

# **VELOCITYEX**

BY NUSKIN®

## **SALES PERFORMANCE PLAN**

*Expand, Explore, Experience Your Full Potential*

EFFECTIVE MAY 1ST, 2023 V1  
LATIN AMERICA MARKET

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# 1. VELOCITY EX OVERVIEW

## 1.1 INTRODUCTION

Velocity EX by Nu Skin® (“Velocity EX”) is designed to reward you, as a Brand Affiliate, for:

**Sharing/Selling** our Products to your Direct Customers;

**Growing Direct Affiliates** who share our Products with their Direct Customers;

**Building and developing** your Group of Brand Affiliates and Direct Customers; and

**Leading** other Brand Representatives as they build and service their own Groups.

This Sales Performance Plan (this “Plan”) sets forth the terms and conditions for the sales compensation you can receive through Velocity EX. We encourage you to carefully read this Plan and refer to the Glossary for definitions of capitalized terms.

## 1.2 PARTICIPATING IN VELOCITY EX

There are three levels of participation under Velocity EX:

As a Brand Affiliate, you can (1) purchase Products at the Member Price for personal consumption or resale; (2) register Customers who purchase Products directly from Nu Skin; and (3) elect to qualify as Brand Representatives. **To remain a Brand Affiliate, you must have Direct Customer Sales Volume within the most recent six months. Otherwise, you will become a Member and your Brand Affiliate, Member, and Direct Customer accounts will move to the Brand Affiliate directly above you.** To become a Brand Affiliate again, you can submit a new Brand Affiliate Agreement.

As a Brand Representative, you can access increasing benefits as you increase your Title, as follows:

**Brand Representatives** are Brand Affiliates who have successfully completed the requirements to become a Brand Representative and not lost their Brand Representative status.

**Brand Partners** are Brand Representatives who have developed and are leading one or more other Brand Representatives who achieve requisite Leadership Team Sales Volume.

**Brand Directors** are Brand Representatives who have developed and are leading four or more other Brand Representatives who achieve requisite Leadership Team Sales Volume.

You can elect to qualify as a Brand Representative when you join Nu Skin as a Brand Affiliate or anytime thereafter.

## 1.3 NON-PARTICIPATING CUSTOMERS

There are three types of customers who can purchase Products but do not participate in Velocity EX:

**Unregistered Customers** purchase Products directly from you at the price you offer, outside of Nu Skin’s systems. Unregistered Customers do not participate in Velocity EX and cannot resell

Products or register Customers.

**Retail Customers** sign up with a Nu Skin Brand Affiliate or with Nu Skin as a Retail Customer to purchase Products directly from Nu Skin at the Suggested Retail Price, subject to any discounts that may be offered by or facilitated by Nu Skin. Retail Customers do not participate in Velocity EX and cannot resell Products or register other Customers. **Retail Customers who have not completed a purchase within the last 24 months will have their Customer account disabled and must register a new account to purchase again.**

**Members** are individuals who sign up to purchase Products from Nu Skin at the Member Price, which is typically set below the Suggested Retail Price. Members do not participate in Velocity EX and cannot resell Products or register Customers. **Members who have not purchased within the last 24 months will have their Customer account disabled and must register a new account to purchase again.**

## 1.4 BONUSES

You can receive the following Bonuses based on your participation level, as seen in Table 1.A below:

TABLE 1.A

	BRAND AFFILIATES	BRAND REPRESENTATIVES	BRAND PARTNERS AND DIRECTORS
Sharing Bonus and Retailing Bonus	✓	✓	✓
Direct Affiliate Sharing Bonus	✓	✓	✓
Building Bonus		✓	✓
Leading Bonus			✓

## 2. VELOCITY EX BONUSES

### 2.1 SHARING AND RETAILING BONUSES (DAILY)

#### A. Sharing Bonus Description

You'll earn a Sharing Bonus when your Direct Customers purchase eligible Products from Nu Skin. The Sharing Bonus you can earn ranges from 5% to 15% of the purchased Product's Commissionable Sales Value. A Sharing Bonus is not paid on select Products, so please refer to the Product price list provided by your local Nu Skin office for eligibility details.

Here are a couple key terms to understand:

**Commissionable Sales Value:** A currency value that is set for each Product, used to calculate Sharing, Direct Affiliate Sharing, Building, and Leading Bonuses.

**Sales Volume:** A point value that is set for each Product and is used in Brand Representative and Bonus qualification determination.

#### B. Sharing Bonus Calculation

- i. **What You Do:** Sell Nu Skin Products to your Direct Customers using Nu Skin's Vera or Stela apps, Product Offer, or Nu Skin's website.
- ii. **What You Get:** Earn 5% to 15% of the Commissionable Sales Value on your Direct Customer Sales Volume. As you grow your Direct Customer Sales Volume in a single month, you'll qualify to earn a greater percentage of those sales. Your Sharing Bonus scales to 15%, as follows in Table 2.A:

TABLE 2.A

WHAT YOU DO	WHAT YOU GET	
Sell Products to your Direct Customers	Earn 5% to 15% of the <b>Commissionable Sales Value</b> on your Direct Customer Sales Volume	
	Your Monthly Direct Customer Sales Volume	% Paid Of The Commissionable Sales Value On Your Direct Customer Sales Volume
	1 TO 499	5%
	500 TO 999	7.5%
	1,000 TO 2,499	10%
	2,500 TO 4,999	12.5%
	5,000+	15%

5% is calculated daily, remainder weekly.

#### C. Retailing Bonus Description

The Retailing Bonus compensates you for Product purchases by your Retail Customers that are registered in Nu Skin's systems. When you sell Products to Retail Customers via Nu Skin's systems for more than the Member Price, you'll earn a Retailing Bonus on top of your Sharing Bonus.

#### D. Retailing Bonus Calculation

- i. **What You Do:** Sell Products to your Retail Customers.
- ii. **What You Get:** Your Retailing Bonus is the difference between (1) the price paid by your Retail Customer after any discounts (excluding shipping costs, taxes, and other promotional or personal discounts) when they purchase Products directly from Nu Skin and (2) the Member Price.

## E. Daily Pay

Each day, we will calculate a 5% Sharing Bonus for your Product sales and add it to your Velocity Account. Any additional Sharing Bonus percentages you qualify for will be calculated and added to your Velocity Account each week. To release any payments to your financial institution, you can use the Pay Me Now feature anytime. All pending payments will also be automatically released at the completion of each weekly commission calculation (subject to market-specific minimum account balance requirements).

## F. Eligibility

Only Brand Affiliates are eligible to receive a Sharing Bonus or Retailing Bonus. Sharing Bonus and Retailing Bonus eligibility are not dependent on participant Title.

## 2.2 DIRECT AFFILIATE SHARING BONUS (WEEKLY)

### A. Direct Affiliate Sharing Bonus Description

You'll earn a Direct Affiliate Sharing Bonus that ranges from 5% to 15% of your Direct Affiliate Sales as you grow your Direct Customer Sales Volume and help your Brand Affiliates develop their Direct Customer Sales Volume.

### B. Direct Affiliate Sharing Bonus Calculation

- i. **What You Do:** Each month, achieve at least 250 points of Direct Customer Sales Volume and help your Direct Affiliates develop their Direct Customer Sales Volume.
- ii. **What You Get:** Earn between 5% and 15% of your Direct Affiliate Sales. Your Direct Affiliate Sales is the Commissionable Sales Value of the Direct Customer Sales Volume achieved by your Direct Affiliates. As you grow your own Direct Customer Sales Volume, you'll earn a greater percentage of your Direct Affiliate Sales, as follows in Table 2.B:

TABLE 2.B

WHAT YOU DO	WHAT YOU GET	
Continue growing your Direct Customer Sales Volume and help your Direct Affiliates grow their Direct Customer Sales Volume.	Earn 5% to 15% of your Direct Affiliate Sales	
	Your Monthly Direct Customer Sales Volume	% Paid on Your Direct Affiliate Sales
	250 TO 499	5%
	500 TO 999	7.5%
	1,000 TO 2,499	10%
	2,500 TO 4,999	12.5%
5,000+	15%	

### C. Weekly Pay

We'll pay you a Direct Affiliate Sharing Bonus for any Direct Affiliate Sales newly completed through the end of each weekly period. Your Direct Affiliate Sharing Bonus will generally be recorded in your Velocity Account within one business day following the end of the weekly period and is automatically transferred to your financial institution (subject to market-specific minimum account balance requirements).

