

# SALES COMPENSATION PLAN DETAILED BROCHURE



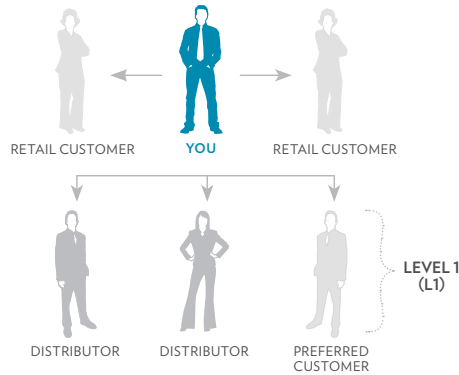
NU SKIN<sup>®</sup>  
THE DIFFERENCE. DEMONSTRATED.™

step  
1

# GETTING STARTED

## FAST-START PAYMENTS, RETAIL PROFITS, AND VOLUME COMMISSIONS

Enroll new Customers and Distributors to begin earning Fast-Start Payments, retail profits and volume commissions.



Complete details are available online by visiting any of our websites ([nuskin.com](http://nuskin.com), [pharmanex.com](http://pharmanex.com) or [bigplanet.com](http://bigplanet.com)) and clicking on *Opportunity* then *Financial Rewards*. See Glossary for explanation of terms.

## EARNINGS POTENTIAL

AS A **DISTRIBUTOR** YOU CAN EARN:

- Fast-Start Payments when you sell Fast-Start Product Packages to your customers and Distributors! See example below:
  - \$285 US (\$327.75 CA) package price<sup>1</sup>
  - 200 PSV
  - \$50 paid to the seller
- Up to 30% profit on Retail Customer purchases<sup>2</sup>
- 5% commission on L1 sales volume generated monthly

**NOTE**

Commissions and sales bonuses are paid only to active Distributors. See Glossary for explanation of Active Requirements, including retail sales requirements.

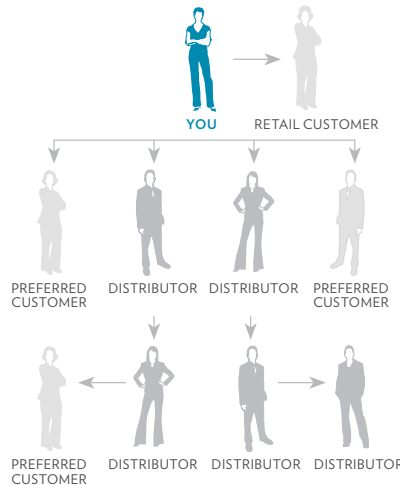
- <sup>1</sup>You are free to set your own resale prices to Retail Customers. The published purchase price is only a suggested purchase price.
- <sup>2</sup>The only required purchase to become a distributor is a not-for-profit Business Portfolio. All product purchases are optional. There are no bonuses paid for recruiting. All bonuses are paid only when products are sold.

step  
2

# LEADERSHIP DEVELOPMENT

## FOUNDATION FOR YOUR FUTURE

Build your organization to become an Executive leader and see your earnings multiply.\*



## ...AND THEN EARN EXECUTIVE BONUS

9%	2,000–2,999 GSV
10%	3,000–4,999 GSV
11%	5,000–9,999 GSV
12%	10,000–14,999 GSV
13%	15,000–24,999 GSV
14%	25,000–49,999 GSV
15%	50,000+ GSV

## EARNINGS POTENTIAL

DURING **EXECUTIVE QUALIFICATION** YOU CAN EARN:

- Commissions from Step 1, PLUS
- Opportunity to participate in the Mega Performance Bonus Pool

## EARNINGS POTENTIAL

AS AN **EXECUTIVE** YOU CAN EARN:

- The same as a Qualifying Executive, PLUS
- A monthly Executive Bonus (EB) on your total GSV\*

\* GSV represents the cumulative volume of all PSV, Retail Customers, Preferred Customers, and Distributors in your Circle Group.

**NOTE**

Executive maintenance requirements are a minimum 100 Personal Sales Volume, 2,000 GSV, and a monthly ADR order.

