



USANA[®]
HEALTH SCIENCES

COMPENSATION PLAN

THE USANA COMPENSATION PLAN

USANA is dedicated to helping you get the most out of life—and this includes giving you the opportunity to create your own engaging, sustainable, and ultimately financially successful USANA business. Our compensation plan reflects this dedication, as it gives every Independent USANA Distributor the best opportunity for direct-selling success—a plan that establishes a departure from the traditional multi-level marketing requirements of heavy sponsoring and large group volumes.

The USANA Compensation Plan eliminates many of the pitfalls that plague traditional direct-selling plans. Here are some of the benefits of USANA's unique Compensation Plan:

- By building a team of Distributors and developing a strong base of customers, you can begin to realise financial success.
- There is no limit to the depth from which you can earn commissions.
- Commissions are paid weekly.
- Team members are incentivised to help you build a successful team.
- Success among Distributors is widespread and evenly distributed; the plan is fair to everyone involved.

AREAS OF INCOME

There are six ways to earn income with the USANA Compensation Plan:

- Retail Sales
- Weekly Commissions
- Lifetime Matching Bonus
- Incentives
- Leadership Bonus
- Elite Bonus

Retail Sales

You are a Distributor of USANA products. This means you can purchase products at our special Preferred Price, and when you sell these products to your customers at retail price, you earn an immediate profit. The difference between what you pay for the product and the price at which you sell the product is your retail profit. The importance of selling

cannot be overemphasised. It is the best way for you and your new team members to earn immediate income while building a long-term base of satisfied customers for your business. In fact, many of your best Distributors will likely come from the ranks of your retail customers.

Weekly Commissions

With USANA's Compensation Plan, you build your business by placing team members on both the left and right side of your organisation. Each product has a point value, and the points from product sales will begin to flow up through your business when you and your team members purchase product for personal use and to re-sell to customers. The points accumulated by your team are known as Group Sales Volume, and you'll receive weekly commissions based on where the Group Sales Volume on the left side of your business matches the Group Sales Volume on the right. Unlike other compensation plans, extra volume (up to 5,000 points per side) will rollover into the next commission period.

Lifetime Matching Bonus

You can begin receiving Lifetime Matching Bonus when you and your new team members each reach a certain PaceSetter status within your first eight weeks as a Distributor. (See page 10.)

Lifetime Matching Bonus will pay you up to a 15-percent match on the base commissions of your new Distributor for the life of his or her USANA business.* And here's the best part—you can receive a bonus for each qualifying Distributor you personally sponsor, putting you on the pathway to residual income.

Matching Bonus %	You are a...		
	Platinum PaceSetter	PaceSetter	Neither
The Distributor you sponsor is a			
Premier Platinum PaceSetter	15%	10%	5%
Premier PaceSetter	10%	5%	2.5%

*As long as you are commission qualified and in compliance with the Distributor Agreement. Please see official rules on USANAtoday.com.

THE USANA COMPENSATION PLAN

Incentives

No matter your rank, you can be rewarded with luxury travel, prizes, and even extra cash when you participate in USANA's generous incentive programs.

Leadership Bonus

A portion of USANA's total Group Sales Volume is divided among qualifying Distributors. This incredible bonus—more than USD 14 million in 2012—is typically paid weekly to leaders who have reached a certain rank, continue to sponsor new Distributors, and have built large businesses. Your portion of this bonus depends on your rank, the size of your business, and the volume your business generates over a specific period of time.

Elite Bonus

Every three months, over USD 1 million is divided among USANA's top 40 income earners.* The Elite Bonus is a percentage of USANA's total Group Sales Volume for the quarter, distributed among five different tiers of qualifying Distributors, and is a powerful way to increase your earnings potential.

*Actual payout amounts vary each quarter

BEFORE YOU BEGIN

Before you begin building a business, you'll need to fill out the proper paperwork. First, complete and sign a Distributor Application and Agreement form. Then, submit the original to USANA's Singapore office with appropriate payment for a Business Development System (BDS). You may also submit this information electronically through Online Enrolment. Once we've received and processed your application, you may begin building a USANA business by sponsoring other people as Distributors or Preferred Customers. USANA Distributors may immediately begin purchasing products at Preferred Pricing for their personal consumption and have the added benefit of being allowed to resell products purchased at Preferred Pricing for a retail profit.