### D. Eligibility

Only Brand Affiliates are eligible to receive a Direct Affiliate Sharing Bonus. Direct Affiliate Sharing Bonuses will only be paid on Retail Customer and Member (i.e. Direct Customer) purchases. Direct Affiliate Sharing Bonus eligibility is not dependent on participant Title. If your Direct Affiliate is a Brand Representative, their Direct Customer Sales Volume will still be included in your Direct Affiliate Sales calculation.

## 2.3 BUILDING BONUS (WEEKLY)

### A. Description

When you qualify as a Brand Representative, in addition to the Sharing Bonus, Retailing Bonus, and Direct Affiliate Sharing Bonus, you can also earn a Building Bonus ranging from 5% to 25% of the Commissionable Sales Value on the Product purchases by Customers and Brand Affiliates in your Group. The Building Bonus compensates you weekly for building sales within your Group, providing customer service to your Group, and assisting other Brand Affiliates in the promotion of Products to their Customers.

### B. Building Blocks and Sharing Blocks

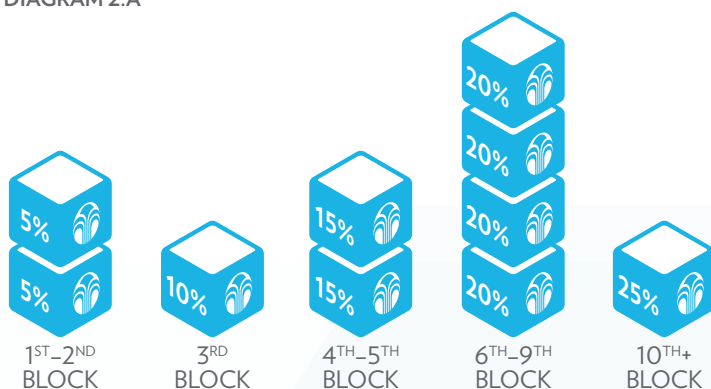
A Building Block is 500 points of Sales Volume from your Group. The number of Building Blocks you complete in a single month will determine the percentages used to calculate your Building Bonus. Building Blocks reset to zero each month, so your first 500 points of Sales Volume in a new month will result in your first Building Block for that month. If you have an incomplete Building Block at the end of the month, it will not carry forward to the next month. Each Building Block may have a different Commissionable Sales Value depending on the Products included in that block, so completing a 500-point Building Block does not mean you will have the same amount of Commissionable Sales Value for purposes of calculating your Building Bonus.

A Sharing Block is a Building Block that consists of 500 points of Sales Volume from Product purchases made by your Direct Customers. Sales Volume from your personal Product purchases, as well as other Brand Affiliate purchases, is not included in your Sharing Blocks.

### C. Building Bonus Calculation

- i. **What You Do:** Qualify as a Brand Representative, maintain two Building Blocks (one of which must be a Sharing Block), and continue to grow your Group Sales Volume.
- ii. **What You Get:** The Building Bonus is a percentage of the Commissionable Sales Value on your Group Sales Volume that starts at 5% on your first Building Block and scales up to 25% on your 10th Building Block and beyond, as illustrated in Diagram 2.A. The Building Bonus for each Building Block is calculated by multiplying (1) the total Commissionable Sales Value of that Building Block, by (2) the specific Building Bonus Percentage earned for that Building Block.

DIAGRAM 2.A



### D. Determination of each Building Block's Bonus Percentage

The Building Bonus Percentage for a specific Building Block is limited to that specific Building Block and is not applied to previous Building Blocks. For example, you earn 5% of the Commissionable Sales Value on your first two Building Blocks and 10% of the Commissionable Sales Value on your third Building Block (but you do not earn 10% on your first two Building Blocks) in a month.

## E. Incomplete Building Blocks

If you have completed two or more Building Blocks (one of which is a Sharing Block) by the end of the month, you will be paid a Building Bonus on any Commissionable Sales Value from an incomplete Building Block using the same Building Bonus Percentage applicable to the last completed Building Block.

## F. Weekly Pay

We pay you a Building Bonus for any newly completed Building Blocks through the end of each weekly period. Your Building Bonus will generally be recorded in your Velocity Account within one business day following the end of the weekly period and is then automatically transferred to your financial institution (subject to market-specific minimum account balance requirements).

## G. Eligibility

Only Brand Representatives are eligible to receive a Building Bonus. If you lose your status as a Brand Representative, you will not be eligible for a Building Bonus, effective the following month. See Section 3.2. Flex Blocks may help you maintain Brand Representative status in the current month and, as a result, Building Bonus eligibility in the next month. See Section 3.3.

## 2.4 LEADING BONUS (MONTHLY)

### A. Description

When you qualify as a Brand Partner or Brand Director, in addition to receiving Sharing, Retailing, Direct Affiliate Sharing, and Building Bonuses, you can earn a Leading Bonus of 5% of the Commissionable Sales Value generated by your Team's Sales Volume. The Leading Bonus is paid, in part, for helping your Brand Affiliates qualify as Brand Representatives, and for motivating, directing, and training the Brand Representatives you directly lead in your Team (referred to as your G1 Brand Representatives). As your G1 Brand Representatives develop into Brand Partners and Brand Directors, your role evolves, and you will now lead a Team that includes Brand Representatives on other Generations (e.g., G2, G3, etc.) as they work to develop their own Groups and increase Product sales.

### B. Team, Leadership Team, and Leadership Team Sales Volume

The Leading Bonus introduces the new concepts of "Team," "Title," "Leadership Team," and "Leadership Team Sales Volume." Your Team consists of all Generations on which you are eligible to be paid a Leading Bonus. Your Title determines the number of Generations of Brand Representatives and their Groups in your Team, as shown in the Velocity EX Title Determination table (Table 2.C). Your Team does not include you or your Group. Your Title and your Team are based on your performance. As you demonstrate the ability to develop Brand Representatives, help them build their Groups, and drive Product sales, your Team will expand to include more Generations of Brand Representatives.

Leadership Teams consist of your G1 Brand Representatives who meet certain monthly sales benchmarks comprised of Leadership Team Sales Volume. Leadership Team Sales Volume is the sum of the Group Sales Volume in your G1-G6 for each individual G1 Brand Representative.

### C. Leading Bonus Calculation

- i. **What You Do:** Qualify as a Brand Partner or Brand Director and continue to build and maintain Product sales within your own Group by completing at least six Building Blocks in a month.
- ii. **What You Get:** You'll unlock the ability to earn 5% of the Commissionable Sales Value on the Group Sales Volume of qualified Generations in your Team. The following Velocity EX Title Determination Table 2.C sets forth the Velocity EX Title requirements, as well as the Generations on which each Title can be paid a Leading Bonus:



## VELOCITY EX TITLE DETERMINATION TABLE 2.C

WHAT YOU DO	WHAT YOU GET	
As a Brand Representative, complete six Building Blocks each month & develop Leadership Teams with Leadership Team Sales Volume (LTSV).	Earn 5% of the Commissionable Sales Value on your Team Sales Volume	
	TITLE	GENERATIONS PAID
1 Leadership Team with $\geq 2,000$ LTSV	Gold Partner	5% on your G1
2 Leadership Teams, each with $\geq 2,000$ LTSV	Lapis Partner	5% on your G1-G2
2 Leadership Teams, each with $\geq 2,000$ LTSV 1 Leadership Team with $\geq 5,000$ LTSV	Ruby Partner	5% on your G1-G3
2 Leadership Teams, each with $\geq 2,000$ LTSV 1 Leadership Team with $\geq 5,000$ LTSV 1 Leadership Team with $\geq 10,000$ LTSV	Emerald Director	5% on your G1-G4*
2 Leadership Teams, each with $\geq 2,000$ LTSV 1 Leadership Team with $\geq 5,000$ LTSV 1 Leadership Team with $\geq 10,000$ LTSV 1 Leadership Team with $\geq 20,000$ LTSV	Diamond Director	5% on your G1-G5*
2 Leadership Teams, each with $\geq 2,000$ LTSV 1 Leadership Team with $\geq 5,000$ LTSV 1 Leadership Team with $\geq 10,000$ LTSV 1 Leadership Team with $\geq 20,000$ LTSV 1 Leadership Team with $\geq 30,000$ LTSV	Blue Diamond Director**	5% on your G1-G6*

\* To be eligible to be paid on Generations 3-6 you must not be involved in Business Development Activities for another Direct Sales Company. See Chapter 5, Section 2 of the Nu Skin Policies and Procedures.

\*\* Blue Diamond Directors and Presidential Directors (Team Elite) may qualify for a Business Builder Position and Presidential Director Business Builder Position, respectively. Your Leadership Team requirements may be satisfied by Leadership Teams on your Business Builder Position and Presidential Director Business Builder Position. See Addendum D.

