

NIKKEN[®] Discover it. Live it.



Policies & Procedures
2011

IV. COMMISSIONS, REBATES, OVERRIDES AND BONUSSES

A. Payment of Commissions, Rebates, Overrides and BonusSES

1. Monthly commissions, rebates, overrides and bonuses are mailed out on the 15th of the following month. Checks lost or destroyed may be replaced within 12 months of issue date only. A fee will be charged for checks reissued.
2. A Consultant has the responsibility to review his/her bonus recap and Nikken Lifestyle Bonus statement and report any discrepancies to Distributor Relations within 20 days. Failure to report any bonus recap and/or Nikken Lifestyle Bonus discrepancies within 20 days will be deemed final and no adjustments will be made.
3. All Consultants are eligible for direct deposit of commission earnings. To activate a direct deposit account, the application must be received by the 20th of the preceding month.
4. Commission earnings issued via check will incur a \$5 US/CN processing fee. Net commission earnings must be at least \$25 US/CN or greater in order for check to be issued. Otherwise the commission earnings will be credited to the Consultant's distributorship account.
5. Sales volume qualifications by order taking: As with other leading direct-selling companies, the company has adopted minimum personal and group sales volume requirements. With respect to tangible products, which may be offered for purchase for resale, minimum sales volume requirements may also be fulfilled by taking orders from retail customers which will be fulfilled or drop-shipped by the company directly to the retail customer.
6. Distributorships suspended at the volume month of commissions calculation will not receive commissions, rebates, overrides and/or bonuses on volume generated during the calculating volume month. The volume of the suspended distributorship will, however, count towards the next qualified upline's commissions calculation.

B. Monthly Accounting Service Fee

Nikken assesses a monthly accounting service fee from all monthly commission net earnings of \$5 US/CN or more, which is deducted from the monthly earnings according to the following listing:

Title (Qualified)	Amount
Senior Consultant	\$2
Executive Consultant	\$4
Bronze Consultant	\$8
Silver Consultant	\$11
Gold Consultant	\$14
Platinum Consultant	\$17
Diamond Consultant	\$25
Royal Diamond and above	\$30

C. Responsibility to Train, Supervise, and Communicate with Downline

1. Any Consultant who sponsors other Consultants accepts the responsibility to fulfill the obligation of performing a bona fide supervisory, distributing, and selling function in the sale or

delivery of product to the ultimate consumer and in the training of those sponsored. These Consultants maintain continuous contact, communication, and management supervision with their sales organizations. Examples of such supervision may include, but are not limited to newsletters, written correspondence, personal meetings, telephone contacts, voice mail, electronic mail, training sessions, accompanying individuals to company training, and sharing genealogy information with those sponsored. Consultants should be able to provide evidence to Nikken semi-annually of continued fulfillment of sponsor responsibilities. Additionally, Consultants qualify to receive overrides, bonuses, or advancement in the compensation plan, by fulfilling the 70 percent rule, the five retail customer rule, the requirement that his/her downline has retailed product which has been purchased at wholesale, and stated supervisory responsibilities.

2. Should a Consultant violate Nikken policy, his/her upline sponsor has the responsibility to use best efforts to bring the Consultant into compliance.
3. Silver (or above) Consultants will maintain, and make available to Nikken upon request, proof of continuing communication and contact with downline distributorships on which they receive overrides and/or bonuses. Failure to supply this proof can be used as grounds for cancellation.

V. NIKKEN UNIVERSITY

The Nikken Sales Department offers various training programs through Nikken University, the training arm of Nikken. Included in the curriculum are Humans Being More®, International Business Certification and various leadership workshops. These programs may be offered in the field, at the company headquarters in Irvine, California or on the Internet. The Nikken University Web link (NikkenU.com) includes detailed course information, course schedules, access to a master calendar and links to other online Nikken services.

A. Humans Being More®

This two-day seminar is open to all Consultants and their guests. Discover the heart of the Nikken philosophy and learn how to take action in five key areas of life through a system designed to enhance your personal and professional success. Humans Being More training is required to advance to the Silver rank or above.

VI. DEFINITION OF TERMS

For purposes of this Nikken marketing/compensation program, the following terms shall have the meaning set forth below:

¥ (Symbol for Nikken Points)

Used to calculate the qualifications for the Nikken Compensation Plan.

Active Consultant

Any Consultant who places ¥100 PV in any month during a six-month period.

Breakaway

The point at which a Consultant reaches the qualification to become a Silver Consultant. From this point on, his/her Personal Group Volume no longer counts toward the Personal Group

Volume of his/her upline, but is used in calculating the upline Consultant's Leadership Bonus.

Bypass Provision

There are two instances in which a Consultant can bypass his/her sponsor:

1. An individual in a Direct downline qualifies to become a Senior Consultant (¥1,500 PGV in one month and ¥500 PV), and the Direct Consultant has not achieved ¥500 PV by month end. In this case, the new Senior will move past the Direct to the next Senior or above in the upline. Once this happens, he/she cannot be recovered by the original sponsor.
2. When an upline Consultant is advancing to Silver and has a downline Consultant who also qualifies to advance to Silver through either of the two Silver qualification options, but the upline Consultant does not have enough legs to qualify for Silver, the upline Consultant has the following options to complete the requirements for Silver qualification:

- Achieve requirements under the multi-month qualification option by the end of the next new calendar month, plus up to three preceding months;

OR

- Achieve requirements under the one-month qualification option.

If the upline sponsor has not fulfilled one of the above options by end of the next new calendar month, the new downline Silver Consultant will roll up to the next upline Silver or above and cannot be recovered by the original sponsor.

