

welcome

TO THE IT WORKS!® COMPENSATION PLAN¹

THIS IS YOUR GAME PLAN TO MAKING THE INCOME YOU WANT ON THE SCHEDULE YOU CHOOSE!

Whether your goal is to pay off debt, save more money, or simply make another stream of income... we're confident that the It Works! Compensation Plan can help you hit it!

RELATIONSHIP BUILDING—AND EARNING!

At It Works!, we believe in the power and potential of people. Connecting with people is how you can build a successful business and unbelievable income with It Works!. How you earn and how much you earn starts with the three distinct people that make up your It Works! business.

| RETAIL CUSTOMERS | LOYAL CUSTOMERS | DISTRIBUTORS |
|--|--|---|
| <p>These are customers who make a one-time retail purchase of It Works! products. When you as a Distributor make a Retail Customer sale from your own inventory you earn the individual markup (the difference between the recommended retail price and the price you paid-as a Distributor) on that sale. For retail sales fulfilled by the company, the enrolling Distributor is paid the difference between the Retail Customer price and the Distributor price. A Distributor does not have to be Commission Qualified to earn a Retail Bonus.</p> | <p>The main pillar of the It Works! business is the sale of products to its Loyal Customers. Loyal customers are customers who receive discounted pricing and other perks from being a member of the IT WORKS! Perks Program.</p> <p>The more customers you have, the more money you will earn through commissions on product sales to your personal customers. You also have the opportunity to earn on products sold by your team of Distributors.</p> | <p>Distributors are members of your team who have completed the Distributor enrollment process and want to build a business. You will earn commissions on their orders and the orders in their downline for the levels that you are qualified for.</p> <p>It Works! allows Distributors to split enrollment and placement of both Distributors and Loyal Customers. It Works! recommends that to maximize your earnings over the long run, you maintain enrollment of all Distributors and Loyal Customers, and keep them on your first level. If you choose to place Loyal Customers somewhere other than your first level, they will not be eligible to be used for some bonuses.</p> |

JOIN AND BECOME COMMISSION QUALIFIED

In order to start earning commissions on your It Works! business, you need to be Commission Qualified. This enables you to earn commissions on the Bonus Volume from your Loyal Customer and Distributor orders. If you enrolled with the Business Builder Kit (0 BV), congratulations, you are already Commission Qualified for the month you enrolled. If you didn't, or if it is after your enrolling month, you must complete one of the following to be Commission Qualified:

- **Have at least 150 Personal Bonus Volume for the month**
- **Process your optional minimum 80 BV Subscription**

¹All references to income, implied or stated, through the It Works! Compensation Plan are for demonstration purposes only. It Works! does NOT guarantee any level of income or earnings to any Distributor.

START CLIMBING THE RANKS

All new enrolling Distributors will start with the title of Distributor once they have completed the enrollment process. In order to earn commissions for the month, you must be Commission Qualified. You will earn commission on your first two levels and an Enroller Bonus for the personally enrolled Distributor or Loyal Customer product sales. To earn commissions on additional levels, you will need to promote to a higher rank. The following pages provide the qualifications that must be met to be paid at each rank along with the monthly commissions and bonuses that you will be paid at those ranks. All monthly commissions are paid by the end of the day on the 15th of the following month and are based on your paid rank for the current month.

| | | RANK QUALIFICATIONS | DISTRIBUTOR | EXECUTIVE | RUBY | EMERALD |
|-------------------------|----------------|-----------------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| | | COMMISSION QUALIFIED | 150 PBV or 80 BV Subscription | 150 PBV or 80 BV Subscription | 150 PBV or 80 BV Subscription | 150 PBV or 80 BV Subscription |
| | | LEG STRUCTURE REQUIREMENTS | | 2 Qualified | 3 Qualified | 1 Qualified 2 Ruby |
| | | GROUP VOLUME | | | 2,000 | 5,000 |
| | | RETAIL BONUS | Earn 25% on sales from Retail Customers. Earn 10% on sales from your Loyal Customers without an active subscription. | | | |
| | | ENROLLER BONUS | 5% | 5% | 5% | 5% |
| UNILEVEL BONUSES | LEVEL 1 | 10% | 10% | 10% | 10% | 10% |
| | LEVEL 2 | 10% | 10% | 10% | 10% | 10% |
| | LEVEL 3 | | 5% | 5% | 5% | 5% |
| | LEVEL 4 | | | | 5% | 5% |
| | LEVEL 5 | | | | | 5% |
| | | EMERALD BONUS | | | | 2% |

