



NEWAYS INTERNATIONAL

Compensation Plan





NEWAYS, INC.

COMPENSATION PLAN

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Hybrid Compensation Plan Terminology

Personal Volume (PV):

This is the volume of product, primarily for resale and personal use, that you personally order. It is generally equivalent to the net wholesale price in U.S. dollars paid for products and does not include sales tax, shipping costs, sales kits, or sales aids purchased.

A product may have an assigned volume that is different from the actual wholesale price in order to fit within the bonus structure. Such products will be so noted after the wholesale price. Commissions will be calculated on this volume.

Personal Group Volume (PGV):

PGV is the volume from the products ordered by you and the distributors in your personal group, excluding executives and their downline organizations. This volume also does not include sales tax, shipping costs, sales kits, or sales aids purchased.

Personal Group Volume (including your individual Personal Volume) is necessary to qualify for executive downline commissions and to attain a higher position and has a stated limitation that no more than 80 percent of the qualifying Group Volume may be from one downline leg for advancement in the Hybrid Compensation Plan—except when 100 percent of the product required for advancement is personally purchased.

Organizational Volume:

Organizational Volume is the combined personal volume of all downline distributors.

Retail Profit and Personal Rebate:

As a distributor, you can earn a personal rebate of up to 25 percent on all the products you purchase beyond the first \$100 US/\$150 CN, in addition to a substantial 43 percent average retail profit markup on most of the products you sell.

The Neways commission structure encourages development of a long-term, stable income by paying you an Override Personal Group Bonus for the products sold based on the percentage difference between your rank and the rank of your qualifying first-level distributors in each of your downline organizations, as well as in their downlines.

This creates financial incentive for you to build a deep organization since you are paid an Override Commission on the sales activity for each distributor, regardless of the number of levels deep, according to the provisions of the Hybrid Compensation Plan.

Executive Leadership Bonus:

The Executive Leadership Bonus allows you to receive 5 percent commission on executive group sales Affinity Volume in your downline up to five levels deep on executive groups.

Affinity Bonus:

The Affinity Bonus pays out to a downline organization to a potentially unlimited number of distributors levels.

Profit Sharing Bonus:

The Profit Sharing Bonus awards additional bonuses of 1–2 percent, rewarding distributors who build and maintain large organizations.

Payout Features

1. Retail profit is a 43 percent markup of most products that are purchased at wholesale prices (which is usually 30 percent off suggested retail prices).
2. The Multiplex bonus is designed to provide payouts to all distributors who meet monthly qualification, on the first \$100 US/\$150 CN of all downline distributors, regardless of the ranks of those downline distributors.
3. Personal Rebate Bonus is an additional personal rebate of up to 25 percent on products you use and retail after the first \$100 US/\$150 CN monthly purchase, paid monthly by Neways.
4. The Multiplex Profit Sharing Generational Bonus is an award of up to 1 percent, paid through four generations of 12 qualified DS (Direct Ship) legs at .25 percent per generation. In order to qualify, DS downline legs must have at least one distributor who has met the \$100 US/\$150 CN monthly DS qualification.

The following points apply to Affinity Volume only.

5. Group Development Bonus is used to calculate a position advancement to executive, but no more than 80 percent of the accumulated Group Volume may be counted from one downline leg, unless 100 percent of the product for advancement is personally purchased. Minimum monthly Personal Volume (PV) is \$200 US/\$300 CN non-DS or \$150 US/\$225 CN DS, and is required to receive a commission check. Minimum Group Volume (GV) is \$1,000 US/\$1,250 CN, and is also required to receive bonuses on executive downline organizations.

Neways does not require a “minimum monthly” product purchase. There are minimum monthly volumes necessary to qualify for a commission check, however.

As long as you maintain your Personal Sales Volume on a regular basis (even if below the minimum), you will never lose your distributorship. However, if minimum requirements are not maintained, you could lose your downline organization. If you become totally inactive, your distributorship can be cancelled. (See Policies and Procedures, “Duration of Distributorship.”) It is possible to keep your account active by purchasing a minimum of one item, eg. item #5712 (50 ml of Eliminator Mouthwash), once every six months, even though this purchase would be less than the minimum payout amount each month.

6. Leadership Bonuses allow qualified executives to receive a 5 percent override through as many as five levels of executive Affinity Group Volumes, plus a very lucrative Affinity Bonus that can be as high as 8 percent.
7. The Affinity Profit Sharing Generational Bonus awards Senior Diamond Ambassadors who have at least three qualified Diamond Ambassador legs a .5 percent profit sharing bonus through four generations of Senior Diamond Ambassadors, totalling 2 percent.

The percentage payouts described under each rank listed below apply to Affinity Volume only.

Consultant:

The first position/level in the Hybrid Compensation Plan is consultant. As a consultant, you can purchase products at wholesale price and enjoy a 30 percent discount off the suggested retail price.

Supervisor:

When your cumulative Group Volume exceeds \$1,000, you become a supervisor on the first day of the following month and qualify to receive a 10 percent Personal Rebate and a 10 percent Distributor Override Commission paid on all personally-sponsored consultant (zero rebate) organizations. (Promotions to the supervisor rank become effective on the first day of the following month after the qualifications for advancement are made.)

