

MORINDA COMPENSATION PLAN

When we created Morinda beverages, we set out to do something good. Now we're known worldwide for our dedication to noni and noni-related products—noni is all we do.

More and more people every day are discovering the phenomenon of Morinda beverages. They're clamouring for this exclusive product because it's helping people worldwide live better lives—and that makes Morinda's business opportunity unbeatable.

Morinda Beverages changes lives, and Morinda's business opportunity fulfills dreams. Be a part of something good—let Morinda Beverages change your life. Share it, and you will reap the benefits of the most generous compensation plan available.

Morinda is pleased to offer you a compensation plan that is unrivaled in the industry. This plan is complete and rewards our IPCs each step along their way to developing their own prosperous businesses. Our plan will set the standard for the rest of the network marketing industry for years to come—no hype, no empty promises, and no impossible dreams.

Although the compensation plan is generous and simple to follow, all commissions, rewards, and income are conditioned on the IPC's good standing and compliance with Morinda's policies and procedures and the laws of the country where the IPC does business.

Morinda's compensation plan offers three classifications of income to meet the financial and personal goals for each IPC:

1. Immediate income
2. Growth income
3. Wealth-building income

Immediate Income

One reason for Morinda's rapid growth is that new IPCs are rewarded quickly with the Fast Start Bonus programme. Our compensation plan is designed to get income into the hands of new IPC quickly—and it works!

Growth Income

The Unilevel plan means you may earn commissions up to eight compressed levels. Morinda offers dynamic compression on all volume from infinity, and the maximum commissions are earned on all volume. There is no width restriction, and our placement feature allows IPCs to build synergistic units.

Wealth-Building Income

One secret to building wealth is to tap into a growth vehicle; a small percentage of a tremendous growth product can mean significant wealth building. By qualifying for one of Morinda's global bonus pools, you can earn a piece of the Company's commissionable sales. These wealth-building pools include the Infinity Bonus, and Black Pearl Shared Success Bonus.

Freedom of Placement

Morinda gives IPCs the ability to structure their organisation to create cooperative relationships. Here's how it works: as you sponsor new IPCs, you have the choice of leaving them on your first level or placing them anywhere in your organisation while retaining personal sponsorship.

Seamless, Borderless

Morinda's business system is seamless and borderless. That means as an IPC you have the ability to build your business anywhere in the world where Morinda is officially open—you can sponsor IPCs in other countries without restriction. You and your international organisation will be paid in your respective local currencies, but your qualifications will be seamless around the world. The result is a unified commissions system.*

*Because of extraordinary business, legal and regulatory conditions, Morinda's compensation plan for China is executed in a modified form.

10 KEY ASPECTS OF THE MORINDA COMPENSATION PLAN

The Morinda compensation plan features 10 key aspects. Each is designed to complement and work in conjunction with the others to help you build a strong, profitable Morinda business.

1. Retail Profits

Every IPC has the opportunity to earn retail profits simply by purchasing the products at the special IPC price and selling the products to friends and associates at the suggested retail price.

If you refer a retail customer to Morinda's offices for purchase of a commissionable product and that customer provides your IPC number, Morinda will forward the profit (normally the difference between retail price & IPC price) from this retail sale to you and give you qualifying personal volume (QPV) credit for the volume in this purchase.

Morinda strives to protect the integrity of the Morinda brand in local and national markets with the following requirements:

1. Resale of product in one country can come only from product designed for that country.
2. Large amounts of product must not be released to IPCs who cannot document compliance with Morinda and DSA policies on previous orders.

2. Unilevel Plan

Morinda's Unilevel plan is designed to provide rewards greater than the amounts an individual IPC could earn solely from retail profits. This plan increases commissions from level to level to allow you to receive an ever-increasing share of the commissionable value of your organisation. The structure is divided into the beginning, or entry-level, position (IPC) and the leadership positions. Each position carries with it various monthly qualifications and benefits as shown.

IPC

This entry-level position pays commissions on three levels. To qualify, you must sell through your IPC account* one bottle of 1L Original Beverage or the equivalent of 30 QPV.

Unilevel royalties: three levels

*Selling through your IPC account includes purchases you make for your personal use.

Coral Leadership Position

This is the first leadership position. To qualify, you must sell through your IPC account one case of 1L Original Beverage or the equivalent of 120 QPV.

Unilevel royalties: four levels

Jade Leadership Position

To qualify, you must sell through your IPC account one case of 1L Original Beverage or the equivalent of 120 QPV; have three personally sponsored, paid-as Corals in your organisation; and have a total of 4,800 QV through your six levels combined (QV6).

Unilevel royalties: six levels

Title maintenance: achieve 120 QPV and 4,800 QV6

Pearl Leadership Position

To qualify, you must sell through your IPC account 120 QPV of product; have three personally sponsored, paid-as Jades in your organisation; and have a total of 24,000 QV6.

Unilevel royalties: seven levels + possible Black Pearl Bonus

Title maintenance: achieve 120 QPV and 24,000 QV6 or 120 QPV and 30,000 QV7

Diamond Pearl Leadership Position

To qualify, you must sell through your IPC account 120 QPV of product; have three personally sponsored, paid-as Pearls in your organisation; and have a total of 24,000 QV6.

Unilevel royalties: eight levels + possible Black Pearl Bonus

Title maintenance: achieve 120 QPV and either three personally sponsored, paid-as Pearls and 24,000 QV6 or 42,000 QV8

Diamond Pearls may qualify for every service programme Morinda offers

Diamond Pearl Elite Leadership Position

To qualify, you must sell through your IPC account 120 QPV of product; have three personally sponsored, paid-as Pearls in your organisation; and have a total of 72,000 QV8.