RANK & BONUS STRUCTURE

| RANK QUALIFICATIONS | | DIAMOND | DOUBLE DIAMOND | TRIPLE DIAMOND | PRESIDENTIAL DIAMOND | AMBASSADOR DIAMOND | DOUBLE AMBASSADOR DIAMOND |
|------------------------------------|---------------------|--|---------------------------------------|--------------------------------|---|---|--|
| COMMISSION QUALIFIED | | 150 PBV or 80 BV Subscription | 150 PBV or 80 BV Subscription | 150 PBV or 80 BV Subscription | 150 PBV or 80 BV Subscription | 150 PBV or 80 BV Subscription | 150 PBV or 80 BV Subscription |
| LEG STRUCTURE REQUIREMENTS | | 1 Qualified 1 Ruby 1 Emerald | 1 Qualified 1 Emerald 1 Diamond | 2 Diamonds 1 Double Diamond | 1 Diamond 1 Double Diamond 1 Triple Diamond | 2 Triple Diamonds 1 Presidential Diamond | 2 Triple Diamond 1 Presidential Diamond |
| GROUP VOLUME | | 8,000 | 15,000 | 35,000 | 100,000 | 250,000 | 500,000 |
| RETAIL BONUS | | Earn 25% on sales from Retail Customers. Earn 10% on sales from your Loyal Customers without an active subscription. | | | | | |
| ENROLLER BONUS | | 5% | 5% | 5% | 5% | 5% | 5% |
| UNILEVEL BONUSES | LEVEL 1 | 10% | 10% | 10% | 10% | 10% | 10% |
| | LEVEL 2 | 10% | 10% | 10% | 10% | 10% | 10% |
| | LEVEL 3 | 5% | 5% | 5% | 5% | 5% | 5% |
| | LEVEL 4 | 5% | 5% | 5% | 5% | 5% | 5% |
| | LEVEL 5 | 5% | 5% | 5% | 5% | 5% | 5% |
| EMERALD BONUS | | 2% | 2% | 2% | 2% | 2% | 2% |
| GENERATION PAY | GENERATION 1 | 2% | 2% | 2% | 2% | 2% | 2% |
| | GENERATION 2 | | 4% | 4% | 4% | 4% | 4% |
| | GENERATION 3 | | | 2% | 2% | 2% | 2% |
| | GENERATION 4 | | | | 1% | 1% | 1% |
| | GENERATION 5 | | | | | 1% | 1% |
| GENERATIONAL ENROLLER BONUS | | 5% | 5% | 5% | 5% | 5% | 5% |
| NEW DT LEADERSHIP BONUS | | \$80 | \$40 | \$15 | \$10 | \$5 | \$5 |
| DOUBLE AMBASSADOR BONUS | | | | | | | 0.5% |

NEW DISTRIBUTOR LEADERSHIP BONUSES

Congratulations, as a Diamond or above, you have now reached the Leadership Levels. You're meeting your goals, building your team, and increasing your earnings. Your leadership skills have brought you this far and we believe you should be rewarded with a bonus that is just for our Leadership Level Distributors.

Assignment of New Distributors

Every new Distributor is assigned a Leadership Sponsor upon enrollment, for each Leadership sponsor, from Diamond up to Ambassador Diamond. These five Leadership Sponsors might be five different Sponsors, or they might all be the same Sponsor depending on who the Distributor's enroller is.

If the enroller of the **New Distributor** is not a Diamond or higher, then the Leadership Sponsor for the new Distributor will match that of the enroller. If the enroller of the New Distributor is a Diamond or higher, the enroller will be the Leadership Sponsor for each level up to their rank and the rest of the Sponsors will match that of the enroller.

