

LIGHTYEAR
W I R E L E S S

Compensation Plan Guide





Starting Positions

Senior Manager Package: \$299 one-time fee + \$25 Web System Activation fee
(+\$50 annual renewal fee)

- Free first month of Web Marketing Suite (\$49.99 value)
Includes a MyLightyear.com, MyLightyear.net, LightyearWireless.com websites, multiple lead capture pages, email auto-responder system, contact management system, 25 leads each month and more.
- *Immediately qualified for SM compensation*
- Back office tracking software
- Full representative support
- Free email account @lightyearwireless.com

Manager Package: \$49 one time fee + \$25 Web System Activation fee
(+\$50 annual renewal fee)

- Free first month of Web Marketing Suite (\$49.99 value)
Includes a MyLightyear.com, MyLightyear.net, LightyearWireless.com websites, multiple lead capture pages, email auto-responder system, contact management system, 25 leads each month and more.
- Back office tracking software
- Full representative support
- Free email account @lightyearwireless.com

**Note: Managers do not earn the \$100 Fast Start or coded compensation on their entire Manager team. You must first promote to Senior Manager and then begin enrolling NEW representatives into your Senior Manager team in order to benefit from the coded bonuses and residuals associated with the Senior Manager rank. You will never earn coded compensation on your Manager team. You can upgrade to SM at any time by logging into your Command Center/Back Office and click on My Account, then click on "NTD Upgrade"*

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Compensation Plan

Part 1: Bonus Income





Detailed Compensation Plan

NOTE: You need 1 active personal wireless customer to be qualified to earn any bonuses or commissions!
 (This customer can be you)

Part 1: Immediate Bonus Income

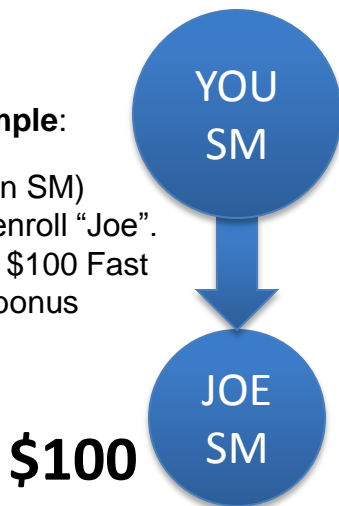
1. Fast Start Bonuses: Representatives earn a one-time bonus when they enroll another representative that activates their business with 2 personal customer points in their first 30 days.

Fast Start Bonus Paid on a Personally Sponsored **Senior Manager**

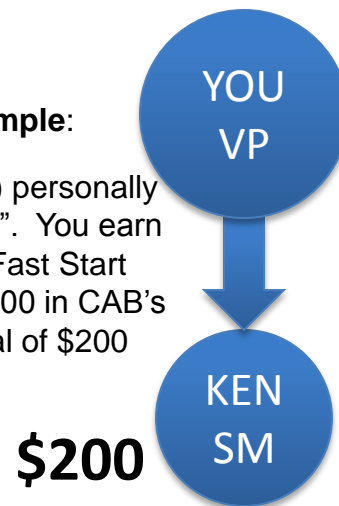
	Manager	SM +\$100	RM +\$50	VP +\$50	SVP +\$50	PD +\$45
Personally Sponsored SM	\$0	\$100	\$150	\$200	\$250	\$295

Note: Managers do not earn bonuses when they enroll a Senior Manager

Example:
 You (an SM) personally enroll "Joe".
 You earn a \$100 Fast Start bonus



Example:
 You (a VP) personally enroll "Ken". You earn a \$100 Fast Start bonus + \$100 in CAB's for a total of \$200



Fast Start Bonus Paid on a Personally Sponsored Manager

	Manager	SM +\$5	RM +\$5	VP +\$5	SVP +\$5	PD +\$5
Personally Sponsored Manager	\$20	\$25	\$30	\$35	\$40	\$45

Note: Managers do not earn bonuses when they enroll a Senior Manager



Detailed Compensation Plan

2. Customer Acquisition Bonuses (CABs): Weekly coded bonuses of \$45 to \$295 for every Senior Manager who joins your coded team who activates their business with 2 personal customer points. Bonuses are paid to unlimited depth in your respective code (See the Coded Comp Plan video for more details)

CAB paid when an SM joins with you personally or with a rep in your respective code

