

K-Link

Compensation Plan

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No statements contained in this Referral Marketing Program are intended to guarantee or imply any level of income or success.

K-Link

Compensation Plan

Total Payout based on US \$ CV

Plan 1

A - *Fast Start Bonus 90%

B – Retail Customers

Plan 2

A. Uni-level Compensation Plan 69 %

1. * Uni-level Compensation Plan 69 %
2. **UniLevel Compression Bonus

How to Achieve Executive Status

B. Global Bonuses 15 %

1. Personal Sales Bonus 2%
2. *UniLevel Global Bonus 5%
3. ***Executive Global Bonus 5%
4. ***Platinum Global Bonus 3%

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CV - Commissionable Volume
GCV - Group Commissionable Volume
PCV - Personal Commissionable Volume
PGCV - Personal Group Commissionable Volume
FSCV - Fast Start Commissionable Volume

**Must achieve 40 PCV in a pay period to qualify.*

***You and each of your 5 first level lines, must achieve a minimum 100 PCV in a pay period to qualify.*

****Must achieve Executive Status in a pay period to qualify.*

Plan 1

A. *Fast Start Bonus 90%

Compensation is based on the total FSCV of:

A newly sponsored distributor's **first order only.**

**You must have achieved a minimum 40 CV in a pay period, to qualify for the *Fast Start Bonus.*

Distributors may choose to enroll in the autoship program to ensure their qualification for Fast Start Bonuses.

Autoship can be changed or cancelled up to 5 working days prior to shipping date

Example: 21 FSCV

*Enroller's Immediate Upline	10% = \$ 2.10
*Enroller	40% = \$ 8.40
UniLevel Plan	30% = \$ 6.30
New distributor	<u>10% = \$ 2.10</u>
Total	90% = \$18.90

An Enroller is a person who signs up a new distributor. The Enroller may choose to place this new distributor any where up to three levels down in their downline.

B. Retail Customers

Retail Customers, are purchasers who do not want to be involved in the business, but want to use the products for health benefits.

Retail Customers may purchase our products online, by phone, fax or directly from a distributor at the suggested retail price.

The CV from Retail Customers, will be added directly to the Sponsor's PCV for commission calculations.

Plan 2

A. *UniLevel Compensation 69%

Based on CV

**Must achieve a minimum, 40 PCV in the pay period to qualify*

1. How to Calculate *UniLevel Compensation

*UniLevel Compensation Levels					
Qualifying First level distributor (minimum 40 PCV each)	#1	#2	#3	#4	#5
Pays down to level	3	5	7	9	12

*UniLevel Compensation 69%													
Level	PCV	1	2	3	4	5	6	7	8	9	10	11	12
% Paid	5%	10%	10%	7%	7%	7%	5%	5%	5%	5%	1%	1%	1%
Example: Based on 50CV	\$2.50	\$5.00	\$5.00	\$3.50	\$3.50	\$3.50	\$2.50	\$2.50	\$2.50	\$2.50	\$0.50	\$0.50	\$0.50

*Uni-Level Compensation Example

If your PCV is at least **40 CV** during the pay period, then you earn **5%** on that CV and are eligible for compensation from your downline CV. The more of those Level 1 Distributors (up to **5**) who achieve at least **40 CV** during the month, the more levels from which you earn compensation. In this example, you have **40 CV** and have **7** Distributors in your Level 1. The CV of those distributors who have less than **40 CV**, rolls up to you. You also have **4** qualifying distributors in your first level, so you qualify compensation down to 9 levels in all your lines.

Level 1 (10%)	Mr. Jones 32 CV Rolls up	Mr. Chen 22 CV Rolls up	Mrs. Smith *68 CV *	Mr. Thomas *420 CV *	Mr. Zhang 10 CV Rolls up	Mr. Huang Yi *80 CV *	Mrs. Mathe * 210 CV *
Level 2(10%)			*	*		*	*
Level 3(7%)			*	*		*	*
Level 4(7%)			*	*		*	*
Level 5(7%)			*	*		*	*
Level 6(5%)			*	*		*	*
Level 7(5%)			*	*		*	*
Level 8(5%)			*	*		*	*
Level 9(5%)			*	*		*	*

