



Celluvation

Version 1.8

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Celluvation Compensation Plan

A) Introduction

We want to welcome you to our Celluvation Company. This Compensation Plan is designed for Distributors, in order to help them achieve their dreams and business aspirations. We are blessed to have unbelievable, effective products in Celluvation, and now with the use of this Compensation Plan, which pays our Distributors generously, infinite levels deep, we can help change people's health and finances for the better. We welcome you to our family.

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C) Starting off Right as a Distributor

Bonus Pro Packages

Bonus Pro Package can only be purchased once, at any time. A distributor earns 15% in commissions of any Bonus Pro Package that his personally sponsored distributor buys. Total payout for these packages is 50% with the remaining 35% going to Commissionable Volume (CV) to be paid to your upline. These are the lowest priced Packages. These Packages gives you inventory getting people started right away.

D) Definitions

The following section defines terms used in this document:

I. Terminology

- 1) Active AutoShip Profile:
An Active AutoShip Profile is any AutoShip Profile that is not cancelled, does not have an End Profile Date less than the Bonus Period End Date and has active items with volume.
- 2) Bonus Period:
The Company defines the start and end date for each period that Bonus will be paid to Reps. This is also referred to as "Commission Period" or "Pay Period".
- 3) Bonus Rank (Paid As Rank):
A Rep's Bonus Rank is recalculated each Commission period. It is the Rank used to determine qualifications for Commissions. Bonus Rank can be overridden through the use of a Force Rank (see Force Rank definition), which will effectively Force a Rep to qualify to be paid at a specific Rank, regardless of actual qualifications. Bonus Rank is also called "Paid As Rank".
- 4) Breakage:
Breakage is any Bonus or Commission that is left unpaid due to the failure of a Rep to qualify for that type of Bonus or Commission.
- 5) Business Center (BC):
Business Centers, sometimes termed "Income Centers", are additional positions in the Unilevel Genealogy that are directly tied to a Rep's account. A Business Center allows a Rep to have more than one position within the Genealogy without requiring the Rep to track additional Rep IDs or maintain multiple Extranets to manage their business. Reps are able to access information about each of their Business Centers through a single Extranet portal. Business Centers may earn on bonuses. If Business Centers are used, the rules, qualifications and requirements to earn and maintain Business Centers will be defined within a dedicated "Business Center Rules" section and/or each individual Bonus type within this document. In this plan, Business Centers are **not** used; a Rep may have only one position or "Business Center" in the Unilevel Genealogy.
- 6) Cancelled/Terminated:
Any Rep with a Lifetime Rank of Cancelled or a Placement and/or Sponsorship under Rep ID 5 (Terminate Tree) is considered Cancelled. By system default, Cancelled Reps cannot qualify for Commissions, count towards Upline qualifications, maintain qualifications or earn Commissions in and/or during the period in which they are Cancelled. If a Rep is not Cancelled for the full length of a period, but their Lifetime Rank and or Placement/Sponsorship is changed prior to running Commissions for that period so the ending result is the Rep being Cancelled, they will be considered as having been Cancelled for the entire duration of the period. The same can be said for

a Rep who is reinstated and their Cancelled status is changed prior to running Commissions so the ending result is the Rep is *not* Cancelled; that Reps will be considered as having not been Cancelled for the entire duration of the period.

7) Clawback:

Clawback is the ability to recapture Commissions paid on an order when that order is returned. Not all Commissions are eligible to be clawed back. When an order is returned, the dollar amount paid to a distributor (or distributors) on that purchase is subtracted from the earning Rep's Bonus payout the next time Commissions are processed.

Example #1:

Rep #101 has a Customer, Customer #2001 who places an order, Order #3. When Commissions are processed, Rep #101 earns \$15 on Customer #2001's Order #3. In the following period, Customer #2001 returns Order #3. When Commissions are processed for that period, the \$15 that was paid to Rep #101 on Customer #2001's Order #3 will be clawed back and subtracted from Rep #101's period earnings.

8) Compression:

For Commission purposes only, when a Rep is not eligible (due to Cancelled status or failure to meet payout requirements) for Commissions payout, that Rep's Downline is compressed upwards, effectively removing that Rep from Commissions consideration. This is only done for Commissions purposes and does not affect the normal Genealogy.

When Compression is applied, payouts roll over Unqualified and/or Ineligible Reps depending on the type of Compression used. **Ineligible** (see Eligible definition) refers to a Rep who has failed to meet the qualifications to simply earn the Bonus. **Unqualified** (see Qualified definition) refers to a Rep who meets the qualifications to simply earn the Bonus **but** has failed to meet the requirements to earn on a specific level, Generation or additional requirement depending on the Bonus used. There are two (2) methods of Compression: Dynamic Compression (see definition) and Standard Compression (see definition).

Dynamic Compression is used when a payout rolls over Unqualified **and/or** Ineligible Reps. It is sometimes used in bonuses that use a table to define the different payouts per Rank, level, Generation or additional requirement. When Dynamic Compression is applied the payout rolls to the next eligible **and** Qualified distributor.

Standard Compression is used when a payout rolls over Ineligible Reps **only**. The payout rolls Upline until the next eligible Rep is found. If that Rep is Qualified to earn, the payout pays to that Rep. If the next eligible Rep is Unqualified, the payout is considered Breakage.

If either of these methods is used in a Bonus type within this document, the exact rules will be further detailed within that Bonus type.

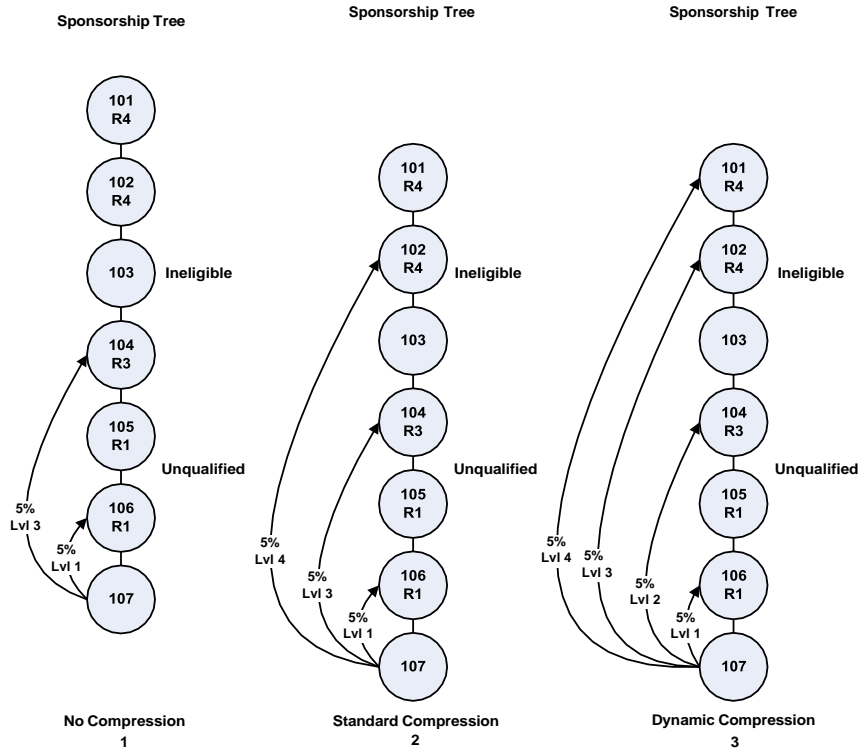


Figure 1: Compression

Example #2:

Note: This example will not reflect the Company's actual Rank requirements or bonuses.

Ineligible = Rep does not meet the Bonus requirements

Unqualified = Rep does meet the Bonus requirements but does not meet the requirements to earn on the level

Assuming comp plan pays out 4 levels for simplicity purposes:

- 1.) Standard Compression
 - a. **Ineligible Reps compress and Unqualified Reps do not compress. This method allows partial Breakage.**
 - b. (Example above) Rep #106 earns level 1. Rep #105 is Unqualified to earn level 2 (assuming Rank 1 only earn Lvl1) and the level 2 payout is Breakage. Rep #105 does not compress. Rep #104 is Paid As Rank 3 (assuming Rank 3 is eligible to earn 3 levels) and earns level 3 payout. Rep #103 is Inactive and the level 4 payout will compress (rollup) to Rep #102 who is a Paid As Rank 4 (assuming Rank 4 is eligible to earn 4 levels).
- 2.) Dynamic Compression. (This will be the type of Compression that this Comp Plan will use.)
 - a. **Both Inactive Reps and Unqualified Reps compress. This method minimizes Breakage as it guarantees maximum payout.**
 - b. (Example above) Rep #106 earns level 1. Rep #105 is Unqualified to earn level 2 (assuming Rank 1 only earn Lvl1) and the level 2 will compress (rollup). Rep #105 will compress. Rep #104 is Paid As Rank 3 (assuming Rank 3 is eligible to earn 3 levels) and earns level 2 payout. Rep #103 is Inactive and the level 3 payout will compress (rollup) to Rep #102 who is a Paid As Rank 4 (assuming Rank 4 is eligible to earn 4 levels). Rep #101 is a Paid As Rank 4 and earns level 4.