Unilevel royalties: eight levels + Infinity Bonus + possible Black Pearl Bonus

Title maintenance: same as qualification

Double Diamond Pearl Leadership Position

To qualify, you must sell through your IPC account 120 QPV of product; have four personally sponsored, paid-as Pearls in your organisation; and have a total of 96,000 QV8.

Unilevel Royalties: eight levels + Infinity Bonus + possible Black Pearl Bonus

Title maintenance: same as qualification

Triple Diamond Pearl Leadership Position

To qualify, you must sell through your IPC account 120 QPV of product; have five personally sponsored, paid-as Pearls in your organisation; and have a total of 120,000 QV8.

Unilevel royalties: eight levels + Infinity Bonus + possible Black Pearl Bonus

Title maintenance: same as qualification

All minimum qualifications are monthly.

IPCs must meet minimum personally linked volume and ASQV4 requirements to be paid on placed volume.

Unilevel Payout with & without Personal Rebate

When personal rebate is paid on any commissionable volume (CV), it takes 20% of the 45% that Morinda pays out. This leaves 55.56% ($25\% \div 45\%$) of the original 45% to pay out through the normal eight levels. We calculate how to pay the rest of the Unilevel commissions by finding how much CV we have left to pay ($25\% \div 45\%$), then multiplying the personal rebate commissionable volume (PRCV) by the result (55.56%) to find the reduced PRCV.

Example

A two-case order may pay out as one case normal and one personal rebate.

In US\$ (240 CV/QV total), this means that 120 will be the normal CV and 120 will be the PRCV. The reduced PRCV will be ($120 \times 55.56\%$) 66.67.

- 45% of normal CV 120 = \$54

• Personal rebate: 20% of 120	= \$24
• 45% of Reduced PRCV 66.67	= \$30
	= \$54

We pay the same amount of commissions through the Unilevel personal rebate plan as we do through the normal Unilevel plan.

Dynamic Compression

Paid-As Title	Placement Level	Compressed Level	% Earned	
Diamond Pearl	12	R8	8%	
Pearl	11	---	---	Pearl only qualifies through 7 levels
Pearl	10	R7	7%	
Jade	9	R6	7%	
Inactive	8	---	---	Dist with no QPV receives no UNLV
Jade	7	R5	6%	
Coral	6	---	---	Coral only qualifies through 4 levels
Diamond Pearl	5	R4	6%	
Preferred Customer	4	---	---	IPC receives no commissions
Coral	3	R3	5%	
IPC	2	R2	5%	
IPC	1	R1	1%	
Purchasing IPC			45%	

Note: Inactive IPCs receive no paid-as titles and therefore receive no Unilevel royalties or any bonuses.

3. Dynamic Compression

How compensation plans are paid is as important as how much is paid. Another Company’s payment plan can look very generous but actually pay far less to distributors overall when commissions are paid out. For example, when a distributor is no longer qualified to receive commissions from his or her organisation, some plans allow for the Company to receive the benefit of that distributor’s commission. The practice of giving this commission to the Company is called breakage.

Unlike many other multi-level companies, there is no breakage in Morinda’s compensation plan. Morinda’s dynamic compression feature continues searching the levels of the upline until all volume for Fast Start Bonuses or Unilevel royalties is assigned and paid to qualified upline IPCs. The compensation plan searches the upline to distribute 45% payout commissions among qualified IPCs—11% is paid to three levels of IPCs, and 34% is paid to qualified upline IPCs. Many plans offer 11% payout to IPCs with a 34% breakage to the Company.

Title Qualification		Minimum Initial Qualification Requirements			World Wide Bonus Eligibility	
Paid-As Title	QPV	Group QV	Personally Sponsored			
IPC	30 QPV	N/A	N/A	3		N/A
Coral	120 QPV	N/A	N/A	4		N/A
Jade	120 QPV	4,800 QV6	3 pd-as Corals	6		
Pearl	120 QPV	24,000 QV6	3 pd-as Jades	7		Possible BPB
Diamond Pearl	120 QPV	24,000 QV6	3 pd-as Pearls	8		Possible BPB
Diamond Pearl Elite	120 QPV	72,000 QV8	3 pd-as Pearls	8		IB; Possible BPB
Double Diamond Pearl	120 QPV	96,000 QV8	4 pd-as Pearls	8		IB; Possible BPB
Triple Diamond Pearl	120 QPV	120,000 QV8	5 pd-as Pearls	8		IB; Possible BPB

Number of Compressed Levels Paid

4. Qualifying Compression

Qualifying compression has been a standard feature of the Morinda compensation plan from the beginning, and there is no separate qualification for this feature. IPCs on inactive status will cause qualifying compression before title qualification; however, IPCs without QPV will not cause qualifying compression. This compression effect cannot be known with certainty until the final commission calculation is completed.

Qualifying compression makes it easier to achieve the volume necessary for qualification. It will never take volume away from you, but it is difficult to track during the month when you have a large organisation. This puts responsibility on you to make sure you have achieved the proper qualifying amount without counting on compression to make up the shortfalls. By the time the effects of compression are known, the month is closed and the calculation is completed. No adjustments will be made.

Qualifying Compression

Placement Tree	QPV	Without*	With**
You	120	↑	↑
↓ IPC #1	120		
↓ IPC #2	120		
↓ IPC #3	0		
↓ IPC #4	120		
↓ IPC #5	0		
↓ IPC #6	30 and IPC		
↓ IPC #7	120	↑	↑

* Without Qualifying Compression, your QV6 is 510.

** With Qualifying Compression, PFC does not count as a level so distributor #7's QPV rolls up to make your QV6 equal to 630.

5. Case AutoShip Programme

For the convenience of IPCs, Morinda offers the Case AutoShip (CAS) programme, which guarantees the timely delivery of products on a monthly basis.

