



SEIZE
THE POSSIBILITIES

2016

IC ELIGIBILITY DOCUMENT

2016 IC Eligibility, Sales Bulletin #1, January 7th, 2016

Amended April 1st, 2016 with §1.3, New Hire Eligibility (originally published separately)

Amended July 8th, 2016 with §7-8, detailing Job Share and Transfer/Promotion Eligibility to Annual Awards & President's Club

2016 IC ELIGIBILITY

1. New Hires:

1.1 TBM Criteria: Successful New Hire Training Criteria to be Met by Territory Business Managers (TBMs), prior to initial Incentive Compensation (IC) or New Hire Training Bonus (NHTB) payout:

- Successful completion of New Hire Training Phase I
 - Pass all quizzes per established passing criteria during the training process
 - Complete all assigned eCampus and OWL modules by deadlines
 - Successfully complete assigned QStream questions by deadlines
- Meet all DBM objectives
- Approval from District Business Managers (DBM) and Regional Business Directors (RBD)

1.2 2015 New Hires (August 29-December 10, 2015):

1.2.1 District Business Managers, Regional Business Directors, rehired Territory Business Managers and Managed Markets Field Associates on IC: Associates employed by the 10th day of their first month are immediately eligible to earn IC (e.g., if hired 1/11-2/10, IC Eligibility would start for February at 100%).

1.2.2 Territory Business Managers: New Hire Training Bonus (NHTB) applies to all 2015 Hires, hired August 29-December 10, 2015.

- For 2016, all TBMs hired by 10/10/15 are fully eligible for 2016 IC.
- For those hired October 11 through November 10, 2015, IC Eligibility will begin in February 2016. Q1-2016 IC Eligibility will be prorated to 66.7% of Q1 Territory Earnings.
- For those hired November 11th through December 10th 2015, IC Eligibility will begin in March 2016. Q1-2016 IC Eligibility will be prorated to 33.3% of Q1 Territory Earnings.

New Hires At A Glance

PRIOR TO EARNING YOUR FIRST IC PAYOUT – YOU NEED TO...

COMPLETE PHASE 1 TRAINING



MEET DBM OBJECTIVES



DMB & RBD APPROVAL

Hire Date	IC Eligibility	NHTB I	NHTB II	Initial IC Eligibility
8/11/15 – 9/10/15	Dec'2015	Dec'2015	Mar'2016	33% Eligible for Q4'15 (Paid Mar'2016)
9/11/15 – 10/10/15	Jan'2016	Dec'2015	Mar'2016	100% Eligible for Q1'16 (Paid Jun'2016)
10/11/15 – 10/31/15	Feb'2016	Dec'2015	Mar'2016	67% Eligible for Q1'16 (Paid Jun'2016)
11/1/15 – 11/10/15	Feb'2016	Mar'2016	Jun'2016	67% Eligible for Q1'16 (Paid Jun'2016)
11/11/15-12/10/15	Mar'2016	Mar'2016	Jun'2016	33% Eligible for Q1'16 (Paid Jun'2016)

2016 NEW HIRE IC ELIGIBILITY

1.3 New Hires (December 11, 2015 or later): All Field Associates –Sales and Managed Markets –employed on or before the 10th of the month are eligible to receive IC for that month of service; if hired on the 11th or later in a month, associates are eligible to receive IC for the following month of service (e.g., if hired 1/11-2/10, IC Eligibility would begin in February; Q1 eligibility would be at 66.7%).

1.3.1 New Hire IC Program: The New Hire IC Program balances appropriate training focus with performance earnings opportunity in the new assignment. The New Hire IC Program remains in effect through the first full performance quarter (see table below), and provides an earnings range of 75-125% of target (for the portfolio); subject to eligibility pro-rata. The New Hire IC Program encourages performance, while limiting risk due to “inherited” local trends.