## HOW TO QUALIFY AS AN EXECUTIVE

MONTH 1 (LOI)	MONTH 2 (Q1)	MONTH 3 (Q2)
100 PSV, ADR, and 1,000 GSV*	100 PSV, ADR, and 1,500 GSV*	100 PSV, ADR, and 2,000 GSV*

upline title (you) →	DISTRIBUTOR	MONTH 1 (LOI)	MONTH 2 (Q1)	MONTH 3 (Q2)	EXECUTIVE	PEXEC
DISTRIBUTOR	*	*	*	*	*	*
MONTH 1 (LOI)	*	*	*	*	*	*
MONTH 2 (Q1)					*	*
MONTH 3 (Q2)					*	*
EXECUTIVE						
PEXEC						

Whose sales volume can you count? The chart, at left, explains how your downline's volume may count toward your GSV requirement.

ENSURES THE MAXIMUM PAYOUT FOR YOU

Increase your earning potential as Nu Skin pays you the maximum commission possible.

EARNINGS POTENTIAL

- Commissions from Step 1 and 2, PLUS
- The method that pays you the most from the Wealth Maximizer calculations

VOLUME MAXIMIZER

DEPTH MAXIMIZER

WEALTH MAXIMIZER

# WEALTH MAXIMIZER

MAXIMIZE YOUR BONUS POTENTIAL

**VOLUME MAXIMIZER:**  
EXTRA EXECUTIVE BONUS + DOUBLE G1 BONUS

EXTRA EXECUTIVE BONUS (EEB)	
MIN GSV	BONUS %
3000	5%
+	
DOUBLE G1 BONUS (DBLG1)	
MIN GSV	BONUS %
3000	10%

Earn an extra 5% commission on personal GSV plus 10% commission on the GSV of your G1 Breakaway Executives

**OR**

**DEPTH MAXIMIZER:**  
BREAKAWAY EXECUTIVE BONUS

TITLE	GOLD	LAPIS	RUBY	EMERALD	DIAMOND	BLUE DIAMOND
Number of G1 Breakaway Executives						
	1	2,3	4,5	6,7	8,9,10,11	12
1	5%	5%	5%	5%	5%	5%
2		5%	5%	5%	5%	5%
3			5%	5%	5%	5%
4				5%	5%	5%
5					5%	5%
6						5%

Earn up to 5% commission on the GSV of every Breakaway Executive in your organization

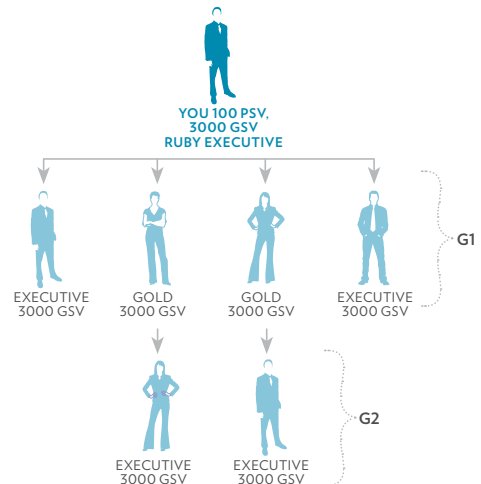
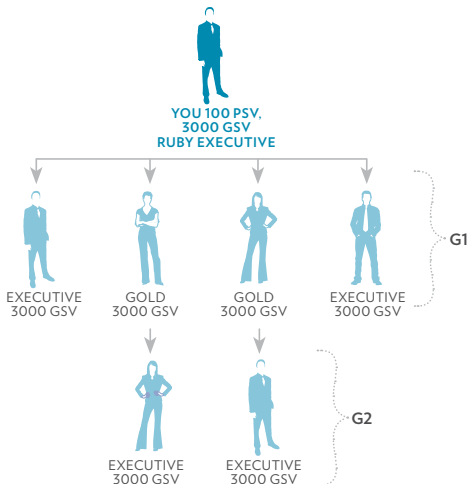
BONUS PAYOUT EXAMPLE

Nu Skin automatically maximizes your commissions, every month, and pays you the calculation that earns you the most.

VOLUME MAXIMIZER	
Extra Executive Bonus at 5%	\$150
Double G1 (DBLG1) at 10%	\$1200
<b>TOTAL</b>	<b>\$1350</b>

OR

DEPTH MAXIMIZER	
Generation 1 (G1) at 5%	\$600
Generation 2 (G2) at 5%	\$300
<b>TOTAL</b>	<b>\$900</b>



# MEGA PERFORMANCE BONUS POOL<sup>1</sup>

## EARN A SHARE OF THE REGION'S SUCCESS

Qualifying Executives and Executives earn a share of the Americas, Europe and South Pacific commissionable sales through the Mega Performance Bonus Pool.<sup>2</sup> The Mega Performance Bonus Pool incorporates monthly commissionable sales volume from the United States, Canada, Europe, Russia, Israel, South Africa, Latin America and the South Pacific.

