

ALPHAY ELEMENTS OF SUCCESS COMPENSATION PLAN (NORTH AMERICA)

“Alphay helps everyone, who is truly determined to be successful, achieve his or her dreams.” – Chen Hui, Chairman of Alphay

Cultivate your dreams.

With Alphay’s Elements of Success Compensation Plan, commissions, bonuses, and incentives don’t simply exist as dreams, but become a straightforward, achievable reality. Alphay’s Elements of Success Compensation Plan combines the most powerful daily, weekly, monthly, quarterly, and annual income streams. We reward our distributors for their sales performance. The result, a simple and duplicable plan that is truly Powered By Heart™, and created with one priority in mind: Empowering you with the leverage you need to pursue your dreams – right from the start. We look forward to sharing this incredible journey with you!

Two organizational structures.

Your income will be based on two “trees”. The term “tree” refers to the structure of your organization and is sometimes used interchangeably with the term “organization”. Everyone who joins your team will participate in these two trees: Sponsorship Tree and Placement Tree.

Every person you and your team of distributors introduce to Alphay will join your Sponsorship Tree. The distributors you personally introduce will be referred to as your Personally Sponsored Distributors (PSD) and will be positioned on the first level of your Sponsorship Tree. The distributors your PSDs introduce to Alphay will be on the first level of their sponsorship tree, but on your second level, and so on. There is no limit to the number of Distributors that you can personally sponsor.

All commissions and bonuses, with the exception of the Placement Team Commission, are based on your Sponsorship Tree.

The second tree is the Placement Tree, which is based on a binary structure. Put simple, the Placement Tree is a two-legged structure. Every Distributor who joins your team is also placed in the Placement Tree. Do not expect the two trees to be identical in structure. Because one is a two-legged and the other a multi-legged tree, the structures will rarely, if ever, match up. When you enroll a new distributor, you will decide whether to request the system to place them, or you can place them manually. New distributors will be placed in the first available position at the bottom of the organization. As you and your uplines – your sponsor, their sponsor, and so on – continue to share the opportunity with others, there is no limit as to how deep your Placement Tree will grow.

Eligibility

To be eligible for any commissions, bonuses, or incentives, you must be an Active Distributor in good standing. “Active” is defined as having at least 50 Personal Qualifying Volume (PQV) in the current calendar month, or in the case of Placement Team Commissions, in the current or previous 4 weeks. You are not required to be Active to earn Retail Profits.

Ways to Earn

1. Retail Profits

Tree: Sponsorship

Payout: Daily/Weekly/Monthly

Qualification: None for Retail Profits. Must be active to earn the 15% monthly bonus on retail orders.

Sales to Customers are considered Retail Sales. Customers are product consumers who do not participate in the Alphay Compensation Plan and cannot sponsor distributors or resell Alphay products. Alphay rewards you for expanding your customer base. You will earn 15% on the bonus volume of all retail customer orders placed through your replicated site, and 80% of the volume will count as your own – helping you reach your volume requirements without having to spend a dime out of your own pocket! Now that is leverage! There are three types of retail sales.

One to One Customer Sales. When you purchase products from Alphay at the Distributor price and resell them directly to your retail customers, you earn the difference between your Distributor price and the selling price – instant money in your pocket!

Retail Profits. When a Retail Customer orders product at the Suggested Retail Price (SRP) directly through your Alphay replicated site (www.getalphay.com/xxxx), you are paid the difference between the SRP and the Distributor price- up to 25% profit.

Preferred Customer Sales. When a Retail Customer registers for the Subscribe Now & Save auto-delivery program through your Alphay replicated site (www.getalphay.com/xxxx), they become Preferred Customers and are eligible to purchase products directly from your replicated site at wholesale prices.

2. Direct First Order Bonus (FOB)

Tree: Sponsorship Tree

Payout: Weekly

Qualification: Active status (min. 50PQV during current or previous 4 commission weeks)

Alphay pays you a 15% Direct First Order Bonus on the bonus volume of all first and upgrade orders by your personally sponsored distributors. There is no limit as to how many personally sponsored distributors you can have.

3. Placement Team Commission (PTC)

Tree: Placement Tree

Payout: Weekly

Qualifications: Active Status + 2 Active Personally Sponsored Distributors (one on the Right Leg and one the Left Leg)
OR

Paid rank of Diamond (or higher) + Active Status + 2 active distributors in your Sponsorship Tree lineage, one in the Left Leg and one in the Right Leg for a period of 5 commissionable weeks, starting from the week when the paid rank of Diamond (or higher) is confirmed.

