

COMPENSATION PLAN 2011

Compensation Plan 2011

Marketing Representative

Annual Registration Fee \$25.00 Websites & Email Fee \$15 per quarter
Minimum Activity \$19.95 per month – 3 month rolling average

Retail commission on Personal Retail Sales as follows:

Auto Ship – First month 35%, thereafter 20%. 20% on all re-instates.

Basic Override Structure - Personally Sponsored Representatives

| | | |
|----------------------------|----|--|
| 1 st Generation | 7% | These override commissions are paid on commissionable sales, which are retail sales less Representative's retail commission. |
| 2 nd Generation | 5% | |
| 3 rd Generation | 3% | |
| 4 th Generation | 3% | |
| 5 th Generation | 3% | |
| 6 th Generation | 3% | |
| 7 th Generation | 1% | |

Representatives personally enrolling:

Zero Marketing Representatives (downline assigned by someone else) are paid through 3 levels

One Representative: are paid through 5 levels

Two Representatives: are paid through 6 levels

Three Representatives: are paid through 7 levels

Levels and Additional Business Builder's Commissions

Marketing Representative

1st Generation – As per Basic Override Structure

Marketing Manager

When 1st and 2nd Generations are 5x5, Marketing Manager receives an additional ½% commission on the 3rd Generation Commissionable Sales volume.

Marketing Director

When 1st, 2nd and 3rd Generations are 5x5, Marketing Director receives an additional ½% commission on their 4th Generation Commissionable Sales volume.

Vice President

When 1st, 2nd, 3rd and 4th Generations are 5x5, Vice President receives an additional ½% commission on their 5th Generation Commissionable Sales volume.

Senior Vice President

When 1st, 2nd, 3rd, 4th and 5th Generations are 5x5, Senior Vice President receives an additional ½% commission on their 6th Generation Commissionable Sales volume.

Executive Vice President

When 1st, 2nd, 3rd, 4th, 5th and 6th Generations are 5x5, Executive Vice President receives an additional ½% commission on their 7th Generation Commissionable Sales volume.

Group President

When 1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Generations are 5x5, Group President receives an additional ½% commission on their 8th Generation Commissionable Sales volume.

Note: The ½% commissions are rolling commissions. As each level is achieved, the ½% is removed from that level and is received on the next level down.

5x5 means that each Representative has a minimum of five customers and that each Representative has a minimum of five personally sponsored Representatives on their First Generation level.

Vetraceuticals Quick Start Program 2011

For New Representatives Only

Time Frame: Balance of Month of Enrollment plus Three Full Calendar Months.

- For every new Canine customer you receive a \$20 cash bonus.
- For each five new Canine customers you receive a \$100 cash bonus in addition to the \$20 bonuses.
- All of these are in addition to your commission.
- For every new Feline customer you receive a \$10 cash bonus.
- For every five new Feline customers you receive a \$50 cash bonus. Again, these are in addition to your commission.

To qualify, a new customer must remain on the program for at least three months. If the customer drops out prior to three months, the cash bonuses will be reversed and debited against future commissions.

Cash Bonuses are paid monthly at the same time as Commissions.

| Vetraceuticals® Three Year Marketing Representative Retail Sales Plan | | | | | | | | | | |
|--|-----------------------|------------------------------|------------------------|------------------------------|------------------------|------------------------------|------------------------|------------------------------|------------------------|------------------------------|
| New Customers Per Week | After 6 Months | \$ Annual Commissions | After 12 Months | \$ Annual Commissions | After 18 Months | \$ Annual Commissions | After 24 Months | \$ Annual Commissions | After 36 Months | \$ Annual Commissions |
| 0.25 | 7 | 467.22 | 13 | 934.44 | 20 | 1,401.66 | 26 | 1,868.88 | 39 | 2,803.32 |
| 0.5 | 13 | 934.44 | 26 | 1,868.88 | 39 | 2,803.32 | 52 | 3,737.76 | 78 | 5,606.64 |
| 1 | 26 | 1,868.88 | 52 | 3,737.76 | 78 | 5,606.64 | 104 | 7,475.52 | 156 | 11,213.28 |
| 2 | 52 | 3,737.76 | 104 | 7,475.52 | 156 | 11,213.28 | 208 | 14,951.04 | 312 | 22,426.56 |
| 3 | 78 | 5,606.64 | 156 | 11,213.28 | 234 | 16,819.92 | 312 | 22,426.56 | 468 | 33,639.84 |
| 4 | 104 | 7,475.52 | 208 | 14,951.04 | 312 | 22,426.56 | 416 | 29,902.08 | 624 | 44,853.12 |
| 5 | 130 | 9,344.40 | 260 | 18,688.80 | 390 | 28,033.20 | 520 | 37,377.60 | 780 | 56,066.40 |
| 6 | 156 | 11,213.28 | 312 | 22,426.56 | 468 | 33,639.84 | 624 | 44,853.12 | 936 | 67,279.68 |
| 7 | 182 | 13,082.16 | 364 | 26,164.32 | 546 | 39,246.48 | 728 | 52,328.64 | 1092 | 78,492.96 |
| 8 | 208 | 14,951.04 | 416 | 29,902.08 | 624 | 44,853.12 | 832 | 59,804.16 | 1248 | 89,706.24 |
| 9 | 234 | 16,719.92 | 468 | 33,639.84 | 702 | 50,459.76 | 936 | 67,279.68 | 1404 | 100,919.52 |
| 10 | 260 | 18,688.80 | 520 | 37,377.60 | 780 | 56,066.40 | 1040 | 74,755.20 | 1560 | 112,132.80 |
| 11 | 286 | 20,557.68 | 572 | 41,115.36 | 858 | 61,673.04 | 1144 | 82,230.72 | 1716 | 123,346.08 |
| 12 | 312 | 22,426.56 | 624 | 44,853.12 | 936 | 37,279.68 | 1248 | 89,706.24 | 1872 | 134,559.36 |
| 13 | 338 | 24,295.44 | 676 | 48,590.88 | 1014 | 72,886.32 | 1352 | 97,181.76 | 2028 | 145,772.64 |
| 14 | 364 | 26,164.32 | 728 | 52,328.64 | 1092 | 78,492.96 | 1456 | 104,657.28 | 2184 | 156,985.92 |
| 15 | 390 | 28,033.20 | 780 | 56,066.40 | 1170 | 84,099.60 | 1560 | 112,132.80 | 2340 | 168,199.20 |

