



MAGNOLIA
and Vine®

Commission Plan

Magnolia and Vine- United States

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Confidential

Magnolia and Vine Comp Plan At-A-Glance - US

Requirements	Starting		Growing			Leading		
	Junior Style Consultant	Style Consultant	Star Style Consultant	Senior Style Consultant	Executive Style Consultant	Director	Senior Director	Executive Director
PV	up to \$1,499	\$1,500 Lifetime	\$500	\$500	\$500	\$500	\$500	\$500
TV						\$4,000 Monthly	\$4,000 Monthly	\$4,000 Monthly
TDV			\$1,000 Monthly	\$2,500 Monthly	\$5,000 Monthly	\$10,000 Monthly	\$30,000 Monthly	\$80,000 Monthly
QFL			1 Minimum	2 Minimum	3 Minimum	3 Minimum	3 Minimum	3 Minimum
First Gen Directors							2	4
Based on PV								
Base Personal Commission	20%	25%	25%	25%	25%	25%	25%	25%
Product Sales Bonus	10%	10%	10%	10%	10%	10%	10%	10%
Personal Sales Bonus \$2,000+		5%	5%	5%	5%	5%	5%	5%
Based on CV								
Director Personal Sales Bonus						5%	5%	5%
Level 1			4%	4%	4%	7%	7%	7%
Level 2				3%	3%	4%	4%	4%
Level 3					2%	2%	2%	2%
Team Infinity Bonus						3%	3%	3%
1st Gen Bonus						3%	3%	3%
2nd Gen Bonus							4%	4%
3rd Gen Bonus								5%
Bonus Levels								
Title Advancement Bonus					\$250	\$500	\$1,000	\$2,000
Leader Development Bonus						\$1,000		

PV = Personal Volume based on Retail Sales

TV = Team Volume based on Commissionable Volume (CV), not including Directors and above

TDV = Total Downline Volume of entire team including Directors and above, based on CV

CV = Commissionable Volume based on Wholesale Sales that is 65% of PV

QFL = Qualified Front-line (\$200)

Title Advancement Bonus pays half in cash and half in Retail Product Credit.

Leader Development Bonus is a cash bonus paid for your first Generation One Director

See Compensation Plan Details document in the Back Office for the complete Commission Plan.

Magnolia and Vine Commission Plan Detail

This document explains how Independent Style Consultants are compensated through our generous commission plan. Magnolia and Vine provides nine different ways you can be compensated for growing your business, plus you can earn additional bonuses on product sales during the new Style Consultant Fast Start Program.

NINE WAYS TO EARN!

1. **Base Personal Commission** – Start off earning 20% Base Commission on your Personal Retail Sales and when you achieve a lifetime Accumulated Personal Volume (APV) of \$1,500, your base commission jumps to 25%.
2. **Product Sales Bonus** – Earn an additional 10% Bonus on all the Magnolia and Vine snaps and Beaucoup products you sell in a month! This bonus is paid on the retail value of the items.
3. **Personal Sales Bonus** – When your Personal Volume (PV) reaches \$2,000 or more in a month, you earn an additional 5% bonus on your total retail sales for the month.
4. **Level Bonus** – Share the Magnolia and Vine opportunity and start earning by supporting your team members in building their business. This bonus pays three levels deep.
5. **Team Infinity Bonus** – As a Director and above you earn an additional 3% bonus for sales of your entire team through infinity. Your team includes all Style Consultants on your team no matter what level they are, but does not include any downline Directors and their team. You will get a Generation bonus on your Director and their team instead of the Team Infinity Bonus.
6. **Director Personal Sales CV Bonus** – As a Director you earn an additional 5% bonus on your personal sales. This bonus is paid on your commissionable volume for the month.
7. **Generation Bonus** – Start growing your structure by promoting Directors on your team and you earn a Generation bonus on each of those Directors and their team's production up to three generations deep.
8. **Title Advancement Bonus** – When you promote for the first time to Executive Style Consultant or higher and are paid at your new title for three consecutive months, you will receive a bonus of retail product credit and cash.
9. **Leader Development Bonus** – When you are at Director and promote your 1st Generation One Director, you earn a one-time \$1000 cash bonus if your Generation One Director earns their Title Advancement Bonus.

