

COMPENSATION PLAN DETAILS

INTRODUCTION

There are two ways to participate in SendOutCards: as a Customer or an Affiliate. As part of our Affiliate program, you have several ways to utilize the SendOutCards system to generate income for yourself. There are multiple ways to earn commissions and bonus through our compensation plan, and this document will detail them out. You may participate in the Affiliate program for an initial fee of \$99, and a \$79 renewal fee each year on your annual start date. This is a required annual fee in order for affiliates to continue earning an income.

There are different account types available to assist Affiliates in their goal to creating a new income stream as an entrepreneur.

How do I make money with SendOutCards?

You become your own boss when you become a SendOutCards Affiliate. You make money with SendOutCards by gathering other Affiliates and Customers who also utilize the SendOutCards system to meet their needs. Essentially, they make use of our relationship system to incorporate relationship marketing into their business model to retain and generate new clients through you, their sponsor.

There are several ways of earning an income with SendOutCards. You get paid through earning commissions and bonus for different actions throughout your downline (or team).

General Terms to Know

As you learn about how you make money with SendOutCards, there are a few network-marketing terms it would be helpful to understand in order to learn how you earn your income.

Downline

The Organization below an individual Affiliate consisting of levels of other Affiliates either sponsored directly by the individual, or by the other Affiliates within the direct line of sponsorship. This means you and those you directly sponsor as Affiliates, and so on downward.

Upline

The Affiliate or Affiliates above a particular Affiliate in a direct line of sponsorship up to the Company (SendOutCards). It is the line of sponsors that links any particular Affiliate to the company. This means that just as you have a downline, you also have an upline of Affiliates.

Coded Upline

The Affiliates above a particular Affiliate that has the Manager, Senior Manager, Executive, Senior Executive, and Eagle coding's on the Affiliate. This is not necessarily the same as the Upline. Each Affiliate, upon the point of joining the Company, falls within the coding as designated by the actions of their upline. It is an upline of leadership.

How do I to earn Commissions/Bonuses?

Each commission/bonus type has different qualification requirements. To be eligible to earn all available commission/bonuses, an Affiliate is required to be Rank Qualified at their highest achieved rank. You begin your journey as Affiliate, and your first goal is to rank advance to Manager.

What is Commissionable Volume?

Commissionable Volume is earned on purchases made by Affiliates and their direct Customers. Commissionable volume is calculated to determine commission payouts for Affiliates. Commissionable volume consists of cards (not including paper upgrades), gifts, and subscriptions that are purchased at variable rates.

EXAMPLES of Commissionable Volume:

Product	Purchase Price	Commissionable Volume
Postcard	\$0.58- \$0.91	\$0.40
Cards (Flat, 2-panel, 3-panel)	\$1.75- \$2.75	\$1.20
Photo Drop Cards, Build-Your-Own (Basic)	\$1.00	\$0.80
\$17 Subscription	\$17.00	\$10.71
\$37 Subscription	\$37.00	\$23.00
\$97 Subscription	\$97.00	\$62.00
System Send Package Cards w/ Subscription (PAID cards)	\$1.31	\$0.70

*For questions about Legacy point users, please contact Support. This is only for accounts signed up prior to April 2018.

How do I qualify for Commissions/Bonuses and rank advancements?

Your qualifications for commissions/bonuses and rank advancements are based on various calculations of your actions and your downlines. Here are the things you need to know about qualifying:

PCV - Personal and Customer Volume

The total qualifying retail sales volume calculated from purchases made by an Affiliate and their direct customers. If you are on a subscription, that can count toward this requirement.

GV - Group Volume (Retail Volume)

The total qualifying retail sales volume calculated from purchases made by an Affiliate, the Affiliate's direct customers (Level 0), and downline located within levels 1-7 of the Affiliates organization (including System Send Add-ons), and anyone in an Affiliate's organization that they hold coding on (you are the coded upline). **A maximum of 97 can come from the Affiliates own purchases.** If you are on a subscription or make at least \$97 worth of purchases, that can count toward this requirement.

Group Qualified (Retail Volume)

To earn your customer commissions and 1-7 level downline commissions based on your highest achieved rank, you must be Group Qualified. This means you have at least 97 PCV to earn your customer commissions. **A maximum of 97 can come from the Affiliates own purchases.**

Rank Qualified (Rank Specific Earnings)

To earn all Customer Acquisition Bonuses and Infinity Downline Bonuses, based on your highest achieved rank, you must be Rank Qualified. This means you have met the necessary PCV and GV requirements necessary for your specific rank.

