# KANNAWAY

COMPENSATION PLAN
2019

KANNAWAY.COM | KANNWAY.COM/EU

## Terms to Remember

**Brand Ambassador** — Kannaway Independent Distributor.

**Active** — Brand Ambassadors are active when they are current with their Brand Ambassador Fee(s).

**Qualified** — Brand Ambassadors are Qualified to earn commission overrides when they have meet their Personal (PV) and Group Volume (GV) requirement in product sales each month, per their rank.

**Earned Rank** — The highest Pin rank a Brand Ambassador earns. This allows the Brand Ambassador to be recognized at that rank.

**Paid As Rank** — The rank a Brand Ambassador is for that commissionable period. Commissions are paid to each Brand Ambassador based on the rank they are for each commissionable period. It is possible that a Brand Ambassador's Earned Rank and Paid As Rank are different.

**Business Volume (BV)** — The total volume assigned to each product.

**Commissionable Volume (CV)** — The total volume from which commissions are paid. Commissionable Volume equals 50% of the Business Volume (BV).

**Personal Volume (PV)** — The volume that is generated from all personal sales and personal customer sales.

**Group Volume (GV)** — The total GV generated through product sales made by Downline Brand Ambassadors

**Elite Volume (EV)** — The total EV generated through product sales made by your personally enrolled Brand Ambassadors and their team.

**Weekly commissions** — Weekly commissions start on Friday at 12:00 am PST and end on Thursday at 11:59 pm PST; weekly commissions are available on the following Friday.

**Monthly Residual commissions** — Monthly commissions start at 12:00 am PST on the first day of the month and end at 11:59 pm PST on the last day of the month. Monthly Residual commissions will be paid on the 15th of the following month during our monthly commission run. Commission will be transferred to your PQ account on Friday when you have minimum 25$ on one check in your backoffice.

**Smart Ship** — Is an optional program that allows both Preferred Customers and Brand Ambassadors to have the products of their choosing sent to them automatically on approximately the same day each month.

**Retail Customer** — Is a Customer who is not enrolled in the Kannaway Smart Ship program. They do not receive the Kannaway wholesale price on their purchases.

**Preferred Customer** — Is a Customer who has enrolled in the Kannaway Smart Ship program to receive their selected product or products sent automatically each month. Preferred Customers purchase products at the Kannaway wholesale cost.

**Earned Month** — Refers to the month a qualification must be meet. A Brand Ambassador must all sales requirements to be eligible for commissions during that commission period.

**Grace Period** — If a leader fails to maintain the necessary Group Volume (GV) requirements to maintain their rank, they will have the following number of days to bring their Qualified Business Volume (BV) back up to meet their rank requirement before they loose their rank. The grace period does not apply to income earned via Minimum Income Guarantee, RAC commissions or Lifestyle Commission. To earn Minimum Income Guarantee or Lifestyle Commission again, you need to hit and maintain the rank again, exactly the same way you did it for the first time.

| Rank | Executive Director | Area Director | Regional Director | National Director | International Director | Vice Presidential Director | Presidential Director | Crown Ambassador |
|---|---|---|---|---|---|---|---|---|
| Grace Period Days | 30 | 30 | 60 | 60 | 90 | 90 | 180 | 180 |

The world has never seen a company as unique and refreshing as Kannaway, and we know that our Brand Ambassadors are the driving force behind our success. Together with our Brand Ambassadors, we are creating a culture that is truly enriching the lives of people around the world. To bring this vision into reality, Kannaway has established a generous and straightforward compensation plan that rewards our Brand Ambassadors!

## THERE ARE 2 REQUIREMENTS TO EARN COMMISSIONS

### Requirement 1:

Register to become a Kannaway Brand Ambassador (Independent Distributor) by enrolling online and paying the required Brand Ambassador fee.

- $54.98/€47.80 annually

The Brand Ambassador fee will be debited annually on the annual anniversary date.

The Brand Ambassador fee includes:

- Replicated Kannaway Websites
- Kannaway Secure Back Office
- Kannaway Training and Support Tools
- Administrative Support

### Requirement 2:

Maintain the minimum Personal Volume (PV) required for your rank each month, either through customer sales or personal orders.

*Disclaimer: In the Kannaway program, there is no purchase of product required to be a Brand Ambassador. The only required fee to become a Brand Ambassador is the Brand Ambassador fee. There are no commissions generated or paid on the Brand Ambassador fee. Kannaway only pays commissions from the sale of products, not from the recruitment of Brand Ambassadors.*

As a Brand Ambassador (Independent Distributor), it's important to understand how you get paid. A portion of each sale generated within your organization may trigger one or more ways for you to earn commissions. As you read through this compensation explanation, you'll understand how you're rewarded in each area of the compensation plan.

It is important to understand that only qualified Brand Ambassadors earn commissions and in order to receive commission overrides on your group sales you will need to satisfy minimum personal sales requirement based on your rank. For further explanation see rank and pin levels below.

