

2. Build **LONG-TERM** benefits for the Pink Zebra Professional.
3. Sustain customer retention with top-quality products, fair prices and excellent service.
4. Sustain Independent Consultant retention, activity and enthusiasm with continued training and education opportunities; marketing support; and attainable commissions, bonuses, and incentive awards.

## MARKETING PHASES

There are six (6) different ways to generate revenue as a Consultant for Pink Zebra. It is possible to participate in one or all of these profit centers. The following is a general list of the ways to earn revenue based on our Plan.

## SELLING PHASE

1. Minimum Base Commission – 25% base commission (retained from Party Sales)
2. Enhanced Personal Commissions – additional 5% to 10% commission (paid monthly)

## MANAGEMENT PHASE

3. 7% Sponsoring Bonus (paid monthly)
4. 3% Team Level Bonuses, four levels deep (paid monthly)
5. 2% Mentoring Bonus (paid monthly)

## EXECUTIVE PHASE

6. Three levels of Generation Bonuses totaling 7% (paid monthly)

## OVERVIEW

The Pink Zebra compensation plan was designed to offer Consultants the opportunity to develop a significant income through retailing our products and enhancing that income through sponsoring others who retail our products.

People who join Pink Zebra as Consultants hold parties in people's homes or other meeting areas, retail product, distribute catalogs, build customers and build a business. Retailing product is the foundation of their ongoing business success.

A Consultant begins his or her *Pink Zebra* business by initiating an Independent Consultant agreement and requesting to become a New Consultant. In addition, as an incentive, FREE product benefits are awarded during his or her first 90 days through the company sponsored Quick Start Incentive.

## BASE COMMISSIONS

The base commission a Consultant earns is 25% on any standard order, including Consultant Order, Party Order and Customer Order. The Consultant may earn the 25% base commission in two ways. First, if he or she places a Consultant Order or uses the Consultant Pay when placing a party order, the Consultant receives or retains the 25% when he or she places the order. This means the Consultant receives a 25% commission at the time he or she places the order. For any other order that is part of a Party Order or Customer Order where there is a credit card used besides Consultant Pay, the Consultant would receive 25% base commission at the time commissions are processed (see Commission Period). The Fundraiser Program has a separate commission structure (see Fundraiser).

## ENHANCING YOUR COMMISSIONS

Consultants may begin receiving retail commissions that range from a base of 25% up to 35% of the suggested retail value of the products they sell through one-to-one sales, parties, fundraisers or online sales from their personal website (See Table 1 Enhanced Personal Sales Commission). Of course, holding parties to retail product is at the core of business success. Here is how it works:  
Enhanced Personal Sales Commissions

SALES VOLUME (SV)	ENHANCED COMMISSION
\$ 0 to \$ 899 PS	25%
\$900 to \$1999 PS	30%
\$2,000 +	35%

**Note:** 25% is the base commission available to Consultants for all retail sales. When a Consultant accepts cash or checks from a customer and processes the order through ZebraNET, an immediate commission is earned. Otherwise if the Consultant is using Pink Zebra to process credit cards, then the 25% would be paid during the normal commission process along with any other commission.

### LEADERSHIP BONUSES: WORKING WITH OTHERS TO BUILD A TEAM

When a Consultant helps the people he or she recruits as Consultants to build their Team, the Consultant helps them to become successful while building depth in his or her own organization. Pink Zebra compensates the Consultant for building Teams by paying him or her 3% of the assigned Group Volume through up to four levels of Consultant sales volume in his or her organization. Group Volume (GV) is the assigned value on which a Consultant's Team Bonuses are calculated, usually 75% of suggested retail but adjusted on certain products.

The term "Level" is used to describe a Consultant's relationship to the other Consultants in his or her organization. For example, when the Consultant sponsors someone, that person is the Consultant's Level 1. When that person sponsors someone, the new Consultant becomes Level 2 to the original Consultant, and so on. A Consultant can earn the right to receive bonuses on up to four levels of Consultants.

To remain Active as a Consultant, the Consultant will be required to maintain minimum Personal Sales of \$150 during a six-month period.

### SPONSORING BONUS

This is a very exciting aspect of the Pink Zebra Plan. Pink Zebra pays a 7% Sponsoring Bonus to the original Consultant who enrolls a new Consultant. The Sponsoring Bonus is paid on the sales of the enrolled Consultant for as long as he or she remains a Pink Zebra Consultant! As a Qualified Enroller, the original Consultant will receive this special Sponsoring Bonus on the Commissionable Volume (CV) of any Enrollee whom he or she personally enrolled as long as the original Consultant is personally active during the month by producing your \$400.

