



Krystal Planet - Compensation Plan

Overview

Although Krystal Planet began in 2003 as a network marketing company, in 2007 the compensation plan was changed to Direct Selling. This change better reflects our new product line and focus: wind, solar, and biofuels.

This compensation plan is not network marketing, multi-level marketing or any other form or name of network marketing. It is Direct Selling with lucrative Profit Sharing based on team sales performance. Where allowed by law, sales managers may elect to receive a portion of their profit sharing bonus in stock options.

The plan is simple: become an independent Sales Associate (similar to a dealer, distributor, or manufacturer's rep) and make a living selling wind, solar, and biodiesel solutions, as well as selling add-on energy savings & natural living products. For those with greater ambitions, you can become a Sales Manager at any time and earn a 25% override on any personally recruited Sales Associates plus you may be eligible for a monthly bonus from the corporate Profit Sharing pool (based on team points).

Sales Commission Examples

- Wind: \$1500 commission on Skystream (including lease-to-own sales)
- Solar: \$1,000 commission per kilowatt of installed PV (avg. size = 3 kW)
- Wind/Solar Rentals: \$10 / mo in 1st 5 years, then \$50 / mo for system life (25+ yrs) (+1,000 pts/mo)
- Biodiesel: 10 ¢ per gallon commission*
- Bronze, Silver, Gold: \$20 / month commission**
- Buy clean energy products for your own use at wholesale: save energy, save money.

* 10 cents per gallon year 1, 5 cents year 2, etc. (see How to Sell Biodiesel document) OR 10 cents on all accounts if you increase sales 25% per year.

** See product descriptions for Bronze, Silver, Gold and Starter Packages for details of contents and Point values.

Associates

Qualifications & benefits of being an Associate:

1. Sign up online to become an associate & reply to the email auto-responder you receive verifying your email address.
2. Cost: **\$0 (nada, nothing)**. Included: weekly conference calls, unlimited help from your Sales Associate (\$30 / month value).
3. **BENEFITS:** purchase innovative clean energy products (some available *only* from Krystal Planet) at competitive retail prices (no discount is available for associates), recruit other associates with promising sales potential (they'll be coded/tied to you).

Sales Associates

Qualifications & benefits of being a Sales Associate:

1. Sign & return application by email, fax, or snail mail.
2. Be a product of the product: make your home "Carbon Neutral" (eliminate carbon / greenhouse gas emission footprint of your home) by enrolling on FutureWind (it helps build small wind turbines at schools worldwide).
3. Cost: **\$30 per month** for FutureWind (500 points / month). Included at no additional charge are these services:
 Global Business Center (GBC): a clean energy "Mall" with ecommerce shopping cart, self-replicated customizable web page, online training, sales brochure & marketing tools resource libraries (\$20 / month value); and
 SoftVu online marketing with real-time notification when prospects view your email contents, sales & marketing tools library (\$50 / month value); and
 Email-only support from Krystal Planet (support@krystal-planet.com) plus unlimited help from your Sales Manager (\$30 / month value).
4. **BENEFITS:** earn commissions on sales of clean energy products & services, recruit associates and other sales associates, purchase products at wholesale.

Sales Managers

Qualifications & benefits of being a Sales Manager:

1. Become a Sales Associate.
2. Build your team: personally enroll **3 Sales Associates**.
3. Pass the Home Energy Review test.
4. Sign & return the Sales Manager application by email, fax, or snail mail and sign up for the Silver or Gold package OR a total of \$100 of monthly Autoships (this will generate 1,000 points / month).
5. Cost: **\$100 per month** (as shown above). You get (in addition to all you get as a Sales Associate):
 Up to one (1) hour per week support from a Regional Coordinator or another Sales Manager, preferred seats at training events, first choice of corporate salaried positions in your area (such as biodiesel plant manager or fuel station general manager), up to one (1) hour per month of pre-scheduled telephone support from Krystal Planet (\$200 / month value).
6. **BENEFITS:** earn 25% of sales commissions paid to your personally recruited sales associates / sales mgrs plus participation in Profit Sharing (see next page) if eligible.