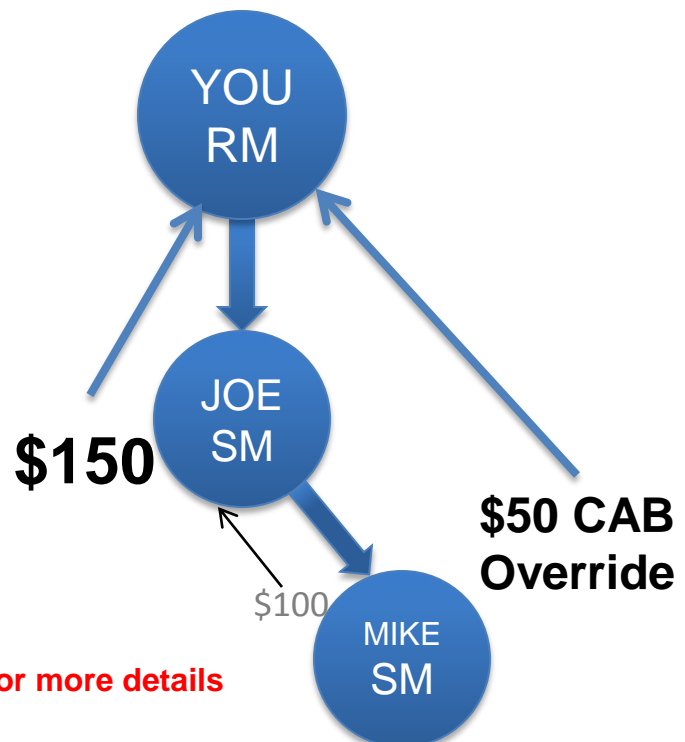
	Manager	SM +\$100	RM +\$50	VP +\$50	SVP +\$50	PD +\$45
Personally Sponsored SM	\$0	\$100	\$150*	\$200*	\$250*	\$295*
SM Sponsored SM			\$50	\$100	\$150	\$195
RM Sponsored SM				\$50	\$100	\$145
VP Sponsored SM					\$50	\$95
SVP Sponsored SM						\$45

Note: Managers do not earn bonuses when they enroll a Senior Manager or when an SM enters their Manager team
 *This bonus for personal recruitment also includes the \$100 Fast Start Bonus

Example:

You (an RM) personally enroll "Joe" (an SM). You earn a \$100 Fast Start bonus + a \$50 RM CAB for a total of \$150

When Joe enrolls Mike (also an SM), Joe will earn the \$100 Fast Start and you'll get the \$50 RM CAB override



See the Coded Comp Plan training video for more details



Detailed Compensation Plan

CAB paid when Manager joins with you personally and in your respective code

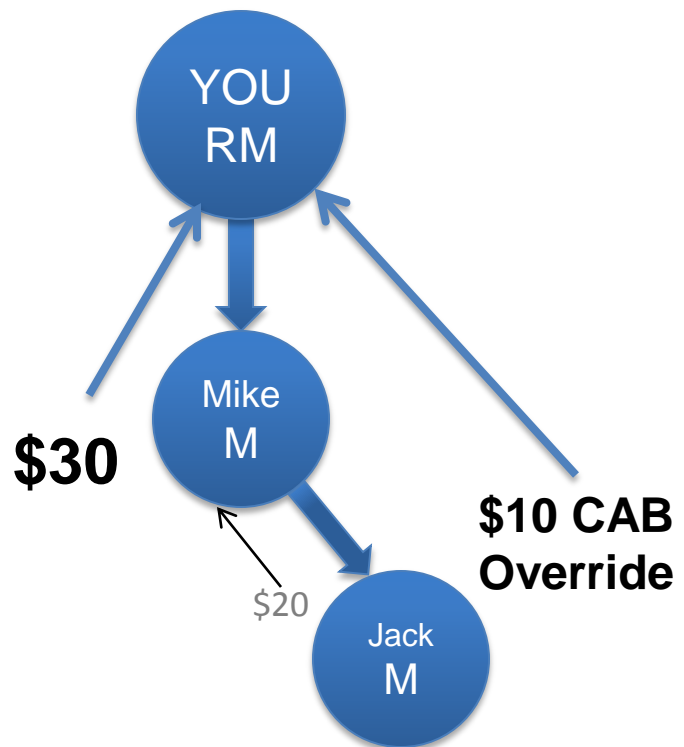
	Manager	SM +\$5	RM +\$5	VP +\$5	SVP +\$5	PD +\$5
Personally Sponsored Manager	\$20	\$25	\$30	\$35	\$40	\$45
SM Sponsored Manager		\$5	\$10	\$15	\$20	\$25
SM Sponsored Manager			\$5	\$10	\$15	\$20
RM Sponsored Manager				\$5	\$10	\$15
VP Sponsored Manager					\$5	\$10
SVP Sponsored Manager						\$5