*Kannaway Brand Ambassadors must be of 18 years or older to enroll.*

## KANNAWAY CUSTOMER SALES

Selling Kannaway products directly to customers builds a solid foundation for your Kannaway business. There are two ways to make direct customer sales:

- By purchasing and reselling Kannaway products in person
- Allowing customers to order through your replicated website link

When selling through the website in the second option, you are eligible to earn both retail commission as the difference between wholesale and retail AND direct sales commissions. Direct sales commissions for every retail order placed within the first 30 days will pay a 30% DSC, 15% Check Match, and 55% to monthly residual commissions. After the first 30 days, a 30% DSC will pay on every order, with the remaining 70% paid through monthly residual commissions. For example, if you sold a bottle of Pure Gold at retail price, $187.99, you will be paid the difference between $187.99 and $155.99, coming out to $32 PLUS the direct sales commission of 30% of CV, $16.50.

*When someone redeems a gift card on a retail purchase, the profit between the wholesale price and the retail price is reduced by the gift card amount. Direct sales commissions are paid on the following Friday from the week they are made, and residual sales commissions are paid on the 15th of the following month.*

*All customer sales are regarded as Personal Volume. There is no purchase of product required to be a Brand Ambassador. Personal volume requirements per rank can always be satisfied through the sale of product to either a retail customer or a preferred customer.*

### Kannaway Offers A Preferred Customer Program

Some customers prefer to have their orders shipped directly to them each month without having to hassle with remembering to place a new order, which is what we call Smart Ship at Kannaway. Customers who enroll in the Smart Ship program become Kannaway Preferred Customers. Registration in the Smart Ship program is FREE and as a Kannaway Preferred Customer they will have the ability to buy their Kannaway products at wholesale and even earn FREE product by referring other Customers in our **3 for FREE Program.**

The Kannaway Compensation Plan pays the Brand Ambassador that sells the Preferred Customer their product order placed within the first 30 days will pay a 30% DSC, 15% Check Match, and 55% to monthly residual commissions. After the first 30 days, a 30% DSC will pay on every order, with the remaining 70% paid through monthly residual commissions.

As a Kannaway Preferred Customer they will be given a secure back office account to track their order history and manage their Smart Ship Deliveries. Preferred Customers will also receive a FREE Kannaway website to refer customers to and have the opportunity to earn FREE product in the **3 for FREE Program.**

The 3 for FREE Program is simple. Preferred Customers and Brand Ambassadors can earn FREE product by referring 3 Kannaway customers. The amount of FREE product that can be earned is based on the average product orders of all their Kannaway customers referred, not to exceed the Brand Ambassador or Preferred Customers Smart Ship order during the earned month.

For example: If the Brand Ambassador or Preferred Customer's average product orders equal 55 BV (Business Volume) and the Brand Ambassador or Preferred Customers Smart Ship order during that month was at least 55 BV, they would receive their following months Smart Ship order up to 55 BV for FREE. There are no commissions paid on free products earned.

# 3 FOR FREE

## How It Works

**YOU**
Have a personally paid Smartship order

+

**CUSTOMERS**
Have at least 3 Customers with paid monthly orders

=

**FREE***
Earn free product the following month equivalent to the average BV of all customer orders

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**1**

Personal paid Smartship

+

3 Customers:
**1,500 Combined BV**
from paid orders

=

500
BV in **FREE PRODUCT**
the following month

---

**2**

Personal paid Smartship

+

5 Customers:
**2,000 Combined BV**
from paid orders

=

400
BV in **FREE PRODUCT**
the following month

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**Learn more at Kannway.com/3free**

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### 3 for FREE Program Requirements:

1. Maintain an active monthly SmartShip of at least 28 BV in product orders.
2. Have at least three Kannaway customers who have a minimum order of 28 BV each calendar month. When this occurs, your next month's SmartShip order is FREE.
3. The amount of free product is based on the total average order of your customers, not to exceed your SmartShip order from the earned month.

**There are no commissions paid on FREE product.*

KANNAWAY

# Getting FastStart Qualified

## 2 DIFFERENT WAYS TO QUALIFY

Getting FastStart qualified earns you 3X the Direct Sales Commission! Achieving FastStart qualification is a key first step when building your business in Kannaway. The FastStart program offers you the opportunity to earn triple Direct Sales Commissions (DSC's) on Value Packs sold to personal enrollments. This means you can earn 3 times the initial DSC on every first value pack you sell to a new customer or Brand Ambassador (BA) during your entire time in Kannaway.

## 1. ENROLL AS A BA

The only requirements to join Kannaway, you must be 18 years of age or older, and pay the Annual Brand Ambassador fee to maintain your account.

