

2017 BV Revamp Summary

1 Commission and overriding commission

1.1 Commission Rate Schedule **NEW**

Commission rate entitled by the consultant (Commission Rate) is in accordance with his/her accumulated business volume ("Accumulated BV") recognized by the Company. Only those businesses which are at "Frozen" status in the commission system are applicable. New Commission Rate Schedule is listed as below with effect from 25/2/2017.

Accumulated BV (HK\$)	Commission Rate
1 to 5,000,000 NEW	1.5%
5,000,001 to 12,000,000 NEW	1.7%
12,000,001 to 21,000,000 NEW	1.9%
21,000,001 to 31,000,000	2.1%
31,000,001 to 91,000,000* NEW	2.3%
91,000,001 & above	2.6%

* Including Accumulated BV produced by him/herself and his/her direct subordinates

Personal BV Buckets and Team BV Buckets of existing consultants will be reviewed and Commission Rate will be adjusted, if necessary, according to the new commission scale on February 10, 2017. Examples are provided as follows:

Title	Join date	Accumulated commission BV on February 10, 2017	Existing Commission Rate	New Commission Rate with effect from 25/2/2017
CON	June 2016	7,000,000	1.5	1.7
CON	August 2016	11,000,000	1.7	1.7
SC	June 2016	18,000,000	1.7	1.9
AAD	March 2015	Personal and Team BV: 105,000,000	2.3	2.6

For the avoidance of doubt, upon the termination of the Contract For Services, no commission (including but not limited to overriding commission) shall become due or payable. The Consultant shall have no further right or entitlement to be paid commission (including but not limited to overriding commission) at any time after the Contract For Services terminates irrespective of whether such commission was payable prior to, or as at, the date of the Contract For Services terminated.

1.2 Overriding Commission

1.2.1 Company will pay to a recruiter an overriding commission on business produced by his/her direct and indirect consultants. The overriding commission is calculated and paid in the same manner as commission except that the commission rate is the difference of the recruiter and direct consultant's commission rate, of which the minimum is zero.

1.2.2 In the case that the commission rate of both consultant and the direct recruiter is 2.6%, the override for each level is

Direct Recruiter	2 nd layer	3 rd layer	4 th layer	5 th layer
0.3%	0.1%	0.05%	0.025%	0.025%

2 Contract and Position Maintenance Requirements

- 2.1 For those consultants with less than 12 months service at the time of validation, they are not required to meet the Contract Maintenance requirement in current year.
- 2.2 For those consultants with 12 months service or above at the time of validation, they are required to meet the minimum production requirement from new businesses for the current year as follows:

Title	Personal Production
CON, SC, PC, WMA, SWMA, CWMA, AVP	4,000,000 net confirmed commission BV ¹ OR 5,000,000 net annualized confirmed commission BV ²

¹ BV generated from Basic Input Transition ("BIT") which the commission has been released at 10th commission run.

² Convert the confirmed commission BV mathematically to yearly terms if it is not an annual payment basis case. For example, if there is a monthly payment basis case, once the first BIT is confirmed and paid, computes the annualized confirmed commission BV by multiplying the 1st confirmed commission BV by 12. The case must be submitted in current production year and the 1st commission BV of this case must be confirmed on or before the third 10th commission run of the subsequent year.

- 2.3 For those consultants carry the titles of Vice President (VP) and Senior Vice President (SVP), they are required to meet the above minimum personal production requirement for contract maintenance and the position maintenance requirement that listed as follows:

Title	Personal Production
VP	14,000,000 net confirmed commission BV OR 17,000,000 net annualized confirmed commission BV
SVP	21,000,000 net confirmed commission BV OR 26,000,000 net annualized confirmed commission BV

The Vice President (VP) and Senior Vice President (SVP) will be subject to retitle if he/she failed to meet the above position maintenance requirement.

- 2.4 For those consultants stipulated in 2.2 and 2.3 who cannot achieve 2,000,000 net annualized confirmed commission BV at end of 6th month in the current year, their workstations will be confiscated until meeting the pro-rata prevailing contract maintenance requirement at the end of 9th/12th month.
- 2.5 For those consultants carry the titles of Assistant Associate Director (AAD) and Associated Director (AD), if they achieve any of the following production requirements, the above minimum personal production requirements could be waived.