Manager:

When your cumulative Group Volume exceeds \$3,000, you become a manager and qualify to receive a 15 percent Personal Rebate on your purchases, a 5 percent Override Commission on your personally-sponsored supervisor organizations, and a 15 percent commission on your personally-sponsored consultant organizations. (Promotions to the manager rank become effective on the first day of the following month that the qualifications for advancement are made.)

Executive:

When your Group Volume in two consecutive calendar months or less exceeds \$4,000, or your cumulative Group Volume equals \$6,000, of which \$1,000 US/\$1,250 CN is purchased in the qualifying month, you become an executive and qualify to receive a 25 percent Personal Rebate on your purchases providing you meet the monthly qualification of \$1,000 US/\$1,250 CN PGV. Qualified executives receive group development rebates on all personally sponsored organizations as follows: managers 10 percent, supervisors 15 percent, 25 percent on (zero rebate) consultants. If you do not meet the group qualification, you will only be paid a 20 percent Personal Rebate and your Group Development Rebates will be reduced to 20 percent on consultants (zero rebate), 10 percent on supervisor groups, and 5 percent on manager groups. (Promotions to the executive rank become effective on the first day of the following month the qualifications for advancement are achieved.)

Note: A distributor may also become an executive in his or her first month when that distributor and his/her organization produces more than \$4,000 in Group Volume. No more than 80 percent of the qualifying volume for executive rank, or any rank leading to executive, can come from one downline distributor leg's organization in the qualifying months except when 100 percent of the product required for advancement is personally purchased. Executive Leadership Bonuses are paid after the volume requirements for executive are met.

Executive Passby

Should a distributor in your downline organization reach executive rank before you do, you will have one year in which to qualify as an executive. If you have not qualified as an executive after one year, your downline executive group will be permanently linked to your executive upline, thus foregoing any Multiplex or Affinity earnings on that downline leg.

Relation of Title/Compensation to Qualification

Once you attain any distributorship rank, you will retain the title, but are paid only at the level you qualify for each month, as long as you remain active (defined as having qualifying volume). Should you have no Personal Volume for six months, you will be moved to preferred customer status, and your downline will be permanently attached to your sponsor. After one year of inactivity, you will be removed from the downline and placed in the inactive file. Reinstatement is at the sole discretion of Neways, Inc. However, should a period of 12 months inactivity occur, the reinstatement is subject to the written approval of all distributors in all five upline distributor levels and the Neways, Inc. Board of Directors.

Executive Leadership Bonuses

Executive:

Your downline executive bonus is equal to 5 percent of the total volume purchased up to five downline executive levels and their personal groups. Personally sponsored executives are your 1st-level executives. Your 2nd-level executives are those whom your 1st-level executives sponsor and develop to become executives. You receive 5 percent on 1st-level executive Group Volume, 5 percent on the 2nd-level executive groups, and 5 percent on the third.

Senior Executive:

When three executive legs qualify as executives, you achieve the senior executive rank. As senior

executive, you receive an Affinity Bonus of 3 percent. This amount will be based on the total of executive levels that you have in your downline organization until it reaches the next senior executive or higher rank. You are eligible to receive a car bonus after becoming a fully qualified senior executive with three qualifying 1st-level executives in your organization and monthly earnings of a minimum of \$2,000 for three consecutive months. (See Car Program.)

Master Executive:

When you have four qualified executive legs, you earn master executive rank and receive a 5 percent bonus on your four executive levels. Master executives receive a 4 percent Affinity Bonus based on the activity of their downline organizations, but are partially or completely blocked when a senior executive or higher is encountered on any downline leg.

Presidential Executive:

When your fifth leg qualifies as an executive leg, you earn the Presidential Executive Bonuses: 5 percent on each level through the fourth level of qualified executive groups. Presidential executives receive a 5 percent Affinity Bonus on their downline organization, but are partially or completely blocked when a senior executive or higher is encountered on any downline leg.

Ambassador:

When you develop seven qualified executive legs, you will be awarded the Ambassador Bonus: 5 percent on each level through the fifth level of qualified executive groups. As an ambassador, you receive an Affinity Bonus of 5 percent, which is partially or completely blocked when a senior executive or higher is encountered on any downline leg. PGV requirements are reduced to 500 points.

Diamond Ambassador:

When you develop nine qualified executive legs, you will be awarded the Diamond Ambassador Bonus: 5 percent on your five executive levels and an Affinity Bonus of 7 percent on your downline organization. The PGV requirement is reduced to 250 points. Affinity Bonuses are partially blocked when a senior executive or higher is encountered on any downline leg and completely blocked when another diamond ambassador is in any downline leg.

Senior/Crown Diamond:

Neways also recognizes downline executive development through a series of special rank progressions that begin with a senior diamond level. The senior diamond level is achieved when a diamond ambassador develops three concurrently qualified diamond ambassador legs. Master diamonds are recognized for developing four concurrently qualified diamond ambassador legs. Presidential diamonds are recognized for having five fully qualified diamond ambassador legs. Ambassador diamonds are recognized for having seven fully qualified diamond ambassador legs. The crowning achievement is the crown diamond level, which is attained by developing nine fully qualified diamond legs.

No additional commissions are paid to senior diamonds and above, but the recognition, awards, and standard marketing plan compensation are significant at these levels.

