



IW Marketing International Canada ULC
Canada

COMPENSATION PLAN





IW Marketing International Canada ULC Canada

STATEMENT OF TYPICAL PARTICIPANT'S EARNINGS

The primary source of income of a Typical Participant in the Compensation Plan (the "Plan") of IW Marketing International Canada ULC (the "Company") is from compensation for the service of arranging for the sale of products. Personal earnings will vary. A Typical Participant in the Plan is defined to be an Independent Distributor who has been engaged in the Plan for at least one year, and who actively engages in the activities necessary to realize the benefits of the Plan.

A Typical Participant in the Plan earns between Cdn \$227 and \$1,997 annually. Please note that these earnings have been derived from the past earnings experiences of the Company. This Statement of Typical Participant's Earnings will be updated annually.

TABLE OF CONTENTS

Welcome to IW Marketing International Canada ULC	1
Your First 30 Days	2
Start Climbing the Ranks.....	4
Management Levels	5
Management Bonuses	6
Leadership Levels	7
Diamond Generations	8
Diamond Bonus.....	11
Diamond Ranks.....	13
Leadership Bonuses	16
Glossary of Terms	18
Statement of Typical Participant's Earnings	20



WELCOME TO



Welcome to the It Works! Compensation Plan,¹ your guide to achieving your optimum earnings potential, reaching your financial goals, and fulfilling your dreams for a life filled with friendships, fun, and, best of all, FREEDOM! Whether your goal is to pay off your mortgage, send your kids to college, or quit your job to spend your days however you choose, the It Works! Compensation Plan can help you achieve it![†]

ARE YOU READY TO LEARN HOW? WELL, LET'S GET STARTED!

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 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:** These are customers who make a one time, retail price purchase of It Works! products. When you make a Retail Customer sale, you earn your commission.
- **Loyal Customers:** Loyal Customers are your customers who sign up with It Works! for the minimum three month auto-ship agreement for their product orders or pay a Membership Fee and in exchange, receive wholesale pricing on all of these products. With sales to Loyal Customers, you earn a percentage commission. This commission will be paid by It Works! The main pillar of the It Works! Business is the sale to Loyal Customers. The more customers you have the more you will earn—directly through your own commissions and indirectly by the sales commissions of your team of Distributors. A Loyal Customer is not a Distributor and may not participate in the Compensation Plan.[†]
- **Distributors:** Distributors are members of your team who have completed the Distributor enrollment process and want to build a business. You will earn commissions on your sales volume and the sales volume in your downline at the levels for which you are qualified.

Auto-ship is an optional preorder system that is useful for Distributors and Loyal Customers who want a regular supply of products and don't want the hassle of placing repeat orders. We offer discounts on special auto-ship package preorders as it assists in our sales forecasts.

If you choose to build your organisation of Distributors and start to promote, the number of pay levels will increase and your income will continue to grow. The bigger the sales team that you build, the more money you can make. This is why building your sales team by investing your effort, energy, and time in others will help you maximise your earnings.[†]

It Works! allows Distributors to split the enrollment and placement of Distributors but does not allow split enrollment and placement of Loyal Customers. It Works! recommends that to maximise your earnings, Distributors should maintain the enrollment of their Distributors and Loyal Customers. If you choose to change placement of a Distributor, it may impact your commissions.

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.

[†]Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

YOUR FIRST 30 DAYS



1 BECOME COMMISSION QUALIFIED

In order to start earning your commissions on your It Works! business, you need to be Distributor Commission Qualified. This enables you to earn commissions on the Bonus Volume from your Loyal Customer and Distributor sales. †

If you aren't Commissions Qualified or if it is after your enrollment month, you must complete one of the following to be Commissions Qualified:

- Enroll with the Business Builder Kit (0 BV) OR
- Have at least 150 Personal Bonus Volume for the month OR
- Choose to process an optional minimum 80 BV auto-shipment

VOLUME DEFINITIONS:

Bonus Volume (BV):

Bonus Volume is the assigned value of a product for the purpose of qualification and calculation of bonuses and commissions for Distributors.

Personal Bonus Volume (PBV):

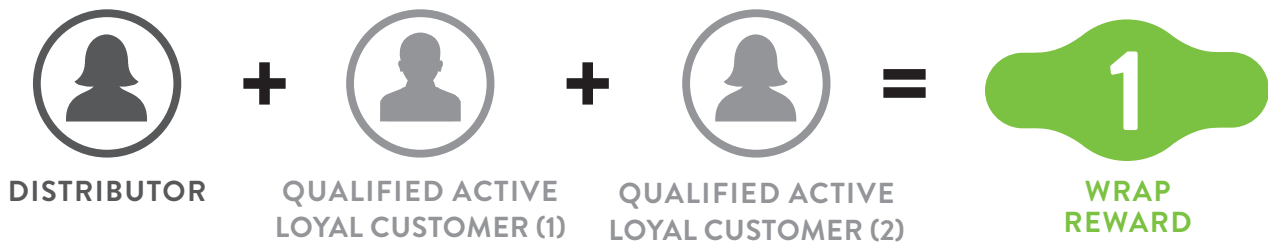
PBV is the sum of the Bonus Volume from a Distributor's personal retail sales and all personally enrolled Loyal and Retail Customer sales.

Group Volume (GV):

GV is the sum of your PBV plus the PBV of every Distributor in your downline organization.

2 GET REWARDED WITH WRAP REWARDS!

As you continue to enroll Loyal Customers you'll earn Wrap Rewards you can use to purchase the It Works! Wrap™ or the Facial Applicator™ at a reduced price. You earn one Wrap Reward for every two Qualified Active Loyal Customers you enroll. These rewards are good for 60 days from the date they are applied to your account.



