

# U.S. Compensation & Advancement Guidelines

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A Transamerica Company



WFG combines  
a world-class  
organization and  
resources to help  
people just like you  
reach their goals.



## Our Platform. Your Dreams.

Never before and, most likely, never again will we experience a time of opportunity like we're living in today.

In any industry – financial services included – one big marketing innovation can change the world. More importantly, it can change your world.

The marketing innovation of World Financial Group, Inc. (WFG) combines a world-class organization and resources to help people just like you reach their goals. But earning a favorable return on your skills, knowledge and time requires that you have the right business model. So, if you're determined to own your future, you'll find the compensation and advancement structures offered by the WFG business platform are unlike anything else in the financial industry.

WFG continues to expand each year as more associates rise through the advancement levels to become successful leaders. Are you ready to claim the tremendous potential that awaits you at WFG?



## North American Earnings: Averages & Highest\*

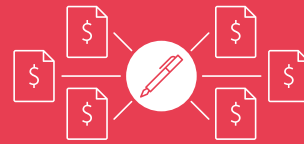
The following are the average and highest earnings for a rolling 12-month period through December 31, 2017 for North American associates who held life, securities and/or investment advisory licenses.

Leadership Level	Average Earnings	Highest Earnings
Senior Marketing Director (life licensed only)	\$34,284	\$556,928
Senior Marketing Director (life and securities only)	\$60,523	\$455,425
Senior Marketing Director (life, securities, and advisory)	\$84,034	\$995,175
Executive Marketing Director	\$190,877	\$1,666,503
CEO Marketing Director	\$321,542	\$2,585,050
Executive Vice Chairman & Up	\$820,754	>\$10,000,000

\* Different products are offered in the United States, Puerto Rico and Canada and may impact individual earning production. Earnings are in U.S. dollars and rounded to the nearest dollar. Canadian earnings are calculated using an average Canada to U.S. exchange rate through December 2017. Only U.S. associates can hold Investment Advisory licenses and registrations. U.S. associates are affiliated with World Financial Group, Inc. Canadian associates are affiliated with World Financial Group Canada Inc.

# A Unique Blend of Ways To Earn Income\*

WFG opens the door to success for anyone who has the spirit and desire to make a better life as a financial professional. Our associates are rewarded with one of the industry's most robust compensation plans on a diversified product portfolio. You also have access to a powerful business platform where, from day one, you receive the support and systems necessary to get started and continue to grow at every level. As you advance through our ranks and build your business, you can earn more money while helping more people.



## Personal Income

When you write new business you earn a commission and, as you reach preset levels, your commission percentage increases. We encourage you to reach out to everyone, not just high earners, so there are no limits to how many people you can help.



## Expansion Income

You're free to expand your business anywhere in North America.\*\* From a local team to teams you establish in other towns or states, our platform supports your efforts and helps you support your organization.



## Agency Income

As you grow and expand your agency business, you have the chance to mentor and coach newly licensed associates. As they write new business, you can earn a portion of their commissions.



## Bonus Income

Qualified leaders earn a pro-rata share of an override on our entire field force. Your portion of the bonus can grow based on your organization's production. These bonuses can multiply and compound your earning potential, and reward you for the quantity and quality of your business.

\* In order for a WFG associate to receive any compensation, they must be appropriately licensed and/or registered.

\*\* Certain restrictions apply

# Advancement Guidelines<sup>1</sup>

The following overviews the requirements that must be met to move through the advancement levels.

## Base Development

	Associate (Level 10) <sup>2</sup>	Marketing Director (MD - Level 17) <sup>2</sup>	Senior Marketing Director (SMD - Level 20) <sup>3, 4, 5</sup>
<b>Rolling Time</b>	30 days	3 months	3 months
<b>Associates/Legs</b>	3 New Associates	3 Direct Associates	3 direct legs (1 direct leg must be MD level 17)
<b>Licensed Associates in Your Organization</b>	—	5 (life licensed)	10 (6 life licensed)
<b>Field Training Appointments</b>	3 (non-securities only)	—	—
<b>Production</b>	—	40,000 base net points	75,000 base net points <sup>6</sup>
<b>Cash Flow (Rolling Time)</b>	—	—	\$35,000 (12 months) or \$20,000 (6 months)
<b>Alternative*</b>			
<b>Rolling Time</b>	3 months	—	6 months/ 12 months
<b>Production</b>	20,000 net points	—	150,000 base net points <sup>6</sup> / 225,000 base net points <sup>6</sup>
<b>Cash Flow (Rolling Time)</b>	—	—	\$20,000 (6 months)/ \$35,000 (12 months)