9) Credits:

Credits are a payment feature of the Freedom System that, among other things, allows reps to be paid commissions in the form of credits that a rep is able to use to purchase product from the shopping cart. Credits are a virtual payment type, meaning the rep does not receive a physical payment. Rather, the Credits are applied to the rep's account and they are able to use those credits in the shopping cart in lieu of a credit card or other payment form. The ability to use Credits in the shopping cart is made available through the application of a Freedom Setting. If this setting is not turned on, Credits will simply be stored on a rep's account and cannot be used to purchase product in the shopping cart. The full functionality of Credits and their use within the system is beyond the scope of this document. They are mentioned as the Company pays two Bonus Types in Credits (see Bonus Types).

10) Customer (Retail Customer):

A Customer is associated with a Rep. However, a Customer cannot sign-up other Reps and cannot receive Commissions. A Customer is not placed in any Genealogy and is considered to be on the same level as the Rep (i.e., Customer is on Level 0 to a Rep). This is also referred to as "Retail Customer".

11) Eligible:

Eligible refers to a Rep who meets the minimum qualifications to earn a Bonus. The specific rules and qualifications to earn are stated under each Bonus (see Bonus Types). A Bonus may have additional requirements to earn higher payout. However, the additional requirements do not make the Rep Ineligible. Simply, when a Rep meets the minimum qualifications to earn a Bonus he or she is considered eligible. Eligible is also used for Compression (see definition).

Example #3:

Note: The main purpose of this example is to describe how Eligible works. For simplicity purposes of this example only, the exact Bonus requirements or names may not be in accordance with the bonuses used in this plan (see Bonus types).

Bonus ABC requires a Rep to have at least a Paid As Rank of Rank 2 to earn. During the period, Rep #101 is a Paid As Rank 2 and is considered eligible to earn Bonus ABC. However, Rep #202 is a Paid As Rank 1 in the period and is considered Ineligible to earn Bonus ABC.

Bonus XYZ requires a Rep to be Active to earn. During the period, Rep #101 is Active and is considered eligible to earn Bonus XYZ. However, Rep #202 is not Active in the period and is considered Ineligible to earn Bonus XYZ.

12) Force Rank:

A Rep's Paid As Rank may be overridden through the application of a Force Rank. A Rep's Force Rank may be set from the Secure Rep Data Page of a Rep's account. Force Ranks help the Upline qualify for Commissions and Rank qualifications. It also helps the Rep that has been Forced qualify for Commissions and Rank Qualifications. Force Ranks effectively Force a Rep to be paid at a specific Rank, regardless of actual

qualifications but will override the Rep's true Bonus Rank only if the Force Rank is a higher Rank. Reps cannot be Forced to a lesser Rank than the Rank for which they naturally qualify (i.e., a Reps cannot be Forced to a Rank below his or her Organic Rank). In addition to Force Ranks helping the Upline, a Force Ranked Rep may progress to higher Ranks without naturally qualifying for lesser Ranks. Specifically, because a Rep who is Force Ranked is not required to naturally meet the requirements for lesser Ranks to progress to higher Ranks, a Rep who is Force Ranked and does not naturally meet the qualifications for lesser Ranks may progress to higher Ranks as a result of being Forced.

Force Rank does **not** make a Rep fulfill the Active requirements (see Active definition).

Example #4:

Note: this example will not reflect the Company's actual Rank requirements.

To naturally qualify for Rank 3, a Rep must meet the requirements for Rank 2 and must have 300 PV-Q. To qualify for Rank 2 a Rep must have 1 personally sponsored Rep and 100 PV-Q. Rep #101 is Force Ranked to Rank 2. He has 300 PV-Q. He does not have a personally sponsored Rep, which is required to naturally achieve Rank 2. Because he is Force Ranked to Rank 2 and meets the qualifications for Rank 3 (300 PV-Q), he will progress to Rank 3. If his Force Rank is removed and he has not achieved a personally sponsored Rep, his Paid As Rank will revert to that Rank for which he naturally qualifies.

When Bonus is processed, a Force Ranked Rep's Lifetime Rank will be updated if their current Lifetime Rank is less than the Rank at which they are Forced and will not be changed back once the Force Rank expires. A Force Rank Expiration Date can be set from the Secure Rep Data Page. If an Expiration Date is not set, the system will apply the Force for all Commission periods processed until the Force is manually removed. The Force Rank Expiration Date will only apply for periods in which the Bonus Period End Date falls *after* the Force Rank Expiration Date.

Example #5:

Note: this example will not reflect the Company's actual Rank requirements.

The Bonus Period start date is 9/1. The Bonus Period end date is 9/30. Rep #101 is Force ranked as a Rank 2 with a Force Rank expiration date of 9/30. Rep #102 is Force ranked as a Rank 2 with a Force Rank expiration date of 10/1. When the 9/1 – 9/30 period is processed, Rep #101 and 102 both qualify as Paid As Rank 1s, but because their Force Rank expiration dates do not occur prior to the Bonus Period end date, they will both be Paid As Rank 2.

Example #6:

Note: this example will not reflect the Company's actual Rank requirements.

The Bonus Period start date is 9/1. The Bonus Period end date is 9/30. Rep #101 is Force ranked as a Rank 2 with a Force Rank expiration date of 9/29. When the 9/1 – 9/30 Period is processed, Rep #101 qualifies as a Rank 1, and is Paid As a Rank 1 because his Force Rank expired on 9/29.

13) Largest Leg for Highest Eligible Level (LLHEL):

LLMEL is the Leg (see Leg definition) with the highest TCV total.

14) Lifetime Rank (Career Title):

A Rep's Lifetime Rank is the highest Rank achieved by that Rep in Lifetime or since their last demotion. This Rank may be demoted or promoted manually from an individual Rep's page through the Change Rank option from the local Administration Menu. The Lifetime Rank mainly affects the Rep's Inventory Pricing, though it can also

have an impact on Paid As Rank maintenance, Commissions and/or volumes. It is also the display Rank for the majority of Extranet reports. A Rep's Lifetime Rank is not updated until a Commission period is Committed (made official). Lifetime Ranks will revert to their pre-Bonus commit Rank if a committed Bonus Period is deleted.

Example #7:

Note: this example will not reflect the Company's actual Ranks.

Rep #101's Lifetime Rank is Rank 1. The current Bonus Period is 1/1 – 1/31. Rep #101 qualifies to be Paid As a Rank 2. In the 1/1 – 1/31 period, Rep #101 will have a Paid As Rank of Rank 2 and a Lifetime Rank of Rank 1. When the 1/1-1/31 period is committed, Rep #101's Lifetime Rank will be updated to Rank 2. For the 2/1 – 2/28 period, Rep #101 will have a Lifetime Rank of Rank 2 (unless that Rank is manually adjusted).

15) **Organic Rank (True Rank/Natural Rank):**

A Rep's Organic Rank is the Bonus Rank at which he or she naturally qualifies, regardless of any Force Rank in application. If a Rep has a Force Rank applied but their True Rank is higher than that at which they are Forced, the Rep's Organic Rank will take precedence over the Force Rank.

16) **Paid As Rank:**

See Bonus Rank definition.

17) **Pay On Rep:**

The Pay On Rep is the Rep whose orders and/or Volume generated a payout to another Rep. It is the Rep, whose activity within the Bonus Period, results in a Commission or Bonus payout.

18) **Pay To Rep:**

The Pay To Rep is the Rep who is earning on another Rep's orders or Volume within the period. It is the earning Rep who is paid a Commission or Bonus based on another Rep's actions within the Bonus Period.

19) **Preferred Customer:**

A Preferred Customer is associated with a Rep. However, a Preferred Customer cannot sign-up other Rep and cannot receive Commissions. A Preferred Customer is not placed in any Genealogy and is considered to be on the same level as the Rep (i.e., Preferred Customer is on Level 0 to a Rep).

20) **Qualified:**

Qualified refers to a Rep who not only meets the minimum qualifications to earn a Bonus (Eligible) but also meets the additional requirements to earn a higher payout or deeper level on a Bonus depending on the Bonus rules. The specific rules and qualifications to earn are stated under each Bonus (see Bonus Types). Qualified is also used for Compression (see definition).

Example #8:

Note: The main purpose of this example is to describe how Qualified works. For simplicity purposes of this example only, the exact Bonus requirements or names may not be in accordance with the bonuses used in this plan (see Bonus types).

Bonus ABC requires a Rep to have at least a Paid As Rank of Rank 2 to earn level 1. However, Paid As Rank 3 or higher can also earn on level 2.

During the period, Rep #101 is a Paid As Rank 3 and is considered eligible to earn Bonus ABC. Rep #101 is also Qualified to earn levels 1 and 2.

Also in the period, Rep #202 is a Paid As Rank 2 and is considered eligible to earn Bonus ABC. Rep #202 is Qualified to earn level 1. However, Rep #202 is Unqualified to earn level 2 since a Rep must be Paid As Rank 3 or higher to earn level 2.

21) Qualification Period:

The Company defines the Bonus Qualification Period, which can be different from the payout period. This period defines the timeframe in which the Rep need to qualify in order to earn Commissions for the respective Commission period.

