



# **Polaris Global**

## Compensation Plan Summary

Updated October 13, 2010

---



## TABLE OF CONTENTS

<b>Getting Started</b> .....	<b>Page 3</b>
<b>Activation and Product Levels</b> .....	<b>Page 4</b>
• Documentary DVDs .....	Page 4
• Beyond Freedom Evolution: Departure Activation .....	Page 4
• Beyond Freedom Evolution: Decision Activation .....	Page 5
• Beyond Freedom Evolution: Action Activation .....	Page 5
• Beyond Freedom Evolution Complete Activation .....	Page 5
• Foundation Live (1-Day Event) Activation.....	Page 6
• Sovereignty Live (3-Day Event) Activation.....	Page 6
• Influence Live (5-Day Event) Activation.....	Page 6
• Customer Points.....	Page 7
• Table 1.1: Assigned Customer Point Value USD/GBP/EUR .....	Page 8
<b>Bonus Structure</b> .....	<b>Page 9</b>
• Bonus Value .....	Page 9
• Level Bonuses.....	Page 9
• Enhanced Wholesale Bonuses .....	Page 10
• Enroller Relationship Bonuses .....	Page 10
• Enroller Bonus Qualification Requirements.....	Page 10
• Table 1.3: Retail Commission, Wholesale and Organizational Bonuses .....	Page 11
<b>Grandfathering</b> .....	<b>Page 13</b>
<b>Remaining Active and Qualified</b> .....	<b>Page 13</b>
<b>Commission and Bonus Payment Structure</b> .....	<b>Page 13</b>
<b>The Star Builders' Bonus Pool</b> .....	<b>Page 13</b>
• How it Works .....	Page 13
• Table 1.4: Illustrations of The Star Builders' Pool.....	Page 14
<b>The Executive National Bonus Pool</b> .....	<b>Page 15</b>
• Lead Executive .....	Page 15
• Senior Executive.....	Page 15
• Presidential Executive .....	Page 15
• Share Vesting .....	Page 15
• Accumulation Period .....	Page 16
• Table 1.5: Executive Bonus Structure and Qualifications .....	Page 16
• Table 1.6: Executive Leadership Bonus Pool.....	Page 17
<b>Glossary of Terms</b> .....	<b>Page 18</b>



## GETTING STARTED

### **Becoming an Independent Distributor**

You begin your *Polaris* business by initiating a Distributor Application and Agreement and by purchasing your ***Polaris Online Starter Kit*** (Item 100; \$49.95), which automatically qualifies you for –

- 40% Enhanced Wholesale Bonus (EWB) on documentary DVDs
- Retail commission of 20% for products sold at full suggested retail value (SRV)

**Note:** There are two (2) designations of people (that may actually be the same person) who will be helping you to build your business. They are –

- **ENROLLER:** The person who helps you to enroll as a Distributor and is responsible for ongoing mentoring and assistance.
- **PLACEMENT SPONSOR:** The person directly above you in the organization lineage. Your placement in the organization lineage is determined by your Enroller at the time of enrollment and is permanent.

During this short learning period you will complete your *First Steps to Success Activation Training* in the *Polaris Online Business Manager* and create the necessary **Customer Point Activation** (see Page 5) sales.

While you may receive a retail commission on all your personal retail sales as an Independent Distributor, you must “Activate” to be eligible for other special bonuses, including the Enhanced Wholesale Bonus program and Enhanced Wholesale Bonus roll-up from the Activation sale made by anyone you personally enroll as an Independent Distributor.

**Special Note:** *Activation as an Independent Distributor and activation at a product level can be simultaneous. For example, if a Distributor makes a retail sale of Departure, which has a Customer Points Value of six (6) points, the six (6) points will activate the Distributor as an Independent Distributor and the Departure sale would simultaneously activate the Distributor for future enhanced bonuses at the Departure product level.*



## **ACTIVATION AND PRODUCT LEVELS**

To be paid on the sale of products that Polaris Global (PG) offers, a Distributor must be Activated on that product level. To be Activated, a Distributor must either –

- Purchase the product for their own personal use at 20% discount/wholesale, or
- Sell the product to a non-distributor (retail customer\*) at full suggested retail value (SRV)

### **Documentary DVDs**

You are considered DVD Activated when you personally purchase or sell at wholesale to a customer --

- One (1) documentary DVD of any title

You will –

- Earn .15 Customer Points per DVD
- Continue to receive 20% retail commission on future DVD sales sold at full suggested retail value (on applicable DVDs only)
- Possibly qualify to receive 40% wholesale bonus through the Enhanced Wholesale Bonus (EWB)
- Be eligible to earn roll-up Enhanced Bonuses and Customer Points assigned to your downline Distributors' Activation sales in the Departure category

### **Beyond Freedom Evolution Curriculum**

#### **Departure Activation**

You are considered Departure Activated when you personally purchase at wholesale OR sell at full suggested retail value (SRV) to a retail customer\* –

- One (1) complete Departure three-part program

You will –

- Earn a full program total of six (6) Customer points
- Receive 20% retail commission if sold for full suggested retail value (SRV)
- Continue to receive 20% retail commission on all future Departure sales sold at full-suggested retail value (SRV)
- Qualify to receive 40% wholesale bonus through the Enhanced Wholesale Bonus (EWB) on all future wholesale Departure sales
- Be eligible to earn roll-up Enhanced Bonuses and Customer Points assigned to your downline Distributors' Activation sales in the Departure category