MINIMUM 4 SHARES REQUIRED TO PARTICIPATE		
QEXEC	1 SHARE=	1 NEW QUALIFIED LOI

MINIMUM 6 SHARES REQUIRED TO PARTICIPATE		
EXEC	1 SHARE=	1 NEW QUALIFIED LOI or EACH DISTRIBUTOR PASSED Q1 or EACH DISTRIBUTOR PASSED Q2

# EARNINGS POTENTIAL

- A share of the Americas, Europe and South Pacific Commissionable Sales

Mega Performance Bonus Pool Shares can be accumulated by the following:

### QUALIFYING EXECUTIVES AND EXECUTIVES:

- 1 Share for each new qualified Letter of Intent (LOI)

### EXECUTIVES ONLY:

- 1 Share for each passed Q1 Qualifying Executive
- 1 Share for each passed Q2 Qualifying Executive

<sup>1</sup> This bonus pool is a temporary incentive and not considered a part of the Sales Compensation Plan, and may be modified or discontinued at any time with 30 days notice from Nu Skin.

<sup>2</sup> In order to qualify, a Qualifying Executive or Executive must meet the minimum bonus and sales criteria in effect at the end of each commission period as set forth by the Company and fulfill the other Active Requirements of the Sales Compensation Plan. Complete details are available online by visiting any of our websites ([nuskin.com](http://nuskin.com) or [pharmanex.com](http://pharmanex.com)) and clicking on Opportunity.

## PROVISIONAL EXECUTIVE

An Executive who does not maintain their Executive status and does not have a grace month available will become a Provisional Executive. Provisional Executives count as Executives for genealogy purposes, i.e., they count as a Breakaway Executive until such time as they become a DEXEC. Their GSV is not included in their upline's GSV, and they maintain their own Breakaway Executives. A Distributor account can maintain the title of Provisional Executive for up to 3 consecutive months. If at any time during the 3 months the Provisional Executive meets Executive maintenance requirements, he/she will be immediately promoted to and paid as an Executive in that same month. If an Executive, who has been a Provisional Executive, subsequently fails to maintain Executive status, he/she will fall back to Distributor at the first of the next month. Provisional Executive status is available once per Executive qualification. Provisional Executives can only earn L1 Bonus at 5%, provided they continue to meet Activity Requirements. Provisional Executives may still earn Fast-Start Payments and retail products. See Example below:

	PSV	GSV	TITLE	PAID AS	UPLINE PAID AS
FEB	100	1900	GRACE	DISTRIBUTOR	G1
MARCH	100	800	PEXEC 1	DISTRIBUTOR	G1
APRIL	100	800	PEXEC 2	DISTRIBUTOR	G1
MAY	100	800	PEXEC 3	DISTRIBUTOR	G1
JUNE	100	800	DISTRIBUTOR	DISTRIBUTOR	ROLL-UP

## GLOSSARY

**ACTIVE REQUIREMENT:** In order to qualify for any bonus under the Sales Compensation Plan, obtain 100 PSV and make five retail sales per month.<sup>†</sup> LOI and above also need to have a monthly ADR order (ADR not required in Canada).

**ADR: Automatic Delivery Rewards** is a program that offers the convenience of monthly automatic delivery of Nu Skin, Pharmanex, and some Big Planet products with the opportunity to earn reward points.

**BREAKAWAY EXECUTIVE:** A Distributor who has completed Executive Qualification and broken away from their upline, meaning that the sales volume of the new Executive and their circle group no longer count toward their upline's GSV. When this event occurs, the upline Executive can qualify to receive the Breakaway Bonus on the GSV of their new Breakaway Executive. If a downline Distributor submits their LOI before you do, you may reclaim them as a Breakaway Executive by submitting your LOI in or before their last month of qualification.

**BREAKAWAY EXECUTIVE BONUS:** A bonus that offers up to 5% earnings on the sales volume of each generation level based on the total number of G1 Breakaway Executives (see chart on Step 3). To receive a 5% Breakaway Executive Bonus, an Executive must have at least 3,000 GSV. If the GSV falls between 2,000 and 2,999, then the Breakaway Executive Bonus will be paid at 2.5% on the G1 to G6 Breakaway Executives' GSV for that month.

