

**CONFIDENTIAL**  
**MARKETING AND COMPENSATION PLAN**

**neogenics**

**N U T R I T I O N<sup>®</sup>**

**REVISED FINAL**  
**Compensation Plan**

**May 30, 2019**

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**SUMMARY**

The Neogenics Compensation Plan has two purposes. First, it defines the amount of compensation you, as an Independent Distributor (hereinafter, “Team Member”), can earn from any given volume of business or level of performance. It also has a second and equally important purpose in that it serves as a guide for your goals, to help you set realistic and achievable benchmarks for building your business.

Neogenics has chosen to use, as its primary marketing channel, a platform known as “social selling.” This brings together the best elements of direct marketing and direct selling in a social media, mobile app-empowered system. Team Members of Neogenics share what they’ve learned and experienced about the health benefits of our products with people they know through the networks that now connect us all. Creating new customers by introducing others to the scientific discoveries and cutting-edge technologies represented by Neogenics products is the foundation of your ongoing success.

Social selling allows you to start a home-based business with very little startup capital and invite others to be part of your Team Member team, thereby enhancing your income potential. The people you bring into your business team as Team Members, together with the people they bring, are called your “downline” or your “group.”

At Neogenics, we believe in teamwork, and therefore encourage you to enlist the support of your Enroller and Sponsor to help build your own personal success.

The Neogenics Compensation Plan is designed to reward you for the results you produce in three “phases” of your business:

- **The TEAM Phase**—Commissions for your personal sales and bonuses for sales created by Team Members you enroll.
- **The DIRECTOR Phase**—Bonuses on the sales created by your personal team.
- **The EXECUTIVE Phase**—Generational bonuses for mentoring other group leaders.

Within these three phases are multiple ways for you to make money. Since they are cumulative, it’s possible for you to make money in one or all ways.

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## **BEGINNING AS A TEAM MEMBER**

### **Enroll as a Team Member**

The first step for any new Team Member is to complete a Team Member Application and Agreement and purchase a **Team Member Welcome Kit, for \$49.95**. This Welcome Kit provides the e-commerce website and resources necessary for in-person and online sales in any way you'd like to pursue them.

As soon as your Application has been accepted by the Company, you will be designated as an Team Member and be eligible to reach Active status and earn Sales Commissions.

Neogenics has developed 2 optional Product Packs for Team Members. These kits are offered at deep discounts for the new Team Member exclusively at enrollment or within their first 30 days.

1. **JUMP START KIT:** \$360 SRP value for **\$249**
2. **FAST START KIT:** \$630 SRP value for **\$400**

### **Become Active to Earn**

A Team member must be Active to be eligible to earn commissions and bonuses in this compensation plan. There are two ways to reach Active status- choose one each month:

1. Set up a personal Autoship order for 100 PV (or \$125 retail) or more to deliver every 30 days. Contents for this Autoship can be adjusted as desired.

**OR**

2. Reach at least 150 QV in sales. This can be a combination of purchases made by your Retail customers, Preferred Customers and product purchased for your personal use.

**NOTE:** Additional Rules apply and affect eligibility for select bonuses in this plan.

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## The TEAM Phase

The TEAM Phase includes the first 2 ranks of the Compensation Plan - **Team Member** and **Team Coach**.

### Important Definitions

- **Suggested Retail Price (SRP):** This is the retail dollar value (full value) assigned to a product for purposes of calculating retail commissions and enhanced commissions.
  - **Qualification Value (QV):** QV is the value assigned to each product that is used to calculate Active status and rank qualification. Unless otherwise specified, QV is equal to 80% of SRP.
- Example: NeoDIM SRP is \$39.99. QV on this product would then be \$31.99*
- **Point Value (PV):** PV is the value assigned to each product for the purpose of calculating bonuses. Unless otherwise specified, PV is equal to 80% of SRP. PV may be less for lower-margin products such as the Jump Start Kit and Fast Start Kit.

*Example: The optional Product Packs are deeply discounted first orders for Team Members. As a result, the PV is reduced by 50% (see First Order Bonus for more detail).*

*Jump Start Pack is \$249. It is assigned 125 PV, and 249 QV.  
Fast Start Pack is \$400. It is assigned 200 PV, and 400 QV.*

### Earn from Sales Commissions

When a Team Member is Active in a month, they can earn from the sales of their customers, based on how the customer places the order. There are 4 components in the sales commissions of this plan:

**Retail Customer Commission:** Retail Customers purchase at full value (no discount) or 100% SRP. You'll receive a 20% sales commission on all your Retail Customer Sales. Paid weekly.

**Example:** You sell NeoDIM for \$39.99 to a Retail Customer. You earn 20% of the price paid, \$39.99, which means earnings for you of \$8.00.

**Preferred Customer Commission:** Preferred Customers purchase at a 20% Discount off SRP when they choose the option of a standing Autoship order. You earn 10% sales commission on Preferred Customer orders (through the Enroller and Level Bonuses, please see these sections later in document). Paid weekly.

**Example:** You sell NeoDIM for \$31.99 (20% off SRP) to a Preferred Customer. You earn 10% of the price paid, which means earnings for you of \$3.20.

**Enroller First-Order Bonus:** This special bonus allows for extra earnings on first orders from personally enrolled Preferred Customers and personally enrolled Team Members. This Bonus is paid weekly. First Order Bonuses will be paid retroactively within a given month once Team Member reaches Active status. First order bonuses will not be paid from past months in which the Team Member was not Active.

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**Examples:**

- 25% sales bonus on Preferred Customers first order - A new personally enrolled Preferred Customer places their first order for NeoDIM at \$31.99 (20% off SRP). The enrolling Team Member earns 25% of the price paid, or \$8.
- 25% sales bonus on Team Members first order with optional Product Pack - A new personally enrolled Team Member places their first order for the Fast Start Kit for \$400. The enrolling Team Member earns 25% of the price paid, or \$100.

**OR**

25% sales bonus on Team Members first order with any products- A new personally enrolled Team Member places their first order for the Mental Balance System at \$129.97. The enrolling Team Member earns 25% of the price paid, or \$32.50.

**NOTE 1:** Neogenics will assign a 50% PV to the first order placed by a Team Member or PC (wholesale). This amount will be applied to benefit the upline genealogy.

For example:

- if the first order is \$100 it would be assigned 50 PV.
- If the first order is \$400 it would be assigned 200 PV.

**NOTE 2:** Enroller First Order Bonus follows the Enroller Tree and not the Sponsor Tree. Another way to say this is that the First Order Bonus always goes to the Enroller of the new Team Member, even if they are placed under a different Sponsor. (See more on the Enroller Tree and Strategic Placement in this document to define who receives the First order bonus when Enroller and Sponsor differ.)

**Enhanced Commission:** You can earn up to an additional 10% Enhanced Commissions on your total personal sales volume in a month. This includes your Retail Customer sales, Preferred Customer sales and your own purchases for personal use. Sales Volume is credited based on the monetary amount paid for an order.