### **Decision Activation**

You are considered Decision Activated when you personally purchase at wholesale OR sell at full suggested retail value (SRV) to a retail customer\* –

- One (1) complete Decision three-part program

You will –

- Earn a full program total of twelve (12) Customer points
- Receive 20% retail commission if sold for full suggested retail value (SRV)
- Continue to receive 20% retail commission on all future Decision sales sold at full-suggested retail value (SRV)
- Qualify to receive 40% wholesale bonus through the Enhanced Wholesale Bonus (EWB) on all future wholesale Decision sales
- Be eligible to earn roll-up Enhanced Bonuses and Customer Points assigned to your downline Distributors' Activation sales in the Decision category

### **Action Activation**

You are considered Action Activated when you personally purchase at wholesale OR sell at full suggested retail value (SRV) to a retail customer\* –

- One (1) complete Action three-part program

You will –

- Earn a full program total of fifteen (15) Customer points
- Receive 20% retail commission if sold for full suggested retail value (SRV)
- Continue to receive 20% retail commission on all future Action sales sold at full-suggested retail value (SRV)
- Qualify to receive 40% wholesale bonus through the Enhanced Wholesale Bonus (EWB) on all future wholesale Action sales
- Be eligible to earn roll-up Enhanced Bonuses and Customer Points assigned to your downline Distributors' Activation sales in the Action category

***Special Note:*** A retail sale of the Beyond Freedom Complete to a non-Distributor customer will activate a Distributor at the Departure, Decision and Action levels.

### **Beyond Freedom Evolution Complete Activation**

The Beyond Freedom Evolution Launch Program is the combination of all three (3) modules outlined above. You are considered Beyond Freedom Evolution Activated when you personally purchase at wholesale OR sell at full suggested retail value (SRV) to a retail customer\*.

You will –

- Earn 33 Customer Points
- Receive 20% retail commission if sold for full suggested retail value (SRV)
- Continue to receive 20% retail commission on all future Beyond Freedom Evolution Complete sales, if sold at full suggested retail value (SRV)
- Qualify for 40% wholesale bonus through the Enhanced Wholesale Bonus (EWB) on all future wholesale Beyond Freedom Evolution Complete sales

- Be eligible to earn roll-up Enhanced Bonuses and Customer Points assigned to your downline Distributors' Activation sales in the Beyond Freedom Evolution Complete category

### **Foundation Live (1-Day Event) Activation**

You are considered Foundation Live Activated when you personally purchase at wholesale or sell at full suggested retail value (SRV) one Foundation Live Event ticket to a retail customer\*.

You will –

- Earn 14 Customer Points
- Receive 20% retail commission if sold for full suggested retail value (SRV)
- Continue to receive 20% retail commission on all future Foundation Live sales, if sold at full suggested retail value (SRV)
- Qualify to receive 40% wholesale bonus through the Enhanced Wholesale Bonus (EWB) on all future wholesale Foundation Live sales
- Be eligible to earn roll-up Enhanced Bonuses and Customer Points assigned to your downline Distributors' Activation sale in the Beyond Freedom Foundation Live category

### **Sovereignty Live (3-Day Event) Activation**

You are considered Sovereignty Live Activated when you personally purchase at wholesale OR sell at full suggested retail value (SRV) to a retail customer\*.

You will –

- Earn 80 Customer Points
- Receive 20% retail commission if sold for full suggested-retail value (SRV).
- Continue to receive 20% retail commission on all future Sovereignty Live sales, if sold at full suggested retail value (SRV)
- Qualify to receive 40% wholesale bonus through the Enhanced Wholesale Bonus (EWB) on all future wholesale Sovereignty sales
- Be eligible to earn roll-up Enhanced Bonuses and Customer Points assigned to your downline Distributors' Activation sale in the Beyond Freedom Sovereignty Live category

### **Influence Live (5-day Event) Activation**

You are considered Influence Live Activated when you personally purchase at wholesale OR sell at full suggested retail value (SRV) to a retail customer\*.

You will –

- Earn 128 Customer Points
- Receive 20% retail commission if sold for full suggested retail value (SRV)
- Continue to receive 20% retail commission on all future Influence Live sales, if sold at full suggested retail value (SRV)
- Qualify to receive 40% wholesale bonus through the Enhanced Wholesale Bonus (EWB) on all future wholesale Influence sales
- Possibly be eligible to earn roll-up Enhanced Bonuses and Customer Points assigned to your downline Distributors' Activation sale in the Beyond Freedom Influence Live category.



***\*Special Note:** A retail customer is any customer who is not enrolled as a Distributor in the income opportunity.*

## **CUSTOMER POINTS**

Each education program and product is assigned a specific Customer Point value, which is used as a measure to determine the criteria for achieving Independent Distributor Activation, as well as eligibility for certain bonuses, promotions to specific Ranks, and maintenance to be paid at that Rank. Customer Points fall into six categories:

- Customer Points (CP): Points that are earned through the completion of personal sales.
- Accumulated Customer Retail Points (ACP): The sum total of all customer points earned by a Distributor on personal sales from their date of enrollment until present.
- Personal Use Customer Points: Points that are earned from a Distributor's own product purchases. These are added to the Customer Point Value.
- Group Customer Points (GCP): The total points produced through sales completed by a Distributor's sales organization. Group Points comprise the Group Customer Points and is used in the calculation of bonuses.
- Accumulated Group Customer Points (AGCP): The total points produced through sales completed by a Distributor's sales organization from their date of enrollment until present. This is called the Accumulated Group Point Value.
- Activation Roll-up Customer Points: The Customer Points created by a new Distributor as the first Activations sale or sales in each product category will roll-up to the first Activated Distributor upline who is both Activate and considered Active for the pay period.

