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Marketing Plan



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Marketing Plan

Bonus Calculation Principles

The following principles shall apply to VIP Customers/Distributors.

NOTE: VIP Customers may receive Bonuses only in the form of discounts which lower the cost of future orders of NSP products submitted by these VIP Customers provided, however, that the amount of a given discount shall not exceed 90% of the net price of NSP products in the given order. Because they operate businesses (after being registered by NSPP as independent Distributors), Distributors may receive Bonuses in the form of monies transferred to their bank accounts. Notwithstanding, Distributors shall receive Bonuses for NSP products purchased during the period in which they were still VIP Customers (i.e. the period in which they were not registered by NSPP as independent Distributors) only in the form of discounts.

The Bonus accounting period shall be equivalent to a calendar month.

Accounting Period (Accounting Month) – a month during which a VIP Customer/Distributor obtained the number of points required for the next promotion.

Qualification Confirmation – obtaining the appropriate number of Points by a VIP Customer/Distributor during the Accounting Month. Qualification Confirmation is required to receive the next status or the next promotion.

Personal Points (PP) – are Points for NSP products bought personally and assigned to a VIP Customer/Distributor in the Accounting Period.

Group Points (GP) refers to the sum of PP (Personal Points) of a VIP Customer/Distributor and the PP of all VIP Customers/Distributors from their Group in the Accounting Period.

“One Component Rule” in the case of GP refers to the calculation of Bonuses for promotions of Leaders. It is the difference between the GP of the Group of a VIP Customer/Distributor and the GP of the Group of the VIP Customer/Distributor from the first level (line) of their Network who received the highest number of GP in the Accounting Month.

Cumulated Group Points (CGP) is the sum of all GP of the VIP Customer/ Distributor from the date on which the Agreement was registered.

LGP-7 (Leader's Group Points) is the sum of GP from seven levels of the Leader's (Director's) Network. It always constitutes the sum of GP of seven Leaders, even if it is necessary to "condense" the Network by moving the Leader up from a lower level.

LGP-6 (Leader's Group Points) is the sum of GP from six levels of the Leader's (Director's) Network. It always constitutes the sum of GP of six Leaders, even if it is necessary to "condense" the Network by moving the Leader up from a lower level.

"Condensation" is performed when the Leader (or Leaders) from a higher level does not (do not) fulfil the requirements related to the promotion.

Qualification Confirmation, in accordance with the "One Component Rule", constitutes the difference between LGP-7 of the Leader (Director) and LGP-6 of one of the Leaders (Directors) from the first level with the highest LGP-6.

Bonus System

The Bonus System covers the following types of Bonuses: Personal Bonus, Group Bonus, Leader Bonus, Organisational Bonus and Car Maintenance Bonus. Depending on the accounting status of the VIP Customer/Distributor, the Bonuses granted for a given Accounting Period may cover one or several of the aforementioned types. Bonuses are granted to VIP Customers only in the form of discounts, and to Distributors in the form of monies transferred to their bank accounts.

A Bonus granted in the form of a discount is a discount calculated on the basis of Points obtained by a VIP Customer in connection with the NSP products purchased during the Accounting Period. A discount granted to a VIP Customer in connection with purchases made in a given Accounting Month may be used by the VIP Customer for purchases in subsequent months. When applying the discount, the purchase price shall be lowered by the amount of the discount obtained by the VIP Customer. However, the amount of such a discount shall not exceed 90% of the net price of the whole order.

A Bonus paid to a Distributor by transfer to the bank account indicated by them is a receivable payable to the Distributor, calculated on the basis of the results of their business during the Accounting Month. A Bonus granted in such a way by NSPP may be a source of regular income paid to the Distributor for the actions of VIP Customers/Distributors in their Group. The Bonus shall be paid in this way by NSPP only on the basis of a properly issued VAT invoice or receipt from the Distributor. NSPP shall reserve the right to check the amount indicated on the VAT invoice/receipt.

Personal Bonus

A Personal Bonus is granted to VIP Customers and Distributors. Its amount is determined in accordance with Table 5 included in the Marketing Plan.

