



Lilla Rose Compensation Plan



The Lilla Rose compensation plan was designed to offer our Consultants the opportunity to develop a significant income through retailing our products and enhancing that income through recruiting others who retail our products. Our goal is to facilitate personal and financial growth and success through your Lilla Rose business.

People who join Lilla Rose as Consultants retail products, build customers and grow their business. Retailing product is the foundation of your ongoing business success. Typically, a new Consultant will hold a fun event called a “Business Grand Opening” in their home or other meeting area that jumps starts their new business venture.

To become a Consultant with Lilla Rose and begin receiving the highest possible discounts, you will need to have initiated a Consultant Application and Agreement, and you must acquire your Lilla Rose Consultant Sales Kit. You may purchase a Party Pack for \$49.95 or a Show Pack for \$99.95 (plus tax and shipping), or you may earn your Kit by applying the credit from personal sales created at your Business Grand Opening.

Retail Discounts

Upon completion of the above qualifications you will be authorized to conduct your own Business Grand Opening parties, retail Lilla Rose products and receive a retail discount of 30% up to 45% and introduce others to the Lilla Rose business opportunity to earn bonuses.

There are many ways to earn money from your Lilla Rose business. Keep in mind that all these ways of earning income are cumulative, and can reward you generously for your efforts.

Growing Your Sales. You begin each month with a base discount of 30%. When your Personal Retail Sales [PRS] reach \$200 in a calendar month, you become eligible to begin receiving an additional retail Enhanced discount on your own monthly purchases. Depending on your total Personal Retail Sales, you can increase your retail discount on your personal sales from 30% up to 45%. Each month begins a new cycle of qualification.

Table 1, Enhanced Personal Retail Sales Discount

If your sales are...	You receive...
\$0 - \$199 <i>in monthly retail sales</i>	30% <i>off at time of purchase*</i>
\$200 - \$500 <i>in monthly retail sales</i>	35% <i>30% off at time of purchase* plus 5% at month end</i>
\$501 - \$999 OR \$2,500 - \$3,999 <i>in monthly retail sales</i> <i>in monthly group volume</i>	40% <i>30% off at time of purchase* plus 10% at month end</i>
\$1,000+ <i>in monthly retail sales</i> OR \$4,000+ <i>in monthly group volume</i>	45% <i>45% off at time of purchase*</i> 45% <i>30% off at time of purchase* plus 15% at month end</i>

Total Retail Sales Discounts reset each calendar month.

* For purchases made by your personal customers, you'll receive commissions at month-end.



Enroller and Sponsor Relationships

As an additional means for you to help others in your Downline Sales Organization succeed and thereby help yourself, Lilla Rose tracks two different types of relationships among its Consultants known as: the “Enroller relationship” and the “Sponsor relationship”.

An Enroller is an existing Consultant of any rank that first explains the Lilla Rose business opportunity to a potential new Consultant, and subsequently helps them to enroll as a Consultant. Lilla Rose computer thereby recognizes an “Enroller relationship” between these two Consultants and maintains it accordingly.

A Sponsor is a Consultant of any rank who is immediately Upline in an Organization from a new or existing Consultant, and is generally responsible for the day-to-day coaching, encouragement, and assistance of the Consultants immediately below them. The Enroller and the Sponsor of a new Consultant is usually the same person, though they do not have to be. Upon meeting the qualifications for the rank of Manager, a new Manager has the option of placing a new Enroller under another Consultant when this is appropriate for accelerated Team Building. (More on this later) The computer system recognizes a “placement Sponsor relationship” based on the Sponsor position between these two Consultants and maintains it accordingly.

Sponsor Relationship Bonus: Working with others to build a team

When you help the people you recruit to build their team, you help them become successful while you build depth in your organization. Lilla Rose compensates you for building depth by paying you through up to four Levels of Consultant sales volume in your organization. The term “Level” is used to describe your relationship to the other Consultants. For example, when you sponsor someone, that person is your Level 1. When that person sponsors someone, the new Consultant becomes your Level 2, and so on. You can earn the right to receive bonuses on each of the four levels of Consultants.

