



# COMPENSATION PLAN



# **Sales Compensation Plan**

## **Fortune Hi-Tech Marketing, Inc.**

**FHTM is a customer acquisition company. No money is earned without the sale of products or services to customers.**

**This Compensation Plan is incorporated into and forms a part of your Independent Representative Agreement.**

### **I. Introduction**

Thank you for joining the Fortune Hi-Tech Marketing family! This Fortune Hi-Tech Marketing, Inc. ("FHTM") Compensation Plan explains how you, the FHTM Independent Representative ("IR"), earn compensation in the form of commissions and bonuses, and how you can advance to higher sales positions potentially earning more compensation. Before you begin your business, you should make yourself familiar with this plan so that you understand the importance of product and service sales, as well as the role you play in introducing the business to other interested individuals.

The FHTM plan consists of just two activities – gathering loyal customers and building teams of entrepreneurs like you who gather customers and build teams as well. Upon meeting specific qualifications, building a loyal customer base and increasing the size of your team, your FHTM income will also grow. How much you get paid is determined by how many sales you have, and what level you reach within the FHTM sales organization based on the size of your sales team, or "downline." We'll start by explaining some of the key terms and concepts used by this compensation plan. Then we will show you the different promotions that you can achieve as you grow your FHTM business from the Manager level. Third, we will describe the different ways you can earn money and the amounts you can earn through your hard work and successful sales efforts.

Please note that from time to time, FHTM may engage in promotions or offer incentive programs that will temporarily affect the structure of the plan. In order to stay current, you should regularly visit [www.FHTMCentral.com](http://www.FHTMCentral.com).

## II. Key Concepts

The FHTM Compensation Plan has some concepts that you should understand to help you better understand how you qualify for advancement and compensation, so before we get started we want you to be familiar with the following ideas:

1. **Active Customer:** An Active Customer is an individual who purchases a product or service in good faith. These purchases are assigned a Volume Point value, as established by FHTM and posted on [www.FHTMCentral.com](http://www.FHTMCentral.com). "Good faith" means that the purchase was actual, legitimate and in compliance with FHTM's Policies and Procedures. Any customer who continues to use a purchased product or service for at least sixty days is presumed to be a customer in good faith, but the presumption can be rebutted. **Active Volume Points are only generated through the sale of a product or service. Recruiting an IR does not generate Active Volume Points. FHTM reserves the right to withhold or recover from an IR any commissions or bonus paid on customers who fail to qualify, or remain qualified, as "Active."**
2. **Group Volume Points:** Active "Group Volume Points" refers to the total number of Active Volume Points generated from sales to Active Customers meeting the Majority Rule by all of the Managers, QRs, RSMs, ESMs and NSMs, as applicable, in the IR's downline. "Downline" refers to anyone who joins the FHTM business who can trace a path of sponsorship back to you.
3. **The Majority Rule:** With respect to any requirement described herein to maintain Active Volume Points, wherever there is such a qualification requirement, the majority of these Active Volume Points **must** be not for the IR's personal consumption.
4. **70% Rule:** With respect to purchases of products by an IR, each Independent Representative agrees on a monthly basis that 70% of the goods purchased the prior month have been sold or consumed.
5. **Downline:** Downline refers to all of the FHTM IRs who either have been sponsored directly by you or who can track back a sponsorship connection to someone you have sponsored. These IRs are like your children, grandchildren, great-grandchildren etc. in terms of your FHTM business.
6. **Upline:** Your upline refers to all of the FHTM IRs to whom you yourself can track a sponsorship connection through the IR who

personally sponsored you. These IRs are like your parents, grandparents, great-grandparents etc. in your FHTM business.

7. **Code:** Below, we describe the levels of promotion that FHTM IRs can attain (Regional, Executive, National, Platinum). In terms of your compensation, each of these levels is referenced as a “Code.” For example, you will have certain pay described herein that will be generated to you as a result of your Regional Code, or from your Executive Code. It will become clear as you read the next section.
8. **Payout:** If an Active Volume Point requirement must be maintained “at the time of payout,” that means that those Active Volume Points must be in place when the compensation is due to be paid, as established by FHTM’s commissioning software. If the required Active Volume Points are not in place as described here, any compensation that would have been generated is forfeited.

