

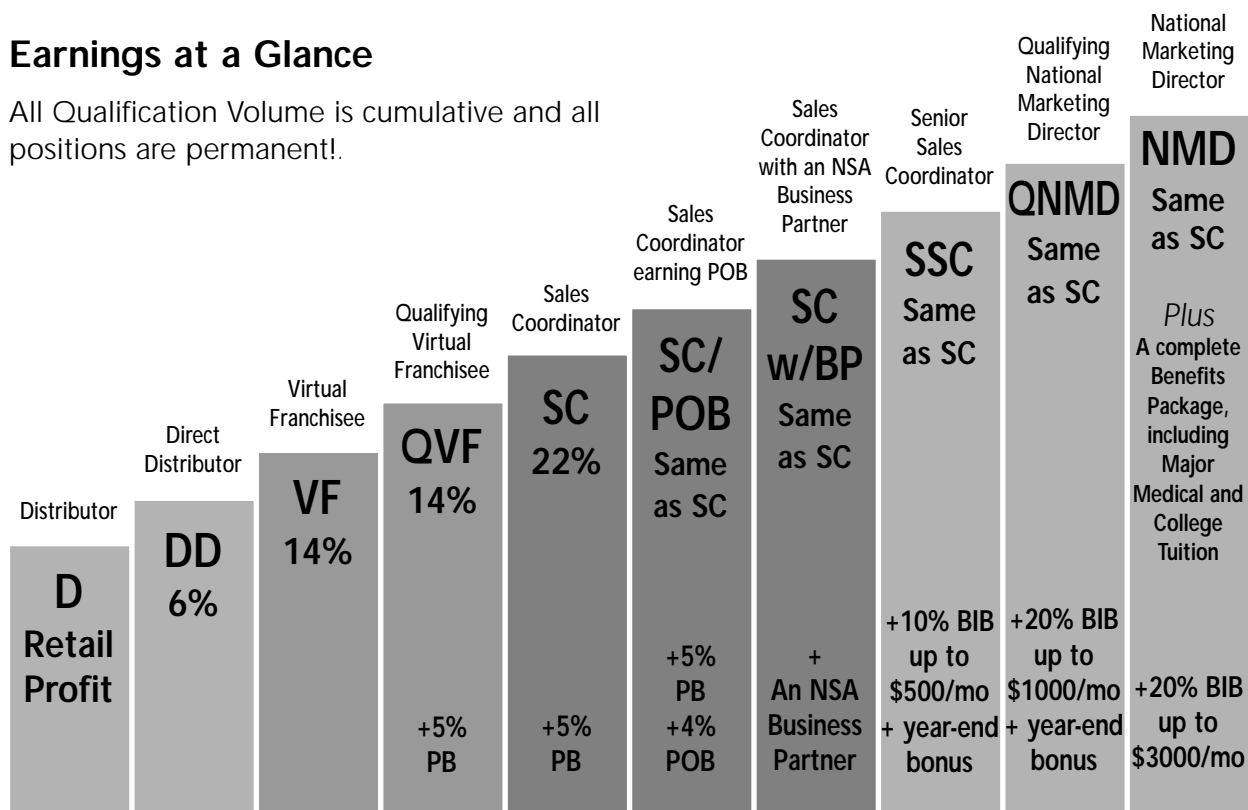
DISTRIBUTOR EARNINGS

The Virtual Franchise brochure gives an overview of how to build a profitable business with NSA and should be used by new distributors to gain a basic understanding of how distributors are paid. It should also be the document used to first introduce prospects to our business. This chapter follows up from Chapter 3 and is designed to facilitate you in next step thinking and planning, and to guide you, as time goes on, to a more complete understanding of the marketing plan.

While there is much detail in this chapter, the material will serve as a source for future reference and is not designed for you to memorize. It is a guide and a place to get your specific questions answered. The following diagram is a summary of the detailed information presented.

Earnings at a Glance

All Qualification Volume is cumulative and all positions are permanent!.



For complete details, see *Profit and Incentive Guide*, form #955710.