Participation in the Case AutoShip programme simply means you commit to sell through your IPC account the equivalent of 120 QPV per month. (Please see your Case AutoShip Enrollment Form for details.)

IPCs who participate in the Case AutoShip programme will receive these exciting benefits:

- Earn quick income with the Fast Start Bonus programme
- Opportunity to receive additional commissions and bonuses within the compensation plan
- Receive qualifying volume for Unilevel Commissions, title advancement and bonuses
- Be eligible for Morinda's worldwide bonuses
- Receive 20% personal rebate on any personal rebate commissionable volume
- Case AutoShip member pricing on Morinda products
- Make sponsor changes within one's own organisation (according to sponsor change rules)
- Waiver of yearly renewal fee
- Opportunity to participate in Success Path trainings and events.
- Profit from retail sales placed by Morinda under IPC's ID#
- Personal access to www.NoniOffice.com, a web site established just for IPCs

6. Fast Start Bonus Programme

Morinda's Fast Start Bonus (FSB) programme is designed to put income into the pockets of qualifying IPCs very quickly. Morinda will pay all qualified leaders an accelerated bonus on all commissionable volume from newly sponsored IPCs for their first 60 days, beginning with the first commissionable order. This period is called the Fast Start period, and the commission received is the Fast Start Bonus.

You can qualify for the Fast Start Bonus as long as you stay on Case AutoShip. The Fast Start Bonus is normally paid on every Friday and is equivalent to the maximum payout amount on all eight levels in the Unilevel plan. This allows upline IPCs to receive profit from the sales of their newly sponsored IPCs from the beginning. It is truly a fast

start to building a sizeable income stream from the sales of a growing organisation of IPCs with Morinda.

The Fast Start Bonus is optional. You simply enroll on the Case AutoShip programme to qualify to receive Fast Start Bonuses according to the five generations outlined. To remain eligible for the FSB programme, you simply need to stay on the CAS programme.

If you choose not to participate in the CAS Programme, then the CV that your personally sponsored IPCs generate will pay royalties according to the normal Unilevel payout. Additionally, if you are initially in the CAS programme and you drop off, all CV generated from your personally sponsored IPCs after you discontinue CAS status will pay royalties in the regular Unilevel plan. If you initially choose not to participate but later decide to join the programme, you will qualify to receive Fast Start Bonuses as soon as you enroll for CAS. You will receive bonuses on all volume generated by new personally sponsored IPCs from that point on, as long as you qualify for CAS.

Understanding two basic factors about the Fast Start Bonus will help you gain the greatest benefit from it.

- A. You always retain the relationship of personal sponsor no matter where you place an individual, so you are free to build your organisation for strength and depth and not lose out on any Fast Start Bonuses. In other words, your first generation in the FSB programme consists of IPCs that you personally sponsor.

Your second generation refers to IPCs that are sponsored by your personally sponsored IPCs, and your third generation refers to individuals sponsored by your second generation of personally sponsored IPCs. The Fast Start Bonus programme follows personally sponsored IPC linkage no matter where they appear in your organisation.

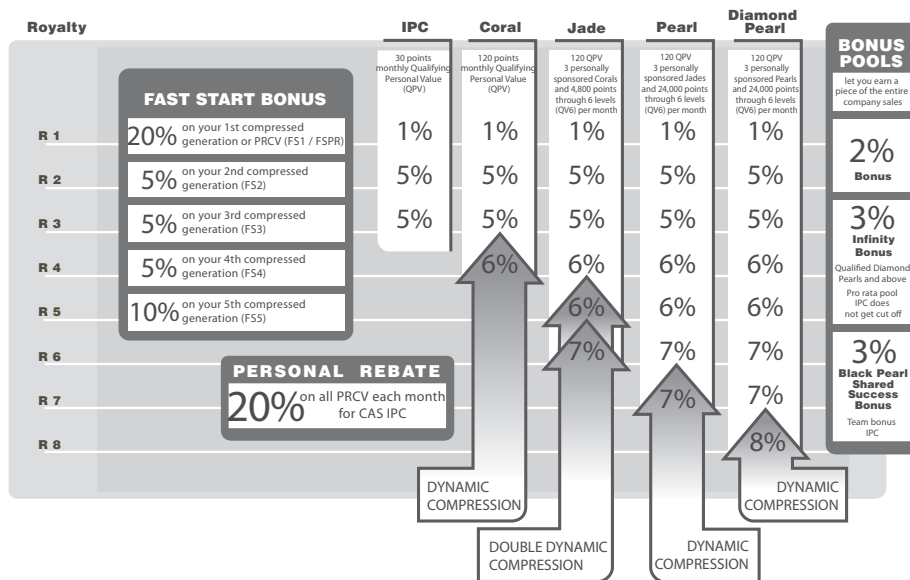
- B. The Fast Start Bonus is an optional programme that takes the place of the regular payout on volume generated by brand-new IPCs during their Fast Start period. After the Fast Start period, all future volume generated by those individuals will be paid according to the Unilevel plan.

Example

Joe sponsors Harry. Joe is on the Case AutoShip programme. Assume Harry is also on CAS. Joe will earn 20% on Harry’s CV associated with first 120 QPV and 5% on all PRCV during that calendar month while Harry is in his Fast Start period. After that, Unilevel royalties will be paid on CV accumulated by Harry.