Cancellation/Resignation

The downline of an expired, resigned or cancelled distributorship will automatically roll up to the upline sponsor of the expired, resigned or canceled distributorship.

Commission Volume (CV) — See volume.

Consultant

Refers to any person or legal entity currently authorized to distribute Nikken products and participate in the compensation plan.

Note: Consultants should read and understand all Nikken Policies & Procedures and keep updated as to all amendments.

Downline

All Consultants sponsored, directly or indirectly, by a given Consultant. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then B, C, D and E are all downline from A.

Duplicate the Process

The term "duplicate the process" means: (1) to promote the sales and use of Nikken products and (2) building and support of a sales organization. This term does not include "front loading," "investment," the purchase of large amounts of unneeded product or unnecessary expenditures for the purpose of qualifying in Nikken's compensation plan. The product purchased by Consultants should be in amounts as may reasonably be expected for resale, personal use or demonstration only.

Five Retail Customer Rule

To be eligible for ongoing overrides, bonuses, or advancement,

a Consultant shall make, on a monthly basis, at least one sale to each of five retail customers.

Leadership Bonus

A bonus that is based on a percentage of the Personal Group CV of the Silver or above Consultants in a Consultant's downline through as many as six qualified levels — not merely the first six downline levels, but the first six levels on which qualified Silver Consultants or above are found. This means that if a downline leg has 20 levels, Nikken will go down through all 20 levels, until the appropriate number of qualified Silver or above Consultants are found.

Leadership Downline

All Consultants in a Consultant's downline who have attained the rank of Silver Consultant or above.

Level

A relative term referring to specific positions in a Consultant's downline. A Consultant's first level is the group of Consultants directly sponsored by him/her. The second level consists of the Consultants directly sponsored by those first-level Consultants, and so on.

Market Unit (Area)

The area in which a Consultant is qualified to operate. International certification enables a Consultant to add other market units (areas) outside his/her headquarters country.

Nikken Member

Individuals may elect to become a Nikken Member by completing the enrollment process with Nikken and paying an annual fee. Nikken Members are entitled to purchase products from Nikken at a discount on the retail price and receive special communications, promotions and other special offers and privileges directly from the company. A Member may become a Nikken Independent Consultant at any time.

Personal Group

All Direct, Senior, Executive and Bronze Consultants in a downline.

Personal Group CV Override

An override earned on the Personal CV and Personal Group CV of all the Consultants in the Personal Group. The override equals the difference between the rebate percentage that the individual Consultant earns and the rebate percentage earned by the personally-sponsored Consultant. **For Silvers and above, the rebate percentage will vary depending on whether monthly PV and PGV requirements are met.**

Example: A Bronze Consultant (15%) would receive 5% override on the Personal Group CV of a personally sponsored Executive Consultant (10%) (because 15% less 10% equals 5%). The Bronze Consultants would receive 0% on the Personal Group CV of a personally-sponsored Bronze Consultant (15% less 15% equals 0%), thus creating added incentive for that Bronze Consultant to reach the Silver level.

Personal Group Volume (PGV) — See volume.

Personal (sales) Volume (PV) — See volume.

Personal Volume Requirements — See volume.

Personal Group Volume Requirements — See volume.

Pin Rank

Consultants advance in Nikken's compensation plan from one level up to the next. The Direct, Senior, Executive and Bronze pin ranks are achieved based on Personal Group Volume. The leadership pin ranks, Silver through Royal Diamond, are achieved based on the pin rank of directly sponsored (first-level) Consultants. For example, a Silver Consultant advances to the Gold Consultant pin rank by having three directly sponsored Silver-level Consultants; a Gold Consultant may advance to Platinum by having three directly sponsored Gold-level Consultants or six directly-sponsored Silver pin rank Consultants, and so on. Terminated Consultants do not count towards pin rank advancement. (See compensation plan for details.)

Primary Leg

A primary leg is identified as the leg of the structure that contains the highest aggregate PGV in a Consultant's organization.

Qualified Leg

In a downline configuration a "leg" is begun when a new Consultant is sponsored. All other Consultants sponsored under this Consultant are considered in the same leg. That is, a directly sponsored Consultant is the beginning of a leg.

For a leg to be qualified, any Silver or above anywhere in that downline leg who is "qualified" may qualify the leg. Whenever monthly rank qualifications are met, leadership bonuses will be paid.

Qualified Certified Leg

For international pay rank, a leg that is both qualified and certified is one that contains a member or members who have met PGV volume requirements and have attained international certification.

Qualified Consultant

There are two requirements of monthly qualifications for a Consultant to earn income from Nikken. For all Consultants from Direct and above, the Consultant must have ¥100 in Personal Volume (PV) each month to be eligible for rebates and overrides. If Consultant fails to achieve this ¥100 PV in any month, then Consultant is considered inactive for that month and will not be qualified to receive any rebates, overrides and leadership bonuses.

For leadership pin ranks (Silver through Royal Diamond) there are minimum Personal Group Volume (PGV) requirements to earn leadership bonuses. (See chart.) For example, a Silver level Consultant must have ¥2,000 in PGV each month to be eligible to receive the Leadership Bonus.

Qualified Producer Bonus

Consistent qualification and business activity is critical for Silver and Gold Consultants. The Qualified Producer Bonus is an incentive designed to reward these leaders who consistently meet their monthly PV and PGV requirements.

Rebates

The monies returned to you on your monthly earnings statement based on a percentage of your Personal Volume. For Silvers and above, the rebate percentage will vary depending on whether monthly PV and PGV requirements are met.

Retail Profit

The difference between the retail price and the wholesale cost of products.