GETTING STARTED

When you purchase products—both for your personal use and to re-sell to retail customers—you'll begin to accumulate

points from each product. You'll need to generate a certain number of points each month to keep your business active—this is Personal Sales Volume.

But don't worry, you're not alone. USANA's Compensation Plan is built to help you succeed, and it centres around teamwork. The points your team members accumulate individually are pooled together into Group Sales Volume. It's your Group Sales Volume—the amount of points your team accumulates together—that determine the size of your commissions.

Step 1: Open Your Business Centre(s)

The USANA Compensation plan is centred around Business Centres. A Business Centre is the hub of your business-building activity, through which your product purchases, volume, and sales accumulate; it's similar to opening a store for your business. To begin, you can choose to build your team around one or three Business Centres, based on whether you'd like to start a small business or a large business—it's up to you.

Opening One Business Centre

To open one Business Centre and begin earning commissions, you'll need to generate 200 points in Personal Sales Volume. You can generate the required volume through a single order for your personal use and/or for your customers, or it can be accumulated through many orders—just remember, your Business Centre won't open until you generate enough Personal Sales Volume. The name of your first Business Centre is BC1.

Opening Three Business Centres

To open three Business Centres (BC1, BC2, and BC3), you must generate 400 points in Personal Sales Volume within your first six Fridays as a new Distributor. Failure to generate the required volume will result in the loss of your second and third Business Centres (BC2, BC3). If your initial product purchase is equal to at least 400 points, your order will be automatically distributed among the three Business Centres, with 200 points in Personal Sales Volume placed in Business Centre 1, 100 points placed in Business Centre 2, and 100 points placed in Business Centre 3. This means you will immediately begin with 100 points in both the left and right sides of Business Centre 1, so you'll already be that

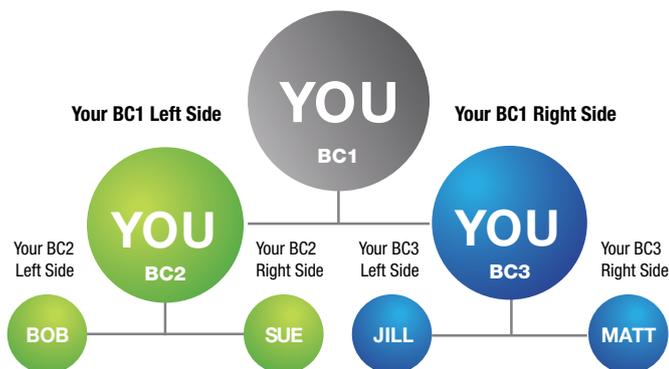
THE USANA COMPENSATION PLAN

placement of new team members once they have been entered into the system.

Building with Three Business Centres

Beginning a USANA business with three Business Centres is essentially the same as beginning with one, only now you have two Business Centres in which to place new team members (see Figure B).

Figure B



Once you have opened all three of your Business Centres, you may begin building BC2 and BC3 in the same way you would build BC1 had you started with just one Business Centre. You can place four new team members in the open positions directly below your second and third Business Centres, and you can also continue to generate volume through personal sales. The advantage of having three Business Centres is that you will build your team under two Business Centres, but get paid on three. In other words, you will build your business by adding new team members to BC2 and BC3, but you will receive commissions based on all three of your Business Centres as the Group Sales Volume from BC2 and BC3 roll up to BC1. Confused? Keep reading. It'll make sense in a minute.

Earning Commissions from Your Business Centre(s)

As your organisation begins to grow, Group Sales Volume will accumulate. Group Sales Volume is a collection of the Personal Sales Volume points you and your team members earn individually in a single Business Centre. (Note: Group Sales Volume doesn't include Personal Sales Volume from your BC1. These points are required on a monthly basis to keep all of your Business Centres active, and while they

count toward your sponsor's Group Sales Volume, these points do not count toward your own. However, in the case of three Business Centres, Personal Sales Volume points from your BC2 and BC3 will roll up to your BC1 to count toward your BC1 Group Sales Volume.) Once everyone's Personal Sales Volume points are pooled together into Group Sales Volume, you will begin to earn commissions.

Note: To receive commissions from Group Sales Volume, you must be an active USANA Distributor generating sales totalling 100 points in Personal Sales Volume in your BC1 every four-week rolling cycle (or 200 points to receive commissions from multiple Business Centres), and each side of your Business Centre(s) must generate a cumulative minimum of Group Sales Volume points. You must also meet the sales requirements stipulated in your Distributor Agreement.

