

Swipe Australia Pty Ltd Compensation Plan 1st July 2010

Consultant

- Completes Starter Kit Application Form
- Completes Independent Consultant Agreement Form.
- Purchases a **Starter Kit** which includes one year's Registration. This includes Stationery, Product Catalogues, Price lists, Order Forms, a demonstration DVD, TV demonstration DVD, Name and Status Insignia and many other sales aids and accessories. When purchased with the first product order there will not be a Freight Handling and Insurance charge (FHI) added to the Starter kit.
- Purchase of the Consultants first product order will render the Consultant "Active"

TO ORDER THE PARTY DEMONSTRATION KIT

The specially subsidised Demonstration Kit is available from the company once the consultant has obtained 6 parties booked to be held within one month. Some of these parties will initially be held with the assistance of their sponsor or senior upline.

This Kit includes product, stationery, demonstration material, DVD's, a demonstration Guide and a Kit Case etc.

The Consultant discount is 30% of Bonus Value (See explanation of Bonus Value in the Glossary) as shown on the **Consultant Product Price List**.

Bonuses on 1st 2nd and 3rd levels of downline are:

5% for 1st level

1% for 2nd level

.5% for 3rd level

Please refer to the "Example Only" Diagram (2) illustration of downline and bonuses shown in the following Senior Consultant Status qualification.

Senior Consultant (Position 2)

Qualification to achieve Senior Consultant Status

- Has personally sold and ordered a minimum of **\$2000 rrp in a month**
- Has sponsored at least one 1st Level Consultant who is “active” in the qualification month.
- **Or alternatively**
- Has sold and ordered a minimum of **\$4000 rrp** in one month

To earn Bonuses both you and your Consultant must be “active” in the same month.
(See glossary for definition of “active”)

Example only

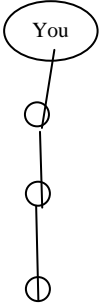
<p>1st Level Consultant</p> <p>2nd Level Consultant</p> <p>3rd Level Consultant</p>		<p>You receive 5% of Bonus Value (BV) of products ordered</p> <p>You receive 2% of Bonus Value</p> <p>You receive 1% of Bonus Value</p>
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Diagram (2)

Your rewards for achieving Senior Consultant status

- A Senior Consultant Insignia.
- An increase in 2nd and 3rd level % bonuses on the BV of the orders of your new Consultants provided you and your downline are “active” that month.
- **\$100 cash bonus** in the month of qualification.
- **\$100 voucher** for *product of your choice* at RRP (incl GST).

Team Leader (Position 3)

Qualification to achieve Team Leader Status

- Has personally sold and ordered a minimum of **\$2000 rrp in a month.**
- Has achieved minimum team sales/orders (excluding personal sales) of **\$5000 rrp in a month**

Both of the above criteria are to be achieved monthly in 2 out of 3 consecutive months.

- Have a minimum team of three “active” 1st level consultants.
For example (A), (B), (C) see diagram (3)

OR

- Two 1st Level and one 2nd Level active Consultants
For example (A), (B) & (D) see diagram (3)