**Must achieve a minimum, 40 PCV in a pay period to qualify*

Qualifying First level Distributor (minimum 40CV ea)	1	2	3	4	5
Pays down to level	3	5	7	9	12

Earning levels from example on page 11

Level 1 (10%)	Mr. Jones 32 CV Rolls up	Mr. Chen 22 CV Rolls up	Mrs. Smith *68 CV	Mr. Thomas *420 CV	Mr. Zhang 10 CV Rolls up	Mr. Huang Yi *80 CV	Mrs. Mathe *210 CV
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Qualifying First level Distributor (minimum 40CV ea)	1	2	3	4	5
Pays down to level	3	5	7	9	12

**Must achieve 40 PCV in a pay period to qualify*

Distributors achieving 40CV:

- | | |
|----------------|-------------------------------|
| 1 – Mrs Smith | - Earns you levels 1, 2 and 3 |
| 2 – Mr. Thomas | - Earns you levels 4 and 5 |
| 3 – Mr. Yi | - Earns you levels 6 and 7 |
| 4 – Mrs Mathe | - Earns you levels 8 and 9 |

The three other first level distributors each achieved less than 40 CV and were not required to deepen your compensation levels for the *UniLevel Compensations. Their CV however, rolls up to you and are added to your 40 PCV, earning you 5% on those CV as well as your own. $(40 + 32 + 22 + 10 = 104 \text{ CV} \times 5\% = \$5.20 \text{ US})$

To summarize this example:

You would earn :

*5% on 104 PCV = \$5.20 **PLUS***

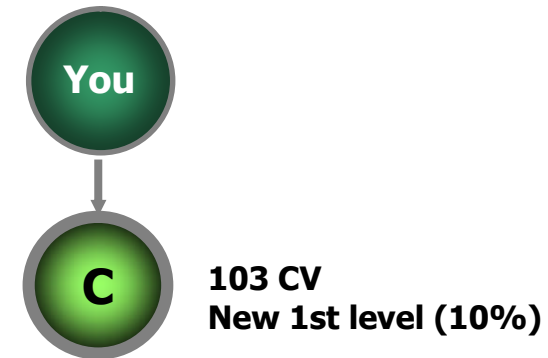
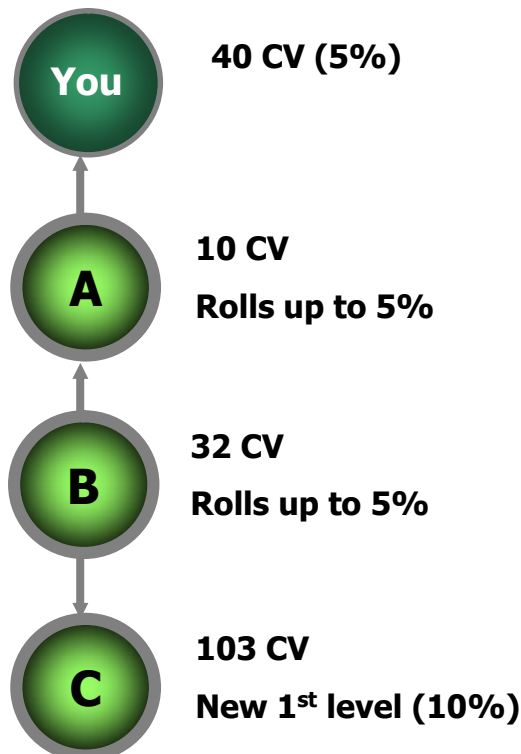
*Your first level : $(68 + 420 + 80 + 210 = 778 \times 10\%) = \77.80 **PLUS***

Compensation down to 9 levels in each of your lines, where CV is achieved.

*UniLevel Roll up to Your Personal Sales

1) In each of your individual vertical downlines, the CV of all distributors between you and the next distributor achieving at least 40CV during the month, rolls up to you, to be counted as your personal sales.

