



COMMISSION PLAN WITH A GUARANTEED DRAW

COMMISSION EARNED AND DRAW

You are paid on a commission basis with a guaranteed draw. At the end of the commission period, your commissions will be added up and your base pay (DRAW) deducted. The commission portion of your pay will be the difference. If your base pay is higher than your earned commission, you will be paid your base pay only. Bonuses for "CLEARANCE" items sold count toward your commission earned. You will not be paid CLEARANCE BONUS if your CLEARANCE BONUS plus sales commission do not total higher than your draw.

Example: \$1,500.00 sales commission + \$300.00 clearance bonus = \$1,800.00 commission earned. If your draw is \$2,000.00, you will be paid only your draw.

Example: \$1,500.00 sales commission + \$600.00 clearance bonus = \$2,100.00 commission earned. If your draw is \$2,000.00, you will be paid \$100.00 commission in addition to your draw.

COMMISSION RATE CALCULATION

You are paid on a sliding scale based on your AVERAGE DAILY NET GROSS PROFIT DOLLARS for the commission period. AVERAGE DAILY NET GROSS PROFIT DOLLARS is calculated by dividing your NET GROSS PROFIT for the commission period by the number of REGULAR SHIPPING DAYS in the commission period.

REGULAR SHIPPING DAYS are defined as any weekday (Monday through Friday) that our main shipping agent maintains a normal delivery schedule. You earn a percent of NET GROSS PROFIT DOLLARS for the commission period. This percentage is calculated as explained on the attached sheet.

NEW ACCOUNT EXECUTIVE RAMP

To help you "ramp up" your account base as a new Account Executive your base payout level will be 15% during the first 6 months.

EXPLANATION OF INCREASES IN PAYOUT LEVELS BASED ON LENGTH OF SERVICE

Your length of service at Outbound Excellence determines your payout level. Year 1 through Year 4 payouts are determined by the length of time you have worked at Creative. You will be paid at the length of service level that applies on the last day of the commissionable month. For example, if your hire date is 07/15/96, you would be paid at the year 2 level for the month of July, 1997.

ACCOUNT PROTECTION

For a complete explanation of account protection and its impact on compensation, please see the attached document labeled "Account Protection".

SHIPPING GROSS PROFIT DOLLARS

The difference between the price of shipping charged to the customer and the actual cost incurred by Outbound Excellence for said shipping will be credited to your NET GROSS PROFIT DOLLARS before the calculation of commissions for the commission period. Any losses in profit dollars due to shipping will be deducted from your NET GROSS PROFIT DOLLARS for the commission period. Any gains in profit dollars due to shipping will be added to your NET GROSS PROFIT DOLLARS for the commission period. The shipping price charged to the customer is *not* taken into account when calculating NET SHIPPED DOLLARS.

CLEARANCE ITEMS AND CLEARANCE BONUS CALCULATION

You are paid an additional bonus for items sold defined as "CLEARANCE ITEMS". CLEARANCE ITEMS are defined, for commission purposes, as any item having a number in the second position of the item's "MERCH CODE". Currently, the aforementioned MERCH CODE position contains "2"s and "3"s. If the position contains a "2", you are paid 2.0% of the SALE PRICE OF THE ITEM. If the position contains a "3", you are paid 3.0% of the SALE PRICE OF THE ITEM.

The ENTIRE CLEARANCE TRANSACTION including GROSS PROFIT DOLLARS, SHIPPED AMOUNT, and COST of all clearance items sold during the commission period are removed from your totals before any commission calculations are made. This removal takes place regardless of whether the clearance items have a positive or negative gross margin. *Example:* If a clearance item has a COST of \$100.00 and a SALE PRICE of \$60.00, \$100 will be removed from your NET SHIPPED amount, and \$60.00 will be removed from your COST OF NET SHIPPED amount. The net effect will be as if \$40.00 was added to your NET GROSS PROFIT DOLLARS for the commission period. If a clearance item has a COST of \$100.00 and a SALE PRICE of \$110.00, \$100 will be removed from your NET SHIPPED amount, and \$110.00 will be removed from your COST OF NET SHIPPED amount. The net effect will be as if \$10.00 were subtracted from your NET GROSS PROFIT DOLLARS for the commission period.