ProAttitude Distributor

- A distributor must complete a company training program to be certified.
- Neways products cannot be sold through retail stores under any circumstances. Violation of this rule may result in distributorship cancellation, and legal action may be taken against the violating distributor.
- The ProAttitude telephone number at the corporate office is 800-998-2800, the fax is 801-423-7160, and the e-mail address is proattitude@neways.com.
- ProAttitude Certification: ProAttitude has a new set of guidelines to help distributors promote ProAttitude products. The new ProAttitude certification categories (listed below) replace any previous guidelines for ProAttitude certification:

STN (Slimming Clinics, Tanning Salons, Nail Parlors, and Fitness Centers) — These distributors can only purchase ProAttitude products and literature to do their specific business, i.e., nails, slimming, and tanning.

They can only retail products to do their specific businesses. They may purchase Neways/Leslie DeeAnn products and literature, but they may not retail or display Neways or Leslie DeeAnn products from their places of business. They may display Neways and Leslie DeeAnn literature. They may sign up as Neways distributors only. Nail technicians and slimming clinics must purchase the “Information Kit” for their specific businesses. They may not purchase a ProAttitude Business Kit. If they successfully complete the ProAttitude Certification Course, the ID code will be changed to a CD, and their purchasing and sponsoring abilities will change accordingly.

CD (Certified Distributor) — Neways distributors who have successfully completed the ProAttitude Certification Course.

These distributors may purchase any ProAttitude products and literature. They can also purchase all the Neways and Leslie DeeAnn products and literature. They may sign up all ID codes, and on completion of the course they will receive a ProAttitude Business Kit.

CP (Certified Professional) — Professionals who have a degree, diploma, or professional license currently working in their profession (i.e., doctors, dentists, pharmacists, naturopaths, acupuncturists, chiropractors, veterinarians, registered nurses, massage therapists, hairdressers, and cosmetologists).

These distributors may purchase, display, and retail all the ProAttitude, Leslie DeeAnn, and sun protection products and literature. They may purchase all the Neways products including the health care range and literature, however, they must not display Neways products, including the health care range, at their places of business. They may display the health care literature. They may sign up distributors of all ID codes. These distributors are not required to complete the ProAttitude Certification Course. They will receive a ProAttitude Business Kit.

To become a STN or CP distributor, you must provide a photocopy of your current professional qualification, business license, and tax exempt license with your Distributor Application Agreement Form.

How to Certify:

Neways distributors who are at MANAGER LEVEL and interested in becoming ProAttitude certified must complete the following steps:

1. Complete a ProAttitude Registration Form (included with this issue of the ProAttitude Update) and return to Neways following the instructions included on the form. We will send you a ProAttitude Certification Manual or Business Kit, depending on your status (see registration form for complete information).
2. Study and complete the ProAttitude Certification Manual and then request the ProAttitude exam. When your exam is completed, fax or send it to ProAttitude (instructions for requesting an exam or faxing/mailing in a completed exam is included in the ProAttitude Certification Manual). Distributors who pass the ProAttitude exam will receive a ProAttitude Business Kit. If you are already a CP (Certified Professional) and have sent in the requested information, we will forward a Business Kit to you.

Note: To be ProAttitude-certified, you must also be a Neways distributor. Additionally, all distributors must comply with the Neways Policies and Procedures (as described in the Neways Wise Manual) and Neways Code of Ethics. All current ProAttitude distributors must now become Neways distributors by completing a Neways Distributor Application form and meeting the current ProAttitude certification requirements.

Compression of Executive Downlines

The Neways Hybrid Compensation Plan assures you that unqualified executives in your downline do not occupy levels under you that would eliminate or reduce your Executive Leadership Bonuses. Executive rank qualifications are determined by the qualified active number of executive legs. After monthly rank qualification has been met, downline executive groups roll up for maximum payout.

Error Allowance Program (Executives Only)











If you fall short of qualifying for Personal or Group Volume, you can request that the company use up to 25 percent of your previous month's bonus check to complete your qualification requirements. This program helps ensure that you can receive the maximum bonus payout possible and that bonuses are not missed by an oversight or a mathematical error.

Retail Support

Distributors may take approved credit cards for retail sales and submit them to Neways. Neways will then mail product to replenish the distributor's product inventory. The wholesale PV will be computed and paid with the monthly commission check. Your retail customers may also place orders directly with the company, and you will receive PV credit. If your retail customer orders directly through Neways, the company will issue a check to you for the difference between wholesale and retail.





MULTIPLEX "QUICK CHECK" PROFIT CENTER CHART

Multiplex Development and Leadership Bonuses

							
Your Personal Volume	\$50 US \$75 CN	\$100 US \$150 CN	\$100 US \$150 CN DS	\$150 US \$225 CN DS	\$150 US \$225 CN DS	\$150 US \$225 CN DS	\$150 US \$225 CN DS
Your Downline Organization Requirements					With 4-6 Legs 	With 7-11 Legs 	With 12+ Legs 
					\$100 + US (DS) \$150 + CN (DS)	\$100 + US (DS) \$150 + CN (DS)	\$100 + US (DS) \$150 + CN (DS)
Commissions Per Level							
Level 1	5%	8%	10%	10%	10%+2%	5%+4%	5%+5%
Level 2	5%	8%	10%	10%	10%+2%	10%+4%	5%+5%
Level 3	5%	8%	10%	10%	10%+2%	10%+4%	10%+5%
Level 4	5%	8%	10%	10%	10%+2%	10%+4%	10%+5%
Level 5	5%	8%	10%	5%	5%+2%	10%+4%	10%+5%
Level 6				5%	5%+2%	5%+4%	5%+5%
Level 7							5%+5%
					2% Unlimited Bonus	4% Unlimited Bonus	5% Unlimited Bonus