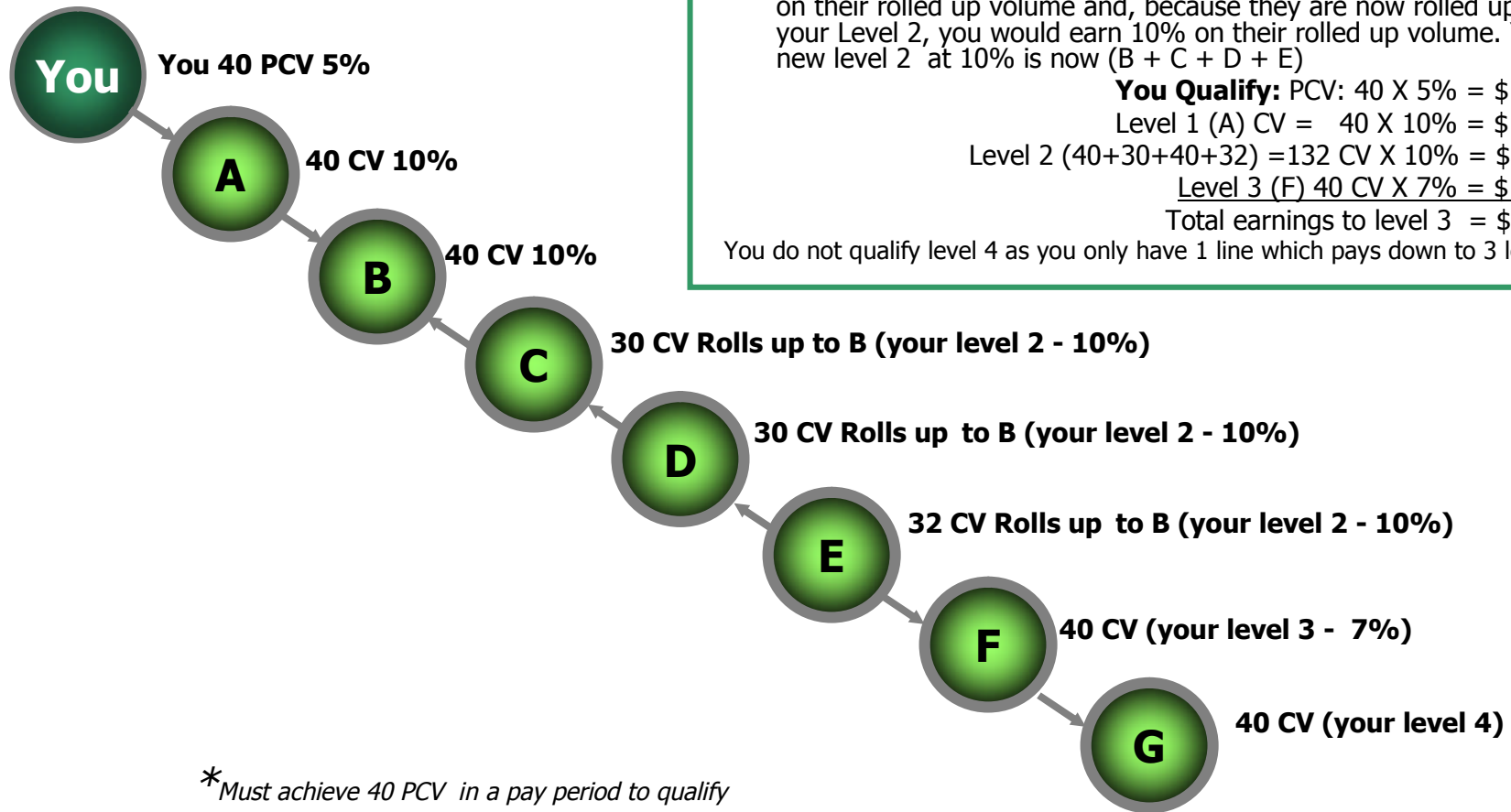
2) The first distributor in each vertical downline achieving at least 40CV during the month rolls up to fill the level from which the others were rolled up and becomes your Level 1 in that individual vertical downline, so you earn 10% on that distributor's CV.