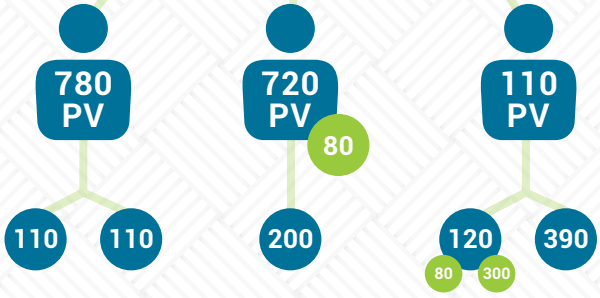
## 2. FULFILL YOUR PERSONAL VOLUME (PV) REQUIREMENT

## 3.FULFILL YOUR GROUP VOLUME (GV) REQUIREMENT

Enroll 3 new BAs or Customers who purchase or sell any Value Pack

OR

Generate 3000 EV points within 4 levels, in 30 days




**Option 1** allows you to fulfill your PV requirement for FastStart qualification by either purchasing or selling a Jr Executive FastStart Value Pack or higher. After that, enroll any combination of 3 BAs, Customers, or Preferred Customers, within 30 days; all of which either buy or sell any Value Pack. Increase the time you have to qualify by purchasing or selling the Senior Executive Value Pack, which increases your qualifying time to 45 days. If you want even more time, purchasing the Total Experience Value Pack will give you 60 days to meet your goal.

**Option 2** allows you to fulfill your PV requirement by either buying or selling any value pack, and generating 3000 personally sponsored group volume within 4 levels, in 30 days. Remember, no more than 60% of that the EV requirement can be generated from one personal enrollment leg.

## BRAND AMBASSADORS GET TO PARTICIPATE IN FASTSTART 3000

***"Faststart 3000 & Faststart 9000 qualifiers are the heartbeat of the Kannaway business model."***

Achieving Faststart 3000 status earns Brand Ambassadors up to $1,000 in additional commissions paid over 2 months. To become Faststart 3000 qualified you must achieve the following:

- Become Faststart Qualified within your first 30, 45, or 60 days of becoming a Brand Ambassador.
- Generate at least 3,000 in cumulative EV (Elite Volume) within 4 levels in your first 60 Days with no more than 60% of the EV (Elite Volume) coming from 1 leg or team.
- Generate 110 in PV in both the 2nd and 3rd months of being a Brand Ambassador (days 31-60 & days 61-90).

** Sponsor placed Brand Ambassadors and their legs cannot be used to qualify a BA for Faststart 3000 Commission. Faststart 3000 Commission earned by a BA must be generated from BA's sponsored by the individual earning the Faststart 3000 Commission.*

## BECOME Faststart 9000 Qualified AND EARN ADDITIONAL Commissions

- Become Faststart Qualified within your first 30, 45, or 60 days of becoming a Brand Ambassador.
- Generate 9,000 in cumulative Elite Volume (EV) within 5 levels during your first 90 days with not more than 60% coming from 1 leg or team.

Faststart 9000 qualifiers receive an additional $1,000. Like the Faststart 3000, Faststart 9000 qualifiers must maintain a minimum of 110 PV in their 2nd and 3rd months, (days 31-60 & days 61-90) to earn the Faststart 9000 Commission. The $1,000 Faststart 9000 Commission is paid over 2 months.

** Sponsor placed Brand Ambassadors and their legs cannot be used to qualify a BA for Faststart 9000 Commission. Faststart 9000 Commission earned by a BA must be generated from BA's sponsored by the individual earning the Faststart 9000 Commission.*

## DIRECT SALES COMMISSION: [DSC]

A direct sales commission pays on every order from a new enrollment, during that new enrollments first 30 days. These commissions are 30% of the commissionable volume, paid to the immediate sponsor. For example, a 110 BV order, with a CV of 55, will produce a DSC of $16.50.

Kannaway also offers Value Packages to both customers and Brand Ambassadors who are interested in saving money. Kannaway pays a special DSC on the first Kannaway Value Pack purchase. The commissions paid on Kannaway Value Pack are listed in the chart below. Any future purchases of Kannaway Value Packs will pay based on the assigned CV through the residual portion of the compensation plan.

| Kannaway US Value Packs | DSC Commission Paid |
|---|---|
| Starter Value Pack | $20 |
| Pure Starter Value Pack | $20 |
| FastStart Jr. Executive Value Pack | $75 |
| FastStart Executive Value Pack | $100 |
| FastStart Total Product Experience Value Pack | $150 |

| Kannaway EU Value Packs | DSC Commission Paid |
|---|---|
| Basic Value Pack | $10 |
| Starter Value Pack | $20 |
| Pure Humulus Starter Value Pack | $20 |
| Pure Starter Value Pack | $20 |
| FastStart Junior Executive Value Pack | $30 |
| FastStart Sr. Executive Value Pack | $75 |
| FastStart Total Product Experience Value Pack | $100 |

## Kannaway US Services: [DSC]

Kannaway also pays a Direct Sales Commission on our Electric & Gas and Solar customers. Unlike the Direct Sales Commission above, the Energy & Solar Direct Sales Commission is paid to the BA acquiring the Energy & Solar customer per the chart below.

| Kannaway US Services | DSC Commission Paid |
|---|---|
| Electric or Gas Utility Customer | $5 |
| Solar Customer | $130 |

## Triple Direct Sales Commission

Brand Ambassadors who become faststart qualified will have their Direct Sale commissions paid on all Kannaway Value Packs tripled and Electric & Gas & Solar customers tripled. The triple DSC will retroactively issue a triple commission on all qualified Kannaway Value Pack sales to that point and continue to triple them for life.

