



**Field Sales  
Effective Date**

**Plan Objectives:**

1. Attract high-potential sales associates.
2. Retain high-quality sales associates with long-term growth potential
3. Develop and retain long-term customer loyalty
4. Focus on increasing profitable sales
5. Provide outstanding individual rewards for outstanding individual performance

**Company Expectations of all Sales Associates:**

Act as a complete businessperson making the necessary investments in the business to drive sales growth, maximize return on investments, and build the company's market position and profits in a specifically assigned area. Capitalize on the benefits of all investments in your assigned area to enable you to increase your net income.

**Commission Plans:**

Plan A – all sales associates with annualized sales of \$90,000 or greater

Plan B – all sales associates with annualized sales less than \$90,000

Plan C - new sales associates with prior approval of Regional Manager. Regional restrictions apply to use of Plan C.

Plan D - new sales associates

Plan F - new sales associates with prior approval of Division Sales Manager. Divisional restrictions apply to use of Plan F

**Plan A**

Salary, Commission, and Quarterly Growth Incentive Plan

**Base Salary:**

\$1,000.00 per month when annualized sales are \$90,000 - \$300,000

\$ 750.00 per month when annualized sales are \$300,000 - \$350,000

\$ 500.00 per month when annualized sales are greater than \$350,000

Commission Schedule for ***State Chemical*** products:

Level	Annualized Sales Volume	A Products	B Products	Expense Reimbursement
1	\$90,000 - \$120,000.00	16%	6%	Up to 4%
2	\$120,000.01 - \$150,000.00	18%	8%	Up to 4%
3	\$150,000.01 - \$200,000.00	20%	10%	Up to 4%
4	\$200,000.01 - \$250,000.00	21%	12%	Up to 4%
5	\$250,000.01 - \$300,000.00	22%	14%	Up to 4%
6	\$300,000.01 - \$350,000.00	24%	18%	Up to 4%
7	\$350,000.01 - \$400,000.00	26%	20%	Up to 4%
8	\$400,000.01 - \$450,000.00	27%	20%	Up to 4%
9	Greater than \$450,000.00	28%	20%	Up to 4%

Calculating Annualized Sales Volume:

Annualized sales volume is used to determine the Monthly Base Salary to be paid, the Commission Level that monthly commissions will be based on, and the maximum allowable Target Price Adjustments. Annualized sales volume will be recalculated each month, 12 times per year. Annualized sales are based on a 3-month rolling sales total, annualized as follows:

Month 1 net sales \$ + Month 2 net sales \$ + Month 3 net sales \$ = Period net sales \$ total  
 Period net sales \$ total x 4 Quarters per year = Annualized Sales \$  
 Annualized Sales \$ determines Base Salary, Commission %, and Maximum Allowable Price Adjustment.

Price Adjustment Schedule for **Outbound Excellence**:

The Price Adjustment Schedule applies to daily sales transactions. If a customer is willing to commit to a written contract, via a Purchase Order or Signed Contractual Agreement, over an extended period of time, minimum of 1 year, please contact your Area Sales Manager for pricing and commission considerations beyond the scope of the Price Adjustment Schedule below.

Price Adjustment Schedule for **Outbound Excellence** products:

Level	Annualized Sales Volume	Company Share	Sales Assoc. Share	Maximum Allowable Adjustment %	
				A Products	B Products
1	\$90,000 - \$120,000.00	50%	50%	20%	10%
2	\$120,000.01 - \$150,000.00	50%	50%	22%	12%
3	\$150,000.01 - \$200,000.00	55%	45%	24%	14%
4	\$200,000.01 - \$250,000.00	60%	40%	25%	16%
5	\$250,000.01 - \$300,000.00	65%	35%	26%	18%
6	\$300,000.01 - \$350,000.00	65%	35%	28%	22%
7	\$350,000.01 - \$400,000.00	65%	35%	30%	24%
8	\$400,000.01 - \$450,000.00	70%	30%	31%	24%
9	Greater than \$450,000.00	70%	30%	32%	24%

- Price adjustments exceeding the Maximum Allowable Adjustment % shown in the above table must be **pre-approved** by the Area Sales Manager **and** Regional Manager.
- Price adjustments exceeding **twice** the effective commission rate of the sales associate must be **pre-approved** by the Regional Manager **and** Corporate Sales Management.
- Commissions paid on contract pricing cannot exceed the commission level % in effect for the sales associate at the time the contract is entered into with the customer.

