposal 1 (election of directors), Proposal 2 (approval of the Insuperity, Inc. Incentive Plan), Proposal 3 (advisory approval of executive compensation), or Proposal 4 (advisory approval of frequency of advisory vote on executive compensation). This would be a “broker non-vote” and these shares will not be counted as having been voted on the applicable proposal and therefore will have no effect on the vote, assuming a quorum is present; however, your shares would be considered “present” for purposes of establishing a quorum. Please instruct your custodian so your vote can be counted. With respect to Proposal 5 (ratification of independent auditor), the custodian may exercise its discretion to vote for or against that proposal in the absence of your instruction.

**What is the quorum requirement?**

A quorum of stockholders is necessary to hold a valid annual meeting. The presence, in person or by proxy, of a majority of the outstanding shares of our common stock is required for a quorum. If a quorum is present at the meeting, under our Bylaws, action on a matter or to elect director nominees shall be approved if the votes cast in favor of the matter or nominee exceed the votes cast opposing the matter or such nominee, as applicable. Your shares will be counted towards the quorum only if you submit a valid proxy, if a valid proxy is submitted on your behalf by your broker, bank or other agent, or if you vote live at our 2023 Annual Meeting of Stockholders. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the 2023 Annual Meeting of Stockholders may be adjourned to another date.

**What if another matter is properly brought before the meeting?**

The proxy confers discretionary authority to the persons named in the proxy authorizing those persons to vote, in their discretion, on any other matters properly presented at the 2023 Annual Meeting of Stockholders. The Board is not currently aware of any such other matters.

**Who is paying for this proxy solicitation?**

We pay the expense of preparing, printing, and mailing proxy materials to our stockholders. In addition to solicitation by mail, our officers or employees (none of whom will receive additional compensation) may solicit the return of proxies by telephone, email, or personal interview. We will also reimburse brokerage houses and other nominees for their reasonable expenses in forwarding proxy materials to beneficial owners of our common stock.

**What does it mean if I receive more than one copy of the proxy materials?**

If you receive more than one copy of the proxy materials, your shares may be registered in more than one name or in different accounts. Please follow the voting instructions accompanying each of the proxy materials that you receive to ensure that all of your shares are voted.

## Can I change or revoke my vote after submitting my proxy?

If you are a stockholder of record, you may change or revoke your vote by timely: (1) submitting written notice of revocation to the Secretary of the Company at the address for our corporate headquarters, provided above; (2) submitting another proxy card that is properly signed and later dated; (3) submitting a proxy again on the Internet or by telephone; or (4) voting in person at the 2023 Annual Meeting of Stockholders.

If you hold your shares in street name, you may change or revoke your vote by timely: (1) submitting new instructions in the manner provided by your custodian or (2) contacting your custodian to obtain a proxy to vote at the meeting.

## How can I find out the results of the voting at the 2023 Annual Meeting of Stockholders?

Preliminary voting results will be announced at our 2023 Annual Meeting of Stockholders. In addition, final voting results will be published in a Current Report on Form 8-K that we expect to file with the U.S. Securities and Exchange Commission (“SEC”) within four business days after the 2023 Annual Meeting of Stockholders. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

## SECURITY OWNERSHIP

The following table sets forth the number and the percentage of shares of our common stock that were beneficially owned as of April 4, 2023 by: (1) each person known by us to beneficially own 5% or more of our common stock; (2) all current directors and persons nominated to become directors; (3) each of our executive officers identified in the Summary Compensation Table; and (4) all of our directors, director nominees and executive officers as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership <sup>1</sup>	Percent of Class
Timothy T. Clifford	14,907	*
Eli Jones	4,573	*
Carol R. Kaufman	35,997	*
John L. Lumelleau	8,050	*
Ellen H. Masterson	11,565 <sup>2</sup>	*
Randall Mehl	14,637	*
John M. Morphy	9,041	*
Latha Ramchand	8,050	*
Richard G. Rawson	255,206 <sup>3</sup>	*
Paul J. Sarvadi	1,498,740 <sup>4</sup>	3.92 %
James D. Allison	47,570	*
A. Steve Arizpe	186,382 <sup>5</sup>	*
Daniel D. Herink	24,099	*
Douglas S. Sharp	26,174	*
BlackRock, Inc.	5,592,538 <sup>6</sup>	14.64 %
Mawer Investment Management Ltd.	4,436,394 <sup>7</sup>	11.61 %
The Vanguard Group	3,692,828 <sup>8</sup>	9.67 %
Executive Officers and Directors as a Group (14 Persons)	2,144,991	5.61 %

\* Represents less than 1%.

<sup>1</sup> Except as otherwise indicated, each of the stockholders has sole voting and investment power with respect to the securities shown to be owned by such stockholder. The address for each officer and director is in care of Insperty, Inc., 19001 Crescent Springs Drive, Kingwood, Texas 77339.

As of April 4, 2023, none of these individuals held options exercisable for shares of our common stock. The number of shares of our common stock beneficially owned by each person includes unvested restricted stock units as of April 4, 2023. Restricted stock units do not have voting rights.



Name of Beneficial Owner	Unvested Restricted Stock Units
Timothy T. Clifford	—
Eli Jones	—
Carol R. Kaufman	—
John Lumelleau	—
Ellen H. Masterson	—
Randall Mehl	—
John M. Morphy	—
Latha Ramchand	—
Richard G. Rawson	—
James D. Allison	10,505
A. Steve Arizpe	16,040
Daniel D. Herink	10,505
Paul J. Sarvadi	40,988
Douglas S. Sharp	13,752

<sup>2</sup> Includes 100 shares owned by Conrad J. Masterson Jr. (spouse).

<sup>3</sup> Includes 102,143 shares owned by the RDKB Rawson LP, 96,716 shares owned by the R&D Rawson LP, 51,796 owned by the DMR Spousal Lifetime Trust and 700 shares owned by Dawn M. Rawson (spouse). Mr. Rawson shares voting and investment power over all such shares with his wife, except for 700 shares owned by his wife.

<sup>4</sup> Includes 947,612 shares owned by Our Ship Limited Partnership, Ltd. and 33,691 shares owned by Paul J. Sarvadi and Vicki D. Sarvadi (spouse). Mr. Sarvadi shares voting and investment power over all such shares with his spouse. Also includes shares pledged to banks as collateral for loans. The Board determined the amount of shares pledged by Mr. Sarvadi was insignificant under our pledging policy. See "Corporate Governance — Prohibition on Hedging and Pledging of Our Common Stock" for a further discussion.

<sup>5</sup> Includes 109,808 shares owned by S.C.A Legacy, Ltd.

<sup>6</sup> Based on a Schedule 13G/A filed with the SEC on January 26, 2023. BlackRock, Inc. reported sole voting power with respect to 5,336,386 shares and sole dispositive power with respect to 5,592,538 shares. The address of BlackRock, Inc. is 55 East 52<sup>nd</sup> Street, New York, New York 10055.

<sup>7</sup> Based on a Schedule 13G/A filed with the SEC on February 13, 2023. Mawer Investment Management Ltd. reported sole voting power with respect to 4,223,911 shares and sole dispositive power with respect to 4,436,394 shares. The address of Mawer Investment Management Ltd. is 600, 517 - 10th Avenue SW, Calgary, Alberta, Canada T2R 0A8.

<sup>8</sup> Based on a Schedule 13G/A filed with the SEC on February 9, 2023. The Vanguard Group reported shared voting power with respect to 61,376 shares, sole dispositive power with respect to 3,595,835 shares and shared dispositive power with respect to 96,993 shares with Vanguard Fiduciary Trust Company. The address of the Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

## PROPOSAL NUMBER 1: ELECTION OF DIRECTORS

### General

In accordance with our Certificate of Incorporation, the members of the Board are divided into three classes. Our Certificate of Incorporation also provides that such classes shall be as nearly equal in number as possible. The terms of office of the Class I, Class II and Class III directors expire at the Annual Meeting of Stockholders in 2023, 2024, and 2025, respectively. The term of office of each of Timothy T. Clifford, Ellen H. Masterson, and Latha Ramchand, who comprise the current Class I directors, expires at the time of the 2023 Annual Meeting of Stockholders, or as soon thereafter as their successors (if any) are elected and qualified. All nominees have consented to be named in this proxy statement and to serve as a director if elected.

Our Certificate of Incorporation and Bylaws provide that the number of directors on the Board shall be fixed from time to time by the Board but shall not be less than three nor more than 15 persons. The number of members constituting the Board is currently fixed at ten.

## Voting; Approval Requirements

All proxies will be voted in favor of the nominees named below unless a stockholder has indicated otherwise. The affirmative vote of a majority of the votes cast by holders of our common stock present in person or by proxy at the 2023 Annual Meeting of Stockholders is required for election of the nominees. Abstentions and broker non-votes will be deemed votes not cast. Under our Bylaws and in accordance with Delaware law, a director's term extends until his or her successor is duly elected and qualified, or until he or she resigns or is removed from office. Thus, an incumbent director who fails to receive the required vote for re-election at our Annual Meeting of Stockholders would continue serving as a director (sometimes referred to as a "holdover director"), generally until the next Annual Meeting of Stockholders. However, as a condition to being nominated to continue to serve as a director, each incumbent director nominee has submitted an irrevocable letter of resignation that is effective upon and only in the event that (1) he or she fails to receive the required vote; and (2) the Board accepts such resignation. In such an event, the Nominating and Corporate Governance Committee is required to make a recommendation to the Board as to whether the Board should accept the resignation, and the Board is required to decide whether to accept the resignation and to disclose its decision-making process within 90 days from the certification of the election results.

If, at or prior to the 2023 Annual Meeting of Stockholders, any nominee should be unable or decline to serve, the discretionary authority provided in the proxy may be used to vote for a substitute designated by the Board. The Board has no reason to believe that any substitute nominee will be required. No proxy will be voted for a greater number of persons than the number of nominees named herein.

## Nominees for Director

The following individuals have been nominated for re-election to the Board as Class I directors with terms expiring at the 2026 Annual Meeting of Stockholders:

	<p><b>Timothy T. Clifford</b></p> <ul style="list-style-type: none"><li>• <b>Lead Independent Director</b></li><li>• <b>Director since: 2016</b></li><li>• <b>Age: 67</b></li><li>• <b>Committees:</b> Compensation Committee (Chair); Nominating and Corporate Governance Committee</li></ul>
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Mr. Clifford joined the Board as a director in October 2016 and he currently serves as the Company's lead independent director. Since September 2019, Mr. Clifford has served as an operating partner and consultant to Welsh, Carson, Anderson and Stowe, a private equity firm focused on investments in the technology and healthcare industries. In June 2022, he was appointed executive chairman and CEO of EMS LINQ, Inc., a cloud-based provider of nutrition, enterprise resource planning, portals and payments software to over 4,000 K-12 school districts in the U.S. Prior to his appointment as executive chairman and CEO, he served on the board of EMS LINQ since December 2021. From June 2015 through March 2019, Mr. Clifford served as president and chief executive officer of Frontline Education, a private-equity-backed cloud software company that manages human resources functions at over 80,000 public and private schools in the U.S. He is also a co-founder of the Frontline Research and Learning Institute, as well as The Line, a publication sharing new ideas and insight while encouraging civil discourse on the most challenging problems facing K-12 educators and administrators. Prior to joining Frontline Education, from 2010 through 2013, Mr. Clifford was a corporate officer and co-president of Automatic Data Processing (NYSE: ADP) National Accounts, a \$2.5 billion human capital management software and services business serving the largest U.S. companies, and was the co-founder and chief executive officer of Workscape, Inc., a pioneering cloud software provider to the human capital management industry, from 1999 until its acquisition by ADP in 2010. Prior to founding Workscape, he held chief executive officer or senior leadership positions at HealthPlan Services, Consolidated Group and Prudential Insurance Company. From 2013 to 2015, he also served as a director and audit committee member of Carbonite Inc. (Nasdaq: CARB). Mr. Clifford holds a Bachelor of Liberal Arts degree from Northeastern University in Boston.

Mr. Clifford brings extensive technology, entrepreneurial and leadership experience to the Board. His substantial experience with providing HR-related services to businesses, along with his entrepreneurial background and knowledge of cloud-based software solutions for the HR services industry, provide key perspectives to the Board on matters that directly impact our business and the businesses of our customers.



### Ellen H. Masterson

- Independent Director
- Director since: 2017
- Age: 72
- Committees: Finance, Risk Management and Audit Committee (Chair)

Ms. Masterson joined the Company as a director in September 2017. Since 2014, Ms. Masterson has served as an independent director of Westwood Holdings Group (NYSE: WHG), an investment management firm with over \$10 billion in assets under management, and Westwood Trust, a Texas state-chartered trust company. Ms. Masterson is the chair of the audit committee of both WHG and Westwood Trust and serves as a member of the WHG governance committee. She joined the Board of Governors of The Doctors Company, a leading physician-owned medical malpractice insurer, in 2018 where she serves on the finance committee and is chair of the audit committee. Ms. Masterson retired as a partner with PricewaterhouseCoopers LLP ("PwC") in 2008, having served in this capacity since 1999 and from 1985 to 1997. At PwC, Ms. Masterson specialized in audits of companies involved in several sectors of the financial services industry and public companies with a focus on mergers and acquisitions. She held senior positions within the leadership of PwC from 2001 to 2008, including international responsibilities across the global network of PwC firms. From 1997 to 1999, Ms. Masterson served as senior vice president and chief financial officer of American General Corporation, prior to its acquisition by American International Group, Inc. Since 1982, she has served on numerous boards of non-profit and charitable organizations.

Ms. Masterson brings extensive knowledge of financial reporting and accounting issues faced by companies in the business services industry, as well as experience with strategic planning and corporate governance. With her experience as a partner in an international accounting firm, as a chief financial officer for a public company, and as an audit committee member of a public company board, Ms. Masterson strengthens the Board's financial reporting and accounting acumen, and provides significant expertise from which she can draw to advise and consult with the Board and management on financial and audit-related matters.



### Latha Ramchand

- Independent Director
- Director since: 2019
- Age: 62
- Committees: Finance, Risk Management and Audit Committee

Dr. Ramchand joined the Company as a director in December 2019. Dr. Ramchand has served as Executive Vice Chancellor and Provost at the University of Missouri since her appointment in August 2018. Previously, Dr. Ramchand served as dean of the C.T. Bauer College of Business of the University of Houston from 2011 to 2018. Prior to her deanship, she served as associate dean from 2006. During her tenure as dean, Bauer College grew enrollment to over 6,400 students, oversaw the creation of a social entrepreneurship program, expanded programs in entrepreneurship and technology commercialization, and created a venture fund and a start-up accelerator. In her current role, she has led the development of a new responsibility-centered budget model, and the implementation of a new strategic plan for the University of Missouri. Dr. Ramchand is also a certified financial analyst and served on the advisory board of the CFP Board of Standards from 2019 to 2022. She received her Ph.D., Finance, from the Kellogg Graduate School of Management of Northwestern University in 1993, her M.A., Economics, from the University of Bombay in 1983 and a B.A., Economics, also from the University of Bombay in 1981.

Dr. Ramchand brings substantial leadership and financial experience to the Board, including extensive experience in managing large and complex organizations and ensuring fiscal responsibility in the management of academic enterprises and academic health centers. In addition, Dr. Ramchand's experience with entrepreneurship and generational changes bolsters our Board's insight into an important part of our client base.

***The Board recommends that stockholders vote "For" all of the nominees listed above, and proxies executed and returned will be so voted unless contrary instructions are indicated thereon.***

## Directors Not Currently Subject to Election

The following directors are not subject to election at the 2023 Annual Meeting of Stockholders:

### ***Class II Directors (Term Expires at 2024 Annual Meeting of Stockholders)***



**Carol R. Kaufman**

- **Independent Director**
- **Director since: 2013**
- **Age: 73**
- **Committees:** Nominating and Corporate Governance Committee (Chair); Compensation Committee

Ms. Kaufman joined the Company as a director in November 2013. From July 2011 through April 2018, Ms. Kaufman served as the executive vice president, secretary, chief administrative officer and chief governance officer of The Cooper Companies, Inc. (NYSE: COO), a global medical device company, where she had previously served in a variety of capacities since October 1995, including as vice president of legal affairs beginning in March 1996 and senior vice president beginning in October 2004. From January 1989 through September 1995, she served as vice president, secretary and chief administrative officer of Cooper Development Company, a former affiliate of The Cooper Companies, Inc. Beginning in 1971, Ms. Kaufman held several financial positions, including deputy corporate controller, with Cooper Laboratories, Inc., the former parent of The Cooper Companies, Inc. Ms. Kaufman also served as a member of the western region advisory board for FM Global, the world's largest property insurer. Ms. Kaufman has served on the University Advisory Board for Boston University and on the board of the University of St. Andrews American Foundation. Ms. Kaufman served as a director of Chindex, Inc. (former Nasdaq-listed company) from November 2000 until September 2014, serving on its audit and compensation committees and as chair of its governance and nominating committee, and as a member of its special transaction committee until its sale in 2014 to TPG. Ms. Kaufman earned a Bachelor of Science degree in Mathematics in 1971 from Boston University.

Ms. Kaufman brings extensive financial and business experience, including in corporate governance, risk management, executive compensation and employee benefits to the Board. Her varied roles within The Cooper Companies, Inc. and prior board service provide the Board with additional expertise on governance and on evaluating and executing strategic initiatives.



**John L. Lumelleau**

- **Independent Director**
- **Director since: 2019**
- **Age: 71**
- **Committees:** Finance, Risk Management and Audit Committee

Mr. Lumelleau joined the Company as a director in December 2019. Mr. Lumelleau served as the president and chief executive officer of Lockton, Inc., the largest privately held independent insurance broker and a top 10 insurance broker globally, from 2002 until his retirement in 2017. Following his retirement, he served as an independent advisor to Lockton until 2021 and continues to serve on the board of directors of Lockton. In 2019, he also became chairman of the board of Orchid Underwriters Agency, LLC, a leading specialty underwriter of catastrophe exposed property insurance, and is a member of the management advisory board of TowerBrook Capital Partners. While he served as president and chief executive officer, Lockton's revenues grew from \$92 million to \$1.4 billion and it expanded from 7 offices to 85 offices globally. Previously, he served as president of Lockton from 2000 to 2002 and as operations executive from 1997 to 1999. Prior to joining Lockton, Mr. Lumelleau held various roles at Alexander & Alexander, Inc. and its successor, AON Risk Services, from 1976 until 1997, including executive vice president of global retail sales. He currently serves on the board of trustees of Fordham University and previously served on the Board of Overseers of the St. John's University School of Risk Management & Actuarial Sciences and the board of directors of The Council of Insurance Agents and Brokers. Mr. Lumelleau holds a Bachelor of Arts from Fordham University.

Mr. Lumelleau brings substantial leadership, industry and business experience to the Board, including an extensive knowledge of the insurance industry. Mr. Lumelleau's previous experience as the long-time CEO of the world's largest

privately held insurance brokerage firm provides the Board with substantial knowledge, insight and key perspectives related to risk management and the opportunities and challenges faced by growth-oriented organizations.



**Paul J. Sarvadi**

- **Chairman of the Board and Chief Executive Officer**
- **Director since: 1986**
- **Age: 66**

Mr. Sarvadi, co-founder of the Company and its subsidiaries, has been a director since the Company's inception in 1986. He has also served as the Chairman of the Board and Chief Executive Officer of the Company since 1989 and as president of the Company from 1989 to August 2003. He attended Rice University and the University of Houston prior to starting and operating several small companies. Mr. Sarvadi has served as president of the National Association of Professional Employer Organizations ("NAPEO") and was a member of its board of directors for five years. In 2001, Mr. Sarvadi was selected as the 2001 National Ernst & Young Entrepreneur of the Year<sup>®</sup> for service industries. In 2004, he received the Conn Family Distinguished New Venture Leader Award from Mays Business School at Texas A&M University. In 2007, he was inducted into the Texas Business Hall of Fame.

Mr. Sarvadi brings substantial business and operational experience to the Board, including an extensive knowledge of sales, customer relationships, and issues affecting small to medium-sized businesses. Mr. Sarvadi's role as a co-founder of the Company and lengthy service as chief executive officer of the Company provide to the Board extensive knowledge and insight of our operations and issues affecting the Company as well as the broader Professional Employer Organization ("PEO") industry. Mr. Sarvadi's previous experience starting and operating several small businesses, as well as his frequent interaction with the Company's clients, provide valuable insight to the challenges facing small to medium-sized businesses, which is a principal focus of the Company.

***Class III Directors (Term Expires at 2025 Annual Meeting of Stockholders)***



**Eli Jones**

- **Independent Director**
- **Director since: 2020**
- **Age: 61**
- **Committees: Compensation Committee**

Dr. Eli Jones rejoined the Company as a Class III director in December 2020. Since June 2021, Dr. Jones has served as a marketing professor and endowed chair at Mays Business School at Texas A&M University. From July 2015 through May 2021, Dr. Jones served as the Dean of the Mays Business School. Dr. Jones has served as a member of the board of directors of First Financial Bankshares, Inc. (Nasdaq: FFIN) since January 2022. He has also served on the board of trustees of the Invesco family of funds since 2016, and served on their Governance Committee from 2016 until 2021. Dr. Jones was also a director of the Company from 2004 through June 2016. Before joining the Mays Business School, from 2012, he was the Dean of the Sam M. Walton College of Business at the University of Arkansas and holder of the Sam M. Walton Leadership Chair in Business. Prior to joining the faculty at the University of Arkansas, he was Dean of the E.J. Ourso College of Business and Ourso Distinguished Professor of Business at Louisiana State University ("LSU") from 2008 to 2012; and Professor of Marketing and Associate Dean at the C.T. Bauer College of Business at the University of Houston from 2007 to 2008, where he also was an Associate Professor of Marketing from 2002 to 2007; and an assistant professor from 1997 until 2002. He taught at Texas A&M University for several years before joining the faculty of the University of Houston. Dr. Jones served as the executive director of the Program for Excellence in Selling and the founding director of the Sales Excellence Institute at the University of Houston from 1997 to 2007. Before becoming a professor, he worked in sales and sales management for three Fortune 100 companies: Quaker Oats, Nabisco and Frito-Lay. Dr. Jones has also published three books and approximately 50 research articles in leading peer-reviewed academic journals in sales and sales management. He received his Bachelor of Science degree in Journalism in 1982, his MBA in 1986, and his Ph.D. in 1997, all from Texas A&M University.

Dr. Jones brings to the Board significant experience and cutting-edge knowledge and expertise. He is considered a “sales scientist” in that he conducts and publishes cutting-edge research in sales, sales management, marketing strategy, leadership and customer relationship management based on data from organizations world-wide, which are areas critical to the Company. Dr. Jones is able to draw upon his research to provide the Board knowledge with respect to the Insperity sales force. Dr. Jones’ prior service as Dean of the Mays Business School at Texas A&M University; Dean of the E.J. Ourso College of Business and Ourso Distinguished Professor of Business at LSU, Dean of the Sam M. Walton College of Business at the University of Arkansas and holder of the Sam M. Walton Leadership Chair in Business, demonstrate his leadership and broad-based business acumen.



**Randall Mehl**

- **Independent Director**
- **Director since: 2017**
- **Age: 55**
- **Committees: Compensation Committee**

Mr. Mehl joined the Company as a director in December 2017. Mr. Mehl has served on the boards of ICF International, Inc. (Nasdaq: ICFI), a global consulting and technology services provider, since September 2017, and Kforce Inc. (Nasdaq: KFRC), a professional staffing firm, since January 2017. Mr. Mehl is the president of Stewardship Capital Advisors, LLC, which manages a family-office equity fund focused on making investments in business and technology services. Previously, he served as a managing director and a partner with Baird Capital, a middle market private equity group, and led a team focused on the business and technology services sector from 2005 until the end of 2016. From 1996 to 2005, Mr. Mehl was a senior equity research analyst with Robert W. Baird & Company, covering various areas within the broader business and technology services sector, including professional employer organizations. Prior to earning an MBA from The University of Chicago’s Booth School of Business in 1996, Mr. Mehl designed, developed, and used technology systems at Accenture and The Capital Group from 1990 to 1994. In addition to his public board experience, Mr. Mehl previously served on several private company boards and on the investment committee for several funds, and has expertise analyzing, acquiring, and selling businesses.

Mr. Mehl brings extensive experience in the technology and business process outsourcing sectors, including PEOs, which are directly relevant to our company’s objectives. His background as an investor, adviser and board member focused on these industries provides an important investor perspective to our Board and provides key insight to the Board as it analyzes our long-term objectives. Further, due to his experience in technology and with technology companies involved in software development and cybersecurity, Mr. Mehl brings additional insights to our Board regarding these areas that are critical to our business.



**John M. Morphy**

- **Independent Director**
- **Director since: 2016**
- **Age: 75**
- **Committees: Finance, Risk Management and Audit Committee**

Mr. Morphy joined the Company as a director in May 2016. Mr. Morphy previously served as senior vice president, chief financial officer, secretary and treasurer of Paychex, Inc. (Nasdaq: PAYX), a leading provider of payroll, human resource, and benefits outsourcing solutions for small to medium-sized businesses, from October 1996 until June 2011, at which time he was appointed vice president of finance at Paychex until he retired in January 2012. As chief financial officer of Paychex, Mr. Morphy reported directly to the chief executive officer and was responsible for all finance, legal, shareholder relations, purchasing, real estate and travel functions. Prior to joining Paychex in 1995, he served as the chief financial officer of Goulds Pumps, Inc., a then publicly traded global manufacturer of pumps for industrial, commercial and water supply markets, from 1985 to 1993, and as group vice president over industrial products at Goulds through 1995. From 1976 to 1985, Mr. Morphy was vice president and controller for Computer Consoles, Inc., and before that he was an accountant at Arthur Andersen & Company, an accounting firm. Mr. Morphy also previously served as a director of Inforte Corp., a then publicly traded customer and demand management consultancy, from April 2003 to August 2004. He earned his Bachelor of Science in Accounting from LeMoyné College and his Certified Public Accountant certificate in 1973. Mr. Morphy was originally appointed to the Board pursuant to a prior agreement with a former significant stockholder.

Mr. Morphy brings extensive financial, accounting and industry experience to the Board. His more than 20 years of financial leadership experience for various public corporations and experience in many facets of finance within varied environments, including rapid growth companies, global Fortune 500 industrial companies and major accounting firms, provide substantial knowledge and insight that are valuable to the Board.



## Richard G. Rawson

- Director since: 1989
- Age: 74

Mr. Rawson has been a director of the Company since 1989. In May 2018, Mr. Rawson retired from his position as president of the Company, a position that he had held since August 2003. Before being elected president, he served as executive vice president of administration, chief financial officer and treasurer of the Company from February 1997 until August 2003. Prior to that, he served as senior vice president, chief financial officer and treasurer of the Company since 1989. Before joining the Company in 1989, Mr. Rawson served as a senior financial officer and controller for several companies in the manufacturing and seismic data processing industries. He is the past president of the NAPEO. Mr. Rawson currently serves on the Executive Advisory Committee of the Bauer College Board of the C.T. Bauer College of Business at the University of Houston and the National Board of Directors for Genesys Works. Additionally, he is co-founder and chairman of Sciolytix, Inc. and co-founder and partner of Trinity Legacy Partners, a registered investment advisory firm. Mr. Rawson has a Bachelor of Business Administration degree in Finance from the University of Houston and received a Doctor of Humane Letters (honorary) from the University of Houston in December 2020.

Mr. Rawson brings financial and operational experience to the Board. His lengthy service as president of the Company, as well as his prior service as chief financial officer and treasurer of the Company, provide in-depth knowledge and insight of Company operations and financial matters to the Board.

### Summary of Committee Memberships

The following table summarizes the committees of which each director is currently a member:

	Class (Term Expires)	Compensation Committee	Finance, Risk Management & Audit Committee	Nominating & Corporate Governance Committee
Timothy Clifford*	I (2023)	C		●
Eli Jones†	III (2025)	●		
Carol Kaufman†	II (2024)	●		C
John Lumelleau†	II (2024)		● \$	
Ellen H. Masterson†	I (2023)		C \$	
Randall Mehl†	III (2025)	●		
John Morphy†	III (2025)		● \$	
Latha Ramchand†	I (2023)		● \$	
Richard G. Rawson	III (2025)			
Paul J. Sarvadi‡	II (2024)			

C Committee Chair  
 ● Committee Member  
 \$ Audit committee financial expert

\* Lead independent Director  
 † Independent Director  
 ‡ Chairman of the Board and CEO

## CORPORATE GOVERNANCE

### Corporate Governance Guidelines

We have adopted Corporate Governance Guidelines, which include guidelines for, among other things, director responsibilities, qualifications and independence. The Board regularly monitors developments in corporate governance practices and regulatory changes and periodically assesses the adequacy of and modifies our Corporate Governance Guidelines and committee charters as warranted in light of such developments. You can access our Corporate Governance Guidelines in their entirety on our website at [www.insperity.com](http://www.insperity.com) under the Corporate Governance heading in the Investor Relations section. The information on our website is not, and shall not be deemed to be, a part of this proxy statement.