| Kannaway US Value Packs | Triple Up DSC |
|---|---|
| Starter Value Pack | $60 |
| Pure Starter Value Pack | $60 |
| FastStart Jr. Executive Value Pack | $225 |
| FastStart Executive Value Pack | $300 |
| FastStart Total Product Experience Value Pack | $450 |

| Kannaway EU Value Packs | Triple Up DSC |
|---|---|
| Basic Value Pack | $30 |
| Starter Value Pack | $60 |
| Pure Humulus Starter Value Pack | $60 |
| Pure Starter Value Pack | $60 |
| FastStart Junior Executive Value Pack | $90 |
| FastStart Sr. Executive Value Pack | $225 |
| FastStart Total Product Experience Value Pack | $300 |

*NOTE: The Triple Direct Sale Commission is only paid on the first Kannaway Value Pack purchase made by each Customer or Brand Ambassador. DSC's are paid on all none value pack sales within a new BA's first 30 days. Any additional Kannaway Value Pack sales will be paid based on the CV assigned through the monthly residual commissions.*

** All Direct Sale Income is paid weekly.*

| Kannaway US Services | Triple Up DSC |
|---|---|
| Electric or Gas Utility Customer | $15 |
| Solar Customer | $390 |

## 50% DSC Check Match:

Duplication is the key to long-term success in Relationship Marketing and to help our Brand Ambassadors create a culture of teamwork. We pay a 50% check match on all Direct Sales commissions to qualifying team members.

The DSC Matching Commissions is paid on the entire DSC earned even if it is a triple DSC. The 50% DSC Check Matching Commission is split and paid as follows.

*20% is paid to the enrollees sponsor and 30% is split between leadership rank codes and 7 levels of upline team members (following the sponsor tree) as shown in the charts below:*

| Qualifying Coded Ranks | DSC Matching Commission Percentage |
|---|---|
| Executive Director | 2.5% |
| Regional Director | 2.5% |
| International Director | 2.5% |
| Presidential Director | 2.5% |

| Upline Levels | DSC Matching Commission Percentage |
|---|---|
| Enroller's Sponsor | 20% |
| Level 2 Upline | 5% |
| Level 3 Upline | 5% |
| Level 4 Upline | 2.5% |
| Level 5 Upline | 2.5% |
| Level 6 Upline | 2.5% |
| Level 7 Upline | 2.5% |
| Total | 50% |

** Note: Any single order on which a DSC is earned will pay an additional 50% of the total DSC amount, broken down into the above percentages. For example: If you are the sponsor of the BA earning a DSC of $60, you will be paid 20% of the entire DSC, $12. If, you are the level 4 upline, you will be paid 2.5% of the total DSC, $1.50.*

## 10 LEVELS OF RESIDUAL TEAM OVERRIDE COMMISSIONS:

As a Kannaway Brand Ambassador, your focus will be on creating a Retail and Preferred Customer base as well as building a team of Brand Ambassadors. As you progress through the Kannaway compensation program, you will earn increased Team Override commissions from the product, energy and solar sales generated throughout your sales organization.

Kannaway utilizes a "Unilevel" structure for our Team Override commissions. Meaning, every Brand Ambassador will be automatically placed on their sponsor's first level unless their sponsor chooses to place them under a Brand Ambassador on their team. [Placement is an advanced organizational strategy. Ask your Team Leader for advice on the best strategy for building your Kannaway business.]

The higher rank you achieve, the more levels you can earn commissions. The Kannaway compensation plan uses "compression" to allow Brand Ambassadors to earn on sales originating down deeper within their organization if someone in the organizational tree is inactive. This means any Customer or Brand Ambassador volume that is not generated from an active Brand Ambassador will "compress" and be counted within the volume of the level immediately above.

### Unilevel Placement Tree

| | Brand Ambassador | Director | Senior Director | Executive Director | Area Director | Regional Director/ Regional Director Elite | National Director/ National Director Elite | International Director/ International Director Elite | Vice Presidential Director/ Vice Presidential Director Elite | Presidential Director/ Presidential Director Elite | Crown Ambassador/Crown Ambassador Elite | Double Crown Ambassador Elite |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **LVL 1** | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| **LVL 2** | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| **LVL 3** | | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% |
| **LVL 4** | | | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| **LVL 5** | | | | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% |
| **LVL 6** | | | | | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% |
| **LVL 7** | | | | | | 8% | 8% | 8% | 8% | 8% | 8% | 8% |
| **LVL 8** | | | | | | | 9% | 9% | 9% | 9% | 9% | 9% |
| **LVL 9** | | | | | | | | 10% | 10% | 10% | 10% | 10% |
| **LVL 10** | | | | | | | | | | | | 11% |

** Team Override commissions are paid monthly.*

## RANK INFINITY Commission

The Rank Infinity Commission allows Brand Ambassadors who have achieved the Paid As Rank of Executive Director / Area Director / Regional Director / Regional Director Elite / National Director / National Director Elite / International Director / International Director Elite / Vice Presidential Director / Vice Presidential Director Elite / Presidential Director / Presidential Director Elite & Crown Ambassador / Crown Ambassador Elite to start earning a 1% commission on all qualified sales starting on their 6th level through infinity on the sales organization they built. The Rank Infinity Commission pays a total of 15% of the CV through 2 generations, (7.5% on each generation) and is cumulative, meaning you can earn the total difference in Commission % between your rank and the rank of your team members.