22) Rank:

The Title a Rep achieves by selling product or building an organization. Ranks are met by achieving a specific set of qualifications within a given timeframe (see Lifetime Rank, Bonus Rank, Organic Rank and Force Rank).

23) Rep:

A person that has filled out the Company application and is in any Genealogy is referred to as a Rep in this document. The Company also refers to this as “Distributor”.

24) Top 2 Largest Legs for Highest Eligible Level (2LLHEL):

2LLMEL are the two Legs (see Leg definition) with the highest TCV.

25) True Rank:

See Organic Rank definition.

II. **Organizations / Genealogies**

1) Downline:

This refers to the Rep or Reps below a Rep in any Genealogy.

2) Genealogy:

This is the Company’s overall organizational structure that indicates how and where Reps are placed. The Company supports a primary Unilevel Genealogy based on Placement (Placement Tree) and a secondary Unilevel Genealogy based on Sponsorship, also referred in this document as Sponsorship Tree or Enrollment Tree.

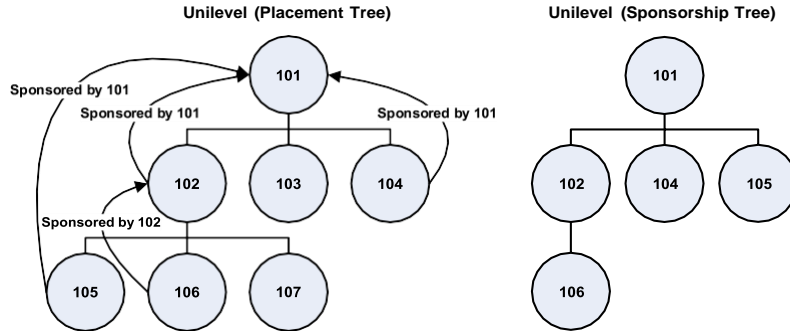


Figure 2: Placement vs. Sponsorship

3) Generation:

A Rep's first Generation starts with and excludes the first Paid As Senior Manager or higher in the Sponsorship Tree Downline and includes all the Reps in his or her Sponsorship Tree Downline, down to and including the next Paid As Senior Manager or higher (who starts and is excluded in the second Generation), and so on.

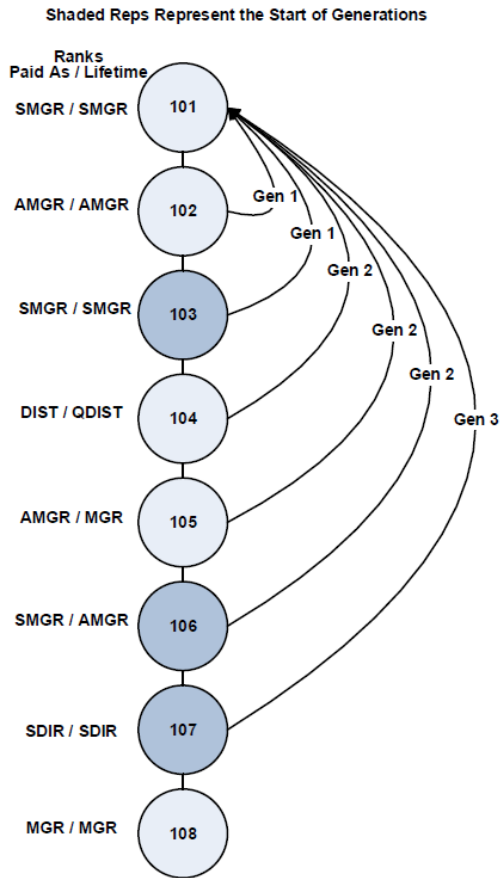


Figure 3: Generations

Example #9:

Rep #101's first Generation begins with but excludes their self as they are a Paid As Senior Manager or higher. Rep #101's first Generation includes Rep #102 but ends with (and includes) #103, the next Downline Paid As Senior Manager or higher. Rep #103 begins and is excluded from the 2nd Generation. Rep #104 and Rep #105 are included in the second Generation but ends with (and includes) Rep #106. Rep, #106, is also a Paid As Senior Manager or higher and begins but is excluded from the 3rd Generation. Rep, #107, is also a Paid As Senior Manager or higher and is included in the 3rd Generation and begins but is excluded from the 4th Generation. The 4th Generation includes Rep #108 and any other Rep in the Downline, down to but excluding the next Downline Paid As Senior Manager or higher. If there is no Downline Paid As Senior Manager or higher, the Generation will include all Reps in the Downline.

- 4) Team:
A Rep's Team contains him or herself and each Rep in the Rep's Sponsorship Tree Downline.
- 5) Leg:
A Leg is a portion of a Rep's **Placement** organization starting at one of his or her first-level Reps and encompassing his or her entire organization. The Rep is included as a Leg. If a Rep has 10 first-level Rep, he or she has 11 legs. An Active Leg is any Leg that includes an Active Rep anywhere in that Leg.
- 6) Placement:
This refers to where a Rep is located within any Genealogy. It also refers to the Rep positioned immediately above a new or existing Rep. The system shows the "Placement Relationship" based on the Placement position between the two (2) Rep in any Genealogy.
- 7) Sponsor (Enroller):
A Sponsor is a Rep who personally brings in a new Rep and who first explains the Celluvation business opportunity. Sponsor is also the term referring to a Rep who personally brings in a Customer. A Rep or Customer personally brought into the business is called a Rep's personally sponsored or personally enrolled. The system also shows the "Sponsor Relationship" between two (2) Reps in the Unilevel Genealogy. In this document, *Sponsor* and *Enroller* have been used synonymously. Similarly, *Sponsored* and *Enrolled* have been used synonymously.
- 8) Upline:
This refers to the Rep or Reps above a new or existing Rep in any Genealogy.

III. Custom Customer Attributes

Customer Attributes allow for the creation of qualification overrides that can be applied to individual Customers. Customer Attributes also provide the ability to mark a Customer with unique flags that can be used to distinguish that Customer from others.

- 1) Waive Active Customer Attribute:
A "Waive Active" Customer Attribute will be introduced on the Customer Attribute page of Freedom. When applied, this Attribute will mark a Customer as Active for qualification purposes.

IV. Custom Rep Attributes

Rep Attributes allow for the creation of qualification overrides that can be applied to individual Reps or Business Centers. Rep Attributes also provide the ability to mark a Rep or Business Center with unique flags that can be used to distinguish that Rep or BC from others.

Example #10:

Note: This example may not reflect the Company's actual requirements.

A Waive Active Rep Attribute has been set up within Freedom. In order to be considered Active, Rep must have either 100 Volume or the Waive Active Rep Attribute applied to their account.

Example #11:

Note: This example may not reflect the Company's actual requirements.

A Founder Rep Attribute has been set up within Freedom. The Company has the ability to flag Rep as Founders for reporting purposes. The Company also has a Founder Bonus. Only Rep who have the Founder Rep Attribute applied are eligible to earn on the Founder Bonus.

1) Force Unqualified Flag:

A "Force Unqualified" flag will be introduced on the Secure Rep Data page of Freedom. When checked, this flag will exempt a Rep from Commissions eligibility, regardless of that Rep's actual qualifications. This means that a Rep who has the Force Unqualified flag checked will not be considered for any and all Commissions payouts. The system will consider that Rep as being "Cancelled" without affecting that Rep's ability to purchase product or enroll new Rep. This means the Rep will not qualify for Rank nor count towards Upline qualifications. This is most commonly used for corporate accounts at the top of the Genealogy and is not recommended for use on general Rep accounts.

2) Waive Active Rep Attribute:

A "Waive Active" Rep Attribute will be introduced on the Rep Attribute page of Freedom. When applied, this Attribute will mark a Rep as Active for qualification purposes.

3) Waive Bonus Qualified Rep Attribute:

A "Waive Bonus Qualified" Rep Attribute will be introduced on the Rep Attribute page of Freedom. When applied, this Attribute will mark a Rep as Bonus Qualified for qualification purposes.

V. Custom Inventory Attributes

Inventory Attributes allow for a specific inventory SKU to be flagged with a unique marker. Purchases of items with specific Inventory Attributes can be required for Commissionable or qualification purposes.

1) Bonus Pro Package Inventory Attribute:

A “Bonus Pro Package” Inventory Attribute will be introduced at the Inventory level of Freedom.

2) Business Kit Inventory Attribute:

A “Business Kit” Inventory Attribute will be introduced at the Inventory level of Freedom.

VI. Custom Reports / System Processes

1) Nightly Process (Monthly):

The Company currently has a nightly process that runs each evening sometime between 12:30AM and 3:30AM Eastern Standard Time. The nightly process runs steps 1 and 2 of Bonus each evening **only** using the Monthly Commission Period. The nightly process will calculate the Monthly Commission Period in which **yesterday’s** date falls. Additionally, it will also process the Monthly Commission Period that falls prior to the month that encompasses yesterday’s date (assuming the Company hasn’t committed it yet). If both of these scenarios would process the same Commission Period then the second period should not run. The Qualification Period will be that used by the Monthly Commission Period. The nightly process does **not** commit Lifetime Ranks. The results of this Nightly Process will be visible in the Bonus Department under Reports >> Compensation Runs as a Scheduled Run.

