



Compensation Plan



August 18, 2019

Introduction

The BellaHoot Compensation Plan defines the amount of compensation, you as an Independent Consultant, can earn based on the volume of business you and/or your team generate.

We establish three specific objectives we wanted to accomplish with our plan:

- A. Allow you to run your business however you choose and be flexible with your life. You can build a team for residual income, sell through boutiques, vendor events, parties, ecommerce or just be your own best customer.
- B. Provide a simple, duplicatable, business system that if followed, allows you to earn a generous commission structure that's easy to understand.
- C. Enable you to create a serious business even on a part time basis, and be generously rewarded for your efforts and free of monthly fees, quotas, and sales requirements. It's YOUR BUSINESS!

The BellaHoot Compensation Plan described in the next few pages does all of these things, and more. It represents the latest thinking in compensation plan design, but at the same time, it is based upon principles proven in practice over many years. Like our amazing products, we believe our Compensation Plan is the best in the industry. It is easily customized to fit any level of part time or full-time involvement. We know you will find it both lucrative and easy to share with others.

BellaHoot uses social selling and ecommerce as it's primary marketing methods. As a BellaHoot Consultant, you have your own online store where you offer beautiful nail art! You may also hold in home parties, online parties, set up at public events, and private events to share our products with customers and build a fun and profitable business. Finding new customers and selling BellaHoot's quality products is the core of your ongoing success.

Social selling allows you to create your own home-based business with very little startup cost and the opportunity to invite others to be part of your team, thereby leveraging your income potential. The people you bring into your business team, and those they bring are known as your team, your group, your downline.

At BellaHoot, we believe in teamwork, and therefore encourage you to enlist the support of your Upline to help build your own personal success.



Summary

A glossary has been included at the end to provide definitions of the various terms used in this Compensation Plan, as well as other language commonly used in the direct selling profession.

There are several different ways for you to earn an income in the BellaHoot Compensation Plan.

25% Base Retail Commission: You will receive a 25% Commission on all your Personal Volume (PV). This is any customer sale that takes place on your store. Additionally you receive a 25% discount on your purchases during checkout.

30% Enhanced Retail Commission: You can unlock 5% additional commission, unlocked for life, after you reach \$1,000 in PV. Combined with the 25% Base Commission, this means you earn 30% on all your personal volume. Additionally, you receive a 30% discount on your purchases during checkout.

Team Sales: When you, as an Active Consultant, personally enroll another Consultant, you will receive a 3% commission on that Consultant's personal sales, for as long as you remain an Active BellaHoot Consultant. This personally enrolled Consultant goes on Level 1 or "L1" of your team. You can sign up as many people as you want on your Level 1 by sending them to your Store URL to enroll. Anyone joining under them goes on your Level 2, and so on. There are 7 levels total (L1-L7) you can earn up to 15% additional commissions. The triggers to unlock each level and commissions earned from those people are outlined below.



As a BellaHoot Consultant, you can earn 50% total commissions from your combined sales and downline sales. Downline commissions greatly increase your earning opportunity.



Here's the breakdown (graphic illustration next page):

As a Consultant - Earn 25% commission on your personal sales at signup.

In addition, you can purchase products from your store at a 25% discount for personal use, on-hand inventory, promotions, giveaways and local product sales.

Earn up to 15% in downline commissions.

Enhanced Commissions

Earn 3% on all sales & purchases from L1 and 2% from L2 team members
- 30% Enhanced Commission unlocked for life after reaching \$1000 in PV (personal volume)

Peridot Consultant

- Earn 2% on all sales & purchases of your L3 team members
- unlocked for life after reaching \$5K in TBV (total business volume)
- Must maintain \$50 TBV to get paid on your L4 (keep title for life)

Amethyst Consultant

- Earn 2% on all sales & purchases of your L4 team members
- unlocked for life after reaching \$25K in TBV (total business volume)
- \$500 One-time e-wallet bonus
- Must maintain \$250 TBV to get paid on your L4 (keep title for life)