CHARGEBACKS AND OPEN ACCOUNT WRITE-OFFS

Charge backs and OA write-offs will be treated as returned products during the commission period in which they occurred. An Open Account is considered "written off" if payment has not been received by Outbound Excellence within 120 days from shipment.

MISCELLANEOUS CREDITS AND CHARGES

Miscellaneous credits and charges are monies credited or debited directly to a customer. The entire amount of these credits and debits are added directly to your NET GROSS PROFIT DOLLARS for the commission period. At times, the entire SALE PRICE of a product is credited to the customer. *Example:* A shipment is lost, and the customer elects to not have a replacement shipment sent to them. A credit would be issued to the customer for the entire amount of the products in the shipment. In these cases, the non-profit portion of the sale may be adjusted back to your NET GROSS PROFIT DOLLARS for the pay period. In other words, only the PROFIT portion of the credit would be charged to your NET GROSS PROFIT DOLLARS for the pay period. Miscellaneous credits given to the customer for post-sale price changes or customer satisfaction reasons will impact your GROSS NET PROFIT DOLLARS for the commission period. Any miscellaneous credit or portion thereof that you feel should be adjusted back to your NET GROSS PROFIT DOLLARS for the pay period must be approved by a director or VP.

SOURCE CODE COLLECTION

Accurate source code collection is critical to the Company's success. Inaccurate collection severely limits the Company's capability to drive revenues and margins. In a case where it is determined that an Account Executive is not complying with the Company's policy for accurate source code collection, a reduction of up to 2% of Gross Profit payout may be applied in addition to any other necessary disciplinary actions. This is not a "no-code" penalty. In other words, it is important that you collect codes accurately. None-codes should be used, but only after you have attempted to gather a correct source code from a marketing piece.

RETURNS

Returns are products and services returned by the customer to Outbound Excellence. The SALE PRICE of a return is deducted from your GROSS SHIPPED SALES before calculation of commissions for the commission period. The GROSS PROFIT of a return is deducted from your GROSS PROFIT to obtain your NET SHIPPED SALES before calculation of commissions for the commission period. Deductions for returns occur for *all* returns, regardless of reason.

LEASE BONUS

If you sell an order on a lease, you will be paid a percentage of the NET SHIPPED amount. In general, this percentage is 2%. You will be paid this bonus only if the lease is processed through a leasing company approved by Outbound Excellence. The leasing company pays bonuses for leases directly to you. Outbound Excellence is *not* responsible for the payment of any lease bonuses.

WARRANTY BONUS

You will receive a \$5.00 bonus for every warranty sold during the commission period. This is in addition to the percentage of GROSS PROFIT DOLLARS commission that you receive for selling a warranty. You will be paid on NET WARRANTIES SOLD for the commission period. This means that warranties returned during the commission period will be subtracted from your GROSS PROFIT DOLLARS as well as your TOTAL WARRANTIES SOLD \$5.00 bonuses, regardless of the original sale date.

SPIFFS

From time to time vendors will arrange spiffs on certain products. A spiff is when a vendor pays you a certain amount to sell their product. All spiffs must be approved by Outbound Excellence. On approved spiffs, Outbound Excellence tracks spiff items sold by you, invoices the vendor for the appropriate amount then adds the spiff money you earned to your commission check. You will receive your spiff on the next commission check after Outbound Excellence receives payment from the vendor. Although Outbound Excellence will do everything they can to ensure the collection of spiff monies from vendors, Outbound Excellence will not be held liable for spiffs owed due to non-payment from vendors.

Compensation plans are subject to change without any prior notice. Please sign and date below as acknowledgment that you fully understand the above stated compensation plan.

Signature _____

Date _____

Printed Name _____