**Must achieve 40 PCV in a pay period to qualify*

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*UniLevel Roll up of your Downlines



If distributors in your levels 3, 4 and 5 of a vertical downline each achieve less than 40CV, their volume rolls up to be personal sales of your Level 2 Distributor, who did achieve at least 40 CV during the month. That means your Level 2 distributor B would earn 5% on their rolled up volume and, because they are now rolled up to your Level 2, you would earn 10% on their rolled up volume. Your new level 2 at 10% is now (B + C + D + E)

You Qualify: PCV: $40 \times 5\% = \$ 2.00$
 Level 1 (A) CV = $40 \times 10\% = \$ 4.00$
 Level 2 ($40+30+40+32$) = $132 \text{ CV} \times 10\% = \13.20
 Level 3 (F) $40 \text{ CV} \times 7\% = \$ 2.80$
 Total earnings to level 3 = $\$22.00$

You do not qualify level 4 as you only have 1 line which pays down to 3 levels

*Must achieve 40 PCV in a pay period to qualify

Roll up of Downlines of Terminating Distributors

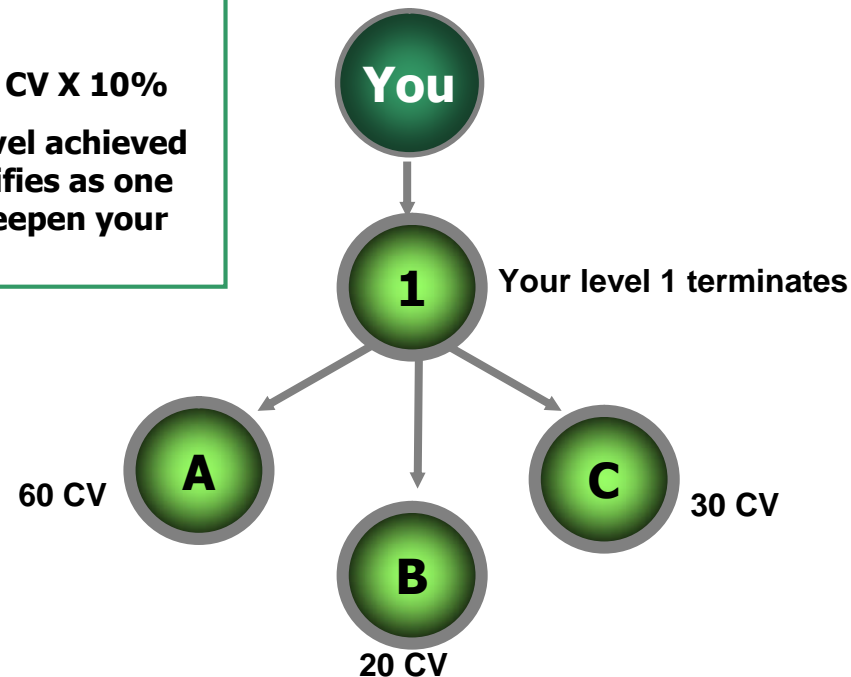
When a distributor terminates, all levels below that distributor rolls up one level.

For example: One of your Level 1 distributors terminates and has 3 of his own Level 1 distributors (Your Level 2). If those 3 distributors combined achieve at least 40CV during the month, then combined they count as one of the 5 first level distributors that can deepen your compensation levels.

Your new 1st Level:

$A+B+C (60+20+30) = 110 \text{ CV} \times 10\%$

Combined, this new first level achieved more than 40 CV, so it qualifies as one of your first level lines to deepen your levels of compensation



It is anticipated, that compensation likely to be received by typical distributors in their first year, would be between \$200 and \$1000 annually.

The following chart shows the theoretically perfect filling of your downline assuming 40 CV is achieved by each of 5 distributors in every distributor's first level.

As this is an example of a "*perfect world*", and would not be possible, would attaining even 10% of this example be achievable for you?

The question is, "*How successful of a sales force can you build*"?

Currency calculated is based on the US Dollar

*Uni-Level Perfect World

Currency calculation is based on the US Dollar

* CV is calculated with the assumption that 40 CV is achieved by each of 5 distributors in every distributor's first level

Nobody ever builds a perfect organization such as is shown.

The question is, "How successful of a sales force can you build"?