**Example – Price Adjustment Schedule:**

Assume Commission Level 4, Column A Products  
 Adjustment % Authority from Target Price:  
 Sales Associate – 0 to 25%  
 Area Sales Manager **and** Regional Manager approval from 25.1% to 50%  
 Regional Manager **and** Executive Vice President, Sales approval > 50%

**Example - Contract Pricing Commissions:**

At the time a contract is signed, assume for the purpose of this example Commission Level 4 with Annualized Sales of \$200,000 - \$250,000. Level 4 commissions = 21%. Maximum commission earned under the contract = 21%. If commission level falls to a lower level the commission level will also default to that level during the term of the contract. If commission level rises to a higher level the commission level will also rise to that level during the term of the contract

Quarterly Growth Incentive for **Outbound Excellence**:

Sales Growth as a % of Sales Growth over Previous Quarter					
Commission Level					Incentive %
1 & 2	3	4	5,6,7,	8 & 9	
5% or more	4% or more	3% or more	2.5% or more	2% or more	2.5% **
4%	3.5%	2.5%	2%	1.75%	2%
3%	3%	2%	1.5%	1.5%	1.5%
2%	2%	1.5%	1%	1%	1%
1%	1%	1%	0.5%	0.5%	0.5%
0%	0%	0%	0%	0%	0%

\*\* Maximum Incentive Potential for Sales Growth

Account Retention as a % of Sales from Existing Accounts	
% of Sales from Existing Accounts	Incentive %
90%	2.5% **
80%	2%
70%	1.5%
60%	1%
50%	0.5%
40%	0%

\*\* Maximum Incentive Potential for Account Retention

- The Quarterly Growth Incentive (QGI) consists of two parts. Both parts are paid quarterly for the quarter in which they were earned in accordance with the above payout schedules.
- The QGI will be paid as a % of total individual commissions earned during the quarter.

**Example:**

Assume Commission Level 3 and sales associate achieves 2.5% sales growth over previous quarter and 90% account retention. Based on this, 2% of the individual's commissions earned in the quarter for Sales Growth + 2.5% of individual's commissions earned in the quarter for Account Retention will be paid as the sales associate's QGI.

- The QGI % is paid on the sales associates combined commission % + actual % of expense reimbursement.

**Example:**

Assume Commission Level 3 at a 20% commission rate + 4% expense reimbursement = 24% effective commission rate for purposes of figuring the sales associates QGI.

- An Existing Account will be defined as an account that purchases a minimum of \$500.00 within the most recent previous consecutive 2 quarters (6 consecutive months) from a single division of the company.
- Incentive payout will be made in the last pay of the month, in the month immediately following the quarter in which the incentive was earned.
- Base salary will not be included when determining total commissions earned for the quarter for the purpose of the payment of the QGI.

**Plan B**

Straight Commission and Quarterly Growth Incentive Plan

Straight Commission Plan **Outbound Excellence** products:

Plan	Annualized Sales Volume	A Products	B Products	Expense Reimbursement
B	Up to \$90,000.00	21%	16%	Up to 4%

Price Adjustment Schedule:

The Price Adjustment Schedule applies to daily transactions. If a customer is willing to commit to a written contract, via a Purchase Order or Signed Contractual Agreement, over an extended period of time, minimum of 1 year, please contact your Area Sales Manager for pricing and commission considerations beyond the scope of the Price Adjustment Schedule below.

Price Adjustment Schedule for **Outbound Excellence** products:

Plan	Annualized Sales Volume	Company Share	Sales Assoc. Share	Maximum Allowable Adjustment %	
				A	B
				Products	Products
<b>B</b>	Up to \$90,000.00	50%	50%	25%	20%

- Price adjustments exceeding the Maximum Allowable Adjustment % shown in the above table must be **pre-approved** by the Area Sales Manager **and** Regional Manager.
- Price adjustments exceeding **twice** the effective commission rate of the sales associate must be **pre-approved** by Corporate Sales Management.
- Commissions paid on contract pricing cannot exceed the commission level % in effect for the sales associate at the time the contract is entered into with the customer.