Total Personal Sales (PS) or Total Group Retail Sales (TGRS)	Earnings
\$500 to \$999 PS	5% Enhanced Commission
\$1,000+ PS <b>OR</b> \$5,000 TGRS	Additional 5% Enhanced Commission

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**Example:** Team Member reaches \$1200 in total personal sales in a given month. In addition to any Retail Customer Commissions, Preferred Customer Commissions, and First Order Bonuses, they also earn a total of 10% in Enhanced Commission, which totals \$120.

**Earn from Team Sales**

There are 2 components of the Team Sales Bonuses in this plan- Enroller Bonuses and Level Bonuses.

**Enroller Bonuses:** As a Team Member, you can earn an “Enroller” Bonuses on the sales in your first level Team Members. As you rank advance, this bonus increases to up to 2 Levels in your Enroller Sponsor Tree. Enroller Bonuses are calculated based on Point Value (PV) of the sales of all TMs and PCs in each given level.

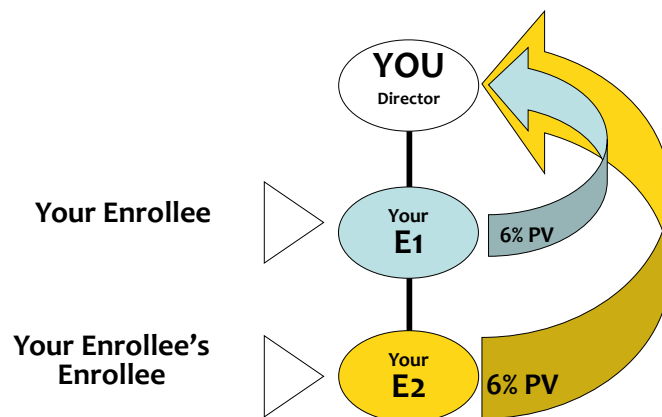
**Your Direct Enrollees (E1):** You earn an Enroller Bonus that will pay you 6% of the PV reached by every Team Member and every PC that you personally enroll (your E1). It should be noted that this is in addition to your 4% PV Level Bonus (for a total of 10% bonus, see Level Bonus later in this document).

**Example:** Your personally enrolled (E1) Team Member sells a Mental Balance System to a Preferred Customer for \$129.97 (20% off SRP, which is the same as PV). You earn the Enroller Bonus of 6% of PV of 129.97, earning you as the upline \$7.80.

**Your Indirect Enrollees (E2):** When one of your E1s enrolls a new Team Member, that person becomes their E1 and your E2. As a Director or higher rank, you can qualify to receive an E2 bonus of 6% of that PV from your E2’s sales. Again, this is in addition to your 4% PV level bonus (for a total of 10% bonus).

**Example:** Your E2 Team Member sells a Mental Balance System to a Preferred Customer for \$129.97 (20% off SRP, which is the same as PV). Your E1 Team member earns the Enroller Bonus of 6% of PV of 129.97, or \$7.80, and YOU also earn the Enroller Bonus of 6% of PV of 129.97, or \$7.80.

**Understanding Director and Higher Enroller Bonuses**



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**Level Bonuses:** As a Team Member, you can earn “Level” Bonuses on the sales in your first level. As you rank advance, this bonus increases to up to 3 Levels in your Placement Sponsor Tree. Level Bonuses are calculated based on Point Value (PV) of the sales of all TMs and PCs in each given level.

**Your Direct Enrollees (L1):** You earn a Level Bonus that will pay you 4% of the PV reached by every Team Member and every PC that you personally enroll (your L1). It should be noted that this is in addition to your 6% PV Enroller Bonus (for a total of 10% bonus, see Enroller Bonus earlier in this document).

**Example:** Your personally enrolled (L1) Team Member sells a Mental Balance System to a Preferred Customer for \$129.97 (20% off SRP, which is the same as PV). You earn the Level Bonus of 4% of PV of 129.97, or \$5.20.

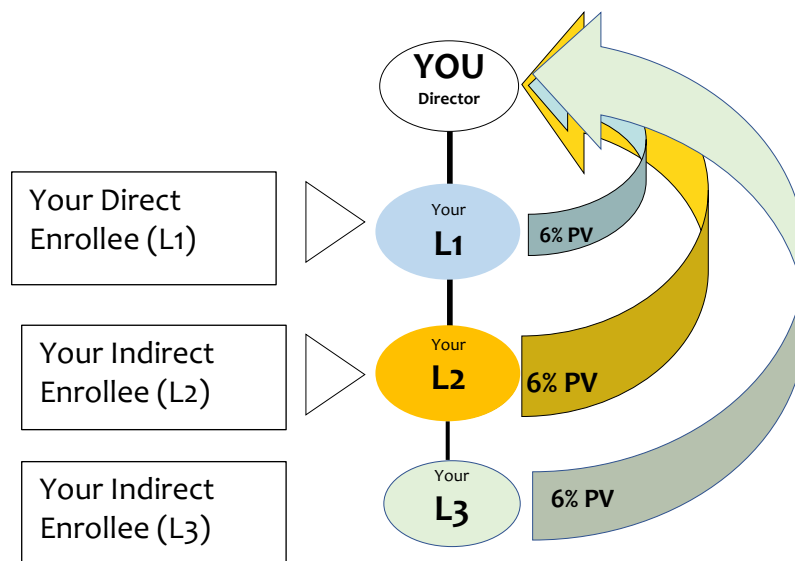
**Your Indirect Enrollees (L2):** When one of your L1s enrolls a new Team Member, that person becomes their L1, and your L2. As a Team Coach or higher rank, you can qualify to receive a bonus of 4% of PV from your L2’s sales. Again, this is in addition to your 4% PV level bonus (for a total of 10% bonus).

**Example (L2):** Your L2 Team Member sells a Mental Balance System to a Preferred Customer for \$129.97 (20% off SRP, which is the same as PV). Your L1 Team member earns the Level Bonus of 4% of PV of 129.97, or \$5.20, and YOU also earn the Enroller Bonus of 4% of PV of 129.97, or \$5.20.

**Your Indirect Enrollees (L3):** When one of your L2s enrolls a new Team Member, that person becomes their L1, and your L3. As a Director or higher rank, you can qualify to receive a bonus of 4% of PV from your L2’s sales. Again, this is in addition to your 6% PV Enroller Bonus (for a total of 10% bonus).

**Example (L3):** Your L3 Team Member sells a Mental Balance System to a Preferred Customer for \$129.97 (20% off SRP, which is the same as PV). Your L3 Team member earns the Level Bonus of 4% of PV of 129.97, or \$5.20 - as does your L2 Team Member (when they are Team Coach rank or higher), and so do YOU (when you are Director rank or higher).

**Understanding Director and Higher Level Bonuses**



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## The DIRECTOR Phase

The DIRECTOR Phase includes the ranks for Director, Associate Director and Senior Director. All Commissions and Bonuses outlined in the TEAM Phase ranks apply to the DIRECTOR Phase ranks.

### Important Definitions

**Leg:** A new “leg” is created when you personally enroll a new Team Member, or a new Team Member is placed at your Level 1. A leg contains (and will contain) the new Team Member, the new Team Member’s customers, and all the downline Team Members and their customers.

