

**thermomix**



# VORWERK COMMISSION PLAN

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This version supersedes all previous versions.

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## DEFINITIONS

All relevant terms used in this document are defined in the central [Vorwerk Glossary](#).

## **RANK QUALIFICATION & MAINTENANCE**

### **New Consultant**

To become a New Consultant an individual must:

- Complete the Registration process
- Be activated
- Be within the Smart Start Period

There are no maintenance criteria for New Consultant rank.

### **Consultant**

To become a Consultant, an individual must:

- Complete the registration process
- Be activated
- Be outside of the Smart Start Period

To maintain Consultant rank, an individual must:

- Be Active during at least one of three (3) previous Bonus Periods.

If Consultant rank is not maintained, the Independent Consultant Agreement may be terminated.

### **Team Builder**

To qualify as a Team Builder, an individual must:

- Make six (6) Personal Sales and have two (2) Personal Qualified Recruits within the previous 3 Bonus Periods.
- Confirm their participation in the Team Builder Qualifying Period.

Note: A Consultant will only have one opportunity to participate in the Team Builder Qualifying Period.

To maintain Team Builder rank, an individual must:

- Make six (6) Personal Sales and have two (2) Personal Qualified Recruits for each successive Calendar Quarter after qualifying as a Team Builder.

If Team Builder rank is not maintained, the individual will be reclassified back to the Consultant rank and the maintenance criteria for that rank will then apply.

#### *Example 1*

Ashley has qualified as a Team Builder in June. Her performance (that is, her Personal Sales and Personal Qualified Recruits) is as follows:

	July	August	September
Personal Sales	1	1	4
Personal QR	1	0	1



First Calendar Quarter after qualifying as a Team Builder

The first full Calendar Quarter, following her Team Builder qualification, is July to September (Q3). In order to maintain Team Builder rank, Ashley must have six (6) Personal Sales and have two (2) Personal Qualified Recruits in Q3 and every subsequent Calendar Quarter. Here, Ashley’s total Personal Sales and Personal Qualified Recruits meets the minimum requirements during the Calendar Quarter, and her Team Builder rank will be maintained for one additional Calendar Quarter.

*Example 2*

Melanie has qualified in August as a Team Builder. Her performance (that is, her Personal Sales and Personal Qualified Recruits) is as follows:

	September	October	November	December
Sales	3	2	2	1
Personal QR	1	0	1	0



First Calendar Quarter after qualifying as a Team Builder

The first full Calendar Quarter, following her Team Builder qualification, is October to December (Q4). Melanie’s total Personal Sales (5) and Personal Qualified Recruits (1) do not meet the minimum requirements, therefore her rank will be changed to Consultant from January onwards.

*Example 3*

Avery has qualified in January as a Team Builder. Her performance (that is, her Personal Sales and Personal Qualified Recruits) is as follows:

	February	March	April	May	June
Sales	3	3	2	1	3
Personal QR	2	1	1	1	1



First Calendar Quarter after qualifying as a Team Builder

The first full Calendar Quarter, following her Team Builder qualification, is April to June (Q2). Avery’s total Personal Sales (6) and Personal Qualified Recruits (3) meet the minimum requirements, and her Team Builder rank will be maintained for one additional Calendar Quarter.

**Team Leader**

To qualify as a Team Leader, an individual must:

- Hold Team Builder rank
- Make nine (9) Personal Sales and three (3) Personal Qualified Recruits in any three (3) month rolling period after qualifying as a Team Builder.

To maintain Team Leader rank, an individual must:

- Make nine (9) Personal Sales and have three (3) Personal Qualified Recruits for each successive Calendar Quarter after qualifying as a Team Leader.


Note: A Team Leader is entitled to receive a Calendar Quarter Grace Period during each calendar year if they do not meet the minimum maintenance criteria during a Calendar Quarter. The minimum maintenance criteria must be maintained for all other Calendar Quarters during that calendar year.

If Team Leader rank is not maintained, the individual will be demoted to the Consultant rank and the maintenance criteria for that rank will then apply.


*Example 4*

Alexa has been a Team Leader for the past year. Her performance (that is, her Personal Sales and Personal Qualified Recruits) for the first half of the current year is as follows:

	January	February	March	April	May	June
Personal Sales	2	1	6	1	3	4
Personal QR	2	1	2	1	1	0



9 Personal Sales and 5 Personal Qualified Recruits in Q1



7 Personal Sales and 2 Personal Qualified Recruits in Q2 – Grace Period APPLIED

In the first Calendar Quarter of January to March (Q1) Alexa meets the minimum requirements and therefore maintains Team Leader rank for an additional Calendar Quarter. However, in the second Calendar Quarter Alexa does not meet the minimum requirements. Alexa applies her annual Grace Period in Q2, so that she can maintain Team Leader rank for an additional Calendar Quarter. She must now ensure that she meets the minimum requirements during both the Q3 and Q4 Calendar Quarters to maintain Team Leader rank.