Quarterly Growth Incentive for **Outbound Excellence**:

Sales Growth as a % of Growth over Previous Quarter	
Plan B	Incentive %
5% or more	2.5% **
4%	2%
3%	1.5%
2%	1%
1%	0.5%
0%	0%

\*\* Maximum Incentive Potential for Sales Growth

Account Retention as a % of Sales from Existing Accounts	
% of Sales from Existing Accounts	Incentive %
90%	2.5% **
80%	2%
70%	1.5%
60%	1%
50%	0.5%
40%	0%

\*\* Maximum Incentive Potential for Account Retention

- The Quarterly Growth Incentive (QGI) consists of two parts. Both parts are paid quarterly for the quarter in which they were earned in accordance with the above payout schedules.
- The QGI will be paid as a % of total individual commissions earned during the quarter.

**Example:**

Assume Straight Commission Rate and sales associate achieves 2.5% sales growth over previous quarter and 90% account retention. Based on this, 2% of the individual’s commissions earned in the quarter for Sales Growth + 2.5% of individual’s commissions earned in the quarter for Account Retention will be paid as the sales associate’s QGI.

- The QGI % is paid on the sales associates combined commission % + actual % of expense reimbursement.

**Example:**

Assume Straight Commission Rate of 21% + 4% expense reimbursement = 25% effective commission rate for purposes of figuring the sales associates QGI.

- An Existing Account will be defined as an account who purchases a minimum of \$500.00 within the most recent previous consecutive 2 quarters (6 consecutive months) from a single division of Outbound Excellence
- Incentive payout will be made in the last pay of the month, in the month immediately following the quarter in which the incentive was earned.

**Plan C**

**Salary and Commission Plan**

Plan C is for newly hired salespeople with approval by the Regional Manager.

Rehires with the company are not eligible to participate in the Plan C Compensation Plan.

Minimum quarterly sales volume levels outlined in the chart below must be met in order to receive a monthly salary.

Base Salary:

Plan C Sales Associates will receive a base salary of \$1,600.00 per month + Up to \$400 expense reimbursement.

Commission Schedule Outbound Excellence products:

MONTH	Monthly Sales Quota	A Products	B Products	Expense Reimbursement
1	> or = \$2,500	8%	4%	Up to \$400.00
2	> or = \$2,500	8%	4%	Up to \$400.00
3	> or = \$3,000.00 & \$8,000 YTD	8%	4%	Up to \$400.00
4	> or = \$4,500.00 & \$12,500 YTD	8%	4%	Up to \$400.00
5	> or = \$6,000.00 & \$18,500 YTD	8%	4%	Up to \$400.00
6	Month 6 Sales \$ Establishes Month 7 Commission Plan	8%	4%	Up to \$400.00
6	< \$7,500 or < \$26,000 YTD			<b>PLAN B IN MONTH 7</b>
6	> or = \$7,500 & \$26,000 YTD			<b>PLAN A IN MONTH 7</b>

**\*\* Plan C Sales Associates will be switched over to Plan A or B on the 1<sup>st</sup> day of the month following the completion of 12 full pay periods**

Price Adjustment Schedule:

The Price Adjustment Schedule applies to daily transactions. If a customer is willing to commit to a written contract, via a Purchase Order or Signed Contractual Agreement, over an extended period of time, minimum of 1 year, please contact your Area Sales Manager for pricing and commission considerations beyond the scope of the Price Adjustment Schedule below.

Price Adjustment Schedule for **Outbound Excellence** products:

Plan	Annualized Sales Volume	Company Share	Sales Assoc. Share	Maximum Allowable Adjustment %	
				A Products	B Products
C	Not Applicable	50%	50%	8%	4%

- Price adjustments exceeding the Maximum Allowable Adjustment % shown in the above table must be **pre-approved** by the Area Sales Manager **and** Regional Manager.
- Price adjustments exceeding **twice** the effective commission rate of the sales associate must be **pre-approved** by Corporate Sales Management.
- Commissions paid on contract pricing cannot exceed the commission level % in effect for the sales associate at the time the contract is entered into with the customer.

Quarterly Growth Incentive:

Plan C sales associates are not eligible to participate in the Quarterly Growth Incentive.

Plan C Guidelines:

- After 12 full pay periods a sales associate will be automatically switched from Plan C to Plan A or B depending on their annualized sales. The switchover will occur on the 1<sup>st</sup> day of the month following the completion of their 12th full pay period.
- Once a sales associates is switched to Plan A or B they will become eligible for participation in the Quarterly Growth Incentive at the start of the first day of the month following the qualifying date for moving to Plan A or B.
- Sales Associates can voluntarily switch from Plan C to B at any time or Plan A after qualifying. In order to switch to Plan A early, the sales associate must achieve annualized sales of \$90,000 based on at least one (1) full calendar month of performance. Voluntary switches must be pre-approved by the sales manager and submitted by the sales manager to the Corporate office no later than 12:00 Noon on the last business day of the month. If the information is not submitted in this time frame the switchover will not occur until the first day of the next month.
- Once a sales associate is switched automatically to Plan A or B or voluntarily switches to Plan A or B they cannot return to Plan C.
- Sales Associate must achieve monthly and YTD sales targets outlined in the chart in order to remain on Plan C. If targets are not achieved sales associate will be automatically switched to Plan B at the start of the next accounting month.

