

FINANCIAL FREEDOM WITHIN REACH

USANA'S BINARY COMPENSATION PLAN

The USANA Binary Compensation Plan is a binary system in which you build balanced left-side and right-side downline organizations for the purpose of selling USANA's nutritional and personal care products. The weekly commissions you earn are based on the balanced Group Sales Volume (GSV) points accumulated in your left-side and right-side downline organizations. USANA Business Centres are designed to pay you weekly commissions on Sales Volume with no limit to the number of levels from which you can earn your commissions. In addition, a

USANA Business Centre allows you to be paid on the Sales Volume created by your downline Associates and Preferred Customers.

The income you receive from USANA will be in direct proportion to your ability to retail USANA's products to your customers, as well as your ability to build an organization of Associates who, like you, retail to their customers and build an organization of Associates.

Starting a Business Centre

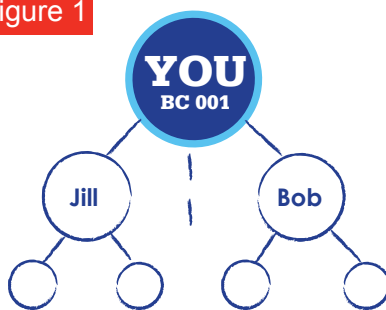
Your sponsor places you in an open position in his or her sales organization (Figure 1). This open position is called a Business Centre (BC). Each Business Centre has left and right sides in which Sales Volume accumulates. You activate and earn commissions on 1 or 3 Business Centres by following a few simple steps:

- A. Complete an Associate Application form and purchase a Business Development System. If you fill out and sign an application manually you can have a 21-day temporary status by calling USANA Distributor Services or enrolling online while you wait for USANA to receive the written copy.
- B. Order USANA products that total 200 points or 400 points in Personal Sales Volume (PSV) to activate 1 Business Centre or 3 Business Centres, respectively. These products may be for personal use and for retail sale, and may be ordered in a single order or accumulated over time.
- C. Order USANA products worth 100 PSV (or 200 PSV for 3 Business Centres) for personal use and resale every four weeks.

How Business Centres Work to Provide Income for You

As you begin to build your downline, you have the option to start with 1 Business Centre or 3 Business Centres. One Business Centre gives you direct income from group volume, whereas 3 Business Centres gives you leveraged income from group volume.

Figure 1



With 1 Business Centre, as you sponsor Associates, you place them in open positions in your downline (Jill and Bob, Figure 1), always remembering to keep the left and right sides balanced. A unique aspect of the Binary Compensation Plan is that you and everyone in your upline are able to build your downline organization because new Associates are always added downline. This structure creates a synergy wherein everyone benefits when new Associates are added. This translates into faster growth for you and for those in your downline organization.

If you choose to personally sponsor more people in USANA, you would place them in an open position under either Jill or Bob, which in turn will help their success. Plus, while you sponsor individuals in your sales organization, someone in your upline may also sponsor an Associate and position him or her on the left or right side of your Business Centre. However, your success in USANA comes by sponsoring people on your left and right sides, sharing the products with others, and teaching them to do the same.

Calculating Commissions

Commissions are awarded first in commission points, which are converted to the Associates' local currency. Commissions are paid on whole increments of balanced GSV accumulated in your left- and right-side organizations (Figure 2). Extra GSV, up to 5,000 points on each side, is carried forward—it's like money in the bank.

Calculating Commissions with 1 Business Centre

Assume that your 001 Business Centre is active and has 100 points in PSV within the current week. To determine the GSV, which is the combined PSV of your downline from which your commission for the week is calculated, you total the points in PSV generated during the current week from every Business Centre in the left and right side of your 001 Business Centre. In Figure 3, you have 2,000 points in GSV on your left side and 2,000 points on your right; your own PSV counts toward the GSV of your upline. According to the Weekly Payout Schedule (Figure 2) your highest balanced GSV is 2,000 on each side, which would earn you a commission of 400 points for the week.

