

Sales Commission and Incentive Plan (FY26)

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Department: Sales, Finance

1. Objective

To motivate high-performance sales teams by offering a competitive, transparent, and results-driven compensation plan focused on achieving Annual Recurring Revenue (ARR) targets.

2. Sales Executive (AE) Compensation Structure

| Component | Metric | Calculation | Notes |
|--------------------------|--|---|--|
| On-Target Earnings (OTE) | Base Salary + Target Commission | 50% Base / 50% Commission (Industry Standard) | |
| Commission Rate | New ARR Booked (Closed Won) | 10% of New ARR | Applied to Year 1 Revenue only. |
| Quota Accelerator | Performance > 100% of Quarterly Quota | 15% Commission Rate | Applies retroactively to all ARR once 100% is hit. |
| Renewal Commission | Renewal of Existing ARR | 3% of Renewed ARR | Paid annually upon contract signature. |
| Expansion/Upsell | New ARR from existing accounts (first 18 months) | 5% of Expansion ARR | Decreases to 3% after 18 months. |

3. Sales Development Rep (SDR) Incentive Plan

SDR compensation is tied to quantifiable pipeline generation and quality.

- **Fixed Bonus:** AED 1,000 for every **SQL (Sales Qualified Lead)** passed to an AE that is

accepted (does not require AE to close the deal).

- **Performance Bonus: AED 5,000** bonus for every SQL that progresses to **Stage 3 (Negotiation)** in the CRM.

4. Payment Schedule

Commissions are calculated monthly and paid out in the subsequent pay cycle (Net 30). Commission payments are contingent upon the client's initial payment being received by NexaCore Finance.

5. Draw and Clawback Policy

- **Draw:** Not applicable. All commission is strictly performance-based.
- **Clawback:** Commissions paid on ARR for contracts that are terminated by the client for convenience or non-payment within **6 months** of the contract start date will be clawed back from the AE's subsequent commission payments.