Compensation Plan

**Contents**

* **Commissions**
* **Activity**
* **Buy Options**

**Commissions:**

Commissions are funds that we pay out to our distributors as an incentive for them to market and sell our products. We offer compensation to our Brand Partners whenever a new customer or Brand Partner enrolls under them or an existing customer places an order. These commissions are paid out every week on Friday and once a month on the 15th. Commissions are largely based on “Business Volume” (BV) and the dollar amount, which is a metric distinct from price used to measure quantities of product purchased. Some items do not have BV (sales aids, shaker bottles, flyers/brochures), and are therefore **not** considered when commissions are paid out.

**Active Brand Partners** (see page 11 for consequences of Inactivity)

**To be considered Active, a Brand Partner must have 50 BV worth of Personal Volume**

When **weekly** commissions are calculated, we look at the Paid Rank of the Enroller for the current month to date **or** the previous month. We use whichever Paid Rank is higher to determine which commissions they are eligible for.

**Monthly** commissions are always calculated based on the rank attained by the Brand Partner *during the month for which commissions are paid* (i.e. a Brand Partner must be a Paid Rank of Associate or higher for the month of **December** in order to receive monthly commissions for the month of **December**).

**Buy Option**

**Loyal Customer**

If a new customer decided to just shop on IShopPurium, they are considered a Loyal Customer. They are going to pay retail price on the first order and on subsequent orders will get 25% just as long as they order every 30 days. If they use a gift card, they can also save $50 on their first order if they order over $75 OR 25% if they order over $200.

***The Enroller must be Active to earn commissions!***

* Enroller receives 20% of the dollar amount before shipping and taxes (ie subtotal)
* Gets paid 4 levels up 5% of the BV

**K Club Bonuses**

Brand Partners earn $50 for every $1000 in customer purchases.

1k - $50

2k - $100

3k - $150

**Enrollment Option**

**BRAND PARTNER**

**Contents**

* **Enrollment Options (Cont.)**
* **Enroller/Placement Trees**

If a new customer chooses the BASIC, BUILDER or LAUNCH pack, they are joining with as a Brand Partner

* Basic Pack $49/0QV
* Builder Pack $299/200QV
* Launch Pack $499/500QV

***The Enroller must be Active to earn commissions!***

The Enroller will earn Commissions paid based on the BV of the order. (BV = QV and CV) The enroller can earn both a Leadership Coded Bonus and a First Order Bonus with a Brand Partner’s First order.

* Leadership Coded Bonus
  + Builder Pack = pays out $175 total to Enroller/Upline
    - $75 paid to Enroller
    - $25 paid to first upline of Executive, Diamond, Blue Diamond and Crown
  + Launch Pack = pays out $300 total to Enroller/Upline
    - $100 paid to Enroller
    - $50 paid to first upline of Executive, Diamond, Blue Diamond and Crown
* First Order Bonus
  + Paid based on CV of the first order
    - 25% of CV paid to Enroller
    - 5% of CV paid upline 4 levels

Enroller always gets paid Leadership Coded Bonus, regardless of Rank. Commissions for all other levels of Leadership Coded Bonus payouts are based on previous month’s Paid Ranks. First Order Bonus commissions are based on previous month’s Paid Rank or Current month to date Paid Rank. The commissions for Brand Partner’s First orders are paid out weekly.

**Enroller/Placement (**Unilevel**) Trees** (see p. 9 for Placement procedure)

When a new customer is enrolled in the company, he or she is enrolled by whoever originally brought them into contact with us, whether by providing the new customer with a gift card code, or by referring the new customer to us through their personal website. **The distributor who directly refers the new Brand Partner is therefore considered the new Brand Partner’s “Enroller”** - the tree that includes relationships between Enrollers and their downlines is called the “**Enroller Tree**” as a result. Enrollers basically get credit for first orders placed by new Brand Partners, their enrolled Brand Partners’ advancements in rank, and they can use their personally enrolled Brand Partners for the “Personally Enrolled Active Associate” requirement for rank. Most weekly bonuses are paid on this tree.

