

Shaklee Compensation Structure * Dream Plan & **Fast TRACK Overview

OVERRIDING PRINCIPLES OF THE SHAKLEE COMPENSATION MODEL

- Shaklee uses a patented bonus structure to compensate its Distributors.
- It is the most lucrative plan in the Multi Level Marketing Industry and it is designed to compensate you in many different ways. Because of this it is complicated, so do not get discouraged if you do not understand it completely at first. It takes time but you will get it.
- True monetary success is based on the monetary success of those in your organization. In other words, the key is in moving people up the Shaklee ranks along with you, not moving product alone.
- This overview is meant to be a summary of the complete Shaklee Compensation Model. We have basically summarized the most important information from the resources below and put it into one document for you. For complete details and rules, please see the following video and documents on myshaklee.com (these are good references for your personal Shaklee archives):
 - a. How The Dream Plan Works Video
 - b. The Dream Plan FAQ Document
 - c. Dream Plan Business Rules for Future Leaders
 - d. New Privileges & Responsibilities for Shaklee Family Members (P&R)
 - e. FastTRACK FAQ Updated 8/10
 - f. Dream 2011 Rules
 - g. Team Up Quarterly Incentive Program

* Dream Plan is the name Shaklee has given to its Compensation Plan

** FastTRACK is the name of Shaklee's accelerated 15 month program to Executive Coordinator (the half way point up the Shaklee leadership ranks). This program incentivizes you to meet certain rank promotions within 3 month time frames by compensating you with extra cash bonuses and all expense paid trips, among other rewards.

GLOSSARY OF TERMS

Pricing and Volume

Each Shaklee Product has 3 levels of pricing:

SRP – Suggested Retail Price

MN – Member Price (15% off Retail)

DN – Business Leader Pricing (26.7% off SRP)

PV – Point Value is the basis for measuring qualifications and for calculating bonuses in the Shaklee Compensation Plan. There is a Point Value associated with every Shaklee product. On average \$100 = 75 Point Value. For example, the Shaklee website product descriptions will list all prices as shown below.



Scientifically Advanced Formula
Vita-Lea® with Iron Formula
120 tablets / 60 servings

Now with More Vitamin D!

**The Perfect Multi.
More Nutrients. More Strength. More Protection.**

The best of Shaklee science in one of the most comprehensive and balanced supplements you can buy. Vita-Lea is specially formulated to provide you with 23 essential vitamins and minerals needed by adults. Plus, the patented Bioactivated Absorption System, exclusive to Shaklee ensures enhanced absorption of folic acid, a critical component of complete nutrition. Taken daily, Vita-Lea promotes overall health and vitality, supports long-term heart, colon and eye health and a healthy immune system!

Vita-Lea is supported by seven clinical studies and combines the best ingredients with extraordinary quality. It's the perfect multi – for perfect health.

Add to Cart

Add to AutoShip ?

1-Time Add to AutoShip ?

Item #: 20266
Size: 120

PV: 17.70
Weight: 0.483 lbs.
Your Price: \$ 19.85 DN
MN Price: \$ 23.05
SRP Price: \$ 27.10

PV – (Personal Volume) is the sum of the point values of your personal Shaklee purchases. PV is measured monthly. Every month your PV resets.

PGV – (Personal Group Volume) is the sum of your PV and all your personal Group's PV (as in the people you have personally brought into Shaklee as Members, Distributors or Gold Ambassador Distributors). PGV is measured monthly. Every month your PGV resets.

CV – (Car Volume) Senior Directors and above are eligible to earn car payments based on their titles and the car volume they accrue. CV is the sum of your PGV and up to 2,000 PGV for each First Generation Business Leader (Please see definitions below under Titles, Leadership Ranks and General Terms) in your organization. CV is measured monthly. Every month your CV resets.

Glossary of Terms (Cont'd)

OV – (Organizational Volume) is a term that is used to describe your volume once you have become a Business Leader and have developed a personally sponsored Distributor into a Business Leader. (Please see definitions below under Leadership Ranks). Once your Distributor becomes a Business Leader their PGV is no longer counted towards your PGV, it is counted towards your OV. Hence, OV is the aggregate of your PGV and the PGV of the Business Leaders in your organization. OV is measured monthly. Every month your OV resets.