**Qualified Leg:** for rank qualifications, a leg with a total of at least 300 QV anywhere in the depth of the leg.

**Group Point Value (GPV):** Group Point Value is comprised of your PV and the PV of every Team Member in each leg of your downline, through infinite depth until another Director or higher rank is found in that leg. GPV is used to calculate all Generation Bonuses for the upline Director.

**Group Qualification Value (GQV):** Group Qualification Value is comprised of your QV and the QV of every Team Member in your team, through infinite depth. GQV is used to determine rank promotion qualification and rank maintenance qualification.

**Paid-As Rule:** Team Members that have qualified for a rank title will retain that title indefinitely, or until they promote to a new rank title. When they do not meet the maintenance qualifications of their rank title in a pay period, they will be PAID-AS the rank at which they qualify.

**60% Rule /40% Rule:** No more than 60% or 40%, as specified, of the Group Qualification Value (GQV) based on rank required for qualification or maintenance, can be counted from any one leg. The purpose of this rule is to encourage each Team Member to build multiple strong Legs. Any amount greater than the specified percentage of the rank required GPV that comes from one Leg of a Team Member’s team will not be counted toward the total required for advancement to, or maintenance of, that rank. After the 60/40 rule has been applied and Paid-As rank has been determined, the Team Member will be paid bonuses on all GPV according to that Paid-As rank.

### The Enroller and Sponsor Relationships

As an additional means for you to help others in your downline Sales Organization, Neogenics tracks two different types of relationships among its Team Members known as the “Enroller relationship” and the “Sponsor relationship”.

An **Enroller** is an existing Team Member of any rank that first explains the Neogenics business opportunity to a potential new Team Member, and subsequently helps that person to enroll as a Team Member. The Neogenics system thereby recognizes an “enroller relationship” between these two Team Members in a unique Enroller Tree and maintains it accordingly.

A **Sponsor** is a Team Member of any rank who is immediately upline from a new or existing Team Member, and is generally responsible for the day-to-day coaching, encouragement, and assistance of the Team



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Members immediately below them. The Neogenics system recognizes a “sponsor relationship” in a unique Sponsor Tree based on the placement position between these two Team Members and maintains it accordingly.

The Enroller and the Sponsor of a new Team Member can be the same person, though they do not have to be. With the dual relationship tracking system, the person who enrolls the new Team Member can elect to place the new Team Member in their downline under another Team Member, who becomes the Sponsor.

The importance of this relationship will become clear as you continue in this document. The original Enroller of a new Team Member is eligible for several exciting enhanced bonus programs to reward those individuals who commit their efforts to growing their organization.

### **Strategic Placement**

As you grow your team, you may encounter circumstances in which it would be beneficial to you and/or other members of your team for you to share the responsibility of supporting and assisting new enrollees for accelerated growth. The success of your downline team can be enhanced through the option to strategically structure your team. Neogenics has created “Strategic Placement” to allow for this enhancement.

To qualify to use the Strategic Placement tool:

- 1. Qualify for the rank of Director.**
- 2. Complete the Director Training Program.** This leadership training provides the knowledge and tools to grow your business through enhanced team building.

After completing both qualifications, you may choose to “place” a new Team Member enrollee with another Team Member on your team as their Placement Sponsor. This new Sponsor will take over the primary responsibility to help train and mentor the assigned Team Member.

Neogenics will recognize this new Sponsor relationship between these two Team Members in the company’s “Sponsor Genealogy Tree,” which tracks the Sponsorship relationships between Team Members by Level.

In this case, you will continue to receive the 6% E-1 PV Enroller Bonus, and you may earn a 4% PV Level Bonus based on where in your team you place the new Team Member (if they fall within your 3 levels for Level Bonus) and what rank you’re paid-as in the month. The Sponsor will earn the 4% PV Level Bonus.

**NOTE 1:** Preferred Customers are always placed at the Level 1 of the enrolling Team Member. Should a Preferred Customer upgrade to Team Member, the Director may use the Strategic Placement option to then “place” that Team Member under another Team Member. However, the newly placed Team Member’s personal sales (QV) will no longer count toward the Director’s personal sales (QV).

### **Optional Waiting Room**

Because it may not always be immediately apparent where your new Team Member should be placed in your downline team, Neogenics will allow you to place your new Team Member into the “Waiting Room” for up to a 30-day time period.

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Any sales or purchases created by the new Team Member will be credited to the original Enroller until the new Team Member is transferred to the Sponsor. Beginning on the date of placement, sales or purchase by the placed new Team Member will be credited to the Sponsor's downline volume.

**NOTE 1:** If the new Team Member is not placed within **30 days**, that new Team Member will be positioned permanently as the Level 1 of the original Enroller that recruited them. All new Team Member placement is considered permanent after 30 days, and no other changes will be allowed in their genealogical structure.

**Generation Bonuses**

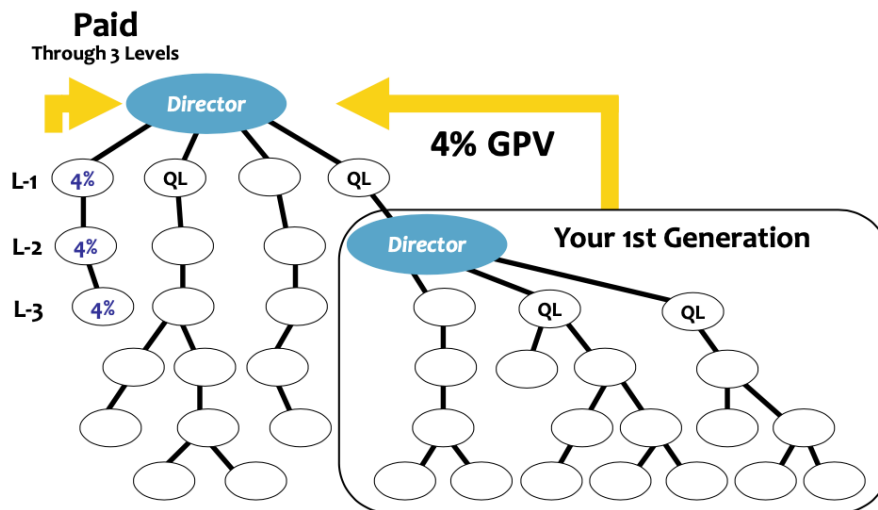
**Leadership Generation Bonuses:** When you become a Director, complete Director Training, and meet Active status, you may begin to qualify for Leadership Generation compensation.

**What Is A Generation?**

Upon achieving the rank of Director you may now participate in receiving a bonus on the entire Group PV created by people in your downline. These group bonuses are paid on all volume created, in each of your legs regardless of depth, until finding another Director or higher rank person in one of your legs. This then creates a second generation and this concept continues through the maximum number of 3 generations allowed in the compensation plan.

**You as a Director**

When a Team Member anywhere in the downline of one of your qualified legs becomes a Director, that Director becomes your 1st Generation. As long as you are Active and personally Qualified as a **Director** or higher rank, you will receive 4% Generation Bonus on that 1<sup>st</sup> Director's GPV.