### D. Monthly Pay

Following the end of each month, we calculate your Leading Bonus. The Leading Bonus is generally recorded in your Velocity Account within one business day following the end of the monthly Bonus calculation and is then automatically transferred to your financial institution (subject to market-specific minimum account balance requirements).

### E. Eligibility

- i. To be eligible to receive a Leading Bonus you must:
  - a. be a Brand Representative;
  - b. have a minimum of one G1 Leadership Team; and
  - c. complete at least six Building Blocks that month.
- ii. Dynamic Sales Network Movement
  - a. After six months as a Gold Partner or as a Brand Representative with a G1 Brand Representative, you must maintain a minimum of four Building Blocks each month to retain your Sales Network.
  - b. If you achieve less than four Building Blocks in the seventh month or any month thereafter, your Brand Representatives will join the Sales Network of the next Brand Representative above you for that month. This dynamic Sales Network movement will not impact your Title or the Title of the next Brand Representative above you. Your Sales Network will reset to its original position each month so long as you retain your Brand Representative status.
  - c. If you no longer have any G1 Brand Representatives and you help develop a new G1 Brand Representative (who is different from your original G1 Brand Representative), you will have six additional months before dynamic Sales Network movement applies.
  - d. In any month where you qualify as a Lapis Partner or higher Title, the dynamic Sales Network movement detailed in this section will not apply.

## 3. BRAND REPRESENTATIVE STATUS

### 3.1 QUALIFYING AS A BRAND REPRESENTATIVE

#### A. Qualification Requirements

To qualify as a Brand Representative, you must submit a Letter of Intent and complete two Sharing Blocks during the Qualification Period. You can find the Letter of Intent form by signing into your market's Brand Affiliate website or in your Nu Skin Stela app.

#### B. Qualification Period

Your Qualification Period is the calendar month in which you submit your Letter of Intent. For example, if you submit your Letter of Intent on January 25th to qualify as a Brand Representative, your Qualification Period would be January. The Qualification Period ends on the earlier of:

- i. the date you advance to become a Brand Representative after meeting the Qualification Requirements; or
- ii. the end of the month in which you submit your Letter of Intent and fail to meet the Qualification Requirements.

#### C. Completion of Qualification Requirements and Advancement

When you complete the Qualification Requirements, you advance to a Brand Representative on the first day of the next weekly period (the 8th, 15th, or 22nd of that month, or on the 1st of the next month), and you are eligible to start earning a Building Bonus for all Sales Volume from purchases by your Group thereafter. For example, please see the following scenarios.

- i. If a Brand Affiliate in your Group achieves two Sharing Blocks in week 1, 2, or 3 of a given month and they submit their Letter of Intent in that month, you must also achieve two Sharing Blocks and submit your own Letter of Intent in that same month in order to have that Brand Affiliate in your Team.
- ii. If a Brand Affiliate in your Group achieves two Sharing Blocks in week 4 of a given month and they submit their Letter of Intent in that month, you must achieve two Sharing Blocks and submit your Letter of Intent in that same month or in the following month in order to have that Brand Affiliate in your Team.
- iii. If a Brand Affiliate in your Group achieves two Sharing Blocks prior to the timeframes noted above, they permanently join the Team of the next Brand Representative above you and you will not earn any Building or Leading Bonus from their sales activity. However, you may still earn a Direct Affiliate Sharing Bonus from their sales activity. See Addendum A.

#### D. Failure to Complete Qualification Requirements

If you do not satisfy the Qualification Requirements within the Qualification Period, your Qualification terminates, effective the following month. If you want to qualify as a Brand Representative, you will need to submit a new Letter of Intent and restart Qualification.

### 3.2 BRAND REPRESENTATIVE STATUS

#### A. Maintain, Hold, or Lose Brand Representative Status

Your status as a Brand Representative is maintained, held, or lost based on your sales performance each month.

- i. Maintaining Brand Representative Status—Complete two Building Blocks (with one being a Sharing Block).

If you complete at least two Building Blocks (one being a Sharing Block) in a month, you will satisfy Maintenance and maintain your status as a Brand Representative for that month. If you complete two Building Blocks in a month but no Sharing Block in that same month, you will not maintain your Brand Representative status as of the following month. You will, however, be paid any Building Bonus on those two Building Blocks during the first three weekly commission calculations in the current month.

- ii. Holding Brand Representative Status—Complete at least one Sharing Block and have sufficient Flex Blocks.

If you (1) complete at least one Sharing Block in a month, and (2) have sufficient Flex Blocks (described in section 3.3 below) available to make up the difference in missing Building Blocks (e.g., one Sharing Block plus one Flex Block), the available Flex Block will be applied to hold your status as a Brand Representative for that month. **Flex Blocks cannot be used to satisfy the Sharing Block requirement.**

- iii. Losing Brand Representative Status—No Sharing Block, insufficient Building Blocks, or insufficient Flex Blocks.

If you (1) do not complete one Sharing Block in a month, or (2) do not complete two Building Blocks in a month (one being a Sharing Block), or (3) do not have enough Flex Blocks available to make up for the missing required Building Block in a month, then you lose your Brand Representative status and become a Brand Affiliate effective the first day of the next month.

## **B. Maintenance After Advancing to Brand Representative and Bonus Eligibility**

To maintain your status as a Brand Representative, you must begin meeting Maintenance in the first full month following the completion of your Qualification Requirements. See Addendum A.

You must meet Maintenance by completing two Building Blocks (one of which being a Sharing Block) to be eligible for a Building Bonus on incomplete Building Blocks that month.

## **C. Impact of Losing your Brand Representative Status**

When you meet Maintenance or we hold your status as a Brand Representative in a month, you count as a G1 Brand Representative in the Team of the next Brand Representative above you. If you lose your Brand Representative status, then you revert to Brand Affiliate and do not count as a G1 Brand Representative, effective the following month. When you lose your status as a Brand Representative and revert to Brand Affiliate, you lose your Sales Network, which consists of your Team and the Groups of other Brand Representatives below your Team. Your Sales Network moves up a Generation and joins the Sales Networks of the Brand Representatives above you.

## **3.3 FLEX BLOCKS**

### **A. Description**

A Flex Block is a Building Block substitute that we use to hold your status as a Brand Representative if you do not complete at least two Building Blocks in a month. Flex Blocks cannot be used to satisfy the Sharing Block requirement. Flex Blocks do not provide Sales Volume or Commissionable Sales Value and no Bonus is paid on Flex Blocks. Flex Blocks have no monetary value and cannot ever be redeemed for cash. Flex Blocks do not expire and there is no limit to the number of Flex Blocks you can accumulate; however, any accumulated Flex Blocks will be forfeited if you lose your Brand Representative status or your Brand Affiliate Account is terminated.

### **B. Allocation of Flex Blocks**

You are allotted Flex Blocks as a new Brand Representative and each following year. At the

beginning of each of your first three full months as a new Brand Representative, you are allotted one Flex Block each month for a total of three Flex Blocks. Each following year, you are allotted an additional three Flex Blocks in your anniversary month as a Brand Representative (see Diagram 3.A). The Flex Blocks will be reflected in your Nu Skin Stela app.

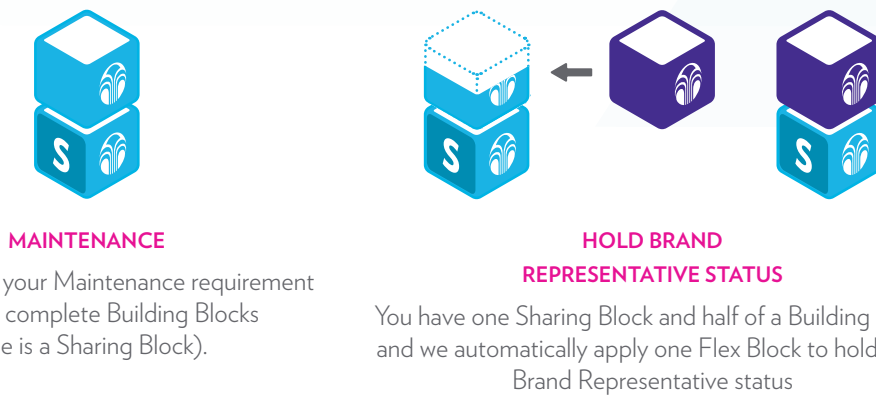
DIAGRAM 3.A



### C. Application of Flex Blocks

We apply Flex Blocks to hold your Brand Representative status if you have at least one completed Sharing Block that month. In any month that you have not met Maintenance, we will automatically apply one Flex Block in place of a missing Building Block (to the extent you have sufficient Flex Blocks available), to hold your status as a Brand Representative. See Diagram 3.B. An entire Flex Block is applied in place of an incomplete Building Block, regardless of how much Sales Volume is needed to complete the Building Block. You can check your Nu Skin Stela app to see how many Flex Blocks you have available.