The Sponsor/Unilevel/Placement Tree (interchangeable terms) refers to where, once a Brand Partner is enrolled, he or she is placed within the organization of the enroller. This tree governs the relationships between Brand Partners after the first order, **meaning all orders after #1 will be paid out according to where in the Unilevel Tree the Brand Partner lies**. Most monthly bonuses are paid on this, and structure requirements are based on this tree.

**Rank**

**Contents**

* **Rank**

Rank is a measure of how large and active a Brand Partner’s organization is, and we use rank to determine which commissions a Brand Partner will earn. The minimum rank at which we pay commissions is Associate rank, which requires only that a Brand Partner has 50 Personal Group Volume in a month.

Requirements for Rank

* + **Personal Volume:** Most ranks require only 50, but starting at Diamond and above, we require 100+.
  + **Personally Enrolled Actives**: Brand Partners must have Active Associates or Active Loyal Customers on their first level of their Enroller Tree in order to be qualified for most ranks. This means that they must have Brand Partners/customers on their first level who have purchased a minimum of 50BV.
    - For instance, the requirement for Consultant rank is 2 Personally Enrolled Actives. If John enrolls both Sarah and Louis, every month in which Sarah and Louis are active, John is considered to have 2 Personally Enrolled Actives. **It is not required that new Brand Partners/customers be enrolled each month.**
  + **Group Volume**: Group Volume is composed of the BV from all orders placed by *every* Brand Partner and Customer in a Brand Partner’s organization. Group volume is normally only counted down to level 8, but Compression may change that, and Crowns’ Group Volume is based on orders placed down to their level 9.

**WEEKLY COMMISSIONS –** Based on Orders placed between Saturday and Friday, and paid the following Friday

**Contents**

* **Weekly Commissions**
* **Monthly Commissions**
* **Unilevel Bonus**
* **Professional Unilevel Bonus**
* First Order Bonus
* Professional First Order Bonus
* Loyal Customer First Order Bonus
* Loyal Customer Unilevel Bonus
* Leadership Coded Bonus

**MONTHLY COMMISSIONS –** Based on the calendar month and paid on the 15th of the following month

**Commissions paid Monthly**

* Unilevel Bonus plus Cap Overflow
* Professional Unilevel plus Cap Overflow
* Infinity Bonus
* Achievement Bonus
* Achievement Matching Bonus
* Lifestyle Bonus
* Pools - 1% Diamond Pool, 1% Black/Red Diamond Pool, 3% Crown Pool
* Matching Bonus: Diamonds+
* K Club Bonus

**Unilevel Bonus**

* Pays out through the Sponsor/Unilevel Tree
* Must be Active
* Commission is paid out on total BV of order
  + First orders placed by Brand Partners do NOT payout through the Unilevel Bonus. They are paid out Weekly through the First Order Bonus
  + Second, Third, etc orders are paid out through the Unilevel Bonus
* Sponsor receives 5%
  + 5% paid upline levels 2-6
  + 3% paid upline levels 7-8
  + 2% paid upline levels 9-10 to infinity (See Infinity Bonus, p. 11)

**Professional Unilevel Bonus**

* Pays out through the Sponsor/Unilevel Tree
* Must be Active
* Commission is paid out on total BV of order
  + First orders placed by Professionals do **NOT** payout through the Unilevel Bonus. They are paid out Weekly through the Professional First Order Bonus
  + Second, Third, etc orders are paid out through the Professional Unilevel Bonus
* Sponsor receives 10%
  + 5% paid upline levels 2-4