Example #12:

If the current date is 1/2 and the last committed Monthly Commission Period was for December, the nightly process will calculate using the Monthly Commission Period of January only. If the current date is 2/1, the nightly process will calculate using the Monthly Commission Periods of December and January (assuming December hasn’t been committed by the Company).

2) Nightly Process (Weekly):

The Company currently has a nightly process that runs each evening sometime between 12:30AM and 3:30AM Eastern Standard Time. The nightly process runs steps 1 and 2 of Bonus each evening **only** using the Weekly Commission Period. The nightly process will calculate the Weekly Commission Period in which **yesterday's** date falls. Additionally, it will also process the Weekly Commission Period that falls prior to the month that encompasses yesterday's date (assuming the Company hasn't committed it yet). If both of these scenarios would process the same Commission Period then the second period should not run. The Qualification Period will be that used by the Weekly Commission Period. The nightly process does **not** commit Lifetime Ranks. The results of this Nightly Process will be visible in the Bonus Department under Reports >> Compensation Runs as a Scheduled Run.

VII. **Bonus Parameters**

Bonus Parameters allows the Company to control the Bonus payouts and other editable requirements.

Bonus Parameters can be identified in this document through the use of the "at" symbol (Example, @500 CV).

VIII. **Flat Dollar Amounts**

A Flat Dollar Amount is a set dollar amount paid to a Rep(s) when a specific inventory item is purchased. It is a separate amount independent of a product's original cost or Volume and is defined by the Company. Each product can have a Flat Dollar Amount associated with it. This is controlled at the product level in the inventory. Unless otherwise stated, Flat Dollar Amounts are not used for qualification purposes. They are generally only used to indicate a set dollar amount to be paid when an item is purchased.

1. **No** Flat Dollar Amounts are used for payout purposes within this plan.

IX. **Volumes**

Volume is a separate amount independent of a product's original cost and/or Flat Dollar Amount and is defined by the Company. Each product has a Volume amount associated with it. This is controlled at the product level in the inventory.

I.) CV (Commissionable Volume) (CV Column):

CV is the name given to the Commissionable Volume column within inventory. Purchases of items with CV values will contribute towards Volume types utilizing CV.

II.) QV (Qualifying Volume) (QV Column):

QV is the name given to the Qualifying Volume column within inventory. Purchases of items with QV values will contribute towards Volume types utilizing QV.

III.) RS (Retail Sales Volume) (RS Column):

RS is the name given to the Retail Sales Volume column within inventory. Purchases of items with RS values will contribute towards volume types utilizing RS.

- 1) Personal Commissionable Volume (PCV) (CV Column):
PCV is the amount of CV accumulated by a Rep from their personal purchases. It also includes the CV from the purchases of the Rep's personally sponsored Customers.
- 2) Customer Commissionable Volume (CCV) (CV Column):
CCV is the amount of CV from purchases by a Rep's personally sponsored Customers and Preferred Customers only. It does **not** include the CV from the Rep's own personal purchases.
- 3) Pro Package Volume (PPV) (CV Column):
PPV is the amount of CV from purchases with the Bonus Pro Package Inventory Attribute by a Rep's personally sponsored Reps only.
- 4) Team Commissionable Volume (TCV) (CV Column):
TCV is the sum of a Rep's PCV and the PCV of each and every Rep in the Rep's Placement Downline.
- 5) Largest Leg Team Commissionable Volume (LLTCV):
LLTCV is the sum of PCV from each Downline Rep who are within the Rep's Largest Leg for Highest Eligible Level (see LLHEL volume definition). Furthermore, the Rep's own CCV can be counted as a Leg.

Example #13: - TCV is used in this example as TCV is the sum of PCV from downline Reps

Rep #100 has 9 Legs in the Placement Tree and 10 Legs total considering his CCV of 50. Leg 1 of the Placement Tree has 500 TCV, Leg 2 has 450 TCV, Leg 3 has 400 TCV, Leg 4 has 350 TCV, Leg 5 has 300 TCV, Leg 6 has 250 TCV, Leg 7 has 200 TCV, Leg 8 has 150 TCV and Leg 9 has 100 TCV. Rep #100's LLTCV is 500 since his Power Leg for Highest Eligible Level contains 500 TCV and the LLTCV is the total TCV from the Largest Leg for Highest Eligible Level.

Leg	1	2	3	4	5	6	7	8	9	10
TCV	500	450	400	350	300	250	200	150	100	-
CCV	-	-	-	-	-	-	-	-	-	50

Table 1: LLTCV Example

- 6) Smaller Legs for Highest Eligible Level (SLHEL):
SLHEL are all Legs (see Leg definition) except the Top 2 Largest Legs for Highest Eligible Level (see 2LLHEL definition).

7) Smaller Legs Team Commissionable Volume (SLTCV):

SLTCV is the sum of PCV from each Downline Rep who are within all Smaller Legs for Highest Eligible Level (see SLHEL volume definition). Furthermore, the Rep's own CCV can be counted as a Leg.

Example #14: - TCV is used in this example as TCV is the sum of PCV from downline Reps

Rep #100 has 9 Legs in the Placement Tree and 10 Legs total considering his CCV of 50. Leg 1 of the Placement Tree has 500 TCV, Leg 2 has 450 TCV, Leg 3 has 400 TCV, Leg 4 has 350 TCV, Leg 5 has 300 TCV, Leg 6 has 250 TCV, Leg 7 has 200 TCV, Leg 8 has 150 TCV and Leg 9 has 100 TCV. Rep #100's SLTCV is 1,800 since the sum of TCV from all Smaller Legs for Highest Eligible Level includes all Legs except the Top 2 Largest Legs for Highest Eligible Level (Legs 1 and 2).

Leg	1	2	3	4	5	6	7	8	9	10
TCV	500	450	400	350	300	250	200	150	100	-
CCV	-	-	-	-	-	-	-	-	-	50

Table 2: SLTCV Example

8) Personal Qualified Volume (PQV) (QV Column):

PQV is the amount of QV accumulated by a Rep from his or her personal purchases. It also includes the QV from the purchases of the Rep's personally sponsored Customers and Preferred Customers.

9) Rep Qualifying Volume (RQV) (QV Column):

RQV is the amount of QV that goes into the compensation plan from purchases by the Rep. It does **not** include the QV from the purchases of the Rep's personally sponsored Customers and Preferred Customers.

10) Customer Qualifying Volume (CQV) (CV Column):

CQV is the amount of CV from purchases by a Rep's personally sponsored Customers and Preferred Customers only. It does not include the CV from the Rep's own personal purchases.

11) Team Qualifying Volume (TQV):

TQV is the sum of a Rep's PQV and the PQV of each and every Rep in the Rep's Placement Downline.

12) Outside Largest Leg Volume (OLLV):

OLLV is the sum of TQV from all Legs (see Leg definition) excluding the largest leg.

13) Outside Largest 2 Legs Volume (OL2LV):

OL2LV is the sum of TQV from all Legs (see Leg definition) excluding the two largest legs.

14) Retail Sales Volume (RSV) (RS Column):

RSV is the amount of RS from purchases by a Rep's personally sponsored Customers and Preferred Customers only. It does not include the RS from the Rep's own personal purchases.

X. **Grace Periods**

1) Fast Start Period:

To be considered within the Fast Start Period, a Rep must meet the following requirements:

- 1.) Must be within the first @31 days of enrollment (Join Date Month + 30 Days)

XI. **Qualifications**

1) Active:

To be considered Active in the Commission period, a Rep must complete the following requirements:

- 1.) Must have purchased an item with the Business Kit Inventory Attribute
- 2.) Must have purchased personally or sold to a Customer a product that has a minimum value of 1CV

OR

- A) Must have the Waive Active Rep Attribute applied

2) Bonus Qualified:

To be considered Bonus Qualified in the Commission period, a Rep must complete the following requirements:

- 1.) Must have at least 100 PQV

OR

- A) Must have the Waive Bonus Qualified Attribute applied.

E) Ranks

Reps will be promoted by Rank based on specific qualifications.

Rank is calculated each Bonus Period and saved as “Bonus Rank” or “Paid As Rank” (see definitions). This is the Rank used to determine qualifications for Commissions.

The Company also has a “Lifetime Rank” (see definition). Lifetime Rank is updated upon Bonus Commit of each Monthly Bonus run.

Unless otherwise stated, each Bonus is paid based on Bonus Rank and not Lifetime Rank.

The Company supports the following Ranks for Rep:

#	Rank	Abbreviation	RankTypeID
1	Distributor	DIST	5
2	Qualified Distributor	QDIST	10
3	Manager Trainee	MGRTR	15
4	Assistant Manager	AMGR	20
5	Manager	MGR	25
6	Senior Manager	SMGR	30
7	Regional Manager	RMGR	35
8	Director	DIR	40
9	Senior Director	SDIR	45
10	Regional Director	RDIR	50
11	National Director	NDIR	55
12	Presidential Director	PDIR	60
13	Executive	EXEC	65
14	Presidential Executive	PEXEC	70
15	Presidential Plus	PPLUS	75
16	Presidential Premier	PPREM	80

Table 3: Bonus Ranks

The RankTypeID column is an internal programming reference.

