

Compensation Plan

PROVEN RESULTS. UNLIMITED POTENTIAL. 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 merits and efforts. There are no supervisors or managers to evaluate performance. Your desire and 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 and layers of corporate management. With network marketing, you are the company. You pay yourself, instead of trading to someone else your hours for dollars.

WAYS TO EARN

Through its generous compensation plan, Nikken offers 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. This compensation plan is available to Nikken Consultants and International Consultants.

1. Retail Sales Profits As a Consultant, you order products directly from Nikken at the Consultant price. Your retail profit is the difference between the retail and the Consultant price. For example, if your retail customer orders a product worth \$1,250 retail (\$1,000 Consultant price), you make a retail profit of \$250, which is 20 percent of the retail price.

2. Personal Commission Volume (PCV) Rebate As you advance up the Consultant ranks, you will qualify for progressively larger Personal

Commission Volume rebates, ranging from 5 to 20 percent of the amount of products you order from Nikken at Consultant prices.

3. Personal Group Commission Volume (PGCV) Override This is an override, or bonus, that you may earn on the commission volume of your Personal Group, which includes all your downline Direct and Executive volume excluding breakaway volume, depending on your rank and the ranks of those you have directly sponsored.

4. Power Start New Direct Consultants advance to at least Executive rank within the first 30 days of sign up are eligible to earn Nikken Reward Points

5. Club Kiai Consultants at any rank, who create a significant personal group volume in any quarter of the year are eligible to earn Nikken Reward Points.

6. Club Kiai Pro Consultants at any rank, who create outstanding personal group volume in any quarter of the year are eligible to earn a North America region local trip for four.

7. Team Kaizen This distinguished leadership incentive is opened to all Silver rank Consultants and above who demonstrate outstanding leadership in growing their Nikken business through recruiting and retention within their personal group while leading others to participate in various incentive programs. Membership to this exclusive team earn special invitations to Nikken events and trip.

8. Team Taishi This prestigious leadership incentive is opened to all Platinum rank Consultants and above who demonstrate extraordinary leadership in growing their Nikken business through recruiting and retention within their personal group while leading others to participate in various incentive programs. Membership to this exclusive team earn special invitations to Nikken events and trip.

9. Leadership Bonus This powerful bonus is based on a percentage of the Personal Group Commission Volumes of the Silver or above Consultants in your organization. Nikken allows you to earn six percent bonuses on each descending

line (leg) down through as many as six qualified leadership organization (Silver or above) levels.

10. Lifestyle Bonus Program

The Nikken Lifestyle Bonus 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! 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, donate it to a charity — 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. Additional information regarding this program can be found online at mynikken.com in the Lifestyle Bonus Program.

How to Qualify

- Must be a Gold Consultant or above
- Be paid as Gold or above for three consecutive months (the qualification period) to be enrolled in Lifestyle Bonus program
- After fulfillment of the qualification period, Consultant will be eligible to be paid the Lifestyle Bonus
- Build a network organization exclusively with Nikken. Circumvention of this policy by removing one spouse from the distributorship is not allowed. Monthly Qualification Requirement
- If a Consultant meets PPV, PGPV but fails to satisfy other requirements to be paid as a Gold, he/she will only receive one percent of his/her PGCV.
- Consultants must meet PPV, PGPV, OPV, non-primary OPV and non-primary and secondary OPV requirements and be paid as a Gold or above in order to receive the Lifestyle Bonus on the breakaway volume in leadership levels. Benefits
- The amount of the Lifestyle Bonus is based on your leadership and international volume. After leadership downline has been compressed, it is calculated using the following formula:

Pay Rank Pay Level Calculation Amount

Meet PPV & PGPV Qualification

PGCV 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 rendered according to the applicable currency exchange rate.

PROMOTIONS AND CONTESTS Periodically, Nikken will hold promotions and contests for its Consultants. For anyone to participate in any Nikken promotion or contest, he/she needs to qualify with a minimum of 100 PPV monthly during the contest/promotion period. Consultants must also be in good standing with the company in order to be eligible for any prizes or rewards. Incentive benefits, such as awards and prizes for winning sales contests or promotions, are intended for the primary owner(s) of Nikken distributorships. Individuals, who in the Company's judgment, ostensibly are added to an existing distributorship for the sole purpose of redeeming additional incentive benefits, and who do not demonstrate active participation in the Nikken business, will not be eligible.

