

# Welcome to It Works!

Welcome to the It Works! Compensation Plan<sup>\*</sup>, 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 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:** These are customers who make a onetime, retail price purchase of It Works! products. When you make a retail customer sale, you earn a retail commission, a onetime retail profit (the difference between the retail price and the wholesale price of the product) on that sale. Commissions are paid to the enrolling distributor on retail orders whether or not they are commission qualified for the month.
- Loyal Customers: Loyal Customers are your customers who sign up for the minimum three month auto-ship agreement for their product orders and receive wholesale pricing on all of these products. With sales to Loyal Customers, you earn a percentage commission with every qualifying order placed.
- **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 orders and the orders in their downline for the levels that you are qualified for.

As you build a team of distributors and start to promote, the number of pay levels will increase and your income will continue to grow. The bigger the team that you build, the more money you can make. This is why building your team by investing your effort, energy, and time in others will help you maximize your earnings. It Works recommends

All 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 from this Compensation Plan depend solely on sales and each distributor's skill, ability, and personal application. This Compensation Plan is subject to change.



that to maximize your earnings, distributors should maintain the enrollment of their distributors and Loyal Customers. If you choose to change placement, it may impact your commissions.

# Your First 30 Days

# 1. Become Commission Qualified

In order to start earning your 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, 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:

- Process your minimum 80 BV auto-shipment
- Have at least 400 **Personal Bonus Volume** for the month. (150 PBV is in effect until February 1, 2013.)

### VOLUME DEFINITIONS:

**Bonus Volume:** This is also known as <u>BV</u>. Bonus Volume is the assigned value of a product for the purpose of qualification and calculation of bonuses and commissions.

**Personal Bonus Volume (PBV):** PBV is the sum of the bonus volume from a Distributor's personal orders and all personally enrolled loyal and retail customer orders.

**Group Volume (GV):** GV is the sum of your PBV plus the PBV of every distributor in your downline organization.

# 2. Earn Free Product with the Distributor Rebate Credit

Build your business by enrolling Loyal Customers and you can earn free It Works! products for your business—or yourself! That's the Distributor Rebate Credit—\$120 in product credit that rewards you for gathering four **Qualified Active Loyal Customers** within your first 30 days.<sup>†</sup>

**Qualified Active Loyal Customer:** This is a Loyal Customer who is in the process or has fulfilled the It Works Loyal Customer agreement and who does not share an address

<sup>&</sup>lt;sup>+</sup> Rebate Credit can only be used up to the Bonus Volume amount of the order.



with the enroller, any other distributor, or any other Loyal Customer. A Qualified Active Loyal Customer counts towards bonuses and rewards. The Qualified Active Loyal Customer does not need to have an active auto-shipment profile if they have already completed the Loyal Customer agreement. Any Loyal Customer who is counted towards a bonus, reward, or credit but fails to complete the Loyal Customer agreement must be replaced within 14 days or the bonus, reward, or credit that was earned using this Loyal Customer will be recovered.

# How to Earn the Distributor Rebate Credit:



#### Distributor:

- Purchase the Business Builder kit.
- Set up your minimum 80 BV auto-shipment to process in your first 30 days.
- Enroll 4 Qualified Active Loyal Customers.<sup>‡</sup>



Qualified Active Loyal Customer (1)



Qualified Active Loyal Customer (2)



Qualified Active Loyal Customer (3)



Qualified Active Loyal Customer (4)

<sup>&</sup>lt;sup>\*</sup> **Please note:** Loyal Customers may not share an address with the enroller, any other distributor, or another Loyal Customer. Any Loyal Customer used for a credit, reward, or bonus who cancels prior to completing the agreement must be replaced or the credit, reward, or bonus will be recovered through a commission adjustment.



### 3. 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 using this formula:

Number of Qualified Active Loyal Customers divided by 2, minus the number of Applicator Rewards already applied equals your Wrap Rewards.



#### 4. Become Fast Start Bonus Qualified

The Fast Start Bonus is a \$100 cash bonus you can earn by personally 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.

#### To Be Fast Start Bonus Qualified:



#### Distributor must:

- Purchase a Business Builder Kit.
- Set up a minimum 80 BV auto-ship to process in their first 30 days.
- 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.<sup>§</sup>

<sup>&</sup>lt;sup>§</sup> 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.