**SUMMARY SAMPLE**  
**TABLE 1.1: ASSIGNED CUSTOMER POINT VALUE USD/GBP/EUR**

PRODUCT SOLD TO PERSONALLY ENROLLED CUSTOMERS	SUGGESTED RETAIL	DISTRIBUTOR WHOLESAL (20% discount)	BONUS VALUE	ASSIGNED CUSTOMER POINT VALUE (CPV)
Kidz with Cameras (single)	n/a	19.95	9.50*	.15 CP
Kidz with Cameras (10-pack)	n/a	175.00	82.50*	2 CP
Unbeaten (single)	n/a	24.95	12.00*	.15 CP
Unbeaten (10-pack)	n/a	225.00	107.50*	2 CP
Surfing with the Enemy (single)	n/a	24.95	12.00*	.15 CP
Surfing with the Enemy (10-pack)	n/a	225.00	107.50*	2 CP
<b>BEYOND FREEDOM EVOLUTION: DEPARTURE</b>				
Departure	625.00	495.00	495.00	6 CP
<b>BEYOND FREEDOM EVOLUTION: DECISION</b>				
Decision	1,125.00	900.00	900.00	12 CP
<b>BEYOND FREEDOM EVOLUTION: ACTION</b>				
Action	1,600.00	1,280.00	1,280.00	15 CP
<b>BEYOND FREEDOM EVOLUTION COMPLETE</b>				
Beyond Freedom Evolution <i>Departure + Decision + Action</i>	2,855.00	2,285.00	2,285.00	33 CP
<b>LIVE EVENTS</b>				
Foundation LIVE	1,695.00	1,295.00	1,295.00	14 CP
Sovereignty LIVE	9,995.00	7,995.00	7,995.00	80 CP
Influence LIVE	16,245.00	12,995.00	12,995.00	128 CP
Leaders Package	20,990.00	20,990.00	20,990.00	222 CP

**\*SPECIAL COMMENTS:**

- Documentary DVDs are not sold at a retail price.
- \$1.00 per DVD sold will go selected charities: *Kidz with Cameras* to Actors for Autism (<http://actorsforautism.com/>); *Unbeaten* to Challenged Athletes Foundation (<http://www.challengedathletes.org/>).
- After charitable deduction, 50% of DVD is royalty to respective production companies.
- Remainder after charitable deduction and royalty is the amount upon which commission is calculated (example: *Kidz with Cameras* DVD is \$19.95, minus \$1.00 for charity, divided by two, equals amount of \$9.50 ( $19.95 - 1.00 = 18.95 \div 2 = 9.475$  [rounded to 9.50])).



## **BONUS STRUCTURE**

### **Bonus Value**

Bonus Value (BV) is the assigned value on which bonuses for personal production and sales organization (group) production are calculated. Bonus Value is usually based on 80% of the suggested retail value (80% of retail is typically referred to as the wholesale price) of products.

Bonus Value falls into two categories:

- Personal Bonus Value (PBV)
- Group (Sales Organization) Bonus Value (GBV)

Bonus Value is used to calculate the Enhanced Wholesale Bonus (EWB), Enroller Bonuses (ERB) and Level Bonuses (LB).

- Enhanced Wholesale Bonus (EWB): A 40% bonus paid to qualified Distributors on wholesale BV on the products for which they are activated.
- Enroller Bonuses (ERB): There are two levels of enroller bonus, E1 and E2, paid as follows –
  - **E1 bonus** is paid to Qualified Distributors on the wholesale value (BV) of sales their *personally enrolled Distributors* (E1 Distributors) produce.
  - **E2 bonus** is paid to qualified Distributors on the wholesale value (BV) of the sales *the Distributors* (E2 Distributors) *enrolled by their E1 Distributors* make.

### **Level Bonus**

Depending on rank earned, qualified Distributors have the opportunity to earn a bonus equal to 2% of Personal Bonus Value on all Distributors in levels 1 through 4 in their sales organization. Please refer to **Table 1.3** for qualification requirements and level bonus percentages.

- First Level (L1): The people you personally enroll and/or sponsor.
- Second Level (L2): The people your First Level enrolls and/or sponsors.
- Third Level (L3): The people your Second Level enrolls and/or sponsors.
- Fourth Level (L4): The people your Third Level enrolls and/or sponsors.



### **Enhanced Wholesale Bonus**

The Enhanced Wholesale Bonus (EWB) is a 40% bonus paid to qualified Distributors on wholesale BV on the products for which they are activated.

### **Enroller Relationship Bonuses**

- **Your Direct Enrollees (E1):**
  - *As an Active Advisor* – Receive an Enroller Relationship Bonus (ERB) of 3% of the Bonus Value during the qualifying month, in addition to your 2% Level Bonus (LB).
  - *As an Active Director* – Receive an Enroller Relationship Bonus (ERB) of 8% of the Bonus Volume during the qualifying month, in addition to your 2% Level Bonus (LB).
  
- **Your Indirect Enrollees (E2):**
  - *As an Active Director* – Receive an E2 Indirect Enroller Relationship Bonus of 3% of the Bonus Value during the qualifying month, in addition to 2% Level Bonus (LB).
  - *As an Active Executive or higher Rank* – Receive an Indirect Enroller Relationship Bonus of 8% of the Bonus Value during the qualifying month, in addition to your 2% Level Bonus (LB).