Procedure for calculating Annualized Sales when switching from Plan C to Plan A or B:

***Month One after switch to Plan A & B:***

Net sales in last month on Plan C x 12 = Annualized Sales in 1<sup>st</sup> month on Plan A or B.

***Month Two after switch from Plan C to Plan A or B:***

Net sales in last month on Plan C + Net sales in 1st month on Plan A or B x 6 = Annualized Sales in 2<sup>nd</sup> month on Plan A or B.

***Month Three after switch from Plan C to Plan A or B:***

Net sales in last month on Plan C + Net sales in 1st month on Plan A or B + Net sales in 2<sup>nd</sup> month on Plan A or B x 4 = Annualized Sales in 3<sup>rd</sup> month on Plan A or B.

***Month Four after switch from Plan C to Plan A or B:***

Annualized sales calculation will be consistent with all other Plan A or Plan B participant's using the previous 3 months net sales on Plan A or B.

**Plan D**

Salary up to 9 months plus Commission based on certain qualifying levels of sales volume.

Base Salary:

Part 1 - \$1,000.00 per month. Minimum sales quota levels outlined in the chart below must be met in order to remain on Plan D.

Commission Schedule Outbound Excellence products:

MONTH	Monthly Sales Quota	A Products	B Products	Expense Reimbursement
1	N/A	16%	6%	Up to 4%
2	N/A	16%	6%	Up to 4%
3	> or = \$10,000 for 1 <sup>st</sup> Quarter	16%	6%	Up to 4%
4	> or = \$5,000.00	16%	6%	Up to 4%
5	> or = \$5,500.00	16%	6%	Up to 4%
6	> or = \$6,000.00	16%	6%	Up to 4%
7	> or = \$6,500.00	16%	6%	Up to 4%
8	> or = \$7,000.00	16%	6%	Up to 4%
9	> or = \$7,500.00	16%	6%	Up to 4%
10	Month 9 < \$7,500 = <b>Month 10 Plan B</b>			
10	Month 9 > or = to \$7,500 = <b>Month 10 Plan A</b>			

Price Adjustment Schedule:

The Price Adjustment Schedule applies to daily transactions. If a customer is willing to commit to a written contract, via a Purchase Order or Signed Contractual Agreement, over an extended period of time, minimum of 1 year, please contact your Area Sales Manager for pricing and commission considerations beyond the scope of the Price Adjustment Schedule below.

Price Adjustment Schedule for **Outbound Excellence** products:

Plan	Annualized Sales Volume	Company Share	Sales Assoc. Share	Maximum Allowable Adjustment %	
				A Products	B Products
D	Not Applicable	50%	50%	8%	4%

- Price adjustments exceeding the Maximum Allowable Adjustment % shown in the above table must be **pre-approved** by the Area Sales Manager **and** Regional Manager.
- Price adjustments exceeding **twice** the effective commission rate of the sales associate must be **pre-approved** by Corporate Sales Management.
- Commissions paid on contract pricing cannot exceed the commission level % in effect for the sales associate at the time the contract is entered into with the customer.

Quarterly Growth Incentive:

Plan D sales associates are not eligible to participate in the Quarterly Growth Incentive.

Plan D Guidelines:

- After 18 full pay periods a sales associate will be automatically switched from Plan D to Plan A, or Plan B depending on their annualized sales. The switchover will occur on the 1<sup>st</sup> day of the month following the completion of their 18th full pay period.
- Once a sales associates is switched to Plan A or B they will become eligible for participation in the Quarterly Growth Incentive at the start of the first day of the month following the qualifying date for moving to Plan A or B.
- Sales Associates can voluntarily switch from Plan D to B at any time or Plan A after qualifying with \$7,500 in sales in the month immediately preceding the switch. Voluntary switches must be pre-approved by the sales manager and submitted by the sales manager to the Corporate office no later than 12:00 Noon on the last business day of the month. If the information is not submitted in this time frame the switchover will not occur until the first day of the next month.
- Once a sales associate switches from Plan D to Plan A or B, they cannot return to Plan D.
- Sales Associate cannot switch to Plan C from Plan D.
- Sales Associate must achieve quarterly sales targets outlined in the chart in order to remain on Plan D. If targets are not achieved sales associate will be automatically switched to Plan B at the start of the next accounting month.

