

Bonvera

Compensation Plan Final REVISED 7/05/16

CONFIDENTIAL

The following overview will help you to understand our Compensation Plan. There are 3 phases of this Plan: Marketing, Building and Leadership. All Bonvera specific terms are explained in the Glossary of Terms at the end of this document.

Every Associate with Bonvera has the opportunity to purchase products and services at wholesale prices, either for earning income by re-selling them at retail prices or for personal consumption. You can begin your association with Bonvera immediately as an Associate by purchasing a Registration Pack for \$49.95 or choose to purchase the optional First Order Pack at the time you enroll and receive your Registration Pack for only \$24.95. Our compensation program can be extremely rewarding for those willing to put forth the time and effort. Here are the nine ways you can build your income under the Bonvera Plan.

The Marketing Phase

I. Beginning Commission – Retail Profit

Rewarding our Associates for creating a growing business based on retail customers is a priority of our Company. Bonvera wants to make it easy, profitable, and fulfilling to build a retail customer base and has created incentives that reflect this commitment. For example, each Associate receives a personal Bonvera website, making it easy to refer customers to purchase our products online while rewarding you with a 20% commission for their Private Label purchases. When you encourage your customers to place orders through your personal website, Bonvera will ship the order directly to your customer and your retail commission will be paid with any monthly bonuses.

Bonus Volume (BV) created by retail Customer orders will be assigned to the direct Enroller as Personal BV for the purpose of determining that Associate's rank promotions and monthly maintenance qualifications, including for Enhanced Commissions (*see Table 1, below*) which are paid on all PBV.

II. Smart Shopper Program

We have also created another category of retail customer called the Smart Shopper. Your customer may become a Smart Shopper by submitting a \$19.95 yearly Membership Fee. As an option, customers may join our Smart Shopper Program **FREE** by enrolling online through the website of the referring Associate, or by completing a Smart Shopper enrollment form, and placing a Replenishment order at the time of enrollment. Smart Shoppers may purchase select products at discounts of 20% on our private label products, for example, our Phyzix line of products.

How Do You Benefit as the Enrolling Associate? By offering your Smart Shoppers a 20% discount on their purchases, you will have substantially increased the probability of their long term retention as a customer. Although you make less per sale, the total you earn over time could be much more. You can earn Enhanced Commissions of up to 20% BV on purchases by your personally enrolled Smart Shoppers (*see Table 1, below*).

Table 1, Enhanced Commissions

Enhanced Commissions on Personal Bonus Volume (PBV)	
Personal Bonus Volume (PBV) in current month	Commission Rate To Be Applied to PBV (Paid Monthly)
\$100 to \$199 PBV	5%
\$200 to \$499 PBV	10%
\$500 to \$999 PBV	15%
\$1,000 PBV and up (plus you must have at least \$1,500 TGBV in current month.)	20%

Bonus Volume (BV) created by this Smart Shopper order will be assigned to the direct Enroller as Personal BV for the purpose of determining that Associate's rank promotions and monthly maintenance qualifications.

The Building Phase

The Enroller and Placement Relationships – As an additional means for you to help others in your downline Sales Organization succeed and thereby help yourself; Bonvera tracks two different types of relationships among its Associates. These are known as the “Enroller relationship” and the “placement Sponsor relationship”.

An Enroller is an existing Associate of any rank that first explains the Bonvera product offering or business opportunity to a new potential Customer, Smart Shopper or Associate, and

subsequently helps that person to enroll as a Customer, Smart Shopper or an Associate. The Company software thereby recognizes an “enroller relationship” and maintains it accordingly.

A Placement Sponsor is an Associate of any rank who is immediately upline in an Organization from a new or existing Associate, and is generally responsible for the day-to-day coaching, encouragement, and assistance of the Associates immediately below them. The software system recognizes a “placement relationship” based on the placement position between these two Associates and maintains it accordingly.

The Enroller and the placement Sponsor of a new Associate can be the same person, though they do not have to be. With the dual relationship tracking system, the person who enrolls the new Associate can elect to place the new Associate anywhere in their downline under another Associate, who then becomes the placement Sponsor.

The importance of these relationships will become clear as you read on in this document. The original Enroller of a new Associate is eligible for several exciting bonus programs to reward those individuals who commit their efforts to growing their organization.

Downline Bonuses and Commissions

A Few Important Definitions:

1. **Bonus Volume (BV):** The assigned value on which bonuses are calculated for each Bonvera product. At Bonvera, we are committed to assigning the highest Bonus Value possible to each product, to support you in building your business. We use a BEST (high BV), BETTER (fair BV) and GOOD (low BV) approach on all your everyday products available from the Bonvera Compensated Marketplace. For our Private label products (for example the Physix brand), BV will usually be in BEST category, although it may vary slightly from product to product. However, on the name brand products that we ship from our warehouses and our partner stores, we have a much lower margin, so we must assign a BV in the BETTER category. Likewise, products purchased through our Affiliate Stores, which have even less margin, will each have a BV that falls into the GOOD category.
2. **Personal Bonus Volume (PBV):** The accumulated Bonus Volume of all products purchased by you, your directly enrolled Smart Shoppers, and your retail customers during a given pay period are combined to determine your “Personal Bonus Volume” (PBV) for that pay period.
3. **Total Group Bonus Volume (TGBV):** The total BV created by all your downline Associates through unlimited depth. This TGBV is used to calculate rank maintenance qualifications in various phases of the Compensation Plan. It is usually subject to the 60% rule or 40% rule, depending on rank. (See 5 and 6)
4. **Active:** As an Associate of any rank, create 100 PBV within the current pay period.

