

# FOREIGN EXCHANGE POLICY

Update as of **July 1, 2018**

In 2017, Isagenix implemented a new Foreign Exchange Policy that positively impacted Associates by providing equitable and fair treatment of every Associate around the world. Our goal is to protect businesses from uncertain foreign exchange rate changes and create a more sustainable business model.

## ■ Benefits

- Positive impact on leaders that provides equitable and fair treatment of every Associate around the world
- Associates will be paid equally for the business volume (BV) they generate in each country
- A best-in-class policy that Isagenix Executive Leadership developed in collaboration with the field

## ■ How It Works

Isagenix will develop a Commissions Multiplier based on the source of volume from each country where the Associate is conducting business. This new Commissions Multiplier will be a weighted average that is unique to the amount of volume coming from each country and will be used as the multiplier for their commissions.\*\*

The new Commissions Multiplier will be calculated and updated each quarter and will apply to any Associate with at least 10 percent or more of their volume originating from outside of their home country.

Any Associate who averages 250 Cycles a week of U.S. volume during the quarter will receive equivalent U.S. Foreign Exchange FX rates for commissions regardless of their home market.

## Key Terms

**ISAGENIX FOREIGN EXCHANGE RATE FACTOR** – Expressed as a percentage based on the market's current Market Exchange Rate with the U.S. and the Isagenix Exchange Rate for that market. This factor varies on a quarterly basis by market.

**PERSONAL FOREIGN EXCHANGE FACTOR CYCLES** – A weighted average that is unique to each Associate based on the amount of business volume produced in each market the Associate earns business volume.\*

**COMMISSIONS MULTIPLIER** – Calculated by factoring in the current Market Exchange Rate of the Associate's home market with the Associate's Personal Foreign Exchange Factor. The Commissions Multiplier is used to determine an Associate's earnings.

\*An Associate must have at least 10 percent or more of their volume originating from outside of their home country for this policy to apply.

\*\*For U.S. Associates, the Foreign Exchange Policy applies only to new Associates who join on or after Jan. 1, 2018 and produce 10 percent or more of their business volume outside of their home country.



## Q3 2018 Rates

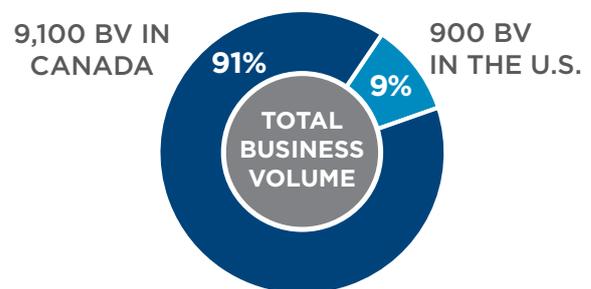
	Isagenix Foreign Exchange Multiplier	Current Market Foreign Exchange Rate	Isagenix Foreign Exchange Rate Factor
Australia	1.11	1.33	83.3%
Belgium	0.78	0.78	100%
Canada	1.11	1.31	84.9%
Colombia	2846.75	2890.96	98.5%
Hong Kong	7.75	7.75	100%
Indonesia	13183.00	14064.70	93.7%
Ireland	0.78	0.78	100%
Malaysia	3.90	3.99	97.7%
Mexico	17.51	20.14	86.9%
Netherlands	0.78	0.78	100%
New Zealand	1.28	1.44	88.7%
Singapore	1.32	1.35	97.7%
Spain	0.78	1.35	100%
Taiwan	29.21	30.06	97.2%
United Kingdom	0.74	0.74	100%
United States	1.00	1.00	100%

## Examples

### ■ Example 1

An Associate living in Canada produces 91% of their business volume in Canada, and 9% of their business volume in the U.S.