### STRATEGIC PLACEMENT OPTION (ACTIVE QUALIFIED EXECUTIVE CONSULTANT OR HIGHER RANK)

When a Consultant achieves the Current Rank of Executive Consultant, he or she will have the option to place an Enrollee beneath a downline Consultants for mentoring and training. The Consultant will continue to receive the 7% Sponsoring Bonus on the enrolled Consultants' CV no matter where they

are placed in his or her downline genealogy. Once the Consultant achieves the rank of Executive Consultant, he or she has the right to place as many personally enrolled Consultants under other Consultants in his or her downline organization as desired, or the Consultant can place the Enrollee directly under himself or herself at Level 1. A personal Enrollee may ONLY be moved ONE time AND must be moved within 30 days of enrollment. Either way, the Consultant will receive his or her Sponsoring Bonus for as long as he or she remains active and the Enrollee remains a Pink Zebra Consultant.

**Example:** You enroll Pam who lives in another part of the country. You assign Pam to Sue who lives in the same city as Pam because you feel Sue will be better able to train and support Pam. The Pink Zebra Plan rewards both you and Sue with bonuses on Pam's sales! And since Pam has someone nearby to help support her, she'll be more likely to succeed. You receive the 7% sponsoring bonus and Sue would benefit from the leadership commissions. When you re-assign a Team member they no longer count as one of your Legs or Teams for leadership.

### Process for completing the Strategic Placement:

1. Must hold Current Rank of Executive Consultant or higher in title.
2. Change Sponsor menu will be visible on your ZebraNET.
3. Click the drop down to determine who to re-assign.
4. Click the drop down to determine who to assign to.
5. Click submit. NOTE: Once submitted this is not reversible and will remain as long as Consultants remain in the business.

### MENTORING BONUS

At the Executive Manager level and higher, the Consultant qualifies for a Mentoring Bonus of 2% beginning with all the GV of everyone in his or her group. This additional bonus will include all the customer sales volume created by all downline Team members to unlimited depth down to the first Executive Manager or higher ranked person in his or her Team. This is in addition to the 3% earned through four levels and the 7% Sponsoring Bonus.

### HOW TO QUALIFY FOR AND MAINTAIN YOUR LEADERSHIP BENEFITS

#### CONSULTANT

##### Qualifications:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
2. Personally sponsor at least one (1) active Consultant in a separate Team in Level 1

##### Monthly Maintenance:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
2. Personally sponsor at least one (1) active Consultant in a separate Team in Level 1

#### EXECUTIVE CONSULTANT

##### Qualifications:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
2. Personally enroll three (3) or more active Consultants in separate Teams in Level 1

##### Monthly Maintenance:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
  2. Maintain three (3) or more active Consultant Teams in Level 1
- Eligible to participate in strategic placement of personal Enrollees-

#### MANAGER

##### Qualifications:

1. Minimum sales volume of \$400 per month (Bonus Qualified)

# Consultant Policies & Career Plan

2. Personally enroll four (4) or more active Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant

Monthly Maintenance:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
  2. Maintain four (4) or more active personally enrolled Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant
  3. Maintain \$5,000 in GV
  4. The 60% rule applies
- Eligible to participate in strategic placement of personal Enrollees-

## EXECUTIVE MANAGER

Qualifications:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
2. Complete Executive Manager Training
3. Have four (4) or more active Manager Teams in Level 1
4. Generate \$30,000 in GV per month for two (2) consecutive months at the point of the promotion and on the second month of reaching \$30,000 GV, points 1,2,3,and 5 must all be in place
5. The 40% rule applies to both months

Monthly Maintenance:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
  2. Maintain four (4) or more active personally enrolled Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant
  3. Maintain \$15,000 in GV
  4. The 40% rules applies
- Eligible to receive 2% Executive Manager Team Bonus-
- Eligible to participate in strategic placement of personal Enrollees-

Rank	Monthly Requirements			
	Sales Volume (SV)	Group Volume (GV)	Active Team Level 1	Level 1 Frontline Leadership
Consultant	\$ 400		1	1
Executive Consultant	\$ 400		3	3C
Manager	\$ 400	\$ 5,000	4	2EC
Executive Manager	\$ 400	\$ 15,000	4	4M
Director	\$ 400	\$ 25,000	5	4M, 1EM
Executive Director	\$ 400	\$ 50,000	6	4M, 1EM, 1D
Presidential Director	\$ 400	\$ 100,000	6	4EM, 1D, 1ED