**Special Note:** “Compression” and “Roll-up” **ARE NOT** applicable to Enroller Relationship Bonuses.

### **Enroller Bonus Qualification Requirements**

In order to earn Enroller Bonuses, you must meet the following requirements:

- You must have completed an Independent Distributor Application and Agreement, and have acquired the *Polaris Global* Online Starter Kit;
- Be a Distributor in good standing;
- Be considered Active by personally creating .15 Personal Customer Points during the qualifying month;
- Promote to the rank of Advisor by enrolling and activating your first Independent Distributor.



**Table 1.3: Retail Commission, Wholesale and Organizational Bonuses**

RANK	INDEPENDENT DISTRIBUTOR	ADVISOR	DIRECTOR	EXECUTIVE	PRESIDENTIAL
<b>TO QUALIFY</b>	Purchase Distributor Kit (\$49.95) <i>Plus</i> <sup>2</sup> Activate	Be Active <sup>1</sup> <i>Plus</i> Personally Enroll one (1) Activated <sup>2</sup> Distributor	Be Active <sup>1</sup> <i>Plus</i> Personally Enroll a cumulative total of three (3) Activated <sup>2</sup> Distributors <i>plus</i> accumulate a total of at least 1,000 Group Customer Points over any period of time	Be Active <sup>1</sup> <i>Plus</i> Personally Enroll a cumulative total of six (6) Activated <sup>2</sup> Distributors <i>plus</i> accumulate a total of at least 2,500 Group Customer over any period of time	Be Active <sup>1</sup> <i>Plus</i> Personally Enroll a cumulative total of nine (9) Activated <sup>2</sup> Distributors <i>plus</i> accumulate a total of at least 5,000 Group Customer Points over any period of time
<b>MONTHLY QUALIFICATION TO MAINTAIN</b>	Be Active <sup>1</sup> by creating .15 Customer Points from non-Distributor retail sales during the Calendar Month	Be Active <sup>1</sup> <i>Plus</i> Maintain one (1) Active <sup>1</sup> Personally Enrolled Distributor (E-1)	Be Active <sup>1</sup> <i>Plus</i> 250 Group Customer Points in the qualifying month <u>60% <sup>3</sup> Rule Applies</u>	Be Active <sup>1</sup> <i>Plus</i> 250 Group Customer Points in the qualifying month <u>60% <sup>3</sup> Rule Applies</u>	Be Active <sup>1</sup> <i>Plus</i> 250 Group Customer Points in the qualifying month <u>40% <sup>4</sup> Rule Applies</u>
<b>RETAIL COMMISSION</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>
<b>WHOLESALE BONUS</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>
<b>ENROLLER RELATIONSHIP BONUS</b>		<u>E-1</u> = 3% BV	<u>E-1</u> = 8% BV <u>E-2</u> = 3% BV	<u>E-1</u> = 8% BV <u>E-2</u> = 8% BV Plus Qualified for Strategic Placement of Enrollees	<u>E-1</u> = 8% BV <u>E-2</u> = 8% BV Plus Qualified for Strategic Placement and Closer Bonuses
<b>LEVEL BONUS</b>	<b>None</b>	<b>Level Bonus</b>	<b>Level Bonus</b>	<b>Level Bonus</b>	<b>Level Bonus</b>
<b>LEVEL 1</b>		<b>2% BV</b>	<b>2% BV</b>	<b>2% BV</b>	<b>2% BV</b>
<b>LEVEL 2</b>			<b>2% BV</b>	<b>2% BV</b>	<b>2% BV</b>
<b>LEVEL 3</b>				<b>2% BV</b>	<b>2% BV</b>
<b>LEVEL 4</b>					<b>2% BV</b>

<sup>1</sup> **ACTIVE:** Create .15 Personal Customer Points in the qualifying month.

<sup>2</sup> **ACTIVATED:** Be considered Activated upon completion of the *Polaris Online Starter Kit* and the required Activation sale for each category of product.

<sup>3</sup> **60% RULE:** No more than 60% of the needed Group Customer Points can come from any one of your sales organization.

<sup>4</sup> **40% RULE:** No more than 40% of the needed Group Customer Points can come from any one of your sales organization.



## **GRANDFATHERING**

Associates who were active in Liberty League International are offered special “grandfathering” rights after transferring to Polaris Global and maintaining an active status, as outlined herein.

- Any associate with Liberty League International (LLI) who purchased a Beyond Freedom program with LLI is
  - permanently grandfathered at 40% on Beyond Freedom products (earns 40% of sales of any BF products offered by Polaris Global, including *Beyond Freedom Classic* and/or *Beyond Freedom Evolution [Departure, Decision, Action]*) regardless of customer points
  - grandfathered at rank of Director
  - activated on all BF products
  
- Any associate with LLI who purchased a Liberty ticket with LLI is
  - permanently grandfathered at 40% on Sovereignty sales regardless of customer points
  - grandfathered at rank of Director
  - activated on Sovereignty
  
- Any associate with LLI who purchased a Summit ticket with LLI is
  - permanently grandfathered at 40% on Influence sales regardless of customer points
  - grandfathered at rank of Director
  - activated on Influence
  
- Any associate with LLI who purchased both Liberty and Summit tickets with LLI is
  - permanently grandfathered at 40% on Sovereignty and Influence sales regardless of customer points
  - grandfathered at rank of Director
  - activated on Foundation, Sovereignty and Influence

## **REMAINING ACTIVE and QUALIFIED**

In order to be paid Level Bonuses on your sales organization's new monthly customer sales (GCP); you must be both “Active” and “Qualified” during the month.