USANA's Compensation Plan is all about symmetry and teamwork, which means it's important that the volume on the left side of your Business Centre comes as close as possible to matching the volume on the right side of your Business Centre. The side of your Business Centre generating fewer points in Group Sales Volume is called your small side, which means it's the side of your business that needs to be built in order to help the two sides match. Either side of a Business Centre can be your small side, and they can switch back and forth as you build your business.

Calculating Commissions

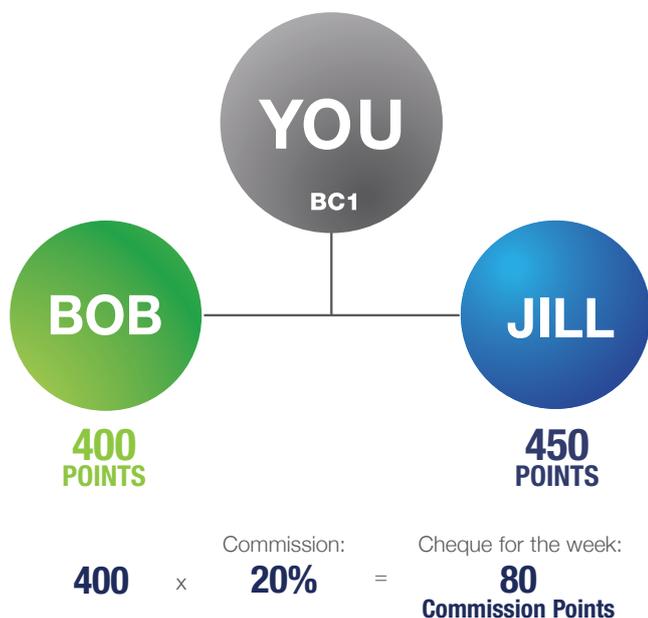
Commissions are awarded in Commission Volume Points, which are converted to your local currency. To calculate your commissions, simply find where the Group Sales Volume on the left side of your Business Centre matches the Group Sales Volume on the right side, and multiply it by 20 percent (or 0.2). Or in other words, take the Group Sales Volume on your small side and multiply it by 20 percent. To receive a commission check, each side of your Business Centre must reach a minimum of 125 points in Group Sales Volume. When you do, you'll earn 25 Commission Volume Points, which will be converted to your local currency and paid to you!

Let's look at an example: Suppose you chose to build a business with one Business Centre (see Figure C). In a single week, the left side of your Business Centre accumulated sales that total 400 Group Sales Volume

THE USANA COMPENSATION PLAN

points, and the right side had 450. First, we have to make sure you've reached a minimum of 125 Group Sales Volume on each side. Since you have, we can calculate your commissions by multiplying the Group Sales Volume on your small side by 20 percent. In this case, your small side is your left side. 400 Group Sales Volume Points X 20% (0.2) = 80 Commission Volume Points. This will be converted into your country's currency and paid to you.

Figure C



Remember, in calculating commissions we don't count levels, we only count point volume. For example, if Jill and everyone under her generated 2,100 points in Group Sales Volume (left side) and Bob and everyone under him generated 2,100 points in Group Sales Volume (right side) during a single week, you would earn 420 Commission Volume Points, regardless of the level in your organisation at which this volume occurred. If your goal is to earn 1,000 Commission Volume Points a week, you will need to build a Business Centre where both the left and right sides generate 5,000 points per week in Group Sales Volume.

At USANA, commissions are calculated and paid weekly, so you are rewarded for your success almost immediately. In most direct-selling plans, commissions are calculated monthly and usually not paid until the latter part of the following month. This means people often wait almost two

