

COMPENSATION PLAN: GV Requirement

The Compensation Plan Enhancements, effective March 1, 2014, now include a GV requirement.



First, the system must check for the PV requirement, looking back at a rolling 30 days (same as now), to see if this Independent Business Owner (IBO) is eligible for commissions.

If an IBO does not have any PV in the last 30 days, he/she is not eligible for any commissions. On top of PV requirements, now there is a Group Volume (GV) requirement. **Please note that Personal Volume (PV) does not count toward the GV.**

LPGN has two types of commissions (monthly and weekly). Here is how the GV requirement is affected for both monthly & weekly commissions:

A. Monthly Commissions: Requires GV qualification (to enforce "paid as" Status) in any given month to be paid monthly commissions of the month.

- 50 GV to be paid as Associate
- 100 GV to be paid as Builder
- 200 GV to be paid as Leader
- 300 GV to be paid as Premier

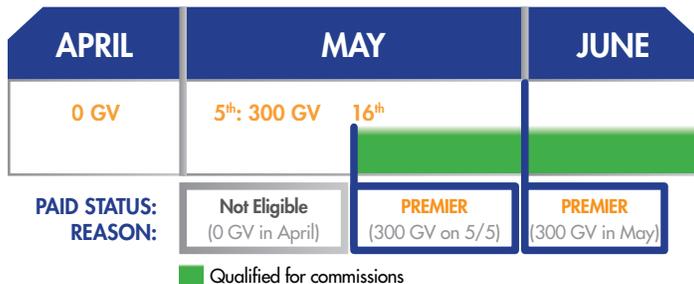
So, if a Premier IBO has only 100 GV in any given month, he/she can only be paid as a Builder on the Monthly Commission for that month.

B. Weekly Commissions: In order to avoid "daily fluctuation" of the Status, it will be paid based on the "Pre-qualification" of GV in the previous month.

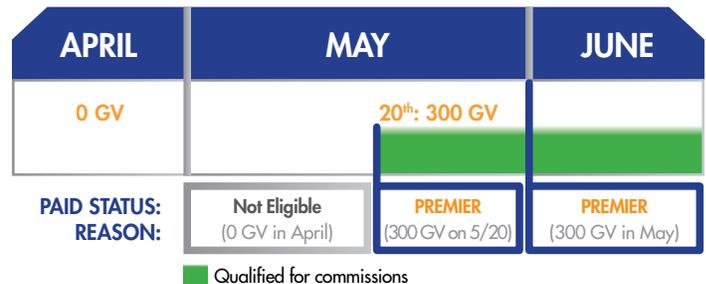
So, the finishing "paid as" Status based upon the GV at the end of this month decides IBO's "paid as" Status for the next month.

For example: if an IBO has 300 GV by end of this month, he/she will be paid as Premier all of next month.

If an IBO misses the whole month without a GV, he/she is not qualified for the next (new) month. However, he/she can still have GV accumulated in the new month. If that volume is enough for a Status, he/she will be paid as that Status for the second half of the month if that volume is reached in the first 15 days of the month (**Example 1**); if that volume is reached in the second half of the month, then the IBO will be paid at that Status from that day until the end of the month (**Example 2**).



Example 1: If IBO has 0 GV in April but has 300 GV on May 5th, he/she will be paid as Premier beginning May 16th and is pre-qualified as Premier for June.



Example 2: If IBO has 0 GV in April but has 300 GV on May 20th, he/she will be paid as Premier from May 20th & is pre-qualified as Premier for June.

For any IBO who has missed a month without GV, he/she can still make it up the following month for commissions in the second half of the new month.

March 2014 will be a "free" month in that the previous month's GV is not going to be enforced for March's weekly payout. However, March's GV will determine April's "paid as" Status on both weekly & monthly bonuses.