## Executive Development

	Executive Marketing Director (EMD - Level 65) <sup>7, 8, 9</sup>	CEO Marketing Director (CEO MD - Level 70) <sup>7, 8, 9</sup>	Executive Vice Chairman (EVC - Level 87) <sup>7, 8, 9</sup>
<b>Rolling 6 Months</b>			
<b>Direct SMD Legs</b>	3 <sup>5, 10</sup>	6 <sup>5, 10</sup>	9 <sup>5, 10</sup>
<b>Base - 1<sup>st</sup> Net Points</b>	500,000 <sup>11</sup>	1 million <sup>11</sup>	1.5 million <sup>12</sup>
<b>Rolling 12 Months</b>			
<b>Direct SMD Legs</b>	3 <sup>5, 10</sup>	6 <sup>5, 10</sup>	9 <sup>5, 10</sup>
<b>Base - 1<sup>st</sup> Net Points</b>	750,000 <sup>11</sup>	1.5 million <sup>11</sup>	2.25 million <sup>12</sup>

For more specific advancement criteria, including qualifications for advancement levels above EVC, please go to MyWFG.com.

<sup>1</sup>The alternative guidelines noted are only for production and cash flow. The associate must also meet the Associate/Legs, Licensed Associates, and Field Training appointments, as applicable, noted above.

# Compensation Guidelines<sup>13</sup>

The following overviews...

## Business Development

Title	Fixed	Variable	TPLIC FFIUL & FGIUL
Training Associate	25%	25%	24%
Associate	35%	35%	36%
Marketing Director	50%	50%	49.6%
Senior Marketing Director	65%	65%	64%
Total Base Shop	65%	65%	64%

## Business Expansion

Title	Fixed*	Variable	TPLIC FFIUL & FGIUL
1 <sup>st</sup> Generation	12%	10%	13.6%
2 <sup>nd</sup> Generation	6%	5%	6.4%
3 <sup>rd</sup> Generation	4%	3%	4%
4 <sup>th</sup> Generation	3%	2%	2.4%
5 <sup>th</sup> Generation	1.5%	1%	1.6%
6 <sup>th</sup> Generation	1%	0.5%	0.8%
Total Generation Override	27.5%	21.5%	28.8%

## Business Supervision (Variable Business Only)

Position	Variable
Branch Office Supervisor	3%
Regional Branch Manager	4.75%
Total Supervisory Override	7.75%

## Total Bonus Pool Contribution

	Fixed	Variable	TPLIC FFIUL & FGIUL
	7.5%	5.75%	7.2%
Total	100%	100%	100%

### Compensation Example

TPLIC FGIUL with \$2,500 Annual Target Premium (ATP) & 125% Provider Payout

$$\$2,500 \times 125\% = \$3,125$$

Level % x Provider % = Agent %	Agent % x ATP
24% x 125% = 30%	30% x \$2,500 = \$750
36% x 125% = 45%	45% x \$2,500 = \$1,125
49.6% x 125% = 62%	62% x \$2,500 = \$1,550
64% x 125% = 80%	80% x \$2,500 = \$2,000
80%	\$2,000

Level % x Provider % = Agent %	Agent % x ATP
13.6% x 125% = 17%	17% x \$2,500 = \$425
6.4% x 125% = 8%	8.0% x \$2,500 = \$200
4% x 125% = 5%	4.0% x \$2,500 = \$125
2.4% x 125% = 3%	2.4% x \$2,500 = \$75
1.6% x 125% = 2%	1.6% x \$2,500 = \$20
0.8% x 125% = 1%	0.8% x \$2,500 = \$25
36%	\$900

\*Not all fixed products follow this schedule. Please refer to the WFG Product Guide for specific details on the fixed product.

# Bonus Pool Eligibility Requirements

Following are the requirements for an associate to participate in our bonus pools.

## 40%<sup>14</sup>

### Base Shop Commission Bonus Pool<sup>15,16,17,18</sup>

- SMD level and higher and life licensed
- You must rank high enough in the eligibility requirements to secure a spot in the pool<sup>19</sup>
- 25,000 base shop net points with 3 or more recruits; or 30,000 base shop net points with less than 3 recruits
- Requires a minimum 60% Net Point Ratio using the current rolling 3 months
- Minimum of 60% persistency on Tracked Block of Business will be applied to each months' business after 6-months, and if the Tracked Block numbers drop below 60%, the dollars awarded for the month in review will be charged back at 100%

## 30%<sup>14</sup>

### Super Base Commission Bonus Pool<sup>15,16,17,18</sup>

- EMD level and higher life licensed, and securities licensed the entire month
- You must rank high enough in the eligibility requirements to secure a spot in the pool<sup>19</sup>
- 15,000 base shop net points and 100,000 base through 1<sup>st</sup> Generation net points
- Requires a minimum 60% Net Point Ratio using the current rolling 3 months
- Minimum of 60% persistency on Tracked Block of Business will be applied to each months' business after 6-months, and if the Tracked Block numbers drop below 60%, the dollars awarded for the month in review will be charged back at 100%
- Pays on 1<sup>st</sup> Generation net points
- Base shop qualification exemption for EVCs and up who have 100,000 base through 1<sup>st</sup> Generation net points and 10 million rolling 12 month base through 6<sup>th</sup> Generation net points