Leadership Sponsors are assigned based on lifetime title. This means that if your lifetime rank is a Triple Diamond, but you only qualified as a Diamond for a month, the New Distributors you enroll during that month will still have you listed as their Diamond, Double Diamond, and Triple Diamond Sponsor.

Diamond Example

If you are at the Diamond rank, then any New Distributors you enroll after reaching the rank of Diamond will have you listed as their Diamond Sponsor. You will also be the Diamond Sponsor of every new Distributor enrolled under these new Legs until a new Diamond promotes anywhere in the downline. At that time, the new Diamond will become the Diamond Sponsor for any new Legs they create but you will continue to be the Diamond Sponsor for all of their previous Legs.

Double Diamond Example

If you are at the Double Diamond rank, any New Distributors you enroll after reaching the rank of Double Diamond will have you listed as their Diamond and Double Diamond Sponsor.

You will also be the Diamond and Double Diamond Sponsor of every new Distributor enrolled under these new Legs until a new Diamond promotes anywhere in the downline. At that time, the new Diamond will become the Diamond Sponsor for any new Legs they create but you will continue to be the Double Diamond Sponsor in the new Legs and both the Diamond and Double Diamond Sponsor for all their previous Legs. Leadership Sponsorship follows this pattern up through the Ambassador Diamond rank.

New Distributor Leadership Bonus Qualifications

For a New Distributor Leadership Bonus to be paid on a new Distributor they must complete the following in their first 30 days.

1. **Enroll with a Business Builder Kit (0 BV).**
2. **Accumulate 150 in PBV or process an optional minimum 80 BV Subscription order.**
3. **Have 2 Qualified Active Loyal Customers on their 1st level during their first 30 days.**

Leader Bonus Qualifications

For the Leader to earn the New Distributor Leadership Bonuses, you as a Leadership Sponsor must complete the following:

1. **Accumulate 150 in PBV or process an optional minimum 80 BV Subscription order.**
2. **Have 2 Qualified Active Loyal Customers you personally enrolled and are on your level 1.**
3. **Be paid-as Diamond or above for the month the bonus is paid.**

Note: If you were previously paid-as Triple Diamond but during one month you were paid-as Diamond you would not receive the bonuses for Double and Triple Diamond that month.

New Distributor Leadership Bonuses (NDLB) are paid out according to the Leadership Sponsors for each new Distributor who meets the qualifications within the first 30 days.

As Distributors promote up through the Leadership ranks, it's important to create new Legs at each rank to take advantage of being the assigned Leadership Sponsor at the new rank. With each Leadership promotion, you will be creating Legs where you are the assigned Leadership Sponsor for more levels and additional bonuses are paid at each level.

These New Distributor Leadership bonuses will be recovered if either of the Qualified Active Loyal Customers return qualifying orders or a chargeback is filed.

| RANK | NDLB AMOUNTS |
|-----------------------------|---|
| DIAMOND | \$80 for each new qualifying Distributor who is in the Diamond Leadership Sponsor Leg. |
| DOUBLE DIAMOND | \$40 for each new qualifying Distributor who is in the Double Diamond Leadership Sponsor Leg. |
| TRIPLE DIAMOND | \$15 for each new qualifying Distributor who is in the Triple Diamond Leadership Sponsor Leg. |
| PRESIDENTIAL DIAMOND | \$10 for each new qualifying Distributor who is in the Presidential Diamond Leadership Sponsor Leg. |
| AMBASSADOR DIAMOND | \$5 for each new qualifying Distributor who is in the Ambassador Diamond Leadership Sponsor Leg. |

MONTHLY MAINTENANCE

STARTING WITH EMERALD, YOU CAN MAINTAIN YOUR PAID-AS RANK THROUGH MONTHLY MAINTENANCE.

