



Comp Plan Definitions and Network Marketing Industry Terminology



Retail Price \$39.95 USD Per Unit/Mo.	-	GPS Heroes \$19.95 USD Costs & Admin	=	Commissions \$20.00 BV* To Salesforce
--	---	---	---	--

Comp Plan (updated April 18, 2011)

Rank/Title:	Consultant	Senior Consultant	Manager	Senior Manager	Director <i>aka "GPS Hero"</i>	Senior Director <i>aka "Super Hero"</i>	Executive Director <i>aka "Mega Hero"</i>
Minimum Requirements:							
Personal Business Volume	\$ 20 PBV	\$ 200 PBV	\$400 PBV	\$400 PBV	\$400 PBV	\$400 PBV	\$400 PBV
Group Business Volume		\$ 600 GBV	\$ 1500 GBV	\$5000 GBV	\$10,000 GBV	\$35,000 GBV	\$85,000 GBV
Team Business Volume					\$3,000 TBV	\$6,000 TBV	\$10,000 TBV
\$9.95/mo. Biz Ctr	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Personally Sponsored		1 Frontline Consultant or higher rank	2 Frontline Consultants or higher rank	4 Frontline Consultants or higher rank	8 Frontline Consultants or higher rank	2 Qual. Directors Separate Legs	4 Qual. Directors Separate Legs
Personal Sales Commission (per unit per month)	\$7.00	\$9.00	\$11.00	\$13.00	\$15.00	\$15.00	\$15.00
Downline Commissions: <small>You earn your Rank's percentage for all sales in your organization - less the commission percentage earned by your downline!</small>	35%	45%	55%	65%	75%	75%	75%
Generational Overrides:					1st Level Director	10%	10%
					2nd Level Director	5%	5%
					3rd Level Director	3%	3%
Global Bonus Pool = 2%	of Gross Company Monthly BV				1 Share of 2%	2 Shares of 2%	3 Shares of 2%
Reserve Bonus Pool = 5%	(to be used for special monthly/quartely incentives, incentive trips etc.)						
*BV = Business Volume PBV = Personal Business Volume GBV = Group Business Volume TBV = Team Business Volume							

Understanding the Terminology

The following definitions and terms will be used to commonly define the rules and understanding of the Compensation Plan for GPS Heroes and our independent Consultants.

Active Frontline Consultant

Any active personally sponsored Consultant or higher title on the first level of another Consultant.

Active Status

Consultant must have a minimum of 20 Personal Volume (PBV) and a current Business Center subscription in any given one calendar month period in order to be considered “Active”.

Business Volume: The percentage of the retail purchase price of initial hardware sales and monthly subscriptions that is credited on each sale to be paid into the compensation plan.

Bonus

The income paid to a Consultant on the business volume of their personal and team retail sales and monthly subscription sales, as provided in the GPS Heroes Compensation Plan. All bonuses are paid on Business Volume (BV).

Bonus Period

The bonus periods coincides with calendar months unless otherwise stated by the company.

Bonus Qualified

A Consultant must be “Paid as Title” as a Sr. Consultant or higher title to be qualified to receive any downline override or generation bonus.

Commissions

Your commission on new personal retail sales is based upon your Paid As Rank during any given bonus period.

Commissionable Products

All GPS Heroes products on which commissions are paid. Starter Kits, Supplies, Sales Aids, etc., are not commissionable products.

Commissionable Volume

The volume of which all commissions, overrides and bonuses are calculated is based on the Business Volume (BV) of products sold. Starter Kits, Sales Aids and Tools have no commissionable volume assigned.

Compensation Plan

The Compensation Plan defines the different ways in which a Consultant can earn commissions, receive recognition and incentives based on the performance of that Consultant, or that of their team and group.

Consultant

Acting as an Independent contractor, a Consultant presents and sells the GPS Heroes product line.