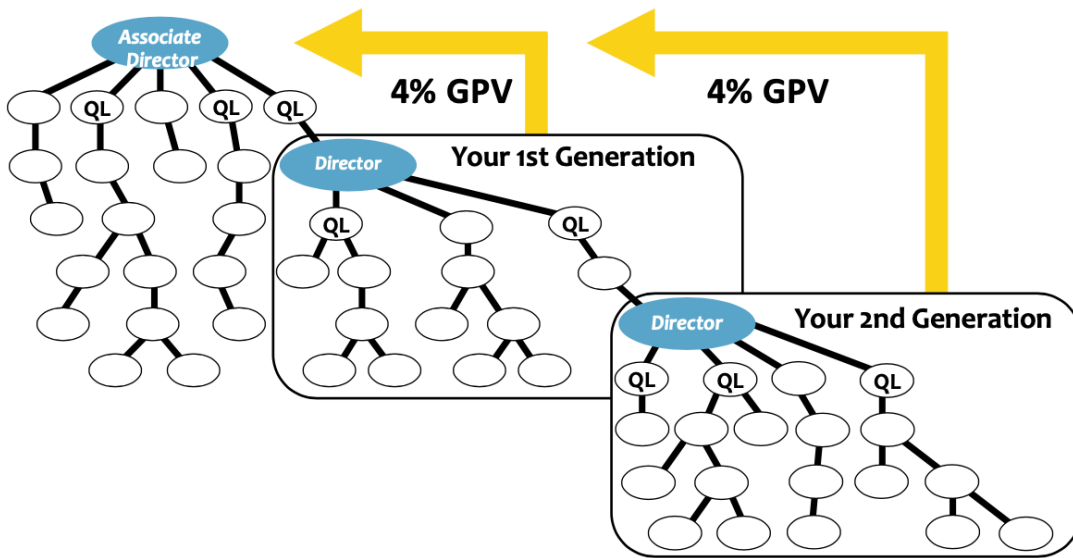


**“QL” = Qualified Leg**  
Note: A Qualified Leg does not necessarily have to start at Level-1.

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**You as Associate Director**

When your 1st Generation Director or higher rank person has someone in his/her group who becomes a Director, that person becomes your 2nd Generation and as long as you are Active and meet the qualifications of an **Associate Director** you'll also receive 4% Generation Bonus on that 2<sup>nd</sup> Director's GPV

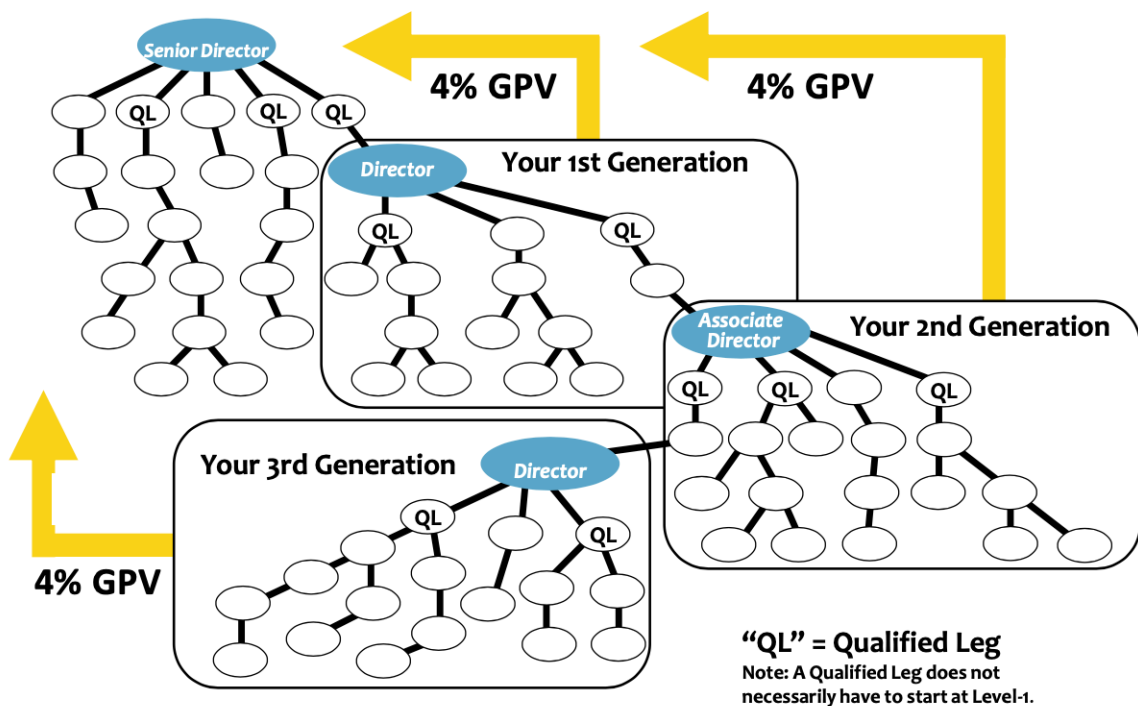


**“QL” = Qualified Leg**  
Note: A Qualified Leg does not necessarily have to start at Level-1.

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**You as a Senior Director**

When your 2nd Generation Director or higher rank person has someone in his/her group who becomes a Director, that person becomes your 3rd Generation and as long as you are Active and have been promoted to the rank of **Senior Director**, you receive 4% Generation Bonus generation residual bonus on this 3rd Director's GPV.



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**TEAM Phase and DIRECTOR Phases At A Glance**

	TEAM PHASE		DIRECTOR PHASE		
RANK	Team Member (TM)	Team Coach (TC)	Director (D)	Associate Director (AD)	Senior Director (SD)
<b>Qualification to Earn a Rank (in Qualifying Month)</b>					
	Purchase Team Member Welcome Kit (\$49.95)	Active <b>plus</b> 2 Personally Enrolled Active Team Members And 600 GQV	Active <b>plus</b> Complete Director Training <b>plus</b> 2 Qualified Legs <b>and</b> 2,500 GQV	Active <b>plus</b> 3 Qualified Legs with 1 containing a Qualified Director <b>and</b> 7,500 GQV	Active <b>plus</b> 4 Qualified Legs with 1 Leg containing a Qualified Director and 1 containing a Qualified Associate Director <b>and</b> 15,000 GQV
<b>Monthly Maintenance to Be Paid As Your Achieved Rank (in Maintenance Month)</b>					
	Be Active	Active <b>plus</b> 2 Personally Enrolled Active Team Members <b>plus</b> 300 GQV	Active <b>plus</b> 1,500 GQV	Active <b>plus</b> 5,000 GQV 60% Rule Applies	Active <b>plus</b> 10,000 GQV 60% Rule Applies
<b>Enroller Bonuses (E1 and E2)</b>					
	E1-6% PV	E1 -6% PV	E1-6% PV E2- 6% PV	E1-6% PV E2-6% PV	E1-6% PV E2- 6% PV
<b>Level Bonuses (L1, L2 and L3)</b>					
	L1 - 4% PV	L1 - 4% PV L2- 4% PV	L1 - 4% PV L2- 4% PV L3- 4% PV	L1 - 4% PV L2- 4% PV L3- 4% PV	L1 - 4% PV L2- 4% PV L3- 4% PV
<b>Leadership Generation Bonuses</b>					
GENERATION 1			4% GPV	4% GPV	4% GPV
GENERATION 2				4% GPV	4% GPV
GENERATION 3					4% GPV

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## The EXECUTIVE Phase

The EXECUTIVE Phase includes the ranks for Executive, Associate Executive and Senior Executive. All Commissions and Bonuses outlined in the TEAM Phase ranks apply to the DIRECTOR Phase ranks.

