

1 PERSONAL SALES COMMISSIONS

FREE & DISCOUNTED PRODUCT

O - 1499 QV 25%	MONTHLY POWER SELLER BONUS 1,500 QV 5% (30%)	3,000 QV 7% (32%)	6,000 QV 10% (35%)	ALL DESIGNER Shop your own store at 25%, earn QV!	EARN NEW SEASON DISCOUNTS WITH PREVIOUS SEASON'S SALES! QUARTERLY QUALIFY 1 MONTH QUALIFY 3 MONTHS OR 2000 PQV	NEXT LINE DISCOUNT 50% OFF \$250 FOR \$50
---------------------------	---	----------------------	-----------------------	--	---	--

2 TEAM COMMISSION

MONTHLY PAY RANK REQUIREMENTS	DESIGNER	LEAD DESIGNER	ASSOCIATE DESIGNER	SENIOR DESIGNER	STAR DESIGNER	ASSOCIATE DIRECTOR	DIRECTOR*	SENIOR DIRECTOR	STAR DIRECTOR	EXECUTIVE DIRECTOR	PLATINUM DIRECTOR	DIAMOND DIRECTOR
PERSONAL SALES (PQV) OR ALTERNATIVE LEADER POV		300	750	1,000	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
TEAM STRUCTURE (Q = QUALIFIED LEG)		1Q	1Q	2Q	3Q	4Q 1 STARDSR	4Q 2 STARDSR	4 STARDSR	4 STARDSR 1 DIR	4 STARDSR 2 DIR	5 STARDSR 2 DIR 1 SRDIR	6 STARDSR 3 SRDIR 1 STARDIR
GROUP QUALIFYING VOLUME (GQV)			2,000	4,000	8,000	16,000	30,000	60,000	120,000	200,000	200,000	200,000

* = Directors+ must have 500 JSV every rolling 4 months and no more than 50% of GQV requirement can come from one leg.

COMMISSION PAYOUTS

LINE 1		4%	8%	9%	12%	12%	12%	12%	12%	12%	12%	12%
LINE 2				3%	6%	6%	7%	7%	7%	7%	7%	8%
LINE 3						2%	3%	3%	3%	3%	3%	3%
LINE 4							1%	2%	2%	2%	2%	2%
STAR+ TEAM LEVELS						1	1	1	1-2	1-3	1-4	1-4



KEY TERMS

PERSONAL QUALIFYING VOLUME (PQV)

The Qualifying Volume (QV) you have personally sold at retail. 1 QV is generally equivalent to \$1 USD, not including tax, shipping, and discounts.

QUALIFIED LEG

Your 1st Line Designer and her entire team. When you personally sponsor, you add a new Leg. A Leg is Qualified when 1 Designer in the Leg qualifies with 300 PQV in one month.

GROUP QUALIFYING VOLUME (GQV)

The sum of PQV from you and your first 4 lines.

TEAM COMMISSIONS

Commissions paid on the Commissionable Volume (CV) of your team. CV is generally equal to 65% of the retail value.

COMMISSIONABLE VOLUME (CV)

65% x Personal Retail Volume (PRV)

CAREER RANK

Highest Pay Rank in the last 6 months. Used to determine generations for Star Designers+.

STAR+ TEAM BONUS

Earn a bonus point (1% of Commissionable Volume) on various Star teams based on your level, regardless of what line your Star team is on. (Generation Bonus).

FOR DIRECTORS+*

ROLLING 4 JSV

A cumulative of 500 in JSV in the last rolling 4 months is required to hit a Director+ Pay Rank.

JUMP START VOLUME (JSV)

The amount of QV from any directly sponsored Designers in their Jump Start period, Line 1.

ALTERNATIVE LEADER PQV

As a Star Designer or above, any month you have 500 JSV, your PQV requirement can be reduced to 500.

NEW PROMOTE PHASE

For 3 months following a first time promotion, if a Leader also has 500 JSV and met all other qualifications, a Leader can be paid at their new Career Rank with up to 20% less GQV. This allows a new Leader to strengthen their teams with continued sponsoring.

ACTIVE ACCOUNT

To keep an active Designer account, you need 200 PQV in the last rolling 6 month. If you do not meet this requirement, your account will be deactivated.