Plus:

Fast Start Bonus Program – Get the cost of your kit back! Earn \$199 in Retail Product Credit when you sell \$1,500 or more PV during your first 45 days with your enrollment date being day one. See page 12 for more Fast Start bonus opportunities and details.

Compensation Plan – Definitions

Accumulated Personal Volume (APV) – The total of all personal volume credited to a Style Consultant since her/his enrollment date.

Active – All Style Consultants who have not been terminated are considered to be Active. A Style Consultant is considered Active if she/he has at least \$300 in Personal Volume (PV) within the current biannual calendar period called the Measuring Period, which is January 1 – June 30 and July 1 – December 31. New Style Consultants will be waived the \$300 PV requirement in the Measuring Period in which they enrolled.

Example: A Style Consultant has an enrollment date of March 10, 2016. During the June 2016 commission processing, she/he will be considered Active regardless if she/he sold less than \$300 in PV. During the January 2017 commission processing, the Style Consultant must have \$300 PV accumulated from June 1, 2016 to December 31, 2016 in order to remain Active and every Measuring Period going forward.

A Style Consultant must be Active to receive any bonuses or overrides or to be considered for title promotions unless otherwise specified.

Commissionable Volume (CV) – Each item has a Commissionable Volume (CV) assigned to it. Commissionable Volume is the volume in which upline commissions are paid. All bonuses and overrides are percentages of Commissionable Volume unless otherwise specified in the plan. The CV will equal to 65% of the retail price unless otherwise disclosed. The CV is the basis of payment for the Level bonus, Team Infinity bonus, and the Generation bonus. Host credits and Host discounts do not qualify for CV or commissions.

Compression – When Style Consultant's accounts are cancelled and are no longer part of the company, their downline is compressed to their upline filling the gap left by the cancelled Style Consultant. For example, Sarah has three legs: Julie, Emma, and Diane. Sarah failed to meet the requirements to maintain her Active status as a Style Consultant and was therefore cancelled. Because Sarah was cancelled, Julie, Emma, and Diane along with their respective downlines would compress up to Sarah's upline Heidi. Heidi would then have three new legs; Julie, Emma, and Diane. Compression takes place during the commission processing for the month in which the Style Consultant account is cancelled.

Style Consultant – A person or entity in the genealogy who gets credit for a sale or who can receive commissions. If the Style Consultant is an entity, she/he must complete a Business Entity form and submit to the home office.

Downline – A Style Consultant personally sponsored by another Style Consultant, as well as all the Style Consultants she/he sponsors, etc.
Example: You sponsor Lisa, who sponsors Mary, who sponsors Tara. All these Style Consultants are in your Downline.

Enroller – The sponsor at the time the Style Consultant was initially enrolled. The sponsor may change because of genealogy changes or cancellations, but the enroller will not change.

First Generation Director – The first Director in any leg is a first generation Director, regardless where they are in the lineage. A first generation Director does not have a Director between themselves and their upline Director.

Generation – The relationship between an upline Director or above and a downline Director or above. The first promoted Director in any leg is a first generation Director. Generations are based on title. For example, if in a given month a Director who is paid as demotes to the Executive Style Consultant title, the Director will still count as a generation and her/his team volume will not be included in her/his upline's team volume, but will count towards the upline's Total Downline Volume (TDV). If the Director loses her/his Director title by not reaching paid as Director for three consecutive months, she/he will once again become part of the upline Director's Team Volume (TV).

