

The USANA Compensation Plan gives every Distributor an excellent opportunity for network marketing success. It is designed to encourage teamwork and ensure a fair distribution of payout. It offers an excellent income opportunity by enabling the average person to do well – a departure from the traditional multilevel marketing requirements of heavy sponsoring and large group volumes.

SIX WAYS TO EARN INCOME

You earn income in six different ways:

1. RETAIL SALES

When you purchase products at wholesale cost and sell them to your customers at retail price, you earn an immediate profit. Retail selling is the surest method of earning immediate income, even as you build a long-term organization of Distributors and satisfied customers.

2. WEEKLY COMMISSIONS

You earn commissions on whole increments of balanced Group Sales Volume (GSV) accumulated in your left-side and right-side downline organizations (page 3). The GSV is the sum of all Sales Volume Points from all the Distributors and customers in your organization.

3. MATCHING BONUS

For all Distributors you sponsor who become Platinum PaceSetters (page 8), you will receive a match of their first 32 weeks of commission*.

The percentage you receive depends on your own status:

Platinum PaceSetter	PaceSetter	Neither
100%	50%	25%

*The Matching Bonus is paid on Weekly Commissions only. You do not match other sources of earning, like the Leadership Bonus or cash prizes from contests.

4. INCENTIVES

You can be rewarded with luxury travel, prizes, and even extra cash through USANA's generous incentive programs and contests.

5. LEADERSHIP BONUS

Each week, three percent of the total company commissionable sales volume is divided among qualifying Distributors ranked Gold Director or higher. If you qualify, your share will depend on your leadership rank, the number of Business Centers you maximize in the current week, and whether those same Business Centers were also maximized the previous week.

6. ELITE BONUS

Each quarter, one percent of the total company commissionable sales volume is divided among the Top 25 income earners of the previous quarter. If you qualify, your share will depend on your position (i.e. your rank in the Top 25) in the previous quarter, your actual earning for the current quarter, and the absolute growth in your Commission Volume Points (CVP) over the corresponding quarter in the previous year.



DISTRIBUTOR'S CHOICE BEST COMPANY

USANA was voted Distributor Choice "Best Company" for ten years running in the Network Marketing Today & the MLM Insider Magazine, Vol. XVII, Issue I.

The following pages explain USANA's Compensation Plan and highlight the features that have won the company popular accolades.

TWO WAYS TO START YOUR BUSINESS

In the USANA Compensation Plan, you earn commission through downline sales volume in your "Business Centers". Since you can place no more than two first-level Distributors under any Business Center, the structure compels every Distributor to build "deep," so that sales volume from new Distributors you enroll ends up helping those who you enrolled earlier. Similarly, sales volume of Distributors sponsored by those upline of you can benefit you too.

- ✓ USANA's Compensation Plan promotes teamwork and helps support the average Distributor.

You can start with one Business Center (BC) or three. The 3-BC option can earn you up to double the income from the same amount of downline sales volume as 1-BC. If you plan to build a large USANA business, you will maximize your earning potential by starting with 3-BC.

ONE BUSINESS CENTER

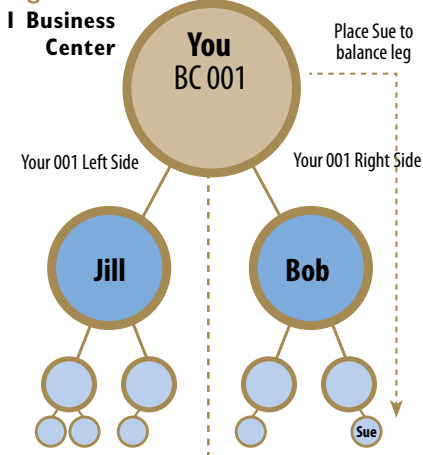
You activate 1-BC (and start earning commission) by achieving 150 points in Personal Sales Volume (PSV). This volume can be made in a single order for your customers and your personal use, or it can be accumulated from many smaller orders.

You start building your organization from this Business Center (001) by finding customers and sponsoring new Distributors, like Jill and Bob. Say you choose to place Jill on the left side of your BC and Bob on the right, as shown in Figure A.

As Bob and Jill find their customers and sponsor their friends, your downline organization begins to grow.

When you sponsor a new Distributor (like Sue), you place her in any open position under Jill's or Bob's organization. You specify this in the placement information on Sue's USANA application.

Figure A



The compensation plan promoted by UHS Essential Health Philippines, Inc. ("USANA") in the Philippines is new and has no earnings history. Earnings under the USANA Cellular Compensation Plan will vary with individual effort. USANA does not guarantee success or that any particular level of earnings will be achieved by its Distributors.

