



LEADERS HOLDING CO.TM

Est. 1971

Sales Team Compensation Plan

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Pay Rates & Schedule

Leader's Casual Furniture® has a bi-weekly pay schedule. You will receive a paycheck (either direct deposit or via pay card) every other week. Commission Reports are run weekly and then combined at the end of the two week pay period. Pay periods begin on a Monday and end on a Sunday & are paid out on the Thursday following the end of a pay period.

Commission is only paid on invoices that have been delivery updated. Leader's Casual Furniture® does not pay commission on written sales. Invoices delivered during a pay period will be a part of the respective pay periods' paycheck. It is imperative that you maintain your open orders to be sure that invoices are updated for merchandise received by the customer. This includes at home deliveries, merchandise shipped out of a Leader's delivery zone, customer pick-ups, etc.

Commission pays by line item on the invoice.

For information regarding Holiday Pay and Paid Time off, please refer to the Leader's Casual Furniture® handbook that you received or contact Human Resources.

New Sales Professional Pay

New Sales Professional Pay Plan		
Pay Period	Rate	Commission
1	\$16.00	Per Commission Table
2	\$15.00	Per Commission Table
3	\$14.00	Per Commission Table
4	\$13.00	Per Commission Table
5	\$12.00	Per Commission Table
6	\$11.00	Per Commission Table
7	\$10.00	Per Commission Table

New Sales Professionals will be provided with a base hourly rate per pay period and are also eligible for day one commissions after completion of the Leader's Essentials Workbook. Upon completion of Pay Period 7, the Sales Professionals pay will be as illustrated in the Team Member Pay Table below.

Team Member Pay Table

Team Member Pay				
Title	Rate	Commission	Override	Bonus
Sales Professional (Full Time and Part Time)	\$10.00/ hour	Per Commission Table	N/A	Per Monthly Accelerator
Showroom Manager	\$500/ week	Per Commission Table	Per Override Program	Per Override Accelerator & Per Bonus Program

Commission

Commission pay can be very exciting! A job that has commission as part of its pay allows you to make your own opportunity for income. The harder you work, the more you learn, the more passion you put into your presentation, the more you will earn. If you focus on the customer and trying to solve their needs rather than sell them, you will have a fun successful career on commission sales.

Commission Table

Commission Rates		
Category	Residential	Commercial/Designer
Sales - Product	3%	1.5%
Delivery – Leaders Delivery Truck	10%	10%
Fabric Protection	15%	13.5%
Fabric Protection Plus	15%	13.5% (Designer Only)

Fabric Protection is available to sell to any Commercial customer but will not be warrantied per the Terms of Service section of the plan.

Monthly Accelerator Bonus

Individual Sales Professionals will qualify for the Accelerator Bonus based on the chart below when monthly “Invoiced Sales” volume of over \$60,000 is obtained. Monthly Sales Volume includes commission eligible invoices that have been paid in full, fulfilled and billed during the calendar month for the primary salesperson. Monthly Sales Volume includes Product Sales, Delivery & Protection Sales; tax and shipping are not included.

The Accelerator Bonus will be paid out to the Sales Professional within two pay periods following the end of the month. Sales Professional must be employed at the time of payout to qualify for the Monthly Accelerator Bonus.

Accelerator Table

Invoiced Sales Volume	Accelerator Percentage
\$50,000 - \$59,999	0.25%
\$60,000 - \$74,999	0.50%
\$75,000 – \$99,999	1.00%
\$100,000 – \$129,999	1.75%
\$130,000 - +	2.75%

Manager Override (beginning 1/1/2023)

Showroom Managers are paid an override on orders in which the salesperson is their direct report; regardless of showroom location. Override eligible orders include all commission eligible invoices that have been paid in full during the pay period. Override pay is equal to 1% of invoiced total including Product, Delivery & Protection Sales. Tax, shipping and labor charges are not included.

Manager Accelerator Bonus (beginning 1/1/2023)

Showroom managers must be managing the showroom for the full calendar month to qualify for the Accelerator Bonus.

Showroom Managers will earn an Accelerator Bonus based on the chart below when monthly volume of over \$150,000 is achieved. Monthly Volume includes commission eligible invoices that have been paid in full during the calendar month in which the salesperson is the showroom manager or any of their direct reports. Monthly Volume includes Product, Delivery & Protection Sales. Tax, shipping and labor charges are not included.

Accelerator Bonus Table

Monthly Volume	Accelerator Percentage
\$150,000 - \$174,999	0.10%
\$175,000 - \$199,999	0.25%
\$200,000 – \$249,999	0.50%
\$250,000 – \$299,999	0.75%
\$300,000 - \$399,999	1.00%
\$400,000 - \$499,999	1.25%
\$500,000 +	1.50%

Showroom Managers are paid a bonus on orders in which the salesperson is their direct report; regardless of showroom location. Bonus eligible orders include all commission eligible invoices that have been paid in full during the calendar month. Bonus pay is equal to the earned Accelerator Percentage times the invoiced total including Product, Delivery & Protection Sales. Tax, shipping and labor charges are not included.

Manager Accelerator Bonus's will be paid out to the Showroom Manager within two pay periods following the end of the month. Showroom Manager's must be employed at the time of payout to qualify for the Manager Override Accelerator Bonus.