Generation Overrides – Paid-as Director or above may receive Generation Overrides on the Commissionable Volume (CV) from their downline Generations. For example, a first Generation bonus would pay out on the first downline Director or above title and all the people below them, down to but no including the next Director or above. The Generation Override replaces the Team Infinity bonus for the upline when a Director promotes.

Leg – Each personally sponsored Style Consultant and all their downline. A leg begins with a first level Style Consultant and includes all the Style Consultants beneath them. A Style Consultant has as many legs as they have first level Style Consultants.

Level – The position a Style Consultant has in a downline relative to another upline or downline Style Consultant. Style Consultants personally sponsored are Level one. Those Style Consultants sponsored by Level one Style Consultants are Level two, relative to the original Style Consultant. Level bonuses are paid on CV and start at Star Style Consultant.

Paid-As Title – Each Style Consultant is paid at the title for which they qualify during the period. The paid-as title may be the same as or lower than the Style Consultant's actual title. All Style Consultants are paid based on their paid-as title.

Period – The time of a commission period is defined as a calendar month.

Personal Volume (PV) – The retail price (price paid) of an item that has PV attached to it. Items that you sell to customers will net you PV, but business supplies, host credits, host discounts, 50% off orders, or items specified not to have PV will not qualify as Personal Volume.

Personally Enrolled – All downline Style Consultants where the Style Consultant is listed as the enroller. Typically these will be Level one Style Consultants.

Promotions – A Style Consultant promotes to a new title when she/he meet all the qualifications for that title in a period. The promotion is effective the first day of the same period, meaning that regardless of what day the promotion was actually qualified for, the new title is effective for the entire period. For example, if a Style Consultant meets the qualifications for a Star Style Consultant on June 23rd, she/he promotes to that title for the entire period of June (effective June 1) and will be paid-as Star Style Consultant for the entire period of June.

Qualified Frontline (QFL) – In order to be considered a Qualified Frontline Style Consultant, a Level one Style Consultant must a) be Active in the current commission period, b) have a title of Junior Style Consultant or above, and c) have a minimum of \$200 in PV within the current commission period. A Director may technically be a Level one frontline Style Consultant to her/his upline, but the Director will not count as a QFL for the upline. Only Executive Style Consultants and below count as a QFL if they have \$200 or more in PV and are Active.

Sponsor – The Style Consultant’s immediate upline.

Team – All Style Consultant’s downline to the first Director in any leg. The first Director in each leg, along with their downline are not considered as part of a Style Consultant’s team, but do count towards the Total Downline Volume.

Team Volume (TV) – The combined Commissionable Volume (CV) from all sales generated by team members, including the CV from a Style Consultant’s personal sales down to but no including promoted Directors. Team Volume excludes hostess overage amounts.

Total Downline Volume (TDV) – The combined commissionable volume (CV) from all sales within a Style Consultant’s entire downline, including the CV from a Style Consultant’s personal sales and including promoted Directors and his/her team’s CV. The TDV excludes hostess overage amounts.

Upline – A Style Consultant’s sponsor, along with their sponsor, etc.

TITLE PROMOTION REQUIREMENTS

All specified title qualifications must be met for the promotion in a calendar month.

JUNIOR STYLE CONSULTANT

Requirements

- This is the initial title for all new Style Consultants.

STYLE CONSULTANT

Requirements

- Accumulate a total of \$1,500 in Accumulated Personal Volume (APV).

STAR STYLE CONSULTANT

Requirements

- A minimum of \$500 in Personal Volume (PV) within the current commission period.
- A minimum of \$1,000 in Total Downline Volume (TDV) within the current commission period.
*Note that both TV and TDV are based on Commissionable Volume (CV) from sales generated within the downline.
- At least one Qualified Frontline Style Consultant (QFL)
 - In order to be considered QFL, a Level one Style Consultant must be Active, be at Junior Style Consultant title or above, and have a minimum of \$200 in Personal Volume (PV) within the current commission period.