3 Types of Shaklee Membership

Member – A person who pays \$19.99 to become a Shaklee Member. Members receive Member pricing (MN), which is 15% off Shaklee retail prices (SRP).

Distributor – A person who is eligible to earn Shaklee bonuses because they purchased a \$39.95 Distributor Pak, a \$299 Gold Ambassador Mission Pak or a \$750 Super Gold Ambassador Mission Pak. Distributors receive Member pricing (MN) until they reach the rank of Director where they will start receiving Distributor pricing (DN), 26.7% off Shaklee retail prices (SRP). **Note: You must be a Gold Ambassador to receive Gold Bonuses, participate in the Fast TRACK program and sponsor people internationally.**

Gold Ambassador – A distributor who is eligible to earn **ALL** Shaklee Bonuses, eligible to participate in the Fast TRACK program and eligible to sponsor people internationally because they purchased a \$299 Gold Ambassador Mission Pak or a \$750 Super Gold Ambassador Mission Pak. Gold Ambassadors receive Member pricing (MN) until they reach the rank of Director where they will start receiving Distributor pricing (DN), 26.7% off Shaklee retail prices (SRP).

Titles

Distributor – A person who is eligible to earn Shaklee bonuses because they purchased a \$39.95 Distributor Pak, a \$299 Gold Ambassador Mission Pak or a \$750 Super Gold Ambassador Mission Pak.

Associate – Is a title that is used to recognize outstanding Distributors who have not achieved the rank of Director yet.

Business Leader – Is a Distributor who has reached the rank of Director or above. There are a total of 11 Business Leader ranks within the Shaklee “Dream Plan” Compensation Structure.

