

U.S. Compensation & Advancement Guidelines

Updated January 2022



 **TRANSAMERICA**[®]
FINANCIAL ADVISORS, INC.

A Transamerica Company



WFGIA and TFA
combine world-class
organizations and
exceptional resources
to help people just like
you reach their goals.

Our Platform. **Your Dreams.**

We're living in a time of opportunity.

World Financial Group Insurance Agency, LLC and its subsidiary agencies (collectively WFGIA) and Transamerica Financial Advisors, Inc. (TFA) combine world-class organizations and exceptional resources to help people just like you reach their goals.

But earning a favorable return on your skills, knowledge and time requires that you have the right business model. So, if you're determined to own your future, you'll find the compensation and advancement structures offered by our business platforms are unlike anything else in the financial industry.

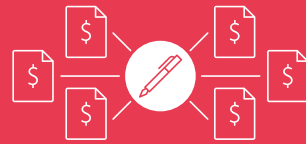
WFGIA and TFA continue to expand each year as more agents and representatives rise through the advancement levels to become successful leaders. Are you ready to claim the tremendous potential that awaits you here?



A Unique Blend of Ways To Earn Income*

WFGIA and TFA open the door to success for anyone who has the spirit and desire to make a better life as a financial professional. As an agent/representative, you are rewarded with a robust compensation plan on a diversified product portfolio. You also have access to a powerful business platform where, from day one, you receive the support and systems necessary to get started and continue to grow at every level. As you advance through the field levels and build your business, you can earn more money while helping more people.

* In order for a WFGIA agent and TFA representative to receive any compensation, they must be appropriately licensed and/or registered.



Personal Income

When you write new business you earn a commission and, as you reach preset levels, your commission percentage increases. We encourage you to reach out to everyone, not just high earners, to maximize the number of people you can help.



Expansion Income

You're free to expand your business anywhere in North America.** From a local team to teams you establish in other towns or states, our platform supports your efforts and helps you support your organization.

** Certain restrictions apply



Team Income

As you grow and expand your business, you have the chance to build a team by mentoring and coaching newly licensed agents/representatives. As they write new business, you can earn a portion of their commissions.



Bonus Income

Qualified leaders earn a pro-rata share of an override on our entire field force. Your portion of the bonus can grow based on your organization's production. These bonuses can multiply and compound your earning potential, and reward you for the quantity and quality of your business.

Advancement Guidelines¹

The following is an overview of the requirements that must be met to move through the advancement levels.

Base Development			
	Agent ²	Marketing Director (MD) ²	Senior Marketing Director (SMD) ^{3,4,5}
Rolling Time	30 days	3 months	3 months
Agents/Legs	3 New Recruits	3 Direct Agents	3 direct legs (1 direct leg must be MD level 17 or 2 direct Level 15 SA)
Licensed Agents in Your Organization	—	5 (life licensed)	10 ⁶ (6 life licensed)
Field Training Appointments	3 (non-securities only)	—	—
Production	—	40,000 base net points	75,000 base net points ⁶
Cash Flow (Rolling Time)	—	—	\$20,000 (6 months) or \$35,000 (12 months)
Alternative*			
Rolling Time	3 months	—	6 months/12 months
Production	20,000 net points	—	150,000 base net points ⁶ / 225,000 base net points ⁶
Cash Flow (Rolling Time)	—	—	\$20,000 (6 months)/ \$35,000 (12 months)

Senior Agent Advancement

Some teams use the Senior Agent (SA) advancement level as a step toward SMD. Following are the advancement guidelines for SA.²

Rolling 3 Months:

- 3 direct agents
- 4 life licensed agents in your organization
- 30,000 base shop net points of production

*The alternative guidelines noted are only for production and cash flow. The agent must also meet the Agent/Legs, Licensed Agents, and Field Training appointments, as applicable, noted above.

Advancement Guidelines¹

The following is an overview of the requirements that must be met to move through the advancement levels.