*Example 5*

Belinda has qualified as a Team Leader in January. Her performance (that is, her Personal Sales and Personal Qualified Recruits) after qualifying is as follows:

	February	March	April	May	June
Personal Sales	1	1	3	2	4
Personal QR	1	2	2	1	1

Partial Calendar Quarter upon  
qualifying does not need to meet  
minimum requirements

9 Personal Sales and 4 Personal Qualified  
Recruits meets the minimum requirements in  
first full Calendar Quarter

As Belinda’s first month as Team Leader is February, her first full Calendar Quarter as Team Leader is April to June (Q2). She has met the minimum requirements during Q2 and will therefore maintain her Team Leader rank for an additional Calendar Quarter.

**TEAM MULTIPLICATION**

When a Team Builder qualifies as a Team Leader, they will be removed from their current Team and placed directly under their Branch as a new Team. Any previous Personal Qualified Recruits of the newly qualified Team Leader that are within the same Branch and within a reasonable proximity will be placed under their new Team.

**COMMISSION PLAN**

**Basic Commission**

*Eligibility*

New Consultants and above who are NOT participating in the TM4U Program.

*Payment Criteria*

Basic Commission will be paid for each Personal Sale as follows:

<b>Personal Sale</b>	<b>Commission (Each Sale)</b>
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<b>1</b>	\$170
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## Performance Bonus

### *Eligibility*

New Consultants and above who are NOT participating in the TM4U Program.

### *Payment Criteria*

Performance Bonus will be paid for Personal Sales as follows:

<b>Personal Sales</b>	<b>Commission</b>
<b>1</b>	\$0
<b>2</b>	\$60
<b>3</b>	\$150
<b>4</b>	\$240
<b>5</b>	\$350
<b>6</b>	\$480
<b>7</b>	\$630
<b>8</b>	\$720
<b>9</b>	\$810
<b>10</b>	\$900
<b>11</b>	\$990
<b>12</b>	\$1080
<b>13</b>	\$1170
<b>14</b>	\$1260
<b>15</b>	\$1350
<b>16</b>	\$1440
<b>17</b>	\$1530
<b>18</b>	\$1620
<b>19</b>	\$1710
<b>20</b>	\$1800

For each Sale above 20, an additional \$90 will be paid.

## Recruitment Bonus

### *Eligibility*

New Consultants and above.



### **Payment Criteria**

Recruitment Bonus will be paid to the Recruiter based on the Recruit’s Personal Sales, as follows:

<b>Sales during Smart Start Period</b>	<b>Deadline for qualification</b>	<b>Commission (for Recruiter)</b>
<b>0</b>		\$0
<b>1</b>	30 days from Registration Date	\$170
<b>4</b>	Within Smart Start Period	\$300

Note: This bonus will only be paid when the Recruit is a new Recruit. No Recruitment Bonus will be paid for returning Consultants. In order to be eligible for the 4<sup>th</sup> sale bonus the Recruit must have made at least one Sale within 30 days from Registration Date.

### **Team Builder Qualification Bonus**

#### **Eligibility**

New Consultant or Consultant rank who has never previously been Team Builder or Team Leader and qualifies as Team Builder within the Smart Start Period.

#### **Payment Criteria**

The Team Builder Qualification Bonus is paid to a Consultant that meets the qualification criteria for Team Builder.

<b>Requirement</b>	<b>Commission</b>
Qualify as Team Builder	\$250

This bonus is a ONE TIME payment over the lifetime of a Consultant.

### **Team Builder Standard Bonus**

#### **Eligibility**

Team Builder rank only.

#### **Payment Criteria**

Team Builder Standard Bonus is paid each Bonus Period to a Team Builder as follows:

<b>Minimum Bonus Period Performance</b>	<b>Commission</b>
Three (3) Personal Sales AND One (1) Personal Qualified Recruit	\$250

## Team Leader Qualification Bonus

### Eligibility

Team Builder rank only.

### Payment Criteria

The Team Leader Qualification Bonus is paid to a Team Builder that meets the qualification criteria for Team Leader.

Requirement	Commission
Qualify as Team Leader	\$250

This bonus is a ONE TIME payment over the lifetime of a Consultant.

## Team Bonus

### Eligibility

Team Leader rank only.

