

**J.HILBURN
COMPENSATION
PLAN**

Effective March 2013

COMPENSATION PLAN 2013

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1. COMMISSION STRUCTURE

Monthly Personal Volume (PV-Q) ¹	Direct Commission Percentage ²	Sample Credit	Downline Commission Percentage ³
\$0-\$399	10%	-	0%
\$400-\$699	12%	-	25%
\$700-\$1,249	15%	-	50%
\$1,250-\$1,999	20%	\$25	100%
\$2,000-\$3,499	25%	\$50	100%
\$3,500-\$4,999	28%	\$100	100%
\$5,000+	30%	\$150	100%

1) PV-Q: Qualifying Personal Volume is comprised of sales less refunds (net sales) in a calendar month.

2) Direct Commission Percentage is applied to the total PV sales (gross sales) in a calendar month.

3) Consultants earn a percentage of their commissions from total downline sales. Commission amounts are determined by the Downline Commission Structure on page 2.

2. QUALIFICATION AND COMPENSATION SUMMARY

Career Title	Personal Volume (PV) required to qualify and maintain title ¹	Downline Volume (DV) and team structure required to qualify and maintain title ¹	Total Legs Available	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Career Title Promotion Bonus (Consultant Bonus)	Career Title Promotion Bonus (Sponsor Bonus) ²	J.Hilburn Leadership School <small>Must attend your Paid As Title's corresponding JHLS event within 12 months from promoting</small>
Style Associate SAS	Complete the online Agreement and attend Training		5									
Style Advisor SA	\$1,800 Career To Date Personal Volume		5	4%								
Style Partner SP	\$4,000 Career To Date Personal Volume	1 Qualified Leg ³	5	4%	2%							
Associate Partner AP	\$8,000 Career To Date Personal Volume	2 Style Advisor Legs	8	4%	3%					\$1,000 when achieved within 5 months ⁵	\$500 when achieved within 5 months	JHLS 1 Develop
Senior Partner SeP	\$12,000 Career To Date Personal Volume	4 Style Advisor Legs, 2 must be Style Partner Legs	10	4%	3%	2%				\$2,500 when achieved within 8 months ⁵	\$1,250 when achieved within 8 months	
Managing Partner MP	\$16,000 Career To Date Personal Volume \$3,000 Trailing Three Month Personal Volume	4 Style Advisor Legs, 2 must be Associate Partner Legs \$50,000 in Trailing Three Month Downline Volume ⁴	12	4%	3%	2%	2%			\$5,000 when achieved within 12 months ⁵	\$2,500 when achieved within 12 months	JHLS 2 Communicate
Senior Managing Partner SMP	\$3,000 Trailing Three Month Personal Volume	4 Style Advisor Legs, 2 must be Senior Partner Legs \$100,000 in Trailing Three Month Downline Volume ⁴	14	4%	3%	2%	2%	2%		\$7,500 when achieved within 15 months ⁵	\$3,750 when achieved within 15 months	JHLS 3 Coach
Executive Partner EP	\$3,000 Trailing Three Month Personal Volume	5 Style Advisor Legs, 2 must be Managing Partner Legs \$250,000 in Trailing Three Month Downline Volume ⁴ 1 new Senior Partner in first two levels every 12 months	17	4%	3%	2%	2%	2%	2%	\$10,000 when achieved within 18 months ⁵	\$5,000 when achieved within 18 months	JHLS 4 Excel
Senior Executive Partner SrEP	\$3,000 Trailing Three Month Personal Volume	5 Style Advisor Legs, 2 must be Senior Managing Partner Legs \$1,000,000 in Trailing Three Month Downline Volume ⁴ 1 new Senior Partner in first two levels every 12 months	20	4%	3%	2%	2%	2%	2%	\$25,000 when achieved within 24 months ⁵	\$12,500 when achieved within 24 months	JHLS 5 Lead

