

## **Career Ladder**

The company understands that our success is dependent on our employees and KCI wishes to provide mechanisms for recognition. The following employee designations and compensation programs have been established to reward individual achievements and contributions. Furthermore, this policy will provide a defined career ladder so employees can set their professional goals based upon their own personal objectives. As with any company policy, the information below will evolve over time and is subject to modification at the discretion of the Board of Directors.

### **Professional Production Employee Classifications**

#### P1

- Engineering Analyst I
- Receives specific/detailed instructions. Usually has no responsibility for directing others.
- 0-18 months experience

#### P2

- Engineering Analyst II
- Performs routine professional work applying standard techniques, procedures, and criteria in carrying out a sequence of related tasks. Exercises limited amount of judgment. May supervise others.
- 1-4 years experience

#### P3

- Engineering Analyst III
- Experienced analyst. Independently evaluates, selects and applies standard techniques, procedures, and criteria. Typically supervises others.
- 2-6 years experience

#### P4

- Engineer
- A competent professional engineer in all conventional aspects of a specialty. Devises new / alternative approaches and solutions to problems. Typically supervises others.
- 4+ years experience

#### P5-P6

- Engineer / Senior Engineer, PM / Senior PM
- Leads, plans and develops all aspects of projects and/or performs work requiring advanced techniques. Makes decisions independently on problems and methods. Supervises a team. Represents the company in conferences and meetings.
- Approx. 6+ years experience

#### P7-P8

- Senior Engineer, Senior PM, Manager, Officer
- Leads, plans and develops major projects. Directs and important segment of the company. Supervises project managers and has authority over personnel. Makes decisions independently on problems and methods. Represents the company in conferences and meetings.
- Approx. 12+ years experience

## **Career Ladder (continued)**

### **Company Leadership Recognition**

#### Associate

- Prerequisites: professional licensure, one-year minimum tenure with company, participation in Incentive Compensation Plan, executive nomination
- Potential Benefits: auto allowance, possible bonus advance

#### Senior Associate

- Prerequisites: professional licensure, company shareholder, three-year minimum tenure with company, participation in Incentive Compensation Plan, executive nomination
- Potential Benefits: auto allowance, possible bonus advance

#### Principal

- Prerequisites: professional licensure, three-year minimum tenure with company, participation in Incentive Compensation Plan, executive nomination
- Potential Benefits: auto allowance, possible bonus advance

### **Compensation**

- An employee's compensation is based on many factors and can have multiple components. At KCI we consider salary, bonuses, retirement contributions, benefits, etc. all to be part of the overall compensation program. Since we are a business enterprise, we are dependent on the company's revenue and profitability to be able to compensate our employees.
- Setting high goals and exceeding those goals is a crucial step in the company's continuing ability to provide an above average compensation package. These goals include not only items that are easily tracked, like UT, but also items that are less tangible like professional growth and capability. The company's objective is for our graduate engineers to become licensed professionals and for our licensed professionals to become project managers who can build a practice and help the company grow. Your ability and desire to contribute to the growth and leadership of the company is a key component to your compensation progress.

## **Career Ladder (continued)**

### **Compensation (continued)**

#### Salary

- Overlapping salary ranges for each employee classification are established to ensure that the company offers salaries that are externally competitive, internally equitable, flexible enough to cover differences in performance, and commensurate with billing rates. It is the policy of the company to keep these salary ranges confidential.
- Your salary is based on the requirements of your position and the company's evaluation of your qualifications and performance. All adjustments are made on the basis of changes in performance and responsibility. Therefore, it is important to establish and attain career development objectives that coincide with your salary objectives, unless you have no desire to advance.
- The company will conduct an annual review of all salaries and appropriate adjustments will be made. This review will be conducted prior to June 30 and any adjustments will be effective July 1. If considered necessary, the company may choose to review salaries and make adjustments at the beginning of the year. In this special case, salary reviews would be conducted prior to December 31 and any adjustments would be effective January 1.

#### End of Year Bonus Programs

##### *Performance Reward Plan*

- All individuals who are actively employed on December 15, are eligible for this plan
- Based upon individual production, cost reduction, or efficiency resulting in improved company and project performance
- Subject to company profitability

##### *Incentive Compensation Plan*

- Invited employees are eligible for this plan
- Professional licensure and a supervisory position is a prerequisite
- Based upon individual production, cost reduction, efficiency, performance versus established goals, and leadership contribution resulting in improved company and project performance
- Subject to company profitability