

## DISTRIBUTOR SUCCESS AND PREFERRED MEMBERSHIP FAQs

### WHAT IS A PREFERRED MEMBER?

A Preferred Member is a person who joins and places a \$150 order on AutoShip within their first full calendar month after joining Shaklee. This program began August 10, 2017.

Example: Juanita joins Shaklee as a Member on August 11th. When she places a minimum \$150 order on AutoShip before September 30th, she becomes a Preferred Member.

### WHAT ARE THE BENEFITS OF BECOMING A PREFERRED MEMBER?

- FREE Standard Shipping on all qualifying AutoShip orders of \$150 or more. Not “up to \$20.” Truly FREE Shipping. The only exclusions are the 30-gallon and 5-gallon supplies of Classic Basic-H®.
- Up to 25% savings off SRP on Preferred Member Special Value Packs for their first three full calendar months after their join date. Available on Preferred Member’s second and subsequent purchases.
- Eligible for Preferred Member special offers that may be available from time to time.

### WHAT IF YOU DIDN'T PLACE A \$150 AUTOSHIP ORDER BEFORE THE END OF YOUR FIRST FULL CALENDAR MONTH (ASSUMING YOU JOINED AUGUST 10, 2017 OR LATER)? CAN YOU STILL BECOME A PREFERRED MEMBER?

Yes. If you didn't complete the requirements to become a Preferred Member in your first full calendar month, you can still become a Preferred Member. You must have an active AutoShip order that ships for three consecutive months. There is no minimum size for each AutoShip, but it must ship every 30 days for three consecutive months. Once this is achieved, you will automatically become a Preferred Member. You will be able to purchase Preferred Member Special Value Packs at your tier price with no additional discount.

### CAN YOU BECOME A PREFERRED MEMBER LATER IF YOU JOINED PRIOR TO AUGUST 10, 2017?

Not at this time. This program is limited to Members who join August 10, 2017 or later. However, as an existing Member, you will continue to receive the 10% AutoShip discounts available on select products, and you can also qualify for the AutoShip promotions that offer \$10 product coupons.

### DO THOSE WHO BECOME NEW MEMBERS AFTER AUGUST 10, 2017 GET AN AUTOSHIP DISCOUNT OR \$10 COUPON OFFERS?

New Members after this date are not eligible for the 10% AutoShip discount on select products or the AutoShip promotions that offer \$10 product coupons. They are instead eligible to become a Preferred Member and receive FREE Standard Shipping on all AutoShip orders of \$150 or more.

### WHY DON'T THOSE WHO BECOME NEW MEMBERS AFTER AUGUST 10, 2017 RECEIVE THE 10% AUTOSHIP DISCOUNT OR THE \$10 COUPON OFFERS?

Surveys completed by our Members and Distributors have overwhelmingly asked for Free Shipping for our Members. The survey results showed that when given the choice, there was a huge preference for Free Shipping over the 10% AutoShip Discount. Both options are certainly valuable, but there is a clear consumer preference for FREE Shipping. We have listened and are now rolling out this new Preferred Member Rewards program that offers Free Shipping for Preferred Members on every AutoShip order of \$150 or more

### PREFERRED MEMBER SPECIAL VALUE PACKS

#### WHO IS ELIGIBLE TO PURCHASE PREFERRED MEMBER SPECIAL VALUE PACKS WITH UP TO 25% DISCOUNT OFF SRP?

Preferred Members who join after August 10, 2017 and become Preferred Members by placing a minimum \$150 AutoShip order before the end of their first full calendar month are eligible to purchase one of each of the Preferred Member Special Value Packs, with up to 25% discount, during the three full calendar months after their join date. \$150 consists of total product value minus all discounts and taxes.

#### CAN MEMBERS PURCHASE PREFERRED MEMBER SPECIAL VALUE PACKS?

Yes. All Members can purchase Preferred Member Special Value Packs at their price tier, with no additional discount.

#### ARE THERE ANY RESTRICTIONS TO “FREE STANDARD SHIPPING”?

FREE Shipping is truly FREE Shipping when Preferred Members place an order of \$150 or more on AutoShip. The only exclusion will be the 30-gallon and 5-gallon supplies of Classic Basic-H®. If either of those two excluded items is in your order, full shipping fees will be charged on that order.