As a qualified Executive Director you will start earning a 1% Commission on all sales starting with your 6th level through infinity, this is referred to as the 1st Generation Commission. You will earn the 1st Generation Commission down to the next qualified Executive Director in your Placement Tree Organization. At that point the new Executive Director will start earning the 1st Generation Infinity Commission on their organization and you will start earning the 2nd Generation 1% Infinity Commission on their organization. When a third Executive Director is encountered in the same organizational line of you will be blocked out, this is known as a breakaway and you stop earning the 2nd generation infinity Commission from that Executive Director and their organization. It's important to understand you will continue to earn the 1st generation & 2nd generation infinity Commission on the remainder of your organization as long as you have not encountered a third qualified Executive Director. In order to start earning the "Rank" Infinity Commission on the breakaway organization you will need to achieve the rank of Area Director at which time you will start earning the 1st generation Area Director commission.

Earning cumulative Rank Infinity commissions for multiple ranks is one of the exciting aspects of this commission, meaning you have the ability to earn the Commission % from more than 1 rank. As an example, if you were a qualified Crown Ambassador and had no Executive Directors or above in a specific leg you would receive the entire 1st generation Executive Director / Area Director / Regional Director / Regional Director Elite / National Director / National Director Elite / International Director / International Director Elite / Vice Presidential Director / Vice Presidential Director Elite / Presidential Director / Presidential Director Elite & Crown Ambassador / Crown Ambassador Elite Generational Infinity Commission for each rank (7.5%). As soon as a Brand Ambassador in that leg achieves the rank of Executive Director you will start earning the 2nd generation infinity Commission below your new Executive Director.

| | Executive Director | Area Director | Regional Director/ Regional Director Elite | National Director/ National Director Elite | International Director/International Director Elite | Vice Presidential Director/Vice Presidential Director Elite | Presidential Director/Presidential Director Elite | Crown Ambassador/Crown Ambassador Elite | Double Crown Ambassador Elite |
|---|---|---|---|---|---|---|---|---|---|
| Rank Infinity 1st Gen level 6 (ED) to 10 (PD) and Below | 1% Inf | 1% Inf | 1% Inf | 1% Inf | 1% Inf | 1% Inf | 0.75% Inf | 0.5% Inf | 0.25% Inf |
| Rank Infinity 2nd Gen level 6 (ED) to 10 (PD) and Below | 1% Inf | 1% Inf | 1% Inf | 1% Inf | 1% Inf | 1% Inf | 0.75% Inf | 0.5% Inf | 0.25% Inf |

## CODED INFINITY Commission

Like the Rank Infinity Commission, the Coded Infinity Commission allows Brand Ambassadors who have achieved the Paid As Rank of Executive Director to start earning it. It also pays 15% of the CV through 2 generations (7.5% on each generation) and is cumulative, meaning you can earn multiple coded infinity Commission's on the same team. For example if you have National Director, Regional Director and Area Director coding on an individual you would earn all those coded infinity Commission on that individuals team.

Once you achieve Executive Director you start earning the Coded Infinity Commission on the very next Brand Ambassador and their team you personally enroll. Unlike the Rank Infinity Commission, your coded team members don't breakaway from you. Once they are coded to you they remain coded as long as they remain active in Kannaway, no matter how large or how many levels their team grows. Another exciting feature of the Coded Infinity Commission is you start earning the added Commission on level 1, which means you could increase your level 1 % override to as much as 9.5%.

Like the Rank Infinity Commission, the Coded Infinity Commission also has 2 generations of code Commission paid at each rank. The major difference is with the coded Commission their entire team does NOT breakaway from you once a 2nd BA achieves your same rank. That means your commissions shouldn't reduce, in fact if you've built a growing healthy organization they will continue to grow and so will the coded Commission portion of your check.

As you continue to achieve higher ranks in Kannaway you start earning that ranks Coded Infinity Commission with the very next person you personally enroll. Like the Rank Infinity commissions, the Coded Infinity Commission allows you to accumulate your coded commissions for multiple ranks, meaning you have the ability to earn the Commission % from more then 1 rank.

As an example if you were a qualified Crown Ambassador you would receive the entire 1st generation Coded Infinity Commission for each rank Executive Director / Area Director / Regional Director / Regional Director Elite / National Director / National Director Elite / International Director / International Director Elite / Vice Presidential Director / Vice Presidential Director Elite / Presidential Director / Presidential Director Elite & Crown Ambassador / Crown Ambassador Elite (7.5%) on all sales made by your newly enrolled Brand Ambassador and their entire organization starting with their level.

| | Executive Director | Area Director | Regional Director/ Regional Director Elite | National Director/ National Director Elite | International Director/International Director Elite | Vice Presidential Director/Vice Presidential Director Elite | Presidential Director/Presidential Director Elite | Crown Ambassador/Crown Ambassador Elite | Double Crown Ambassador Elite |
|---|---|---|---|---|---|---|---|---|---|
| Coded Infinity 1st Gen level 6 (ED) to 10 (PD) and Below | 1% | 1% | 1% | 1% | 1% | 1% | 0.75% | 0.5% | 0.25% |
| Coded Infinity 2nd Gen level 6 (ED) to 10 (PD) and Below | 1% | 1% | 1% | 1% | 1% | 1% | 0.75% | 0.5% | 0.25% |

## LIFESTYLE COMMISSION

The Kannaway Lifestyle Commission can be earned when you achieve the Rank of Area Director and above and maintain it for one month. Commission will be paid on month 3.