The New Hire IC Program will apply as detailed in the following table:

HIRE DATE	PERFORMANCE PERIOD	INITIAL QUARTER IC ELIGIBILITY	FIRST IC PAYMENT	TIME TO FIRST IC PAYMENT	RANGE APPLIED FOR PERIODS*
12/11–1/10	Q1	100%	June	5–6 Months	Q1 Only
1/11–2/10	Q1	67%	June	4–5 Months	Q1 & Q2
2/11–2/10	Q1	33%	June	3–4 Months	Q1 & Q2
3/11–4/10	Q2	100%	September	5–6 Months	Q2 Only
4/11–5/10	Q2	67%	September	4–5 Months	Q2 & Q3
5/11–6/10	Q2	33%	September	3–4 Months	Q2 & Q3
6/11–7/10	Q3	100%	December	5–6 Months	Q3 Only
7/11–8/10	Q3	67%	December	4–5 Months	Q3 & Q4
8/11–9/10	Q3	33%	December	3–4 Months	Q3 & Q4
9/11–10/10	Q4	100%	March	5–6 Months	Q4 Only
10/11–10/10	Q4	67%	March	4–5 Months	Q4 & Q1'17
11/11–12/10	Q4	33%	March	3–4 Months	Q4 & Q1'17

*IC Earnings Range 75%-125% of IC Target subject to eligibility pro-rata.

Note: The treatment of the New Hire IC Program payouts relative to the Annual Award's Program is clarified in §8.3.

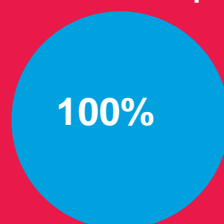
Example: A New Hire on 2/4/16 in a territory that performs at 130% of total (portfolio) earnings in the period of the New Hire IC Program will be paid at 125% of target earnings for the applicable quarter(s) times 67% eligibility for Q1 (125% Max Earnings times 67% Eligibility = 83.75% of Target for Q1); Q2 Earnings would be 100% Eligible, capped at 125% of target earnings. Similarly, a New Hire on 2/15/16 in a territory that performs at 58% of total (portfolio) earnings in his/her first performance quarter will receive 75% of target earnings for that quarter times 33% eligibility for Q1 (75% Min Earnings times 33% Eligibility = 24.75% of Target for Q1). All Payouts are subject to eligibility pro-rata.

If Hired
By:



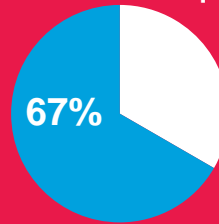
Eligible for:

The 10th of the
1st Month of the quarter



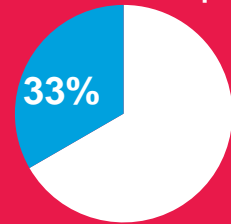
100% of IC

The 10th of the
2nd Month of the quarter



67% of IC

The 10th of the
3rd Month of the quarter



33% of IC

2016 IC ELIGIBILITY

2. In-Role Promotions: IC Earnings Targets are based on position and level (e.g., TBMI to TBMII, or DBMI to DBMII). For promotions within assignment, an associate's IC Earning's target will be based on his/her ending position for the Performance Period.

3. Transfers & Promotions: Associates transferred to new assignment within role, or promoted to new field position outside of current role during a performance period will have his/her IC Earnings prorated in each assignment, based on whole months. That is, action dates on or before the 10th of a month will be paid IC in the new assignment for that month. For example, a Transfer/Promotion with a February 9th effective date will earn 33.3% of the Q1 IC on the originating assignment and 66.7% of the Q1 IC on the new assignment.

4. Termination: Field Personnel must be actively employed and in good standing through the last day of the IC performance period, in order to receive IC (including MBO portions) for that period. That is, employment in good standing through March 31st is required for Q1 IC Eligibility; through June 30th for Q2; through September 30th for Q3; and, through December 31st for Q4.

4.1 Retirement: IC Earnings for associates who retire are prorated through the last full month of active employment.

5. Violations : Field Personnel who are determined to be in violation of the company's sales or compliance policies, including under the Abuse and Diversion Detection Program, may be deemed ineligible, in full or part, for quarterly IC or for Awards for the next available IC or contest period. In determining the portion of any such reduction, the nature and frequency of violation(s) may be considered. In the event that a review of a potential violation is ongoing, IC Earnings may be withheld, pending final determination of eligibility. For Awards programs, winning associates must be employed and in Good Standing, during the Performance Year, up through and including Trip or award redemption.