Your Wrap Rewards will be calculated and applied to your account nightly, based upon enrollment, using this formula:



†Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

3

BECOME FAST START BONUS QUALIFIED

The Fast Start Bonus is a cash bonus equal to the CAD equivalent of 100 USD that you can earn by enrolling new Distributors who meet the Fast Start Bonus qualifications in their first 30 days. To earn the bonus, you need to be Fast Start Bonus qualified.[†]

HOW TO BE FAST START BONUS QUALIFIED



DISTRIBUTOR:

- Purchase a Business Builder Kit (no BV).
- Generate 150 in PBV or process an optional minimum 80 BV auto-shipment within your first 30 days.²
- Enroll 2 Qualified Active Loyal Customers.



QUALIFIED ACTIVE LOYAL CUSTOMER (1)



QUALIFIED ACTIVE LOYAL CUSTOMER (2)

Once you have met all of the requirements, you can earn Fast Start Bonuses on any of your qualified Distributors that are still within their first 30 days.²

² You don't have to be Fast Start qualified yourself when you enroll a new Distributor, but you do need to become Fast Start Bonus Qualified within your new Distributor's first 30 days in order to collect a Fast Start Bonus on the new Distributor. If the new Distributor does not process 150 PBV or the optional minimum 80 BV auto-shipment order within their first 30 days, the Fast Start Bonus will be recovered through a commission adjustment.

[†]Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

START CLIMBING THE RANKS

All new enrolling Distributors will start with the title of Distributor once they have completed the enrollment process and purchased an It Works! Distributor enrollment kit. All Distributors must be sales Commission Qualified for the month in order to earn commissions. All Distributors will earn 10% commission on their first two levels and a 5% enroller bonus for the personally enrolled Distributor's sales or Loyal Customer's 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 the paid ranks of Distributors for the current month.†

Leg:

Each Independent Distributor on your first level represents a separate "Leg" in your team. Legs in your organization grow as your first-level Distributors begin to build their own teams (downlines).

Qualified Leg:

A Qualified Leg is one with at least 400 total Group Volume coming from anywhere in the depth of the Leg. The top Distributor of a Leg does not have to be Commission Qualified for the Leg to be considered a Qualified Leg.

Compression:

During the commission process, commissions are "compressed" to allow you to earn commission on sales originating further down in your organization if there are Distributors above those sales that are not Commission Qualified. Only Distributors that are Commission Qualified will count as a level during the commission calculation process. Any Personal Bonus Volume generated from Distributors who are not Commission Qualified is compressed up and paid out as first level residual commissions to the next Commission Qualified Distributor in the genealogy. Distributors and Loyal Customers are never physically moved up in the genealogy if a Distributor above them cancels their distributorship or is not Commission Qualified for any reason. Only the Personal Bonus Volume will compress up. This Personal Bonus Volume that is compressed up cannot be used by the upline Distributor for qualification purposes. Enroller bonuses do not compress.



Please note: A Distributor does not earn commissions on personal orders or on orders that other Distributors place directly under them.

†Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

cmp-complan-ca-en-005

MANAGEMENT LEVELS

EXECUTIVE

To qualify to be paid as an Executive, you must complete the same steps as a Distributor AND have a minimum of 2 Qualified Legs.[†]

As an Executive, you are eligible to be paid on three levels of your downline orders after compression.

See *Management Bonuses chart*, page 6.[†]



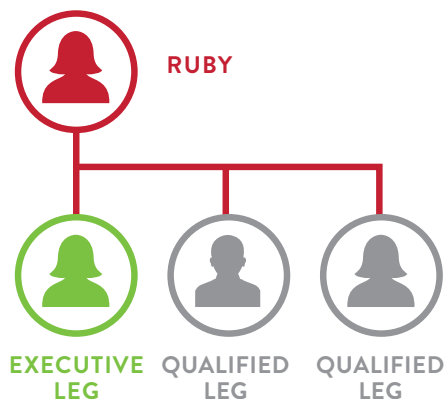
RUBY

To qualify to be paid as a Ruby, gather and build to 3 Qualified Legs with at least 1 of the 3 Legs being an **Executive Leg**.

Executive Leg: a Leg with an Executive somewhere in the depth of the Leg.

As a Ruby, you are eligible to be paid on four levels of your downline orders after compression.

See *Management Bonuses chart*, page 6.



EMERALD

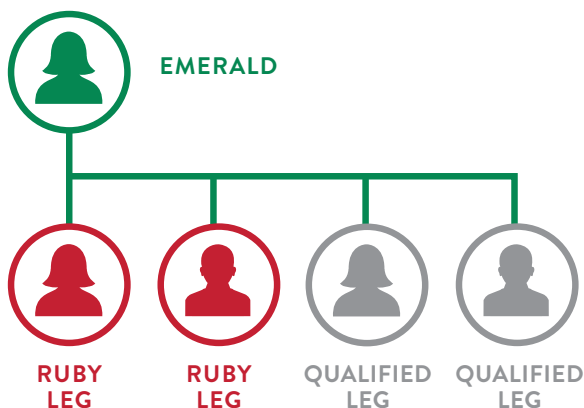
To qualify to be paid as an Emerald, gather and build to 4 Qualified Legs with at least 2 of the 4 Legs being **Ruby Legs**.

Ruby Leg: a Leg with a Ruby somewhere in the depth of the Leg.

As an Emerald, you are eligible to be paid on five levels of your downline orders after compression.

See *Management Bonuses chart*, page 6.