F) Rank Qualifications

There are no restrictions on how fast a Rep can move through the Ranks. Bonus Ranks will be recalculated each time the Bonus process is executed.

There are two dates used to determine each period; a Start Date and an End Date:

- Qualification Start Date: Determines the **start** of the Qualification Period
- Qualification End Date: Determines the **end** of the Qualification Period
- Period Start Date: Determines the **start** of the Bonus Period
- Period End Date: Determines the **end** of the Bonus Period

Note: The Bonus Period for the Weekly Commission will be a calendar week starting and will run from Monday through Sunday. The Qualification Period for the Weekly Commission will be a rolling five (5) week period.

Note: The Bonus Period for the Monthly Commission will begin with and include the first day of the month and extend through and include the last day of the month. The Qualification Period for the Monthly Commission will be the same as the Bonus Period.

Example #15:

The Qualification Period for the Weekly Commission Period of 12/01-12/07 will be 11/03-12/07.

The Qualification Period for the Monthly Commission period of 12/01-12/31 will be 12/01-12/31.

I.) Title Maintenance

There is **no** Title Maintenance in use at this time.

II.) Rank Qualification and Maintenance Requirements

1) Distributor (DIST) (RankTypeID 5):

All Reps start at this Rank when they join the Company. No qualifications are required to earn this Rank.

2) Qualified Distributor (QDIST) (RankTypeID 10):

To become and maintain the Rank of Qualified Distributor, a Rep must have accomplished the following:

- A) Must be Active ([see definition](#))
- B) Must be Bonus Qualified ([see definition](#))

3) Manager Trainee (MGRTR) (RankTypeID 15):

To become and maintain the Rank of Manger Trainee, a Rep must have accomplished the following:

- A) Must be Organic Rank Qualified Distributor or higher
- B) Must have at least @1,000 TQV where no more than @600 can come from the Rep's own RQV
- C) Must have at least @400 OLLV

4) Assistant Manager (AMGR) (RankTypeID 20):

To become and maintain the Rank of Assistant Manager, a Rep must have accomplished the following:

- A) Must be Organic Rank Manager Trainee or higher
- B) Must have at least @2000 TQV where no more than @600 can come from the Rep's own RQV.
- C) Must have at least @800 OLLV

5) Manager (MGR) (RankTypeID 25):

To become and maintain the Rank of Manager, a Rep must have accomplished the following:

- A) Must be Organic Rank Assistant Manager or higher
- B) Must have at least @5000 TQV where no more than @600 can come from the Rep's own RQV.
- C) Must have at least @2000 OLLV

6) Senior Manager (SMGR) (RankTypeID 30):

To become and maintain the Rank of Senior Manager, a Rep must have accomplished the following:

- A) Must be Organic Rank Manager or higher
- B) Must have at least @10,000 TQV where no more than @1000 can come from the Rep's own RQV.
- C) Must have at least @4,000 OLLV

7) Regional Manager (RMGR) (RankTypeID 35):

To become and maintain the Rank of Regional Manager, a Rep must have accomplished the following:

- A) Must be Organic Rank Senior Manager or higher
- B) Must have at least @25,000 TQV where no more than @1000 can come from the Rep's own RQV.
- C) Must have at least @10,000 OLLV

8) Director (DIR) (RankTypeID 40):

To become and maintain the Rank of Director, a Rep must have accomplished the following:

- A) Must be Organic Rank Regional Manager or higher
- B) Must have at least @50,000 TQV where no more than @1000 can come from the Rep's own RQV.
- C) Must have at least @20,000 OLLV

9) Senior Director (SDIR) (RankTypeID 45):

To become and maintain the Rank of Senior Director, a Rep must have accomplished the following:

- A) Must be Organic Rank Director or higher
- B) Must have at least @100,000 TQV where no more than @1000 can come from the Rep's own RQV.
- C) Must have at least @2 Active Legs (see definition)

D) Must have at least @40,000 OLLV

10) Regional Director (RDIR) (RankTypeID 50):

To become and maintain the Rank of Regional Director, a Rep must have accomplished the following:

- A) Must be Organic Rank Senior Director or higher
- B) Must have at least @250,000 TQV where no more than @1000 can come from the Rep's own RQV.
- C) Must have at least @3 Active Legs (see definition)
- D) Must have at least @100,000 OLLV
- E) Must have at least @12,500 OLL2V

11) National Director (NDIR) (RankTypeID 55):

To become and maintain the Rank of National Director, a Rep must have accomplished the following:

- A) Must be Organic Rank Regional Director or higher
- B) Must have at least @500,000 TQV where no more than @1000 can come from the Rep's own RQV.
- C) Must have at least @200,000 OLLV
- D) Must have at least @25,000 OLL2V

12) Presidential Director (PDIR) (RankTypeID 60):

To become and maintain the Rank of Presidential Director, a Rep must have accomplished the following:

- A) Must be Organic Rank National Director or higher
- B) Must have at least @1,000,000 TQV where no more than @1000 can come from the Rep's own RQV.
- C) Must have at least @400,000 OLLV
- D) Must have at least @50,000 OLL2V

13) Executive (EXEC) (RankTypeID 65):

To become and maintain the Rank of Executive, a Rep must have accomplished the following:

- A) Must be Organic Rank Presidential Director or higher
- B) Must have at least @2,000,000 TQV where no more than @1000 can come from the Rep's own RQV.
- C) Must have at least @800,000 OLLV
- D) Must have at least @100,000 OLL2V

14) Presidential Executive (PEXEC) (RankTypeID 70):

To become and maintain the Rank of Presidential Executive, a Rep must have accomplished the following:

- A) Must be Organic Rank Executive or higher
- B) Must have at least @4,000,000 TQV where no more than @1000 can come from the Rep's own RQV.
- C) Must have at least @1,600,000 OLLV

D) Must have at least @200,000 OLL2V

15) Presidential Plus (PPLUS) (RankTypeID 75):

To become and maintain the Rank of Presidential Plus, a Rep must have accomplished the following:

- A) Must be Organic Rank Presidential Plus or higher
- B) Must have at least @10,000,000 TQV where no more than @1000 can come from the Rep's own RQV.
- C) Must have at least @4,000,000 OLLV
- D) Must have at least @500,000 OLL2V

16) Presidential Premier (PPREM) (RankTypeID 80):

To become and maintain the Rank of Presidential Premier, a Rep must have accomplished the following:

- A) Must be Organic Rank Presidential Plus or higher
- B) Must have at least @25,000,000 TQV where no more than @1000 can come from the Rep's own RQV.
- C) Must have at least @10,000,000 OLLV
- D) Must have at least @1,250,000 OLL2V

G) Bonus Types

For each Bonus Period, the Company determines when Bonus will be processed. For example, the payout period for the next Bonus Period will be 1/01 to 1/31. The Qualification Period will be 1/01 to 1/31. The Company decides to actually execute this Bonus Period on 2/15.

Reps must meet specific qualifications to earn Bonus and cannot retroactively qualify and earn Bonus for Bonus Periods that have already been processed and paid.

The Bonus types the Company pays are as follows:

#	Bonus Type	Bonus Period
1	Retail Sales Bonus	Weekly
2	Fast Start Bonus	Weekly
3	Sponsor Bonus	Weekly
4	Customer Builder Bonus	Monthly
5	Power Play	Monthly
6	Power Play Sponsor	Monthly
7	Payday Accumulator	Monthly
8	Generation Check Match Bonus	Monthly
9	Lifestyle Bonus	Monthly

Table 4: Bonus Types

1) **Retail Sales Bonus (Weekly)**

To earn on the Retail Sales Bonus, a Rep must meet the following requirements:

- A) Must be Active (1)

The Retail Sales Bonus pays a Rep @ 100% of their RSV in the period.

To explain the Retail Sales Bonus payout:

Example #16:

Rep #101 has 2 personally enrolled Customers, #1001 and #1002. Product #A001 has a RSV amount of \$10. #1001 and #1002 each buy #A001 in the Commission period. Rep #101 will earn \$20 in Retail Sales.

Additional Considerations for the Retail Sales Bonus:

- Compression is not used in this Bonus.
- Clawback is enabled for this Bonus.

2) **Fast Start Bonus (Weekly)**

To earn on the Fast Start Bonus, a Rep must meet the following requirements:

- A) Must be Active (1)
- B) Must be within the Fast Start Period

The Fast Start Bonus pays a flat amount when a Rep promotes to a Paid As Rank of Assistant Manager or higher within their Fast Start Period. A Rep may only earn one payout for this bonus based off highest Paid As rank earned within their Fast Start Period.

Paid As Rank	@Payout
Assistant Manger	\$200
Manager or higher	\$500

Table 5: Fast Start Bonus Payout

To explain the Fast Start Bonus payout:

Example #17:

Rep #100's Join Date is 5/5/2021. The last day of their Fast Start Period is 6/4/2021. They achieve the Paid as Rank of Assistant Manager on 5/19 and the Paid As Rank of Manager on 5/31. Rep #100 would earn \$500 in the Fast Start Bonus in the 5/31/2021 – 6/6/2021 Commission Period.

