




# The Shaklee Compensation Plan

Shaklee®



# Who We Are

For over 65 years, Shaklee has led the way with our innovative products, social selling model, and commitment to environmental responsibility. Here, you will learn the details about how to earn as an Ambassador with Shaklee. Whether you want to earn by sharing products or go a step further and build a team, we reward you for however you want to grow. You decide. Together, we are bringing true wellness to the world, one person, one family, one community at a time.



# The Shaklee Compensation Plan

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## The Compensation Plan and Your Agreement with Shaklee

The Shaklee Compensation Plan (this “Compensation Plan”) identifies the earnings opportunities available to Ambassadors and sets forth the sales and organizational requirements necessary to earn commissions and achieve other earnings under this Compensation Plan. This Compensation Plan is incorporated into, and made a part of, the Shaklee Statement of Privileges and Responsibilities (“P&R”). Capitalized terms in this document are defined in the Glossary of Terms. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the P&R.

This Compensation Plan is designed to compensate Ambassadors for their sales of Shaklee products including (i) their sales to their Personal Customers, and (ii) sales that are made to customers by the sales organization that such Ambassadors develop. As with any earnings opportunity, the compensation earned by Ambassadors varies significantly. The success or failure of each Ambassador in relation to the Shaklee product sales and earnings opportunity depends on each Ambassador’s own individual capacity, experience, expertise, skills, personal effort, and motivation. Shaklee is a product-driven company that strongly encourages people to experience Shaklee products before deciding to participate as an Ambassador and attempting to build a business. See the Average Earnings Statement posted on the Shaklee website and available at [www.shaklee.com/earnings](http://www.shaklee.com/earnings) for information on typical Shaklee Ambassador earnings.

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## Shaklee Membership and Ambassadorship Policies

To be eligible to become a Member or Ambassador in the United States, U.S. territories or Canada, individuals must meet all of the following requirements:

- Be at least 18 years of age.
- Reside in the United States, U.S. territories or Canada
- Complete an online or paper Shaklee Individual Ambassador Application, Business Entity Ambassador Application, Tax-Exempt Entity Application, or, the Member Application, whichever is applicable, that is accepted by Shaklee.

### Retail Customer

A Retail Customer is someone who purchases Shaklee products but has not yet made the decision to become a Member. A Retail Customer does not receive certain advantages that a Member does, such as discounted pricing and participation in loyalty or referral programs that Shaklee may offer from time to time. A Retail Customer is not eligible to sell Shaklee products or to receive cash bonuses or other compensation unless and until they become an Ambassador.



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## Member

A Member is someone who wants to enjoy Shaklee products at a discounted price. A Member is not eligible to sell Shaklee products or to receive cash bonuses or other compensation unless and until they become an Ambassador. To become a Member, you must sign a Shaklee Individual Application or Shaklee Tax-Exempt Entity Application as a Member and purchase a Member Kit. From time to time, Shaklee may offer a complimentary Membership, waiving the requirement to purchase a Member Kit.

## Ambassador

An Ambassador is someone who wants to participate in the Shaklee Compensation Plan by selling Shaklee products and potentially building a sales organization. An Ambassador is eligible to receive pricing discounts and may sell Shaklee products, earn bonuses, and receive other compensation. To become an Ambassador, an individual must sign a Shaklee Individual Application that is accepted and approved by Shaklee, purchase an Ambassador Welcome Kit and, if in the United States or U.S. territories, provide a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN).

If a Member subsequently decides to become an Ambassador and meets the requirements above, the change in status will take effect as of the date Shaklee determines the requirements have been met.

A business entity may become an Ambassador by signing an Ambassador Application for Corporations, General Partnerships and Limited Liability Companies that is accepted by Shaklee, providing its Federal Employer Identification number (FEIN) if in the United States or U.S. territories and purchasing an Ambassador Welcome Kit.

A tax-exempt entity may become an Ambassador by signing a Tax-Exempt Entity Application and Agreement that is accepted and approved by Shaklee, providing its Federal Tax Identification Number if in the United States or U.S. territories, and purchasing an Ambassador Welcome Kit.

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## Product Pricing

All Members and Ambassadors are eligible for the Member/Ambassador (MP) price, a discount of 15% from the Suggested Retail Price, when ordering directly from the Company. Business Leaders are eligible for Leader Pricing at 25% off the Suggested Retail Price.

Retail Customers pay the Retail Customer Price.

In some cases, a Member who joined prior to June 1, 2024 may pay the Director price. The Sales Commissions on their orders will be paid at 10% and the PV for bonuses paid on their orders will be set at 90% of the Product Point Value on their orders.



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In some cases, an Ambassador who joined prior to June 1, 2024 will pay a price other than the Member/Ambassador price. If that Ambassador transfers to the Shaklee Compensation Plan their pricing will change and they will pay the Member/Ambassador price until they advance to Director.

Shaklee Ambassadors can always determine the prices they charge when reselling products from their inventory.

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## Start Sharing and Earn 30% Commission

*Earning commissions starts with the customer. By providing a great experience, you'll open doors to new and expanded sharing opportunities. You can start earning by sharing Shaklee products – at any level of commitment.*

## 30 for 30 Bonus

All Ambassadors are eligible to earn the 30 for 30 Bonus. There is no Active Volume requirement for this bonus.

Each time you personally enroll a new Member or Retail Customer, you earn a minimum 30% commission on all of the Product Purchases your new Member or new Retail Customer makes within the first 30 days from their enrollment.

You can also earn more than 30%. When you have Customer Sales of at least \$7500, with at least 20 Purchasing Customers for the month, you earn 35% on all of the Product Purchases they make within that month. And when you have Customer Sales of at least \$10,000, with at least 30 Purchasing Customers for the month, you earn 40% on all of the Product Purchases they make within that month.

In addition, each time you personally enroll a new Ambassador, you earn a 30% commission on all of the Product Purchases they make during the first 30 days from their enrollment. There is no commission paid on the Ambassador Starter Kit or any other sales aids.

The 30 for 30 Bonus is paid on the Purchase Price of the Product Purchases.