As an Emerald, you will also earn the **Emerald Bonus**. With the Emerald Bonus, you'll earn an additional 2% payout on the Sales Bonus Volume on unlimited levels starting with the sixth level and going through the fifth level of the first Emerald or higher in any Leg after compression is applied.[†]



[†]Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

MANAGEMENT[†] BONUSES



DISTRIBUTOR



EXECUTIVE



RUBY



EMERALD

RANKS & LEVELS

Initial/Monthly Qualifications Requirements	Commission Qualified*	Commission Qualified* PLUS 2 Qualified Legs	Commission Qualified* PLUS 3 Qualified Legs (1 being an Executive Leg)	Commission Qualified* PLUS 4 Qualified Legs (2 being Ruby Legs)
Level 1	10%	10%	10%	10%
Level 2	10%	10%	10%	10%
Level 3	→	5%	5%	5%
Level 4	→		5%	5%
Level 5	→			5%
Level 6	→			2%

Emerald Bonus Level

All qualified Distributors also earn a 5% Enroller Bonus on sales placed by personally enrolled Distributors or Loyal Customers.

*Please note: The chart refers to levels after Compression has been applied. See Glossary of Terms for definitions of Compression and Commission Qualified.
 †Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

LEADERSHIP LEVELS



**When you reach Diamond you've reached the Leadership Level,
a "Whole' Notha 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.

The 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 based on their paid-as rank. As a Diamond, you will be paid a 2% sales commission on your first generation, your PGV. Reach Double Diamond and you're paid a 4% sales 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 Diamond Generation Payouts chart, page 8.†

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.

†Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

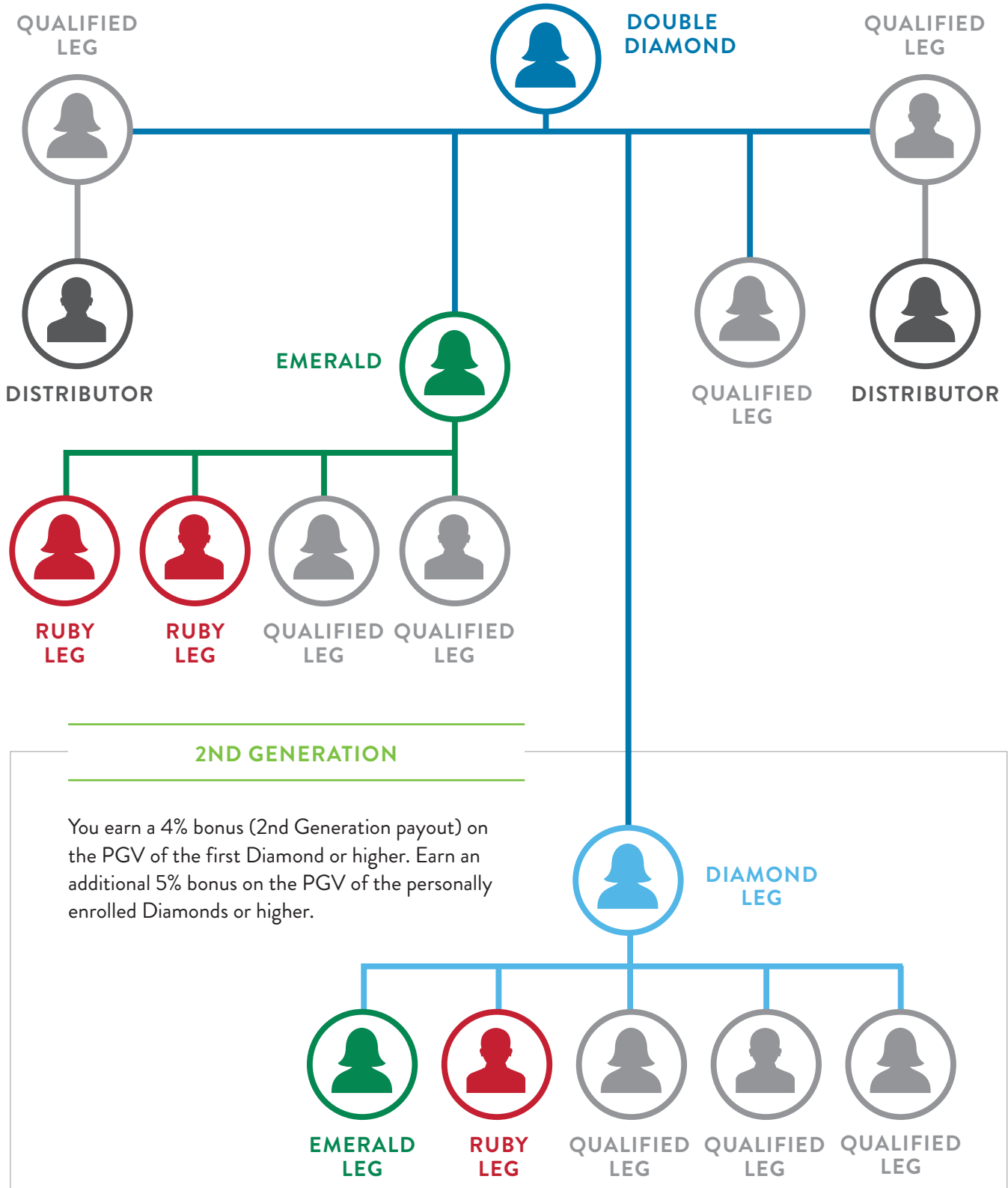
DIAMOND GENERATION PAYOUTS[†]

RANK PAYOUT	 DIAMOND	 DOUBLE DIAMOND	 TRIPLE DIAMOND	 PRESIDENTIAL DIAMOND	 AMBASSADOR DIAMOND
1 st Generation	2% PGV	2% PGV	2% PGV	2% PGV	2% PGV
2 nd Generation	→	4% PGV	4% PGV	4% PGV	4% PGV
3 rd Generation	→	→	2% PGV	2% PGV	2% PGV
4 th Generation	→	→	→	1% PGV	1% PGV
5 th Generation	→	→	→	→	1% PGV

