Unicity Franchise Earnings

Unicity Franchise

Success of any franchise depends on the amount of product or services sold through the franchise. As a Unicity Franchisee, you earn income based on the amount of sales generated by you and your extended franchise team. You may build your franchise at your own pace although there are benefits to building your franchise as quickly as possible. The most successful franchisees focus on expanding their franchise while adding to their customer base over time.

Income Streams

There are ten different income streams available to each Unicity Franchisee:

- 1. Retail Profit
- 6. Franchise Royalties
- 2. Personal Rebate
- 7. Presidential Royalties
- 3. Group Bonus
- 8. Presidential Bonus
- 4. Fast Start Bonus
- 9. Additional Franchise Positions
- 5. Team Builder Bonus
- 10. Chairman's Club Bonus

Each income stream is earned as you achieve different sales levels through your franchise.



Retail Sales

Simply purchase product at wholesale prices and sell at retail prices. You keep the profit. Online ordering is also available to all customers.

Unicity's plan includes two customer pricing levels:

- Retail Customer Prices generate a profit margin of 30% to 100%
- Preferred Customer Prices generate a profit margin of around 15%



Personal Rebate

Based on you and your customers' monthly product purchases (Personal Volume), you will receive a rebate ranging from 5% to 30%. The following table shows the rebate percentage at specific Personal Volume levels:

| Your Personal Volume | 100 to 499 | 500 to 749 | 750 to 999 | 1000 to 4999 | 5000+ |
|----------------------|------------|------------|------------|--------------|-------|
| Rebate Percent | 5% | 10% | 15% | 20% | 30% |



Group Bonus

You receive a Group Bonus on the volume of your direct franchisees that have not yet achieved the rank of Manager. The Group Bonus ranges from 5% to 20%. The percentage you qualify to receive is based on your Personal Volume, as shown in the table below, less any amount paid to your direct franchisees. As a Manager or higher, you are guaranteed at least 5% Group Bonus.

| Your Personal Volume | 100 to 499 | 500 to 749 | 750 to 999 | 1000+ |
|----------------------|------------|------------|------------|-------|
| Group Bonus Percent | 5% | 10% | 15% | 20% |





You receive a Fast Start Bonus on the first-month purchases of new franchisees that you enroll and on first-month purchases of new franchisees that join your team within six levels of your franchise. The Fast Start percent that you earn is based on your rank and the level where the new franchisee joins your team:

| | | | | RANK | |
|-------|--|--|---|--|--|
| | Associate | Jr. Manager | Manager | Sr. Manager | Director+ |
| Level | 250 GV (one time) 100 PV monthly | 500 GV (one time) 100 PV monthly | 1000 GV (one time) 100 PV monthly | 1000 GV (per month) 100 PV Auto- Refill monthly | 1000 GV (per month) 100 PV Auto- Refill monthly |
| 1 | 20% | 20% | 30% | 30% | 30% |
| 2 | | 3% | 3% | 4% | 5% |
| 3 | | 3% | 3% | 4% | 5% |
| 4 | | 3% | 3% | 4% | 5% |
| 5 | | 3% | 3% | 4% | 5% |
| 6 | | 3% | 3% | 4% | 5% |

Note: Franchisee with GV from 100 to 249 points will receive 5% on first-month volume of new franchisees on Level 1.

To the right is an example of *how the*Fast Start Bonus is paid to franchisees
with different ranks on a team:

In this example, the new franchisee is enrolled by an Associate. The Associate receives 20% on the new franchisee's first-month orders up to 1000 PV. The other franchisees upline from the enroller receive anywhere from 0% to 5% on the first-month orders. There is one franchisee that did not qualify with at least 100 PV. That franchisee is not counted as a qualified level and would not receive a Fast Start Bonus. Therefore, the Fast Start Bonus would skip that Franchisee and continue upline to the next qualified Franchisee until all six levels of the Fast Start Bonus is paid out

| Rank | | Bonus | |
|-------------------|---|-------|---|
| Sapphire | | 5% | |
| Sr. Director | Ť | 5% | |
| Sr. Manager | | 4% | |
| Jr. Manager | | 3% | |
| Not Qualified | İ | 0% | |
| Jr. Manager | | 3% | - |
| Associate | Ť | 20% | |
| New Franchisee | Ť | | |





