

# Zrii Prosperity Plan



## Reach: The Stars Await You

The Zrii Prosperity Plan provides an unmatched path to prosperity. Inside you will find the tools to manifest your destiny.

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# Terms

Compensation plans can be overwhelming, but we believe they don't have to be. We have created this simple and logical list of terms to help familiarize yourself with how to maximize the Prosperity Plan. Please study these terms carefully and refer back to them as needed. For a complete glossary terms, see the Zrii Policies and Procedures.

**Independent Executive (IE)** — A person who enrolls to receive Zrii product at the wholesale price and distributes to others at retail value. As independent business owners, IEs may also qualify to earn commissions based on their efforts.

**Active IE/PC** — Any IE/PC that has placed a 120 PV order or greater during the past six calendar month. If an IE becomes inactive, they will lose their position in the company and must re-enroll to continue ordering product.

**Autoship** — Receiving Zrii product automatically each month.

**Banked Volume** — Any excess volume that is not paid out is banked and carried forward to the next commission period as long as the IE is eligible. See Appendix C for more information on banked volume.

**Commissionable Volume (CV)** — The value assigned to specific products upon which commissions are paid.

**Downline** — Independent Executives whom you have sponsored or enrolled.

**Downline Leg** — Each one of the individuals enrolled immediately underneath you and their respective downlines represent one "leg" in your marketing organization.

**Eligible IE** — Any IE that places a minimum of 120 PV order during a calendar month.

**Enrolled IE** — The individuals whom you have enrolled as Zrii Independent Executives.

**Enroller** — The person who signs up a new Independent Executive with Zrii. Sometimes the Enroller and the Sponsor are the same person. (See the definition of *Sponsor*.)

**Enrollment Tree** — The organizational structure that is based on your personal enrollments.

**Generation** — A generation begins with an IE who meets some minimum qualification and ends with the next IE who meets those same qualifications. Generations may incorporate numerous levels of IEs. (See *Example* in Matching Section.)

**Level** — The layers of downline Independent Executives in your downline. This term refers to your relationship relative to a particular upline, determined by the number of Independent Executives between you who are related by sponsorship. For example, if you are the Sponsor of B, B is the Sponsor of C, C is the Sponsor of D, and D is the Sponsor of E, then E is on your fourth level. (Not to be confused with *Generations*.)

**Pay Leg** — The leg in the Placement Tree that is used to calculate Team Commissions, also referred to as lesser leg.

**Placement Tree** — The 2-legged organizational structure that determines how Team Commissions are paid.

**Power Leg** — The leg in the Placement Tree that has the most Qualified Volume in it. Sometimes referred to as your greater leg.

**Personal (Sales) Volume (PV)** — The commissionable value of products sold in a calendar month: (1) by the Company to you; and (2) by the Company to your personally enrolled Direct Retail Customers.

**Preferred Customer** — A customer who has completed a Zrii Customer Application and Agreement and purchases products directly from Zrii at Independent Executive prices. Preferred Customers may participate in Zrii's Customer Autoship program and receive a selection of Zrii products automatically each month.

**Qualified IE** — Any IE who is eligible and has two personally enrolled and eligible IEs with one in their left leg and one in their right leg. This IE then becomes "Qualified" to earn Team Commissions and Matching Bonuses.

**Qualified Volume (QV)** — Volume that qualifies an IE for a rank, which is a minimum of 120 PV order during a calendar month. It also refers to the group volume requirements used towards rank qualifications.

**Rank** — Your monthly rank at which you qualify for commissions as determined by the Zrii Prosperity Plan.

**Rollover Volume** — The excess volume transferred to your power leg, which is calculated by reducing the amount paid on the pay leg.

**Spillover** — When your upline places IEs in your Downline providing you with additional volume.

**Sponsor (Placement Sponsor)** — An Independent Executive under whom you place a new Independent Executive and is listed as the Sponsor on the Independent Executive Application and Agreement.

**Team Commissions** — The Commissionable Volume generated as 10% from an Independent Executive's pay leg.

**Title** — The title associated with the highest monthly rank you have ever achieved in the Prosperity Plan.

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## 01 Customer Retail Bonus

Zrii provides you with the opportunity to earn retail income by purchasing products at wholesale and then selling them directly to retail customers at a 33% markup for a profit.

In addition to these direct sales, you can also enroll Preferred Customers (PC) and enjoy a weekly Customer Retail Bonus (CRB) on their every purchase. The CRB is broken down as follows:

- 25% of the order CV is paid to the Enroller.
- 25% of the order CV counts towards the Enroller's Personal Volume in the binary placement tree.
- 100% of the order QV counts towards Qualifying Volume for the purposes of determining rank.
- PC CV that contributes to any Personal Volume above 240 PV counts towards your Pay Leg CV and will be paid out with normal Team Commissions.
- The Customer Retail Bonus is a weekly bonus and is paid each time a personally enrolled Preferred Customer places an order.

### EXAMPLE

If you are an IE that has a 240 PV order and you have one PC who places a 120 CV order (4-pack of Zrii), you earn a \$30 Customer Retail Bonus, plus 30 PV gets added to your personal order total, making the total 270 PV. Since you have 270 PV and anything over 240 PV counts towards your pay leg in the binary, 30 PV will count toward your Pay Leg CV, entitling you to earn 10% off that extra volume. The full 120 QV on the PC order will count towards Qualifying Volume (QV), which is used to determine rank. In this example you would have 360 QV (240 personal + 120 from PC).