SENIOR STYLE CONSULTANT

Requirements

- A minimum of \$500 in Personal Volume (PV) within the current commission period.
- A minimum of \$2,500 in Total Downline Volume (TDV) within the current commission period.
- At least two Qualified Frontline Style Consultants (QFL).

EXECUTIVE STYLE CONSULTANT

Requirements

- A minimum of \$500 in Personal Volume (PV) within the current commission period.
- A minimum of \$5,000 in Total Downline Volume (TDV) within the current commission period.

- At least three Qualified Frontline Style Consultants (QFL).

DIRECTOR

Requirements

- A minimum of \$500 in Personal Volume (PV) with in the current commission period.
- A minimum of \$4,000 in Total Volume (TV) within the current commission period.
- A minimum of \$10,000 in Total Downline Volume (TDV) within the current commission period.
- At least three Qualified Frontline Style Consultants (QFL).

SENIOR DIRECTOR

Requirements

- A minimum of \$500 in Personal Volume (PV) with in the current commission period.
- A minimum of \$4,000 in Total Volume (TV) within the current commission period.
- A minimum of \$30,000 in Total Downline Volume (TDV) within the current commission period.
- At least three Qualified Frontline Style Consultants (QFL).
- At least two First Generation Directors with the current commission period. A Style Consultant must be Paid-As Director or higher with the current commission period to be considered a First Generation Director.

EXECUTIVE DIRECTOR

Requirements

- A minimum of \$500 in Personal Volume (PV) with in the current commission period.
- A minimum of \$4,000 in Total Volume (TV) within the current commission period.
- A minimum of \$80,000 in Total Downline Volume (TDV) within the current commission period.
- At least three Qualified Frontline Style Consultants (QFL).
- At least four First Generation Directors with the current commission period.

TITLE MAINTENANCE

Title Maintenance Requirements

A Style Consultant's title is her/his recognition title or the highest title she/he have achieved. A Style Consultant's Career Title does not change unless she/he is promoted or demoted, unlike a Paid-As Title, which may vary from month to month. Junior Style Consultants to Executive Style Consultants never get demoted. Directors and above have the capability of being demoted for not making the paid as title for three consecutive commission periods. For example, Joanna met the requirements to promote to the title of Star Style Consultant in June. Her Career Title is now Star Style Consultant and will remain so until she promotes to a higher title. In July, she is Paid-As a Star Style Consultant and her Career Title and Paid-As Title are the same. In August, she is paid as a Style Consultant. Her Career Title remains at Star Style Consultant but her Paid-As Title for August is Style Consultant.

Paid-As Demotions

Any Style Consultant not meeting the title maintenance or grace period requirements within the current commission period will be Paid-As demoted to the highest title for which he/she meets in the maintenance requirements.

Director Demotions

Directors and above that have been demoted to the title of Executive Style Consultant or lower for three consecutive commission periods (current and previous 2 periods) will lose her/his Director or above title and be demoted to the title of Executive Style Consultant or lower, until such time as they re-qualify for the Director or above title.

Re-qualification

If a Director or above is demoted, she/he must once again meet the title promotion requirements in order to re-obtain her/his previous title.

Grace Period

When a Style Consultant first obtains the title of Director, her/his Team Volume is blocked and no longer calculated for her/his upline Director. This could cause the upline Director to no longer have sufficient Team Volume for her/his title requirements. In order to give the upline Director the opportunity to rebuild their Team Volume, the upline Director is given a Grace Period of three commission periods (the promotion period plus the following 2 commission periods). During this Grace Period, the Director is exempt from the minimum Team Volume requirements.

There is no change to the Grace Period rule if multiple Style Consultants promote to Director in the same commission period. If a Director currently in a Grace Period from a previous Director promotion has an additional Director in a later period promote, the Grace Period will extend to reflect the new promotion, but no additional changes will take place.