Level	%	No. of Distributors	Total US CV	US \$ per level	Total UniLevel Compensation
1	10%	5	200	\$20.00	\$20.00
2	10%	25	1000	\$100.00	\$120.00
3	7%	125	5000	\$350.00	\$470.00
4	7%	625	25000	\$1,750.00	\$2,220.00
5	7%	3125	125000	\$8,750.00	\$10,970.00
6	5%	15625	625000	\$31,250.00	\$42,220.00
7	5%	78125	3125000	\$156,250.00	\$198,470.00
8	5%	390625	15625000	\$781,250.00	\$979,720.00
9	5%	1953125	78125000	\$3,906,250.00	\$4,885,970.00
10	1%	9765625	390625000	\$3,906,250.00	\$8,792,220.00
11	1%	48828125	1953125000	\$19,531,250.00	\$28,323,470.00
12	1%	244140625	9765625000	\$97,656,250.00	\$125,979,720.00

2.**UniLevel Compression Bonus

Compressions = Unlimited Levels of **Unpaid** UniLevel commissions

*** You and each of your 5 first level lines, must achieve a minimum 100 PCV in a pay period, to qualify.*

For each level of compensation from 1 to 12:

Compressions of your unpaid personal group volume, up to 2000 PGCV for each compensation level, at whichever that level is in a month, will be considered as one level of compensation.

For Example:

Whichever level you reach your first 2000 unpaid PGCV at, will be considered your first level to calculate the Compression Bonus. This first level would be paid at 10%.

Whichever level you reach your second 2000 unpaid PGCV at, will be considered your second level to calculate the Compression Bonus. This second 2000 PGCV would be paid at 10%.

Whichever level you reach your third 2000 unpaid PGCV at, will be considered your third level to calculate the Compression Bonus. This third 2000 PGCV would be paid at 7%.

This format is the same for each of the 12 Levels, resulting in 2000 unpaid PGCV compensation for each of the levels where you attain the unpaid PGCV.

How to Achieve Executive Status

To Qualify	Sapphire Manager	Ruby Manager	Emerald Manager	Diamond Manager	Crown Manager
PCV required	100	100	200	200	250
*Qualified first level lines required	5	5	5	5	5
Minimum GCV per line required	1,000 GCV	2,000 GCV	3,000GCV	4,000 GCV	5,000 GCV
Total minimum PGCV required	5,000 GCV	10,000 GCV	15,000 GCV	20,000 GCV	25,000 GCV

**Each first level line must achieve 40 PCV in a pay period to qualify*

B. Global Bonuses 15%

Divided into the following categories:

- 1. Personal Sales Bonus 2%**
- 2. *UniLevel Global Bonus 5%**
- 3. ***Executive Global Bonus 5%**
- 4. ***Platinum Global Bonus 3%**

**Must achieve 40 PCV in a pay period to qualify.*

**** Must achieve Executive Status in a pay period to qualify this Bonus.*

1. Personal Sales Bonus 2% of Global CV

To Encourage Retail Sales:

All distributors who achieve a PCV of 250, will share 2% of the total Global CV, according to the following formula:

Qualifying distributors who have achieved a total Personal sales volume of 250 PCV, or multiples of 250 PCV, will be awarded 1 bonus point per 250 PCV of sales achieved. There is no limit to the total number of points achieved.

2% of the total Global CV will be shared by all points achieved, by all qualifying distributors.

Example of Personal Sales Bonus Compensations

Example Only	Personal Sales Bonus Compensations
% of Global CV	2%
Total qualifying points	5
Total Global CV	50,000
Total Personal Sales Bonus Compensations	\$1,000
Portion of Bonus per qualifier	\$200
Executive A's Portion 250 PCV (1 point)	\$200
Executive B's Portion 350 PCV (1 point)	\$200
Executive C's Portion 750 PCV (3 points)	\$600

2% of the total Global CV will be shared by all points achieved, by all qualifying distributors.