The above downline structure has to be in place to achieve this position

To earn Bonuses both YOU and your Consultant must be “active” in the same month

Example only

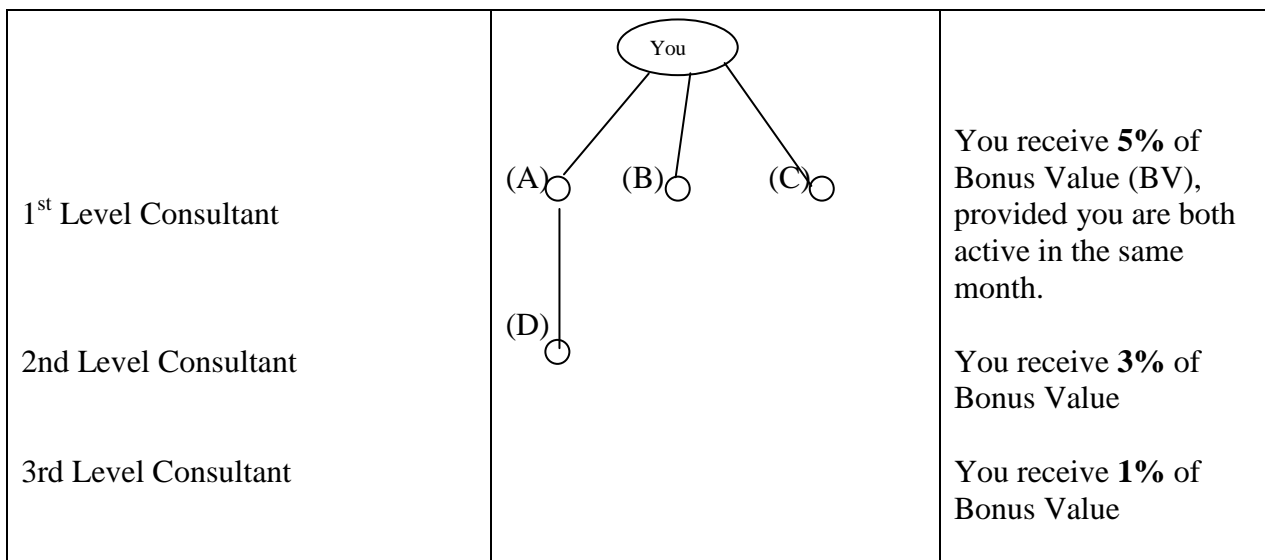


Diagram (3)

Your rewards for achieving a Team Leader status

- Team Leader Insignia
\$200 cash “one time” **Cash Bonus Achievement Award.**
\$200 voucher for *product of your choice* at rrp (incl. GST)
- Increased downline bonuses payable, provided you and your downline Consultant are “active” in the same month.
- 5%... 1st level
- 3%... 2nd level (increased from 2%)
- 1%... 3rd level

Manager (Position 4)

Qualification to achieve Manager Status

- Has personally sold and ordered a minimum of **\$2000 rrp in a month.**
- Has achieved minimum group sales/orders (excluding personal sales) of **\$10,000 rrp in a month.**

Both of the above criteria are to be achieved monthly in 2 out of 3 consecutive months.

- Have a group of at least four “active” 1st level Consultants
For example (A), (B), (C), (D)

&

- Six active 2nd or 3rd level Consultants For example E F G H I J

This structure has to be in place to achieve the position.

To earn Bonuses both YOU and your Consultant must be “active” in the same month.

Example only

<p>1st Level Consultant</p> <p>2nd Level Consultant</p> <p>3rd Level Consultant</p>	<pre> graph TD You((You)) --- A((A)) You --- B((B)) You --- C((C)) You --- D((D)) A --- E((E)) A --- F((F)) B --- G((G)) E --- H((H)) E --- I((I)) F --- J((J)) </pre>	<p>You receive 5% of Bonus Value (BV), provided you are both “active” in the month.</p> <p>You receive 3% of Bonus Value</p> <p>You receive 2% of Bonus Value</p>
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Diagram (4)

Your rewards for achieving a Manager status

- Manager Insignia
- **\$300** “one-time” **Cash Bonus** *achievement reward*
- **\$300** voucher for *product of your choice* at rrp (incl. GST)
- **\$200** monthly **Car bonus** each month that the group volume exceeds **\$20,000 rrp**
- Further increases in downline bonuses. - 1st level - 3%. - 2nd level 2% - 3rd level (increased from 1%)

The sales volume and downline structure are to both be in place to qualify for the bonus payments.

Executive (position 5)

Qualification to achieve Executive Status

- Has personally sold and ordered a minimum of **\$2,000 rrp in a month**
- Has achieved minimum group sales/orders(excluding personal sales) of **\$30,000 rrp in a month**

Both of the above criteria are to be achieved monthly in 3 out of 4 consecutive months.

Downline structure

The 1st level downline is to represent a minimum of 15% of the overall group volume in the final qualifying month.

Have a group of at least:

- 4 “active” 1st level Consultants and
- 1 “active” Manager in downline.

Or a minimum of:

- 4 active 1st level Consultants
&
- 2 “active” Team Leaders

Your rewards for achieving Executive status

- Executive Pin
- **\$500** one time **Cash Bonus Achievement Award**
- **\$500** voucher for *product of your choice* at rrp (incl. GST)
- **\$500** monthly **Car Bonus** each month that the group sales/order volume exceeds **\$50,000rrp**
- Further increases in Bonuses paid on downline (BV) to:
 - 5%.... 1st level
 - 4%.... 2nd level
 - 2%.... 3rd level
 - 1%.....4th level
- Upgraded accommodation (when available) at Annual National Sales Conference, subject to qualifying to attend the Conference.
- Special extra awards will also be associated with this position.

Director (position 6)

Qualification to achieve Director Status

- Has personally sold and ordered a minimum of **\$2000 rrp**
- Has achieved minimum group sales/orders of **\$80,000 rrp**
- **Both of the above criteria are to be achieved monthly in 3 out of 4 consecutive months.**
- Has a group consisting of at least:
 - 4 “active” 1st level Consultants
and
 - 1 active Executive

or

 - 4 “active” 1st level Consultants
and
 - 2 active Managers.

