



## Compensation Program

### Long Term Incentive Program (LTIP) Policy

#### Definition

A reward system designed to incentivize employees' long term performance. LTIP is in addition to an employee's base salary as part of their total compensation.

#### Purpose

To build an increasingly solid and strong organization and incentivize employees to achieve this. Intentionally, this program is designed for all employees to win together in order for any individual employee to benefit.

#### Eligibility

Selected employees are eligible for annual LTIP per individual Employment Agreement.

#### Company Economics

LTIP eligibility is activated by the organization's operational performance. Minimum Corporate and Department EBITDA thresholds (Earnings Before Interest, Taxes, Depreciation and Amortization; which simplified, is operational earnings) are set by the Directors for the fiscal year March 1 – February 28 and based on monthly and quarterly trends – LTIP is either forecast as active or in-active. When the year-end statements are finalized, Directors will communicate whether the LTIP is active for the department.

*Both the Department and the overall company must reach minimum annual targets for employees to receive LTIP. If the company and/or the department achieves a higher than targeted EBITDA, employees will also benefit.*

#### Structure

Individual LTIP eligibility is calculated as a percentage of base salary (excluding any uplift) and is designed and administered to recognize variables between employees such as level of role and responsibility. Eligibility will be prorated based upon the employees' months of active contribution to the fiscal year.

#### Acres Loyalty and Retention Fund

Acres LTIP is the Acres Loyalty and Retention Fund (RCA), a plan funded by the employer to a custodian (West Coast Actuaries) who advises the trustees and ensures legislative compliance.

The Employer makes annual contributions to the Loyalty and Retention Fund to be held in trust for the eligible employees. Payments are not paid directly to the employee, so are not taxable income

until the employee withdraws funds upon retirement. Contributions to the Loyalty and Retention Fund by the employer do not affect RRSP contribution limits of the employee. Employees enjoy future benefits and peace of mind knowing that all assets of the Loyalty and Retention Fund are protected against potential creditors of the employer. Once the company makes a contribution, the funds are managed by the trustees and not the company.

Terms and conditions of the Acres Loyalty and Retention Fund are subject to individual employee enrollment and fulfillment as well as completion of a Confidentiality Agreement.

## Employee Contribution

Tasks in our everyday function effect EBITDA. Some considerations (not exhaustive) include:

- ✓ Efficient iron utilization to save project costs and reduce rental costs
- ✓ Targeted strategic jobs in strategic regions
- ✓ Innovation – eliminate redundancies and increase efficiencies
- ✓ Avoid re-work – Do it once, Do it right.
- ✓ Meet or beat the project schedule (Labour, Equipment, Material, Subs, Trucking)
- ✓ Underspend on budgets when possible
- ✓ Commit to our Safety Program to reduce costs and penalties
- ✓ Eliminate “because we’ve always done it”, find better ways to do more with less
- ✓ Purchase Strategy:
  - 1) Require a Minimum 3 Prices
  - 2) Bulk purchase, where it makes sense
- ✓ Execute our plans
- ✓ Manage holdbacks and cash flow