2. *UniLevel Global Bonus 3%

To Qualify 1 point:

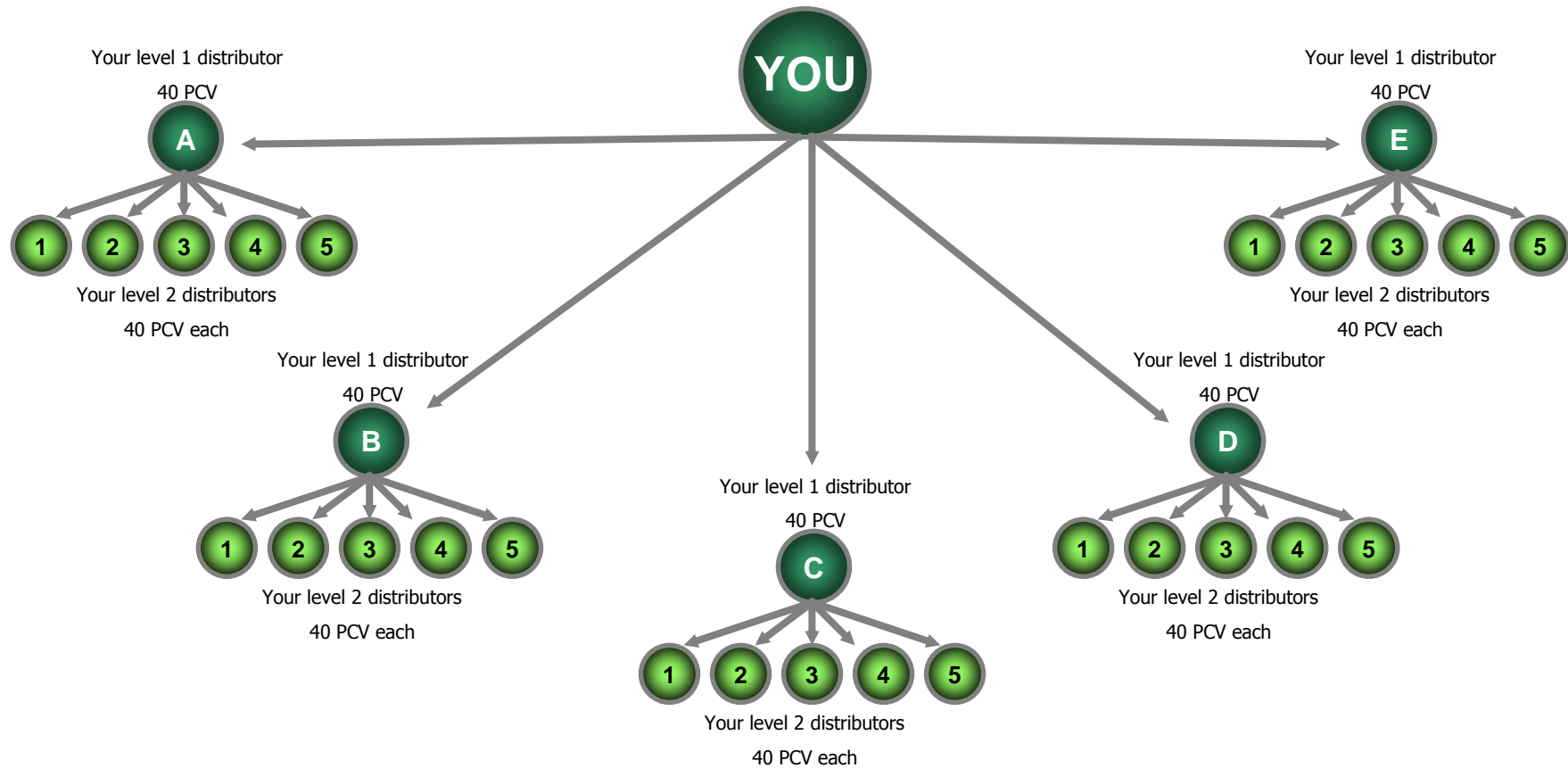
You must achieve 40 PCV

AND

For each of your five first level distributors, who also **each** achieve 40 PCV, who also **each** have five first level distributors who each achieve 40 PCV, you will receive 1 point.

3% of the total Global CV will be shared by all points achieved, by all qualifying distributors.

Example of 3% UniLevel Global Bonus Qualification



In this example, you would qualify 1 point in the UniLevel Global Bonus

3% of the total Global CV will be shared by all points achieved, by all qualifying distributors.

2. *UniLevel Global Bonus 2%

To Qualify 1 point:

You must achieve 100 PCV

AND

For each of your five first level distributors, who also **each** achieve 100 PCV, you will receive 1 point.