Note: Managers do not earn bonuses when they enroll a Senior Manager or when an SM enters their Manager team

Example:

You (an RM) personally enroll "Manager Mike". You earn a \$20 Fast Start bonus + a \$10 RM CAB for a total of \$30

When Mike enrolls Manager Jack then Mike will earn the \$20 Fast Start and you'll get the \$10 RM CAB override



See the Coded Comp Plan training video for more details



Detailed Compensation Plan

3. Customer Bonuses: Bonuses paid to the representative and their upline when select Lightyear services are activated.

Bonuses paid when a service is activated by you or by someone in your respective code

	Manager	SM	RM	VP	SVP	PD
Wireless*	\$25*	\$25*	\$25*	\$25*	\$25*	\$25*
VOIP	\$10	\$13	\$16	\$19	\$22	\$25
Calling Card	\$10	\$13	\$16	\$19	\$22	\$25
Satellite TV	\$35	\$40	\$45	\$50	\$55	\$60

Note: Managers do not earn overriding bonuses on their production in their Manager code

The override bonus the upline receives is simply the difference between the bonus of the rep selling the product and the bonus the upline would have received if they sold it. For example: If you're a VP and you have a RM in your VP code sell Satellite then the RM earns \$45 and you earn the difference of \$5 ($\$50 - \$45 = \5).

*Note: The bonuses paid on wireless customers are only paid on personal sales. There is no override on Wireless Customer Bonuses.

The no-contract wireless pays weekly while the contract wireless service pays 90 days out.

All other services pay their bonus 60 days after activation on the big commission run on the Tuesday following the 20th of each month.

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Compensation Plan

Part 2: Residual Income





Detailed Compensation Plan

Part 2: Residual Income

1. Personal Commissions: Earn 1% to 10% on your personal customer revenue when you reach the required billing targets. Your base commission is 1%. To be qualified all you need to do is maintain 10 active Personal Customer Points (PCP). Note: A Personal Customer Point or Personal Customer is any product or service purchased from YOUR retail web store. The services and points of your personally enrolled representatives DO NOT count as personal customers to you. Each product is worth at least 1 PCP. See the Customer Point Training PDF for a complete list of each product and its corresponding point value.

As your volume increases, your commissions increase according to the following scale:

Personal Customer Billing Volume	Percentage of Volume Earned
\$0 to \$1,249	1%*
\$1,250 to \$2,499	4%
\$2,500 to \$3,749	6%
\$3,750 to \$4,999	8%
\$5,000 or more	10%

*Note: To earn the base commission of 1% a Representative must maintain 10 active personal customer points.
To receive wireless residuals you must have at least 1 active personal wireless customer (can be you)

Important Information:

- All services pay a monthly residual income except Satellite TV.
- As a representative achieves greater percentages of personal customer volume the commission to the upline is decreased by the following scale:
 - 4% earned by downline representative = 1% commission to the upline
 - 6% earned by downline representative = ¾% commission to the upline
 - 8% earned by downline representative = ½% commission to the upline
 - 10% earned by downline representative = ¼% commission to the upline



Detailed Compensation Plan

2. Dynamically Compressed 8 Level Commissions: Earn 1% to 4% on 8 dynamically compressed levels of customers gathered by the representatives throughout your team. You must be a Senior Manager (SM) or above with 10 active Personal Customer Points (PCP) to earn the base commission of 1%.

Note: To learn more about Dynamic Compression watch the Dynamic Compression training video in your back office.

