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QUALIFIED SQUAD COMMUNITY EXECUTIVE

SD, EFF	PAY PLAN (US) FFECTIVE JANUARY 1, 2021			AMBASSADOR	SALES COACH	SALES COACH	SALES COACH
ambarrador Er	PERSONAL QUALIFYING VOLUME (PQV)		-	300	1,000	1,500	2,000
AMBASSADOR PERSONAL SALES COMMISSIONS		SALES COACH QUALIFYING VOLUME*			3,000	5,000	10,000
1 - 299.99 PQV	20%	ROLLING LINE 1 VOLUME				1,000	1,500
300 - 2,499.99 PQV	25%	COMMUNITY VOLUME					25,000
2,500 - 4,999.99 PQV	30%	NEW AMBASSADOR REFERRAL BONUS*		10% OF PERSONALLY REFERRED AMBASSADORS' FIRST YEAR SALES (PAID IN ADDITION TO LINE COMMISSIONS BELOW)			
5,000 - 9,999.99 PQV	35%			LINE COMMISSIONS (PAID ON WHOLESALE VOLUME)			
10,000+ PQV	40%		1 - 4,999	4%	4%	4%	4%
EXECUTIVE MONTHLY CASH REWARDS* (EXECUTIVE LEVEL ONLY)		DIRECT SUPPORT* (L1 VOLUME)	5,000 - 9,999	4%	6% 8%	6% 8%	6% 8%
25,000 CV	\$750	SECONDARY SUPPORT* (L2 VOLUME)	1 - 4,999	4%	4%	4%	4%
50,000 CV	\$1,000		5,000 - 9,999	4%	6%	6%	6%
75,000 CV	\$1,500		10,000+	4%	8%	8%	8%
100,000 CV	\$2,000		1 - 4,999			2%	2%
50% Limited Leg and Line Volume, rules apply. See page 2 for full details and Pay Plan definitions.		COMMUNITY SUPPORT (L3 VOLUME)	5,000 - 9,999			4%	4%
			10,000+			6%	6%



GLOSSARY OF TERMS EFFECTIVE JANUARY 1, 2021

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 a requirement at the Executive Sales Coach level and is used to determine the amount of Monthly Executive Cash Rewards you earn.

Executive Monthly Cash Rewards: Cash rewards are paid monthly to those at Executive Level Sales Coach. The cash reward is based on your CV in any given month. To be eligible to earn you must meet the requirements each month. If you miss the requirements, you will not earn the reward for that month. Qualification restarts every month.

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 Qualified Ambassador 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.

Line 1 (Direct Support): Total Sales Points of Ambassadors you have personally referred or who have shifted to your line 1. The total QV on your Line 1 determines your Line 1 Commissions rate.

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. The total QV on your Line 2 determines your Line 2 Commissions rate.

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. The total QV on your Line 3 determines your Line 3 Commissions rate.

New Ambassador Referral Bonus: When you personally refer an Ambassador to open up their own S&D Shop, 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. This bonus is paid monthly when both you and your new personally referred Ambassador are Qualified with 300 PQV in such month.

Paid-As Level: The level that you achieve each month which determines your pay for that month. Your Paid- As Level is based on performance in each month and may be different than the Level that you identify with or are recognized at by S&D.

Personal Qualifying Volume (PQV): Equal to your Personal QV from product sales through your S&D Ambassador account and the products you have personally sold to customers. PQV is used to determine your Personal Sales Commission rate and is also a requirement at each Sales Coach level.

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

Personal Retail Volume (PRV): Equals your Personal RV from product that you have personally sold to customers. PRV is used to calculate Personal Sales Commissions.

Personal Sales Commissions: All Ambassadors earn a base 20% commission on Personal Retail Volume (PRV), paid weekly, right from the day they sign up. The base commission increases based on your total PQV for the month. The increase in Personal Sales Commission is paid in your month-end pay. Personal Sales Commission is not paid on Ambassador personal purchases.

Qualified Ambassador: An Ambassador who has 300 PQV in a calendar month. At this level you unlock 4% Line Commissions on Lines 1 and 2 in addition to the 10% New Ambassador Referral Rewards.

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.

Sales Points: All S&D Products have Sales Points, which apply towards Qualifying Volume (QV), Retail Volume (RV), and Wholesale Volume (WV). Sales Points are used to determine qualification and pay based on your level of achievement each month. See each definition for Sales Point types for full details and how they are used.

Qualifying Volume (QV): QV exists for the purpose of global alignment. The QV of a product will be the same in every country, regardless of local retail price. QV is based on US retail price and on the profit margin of the product sold. This system keeps things 'fair' so that equal sales activity is required across borders, regardless of currency changes. QV excludes tax, shipping, promotional discounts and items purchased with Hostess Rewards. The QV of your team is used to determine Line Commissions rate and total CV.

Retail Volume (RV): The Sales Points of products sold to customers at retail. The RV of a product is based on the local retail price and is set based on the profit margin of the product sold. The higher profit margin of the product, the higher the RV. Not all items offer RV, such as business supplies and fees. RV does not include tax, shipping, or discounts.

Wholesale Volume (WV): 65% of RV, to factor out commissions, rewards and bonuses paid to Ambassadors. New Ambassador Referral Rewards, and Line Commissions are paid on WV.

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.

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 will count towards SCQV requirements.

50% Limited Leg Volume: Up to 50% of your CV 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 both your SCQV and your CV.