

Jordan Essentials Compensation Plan Definition of Terms & Concepts

September 2017

<p>Annual Active Policy</p> <p>August 1, 2017</p>	<p>Individual Active: Place one order per 12 months (rolling).</p> <p>Inactive Consultant: Consultants with zero orders in one year. Inactive Consultants can enroll as a new Consultant.</p> <p>Star 1- Star 4: Must meet all Active Consultant qualifications \$400 in commissionable volume in rolling one year or team will be compressed up to the next active Consultant above them.</p> <p>Associate and Director: Must meet all Active Consultant and Star qualifications. Qualify "paid as title" once every six rolling months. If not, then they will drop from Director to Associate for six more months. GV will move from Director to their upline Director. Associate to Star 4 will be out of leadership status and must adhere to Active Consultant and Star requirements.</p> <p>Diamond and higher: Must meet all Active Consultant and Star qualifications Qualify "paid as" Director or higher every rolling six months and paid as title level 1x annually.</p>
<p>Bonus Qualified</p>	<p>A Consultant must maintain at least \$200 Personal Volume (PV) to be considered Bonus Qualified for that period. If a Consultant is not Bonus Qualified in the period, they receive no commissions from their downline. However, they will receive personal retail commissions from their own personal purchases even if they are not Bonus Qualified. A Consultant's customer purchases will accrue to the Consultant's PV and count toward Bonus Qualified status.</p>
<p>Bonus Qualified Leg (Q Leg)</p>	<p>Any first level Consultant and their entire downline where at least one person is considered to be Bonus Qualified.</p>
<p>Career Title</p>	<p>A Consultant's Career Title is their recognition title or the highest title they have achieved. A Consultant's Career Title does not change unless they are promoted or demoted (see Demotion Policy), unlike a Paid-as Title, which may vary from month to month.</p> <p>For example, Joanna met the requirements to promote to the title of Director in June. Her Career Title is now Director and will remain so until she promotes to a higher title or is permanently demoted (see Demotion Policy). In July, she is paid-as a Director. Her Career Title and Paid-as Title are the same. In August, she is paid-as a Star 3 Team Leader. Her Career</p>

	Title remains as a Director but her Paid-as Title for August is Star 3 Team Leader.
Compression (General)	<p>When a Consultant is canceled and no longer part of the company, their downline is compressed to their active upline filling the gap left by the canceled Consultant. For example, Sarah had three legs: Joseph, Emma, and John. Sarah failed to meet the requirements within one year to maintain her status as an upline Consultant and was therefore moved out of active downline. Because Sarah was moved, Joseph, Emma, and John, and their respective downlines, were compressed up to Sarah's upline, Harry. Joseph, Emma, and John are now each considered legs to Harry (i.e. they now reside on his first level).</p> <p>This situation may occur if a Consultant cancels their contract, requests to no longer be in the company or has been terminated by the company.</p>
Compression (Diamond Director and higher)	<p>If a Consultant that was paid-as an DD or higher in the last four periods is canceled (whether voluntarily or involuntarily), their downline will only be compressed up under the following conditions:</p> <ol style="list-style-type: none"> 1. If their Personal Sponsor has been paid-as an DD or higher at least once in the last four periods, then the downline will immediately be compressed up. 2. If their Personal Sponsor has not been paid-as an DD or higher at least once in the last four periods, then they will be given the following six periods to be paid-as an DD or higher at least twice. If the Consultant promotes to DD in the last of the six month period, then they will be given the following period to qualify as an DD again (to meet the 2 periods of being paid-as DD or higher). <ol style="list-style-type: none"> a. If the Personal Sponsor qualifies under these conditions, then the downline of the canceled Consultant will be compressed up upon the completion of the qualifications. b. If the Personal Sponsor does not qualify under these conditions, then the position of the canceled Consultant will remain permanently vacant. <p>Note: The term compression and roll-up are often used interchangeably within the industry. It is important to understand what an individual is referring to when they speak or ask about compression. For this reason, we have defined our use of these terms in this document.</p>
Customer	A customer is an individual who purchases products for personal use and has not signed an agreement with the company.