DIAGRAM 3.B



#### MAINTENANCE

You have met your Maintenance requirement with two complete Building Blocks (one is a Sharing Block).

#### HOLD BRAND REPRESENTATIVE STATUS

You have one Sharing Block and half of a Building Block and we automatically apply one Flex Block to hold your Brand Representative status

### 3.4 RESTART

If you lose your status as a Brand Representative, Restart is the process you must follow to become a Brand Representative again and reclaim your former Sales Network (as if you had not lost your Brand Representative status). See Addendum C.

## 4. ADDITIONAL TERMS

### 4.1 BONUSSES

#### A. Eligibility for Bonuses

To be eligible for any Bonuses, you must have Product sales to five different Direct Customers or Unregistered Customers each month. You must notify the Company immediately if you do not meet this requirement. The Company will also randomly survey Brand Affiliates to confirm compliance with this requirement.

#### B. Bonus Calculations

Bonuses are calculated on a daily, weekly, and monthly schedule (as determined by Nu Skin) and recorded in your Velocity Account.

#### C. Bonuses and Exchange Rates

When calculating your Bonuses, the Commissionable Sales Value from Product sales from different markets are exchanged into your local currency using the previous month's average daily exchange rate. For example, in determining the base amount used to calculate your Bonuses on March sales, the Company would use February's average daily exchange rate.

#### D. Local Market Version

This version of the Plan applies only to Brand Affiliates who have a Brand Affiliate ID from Latin America (Mexico, Colombia, Peru, Chile, Argentina). Velocity EX offers you the opportunity to receive Bonuses on sales in all our global markets, except where foreign participation is restricted (contact your Account Manager for specific markets). If you have a Latin American Brand Affiliate ID, your Bonus eligibility and benchmarks will be governed by the terms of this version of the Plan, even if members of your Team have a Brand Affiliate ID from other markets.

**EXAMPLE:** If you are a Brand Representative with a Latin American Brand Affiliate ID and you register a Member in Australia and they purchase some Products through the Australia website, if that individual (a) signs up as your Direct Customer, and (b) is in your Group when they purchase Products in the Australia market, then those Product purchases will have the Sales Volume and Commissionable Sales Value that the Australia market has set for those Products. The Australia Commissionable Sales Value will be exchanged into your market currency when the Company calculates your Bonuses. The local market can provide you with information regarding the Sales Volume, Commissionable Sales Value, pricing, and other sales compensation-related information for each Product in that market.

Velocity EX does not apply to our Mainland China business, which operates under a different business model.

#### E. Recovery of Bonuses Paid to You

The Company has the right to recover Bonuses paid to you as published in the Policies and Procedures, including the recovery of Bonuses from the return of Products. The timing and method of recovery will depend on the Bonus, when the Products are returned, and who is returning the Products. See Addendum B. A summary of our return policy can be found at <https://www.nuskin.com> by accessing the Reputation page or the Earn with Nu Skin page.

#### F. Advancement to Brand Representative; Other Title Advancement and Demotion

Advancement to Brand Representative occurs weekly. Other Title advancements and demotions occur only during the monthly Bonus calculations and will be reflected in your Nu Skin Stela app on or before

the 5th of the following month. See Addendum A for more details on Title advancement and demotion timing and the impact on Bonuses.

### **G. Product Promotions and Pricing**

We may adjust Suggested Retail Price, Sales Volume, Commissionable Sales Value, and Member Price. Please see your market's Product pricing and promotion announcements regarding any discounts and their impact on pricing, Bonuses, Sales Volume, Commissionable Sales Value, and other sales compensation-related information for each Product.

### **H. Other Sales Compensation**

In addition to sales compensation available through Velocity EX, you can also earn:

- i. retail profit from your sale of Products directly to your Customers;
  - a. When you sell Nu Skin Products outside of the Company's systems you can capture a retail profit. Retail profit equals (1) the price you sell a Product for minus (2) your costs (Member Price, taxes, shipping, etc.). You keep all retail profit earned outside of Nu Skin's systems.
- ii. compensation from other short-term sales incentives not covered by the Sales Performance Plan; and
- iii. incentive trips or other non-cash rewards.

## **4.2 TERMINATION OF BRAND AFFILIATE ACCOUNTS**

### **A. Loss of Brand Affiliate Rights**

Upon termination of your Brand Affiliate Account, you lose all rights and benefits as a Brand Affiliate, including any rights to your Brand Affiliate Account identification number, Group, Team, Sales Network, Sales Volume generated by either your Group or Team, and Bonuses.

### **B. Movement of Brand Affiliate Account**

The Company has the right, for as long as reasonably necessary, to delay any movement of a Brand Affiliate Account and any part of its Group or Sales Network up in a Sales Network or to a different Sales Network.

## **4.3 OTHER MATERIALS AND TRANSLATIONS**

If there are any discrepancies between the terms and conditions set forth in the Plan for your market and any marketing materials or other related content, the Plan for your market will control. Unless otherwise prohibited by law, if there are any discrepancies between the English version of this Plan and any translation of it, the English version will control.

## **4.4 EXCEPTIONS**

### **A. Granting of Plan Exceptions**

The Company may, in its sole discretion, waive or modify any requirements, terms, or conditions of this Plan (collectively "Plan Exceptions"). The Company may grant Plan Exceptions to (1) an individual Brand Affiliate Account, or (2) any number of accounts, including by Team or market. The granting of a Plan Exception to a Brand Affiliate Account does not obligate the Company to grant a Plan Exception to any other Brand Affiliate Account. Any Plan Exception requires the express written consent of an authorized officer of the Company, and the Company has no obligation to provide other Brand Affiliates, including the next Brand Affiliates above a Brand Affiliate, notice of the Plan Exception, written or otherwise.

## **B. Termination of Plan Exceptions**

Unless otherwise agreed to in writing by an authorized officer of the Company, the Company may terminate a Plan Exception that has been previously granted at any time and for any reason, regardless of the length of time the exception has been operative. If a Plan Exception has been granted to a specific Brand Affiliate, then the Plan Exception is personal to the specific Brand Affiliate and the Company. Unless an authorized Company officer agrees in writing to the contrary, the Plan Exception will terminate upon the transfer of the Brand Affiliate Account, regardless of the form of transfer (e.g., sale, assignment, transfer, bequest, by operation of law, or otherwise), and any such exception will be void.

## **4.5 TERMINOLOGY**

Terms in this Plan, including Titles, may differ from previous terms and may be revised.

## **4.6 RIGHT TO MODIFY**

We can modify this Plan at any time in our sole discretion. If we change this Plan, we will provide you with 30 days' notice prior to the change becoming effective.

## **4.7 COMPLIANCE**

To qualify for Bonuses, you must comply with the requirements of this Plan, your Brand Affiliate Agreement, and Nu Skin's Policies and Procedures.

## **4.8 WEEKLY AND MONTHLY PERIODS**

Any reference to a "month" means a calendar month. Any reference to a "week" or "weekly" or "weekly period" means a seven-day period beginning on the 1st, 8th, 15th, or 22nd day of each month, provided, however, that the fourth week of each month runs through the end of the month. Bonus calculations are based on Mountain Standard Time or Mountain Daylight Savings Time in Provo, Utah, United States of America (Coordinated Universal Time [UTC-7]).



## GLOSSARY

**Bonus:** Sales compensation paid through Velocity EX, including the Sharing Bonus, Retailing Bonus, Direct Affiliate Sharing Bonus, Building Bonus, and Leading Bonus. Bonuses do not include any retail profit you can earn on Products that you purchase and resell directly to Unregistered Customers, or any other cash or non-cash incentives.

**Brand Affiliate:** A Person who signs up with Nu Skin as a Brand Affiliate and can purchase Products at the Member Price, sell Products, and sign-up Customers and Brand Affiliates. The term Brand Affiliate can also be used as a general reference to all Brand Affiliates and Brand Representatives. For example, a Brand Partner or Brand Director can be referred to as a Brand Affiliate as a general reference when talking about all Brand Affiliates.

**Brand Affiliate Account:** Your Nu Skin account.

**Brand Affiliate Agreement:** An agreement between you and Nu Skin that sets forth certain rights and obligations related to your business.

**Brand Director:** A general category including all Brand Representatives with a Title of Emerald Director, Diamond Director, Blue Diamond Director, or Presidential Director.