- 1) Consultants must be Active by meeting their \$1,000 Trailing Three Month and not have an outstanding Renewal Fee to earn or qualify for any bonus.
- 2) Sponsor must be paid at the same paid as title or higher to receive Sponsor's Career Title Promotion Bonus.
- 3) Qualified Leg - a Consultant with Career To Date Personal Volume of \$300+.
- 4) Trailing Three Month Downline Volume (TTM DV) is comprised of "Paid On" levels associated to the corresponding Title.
Example: to maintain Managing Partner, you must have \$50,000+ TTM DV within your levels 1-4.
NOTE: The Trailing Three Month Downline Volume (TTM DV) needed to promote is comprised of the "Paid On" levels of the position the partner is wanting to achieve. Example: Managing Partners are paid through 4 levels so the TTM DV for a Senior Partner promoting to Managing Partner would include their downline volume from 4 levels.
- 5) The qualification period for the Career Title Promotion Bonus is based on the Consultant's Training Date.

3. QUICK START ROADMAP

Qualification Period	Action	Quick Start Bonus	Leadership Bonus
Phase 1 (1st 30 days)	Sell 5 units	\$50 sample credit	\$50 sample credit
Phase 2 (2nd 30 days)	Sell 10 units	\$75 sample credit	\$75 sample credit
Phase 3 (3rd 30 days)	Sell 12 units	\$100 sample credit	\$100 sample credit

* A "unit" is a product with a retail value of \$69+. Excludes Gift Cards.

QUICK START BONUS (QSB)

Qualification Period – 90 days from Style Consultant's Training date

Total Quick Start Bonus – \$225 in sample credit

Total Leadership Bonus – \$225 in sample credit

NOTES

QSB Qualification Period

The QSB qualification period begins on the Style Consultant's training date whether the training was completed on a weekday or weekend. If orders are submitted prior to training, with the help of the sponsor, the training date can be adjusted to the day of the first order by contacting Partner Support.

Phase 1 ends on day 30, phase 2 on day 60 and phase 3 on day 90 from the Style Consultant's training date. When the Style Consultant's training date is adjusted, the QSB qualification period begins on the adjusted training date. Style Consultants have until 11:59 P.M. EST on the last day of each phase to submit orders. It is recommended not to wait until the last day of each phase, to ensure qualifications are met.

Unit Eligibility

For a unit to count toward the QSB, the order must be properly submitted by the Style Consultant as a customer order, have a retail value of at least \$69, and be paid in full by the customer.

Example: A new customer orders 3 custom shirts. Initially, the Style Consultant will receive 1 QSB unit as the customer will pay for 1 shirt. When the remaining 2 shirts are purchased, if it is within the Style Consultant's QSB period, the Consultant will receive the 2 remaining QSB units in the corresponding phase.

Gift cards do not count as units; however, when they are redeemed for products, the purchase will count toward the phase in which it is redeemed.

Rollover Units and Missed Phases

Additional units earned in a phase will rollover to the next phase when the unit requirement for that particular phase has been met.

Example: Phase 1 requires 5 units. If a Style Consultant sells 8 units in Phase 1, they have met the requirement for Phase 1, so the 3 additional units will rollover to Phase 2.

Units are not retroactive and cannot be counted towards a previous unearned phase. If a Style Consultant misses a phase, they are eligible to earn any remaining phases.

Leadership Bonus

The QS Leadership Bonus is credited to the Sponsor of the new Style Consultant, not the direct upline (placement).

Travel Reimbursement Bonus

Consultants have the opportunity to earn a \$500 Travel Reimbursement Bonus when they

travel to attend training in another city. In order to earn this bonus, a Consultant must meet the following requirements:

- Enroll as a new Style Consultant (eligible for first lifetime enrollment only)
- Travel 180+ miles one-way to attend training
- Achieve all 3 Quick Start Bonus Phases
- Sell a minimum of \$3,000 in Personal Volume during the 90-day Quick Start Bonus Period
- Consultant must email PartnerSupport@jhilburn.com after training to notify Corporate that the travel requirement has been met

* Once all criteria have been achieved, a \$500 reimbursement is awarded to the next commissions disbursement.

4. CAREER TITLE PROMOTION BONUSES

Associate Partner Bonus

A Style Consultant can earn a one-time bonus payout of \$1,000 by successfully completing Quick Start Bonus Phases 1, 2 and 3 and obtaining the “Paid As” Rank of Associate Partner within five months from their Training Date.