	Customers are not allowed to sponsor (i.e. have a downline), do not receive commissions, and are not credited with volume. The volume from a customer’s purchase(s) is credited to the Consultant who sponsored them. Customers do not hold positions in a genealogy. They are considered to be a Level 0 to their sponsor (rather than a Level 1 which a Consultant would be considered to be to their sponsor).
Demotion Policy	Directors and higher must be paid-as their Career title at least once every 12 months in order to keep their Career Title. If a Consultant is not paid-as their Career Title at least once within 12 consecutive months their Career Title will be demoted to their Paid-As title in the 12 th month. For example, if you qualify for your title in June, you will keep your Career Title until June of next year. If, prior to June of next year, you qualify again in September, you will keep your title until September of next year. Title demotions will occur in the 13 th month without qualification.
Downline	All of the people below you are considered to be part of your downline.
Downline Volume (DV)	The total Qualifying Volume (QV) from a Consultant and their entire downline organization. It includes ALL downline Consultants regardless of their titles and the Consultant themselves.
Eligible	A Consultant is considered eligible to receive a commission if they meet the Career Title requirements and qualify to be paid as the title for a particular payout. Eligibility does not mean a Consultant will receive the particular payout. To receive a payout, a Consultant must be both <u>eligible and qualified</u> . It is possible for a Consultant to be eligible but unqualified and likewise, is possible for them to be ineligible but qualified. Please also refer to the definition of Qualified . A Consultant must be both eligible and qualified to receive a particular payout.
Enroller	The person who introduces an individual to the company is considered to be the “Enroller.”
Generation	A Generation is based on career title, regardless of level, and starts with a Career Title of Director or higher and includes everyone below them, down to but not including the next Career Title Director (or higher). The next Director or higher (based on Career Title) is the start of the next Generation. If a DIR or higher is not paid-as a DIR, they are still considered a Generation to their upline DIR or higher.
Generation Overrides	Paid-as Directors and higher may receive Generation Overrides on the Wholesale Volume (WV) from their downline Generations . For example, a

	<p>Generation 1 would pay out on the first downline DIR or higher title (based on Career Title) and all the people below them, down to but not including the next DIR or higher (Career Title) which would be the start of Generation 2.</p>
Grace Period	<p>When a DIR or higher (Career Title) has a consultant in their personal group promote to a DIR (or higher) for the first time, thus breaking away for the first time, then in the <u>two periods</u> following the promotion, all of the upline, up to and including the first DIR (or higher) based on Career Title, will only be required to have half of the required GV for their title. (They are also able to promote to a higher title using only half of the required GV.) Beginning with the third period following the promotion, they must again have the full GV required in order to be paid at that level. If a consultant has more than one consultant promoting to DIR (or higher) in the same month or in back-to-back months (one following the other), then any overlapping Grace Periods will have a GV of \$0 for the upline. Please see also Group Volume (GV).</p>
Group	<p>A Consultant themselves and their entire downline, down to but not including, the next Director (Career Title) or higher. This is also sometimes referred to as a “personal group” when talking about a specific Consultant and their group. This is also referred to as a “Central Team” or “Personal Team.”</p>
Group Volume (GV)	<p>Group Volume is the QV from the Consultant themselves and their entire downline, down to but not including the next Director or higher (Career Title). In the period that a Consultant promotes to a DIR for the first time, their GV will be included in their upline’s GV for qualification purposes only, in that period. Beginning with the following period, the Grace Period applies.</p>
Group Volume Override (GVO)	<p>Paid-as Directors and higher may receive a Group Volume Override on the Wholesale Volume (WV) of the sales of their personal group, including their own personal volume. If a DIR or higher (Career-Title) is not paid-as a DIR or higher, then the Group Volume Override is not eligible to be paid.</p> <p>In the period that a consultant promotes to a DIR or higher, their upline DIR or higher will receive a Generation Override instead of the Group Volume Override (meaning that they will be considered a downline Generation rather than part of the upline’s personal group).</p>
Leg	<p>A leg begins with a first level Consultant and includes all of the Consultants beneath them. A Consultant has as many legs as they have first level</p>

