

VOLUME EQUIVALENCY FREQUENTLY ASKED QUESTIONS
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Worldwide Business Opportunity 7/7/2004

1. What is Volume Equivalency?

Volume Equivalency provides an alternative Founders qualification opportunity for individuals who fail to qualify all twelve months. In the past if someone misses one month of SP/DD qualification, he would be unable to qualify at the Founders level until the next fiscal year. Volume Equivalency provides an ongoing incentive by allowing a Distributor/IBO who misses one or two months a means to meet the 12-month qualification via an annual volume requirement.

There are three types of volume equivalency.

1. Volume Equivalency for FAA points – A leg with 10 or 11 qualified (21%) months and total downline in country volume of 120% of the 21/25% level volume is considered a Q12 leg for the upline. (120% of the 21% volume would be $1.20 \times 10,000 \times 12 = 144,000$ for a market on the 10,000PV schedule).

2. Volume Equivalency for Founders DD/Platinum and all Founders levels above DD with the exception of Founders Sapphire. – A Distributor/IBO with a minimum of 10 qualified SP/DD/Platinum months and generates a minimum annual in country volume of 120% of standard Q12 qualifying volume (e.g. $1.20 \times 10,000PV \times 12 \text{ months} = 144,000PV$).

3. Volume Equivalency for Sapphire – A Distributor/IBO must have at least 10 standard Sapphire Months. Sapphire months are:

- a) 2 legs + 15% Award Volume in one month
- b) 3 or more legs (no volume requirement) in one month

Total VE Sapphire Volume is 345,600. This is derived by:

- a) 2 legs @ 10,000 X 120% X 12 Months = 288,000
 - b) 4,000 Award Volume X 120% X 12 Months = 57,600
- Grand Total = 345,600

2. What volume is used Volume Equivalency?

Total downline in country volume including any downline in country SP/DD/Platinum volume with no restrictions on pass up is used for FAA Volume Equivalency and Founders Award Volume Equivalency.

3. Is it possible to be a Volume Equivalency leg for the upline and not be a Founders DD/Platinum?

Yes. An IBO who has 10 or 11 qualified (21%) months but those months are not SP/DD/Platinum months and has total downline in country volume of 120% of the 21/25% level volume is considered a Q12 FAA leg for the upline. Volume Equivalency for Founders DD/Platinum first and foremost requires 10 months SP/DD/Platinum months then the additional total downline in country volume including any downline

SP/DD/Platinum in country volume of 120% of the 21%/25% volume. This amount would be $1.20 \times 10,000 \times 12 = 144,000$ for a market on the 10,000PV schedule.

4. How is the 120% annualized in country volume calculated in the case of a Founders DD/Platinum using multiple methods of qualification?

At the end of the fiscal year the process will be as follows for everyone.

1. Determine all class 2 who have 10 SP/DD months.
2. Review their total annual in country volume (Maximum Performance Bonus PV) including any downline SP/DD/Platinum volume with no restrictions on pass up. It must equal or exceed 120% of their maximum Performance Bonus volume.

5. Can FAA Points earned via Volume Equivalency be used towards higher awards?

Yes, FAA Points may be used to qualify for Executive Diamond and may include Volume Equivalency.

6. Why was Volume Equivalency necessary?

Business Opportunity Core Competency Teams (CCT) recommended the same Volume Equivalency program currently used for FAA qualification be expanded to include recognizing the individual doing the equivalent volume as well as the upline sponsor. Prior to this initiative the Distributor/IBO actually doing the Volume Equivalency never benefited.

7. Does Volume Equivalency exist in all markets?

Yes, all markets must implement Volume Equivalency effective FY02-03 for all core plan awards - Founders DD/Platinum and above.

8. Do Sales Incentive Programs (SIP) include Volume Equivalency?

No, SIP programs are at the discretion and determination of affiliate management. While implementation of Volume Equivalency for SIP may be useful for simplicity and consistency, it is not required.

9. If a leg is a combination of a local and international leg how does Volume Equivalency apply?

There is no difference. At the end of the fiscal year the process will be as follows for everyone.

1. Determine all DDs/Platinums who have 10 SP/DD months.
2. Review their total annual in country volume (Maximum Performance Bonus PV) including any downline SP/DD/Platinum volume with no restrictions on pass up. It must equal or exceed 120% of their maximum performance bonus volume. Internationally sponsored legs do not count for eligibility for Silver Producer, Gold Producer, Direct Distributor/Platinum or Ruby qualification, therefore, internationally sponsored legs do not count for the annual in country volume requirement.