TEAM COMPRESSION

To maintain a downline team, you must Qualify with 300 PQV in one month at least once in the last rolling 4 months. If you do not meet this requirement, your team will roll up to the Next Qualified Leader.

50% RULE

For Directors and above, no more than 50% of GQV can come from any one leg.



PAY PLAN

EFFECTIVE JAN 2 2020

AMBASSADOR PERSONAL SALES COMMISSIONS

1-299 PQV	20%
300 PQV	25%
2,500 PQV	30%
5,000 PQV	35%
10,000 PQV	40%

EXECUTIVE MONTHLY CASH REWARDS** (EXECUTIVE LEVEL ONLY)

25,000 CV	\$750
50,000 CV	\$1,000
75,000 CV	\$1,500
100,000 CV	\$2,000

*50% Limited Leg and Line Volume, and Shifted Volume rules apply. **Must achieve requirements for 3 consecutive months to earn.

See page 2 for full details and Pay Plan definitions.

	QUALIFIED AMBASSADOR	SQUAD SALES COACH	COMMUNITY SALES COACH	EXECUTIVE SALES COACH
PERSONAL QUALIFYING VOLUME (PQV)	300	1,000	2,500	2,500
SALES COACH QUALIFYING VOLUME*		3,000	5,000	10,000
ROLLING LINE 1 VOLUME			1,500	1,500
COMMUNITY VOLUME*				25,000

PERSONAL QUALIFYING
VOLUME (PQV)

SALES COACH
QUALIFYING VOLUME*

ROLLING LINE 1 VOLUME

COMMUNITY VOLUME*

NEW AMBASSADOR
REFERRAL REWARDS*

10% OF PERSONALLY REFERRED
AMBASSADORS' 1ST YEAR SALES
(PAID IN ADDITION TO LINE COMMISSIONS BELOW)

LINE COMMISSIONS (PAID ON WHOLESALE VOLUME)

Direct Support* (L1 Volume)	1-4,999		4%	4%	4%
	5,000		6%	6%	6%
	10,000		8%	8%	8%
Secondary Support* (L2 Volume)	1-4,999		4%	4%	4%
	5,000		6%	6%	6%
	10,000		8%	8%	8%
Community Support* (L3 Volume)	1-9,999			2%	2%
	10,000			4%	4%
	20,000			6%	6%

GLOSSARY OF TERMS

E F F E C T I V E J A N 2 2 0 2 0

PERSONAL SALES COMMISSIONS: All Ambassadors earn 20% base Personal Sales Commissions that are paid weekly on PRV. When your PQV in a calendar month meets or exceeds the higher required PQV thresholds, you'll earn a higher percentage of your PRV. If you obtain a higher threshold throughout the month, at month end you will be paid out the difference based on your highest achievement.

SALES POINTS: All S&D Products have Sales Points which include Qualifying Volume (QV), Retail Volume (RV), and Wholesale Volume (WV).

QV: Used to determine Commissions rates and additional Pay Plan qualifications. QV exists for the purpose of global alignment and will be the same in every country, regardless of retail price. QV is based on US retail price and on the profit margin of the product sold. Excludes tax, shipping, and discounts.

RV: Used to calculate Personal Sales Commissions and is based on local retail and the profit margin of the product sold. Not all items offer RV, such as business supplies and fees. Excludes tax, shipping, and discounts.

WV: Used to calculate New Ambassador Referral Rewards and Line Commissions. WV is 65% of RV.

PERSONAL QUALIFYING VOLUME (PRV) & PERSONAL RETAIL VOLUME (PRV): Equals your Personal QV or Personal RV from product sales through your S&D Ambassador account and the products you have personally sold to customers.

NEW AMBASSADOR REFERRAL REWARDS: When you personally refer a new Ambassador to open up their own S&D Shops you earn 10% of the WV of each new Ambassador in each Ambassador's first 12 months on up to 3,250 WV (5,000 RV) per month and 1% on any additional WV in excess of 3,250 WV per month. These rewards are paid monthly when both you and your new personally referred Ambassador are Qualified with 300 PQV in such month.

PERSONALLY REFERRED: Those you personally referred to sign up and start their own S&D Shop.

QUALIFIED AMBASSADOR: An Ambassador who has 300 PQV for that calendar month.