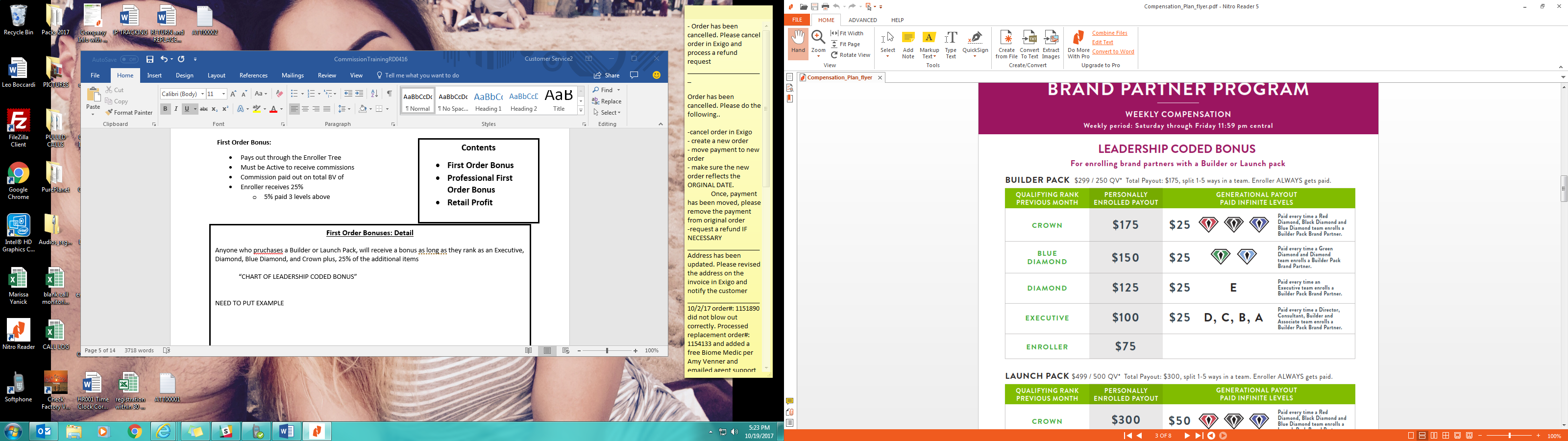
**First Order Bonus:**

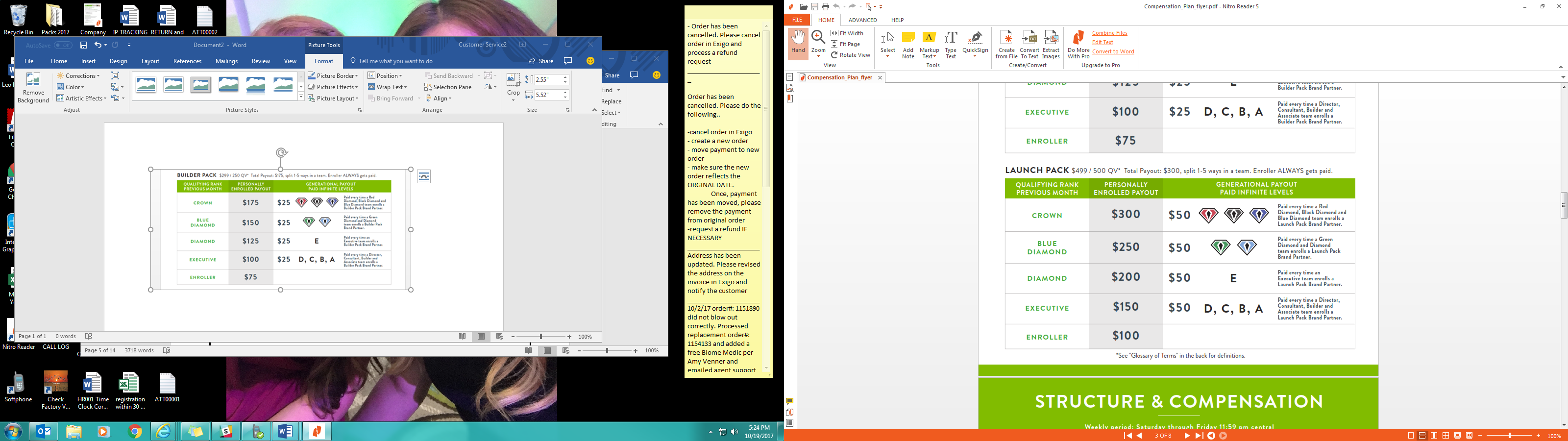
**Contents**

* **First Order Bonus**
* **Leadership Coded Bonus**
* Pays out through the Enroller Tree
* Must be Active in Previous month or current month to date to receive commissions
* Commission paid out on total BV of first order
* Enroller receives 25%
  + 5% paid 3 levels above

