

Referral Agent and Sales Rep - Terms & Conditions

PURPOSE:

The following policy will govern the referral fees and commission schedules of both Referral Agents and Sales Reps. While subject to future amendment as needed, this policy is dated and effective beginning 12/22/14. This replaces the previous policy dated 12/12/14.

COMMISSION SCHEDULE/POLICY:

A. Based on contracted security hours with a respective client, \$1 per billable hour will be paid to originating referral agent for the first year of the client/BBSI contractual relationship only. Rate holds for the first three referrals/contracts secured/approved up to a maximum referral fee of \$2,500 per security contract. Referral Agents are not entitled to renewal or subsequent year fees.

B. Starting with the 4th referral/contract originated and active within a 12 month period, Referral Agent automatically becomes a Sales Rep entitled to \$1.25 per billable hour on new future originated contracts for the first year only. Preexisting commission fees owed remain at the lower Referral Agent rate. Additionally, Sales Rep shall only be entitled to the higher \$1.25 rate for security hours billed to client at cost equal to or above \$30 per hour, otherwise he/she shall receive the rate of \$1 per hour. Notwithstanding any other language to the contrary, the maximum Sales Rep commission payable per security contract is \$5,000.

C. Provided Sales Rep has 3 active contracts, upon the 2nd & 3rd year anniversary of an originated contract be it ongoing or a renewal, he/she will be entitled to .50 cents per billable hour on the 2nd and .25 cents on the 3rd year of a contractual relationship. These commissions will be payable by BBSI to Rep in the calendar year he/she qualifies for said fee, except when said anniversary or qualification occurs within 60 days of the calendar year end, in which case the fee will be due the following calendar year.

D. After the 3rd year of a contractual relationship with a client is complete Sales Agent is no longer entitled to any further commissions relative to that contract. However, the contract if active still counts toward 3 contract minimum even though commission time frame has expired.

E. If at any time the Sales Rep should drop below 3 current or active originated contracts, and does not secure another in the same calendar year to maintain the minimum number of 3, commission levels drop back down to \$1 per billable hour the following calendar year and all renewals not yet paid cease.

F. To qualify, contracts referred or originated by Referral Agent or Sales Rep must be signed and contracted by management, have a minimum of 15 billable hours per week or 780 billable hours per year. Contracts that do not meet this criteria such as special events, may still be guided by the \$1 per hour scale, but will be addressed on a case by case basis at the discretion of management. Agent/Rep must also provide/assist as needed in facilitating the exchange of information necessary to obtain the fully executed security service contract.

G. In order to qualify for fees or commission, B.B.S.I. management must determine that discussions or other communications are not already underway with a decision maker representing the subject client. In the

event that multiple reps/agents have qualified for commission unknowingly or otherwise for the same client, the rep/agent deemed most responsible by management for securing said contract shall receive the commission. Notwithstanding, management at its discretion may split the commission between the involved parties if appropriate.

H. Agent/Rep fees/commissions are based on the initial contracted billable hours and not the increases or decreases that may occur thereafter. As such Agent/Rep shall be entitled to 20% of said base fee within 30 days of commencement of service to client or BBSI's receipt of initial payment from customer. The remaining 80% will be payable to Agent/Rep within six months of commencement of services or 50% of the contract term whichever is sooner, provided that BBSI has earned and received payment for at least 40% of the 1st year contracted services.

I. Referral Agents are not considered employees of B.B.S.I. and are thusly not entitled to any rights or privileges thereto. Sales Agents are likewise not employees but are independent contractors who will receive a 1099 for tax purposes at the end of the year. Neither agents nor Reps are entitled to any health or workers compensation benefits from B.B.S.I. as no employee/employer relationship exists.

J. By submitting contacts for referrals and sales contracts, agent/rep agrees to all the aforementioned terms and conditions.