## 30%<sup>14</sup>

### Super Team Commission Bonus Pool<sup>15,16,17,18</sup>

- EMD level and higher life licensed, and securities licensed the entire month
- You must rank high enough in the eligibility requirements to secure a spot in the pool<sup>19</sup>
- 100,000 base through 1<sup>st</sup> net points and 500,000 base through 6<sup>th</sup> Generation net points
- Requires a minimum 60% Net Point Ratio using the current rolling 3 months
- Minimum of 60% persistency on Tracked Block of Business will be applied to each months' business after 6-months, and if the Tracked Block numbers drop below 60%, the dollars awarded for the month in review will be charged back at 100%
- Pays on 1<sup>st</sup> through 6<sup>th</sup> Generation net points



# Key Terms

Following are explanations of some of the terms used when discussing compensation and advancement guidelines. For more information on these terms, please go to [MyWFG.com](http://MyWFG.com).

## Generation

Each step on the advancement ladder is considered a generation in relation to the people above and below you.

## Generational Override

Once you reach the Senior Marketing Director level, you're eligible to receive overrides for Senior Marketing Directors you develop up to six generations deep. Overrides are the earnings you receive from business produced by the people in your organization.

## Rolling Time

The flexible period (days or months) used to calculate your production for an advancement. For example, a rolling three (3) months from April would include February, March and April.

## Points

The values used for advancements, contests, bonus pools, leaders bulletin rankings and other recognition that are calculated from the total revenue generated. Our point system, crossing multiple companies and products, is unique to our platform. Points are accumulated based on the type of product sold and the total percentage to the field.

## Gross Points

Your positive points and any negative points generated by internal corrections, such as repays.

## Net Points

The sum of your total points, both positive and negative.

## Net Point Ratio

Your net points divided by your gross points. This calculation provides a general comparison of the ratio of total submitted business to that which is issued and in-force.

## Tracked Block of Business

Tracked Block of Business (TBB) measures the quality of business over a specific production timeframe. It typically takes a minimum of 120 days for new business to mature and become seasoned.

## Leg

Anyone you personally add to your organization including his/her team.

## Base Shop

The Training Associates, Associates, Marketing Directors and Senior Marketing Director in an organization.

## Super Base

The Senior Marketing Director's base shop and the 1<sup>st</sup> generation SMDs and their base shops developed within your organization.

## Super Team

The Senior Marketing Director's base shop and six generations of SMDs and their base shops developed within your organization.

# The WFG Dream

The following examples show how helping a family results in a \$2,775 commission paid to the field, with the commission based on an average life insurance policy sale to a 40-year-old male who is contributing \$185 per month to the policy.<sup>20, 21, 22</sup>



**\$108,225** <sup>22, 23, 24</sup>

## SMD Personal Production

- Produce 5 personal sales/month



**\$244,755** <sup>22, 23, 24</sup>

## Build a Base Shop

- Produce 3 personal sales/month
- Develop 3 associates who produce 6 sales/month



**\$323,676** <sup>22, 23, 24</sup>

## Build a Super Base

- Develop 3 Associates who produce 6 Sales/month
- Develop 6 1<sup>st</sup> Generation SMDs who produce 6 sales/month



**\$509,490** <sup>22, 23, 24</sup>

## Build a Super Team

- Develop 3 Associates who produce 6 Sales/month
- Develop 6 SMDs in each of the 6th generations below you
- Each Generation SMD produces 6 sales/month

Are you ready  
to claim the  
tremendous  
potential that  
awaits you at  
WFG?





