



# NetLeaders Compensation Plan

A multi-tiered compensation plan

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At NetLeaders, we use a multi-tiered compensation plan to ensure our users are rewarded for contributing to the expansion of the network. All users with an Advocate status are eligible to participate in the compensation plan.

## How Does It Work?

When a License Owner or Advocate is enrolled in NetLeaders, they are placed in two organizational structures: the Binary Tree and the Enrolment Tree. These organizational structures are used, along with other mechanisms such as lifetime sales volume and Qualification Titles, to determine a user's overall commission rate. Both of these structures are discussed in detail in the NetLeaders Organizational Structures section below.

There are two types of users in the NetLeaders network: Advocates and License Owners. An Advocate can also be a License Owner and vice versa. However, only Advocates are eligible to participate in the NetLeaders Compensation Plan.

Each Advocate accumulates sales volume, which directly impacts that Advocate's overall commission rate. If a License Owner later decides to become an Advocate, their prior history and sales volume will be neglected and will not be considered a part of their Advocate history.

All Advocates are eligible to receive three types of bonuses based on their lifetime sales volume and the current states of their Binary and Enrolment Trees. The three bonus types are Direct Sales Bonus, Network Bonus, and Matching Bonus. Each of these three bonuses is discussed in detail below.

Commissions are calculated on a weekly basis. Each weekly commission period begins at 12:00 am on Monday and ends at 11:59 pm on the following Sunday.

## NetLeaders Organizational Structures

NetLeaders is a referral-based network. In order to enter the network, a user has to be sponsored by someone already in the network. By enrolling new users into the network, sponsors (Advocates) are rewarded for their effort.

Whenever a sponsor adds a new user to the network, that user is automatically added to the sponsor's Enrolment Tree and placed into the sponsor's holding tank awaiting placement into the Binary Tree. Sponsor's must manually place their enrollees into the Binary Tree, selecting which leg to place the new enrollee in. These two organizational structures are used to track users' efforts in expanding the network, as well as to determine each individual Advocate's commission rate.

### The Enrolment Tree

Each sponsor has their own Enrolment Tree. Each new user a sponsor enrolls into NetLeaders is placed in the first level of that sponsor's Enrolment Tree. Each user someone from the initial sponsor's first level enrolls into NetLeaders will be placed in the second level of the initial sponsor's Enrolment Tree, anyone a second level user enrolls will be placed in the third level, etc.

The Enrolment Tree is used to determine an Advocate's Direct Sales and Matching Bonus. The mechanisms used to calculate these Bonuses are described below.

## The Binary Tree

In addition to the Enrollment tree, each sponsor has a Binary Tree. The Binary Tree consists of two legs: the left leg and the right leg. A sponsor can add all the new users they enroll into the system to either of these two legs.

The Binary Tree is used to determine an Advocate's Network Bonus. The mechanisms used to calculate an Advocate's Network Bonus are described in the Network Bonus section below.

Please note that there are only two free positions under each user in the Binary Tree. One limitation imposed on the Binary structure is that a single referrer cannot place two unlicensed advocates one beneath the other.

## The Three Types of Bonuses

**The NetLeaders Compensation Plan consists of three types of bonuses:**

- 01 Direct Sales Bonus
- 02 Network Bonus
- 03 Matching Bonus

*Each of these three types of bonuses will be explained in detail below.*

### Direct Sales Bonus

There is only one way to enter the NetLeaders network: by being enrolled by someone who is already an Advocate or License Owner. Each Advocate who enrolls a third party into NetLeaders is paid a Direct Sales Bonus for their contribution to the network. The Direct Sales Bonus comprises ten percent (10%) of the value of the license the new enrollee purchases. Out of that ten percent, sixty percent (60%) is added to the Advocate's (enroller's) cash balance, while forty (40%) goes to their WebWallet reserve earnings.

To be qualified for the Direct Sales Bonus, a user must have Advocate status. License Owners without Advocate status cannot participate in the Direct Sales Bonus compensation plan.

### Network Bonus

Network Bonuses are paid to qualified Advocates on a weekly basis. The amount received via Network Bonuses is determined by the state of the user's Binary Tree. In order to qualify for a Network Bonus, a user must have:

- 1 Advocate status
- 2 A minimum of **500** in direct sales volume accumulated on both legs of his Binary Tree (500 on the left leg and 500 on the right leg). These volumes must be acquired after a user has become an Advocate.

Advocates who are not yet qualified will accumulate sales volume on the left and right legs of their Binary Tree but will not receive any Network Bonuses until they become fully qualified.

Network Bonuses comprise ten percent (10%) of the accumulated volume in the weaker leg (the one with less total sales volume from the current commission period) of an Advocate’s Binary Tree. Out of that ten percent, sixty percent (60%) is added to the Advocate’s cash balance, while forty (40%) goes to their WebWallet reserve earnings.

After a Network Bonus has been paid out, the total value of the Binary Tree’s weaker leg will be subtracted from both the left and right legs. For example, an Advocate has 2000 of accumulated volume in their left leg and 600 of accumulated volume in their right leg. The weaker leg (right leg with 600 volume) will be used as the base value for the Network Bonus calculation. So, the Advocate will receive a Network Bonus of 60 EUR (10% of the 600 of accumulated volume they had in their weaker leg). Then, the value of their weaker leg (600) will be subtracted from both their left and right leg. So, after the Network Bonus has been paid, they will start the new commission period with 1400 volume (2000 - 600) in their left leg, and 0 volume (600 - 600) in their right leg.