### Director Independence

Under the rules of the NYSE, a majority of our directors must be independent. No director qualifies as independent unless the Board affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). In evaluating each director's independence, the Board considered all relevant facts and circumstances, and relationships and transactions between each director, her or his family members or any business, charity or other entity in which the director has an interest or a significant relationship on the one hand, and the Company, its affiliates, or our senior management on the other. As a result of this review, at its meeting held in February 2023, the Board affirmatively determined that all of the Company's directors are independent, with the exception of Mr. Sarvadi, who is a member of our senior management, and Mr. Rawson, who was a member of our senior management until his retirement in May 2018, whose independence was not considered by the Board.

The Board has considered what types of disclosure should be made relating to the process of determining director independence. To assist the Board in making disclosures regarding its determinations of independence, the Board has adopted categorical standards as contemplated under the listing standards of the NYSE then in effect. Under the rules then in effect, relationships that were within the categorical standards were not required to be disclosed and their impact on independence was not required to be separately discussed, although the categorical standards, by themselves, did not determine the independence of a particular director. The Board considers all relevant facts and circumstances in determining whether a director is independent. A relationship satisfies the categorical standards adopted by the Board if it:

- is not a relationship that would preclude a determination of independence under Section 303A.02(b) of the NYSE Listed Company Manual;
- consists of charitable contributions made by us to an organization where a director is an executive officer and does not exceed the greater of \$1 million or 2% of the organization's gross revenue in any of the last three years; and
- is not required to be, and it is not otherwise, disclosed in this proxy statement.

In the course of the Board's determination regarding the independence of those directors under consideration, it considered all transactions, relationships and arrangements in which such directors and the Company were participants or deemed to have an interest.

### Selection of Nominees for the Board of Directors

#### *Identification and Evaluation of Candidates for Nomination to the Board of Directors*

The Nominating and Corporate Governance Committee may solicit ideas for potential candidates for membership on the Board from a number of sources, including members of the Board, our executive officers, individuals personally known to the members of the Board, research, and search firms. The Nominating and Corporate Governance Committee has authority to select and compensate a third-party executive search firm to help identify candidates, as it deems advisable. In addition, the Nominating and Corporate Governance Committee will consider candidates for the Board submitted by stockholders. Any such submissions should include the candidate's name and qualifications for Board membership and should be directed to our Corporate Secretary at 19001 Crescent Springs Drive, Kingwood, Texas 77339. Although the Nominating and Corporate Governance Committee does not require the stockholder to submit any particular information regarding the qualifications of the stockholder's candidate, the level of consideration that the Nominating and Corporate Governance Committee will give to the stockholder's candidate will be commensurate with the quality and quantity of



information about the candidate that the stockholder makes available to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will evaluate all candidates identified through the processes described above on the same basis.

In assessing a director candidate, the Nominating and Corporate Governance Committee considers the appropriate balance of experiences, skills and other qualifications required for service on the Board. See “— Director Qualifications” below for detailed information concerning directors’ qualifications. Additionally, the Nominating and Corporate Governance Committee also considers the extent to which a director candidate contributes to the diversity of the Board, with diversity being construed broadly to encompass a director candidate’s perspectives, opinions, experiences, background and other personal factors, including gender, race, ethnicity, and age. Generally, based on this initial evaluation, the chairperson of the Nominating and Corporate Governance Committee will determine whether to interview the candidate and, if warranted, will recommend that one or more members of the Nominating and Corporate Governance Committee, other members of the Board, and senior management, as appropriate, interview the candidate. After completing this evaluation and interview process, the Nominating and Corporate Governance Committee makes a recommendation to the entire Board as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation of the Nominating and Corporate Governance Committee.

In addition, our Bylaws permit our stockholders to nominate individuals for election as directors at our annual stockholders meeting whether or not such nominee is submitted to and evaluated by the Nominating and Corporate Governance Committee. To nominate an individual for election as a director using this process, a stockholder must follow the procedures described under “Additional Information — Stockholder Director Nominations and Proposals for 2023 Annual Meeting of Stockholders”.

### **Director Qualifications**

The following are core criteria that are expected of each director or nominee:

- high integrity and ethical standards;
- skills and expertise that are complementary to the existing Board members’ skills;
- independence of thought and judgment;
- the ability to dedicate sufficient time, energy and attention to the performance of her or his duties, taking into consideration any service on other public company boards; and
- the ability to represent the interests of all of our stakeholders and not just one particular constituency.

In addition to these core criteria, the Nominating and Corporate Governance Committee regularly assesses the areas of expertise that will promote an effective and high-functioning board and also considers other qualities that it may deem to be desirable, such as demonstrated business judgment, collaborative abilities, training and education, and relationships.

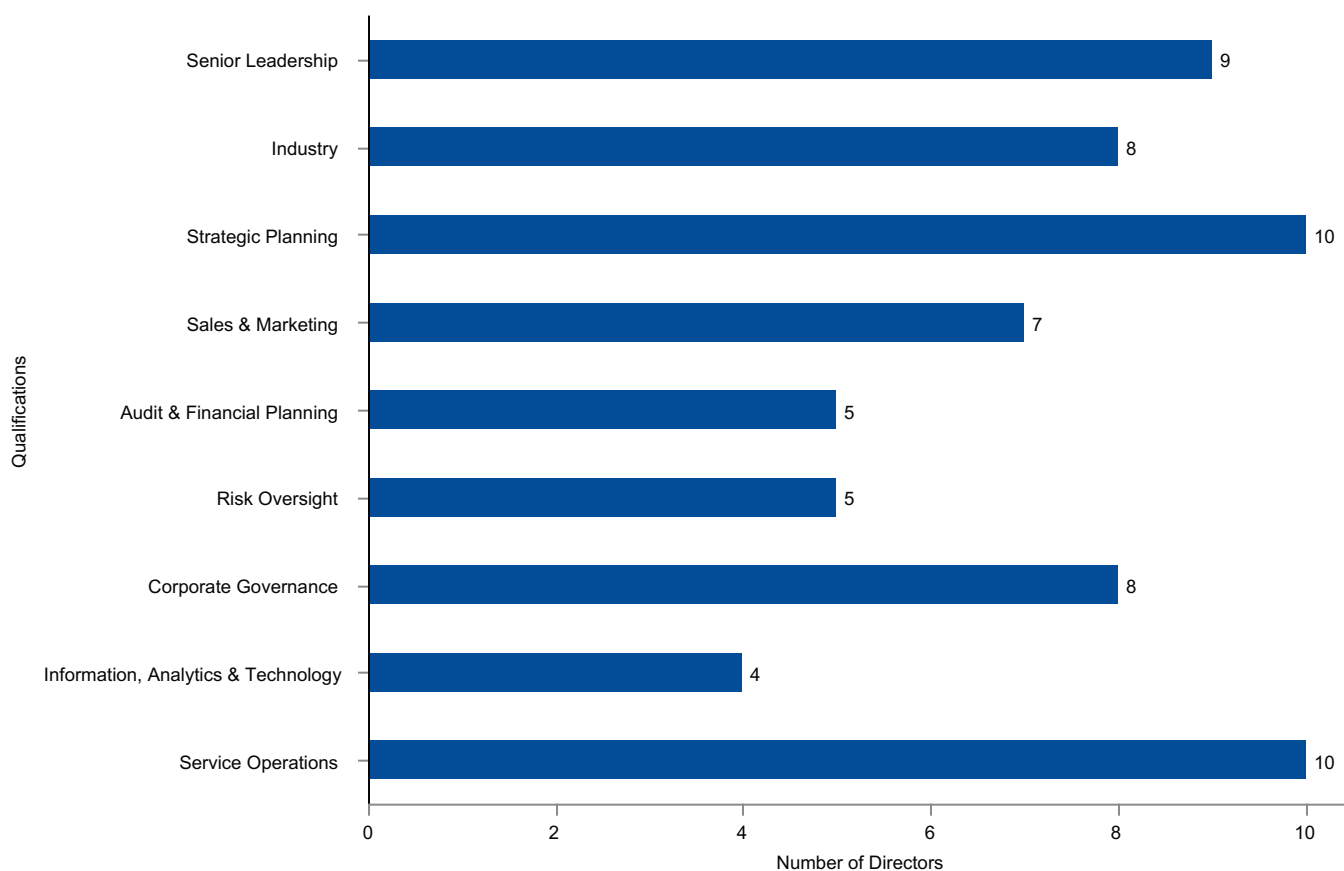
Below are the qualifications, skills, and expertise that the Nominating and Corporate Governance Committee considers critical to the Board’s ability to provide effective oversight of the Company and are directly relevant to our business, strategy and operations. Although a given director or director nominee need not individually possess the experience, skill, or other requisite qualification in all areas, the Nominating and Corporate Governance Committee believes that the Board, as a collective group, should have experience in such areas of expertise. The Nominating and Corporate Governance Committee regularly conducts assessments of the areas of expertise possessed by the current members of the Board and the collective Board, which is considered when developing the desired profile in candidate searches.

The chart that follows illustrates how these qualifications and skills are distributed among our directors and nominees as a collective group.

- **Senior Leadership** experience as a CEO or as another senior officer demonstrates leadership ability, as well as a practical understanding of complex organizations, processes, corporate culture, and the methods to drive change and growth.
- **Industry** experience in human capital management, human resources, insurance services, small businesses, or entrepreneurial ventures provides a valuable perspective on the Company’s business strategy, operations, key performance metrics, risks, target markets, competition, and other issues specific to the Company’s business.

- **Strategic Planning** experience with significant corporate initiatives is valuable in assessing specific plans to capitalize on identified growth opportunities and evaluating the Company’s capital structure and capital allocation.
- **Sales & Marketing** experience is critical to assisting the Board with oversight of matters relating to a large sales organization, brand development, marketing to businesses, and digital marketing.
- **Audit & Financial Planning** experience is key to providing oversight to the Company’s internal controls and financial reporting and to critically evaluating metrics that measure our performance.
- **Risk Oversight** experience contributes to identification, assessment, and prioritization of significant risks facing the Company and facilitates the Board’s role in providing oversight of the Company’s policies and procedures that are designed to manage those risks.
- **Corporate Governance** experience, including experience with governance principles or environmental, social, and governance initiatives such as sustainability and diversity, equity, and inclusion, is important to the Board’s understanding of best practices in corporate governance matters and enhancing board effectiveness, and supports the Board’s goals of accountability, transparency and protection of stockholder interests.
- **Information, Analytics & Technology** experience assists the Board with understanding and oversight of cloud-based, mission-critical solutions, as well as cybersecurity and data privacy matters.
- **Service Operations** experience is valuable in understanding the issues related to a large service organization that offers business process outsourcing solutions to its clients.

### Balance of Director Skills



We provide additional information about the qualifications, skills, and expertise of each director in the biographies for the individual directors under “—Nominees for Director” and “—Directors Not Currently Subject to Election.”

## Board of Directors' Leadership

We do not have a policy with respect to whether the positions of Chairman of the Board and chief executive officer (“CEO”) should be held by the same person or two separate individuals, and believe that it is in the best interest of the Company to consider that question from time to time in the context of succession planning. At this time, the Board believes that it is in the best interest of the Company, and is an appropriate leadership structure, to have the CEO also serve as Chairman of the Board. Combining the CEO and Chairman of the Board roles provides an efficient and effective leadership model that promotes unambiguous accountability and alignment on corporate strategy. Mr. Sarvadi co-founded the Company in 1986 and has served as Chairman of the Board and CEO since 1989. The Board believes that Mr. Sarvadi’s intimate knowledge of the daily operations of, and familiarity with, the Company and industry put him in the best position to provide leadership to the Board on setting the agenda, emerging issues facing the Company and the PEO industry, and strategic opportunities. Additionally, Mr. Sarvadi’s substantial financial stake in the Company creates a strong alignment of interests with other stockholders. Mr. Sarvadi’s combined roles also ensure that a unified message is conveyed to stockholders, employees and clients.

The position of lead independent director is established by our Corporate Governance Guidelines. Mr. Clifford is currently the lead independent director. The Board reevaluates the lead independent director position annually. The lead independent director has the following responsibilities in addition to the regular duties of a director:

- prepare and set the agenda for and chair executive sessions of the outside directors;
- call or convene executive sessions of the outside directors;
- authority to set the agenda for meetings of the Board;
- preside at all meetings of the Board where the Chairman of the Board is not present or has a potential conflict of interest;
- serve as liaison and facilitate communications between the independent directors and the Chairman of the Board and CEO;
- consult with the Chairman of the Board and CEO on matters relating to corporate governance and performance of the Board; and
- collaborate with the Finance, Risk Management and Audit Committee and with the rest of the Nominating and Corporate Governance Committee on possible director conflicts of interest or breaches of the Corporate Governance Guidelines.

## Board of Directors' Role in Risk Oversight

The Board is responsible for overseeing the Company’s overall risk profile and assisting management in addressing specific risks. Our Enterprise Risk Management Steering Committee (the “ERM Steering Committee”) is responsible for formally identifying and evaluating risks that may affect our ability to execute our corporate strategy and fulfill our business objectives. The ERM Steering Committee employs a disciplined approach to identifying, documenting, evaluating, communicating, and monitoring enterprise risk management within the Company. The ERM Steering Committee is chaired by the Company’s chief financial officer and includes the Company’s general counsel, internal audit director, and other members of management. The ERM Steering Committee reports to the Board and the CEO. The ERM Steering Committee conducts an annual comprehensive risk review of our overall risk profile and analyzes any significant identified risks, including consideration of risks relating to strategic, environmental, social, governance, health and safety, operational, financial, legal, regulatory, and reputational matters, which the ERM Steering Committee then presents and discusses with the Finance, Risk Management and Audit Committee and the entire Board. In addition to the formal annual review, members of the ERM Steering Committee review and provide periodic updates as appropriate regarding our overall risk profile and any significant identified risks to both the Finance, Risk Management and Audit Committee and the entire Board.

During 2022, the ERM Steering Committee completed its annual comprehensive review and update of the Company’s risks. The ERM Steering Committee further reviewed and updated the mitigating factors associated with such risks, and prioritized the identified risks based upon the subjectively determined likelihood of the occurrence and the estimated resulting impact on the Company if the risk occurred.

The Board executes its risk oversight function both directly and through its standing committees, each of which assists the Board in overseeing a part of the Company's overall risk management. Throughout the year, the Board and each such committee spend a portion of their time reviewing and discussing specific risk factors, and risk assessments are part of major decision making. The Board is kept informed of each committee's risk oversight and related activities through regular reports from such committees. Members of senior management also update the Board and the committees during the year as appropriate to address key risk-related matters, including legal and regulatory developments, the assessment and management of environmental and climate change risks, cybersecurity and data privacy risks, and diversity, equity, and inclusion initiatives.

The Finance, Risk Management and Audit Committee is assigned primary responsibility for oversight of risk assessment with financial implications, as well as those that threaten the long-term sustainability of our business, such as risks associated with cybersecurity, data privacy, environmental (which would include climate change risks), health and safety, and social and governance matters. In its periodic meetings with management, internal auditors, and independent auditors, the Finance, Risk Management and Audit Committee reviews and monitors many factors relating to enterprise risk, including:

- the financial affairs of the Company;
- the integrity of the Company's financial statements and internal controls;
- the Company's compliance with legal and regulatory requirements;
- the independent auditor's qualifications, independence, and performance;
- the performance of the personnel responsible for the Company's internal audit function and independent auditors; and
- the Company's policies and procedures with respect to risk management.

The Compensation Committee has primary responsibility to consider material risk factors relating to the Company's compensation policies and practices.

The Nominating and Corporate Governance Committee monitors governance and succession risks.

As part of its review and approval of our capital budget, compensation, major acquisitions, material contracts, and other similar matters, the Board retains ultimate authority over assessing the risks and their impacts on our business.

### **Prohibition on Hedging and Pledging of Our Common Stock**

We have established strict standards regarding the speculative trading of our common stock. We prohibit employees and directors from engaging in hedging transactions involving our common stock. The Board also adopted a formal policy prohibiting employees and directors from engaging in the significant pledging of shares of our common stock. Any requests to pledge shares or to increase existing amounts of pledged shares are reviewed by the Board, which considers the facts and circumstances and other information the Board deems relevant.

As of April 4, 2023, Mr. Sarvadi had 120,000 shares of our common stock pledged, which represented approximately 8.0% of the shares of our common stock Mr. Sarvadi beneficially owned. After a thorough review, the Board approved Mr. Sarvadi's pledge of shares based on their determination that the number of shares pledged by him were not significant. In making this determination, the Board considered that the pledged shares did not represent a material portion of the total shares beneficially owned by him, were less than 1% of our total shares outstanding and market capitalization, and also represented an amount that could reasonably be expected to be sold in an orderly manner in a short period of time given the Company's historic average daily trading volume. The Board also considered Mr. Sarvadi's significant number of founder's shares that were not earned as compensation from the Company, his compliance with our stock ownership guidelines (disregarding the pledged shares), and the purpose of his pledge being unrelated to an attempt to shift or hedge economic risk in owning Company shares.

### **Code of Business Conduct and Ethics**

The Board has adopted a Code of Business Conduct and Ethics (the "Code") governing the conduct of our directors, officers and employees. The Code, which meets the requirements of Rule 303A.10 of the NYSE Listed Company Manual and Item 406 of Regulation S-K, is intended to promote honest and ethical conduct; full, fair, accurate, timely and

understandable disclosure in our public filings; compliance with laws; and the prompt internal reporting of violations of the Code. Our new employees are required to certify that they have reviewed and understand the Code. In addition, our annual compliance training for all employees reminds them of their obligations under the Code and provides practical examples to foster a deeper understanding of its principles. You can access the Code on our website at [www.insperity.com](http://www.insperity.com) under the Corporate Governance heading in the Investor Relations section. The Finance, Risk Management and Audit Committee has responsibility for oversight of compliance with Code. Changes in and waivers to the Code for our directors, executive officers and certain senior financial officers will be posted on our Internet website within four business days of being approved and will be maintained for at least 12 months. If you wish to raise a question or concern or report a violation, including anonymously, to the Finance, Risk Management and Audit Committee, you should visit [www.ethicspoint.com](http://www.ethicspoint.com) (or <https://insperity.navexone.com/> on a mobile device) or call the toll-free reporting hotline at 1-844-606-3529.

## **Stockholder Communications and Engagement**

Stockholders and other interested parties may communicate directly with the entire Board or the non-management directors as a group by sending an email to [directors@insperity.com](mailto:directors@insperity.com). Alternatively, you may mail your correspondence to the Board or non-management directors in care of the Corporate Secretary, 19001 Crescent Springs Drive, Kingwood, Texas 77339. In the subject line of the email or on the envelope, please specify whether the communication is addressed to the entire Board or to the non-management directors.

Unless any director directs otherwise, communications received (via U.S. mail or email) will be reviewed by our Corporate Secretary who will exercise his discretion not to forward to the Board correspondence that is inappropriate such as business solicitations, frivolous communications and advertising, routine business matters (i.e., business inquiries, complaints, or suggestions), and personal grievances.

In addition, members of management, including our Chairman of the Board and CEO, regularly meet with stockholders to review Company strategies, financial and operating performance, and other topics of interest. We share the feedback from these sessions with the Board to help ensure that both the Board and management understand and consider the issues that are important to our stockholders. Please also see “Compensation Discussion & Analysis – Stockholder Advisory Votes” for an additional discussion.

## **MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS**

### **The Board of Directors**

Directors are expected to attend all or substantially all Board meetings and meetings of the Committees of the Board on which they serve. Directors are also expected to spend the necessary time to discharge their responsibilities appropriately (including advance review of meeting materials) and to ensure that other existing or future commitments do not materially interfere with their responsibilities as members of the Board. The Board met five times in 2022. During 2022, all of the members of the Board participated in at least 75% of the meetings of the Board and Committees of which they were members during the period of such director’s service. The Board encourages its members to attend the Annual Meeting of Stockholders. Last year, nine of our directors attended the Annual Meeting of Stockholders.

### **Executive Sessions of the Board of Directors and the Lead Independent or Presiding Director**

Our outside directors hold executive sessions at which our management is not in attendance at regularly scheduled Board meetings, and our independent directors hold executive sessions at which only the independent directors are in attendance at least once per year. The lead independent director establishes the agenda and serves as presiding director at the executive sessions. In the absence of a lead independent director, the chairperson of the Nominating and Corporate Governance Committee (if different from the lead independent director) or an independent director designated by the outside directors will preside at meetings of non-management directors. Currently, Mr. Clifford serves as the lead independent director and Ms. Kaufman serves as the chairperson of the Nominating and Corporate Governance Committee.

## **Committees of the Board of Directors**

The Board has appointed three standing committees: the Finance, Risk Management and Audit Committee; the Compensation Committee; and the Nominating and Corporate Governance Committee. The charters for each of the three standing committees, which have been adopted by the Board, contain a detailed description of the respective standing committee's duties and responsibilities and are available on our website at [www.insperity.com](http://www.insperity.com) under the Corporate Governance heading in the Investor Relations section. The Board has reviewed the applicable legal and NYSE standards for independence for members of each of the Finance, Risk Management and Audit Committee; the Compensation Committee; and the Nominating and Corporate Governance Committee, as well as our independence standards for such Committees, and has determined that the members of each of those Committees of the Board is "independent" under such requirements.

### ***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee met three times in 2022. The members of the Nominating and Corporate Governance Committee currently are Ms. Kaufman, who serves as chairperson and Mr. Clifford. The Nominating and Corporate Governance Committee: (1) identifies individuals qualified to become Board members, consistent with the criteria for selection approved by the Board; (2) recommends to the Board a slate of director nominees to be elected by the stockholders at the next Annual Meeting of Stockholders and, when appropriate, director appointees to take office between Annual Meetings of Stockholders; (3) develops and recommends to the Board a set of corporate governance guidelines for the Company; and (4) oversees the evaluation of the Board.

### ***Finance, Risk Management and Audit Committee***

The Finance, Risk Management and Audit Committee met eight times in 2022. The members of the Finance, Risk Management and Audit Committee currently are Ms. Masterson, who serves as chairperson, Mr. Lumelleau, Mr. Morphy, and Dr. Ramchand. The Board has determined that each member of the Finance, Risk Management and Audit Committee is an "audit committee financial expert" as such term is defined in Item 401(h) of Regulation S-K promulgated by the SEC. The Finance, Risk Management and Audit Committee assists the Board in fulfilling its responsibility to oversee the financial affairs, risk management, accounting and financial reporting processes, and audits of financial statements of the Company by reviewing and monitoring: (1) the financial affairs of the Company; (2) the integrity of the Company's financial statements and internal controls; (3) the Company's compliance with legal and regulatory requirements; (4) the independent auditor's qualifications, independence and performance; (5) the performance of the personnel responsible for our internal audit function and the independent auditors; and (6) our policies and procedures with respect to risk management, as well as other matters that may come before it as directed by the Board. The Finance, Risk Management and Audit Committee also reviews risk exposures that threaten the long-term sustainability of the Company's business, such as risks associated with cybersecurity, data privacy, environmental (which would include climate change risks), health and safety, social and governance matters. In connection with those responsibilities, the Finance, Risk Management and Audit Committee oversees the Company's process of preparing its annual Corporate Social Responsibility report.

### ***Compensation Committee***

The Compensation Committee met five times in 2022. The members of the Compensation Committee currently are Mr. Clifford, who serves as chairperson, Dr. Jones, Ms. Kaufman, and Mr. Mehl. The Compensation Committee: (1) oversees and administers the Company's compensation policies, plans and practices; (2) reviews and discusses with management the Compensation Discussion and Analysis required by the rules of the SEC; and (3) prepares the annual report required by the rules of the SEC on executive compensation for inclusion in the Company's annual report on Form 10-K or proxy statement for the Annual Meeting of Stockholders. To carry out these purposes, the Compensation Committee: (1) evaluates the performance of, and determines the compensation for, the CEO and, taking into consideration recommendations made by the CEO, our other executive officers; (2) administers our compensation programs; and (3) performs such other duties as may from time to time be directed by the Board.

Pursuant to the terms of the Insperity, Inc. 2012 Incentive Plan, as amended (the "2012 Incentive Plan"), the Board or the Compensation Committee may delegate authority under the 2012 Incentive Plan to the Chairman of the Board or a committee of one or more Board members, respectively, pursuant to such conditions and limitations as each may establish, except that neither may delegate to any person the authority to make awards, or take other action, under the 2012 Incentive Plan with respect to participants who may be subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

## EXECUTIVE COMPENSATION

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## Compensation Discussion and Analysis

### Introduction

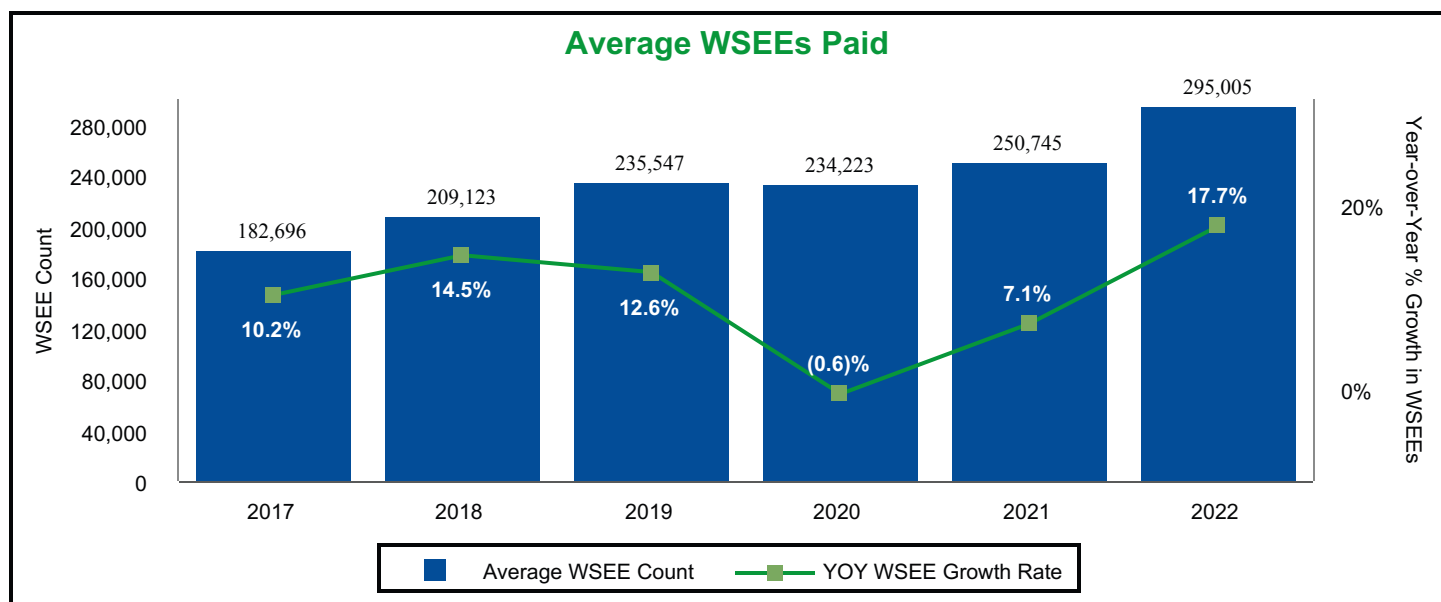
This Compensation Discussion and Analysis (“CD&A”) explains our compensation philosophy, objectives, and strategies and the underlying elements of our compensation programs for our named executive officers (“NEOs”) in 2022. This CD&A also summarizes decisions that the Compensation Committee of our Board (“Compensation Committee”) made regarding these programs and the factors considered in making those decisions.