The Lifestyle Commission pays the following commissions based on rank monthly the following month after achieving the rank and maintaining the rank (2nd month), lifestyle Commission is paid monthly on residual commission checks on month 3.

| Area Director | Regional Director/ Regional Director Elite | National Director/ National Director Elite | International Director/ International Director Elite | Vice Presidential Director/Vice Presidential Director Elite | Presidential Director/ Presidential Director Elite | Crown Ambassador/ Crown Ambassador Elite | Double Crown Ambassador Elite |
|---|---|---|---|---|---|---|---|
| $500 | $750 | $1,000 | $1,250 | $1,500 | $2,500 | $5,000 | $10,000 |

## RANK ADVANCEMENT COMMISSION (RAC)

Rank Advancement commissions are designed to reward the new BA every step of the way as they achieve success and climb through the ranks of the compensation plan. We even double the RAC Commission if ranks are achieved faster.

We offer Rank Advancement commissions at the following ranks: Executive Director, Area Director, Regional Director & National Director.

These ranks are pivotal positions in the compensation plan, as they are some of the first ranks where the BA begins to develop a group and while helping others within their organization to develop their group - the main requirement in becoming a Presidential Director. Rank advancement commissions act as a catalyst, providing motivation in starting this behavior. Please see chart below for rank advancement commissions.

To qualify for the Rank Advancement Commission, you must earn one of the below ranks and maintain the necessary PV for your rank. Rank Advancement Commission will be paid the following month after rank earned with monthly commissions.

| Rank | Unlimited Time | Accelerated Time |
|---|---|---|
| Executive Director | $250 | $500 (60 Days from start date) |
| Area Director | $1,250 | $2,500 (120 Days from start date) |
| Regional Director Elite | $2,500 | $5,000 (180 Days from start date) |
| National Director Elite | $5,000 | $10,000 (270 Days from start date) |

*Note: Sponsor placed Brand Ambassadors and their legs cannot be used to qualify a BA for a Rank Advancement Commission. Rank Advancement commissions earned by a BA must be generated from BA's sponsored and their sponsored teams by the individual earning the Rank Advancement Commission, and abide by the same 60/40 leg split needed to obtain rank advancement.*

## MINIMUM INCOME GUARANTEE

$500/month

$2,500/month

$5,000/month
$60,000/year

$8,333/month
$100,000/year

$12,500/month
$150,000/year

$20,833/month
$250,000/year

$41,666/month
$500,000/year

$83,333/month
$1,000,000/year

### Requirements

- Brand Ambassadors must maintain a minimum of 3 active, personally sponsored Brand Ambassadors in 3 separate legs who each maintain a minimum of 110 PV monthly to earn the Minimum Income Guarantee (MIG) Commission.
- Brand Ambassadors must also maintain 110 PV monthly to earn the MIG Commission.
- Brand Ambassadors must earn and maintain the rank of Executive Director/ Area Director/ Regional Director Elite/ National Director Elite/ International Director Elite/ Vice Presidential Director Elite / Presidential Director Elite & Crown Ambassador Elite to earn the MIG Commission.
- If ranked at Regional Director or above, but not Elite, you will be paid at AD or ED depending on your qualifications.

### Details

The MIG Commission pays you the difference between your combined compensation and the MIG for your qualified rank that month. If your compensation is greater than the MIG no MIG is paid.

For example: If you earn the MIG qualified rank of Area Director on January 15th, February is your qualified month, as long as you maintain Area Director rank or above for the month of February. In February you earn $2,000 in compensation, so your MIG Commission is $500. $500 is the difference between your MIG of $2,500 and your earned compensation of $2,000.

The MIG Commission is paid on the 15th of the month following the first complete calendar month after you achieve the MIG qualified rank. ALL commissions paid are counted as qualified income when calculating MIG.

For example: You achieve the MIG qualified rank of Area Director on January 15th. The first complete calendar month following your promotion is February. As long as you continue to be qualified at Area Director or above in February, your first Commission will be paid on March 15th with your monthly commission payment.

Continuing Example: If you are demoted from Area Director to ED during the month of February, your MIG for February is at the rank of ED, $500.

All MIG commissions are paid monthly. Monthly MIG are as follows: ED=$500, Area Director=$2,500, Regional Director Elite =$5,000, National Director Elite=$8,333, International Director Elite=$12,500, Vice Presidential Director Elite=$20,833, Presidential Director Elite=$41,666, Crown Ambassador Elite=$83,333.