**CIRCLE GROUP:** For non-Executives, a circle group consists of all Retail Customers, Preferred Customers and Distributors. For Executives, a circle group includes all Retail customers, Preferred Customers, Distributors and Qualifying Executives.

**DBLG1: Double G1 Bonus** is a bonus that offers 10% earnings on the total GSV of G1 Executives. To receive a 10% Double G1 Bonus, an Executive must have at least 3,000 GSV. This bonus is only paid in accordance with the Volume Maximizer calculation if it contributes to the higher payout of the two alternatives.

**DEXEC: Demoting Executive** is an Executive who has failed to maintain Executive requirements and is in the process of being demoted back to Distributor. This usually occurs at the conclusion of Provisional Executive (PEXEC) status.

**DISTRIBUTOR:** A person engaged in the general distribution of Nu Skin Enterprises' products or services. The only required purchase to become a distributor is a not-for-profit Business Portfolio. All product purchases are optional.

**EB: Executive Bonus** is a bonus earned monthly on your total GSV. Executive Bonuses range from 9% to 15% depending on total GSV and the Extra Executive Bonus (see chart in Step 2).

**EEB: Extra Executive Bonus** is a bonus that offers an additional 5% earnings on your GSV. To receive this extra 5% Extra Executive Bonus, an Executive must have at least 3,000 GSV (see chart on Step 3). This bonus is only paid in accordance with the Volume Maximizer calculation if it contributes to the higher payout of the two alternatives.

**EXECUTIVE MAINTENANCE REQUIREMENTS:** 100 Personal Sales Volume and 2,000 GSV.

**EXECUTIVE RE-ENTRY:** The process by which fallen Executives complete the qualification process again and regain Executive status. If an account who was once an Executive goes through qualification and passes to Executive within 6 months of falling to Distributor, they will recapture their former Breakaway organization. While an account can go through qualification as many times as they like, the option to recapture one's Breakaway organization is only available during the six months after falling to Distributor. Executive Re-entry is only available once per Executiveship.

**FAST-START PAYMENT:** The Fast-Start Payment is earned by selling corporately approved Fast-Start Product Packages to newly sponsored Customers and Distributors. There will be a \$1 processing fee, per transaction, for the weekly direct deposit option (only available in the US).

**G1: Generation 1** refers to your first *generation* of Breakaway Executives.

**GRP: Gross Retail Profit** is the amount earned by purchasing products at wholesale price and re-selling at retail. It is earned by selling product to retail customers at the suggested retail price or at any price you choose to set for products.

**GSV: Group Sales Volume** represents the total PSV in your Circle Group, including your own PSV, for a given month.

**LOI: Letter of Intent** is a letter showing a Distributor's intention to become an Executive. In the US and Canada, a formal letter is no longer required. A Distributor will automatically be put into Executive qualification once the requirements for Month 1 (referred to as the LOI Month) are met. During their first month of Executive Qualification, a Distributor is often referred to as an "LOI." An LOI is not the same as a Qualifying Executive (QEXEC), although both are in qualification to become an Executive. If a Distributor has been a Qualifying Executive in the past and wishes to enter Executive Qualification again, the Distributor must submit a formal LOI to the Company.

**L1: Level 1** includes personally sponsored accounts, regardless of title.

**LEVEL 1 (L1) BONUS:** A 5% bonus paid based on the PSV of all personally sponsored accounts. L1 Bonus is paid only to Distributors that fulfill the Active Requirement.

**MEGA PERFORMANCE BONUS POOL:** Qualifying Executives and Executives may earn a share of the Americas, Europe, and South Pacific commissionable sales through the Mega Performance Bonus Pool.<sup>\*\*</sup> The Mega Performance Bonus Pool incorporates monthly commissionable volume from the United States, Canada, Europe, Russia, Israel, South Africa, Latin America and the South Pacific. Complete details are available online by going to any of our websites and clicking on Opportunity.

**PIN TITLE GRACE MONTH:** If an Executive fails to meet Executive maintenance requirements, a grace month may be used to maintain Executive status. Each Executive is entitled to one grace month per 12-month rolling calendar period. For example, if you use a grace month in May, the next time you can take one is May of the following year. Executive bonuses will not be paid during a grace month. An Executive may earn the L1 bonus during a grace month if they meet the minimum activity requirements.

**PSV: Personal Sales Volume** is the monthly Point Value of the products and services you purchase from the Company primarily for retail sale or personal consumption.<sup>\*\*</sup> PSV includes points from purchases made directly from the company by your personal retail customers.