The following individuals comprised our NEOs for 2022:

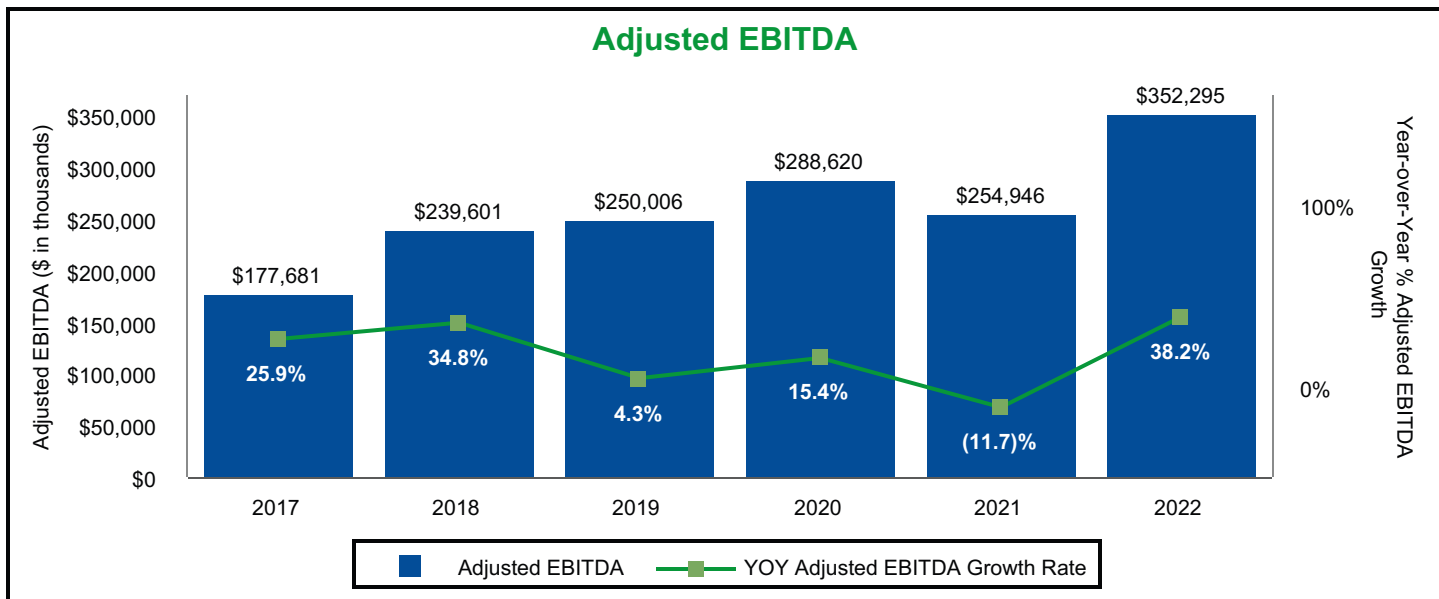
Name	Title
Paul J. Sarvadi	Chief Executive Officer and Chairman of the Board
Douglas S. Sharp	Chief Financial Officer, Executive Vice President of Finance and Treasurer
A. Steve Arizpe	President and Chief Operating Officer
James D. Allison	Executive Vice President of Gross Profit Operations
Daniel D. Herink	Executive Vice President of Legal, General Counsel and Secretary

### Financial Highlights

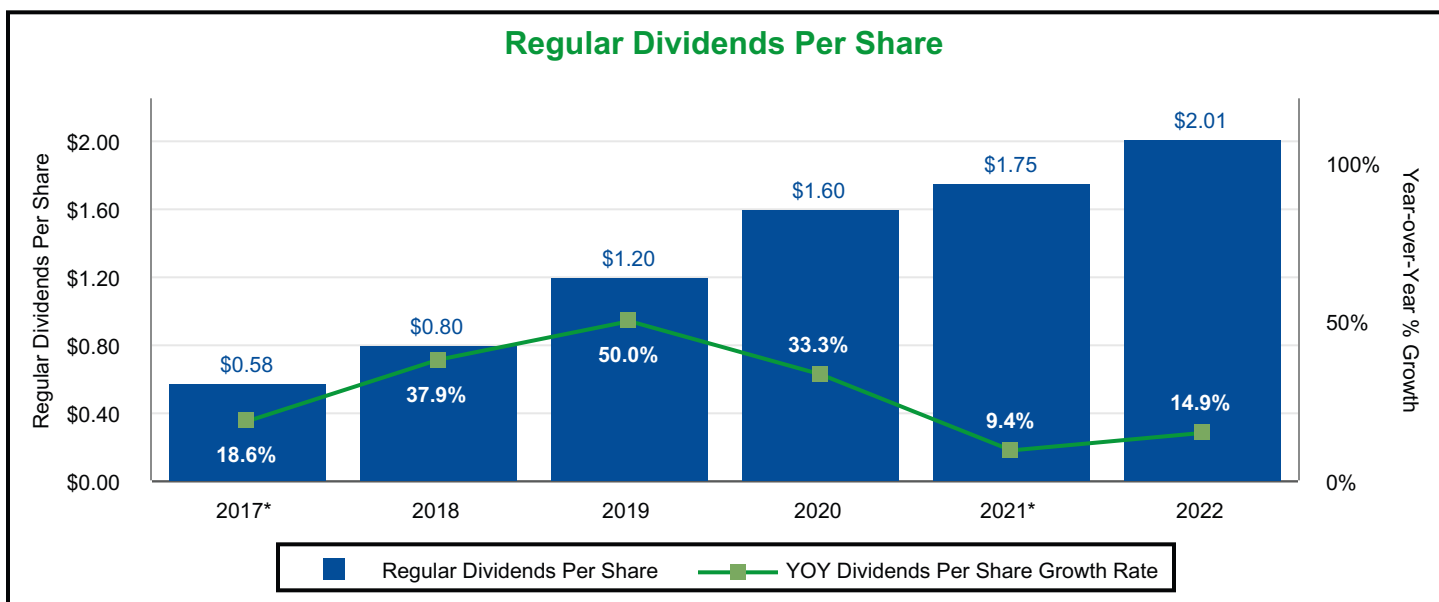
The continued strong execution of our leadership team and employees during 2022 in spite of lingering pandemic conditions and economic uncertainty allowed us to increase our average number of worksite employees (“WSEEs”) paid during 2022 by 17.7% and to achieve a Company record-setting \$352.3 million of adjusted EBITDA. This tremendous level of performance across the Company allowed us to pay record annual dividends of \$2.01 per share.







Note: Adjusted EBITDA is a non-GAAP financial measure used by management to analyze the Company's performance. Adjusted EBITDA represents EBITDA (earnings before interest, taxes, depreciation and amortization) plus tax reform bonuses, stock-based compensation and amortization of SaaS implementation costs. Please read Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures," in our annual report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 9, 2023, our prior Form 10-K for the year ended December 31, 2021 filed with the SEC on February 10, 2022, and our prior Form 10-K for the year ended December 31, 2020 filed with the SEC on February 12, 2021 for a reconciliation of this non-GAAP financial measure to the most directly comparable financial measure calculated and presented in accordance with GAAP.



\* Excludes special dividends of \$1.00 per share paid in the fourth quarter of 2017 and \$2.00 per share paid in the fourth quarter of 2021.

## Our Pay-for-Performance Compensation Philosophy

Our overall compensation philosophy is focused on pay-for-performance. We have set a number of compensation objectives and endeavor to accomplish the philosophy as follows:

Compensation Objective	How we accomplish our objectives
<p><b>Attract, retain and motivate high performing individuals to achieve our annual and long-term business and strategic goals</b></p>	<ul style="list-style-type: none"> <li>• Build a culture based upon the value of and respect for each individual, encouraging personal and professional growth, rewarding outstanding individual and corporate performance and achieving excellence through a high-energy, collegial work environment.</li> <li>• Maintain competitive base salaries that compensate employees based upon job responsibilities, level of experience, individual performance, comparisons to the market, internal comparisons and other relevant factors.</li> <li>• Provide a competitive benefits package.</li> <li>• Deliver the largest portion of executive compensation in the form of long-term incentives that vest over multiple years.</li> </ul>
<p><b>Motivate management to achieve short-term business goals and to enhance long-term stockholder value</b></p>	<ul style="list-style-type: none"> <li>• Promote a performance-driven culture that encourages growth by recognizing and rewarding employees who meet and exceed our business objectives.</li> <li>• Motivate and reward organizational performance through variable pay programs that directly support our business objectives, encourage leadership of departmental units and encourage collaboration and teamwork across our Company.</li> <li>• Base a substantial portion of each NEO's total compensation package on long-term incentive components and a variable annual compensation component (as outlined below).</li> <li>• Align the interests of our executive officers with the interests of our stockholders through the use of long-term equity and performance-based incentive compensation opportunities.</li> <li>• Align the interests of our executive officers with the interests of our stockholders through the use of stock ownership guidelines.</li> </ul>
<p><b>Discourage excessive risk-taking that could adversely impact stockholder value</b></p>	<ul style="list-style-type: none"> <li>• Conduct an annual risk assessment of our executive compensation programs.</li> <li>• Maintain an independent Compensation Committee, which retains an independent compensation consultant.</li> <li>• Incorporate a variety of governance best practices and avoid governance pitfalls as outlined below.</li> </ul>

## Insperty's Best Practice Features

We have embedded features in our overall compensation programs that are both aligned with our business objectives and designed to strengthen the link between the interests of our executive officers and those of our stockholders. Following is a summary of practices related to compensation that we have adopted and pay practices that we avoid:

What Insperty has:

✓	Compensation program emphasizing variable and at-risk compensation with at least 74% of each NEO's target compensation tied to annual bonus and long-term incentives
✓	Long-term incentive ("LTI") program prioritizing performance-based LTI with 65% of the CEO's and, on average, 46% of the other NEO's LTI mix in performance-based LTI
✓	Stock ownership guidelines requiring the CEO to hold shares equal to five times base salary, other executive officers to hold shares of three times or one and one-half times base salary, depending on the executive tier level established by the Compensation Committee, and non-employee directors to hold shares equal to five times the annual cash retainer
✓	Clawback policy for incentive compensation paid to any employee, including NEOs and other executive officers
✓	Minimum vesting period of one year for grants of restricted stock, restricted stock units and phantom shares, with limited exceptions for new hire awards, performance awards or terminations due to death, disability, retirement or change in control
✓	Double trigger requirement for vesting of NEO and executive officer equity awards that provides for equity acceleration only in the event of a qualifying termination following a change in control

✓	Hedging policy prohibiting employees and directors from engaging in hedging transactions involving shares of our common stock
✓	Pledging policy prohibiting employees and directors from engaging in pledging transactions involving shares of our common stock that would be considered significant by the Board
✓	A lead independent director
✓	Compensation Committee composed entirely of outside, independent directors
✓	Independent compensation consultant hired by, and reporting directly to, the Compensation Committee

What Insperity does not have:

✗	Employment agreements with NEOs or other executive officers
✗	Executive pension or other similar retirement or supplemental benefits
✗	Single trigger change in control agreements for NEOs or other executive officers
✗	Tax gross-ups in the event of a change in control
✗	Medical coverage for retirees
✗	Excessive benefits and perquisites

### Stockholder Advisory Votes

At our 2022 Annual Meeting of Stockholders, our stockholders approved, in a non-binding advisory vote, the compensation of our NEOs, with over 80% of the votes cast in favor of such compensation. The Company's management conducted stockholder outreach following our 2022 Annual Meeting of Stockholders regarding the say-on-pay advisory vote, and the feedback received was provided to the Compensation Committee for consideration as part of its ongoing evaluation of our executive compensation programs. The Compensation Committee values the opinions expressed by our stockholders and believes that our 2022 support level demonstrates a strong alignment of our compensation programs with stockholders' interests.

### 2022 Executive Compensation Program

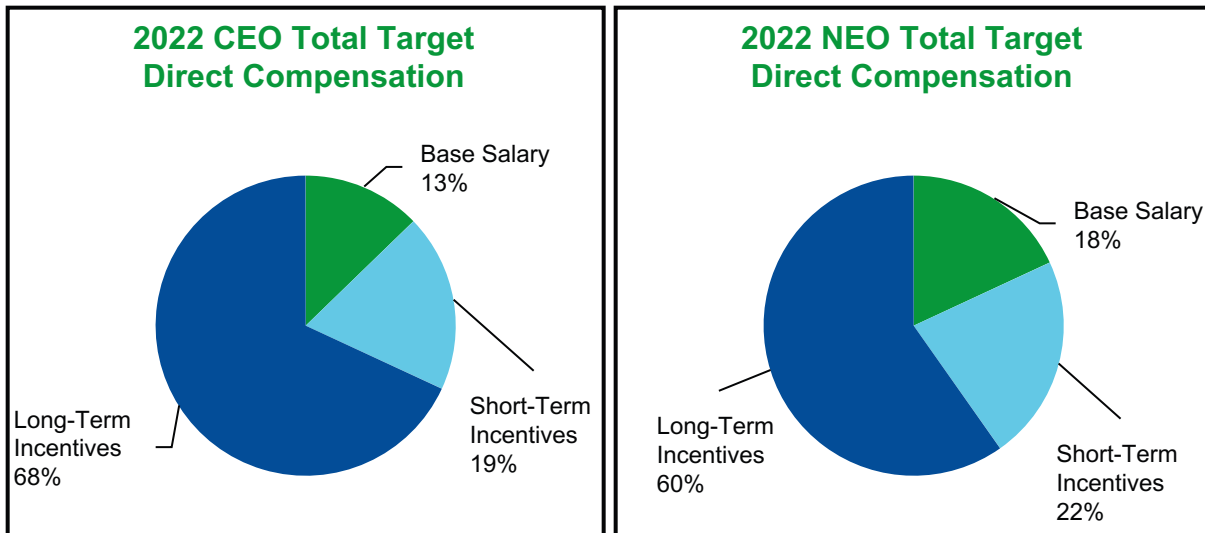
#### Summary of Compensation Elements

We provide our NEOs with a mixture of pay linked to company and individual performance. The major elements of our 2022 annual compensation package for NEOs are summarized in the following chart:

	Compensation Element	Form of Compensation	Purpose
<b>Fixed</b>	Base Salary	Cash	Provides fixed level of compensation to attract and retain talent
	Variable Cash Compensation (Short-Term Incentive Program)	Cash	Rewards executive officers for achieving annual Company performance goals
<b>Variable and At-Risk</b>	Long-Term Equity Incentives	Restricted Stock Units and Performance Shares	Supports long-term focus on creating stockholder value, provides strong retention incentive with multi-year vesting and rewards achievement of long-term performance goals
	Retirement Benefits	401(k) Plan	Provides competitive retirement benefits as part of comprehensive pay package
<b>Benefits</b>	Health & Welfare Benefits	Medical, Dental, Life and Disability Benefits	Provides competitive health and welfare benefits as part of comprehensive pay package

As illustrated in the charts below, approximately 87% of the CEO's target direct compensation and 82% of all NEOs target direct compensation, on average, was in the form of incentive-based compensation.

## 2022 Compensation



### Base Salary

Base salary is intended to provide fixed annual compensation to attract and retain talented executive officers. Annual adjustments to base salary are based upon an annual performance evaluation, market data and other relevant considerations.

Our NEOs base salaries for 2022 were as follows:

	2021 Base Salary	2022 Base Salary	2022 Changes
<b>Chief Executive Officer and Chairman of the Board</b>	\$1,082,000	\$1,125,000	4.0%
<b>Chief Financial Officer, Executive Vice President of Finance and Treasurer</b>	\$549,000	\$573,000	4.4%
<b>President and Chief Operating Officer</b>	\$660,000	\$690,000	4.5%
<b>Executive Vice President of Gross Profit Operations</b>	\$396,000	\$416,000	5.1%
<b>Executive Vice President of Legal, General Counsel and Secretary</b>	\$461,350	\$481,000	4.3%

The 2021 and 2022 base salaries were based on the annual performance evaluations, the findings of compensation studies conducted in late 2020 and 2021 by the Compensation Committee's independent compensation consultant, Frederic W. Cook & Co., Inc. ("FW Cook"), and other factors deemed relevant by the Compensation Committee, such as Company performance, general economic conditions and the decision to forgo any increases for 2021.

### Variable Short-Term Incentive Compensation

Variable short-term incentive compensation places a significant portion of executive compensation at risk and is tied to corporate performance. Variable compensation for all executive officers is paid through the Short-Term Incentive Program, a cash incentive program under the stockholder-approved 2012 Incentive Plan. The Short-Term Incentive Program embodies our pay-for-performance philosophy and helps align executive officers' compensation to the Company's overall performance. In 2022, the Compensation Committee established the threshold, target and maximum payout opportunity for NEOs and other executive officers under the Short-Term Incentive Program at 25%, 100% and 200%, respectively.

For 2022, the Compensation Committee set the annual incentive targets as a percentage of each NEO's base salary as follows:

	2022 Target Bonus Opportunity
<b>Chief Executive Officer and Chairman of the Board</b>	150%
<b>Chief Financial Officer, Executive Vice President of Finance and Treasurer</b>	100%
<b>President and Chief Operating Officer</b>	125%
<b>Executive Vice President of Gross Profit Operations</b>	100%
<b>Executive Vice President of Legal, General Counsel and Secretary</b>	100%

#### *Annual Bonus Metrics*

The Compensation Committee selects corporate performance goals that align with the Company's business strategy and objectives. The Compensation Committee sets each corporate performance goal to be challenging and rigorous, requiring the attainment of predetermined achievement levels before triggering a payout to the executives. To continue the emphasis on improved unit growth and profitability, the Compensation Committee tied 100% of the NEOs' Short-Term Incentive Program payout opportunity to growth in average WSEEs paid, adjusted EBITDAIC (earnings before interest, taxes, depreciation, amortization, and incentive compensation), and growth in average gross profit per WSEE per month. Consistent with prior years, the Compensation Committee chose to exclude incentive compensation from adjusted EBITDA under the Short-Term Incentive Program because any cash payout impacts adjusted EBITDA. For 2022, our annual bonus program was based 40% on adjusted EBITDAIC, 40% on growth in average WSEEs paid, and 20% on growth in average gross profit per WSEE per month.

Annual Bonus Metric	Definition	Rationale
<b>Adjusted EBITDAIC</b>	<p>In setting our adjusted EBITDAIC performance goal, the Compensation Committee chose to exclude specified items from EBITDA (earnings before interest, taxes, depreciation, and amortization), to the extent applicable, including for example, the following: (1) non-cash impairment charges; (2) stock-based and incentive compensation; (3) changes in statutory tax rates and assessments; (4) professional advisory fees and outside costs related to stockholder matters; and (5) other extraordinary, unusual or infrequent items.</p> <p>These adjustments are largely consistent with prior years. For 2022, adjusted EBITDAIC, the Compensation Committee only included the adjustment for incentive compensation.</p>	<p>We have included adjusted EBITDAIC as one of our corporate performance goals because we believe it is a key indicator of our overall productivity; effective management of pricing, direct costs and operating expenses; and ability to grow the business while favorably balancing profitability.</p>
<b>Growth in Average WSEEs Paid ("PWEE Growth")</b>	<p>The PWEE Growth corporate component of the Short-Term Incentive Program bonuses was determined by calculating the year-over-year growth in the average number of WSEEs paid for calendar year 2022 and year-over-year growth as of January 2023 compared to January 2022, with the final payout amount being based upon the period that produced the greatest percentage payout of the target bonus. We included the number of WSEEs paid for January 2023 in the performance period to reflect the results of our annual Fall Sales Campaign and significant year-end client renewal period.</p> <p>The approach outlined above is consistent with prior years.</p>	<p>We included PWEE Growth as a component in order to focus our NEOs on growing our business. Increasing the average number of WSEEs paid is a key metric for measuring the success of our sales operations and client retention efforts and is a significant driver in our overall growth and performance.</p>
<b>Growth in Average Gross Profit per WSEE per Month ("GP per WSEE per Month")</b>	<p>Gross profit from our PEO services and other products and services offerings expressed on a per WSEE per month basis.</p>	<p>We included this component because the margin on our PEO services and other products and services is an important driver of our overall profitability.</p>

#### **2022 Short-Term Incentive Program Performance Results**

The table below shows our financial metric component results versus our 2022 bonus targets. Our performance under the

Short-Term Incentive Program resulted in a maximum payout for the PWEE Growth, adjusted EBITDAIC and GP per WSEE per Month components.

		Metric		
		Adjusted EBITDAIC (in millions) <sup>1</sup>	PWEE Growth Percentage	GP per WSEE per Month
<b>Threshold</b>	<b>(25% Payout)</b>	\$277.5	14.5%	\$253
<b>Threshold Plus</b>	<b>(50% Payout)</b>	\$298.75	15%	\$258
<b>Target</b>	<b>(100% Payout)</b>	\$320	15.5%	\$263
<b>Stretch</b>	<b>(150% Payout)</b>	\$343.25	16%	\$268.5
<b>Maximum</b>	<b>(200% Payout)</b>	\$366.5	16.5%	\$274
<b>Actual Calendar Year Results</b>		\$410	17.7%	\$286
<b>Performance Modifier</b>		200%	200%	200%

<sup>1</sup> Adjusted EBITDAIC under our Short-Term Incentive Program differs from the definition of adjusted EBITDA we disclose as a Non-GAAP financial measure in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures" of our annual report on Form 10-K for the year ended December 31, 2022. Under our Short-Term Incentive Program, adjusted EBITDAIC adjustments were limited to incentive compensation expense for 2022.

The executives received bonus payouts in the following amounts based on the weighting for each metric and performance against each objective.

Executive	Target Bonus (\$)	PWEE Growth Payout	Adjusted EBITDAIC Payout	GP per WSEE per Month	Bonus Payout (% of Target)	Actual Bonus Payout (\$)
<b>Chief Executive Officer and Chairman of the Board</b>	\$1,677,578	\$1,342,062	\$1,342,062	\$671,030	200%	\$3,355,154
<b>Chief Financial Officer, Executive Vice President of Finance and Treasurer</b>	\$569,308	\$455,446	\$455,446	\$227,723	200%	\$1,138,615
<b>President and Chief Operating Officer</b>	\$856,731	\$685,385	\$685,385	\$342,692	200%	\$1,713,462
<b>Executive Vice President of Gross Profit Operations</b>	\$412,923	\$330,338	\$330,338	\$165,170	200%	\$825,846
<b>Executive Vice President of Legal, General Counsel and Secretary</b>	\$477,923	\$382,338	\$382,338	\$191,170	200%	\$955,846

### Long-Term Equity Incentive Compensation

Long-term equity incentives align the interests of our executive officers with those of our stockholders. We believe that long-term incentives enhance retention while rewarding executive officers for achieving long-term performance goals and enhancing stockholder value. Long-term equity incentive awards are made under the stockholder-approved 2012 Incentive Plan. The objectives of the 2012 Incentive Plan are to:

- provide incentives to attract and retain persons with training, experience and ability to serve as an executive officer;
- promote the interests of the Company by encouraging executive officers to acquire or increase their equity interest in the Company;
- incent executive officers to achieve long-term performance goals and increase stockholder value;
- provide a means by which executive officers may develop a sense of proprietorship and personal involvement in the development and financial success of the Company; and
- encourage executive officers to remain with, and devote their best efforts to the business of, the Company, thereby advancing the interests of the Company and our stockholders.

## Long-Term Equity Awards Granted in 2022

In February 2022, the CEO presented to the Compensation Committee his recommendations for long-term incentive awards for the other executive officers. His recommendations as to the amount and form of awards to be granted were based on a number of factors, including, the importance of each executive officer's role in the Company's future business operations, equity pay practices of competitor companies, annual expense to the Company of equity awards and the Company's own past practices in granting equity awards. The Compensation Committee then determined and approved the awards for our executive officers, including the CEO, based upon the above noted factors. In light of the Company's meaningful increase in stock price during 2021 (increased over 45%) and strong financial performance, the Compensation Committee approved an approximate 12% increase in the 2022 LTI grant value for the CEO.

Executive	Total LTI Grant Date Value	Restricted Stock Units			Performance Shares under LTIP		
		Weighting	Shares Granted	Grant Date Value	Weighting	Shares Granted	Grant Date Value
<b>Chief Executive Officer and Chairman of the Board</b>	\$6,194,009	35%	23,345	\$2,099,883	65%	43,355	\$4,094,126
<b>Chief Financial Officer, Executive Vice President of Finance and Treasurer</b>	\$1,278,348	55%	7,645	\$687,668	45%	6,255	\$590,680
<b>President and Chief Operating Officer</b>	\$1,742,424	50%	9,450	\$850,028	50%	9,450	\$892,396
<b>Executive Vice President of Gross Profit Operations</b>	\$971,641	55%	5,810	\$522,610	45%	4,755	\$449,031
<b>Executive Vice President of Legal, General Counsel and Secretary</b>	\$971,641	55%	5,810	\$522,610	45%	4,755	\$449,031

Awards granted to NEOs under the 2012 Incentive Plan include a "double trigger" requirement in the case of a "change in control" of the Company as defined under the 2012 Incentive Plan. The imposition of a double trigger means that awards granted to NEOs do not immediately vest following a change in control. Under the double trigger, the conditions and/or restrictions that must be met with respect to vesting or exercisability of future awards granted to NEOs will lapse only after a "qualifying termination" within a prescribed number of months following a change in control. All outstanding equity awards held by NEOs include the double trigger requirement.

All equity grants to executive officers are approved solely by the Compensation Committee. If an award is made at a meeting of the Compensation Committee, the grant date is the meeting date or a fixed, future date specified at the time of the grant. RSUs and performance awards are valued in accordance with Accounting Standards Codification Topic 718, Compensation-Stock Compensation.

### 2022 Restricted Stock Units

The 2022 RSUs granted are all subject to a three-year ratable annual vesting schedule, accrue dividend equivalents payable in additional shares of our common stock at the time of vesting, and all NEO grants include a "double trigger" requirement in the case of a "change in control" of the Company. The 2022 RSUs are subject to the Company's Qualified Retirement Policy whereby time-vested RSUs will continue vesting in accordance with an awards original vesting schedule provided the NEO's last date of employment is at least six (6) months after the date of grant, the NEO has attained age 62 with at least 15 years of continuous service, the NEO provides the Company with six (6) months advance notice of retirement, the NEO continues to work full-time during such six (6) month period, and the NEO signs a waiver and release of claims. In addition, in order to avoid forfeiting the unvested RSUs, a retired NEO must refrain from providing any services, including but not limited to, as an employee, director, advisor, or independent contractor, to a business engaged in providing any services offered by the Company and its subsidiaries and affiliates at the time of the NEO's retirement, including but not limited to PEO services, payroll services, retirement services, or insurances services.

### 2022 Performance Share Awards under the Long-Term Incentive Program ("LTIP")

In evaluating the structure of the 2022 LTIP Awards, the Compensation Committee considered information provided by

FW Cook on market design trends and examined payouts under the adjusted EBITDA component of prior LTIP awards. The Compensation Committee established at grant of the 2022 LTIP Awards set growth percentages for achieving threshold, target and maximum performance levels based on the actual end of the prior year adjusted EBITDA obtained in year one and two of the three-year performance cycle. The Compensation Committee believed that this structure aligned with our stockholder’s long-term interests and incentivized the NEOs and other executive officers for the duration of the LTIP award by eliminating unnecessary volatility in multi-year forecasts while still establishing challenging long-term performance goal metrics. The Compensation Committee decided to assign a weighting for the components of the 2022 LTIP Awards at 75% adjusted EBITDA and 25% relative total shareholder return (“RTSR”). The table below outlines the metrics used in our 2022 performance share awards under the LTIP, and the rationale for each metric.

Performance Share Metric	Definition	Rationale
<b>Adjusted EBITDA (75% weighting)</b>	<p>EBITDA is adjusted for non-cash impairment charges, stock-based compensation expense, professional advisory fees for stockholder matters, litigation settlements and the associated legal fees, executive severance arrangements and changes in statutory tax rates and assessments. EBITDA may also be adjusted to exclude extraordinary or unusual items such as: nonrecurring gains or losses and the impact of any divestitures, acquisitions or change in accounting pronouncement that occurs during the performance period.</p> <p>These adjustments are largely consistent with prior years.</p> <p>The adjusted EBITDA portion of the 2022 LTIP Awards is measured under a three-year performance period (2022-2024) consisting of three one-year performance periods, with each calendar year being equally weighted for one-third of the target opportunity.</p>	<p>The Compensation Committee elected to use adjusted EBITDA as a performance metric because it is a key indicator of our: (1) overall productivity; (2) effective management of pricing, direct costs and operating expenses; and (3) ability to grow the business while favorably balancing profitability.</p>
<b>Relative TSR (RTSR) (25% weighting)</b>	<p>RTSR will be measured over the entire 2022-2024 performance period against the performance of 15 peer companies that the Compensation Committee designated as the Company’s 2022 compensation peer group.</p>	<p>The Compensation Committee elected to use RTSR as a performance metric to further align the long-term financial interests of the executive officers and the Company’s stockholders.</p>

Recipients can earn 50% of the target number of performance shares if the threshold performance level is achieved and can earn up to 200% of the target number of performance shares if the maximum performance level is achieved. If the performance metric for a performance period falls below the threshold level, no performance shares will be credited for the performance period. If actual performance results fall between the threshold, target and maximum performance levels, the number of performance shares earned will be determined by interpolation between the applicable performance levels. For the RTSR component, the 2022 LTIP Awards are structured to cap the payout at 100% of target in the event the Company’s absolute TSR over the performance period is negative, and the payout opportunity is based on the Company’s percentile TSR ranking compared the peer group. Please see “— 2020 LTIP Awards” later in this CD&A for additional RTSR information.