Fast Start Bonus Pay-Out with & without Personal Rebate (PR)

Personal Sponsor Line	FSB without PR		FSB with PR	
	Compressed Generation	% Paid on Normal CV	Compressed Generation	% Paid on PRCV
Generation 6 (CAS)	FS5	10%	----	----
Generation 5 (CAS)	FS4	5%	FS5	10%
Generation 4 (NCAS)	----	----	----	----
Generation 3 (CAS)	FS3	5%	FS4	5%
Generation 2 (CAS)	FS2	5%	FS3	5%
Generation 1 (CAS)	FS1	20%	FS2	5%
Purchasing IPC (CAS)	----	0	FSPR	20%
		45%		45%



7. Personal Rebate

A new or existing IPC must be on Case AutoShip and order more than 120 QPV in any given month to qualify for a personal rebate. If you order 120 QPV worth of products in a month and then make another commissionable order during that month, you will receive a 20% personal rebate on the second commissionable order.

In the case of Fast Start volume, the 20% Fast Start personal rebate replaces the first generation Fast Start Bonus (FS1). The remaining bonuses (FS2-5) are paid out to upline FSB qualifiers' compressed generations one to four.

8. Infinity Bonus

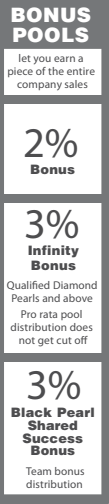
Morinda has incorporated an Infinity Bonus pool into our compensation plan as an additional reward for those IPCs who excel in building strong organisations beyond eight levels. This bonus pool is 3% of the CCV for a calendar month from Morinda's 10th level to infinity, and there is no fixed limit on the dollar amount of this pool.

Diamond Pearl Elites, Double Diamond Pearls, and Triple Diamond Pearls may participate in this shared pool. The pool is paid monthly and is divided pro rata by CAS20 among the qualifiers. Diamond Pearl Elites' CAS20 will be discounted by 75%, and Double Diamonds' CAS20 will be discounted by 50%. Triple Diamonds' CAS20 will not be discounted. This bonus is not limited to a set amount of qualifiers. New and existing IPCs may qualify for this pool.

9. Black Pearl Shared Success Bonus

Morinda has incorporated a Black Pearl Shared Success Bonus into our compensation plan as an additional reward for those IPCs who, through team efforts, build strong organisations through eight levels. This bonus pool is 3% of the CCV for a calendar quarter. There is no fixed limit on the dollar amount of this pool, which is distributed on a quarterly basis.

To qualify as a Black Pearl, you must have in your organisation three personally sponsored, paid-as Diamond Pearls or above and be CAS qualified each month within a calendar quarter. You must add one more personally sponsored, paid-as Diamond Pearl or above after every four qualifying quarters (not necessarily consecutive calendar quarters). After the 16th qualifying quarter, as long as the IPC maintains seven personally sponsored, paid-as Diamond Pearls each month and is CAS qualified, the IPC will be a permanent member of the Black Pearl Club.



Roll up. As the Diamond Pearl qualifiers of the Black Pearls become Black Pearls, the original Black Pearls keep the share of the bonus that would have been given to those Diamond Pearl qualifiers. As Pearl qualifiers become Diamond Pearl qualifiers, the original Black Pearl keeps the share of the bonus that would have been given to those Pearl qualifiers. If a Pearl qualifier becomes a Black Pearl without his or her personal sponsor being a Black Pearl, his Pearl portion rolls up to the original Black Pearl.

Maintenance. Morinda has incorporated a maintenance feature to allow IPCs who maintain 3, 4, 5, or 6 personally sponsored paid-as Diamond Pearls to receive a share of the Black Pearl Bonus. Beginning with the 5th qualifying quarter those IPCs who maintain will receive their pro-rata shares based on CAS8 discounted at the following rates: 3 – 75%, 4 – 60%, 5 – 40%, 6 – 25%. Diamond Pearl and Pearl Bonus Pools will have the same maintenance provisions and definitions as their Black Pearl personal sponsors.

Black Pearl Qualification	Qualifying Quarters	# of Personally Sponsored, Paid-As Diamond Pearls Needed Each Calendar Month
		1-4
	5-8	4
	9-12	5
	13-16	6
	17-Forever	7

The Black Pearl Bonus pool is divided into three pieces. They are distributed as follows:

1. *Black Pearl share.* 60% of the Black Pearl Bonus pool is shared on a pro-rata basis among those IPCs who currently qualify as Black Pearls. The pro-rata shares are determined by using their CAS8.

2. *Diamond Pearl share.* 24% of the Black Pearl Bonus pool is shared on a pro-rata basis among Diamond Pearl qualifiers who are personally sponsored by the Black Pearls. Again, the pro-rata shares that are distributed to Diamond Pearl qualifiers are determined by using their CAS8.
3. *Pearl share.* The remaining 16% of the Black Pearl Bonus pool is shared on a pro-rata basis among the Pearls personally sponsored by the Diamond Pearl qualifiers. The pro-rata shares that are distributed to the Pearls of the Diamond Pearls are determined by using their CAS6.

Morinda is constantly working to expand opportunities for its IPCs around the globe. In some markets, extraordinary business, legal, and regulatory expenses may exist that cannot be recouped in the price of our product. This leaves us with the option of either discontinuing business in that market, or discounting that market's contribution to the Global Bonus Pools.

Accordingly, Morinda may in its discretion and without notice adjust the contribution from those countries to the Global Bonus Pools to offset those expenses. At the request of any IPC participant in the Global Bonus Pool payouts, Morinda will advise which countries are paying into the Global Bonus Pools at less than the regular 8% rate.

IPC STOCK OPTION PLAN

Morinda has adopted an IPC stock option plan designed to offer its top IPCs an opportunity to acquire a proprietary interest in Morinda Holdings, Inc. ("Morinda"), Morinda's parent Company. The Board of Directors of Morinda has set aside, on a one-time basis, up to five percent (5%) of the shares of Morinda stock as options that may be acquired by IPCs at the Black Pearl, Club Marquesas, and Global Executive levels, subject to the terms of the Morinda Holdings, Inc. IPC Stock Option Agreement and IPC Stock Option Plan. For more details regarding this unprecedented opportunity, including qualification requirements, please see www.NoniOffice.com.