Director Breakaway Generation

When someone promotes to the rank of Director or above, that person marks a Generation of an upline Director or higher title. You can earn overrides on up to three (3) Director Generations deep. Example: If you sponsor Jim, Jim sponsors Alec, and Alec sponsors Lisa, when Alec promotes to Director, he becomes your

first generation Director. When Jim promotes to Director, Jim becomes your first generation Director and Alec becomes your second generation Director. When Lisa promotes to Director, she becomes your third generation Director.

Direct Sales

Direct Sales is the sale of a product or service, person to person, independent from a fixed retail location. GPS Heroes is a direct-selling company that markets its products through independent Consultants who sell primarily in a person-to-person, business-to-business or group presentation setting.

Downline

Individuals sponsored by an Associate make up a downline. GPS Heroes compensates the upline with bonuses for sales made by the downline, based on the upline's management or title status.

Downline Bonus

A bonus paid on the Business Volume (BV) of any qualified sales in a Consultant's downline.

Frontline

A Consultant you have personally sponsored, or a Consultant who rolls up to your first level due to their sponsor resigning, terminating or failing to renew.

Generation

A Director and their team is a generation to their upline Director (or higher). He/she and their team are the 1st Generation to their upline Director (or higher). He/she is a 2nd Generation to their 2nd upline Director (or higher) and 3rd Generation to their 3rd upline Director (or higher).

Generation Bonus

A percentage of commissionable Team Business Volume (TBV) is paid to the upline Director of higher rank for the number of generations for which they are eligible and qualified. This commission is paid on the entire TBV of the Director.

Group Business Volume (GBV)

Group Business Volume is your Personal Business Volume (PBV) added to the Personal Business Volume of everyone in your entire downline, regardless of rank, for a given month.

Group vs. Team

Group: You and your entire downline including Director's (or higher) and their teams.

Team: You and your entire downline excluding any Director's (or higher) and their teams (See also Generations).

Incentives

Occasionally, GPS Heroes may offer incentives to help Consultants increase their sales or build their teams. The incentives vary, are offered for a limited time and include various criteria to qualify. An example of an incentive program is the potential to earn trips paid for by the Company.

Independent Contractors

All GPS Heroes Consultants are independent contractors, meaning they are not employees, franchisees, agents or partners with GPS Heroes. Each control how they conduct their business as long as they fully comply with the Terms & Conditions of the Consultant Agreement as amended from time to time and provided they comply with applicable laws.

Leg

A leg begins with a first level Consultant and includes all Consultants below them. Example: If you have five (5) 1st level Consultants then you have five (5) legs. You can never have more legs than you have first level Consultants.

Level

Where Consultants in your organization fall in relation to you. Example: You sponsor Jim, Jane sponsors Alec, and Alice sponsors Lisa. Jim is your first level, Alec is your second level, and Lisa is your third level. This process continues down through your organization.

Minimum Commission Check

\$25 – no commission check will be issued less than \$25. If a Consultant has earned commission smaller than this minimum amount for a given month, the commissions will be held until enough commissions have been earned to issue a check in excess of \$25.

Monthly Sales Requirements

To receive Monthly Bonuses on downline sales, an upline must meet the minimum monthly sales requirements for their paid as rank.

Monthly Rank Requirement or “Paid As” Rank

How you are paid in a bonus period, is based on five questions:

1. Does your personal sales volume (PBV) meet the minimum or more this month??
2. How many frontline active Consultants do you have?
3. What is your Team’s Business Volume (TBV)?
4. How many First Generation Director’s do you have?
5. What is your Group’s Business Volume (GBV)?

Multi-Level Marketing (MLM)

Multi-level Marketing refers to a type of compensation plan found in direct sales. MLM is also known as “Network Marketing,” “Referral Marketing,” and “Relationship Marketing” among other names that are sometimes used for any company involved in direct sales.

Order Adjustment

Any reconciliation made to your bonus check. All commissions and bonuses are based on business volume applied to a specific product. When a product is refunded or repurchased by the Company, Business volume during that period will be reduced accordingly. Commission and Bonuses are not paid on any item that is not considered commissionable or sold to an end user customer at a given retail price.

Override Bonus

A bonus paid on the Volume of any qualified sales in a Consultant’s downline.