### III. Qualification, Field Leadership and Advancement

Now that you have seen the concepts and terms that are used throughout the Compensation Plan and that are key to your success as an FHTM IR, we will explain the promotion levels within FHTM and how that can translate into growing your compensation.

- A. **Advancing as an FHTM IR:** This section explains the levels of advancement available to you through the FHTM Compensation Plan, and tells you what you need to do to achieve and maintain each level. As you advance, so can your pay and your leadership in the organization!
  1. **Manager:** An IR who has enrolled and paid the enrollment amount of \$249.99 starts as a Manager.
  2. **Qualified Manager (“QM”):** Managers in FHTM can earn compensation from the moment they start, but can only fully maximize the compensation at the Manager level by becoming a Qualified Manager. To do so, a Manager must personally sponsor 3 Managers and attain and maintain at least 1000 Active Volume Points meeting the Majority Rule. Section IV below explains the three forms of compensation, all of which are tied to sales, which a Manager can earn: Fast Start Bonus, Customer Generated Usage and Match 5.

3. **Regional Sales Manager (“RSM”)/Qualified Regional Sales Manager (“QRSM”):** A QM may be promoted to Regional Sales Manager (RSM) by meeting items a+d, or items b+c+d, below:
- a. Personally acquire 5500 Active Volume Points through the sale of products or services;
  - b. Develop a minimum organization of 6 Managers within the IR’s first 5 levels, at least 3 of which must be personally sponsored;
  - c. Have 1000 Active Volume Points, meeting the Majority Rule, and have a total of at least 2000 Group Volume Points;
  - d. Be approved by FHTM.

Please note that the IR does not count as 1 of the 6 Managers and that the IR’s Active Volume Points cannot be included in the Group Volume Point count.

Congratulations! By reaching the level of QRSM, you are now eligible to earn all applicable forms of FHTM compensation that a Manager can earn, **plus** Customer Acquisition Bonuses. Also, once you attain the level of RSM you will not revert to a QM despite a failure in one or more qualifications as long as you remain in renewed status with FHTM; **however**, an RSM **must** maintain 1000 or more Active Volume Points meeting the Majority Rule in order to receive pay as **Qualified Regional Sales Manager (“QRSM”)**.

4. **Executive Sales Manager (“ESM”)/Qualified Executive Sales Manager (“QESM”):** A Qualified Regional Sales Manager (QRSM) may be promoted to Executive Sales Manager (“ESM”) by meeting all of the following requirements:
- a. Develop 6 or more QRSMs on any level of the IR’s personal RSM group; however, these 6 QRSMs must be developed in 2 or more separate legs of the RSM group;
  - b. Develop a minimum downline organization of 90 Managers in the IR’s RSM group; and have a total of at least 32,500 Group Volume Points;
  - c. The IR must have 1500 or more Active Volume Points meeting the Majority Rule; and
  - d. Be approved by FHTM.

Please note that the IR does not count as one 1 of the 6 QRSMs and the IR’s Active Volume Points cannot be included in the Group Volume Point count.

Once you attain the level of ESM you do not revert to RSM despite a failure in one or more qualifications as long as you remain in renewed status with FHTM; **however**, an ESM must maintain 1500 or more Active Volume Points meeting the Majority Rule in order to be receive pay as a **Qualified Executive Sales Manager (“QESM”)**.

5. **National Sales Manager (“NSM”)/Qualified National Sales Manager (“QNSM”)**: A Qualified Executive Sales Manager may be promoted to National Sales Manager by meeting all of the following requirements:
  - a. Develop 6 or more QESMs on any level of the IR’s personal ESM group; however, these 6 QESMs must be developed in 2 or more separate legs of the ESM group;
  - b. Have developed a minimum downline organization of 90 Managers in the IR’s RSM group;
  - c. Develop a minimum downline organization of 540 Managers in the IR’s ESM group;
  - d. Maintain 1500 or more Active Volume Points meeting the Majority Rule, and have a total of at least 200,000 Group Volume Points; and
  - e. Be approved by FHTM.

Please note that the IR does not count as 1 of the 6 QESMs and the IR’s Active Volume Points cannot be included in the Group Volume Point count.