# 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 commission qualified for the month in order to earn commissions. All commission qualified distributors will earn 10% Residual Commission on their first and second levels plus a 5% Enroller Bonus if they personally enrolled the distributor or Loyal Customer who placed the order. To earn commissions on additional levels you will need to promote to a higher rank. Below are 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 based on the Paid Ranks of distributors for the current month.

During the commission process, commissions are "compressed" to allow you to earn commission on sales originating further down in your organization. Only commission qualified distributors count as a level in the commission calculation process. Personal Bonus Volume generated from distributors who are not commission qualified is therefore added to the next commission qualified level.

**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).

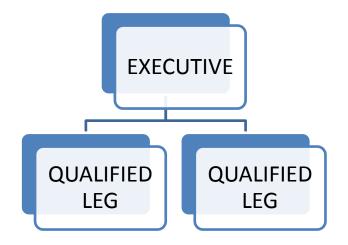
**Qualified Leg:** A qualified leg is one with at least 400 total Group Bonus Volume coming from anywhere in the depth of the Leg. The top distributor of a Leg does not have to be Commission Qualified for the Leg to be considered a Qualified Leg.

**Please note**: A distributor does not earn commissions on personal orders or on orders that other distributors place directly under them.



### Executive

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



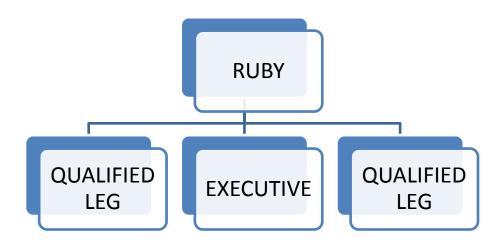
As an Executive, you are eligible to be paid on three levels of your downline orders after compression. See Management Bonuses Breakdown chart.



Ruby

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

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



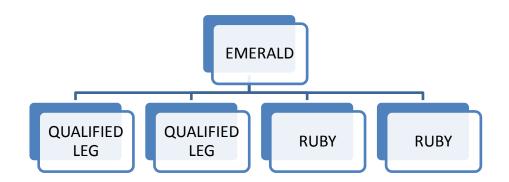
As a Ruby, you are eligible to be paid on four levels of your downline orders after compression. See Management Bonuses Breakdown chart.



### Emerald

To qualify to be paid as an Emerald, gather and build to four Qualified Legs with at least two of the four 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 Breakdown chart.

As an Emerald, you will also earn the **Emerald Bonus**. With the Emerald Bonus, you'll earn an additional 2% payout on the 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.



## MANAGEMENT BONUSES BREAKDOWN CHART

| <b>RANKS &amp; LEVELS</b> | DISTRIBUTOR     | EXECUTIVE        | RUBY            | EMERALD         |
|---------------------------|-----------------|------------------|-----------------|-----------------|
| INITIAL/MONTHLY           | 80 BV auto-ship | 80 BV auto-ship  | 80 BV auto-ship | 80 BV auto-ship |
| QUALIFICATIONS            | OR              | OR 400 PBV       | OR 400 PBV      | OR 400 PBV      |
| REQUIREMENTS              | 400 PBV         | PLUS             | PLUS            | PLUS            |
|                           |                 | 2 qualified legs | 3 Qualified     | 4 Qualified     |
|                           |                 |                  | Legs, 1 being   | Legs, 2 being   |
|                           |                 |                  | an Executive    | Ruby Legs       |
|                           |                 |                  | Leg             |                 |
| 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                     |                 |                  |                 |                 |



# 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 down line starts a new **Generation** in that Leg and the generation is made up of the Diamond's **Personal Group Bonus 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 PGBV.

**The Personal Group Bonus Volume (PGBV):** The PGBV 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. This is paid to Diamonds and above based on their Paid as Rank. As a Diamond, you will be paid a 2% commission on your first generation, your PGBV. 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 Bonus Volume and are paid with the monthly commissions. See chart on page 16 for more details.

