



MICHIGAN ESOP COMPANY OF THE YEAR- 2003

Company Background

Peter Basso Associates, Inc. (PBA), founded in 1990, is a mechanical and electrical engineering firm located in Troy, Michigan. Our mission is to be "Your Partner in Engineering the Right Building Environment." Our primary clients are architectural firms and building owners in education, healthcare, commercial, retail, & industrial market sectors. We obtained ISO 9001:2000 registration in January 2001.

ESOP

Peter Basso Associates, Inc. Employee Stock Ownership Plan and Trust (ESOP) was established in 1996 with 30% company ownership. Since then, there have been several additional stock purchases until we reached 100% ESOP owned in June 2002. From 1996 to 2001, employees have benefited from our stock growth in value from \$66 to \$330 – about 500%!

Communication

Every month we hold a Town Meeting to share information about financial performance, marketing efforts and successes, and an open forum where employees can initiate a discussion or ask questions on any topic.

Employee Involvement

Employees have the opportunities to participate in a variety of special groups:

Quality Coaches: Some of the duties of our Quality Coach group include orientation of new employees to our company culture, tracking progress on PBA annual goals, scheduling and facilitating Town Meetings, encouraging participation in the PBA mentoring program, and a weekly POW (People of the Week) e-mail to recognize individuals or teams.

P.I.P.'s (Process Improvement Proposals): A P.I.P. is described as "an organized way to make a business decision." Employees are encouraged to think about improvements they can make to the tasks they do every day and submit a plan for implementing the improvement.

Rewards & Recognition: Events in employees lives such as birthday, company anniversary, passing the professional engineer exam, service on a company committee, are recognized through various means from a "Welcome Aboard" card when a new employee begins, to a gift certificate for \$2500 for 10 years' service.

PBA Store: P.I.P.'s and personal goals achieved are rewarded with "Attabucks" which can be exchanged for merchandise at the employee-run company store.

Celebrations: A monthly celebration is held to applaud company achievements such as goals achieved, projects awarded, projects concluded, and awards or registrations received.

PBA's Commitment to Employees

In addition to employees participating in PBA's success through the growth in stock value, we also distribute quarterly bonuses to all employees. Each year we hire an outside firm to conduct an independent employee survey so we can obtain information on how we can be the best place to work, and get input on what employees feel we are doing well or need to improve.

We are committed to developing our staff professionally and providing continual career and education opportunities. As part of professional staff development, all employees are currently enrolled in the International Customer Service Association's program called "Through the Customer's Eyes," with a goal of achieving 100% certification by April 1, 2003.

"Lunch and Learn" sessions on a variety of technical and business topics occur about twice a week on average.

Through PBA's commitment to provide "best tools" to our employees, all computer equipment is upgraded on a three-year cycle.

Our Vision

PBA's vision for the future is to consistently exceed industry average profitability and be recognized as one of the three best mechanical & electrical engineering firms in the Great Lakes region. We also want to be the best place to work, with motivated and engaged employees. We firmly believe that being an ESOP company gives us an advantage in reaching this vision.

Visit our website at www.pbanet.com under "Newsroom" to view our mailer announcing to our clients and vendors that we became a 100% employee owned company through our Employee Stock Ownership Plan. To our employees this signifies the benefits of direct participation in the success of the company. To our clients it represents superior services provided by a dedicated staff of owners.

Our ownership culture demonstrates our strong belief in our people. As owners they have the ultimate motivation to achieve the excellence that is the essence of our company.

We believe that we have scored a triple win – one for our clients, one for our company, and one for our employees.

Very truly yours,

PETER BASSO ASSOCIATES, INC.

Sharon R. Cooper, PHR
Vice President/Director of Finance and Human Resources