#### CAN AN AUTOSHIP ORDER BE CHANGED?

Yes. You can change your next AutoShip order up to 24 hours before it ships.

You can also skip or cancel upcoming AutoShip orders. Just go to [Myshaklee.com](http://Myshaklee.com) under My Profile/Manage Autoship.

#### HOW OFTEN DOES AN AUTOSHIP ORDER SHIP?

A Preferred Member's AutoShip order can be set up to ship every 30, 60, or 90 days. You can skip or cancel your upcoming AutoShip order at any point.

#### CAN I HAVE MULTIPLE AUTOSHIP ORDERS EACH MONTH AND QUALIFY FOR \$150 FREE STANDARD SHIPPING?

Yes. As a Preferred Member, you will receive FREE Standard Shipping on all AutoShip orders of \$150 or more, regardless of frequency.

#### IF YOU ARE A PREFERRED MEMBER, HOW OFTEN DO YOU NEED TO HAVE AN AUTOSHIP ORDER TO CONTINUE TO RECEIVE FREE SHIPPING BENEFITS?

As a Preferred Member, you will receive FREE Standard Shipping on EVERY AutoShip order of \$150 or more. There are no other restrictions. You must have an initial AutoShip order of \$150 or more in your first full calendar month after joining, or you must have an AutoShip order for three consecutive months. Beyond that, you do not have to have an AutoShip order regularly to keep the Preferred Member Benefits.

#### IF A PERSON IS A PREFERRED MEMBER BUT CANCELS THEIR AUTOSHIP ORDER, ARE THEY NO LONGER A PREFERRED MEMBER?

Once you become a Preferred Member, you can continue to enjoy the benefits of Preferred Membership whenever an order qualifies. So a future \$150 minimum AutoShip order will once again qualify for FREE Standard Shipping.

#### IF I HAVE A MEMBER WHO UPGRADES TO A DISTRIBUTOR, WILL THEY COUNT FOR DREAM INCENTIVE TRIP SPONSORING POINTS?

Sponsoring Points are based on Join Date; therefore, a Member who upgrades to a Distributor would not count for the Dream Incentive Sponsoring Points.

#### IF I HAVE A MEMBER WHO UPGRADES TO A PREFERRED MEMBER AFTER THEIR FIRST FULL MONTH, WILL THEY COUNT TOWARD ONE OF MY THREE PREFERRED MEMBERS FOR A SUCCESS BONUS?

All new Members must become Preferred Members within their first full calendar month to count toward your Preferred Member Success Bonus.

### QUALIFIED DISTRIBUTORSHIP

#### WHO IS A QUALIFIED DISTRIBUTOR?

A Qualified Distributor is a person who joins with the \$49.95 Distributor Welcome Kit and purchases one or more Success Packs within their first full calendar month. Alternatively, they can unlock Qualified Distributor benefits by purchasing a Distributor Welcome Kit and paying a \$150 Qualified Distributor fee.

#### HOW DO DISTRIBUTORS WHO JOIN PRIOR TO AUGUST 10, 2017 BECOME QUALIFIED DISTRIBUTORS?

All Distributors who are Gold Ambassadors will automatically be converted to Qualified Distributors on August 10, 2017 and be eligible to earn Success Bonuses. All Distributors who were not Gold Ambassadors prior to August 10, 2017 can become Qualified Distributors by purchasing one or more Success Packs at their price tier at any time.

#### HOW DO DISTRIBUTORS WHO JOINED AFTER AUGUST 10, 2017 BUT DID NOT BECOME QUALIFIED DISTRIBUTORS WITHIN THEIR FIRST FULL CALENDAR MONTH BECOME QUALIFIED DISTRIBUTORS?