Solution Center Team Member Commission

Solution Center Team members are paid at an hourly rate and are not eligible for Sales Contests. Sales generated out of the Solutions Center by a Solutions Center Team member do qualify for commission for the team member.

Pulling/Losing Commissions

Leader's Casual Furniture® understands that mistakes will be made from time to time. During your first 90 days we will work with you - train and forgive errors while you get up to speed. After that, it is reasonable to expect a sales team member should have an accurate understanding of a policy or procedure. When a sales team member is repeating the same mistake after coaching and training, it may be necessary for the sales team member to share in the cost incurred from the error by losing commission on a sale. Some examples of when this will occur after your first 90 days:

- ✓ Balances are not collected on an invoice and items have been delivered
- ✓ Sales Tax is not collected on an invoice
- ✓ If Finance does not cover the balance of a customer's account and no other method of payment has been collected to cover the full balance
- ✓ If a customer is misquoted or under charged
- ✓ Wrong product is special ordered and new product must be reordered
- ✓ Sales are canceled and rewritten to qualify for sales contests
- ✓ Free delivery on sales types that include "Delivery on a Leader's Truck" without prior knowledge of Sales Leadership
- ✓ Selling non-qualified Contract & Designer Sales

PTO / Vacation Pay Table

PTO/Vacation Pay	
Title	Compensation
Sales Professional (Full Time and Part Time)	\$15.00/ hour
Assistant Showroom Manager	\$15.00/ hour or Current Pay Rate
Showroom Manager	\$15.00/ hour + Salary + Override

Covering Another Location Pay

Covering another location should be an exciting time where one gets to further their skills, interact with other team members within the company and build professional relationships. In order to keep the focus on all these positive aspects, for team members that attend ongoing training or assist in covering another location, additional compensation will be offered to ensure financial stability. This is a lump sum payment that is based on actual clock-in and clock-out times that is paid as a commission payment (this does not go toward overtime or the PTO rate calculation).

Additional Compensation: Team Members will receive all commissions earned while making sales at the coverage location. Team Members have the option to be paid mileage or drive time to the location they are covering. The Team Member will be paid for one or the other, not both. The mileage reimbursement policy applies.

Team members who have completed 90 days of employment who cover a location they are not normally assigned to will receive the store coverage pay for each day they are away from their location.

Please note that the mandatory sales and managers' action committee meetings do not qualify for this program.

Store Coverage Pay Table

Store Coverage Pay	
Title	Compensation
Sales Professional (Full Time and Part Time)	\$15.00/ hour
Assistant Showroom Manager	\$15.00/ hour or Current Pay Rate
Showroom Manager	\$15.00/ hour + Salary + Override

Add On Sales

You have the most opportunity to add value to your customer's experience and to put money in your pocket by selling Delivery, Fabric Protection, & Fabric Protection Plus.

Delivery not only guarantees that the product will arrive at the customer's home un-damaged and set up by our Delivery Specialists, but also saves you and the customer the hassle of transporting the goods to your store and then to the customer's home when they pick it up. This is time consuming and exposes the goods to more opportunity for damage.

Fabric Protection is an investment by the customer to protect their furniture, not only making cleaning easier, but guaranteeing that we will cover the cleaning or replace the cushioning if stains occur.

Fabric Protection Plus offers the customer additional coverage above and beyond a manufacturer's warranty. The most exciting part about this accident forgiveness program is Leader's Casual Furniture® gets to make the final decision on helping the customer.

Sales Contests

Sales contests are a great way to increase your pay as well as your knowledge and ability to sell a wide range of Leader's products and services. Sales contests vary in length and the spiff is determined by sales management and the partnering vendor, if any. Any current part time or full-time employee at the end of the contest period will be paid the spiff earned for that contest.

- ✓ Sales Contests do not pay immediately after closing. The contest winnings are awarded after final calculations have been reviewed and the funds are received from the entity sponsoring the event.
- ✓ Contests sponsored by Leader's:
 - Awards will be included in your normal pay checks and all applicable taxes, benefits and garnishments will be deducted.
- ✓ Contests sponsored by vendors:
 - Vendors will choose their own method of distributing winnings.
 - Earnings from contests that are not included in your regular paycheck have not been taxed, garnished nor had benefits deducted. It is the team member's responsibility to claim these earnings appropriately at the end of every tax year.
- ✓ Past employees who were employed at the end of the contest will be paid earned awards.

Termination

Term of Full Notice	
Sales Associate	2 Weeks
Assistant Sales Manager	3 Weeks
Sales Manager	3 Weeks

Voluntary: WITH Full Notice

What will be paid	How Long
Personal Delivered Commissions	90 days after termination
Override (if applicable)	Through last day worked
Salary (if applicable)	Through last day worked

Voluntary: WITHOUT Full Notice

What will be paid	How Long
Personal Delivered Commissions	Through last day worked
Override (if applicable)	Through last day worked
Salary (if applicable)	Through last day worked

Involuntary: Misconduct, performance, not including theft

What will be paid	How Long
Personal Delivered Commissions	90 days after termination
Override (if applicable)	Through last day worked
Salary (if applicable)	Through last day worked

Involuntary: Theft, mishandling of funds, mishandling of merchandise, harassment

What will be paid	How Long
Personal Delivered Commissions	Through last day worked
Override (if applicable)	Through last day worked
Salary (if applicable)	Through last day worked