Except in the case of a qualifying termination in connection with a change in control, or a termination due to retirement under the Company’s Qualified Retirement Policy, death or disability, a participant in the LTIP must be continuously employed by the Company or its subsidiaries throughout the entire three-year performance period and on the date such award is paid after the conclusion of the performance period to receive a payout of an award. The LTIP awards are payable in shares of our common stock and include dividend equivalents, payable in additional shares of our common stock, with respect to the number of performance shares actually earned pursuant to the LTIP awards if and to the extent dividends are paid on our common stock during the performance period.

Under the Qualified Retirement Policy, portions of the 2022 LTIP Awards may continue to vest provided the NEO’s last date of employment is at least six months after the date of grant, the NEO has attained age 62 with at least 15 years of continuous service, the NEO provides the Company with six months advance notice of retirement, the NEO continues to work full-time during such six (6) month period, and the NEO signs a waiver and release of claims. In addition, in order to



avoid forfeiting any outstanding LTIP Awards, a retired NEO must refrain from providing any services, including but not limited to, as an employee, director, advisor, or independent contractor, to a business engaged in providing any services offered by the Company and its subsidiaries and affiliates at the time of the NEO's retirement, including but not limited to PEO services, payroll services, retirement services, or insurances services. Any payout under the 2022 LTIP Awards is further limited to a pro-rata amount for the portion of the performance period during which the NEO provided services and based upon actual performance results certified by the Compensation Committee. For any open performance period that begins after the NEO's last day of employment, that portion of the LTIP award is forfeited.

The performance objectives and payout percentages for the portion of the first year of the 2022 LTIP Awards subject to the achievement of the adjusted EBITDA performance metric was as follows:

Performance Level	2022 Adjusted EBITDA Performance Objective (in millions)	Payout Percentage
<b>Below Threshold</b>	Less Than \$250.75	0%
<b>Threshold</b>	\$250.75	50%
<b>Target</b>	\$281	100%
<b>Maximum</b>	\$311	200%

For purposes of the 2022 LTIP Awards, the Compensation Committee certified adjusted EBITDA of \$352.3 million for the 2022 performance period. The Compensation Committee determined the LTIP performance modifier to be 200% for the first one-third tranche of the 2022 LTIP Award attributed to adjusted EBITDA.

#### **2021 LTIP Awards**

The performance objectives and payout percentages for the portion of the second year of the 2021 LTIP Awards subject to the achievement of the adjusted EBITDA performance metric was as follows:

Performance Level	2022 Adjusted EBITDA Performance Objective (in millions)	Payout Percentage
<b>Below Threshold</b>	Less Than \$268	0%
<b>Threshold</b>	\$268	50%
<b>Target</b>	\$280	100%
<b>Maximum</b>	\$293	200%

For purposes of the 2021 LTIP Awards, the Compensation Committee certified adjusted EBITDA of \$352.3 million for the 2022 performance period. The Compensation Committee determined the LTIP performance modifier to be 200% for the second one-third tranche of the 2021 LTIP Award attributed to adjusted EBITDA.

#### **2020 LTIP Awards**

In February 2020, the Compensation Committee granted awards under the LTIP (the "2020 LTIP Awards") to the NEOs and certain other officers. The 2020 LTIP Awards are weighted at 75% for the adjusted EBITDA component and 25% for the RTSR component. Adjusted EBITDA is subject to a three-year performance period, 2020-2022, with each year being equally weighted for one-third of the target opportunity, while RTSR is measured over the entire 2020-2022 performance period.

For the 2020 LTIP Awards, the Compensation Committee elected to use increasing levels of EBITDA, with certain pre-defined adjustments expressed as a fixed dollar amount at grant, as the performance metric, because it is a key indicator of our: (1) overall productivity; (2) effective management of pricing, direct costs and operating expenses; and (3) ability to grow the business while favorably balancing profitability. For the 2022 performance period, adjusted EBITDA for the 2020 LTIP Awards was generally subject to the same adjustments as the 2022 LTIP Awards. Adjusted EBITDA is a non-GAAP financial measure (for additional information, please see the discussion of Adjusted EBITDA under "— Long-Term Equity Incentive Compensation — Long-Term Equity Awards Granted in 2022").

For RTSR, the Compensation Committee elected to measure the Company's performance against the performance of 15 companies<sup>1</sup> the Compensation Committee designated as the 2020 compensation peer group. To mitigate the impact of one day's trading activity, the beginning and ending stock price for each peer company is determined using a 20-day average closing stock price for the first day and last day of the performance period. If the Company's absolute TSR over the performance period is negative, the payout percentage is capped at 100% of target performance shares granted, regardless of the Company's RTSR positioning.

The 2020 LTIP Awards are payable in shares of our common stock and include dividend equivalents, payable in additional shares of our common stock, with respect to the number of performance shares actually earned pursuant to the 2020 LTIP Awards if and to the extent dividends are paid on our common stock during the performance period.

The table below outlines the adjusted EBITDA performance achieved for each of the three performance periods within the 2020 LTIP Awards:

Performance Period (in millions)	Adjusted EBITDA Goals			Actual Results	Vesting Percentage
	Threshold	Target	Maximum		
2020	\$250	\$261	\$287	\$288.6	200%
2021	\$263	\$287	\$330	\$254.9	0%
2022	\$276	\$316	\$380	\$352.3	157%

For the 2020 to 2022 performance period, the Company's RTSR performance placed the Company at the 71st percentile compared to the performance of the companies included in the 2020 compensation peer group. Based upon this level of performance, the RTSR component of the 2020 LTIP Awards vested at 142%, as set forth in the table below:

Relative Total Shareholder Return (RTSR)						
2020-2022 Performance Period	25th Percentile or Better	50th Percentile or Better	75th Percentile or Better	90th Percentile or Better	Actual Percentile Achieved	Vesting Percentage
Payout as a Percentage of Target	50%	100%	150%	200%	71st Percentile	142%

Based upon the adjusted EBITDA and RTSR vesting percentages above, the executives received payouts for the 2020 LTIP as summarized below:

Executive	2020 Target # of PSUs	PSU Payout Multiplier	2020 Earned Amounts
Chief Executive Officer and Chairman of the Board	48,315	124.8%	60,274
Chief Financial Officer, Executive Vice President of Finance and Treasurer	7,360	124.8%	9,182
President and Chief Operating Officer	11,890	124.8%	14,835
Executive Vice President of Gross Profit Operations	6,020	124.8%	7,511
Executive Vice President of Legal, General Counsel and Secretary	6,020	124.8%	7,511

## Other Compensation Elements

### Retirement Benefits

We do not provide pension arrangements or nonqualified defined contribution or other deferred compensation plans for our executive officers. Our executive officers are eligible to participate in the Company's corporate 401(k) plan. For payroll periods in 2022, we contributed on behalf of each eligible participant a matching contribution equal to 100% of the first 6% of compensation contributed to the 401(k) plan by the participant (subject to applicable limitations under the

<sup>1</sup> The Compensation Committee originally selected 16 peer group companies; however, one company was eliminated due to a merger/acquisition prior to the start of the 2020 year.

Internal Revenue Code).

### ***Supplemental Benefits, Including Management Perquisites***

Executive compensation also includes supplemental benefits and a limited number of perquisites that enhance our ability to attract and retain talented executive officers. We believe that perquisites assist in the operation of business, allowing executive officers more time to focus on business objectives. Supplemental benefits and perquisites include the following: (1) an automobile for business and personal use (executive officers are taxed on their personal use); (2) a supplemental executive disability income program that provides disability income of 60% of an executive officer's covered earnings capped at a maximum benefit of \$2,308 per week and \$30,000 per month for short-term and long-term disability benefits, respectively; and (3) an executive wellness program.

In addition to the foregoing perquisites, our executive officers participate in the annual Chairman's Trip. The annual Chairman's Trip is provided for sales representatives meeting a certain sales target and a guest of those sales representatives. We believe that our executive officers and their spouses should be part of the trip to recognize these outstanding employees of the Company and to build relationships that contribute to retention. We pay the associated income taxes related to the trip on behalf of our employees and executive officers.

### **Compensation Governance and Administration Process**

#### ***Role of Management in Setting Compensation***

The recommendations of the CEO play a significant role in the Compensation Committee's determination of compensation matters related to the other NEOs, each of whom report directly to the CEO. On an annual basis, the CEO makes recommendations to the Compensation Committee regarding such components as salary adjustments, target annual incentive opportunities and the value of long-term incentive awards. In making his recommendations, the CEO reviews the performance of each of the other NEOs based upon the core competencies of business ethics, managing customer focus, business acumen, strategic thinking and visionary leadership, market data for similar positions and other factors deemed relevant in reviewing each executive officer's performance. The Compensation Committee takes the CEO's recommendation under advisement, but makes all final decisions regarding each NEO's compensation. The CEO does not make a recommendation with respect to his own compensation. The CEO typically attends Compensation Committee meetings, but the CEO is excused from any meeting when the Compensation Committee discusses the CEO's compensation. Additionally, the Compensation Committee regularly meets in executive session, without the presence of the CEO. The CEO's compensation is reviewed and discussed by the Compensation Committee and his performance is evaluated at least annually. The Compensation Committee makes all final compensation decisions for each of our NEOs, including the CEO.

#### ***Role of the Compensation Committee in Setting Compensation***

The Compensation Committee is responsible for designing, implementing and administering our executive compensation programs and, in doing so, the Compensation Committee is guided by the compensation philosophy stated above. The Compensation Committee reviews and approves total compensation for our NEOs through a comprehensive process that includes:

- selecting and engaging an external, independent consultant;
- reviewing and selecting companies to be included in our peer group;
- reviewing market data on all major elements of executive compensation;
- reviewing alignment of executive compensation and incentive goals with stockholder value; and
- reviewing performance results against corporate goals.

A complete listing of our Compensation Committee's responsibilities is included in the Compensation Committee's charter, which is available for review on our corporate website at [www.insperity.com](http://www.insperity.com) under the Corporate Governance heading in the Investor Relations section.

#### ***Role of the Compensation Consultants in the Compensation Process***

The Compensation Committee's charter provides that it has the sole authority to retain and terminate any compensation

consultant to assist in maintaining compensation practices in alignment with our compensation goals. The Compensation Committee believes that outside consultants are an efficient way to keep current on executive compensation trends and stay abreast of competitive compensation practices. For 2022, the Compensation Committee retained FW Cook as its compensation consultant. FW Cook has not received any remuneration from the Company, directly or indirectly, other than for advisory services rendered to, or at the direction of, the Compensation Committee or the Board. The Compensation Committee has reviewed FW Cook's independence and determined that FW Cook is an independent advisor with no conflicts of interest with us (as determined under Rule 10C-1(b)(4)(i) of the Exchange Act).

### **Assessing External Market Compensation Practices**

At the direction of the Compensation Committee, we annually conduct an executive compensation study that compares each executive officer's compensation to market data for similar positions. While the Compensation Committee does not target our executive officers' pay to any particular level (such as a target percentile) of comparative market data contained in executive compensation studies, such data help to inform and influence pay decisions and are considered by the Compensation Committee in meeting our compensation program objectives as described above.

Selecting a peer group to benchmark compensation for our executive officers presents certain challenges, including the limited number of publicly-traded PEOs and the Company's specific business model. As one of the largest PEO service providers in the United States, our direct PEO service competitors include TriNet Group, Inc., a national PEO, and the PEO divisions of Automatic Data Processing, Inc. and Paychex, Inc., which are significantly larger business service companies. The delivery of our PEO services and our other business performance solutions requires a variety of professional services, human resources, information technology services and software. These areas represent important components of our overall service offerings, and we compete for talent with many companies offering similar services or products. Our peer group includes a number of these companies.

The selection process for the Compensation Peer Group took into account multiple factors, including: industry (with an emphasis on outsourced human resources services, including our PEO competitors, and information technology services), comparable revenue range, comparable market capitalization, the extent to which each company may compete with Insperity for executive talent, peer groups of our PEO peers and peers selected by certain firms who provide proxy advisory services. For setting 2022 compensation, after reviewing the peer group with FW Cook, the Compensation Committee determined that no changes or additions to the peer group were necessary. For 2022, the Compensation Peer Group included the following companies:

	<b>Company Name</b>	<b>Company Ticker</b>
<b>Providers of PEO Services</b>	Automatic Data Processing, Inc.	ADP
	Paychex, Inc.	PAYX
	TriNet Group, Inc.	TNET
<b>IT Services and Software</b>	Broadridge Financial Solutions, Inc.	BR
	CACI International Inc.	CACI
	Gartner, Inc.	IT
	Genpact Limited	G
<b>Professional Services</b>	ASGN Incorporated	ASGN
	FTI Consulting, Inc.	FCN
	ICF International, Inc.	ICFI
	Kelly Services, Inc.	KELYA
	Kforce, Inc.	KFRC
	Korn Ferry	KFY
	Robert Half International, Inc.	RHI
TrueBlue, Inc.	TBI	

In addition to the results of the compensation study, internal factors are also an important consideration when determining each executive officer's compensation. These factors include:

- the executive officer's performance review conducted by either the Compensation Committee (for the CEO) or the CEO (for all other executive officers);

- the CEO's recommendations regarding the other executive officers;
- the executive officer's tenure with the Company, industry experience and ability to influence stockholder value; and
- the importance of the executive officer's position to the Company in relation to the other executive officer positions within the Company.

#### *Stock Ownership Guidelines*

To further align the interests of our NEOs and non-employee directors with those of our stockholders, we have adopted stock ownership guidelines. The stock ownership guidelines provide that the CEO is required to own five times his annual base salary in our common stock and all non-employee directors are required to own five times their annual cash retainer in our common stock. The other executive officers are required to own three times or one and one-half times annual base salary in our common stock, depending on the executive tier level established by the Compensation Committee. Stock ownership includes direct stock ownership but does not include unvested performance awards or unexercised stock options. The Company annually monitors and calculates the stock ownership level of each individual, and each individual has five years to meet the applicable ownership requirements. The CEO and other executive officers are in compliance and each non-employee director is in compliance or is expected to be in compliance within the applicable time period.

#### *Employment Agreements, Severance and Change in Control Compensation*

Our executive officers are employed at will and none have an employment agreement.

We maintain an executive severance plan for our NEOs and other executive officers that provides severance benefits if the participating executive is involuntarily terminated, or in the event of a change in control, is involuntarily terminated or terminates for good reason (as defined in the Plan) within a specified period of time after the change in control. In exchange for being covered under the executive severance plan, each NEO was presented with a participation agreement and required to agree to certain restrictive covenants in favor of the Company, including a twenty-four (24) month non-compete for the CEO, an eighteen (18) month non-compete for the other NEOs, and a twenty-four (24) month non-solicitation of customers and non-solicitation of employees. In addition, the payment of severance benefits is subject to the NEO entering into a general release of claims with the Company upon termination of employment. There were no benefits paid under the severance plan to NEOs or other executive officers during 2022.

Equity awards granted to executive officers do not automatically accelerate upon a change in control. Rather such awards contain a "double trigger" requiring a qualifying termination within a prescribed number of months following the change in control in order to accelerate vesting. All outstanding equity awards held by our NEOs are subject to the double trigger requirement.

These arrangements are discussed in more detail under "Potential Payments Upon Termination or Change in Control."

#### *Incentive Compensation Recoupment Policy ("Clawback Policy")*

The Board has adopted a recoupment policy for incentive compensation paid to executive officers and other employees. The Clawback Policy authorizes the Company to recover excess incentive compensation paid to an executive officer who engaged in, or was aware of and failed to report, fraud or misconduct which results in a restatement of our financial statements. Incentive compensation paid under the Short-Term Incentive Program and LTIP is subject to the Clawback Policy. The Company intends to update or supplement the Clawback Policy as necessary to comply with final NYSE listing standards implementing the SEC's recently finalized Exchange Act Rule 10-D-1.

#### *Risk Assessment*

The Company conducted an assessment of our compensation programs and practices for its employees and determined that there are no risks arising from such compensation programs and practices that are reasonably likely to have a material adverse effect on the Company. In arriving at this determination, some of the key risk mitigators included independent review by departments not participating in the compensation program, internal audit review, maintenance of a whistleblower line, and external auditor review.

### *Deductibility of Compensation*

Section 162(m) of the Internal Revenue Code imposes a \$1 million limit on the amount that a public company may deduct for compensation paid to its principal executive officer, principal financial officer, and any of its three other most highly compensated executive officers for the taxable year (other than the principal executive officer or the principal financial officer) (collectively the “covered employees”). The group of covered employees also includes an employee once considered a covered employee who continues to receive compensation from the Company (even though the employee is no longer a covered employee).

We strive to take action, where possible and considered appropriate, to preserve the deductibility of compensation paid to our executive officers. The Company does not have any compensation covered by grandfathered arrangements, therefore compensation paid to our expanded group of covered employees will be subject to a \$1 million annual deduction limitation. Although the deductibility of compensation is a consideration evaluated by the Compensation Committee, the Compensation Committee believes that the lost deduction on compensation payable in excess of the \$1 million limitation is not material relative to the benefit of being able to attract and retain talented management. We have also awarded compensation that might not be fully tax deductible when such grants were nonetheless in the best interest of the Company and our stockholders. Accordingly, the Compensation Committee will continue to retain the discretion to pay compensation that is subject to the \$1 million deductibility limit.

### **Compensation Committee Report**

We have reviewed and discussed the Compensation Discussion and Analysis contained in this proxy statement with management. Based on such review, we recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement for filing with the SEC.

The foregoing report is provided by the following directors, who are members of the Compensation Committee:

#### COMPENSATION COMMITTEE

Timothy T. Clifford, Chairperson

Eli Jones

Carol R. Kaufman

Randall Mehl

### **Compensation Committee Interlocks and Insider Participation**

During 2022, among our current directors, Mr. Clifford, Dr. Jones, Ms. Kaufman and Mr. Mehl served on the Compensation Committee. None of the members of the Compensation Committee is currently or has been at any time one of our officers or employees. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any other entity that has one or more executive officers serving as a member of the Board or the Compensation Committee.

## SUMMARY COMPENSATION TABLE

The table below summarizes the total compensation paid or earned by the CEO, chief financial officer and each of the three other most highly compensated executive officers of the Company for services rendered in all capacities to the Company for each year in the prior three years that such individual was a NEO. We have not entered into any employment agreements with any of our NEOs.

The compensation plans under which the grants in the following tables were made are generally described in the Compensation Discussion and Analysis section, and include the Short-Term Incentive Program and the 2012 Incentive Plan, which provide for, among other things, restricted stock unit grants, performance restricted stock unit grants, and LTIP performance awards.

Name and Principal Position	Year	Salary (\$) <sup>1</sup>	Bonus (\$)	Stock Awards (\$) <sup>2</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>3</sup>	All Other Compensation (\$) <sup>4</sup>	Total (\$)
<b>Paul J. Sarvadi,</b> <i>Chief Executive Officer and Chairman of the Board</i>	2022	1,125,000	—	6,194,009	3,355,154	26,217	10,700,380
	2021	1,082,000	—	5,533,922	2,986,320	21,912	9,624,154
	2020	1,117,461	—	7,731,542	670,477	41,858	9,561,338
<b>Douglas S. Sharp,</b> <i>Chief Financial Officer, Executive Vice President of Finance and Treasurer</i>	2022	573,000	—	1,278,348	1,138,615	92,428	3,082,391
	2021	549,000	—	1,296,620	909,144	38,252	2,793,016
	2020	565,308	148,230	1,862,091	356,144	67,180	2,998,953
<b>A. Steve Arizpe,</b> <i>President and Chief Operating Officer</i>	2022	690,000	—	1,742,424	1,713,462	105,286	4,251,172
	2021	660,000	—	1,771,181	1,457,280	43,898	3,932,359
	2020	681,539	158,400	2,979,508	490,708	75,511	4,385,666
<b>James D. Allison,</b> <i>Executive Vice President of Gross Profit Operations</i>	2022	416,000	—	971,641	825,846	92,818	2,306,305
	2021	396,000	—	985,585	655,766	37,732	2,075,083
<b>Daniel D. Herink,</b> <i>Executive Vice President of Legal, General Counsel and Secretary</i>	2022	481,000	—	971,641	955,846	92,162	2,500,649
	2021	461,350	—	985,585	763,416	36,604	2,246,955
	2020	475,654	124,470	1,539,226	299,662	65,325	2,504,337

<sup>1</sup> We pay our salaried employees, including our NEOs, on a biweekly basis. In 2020, there were 27 pay periods, which resulted in an additional payment to all salaried employees, including our NEOs.

<sup>2</sup> The amounts in this column represent the aggregate grant date fair value of awards granted in the year indicated and includes time-vested restricted stock units, the 2020 LTIP Awards, the 2021 LTIP Awards, and the 2022 LTIP awards. The grant value of the 2020 LTIP Awards, the 2021 LTIP Awards, and the 2022 LTIP Awards are shown at target. Actual awards may range from 0% to 200% of the target number of phantom shares if the maximum performance level is achieved. The grant date fair value of the 2020 LTIP Awards assuming achievement of the maximum level of performance are: Mr. Sarvadi - \$6,769,174; Mr. Sharp - \$1,031,172; Mr. Arizpe - \$1,665,848; Mr. Allison - \$843,432; and Mr. Herink - \$843,432. The grant date fair value of the 2021 LTIP Awards assuming achievement of the maximum level of performance are: Mr. Sarvadi - \$7,393,002; Mr. Sharp - \$1,218,390; Mr. Arizpe - \$1,841,983; Mr. Allison - \$926,284; and Mr. Herink - \$926,284. The grant date fair value of the 2022 LTIP Awards assuming achievement at the maximum level of performance are: Mr. Sarvadi - \$8,188,251; Mr. Sharp - \$1,181,360; Mr. Arizpe - \$1,784,792; Mr. Allison \$898,062; and Mr. Herink \$898,062. For additional information, refer to Note 9, "Incentive Plans," in the Notes to Consolidated Financial Statements included in our annual report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 9, 2023. See the Grants of Plan-Based Awards Table for information on awards made in 2022. These amounts do not necessarily correspond to the actual value that will be realized by the NEO.

<sup>3</sup> Represents variable cash compensation earned and awarded by the Compensation Committee under the Short-Term Incentive Program. A description of the Short-Term Incentive Program is included in "Variable Short-Term Incentive Compensation" in the Compensation Discussion and Analysis.

<sup>4</sup> All other compensation in 2022 includes the following: Company-provided automobiles; 401(k) matching contributions; premiums for executive disability insurance; and occasional Company-related travel, events and use of Company-owned property. Certain of the aforementioned items involved no incremental cost to the Company. The cost of the Chairman's Trip and spousal travel paid by the Company on behalf of the executive during 2022 for Messrs. Sharp, Allison, and Herink totaled \$34,565 each and for Mr. Arizpe totaled \$25,546. The associated federal income taxes totaled \$15,494 each. The incremental cost of Mr. Arizpe's use of a Company-leased vehicle was \$25,529. The 401(k) matching contributions made by the Company during 2022 for the NEOs totaled \$18,300 each.

## GRANTS OF PLAN-BASED AWARDS TABLE

The following table provides information about equity and non-equity awards granted to our NEOs in 2022:

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards <sup>1</sup>			Estimated Possible Payouts Under Equity Incentive Plan Awards <sup>2</sup>			All Other Stock Awards: Number of Shares of Stock or Units (#) <sup>3</sup>	Grant Date Fair Value of Stock and Option Awards (\$) <sup>4</sup>
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Paul J. Sarvadi	2/28/2022	419,394	1,677,577	3,355,154	—	—	—	—	—
	2/28/2022	—	—	—	—	—	—	23,345	2,099,883
	2/28/2022	—	—	—	21,678	43,355	86,710	—	4,094,126
Douglas S. Sharp	2/28/2022	142,327	569,308	1,138,615	—	—	—	—	—
	2/28/2022	—	—	—	—	—	—	7,645	687,668
	2/28/2022	—	—	—	3,128	6,255	12,510	—	590,680
A. Steve Arizpe	2/28/2022	214,183	856,731	1,713,462	—	—	—	—	—
	2/28/2022	—	—	—	—	—	—	9,450	850,028
	2/28/2022	—	—	—	4,725	9,450	18,900	—	892,396
James D. Allison	2/28/2022	103,231	412,923	825,846	—	—	—	—	—
	2/28/2022	—	—	—	—	—	—	5,810	522,610
	2/28/2022	—	—	—	2,378	4,755	9,510	—	449,031
Daniel D. Herink	2/28/2022	119,481	477,923	955,846	—	—	—	—	—
	2/28/2022	—	—	—	—	—	—	5,810	522,610
	2/28/2022	—	—	—	2,378	4,755	9,510	—	449,031

<sup>1</sup> These amounts represent the threshold, target and maximum amounts payable to each executive under the Short-Term Incentive Program for 2022. If the threshold is not achieved, the payout is zero. The amounts earned by our NEOs under the Short-Term Incentive Program in 2022 are reflected in the Summary Compensation Table.

<sup>2</sup> These amounts represent the threshold, target and maximum amount of shares payable to each executive under the LTIP.

<sup>3</sup> These amounts represent the number of RSUs granted to each executive under the 2012 Incentive Plan during 2022.

<sup>4</sup> These amounts represent the aggregate grant date fair value of RSUs and phantom stock granted to each executive during 2022. For RSUs, fair value is calculated using the closing price of our common stock on the NYSE on the date of grant. The grant value of the 2022 LTIP Awards is shown at target. Actual 2022 LTIP Awards may range from 0% to 200% of the target number of phantom shares if below threshold level is not achieved or the maximum performance level is achieved. The grant date fair value of the 2022 LTIP Awards assuming achievement of the maximum level of performance are: Mr. Sarvadi - \$8,188,251; Mr. Sharp - \$1,181,360; Mr. Arizpe - \$1,784,792; Mr. Allison \$898,062; and Mr. Herink \$898,062. For the relevant assumptions used to determine the valuation of our stock awards, refer to Note 9, "Incentive Plans," in the Notes to Consolidated Financial Statements included in our annual report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 9, 2023. The terms of the RSU awards provide for three-year vesting and the payment of dividend equivalents on all unvested shares. The 2022 LTIP Awards are payable in shares of our common stock and include dividend equivalents, payable in additional shares of our common stock, with respect to the number of phantom shares actually earned pursuant to the 2022 LTIP Awards if and to the extent dividends are paid on our common stock during the performance period.



## OUTSTANDING EQUITY AWARDS TABLE AT 2022 FISCAL YEAR END

Name	Option Awards			Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>1</sup>	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) <sup>2</sup>	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) <sup>1</sup>
Paul J. Sarvadi	—	—	—	47,852 <sup>3</sup>	5,435,987	171,882	19,525,795
Douglas S. Sharp	—	—	—	16,525 <sup>4</sup>	1,877,240	26,397	2,998,699
A. Steve Arizpe	—	—	—	20,710 <sup>5</sup>	2,352,656	40,914	4,647,830
James D. Allison	—	—	—	12,749 <sup>6</sup>	1,448,286	20,635	2,344,136
Daniel D. Herink	—	—	—	12,749 <sup>6</sup>	1,448,286	20,635	2,344,136

<sup>1</sup> Based on the closing price of \$113.60 of our common stock on the NYSE on December 31, 2022.

<sup>2</sup> Includes LTIP awards scheduled to vest (assuming target results for performance periods not yet complete and actual results for performance periods completed) and includes an estimate of dividend equivalents for the dividends declared since the date of grant. These awards will vest provided the officer continues to either be employed by us on the applicable vesting date or have satisfied the conditions under the Qualified Retirement Policy.

<sup>3</sup> Includes time-vested RSUs and dividend equivalents. Awards and dividend equivalents are scheduled to vest as follows provided the officer continues to be employed by us on the applicable vesting date: 24,677 on February 28, 2023; 15,238 on February 28, 2024 and 7,937 on February 28, 2025.

<sup>4</sup> Includes time-vested RSUs and dividend equivalents. Awards and dividend equivalents are scheduled to vest as follows provided the officer continues to be employed by us on the applicable vesting date: 8,594 on February 28, 2023; 5,331 on February 28, 2024 and 2,600 on February 28, 2025.

