

3. Gallop Sales Salary and Commission Structure

There are two components to a salesperson's salary:

1. Base salary
2. Commission.

3.1 Salary Structure

(Note: all amounts are in Canadian dollars unless otherwise noted.)

A salesperson's starting salary is \$30,000 per year. This annual salary will increase to \$60,000 when a salesperson's gross profit reaches \$50,000 over a three-month period. The gross profit baseline is computed using a rolling average and if a salesperson fails to reach this goal in the following three-month period, his salary reverts to \$30,000. Here's an example:

	Gross profits Months 1-3	Gross profits Months 2-4	Gross profits Months 3-5
Month 1	34,500		
Month 2	49,600	49,600	
Month 3	44,250	44,250	44,250
Month 4		59,400	59,400
Month 5			46,250
3 month average	42,783	51,083	49,967
Baseline reached?	No	Yes	No
Salary	30,000	60,000	30,000

If a salesperson's gross profits are *equal to or greater than* \$3,600 per week after 90 days of his starting date, he will continue to receive a base salary of \$30,000.

If a salesperson's gross profits are *less than* \$3,600 per week after 90 days of his starting date, he will receive straight commission.

A straight commission is defined as 12% on Gallop's gross profit for new accounts and 8% on Gallop's gross profit for active and winback accounts.

A salesperson's responsibilities remain the same regardless of his pay structure.

3.2 Commission Structure

Commissions for all salespersons are computed as follows:

1. Current accounts: 8% of gross profits
2. House accounts: 8% of gross profits
3. New accounts: 12% of gross profits
4. Winbacks: 12% of gross profits

Note: After having a new or winback account for one full year, it becomes a current account and the commission rate will revert to 8% of gross profits.

On loads that have an advance, salespeople will earn 8% of the 8% only (not 10%).

3.2.2 Commission & The Handling of Accounts

When taking a load from a customer, each salesperson must be sure that he is making a minimum of \$150 *in the currency of the load* or 8%, whichever amount is greater. Here are some examples:

Load amount	Commission rate: 8%	Meets \$150 load minimum?	Commission taken
\$500 USD	40	No	150
\$750 USD	60	No	150
\$1,000 USD	80	No	150
\$2,500 USD	200	Yes	200
\$5,000 USD	400	Yes	400

3.3 Health Benefits

Health benefits cover 100% medical and 80% dental. Salespeople and their families will receive health benefits once their gross profits reach the \$50,000 target in a three-month period. For more details, refer to the Benefits Package Booklet in the Administration Department.

3.4 Deductions

All deductions are applied to the salespeople's commission cheques. Here's a detailed list of deductions that may appear on a commission cheque.

1. Pallet charges
2. Missed deductions for unloading or gate fees
3. Short payments (Management sets 30 days to pay outstanding A/R)
4. Claims (i.e. late deliveries, broken boxes, short product, temperature)
5. All Comcheck losses
6. Using a Broker to cover a load
(Note: Using a broker is *never* allowed. If a broker is used and management is not made aware of it, the salesperson is financially responsible for any and all consequences that may occur.)
7. If a salesperson does business with a customer or carrier that management has blacklisted or not approved, the salesperson is 100% responsible for that business including bankruptcies.
8. Legal fees to recoup any losses
9. Any additional expenses to recoup losses
10. Failure to follow problem loads and claims procedures (see section 14)
11. Prior to covering a load, all former customers (winback) found in Wolfbyte *must* be approved by management. If they are not approved, the salesperson is 100% responsible for any losses.