# ORGANIZATIONAL STRUCTURE

## Sponsor Tree

When a new Brand Ambassador is sponsored, they go into the Sponsor Tree as a Level 1, or "frontline," to the Brand Ambassador who sponsored them. Direct Sale Commissions (DSC), 50% Coded DSC Check Match, Team Override, and Coded Infinity commissions are paid based on the Sponsor Tree.

## The Holding Tank (Sponsor Placement)

The Kannaway compensation plan allows the sponsoring Brand Ambassador the ability to sponsor a Brand Ambassador and place them under another Brand Ambassador on their team within 7 days from the date of enrollment. The sponsoring Brand Ambassador will still maintain sponsorship and will receive all sponsor commissions.

## Placement Tree

1 Rule of Sponsor place:

- BA being placed has to be within 7 days of date sponsored (join date).

When a new Brand Ambassador is sponsored, they are automatically placed on their Sponsor's 1st level. However, at any time within the first 7 days of enrollment, the Sponsor may elect to place or move the enrolled Brand Ambassador under another Brand Ambassador in their organization as long as the BA placement is being done under a BA who has an earlier start date than the BA being placed. Placement is an advanced strategy that allows the sponsoring Brand Ambassador the opportunity to increase sales volume in an existing leg. Rank advancement, Team Override commissions and Rank Infinity Commission are all based on the BV in the Placement Tree.

# RANK AND PIN LEVELS

## Brand Ambassador

**Requirements:**

Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee

**Eligible to Earn:**

- 3 & Free
- Faststart 3000 Commission
- Faststart 9000 Commission
- Retail & Loyal Customer commissions
- DSC commissions
- DSC Sponsor Check Match
- 2 levels of Team Residual Commission (see residual chart above for %)

## Director [DIR]

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 28 PV monthly
- Personally enroll and maintain 3 active Brand Ambassadors placed in 3 separate legs
- Maintain a minimum of 600 Qualified Group Volume (GV) monthly with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & free
- Retail commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level Check Match
- 3 levels of Team Residual Commission (see residual chart above for %)

## Senior Director [SD]

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 55 PV monthly
- Personally enroll and maintain 3 active Brand Ambassadors placed in 3 separate legs
- Maintain a minimum of 3,000 Qualified Group Volume (GV) monthly with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & free
- Retail commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level Check Match
- 4 levels of Team Residual Commission (see residual chart above for %)

## Executive Director [ED]

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 active Brand Ambassadors placed in 3 separate legs
- Maintain a minimum of 5,000 Group Volume (GV) monthly with no more than 60% from any one leg

**Eligible to Earn:**

- 3 & Free
- Rank Advancement Commission
- Minimum Income Guarantee
- Retail Commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 5 levels of Team Residual Commission (see residual chart above for %)
- ED Rank Infinity Residual Commission
- ED Coded Infinity Residual Commission on new personally sponsored representatives after promotion to ED.

## Area Director

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 Active Brand Ambassadors placed in three separate legs
- Maintain a minimum of 15,000 Qualified Group Volume (GV) monthly with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & Free
- Minimum Income Guarantee
- Rank Advancement Commission
- Retail commissions
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 6 levels of Team Residual Commission (see residual chart above for %)
- Lifestyle Commission
- Area Director Infinity Residual Commission
- Area Director Coded Infinity Residual Commission on new personally sponsored representatives after promotion to Area Director

## Regional Director

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 Active Brand Ambassadors placed in three separate legs
- Maintain a minimum of 45,000 Group Volume (GV) monthly with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & Free
- Retail commissions
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 7 levels of Team Residual Commission (see residual chart above for %)
- Lifestyle Commission
- Regional Director Infinity Residual Commission
- Regional Director Coded Infinity Residual Commission on new personally sponsored representatives after promotion to Regional Director

## Regional Director Elite

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 Active Brand Ambassadors placed in three separate legs
- Maintain a minimum of 45,000 Elite Volume (EV) more than 60% from any one leg

**Eligible to Earn:**

- 3 & Free
- Minimum Income Guarantee
- Rank Advancement Commission
- Retail commissions
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 7 levels of Team Residual Commission (see residual chart above for %)
- Lifestyle Commission
- Regional Director Elite Infinity Residual Commission
- Regional Director Elite Coded Infinity Residual Commission on new personally sponsored representatives after promotion to Regional Director Elite
- Special Regional Director Elite Pin
- Trip Incentive

## National Director

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 Active Brand Ambassadors placed in three separate legs
- Maintain a minimum of 135,000 Group Volume (GV) monthly with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & Free
- Retail Commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 8 levels of Team Residual Commission
- Lifestyle Commission
- National Direc tor Rank Infinity Residual Commission
- National Director Coded Infinity Residual Commission on new personally sponsored representatives after promotion to National Director

## National Director Elite

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 Active Brand Ambassadors placed in three separate legs
- Maintain a minimum of 135,000 Elite Volume (EV) monthly with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & Free
- Rank Advancement Commission
- Minimum Income Guarantee
- Retail Commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 8 levels of Team Residual Commission
- Lifestyle Commission
- National Director Elite Rank Infinity Residual Commission
- National Director Elite Coded Infinity Residual Commission on new personally sponsored representatives after promotion to National Director Elite
- Special National Director Elite Pin
- Hemp brief case with custom products
- Trip Incentive