Monthly Maintenance allows you to use your Leg volumes to re-qualify for a rank rather than use the Leg requirements. You may not use more than 50% of the maintenance requirement from any one Leg.

| RANK | MONTHLY MAINTENANCE REQUIREMENT |
|-----------------------------|---|
| EMERALD | 8,000 GV with no more than 4,000 BV counting from any one Leg |
| DIAMOND | 10,000 GV with no more than 5,000 BV counting from any one Leg |
| DOUBLE DIAMOND | 25,000 GV with no more than 12,500 BV counting from any one Leg |
| TRIPLE DIAMOND | 50,000 GV with no more than 25,000 BV counting from any one Leg |
| PRESIDENTIAL DIAMOND | 100,000 GV with no more than 50,000 BV counting from any one Leg |
| AMBASSADOR DIAMOND | 250,000 GV with no more than 125,000 BV counting from any one Leg |

DOUBLE AMBASSADOR DIAMOND

To qualify to be paid-as a Double Ambassador Diamond, your primary account and your 2.0 account must both be paid-as an Ambassador Diamond and you must accumulate a minimum of 500,000 GV on your primary account. You must maintain these requirements monthly to continue to be paid at the Double Ambassador Diamond rank.

As a Double Ambassador Diamond, you can earn a 0.5% bonus on all of the GV in your primary account, excluding all other Double Ambassador Diamonds in your organization.

BLACK DIAMOND

Black Diamond is a special level of recognition that celebrates top-earning It Works! Distributors. Black Diamond is not an actual paid rank, but a recognition title only. To reach Black Diamond, you must be at the rank of at least Triple Diamond or higher and have earned at least \$100,000 in monthly commissions on one distributorship for a minimum of 6 months in a row.

As a Black Diamond, you will receive a bonus of \$100,000 paid out in equal payments of \$4,000 over 25 months. In addition to the bonus, there will be a personalized package of incentives for Black Diamonds only.

If the Distributor falls below \$100,000 in earnings in any month, the \$4,000 payment for that particular month will not be paid.

GENERATION BONUSES EXPLAINED!

WHEN YOU REACH DIAMOND YOU'VE REACHED THE LEADERSHIP LEVEL,

A "Whole 'Nother Level"

OF BONUSES AND INCOME EARNINGS POTENTIAL!

GENERATION BONUSES

EVERY NEW DIAMOND IS A NEW GENERATION—LITERALLY!

Each new Diamond that promotes in a Distributor's downline starts a new Generation in that Leg and the generation is made up of the Diamond's Personal Group Volume.

GENERATION Each new Diamond that promotes in your downline starts a new generation in that Leg and the generation is made up of the Diamond's PGV.

PERSONAL GROUP VOLUME (PGV) The PGV is your Personal Bonus Volume combined with the Personal Bonus Volume of all Distributors in your downline outside of any Diamonds or higher in each Leg.