### Example:

Ambassador Nancy enrolls a new Member, Meg, on June 8. Meg has an order with a Purchase Price of \$150 on June 8, another order for \$50 on June 28, an order for \$100 on July 7 and an order for \$100 on July 8.

The June 8, June 28 and July 7 orders are all within Meg's first 30 days from her enrollment. Nancy earns 30% on the Purchase Price on each of them.  $(\$150 + \$50 + \$100) \times 30\% = \$90$ .



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The July 8 order is after Meg's first 30 days have elapsed. Instead of a 30 for 30 Bonus, Nancy is eligible to earn a Sales Commission on that order and all of Meg's subsequent orders.

## Weekly Advance

Weekly Advance is a pre-payment of your monthly 30-for-30 Bonuses when you sign up for direct deposit of your bonuses. The weekly portion will be advanced at 30%.

Your 30 for 30 Bonuses are recalculated at the end of each month, based on the aggregate of all applicable orders, including all returned, canceled, or modified orders. The difference between any weekly prepayments and your final 30 for 30 Bonus for the month (including the additional 5% or 10% when you qualify for a 30 for 30 Bonus on your new Members and Retail Customers at the 35% or 40% level) will be paid to you as part of your monthly bonus payout. .

Qualifying 30 for 30 bonuses for the week ending at 3:00 pm Pacific Time each Wednesday will be advanced each Thursday.

## Sales Commission

When you qualify as an Ambassador II or higher (meaning that you have at least 75 Active Volume), you are eligible to earn a Sales Commission of 10%-40% on Product Purchases made by your Personal Customers. The percentage you earn is based on your Customer Sales and Purchasing Customer Count for the month, as follows:

Customer Sales	Purchasing Customer Count	Sales Commission
Up to \$499	1	10%
\$500 - \$999	3	15%
\$1,000 - \$2,999	5	20%
\$3,000 - \$4,999	10	25%
\$5,000 - \$7,499	15	30%
\$7,500 - \$9,999	20	35%
\$10,000 and up	30	40%



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For your Personal Customers, you will begin to earn the Sales Commission on their Product Purchases after their first 30 days have elapsed, as the 30 for 30 Bonus will replace the Sales Commission for the first 30 days of purchases.

The Sales Commission is paid on the Purchase Price of the commissionable products on the order(s).

In some cases, a Member who joined prior to June 1, 2024, may pay “DP” price for their orders. The Sales Commission on any orders priced at DP will be paid at 10%.

Your Customer Sales and Purchasing Customer Count include the purchases of your Personal Customers who are still in the first 30 days from their enrollment, which can help to increase the Sales Commission percentage you earn on your returning customers.

**Example:**

Ambassador Robert sponsors three new Members in June, each with an order with a Purchase Price of \$150, for a total of \$450. Robert also has six Members who are past their first 30 days who purchase \$100 each for a total of \$600.

Robert’s Customer Sales for June are \$1,050 (\$450 from the new Members and \$600 from his existing Members). Likewise, his Purchasing Customer Count is nine. Robert’s Sales Commission percentage for June is 20% and he is paid as follows:

30 for 30 Bonus on the purchases of the three New Members:	$\$450 \times 30\% = \$135$
Sales Commission on the purchases of the six existing Members:	$\$600 \times 20\% = \$120$
	Total \$255

**Roll-up of Sales Commissions**

If an Ambassador does not have 75 Active Volume (and therefore does not qualify as an Ambassador II or higher in a particular month), the Sales Commissions on that Ambassador’s Personal Customers will roll up and be paid to the next Ambassador upline with 75 Active Volume. The rolled-up Sales Commissions will be paid at the 10% rate.

The Customer Sales of an Ambassador who is not active do not count toward the Customer Sales, Purchasing Customer Count or Sales Commission Percentage of the upline Ambassador.



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## Example:

Ambassador Robert in the example above is the sponsor of Ambassador Mimi. Mimi has no Active Volume this month but has three Purchasing Customers whose total product purchases for the month are \$400.

Mimi is not eligible to earn a Sales Commission for the month because she does not qualify as an Ambassador II.

Robert earns \$40 Sales Commission on Mimi's Personal Customers ( $\$400 \times 10\%$ ). Robert's Active Customer Count does not include Mimi's three Active Customers, and his Customer Sales does not include the \$400 purchased by Mimi's customers.

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## **Paid on Personal (POP) Rebate – Enjoy the Shaklee Products You Love**

No one wants to share a product they haven't fallen in love with yet, so we make it affordable for you to fully "Shaklee-ize" your home and experience the benefits of our high quality wellness products for nutrition, body, and home.

A huge perk of being an Ambassador is that you can earn a POP Rebate on up to \$750 of your personal Product Purchases each month. The percentage paid on your personal purchases in a month will be the same as the Sales Commission percentage you qualified for that month.

## Example:

Ambassador Robert, in the Sales Commission example above, had personal purchases at Purchase Price of \$300. His POP Rebate for June is  $\$300 \times 20\%$  (his Sales Commission rate) = \$60.





# The Shaklee Compensation Plan

## The Team Builder Path

As you move through the Team Builder Path, and achieve the title of Ambassador II and higher, you can earn additional bonuses, receive recognition and qualify to participate in incentive trips. Below is a chart with the requirements to achieve the different titles in the Shaklee Compensation Plan.

	Active Volume	Customer Volume	Personal Team Volume	Organizational Volume	OV Outside the Strongest Leg	First Generation Business Leaders	Master Legs
Ambassador I (AMBI)	N/A						
Ambassador II (AMBII)	75						
Ambassador III (AMBIII)	75		500				
Director (DIR)	75	500	2000				
Senior Director (SRDIR)	75	500	2500			1	
Coordinator (CRD)	75	500	3000			2	
Sr. Coordinator (SRCRD)	75	500	3000	10,000		2	
Executive Coordinator (EXEC)	75	500	3500	20,000		3	
Sr. Executive Coordinator (SREX)	75	500	3500	30,000		3	
Key Coordinator (KEY)	75	500	4000	50,000	25,000	4	
Sr. Key Coordinator (SRKEY)	75	500	4500	75,000	37,500	5	
Master Coordinator (MSTR)	75	500	5000	100,000	50,000	6	
Sr. Master Coordinator (SM)	75	500	6000	200,000	100,000	8	
Presidential Master Coordinator (PM)	75	500	7000	500,000	250,000	10	2



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## Title Advancement and Maintenance

- All title advancements are effective retroactive to the beginning of the month in which Shaklee determines qualifications have been met.
- To advance to the title of Key Coordinator or above, you must be paid at that title or higher for three consecutive months.
- Title maintenance requirements are the same as the requirements for advancement.