The important message to comprehend through the many details of the pay plan is that NSA rewards WORKERS. The earnings requirements are in place to safeguard the income of those who actively work their Juice Plus+® businesses. We hope that the more you understand, the more you'll appreciate the Virtual Franchise opportunity.

No position can be bought and all positions must be earned.

The NSA Compensation Plan offers three ways to earn:

1. Retail Profit

All distributors earn the difference between the price paid by their Preferred Customers and the wholesale cost of the products. Refer to the product price list on page 12.15 and see that this amount, for Juice Plus+® is \$21 per box, **paid to you in full on your customer's initial order and \$5.25/month on future shipments (based on installment plan).**

2. Commissions

Every time a Juice Plus+® product is sold, NSA pays a total of 22% in commissions on the **PVC amount (75% of the wholesale cost)**. For example, in the case of Juice Plus+® capsules, this amount is \$22.27 based on the 101.25 PVC.

A new distributor does not earn commission until achieving the Direct Distributor position, which pays 6%. As a Virtual Franchisee, the distributor earns an additional 8% (total of 14%), and another 8% after reaching Sales Coordinator (total of 22%). Since 22% is paid on each box, what happens to the commissions of distributors who have not yet reached 22%? Here are a couple of scenarios to help clarify:

- A Direct Distributor sponsored by a Virtual Franchisee would earn 6%; the sponsor would earn 8%, and the first Sales Coordinator (or above) the sponsor would earn 8%.
- A Direct Distributor sponsored by a Sales Coordinator would receive 6% commission and the Sales Coordinator would receive the remaining 16%.
- Sales Coordinators make the entire 22% on each sale of their own (plus a portion of the sales of those they sponsor as outlined above).

This commission structure allows both sponsors and new distributors to earn during the new distributors' training period, with an increased percentage going to new distributors, as they become more independent.

Please note:

- To earn commissions, distributors must have at least 90 in PVC under their own FIN number each month (for example, four preferred customer orders on the payment plan for capsules).
- Commissions are paid to distributors as the company collects payments from their customers. If the customer pays for products in full, commissions are paid in full. If the customer is using the monthly payment plan, the commission is divided up over the payment months.
- Each person directly sponsored by a distributor begins what is referred to as a line. To be considered a working line, a team of 6 to 8 active distributors must develop within that team.

3. Bonuses

a. Performance Bonus – 5%

While retail profits and commissions provide some income, Performance Bonus will become the most substantial portion of your check as your business grows. Virtual Franchisees and above are eligible for this bonus. Performance Bonus is paid to

distributors who build a qualifying business as discussed in Chapter 3 **with 1,000 per month in personal PVC (the 1,000 requirement includes volume from re-order customers, your new dealers, direct distributors and your own new sales). The performance bonus is 5% of the PVC of all distributor volume (Direct Distributors and above) in your organization (and everyone they sponsor) through the third qualifying person** beneath you – that is the 3rd Virtual Franchisee (or higher position) who also did 1,000 PVC that month.

The first *qualifier* starts with the first Virtual Franchisee (or above) who does at least 1,000 PVC/month. You would also receive the 5% performance bonus on every Direct Distributor (and above) that does less than 1,000 PVC/month between you and this first person. The same guideline applies to your second and third qualifiers.

As a Virtual Franchisee, Sales Coordinator or Senior Sales Coordinator, **you can qualify to be paid through the 4th qualifying person beneath you;** and as a QNMD and NMD **through the 5th qualifying person** by meeting one of these additional criteria:

- Have three different lines with at least one qualifying distributor anywhere in each line, along with your \$1000 personal volume
- OR**
- Have five lines with at least one qualifying distributor anywhere in that line (NO personal volume is required in this case).

b. 4% Promote Out Bonus

As your distributors achieve the level of Sales Coordinator, you no longer earn any portion of their commissions (They're now earning the entire 22%, as described in #3.), but you are ALWAYS able to earn from their success via Performance Bonus (#3 above), as well as qualify for an additional *Promote Out* Bonus. This bonus is for Sales Coordinators (and above) who *promote* other Sales Coordinators and allows the sponsor to earn 4% of their Sales Coordinators' **Open** volume. ("**Open**" **includes the volume of your customers, along with that of your Distributors, Direct Distributors, and Virtual Franchisees; excludes your Sales Coordinators [and above] along with their team members.**)