SALES COACH QUALIFYING VOLUME (SCQV): Your PQV plus the QV of all Ambassadors you have personally referred into your Line 1. Up to 50% of your SCQV can come from the QV of a personally referred Line 1 Ambassador. 100% of your PQV always counts towards your SCQV.

LINE COMMISSIONS: Commissions paid on the WV of each Ambassador on up to 3,250 WV (5,000 RV) and 1% on any additional amount in excess of 3,250 WV in any given month. Line Commissions are unlocked at Squad Level Sales Coach and above and are paid in addition to any New Ambassador Referral Rewards. Line Commissions rate is determined by the total QV in each line. Line Commissions are not paid on your PRV and are subject to Shifted Volume Rewards Pool rules.

LINE 1 (DIRECT SUPPORT): Total Sales Points of Ambassadors you have personally referred or who have shifted to your line 1.

LINE 2 (SECONDARY SUPPORT): Total Sales Points of Ambassadors who have been personally referred by your Line 1 or who have shifted to your line 2.

LINE 3 (COMMUNITY SUPPORT): Total Sales Points of Ambassadors who have been personally referred by your Line 2 or who have shifted to your line 3.

ROLLING LINE 1 VOLUME (RLIV): The cumulative PQV for a rolling 3 months plus the current month from all of your Line 1 Personally Referred Ambassadors (with start dates in the current month and prior 3 calendar months) combined. You can meet RLIV requirements with 1 personally referred Ambassador.

COMMUNITY VOLUME (CV): Your PQV plus the QV of everyone in your Line 1 + Line 2 + Line 3. Up to 50% of your CV requirement can come from the QV of a Line 1 Ambassador and everyone in their Lines 1 and 2 (your Lines 2 and 3), this is called a Leg. 100% of your PQV counts towards your CV. CV is subject to Shifted Volume Rewards Pool rules. Your total CV determines your Monthly Executive Cash Reward.

EXECUTIVE MONTHLY CASH REWARDS: \$750-\$2,000 cash rewards that are paid monthly to those at Executive Level Sales Coach. The cash reward is based on total CV in any given month. To be eligible to earn you must meet the requirements for 3 consecutive months. Reward will be paid following the third month of achievement. If you miss the requirements, you will not earn the reward for that month. Qualification restarts if you miss the requirements for 3 months in a row.

PAID-AS LEVEL: The level that you achieve each month which determines your pay for that month.

50% LIMITED LINE VOLUME: Up to 50% of your SCQV requirement can come from the QV of a personally referred Line 1 Ambassador. 100% of your PQV can count towards SCQV requirements. 50% Limited Line Volume does not apply to Line Commissions rate thresholds.

50% LIMITED LEG VOLUME: Up to 50% of your CV requirement can come from the QV of a Line 1 Ambassador and everyone in their Line 1 and 2 (your line 2 and 3), this is called a Leg. 100% of your PQV counts towards your CV.

SHIFTED VOLUME REWARDS POOL (APRIL 2020): Get rewarded on extended team product sales when an Ambassador moves into your Lines 1-3, no matter who originally referred them as an Ambassador. If an Ambassador has rolled-up or been assigned to your Lines 1-3 (and did not originate on lines 1-3) you will still earn the full Line Commission on up to 25,000 RV (16,250 WV) per Line and count up to 75,000 CV towards earning Executive Monthly Cash Rewards. After that, count unlimited Shifted Volume with Matching Shifted Volume and Community Volume.

MATCHING SHIFTED LINE AND COMMUNITY VOLUME (APRIL 2020): Increase the amount of SLV and SCV you can count up to the same amount as you have in total PRAV in Lines 1, 2 or 3 for SLV and total PRAV in your CV for SCV. Applies to Sales Coaches who have exceeded more than 25,000 SLV on Lines 1, 2 or 3 or 75,000 in SCV.

PERSONALLY REFERRED AMBASSADOR VOLUME (PRAV): The QV, RV and WV of those you personally referred (Line 1), those they personally referred (Line 2), and those they personally referred (Line 3). Ambassadors who have moved to your Lines 1-3 because they were assigned by the Home Office or because they originated on your Line 4 or below do not count as PRAV but will fall under the rules of the Shifted Volume Rewards Pool.

CUSTOMER SALES REQUIREMENT (APRIL 2020): The majority of Sales Points must be verified retail sales made to end customers. If not, you will be awarded PQV only on customer orders. In any event, no more than 125 your PRV will count towards WV and no more than 125 of your PQV will count towards team QV, SCQV and CV.