[†]Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

DOUBLE DIAMOND GENERATION PAYOUTS[†]

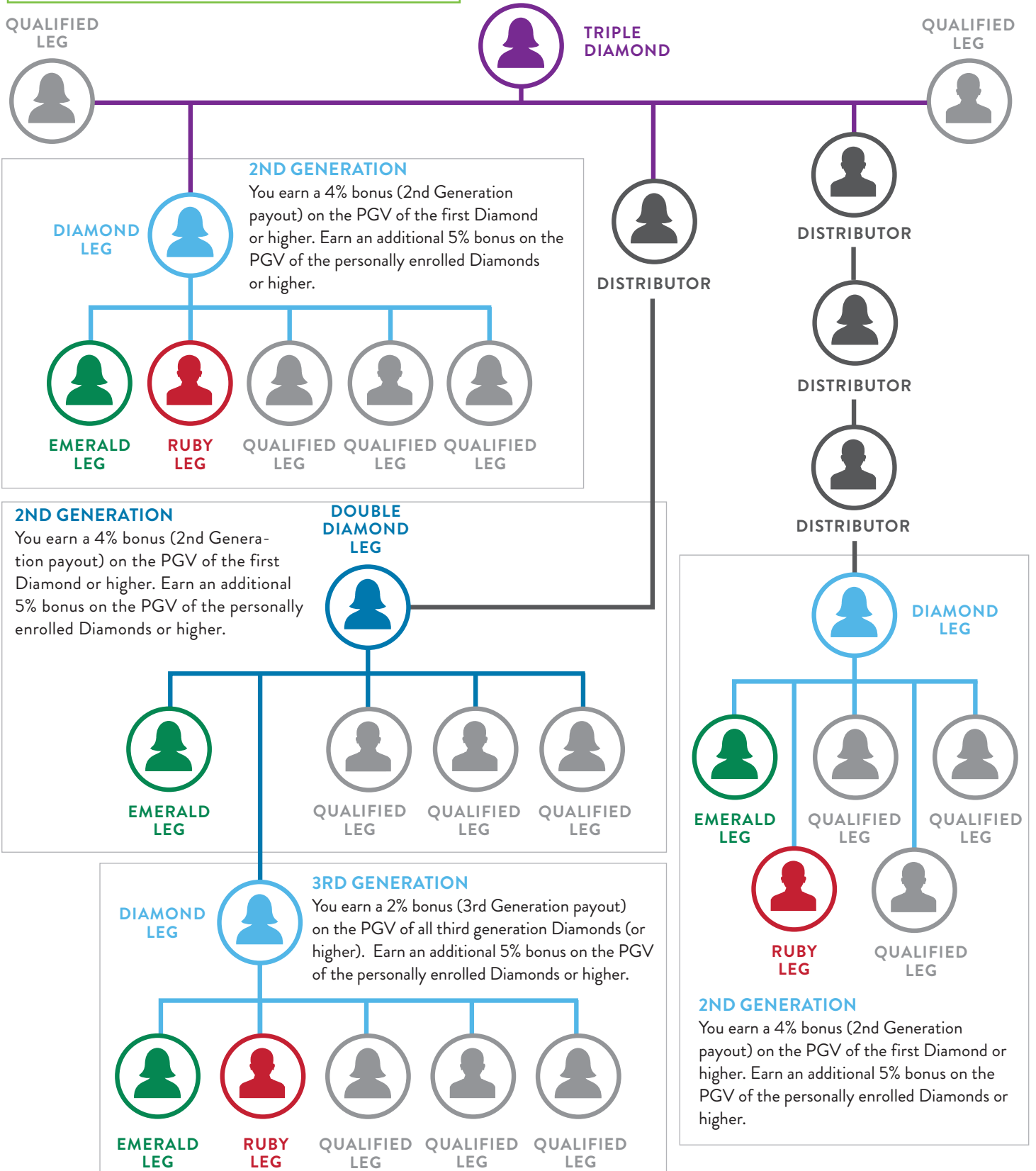
You earn a 2% 1st Generation bonus on PGV.



[†]Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

TRIPLE DIAMOND GENERATION PAYOUTS[†]

You earn a 2% 1st Generation bonus on PGV.



[†]Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

DIAMOND BONUS

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.

By reaching the Leadership Level, you now have the chance to seriously impact your monthly earnings by taking advantage of our Diamond Bonuses. Diamond Bonuses are paid to the Leadership Level Sponsors of a new Distributor who meets the qualifications listed below. By promoting to the Diamond level, you now get the chance to become a Leadership Level Sponsor and are able to tap into a whole new stream of bonuses.[†]

Every new Distributor is assigned a Leadership Level Sponsor upon enrollment, for each Leadership Level, from Diamond up to Ambassador Diamond. These five Leadership Level 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 Level Sponsors 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 Level Sponsor for each level up to their rank and the rest of the Sponsors will match that of the enroller.

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 Level Sponsor. You will also be the Diamond Level 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 Level Sponsor for any new Legs they create but you will continue to be the Diamond Level sponsor for all of their previous Legs.

If you are at the Double Diamond rank, then any new Distributors you enroll after reaching the rank of Double Diamond will have you listed as their Diamond and Double Diamond Level Sponsor. You will also be the Diamond and Double Diamond Level 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 Level 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 Level sponsor for all of their previous Legs. Leadership Level Sponsorship follows this pattern up through the Ambassador Diamond rank.

[†]Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

DIAMOND BONUS (CONT.)

Diamond Bonus Qualifications:

Within the first 30 days a new Distributor must enroll with a Business Builder Kit, personally enroll two Qualified Loyal Customers, and generate 150 in PBV or process an optional minimum 80 BV auto-shipment. The bonus will be paid with the monthly commissions for the month that all of these qualifications have been met. These bonuses will be recovered if either of the two Loyal Customers fails to complete the Loyal Customer agreement or if the Distributor returns their Business Builder Kit or their qualifying auto-shipment.