AFFINITY "WEALTH BUILDING" PROFIT CENTER CHART

Affinity Group Development Bonus

Your Rank	 CONSULTANT	 SUPERVISOR	 MANAGER	 EXECUTIVE *
Personal Rebate	0%	10%	15%	25%
Commission on Downline Consultant Group	0%	10%	15%	25%
Commission on Downline Supervisor Group	0%	0%	5%	15%
Commission on Downline Manager Group	0%	0%	0%	10%

* Executives who meet monthly Affinity PV requirements but not the Affinity PGV requirements are considered non-qualifying Executives and receive only 20% personal rebate and 5% less commission on each manager, supervisor, and consultant group.

Affinity Executive Leadership Bonuses

Personal Group Volume	 \$1000 US / \$1250 CN	 \$1000 US / \$1250 CN	 \$1000 US / \$1250 CN	 \$1000 US / \$1250 CN	 \$500 US / \$750 CN	 \$250 US / \$375 CN	 \$250 US / \$375 CN
Rank	Executive	Senior Executive	Master Executive	Presidential Executive	Ambassador	Diamond Ambassador	Sr. Diamond Ambassador
Legs		 3 Qualified Executive Legs	 4 Qualified Executive Legs	 5 Qualified Executive Legs	 7 Qualified Executive Legs	 9+ Qualified Executive Legs	 9+ Qualified Executive Legs
Commissions Per Generation							(With 3+ Qualified Diamond Legs)
1st Generation	5%	5% + 3%	5% + 4%	5% + 5%	5% + 5%	5% + 7%	5% + 7%
2nd Generation	5%	5% + 3%	5% + 4%	5% + 5%	5% + 5%	5% + 7%	5% + 7%
3rd Generation	5%	5% + 3%	5% + 4%	5% + 5%	5% + 5%	5% + 7%	5% + 7%
4th Generation			5% + 4%	5% + 5%	5% + 5%	5% + 7%	5% + 7%
5th Generation					5% + 5%	5% + 7%	5% + 7%

UNDERSTANDING THE NEWAYS HYBRID COMPENSATION PLAN

(Supplement for US/Canadian Markets)

Overview

Purpose –

The purpose of this document is to make it easier to understand the Neways Hybrid Compensation Plan. This plan is more complex than most MLM plans because it's a hybrid plan specially created to maximize distributor earning potential while rewarding both new and long-term distributors.

Neways Hybrid Compensation Plan –

The Neways Hybrid Compensation Plan combines a unilevel payout plan system with a stairstep-breakaway payout system. The Neways Hybrid Compensation Plan consists of three profit centers:

- the Multiplex "Quick Check" Profit Center (unilevel)
- the Profit Sharing Generational Bonus
- the Affinity "Wealth-Building" Profit Center (stairstep-breakaway)

Multiplex –

Neways' Multiplex Profit Center allows new distributors to earn money on their downline activity right away. Multiplex payouts are only given on downline activity—there is no personal rebate. With the Neways Hybrid Compensation Plan, the first \$100 US/\$150 CN of each distributor's purchases for any given month go into the Multiplex Profit Center. Your purchases qualify you for Multiplex payout up to seven levels in your organization. The volume over the first \$100 US/\$150 CN goes into the Affinity Profit Center for payout.

Affinity –

Neways' Affinity Profit Center has two parts: the stairstep (which pays a Group Development Bonus) and the breakaway (which pays an executive leadership bonus).

Stairstep –

The stairstep part of the Affinity Profit Center is called the group development bonus plan. It pays you monthly commissions on that portion of your own personal volume beyond the first \$100 US/\$150 CN and on that portion of the personal volume of each non-executive downline distributor beyond his or her first \$100 US/\$150 CN if you qualify for that month. It pays fully on all retail, preferred customer, and ProAttitude dealer purchases.

Breakaway –

When a distributor in your downline becomes an executive, he or she breaks away. He or she is no longer part of your personal group.

- You no longer receive stairstep bonuses (Group Development Bonuses) for this distributor and his or her downline.
- You cannot count this distributor's or his or her downline's Affinity volume as part of your Personal Group Volume.
- BUT if you are an executive, you may be paid executive leadership bonuses (sometimes called "overrides") on the Affinity volume of breakaway groups in this part of the Affinity Profit Center. This is where your business can become very lucrative.

Profit Sharing –

In addition to the Multiplex and Affinity bonuses, the Neways Profit Sharing Generational Bonuses allow appropriately qualified Gold DS distributors with 12 qualified DS legs to receive a 1–2 percent bonus paid through four generations.

Details – Multiplex (Step 1)

Look at the chart –

Step 1: Look at the chart “MULTIPLEX Development and Leadership Bonuses” under the section “Multiplex ‘Quick-Check’ Profit Center” of the Team Neways Hybrid Marketing System (Neways Business Opportunity Brochure, item #0142). If you're new to network marketing, this chart may look confusing, but it's much simpler than it looks.

