



# Compensation Program and Qualification Explanations

This document is intended as a summary only of the Team National Compensation Program. It is provided to give a new Independent Marketing Directors an overview of how they will be paid in the Compensation Program. Compensation paid to IMDs is the direct result of retail sales. There is no financial benefit in sponsoring only IMDs. Commissions and Bonuses carry specific performance requirements that must be met before the IMD is eligible to receive any commission or bonus. Each commission and bonus is designed to encourage training and leadership, which promotes retail sales activity. The activity in each case is what we believe will ensure a level of growth in the IMDs organization that will result in continued compensation for that IMD. All commissions are paid weekly, except for the Market Place commissions and the Save and Earn More Program, which are paid monthly.

**Earnings and Payment:** Each week's business will begin on Monday and end on Friday at 5:00 p.m. EST. A faxed or emailed application must be received with the **correct** funds (money orders or cashier checks originals must physically arrive by this deadline) by this deadline to be counted for that week's business Fax: 954-584-5996 or Email: [dataprocessing@bign.com](mailto:dataprocessing@bign.com). Any application received with inadequate funds will be counted for the week's business in which the funds are collected. Please do not fax or email any application without the proper funds; they will not be processed for business until the funds are collected. If you are sending in a wire transfer form, deposit or ACH form, please be certain that it is legible. It is very helpful if you make a darker copy of the wire transfer form, deposit, or voided check before faxing it into us. We will not process a wire or deposit if we cannot read the copy. For applications processed online, the deadline will be Monday 3:00 a.m. EST. There are no extensions to the deadlines for any reason.

Credit card purchases that decline will be published on the host's Genealogy, under Problem Applications tab, and if not resolved within 24 to 48 hours, a letter will be sent to the applicant, requesting correct information or another form of payment.

If an application is received with the correct funds by 5 p.m., EST, on Friday, but has incorrect or incomplete information, you will have until 3 p.m. EST, on the following Tuesday to correct the information. If it is not corrected by this time it will be posted to the business week in which it is resolved. Applications that are complete and accurate delivered by 3 p.m. EST, each day will show in your Information on Demand (Genealogy) by 7 p.m. EST. It is solely the responsibility of the host to verify completion and posting of an application. **Please Note:** Silver and above Presidential Directors have a special privilege. Their deadline for personally hosted sales is 3 p.m. EST, Tuesday. The words "**Backdate per Silver and above**" must be on the top right-hand corner of the paperwork for it to be backdated and must be sent 100% correct. Double check the application, any error on the application will cause the application not to be backdated. Duplicate addresses will be considered an error unless a letter of explanation (of why multiple coverage is needed) is included with the membership submission or received by the 3 p.m. EST Tuesday.

Checks will be mailed on Friday for any earnings through Friday of the previous week (TN reserves the right to mail these checks at any time).

If your commission amount is less than \$25, it will be held in your account until it reaches that amount.

## **Types of Commissions/Bonuses Paid from the Compensation Program**

1. **Direct Sales Commissions:** This commission is earned by an IMD for the direct sale of a Premium Membership or a Standard Membership. After the second sale, commissions are paid as earned. **Commissions are not paid until funds are collected by Team National for the second sale.**

\$2195 Full Pay Premium Membership with collected funds. Point value: 1 left, 1 right and 3 upline.
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\$100
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\$2195 Full Pay Premium Membership on credit card and (ACH) Electronic Funds Transfer	\$ 50
\$795 Full Pay Standard Membership with collected funds. Point value: 1 upline.	\$ 50
\$795 Full Pay Standard Membership on credit card and (ACH) Electronic Funds Transfer	\$ 25
\$895 Financed Premium Membership initial down in collected funds. Point value: 1 upline*	\$ 50
\$895 Financed Premium Membership initial down on credit card and (ACH) Electronic Funds Transfer	\$ 25
\$395 Financed Standard Membership initial down on cc or collected funds. Point value: 0.5 upline**	\$ 25
Financed payments create: *0.111 left of the owner until 1 point is reached then right until 1 point. **0.1 upline	