5. **60% Rule:**

- As it pertains to Senior Builders, Directors, Senior Directors, Professionals and Senior Professionals, no more than 60% of the Total Group Bonus Volume (TGBV) required may be applied from any one Leg for the purpose of meeting this qualification.
- As it pertains to Professionals no more than 60% of the TGBV required may be applied from any one Leg for the purpose of meeting this qualification. **Plus**, no less than 1,000 TGBV can come from any of the required 3 Legs.
- As it pertains to Senior Professionals no more than 60% of the TGBV required may be applied from any one Leg for the purpose of meeting this qualification. **Plus**, no less than 2,000 TGBV can come from any of the required 3 Legs.

6. **40% Rule:** As it pertains to Executive and higher rank levels, no more than 40% of the TGBV may be applied from any one Leg for the purpose of meeting this qualification.

7. **Paid As Rule:** Associates that have earned the various title designations according to their mentoring and sales performance will retain those titles for 12 months even if they do not meet the specified bonus qualifications in a pay period. However, they will be PAID AS the rank at which they meet bonus qualifications for the monthly pay period.

III. **Enroller Bonus:** When you directly enroll a new Associate, that person is designated as your “E1.” Thereafter, for as long as you are Active and that person remains associated with Bonvera, you will receive a special E1 Enroller Relationship Bonus equal to 5% or 8% (depending on your “Paid As” rank) of the BV on their personal purchases.

IV. **Unilevel Bonuses:** When you tell other people about the Bonvera Business Opportunity, you will begin building your own Sales Team, or “Downline.” The Bonvera Compensation Plan provides Unilevel Bonuses based upon 5% of the assigned product Bonus Volume (BV) of each product marketed by up to four (4) Active Levels of Associates in your downline Team. You must remain “Active” (see definition below) to be eligible to receive these bonuses. As you achieve certain qualifications, you will advance in “rank,” and correspondingly, the number of levels in your downline Team on which you can receive bonuses also increases (*See Table 2*).

By combining the 5% BV Unilevel Bonus with the 5% BV or 8%BV Enroller Relationship Bonus, you may earn up to 13% BV on all the personal use BV created by your personally enrolled Associates. And, on their sales to retail customers and Smart Shoppers, you can earn a 5% BV Unilevel Bonus, as long as you are considered Active.

Qualification Requirements: The following Qualification Requirements are applicable in order to earn Unilevel Bonuses:

1. You must have completed an Associate Application and Agreement, and have purchased the Registration Pack,
2. Be an Associate in good standing with Bonvera, and
3. Be Active (See Active Definition) during the applicable pay period.

Unilevel Compression: When an Associate fails to meet the minimum Active requirement to earn bonuses for a specific pay period, Bonvera's software searches downline until it finds an Active Associate no matter how far downline it has to search. The BV then "compresses" up past all Inactive Associates in the downline until it has satisfied its payout requirements with Active Associates (see a more detailed definition of "Compression" in the Glossary).

Table 2, Enroller Bonuses, Unilevel Bonuses and Leadership Depth and Differential Bonuses

Associate Rank	Apprentice	Builder	Senior Builder	Director	Senior Director	Professional	Senior Professional
Qualification to Achieve Rank Achieved in Qualifying Month							
	Be Active* or purchase an optional First Order Pack, in your first month only	Be Active* Plus 1 Active* Personally Enrolled Associate in 2 different Legs Plus 500 TGBV	Be Active* Plus 1 Active* Personally Enrolled Associate in 2 different Legs Plus 1,500 TGBV 60% Rule Applies Complete Strategic Placement training to be eligible	Be Active* Plus 1 Active* Personally Enrolled Associate in 2 different Legs Plus 5,000 TGBV 60% Rule Applies	Be Active* Plus 1 Active* Personally Enrolled Associate in 2 different Legs Plus 10,000 TGBV 60% Rule Applies	Be Active* Plus 1 Active* Personally Enrolled Associate in 3 different Legs Plus 25,000 TGBV 60% Rule Applies Note: No less than 1,000 TGBV can come from any of the required 3 Legs	Be Active* Plus 1 Active* Personally Enrolled Associate in 3 different Legs Plus 50,000 TGBV 60% Rule Applies Note: No less than 2,000 TGBV can come from any of the required 3 Legs
Monthly Maintenance to be "Paid As" Titled Rank							
	Remain Active*	Remain Active* Plus 1 Active* Personally Enrolled Associate in 2 different Legs Or Remain Active* and 500 TGBV	Remain Active* Plus Maintain Structure Above Or Remain Active* and 1,500 TGBV 60% rule Applies	Remain Active* Plus Maintain Structure Above Or Remain Active* and 5,000 TGBV 60% rule Applies	Remain Active* Plus Maintain Structure Above Or Remain Active* and 10,000 TGBV 60% rule applies	Remain Active* Plus Maintain Structure Above Or Remain Active* and 25,000 TGBV 60% rule applies	Remain Active* Plus Maintain Structure Above Or Remain Active* and 50,000 TGBV 60% rule applies
Retail Commissions Note: 20% commission applies to Private Label products.							
	20%	20%	20%	20%	20%	20%	20%
	Personal Bonus Volume (PBV)** Enhanced Commissions \$100 PBV - \$199 PBV = 5% BV, \$200 PBV - \$499 PBV = 10% BV, \$500 PBV - \$999 PBV = 15% BV OR \$1,000 PBV and up = 20% BV						
	Enroller Relationship Bonuses						
	E1-5% BV	E1- 8% BV	E1- 8% BV	E1- 8% BV	E1- 5% BV	E1- 5% BV	E1- 5% BV
	Unilevel Bonuses						
Level 1	5% BV	5% BV	5% BV	5% BV	5% BV	5% BV	5% BV
Level 2		5% BV	5% BV	5% BV	5% BV	5% BV	5% BV
Level 3			5% BV	5% BV	5% BV	5% BV	5% BV
Level 4			5% BV	5% BV	5% BV	5% BV	5% BV
Level 5 Leadership Depth			3% BV down to 1 st SB	6% BV down to 1 st Director (3% Differential from 1 st SB)	8% BV down to 1 st SD (5% Differential from 1 st SB and 2% Differential from 1 st Director)	10% BV down to 1 st Professional (7% Differential from 1 st SB, 4% Differential from 1 st Director and 2% Differential from 1 st SD)	12% BV down to 1 st SP (9% Differential from 1 st SB, 6% Differential from 1 st Director, 4% Differential from 1 st SD and 2% Differential from 1 st Professional), plus 1% Override on the GBV of the 1 st Downline SP
*Active - Create 100 PBV within the current pay period.							
**PBV – Personal orders plus all purchases by Smart Shoppers and retail customers.							