Profit Sharing – for Sales Managers only

1. Every month that Krystal Planet makes a profit, at least 10% of that profit shall be placed in a Profit Sharing pool to be paid out among all sales managers and staff who qualify. During calendar year 2007, the profit sharing will be doubled to 20% of profits. And, a minimum of \$10,000 will be placed in the pool regardless of profits in any month in which total Autoship revenue equals or exceeds \$50,000.
2. Requirements to qualify for Profit Sharing:
 - a) Become a Sales Manager and maintain your account in good standing.
 - b) Generate 10,000 team points / month or more. Examples of how to achieve 10,000 points per month:
 - i. Sell enough products throughout your team to equal 10,000 points. Your team is defined as you plus any associate, sales associate, or sales manager enrolled by you or anyone else on your team anywhere, regardless of how far removed they are from you.
 - ii. Enroll 10 customers on a Wind/Solar rental (each generates 1,000 points / month).
 - iii. Enroll 20 Sales Associates (each generates 500 points / month with the \$30 / month Autoship).
 - iv. Enroll 10 Sales Managers (each generates 1,000 points / month with the \$100 / month Autoship).

3. Examples of various profit sharing bonuses company-wide.

a) \$10,000 Profit Sharing pool.

- i. Assumes there are (10) Sales Managers + (6) Employees eligible to receive Profit Sharing.

| Pool Participant | | Points | % of Pool | Profit Sharing Payment |
|------------------|--------------------------------|------------------|-------------|---------------------------|
| 1 | Sales Manager A (Superstar #1) | 600,000 | 30.0% | \$3,000 |
| 2 | Sales Manager B | 10,000 | 0.5% | \$50 |
| 3 | Sales Manager C | 15,000 | 0.8% | \$75 |
| 4 | Sales Manager D (Superstar #2) | 450,000 | 22.5% | \$2,250 |
| 5 | Sales Manager E (Superstar #3) | 350,000 | 17.5% | \$1,750 |
| 6 | Sales Manager F | 30,000 | 1.5% | \$150 |
| 7 | Sales Manager G | 40,000 | 2.0% | \$200 |
| 8 | Sales Manager H | 50,000 | 2.5% | \$250 |
| 9 | Sales Manager I | 75,000 | 3.8% | \$375 |
| 10 | Sales Manager J | 100,000 | 5.0% | \$500 |
| 11 | KP Employee (1 year veteran) | 20,000 | 1.0% | \$100 |
| 12 | KP Employee (2 year veteran) | 40,000 | 2.0% | \$200 |
| 13 | KP Employee (2 year veteran) | 40,000 | 2.0% | \$200 |
| 14 | KP Employee (2 year veteran) | 40,000 | 2.0% | \$200 |
| 15 | KP Employee (3 year veteran) | 60,000 | 3.0% | \$300 |
| 16 | KP Employee (4 year veteran) | 80,000 | 4.0% | \$400 |
| Total | | 2,000,000 | 100% | \$10,000 |

b) \$100,000 Profit Sharing pool.

- i. Assumes there are (26) Sales Managers + (8) Employees eligible to receive Profit Sharing.

| Pool Participant | | Points | % of Pool | Profit Sharing Payment |
|------------------|--|------------------|-------------|---------------------------|
| 1 | Sales Manager A (Superstar #1) | 750,000 | 11.5% | \$11,538 |
| 2 | Sales Manager B | 10,000 | 0.2% | \$154 |
| 3 | Sales Manager C | 15,000 | 0.2% | \$231 |
| 4 | Sales Manager D (Superstar #2) | 650,000 | 10.0% | \$10,000 |
| 5 | Sales Manager E (Superstar #3) | 575,000 | 8.8% | \$8,846 |
| 6 | Sales Manager F | 30,000 | 0.5% | \$462 |
| 7 | Sales Manager G | 50,000 | 0.8% | \$769 |
| 8 | Sales Manager H | 75,000 | 1.2% | \$1,154 |
| 9 | Sales Manager I (Superstar #4) | 425,000 | 6.5% | \$6,538 |
| 10 | Sales Managers J thru Z (combined into one line) | 3,500,000 | 53.8% | \$53,846 |
| 11 | KP Employee (1 year veteran) | 20,000 | 0.3% | \$308 |
| 12 | (3) KP Employees (2 year veterans) | 120,000 | 1.8% | \$1,846 |
| 13 | (3) KP Employees (3 year veterans) | 180,000 | 2.8% | \$2,769 |
| 14 | (1) KP Employee (5 year veteran) | 100,000 | 1.5% | \$1,538 |
| Total | | 6,500,000 | 100% | \$100,000 |

4. **Notes:** KP employees participate in the Profit Sharing pool (at 20,000 points per year of service); no refer 3 bonuses are paid on FutureWind purchased by Sales Associates (retail customer FutureWind sales continue to qualify for R3 bonuses); 'orphaned' associates (this occurs if their sales manager leaves KP) are reassigned to the vacated sales manager's direct report sales manager.