

New year brings a new, improved compensation plan!

Helsingborg 2002-11-28

Dear GOH members and Representatives,

As previously announced by GOH, a new, improved compensation plan will be in effect from 1 January 2003. The new compensation plan was presented with great success in November, at launch events in different cities in Europe. Independent Representatives all over Europe welcomed the new opportunities offered by the new plan.

The new compensation plan is a slightly modified version of the plan used by New Vision, the US network marketing company and our new co-operation partner. New Vision has successfully used this plan for seven years, paying out more than 300 million US dollars in bonuses during this time. We look forward to paying out equal amounts and much more than so in the years to come! You could be one of the people earning a part of all of these bonuses, by taking advantage of the possibilities offered by the new plan.

In this letter, you will find information about the features and benefits of the new compensation plan. A summary of the compensation plan is also enclosed. If you wish to study the plan more closely, we encourage you to download the complete description from our Download Centre on our Internet member pages. The complete description is also available in our new, updated Representative Handbook.

In this document you will also find important information regarding the Representative Status, the pricing of products (different price levels) and the handling of present members (not Representatives) as the new compensation plan is implemented.

Should you have any additional questions regarding these changes, please contact the GOH Representative Services who will gladly be at your service, or check out the FAQ area on our web site for answers to the most frequently asked questions!

Thank you for being part of the GOH vision of healthy generations. I wish you the greatest success and hope to see you take advantage of the opportunities offered by these exciting developments. Next year will prove to be very important in the development of GOH and bring about many improvements and fast growth. Be a part of the excitement – be a part of The Wellness Revolution.

With health and success,



Lena Åkerman, President and CEO

The benefits of the new plan

Short term benefits – long term opportunities

The new compensation plan allows new Representatives to earn bonuses from the first day of joining GOH. It also enables ambitious network marketers to build huge organisations and be paid a long-term residual income very deep in their networks.

International sponsoring

The new compensation plan will offer opportunities for international sponsoring in co-operation with New Vision. This will be enabled when the new plan is completely implemented, the requirements for international sponsoring have been set and the technical solution for sharing information between GOH and New Vision is in place. International sponsoring will enable you to build a global business, expanding your network into North America, Australia and Japan and many more markets to come!

No qualifying month for any rank – advance as quickly as you wish!

Since the plan does not contain any qualifying months, you can reach any of the ranks in the new compensation plan in your first month or any month by fulfilling the qualification criteria. This means that you can advance several steps in the compensation plan in any month, and be paid according to your new rank. Once you have reached a certain rank, you will always keep your new title. Each month, you will get paid according to the level for which you have fulfilled the qualification criteria.

All payline volume counted for qualification

In the new compensation plan, there is no need to count Director groups for reaching higher ranks. Instead, the total volume in your payline (up to six active levels of Representatives) is counted when determining your GV, Group Volume. All qualification criteria are based on monthly volumes, so accumulation of volume points is no longer necessary. The higher ranks require a structural requirement, ie. 3 Silver Legs. Volume from your personally enrolled Consumers can be counted towards your personal Qualifying Volume, making it easier to reach the personal QV requirements for the different ranks. (See “Consumer Direct Programme” in the compensation plan for more information).

Immediate income opportunity for new Representatives

The new compensation plan offers immediate advantages to new Representatives. Instead of having to reach a higher “discount level” first, in order to be eligible for bonus on enrolled Representatives, the new Representative will immediately be able to earn up to 20%, based on Commissionable Volume, on the orders made by his/her new Representatives. This encourages new people to get started right away building their businesses. A Consumer Bonus based on purchases made by enrolled Consumers offers additional income opportunities.

(See “MyPay Plus” and “Consumer Direct Programme” in the compensation plan for more information).

Get paid on six active levels

Based on the qualification level you reach, the Royalty Override Bonus pays out 6%, based on Commissionable Volume, on your first level of active Representatives, 8% on the second through fifth levels, and up to 5% on your sixth level of active Representatives. Inactive levels are compressed, whereby you always get paid on all volume within your payline, but only active levels will be counted as a level when determining the depth of your payline. An active level consists of an Independent Representative with a personal Qualifying Volume of at least 100 during a calendar month. (See “Royalty Override Bonus” in the compensation plan for more information).

Diamond Bonus on six generations of Diamonds

When you reach the Diamond rank or higher, you will be eligible for the Diamond Bonus. This bonus is paid on top of your Royalty Override Bonus and does not replace it. So when you get a new Diamond on your first level, you earn an additional 2% Diamond Bonus on that Diamond Group, on top of the Royalty Override Bonus.