When products are drop-shipped to retail customers, Nikken will include your retail profit based on suggested retail in your monthly compensation check.

Retail Sale

The Nikken program is built upon retail sales to the ultimate consumer. Products are offered to Consultants only for sale to consumers and, at the Consultant's election, personal use. Nikken recognizes that Consultants may wish to purchase products for personal or family use. Therefore, a retail sale includes both sales to non-Consultants, as well as purchases by Consultants in reasonable amounts, for personal or family use, which are not made solely for purposes of qualification for bonuses, overrides, or advancement.

Rollup Volume — See volume.

70 Percent Rule

To satisfy regulatory agencies and to meet the DSA code of ethics, Nikken periodically requires randomly chosen Consultants to submit signed sales receipts providing evidence that a Consultant has sold or used 70% of previously purchased products before a new order may be placed.

70 Percent Rule Enforcement

Suspension (and/or cancellation) may result from non-adherence to the 70 percent rule if verification is not submitted upon request by the fifth day of the following month. Adherence may be substantiated by retail sales receipts, Personal Volume/product purchase verification, retail sales verification form or a personal use statement.

Sponsor

Someone who enrolls a new Consultant into the Nikken business and accepts the responsibility for properly informing and training the new Consultant about Nikken products, the compensation plan, Policies and Procedures, and the professional guidelines of the network-marketing industry.

Upline

Refers to a person's sponsor, his/her sponsor's sponsor, and so on.

Volume

Commission Volume (CV)

Volume upon which all bonuses, rebates, and overrides are paid.

Personal Group Volume (PGV)

The volume contributed by the Direct, Senior, Executive and Bronze Consultants in an organization. Personal Group Volume will determine rank, qualifying volume and pay level.

Personal (sales) Volume (PV)

The volume of products purchased by a Consultant personally within a calendar month.

Personal Volume Requirements

The Personal Volume required monthly from individual Consultants in order to receive a check for rebates, overrides, and

bonuses. The Personal Volume monthly requirement for Nikken is currently ¥100.

Personal Group Volume Requirement

The Personal Group Volume required monthly from Silver and higher rank individual Consultants in order to receive a leadership bonus from breakaway downlines. Compression volume from unqualified breakaways does not count toward PGV requirement. The minimum monthly requirement for each rank is as follows:

Silver	¥2,000
Gold	¥1,500
Platinum	¥1,000
Diamond	¥500
Royal Diamond	¥100

Rollup Volume

When a breakaway Silver or above Consultant fails to satisfy monthly qualification requirements, his/her personal and group volume will roll up to the next qualified leadership upline. Rollup volume does not count toward breakaway Consultant's monthly PGV qualification requirement.

Volume Month

The month for which the volume on an order is assigned for purposes of computing commissions, rebates, overrides, and bonuses. ("The month" refers to the first day of the calendar month through the last day of the same calendar month.)

Compensation Plan

PROVEN RESULTS. UNLIMITED POTENTIAL.

Our marketing opportunity has been designed to help Consultants achieve financial well-being and freedom on their road to total wellness. As a Nikken Consultant, you can choose your lifestyle and make your dreams come true.

Our generous compensation plan permits you to rise to the top while encouraging others to rise with you. The income opportunity is unlimited and makes each step along the way financially rewarding.

The Nikken marketing opportunity has opened the doors to a new world of self-fulfillment and prosperity for hundreds of thousands of Consultants worldwide. It can do the same for you. The financial opportunity and compensation plan we are about to describe can be your key to the life you and your loved ones have always wanted.

NETWORK MARKETING: A DYNAMIC FORCE

Network marketing is an opportunity for success that is open to anyone. It requires neither a large investment nor a college degree — just the desire and the willingness to get out and make things happen.

It provides an individual with the chance to climb to the peak of success based on his or her own merit and effort. There are no supervisors or managers to evaluate performance; your desire and your dedication are what determine your rewards, not the opinions of others.

It allows you to work according to your own rules regarding hours or scheduling. You are free to contribute as much as you desire toward your success.

And in network marketing, the results of your efforts accrue to you. In other businesses, sales revenues are used to cover high operating costs — advertising agencies, distribution companies, retailers, layers of corporate management. With network marketing, you are the company. You pay yourself, instead of trading someone else your hours for dollars.

THE MULTIPLICATION PRINCIPLE AT WORK

By bringing new Consultants into the Nikken network, you can qualify to earn income on their sales volumes, as well as on the sales volumes of the people they bring in, and so on.

The individuals you sponsor as Consultants become the first level of your sales organization. They are called your first-level Consultants. The people these first-level Consultants enroll in turn become your second-level Consultants. Eventually, as you continue to sign up new Consultants, and they do the same, there will be many levels, in many branches of your downline organization. This is where an explosively powerful principle comes into play. We call it the "multiplication principle."

LEVERAGE YOUR TIME

The multiplication principle is a powerful force working for you. It magnifies the effort you invest, to provide exponentially greater returns. Suppose that you launch your Nikken distributorship with an investment of 10 hours per week. This moderate beginning allows you to get started without sacrificing a lot of time from your current livelihood or other interests, while you build toward future success.

As you grow your business, let's say you sponsor seven people as Consultants, who also each invest 10 hours weekly. Now you've expanded your Nikken business network to an organization operating 70 hours per week. You help each of these Consultants in turn to sponsor seven others. Your Nikken network has increased to 57 persons — with a combined productivity of 570 hours per week!