**Brand Partner:** A general category including all Brand Representatives with a Title of Gold Partner, Lapis Partner, or Ruby Partner.

**Brand Representative:** A Brand Affiliate who has successfully completed Qualification and who has not lost their Brand Representative status. The term Brand Representative can also be used as a general reference for all Titles of Brand Representative and above. For example, a Ruby Partner or Diamond Director can be referred to as a Brand Representative as a general reference when talking about all Brand Representatives.

**Brand Representative Date:** The first day of the month that you qualify as a Brand Representative. If you advance to Brand Representative in week 1, 2, or 3 of a month, your Brand Representative Date will be the first day of that month. If you advance to Brand Representative in week 4 of a month, your Brand Representative Date will be the first day of the following month. See Addendum A.

**Brand Representative Advancement Date:** The first day of the weekly period following your advancement to Brand Representative. If you qualify as a Brand Representative in week 1, 2, or 3 of a month, your Brand Representative Advancement Date will be the 8th, 15th or 22nd of that

month, respectively. If you who qualify as a Brand Representative in week 4 of a month, your Brand Representative Advancement Date will be the first day of the following month. See Addendum A.

**Brand Representative Qualification Date:** The first day of the month in which you elect to qualify as a Brand Representative by submitting a Letter of Intent and complete the monthly requirement of two Sharing Blocks. See Addendum A.

**Building Block:** A measurement of Sales Volume. A Building Block is only considered complete when it has 500 points of Sales Volume. A Building Block with less than 500 points of Sales Volume is referred to as incomplete. See Section 2.3.

**Building Bonus:** A Bonus paid weekly to you if you're a Brand Representative, based on the Commissionable Sales Value of Products purchased through Nu Skin's systems by Brand Affiliates and Customers in your Group. See Section 2.3.

**Building Bonus Percentage:** A percentage used to calculate the Building Bonus for each Building Block which ranges from 5% to 25% of the Building Block's Commissionable Sales Value depending on the number of Building Blocks completed in a month. See Section 2.3.

**Business Builder Position (BBP):** A position placed directly below you on your G1 that is awarded to you after the first month you achieve the Title of Blue Diamond Director. See Addendum D.

**Business Development Activity:** Any activity that benefits, promotes, assists, or supports in any way the business, development, sales, or sponsorship of another Direct Sales Company, including but not limited to selling products or services; promoting the business opportunity; appearing on behalf of the Direct Sales Company or one of its representatives; allowing your name to be used to market the Direct Sales Company, its products, services or opportunity; sponsoring or recruiting on behalf of the Direct Sales Company; acting as a member of the board of directors, as an officer, or a representative or distributor of the Direct Sales Company; an ownership interest; or any other beneficial interest, whether the interest is direct or indirect.

**Commissionable Sales Value:** A currency value that is set for each Product, used to calculate Sharing, Direct Affiliate Sharing, Building, and Leading Bonuses. Commissionable Sales Value is adjusted from time to time due to a variety of



factors, including changes in pricing, currency fluctuations, promotions, etc. Commissionable Sales Value is different from Sales Volume and generally does not equal the Sales Volume of a Product. Some Products may have zero Commissionable Sales Value. You can obtain information regarding the Commissionable Sales Value and other sales compensation-related information for each Product by signing into your market's Brand Affiliate website.

**Company:** Nu Skin, “we” or “us.”

**Customer:** A Person who is not a Brand Affiliate and has purchased Nu Skin Products through Nu Skin's systems. Customers consume Nu Skin Products, do not participate in the Sales Performance Plan, and cannot resell Products or register other Customers or Brand Affiliates. Brand Affiliates are not Customers. Bonuses are paid on a Customer's Product purchases. Your right to earn a specific Bonus on a Customer's purchase depends on the eligibility requirements of each Bonus, including whether they are a Direct Customer. Every Customer is supported by a Brand Affiliate. There are two primary types of Customers:

- i. Retail Customers, and
- ii. Members

**Direct Affiliate:** Your first-level Brand Affiliate.

**Direct Affiliate Sales:** The sum of the Commissionable Sales Value from all eligible purchases of your Direct Affiliates' Direct Customers. Another way to think about this is the Commissionable Sales Value from the Direct Customer Sales Volume of your second-level Customer purchases. Direct Affiliate Sales is used to calculate the Direct Affiliate Sharing Bonus.

**Direct Affiliate Sharing Bonus:** A Bonus paid weekly to you as a Brand Affiliate, based on the Commissionable Sales Value on the Direct Customer Sales Volume of Products purchased by the Direct Customers of your Direct Affiliates. See Section 2.2.

**Direct Customer:** A Customer to whom you directly sell Products through Nu Skin's systems. When a Customer purchases Products through Nu Skin's systems, the Brand Affiliate who sold them the Product is credited for that sale. A Brand Affiliate is not considered a Direct Customer.

**Direct Customer Sales Volume:** The sum of all Product points from purchases from your Direct Customers. Another way to think about this is the Sales Volume from purchases of your first-level Customers.

**Direct Sales Company:** A company that uses a sales force of independent contractors who sell products and services and that compensates the independent contractors through a single-level or multi-level compensation plan for (1) their own sales, and/or (2) the sales of other independent contractors who have signed up under the independent contractors to distribute the same products and services.

**Flex Block:** A Flex Block is a Building Block substitute that we use to hold your status as a Brand Representative if you do not complete at least two Building Blocks (one being a Sharing Block) in a month. Flex Blocks cannot be used as a substitute for Sharing Blocks and have no monetary value. Building Bonuses are not paid on incomplete Building Blocks in any month when a Flex Block is used. See Section 3.3.

**Generations:** The Brand Representative levels in your Team. Every Brand Representative you directly lead and who is the first Brand Representative below you in your Team is your G1 Brand Representative. Those Brand Representatives who are on the first level below them are your G2 Brand Representatives, and so forth.

**Group:** A Group consists of (1) you, (2) your Direct Customers and Direct Affiliates, (3) any Customers and Brand Affiliates your Direct Affiliates register, and so on. When a Brand Affiliate in your Group becomes a Brand Representative, they and their Group become part of your Team and will no longer be part of your Group.

**Group Sales Volume:** The sum of Sales Volume from all purchases within your Group.

**Leadership Team:** A G1 Brand Representative in your Team that meets certain Leadership Team Sales Volume benchmarks in a month. See Section 2.4.

**Leadership Team Sales Volume:** The sum of all Sales Volume in your G1–G6 for a given G1 Brand Representative. See Section 2.4.

**Leading Bonus:** A Bonus paid monthly if you are a Brand Partner or Brand Director, based on the Commissionable Sales Value of the Sales Volume purchased by the Groups in your Team. See Section 2.4.

**Letter of Intent:** A document or online notice that you submit to Nu Skin to notify the Company of your intention to enter Qualification and attempt to become a Brand Representative.

**Maintenance:** The requirement to complete at least two Building Blocks (one of which being a Sharing Block) in a month to maintain your status as a Brand Representative for that month. See Section 3.2 and Addendum A.

**Member:** A Customer who signs up through Nu Skin's systems based on a Brand Affiliate invitation to purchase Nu Skin Products at Member Price. Members cannot register Customers or Brand Affiliates, cannot resell Nu Skin Products, and do not participate in Velocity EX.

**Member Price:** The purchase price for Products for both Members and Brand Affiliates. The Member Price is set by the local market and may occasionally be adjusted for sales promotions and incentives.

**Nu Skin:** Nu Skin International, Inc. and its affiliates.

**Nu Skin Stela:** A mobile application that provides information related to your Brand Affiliate Account, including your Product purchases, Sales Network, Bonuses, goal setting, reporting, recognition, and more. You can download Nu Skin Stela in your app store.

**Person:** An individual or business entity. A "business entity" is any business entity such as a corporation, partnership, limited liability company, trust, or other form of business organization legally formed under the laws of the jurisdiction in which it was organized.

**Policies and Procedures:** A document that is part of the agreement between you and Nu Skin and sets forth certain policies and procedures related to your business.

**Products:** All Nu Skin Products and services.

**Qualification:** The process for you to become a Brand Representative. See Section 3.1.

**Qualification Period:** Your Qualification Period begins the date you submit your Letter of Intent to qualify as a Brand Representative. Your Qualification Period is the same calendar month in which you submit your Letter of Intent. See Section 3.1.

**Qualification Requirements:** During your Qualification Period you must complete two Sharing Blocks. See Section 3.1.

**Restart:** The process that gives former Brand Representatives the opportunity to reclaim their Sales Network (as if they had not lost their Brand Representative status). See Section 3.4 and Addendum C.

