

Compensation Plan Details

Introduction

SendOutCards offers multiple ways of earning an income all of which involve hard work and effort but offer great rewards. There are two ways to participate in SendOutCards, as a customer or as a distributor. This document discusses being a distributor and earning an income through the SendOutCards Opportunity. There are several ways to earn in SendOutCards; you have the option to participate on different levels and grow your business at your own pace. The available options to participate in the earning side of SendOutCards are:

Independent Distributor (ID) – Free with \$50 refundable program deposit

Marketing Distributor (MD) - \$295 package (optional)

Certified Training Program (CT) - \$345 training program that lets you be the teacher (optional)

As an ID or MD you have the same opportunity to participate in the compensation program. The MD package gives you the success essentials to help you grow your business at an accelerated rate. The Certified Training program is an optional program that you may participate in along with the distributor compensation plan.

(Note: All amounts stated are in U.S. Dollars for both purchase prices and commissions issued to participating distributors. International resident's participation with SendOutCards is based upon acceptance of applications in the U.S. under U.S. laws and regulations. International residents agree to this condition when signing up to participate with SendOutCards.)

How Do I Make Money with SendOutCards?

There are several methods of earning an income and we will outline them here and then go into greater detail in a later section.

Customer Direct Retail Profits

Sell your services directly to a customer by sending out a card, with or without a gift, or sending one of our Photo Store products such as photo book or canvas print. You send the item for them from your account and collect the money directly from them.

Retail Sales Commissions

This monthly bonus is paid based on sales to customers. More customers buying your products means more income.

Customer Acquisition Bonus (CAB)

The CAB is paid weekly and is based on you helping new MDs to get new customers to become card senders.

Leadership Bonus

The weekly Leadership Bonus is for those distributors who advance themselves through the ranks and demonstrate the ability to help their distributors to grow their businesses. Leadership

Bonuses increase as you advance in rank in the system and you are rewarded for helping more people sell products, and recruit and train customers and distributors.

7 Level Downline Commission

This monthly commission is based on volume sold on your first seven levels of your organization as a distributor.

Leadership Volume Commission

The Leadership Volume Commission is paid monthly and is based on the volume sold in your downline organization. This bonus can pay to unlimited levels depending on how your organization is coded to you as a leader.

Handwriting Font Bonus

This weekly bonus is paid to the sponsoring distributor for selling a handwriting font.

Handwriting Font Leader Bonus

This leader bonus is paid weekly to the coded upline of the sponsoring distributor who sells a handwriting font.

Certified Trainer Bonuses

The Certified Training Program and the earnings structure will be outlined in a later section of this document. The CT bonuses are paid weekly and are based on training others on the SendOutCards system and opportunity and training others on how to train the system and opportunity.

Bonus Qualification Requirements

There are three main requirements for a distributor to be eligible to earn all of the bonuses available in the SendOutCards compensation plan. Specific bonuses may have extra requirements to qualify to receive them. Those requirements will be addressed in the specific bonus. The three requirements are:

1. \$31 in Personal and Customer Volume (PCV). PCV can be generated by your own purchases or the purchases of your personal customers.
2. Two Customers on a Subscription. Having two customers on a minimum subscription of \$9.80 per month is required to receive multiple types of bonuses.
3. Q Qualified; this means you have \$93 in PCV and two Customers on a Subscription.

How Do I Qualify for and Earn Bonuses?

Customer Direct Retail Profits

You sell a product directly to a customer. Since you sell the card, with or without a gift, directly to your customer they pay you. You use your points and expense and collect the money from your customer. (Note: For residents other than the U.S. – Should you engage in retail sales, you are responsible for any sales or other taxes (GST/HST/VAT/IVA) to be collected and must remit these on your own to your countries tax authorities.)

