



# Comp Plan Summary Explanation

## RETAIL COMMISSIONS

Commissions earned on retail items. Commissions are not paid on items from the Pro Shop.

All Product Sales (PV)	10% Of All PV (new and recurring)
NEW Paw Club enrollments - PC Bonus 1	\$10 one time bonus
NEW Paw Club enrollments with Free Shipping – PC Bonus 2*	\$15 one time bonus

\*PC Bonus 2 is in addition to PC Bonus 1 and can be earned with initial order OR later if a Paw Club customer upgrades their EZ Ship order to meet free shipping requirements.

NOTE: Bonuses paid on Paw Club enrollments that cancel before their 3<sup>rd</sup> may be adjusted at a prorated rate on future commission runs.

NOTE: Items purchased from the Pro Shop are NOT PV qualified

## RETAIL POWER BONUSES

When NEW PV in a calendar month = 150, a petPro qualifies for a Retail Power Bonus (RPB).

RPBs are paid under the following tiers.

When ALL PV* is...	Additional Retail Commissions	Total Commissions** Paid on ALL Product Sales
\$500 - \$999.99	5%	15%
\$1,000 - \$1,499.99	7%	17%
\$1,500+	10%	20%

\*All PV = new + recurring or repeat customer sales

NOTE: Items purchased from the Pro Shop are NOT PV qualified

\*\*Represents qualified Power Bonus Commission + standard Retail Commission (10%)

## SAMPLING CREDITS

Sampling credits can be used to purchase items from the sampling catalog.

For every 5 new Paw Club enrollments\* in a calendar month. 300 Sampling Credits Earned

\*Paw Club count for sampling credits is cumulative in a calendar month. Paw Club enrollment number starts at zero on the first day of the month and credit qualifications accumulate over the course of that calendar month. There is no limit to the number of sampling credits a petPro can earn in a calendar month.

## PRODUCT PACK BONUS

Bonuses are paid on applicable product packs\* with new petPro enrollment.

	Sponsor	Sr. Director	Vice President
Ultimate Product Pack	\$75	\$25	\$25

\*Applicable product packs may vary by month/quarter. Refer to current product pack offerings for details.

## TEAM COMMISSIONS

	BUILD					LEAD			
Paid As Title	petPro	Senior petPro	Director	Sr. Director	Executive Director	Vice President	1 Star VP	2 Star VP	3 Star VP
Volume	\$150 PV Active	\$250 PV	\$500 PV	\$750 PV	\$1,000 PV	\$1,500 PV	\$1,500 PV	\$1,500 PV	\$1,500 PV
			\$1,000 GV	\$2,000 GV	\$4,000 GV	\$8,000 GV	\$8,000 GV	\$8,000 GV	\$8,000 GV
								\$40,000 DV	\$100,000 DV
Leg Requirement		1 Active Leg	2 Active Legs	3 Active Legs	4 Active Legs (2 are Director Legs)	4 Active Legs (2 are Sr. Director Legs)	4 Active Legs (1 is VP and 1 is ED Leg)	4 Active Legs (3 are VP Legs)	5 VP Legs (2 are 1 Star Legs)

### All level and volume overrides paid on CV

Level 1		4%	6%	7%	7%	7%	7%	7%	7%
Level 2				2%	4%	5%	5%	5%	5%
Level 3						1%	1%	1%	1%

Group Volume Override						1%	1%	1%	1%
Generation 1 Leadership Override						1%	3%	4%	4%
Generation 2 Leadership Override							1%	3%	4%
Generation 3 Leadership Override									3%
Achievement Bonus						\$500			

**Q** Are commissions earned on personal use purchases?

**A** Yes. All retail products purchased qualify for retail sales commissions.

**Q** When are commissions paid?

**Q** Commissions are run twice a month. First run (deposited by the 23<sup>rd</sup>) is for all activity between the 1<sup>st</sup> and the 15<sup>th</sup>. Second run (deposited by the 8<sup>th</sup>) is for all activity between the 16<sup>th</sup> and end of the month PLUS any accumulated commission qualifications for the entire month

#### FIRST RUN:

- 10% retail sales commissions (20% if petPro is in Fast Start Period)
- Paw Club bonuses
- Product Pack bonuses (sponsor only)
- Fast Start Rewards
  - \$25-for-5 bonuses
  - Title Promotion Bonuses

#### SECOND RUN:

- Same as first run for new activity in this period
- Fast Start matching sponsor bonus
- Payment on activity for the entire month:
  - SD & VP Product Pack Bonuses for the entire month
  - Retail Power Bonuses
  - Group Volume Overrides
  - Level 1-3 Leadership Overrides
  - Generation 1-3 Overrides

## Terms and Definitions

**Active:** As a petPro, you are considered active when you have \$150PV in a pay period.

**Commissions Eligible:** All petPros who have not cancelled are eligible to receive qualified commission payments.

**Leg:** A leg begins with a first level petPro and includes all of the petPro's beneath them. You have as many legs as you have first level petPros. There are no limits to the number of legs you can have.