**Leadership Coded Bonus Detail**

Anyone who purchases a Builder or Launch Pack, will receive a bonus as long as they rank as an Executive, Diamond, Blue Diamond, and Crown





If for instance, a new Brand Partner purchases a Launch pack, a 10 – Day Transformation, the enroller will earn the “personally enrolled payout” (depending on their rank) and the First Order Bonus (25% of the BV of the 10-Day Transformation. Plus, the uplines (Executive, Diamond, Blue Diamond, and Crown) earn $50 each for the Launch pack and 5% of the total BV.

**Professional First Order Bonus:**

**Contents**

* **Professional First Order Bonus**
* **Loyal Customer Bonus**
* **K Club Bonus**
* **Cap Overflow**
* Pays out through the Enroller Tree
* Must be Active in previous month or current month to date to receive commissions
* Commission paid out on total BV of first order
  + Enroller receives **10**%
  + 5% paid 3 more levels upline

**Loyal Customer Bonus:**

* Enrollers of First Level Loyal Customers will always get paid 20% of the dollar amount minus tax and shipping (ie subtotal).
* 5% of BV is paid 4 levels upline
  + First order – follows Enroller tree
  + Subsequent orders – follow Unilevel/Placement tree

**K Club Bonus:**

* Brand Partners earn $50 extra for every $1000 in Customer purchases
  + 1K Club = $50
  + 2K Club = $100
  + 3K Club = $150
  + Etc…

**Cap Overflow:**

* There is a “BV Cap” on the ranks of Executive and below on Unilevel and Professional Volume.
  + Builder Cap:     2000 GV
  + Consultant Cap: 5000 GV
  + Director Cap:    12,000 GV
  + Executive Cap: 30,000 GV
* All Unilevel and Professional bonuses on volume above the cap will by-pass the Brand Partner at the rank of Executive and below and be paid out to the next qualified Diamond and above.
  + 1% is shared 5 levels up to Diamonds and above for any commissions not paid to Executive and below due to this cap

**Achievement Bonus**

**Contents**

* **Achievement Bonus**
* **Achievement Matching Bonus**
* **Matching Bonus**
* **Lifestyle Bonus**
* **Pool Bonus**
* Pays out to the Brand Partner achieving a new Rank for the first time. **Paid 1 time only!**
  + Director $200
  + Executive $500
* No time limit.

**Achievement Matching Bonus**

* Paid to the enroller only when a personally enrolled Brand Partner achieves a new rank.
* Must be Active at the same rank, or higher, of Brand Partner receiving Achievement Bonus to receive commissions
* Pays out to the Enroller of the Brand Partner Achieving Rank for the first time. **Paid 1 time only**!
  + Director $200
  + Executive $500

**Both Achievement Bonus and Matching Achievement Bonus paid only to Brand Partners that have “unlocked” the qualification to receive them.**

* Achievement Bonus – must have purchased a Builder or Launch Pack OR achieved the 1K Club
* Matching Achievement Bonus – must have purchased a Launch Pack OR achieved the 2K Club

**Matching Bonus**

* A 10% percent monthly bonus that is paid to Diamond Rank and higher.
* It matches the Unilevel/Infinity/First Order/Professional Bonuses on all personally enrolled Brand Partners on your 1st Generation.
* Matching bonuses of 5%-10% are also paid out on Generations 2, 3, and 4 depending upon rank achieved.
* Matching Bonuses use Dynamic Compression on all Generations to maximize payout.
* Example – Mary enrolls Fred. Fred gets a commission check in the amount of $50 on his Unilevel/Infinity/ First Order/Professional Bonuses. Mary will get a Matching Bonus of $5 (i.e. 10% of $50).
* The Matching Bonus is part of the Monthly Commission Period and is paid monthly when applicable.