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 PGBV.



| RANK       | DIAMOND | DOUBLE  | TRIPLE  | PRESIDENTIAL | AMBASSADOR |
|------------|---------|---------|---------|--------------|------------|
| PAYOUT     |         | DIAMOND | DIAMOND | DIAMOND      | DIAMOND    |
| 1ST        | 2% PGBV | 2% PGBV | 2% PGBV | 2% PGBV      | 2% PGBV    |
| GENERATION |         |         |         |              |            |
| 2ND        |         | 4% PGBV | 4% PGBV | 4% PGBV      | 4% PGBV    |
| GENERATION |         |         |         |              |            |
| 3RD        |         |         | 2% PGBV | 2% PGBV      | 2% PGBV    |
| GENERATION |         |         |         |              |            |
| 4TH        |         |         | 1% PGBV | 1% PGBV      | 1% PGBV    |
| GENERATION |         |         |         |              |            |
| 5TH        |         |         |         |              | 1% PGBV    |
| GENERATION |         |         |         |              |            |

#### **DIAMOND GENERATION PAYOUTS**

### Diamond Bonuses (formerly CAB Bonus)

As a Diamond Distributor or above, 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 awarded with a bonus that is just for our leaders, Diamonds and above.

By reaching Diamond, you now have a chance to seriously impact your monthly earnings by taking advantage of the Diamond bonuses. The Diamond bonus is an \$80 bonus that is paid to the Diamond Level Sponsor of a new distributor who meets the Fast Start bonus qualifications in their first 30 days.

For each new distributor you personally enroll you will earn a Diamond Bonus. You will also be the Diamond Level Sponsor for the entire Leg that is created by these new enrollees.

For each new distributor that you enroll once you promote to Diamond, you will be their Diamond Level Sponsor. You will also be the Diamond Level Sponsor of all new distributors enrolled through these new legs.

Diamond Bonuses are paid out according to the Leadership Level Sponsors for each new qualified distributor. As Leadership Level distributors promote up through the Diamond 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.



In order to earn the Diamond Bonus, you must be qualified at the Paid As bonus level for the month the bonus is paid.

# Diamond Bonus Payouts at Each Leadership Level:

*Diamond:* \$80 for each new qualifying Distributor who is in the Diamond Leadership Level Sponsor Leg.

**Double Diamond:** \$40 for each new qualifying Distributor who is in the Double Diamond Leadership Level Sponsor Leg.

*Triple Diamond:* \$15 for each new qualifying Distributor who is in the Triple Diamond Leadership Level Sponsor Leg.

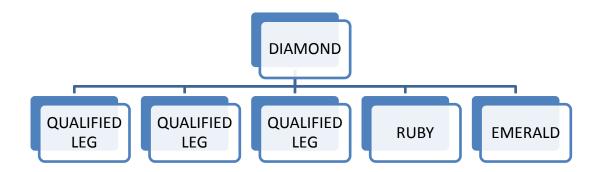
**Presidential Diamond:** \$10 for each new qualifying Distributor who is in the Presidential Diamond Leadership Level Sponsor Leg.

**Ambassador Diamond:** \$5 for each new qualifying Distributor who is in the Ambassador Diamond Leadership Level Sponsor Leg.



#### Diamond

To qualify to be paid as a Diamond, you must have five Qualified Legs with at least one of the five Legs being a Ruby Executive Leg and one of the five Legs being an Emerald Leg.<sup>\*\*</sup> 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 Bonus Volume.
- A 5% Generational Enroller Bonus on the Personal Group Bonus Volume of any personally enrolled Diamonds (or higher).
- Diamond Bonus of \$80 for each new personally enrolled qualifying Distributor who is in the Diamond Leadership Level Sponsor Leg and the downline distributors in these new legs.

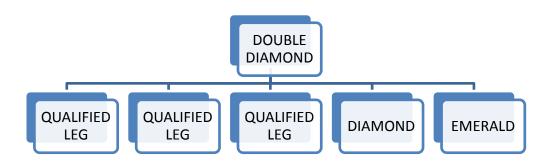
<sup>\*\*</sup> A Ruby Executive Leg is a Leg with a Ruby Executive somewhere in the depth of the Leg, an Emerald Executive Leg is a Leg with an Emerald Executive somewhere in the depth of the Leg.



### Double Diamond

To qualify to be paid as a Double Diamond you must build on the requirements for Diamond by having five Qualified Legs with at least one of the legs being an Emerald Leg and one of the legs being a **Diamond Leg**.<sup>††</sup>

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



As a Double Diamond you will earn all the same residual commissions and bonuses as a Diamond PLUS:

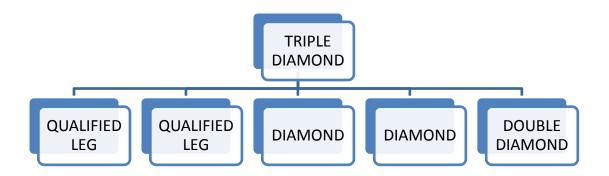
- An additional 4% Generation 2 Bonus on the Personal Group Bonus Volume of your 2nd generation Diamonds (first "paid as" Diamond or higher in each individual Leg).
- An additional Double Diamond Bonus of \$40 for each new personally enrolled qualifying Distributor who is in the Double Diamond Leadership Level Sponsor Leg and the downline distributors in these new legs.