Rank	Award Amounts									
	Personal Sales Commission	Sponsoring Bonus	Mentoring Bonus	Team Level 1	Team Level 2	Team Level 3	Team Level 4	Gen 1	Gen 2	Gen 3
Consultant	25% - 35%	7%		3%						
Executive Consultant	25% - 35%	7%		3%	3%					
Manager	25% - 35%	7%		3%	3%	3%				
Executive Manager	25% - 35%	7%	2%	3%	3%	3%	3%			

# Consultant Policies & Career Plan

Director Executive Director	25% - 35%	7%	2%	3%	3%	3%	3%	3%		
Director	25% - 35%	7%	2%	3%	3%	3%	3%	3%	2%	
Presidential Director	25% - 35%	7%	2%	3%	3%	3%	3%	3%	2%	2%

Notes:

C - Consultant      EC-Exec. Consultant      M - Manager      EM- Executive Manager      D- Director

## EXECUTIVE PHASE GENERATION BONUSES

When a Consultant becomes a Director under the Plan, he or she is eligible to qualify for "generation bonuses." Generation bonuses are paid as a group's leadership grows and rewards the Consultant for helping them.

When an Executive Manager in your downline becomes a Director; that Director becomes your 1st Generation, and you will begin receiving a 3% generation bonus on that Director's personal Group Volume (GV).

When your 1st Generation Director has someone in her group who becomes a 1st Generation, that person's organization becomes your 2nd Generation, and if you have met the Qualification to be paid as an Executive Director, you will receive 2% on the GV of her organization. And when your 2nd Generation Director has someone in her group who becomes her 1st Generation; that person's organization becomes your 3rd Generation, and if you have met the Qualification to be paid as Presidential Director, you will receive 2% on the GV of her organization.

Generation bonuses are paid to unlimited depth in each generation until another Director or higher rank is found. This continues down to the maximum number of generations. (See tables below.)

**Special Note:** As it pertains to Directors, the term Personal Group Wholesale Volume consists of a Director at the top of an Organization and every Consultant downline of her in that Organization, through each and every Team, until reaching a Consultant with the rank of Director or higher within any Team. The sum of all Consultants within these Teams and the Director or higher rank person at the top makes up the Personal Group of that Director.

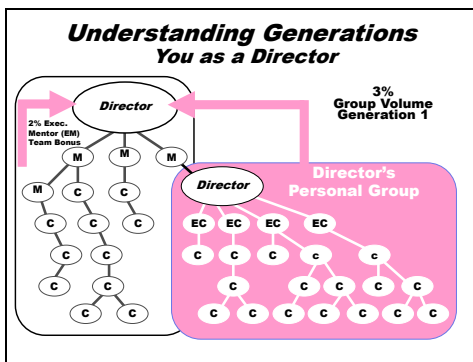
## Qualification and Generation Bonuses

Rank	Director	Executive Director	Presidential Director
Qualifications			
	Active + 4 Active Manager Teams and 1 Executive Manager Team and \$50,000 GV* per month for 2 Consecutive Months	Active + 4 Active Manager Teams, 1 Active Executive Manager Team, 1 Director Team and \$100,000 GV* per month for 2 Consecutive Months	Active + 4 Active Executive Manager Teams, 1 Director Team, 1 Executive Director Team and \$150,000 GV* per month for 2 Consecutive Months
Maintenance			
	\$400 personal sales and \$25,000 GV in the pay period <b>**40% Rule Applies*</b>	\$400 personal sales and \$50,000 GV* in the pay period <b>**40% Rule Applies*</b>	\$400 personal sales and \$100,000 GV* in the pay period <b>**40% Rule Applies*</b>

Generation Bonuses			
Generation 1	3% GV	3% GV	3% GV
Generation 2		2% GV	2% GV
Generation 3			2% GV

**\*Group Volume (GV):** As it pertains to Director or higher ranks, all Bonus Volume created downline in the Director's Team is calculated to unlimited depth for meeting Director maintenance Qualification.