Once you attain the level of NSM you do not revert to ESM despite a failure in one or more qualifications as long as you remain in renewed status with FHTM; **however**, an NSM must maintain 1500 or more Active Volume Points meeting the Majority Rule in order to be receive pay as a **Qualified National Sales Manager (“QNSM”)**.

6. **Platinum Sales Manager**: A Qualified National Sales Manager may be promoted to Platinum Sales Manager by meeting all of the following requirements:
  - a. Achieve Double Bonus as a QNSM as described below for a cumulative total of 6 separate calendar months (these need not be consecutive);
  - b. Maintain 1500 or more Active Volume Points meeting the Majority Rule, and have a total of at least 300,000 Group Volume Points; and
  - c. Be approved by FHTM.

Please note that the IR's Active Volume Points cannot be included in the Group Volume Point count.

Once you attain the level of PSM you will not revert to NSM despite a failure of one or more qualifications as long as you remain in renewed status with FHTM; **however**, a PSM must maintain 1500 or more Active Volume Points meeting the Majority Rule in order to receive pay as a **Qualified Platinum Sales Manager ("QPSM")**.

7. **Presidential Ambassador:** Presidential Ambassadors will be chosen at FHTM's discretion. Appointees will have successfully met the qualifications of a QPSM and will have demonstrated leadership skills and the integrity required to represent FHTM as a Presidential Ambassador. FHTM reserves the right to appoint or remove any Presidential Ambassador, to modify the economic or other benefits associated with the Presidential Ambassador position or to modify the requirements for or eliminate the Presidential Ambassador position entirely.

**B. Fully-Coded and Breakaways:** These are two related elements of the FHTM Compensation plan that become important to you as you grow your FHTM business, attain progressive levels of promotion from RSM to PSM, and develop successful IRs in your business.

1. **Fully Coded** refers to the state of your FHTM business when you have attained the highest level of success in the FHTM Compensation Plan – QPSM. As you progress upwards through the Code promotions RSM, ESM and NSM, you receive compensation for the Code you have attained and all Codes beneath that Code. For example, QESM's receive compensation for new IRs coming into their business at the RSM and ESM Code. Once you achieve QPSM, therefore, new IRs that come into your business generate upline compensation to you for each and every Code of the Compensation Plan – meaning you will receive the upline pay generated by that new IR as each of the QRSM, QESM, QNSM and QPSM Codes. The forms of compensation are described in Section IV below. You will continue to receive this Fully-Coded level of compensation until that new IR also reaches a certain level of promotion. For example, assume you are Fully Coded and an IR in your business reaches the level of QRSM. At that point, the upline QRSM compensation that has been generated to you up to that point now ceases for any IRs newly sponsored by the IR that attained the RSM promotion (this is a Breakaway RSM - see below for Breakaway definition and compensation). You still receive QESM, QNSM and QPSM pay from that IR, but just like at the QRSM level, when that IR reaches each of those next levels, the pay at

each of those levels will also cease for any IRs newly sponsored by the IR that attained the respective promotion to ESM, NSM or PSM. This process of an IR in your business promoting and therefore no longer generating upline pay to you at a particular code is called “coding out.”

2. **Breakaways:** As seen above in the description of Fully-Coded, when an IR you have brought into your FHTM business while you had achieved a certain level of advancement, whether, QRSM, QESM or QNSM, reaches that same level, they have coded-out of generating any upline compensation to you at that level. FHTM refers to these coded-out IRs as having “broken away” from that level of your business; FHTM calls them a “**First Generation Breakaway**”. For example, when you develop an RSM in your RSM business, that person is a First Generation Breakaway RSM. If that First Generation Breakaway RSM also generates their own Breakaway RSM – that person is a “**Second Generation Breakaway**” to you. As described below in the Compensation section, even though these coded-out IRs have broken away from your business at a particular level, you will still get paid Downline CGU on your First Generation Breakaways and CABs from First and Second Generation Breakaways at your RSM, ESM and NSM level.

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- C. **Personal Sponsorship/Monthly Maximum:** To provide each new Manager with the best opportunity to build a successful, long-term business, new Managers must be given close personal attention from their sponsors. For this reason, IRs may personally sponsor a maximum of 6 new Managers per calendar month. This limitation acknowledges that training and management of a sales force is one piece of a growing business which primarily requires each IR to continue to make ongoing personal sales and retain customers on a monthly basis. Leadership leads to the building of a stronger, long-term business for all.
- D. **Renewal:** Every IR position has an annual renewal fee of \$249.99

#### IV. Compensation

FHTM makes many forms of compensation available to FHTM IRs. Be sure to stay connected with FHTM, your upline and [www.FHTMCentral.com](http://www.FHTMCentral.com) to stay current on how you are compensated for your sales and team building efforts.