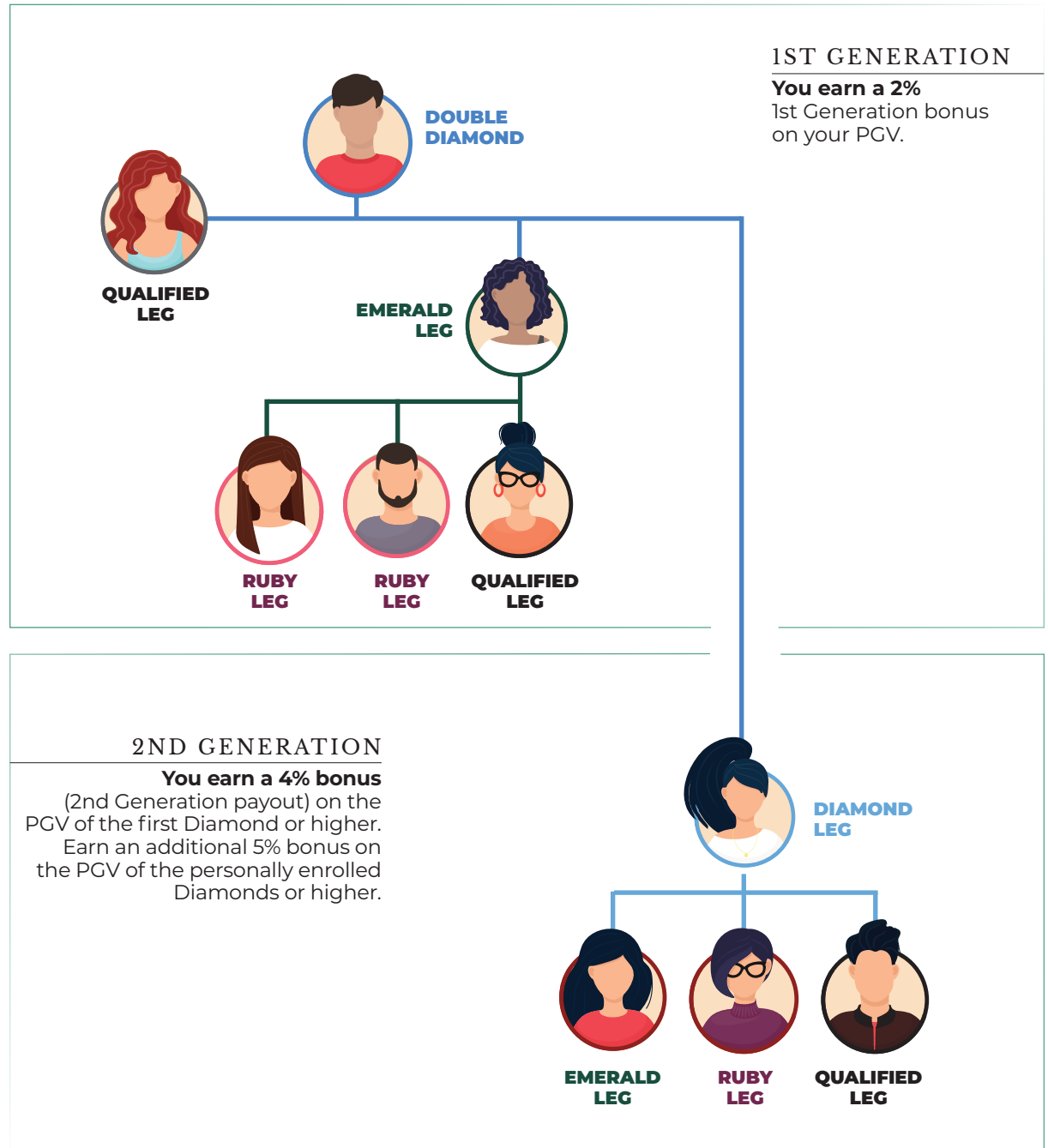
With every new generation comes a Generation Bonus. Diamonds and above can earn Generation Bonuses on up to five generations per leg based on their paid-as rank. As a Diamond, you will be paid a 2% commission on your first generation, your PGV. Reach Double Diamond and you're paid a 4% commission on your second generation, and so on. With each promotion comes another generation you can earn bonuses on. These bonuses are paid on the Personal Group Volume and are paid with the monthly commissions.

See the Double Diamond Generation Payouts chart, page 7.

When members in your team that you have personally enrolled achieve the rank of Diamond or higher and you are also a Diamond or higher, you receive a 5% Generational Enroller Bonus on their PGV.

