

The USANA Compensation Plan (Malaysia)

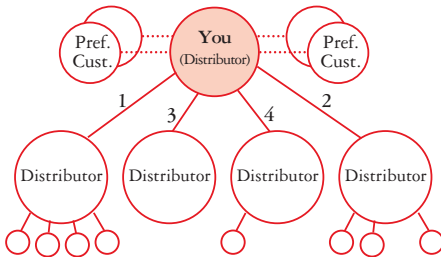
The USANA Compensation Plan encourages teamwork and ensures a fair distribution of income among Distributors, so you can build a stable residual income as your downline organisation grows.

STARTING YOUR USANA BUSINESS

You start by purchasing a Starter Kit, and completing an application. Your sponsor places you in an open position in his or her downline organisation.

As a USANA distributor, you may retail products to your friends, enroll them as Preferred Customers, or sponsor them into your downline organisation as distributors too (see Figure 1). In Malaysia, USANA allows you to build a maximum of four distributor legs.

Figure 1 Distributors and Preferred Customers



YOU EARN:

- (1) a **Retail Profit**,
- (2) a weekly **Front Line Commission**, which is 5% of the Sales Volume (SV) from orders of 100 PV or more by Malaysian Distributors you personally sponsor
- (3) a weekly **Global Commission**, which is based on your Group Sales Volume (GSV) points generated from sales of products by everyone down your organisation; and

- (4) a weekly **Leadership Bonus**, when you advance to the rank of Gold Director.

1. RETAIL PROFIT

You earn a retail profit by selling USANA products to your customers at the recommended retail prices. Your retail profit is the difference between what your customer pays and your Autoship price.

** You pay autoship price, which is 10% off wholesale price, if you sign up on USANA's autoship programme.*

2. FRONT LINE COMMISSION

You earn 5% of the Personal Sales Volume (PSV) generated by all Malaysian Distributors you personally sponsor in Commission Points†, which are in US dollars. This commission applies only to orders of 100 or more points.

For example, if you sponsor Ali, Bob, and Chan, and each of them generates 200 PSV points this week, you will receive a Front Line Commission of 30 Commission Points:
 $5\% \times (200 + 200 + 200) = 30$ (US\$30)

You receive Front Line Commission no matter where Ali, Bob, and Chan are placed in your network, as long as you have personally sponsored them.

† Commission Points will be paid to you in your local currency.

If you earn in any week fewer than 40 Commission Points, your commission will be held back for you until they accumulate to 40 points or more, or when you terminate your distributorship.

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3. GLOBAL COMMISSION

You earn weekly Global Commission based on the Group Sales Volume (GSV) of your global downline organisation. The GSV is the sum of all Sales Volume points from ALL the Distributors and Preferred Customers down your organisation, irrespective of how many levels of referrals, and no matter where in the world they enroll.

Your Global Commission (Figure 2) is paid on the GSV of your lower producing leg(s) in Commission Points up to a maximum of 5,000 GSV on each leg.

If two legs under comparison generate the same GSV, then either leg can be considered as having the lower GSV.

Figure 2 Global Commission Schedule

GSV of lower producing leg(s)	Commission Points† (US\$)
250	40
500	100
1,000	200
2,000	400
3,000	600
4,000	800
5,000	1,000

How much Global Commission you earn depends on how many legs you choose to build, up to a maximum of four.

You can earn Global Commission from up to three “Business Centres” (BC) which are defined as follows:

First Business Centre (BC001)

= the lower of odd legs [1+3] vs even legs {2+4}

Second Business Centre (BC002)

= the lower of the two odd legs [1] vs [3]

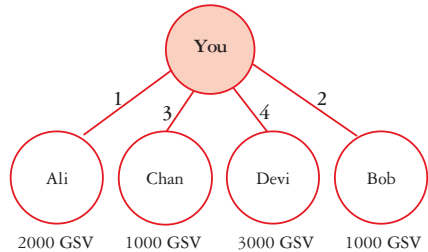
Third Business Centre (BC003)

= the lower of the two even legs [2] vs [4]

The examples below illustrate how your Global Commission is calculated when you choose to build two, three or four legs.

3.1 EXAMPLES SHOWING HOW GLOBAL COMMISSION IS CALCULATED

Figure 3 Global Commission from 4 Legs



Say you have built four legs (under Ali, Bob, Chan, and Devi) as in Figure 3, with Group Sales Volume (GSV) of 2000, 1000, 3000 and 1000 points respectively in a particular week.