<sup>5</sup> Includes time-vested RSUs and dividend equivalents. Awards and dividend equivalents are scheduled to vest as follows provided the officer continues to be employed by us on the applicable vesting date: 10,906 on February 28, 2023; 6,591 on February 28, 2024 and 3,213 on February 28, 2025.

<sup>6</sup> Includes time-vested RSUs and dividend equivalents. Awards and dividend equivalents are scheduled to vest as follows provided the officer continues to be employed by us on the applicable vesting date: 6,721 on February 28, 2023; 4,052 on February 28, 2024 and 1,976 on February 28, 2025.

## OPTION EXERCISES AND STOCK VESTED TABLE FOR FISCAL YEAR 2022

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) <sup>1</sup>
Paul J. Sarvadi	—	—	21,034	1,876,301
Douglas S. Sharp	—	—	7,475	666,431
A. Steve Arizpe	—	—	9,654	861,096
James D. Allison	—	—	5,961	531,723
Daniel D. Herink	—	—	5,961	531,723

<sup>1</sup> Represents the value of the shares on the vesting date based on the last reported closing price of our common stock on the NYSE immediately preceding the vesting date.

## SECURITIES RESERVED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS TABLE

The following table sets forth information about our common stock that was available for issuance under all of our existing equity compensation plans as of December 31, 2022:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (# in thousands)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance (# in thousands)
Equity compensation plans approved by security holders <sup>1</sup>	426 <sup>2</sup>	— <sup>3</sup>	3,203 <sup>4</sup>
Equity compensation plan not approved by security holders	—	—	—
<b>Total</b>	<b>426</b>	<b>—</b>	<b>3,203</b>

<sup>1</sup> The 2012 Incentive Plan and the Insperty, Inc. 2008 Employee Stock Purchase Plan (the "ESPP") have been approved by our stockholders. The ESPP is intended to qualify for favorable tax treatment under Section 423 of the Internal Revenue Code.

<sup>2</sup> Includes 426,497 shares subject to issuance under the LTIP as of December 31, 2022 assuming maximum results for performance periods not yet complete and actual results for completed performance periods and associated dividend equivalents.

<sup>3</sup> Weighted average exercise price does not take into account shares to be issued under the LTIP.

<sup>4</sup> This includes 2,260,221 shares available under the ESPP and 942,973 shares available under the 2012 Incentive Plan. As of April 4, 2023, 2,251,780 shares and 508,140 shares (assuming maximum results for performance periods not yet complete and actual results for performance periods completed) were available for issuance under the ESPP and the 2012 Incentive Plan, respectively. The securities remaining available for issuance under the 2012 Incentive Plan may be issued in the form of stock options, performance awards, stock awards (including restricted stock), phantom stock awards, stock appreciation rights, and other stock-based awards.

## POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Our current and former NEOs are eligible to receive potential payments and benefits in connection with an involuntary termination without cause, qualifying retirement, termination due to death or disability, or termination under certain circumstances following a change in control of the Company. The table and discussion below describes potential payments and other benefits that would have been received or receivable by each NEO under our executive severance plan or related plans and agreements, including our 2012 Incentive Plan and Long-Term Incentive Program (including the applicable award agreements), if employment had been terminated under various circumstances on December 31, 2022. The timing of the payments described below to the NEOs may also be subject to the provisions of Section 409A which may delay payment. For equity awards, we calculated the value using the closing price on December 31, 2022, the last trading day of our fiscal 2022 year.

	Retirement (\$)	Termination Not For Cause (\$)	Death or Disability (\$)	Termination Not For Cause or For Good Reason After Change in Control (\$)
<b>Paul J. Sarvadi</b>				
Cash Severance <sup>(1)</sup>	—	2,250,000	—	7,031,250
Time-vested RSUs <sup>(2)</sup>	5,435,987	—	5,435,987	5,435,987
Short-Term Incentive Program <sup>(3)</sup>	3,355,154	1,687,500	—	—
Long-Term Incentive Program <sup>(4)</sup>	14,583,841	—	13,005,953	19,525,595
Continued Health Care Benefits <sup>(5)</sup>	—	36,495	—	45,619
<b>Total</b>	<b>23,374,982</b>	<b>3,973,995</b>	<b>18,441,940</b>	<b>32,038,451</b>
<b>Douglas S. Sharp</b>				
Cash Severance <sup>(1)</sup>	—	859,500	—	2,292,000
Time-vested RSUs <sup>(2)</sup>	—	—	1,877,240	1,877,240
Short-Term Incentive Program <sup>(3)</sup>	—	573,000	—	—
Long-Term Incentive Program <sup>(4)</sup>	—	—	2,014,803	2,998,614
Continued Health Care Benefits <sup>(5)</sup>	—	26,387	—	35,182
<b>Total</b>	<b>—</b>	<b>1,458,887</b>	<b>3,892,043</b>	<b>7,203,036</b>
<b>A. Steve Arizpe</b>				
Cash Severance <sup>(1)</sup>	—	1,035,000	—	3,105,000
Time-vested RSUs <sup>(2)</sup>	2,352,656	—	2,352,656	2,352,656
Short-Term Incentive Program <sup>(3)</sup>	1,713,462	862,500	—	—
Long-Term Incentive Program <sup>(4)</sup>	3,522,167	—	3,160,929	4,647,627
Continued Health Care Benefits <sup>(5)</sup>	—	24,526	—	32,701
<b>Total</b>	<b>7,588,285</b>	<b>1,922,026</b>	<b>5,513,585</b>	<b>10,137,984</b>
<b>James D. Allison</b>				
Cash Severance <sup>(1)</sup>	—	624,000	—	1,664,000
Time-vested RSUs <sup>(2)</sup>	—	—	1,448,286	1,448,286
Short-Term Incentive Program <sup>(3)</sup>	—	416,000	—	—
Long-Term Incentive Program <sup>(4)</sup>	—	—	1,595,985	2,343,896
Continued Health Care Benefits <sup>(5)</sup>	—	40,763	—	54,351
<b>Total</b>	<b>—</b>	<b>1,080,763</b>	<b>3,044,271</b>	<b>5,510,533</b>
<b>Daniel D. Herink</b>				
Cash Severance <sup>(1)</sup>	—	721,500	—	1,924,000
Time-vested RSUs <sup>(2)</sup>	—	—	1,448,286	1,448,286
Short-Term Incentive Program <sup>(3)</sup>	—	481,000	—	—
Long-Term Incentive Program <sup>(4)</sup>	—	—	1,595,985	2,343,896
Continued Health Care Benefits <sup>(5)</sup>	—	40,763	—	54,351
<b>Total</b>	<b>—</b>	<b>1,243,263</b>	<b>3,044,271</b>	<b>5,770,533</b>

We have no employment agreements in place for our NEOs or other executive officers. In the event an NEO voluntarily terminates employment (other than for good reason following a change in control of the Company) or employment is terminated for cause, there are no additional payments or benefits beyond any base salary accrued through the date of termination.

There are no unvested outstanding stock options and none have been granted to our executive officers. All outstanding awards granted to employees, including to our NEOs, under the 2012 Incentive Plan include a “double trigger”

requirement in the event of a change in control of the Company (as defined under our 2012 Incentive Plan). As a result of the double trigger requirement, awards will not vest following a change in control unless there is a qualifying termination of employment after the change in control (see “Executive Compensation — Compensation Discussion and Analysis” for additional information). There is no excise tax gross-up provision with respect to payments contingent upon a change in control under any of the Company’s plans, programs and we have no agreements with any of our executive officers.

- 
- (1) Cash Severance – NEOs and other executive officers are eligible to participate in our Executive Severance Plan (“Severance Plan”) approved by the Board. Participation in the Severance Plan is conditioned upon execution of a participation agreement which includes certain restrictive covenants in favor of the Company, a non-compete, a non-solicitation of customers and a non-solicitation of employees. Our NEOs have all executed the participation agreement.

Under the Severance Plan, our current NEOs, if involuntarily terminated without “cause” (as defined in the Severance Plan) other than following a change in control (as defined in our 2012 Incentive Plan (“Change in Control”)), would receive cash severance in substantially equal installments during the severance period of 24 months for the CEO and 18 months for the other NEOs at their respective base salary in effect as of the date of termination. Our current NEOs, if involuntary terminated without cause or terminate for “good reason” (as defined in our Severance Plan) during the 18-month period after a Change in Control, would receive a lump sum cash severance equal to 30 months for the CEO and 24 months for the other NEOs of their respective base salary in effect as of the date of termination and their respective target annual bonus under the Short-Term Incentive Program.

Under terms of the Severance Plan, each NEO is required to enter into a general release of claims upon termination of employment, and payments remain conditioned upon the NEO’s continued adherence to non-competition, non-solicitation and non-disparagement covenants.

- (2) Time-vested RSUs – At December 31, 2022, the NEOs have time-based restricted stock units (“RSUs”) outstanding under our 2012 Incentive Plan. The treatment of these equity awards will vary depending on the circumstances of the termination. Under the Company’s Qualified Retirement Policy, RSU awards will continue to vest in accordance with an awards vesting schedule provided the NEO’s last day of employment is at least 6 months after the grant date, the NEO has attained age 62 with 15 years of continuous service and the NEO provides the Company with 6 months advance notice of retirement and signs a general release of claims. RSUs are also credited with any dividend equivalents from the grant date.

In the event an NEO is involuntarily terminated, with or without cause, all unvested RSUs is forfeited. In the event of an NEO’s death, disability, or if during the 18-month period after a Change in Control a current NEO is involuntary terminated without cause or terminates for good reason (as defined in the applicable award agreement), all unvested RSUs are immediately vested and distributed, along with any dividend equivalents accrued on the RSUs, which are distributed in the form of additional shares.

- (3) Short-Term Incentive Program – Our Short-Term Incentive Program provides for the annual bonus award to be forfeited if employment is terminated prior to the payment date, including in the event of death or disability. Under the Company’s Qualified Retirement Policy, Short-Term Incentive Program awards will be payable pro-rata based on the number of days the NEO was employed that year, at the actual level of achievement, and when awards are normally paid, provided the NEO has attained age 62 with 15 years of continuous service, provides the Company with 6 months advance notice of retirement and signs a general release of claims.

Under the Severance Plan, our current NEOs, if involuntarily terminated without cause, would receive a pro-rated lump sum payment when awards are normally paid but the amount will be based on the number of days the NEO was employed that year and assuming the target level of achievement. Our current NEOs, if involuntary terminated without cause or terminate for good reason (as defined in the Severance Plan) during the 18-month period after a Change in Control, are not entitled to any additional payment under the Short-Term Incentive Program, rather, the target annual bonus is included as part of the cash severance multiplier.

- (4) Long-Term Incentive Program – At December 31, 2022, our NEOs have performance based LTIP awards outstanding under our 2012 Incentive Plan. The treatment of the LTIP awards will vary depending on the circumstances of the termination. Under the Company’s Qualified Retirement Policy, provided the NEO’s last day of employment is at least 6 months after the grant date, the NEO has attained age 62 with 15 years of continuous service and the NEO provides the Company with 6 months advance notice of retirement and signs a general release of claims, the LTIP awards will vest as follows: (i) any portion of the LTIP award with a performance period that ends prior to the NEO’s retirement date will be paid based on actual achievement of the performance goal(s); (ii) any portion of the LTIP award with a performance period that begins before, but then ends after, the NEO’s retirement date will be paid based on actual achievement of the performance goal(s) during the performance period(s) pro-rated by a fraction, with the numerator of the total number of days of the NEO’s employment from the first day of the performance period through the date of the NEO’s retirement, and the denominator of the total number of days encompassing the first day of the performance period and the last day of the applicable performance period; and (iii) the portion of an LTIP award with any performance period that begins on or after the NEO’s retirement date will be forfeited. Any LTIP amount determined under the Qualified Retirement Policy will be paid when the LTIP is regularly scheduled to be paid.

Upon termination due to disability or death, provided the NEO has been continuously employed since the LTIP award date, outstanding awards will continue to vest based on actual achievement of the performance goal(s) during the performance period(s) pro-rated by a fraction, with the numerator of the total number of days of the NEO’s employment from the grant date through the date of the NEO’s disability or death, and the denominator of the total number of days encompassing the first day of the first performance period and the last day of the last performance period applicable to the award (if multiple performance periods). Any LTIP amount determined on account of death or disability will be paid when the LTIP is regularly scheduled to be paid.

In the event an NEO is involuntarily terminated, with or without cause, other than in connection with a “change in control,” all unvested LTIP awards are forfeited.

In the event the NEO has a “qualifying termination” (as defined in the LTIP) following a Change in Control, the NEO is eligible to receive the change in control value calculated based on the sum of (i) actual performance results for any performance period that was completed on or prior to the date of the change in control and (ii) for any incomplete performance period the greater of target performance or actual performance (if measurable), to be paid at the normal time, unless the successor entity fails to assume or replace the award which would result in a shorter period to make payment. In the event the NEO terminates due to death or disability following a change in control, the change in control value shall be prorated.

LTIP awards are also credited with any dividend equivalents from the grant date.

- (5) Continued Health Care Benefits – Under the Severance Plan, our NEOs, if involuntarily terminated without “cause” or, following a “change in control,” terminates for “good reason” (as those terms are defined in the Severance Plan), would receive medical, dental and vision insurance under arrangements in which the NEO and/or the NEO’s dependents participated immediately prior to the date of termination, at no greater monthly premium cost to the NEO. These benefits shall continue for the same number of months that the cash severance benefit is determined for the NEO. The Company’s obligation to continue medical, dental and vision coverage terminates at the end of the severance period or, if earlier, when an NEO is employed by another party and is eligible for such coverage.

## CEO PAY RATIO

Under Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Item 402(u) of Regulation S-K, we are required to provide the ratio of the annual total compensation of Mr. Sarvadi, the CEO, to the annual total compensation of our median employee.

As of December 31, 2022:

- The annual total compensation of our median corporate employee was \$89,542; and
- The annual total compensation of the CEO, as reported in the Summary Compensation Table, was \$10,700,380.

Based on this information, the ratio for 2022 of the annual total compensation for the CEO to the total annual compensation of our median employee was 120 to 1.

In order to determine this ratio, we first identified one of our employees as the median employee. We identified our median employee based on total annualized compensation paid during 2022 to all of our corporate employees, other than the CEO, who were employed by us on December 31, 2022. No cost of living adjustments were utilized in the compensation calculation. We did not include worksite employees in our calculations because our clients, who are unaffiliated third parties, determine the compensation of worksite employees.

After identifying the median employee, we calculated the annual total compensation of that employee using the same methodology used to calculate the compensation of our named executive officers in the Summary Compensation Table.

The ratio presented above is a reasonable estimate calculated in a manner consistent with SEC rules for identifying the median employee and determining the ratio. Because the SEC rules for identifying the median employee and calculating the pay ratio allow companies to use different methodologies, exemptions, estimates and assumptions, the pay ratio presented above may not be comparable to the pay ratio reported by other companies.

## PAY VERSUS PERFORMANCE

The information provided below is mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Item 402(v) of Regulation S-K, which require that we, among other things, report the amount of “compensation actually paid” to our NEOs for the fiscal years listed below. These amounts are calculated in accordance with applicable SEC rules, and do not reflect the actual amount of compensation earned, realized or paid to our NEOs during each applicable year.

The guiding principles of our compensation philosophy are that pay should be linked to performance and that the interests of our executives and stockholders should be aligned. Please refer to the Compensation Discussion and Analysis section for details regarding how the Compensation Committee links the compensation paid to our NEOs to our corporate performance.

Year (a)	Summary Compensation Table Total for PEO <sup>1</sup> (\$) (b)	Compensation Actually Paid to PEO <sup>2</sup> (\$) (c)	Average Summary Compensation Table Total for Non-PEO NEOs <sup>3</sup> (\$) (d)	Average Compensation Actually Paid to Non-PEO NEOs <sup>4</sup> (\$) (e)	Value of Initial Fixed \$100 Investment Based on:			Company Selected Measure (CSM) Adjusted EBITDA <sup>8</sup> (\$) (i)
					Total Shareholder Return (TSR) <sup>5</sup> (\$) (f)	Peer Group Total Shareholder Return (TSR) <sup>6</sup> (\$) (g)	Net Income <sup>7</sup> (\$) (h)	
2022	10,700,380	15,936,961	3,035,129	3,804,625	142.65	113.87	179,350	352,295
2021	9,624,154	13,826,504	2,754,388	3,770,647	145.44	152.43	124,080	254,946
2020	9,561,338	13,276,744	3,380,686	4,449,825	96.84	100.85	138,237	288,620

<sup>1</sup> Mr. Sarvadi was our principal executive officer or "PEO" for each of the reported fiscal years. The dollar amounts reported in column (b) are the amounts reported for Mr. Sarvadi, for each corresponding year in the Total column of the Summary Compensation Table.

<sup>2</sup> The dollar amounts reported in column (c) represent the amount of "compensation actually paid" to Mr. Sarvadi, as computed in accordance with Item 402(v) of Regulation S-K and do not reflect the total compensation actually earned, realized or received by Mr. Sarvadi. In accordance with these rules, the amounts reflected as Total Compensation in the Summary Compensation Table for each year were adjusted as shown below:

Year	Summary Compensation Total for PEO (\$)	Less: Value of stock awards reported in Summary Compensation Table (\$)	Plus: Year-end fair value of outstanding and unvested equity awards granted in the year (\$)	Plus (Less): Year-over-year change in fair value of outstanding and unvested equity awards granted in prior years <sup>a</sup> (\$)	Plus (Less): Year-over-year change in fair value of equity awards granted in prior years that vested in the year (\$)	Compensation Actually Paid to PEO (\$)
2022	10,700,380	(6,194,009)	9,308,384	2,730,231	(608,025)	15,936,961
2021	9,624,154	(5,533,922)	7,559,631	846,554	1,330,087	13,826,504
2020	9,561,338	(7,731,542)	13,279,113	(381,417)	(1,450,748)	13,276,744

<sup>a</sup> Includes value of any dividend equivalents credited in the applicable year that are otherwise not reflected in the fair value of such award.

<sup>3</sup> The names of each of the NEOs included for these purposes in each applicable year were as follows: (a) for 2022, Messrs. Allison, Arizpe, Herink, and Sharp; (b) for 2021, Messrs. Allison, Arizpe, Herink, and Sharp as well as Jay Mincks, our retired Executive Vice President of Sales and Marketing; and (c) for 2020, Messrs. Arizpe, Herink, Mincks, and Sharp. The dollar amounts reported in column (d) represent the average of the amounts reported for the Company's non-PEO NEO's as a group in the Total column of the Summary Compensation Table.

<sup>4</sup> The dollar amounts reported in column (e) represent the amount of "compensation actually paid" to our non-PEO NEOs as a group, as computed in accordance with item 402(v) of Regulation S-K and do not reflect the total compensation actually earned, realized or received by our non-PEO NEOs. In accordance with these rules, the amounts reflected as Total Compensation in the Summary Compensation Table for each year were adjusted as shown below:

Year	Average Summary Compensation Total for Non-PEO NEOs (\$)	Less: Value of stock awards reported in Summary Compensation Table (\$)	Plus: Year-end fair value of outstanding and unvested equity awards granted in the year (\$)	Plus (Less): Year-over-year change in fair value of outstanding and unvested equity awards granted in prior years <sup>a</sup> (\$)	Plus (Less): Year-over-year change in fair value of equity awards granted in prior years that vested in the year (\$)	Average Compensation Actually Paid to Non-PEO NEOs (\$)
2022	3,035,129	(1,241,014)	1,783,406	437,164	(210,060)	3,804,625
2021	2,754,388	(1,307,778)	1,766,807	344,487	212,743	3,770,647
2020	3,380,686	(2,215,078)	3,758,266	(63,619)	(410,430)	4,449,825

<sup>a</sup> Includes value of any dividend equivalents credited in the applicable year that are otherwise not reflected in the fair value of such award.

<sup>5</sup> Cumulative TSR is calculated by dividing the sum of the cumulative amount of dividends for the measurement period, assuming dividend reinvestment, and the difference between the Company's share price at the end of each fiscal year shown and the beginning of the measurement period by the Company's share price at the beginning of the measurement period. The beginning of the measurement period for each year in the table is the closing price on December 31, 2019.

<sup>6</sup> The Peer Group TSR used for this purpose is the S&P 1500 Composite Human Resource and Employment Services Index, which we also use in the stock performance graph required by Item 201(a) of Regulation S-K included in our Annual Report on Form 10-K for the year-ended December 31, 2022, filed with the SEC on February 9, 2023.

<sup>7</sup> Net Income is a GAAP financial measure. Please read our annual report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 9, 2023.

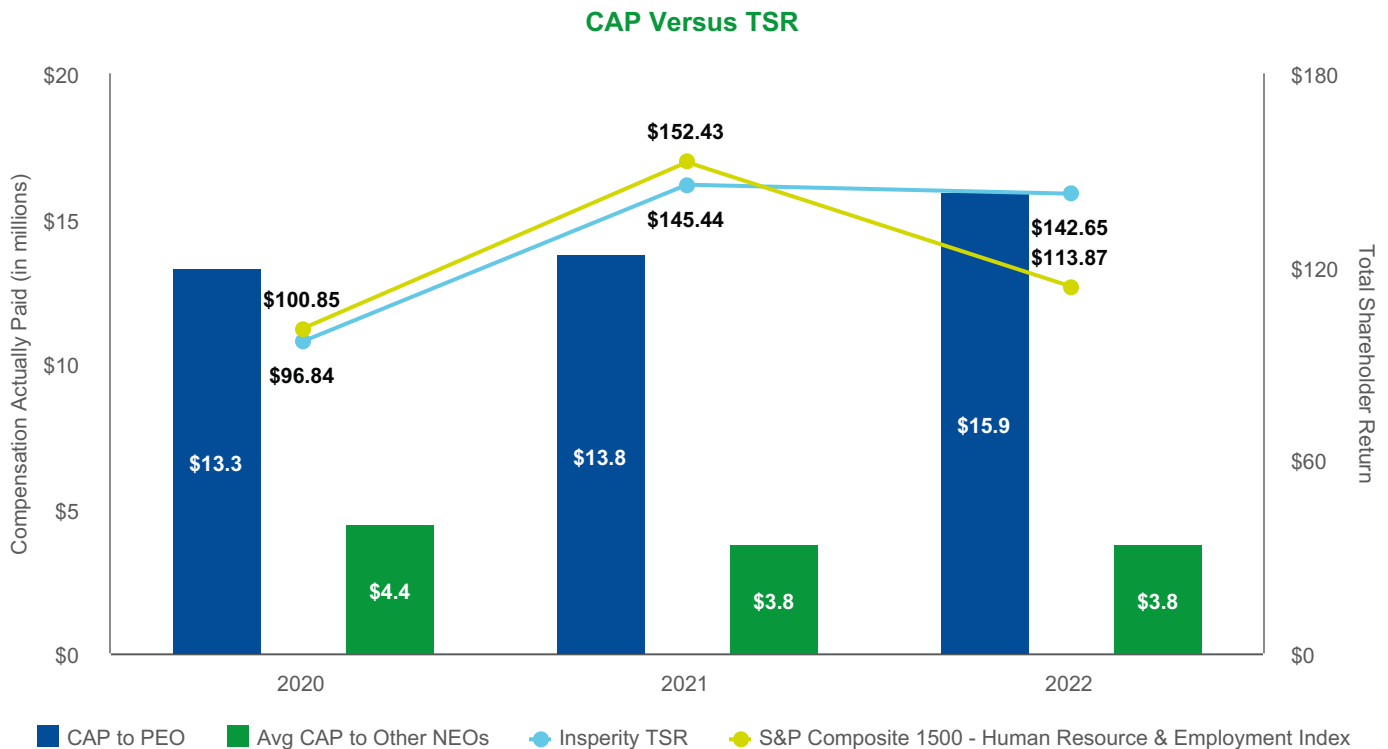
<sup>8</sup> Adjusted EBITDA is a non-GAAP financial measure used by management to analyze the Company's performance. Adjusted EBITDA represents EBITDA (earnings before interest, taxes, depreciation and amortization) plus tax reform bonuses, stock-based compensation and amortization of SaaS implementation costs. Please read Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures," in our annual report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 9, 2023 for a reconciliation of this non-GAAP financial measure to the most directly comparable financial measure calculated and presented in accordance with GAAP.

## Relationship Between Compensation Actually Paid and Performance

The charts that follow depict the relationship of "compensation actually paid" (CAP) to our PEOs and non-PEO NEOs to (1) the TSR of the Company and its peer group (as described in Footnote 6 above), (2) the Company's net income, and (3) the Company's annual non-GAAP Adjusted EBITDA. The decrease in CAP for our non-PEO NEOs over the fiscal years presented is a reflection of the retirement of our long-time Executive Vice President of Sales and Marketing, Mr. Mincks in 2021, the addition of a less tenured executive, Mr. Allison as an NEO in 2021 and the removal of Mr. Mincks as a reported NEO in 2022. Pursuant to Item 402(v) of Regulation S-K, CAP reflects adjustments to the fair value of equity awards during the years presented. Changes in our stock price and the projected and actual achievement of our performance goals greatly impact the total CAP reported for each year presented.

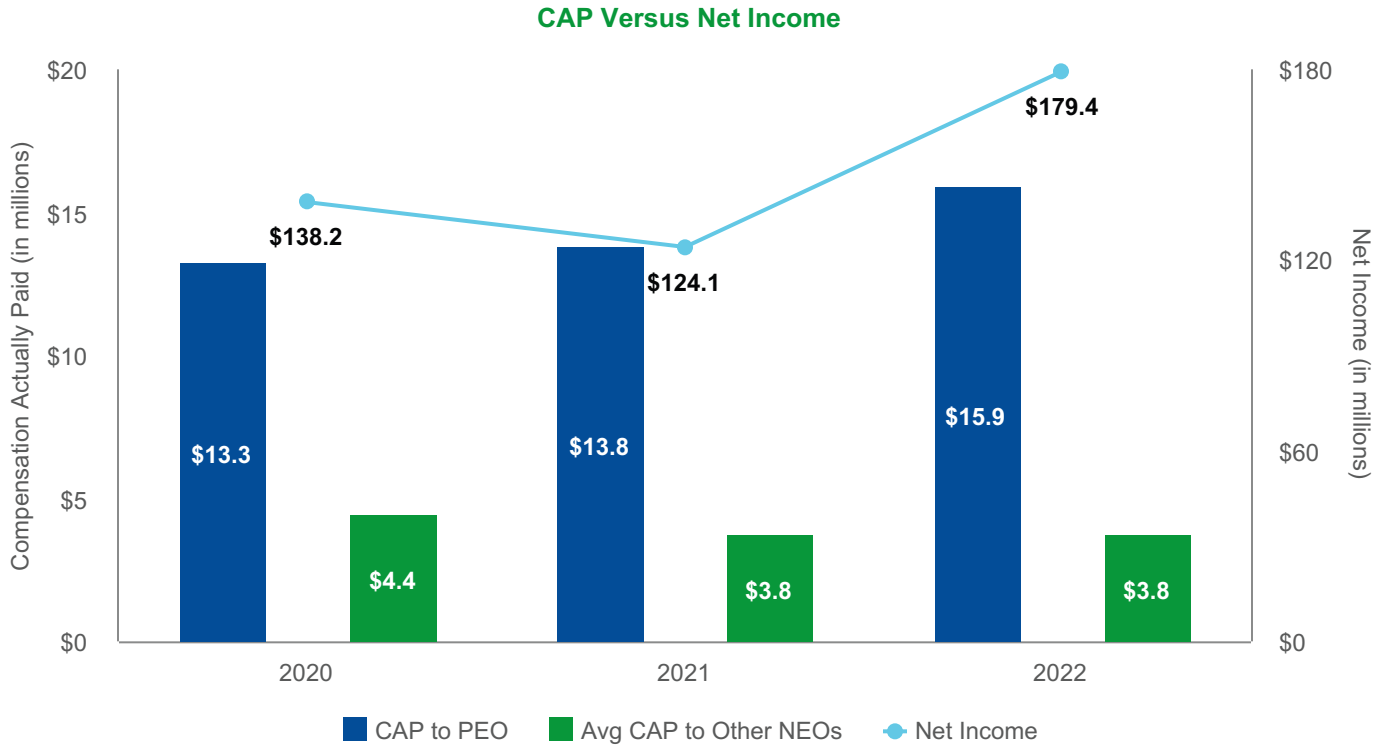
### CAP Versus TSR

The following chart shows the amount of compensation actually paid to our PEO and the average amount of compensation actually paid to our non-PEO NEOs as a group, together with the Company's cumulative TSR, and the Peer Group TSR of the S&P 1500 Composite Human Resource and Employment Services Index, for the applicable years.



