2017 ALBIREO ENERGY
SALES EXECUTIVE
SUMMER BONUS PLAN

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1. PURPOSE:

The Summer Bonus Plan is designed to encourage and reward Albireo Energy Sales Executives (or others that are assigned an annual sales quota) for selling profitable business during the 2017 Summer months of June 5th – July 31st per the Business Terms for Albireo Energy. The Summer Bonus provides the Sales Executive the ability to earn an extra money based on solution or service sales. **This Summer Bonus is in addition to the current, AE Divisional Sales Commission plan.**

Participation will begin on June 5, 2017 and end on July 31, 2017.

2. SUMMER BONUS PLAN OVERVIEW:

A. Solutions Based Bonus:

The following mechanics provide an overview to interpret and apply the Summer Bonus Plan. This portion of the Plan applies to all booked projects along with Service, small jobs/work orders. The Summer Bonus shall be 0.5% to the Initial Secured Booking Value. Again, this is in addition to the current, AE Divisional Sales Commission plan.

Plan Mechanics:

Payment is applied to Initial Secured Booking Value. The Summer Bonus rate shall be:

0.5% of Initial Sales Booking Value.

Example 1:
Initial Secured Booking Value = $500,250
Payout: $500,250 * .005 = $2,501

B. Service Agreement Based Bonus:

The following mechanics provide an overview to interpret and apply the Summer Bonus Plan. This portion of the Plan applies to New booked Service Agreements and not renewals. Again, this is in addition to the current, AE Divisional Sales Commission plan.

Plan Mechanics:
Payment is applied to the Booked Gross Profit. The base rate shall be:

1-year Service Agreements = 5.0% of Initial Secured Booking Value
3-year Service Agreements = 7.0% of Initial Secured Booking Value
5-year Service Agreements = 10.0% of Initial Secured Booking Value

Example 1:
Initial Secured Booking Value = $21,500 and it is a 3-year Agreement.
This results in a 7% payout rate.
Payout: $21,500 * .07 = $1,505

3. PLAN DEFINITIONS/TERMS/CONDITIONS:

A. Summer Bonus Eligible Sale:

For a sale to be eligible for the Summer Bonus payment, all the following conditions must be met:

- Signed contract by all parties during the Summer Period ("June, July or August in 2017") to include, but not limited to, the client and Albireo Energy
- Opportunity is listed as "Closed-Won" in the CRM

Unless an exception is approved in writing, a sale must also meet all the Albireo Business Terms (incorporated in Appendix I).

B. Initial Secured Booking Value:

The total value or "sell price" of the Sales Booking is the sum of all the costs plus the applied proforma Gross Profit.

4. COMMISSION PAYOUT:

A. The Summer Bonus will be paid within 30 days of the following financial quarter of the quarter that the sale was booked. In the rare event a sale is started without a signed contract; commission shall not be paid until a contract is fully executed. In the event a sale is canceled after the Sales Booking, any commission previously paid shall be deducted from future Sales Commission payments.

5. EXCEPTIONS TO THE PLAN:

On rare occasions, when a request for exceptions to the individual components of the Plan is made, the Company Division President must authorize the exception.

APPENDIX I

Albireo Energy
2017 Business Terms

Preface:
In addition to all prevailing Policies & Procedures, the following Division Business Terms will apply for all new sales. All proposals and contracts will be required to comply.

Client Profile:

Credit Worthiness: Prior to the proposal and any signed contract, a Dun and Bradstreet credit report will be done on all new opportunities by the Sales Executive. For existing clients, whereby, we are proposing additional services/solutions, a past receivable summary report shall be obtained. Both reports shall be requested by the Sales Executive to the Division finance and distributed back to the Sales Executive with copy to the Operations or Service Manager and the Sales Manager.

Terms Profile:

1. **Profitability:**

   a. Our Corporate ambition is to achieve the 2017 booked revenue and gross profit budget at a consolidated Gross Margin of 39% (based on booked revenue). As a buildup to this corporate ambition, each Albireo Division shall have a consolidated Gross Margin target based on their specific budget mix of Solutions and Service.

   b. The standard across all of Albireo for Solutions and Service shall generate the following minimums (based on booked revenue). In addition, these minimums shall apply to all Change Orders, as well, associated with either the Solutions or Service business.