Retail Sales Commissions

Retail Commissions are paid on purchases by retail customers. Retail customers purchase points on a Pay As You Go basis or Subscription using the chart below:

Number of Points – Retail	Price Per Point	Volume Per Point
10 – 24 (10 points minimum)	\$0.99	\$0.31
25 – 49	\$0.89	\$0.31
50 – 74	\$0.79	\$0.31
75 – 99	\$0.69	\$0.31
100 – 199	\$0.59	\$0.31
200 Plus	\$0.49	\$0.31
Retail Subscription (20 points minimum)	\$0.49	\$0.31

You earn retail commissions on the full amount that the customer pays per point on points of \$0.49 or greater. When Preferred points are purchased there is no Retail Sales Commission because the points are purchased at the Preferred price (\$0.31). The volume on these points is paid out in the 7 Level Downline Commission. The percentage you earn in commission depends on which bonus qualifications you meet. The chart below shows the percentages and qualifications required to receive each.

Bonus Qualification Requirement	Retail Commission Percentage Earned
\$31 PCV	5%
2 Customer Subscriptions	15%
Q Qualified	30%

Let's look at a couple of examples. If Sally is Q Qualified then she earns 30% Retail Commission. Let's say Sally has 10 customers on a \$9.80 Subscription for \$98.00 in sales; she also has a subscribing customer who sends cards to his mailing list once a year and he has purchased 150 points at \$0.49 or \$73.50 in sales. Sally has several friends and neighbors who purchase a combined total of 500 points at the \$0.79 price point or \$395.00 in sales. Sally's total sales are $\$98.00 + \$73.50 + \$395.00 = \566.50 ; Sally's retail commission would be $\$566.50 \times 30\% = \169.95 .*

Let's say Sally has \$31 PCV and at least 2 Customer Subscriptions that would put her at 15% Retail Commission. Sally has 9 customers on a \$9.80 Subscription for \$88.20 in sales. This month Sally's friends and neighbors purchase a combined total of 300 points at the \$0.89 price point or \$267.00 in sales. Sally's total sales are $\$88.20 + \$267.00 = \$355.20$; Sally's retail commission would be $\$355.20 \times 15\% = \53.28 .*

***These are hypothetical examples intended solely to illustrate how the retail sales commission is calculated. SendOutCards makes no guarantee that you will be successful or will earn an income. Your success depends on your individual effort, sales skill, and leadership abilities.**

Customer Acquisition Bonus (CAB)

The CAB pays \$100.00 to the sponsoring distributor. The Customer Acquisition Bonus is paid to the sponsoring distributor when they enroll a new distributor at the MD level and assist that MD in bringing on two (2) customers with a minimum Subscription of \$9.80. The bonus will not be released to the sponsoring distributor until the two customers have been fully registered

including their Subscription in the business office. The new MD has 60 days to bring on these customers for the CAB to be released to the sponsoring distributor.

Leadership Bonus

Leadership Bonuses are paid to the upline encoded Sr. Distributor thru Eagle on new distributors brought in at the MD level. The encoded leaders must be Q Qualified in order to receive the Leadership Bonus. The bonus will not be released until the new MD has two customers which is the same requirement that releases the CAB. The bonus is paid out to the following codes in the stated amounts.

Coding Group	Payout Amount
Senior Distributor	\$40.00
Manager	\$100.00
Senior Manager	\$50.00
Executive	\$30.00
Senior Executive	\$10.00
Eagle	\$5.00

If a distributor holds multiple coding they will receive the amounts for all coding's they hold. For example, if a distributor is a Senior Manager and brings on a new MD on their first level and they are qualified to receive the Leadership Bonus on that new MD the distributor would receive \$190.00 because they hold the Senior Distributor, Manager, and Senior Manager code on the new MD. The remaining Leadership Bonuses would be paid to the leaders above them that hold the additional coding.

7 Level Downline Commission

The Downline Commission is paid out on levels zero thru seven of the distributor's downline genealogy. To be qualified to be paid on level zero and one the distributor must have at a minimum \$31.00 in Personal and Customer Volume (PCV). To be qualified to be paid on levels two thru seven the distributor must also have two customers on a Subscription. The percentages paid out on each level are found in the chart below:

Level	% Payout
0	5%
1	2%
2	2%
3	2%
4	2%
5	2%
6	2%
7	5%

Zero level commissions are paid on volume purchased by the distributor and the distributor's personal customers. This volume can come from the purchase of points or purchases in the SOC Photo Store.