V. Leadership Depth / Differential Bonuses

Senior Builder Leadership Depth Bonus: Qualified Senior Builders will receive a 3% Leadership Depth Bonus on all their downline beginning at Level 5 and through unlimited depth down to the first Senior Builder or higher rank person.

Director Leadership Depth Bonus: Qualified Directors will receive a 6% Leadership Depth Bonus on all their downline beginning at Level 5 and through unlimited depth down to the first Director or higher rank person in any Leg. However, this is a “shared bonus,” which means that if there is a qualified Senior Builder between the Director receiving this bonus and the first downline Director or higher rank Associate, that Senior Builder will receive 3% of the total available 6%, down to the next Senior Builder or higher rank Associate and the Director will receive the “differential” of 3% on those levels, which comprise a “Senior Builder group.” In the event there is more than one SB group in the Director’s downline, prior to reaching the next Director, the original Director will receive the 3% differential on all the SB groups down to his or her first downline Director. This “differential bonus” concept applies to all subsequent ranks, as described below.

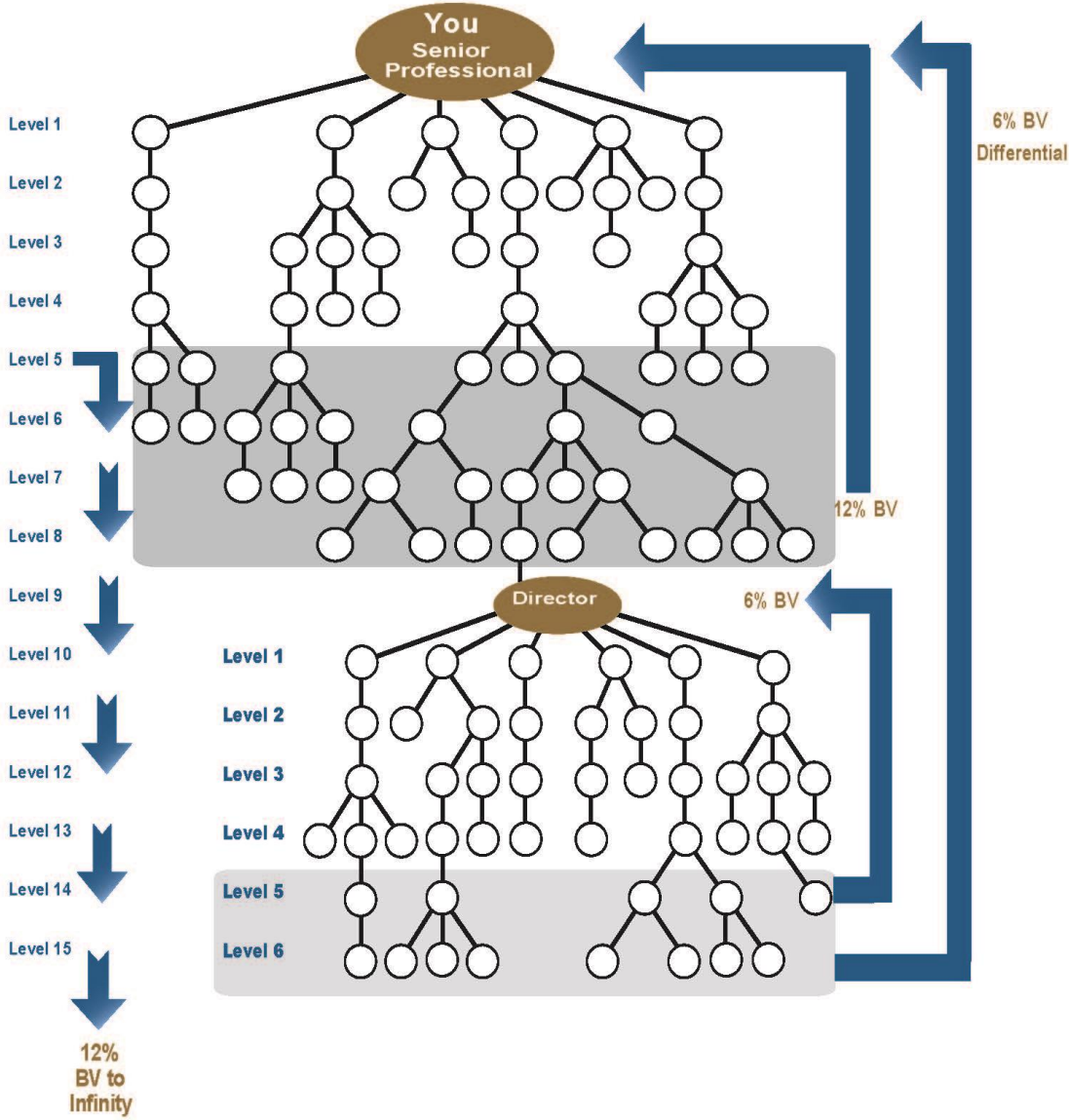
Senior Director Leadership Depth Bonus: Qualified Senior Directors will receive an 8% Leadership Depth Bonus on all their downline beginning at Level 5 through unlimited depth down to the first Senior Director or higher rank person in any Leg. The 8% SD Leadership Bonus will be adjusted to a 5% differential bonus for the first downline Senior Builder or a 2% differential bonus for the first downline Director. If a Senior Builder group exists within a downline Director group, that SB group is considered to be “encumbered,” meaning that SB will receive his or her 3% SB bonus and that Director will receive a 3% differential bonus on that SB group volume. The Senior Director will receive a 2% differential on the entire Director group volume.