80% of the volume of all first and upgrade orders count as Placement Team Volume (PTV) and pays out through the Placement Team structure. On a weekly basis, the leg with the most PTV will be your Power Leg and the leg with the lesser PTV will be your Pay Leg.¹ You can be paid up to 20% of your Pay Leg's PTV.^{2,3,4,5}

The Personal Qualifying Volume you generate from your first order will determine the placement team commission pay percentage for which you will be eligible (up to 15%)^{6,7}. Each time you achieve the paid as rank of Diamond or higher, you will be eligible to earn at the 20% payout percentage in the Placement Team Commission for the 5 consecutive weeks immediately starting from the week when the paid rank of Diamond (or higher) is confirmed.

¹ PTV is determined by the current week PTV plus previous carryover volume, if any. When the PTV on the Pay Leg is paid out and subtracted from the Power Leg, the remaining PTV is known as carryover volume.

² When the PTC is paid out, and/or the weekly payout maximum is reached, the PTV on the Pay Leg will be deducted from the Power Leg. All PTV on the Pay Leg will reset to zero each commission period.

³ To be eligible for PTC, Distributors must have at least 2 Active Personally Sponsored Distributors, one on the Left leg, and one on the Right leg, each qualification period, starting from the 5th week of enrollment. At the paid rank of Diamond (or higher), the 2 Personally Sponsored Distributor requirements can be met by having 2 Active Distributors (1Left leg/1Right leg) in the Distributor's Sponsorship Tree Lineage for a period of 5 commissionable weeks, starting from the week when the Diamond (or higher) rank is confirmed, provided all other qualification requirements are met. If a new rank is confirmed prior to the end of the 5th week, the new rank confirmation will prevail.

⁴ A distributor can earn the 20% PTC payout for a period of 5 commissionable weeks, starting from the week when the Diamond (or higher) rank is confirmed, provided all other qualification requirements are met. If a new rank is confirmed prior to the end of the 5th week, the new rank confirmation will prevail.

⁵ Company payout cap: Alphay pays out 50% maximum commissions on all first order and upgrade product sales. If the maximum payout is exceeded for any commissionable period, the company will adjust the placement team commission so that the total payout is 50%.

⁶ Placement Team Commission (PTC) Upgrade Option: Within 8 weeks of enrollment, Distributor can generate a single, upgrade order for the volume difference between PTC tiers, up to the 15% tier.

⁷ At the paid ranks of Ruby and Emerald, the Distributors' Maximum Weekly Earning potential will increase for a period of 5 commissionable weeks, starting from the week when the Ruby or Emerald rank is confirmed. If a new rank is confirmed prior to the end of the 5th week, the new rank confirmation will prevail. Distributor will maintain the PTC % based on their Personal First Order Qualifying Volume.

PLACEMENT TEAM COMMISSION (weekly)							
	Personal First Order Qualifying Volume			Monthly Paid Rank			
	175	350	700	Ruby	Emerald	Diamond	Key Master & above
Pay Leg % on Placement Team Volume	5%	10%	15%	-	-	20%	20%
Maximum Weekly Earning Potential (\$)	1000	2000	5000	7500	10000	15000	25000

PLACEMENT TEAM UPGRADE OPTION					
Current PTC Level		0%	5%	10%	15%
Target PTC Level	5%	175PQV	N/A	N/A	N/A
	10%	350PQV	175PQV	N/A	N/A
	15%	700PQV	525PQV	350PQV	N/A

PLACEMENT TEAM VOLUME -- CARRYOVER RULES			
<u>Current Week</u>	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>
Are you personally Active?	Yes	Yes	No
Do you have 2 Personally Sponsored Distributors* (one on each leg)?	Yes	No	Yes or No
Do you qualify for Placement Team Commissions this week?	Yes	No	No
What happens to the Current Week's PTV on your Power Leg?	Carries over	Carries over	Does not carry over
What happens to your existing Carryover volume?	100% Carryover	100% Carryover	50% Carryover

*By achieving paid rank of Diamond or higher, Distributors will only be required to have at least 2 active distributors in his/her Sponsorship Tree lineage, one in the Left Leg and one in the Right Leg for 5 consecutive weeks starting from the week when the paid rank of Diamond (or higher) is confirmed.

4. Unilevel Monthly Commissions

Tree: Sponsorship Tree

Payout: Monthly

Qualification: Varies, depending on rank. Refer to chart.

The Unilevel Monthly Commission is the heart of the Alphay Elements of Success Compensation Plan. As you set your goals and qualify for higher ranks, you continue to earn deeper into your organization, down to ten levels – first level at 15%, levels two through ten at 5%. With no limit to the number of Distributors you can personally sponsor, your sales volume potential is unlimited. Dynamic compression ensures you earn the maximum benefits. Unilevel Volume includes all non-first or upgrade sales.