## Retitling

If a Business Leader (an Ambassador with the title of Director or higher) does not meet the title maintenance requirements for at least Director, they will be retitled to the Ambassador title for which they fully qualify effective retroactive to the beginning of the month in which maintenance requirements were not met. Upon retitling, the former Business Leader's price tier will be reset to "MP".

To be reinstated as a Director, the former Business Leader must meet the qualifications for advancement above.

Shaklee has established a time limit to prevent Leadership Bonuses (Generation, Infinity, Infinity Matching and Presidential Master Organization Bonuses) paid on established leaders, from being paid to new or reinstated Directors who intervene in the Sponsorship Line above the established Business Leaders. See Unjust Enrichment in the Glossary of Terms.



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## More Opportunities to Earn as You Advance in Title

The table below shows when bonuses are available along the Team Builder Path, with additional details on each bonus on the following pages.

	Level 1 Bonus	Level 2 Bonus	Director Team Bonus	Generation Bonus	Infinity Bonus	Infinity Matching Bonus	Presidential Master Organization Bonus
Ambassador II	6%						
Ambassador III	8%						
Leadership Titles							
Director	10%	2%	6%	Gen 1-2			
Sr. Director	10%	2%	6%	Gen 1-2			
Coordinator	10%	2%	6%	Gen 1-2			
Sr. Coordinator	10%	2%	6%	Gen 1-2			
Executive Coordinator	10%	2%	6%	Gen 1-3			
Sr. Executive Coordinator	10%	2%	6%	Gen 1-4			
Key Coordinator	10%	2%	6%	Gen 1-4	2%		
Sr. Key Coordinator	10%	2%	6%	Gen 1-4	2.5%	10%	
Master Coordinator	10%	2%	6%	Gen 1-5	3%	15%	
Sr. Master Coordinator	10%	2%	6%	Gen 1-6	3.5%	20%	
Presidential Master	10%	2%	6%	Gen 1-6	4%	25%	Up to 1%



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## PV for Bonuses (Commissionable Point Value)

Level 1, Level 2, Director Team, Generation, Infinity, Infinity Match and Presidential Master Organization Bonus ("Bonuses") are paid on point value, rather than on Purchase Price.

Each Shaklee product is assigned a Product Point Value. This value may be the same as or may be different than Qualifying Volume (QV).

All Bonuses are paid on commissionable Point Value ("PV"), which is defined and determined as follows:

Ambassador Orders (unless 30 for 30 Bonus is paid on the order)	100% of the Product Point Value on the order
If a 30 for 30 Bonus is paid	50% of the Product Point Value on the order
If a 10% Sales Commission is paid	100% of the Product Point Value on the order
If a 15% Sales Commission is paid	100% of the Product Point Value on the order
If a 20% Sales Commission is paid	90% of the Product Point Value on the order
If a 25% Sales Commission is paid	85% of the Product Point Value on the order
If a 30% Sales Commission is paid	80% of the Product Point Value on the order
If a 35% Sales Commission is paid	75% of the Product Point Value on the order
If a 40% Sales Commission is paid	70% of the Product Point Value on the order

If a Sales Commission is paid on an order priced at DP, the Sales Commission will be paid at 10% and the PV will be 90% of the Product Point Value on the order.



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## Level 1 Bonus

When you qualify as an Ambassador II or higher, you are eligible to earn the Level 1 Bonus on the PV of the Product Purchases of each of your Level 1 Ambassadors and of their Personal Customers. The Level 1 Bonus is earned regardless of the title of your Level 1 Ambassador, meaning they could be a Business Leader and you would still earn the Level 1 Bonus. If an Ambassador does not qualify as an Ambassador II or higher, no Level 1 Bonus is paid on the Product Purchases of that Ambassador's Level 1 Ambassadors or those of the Level 1 Ambassadors' Personal Customers.

Paid As Title	Level 1 Bonus
Ambassador II	6%
Ambassador III	8%
Director and higher	10%

## Level 2 Bonus

When you qualify as a Director or higher, you earn the Level 2 Bonus of 2% of the PV of the Product Purchases of each of your Level 2 Ambassadors, regardless of their title, and of their Personal Customers. If an Ambassador does not qualify as a Director or higher, no Level 2 Bonus is paid on the Product Purchases of the Ambassador's Level 2 Ambassadors or those of the Level 2 Ambassadors' Personal Customers.

## Director Team Bonus

When you qualify as a Director or higher, you earn a Director Team Bonus of 6% of the PV from the Product Purchases of all of your Ambassadors and their Personal Customers, down to but excluding the first Director or higher and anyone below that Director or higher.



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## Level and Director Team Bonuses are "Stackable"

The Level 1 and Level 2 Bonuses are paid in addition to other bonuses Directors and higher may be eligible for on the same PV:

	Director Team Bonus	Level Bonus	Total Bonus Earned
Level 1	6%	10%	16%
Level 2	6%	2%	8%
Level 3	6%		6%
Level 4	6%		6%
And so on until a Director is reached	6%		6%



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## Example:

Director Dave personally sponsored Ambassador Nancy. Nancy in turn personally sponsored Ambassador Pete, Pete personally sponsored Ambassador Tina, and Tina personally sponsored Ambassador Oliver. Director Dave and Ambassadors Pete and Tina earn Level 1, Level 2 and Director Team Bonuses on the PV from Product Purchases as follows (Nancy and Oliver do not meet the 75 Active Volume requirement and are not eligible for Bonuses.)