## CAP Versus Net Income

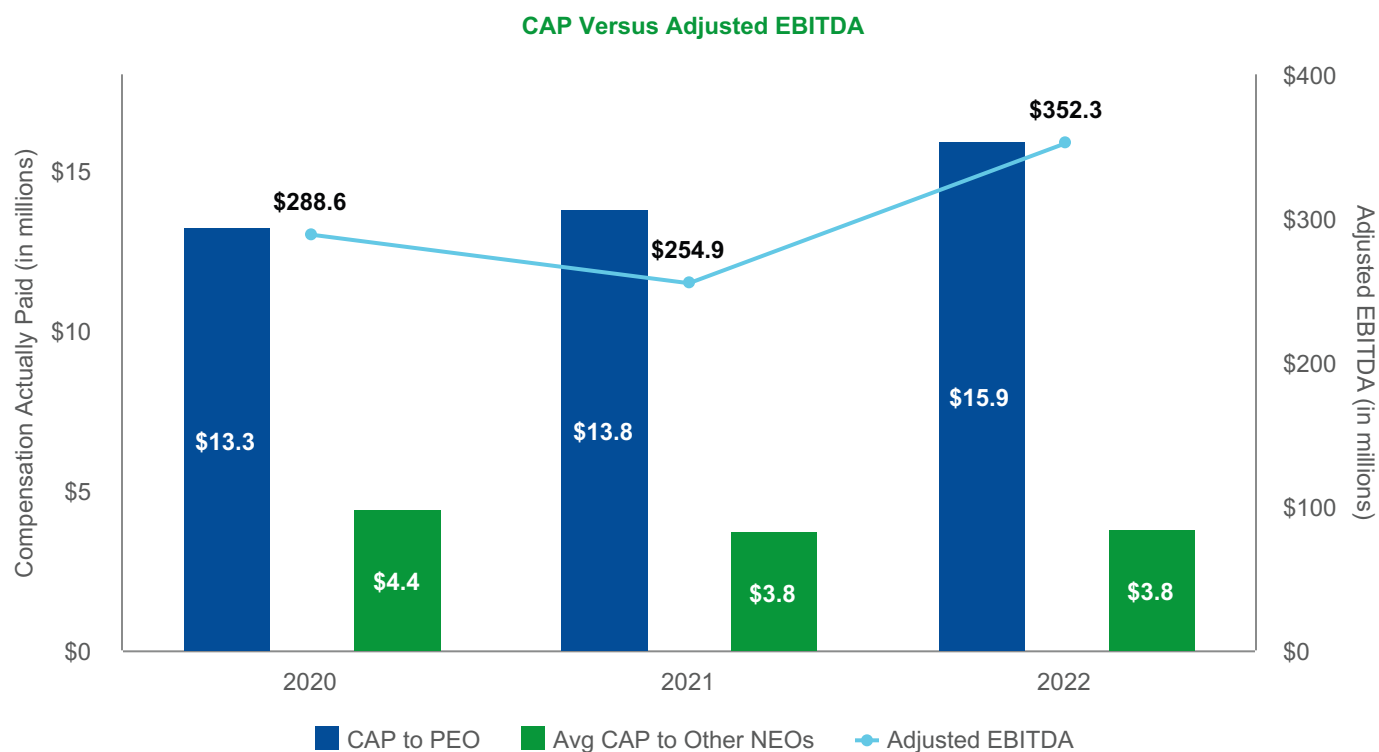
The following chart shows the amount of compensation actually paid to our PEO and the average amount of compensation actually paid to our non-PEO NEOs as a group, together with the Company's net income for the applicable years. Although the Company does not use net income as a performance measure in the overall executive compensation program, the Company believes net income is correlated with non-GAAP adjusted EBITDA and EBITDAIC, which represent the largest components of NEO compensation.





## CAP Versus Adjusted EBITDA

The following chart shows the amount of compensation actually paid to our PEO and the average amount of compensation actually paid to our non-PEO NEOs as a group, together with the Company's non-GAAP Adjusted EBITDA for the applicable years. The Company selected non-GAAP Adjusted EBITDA as our CSM as it represents the largest component of our LTIP and NEO compensation.



## List of Most Important Performance Measures

The measures most important in determining NEO pay in 2022 were those used in our long-term and short-term incentive programs.

- Adjusted EBITDA (financial performance measure)
- Adjusted EBITDAIC (financial performance measure)
- Relative TSR (financial performance measure)
- Growth in Average Gross Profit per WSEE per Month (financial performance measure)
- Growth in Average WSEEs Paid (non-financial performance measure)

## DIRECTOR COMPENSATION

We use a combination of cash and stock-based compensation to attract and retain qualified candidates to serve on the Board. Our non-employee directors were compensated for 2022 as shown in the table below and are also reimbursed for reasonable expenses incurred in serving as a director. All compensation, except for reimbursement of actual expenses, can be taken in cash or our common stock, at the director's option. Directors who are our employees receive no additional compensation for serving on the Board. In 2022, directors were entitled to the following compensation:

	Board	Compensation Committee	Finance, Risk Management and Audit Committee	Nominating and Corporate Governance Committee	Lead Independent Director
<b>Annual Retainers</b>	\$80,000	\$10,000	\$15,000	\$5,000	\$35,000
<b>Annual Committee Chair Fees</b>	N/A	\$15,000	\$25,000	\$15,000	N/A

On the date of each Annual Meeting of Stockholders, each non-employee director receives an annual director award of unrestricted shares of our common stock. For 2022, the aggregate fair market value of this award was \$175,000, which was determined based on the closing price of our common stock on the date prior to the date of grant. The awards are rounded up to the next higher whole share amount in the case of a fractional share amount. Each person who is initially appointed or elected as a director of the Company receives an initial director award comprised of a pro-rated portion of the annual director award.

### DIRECTORS' COMPENSATION TABLE

The table below summarizes the compensation paid by us to our non-employee directors during the fiscal year ended December 31, 2022.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) <sup>1</sup>	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
<b>Timothy T. Clifford</b>	142,500	174,242	—	—	316,742
<b>Eli Jones</b>	87,500	174,242	—	—	261,742
<b>Carol R. Kaufman</b>	106,250	174,242	—	—	280,492
<b>John L. Lumelleau</b>	92,250	174,242	—	—	266,492
<b>Ellen H. Masterson</b>	117,500	174,242	—	—	291,742
<b>Randall Mehl</b>	87,500	174,242	—	—	261,742
<b>John M. Morphy</b>	92,500	174,242	—	—	266,742
<b>Latha Ramchand</b>	92,500	174,242	—	—	266,742
<b>Richard G. Rawson</b>	77,500	174,242	—	—	251,742

<sup>1</sup> Represents the dollar amount recognized for financial statement reporting purposes with respect to 2022 for the fair value of stock awards made to directors during 2022, based on the closing price of our common stock on the date of grant. In the case of annual and initial director equity awards that do not contain vesting or other restrictions, Insperity recognizes the entire fair value for financial statement reporting purposes in the year that the grant is made. In the case of initial director equity awards that contain vesting restrictions, we recognize the fair value for financial statement reporting purposes over the vesting period.

### REPORT OF THE FINANCE, RISK MANAGEMENT AND AUDIT COMMITTEE

The Finance, Risk Management and Audit Committee ("FRMA Committee") has been appointed by the Board to assist the Board in fulfilling its responsibility to oversee the financial affairs, risk management, accounting and financial reporting processes, and audits of the financial statements of the Company. We operate under a written charter adopted by the Board and reviewed annually by us. We have furnished the following report for 2022.

We have reviewed and discussed the Company's consolidated audited financial statements as of and for the year ended December 31, 2022, with management and the independent auditor, which was Ernst & Young LLP. We discussed with Ernst & Young LLP the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and SEC, Communications with Audit Committees, as currently in effect.

The FRMA Committee is directly responsible for the appointment, compensation, retention and oversight of the work of Ernst & Young LLP. The FRMA Committee engages in an annual evaluation of the independent auditing firm's qualification, performance, independence, tenure and work quality as part of its decision as to whether the current firm should be retained for the upcoming year's audit. The FRMA Committee discussed with Ernst & Young LLP the overall scope and plan for their audits and met with the firm throughout the year, with and without management present, to monitor the firm's progress and results obtained from their audits.

The FRMA Committee received from Ernst & Young LLP a formal written letter describing all relationships between the firm and the Company, including persons in financial oversight roles at the Company, that may reasonably be thought to bear on the auditors' independence consistent with Independent Standards Board Standard No. 1. The FRMA Committee also discussed with Ernst & Young LLP any relationships that might impact their objectivity and independence, and approved in advance all audit and permitted non-audit services to be provided. The FRMA Committee concluded that Ernst & Young LLP's provision of other permitted non-audit services to the Company is compatible with Ernst & Young LLP's independence.

Based on our reviews and discussions referred to above, we recommended that the Board include the audited consolidated financial statements in the Company's annual report on Form 10-K for the year ended December 31, 2022, for filing with the SEC.

#### THE FINANCE, RISK MANAGEMENT AND AUDIT COMMITTEE

Ellen H. Masterson, Chairperson

John L. Lumelleau

John M. Morphy

Latha Ramchand

### DELINQUENT SECTION 16(a) REPORTS

Section 16(a) of the Exchange Act requires our directors and officers and persons who own more than 10% of our common stock to file initial reports of ownership and reports of changes in ownership (Forms 3, 4, and 5) of our common stock with the SEC. Officers, directors and greater than 10% stockholders are required by SEC regulations to furnish the Company with copies of all such forms that they file.

Based solely on a review of the copies of such reports furnished to the Company and written representations that no reports were required, the Company believes that all Section 16(a) reports with respect to the year ended December 31, 2022, applicable to its officers, directors and greater than 10% beneficial owners were timely filed, other than one late Form 4 filing for each of the Company's officers due to an administrative error following the certification of 2021 performance achievement for awards granted under the Company's 2012 Incentive Plan.

### CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Finance, Risk Management and Audit Committee has adopted a statement of policy and procedures with respect to related party transactions covering the review, approval or ratification of transactions involving the Company and "Related Parties" (generally, directors and executive officers and their immediate family members and 5% stockholders). The policy currently covers transactions in which the Company and any Related Party are participants and, with respect to Related Parties who are executive officers, also have a material interest. The policy generally requires that the Finance, Risk Management and Audit Committee conduct a reasonable prior review and oversight of all such transactions, including any material amendment to any such prior transaction. Under the policy, prior to entering into a related party transaction, full disclosure of the surrounding facts and circumstances relating to the transaction must be made to the Finance, Risk Management and Audit Committee, which will approve such transaction only if it is in, or is not inconsistent with, the best interests of the Company and our stockholders. In the event a transaction is not identified as a related party transaction in advance, it will be submitted promptly to the Finance, Risk Management and Audit Committee or the chairperson thereof, and such committee or chairperson, as the case may be, will evaluate the transaction and evaluate all options, including but not limited to ratification, amendment or termination of the transaction.

In addition and as part of the Company's processes to monitor related party transactions, each director and named executive officer annually completes a questionnaire that requests disclosure of information not previously provided concerning transactions with the Company in which the director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest.

A significant component of our marketing strategy is the title sponsorship of the Insperty Invitational™ golf tournament, a Champions PGA tour event held annually in The Woodlands, Texas, a suburb of Houston. Consistent with other PGA golf tournaments, the Insperty Invitational golf tournament benefits and is managed by a non-profit organization, Greater Houston Golf Charities ("GHGC"). In connection with our sponsorship, Mr. Jay E. Mincks, our former Executive Vice President of Sales and Marketing, serves as chairman of GHGC, a non-compensatory position. During 2022, the Company paid GHGC \$3.7 million in sponsorship and tournament related expenses, as well as an additional \$1.4 million

in other event sponsorships and charitable contributions, including to certain non-profit organizations on which Messrs. Sarvadi or Rawson serve as a member of the board of directors.

We provide PEO-related services to certain entities that are owned by, or have board members that are, related parties. These related parties include Ms. Ellen H. Masterson, Mr. Richard G. Rawson and Mr. Paul J. Sarvadi or members of their families. The PEO service fees paid by such entities are within the pricing range of other unrelated clients of ours. During 2022, such client companies paid the Company the following service fees, which are presented net of the associated payroll costs:

Related Party	Net Service Fees	(Payroll Costs)
<b>Ms. Masterson (one client company)</b>	\$ 348,645	\$ (1,674,676)
<b>Mr. Clifford (one client company)</b>	\$ 77,876	\$ (601,215)
<b>Mr. Rawson (four client companies)</b>	\$ 1,032,407	\$ (4,881,627)
<b>Mr. Sarvadi (three client companies)</b>	\$ 642,115	\$ (1,270,188)

During 2022, certain non-executive corporate employees were family members of certain Related Parties. Total salaries, commissions and incentive compensation paid during 2022 to family members of Mr. Arizpe were \$858,284 (four corporate employees).

In the ordinary course of business, we occasionally charter private aircraft from a third-party air charter company, which also leases and operates aircraft owned by Mr. Sarvadi. Pursuant to a corporate policy, when we charter the aircraft owned by Mr. Sarvadi, we pay an hourly rate plus certain trip expenses, which we believe is below the market rate for similar aircraft. The hourly rate generally includes amounts related to cost to operate the aircraft per hour, such as fuel, pilot compensation, and maintenance. Mr. Sarvadi is generally responsible for paying the actual costs himself. During 2022, we paid a total of \$828,254 to the charter company, which is comprised of the hourly rate plus expenses, in connection with our usage of Mr. Sarvadi's aircraft. Mr. Sarvadi's interest is equal to 85% of the hourly rate paid, or \$533,397.

**PROPOSAL NUMBER 2:  
APPROVAL OF  
THE INSPERITY, INC. INCENTIVE PLAN**

The Company's Board has unanimously adopted a resolution to submit to a vote of the Company's stockholders a proposal to approve the Insperty, Inc. Incentive Plan (the "Plan"), formerly known as the Insperty, Inc. 2012 Incentive Plan, as amended and restated effective June 16, 2017 and amended December 30, 2019 (the "2017 Plan"), as set forth in Appendix A to this proxy statement. Among other things, the Plan will:

- Increase the number of shares of common stock ("shares") reserved for issuance under the 2017 Plan by 1,325,000 shares;
- Prohibit (i) any shares not issued or delivered from the net settlement of outstanding stock options ("Options") or share appreciation rights ("SARs"), (ii) shares withheld in respect of taxes or to pay the exercise price of Options or SARs, and (iii) shares repurchased on the open market with proceeds of the exercise price of Options or SARs from being reissued or available for future grants under the Plan;
- Include a change in control definition and a section that specifically discloses the change in control vesting treatment for both time- and performance-based awards and clarifies that assumed awards under the Plan ("Awards") will not immediately vest upon a change in control of the Company;
- Require that Awards (other than cash Awards) to employees under the Plan be granted with a minimum vesting period of one (1) year, subject to earlier vesting for termination of employment due to death, disability, retirement or a change in control, and a maximum exception of five percent (5%) of authorized shares for issuance;
- Include clarifying language expressly stating that any dividend or dividend equivalent rights granted with an Award will be subject to the same time and performance vesting conditions as the underlying Award;

- Include clarifying language expressly prohibiting reload Option grants;
- Include clarifying language expressly stating that all Awards are subject to potential cancellation, rescission, clawback and recoupment in accordance with the Company's clawback/recoupment policy and/or to the extent necessary to comply with the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and any regulations or listing requirements promulgated thereunder;
- Increase the number of shares corresponding to employee and director Award limits set forth in the 2017 Plan;
- Permit the Compensation Committee of the Board or any other committee designated by the Board (the "Committee") to grant employee awards covering up to a maximum of 5% of shares authorized for issuance under the Plan that are not subject to a one-year minimum vesting period; and
- Omit certain language in the 2017 Plan relating to the performance-based compensation exception under Section 162(m) of the Internal Revenue Code, as this exception was eliminated by the Tax Cuts and Jobs Act of 2017.

### Determination of Share Reserve

Currently, the 2017 Plan has 508,140 shares available for future Awards. If any awards are granted between April 4, 2023 and the date stockholders approve this Proposal, the shares subject to such awards would be deducted from the 508,140 shares remaining under the 2017 Plan, such that the new number of shares available for new awards going forward would also be reduced, and would equal the sum of 508,140, less the shares subject to awards granted after April 4, 2023, plus the 1,325,000 new shares. This number of shares remaining available as of April 4, 2023, is insufficient to carry out the purposes of the Plan, discussed below. If Proposal 2 is adopted, the shares reserved for the Plan will be increased by another 1,325,000 shares.

The Plan's purposes remain unchanged and are to: (a) retain and attract persons of training, experience and ability to serve as employees of the Company and its subsidiaries and to serve as non-employee directors of the Company; (b) encourage a sense of proprietorship of such persons; and, (c) stimulate the active interest of such persons in the development and financial success of the Company and its subsidiaries. The Company's stockholders most recently approved the 2017 Plan at the annual meeting of stockholders held on June 16, 2017. The Board believes that the 2017 Plan is achieving its objectives and believes that to continue to carry out its objectives, it is necessary to increase the number of shares reserved for issuance under the Plan.

The Board and Committee considered a number of factors in determining the share reserve for the Plan, including the number of shares remaining available under the 2017 Plan, our past share usage, our estimate of the number of shares needed for future awards and potential dilution.

#### As of April 4, 2023

Total equity awards outstanding (A)	1,518,868
Shares available for grant under the 2017 Plan prior to increase (B)	508,140
Shares of common stock (C)	38,203,488
Dilution <sup>1</sup>	5%

<sup>1</sup> Dilution is calculated as  $(A) + (B) / (A) + (B) + (C)$

If the Plan is approved, the proposed increase in the number of shares reserved for issuance would increase dilution to approximately 8%.

Our three-year average burn rate was 2% for fiscal year 2020 through fiscal year 2022 and our one-year burn rate for fiscal 2022 was 2%. We define burn rate as the total number of full value shares granted to participants over one fiscal year expressed as a percent of the fully diluted weighted average common shares outstanding. We average our burn rate over three fiscal years to determine our three-year average burn rate. We believe our historical burn rates are reasonable for a company of our size in our industry.

## Summary of Sound Governance Features

Our Board and Compensation Committee believe the 2017 Plan and the Plan contains several features that are consistent with the interests of stockholders and sound corporate governance practices, including the following:

- ✓ No “Evergreen” Provision. Under both the 2017 Plan and the Plan, the number of shares of our common stock available for issuance is fixed and will not adjust based upon the number of shares outstanding.
- ✓ Prohibition of Discounted Options and Stock Appreciation Rights. The 2017 Plan and the Plan prohibits granting options and stock appreciation rights with exercise prices lower than the fair market value of a share on the grant date.
- ✓ No Repricing or Exchange of Options or Stock Appreciation Rights Without Stockholder Approval. Under both the 2017 Plan and the Plan, options and stock appreciation rights issued will not be repriced, replaced or regranted through cancellation, by decreasing the exercise price of a previously granted award or by exchanging the previously granted award for a cash buyout or settlement.
- ✓ Minimum Vesting for Employee Equity Awards. Under both the 2017 Plan and the Plan, employee equity awards are generally subject to a minimum one-year vesting requirement, subject to limited exceptions.
- ✓ Prohibition of Reload Options. The Plan provides that options will not be granted under the Plan in consideration for and will not be conditioned upon the delivery of shares to the Company in payment of the exercise price and/or tax withholding obligation under any other option held by a participant.
- ✓ No Automatic Single-Trigger Vesting Upon a Change in Control. The Plan generally provides for accelerated vesting of awards only in the event the continuing entity after a change in control fails to assume or replace an award with a new award of equivalent value and substantially equivalent terms or upon a termination without cause or for good reason within a time period following a change in control.
- ✓ No Recycling of Appreciation Awards. The Plan provides that the following shares will not again be made available for award under the Plan: (a) shares not issued or delivered as a result of the net settlement of an outstanding option or stock appreciation right; (b) shares withheld by the Company from shares that would otherwise have been delivered upon exercise of an option or stock appreciation right, or shares tendered to the Company, in each case, in satisfaction of the grant or exercise price or tax withholding requirements of an option or stock appreciation right; or (c) shares repurchased on the open market with the proceeds of the option exercise price.
- ✓ No Payment of Dividends on Unvested Awards. The Plan prohibits the extension of dividends to options and stock appreciation awards, and for all other awards prohibits the payment of dividends on unvested awards.
- ✓ Clawback/Recoupment Policy. The Plan provides that all awards are subject to potential cancellation, rescission, clawback and recoupment in accordance with the Company’s clawback/recoupment policy, and/or to the extent necessary to comply with the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and any regulations or listing requirements promulgated thereunder.

## Required Affirmative Vote

If the votes cast in person or by proxy at the Annual Meeting in favor of Proposal 2 exceed the votes cast opposing the proposal, the Plan will be approved. If Proposal 2 is not approved by the stockholders, the 2017 Plan will continue in its present form.

***The Board recommends that the stockholders vote “FOR” the proposal to approve the Plan, an amendment and restatement of the 2017 Plan, and proxies executed and returned will be so voted unless contrary instructions are indicated thereon.***

## Summary of the Plan

The following description of the Plan is only a summary of certain provisions thereof and is qualified in its entirety by reference to the full text of the Plan, a copy of which is attached as Appendix A to this proxy statement, which should be read in conjunction with the following summary.

## Current Awards Outstanding

In February 2023, the Company certified performance results on the outstanding awards under the 2017 Plan and made its annual grant of awards to employees under the 2017 Plan. A summary of the shares outstanding under the 2017 Plan that includes these events is provided below as of April 4, 2023:

Stock options outstanding	—
Weighted average exercise price	n/a
Weighted average term (in years)	n/a
Restricted stock outstanding	100
Restricted stock units outstanding	1,043,216
LTIP awards outstanding	475,552
Shares remaining for grant under the 2017 Plan	508,140
Common stock outstanding	38,203,488

## Eligibility for Participation

All employees of the Company and its subsidiaries and non-employee directors of the Company are eligible for Awards under the Plan.

## Administration

The Plan is administered by the Compensation Committee of the Company's Board of Directors or any other committee that may be designated by the Board of Directors (the "Committee"). The Committee or Board will select the employees who will receive Awards, determine the type and terms of Awards to be granted, and interpret and administer the Plan. The Board has the power to determine the type and terms of Awards to be granted to non-employee directors. Neither the Board nor the Committee may delegate to any person the authority to grant Awards to, or take other action with respect to, participants who are subject to Section 16 of the Exchange Act.

Awards under the Plan may be granted in tandem with other compensation. The Committee may extend the exercisability and waive restrictions in any manner not adverse to the participant. However, without prior stockholder approval, Options and SARs granted under the Plan may not be re-priced or exchanged for a cash buyout or settlement with a lower exercise price. In certain limited circumstances for capitalization changes (for example, a stock split), the number of Awards may be equitably adjusted.

## Shares Reserved

The 2017 Plan has reserved an aggregate number of 5,523,610 shares (as adjusted for the two-for-one stock split that took effect on December 18, 2017). As of April 4, 2023, 508,140 shares are available for future awards. Please see footnote 4 to the "Securities Reserved for Issuance under Equity Compensation Plans Table" for additional information. If approved by stockholders, the 2017 Plan is being amended and restated as the Plan to increase this number of shares to 6,848,610. If approved by stockholders, future grants of Awards under the Plan will prohibit any shares not issued or delivered from the net settlement of outstanding Options or SARs, shares withheld in respect of taxes or to pay the exercise price of Options or SARs, and shares repurchased on the open market with proceeds of the exercise price of Options or SARs from being reissued or available for future grants under the Plan. No Awards relating to any of the additional 1,325,000 shares will be granted under the 2017 Plan if the Plan is not approved by stockholders. The proposed share limit is subject to adjustment for certain transactions affecting the common stock. Lapsed, forfeited or canceled Awards, as well as shares withheld to pay taxes for Awards other than Options and SARs, will not count against this limit and can be re-granted under the Plan.

## Terms, Conditions and Limitations of Employee Awards

Performance Objectives. The Committee may condition any employee performance award under the Plan on the achievement of one or more performance objectives. The term "performance objectives" means the objectives established by the Committee that are to be achieved with respect to an Award, which may be described in terms of Company-wide objectives, in terms of objectives that are related to performance of a division, subsidiary, department, adjacent business unit, geographic market or function within the Company or a subsidiary in which the person receiving the Award is employed, or in individual or other terms, and which will relate to a period of time determined by the Committee. The

Committee shall determine the performance objectives to be achieved and the length of time allowed to achieve any performance objectives.

The performance objectives may include, but not be limited to, one or more of the following: (a) cash flows; (b) client margin; (c) client retention; (d) customer margin; (e) earnings before interest and taxes; (f) earnings before interest, taxes, depreciation and amortization expenses; (g) earnings before taxes and unusual or nonrecurring items; (h) earnings per share; (i) earnings per share growth; (j) economic value added; (k) fee revenue; (l) gross mark-up per worksite employee; (m) gross profit; (n) net earnings; (o) number of paid worksite employees; (p) operating expenses; (q) operating income; (r) operating margin; (s) profit margin; (t) return on assets; (u) return on capital employed in the business; (v) return on equity; (w) return on investment; (x) return on sales; (y) return on total capital; (z) revenue; (aa) service efficiency; (bb) stock price performance; (cc) total profit; (dd) total revenue; (ee) total revenue less bonus payroll; (ff) total stockholder return; and (gg) unit growth.

### ***Employee Stock Options***

Options granted to employees are subject to such terms and conditions as may be established by the Committee, except that the option exercise price cannot be less than the fair market value per share of the common stock on the date of grant. Options may be granted either as incentive stock options (“ISOs”) under Section 422 of the Internal Revenue Code, nonqualified stock options or a combination thereof. No ISO may be exercised more than 10 years after the date of grant. Payment of the option exercise price may be by cash or, if permitted by the Committee, by means of tendering shares or surrendering all or part of the applicable option or any other award.

### ***Performance Awards***

The Committee may grant a performance award consisting of any type of Award or combination of Awards. A performance award is subject to the achievement of one or more performance objectives.

### ***Performance Units***

The Committee may grant an Award in performance units. Performance units are units equivalent to \$100 (or such other value as the Committee determines) and may consist of payments in cash, shares or a combination thereof, payable upon the achievement of specified performance goals.

### ***Stock Award (including Restricted Stock and RSUs)***

The Committee may grant an Award denominated in or payable in shares, which may be restricted stock or an RSUs (each as described below).

### ***Phantom Stock Awards***

The Committee may grant an Award in phantom shares, which represent the right to receive the value of a specified number of shares and may be payable in cash, shares or a combination thereof.

### ***Restricted Stock***

The Committee may grant an Award in restricted stock. Restricted stock are shares that are restricted or subject to forfeiture provisions.

### ***Restricted Stock Units***

The Committee may grant an Award in restricted stock units (“RSUs”). An RSU is the right to receive the value of one share (or a percentage of such value) in cash, shares or combination thereof.

### ***Stock Appreciation Rights***

The Committee may grant an Award in SARs. SARs represent the right to receive an amount shares or cash equal to the appreciation in value of a specified number of shares over a particular period of time. SARs are subject to such terms and conditions as may be established by the Committee, except that the SAR exercise price cannot be less than the fair market value per share on the date of grant.



### ***Cash Awards***

The Committee may grant an Award in cash.

### ***Other Stock-Based Awards***

The Committee, in its discretion, may grant other forms of Awards based on, or payable in, shares.

### ***Annual Award Limits***

During any one calendar year, Awards with respect to common stock to any individual employee participant are limited to 750,000 shares from each of the following categories: (a) Options or SARs; (b) stock awards (excluding restricted stock, but including RSUs), phantom stock awards or other stock-based awards; and (c) restricted stock. During any one calendar year, no participant may receive an aggregate payment under cash awards or performance awards payable in cash in excess of \$15,000,000.

### ***Terms, Conditions and Limitations of Non-employee Director Awards***

The Board may grant Awards to non-employee directors, which may consist of the forms of Awards available to employees (excluding ISOs), and subject to the terms and conditions set forth in the Plan.

The Plan provides that no non-employee director may be granted during any one calendar year director awards having a value determined on the grant date that, when added to all cash compensation paid to the director during the same calendar year, excluding any amounts deferred from a prior calendar year, would exceed \$1,000,000.

### ***Other Terms and Limitations***

#### ***Minimum Vesting for Employee Awards***

All employee Awards, other than cash awards, are subject to a minimum vesting period of one year from the grant date, with limited exceptions for death, disability, retirement or a change in control. The Committee may grant a maximum of five percent (5%) of authorized shares that are not subject to the one year minimum vesting requirement.