2. **Regular Progression Bonuses:** \$500 is paid each time a Pay Center reaches 5 and 5. Points are held until the Pay Center reaches 10 and 10. Then an additional \$1000 is paid, for a total of \$1500. Additional points do not carry over in Pay Centers. Please refer to the **Qualifications/Bonus Rollups/Regular Progression Bonuses** section(s) below.
3. **Regular Progression Bonuses Paid on earned Presidential Pay Points:** \$500 is paid each time this Pay Center reaches 5 and 5. Points are held until the Pay Center reaches 10 and 10. Then an additional \$1000 is paid, for a total of \$1500. Plus, a \$1000.00 hosting bonus. Additional points do not carry over in Pay Centers. Please refer to the **Presidential Director Bonus** and/or the **Qualifications/Bonus Rollups/Hosting and Presidential Director Bonuses** section(s) below.
4. **Hosting Bonus:** \$1000 will be earned by the Host of a Pay Center each time that Pay Center reaches 10 and 10. If a Pay Center progresses at 10 and 10, but the host is not Hosting Bonus Qualified, the \$1000 Hosting Bonus will roll up the hosting lineage to the next qualified Host. Please refer below to the **Qualifications/Hosting Bonus Qualification** section(s) below.
5. **Presidential Director Bonus:** This bonus compensates an IMD who has a growing organization, which is the direct result of his training and management efforts. To the extent his organization grows, he will earn an override for his efforts. Please refer to the document located in our My Big N Business site, under the IMD Resources tab, Special Documentation>**Circle of Stars** for a detailed explanation of the bonuses paid.
6. **Big N Marketplace:** The Big N Marketplace is a grouping of retail stores where you can shop **online** and receive rebates for the **online** purchases, as applicable. Each store sets up its own rebate structure ranging from 0-35%. The **online** purchase you make through our Team National website is electronically tracked. The retail store generates a rebate for the purchase, which is paid to the purchaser within 120 days from the date of purchase. Rebate amounts less than \$15 remain pending in your Marketplace account to be paid after a total of \$15 is reached.

**Please note:** Order confirmation(s) and/or receipt(s) must be kept for **all** rebate inquiries.

Furthermore, to participate in the Big N Marketplace, you must own a membership, or be covered as a family member or employee of a Premium membership. This is an online service, a computer or mobile device is required to purchase.

## QUALIFICATIONS

**Bonus Qualification:** To earn Team National bonuses, an IMD must be Bonus Qualified!

An IMD must make two Membership sales, one of which must be on the left side of his 000 Pay Center and one of which must be on the right side. There is no time frame in which this must occur, but once it does, the computer automatically records a "Y" in the field which designates that this requirement has been met. Once you have been Bonus Qualified, your Pay Center will be considered having been Bonus Qualified, even if one of your membership sales cancel, or in the case of a finance plan, the member stops paying. Please refer to the **Bonus Rollups/Rollup Policy** section below.

To remain Bonus Qualified the IMD is to make two (2) retail Membership sales every 12 months (renewals of Standard memberships and upgrades do NOT count for Bonus or Hosting Bonus Qualifications). In determining if an

IMD is Bonus Qualified as of any given date, the computer will first look to see if the field described above is "N" or "Y" as to ever having met the basic requirement of 2 sales, being Bonus Qualified. If the field is marked by "N," the computer looks no further.

In the event the field is marked by "Y", the computer performs a retroactive search from the date of inquiry. If one sale is found within the last six months, the IMD is Bonus Qualified. If no sale is found within the last six months, the program searches within the previous 12 months. If two sales are found during the last 12 months, then the IMD is Bonus Qualified; i.g., if an IMD made his first sale on March 1, 2017 and his second sale on April 15, 2017, he would be Bonus Qualified through February 28, 2018. By contrast, if an IMD made his first sale on March 1, 2017, and made his second sale August 9, 2018, he will be Bonus Qualified for six months from August 9, 2018.

**Hosting Bonus Qualification:** To become Hosting Bonus Qualified for the first time, an IMD must have any two of the people he personally hosted become Bonus Qualified; e.g., if an IMD hosts 10 people over an 11-month period, when any two of the 10 become Bonus Qualified, the IMD will become Hosting Bonus Qualified. Provided there is no other activity, that IMD will remain Hosting Bonus Qualified for 12 months from the date the second person from his pool of ten people became Bonus Qualified.