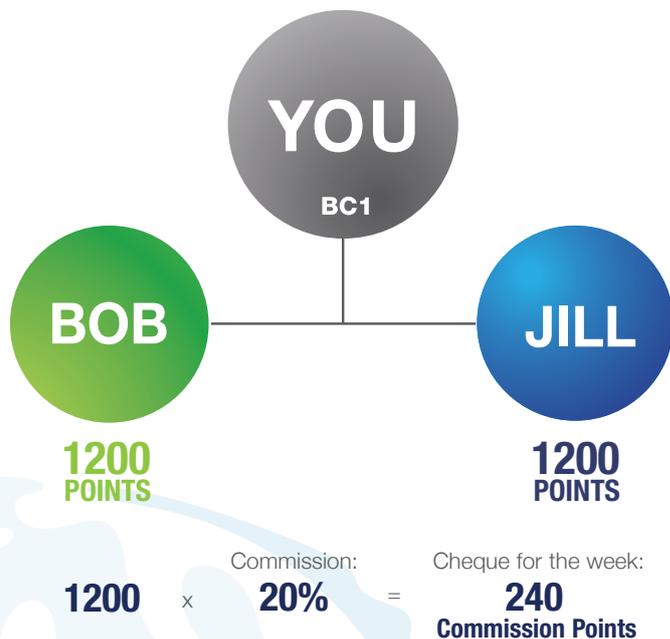
months to be paid for volume generated in the first part of each month. This single feature of the USANA Compensation Plan will do wonders to keep your team members motivated and working toward continued success.

Income Comparison:

One Business Centre vs. Three Business Centres

Assume that each Business Centre (including your own) in Figures D1 and D2 is active and commission qualified for the current week. In Figure D1, you have one Business Centre. You and your team members have worked together and generated 1,200 points in Group Sales Volume on both the left and right sides of your Business Centre. Since both sides match, commissions will be calculated by multiplying 1,200 points by 20 percent: this equals 240 Commission Volume Points, which will be converted into your country's currency and paid to you.

Figure D1

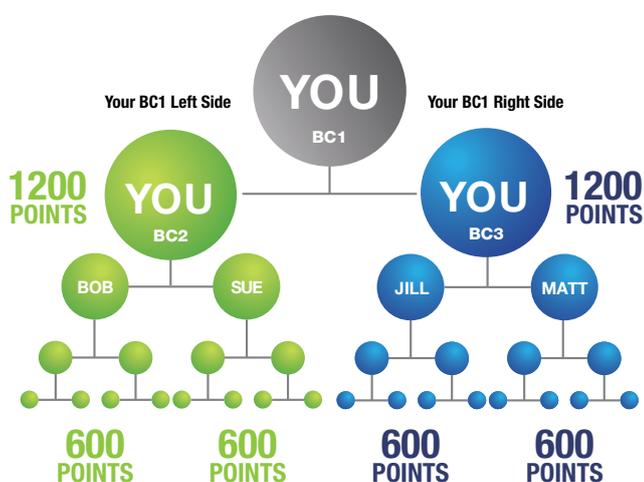


To find your total weekly commissions with three Business Centres (Figure D2), simply add the Group Sales Volume from each Business Centre and then multiply the total by 20 percent. In this example, your second and third Business Centres (BC2, BC3) each have 600 points in Group Sales Volume on the left side and 600 points on the right. Because the points on both sides of BC2 match, there isn't really a small side—we'll take 600 points and add it to our column

THE USANA COMPENSATION PLAN

on the right. We'll follow the same steps for BC3, which means we'll add another 600 points in Group Sales Volume to the column on the right. But we're not done—now we need to include the volume for your first Business Centre as well. Because BC2 and BC3 are located under your BC1, the total group volume from your second and third Business Centres roll up into your first. This is what makes building with three Business Centres so powerful—you're essentially getting paid twice.

Figure D2



Matched total:				
BC1	1200			
BC2	600	+		
BC3	600	+		
	2400	=		
		Commission:	20%	=
				Cheque for the week:
				480
				Commission Points

Remember, the total Group Sales Volume on the left side of your first Business Centre includes all of the group volume from BC2 (a total of 1,200 points). The group volume on the right side (flowing up through BC3) also has 1,200 points. Since both sides of BC1 match, we can simply take 1,200 points and add it to the column on the right as well.