	Level	PV	Dave's Bonuses	Pete's Bonuses	Tina's Bonuses
<b>Ambassador I Nancy</b>	1	50	10% Level 1 + 6% Director Team = $16\% \times 50 = \$8$		
<b>Nancy's Customers</b>	1	200	10% Level 1 + 6% Director Team = $16\% \times 200 = \$32$		
<b>Ambassador III Pete</b>	2	100	2% Level 2 + 6% Director Team = $8\% \times 100 = \$8$		
<b>Pete's Customers</b>	2	500	2% Level 2 + 6% Director Team = $8\% \times 500 = \$40$		
<b>Ambassador II Tina</b>	3	75	6% Director Team Bonus x 75 = \$4.50	8% Level 1 x 75 = \$6	
<b>Tina's Customers</b>	3	175	6% Director Team Bonus x 175 = \$10.50	8% Level 1 x 175 = \$14	
<b>Ambassador I Oliver</b>	4	0	6% Director Team Bonus x 0 = \$0		6% Level 1 x 0 = \$0
<b>Oliver's Customers</b>	4	100	6% Director Team Bonus x 100 = \$6		6% Level 1 x 100 = \$6
<b>Total Level 1, Level 2 and Director Team Bonuses</b>			\$109	\$20	\$6



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## Generation Bonuses

*Open up access to Generation Bonuses when someone on your team advances to Director.*

When someone in your Organization qualifies as a Director, they become a Generation to you. The first Director down any leg is your First Generation Leader for that leg. That First Generation includes the PV from all of the product purchases made by that Director and by all Ambassadors, Members and Retail Customers under them, down to but excluding the next Director or higher in that line. That next Director is your Second Generation Leader, and so on.

When you qualify as a Sr. Director or higher, you become eligible to earn Generation Bonuses up to six generations deep, as follows:

Paid As Title	Generation 1	Generation 2	Generation 3	Generation 4	Generation 5	Generation 6
Sr. Director	6%	3%				
Coordinator	6%	4%				
Sr. Coordinator	6%	5%				
Executive Coordinator	6%	6%	4%			
Sr. Executive Coordinator	6%	6%	4%	2%		
Key Coordinator	6%	6%	4%	4%		
Sr. Key Coordinator	6%	6%	4%	4%		
Master Coordinator	6%	6%	4%	4%	3%	
Sr. Master Coordinator	6%	6%	4%	4%	3%	3%
Presidential Master Coordinator	6%	6%	4%	4%	3%	3%





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Generation Bonuses are paid on PV.

Generation Bonuses feature dynamic compression – meaning that if one of the Leaders in your downline reverts to a title below Director, the next Director or higher below them in that leg moves up a generation. The PV is also compressed. If the reverted Director was on your First Generation, the PV of the reverted Director and that of the Ambassadors, Members and Retail Customers down to but excluding the next Director or higher compresses into your Director Team. If the reverted Director was on your Second Generation, the PV compresses into your First Generation, and so on.

## Infinity Bonus

*Increase your earnings potential on top of the Generation Bonuses when you reach Key Coordinator.*

In addition to Generation Bonuses, once you qualify as a Key Coordinator and higher, you can earn an additional bonus on the PV from an infinite number of generations. The Infinity Bonus boosts what you earn from your Generation Bonuses and allows you to earn on PV from generations beyond those paid by the Generation Bonus.:

Paid as Title	Infinity Bonus
Key Coordinator	2%
Sr. Key Coordinator	2.5%
Master Coordinator	3%
Sr. Master Coordinator	3.5%
Presidential Master Coordinator	4%

Infinity Bonuses are paid on PV and are paid differentially. You are paid the difference between the percentage you qualify for and the percentage your downline Business Leader qualifies for.



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## Example:

Master Coordinator Kathy has six First Generation Business Leaders:

- David is a Director. Kathy earns 3% Infinity Bonus on David's personal PV and the PV of everyone in David's downline.
- Suzy is a Key Coordinator and no one below her is a Key Coordinator or higher. Kathy earns 1% Infinity Bonus on Suzy's personal PV and the PV of everyone in Suzy's downline. Suzy earns 2% Infinity Bonus on the personal PV of her First Generation leaders and on the PV of everyone in their downlines.
- Carol is a Senior Coordinator with two First Generation Business Leaders: Denise is a Director and Kevin is a Master Coordinator. Kathy earns 3% Infinity Bonus on Carol's personal PV and the PV of everyone in Carol's downline, down to but excluding Kevin and his downline. Kathy does not earn an Infinity Bonus on Kevin or anyone downline from Kevin because Kevin is also a Master Coordinator, and his Infinity Bonus percentage is the same as Kathy's percentage.
- Sam is a Senior Director with a First Generation Senior Key Coordinator, Edward. Kathy earns 3% Infinity Bonus on Sam's personal PV and on the PV of everyone in Sam's downline, down to but excluding Edward and his downline. Kathy earns 0.5% Infinity Bonus on Edward's personal PV and on the PV of everyone in Edward's downline. (Kathy qualifies at 3% and Edward qualifies at 2.5%, so Kathy earns the 0.5% difference).
- Mary is an Executive Coordinator and no one below her is a Key Coordinator or higher. Kathy earns 3% Infinity Bonus on Mary's personal PV and on the PV of everyone in Mary's downline.
- Nancy is a Senior Master Coordinator. Kathy does not earn an Infinity Bonus on Nancy or anyone in Nancy's downline.

*Reminder: Level Bonuses and Infinity Bonuses are "Stackable"*

The Level 1 and Level 2 Bonuses are paid in addition to other bonuses Directors and higher can earn on the same PV.

For example, when your First Generation Director is also Level 1 to you, you earn the 10% Level 1 Bonus on the PV from the First Generation Leader's personal Product Purchases and that of that First Generation Leader's Personal Customers, in addition to the 6% Generation Bonus. The same is true of the Level 2 Bonus.