- Active: You will be considered Active by creating at least .15 new Customer Points from retail or wholesale sales during the month.

**Special Note:** *The initial points created by the initial Activation Sale of a downline Distributor will be assigned to first upline person who is both Activated for that category of product and considered Active for the pay period.*

- **Qualified:** You have met the requirements of the particular rank you have been awarded by maintaining the applicable monthly Group Customer Points based on your entire Distributor sales organization's sales (GCP). A minimum number of new or recurring Customer Points must be acquired by your total group (sales organization) during the qualifying month to be "Paid As" your titled rank. (See *Qualified and Maintenance* in **Tables 1.1 and 1.2**).

## **COMMISSION and BONUS PAYMENT STRUCTURE**

All commission and bonus payments will occur on a monthly basis. For example, any sales made in one month will be paid in a single commission run in the following calendar month at appropriate percentages based on Activation levels, rank and points earned. This monthly payout structure includes payment of Wholesale, Retail, Enroller Relationship Bonus and Level bonus earnings for all qualified distributors, summarized below:

- Wholesale: commission payment of 40%
- Retail: commission payment of 20%
- Enroller Relationship Bonus: bonus payment to upline of up to 8% paid to enroller
- Level Bonus: bonus payment to upline of 2% paid to sponsor

## **THE STAR BUILDER'S BONUS POOL**

### **How it works**

Upon becoming a qualified Advisor, you become eligible to earn shares in the *Star Builders' Bonus Pool*. The Star Builders' Bonus Pool is a minimum of one percent (1%) of Polaris Global's worldwide revenues.

- Enroll three (3) qualifying Distributors\*, receive first share
- Enroll a fourth (4<sup>th</sup>) qualifying Distributor\*, receive second share
- Enroll a fifth (5<sup>th</sup>) qualifying Distributor\*, receive third share

There is no limit to the number of shares you can earn in a calendar quarter; shares are calculated monthly and paid quarterly. Final individual share value will be determined by dividing the total dollar value of the pool by the number of shares earned.

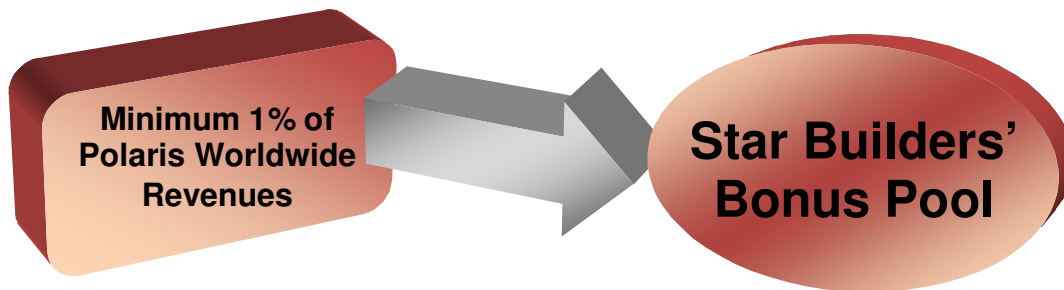
**Special Note:**

- A qualifying Distributor has made two (2) complete retail Beyond Freedom Evolution Launch Package sales within their first 30 days of enrollment.
- When a Distributor is enrolled in the last month of a calendar quarter, the Enroller will have 30 days from the enrollment date to assist them in promoting to Advisor even though their promotion date may extend into the next calendar quarter. Determination of the number of earned shares for a calendar quarter is finalized at the end of the first month of the following calendar quarter.

**TABLE 1.4: ILLUSTRATION OF STAR BUILDERS' BONUS POOL**

**BANKED MONTHLY AND DISTRIBUTED QUARTERLY!**

Upon becoming a qualified Advisor, you become eligible to earn shares in the Star Builders' Bonus Pool



**Enroll 3 E1 Qualifying Distributors\* = 1st Share**  
**Enroll a 4th E1 Qualifying Distributor\* = 2nd Share**  
**Enroll a 5th E1 Qualifying Distributor\* = 3rd Share**

**Earn an additional share for each E1 Qualifying Distributor\* that Enrolled in the calendar quarter**

*\* Qualifying Distributor: Enrollee must make two complete retail Beyond Freedom Evolution Launch Package Sales within first 30-Days \**



## **THE EXECUTIVE NATIONAL BONUS POOL**

### **Executive National Bonus Pools**

#### **Share in the Company's 1% Executive National Bonus Pool:**

As you advance from the Executive to Lead Executive (see Table 5), you also become eligible to earn up to three new titled positions (Lead Executive, Senior Executive, and Presidential Executive) and be eligible for corresponding shares in another category of revenue called Executive Bonus Pools. Each of these 3 pools accumulate a total of one third of *Polaris Global's* contribution of the Company's total Bonus Value for each year, and is divided equally among the qualified Executive Leadership ranks that hold shares in each pool.

- **Lead Executive**

When you achieve the rank of Lead Executive you will qualify to earn a share of the Lead Executive Bonus Pool. The Lead Executive Pool accumulates of one third of the Polaris Global's contribution of the Company's total Bonus Value, and is divided at the end of the year among all Leadership Executives holding its shares.