How hard would you have to work on your own, to reap the benefit of 570 hours worth of effort every seven days? It's not possible. But the multiplication principle has leveraged your 10 hours into an weekly output equal to a single individual working full time for more than three months. What a tremendous return on 10 hours! This is the multiplication principle, and the power of leveraging. **These projections are for evaluation purposes only and do not constitute a guarantee or an indicator of performance.**

EIGHT WAYS TO EARN

Through its generous compensation plan, Nikken offers eight different ways to earn. Your success and the income you earn from your Nikken business is determined by the number of customers you have, the amount that each customer purchases and your effectiveness in building a sales organization that includes other Consultants who help you expand your customer base as they build their own sales organizations. Compensation plan is available to Nikken Consultants and Internationally Certified Nikken Consultants.

1. Retail Sales Profits

As a Consultant, you order products directly from Nikken at the wholesale price. Your retail profit is the difference between the retail and the wholesale price. For example, if your retail customer orders a product worth \$1,250 retail (\$1,000 wholesale price to you, as a Consultant), you can make a retail profit of \$250, which is 25% of the wholesale price.

A retail sale can take place in the following ways:

- Consultant may purchase products for resale and sell directly to the retail customer;
- Consultant may place order for retail customer and drop ship to the customer;
- A retail customer may order directly online at www.nikken.com, or by phone, mail, or fax, and enter the Consultant's ID number.
- The Nikken Member customer program allows a Consultant's customer to place orders directly with Nikken online (at the MyProduct area of the Consultant's personal website or www.nikken.com), or by phone, mail or fax, and have their orders shipped directly to them. This program is designed to make customer-direct marketing easier than ever for the Consultant and more convenient for the retail customer. Any Consultant's retail customer who enrolls in the Member program shall be able to register directly with Nikken at the annual cost of US \$12.95* to purchase products at a defined discount off of the suggested retail price. The Consultant's commission volume from any sale through the Member program and any bonuses earned through the Member program are automatically added to your bonus check.

The retail customer who participates in the Member program will periodically receive communications from Nikken (ie. welcome letter, quarterly newsletter, targeted email campaigns, etc.). The member may opt out of these email communications at any time.

*Canada pricing is periodically adjusted to reflect variations in currency exchange rates. For prices in Canada refer to nikken.com or myNikken.com.

2. Member Retail Sales Commission

Consultants earn 5% retail sales commission on all product purchases made by customers they sponsor as a Nikken Member.

Individuals may elect to become a Nikken Member by completing the enrollment process with Nikken and paying an annual fee. Nikken Members are entitled to purchase products from Nikken at a discount on the retail price and receive special communications, promotions and other special offers and privileges directly from the company. A Member may become a Independent Nikken Consultant at any time.

3. Personal Volume Rebate

As you advance up the Consultant ranks, you will qualify for progressively larger Personal Volume rebates, ranging from 5% to 20% of the amount of products you order from Nikken at wholesale. **For Silvers and above, the rebate percentage will vary depending on whether monthly PV and PGV requirements are met.**

4. Personal Group Volume Override

This is an override, or bonus, that you may earn on the sales volume of your Personal Group, which includes all the Direct, Senior, Executive and Bronze Consultants in your organization, depending on your rank and the ranks of those you have directly sponsored. **For Silvers and above, the rebate percentage will vary depending on whether monthly PV and PGV requirements are met.**

5. Leadership Bonus

This powerful bonus is based on a percentage of the Personal Group Volumes of the Silver (or above) Consultants in your organization. Nikken allows you to earn 6% bonuses on each descending line (leg) down through as many as six qualified leadership organization (Silver or above) levels.

6. Qualified Producer Bonus

Consistent qualification and business activity is critical for Silver and Gold Consultants. The Qualified Producer Bonus is designed to reward these leaders who consistently meet their monthly PV and PGV requirements.

7. Lifestyle Bonus

The Nikken Lifestyle Bonus (replacement of the Auto Incentive Program) is designed to help you balance your lifestyle through your Nikken business. If you want to use your bonus for a motor vehicle ... great! However, if you want to use it to spend more time with your family on a vacation, for your child's education, a boat, a motorcycle, attend Humans Being More again with a guest, donate it to a charity and increase your society volume — the choice is yours. Your life, your lifestyle and your decision on what is most important to you will determine how you apply this bonus.

8. Power Launch Bonus

The Power Launch bonus was created as an incentive to help you grow your Nikken business. When any frontline Consultant accumulates purchases of two or more business packs within the same calendar month, you earn the Power Launch bonus. For your new Consultants, it's a way to become familiar with Nikken products and get a jump-start on building a solid business network. And when four or more frontline Consultants purchase business packs within the same month, we match your bonus for double the earnings. There is no limit to the number of Power Launch bonuses you can earn — it's a great way to build momentum and growth in your Nikken business!

THE PATH TO FINANCIAL WELLNESS

Success with Nikken takes dedication, but the criteria for moving up in the organization are simple and straightforward. The levels you attain in Nikken are based on your Personal Volume, Personal Group Volume, and the success of the Consultants in your downline. Your Personal Volume and Personal Group Volume are measured in ¥ (Nikken points). ¥ is used to calculate the qualifications in the Nikken compensation plan. Additionally, each point has a corresponding commission volume, the basis upon which commissions are paid.

Independent Nikken Consultants shall be paid in their home country currency calculated at the current volume month's exchange rate according to Oanda.com on the last business day of the month.

For a definition of Personal Volume, Personal Group Volume, and the other terms used in this section, see the Nikken Policies & Procedures definition of terms, beginning on page 14.