To remain Active as a Consultant, you will be required to maintain a minimum Personal Bonus Value (PBV) of \$200 during the qualifying month. See **What is Bonus Value** on next page.

Sponsor Bonuses are earned by and paid to Consultants that are Bonus Qualified. When a Consultant fails to meet the minimum maintenance requirements for earning bonuses at her titled position, the Company’s computer searches downline until it finds an Active Consultant who is Qualified for that position or higher, no matter how far Downline it has to search. The volume then “Compresses” past all non-Active Consultants in the Downline until it has satisfied its payout requirements with qualified Consultant levels or Generations. The term “**compression**” is used to describe the temporary condition that occurs when someone fails to meet the maintenance requirements for a particular pay period and the term.

Note: All Sponsor Bonuses do not pay on orders that any Fast Start Bonus pays on. See Fast Starts, page 61

Enroller Relationship Bonus

When you personally enroll a new Consultant, as the Qualified Enroller you will receive a special 7% BV Relationship Bonus on the Enrollee’s Personal Bonus Value, as long as you are personally “Active”.

Note: If Fast Start qualified & applicable, Fast Start Bonus supersedes Enroller Bonus. See Fast Starts, page 61)

Placement Option (Managers Only)

After qualifying for the rank of Supervisor, you may immediately begin qualifications for the Manager position. The company has developed a special **Manager Training** program, which provides the knowledge and tools to grow your business through enhanced team building. You must complete this training before being recognized as a Manager. This will now provide you with the option of placing a personally enrolled and qualified Consultant under another member of your organization Downline who you feel may be good trainer and Sponsor.



What is Bonus Value? The assigned dollar value for calculation of bonuses on the products sold and as a measure for promotion to various ranks in the compensation plan. Bonus Value is usually based on minimum product wholesale but could be less on certain low margin products. Lilla Rose has assigned a BV to each order equal to Consultant minimum wholesale (70% of suggested retail)

Table 2, Retail Discounts & Management Bonuses

	Consultant	Supervisor	Manager	Director	Unit Director
Qualifications	<ul style="list-style-type: none"> ▪ Successfully Enroll ▪ \$200 PBV ▪ 1 Business Opening 	<ul style="list-style-type: none"> ▪ 2 or more Qualified Consultant Legs ▪ \$2,000 GBV in one month. \$200 must be PBV 	<ul style="list-style-type: none"> ▪ 3 or more Qualified Consultant Legs, including 1 Qualified Supervisor Leg ▪ \$10,000 GBV in one month. \$200 must be PBV ▪ Complete Manager Training 	<ul style="list-style-type: none"> ▪ 4 or more Qualified Supervisor Legs, including 1 Qualified Manager Leg ▪ \$20,000 GBV in one month. \$200 must be PBV 	<ul style="list-style-type: none"> ▪ 5 or more Qualified Manager Legs, including 1 Qualified Director Leg ▪ \$30,000 GBV in one month. \$200 must be PBV
Monthly Maintenance	<ul style="list-style-type: none"> ▪ \$200 PBV 	<ul style="list-style-type: none"> ▪ \$200 PBV ▪ \$1,000 GBV ▪ 2 Qualified Consultant Legs 	<ul style="list-style-type: none"> ▪ \$200 PBV ▪ \$5,000 GBV 40% Rule** 	<ul style="list-style-type: none"> ▪ \$200 PBV ▪ \$10,000 GBV 40% Rule** 	<ul style="list-style-type: none"> ▪ \$200 PBV ▪ \$15,000 GBV 40% Rule**
Retail Discount	30% - 45% *	30% - 45% *	30% - 45% *	30% - 45% *	30% - 45% *
Enroller Bonus	7% BV	7% BV	7% BV	7% BV	7% BV
Sponsor Bonus	Level 1	3% BV	3% BV	3% BV	3% BV
	Level 2		3% BV	3% BV	3% BV
	Level 3			3% BV	3% BV
	Level 4				3% BV
Management Bonus				2% BV Director Bonus	4% BV Unit Director Bonus

* See Enhanced Discount Schedule in Table #1.