## 02 Enroller Retail Bonus

The Enroller Retail Bonus (ERB) quickly rewards you with immediate income for growing your business. There are two types of Enroller Retail Bonus that are paid weekly.

1. Business Packs (Essentials, Pro, or Premium Pack)

Earn the ERB for selling a prebuilt Business Pack. There is no time limit on earning the ERB when selling Business packs. See the chart below for the breakdown.

2. Non-Pack orders (anything outside the prebuilt business packs)

Earn a one-time ERB of 30% of the first 250 CV on a new IE's first order (with a maximum of \$75 to the Enroller), with 50% of that CV counting towards binary volume. Any remaining volume after 250 CV is counted as 100% binary volume on the new IE's position.

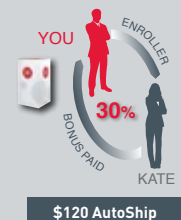
### BUSINESS PACKS ENROLLER RETAIL BONUS

| Business Packs        | Essentials Pack | Pro Pack | Premium Pack | Earned By                |
|-----------------------|-----------------|----------|--------------|--------------------------|
| PACK PRICE            | \$500           | \$1000   | \$1500       |                          |
| ENROLLER RETAIL BONUS | \$150           | \$300    | \$450        | Enroller                 |
| PACK CV               | 250             | 500      | 750          | Paid in Team Commissions |
| PACK QV               | 500             | 1000     | 1500         |                          |

Note: To maintain your IE status and your designated position in the company, you must place at least one order every 6 months to remain active. You must be active to qualify for the CRB/ERB.

### EXAMPLE

If you enroll an IE with a Premium Pack order, you will earn an ERB of \$450 with 750 CV counting towards binary volume, which is paid out in Team Commissions.



See **Appendix A** to view a complete list of all Rank Qualifications (page 9)

See **Appendix B** to find out more about maximum payout (page 11)

See **Appendix C** to learn how banked volume supports your pay leg and builds commissions checks (page 12)

See **Appendix D** to learn how IEs are placed within your organization (page 13)

## 03 Rising Star Pool

### Rising Star Pool Qualifications

- All new enrollments for the Rising Star Pool will need to have first month volume stated above plus an active 65+ EZ order profile.
- 50% of pool is paid on the 15th and the other 50% would be paid 2 weeks later on the first pay period of the following month if all qualifying points maintain their 65+ EZ order.

#### EXAMPLE

If an IE earned 12 points in the RSP and they were paid on the 15th of the next month, they would need to ensure that all enrollments maintain their 65 EZ order for the second month to receive the second portion of the pool. So at a share of \$400 they would have earned a total of \$480 (1.2 x \$400), and \$240 would be paid on the 15th. If between the 15th and the end of the month the IE drop 3 pts due to EZ Order not running, they would not receive the remaining 50% (or \$240). If they only lost 2 pts, they would still qualify with 10 pts but the remaining 50% payout would be reduced to \$160 (reduction .2 x \$400 - \$80).

- 10 pts = 1 Share @ \$400\*
- 12 pts = 1.2 Shares, 20 pts = 2 Shares, 25 pts = 2.5 shares, ect...

### Rising Star Consistency Program

- 3 consecutive months - \$200
- 6 consecutive months - \$500, special seating at convention
- 9 consecutive months - \$750, special seating at convention, 2 extra convention tickets
- 12 consecutive months - \$1,000, special seating at convention, 4 extra convention tickets, Constellation of Stars pin, and qualification for Dream Evening 2012

\* Estimated Pool Shares based on participation.

| 100-499         | 500-999  | 1,000-1,499 | 1,500+    |                        |
|-----------------|----------|-------------|-----------|------------------------|
| 100-499         | ESS PACK | PRO PACK    | PREM PACK | QUAL.                  |
| 1 POINT         | 2 POINTS | 3 POINTS    | 4 POINTS  | 10 POINTS =<br>1 SHARE |
| 7 STAR OR BELOW |          |             |           |                        |

Rising Star Pool: the Rising Star Pool (RSP) rewards you for generating volume from new Independent Executives and Preferred Customers. This monthly pool is paid 1.5% in your first month with the remaining (1.5% based on retention of new enrollees) paid in the second month. To qualify for the monthly RSP, you must: Qualify as an IE with 250 cumulative PV lifetime volume, 2 qualified IEs on right and left sides and have an active EZ Order profile.

## 04 Pacesetter Bonus

The Pacesetter Bonus (PB) is designed to reward new IEs who achieve either a 1, 2, or 3 star rank within their first full month in the business. As a new IE, you will have the opportunity to earn a one-time bonus payout based on your efforts during the crucial first full month after enrollment. This one-time bonus provides incentive and motivation to hit the ground running and is paid in addition to any other bonuses you may earn. The following payouts are rewarded according to effort:

- Achieve 1 Star: earn \$100
- Achieve 2 Star: earn \$300
- Achieve 3 Star: earn \$600

\* Pacesetter Bonus will be paid the following month for all rapid advances (advancements past the rank of the bonus). Otherwise Pacesetter Bonuses will be paid after rank is held for 3 of 6 months.