**Active Leg:** An Active Leg is any first level petPro and their entire downline where at least one person is considered to be active.

**Level:** A Level is the position a petPro has in a downline relative to another upline or downline petPro. Your personally sponsored petPros are Level One. Those petPros sponsored by Level One petPros are your Level Two. Customers are not considered when counting levels and do not occupy a position in your genealogy.

**Career Title:** Your Career Title is your recognition title or the highest title you have achieved. This does not change except due to promotion or demotion. Please refer to the online policies and procedures for information on demotion rules.

**Paid As Title:** You are paid at the title for which you qualify during the period. If in any period you fail to achieve your Career Title, you are paid at the lower title to which you do qualify for during the period. You retain your Career Title but are paid as the title you actually qualify for.

**Retail Commissions:** Retail Commissions are a percentage amount paid on PV. See compensation plan for details.

**Retail Power Bonus (RPB):** A Retail Power Bonus is additional sales commissions earned at tiered sales levels. Eligibility and qualification requirements are defined in the compensation plan document.

**Qualifying Volume:** The Qualifying Volume in the pawTree plan is equal to the Retail Price. QV is used for Personal Volume (PV), Group Volume (GV), and Downline Volume (DV) calculations and is used to determine if the petPro is qualified based on the terms of their respective title. Sales Commissions and Retail Power Bonus is paid on QV.

**Personal Volume (PV):** Personal Volume (PV) is your total Qualifying Volume (QV) from orders placed personally and by your Customers. PV includes personal sales from NEW PV as well as recurring EZ Ship volume and PV qualified product packs.

**New PV:** New Volume is any personal volume (PV) gathered from a NEW CUSTOMER for the first time. This includes volume from Product Packs of new personally sponsored petPros. The first time an EZ Ship order is shipped to a NEW CUSTOMER it is also considered NEW PV. Future EZ Ship orders and non EZ Ship orders count as PV, but not as NEW PV.

**Downline Volume (DV):** Downline Volume is the total Qualifying Volume (QV) from you and your entire downline organization, regardless of titles. All petPros in your organization are included.

**Group Volume (GV):** The PV from yourself and everyone in your personal group. Vice Presidents (or higher title, based on Career Title) in your downline are not included in your Group Volume except in the month they promote to Vice President.

**Generation:** A Generation is a downline group. A Generation starts with a Vice President (or higher title) below you, based on Career Title, and includes everyone below them, down to but not including the next Vice President (or higher title), based on Career Title. That next Vice President would be the start of a new generation, and so on.

**Group:** Your Group, also referred to as your personal group, includes yourself and everyone below you, down to but not including the next Vice President (or higher title), based on Career Title. Downline groups, meaning groups that belong to someone in your downline, are called "generations."

**Upline:** Your upline includes your sponsor and anyone in your genealogy above them.

**Downline:** Downline is any petPro you sponsor and the teams that develop beneath them to unlimited depth.

**EZ Ship:** EZ Ship is any order that is set up to ship at a recurring interval.

**Paw Club:** When a customer has an active EZ Ship order, they are automatically a Paw Club member. For more information on Paw Club perks, go to your Pro Office.

**Paw Points:** Paw Points are loyalty points given to Paw Club members when they make product purchases. Paw Points can be spent on some but not all products in the catalog. Items eligible for point redemption are indicated in the online catalog. Paw Points can also be credited to petPros for some incentive and campaign rewards on occasion.

**Sample Credits:** Sample Credits are awarded to petPros as part of the compensation plan. Sample Credits can be used to purchase items from the sampling catalog that are designed to support sampling of products with prospective customers.

**Product Pack:** A Product Pack is an enrollment kit that includes products that can be used for personal use. Not all enrollment kits are product packs, but are indicated as such when they are.

**eWallet:** eWallet is where the company deposits earned commissions. A petPro must set up their eWallet for funds distribution to their desired financial institution.