

## GLOSSARY OF TERMINOLOGY

### **Active Distributors (AD) –**

An independent distributor is considered “active” in a particular pay period when they maintain the minimum Personal Volume and Group Volume required for the rank they are qualifying for.

### **Autoship –**

The convenience of automatically shipping a distributor or customer a set order on a monthly basis.

The benefits to the distributor:

- Helps meet your Personal Volume requirement while you are building your down-line.

The benefits to the customer:

- Provides an uninterrupted monthly supply of product. The customer can choose to be on Autoship for three months or indefinitely. Changes in product and quantity can be made at any time, as long as it is five days prior to their Autoship date.

### **Bonus Pool –**

Not to be confused with Commissions. See: Platinum Incentive Bonus Pool and Diamond Incentive Bonus Pool.

### **Commissionable Volume (CV) –**

The portion of the wholesale volume that the distributor receives commission on.

### **Compensation –**

The means by which distributors receive commissions for building a business. Often the distributor receives a percentage of the sales of his/her down-line and qualifies to participate in a bonus pool.

### **Compression –**

Also called Roll-Up. If a commission cannot be paid to a Distributor due to that Distributor being inactive, unqualified or not eligible in a given time period, the commission "rolls up" to the next qualified, active and eligible Distributor up-line. Generally, volume does not roll up but commissions do.

### **Diamond Incentive Bonus Pool –**

Share 2% of the company-wide Group Volume according to your rank qualification.

### **Distributor –**

Merchants who choose to share a percentage of their revenue on a pay-for-performance basis, create a sales channel to serve a network of agents called distributors. The distributors participate voluntarily and promote the products at their own expense. The merchant only pays distributors on items actually sold. Also known as Independent Distributors.

**Down-line –**

All distributors sponsored directly in your group, as well as those sponsored by other distributors below you.

**Enroller –**

The distributor who personally enrolls (recruits) another distributor and who first explains the NeuroGenesis business opportunity. Distributors who personally enroll another may place them under the distributor of their choosing (a sponsor) in their down-line. However, once a distributor has generated a down-line, no changes may be made.

**40% Rule –**

See Rank Volume (RV) and the 40% Rule

**Genealogy –**

The complete set of relationships between a distributor and his/her up-line and down-line. It is the “family tree” of an independent distributor.

**Group Volume (GV) –**

The wholesale total of all Personal Volume sold by an independent distributor and his/her down-line.

**Heavy Hitter –**

A distributor who is very successful at producing large volume sales and who has a large following among other distributors.

**Identification Number (ID #) –**

The personal identification number used by the company to identify each distributor and customer.

**Leg –**

Each distributor on your first level is part of your total down-line and is a separate “Leg.” You and your entire down-line are one “Leg” to your immediate up-line distributor.

**Level –**

The position of a distributor in your down-line. Personally sponsored distributors are your first level. Their personally sponsored distributors are your second level, etc.

**Multi-Level Marketing (MLM) –**

Another name for network marketing.

**Network Marketing –**

A non-storefront type of selling where a company retails products by using independent distributors and allowing these distributors to build and manage their

own sales force by recruiting, motivating and training others to sell products. Compensation includes one's own sales and a percentage of his/her entire down-line.

**Orphan –**

Customers who contact the corporate office to place an order, and cannot give a valid Distributor ID or name nor identify where they read or heard about the product, are temporarily placed in an orphan bin. Resolving orphans is a priority; unresolved orphans are placed at the time of their first reorder.

**Personal Volume (PV) –**

The total personal sales of products sold by an independent distributor to a retail or preferred customer, as well as products bought for personal use.

**Platinum Incentive Bonus Pool –**

Share 3% of the company-wide Group Volume according to your rank qualification.

**Preferred Customer –**

Customers may choose to receive product at discounted prices by regularly ordering in quantities or by being placed on a monthly Autoship plan.

**Qualification –**

For members to receive commission/compensation they are required to qualify. Qualifications vary for Personal Volume, Rank Volume, etc.

**Quick Start –**

30% of the commissionable value of the product is paid to the Enroller for the first 90 days after a customer places their first order.

**Rank –**

A new title or rank is claimed at each level with increased PV and RV requirements. You will always carry the title of the highest rank you reach, but are paid at the rank for which you qualify each month.

**Rank Volume (RV) and the 40% Rule–**

When the total GV of each Leg is totaled, no one Leg can contribute more than 40% of the total. For instance:

Leg 1 = 8,000.00    Leg 2 = 4,000.00    Leg 3 = 1,000.00

The Total of all three Legs is 13,000.00

40% of 13,000 = 5,200.00

Therefore, Leg 1 can only contribute 5,200; Leg 2; 4,000; Leg 3; 1,000 = 10,200

The Rank Volume is \$10,200.00

**Retail Customer Bonus Commission –**

The difference between the retail or preferred price and the wholesale (distributor's) price.

**Recruiting --**

Enlisting new members into one's down-line. This is also sometimes called "prospecting."

**Sponsor –**

A distributor who is immediately up-line from another distributor.

**Stacking –**

Stacking is a term used to describe a distributor's attempt to manipulate compensation in the marketing plan by placing members of his/her household in the down-line sales structure. Stacking is prohibited by NeuroGenesis.

**Suggested Retail Price –**

The retail price as suggested by the Company. An independent distributor may sell the product for whatever price he/she chooses.

**Uni-level –**

NeuroGenesis' uni-level marketing plan pays commissions on an unlimited first-level width and a depth of 5 levels.

**Up-line –**

All distributors above a representative in a company's genealogy, including his/her sponsor.