Once more, there are several ways to qualify:

- The sponsoring Sales Coordinator (or above) maintains 3,000 PVC/month in open volume
- OR**
- Maintains 1,500 PVC/month in open volume and has two different lines with a Sales Coordinator in each with open volume of 3,000 PVC/month (called POB Qualifiers)
- OR**
- Has three lines with a Sales Coordinator in each with open (POBQ) volume of 3,000 PVC/month (NO open volume requirement in this case)

c. Business Incentive Bonus (BIB)

The final three positions in the NSA Compensation Plan (Senior Sales Coordinator, QNMD, and NMD) have one additional earning opportunity – the Business Incentive Bonus (BIB). Senior Sales Coordinators can earn a BIB of 10% of their paychecks (excluding retail

profits and the previous month's BIB), up to a maximum of \$500.* The BIB for QNMDs and NMDs is 20% of the distributor's paycheck (excluding retail profits and BIB), up to a maximum of \$1,000 for QNMDs and \$3,000 for NMDs.**

- * To qualify for BIB, Senior Sales Coordinators must have at least \$1,000/month in their paychecks (excluding retail profit and BIB) and have at least two lines with a qualifying distributor (Again, a qualifier is a Virtual Franchisee or above with \$1,000 personal PVC per month.).
- ** QNMD's and NMD's must have at least \$2,500/month in their paychecks (excluding retail profit and BIB) to qualify.

NMD Executive Benefit Package

In addition to earnings, National Marketing Directors who maintain at least \$2,500 in their paycheck (excluding retail profit and BIB) are eligible for a full benefit package including:

- Health Insurance
- Life Insurance
- Disability Insurance
- Dental Insurance
- College Tuition Benefit for Immediate Family Members
- Year-end Bonus

(When you reach SSC, you will be mailed a complete explanation of the SSC, QNMD, and NMD benefits.)

Qualifying for Promotions

As a distributor reaches each of these positions, a Promotion Sheet (page 9.20) must be submitted to notify NSA. This form can be completed at www.nsavirtualoffice.com or faxed by the end of the business month (15th) in which the position is achieved.

Position Name/Qualification Options

1. Direct Distributor (Earns 6% Commission)

FAST TRACK - Accumulate a minimum of 500 PVC* in the first 30 days in business.

OR

CUMULATIVE - Accumulate 2,000 PVC* over any length of time.

2. Virtual Franchisee (Earns 14% Commission and can qualify for 5% Performance Bonus)

FAST TRACK

- a. Fast track to Direct Distributor in first 30 days (minimum of 500 PVC) and generate the additional PVC to reach a total of 2,000 PVC* in the second 30 days (the following month).
- b. Generate 2,000 PVC* in the first 30 days

OR

CUMULATIVE - Accumulate 6,000 PVC* over any length of time.

3. Sales Coordinator (Earns 22% Commission and can qualify for 5% Performance Bonus and 4% Promote Out Bonus)

Accumulate 12,000 PVC* in volume (you and everyone in your group) over any length of time **AND** develop three lines with a Direct Distributor (or above) in each line.

GOAL RECOMMENDATION TO ACHIEVE SALES COORDINATOR (Not a Requirement):

- Shoot for three qualifiers (Virtual Franchisees or above with 1,000 PVC/month) to achieve this position. If you and three others have qualifying businesses, you will definitely have the volume for Sales Coordinator!