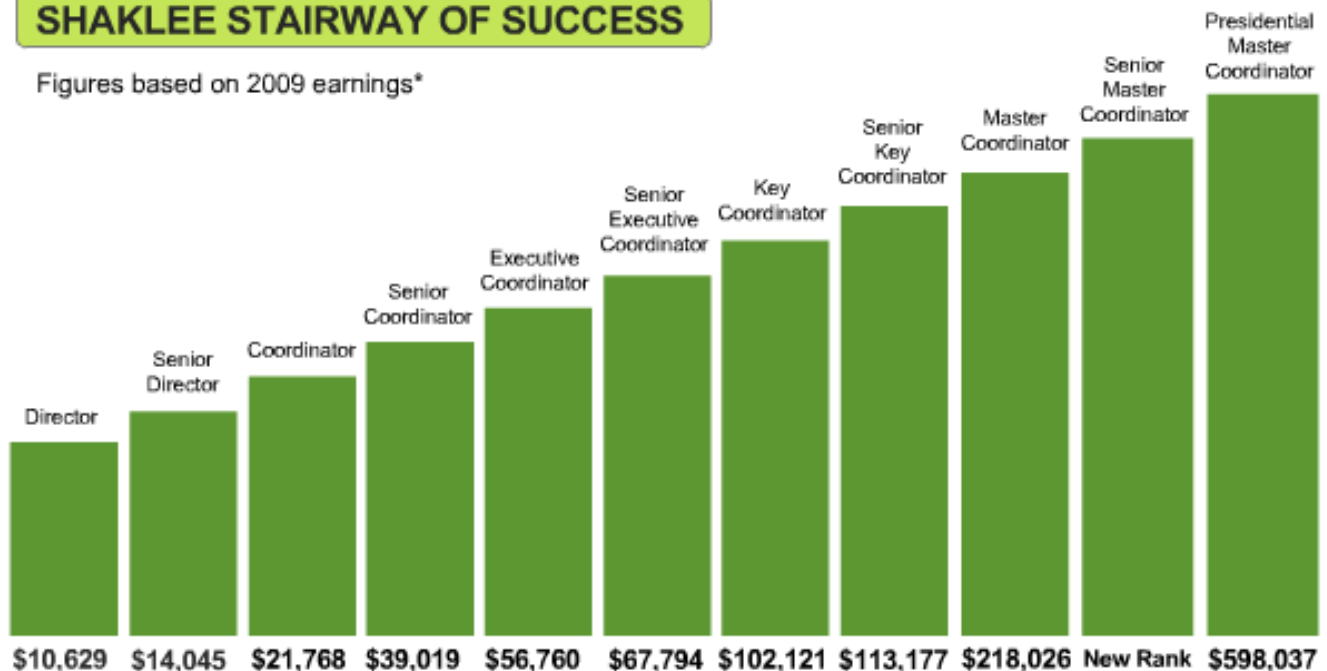
Leadership Ranks

There are 11 Business Leader ranks in the Shaklee “Dream Plan” compensation structure. The first level is Director and it is achieved by having a minimum of 2000 PGV running through your business on a monthly basis. This is the first rank in Shaklee where you are considered a Business Leader. Higher business leader ranks are achieved by helping a Gold Ambassador you have personally sponsored promote to Director and meeting other PGV and OV requirements. For example, for you to promote from Director to Senior Director you must help a personally sponsored Gold Ambassador within your organization reach the rank of Director.

Glossary of Terms (Cont'd)

SHAKLEE STAIRWAY OF SUCCESS

Figures based on 2009 earnings*



*Average annual income for each rank is calculated monthly based on information reported on Form 1099-MISC for all U.S. Business Leaders who achieved the rank that month. The sum of these monthly averages is the figure reported above. Results will vary with effort. Shaklee Corporation does not guarantee that any particular income level will be achieved.

General

Sponsor – This is what you are called once you sell a Member Pak, a Distributor Pak or Gold Ambassador Pak to a customer. Shaklee refers to this act as sponsoring because these people are now part of Shaklee and are counted towards your PGV.

Downline – The people you sponsor, the people they sponsor, etc. etc.

Organization – A term that is used to describe your entire downline once you become a Business Leader and have a personally sponsored distributor promote to Business Leader. Your organization represents everyone in your PGV, everyone in your Business Leaders' PGV, everyone in their Business Leader's PGV etc etc. OV is the measure of the volume associated with your organization.

Generations – A way to categorize the Business Leaders (i.e. Directors and above) in your organization. The people you personally sponsor that become Business Leaders are considered your First Generation. The people your First Generation Business Leaders personally sponsor that become Business Leaders are considered their First and your Second generation etc. You must be a Business Leader to have generations associated with you. For example if you sponsor a distributor and they become a Director but you are not a Director at the time, they will NOT be considered a generation of yours and you will not be eligible for certain bonuses on that Director. Once you become a Director yourself that person will be categorized as your First Generation.

Leg – A way to describe your First Generation Business Leaders' organizations. Once a Distributor you have personally sponsored becomes a Business Leader, they become a "leg" of your organization.

DREAM PLAN RULES

3 Ways to Join Shaklee

- 1) Become a Member through the purchase of a \$19.95 Member Pak
- 2) Become a Distributor through the purchase of a \$39.95 Distributor Pak, a \$299 Gold Ambassador Mission Pak or a \$799 Gold Ambassador Mission Pak
 - a) Distributors who have **NOT** purchased a Gold Ambassador Mission Pak are **NOT** eligible for Gold Bonuses, are **NOT** eligible for FastTRACK and are **NOT** eligible to sponsor people internationally
- 3) Become a GOLD Ambassador
 - a) Purchase a \$299 Gold Mission Pak (250 PV)
 - i) Includes \$500 worth of Shaklee Products and all Distributor materials
 - ii) You are eligible for ALL Shaklee Bonuses, you are eligible to participate in Fast TRACK and you are eligible to sponsor people internationally
 - b) Purchase a \$750 Super GOLD Ambassador Mission Pak (500 PV)
 - i) Includes \$1000 worth of Shaklee Products and all Distributor materials
 - ii) You are eligible for ALL Shaklee Bonuses, you are eligible to participate in Fast TRACK and you are eligible to sponsor people internationally

Requirements to be Eligible For ALL Shaklee Bonuses

- 1) You must Purchase a Gold Mission Pak (there are 2 choices)
 - a) \$299 GOLD Ambassador Mission Pak (250 PV)
 - b) \$750 Super GOLD Ambassador Mission Pak (500 PV)
- 2) You must purchase 100 PV worth of products every month
- 3) You must have at least 250 PGV (Personal Group Volume) that includes your 100 PV

Explanation Of Earnings And Bonuses

- 1) **Price Differential** (Meaning you earn the difference between the price YOU qualify for and the price your retail and Member customers pay.)
 - a) Earn Price Differential on all your retail customers
 - b) Earn Price Differential on all your Member customers once you reach the rank of Director and are eligible for DN pricing.