<sup>&</sup>lt;sup>++</sup> A Diamond Leg is a Leg with a Diamond somewhere in the depth of the Leg. The Emerald Executive and Diamond must be in separate Legs.



# **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 five Qualified Legs with at least two of the five Legs being Diamond Legs and one of the five Legs being a Double Diamond Leg.<sup>‡‡</sup> The two Diamonds and one 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:

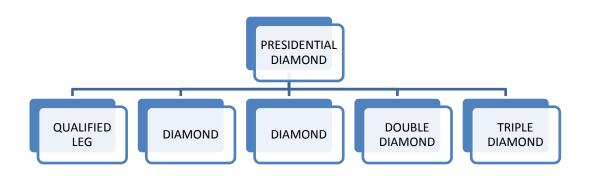
- A 2% Generation 3 Bonus on the Personal Group Bonus Volume of your 3rd Generation Diamonds or higher (second "paid as" Diamond or higher in each individual Leg).
- An additional Triple Diamond Bonus of \$15 for each new personally enrolled qualifying Distributor who is in the Triple Diamond Leadership Level Sponsor Leg and the downline distributors in these new legs.

<sup>&</sup>lt;sup>++</sup> A Double Diamond Leg is a Leg with a Double Diamond somewhere in the depth of the Leg. The two Diamonds and Double Diamond must all be in separate 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 five Qualified Legs with at least two of the five Legs being Diamond Legs, one of the five Legs being a Double Diamond Leg, and one of the five Legs being a Triple Diamond Leg.<sup>§§</sup> The two Diamonds, one Double Diamond, and one Triple Diamond must all be in separate legs.



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

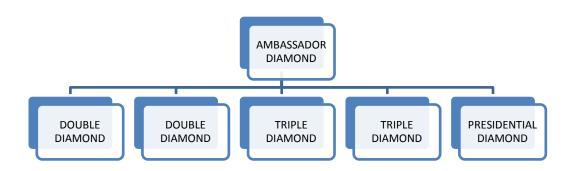
- A 1% Generation 4 Bonus on the Personal Group Bonus Volume of their 4th Generation Diamonds or higher (third "paid as" Diamond or higher in each individual Leg).
- An additional Presidential Diamond Bonus of \$10 for each new qualifying Distributor who is in the Presidential Diamond Leadership Level Sponsor Leg and the downline distributors in these new legs.

<sup>&</sup>lt;sup>§§</sup> A Triple Diamond Leg is a Leg with a Triple Diamond somewhere in the depth of the Leg. The two Diamonds, Double Diamond and Triple Diamond must all be in separate Legs.



### **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 five Qualified Legs with at least two of the five Legs being Double Diamond Legs, two of the five Legs being Triple Diamond Legs, and one of the five Legs being a Presidential Diamond Leg.<sup>\*\*\*</sup> The two Double Diamonds, two Triple Diamonds, and one 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 \$5 for each new qualifying Distributor who is in the Ambassador Diamond Leadership Level Sponsor Leg and the downline distributors in these new legs.

<sup>\*\*\*</sup> The two Double Diamonds, two Triple Diamonds and Presidential Diamond must all be in separate Legs.