PAY PLAN (CA)

EFFECTIVE JAN 2 2020

**AMBASSADOR
PERSONAL SALES
COMMISSIONS**

1-299 PQV	20%
300 PQV	25%
2,500 PQV	30%
5,000 PQV	35%
10,000 PQV	40%

**EXECUTIVE MONTHLY
CASH REWARDS**
(EXECUTIVE LEVEL ONLY)**

25,000 CV	\$900
50,000 CV	\$1,200
75,000 CV	\$1,800
100,000 CV	\$2,400

*50% Limited Leg and Line Volume, and Shifted Volume rules apply. **Must achieve requirements for 3 consecutive months to earn.

We expect the typical Ambassador to earn between \$0 and \$249 in commissions and bonuses, excluding retail profits.

See page 2 for full details and Pay Plan definitions.

	QUALIFIED AMBASSADOR	SQUAD SALES COACH	COMMUNITY SALES COACH	EXECUTIVE SALES COACH
PERSONAL QUALIFYING VOLUME (PQV)	300	1,000	2,500	2,500
SALES COACH QUALIFYING VOLUME*		3,000	5,000	10,000
ROLLING LINE 1 VOLUME			1,500	1,500
COMMUNITY VOLUME*				25,000

10% OF PERSONALLY REFERRED AMBASSADORS' 1ST YEAR SALES
(PAID IN ADDITION TO LINE COMMISSIONS BELOW)

LINE COMMISSIONS (PAID ON WHOLESALE VOLUME)
Paid on up to 3,900 WV, earn 1% thereafter.

Direct Support* (L1 Volume)	1-4,999	4%	4%	4%
	5,000	6%	6%	6%
	10,000	8%	8%	8%
Secondary Support* (L2 Volume)	1-4,999	4%	4%	4%
	5,000	6%	6%	6%
	10,000	8%	8%	8%
Community Support* (L3 Volume)	1-9,999		2%	2%
	10,000		4%	4%
	20,000		6%	6%

GLOSSARY OF TERMS

E F F E C T I V E J A N 2 2 0 2 0

PERSONAL SALES COMMISSIONS: All Ambassadors earn 20% base Personal Sales Commissions that are paid weekly on PRV. When your PQV in a calendar month meets or exceeds the higher required PQV thresholds, you'll earn a higher percentage of your PRV. If you obtain a higher threshold throughout the month, at month end you will be paid out the difference based on your highest achievement.

SALES POINTS: All S&D Products have Sales Points which include Qualifying Volume (QV), Retail Volume (RV), and Wholesale Volume (WV).

QV: Used to determine Commissions rates and additional Pay Plan qualifications. QV exists for the purpose of global alignment and will be the same in every country, regardless of retail price. QV is based on US retail price and on the profit margin of the product sold. Excludes tax, shipping, and discounts.

RV: Used to calculate Personal Sales Commissions and is based on local retail and the profit margin of the product sold. Not all items offer RV, such as business supplies and fees. Excludes tax, shipping, and discounts.

WV: Used to calculate New Ambassador Referral Rewards and Line Commissions. WV is 65% of RV.

PERSONAL QUALIFYING VOLUME (PRV) & PERSONAL RETAIL VOLUME (PRV): Equals your Personal QV or Personal RV from product sales through your S&D Ambassador account and the products you have personally sold to customers.

NEW AMBASSADOR REFERRAL REWARDS: When you personally refer a new Ambassador to open up their own S&D Shops you earn 10% of the WV of each new Ambassador in each Ambassador's first 12 months on up to 3,900 WV (6,000 RV) per month and 1% on any additional WV in excess of 3,900 WV per month. These rewards are paid monthly when both you and your new personally referred Ambassador are Qualified with 300 PQV in such month.

PERSONALLY REFERRED: Those you personally referred to sign up and start their own S&D Shop.

QUALIFIED AMBASSADOR: An Ambassador who has 300 PQV for that calendar month.

SALES COACH QUALIFYING VOLUME (SCQV): Your PQV plus the QV of all Ambassadors you have personally referred into your Line 1. Up to 50% of your SCQV can come from the QV of a personally referred Line 1 Ambassador. 100% of your PQV always counts towards your SCQV.