GLOSSARY

Access marketing

“Personal Shopping with Profit Sharing.” Access marketing combines the strength and power of network marketing with the power of mass consumerism.

Active IPC

An IPC is required to maintain a minimum activity level in order to continue to receive the benefits of being a Morinda IPC. These privileges may include receiving Fast Start and Unilevel commissions and all other bonuses, and sponsoring new IPCs into the organisations. This minimum activity requirement is either of the following options:

1. Be a participant in the Case AutoShip programme.
2. Have at least 60 total QPV accumulated in the current and prior two calendar months, and:
 - a. Have at least one placement - sponsored IPC on the first level with at least 60 total QPV accumulated over the current and prior 2 calendar months, or
 - b. Have at least one personally sponsored IPC with at least 60 total QPV accumulated over the current and prior 2 calendar months.

If an IPC does not meet either set of requirements above, that IPC is placed on inactive IPC status. No purchase of product is required to initially become an IPC with Morinda; however, some activity requirement is necessary to receive any of the benefits of an active IPC. (See “Inactive IPC Status”).

Note: Inactive status applies only to IPCs who have been with Morinda for at least three calendar months.

Applicable law

This refers to whatever local, state, national or international law is applicable to the IPC’s dealings as an IPC. Morinda’s acceptance of an IPC Agreement is conditioned upon the IPC’s commitment to actual adherence to applicable law.

ASQV4

AutoShip Qualifying Volume through four straight generations per personal link with inactive IPC compression. ASQV4 counts the first 120 QPV ordered monthly by an IPC’s account and IPCs currently enrolled in the Case AutoShip programme.

Applications:

- Personal Paid-as Titles: All IPCs must have at least 480 ASQV4 to be paid UNLV commissions on placed volume.

Black Pearl Bonus (BPB)

A pro-rata share of 3% of all Morinda's Converted Commissionable Volume (CCV) for a calendar quarter. There is no limit on the dollar amount of this pool, which is distributed on a quarterly basis.

Breakage

Volume or commission that goes unpaid because a distributor is no longer qualified to receive commissions from his or her organisation. In most network marketing companies, this amount rolls up to the Company instead of the distributors in the upline. Morinda's compensation plan does not have breakage and pays out the most commissions of any Company of its kind. With Morinda, the commission is divided among the remaining IPCs in the upline.

Calendar month

From the first day to the last day of a given month, as opposed to a 30-day or 4-week period.

CAS6, CAS8, CAS20

Case AutoShip Volume through 6, 8 or 20 (as applicable) straight levels per placement link with inactive IPC compression. CAS6, CAS8 and CAS20 count the QPV (120 QPV minimum, 360 QPV maximum per IPC account) sold through an IPC account by the IIPC and IPCs in the IPC's organisation currently enrolled in the Case AutoShip programme.

CAS6 Applications:

- Black Pearl Bonus: CAS6 is used to calculate by pro rata the pearl share given to qualified Pearls whose personal sponsors receive the Diamond Pearl share of the Black Pearl Bonus.

CAS8 Applications:

- Black Pearl Bonus: CAS8 is used to determine by pro rata the Diamond Pearl shares and Black Pearl shares of the Black Pearl Bonus.

CAS20 Application:

- Infinity Bonus: Once an IPC has qualified for Infinity Bonus (the IPC has a placement paid-as title of Diamond Pearl Elite or higher), the IPC's CAS20 is used to determine by pro rata the dollar share the IPC will receive.

Case AutoShip (CAS) programme

A programme available to IPCs who want to guarantee that they maintain their QPV (see “Qualifying Personal Volume”).

Conditional Programme. An order of at least 120 QPV must be placed each month; refer to www.NoniOffice.com for Conditional programme deadlines for each market. This order would count as the IPC’s Case AutoShip purchase for the month. If no order is placed, or if the orders placed by the 14th do not equal 120 QPV, the IPC will automatically be sent his or her selected Case AutoShip products and funds will be charged to the authorised form of payment. Unless otherwise requested, the order will be sent to the shipping address on file.

Unconditional Programme. If an IPC would like the selected Case AutoShip products (equal to 120 QPV) sent out regardless of any other orders each month, the IPC can select “Unconditional CAS Programme” on the IPC Agreement or on the Case AutoShip Change and Enrollment Form. The payment will be charged to the authorised form of payment.

Commissionable volume (CV)

Besides having a qualifying volume, each commissionable product has a commissionable volume, or CV. The CV is the value on which commissions or bonuses are calculated. CV can vary country to country because it is based on local currency.

Commissions

Payout of up to 53% of total CV (see “Commissionable volume”) to IPCs.

Compressed generation

The generation that results from dynamic compression. It is used for Fast Start Bonus calculation and labeled as FS1, FS2, FS3, FS4, and FS5.

Compressed level

The level that results from dynamic compression. It is used for Unilevel calculation and labeled as R1, R2, R3, R4, R5, R6, R7, and R8.

Converted Commissionable Volume (CCV)

The Commissionable Volume (CV) in different currencies converted into U.S. dollars.

Coral

This is the first leadership position. To qualify, IPC’s must sell through their IPC account one case of 1L Original Beverage or the equivalent of 120 QPV per month.

Unilevel Royalties: Paid through four levels

Placement Paid-as Title Maintenance: Same as qualification

Personal Paid-as Title Maintenance: 120 QPV and 480 ASQV4

Currency exchange fee

Morinda pays commissions in the local currency of the IPC account as a benefit and convenience for its IPCs and will continue to do so. Morinda will charge a monthly currency exchange fee of 0.5% for global bonuses and commissions earned from any foreign currency if the commissions are over \$2,000 (US\$) a month.