Executive Development						
	Executive Marketing Director (EMD) ^{7, 8, 9}	CEO Marketing Director (CEO MD) ^{7, 8, 9}	Executive Vice Chairman (EVC) ^{7, 8, 9}	Senior Executive Vice Chairman (SEVC) ⁹	Field Chairman (FC) ⁹	Executive Chairman (EC) ⁹
Rolling 6 Months						
Direct SMD Legs	3 ^{5,10}	6 ^{5,10}	9 ^{5,10}	N/A	N/A	N/A
Base - 1 st Net Points	500,000 ¹¹	1 million ¹¹	1.5 million ¹¹	N/A	N/A	N/A
Rolling 12 Months						
Direct SMD Legs	3 ^{5,10}	6 ^{5,10}	9 ^{5,10}	9 ^{5,10}	9 ^{5,10}	9 ^{5,10}
Base - 1 st Net Points	750,000 ¹¹	1.5 million ¹¹	2.25 million ¹¹	6 million ¹¹	N/A	N/A
Base - 6 th Net Points (*Alternate for SEVC if Base - 1 st qualification of 6 million not met)	N/A	N/A	N/A	15 million and a minimum of 2.25 million base - 1 st net points*	50 million ¹¹	75 million ¹¹

Executive Field Level Annual Requalification Requirements

- EMDs and above must re-qualify each year for their level
- Requalification is determined every January based on the previous January 1 - December 31 data
- To requalify, an agent/representative must achieve a minimum of one-half of their level's rolling six-month or rolling 12-month net points requirements
- Agents/Representatives who do not meet half of the requirements for their level each January will retain their title but will be at the advancement pay level for which they actually qualify
- No agent/representative will be demoted below an SMD pay level under these requalification guidelines
- For an agent/representative to have their pay level restored, they must meet the full, current advancement qualifications.
- Please check the Advancement Guidelines page of MyWFG.com for the most current requirements
- Agents/Representatives who don't meet the required qualifications:
 - Will not have an Elite Partner if they are not at least at the qualified CEO MD level
 - Will not be eligible for monthly Super Base and/or Super Team pools if they are not at least at the qualified EMD level
 - Will not be eligible for SEVC levels if they are not a qualified EVC
 - Will only have signing authority at the level for which they are qualified

Compensation Guidelines¹²

The following is an overview of the compensation available through WFGIA and TFA.

Business Development		
Title	Fixed*	Variable**
Training Agent	25%	25%
Agent	35%	35%
Senior Agent	45%	45%
Marketing Director	50%	50%
Senior Marketing Director	65%	65%
Total Base Shop	65%	65%
Business Expansion		
Title	Fixed*	Variable
1 st Generation	12%	10%
2 nd Generation	6%	5%
3 rd Generation	4%	3%
4 th Generation	3%	2%
5 th Generation	1.5%	1%
6 th Generation	1%	0.5%
Total Generation Override	27.5%	21.5%
Business Supervision		
Position	Fixed*	Variable
Supervision	1%	
Branch Office Supervisor		3%
Regional Branch Manager		4.75%
Total Supervisory Override	1%	7.75%
Total Bonus Pool Contribution		
	Fixed*	Variable
	6.5%	5.75%
Total	100%	100%

* Not all fixed products follow this schedule. Please refer to the WFG Product Guide for specific details on each fixed product.

**To sell variable products, an agent must have a securities license and be registered with Transamerica Financial Advisors, Inc.

Bonus Pool Eligibility Requirements

Following are the requirements for an agent to participate in our bonus pools.