Additional Considerations for the Fast Start Bonus:

- Compression is not used in this Bonus.
- Clawback is enabled for this Bonus.

3) Sponsor Bonus (Weekly)

To earn on the Sponsor Bonus, a Rep must meet the following requirements:

- A) Must be Active (1)

The Sponsor Bonus pays the Rep @ 15% of their PPV in the period.

To explain the Sponsor Bonus payout:

Example #18:

Rep #101 is Active and has 1 personally sponsored Rep (#102). Rep #102 purchases a Bonus Pro Package with an PPV of \$100. Rep #101 will earn \$15.00 in the Sponsor Bonus.

Additional Considerations for the Sponsor Bonus:

- Compression is not used in this Bonus.
- Clawback is enabled for this Bonus.

4) Customer Builder Bonus (Monthly)

To earn on the Customer Builder Bonus, a Rep must meet the following requirements:

- A) Must be Active (1)

The Customer Builder Bonus pays a Rep a flat amount based on their CQV in the period. A rep will earn the amount for the highest tier for which they qualify.

The CQV tiers and payout amounts are as follows:

CQV Tier	@Payout
0 – 699.99	-
750 – 2,499	\$100
2,500 – 4,999	\$500
5,000 +	\$1,000

Table 6: Customer Builder Bonus Payout Amounts

To explain the Customer Builder Bonus payout:

Example #19:

Rep #101 has 900 CQV. Rep #101 will earn \$100 in the Customer Builder

Additional Considerations for the Customer Builder Bonus:

- Compression is not used in this Bonus.
- Clawback is enabled for this Bonus.

5) Power Play (Monthly)

To earn on the Power Play Bonus, a Rep must meet the following requirements:

- A) Must be Active (1)
- B) Must have at least @ 100 PQV
- C) Must have at least @3 Bonus Qualified Distributers or Higher
- D) Must have at least @3 Personally Sponsored Retail or Preferred Customers with at least 150 QV combined in a Commission Period.

The Power Play Bonus pays a Rep a flat amount of @\$100 each time the Rep meets the qualifications required. There is no limit to the number of times a Rep can earn this bonus. A Rep may earn this bonus multiple times within a Commission Period. Once a Rep or Customer has been used in a Power Play bonus they may not be used again.

To explain the Power Play Bonus payout:

Example #20:

The current period is March 2021. Rep #100 is Active, has 600 PQV, 6 personally sponsored Retail Customers with 500QV, and 7 Bonus Qualified Distributors. Rep # 100 will earn \$200 in the March 2021 Power Play.

Additional Considerations for the Power Play Bonus:

- Compression is not used in this Bonus.
- Clawback is **not** enabled for this Bonus.
- This Bonus and the Power Play Sponsor Bonus type will be grouped together for reporting purposes under the name “Power Play Bonus”

6) Power Play Sponsor (Monthly)

To earn on the Power Play Sponsor Bonus, a Rep must meet the following requirements:

- A) Must be Active (1)

The Power Play Sponsor Bonus pays a Rep a flat amount of @\$50 each time a personally sponsored Rep earns on the Power Pay Bonus. There is no limit to the number of times a Rep can earn this bonus. A Rep may earn this bonus multiple times within a Commission Period.

To explain the Power Play Sponsor Bonus payout:

Example #21:

Rep #100 is Active and has two personally sponsored Reps (#102 & #103). Rep #102 earns the Power Play Bonus and Rep #103 earns the Power Play Bonus three times during the bonus period. Rep #100 will earn \$200 in the Power Play Sponsor Bonus for the bonus period.

Additional Considerations for the Power Play Sponsor Bonus:

- Compression is not used in this Bonus.
- Clawback is **not** enabled for this Bonus.
- This Bonus and the Power Play Bonus type will be grouped together for reporting purposes under the name "Power Play Bonus"

7) Payday Accumulator Bonus (Monthly)

To earn on the Payday Accumulator, a Rep must meet the following requirements:

- A) Must be Active (1)

The Payday Accumulator Bonus pays a Rep a percentage of the PCV from downline Reps in the Placement Tree based on the Pay To Rep's Highest Eligible Level and the Levels Threshold. The Payday Accumulator bonus pays upline until the top of the Placement Tree is reached. It is required for this bonus to be traversed from the bottom up to calculate payouts correctly.

Each Level is calculated independently from one another in sequential order from Level 1 to Level 12. Payouts are determined after each Level is calculated. This means the same Pay To Rep will earn on his or her Highest Eligible Level plus each Level below it. The Threshold Amount and payout percentage are specific to each Level, which means the same downline Rep will generate different Rollup Amounts depending on which Level is being calculated and paid out.

Rollup Amounts

Pay To Reps who are **not** qualified to earn *in a particular level* will have the following Rollup Amount:

- **PCV Rollup Amount**
 - $(PCV + (15\% * PPV)) + \text{downline TCV Rollup Amounts}$

Pay To Reps who are qualified to earn *in a particular level* will have the following Rollup Amount:

- **PCV Rollup Amount**
 - $(PCV + (15\% * PPV)) + \text{Threshold (Largest Leg Requirement)}$

Highest Eligible Level:

A Rep's Highest Eligible Level is the highest level for which they qualify based on the TCV of their LLHEL ([see LLHEL volume definition](#)), SLLCV, and total number of individual SLMEL ([see SLHEL volume definition](#)) that meet a minimum TCV requirement. A Rep may only qualify for a Level if they meet **all** qualifications in the Level's row based on the table below. In the following table:

- A) The first column, labeled "Level", identifies the Highest Eligible Level for which a Rep is qualified if they meet the requirements in each of the succeeding columns.
- B) The second column, labeled "Min. LLTCV ([see volumes](#))" identifies the minimum TCV requirements from a Rep's Largest Leg for Highest Eligible Level.
- C) The third column, labeled "Min. SLTCV ([see volumes](#))", lists the total sum of TCV required from a Rep's Smaller Legs for Highest Eligible Level.
- D) The fourth column, labeled "Min. TCV for SLHEL Count", lists the minimum TCV requirements for a Rep's Smaller Legs for Highest Eligible Level ([see volumes definition for SLHEL](#)). This is used by the fifth column to determine how many SLHELs meet this qualification.

The qualifications are as follows:

Level	@Min. LLTCV (see volumes)	@Min. SLTCV (see volumes)	@Min. TCV for SLHEL Count
1	200	100	0
2	700	500	0
3	2,200	1,500	0
4	4,500	3,000	0
5	9,000	6,000	0
6	18,000	12,000	0
7	40,000	27,000	0
8	90,000	55,000	6,000
9	200,000	125,000	12,000
10	400,000	260,000	18,000
11	1,000,000	450,000	40,000
12	2,000,000	900,000	100,000

Table 7: Highest Eligible Level Volume Qualifications

Example #22:

Rep #101 has one Largest Leg for Highest Eligible Level (LLHEL) and two Smaller Legs. Rep #101's LLTCV is 9,500 and his SLTCV is 6,950 (3,000 + 3,500 + 450 (CCV)). Rep #101 qualifies for Level 5 since he has more than 9,000 LLTCV and more than 6,000 SLTCV.

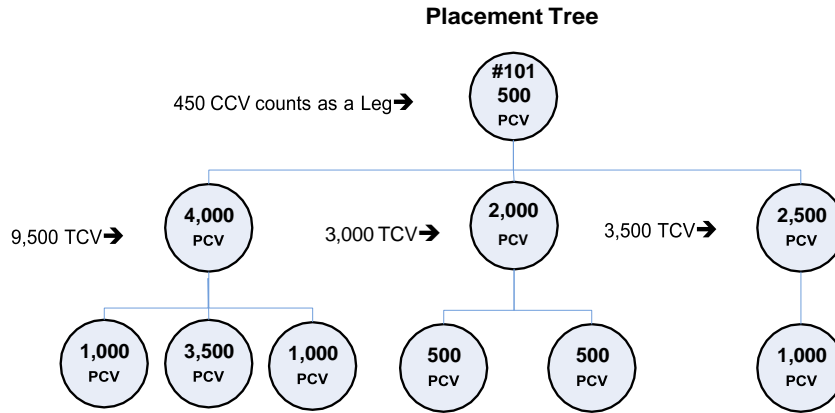


Figure 4: Highest Eligible Level

Example #23:

Rep #101 has one Largest Leg for Highest Eligible Level (LLHEL) and two Smaller Legs. Rep #101's LLTCV is 9,500 and his SLTCV is 6,500. Rep #101 qualifies for Level 4 since he has more than 4,500 LLTCV and 3,000 SLTCV.