## A. Fast Start Bonus

1. **Definition:** The Fast Start Bonus is a one-time \$50.00 payment rewarding an IR for each new IR gathered who in turn gathers customers after joining FHTM.
2. **Eligibility:** For the sponsoring IR to be eligible for a Fast Start Bonus, all of the following must apply:
  - a. The sponsoring IR who wants to receive the Fast Start Bonus must have 500 Active Volume Points meeting the Majority Rule at the time of payout.
  - b. The newly sponsored IR must gather customers equivalent to at least 500 Active Volume Points within 60 days of signing up as an FHTM IR.
  - c. The 500 Active Volume Points for the sponsoring IR and for the newly sponsored IR must consist of purchases from a select group of qualifying products and services as described on [www.FHTMCentral.com](http://www.FHTMCentral.com).
3. **Downline Fast Start Bonus:** IRs can receive a Fast Start Bonus from the IRs in their downline organization (“Downline Fast Start” Or “Fast Start Bonus Override”). The new IR in the downline organization must meet all of the requirements to trigger a Fast Start bonus for their sponsoring IR, and in addition the an IR must meet certain additional qualifications to receive a Fast Start Bonus Override:
  - a. **Levels 2- 7:** To qualify for a \$5 Fast Start Bonus Override on each of downline Levels 2-7, an IR must have personally sponsored 2 IRs and must have at least 500 Active Volume Points meeting the Majority Rule at the time of payout.
  - b. **Level 8:** To qualify for a \$10 downline Level 8 Fast Start Bonus Override an IR must have personally sponsored 3 IRs and must have at least 1000 Active Volume Points meeting the Majority Rule at the time of payout.

## B. Customer Generated Usage

1. **Definition:** FHTM IRs earn commission on the sale of products and services to customers. CGU refers to a set amount or set percentage paid to IRs as established by FHTM based on sales of products and services, and described on [www.FHTMCentral.com](http://www.FHTMCentral.com). IRs receive CGU on their own Active Customers (the Personal Level), and on the Active

Customers of other IRs in their downline organization (“Downline CGU” or “CGU Overrides”).

2. **Eligibility:** FHTM IRs **always** earn Personal Level Commissions as set forth on [www.FHTMCentral.com](http://www.FHTMCentral.com), but must qualify with certain sales requirements to receive Downline CGU. The qualifications for Downline CGU vary by level as explained here:
  - a. **Level 1:** To qualify to receive Downline CGU on Level 1, an IR must have at least 500 Active Volume Points meeting the Majority Rule and have personally sponsored 1 IR.
  - b. **Levels 2- 7:** To qualify for Downline CGU on each of Levels 2-7, an IR must have at least 500 Active Volume Points meeting the Majority Rule and have personally sponsored 2 IRs.
  - c. **Level 8:** To qualify for Downline CGU on Level 8, an IR must have at least 1000 Active Volume Points meeting the Majority Rule and have personally sponsored 3 IRs.
  - d. **Unlimited Levels:** IRs who meet the qualifications to attain the levels of QRSM, QESM and QNSM as explained above receive Downline CGU through unlimited levels, i.e. CGU generated from applicable sales anywhere within their downline organization. The amount of Downline CGU per IR level is as follows:
    - i. A QRSM earns a ½% Downline CGU commission to unlimited levels.
    - ii. A QESM earns a ½% Downline CGU commission to unlimited levels.
    - iii. A QNSM earns a ¾% Downline CGU commission to unlimited levels.
3. **“Breakaway” CGU:** Remember that a Breakaway is someone who attains the same level of success as you had when they joined your business (see Section II-C, above). You receive Downline CGU on IRs who are in your First Generation Breakaway business as follows:
  - a. **Breakaway RSM Downline CGU:** A QRSM who develops a QRSM in his/her RSM group and who maintains 1500 Active Volume Points at the time of payout qualifies for a **First Generation Breakaway Downline CGU** of ¼% on the sales of each new Manager who the new QRSM develops in the IR new RSM group who meets the sales/customer acquisition requirements.



are in place to ensure that every IR continues to engage in sales to customers.