8-level Compensation with Dynamic Compression

Level	% Commission Earned	
Level 1:	1% to 4%	<p>To qualify for the commission levels you must meet the following requirements:</p> <p>1% = SM or above with 10 active PCPs</p> <p>2% = SM or above with 15 active PCPs and \$1,000 in monthly CABs</p> <p>3% = SM or above with 20 active PCPs and \$2,500 in monthly CABs</p> <p>4% - SM or above with 20 active PCPs and \$4,000 in monthly CABs</p>
Level 2:	1% to 4%	
Level 3:	1% to 4%	
Level 4:	1% to 4%	
Level 5:	1% to 4%	
Level 6:	1% to 4%	
Level 7:	1% to 4%	
Level 8:	1% to 4%	

Note: Managers must first promote or upgrade to SM in order to begin to earn monthly commissions on their team's volume

*All services pay a monthly residual income except Satellite TV and Energy.

Dynamic Compression is a simple concept. When a representative in your team is not qualified to earn commissions (they don't have at least 10 PCPs) then the company will compress their team volume up into the levels above to ensure 8 levels of volume are being paid out on. For example. If you had 16 levels of representatives and every other person were qualified, only 8 levels have qualified reps. That means the other 8 levels and their volume would compress into the other 8 to ensure it's being paid out. In other words – you would be earning on all 16 levels of volume!

Please take the time to watch the Dynamic Compression training video under the Comp Plan tab in your training back office.



Detailed Compensation Plan

3. Web System Residual Commission: Earn \$3 to \$18 residually (monthly commission) through your entire organization. This residual commission is based on our coded payout – just like the CAB payout. Please review the coded bonus comp plan training video under the compensation training tab in your back office.

Monthly Web System Residual Commission paid on your personal and downline coded reps

	Manager	SM \$3	RM +\$4	VP +\$4	SVP +\$4	PD +\$3
Personally Sponsored	\$0	\$3	\$7	\$11	\$15	\$18
SM Sponsored		\$1	\$4	\$8	\$12	\$15
RM Sponsored			\$1	\$4	\$8	\$11
VP Sponsored				\$2	\$4	\$7
SVP Sponsored					\$2	\$3

Note: Managers do not earn Web System residuals on their Manager code. The numbers in **RED** are 1st Generational Overrides
 *You must have an active website to receive website residuals

See the Coded Comp Plan training video for more details

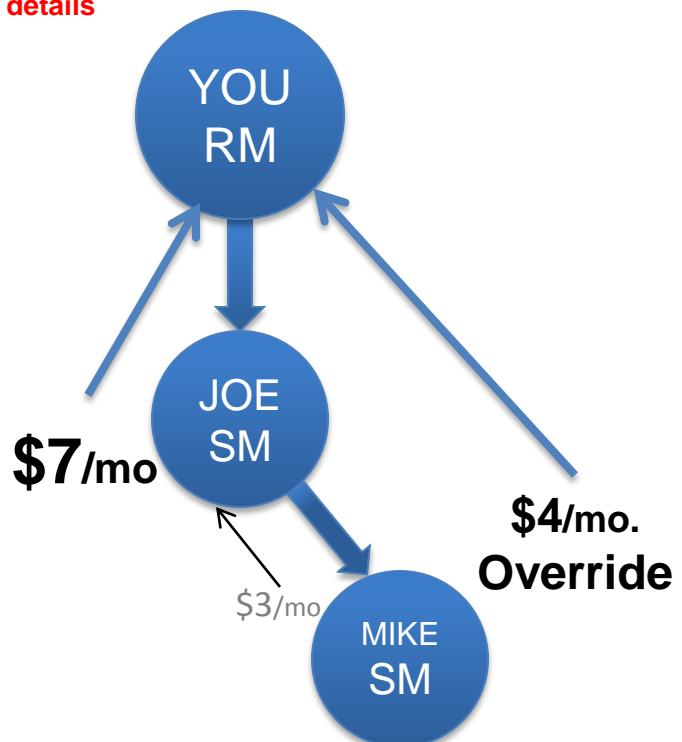
Example:

You (an RM) personally enroll “Joe” (an SM). You earn a \$7 per month commission on Joe’s monthly Web System.

When Joe enrolls Mike (an SM) Joe will earn the \$3 per month SM commission on Mike’s system (because Joe is the coded SM) and you’ll get the \$4 RM monthly override because you are the coded Regional Manager to Mike.

This monthly commission is paid 30 days following the first billing cycle! For example, a rep joins with you in January, their first month of the web system is free. The first billing will be in February and the first commission for February’s web system payment will fall in March.

Note: Commissions on the web systems are paid 3 times per month depending on which billing cycle your reps’ websites fall on.