Professional Leadership Depth Bonus: Qualified Professionals will receive a 10% Leadership Depth Bonus on all their downline beginning at Level 5 through unlimited depth down to the first Professional or higher rank person. Professionals will receive a differential bonus of 2% on unencumbered SD groups in their downline, 4% on unencumbered downline Director groups and 7% on unencumbered downline SB groups.

Senior Professional Leadership Depth Bonus: Qualified Senior Professionals will receive a 12% Leadership Depth Bonus on all their downline beginning at level 5 through unlimited depth down to the first Senior Professional or higher rank person. Senior Professionals will receive a differential bonus of 2% on unencumbered Professional groups in their downline, 4% on unencumbered downline Senior Director groups, 6% on unencumbered downline Director groups and 9% on unencumbered downline SB groups

A qualified Senior Professional will also receive a 1% override bonus on the first downline Senior Professional group in any Leg of his or her organization.

Table 3, Leadership Depth and Differential Bonus Example



The Leadership Phase

By qualifying for the Leadership Phase, you will be eligible for two additional bonuses; the Personal Leader Generation and Executive Generation Bonuses.

- VI. **Personal Leader Generation Bonus:** Executive and higher titled ranks may qualify for a 2% BV Personal Leader Generation Bonus on the BV of their entire downline organization through unlimited depth that has not yet qualified as an Executive. It is designed to give extraordinary rewards to extraordinary leadership performance. This bonus is paid on all downline legs and is interrupted only by another downline Executive or higher rank position in a particular Leg.
- VII. **Executive Generation Bonus:** When a downline Executive or higher rank is reached, the 2% Personal Leader Generation Bonus ends, but it is replaced by a 3% BV Generation 1 Bonus beginning with the first Executive or higher ranked person in your organization. You will earn this 3% Generation 1 Bonus on that Executive or higher rank person's entire organizational volume down to the second Executive or higher rank Associate in a particular leg. This is defined as your first (1st) Generation.

Leadership Ranks:

Executive: Once qualified as an Executive, you will be eligible for the Personal Leader Generation Bonus and Generation 1 Bonus on other Executives or higher rank Associates.

Senior Executive: Once qualified as a Senior Executive, you will continue to be eligible for the Personal Leader Generation Bonus and Generation 1 Bonus on other Executives or higher rank Associates. In addition, you are now eligible to receive a second generation bonus of 3% on all Executives or higher rank Associates. You will earn this 3% on that entire second generation's group volume down to the next Executive or higher rank person in a particular Leg.

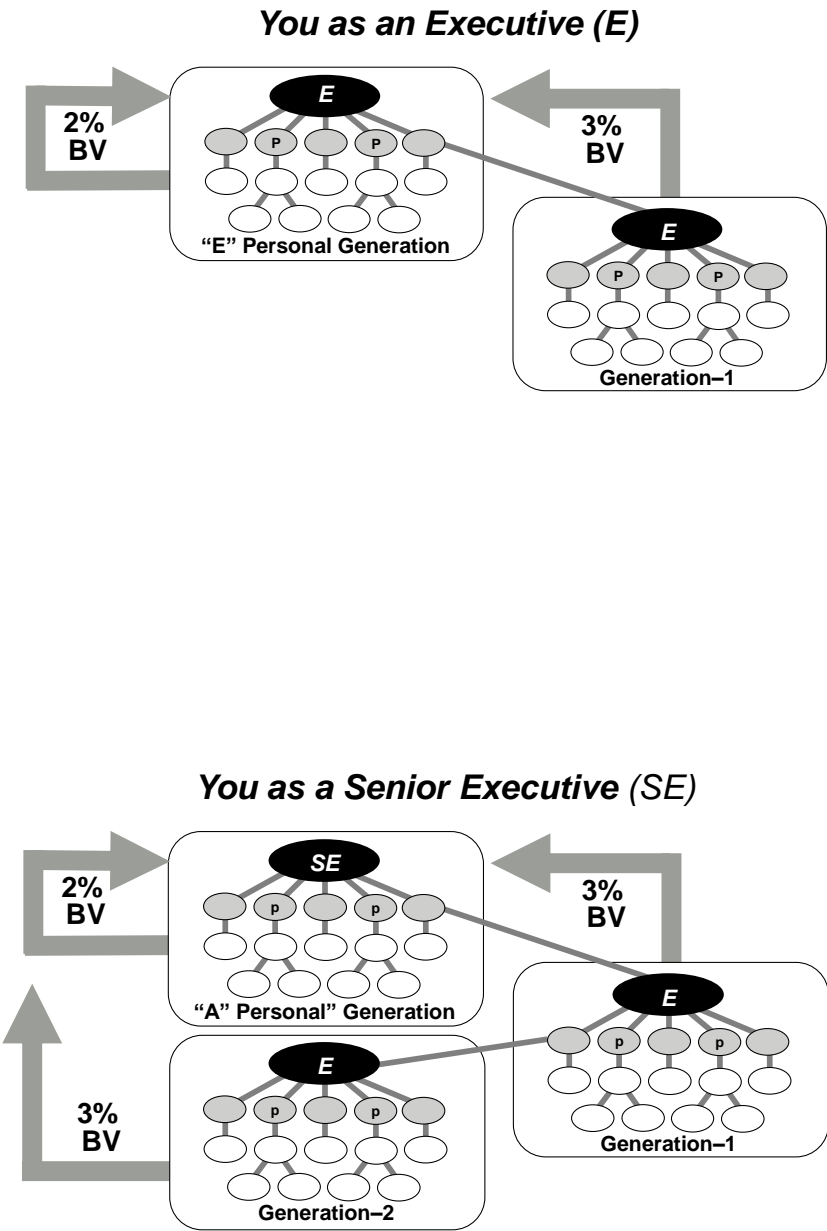
Ambassador: Upon being promoted to Ambassador, in addition to your Personal Leader Generation Bonus, Generation 1 and Generation 2 Bonuses, you are now eligible to receive a third generation bonus of 2% on the personal group volume of all Executives or higher rank Associates. You will earn this 2% on that entire third generation's group volume down to the next Executive or higher rank person in a particular leg.