Group Bonus

A Group Bonus is granted to VIP Customers and Distributors holding the position of Consultant or higher. Its amount is determined in accordance with Table 5 included in the Marketing Plan.

Leader's Bonus

A Leader's Bonus is granted to VIP Customers and Distributors holding a position higher than the Leader's for acting within the Groups of Leaders in their own Organisations.

The amount of the Leader's Bonus is calculated as a specific percentage in GP of Leaders subordinate to a VIP Customer/Distributor. The rules governing the calculation of Leader's Bonuses are included in Table 6 of the Marketing Plan.

Organisational Bonus

This is a Bonus granted to VIP Customers/Distributors at the position of a Leader-Manager or higher for acting within the Groups of Leaders in their own Organisations, regardless of their level.

If a subordinate Leader (Director) is entitled to receive an Organisational Bonus, then the percentage which is the basis for the calculation of the

Organisational Bonus payable to the superior Leader (Director) for acting within their Group of Leaders shall constitute the difference between the relevant percentages used for calculating the Organisational Bonuses of the subordinate and superior Leaders. The rules governing the calculation of Organisational Bonus are included in Table 7 of the Marketing Plan.

Car Maintenance Bonus

A special Car Maintenance Bonus is granted to VIP Customers/Distributors holding the position of a Director-Assistant or higher. The amount of this Bonus depends on the number of Leaders of the first level. The rules governing the calculation of a Car Maintenance Bonus are included in Table 8 of the Marketing Plan. VIP Customers may be granted Car Maintenance Bonuses solely in the form of discounts which can be used only with subsequent orders of NSP products.

Bonus Calculations

Bonuses are calculated during the month following the Accounting Period.

If a VIP Customer/Distributor does not confirm the qualification in the qualification month, they shall still be granted a Bonus, but of a lower amount – in accordance with their accounting status.

Only Leaders with confirmed qualification shall be considered for the Bonus calculations. For example, to calculate the Bonus of 7 levels, VIP Customers/Distributors without confirmed qualification (without the required number of Points) shall be passed over, while the first Leaders within the Network, who meet this requirement, shall be taken into consideration. For example, the seventh Leader may belong to the eighth, ninth or lower line.

Uncollected Bonuses

If there are Bonuses assigned to a given ID number, and the identity, status or current residence of the person to whom the given ID belongs is unknown, and in connection with this, these Bonuses cannot be granted or received by this person for the period of 24 months counting from (taking into consideration the later of the two following dates) (a) the date on which the Bonuses become due or (b) the date on which the identity, status or current residence of the person to whom the Bonus had been granted becomes unknown, then it shall be deemed that this person had resigned from these Bonuses.

Granted Status

In accordance with the Marketing Plan applicable for Poland, NSPP may grant the following statuses to VIP Customers/Distributors on the basis of obtained qualifications: Assistant, Consultant, Manager, Leader, Leader-Assistant, Leader-Consultant, Leader-Manager, Director-Assistant, Director-Consultant, Director-Manager and Member of the Directors Council.

Status is obtained when a VIP Customer/Distributor collects the number of Points necessary to meet the conditions of a given qualification.

Accounting Status

The Status according to which a VIP Customer/Distributor is accounted for in a given Accounting Month results from the number of Points collected by this VIP Customer/Distributor in a given Accounting Month. If a VIP Customer/Distributor collects fewer Points in a given month than is required for their status in the Marketing Plan, their accounting status may be lower than the granted status. The accounting status determines the amount of a Bonus for VIP Customers/Distributors.

A VIP Customer/Distributor confirms their status in an Accounting Month, unless their accounting rank is lower than the granted status.

A VIP Customer/Distributor confirms their Leader status in an Accounting Month, unless their accounting rank is lower than the accounting rank required for a Leader.

Qualification Month

Qualification Month refers to a month in which a VIP Customer/Distributor prepares for the next promotion. During such a month, a VIP Customer/Distributor has to collect a number of Points required for a given status.

Promotion

The status of VIP Customers/Distributors within the NSPP sales network and the minimal requirements related to their confirmation are included in Table 1 of the Marketing Plan.

After obtaining qualification and promotion to a higher status, a VIP Customer/Distributor shall remain at this level until they obtain qualification for the next level.