2% of the total Global CV will be shared by all points achieved, by all qualifying distributors.

3. ***Executive Global Bonus 5% of Global CV

To Qualify	Sapphire Manager	Ruby Manager	Emerald Manager	Diamond Manager	Crown Manager
% of Global CV	1%	1%	1%	1%	1%
PCV required to qualify	100	100	200	200	250
Qualified lines required	5	5	5	5	5
Minimum GCV required per line	1,000 GCV	2,000 GCV	3,000 GCV	4,000 GCV	5,000 GCV
Total minimum GCV required	20,000 GCV	30,000 GCV	40,000 GCV	50,000 GCV	80,000 GCV

*** Must achieve Executive Status in a pay period to qualify Executive Global Bonus

A higher status achieved also qualifies the lower status.

5% ***Executive Global Bonus will be shared among all those who qualify.

Example of ***Executive Global Bonus Compensations

**** Must achieve Executive Status in a pay period to qualify Executive Global Bonus*

Example only	Sapphire Manager	Ruby Manager	Emerald Manager	Diamond Manager	Crown Manager
% of Global CV	1%	1%	1%	1%	1%
Total Global CV	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Bonus per status	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Number of qualifiers per status	5	5	6	3	1
Total qualifying managers	20	15	10	4	1
Portion of Bonus per qualifier	\$500.00	\$666.66	\$1,000.00	\$2,500.00	\$10,000.00

A higher status achieved also qualifies the lower status.

In this example: 5 + 5 + 6 + 3 + 1 = 20 total qualifying Managers

The Sapphire Bonus is divided by 20 as there are a total of 20 Managers who qualify. Each receives \$500.00
 The Ruby Bonus is divided by 15 as there are 15 managers who qualify. Each receives \$666.66
 The Emerald Bonus is divided by 10 as there are 10 managers who qualify. Each receives \$1,000.00
 The Diamond Bonus is divided by 4 as there are 4 managers who qualify. Each receives \$2,500.00
 The Crown Bonus is not divided, as there is only 1 who qualifies. The Crown Manager receives \$10,000.00

Total Executive Bonus per Manager Status:

Sapphire Manager:	\$ 500.00
Ruby Manager :	\$ 1,166.66 (\$ 500.00 + \$666.66)
Emerald Manager:	\$ 2,166.66 (\$ 500.00 + \$666.66 + \$1000.00)
Diamond Manager:	\$ 4,666.66 (\$ 500.00 + \$666.66 + \$1000.00 + 2,500.00)
Crown Manager :	\$14,666.66 (\$ 500.00 + \$666.66 + \$1000.00 + 2,500.00 + \$10,000.00)

4. ***Platinum Global Bonus 3% of Global CV

To Qualify	***Platinum Global Bonus
% of Global CV	3%
PCV required	250
Qualified First level lines required	5
Minimum GCV required for each of 3 lines	100,000 GCV
Total GCV in all other lines combined	100,000 GCV
Total minimum PGCV required	400,000 GCV

*** Must achieve Executive Status in a pay period to qualify Platinum Global Bonus

3% ***Platinum Global Bonus will be shared among all those who qualify.

Policy & Procedure (FAQ)

Is the Plan Based on Recruiting Distributors?

No. Compensation from downlines is based only on the CV of downlines, not on their recruitment. It is simple, unless the downline achieves CV, the upline receives no compensation from the downline. You receive no compensation for the act of recruiting anyone. You could sponsor several people and would receive no compensation if neither they nor their downline achieve CV.

Can a distributor profit from the plan by only purchasing product for personal consumption rather than by selling to non-distributors?

