



Compensation Program

Short Term Incentive Program (STIP) Policy

Definition:

Also known as a cash bonus, STIP is in addition to an employee's pay 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 STIP per individual Employment Agreement.

Company Economics:

STIP eligibility is activated by the organization's operational performance. Minimum Corporate and 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. If the Company and Department exceed annual targeted EBITDA, a discretionary bonus as defined in your Employment Agreement of the previous fiscal year's earnings will be considered for personnel. Directors will communicate whether the hourly STIP is active after year-end statements are finalized.

Structure:

Individual STIP eligibility is calculated as a percentage of base compensation (whether salary or hourly, excluding any uplift) and is designed and administered to recognize variables between employees such as level of role and responsibility. While an employee may be eligible for up to a set amount, the actual amount received after year end is dependent upon individual employee performance as defined by the Department Director and Company performance review process. Eligibility will be prorated based upon the employees' months of active contribution to the fiscal year. STIP payments are disbursed in two installments: 50% on May 31 and the remaining 50% on August 31, following the applicable fiscal year. In any given year, the employee must be a permanent, active employee on the payment date(s) to receive a payment. An active employee is one who is engaged and participating in tasks and responsibilities related to their role within the organization, either on a project or in the office. This excludes employees on leave. An employee who is no longer actively employed with the Company or who has given notice of termination prior to the payout date will not be eligible to receive a payment.

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