In order to earn the Diamond Bonus, you must be Fast Start Bonus qualified and be qualified at the Paid As bonus level for the month the bonus is paid. For example, if you were previously a paid-as Triple Diamond but during one month you only qualified as a Diamond, during that month you would only be paid your Diamond Bonuses and you would lose any Double or Triple Diamond Bonuses that would have paid out if you qualified as a Triple Diamond.

Diamond Bonuses are paid out according to the Leadership Level Sponsors for each new Distributor who meets the qualifications within the time limits. As Distributors promote up through the Leadership Level ranks, it's important to create new Legs at each rank to take advantage of being the assigned Leadership Level Sponsor at the new rank. With each Leadership Level promotion, you will be creating Legs where you are the assigned Leadership Level Sponsor for more levels and additional bonuses are paid at each level.

Leadership Level Sponsors are assigned based on lifetime title, not paid-as rank. 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 list you as their Diamond, Double Diamond, and Triple Diamond Level Sponsors.

DIAMOND BONUS PAYOUT WITH EACH LEVEL[†]

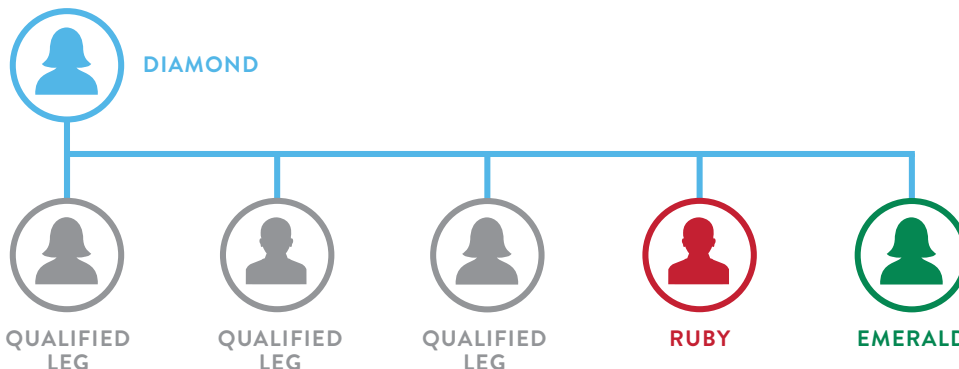
Rank	Diamond Bonus
DIAMOND	The CAD equivalent of 80 USD for each new qualifying Distributor who is in the Diamond Leadership Level Sponsor Leg.
DOUBLE DIAMOND	The CAD equivalent of 40 USD for each new qualifying Distributor who is in the Double Diamond Leadership Level Sponsor Leg.
TRIPLE DIAMOND	The CAD equivalent of 15 USD for each new qualifying Distributor who is in the Triple Diamond Leadership Level Sponsor Leg.
PRESIDENTIAL DIAMOND	The CAD equivalent of 10 USD for each new qualifying Distributor who is in the Presidential Diamond Leadership Level Sponsor Leg.
AMBASSADOR DIAMOND	The CAD equivalent of 5 USD for each new qualifying Distributor who is in the Ambassador Diamond Leadership Level Sponsor Leg.

[†]Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

DIAMOND RANKS

DIAMOND

To qualify to be paid as a Diamond, you must have 5 Qualified Legs with at least 1 of the 5 Legs being a Ruby Leg and 1 of the 5 Legs being an Emerald Leg.³ The Ruby and Emerald must be in separate Legs.[†]

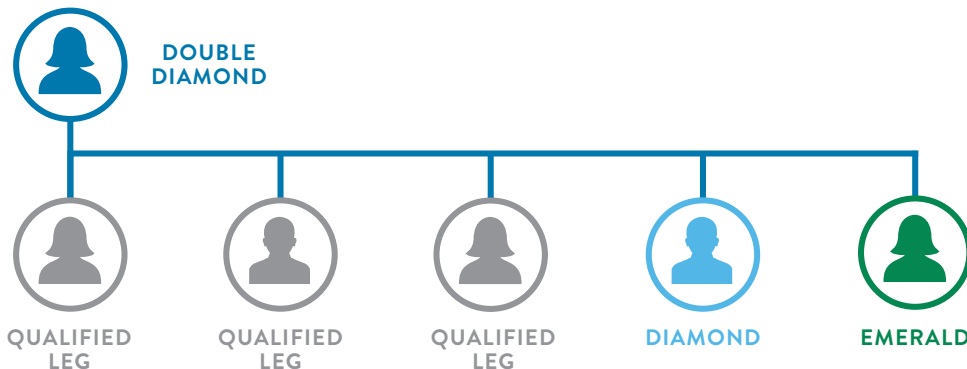


As a Diamond you will earn all of the same residual commissions and Bonuses as an Emerald plus your new Leadership Level Generation and Diamond Bonuses:

- An additional 2% Generation 1 Bonus on your own Personal Group Volume.
- A 5% Generational Enroller Bonus on the Personal Group Volume of any personally enrolled Diamonds (or higher).
- Diamond Bonus of the CAD equivalent of 80 USD for each new personally enrolled qualifying Distributor who is in the Diamond Leadership Level Sponsor Leg and the downline Distributors that you are the Diamond Level Sponsor for in these new Legs.

DOUBLE DIAMOND

To qualify to be paid as a Double Diamond you must build on the requirements for Diamond by having 5 Qualified Legs with at least 1 of the Legs being an Emerald Leg and 1 of the Legs being a Diamond Leg.⁴ The Emerald and Diamond must be in separate Legs.[†]



As a Double Diamond you will earn the same residual commissions and Bonuses as a Diamond plus:

- An additional 4% Generation 2 Bonus on the Personal Group Volume of your 2nd generation Diamonds (first paid-as Diamond or higher in each individual Leg).
- An additional Double Diamond Bonus of the CAD equivalent of 40 USD for each new personally enrolled qualifying Distributor who is in the Double Diamond Leadership Level Sponsor Leg and the downline Distributors that you are the Double Diamond Level Sponsor for in these new Legs.