### Important Definitions

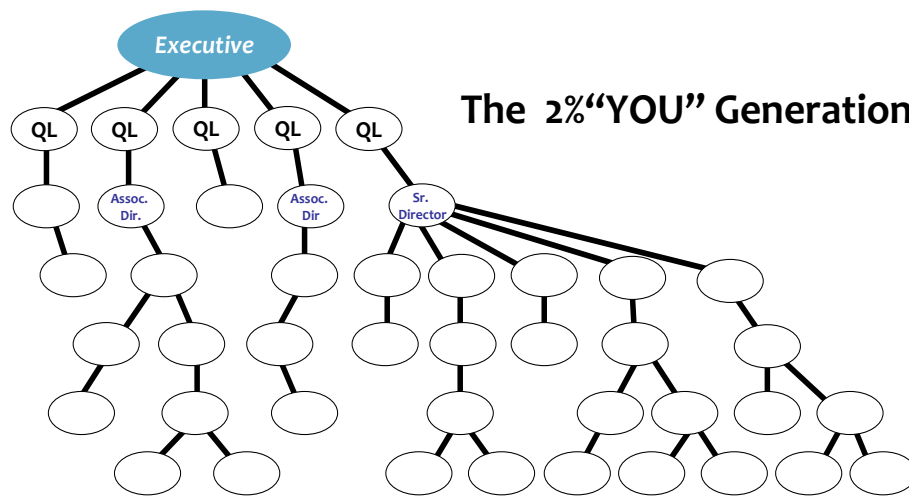
**PERSONAL GROUP POINT VALUE (PGPV):** This is the total Point Value accumulated by your Personal Group in one month.

**EXECUTIVE GENERATION POINT VALUE (EGPV):** This is the total Point Value accumulated by your Executive Group, or the Executive Group of one of your downline Executives, in one month.

**Executive Generation Bonuses:** When you become an Executive under the Neogenics plan, you begin to qualify for additional Generation Bonuses.

### Earning from the “YOU” Generation

As an Executive, you qualify for the “YOU” Generation Bonus – a 2% monthly bonus on your entire Executive Group. The “YOU Generation” consists of YOU as an Executive at the top of an organization and every Team Member Downline in that Organization and all Director Generations through each and every Leg until reaching another Team Member with the rank of Executive or higher within any Leg. The sum of all Team Members within these Legs, and you as the Executive or higher rank at the top, makes up the YOU Generation. It is important to understand that the “YOU” Generation is not level sensitive and provides an outstanding method for sales leaders to earn significant income on their personal Executive group.



**You earn 2% PGPV of Your Personal Downline**

**Paid to Infinite Depth!**  
*until another Executive ranked Team Member is created*

**“QL” = Qualified Leg**  
 Note: A Qualified Leg always starts at Level-1.

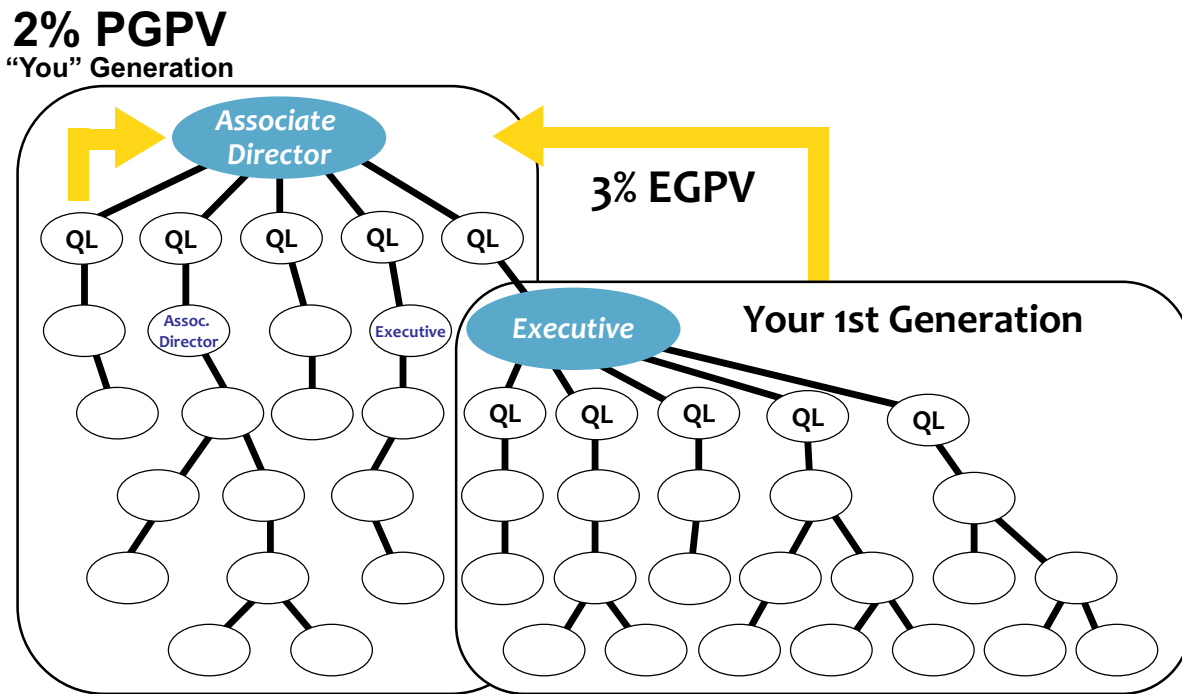
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**Earning from Executive Generations**

Executive Generation Bonuses are paid to unlimited depth in each generation until another qualified Executive or higher rank person is found. As you advance through the Executive ranks, you can earn Executive Generation Bonuses on up to 3 qualified Executive Generations in each leg. These are in addition to Director Generation Bonuses.

**You as an Executive**

As an Executive, When a Senior Director in your downline achieves the rank of Executive, that new Executive leaves your “YOU” Generation and becomes your Executive Generation 1. They will earn the 2% “YOU” Generation Bonus, and you will now earn a 3% Executive Generation Bonus on that Executive’s total EGPV.