Procedure for calculating Annualized Sales when switching from Plan D to Plan A or B:

**Month One after switch to Plan A & B:**

Net sales in last month on Plan D x 12 = Annualized Sales in 1<sup>st</sup> month on Plan A or B.

**Month Two after switch from Plan D to Plan A or B:**

Net sales in last month on Plan D + Net sales in 1<sup>st</sup> month on Plan A or B x 6 = Annualized Sales in 2<sup>nd</sup> month on Plan A or B.

**Month Three after switch from Plan D to Plan A or B:**

Net sales in last month on Plan D + Net sales in 1<sup>st</sup> month on Plan A or B + Net sales in 2<sup>nd</sup> month on Plan A or B x 4 = Annualized Sales in 3<sup>rd</sup> month on Plan A or B.

**Month Four after switch from Plan D to Plan A or B:**

Annualized sales calculation will be consistent with all other Plan A or Plan B participant's using the previous 3 months net sales on Plan A or B.

**Plan F**

Part 1 - Combination salary plus bonus for first 6 months based on certain qualifying levels of sales volume.

Part 2 - Combination salary plus commission for second 6 months based on certain qualifying levels of sales volume.

Base Salary:

\$2,500 per month for months 1-3

\$2,250 per month for months 4-6

\$2,000 per month for months 7-9

\$1,500 per month for months 10-12

Minimum sales quota levels outlined in the Plan F chart must be met in order to qualify for this pay plan.

Commission Schedule for ***Outbound Excellence***:

Month	Monthly Sales Quota	Quarterly Bonus	A Products	B Products	Expense Reimbursement
1	N/A	N/A	N/A	N/A	Up to \$400.00
2	N/A	N/A	N/A	N/A	Up to \$400.00
3	> or = \$12,500.00 for 1 <sup>st</sup> Quarter	\$750	N/A	N/A	Up to \$400.00
4	> or = \$5,000.00	N/A	N/A	N/A	Up to \$400.00
5	> or = \$7,000.00	N/A	N/A	N/A	Up to \$400.00
6	> or = \$8,000.00 (\$20,000 for 2 <sup>nd</sup> Quarter)	\$1,500	N/A	N/A	Up to \$400.00
7	> or = \$8,500.00	N/A	8%	4%	Up to \$400.00
8	> or = \$9,000.00	N/A	8%	4%	Up to \$400.00
9	> or = \$9,500.00	N/A	8%	4%	Up to \$400.00
10	> or = \$10,000.00	N/A	16%	6%	Up to 4% of sales
11	> or = \$10,500.00	N/A	16%	6%	Up to 4% of sales
12	> or = \$11,000.00	N/A	16%	6%	Up to 4% of sales

Price Adjustment Schedule:

The Price Adjustment Schedule applies to daily transactions. If a customer is willing to commit to a written contract, via a Purchase Order or Signed Contractual Agreement, over an extended period of time, minimum of 1 year, please contact your Area Sales Manager for pricing and commission considerations beyond the scope of the Price Adjustment Schedule below.

Price Adjustment Schedule for **Outbound Excellence** products:

Plan	Annualized	Company	Sales	Maximum Allowable Adjustment %	
	Sales Volume	Share	Assoc. Share	A Products	B Products
F	Not applicable	50%	50%	8%	4%

- Price adjustments exceeding the Maximum Allowable Adjustment % shown in the above table must be **pre-approved** by the Area Sales Manager **and** Regional Manager.
- Price adjustments exceeding **twice** the effective commission rate of the sales associate must be **pre-approved** by Corporate Sales Management.
- Commissions paid on contract pricing cannot exceed the commission level % in effect for the sales associate at the time the contract is entered into with the customer.

Quarterly Growth Incentive:

Plan F sales associates are not eligible to participate in the Quarterly Growth Incentive.