Promotion comes into effect on the first day of the month following the qualification month.

First Stage of the Marketing Plan

The first stage of the Marketing Plan lasts until the moment when a VIP Customer/Distributor obtains the status of a Leader. The main indicators of the VIP Customer's/Distributor's performance are PP, GP, CGP.

Assistant

After signing and authorising the Agreement and fulfilling the terms outlined in the Agreement, a VIP Customer/Distributor shall be granted the status of an Assistant. An Assistant may purchase NSP products at VIP Customer/Distributor prices and receive Bonuses related to purchases/further reselling (bearing in mind that only Distributors are entitled to sell NSP products). The Assistant shall be entitled only to Personal Bonus amounting to 5% of the number of collected PP.

Consultant

The conditions necessary for attaining the status of a Consultant indicated in Table 2 of the Marketing Plan are PP, GP and CGP. A Consultant shall be entitled to Personal Bonus and Group Bonus. The rules governing the calculation of the amount of the foregoing Bonuses are included in Table 5 of the Marketing Plan.

Manager

The conditions necessary for attaining the rank of a Manager indicated in Table 2 in the Marketing Plan are PP, GP and CGP. A Manager shall be entitled to Personal Bonus and Group Bonus. The rules governing the calculation of the amount of the foregoing Bonuses are included in Table 5 of the Marketing Plan.

Leader

The main indicators taken into consideration for the promotion to the status of a Leader are; PP, GP, CGO and GP, calculated in accordance with the "One Component Rule".

The status of a Leader may be obtained in many ways.

The rules governing the attainment of Leader status are included in Table 3 of the Marketing Plan. The Leader shall be entitled to Personal Bonus and Group Bonus. The rules governing the calculation of the foregoing Bonuses are included in Table 5 of the Marketing Plan.

Second Stage of the Marketing Plan – leader part of the Network

If a member of your Group becomes a Leader, both they and their Group shall become the leadership part of your Network. They are your Leader of the first level (line).

The Sponsor of the Leader from your first level is your Leader of the second level and so forth. The fundamental condition for obtaining qualification for the next status within the leadership part of the Network is resignation from distributing products of other direct sales companies.

You are the Leader. Your promotion to higher status always depends on

- the number of Leaders at the first level of your Network,
- fulfilling the conditions for promotion by you and each of your Leaders (Qualification Confirmation).

If a Leader-Assistant and Leader-Consultant from the first level of the leadership part of your Network do not meet the requirements placed on Leaders with relation to promotion (lack of Qualification Confirmation), a “Condensation” of the Leaders Network takes place. This means that the Leader is replaced by a Leader from a lower level who meets the requirements for qualification.

In the event of promotion of members of the Organisation of a higher rank than Leader-Manager, such members have to collect a specific number of PG from seven levels of their Network and PG from seven levels of the Network in accordance with the “One Component Rule”.

If necessary, “Condensation” of the Network may be applied here as well.

If, during the Accounting Period, the Leader fails to confirm their status, their GP shall be added to the GP of a Leader at a higher level who meets the requirements (Qualification Confirmation).

The GP added to the Leader's Points shall not constitute the basis for a promotion, but shall be used solely for the calculation of Bonuses payable to the Leader.

Leader-Assistant

If within your Network a promotion is granted to a Leader from your first level, you receive Assistant Leader status. You are authorized to receive the Leader's Bonus from two levels of Leaders from your Network. The rules governing calculation of Leader's Bonus for Assistant Leaders are provided in Table 6 of the Marketing Plan.

Leader-Consultant

If within your Network a promotion is granted to the third Leader from your first level, you receive Consultant Leader status. You are authorized to receive a Leader's Bonus from three levels of Leaders from your Network. The rules governing calculation of the Leader's Bonus for Consultant Leaders are provided in Table 6 of the Marketing Plan.

Leader-Manager

If within your Network a promotion is granted to five Leaders from your first level, and the sum of GP from seven levels of the leaders' part of the Network is not lower than 10,000 and the sum of GP from seven leaders' levels of the Network according to the "One Component Rule" is not lower than 3000, you receive Manager Leader status (compare with Table 4 of the Marketing Plan) and you are authorized to receive a Leader's Bonus from four levels of Leaders from your Network. The rules governing calculation of the Leader's Bonus for Manager Leaders are provided in Table 6 of the Marketing Plan.