You will be eligible to receive Team Builder Bonuses as you build and expand your franchise. The bonus is earned as your Organizational Volume (OV) reaches specific levels and you confirm that amount of OV the following month or move up to the next Team Builder level. Below is a table listing the Team Builder Bonus Levels and amounts:

| Team Builder Bonus Level | Total Organizational Volume (OV) Required | Minimum OV Required outside of largest leg* | Bonus Amount |
|-----------------------------|--|---|--------------|
| 1 | 3,000 | 1,200 | \$ 500 |
| 2 | 5,000 | 2,000 | \$ 1,000 |
| 3 | 7,500 | 3,000 | \$ 1,500 |
| 4 | 10,000 | 4,000 | \$ 2,000 |
| 5 | 15,000 | 6,000 | \$ 2,000 |
| 6 | 20,000 | 8,000 | \$ 2,000 |
| 7 | 25,000 | 10,000 | \$ 2,500 |
| 8 | 30,000 | 12,000 | \$ 2,500 |
| 9 | 40,000 | 16,000 | \$ 3,000 |
| 10 | 50,000 | 20,000 | \$ 3,000 |
| | | Tota | \$ 20,000 |

Team Builder Bonus Qualification Requirements

To be eligible for a Team Builder Bonus, a Franchisee must achieve the following:

- Must have at least 100 PV in the month
- Must have at least three frontline legs with at least 250 OV in a calendar month
- Leg Balance At least 40% of required OV must come from legs outside the largest leg*
- Bank and Release Two options for bonus to be released:
 - Hold OV level the following month (must be two consecutive months)
 - Move up to the next Team Builder level
- A Franchisee may earn each Bonus only once
- There is no time limit for achieving the Bonuses

Below are three examples of banking and releasing the Team Builder Bonus:

| Example #1 | Example #2 | Example #3 |
|--|--|--|
| Franchisee achieves 3,000 OV with leg balance in third month \$500 bonus is "banked" Franchisee achieves at least 3,000 OV with leg balance in fourth month \$500 bonus is "released" | Franchisee achieves 5,000 OV with leg balance in first month \$500 bonus is released and \$1,000 bonus is banked Franchisee achieves at least 5,000 OV with leg balance in second month \$1,000 bonus is "released" | Franchisee achieves 10,000 OV with leg balance in first month \$500, \$1,000 and \$1,500 bonuses are released and \$2,000 bonus is banked Franchisee achieves at least 10,000 OV with leg balance in second month \$2,000 bonus is "released" |



Franchise Royalties

Once you achieve the rank of Senior Manager, you can begin earning Franchise Royalties. Franchise Royalties allow you to be paid on shares of volume of your expanded franchise. The higher your rank the deeper you are paid Royalty Shares on your organization. For example, as a Director you are eligible to be paid on the volume generated on Royalty Share 1 and Royalty Share 2. As a Sapphire, you are eligible to be paid on the volume generated on Royalty Share 1 - 4. As a Diamond, you are eligible to be paid on the volume generated on Royalty Share 1 through 6.

Due to the unique rank compression feature of the Franchise Earnings plan, you could qualify to earn Franchise Royalties on all the Organizational Volume in your downline's organization.