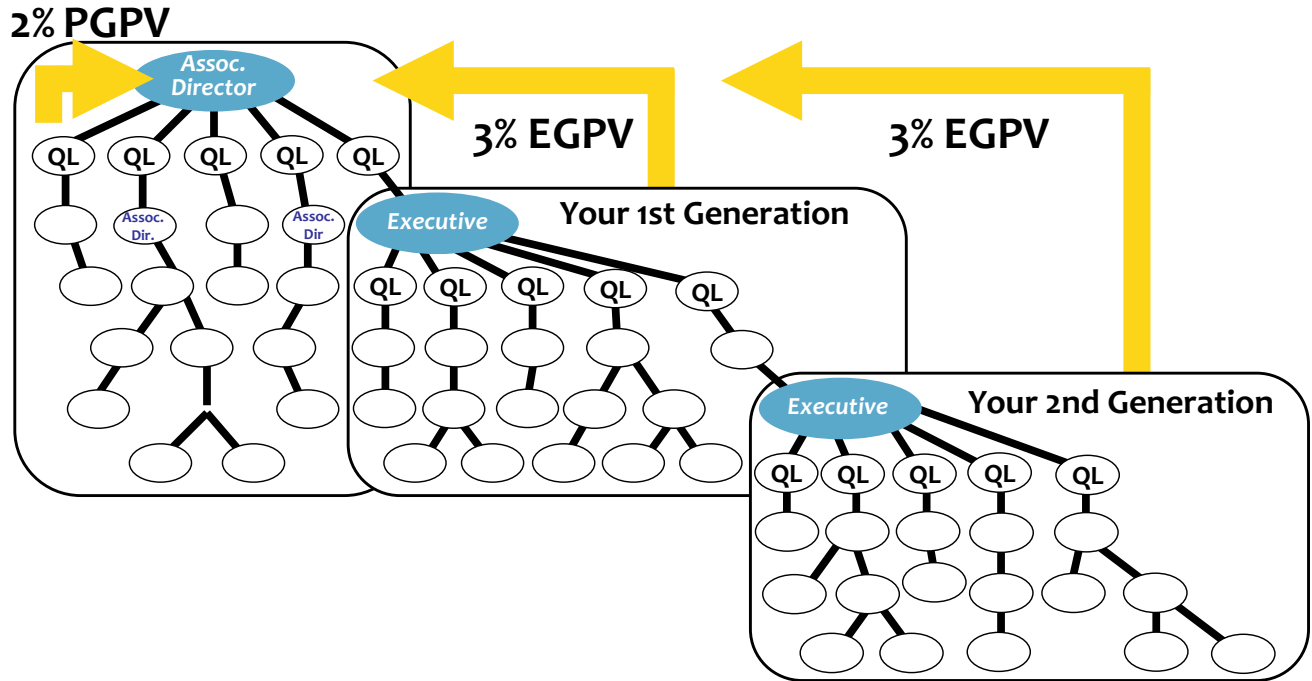
**You earn 3% EGPV on your 1<sup>st</sup> Executive Generation  
 To Next Executive!**

**“QL” = Qualified Leg**  
 Note: A Qualified always starts at Level-1.

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**You as an Associate Executive**

When you promote to Associate Executive, and your 1<sup>st</sup> Generation Executive has someone in their group who becomes a 1<sup>st</sup> Generation Executive, that person's organization becomes your 2<sup>nd</sup> Generation. You will now earn a 3% Executive Generation Bonus on that Executive's total EGPV.



**You earn 3% EGPV on your 2<sup>nd</sup> Executive Generation!**  
**To Next Executive!**

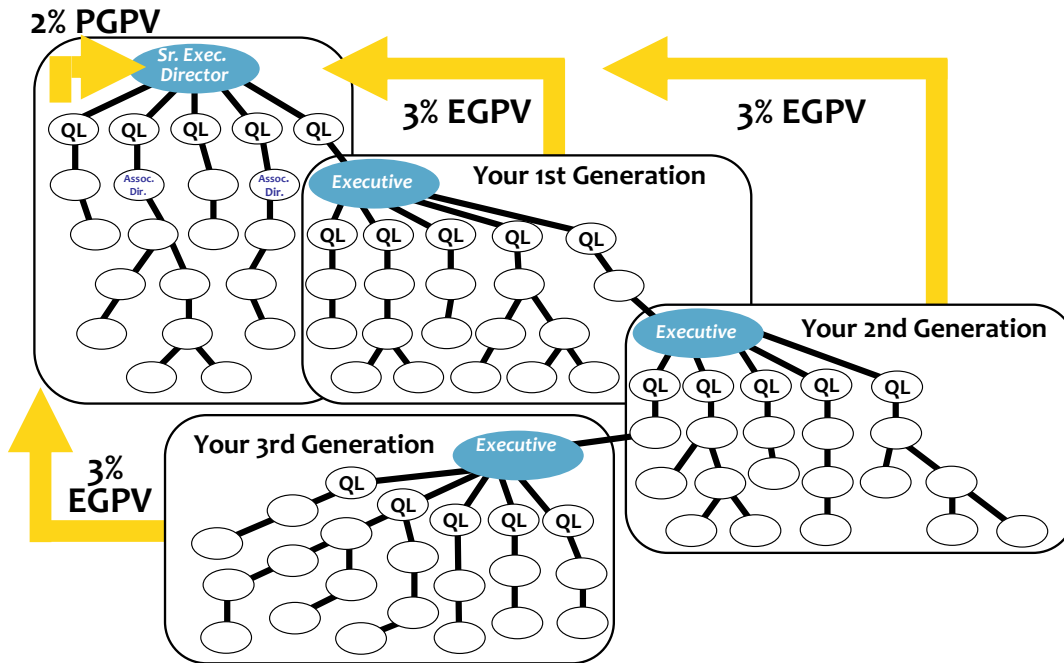
**“QL” = Qualified Leg**  
 Note: A Qualified always starts at Level-1.



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**You as a Senior Executive**

When you promote to Associate Executive, and your 2<sup>nd</sup> Generation Executive has someone in their group who becomes a 1<sup>st</sup> Generation Executive, that person's organization becomes your 3<sup>rd</sup> Generation. You will now earn a 3% Executive Generation Bonus on that Executive's total EGPV.



**You earn 3% EGPV on your 3rd Executive Generation!**  
**To Next Executive!**

**Executive Rank Generation Compression**

The term “compression” is used to describe the temporary condition that occurs when someone fails to meet the qualification maintenance requirements for a particular pay period.

Executives or higher rank are eligible to receive Executive Generation Bonuses when they meet maintenance requirements and are Active. Should an Executive not meet their maintenance qualifications in a month, they will be Paid-As the rank at which they do meet qualifications. This includes Executive Generation Bonuses being earned only to the depth of the current month's Paid-As rank qualification.

In the event a Team Member does not meet the minimum qualifications for Executive, for the purpose of paying upline Executive Generation Bonuses, the GPV created in that non-qualified Executive's generation will be subject to compression. The system searches that person's organization through all downline generations until it finds a qualified Executive or higher generation, then compresses the non-qualified Executive generation's EGPV with that of the first Qualified Executive generation creating a “Compressed Qualified Executive Generation” for payment purposes. This compression process continues through 3 Qualified generations no matter how deep in the genealogy until it has satisfied its payout requirements.