*Earn one (1) share each month that you maintain qualified status as a Lead Executive or higher rank.*

- **Senior Executive**

When you are promoted to the rank of Senior Executive, you will qualify to earn a share of the Senior Executive Bonus Pool. The Senior Executive Bonus Pool accumulates of one third of the Polaris Global's contribution of the Company's total Bonus Value, and is divided at the end of the year among all Senior Executives holding its shares. You will also maintain your shares in the Lead Executive Bonus Pool.

*Earn one (1) share each month that you maintain qualified status as a Senior Executive or higher rank.*

- **Presidential Executive**

When you are promoted to the rank of Presidential Executive you will qualify to earn a share of the Presidential Executive Bonus Pool, which accumulates 1/3 of Polaris Global's contribution of the Company's Total Annual Bonus Value, and is divided at the end of the year among all Presidential Executives holding its shares. You will also maintain your shares in the Lead and Senior Executive Bonus Pools.

*Earn one (1) share each month that you maintain qualified status as a Presidential Executive Plus, earn one (1) share each month for each 5,000 Points in your total Executive sales organization (40% Rule Applies).*

**Special Note - Share Vesting:** *For each month in which you qualify for a particular Executive Leadership rank(s), you earn a share of each bonus pool for which you are qualified and those shares become vested for that year. At year-end, all vested shares will be totaled and divided into the total funds in each pool to determine each share value.*



**Accumulation Period**

All Executive Bonus Pools are based upon sales completed between December 1 and November 30 each year. Each December 1 begins a new “year” for purposes of Leadership Bonus Pools.

**TABLE 1.5: EXECUTIVE BONUS STRUCTURE & QUALIFICATIONS**

RANK	LEAD EXECUTIVE	SENIOR EXECUTIVE	PRESIDENTIAL EXECUTIVE
Qualifications	<b>Active* Plus 2 Qualified Director Legs And 1 Qualified Executive Leg</b>	<b>Active* Plus 2 Qualified Executive Legs And 1 Qualified Lead Executive Leg</b>	<b>Active* Plus 2 Qualified Lead Executive Legs And 1 Qualified Senior Executive Leg</b>
Maintenance	<b>Maintain Structure Above or 10,000 Total Group Customer Points 40% ** Rule applies</b>	<b>Maintain Structure Above or 25,000 Total Group Customer Points 40%** Rule applies</b>	<b>Maintain Structure Above or 50,000 Total Group Customer Points 40%** Rule applies</b>
Earn Lead Executive Bonus Pool Share	<b>1 Share in Lead Executive Bonus Pool</b>	<b>1 Share in Lead Executive Bonus Pool</b>	<b>1 Share in the Lead Executive Bonus Pool</b>
Earn Senior Executive Bonus Pool Share		<b>1 Share in Senior Executive Bonus Pool</b>	<b>1 Share in Senior Executive Bonus Pool</b>
Earn Presidential Bonus Pool Share			<b>1 Share in Presidential Bonus</b>
* Active: Create .15 Personal Customer Points in the qualifying month or be Pre-Qualified from the previous month’s sales. ** 40% Rule: No more than 40% of the needed Group Customer Points can come from any one of your sales organizations.			

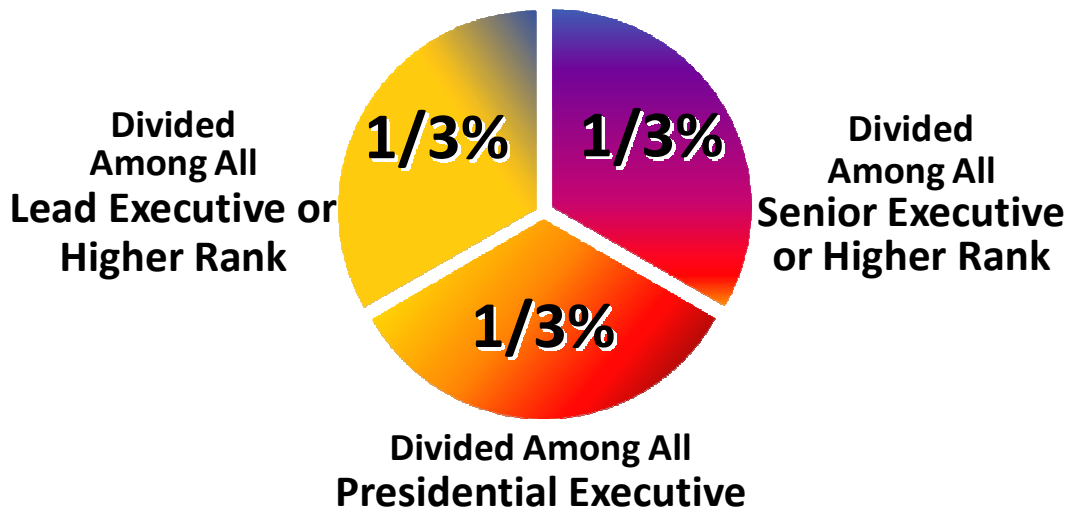


TABLE 1.6: EXECUTIVE LEADERSHIP BONUS POOL

## Executive National Bonus Pools

Equals Minimum 1% of Polaris Worldwide Revenues

Put in the Bonus Pool each month and paid annually.



**Special Note:** While the Star Builders Bonus Pool and the Executive Bonus Pools are funded by a minimum of 1% of Polaris Worldwide Revenues each, additional revenue may be added to these pools based on special promotions at the discretion of the company.