Detailed Compensation Plan

4. Magazine Residual Commission: Earn \$.50 to \$5 residually (monthly commission) through your entire organization. The pack of 25 magazines pays out \$.50 to \$2.50 and the pack of 50 pays out \$1 to \$5. The number listed on the top in the following chart shows the payout for the pack of 25 and the number on the bottom shows the payout for the pack of 50. This residual commission is based on our coded payout – just like the CAB payout. **Please review the coded bonus comp plan training video under the compensation training tab in your back office.**

Monthly Magazine Residual Commission paid on your personal and downline coded reps

	Manager	SM \$.50/\$1	RM +\$.50/+\$1	VP +\$.50/+\$1	SVP +\$.50/+\$1	PD +\$.50/+\$1
Personally Sponsored	\$0	\$.50 \$1	\$1 \$2	\$1.50 \$3	\$2 \$4	\$2.50 \$5
SM Sponsored			\$.50 \$1	\$1 \$2	\$1.50 \$3	\$2 \$4
RM Sponsored				\$.50 \$1	\$1 \$2	\$1.50 \$3
VP Sponsored					\$.50 \$1	\$1 \$2
SVP Sponsored						\$.50 \$1

Note: Managers do not earn Magazine residuals on their Manager code

To earn magazine residuals you must personally have an active magazine subscription

Example:

A Vice President personally sponsors a representative who subscribes to the 50 pack of magazines. The VP will be earning \$3 per month on that rep's order each month.

Example 2:

A Vice President has a RM in their VP code that personally sponsored a rep that subscribes to the 50 magazine pack. The RM is earning \$2 per month and the VP is earning the difference of \$1 (the VP coded residual).

Note: For further explanation of the coded bonus please view the coded bonus comp plan training video located under the compensation training tab in your back office.



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Compensation Plan

Part 3: Promotional Incentives



Detailed Compensation Plan

Part 3: Promotional Incentives

Note: Promotional Incentives are monthly promotions that Lightyear offers its representatives in an effort to reward continuous production. These are promotions and are subject to change from month to month.

1. Free Wireless Service: By referring 3 personal wireless customers OR by personally sponsoring 3 frontline (1st level) representatives who activate their wireless service you can earn up to \$79.99 in free wireless service each month. *Please see the detailed "YOU+3=FREE" Promotion Rules Document in your back office.*

Step 1: Become an ACTIVE Representative with Lightyear (described as having an active MyLightyear system).

Step 2: Activate your own wireless service (not an outside customer).

Step 3: Personally enroll 3 wireless customers who each activate wireless service OR personally sponsor 3 ACTIVE representatives who maintain at least 1 wireless customer each. The customers must be on the same plan or higher as you.

Step 4: Have 10 active personal customer points (including your MyLightyear web system). Maintain these qualifications each month and you will earn up to \$79.99 each month in free wireless service.

Important Information:

If you have a Blackberry plan and have 3 who have a Blackberry plan also, you will qualify for the \$75 in free credits (the Blackberry plan adds \$15 to the \$60 per month wireless plan – for a total of \$75)

If one of your customers or representatives customers drops off or a representative goes "INACTIVE" (cancels their MyLightyear System) you will need to replace them during the promotion month in order to keep your qualifications.

Representatives and customers who qualify for free wireless service will be required to pay the taxes and fees associated with wireless. It is suggested to set up an automatic credit card authorization to ensure those fees are paid for each month.

Customers can also earn free wireless service by becoming a Lightyear wireless customer and referring 5 wireless customers to a Lightyear representative's website. Please instruct your customers to follow the "YOU+5=FREE" rules. You can locate this document in your Lightyear back office.

NOTE: Representatives who cannot use pre-paid service where they live and do subscribe to post-paid service can also qualify for free service. Representatives who wish to earn free service will receive \$60 in free credits for every 3 frontline representatives they enroll who have service – up to a maximum of \$180 in free service. The free service for post-paid is available to representatives only, not customers. ***Please see the detailed "YOU+3=FREE" promotion rules document in the back office***



Detailed Compensation Plan

Note: Promotional Incentives are monthly promotions that Lightyear offers its representatives in an effort to reward continuous production. These are promotions and are subject to change from month to month.