Data processing fee

Morinda applies a Data Processing Fee for all commissions payments. This fee consists of the costs for processing and sending commission payments, which includes—but is not limited to—postage, printing, paper, supplies, manpower, etc.

Diamond Pearl (DIAM)

This is the fourth leadership position. To qualify, IPCs must sell through their IPC account 120 QPV of product, have three personally sponsored paid-as Pearls in their organisation, and a total of 24,000 QV6 per month. Unilevel Royalties: Paid through eight levels + possible Black Pearl Bonus (BPB)

Placement Paid-as Title Maintenance: Achieve 120 QPV and one of the following:

- Three personally sponsored placement paid-as Pearls and 24,000 QV6

OR

- 42,000 QV8

Personal Paid-as Title Maintenance:

- 120 QPV
- 42,000 QV8 Personal
- 480 ASQV4

Diamond Pearl Elite (EDIAM)

This is the fifth leadership position. To qualify, IPCs must sell through their IPC account 120 QPV of product, have three personally sponsored placement paid-as Pearls in their organisation, and a total of 72,000 QV8 per month.

Unilevel Royalties: Paid through eight levels + Infinity Bonus (IB) + possible Black Pearl Bonus (BPB)

Placement Paid-as Title Maintenance: Same as qualification

Personal Paid-as Title Maintenance:

- 120 QPV
- 72,000 QV8 Personal
- 480 ASQV4

Double Diamond Pearl (DDIAM)

This is the sixth leadership position. To qualify, IPCs must sell through their IPC account 120 QPV of product, have four personally sponsored placement paid-as Pearls in their organisation, and a total of 96,000 QV8 per month.

Unilevel Royalties: Paid through eight levels + Infinity Bonus (IB) + possible Black Pearl Bonus (BPB)

Placement Paid-as Title Maintenance: Same as qualification

Personal Paid-as Title Maintenance:

- 120 QPV
- 96,000 QV8 Personal
- 480 ASQV4

Dynamic compression

Compresses all Commissionable Volume (CV) from infinity, based on paid-as titles, to guarantee that the maximum commissions are paid out on every level instead of allowing payouts to roll up to the Company when someone does not qualify (see "Breakage").

Fast Start Bonus (FSB) programme

This is an incentive programme that rewards qualified members of the upline on CV from newly sponsored IPCs for their first 60 days, beginning with the first order of commissionable product. To fully participate, the participating generations must be on CAS. On the first 120 QV ordered by the new IPC, the first generation through fifth generation upline receive bonuses of 20%, 5%, 5%, 5%, and 10%, respectively. If the new IPC is on CAS, on any monthly volume above 120 QV, the IPC receives 20% personal rebate and the first generation through fourth generations upline receive 5%, 5%, 5%, and 10% bonuses, respectively. Thus when the new IPC receives the personal rebate, the bonus of the IPC's personal sponsor drops from 20% to 5%, the fourth generation increases from 5% to 10%, and the fifth generation receives no bonus at all.

Fast Start period

The period, beginning with an IPC's first commissionable order, in which the new IPC's Commissionable Volume (CV) is eligible for Fast Start Bonus (FSB) payout under specific conditions

Generation

The personally sponsored IPCs in succession above a new IPC are called generations. The new IPC's personal sponsor is the first generation upline, the first generation's personal sponsor is the second generation upline, the second generation's personal sponsor is the third generation upline, the third generation's personal sponsor is the fourth generation upline, and the fourth generation's personal sponsor is the fifth generation upline.

Inactive IPC status

An IPC account which is on inactive IPC status is one that has not fulfilled the minimum activity requirement for an active IPC. As inactive IPCs, IPCs will be allowed to continue to purchase product at IPC price using their IPC ID number. They will also be able to receive the price difference between retail and IPC price paid by retail consumers who use their ID number as the referring ID number when purchasing product. However, inactive IPCs are not eligible to receive Fast Start or unilevel commissions and/or all other bonuses on any product bought personally or by those in their organisation (which will remain intact). They are also not able to sponsor anyone new into their organisation or have anyone new placed underneath them, making them the new placement sponsor. They may, however, be moved by their personal sponsor according to personal and placement sponsor change rules.

IPCs may remain on inactive status indefinitely, provided they pay the renewal fee prior to their anniversary date each year. If the inactive IPC chooses not to renew with Morinda, the IPC account will be terminated.

Any IPC placed on inactive IPC status may return his or her IPC account to active status by submitting an Inactive IPC Reinstatement Form (obtained from Morinda's web site or found in the back of this manual) along with a reinstatement fee. If the IPC elects to be on the Case AutoShip programme upon reinstatement, this fee will be waived. Reinstatement will occur as long as the qualifications for an active IPC account are met and the renewal date of the IPC has not passed. IPCs may reactivate only prior to their renewal date.

Infinity Bonus (IB)

A bonus pool designed as an additional reward for those IPCs who excel in building strong organisations beyond eight levels. This bonus

pool is 3% of Morinda's Converted Commissionable Volume (CCV) for a calendar month from the Company's 10th level to infinity. There is no limit on the dollar amount of this pool or the amount of qualifiers who can participate.

The infinity bonus pool is divided pro rata by CAS20 or discounted CAS20 among the qualifiers. The three types of qualifiers are the following:

1. Placement Paid-as Diamond Pearl Elites who are CAS qualified use 25% of their CAS20 to calculate their pro-rata share.
2. Placement Paid-as Double Diamond Pearls who are CAS qualified use 50% of their CAS20 to calculate their pro-rata share.
3. Placement Paid-as Triple Diamond Pearls who are CAS qualified use 100% of their CAS20 to calculate their pro-rata share.