Presidential Ambassador: Upon being promoted to Presidential Ambassador, in addition to your personal Leader Generation Bonus, Generation 1, 2 and 3 Bonuses, you are now eligible to receive a 4th generation bonus of 2% on Executive or higher rank people. You will earn this 2% on that entire fourth generation's group volume down to the next Executive or higher rank in a particular leg.

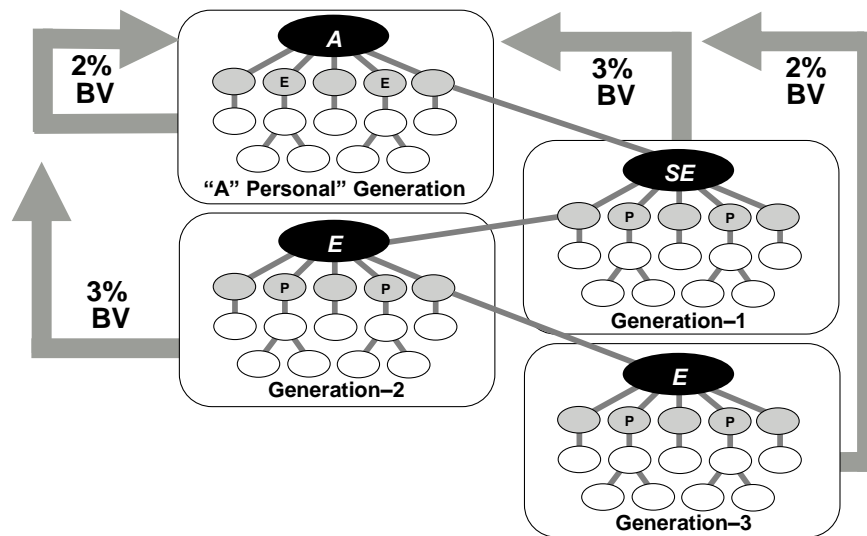
Table 4: Generation Bonuses

Rank	Executive	Senior Executive	Ambassador	Presidential Ambassador
Qualification to Achieve Rank Achieved in Qualifying Month				
	Be Active <i>Plus</i> 1 Active Associate in 4 Different Legs, 2 of which are Qualified Professionals <i>Plus</i> 100,000 TGBV	Be Active <i>Plus</i> 1 Active Associate in 5 Different Legs, 2 of which are Qualified Professionals and 1 of which is a Qualified Executive <i>Plus</i> 250,000 TGBV	Be Active <i>Plus</i> 1 Active Associate in 5 Different Legs, 2 of which are Qualified Executives, and 1 of which is a Qualified Senior Executive <i>Plus</i> 500,000 TGBV	Be Active <i>Plus</i> 1 Active Associate in 5 Different Legs, 2 of which are Qualified Senior Executives and 1 of which is a Qualified Ambassador <i>Plus</i> 1,000,000 TGBV
Monthly Maintenance to be “Paid As” Titled Rank				
	Remain Active <i>Plus</i> Maintain Structure Above Or 100,000 TGBV per month 40% Rule Applies	Remain Active <i>Plus</i> Maintain Structure Above Or 250,000 TGBV per month 40% Rule Applies	Remain Active <i>Plus</i> Maintain Structure Above Or 500,000 TGBV per month 40% Rule Applies	Remain Active <i>Plus</i> Maintain Structure Above Or 1,000,000 TGBV per month 40% Rule Applies
Retail Commissions				
Note: 20% commission applies to Private Label products.				
	20%	20%	20%	20%
	Personal Bonus Volume (PBV)** Enhanced Commissions \$100 PBV - \$199 PBV = 5% BV, \$200 PBV - \$499 PBV = 10% BV, \$500 PBV - \$999 PBV = 15% BV OR \$1,000 PBV and up = 20% BV			
Personal Leader Generation (Paid on all Associate Legs to first Executive)				
	2% GBV	2% GBV	2% GBV	2% GBV
Executive Generation Bonuses (Paid on Executive and higher rank)				
Generation 1	▶ 3% GBV	3% GBV	3% GBV	3% GBV
Generation 2		▶ 3% GBV	3% GBV	3% GBV
Generation 3			▶ 2% GBV	2% GBV
Generation 4				▶ 2% GBV
“Month” always refers to a calendar month.				
GBV: Group Bonus Volume is the total BV of all products sold or purchased by any Associate in the downline of an Executive (or higher rank), including the Executive (or higher rank), until another Executive (or higher rank) is reached.				
40% Rule: As it pertains to Executives or higher rank people, no more than 40% Total Group Bonus Volume (TGBV) may be applied from any one Leg for the purpose of meeting this qualification.				