Solutions:

Plan/Spec (not Albireo exclusive):	26%	Gross Margin
Negotiated (Albireo exclusive or D/B):	33%	Gross Margin
EPMS Solutions:	45%	Gross Margin

Service:

Time & Material (T&M):	55%	Gross Margin
Service Agreements:	55%	Gross Margin
EPMS Service Agreements:	60%	Gross Margin
Small Solutions/Work Orders (<60 days):	45%	Gross Margin
Service Solutions (>60 days):	40%	Gross Margin
Energy Services Solutions:	40%	Gross Margin
Facility Engineering Contracts:	35%	Gross Margin

It should be the goal of every division to exceed these minimums whenever possible.

Exceptions: Any valid business reason for exceptions below the above listed Gross Margin minimums must have written approval prior to proposal submission and contract execution per the following:

0-5%	below minimums - Division Sales Manager
5.1%-10%	below minimums - Division General Manager (or President)
10.1% +	below minimums - Albireo's Corporate Chief Operating Officer (COO)

If there is strategic intent to secure a low margin Solution contract with a client (below 10% of the above minimums), the approval exception request must include the strategic nature (i.e. very large Solution, lifecycle opportunity, immediate service contract, Change Order potential, etc.).

All written exemption approval requests and approvals must be saved in hard copy and filed in the division office. The exemption form is attached.

The intent of these guidelines is to assure visibility to the management team for approval consideration of lower margin work in balance to the total portfolio at any point in the budget year.

2. **Guarantees:**

   a. Albireo Energy will not do business where it is required to guarantee items it does not control without a cap. (Examples of the items are: solution price/cost, energy, utilities and repairs and maintenance, etc.). All agreements will include scope of service and a clear definition of terms.

   b. If client/solutions opportunity requires any type of Albireo Corporate Bonding, this must be identified and logged in writing to the Division Sales Manager prior to such submission of proposal. The Division Sales Manager will request the bond from the Albireo bonding agent.

   c. Liquidated damages are generally not accepted. For consideration at the proposal stage, it must be pre-approved by the Division General Manager (or President).

3. **Risk Reviews for Large Solutions (above $250,000):**

It is encouraged to perform Risk Reviews for any project size. It is mandated that a Risk Review shall be done on all projects at $250,000 and above. Prior to any proposal or contract delivered to a client for a potential Large Solution, financial and technical risks shall be assessed.

A risk review meeting shall be conducted. The risk review is an all-encompassing review of the solution along with all financial and technical aspects of the solution to include at a

minimum; scope of work, proposal, client contract (if possible), schedule, sales tax, price and cost, to include quotes for major material items and subcontracts. This review shall be scheduled and led by the Sales Executive. The review shall include the Division Estimator, Sales Manager, Operations Manager, Project Manager (if selected), Albireo Finance and/or Albireo CFO, Division General Manager/President (optional). For any solutions above $1.0M, the Division General Manager (or President) shall be included. The Division Sales Manager shall notify, by email, the Albireo Chief Operating Officer (COO) of any Solutions above $2.0M in advance of the bid.

4. **General Terms:**

    a. Albireo Energy will not do business where we are required to hire the client's personnel without going through Albireo's hiring practices.

    b. A no-hire clause shall be included in every Albireo service contract that prohibits the client (or successor contractor) from hiring Albireo employees without written approval and a pre-determined amount of additional compensation. This no hire clause shall be added to the standard Division Terms and Conditions included with each service solution and contract.

    c. A Solution will not start (work will not commence) with any physical work (labor or material) on-site without a dual signed contract. This is primarily due to insurance and risk management concerns. A Letter of Authorization (LOA), Letter of Intent (LOI) or a proposal referencing email/letter will allow for Albireo to start mobilization, engineering and submittals.

    d. If a Solution or Service requires a provision of termination for convenience it requires approval of the Division General Manager (or President). This is to reduce Albireo's damages associated with hiring and training additional, specific personnel.

    e. Service Contracts shall be multi-year where possible. Single year service contracts shall be approved by the Division Service Manager.

    f. No work (material ordering or field labor) shall be performed on requested client Change Orders to solutions unless a written Notice to Proceed (NTP) letter or email from the client is received by Albireo. All NTP's must rapidly be followed up with a fully executed Change Order. Performing any work on Verbal Change Orders must have advanced approval from the Division Operations Manager.