The Diamond Bonus is paid on your whole personal Diamond Group (all of your Representatives that are not below other Diamonds in your group) and on up to 6 generations of Diamond Groups in your network. The Diamond Bonus offers considerable long-term incentives and the possibility for true residual income. (See “Diamond Bonus” in the compensation plan for more information).

New, higher Qualifying Volumes on products

The new compensation plan introduces the terms “QV” and “CV”.

QV stands for Qualifying Volume, the amount of points attributed to each product for qualifying purposes. For all qualifications in the compensation plan, the QV figures are used to determine your “volume”. As part of the new compensation plan, the QV for each product will have a fixed relationship to the price, excluding VAT, of a product. In general, all products will have a higher QV than the present BV, meaning that each product will attribute more towards the qualification criteria.

CV stands for Commissionable Volume. All bonuses, except for the Consumer Bonus, are based on CV. Each CV is the equivalent of 1 EUR (0,62 GBP) when it comes to determining the amount of bonus paid out.

Example: A Representative gets 8% Royalty Override Bonus on a purchase made by a Representative on his second level. The amount of CV for the purchased products is 200. The Royalty Override Bonus received is thus: $0,08 * 200 = 16$ EUR, or $0,08 * 200 * 0,62 = 9,92$ GBP.

Independent Representative Status

To participate in the new compensation plan, you need to be registered as an Independent Representative. This ensures that all our Representatives have committed to following the company's Policies and Procedures, which have been developed to protect the Representatives and GOH and to ensure that GOH Representative businesses are built in a proper and ethical manner.

You become an Independent Representative by purchasing a Representative Handbook and signing and submitting to GOH the Representative Agreement, that is attached in the handbook. Please note that there are no bonus payments in terms of "available credit" in the new compensation plan. Existing credit can be used, but no new bonuses will be transferred to available credit.

Price levels

There are *three different price levels* in the new compensation plan.

When serving retail customers, Representatives are free to set their own *retail prices*. The suggested retail price is 25 % above the Independent Representative price. The difference is a retail profit for the Independent Representative.

The second price level is the *Consumer price*. GOH Representatives may enrol customers to be registered at the company. These customers are called "Consumers". By doing so, the Consumers can order directly from GOH and receive a discount of approximately 12% on the recommended retail price. The enrolling Representative receives a Consumer Bonus as well as other benefits, based on the Compensation Plan (see "Consumer Direct Programme").

The third price level is the *Representative price*. All Independent Representatives in a country have the same price level on all products, regardless of their rank in the compensation plan. There are no additional discounts available, other than that offered by special incentives and promotions that may be initiated by GOH from time to time. Instead of offering discount levels in the compensation plan, the amount of bonuses paid out to Representative who promote GOH products to more people has increased considerably compared to our present compensation plan. The immediate income that can be earned by the MyPay Plus Bonus is an example of the benefits that have been made possible by this change in the compensation plan.

What about members who do not wish to register as Representatives?

GOH members, who today enjoy member prices but are not registered as Independent Representatives, may choose to purchase a Representative Kit and submit a signed Representative Agreement to GOH. In doing so, the member will upgrade his status to Independent Representative and be eligible for all the bonuses offered in the new compensation plan.

Should the member wish not to register as an Independent Representative, he/she can still continue to order products. The member will get the same prices as Independent Representatives and will not be moved to the Consumer price level. This special group of Consumers, consisting of present GOH “members” will be referred to as “**Premium Consumers**”. This means that a present member will get the same price as all GOH Representatives in the new compensation plan, even if they are not interested in building a GOH business, but have joined GOH primarily to order products for themselves.

The member choosing to become a Premium Consumer will **keep his position in the Representative network during a transition period of six months**. He/she will be regarded as being enrolled by the nearest Upline Independent Representative.

During this six month period, ending 30 June 2003, the member’s network will still be kept as his/her Downline, but as a Premium Consumer, he/she will not be eligible to earn any bonuses from the compensation plan. During this time period of six month, the Premium Consumer may still decide to register as an Independent Representative in order to keep his/her network. Premium Consumers will not be counted as active levels when determining the payline of upline Representatives, regardless of the volume purchased by the Premium Consumer.

Premium Consumers are handled in the same manner as CDP1 in the compensation plan, except for the Consumer Bonus, which is not available for the Enroller of a Premium Consumer. This is due to the fact that there is no price difference between the Enroller and the Premium Consumer. **MyPay Plus Bonus will be paid on Premium Consumers’ orders**. Qualifying Volume from orders made by Premium Consumers, will however not be included in the personal QV of the enrolling Independent Representative.