**3. CAB Amounts:**

- a. A QRSM is eligible to receive a CAB of \$100.00 for each new Manager who enters the IR's RSM group when the Manager meets the sales requirements necessary for the payment of a CAB.
- b. A QESM is eligible to receive a CAB of \$60.00 for each new Manager who enters the IR's ESM group when the Manager meets the sales requirements necessary for the payment of a CAB.
- c. A QNSM is eligible to receive a CAB of \$30.00 for each new Manager who enters the IR's NSM group when the Manager meets the sales requirements necessary for the payment of a CAB.
- d. A QPSM is eligible to receive a CAB of \$20.00 added to the CAB paid at the NSM level for each new Manager who enters the IR's PSM group when the Manager meets the sales requirements necessary for the payment of a CAB.

**4. Double CAB:** An IR can **double** the CAB payout in a given month in their QRSM, QESM and QNSM codes by meeting the following qualifications for the introduction of new Managers to FHTM and the aggregate Active Volume Point totals (all meeting the Majority Rule) gathered **within that single calendar month:**

- a. QRSM: At least 16 new Managers enter the business, and the Managers collectively gather at least 4000 Group Volume Points in the QRSM's RSM code.
- b. QESM: At least 32 new Managers enter the business, and the Managers collectively gather at least 7000 Group Volume Points in the QESM's ESM code.
- c. QNSM: At least 64 new Managers enter the business, and the Managers collectively gather at least 14,000 Group Volume Points in the QNSM's NSM code.
- d. QPSM: At least 110 new Managers enter the business and the Managers collectively gather at least 22,500 Group Volume Points in the QPSM's PSM code. **PLEASE NOTE:** A QPSM who doubles does NOT generate a Double CAB; these PSM double qualifications are used by FHTM **solely** for tracking qualifications toward incentive rewards.

5. **Breakaway CABS:** Remember that a “Breakaway” is someone who attains the same level of success as you had when they joined your business (see Section II-C, above). You can receive CABS on folks in a Breakaway business as follows:
- a. **Breakaway RSM CAB:** A QRSM who develops a QRSM in his/her RSM group and who maintains 1500 Active Volume Points at the time of payout qualifies for a **First Generation Breakaway CAB** of \$50.00 for each new Manager that the new QRSM obtains in that QRSM’s RSM group and who meets the sales requirements. When the **First Generation QRSM** develops a QRSM in his/her RSM group and thereby becomes eligible for his/her own separate “First Generation Breakaway” CAB (by maintaining 1500 Active Volume Points), then a **Second Generation Breakaway CAB** of \$10.00 will be paid to the **Grandparent QRSM** for each new Manager who joins the First Generation QRSM’s business and who meets the sales requirements; provided that the Grandparent QRSM must maintain 1500 Active Volume Points at the time of payout.
  - b. **Breakaway ESM CAB:** A QESM who develops a QESM in his/her ESM group and who maintains 2000 Active Volume Points at the time of payout becomes qualified for a **First Generation Breakaway CAB** of \$20.00 for each new Manager who joins the new QESM’s business in his/her new ESM group and who meets the sales requirements. When the **First Generation QESM** develops a QESM in his/her ESM group and thereby becomes eligible for his/her own separate “First Generation Breakaway” CAB (by maintaining their 2000 Active Volume Points), then a **Second Generation Breakaway CAB** of \$10.00 will be paid to the **Grandparent QESM** for each new Manager who joins the First Generation QESM’s business and who meets the sales requirements; provided that the Grandparent QESM maintains 2000 Active Volume Points at the time of payout.
  - c. **Breakaway NSM CAB:** When a QNSM has an IR in their downline organization reach the level of QNSM, that new QNSM is called a “Breakaway NSM.” A QNSM who develops a QNSM in his/her NSM group and who maintains 2000 Active Volume Points at the time of payout becomes qualified for a **First Generation Breakaway CAB** of \$10.00 for each new Manager who joins the new QNSM in his/her new NSM group who meets the sales requirements. When the **First Generation QNSM** develops a QNSM in his/her NSM group and thereby becomes eligible for his/her own separate “First Generation Breakaway” CAB (by maintaining their 2000

Active Volume Points), then a **Second Generation Breakaway** CAB of \$5.00 will be paid to the **Grandparent QNSM** for each new Manager who joins the First Generation QNSM's business and who meets the sales requirements; provided that the Grandparent QNSM maintains 2000 Active Volume Points at the time of payout.

