



## SRM Construction Discretionary Bonus Program Policy

### Policy Brief and Purpose:

The intent of the SRM Construction Discretionary Bonus Program is to incentivize employees to work as a team and meet both budget, quality, schedule, and performance goals to potentially increase their compensation up to 20% of their wages or salary earned during the project period.

### Eligibility Criteria:

SRM Construction, Inc. employees who are eligible for this bonus program include salaried management staff and Project Foremen.

Bonuses will be paid to employees actively employed on a project.

- Total bonus compensation (includes discretionary progress bonus and project completion bonus) will range from 0% to 20% of the employee's wages or salary earned during the project period, based on project performance criteria.
  - Schedule
    - Project On or Ahead of Schedule
    - Monthly CPM Updates
    - Weekly Short Interval Schedules
    - Accurate Forecast
  - Budget
    - Subcontractor Buyout and Billing Compliance
    - Change Order
    - Budget Forecast
    - Overall Budget Compliance
  - Safety
    - No Major Incidents
    - Subcontractor Compliance
    - Reporting/Inspection Results
    - Worker/Training and Certification
  - Quality
    - Subcontractor Selection
    - Material Quality
    - Finish Quality
    - General Site Appearance and Organization
  - Performance/Behavior
    - Employee meeting or exceeding expectations with timely attendance and dedication to project success as observed by management team
    - No disciplinary action occurred during period
    - Goals have been set and/or achieved
    - Positive behaviors benefiting company culture



## **Discretionary Bonus Program Policy:**

### Progress Bonus – up to 10% of annual salary

- Paid bi-annually [6-month intervals] after project commencement (e.g. If the project starts in March, the 0% to 10% Base Bonus will be paid in September if project performance criteria is met).
- Project and employee must meet or exceed bonus criteria (bonus may be reduced or issuance may be withheld if project or employee is not meeting the criteria)
- If percentage is reduced at any point, based upon performance, the project team can make up for the reduction by getting the project back into compliance with the project finishing on schedule and on budget.

### Project Completion Bonus – up to 10% of annual salary

- In addition to the initial discretionary Progress Bonus. Project Completion Bonuses will range from 0% of 10%.
- Progress Bonus plus Completion Bonus shall not to exceed a combined 20% unless extraordinary performance was achieved and employee exceeds performance and behavior.
- Completion Bonus to be paid out at project completion (Certificate of Occupancy) if project performance criteria is met; schedule, budget, and quality of project.
- Project Completion Bonuses are discretionary.

The Project Manager and Project Executive overseeing the project will determine the bonus amounts based on the criteria outlined above.

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