Additionally, you are authorized to receive an Organizational Bonus from the sum of PG of the Leader Groups of your Network, irrespective of their level, with the exception of groups having Leaders (Directors) which are

authorized to receive the same Organizational Bonus. The rules governing calculation of the Organizational Bonus for Manager Leaders are provided in Table 7 of the Marketing Plan. The percentage constituting the basis for calculating the Organizational Bonus increases with every promotion.

Director-Assistant

If in your Network at least 7 Leaders from your first level confirm Leader status in three consecutive months and the GP sum from seven levels of the leaders' part of the Network amounts to at least 30,000, and the GP sum from seven levels of the leaders' part of the Network, from the Leaders who confirmed their qualifications according to the "One Component Rule" amounts to at least 9,000, you receive Assistant Director status (compare with Table 4 of the Marketing Plan) and you are authorized to receive a Leader's Bonus from five levels of Leaders from your Network. The rules governing calculation of the Leader's Bonus and Organizational Bonus for Assistant Directors are provided in Tables 6 and 7 of the Marketing Plan.

Director-Consultant

If within your Network at least 10 Leaders from your first level confirm Leader status in three consecutive months and the GP sum from seven levels of the leaders' part of the Network amounts to at least 60,000, and the GP sum from seven levels of the leaders' part of the Network from Leaders who confirmed their qualifications according to the "One Component Rule" amounts to at least 18,000, you receive Consultant Director status (compare with Table 4 of the Marketing Plan) and you are authorized to receive a Leader's Bonus from six levels of Leaders from your Network. The rules governing calculation of the Leader's Bonus and Organizational Bonus for Consultant Directors are provided in Tables 6 and 7 of the Marketing Plan.

Director-Manager

If in your Network in a given Accounting Period there are at least 15 Leaders from your first level each of whom confirmed Leader status throughout three or more months, and the GP sum from seven levels of the leaders' part of the Network, from Leaders who confirmed their qualifications according to the "One Component Rule", amounts to at least 36,000, you receive Manager

Director status (compare with Table 4 of the Marketing Plan). The rules governing calculation of the Leader's Bonus and Organizational Bonus for Manager Directors are provided in Tables 6 and 7 of the Marketing Plan.

Member of the Directors Council

If within your Network there are at least 20 Leaders from your first level all of whom confirmed their status throughout three or more months in the qualification month, and the GP sum from seven levels of the leaders' part of the Network, from Leaders who confirmed their qualifications, amounts to at least 75,000, you receive Member of the Board of Directors status (compare with Table 4 of the Marketing Plan) and you are authorized to receive a Leader's Bonus from seven levels of the Leaders' part of the Network. The rules governing calculation of the Leader's Bonus and Organizational Bonus for Members of the Board of Directors are provided in Tables 6 and 7 of the Marketing Plan.

Special Cases

If a member of the organization subordinate to you becomes a Leader earlier than you, then, in order not to lose him and his Group, you are obliged to acquire Leader qualification within four months from the date of the qualification of your Leader. If you fail to do so within the next four months, your entire Group will be assigned to the senior Leader and you will lose it.

After a member of your Organization qualifies as Leader, you retain the status that you previously had. Your subsequent Leader qualification proceeds as usual. If the Leader does not confirm his qualification within the next four months, then, although he retains Leader status, he shall lose the Leader part of his Network. This means that the senior Leader who has confirmed his qualification, or a Leader who has not confirmed his qualification for a period shorter than 4 months, becomes the new Sponsor of his first level Leaders.

If a member of your Group becomes a Leader in the month following his qualification, you lose the Group Points (GP) from his Group. In order to compensate for the loss of Group Points (GP) from your Group, the number of points required to confirm the qualification of Group Points (GP) in the next month is decreased by 50%.

If some members of your Group simultaneously qualify as Leaders, the number of Points required to confirm your qualification is, as previously, decreased by 50%.