How to use this sheet:

It is generally accepted that it takes about three years (36 months) to start a business and become profitable.

Decide how active you want to be by selecting the number of new customers you will obtain each week.

Find that number in the first column and then you can see how much your retail commissions will be as you proceed through year three.

Vetraceuticals
Compensation Planning Worksheet

This spread sheet assumes you work consistently to achieve your goals.

| Sales to friends, neighbors, relatives, co-workers and customers referred by them. | Customers | Average Sales Per Customer | Monthly Personal Retail Sales | Commissionable Sales Per Month | Annual Commissionable Sales | Your Retail Commissions |
|--|----------------------------|----------------------------|-------------------------------|--------------------------------|-----------------------------|-------------------------|
| <i>How many customers will you have in the first 3 months?</i> | 5 | 30 | 150 | 120 | 1,438 | 288 |
| 1st Generation 7% Override Commission | Personally Sponsored Reps. | Average Sales Per Rep. | 1st Generation Retail Sales | Commissionable Sales Per Month | Annual Commissionable Sales | Your Commissions |
| <i>How many customers will you have in the first 3 months?</i> | 5 | 150 | 749 | 599 | 7,188 | 503 |
| 2nd Generation 5% Override Commission | Personally Sponsored Reps. | Average Sales Per Rep. | 1st Generation Retail Sales | Commissionable Sales Per Month | Annual Commissionable Sales | Your Commissions |
| <i>When those Representatives match your performance.</i> | 25 | 150 | 3,744 | 2,995 | 35,940 | 1,797 |
| 3rd Generation 3% Override Commission | Personally Sponsored Reps. | Average Sales Per Rep. | 1st Generation Retail Sales | Commissionable Sales Per Month | Annual Commissionable Sales | Your Commissions |
| <i>When those Representatives match your performance.</i> | 125 | 150 | 18,719 | 14,975 | 179,700 | 5,391 |
| 4th Generation 3% Override Commission | Personally Sponsored Reps. | Average Sales Per Rep. | 1st Generation Retail Sales | Commissionable Sales Per Month | Annual Commissionable Sales | Your Commissions |
| <i>When those Representatives match your performance.</i> | 625 | 150 | 93,594 | 74,875 | 898,502 | 26,955 |
| 5th Generation 3% Override Commission | Personally Sponsored Reps. | Average Sales Per Rep. | 1st Generation Retail Sales | Commissionable Sales Per Month | Annual Commissionable Sales | Your Commissions |
| <i>When those Representatives match your performance.</i> | 3,125 | 150 | 467,969 | 374,375 | 4,492,500 | 134,775 |
| 6th Generation 3% Override Commission | Personally Sponsored Reps. | Average Sales Per Rep. | 1st Generation Retail Sales | Commissionable Sales Per Month | Annual Commissionable Sales | Your Commissions |
| <i>When those Representatives match your performance.</i> | 15,625 | 150 | 2,339,844 | 1,871,875 | 22,462,500 | 673,875 |
| 7th Generation 1% Override Commission | Personally Sponsored Reps. | Average Sales Per Rep. | 1st Generation Retail Sales | Commissionable Sales Per Month | Annual Commissionable Sales | Your Commissions |
| <i>When those Representatives match your performance.</i> | 78,125 | 150 | 11,699,219 | 9,359,375 | 112,312,500 | 1,123,125 |

This is a theoretical example of how the Compensation Plan functions. Actual results are based on individual effort and will vary by Rep.

Total Annual Commission and overrides based on the above scenario.

\$196,670,875

Copyright: Vetraceuticals 2005