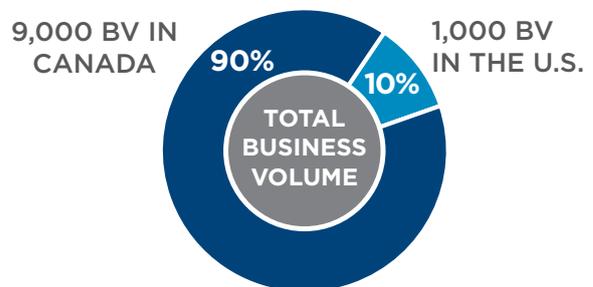
Because the Associate does not produce 10% or more of their business volume outside of their home country, the **new Foreign Exchange Policy does not apply**. This means the Isagenix Foreign Exchange Rate for Canada of 1.11 will be used.



### ■ Example 2

An Associate living in Canada produces 90% of their business volume in Canada, and 10% of their business volume in the U.S.

Because the Associate produces 10% of their business volume outside of their home country, the **new Foreign Exchange Policy applies**. We can now calculate their Personal Foreign Exchange Factor.



COUNTRY	CANADA	U.S.	PERSONAL FOREIGN EXCHANGE FACTOR CALCULATION
Percentage of BV	90%	10%	
Isagenix Foreign Exchange Rate Factor*	84.9%	100%	
Weighted Average Calculation	$0.9 \times 84.9\% = 0.764$	$0.1 \times 100\% = 0.1$	$0.764 + 0.1 = 0.864$

The Associate's Personal Foreign Exchange Factor is **0.864**.



From here, the Associate's Personal Foreign Exchange Factor can be used to calculate their Commissions Multiplier:

$$1.31 \text{ (Canada's current Market Exchange Rate*)} \times 0.864 \text{ (Personal Foreign Exchange Factor)} = 1.13$$

**The Commissions Multiplier is 1.13.**

If the weekly U.S. Cycle value is US\$54, that value will be multiplied by the Commissions Multiplier to determine the value per Cycle the Associate would receive in Canadian dollars:

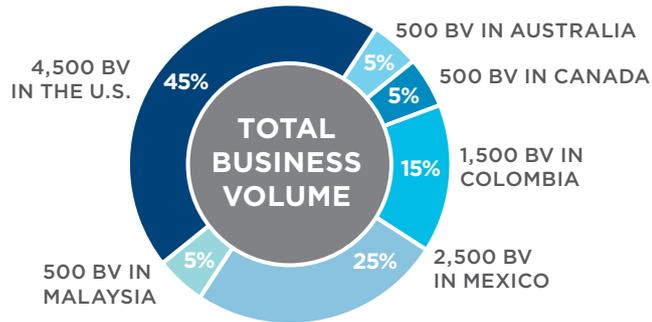
$$US\$54 \times 1.13 = \text{CA\$61.01 per Cycle}$$

### ■ Example 3

**An Associate living in Canada produces the following Business Volume:**

Because the Associate produces 10% of their business volume outside of their home country, the **new Foreign Exchange Policy applies.**

We can now calculate their Personal Foreign Exchange Factor:



COUNTRY	AUSTRALIA	CANADA	COLOMBIA	MEXICO	MALAYSIA	U.S.	PERSONAL FOREIGN EXCHANGE FACTOR CALCULATION
Percentage of BV	5%	5%	15%	25%	5%	45%	
Isagenix Foreign Exchange Rate Factor*	83.3%	84.9%	98.5%	86.9%	97.7%	100%	
Weighted Average Calculation	$0.05 \times 83.3\% = 0.042$	$0.05 \times 84.9\% = 0.042$	$0.15 \times 98.5\% = 0.148$	$0.25 \times 86.9\% = 0.217$	$0.05 \times 97.7\% = 0.049$	$0.45 \times 100\% = 0.45$	$0.042 + 0.042 + 0.148 + 0.217 + 0.049 + 0.45 = 0.948$

**The Associate's Personal Foreign Exchange Factor is 0.948.**

From here, the Associate's Personal Foreign Exchange Factor can be used to calculate their Commissions Multiplier:

$$1.31 \text{ (Canada's current Market Exchange Rate*)} \times 0.948 \text{ (Personal Foreign Exchange Factor)} = 1.24$$