Transfer of Points

In the NSPP Programme, Points for NSP products purchased in a given month are automatically assigned to the ID number of the purchasing VIP Customer/Distributor. These Points constitute a part of the PP of a given VIP Customer/Distributor. The VIP Customer/Distributor can dispose of these Points at his own discretion, including transfer of these Points.

In such a case, the VIP Customer/Distributor should fill out the special „PP Transfer” form available on-line. It can be found on www.naturessunshine.com.

Table 1. A list of ranks and their requirements for confirmation.

Rank ID	Rank	Personal Volume (PV)	Group Volume (GV)	Quantity of qualified leaders on the first level	Volume of a Leader (Director) on seven generations of qualified leaders	Volume of a Leader (Director) on seven generations of qualified leaders according to the “Rule of One Constituent”
1	Assistant	-	-	-	-	-
2	Consultant	≥ 30	≥ 150	-	-	-
3	Manager	≥ 30	≥ 400	-	-	-
4	Leader	≥ 30	≥ 500	-	-	-
5	Leader-Assistant	≥ 30	≥ 500	1	-	-
6	Leader-Consultant	≥ 30	≥ 500	3	-	-
7	Leader-Manager	≥ 30	≥ 500	5	10 000	3 000
8	Director-Assistant	≥ 30	≥ 400	7	30 000	9 000
9	Director-Consultant	≥ 30	≥ 300	10	60 000	18 000
10	Director-Manager	≥ 30	≥ 200	15	120 000	36 000
11	Member of the Directors Council	≥ 30	≥ 100	20	250 000	75 000

If a Customer VIP/Distributor has fewer than 30 PV and is ranked Consultant and up they are counted in the current month as an Assistant.

For distributors ranked as Assistants, PV and GV are not regulated.

Table 2: Qualification Rules for rank Consultant and Manager

Rank	Personal Volume	Group Volume	Cumulative Group Volume	Fast Qualify Method
Consultant	≥ 30	≥ 150	≥ 500	-
	-	-	-	Have PV ≥ 30 and GV ≥ 150 for two consecutive months.
Manager	≥ 30	≥ 400	≥ 3000	-
	-	-	-	Have PV ≥ 30 and GV ≥ 400 for 3 consecutive months.

Table 3: Qualification Rules for rank Leader

	Personal Volume	Group Volume	Cumulative Group Volume	Group volume according to the “Rule of One Constituent”
First Method	≥ 30	≥ 500	≥ 6000	≥ 150
Second Method	≥ 30	≥ 4000	-	≥ 150
Quick Qualification Schema				
First Method	For the first two months from starting work, CGV ≥ 3000, from which no less than 200 points are PV.			
Second Method	Achieve GV >= 800 and PV ≥ 30 for 3 consecutive months. In the qualification month the group volume according to the “Rule of One Constituent” ≥ 150.			
Third Method	Achieve GV >= 1500 and PV ≥ 30 for two consecutive months. In the qualification month the group volume according to the “Rule of One Constituent” can’t be less than 150.			

Table 4: Leader Qualification Rules for Leader-Manager, Director-Assistant, Director-Consultant, Director-Manager, and Member of the Director’s Council:

Rank	Count of Qualified Leaders on the first level	Sum of group volumes of seven generations of qualified leaders in their leader network	Sum of Group volume of seven generations of qualified leaders in their leader network according to the “rule of one constituent”	Special Conditions
Leader-Assistant	1	-		-
Leader-Consultant	3	-		-
Leader-Manager	5	10 000	3 000	-
Director-Assistant	7	30 000	9 000	3 Consecutive Months
Director-Consultant	10	60 000	18 000	3 Consecutive Months
Director-Manager	The same 15	120 000	36 000	3 Consecutive Months
Member of the Directors Council	The same 20	250 000	75 000	3 Consecutive Months