Figure 2

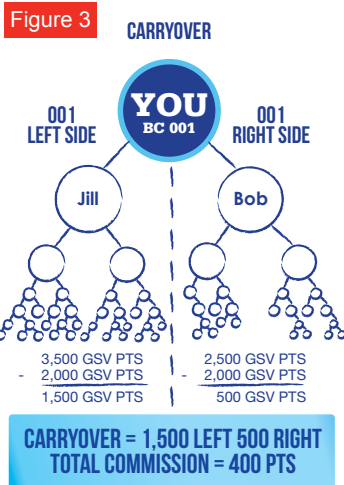
WEEKLY PAYOUT SCHEDULE

Payout will be based on U.S. dollars

GROUP SALES VOLUME POINTS		COMMISSION POINTS
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

Carryover

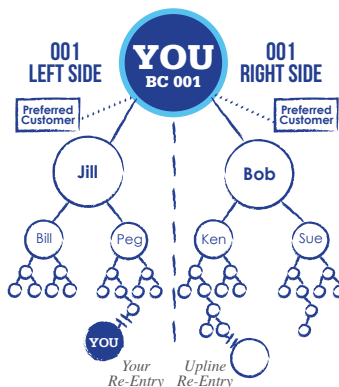
In Figure 3, you have a total of 3,500 points on your left side and 2,500 points on your right. According to the Weekly Payout Schedule, your highest balanced GSV is 2,000 on each side, equaling 400 points for the week. The extra GSV would carry forward, and you would start the next week with 1,500 points in GSV on your left side and 500 points on your right side.



Preferred Customer

Another way to accumulate GSV is to add Preferred Customers to the left and right side of your Business Centres (Figure 4). Preferred Customers can order USANA products at Associate prices, but they do not accumulate PSV, nor are they paid commissions. Although you do not earn retail commissions from the orders of Preferred

Figure 4
PREFERRED CUSTOMERS AND RE-ENTRY



Customers, their orders earn points, which are added to your GSV total for the side in which they are placed (left or right). Those Associates who choose not to be Distributors, and thus do not retail products, fulfill their sales requirements through Preferred Customers.

Additional Income Potential

As you become increasingly successful selling USANA's nutritional and personal care products, you can qualify for Re-Entry Certificates, which allow you to increase your number of Business Centres and your income potential.

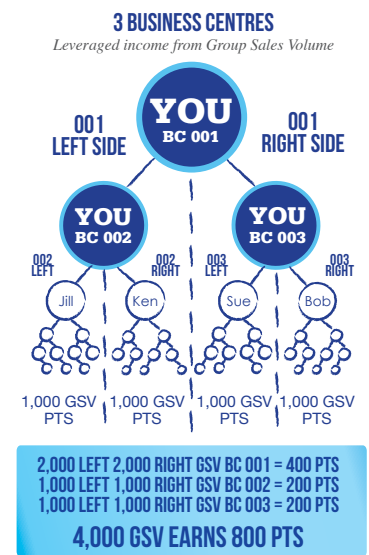
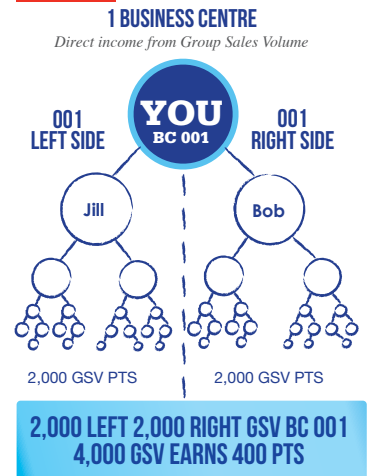
Whenever you maximize a Business Centre (accumulate 5,000 points in GSV, current and carryover, in both your left and right sides in a single week), you earn a Re-Entry Certificate (Figure 4). A Re-Entry Certificate allows you to re-enter in your own downline with an additional Business Centre. To activate a Business Centre with a Re-Entry Certificate, you send a written request to USANA with placement information and generate 200 points in PSV at the time you place the new Re-Entry. The product order corresponding to the PSV generated must be attached to the placement information. You can earn up to two Re-Entry Certificates per Business Centre, and no matter how many Business Centres you activate, it only takes 200 points in PSV in your 001 Business Centre within each four-week period to keep all of them active.

Doubling Commissions with 3 Business Centres

As illustrated in Figure 5, you can see the difference between building a business with 1 Business Centre versus 3 Business Centres. As you build Business Centres 002 and 003, you are simultaneously building Business Centre 001 without additional effort. With 3 Business Centres, you build balanced legs on two Business Centres and earn commissions on three.

At the bottom of Figure 5, you will see that your 002 and 003 Business Centres each have 1,000 points in GSV on the left side and 1,000 points on the right. According to the Weekly Payout Schedule, the highest balanced GSV is 1,000, earning you 200 commission points for the week in the 002 and 003 Business Centres. Your 001 Business Centre would earn the same 400 points as compared to the 1 Business Centre on the top of Figure 5. That's an 800-point commission for you—twice the commission for the week.

Figure 5



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