** No more than 40% of the Group Volume can come from any one Leg.

BV (Bonus Value) based on 70% of suggested retail. All Unilevel bonuses will be calculated on this value.

PBV (Personal Bonus Value) The BV of your personally placed orders, and orders placed by your customers.

GBV (Group Bonus Value) Your PBV plus the BV of your Downlines personally placed orders, and orders placed by their customer orders.

Note: Bonus checks earned less than \$20 will accumulate until reaching \$20 or more and be paid in that calendar month pay period.



Fast Start Bonus

Earn up to \$200 Fast Start Bonus on new Enrollees' first order. In an effort to enhance your early financial incentive and reward you for acquiring and educating new Independent Consultants, Lilla Rose has created the Fast Start Bonus. If you are qualified you can earn a 40% Fast Start Bonus from each of your personal Enrollees first order.

The Fast Start Bonus follows the Enroller Relationship and applies to a **new Enrollee's first order only**, regardless of the amount and is subject to maximum payouts per order, per level (See Table 3). As the Enroller, if you are Fast Start Qualified, then this bonus will **replace** your Enroller Bonus for Fast Start eligible orders as you cannot receive both bonuses on the same order, but you will receive the higher of the two. Also, if an order pays a Fast Start Bonus, all Sponsor level bonuses are suppressed for that order only. Standard bonuses will be calculated for Enrollers and Sponsors on all subsequent orders.

Fast Start Qualification Requirements

In order for you to earn Fast Start Bonuses, you must **meet the following three requirements:**

1. You must have completed a Consultant Application and Agreement, and have purchased the Party Kit for \$49.95 or the Show Kit for \$99.95, and
2. Be a Bonus Qualified, Active Independent Consultant in good standing, and
3. Complete one of the following:
 - a) Accumulate \$2,000 in Personal Bonus Value (BV) over any period of time; OR
 - b) Purchase an optional Fast Start Pack at \$500.00 wholesale at time of enrollment.

Upon completing these qualifications, you will be eligible to receive Fast Start Bonuses based on the first product order placed by your personally enrolled Consultants of 40% (\$200 maximum). These personally enrolled Consultant's can also begin enrolling other Consultants who will be placed on your 2nd Enrollee level, and you will earn 10%* Fast Start Bonus on that person's First Order (\$50 maximum). And your 2nd level Consultant's can begin enrolling Consultants and who will be placed at your 3rd Enrollee level earning you 5%* Fast Start Bonus on that person's First Order (\$25 maximum).

What is the Fast Start Pack?

The Fast Start Pack consists of merchandise equal to at least \$900.00 in retail value, and can only be purchased at enrollment time, combined with the Lilla Rose Enrollment Kit of your choice. Occasionally, the contents of the Fast Start Pack can change and its value can be even higher than the \$900.00 retail value, but never lower.

Table 3, Fast Start Bonus Schedule Rule

	Qualification	Bonus Amount
1st Level Enroller Relationship	Accumulate \$2,000 PBV over any period of time Or Purchase optional Fast Start Enrollment Order	40% of Direct Enrollee's (an E-1) First Order up to \$500 BV (Up to \$200 each)
2nd Level Enroller Relationship	Same	10% of E-2s First Order up to \$500 BV (Up to \$50 each)
3rd Level Enroller Relationship	Same	5% of E-3s First Order up to \$500 BV (Up to \$25 each)



Qualifying & Maintaining Management Benefits

Consultant

You will become a Lilla Rose Consultant when you:

1. Sign Lilla Rose Consultant Application and Agreement, and
2. Purchase a Lilla Rose Enrollment Kit, and
3. Generate \$200 in Personal Bonus Value in a calendar month, and
4. Completed your Business Grand Opening.