**Lifestyle Bonus**

* Pays out to Brand Partners who are paid as Diamond or higher in a calendar month, if they qualify (does not pay for simply achieving this rank)
* Consists of lump sum bonuses based on the rank at which this is achieved
* Qualifications for Diamonds – Red Diamonds:
  + **Requirement**: Create a new rank advancement of Consultant or above during the month
  + New Consultant (or above) must not be below another Diamond (or above) except the first month in which a downline Brand Partner achieves the rank of Diamond (or above) from Executive (or below), then the Consultant in this leg will count toward achievement of the bonus in this month, this leg is blocked and cannot be used as a leg that generates qualifying Consultant.
  + New Consultant does not have to be personally enrolled.
  + An alternative method of earning the Lifestyle Bonus is to enroll 3 new Brand Partners with a Builder Pack or Launch Pack during the month.
  + Another method is to have $1000 is Customer sales (personally enrolled Customers) during the month
* Qualifications for Crowns – Royal Crown II
  + **Requirement**: Create one new Director (or above) during the month.
  + New Director (or above) must not be below another Crown (or above).
  + New Director does not have to be personally enrolled.
  + Another method is to have $2000 in Customer sales (personally enrolled Customers) during the month

**Pool Bonus**

* Pays out to Brand Partners who are paid as Diamond or Higher in a calendar month, if they qualify (does not pay for simply achieving this rank) – same qualifications as Lifestyle Bonus
* Recipients of this bonus get shares of 1% of all volume in North America
  + Diamonds, Green Diamonds, Blue Diamonds each get 1, 2, 3 shares respectively of 1%
  + Black Diamonds and Red Diamonds get 1 and 2 shares respectively of another 1%
  + Crowns, 2-Star Crowns, 3-Star Crowns, 4-Star Crowns, 5-Star Crowns, Royal Crowns I, and Royal Crowns II get 1, 2, 3, 4, 5, 5, 5 shares respectively of 3% of total NA volume
* Qualifications for Diamonds – Red Diamonds:
  + **Requirement**: Create a new rank advancement of Consultant or above during the month
  + New Consultant (or above) must not be below another Diamond (or above) except the first month in which a downline Brand Partner achieves the rank of Diamond (or above) from Executive (or below), then the Consultant in this leg will count toward achievement of the bonus in this month, this leg is blocked and cannot be used as a leg that generates qualifying Consultant.
  + New Consultant does not have to be personally enrolled.
  + An alternative method of earning the Lifestyle Bonus is to enroll 3 new Brand Partners with a Builder Pack or Launch Pack during the month.
  + Another method is to have $1000 is Customer sales (personally enrolled Customers) during the month
* Qualifications for Crowns – Royal Crown II
  + **Requirement**: Create one new Director (or above) during the month.
  + New Director (or above) must not be below another Crown (or above).
  + New Director does not have to be personally enrolled.
  + Another method is to have $2000 in Customer sales (personally enrolled Customers) during the month

**Miscellaneous**

**Contents**

* **Placement Changes**
* **Structure Requirements**

**Placements: How commissions are affected**

* Only possible normally within 1 month+ of enrollment (remainder of current month + entire next month)
* When requested past month+ of enrollment, following permissions must be granted in writing (Email)
  + Approval of Brand Partner being moved
  + Approval of enroller
  + Approval of upline Diamond
  + Approval of upline Crown
  + Approval of David Litt

By placing a personally enrolled Brand Partner under someone else, the enroller is sharing the volume of the Brand Partner that was placed (to help the new placement sponsor advance with extra volume) and sharing the commissions that are paid upline from the second order on. Only the enroller benefits from the First Order Bonus for the new Brand Partner.

By remaining the enroller of the new Brand Partner, the enroller earns the first order commissions, earns any 1st order commissions from Brand Partners that they will enroll (as first order follow the enroller tree), earns any 1st order Loyal Customer bonuses from customers the Brand Partner enrolls, maintains them being their personally enrolled active Brand Partner (towards qualifying), earns matching bonuses and matching achievement bonuses from their newly enrolled Brand Partner’s rank advancements.