2. Customer Loyalty Bonus & Matching Bonus: Activate 3 \$59.99 no contract wireless customers OR activate 10 Lightyear preferred Personal Customer Points (PCPs) in your first 30 days. Maintain those customers for 90 days and you qualify for a \$200 Customer Loyalty Bonus. **A \$200 matching bonus will also be paid to your sponsor.**

Important Information:

-The 3 wireless customers must be from outside the representatives home. 7 of the 10 preferred PCPs must come from outside the representatives home.

-The original customers must ALL be active when it comes time for Lightyear to release the bonus. The bonus will be paid on the big commission run on the Tuesday following the 20th of the month that your 90 day window is up.

-The Lightyear preferred customer points are: MyLightyear System, Lightmail, wireless, MiFi internet, VOIP, Local Home Phone Service, Calling Card, Lightyear Magazines.

3. Car Bonus: Earn \$500 to \$1,500 per month toward a car of your choice.

-Earn \$500 per month towards the car of your choice when you reach \$50,000 in total downline revenue and earn a minimum of \$2,000 in weekly CABs. Once you reach the qualifications you must maintain them each month to continue to receive your \$500 car bonus. *At least 50% of the revenue MUST come from two separate legs.*

-Earn \$1,500 per month towards the car of your choice when you reach \$500,000 in total downline revenue and earn a minimum of \$2,000 in weekly CABs. Once you qualify you must maintain them to continue to receive the \$1,500 per month car bonus. *At least 50% of your revenue MUST come from two separate legs.*



Detailed Compensation Plan

Note: Promotional Incentives are monthly promotions that Lightyear offers its representatives in an effort to reward continuous production. These are promotions and are subject to change from month to month.

4. Revenue Sharing Pool: Vice Presidents and above can qualify to earn shares of 1% of Lightyear's total commissionable revenue each month. 1% of Lightyear's collected commissionable revenue goes into a pool that is shared by VPs and above who qualify.

-For every \$2,000 in CABs you earn during the month you will qualify for 1 share of the revenue sharing pool.

\$2,000 = 1 share

\$4,000 = 2 shares

\$6,000 = 3 shares

Etc...

-In addition to the above qualifications VPs must be ACTIVE representatives (have an active MyLightyear Web System) and maintain 15 active personal customer points each month to participate in the pool. SVPs and PDs must also be active representatives and maintain 20 active personal customer points each month to participate in the pool.

5. \$1,000 Bonus Guarantee: By following our simple magazine marketing system representatives can qualify to earn a guaranteed \$1,000 in total bonus earnings within 6 months of activating their magazine subscription or Lightyear will pay the difference from what the representative has earned.

You must follow the 4 Step System:

1. Subscribe to at least 50 magazines per month
2. Distribute at least 25 magazines per month
3. Enter the contact information of the qualified prospect into your MyLightyear Contact Management system under the "Magazine Contact" category.
4. Make a good faith attempt to follow-up with the prospect and gain a decision for them to become either a customer or a distributor.

**If one of your 4 steps is not completed or Lightyear determines that you have not met the requirements they reserve the right to deem you ineligible for the guarantee.*



Detailed Compensation Plan

Note: Promotional Incentives are monthly promotions that Lightyear offers its representatives in an effort to reward continuous production. These are promotions and are subject to change from month to month.

6. Promotion Bonuses: Bonuses paid to active and qualified representatives that reach Lightyear's Leadership ranks of Regional Manager (RM) and above.

Regional Manager = \$1,000

Vice President = \$10,000

Senior Vice President = \$37,500

Presidential Director = \$125,000

Rules:

1. All bonuses are paid out over a 40 month time period assuming all qualifications remain active. These qualifications are the same that are required to reach the different leadership ranks. For example, to reach RM you need a total of 36 ACTIVE team customer points with no more than 50% coming from one leg. To continue to receive the RM promotion bonus you'd need to maintain those same requirements.
2. To receive the promotion bonus you must have earned a minimum of TOTAL CABs in your history with Lightyear Wireless. RM's must have earned a minimum of \$200, VP's \$3,750, SVP's \$15,000, and PD's \$50,000 in CABs.
3. Customer points must be maintained to continue getting paid once you reach a bonus level. If you miss your customer point requirements one month, you forfeit that month's payment. If you miss 3 months in a row, you forfeit your total bonus and will need to reach the next level to kick in another bonus.
4. If you reach a higher bonus level, your current bonus amount will be deducted from your new bonus amount. For example, if you earn \$1,000 for reaching RM and then you reach VP, the amount you were paid as an RM for that bonus will be deducted from the \$10,000 earned for reaching VP. That means if you do promoted to PD, the most you can earn is a total of \$125,000.
5. Bonuses will be calculated on the first of every month and paid on the big commission run the month after you qualify (The big commission run is the first Tuesday following the 20th of each month). For example, if you qualified for the RM bonus in January, you would get your first \$25 check in February on the first Tuesday following the 20th.