Are required in the downline organisation in the final month of qualification

The 1st level downline is to represent a *minimum* of 15% of the overall group volume in the final qualifying month.

Your rewards for achieving Director Status

- Director Insignia
- **\$800** “one-time” **Cash Bonus** *Achievement Award*
- Further increases in Bonuses paid on downline (BV) to:
 - 5% ... on 1st level
 - 4% ... on 2nd level
 - 3% ... on 3rd level
 - 1% ... on 4th level
 - 1% ... on 5th level
- **\$800** monthly **Car Bonus** each month that the group sales/order volume exceeds **\$100,000 rrp per month**
- Automatic qualification for Annual Conference in upgraded accommodation, where available.
- Special extra awards will also be associated with this position

Executive Director (position 7)

Status qualification for Executive director;

- Has achieved minimum group sales of **\$200,000 rrp** monthly in 3 out of 4 consecutive months.
 - Has a group consisting of at least:
 - 4 “active” 1st level downline
&
 - 1 Director
- OR**
- 4 “active” 1st level downline
&
 - 2 Executives.

Required in the downline organisation in the final month of qualification

The 1st level downline is to represent a minimum of 10% (\$20,000) of the overall group volume.

Your rewards for achieving Executive Director Status

- Executive Directors Insignia
 - **\$1,000** “one time” *Cash Achievement Award*
 - Bonus structure:
 - 5% on 1st level
 - 4% on 2nd level
 - 4% on 3rd level
 - 1% on 4th level
 - 1% on 5th level
 - 1% on 6th level
 - **\$1000** monthly **Car Bonus** each month that the group sales/order volume exceeds **\$250,000 rrp per month**
 - On promotion of an additional Executive Director the 1 % Bonuses on levels 4, 5 and 6 pertaining to that Executive Director will cease.
 - Automatic qualification for Annual Conference in upgraded accommodation
 - Expenses paid quarterly Executive Director Meetings with the Company management team.
 - Special extra awards will also be associated with this position
 - Overseas travel voucher for one when annual group volume exceeds 20% above required volume.
- OR**
- Overseas travel voucher for two when annual group volume exceeds 40% above required volume.

Glossary for Swipe Australia Pty Ltd Compensation Plan July 1st 2010

Explanation of Bonus Value (BV)

The recommended retail price of any product sold anywhere and in any way, always bears a direct relationship to the cost price.

In some instances, our high cost of producing an exceptional product may result in the retail price of that product being uncompetitive.

As a result sales could suffer significantly and consequently products falling into this category would not be included in our range. As an alternative we have used Bonus Value.

The application of Bonus Value by Swipe Australia Pty Ltd helps the Company adjust the relationship between product cost and rrp enabling the product to be sold at a more competitive retail price.

Bonus Value

The bonus value is either the same or less than the rrp (ex GST) and is the amount on which the Consultant discount is calculated. In some cases (where it is lower) it will reduce the discount available on certain products.

Consultant discount and Bonuses are calculated on 30% of the Bonus Value.

Unless otherwise stated RRP is the *recommended retail price incl. GST*

Compression

Should a Consultant become inactive for 12 months, fail to renew their registration, or submit a written resignation, or be terminated in accordance with their Independent Consultant Agreement, the Consultant immediately below them and their team will “compress” up to take their place.

For example see Diagram (1),

Subject to the above explanation and Diagram (1) of Compression, Consultants will always remain in their respective downlines.

Consultants will never be transferred to the downline of another Consultant unless their upline sponsor has resigned for a period of at least 12 months or been terminated in accordance with the Independent Distributor Agreement.

They will of course have left their own downline behind when they left the business. Should they subsequently rejoin they will start afresh rebuilding a completely new downline.