Your Global Commission will be calculated as follows:

BC001:

$\{1 + 3\} = 3,000$ points is lower than $[2 + 4] = 4,000$ points

You earn 600 Commission Points

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BC002:

Leg [3] = 1,000 points is lower than Leg [1] = 2,000 points

You earn 200 Commission Points

BC003:

Leg [2] = 1,000 points is lower than Leg [4] = 3,000 points

You earn 200 Commission Points

Your week's Global Commission is $600 + 200 + 200 = 1,000$ Commission Points (US\$1,000).

Figure 4 Global Commission from 3 Legs

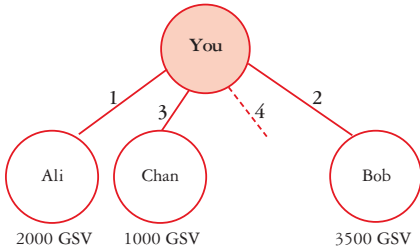


Figure 4 shows an example where you build 3 legs. Your Global Commission will be calculated as follows:

BC001:

$[1 + 3] = 3,000$ points is lower than $[2 + 4] = 3,500$ points

You earn 600 Commission Points

BC002:

Leg [3] = 1,000 points is lower than Leg [1] = 2,000 points

You earn 200 Commission Points

Your week's Global Commission is $600 + 200 = 800$ Commission Points (US\$800).

Figure 5 Global Commission from 2 Legs

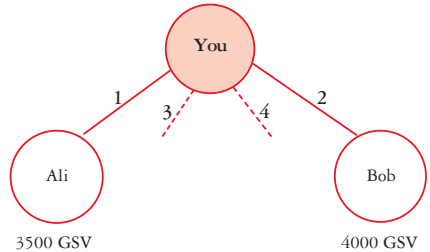


Figure 5 shows that by building only two legs, you can still earn a good Global Commission, as shown above.

BC001:

$[1 + 3] = 3,500$ points is lower than $[2 + 4] = 4,000$ points

You earn 600 Commission Points

3.2 CARRYOVER

USANA carries forward unpaid GSV for the purpose of calculating Global Commission. In the example shown in Figure 5 above, you will start the following week with 500 GSV ($3,500 - 3,000$ paid) on leg 1 and 1,000 GSV ($4,000 - 3,000$ paid) on leg 2.

Unpaid GSV of up to 5,000 points carry over indefinitely, as long as your Business Centre remains actively qualified (see section 5).

3.3 MAXIMISING A BUSINESS CENTRE

Each time a lower producing leg hits 5,000 GSV points or more, you have "maximised" a Business Centre. Your global commission remains at 1,000 Commission Points for that Business Centre even if that leg's GSV exceeds 5,000 points.

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Therefore, with three Business Centres, you can earn up to US\$ 3,000 a week (or US\$ 156,000 a year) in Global Commission. To earn more, you will need to start new Business Centres through “Re-entry”.

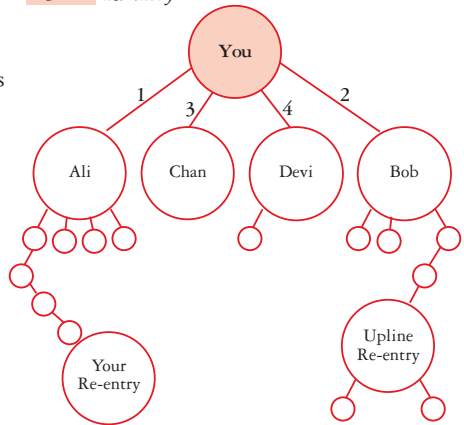
3.4 RE-ENTRY

When you maximise a Business Centre, you earn a “re-entry certificate”, which allows you to start another new Business Centre by re-entering it in an open position down your organisation (see Figure 6). You can then begin to build a new organisation of distributors under this new Business Centre, which adds to your earning.

By re-entering, your new centre will be downline of those who were previously downline of you! Similarly, a successful person upline can become downline of you upon his or her re-entry.

You earn a Re-entry Certificate each of the first two times you maximise a Business Centre. Since there is no limit to the number of Business Centres you can own, there is no limit to the Global Commission you can earn from USANA.

Figure 6 Re-entry



3.5 PREFERRED CUSTOMERS AND PSPS

Another way you accumulate GSV is to sponsor preferred customers and assign them to any one of your four legs (see Figure 1). Preferred Customers do not form part of your downline network, but their orders earn volume points, which are added to the GSV of the leg they are assigned.

Finally, you may assign any Personal Sales Volume (PSV) in excess of what you need to stay qualified (see section 5) to any one of the four legs. This is called Personal Sales Placement, or PSP. Hence, you also receive commission for sales to end users who do not become distributors or preferred customers.

Sales volume from Preferred Customers and PSP are added each week to your Group Sales Volume (GSV) when your Global Commission is calculated.

