

Compensation Plan

Effective as of April 2023



Retail Commissions

Commissions earned on retail items. Commissions are not paid on items from Pro Shop.

All Product Sales (PV)	15% of all PV (New and Recurring)
1st Time Customer Bonus*	15% bonus

Note: Retail commissions are not paid on enrollment packs or items purchased from the Pro Shop. PV from sponsoring a new petPro with a product pack is awarded to the sponsor of that petPro.
*New customer order must be the first order the retail customer has ever placed with pawTree. First orders from a new petPro do not qualify.

Retail Power Bonuses (RPB)

RPB requires at least 100 NPV to earn a bonus level defined below:

When total PV is...	Additional Retail Commissions	Total Commissions* Paid
\$500 - \$999.99	5%	20%*
\$1,000 - \$1,999.99	10%	25%*
\$2,000 and above	15%	30%*

*Represents qualified Retail Power Bonus Commission + standard retail commission (15%)

Core 4 Product Bonus

Bonus paid on repeat sales of the Core 4 Product Set, not just the first-time purchase.

For every Core 4 Product Set sold	\$20 bonus paid
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Sampling Credits

Sampling credits can be used to purchase qualifying items.

For every 5 new Paw Club enrollments* in a calendar month	300 Sampling Credits Earned
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*Paw Club count for sampling credits is cumulative in a calendar month. Paw Club enrollment number starts at zero on the first day of the month, and credit qualifications accumulate over the course of that calendar month. There is no limit to the number of sampling credits a petPro can earn in a calendar month.

Product Pack Bonuses

Bonuses are paid on applicable Product Packs* with new petPro enrollment.

Best Seller or Build Your Own Product Pack	Sponsor: \$50	Senior Director: \$15	Vice President: \$15
Ultimate Product Pack	Sponsor: \$75	Senior Director: \$25	Vice President: \$25

*Applicable product packs may vary by month/quarter. Refer to current product pack offerings for details.

Team Commissions



	Build				Lead			
PAID-AS TITLE	Senior petPro	Director	Senior Director	Executive Director	Vice President	1 Star Vice President	2 Star Vice President	3 Star Vice President
VOLUME	\$250 PV	\$500 PV \$1,000 DV	\$750 PV \$2,000 DV	\$1,000 PV \$4,000 DV \$2,000 MVR	\$1,500 PV \$300 New PV3 \$8,000 DV \$4,000 MVR	\$1,500 PV \$300 New PV3 \$16,000 DV \$8,000 MVR	\$1,500 PV \$300 New PV3 \$40,000 DV \$20,000 MVR	\$1,500 PV \$300 New PV3 \$100,000 DV \$50,000 MVR
LEG REQUIREMENT	1 Active Leg	2 Active Legs	2 Active Legs	3 Total Legs: 2 Active Legs + 1 Builder Leg	4 Total Legs: 2 Active Legs + 2 Builder Legs	4 Total Legs: 1 Active Leg + 2 Builder Legs + 1 (VP+) Leg	4 Total Legs: 2 Builder Legs + 2 (VP+) Legs	4 Total Legs: 2 VP+ Legs + 2 (1 Star+) Legs

All level and volume overrides paid on CV

LEVEL 1	4%	6%	7%	7%	7%	7%	7%	7%
LEVEL 2			2%	4%	5%	5%	5%	5%
GROUP VOLUME OVERRIDE					1%	1%	1%	1%
GEN 1 LEADERSHIP OVERRIDE					1%	2%	3%	3%
GEN 2 LEADERSHIP OVERRIDE					1%	1%	2%	3%
GEN 3 LEADERSHIP OVERRIDE								2%
ACHIEVEMENT BONUS			\$400*		\$500*			

* Executive Director and VP achievement bonuses are paid in 2 installments. First half is paid on month of title advancement. Second half is paid the following month, if the petPro maintains the new title [or higher] as a paid-as status for that month.

Q: Are commissions earned on personal-use purchases?

A: Yes. All retail products purchased qualify for retail sales commissions.

Q: When are commissions paid?

A: Commissions are run twice a month. First run (deposited by the 23rd) is for all activity between the 1st and the 15th. Second run (deposited by the 8th) is for all activity between the 16th and the end of the month, plus any accumulated commission qualifications for the entire month.