Direct Consultant

How to Qualify

- Read, understand, and accept Nikken Policies, & Procedures and compensation plan.
- Complete a Consultant Application/Agreement and send it to headquarters. (Corporate approval is necessary before you officially become a Direct Consultant.)
- Purchase a business kit (which contains everything you need to start your distributorship), except where mandatory purchase is prohibited by law, by sending US \$35, plus shipping and tax.

Benefits

- Order products directly from Nikken at wholesale price.
- Order through myNikken.com and Autoship for efficient, economical order processing.
- Sell to customers for a 25% retail markup profit.
- Begin to build a personal sales group by sponsoring other Consultants into the Nikken opportunity.

Senior Consultant

How to Qualify

- First, be a Direct Consultant.
- Achieve one-time ¥500 PV in a calendar month.
- Accumulate additional ¥1,000 from PGV within the same calendar month or ¥1,500 from PGV any following calendar month.

Ongoing Monthly Qualification Requirement

- Achieve ¥100 PV.

Benefits

- 25% retail markup profit on personal sales (when sold at suggested retail prices).
- A rebate equal to 5% of your total Personal CV. This is called a Personal CV rebate.
- An override equal to up to 5% of your Personal Group CV. This is called a Personal Group CV override.

Executive Consultant

How to Qualify

- First, be a Senior Consultant.
- Achieve ¥5,000 PGV in a calendar month.

Ongoing Monthly Qualification Requirement

- Achieve ¥100 PV.

Benefits

- 25% retail markup profit on personal sales (when sold at suggested retail prices).
- 10% Personal CV rebate.
- Up to 10% Personal Group CV override.

Bronze Consultant

How to Qualify

- First, be an Executive Consultant.
- Achieve ¥10,000 PGV in a calendar month.

Ongoing Monthly Qualification Requirement

- Achieve ¥100 PV.

Benefits

*Canada pricing is periodically adjusted to reflect variations in currency exchange rates. For prices in Canada refer to nikken.com or myNikken.com.

LEADERSHIP POSITION					LEADERSHIP BONUS									
REQUIREMENTS					Retail Sales Profit	Member Retail Sales Commission	PV Rebate*	PGV Override*	L E V E L S					
									1	2	3	4	5	6
ROYAL DIAMOND Develop 3 first-level Diamonds or 6 first-level Platinums					25%	5%	20%	5% 10% 15% 20%	6%	6%	6%	6%	6%	6%
DIAMOND Develop 3 first-level Platinums or 6 first-level Golds					25%	5%	20% 15%	0 or 5% 5 or 10% 10 or 15% 15 or 20%	6%	6%	6%	6%	6%	
PLATINUM Develop 3 first-level Golds or 6 first-level Silvers					25%	5%	20% 15%	0 or 5% 5 or 10% 10 or 15% 15 or 20%	6%	6%	6%	6%		
GOLD	QUALIFIED PRODUCER A qualified Gold who has achieved 1,500 PGV in 2 or more consecutive months. All the benefits of a Gold Consultant, plus a 1% - 2% Qualified Producer Bonus based on qualification requirements.	25%	5%	20%	5% 10% 15% 20%	6%	6%	6%						
	Develop 3 first-level Silvers	25%	5%	20% 15%	0 or 5% 5 or 10% 10 or 15% 15 or 20%	6%	6%	6%						
SILVER	QUALIFIED PRODUCER A qualified Silver who has achieved 2,000 PGV in 2 or more consecutive months. All the benefits of a Silver Consultant, plus a 1% - 2% Qualified Producer Bonus based on qualification requirements.	25%	5%	20%	5% 10% 15% 20%	6%	6%							
	20,000 PGV in one month and develop 3 first-level Seniors and above or 25,000 PGV in 4 months with 6 Seniors (minimum 3 first-level). Register for or attend Humans Being More.	25%	5%	20% 15%	0 or 5% 5 or 10% 10 or 15% 15 or 20%	6%	6%							
BRONZE 10,000 PGV in a single month					25%	5%	15%	5% 10% 15%						
EXECUTIVE 5,000 PGV in a single month					25%	5%	10%	5% 10%						
SENIOR 500 PV, 1,500 PGV in a single month					25%	5%	5%	5%						
DIRECT Purchase Business Success Kit					25%	5%								

QUALIFIED PRODUCER BONUS
1% - 2%
1% - 2%

Consultants may also qualify for pin and/or pay rank under the alternative qualification method for Silver, Platinum, Diamond and Royal Diamond rank.

*For Silvers and above, the PV rebate and PGV override will vary depending on whether monthly PV and PGV requirements are met.

- 25% retail markup profit on personal sales (when sold at suggested retail prices).
- 15% Personal CV rebate.
- Up to 15% Personal Group CV override.

LEAP INTO THE LIMITLESS REALM OF THE LEADERSHIP BONUS!

When you attain the rank of Silver Consultant, you jump into an exciting new area of income potential. In this and all higher ranks, you can qualify to earn the highly rewarding Leadership Bonus. This bonus is based on the productivity of the Silver (or above) Consultants in your downline and their Personal Groups. As Consultants in your Personal Group rise to the Silver rank, they take their own Personal Groups with them and they receive Personal Group Volume credit for their efforts. You will earn something even better: the Leadership Bonus! This bonus equals 6% of the Personal Group CV down through as many as two levels of qualified Silver and above Consultants.

Qualified Producer Bonus

Consistent qualification and business activity is critical for Silver and Gold Consultants. The Qualified Producer Bonus is designed to reward these leaders who consistently meet their monthly PV and PGV

requirements.