## Understanding Generations



## HOW TO QUALIFY AND MAINTAIN YOUR EXECUTIVE LEVEL BENEFITS

### DIRECTOR

#### Qualifications:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
2. Have four (4) or more Active Manager Teams in Level 1 and one (1) or more Active Executive Manager Teams in Level 1
3. Generate \$50,000 in GV per month for two (2) consecutive months at the point of the promotion and on the second month of reaching \$50,000 GV, points 1,2, and 4 must all be in place
4. The 40% rule applies
5. Sign an additional leadership agreement which is effective for Director and higher

#### Monthly Maintenance:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
  2. Maintain four (4) or more active personally enrolled Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant
  3. Maintain \$25,000 in GV
  4. The 40% Rule applies
  5. Follow and abide by signed leadership agreement for Director and higher
- Eligible to participate in strategic placement of personal Enrollees-

### EXECUTIVE DIRECTOR

#### Qualifications:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
2. Have four (4) Active Manager Teams in Level 1, one (1) Active Executive Manager Team and one (1) Director Team

3. Generate \$100,000 in GV per month for two (2) consecutive months at the point of the promotion and on the second month of reaching \$50,000 GV, points 1,2, and 4 must all be in place
4. The 40% rule applies

#### Monthly Maintenance:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
  2. Maintain four (4) or more active personally enrolled Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant.
  3. Maintain \$50,000 in GV
  4. The 40% Rule applies
- Eligible to participate in strategic placement of personal Enrollees-

## **PRESIDENTIAL DIRECTOR**

#### Qualifications:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
2. Have four (4) or more Active Executive Manager Teams in Level 1, one (1) or more Active Director Teams in Level 1 and one (1) or more Active Executive Director Teams in Level 1
3. Generate \$150,000 in GV per month for 2 consecutive months at the point of the promotion and on the second month of reaching \$150,000 GV, points 1,2, and 4 must all be in place
4. The 40% rule applies

#### Monthly Maintenance:

1. Minimum sales volume of \$400 per month (Bonus Qualified)
  2. Maintain four (4) or more active personally enrolled Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant
  3. Maintain \$100,000 in GV
  4. The 40% Rule applies
- Eligible to participate in strategic placement of personal Enrollees-

## DEFINITIONS

### BONUS

This is the remuneration that is based on the percentage of sales volume of others (downline, Teams) in accordance with the respective provisions of the Career Plan.

### BASE COMMISSION

This is the base commission or discount earned for being a Consultant when a commissionable order is placed. The base amount is 25% and is awarded in two ways: 1) If the order is paid by the Consultant, the amount is given as a discount and the 25% is retained at the time of the order. 2) If a customer places an order using a credit card, the commissionable amount will be determined at the time commissions are run (see Commission Period) and paid to the Consultant through direct deposit or check.

This base is not the same for the Fundraiser Program. Refer to ZebraNET for details on the Fundraiser Program.

### CAREER PLAN

The official set of definitions and performance requirements as published in the Pink Zebra Consultant Manual by which the company pays its Consultants.

## CURRENT RANK

The highest title earned. Titles are never taken away. This is the title that the home office uses and the Consultant may use on a business card or any other marketing piece.

## COMMISSION PERIOD

The commission period is defined as a calendar month, and all activity to reach a requirement (sales, leadership, and activation) must be met before 12:00 AM EST of the first day of the next month to impact that commission period. The commission period closes after the end of the month, and there may be up to 10 business days before activity reports, bonuses or commissions are updated or paid out.

## COMMISSIONABLE VOLUME

This value is the base value of a product that is eligible to have leadership percentage-based commissions paid on it. The commissionable volume is 75% value of Sales Volume (SV is calculated at 92% of catalog/retail price), except for the Fundraiser, which is calculated at 50%.

## COMPRESSION

Team Bonuses and Generation Bonuses are earned by and paid to Consultants that are qualified. When a Consultant fails to meet the minimum maintenance requirements for earning bonuses at his or her titled position, the Company's computer searches downline until it finds a Consultant who is qualified no matter how far downline it has to search. That qualified Consultant's personal volume for the bonuses or commission for then "Compresses" to include all the volume that may have been generated by all non-qualified Consultants in between to create the next Level until it has satisfied its payout requirements with qualified Consultant Levels. The term "compression" is used to describe the temporary condition that occurs when a Consultant fails to meet the maintenance requirements for being considered active for a particular pay period. Compression does not apply to sponsor bonuses.

## DOWNLINE

All the Consultants under a given Consultant in the Sponsor organization, at any level.