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**Example:**

Master Coordinator Terry personally sponsored Ambassador Josie, who in turn personally sponsored Ambassador Kevin and Ambassador Amanda. Josie advances to Sr. Director and Kevin advances to Director. Amanda stays as an Ambassador and is included in Terry's First Generation under Josie.

Master Coordinator Terry is paid as follows:

	Generation Bonus	Level Bonus	Infinity Bonus	Total
On Josie & Josie's Personal Customers	6% First Generation	10% Level 1 Bonus	3% Infinity Bonus	19%
On Amanda & Amanda's Personal Customers		2% Level 2 Bonus		11%
On Kevin & Kevin's Personal Customers	6% Second Generation Bonus	2% Level 2 Bonus	3% Infinity Bonus	11%

## Infinity Matching Bonus

When you qualify as a Sr. Key Coordinator or higher, you become eligible to be paid a Matching Bonus on the Infinity Bonus earnings of the first downline Business Leader in any leg who matches your Paid as Title. The Matching Bonus percentage increases as Paid as Title increases:

Paid As Title	Infinity Match %
Sr. Key Coordinator	10%
Master Coordinator	15%
Sr. Master Coordinator	20%
Presidential Master Coordinator	25%



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No Matching Bonus is paid if there is an intervening leader with a higher Paid as Title.

## Example:

Master Coordinator Mary is First Generation to Presidential Master Peter. Mary has three Business Leader Legs that include Master Coordinators.

- Master Coordinator Marvin is First Generation to Mary. Master Coordinator Melissa is Fourth Generation to Marvin. Marvin and Melissa each earn \$5000 in Infinity Bonuses. Mary earns 15% (\$750) of the \$5000 Marvin earned in Infinity Bonuses, and Marvin earns 15% (\$750) of the \$5000 Melissa earned in Infinity Bonuses.
- Master Coordinator Mark is Third Generation to Mary, with a Coordinator and a Senior Director in between them. Mark earns \$1000 in Infinity Bonuses. Mary earns 15% of \$1000, or \$150.
- Master Coordinator Mandy is Second Generation to Mary, and the intervening First Generation Business Leader is Presidential Master Patricia. Mary does not earn a Matching Bonus on Mandy's Infinity Bonuses, because there is an intervening Business Leader with a higher title. Mary's upline, Peter, will earn 25% of the Infinity Bonuses earned by Patricia.

## Presidential Master Organization Bonus

*Shaklee keeps rewarding you as you increase in rank, and when you achieve the highest rank, you are eligible to earn a patented infinity bonus.*

Presidential Master Coordinators are eligible to be paid an additional infinity bonus when they develop Presidential Master Coordinators in one or more Business Leader Legs within their Organizations. The bonus is paid on PV and is paid truly to infinity, as follows:

- A Paid As Presidential Master Coordinator is eligible to receive ½% of the entire PV in the Organization of the first Paid As Presidential Master Coordinator downline in a given leg, down to but excluding the PV in the Organization of the second Paid As Presidential Master Coordinator down that leg.
- A Paid As Presidential Master Coordinator is eligible to receive ¼% of the entire PV in the Organization of the second Paid As Presidential Master Coordinator downline in a given leg, down to but excluding the PV in the Organization of the third Paid As Presidential Master Coordinator down that leg.
- A Paid As Presidential Master Coordinator is eligible to receive 1/8% of the entire PV in the Organization of the third Paid As Presidential Master Coordinator downline in a given leg, down to but excluding the PV in the Organization of the fourth Paid As Presidential Master Coordinator down that leg.



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- A Paid As Presidential Master Coordinator is eligible to continue to receive half of the previous percentage on the PV in the Organization of each succeeding Paid As Presidential Master Coordinator down to but excluding the PV in the Organization of the next Paid As Presidential Master Coordinator, until there are no more Paid As Presidential Master Coordinators in that leg.
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## Reorganizations

Shaklee does not recommend that Members or Ambassadors, regardless of their rank, move from one Sponsorship Line to another (except by means of responsoring after terminating their Agreement and fulfilling the applicable waiting period).

If movement is necessary, the rules below must be observed. Shaklee will not under any circumstances approve a request for reorganization that does not have all the required signatures. All reorganization requests must be accompanied by the fee specified on the Reorganization Application to cover administrative costs. See the current Shaklee Incentives Booklet for further policies respecting reorganizations and certain incentive programs.

### Reorganization of Members or Ambassadors Below the Title of Director

**Single:** This encompasses the movement of one Shaklee Ambassador or Member.

The Ambassador or Member must apply to Shaklee for reorganization by signing and submitting a Reorganization Application Single. The application must also be signed by the following:

- The Ambassador's or Member's current sponsor,
- The Ambassador's or Member's Business Leader of record, and
- The new Business Leader of record, if different.

**Multiple:** This encompasses the movement of more than one Ambassador or Member.

The Ambassador or Member must apply to Shaklee for reorganization on behalf of themselves and their downline, down to but excluding any Directors or higher, by signing and submitting a Reorganization Application for Groups. The application must also be signed by the following:

- The Ambassador's or Member's current sponsor,
- The Ambassador's or Member's current Business Leader of record,
- Any intervening Ambassadors or Members between the Ambassador or Member and the current Business Leader of record



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- The next five (5) current upline Business Leaders, if the Ambassador or Member will have a new Business Leader of record
- The new Business Leader of record, if different from the current Business Leader of record

## Business Leader-Requested Reorganization

A Business Leader may move an Ambassador or Member whom they have personally sponsored, under another Ambassador in their Organization provided that the Business Leader completes and submits a Sponsor Reorganization Application to Shaklee within three months of sponsoring the Ambassador or Member. No fee is required. After the three-month period has elapsed, transfers from one sponsor to another may only take place by submitting a Reorganization Application Single or Reorganization Application for Groups with all required signatures.

This reorganization option is open only to Business Leaders. The three-month period will be determined based on the entry date on file in Shaklee's records.

## Transfer of Online Sponsorships

From time to time new prospects may accidentally sign up on the wrong Personal Website, or under the wrong sponsor, through no fault of the website owner. In those cases, the new Member or Ambassador and/or their current Business Leader of record may complete and submit a Reorganization Application within 30 days of signing up online to be transferred to the correct sponsor.