**The placement sponsor will not make any commissions from this 1st order**, but **will earn commissions on orders 2, 3, etc**.  From the second order on, the enroller must achieve the necessary rank in order to benefit from his/her newly moved Brand Partner’s orders. For instance, if the enroller moves his new Brand Partner down to his level 4, he must be at least a Consultant to benefit from that newly placed Brand Partner’s orders.

**Structure Requirements (Diamonds and Above)**

Once a customer has achieved the rank of Diamond, we require not only certain PV, GV, and Personally Enrolled Actives, but we also require that Diamonds and above hold certain structures in their organizations. This means that they must have legs in their organizations (a leg is just a distributor and all his/her downlines) that meet certain rank requirements. For instance, Diamonds must have 3 Consultant legs. These Consultants can exist **anywhere** in the Diamond’s organization (within 8 levels), with the exception that they must not exist in the same leg together and cannot be under another Diamond.

**Returns**

**Contents**

* **Returns**
* **Inactivity/Dynamic Compression**

When a customer returns products within the 60 days that we allow, we generally claw back from the enroller and uplines the commissions that were earned for that order. This means that when a customer returns the 10-Day Transformation, we deduct 20% of the dollar amount from Loyal Customers and 25% of the BV from Brand Partners from the commissions account of the upline. This means that the next time they earn a commission, we deduct what was returned.

Returns do not affect the ranks of uplines retroactively. This would complicate commissions enormously. If, for instance, a consultant’s downline returned products the month after the consultant attained his/her rank, we **would not** retroactively set the consultant as a builder due to this; they maintain their rank.

**Inactivity/Dynamic Compression**

The requirement for Brand Partners to earn commissions is that they must purchase 50 BV worth of products during each monthly period (must have 50 PV). If this requirement is not met, several things happen:

* If a Brand Partner is inactive, weekly commissions (for new enrollments) are paid to the closest active upline instead of to the Brand Partner
  + Scenario: Joe enrolls in May with a Builder Pack but does not place any further orders. He enrolls a new Brand Partner in July. Since it has been more than a month since Joe ordered, he is no longer eligible for commissions. The commission for the new Brand Partner’s enrollment goes to his nearest active upline, since he was not active/eligible for the commission.
* If a Brand Partner is inactive, monthly commissions are not paid for that period
  + Scenario: Joe enrolls in May and continues to order regularly until July. In August, he does not place an order. Because he did not order in August, he is considered inactive and forfeits any monthly commissions for the month of August. This does not affect his ability to earn commissions for September, as long as he becomes active in September.
  + The way that compression works here is more complicated. Since the direct upline would normally receive commissions for Brand Partners enrolled by Joe, the direct upline’s monthly commissions will not normally be affected. However, a Brand Partner 8 levels above Joe may receive extra commissions, since Joe’s downline is now effectively on that Brand Partner’s 8th level instead of her 9th level.

**50% Rule**

**Contents**

* **50% Rule**
* **Compression**
* **Infinity Bonus**

This only applies to Crowns and above. The GV requirement to be a crown is 150,000. The structural requirement in the compensation plan is "1 Blue Diamond Leg + 2 Diamond Legs OR 50% Rule". A Crown can either fulfill the requirement of having at least 2 Diamond Legs and 1 Blue Diamond, or, we apply the 50% rule. This rule stipulates that as long as 50% of the Crowns GV exists outside of a single leg, we will waive the other structural requirements. Say for instance that a Crown has a Crown leg with 200,000 GV, but in the rest of his group, there are only Executives and below. Because he only has one Crown (which satisfies the Blue Diamond or higher requirement), he would not normally qualify as a crown. However, he can use 75,000 GV from the 200,000 GV Crown leg he has, and if he has 75,000 GV throughout the rest of his organization, he does not need any other Diamond or Blue Diamond legs. If all his volume is concentrated in that one leg, however, and there is not at least 75,000 GV in the rest of his organization, he **must** meet the requirement of having 2 Diamond legs + 1 Blue Diamond Leg. There is no 50% rule for Royal Crowns.