NOTE: This bonus is subject to change, modification or cancellation at Lightyear's discretion.



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Compensation Plan

Part 4:
Important Information



Detailed Compensation Plan

Promotion Requirements

IMPORTANT: *To receive Commission at your current rank, you must retain the minimum number of active customers as described above for each level. If you do not have the minimum number reflected in the Commission Back Office at the time Commissions are processed, you will not receive commissions. Additionally, you must have an active personal Wireless Customer under your own Rep ID to receive any Commissions. If you do not have an active Wireless Customer at the time of commissions, but meet all other requirements, your Commissions will be placed on hold for a maximum of 30 days. If you activate a Wireless Customer within those 30 days, Commissions will be released on the next Commission Run should you still meet the other rank requirements. If you do not activate a Wireless Customer within those 30 days, or if you are not qualified in your position at the time we attempt to pay Commissions, you will not be paid.

Manager: Pay \$49.99 to activate your MyLightyear System and maintain 2 active personal customer points. **NOTE: *The growth in your Manager team does NOT help with your promotion to Regional Manager.***

Senior Manager: Pay \$299 *OR* join as a Manager (\$49.99) and personally sponsor 3 representatives in your Manager code, develop a total team of 6 representatives anywhere, and develop a total team of 36 active customer points— with no more than 50% coming from one leg. *You may also promote to SM by gathering 36 active personal customer points*

Regional Manager: Be an active Senior Manager. Personally sponsor 3 **NEW** representatives in your Senior Manager team, have a total of 6 representatives in your Senior Manager team, have a total of 5 active personal customer points, and develop a total team of 36 active customer points— with no more than 50% coming from one leg. *You may also promote to RM by first becoming a SM and then gathering 36 total active personal wireless customers (must be gathered AFTER promoting as a SM).*

Vice President: Be an active Regional Manager. Personally sponsor a total of 6 representatives on your frontline/1st level, have a total of 75 representatives anywhere on your team, have 10 active personal customer points, and develop a total team of 500 active customer points— with no more than 50% coming from one leg. *You may also promote to VP by gathering 500 active personal customer points.*

Senior Vice President: Be an active Vice President. Personally sponsor a total of 9 representatives on your frontline/1st level, develop 3 Vice Presidents anywhere in your entire team, have a minimum of 300 representatives anywhere – with no more than 50% coming from one leg, have 10 active personal customer points, and develop a total team of 1,875 active customer points— with no more than 50% coming from one leg. *You may also promote to SVP by gathering 1,875 active personal customer points.*

Presidential Director: Be an active Senior Vice President. Personally sponsor a total of 12 representatives on your frontline/1st level, develop 2 Senior Vice Presidents anywhere in your entire team, have a minimum of 1,000 representatives anywhere in your entire team – with no more than 50% coming from just one leg, have a total of \$100,000 in total team billing revenue – also with no more than 50% coming from just one leg, have 10 active personal customer points, and develop a total team of 6,250 active customer points— with no more than 50% coming from one leg. *You may also promote to PD by gathering 6,250 active personal customer points.*



Detailed Compensation Plan

Customer Points

Lightyear Wireless

- No Contract \$59.99 or higher Plans = 3 points
- 5 GB MiFi Broadband Internet Service = 3 points
- 1 GB MiFi Broadband Internet Service = 1 point
- No Contract 700 talk & 700 text \$34.99 = 2 points
- 200 Minute plan = 1 point
- Postpaid Individual Plan = 1 point
- Postpaid Family Plan = 2 points
- Postpaid Data Plan = 2 points

Note: A representative can count for as many personal customer points as they wish. While Lightyear highly encourages you to be your own best customer we also feel it's vital to have as many outside customers as you can. Your long term goal in Lightyear should be to have at least 20 personal customer points with many of those coming from outside customers (non representatives).