After 30 days, transfers from one sponsor to another may only take place by submitting a Reorganization Application Single or Reorganization Application for Groups with all required signatures.

## Reorganization of Directors with Sponsorship Line Movement

Requests for reorganization of Directors and above, with or without their Organization, will be permitted under the following circumstances:

- Approval of the six current upline Business Leaders, and
- Approval of the Status Review Board.

If the reorganization includes the Business Leader's Organization, Shaklee will give courtesy notification of the proposed reorganization to the Business Leader's downline Business Leaders. If the proposed reorganization will result in an increase in title, Shaklee may withhold the new title for a period of up to one year. This includes eligibility to earn bonuses and incentives at the new title.



# The Shaklee Compensation Plan

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## Volume Transfers

Ambassadors who have sufficient Qualifying Volume from their personal orders and any Volume Transfers to their account may transfer QV and PV to other Ambassadors subject to the following terms. A Volume Transfer Fee will be charged to the transferring Ambassador for each Volume Transfer made.

- All transfers will include equal amounts of QV and PV.
- Business Leaders may not transfer any amounts out of their account in any given month that would bring their volume below the level required for them to maintain Director Title.
- No Ambassador may transfer more than 250 QV/PV total to any other Ambassador in a given month, nor may any Ambassador transfer out of their account more than 500 QV/PV in total in a given month.
- No Ambassador may receive, whether directly or indirectly (including by transfers to Ambassadors in the Ambassador's downline), more than 250 QV/PV transferred from all sources combined in any given month.
- No volume transfers may be made from anyone in the Shaklee Compensation Plan to anyone in an older compensation plan.
- QV and PV credits for all sales in any given month to an Ambassador or Member under another Business Leader must be transferred to the purchasing Ambassador or Member. Any transfers to Ambassadors under another Business Leader will be included in the 250 QV/PV maximum of that Member or Ambassador, of the Member or Ambassador's Business Leader of record and of any Ambassadors or Members who intervene in the sponsorship line between the Ambassador or Member and the Business Leader of record.
- As 30 for 30 Bonuses, Sales Commissions and the POP Rebate are paid on the Purchase Price of a product order, none of these bonuses will be paid on transferred volume, nor will a Volume Transfer count toward Active Customer Count or Customer Sales.
- Transferred QV/PV will be included in Customer Volume and Personal Team Volume, as well as Organizational Volume and OV Outside the Strongest Leg, but is not included in Customer Sales.
- Shaklee reserves the right to reject any transfers that it deems to be manipulation of the Compensation Plan.



# The Shaklee Compensation Plan

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## Fees and Charges

### Insufficient Funds/Chargebacks

Orders must be paid for at the time the order is placed by either an EFT or a credit card. If Shaklee receives a notice from a bank that an Electronic Funds Transfer or any other payment has been denied for any reason, a fee equal to 2% of the face amount of the denied payment (\$15 minimum) will be assessed. The 2% fee will be reflected on the Bonus Statement. The Company, in its sole discretion, may place an Ambassador on No EFT (NFT) status on either a temporary or permanent basis. Shaklee reserves the right to verify that bank balances are sufficient to cover the cost of orders.

In the event that there is a balance owed to Shaklee, Shaklee will deduct it from bonuses earned, and the deduction will be reflected on the Bonus Statement. If the balance owed exceeds the bonus earned it will be carried forward to the next month, and Shaklee will charge the Ambassador a 1% fee on the overdue amount or the maximum fee allowed by law, whichever is less.

### Re-routing Fees

Any Shaklee Ambassador who provides the Company with an incorrect address for delivery of product may be assessed a re-routing fee at the Company's discretion.

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## Amendments to the Compensation Plan

As provided in Section 1 of the P&R, Shaklee may amend the Agreement (including this Compensation Plan) from time to time. Amendments will be effective thirty (30) days after notice that the Agreement has been amended has been sent to Members and Ambassadors via email at the email address on file with Shaklee. Members and Ambassadors agree that thirty (30) days after such notice, any amendment becomes effective and is automatically incorporated into the Agreement as an effective and binding provision. A Member or Ambassador may opt out of any proposed amendments by terminating his or her Agreement prior to the effective date of such proposed amendments. After the effective date of any amendment, a Member's or Ambassador's continuation of their Membership or Ambassadorship, acceptance of bonuses or commissions, purchase of Shaklee products, or access or use of the Shaklee Ambassador back-office tools constitutes acceptance of the amended Agreement. Unless expressly agreed to by a Member or Ambassador, amendments shall not be retroactive to conduct that occurred prior to the effective date of the amendment.





# The Shaklee Compensation Plan

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## Glossary of Terms

### **Active Customer**

A Member or Retail Customer with a product order of any size in a month.

### **Active Customer Count**

The number of an Ambassador's Personal Customers who have a product order of any size in each month.

### **Active Volume**

Active Volume is the total Qualifying Volume from (i) an Ambassador's personal Product Purchases and (ii) the Product Purchases of new Members and/or Retail Customers personally enrolled by that Ambassador in that month.

An Ambassador must have 75 in Active Volume monthly to be eligible to earn bonuses other than the 30 for 30 Bonus.

### **Ambassador I (AMBI)**

An Ambassador who does not have 75 Active Volume in a month. An Ambassador I is eligible to earn 30 for 30 Bonuses.

### **Ambassador II (AMBII)**

An Ambassador II is an Ambassador who has at least 75 Active Volume in a month. An Ambassador II is eligible to earn 30 for 30 Bonuses, Sales Commissions, the POP Rebate, and the 6% Level 1 Bonus.

### **Ambassador III (AMBIII)**

An Ambassador III is an Ambassador who has at least 75 Active Volume and 500 Personal Team Volume in a month. An Ambassador III is eligible to earn 30 for 30 Bonuses, Sales Commissions, the POP Rebate and the 8% Level 1 Bonus.

