

## Open the door to the

# New Image Global Compensation Plan

### Rewards For All

As with any reward system, the Global Compensation Plan (Comp Plan) is designed to influence behaviour. After many years in the Direct Sales business, we at New Image have gained experience in knowing what makes a Direct Sales business work. We've incorporated all of these positive business strategies into a reward system, the Comp Plan, that ensures our Representatives succeed in their business if they follow the path of progression defined by the plan.

### Retailing

The New Image training system is linked to the Comp Plan. The training system focuses on "Retail, Sponsor, Coach". A new Rep must learn how to Retail product before they do anything else in the business. The whole point of the business is the sale of products. If the products are not being sold, no value is attained from the business. As products are sold, points accumulate to the credit of the person who sells them. These points are called Personal Volume – or PV. The points are relative to the wholesale price of a product. For example, a product costing \$200, may have PV of 160. PV is the heart and soul of the Comp Plan calculations. Rewards are often based on the PV each person accumulates each month.

In order to be considered for rewards each month, a Representative (at all levels of status) must accumulate at least 100PV. That's one reason why learning how to retail the product is important. If you have a group of customers to whom you retail the product, the sales made on your account to those people contribute to your total PV for each month. Thus the ability to qualify for a reward or bonus cheque comes from the activity of your customers.

The first rewards that a Representative qualifies for are:

1. Wholesale Discount
2. Retail Margin
3. Luxury dollar voucher
4. Retail Rebate

Representatives have the ability to purchase product from New Image directly at wholesale price. This represents an immediate reduction in the cost of product to the person of 25%.

The Retail Margin is a concept familiar to most people. The Representative buys product from New Image at Wholesale price and sells it to their Retail customers at Retail price. The difference between the two prices is the Retail Margin. This margin is around 25% of the retail price and is retained by the Representative.

The accumulation of more than 250 PV starts the process of bonus cheque calculations for a new Representative. Up to that level, there is a reward called the Luxury dollar voucher. It only applies when no other bonuses apply. The voucher may be used as a discount off subsequent product purchases.



A Retail Rebate is a reward that is maximised by attaining as high a PV during the month as possible. It is calculated on a sliding scale based on the PV for the Representative concerned. The scale varies for each New Image country due to the differences in currency in the countries.

Building a significant retail base with 10 –20 people who buy product regularly ensures the Representative of attaining the monthly 100PV qualification requirement and also ensures maximising the payout from the Retail Rebate component of the Comp Plan.

### Sponsoring

Once a Representative has established a solid Retail customer base, they are ready to introduce others to the business. Sponsorship involves bringing new people into the business and acting as the "sponsor". The Sponsor's job is to look after these people and help them develop their skills and retail base.

The Comp Plan rewards sponsorship in many ways. The additional rewards are

#### 5. Retail Rebate Overrides

The Overrides are like Retail Rebates, only they are paid to the Representative on the PV of the people they have sponsored. The difference is that they are based on 'GV' – Group Volume. That's the total of the PV of all of the Representatives in a Group. The Group is defined as a Representative and all of the Representatives sponsored by that person, and all of the Representatives sponsored by those people, and so on. If a person in the group advances in status they move out of the 'Group' and become part of the 'Network'.

Maximise the rewards from Overrides by maximising Group Volume (GV). The more people sponsored into the business building their retail customer base and sponsoring others to do the same, the more GV generated.

### Coaching

After a period of building the retail business and helping others to do the same, the Representative must become a coach of the people within his/ her organisation in order to maximise the growth of the business. His/her own business will require on-going work to ensure customers are well looked after and new customers are constantly acquired. Sponsoring doesn't stop. A good leader is always on the look out for people who may have what it takes to succeed in the business. However, the basics of the business become natural to the leader after a time and their emphasis changes to developing the skills of the people in their team. The rewards for supporting the team are HUGE!

## 6. Network Commissions

When a Representative has achieved certain levels of PV or GV, they advance in status to Supervisor. As a Supervisor, they advance up the pay scale for the Retail Rebates and Overrides. Their top level pay out now becomes 25% and it applies whenever their PV is over 100 (varies by country).

A Supervisor coaches other people in their group to advance in status. When they develop their people into Supervisors, they become eligible for Network Commissions.

Network Commissions are paid out on the entire volume of each of the first four (three in Singapore) generations of Supervisors in a person's organisation. To qualify for Network Commissions the Supervisor must accumulate a minimum of 250 GV each month (varies by country). Maximum pay out of Network Commissions is attained with GV of at least 500 each month.

Supervisors also qualify for another reward.

## 7. Royalty New Business Bonus

This reward is paid out in CASH at the Quarterly Royalty event in each New Image country. The Representative must attend the event in order to get the payment. The reward is based on a sliding scale of up to 4 percent of the new business added during the 3 month period.

## Higher Ground

There's more! There are higher levels of status available that result in even greater rewards. If a Supervisor coaches his team and enables two of his Representatives to be promoted to Supervisor within two consecutive months, the status of Manager is attained. Managers maximise their Network Commissions by attaining GV of 500 each month. Network Commission rates are higher for Managers than they are for Supervisors.

One of the features available to Managers and above status is :

## 8. Compression

Compression is the process of ensuring there are no gaps in the generations counted for the payment of Network Commissions. We pay up to 4 generations. By compressing generations that may not have met qualification levels during a month, we ensure the Manager always gets paid on up to 4 generations. This results in greater rewards. This applies to Managers with the higher qualifying GV level.

## Network Leaders

Managers have the ability to be promoted to the status of Executive. They need to attain their base qualification of 100PV and 500GV plus a minimum of 5,000 Network Volume (NV). NV is the total of the PV from all of the people in a Representative's organisation down to 4 generations. An Executive may qualify at various levels (1 star to 5 star) depending on the NV accumulated for the month. The rewards increase as the Star's increase.

## 9. Infinite Dynasty Commission

The Dynasty reward pays from 1% to 5% more on all volume in a Representative's organisation. All of the previously mentioned rewards apply and the Dynasty is the icing on the cake. The rewards may be huge as there is no limit to the depth to which they apply.

## Network Company Owners

The final reward available from New Image is one of the best around. Ownership of the company. Managers and above have the ability to earn Share Options in anticipation of the company's public launch on the Hong Kong Stock Exchange in 2003. This is a unique opportunity to gain a stake in the company and add wealth to a Representative's business. Rewards such as these just don't exist anywhere else.

As mentioned at the outset, the Comp Plan is designed to reward behaviour. We have determined the right behaviour to ensure a Representative's business grows as effectively as possible. The Comp Plan targets that behaviour with significant rewards for building the business. The plan is a great one. The rewards significant. Make the most of the opportunity.

