



Comp Plan terms and definitions

June 2021

Your compensation plan has been designed to reward you for your efforts and that of your team.

The compensation plan rewards 5 Vital Behaviors

1. Personal sales
2. Personal sponsoring
3. Training
4. Building Team Leaders (Star 3)
5. Building Leaders (Directors)

You will see your 25% personal earnings in your E-wallet (updated hourly) for your qualifying orders and customer orders. Sales volume bonuses, sponsor bonuses, and team commissions are deposited into your E-wallet on or by the 7th of the following month.

JORDAN ESSENTIALS' COMPENSATION PLAN DEFINITION OF TERMS & CONCEPTS

ACTIVE STATUS/ IN GOOD STANDING

Consultants are expected to be a product of the product and minimally sell or personally use \$200 retail sales volume of products every six (6) months and maintain their business fee of \$8.75 monthly.

BUSINESS MEMBERSHIP FEE

The business membership fee of \$8.75 monthly includes all standard activities, website access with basic features, commission processing and services as an active Essential Consultant. Consultants may upgrade to the optional pro version for an additional \$6 monthly. (See Pro Business)

A consultant must maintain a current business membership fee subscription which is included in their enrollment kit for 2 months, to receive access, commission, and services beginning March 1, 2021

The business membership fee is automatically paid via credit card after enrollment and is a monthly fee. If the payment for the recurring order for the business membership fee fails after

the monthly processing, a grace period of 10 days is granted by the system to get the payment issues resolved. If the payment issues are not resolved and the recurring order doesn't process successfully within the grace period, the consultant will be considered inactive and moved to customer status.

BONUS QUALIFIED

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 count towards bonus qualified status.

BONUS QUALIFIED LEG (Q Leg)

A Bonus Qualified Leg consists of any first level consultant and their entire downline where at least one person has a minimum \$200 Personal Volume (PV).

CAREER TITLE

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.

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 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 title remains as a Director but her paid-as title for August is Star 3 Team Leader.

COMPRESSION (GENERAL)

When a consultant is canceled and no longer part of the company, their downline is compressed to their upline filling the gap left by the canceled Consultant. When a Consultant is compressed they cannot join as a Consultant again for 6 months.

This situation may occur if a consultant cancels their contract, requests to no longer be in the company or does not meet the minimum sales requirements or does not have an active business center membership fee paid in full.

If the Consultant is not active, their account will convert from Consultant to Customer and all of their customers moved to their sponsor. You will still be able to see that former consultant in your genealogy report as a first level person who is now customer status allowing you to continue to help them enjoy products as a customer or one of your hostesses. A compressed Consultant cannot re enroll for 6 months.

COMPRESSION (DIAMOND DIRECTOR AND HIGHER)

If a consultant that was paid-as a Diamond Director (DD) or higher in the last four periods is canceled (whether voluntarily or involuntarily), their downline will only be compressed under the following conditions:

1. If their Personal Sponsor has been paid-as a 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 a DD again (to meet the 2 periods of being paid-as DD or higher).
 - 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.

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.

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.

DEMOTION POLICY STAR 3 AND HIGHER

Star 3 and higher levels must be paid-as their Career title at least once every 6 months in order to keep their Career Title. If a Consultant is not paid-as their Career Title at least once within 6 rolling months their Career Title will be demoted to one level lower.

For example, if you qualify for your title in June, being month one, and you do not get paid as a Director for the 6 months afterward you will keep your career title until December. When commissions are run for December your title will be lowered one level or demoted.

Associate Directors Group volume will roll up and count toward their upline Directors volume.

Diamond Directors and higher have the same Director 6 month qualification as other Directors and must maintain their higher title as well at least once per 12 rolling months.

DOWNLINE

All of the people below you are considered to be your team members.

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 eligible and qualified. It is possible for a Consultant to be eligible but unqualified and likewise, 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.

ESSENTIAL QUALIFIED CONSULTANTS

Upon joining Jordan Essentials and being issued a Consultant ID number a consultant is an Essential Consultant who is qualified.

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 Director or higher is not paid-as a Director, they are still considered a Generation to their upline Director 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 Generation 1 would pay out on the first downline Director or higher title (based on Career Title) and all the people below them, down to but not including the next Director or higher (Career Title) which would be the start of Generation 2.

GRACE PERIOD

When a Director or higher (Career Title) has a consultant in their personal group promote to a Director (or higher) for the first time, thus breaking away for the first time, then in the two periods following the promotion, all of the upline, up to and including the first Director (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 Director (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).