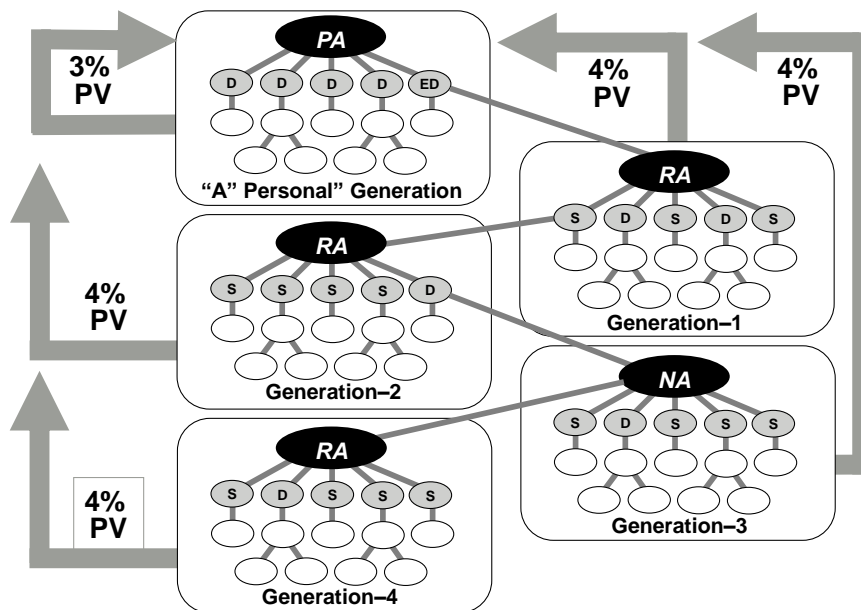
Table 5: Understanding Generations



You as an Ambassador (A)



You as a Presidential Ambassador (PA)



Compression (Generational): Generation Bonuses are earned by and paid to Qualified Executive rank or higher individuals based on the rules of the compensation plan. Should a person in the Executive Phase not meet their qualifications, they will be "Paid As" the rank

at which they do meet qualifications even if it is a rank lower than Executive. In that event, they would only receive Generation Bonuses applicable to their “Paid As” rank. However, in the event they are “Paid As” a rank lower than Executive, for the purpose of paying upline Qualified Executive or higher rank people, the BV created in that Non-Qualified person’s generation will be subject to Generational Compression.

Bonvera’s software searches that person’s organization through all downline generations until it finds a Qualified Executive or higher generation. It will then compress the non-qualified generation’s BV with that of the first qualified generation creating a “Compressed Qualified Generation” for payment purposes. This compression process continues through 4 qualified generations no matter how deep in the genealogy it must search until it has satisfied its payout requirements with qualified generations. The term “compression” is used to describe the temporary condition that occurs when someone fails to meet the qualification maintenance requirements for Executive rank or above in a particular pay period.

NOTE: Compression **IS NOT** applicable to Enroller Bonuses or National Bonus Pools.

VIII. **National Bonus Pools**

Each pay period, Bonvera places a total of 4% of its total monthly national BV* into National Bonus Pools to be shared by Senior Directors, Professionals and Senior Professionals as follows:

Earning Pool Shares:

SENIOR DIRECTOR POOL

Qualification & Maintenance – Upon reaching the rank of Senior Director, you may now qualify to receive a share of the Senior Director Pool each month you maintain your “Paid As” rank of Senior Director, Professional or Senior Professional. The Senior Director Pool contains 1.75% of Bonvera’s total monthly national BV. Share value will be determined by the total accumulated number of earned shares during the month divided by the number of eligible participants.

NOTE: *You must meet the qualification of a Senior Director for the monthly pay period in order to receive this bonus share.*

PROFESSIONAL POOL

Qualification & Maintenance – Upon reaching the rank of Professional, you may now qualify to receive a share of the Professional Pool each month you maintain your “Paid As” rank of Professional or Senior Professional. The Professional Pool contains 1.25% of Bonvera’s total monthly national BV. Share value will be determined by the total accumulated number of earned shares during the month divided by the number of eligible participants.

NOTE: *You must meet the qualification of a Professional for the monthly pay period in order to receive this bonus share.*

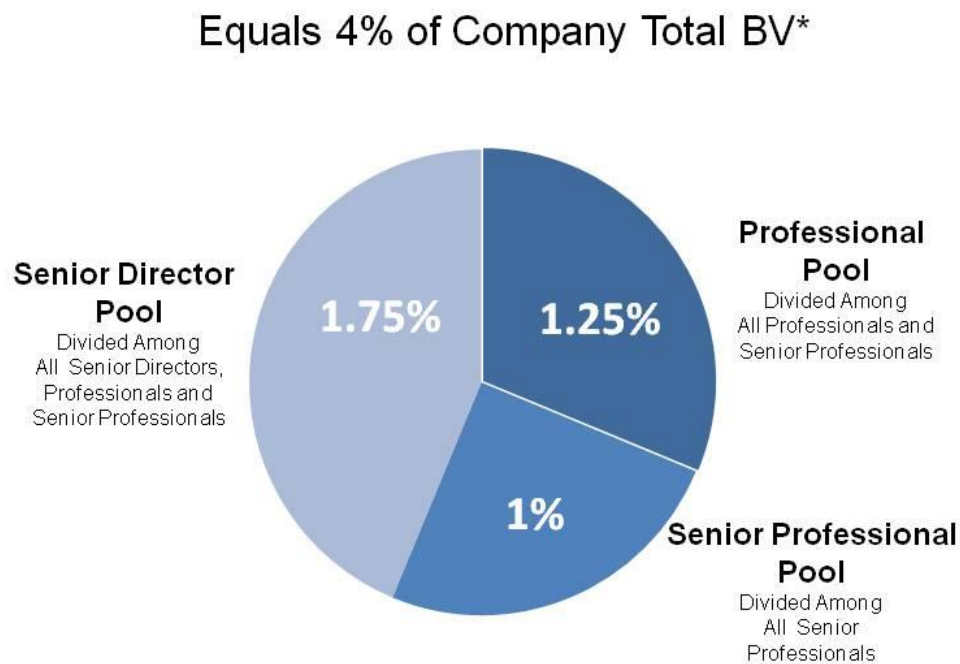
SENIOR PROFESSIONAL POOL

Qualification & Maintenance – Upon reaching the rank of Senior Professional, you may qualify to receive a share of the Senior Professional Pool each month that you maintain your “Paid As” rank of Senior Professional. The Senior Professional Pool contains 1% of Bonvera’s total monthly national BV. Share value will be determined by the total accumulated number of earned shares during the month divided by the number of eligible participants.