Lightyear XSTREAM VoIP

- \$24.99 Monthly Plan = 3 points per line (each additional line = 1 point)
- Business VoIP = 2 points per line (each additional line = 1 point)

MyLightyear System Monthly Subscription = 3 points

25 Pack of Lightyear Marketing Magazine = 1 point

50 Pack of Lightyear Marketing Magazine = 3 points

Lightyear Local Phone Service = 2 points

Lightyear Long Distance = 1 point

Lightmail Virtual Voicemail System = 3 points

Home Security = 1 point

Satellite TV = 1 point



Detailed Compensation Plan

Section Seven: Terms & Definitions

Personal Customer Points (PCPs): This refers to the services/customers (which are worth customer points) a representative gathers themselves (personally). PCPs have nothing to do with a downline rep's customer points. The PCPs are services purchased either by the representative themselves or by personal customers they've referred to their personal online retail store. Personal Customer Points could also be referred to as Personal Customers or Personal Services.

Customer Acquisition Bonus (CAB): This is a term used to describe the bonus that is paid to Senior Managers, Regional Managers, Vice Presidents, Senior Vice Presidents and Presidential Directors when a representative enters that leaders respective team (we also call this their code). Managers do not receive any coded compensation.

Code or Coded: This is a term used to describe a leaders rank and respective tracking to their representatives in their team. For example, you might hear us say "RM's get paid a \$50 CAB to unlimited levels in their RM code." That means that all of the representatives that come into their RM code (not under another RM) will trigger an upline CAB to the RM – because that RM is "coded" to those reps.

Sponsored: This simply means you personally enrolled a distributor. For example, you might hear us say, "When you personally sponsor an SM you earn a fast start bonus of \$100." The term sponsor is just another way of saying enrolled them into Lightyear.

Big Commission Run: This is a term you might hear when describing when a certain commission is paid. Lightyear pays all Fast Start and CABs weekly but the monthly residuals on products like wireless and other residual services pay once per month on the Tuesday following the 20th of the month. We refer to this pay period as the "Big Commission Run" because it includes ALL the payout of residuals for the month plus all the bonus payout for that week.

Active Representative: Any Manager or above that has an active MyLightyear System monthly subscription. You are not required to have an active MyLightyear subscription to earn some forms of commissions in Lightyear or required to have to be considered a representative in the company. However, certain promotional incentives and comp plan requirements clearly state that being an active representative is required.

"No more than 50% in one leg": When you see this in the comp plan it's usually referring to requirements for volume or rep count for things like promotions or incentives. This simply means that whatever the volume or rep count requirement is, no more than 50% will count from one leg. For example, the volume requirement to reach VP is \$5,000. If one leg had \$5,000 in it and you only had \$1,500 from another leg, then you'd only count \$2,500 from the \$5,000 volume leg. So in total you'd have \$4,000 in volume that would count towards your promotion. Yes, you still have \$6,500 in OVERALL revenue, but for the 50% rule, one leg can only account for half the required volume. A leg is referring to someone you've sponsored that has created the growth of your volume.



Detailed Compensation Plan

Terms & Definitions continued...

Billing Revenue/Volume: This refers to the total amount of money that Lightyear has billed and/or collected from product sales. This applies to both personal customer volume and your team's customer volume.

Residual: This refers to the type of commission earned each month from Lightyear services that bill each month. The commission is recurring each month the bill is paid – over and over again, therefore we call it a residual commission.

Compressed Levels/Dynamic Compression: In the Lightyear comp plan there is a feature called compression which means that when a representative isn't qualified to get paid on their volume, instead of that volume going straight to the company, the volume will "compress" into the upper levels to be paid on. For more information you can watch the Dynamic Compression video training in your back office.

Frontline/1st Level: This describes your personally enrolled/sponsored representatives that you do not assign for sponsor-placement. Level 1 (your 1st Level) is where those that you personally enroll end up in your organization. If you assign those for sponsor placement that means they are no longer a 1st Level representative and are no longer on your frontline. This will come into play only in situations such as the 8 personally sponsored reps you need to get to VP. Those reps must remain on your first level and cannot be sponsor placed under other people.

Sponsor Placement: A term used to describe the placement of reps you enroll/sponsor personally under other representatives on your team. To sponsor place a representative you send them to your website to enroll and during the enrollment process there will be a field where they can enter the Rep ID of the representative you wish to have them placed under.