

## Director and Executive Compensation

### Director Compensation

#### 2006 Elements

Component	Amount	Method of Payment
Retainer for position	\$18,000.00	Stock of not more than 1,000 shares per year and cash
Per meeting fee	\$1,000.00	Cash
Per Committee Meeting fee	\$500.00	Cash
Annual Chairman fees	Board: \$3,000.00 Audit: \$3,000.00 Compensation: \$2,000.00 Governance: \$1,000.00	Cash
Telephone Meeting	\$500.00	Cash
Reimbursement of travel expenses	Actual Expense	Cash

#### Non-employee Director Compensation and Reimbursement applies to:

Robert Caruso

John Eaves

Derek Johnson

Ronald Johnson - Chairman: Compensation Committee

Rollie Peterson - Chairman: Governance Committee

Jeffrey Smith - Chairman of the Board

Richard Swanson - Chairman: Audit Committee

**ADA-ES, INC**  
**EXECUTIVE COMPENSATION MODEL**

**2005**

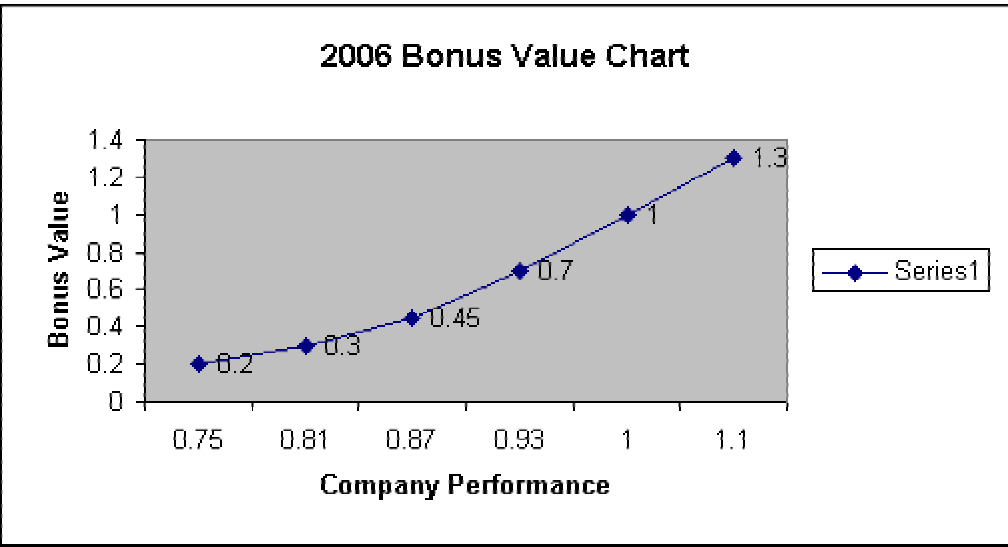
**2006 MEASUREMENT METRICS**

<b>Bonus Metrics</b>	<b>Weighting</b>	<b>Goal</b>
Revenues	40	37% Increase over 2005 revenues
Net Income	20	83% of revenues before profit sharing and investment income
Market Share	15	50% of new commercial ACI awards
Industry Partner Relations	10	Subjective Evaluation
Customer Relations	10	Subjective Evaluation
Stock Price Appreciation	5	25% appreciation - 12-2005 avg. vs. 12-2006 avg.
TOTAL	<u>100</u>	

**BONUS WORKSHEET - FILLED IN AS EXAMPLE FOR 2005 PERFORMANCE**

BONUS METRICS	WEIGHTING	GOAL	Preliminary	Numerical Score 1-5	Weighted Score	% Bonus Earned
Revenues	40	11,363	11,023	4.85	194.1	
Net Income (7% of Revenues before tax)	20	772	9.83	6.40	128	
Market Share	15	15	15	5.00	75	
Industry Partner Relations	10	10	8	5.00	40	
Customer Relations	10	10	10	5.00	50	
Stock Price Appreciation	5	0	-24%	-4.81	-24.1	
<b>TOTAL</b>	<b>100</b>				<b>463</b>	<b>92.60%</b>

2006 Bonus Scale		
	COMPANY PERFORMANCE	BONUS %
PERFORMANCE FLOOR	75.0%	20.0%
1st tier	81.0%	30.0%
2nd tier	87.0%	45.0%
3rd tier	93.0%	70.0%
PLAN	100.0%	100.0%
PERFORMANCE MAX	110.0%	130.0%



1.7  
2.5  
4.2  
4.3  
3.0