Plan F Guidelines:

- After 24 full pay periods a sales associate will be automatically switched from Plan F to Plan A or Plan B depending on their annualized sales. The switchover will occur on the 1<sup>st</sup> day of the month following the completion of their 24th full pay period.
- Once a sales associates is switched to Plan A or B they will become eligible for participation in the Quarterly Growth Incentive at the start of the first day of the month following the qualifying date for moving to Plan A or B.
- Sales Associates can voluntarily switch from Plan F to Plan B at any time or Plan A after qualifying with \$7,500 in sales in 2 consecutive months immediately preceding the switch. Voluntary switches must be pre-approved by the Division Manager and submitted to the Corporate office no later than 12:00 Noon on the last business day of the month. If the information is not submitted in this time frame the switchover will not occur until the first day of the next month.
- Once a sales associate switches from Plan F to Plan A or B, they cannot return to Plan F.
- Sales Associate cannot switch to Plan C or Plan D from Plan F.
- Sales Associate must achieve sales quotas outlined in the chart in order to remain on Plan F. If quotas are not achieved sales associate will be automatically switched to Plan B at the start of the next accounting month.

Procedure for calculating Annualized Sales when switching from Plan F to Plan A or B:

**Month One after switch to Plan A & B:**

Net sales in last month on Plan F x 12 = Annualized Sales in 1<sup>st</sup> month on Plan A or B.

**Month Two after switch from Plan F to Plan A or B:**

Net sales in last month on Plan F + Net sales in 1st month on Plan A or B x 6 = Annualized Sales in 2<sup>nd</sup> month on Plan A or B.

**Month Three after switch from Plan F to Plan A or B:**

Net sales in last month on Plan F + Net sales in 1st month on Plan A or B + Net sales in 2<sup>nd</sup> month on Plan A or B x 4 = Annualized Sales in 3<sup>rd</sup> month on Plan A or B.

**Month Four after switch from Plan F to Plan A or B:**

Annualized sales calculation will be consistent with all other Plan A or Plan B participant's using the previous 3 months net sales on Plan A or B.

### **Compensation Plan General Guidelines:**

1. Base salaries under Plans A, C, D and F will be paid Bi-monthly. ½ of the monthly base salary will be paid on the 15<sup>th</sup> of the calendar month and ½ on the last day of the calendar month.
2. All commissions earned under Plan A, B, C, D and F will be paid semi-monthly and are earned on net sales.
3. An OE accounting quarter begins on the first day of January, April, July, and October.
4. Switchovers from Plan C, D and F to Plan A or B and placement on Plan B from Plan A due to annualized volume that no longer qualifies for Plan A will only occur on the first day of an OE accounting month.
5. Sales salaries will not be paid for unauthorized time off including sick days, vacation days, or personal days.
6. All leave of absence for any reason must be pre-approved. Sales salaries will not be paid during a leave of absence for any reason.
7. All benefits will be per company guidelines.
8. "Third Strike" rule – a sales associate can go from Plan A back to Plan B a total of three times in any 12 month period due to annualized sales falling below the minimum required level of \$90,000.00 to be eligible for Plan A participation. The 3rd time this occurs a sales associate will remain on Plan B permanently regardless of their annualized sales volume.
9. All expense reimbursements will be paid once a month.
10. For compensation plan purposes annualized sales are the higher of either Originated Sales or Delivered-in Sales in the annualization period. Originated and Delivered-in Sales are defined in the Account Sharing Program.
11. To remain eligible for Compensation Plan C, D or F, the Sales Associate must meet or exceed each Sales Quota as outlined. Performance below these quotas will subject the Associate to a move to the Plan B compensation program or dismissal at the company's discretion. There will be no exceptions to the sales compensation plans and their qualifying requirements other than those highlighted below.
  - EXEMPTION GUIDELINES FOR PLAN D AND F:
    - A sales associate may qualify for an exemption to meeting their monthly quota in a given month as follows:
      - No exemptions are permitted during months 1 through 3.
      - If a sales associate does not meet their sales quota during the first quarter, they will be subject to falling to Plan B compensation or dismissal.
      - In months 4-9 under Plan D and month 4-12 under Plan F the sales manager may exempt the sales associate from falling to Plan B one time every 3 months while on the plan
      - No more than one exemption per 3 month period is allowed.
      - An exemption cannot be used in 2 consecutive months.
      - A sales manager cannot use an exemption for moving a sales associate to Plan A at anytime during the D or F program or in the last month of the program for the purpose of moving a sales associate to Plan A when their Plan D or F compensation ends.
    - Sales associate must be employed by the company at the time bonuses are paid to receive any bonus.
    - After 24 pay periods, the Associate will graduate to the appropriate A level compensation program provided they qualify based on their annualized sales volume in Month 12 of the program.
    - Early graduation to Plan A from Plan D and Plan F can only occur after 2 consecutive months of sales exceeding \$7,500.00 and with Division Manager approval.