**Compression**

Compression occurs when a Brand Partner is inactive for a month or more. When this happens, we take that inactive Brand Partner out of the equation, and the customers/Brand Partners in the downline of that Brand Partner are all shifted up one spot for purposes of determining Group Volume and Commissions.

So, for instance, Harold is a Brand Partner. Harold enrolls Lucas, and Lucas enrolls Ronald. If all three of these Brand Partners are active, then Lucas is on Harold’s **first** level, and Ronald is on Harold’s **second** level. This means that, to earn commissions from Ronald’s orders, Harold would have to be at least a Builder. If, however, Lucas stops ordering for a month or more, Ronald is considered to be on Harold’s **first** level, rather than his second. This means that, since Ronald is only on Harold’s first level, Harold only has to be an Associate to earn commissions from Ronald’s orders.

It’s important to note that, since Group Volume is affected by compression, this can cause some strange fluctuations in GV around levels 8 and 9. This is because all Brand Partners lower than the rank of Crown only earn commissions/can utilize Group Volume down to level 8; except in certain cases (i.e. Infinity Bonus) a Brand Partner does not benefit from orders more than 8 levels below him. That is, unless there are inactive Brand Partners in the Brand Partner’s downline. Then, it is possible for volume from level 9 or further to pay out to an upline more than 8 levels above.

Another important note: in the scenario described above with Harold, Lucas, and Ronald, even though Compression puts Ronald one level below Harold, Ronald **does not** count as a Personally Enrolled Active associate for Harold. Compression has no effect on the Personally Enrolled Active Associate statistic.

**Infinity Bonus**

The Infinity Bonus is earned by Green Diamonds and above. Normally, Brand Partners only earn commissions on orders placed in their downlines from their first level customers down to their eighth level customers. However, Green Diamonds and above have the potential to earn commissions on Brand Partners in their downlines infinitely. This means that they can earn potential commissions on Brand Partners’ orders from level 9 and on. However, as soon as they hit another Green Diamond or higher in their downline, they stop earning commissions from that leg. For Blue Diamonds and above, the Infinity Bonus stops when they hit another Blue Diamond or higher in their downline.

Graphical Supplement

Leg Lesson

Legs are defined as such:

Each **Brand Partner in your Unilevel Team on your first level** defines **one** leg. This means that in the above example, we can see **three** of Anna’s legs: John, Sierra, and Louis. A leg includes the Brand Partner on your first level that defines the leg **and all other Brand Partners in his or her downline.**

**Remember that legs are determined by the Unilevel Tree, NOT the Enroller Tree, so the *placement* of the Brand Partners in your downline is taken into account for this, and it does not matter where they were originally enrolled.**

**A “Consultant” leg or “Director” leg is defined as a “leg containing a Consultant or Director within 8 levels”.** The same goes for Executive legs, Diamond legs, etc.

How many legs does Louis have? How many legs does John have?

Leg Exercise

In the example above, Anna is trying to become a Diamond. The requirements for Diamond are:

* 100 Personal Volume
* 15,000 Group Volume
* 6 Personally Enrolled Active Associates
* **3 Consultant Legs**

**Discussion Points:**

Let’s assume she meets the first three requirements. Does she also meet the Consultant Leg requirement? How many Consultant Legs does Anna have?

Anna is trying to achieve the Lifestyle and Pool Bonuses. Who, in her downline, will qualify her for these bonuses by advancing in Rank (assume that the rank shown is the highest they’ve achieved)? There are several possibilities…

50% Rule

The 50% Rule states that one may rank as a Crown **without fulfilling the structure requirements** (1 Blue Diamond Leg, 2 Diamond Legs) as long as **at least half of the total Group Volume required for the Crown Rank exists outside of the largest leg**.

The required GV for 1 Star Crown is 150,000. Half of that is 75,000. Does Joe qualify for the 50% Rule?

Now look at the altered graphic below. The total GV remains the same, but the distribution has changed. Does Joe qualify for the 50% Rule?