## Matching Bonuses

Matching Bonuses are paid to qualified Advocates on a weekly basis. The amount received via Matching Bonuses is determined by a user’s Enrolment Tree structure and their Qualification Title. In order to qualify for a Matching Bonus, a user must have:

- 1 Advocate status
- 2 A minimum of 500 in direct sales volume accumulated on both legs of his Binary Tree (500 on the left leg and 500 on the right leg)
- 3 At least a “1 Star” Qualification Title

Matching Bonuses are calculated as a percentage of the Network Bonuses earned by the enrollees in an Advocates Enrolment Tree. The amount an Advocate earns from each level of their Enrolment Tree is determined by their Qualification Title. There are five Qualification Titles a user can achieve. All Qualification Titles, their corresponding percentage rates, and the conditions a user needs to fulfil to qualify for each title are shown in the table below.

Qualification Title	Matching Network Bonuses Paid on Network Bonuses Earned by Advocates on Enrolment Tree Levels					Lifetime Personally Enrolled Volume	Account License Volume
	MT1	MT2	MT3	MT4	MT5		
<b>Advocate</b>	-	-	-	-	-	0	Or 100
<b>1 Star</b>	10%	-	-	-	-	2,500	500
<b>2 Star</b>	10%	15%	-	-	-	8,000	2,000
<b>3 Star</b>	10%	15%	20%	-	-	25,000	5,000
<b>4 Star</b>	10%	15%	20%	25%	-	75,000	12,500
<b>5 Star</b>	10%	15%	20%	25%	30%	150,000	25,000

For example, an Advocate with a 1 Star Qualification Title would receive only ten percent (10%) of the total Network Bonus earned by all enrollees in the first level of their Enrolment Tree. However, an Advocate with a 3 Star Qualification Title would receive ten percent (10%) of the total Network Bonus earned by all enrollees in the first

level of their Enrolment Tree, fifteen percent (15%) of the total Network Bonus earned by all enrollees in the second level of their Enrolment Tree, and twenty percent (20%) of the total Network Bonus earned by all enrollees in the third level of their Enrolment Tree.

## Qualification Titles

Qualification Titles are used to calculate an Advocate's Matching Bonus as well as determining earnings caps. With each new Qualification Title, an Advocate is eligible to receive a percentage of the total Network Bonus of users in the next level of their Enrolment Tree. An Advocate is promoted to a new Qualification Title once they fulfil the set requirements. All promotions are retroactively effective from the first day of the current commission period.

All existing Qualification Titles in the NetLeaders Matching Bonus compensation plan and the requirements an Advocate needs to meet to achieve each of these titles are described below:

### *Advocate*

This is the initial Qualification Title. A user can become an Advocate by meeting the following requirements:

- Lifetime personally enrolled volume 0  
or
- Account license volume 100

### *1 Star*

To achieve the "1 Star" Qualification Title, an Advocate must meet the following requirements:

- Lifetime personally enrolled volume 2,500  
or
- Account license volume 500

### *2 Star*

To achieve the "2 Star" Qualification Title, an Advocate must meet the following requirements:

- Lifetime personally enrolled volume 8,000  
or
- Account license volume 2,000

### *3 Star*

To achieve the "3 Star" Qualification Title, an Advocate must meet the following requirements:

- Lifetime personally enrolled volume 25,000  
or
- Account license volume 5,000

## 4 Star

To achieve the “4 Star” Qualification Title, an Advocate must meet the following requirements:

- Lifetime personally enrolled volume 75,000  
or
- Account license volume 12,500

## 5 Star

To achieve the “5 Star” Qualification Title, an Advocate must meet the following requirements:

- Lifetime personally enrolled volume 150,000  
or
- Account license volume 25,000

# The Earning Cap

The NetLeaders compensation plan has a weekly earning cap implemented. The weekly earning cap applies to the Total Weekly Binary Bonus (Network Bonus + Matching Bonus). Direct Sales Bonuses are exempt from the weekly earning cap. The maximum total amount an Advocate can earn per week from their Network Bonus and Matching Bonus is determined by their Qualification Title, as shown in the following table:

Qualification Title	Weekly Earning Cap
<b>Advocate</b>	<b>500 €</b>
<b>1 Star</b>	<b>2,000 €</b>
<b>2 Star</b>	<b>5,000 €</b>
<b>3 Star</b>	<b>15,000 €</b>
<b>4 Star</b>	<b>25,000 €</b>
<b>5 Star</b>	<b>35,000 €</b>

If an Advocate’s Total Weekly Binary Bonus (Network Bonus + Matching Bonus) exceeds the maximum they are allowed to earn per week, both their stronger and weaker leg volumes are flushed (reset to 0) for the next commission period.

There is also a carry-over threshold implemented to weekly left and right leg volumes. The current carry-over threshold is 500,000 in volume. So, for example, if a user has 750,000 of volume on one leg of their Binary Tree, this will be viewed as 500,000 instead of 750,000.

Please note that the carry-over threshold will be lowered in the future. Starting from the week of 12 February 2018, the carry-over threshold will be lowered by 50,000 every two weeks until it ultimately reaches 300,000 on 26 March 2018.