### **Charge-backs and Reinstatements:**

When a customer is over **90 days** delinquent, from the date of the original invoice, in paying their bill the company will debit (charge-back) the full commission percentage from the sales associate's next pay period until the customer pays the invoice in full. Once the customer pays the invoice in full the commission percentage will be credited back (reinstated) to the sales associate in the first pay period following receipt of the customer's payment. Charge-backs and reinstatements will be made at the commission level in effect at the time the product was shipped and the original invoice generated. Charge-back/Reinstatement Reports will be updated twice a month. If an account is turned over to an agency for collections no commission will be paid on the order.

**Freight Give:**

This is where the sales associate elects to not charge freight to the customer. The company will share the cost of the freight with the sales associate 50/50.

In the case where a customer elects to return product to the company, inbound and outbound freight will be charged to the sales associate, except in those cases where product warranty or product deficiencies have occurred. A sales associate will have 2 business days to resolve any disputes concerning product returns prior to being charged the return freight.

In the case where the company has erred in fulfilling an order the company will absorb the return freight in full.

**Recruiting:**

Outbound Excellence believes that the best people are generally found through referrals from other sales associates. As a result we will pay a recruiting bonus to any sales associate who successfully identifies and helps us recruit a new sales associate. If a sales associate refers someone to the company and we successfully hire the individual we will pay up to an \$800.00 recruiting bonus to the referring sales associate. The bonus will be paid as follows:

- \$100 after the referral completes the FT&D
- \$200 after the referral completes the AT&D
- \$500 after the referral transitions to Compensation Plan A

**Product Give and Personal Purchases:**

Product Give and Personal Purchases is when the company shares in giving a product to a customer at no-charge as an incentive to encourage the customer to purchase a larger quantity of product on their original order or when a sales associate desires to purchase company products for personal use. In order to give a product to a customer the minimum order size for the products the customer is purchasing must be at least \$500.00. For additional product give on the same order beyond the first product give, the order size must increase by an additional \$500.00. The maximum Product Give on a minimum order of \$500.00 is \$75.00. The maximum product give on any order is \$150.00. Product Give and Personal Purchases will be handled the same way. Product Give and Personal Purchases will be charged to the sales associate at a rate equal to 25% of the target price of the specific product and debited against the sales associates' monthly commission.

***Example – Product Give to a Customer:*****Example #1**

Customer Order = \$500.00  
 Maximum Product Give = \$75.00 at Target Price  
 Sales Associates Share = \$25.00  
 Company Share = \$50.00

**Example #2**

Customer Order = \$750.00  
 Maximum Product Give = \$75.00 at Target Price  
 Sales Associates Share = \$25.00  
 Company Share = \$50.00

**Example #3**

Customer Order = \$1,000.00  
 Maximum Product Give = \$150.00 at Target Price  
 Sales Associates Share = \$50.00  
 Company Share = \$100.00

**Sample Fund:**

A fund amount of \$30 per month will be allocated to all Sales Associates that can be used for the purchase of Sample items. The fund will hold a maximum of \$90. The charged amounts for the month will be accumulated for the Sales Associate and will be subtracted from the allocated fund balance. If the calculation yields a positive balance, then the Sales Associate will not be charged for any of the purchases made for the month. If the total of a line item exceeds the fund balance, the Sales Associate will be charged for any and all of those line items.

**Appreciation Items:**

The company believes that it is important to show appreciation to our customers for continuing to use Outbound Excellence as their supplier of choice and to provide continuous awareness of our products and services throughout the customer's organization. The company encourages the use of small appreciation items as a token of appreciation for using our products regularly.

However, under no circumstances should an appreciation item be offered to a customer in exchange for the receipt of an order, or as a condition for purchasing our products. You are required to strictly adhere to customer purchasing practices, policies, and pertinent regulations and laws relative to the purchase and sales of the company's products. It is the personal responsibility of every sales associate to educate themselves on the use of appreciation items and comply with all customer policies, laws, guidelines, and regulations including but not limited to private companies, public companies, governmental agencies at the federal, state, and local levels, non-profit organizations, etc.

The company has made a selection of items to be used in the event the sales associate feels an appreciation item is an appropriate action to thank a customer for selecting us as their supplier of choice. These items are available for all sales associates to purchase at a discounted price through the company. You may place your order for appreciation items through your sales service representative. No special order items will be made available through the company.