- 2) **GOLD Bonuses**
 - a) A GOLD Ambassador Bonus of \$50 will be paid to the Original Sponsor on the purchase of a GOLD Ambassador Mission Pak.
 - b) A GOLD Ambassador Bonus of \$100 will be paid to the Original Sponsor on the purchase of a Super GOLD Ambassador Mission Pak.
 - c) GOLD Bonuses are paid weekly to those registered for direct deposit. If not registered for Direct Deposit, these bonuses are paid monthly.

- 3) **Power Bonuses** - Distributors are eligible to earn Power Bonuses of \$150 for every 15 points earned as follows:
 - a) 1 point for each new Member or Distributor sponsored with a 50 PV order
 - b) 2 points for each new Distributor with a 100 PV order

- c) 5 points for each new Distributor sponsored with the 250 PV GOLD Ambassador Mission PAK
- d) 10 points for each new Distributor sponsored with 500 PV Super GOLD Ambassador Mission PAK
 - i) Distributors are eligible to earn Power Bonuses during their first three months in Shaklee (remainder of month of entry plus three full months). There is no limit to the number of Power Bonuses that can be earned in the time frame.
 - ii) For each new rank achieved, beginning with Director, Distributors have another three months in which to earn Power Bonuses. The three-month period begins the month after the effective date of the promotion
 - iii) Power bonus points are also counted towards the **Shaklee Incentive Point System**
 - iv) **The Shaklee Incentive Point System** is another way Shaklee encourages you to sell Shaklee products, climb the Shaklee ranks and help other distributors in your organization promote to Business Leaders. (Please see Dream 2011 – Rules and How to Earn Points on myshaklee.com for more details)
 - (1) Earn Double points on new customers/distributors who maintain a min 100PV auto ship for 3 months (APPLIES TO DREAM TRIP ONLY)
 - (2) Earn points for each new rank you achieve
 - (3) Earn Net Gain Points
 - (a) Earn up to 175 points for each new 1st Generation Leader you develop
 - (b) Earn up to 50 points for each new Leader developed in your organization
 - (4) Points are accrued towards the following:
 - (a) Earn 350 Points for Dream Trip (2011 is the Atlantis Resort)
 - (b) Earn 1000 points for Top Achievers Club Trip (2011 is the Four Seasons/Bora Bora)
 - (c) Earn Team Up/Individual Quarterly Incentive Prizes (Please see Team Up Quarterly Incentive Program on myshaklee.com for more details)
 - (i) Accrue a set amount of points individually on a quarterly basis and earn a prize (Ipad, Portable Speaker System etc)
 - (ii) Register a team of 2-6 members and accrue a set amount of points as a team to win group prizes (e.g. Flip Cam)

4) **Personal Group Bonuses** - Distributors, Associates and Business Leaders are eligible to earn Personal Group Bonuses as follows:

Title	PGV (Incl. 100 Personal Volume)	% on Personal Volume*	% on 250 PGV Groups	% on 500 PGV Groups	% on 1000 PGV Groups	% on 1500 PGV Groups
Distributor/Associate	250	4%				
Distributor/Associate	500	8%	4%			
Distributor/Associate	1000	12%	8%	4%		
Distributor/Associate	1500	14%	10%	6%	2%	
Business Leader	2000	20%	16%	12%	8%	6%

*And Members and Distributor Groups with less than 250 PGV

Differential Payment

Personal Group Bonuses are paid differentially, meaning that you earn the difference between the percentage you qualify for and the percentage qualified for by a Distributor or Associate in your Personal Group.

Dream Plan Rules (Cont'd)

- 5) **Leadership Bonuses** – A leadership bonus on PGV is paid to Senior Directors and above for helping promote Directors within their organization (1st Generation, 2nd Generation etc up to Infinity Generations). NOTE: Leadership bonuses are not differential bonuses, they are paid by Shaklee and do not impact the dollars your new Director also makes from his or her PGV paid by Shaklee. Senior Directors and above are eligible to earn Leadership Bonuses as follows:

Paid as Title	Leadership Bonuses					
	1st	2nd	3rd	4th	5th	6th
Sr. Director	6%	3%				
Coordinator	6%	4%				
Sr. Coordinator	6%	5%				
Executive Coordinator	6%	6%	4%			
Sr. Executive Coordinator	6%	6%	4%			
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%