#### **D. Match 5 Pay**

- 1. Definition:** When you qualify for Match 5, FHTM will pay you an amount equal to 5% of the qualifying payout generated to your personally sponsored IRs within a given week. For example, if you qualify and have 6 personally sponsored IRs each of whom earns \$1000 in qualifying pay within a given week, you receive \$50 for each IR, or \$300 in total. This amount is not subtracted from the pay of your personally sponsored IRs; rather FHTM simply calculates what amount is equal to 5% of the qualifying pay and then pays that amount to you.
- 2. Eligibility:** To be eligible to receive Match 5 pay as a new IR you must meet all of the following criteria:
  - a. Personally sponsor no less than 5 FHTM IRs within 60 days after joining FHTM.
  - b. Gather a minimum of 1500 Active Volume Points and maintain those points at the time of each Match 5 payout to you. If you do not qualify for Match 5 pay in a given week because you do not have enough Active Volume Points at the time of payout, you will not receive the Match 5 pay for that week even if you subsequently meet your Active Volume Point qualifications. Match 5 is paid weekly – so make sure you have enough Customers to meet your Active Volume Point requirements at the time of payout.
- 3. Annual Re-Qualification:** The Match 5 pay is a great way to compensate every FHTM IR for personally sponsoring and developing new FHTM IRs. For that reason, you have to keep working it and re-qualify each year to receive Match 5. To re-qualify an IR must do all of the following:
  - a. Personally sponsor 5 new FHTM IRs within 60 days of the 1 year anniversary of your Manager Enrollment Date – i.e. the date that you officially became an FHTM IR. These are not the same IRs that qualified you the last time you qualified for Match 5. You must get 5 more new FHTM IRs.
  - b. Have in place a minimum of 1,500 Active Volume Points at the time of each Match 5 payout to you. Match 5 is paid weekly - make

sure you have enough Customers to meet your Active Volume Point requirements at the time of payout.

- c. If you maintain your qualification for Match 5 without any failure to qualify, you are eligible to continue receiving Match 5 pay on those Representatives who joined your team during your initial qualification period, as well as all qualified Representatives who join your team during each subsequent year you meet the qualifications.

- 4. **Qualifying Pay of your Personally Sponsored IRs:** Once you have qualified and when you maintain the Active Volume Points required, you will receive Match 5 pay on **all** of the CGU and **all** of the CABs and **all** of the Bonuses that **all** of your personally sponsored IRs are paid (even the first 5 needed to qualify), EXCEPT you will not be paid Match 5 on any of the Match 5 pay of your personally sponsored IRs.

**E. Customer Verification:** In order to receive compensation beyond the personal level in any given month, IRs **must** certify, through an online process and on a monthly basis, that they have met the Majority Rule. If you do not complete the Customer Verification process, you will receive only personal level CGU compensation.

**F. Maintaining Volume Points:** The FHTM Compensation Plan explains the minimum Active Volume Point requirements necessary to trigger compensation. FHTM recommends that you maintain more than the minimum number of Active Volume Points required, to make sure that you are eligible for all forms of compensation at each level of achievement. Also, sometimes FHTM or one of its vendors or providers elects to discontinue offering a particular product or service. If this occurs FHTM may, at its own discretion, discontinue crediting that sale as part of your Active Volume point requirements and you may then not have sufficient Active Volume Points. If an Active Volume point is discontinued, you must replace that product or service sale with a new sale to a customer in order to remain eligible to trigger compensation as described herein. So it is best to always have as many customers as possible. Also, Active Volume Points also generate residual personal level CGU payments.

#### **IV. Conclusion**

As you can see, this FHTM Compensation Plan offers you many ways to be successful. You may want to work your FHTM business part-time or to dream even bigger and grow your own FHTM business to the point of being a Presidential Ambassador! The choice is yours at FHTM. Don't limit yourself and go for it!

**GOOD LUCK WITH YOUR FHTM BUSINESS!**