

 <b>DW TOWER, INC.</b>	<b>HUMAN RESOURCES</b>		
<b>SUBJECT</b>  <b>Performance Reviews</b>	<b>ISSUED</b>  03/01/2007	<b>REVISED</b>	<b>NO.</b>  H-313
<b>APPROVED</b> <i>Approved with Policy A-100</i>  President			

**Purpose:** The purpose of this policy is to encourage and support ongoing communication between management and employees that supports high levels of performance, recognizes and rewards good performance, and promotes continuous improvement.

**Scope:** This policy applies to all employees of D. W. Tower, Inc.

**Policy:** Employees of D. W. Tower, Inc will have their performance evaluated following the 90 day Introductory Period, as well as on a regular, semi-annual schedule taking place in January and July.

The performance appraisal provides a means for discussing, planning, and reviewing the performance of each employee.

Regular performance appraisals:

- Help employees clearly define and understand their responsibilities, provide criteria by which their performance will be evaluated, and suggest ways in which they can improve performance.
- Identify employees with potential for advancement within the Company.
- Help managers distribute and achieve departmental goals.
- Provide a fair basis for awarding compensation based on merit.

Appraising performance involves equal opportunity implications. Performance appraisals influence pay, promotions, and transfers, so it is critical that supervisors be objective in conducting performance reviews and in assigning overall performance ratings.

## **Procedure:**

### **Performance Review Schedule**

Performance appraisals are conducted on an annual basis at a minimum. Employees will receive their first formal performance review following completion of their 90 day Introductory Period. Employees will receive a formal performance review annually on or about the anniversary date of their employment with D. W. Tower, Inc. Prior to every performance appraisal, employees will be given the opportunity to evaluate their progress. Merit increases are not guaranteed and are based upon the employee's performance and the Company's performance and financials. A merit increase may accompany a performance review provided the employee's performance and pay level warrant. The amount of increase should be consistent with the approved merit budget.

### **Focal Increase Planning**

Overall merit budget allocations and individual merit increases are planned for and allocated prior to the start of each year in July. The pay increase program is designed to assist D. W. Tower, Inc. management in planning and allocating merit and promotional increases that:

- Reward individual performance,
- Are market competitive,
- Are internally equitable,
- Are comparable with the Company's operating budget,
- Are equitably allocated among individual employees, taking into consideration all available factors at one point in time,
- Reflect meeting and/or exceeding billable time and activities.

### **Performance Reviews - Salary Increases**

Each D. W. Tower, Inc. manager/supervisor is responsible for the timely and equitable assessment of the performance and contribution of his/her employees. A performance review does not always result in an automatic pay increase. The employee's overall performance and pay level relative to his position responsibilities must be evaluated to determine if a pay increase is warranted. Out of cycle pay increases must be pre-approved by the President.

## **Pay Equity Reviews**

A manager may request an analysis of an employee's pay at any time it is deemed appropriate. This request should be made to the Human Resources Department who will review the employee's pay in comparison to other employees in comparable positions.

## **Responsibility**

- The forms provided by Human Resources will be used and the completed evaluation will be retained in the employee's personnel file.
- The performance evaluation will be discussed and signed both by the employee and the manager to ensure that all strengths, areas for improvement and job goals for the next review period are clearly communicated.
- The manager is responsible for completing the pay increase (PAF), obtaining increase approvals, and submitting the approved and final worksheet to Human Resources and Accounting for processing.
- Pay increases must be supported by a performance appraisal for pay change processing. The manager will not discuss any proposed action with the employee until all written approvals are obtained.
- Human Resources will review all pay increase/adjustment requests to ensure compliance with company policy and that they fall within the provided guidelines.

**Anyone found violating any portion of this policy may be subject to disciplinary procedures, up to and including termination.**

This manual and the policies herein are the property of D. W. Tower, Inc. They may be altered or deleted only with the permission of the President.