How to Qualify

- Must be Silver or Gold rank.
- Consultants must satisfy their monthly pin rank PV and PGV requirements for at least two consecutive months.
- Consultants who satisfy monthly pin rank PV and PGV requirements for 2 consecutive months will earn a 1% Qualified Producer Bonus based on their PGV and PGV rolled up from non-PV qualified Silvers (breakaways) on current qualified month.
- Consultants who satisfy monthly pin rank PV and PGV requirements for 3 consecutive months will earn a 1.5% Qualified Producer Bonus based on their PGV and PGV rolled up from non-PV qualified Silvers (breakaways) on current qualified month.
- Consultants who satisfy monthly pin rank PV and PGV requirements for 4 or more consecutive months will earn a 2% Qualified Producer Bonus based on their PGV and PGV rolled up from non-PV qualified Silvers (breakaways) on current qualified month.
- If the Consultant fails to meet the monthly PV and PGV requirement in any month, Consultant must re-satisfy the monthly PV and PGV for 2 new consecutive months before receiving the Qualified Producer Bonus.
- A Consultant can begin to participate in the Qualified Producer Bonus in the month of reaching the rank of Silver. Consultant must satisfy the PV and PGV for 2 consecutive months before they are eligible to receive the Qualified Producer Bonus.
- Silvers Consultants earning the Qualified Producer Bonus who

advance to Gold rank may carry consistency months forward to new rank.

Benefits

- Rewards Silver and Gold Consultants who consistently meet monthly PV and PGV requirements.

Lifestyle Bonus Program

The Nikken Lifestyle Bonus (replacement of the Auto Incentive Program) is designed to help you balance your lifestyle through your Nikken business. If you want to use your bonus for a motor vehicle ... great! However, if you want to use it to spend more time with your family on a vacation, for your child's education, a boat, a motorcycle, attend Humans Being More again with a guest, donate it to a charity and increase your society volume — the choice is yours. Your life, your lifestyle and your decision on what is most important to you will determine how you apply this bonus.

How to Qualify

- Must be a Gold Consultant or above
- Maintain three qualified leadership legs and be paid as Gold or above for three consecutive months (qualification period) to be enrolled in Lifestyle Bonus program
- After fulfillment of qualification period, Consultant will be eligible to be paid Lifestyle bonus
- Build a network organization exclusively with Nikken. Circumvention of this policy by removing one spouse from the distributorship is not allowed.

Ongoing Monthly Qualification Requirement

- If Consultant meets PV and PGV requirement but fails to satisfy other requirements to be paid as a Gold, he/she will only receive 1% of his/her PGV.
- Consultant must meet PV and PGV requirements and be paid as a Gold or above in order to receive Lifestyle Bonus on the breakaway volume in leadership levels.

Benefits

- The amount of the Lifestyle Bonus is based on your leadership volume and pay rank in each international market unit. After leadership downline has been compressed, it is calculated using the following formula:

Pay Rank	Pay Level	Calculation	Amount
Leadership Bonus Qualification	PGV level	_____ x 1%	= _____
Gold (up to)	First level	_____ x .5%	= _____
Gold (up to)	Second level	_____ x .5%	= _____
Gold (up to)	Third level	_____ x .25%	= _____
Platinum (up to)	Fourth level	_____ x .25%	= _____
Diamond (up to)	Fifth level	_____ x .25%	= _____
Royal Diamond (up to)	Sixth level	_____ x .25%	= _____
Total Lifestyle Bonus			= \$ _____

Lifestyle Bonus Payout by Rank

Pay Rank	Gold	Platinum	Diamond	R. Diamond
Lifestyle Bonus	Up to \$500*	Up to \$1000*	Up to \$1500*	Up to \$2000*

* US values shown. Payout in Canada will be in equivalent amounts.

Silver Consultant

How to Qualify (see Note 1 on p. 23)

- Achieve ¥20,000 PGV in a single month.
- Develop and retain three directly sponsored Senior (or above) legs.
- Attend Humans Being More® training (see note 3 on p. 22).

OR

- Achieve ¥25,000 Personal Group Volume over a period of two (2) to four (4) consecutive months.

- Achieve at least ¥100 PV each month during multi-month qualification period.
- Develop a minimum of three (3) first-level Seniors (or above) and have at least six (6) Seniors (or above) in their Personal Group of which at least three (3) must achieve Senior rank within the multi-month qualification period.
- Registered for or attend Humans Being More® training.
- At Nikken's discretion, certain activities (e.g. Seniors (up to three), Humans Being More, etc.) may roll forward for qualification purposes.

Ongoing Monthly Qualification Requirements

- Achieve ¥100 PV.
- Maintain a PGV of ¥2,000 each month to be eligible for a Leadership Bonus.

Benefits

- 25% retail markup profit on personal sales (when sold at suggested retail prices).
- 20% Personal CV rebate if Consultant meets monthly PV and PGV requirements, otherwise Consultant receives a 15% Personal CV rebate if monthly PV is met and PGV is not met.
- Up to 20% Personal Group CV override if Consultant meets monthly PV and PGV requirements, otherwise Consultant receives up to 15% Personal Group CV override if monthly PV is met and PGV is not met.
- 6% Leadership Bonus on Personal Group CV down through two levels of qualified Silver (or above) Consultants.
- Eligible to qualify for Qualified Producer Bonus

Gold Consultant

How to Qualify (see Note 1 on p. 23)

- Develop and retain three first-level Silver or above Consultants.

Ongoing Monthly Qualification Requirements

- Achieve ¥100 PV.
- Maintain a PGV of ¥1,500 each month to be eligible for a Leadership Bonus.
- Maintain three qualified Silver (or above) legs.