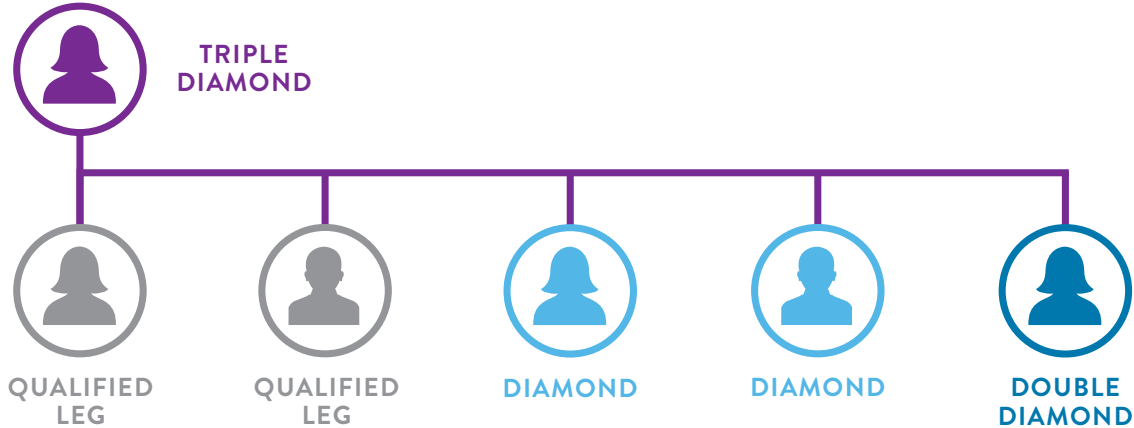
³A Emerald Leg is a Leg with a Emerald somewhere in the depth of the Leg.

⁴A Diamond Leg is a Leg with a Diamond somewhere in the depth of the Leg.

[†]Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

TRIPLE DIAMOND

To qualify to be paid as a Triple Diamond you need to build on what you've accomplished as a Double Diamond by having 5 Qualified Legs with at least 2 of the 5 Legs being Diamond Legs, and 1 of the 5 Legs being a Double Diamond Leg.⁵ The 2 Diamonds and 1 Double Diamond must all be in separate Legs. †

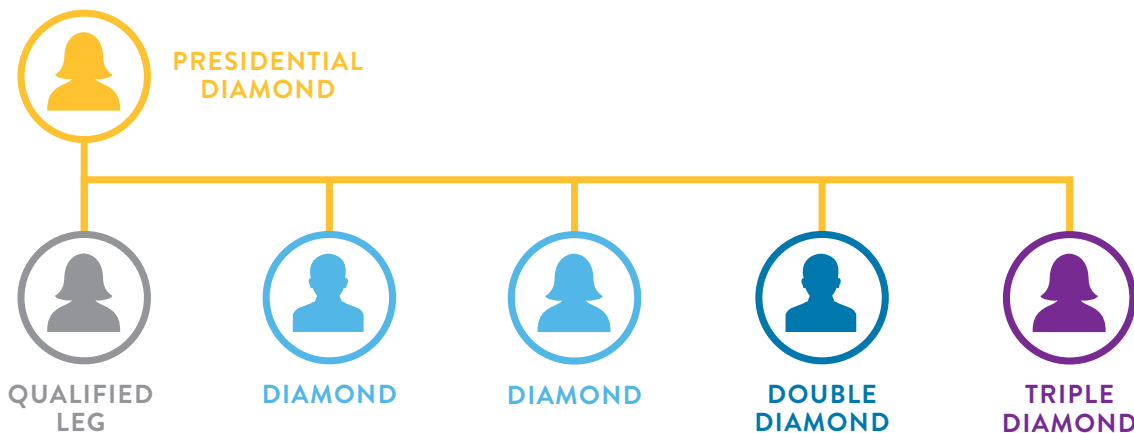


As a Triple Diamond you will earn the same residual commissions and bonuses as a Double Diamond plus:

- A 2% Generation 3 Bonus on the Personal Group Volume of your 3rd Generation Diamonds or higher (second paid-as Diamond or higher in each individual Leg).
- An additional Triple Diamond Bonus of the CAD equivalent of 15 USD for each new personally enrolled qualifying Distributor who is in the Triple Diamond Leadership Level Sponsor Leg and the downline Distributors that you are the Triple Diamond Level Sponsor for in these new Legs.

PRESIDENTIAL DIAMOND

To qualify to be paid as a Presidential Diamond you need to build on what you've accomplished as a Triple Diamond by having 5 Qualified Legs with at least 2 of the 5 Legs being Diamond Legs, 1 of the 5 Legs being a Double Diamond Leg, and 1 of the 5 Legs being a Triple Diamond Leg.⁶ The 2 Diamonds, 1 Double Diamond, and 1 Triple Diamond must all be in separate Legs. †



As a Presidential Diamond you will earn the same residual commissions and bonuses as a Triple Diamond plus:

- A 1% Generation 4 Bonus on the Personal Group Volume of their 4th Generation Diamonds or higher (third paid-as Diamond or higher in each individual Leg).
- An additional Presidential Diamond Bonus of the CAD equivalent of 10 USD for each new qualifying Distributor who is in the Presidential Diamond Leadership Level Sponsor Leg and the downline Distributors that you are the Presidential Diamond Level Sponsor for in these new Legs.