Note: PCV and GV are calculated based on the previous 35-day period, on a rolling basis. This means the computer looks back 35 days from the bonus period end date when determining both. The amounts necessary for rank qualification and maintenance can come from the Affiliates own purchases.

What are the types of Commissions/Bonuses I can earn?

We will briefly outline them here before going into greater detail in a later section.

Product & Customer Acquisition Bonus

These are one-time bonuses, paid out weekly, to Affiliates who advance through the ranks and demonstrate the ability to help their downline Affiliates grow their businesses. There are many ways to earn these commissions and bonuses. As you advance in rank, Customer Acquisition Bonuses increase and you are rewarded for helping more people sell

products and gather and train Customers and/or Affiliates. The Product Chart can be found on page 6.

Customer Commission

This weekly commission is paid based on retail sales to customers; more customers buying your products result in more income.

Personal & 7-Level Downline Commission (Residual Income)

This weekly commission is based on commissionable volume sold on levels 0-7 of an Affiliate’s downline organization.

Downline Infinity Commission

This weekly commission is based on the commissionable volume sold in your downline. This bonus pays to unlimited levels, depending on how your organization is coded to you as a leader.

What are the qualification requirements for each type of commission/bonus in the SendOutCards Compensation Plan?

The following chart shows types of commissions/bonuses available within the SendOutCards compensation plan. Next to each rank, you will find the applicable PCV and GV requirements for each commission/bonus type. You are encouraged to look closely at your current rank to make sure you meet these WEEKLY qualifications.

RANK	PERSONALLY QUALIFIED	GROUP QUALIFIED	RANK QUALIFIED
	Sponsor Product Bonuses	<u>Commissions/ Bonuses</u> -Customer Commissions 20% -7 Level Downline commission (Levels 1-7)	<u>Eligible to earn ALL Commissions/ Bonuses including:</u> -Customer Acquisition Bonuses -Downline Infinity Commission
Affiliate	All active Affiliates, with an up to date renewal are eligible to earn these commissions/	97 PCV	N/A
Manager		97 PCV	97 PCV + 970 GV to maintain rank qualifications.
Sr. Manager		97 PCV	485 PCV + 4,850 GV to maintain rank qualifications.
Executive		97 PCV	485 PCV + 15,000 GV to maintain rank

	bonuses with no further qualifications.		qualifications.
Sr. Executive		97 PCV	485 PCV + 75,000 GV to maintain rank qualifications.
Eagle		97 PCV	485 PCV + 150,000 GV to maintain rank qualifications.

What are the different types of bonuses/ commissions available in the SendOutCards Compensation Plan?

Fast Start Bonus

This one-time \$100 bonus is paid to new Affiliates who obtain 97 in PCV and 485 GV within their first 30 days of becoming an Affiliate. This bonus would be included in your weekly commission check.

(Note: System Package sales do not count toward the requirements for this bonus. If any of the orders/subscriptions are cancelled within the first 60 days, the bonus will be deducted from future bonus and commission earnings.)

Customer Commission

Customer Commissions are paid weekly on purchases of cards/gifts/subscriptions, made by an Affiliate and their Customers. All Affiliates must be Group Qualified (97 in PCV) in order to receive the 20% Customer Commission.

Product & Customer Acquisition Bonus

Product Bonuses are paid weekly, to the coded sponsor, for eligible products purchased by Customers and Affiliates. No additional qualifications are required for active Affiliates to earn product bonuses.

Customer Acquisition Bonuses are one-time bonuses paid to coded Affiliates (the Coded Upline), for eligible product purchases made by downline customers and Affiliates. Customer Acquisition bonuses are paid weekly. The chart below details each product and the applicable commissions/bonuses available to Affiliates.