GROUP

A group consists of 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 "Team" or "Personal Team."

GROUP VOLUME (GV)

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 Director 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.

GROUP VOLUME OVERRIDE (GVO)

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 Director or higher (Career Title) is not paid-as a Director or higher, then the Group Volume Override is not eligible to be paid

In the period that a consultant promotes to a Director or higher, their upline Director 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.)

HOST

A hostess is an individual who brings business to you. The hostess invites guests, bringing new customers to you, more bookings to expand your business and potential new sponsors. Her efforts are rewarded through hostess credits much like you as a consultant receive a compensation plan for your efforts.

A hostess can host in a home, at a remote location, in a multi hostess situation (where you have more than one hostess at the party but one presentation) or a catalog show. The catalog show is where a Hostess collects orders and shares about the JE products to her friends and family. Again she is bringing new business to you and is rewarded for the orders via the Hostess Awards Program.

JUMP START BONUSES

Jump Start is a training and rewards program for a New Consultant in her first 100 days of business. The 1st day begins when she enrolls. All retail sales must be made within the time frame. See full jump start current program in your back office new consultant documents.

LEADERSHIP EXPECTATIONS

Leaders at all levels are expected to maintain a strong personal business through Recruiting and Sales.

LEG

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 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.

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. 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.

PARTY

A party is defined as an event involving a host and guests.

PERIOD

A period is equal to an actual calendar month. Six periods would be six calendar months.

PERSONAL VOLUME (PV)

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.)

POWER SELLER BONUS

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.

PRO LEVEL BUSINESS

Consultants may upgrade to a pro level for \$6.00 more and unlock extra features of their business center. Features include but not limited to are:

- Access to the Jordan Essentials app,

- Marketing tools such as video and image sharing linked to a Consultant's replicated site for quick shopping
- Blog sharing linked to the Consultant's replicated site
- Lead Management filing system
- Expanded genealogy reporting

PROMOTE (PROMOTION)

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 on 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.

QUALIFIED

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.

QUALIFIED LEG

Qualified Legs require that at least one individual in the leg is qualified to be paid as a specific title position (or above) during the month. For example, to be a Director, one needs four Bonus Qualified Legs. Qualified Legs depend on the monthly Paid-As Title.

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.

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.

RANK ADVANCEMENT BONUS

Bonuses just for promoting to the next level! When you achieve a new title for the first time and achieve and are paid at that title 3 times in a row you will receive this amazing cash bonus!

- o Star 3 = \$250
- o Associate Director = \$500
- o Director = \$1,000
- o Diamond Director = \$1,500
- o 2 Diamond Director = \$2,000
- o 3 Diamond Director = \$5,000
- o 4 Diamond Director = \$7,500
- o 5 Diamond Director = \$10,000

All Consultants are eligible.

- o The bonus is attained when a new, higher rank has been attained and maintained for three consecutive months.

- o Typically, only 1 consistency bonus can be earned in any one month, but you can be in qualification for more than one bonus at a time.

- For instance, in September Carol becomes a "Star 3 Leader" for the first time, and in October she attains the title of "Associate Director". At the end of October, she will have 2 qualifying months towards her Star 3 Rank Advancement Bonus, and will have 1 qualifying month towards her Associate Director Rank Advancement Bonus.

- o If a person Jumps two ranks in a single month and can maintain both rank advancements for three months in a row, they can earn multiple Rank Advancement Bonuses at the end of their qualification period.

- For instance, in September Alice moves from Star 2 Consultant to Associate Director, if she maintains both Star 3 and Associate Director paid-as titles in October and November as well, she would earn both the \$250 and \$500 Rank Advancement bonuses tied to the Star 3 and Associate Director Rank Advancement reward program.

- o If for any reason a person does not maintain the advanced rank at a paid-as level, they must start rank advancement qualification over and have a full three consecutive months at the new title in a paid-as status to achieve the bonus.

RE ENROLLMENT FOR INACTIVE CONSULTANT

If a Consultant becomes inactive and would like to rejoin Jordan Essentials, they may do so after a six-month waiting period. They may rejoin under the same sponsor or rejoin under a new sponsor

WHOLESALE VOLUME

Each inventory item has both a Qualifying Volume (QV) and Wholesale Volume (WV) assigned to it. Wholesale Volume (WV) is the volume on which commissions are paid. The Wholesale Volume will be equivalent to 75% of Retail price unless otherwise disclosed.