First Run

- 15% Retail Sales Commissions
- 15% 1st Time Customer Bonus
- Product Pack Bonuses (Sponsor Only)
- Core 4 Bonuses

Second Run

- 15% Retail Commissions
- Core 4 Bonuses
- All Product Pack Bonuses
- Fast Start Rewards and Bonuses
- Fast Start Matching Sponsor Bonus
- 15% 1st Time Customer Bonus
- Payment on Activity for the Entire Month
 - Retail Power Bonuses
 - Group Volume Overrides
 - Level 1 - 2 Leadership Overrides
 - Generation 1 - 3 Overrides

Terms and Definitions



Active: In order to be considered active a petPro must maintain at least a \$100 personal volume (PV) or be in their enrollment month and have purchased a qualified Product Pack.

Active Leg: An Active leg is any first level petPro and their entire downline where at least one person is considered to be active.

Builder Leg: A leg with at least 1 Active petPro and at least 1,000 DV in that leg.

Career Title: Your Career Title is your recognition title or the highest title you have achieved. This does not change except due to promotion or demotion. Please refer to the online policies and procedures for information on demotion rules.

Commissionable Volume (CV): CV is the volume on which team commissions are paid. All products have a CV of 50% of the Retail Price.

Commissions Eligible: All petPros who have not cancelled are eligible to receive qualified commission payments.

Downline: Downline is any petPro you sponsor and the teams that develop beneath them to unlimited depth.

Downline Volume (DV): Downline Volume is the total Qualifying Volume (QV) from you and your entire downline organization, regardless of titles. All petPros in your organization are included.

EZ Ship: EZ Ship is any order that is set up to ship at a recurring interval.

Generation: A Generation is a downline group. A Generation starts with a Vice President (or higher title) below you, based on Career Title, and includes everyone below them, down to but not including the next Vice President (or higher title), based on Career Title. That next Vice President would be the start of a new generation, and so on.

Group: Your Group, also referred to as your personal group, includes you and everyone below you, down to but not including the next Vice President (or higher title), based on Career Title. Downline groups, meaning groups that belong to someone in your downline, are called "generations."

Group Volume (GV): The PV from you and everyone in your personal group. Vice Presidents (or higher title, based on Career Title) in your downline are not included in your Group Volume except in the month they promote to Vice President.

Leg: A Leg begins with a first level petPro and includes all of the petPros beneath them. You have as many legs as you have first level petPros. There are no limits to the number of legs you can have.

Level: A Level is the position a petPro has in a downline relative to another upline or downline petPro. Your personally sponsored petPros are Level One. Those petPros sponsored by Level One petPros are your Level Two. Customers are not considered when counting levels and do not occupy a position in your genealogy.

Maximum Volume Rule (MVR): For title qualification purposes only, up to the stated amount of DV from any individual leg or a petPro's own PV may be counted toward their DV requirement. No more than 50% of the DV can come from any one leg.

New Personal Volume (NPV): New Personal Volume (NPV) is any personal volume (PV) gathered from a new customer for the first time. This includes volume from Product Packs of new personally sponsored petPros. The first time an EZ Ship order is shipped to new customer, it is also considered New PV. Future EZ Ship orders and non-EZ Ship orders count as PV, but not as New PV.

New PV3: The combined New PV of a VP from the current period plus the previous two (2) periods. In other words, it is a 3-month rolling period of New PV.

Paid As Title: You are paid at the title for which you qualify during the period. If in any period you fail to achieve your career title, you are paid at the lower title to which you do qualify for during the period. You retain your career title but are paid as the title you actually qualify for.

Paw Club: When a customer has an active EZ Ship order, they are automatically a Paw Club member. For more information on Paw Club perks, go to your Pro Office.

pawPay Account: The pawPay Account is where the company deposits earned commissions. A petPro must set up their pawPay account for funds distribution to their desired financial institution or pawTree debit card.

Paw Points: Paw Points are loyalty points given to Paw Club members when they make product purchases. Paw Points can be spent on some but not all products in the catalog. Items eligible for point redemption are indicated in the online catalog. Paw Points can also be credited to petPros for some incentive and campaign rewards on occasion.

Personal Volume (PV): Personal volume (PV) is your total qualifying volume (QV) from orders placed personally and by your customers. PV includes personal sales from New PV as well as recurring EZ Ship volume and PV-qualified product packs.

Product Pack: A Product Pack is an enrollment kit that includes products that can be used for personal use. Not all enrollment kits are product packs, but are indicated as such when they are.

Retail Commissions: Retail Commissions are a percentage amount paid on PV.

Retail Power Bonus (RPB): A Retail Power Bonus is additional sales commissions earned at tiered sales levels. Eligibility and qualification requirements are defined in the compensation plan document.

Sample Credits: Sample Credits are awarded to petPros as part of the compensation plan. Items eligible for Sample Credits are indicated in the online catalog. These items are designed to support sampling of products with prospective customers.

Upline: Your Upline includes your sponsor and anyone in your genealogy above them.