PRODUCT CHART

	Cost	Sponsor	Manager	Sr. Manager	Executive	Sr. Executive	Eagle
Essentials Pack	\$99	\$25	\$13	\$8	\$6	\$5	\$3
2-Touch Campaign (Standard)	\$40	\$10	\$5	\$3	\$2	\$2	\$1
3-Touch Campaign (Standard)	\$55	\$14	\$7	\$5	\$3	\$3	\$2
4-Touch Campaign (Standard)	\$75	\$19	\$10	\$6	\$4	\$4	\$2
5-Touch Campaign (Standard)	\$90	\$23	\$12	\$7	\$5	\$5	\$3
6-Touch Campaign (Standard)	\$110	\$27	\$14	\$9	\$6	\$5	\$3
7-Touch Campaign (Standard)	\$120	\$31	\$16	\$10	\$7	\$6	\$4
8-Touch Campaign (Standard)	\$140	\$35	\$18	\$11	\$8	\$7	\$4
9-Touch Campaign (Standard)	\$150	\$38	\$20	\$12	\$9	\$8	\$5
10-Touch Campaign (Standard)	\$165	\$41	\$22	\$13	\$10	\$8	\$5
11-Touch Campaign (Standard)	\$175	\$44	\$23	\$14	\$11	\$9	\$5
12-Touch Campaign (Standard)	\$190	\$47	\$25	\$15	\$11	\$9	\$6
2-Touch Campaign (Niche)	\$55	\$15	\$8	\$5	\$3	\$3	\$2
3-Touch Campaign (Niche)	\$85	\$21	\$11	\$7	\$5	\$4	\$3

4-Touch Campaign (Niche)	\$110	\$28	\$14	\$9	\$7	\$6	\$3
5-Touch Campaign (Niche)	\$135	\$34	\$18	\$11	\$8	\$7	\$4
6-Touch Campaign (Niche)	\$160	\$40	\$21	\$13	\$10	\$8	\$5
7-Touch Campaign (Niche)	\$180	\$46	\$24	\$15	\$11	\$9	\$5
8-Touch Campaign (Niche)	\$200	\$51	\$26	\$16	\$12	\$10	\$6
9-Touch Campaign (Niche)	\$220	\$56	\$29	\$18	\$13	\$11	\$7
10-Touch Campaign (Niche)	\$240	\$61	\$32	\$19	\$15	\$12	\$7
11-Touch Campaign (Niche)	\$255	\$65	\$34	\$21	\$16	\$13	\$8
12-Touch Campaign (Niche)	\$275	\$69	\$36	\$22	\$17	\$14	\$8
Handwriting Font & Signatures	\$49	\$7	\$5	\$5	\$1	\$1	\$1
Signatures Only (4)	\$25	\$3.50	\$2.50	\$2.50	\$0.50	\$0.50	\$0.50
System Package Add-on	\$395	\$140	\$100	\$50	\$30	\$10	\$5

For Affiliate product purchases, encoded upline must be Rank Qualified at their highest earned rank, on the last day of the bonus period that the purchase is made. If an Affiliate holds multiple coding, they will receive up to the level of coding they hold based on their current Rank Qualification, on the last day of the bonus period.

Gifts

Commissions and volumes paid on gifts vary. Please see the SendOutCards website for Gift Information. <https://www.sendoutcards.com/resources/gift-information/>

Personal & 7-Level Downline Commission (Residual Income)

All Affiliates must be Group Qualified (97 in PCV) in order to receive commissions on levels 1-7. The percentages paid out on each level are found in the chart below.

Level	% Payout
1	2%
2	2%
3	2%
4	2%
5	2%
6	2%
7	5%

Downline Infinity Commission

The Downline Infinity Commission is paid out weekly on unlimited levels. The percentage paid is based on the coding that the upline Affiliate has on the Affiliate they are being paid for. To qualify to receive all of the Downline Infinity Commission, the Affiliate must be Rank Qualified at their highest achieved rank on the last day of the bonus period. If the Affiliate is not qualified at their highest achieved rank, on the last day of the qualification period, they will be paid up to and including the rank for which they are qualified. *The chart below assumes the Affiliate has full coding on the Affiliate they are being paid for.* If an Affiliate does not have full coding, they will only be paid the percentage for the coding they have, assuming they are Rank Qualified at their highest achieved rank.

Leader's Rank	% paid to unlimited levels
Manager	5%
Sr. Manager	10%
Executive	15%
Sr. Executive	20%
Eagle	25%

How does coding work?