### **Business Leader**

Any Shaklee Ambassador who qualifies in a month at the title of Director, Senior Director, Coordinator, Senior Coordinator, Executive Coordinator, Sr. Executive Coordinator, Key Coordinator, Sr. Key Coordinator, Master Coordinator, Sr. Master Coordinator, Presidential Master Coordinator.



# The Shaklee Compensation Plan

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## **Business Leader Leg**

A First Generation Business Leader and that First Generation Business Leader's entire Organization.

## **Customer Sales**

Customer Sales is the sum of the Purchase Prices of the orders of your Personal Customers in a month.

When a Member or Retail Customer upgrades to Ambassador, any of their orders placed prior to the upgrade will be considered Customer orders and will count for your Customer Sales, Customer Volume and Active Customer Count for the month. Any orders placed with or after the upgrade will be considered Ambassador orders.

Similarly, if an Ambassador is reclassified to Member, any orders placed prior to the reclassification will be considered Ambassador orders. Any orders placed after the reclassification will be considered Customer orders and will count for your Customer Sales, Customer Volume and Active Customer Count from that point forward.

## **Customer Volume**

Customer Volume is the total Qualifying Volume from your Personal Customers in each month.

## **Director Team**

Your Director Team begins with the first Ambassador in your Organization and includes all Ambassadors and their Personal Customers down to but excluding any Director or higher and anyone below that Business Leader.

## **Director Team Bonus**

Directors and higher are eligible to earn a Director Team Bonus of 6% on all of the PV in their Director Team.

## **First Generation Business Leader**

The first Ambassador qualified for and maintaining Director rank or higher down any Sponsorship Line.

## **Generation**

A Business Leader and all of the Ambassadors, Members and Retail Customers in their Organization, down to but excluding anyone with the title of Director or higher and anyone below that Director or higher.



# The Shaklee Compensation Plan

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## Home Market

The country in which a Shaklee Member or Ambassador resides and has executed a Shaklee Application (or equivalent, as the name of the application may vary slightly from country to country) which has been accepted by Shaklee.

For purposes of title and bonus qualifications and payment, the U.S. and Canada are considered a single Home Market. Nevertheless, one must meet the eligibility requirements established by Shaklee U.S. to become a Shaklee Member or Ambassador in the U.S. and must meet the requirements established by Shaklee Canada to become a Shaklee Member or Ambassador in Canada.

## Level 1 Ambassador

When you personally sponsor or one of your Members personally refers an Ambassador, that Ambassador is your Level 1 Ambassador, regardless of the Level 1 Ambassador's title. This relationship will change only in the following limited circumstances:

1. If one of your Personal Customers upgrades to Ambassador. The upgraded Personal Customer will become your Level 1 Ambassador.
2. If a Member who referred your Level 1 Ambassador decides to upgrade to Ambassador themselves. In this case, the Member who upgrades becomes your Level 1 Ambassador and the Ambassador who was previously your Level 1 Ambassador becomes your Level 2 Ambassador.
3. If your Level 1 Ambassador is reclassified to Member or their Agreement with Shaklee is terminated. In this case, the reclassified Ambassador and their Personal Customers are now your Personal Customers and count for your Customer Sales, Customer Volume and Purchasing Customer Count and you are eligible to be paid Sales Commission on their Product Purchases rather than a Level 1 Bonus. Your "Level 1 upline" (i.e., the Ambassador who has you as a Level 1 Ambassador) now counts the reclassified Ambassador and their Personal Customers as part of their Level 1. If additional Ambassadors below your Level 1 Ambassador are also reclassified to Member, they and their Personal Customers are now your Personal Customers and count for your Customer Sales, Customer Volume and Purchasing Customer Count and you are eligible to earn a Sales Commission on their Product Purchases. Any Ambassadors below those who are reclassified remain on the same Level with respect to you as they were prior to the reclassification(s).



# The Shaklee Compensation Plan

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## Level 2 Ambassador

Your Level 2 Ambassador is an Ambassador of any title who is a Level 1 Ambassador of your Level 1 Ambassador.

## Master Leg

A Master Leg is any Business Leader Leg that contains at least one Paid as Master Coordinator, Sr. Master Coordinator or Presidential Master Coordinator. To be considered a Master Leg, there must be at least one Paid As Master Coordinator or higher within that Sponsorship Line. (Regardless of the number of Master Coordinators, Sr. Master Coordinators or Presidential Master Coordinators in a given Business Leader Leg, that Business Leader Leg shall be considered as a single Master Leg.)

## Organization

All Shaklee Members and Ambassadors of any title in all Sponsorship Lines extending from and below any given Shaklee Ambassador.

## Organizational Volume (OV)

The Qualifying Volume from the personal purchases of a Shaklee Ambassador plus the Qualifying Volume from the personal purchases of each Shaklee Ambassador, Member and Retail Customer in their entire Organization. Volume from Foreign Markets is adjusted by a factor which may fluctuate from time to time to reflect changes in exchange rates and other factors.

## Organizational Volume Outside the Largest Leg (QOV)

An Ambassador's Organizational Volume, excluding the Organizational Volume of the First Generation Business Leader with the most Organizational Volume.

## Original Sponsor

The first sponsor of a Shaklee Member or Ambassador (i.e., the sponsor at the time the application of a Shaklee Member or Ambassador was accepted by Shaklee).

## Pay on Personal (POP) Rebate

Ambassadors who are qualified as Ambassador II or higher earn the POP Rebate on their personal Product Purchases up to \$750 each month when they have at least one Active Customer that month. The POP Rebate pays on the Purchase Price of the Ambassador's purchases at the same rate at which the Ambassador is paid Sales Commission on their Personal Customers' Product Purchases.



# The Shaklee Compensation Plan

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## Personal Customers

All of an Ambassador's Members and Retail Customers down to but excluding the first Ambassador or higher in any line.

## Personal Team Volume

With respect to any Ambassador, Personal Team Volume includes:

1. The Qualifying Volume from the Ambassador's Personal Customers
2. The Qualifying Volume from the Ambassador's personal purchases up to a maximum of 500 Qualifying Volume.
3. The Qualifying Volume from each Level 1 Ambassador (regardless of rank – i.e., including Business Leaders), and the Qualifying Volume from that Level 1 Ambassador's Personal Customers (collectively "Ambassador Volume"), up to a maximum of 500 Ambassador Volume per Level 1 Ambassador.