LINE COMMISSIONS: Commissions paid on the WV of each Ambassador on up to 3,900 WV (6,000 RV) and 1% on any additional amount in excess of 3,900 WV in any given month. Line Commissions are unlocked at Squad Level Sales Coach and above and are paid in addition to any New Ambassador Referral Rewards. Line Commissions rate is determined by the total QV in each line. Line Commissions are not paid on your PRV and are subject to Shifted Volume Rewards Pool rules.

LINE 1 (DIRECT SUPPORT): Total Sales Points of Ambassadors you have personally referred or who have shifted to your line 1.

LINE 2 (SECONDARY SUPPORT): Total Sales Points of Ambassadors who have been personally referred by your Line 1 or who have shifted to your line 2.

LINE 3 (COMMUNITY SUPPORT): Total Sales Points of Ambassadors who have been personally referred by your Line 2 or who have shifted to your line 3.

ROLLING LINE 1 VOLUME (RL1V): The cumulative PQV for a rolling 3 months plus the current month from all of your Line 1 Personally Referred Ambassadors (with start dates in the current month and prior 3 calendar months) combined. You can meet RL1V requirements with 1 personally referred Ambassador.

COMMUNITY VOLUME (CV): Your PQV plus the QV of everyone in your Line 1 + Line 2 + Line 3. Up to 50% of your CV requirement can come from the QV of a Line 1 Ambassador and everyone in their Lines 1 and 2 (your Lines 2 and 3), this is called a Leg. 100% of your PQV counts towards your CV. CV is subject to Shifted Volume Rewards Pool rules. Your total CV determines your Monthly Executive Cash Reward.

EXECUTIVE MONTHLY CASH REWARDS: \$900-\$2,400 cash rewards that are paid monthly to those at Executive Level Sales Coach. The cash reward is based on total CV in any given month. To be eligible to earn you must meet the requirements for 3 consecutive months. Reward will be paid following the third month of achievement. If you miss the requirements, you will not earn the reward for that month. Qualification restarts if you miss the requirements for 3 months in a row.

PAID-AS LEVEL: The level that you achieve each month which determines your pay for that month.

50% LIMITED LINE VOLUME: Up to 50% of your SCQV requirement can come the QV of a personally referred Line 1 Ambassador. 100% of your PQV can count towards SCQV requirements. 50% Limited Line Volume does not apply to Line Commissions rate thresholds.

50% LIMITED LEG VOLUME: Up to 50% of your CV requirement can come from the QV of a Line 1 Ambassador and everyone in their Line 1 and 2 (your line 2 and 3), this is called a Leg. 100% of your PQV counts towards your CV.

SHIFTED VOLUME REWARDS POOL (APRIL 2020): Get rewarded on extended team product sales when an Ambassador moves into your Lines 1-3, no matter who originally referred them as an Ambassador. If an Ambassador has rolled-up or been assigned to your Lines 1-3 (and did not originate on lines 1-3) you will still earn the full Line Commission on up to 30,000 RV (19,500 WV) per Line and count up to 75,000 CV towards earning Executive Monthly Cash Rewards. After that, count unlimited Shifted Volume with Matching Shifted Volume and Community Volume.

MATCHING SHIFTED LINE AND COMMUNITY VOLUME (APRIL 2020): Increase the amount of SLV and SCV you can count up to the same amount as you have in total PRAV in Lines 1, 2 or 3 for SLV and total PRAV in your CV for SCV. Applies to Sales Coaches who have exceeded more than 30,000 SLV on Lines 1, 2 or 3 or 75,000 in SCV.

PERSONALLY REFERRED AMBASSADOR VOLUME (PRAV): The QV, RV and WV of those you personally referred (Line 1), those they personally referred (Line 2), and those they personally referred (Line 3). Ambassadors who have moved to your Lines 1-3 because they were assigned by the Home Office or because they originated on your Line 4 or below do not count as PRAV but will fall under the rules of the Shifted Volume Rewards Pool.

CUSTOMER SALES REQUIREMENT (APRIL 2020): The majority of Sales Points must be verified retail sales made to end customers. If not, you will be awarded PQV only on customer orders. In any event, no more than 125 your PRV will count towards WV and no more than 125 of your PQV will count towards team QV, SCQV and CV.