### LEADERSHIP BONUSES BREAKDOWN CHART

| RANKS &           | DIAMOND     | DOUBLE      | TRIPLE      | PRESIDENTIAL | AMBASSADOR   |
|-------------------|-------------|-------------|-------------|--------------|--------------|
| GENERATIONS       |             | DIAMOND     | DIAMOND     | DIAMOND      | DIAMOND      |
| INITIAL           | Qualified*  | Qualified*  | Qualified*  | Qualified*   | Qualified*   |
| QUALIFICATION     | PLUS        | PLUS        | PLUS        | PLUS         | PLUS         |
| REQUIREMENTS      | 5 Qualified | 5 Qualified | 5 Qualified | 5 Qualified  | 5 Qualified  |
|                   | Legs, 1     | Legs, 1     | Legs, 2     | Legs, 2      | Legs, 2      |
|                   | being a     | being an    | being       | being        | being        |
|                   | Ruby Leg    | Emerald Leg | Diamond     | Diamond      | Double       |
|                   | and 1 being | and 1 being | Legs and 1  | Legs, 1      | Diamond      |
|                   | an Emerald  | a Diamond   | being a     | being a      | Legs, 2      |
|                   | Leg         | Leg         | Double      | Double       | being Triple |
|                   |             |             | Diamond     | Diamond      | Diamond      |
|                   |             |             | Leg         | Leg, and 1   | Legs, and 1  |
|                   |             |             |             | being a      | being a      |
|                   |             |             |             | Triple       | Presidential |
|                   |             |             |             | Diamond      | Diamond      |
|                   |             |             |             | Leg          | Leg          |
| 1ST               | 2% PGBV     | 2% PGBV     | 2% PGBV     | 2% PGBV      | 2% PGBV      |
| GENERATION        |             |             |             |              |              |
| 2ND               |             | 4% PGBV     | 4% PGBV     | 4% PGBV      | 4% PGBV      |
| GENERATION        |             |             |             |              |              |
| 3RD               |             |             | 2% PGBV     | 2% PGBV      | 2% PGBV      |
| GENERATION        |             |             |             |              |              |
| 4TH               |             |             |             | 1% PGBV      | 1% PGBV      |
| GENERATION<br>5TH |             |             |             |              | 1% PGBV      |
| GENERATION        |             |             |             |              | 1% FGDV      |
| DIAMOND           | \$80        | \$40        | \$15        | \$10         | \$5          |
| BONUS             | <b>400</b>  | ΨΤΟ         | ψισ         | ψισ          | ΨŬ           |

\*To be qualified in any pay period you must maintain 400 PBV or subscribe to the 80 BV auto-shipment.



# **Monthly Maintenance**

Starting with Emerald, you can maintain your "paid as" title through **Monthly Maintenance.** Monthly Maintenance uses your Group Volume levels to re-qualify for a Paid Rank instead of using the Leg Qualifications, so if you lose a qualified leg you can use Monthly Maintenance to stay at your paid as rank.<sup>†††</sup>

# MONTHLY MAINTENANCE CHART

| 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 12,5000 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               |

<sup>&</sup>lt;sup>+++</sup> No more than 50% of the Monthly Maintenance required GV may come from any one leg. If using monthly maintenance to re-qualify during a commission month, an Emerald Executive or higher will not need to also maintain the necessary Qualified Legs to keep their paid rank for monthly commissions.



# 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 Customers<sup>‡‡‡</sup> and accumulate 3,000 Personal Bonus Volume for the month and you're qualified for the \$600 Loyal Customer Bonus. This bonus will be paid out every month that both of these requirements are met.

<sup>\*\*\*</sup> The Loyal Customers do not have to have an active auto-shipment as long as they have completed the minimum three month agreement.



# **GLOSSARY OF TERMS**

Active Distributor: A Distributor who is commission qualified during the current commission month (see Distributor definition on next page).

**Bonus Volume:** This is also known as <u>BV</u>. Bonus Volume is the assigned value of a product for the purpose of qualification and calculation of bonuses and commissions.

**Canceled Distributor:** A Distributor who has passed their renewal date and has not renewed their It Works Distributor account or has canceled their Distributor account with It Works Global.

**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.

**Compression:** Compression is part of the commission calculation process that will move order volume up in the genealogy past any distributors who are not commission qualified for the month. Only commission qualified distributors count as a level in the commission calculation process so any Personal Bonus Volume that is generated by a distributor who is not commission qualified is compressed up to the next commission qualified level. Distributors and Loyal Customers do not ever physically move up in the genealogy during this process, only the order bonus volume will compress up. Distributors will see this on their Earnings Statement as orders that are compressed will show as paid on a higher level than they were actually entered on. Compression helps maximize a distributor's commissions by bringing volume that they would not normally qualify to be paid on up into their pay levels.

Compression *Example*: Sally is commission qualified in the month of March and has an order placed on her 3<sup>rd</sup> 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.

Diamond Leg is a Leg with a 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 orders and the orders in their downline for the levels that you are qualified for.

Executive Leg: 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 PGBV.

**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 orders and all personally enrolled loyal and retail customer orders.

**Personal Group Bonus Volume (PGBV):** The PGBV 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.

**Qualified Leg:** A qualified leg is one with at least 400 total 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: a Leg with a Ruby somewhere in the depth of the Leg.