



POLICY: Communities Commissions Policy and Process

<i>Original Implementation Date:</i>	3.2017	<i>Date Reviewed/ Revised:</i>	01/19/2021	<i>Area of Responsibility:</i>	Operations/ Compensation	<i>Version:</i>	2
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Purpose: Sun Health believes the compensation for sales professionals and their leaders should include direct sales commissions based on units that the sales professional played a significant role in transitioning the sales lead to becoming a resident.

Policy: Sun Health established the processes below to determine how sales commissions are calculated, to whom they will be paid, and the timing for which they are paid. Executive Directors (EDs) / VP of Operations have the discretion to adjust commission amounts in situations where more than one RC is involved in the sale.

Special incentive programs may be established by the Chief Operating Officer (COO) with approval by the Chief Executive Officer (CEO).

COMMISSION TYPES AND AMOUNTS:

Operational Community

Residency Counselors (RC) and Community Market Development Specialist (CMDS) are eligible for a commission payment for the following amounts at the indicated time:

- Commission will be paid at the rate of 1% of the Total Entrance Fee Paid 1st and 2nd person (if applicable).
- Commission will be initiated based on the following:
 - \$500 commission paid at closing.
 - Balance of the total commission is earned once the monthly service fees begin.
 - Commissions are paid the second check of the month following the earned date.

Pre- Operational Community/New Development

RCs and CMDS on the same campus are eligible for a commission payment for the following amounts at the indicated time:

- Commission will be paid at the rate of 1% of the Total Entrance Fee Paid 1st and 2nd person (if applicable).
- Pre-operations commission will be initiated for the first phase of new development based on the following:
 - \$200 commission for Founder’s Club deposit by RC or CMDS
 - \$1,000 at the 10% deposit, and the remainder at closing
 - If the Founder’s Club deposit is accepted by an RC, \$500 commission to the initial RC & \$500 commission to the CMDS.
 - Balance of the total commission is earned by closing sales representative once the monthly service fees begin.
 - Commissions are paid the second check of the month following the earned date.

Post-Operations up to 6 months

RC and CMDS on the same campus are eligible for a commission payment for the first six months of first phase of new development in the following amounts at the indicated time:

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- Commission will be paid at the rate of 1% of the Total Entrance Fee Paid 1st and 2nd person (if applicable).
- Commission will be initiated based on the following:
 - \$1,000 at the time of closing
 - If a prospect turns into a depositor, Sun Health will pay \$500 commission to the initial RC and \$500 commission to the CMDS.
- Balance of the total commission is earned by closing sales representative once the monthly service fees begin.
- Commissions are paid the second check of the month following the earned date.

Sales Incentive Program

- A. Sales & Marketing Managers (S&MMs) are eligible for commissions for their personal sales and performance incentive plan for the annual sales of their team.
- For personal sales, S&MMs are paid as an RC and CMDS according to above.
 - In addition, the S&MMs are eligible for a bonus based on the sales of their direct reports, when the campus sales team achieves annual established sales goals for the campus.
 - Where the S&MM does not have any RCs on their campus, the S&MM can qualify for a bonus based on their own sales effort meeting the stated goals.

	Threshold: Team averages 1 closing a month per RC/CMDS (not including personal sales, unless S&MM is only sales on campus)	Target: Team averages 2 closings a month per RC/CMDS (not including personal sales unless S&MM is only sales on campus)	Maximum: Team averages more than 2 closings a month per RC/CMDS (not including personal sales unless S&MM is only sales on campus)
Bonus Percentage of the commissions paid to the RC Team reporting to that campus	10%	20%	35%

- B. Sales Assistants and Design Assistant are paid \$100 per closing per campus.
- C. The Design Coordinator is paid \$200 per move-in.
- D. No commissions will be paid for rental agreements or where a resident transfers within the same community or to a different community.
- E. When a former resident returns to the same campus, a commission may be paid at the discretion of the ED. If the former resident purchases a contract at a different community, then that RC will receive full commission.
- F. In the event of an extraordinary set of circumstances arise, the EDs, VP of Operations with COO approval, may make exceptions to this policy. These exceptions should be documented for the employee’s file.

CONTRACT CANCELLATIONS AND PAYBACK OF COMMISSIONS: If the depositor cancels after the closing commission has been paid the RC, CMDS or S&MM will retain the commission.

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TERMINATION OF EMPLOYMENT:

If an RC, CMDS or S&MM's employment with Sun Health is terminated, for any reason, the following will apply regarding the payment of commissions/incentives:

- The closing commissions will only be paid if the sale has closed prior to the employee's last day.
- If employment has terminated after closing and before the monthly service begins, no additional commissions will be paid.
- All commissions earned before termination date will be paid.
- Employees must be actively employed to be eligible for any special incentive to be paid.