#### ***Transferability***

Awards under the Plan generally will not be transferable other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order; provided, however, the Committee may, in its discretion, permit a participant to transfer all or a portion of any Award that is not an ISO to the participant's "immediate family members" (as defined in the Plan), or a trust for the exclusive benefit of immediate family members or a partnership in which immediate family members and the participant are the only partners.

#### ***Deferral***

The Committee, in its discretion, may permit participants to elect to defer payment of some or all types of Awards or provide for the deferral of an Award. Deferrals will only be permitted in compliance with Section 409A of the Internal Revenue Code.

#### ***Dividends and Interest***

An Award, excluding Options and SARs, denominated in common stock or units of common stock may include dividends or dividend equivalent rights. The Committee may also establish rules for the crediting of interest on deferred cash payments and dividend equivalents for deferred payments denominated in common stock or units of common stock. Any dividend or dividend equivalent rights will be subject to the same time and performance vesting conditions as the underlying Award and will be paid only if the underlying Award vests.

#### ***No Reload Grants***

Options will not be granted under the Plan in consideration for and will not be conditioned upon the delivery of shares to the Company in payment of the exercise price and/or tax withholding obligation under any other Option held by a participant.

### ***Adjustments to Awards Following Grant***

The Committee may provide for adjustment of Awards following grant under the Plan in limited circumstances. In the event of any common stock distribution or split, recapitalization, extraordinary distribution, merger, consolidation, combination or exchange of shares of or similar change or upon the occurrence of any other event that the Committee, in its sole discretion, deems appropriate, the Committee may adjust the number, price, award limitations and/or shares covered by an Award to prevent diminution or enlargement of the benefits or potential benefits intended under the Plan.

In the event of a corporate merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation, the Committee shall be authorized to: (i) issue or assume Awards and (ii) cancel and terminate unexercised or outstanding Awards in exchange for cash in an amount determined to be the fair market value of such Awards. The Committee may amend any stock-based Award to reflect a change in accounting rules, and may amend any Award for a significant event to reflect the original intent of the Award.

### ***Award Exercise***

A participant must pay the exercise price of an Award in cash at the time of exercise, unless the Committee permits the exercise price to be paid in the form of shares or by surrendering all or part of that Award or another Award.

### ***Tax Withholding***

The Plan permits the Committee to allow a participant, upon exercise, payment or vesting of an Award, to satisfy any applicable tax withholding requirements in the form of shares, including shares issuable upon exercise, payment or vesting of such Award.

### ***Change in Control***

Upon a “change in control” of the Company (as defined in the Plan), unvested Awards will not automatically vest. Instead, outstanding Awards will continue in effect unless: (i) the continuing entity fails to agree to assume, replace or substitute an Award with another award of equivalent or greater value and on substantially similar or more favorable terms, or (ii) to the extent specifically set forth in the award agreement, the participant experiences a Qualifying Termination (as defined under the Plan). In determining the performance of unvested performance awards, Awards will vest based on actual performance for any performance periods completed on or before the change in control date, or based upon the greater of the target level or actual performance level achieved (if measurable), for performance periods remaining open, or scheduled to begin, after the change in control date.

### ***Clawback or Recoupment of Awards***

All Awards are subject to potential cancellation, rescission, clawback and recoupment in accordance with the Company’s clawback/recoupment policy, and/or to the extent necessary to comply with the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and any regulations or listing requirements promulgated thereunder.

### ***Amendment and Termination***

The Board may amend, alter or discontinue the Plan, except that no amendment or alteration that would impair the rights of a holder of any Award shall be made without the holder’s consent, and no amendment or alteration shall be effective prior to approval by the stockholders to the extent the Board determines such approval is required by applicable laws, regulations or exchange requirements.

### ***Federal Income Tax Consequences***

The following is a general summary of current U.S. federal income tax treatment of non-cash Awards, which are authorized to be granted under the Plan, based upon current provisions of the Internal Revenue Code and regulations promulgated thereunder. The statutory rules and interpretations are subject to change, and may vary in individual circumstances.

### ***Stock Options***

The Internal Revenue Code provides that a participant receiving a nonqualified stock option ordinarily does not realize taxable income upon the grant of the Option. A participant does, however, realize compensation income taxed at ordinary

income tax rates upon the exercise of a nonqualified stock option to the extent that the fair market value of the common stock on the date of exercise exceeds the Option price. When the participant sells the shares acquired pursuant to a nonqualified stock option, any gain or loss will be short-term or long-term capital gain or loss.

The grant of an ISO does not result in taxable income to a participant. The exercise of an ISO also does not result in taxable income, provided that the circumstances satisfy the requirements in the Internal Revenue Code. However, the exercise of an ISO may give rise to alternative minimum tax liability for the participant. In addition, if the participant does not dispose of the common stock acquired upon exercise of an ISO during the statutory holding period, then any gain or loss upon subsequent sale of the common stock will be a long-term capital gain or loss. The statutory holding period lasts until the later of two years from the date the option is granted or one year from the date the common stock is transferred to the participant pursuant to the exercise of the option.

If the statutory holding period requirements for an ISO are satisfied, the Company may not claim any federal income tax deduction upon either the exercise of the ISO or the subsequent sale of the common stock received upon exercise. If these requirements are not satisfied (a “disqualifying disposition”), the amount of ordinary income taxable to the participant is the lesser of: (a) the fair market value of the common stock on the date of exercise minus the option price; or, (b) the amount realized on disposition minus the option price. Any gain in excess of that amount is capital gain, while any loss recognized will be a capital loss.

For nonqualified stock options, the Company is generally entitled to a federal income tax deduction in an amount equal to the ordinary income realized by the participant.

### ***Restricted Stock***

A participant acquiring restricted stock will generally recognize ordinary income equal to the fair market value of the shares on the vesting date, less any amount paid, if any, by the participant. Under Section 83(b) of the Internal Revenue Code, a participant may elect to include in ordinary income at the time restricted stock is first issued, the excess of the fair market value of the stock at the time of issuance over the amount paid, if any, by the participant. In this event, any subsequent change in the value of the shares will be recognized for tax purposes as capital gain or loss upon disposition of the shares. A participant makes a Section 83(b) election by filing the election with the IRS no later than 30 days after the restricted stock is transferred to the participant. With a Section 83(b) election, the participant will not be entitled to any loss deduction if the shares with respect to which a Section 83(b) election was made are later forfeited. Absent a Section 83(b) election, any cash dividends or other distributions paid with respect to the restricted stock prior to the lapse of the restrictions or risk of forfeiture will be included in the participant’s ordinary income as compensation at the time of receipt and subsequent appreciation or depreciation will be recognized as capital gain or loss. The Company will generally be entitled to a deduction for federal income tax purposes at the same time and in the same amount that a participant recognizes ordinary income from restricted stock under the Plan.

### ***Stock Appreciation Rights, Restricted Stock Units, Phantom Stock and Other Stock-Based Awards***

Generally, a participant will not recognize any taxable income upon the grant of SARs, RSUs, phantom stock or other stock-based awards. At the time the participant receives the payment for the SAR, RSU, phantom stock or other stock-based awards, the fair market value of shares or the amount of any cash received in payment for such Awards generally is taxable compensation to the participant taxed as ordinary income. The Company or one of its subsidiaries will generally be entitled to a deduction for federal income tax purposes at the same time and in the same amount that a participant recognizes ordinary income from SARs, RSUs, phantom stock or other stock-based awards under the Plan.

### ***Performance Awards***

A participant will generally not recognize any taxable income upon the grant of performance awards or performance units. Upon settlement of such Awards, participants normally will recognize ordinary income in the year of receipt equal to the amount of cash and the fair market value of any common stock received. The Company or one of its subsidiaries will generally be entitled to a deduction for federal income tax purposes at the same time and in the same amount that a participant recognizes ordinary income from performance awards or performance units under the Plan.

### ***Internal Revenue Code Section 409A***

Some Awards under the Plan, such as RSUs, performance units, phantom stock and other stock-based awards may be considered to be deferred compensation subject to special federal income tax rules under Internal Revenue Code Section 409A and the regulations promulgated thereunder. Failure to satisfy the applicable requirements under Section 409A may

result in the acceleration of income and additional income tax liability to the participant, including certain penalties. Awards granted under the Plan are intended to be either exempt from, or comply with, the requirements under Section 409A. Distributions to certain participants identified as “specified employees” shall be delayed to the extent necessary to comply with Section 409A.

### ***Certain Tax Code Limitations on Deductibility***

All of the above-described deductions are subject to the limitations on deductibility described in Internal Revenue Code Section 162(m). If the payment of Awards in connection with a change in control, are not sufficiently reduced under terms of the Plan, an excess parachute payment under the Internal Revenue Code could result, triggering a 20% excise tax (in addition to income tax otherwise owed) payable by the participant. The Company will not be entitled to a deduction for that portion of any “parachute payment” that is subject to the excise tax. Therefore, there can be no assurance that compensation attributable to Awards under the Plan will be fully deductible to the Company under all circumstances.

THE ABOVE SUMMARY OF THE EXPECTED EFFECT OF THE FEDERAL INCOME TAX UPON PARTICIPANTS IN THE PLAN IS NOT COMPLETE, AND THE COMPANY RECOMMENDS THAT THE PARTICIPANTS CONSULT THEIR OWN TAX ADVISORS FOR COUNSELING. MOREOVER, THE ABOVE SUMMARY IS BASED UPON CURRENT FEDERAL INCOME TAX LAWS, WHICH ARE SUBJECT TO CHANGE. THE TAX TREATMENT UNDER FOREIGN, STATE OR LOCAL LAW IS NOT COVERED IN THE ABOVE SUMMARY.

As of the date of the 2023 Annual Meeting, no Awards will have been granted under the Plan. Subject to stockholder approval of the Plan, the allocation of Awards in 2023 under the Plan is not currently determinable because Awards will be made in accordance with future decisions of the Committee following the general guidelines of the Plan. A description of the Awards granted during 2022 to named executive officers under the 2017 Plan can be found under “Executive Compensation — Compensation Discussion and Analysis — 2022 Executive Compensation Program” and under the “Grants of Plan-Based Awards Table.”

### ***History of Option Grants Under the 2017 Plan***

No Option awards have been made to directors, executive officers or other employees under the 2017 Plan.

<b><i>The Board unanimously recommends a “FOR” vote for Proposal 2.</i></b>
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## **PROPOSAL NUMBER 3:**

### **ADVISORY VOTE ON EXECUTIVE COMPENSATION**

In accordance with Section 14A of the Exchange Act, we are providing our stockholders with an opportunity to make a non-binding recommendation on the compensation of our NEOs. This proposal, commonly referred to as “say-on-pay”, provides stockholders an opportunity to provide an overall assessment of the compensation of our NEOs rather than focus on any specific item of compensation. The advisory vote is a non-binding vote on the compensation of our NEOs, which is described in the “Compensation Discussion and Analysis” section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure, set forth in this proxy statement. Although the results of the vote on this proposal are not binding on the Board, the Board and Compensation Committee value stockholders’ opinions and will take the results into account when determining the future compensation of our NEOs. At the 2022 Annual Meeting of Stockholders, a substantial majority of the votes, over 80%, were cast in favor of our NEO compensation.

As set forth in the “Compensation Discussion and Analysis” section of this proxy statement, our Compensation Committee structured the compensation of our NEOs to emphasize our pay-for-performance philosophy. Our compensation program is designed to attract and retain key executives responsible for our success and to provide motivation for both achieving short-term business goals and enhancing long-term stockholder value. Please read the “Compensation Discussion and Analysis” section for additional details.

We have embedded features in our overall compensation programs which are aligned with the objectives of our business and designed to strengthen the link between the interests of our executive officers and those of our stockholders. Following is a summary of compensation practices that we have adopted and a list of pay practices that we avoid.

What Insperty has:

✓	Compensation program emphasizing variable and at-risk compensation with at least 74% of each NEO's target compensation tied to annual bonus and long-term incentives
✓	Long-term incentive program prioritizing performance-based LTI with 65% of the CEO's and on average, 46% of the other NEO's LTI mix in performance-based LTI
✓	Stock ownership guidelines requiring the CEO to hold shares equal to five times base salary, the other executive officers to hold shares equal to three times or one and one-half times base salary, depending on the executive tier level established by the Compensation Committee, and non-employee directors to hold shares equal to five times the annual cash retainer
✓	Clawback policy for incentive compensation paid to any employee, including NEOs and other executive officers
✓	Minimum vesting period of one year for grants of restricted stock, restricted stock units, stock options and phantom shares, with limited exceptions for new hire awards, performance awards or terminations due to death, disability, retirement or change in control
✓	Double trigger requirement for vesting of NEO and executive officer equity awards that provides for equity acceleration in the event of a qualifying termination following a change in control
✓	Hedging policy prohibiting employees and directors from engaging in hedging transactions involving shares of our common stock
✓	Pledging policy prohibiting employees and directors from engaging in pledging transactions involving shares of our common stock that would be considered significant by the Board
✓	A lead independent director
✓	Compensation Committee composed entirely of outside, independent directors
✓	Independent compensation consultant hired by, and reporting directly to, the Compensation Committee

What Insperty does not have:

✗	Employment agreements with NEOs or other executive officers
✗	Executive pension or other similar retirement or supplemental benefits
✗	Single trigger change in control agreements for NEOs or other executive officers
✗	Tax gross-ups in the event of a change in control
✗	Medical coverage for retirees
✗	Excessive benefits and perquisites

Stockholders are being asked to vote on the following resolution:

“RESOLVED, that the compensation paid to Insperty’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby APPROVED.”

The Board recommends that stockholders indicate their support by selecting “FOR” when voting on our executive compensation program. While the results of the advisory vote are non-binding, the Board and Compensation Committee will consider the outcome of the vote when making future executive compensation decisions.

***The Board recommends that you select “FOR” the adoption of the resolution approving the compensation of the Company’s NEOs. Properly dated and signed proxies will be so voted unless stockholders specify otherwise.***

#### PROPOSAL NUMBER 4:

#### ADVISORY VOTE ON THE FREQUENCY OF HOLDING THE ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act, we are providing our stockholders with an opportunity to make a non-binding recommendation on how often we should include a “say-on-pay” proposal in our proxy materials for future

annual stockholder meetings (“say-on-pay frequency”). Under this Proposal 4, stockholders may recommend their preference to hold a say-on-pay advisory vote every year, every two years, or every three years.

At the 2017 Annual Meeting of Stockholders, stockholders voted on a similar proposal and a majority of votes recommended that we hold an annual advisory vote on executive compensation. In light of the 2017 stockholder advisory vote results, the Company has held a non-binding vote on NEO compensation annually thereafter. The Board has determined that continuing to hold a say-on-pay advisory vote every year remains a valuable opportunity for our stockholders to express their opinion and provide feedback on our compensation practices. We are, however, required to hold a say-on-pay frequency advisory vote every six years.

Stockholders are being asked to vote on the following resolution:

“RESOLVED, on an advisory basis, that the stockholders’ preferred frequency for holding an advisory vote on the compensation paid to Insperity’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, shall either be once every year, once every two years, or once every three years, as determined by whichever frequency option receives the greatest number of votes cast.”

The Board recommends that stockholders vote to hold say-on-pay advisory votes every year (as opposed to every two years or three years). While the results of the advisory vote are non-binding, the Board and Compensation Committee will consider the outcome of the vote when evaluating whether it is in the best interest of our stockholders and the Company to hold a say-on-pay advisory vote more or less frequently than the option preferred by our stockholders.

***The Board unanimously recommends that you vote “ONE YEAR” for the say-on-pay frequency resolution. Properly dated and signed proxies will be so voted unless stockholders specify otherwise.***

## PROPOSAL NUMBER 5:

### RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

#### General

The Finance, Risk Management and Audit Committee has appointed the firm of Ernst & Young LLP (“Ernst & Young”) as our independent registered public accounting firm for the year ending December 31, 2023. If our stockholders do not ratify the appointment of Ernst & Young, then the Finance, Risk Management and Audit Committee will reconsider the appointment and may or may not consider the appointment of another independent registered public accounting firm for the Company for 2023 or future years. Ernst & Young has served as our independent registered public accounting firm since 1991. Representatives of Ernst & Young are expected to be present at the 2023 Annual Meeting of Stockholders and will have an opportunity to make a statement, if they desire to do so, and to respond to appropriate questions from those attending the meeting.

#### Fees of Ernst & Young

Ernst & Young’s fees for professional services totaled \$1,698,694 in 2022 and \$1,537,875 in 2021. During 2022 and 2021, Ernst & Young’s fees for professional services included the following:

- **Audit Fees** — fees for audit services, which relate to the consolidated audit, internal control audit in compliance with Sarbanes-Oxley Section 404, quarterly reviews, subsidiary audits and related matters, were \$1,399,489 in 2022 and \$1,259,984 in 2021.
- **Audit-Related Fees** — fees for audit-related services, which consisted primarily of the SOC 1 Report, the retirement plan audits, and quarterly agreed-upon procedures, were \$294,705 in 2022 and \$273,391 in 2021.
- **Tax Fees** — there were no fees for tax services in 2022 or in 2021.
- **All Other Fees** — there were fees of \$4,500 in 2022 and \$4,500 in 2021, which were annual subscription fees for Insperity’s use of Ernst and Young’s online research databases and other research tools.

The Finance, Risk Management and Audit Committee reviewed the non-audit services provided to us by Ernst & Young and considered whether the provision of such services was compatible with Ernst & Young maintaining its independence.

### **Finance, Risk Management and Audit Committee Pre-Approval Policy for Audit and Non-Audit Services**

The Finance, Risk Management and Audit Committee has established a policy that requires pre-approval of the audit and non-audit services performed by the independent auditor. Unless a service proposed to be provided by the independent auditors has been pre-approved by the Finance, Risk Management and Audit Committee under its pre-approval policies and procedures, it will require specific pre-approval of the engagement terms by the Finance, Risk Management and Audit Committee. Under the policy, pre-approved service categories are generally provided for up to 12 months and must be detailed as to the particular services provided and sufficiently specific and objective so that no judgments by management are required to determine whether a specific service falls within the scope of what has been pre-approved. In connection with any pre-approval of services, the independent auditor is required to provide detailed back-up documentation concerning the specific services to be provided.

The Finance, Risk Management and Audit Committee may delegate pre-approval authority to one or more of its members, including a subcommittee of the Finance, Risk Management and Audit Committee. The member or members to whom such authority is delegated shall report any pre-approval actions taken by them to the Finance, Risk Management and Audit Committee at its next scheduled meeting. The Finance, Risk Management and Audit Committee does not delegate to management any of its responsibilities to pre-approve services performed by the independent auditor.

None of the services related to the Audit-Related Fees or Other Fees described above was approved by the Finance, Risk Management and Audit Committee pursuant to the waiver of pre-approval provisions set forth in applicable rules of the SEC.

### **Required Affirmative Vote**

If the votes cast in person or by proxy at the 2023 Annual Meeting of Stockholders in favor of this proposal exceed the votes cast opposing the proposal, the appointment of Ernst & Young as the Company's independent registered public accounting firm for the year ending December 31, 2023, will be ratified. If the appointment of Ernst & Young is not ratified, the Finance, Risk Management and Audit Committee will reconsider the appointment.

***The Board and the Finance, Risk Management and Audit Committee recommend that stockholders vote "FOR" the ratification of appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2023, and proxies executed and returned will be so voted unless contrary instructions are indicated thereon.***

## **ADDITIONAL INFORMATION**

### **Delivery of Proxy Statement**

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements with respect to two or more security holders sharing the same address by delivering a single proxy statement addressed to those security holders. This process, which is commonly referred to as "householding," potentially means extra convenience for security holders and cost savings for companies. This year, a number of brokers and our transfer agent with account holders who are Insperity stockholders will be householding our proxy materials. A single proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholder. Once you have received notice from your broker that they will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement, please notify your broker and direct your written request to Insperity, Inc., Attention: Investor Relations Administrator, 19001 Crescent Springs Drive, Kingwood, Texas 77339, or contact the Investor Relations Administrator at 1-844-677-8332. We will promptly deliver a separate copy to you upon request.

### **Stockholder Proposals and Director Nominations for 2023 Annual Meeting of Stockholders**

In order for director nominations and stockholder proposals to have been properly submitted for presentation at the 2023 Annual Meeting of Stockholders, we must have received notice between the dates of January 23, 2023 and February 22, 2023 in accordance with our Bylaws. We received no such notice, and no stockholder director nominations or proposals will be presented at the 2023 Annual Meeting of Stockholders.

## Stockholder Proposals for Inclusion in Our 2024 Proxy Statement

Any proposal of a stockholder intended to be considered for inclusion in our proxy statement for the 2024 Annual Meeting of Stockholders must be received at our principal executive offices no later than the close of business on December 19, 2023 and otherwise comply with the requirements of Rule 14a-8 under the Exchange Act and with our Bylaws. If we change the date of the 2024 Annual Meeting of Stockholders by more than 30 days from the anniversary date of the 2023 meeting, stockholder proposals must be received a reasonable time before we begin to print and mail the proxy materials for the 2024 Annual Meeting of Stockholders. Our Bylaws also contain additional requirements, which are described in the next section.

## Stockholder Director Nominations and Proposals for 2024 Annual Meeting of Stockholders

Our Bylaws require timely advance written notice of stockholder nominations of director candidates and stockholder proposals. Notice of stockholder nominations or proposals will be considered timely for the 2024 Annual Meeting of Stockholders if we receive it not earlier than the close of business on January 23, 2024, and not later than the close of business on February 22, 2024. However, if the date of the 2024 Annual Meeting of Stockholders is advanced by more than 30 days prior to or delayed by more than 30 days after the anniversary date of the 2023 Annual Meeting of Stockholders, notice by the stockholder to be timely must be delivered or received not earlier than the close of business on the 120th day nor later than the close of business on the later of (1) the 90th day prior to the date of the 2023 Annual Meeting of Stockholders or (2) if less than 100 days' prior notice or public disclosure of the scheduled meeting date is given or made, the 10th day following the earlier of the day on which notice of such meeting was mailed to stockholders or the day on which such public disclosure was made.

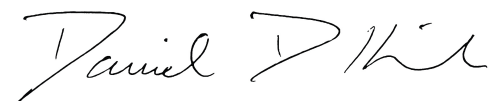
For director nominations, our Bylaws also require that such written notice set forth: (1) for each person whom the stockholder proposes to nominate for election, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or as otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, including, without limitation, such person's written consent to be named in the proxy statement as a nominee and to serve as a director if elected; and (2) as to such stockholder: (a) the name and address, as they appear on the Company's books, of such stockholder; (b) the class and number of shares of our common stock that are beneficially owned by such stockholder; and (c) a description of all agreements, arrangements or understandings between such stockholder and each such person that such stockholder proposes to nominate as a director and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such stockholder. Stockholders are also advised to review our Bylaws regarding the requirements for submitting director nominations. Stockholders who intend to solicit proxies in support of director nominees other than the Company's nominees must also comply with the additional requirements of Rule 14a-19(b) of the Exchange Act by March 25, 2024.

In addition, for stockholder proposals, our Bylaws require that the written notice set forth as to each matter such stockholder proposes to bring before the Annual Meeting of Stockholders: (1) a brief description of the business desired to be brought before the Annual Meeting of Stockholders; (2) the reasons for conducting such business at the Annual Meeting of Stockholders; (3) the name and address, as they appear on the Company's books, of such stockholder; (4) the class and number of shares of our common stock that is beneficially owned by such stockholder; and (5) any material interest of such stockholder in such business. Stockholders are also advised to review our Bylaws regarding the requirements for submitting proposals.

## FINANCIAL INFORMATION

A copy of the Company's annual report on Form 10-K for the year ended December 31, 2022, as filed with the SEC, including any financial statements and schedules and exhibits thereto, may be obtained without charge by written request to Investor Relations Administrator, Insperty, Inc., 19001 Crescent Springs Drive, Kingwood, Texas 77339-3802.

By Order of the Board of Directors



Daniel D. Herink  
Executive Vice President of Legal,  
General Counsel and Secretary

April 17, 2023  
Kingwood, Texas



## APPENDIX A

### INSPERITY, INC. INCENTIVE PLAN

(As Amended and Restated Effective May 22, 2023)

1. **Objectives.** This Insperity, Inc. Incentive Plan (the “Plan”), formerly known as the Insperity, Inc. 2012 Incentive Plan, as amended and restated effective June 16, 2017, as thereafter amended effective December 30, 2019, is intended as an incentive to retain and attract persons of training, experience and ability to serve as employees of Insperity, Inc., a Delaware corporation (the “Company”), and its Subsidiaries and as nonemployee directors of the Company, to encourage the sense of proprietorship of such persons and to stimulate the active interest of such persons in the development and financial success of the Company and its Subsidiaries.

2. **Definitions.** As used herein, the terms set forth below shall have the following respective meanings:

“**Award**” means an Employee Award or a Director Award.

“**Award Agreement**” means an agreement between the Company and a Participant in such form as is deemed acceptable by the Committee that sets forth the terms, conditions and limitations applicable to an Award.

“**Board**” means the Board of Directors of the Company.

“**Cash Award**” means an Award payable in cash.

“**Cause**” shall have such meaning as specified in the Award Agreement.

“**Change in Control**” means:

(a) the date of the acquisition by any “person” (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), excluding the Company or any of its Subsidiaries, of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 30% or more of either the then outstanding shares of common stock of the Company or the then outstanding voting securities entitled to vote generally in the election of directors; or

(b) the date the individuals who constitute the Board as of the Effective Date (the “Incumbent Board”), cease for any reason to constitute at least a majority of the members of the Board, provided that any person becoming a director subsequent to the Effective Date, whose appointment, election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the disinterested, non-management directors shall be, for purposes of this Plan, considered as though such person were a member of the Incumbent Board; or

(c) the date of consummation of a merger, consolidation, recapitalization, reorganization, sale or disposition of all or a substantial portion of the Company’s assets or the issuance of shares of stock of the Company in connection with the acquisition of the stock or assets of another entity, provided, however, that a Change in Control shall not occur under this clause (c) if consummation of the transaction would result in at least 65% of the total voting power represented by the voting securities of the Company (or, if not the Company, the entity that succeeds to all or substantially all of the Company’s business) outstanding immediately after such transaction being beneficially owned (within the meaning of Rule 13d-3 promulgated pursuant to the Exchange Act) by at least 65% of the holders of outstanding voting securities of the Company

immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction.

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time.

“**Committee**” means the Compensation Committee of the Board or any other committee as may be designated by the Board.

“**Common Stock**” means the common stock, par value \$0.01 per share, of the Company or any security into which such Common Stock may be changed by reason of any transaction or event of the type described in Section 13.

“**Company**” means Insperity, Inc., a Delaware corporation.

“**Director**” means a member of the Board, excluding any individual who is also an employee of the Company or any Subsidiary.

“**Director Award**” means any Option (other than an ISO), Performance Award, Phantom Stock Award, Cash Award, Stock Award, Stock Appreciation Right or Other Stock-Based Award, whether granted singly, in combination or in tandem, to a Participant who is a Director pursuant to any applicable terms, conditions and limitations as the Board may establish in order to fulfill the objectives of the Plan.

“**Effective Date**” means May 22, 2023.

“**Employee**” means an individual employed by the Company or any Subsidiary. For purposes of this Plan, an Employee also includes any individual who has been offered employment by the Company or any Subsidiary, provided that (a) any Award granted to such prospective employee shall be canceled if such individual fails to commence such employment, (b) no payment of value may be made in connection with such Award until such individual has commenced such employment and (c) such individual may not be granted an ISO prior to the date the individual actually commences employment.

“**Employee Award**” means any Option, Performance Award, Phantom Stock Award, Cash Award, Stock Award, Stock Appreciation Right or Other Stock-Based Award, whether granted singly, in combination or in tandem, to a Participant who is an Employee pursuant to any applicable terms, conditions and limitations as the Committee may establish in order to fulfill the objectives of the Plan.

“**Exercise Price**” means the price at which the Option Shares may be purchased or SARs may be exercised under the terms of the Award Agreement.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time.

“**Fair Market Value**” of a share of Common Stock means, as of a particular date, (a) if shares of Common Stock are listed on a national securities exchange, the closing sales price per share of Common Stock on the consolidated transaction reporting system for the principal national securities exchange on which shares of Common Stock are listed on that date or, if there shall have been no such sale so reported on that date, on the last preceding date on which such a sale was so reported; (b) if the Common Stock is not so listed or quoted, the average of the closing bid and ask price on that date or, if there are no quotations available for such date, on the last preceding date on which such quotations shall be available, as reported by an inter-dealer quotation system; or (c) if none of the above is applicable, then such amount as may be determined by the Committee or the Board in such a manner as it deems in good faith to be the fair market value per share of Common Stock.