## **GLOSSARY OF TERMS**

**ACTIVE:** In order to be considered Active as an Independent Distributor at any rank and receive down-line Distributor and Enroller Bonuses, you must create .15 Personal Customer Points in the qualifying month.

**ACTIVATED/ACTIVATION:** While you may receive a retail commission on all your personal retail sales, you must “Activate” to be eligible for other special bonuses including the Enhanced Wholesale Bonus program as well as Enhanced Wholesale Bonus roll-up from the Activation sale made by your personal Distributor enrollees. (See Activation requirements unique to each module in this document. You will be considered fully Activated upon completion of the *Polaris Global First Steps to Success Activation Training* and completing your Activation sale requirement for each category.

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

**BONUS:** This is different than Commissions. This remuneration is based on the percentage of customer volume of others in a Distributors sales organization in accordance with the respective provisions of the Compensation Plan.

**BONUS VALUE (BV):** Bonus Value (BV) is the assigned value on which sales organization bonuses are calculated usually based on 80% of the suggested retail value (wholesale) of our educational products. Bonus Value falls into two categories, Personal Bonus Value (PBV) and Group Bonus Value (GBV). As *Polaris Global* adds additional products to its product line, Bonus Value assignment may vary since some product offerings may have higher or lower profit margins.

**COMMISSION:** All product offerings have an assigned Suggested Retail Value (SRV). The difference between this SRV and the published Distributor wholesale cost when sold at retail is called a commission. This commission may be earned in one of two ways.

1. If a Customer purchases directly from Polaris Global, the difference between SRV and the published Distributor wholesale is rebated to the Distributor in the form of a retail commission.
2. If the Distributor writes an order and collects the payment for a product from a retail customer, the Distributor is authorized to remit the wholesale value and keep the retail commission at time of sale.

**COMPANY:** The *Polaris Global Media Group* corporate or home office.

**COMPENSATION PLAN (also referred to as Prosperity Plan):** The official set of definitions and performance requirements, by which *Polaris Global* pays its Distributors.

**COMPRESSION:** Bonuses are earned by and paid to Distributors who are considered Active. When a Distributor fails to meet the minimum maintenance requirements for earning bonuses at his/her titled position, the Company's computer searches down through the Sales Organization until it finds an Active Distributor no matter how far down it has to search. That Active Distributor's personal volume for the Unilevel plan will then “Compress” the “inactive levels” to include all the volume that may have been generated by any non-Active Distributors and Preferred Customer in between to create the next level respectively until it has satisfied its payout requirements with Active Distributor levels. The term “Compression” is used to describe the temporary condition that occurs when someone fails to meet the maintenance requirements for a particular pay period and the term. **NOTE:** *Compression IS NOT applicable to Enroller (E1 & E2) Relationship Bonuses.*



**CUSTOMER:** Any person who purchases a product from Polaris Global.

**CUSTOMER POINTS:** Each Education Program and Live Event is assigned a specific Customer Point value which is used as a measure to determine the criteria for achieving Independent Distributor Activation as well as eligibility for certain bonuses, promotions to specific ranks and maintenance to be paid at that rank.

**DIRECT:** Refers to Distributors you have personally and directly enrolled. (See "Team").

**[INDEPENDENT] DISTRIBUTOR:** The generic name for an independent contractor who has agreed and electronically signed an Independent Distributor Application and Agreement form with the Company, and whose Application and Agreement the Company has accepted. Upon acceptance of such Agreement by the Company, a Distributor is eligible to receive commissions on Customer Product Purchases. A Distributor has the ability to sell products at the full suggested-retail value (SRV) and earn a 20% retail commission. Upon meeting certain qualifications a Distributor can be promoted to different ranks and begin enrolling and sponsoring other people into their Sales Organization. A Distributor is eligible to earn Commissions and Bonuses in accordance with the terms and provisions of the Compensation Plan.

**DISTRIBUTOR I.D. #:** The identification number used by the Company to identify each Distributor for Compensation Plan purposes.

**DOWNLINE:** Those people directly sponsored by a Distributor, plus all the people whose line of sponsorship resulted from and came through that Distributor.

**ENROLL:** To sign and submit a Distributor Application and Agreement form to *Polaris Global* for the purpose of becoming a Distributor for the Company.

**ENROLLEE:** A newly enrolled Distributor.

**ENROLLER:** An Enroller is an existing Distributor of any rank that first explains the *Polaris Global* business opportunity to a potential new Distributor, and subsequently helps that person to enroll as a Distributor. The Company computer thereby recognizes an "enroller relationship" between these two Distributors and maintains it accordingly. The person enrolled is referred to as E1. Note: The Enroller may also be the Placement Sponsor of the Distributor in Training enrolled.

**GENEALOGY:** The complete set of relationships (as defined by "Enrollees", "Levels" and "Teams") between a Distributor and his or her up-line and Sales Organization. It is the "family tree" of any Distributor.

**GENEALOGY REPORT:** A computer accounting of your Sales Organization usually provided online in the back office software provided by *Polaris Global*.

**GRANDFATHERING:** Any Distributor, who has been granted pre-qualification at a certain rank based on previous production or sales volume, will be grandfathered in.

**GROUP CUSTOMER POINTS (GCP):** The Customer Points created by your sales organization of Active Distributors measured to infinite depth are combined to create your Total Group Customer Points. GCP may be used to fulfill a requirement to qualify for maximum Enhanced Bonuses and to meet certain qualifications for rank promotion and for maintenance of that Rank for the purpose of calculating certain sales organization bonuses (does not include Personal Customer Points.)