Title	Requirement
Assistant Associate Director	<ul style="list-style-type: none"> 11,000,000 net team confirmed commission BV OR 14,000,000 net team annualized confirmed commission BV OR Fulfill personal contract maintenance requirement + 2 direct subordinates¹ OR HK\$250,000 net annual income² + at least 1 direct subordinate at AAD grade or above / 1 new recruit³
Associate Director	<ul style="list-style-type: none"> 18,000,000 net team confirmed commission BV OR 23,000,000 net team annualized confirmed commission BV OR Fulfill personal contract maintenance requirement + 4 direct subordinates¹ OR HK\$480,000 net annual income² + at least 1 direct subordinate at AD grade or above / 1 new recruit³

¹Subordinate(s) must pass probation by March 20, 2018.

²Only first year commission and override will be counted. AUM, cash incentives reimbursement, performance fee and trailer fee and other recurrent income will not be included.

³New recruit must be newly contracted in the current production year and pass probation by March 20, 2018 and still be in force at the time of validation.

- 2.5.1 For promotion during the year, they are required to adhere to the original maintenance requirements in current year.
- 2.5.2 Team confirmed commission BV or team annualized confirmed commission BV includes BV produced by the recruiter and his/her direct subordinates.
- 2.5.3 Direct subordinates must be in force and completed probation.
- 2.5.4 Production/Override income from China Team will be counted and calculated in the ratio 1:1.5.
- 2.5.5 Production from Channel business will be counted and calculated in the ratio 1:2. Only one consultant can be designated by DDTH to each channel at the beginning of current production year. Production from Channel business cannot be mixed with production from other sources for validation. Production from Channel business will only be counted for the contract/position maintenance of the designated consultant and will not be counted for his/her direct recruiter's team production.
- 2.5.6 China team members can also be counted towards the headcount maintenance requirement of AAD/AD, provided that he/she has at least 1 direct HK subordinate and the China subordinate produced 2,000,000 confirmed commission BV at 1.5% commission rate or above.
- 2.5.7 If AAD/AD could not achieve anyone of the above requirements but fulfill the personal contract maintenance requirement, all unpaid override from the business that submitted during the production year under review (i.e. 2017) will be reduced on progressive scale starting from April 2018. Details as follows:

Period	Override to be reduced by %
1 st – 6 th month	50%
7 th – 9 th month	75%
10 th onwards	100%

Override will be resumed to 100% if AAD/AD meet the pro-rata prevailing contract maintenance requirement at the end of 6th/9th/12th month.

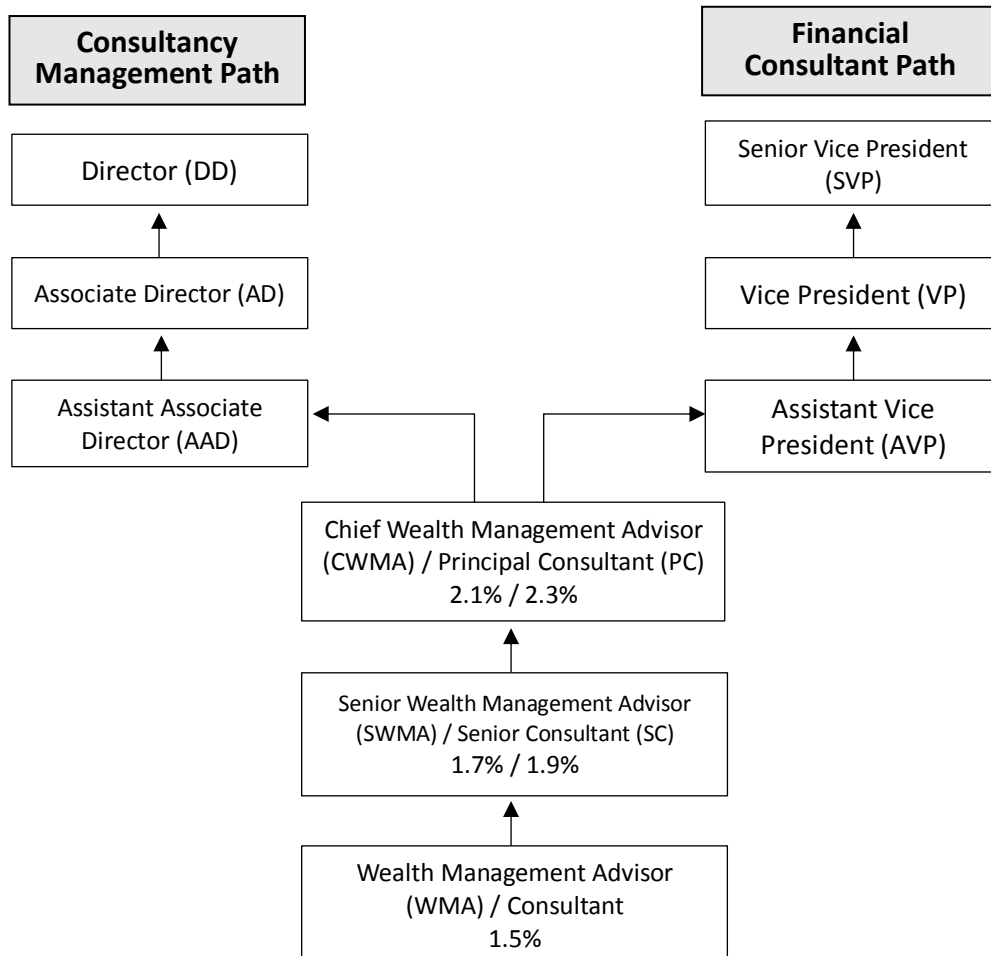
The override withheld will be distributed as below:

