



## OFFICIAL ANNOUNCEMENT

### Sales Incentive Policy - Year 2026

**Addressed to:** Sales Team (Sales Representatives, Sr. Sales Representatives, Sales and Design Consultant & Supervisors)

**Date:** 28/01/2026

**Effective Period:** 01 January 2026 – 31 December 2026

**Issued By:** Chief Human Resources Officer

#### Introduction

Tivoli Group value performance, commitment, and teamwork. This Incentive policy is designed to motivate employees to achieve individual sales excellence while contributing to overall showroom success. The incentive structure is transparent, performance-driven, and rewards higher achievement with higher payouts.

This policy clearly explains targets, slabs, and calculation logic so every employee understands how incentives are earned.

#### Policy Objective

The objectives of this policy are to:

- Motivate employees to achieve and exceed sales targets
- Reward high-performing individuals
- Encourage collaboration and share responsibility at the showroom level
- Provide a clear and measurable incentive calculation mechanism
- Ensure consistency and fairness in incentive payouts

#### Incentive Structure – Example

The total incentive is split into two parts:

Component	weightage
Individual performance incentive	80%
Showroom/ (store) performance incentive	20%

Both components are calculated separately and then added together to determine the final incentive amount.

#### Targets & Incentive Amounts – Example

##### A - Individual Incentive

Description	Value
Individual sales target	5,000,000
Maximum individual incentive	37,500



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### B - Showroom Incentive – Example

Description	Value
Showroom sales target	10,000,000
Maximum showroom incentive	5,000

### Slab-Based Incentive Mechanism

The same slab structure applies to both Individual and Showroom performance.

Slab target achievement incentive explanation

Slab	Achievement	Value
A	Below 95%	No incentive is paid if achievement is below 95%
B	95% to 104.99%	100% of eligible incentive is paid
C	Above 105%	Incentive is paid on a pro – rata basis
D	Maximum cap	Incentive cannot exceed 150% of the eligible amount

### Detailed Explanation of the Mechanism

#### Calculate Achievement Percentage

Achievement Percentage is calculated as:

- $\text{Achievement \%} = (\text{Actual Sales} \div \text{Target Sales}) \times 100$
- This percentage determines which slab applies.

#### Calculate Individual Incentive – Example

Description	Value
Individual target	5,000,000
Actual achievement	7,500,000
Achievement percentage	150%
Slab applied	Slab D (150%)

#### Calculation:

- Maximum Individual Incentive = 30,000
- Slab D payout = 150%
- Individual Incentive = 30,000

#### Calculate Showroom Incentive – Example

Description	Value
Showroom Target	10,000,000
Actual Achievement	15,000,000
Achievement percentage	150%
Slab Applied	Slab D (150%)





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### Explanation of Pro-rata:

- Performance is 45% above the 105% threshold
- Incentive increases proportionately with achievement
- Maximum allowed payout is 150%
- Showroom Incentive Paid = 7,500

### Final Incentive Payout

Component	Amount
Individual incentive	30,000
Showroom incentive	7,500
Total employee incentive	37,500

### Key Points to Remember

- Individual and Showroom incentives are calculated independently
- Higher achievement results in higher incentive payout
- Pro-rata incentives reward exceptional performance
- Incentive payouts are capped at 150% to ensure fairness
- Final incentive = Individual Incentive + Showroom Incentive

### Incentive Payment Policy (Yearly Basis)

#### Incentive Frequency

Sales incentives shall be calculated and paid on a yearly basis for the 2026 calendar year.

Payment will be processed after:

- Completion of the financial year
- Final performance verification
- Management approval

### Incentive Eligibility Criteria

Employees shall be entitled to incentive only when all of the following conditions are met:

- The sale has been successfully delivered to the customer
- The transaction has been fully invoiced and recorded in the company's system
- The payment has been received fully
- All related documentation is complete and approved
- There are no outstanding compliance, credit, or policy violations



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### **Delivery & Invoicing Conditions**

- Orders that are booked but not delivered will not be eligible for incentive.
- Orders that are delivered but not invoiced in the system will not be eligible.
- Any manual, provisional, or pending entries will not be considered.

### **Returns, Cancellations & Adjustments**

- Any returned, cancelled, or reversed transactions will be deducted from incentive calculations.
- Post-payment adjustments may be made if discrepancies are identified.
- Incentive paid on invalid or reversed sales may be recovered in subsequent payouts.

### **Employment Status Clause**

- Employees must be actively employed with the company at the time of incentive payout to be eligible.
- In cases of resignation or termination before the time of incentive payout, incentive eligibility will be cancelled and treated void.

### **Compliance & Ethical Sales**

- All sales must comply with:
  - Company policies and procedures
  - Ethical business practices
  - Legal and regulatory requirements
- Any breach may result in:
  - Disqualification from incentive
  - Disciplinary action

### **Management Rights**

Management reserves the right to:

- Verify, audit, and validate all sales data
- Modify incentive structures if required by business conditions
- Management reserves the right to approve or deny payouts once required.

### **Confidentiality & Data Integrity**

- Sales targets and incentive data are confidential.
- Any misuse or manipulation of data will result in disciplinary action.



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### **Compliance & Accountability**

- All employees are expected to work diligently toward achieving their assigned targets.
- Managers will be held accountable for:
  - Effective target communication
  - Team performance
  - Providing continuous support and leadership

Non-compliance with this policy may result in corrective action as per company guidelines.

### **Terms & Conditions**

All sales targets are confidential and intended for internal use only.

- Management reserves the right to:
  - Revise targets based on business needs or market conditions
  - Amend policies at any time with formal communication

Failure to meet targets will be reviewed as part of the performance management process.

Any disputes regarding target allocation or performance measurement must be raised through the official reporting channel.

The 2026 Sales Targets and Incentive Policy reflect the company's confidence in its teams and leadership. Success will be driven by clear targets, strong support, ethical practices, and consistent execution.

For clarifications, please contact the Human Resources Department

Sincerely yours,

Anwar Ghaida  
Chief Human Resources Officer