UNILEVEL MONTHLY COMMISSIONS (monthly) - based on Sponsor Tree												
Pin ⁸ /Paid Rank	Silver	Gold	Sapphire	Ruby	Emerald	Diamond	Key Master	1star Key Master	2star Key Master	3star Key Master	4star Key Master	5star Key Master
Qualification												
Personal Qualifying Volume (PQV)	50	50	100	100	100	200	200	200	200	200	200	200
Group Qualifying Volume (GQV)	100	500	2,000	7,000	20,000	50,000	100,000	200,000	500,000	1,000,000	2,000,000	5,000,000
Maximum GQV Contribution Per Leg	100%	50%	50%	50%	50%	40%	40%	40%	40%	30%	30%	30%
Bonus												
Level 1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Level 2	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 3		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 4		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 5			5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 6				5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 7					5%	5%	5%	5%	5%	5%	5%	5%
Level 8						5%	5%	5%	5%	5%	5%	5%

⁸ Pin Recognition:

Emerald and Diamond - must maintain same or higher paid rank for 3 out of 12 rolling calendar months.

Key Master and above - must maintain same or higher paid rank for 6 months out of a fiscal year (September through August).

Level 9					5%	5%	5%	5%	5%	5%
Level 10						5%	5%	5%	5%	5%

5. Unilevel Matching Bonus

Tree: Sponsorship Tree

Payout: Monthly

Qualification: Based on Unilevel Qualification

This bonus is available to Active Distributors, and is based on the Unilevel Monthly Commissions earned by up to 5 levels of Distributors in your Sponsorship Tree. In other words, as you help your downline grow, you can earn 5-10% of each of your downline’s Unilevel Monthly Commission check.⁹

UNILEVEL MATCHING BONUS (monthly) - based on Sponsor Tree, Unilevel Bonus Check

Pin/Paid Rank	Silver	Gold	Sapphire	Ruby	Emerald	Diamond	Key Master	1star Key Master	2star Key Master	3star Key Master	4star Key Master	5star Key Master
Level 1	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Level 2		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 3			5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 4				5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 5					5%	5%	5%	5%	5%	5%	5%	5%

⁹ Compression does not apply for Unilevel Matching Bonus.
Effective May 03, 2015

6. Generational Bonus

Tree: Sponsorship Tree

Payout: Monthly

Qualification: Based on Unilevel Paid Rank

Achieve the rank of Key Master or higher, and receive a Generational Bonus on up to 5 generations of qualified Key Masters or higher throughout your organization. Legs with qualified Key Masters (or higher) will be considered for this bonus. For each Generation achieved, receive 5% bonus on the personal BV of each distributor in the generation. The higher your rank, the more generations you can be paid on. A Generation begins when a Qualified Key Master is found in any leg of your personal Sponsor Tree and ends with, but does not include, the next Qualified Key Master or higher. Your Generational Bonus will provide you the potential to be paid to unlimited depth in your organization.

GENERATIONAL BONUS (monthly) - based on Sponsor Tree

Pin/Paid Rank	Key Master	1star Key Master	2star Key Master	3star Key Master	4star Key Master	5star Key Master
Generation 0	5%	5%	5%	5%	5%	5%
Generation 1		5%	5%	5%	5%	5%
Generation 2			5%	5%	5%	5%
Generation 3				5%	5%	5%
Generation 4					5%	5%

7. Rank Achievement Bonus

Tree: Sponsorship Tree

Payout: Emerald/Diamond - As Earned; Key Master and higher - Next Annual Event

Qualification: Based on Unilevel Paid Rank

Alphay rewards hard work. At the paid rank of Emerald, and each rank above, you will be eligible to receive cash bonuses – up to \$1 Million dollars! Qualification periods are 3 or 6 months, depending on rank, and are based on a 12 rolling calendar month period or out of a fiscal year. Once qualified, you earn your bonus outright. At the 2-star Key Master rank, Alphay recognizes your dedication and exemplary leadership with a Car Bonus. This is not a lease; it is a clear title to a brand new Alphay Audi. Rank Achievement Bonuses will be awarded once for each rank. Please see below for complete qualification details.

RANK ACHIEVEMENT BONUS

Pin/Paid Rank	Emerald	Diamond	Key Master	1star Key Master	2star Key Master	3star Key Master	4star Key Master	5star Key Master
Paid Rank Qualification <i>(months out of a 12 rolling month period)</i>	3	3						
Paid Rank Qualification <i>(months out of a fiscal year; September – August)</i>			6	6	6	6	6	6
One-time Bonus	\$ 5,000	\$ 10,000	\$ 25,000	\$ 50,000	CAR BONUS OF \$ 75,000	\$ 100,000	\$ 250,000	\$ 1,000,000
Incentive Trips	Emerald Leadership Summit	N/A				Key Master Global Leadership Summit		