THREE BUSINESS CENTERS

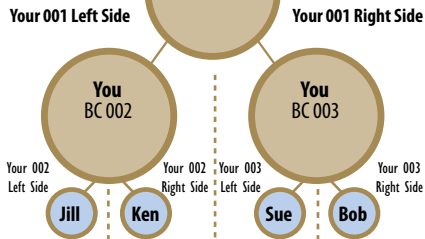
You activate 3-BC by achieving 450 points in PSV within the first six Fridays from the day you enroll. USANA then places your 002 and 003 Business Centers to the left and right of your own BC 001. If you miss the deadline, you will not get your 002 and 003 Business Centers.

- ✓ If your initial product order is 450 points or more in PSV, USANA splits the points by placing the first 150 points in BC 001, and half of the rest in BC 002 and 003 respectively.

Building with three Business Centers is essentially the same as building with one, only now you have four first-level positions to place new Distributors under. Figure B shows your organization structure if you choose to place Jill to the left of your BC 002, Ken to the right of 002, Sue to the left of 003 and Bob to the right of 003.

Figure B

3 Business Centers



HOW YOU EARN WEEKLY COMMISSIONS

You earn a commission when each side of a Business Center reaches a cumulative GSV level in the Weekly Commission Payout Schedule in Figure C.

- ✓ In USANA, your GSV is the sum of all Sales Volume Points from all the Distributors and customers in your organization, irrespective of their level of placement in your organization and no matter where in the world the sales volume is produced.

For example, when both the left and right sides of your Business Center achieve 500 GSV, you will earn 100 Commission Volume Points (CVP). The CVP are converted to your local currency using a predetermined exchange rate.

Figure C

Weekly Commission Payout Schedule

Group Sales Volume Points (GSV)		Commission Volume Points (CVP)
Left	Right	
250	250	40
500	500	100
1,000	1,000	200
2,000	2,000	400
3,000	3,000	600
4,000	4,000	800
5,000	5,000	1,000

One commission volume point (CVP) = One U.S. dollar

The examples on the next page compare how much commission you earn with 2,000 GSV, if you start with 1-BC and with 3-BC.

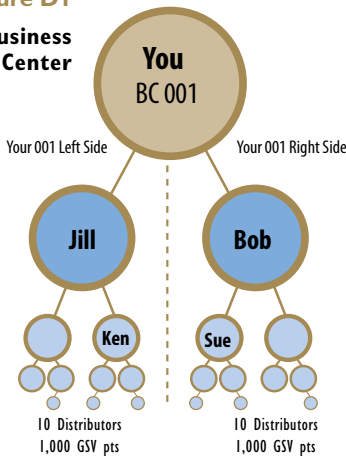
ONE BUSINESS CENTER

In Figure D1, you have one Business Center and 10 downline Distributors on each side. If each produces 100 PSV, you will have 1,000 GSV on the left and 1,000 GSV on the right of your BC 001.

As you can see from the Payout Schedule, you earn 200 CVP from your BC 001.

Figure D1

1 Business Center



20 active Distributors with 2,000 GSV earns you 200 Commission Volume Points
*Balanced evenly on two legs

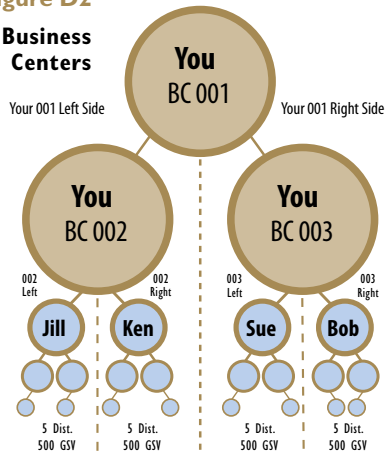
THREE BUSINESS CENTERS

In Figure D2, you have the same 10 downline Distributors producing 100 PSV each, only they were placed differently because you have three Business Centers.

You earn 200 CVP from BC 001
100 CVP from BC 002
100 CVP from BC 003
for a total of 400 CVP

Figure D2

3 Business Centers



20 active Distributors with 2,000 GSV earns you 400 Commission Volume Points
*Balanced evenly on four legs

DOUBLE YOUR COMMISSION WITH THREE BUSINESS CENTERS

The examples in figures D1 and D2 illustrate how you can earn up to twice the commission with the same downline sales volume when you work with three Business Centers instead of one.

- ✓ Starting with 3-BC is an inherent advantage because every downline sales volume point benefits you twice. For example, every volume point that Bob produces can earn you a commission once in BC 001, and again in BC 003!