- 6) **Car Bonuses** – A Car Bonus is paid to Senior Directors and other higher ranks for meeting specific minimum Car Volumes (CV) and title requirements. Business Leaders may participate in the Car Bonus Program for each rank only once. Business Leaders must first complete a three-month qualification period, and are then eligible to earn the car bonus for their program when monthly requirements for their program are met as follows:
- a) **Senior Director**
 - i) Hold Senior Director Title or higher
 - ii) Hold minimum 5000 CV (2,000 can come from First Generation Business Leader) for each month over 36 month period.
 - iii) If you fall below 5000 CV any given month, NO car bonus will be paid
 - iv) Receive \$225 car payment or \$250 for hybrid car payment
 - b) **Senior Coordinator**
 - i) Hold Senior Coordinator Title or higher
 - ii) Hold minimum 7000 CV (2,000 can come from each of your First Generation Business Leaders) for each month over 36 month period.
 - iii) If you fall below 7000 CV any given month, NO car bonus will be paid
 - iv) Receive \$325 car payment or \$375 for hybrid car payment
 - c) **Senior Executive Coordinator**
 - i) Hold Senior Executive Coordinator Title or higher
 - ii) Hold minimum 9000 CV (2,000 can come from each of your First Generation Business Leaders) for each month over 36 month period.
 - iii) If you fall below 9000 CV any given month, NO car bonus will be paid
 - iv) Receive \$400 car payment or \$450 for hybrid car payment

Dream Plan Rules (Cont'd)

d) **Senior Key Coordinator**

- i) Hold Senior Key Coordinator Title or higher
- ii) Hold minimum 13,000 CV (2,000 can come from each of your First Generation Business Leaders) for each month over 36 month period.
- iii) If you fall below 13,000 CV any given month, NO car bonus will be paid
- iv) Receive \$450 car payment or \$500 for hybrid car payment

e) **Master Coordinator**

- i) Hold Master Coordinator Title or higher
- ii) Hold minimum 15,000 CV (2,000 can come from each of your First Generation Business Leaders) for each month over 36 month period.
- iii) If you fall below 15,000 CV any given month, NO car bonus will be paid.
- iv) Receive \$500 car payment or \$550 for hybrid car payment

f) **Presidential Master Coordinator**

- i) Hold Presidential Master Coordinator for a total of 6 months
- ii) Shaklee will **GIVE** you a Mercedes S400 hybrid.

- 7) **Infinity Bonuses** – An infinity bonus on OV (Organizational Volume) is paid to Senior Coordinators and above for promoting Senior Coordinators, Executive Coordinators, etc all the way up to Presidential Masters within your organization.

Paid As Title	Infinity Bonus
Senior Coordinator	2%
Executive Coordinator	3%
Sr. Executive Coordinator	4%
Key Coordinator	5%
Sr. Key Coordinator	6%
Master Coordinator	7%
Sr. Master Coordinator	7.5%
Presidential Master	8%

Differential Payment

Infinity Bonuses are paid differentially. A Business Leader is paid the difference between the percentage they qualify for and the percentage their downline Business Leader qualifies for.

- 8) **Matching Bonus** – Senior Key Coordinators and higher are eligible to be paid a Matching Bonus on the Infinity Bonus earnings of the first downline Business Leader in any leg who matches, but does not exceed their title. The Matching Bonus percentage increases as your title increases:

Paid As Title	Matching Bonus
Sr. Key Coordinator	10%
Master Coordinator	15%
Sr. Master Coordinator	20%
Presidential Master Coordinator	25%

Dream Plan Rules (Cont'd)