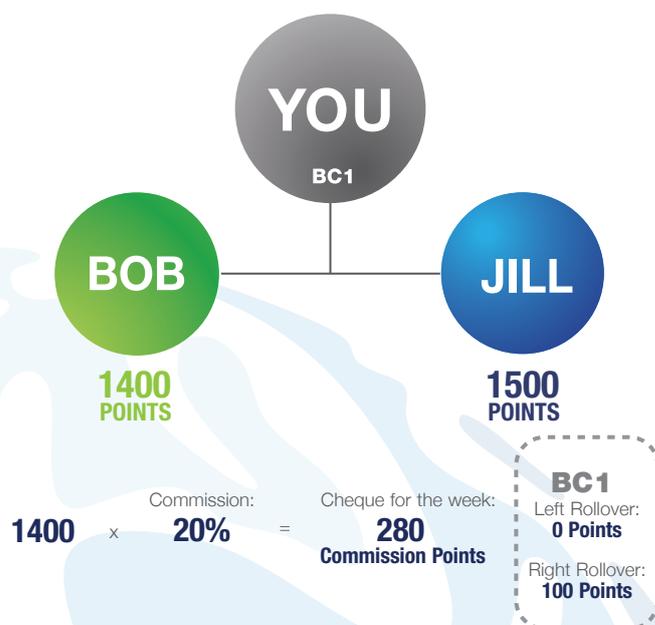
Now, we add the Group Sales Volume points from each Business Centre and multiply the total number by 20 percent—this comes to a total of 480 Commission Volume Points for the week. Compare this to the 240 CVP you would get for having the same group volume with only one Business Centre, and you can easily see the difference.

Rollover Volume

The Group Sales Volume on the left and right sides of your Business Centres aren't always going to match, but that's okay. Any extra Group Sales Volume (up to 5,000 points on each side) will rollover into the next commission period.

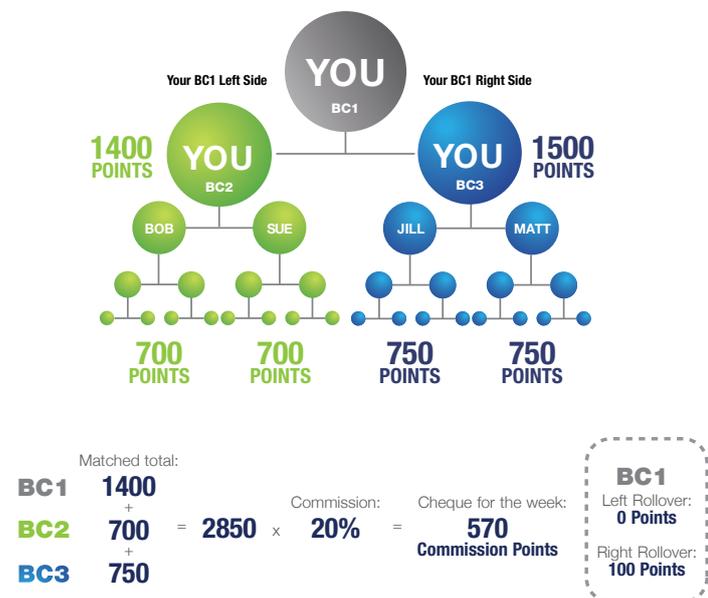
Assume that each Business Centre (including your own) in Figures E1 and E2 is active and commission qualified for the current week. In the example of Figure E1, you have one Business Centre. You and your team have generated a total of 1,400 Group Sales Volume points on the left side, and 1,500 Group Sales Volume points on the right. The left side is currently your small side and you will be paid commissions for the volume on that side. This means you will be paid for 1,400 points on each side, which equals 280 Commission Volume Points (1,400 X 20% = 280). Since you received commissions for all of the points on your left side, that side will carry 0 rollover points in the next commission period. But there are still 100 points remaining on the right side of your Business Centre, which will rollover into the next commission period (and each subsequent commission period, until those points are matched with at least 125 points from the left side).

Figure E1



THE USANA COMPENSATION PLAN

Figure E2



In the example of Figure E2, the left and right sides of BC2 match at 700 Group Sales Volume points, and the left and right sides of BC3 match at 750. Group volume from both Business Centres roll up to BC1, but the volume on each side of that Business Centre doesn't match. The small side of BC1 is on the left with 1,400 points, so that's the number we'll add to our Group Sales Volume column. Now we can add all of the group volume and then multiply the total by 20 percent, which equals 570 Commission Volume Points. In this situation, the left side of BC1 would have 0 points rollover into the next commission period, while 100 points would rollover on the right.

Keeping Your Business Centre(s) Open

To receive commissions in the USANA Compensation Plan, you must keep your Business Centre(s) open by achieving a minimum Personal Sales Volume requirement. To keep one Business Centre open, you must achieve at least 100 points in Personal Sales Volume during each four-week rolling period. To keep two or more Business Centres open, you must achieve at least 200 Personal Sales Volume points during each four-week rolling period.