- 25% to direct recruiter, if the direct recruiter cannot fulfill his/her maintenance requirements or his/her contract was terminated, it will be distributed to his/her direct recruiter and so forth
- 25% as DDTH team development fund
- 25% as company training & development and marketing support
- 25% will be reserved for AAD/AD if he/she successfully meet the requirement at the end of 6th / 9th / 12th month, if fails to achieve, it will be added to DDTH team development fund

If AAD/AD could not fulfill the personal contract requirement, their workstations will be confiscated until meeting the pro-rata prevailing contract maintenance requirement at the end of 6th/9th/12th month.

- 2.6 Unless stated otherwise, those who fail to meet the personal contract maintenance requirement will be terminated.

3 Probation and Promotion



3.1 Probation

3.1.1 Probation announcement will made on the 20th day of each month. **NEW**

3.1.2 BV generated/case count by self-submitted case(s) will only be counted for commission-based package consultant.

3.1.3 Probation Requirement

Unless stated otherwise, all new consultants are required to fulfill the following conditions within 3-month probationary period:


3.1.3.1 Full completion of the Fast Start Training and Advanced Training


3.1.3.2 Clean TR license application accepted

3.1.3.3 Not less than 1,000,000 net inforce commission BV

OR submission of 2 net case count **NEW**

3.2 Promotion

3.2.1 Promotion announcement will be made on the 20th day of each month. 

3.2.2 Promotion Requirement 

Financial Consultant Path

Title	Requirement
Senior Consultant	<ul style="list-style-type: none">5,000,000 net accumulated confirmed commission BVIf consultant possesses SFC Full License, he/she will be retitled to SWMA
Principal Consultant	<ul style="list-style-type: none">16,000,000 net accumulated confirmed commission BV after promoted to SCIf consultant possesses SFC Full License, he/she will be retitled to CWMA
Assistant Vice President	<ul style="list-style-type: none">70,000,000 net accumulated confirmed commission BV after promoted to PCSFC Full License
Vice President	<ul style="list-style-type: none">91,000,000 net accumulated confirmed commission BV after promoted to AVP
Senior Vice President	<ul style="list-style-type: none">121,000,000 net accumulated confirmed commission BV after promoted to VP

Consultancy Management Path

Title	Requirement
Assistant Associate Director	<ul style="list-style-type: none">10,000,000 net accumulated confirmed commission BV after promoted to PCSFC Full License2 direct subordinates
Associate Director	<ul style="list-style-type: none">60,000,000 net accumulated team confirmed commission BV from 2.3%4 direct subordinates including at least 1 AAD or 2 SC at 1.9% commission rate or above
Director	<ul style="list-style-type: none">4 direct ADsSFC RO LicenseSubject to management approval

3.2.2.1 Direct subordinates must be in force and completed probation.

3.2.2.2 China team members can also be counted towards the recruiter's promotion headcount requirement, provided that the recruiter has at least 1 direct HK subordinate and the China subordinate produced 2,000,000 confirmed commission BV at 1.5% commission rate or above.

3.3 All fringe benefits/entitlements would not be adjusted until beginning of the subsequent production year.

3.4 The last promotion checking using the old requirements (Promotion BV & 10M interval) will be conducted on February 23, 2017. The new requirements mentioned in 3.2 will be applied afterward.

3.5 For consultants who are still on probation period, should fulfill the probation requirements stipulated in the Contract For Services.