Paid – As – Rank

Each Consultant is paid at the rank which they qualify during the calendar month (see “Rank vs. Title”). If in any month they fail to achieve their highest qualification “Title” they are paid at the lower rank to which they qualify during the month. They retain their highest “Title” but are paid-as the rank they actually qualify for. Certain maintenance qualifications must be achieved in order to continue to be paid at a Consultant’s highest earned title. The “Paid-As” requirement applies only to Team Overrides and Generation Bonuses, and thus excludes any personal retail sales volume, which will be calculated, based on their earned Title, until and unless a Consultant is demoted to a lower title. (See “Re-qualification Policy” below for Title demotion rules).

Personal Sales

Personal sales are the sales made by the Consultant at the retail price of the products personally sold by that Consultant to end-user customers.

Personal Team

Your “personal team” includes your entire downline excluding all Director’s (or higher) and their downlines.

Personal Business Volume (PBV)

Personal Business Volume is equal to the Business Volume (BV) of products a Consultant sells in a month to end-user customers, plus the BV of products personally used by the Consultant.

Qualified Director

A Director who meets the requirements of Director during a commission period, and/or the maintenance qualification during the commission period.

Rank

The qualification level at which a Consultant’s compensation will be determined from month to month.

Rank vs Title

RANK: The qualification level at which the Consultant’s Team Overrides and Generation Bonus compensation will be determined from month to month.

TITLE: The highest rank ever achieved.

A consultant is paid based on their personal rank but percentage of pay is based on the title of the frontline person in the leg.

Reinstatement Policy

If a Consultant is terminated or resigns, they may request reinstatement at anytime and, if approved, will be reinstated under their original sponsor. Their downline organization will not be reinstated nor their title under the compensation plan unless they were terminated in error. If a Consultant wishes to enroll under a different sponsor, they must wait at least six months after termination before reapplying and will start as a new Consultant, without their former downline and title.

Re-qualification Policy

Recognition titles are retained for 6 months following the month for which they qualify (Paid-As) for that title. Within each Calendar six month period (January thru June, and/or July thru December), the Consultant must fully re-qualify for their highest Rank ever achieved at least one month during the qualification period. Example: if you qualify for a title in June, you will keep your recognition title until December 31st of the same year. If, prior to December, you qualify, for example in September, the title will be retained until March 31st of the next year. Title demotions will occur in the 7th month without qualification. The Consultant will be demoted to the paid-as title they qualify for in the month of demotion.

Retail Commission

Consultants will receive a commission on new Personal Sales, beginning at 35% of BV and will grow progressively up to 75% by the time he/she reaches the Director position and above on their personal retail sales.

Retail Customer

An individual who purchases GPS Heroes products through a Consultant.

Roll-Up

When someone on your team leaves the business, each Consultant below them will immediately be compressed up one level. This action will happen on the date of the cancellation or termination of a Consultant.

Sponsor

A Consultant who enrolls another Consultant into the Company is listed as the Sponsor. The act of enrolling others and training them to become Consultants is called *sponsoring*.

Starter Kit

A selection of GPS Heroes training materials, and business support literature that each new Consultant is required to purchase. The Starter Kit is sold to Consultants at the Company's approximate cost.

Team

A team is a group of Consultants who have been sponsored by a common Consultant or that Consultant's downline. They are classified together because they share the same upline.

Team Business Volume (TBV)

Team Business Volume is calculated by adding your Personal Sales Volume together with the Personal Sales Volume of everyone on your team who is at a lower rank than you, down to but not including the next Director or higher team.

Termination Policy

The termination policy will be developed by the GPS Heroes executive team, and will be included in the Policies and Procedures of the Company.

Title

The highest rank achieved by a Consultant.

Upline

This term refers to the Consultant or Consultants above a particular Consultant in a sponsorship line up to the Company. In other words, it is the line of sponsors that links any particular Consultant to the Company. Example: The Consultant who sponsors a new GPS Heroes Consultant is the new Consultant's upline.