Column Headers (Dollars) –

The figures across the tops of the columns (expressed in points) represent how much personal volume you as a distributor must purchase within a month to receive the overrides shown. (PV or Personal Volume is usually the same as the wholesale price for actual products. Some products have a personal volume that is different from their wholesale cost. Some items, like sales aids, have no personal volume.) So, looking at the first (orange) column you see that if you accumulate \$50 US/\$75 CN on personal volume for the month, you'll receive 5% of each downline distributor's multiplex personal volume down five levels.

Column Headers (DS vs. Non DS) –

Distributors can receive an additional 5% payout in the Multiplex Profit Center by participating in Neways' Direct Ship program. This program allows you to receive a product order each month without contacting Neways. To qualify for the DS (Direct Ship) bonus amounts, simply fill out and send in a Direct Ship agreement, specifying the purchase amount and the products you wish to receive automatically each month. (Additional benefits of being DS enrolled will be discussed later.) So, looking at the third (green) column, you see that if you have a \$100 US/\$150 CN order each month via a direct ship, your payout on your downline will be 10% of the first \$100 US/\$150 CN of each downline distributor's personal volume, down five levels.

If you do not fill out and send in a Direct Ship agreement, then you do not qualify each month for the DS bonus amounts. So, looking at the second (yellow) column, you see that if you have \$100 US/\$150 CN but not via a Direct Ship, you'll be paid at 8%. And looking at the fourth (blue) column, you see that if you have \$150 US/\$225 CN via a Direct Ship agreement, your payout will be at 10% for four levels and 5% for the fifth and sixth levels.

Column Headers (“with 4-6 ...”, “with 7-11 ...”, “with 12+ ...”) –

The last three columns are headed by additional notations saying:
with X-Y
\$100 or \$150 US/\$150 or \$225 CN (DS) legs

The fifth (purple) column shows your payout if you are a \$150 US/\$225 CN DS-enrolled distributor and have four to six \$100 or \$150 US/\$150 or \$225 CN DS legs. A DS leg is any leg under you containing at least one downline distributor who is qualified as a \$100 or \$150 US/\$150 or \$225 CN Direct Ship distributor. Your bonus will be:

- 10% on the first through fourth levels
- 5% on the fifth and sixth levels

PLUS—

- 2% unlimited bonus on all levels throughout your entire organization—another benefit of the automatic purchase program

From the foregoing explanation, you should now be able to understand the sixth and seventh (pink and aqua) columns. As you can see, if you have 12 or more \$100 or \$150 US/\$150 or \$225 CN DS legs, your total bonus check for a month could be quite large.

Blocking –

Blocking isn't mentioned in the Team Neways Marketing System (Neways Business Opportunity Brochure). It applies to the three columns on the right in the Multiplex Profit Center.

If a distributor in your downline has four or more qualified legs, he or she will block your 2%, 4%, or 6%

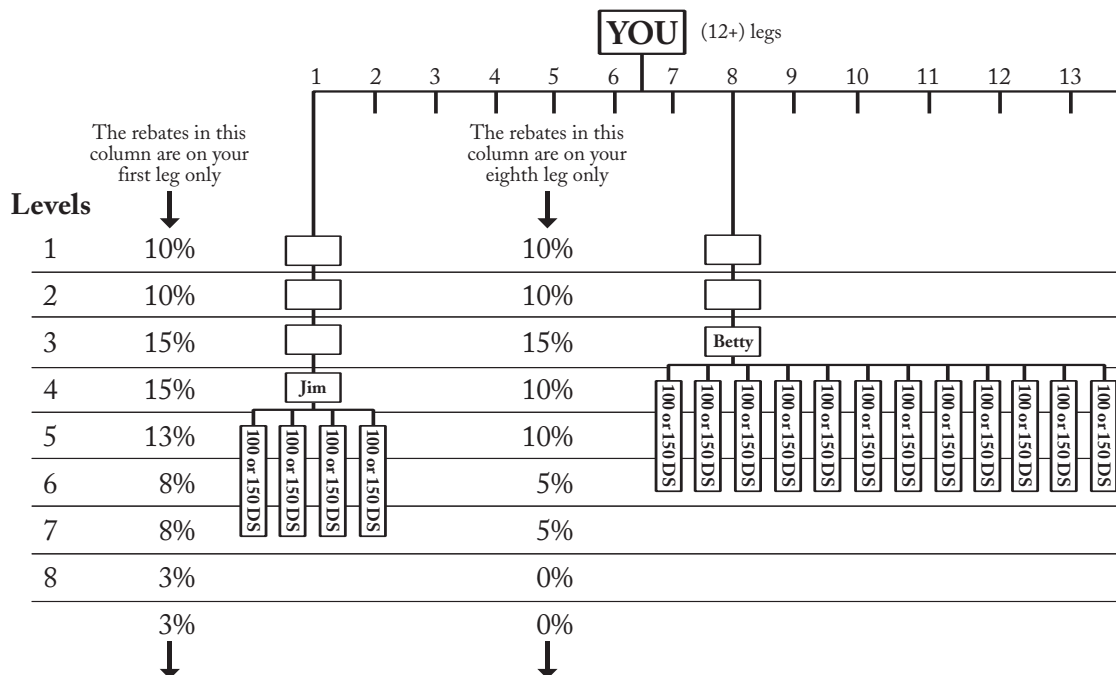
unlimited Multiplex bonus, either partially or completely. The best way to explain the blocking concept is to show by example what occurs.