## International Director

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 active Brand Ambassadors placed in 3 separate legs
- Maintain a minimum of 240,000 Group Volume (GV) monthly with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & Free
- Retail Commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 9 levels of Team Residual Commission
- Lifestyle Commission
- International Director Rank Infinity Residual Commission
- International Director Coded Infinity Residual Commission on new personally sponsored representatives after promotion to International Director

## International Director Elite

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 active Brand Ambassadors placed in 3 separate legs
- Maintain a minimum of 240,000 Elite Volume (EV) monthly with not more than 60%from any one leg

**Eligible to Earn:**

- 3 & Free
- Minimum Income Guarantee
- Retail Commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 9 levels of Team Residual Commission
- Lifestyle Commission
- International Director Elite Rank Infinity Residual Commission
- International Director Elite Coded Infinity Residual Commission on new personally sponsored representatives after promotion to International Director Elite
- Special International Director Pin
- Tumi Luggage
- Trip Incentive

## Vice Presidential Director

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PBV in personal sales
- Personally enroll and maintain 3 active Brand Ambassadors in three separate legs
- Maintain a minimum of 400,000 Group Volume (GV) monthly with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & Free
- Retail Commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 9 levels of Team residual Commission
- Lifestyle Commission
- Vice Presidential Director Rank Infinity Residual Commission
- Vice Presidential Director Coded Infinity Residual Commission on new personally sponsored representatives after promotion to Vice Presidential Director

## Vice Presidential Director Elite

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 active Brand Ambassadors in three separate legs
- Maintain a minimum of 400,000 Elite Volume (EV) with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & Free
- Minimum Income Guarantee
- Retail Commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 9 levels of Team residual Commission
- Lifestyle Commission
- Vice Presidential Director Elite Rank Infinity Residual Commission
- Vice Presidential Director Elite Coded Infinity Residual Commission on new personally sponsored representatives after promotion to Vice Presidential Director Elite
- Special Vice Predidential Director Pin
- Custom Fitting Men's or Ladies Suits
- Trip Incentive

## Presidential Director

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 active Brand Ambassadors in three separate legs
- Maintain a minimum of 700,000 Group Volume (GV) monthly with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & free
- Retail Commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 9 levels of Team residual Commission
- Lifestyle Commission
- Presidential Director Rank Infinity Residual Commission
- Presidential Director Coded Infinity Residual Commission on new personally sponsored representatives after promotion to Presidential Director

## Presidential Director Elite

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 active Brand Ambassadors in three separate legs
- Maintain a minimum of 700,000 Elite Volume (EV)monthly with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & free
- Minimum Income Guarantee
- Retail Commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level & Coded Check Match
- 9 levels of Team residual Commission
- Lifestyle Commission
- Presidential Director Elite Rank Infinity Residual Commission
- Presidential Director Elite Coded Infinity Residual Commission on new personally sponsored representatives after promotion to Presidential Director Elite
- Special Presidential Director Pin or Pendant

## Crown Ambassador

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 active Brand Ambassadors in three separate legs
- Maintain a minimum of 1,000,000 Group Volume (GV) with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & Free
- Retail Commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level Check & Coded Match
- 9 levels of Team residual Commission
- Lifestyle Commission
- Crown Ambassador Rank Infinity Residual Commission
- Crown Ambassador Coded Infinity Residual Commission on new personally sponsored representatives after promotion to Crown Ambassador

## Crown Ambassador Elite

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 active Brand Ambassadors in three separate legs
- Maintain a minimum of 1,000,000 Elite Volume (EV) monthly with not more than 60% from any one leg

**Eligible to Earn:**

- 3 & Free
- Minimum Income Guarantee
- Retail Commission
- Faststart 3000 Commission
- Faststart 9000 Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level Check & Coded Match
- 9 levels of Team residual Commission
- Lifestyle Commission
- Crown Ambassador Elite Rank Infinity Residual Commission
- Crown Ambassador Elite Coded Infinity Residual Commission on new personally sponsored representatives after promotion to Crown Ambassador
- Rolex Watch

## Double Crown Ambassador Elite

**Requirements:**

- Pay the required $54.98/€47.80 Annual Brand Ambassador Business Fee
- Maintain at least 110 PV Monthly
- Personally enroll and maintain 3 active Brand Ambassadors in three separate legs
- Maintain a minimum of 4,000,000 Elite Volume (EV) with not more than 60% from any one leg and minimum of 500,000 in each of the other three legs

**Eligible to Earn:**

- 3 & Free
- Minimum Income Guarantee
- Retail Commission
- DSC commissions
- DSC 20% Sponsors Check Match
- DSC Level Check & Coded Match
- 10 levels of Team residual Commission
- Lifestyle Commission
- Double Crown Ambassador Elite Rank Infinity Residual Commission
- Double Crown Ambassador Elite Coded Infinity Residual Commission on new personally
- sponsored representatives after promotion to Crown Ambassador Elite
- Tesla Lease

KANNAWAY