

## Business Rules:

- (a) Chargeback based on recurring Monthly Recurring Charge of the rate plan selected by the subscriber. MRC does not include any feature or service charges.
- (b) Unlimited Family Plan lines, are subject to a full commission Chargeback regardless of the MRC.
- (c) Deactivations that occur within the month of Activation are not eligible for any guaranteed commission amounts.
- (d) All Compensation earned shall be charged back if the subscriber fails to make additional payment equal to or exceeding the first month's MRC within 90 days from Activation

## FlexPay Commission Cash Flow for Payment Vendor Locations:

Dealer will retain \$25 at Activation; the remainder of the balance will be paid to Dealer as commission on Dealer's monthly commission statement in accordance with the commission table (minus the \$25 retained at the time of Activation)

## Chargeback Terms and Conditions (for FlexPay Month-to-Month Activations)

- ✓ Month-to-month Activations shall be subject to Charge Back Based on the monthly recurring charge ("MRC") of the rate plan selected by the subscriber. An MRC at or below a single line \$49.99 rate plan and a Family Time \$99.98 rate plan will be subject to Charge Back only during Company's Buyer's Remorse period OR when the Subscriber suspend rate is determined by T-Mobile, in its sole discretion, to be excessively high, whereas a MRC above a single line \$49.99 rate plan and a Family Time \$99.98 rate plan will be subject to Charge Back.

By way of example only: A subscriber activates a FlexPay month to month \$39.99 single line plan. With taxes and other charges, assume the total compensation for this Activation is \$52.87. Because the MRC of the rateplan is \$39.99, Dealer's compensation shall not be subject to Charge Back (except during the Subscribers's Buyer's Remorse period.

- ✓ Charge Back for excessive High Subscriber Suspends – FlexPay Month-to-Month Activations that move to suspend status at an excessively high rate, as determined by T-Mobile in its sole discretion, shall be subject to Charge Back. Suspend status shall be defined as a subscriber who does not replenish their FlexPay service after the subscriber's first month of service. An excessively high suspend rate shall be defined as 10% or higher than the then-current Company Average Suspend Rate for FlexPay Month-To-Month Activations

By way of example: Dealer activates 100 FlexPay month to month Subscribers, 45 of which did not replenish their FlexPay service after the first month. For purpose of this example, assume Company's Average Suspend Rate is 30%, so any Activations beyond 40% (T-Mobile's Average +10%) shall be subject to Charge Back. In this example, since 100 Subscribers were Activated and 45 Subscribers did not replenish their accounts after the first month, 5 Activations shall be subject to Charge Back.

- ✓ To determine if a FamilyTime FlexPay month-to-month Activations shall be subject to Charge Back, divide the MRC of the FamilyTime rate plan selected by the Subscriber by two. If half of the MRC is less than \$49.99, the FamilyTime plan will not be subject to Charge Back.
- ✓ If a FlexPay month-to-month Activation is eligible for Charge Back, the full commissioned amount would be charged back if the Subscriber deactivated.

By way of example only: A Subscriber activates a month to month FlexPay \$59.99 single line rate plan. With taxes and other charges, assume the total commission for this Activation is \$74.21. If the Subscriber fails to remit to Company and additional MRC payment within ninety (90) days (\$59.99 in this example), the full \$74.21 would be subject to Charge Back.

**NEW Aug 1, 2009 FlexPay upgrades and Renewals 2YC pay-out** FlexPay Contract ("M" Credit Class) 2YC Upgrades Handset upgrade/renewals must be processed through ICAM and the IMEI must be included in the record to be eligible for renewal payout. All upgrade business rules apply. 2yr. contacts only.

- ✓ **FlexPay Activations may be processed by Dealer through through WATSON and the vendor is used during the activation. The IMEI must be included in the record to be eligible for renewal spiff.**
- ✓ FlexPay Activations on Prepay Equipment shall be ineligible for compensation. Amounts collected at POS for Prepay or Arbitrage handsets are subject to chargeback and will not be paid.

➔ 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 offering

**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.

**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.**

Effective July 1, 2009