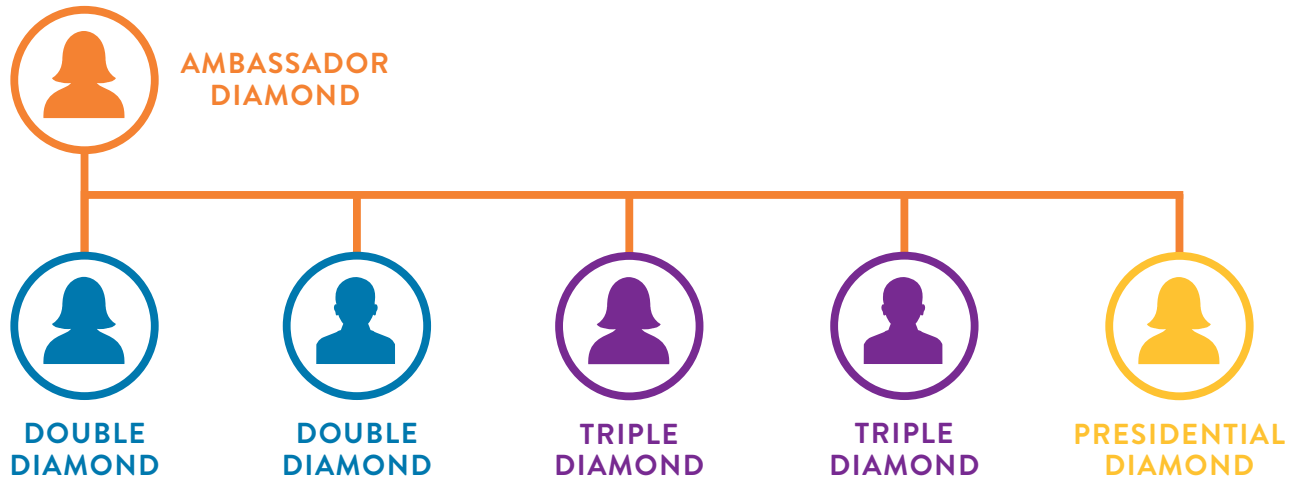
⁵A Double Diamond Leg is a Leg with a Double Diamond somewhere in the depth of the Leg.

⁶A Triple Diamond Leg is a Leg with a Triple Diamond somewhere in the depth of the Leg.

[†]Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

AMBASSADOR DIAMOND

To qualify to be paid as an Ambassador Diamond you need to build on what you've accomplished as a Presidential Diamond by having 5 Qualified Legs with at least 2 of the 5 Legs being Double Diamond Legs, 2 of the 5 Legs being Triple Diamond Legs, and 1 of the 5 Legs being a Presidential Diamond Leg.⁷ The 2 Double Diamonds, 2 Triple Diamonds, and 1 Presidential Diamond must all be in separate Legs.[†]



As an Ambassador Diamond you will earn all the same residual commissions and bonuses as a Presidential Diamond plus the following:

- A 1% Generation 5 Bonus on the Personal Group Bonus Volume of their 5th Generation Diamonds or higher (fourth paid-as Diamond or higher in each individual Leg).
- An additional Ambassador Diamond Bonus of the CAD equivalent of 5 USD for each new qualifying Distributor who is in the Ambassador Diamond Leadership Level Sponsor Leg and the downline Distributors that you are the Ambassador Diamond Level Sponsor for in these new Legs.

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, a Distributor must be at the rank of at least Triple Diamond or higher and have earned at least the CAD equivalent of 100,000 USD in monthly commissions on one distributorship for a minimum of 6 months in a row. Once a Distributor has achieved Black Diamond, they will receive a bonus of the CAD equivalent of 100,000 USD paid out in equal payments of the CAD equivalent of 4,000 USD over the next 25 months.⁸ In addition to the bonus, there will be a personalized package of incentives designed specifically for the Distributor, including private jet time, custom jewelry, a video documentary of the Black Diamond experience, and more![†]

⁷ A Presidential Diamond Leg is a Leg with a Presidential Diamond somewhere in the depth of the Leg.

⁸ During the 25 month period once the distributor reaches Black Diamond, the CAD equivalent of 4,000 USD monthly payment will be paid with the monthly commissions for each month the Distributor earns at least the CAD equivalent of 100,000 USD in monthly commissions. If the Distributor falls below the CAD equivalent of 100,000 USD in earnings in any of the 25 months, the CAD equivalent of 4,000 USD payment for that particular month will not be paid.

[†]Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

LEADERSHIP BONUSES[†]

	 DIAMOND	 DOUBLE DIAMOND	 TRIPLE DIAMOND	 PRESIDENTIAL DIAMOND	 AMBASSADOR DIAMOND
RANK & GENERATIONS					
Initial/Monthly Qualifications Requirements	Commission Qualified* PLUS 5 Qualified Legs (1 being a Ruby Leg AND 1 being an Emerald Leg)	Commission Qualified* PLUS 5 Qualified Legs (1 being an Emerald Leg AND 1 being a Diamond Leg)	Commission Qualified* PLUS 5 Qualified Legs (2 being Diamond Legs AND 1 being a Double Diamond Leg)	Commission Qualified* PLUS 5 Qualified Legs (2 being Diamond Legs AND 1 being a Double Diamond Leg AND 1 being a Triple Diamond Leg)	Commission Qualified* PLUS 5 Qualified Legs (2 being Double Diamond Legs, 2 being Triple Diamond Legs AND 1 being a Presidential Diamond Leg)
1 st Generation	2% PGV	2% PGV	2% PGV	2% PGV	2% PGV
2 nd Generation	→	4% PGV	4% PGV	4% PGV	4% PGV
3 rd Generation	→	→	2% PGV	2% PGV	2% PGV
4 th Generation	→	→	→	1% PGV	1% PGV
5 th Generation	→	→	→	→	1% PGV
Diamond Bonus	80 USD	40 USD	15 USD	10 USD	5 USD

All Leadership Level ranks (Diamond or higher) will also earn a 5% Generational Sales Bonus on the PGV of any Diamond or higher that they have personally enrolled.