Then, **maintain the rank of Consultant** when you:

1. Maintain a minimum of \$200 in Personal Bonus Value each month.

Supervisor

You will achieve the title of Supervisor when you have:

1. Two (2) or more active Consultant Legs, and
2. Generated \$2,000 in Group Bonus Value of which \$200 is Personal Bonus Value in a calendar month.

Then, **maintain the rank of Supervisor** when you:

1. Maintain at least two (2) Active Consultant legs, and
2. Generate \$1,000 in Group Bonus Value of which \$200 is Personal Bonus Value in a calendar month.

Manager

You achieve the title of Manager when you have:

1. Three (3) or more active Consultant Legs one of which is an Active Supervisor Leg, and
2. Generated \$10,000 in Group Bonus Value of which \$200 is Personal Bonus Value in a calendar month. The 40% rule applies.

Then, **maintain the rank of Manager** when you:

1. Generate \$5,000 in Group Bonus Value of which \$200 is Personal Bonus Value in a calendar month. The 40% rule applies.

Director

You achieve the title of Director when you have:

1. Four (4) or more active Supervisor Legs one of which is an active Manager Leg, and
2. Generated \$20,000 in Group Bonus Value of which \$200 is Personal Bonus Value in a calendar month. The 40% rule applies.

Then, **maintain the rank of Director** when you:

1. Generate \$10,000 in Group Bonus Value of which \$200 is Personal Bonus Value in a calendar month. The 40% rule applies.

Unit Director

You achieve the title of **Unit Director** when you have:

1. Five (5) or more Manager Legs one of which is an Active Director Leg, and
2. Generated \$30,000 in Group Bonus Value of which \$200 is Personal Bonus Value in a calendar month. The 40% rule applies.

Then, **maintain the rank of Unit Director** when you:

1. Generate \$15,000 in Group Bonus Value of which \$200 is Personal Bonus Value in a calendar month. The 40% rule applies.

Leadership Bonus

When you achieve the rank of Director (D), you qualify for Group Bonus of 2% BV beginning with all your personal sales and the personal sales of everyone in your group, down to the first Director or higher rank person.

When reaching the rank of a Unit Director (UD), you qualify for Group Bonus of 4% BV beginning with your personal sales and the personal sales of everyone in your group that has not yet become a Director or Unit Director down to the first Director. Additionally, you will earn a Differential Bonus of 2% BV on the group volume of each Director. (The difference between your 4% BV and their 2%) down to another Unit Director.