Purchased appreciation items may be submitted as an eligible expense item for reimbursement on a sales associates monthly expense report. Credit against commissions can be used as a purchase option for these items. The company will not assume any responsibility for the availability of discontinued items, warranty, and or items purchased by the sales associate from independent sources.

**Benefits Participation:**

1. All sales associates are covered under this program.
2. A sales associate who is employed under Plan C, D, or F and immediately thereafter is qualified under Plan B, will be eligible to maintain company paid medical benefits (at the rate normally charged to sales associates) up to a maximum of 3 additional months while employed under the Plan B. Thereafter, they will be required to pay the insurance rate to maintain benefits.
3. A (current) sales associate who transfers onto Plan B as of \_\_\_\_\_ will be eligible to maintain medical benefits (at the rate normally charged to Plan A sales associates) up to a maximum of 9 additional months while employed under Plan B. Thereafter, they will be required to pay the COBRA rate to maintain benefits.
4. A sales associate who ceases to qualify for Plan A and is transferred from Plan A to Plan B will be eligible to maintain medical benefits (at the rate normally charged to sales associates) up to a maximum of 6 additional months while employed under Plan B. Thereafter they will be required to pay the COBRA rate to maintain benefits.
5. A sales associate who transfers from Plan A to Plan B 3 times within a 12 month period will not be eligible to maintain medical benefits without paying the insurance rate. This shall be effective immediately upon the sales associate's transfer to Plan B for the 3<sup>rd</sup> time during the 12 month period. (the "third strike" rule also provides that an individual will be barred from being eligible to move back up to Plan A without the requisite written approvals. A termination and rehire of the same individual will not restore eligibility.

The company reserves the right to provide additional notification under this plan, however, such notice is deemed to have been provided to all sales associates upon their becoming a part of the sales compensation plan.

**Shared Sales Credit and Commissions Program through Customer Partnerships****Objective:**

The primary objective of this program is to maximize the cooperative efforts of Outbound Excellence sales associates through account sharing. The program provides opportunities for all sales associates to grow their compensation by introducing the other division's sales associate into their accounts. The result will be increased penetration of existing accounts, which is a key element for long-term growth and success for all sales associates.

## Guidelines:

### General:

- All sales associates retain their complete list of “assigned/owned” accounts as of program implementation
- If a customer already exists at Outbound Excellence and it is assigned to an active sales associate, then this would be a shared situation when a sales associate from the other division sells that customer. However, if the customer exists in both divisions and a different active sales associate is assigned to the account then this situation will not be a sharing one

### Commission Sharing:

- A shared commission will be paid to:
  - Originating sales associate – sales associate facilitating entry of other division into their active account
  - Delivered-in sales associate – sales associate providing product/service
- An order will be classified as either:
  - OS – originated sales/commission credit
  - DS – delivered-in sales/commission credit
  - RS – regular sales; not a sharing situation
- Originating sales associate owning the active account and making the introduction of their divisional partner receives **20% of their normal commission and full sales credit**
- Delivered-in sales associate providing the product/service **receives 80% of their normal commission and full sales credit**
- Commissions are paid when the divisional partner’s (delivered-in sales associate) sales are shipped and billed
- Delivered-in sales associate is strictly limited to selling only products in their line that the originating sales associate does not carry in their product line. The originating sales associate does not have to have sold a particular product in the account as yet to own all of the product in their line in that account.
- If any price adjustment is made in accordance with the standard price adjustment schedule, the adjustment rate used is that of the delivered-in sales associate for both partners commission calculation
- Charge-backs and reinstatements will be shared between originated and delivered-in sales associate at the same rate as the shared commission percentage received
- If a sharing situation exists and one sales associate terminates, the remaining sales associate becomes the originating sales associate on all future orders

### Sales Credit:

- Sales credit equal to the total sales dollars shipped and billed into the shared account will be credited to both the originating sales associate (OS) and the delivered-in sales associate (DS)
- Each month the higher of the two sales totals [originated sales (OS) + regular sales (RS) ] or [delivered sales (DS) + regular sales (RS) ] of a sales associate will be used to determine annualized sales for monthly compensation plan and commission levels
- The higher of the two annual sales totals [OS+RS] or [DS+RS] of a sales associate will be used to determine year-end sales achievement award categories
- Expense reimbursement should be calculated based on the total of delivered sales and regular sales (DS+RS)