**INDIRECT:** All Distributors in your Sales Organization that are not directly enrolled by you. (See also “Down-line” and “Sales Organization”).

**LEG:** A line of Distributors in your sales organization that begins with a person whom you enrolled and continues with all the Distributors in the sales organization below them. The concept of a “leg” is of particular importance when advancing to ranks that have provisions stating that a certain percentage of volume can only come from one leg (see 40% or 60% rule).

**LEVELS:** The people you personally enroll and/or sponsor is your first level. The ones they enroll and/or sponsor are your second level. The ones your second level sponsors are your third level, etc.

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

**OPPORTUNITY MEETING:** A periodic meeting, or gathering of Distributors for the purpose of introducing and explaining the business opportunities to prospects.

**PAID AS:** Distributors who have earned the various title designations according to their enrolling and sales performance will retain those titles indefinitely 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 pay period.

**PERSONAL BONUS VALUE (PBV):** Personal Bonus Value is the combined BV assigned to products purchased by your retail customers, Preferred Customers along with your personal products purchased for personal consumption.

**PERSONAL GROUP:** An individual’s personal group is comprised of all his/her personally sponsored Distributors and customers.

**PLACEMENT SPONSOR:** A placement sponsor is a Distributor of any rank who is immediately above a Distributor in the Organization Tree. The computer system recognizes a “placement relationship” based on the placement position between these two Distributors and maintains it accordingly.

**POLICIES & PROCEDURES:** The governing rules of *Polaris Global* that define the relationship between the Company and its Distributors, as well as between Distributors and other Distributors. The Policies & Procedures are specifically incorporated into and made a part of the Distributor’s Agreement, which each Distributor must electronically sign in order to enroll.

**PRODUCT MEETING:** A periodic meeting, or gathering of Distributors for the purpose of introducing and explaining the products to potential customers.

**PROSPECT:** A person to whom you want to offer the *Polaris Global* business opportunity.

**QUALIFIED:** You are considered “Qualified” as a Distributor in a particular pay period where you maintain the minimum qualifications of a particular rank. Since each titled rank has different maintenance qualifications, you will always be paid at the rank you qualify for in the current month (See “Paid As”).

**QUALIFYING DISTRIBUTOR:** One who is becoming entitled to a particular benefit or privilege by fulfilling a necessary condition. *Note: See Star Builders’ Bonus Pool as an example of a particular qualification.*



**RANK:** A new title is claimed at each level with increased percentages of bonus participation. You will always carry the title of the highest rank you reach, but are paid at the rank for which you qualify each month. For example, you achieve the rank of Executive but do not meet the monthly requirements for that rank. You will keep the title of Executive but would be paid at the lower rank for which you are “qualified”.

**RENEWAL:** *Polaris Global* Distributors must renew their Agreement each year. Please refer to the Polaris Policies and Procedures for more information regarding renewal.

**RETAIL:** Sales of the *Polaris Global* products to the end users of those services. Retail sales are the foundation of your business. The ultimate purpose of all other activities within the business, including enrolling, sponsoring, training, etc is to increase retail sales.

**RETAIL SALE:** Any sale made to a retail (non-distributor) customer.

**ROLL-UP:** The permanent form of Compression. When a Distributor terminates his or her Agreement or does not exercise his yearly renewal, his or her entire Sales organization rolls up-line to his or her sponsor or the next qualified person and his name is deleted from the Company records. This does not affect Enroller Bonuses. There is no compression of Enroller Bonuses (See “Compression”).

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

**STARTER KIT:** Contains all the online tools, forms, manuals and application forms, relative to the *Polaris Global* business opportunity, needed to begin your new business.

**SUGGESTED RETAIL VALUE (SRV):** This is the dollar value assigned to educational products and events for the purposes of calculating retail commissions.

**TEAM:** Each personally sponsored Distributor is part of your total Sales Organization and is a separate “Team.” You and your entire Sales Organization are one “Team” to your sponsor.

**TOTAL GROUP BONUS VALUE (TGBV):** The combined Bonus Value created by your sales organization of Distributors to infinite depth creates your TGBV.

**UNILEVEL:** The part of the Compensation Plan that is based on fixed sponsorship genealogical relationships (i.e.: E1 Enroller Relationship Bonuses). The unilevel plan is often considered the simplest of compensation plans. As the name suggests, the plan allows a person to sponsor one line of Distributors that is frontline to the enroller called E1. Every Distributor the person sponsors is considered to be that person’s E1 Distributor. There are no width limitations, meaning there is no limit to the amount of people one can sponsor as E1.

**UNLIMITED DEPTH:** As used in this Compensation Plan, the term “unlimited depth” describes the combined total of the Independent Distributor’s Qualification Volume which is used as a measure of eligibility for earning bonuses at certain levels in the compensation plan. (See “Total Group Bonus Value” and “60% Rule” or “40% Rule”).

**UPLINE:** The term “up-line” refers to that portion of either your Enroller or Placement Sponsor genealogy that precedes (is above) you. Your up-line consists of the Distributor 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 Director and Executive titled Distributors, no more than 60% of GCP may be applied from any one organization/leg for the purpose of meeting the GCP requirements under this Compensation Plan.

**40% RULE:** As it pertains to Lead Executive, Senior Executive and Presidential titled Distributors, no more than 40% of GCP may be applied from any one organization/leg, for the purpose of meeting the TGCP requirements under this Compensation Plan.