**PREFERRED CUSTOMER:** A Preferred Customer is a non-Distributor who receives at least one order or service through the ADR program. A Preferred Customer qualifies for product purchases at discounted prices; plus, a Preferred Customer can earn ADR points to redeem for free products. Distributors are paid the L1 Bonus on personally sponsored Preferred Customer purchases.

**PEXEC: Provisional Executive** is an Executive who has not met Executive maintenance requirements and has already used their grace month. A Provisional Executive keeps all of their own Breakaways in addition to counting as a Breakaway Executive to their upline. A PEXEC's GSV is not included in their upline's GSV. An account may be a PEXEC for up to three consecutive months. If a PEXEC meets Executive maintenance requirements, they will be immediately promoted to an Executive in the month that they meet Executive maintenance requirements. Provisional Executive is only available once per Executiveship. For complete details regarding Provisional Executive usage please visit our websites ([nuskin.com](http://nuskin.com), [pharmanex.com](http://pharmanex.com)) and click on Opportunity.

**QEXEC: Qualifying Executive** is a Distributor who has successfully passed their first month of Executive qualification (called an LOI month) and is now fully on track to qualifying as an Executive distributor for Nu Skin Enterprises (see chart in Step 2 for monthly requirement details).

**RETAIL CUSTOMER:** A Retail Customer is a non-Distributor who purchases products at retail price from a Distributor or from the Company. Volume from product purchases made through the company by retail customers assigned to a Distributor account are counted towards the sponsor's PSV.<sup>†</sup>

**RPF: Retail Processing Fee** is a 15% fee of gross retail profit, retained by the Company as a fee for all retail orders placed directly through the Company. This fee can be waived, however, by purchasing and continually subscribing to [www.nsedreams.com](http://www.nsedreams.com).

**ROLL-UP EXECUTIVE:** An Executive that used to be on your second breakaway generation (G2), but because their upline Executive failed to maintain their Executive status, is now a first-generation Breakaway (G1) Executive to you.

**ROLL-UP GSV<sup>†</sup>:** When a first-level (G1) Breakaway Executive falls to Distributor, the GSV of that fallen Breakaway Executive rolls-up in to their upline's GSV. The portion of one's GSV that comes from fallen Breakaway Executives is called *roll-up GSV*. This only applies to upline's who have Breakaway Executives in markets that do not participate in the PEXEC program. Executives cannot count roll-up GSV towards Executive Maintenance.<sup>†</sup>

**SPONSOR:** A Distributor who personally recruits another Distributor or Preferred Customer to sign up in their L1.

**WELTH MAXIMIZER:** A bonus calculating component of the Sales Compensation Plan that will automatically pay the higher of two alternate bonus calculations: Volume Maximizer (including Extra Executive Bonus + Double G1 Bonus) OR Depth Maximizer (including Breakaway Executive Bonus).

<sup>†</sup> Qualification for all bonuses requires retail sales to at least five individuals on a monthly basis. You must keep all records of retail sales for at least four years. Compliance with the retail sales requirements of the Company is randomly monitored. Each product purchased through ADR orders by non-Distributors or Customers is automatically counted on a monthly basis toward retail sales requirements. Bonuses are never paid for recruiting. The only way to earn bonuses is through the sale of products.

<sup>\*</sup> All bonuses are calculated on a monthly basis, and mailed or deposited on or about the 20<sup>th</sup> of the following month.

<sup>\*\*</sup> In order to qualify for the Mega Performance Bonus Pool, a Qualifying Executive must meet the minimum bonus and sales criteria in effect at the end of each commission period as set forth by the Company and fulfill the other Active Requirements of the Sales Compensation Plan. Complete details are available online by visiting any of our websites ([nuskin.com](http://nuskin.com) or [pharmanex.com](http://pharmanex.com)) and clicking on Opportunity.

<sup>\*\*</sup> 80% of PSV must be sold or consumed prior to your next order.

<sup>†</sup> For a summary of distributor compensation paid to distributors at all levels within the Sales Compensation Plan, please refer to the Resource section of the CD-ROM located in your business portfolio; visit our company website at [nuskin.com](http://nuskin.com) or [pharmanex.com](http://pharmanex.com); or contact the company by telephone at 800-487-1000 (Canada 800-877-6100); or see the document entitled *Distributor Compensation Summary* included in the Distributor Business Kit.