Leadership Volume Commission

The Leadership Volume Commission is paid out on unlimited levels to unlimited depth. The percentage paid is based on the coding that the leader has on the distributor they are being paid on. To be qualified to receive the Leadership Volume Commission the leader must be Q Qualified. The chart presented below will assume that the leader has full coding on the

distributor they are being paid on. If a distributor does not have full coding they will only be paid the percentage for the coding they have.

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

Handwriting Font Bonus

The \$99.00 Handwriting Font pays a bonus of \$20.00 to the distributor who sells the handwriting font.

Handwriting Font Leader Bonus

The Handwriting Font Leader Bonus is paid to the Manager thru Eagle codes of the sponsoring distributor who sells the handwriting font. The leader must be Q Qualified to receive this bonus. The bonus is paid based on the following chart:

Coding Group	Payout Amount
Manager	\$5
Senior Manager	\$5
Executive	\$5
Senior Executive	\$5
Eagle	\$5

Rank Advancement

Each distributor upon joining SendOutCards starts as a Qualified Distributor. As a Qualified Distributor you may either be an Independent Distributor (ID) or a Marketing Distributor (MD) depending on which option you choose when you became a distributor.

What are the Ranks in SendOutCards?

The current ranks for distributors are as follows:

- Qualified Distributor (Dist)
- Independent Distributor (ID)
- Marketing Distributor (MD)
- Senior Distributor (Sr. Dist)
- Manager (Man)
- Senior Manager (Sr. Man)
- Executive (Exec)
- Senior Executive (Sr. Exec)
- Eagle (Eagle)

How do I Advance from One Rank to the Next?

To become a Qualified Distributor you must join as an ID or MD. The ID joins for free and places a \$50 refundable deposit. The deposit will be refunded upon request if the ID quits and requests a refund. You may also join as a MD. The MD purchases the MD Package for \$295 and receives a kit and products to help the MD succeed as a distributor in SendOutCards. This package is recommended but not required. Both IDs and MDs must meet the same requirements to be paid and to rank advance. Both IDs and MDs must pay an annual renewal fee to remain a distributor. The current fee is \$59.00 and is due on the anniversary date of their enrollment.

Rank Advancement takes place when the requirements are met as described in the following sections:

1) Senior Distributor:

To become a Senior Distributor, you must have accomplished the following:

- A) Must have at least one (1) personally sponsored MD
- B) Must have at least three (3) MDs in your downline.
- C) Must be Q Qualified
- D) Must have purchased a Certified Trainer (CT) Program or must have at least one personally sponsored distributor who purchased a CT Program.

2) Manager:

To *become* a Manager, you must have accomplished the following:

- A) Must have at least two (2) personally sponsored MDs who are coded to you in the Senior Distributor Group
- B) Must have at least nine (9) MDs in the Senior Distributor Group
- C) Must be Q Qualified
- D) Must have at least (3) three personally sponsored distributors in your downline genealogy who each purchased the CT Program, your purchase may count as one of the three.

3) Senior Manager:

To *become* a Senior Manager, you must have accomplished the following:

- A) Must have at least three (3) personally sponsored MDs who are coded to you in the Manager Group
- B) Must have at least twelve (12) MDs who are coded to you in the Manager Group
- C) Must be Q Qualified
- D) Must have at least (6) six personally sponsored distributors in your downline genealogy who each purchased the CT Program, your purchase may count as one of the six.

4) Executive:

To *become* an Executive, you must have accomplished the following:

- A) Must have at least three (3) personally sponsored MDs who are coded to you in the Senior Manager Group
- B) Must have at least five (5) Senior Managers in the Senior Manager Group (this means 5 Senior Managers in the Senior Manager Group Downline)
- C) Must be Q Qualified

5) Senior Executive:

To *become* a Senior Executive, you must have accomplished the following:

- A) Must have at least two (2) Executives coded to you in the Executive Group and those two (2) Executives must also be placed within the first seven (7) levels of the Downline Placement
- B) Must have at least 100,000 in volume in the first seven (7) levels of your downline within one month
- C) Must be Q Qualified

6) Eagle:

To *become* the Rank of Eagle, you must have accomplished the following:

- A) Must have at least two (2) Executives coded to you in the Senior Executive Group and those two (2) Executives must also be placed within the first seven (7) levels of the Downline Placement
- B) Must have at least 150,000 volume in the first seven (7) levels of your downline within one month
- C) Must be Q Qualified

How does coding work?

