

DEFINITIONS

FROM SUNRIDER® BUSINESS GUIDE UNITED STATES MARCH, 2007

General Terms:

Active describes Distributors who have purchased at least 50 SV of Sunrider® products in a given month within the previous twelve-month period, Club Members who have paid their initial membership fee/timely paid their annual renewal fee and Customers who have accumulated purchases of at least \$100 of Sunrider® products within a twelve-month period based on their original application date.

Accumulative SV: The amount of SV a distributor has from his *Personal SV* plus the SV of his downline. It is accumulated meaning it adds up month after month. The accumulated SV is the grand running total of SV.

Break away: A term referring to a distributor whose volume is no longer available for your Personal Group SV. The second month that a distributor has 3000 Group SV they “break away”. The personal volume no longer counts toward your needed 3000 personal group SV.

Country Sales Volume is the commissionable sales volume of a particular country

Club Member refers to any individual or entity whose properly completed Club Member Application has been accepted by Sunrider, who is entitled to purchase Sunrider® products at the Sunrider Sales Price but who is NOT entitled to participate in the Sunrider® Compensation Plan.

Cumulative Group SV is the total SV of products purchased by the Distributor’s group calculated from the day Sunrider accepted the Distributor’s Application.

Customer is an individual who signs up on the Sunrider website free of charge and then may purchase products directly from Sunrider at the Retail Price.

Distributor refers to any individual or entity whose properly completed Distributor Application has been accepted by Sunrider, who is entitled to purchase Sunrider® products at the Sunrider Sales Price and who is entitled to participate in the Sunrider® Compensation Plan.

Fund: All SV is divided into a variety of funds to guarantee a payout of 58.5% of SV to the field. The percentage of SV for a fund is multiplied by the total SV of the month and then divided by the number of points earned to determine the dollar value of the point to be paid

Group refers to all Distributors, Club Members and Customers sponsored, directly or indirectly, by a given Distributor. If A sponsors B, who sponsors C, who sponsors D, who sponsors E, then B, C, D and E are all in A's group. Group is also known as "Line of Descent," "entire downline," "entire group" or "sales organization."

Group Product Purchases refers to the accumulated dollar amount of products purchased by a Distributor and their Group.

Group Sales Volume (Group SV) is the total SV of products purchased by the Distributor's entire organization within a given month.

Personal Group refers to all Distributors, Club Members and Customers in the Line of Descent, excluding downline Qualified Directors/Qualified Associate Directors. The only exception is that a new first month Qualified Associate Director does remain in the upline Qualified Director's Personal Group SV in their first month of qualification.

Personal Sales Volume (Personal SV or PSV) is the total SV of products purchased by a Distributor within a given month.

Personal Group Sales Volume (PGSV) is the total SV of products purchased by the Distributor's Personal Group within a given month.

Sales Volume (SV) is the commissionable sales volume for a particular product. Sunrider assigns each commissionable product its own SV value. "Personal SV" and "Personal Group SV" are computed monthly. Bonuses and commissions are based on those totals and are paid monthly.

World Sales Volume is the combined commissionable sales volume of all countries in which Sunrider operates, except China and Korea.

THE RANK CONCEPT AND QUALIFICATIONS: Ranks (in ascending order of qualification)

Trainer is Sunrider's beginning rank as a Distributor. A Trainer is an individual or entity who has accumulated less than \$500 in Group Product Purchases.

Trainer 500 is a Trainer who has accumulated at least \$500 in Group Product Purchases.

Assistant Director is a Distributor who has 100 Personal SV and 1000 Personal Group SV in the month of qualification.

Associate Director is a Distributor who has 100 Personal SV and 3000 Personal Group SV in the month of qualification.

One Month Qualified Associate Director is a Distributor who has 100 Personal SV and 3000 Personal Group SV in the first month of qualification.

Qualified Associate Director is an Associate Director with 100 Personal SV and 3000 Personal Group SV in a given month.

Unqualified Associate Director is an Associate Director who has less than 100 Personal SV and/or 3000 Personal Group SV in a given month. For that month, the Unqualified Director's PGSV will be incorporated into the upline Qualified Director's Personal Group.

Potential Director is an Associate Director who has 100 Personal SV and 3000 Personal Group SV, for two consecutive months.

Director is a Distributor who has qualified with 100 Personal SV and 3000 Personal Group SV for three consecutive months.

Lead Director is a Director who has two first-level Qualified Directors/Qualified Associate Directors for three consecutive months.

Group Director is a Director who has four first-level Qualified Directors/Qualified Associate Directors for three consecutive months. Group Directors are eligible to participate in the Group Director Performance Bonus.

Golden Group Director is a Director who has six first-level Qualified Directors/Qualified Associate Directors for three consecutive months.

Master Director is a Director who has ten first-level Qualified Directors/Qualified Associate Directors for three consecutive months.

Silver Master Director is a Master Director who has ten first-level Qualified Directors/Qualified Associate Directors for three consecutive months of which at least four are Master Performance Director Lines.

Golden Master Director is a Master Director who has ten first-level Qualified Directors/Qualified Associate Directors for three consecutive months of which at least eight are Master Performance Director Lines.

Executive Director is a Director who has sixteen first-level Qualified Directors/Qualified Associate Directors for three consecutive months of which at least eight are Executive Performance Director Lines.