Double DIAMOND GENERATION PAYOUTS

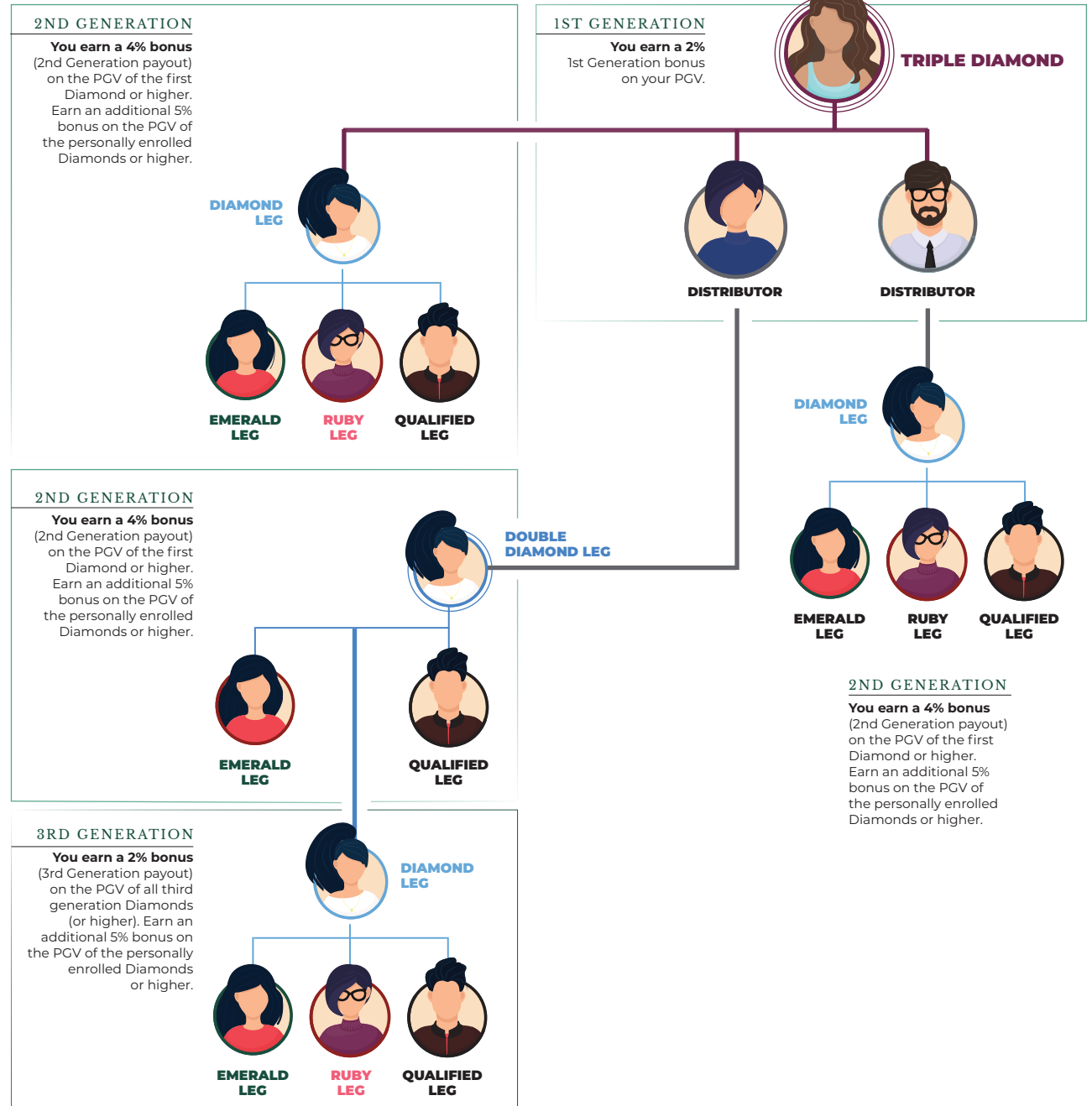
You earn a 2% 1st Generation bonus on your PGV. You earn a 4% bonus (2nd Generation payout) on the PGV of the first Diamond or higher. Earn an additional 5% bonus on the PGV of the personally enrolled Diamonds or higher.



Triple DIAMOND GENERATION PAYOUTS

You earn a 2% 1st Generation bonus on your PGV. You earn a 4% bonus on your 2nd Generation PGV and you earn a 2% bonus on your 3rd Generation PGV.

Earn an additional 5% bonus on the PGV of your personally enrolled Diamonds or higher.



COMPENSATION PLAN DEFINITIONS

ACTIVE DISTRIBUTOR An active Distributor is one that has successfully completed the enrollment process and does not have any status that would restrict them from building a business or receiving commissions.

BLACK DIAMOND Black Diamond recognizes and celebrates top earning It Works! Distributors. This is a recognition rank only. To be recognized you must achieve the rank of Triple Diamond or higher and earned at least \$100,000 USD in monthly commissions on one distributorship for a minimum of 6 months in a row. As a Black Diamond you will receive a bonus of \$100,000 USD paid in equal payments of \$4,000 USD over 25 months.

BONUS VOLUME (BV) Bonus Volume is the assigned value of each product on which qualifications are achieved and commissions and bonuses are paid.