Benefits

- 25% retail markup profits on personal sales (when sold at suggested retail prices).
- 20% Personal CV rebate if Consultant meets monthly PV and PGV requirements, otherwise Consultant receives a 15% Personal CV rebate if monthly PV is met and PGV is not met.
- Up to 20% Personal Group CV override if Consultant meets monthly PV and PGV requirements, otherwise Consultant receives up to 15% Personal Group CV override if monthly PV is met and PGV is not met.
- 6% Leadership Bonus on Personal Group CV down through three levels of qualified Silver (or above) Consultants.
- Eligible to qualify for Qualified Producer Bonus and Lifestyle Bonus

Platinum Consultant

How to Qualify (see Note 1 on p. 23)

- Develop and retain three first-level Gold (or above), or six first-level Silver (or above) Consultants.

OR

- Achieve a minimum ¥75,000 organizational volume within six (6) uncompressed levels of leadership with at least ¥37,500 of the minimum volume requirement being met by legs other than the primary leg.
- Develop and retain three (3) legs of Gold (or above) or six (6) legs of Silver (or above) within six (6) uncompressed levels of leadership.

Ongoing Monthly Qualification Requirements

- Achieve ¥100 PV
- Maintain a PGV of ¥1,000 each month to be eligible for a Leadership Bonus.
- Maintain three qualified Gold (or above) legs, or six qualified Silver (or above) legs.

OR

- Achieve ¥100 PV.

- Maintain a PGV of ¥1,000 each month to be eligible for a Leadership Bonus.
- Achieve a minimum ¥75,000 organizational volume within six (6) uncompressed levels of leadership with at least ¥37,500 of the minimum volume requirement being met by legs other than the primary leg.
- Maintain three (3) legs with qualified Gold (or above) or six (6) legs with qualified Silver (or above) within six (6) uncompressed levels of leadership.

Benefits

- 25% retail markup profits on personal sales (when sold at suggested retail prices).
- 20% Personal CV rebate if Consultant meets monthly PV and PGV requirements, otherwise Consultant receives a 15% Personal CV rebate if monthly PV is met and PGV is not met.
- Up to 20% Personal Group CV override if Consultant meets monthly PV and PGV requirements, otherwise Consultant receives up to 15% Personal Group CV override if monthly PV is met and PGV is not met.
- 6% Leadership Bonus on Personal Group CV down through four levels of qualified Silver (or above) Consultants.
- Eligible to qualify for Lifestyle Bonus

Diamond Consultant

How to Qualify (see Note 1 on p. 23)

- Develop and retain three first-level Platinum (or above) or six first-level Gold (or above) Consultants.
OR
- Achieve a minimum ¥175,000 organizational volume within six (6) uncompressed levels leadership with at least ¥87,500 of the minimum volume requirement being met by legs other than the primary leg.
- Develop and retain three (3) legs of Platinum (or above) or six (6) legs of Gold (or above) within six (6) uncompressed levels of leadership

Ongoing Monthly Qualification Requirements

- Achieve ¥100 PV.
- Maintain a PGV of ¥500 each month to be eligible for a Leadership Bonus.
- Maintain three qualified Platinum (or above) legs or six qualified Gold (or above) legs.
OR
- Achieve ¥100 PV.
- Maintain a PGV of ¥500 each month to be eligible for a Leadership Bonus.
- Achieve a minimum ¥175,000 organizational volume within six (6) uncompressed levels of leadership with at least ¥87,500 of the minimum volume requirement being met by legs other than the primary leg.
- Maintain three (3) legs with qualified Platinum (or above) or six (6) legs with qualified Gold (or above) within six (6) uncompressed levels of leadership.

Benefits

- 25% retail markup profits on personal sales (when sold at suggested retail prices).
- 20% Personal CV rebate if Consultant meets monthly PV and PGV requirements, otherwise Consultant receives a 15% Personal CV rebate if monthly PV is met and PGV is not met.
- Up to 20% Personal Group CV override if Consultant meets monthly PV and PGV requirements, otherwise Consultant receives up to 15% Personal Group CV override if monthly PV is met and PGV is not met.
- 6% Leadership Bonus on Personal Group CV down through five levels of qualified Silver (or above) Consultants.

- Eligible to qualify for Lifestyle Bonus

Royal Diamond Consultant

When you stand on the pedestal of the Royal Diamond rank, you become a legend in your own time. This position is available to all, but achieved only by those with the ability to help others attain their own personal best. Here, you become a leader whose attitude, skills, and earnings stand as motivating examples to Nikken Consultants throughout the world.

How to Qualify (see Note 1 on p. 23)

- Develop and retain three first-level Diamond (or above) or six first-level Platinum (or above) Consultants.
OR
- Achieve a minimum ¥350,000 organizational volume within six (6) uncompressed levels of leadership with at least ¥175,000 of the minimum volume requirement being met by legs other than the primary leg.
- Develop and retain three (3) legs of Diamond (or above) or six (6) legs of Platinum (or above) within six (6) uncompressed levels of leadership.

Ongoing Monthly Qualification Requirements

- Achieve ¥100 PV.
- Maintain a PGV of ¥100 each month to be eligible for a Leadership Bonus.
- Maintain three qualified Diamond (or above) legs, or six qualified Platinum (or above) legs.
OR
- Achieve ¥100 PV.
- Maintain a PGV of ¥100 each month to be eligible for a Leadership Bonus.
- Achieve a minimum ¥350,000 organizational volume within six (6) uncompressed levels of leadership with at least ¥175,000 of the minimum volume requirement being met by legs other than the primary leg.
- Maintain three (3) legs of qualified Diamond (or above) or six (6) legs of qualified Platinum (or above) within six (6) uncompressed levels of leadership.