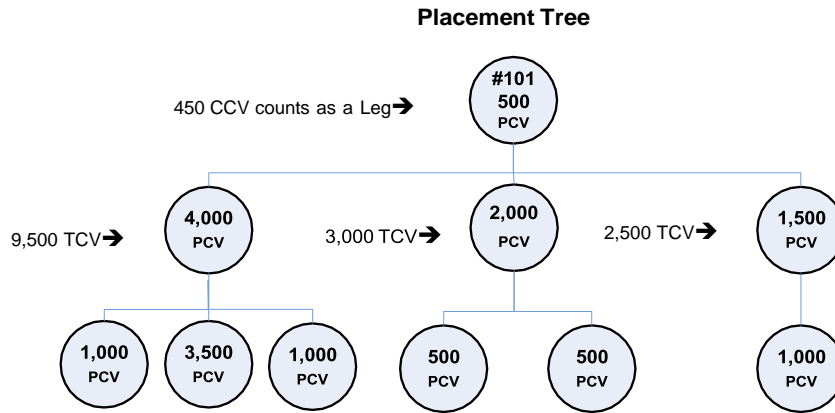


Figure 5: Highest Eligible Level

The minimum level qualifications, thresholds and payout percentages are as follows:

Highest Eligible Level	Threshold	@% Paid
1	200	8%
2	700	8%
3	2,200	7%
4	4,500	6%
5	9,000	5%
6	18,000	5%
7	40,000	3%
8	90,000	1%
9	200,000	1%
10	400,000	0.5%
11	1,000,000	0.25%
12	2,000,000	0.25%

Table 8: Payday Accumulator Level Commissions

Payout Amount

The formula dictates how to determine a Reps Payout Amount for a particular level. The **final** amount earned by the Rep for that level will be the (Payout Amount * % Paid for that level).

Payout Amount = (Total TCV – Largest Leg Requirement Threshold)

Example #24:

Rep #127 has a Highest Eligible Level of 1, a TCV Amount of 1582. Rep #127 will earn \$70.56 for Level 2. The payout of \$70.56 was determined by doing the following: 8% * (1582 – 700.00).

To explain the Payday Accumulator Bonus payout:

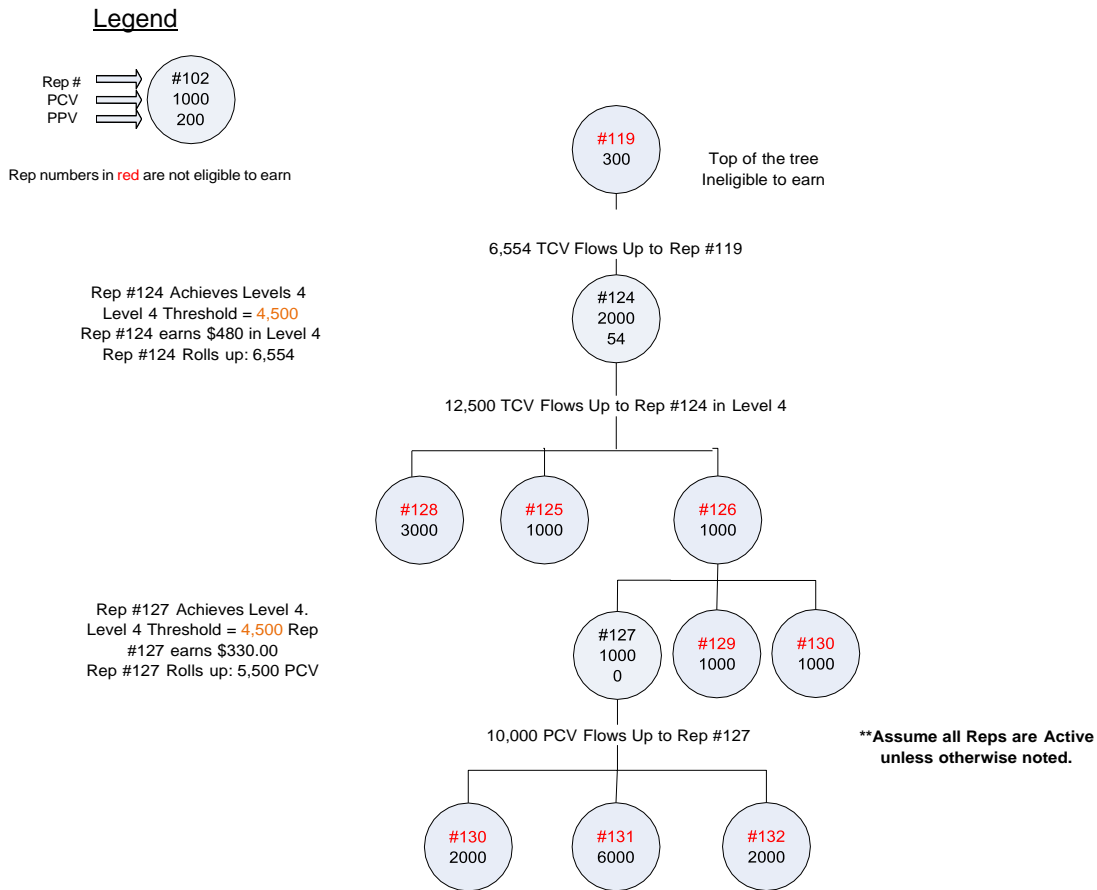


Figure 6: Payday Accumulator Bonus

Example #25:

Rep #130, #131, and #132 do not have any legs and therefore do not meet the qualifications to earn in any Level. Their volumes (2000+6000+2000) all flow up to their upline rep, Rep #127. Rep #127 has 1000 PCV and a Highest Eligible Level of 4 and as such will earn \$330 = (6% * (10,000 TCV – 4,500 [Threshold])). Rep #127 will also earn in Levels 1-3.

Rep #127 will then roll up the following amounts to Rep #124:

- $((1000 [\text{Own PCV}] + (15\% * 0[\text{Own PPV}])) + 4,500 [\text{Threshold}]) = 5,500$
PCV in level 4

In addition to Rep #127's rollup amounts, the PCV from Reps #125, 126, 128, 129, and 130 will also roll up since these Reps do not have a Highest Eligible Level of 1 or higher and will not earn.

The next upline Rep is Rep #124. Rep #124 has 2000 PCV and a Highest Eligible Level of 4 and as such will earn \$480 in Level 4; $(6\% * (12,500 \text{ GPV} - 4,500[\text{Threshold}]))$. Rep #124 will also earn in Levels 1-3.

The next upline Rep is Rep #119. Rep #119 does not have Smaller Legs for Highest Eligible Level of 1 or higher and as such will not earn on any Level. The payout stops here at Rep #119 is at the top of the tree.

Additional Considerations for the Payday Accumulator Bonus:

- Clawback is **not** supported for this bonus.
- This bonus uses the Placement Tree.

8) Generation Check Match Bonus (Monthly)

To earn on the Generation Check Matching Bonus, a Rep must meet the following requirements in the qualification period:

- A) Must be Active ([see definition](#))
- B) Must be Paid As Senior Manager or higher

The Generation Check Matching Bonus pays a Rep a percentage of the Payday Accumulator Bonus payouts earned by Reps in up to nine (9) Generations (see Generations definition). The number of Generations a Rep is eligible to earn on depends on their Paid As Rank.

The minimum Paid As Rank and payout percentages are as follows:

Generations	SMGR	RMGR	DIR	SDIR	RDIR	NDIR	PDIR	EXEC	PEXEC	PPLUS	PPREM
1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
2	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
3		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
4			5%	5%	5%	5%	5%	5%	5%	5%	5%
5				5%	5%	5%	5%	5%	5%	5%	5%
6					4%	4%	4%	4%	4%	4%	4%
7						3%	3%	3%	3%	3%	3%
8							2%	2%	2%	2%	2%
9								1%	1%	1%	1%

Table 9: Generation Check Matching Bonus

To explain the Generation Check Matching Bonus payout:

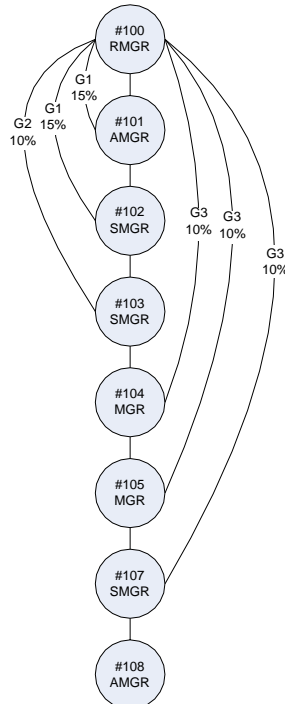


Figure 7: Generation Check Matching

Example #26:

Rep #100 is a Paid As Rank RMGR therefore can earn down three generations. Generation 1 would consist of Reps #101 and Rep #102. Generation 2 would consist of only Rep #103. Generation 3 would consist of Reps #104 and #105 and end with Rep #107.

Additional Considerations for the Generation Check Matching Bonus:

- Clawback will **not** be used for this bonus.
- This bonus uses the Sponsorship Tree.

9) Lifestyle Bonus (Monthly)

To earn on the Lifestyle Bonus, a Rep must meet the following requirements:

- A) Must be Active ([see definition](#))

The Lifestyle Bonus pays a Rep a flat dollar amount when they achieve a Paid As rank of Regional Manager for any two months in a rolling six-month period. Once achieved, a Rep must maintain the Paid As Rank of Regional Manger to receive a payout. For a Paid As Rank of Senior Director, National Director, Executive, or Presidential Plus they must achieve their Paid As Rank for any three months in a rolling five-month period. Once achieved, a Rep must maintain their Paid As Rank to receive a payout.