Example: During the January commission period, a Director has a Style Consultant promote to Director for the first time. The upline Director will be under a Grace Period for January, February, and March commission periods. During the February commission period, the upline Director has another Director promote on her/his team. The Grace Period for the upline Director will then be extended to also include April since a Director promoted in February.

POLICIES AND REGULATIONS REGARDING TERMINATIONS

Termination

All Style Consultants are required to maintain a minimum of \$300 in Personal Volume (PV) with each full bi-annual period call Measuring Periods. If they do not maintain the minimum PV during a Measuring Period, excluding the Measuring Period in which they enrolled, they will be not be considered Active and will be terminated. If the Style Consultant should want to remain with Magnolia and Vine, she/he must discuss this with the upline who must approve her/him to remain as a Style Consultant. If the upline approves, then the terminated Style Consultant will be re-activated without the need to purchase an enrollment kit, but will lose any downline as they will compress up to the upline and she/he must sell \$300 PV in the new Measuring Period. If she/he fail to have \$300 PV in the new Measuring Period, she/he will be terminated again and will not be able to reactive even with an upline approval.

If the upline does not approve the terminated Style Consultant to be re-activated, then the terminated Style Consultant must wait 6 months before she/he can enroll as a new Style Consultant and she/he must purchase an enrollment kit.

Magnolia and Vine personnel will be responsible for the actual termination of Style Consultants. When a Style Consultant is terminated, Magnolia and Vine personnel will have the option of where to place any downline Style Consultants that belong to the terminated Style Consultant.

BONUSES AND OVERRIDES

Personal Commission

All Style Consultants, regardless of title or Active status, are eligible to receive a Personal Commission on the Personal Volume (PV) within a commission period.

Junior Style Consultants are paid at 20% and all other titles are paid at 25% on personal sales. The personal commission may be retained when the customer pays for merchandise with a check or cash to the Style Consultant. Any remaining personal commission generated by customer orders will be paid during month-end commission processing.

In addition, during the commission period when a Style Consultant first promotes from Junior Style Consultant to Style Consultant or above, she/he will receive a 5% differential to reflect that promotion on the PV within the commission period.

Product Sales Bonus

All Style Consultants, regardless of title or Active status, are eligible to receive a 10% Product Sales Bonus on the PV of sales from “Snaps” or “Beaucoup” within the commission period.

*Note: The Product Sales Bonus will not pay on any hostess overage purchases, regardless of commission category.

Personal Sales Bonus

All Style Consultants with a minimum of \$2,000 PV within a commission period are eligible to receive a Personal Sales Bonus of 5% on the PV within the commission period.

Director Personal Wholesale Bonus

Active Directors and above will receive an additional 5% Director Personal Sales CV Bonus on the commissionable volume (CV) of their personal sales within the commission period.

If a Director is paid as demotes below the title of Director, then the Director Personal Sales CV Bonus will not be paid on their personal sales.

Level Overrides

Active Star Style Consultants and above are eligible to receive Level Overrides on the CV of sales within up to three levels of downline Style Consultants, according to the following table:

Paid-As Title	Level One	Level Two	Level Three
Star Style Consultant	4%	-	-
Senior Style Consultant	4%	3%	-
Executive Style Consultant	4%	3%	2%
Director and above	7%	4%	2%

If a Style Consultant is not Active or is ineligible to receive the bonus at a given level, the Level Override at that level will not roll up, but will be retained by the company. Style Consultants need not be within the same team to generate a Level Override, so the Level Override is still earned on Directors.

Team Infinity Bonus

Active Directors and above are eligible to receive a 3% Team Infinity Bonus on the CV of sales within her/his team (TV), including personal sales.

*Note: This is in addition to any Level Overrides that may be also paid on that same sales volume.

If a Director is paid as demote below the title of Director, then the Team Infinity Bonus will not be paid on volume from her/his team and will be retained by the company.