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4. LEADERSHIP BONUS

Each week, 3% of the global GSV is divided among qualifying Gold Directors and above. Your actual share of the pool depends on the number of Business Centres you “maximised” the previous week.

Maximised BCs	How Your Share is Calculated	Your Share
1	1 =	1 share
2	2 + 1 =	3 shares
3	3 + 2 + 1 =	6 shares
etc.	:	:

The first share is fixed at 175 Commission Points, whereas the value of each additional share depends on the global GSV and the number of qualified shares for the week.

To share in this bonus, you must be actively qualified and must do the following:

- Help, every 4 weeks¹, a minimum of one personally sponsored Distributor earn his or her first cheque
- Be available by phone to your downline organisation
- Train and actively supervise your downline organisation
- Refrain from participating in any other network marketing company

5. ACTIVATING YOUR BUSINESS CENTRES

To start to earn Front Line Commission, Global Commission and Leadership Bonus, you must first generate

- 150 PSV points to activate BC001 (only) or
- 450 PSV points within 6 Fridays of your enrollment to activate all three Business Centres².

These PSV points may be satisfied in a single order at the time of enrollment³, or accumulated over multiple orders. We call this 'activating' the Business Centre(s).

Once activated, you remain eligible for all commissions and Leadership Bonus, and continued carryover of GSV, if you generate

- 100 PSV every four weeks (on a rolling basis) for 1 BC
- 200 PSV every four weeks (on a rolling basis) for more than one BC's⁴

FOOTNOTES:

¹ You may assist up to 13 individuals (one year's worth) at a time to meet this requirement. Any Distributor you ever sponsored who has not earned a cheque is eligible. The date of sponsorship is irrelevant, only the date of receiving their first cheques. You are considered “vested” after five consecutive years of qualifying for Leadership Bonus, after which you must, at least once every quarter, help one personally sponsored Distributor achieve the rank of Believer, or you may assist four individuals (one year's worth) at once to meet this requirement.

² Should you fail to produce 450 PSV by the sixth Friday of your enrollment, you will henceforth earn Global Commission from only BC001, i.e., the lower of the odd legs¹ vs. the even legs¹ GSV. You do not earn the additional Global Commission from BC002 (the lower GSV of the two odd legs) or BC003 (the lower GSV of the two even legs).

³ If your order at enrollment is equal to or more than 450 PSV points, USANA will “split” the points so that 150 points are placed as PSV, and the balance is divided equally and added to the GSV in your legs 1 and 2 for computing Global Commission.

⁴ Should you choose to produce less than 200 PSV (but 100 PSV or more) during any 4 rolling weeks after activating 3-BCs, you will earn commission from only BC001 during those weeks, and you carryover only GSV in BC001.

Leadership Advancement

USANA has created leadership levels to help direct your short-term goals and establish milestones to help you measure your progress as you work toward your ultimate goal.

Use the chart and the experience of previous Distributors to establish reasonable goals for your business.

Each leadership level is earned as you produce specific volume requirements. The levels of leadership are defined in the chart below.

*Once you achieve the rank of a Believer, you no longer participate in the Sharer-level Global Commission.

<i>Sharer</i>	The rank you achieve when you earn your first 40-point commission from a single Business Centre in a week.
<i>Believer</i>	The rank you achieve when you earn your first 100-point commission from a single Business Centre in a week ¹ .
<i>Builder</i>	The rank you achieve when you earn your first 200-point commission from a single Business Centre in a week.
<i>Achiever</i>	The rank you achieve when you earn your first 400-point commission from a Business Centre in a week.
<i>Director</i>	The rank you achieve when you earn your first 600-point commission from a single Business Centre in a week.
<i>Bronze Director</i>	The rank you achieve when you earn your first 800-point commission from a single Business Centre in a week.
<i>Silver Director</i>	The rank you achieve when you first maximise any one Business Centre and earn your first 100-point commission from that centre in a week.
<i>Gold Director</i>	The rank you achieve when you maximise the same Business Centre for four consecutive weeks.
<i>Ruby Director</i>	The rank you achieve when you maximise any two Business Centres for four consecutive weeks.
<i>Emerald Director</i>	The rank you achieve when you maximise any three Business Centres for four consecutive weeks.
<i>Diamond Director</i>	The rank you achieve when you maximise any four Business Centres for four consecutive weeks.
<i>1-Star Diamond Director</i>	The rank you achieve when you maximise any five Business Centres for four consecutive weeks.
<i>2-Star Diamond Director</i>	The rank you achieve when you maximise any six Business Centres for four consecutive weeks.
<i>3-Star Diamond Director</i>	The rank you achieve when you maximise any seven Business Centres for four consecutive weeks.