The limitation of 500 Ambassador Volume per Level 1 Ambassador is waived until January 1, 2025.

## Product Purchases

Product Purchases consist of Products that are commissionable (i.e., items that have a Product Point Value) that are purchased by a Retail Customer, Member or Ambassador. Shipping & Handling, taxes, and items that have no Product Point Value, such as Member kits, Ambassador starter kits, sales aids, or Shaklee Style merchandise, are not included in Product Purchases and no commissions are paid on anything other than Product Purchases.

## Purchase Price

The total price of all Product Purchases on an order, at the price paid. Purchase Price does not include Shipping & Handling, taxes, or items that have no Product Point Value, such as Member kits, Ambassador Starter Kits, sales aids, or Shaklee Style merchandise.

## Qualifying Volume (QV)

Each Shaklee product is assigned a point value referred to as QV. QV is the basis for calculating the volumes required for rank – Active Volume, Customer Volume, Personal Team Volume, Organizational Volume (OV) and OV Outside the Strongest Leg (QOV).

## Sales Commission

Ambassadors qualified at Ambassador II or higher are eligible to earn a Sales Commission of 10-40% of the Purchase Price on the Product Purchases made by their Personal Customers.



# The Shaklee Compensation Plan

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## Shaklee Member

Anyone who has submitted a properly completed Shaklee Application and whose application has been accepted by Shaklee U.S., LLC, or by Shaklee Canada as applicable.

## Shaklee Ambassador

Any person who has signed a Shaklee Application, Shaklee Ambassador Application for Corporations, Partnerships, and Limited Liability Companies, or Tax-Exempt Entity Application and Agreement, whose application has been accepted by Shaklee U.S., LLC, or Shaklee Canada, as applicable, has (if in the U.S.) provided their Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) and Employer Identification Number where applicable, has purchased an Ambassador Starter Kit, and holds the title of Ambassador I or higher.

## Sponsorship Line

The relationship that is created when a Shaklee Member or Ambassador enrolls a new Member or Ambassador into Shaklee. A Sponsorship Line extends above or upward from each new Member or Ambassador in the following sequence to include all individuals in a single Sponsorship Line:

- The new Member or Ambassador;
- The Ambassador that personally sponsored the new Member or Ambassador;
- The Ambassador that personally sponsored the Ambassador in the bullet above and so on.

In the case of resignations, terminations or Shaklee-approved reorganizations to a new Sponsorship Line, the following sequence of events and relationships occurs and is referred to as a "roll-up":

- Shaklee removes the departed Shaklee Member or Ambassador from their Sponsorship Line;
- That Sponsorship Line closes up; and
- Those who were sponsored directly by the departed Shaklee Member or Ambassador now consider the sponsor of the departed Member or Ambassador to be their immediate sponsor, however there is no change to the Original Sponsor.

## Title

Appointed Title – Any of the titles achieved with the necessary requirements at the time of promotion.

Paid As Title – The title for which a Shaklee Ambassador meets all requirements and the title at which the Ambassador is eligible to be paid bonuses.



# The Shaklee Compensation Plan

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## Unjust Enrichment

Shaklee has established a time limit to prevent Leadership Bonuses (Generation, Infinity, Infinity Matching and Presidential Master Organization Bonuses) paid on established leaders, from being paid to new Directors who intervene in the Sponsorship Line above the established Business Leaders, or to reinstated Directors who have not provided leadership to their Business Leaders for a long time.

Any potential Director in a Sponsorship Line between an upline Business Leader and a First Generation Business Leader must qualify and advance to the rank of Director within one year of the most recent advancement date of the First Generation Business Leader in order to be entitled to Leadership Bonuses on that First Generation Business Leader. The newly advanced Director must continue to qualify as a Director for six consecutive months in order to retain continuing rights to Leadership Bonuses. Failure to achieve Business Leader rank in 12 months, or to maintain for six consecutive months, will result in the permanent loss of sponsorship rights and rights to Leadership Bonuses on the First Generation Business Leader and their Organization. The Sponsorship Line will be permanently broken above the First Generation Business Leader and will be reconnected under the next eligible upline sponsor. If there are any former Business Leaders above the First Generation Business Leader who have been retitled for less than 12 months, the Sponsorship Line will instead be broken above the former Business Leaders and reconnected under the next eligible upline sponsor.

If a retitled Business Leader is reinstated to Director title less than 12 months after that Business Leader's last retitling date, they will begin receiving Leadership Bonuses for which they are qualified immediately after reinstatement but must continue to qualify as a Director for six consecutive months in order to retain rights to Leadership Bonuses and sponsorship rights.

**Example:** Business Leader Filomena sponsors Ambassador Graciela who in turn sponsors Ambassador Juan. Juan advances to Director effective for the January 2024 commission period. In order to retain sponsorship rights to Juan and his Sponsorship Group, Graciela must advance to Director effective no later than the January 2025 commission period and must continue to qualify as a Director for six consecutive months (if she advanced effective January 2025, Graciela would have to qualify as a Director for the January through June 2025 commission periods).

**Example:** Business Leader Stacy is the sponsor of former Business Leader Tim, who was retitled to Ambassador III effective for the January 2024 commission period. Tim, in turn, is the sponsor of former Business Leader Wendy, who was retitled effective for the June 2024 commission period, and Wendy is the sponsor of Business Leader Andrew. Andrew maintains Business Leader title continuously from the January 2024 commission period through the January 2025 commission period. Tim does not regain Business Leader title by the January 2025 commission period and therefore loses all sponsorship rights to Andrew and Andrew's Sponsorship Group. But Wendy has not yet lost sponsorship rights to Andrew and Andrew's Sponsorship Group, because she has been retitled for less than 12 months. So, the Sponsorship Line is broken at Wendy, and Stacy becomes Wendy's sponsor.