Topaz Consultant

- Earn 2% on all sales & purchases of your L5 team members
- unlocked for life after reaching \$100K in TBV (total business volume)
- \$1000 One-time e-wallet bonus
- Must maintain \$1000 TBV to get paid on your L5 (keep title for life)








Ruby Consultant

- Earn 2% on all sales & purchases of your L6 team members
- unlocked for life after reaching \$250K in TBV (total business volume)
- \$2500 One-time e-wallet bonus
- Must maintain \$2500 TBV to get paid on your L6 (keep title for life)

Sapphire Consultant

- Earn 2% on all sales & purchases of your L7 team members
- unlocked for life after reaching \$500K in TBV (total business volume)
- \$5,000 One-time e-wallet bonus (keep title for life)
- Must maintain \$5000 TBV to get paid on your L7 (keep title for life)

BellaHoot Leadership

Title	Trigger	Commission
 Consultant	Eligible at Signup	25% Commissions/Discount 3% L1 and 2% L2
 Consultant	\$1000 PV	30% Enhanced Commissions/Discount
 Peridot Consultant	\$5000 TBV Must maintain \$50 TBV to get paid on this level	2% L3
 Amethyst Consultant	\$25,000 TBV Must maintain \$250 TBV to get paid on this level	2% L4 One-time \$500 e-wallet credit
 Topaz Consultant	\$100,000 TBV Must maintain \$1000 TBV to get paid on this level	2% L5 One-time \$1000 e-wallet credit
 Ruby Consultant	\$250,000 TBV Must maintain \$2500 TBV to get paid on this level	2% L6 One-time \$2500 e-wallet credit
 Sapphire Consultant	\$500,000 TBV Must maintain \$5000 TBV to get paid on this level	2% L7 One-time \$5000 e-wallet credit

One time e-wallet credits will only be paid to active Consultants who have signed into your back office within the past quarter.

Soar to Success



Leverage Your Earnings

By helping the people you recruit build their teams, you support their success while you develop depth in your organization. *BellaHoot* compensates you for building depth by paying you through up to 7 levels of Consultant sales volume in your organization. The term "Level" is used to describe your relationship to the other Consultant. For example, when you sponsor someone, that person is your Level 1. When that person sponsors someone, their new Consultant becomes your Level 2, and so on. You can earn the right to receive bonuses on up to 7 levels of Active Consultants (see illustration previous page).

Since every *BellaHoot* Rep has the same opportunity to grow their business by enrolling and/or sponsoring others, each level tends to be larger than the one above it. As a result, your 2nd, 3rd and 4th levels, and so on, are likely to have many more Reps than your Level 1. And, since each of them will be working to build their individual business, the total volume on which you can earn bonuses may multiply to many times your own personal volume.

GLOSSARY OF TERMS

Active: A Consultant that has not closed their account, and who has logged in at least once within the past quarter.

COMMISSION: Although it is often taken as a discount against the retail price and therefore shows up as the Consultant's gross profit on the sale, the amount of money that a Consultant earns when a product is sold at retail to a customer is considered to be Commission.

COMPANY: The *BellaHoot* corporate or home office.

COMPENSATION PLAN: The compensation plan is actually only one part of the company's overall marketing plan. The compensation plan is the company's official set of definitions and performance requirements, by which it pays commissions and bonuses to Reps.

CONSULTANT: The term *BellaHoot* uses for an independent contractor who has signed a Consultant Application and Agreement form with the Company, and whose Consultant Application and Agreement the Company has accepted. Upon acceptance of such Agreement by the Company, a Consultant is eligible to purchase the Company's products at a wholesale price for resale and can enroll and sponsor other people into their downline retail sales organization. A Rep is eligible to earn Commissions and Bonuses in accordance with the terms and provisions of the Compensation Plan.

DIRECT: A Consultant that you have personally and directly enrolled or your Level 1 team member.



DOWNLINE: Those people directly sponsored by a Consultant, plus all the people whose line of sponsorship resulted from and came through that Consultant. Your Downline consists of all Reps on your Level 1, Level 2, Level 3, Level 4 and so on.