To qualify for Franchise Royalties, you need to qualify for the respective Franchise Rank. Franchise Royalties are not paid in addition to Fast Start Bonus.

| | | | | F | RANK | |
|----------------------------|---------|----------|--------------|----------|------|---------|
| Franchise Royalty Share | Sr. Mgr | Director | Sr. Director | Sapphire | Ruby | Diamond |
| Royalty Share 1 | 5% | 5% | 5% | 5% | 5% | 5% |
| Royalty Share 2 | | 5% | 5% | 5% | 5% | 5% |
| Royalty Share 3 | | | 5% | 5% | 5% | 5% |
| Royalty Share 4 | | | | 5% | 5% | 5% |
| Royalty Share 5 | | | | | 5% | 5% |
| Royalty Share 6 | | | | | | 5% |



Presidential Royalties

Presidential Royalties are paid to Franchisees when they reach each rank of the President's Club. Presidential Royalties of up to 3%, 4% or 5% are added to the Franchise Royalty of 5% for the ranks of Sapphire, Ruby and Diamond. The resulting total Royalty is up to 8% for Sapphire, up to 9% for Ruby and up to 10% for Diamond.

The following table reflects the Royalties paid when a franchisee is a qualifying President's Club Member:

| | | | | F | RANK | |
|----------------------------|---------|----------|--------------|----------|---------|----------|
| Franchise Royalty Share | Sr. Mgr | Director | Sr. Director | Sapphire | Ruby | Diamond |
| Royalty Share 1 | 5% | 5% | 5% | 5% | 5% | 5% |
| Royalty Share 2 | | 5% | 5% | 5% | 5% | 5% |
| Royalty Share 3 | | | 5% | 5% | 5% | 5% |
| Royalty Share 4 | | | | 5% - 8% | 5% - 8% | 5% - 8% |
| Royalty Share 5 | | | | | 5% - 9% | 5% - 9% |
| Royalty Share 6 | | | | | | 5% - 10% |

The Presidential Royalties are paid to qualifying Sapphires for a minimum of twelve months, to qualifying Rubies for a minimum of twelve months and to qualifying Diamonds for a minimum of 24 months. The qualification periods may be extended by advancing to the next rank in the Franchise Earnings Plan.



Presidential Bonus

The Presidential Bonus is paid to franchisees who build their franchise at a relatively fast pace. Once the rank has been achieved for three consecutive months, a bonus will be paid for each additional month the rank is confirmed up to nine months in a twelve-month period.

Amount of Bonuses

- Sapphire = \$27,000 (\$3,000 per month for up to nine months)
- **Ruby = \$54,000** (\$6,000 per month for up to nine months)
- Diamond = \$81,000 (\$9,000 per month for up to nine months)

Qualification Requirements

To be eligible for a Presidential Bonus, a franchisee must achieve the following:

- Sapphire Bonus Achieve the rank of Sapphire for three consecutive months within your first nine months
- Ruby Bonus Achieve the rank of Ruby for three consecutive months within your first fifteen months
- Diamond Bonus Achieve the rank of Diamond for three consecutive months within your first twenty-one months

The following table shows the leg, OV and leg balance requirements for each Presidential Rank:

| Rank | Leg Requirement | Total Organizational Volume (OV) Requirement* | Minimum OV Required outside your largest leg* |
|----------|-----------------|---|---|
| Sapphire | 3 legs @ 5K | 50K | 20K |
| Ruby | 4 legs @ 5K | 100K | 40K |
| Diamond | 5 legs @ 5K | 150K | 60K |

^{*} Leg Balance Applies



Additional Franchise Position

When you achieve the rank of Presidential Diamond, you will be eligible to start an Additional Franchise Position (AFP). The AFP is placed front line to your original franchise. This allows you to earn nearly double the percentage on volume generated from your AFP.

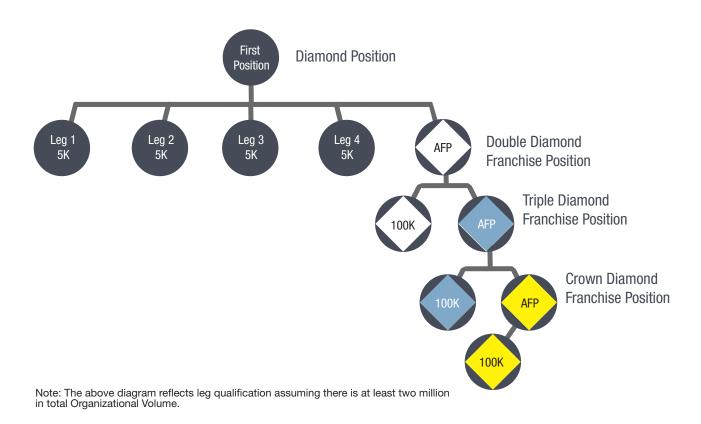
When the Additional Franchise Position maintains 100,000 OV for three consecutive months, the Franchise Partner is recognized as a Double Diamond and may begin a third franchise - with the goal of becoming a Triple Diamond. This process may be duplicated one additional time to achieve the highest franchise rank of Crown Diamond.