“**Good Reason**” shall mean an adverse constructive termination as such term is more specifically defined in the Award Agreement.

**“Grant Date”** means the date specified in the Award Agreement on which an Award will become effective.

**“ISO”** means an incentive stock option within the meaning of Code Section 422.

**“Option”** means a right to purchase a particular number of shares of Common Stock at a particular Exercise Price, subject to certain terms and conditions as provided in this Plan and Award Agreement. An Option may be in the form of an ISO or a nonqualified stock option within the meaning of Code Section 83.

**“Option Shares”** means the shares of Common Stock covered by a particular Option.

**“Other Stock-Based Award”** means any stock-based Award that shall consist of a right that is not an Option, Performance Award, Phantom Stock Award, Stock Award or SAR and is (i) denominated or payable in; (ii) valued in whole or in part by reference to; or (iii) otherwise based on or related to shares of Common Stock as is deemed by the Committee to be consistent with the terms of the Plan.

**“Participant”** means an Employee or a Director to whom an Award has been granted under this Plan.

**“Performance Award”** means an Award, such as a Performance Unit, that is subject to the achievement of one or more Performance Objectives established by the Committee.

**“Performance Objectives”** means the objectives, if any, established by the Committee that are to be achieved with respect to an Award granted under this Plan, which may be described in terms of Company-wide objectives, in terms of objectives that are related to performance of a division, Subsidiary, department, business unit, product, service, business solution, geographic market or function within the Company or a Subsidiary in which the Participant receiving the Award is employed, or in individual, worksite employee (including per individual, aggregate or average worksite employee(s)), or other terms, and which shall relate to the period of time determined by the Committee. The Performance Objectives may be with respect to, but not limited to, one or more of the following (including on a standalone basis, or in combination with, or in relation to, other Performance Objectives and which may be subject to adjustments determined at the time the Performance Goals are established): (a) cash flows; (b) client margin; (c) client retention; (d) customer margin; (e) earnings before interest and taxes; (f) earnings before interest, taxes, depreciation and amortization expenses; (g) earnings before taxes and unusual or nonrecurring items; (h) earnings per share; (i) earnings per share growth; (j) economic value added; (k) fee revenue; (l) gross mark-up per worksite employee; (m) gross profit; (n) net earnings; (o) number of paid worksite employees; (p) operating expenses; (q) operating income; (r) operating margin; (s) profit margin; (t) return on assets; (u) return on capital employed in the business; (v) return on equity; (w) return on investment; (x) return on sales; (y) return on total capital; (z) revenue; (aa) service efficiency; (bb) stock price performance; (cc) total profit; (dd) total revenue; (ee) total revenue less bonus payroll, (ff) total stockholder return and (gg) unit growth.

The Committee shall determine, in its sole discretion, at the time of grant of an Award, which Performance Objectives to use with respect to an Award, the weighting of such objectives if more than one is used and whether such objective(s) is (are) to be measured against a Company-established budget or target, an index or a peer group of companies. A Performance Objective may include multiple measuring levels, including but not limited to, threshold, target, stretch and maximum levels of performance with the size of the Performance Award based on the level attained of performance. A Performance Objective need not be based on an increase or a positive result and may include, for example, maintaining the status quo or limiting economic losses.

**“Performance Unit”** means a unit equivalent to \$100 or such other value as determined by the Committee.

**“Phantom Stock Award”** means the right to receive the value of a specified number of shares of Common Stock.

**“Plan”** means the Insperity, Inc. Incentive Plan, as amended and restated effective May 22, 2023, as may be amended from time to time, formerly known as the Insperity, Inc. 2012 Incentive Plan.

**“Prior 2017 Plan”** means the Insperity, Inc. 2012 Incentive Plan, as amended and restated effective June 16, 2017, as thereafter amended effective December 30, 2019.

**“Qualifying Termination”** means a termination of a Participant’s employment that occurs within the time period following a Change in Control specified in the Award Agreement due to (i) a termination of employment by the Participant for Good Reason or (ii) an involuntary termination of the Participant’s employment by the Company, its Subsidiary or a successor to the Company other than for Cause, subject in each case to any further conditions imposed under the Award Agreement; provided, however, that a Participant’s termination of employment will be considered to be a Qualifying Termination for Good Reason only if (x) Good Reason is defined in the applicable Award Agreement and (y) the Participant has provided written notice to the Company of the condition the Participant claims constitutes Good Reason within ninety (90) days of the initial existence of such condition, the condition specified in the notice remains uncorrected for thirty (30) days after receipt of the notice by the Company, and the Participant actually terminates employment after the thirty (30) day correction period and before the expiration of the time limit required of a Qualifying Termination.

**“Restricted Stock”** means shares of Common Stock that are restricted or subject to forfeiture provisions.

**“Restricted Stock Units”** or **“RSUs”** means the right to receive the value of one share of Common Stock (or a percentage of such value) in cash, Common Stock or combination thereof.

**“Stock Appreciation Rights”** or **“SARs”** means the right to receive an amount of Common Stock equal to the appreciation in value of a specified number of shares of Common Stock over a particular period of time.

**“Stock Award”** means an Award denominated in or payable in shares of Common Stock, which may be Restricted Stock or an RSU.

**“Subsidiary”** means (a) with respect to any Awards other than ISOs, (i) in the case of a corporation, any corporation of which the Company directly or indirectly owns shares representing 50% or more of the combined voting power of the shares of all classes or series of capital stock of such corporation that have the right to vote generally on matters submitted to a vote of the stockholders of such corporation and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise) and (b) with respect to Awards of ISOs, any subsidiary within the meaning of Code Section 424(f).

3. ***Plan Administration and Designation of Participants.*** All Employees of the Company and its Subsidiaries and all Directors of the Company are eligible for Awards under this Plan. The Board or the Committee shall select the Participants from time to time by the grant of Employee Awards under this Plan and, subject to the terms and conditions of this Plan, shall determine all terms and conditions of the Employee Awards.

This Plan shall be administered by the Committee, which shall have full and exclusive power to interpret this Plan and to adopt such rules, regulations and guidelines for carrying out this Plan as it may deem necessary or appropriate.

The Committee may, in its discretion, in whole or in part of an Employee Award, extend the exercisability, eliminate or make less restrictive any restrictions, waive any restriction or other provision of the Plan or an Employee Award or otherwise amend or modify an Employee Award in any manner that is either (a) not adverse to the Participant to whom such Employee Award was granted or (b) consented to by such Participant. Notwithstanding anything herein to the contrary, without the prior approval of the Company's stockholders, Options and SARs issued under the Plan will not be repriced, replaced or regranted through cancellation, decrease in the Exercise Price or exchanged for a cash buyout or settlement, except as provided by the adjustment provisions of Section 13.

No member of the Board or the Committee shall be liable for anything done or omitted to be done by him or her, by any member of the Board or the Committee or by any officer of the Company in connection with the performance of any duties under this Plan, except for his or her own willful misconduct or as expressly provided by statute.

The Board shall have the same powers as the Committee with respect to Director Awards. With respect to Director Awards, references in this Plan to the "Committee" shall be deemed to mean the Board.

4. **Delegation of Authority.** The Board or Committee may delegate to a committee of one or more members of the Board the duties of the Committee under this Plan with respect to Employee Awards pursuant to such conditions or limitations as each may establish, except that neither may delegate to any person the authority to grant Awards to, or take other action with respect to, Participants who are subject to Section 16 of the Exchange Act.

5. **Award Agreement.** Each Award granted hereunder shall be described in an Award Agreement, which shall be subject to the terms and conditions of this Plan and shall be accepted in such manner as is deemed acceptable by the Committee by the Participant and by the appropriate officer for and on behalf of the Company.

6. **Shares of Common Stock Reserved for this Plan.**

(a) Subject to adjustment as provided in Section 13 hereof, the maximum aggregate number of shares of Common Stock which may be issued pursuant to all Awards is 6,848,610 shares (which includes 5,523,610 shares that were previously approved by the Company's stockholders for awards under the Prior 2017 Plan). Such shares may be shares of original issuance or treasury shares or a combination of the foregoing.

(b) The Committee and the appropriate officers of the Company shall from time to time take whatever actions are necessary to execute, acknowledge, file and deliver any documents required to be filed with or delivered to any governmental authority or any stock exchange or transaction reporting system on which shares of Common Stock are listed or quoted in order to make shares of Common Stock available for issuance pursuant to this Plan.

(c) Awards that are forfeited, terminated, or expire unexercised in such a manner that all or some of the shares underlying the Award are not issued to a Participant, shall again immediately become available for the granting of Awards under this Plan.

(d) The following shares of Common Stock shall be considered to have been issued under the Plan and may not again be made available for issuance as Awards under the Plan: (a) shares of Common Stock not issued or delivered as a result of the net settlement of an outstanding Option or SAR; (b) shares of Common Stock withheld by the Company from shares of Common Stock that would otherwise have been delivered upon exercise of an Option or SAR, or shares of Common Stock tendered to the Company, in each case, in satisfaction of the grant or exercise price or tax withholding requirements of an Option or SAR; or (c) shares of Common Stock repurchased on the open market with the proceeds of the Option exercise price. With

respect to SARs, when a SAR is exercised, the full number of shares of Common Stock exercised pursuant to such SAR shall be counted against the shares of Common Stock available for issuance under the Plan notwithstanding that the number of shares of Common Stock issued to settle the SAR upon exercise is less than the number of shares of Common Stock exercised.

(e) For Awards other than Options and SARs, if the tax withholding obligation resulting from the settlement of any Award is satisfied by withholding shares of Common Stock, only the number of shares of Common Stock issued net of the shares of Common Stock withheld shall be deemed delivered for purposes of determining usage of shares against the maximum number of shares of Common Stock available for delivery under the Plan or any sublimit set forth above.

(f) The Committee may from time to time adopt and observe such rules and procedures concerning the counting of shares against the Plan maximum or any sublimit as it may deem appropriate, including rules more restrictive than those set forth above to the extent necessary to satisfy the requirements of any national stock exchange on which the Common Stock is listed or any applicable regulatory requirement.

## **7. Employee Awards.**

(a) **Options.** An Employee Award may be in the form of an Option. The Exercise Price of an Option granted under this Plan shall not be less than 100% of the Fair Market Value of the Common Stock at the time of the grant.

(i) **Incentive Stock Options.** Options granted to Employees hereunder may be ISOs. An ISO shall consist of a right to purchase a specified number of shares of Common Stock at a price specified by the Committee in the Award Agreement or otherwise, which shall not be less than the Fair Market Value of the Common Stock on the Grant Date. Any ISO granted shall expire not later than ten (10) years after the Grant Date, with the expiration date to be specified by the Committee in the Award Agreement. Any ISO granted must, in addition to being subject to applicable terms, conditions and limitations established by the Committee, comply with Code Section 422. All other terms, conditions and limitations applicable to ISOs shall be determined by the Committee.

(ii) **Nonqualified Stock Options.** Options granted to Employees may be nonqualified stock options within the meaning of Code Section 83. A nonqualified stock option shall consist of a right to purchase a specified number of shares of Common Stock at a price specified by the Committee in the Award Agreement or otherwise, which shall not be less than the Fair Market Value of the Common Stock on the Grant Date. The expiration date of the nonqualified stock option shall be specified by the Committee in the Award Agreement and shall not be later than ten (10) years after the Grant Date. All other terms, conditions and limitations applicable to nonqualified stock options shall be determined by the Committee.

(b) **Performance Award.** An Employee Award may be in the form of a Performance Award, such as a Performance Unit. A Performance Award shall be subject to the achievement of one or more Performance Objectives. All other terms, conditions and limitations applicable to Performance Awards shall be determined by the Committee.

(c) **Stock Award (including Restricted Stock or RSUs).** An Employee Award may consist of Common Stock or may be denominated in units of Common Stock. All terms, conditions and limitations applicable to any Stock Award pursuant to this Plan shall be determined by the Committee.

(d) **Phantom Stock Award.** An Employee Award may be in the form of Phantom Stock or other bookkeeping account tied to the value of shares of Common Stock. All terms, conditions and limitations applicable to any Phantom Stock Award shall be determined by the Committee.

(e) **Stock Appreciation Right.** An Employee Award may be in the form of SARs. All terms, conditions and limitations applicable to any Employee Awards of SARs shall be determined by the Committee; provided, however, that the Exercise Price specified by the Committee in the Award Agreement or otherwise shall not be less than the Fair Market Value of the Common Stock at the Grant Date and the SAR shall expire no later than ten (10) years after the Grant Date.

(f) **Cash Award.** An Employee Award may be in the form of a Cash Award. All terms, conditions and limitations applicable to any Cash Award shall be determined by the Committee.

(g) **Other Stock-Based Awards.** An Employee Award may be in the form of any Other Stock-Based Award. All terms, conditions and limitations applicable to any Other Stock-Based Award shall be determined by the Committee.

(h) **Employee Award Limits.** The following limitations shall apply to any Award made hereunder:

(i) Notwithstanding anything herein to the contrary, no Participant may be granted, during any one calendar year period, Options or SARs covering more than 750,000 shares of Common Stock.

(ii) Notwithstanding anything herein to the contrary, no Participant may receive, during any one calendar year period, an aggregate payment in excess of \$15,000,000 under any combination of Cash Awards and Performance Awards payable in cash.

(iii) Notwithstanding anything herein to the contrary, no Participant may be granted, during any one calendar year period, more than 750,000 shares of Common Stock pursuant to Stock Awards (excluding Restricted Stock but including RSUs), Phantom Stock Awards or Other Stock-Based Awards.

(iv) Notwithstanding anything herein to the contrary, no Participant may be issued, during any one calendar year period, Restricted Stock covering more than 750,000 shares of Common Stock.

(i) **Minimum Vesting for Employee Awards.** All Employee Awards (other than Cash Awards) shall be granted subject to a minimum vesting period of one (1) year from the Grant Date, provided that:

(i) The Committee may provide for earlier vesting for an Employee Award upon a termination of employment by reason of death, disability, retirement or Change of Control.

(ii) In addition, the Committee may grant Employee Awards covering up to a maximum of 5% of shares of Common Stock authorized for issuance under the Plan pursuant to Section 6 (subject to adjustment under Section 13) that are not subject to a one (1) year minimum vesting period.

## **8. Directors Awards.**

(a) **Awards to Directors.** The Board has the sole authority to grant Director Awards from time to time in accordance with this Section 8. Director Awards may consist of the forms of

Award described in Section 7, other than ISOs, and shall be granted subject to such terms and conditions as specified in Section 7, except with respect to vesting under Section 7(i).

(b) **Director Award Limits.** No Director may be granted during any one calendar year Director Awards having a value determined on the Grant Date that, when added to all cash compensation paid to the Director during the same calendar year excluding any amounts deferred from a prior calendar year, would exceed \$1,000,000.

**9. Payment of Awards.**

(a) **General.** Payment of Awards may be made in the form of cash or, if permitted, by the Committee by transfer of Common Stock or combinations thereof and may include such restrictions as the Committee shall determine, including, in the case of Common Stock, restrictions on transfer and forfeiture provisions.

(b) **Deferral.** The Committee may, in its discretion, (i) permit selected Participants to elect to defer payments of some or all types of Awards in accordance with procedures established by the Committee or (ii) provide for the deferral of an Award in an Award Agreement or otherwise.

(c) **Dividends and Interest.** Dividends or dividend equivalent rights may be extended to and made part of any Award (excluding Options or SARs) denominated in Common Stock or units of Common Stock, subject to such terms, conditions and restrictions as the Committee may establish. The Committee may also establish rules and procedures for the crediting of interest on deferred cash payments and dividend equivalents for deferred payment denominated in Common Stock or units of Common Stock. Dividends and dividend equivalents shall be subject to the same vesting provisions as the underlying Award and may accrue during an Award's vesting period and be paid solely to the extent underlying shares vest.

(d) **Substitution of Awards.** At the discretion of the Committee, a Participant who has been granted an Employee Award may be offered an election to substitute an Employee Award for another Employee Award or Employee Awards of the same or different type, subject to the overall limits expressed in this Plan; provided, however, that except as provided in Section 3, in no event may the Exercise Price of an outstanding Option or SAR be reduced by modification, substitution or any method, nor exchanged for a cash buyout or settlement, without the prior approval of the Company's stockholders.

(e) **No Fractional Shares.** The Committee shall not be required to issue any fractional shares of Common Stock under this Plan. The Committee, in its sole discretion, may provide for the elimination of fractions for the settlement of fractions in cash.

(f) **No Reload Grants.** Options shall not be granted under the Plan in consideration for and shall not be conditioned upon the delivery of shares of Common Stock to the Company in payment of the exercise price and/or tax withholding obligation under any other Option held by a Participant.

10. **Option Exercise.** The price at which shares of Common Stock may be purchased under an Option shall be paid in full at the time of exercise in cash or, if permitted by the Committee, by means of tendering Common Stock or surrendering all or part of that or any other Award, including Restricted Stock, valued at Fair Market Value on the date of exercise, or any combination thereof. The Committee shall determine acceptable methods for tendering Common Stock or Awards to exercise a stock option as it deems appropriate. The Committee may provide for procedures to permit the exercise or purchase of Awards by use of the proceeds to be received from the sale of Common Stock issuable pursuant to an Award. Unless otherwise provided in the applicable Award Agreement, in the event shares of Restricted Stock are tendered as consideration for the exercise of a stock option, a number of the shares issued upon the exercise of the stock option, equal to the number of shares of Restricted Stock used as



consideration therefor, shall be subject to the same restrictions as the Restricted Stock so submitted as well as any additional restrictions that may be imposed by the Committee.

11. **Termination of Employment or Service.** Upon the termination of employment or service by a Participant, any unexercised, deferred or unpaid Awards shall be treated as provided in the specific Award Agreement evidencing the Award. Unless otherwise specifically provided in the Award Agreement, each Award granted pursuant to this Plan that is an Option shall immediately terminate to the extent the Option is not vested (or does not become vested as a result of such termination of employment or service) on the date the Participant terminates employment or service with the Company or its Subsidiaries.

12. **Assignability.** Unless otherwise permitted by the Committee, no Award granted under this Plan shall be sold, transferred, pledged, assigned or otherwise alienated or hypothecated by a Participant other than by (a) will or the laws of descent and distribution or (b) a qualified domestic relations order. During the lifetime of a Participant, any Award shall be exercisable only by him, or in the case of a Participant who is mentally incapacitated, the Award shall be exercisable by his guardian or legal representative. The Committee may prescribe and include in applicable Award Agreements other restrictions on transfer. Any attempted assignment or transfer in violation of this Section 12 shall be null and void. Upon the Participant's death, the personal representative or other person entitled to succeed to the rights of the Participant (the "Successor Participant") may exercise such rights. A Successor Participant must furnish proof satisfactory to the Company of his or her right to exercise the Award under the Participant's will or under the applicable laws of descent and distribution.

Subject to approval by the Committee in its sole discretion, other than with respect to ISOs, all or a portion of the Awards granted to a Participant under this Plan may be transferable by the Participant, to the extent and only to the extent specified in such approval, to (a) the spouse, children or grandchildren (including adopted and stepchildren and grandchildren) of the Participant ("Immediate Family Members"), (b) a trust or trusts for the exclusive benefit of such Immediate Family Members and, if applicable, the Participant or (c) a partnership or partnerships in which such Immediate Family Members and, if applicable, the Participant are the only partners. Subsequent transfers of transferred Awards shall be prohibited except by will or the laws of descent and distribution, unless such transfers are made to the original Participant or a person to whom the original Participant could have made a transfer in the manner described herein. No transfer shall be effective unless and until written notice of such transfer is provided to the Committee, in the form and manner prescribed by the Committee. Following transfer, any such Awards shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, and except as otherwise provided herein, the term "Participant" shall be deemed to refer to the transferee. No transferred Options shall be exercisable unless arrangements satisfactory to the Company have been made to satisfy any tax withholding obligations the Company may have with respect to the Options. The consequences of termination of employment or service shall continue to be applied with respect to the original Participant, following which the Awards shall be exercisable by the transferee only to the extent and for the periods specified in this Plan and the Award Agreement.

**13. Adjustments.**

(a) The existence of outstanding Awards shall not affect in any manner the right or power of the Company or its stockholders to make or authorize (i) any or all adjustments, recapitalization, reorganizations or other changes in the ownership of the Company or its business, (ii) any merger or consolidation of the Company, (iii) any issue of bonds, debentures or other obligations, (iv) the dissolution or liquidation of the Company, (v) any sale or transfer of all or any part of its assets or business or (vi) any other Company act or proceeding of any kind, whether or not of a character similar to that of the acts or proceedings enumerated above.

(b) In the event of any Common Stock distribution or split, recapitalization, extraordinary distribution, merger, consolidation, combination or exchange of shares of Common Stock or similar change or upon the occurrence of any other event that the Committee, in its sole

discretion, deems appropriate, (i) the number of shares of Common Stock reserved under this Plan and covered by outstanding Awards, (ii) the Exercise Price in respect of such Awards, (iii) the appropriate value and price determinations for such Awards, (iv) the per person limitation on Awards of Options and SARs and (v) the kind of shares covered thereby (including shares of another issuer) shall be adjusted as appropriate.

(c) In the event of a corporate merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation, the Committee shall be authorized (i) to issue or assume Awards, regardless of whether in a transaction to which Section 424(a) of the Code applies, by means of substitution of new Awards, as appropriate, for previously issued Awards or to assume previously issued Awards as part of such adjustment, (ii) to make provision, prior to the transaction, for the termination of Options or SARs that remain unexercised at the time of such transaction or (iii) to provide for the cancellation of Awards (to the extent not otherwise provided under Section 14) in exchange for cash in an amount determined by the Board to be equal to the fair market value of such Awards on the date of such event, which in the case of Options or SARs shall be the excess of the Fair Market Value of Common Stock on such date over the exercise or strike price of such Award.

(d) The Committee, in its sole discretion and without the consent of the Participant, may amend (i) any stock-based Award to reflect a change in accounting rules required by the Financial Accounting Standards Board and (ii) any Award to reflect a significant event that the Committee, in its sole discretion, believes to be appropriate to reflect the original intent in the grant of the Award.

14. **Effect of Change in Control.** Awards shall not immediately vest in the event of a Change in Control. However, in the event of a Change in Control:

(a) Unvested Awards shall become fully vested and immediately exercisable (i) on the date of the Change in Control if the continuing entity after a Change in Control fails to agree to assume, replace or substitute an Award with another award of equivalent or greater value, and on substantially similar or more favorable terms or (ii) to the extent specifically set forth in the Award Agreement, on the date of a Qualifying Termination, in each case, provided that the Participant has been in continuous employment since the Grant Date.

(b) With respect to determining the performance of Performance Awards, unvested Awards shall vest based on (i) actual performance results for any performance period that was completed on or prior to the date of the Change in Control and (ii) the greater of target level or actual performance (if measurable) for the performance period during which the Change in Control occurs and any performance period that was scheduled to begin after the date of the Change in Control. All Awards that vest pursuant to this Section 14(b) shall be paid on the date that is seventy-five (75) days after the end of the last originally scheduled and untruncated performance period applicable to the Award, unless another period is specified within an Award Agreement.

15. **Tax Withholding.** The Company shall have the right to deduct applicable taxes from any Award payment and withhold, at the time of delivery or vesting of cash or shares of Common Stock under this Plan, an appropriate amount of cash or number of shares of Common Stock or a combination thereof for payment of taxes required by law or to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for withholding of such taxes. The Committee may also permit withholding to be satisfied by the transfer to the Company of shares of Common Stock theretofore owned by the holder of the Award with respect to which withholding is required. If shares of Common Stock are used to satisfy tax withholding, such shares shall be valued as provided in the applicable Award Agreement or as otherwise determined by the Committee.

16. **Amendments or Termination.** The Board may amend, alter or discontinue this Plan, except that (a) no amendment or alteration that would impair the rights of any Participant under any Award that he has been granted shall be made without his consent and (b) no amendment or alteration shall be effective prior to approval by the Company's stockholders to the extent such approval is required by applicable legal requirements or the requirements of the securities exchange on which the Company's Common Stock is listed.

17. **Restrictions.** No shares of Common Stock or other form of payment shall be issued with respect to any Award unless the Company shall be satisfied based on the advice of its counsel that such issuance will be in compliance with applicable federal and state securities laws and the requirements of any securities exchange or transaction reporting system upon which the Common Stock is then listed.

18. **Unfunded Plan.** Insofar as it provides for Awards of cash, Common Stock or rights thereto, this Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants who are entitled to cash, Common Stock or rights thereto under this Plan, any such accounts shall be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets that may at any time be represented by cash, Common Stock or rights thereto, nor shall this Plan be construed as providing for such segregation, nor shall the Company, the Board or the Committee be deemed to be a trustee of any cash, Common Stock or rights thereto to be granted under this Plan. Any liability or obligation of the Company to any Participant with respect to a grant of cash, Common Stock or rights thereto under this Plan shall be based solely upon any contractual obligations that may be created by this Plan and any Award Agreement, and no such liability or obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. None of the Company, the Board or the Committee shall be required to give any security or bond for the performance of any obligation that may be created by this Plan.

19. **Parachute Payment Limitation.** Notwithstanding any contrary provision of the Plan, the Committee may provide in the Award Agreement or in any other agreement with the Participant for a limitation on the acceleration of vesting and exercisability of unmaturing Awards to the extent necessary to avoid or mitigate the impact of the golden parachute excise tax under Section 4999 of the Code on the Participant. In the event the Award Agreement or other agreement with the Participant does not contain any contrary provision regarding the method of avoiding or mitigating the impact of the golden parachute excise tax under Section 4999 of the Code on the Participant, then notwithstanding any contrary provision of this Plan, the aggregate present value of all parachute payments payable to or for the benefit of a Participant, whether payable pursuant to this Plan or otherwise, shall be limited to three times the Participant's base amount less one dollar. The order of such limitation, to the extent necessary, shall be: (a) severance payments; (b) cash payments outside of the Plan; and (c) unvested Performance Awards, in order that this limitation not be exceeded. For purposes of this Section 19, the terms "parachute payment," "base amount" and "present value" shall have the meanings assigned thereto under Section 280G of the Code. It is the intention of this Section 19 to avoid excise taxes on the Participant under Section 4999 of the Code or the disallowance of a deduction to the Company pursuant to Section 280G of the Code.

20. **Code Section 409A Compliance.** The Board intends that any Awards under the Plan satisfy the requirements of Section 409A of the Code and related regulations and Treasury pronouncements ("Section 409A") to avoid the imposition of excise taxes thereunder. If any provision of the Plan or an Award Agreement under the Plan would result in the imposition of an excise tax under Section 409A, that provision will be reformed to avoid imposition of the excise tax and no action taken to comply with Section 409A shall be deemed to impair the rights of any Participant under the Plan or an Award Agreement under the Plan. Any distribution or payment to a Participant identified by the Company as a "specified employee" within the meaning of 409A shall be delayed to the extent required to comply with Section 409A.

21. **Indemnification.** The Company shall indemnify and hold harmless any member of the Board or the Committee and other individuals, including Employees and Directors, performing services on

behalf of the Committee, against any liability, cost or expense arising as a result of any claim asserted by any person or entity under the laws of any state or of the United States with respect to any action or failure to act of such individuals taken in connection with this Plan, except claims or liabilities arising on account of the willful misconduct or bad faith of such Board member, Committee member or individual.

22. ***Right to Employment or Service.*** The granting of any Award shall not impose upon the Company any obligation to maintain any Participant as an Employee or a Director and shall not diminish the power of the Company to terminate any Participant's employment or service at any time.

23. ***Governing Law.*** This Plan and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by mandatory provisions of the Code or the securities laws of the United States, shall be governed by and construed in accordance with the laws of the State of Texas.

24. ***Clawback/Recoupment Policy.*** Notwithstanding any provisions in the Plan or any Award Agreement to the contrary, all Awards and/or amounts payable thereunder, whether in the form of cash or otherwise, shall be subject to potential cancellation, rescission, clawback and recoupment (i) in accordance with the terms of the clawback/recoupment policy adopted by the Company, as such policy may be amended from time to time and/or (i) to the extent necessary to comply with the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and any regulations or listing requirements promulgated thereunder.

25. ***Effective Date of the Amended and Restated Plan.*** This Plan, as amended and restated herein, shall be effective as of the Effective Date, subject to approval of the Plan at the 2023 annual meeting of the stockholders of the Company. If the stockholders of the Company should fail to so approve this Plan on such date, this Plan shall not be of any force or effect and the Prior 2017 Plan shall continue in force and effect.