**Retailing Bonus:** The difference between (1) the price paid by your Customer after any discounts (excluding shipping costs and taxes) when they purchase Products directly from Nu Skin and (2) the Member Price. See Section 2.1.

**Retail Customers:** Any customer who purchases Products at a Suggested Retail Price or at a discount from Suggested

Retail Price in Nu Skin's systems. The Bonus on a Retail Customer's Product purchase is paid to the Brand Affiliate who is identified as the seller at the time of the specific Product order. For purposes of this Plan, an Unregistered Customer is not included in the definition of Retail Customers. Retail Customers do not participate in Velocity EX and cannot resell Products or register other Customers or Brand Affiliates.

**Sales Network:** Your Sales Network consists of your Team and the Groups of all Brand Representatives below your Team.

**Sales Performance Plan:** This Sales Performance Plan (also "Plan") (including amendments that may be incorporated in the future) sets forth the terms and conditions for the sales compensation you can receive as a Brand Affiliate who participates in Velocity EX.

**Sales Volume:** A point value set for each Product used to compare the relative value of Products across various currencies and markets to measure qualification for various performance benchmarks, including Sharing Blocks, Building Blocks, Leadership Team Sales Volume, and to quantify the Product sales in your Direct Customer Sales Volume, Group, and Team. Sales Volume is adjusted from time to time as the Company deems necessary. Sales Volume is different from Commissionable Sales Value. You can obtain information regarding the Sales Volume and other sales compensation-related information for each Product by signing into your market's Brand Affiliate website.

**Sharing Block:** A subset of Building Blocks which contributes to the aggregation of Building Blocks for Building Bonuses. Sharing Blocks consist of 500 points of Sales Volume that are only derived from purchases made by your Direct Customers. Your personal purchases do not count towards Sharing Blocks. Sharing Blocks are only applicable to Qualification Requirements and Maintenance. See Section 2.3.

**Sharing Bonus:** The Bonus paid on Product purchases by your Direct Customers. The Sharing Bonus ranges from 5% to 15% on the Commissionable Sales Value of your Direct Customer Sales Volume. A portion of the Sharing Bonus (i.e., 5%) will be paid daily and the remainder of any eligible Sharing Bonus will be trued up in each weekly calculation. Not all Products pay a Sharing Bonus. See Section 2.1.

**Suggested Retail Price:** The purchase price of Products for Retail Customers. The Suggested Retail Price is established by the local market and may occasionally be adjusted for sales promotions and incentives.

**Team:** Your Team consists of all Generations on which you are eligible to be paid a Leading Bonus (assuming you also

achieve six Building Blocks). Your Title determines the number of Generations of Brand Representatives and their Groups in your Team, as shown in the Velocity EX Title Determination Table. Your Team does not include you or your Group.

**Title:** Titles are achieved as a Brand Representative based on your Leadership Teams. Your Title determines the number of Generations on which you can earn a Leading Bonus. See the Velocity EX Title Determination Table 2.C.

**Unregistered Customers:** Individuals who purchase Products outside of Nu Skin's systems, regardless of whether they have previously purchased Products directly from Nu Skin, directly from a Brand Affiliate at the price offered by the Brand Affiliate. Unregistered Customers do not participate in Velocity EX and cannot resell Products or register Customers.

**Velocity Account:** A digital account found in Nu Skin's Brand Affiliate digital tools (e.g., Nu Skin Stela app and nuskin.com) that reflects all your Bonuses, payments, and commission adjustments. A Velocity Account is automatically created for you when you become a Brand Affiliate. Velocity Accounts do not accrue interest. You can transfer your total available balance, minus any government-mandated income taxes, from your Velocity Account to your designated financial institution account at any time. Transfers that you initiate do not have a minimum balance requirement. However, you are responsible for all fees associated with any transfer you initiate. Fees may be charged by the receiving financial institution, and also includes a service fee by Nu Skin. Nu Skin automatically transfers your remaining Velocity Account balance free of charge at the start of each weekly and monthly pay period. There are market-specific minimum balance requirements for automated transfers from Nu Skin.

## **ADDENDUM A**

### **ADDITIONAL DETAILS RELATED TO QUALIFICATION**

The following provides additional information related to Qualification as a Brand Representative, including important dates, Maintenance, Bonuses, and other details.

#### **1. IMPORTANT DATES**

There are three important dates related to Qualification as a Brand Representative which are your Brand Representative Qualification Date, Brand Representative Advancement Date and Brand Representative Date as defined in the Glossary.

#### **2. MAINTENANCE AFTER ADVANCING TO BRAND REPRESENTATIVE**

If your Brand Representative Advancement Date is the 8th, 15th, or 22nd of a month, then you do not need to meet Maintenance for that month to maintain your status as a Brand Representative. However, if you complete Qualification in week 4 of a month, your Brand Representative Advancement Date is the first day of the next month, and you must meet Maintenance for that next month to maintain your status as a Brand Representative. For example, if you complete Qualification the 4th week of May, your Brand Representative Advancement Date is June 1st, and you must meet Maintenance in June.

#### **3. BONUSES AFTER ADVANCING TO BRAND REPRESENTATIVE**

##### **A. Building Bonus**

You can earn a Building Bonus based on your Group's sales made on or after your Brand Representative Advancement Date. For example, if you complete Qualification during the first week of the month, your Brand Representative Advancement Date is the 8th and you can begin earning a Building Bonus based on Product purchases on or after the 8th. You will not earn a Building Bonus based on any Product purchases during the first week of that month. If you complete Qualification in week 4 of a month, your Brand Representative Advancement Date is the 1st of the next month and you can begin earning a Building Bonus based on new Product purchases on or after the 1st of that next month.

After your Brand Representative Advancement Date, your Group Sales Volume will no longer contribute to the Building Blocks of the next Brand Representative above you. For example, if you complete Qualification during week 3, your Brand Representative Advancement Date is the 22nd. Your Group Sales Volume through the 21st will count toward the Building Blocks of the next Brand Representative above you, but your Group Sales Volume on new Product purchases on the 22nd through the end of month will not. If you complete Qualification in week 4 of a month, your Brand Representative Advancement Date is the first day of the next month and your Group Sales Volume in the month you completed Qualification will count toward the Building Blocks of the next Brand Representative above you for that month.

##### **B. Leading Bonus**

You are eligible to earn a Leading Bonus after your Brand Representative Advancement Date if you meet the Leading Bonus requirements. For example, if you complete Qualification during the first week of a month, your Brand Representative Advancement Date is the 8th of that month and you can begin earning a Leading Bonus for that month if you meet the Leading Bonus requirements in the remaining weeks of that month. If you complete Qualification in week 4 of a month, your Brand Representative Advancement Date is the 1st of the next month and you can begin earning a Leading Bonus for that next month if you meet the Leading Bonus requirements for that next month.

## ADDENDUM B

### ADJUSTMENTS AND RECOVERY OF BONUSES

The Company has the right to adjust Bonuses paid to you as described in the Policies and Procedures, including adjustments based on the return of Products by you or others who were in your Group or Team. The calculation and recovery of Bonus adjustments from Product returns will depend on the type of Bonus, when the Products are returned, and who returned the Products.

#### 1. BONUS ADJUSTMENT CALCULATION

Your Bonuses will be adjusted for Product returns as follows:

##### A. Retailing Bonus

When your Direct Customers return Products, the Company will recover any Retailing Bonuses you received on those Products.

##### B. Sharing and Direct Affiliate Sharing Bonus

When your Direct Customers or the Direct Customers of your Direct Affiliates return Products, the Company will recover any Sharing or Direct Affiliate Sharing Bonuses you received on those Products.

If your Direct Customers return Products in the same month in which they were purchased, your Sharing and Direct Affiliate Sharing Bonus percentages paid in subsequent weeks may be reduced due to the impact those returns have on your Direct Customer Sales Volume.

##### C. Building Bonus

When you or others who were in your Group at the time of purchase return Products, your Building Bonus will be adjusted as follows:

- i. **Current Month Returns**—For Products returned in a subsequent week of the month it was purchased, the Sales Volume and Commissionable Sales Value of the returned Products will be replaced by the Sales Volume and Commissionable Sales Value of any subsequent Product purchases in that month on which you have not already received a Building Bonus. Your Building Bonus will be positively or negatively adjusted to the extent the Commissionable Sales Value of the replacement Sales Volume is different than the Commissionable Sales Value of the original Sales Volume. See the example at the end of this Addendum B.
- ii. **Prior Month Return Calculation**—For Products returned in a month subsequent to the month they were purchased, your Building Bonus will be negatively adjusted by the Commissionable Sales Value of the returned Products multiplied by your effective Building Bonus percentage for the month the returned Products were purchased.