The Associate Partner Bonuses will be paid with commissions as soon as all qualifications are met.

To earn the Associate Partner Bonus, a Style Consultant must meet the following requirements in the qualification period:

- Be Active by having a trailing three month personal volume of \$1,000+ and a paid annual renewal fee.
- Meet ALL three phases of the Quick Start Bonus.
- Promote to “Paid As” rank of Associate Partner within 5 months of their Training Date.

Senior Partner to Senior Executive Partner Bonuses

A Style Consultant can earn one-time bonus payouts by successfully promoting within the designated timeframes shown below.

The Career Title Promotion Bonuses will be paid in the bonus period in which all qualifications are met. To earn the Career Title Promotion Bonuses, a Style Consultant must meet the following requirements in the qualification period:

- Be Active by having a trailing three month personal volume of \$1,000+ and a paid renewal annual fee.
- Promote to the “Paid As” ranks listed below within their respective qualification periods. (All qualification periods begin on the Consultant’s Training Date)

Career Title (Paid As Rank)	Qualification Period (from Consultant’s Training Date)	Career Title Promotion Bonus (Consultant Bonus)	Career Title Promotion Bonus (Sponsor Bonus)
Associate Partner	5 Months	\$1,000	\$500
Senior Partner	8 Months	\$2,500	\$1,250
Managing Partner	12 Months	\$5,000	\$2,500
Senior Managing Partner	15 Months	\$7,500	\$3,750
Executive Partner	18 Months	\$10,000	\$5,000
Senior Executive Partner	24 Months	\$25,000	\$12,500

* Leadership Bonus - The Career Title Sponsor Bonus is paid to the Sponsor of the Style Consultant, not the direct upline (placement).

*Sponsor must be paid at the same paid as title or higher to receive Sponsor’s Career Title Promotion Bonus.

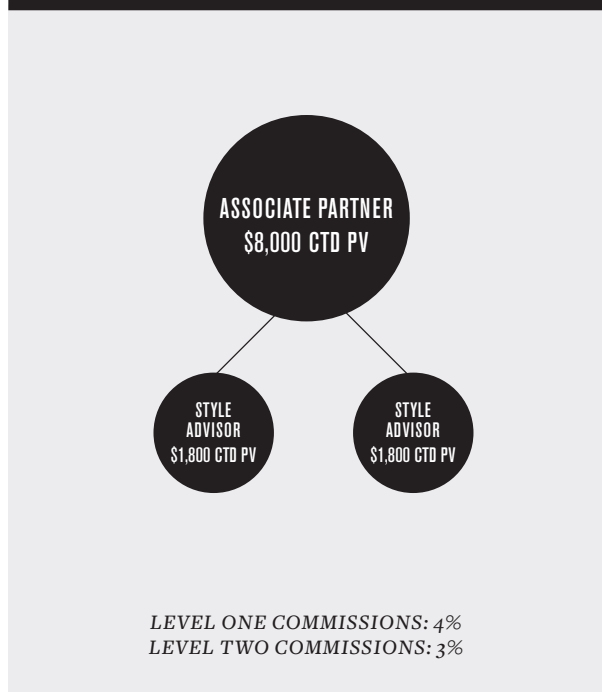
5. CAREER TITLE PROMOTION ROADMAP

We've created a roadmap to outline the qualifications needed to promote to the Managing Partner title.