**The Commissions Multiplier is 1.24.**

The Commissions Multiplier can then be used to determine commissions earned. If the weekly U.S. Cycle value is US\$54, that value will be multiplied by the Commissions Multiplier to determine the value per Cycle the Associate would receive in Canadian dollars:

$$US\$54 \times 1.24 = \text{CA\$66.93 per Cycle}$$

If, in the above example, the Associate lived in **Mexico**, their Commissions Multiplier would be **19.09**, and the value per Cycle would be **1030.95 Mexican pesos.**

If the Associate lived in **Malaysia**, their Commissions multiplier would be **3.79** and the value per Cycle would be **204.51 Malaysian ringgit.**



**Q: Is there a change to the compensation plan?**

A: No, how you earn and other Isagenix commissions remain the same. The new policy allows Isagenix to calculate a Personal Foreign Exchange Factor based on the markets where you accrue business volume.

**Q: How does this affect my commission payments/statement?**

A: For certain commissions (Executive Match, etc.) the total dollar amount paid to you will be based on your Personal Foreign Exchange Factor. This will vary by market.

**Q: Are all earnings subject to the updated Foreign Exchange Policy?**

A: No, Product Introduction Bonuses (PIBs) have a fixed amount for each market and are not affected.

**Q: Where can I see a report of my business volume in a different country/in different countries?**

A: You can locate the BV accrued for each Isagenix market in the “Teams” section of your Back Office.

**Q: What does Isagenix hope to accomplish by updating this policy?**

A: As a global company, implementing the new Foreign Exchange Policy provides predictability and certainty should there be fluctuations in exchange rates between the U.S. dollar and the currencies of other countries. The policy also helps provide equitable and fair treatment of every Associate around the world regardless of where you do business.

**Q: If an Associate joins and begins accumulating international BV, when do they receive a factor?**

A: Isagenix will include the BV accrued in a specific country once that BV exceeds 10 percent of their overall BV accumulated worldwide. If an Associate accumulates over 10 percent of their international BV within their first quarter of enrollment, their commissions will be subject to the Isagenix Current Foreign Exchange Rate. Isagenix will examine their business volume in future quarters and provide that Member with a Personal Foreign Exchange Factor in their commission statement.

**Q: When was the Foreign Exchange Rate Policy implemented?**

A: For International markets, the policy was implemented on Dec. 26, 2016. For the U.S. market, the policy was implemented on Jan. 1, 2018.

**Q: If I’m a U.S. Associate who joined on April 5, 2017, will this Foreign Exchange Policy affect my commission payouts?**

A: No. Only U.S. Associates who join on or after Jan. 1, 2018 and produce 10 percent or more of their business volume outside of their home country will be affected.

**Q: If I live in Canada, but average 250 Cycles a week of U.S. volume, which rate will be used to calculate my commissions?**

A: Any Associate who averages 250 Cycles a week of U.S. volume during the quarter will receive equivalent U.S. Foreign Exchange rates for commissions regardless of their home market.

**Q: How will my re-entry business center be affected by the Foreign Exchange Policy?**

A: **U.S. Associates:**

Any re-entry business center with a start date on or after Jan. 1, 2018 will have the individual Personal Foreign Exchange Factor calculated based on the business volume of their re-entry inside leg.

**International Associates:**

All re-entry business centers, regardless of join date, will have the individual Personal Foreign Exchange Factor evaluated based on the business volume of the re-entry’s inside leg versus the combined volume of both legs. Whichever option gives the better Personal Foreign Exchange Factor is the one that will be used.

**Q: Will event ticket prices be influenced by this change?**

A: Core 4 Events™ held in foreign markets outside of the U.S. will fall in line with the Foreign Exchange Policy and will be paid for in that market’s currency, when applicable.

**Q: How does this affect the annual membership fee for Associates?**

A: The annual membership fee will not be affected and will be charged in the local market’s currency.

**Q: How do other promotional prizes fit into the Foreign Exchange Policy?**

A: Some earnings will be set in fixed amounts for each country. Other promotional prizes, such as trips, completion coupons, etc., may be subject to the Foreign Exchange Policy.