To remain Hosting Bonus Qualified, the IMD must have at least one person from among all the people he personally hosted, become Bonus Qualified for the first time during the next 12 months. If a person becomes Bonus Qualified and then loses that status, regaining his Bonus Qualified status will not count as one of the requirements for his host to maintain or become Hosting Bonus Qualified.

When an IMD becomes Hosting Bonus Qualified, the computer will place a "Y" in the corresponding field which indicates that status.

In determining if an IMD is Hosting Bonus Qualified, the program will search for an "N" or "Y" in the corresponding field. If an "N" is indicated, the search stops, as that person has never met the basic requirements to become Hosting Bonus Qualified. If, however, the program finds a "Y" in the corresponding field, it will perform a 12-month retroactive search from the date of the inquiry to find any personal hosting in the IMD's organization who became Bonus Qualified for the first time during that period. If one is found, then the IMD is Hosting Bonus Qualified. Conversely, if one is not found, the IMD is not Hosting Bonus Qualified.

**Presidential Director Bonus Qualification:** The requirements to become and remain qualified to receive Presidential Director Bonuses are the same as for Hosting Bonuses. If an IMD is Hosting Bonus Qualified, he is automatically Presidential Director Bonus Qualified. Remember, even if an IMD is Hosting Bonus Qualified and Presidential Director Bonus Qualified, that IMD must still be Bonus Qualified to receive **any** compensation from Team National.

**Please note:** All IMDs who achieve Platinum will be exempt from all hosting requirements and will remain qualified to receive all bonuses.

## **BONUS ROLLUPS**

There are certain instances where there is sufficient activity and volume in an IMD's organization to cause a Pay Center to progress to 5 and 5 or to 10 and 10, yet the IMD is not qualified to receive that bonus. Team National's policy on such occurrences is based on certain logic which should be understood concerning the possible rollup of a given Bonus payment.

**Regular Progression Bonuses:** If a Pay Point progresses to 5 and 5 or to 10 and 10 and the IMD who owns that Pay Center has never been Bonus Qualified, that IMD will be sent a letter from Team National informing him of the situation. The IMD will be given 35 days to become Bonus Qualified and claim that specific bonus progression check. If the IMD does not become Bonus Qualified within the 35-day period, he will forfeit all claims to that bonus check. From that point forward, if that IMD remains unqualified, he will be notified each time the Pay Center he owns progresses to 5 and 5 or to 10 and 10, and they will be sent the another letter.

Once the IMD becomes Bonus Qualified and if he remains in qualification status, he will be eligible to receive future bonus progression checks, according to the compensation program.

**Rollup Policy:** If a Progression Bonus, as described above, is forfeited by an IMD who **never** became Bonus Qualified, the bonus will roll up to the next person that is Bonus Qualified in the IMD's hosting lineage. The logic that applies here is that since the Pay Center reached a progression cycle, someone must have done some work in that organization. The assumption is that the person most likely to have done the work is the host of that IMD who would gain most in building under that Pay Center. This same assumption is followed up the hosting lineage until a Bonus Qualified person is found.

If an IMD loses his Bonus Qualification due to inactivity and his Pay Center generates a progression bonus, that IMD automatically forfeits any right to the progression bonus. In this case, he will not be notified by Team National, as there is no way for the IMD to ever claim that unearned progression bonus.

The logic applied here is that since the IMD was once Bonus Qualified, he is responsible for the volume in the Pay Center that generated the Progression Bonus. Since the IMD chose not to maintain his Bonus Qualification status, that IMD is considered to have abandoned his business and is disqualified to receive said earnings. If the IMD is responsible for the work, which created the volume, then no one else is entitled to or should be arbitrarily awarded that Progression Bonus; it is then forfeited.

**Hosting Bonuses and Presidential Director Bonuses:** An IMD is entitled to a Hosting Bonus or a Presidential Director Bonus if he is both Bonus Qualified and Hosting Bonus qualified. If the IMD is not qualified to receive either bonus, the bonuses will automatically roll up to the IMD's host or upline; i.e., to the first qualified person in that IMD's hosting lineage.

**1<sup>ST</sup> Tier Hosting Bonus Rule:** An IMD who falls out of hosting bonus qualification has 6 months to re-qualify; i.e., an IMD lost his Hosting Bonus qualification on January 10<sup>th</sup>, 2017, he must re-qualify no later than July 9<sup>th</sup>, 2017. This can be achieved by having one personally hosted IMD who has **never** been bonus qualified become bonus qualified.