Generation Overrides/Bonuses

Active Directors and above are eligible to receive Generation Overrides on the CV of sales within three downline generations, according to the following table:

Paid-As Title	Generation One	Generation Two	Generation Three
Director	3%	-	-
Senior Director	3%	4%	-
Executive Director	3%	4%	5%

The Generation Override replaces the Team Infinity Bonus for Directors and their related downlines. If a Director is paid as demotes below the title of Director, or is ineligible to receive the bonus on a specific sale, the Generation Override will not roll up and will be retained by the company.

Title Advancement Bonus

When Style Consultants promote to a new title of Executive Style Consultant or above for the first time, they will be eligible to receive a Title Advancement Bonus according to the following table:

Title	Cash Bonus	Retail Product Credit
Executive Style Consultant	\$125	\$125
Director	\$250	\$250
Senior Director	\$500	\$500
Executive Director	\$1,000	\$1,000

The Style Consultant must maintain the paid as title of Executive Style Consultant or above for three consecutive commission periods within 6 commission periods of the promotion, with the promotion month being period 1.

A Style Consultant may earn all the Title Advancement Bonus as she/he promotes to Executive Style Consultant and above as long as she/he either remain paid as at these titles or promote to the next title within the 6 commission periods of the original promotion.

Example: If a Style Consultant promotes to Executive Style Consultant and remains at that paid as title for the month they promote and the 2 months following, she/he will receive \$125 in a cash bonus and \$125 in Retail Product Credit payable in the 3rd commission period. A Style Consultant who promotes to Executive Style Consultant in June and then promotes to Director in August would still qualify for the Title Advancement Bonus for Executive Style Consultant in August and then if she/he remains paid as for three consecutive months, she/he will earn the Director Advancement bonus as well.

Leader Development Bonus

When a Director promotes their first Generation One Director, the upline Director is eligible to receive a one-time Leader Development Bonus of \$1,000 cash. The first Generation One Director must earn the Title Advancement Bonus for the Director title in order for their upline Director to receive the Leader Development Bonus.

The upline Director who is eligible to receive the Leader Development Bonus must have a) never previously received the bonus b) earned the Director Title Advancement Bonus themselves c) be Director in title during the downline promotion period and as well as when downline earns their Title Advancement Bonus.

The upline Director has 6 commission periods from the time of the first Generation One Director promotion to earn their own Director Advancement Bonus even if this earned after the Director Advancement Bonus of the downline Director.

Fast Start Bonus

New Junior Style Consultants who sell \$1,500 or more PV within their first 45 days (enrollment day counts as Day 1) will receive \$199 in Retail Product Credit. The credits will be awarded within the commission period that the \$1,500 is achieved, and will be added as Retail Product Credit under the My Account tab in the back office.

Example: A Style Consultant with an enrollment date of May 15th, will be eligible to receive the Fast Start Bonus if she/he submits \$1,500 or more in PV by June 28th at Midnight Central Time. If this Style Consultant obtains the \$1,500 on May 28th, she/he will receive the \$199 in Retail Product Credit during the May commission processing, which would occur the first week of June. If the Style Consultant obtains \$1,500 on June 5th, she/he will get paid the \$199 in Retail Product Credit in the June commission processing, which would occur in the first week of July.

Fast Start Consistency Bonus

Any New Style Consultant obtaining at least \$500 or more in PV within each of their first three full commission periods will receive \$100 in Business Supply Credit viewable under the My Account tab in the back office during the commission period of the third full month.

Any volume placed within the enrollment period will be included in the PV for the first full commission period.

Share the Opportunity Bonus

This bonus is available to all Style Consultants during and after their Fast Start period.

Style Consultants who personally sponsor other Style Consultants are eligible to receive a Share the Opportunity Bonus of \$100 in Retail Product Credit for each new recruit who achieves their Fast Start Bonus within their first 45 days.

The Share the Opportunity Bonus will be added under the My Account tab in the back office during the same commission period that the Style Consultant earns their Fast Start Bonus.