Silver Executive Director is an Executive Director who has sixteen first-level Qualified Directors/Qualified Associate Directors for three consecutive months of which at least twelve are Executive Performance Director Lines.

Golden Executive Director is an Executive Director who has sixteen first-level Qualified Directors/Qualified Associate Directors for three consecutive months of which at least sixteen are Executive Performance Director Lines.

Performance Lines

A Distributor's **Master Performance Director Line** is a downline that has either a first-level Qualified Lead Director or a first-level Qualified Director/Qualified Associate Director with a total Group SV of 10,000.

A Distributor's **Executive Performance Director Line** is a downline that has either a first-level Qualified Group Director, or a first-level Qualified Director/Qualified Associate Director with a total Group SV of 25,000.

MARKETING PLAN/BONUS TERMS

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Club Member Bonus (CMB)

The Club Member Bonus (CMB) is based upon the amount of product sales generated by a Distributor's Personal Group. Distributors with Group Product Purchases of \$500 will start to earn the CMB. Qualified Distributors earn a CMB of 10 % on their personally-sponsored Silver Club Members' purchases until the Silver Club Member reaches \$1,000 in accumulated purchases.

Leadership Bonuses and Benefits

Leadership Bonuses and Benefits include the Consumer Development Bonus (and Super Achievement Bonus), Sales Volume Breakthrough Bonus, Leadership Development Bonus, Director Performance Bonus, Sales Leader Performance Bonus, Group Director Performance Bonus, Profit Sharing, Travel Incentive Funds, and any other leadership bonuses and benefits that Sunrider may introduce.

- **Consumer Development Bonus (CDB) 20% of Country SV(including Super Achievement Bonus - SAB)**
The Consumer Development Bonus (CDB) is comprised of 20% of Country SV. Distributors must have 100 PSV and 1000 PGSV in order to qualify and participate in the CDB in a given month.
- **Director Performance Bonus (DPB) - 8% of World SV**

The Director Performance Bonus is distributed to all qualifying Potential Directors, Directors and Lead Directors who have 100 Personal SV and 3000 Personal Group SV in the month of qualification.

- **Group Director Performance Bonus (GDPB) – 3% of World SV**
In order to participate in the GDPB, Distributors must be at the rank of Qualified Group Director or above. The GDPB is comprised of 3% of World SV for a given month and is distributed on a monthly basis. Beginning with the 3rd month of qualification, each time the Distributor qualifies as a Group Director, they will earn one share of the GDPB for that month.
- **Leadership Development Bonus – 16% of World SV**
The Leadership Development Bonus is computed and paid according to a point system. A point is a unit of participation in the Leadership Development Bonus Fund which is made up of 16% of World SV. The number of points earned is determined by multiplying the PGSV of downline Qualified Associate Directors and above, by the percentage allocated for that level.
- **Profit Sharing:**
A pool of money is available for ranks above Lead Director. 2% of World SV for the year are loaded into this pool and the value divided equally to each rank is set monthly and paid each year on December 15.
- **Sales Leader Performance Bonus (SLPB) - 2% of Country SV**
The Sales Leader Performance Bonus is comprised of 2% of Country SV in a given month and is allocated on a share system. The SLPB is distributed to all qualifying Directors and above who have 100 Personal SV and 3000 Personal Group SV and who have personally sponsored at least two new Distributors with a Starter Pack in the month of qualification. Directors who meet the applicable qualifications will earn one SLPB share.
- **Sales Volume Breakthrough Bonus (SVBB) 5% of Country SV**
The Sales Volume Breakthrough Bonus (SVBB) is comprised of 5% of Country SV in a given three month period and is allocated on a point system. The SVBB is distributed four times a year, at three month intervals, to all qualifying Assistant Directors and above. The three month intervals are February SV month through April SV Month, May SV month through July SV month, August SV month through October SV month and November SV month through January SV month. For additional details refer to the Policy Guide
- **Super Achievement Bonus (SAB)**
The Super Achievement Bonus is a monthly bonus, allocated on a point system and is comprised of up to 4% of the balance remaining in the CDB

fund after the CDB has been paid for that particular month. The SAB is distributed to all qualifying Assistant Directors and above who have 100 Personal SV and 1000 Personal Group SV and who have personally sponsored at least two new Distributors with a Starter Pack in each month of participation. For each new personally sponsored (with a Starter Pack) and trained Distributor, the SAB participant will earn 10 points. SAB participants may earn up to a maximum of 50 points in a given month.

- **The Travel/Business Training Incentive Funds – 2.5% of Country SV**
The *Consistent Travel Incentive Fund* (CTIF) is comprised of 1.5% of Country SV for a given year. The *Performance Travel Incentive Fund* (PTIF) is comprised of .5% of Country SV for a given year. The *Local Travel Incentive Fund* (LTIF) is comprised of .5% of Country SV for a given year.

This material was prepared as a reference for the single purpose of explaining the terms and words used in the Sunrider business. If there is a dispute or question, for more complete details read the Definition and Plan section of the current Business Guide on line. This is in no way meant to be final word, just a guide. This is prepared as examples and is not part of the Sunrider Business guide and is not products d or endorsed by Sunrider International.

9/5/2007