COMMISSION STATEMENT A report located in your Back Office which provides your commission payout details for weekly and monthly earnings.

COMMISSION QUALIFIED To be commission qualified you must enroll with a BBK. Each calendar month following your enrollment month you must have at least 150 Personal Bonus Volume or successfully process a minimum of 80 BV Subscription.

COMPRESSION If a Distributor is inactive, unqualified, or otherwise ineligible for commissions during a given period, this Distributor will not receive any payment, and the system will calculate and pay out commissions to the eligible Distributors above them as if that Distributor was not there. If the Distributor becomes commission qualified in a future period, the system will resume calculating and paying all Distributors involved based on that period's qualifications. Distributors and Loyal Customers are never physically moved up in the genealogy, even if their Distributorship is canceled or not commission qualified for any reason.

COMPLIANCE REVIEW If a Distributor account is under Compliance review, Personal Bonus Volume may not compress for a period of up to three (3) months to allow for chargebacks, product returns, or disputes that may arise regarding the account under review.

COMMISSION HOLD Commission Hold is a Distributor Status that prevents a Distributor from collecting commissions while certain activity is reviewed. Depending on the outcome of the activity review, the Distributorship may be cancelled, and commissions held, or the Distributor status may be restored to active, and commissions may resume being earned and paid.

DIAMOND LEG This is a leg with a Diamond somewhere in the depth of the leg.

DISTRIBUTOR (DT) Someone who has joined It Works! with the intention of growing a team and building a business and generating income.

DOUBLE DIAMOND LEG This is a leg with a Double Diamond somewhere in the depth of the leg.

DOWNLINE ORGANIZATION All Distributors and Loyal Customers that are within your downline are part of your downline organization.

DOUBLE AMBASSADOR DIAMOND To qualify as a Double Ambassador Diamond, your primary Distributor account and your 2.0 account, must be paid-as an Ambassador Diamond and you must accumulate a minimum of 500,000 GV on your primary account. When achieved you will earn 0.5% bonus on all GV in your primary account, excluding all other Double Ambassador Diamonds.

EMERALD BONUS This bonus allows paid-as Emeralds and above to earn 2% on the BV starting with level 6 and going through the 5th level of the first paid-as Emerald or higher in any leg. *Compression does apply.*

EMERALD LEG This is a leg with an Emerald somewhere in the depth of the leg.

ENROLLER This is the person who introduced you to the It Works! Business. You can have a different Enroller than Sponsor.

ENROLLER BONUS This bonus pays 5% commission on the Bonus Volume of orders placed by personally enrolled Loyal Customers and Distributors. *Compression does not apply.*

GENERATION A generation is the position of a paid-as Diamond or above in any given leg. That generation extends down to the next paid-as Diamond or above and can be anywhere below you. The first generation begins with you, down to the next paid-as Diamond or above.

GENERATION BONUS Paid-as Diamonds and above may receive Generation Bonuses on the Personal Group Volume (PGV) from their downline generations. For example, Generation 1 would pay out starting at your account down to the first paid-as Diamond or higher but would not include the volume below the next paid-as Diamond or higher in that leg (this volume would be a separate Generation). If a Distributor was paid-as Diamond, they would receive a 2% Generation 1 Bonus for that month on the volume included in their Generation.

GENERATIONAL ENROLLER BONUS When Distributors in your team that you have personally enrolled achieve the rank of Diamond or higher and you are also paid-as Diamond or higher, you will receive a 5% Generational Enroller bonus on their Personal Group Volume (PGV).

GROUP VOLUME (GV) GV is the sum of your Personal Bonus Volume plus the Personal Bonus Volume of every Distributor in your organization. *(Otherwise known as Organizational or Team Volume)*

LEG REQUIREMENTS The required number of qualified legs needed to promote or maintain Paid-as Rank. Some legs may require a specific 'Paid-as Rank' to count towards qualifying for a paid rank.

COMPENSATION PLAN DEFINITIONS

LEVEL The position of a Distributor in your downline in relation to you, regardless of their rank. When you personally enroll and sponsor a new Distributor or Loyal Customer, they are on your 1st level. Distributors below them are your 2nd level and so on.