When a new Affiliate signs up, they are attached (or coded) to the person who sponsored them. The new Affiliate inherits the coding of their sponsor. Each Affiliate is coded to only one of each rank (Manager, Sr. Manager, Executive, Sr. Executive, and Eagle). The way a new Affiliate inherits their coding is by first inheriting the coding of their sponsor. For example, if the new Affiliate's sponsor is a Sr. Manager, that sponsor will be coded to them as the Manager and Sr. Manager. The new Affiliate would then inherit the sponsor's upline coding for Executive, Sr. Executive, and Eagle. When a new Affiliate

receives their coding, that coding does not change. Using our previous example, if the Affiliate's sponsor becomes an Executive later on, the new Affiliate's coding does not change – it remains the same.

With customer payouts, coding is contingent upon the highest qualified rank of their direct sponsor. If their direct sponsor holds multiple ranks at the time of payout, and is Rank Qualified, they will earn the appropriate Customer Acquisition Bonuses.

What does “Bonus Period” and “Qualification Period” mean?

All bonus and qualification periods are based on U.S. Eastern Time Zone. The “Bonus Period” for weekly commissions and bonuses are run once in the calendar week of Sunday through Saturday.

The “Qualification Period” is the timeframe used to determine if you qualified to be paid the bonus that is being evaluated for that bonus period. The last 35 days from the bonus period end date are used. For example: If you enroll a new Premium Subscription on the last day of the bonus period, (Saturday December 16th), we would look back at volume generated during the past 35 days, to verify you meet the necessary qualifications to see if you are qualified to receive the bonus.

Affiliates must be Rank Qualified at their highest achieved rank by meeting PCV and GV requirements to be eligible to earn all bonuses/commissions. Once an Affiliate achieves a rank they will always maintain that title, however, payouts will be paid according to qualified rank calculated at the end of each bonus period.

All Affiliates are considered Qualified for bonuses and commissions within their first 30 days of enrollment, however there is not a grace period within the first 30 days for rank advancement purposes.

SendOutCards provides a grace payment at rank to Affiliates that miss their qualifications in one week. What this means is that if an Affiliate qualifies to be paid at one rank and the following week they do not meet the qualifications to be paid at that rank again, SendOutCards will pay them at the rank they qualified at the previous week. If the Affiliate does not become qualified again in the third week they will be paid at the rank they do qualify for. By way of example, if an Affiliate holds the lifetime rank of Executive and is qualified to be paid as Executive in the first week of the month. Then in the second week of the month that lifetime Executive only qualifies to be paid as a Senior Manager, SendOutCards will pay the Affiliate as an Executive in week two. If during week three the lifetime ranked Executive only qualifies to be paid as a Senior Manager again then they will be paid as a Senior Manager for week three. Another way to describe this would be, a Affiliate will be paid at the highest of the Rank the Affiliate qualified for this week or the immediately previous week.

All qualifications for any bonus or commission are based on U.S. Eastern Time Zone. Any special promotions for contests or other events may have different requirements and will be specified.

Advancement

Upon joining SendOutCards, each Affiliate starts at the rank of Affiliate. Advancement through the ranks takes place when you meet the requirements to rank advance to the given rank. You must achieve all of the requirements of your current rank before you can advance to the next rank.

What are the ranks in SendOutCards?

Affiliate
Manager (Man)
Senior Manager (Sr. Man)
Executive (Exec)
Senior Executive (Sr. Exec)
Eagle (Eagle)

How do I advance from one rank to the next?

Affiliates must pay an annual renewal fee to remain an Affiliate. The current renewal fee is \$79.00, which is due on the anniversary date of the enrollment. Affiliates must be active to be eligible to rank advance personally and to count for their upline's rank advancement.

Each rank is described in the following sections:

1. **Manager:**

To *become* a Manager you must have met the Affiliate requirements and accomplished the following within one-month period:

- \$970 in GV (Group Qualifying Volume)*
- \$97 in PCV (Personal & Customer Qualifying Volume)
 - Up to \$97 can come from you.

2. **Senior Manager:**

To *become* a Senior Manager you must have met the Manager requirements and accomplished the following within one-month period:

- \$4,850 in GV (Group Qualifying Volume)*
- \$485 in PCV (Personal & Customer Qualifying Volume)
 - Up to \$97 can come from you.

Once you begin working toward advancing to Executive and above, you must meet the necessary requirements in back-to-back months, and that no more than half of the necessary GV needed to rank advance can come from one leg of your downline. Your 0 Level counts as it's own leg.