Table 5. Calculation amounts of Personal and Group Bonuses

Rank ID	Bonus Rank	Personal Volume (PV)	Group Volume (GV)	Personal Bonus (% from PV)	Group Bonus (% of the group volume of the distributor network):		
					Assistant Groups	Consultant Groups	Manager Groups
1	Assistant	> 0	> 0	5	-	-	-
2	Consultant	≥ 30	≥ 150	10	5/10**	-	-
3	Manager	≥ 30	≥ 400	15/20**	10/15**	5/10**	-
4	Leader	≥ 30	≥ 500/1000*	20/30**	15/20**	10/15**	5
5	Leader-Assistant	≥ 30	≥ 500/1000*	20/30**	15/20**	10/15**	5
6	Leader-Consultant	≥ 30	≥ 500/900*	20/30**	15/20**	10/15**	5
7	Leader-Manager	≥ 30	≥ 500	20/30**	15/20**	10/15**	5
8	Director-Assistant	≥ 30	≥ 400	20	15	10	5
9	Director-Consultant	≥ 30	≥ 300	20	15	10	5
10	Director-Manager	≥ 30	≥ 200	20	15	10	5
11	Member of the Directors Council	≥ 30	≥ 100	20	15	10	5

Customer VIP/Distributors ranked lower than leader receive a higher percentage of the personal and group bonuses(**) if they confirm their rank in the current and previous calculation months.

Customer VIP/Distributors ranked no lower than leader receive the higher percentage of the Personal and Group bonuses(**) if they confirm the rank of Leader in the current and previous calculation months and if their GV matches the bigger of the two GV options in the table(*).

Table 6: Calculation amounts for the Leaders bonuses

Rank	Leader Bonus (% from the GV of confirmed leaders)						
	1st Generation	2st Generation	3st Generation	4st Generation	5st Generation	6st Generation	7st Generation
Leader-Assistant	8/10*	6/8*	-	-	-	-	-
Leader-Consultant	8/10*	6/8*	4/5*	-	-	-	-
Leader-Manager	8/10*	6/8*	4/5*	2	-	-	-
Director-Assistant	8/9**	6/7**	4	2	2	-	-
Director-Consultant	8/9**	6/7**	4	2	2	2	
Director-Manager	8/9**	6/7**	4	2	2	2	1
Member of the Directors Council	8/9**	6/7**	4	2	2	2	1

Customer VIP/Distributors with qualified ranks in the range of Leader, Leader-Assistant, Leader-Consultant and Leader-Manager receive the higher percentage of the leaders bonus(*) if they confirm their rank and if their GV in the calculation month is not less than 1500 points and in the previous calculation months he confirmed at least Leader rank.

Customer VIP/Distributors with qualified ranks no lower than Director-Assistant receive the higher percentage of the leaders bonus(**) if they confirm director rank in the current calculation month and in the previous calculation months he confirmed at least Leader rank.

Table 7 Calculation amounts for the Organizational Bonuses

Calculated Rank	Leaders (Directors) volume in seven generations of qualified leaders	Leaders (Directors) volume in seven generations of qualified leaders in their leader network according to the “rule of one constituent”	Organizational Bonus (% from the group volume of lower leaders excluding Leaders (Directors) groups that have rights to the analogous bonus)
Leader-Manager	≥ 10 000	≥ 3 000	1%
Director-Assistant	≥ 30 000	≥ 9 000	2%
	≥ 10 000	≥ 3 000	1%
Director-Consultant	≥ 60 000	≥ 18 000	3%
	≥ 30 000	≥ 9 000	2%
	≥ 10 000	≥ 3 000	1%
Director-Manager	≥ 120 000	≥ 36 000	4%
	≥ 60 000	≥ 18 000	3%
	≥ 30 000	≥ 9 000	2%
	≥ 10 000	≥ 3 000	1%
Member of the Directors Council	≥ 250 000	≥ 75 000	5%
	≥ 120 000	≥ 36 000	4%
	≥ 60 000	≥ 18 000	3%
	≥ 30 000	≥ 9 000	2%
	≥ 10 000	≥ 3 000	1%

If a lower-standing Leader(Director) has rights to the organizational bonus, then the percentage of the organizational bonus that the upline leader(director) gets from their leaders group is the difference between the associated percentages of the Organizational bonuses.

Table 8 Calculation amounts for the Car Maintenance Bonus

Calculated Rank	Amount for each confirmed Leader from 1st generation
Director-Assistant	15
Director-Consultant	20
Director-Manager	25
Member of the Directors Council	30



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