NOTE: You must meet the qualification of a Senior Professional for the monthly pay period in order to receive this bonus share.

***NOTE:** It is Bonvera’s intent to place at least 4% of the Company’s total BV into the pool each month. However, this commitment is subject to adjustment, up or down, based on the profitability of that month’s sales.

Table 6: National Bonus Pool



*Subject to adjustment, up or down, based on each month's profitability.

GLOSSARY OF TERMS

ACTIVE: You are considered “Active” when you are an Associate at any rank and create the minimum Personal Bonus Volume (PBV) of 100 BV. This is a combination of your personal retail customers’ and Smart Shoppers’ product BV and any products that you may purchase for your own use.

APPLICATION AND/OR AGREEMENT FORM: This is a legal binding agreement between you and Bonvera, which covers your rights, duties and responsibilities, and those of the Company. This is vital and necessary information. The Policies & Procedures manual is an extension of this Agreement and should be read carefully.

ASSOCIATE: The generic name for an independent contractor who has signed an Associate Application and Agreement form with Bonvera, and whose Associate Application and Agreement has been accepted by Bonvera. Upon acceptance of such Agreement by Bonvera, an Associate is eligible to purchase Bonvera offered products at a wholesale price for resale or for your own use and can enroll and sponsor other people into their Downline Retail Sales Organization. An Associate is eligible to earn Commissions and Bonuses in accordance with the terms and provisions of the Compensation Plan.

BONUS: Not to be confused with Commissions, bonuses are the form of remuneration that is based on the percentage of customer volume created by other Associates, downline of the payee, in accordance with the respective provisions of the Compensation Plan.

BONUS VOLUME: Every Bonvera product that is purchased carries an assigned “Bonus Volume” (BV) on which bonuses are calculated. At Bonvera, we are committed to assigning the highest Bonus Value possible to each product, to support you in building your business. We use a BEST (high BV), BETTER (fair BV) and GOOD (low BV) approach on all your everyday products available from Bonvera Compensated Marketplace. For our Private label products (for example the Physix brand), BV will usually be in BEST category, although it may vary slightly from product to product. However, on the name brand products that we ship from our warehouses and our partner stores, we have a much lower margin, so we must assign a BV in the BETTER category. Likewise, products purchased through our Affiliate Stores, which have even less margin, will have BVs that fall into the GOOD category.

COMMISSION: Although it is profit, the difference in the amount of money that an Associate earns when he or she sells a product at retail that was purchased at wholesale is Commission, as is any other amount (e.g., enhanced commissions, even though they are based on PBV) paid to the Associate for selling a product to the end consumer (including a personally enrolled Smart Shopper). This should not to be mistaken as a Bonus. Some companies call a bonus a commission. It is important to understand the difference.

COMPANY: The Bonvera corporate or home office.

COMPENSATION PLAN: (Sometimes called the “Marketing Plan”) The official set of definitions and performance requirements, as published in the Bonvera Compensation Plan by which Bonvera pays its Associates.

COMPRESSION

UNILEVEL COMPRESSION: Unilevel Bonuses are earned by and paid to Associates of any rank who are considered “Active” by the rules of the Compensation Plan. When an Associate fails to meet the minimum Active requirement to earn bonuses for a specific pay period, Bonvera’s software searches downline until it finds an “Active” Associate, no matter how far downline it has to search. The BV then “compresses” up past all “Inactive” Associates in the downline (including all volume generated by the “Inactive” Associates) until it has satisfied its payout requirements with “Active” Associates.

GENERATION COMPRESSION: Generation Bonuses are earned by and paid to Qualified Executive or higher rank Associates based on the rules of the Compensation Plan. Should a person in the Executive Phase not meet their qualifications, they will be “Paid As” the rank at which they do meet qualifications even if it is a rank lower than Executive. In that event, they would only receive Generation Bonuses applicable to their “Paid As” rank. However, in the event they are “Paid As” a rank lower than Executive, for the purpose of paying upline Qualified Executive or higher rank people, the BV created in that Non-Qualified person’s generation will be subject to Generational Compression.

Bonvera’s software searches that person’s organization through all downline generations until it finds a Qualified Executive or higher generation. It will then compress the non-qualified generation’s BV with that of the first qualified generation creating a “Compressed Qualified Generation” for payment purposes. This compression process continues through 4 qualified generations, no matter how deep in the genealogy it must search until it has satisfied its payout requirements with qualified generations. The term “compression” is used to describe the temporary condition that occurs when someone fails to meet the qualification maintenance requirements for a particular pay period.

NOTE: *Compression IS NOT applicable to Enroller Bonuses or National Bonus Pools.*

DIRECT: Refers to Associates that you have personally and directly enrolled. (See “Leg”)

DOWNLINE: Those people directly or indirectly sponsored by an Associate, plus all the people whose line of sponsorship resulted from and came through that Associate.

ENROLL: To sign and submit an Associate Application and Agreement form to Bonvera for the purpose of becoming an Associate for Bonvera.

ENROLLEE: A newly enrolled Associate.

ENROLLER: An existing Associate of any rank that first explains the Bonvera business to a potential new Associate, and subsequently helps them to enroll as a new Associate. The Bonvera software thereby recognizes an “Enroller relationship” between these two Associates and maintains it accordingly, regardless of their placement in the Sponsor Tree.

FRONT LINE: Refers to all Associates that are personally sponsored (Level 1) and/or enrolled by a particular Associate. (See also “Direct”)

GENEALOGY: The complete set of relationships (*as defined by “Levels” and “Legs”*) between an Associate and his or her Upline and Downline. It is the “family tree” of any Associate.

GENEALOGY REPORT: A printout of your Downline.

I.D. #: The identification number used by Bonvera to identify each Associate for Compensation Plan purposes.

INDIRECT: All Associates in your Downline that are not directly enrolled by you (*see also “Downline”*).

INTRO MEETING: Also known as an introductory or Opportunity meeting.