If a member who joined GOH before 1 January 2003 decides not to register as an Independent Representative by **30 June 2003**, he/she will lose any Downline Representatives and Consumers. His/her entire group will be moved up to the first Upline Independent Representative.

The opportunity to become a Premium Consumer is only available for members who joined GOH before 1 January 2003.

What is my rank in the new compensation plan?

In January, as we enter the new compensation plan, you will receive a new rank depending on your highest achieved rank this year in our present plan.

Please note that the rank is only your title, not a payment qualification. Rank advancement is possible in January, so if you, for example, receive the rank of Silver Team Leader in the transition to the new plan, you can still become a Diamond Team Leader or higher in January, by achieving the requirements for that level. The highest position awarded in the transition in Silver Team Leader, all higher positions are to be achieved by qualification in the new plan.

Every month, you will be paid according to the level in the compensation plan that you qualify for.

The list below shows you the new rank you will receive depending on your highest achieved rank during 2002 in our present compensation plan.

Highest rank in 2002	New rank
Member	Referring Team Member
One star	Referring Team Member
Two star	Senior Team Member
Three star	Senior Team Member
Director and above	Silver Team Leader

Please remember, that the new rank is not your payment level. It is for the purpose of having a title and being able to promote your business according to the achievement level you have reached.

In the new compensation plan, bonus payments are every month based on achieved payment level during the corresponding month.

GENERATIONS OF HEALTH - COMPENSATION PLAN

Ranks	Referring Team Member	Senior Team Member	Silver Team Leader	Gold Team Leader	Diamond Team Leader	Platinum Diamond Team Leader	Double Platinum Diamond Team Leader	Triple Platinum Diamond Team Leader	Executive Diamond Team Leader	Presidential Team Leader	Ambassador Team Leader
Personal Group Volume	100 QV 100 GV	200 QV 300 GV	300 QV 600 GV	300 QV 2100 GV	300 QV 6300 GV	300 QV 15 000 GV	300 QV 30 000 GV	300 QV 50 000 GV	300 QV 75 000 GV	300 QV 250 000 DGV	300 QV 500 000 DGV
Structure Requirement					3 Silver Legs	1 Diamond Leg & 2 Silver Legs	2 Diamond Legs & 1 Silver Leg	3 Diamond Legs	3 Diamond Legs	6 Diamond Legs	6 Executive Diamond Legs

UNILEVEL: ROYALTY OVERRIDE

MyPay Plus	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %
Level	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %
1	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %
2	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %
3	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %
4	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %
5	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %
6	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %	20 %

BREAKAWAY: DIAMOND BONUS

Personal Group Volume	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %
Diamond Level	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %
1	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %
2	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %
3	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %
4	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %
5	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %
6	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %

Royalty Override Bonus: Royalty Override Bonuses are calculated at 6% of Commissionable Volume on product purchases on the first active level, 8 % of CV on up to the next four active levels, and 2 % to 5 % on the CV of the 6th active level based on monthly qualification.

Diamond Bonuses: Pays 2 % on personal Diamond group CV and 2 % on up to 6 generations of Diamond group CV.

Compression: The Royalty payout calculation will search through as many levels as necessary to find active Representatives (100 QV) for pay level determination. The calculation will compress the inactive volume to the same pay level as the active Representative.

Qualifying Volume (QV): The value assigned to a product which contributes towards a Representative's monthly personal and group

qualification. Representatives are eligible to earn bonuses and commissions based on their monthly qualification or level of achievement.

Commissionable Volume (CV): The value assigned to a product on which GOH pays commissions to qualified upline Independent Representatives. A predetermined conversion factor applies between CV and different currencies for payments of bonuses and commissions.

Group Volume (GV): A Representative's personal QV, plus the accumulated QV of their rank qualified compressed pay levels, in a single volume period.

Diamond Group Volume (DGV): For a qualified Diamond Team

Leader or above, DGV is equivalent to the total group qualifying volume of their downline Diamonds and above, down to the next qualified Diamond or above up to six qualified Diamond levels deep, in a single volume period.

MyPay Plus: Qualified Representatives will be eligible to receive a 20 % MyPay Plus Bonus on the commissionable volume of the cumulative orders (up to 270 CV) and on the CV of monthly AMO orders (up to 270 CV) of personally enrolled Representatives.

Qualifiers are Royalty Override qualified Representatives with a minimum 100 QV AMO subscription. The difference between the regular Royalty Override Bonus and the 20 % MyPay Plus is funded through a pro-rated reduction in upline Royalty and Diamond Bonus payments.