- 9) **Presidential Master Organization Bonus** – Presidential Master Coordinators are paid an additional Infinity Bonus when they develop Presidential Master Coordinators in one or more Business Leader Legs within their organizations. The bonus pays truly to infinity, as follows:
- Presidential Master Coordinator receives .5% of the entire Organizational Volume of the first Presidential Master Coordinator downline in a given leg, down to but excluding the Organizational Volume of the second Presidential Master Coordinator down that leg.
 - A Presidential Master Coordinator receives .25% of the entire Organizational Volume of the second Presidential Master Coordinator downline in a given leg, down to but excluding the Organizational Volume of the third Presidential Master Coordinator down that leg.
 - A Presidential Master Coordinator receives .165% of the entire Organizational Volume of the third Presidential Master Coordinator downline in a given leg, down to but excluding the organizational Volume of the fourth Presidential Master Coordinator down that leg.
- 10) *****FastTRACK Bonuses** – FastTRACK is a 15-month accelerated path to Executive Coordinator, the halfway mark up the Shaklee leadership ranks. If you meet all the FastTRACK milestones over the 15-month period, you will earn on average \$100,000 (this is an average taken of 15 months of Shaklee Dream Plan Bonuses + FastTRACK Bonuses), three 5-star all expense paid vacations, and car payments among other rewards. You earn these incentives by achieving a new Shaklee business leader rank every 3 months over the 15-month period. Your eligibility to participate in the FastTRACK program begins the day you join Shaklee. For those who joined Shaklee before August 2010, you have until October 31st to make Director in the FastTRACK program.
- Make Director in 3 months/ Hold Rank for 3 months**
 - Qualifications
 - Min 4500 PGV over 3 consecutive month period/ Min 2000 PGV in the final month of qualification including 100 PV
 - OR 3000 PGV in a single month/including 100 PV
 - YOU MUST MAINTAIN THE 2000 PGV per month to retain Director Rank
 - Rewards
 - Receive 1 full year of PWS (Personal Website)/iTrack (\$299 Value)
 - Receive 2 Free Registrations to Global Conference (\$500 Value)
 - You must maintain Director rank the month of the Global Conference
 - Qualify for New Director's Trip (All expense paid trip to Home Office outside of San Francisco, meet Roger Barnett, Shaklee Scientists, Medical Doctors & Staff etc.)
 - Achieve 3000 PGV per month for a total of 6 months (18,000 PGV) during your first year as a Director.
 - Make Senior Director in 6 months/ Hold Rank for 3 months**
 - Qualifications
 - Maintain a Min of 2,000 PGV to keep Director Rank
 - Promote a personally sponsored Gold in your organization to Director (This means that you will now have 1 First Generation Business Leader in your organization)
 - Rewards
 - \$1000 FastTRACK Bonus
 - Make Coordinator in 9 months/ Hold Rank for 3 months**
 - Qualifications
 - Maintain minimum 2,000 PGV
 - Promote a second personally sponsored Gold in your organization to Director (This means that you will now have 2 First Generation Business Leaders in your organization)

Dream Plan Rules (Cont'd)

- ii) Rewards
 - (1) Receive \$3000 FastTRACK Bonus
 - (2) Receive \$1500 on any FastTRACK Coordinators you develop
 - (3) Qualify for the Dream Trip (2011 trip is a 6 day/5 night all expense paid trip to the Atlantis Resort in the Bahamas)
- d) **Make Senior Coordinator in 12 months/ Hold Rank for 3 months**
 - i) Qualifications
 - (1) Maintain minimum 2,000 PGV and 10,000 OV
 - ii) Rewards
 - (1) Receive \$5,000 FastTRACK Bonus
 - (2) Receive \$2500 on any FastTRACK Senior Coordinators you develop
- e) **Make Executive Coordinator in 15 months/ Hold Rank for 3 months**
 - i) Qualifications
 - (1) Maintain minimum 2,000 PGV and 20,000 OV
 - (2) At Least 50% of the 20,000 OV requirement must come from outside your largest leader leg
 - (3) Promote a third personally sponsored Gold to Director (This means that you will now have 3 First Generation Business Leaders in your organization)
 - ii) Rewards
 - (1) Receive \$25,000 FastTRACK Bonus
 - (2) Receive \$12,500 on any FastTRACK Executive Coordinators you develop
 - (3) Qualify for Top Achiever's International Luxury Incentive Trip (2011 trip is an all expense paid trip to the Four Seasons in Bora Bora)
 - (4) Qualify Future Masters Training Event in San Francisco (all expense paid trip to San Francisco and Napa Valley 5 Star Resort and an opportunity to have one on one time with all Shaklee staff, Roger Barnett and other future Masters)

Please use the Dream Plan Compensation Chart for a visual of these rank advancements/ requirements and the trips, cars, cash, prizes, and income you can achieve at each rank*