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 Point Volume, your Personal Group Point Volume, and the success of the Consultants in your downline. Your Personal Point Volume and Personal Group Point Volume are measured in A (Nikken Points). A 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 Point Volume, Personal Group Point Volume, and the other terms used in this section, see the Nikken Policies and Procedures definition of terms, beginning on page 16.

Direct Consultant How to Qualify

- Read, understand and accept Nikken Policies & Procedures and the compensation plan.
- • Complete a Consultant Application/Agreement and send it to Nikken headquarters. (Corporate approval is necessary before you officially become a Direct Consultant.) Review business information material such as the Policies & Procedures, Compensation Plan, Compliance Guidelines and Business Reports found online at myNikken.com. Monthly Qualification Requirement
- Achieve 100 PPV Benefits
- Order products directly from Nikken at Consultant prices.
- Order through myNikken.com and Autoship for efficient, economical order processing.
- 20% retail profits on customer sales (when sold at suggested retail prices).
- A rebate equal to 5% of your total Personal CV. This is called a Personal CV rebate.
- Begin to build a personal sales group. Receive an override of 5% on the Direct downlines who have not met the 100 PPV monthly requirement. This is called a Personal Group CV override.

Executive Consultant Rank Advancement

- First, be a Direct Consultant
- Achieve at least 1,500 PGPV in up to three (3) Consecutive months.

- Achieve at least 100 PPV in order for the PGPV to be counted for a given month during the multi-month qualification period. Monthly Qualification Requirement

- Achieve 100 PPV Benefits

- • 20% retail profits on customer sales (when sold at suggested retail prices).
10% Personal CV rebate 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 Point Volume credit for their efforts. You will earn something even better – the Leadership Bonus! This bonus equals six percent of the Personal Group CV down through as many as two levels of qualified Silver and above Consultants.

Silver Consultant Rank Advancement

- Achieve at least 6,000 PGPV in up to three (3) consecutive months.

- Achieve a 100 PPV in order for PGPV to be counted for a given month during the multi-month qualification period.

- During the month of rank advancement, achieve an Organizational Point Volume of at least 1,000 outside the primary leg and at least 500 of the minimum OPV requirement being met by legs outside the primary and secondary legs.

Monthly Qualification Requirements

- Achieve 100 PPV .

- • Maintain a PGPV of 1,500 Maintain an Organization Point Volume of 4,000 each month to be eligible for Leadership Bonus at pin rank.

Benefits

- 20% retail profit on customer sales (when sold at suggested retail prices).

- 20% Personal CV rebate.

- Up to 15% Personal Group CV override if Consultant meets monthly PPV and PGPV requirements, otherwise Consultant will receive up to 10% Personal Group CV Override if monthly PPV is met and PGPV is not met
- Receive override up to 20% on Direct downlines who do not meet their 100 PPV monthly requirements if Consultant meets monthly PPV and PGPV requirements, otherwise receive up to 15%
- 6% Leadership Bonus on Personal Group CV down through two levels of qualified Silver or above Consultants

Gold Consultant Rank Advancement

- Achieve 100 PPV and a PGPV of 1,500.
- Achieve Organizational Point Volume of 15,000 with at least 5,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 1,500 of the minimum OPV requirement being met by legs outside the primary and secondary legs. Monthly Qualification Requirements
- Achieve 100 PPV.
- Maintain a PGPV of 1,500.
- Maintain an Organizational Point Volume of at least 15,000 each month with at least 5,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 1,500 of the minimum OPV requirement being met by legs outside the primary and secondary legs to be eligible for a Leadership Bonus at pin rank.

Benefits

- 20% retail profits on customer sales (when sold at suggested retail prices).
- 20% Personal CV rebate.
- Up to 15% Personal Group CV override if Consultant meets monthly PPV and PGPV requirements, otherwise Consultant will receive up to 10% Personal Group CV Override if monthly PPV is met and PGPV is not met.