## DIRECTOR GENERATION

The Consultant and their Downline to but not including a Pay Rank at the breakaway rank or higher of Director.

## ENROLLER

Consultant who enrolled another Consultant. A Consultant's Enroller may or may not be the same person as the Consultant's Sponsor.

## EXECUTIVE MANAGER GENERATION

The Consultant and their Downline to but not including a Pay Rank at the breakaway rank or higher of Executive Manager.

## FRONTLINE

Refers to all Consultants that are personally sponsored and/or enrolled (Level 1) by a particular Consultant or by the Company.



## GROUP VOLUME (GV)

GV is the sum of all SV for a given Leg or total Team and is used to determine title.

## GROUP

The Consultant and his or her entire Downline. Volume for a group includes sales volume or commissionable volume of the Consultants and their Customers at any level.

## HOLD STATUS

Hold status can be applied to any Consultant for reasons such as not including a SSN or for policy violations. Hold status is treated and counted as inactive within the Career Plan.

## LEADERSHIP COMMISSION

Leadership Commission is the earnings from the activity and sales of a Team. Leadership commission is based on the Group Volume.

## LEG

A Sponsored (Level 1) Consultant and their Downline.

## LEVEL

Degree of placement relationship in the Sponsor organization. Directly sponsored Consultants are Level 1 Consultants. The directly sponsored Consultants of Level 1 Consultants are Level 2 Consultants.

## MAINTENANCE

The standard of performance involving a Consultant that is required for that Consultant to continue being "Pay Rank" a particular rank after meeting the initial qualification requirements for that rank.

## PAY RANK

Title in which the Consultant is paid any commission, bonus or recognition based on meeting specific requirements for a commission period.

## PINK DOLLARS

Dollars awarded to a Consultant that may be used like money for the purchase of product. Pink Dollars are redeemed at the retail price, may not be redeemed for cash and expire one year (unless otherwise noted) from the date they are awarded. Pink Dollars are not commissionable or transferrable. Each Consultant has a customer record assigned to them that is part of his or her Consultant record. Pink Dollars are awarded to this customer record and Pink Dollars are redeemed through a "Customer Order" and may be applied to the sub total by using the "Credit Balance" drop down which will reflect your Pink Dollar balance. Any overage may be paid using another payment method.

## POLICIES & PROCEDURES

The governing rules that define the relationship between Pink Zebra and the Consultant.

## QUALIFYING GROUP VOLUME

The volume used for qualifying that includes the 40% and or 60% rule.

## QUICK START INCENTIVE

Quick Start is an incentive that is available to any new Consultant for the first 90 days and awards Pink Dollars for achieving sales and sponsoring milestones. The incentive also rewards Consultants when they achieve the leadership level of Manager. Reports are run once per month and rewarded consistent with the commission period of the 10<sup>th</sup> of the month. Quick Start is an annual incentive and is may be changed at the beginning of each year. *Refer to the current Quick Start incentive flier for all details.*

## SALES VOLUME (SV)

Sales Volume is where there is a base commission paid based on the retail sale of the product and is used to calculate qualifications, incentives and Quick Start. SV is based on 92% of the catalog/retail price (not applicable to Fundraisers).

## SPONSOR

Consultant under whom another Consultant is placed in the career plan.

## TEAM

Each personally sponsored Consultant on your First Level is part of your total Downline and is a separate "Team." You and your entire Sales Organization (Downline) are one "Team" to your sponsor.

## ZEBRANET

ZebraNET is your personal workstation where you will manage your business, view reports, place orders and view multiple types of communication from the Home Office. ZebraNET is password-protected, and your password should not be shared with any other person for your personal protection.

## 60% & 40% RULE:

No more than 60% or 40% of the Group Qualifying Volume (based on rank) required for qualification or maintenance can come from any one Team. If a Team makes up more than 60% or 40% of the volume, then they will default to 40% or 60% of the total required volume. For example, if you have four Teams or Legs that are producing volume, no more than 60% or 40% of the volume can come from one Team.

Example using 40% rule:

Team 1: \$1,000  
Team 2: \$5,000  
Team 3: \$20,000 = 66%  
Team 4: \$4,000  
Total: \$30,000

Based on Team 3 being more than 40% of your group volume, Team 3 will now default to 40% of the Group Volume (40% of \$30,000) or \$12,000. The total now is \$1,000+ \$5,000+ \$12,000+ \$4,000 = \$22,000. The \$22,000 counts toward leadership qualifications.