***A Note Regarding PVC Volume Requirements for the First Three Management Positions Compared with the Last Three:** *The volume requirements for the first three positions (Direct, Virtual Franchisee, and Sales Coordinator) are based on what is termed promotional PVC, rather than actual PVC. For example, the 500 PVC requirement for direct distributor can be met when a new distributor signs up for Juice Plus+® Orchard and Garden blends on the payment plan and gets five others to do the same. The actual PVC on the amounts paid on these orders during this first month is only 1/4 of the total (based on a four-month payment plan). Specifically:*

5 Juice Plus+® customers x 25.31 (this is 1/4 of the 101.25 PVC on a box of capsules) = 126.55

*But for purposes of these first three promotions, NSA gives **promotional** PVC credit for the amount of full four-month sale:*

5 x 101.25 = 506.25

*As outlined previously, the Direct Distributor position requires 500 **promotional** PVC in 30 days; Virtual Franchisee requires 2,000 **promotional** PVC in 60 days, and Sales Coordinator requires 12,000 **promotional** PVC over any time period.*

Starting with Senior Sales Coordinator and above, the volume requirements are based on actual PVC on amounts collected by NSA during the qualification periods.

4. Senior Sales Coordinator (earns pay of Sales Coordinator and can qualify for 10% BIB up to \$500)

After achieving Sales Coordinator, accumulate 28,000 PVC in payline (includes your customers and that of your dealers, plus everyone you earn performance bonus on over a period of three consecutive months (average of 9,333 PVC/month); with no more than 2/3 of your qualifying volume coming from any one line

AND

Develop three lines with a Virtual Franchisee in each

AND

Have a qualifier (Virtual Franchisee with 1,000 PVC/month) in two of your lines during at least two of the three qualifying months. (To be considered a line, a group of six to eight active distributors is needed.)

GOAL RECOMMENDATION TO ACHIEVE SENIOR SALES COORDINATOR

(Not a Requirement):

- Shoot for a total of six qualifiers (Virtual Franchisees or above with 1,000 PVC/month). Help your three qualifiers get at least one of their own! This will help you achieve the volume and structure for this position.

5. Qualifying National Marketing Director (earns pay of Sales Coordinator, performance bonus through the 5th qualifying team member, and can qualify for 20% BIB up to \$1,000)

Accumulate 80,000 PVC in payline (includes your customers' and that of your dealers, plus that of everyone you earn performance bonus on over a period of four consecutive months (average of 20,000/month); with no more than 2/3 of your qualifying volume coming from any one line.

AND

Have three Sales Coordinator lines, with six to eight distributors and a Performance Bonus qualifier in each, during three of the four qualifying months;

AND

Two of the three *qualifying* lines must also have a distributor who qualifies to receive the 4% Promote Out Bonus (discussed on page 16.3), in two of your four qualifying months.

GOAL RECOMMENDATION TO ACHIEVE QUALIFYING NATIONAL MARKETING DIRECTOR (Not a Requirement)

- Aim for at least 12 *qualifiers* (Virtual Franchisees or above with 1,000 PVC/month). Help your three qualifiers get three of their own! This will help you achieve the volume and structure for this position and qualify you for 12 Club recognition!

6. National Marketing Director (earns pay of Sales Coordinator, performance bonus through the 5th qualifying team member, and can qualify for 20% BIB up to \$3000 plus benefit package)

Accumulate 300,000 PVC in payline (includes your personal volume and that of your dealers plus everyone you earn performance bonus on over a period of nine consecutive months (average of 33,333/month); with no more than 2/3 of your qualifying volume coming from any one line.

AND

Have five Sales Coordinator lines, with six-eight distributors and a *qualifier* in each, during eight of your nine qualifying months;

AND

Three of the five *qualifying* lines must also have a distributor who qualifies to receive the 4% Promote Out Bonus (discussed on page 16.3), in five of your nine qualifying months

GOAL RECOMMENDATION TO ACHIEVE NATIONAL MARKETING DIRECTOR

(Not a Requirement):

- Shoot for at least 24 qualifiers (Virtual Franchisees or above with 1,000 PVC/month). This will help you achieve the volume and structure for this position!

A couple of final notes:

- NSA allows distributors to use monthly PVC in excess of the amount required to qualify for Performance Bonus (1,000 PVC/month) or Promote Out Bonus (3,000 PVC/month) toward the following month's qualification. If the excess isn't used, it remains available for future months. This is called *Excess PVC*.
- The NSA business month begins on the 16th of every month and ends on the 15th of the following month. For example, the July business month would begin July 16 and end August 15. Distributors are paid by the 25th of each month (i.e., direct deposit is made, or check is mailed).