- Receive override up to 20% on Direct downlines who do not meet their 100 PPV monthly requirements if Consultant meets monthly PPV and PGPV requirements, otherwise receive up to 15%.
- 6% Leadership Bonus on Personal Group CV down through three levels of qualified Silver or above Consultants.
- Eligible to qualify for Lifestyle Bonus.

Platinum Consultant Rank Advancement

- Achieve 100 PPV and a PGPV of 1,000.
- Achieve Organization Point Volume of at least 30,000 with at least 10,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 3,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs. Monthly Qualification Requirements
- Achieve 100 PPV
- Maintain a PGPV of 1,000
- Maintain an Organizational Point Volume of at least 30,000 each month with at least 10,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 3,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs to be eligible for a Leadership Bonus at pin rank.

Benefits

- 20% retail profits on customer sales (when sold at suggested retail prices).
- 20% Personal CV rebate.
- Up to 15% Personal Group CV override if Consultant meets monthly PPV and PGPV requirements, otherwise Consultant will receive up to 10% Personal Group CV Override if monthly PPV is met and PGPV is not met.
- Receive override up to 20% on Direct downlines who do not meet their 100 PPV monthly requirements if Consultant meets monthly PPV and PGPV requirements, otherwise receive up to 15%.

- 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 Rank Advancement

• • Achieve 100 PPV and a PGPV of 1,000. Achieve an Organization Point Volume of at least 100,000 with at least 33,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 10,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs. Monthly Qualification Requirements

- Achieve 100 PPV.
- Maintain a PGPV of 1,000
- Maintain an Organization Point Volume of at least 100,000 each month with at least 33,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 10,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs to be eligible for a Leadership Bonus at pin rank.(See Note 2)

Benefits

- 20% retail profits on customer sales when sold at suggested retail prices.
- 20% Personal CV rebate.
- Up to 15% Personal Group CV override if Consultant meets monthly PPV and PGPV requirements, otherwise Consultant will receive up to 10% Personal Group CV Override if monthly PPV is met and PGPV is not met.
- Receive override up to 20% on Direct downlines who do not meet their 100 PPV monthly requirements if Consultant meets monthly PPV and PGPV requirements, otherwise receive up to 15%.
- 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 Rank Advancement

- Achieve 100 PPV and a PGPV of 1,000.
- Achieve Organization Point Volume of at least 300,000 with at least 100,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 30,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs. Monthly Qualification Requirements

- Achieve 100 PPV.

- • Maintain a PGPV of 1,000 . Maintain an Organization Point Volume of at least 300,000 each month with at least 100,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 30,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs to be eligible for a Leadership Bonus at pin rank.

Benefits

- 20% retail profits on customer sales (when sold at suggested retail prices).

- • 20% Personal CV rebate. Up to 15% Personal Group CV override if Consultant meets monthly PPV and PGPV requirements, otherwise Consultant will receive up to 10% Personal Group CV Override if monthly PPV is met and PGPV is not met

- Receive override up to 20% on Direct downlines who do not meet their 100 PPV monthly requirements if Consultant meets monthly PPV and PGPV requirements, otherwise receive up to 15%.

- 6% Leadership Bonus on Personal Group CV down through six levels of qualified Silver or above consultants.

- Eligible to qualify for Lifestyle Bonus.

SPECIAL FEATURES OF THE NIKKEN COMPENSATION PLAN

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. If a downline Silver or above Consultant fails to qualify in a given month, and if he/she occupies a position on any downline level for which the upline Consultant qualifies for a Leadership Bonus, then the next downline qualifying Consultant (if one exists) will

be moved up into the place of the non-qualifying Consultant. Each Silver or above Consultant 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 1: International Consultant can combine PPV, PGPV, OPV, non-primary OPV and non-primary and secondary OPV requirement in other market units for pin and pay rank.

Note 2: Should Gold and above rank Consultant meet PPV and PGPV requirements of pin rank but fail to meet the OPV non-primary, OPV and non-primary and secondary OPV requirement, Gold and above rank Consultant may qualify for Leadership Bonus at a lower rank provided that he/she satisfies the Organization Point Volume, non-primary OPV and non-primary and secondary OPV requirements of the particular lower rank.