##### D. Leading Bonus

When someone who was on your Team at the time of purchase returns Products, the Company will recover any Leading Bonus you received on those Products.

In addition, if you return personally purchased Products that takes you below six Building Blocks for the month in which the returned Products were purchased, the Company will recover your entire Leading Bonus for that month.

## 2. BONUS ADJUSTMENT RECOVERY

If no Bonus has been paid on returned Products, then no Bonus recovery is necessary. If a Bonus has been paid on Products that are subsequently returned, any positive adjustment will be added to your future Bonuses and the Company will recover any negative adjustments as follows:

### A. Personal Returns

If you return Products that you personally purchased, your Bonuses will be adjusted, and any negative adjustment will be recovered as a deduction from your refund.

### B. Other Group or Team Returns

If someone else in your Group or Team returns Products that they purchased, your Bonuses will be adjusted, and any negative adjustments will be recovered as a deduction from your future Bonuses.

**EXAMPLE:** The following illustrates the impact of Commissionable Sales Value on the adjustment of your Building Bonus.

*Week 1:* You complete one Building Block with 500 points of Sales Volume that has Commissionable Sales Value of 500. This Building Block includes 150 points of Sales Volume, with Commissionable Sales Value of 150, from Products purchased by a Member in your Group.

*Week 2:* You sell Products with 300 points of Sales Volume, but with a lower Commissionable Sales Value of 200. In Week 2, the Member who purchased Products with 150 points of Sales Volume in Week 1 returns all of the Products.

*End of Week 2:* We recalculate your Week 1 Building Bonus:

- Given the return of Products with 150 points of Sales Volume in Week 2, we take Sales Volume from Week 2 sales and apply it to your Building Block in Week 1 (150 points moved from Week 2 to Week 1 so you still have a completed Building Block in Week 1).
- Because the Commissionable Sales Value of the replacement Sales Volume is less than the Commissionable Sales Value of the returned Products, your Building Bonus from Week 1 is recalculated and the adjustment is applied in Week 2, as shown in Table B.2.A.

TABLE B.2.A

WEEK	ORIGINAL SV	ADJUSTED SV	ORIGINAL CSV	ADJUSTED CSV	ORIGINAL WEEK 1 BUILDING BONUS	ADJUSTMENT TO WEEK 1 BUILDING BONUS
1	500	500 - 150 [Products return] + 150 [from week 2] = <b>500</b>	500	500 - 150 [Products return] + 100 [from week 2] = <b>450</b>	500 × 5% = <b>\$25</b>	
2	300	300 - 150 [to week 1] = <b>150</b>	200	200 - 100 [to week 1] = <b>100</b>		(\$450 - \$500) × 5% = <b>-\$2.50</b>

## ADDENDUM C RESTART

Restart is a process that gives former Brand Representatives the opportunity to reclaim their Sales Network (as if they had not lost Brand Representative status). The following provides additional information regarding the use, benefits, and terms of Restart.

### 1. HOW TO USE RESTART

If you lose your Brand Representative status and want to begin the Restart process, you must:

- i. submit a new Letter of Intent which indicates your intention to qualify as a Brand Representative again; and
- ii. complete Qualification again. This new Qualification must be completed in any single month in which you submit your Letter of Intent and within three consecutive months from the effective date of losing your status as a Brand Representative.

If you do not finish Restart within this three-month period, you will permanently lose the chance to reclaim your Sales Network and any unused Flex Blocks. For example, if you lose your Brand Representative status effective March 1st, you have until the 4th week of May to complete Qualification to become a Brand Representative effective June 1st in order to reclaim your Sales Network.

### 2. BENEFITS OF RESTART

When you complete Restart within the required time frame, you:

- Become a Brand Representative again;
- Become eligible for the Building Bonus;
- Become eligible for the Leading Bonus (assuming you satisfy the other requirements for the Leading Bonus);
- Reclaim your Sales Network (as if you had not lost your Brand Representative status) and the Company restores your Brand Representative Date; and
- Receive one new Flex Block and reclaim any previously unused Flex Blocks.

### 3. ADDITIONAL RESTART TERMS

#### A. Loss of Unallotted Flex Blocks

If a Brand Representative drops to Brand Affiliate within the first three months of advancing to a Brand Representative, any unallotted Flex Blocks will not be automatically reclaimed once Restart is completed.

#### B. Brand Representative Date

When you lose your Brand Representative status, you also lose your Brand Representative Date. When you successfully complete Restart, your original Brand Representative Date is restored.

#### C. Previous Use of Restart

If you previously used Restart under Velocity or Velocity EX, you will not be eligible to use Restart again unless you submit a new Letter of Intent and acquire a new Brand Representative Date. This will result in you forfeiting any claim to your previous Sales Network.

#### **D. Lose Status a Second Time**

If you lose your status as a Brand Representative for a second time, you will not be eligible to Restart and will permanently lose your Sales Network (it moves up a Generation to the Brand Representatives above you). However, even if Restart is no longer available, you can begin Qualification again at any time and build a new Sales Network.



## ADDENDUM D

### BUSINESS BUILDER POSITIONS

As you build and lead your Team as a Blue Diamond Director and a Presidential Director, you can qualify for a Business Builder Position (BBP) and a Presidential Director Business Builder Position (Presidential Director BBP).

These additional positions are treated as a single account with your Brand Affiliate Account.

#### 1. RECEIVING A BBP AND A PRESIDENTIAL DIRECTOR BBP

##### A. BBP

The BBP is a position placed directly below you on your G1 that is awarded to you after the first month you achieve the Title of Blue Diamond Director.

##### B. Presidential Director BBP

The Presidential Director BBP is an additional position placed directly below your BBP on your G2 that is awarded to you after the first month you achieve the Title of Presidential Director. To receive a Title of Presidential Director, you must achieve the following in a single month (as well as maintain Brand Representative status):

- 2 Leadership Teams, each with  $\geq 2,000$  LTSV
- 1 Leadership Team with  $\geq 10,000$  LTSV
- 1 Leadership Team with  $\geq 20,000$  LTSV
- 1 Leadership Team with  $\geq 30,000$  LTSV
- 1 Leadership Team with  $\geq 40,000$  LTSV

##### C. Automatically Created

The BBP and Presidential Director BBP are automatically created during the Bonus calculation process for the month you meet the eligibility requirements above. You retain any BBP and Presidential Director BBP awarded to you unless you lose your status as a Brand Representative and do not complete Restart.

#### 2. RELATIONSHIP BETWEEN A BBP, A PRESIDENTIAL DIRECTOR BBP, AND THE BRAND AFFILIATE ACCOUNT

##### A. BBP and Presidential Director BBP are part of your Brand Affiliate Account

Your BBP and Presidential Director BBP are part of your Brand Affiliate Account and may not be sold or transferred separately.

##### B. G1 Brand Representatives

Your BBP and Presidential Director BBP will not count as G1 Brand Representatives of your Brand Affiliate Account.

##### C. Leadership Teams

- Although your BBP and Presidential Director BBP will not be considered Leadership Teams to your Brand Affiliate Account, any Leadership Teams under your BBP or Presidential Director BBP will count into the Leadership Team total of your Brand Affiliate Account for determining your Title.

**EXAMPLE:** If your Brand Affiliate Account has two G1 Brand Representatives with 2,000+ Leadership Team Sales Volume, one G1 Brand Representative with 5,000+ Leadership Team Sales Volume, and one Leadership Team with 20,000+ Leadership Team Sales Volume, your BBP has one Leadership Team with 10,000+ Leadership Team Sales Volume, and your Presidential Director BBP has one Leadership Team with 30,000+ Leadership Team Sales Volume, respectively, your Title will be Blue Diamond Director.

- ii. Unless you have lost your Brand Representative status and are a Brand Affiliate, for purposes of determining Leadership Teams for you and the next Brand Representatives above you in a month, your BBP and Presidential Director BBP remain on your G1 and G2 respectively.

#### **D. Direct Affiliate Sales**

- i. Eligible Direct Customer Sales Volume from your Brand Affiliate Account, BBP, and Presidential Director BBP will be summed to determine your Direct Affiliate Sharing Bonus percentage.
- ii. Direct Customer Sales Volume from your Direct Affiliates referred by your Brand Affiliate Account, BBP, and Presidential Director BBP will be summed and the corresponding Commissionable Sales Value will be paid at the qualified Direct Affiliate Sharing Bonus percentage determined by the sum of your Direct Customer Sales Volume.
- iii. The Direct Customer Sales Volume of your BBP and Presidential Director BBP will not count as Direct Affiliate Sales of your Brand Affiliate Account.
- iv. The sum of Direct Customer Sales Volume of your Brand Affiliate Account, BBP, and Presidential Director BBP will count as Direct Affiliate Sales for your referring Brand Affiliate.