## 05 Team Commissions

Upon joining Zrii as an IE, you are given a Business Center position in your enroller's downline that represents the top of your new organization. From there, your personal downline is organized into a two-team structure with two sides or "legs". For simplicity, all of your business is built under these two teams. Your lesser leg is designated as your pay leg and is used to determine your Team Commissions, while your greater leg is sometimes referred to as your power leg. This powerful two-team structure, or placement tree, allows for cooperative team building and potential spillover and is designed to encourage growth by providing significant financial rewards. Best of all, you get paid through an unlimited depth within your organization!

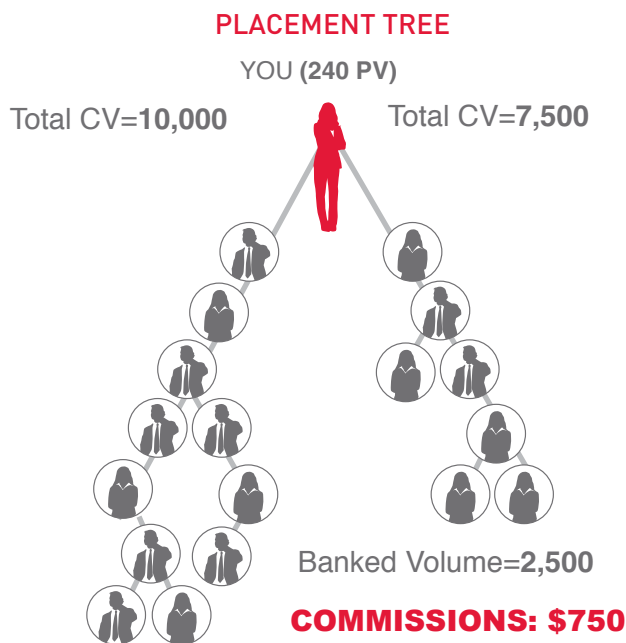
Team Commissions are paid weekly to those who are eligible and qualified to receive it. Team Commissions are paid out at 10% of CV accumulated on your lesser or pay leg for each weekly commission period.

### EXAMPLE

If you have an organization that has one leg generating 7,500 CV (7,500 in total commissionable volume during the week) and your other leg generates 10,000 CV, your Team Commissions will be \$750 (10% of 7,500 CV—your pay leg).

A maximum of \$50,000 in Team Commissions can be earned per month per business center. Once you have earned the total maximum allowable Team Commissions payout (\$50,000) for two consecutive months—which would not occur until you are at least an 8-Star rank—you are eligible to receive a new business center directly above your current business center and under your sponsor. Each Independent Executive can have a maximum of 4 business centers. Although additional business centers provide additional ways for you to maximize your earnings potential, they are not required to advance in the Prosperity Plan. To qualify for Team Commissions during any given month, you must:

- Be an Eligible IE—Eligible is defined as having at least 120 PV or 240 PV (depending on rank requirement) who are qualified during the given period.
- Be a Qualified IE—Qualified is defined as having two personally enrolled IEs (with one on each leg of the placement tree) who are Eligible during the given period.
- Generate a minimum of 240 CV on your pay leg to initially qualify.



\*Team Commissions are paid weekly while rank qualifications are based on a calendar month.

## 06 Matching Bonus

with Dynamic Compression

Our powerful Matching Bonus program rewards our IEs as they begin taking on an important leadership role in the field. By the time you reach the 4-Star rank in the Prosperity Plan, you are beginning to prove yourself as a leader. Now, as you focus on building and duplicating your groups, you will be rewarded for helping those below you do the same.

Duplication and leadership are fundamental keys to success, and you will now have the responsibility to help train others while being rewarded handsomely in the process.

This program allows you to earn a matching check on the team commissions paid to Independent Executives you personally enroll, the IEs they personally enroll, etc. through 5 dynamically compressed generations in your personal enroller tree. Dynamic compression refers to the concept that you will be paid not only on your personal enrollments but down through numerous levels until the next qualified IE is found. A generation ends when the next qualified 4 Star or above is found, regardless of depth. As you increase in rank, your generational matching goes even deeper! However, keep in mind that the matching bonus also pays out through unlimited width (in your Enrollment Tree), and so as you continually enroll new IEs you will continue growing your income regardless of what is happening below you. To qualify for Matching Bonus during any given month, you must:

- Qualify at the rank of 4 Star or higher

The following table shows the percents you match on each generation and the required qualification to earn each of the listed percentages.

### Dynamic Compression Changes Everything!

Once you understand dynamic compression, you'll realize it's much more powerful than paying on levels as implied in the table from the previous page. It can reward you with big dividends and help your organization grow.

| PERCENT MATCHED (DYNAMICALLY COMPRESSED) |                     |                  |                  |                   |
|--|---------------------|------------------|------------------|-------------------|
|  | Qualified 4, 5 Star | Qualified 6 Star | Qualified 7 Star | Qualified 8 Star+ |
| 1ST GENERATION                           | 20%                 | 20%              | 20%              | 20%               |
| 2ND GENERATION                           | 10%                 | 10%              | 10%              | 10%               |
| 3RD GENERATION                           |                     | 5%               | 5%               | 5%                |
| 4TH GENERATION                           |                     |                  | 5%               | 5%                |
| 5TH GENERATION                           |                     |                  |                  | 5%                |