Example 1 (No Blocking): You have five \$100 or \$150 US/\$150 or \$225 CN DS legs, and none of your downline distributors have more than three \$100 or \$150 US/\$150 or \$225 CN DS legs. Since you have five DS legs, refer to the purple column with the subhead "4–6." You would receive a 10% bonus on all first through fourth level distributors' Multiplex PV, a 5% bonus on your fifth- and sixth-level distributors' Multiplex PV, and a 2% unlimited bonus on all levels throughout your organization.

Example 2 (Partial Blocking): You have ten \$100 or \$150 US/\$150 or \$225 CN DS legs, and one of your fourth-level downline distributors (who we'll call Jim) has four \$100 or \$150 US/\$150 or \$225 CN DS legs. Since you have 10 DS legs, refer to the pink column with the subhead "7–11." You would receive a 9% bonus on all your first-level distributors' Multiplex PV, a 14% bonus on all your second through fifth-level distributors' Multiplex PV, and a 9% bonus for PV of distributors on level six, except for the DS leg that Jim is on. For the leg that Jim is on, you'll get a 12% bonus for PV of distributors on level five and a 7% bonus for PV on level six. The reason for this is that Jim is entitled to a 2% unlimited bonus on all of his distributors' Multiplex PV. His 2% unlimited bonus is partially blocking your 4% unlimited bonus on his downline activity. Beyond level six in that leg, you will still receive a 2% unlimited bonus until you are blocked. Payout blockage only occurs on Jim's downline organization (refer to the chart following example 3).

Example 3 (Partial and Complete Blocking): You have thirteen \$100 or \$150 US/\$150 or \$225 CN DS legs. Jim (on the fourth level of your first DS leg) still has four \$100 US/\$150 CN DS legs. Betty (on the third level of your eighth DS leg) has 12 \$100 US/\$150 CN DS legs. Since you have 13 DS legs, refer to the aqua column with the subhead "12+." You will get the following bonuses on your entire downline, except for the first and eighth legs (also see chart below):

- Levels 1 and 210%
- Levels 3, 4, and 515%
- Levels 6 and 710%
- Levels 8 and beyond5%



On your first leg, you'll get the following bonuses (partial blocking):

- Levels 1 and 210%
- Levels 3 and 415%
- Level 513% (Because Jim is entitled to 2% and $15-2=13$)
- Levels 6 and 78% (Because Jim is entitled to 2% and $10-2=8$)
- Levels 8 and beyond3% (Because $5-2=3$)

On the eighth leg you'd get the following bonuses (complete blocking):

- Levels 1 and 210%
- Level 315%
- Levels 4 and 510% (Because Betty is entitled to a 5% unlimited bonus, which will completely block your 5% unlimited bonus on the rest of that leg: $15-5=10$)
- Levels 6 and 75% (Because $10-5=5$)
- Levels 8 and beyond0% (Because $5-5=0$)

Multiplex Profit Sharing Generational Bonus –

In addition to the unilevel downline organizational bonuses, Gold DS distributors who have 12 or more qualified DS legs (at least one distributor in a downline leg who has met the \$100 US/\$150 CN monthly DS qualification) are eligible to receive the Multiplex Profit Sharing Generational Bonus. This bonus is designed to reward the hard work and dedication of distributors involved in building and maintaining large organizations. Gold DS distributors with 12 or more \$100 US/\$150 CN DS legs receive a .25% bonus through four generations of 12 wide Gold DS distributors, totaling 1% under the Profit Sharing Generational Bonus.

Compression –

Your downline distributors who have PVs of \$49.99 US/\$74.99 CN or less do not qualify for a payout. So when the computer calculates your Multiplex bonus check, it still gives you 5%–15% bonus on those unqualified distributors' sales, but it doesn't count them as levels.

The computer starts computing at the bottom of a leg and moves upward. When it sees a qualified distributor, it "compresses" the PV of the qualified distributor upward onto the same level as the unqualified distributor's PV. You get paid on both PVs as if they were on the same level. Thus, compression allows you to reach deeper than the nominative fifth through seventh levels for your Multiplex Bonus.

If you're a good business builder, you will help your downline distributors realize that they should not make \$49 US/\$74 CN orders. You will help them see that if they make a \$50 US/\$75 CN order they will qualify for a bonus check. (In fact, if you are a wise business builder, you'll help your downline distributors see why they should be \$150 US/\$225 CN DS enrolled!)

How to Qualify –

By now you should understand how to qualify for any possible payout or bonus in the Multiplex Profit Center. But if you still have questions, you may want to talk to your upline executive, or fax your question(s) to Neways Distributor Relations at 800-998-7262 US/888-505-6655 CN or call them at 801-423-7260 US / 905-564-9374 CN.

Details – Affinity (Step 2)

Look at the Chart –

Step 2: Look at the chart “Neways Group Development Bonus” under the section “Affinity ‘Wealth-Building’ Profit Center.” This is the staircase portion of the Affinity Profit Center.