### Payment Criteria

Team Sales	Commission Per Unit
0-4	\$0
5-9	\$50
10-14	\$55
15-19	\$60
20+	\$65

## New Consultant Development Bonus

### Eligibility

Team Leader rank only.

### Payment Criteria

New Consultant Development Bonus is paid to a Team Leader based on the Sales of each New Consultant within their Team as follows:

Sale of New Consultant	Commission
1 <sup>st</sup>	\$100
2 <sup>nd</sup>	\$100
3 <sup>rd</sup>	\$100
4 <sup>th</sup>	\$100
5 <sup>th</sup>	\$100

6 <sup>th</sup>	\$100
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Based on the above table, the maximum New Consultant Development Bonus that may be paid per New Consultant is \$600.

Note: Any New Consultant's Sales within a Team will be counted for this bonus type. The New Consultant does not have to be recruited by the Team Leader personally.

This bonus will only be paid when the New Consultant is a first-time New Consultant. No New Consultant Development Bonus will be paid for returning Consultants.

## Team Leader Standard Bonus

### *Eligibility*

Team Leader rank only.

### *Payment Criteria*

Team Leader Standard Bonus is paid each Bonus Period to a Team Leader as follows:

Minimum Bonus Period Performance	Commission
Three (3) Personal Sales AND Two (2) Qualified Recruits, (with a Minimum one (1) being a Personal Qualified Recruit)	\$500

## Team Builder Development Bonus

### *Eligibility*

Team Leader rank only.

### *Payment Criteria*

The Team Builder Development Bonus is paid to a Team Leader for each of their Team members that qualify as Team Builder.

Team Member Qualification	Commission
Qualify as Team Builder	\$250

## Team Leader Development Bonus

### *Eligibility*

Team Leader rank only.

***Payment Criteria***

The Team Leader Development Bonus is paid to a Team Leader for each of their Team members that qualify as Team Leader.

<b>Team Member Qualification</b>	<b>Commission</b>
Qualify as Team Leader	\$500

## General Conditions

### Commission / Bonus Deemed Earned

All referenced Commission(s) and Bonus(es) will be deemed earned ONLY when full payment (or, in the case of a finance option, cleared funds) is received from the Customer and the Customer does not return the Unit(s).

Notwithstanding anything to the contrary herein, any Commission(s), Bonus(es), or earned Product(s)/Trip(s)/Reward(s) shall be subject to recoupment or clawback in the event VORWERK discovers that the earned Commission(s), Bonus(es), or earned Product(s)/Trip(s)/Reward(s) were earned as a result of fraudulent conduct and/or practices that do not comply with the Code of Conduct set forth in the Consultant Handbook.

### Payment Cycle and Method

All Commission(s) and Bonus(es) are calculated after the conclusion of each Bonus Period and will be paid out by bank transfer, to the Consultant's nominated bank account, as provided on the Independent Consultant Agreement, on or before the 15<sup>th</sup> of the following month.

If no valid payment method is available, a Consultant's commission will be withheld until updated bank account information is provided by Consultant.

In accordance with the Independent Consultant Agreement, we will issue a Commission Statement to You with respect to the Commission due. The Commission and Bonus amount reflected on the Commission Statement will include both earned and unearned Commission(s) and Bonus(es). In the event we do not receive full payment for a Unit(s) (or a Unit(s) is returned) within three Bonus Periods from the date of the Customer Order, said Units will be deducted and reflected on the current Commission Statement (that is, the period during which the Units were returned and/or full payment was not received). If no Units have been sold in the current Commission/Bonus Period then the negative amount will be carried forward until such a time as a positive amount exists. Consultant agrees to return any unearned overpayment.

### Eligibility Following Termination

If your Independent Consultant Agreement is terminated, for any reason, a Consultant will be provided all commission and bonus(es) earned on or before the date of termination. Final payment will be provided by the 15<sup>th</sup> of the month following termination.

Thereafter, all Commission and Bonus entitlement ceases.

### Tax Considerations

As Consultants are independent contractors, VORWERK will declare any Consultant earnings meeting IRS reporting thresholds via 1099 forms on an annual basis. Consultants are fully responsible for the proper declaration of their earnings and payment of any income tax that may be due.

If VORWERK does not have the required and up-to-date information for a Consultant (i.e., on Consultant's W9 form), we may be obliged to withhold commission by law at a rate mandated by the IRS. Please ensure that you always provide your W9 in a timely fashion.

**Note:** Earned products, incentive trips and other non-cash Rewards that are paid for by VORWERK are taxable benefits and will be included on your 1099 accordingly based on the value of the benefit provided.