When a new distributor signs up they are attached to the person who sponsored them. The new distributor is considered first level to their sponsor. The new distributor inherits the coding of their sponsor. Each distributor is coded to only one of each rank (Sr. Dist, Man, Sr. Man, Exec, Sr. Exec, and Eagle). The way a new distributor inherits their coding is by first inheriting the coding of their sponsor. If the sponsoring distributor is a Senior Manager for example, the new distributor will receive their sponsor as the coded Sr. Dist, Man, and Sr. Man. The new distributor would then inherit the Exec, Sr. Exec, and Eagle of their sponsor as their coded upline in the same positions. When a distributor receives their coding that coding does not change. Using our previous example, if the distributor's sponsor becomes an Executive their coding does not change, it remains the same. Any new distributors sponsored by the new Executive would receive the new coding, but distributors who were already in place will not have their coding change.

Certified Training Program

The Certified Training Program is a new program within SendOutCards and operates and pays out separately from the SendOutCards Compensation Plan. Even though the training program relates back to the compensation plan it is designed to be an independent and optional plan for distributors.

Basic Training (BT)

Every person who joins SendOutCards at any level, distributor or customer, is encouraged to attend Basic Training (BT). This training is two parts. The first part covers how to use the SendOutCards system including techniques and benefits of card sending. The second part of the course covers how to build a SendOutCards business.

Certified Trainer Course

Distributors who purchased the Certified Training (CT) program will attend an additional class. This class will generally follow the BT class but may be taught separately. The content of the CT class will be to train the distributor on how to teach the BT class.

The CT course includes scripts and requirements that must be taught in the BT class. CTs will have to learn and teach minimum requirements.

CT Ranks

The training program will have a rank system which will allow the trainer to advance and earn additional training bonuses and overrides. The ranks in the Certified Training program are as follows:

- Certified Trainer (CT)
- Qualified Certified Trainer (QCT)
- Senior Certified Trainer (SCT)
- Executive Certified Trainer (ECT)
- Master Certified Trainer (MCT)

Certified Trainer – This is the entry position to the training program. The cost to become a CT is \$345. This fee is separate from and in addition to any other amounts paid to participate in any of the SendOutCards programs as a customer or distributor. The new CT must attend the CT training course and attend a Treat'em Right Seminar within 6 months. There is a \$100 recertification fee for the CT to renew their CT status and attend the recertification course (annual renewal).

Qualified Certified Trainer – When a distributor becomes a Senior Distributor in the SendOutCards compensation plan and they are a CT, then they become a QCT. There is a \$100 recertification fee for the QCT to renew their QCT status (annual renewal).

Senior Certified Trainer – When a distributor becomes a Senior Manager they may apply to become a SCT. There is a \$200 fee to attend the SCT course and become a SCT. SCTs must attend 1 Treat'em Right Seminar per year. There is a \$100 recertification fee that is charged for a SCT to renew their SCT status (annual renewal).

Executive Certified Trainer – When a distributor becomes an Executive they may apply to become an ECT. There is a \$400 fee to attend the training to become an ECT. ECTs must attend 3 Treat'em Right Seminars per year. There is a \$200 recertification fee that is charged for an ECT to renew their ECT status (annual renewal).

Master Certified Trainer – This rank is only given by invitation of the designated SendOutCards Master Certified Trainer based on criteria available on SendOutCards website.

CT Bonus Structure

Trainer Bonus

Any distributor who holds any of the trainer ranks and are in good standing will be able to conduct BT classes. The CT will conduct training, submit a voucher, and follow instructions on the training site to be compensated. The trainer will receive a bonus based on their training rank for each person trained at a BT course who joined at the MD level. The payout can only occur once. If the bonus has been paid, it will not be paid again. If someone receives training that was already a customer or distributor of SendOutCards prior to the start of the Certified Training Program (January 5th, 2012) there will be no compensation given for their attendance at a BT course. The bonus will only be paid out on distributors who purchase the MD package. To be qualified to receive this bonus the trainer must be Q Qualified.