Qualifying for Affinity Bonuses –

To qualify for bonuses in the Affinity Profit Center (group development and/or executive leadership) during ANY given month, your PV requirement is \$200 US/\$300 CN unless you are a \$150 US/\$225 CN DS-enrolled distributor, in which case the additional Affinity PV requirement is waived.

Payouts –

The percentage of your payout in the group development bonus plan is determined by your rank. Your rank is determined by your cumulative Personal Group Volume (PGV) shown below:

- Consultant\$0+
 - Supervisor\$1,000% US/CN+ cumulative PGV
 - Manager.....\$3,000% US/CN+ cumulative PGV
 - Executive\$4,000% US/CN+ cumulative PGV in any of two consecutive months
- OR
- \$6,000 US/CN cumulative PGV, with \$1,000 US/\$1,250 CN earned in the qualifying month

Rank Advancements –

Once you meet the qualifications for a rank achievement, your payout for that rank begins the first of the following month. For example, if you sign up and achieve the rank of supervisor in May (qualifying month), your Affinity plan payout starts with the period 1 June through 30 June (effective month). If you've met your PV requirements, you'll get an Affinity check in July for your June activity.

Consultant –

All new distributors are automatically consultants as soon as they sign up. A consultant does not get a commission in the Affinity Profit Center.

Supervisor –

The month after your cumulative PGV has reached \$1,000 US/CN, you are entitled to the following group development bonus:

- 10% rebate on PV over your first \$100 US/\$150 CN for that month
- 10% commission on Affinity PGV of all consultants in your downline

Manager –

The month after your cumulative PGV has reached \$3,000 US/CN, you are entitled to the following group development bonus:

- 15% rebate on PV over your first \$100 US/\$150 CN for that month
- 5% commission on the PGV of all downline supervisors
- 15% commission on the Affinity PGV of all downline consultants

Executive: Qualifying –

There are two ways to advance to the rank of executive. The first method requires a cumulative PGV of \$4,000 US/CN within a period of two consecutive months, and an Affinity PGV of at least \$1,000 US/\$1,250 CN in the second (qualifying) month. The second method requires a cumulative PGV of at least \$6,000 and \$1,000 US/\$1,250 CN in the qualifying month.

Executive: Payout –

Starting the first effective month, your executive payout will be:

- 25% rebate on PV over \$100 US/\$150 CN for the qualifying month
- 10% commission on Affinity PGV of all downline managers
- 15% commission on Affinity PGV of all downline supervisors
- 25% commission on Affinity PGV of all downline consultants

Non-Qualifying Executive Payout –

Executives who meet the monthly PV requirements of \$200 US/\$300 CN (Non-DS) or \$150 US/ \$225 CN (DS), but not the PGV requirements of \$1,000 US/\$1,250 CN are considered non-qualifying executives and receive only a 20% personal rebate and 5% less commission than a qualifying executive on the Affinity PGV of each manager, supervisor, and consultant.

Executive Breakaway –

If any of your downline distributors become executives, they “break away.” This means that they are no longer part of your personal group. For explanation on how you are paid on your break away groups, please read the next section entitled “DETAILS – Affinity (Step 3),” which deals with breakaway Executive Leadership Bonuses.

Details – Affinity (Step 2)

Look at the Chart –

Step 3: Look at the chart “Executive Leadership Bonuses.” This is the breakaway portion of the Affinity Profit Center.

Executive Leadership Bonuses –

If any of your downline distributors become executives, they break away and are no longer part of your personal group. As such—

- You no longer receive staircase bonuses (Group Development Bonuses) on their organizations.
- You cannot count their PV or PGV as part of your PGV.
- BUT if you are an executive, you are eligible for executive leadership bonuses (sometimes called “overrides”) on the Affinity volume of breakaway groups in this part of the Affinity Profit Center.

Qualifying for Executive Leadership Bonuses –

In order to qualify for payout in the Executive Leadership Bonus portion of the Affinity plan, you must meet the qualification for the Affinity Profit Center previously explained AND meet the executive Affinity qualification of at least \$1,000 US/\$1,250 CN for the payout month.

Up to \$500 US/\$600 CN of your Multiplex Personal Group Volume may be counted toward your executive Affinity qualification (toward this \$500 US/\$600 CN, you may count \$100 US/\$150 CN of up to two of your first-level breakaway executives if the executive is enrolled as \$150 US/ \$225 CN DS). The balance of the points for the executive Affinity qualification must come from your group's Affinity volume.

Column Header –

The figures across the top represent the Affinity Personal Group Volume (PGV). As you can see, to qualify for payout as an executive, senior executive, master executive, or presidential executive your Affinity PGV must be \$1,000 US/\$1,250 CN or more for the month. This qualifying figure drops to \$500 US/\$750 CN for ambassadors, and to \$250/\$375 CN for diamond ambassadors and senior diamond ambassadors. Of course, you must also meet the Affinity PV requirements.

Qualified Executive Legs –

An executive leg is an entire downline organization beginning with one of your first-level executive distributors. A qualified executive leg is a leg containing an executive who has met the monthly qualification requirements. The number of qualified executive legs determines your monthly Executive Leadership Bonuses as shown below. (To calculate the number of qualified executive legs, count each qualified executive and his or her Affinity personal group as one level.)