| Rank Qualification |                      |                   |                    |                    |                    |                   |
|--------------------|----------------------|-------------------|--------------------|--------------------|--------------------|-------------------|
| Rank & Title       | Independent Exec.    | 1-Star Executive  | 2-Star Executive   | 3-Star Executive   | 4-Star Executive   | 5-Star Executive  |
| Min. Monthly PV    | 120                  | 120               | 120                | 120                | 240                | 240               |
| Min. Pay Leg QV    | 120                  | 1,000             | 2,000              | 4,000              | 10,000             | 20,000            |
| Enroller Tree †    | 120/240 <sup>s</sup> | 120/240           | 120/240            | 120/240            | 6,000/8,000        | 12,000/16,000     |
| Max. Payout ^      | \$2,000/\$2,000      | \$5,000/\$10,000  | \$5,000/\$10,000   | \$5,000/\$10,000   | \$7,000/\$15,000   | \$12,500/\$25,000 |
| Rank & Title       | 6-Star Executive     | 7-Star Executive  | 8-Star Executive   | 9-Star Executive   | 10-Star Executive  |                   |
| Min. Monthly PV    | 240                  | 240               | 240                | 240                | 240                |                   |
| Min. Pay Leg QV    | 30,000               | 50,000            | 100,000            | 200,000            | 300,000            |                   |
| Enroller Tree †    | 18,000/25,000        | 30,000/42,000     | 40,000/85,000      | 80,000/180,000     | 120,000/300,000    |                   |
| Max. Payout ^      | \$25,000/\$50,000    | \$35,000/\$70,000 | \$50,000/\$100,000 | \$50,000/\$125,000 | \$50,000/\$150,000 |                   |
| Rank & Title       | 1-Star Ruby          |                   | 2-Star Ruby        |                    | 3-Star Ruby        |                   |
| Min. Monthly PV    | 240                  |                   | 240                |                    | 240                |                   |
| Min. Pay Leg QV    | 300,000              |                   | 300,000            |                    | 300,000            |                   |
| Enroller Tree †    | 150,000/750,000      |                   | 225,000/1,500,000  |                    | 300,000/3,000,000  |                   |
| Max. Payout ^      | \$50,000/unlimited   |                   | \$50,000/unlimited |                    | \$50,000/unlimited |                   |

See Appendix A on page 9 for detailed qualifications.

## EXAMPLE

Let's presume you are a qualified 7 Star who has enrolled four IEs: Brandon, Renee, Debbie, and Jason. Since you are a 7 Star, you are qualified to earn 20% on your 1st generation, 10% of your 2nd generation, and 5% of your 3rd generation enrollees. What does this actually mean? Well, Renee's leg does not have anyone higher than a 2 Star, so you will receive 20% of Renee's team commissions, plus 20% of everyone else's Team Commissions all the way to the bottom of that particular leg in the Enrollment tree. Everyone underneath Renee in that leg would be considered 1st generation because nobody else achieved one of the ranks eligible for matching bonus (at least a 4 Star), so you would earn 20% on everyone in that leg.

However, Debbie's leg is a little different. Since Debbie is a 5 Star you would receive 20% of her Team Commissions which ends the 1st generation. Then you would receive 10% on everyone up to and including Sally because she is another 5 Star and represents the end of the 2nd generation. Below Sally you would earn 5% on everyone up to and including Alan—this is your 3rd generation. Your 4th generation includes everyone under Alan through Joe, another 4 Star. As a 7 Star, you would stop earning Matching Bonus below Joe on this leg. Once you progress to 8 Star, you could tap into the 5th generation of matching that would represent everyone beneath Joe.

## 07 Leadership Pool

The Leadership Pool is a revenue sharing bonus that is earned by qualified 8 Stars and above. Qualified IEs share in 1% of the total global CV. You can earn one share in the pool for every 1,000 QV increase in your pay leg in a month\*.

