

# TEAM LEAD COMPENSATION STRUCTURE

**Summit Digital Solutions, Inc.**

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## 1. PURPOSE AND SCOPE

1. This Team Lead Compensation Structure ("Structure") establishes the comprehensive framework for compensation of Team Lead positions within Summit Digital Solutions, Inc. ("Company").
2. This Structure applies to all Team Lead roles across Digital Transformation, IoT Integration, AI Implementation, and Process Optimization practice areas.

## 2. DEFINITIONS

1. "Team Lead" refers to any employee designated as a technical or operational team leader managing 3-8 direct reports.
2. "Base Compensation" means the fixed annual salary component.
3. "Variable Compensation" includes performance bonuses, project completion incentives, and team achievement rewards.
4. "Equity Compensation" refers to restricted stock units (RSUs) and stock option grants.

## 3. BASE COMPENSATION STRUCTURE

### 1. Salary Bands

- Level TL1 (Associate Team Lead): \$95,000 - \$120,000
- Level TL2 (Team Lead): \$115,000 - \$145,000
- Level TL3 (Senior Team Lead): \$140,000 - \$175,000

### 2. Geographic Differentials

- Tier 1 Markets (NYC, SF, Boston): +15% adjustment
- Tier 2 Markets (Chicago, LA, Seattle): +10% adjustment
- Tier 3 Markets (All other US locations): Base rate

### 3. Experience Multipliers

- 3-5 years relevant experience: 1.0x base
- 5-8 years relevant experience: 1.1x base
- 8+ years relevant experience: 1.2x base

## 4. VARIABLE COMPENSATION

### 1. Annual Performance Bonus

- Target: 15% of base salary
- Range: 0-30% based on performance
- Payment: Annual, March 15

### 2. Project Completion Incentives

- Eligible Projects: >\$500,000 contract value
- Target: 5% of project margin
- Cap: \$25,000 per project
- Payment: Quarter following project completion

### 3. Team Performance Multiplier

- Based on team utilization rates
- 85-90% utilization: 1.0x
- 90-95% utilization: 1.1x
- >95% utilization: 1.2x

## 5. EQUITY COMPENSATION

### 1. Initial Grant

- TL1: 2,500 RSUs
- TL2: 3,500 RSUs
- TL3: 5,000 RSUs

### 2. Vesting Schedule

- 4-year vesting period
- 25% cliff at year 1

- Quarterly vesting thereafter
- Full acceleration upon change in control

### 3. Annual Refresh Grants

- Based on performance and level
- Range: 1,000-3,000 RSUs
- Subject to Compensation Committee approval

## **6. BENEFITS AND ALLOWANCES**

### 1. Technology Allowance

- Annual allowance: \$2,500
- Eligible items: Hardware, software, training

### 2. Professional Development

- Annual budget: \$5,000
- Includes certifications, conferences, courses

### 3. Health and Wellness

- Premium healthcare coverage
- 401(k) matching up to 6%
- Life insurance: 2x annual salary

## **7. REVIEW AND ADJUSTMENT**

1. Compensation reviews conducted annually in Q4
2. Market adjustments evaluated semi-annually
3. Structure reviewed by Compensation Committee annually

## **8. COMPLIANCE AND GOVERNANCE**

1. All compensation decisions must comply with Company's pay equity guidelines
2. Exceptions require approval from:
  - Up to 10%: Department Head

- 10-20%: HR Director
- >20%: CEO

## **9. CONFIDENTIALITY**

1. This Structure is confidential and proprietary to Summit Digital Solutions, Inc.
2. Distribution limited to authorized personnel only

## **10. AUTHORIZATION**

APPROVED BY:

Sarah Blackwell

Chief Operating Officer

Date: December 15, 2023

Director of Human Resources

Date: December 15, 2023