3. Executive:

To *become* an Executive you must have met the Senior Manager requirements and accomplished the following during two back-to-back months:

- \$15,000 in GV (Group Qualifying Volume)*
 - GV must come from at least 2 legs; no more than 50% of total GV can come from one leg. Your 0 Level counts as it's own leg.
- \$485 in PCV (Personal & Customer Qualifying Volume)
 - Up to \$97 can come from you.

4. Senior Executive:

To *become* a Senior Executive you must have met the Executive requirements and accomplished the following during two back-to-back months:

- \$75,000 in GV (Group Qualifying Volume)*
 - GV must come from at least 2 legs; no more than 50% of total GV can come from one leg. Your 0 Level counts as it's own leg.
 - At least \$5,000 of the total GV has to be in your Executive code, levels 1+.
- \$485 in PCV (Personal & Customer Qualifying Volume)
 - Up to \$97 can come from you.

5. Eagle:

To *become* the Rank of Eagle you must have met the Senior Executive requirements and accomplished the following during two back-to-back months:

- \$150,000 in GV (Group Qualifying Volume)*
 - GV must come from at least 2 legs; no more than 50% of total GV can come from one leg. Your 0 Level counts as it's own leg.
 - At least \$10,000 of the total GV has to be in your Senior Executive code, levels 1+.
- \$485 in PCV (Personal & Customer Qualifying Volume)
 - Up to \$97 can come from you.

**Please view the Sendōgo Addendum, for further Group Qualifying Volume qualifications.*

To be paid at the your highest achieved rank, you must maintain the necessary rank qualifications for each qualification period; with the exception that your GV can come from your coded levels 0-7.

Leg

Each individual Affiliate enrolled front line to a particular Affiliate is considered a leg under that Affiliate. All Customers enrolled by a specific front-line Affiliate or any Downline Affiliate count as a part of that leg as well. Each leg may contain any number of Affiliates and Customers underneath that Affiliate, in their own downline organization. For the purpose of qualifying for rank advancement, all the Affiliates customers combined constitute a leg.

Once an Affiliate promotes in rank, they are given a 6-month grace period to meet the GV requirement. At the end of the 6-month grace period, the Affiliate will be required to meet the full monthly PCV and GV qualification requirements in order to be paid at the highest achieved rank.

Note: Rank advancements may take up to 24 hours to process and will be reflected in your Revolution Office or on your Dashboard.

All amounts stated are in U.S. Dollars for purchase prices, bonuses and commissions issued to participating Affiliates. International residents' participation with SendOutCards is based upon acceptance of applications in the U.S. under U.S. laws and regulations with the understanding that SendOutCards conducts all business in U.S. currency. International residents agree to this condition when signing up to participate with SendOutCards. See SendOutCards Policies and Procedures & Terms and Conditions for additional details.

Sendōgo

As a SendOutCards Affiliate, you may also utilize the sales of products through the Sendōgo system to earn additional commissions on your current Customers and Affiliates. You can earn up to 3 levels of compensation (0-2) through the Sendōgo users within your organization on these levels, as long as you are group qualified (97 in PCV).

Level 0 (Customers)	20% of all Sendōgo Retail Sales Volume
Level 1 (Affiliates)	5% of all Sendōgo Retail Sales Volume
Level 2	5% of all Sendōgo Retail Sales Volume

These commissions are separate from SendOutCards, however, the retail sales volume generated from your applicable downline Sendōgo efforts applies to the Group Qualifying Volume requirements within your SendOutCards business, necessary for qualification and rank advancement purposes.

In order to have the ability to refer NEW users to the Sendōgo platform, you need to become a Sendōgo Referral Partner.

Sendōgo Referral Partner Option

As a SendOutCards Affiliate, you may also become a Sendōgo Referral Partner – to broaden your prospecting to companies that utilize a CRM for their customer organization. In addition to earning the commissions and GV stated above, as a Sendōgo Referral Partner you can directly sponsor and refer NEW customers or Referral Partners to the Sendōgo platform. You also have your Sendōgo personal and customer volume count toward your SendOutCards PCV requirements.

To become a Sendōgo Referral Partner, you must pay an initial start-up fee of \$149. In addition, your Affiliate position within SendOutCards must also be valid and up-to-date. Each year, you will be required to pay an annual fee of \$149 for your Sendōgo Referral Partnership to remain in effect. You must remain an active Sendōgo Referral Partner in order to have your retail sales volumes from Sendōgo count toward your SendOutCards qualifications.