The following table shows the Leg, Additional Franchise Position and Total OV requirement for each of the Chairman's Club ranks.

| Rank Leg Requirement | | Total OV |
|----------------------|------------------------------|-----------|
| Double Diamond | 5 @ 5K plus 1 AFP @100k | 500K |
| Triple Diamond | 5 @ 5K plus 2 AFP @100k each | 1 Million |
| Crown Diamond | 5 @ 5K plus 3 AFP @100k each | 2 Million |

Additional Franchise Position

The following diagram depicts the minimum requirements to become a Crown Diamond.





Chairman's Club Bonuses

As you achieve the rank of Double Diamond, Triple Diamond and Crown Diamond, you become a member of the Chairman's Club and receive Chairman's Club Bonuses. These bonuses are lifestyle bonuses not cash bonuses and are tailored to fulfill the individual dreams of the recipient. As such, the exact bonus varies by country and by franchisee. The following table reflects the general dollar value of each bonus:

Rank Bonus Value



Double Diamond

\$150,000



Triple Diamond

\$500,000



\$1,000,000

For more details about the Chairman's Club bonuses please check with your respective Country Manager.

Franchise Earnings Appendix

Product Points

Each Unicity product is assigned a certain point level. The points are used to calculate the amount the franchisee earns on the volume of product that is purchased through their franchise or through their expanded team of franchisees. The points are commonly referred to as commission volume points, bonus points or product points. The aggregation of these points at each level of franchise development impacts your ability to maximize earnings. The following terms and respective calculations will be used to determine your eligibility for earnings:

- Personal Volume (PV) the number of points generated by your personal purchases and the purchases of your direct customers in a calender month
- Group Volume (GV) the number of points generated by the following in a calendar month:
 - 1) Personal Volume (PV)
 - 2) Points for first-month orders of new franchisees that you enroll
 - 3) Monthly volume points of a franchisee that is *sponsored* frontline to you and that has not yet become a Manager
 - 4) Monthly points from Auto-Refill orders of frontline franchisees directly sponsored to your franchise
- Organizational Volume (OV) total number of points generated by you and your entire franchise team in a calendar month
- Leg Volume total number of points in a leg beginning with a frontline franchise in a calendar month (also known as Leg OV)

Understanding the different levels of product points will help you maximize your Franchise earnings.

Franchise Ranks

There are twelve ranks in the Unicity Franchise Earnings Plan. Each rank reflects the size and scope of an individual franchise. As you extend your franchise, the amount of sales (volume) generated through your franchise will also grow. This will lead you to achieving higher and higher ranks in the Franchise Earnings Plan.

The ranks are divided into four categories that reflect the primary activities of each rank. The following chart shows the category, name and volume structure requirements for that rank:

| | Rank | PV | GV | Leg OV | Total OV | Leg Balance OV |
|--------------------|-------------------|--------|------|-----------------------------|-----------|----------------|
| Beginning | Associate | 100 PV | 250 | | | |
| Ranks | Jr. Manager | 100 PV | 500 | | | |
| | Manager | 100 PV | 1000 | | | |
| | Sr. Manager | 100 AR | 1000 | | 1K | |
| Builder Ranks | Director | 100 AR | 1000 | 3 @ 1K | 3K | 1.2K |
| riamo | Sr. Director | 100 AR | 1000 | 3 @ 1K | 10K | 4K |
| President's | Sapphire | 100 AR | 1000 | 3 @ 5K | 50K | 20K |
| Club | Ruby | 100 AR | 1000 | 4 @ 5K | 100K | 40K |
| | Diamond | 100 AR | 1000 | 5 @ 5K | 150K | 60K |
| | Double Diamond | 100 AR | 1000 | 5 @ 5K plus 1 AFP @ 100K | 500K | NA |
| Chairman's Club | Triple Diamond | 100 AR | 1000 | 5 @ 5K plus 2 AFP @ 100K | 1 Million | NA |
| | Crown Diamond | 100 AR | 1000 | 5 @ 5K plus 3 AFP @ 100K | 2 Million | NA |

Note: 1) Associate through Manager are requried to achieve GV amount one month only

- 2) Monthly Auto-Refill of 100 PV is required beginning with Sr. Manager and above
- 3) Leg Balance OV reflects amount of volume required outside of largest leg

Enroll and Place

The Enroll and Place feature of the Franchise Earnings Plan allows you to enroll a new franchisee and place him or her frontline to someone else on your team within the first three levels. Enroll and Place allows leaders to place a new franchisee in natural teams, creating strength and a higher probability of success.

When you utilize the Enroll and Place feature, you are referred to as the Enroller and the immediate upline of the new franchisee is referred to as the Sponsor. This feature provides both the Enroller and Sponsor as mentors to the new franchisee.

The first-month volume and Fast Start Bonus generated by the new franchisee is applied and paid to the Enroller and Upline. Beginning with the second month, the volume is applied and paid to the Sponsor and Upline.

Group Volume Roll-Over

Group Volume Roll-Over allows a new franchisee that joins Unicity and places their first order from the 25th to the end of the volume month, the ability to have their Group Volume (GV) roll over into the next volume month. Payments for all commissions and Fast Start Bonus earnings will be made in the regularly schedule month. However, the roll-over volume will count toward the Group Volume requirement, Organizational Volume requirement, Fast Start Bonus and Team Builder Bonus qualifications.

The new franchisee's GV will not roll over to the next month if:

- a. The new franchisee qualifies for any level in the Team Builder Bonus in the current month or -
- b. Someone in the new franchisee's downline qualified for any level of the Team Builder Bonus in the current month.

Horizontal Compression

This unique feature of the Franchise Earnings Plan helps franchisees qualify for the highest rank possible. Horizontal Compression allows volume in smaller legs to compress together to help a franchisee meet the leg volume requirements for each rank. Below are the details of Horizontal Compression by rank:

| Rank | Compressed Legs |
|--------------|------------------------|
| Director | Third Leg and smaller |
| Sr. Director | Third Leg and smaller |
| Sapphire | Third Leg and smaller |
| Ruby | Fourth Leg and smaller |
| Diamond | Fifth Leg and smaller |

^{*}Refer to the 2010 Group Volume (GV) Roll-Over Program Flyer for complete details.

Weekly Pay Program

The Weekly Pay Program is designed to pay Fast Start Bonuses more quickly. The first level of the Fast Start Bonus is paid weekly. The Weekly Pay Program also allows franchisees the ability to "turn" their franchise investment quicker.

Weekly building period runs from Sunday midnight to Sunday midnight. Weekly payment will be credited to the Unicity Awards Visa Prepaid Card on the following Thursday.

Unicity. citi: 4000 1234 5678 9010 WS CARDHOLDER VISA

Unicity Awards Visa Prepaid Card

Unicity offers you the ability to receive franchise earnings via a CITI Bank debit prepaid card Benefits of the Unicity Awards Visa Prepaid Card include:

- Online CITI Bank Account
- No signup fee
- Immediate payment delivery
- Immediate access to funds
- Transfer funds directly to your checking account
- More frequent payments
- Account security
- Check balance or transfer funds
- Low ATM withdrawal fees
- Good everywhere Visa debit cards are accepted
- Use card to make Unicity purchases
- 24/7 multilingual cardholder support
- Visa's Zero Liability Fraud Protection





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