LEG: Each personally sponsored Associate is part of your total Downline and is a separate “Leg.” You and your entire Sales Organization (Downline) are one “Leg” to your sponsor.

LEVELS: The people you personally sponsor are your first level. The ones they sponsor are your second level. The ones your second level sponsors are your third level, etc.

MAINTENANCE: The standard of performance required for an Associate to continue being “Paid As” a particular rank after meeting the initial qualification requirements for that rank.

MARKETING PLAN: This is also known as the Compensation Plan.

NETWORK MARKETING: This is a non-storefront type of selling where a manufacturer or its Associates (a network marketing company) sells directly to the consumer through a “network” of Independent Contractors rather than through conventional outlets. Associates multiply themselves directly and indirectly by enrolling and sponsoring other Associates, and are paid accordingly on multiple levels of their Downlines.

OPPORTUNITY MEETING: A periodic meeting, or gathering of Associates for the purpose of introducing and explaining the business opportunity to prospects. Also known as an Intro Meeting.

PAID AS: Associates that have qualified the various title designations according to their sponsoring and sales performance will retain those titles for 12 months, even if they do not meet the specified bonus qualifications in a pay period. However, they will be “PAID AS” the title rank at which they meet point qualifications or Associate leg qualifications for the pay period.

PERSONAL BONUS VOLUME: The accumulated Bonus Volume of all products purchased by you, your retail customers and your personally enrolled Smart Shoppers during a given pay period are combined to determine your “Personal Bonus Volume” (PBV) for that pay period. This PBV is used to calculate commissions and bonuses in the Compensation Plan.

PLACEMENT SPONSOR: An Associate of any rank who is immediately upline from a new or existing Associate, and is generally responsible for the day-to-day coaching, encouragement and assistance of the Associates immediately below them. The software recognizes a “sponsor relationship” based on the placement position between these two Associates and maintains it accordingly in the Placement Tree.

POLICIES & PROCEDURES: The governing rules of Bonvera that define the relationship between Bonvera and its Associates, as well as between Associates and other Associates. The Policies & Procedures are specifically incorporated into and made a part of the Associate’s Agreement that each Associate must sign in order to enroll.

PROSPECT: A person to whom you want to offer the Bonvera business opportunity.

QUALIFIED: You are considered “Qualified” as an Associate in a particular pay period that you maintain the minimum qualifications for a particular rank. Since each titled rank has different maintenance qualifications, you will always be “Paid As” the rank you qualify for in the current month.

RANK: A new title is earned at each level with increased percentages of bonus participation. You will carry the title of the highest rank you reach, but are “Paid As” the rank for which you qualify each month.

RECRUITING: Inviting others to join your organization to share the same opportunity.

RENEWAL: Bonvera Associates must renew their Associate Agreement each year no later than the anniversary date of their joining the Company for \$29.95. If an Associate does not renew their relationship with Bonvera, they will be dropped from the software and any sponsored Associates will be moved up to the next valid upline Placement Sponsor. If they wish to rejoin Bonvera at a later date, they may not reclaim their previous rank or Downline, but must join at the standard entry level in the program. (*See “Roll-up”*)

RETAIL: Sales of the Bonvera offered products to the end users of these products. Retail sales are the foundation of your Bonvera business, and the ultimate purpose of all other activities within the business, including enrolling, sponsoring, training, etc.

ROLL-UP: The permanent form of Compression. When an Associate terminates his Agreement or does not exercise his yearly renewal, his entire Downline rolls upline to his Sponsor or the next qualified Associate and his name is deleted from Bonvera's records (*see “Compression”*).

SALES ORGANIZATION: Your Sales Organization consists of you and the people that you directly enroll and/or sponsor as Associates, and the people that they enroll and/or sponsor as Associates, and so on, and so on. There is no limit to how deep your Sales Organization can grow (*see “Downline” and “Leg”*).

REGISTRATION PACK: Sometimes referred to as a “Business Kit,” it contains all the tools, forms, brochures and other materials relative to the Bonvera business needed to begin.

TOTAL GROUP BONUS VOLUME (TGBV): As you become more active as an Associate, you may begin *enrolling* and/or *sponsoring* other new Associates and they can begin *enrolling* and/or *sponsoring* others, and so on, thereby creating a downline sales organization. Each Associate in your sponsorship downline will also begin accruing Personal Bonus Volume (PBV). The total, within a given pay period, of the PBV of the Associate at the top of a downline, and all of the PBV of everyone below that Associate – and within the parameters of that downline – is combined to determine the Total Group Bonus Volume (TGBV) for that pay period. This TGBV is used as the basis to determine the eligibility to earn certain bonuses in the Compensation Plan.

UNILEVEL: The part of the Compensation Plan that is based on fixed Sponsorship genealogical relationships, i.e. Override Bonuses on BV generated through the sales of products by downline Associates.

UNLIMITED DEPTH: As used in this Compensation Plan, the term “unlimited depth” refers to a bonus that is to be paid to an Associate of a certain rank on all levels of his or her downline beyond a particular level until the Bonvera software finds another Associate who is eligible to be paid that bonus on subsequent levels, in accordance with the rules of the Compensation Plan.

UPLINE: The term “upline” refers to that portion of either your Enroller or Placement Sponsor genealogy that precedes you. Your upline consists of the Associate who is your Enroller and/or Placement Sponsor, and his Enroller and/or Placement Sponsor, and his Enroller and/or Placement Sponsor, etc., all the way to the Company (*see also “Enroller” and “Placement Sponsor”*).

60% RULE: As it pertains to Senior Builders, Directors, Senior Directors, Professionals and Senior Professionals, no more than 60% of the Total Group Bonus Volume (TGBV) required may be applied from any one Leg for the purpose of meeting this qualification.

40% RULE: As it pertains to Executives or higher level Associates, no more than 40% Total Group Bonus Volume (TGBV) may be applied from any one Leg for the purpose of meeting this qualification.