40%¹³

Base Shop Commission Bonus Pool^{14,15,16,17}

- SMD level or higher and life licensed
- Agent/Representative must rank high enough in the eligibility requirements to secure a spot in the pool¹⁸
- 25,000 base shop net points with three (3) or more recruits; or 30,000 base shop net points with less than three (3) recruits
- Requires a minimum 75% Net Point Ratio using the current rolling three (3) months
- Minimum of 75% persistency on Tracked Block of Business will be applied to each months' business after six (6) months, and if the Tracked Block numbers drop below 75%, the dollars awarded for the month in review will be charged back at 100%

30%¹³

Super Base Commission Bonus Pool^{14,15,16,17}

- EMD level or higher and life licensed
- Agent/Representative must rank high enough in the eligibility requirements to secure a spot in the pool¹⁸
- 15,000 base shop net points and 100,000 base through 1st Generation net points
- Requires a minimum 75% Net Point Ratio using the current rolling three (3) months
- Minimum of 75% persistency on Tracked Block of Business will be applied to each months' business after six (6) months, and if the Tracked Block numbers drop below 75%, the dollars awarded for the month in review will be charged back at 100%
- Pays on 1st Generation net points
- Base shop qualification exemption for EVCs and up who have 100,000 base through 1st Generation net points and 10 million rolling 12 month base through 6th Generation net points

30%¹³

Super Team Commission Bonus Pool^{14,15,16,17}

- EMD level or higher, life licensed and securities licensed the entire month
- Agent/Representative must rank high enough in the eligibility requirements to secure a spot in the pool¹⁸
- 100,000 base through 1st net points and 500,000 base through 6th Generation net points
- Requires a minimum 75% Net Point Ratio using the current rolling three (3) months
- Minimum of 75% persistency on Tracked Block of Business will be applied to each months' business after six (6) months, and if the Tracked Block numbers drop below 75%, the dollars awarded for the month in review will be charged back at 100%
- Pays on 1st through 6th Generation net points

Key Terms

Following are explanations of some of the terms used when discussing compensation and advancement guidelines. For more information on these terms, please go to MyWFG.com.

Generation

Each step on the advancement ladder is considered a generation in relation to the people above and below you.

Generational Override

Once you reach the Senior Marketing Director level, you're eligible to receive overrides for Senior Marketing Directors you develop up to six generations deep. Overrides are the earnings you receive from business produced by the people in your organization.

Rolling Time

The flexible period (days or months) used to calculate your production for an advancement. For example, a rolling three (3) months from April would include February, March and April.

Points

The values used for advancements, contests, bonus pools, leaders bulletin rankings and other recognition that are calculated from the total revenue generated. Our point system, crossing multiple companies and products, is unique to our platform. Points are accumulated based on the type of product sold and the total percentage to the field.

Gross Points

Your positive points and any negative points generated by internal corrections, such as repays.

Net Points

The sum of your total points, both positive and negative.

Net Point Ratio

Your net points divided by your gross points. This calculation provides a general comparison of the ratio of total submitted business to that which is issued and in-force.

Tracked Block of Business

Tracked Block of Business (TBB) measures the quality of business over a specific production timeframe. It typically takes a minimum of 120 days for new business to mature and become seasoned.

Leg

Anyone you personally add to your organization including his/her team.

Base Shop

The Training Agents, Agents, Senior Agents and/or Marketing Directors, and Senior Marketing Director in an organization.

Super Base

The Senior Marketing Director's base shop and the 1st generation SMDs and their base shops developed within your organization.

Super Team

The Senior Marketing Director's base shop and six generations of SMDs and their base shops developed within your organization.

The WFG Dream

The following examples show how helping a family results in a \$2,775 commission paid to the field, with the commission based on an average life insurance policy sale to a 40-year-old male who is contributing \$185 per month to the policy.^{19,20, 21}



\$108,225 ^{21, 22, 23}

SMD Personal Production

- Produce 5 personal sales/month



\$244,755 ^{21, 22, 23}

Build a Base Shop

- Produce 3 personal sales/month
- Develop 3 Agents who produce 6 sales/month



\$323,676 ^{21, 22, 23}

Build a Super Base

- Develop 3 Agents who produce 6 Sales/month
- Develop 6 1st Generation SMDs who produce 6 sales/month



\$509,490 ^{21, 22, 23}

Build a Super Team

- Develop 3 Agents who produce 6 Sales/month
- Develop 6 SMDs in each of the 6 generations below you
- Each Generation SMD produces 6 sales/month

Are you ready
to claim the
tremendous
potential that
awaits you here?