### EXAMPLE

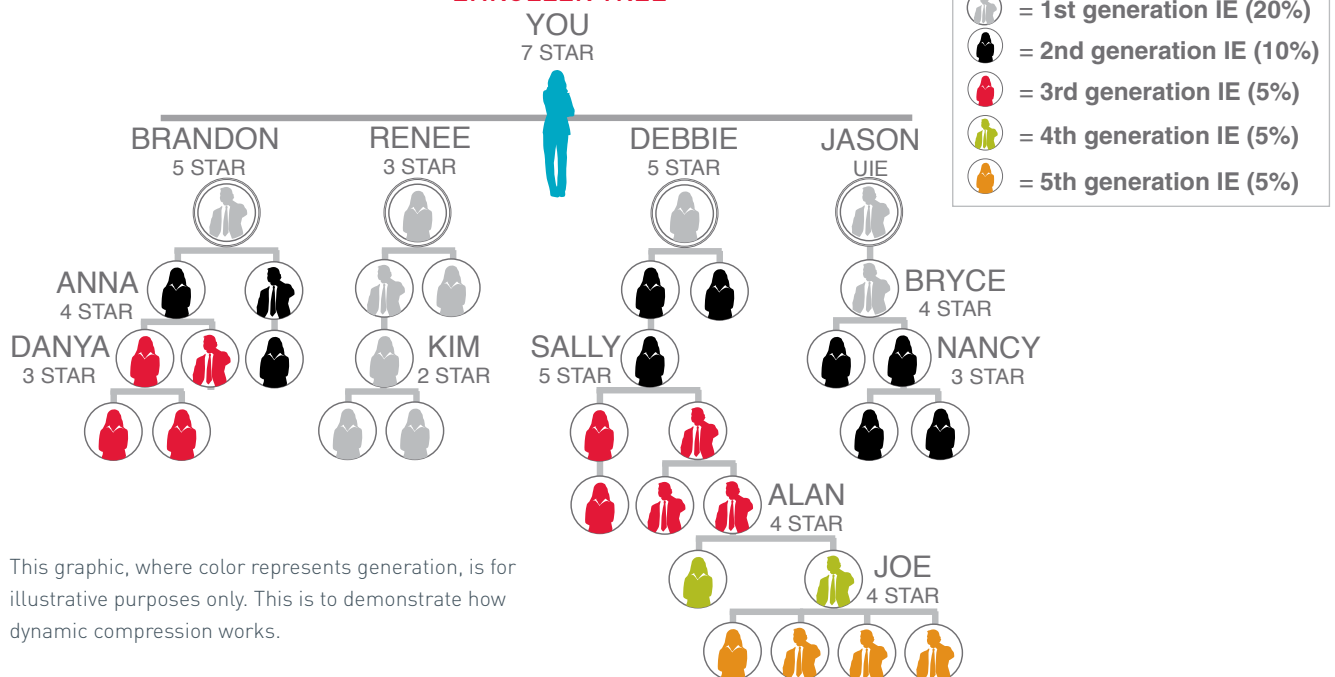
Rosa is a qualified 8 Star and had 105,000 QV in her pay leg in February. In March, Rosa had 109,000 QV. Because she had a 4,000 QV increase, she earned four shares in the Leadership Pool.

\*A single share can be worth up to 10% of the Leadership Pool, with a maximum of 25% of the pool per individual.

## 08 Achievement Bonus

One-time Achievement Bonuses—totaling \$1,450,000—are available as you achieve and maintain each rank, beginning with the rank of 4 Star. Achievement bonuses are paid throughout the year on stage at Zrii Corporate-sponsored events.

### ENROLLER TREE



This graphic, where color represents generation, is for illustrative purposes only. This is to demonstrate how dynamic compression works.

## 09 Premium Executive Rewards

In order to receive a rank advancement bonus, you must maintain the rank for a specified number of months (see table below), beginning with the first month of advancement, before earning the bonus.

|                |   |
|----------------|---|
| 4 Star–10 Star | Maintain rank for 3 of 6 rolling months |
| Ruby and above | Maintain rank for 6 of 9 rolling months |

In addition, you may advance past a rank and still be qualified for the lower rank.

### EXAMPLE

In August, Matt is a qualified 3 Star. In September Matt qualifies as a 5 Star and maintains that rank through November; Matt would be paid the achievement bonus for both the 4 and 5 Star ranks.

The Achievement Bonus is paid as follows:

| RANK & TITLE | AMOUNT           |
|--------------|------------------|
| 4 Star       | \$1,000          |
| 5 Star       | \$2,000          |
| 6 Star       | \$3,000          |
| 7 Star       | \$5,000          |
| 8 Star       | \$14,000         |
| 9 Star       | \$25,000         |
| 10 Star      | \$50,000         |
| <b>TOTAL</b> | <b>\$100,000</b> |

| PREMIER EXECUTIVE RANKS & TITLES |             |
|----------------------------------|-------------|
| Ruby                             | \$100,000   |
| Double Ruby                      | \$250,000   |
| Triple Ruby                      | \$1 MILLION |

If you are paid for a specific rank, slip back in ranking, and then regain your original rank, no additional bonus will be paid.

### BMW Reimbursement

When you reach 7, 8, 9, and 10 Stars, you qualify for monthly reimbursements for an iconic vehicle known for performance, luxury, and fun—your own BMW\*.

7 Star: up to \$500/month

8 Star: up to \$750/month

9 Star: up to \$1,000/month

10 Star: up to \$1,250/month

\*Must be a Zrii-branded color of red, black, white, or silver. BMW reimbursements are not subject to maximum payout limitations.

### Founder's Bonus

The Founder's Bonus rewards those who help launch new markets. In order to participate in this bonus, you must attain the rank of 7 Star within the first year of a new market launch; 7 Star qualification is required in each new market to participate.

If you are an IE who would like to participate in a new market, you must build your volume to the equivalent of a 7 Star within one year of entering that market. If you qualify for this bonus, you will earn one share of 1% of the new market's commissionable sales in the first year.

The bonus continues at a rate of 1 share of 1% sales in each successive year, as long as you maintain 7 Star for 9 of 12 months in the subsequent fiscal years. You may qualify for the Founder's Bonus in more than one market by earning the equivalent of 7-Star volume within that market during the first year of its launch.

## Appendix A Executive Ranks Qualifications

There are three qualifiers that establish rank:

1. *Minimum Monthly PV*: Your personal volume, which can be satisfied by personal Autoship, personal spot orders, or PC orders. Your PV must be 120 or greater to earn any commissions, except CRB/ERB. Any rank 4 Stars and above requires a minimum of 240 PV or greater.
2. *Minimum Pay Leg QV*: To reach the designated ranks, your placement tree Pay Leg QV must meet the minimum requirements listed below.
3. *Enrollment Tree*: To achieve rank you must achieve a minimum amount of volume in your enrollment tree legs with a cap on the maximum you can use per leg. This requirement ensures

that you earn maximum dollars while still protecting the integrity of the compensation plan.