Benefits

- 25% retail markup profits on personal sales (when sold at suggested retail prices).
- 20% Personal CV rebate if Consultant meets monthly PV and PGV requirements.
- Up to 20% Personal Group CV override if Consultant meets monthly PV and PGV requirements.
- 6% Leadership Bonus on Personal Group CV down through six levels of qualified Silver (or above) Consultants.
- Eligible to qualify for Lifestyle Bonus

Royal Ambassador

In recognition of sterling achievement, Nikken has established the Royal Ambassador position — a level without precedent in network marketing. Those who achieve this position of leadership are compensated for past and current accomplishments — and for working with all Nikken Consultants, regardless of rank, level or line of sponsorship. The compensation includes a **\$1 million check** and other very special rewards, making this achievement one that is simply unmatched in the industry.

How to Qualify (see Note 1)

- Be a qualified Royal Diamond Consultant.
- Have four qualified Diamond legs.
- Accumulate a minimum of ¥100,000,000 total downline Personal Group Volume from worldwide market units (maximum of

¥25,000,000 from each leg), within a 24-month rolling period, beginning the month a new Royal Diamond rank is achieved.

Benefits

- Same as Royal Diamond, plus...
- A one-time award of a million-dollar check.
- One special auto per distributorship of lease (24-month) value up to \$100,000.
- Exclusive dinner meeting with Nikken Chairman, Mr. T. Watanabe.
- Royal Ambassador diamond pin.
- Invitations to world convention. Airfare and hotel accommodations established and paid for by the Consultant's home market unit.

Duties

Royal Ambassadors represent the pinnacle of achievement with Nikken. In their new role, these industry leaders will work very much like ambassadors representing nations. They will be charged with helping all Nikken Consultants, so that they and their customers may fully enjoy the benefits of the 5 Pillars of Health®. And Royal Ambassadors will work diligently to spread the Nikken philosophy throughout the world. The qualifications for this impressive rank are demanding — and the rewards are impressive, once again proving Nikken is the leader in network marketing.

Double Royal Ambassador

A Double Royal Ambassador represents an unprecedented level of success and achievement as a leader in the Nikken global market as well as in the network marketing industry. Those who achieve this leadership position are further compensated for past and current accomplishments – and for working with all Nikken Consultants, regardless of rank, level or line of sponsorship.

How to Qualify:

- Be a qualified Royal Ambassador rank.
- Have six qualified Diamond legs.
- Accumulate a minimum of ¥150,000,000 total worldwide downline Personal Group Volume from Nikken worldwide market units (maximum of ¥25,000,000 from each leg) within a 24-month rolling period, beginning the month after the Royal Ambassador rank is achieved.

Benefits:

- Same as Royal Diamond, plus...
- A one-time award of a \$1 million check (see Note 2).
- Exclusive dinner meeting with Nikken Chairman, Mr. Watanabe.
- Invitations to world convention. Airfare and hotel accommodations established and paid for by the Consultant's home market unit.

Duties:

The Double Royal Ambassador, in this new and prestigious role, will serve in the same manner as the Royal Ambassador. He or she will continue to help all Nikken Consultants and their customers, and will work diligently to spread the Nikken philosophy throughout the world by visiting Nikken subsidiaries.

The Double Royal Ambassador will represent the successful Nikken Consultants at all Nikken's major events, on an as-needed basis. Travel agenda will be designated and paid for by the Consultant's Nikken home market unit.

Note 1: Worldwide volumes may be used by those who have been through the international business certification program for PGV volume and rank qualification.

Note 2: Following receipt of a Royal Ambassador rank and a one-million-dollar benefit check, a second one-million-dollar benefit check for attaining Double Royal Ambassador rank shall be issued no sooner than 24 months subsequent to the first benefit check. During this 24-month period, a Royal Ambassador shall comply with all duties particular to the position of Royal Ambassador.

SPECIAL FEATURES OF THE NIKKEN COMPENSATION PLAN

Permanent Ranks

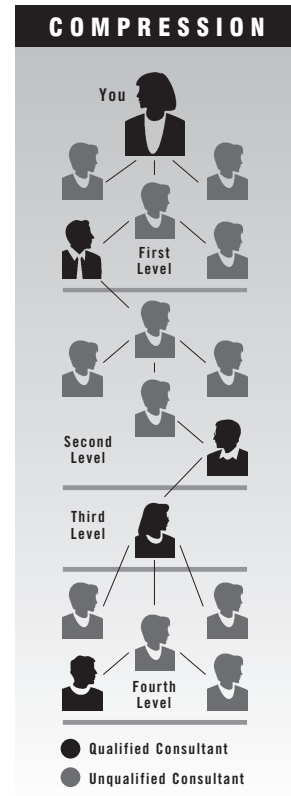
Once you have achieved a pin rank, you cannot fall back to a lower rank in the future.

Compression of Downline Silver Consultants (or above)

In order to maximize the leadership bonuses for all active, productive Silver (or above) Consultants, the Nikken Compensation Plan has a compression feature.

Because of this feature, if a Silver (or above) Consultant fails to qualify in a given month, and if he or she occupies a position on any downline level for which you qualify for a Leadership Bonus, then the next downline qualifying Consultants (if one exists) will be moved up into the place of the non-qualifying Consultants.

Each Silver or above who is qualified for leadership bonuses is paid through the qualified levels for that pay level, and is paid on any unqualified Silver or above distributorships in between.



Note: A Consultant's distributorship may fall back to a lower rank for various reasons such as the return of products purchased for the purpose of rank advancement, Policies & Procedures violation, and any other inappropriate rank advancement.