**Please note:** *If the 1st Tier Hosting Bonus Rule is applied due to a Standard membership (\$395) finance plan canceling or failing to pay, a special waiver form may be requested from the corporate office.*

**2<sup>nd</sup> Tier Hosting Bonus Rule:** An IMD who has not been Hosting Bonus Qualified for 6-months, will re-qualify on hostings made prior to that 6-month period by becoming Hosting Bonus Qualified first **and** then earning three (3) 10 & 10 Progression Bonuses on his 000 Pay Center. These requirements must be done in this order. In other words, if he falls out of hosting bonus qualification, he will have 6 -months before the 2<sup>nd</sup> tier hosting bonus rules takes effect; i.e., an IMD loses his Hosting Bonus qualification on January 10<sup>th</sup>, 2017, and remains unqualified through July 10<sup>th</sup>, 2017, this IMD must become Hosting Bonus Qualified first and then have three (3) 10 & 10 progressions in his 000 Pay Center before he will earn Hosting Bonuses on all personal hostings made prior to January 10<sup>th</sup>, 2017. He will receive Hosting Bonuses as earned, on personal hostings made after January 10<sup>th</sup>, 2017. Once the requirements are met the tier qualifier will be removed on the next commission run and will take effect going forward.

**Please note:** *If the 2nd Tier Hosting Bonus Rule is applied due to a Standard membership (\$395) finance plan canceling or failing to pay, a special waiver form may be requested from the corporate office.*

**3<sup>rd</sup> Tier Hosting Bonus Rule:** An IMD who has not been Hosting Bonus Qualified for a 12-month period, will re-qualify on hosting made prior to that 12-month period by becoming Hosting Bonus Qualified first **and** then earning three (3) 10 & 10 Progression Bonuses on his 000 Pay Center; then move up one Presidential level (Bronze Presidential being the minimum level). These requirements must be met in this order. The 3<sup>rd</sup> Tier Hosting Bonus Rule also applies to an IMD that has hosted people for longer than 12-months and has **never** been Hosting Bonus Qualified. This IMD will re-qualify on hostings made prior to that 12-month period by becoming Hosting Bonus Qualified then earning three (3) 10 & 10 Progression Bonuses on his 000 Pay Center then move up one Presidential level (Bronze Presidential being the minimum level). These requirements must be met in this order. Once the requirements are met the tier qualifier will be removed on the next commission run and will take effect going forward.

**Please note:** *If the 3rd Tier Hosting Bonus Rule is applied due to a Standard membership (\$395) finance plan canceling or failing to pay, a special waiver form may be requested from the corporate office.*

**\$2500 Business Center Qualifications:** An IMD automatically receives his \$2500 Business Centers, left and right of the 000 Business Center (designated by -101 and -102) one of two ways:

1. By purchasing 25 in Product Volume (PV) and having two other customers purchase 25 PV in two hosting lines.
2. By having three other customers purchase 25 PV in three hosting lines.

An IMD may also place one Business Center at a time:

1. By Purchasing 25 PV and having one other customer purchase 25 PV in a hosting line.
2. By having two customers purchase 25 PV in two hosting lines.

An IMD can expedite placement of their earned Business Centers by sending the "\$2,500 101 and 102 Placement Request Form" found under "IMD RESOURCES". An IMD must be bonus qualified to receive the \$1500 10 & 10 Progression Bonus. An IMD must be bonus qualified and hosting bonus qualified at the time of the 10 and 10 progressions **and** have either ordered 25 PV themselves for the previous two months or have a customer purchase 25 PV in a hosting line for the previous two months, to receive the \$1000 Hosting Bonus. An IMD must not be affected by the 2nd or 3rd tier hosting bonus rules shown above.

**Presidential Business Centers Qualifications:** An IMD earns his Presidential Business Center each time they reach a new Presidential level. They can be placed in their organization using the Presidential Business Center Placement Request Form. An IMD must be bonus qualified to receive the \$1500 10 & 10 Progression Bonus. An IMD must be hosting bonus qualified to receive the Hosting Bonus of \$1000. An IMD must not be affected by the 2nd or 3rd Tier Hosting Bonus Rules.