



# COMPENSATION PLAN

## QUALIFYING REQUIREMENTS (MONTHLY)

## DOWNLINE BONUSES

| Title            | QUALIFYING REQUIREMENTS (MONTHLY) |                      |                  |                       |                           |                               | DOWNLINE BONUSES         |                 |                 |                 |                 |            |               |               |               |
|------------------|-----------------------------------|----------------------|------------------|-----------------------|---------------------------|-------------------------------|--------------------------|-----------------|-----------------|-----------------|-----------------|------------|---------------|---------------|---------------|
|                  | COMMISSION                        | PERSONAL VOLUME (QV) | TEAM VOLUME (TV) | GROUP VOLUME (GV/TDV) | ACTIVE FRONTLINE RECRUITS | QUALIFYING FRONTLINE RECRUITS | 1ST GENERATION DIRECTORS | 1ST LEVEL BONUS | 2ND LEVEL BONUS | 3RD LEVEL BONUS | 4TH LEVEL BONUS | TEAM BONUS | 1ST GEN BONUS | 2ND GEN BONUS | 3RD GEN BONUS |
| RECRUIT          | 25%                               |                      |                  |                       |                           |                               |                          |                 |                 |                 |                 |            |               |               |               |
| PROTEGÉ          | 30%                               | \$1000 (APV)         |                  |                       |                           |                               |                          |                 |                 |                 |                 |            |               |               |               |
| JUNIOR MENTOR    | 30%                               | \$150                |                  |                       | 1                         |                               |                          | 4%              |                 |                 |                 |            |               |               |               |
| MENTOR           | 30%                               | \$500                |                  | \$2,000               |                           | 1                             |                          | 4%              | 3%              |                 |                 |            |               |               |               |
| SENIOR MENTOR    | 30%                               | \$500                |                  | \$4,000               |                           | 2                             |                          | 4%              | 3%              | 2%              |                 |            |               |               |               |
| DIRECTOR         | 30%                               | \$500                | \$7,500          |                       |                           | 4                             |                          | 4%              | 3%              | 2%              | 1%              | 2%         |               |               |               |
| CRYSTAL DIRECTOR | 30%                               | \$500                | \$7,500          | \$15,000              |                           | 4                             | 1                        | 4%              | 3%              | 2%              | 1%              | 3%         | 3%            |               |               |
| PEARL DIRECTOR   | 30%                               | \$500                | \$7,500          | \$30,000              |                           | 4                             | 2                        | 4%              | 3%              | 2%              | 1%              | 4%         | 3%            | 3%            |               |
| DIAMOND DIRECTOR | 30%                               | \$500                | \$7,500          | \$75,000              |                           | 4                             | 4                        | 4%              | 3%              | 2%              | 1%              | 5%         | 3%            | 3%            | 3%            |

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**DIGITAL DAMSEL COMMISSION:** 25% or 30% when you sell to a first time customer, depending on your Title. 20% each month thereafter if the customer's subscription continues.  
**50% RULE:** At least 50% of Qualified Volume for all Compensation Plan Qualifying Requirements (PV, TV & TDV) must come from non-Digital products.

**Active** – If an IDP fails to personally generate at least \$150 in personal commissionable sales in a rolling three (3) month period (current month plus the two (2) previous months), the IDP will still be considered Active but his or her downline will move upward to the IDP's immediate upline. The personal commissionable sales from the IDP's enrollment month may count towards the IDPs requirement of \$150 however if the IDP does not have any personal commissionable sales in the enrollment month, that month is not counted towards the rolling three (3) month cycle. After an IDP loses her downline for not meeting the sales quota, the IDP may continue to obtain new recruits to begin building a new team.

**Active Frontline Recruit (in PPS Active First Level)** – Active IDPs who are on the first level of another IDP in a commission period.

**Breakaway** – When IDPs are promoted to a Director title, they "breakaway" from their sponsors' team. The breakaway Director's TV is no longer included in their sponsor's TV in the subsequent month after the breakaway. For example, IDP A enrolls IDP B in January. IDP B is promoted to Director in February. The TV for IDP B is included in IDP A's TV for February but no longer included in subsequent months as long as IDP B retains the Director title.

**Accumulated Personal Volume/Career Volume (APV)** – The total of all PV credited to a IDP since their inception in the business.

**Career Title** – The highest rank an IDP has earned.

**Commission Period** – Each calendar month is considered a commission period unless otherwise stated by the company.

**Commissionable Products** – All products on which commissions and bonuses are paid. Starter Kits, business supplies, Hostesses ½ Price, Hostess Credit or Free Items are not commissionable products.

**Commissionable Volume (CV)** – The amount of volume in a Commission Period at which Level Bonuses, Team Bonus and Generation Bonus are paid. CV is calculated on the QV less the Personal Commission of 30% paid to the IDP. NOTE: In the Order Summary in PPS, the CV is the "Volume" amount.

**Compression** – The method by which a vacancy in a downline is left by a IDP whose IDP agreement has been cancelled is filled. The same is true for generations. Compression is always an upward compression to fill a vacancy in the genealogy.

**IDP** – Is an Independent Contractor, and represents and sells the Damsel in Defense product line.

**Digital Damsel** – An internet based Identity Theft/Cyber Security protection service

**Director** – Is the breakaway position earned by an IDP after meeting the \$1,000 APV and the following in a commission period, \$500 in PV, \$7,500 in TV and 4 Qualified Frontline Recruits. (Also see Generations).