1 WFGIA's and TFA's advancement guidelines are subject to change at any time and, unless otherwise specified, are for all agents and TFA representatives who are affiliated with WFGIA.

To allow TFA to permit the inclusion of securities points for sales contests, advancements and bonus pools sponsored by WFGIA, the actual securities points earned during the qualification/event time period will be reversed out of the qualification calculation and replaced with a rolling 12 month average of securities points. No securities points from business written in Massachusetts can be included in WFGIA-sponsored sales contests, promotions and bonus pools.

Additionally, advancements to SMD and higher field levels for individuals who are TFA representatives require approval by TFA prior to the advancement being validated. This process can take up to 10 business days. For more information, please review the TFA Compliance Bulletin: Securities Points Policy Change.

- 2 Advancement to Training Agent, Marketing Director or Senior Agent requires the individual to be life licensed and the approval of the direct upline SMD. If an individual's downline receives an advancement to SMD prior to him/her, the individual can still use that downline's points and license towards his/her advancement to SMD for up to one year from the date the downline received the advancement. **Important Note:** WFGIA agents who are registered representatives with a broker/dealer other than TFA are only allowed to hold up to an MD advancement level. **Note about reinstatements:** The highest level an individual can be reinstated as is an exception SMD. If the individual was an SMD at termination, they must achieve a fully qualified advancement to SMD after they reinstate. If the individual was an EMD or higher at termination, they have to requalify for that level after reinstatement.
- 3 Advancement to SMD requires the individual to be life licensed and the approval of the direct SMD and CEO MD.
- 4 An exchange leg only occurs once upon advancement to SMD, with the only exception being if the SMD is demoted. A recent transfer of an agent/associate or an agent/associate and their downline cannot count toward an SMD advancement and it cannot be used as a qualified SMD leg for a period of 12 months.
- 5 To achieve and maintain an advancement to SMD, an individual must be life licensed and in good standing with WFGIA and TFA, if applicable, and he/she also must maintain an acceptable Tracked Block of Business (TBB) - a minimum of 75% - for six (6) months following the advancement. If the individual does not maintain an active life license, he/she will be demoted to an MD (or SA, as applicable) and the exchange leg(s) won't be restored to the original upline. If the individual is demoted due to Tracked Block of Business, the exchange leg(s) is returned to the original upline. Once demoted, the individual must wait one year before he/she can re-qualify for SMD and, at the time of re-qualification, the first upline SMD has the option to select an exchange leg.