No. As stated in #4 of legal and illegal purpose purchases, only a **reasonable** amount of personal consumption for family use is permitted in the plan. You **must** make sales to non-distributors as a prerequisite to receiving compensation from the plan. In the plan, you must sell 50% of your CV to non-distributors monthly to qualify for compensation from the plan. **It is simple, no significant retail sales to non-distributors, no compensation from CV of your downline.**

Some Rules for Distributors

Legal and Illegal Purpose Purchases

Commissionable Volume (CV) includes only legal purpose volume. Legal purpose volume includes: **(1)** Product bought by non-distributor customers directly from web sites or telephone order lines supplied by the company; **(2)** Product to fill paid or unpaid orders for the product previously received from non-distributor customers; **(3)** Product to maintain an inventory in an amount that is commercially reasonable (i.e.. You anticipate being able to sell the amount of product having regard to: type of product; selling price of the product; size of the market; no. of distributors; no. of competitors; and sales history of the products); **(4) Product in reasonable amounts for personal or family use motivated by the intrinsic value of the product.**

CV does not include illegal purpose volume, which is illegal under the laws governing multi-level commission plans. It is prohibited by the Company and grounds for termination and includes: **(1)** Product purchased for the purpose of profiting via the multi-level compensation plan including qualifying for or increasing compensation under the plan; **(2)** Product purchased (except starter kit) to satisfy a condition of qualifying for any compensation plan, as there are no product purchase requirements for participation in the compensation plan. There are product **sales** requirements for participation in the compensation plan.); **(3)** Product purchased to become entitled or eligible to receive more than the purchase price by reason of the fact that other distributors have purchased or will purchase product.

Keep yourself legal, purchase product only for legal purposes.

Some Rules for Distributors

- **Keep copies of the original sales receipts to your customers, as records of your sales for at least two years. The Company may request these as evidence of your sales at any time.**
- **Do not purchase product unless you have sold, or consumed at least 70% of all previously ordered product.**
- **Do not purchase product for the illegal purpose of increasing your compensation from other distributors' sales or purchases.**
- **Do not encourage other Distributors to purchase product for the illegal purpose of increasing their compensation from other Distributors' sales or purchases.**
- **Do not purchase product for the illegal purpose of receiving a larger sum from CV of other Distributors.**
- **Do not encourage other Distributors to purchase product for the illegal purpose of receiving a larger sum from CV of other Distributors.**
- **To protect the company, and yourself, report violations of the above rules to the company.**
- **Do not purchase inventory unless you anticipate being able to sell the amount of product having regard to: type of product; selling price of the product; size of the market; number of distributors; number of competitors; and sales history of the products.**
- **If you are unable to resell purchased inventory as the expiration period for returns approaches, return the inventory to the company.**
- **If you purchase product to fulfill pre-existing retail customer orders, and those orders are cancelled and you are unable to resell the products as the expiration period for returns approaches, return the inventory to the company.**
- **Each Distributor must make no representation relating to compensation under the Plan other than those contained in then current materials provided by the Company or in materials or communications previously approved in writing by the Company and for which the Company's approval has not been rescinded and which are still consistent with the then current materials provided by the Company.**

Buy-back Guaranty and Right to Return for Distributors and How To Exercise It.

The Operator will repurchase products from Distributors, if returned within 60 days of purchase, in sealed, unopened, saleable, and "as new" condition.

The Operator will repurchase the returned Product, for the same price the Distributor paid to the Operator for the returned Product (but not for shipping the Product to the Distributor), less 10% of the price paid to the Operator, less any compensation paid by the Operator to the Distributor for the repurchased product.

The Distributor requesting the repurchase, must pay all shipping costs of returning Product to the Operator.

Any payment owing from the Operator to the Distributor for the return of Product will be paid by the Operator on the first day after the first complete Compensation Calculation Period following the return of the product.

See elsewhere in the Policies and Procedures provisions, for recovery by the Operator from all relevant distributors, of compensation previously paid on volume, subsequently affected by a Buy-back or Return.

Product will be in saleable, as new condition only if all the following elements are satisfied: they are unopened; they are unused; they are sealed (if sealed when sent from Operator); the packaging and labeling has been neither altered nor damaged; the Product, in its package and as originally labeled when returned may be sold at the manufacturers suggested retail price; the Products expiration or 'best before' date has not passed; the Product has current Operator labeling; the Product was not identified by the Operator as non-returnable, discontinued, or seasonal at or before the time of sale, to the terminating or non-renewing distributor. If the product is returned by a Retail or Preferred customer, then, the three requirements of, "they are unopened; they are unused; they are sealed if sealed when sent from Operator" need not be satisfied for only one of each product purchased .

Returns are subject to compliance with the Return Authorization Number procedure.