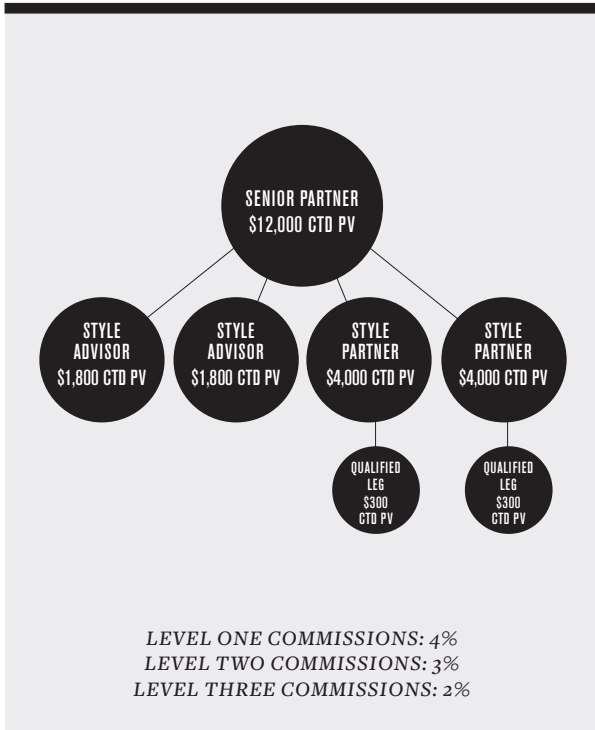
TO PROMOTE TO STYLE PARTNER



TO PROMOTE TO ASSOCIATE PARTNER



TO PROMOTE TO SENIOR PARTNER



TO PROMOTE TO MANAGING PARTNER



* CTD PV = Career To Date Personal Volume

6. KEYS TO THE CAR PROGRAM

As a Paid As Managing Partner or above, you now have the opportunity to qualify for our Car Program.

\$600 BLUE LEVEL AWARD

MANAGING PARTNER AS PAID RANK
 1 SENIOR PARTNER LEG
 \$180,000 TRAILING 3 MONTH DOWNLINE VOLUME WITHIN LEVELS 1-4
 MUST MEET ALL OF THE ABOVE QUALIFICATIONS FOR 2 CONSECUTIVE MONTHS
 MUST HAVE ATTENDED JHLS 1 AND 2, AND THE TWO MOST RECENT ANNUAL CONFERENCES

VOLUME MAINTENANCE:

\$3,000 TRAILING 3 MONTH PERSONAL VOLUME (TTM PV)
 \$180,000 TRAILING 3 MONTH DOWNLINE VOLUME (TTM DV) WITHIN LEVELS 1-4

\$800 BROWN LEVEL AWARD

SENIOR MANAGING PARTNER AS PAID RANK
 2 BLUE LEVEL EARNERS ON DIFFERENT LEGS, WITHIN YOUR FIRST 6 LEVELS
 MUST HAVE ATTENDED JHLS 1 AND 2, AND THE TWO MOST RECENT ANNUAL CONFERENCES

VOLUME MAINTENANCE:

\$3,000 TRAILING 3 MONTH PERSONAL VOLUME (TTM PV)
 \$180,000 TRAILING 3 MONTH DOWNLINE VOLUME (TTM DV) WITHIN LEVELS 1-5

\$1,000 BLACK LEVEL AWARD

SENIOR MANAGING PARTNER AS PAID RANK
 2 BROWN LEVEL EARNERS ON DIFFERENT LEGS, WITHIN YOUR FIRST 6 LEVELS
 MUST HAVE ATTENDED JHLS 1, 2, AND 3, AND THE TWO MOST RECENT ANNUAL CONFERENCES

VOLUME MAINTENANCE:

\$3,000 TRAILING 3 MONTH PERSONAL VOLUME (TTM PV)
 \$180,000 TRAILING 3 MONTH VOLUME (TTM DV) WITHIN LEVELS 1-5

\$2,000 SILVER LEVEL AWARD

SENIOR EXECUTIVE PARTNER AS PAID RANK
 2 BLACK LEVEL EARNERS ON DIFFERENT LEGS, WITHIN YOUR FIRST 6 LEVELS
 MUST HAVE ATTENDED JHLS 1, 2, 3 AND 4, MOST RECENT LEADERSHIP SUMMIT,
 AND THE THREE MOST RECENT ANNUAL CONFERENCES

VOLUME MAINTENANCE:

\$3,000 TRAILING 3 MONTH PERSONAL VOLUME (TTM PV)
 \$1,000,000 TRAILING 3 MONTH DOWNLINE VOLUME (TTM DV) WITHIN LEVELS 1-6