#### **E. Group Sales Volume**

Your BBP and Presidential Director BBP each have their own Groups. Eligible Group Sales Volume from your Brand Affiliate Account, BBP, and Presidential Director BBP will count collectively only for maintaining your Brand Representative status, determining your Building Blocks, Building Bonus Percentage, and the six Building Block requirement for the Leading Bonus.

#### **F. BBP and Presidential Director BBP Bonuses Based on Brand Affiliate Account Title and Brand Representative Status**

- i. **BBP:** For a month that your Brand Affiliate Account meets all requirements for the Title of Blue Diamond Director or Presidential Director, including maintaining or holding Brand Representative status, Bonuses on your BBP will be calculated as if it was a Blue Diamond Director. For any month that your Brand Affiliate Account does not meet all requirements for the Title of Blue Diamond Director, including maintaining or holding Brand Representative status, your BBP will be combined with your Brand Affiliate Account and any Sales Network of your BBP will move up one Generation in your Sales Network and the Sales Networks of the Brand Representatives above you.
- ii. **Presidential Director BBP:** For a month that your Brand Affiliate Account meets all requirements for the Title of Presidential Director, including maintaining or holding Brand Representative status, Bonuses on your Presidential Director BBP will be calculated as if it was a Blue Diamond Director. For any month that your Brand Affiliate Account does not meet all requirements for the Title of Presidential Director, your Presidential Director BBP will be combined with your BBP and any Sales Network of your Presidential Director BBP will move up one Generation in your Sales Network and in the Sales Networks of the Brand Representatives above you for that month.
- iii. For any month that your Brand Affiliate Account does not meet all requirements for the Title of Blue Diamond Director, including maintaining or holding Brand Representative status, your Presidential Director BBP will be combined with your Brand Affiliate Account and any Sales Network of your Presidential Director BBP will move up two Generations in your Sales Network and in the Sales Networks of the Brand Representatives above you.

The following illustrates how the Leading Bonus is calculated on your Brand Affiliate Account, BBP, and Presidential Director BBP. We assume that your Brand Affiliate Account, BBP, and Presidential Director BBP collectively have six Building Blocks and are eligible to earn a 5% Leading Bonus.

## BLUE DIAMOND DIRECTOR

As a Blue Diamond Director, you are eligible to earn (a) a 5% Leading Bonus on six Generations of Brand Representatives under your Brand Affiliate Account, and (b) a 5% Leading Bonus on six Generations of Brand Representatives under your BBP. This means that, as shown below, you can earn a Leading Bonus of:

- i. 5% of the Commissionable Sales Value on G1 of the Brand Affiliate Account and G6 of the BBP; and
- ii. 10% of some Commissionable Sales Value, with 5% on G2 through G6 of the Brand Affiliate Account under your BBP, and another 5% of the same Commissionable Sales Value on G1 through G5 of the BBP.

## PRESIDENTIAL DIRECTOR

As a Presidential Director, you are eligible to earn (a) a 5% Leading Bonus on six Generations of Brand Representatives under your Brand Affiliate Account, and (b) a 5% Leading Bonus on six Generations of Brand Representatives under your BBP, and (c) a 5% Leading Bonus on six Generations of Brand Representatives under your Presidential Director BBP. This means that, as shown below, you can earn a Leading Bonus of:

- i. 5% on G1 of the Brand Affiliate Account and G6 of the Presidential Director BBP;
- ii. 10% of some Commissionable Sales Value:
  - a. With 5% on G2 of the Brand Affiliate Account, and another 5% of the same Commissionable Sales Value on G1 of the BBP; and
  - b. With 5% on G6 of the BBP, and another 5% on the same Commissionable Sales Value on G5 of the Presidential Director BBP; and
- iii. 15% of some Commissionable Sales Value, with 5% on G3 through G6 of the Brand Affiliate Account under your BBP, another 5% of the same Commissionable Sales Value on G2 through G5 of the BBP and another 5% of the same Commissionable Sales Value on G1 through G4 of the Presidential Director BBP.

## G. Movement Between Your Brand Affiliate Account, BBP, and Presidential Director BBP

- i. Movement from your Brand Affiliate Account to the BBP or Presidential Director BBP: G1 Brand Representatives cannot be moved from your Brand Affiliate Account to a BBP or Presidential Director BBP except as provided in Section G(ii)(b) below.
- ii. Automatic Movement by the Company:
  - a. **Movement to your Brand Affiliate Account**

If you fall below the requisite number of Leadership Teams combined from your Brand Affiliate Account, BBP, and Presidential Director BBP (six minimum at various Leadership Team Sales Volume amounts, see Velocity EX Title Determination Table 2.C), then the Company will automatically move all G1 Brand Representatives from your BBP and Presidential BBP to your Brand Affiliate Account.
  - b. **Movement Back to your BBP or Presidential Director BBP**

If a G1 Brand Representative from your BBP or Presidential Director BBP was automatically moved from your BBP or Presidential Director BBP due to a lack of requisite Leadership Teams, then these accounts can only be moved back to that BBP or Presidential Director BBP from which it came at your request, following your replacement of the requisite G1 Leadership Team(s) of your Brand Affiliate Account. Your request must be made in writing (letter or email sent to your Account Manager) within six months following the month of the automatic move.

**EXAMPLE:** If a G1 Brand Representative from your BBP or Presidential Director BBP was automatically moved to your Brand Affiliate Account at the beginning of February based on your January sales performance, then the six-month period runs from February through July. In August (based on your July sales performance), if you have not (1) replaced the required G1 Leadership Teams of your Brand Affiliate Account, and (2) requested that the G1 Brand Representative be moved back to your BBP or Presidential Director BBP, then the line will permanently remain on the G1 of your Brand Affiliate Account.

### **3. BBP AND PRESIDENTIAL DIRECTOR BBP OF OTHER BRAND REPRESENTATIVES IN OUR SALES NETWORK**

#### **A. BBP**

As described above, a BBP is placed directly below an eligible Blue Diamond Director on their G1. Accordingly, as the next Brand Representative above an eligible Blue Diamond Director, the Group and Sales Network of the BBP of that eligible Blue Diamond Director will be one Generation lower in your Sales Network than the Group and Sales Network of said eligible Blue Diamond Director. For example, a Brand Representative on the G1 of the BBP would be on the G3 of the next Brand Representative above the eligible Blue Diamond Director, and the next Brand Representative above the eligible Blue Diamond Director would only be paid a Leading Bonus on this Generation if eligible for a Leading Bonus on its G3. For any month that such Brand Affiliate Account does not meet all requirements for the Title of Blue Diamond Director or Presidential Director, including maintaining or holding Brand Representative status, the BBP will be combined with the Brand Affiliate Account, and the Group and Sales Network of the BBP will move up one Generation in your Sales Network for that month.

#### **B. Presidential Director BBP**

As described above, a Presidential Director BBP is placed directly below the BBP of an eligible Presidential Director on the G2 of the Brand Affiliate Account or G1 of the BBP. Accordingly, as the next Brand Representative above the eligible Presidential Director, the Group and Sales Network of the Presidential Director BBP of an eligible Presidential Director will be two Generations lower in your Sales Network than the Group and Sales Network of said eligible Presidential Director. For example, a Brand Representative on the G1 of the Presidential Director BBP would be on the G4 of the next Brand Representative above the eligible Presidential Director, and the next Brand Representative above the eligible Presidential Director would only be paid a Leading Bonus on this Generation if eligible for a Leading Bonus on its G4. For any month that such Brand Affiliate Account does not meet all requirements for the Title of Presidential Director but does meet all requirements for the Title of Blue Diamond Director, including maintaining or holding Brand Representative status, the Presidential Director BBP will be combined with the BBP, and the Group and Sales Network of the Presidential Director BBP will move up one Generation in your Sales Network for that month.

For any month that such Brand Affiliate Account does not meet all requirements for the Title of Presidential Director or Blue Diamond Director, including maintaining or holding Brand Representative status, then the Presidential Director BBP will be combined with the Brand Affiliate Account and the Group and Sales Network of the Presidential Director BBP will move up two Generations in your Sales Network for that month.

#### **C. Leadership Teams.**

Unless the Brand Affiliate Account has lost its Brand Representative status and is a Brand Affiliate, for purposes of determining Leadership Teams for you and the Brand Representatives above you in a month, the Brand Affiliate Account's BBP and Presidential Director BBP remain on its G1 and G2 respectively.