Independent Product Consultant

This is the name given to each person or entity whose offer to Morinda to market its products has been accepted. All Independent Product Consultants (IPCs) have a contractual agreement with Morinda to market Morinda products in accordance with Morinda's ideals, the Code of Ethics of the DSA, the policies and procedures expressed in this manual, any subsequent amendment, and any applicable law.

IPC Agreement

This is the agreement form that is submitted to Morinda by an individual or business entity that desires to become an IPC. Once accepted by Morinda, this document becomes the binding contract between an IPC and Morinda.

IPC paid-as title

This is the entry-level position. To qualify, IPCs must sell through their IPC account one bottle of 1L Original Beverage or the equivalent of 30 QPV per month.

Unilevel Royalties: Paid through three levels

Placement Paid-as Title Maintenance: Same as qualification

Personal Paid-as Title Maintenance: 30 QPV and 480 ASQV4

IPC titles

IPC titles are leadership positions that allow IPCs to qualify for commissions. An IPC is usually referred to by his or her highest achieved title. IPCs also have "paid-as" titles which refer to an IPC's

achievement on any given month. "Maintenance" is what is required of an IPC to be "paid-as" a certain title after it has been achieved or surpassed.

Immediate Household is defined as

Married or common-law spouses, persons residing in the same home, or dependent children. For IPC accounts which are business entities rather than individuals, Immediate Household means the shareholders, owners, directors, officers, trustees, responsible parties, etc. of such entities and persons married to or common-law spouse of, or residing in the same home with, or dependent children of, the persons who are the shareholders, owners, directors, officers, trustees, responsible parties, etc. of such entities.

Jade

This is the second leadership position. To qualify, IPCs must sell through their IPC account one case of 1L Original Beverage or the equivalent of 120 QPV, have three personally sponsored placement paid-as Corals in their organisation, and have a total of 4,800 QV6 per month.

Unilevel Royalties: Paid through six levels

Placement Paid-as Title Maintenance: Achieve 120 QPV and 4,800 QV6

Personal Paid-as Title Maintenance:

- 120 QPV
- 4,800 QV6 Personal
- 80 ASQV4

Levels

These have reference to the levels on which an IPC is placed in an IPC's organisation. The organisation first level consists of the IPCs directly beneath the IPC. IPCs on the organisation second level are directly under the first, the third under the second, and so forth. Unlike the many IPCs that can be on an IPC's organisation levels, the upline levels are restricted to the direct line of IPCs that begin with the IPC placed directly above the IPC. This is the upline first level. The IPC above the upline first level is the upline second level; above the upline second level, the third-level IPC. It is the upline levels to whom IPCs are to look for training and assistance in beginning and expanding their Morinda businesses.

Manual

This refers to this Policy Manual, which is incorporated as a matter of reference into the IPC Agreement, with all of the pertinent amendments thereto.

Non-PV products

Items sold to IPCs without a point volume; examples include the IPC Starter Kit and most promotional items.

Non-referred consumer

A retail consumer that has no pre-existing association with an IPC.

Organisation

An organisation is made up of IPCs for whom an IPC is the personal sponsor, IPCs for whom an IPC is the placement sponsor, and IPCs that have been recruited by these IPCs. By receiving commissions based on the orders and sales of their organisation, an IPC has a duty to train and encourage their organisation.

Paid-as title

In order for IPCs to achieve titles, they must build organisations of IPCs who use and sell Morinda products and develop leadership and marketing skills. If IPCs no longer qualify for a previously earned leadership position, they may still hold the title but are paid commissions only for the title they presently qualify for. However, to qualify for various titles, an organisation must have IPCs who then qualify for certain titles and cannot rely on IPC accounts that once held titles but no longer qualify. The phrase "paid-as title" signifies that the IPC not only has been a leader at that position at one time, but also presently qualifies during that particular commissions period to hold the leadership position.

Pearl

This is the third leadership position. To qualify, IPCs must sell through their IPC account 120 QPV of product, have three personally sponsored placement paid-as Jades in their organisation, and have a total of 24,000 QV6 per month.

Unilevel Royalties: Paid through seven levels + possible Black Pearl Bonus (BPB)

Placement Paid-as Title Maintenance: Achieve 120 QPV and one of the following:

- 24,000 QV6

OR

- 30,000 QV7

Personal Paid-as Title Maintenance:

- 120 QPV

- 24,000 QV6 Personal OR 30,000 QV7 Personal

- 480 ASQV4

Personal sponsor

This is the IPC that brings an IPC into Morinda. This person benefits from the orders placed by IPCs in their organisation and from title advancements their personally sponsored IPCs earn in the future. A new IPC becomes a personal sponsor by sponsoring another person as a new IPC. Fast Start Bonuses and credit for title advances are tied to personal sponsors.

Personal paid-as title

Determined by QV6 Personal, QV7 Personal, or QV8 Personal. It is used to earn Unilevel (UNLV) commissions on placed volume. #

The following list outlines the monthly qualifications for each personal paid-as title:

- IPC: 30 QPV and 480 ASQV4
- Coral: 120 QPV and 480 ASQV4
- Jade: 120 QPV, 4,800 QV6 Personal and 480 ASQV4
- Pearl: 120 QPV, 24,000 QV6 Personal and 480 ASQV4
or 120 QPV, 30,000 QV7 Personal and 480 ASQV4
- Diamond Pearl: 120 QPV, 42,000 QV8 Personal and 480 ASQV4
- Diamond Pearl Elite: 120 QPV, 72,000 QV8 Personal and 480 ASQV4
- Double Diamond Pearl: 120 QPV, 96,000 QV8 Personal and 480 ASQV4
- Triple Diamond Pearl: 120 QPV, 120,000 QV8 Personal and 480 ASQV4

Personal rebate

This is a 20% rebate of the CV for Morinda products that is paid to any IPC for personal orders in any month that exceed 120 QV. This is considered to be a discount for volume purchasing and is not reported on a 1099 as income. An IPC that is not on CAS cannot receive a personal rebate.