Table 4, Leadership Bonus

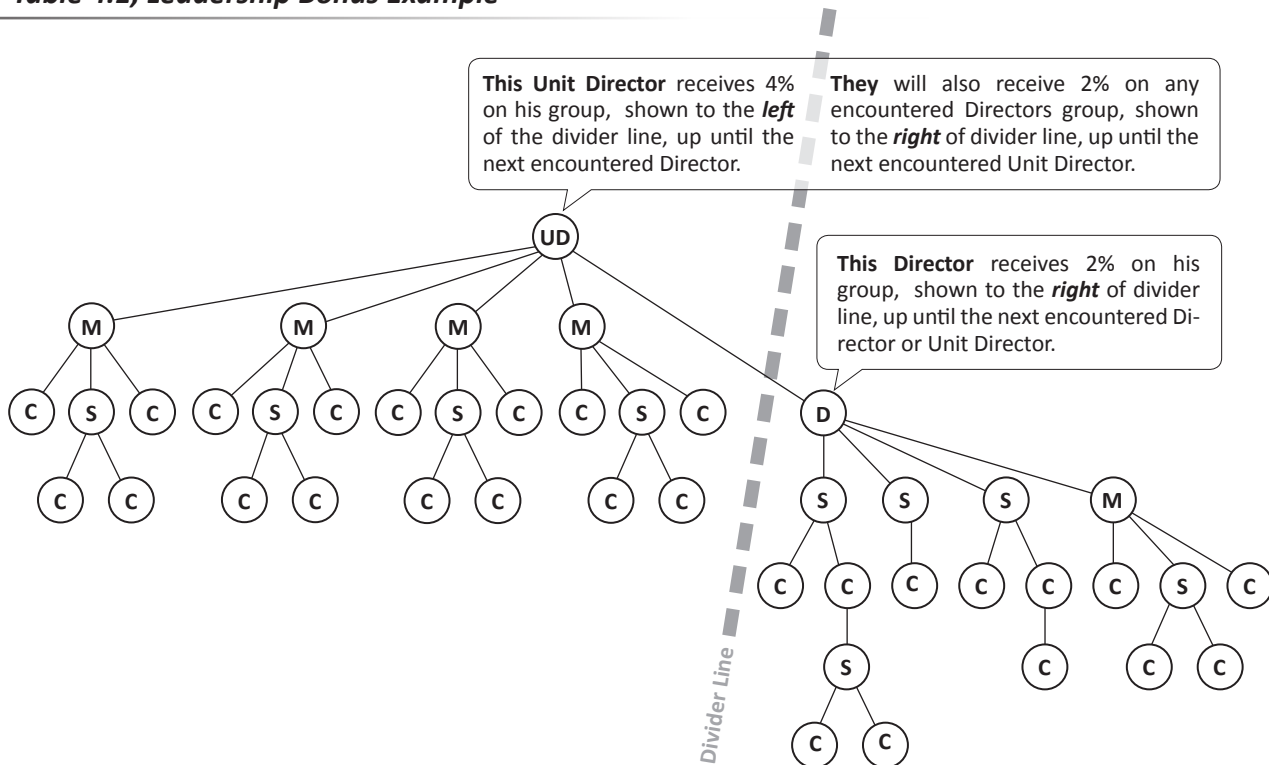
Director Bonus

+ 2% BV Director Group Bonus

Unit Director Bonus

+ 4% BV Executive Group Bonus
and 2% BV override on Director Group

Table 4.1, Leadership Bonus Example



Executive Management Bonus Pools

As you advance to the rank of Unit Director, you also become eligible to earn up to three new titled positions and be eligible for corresponding shares in another category of revenue called Executive Management Bonus Pools. Each of these 3 pools accumulate a total of one third of one percent (1/3 of 1%) of the Company's total Bonus Volume for each year, and is divided equally among the qualified ranks that hold a share in each pool. (See Table 5 below)

- When you achieve the rank of Unit Director and help someone in your Downline become a Unit Director, you will receive the rank of Junior Executive and will qualify you to earn a share of the Junior Executive Pool. The Junior Executive Pool accumulates 1/3 of 1% of the Company's total annual Bonus Value sales, and is divided equally at the end of the year among all Junior Executives holding its shares.
- When you have a second leg in your organization, that contains a Unit Director, you will be promoted to the rank of Executive, and you will qualify to earn a share of the Executive Pool. The Executive Pool accumulates 1/3 of 1% of the Company's total annual sales, and is divided equally at the end of the year among all Executive's holding its shares. You will also maintain your shares in the Junior Executive Pool.
- When you have a third leg in your organization that contains a Unit Director, you will be promoted to the rank of Senior Executive, and you will qualify to earn a share of the Senior Executive Pool, which accumulates 1/3 of 1% of the Company's total annual sales, and is divided equally at the end of the year among all Senior Executive's holding its shares. You will also maintain your shares in the Junior Executive and Executive Pools.
- Share Vesting: Each month that you qualify for a particular Junior Executive, Executive, or Senior Executive rank, you will earn a share of each bonus pool for which you are qualified and those shares becomes vested for that year. At year-end, all vested shares will be totaled and divided into the total funds in each pool to determine each share value.
- Accumulation Period: All Executive Management Pools are based upon sales that are completed between December 1 and November 30 each year.

Table 5, Executive Management Bonus Pool

Divided Among Jr. Executives, Executives, & Sr. Executives