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**EXECUTIVE Phase At a Glance**

Rank	Executive (E)	Associate Executive (AE)	Senior Executive (SE)
<b>Qualification for Promotion</b>	Active <b>plus</b> 5 Qualified Legs containing 2 Associate Director Legs and 1 Senior Director Leg <b>And</b> 40,000 GQV	Active <b>plus</b> 5 Qualified Legs containing 2 Qualified Senior Director Legs and 1 Executive Leg <b>And</b> 75,000 GQV	Active <b>plus</b> 5 Qualified Legs containing 2 Qualified Senior Director Legs and 1 Associate Executive Leg <b>And</b> 150,000 GQV
<b>Monthly Maintenance Qualification</b>	Active <b>and</b> 40,000 GQV  40%* Rule Applies	Active <b>and</b> 75,000 GQV  40%* Rule Applies	Active <b>and</b> 150,000 GQV  40%* Rule Applies
<b>The "YOU" Generation</b>	2% PGPV	2% PGPV	2% PGPV
<b>Executive Generation 1</b>	3% EGPV	3% EGPV	3% EGPV
<b>Executive Generation 2</b>		3% EGPV	3% EGPV
<b>Executive Generation 3</b>			3% EGPV

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**GLOSSARY**

**ACTIVE:** Maintain at least 150 in customer QV. This is a combination of purchases made by your customers, PCs and product purchased for your personal or family use. Or, optionally, subscribe to a 100 personal QV (PQV) auto-ship order each month and be considered “Active.” Each month you are Active, you may receive bonuses based on the sales of other Team Members in your downline team.

**APPLICATION AND/OR AGREEMENT FORM:** This is a legal binding agreement between you and the Company, which covers your rights, duties, and responsibilities and those of the Company. This is vital and necessary information. The Policies & Procedures manual is an extension of this Agreement and should be read carefully.

**BONUS:** Not to be confused with Commissions. This is the remuneration that is based on the percentage of product sales volume of others downline of the payee in accordance with the respective provisions of the Compensation Plan.

**BONUS QUALIFIED:** You are Bonus Qualified when you are an Independent Team Member in good standing and have met the minimum personal sales requirements for the applicable pay period.

**WELCOME KIT:** Tools, forms, brochures, manuals and application forms, relative to the Neogenics business opportunity necessary to begin your new business.

**COMMISSION:** Although it is profit, the difference in the amount of money that an Independent Team Member earns when a product is sold at retail but purchased at wholesale is Commission. This should not to be mistaken as a Bonus. Some companies call a bonus a commission. It is important to understand the difference.

**COMPANY:** The Neogenics corporate or home office.

**COMPENSATION PLAN:** The official set of definitions and performance requirements, as published in the Neogenics Independent Team Member Business Manual, by which the Independent Team Members get paid.

**COMPRESSION:** Bonuses are earned by and paid to Independent Team Members that are considered Active. When an Independent Team Member fails to meet the minimum maintenance requirements for earning bonuses at his/her titled position, the Company's computer searches down through the Sales Organization until it finds an Active Independent Team Member no matter how far down it has to search. That Active Independent Team Member's personal volume for the unilevel plan will then “Compress” to include all the volume that may have been generated by any non-Active Independent Team Members in between to create the next level respectively until it has satisfied its payout requirements with Active Independent Team Member levels. The term “Compression” is used to describe the temporary condition that occurs when someone fails to meet the maintenance requirements for a particular pay period and the term.

**DIRECT:** Refers to an Independent Team Member that you have personally and directly enrolled. (See “Leg”)

**DOWNLINE:** Those people directly sponsored by an Independent Team Member, plus all the people whose line of sponsorship resulted from and came through that Independent Team Member. Your Downline consists of all Independent Team Members on your Level 1, Level 2, Level 3, etc., through unlimited depth. (See “Level”)

**ENROLL:** To sign and submit an Independent Team Member Application and Agreement form to Neogenics for the purpose of becoming an Independent Team Member for the Company.

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**ENROLLEE:** An enrolling or newly enrolled Independent Team Member or Preferred Customer.

**ENROLLER:** The Neogenics Independent Team Member who introduces an Enrollee to the opportunity, explains the program, assists in the enrollment, and provides preliminary training to the Enrollee.

**EXECUTIVE GENERATION POINT VALUE (EGPV):** This is the total Point Value accumulated by your Executive Group, or the Executive Group of one of your downline Executives, in one month.

**FRONT LINE:** Refers to all Independent Team Members that are personally sponsored and/or enrolled (Level 1) by a particular Independent Team Member or by the Company. (See also “Direct”) Although Preferred Customers are placed at Level 1 of the enrolling Team Member, they are not part of the Team Member genealogy tree. The term Front Line refers to Independent Team Members only.

**GENEALOGY:** The complete set of relationships (as defined by “Levels” and “Legs”) between a Team Member and his or her upline and Downline. It is the “family tree” of any Independent Team Member.

**GENEALOGY REPORT:** A computer printout of your Downline.

**GROUP POINT VALUE (GPV):** Your own PPV and the PPV of every Team Member and Team Coach in each leg of your downline, through unlimited depth, until another Director or higher rank is found in that leg.

**GROUP QUALIFICATION VALUE (GQV):** The total PQV created by all your downline Team Members and their Preferred Customers through unlimited depth is totaled to determine your GQV. This GQV is used to calculate various forms of qualification for earning new rank promotions and in rank maintenance in various phases of the Compensation Plan. It is usually subject to the 40% or 60% rule.

**I.D. #:** The identification number used by the Company to identify each Independent Team Member for Compensation Plan purposes.

**INDEPENDENT TEAM MEMBER:** The generic name for an independent contractor who has signed an Independent Team Member Application and Agreement form with the Company, and whose Independent Team Member Application and Agreement the Company has accepted. Upon acceptance of such Agreement by the Company, an Independent Team Member is eligible to purchase the Company's products at a wholesale price for resale and can enroll and sponsor other people into their Downline retail Sales Team. An Independent Team Member is eligible to earn Commissions and Bonuses in accordance with the terms and provisions of the Compensation Plan.

**INDIRECT:** All Independent Team Members in your Downline that are not directly enrolled by you. (See also “Downline”).

**LEG:** Each personally sponsored Independent Team Member on your first level is part of your total Downline and is a separate “Leg.” You and your entire Sales Team (Downline) are one “Leg” to your sponsor.

**LEVEL:** The people you personally enroll and/or sponsor are your first level. The ones they enroll and/or sponsor are your second level. The ones your second level sponsors are your third level, etc.

**MAINTENANCE:** The standard of performance involving an Independent Team Member that is required for that Independent Team Member to continue being “Paid As” a particular rank after meeting the initial qualification requirements for that rank.

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**MARKETING PLAN:** In Network Marketing this is also known as the Compensation Plan. It is usually depicted in a graphic manner in a promotional brochure and in detail in the Company's manual.

**MULTI-LEVEL MARKETING (MLM):** Another name for network marketing. (See “Network Marketing”)

**NETWORK MARKETING:** This is a non-storefront type of selling where a manufacturer or its Independent Team Members (a network marketing company) sells directly to the consumer through a “network” of independent contractors rather than through conventional outlets. Independent Team Members multiply themselves directly and indirectly by sponsoring other Independent Team Members and are paid accordingly on multiple levels.

**OPPORTUNITY MEETING:** A periodic meeting or gathering of Network Marketing Independent Team Members for the purpose of introducing and explaining the business opportunities to prospects.

**PAID AS:** Independent Team Members that have earned the various title designations according to their sponsoring and sales performance will retain those titles indefinitely even if they do not meet the specified bonus qualifications in a pay period. However, they will be PAID AS the rank for which they meet bonus qualifications for the pay period.

