

# Compensation Section

## Pay Administration

It is XL Construction's desire to pay wages and salaries that are competitive with other employers in the marketplace in a way that will be motivational, fair and equitable, variable with individual and company performance and in compliance with all applicable statutory requirements.

You are employed by XL Construction and will be carried directly on our payroll. No person may be paid directly out of petty cash or any other such fund for work performed. The only exception to this policy is where a contract relationship exists with a bona fide contractor.

### Basis for Determining Pay

Your pay is influenced by three factors:

1. The nature and scope of the job
2. What other employers pay their employees for comparable jobs
3. Individual performance

### Job Scope

Through a process called job evaluation, the scope, responsibility, impact and required skills and abilities of each job at XL Construction are compared. The result is a relative ranking of all jobs, from high to low. Job evaluation is independent of any employee or his/her performance.

### External Comparability

Once jobs are ranked, jobs are compared with external market data. Each job is assigned a range of pay, including a minimum and a maximum. Periodically XL Construction will examine the market conditions to ensure ongoing comparability. Changes in pay ranges will be made as needed and as the company can afford, to maintain market comparability.

### Individual Pay

Wage and salary increases are based on market rates for each position and company profitability, not length-of-service or cost-of-living.