Personal Rebate Commissionable Volume (PRCV)

CAS IPCs' monthly CV over the CV associated with monthly 120 QPV. For example, if a CAS IPC orders a product with 200 QV and 150 CV, the PRCV will be $((200-120)/200*150) = 60$. The regular CV is 90, which is associated with 120 QPV.

Personal-linked volume

All volume that comes from the IPC, the IPC's personally sponsored IPCs, their personally sponsored IPCs, and so on.

Personally sponsored IPC

An individual that an IPC personally enrolls and trains to be an IPC. Personally sponsored IPCs constitute the IPC's first generation. Fast Start Bonuses, Personal Paid-as Title, and credit for rank advances are tied to the personally sponsored IPCs.

Placement sponsor

This is the IPC that is above an IPC in their upline. It may be their personal sponsor or another IPC, depending on the decision of the personal sponsor. Unilevel commissions are tied to CV from IPCs placed beneath an IPC, regardless of their personal sponsor.

Placement-linked volume

All volume emanating from an IPC's placement sponsored IPCs, their organisations, and so on.

Placement paid-as title

Determined by QV6, QV7, or QV8 and organisation titles. It is used to earn Unilevel (UNLV) commissions on personally linked volume.

The types of placement paid-as titles are the following:

- IPC
- Coral
- Jade
- Pearl
- Diamond Pearl
- Diamond Pearl Elite
- Double Diamond Pearl
- Triple Diamond Pearl

Products

Morinda products for retail sale or personal use by authorised IPCs.

Qualifying compression

Qualifying Compression helps IPCs achieve and maintain leadership titles by compressing qualifying volume (QV) over Inactive IPCs.

Qualifying Personal Volume (QPV)

An IPC's personal volume shown in points. This volume will also include qualifying volume (QV) from retail orders placed under the IPC account.

Qualifying Volume (QV)

Each commissionable Morinda product has a certain number of points assigned to it. For example, one case of 1 L Original Beverage has QV of 120 points. The total number of points of all orders placed by an IPC in a calendar month is the qualifying personal volume of that IPC account in that particular month.

QV6, QV7, QV8 Personal

Personally linked qualifying volume through 6, 7 and 8 placement levels (as applicable). It is used to qualify for a personal paid-as title, which is used to earn Unilevel commissions on placement-linked volume.

QV6 Personal Applications:

- Jade Personal Paid-as Title: Used to determine the Jade personal paid-as title in which the IPC must have at least 4,800 QV6 Personal.
- Pearl Personal Paid-as Title: Used to determine the Pearl personal paid-as title in which the IPC must have at least 24,000 QV6 Personal.

QV7 Personal Application:

- Pearl Personal Paid-as Title: Used as one of the qualifications to determine the Pearl personal paid-as title in which the IPC must have at least 24,000 QV6 Personal or 30,000 QV7 Personal.

QV8 Personal Application:

- Diamond Pearl Personal Paid-as Title: Used to determine the Diamond Pearl personal paid-as title in which the IPC must have at least 42,000 QV8 Personal for DIAM, 72,000 for EDIAM, 96,000 for DDIAM, and 120,000 for TDIAM, respectively.

R1 – R8

Royalty levels 1 through 8 are the levels that result from dynamic compression. These are the levels on which Unilevel (UNLV) commissions are paid. The difference between the level and the royalty level represents how many levels an order has compressed.

Retail profit

Retail profit paid by Morinda consists of the difference between the retail and IPC price of the commissionable product. IPCs do not need to order a minimum amount of Qualifying Personal Volume (QPV) to receive retail profit. Even inactive IPCs can still receive retail profit.

Retail sales

When an IPC sells directly to a consumer, he or she receives the retail profit for that purchase.

Royalties

These are the commissions paid to an IPC under the Unilevel (UNLV) plan. Royalty levels are labeled R1, R2, R3, etc.

Titles

An IPC may qualify for titles by creating an organisation in which IPCs are actively using and selling Morinda products. A title may qualify an IPC to be paid through various levels of his or her organisation and may also allow him or her other privileges as an IPC. Morinda allows an IPC account to keep a title once the IPC account has qualified for it; however, the IPC account must maintain and actively promote activity in his/her organisation to continue to be paid at the highest title achieved.

Total payout

The total payout is 53% of Commissionable Volume (CV) (45% for Fast Start Bonus (FSB) or Unilevel (UNLV), and 8% for Global Bonus Pools.)

Triple Diamond Pearl (TDIAM)

This is the seventh and highest leadership position. To qualify, IPCs must sell through their IPC account 120 QPV of product, have five personally sponsored placement paid-as Pearls in their organisation, and a total of 120,000 QV8 per month.

Unilevel Royalties: Paid through eight levels + Infinity Bonus (IB) + possible Black Pearl Bonus (BPB)

Placement Paid-as Title Maintenance: Same as qualification

Personal Paid-as Title Maintenance:

- 120 QPV
- 120,000 QV8 Personal
- 480 ASQV4

Unilevel payout plan (UNLV)

The set of rules governing the monthly payout of non-Fast Start Bonus commissionable volume. The Unilevel payout plan pays through placement levels, incorporating dynamic compression and paid-as titles.

Upline

The IPCs responsible for introducing an individual to Morinda and then motivating him or her to become an IPC. The upline also has the responsibility to support and train their organisation.

Volume

The value associated with the product ordered. The total amount of volume an IPC and his or her organisation generate will determine the IPC's paid-as title and the level of commissions IPCs earn.