ENROLL: To sign and submit a Consultant Application and Agreement form to *BellaHoot* for the purpose of becoming a Consultant for the company.

ENROLLEE: An enrolling or newly enrolled Consultant.

GENEALOGY: The complete set of relationships (as defined by “Levels”) between a Consultant and his or her upline and downline. It is the “family tree” of any Consultant.

I.D.#: The identification number used by the Company to identify each Consultant for Compensation Plan purposes.

INDIRECT: All Consultants in your Downline that are not directly enrolled by you. (See also “Downline.”)

LEVEL: The people you personally sponsor are your first level. The ones they sponsor are your second level. The ones your second level sponsors are your third level, etc.

MAINTENANCE: The standard of performance required for a Consultant to continue being “Paid As” a particular rank after meeting the initial qualification requirements for that rank.

“PAID AS”: Consultants that have earned the various title designations according to their sponsoring and sales performance will retain those titles indefinitely, even if they do not meet the specified rank qualifications in a pay period. However, they will be “Paid As” the rank for which they meet the qualifications for that pay period.

Personal Volume (PV): The total retail sales and personal purchases made on your store URL, whether in a Party, individually or online, during a given pay period is your “Personal Volume” for that pay period.

POLICIES & PROCEDURES: The governing rules of *BellaHoot* that define the relationship between the company and its Consultants, as well as between Consultants and other Consultants. The Policies & Procedures are specifically incorporated into and made a part of the Consultant’s Agreement, which each Consultant must agree to in order to enroll.

PROSPECT: A person to whom you want to offer the *BellaHoot* business opportunity.

RANK: As you meet certain performance criteria (as defined in this Compensation Plan); you will earn progressive title designations known as “ranks.” As you move to higher ranks, you will become eligible to receive increased levels of bonus participation. You will always carry the title of the highest rank you reach, but are paid at the rank for which you qualify each month.



RECRUITING: Inviting others to join your organization to share the same opportunity.

RENEWAL: *BellaHoot* Consultants must renew their Consultant Agreement each year no later than the anniversary date of their joining the Company. If a Consultant does not renew with *BellaHoot*, they will be dropped from the computer files and any sponsored Consultants will be moved up to the next Active Rep. If they wish to rejoin *BellaHoot* at a later date, they may not reclaim their previous rank or Downline, but must join at the standard entry level in the program. (See “Roll-up.”)

RETAIL: Sales of *BellaHoot* products to the end users of those products. Retail sales are the foundation of your *BellaHoot* business, and the ultimate purpose of all other activities within the business, including enrolling, sponsoring, training, etc.

RETAIL COMMISSION: Regardless of your rank, you have the opportunity to sell products and receive a minimum 25% retail commission on all of the *BellaHoot* products.

ROLL-UP: The permanent form of Compression. When a Consultant terminates his Consultant Agreement or does not exercise his yearly renewal, his entire Downline rolls upline to his Placement Sponsor or the next qualified person and his name is deleted from the Company records.

SALES ORGANIZATION: Your Sales Organization consists of you and the people that you directly enroll as Reps, and the people that they enroll as Reps, and so on, and so on, and so on. There is no limit to how wide or deep that your Sales Organization can grow. (See “Downline”)

Total Business Volume (TBV): The total retail sales created by you and all your downline Consultants from unlocked levels is combined to determine your Total Business Volume. This “TBV” is used to determine qualification for new rank promotions and rank maintenance in various phases of the Compensation Plan.

UPLINE: The term “upline” refers to that portion of either your Enroller or Sponsor genealogy that precedes you. Your upline consists of the Consultant who is your Enroller and/or Placement Sponsor, and her Enroller and/or Placement Sponsor, and his Enroller and/or Placement Sponsor, etc., all the way to the Company (see also “Enroller” and “Placement Sponsor”).

WHOLESALE PRICE: All *BellaHoot* products have a Retail Price and may be purchased by Consultant at a “Wholesale” price that is 25% less than the Retail Price.