### EXAMPLE:

To qualify as a 4 Star, you must (1) have a monthly PV of at least 240, (2) have at least 20,000 of total QV in your placement tree with the lesser of the two legs having at least 10,000, and (3) have at least 8,000 in enrollment tree volume from your personally enrolled IEs; note that the most that can come from any one enrollment tree leg is 6,000.

*Note: You are paid commissions on CV but qualify and advance in rank based off QV. CV is used to determine the Pay Leg.*

### Rank Qualification

| Rank & Title    | Independent Exec.    | 1-Star Executive  | 2-Star Executive   | 3-Star Executive   | 4-Star Executive   | 5-Star Executive  |
|-----------------|----------------------|-------------------|--------------------|--------------------|--------------------|-------------------|
| Min. Monthly PV | 120                  | 120               | 120                | 120                | 240                | 240               |
| Min. Pay Leg QV | 120                  | 1,000             | 2,000              | 4,000              | 10,000             | 20,000            |
| Enroller Tree † | 120/240 <sup>§</sup> | 120/240           | 120/240            | 120/240            | 6,000/8,000        | 12,000/16,000     |
| Max. Payout ^   | \$2,000/\$2,000      | \$5,000/\$10,000  | \$5,000/\$10,000   | \$5,000/\$10,000   | \$7,000/\$15,000   | \$12,500/\$25,000 |
| Rank & Title    | 6-Star Executive     | 7-Star Executive  | 8-Star Executive   | 9-Star Executive   | 10-Star Executive  |                   |
| Min. Monthly PV | 240                  | 240               | 240                | 240                | 240                |                   |
| Min. Pay Leg QV | 30,000               | 50,000            | 100,000            | 200,000            | 300,000            |                   |
| Enroller Tree † | 18,000/25,000        | 30,000/42,000     | 40,000/85,000      | 80,000/180,000     | 120,000/300,000    |                   |
| Max. Payout ^   | \$25,000/\$50,000    | \$35,000/\$70,000 | \$50,000/\$100,000 | \$50,000/\$125,000 | \$50,000/\$150,000 |                   |
| Rank & Title    | 1-Star Ruby          |                   | 2-Star Ruby        |                    | 3-Star Ruby        |                   |
| Min. Monthly PV | 240                  |                   | 240                |                    | 240                |                   |
| Min. Pay Leg QV | 300,000              |                   | 300,000            |                    | 300,000            |                   |
| Enroller Tree † | 150,000/750,000      |                   | 225,000/1,500,000  |                    | 300,000/3,000,000  |                   |
| Max. Payout ^   | \$50,000/unlimited   |                   | \$50,000/unlimited |                    | \$50,000/unlimited |                   |

\*\* Qualified - Any IE that places a 120 PV order during a calendar month

† Maximum QV coming from any enroller tree leg, minimum total enroller tree volume required

§Minimum of two personally enrolled eligible IEs (one on each leg)

### **Unqualified Independent Executive (IE)**

- Purchase an Independent Executive Start Kit
- May qualify to earn CRB/ERB/RSP by meeting specific requirements

### **Independent Executive (IE)**

- Minimum of 120 PV
- Personally enroll two eligible IEs with one in each leg
- 120 QV in your pay leg during a one-month period (but must accumulate 240 CV pay leg volume in order to earn Team Commissions)

### **1 Star Executive**

- Minimum of 120 PV
- 1,000 QV in your pay leg during a one-month period
- Two personally enrolled eligible IEs (one in each leg)

### **2 Star Executive**

- Minimum of 120 PV
- 2,000 QV in your pay leg during a one-month period
- Two personally enrolled eligible IEs (one in each leg)

### **3 Star Executive**

- Minimum of 120 PV
- 4,000 QV in your pay leg during a one-month period
- Two personally enrolled eligible IEs (one in each leg)

### **4 Star Executive**

- Minimum of 240 PV
- 10,000 QV in your pay leg during a one-month period
- Minimum enrollment tree volume of 8,000 QV
- No more than 6,000 QV coming from any one enrollment tree leg
- Two personally enrolled eligible IEs (one in each leg)

### **5 Star Executive**

- Minimum of 240 PV
- 20,000 QV in your pay leg during a one-month period
- Minimum enrollment tree volume of 16,000
- No more than 12,000 QV coming from any one enrollment tree leg
- Two personally enrolled eligible IEs (one in each leg)

### **6 Star Executive**

- Minimum of 240 PV
- 30,000 QV in your pay leg during a one-month period
- Minimum enrollment tree volume of 25,000
- No more than 18,000 QV coming from any one enrollment tree leg
- Two personally enrolled eligible IEs (one in each leg)

### **7 Star Executive**

- Minimum of 240 PV

- 50,000 QV in your pay leg during a one-month period
- Minimum enrollment tree volume of 42,000 No more than 30,000 QV coming from any one enrollment tree leg
- Two personally enrolled eligible IEs (one in each leg)

### **8 Star Executive**

- Minimum of 240 PV
- 100,000 QV in your pay leg during a one-month period
- Minimum enrollment tree volume of 85,000
- No more than 40,000 QV coming from any one enrollment tree leg
- Two personally enrolled eligible IEs (one in each leg)

