

ALL MARKETS **FlexPay Compensation May 2009**

**FlexPay Process for WATSON enabled Payment Vendor Locations:**

**Payment Vendor Locations will retain \$25 at activation; the balance will be paid as commission.**

**Pre-Pay handsets not eligible, SIM and IMEI must be purchased through Choice to avoid Arbitrage.**

Period Offered	May 2009			
Plans	FlexPay Sub Prime Contract (credit class M)		FlexPay Month-Month Option	
Commission: Minus \$25 amount retained at point of sale (MRC, Taxes, Control Charge) See page 2 for example:	1 year	2 year	Payment from customer at POS (Point of Sale) • <b>First month MRC</b> (Monthly Recurring Charges) • <b>Taxes &amp; Other T-Mobile First Month Charges</b> • \$4.99 Control Charge if customer is not set-up on EasyPay	
	Payment from customer at POS (MRC plus taxes & other chgs)			
	\$120*	\$135*		
\$25 Spiff – 2yr continues Subject to 90 day chargeback	NA	<b>&amp; 25</b> = <b>\$160</b>	NA	NA
Subject to Chargeback	90 days <sup>1</sup> <b>\$75 yours to keep!</b> Guaranteed pay-out		MRC*(rate plan) ≤ \$49.99 (single line) or \$99.98 (FamilyTime)	MRC*(rate plan) > \$49.99 (single line) or \$99.98 (FamilyTime)
			No	Yes- <b>Must refill account</b>
Chargeback** (see Business Rules below)	\$45	\$85 (\$60 & \$25 spiff)	Unlimt'd Family Plan lines** HIGH SUSPEND RATE (see definition pg 2)	Full Commission
Chargeback Period <sup>3</sup>	90 Days 14 days buyers remorse <sup>2</sup>		14 days buyers remorse <sup>2</sup>	90 days <sup>3</sup>
Counts toward Spiff attainment	Yes		No	
Features Commissioning	<ul style="list-style-type: none"> <li>1 x Feature MRC +Taxes + Other T-Mobile Charges (if applicable)</li> <li>FlexPay Commissionable Features are subject to chargeback.</li> </ul>			
Eligible for Add-a-lines	Yes, 1 Month-to-Month line only (for both Subprime and Month-to-Month BANs)			
Add-a-line Commissioning	1 x Add-a-line MRC +Taxes + Other T-Mobile Charges (if applicable)			

**\*Monthly Recurring Charge is the RATE PLAN selected by the subscriber. MRC does not include any feature or svc. chgs.**

**\*\* Month to Month Unlimited Family Plan lines are subject to a 90-day full commission chargeback regardless of the MRC.**

**Business Rules:**

<sup>1</sup> Deactivations that occur within the month of activation are not eligible for any guaranteed commission amounts & Dealer shall be subject to chargeback for any MRC amounts collected at POS on behalf of T-Mobile.

<sup>2</sup> Notwithstanding the Charge Back policy stated above, T-Mobile shall offset and recoup from any compensation due all prorated Buyer's Remorse amounts refunded to Subscribers for Deactivations occurring during the Buyer's Remorse period.  
If Deactivation occurs within fourteen (14) days of Activation, the Charge Back amount shall be the greater of any amounts reimbursed to the Subscriber by T-Mobile for the Subscriber's prorated charges during the Buyer's Remorse period, or the Charge Back amount stated above. Thereafter, the Charge Back amount shall be as stated above. **Please note, If customer deactivates within the 14 day period, the prorated bill amount will be refunded directly by T-Mobile to the customer and you will be debited on your commission statement for that prorated amount.**

<sup>3</sup> All Compensation earned shall be ChargedBack if the Subscriber fails to make additional payments equal to or exceeding the first month's MRC within 90 days from Activation. You are subject to chargeback on any amount collected at POS (MRC plus tax & other chgs) AND the commissionable amount. Zero usage on a month to month subscriber may result in a de-act & chargeback.

**NOTICE: Amounts collected at POS (point of sale) are part of your compensation and therefore are subject to chargeback.**

**> Amounts collected at POS for an arbitrage FlexPay Activation will be deducted (charged-back) from your commissions.<**

### Business Rules cont.:

- FlexPay Activations (1&2yr contracts) on Prime Credit Classes (A, B, C and L) shall be paid out & follow the same commission & chargeback guidelines as New Gross Subscribers as stated in your agreement. FlexPay Prime Credit Class (1&2yr contracts) are eligible for current Post Pay spiff offers. See separate Spiff doc. for current month spiff offerings.
- FlexPay shall be available to New Subscribers only. FlexPay upgrades and/or migrations may not be processed through any Retailer or Agent, and shall not qualify for Compensation. Subscribers requesting upgrades or migrations shall be referred directly to T-Mobile Customer Care or any T-Mobile retail location for assistance.
- Activations are eligible for compensation through WATSON, AASP and Manual Activations. For Manual Activations, Dealers needs to ensure that their activation code is active in the system for FlexPay and is properly provided to Customer Care.
- All MRCs for Rate Plans and Features, taxes and other charges collected at the time of Activation on behalf of T-Mobile will be offset from compensation otherwise due, except where otherwise indicated above for FlexPay month to month option.