LEVEL 1 LOYAL CUSTOMERS These are Loyal Customers that you are the sponsor of, and they are placed on your 1st level.

LIFETIME RANK This is the highest rank ever achieved with It Works!. Lifetime rank only changes when you promote to a new rank. Your Lifetime Rank does not change month to month like your paid-as Rank.

LOYAL CUSTOMERS A Loyal Customer purchases product at a discounted price, and receives other perks from the It Works! Perks Membership..

MONTHLY MAINTENANCE RANKS Starting at the Emerald Rank, you can maintain your paid-as rank through Monthly Maintenance. This allows you to use your leg volumes to re-qualify for rank rather than the leg structure requirements. You may not use more than 50% of the maintenance requirement from any one leg.

NEW DT LEADERSHIP BONUS As a lifetime rank Diamond or above, you can earn Leadership Bonuses each month you meet the qualifications, and your newly enrolled Distributor achieves their qualifications. You must be paid-as Diamond or above to receive these bonuses. These are earned on every new leg created starting at Diamond.

PAID-AS RANK Rank given upon meeting rank qualifications in a commission period. The paid-as rank may be the same or lower than the Lifetime rank and may fluctuate from month to month.

PERIOD The period refers to a specific timeframe in which qualifications for commissions and bonused may be earned. Our compensation plan consists of a fast start, weekly, monthly and quarterly period.

PERSONAL BONUS VOLUME (PBV) PBV is the sum of the Bonus Volume from your personal orders as well as the orders from your enrolled Retail Customers and level 1 Loyal Customers. *Note: orders moved from your account do not count as PBV.*

PERSONAL GROUP VOLUME (PGV) PGV is the sum of your Personal Bonus Volume and the Personal Bonus Volume of all your distributors in your downline outside of any Diamond or higher in each leg.

PRESIDENTIAL DIAMOND LEG This is a leg with a Presidential Diamond somewhere in the depth of the leg.

PLACEMENT A Distributor or Loyal Customer of which you are the enroller but has been placed under a different Sponsor in your downline.

QUALIFIED ACTIVE LOYAL CUSTOMER This is a Loyal Customer who has paid the Membership Fee, enrolled with a minimum 50 BV enrollment order and has set up a monthly subscription order in their first 30 days. A Qualified Active Loyal Customer must not share an address with their Enroller.

QUALIFIED LEG A qualified leg is one with an Active Distributor and at least 400 Group Volume coming from anywhere in the depth of the leg. The top Distributor of the leg does not have to be commission qualified for the leg to be considered qualified.

RANK ADVANCEMENT Distributors who rank advance for the first time.

RECOVERY OF COMMISSIONS This occurs when a return order is processed after a Distributor was paid in a past commission month. Distributors will see the reversed payment for each returned order on their Earnings Statement. If a Distributor earned more than one type of commission or bonus on an order that was later returned, they will see the order listed as a regular line item of their Earnings Statement. The order will be listed once for each commission or bonus type that the Distributor was paid for on the original order.

RETAIL BONUS The retail bonus is a commission you receive on orders placed by your retail customers and fulfilled by the company. This bonus amount is the difference between what the retail customer pays and the Distributor pays.

RETAIL CUSTOMER A customer who makes a one-time purchase at full retail price.

RUBY LEG This is a leg with a Ruby somewhere in the depth of the leg.

SPONSOR Your sponsor is the person directly above you in the genealogy. You can have a different Enroller than Sponsor.

TRIPLE DIAMOND LEG This is a leg with a Triple Diamond somewhere in the depth of the leg.

UNILEVEL BONUS As a commission qualified Distributor, you can be paid on the sales of Distributors and Loyal Customers below you, down through 5 levels. The percentages you are paid and the number of levels you are paid on are based on your paid-as rank. Compression does apply with the Unilevel Bonus.

2.0 DISTRIBUTOR ACCOUNT Once the rank of Ambassador Diamond is achieved, you have the option to create a 2.0 Distributor Account. This is a second Distributor account in your name that will be created with your primary account as the Enroller and Sponsor. You can build this account and earn commissions and bonuses just like your primary account.