6. Leave of Absence (LOA) and Time-off-Territory:

6.1 Medically Certified Disability: Field Personnel who are out of Territory, due to Company-approved, medically certified disability will remain 100% IC Eligible for a maximum of 90 calendar days, in a rolling four quarter measurement period, reviewed at the end of each calendar quarter. (e.g., April 1st, 2015-March 31st, 2016, for Q1'2016 IC Eligibility). No IC will be paid for periods of absence beyond 90 calendar days. Field personnel will not be eligible for IC during periods of absence for other reasons.

6.1.1 Family Medical Leave Act (FMLA): Family Medical Leave Act absences, other than for an employee's own medically certified leave, are considered non-medically certified leaves.

6.2 Non-Medically Certified Disability: IC will be calculated at 0% Eligibility for any period of unpaid leave, including leave for childcare purposes. However, substitution of Paid Leave (e.g., vacation, Childcare Leave for Birth or Adoption or Adoption Leave for Primary Caregiver) will be calculated at 100% Eligibility.

6.2.1 Example: *Following childbirth, a Field Associate will be considered to be on medically certified leave up until the day that a physician deems her able to return to work and IC will be paid pursuant to §6.1 above. Pursuant to §6.2, any absence following this time for childcare purposes will be considered non-medically certified leave and paid at 0%, unless the individual is using paid leave which will be paid at 100%.*

6.3 Other Time-Off-Territory: Field Associates out of territory, due to sick and/or personal time, for more than 10 workdays within a specified IC performance period (quarter)(excluding periods of medically certified disability leave), will lose one month of IC Eligibility (retaining 66.7% for quarter) for that performance period. Should this time extend for more than 30 workdays, the associate will lose a second month of IC Eligibility (retaining 33.3% quarterly IC Eligibility), and if the time out extends more than 45 workdays, then the associate will lose a third month of IC Eligibility (0% quarterly IC Eligibility).

6.3.1 Example: *A Field Associate who takes 11 sick days in the same quarter (which is not medically certified) will be prorated to 66.7% Eligibility for his/her quarterly IC.*

2016 IC ELIGIBILITY

7. Job Shares: Field Associates in an approved Job Share assignment, shall be eligible for incentive earnings prorated based on the percentage of time in territory up to a maximum of 60% for the duration of their Job Share designation. Additional prorations, due to §6 Leaves of Absence and §5 Violations, may further reduce incentive eligibility.

8. President's Club/Awards Eligibility: Field Associates must be employed and in good standing for the performance year, up to and including the Award trip date (Spring 2017) to participate in President's Club, or other Sales Awards. For the 2016 President's Club Award, field associates must be hired on or before April 1st, 2016 to participate. Field associates (Sales or Managed Markets) must also be active in the field for 150 business days. Leaves of Absence (LOAs), as defined under §6, are not considered active periods in assignment.

8.1 President's Club Pools: President's Club Pools (e.g., Butrans Lead TBMs, or ATBMs, etc.) require associate to be active in the winning Sales assignment (or a Managed Markets Field Associate) for 8 calendar months. Performance metrics will be based on the full-year performance of that assignment.

8.2 Transfers & Promotions: Those not meeting the 8 month-in-assignment rule (§8.1) may compete in a separate pool of transfer associates, provided they meet eligibility criteria (§8) and complete their starting assignment in the top 50% of the pool (e.g., a Butrans lead TBM transferring in June may compete in the transfer pool upon meeting §8 eligibility and finishing June YTD, from the Butrans pool, at a national rank of 101 or better – 50th percentile). Performance, for these associates, will be normalized quarterly and prorated across assignments (each quarter's performance will be based solely on the assignment held for the preponderance of the performance quarter).

8.3 New Hire Bonus Program: Award rankings that are based on Earnings will consider earnings before New Hire Bonus adjustments are applied. That is, any adjustments (positive or negative) to territory earnings due to the New Hire Bonus Program (§1.3.1) will not be applied to award rankings, including President's Club.

9. Sales Contests: Eligibility for Individual Sales Contests will be governed separately.

10. Governance: The Company reserves the right to modify, interpret or amend eligibility rules at its sole discretion.