### NEW >>>>>>> Commission Example FlexPay contract option with Vendor Payment options set up in WATSON:

Contract term	1 year	2 year
MRC (collected at POS)	\$39.99	\$39.99
Estimated Tax (collected at POS)	\$12.00 (example)	\$12.00 (example)
Control Charge if not EasyPay (collected at POS)	\$ 4.99	\$ 4.99
<b>Total dealer makes at Point of Sale*</b>	<b>\$25.00</b>	<b>\$25.00</b>
Total possible Commission amount	<b>\$120.00</b>	<b>\$135.00</b>
Commission paid to dealer through normal Commission process	\$ 95.00(difference)	\$110.00(difference)
May 2009 \$25 Spiff on 2yr	NA	& \$25.00 = \$135.00 total
<b>Amount Subject to Chargeback with \$75 guaranteed payout to dealer</b>	<b>\$45</b>	<b>\$85</b>

\*The payment vendor (for ex. PreCash) will collect all except \$25 from your vendor payment account. The balance will be paid through commissions. The amount collected at point of sale will be posted in full on the subscriber's T-Mobile account.

- Flex Pay long-term contract options shall replace current Q & T Credit Class SmartAccess Plans.
- FlexPay month-to-month option replaced D and H Credit Class deposit Activations; Credit Class D has been discontinued by T-Mobile effective January 31, 2008.
- Dealers activating Prepay Equipment and/or Arbitrage handsets (IMEIS) on FlexPay plans shall be ineligible for the Compensation, and will be subject to chargeback of any monies collected at POS for MRCs on T-Mobile's behalf.**
- Notwithstanding any other provisions contained in T-Mobile's Features Flash, Features for FlexPay month to month option shall be as stated in this Flash.
- Customers that do not sign up for Easy Pay at the time of activation will be accessed a \$5 surcharge as part of the MRC, which sub-dealers will keep as part of their compensation.
- To determine if a FamilyTime month-to-month activation can be charged back, divide the MRC of the FamilyTime plan by two. If half the MRC is less than \$49.99, the FamilyTime plan will not be charged back, whereas anything above will be eligible for chargeback.
- For month-to-month activation chargeback, the full commissioned amount would be charged back if the subscriber deactivated. > \$49.99 example: a subscriber activates a \$59.99 single line plan with the month-to-month option. With taxes and other charges, let's assume the total commission for this sale is \$74.21. If the subscriber deactivates within 90 days, the full \$74.21 would be charged back.
- Month-to-month Activations shall be subject to chargeback based on MRC of the plan selected by the Subscriber. A MRC at or below SL \$49.99 and FT \$99.98 will be subject to chargeback only during Buyer's Remorse period OR when suspend rate is excessively high (see below for definition), whereas an MRC above SL \$49.99 and FT \$99.98 will be subject to chargeback. For example: A Subscriber Activates a \$39.99 single line plan with the month-to-month option. With taxes and other charges, let's assume the total spiff commission for this sale is \$52.87. Because T-Mobile determines whether any Deactivation is subject to chargeback based on the MRC of the plan, which in this case is \$39.99, the Retailer will not be subject to chargeback of spiff compensation collected by the Retailer (except during the Buyer's Remorse period).

**Chargeback for High or excessive suspend rate** – FlexPay Month-to-month activations that suspend beyond a defined tolerance shall be subject to chargeback. Suspend shall be defined as a customer who does not replenish their FlexPay service after the customer's first month of service. Excessive or high suspend rate shall be defined as Company Average Suspend Rate for FlexPay No Contract + 10%. For example: A partner / Dealer location activates 100 customers on FlexPay No Contract, 25 of which did not replenish their FlexPay service after the first month. For this example, the Company Average Suspend Rate is 10%, therefore any activations beyond 20% (10% Company Average + 10%) are subject to chargeback. Since 100 customers were activated and 25 customers did not replenish their account after the first month, 5 activations are subject to chargeback.

**Taxes:** T-Mobile will remit to the proper taxing authorities the taxes applicable to the charges for service. Taxes due on handset or accessories shall continue to be the responsibility of Dealers.