*See Glossary of Terms for definition of Commission Qualified.

†Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

MONTHLY MAINTENANCE

Starting with Ruby, you can maintain your paid-as title 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.

MONTHLY MAINTENANCE CHART

Rank	Monthly Maintenance Requirement
RUBY	4,000 GV with no more than 2,000 BV counting from any one Leg
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

LOYAL CUSTOMER BONUS (formerly Car Bonus)

Gathering Loyal Customers and providing them with excellent service is just as important as building a team of Distributors. The Loyal Customer Bonus rewards you for doing just that!

Personally enroll and maintain a minimum of 60 Qualified Active Loyal Customers⁹ and accumulate 3,000 Personal Bonus Volume for the month and you're qualified for the CAD equivalent of 600 USD Loyal Customer Bonus. This bonus will be paid out every month that both of these requirements are met. †

⁹The Loyal Customers do not have to have an active auto-shipment as long as they have completed the minimum three month agreement.

†Earnings of participants in the Compensation Plan may vary. Please see the Statement of Typical Participant Earnings on page 20.

GLOSSARY OF TERMS

**Bonus Volume (BV):**

Bonus Volume is the assigned value of a product for the purpose of qualification and calculation of bonuses and commissions for Distributors.

Clawback:

Recovery of commissions from a return order that a Distributor was paid on in a past commission month. Distributors will see the clawback for each return 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 more than once in the Product Return section 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.

Commission Qualified[†]

To be Commission Qualified during a monthly commission period, a Distributor must complete **ONE** of the following:

1. Purchase a Business Builder Kit during the calendar month (one time only).

OR

2. Have at least 150 PBV.

OR

3. Successfully process a minimum 80 BV auto-shipment during the calendar month. (Just having a minimum 80 BV auto-shipment set up does not make you Commission Qualified, it must have already processed).

Commission Qualified Distributor:

A Distributor who is Commission Qualified during the current commission month (see Distributors definition on next page)

Compression:

During the commission process, commissions are “compressed” to allow you to earn commission on sales originating further down in your organization if there are Distributors above those sales that are not Commission Qualified. Only Distributors that are Commission Qualified will count as a level during the commission calculation process. Any Personal Bonus Volume generated from Distributors who are not Commission Qualified is compressed up and paid out as first level residual commissions to the next Commission Qualified Distributor in the genealogy. Distributors and Loyal Customers are never physically moved up in the genealogy if a Distributor above them cancels their distributorship or is not Commission Qualified for any reason. Only the Personal Bonus Volume will compress up. This Personal Bonus Volume that is compressed up cannot be used by the upline Distributor for qualification purposes. Enroller bonuses do not compress.

Compression Example: Sally is Commission Qualified in the month of March and has an order placed on her 3rd level by Bill who is also Commission Qualified. One of the two Distributors between Sally and Bill does not become Commission Qualified in March. This will cause Bill’s order to be paid on Sally’s 2nd level instead of her 3rd level.

Glossary of Terms (continued)

Diamond Leg:

This is a Leg with a Diamond somewhere in the depth of the Leg.

Double Diamond Leg:

This is a Leg with a Double Diamond somewhere in the depth of the Leg.

Distributors:

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 sales and the sales in their downline for the levels that you are qualified for. †

Emerald Leg:

This is a Leg with an Emerald somewhere in the depth of the Leg.

Executive Leg:

This is a Leg with an Executive somewhere in the depth of the Leg.

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.

Group Volume (GV):

GV is the sum of your PBV plus the PBV of every Distributor in your downline organization.

Inactive Distributor:

A Distributor who is not Commission Qualified during the commission month but still has the right to distribute It Works! products.

Leg:

Each Independent Distributor on your first level represents a separate "Leg" in your team. Legs in your organization grow as your first-level Distributors begin to build their own teams (downlines).

Personal Bonus Volume (PBV):

PBV is the sum of the bonus volume from a Distributor's personal sales and all personally enrolled Retail and Loyal Customers sales.

Personal Group Volume (PGV):

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

Presidential Diamond Leg:

This is a leg with a Presidential Diamond somewhere in the depth of the Leg.

Qualified Active Loyal Customer:

This is a Loyal Customer who is in the process of or has fulfilled the It Works! Loyal Customer agreement and who does not share an address with the enroller, any other Distributor, or any other Loyal Customer.

Qualified Leg:

A Qualified Leg is one with at least 400 total sales Group Bonus Volume coming from anywhere in the depth of the Leg. The top Distributor of a Leg does not have to be Commission Qualified for the Leg to be considered a Qualified Leg.

Ruby Leg:

This a Leg with a Ruby somewhere in the depth of the Leg.

Triple Diamond Leg:

This is a Leg with a Triple Diamond somewhere in the depth of the Leg.



IW Marketing International Canada ULC

STATEMENT OF TYPICAL PARTICIPANT'S EARNINGS

The primary source of income of a Typical Participant in the Compensation Plan (the "Plan") of IW Marketing International Canada ULC (the "Company") is from compensation for the service of arranging for the sale of products. Personal earnings will vary. A Typical Participant in the Plan is defined to be an Independent Distributor who has been engaged in the Plan for at least one year, and who actively engages in the activities necessary to realize the benefits of the Plan.

A Typical Participant in the Plan earns between Cdn \$227 and \$1,997 annually. Please note that these earnings have been derived from the past earnings experiences of the Company. This Statement of Typical Participant's Earnings will be updated annually.