### **9 Star Executive**

- Minimum of 240 PV
- 200,000 QV in your pay leg during a one-month period
- Minimum enrollment tree volume of 180,000
- No more than 80,000 QV coming from any one enrollment tree leg
- Two personally enrolled eligible IEs (one in each leg)

### **10 Star Executive**

- Minimum of 240 PV
- 300,000 QV in your pay leg during a one-month period
- Minimum enrollment tree volume of 300,000
- No more than 120,000 QV coming from any one enrollment tree leg
- Two personally enrolled eligible IEs (one in each leg)

### **1 Star Ruby**

- Minimum of 240 PV
- 300,000 QV in your pay leg during a one-month period
- Minimum enrollment tree volume of 750,000
- No more than 150,000 QV coming from any one enrollment tree leg
- Two personally enrolled eligible IEs (one in each leg)

### **2 Star Ruby**

- Minimum of 240 PV
- 300,000 QV in your pay leg during a one-month period
- Minimum enrollment tree volume of 1,500,000
- No more than 225,000 QV coming from any one enrollment tree
- Two personally enrolled eligible IEs (one in each leg)

### **3 Star Ruby**

- Minimum of 240 PV
- 300,000 QV in your pay leg during a one-month period
- Minimum enrollment tree volume of 3,000,000
- No more than 300,000 QV coming from any one enrollment tree leg
- Two personally enrolled eligible IEs (one in each leg)

# Appendix B Maximum Payout

## TOTAL COMPANY PAYOUT

The Zrii Prosperity Plan guarantees that 50% of commissionable product purchases will be paid to the field through the lifetime of the program. This means that if we ever pay less than 50% in any given pay period, the balance will be escrowed to pay for future pay periods. This is especially important when calculating our huge one-time Achievement Bonuses, which can be achieved at any time by hard-working IEs.

## MONTHLY EARNINGS

The maximum individual payout for each rank is based on monthly earnings:

|         | Team Commissions Payout<br>(Per Business Center) | Total Monthly Payout<br>(Team, Matching, Pools) |
|---------|--|---|
| IE      | \$2,000  | \$2,000   |
| 1 Star  | \$5,000  | \$10,000  |
| 2 Star  | \$5,000  | \$10,000  |
| 3 Star  | \$5,000  | \$10,000  |
| 4 Star  | \$7,500  | \$15,000  |
| 5 Star  | \$12,500   | \$25,000  |
| 6 Star  | \$25,000   | \$50,000  |
| 7 Star  | \$35,000   | \$70,000  |
| 8 Star  | \$50,000   | \$100,000                                       |
| 9 Star  | \$50,000   | \$125,000                                       |
| 10 Star | \$50,000   | \$150,000                                       |
| Ruby +  | \$50,000   | Unlimited                                       |

Retail Enroller Bonus, BMW Reimbursement, Founder's Bonus, and Achievement Bonuses are not subject to maximum monthly payout limitations

To further protect the opportunity for our IEs and preserve the viability of the Prosperity Plan, Zrii has instituted maximum payouts that prevent the plan from paying out more than it should. These payouts are very liberal but programmed to preserve the integrity of Team Commissions. If payout is higher than 50% in a given period, caps will apply to the Matching Bonus first. Team Commissions will always be adjusted last, but the Retail Enroller Bonus, BMW Reimbursement, Founder's Bonus, and Achievement Bonuses are never limited in payout. To say we pay *up to* 10% on the pay leg for Team Commissions, we mean we pay 10% at all times unless and until—in the rare event—we exceed the total 50% payout and have already adjusted the matching bonus.

### TEAM COMMISSION PAYOUT

The column to on the left represents, by rank, an IE's maximum earnings per month (per business center).

### TOTAL MONTHLY PAYOUT

The column to the right represents an IE's total maximum payout per month (per business center), which includes Team Commissions, Matching Bonus, Rising Star Pool, and Leadership Pool.

These caps exclude the Retail Enroller Bonus, BMW Reimbursement, Founder's Bonus, and Achievement Bonuses.

## Appendix C Banked Volume

Banked volume is leftover or unused volume that is carried forward to the next commission period. Banked volume is a benefit to help protect future payout or rank advancements. When you earn Team Commissions, your pay leg CV is subtracted from your power leg CV. The leftover volume remaining on your strong or power leg is carried forward or banked to be used in future periods. This ensures that you always earn the maximum payout possible as long as you remain qualified to continue banking your volume.

You begin accumulating and banking volume as soon as you have qualified a leg. To “qualify” a leg, you must personally enroll an IE who is eligible with a 120 CV order or greater. For example, you qualify your left leg once you have enrolled an IE in that leg. From that day forward, the unused volume in that leg will carry forward until it is paid out or depleted as long as that leg remains qualified. Once you have qualified both of your legs, your lesser or pay leg will begin to pay out Team Commissions after 240 CV is accumulated (\$24). If one of your personally enrolled IEs neglects to place an eligible order during any given month and you do not have a backup IE in that leg, the leg is no longer qualified and the banked volume resets to zero.

Please note:

- Volume begins to accumulate in a leg once that leg is qualified. To qualify, you must have a personally enrolled IE in that leg that has placed a 120 CV order or greater during the month.

- Pay leg volume will initially carry forward until it pays out as long as you are qualified. Pay leg volume will not carry forward for more than 3 rolling months.
- Power leg volume may be banked for a maximum of 12 rolling months. After 12 months, the first month’s volume will expire.
- If you fail to place an eligible order during the month, all banked volume is reset to zero.