***Relating Terms
in Chapter 16
to Your PVC Report***

OPEN Volume = POBQ

Personal PVC = PBQ

Quick Reference Guide to Chapter 16

Three Ways to Earn

1. **Retail Profit**
2. **Commission** (6 to 22%)
3. **Bonuses**
 - a. Performance Bonus (5%)
 - b. Promote Out Bonus (4%)
 - c. Business Incentive Bonus (10 to 20% of earnings; \$500 to \$3,000)

Plus SSC, QNMD, and NMD Benefits

Seven Positions and Earnings

1. **Distributor** (Retail Profit)
2. **Direct Distributor** – DD (Retail + 6%)
3. **Virtual Franchisee** – VF (Retail + 14%)
w/ Qualifying Business (+5%)
4. **Sales Coordinator** – SC (Retail + 22%)
w/ Qualifying Business (+5%)
w/ POB qualification (+ 4%)
w/ Business Partner (+ coaching from NSA)
5. **Senior Sales Coordinator** – SSC
All of #4 earnings + 10% BIB up to \$500/mo + year-end bonus
6. **Qualifying National Marketing Director** – QNMD
All of #4 earnings with 5% bonus through 5th qualifier + 20% BIB up to \$1,000/mo + year-end bonus
7. **National Marketing Director** – NMD
All of #4 earnings with 5% bonus through 5th qualifier + 20% BIB up to \$3,000/mo + year-end bonus
Benefit Package including:
 - Health, life, disability and dental insurance
 - Tuition reimbursement

Promotion Requirements

Fast Track Options (1st Two Promotions)

1. **Direct Distributor** – Get 500 PVC in 30

days or accumulate 2,000 PVC

2. **Virtual Franchise** – Get 2,000 PVC in 60 days or accumulate 6,000 PVC

Focus:

- Share CDs/DVDs, host WPs, three-way calls, follow-up and customer care, look for business “buddies”

Complete first two months of 10-10-10-10

Qualify Your Business (VFs and above)

- Develop customer base to 1000 PVC/month (41 customers x 24.4 monthly PVC = 1,000+PVC)

Focus:

- Same as above plus Prevention Plus+ Events, Conference Calls, voicecom
- Complete last two months of 10-10-10-10

Sales Coordinator

- Accumulate 12,000 PVC with team (over any amount of time)
- Help three people begin 10-10-10-10 and get to at least DD

Sales Coordinator with POB

- Grow your open volume to 3,000PVC/mo [“Open” is your personal volume + your distributors, directs, and VFs; excludes Sales Coordinators (and above) along with their team members.]

Focus: 2x2x2x2 – two calls a day to:

- new prospects
- current prospects
- customers care
- distributors/business prospects

AND

- Help at least three people qualify for 5% bonus

Senior Sales Coordinator – SSC

- Accumulate 28,000 PVC over three

- months (with payline team members)
- Three VF legs; two with six to eight distributors and a qualifier in each (two of three months)
- No more than 2/3 of volume in one leg

Focus:

- Team building, helping team with WPs; hosting trainings and masterminds
- Coaching teams
- Try to help at least six people qualify for 5% bonus

Qualifying National Marketing Director – QNMD

- Accumulate 80,000 PVC over four months (with payline team members)
- Three SC legs (with six to eight distributors) and a qualifier in each (three of four months)
- Two SC legs with a POB qualifier in each (two of four months)
- No more than 2/3 of volume in one leg

Focus:

- Develop leaders in your organization through coaching, training, and inspiring your team.
- Aim for 12 qualifiers for performance bonus (5%)

National Marketing Director – NMD

- Accumulate 300,000 PVC over nine months (with payline team members)
- Five SC legs with six to eight distributors and a qualifier in each (eight of nine months)
- Three of five SC legs with a POB qualifier in each (five of nine months)
- No more than 2/3 of volume in one leg

Focus:

- Continue to develop leaders and aim for 24 qualifiers