- 6 No more than 1/2 of the required license amount for an advancement to SMD can come from any one leg and referral licenses **do not count** toward the 10 license count. Additionally, an individual may use up to one-half of personal net points and up to one-half net points from any one leg for advancement to SMD. Flanked points can be used for an advancement to SMD as long as the flanking occurs when a downline is the same level as the upline MD (or SA) - not including transfers. For more information on flanked points, please go to MyWFG.com.
- 7 The individual must have an acceptable Net Point Ratio (NPR) to qualify for an advancement.
- 8 Points/Legs earned through the Base Shop Standard of Excellence (BSSOE) will not count toward advancements. Please see MyWFG.com for more information on the BSSOE.
- 9 To achieve and maintain an advancement to EMD, CEO MD, EVC or higher levels, an individual must be life licensed and in good standing with WFGIA and/or its subsidiaries and TFA, if applicable. To achieve an advancement to SEVC, FC and EC, an agent must currently be at an EVC (Level 87) pay level or higher. All executive level advancements, from EMD through EC, require that individuals maintain an acceptable Tracked Block of Business (TBB) of 75% for six (6) months following the advancement. If a TBB of 75% or higher is not maintained, the agent will be demoted to the next lower pay level. For example, an FC will be demoted to an EVC pay level, an EVC will be demoted to the CEO MD pay level, etc. Once demoted, an individual must wait one year to requalify for that level.
- 10 An exception advancement to SMD will not count as a leg toward an upline's Executive Level advancement **until the exception SMD fulfills the published requirements to become a qualified SMD.** All exception advancements must be reviewed and approved by WFGIA and TFA. A recent transfer of an agent/associate or an agent/associate and their downline cannot count as a qualified SMD leg for a period of 12 months.
- 11 For EMD, CEO MD, EVC, SEVC, FC and EC advancements, no more than one-half (1/2) Net points can be from any other leg or the individual's own base shop.
- 12 World Financial Group, Inc. is the paymaster of any compensation to WFGIA agents and TFA representatives, pursuant to the terms, rates and/or schedules established by WFGIA and/or TFA with the exception of Puerto Rico, where WFG Insurance Agency of Puerto Rico, Inc. is the paymaster. **WFGIA and TFA reserve the right to change their respective compensation terms, rates and/or schedules at any time.**
- 13 Percentage of total pool dollars. Individual payouts are based on a pro-rata share that is calculated based on the total number of qualifiers in the pool and the total amount of points from all qualifiers divided by each individual's pool eligible points.

- 14 To participate in the bonus pools, an individual must be at the appropriate advancement level for the entire month. To participate in the Base and Super Base Advisory bonus pools, the individual must have his/her investment advisory license for the entire month. Eligibility requirements are based on all points for Base and Super Base Advisory Pools, but the pro-rata share payout is based on Advisory Points only. Please note that there is not a Super Team Advisory pool.
- 15 For bonus pool payout information, please check your commission statement on MyWFG.com.
- 16 **Pool compensation is subject to change at any time without prior notification.**
- 17 **Meeting eligibility requirements does not guarantee participation in a bonus pool.** To allow TFA to permit the inclusion of securities points for sales contests, advancements and bonus pools sponsored by WFGIA, the actual securities points earned during the qualification/event time period will be reversed out of the qualification calculation and replaced with a rolling 12-month average of securities points. No securities points from business written in Massachusetts can be included in WFGIA-sponsored sales contests, promotions and bonus pools.
- 18 The number of available slots for a bonus pool varies and is based on the company's sales volume of the pool month. Months with high sales volume will have more slots available than months with low sales volume.
- 19 Opportunities to build other income may be achieved by qualifying for additional compensation and by qualifying for bonus pools.
- 20 Commission amount may vary based on product type and size of purchase.
- 21 This is a hypothetical scenario for illustrative purposes only. Personal percentages earned on products may vary based on the agent's advancement level. This example assumes an Agent contract level of 35%, an SMD contract level of 65% and an SMD override level of 30%. There is no assurance that these results can or will be achieved. Income is earned from the sale of WFGIA- and TFA-authorized products and services. No income is earned for recruiting. See the current WFG Product Guide for compensation percentages on all diversified product lines. **All compensation plans are subject to change.** Advancement criteria/designations are determined and offered by or through WFGIA and TFA.
- 22 **WFGIA agents and TFA representatives are independent contractors regardless of field title/designation.**
- 23 Example assumes all individuals of the SMD's team members are at the Agent advancement level.

World Financial Group Insurance Agency, LLC, World Financial Group Insurance Agency of Hawaii, Inc., World Financial Group Insurance Agency of Massachusetts, Inc., World Financial Insurance Agency, LLC and/or WFG Insurance Agency of Puerto Rico, Inc. - collectively WFGIA - offer insurance products.

Transamerica Financial Advisors, Inc. (TFA), Member FINRA, SIPC and Registered Investment Advisor, offers securities and Investment Advisory Services.

WFGIA and TFA are affiliated companies.

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