CTs will earn \$40.00

QCTs will earn \$40.00

SCTs will earn \$40.00

ECTs will earn \$40.00

Certified Trainer Bonus for training a CT

A trainer with the rank of SCT or ECT can train someone to become a CT. When they conduct CT training they are paid for training the new CT. To be qualified to receive this bonus the trainer must be Q Qualified.

SCTs are paid \$80 for training a CT

ECTs are paid \$100 for training a CT

BT Trainer Overrides

There are additional Bonuses paid to the encoded upline of the trainer as an override under certain conditions. The training overrides are triggered based on the number of QCTs or above on the distributor's first level. To be qualified to receive this bonus the trainer must be Q Qualified. All overrides are based on encoding and are not dependent on the purchase of a Certified Training package.

The BT Trainer Overrides are paid to the Senior Manager coding of the trainer who conducts the BT Training session.

If the distributor has one (1) QCT on their first level they get \$8 for every person trained and paid out on that attends any of their CTs BT courses. So if Jane brought in Sally who is a QCT and she has the Senior Manager coding on her, then Sally brings in Alice who receives BT training by Sally, Jane gets an \$8 override.

If the distributor has two (2) QCTs on their first level they get \$10 for every person trained and paid out on that attends any of their CTs BT courses. That means if Jane has 2 QCT's on her first level that are in

her Senior Manager code and then one of her first level CTs gives Sally BT training, then Jane gets a \$10 override.

If the distributor has three (3) or more QCTs on their first level they get \$14 for every person trained and paid out on that attends any of their CTs BT courses. That means if Jane has 3 QCT's on her first level that she has Senior Manager coding on and then Sally attends BT training by one of Jane's CTs, then Jane gets a \$14 override.

To be eligible to earn these overrides the Senior Manager with the coding must be Q Qualified in the standard compensation plan.

BT Recertified Override Bonus

When an MD pays their annual renewal and attends a BT course there are additional Bonuses paid to the distributor as an override under certain conditions. The training overrides are triggered based on the number of QCTs on the distributor's first level. The trainer conducting the training must be in the Senior Manager code of the distributor as in the BT Trainer Override above.

If the distributor has one (1) QCT on their first level they get \$4 for every person trained and paid out on that attends any of their CTs BT courses. So if Jane brought in Sally who is a QCT, then Sally brings in Alice who receives BT training by Sally, Jane gets a \$4 override.

If the distributor has two (2) QCTs on their first level they get \$5 for every person trained and paid out on that attends any of their CTs BT courses. That means if Jane has 2 QCT's on her first level and then one of her CTs gives Sally BT training, then Jane gets a \$5 override.

If the distributor has three (3) or more QCTs on their first level they get \$7 for every person trained and paid out on that attends any of their CTs BT courses. That means if Jane has 3 QCT's on her first level and then Sally attends BT training by one of Jane's CTs, then Jane gets a \$7 override.

To be eligible to earn these overrides the Senior Manager with the coding must be Q Qualified in the standard compensation plan.

BT Recertified Bonus

When an MD pays their annual renewal and attends a BT course the trainer who instructs the MD will receive the BT Recertified Bonus in the amount of \$20. To be qualified to receive this bonus the trainer must be Q Qualified.

CT Recertified Bonus

When a SCT conducts a CT recertification course for a renewing CT, the trainer receives \$40. If the trainer conducting the CT recertification course is an ECT they receive \$50. To be qualified to receive this bonus the trainer must be Q Qualified.

CT Recertified Matching Bonus

When a CT recertification course is taught by a SCT the distributor with the Executive code on that trainer would receive a \$10 bonus. To be qualified to receive this bonus the trainer must be Q Qualified.

ECT Override Bonus

When a SCT conducts a CT Training course the distributor with the Senior Manager code on that CT will receive \$20 on each CT trained by the SCT. Jane has the Senior Manager coding on Sally and Sally is a SCT. Sally conducts a CT training course and Alice is one of her new people that she trains. Jane would receive a \$20 override on Alice because of Sally's training. To be qualified to receive this bonus the trainer must be Q Qualified.