**PERSONAL POINT VALUE (PPV):** Every Neogenics product that is purchased carries an assigned “Point Value” (PV) that is generally equivalent to the Independent Team Member wholesale price applicable to each particular product. However, occasionally a low profit margin product may be assigned a PV that is less than Team Member wholesale, so it can be supported by the compensation plan. The accumulated PV of all products purchased by you, your directly enrolled Preferred Customers, and your retail customers during a given pay period are combined to determine your “Personal Point Value” (PPV) for that pay period. This PPV is used to calculate bonuses in the Compensation Plan. Unless otherwise specifically noted, Neogenics’ PV is 80% of suggested retail price.

**PERSONAL GROUP POINT VALUE (PGPV):** This is the total Point Value accumulated by your Personal Group in one month.

**PERSONAL QUALIFICATION VALUE (PQV):** The value assigned to each product for use in determining a Team Member’s “Active” status and rank qualification. The accumulated QV of all products purchased by you, your directly enrolled Preferred Customers, and your retail customers during a given pay period are combined to determine your “Personal Qualification Value” (PQV) for that pay period.

**“PAID AS” RULE:** Independent Team Members that have earned the various title designations according to their mentoring and sales performance will retain those titles indefinitely, even if they do not meet the specified bonus qualifications in a pay period. However, they will be PAID AS the rank at which they meet bonus qualifications for the pay period.

**PERSONAL GROUP:** For purposes of this Compensation Plan, a Personal Group consists of an Independent Team Member at the top of a Sales Team, and every Independent Team Member below that person in that Team, through each and every Leg.

**SPONSOR:** An Independent Team Member who agrees to be responsible for helping and developing another Independent Team Member with his business by teaching the new Independent Team Member how to build the business, and by assisting, encouraging and supporting him. Every Independent Team Member must be sponsored, either by another Independent Team Member in good standing with the Company, or by the Company itself. As consideration for being a Sponsor, the Independent Team Member may earn bonuses based on the PPV of Independent Team Member’s in their Downline, to the extent that the Sponsor is qualified. It is important to

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note that in some other Network Marketing companies, the term Sponsor may include the act of introducing prospective new Independent Team Members. In Neogenics this is called “enrolling”. While bonuses may be earned for being a Sponsor, no payment is ever made for recruiting or enrolling. (See “Enroll”)

**POINT VALUE (PV):** One (1) US dollar equals 1 Point. The assigned value on which team bonuses are calculated, usually 80% of Suggested Retail Price. As Neogenics adds additional products to its line, some lower profit margin products may be assigned a different PV rate, so they can be supported by the compensation plan.

**POLICIES & PROCEDURES:** The governing rules of Neogenics that define the relationship between the Company and its Independent Team Members, as well as between Independent Team Members and other Independent Team Members. The Policies & Procedures are specifically incorporated into and made a part of the Independent Team Member’s Agreement, which each Independent Team Member must sign in order to enroll.

**PREFERRED CUSTOMER PROGRAM:** Someone who does not want to participate in the Network Marketing opportunity but would like to purchase Neogenics products at wholesale prices may subscribe to an Auto-ship and be considered a Preferred Customer.

**PRODUCT SALES:** Product sales include nutritional supplements and other retail consumer product or services. Team Members Sales Aids are not considered Products and are not part of the commission and bonus program.

**PROSPECT:** A person to whom you want to offer the Neogenics business opportunity.

**QUALIFICATION VALUE (QV):** The value assigned to each product for the purpose of determining “Active” status and rank. *In most cases, the QV and the PV of a product will be the same, although not always. You can always check the Company’s current price list for the SRP, PV and QV of each product.*

**QUALIFIED:** An Active Independent Team Member that is qualified to be “Paid As” a particular rank is considered Qualified at that rank. (See “Paid As”)

**QUALIFIED LEG:** A leg that contains a total of at least 300 Qualification Value (QV) somewhere in the depth of the leg is considered to be a Qualified Leg.

**RANK:** A new title is claimed at each level with increased percentages of bonus participation. You will always carry the title of the highest rank you reach but are paid at the rank for which you qualify each month.

**RECRUITING:** Inviting others to join your Team to share the same opportunity.

**RENEWAL:** Neogenics Independent Team Members must renew their Independent Team Member Agreement each year no later than the anniversary date of their joining the Company. If an Independent Team Member does not renew their relationship with Neogenics, they will be removed and any sponsored or enrolled Independent Team Members will be moved up to the next active Independent Team Member. If they wish to rejoin Neogenics at a later date, they may not reclaim their previous rank or Downline, but must join at the standard entry level in the program. (See Roll-up) (See Policies and Procedures)

**RETAIL:** Sales of the Neogenics products to the end users of those products.

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**RETAIL COMMISSION:** Regardless of your rank, you have the opportunity to purchase and sell products and services and receive a retail commission on all of the Neogenics products.

**ROLL-UP:** The permanent form of Compression. When an Independent Team Member terminates his Independent Team Member Agreement or does not exercise the yearly renewal, their entire Downline rolls upline to his sponsor or the next qualified person and their name is deleted from the Company records. (See Compression).

**70% RULE:** Seventy per cent (70%) of products obtained from Neogenics must be retailed or consumed before reorders are made. (See Policies and Procedures)

**SALES TEAM:** Your Sales Team consists of you and the people that you directly enroll as Independent Team Member's, and the people that they enroll as Independent Team Members, and so on, and so on, and so on. There is no limit to how wide or deep that your Sales Team can grow. (See "Downline" and "Leg")

**SUGGESTED RETAIL PRICE (SRP):** This is the retail dollar value assigned to a product for purposes of calculating retail commissions and enhanced commissions.

**TOTAL GROUP RETAIL SALES (TGRS):** As it relates to enhanced commissions, this is the total PRS created by you and all your Team Members in the Sponsor genealogy calculated to infinite depth. This TGRS is used to determine qualification for earning Enhanced Commissions.

**UNLIMITED DEPTH:** As used in this Compensation Plan, the term "unlimited depth" describes any number of levels in depth that is not blocked by another Team Member of the specified, or higher, rank.

**UPLINE:** The term "upline" refers to that portion of either your Enroller or Sponsor genealogy that precedes you. Your upline consists of the Independent Team Member who is your Enroller and/or Sponsor, and his Enroller and/or Sponsor, and his Enroller and/or Sponsor, etc., all the way to the Company. (See also "Enroller" and "Sponsor")

**60% RULE/40% RULE:** No more than 60% or 40%, as specified, of the Group Qualification Value (GQV) based on rank required for qualification or maintenance, can be counted from any one leg. The purpose of this rule is to encourage each Team Member to build multiple strong Legs. Any amount greater than the specified percentage of the rank required GPV that comes from one Leg of a Team Member's team, will not be counted toward the total required for advancement to, or maintenance of, that rank. However, the Team Member will be paid bonuses on all the PV, from whatever source, that the Team Member is entitled to be paid upon for the "Paid As" rank at which that Team Member is qualified, *AFTER* application of the 60% rule or the 40%, regardless of whether or not the corresponding QV was used to determine the "Paid As" rank.