Example of Compression

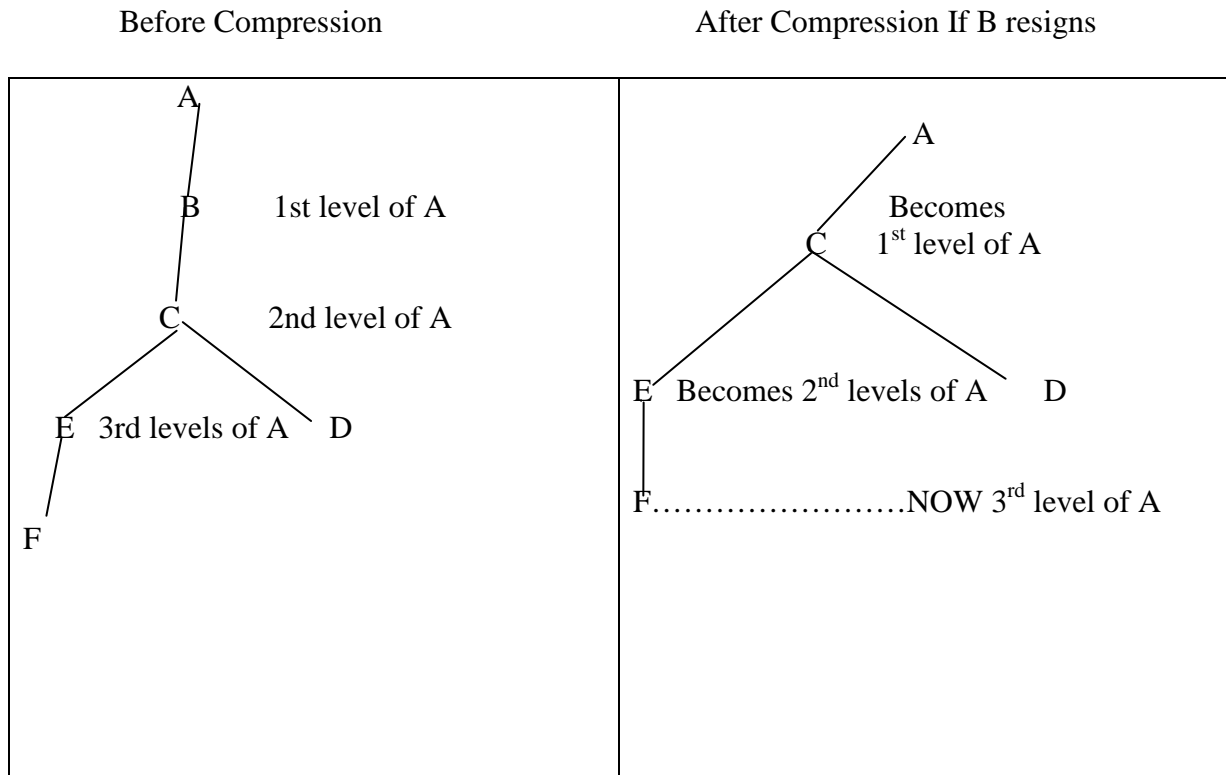


Diagram (1)

Credit Card payments

Credit card use by Guests (MasterCard or Visa only) should be encouraged as they will undoubtedly increase sales and assist in managing a Consultant's account with the company. All credit card information, **number, expiry date, amount and name on the card** should be forwarded to Head Office without delay by phone or fax. Not email at this stage as this is considered unsafe.

Credit card amounts will be credited to the Consultant's account at Swipe Australia and used to pay for or contribute to the Consultant's orders. Any excess remaining at the end of the calendar month can be transferred (at the consultants request) directly by the company into the Consultant's bank account, within 7 days.

Consultant's can pay for their orders by credit card or by direct transfer into the Company's bank account, ensuring that they enter their Swipe Australia personal ID number, to enable identification of all payments.

Orders can be emailed, faxed if handwritten, or posted but preferably not given over the phone. It will be far simpler for the Consultant to use the computerised ordering system where the Consultant will only be required to insert their ID number, product code and quantity and their order will be calculated and handled automatically.

Maintenance

Maintenance refers to maintaining your Status Qualification and only applies to Senior Consultant status and above, called “Leadership Status”.

To *maintain*, the Leader has to repeat their **Status Qualification** before the end of the first 12 months *following their promotion* and at least once during every subsequent 12 month period.

For Example:

A Team Leader will be required to:

- Personally sell and order a minimum of \$2,000 rrp in a month
- Have achieved team sales of at least \$5,000 rrp in a month
- In 2 months out of 3 consecutive months, during the 12 months *following their promotion*.

Maintenance is required by Leaders in each 12 month period.

Failure to maintain will result in the Leader being placed in the position for which they have actually qualified in that same 12 months. They can then immediately start to requalify if they wish.

Active

Active means the Consultant has placed a minimum product order of \$300 rrp within a month.

Group Volume

Group volume refers to group sales in a calendar month. They will only qualify towards status and bonuses in the month in which they are actually ordered

Changes to Compensation Plan

The Company reserves the right to change, alter, or update this Compensation Plan provided the Independent Consultants are given advance notice of the change.

CONSULTANT

When considering the business of a Swiper we have reached the opinion that they do much more than just distribute the product and we certainly want to encourage this.

They act as advisors, can readily compare alternative products, can offer the business opportunity and sign up new Swipers.

We believe that a name change to Consultant better reflects these extras offered by a Swipe Consultant and in future therefore all Swipers will be called Consultants rather than Distributors.