**Director Demotions** – Any Director, Crystal Director, Pearl Director or Diamond Director who is "paid-as" lower than lowest Director title for three consecutive months will be demoted to Senior Mentor and moved back into the team of the next qualified upline Director or higher title. The demoted Director's team is moved with her.

**Example 1:** Director (A) has a team member that promotes to Director in January. In February, March and April the new Director (B) is paid-as lower than Director each month. For the April commission period Director (B) would be demoted to Senior Mentor. Note that the paid-as title may be even lower than Senior Mentor if she fails to meet the maintenance requirements for the Senior Mentor title, but her actual title will not go below Senior Mentor. In April Director (A) could not count the demoted Director (B) as a first generation Director since she was demoted to Senior Mentor and moved back into her team.

**Example 2:** Director (A) has a team member promote to Director in January. In February and March Director (B) is paid-as lower than Director but in March Director (B) is paid-as Director. Director (B) is not demoted still counts as a first generation Director to Director (A)

**Downline** – All IDPs below a particular IDP in the genealogy tree irrespective of titles. Example: You sponsor Jim, who sponsors Mary, who sponsors Ted. All these IDPs are in your "downline."

**Enroller** – An IDP who personally enrolls another IDP. The Enroller is also to Mentor IDPs they enroll.

**Frontline** – All IDPs in the first level of a IDP's downline either through sponsorship or through compression.

**Generations** – When an IDP breaksaway from an IDP who is a Director title or higher. The breakaway IDP and his/her team is considered a Generation. For example A (holds director title) sponsors B who breaksaway. B is considered A's 1st generation breakaway.

**Generational Bonus** – This bonus is paid to a Paid As Title rank Crystal Director or higher on the CV of a downline Director or higher's TV. The bonus is paid on the 1st, 2nd, or 3rd Generation Director depending on the Paid As Title rank of the Director receiving the bonus.

**Group** – A IDP's total downline irrespective of pay levels or generations.

**Group Volume/Total Downline Volume (GV/TDV)** – The QV from all orders placed within a IDP's entire downline in a Commission Period. This includes the IDP's PV.

**Ineligible** – A IDP is considered ineligible for a particular bonus on a specific order if the IDP does not meet the title, level and/or generation requirements of that particular bonus in a Commission Period.

**Leg** – Each personally sponsored or compressed frontline IDP and all their downline organization. Also referred to as "Line of Sponsorship."

**Level** – The layers of IDPs in a particular IDP's downline leg. For example, if A sponsors B; who sponsors C; who sponsors D; who sponsors E; then E is on A's fourth level.

**Level Bonus** – A bonus paid to a IDP with Paid As Title rank Junior Mentor or higher in a Commission Period on the CV of IDPs who are at level 1, 2, 3 or 4 in their downline. The number of levels a IDP is paid on is determined by their Paid As Title rank. This bonus is paid even if one of the IDPs in levels 1-4 is promoted to Director. The sponsor relationship stays in place for the level bonus even though the Director's volume is no longer in the upline's Team.

**Non-Digital Damsel** – Any commissionable product that Damsel in Defense sells that is not Digital Damsel

**Personal Commission** – The commission paid to the IDP which is calculated by multiplying their PV in a Commission Period by either 25% or 30%. New IDPs are paid 25% of their PV in a Commission Period. When the IDP's APV reaches \$1,000 in a Commission Period, the IDP is eligible to be paid at 30% of their PV in a Commission Period and on all future PV sales in the Commission Period.

**Personal Volume (PV)** – The total of all QV credited to a IDP in a commission period.

**Qualified Frontline Recruit (in VO: Active Qualified Team)** – Any IDP on the first level of another IDP who is not a Director or higher who sells or purchases \$150 in PV in the Commission Period. A breakaway Director may technically be on the frontline of another IDP but for the purposes of counting the number of Qualified Frontline Recruits in the compensation plan Directors do not count.

**Qualifying Volume (QV)** – The amount of Commissionable Products from a sales order contributing to qualification for PV, TV, and GV/TDV in a Commission Period. NOTE: In the Order Summary in PPS, the QV is the "Qual. Volume" amount.

**Sponsor** – An IDP who is listed as their immediate upline. The Sponsor of an IDP may be different than the IDP who enrolled the IDP. Usually this occurs during compression.

**Team** – An IDP and their downline to the first breakaway (Director) in any leg. The first breakaway in each leg, along with their downline, is not considered part of a IDP's Team.

**Team Bonus** – A percentage paid on the CV of each downline IDP in the team of a Paid As Title rank Director or higher. This bonus is paid in addition to the Level Bonus. In addition, the Director's personal CV are included in the Team Bonus.

**Team Volume (TV)** – The QV from all orders placed by the IDP in the team of a Director during a commission period. This includes the Director's PV.

**Title** – The rank for which a IDP is qualified in a Commission Period or also referred to as "Paid as Title". The Paid As Title rank may be the same as or lower than the IDP's actual career title. All IDPs are paid based on their Paid As Title rank unless otherwise specified.

**Upline** – This term refers to the IDP or IDPs above a IDP in their sponsorship lineup. It is the line of sponsors that links any particular IDP to the company.

**50% Rule** - 50% of Qualified Volume (TV, PV & TDV) must come from non-Digital products