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COMMISSIONS PAID WEEKLY

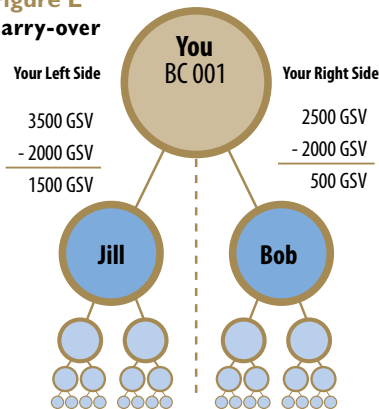
Other than the Elite Bonus, USANA's commissions and bonuses are calculated and paid weekly, so you and Distributors in your organization are rewarded for your success almost immediately.

- ✓ By getting money into Distributors' hands as quickly as possible, USANA keeps you and your downline organization motivated. In traditional network marketing plans, commissions are calculated monthly, and usually not paid until the latter part of the following month. This means people may wait up to two months to receive commission for volume produced.

CARRY OVER GROUP SALES VOLUME

Since the GSV on the left and right sides of your Business Center will not always be exactly balanced at a payout level at the end of the week, USANA pays you at the highest balanced level that you exceed and carries over extra volume (up to 5,000 points) to the following week.

Figure E
Carry-over



In Figure E, Jill and her downline team produce 3,500 points on your left side, while Bob and his team produce 2,500 points on your right. According to the Commission Payout Schedule, your highest balanced level would be 2,000 points. That means you not only earn a commission of 400 CVP, but you also start the following week with 1,500 points on your left, and 500 on your right that are carried over.

- ✓ Many network marketing companies erase all volume at the end of each pay period, no matter if individuals have been paid on it. USANA's carry-over feature keeps your GSV points of up to 5000 points with you—until you get paid.

EARN RE-ENTRIES THROUGH MAXIMIZING A BUSINESS CENTER

As your organization grows, you will achieve higher and higher levels of commissions. When the left and right sides of a Business Center both achieve 5,000 or more points, you hit a maximum weekly payout of 1,000 CVP from the Business Center. This means your Business Center is "maximized."

When this happens, you will receive a Re-Entry certificate, which allows you to start another Business Center in an open position in your organization. Re-Entry certificates do not expire, so you can hold on to them until you are ready to place and activate them, as in Figure F.

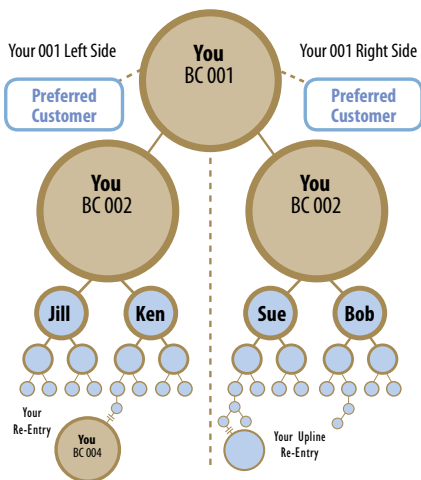
✓ By activating* and building under this new Business Center, you not only earn additional commission, but you also strengthen your own Business Center(s) above it.

And since your new Business Center is downline of other Distributors who were previously downline of you, new volume you produce benefits their businesses too.

✓ Re-Entry enables Distributors to be upline and downline of one another. It promotes fairness and mutual support.

You will earn a Re-Entry certificate the first two times you maximize any single Business Center.

Figure F
Re-Entry and Preferred Customers



And when you maximize your Re-Entry Business Centers, you receive up to two more Re-Entry certificates from each one of them too. Because there is no limit to the number of Re-Entries you can earn, your commission depends solely on your effort, ability and desire to build financial freedom and security for yourself and your family.

**You activate a Re-Entry by producing 150 points in PSV, in addition to the 100 or 200 points that keep your Business Center(s) active. After your first two Re-Entries, you must place all subsequent Re-Entries in a position where there are at least 10 active Distributors between your new position and another Business Center of yours. Once a Re-Entry is placed, it may not be moved, unless the Business Center has had no activity (Group or Personal Sales Volume) for six months or more, and then, only subject to USANA's approval.*

HOW PREFERRED CUSTOMERS ADD TO YOUR VOLUME

Preferred Customers are customers you develop who can purchase products directly from USANA at the same price as Distributors, but they do not earn a commission. You can add Preferred Customers to the left or right side of your Business Center, as in Figure F.