IMPORTANT: If you begin your business with three Business Centres, you are not required to achieve 200 points in Personal Sales Volume from the very beginning. Even though you have three Business Centres, you may

choose to concentrate on building BC1 early on. Therefore, you can qualify for commissions from this Business Centre with 100 points in Personal Sales Volume. As soon as you want to start qualifying for commissions on your second and third Business Centres, you can do so by upgrading your Personal Sales Volume to 200 points for each four-week rolling period. Understand, however, that volume in your second and third Business Centres will not begin to accumulate until you have qualified to receive commissions on three centres with 200 points in Personal Sales Volume.

It is also important to understand that your first 200 points in Personal Sales Volume during any given four-week rolling period will be placed in your first Business Centre (BC1). If, at any time, you allow your Business Centre(s) to close down, all volume within each of your Business Centres will be erased, and the volume will begin at 0 points when the Business Centres are reopened. Remember that your sales requirements must be met at all times in order to qualify for commissions.

Four-week Rolling Period

A four-week rolling period equals four pay periods (four Fridays) after you place a product order of 100 points or more.

Auto Orders: Save Money, Save Time

Find convenience and ease of mind by purchasing product through Auto Orders. In addition, Auto Orders qualify for 10 percent off the Preferred Price, so you'll save money and potentially increase your retail profits. To receive the additional savings, you'll need to set up an Auto Order in advance and allow it to process automatically as a weekend-processed order. In addition, only products that generate points qualify for the discount—products like logo merchandise or sales tools generate point values (or volume) of zero, which means they do not qualify for Auto Order savings.

Preferred Customers

Another way to accumulate Group Sales Volume is by adding Preferred Customers to the left and right sides of your Business Centres. Preferred Customers are able to order products at our Preferred Pricing (and even qualify for additional savings by ordering products through Auto Order), but they do not earn commissions. Although you do

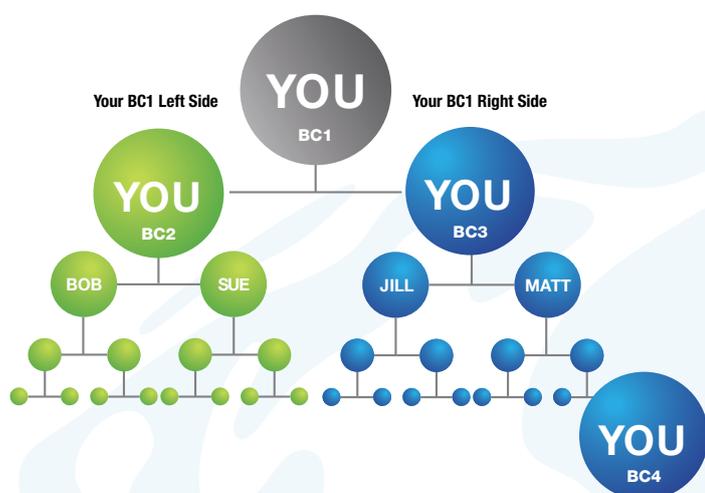
THE USANA COMPENSATION PLAN

not earn retail commissions from Preferred Customers, their orders do earn you points, which are added to your total Group Sales Volume for the Business Centre in which they have been placed.

Open Additional Business Centres

When you maximise a Business Centre (by generating 5,000 points in Group Sales Volume on both the left and right sides of the Business Centre), you will be issued an electronic Additional-Business-Centre Certificate. You can receive a total of up to two certificates to open Additional Business Centres for each existing Business Centre you have maxed. With this certificate, you may open a new Business Centre at the bottom of your organisation. This allows you to help others in your team by being involved at a deeper level. Once you establish where you want to open your Additional Business Centre (see Figure F), the next step is to send a written request to Distributor Services with information about where you would like the new Business Centre to be placed. Your written request must be attached to a product order form. Additional Business Centre Certificates will not expire. Your first two Additional Business Centres may be placed at the bottom of any side in your organisation, however, future Additional Business Centres must be placed at least 10 opened BC1's away from any of your previously existing Business Centres.