	Consultants. For example, if Sally has five first level Consultants then she has five legs. Sarah is one of Sally’s first level Consultants. Sarah, and her entire downline, is considered to be one leg to Sally.
Level	The position a Consultant has in a downline relative to another upline or downline Consultant. Consultants personally sponsored (i.e. first level) are Level One. Those Consultants sponsored by Level One Consultants are Level Two, relative to the original Consultant. Customers are not considered when counting levels and do not occupy a position in a Consultant’s genealogy.
Level 1-3 Overrides	Bonus Qualified Consultants that are paid-as a Star 1 Consultant or higher may receive a percentage on the Wholesale Volume (WV) from the sales of their downline through three (3) levels. The percentages and number of levels that a Consultant receives is based on their Paid-as Title and is regardless of the title of the people below them. If a Consultant is not Bonus Qualified, unqualified, or ineligible, then that Level Override will not roll upline. Please refer to the definitions of Bonus Qualified , Eligible , and Qualified .
Minimum Commission Check	\$10 – no printed commission check will be issued less than \$10
New 1 st Generation Director	3 Diamond Directors (3DD) and above must meet an additional maintenance requirement. They need to maintain at least 1 New 1 st Generation Director (DIR) every 12 months or promote to a higher title. This means that every 12 month rolling period (oldest month off, newest month on), they need to have at least 1 new Director from their personal group or promote to a higher title. If they fail to meet this, then they will be paid-as demoted to a 2 Diamond Director. However, if they subsequently meet the requirements to promote to a higher title (even without this requirement), then the counter will be reset and they will once again have 12 months. For example, Julie becomes a 4 Diamond Director in January. January becomes month one in her counter for this maintenance requirement. Julie has through December to meet this requirement. If she doesn’t then in January of the following year, she will be paid-as a 3 Diamond Director. If Julie meets this requirement in November, she would have through October of the following year to meet the requirement (1 new DIR or promote to Leader 5). If she does, the counter is reset. If she does not, then she is paid-as demoted.
Paid As Title (also referred to as Paid-as)	Each Consultant is paid at the title for which they qualify during the period. The requirements to be paid-as a title is the same as the requirements to promote to that title with the exception of 3 Diamond Directors and higher

	<p>which have one additional requirement (please see also New 1st Generation Director). If in any period they fail to achieve their Career Title level, they are paid at the lower title to which they do qualify for during the period. They retain their Career Title but are paid as the title they actually qualify for.</p>
Period	<p>A period is equal to an actual Calendar month. Six periods would be six calendar months.</p>
Personal Volume (PV)	<p>The total Qualifying Volume (QV) of a single Consultant from orders placed personally and by their personally sponsored customers (orders placed directly with the company by customers).</p>
Power Seller Bonus	<p>Consultants that achieve a minimum PV in the period will be qualified to receive an additional percentage on their personal orders. The percentage will be paid on the Qualifying Volume (QV) of their orders and any customer orders they have. Please refer to the Power Seller Bonus table for specific volume requirements.</p>
Promote (Promotion)	<p>A Consultant promotes to a new Career Title when they meet all of the qualifications for that title in the period. The promotion is effective the first day of the same period meaning that regardless of what day the promotion was actually qualified for, the new Career Title is effective for the entire period. For example, if a Consultant meets the qualifications for a Diamond Director on June 23rd, they “promote” to the title of Diamond Director for the entire period of June (effective June 1) and will be paid-as a Diamond Director for the entire period of June.</p>
Qualified	<p>A Consultant is considered to be Qualified if they meet the Paid-As requirements for a particular payout and/or title. A Consultant will only receive the payouts that they are both eligible and qualified for. For example, a Consultant may be eligible for the Group Volume Override because they have a Career Title of Director. However, if they are paid as a Star 3 Team Leader or below, then they are unqualified for the bonus and would thus not receive it. In a similar manner, a Consultant may be qualified as a Star 3 Team Leader but ineligible to receive a Group Volume Override because that pays only to Directors and above.</p>
Qualified Leg	<p>Qualified leg is a person who has \$200 in one calendar month who is personally sponsored by you or under them anywhere in the downline. It must be one person with total of \$200 PV and will count as one qualified leg. For example a Director needs 4 Qualified legs which would be 4 individuals with \$200 PV.</p>

Qualifying Volume (QV)	Each inventory item has both a Qualifying Volume (QV) and Wholesale Volume (WV) assigned to it. QV is used for Personal Volume (PV), Group Volume (GV), and Downline Volume (DV) calculations and is used solely to determine if the Consultant is qualified based on the terms of their respective title. The Power Seller Bonus is the only bonus that is paid based on the Qualifying Volume (QV) instead of the Wholesale Volume (WV) All other commissions and bonuses (other than Retail Profit) are paid based on Wholesale Volume (WV). The Qualifying Volume in this plan is equal to the Retail Price.
Reinstatement Policy	If a Consultant is canceled or resigns, they may request reinstatement at any time and, if approved, will be reinstated under their original sponsor. Their downline organization will not be reinstated nor their previous title. If a Consultant wishes to join under a different sponsor, they must wait for a minimum of six months after termination before reapplying, without their former downline and title. If a consultant does a buy back option they will not be able to be a consultant again, ever.
Retail Profit	Consultants can receive a Retail Profit on their personal purchases and their customers' purchases, regardless of their Bonus Qualified status. Note: Consultants purchase at the full Retail Price. Therefore, the Retail Profit is paid on the consultant's personal orders as well as their customers' orders.
Wholesale Volume	Each inventory item has both a Qualifying Volume (QV) and Wholesale Volume (WV) assigned to it. WV is the volume on which commissions are paid and will be equal to 75% of Retail unless otherwise disclosed.