We have a simple example and a detailed example to help you understand this idea.

| SIMPLE EXAMPLE OF WEEKLY BANKING |          |          |   |
|----------------------------------|----------|----------|---|
|                                  | Left CV  | Right CV | Weekly Pay                              |
| Week 1                           | 5000     | 3000     | \$300                                   |
| Banked                           | 2000     | 0        |   |
| Week 2                           | 11000    | 9000     | \$900                                   |
| Banked                           | 4000     | 0        |   |
| Week 3                           | 8000     | 16000    | \$1,200                                 |
| Banked                           | 0        | 4000     |   |
| Week 4                           | 4000     | 10000    | \$400                                   |
| Banked                           | 0        | 10000    | \$2,800                                 |
| Total CV                         | \$28,000 | \$38,000 |   |
| Total banked                     | 0        | \$10,000 | → Carried forward to the following week |

EXAMPLE OF WEEKLY BANKING

| Week   | Volume Type                 | Left | Right | Payleg Total |
|--------|-----------------------------|------|-------|--------------|
| Week 1 | New Volume (from this week) | 300  | 500   | \$300        |
|        | Rollover (from last week)   | 0    | 0     |              |
|        | Total                       | 300  | 500   | Left 300     |
|        | New Bank (carries forward)  | 0    | 200   |              |
| Week 2 | New Volume                  | 250  | 600   |              |
|        | Rollover                    | 0    | 200   |              |
|        | Total                       | 250  | 800   | Left 250     |
|        | New Bank                    | 0    | 550   |              |
| Week 3 | New Volume                  | 600  | 300   |              |
|        | Rollover                    | 0    | 550   |              |
|        | Total                       | 600  | 850   | Left 600     |
|        | New Bank                    | 0    | 250   |              |
| Week 4 | New Volume                  | 500  | 250   |              |
|        | Rollover                    | 0    | 250   |              |
|        | Total                       | 500  | 500   | Equal 500    |
|        | New Bank                    | 0    | 0     |              |
| Week 5 | New Volume                  | 600  | 450   |              |
|        | Rollover                    | 0    | 0     |              |
|        | Total                       | 600  | 450   | Right 450    |
|        | New Bank                    | 150  | 0     |              |

## Appendix D Auto Placement

As an IE, you will have precise control over how your organization is built. Because you have only two legs to deal with, it will be relatively straightforward to manage your new enrollees as they join Zrii.

At your option, we have taken a lot of the guesswork out of the process and created a unique default placement algorithm that automatically places your newly sponsored IEs in the best possible place to maximize your income and motivate your downline to build their organization. From the moment you join, this “autopilot” feature will be set in ZriiOffice (your back office) so you can train your new enrollees without having to worry about placement. For those of you who want to build differently for reasons other than maximizing your income (i.e. helping a certain team member out with volume on your power side), different options for placement are available.

**DEFAULT PLACEMENT (RECOMMENDED)** The easiest way to build your business is to just enroll new IEs with a product purchase and let the system handle the rest. The computer program will automatically place the new IE or PC in the leg that has the least amount of volume. From there, the system finds the strongest power leg within your pay (lesser) side and puts it at the bottom. This placement accomplishes two important things. First, it ensures that you get paid 10% on the volume of

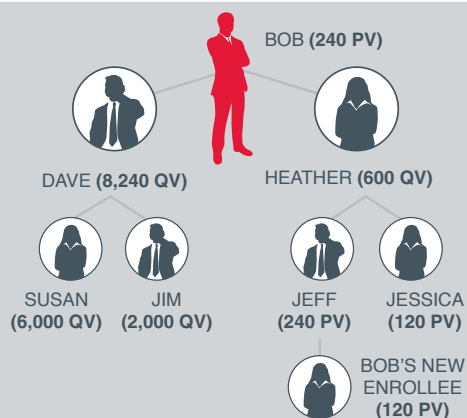
your new enrollee. Second, it helps build the power leg of those below you while motivating them to sell products or enroll others to take advantage of the volume already placed on their power side. You’ve already done half the work for them by providing spillover into one of their legs! This is the tremendous power of a two-legged type placement structure.

**POWER LEG BUILDING** The other option you will have in your back office is the choice to build a left outside leg, right outside leg, or alternating left and right legs. This focuses on building a “Power Leg” or pay leg for you while incentivizing your downline by providing spillover, allowing them to focus on building the other leg.

**CUSTOM PLACEMENT FEATURE** For those that want to control specific placement in precise spots, the final option will allow you to choose the left or right leg of a particular parent placement ID. This means that you get to choose exactly who you want to place somebody under.

All of these options are controlled through the back office of the enroller. When somebody goes to your personal website to sign up, they do not have to worry about choosing complicated placement options; they are controlled automatically based on the settings chosen in your back office. When you wish to make a change in your placement for the next person you enroll, simply go to your back office and make the change.

### EXAMPLE (DEFAULT PLACEMENT)



Bob’s new enrollee is auto-placed below Jeff because:

- Heather is Bob’s pay leg
- Jeff is Heather’s power leg
- Jeff has no downline

Bob now has additional pay leg volume, which increases his earnings, and Heather and Jeff have additional power leg volume, which increases their potential earnings.



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