✓ While Preferred Customers' purchases do not earn you retail profits, their volume points are added to your GSV and benefit not only the side of your Business Center in which they are placed but also all Business Centers upline of it.

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QUALIFYING FOR COMMISSIONS, MATCHING BONUS, AND INCENTIVES

To receive any commission or bonus, you must keep your Business Center(s) active by producing the following minimum Personal Sales Volume (PSV) in your BC 001 over a period of four consecutive weeks (the current week and the three weeks prior).

A minimum PSV of:

- 100 points keeps BC 001 active. It also qualifies you to earn Matching Bonus and incentives
- 200 points keeps all Business Centers (including Re-Entries) active

✓ Regardless of how many Business Centers you have, your monthly personal sales requirement in USANA will never exceed 200 points. Moreover, USANA does not impose a Group Sales requirement for earning commissions.

Only active Business Centers pay commission. So, if you start with three Business Centers but choose to produce only 100 points in PSV every four weeks, you will earn commission only from your BC 001, as BC 002 and 003 are inactive. When you increase your PSV to 200 points, your BC 002 and 003 will become active again.

Only active Business Centers carry over downline GSV. If a Business Center becomes inactive, all previously accumulated GSV will be erased.

QUALIFYING FOR LEADERSHIP AND ELITE BONUSES

When you demonstrate leadership abilities by helping others in your sales organization to build large and successful organizations, you participate in two extra bonus programs – Leadership and Elite. To qualify, you must:

- Be ranked a Gold Director or higher
- Produce at least 100 points in PSV during the current four-week period
- Maximize one or more Business Centers during the current week
- Be available by phone to your organization
- Participate in no other network marketing program
- Actively train and supervise your downline sales organization
- Help, every four weeks, one Distributor* you sponsored earn a commission for the first time

**Each Distributor you help earn a first check, irrespective of when he or she joined USANA, earns you four extra weeks of qualification. The qualification period is cumulative up to 13 Distributors (or 52 weeks) at a time. After five consecutive years of qualifying for Leadership Bonus (beginning January 1, 2003), you are considered vested, and you need help only one Distributor you sponsored to advance to the Believer rank every three months – or up to four Distributors in a year – to stay qualified.*

USANA has created the PaceSetter program and leadership levels to help direct your short-term goals. These milestones help you measure your progress as you work toward your ultimate goals.



PLATINUM PACESETTER

You qualify as a Platinum PaceSetter if, within six weeks of your enrollment, you help at least four people you sponsored activate their Business Centers. You finalize your status if their Business Centers remain active for eight consecutive weeks after they are activated.



PACESETTER

You qualify as a PaceSetter if, within six weeks of your enrollment, you help at least two people you sponsored activate their Business Centers. You finalize your status if their Business Centers remain active for eight consecutive weeks after they are activated.

LEADERSHIP ADVANCEMENT

SHARER	250 Sales Volume Points (SVP) on left and right leg
BELIEVER*	500 SVP on left and right leg
BUILDER	1000 SVP on left and right leg
ACHIEVER	2000 SVP on left and right leg
DIRECTOR	3000 SVP on left and right leg
BRONZE DIRECTOR	4000 SVP on left and right leg
SILVER DIRECTOR	5000 SVP on left and right leg
GOLD DIRECTOR	Max out a same Business Center for 4 consecutive weeks
RUBY DIRECTOR	Max out any two Business Centers for 4 consecutive weeks
EMERALD DIRECTOR	Max out any three Business Centers for 4 consecutive weeks
DIAMOND DIRECTOR	Max out any four Business Centers for 4 consecutive weeks
ONE-STAR DIAMOND	Max out any five Business Centers for 4 consecutive weeks
TWO-STAR DIAMOND	Max out any six Business Centers for 4 consecutive weeks
THREE-STAR DIAMOND	Max out any seven Business Centers for 4 consecutive weeks
FOUR-STAR DIAMOND	Max out any eight Business Centers for 4 consecutive weeks
FIVE-STAR DIAMOND	Max out any nine Business Centers for 4 consecutive weeks
SIX-STAR DIAMOND	Max out any ten Business Centers for 4 consecutive weeks
SEVEN-STAR DIAMOND	Max out any eleven Business Centers for 4 consecutive weeks
EIGHT-STAR DIAMOND	Max out any twelve Business Centers for 4 consecutive weeks
NINE-STAR DIAMOND	Max out any thirteen Business Centers for 4 consecutive weeks
TEN-STAR DIAMOND	Max out any fourteen Business Centers for 4 consecutive weeks

* Once you advance to the Believer level, you will not participate in the Sharer level commission again.

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