

PAY PLAN

Employee Name _____

The following is a description of the pay plan for your position as _____.
_____. This pay plan is effective
_____, 20_____.

1. SALARY

You will be paid a salary of \$_____ on a _____ (weekly / biweekly / semi-monthly / monthly) basis. This payment is normally made on _____.

And/Or

DRAW

You will be paid a “draw” or advance against your gross monthly commissions computed under your commission plan in the amount of \$_____ on a

_____ (weekly / biweekly / semi-monthly / monthly) basis. This payment

is normally made on _____. This means that all of your draw payments made in a month are deducted from your gross monthly commissions generated in that month to determine whether there are any net commissions due to you.

If you are in a deficit situation, that is, your draws have exceeded your commission payments, we reserve the right to carry the deficit forward and recoup it for future commissions or to write it off, at our discretion.

Or

These draws will be treated as a guarantee. That is, if the total of the month’s draw payments exceed the month’s gross commissions, the deficit is not carried forward to be offset against future months’ gross commissions. You will receive not less than this guaranteed draw payment (less legally required deductions) for every draw period you work,. Without regard to either the gross commissions you generate in a month or the quantity or quality of the work you perform in the draw period. In other words, the draw is paid as a guarantee of compensation for each draw period you work.

2. COMMISSIONS

You will also be paid commissions based on the following formula:

_____% of Line ____ on the monthly financial statement, plus

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Commissions are paid monthly, normally after the 10th of the following month. If You are paid a draw or advance against your commission, we will deduct that amount from the commissions you earn, and pay you the balance.

3. GUARANTEE

From _____ to _____ you will be paid the greater of your compensation calculated above or \$_____ per _____ whichever is greater. Effective _____, the guarantee will end and you will be paid as described above.

A guarantee of compensation is not a guarantee of employment. You will remain employed on an "at will" basis. Your compensation will cease upon your termination, even if it occurs during your guarantee period.

4. BONUS

You are eligible to receive bonuses as follows:

5. SALES CONTEST

You will be eligible to participate in sales contest sponsored by this dealership and by the factory. However, you must be employed by the dealership on the date the prize is awarded or the trip is taken in order to be eligible. You will be liable for all taxes associated with any contest prize or trip.

6. INITIAL AND FINAL MONTHS OF EMPLOYMENT

Your compensation during your initial and final months of employment will be prorated based on the number of days you actually worked divided by the number of workdays in the month. Payment of the prorated compensation will be paid through our regular payroll during the month following your departure.

OR

Your compensation during your initial month of employment will be limited to your draw or salary, prorated based on the number of days you actually worked divided by the number of workdays in that month.

7. DEMO

We will provide you with a demonstrator vehicle of our choice. You agree that you will comply with our rules concerning the use of this vehicle. The value of the use of this vehicle will be treated as imputed income and added to your compensation for tax purposes. The Company does not furnish fuel.

We reserve the right to pay a demo allowance of \$_____ per month in lieu of providing a demo to any employee.

OR

VEHICLE ALLOWANCE

We will pay you a vehicle allowance of \$_____ per month. We do not provide demos.

OR

The company does not furnish a vehicle, vehicle allowance or fuel compensation.

8. BENEFITS

You are eligible for benefits in accordance with normal company policies. Please consult the Employee Handbook.

9. CHANGES

We reserve the right to change this pay plan from time to time as business conditions dictate. However, changes will only be made prospectively. Your continued employment following a change in your pay plan will constitute an acceptance of terms of the new pay plan.

10. ADJUSTMENTS TO FINANCIAL STATEMENT

From time to time, we make adjustments to the financial statements. These adjustments are made in accordance with normal accounting and business practices. We reserve the

right to make these adjustments, even though they may have an effect of increasing or decreasing your commissions or your bonuses.

11. DISPUTES OR QUESTIONS

If at any time during your employment, you feel that you have not been paid in accordance with this pay plan or that an error has been made, you have the right to a full explanation of how your compensation was calculated. Please contact your General Manager or Chief Financial Officer to discuss any concern you might have. If you have not brought a problem to our attention with a written memo within thirty (30) days of your receipt of the payment, we will assume that the compensation is correct and no adjustments will be made. Please review your compensation carefully.

12. “AT WILL” STATUS

This pay plan does not constitute a contract of employment for any particular period of time and you remain employed on an “at will” basis.

RECEIVED AND ACCEPTED

DATE

SIGNATURE – EMPLOYEE

DATE

SIGNATURE – SUPERVISOR