The ranks and associated payout amounts are as follows:

Paid As Rank	@Payout
Regional Manager	\$500
Senior Director	\$1,200

National Director	\$2,500
Executive	\$5,000
Presidential Plus	\$10,000

Table 10: Lifestyle Bonus Payouts

To explain the Lifestyle Bonus payout:

Example #27:

Rep #101 promotes to a Paid As Regional Manager in March. Rep #101 maintains their rank in April and May and they will earn \$500 for each of those months in the Lifestyle Bonus.. In June, Rep #101 demotes to a Paid As Senior Manager and will notqualify to earn. In July, Rep #101 promotes to a Paid As Regional Manager and will earn \$500 in the Lifestyle Bonus for that month and each month thereafter that they maintain the Paid As rank of Regional Manager.

Additional Considerations for the Lifestyle Bonus:

- Clawback is **not** enabled for this Bonus.

H) General Rules

The Freedom system maintains general rules in regard to how orders, enrollments, Ranks and statuses are handled. These are applicable by default in the system and will hold true unless otherwise stated within this document.

I. Orders

1) Order Status:

An order's status will directly reflect whether or not the Bonus process will consider that order for Commission and/or qualification purposes. Orders that will be considered by the Bonus process are called "Official" orders. There are four main order statuses that are applicable to the Bonus process: Void, Entered, Posted and Shipped. Posted or Shipped orders are the only order statuses that are considered "Official", unless otherwise stated. This holds true for Return Orders, which must be marked Posted or Shipped in order for Clawback and/or Commissions Recapture to be applicable.

2) Return Orders:

If Clawback is enabled, when an order is returned, the Commissions that were paid on the Volume or Flat Dollar Amount associated with that order will be clawed back or recaptured from the Commissions of the Rep to whom that order originally paid. This Clawback will occur in the same period in which the order is returned but will only occur for Commissions that were paid on Bonus types where Clawback is enabled and will only occur on those return orders that are in Posted or Shipped status during the Commission period. Volumes and Flat Dollar Amounts that have Clawback enabled (Clawback Aware) will not negatively affect the Rep's current period Volume or Flat Amounts for the purposes of qualifications (such as Paid As Rank qualification).

3) Voided Orders:

Orders in Voided status will not be considered for Commission or qualification purposes. Any Commissions paid on an order that is later Voided will not be recaptured via Clawback. Any Commissions due to be paid on an order that is Voided prior to Commissions being processed will not pay. Order-Post based Lifetime Rank updates that occurred due to the posting of an order that is then Voided will not revert, meaning the Rep will retain the Lifetime Rank they earned when that order was posted (unless it is manually adjusted). Business Centers, Coding, and/or Genealogical inserts or moves that result from the posting of an order will not revert if that order is Voided.

4) Entered Orders:

Orders in Entered status will not be considered for Commission or qualification purposes until they are Posted. If the order's Order Date falls within a period that has already been processed for Commissions when they are Posted, that order will not be considered for Commission or qualification purposes. When the order is Posted, its Order Date must fall within a period that has yet to be processed in order for it to be considered for Commission and/or qualification purposes. If an order that has paid in a prior period is un-posted and then reposted into a period that has not yet been processed, that order runs the risk of paying out more than once. This behavior should be avoided when possible.

5) Posted/Shipped Orders:

Posted or Shipped Orders are fully prepared to count towards Commissions and/or qualifications so long as the order's Order Date falls within the Commission and/or Qualification Period. A single order may pay out to multiple Rep, but will only Pay To each Rep once unless otherwise stated. In addition, unless explicitly stated otherwise, an order will never pay out in more than one Commission period.

6) Transferring Orders:

When an order is transferred from one Rep or Customer to another, the system will recognize that order as having been originally placed by the Rep or Customer it is transferred to. Simply, the system will not recognize any links to the Rep or Customer who originally placed that order. This means that the new Rep or Customer who receives that order will benefit from it fully and the Rep or Customer from whom it was transferred will not be associated with that order in any way. If an order is transferred after it has paid Commissions to the Rep (or sponsoring Rep of the Customer) who originally placed the order, no new Commissions will be paid to the new owner of that order. If an order that has been transferred is returned, any Clawback or recapture applied will appropriately recapture funds originally paid to Rep on that order, regardless of who the current owner is.

II. **Transferring Rep/Customer Sponsorship, Termination and Cancellation**

1) Inline Cancellation:

When a Rep is inline Cancelled, that Rep's Downline and personal Customers are reassigned to the newly Cancelled Rep's Sponsor. All personal orders will follow the Cancelled Rep into the Terminate tree where they will not pay. All orders placed by that Rep's Customers will follow those Customers and will count towards any Customer Volume calculations for the new Sponsor. The new Sponsor will qualify for Rank and personally sponsored bonuses on those newly assigned Reps and Customers. Any new "personally sponsored" Reps inherited from the Cancelled Rep that were not actually enrolled by the new Sponsor will still be considered "personally sponsored" Rep for the new Sponsor and will not retain their Sponsorship ties to the inline Cancelled Rep, unless specifically stated otherwise within this document.

Example #28:

Rep #101 enrolls Rep #102. Rep #102 enrolls Rep #103. Rep #102 also has a Customer, Cust #1000. Rep #102 is inline Cancelled and is moved to the Terminate Tree. Rep #103's Sponsorship ties are assigned to Rep #101 and Customer #1000 is transferred to Rep #101. Rep #101 will now earn any Volume and/or bonuses from Customer #1000 as though Customer #1000 had always been his personal Customer. Rep #101 will also earn any personally sponsored bonuses and qualify from Rep #103 as though he had personally enrolled Rep #103. The system will act as though Rep #102 never existed.

2) Cancellation:

When a Rep is not Inline Cancelled (moved to the Terminate Tree and has their Downline/Customers reassigned to the Upline) and is instead left in the Genealogy and has their Lifetime Rank set to Cancelled, the system will still recognize the Sponsorship ties between the Cancelled Rep and his personally enrolled Rep. This means that the Cancelled Rep will be Ineligible to earn on any bonuses, but, unless Compression is applied at the time of Bonus/Commissions (payouts roll up past inactive/Cancelled Rep), the system will still recognize the Cancelled Rep as the Sponsor and those payouts will be held as Breakage (will not pay). No other Rep will

benefit in Sponsorship bonuses from the Cancelled Rep's personally sponsored Rep unless Compression is applied or the payouts are based on levels or generations of the Sponsorship tree.

3) Transferring Customers/Sponsorship Changes:

When a Customer is transferred from one Rep to another or a personally sponsored Rep's Sponsorship links are set to another Rep from the Rep who originally sponsored them, the system will fully recognize those links and will not acknowledge any Sponsorship ties that Rep or Customer had previously. Simply, when a Rep or Customer is assigned to a new Sponsor, the system will award that new Sponsor all the benefits of being that reassigned Rep or Customer's enrolling Rep. This means that the new Sponsor will earn all applicable Sponsorship bonuses and will qualify from that newly assigned Rep or Customer as though he or she had originally enrolled them. The system will ignore any Sponsorship ties that Rep or Customer previously had to any other Rep unless this document explicitly states otherwise. Additionally, all orders and Volume from that transferred Rep or Customer will follow them and will roll up into the new Upline. There are some scenarios that are exceptions to this rule and would be detailed within the Volumes definitions.

I) Check Fee/Minimum Check Amount

A minimum Payout amount will be set by the Company. Any amounts less than that amount will be held and paid in a future Bonus Period. This is called a “balance forward”. There is also a Payout Processing Fee setting for the Company. The Company can change these settings as desired.

The System supports a fixed Payout Processing amount for each distinct payout method. Please review the following examples to understand how Freedom handles Payout Processing Fees.

****Please note that this section is only a set of examples provided to assist with understanding how a Check Fee or Minimum Check Amount, if used, will affect Commissions and Bonus payouts. The decision to implement Check Fees and/or Minimum Check Amounts is fully at the discretion of the Company and this section does not imply that they will be used nor does it define those amounts, if implemented. ****

Settings for the Examples Below

Check Fee: \$ 1.50
Minimum Overall Check Amount: \$20.00

Example A:

A Rep’s total Commission to be paid out in a given period is \$100.00.

$\$100.00 - \$1.50 = \$98.50$

\$98.50 exceeds the minimum overall check amount of \$20.00.

The Rep will earn a check for \$98.50.

Example B:

A Rep’s total Commission to be paid out in a given period is \$8.00.

\$8.00 is below the minimum overall check amount of \$20.

The Rep will not earn a check.

A balance forward is created for \$8.00 and will be added to the Rep’s next payout.

Example C:

A Rep’s total Commission to be paid out in a given period is \$20.00.

$\$20.00 - \$1.50 = \$18.50$

\$18.50 is below the minimum overall check amount of \$20.

The Rep will not earn a check.

A balance forward is created for \$20 and will be added to the Rep’s next check.