Executive: 1 or 2 qualified-executive legs5% **three** levels but **no** Affinity bonus
Senior executive: 3 qualified-executive legs5% **three** levels +3% Affinity bonus
Master executive: 4 qualified-executive legs5% **four** levels +4% Affinity bonus
Presidential executive: 5 or 6 qualified-executive legs5% **four** levels +5% Affinity bonus
Ambassador: 7 or 8 qualified-executive legs5% **five** levels +6% Affinity bonus
Diamond ambassador: 9+ qualified-executive legs5% **five** levels +7% Affinity bonus

Affinity Profit Sharing Bonus –

In addition to the Executive Leadership Bonuses, senior diamond ambassadors who have three or more qualified diamond ambassador legs (at least one qualified diamond ambassador in a downline leg) are eligible to receive the Affinity Profit Sharing Generational Bonus. Again, this bonus is designed to reward the hard work and dedication of distributors involved in building and maintaining large organizations. Qualified senior diamond ambassadors receive a .5% profit sharing bonus through four generations of senior diamond ambassadors, totaling 2% under the Profit Sharing Generational Bonus.

Unlimited Affinity Bonus –

The unlimited Affinity Bonus is an additional bonus paid on your executive downline until you come to another distributor who blocks you either partially or completely (similar to the unlimited bonus in the Multiplex Profit Center). To review the principle of blocking, refer to the section entitled "Blocking" in the DETAILS - Multiplex section.

Error Allowance Program –

In case you miss qualification, Neways has provided a “safety net” —for executives only—to help ensure that they meet their monthly qualification of both PV and PGV. Each month when the bonus program is computed, that month’s volume is automatically purchased and charged to your account (only the amount needed to qualify). A maximum purchase amount of up to 25% of an executive’s previous month’s earnings can be used towards the purchase to help you qualify. You must enroll in this program for it to take effect.

Car Bonus Qualifying –

To qualify for the car bonus, you must be at least a senior executive with monthly earnings of \$2,000 US/CN or more for three consecutive months.

Car Bonus: How It Works –

Your car bonus payment will be 15% of your monthly Neways earnings up to a ceiling of \$1,000 US/\$1,250 CN per month or the amount of the car payment, whichever is less. You must continue to qualify monthly at the senior executive rank and generate at least \$2,000 US/CN in total commissions in order to continue receiving the car bonus. If you pay for a car in cash, you will be reimbursed for the total purchase price over a 36-month period, with a ceiling of \$1,000 US/\$1,250 CN per month. To initiate your car bonus payment, complete Form #9030 and mail the original to the Neways Corporate Office.

CAR BONUS INCENTIVE PROGRAM

Imagine yourself as the proud owner of a new car. It is possible because Neways offers senior executives the car of their dreams through the Neways Car Bonus Program.

Which car would you choose? A Cadillac? A Mercedes Benz? A customized van with all the extras?

Regardless of the model, your new automobile will be an asset to your business, a dynamic incentive to you and your associates, and a tremendous advertising tool for your organization and the Neways opportunity.

As others see you sitting behind the wheel of your dream car, it becomes easier for them to envision their own dreams.

How To Qualify –

You can qualify for the Car Bonus Program by reaching the senior executive rank or higher and keeping your bonus checks at \$2,000 or above for three consecutive months. You must also have three qualifying 1st-level executives for three consecutive months.

Your car bonus payment will be much like getting a 15 percent tip for work well done—15 percent of your monthly Neways earnings—up to the amount of the car payment, or \$1,000 US/\$1,250 CN, whichever is less. You must continue to qualify monthly at the senior executive rank or higher and generate \$2,000 in total monthly commissioned earnings in order to continue receiving the car bonus.

A car paid for in cash will be reimbursed at the purchase price for a period of up to 36 months—up to \$1,000 US/\$1,250 CN per month.

To initiate your car bonus payment, complete form #9030, including make and model of the car, and total purchase price (including taxes and all prep/license fees), then mail the original to the corporate office.

Additionally, you must send a copy of the final sales agreement for the purchase of the vehicle, including the date you took possession of the car. Note that the car cannot be more than two years old. Neways will send you a monthly car bonus check made out in the amount that you qualify for, which will be sent as a separate monthly check.

You must purchase a new car (no older than 2 years) after you become car-qualified and then send in proof of purchase in order to receive your car bonus. Only one car per distributorship may be purchased at one time.

Payment Calculation –

The bonus amount you are qualified to receive each month is computed by taking 15 percent from your monthly Neways earnings. At the lowest qualifying level of \$2,000, you would qualify for a \$300-per-month car bonus to put toward your new car payment. Depending on your monthly income at the time of the car purchase, you could qualify for a car bonus maximum of \$1,000 per month.

You must continue to qualify monthly at the senior executive rank and generate at least \$2,000 in total monthly commissions to maintain your car bonus.

Upgrading Your Car and Making Your Next Car Purchase –

You may upgrade your car at any time and receive an accompanying increase in car bonus payment proportional to your monthly commission. However, this is not just another bonus. If 15 percent of your income exceeds your car payment, the difference will not be paid. You may increase your car bonus check, however, if you upgrade your car to your maximum amount. Once your car is paid off, Neways will “start over” by sending your car bonus once again after you make your next car purchase.



Neways International Compensation Plan 2004
Item #0614 • Rev 1 06/04
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