Figure F



For purposes of placing Additional Business Centres, an open BC1 is defined as a Distributor that is qualified to earn commissions. You can then open the new Business Centre by generating 200 points in Personal Sales Volume, as indicated in Step 1 (this must be in addition to the 100 or 200 Personal Sales Volume points required to keep your existing Business Centres open during the four-week rolling period). Once you have opened your new Business Centre, you can keep it and all other Business Centres active during each four-week rolling period by generating 200 points in Personal Sales Volume. Regardless of the number of Business Centres you have, your personal volume requirement will never exceed 200 points. Once you open a new Business Centre, you may begin building a team under it. When you have achieved 5,000 Group Sales Volume points on each side of your new Business Centre in a single commission period, you will receive a new Additional-Business-Centre Certificate to open yet another Business Centre. Because you can receive up to two Additional-Business-Centre Certificates for each of your original Business Centres, as well as two Additional Business Centre Certificates for each new Business Centre, there truly is no limit to the number of Business Centres you can have in your organisation. Because sales in each new Business Centre will generate commissions not only for itself, but also for all the Business Centres you may have above it in your organisation, developing new Business Centres will strengthen your entire team.

Moving an Additional Business Centre

Once an Additional Business Centre has been placed, it may not normally be moved. However, USANA reserves the right to allow placement changes as long as the new Business Centre has had no activity (either Group Sales Volume or Personal Sales Volume) within the last six months and all other rules for the placement of a Business Centre are followed. Any such request must be in writing and can only be approved by the Compliance Committee.

THE USANA COMPENSATION PLAN

The PaceSetter Programme

The PaceSetter programme rewards you for making a fast start, and allows you to maximise your potential Matching Bonus earnings. Your status is determined by the number of Distributors you sponsor, the Sales Volume Points (SVP) they generate, and how soon you complete the task.

	Sponsor 4 who generate 1,600 SVP	Sponsor 2 who generate 800 SVP
Within 8 weeks	PREMIER PLATINUM PACESETTER	PREMIER PACESETTER
Within 16 weeks	ANNUAL PLATINUM PACESETTER	ANNUAL PACESETTER

QUALIFYING AS PREMIER PLATINUM PACESETTER

Within eight weeks of your enrolment, generate 1600 SVP from four or more Distributors you sponsor.

QUALIFYING AS PREMIER PACESETTER

Within eight weeks of your enrolment, generate 800 SVP from two or more Distributors you sponsor.

QUALIFYING FOR ANNUAL STATUS

You can still enjoy the same Matching Bonus benefits—if you miss the Premier status—by meeting the requirements in 16 weeks instead of eight. The “annual” status means that every year on your enrolment anniversary, you are given eight weeks to renew the status for another year. Premier status offers lifetime benefits

THE USANA COMPENSATION PLAN

LEADERSHIP ADVANCEMENT

USANA has created leadership levels to help celebrate your short-term achievements as you work towards your ultimate goals.

SHARER	50 Commission Volume Points (CVP) for one week
BELIEVER	100 CVP for one week
BUILDER	200 CVP for one week
ACHIEVER	400 CVP for one week
DIRECTOR	600 CVP for one week
BRONZE DIRECTOR	800 CVP for one week
SILVER DIRECTOR	1,000 CVP for one week
GOLD DIRECTOR	1,000 CVP for four consecutive weeks
RUBY DIRECTOR	2,000 CVP for four consecutive weeks
EMERALD DIRECTOR	3,000 CVP for four consecutive weeks
DIAMOND DIRECTOR	4,000 CVP for four consecutive weeks
1-STAR DIAMOND DIRECTOR	5,000 CVP for four consecutive weeks
2-STAR DIAMOND DIRECTOR	6,000 CVP for four consecutive weeks
3-STAR DIAMOND DIRECTOR	7,000 CVP for four consecutive weeks
4-STAR DIAMOND DIRECTOR	8,000 CVP for four consecutive weeks
5-STAR DIAMOND DIRECTOR	9,000 CVP for four consecutive weeks
6-STAR DIAMOND DIRECTOR	10,000 CVP for four consecutive weeks
7-STAR DIAMOND DIRECTOR	11,000 CVP for four consecutive weeks
8-STAR DIAMOND DIRECTOR	12,000 CVP for four consecutive weeks
9-STAR DIAMOND DIRECTOR	13,000 CVP for four consecutive weeks
10-STAR DIAMOND DIRECTOR	14,000 CVP for four consecutive weeks
11-STAR DIAMOND DIRECTOR	15,000 CVP for four consecutive weeks

Note: CVP refers to the total base commission volume and Auto Order Maxed Business Centre commission and it does not include Leadership Bonus, Elite Bonus, Lifetime Matching bonus, etc.