- 1 WFG's advancement guidelines are subject to change at any time. Unless otherwise specified, advancement guidelines are for all WFG associates.
- 2 Advancement requires approval of the direct upline SMD.
- 3 Advancement to SMD requires the associate to be life licensed and the approval of the direct SMD and CEO MD.
- 4 An exchange leg only occurs once upon an advancement to SMD, with exceptions if the SMD is demoted.
- 5 To achieve and maintain an advancement to SMD, an associate must be life licensed. Additionally, the associate must maintain an acceptable Tracked Block of Business (60% minimum) for six (6) months following the advancement. If the associate does not maintain an active life license, he/she will be demoted to an MD (Level 17) and the exchange leg(s) will not be restored to the original upline. If the SMD is demoted to an MD (Level 17) due to Tracked Block of Business, the exchange leg(s) is returned to the original upline. Once an associate is demoted, the associate must wait one year before he/she can re-qualify for the SMD level and, at the time of re-qualification, the first upline SMD has the option to select an exchange leg.
- 6 An associate may use up to one-half of personal net points and up to one-half net points from any one leg. Flanked points can be used for an advancement to SMD as long as the flanking occurred when a downline is the same level as the upline MD (Level 17) – not including transfers. For more information on flanked points, please go to MyWFG.com.
- 7 The associate must have an acceptable Net Point Ratio (NPR) to qualify for an advancement.
- 8 Points/Legs earned through the Base Shop Standard of Excellence will not count toward advancements. Please see MyWFG.com for more information on the Base Shop Standards of Excellence.
- 9 To achieve and maintain an EMD level advancement, an associate must be life licensed. To achieve and maintain a CEO MD, EVC or higher level advancement, an associate must be life and securities licensed. Additionally, the associate must maintain an acceptable Tracked Block of Business (60% minimum) for six (6) months following the advancement. If a TBB of 60% or higher is not maintained, the EMD will be demoted to SMD, the CEO MD will be demoted to EMD or the EVC will be demoted to CEO MD, as applicable. Once you are demoted, you must wait one year before you can re-qualify for that level.
- 10 An exception promotion to Senior Marketing Director (SMD – Level 20) will not count as a leg toward an upline's Executive Level advancement **until the exception SMD fulfills the published requirements to become a qualified SMD**. All exception promotions must be reviewed and approved by the WFG Home Office. If the exception promotion is granted, the exception SMD will have six (6) months to become a Qualified SMD – Level 20 by meeting all of the published requirements. If the associate does not meet the qualified SMD guidelines within six (6) months, their level will be changed to Marketing Director (MD – Level 17). In addition, if a Builder's Exchange was taken at the time of the exception SMD promotion, the exchange leg(s) is returned to the original upline. A recent Transfer, Map or Reinstatement cannot count as a qualified SMD leg for a period of 12 months. Once you are demoted you must wait one year before you can re-qualify for that level.
- 11 For EMD and CEO MD advancement levels, no more than one-half (1/2) Net points can be from any other leg or the associate's own base shop.
- 12 No more one-third (1/3) Net points can be from any other leg or the associate's own base shop.
- 13 WFG is the paymaster of any compensation to associates from WFGIA and TFA, pursuant to the terms, rates and/or schedules established by WFGIA and/or TFA with the exception in Puerto Rico, where WFG Insurance Agency of Puerto Rico, Inc. is the paymaster. Compensation terms, rates and/or schedules for products sold or referred through WFG are established by WFG. WFG, WFGIA and TFA reserve the right to change their respective compensation terms, rates and/or schedules at any time.
- 14 Percentage of total pool dollars.
- 15 To participate in the bonus pools, the associate must be the appropriate level for the entire month. To participate in the Base and Super Base Advisory bonus pools, an associate must have their investment advisory license for the entire month. Eligibility requirements are based on all points for Base and Super Base Advisory Pools, but the pro-rata share payout is based on Advisory Points only. Please note that there is not a Super Team Advisory pool.
- 16 For bonus pool payout information, please check your commission statement on MyWFG.com.
- 17 Pool compensation is subject to change at any time without prior notification.
- 18 **Meeting eligibility requirements does not guarantee participation in a bonus pool.**
- 19 The number of available slots for a bonus pool varies and is based on the company's sales volume of the pool month. Months with high sales volume will have more slots available than months with low sales volume.
- 20 Opportunities to build other income may be achieved by qualifying for additional compensation and by qualifying for bonus pools.
- 21 Commission amount may vary based on product type and size of purchase.
- 22 This is a hypothetical scenario for illustrative purposes only. There is no assurance that these results can or will be achieved. Income is earned from the sale of WFG-authorized products and services. No income is earned for recruiting. See the current WFG Product Guide for compensation percentages on all diversified product lines. All compensation plans are subject to change. Advancement criteria/designations are determined and offered by or through WFG. Personal percentages earned on products may vary based on the associate's advancement level with WFG. This example assumes a WFG Associate contract level of 35%, and SMD contract level of 65% and an SMD override level of 30%.
- 23 Associates of WFG are independent contractors regardless of field title/designation.
- 24 Example assumes all of the SMD's team members are at the Associate advancement level.

World Financial Group, Inc. (WFG) is a financial services marketing company whose affiliates offer a broad array of financial products and services.

Insurance products offered through World Financial Group Insurance Agency, Inc., World Financial Group Insurance Agency of Hawaii, Inc., World Financial Group Insurance Agency of Massachusetts, Inc., World Financial Insurance Agency, Inc. and/or WFG Insurance Agency of Puerto Rico, Inc. – collectively WFGIA.

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