They can upgrade by purchasing one or more Success Packs at their price tier. The 30% discount time elapses after their first full calendar month. Got to: [Myshaklee.com/My Profile/Become a Qualified Distributor](http://Myshaklee.com/My Profile/Become a Qualified Distributor)

#### HOW DOES A MEMBER OR PREFERRED MEMBER UPGRADE TO BECOME A QUALIFIED DISTRIBUTOR?

A Member or Preferred Member can upgrade to Distributor by purchasing the Distributor Welcome Kit for \$29.95. To become a Qualified Distributor, they purchase one or more Success Packs. Go to: [Myshaklee.com/My Profile/Become a Distributor](http://Myshaklee.com/My Profile/Become a Distributor)

#### DO UPGRADES TO QUALIFIED DISTRIBUTOR COUNT FOR SUCCESS BONUSES?

When a Member upgrades to a Qualified Distributor, they are treated as a new Qualified Distributor. Therefore, the Original Sponsor (who is also a Qualified Distributor) receives the \$50 Success Bonus, and the upgraded Qualified Distributor counts as one of the three circles

required to earn the additional \$150 bonus. Distributors who upgrade WITHIN their first full calendar month also count for Success Bonuses. Distributors who upgrade to Qualified Distributors AFTER their first full calendar month do not count for Success Bonuses.

#### IF A NEW DISTRIBUTOR UPGRADES TO QUALIFIED DISTRIBUTOR, WILL I EARN SPONSORING POINTS FOR THE DREAM TRIP?

Dream Trip points are awarded based on the new Distributor's join date and the PV of their join order. So a Distributor who joins on August 10th with no product purchase and later upgrades to Qualified Distributor by purchasing a Success Pack will not generate sponsoring points.

#### ARE THERE ANY CHANGES TO HOW SOMEONE EARNS DREAM TRIP POINTS?

Since Gold PAKs have been eliminated, you can earn Sponsoring Dream Trip Points when you sponsor based on the following criteria:

- i. New Member/Distributor with purchase of 50 PV = 1 point
- ii. New Member/Distributor with purchase of 100 PV = 2 points
- iii. New Member/Distributor with purchase of 125 PV = 3 points
- iv. 200 PV in join order = 5 points
- v. 400 PV in join order = 10 points
- vi. 600 PV in join order = 15 points

#### CAN A DISTRIBUTOR OR BUSINESS LEADER QUALIFY FOR FREE SHIPPING?

No. FREE Standard shipping is only available for Preferred Members who place an order of \$150 or more on AutoShip. All Distributors, Associates, and Business Leaders will continue to receive the 10% AutoShip discount on eligible products and the \$10 Coupons. This includes Distributors and Qualified Distributors who join on August 10, 2017 or later.

### SUCCESS BONUSES

#### WHO CAN EARN SUCCESS BONUSES?

To be eligible to earn Success Bonuses, the Original Sponsor must hold the title of Distributor or higher and be a Qualified Distributor. A Qualified Distributor is a Distributor who was previously a Gold Ambassador or purchased one or more Success Packs, or paid the \$150 Qualified Distributor Fee.

#### HOW ARE SUCCESS BONUSES PAID?

Success Bonuses are paid daily on regular business days, provided the Qualified Distributor has enrolled in Direct Deposit. If the Qualified Distributor joins prior to 4:00 p.m. Pacific Time Monday through Thursday, the Original Sponsor (who is also a Qualified Distributor) will be paid the next business day.

#### IF THE ORIGINAL SPONSOR IS NOT A QUALIFIED DISTRIBUTOR, WHO IS THE SUCCESS BONUS PAID TO?

In the event that the Original Sponsor is not eligible to be paid, the Success Bonus will be paid monthly to the Original Sponsor of the Original Sponsor if they meet the requirements (or to the Original Sponsor of the Original Sponsor of the Original Sponsor and so forth until an Original Sponsor is reached who meets the requirements). If this is the case, the bonus will be monthly, instead of daily, on a regular business day.

#### DO UPGRADES COUNT FOR SUCCESS BONUSES?

Members or Distributors who join after August 10, 2017 and do not become Preferred Members or Qualified Distributors in their first full calendar month do not count for Success Bonuses. If a Member upgrades at any time to become a Qualified Distributor, they are treated as a new Distributor and count for Success Bonuses. A Distributor who upgrades to a Qualified Distributor after their first full calendar month does not count for Success Bonuses.

### SUCCESS PACKS

#### WHO CAN PURCHASE SUCCESS PACKS AT A 30% DISCOUNT?

A Distributor who joins after August 10, 2017 is eligible to purchase one of each of the Success Packs at the 30% discount prior to the end of their first full calendar month after their join date. When they do, they become a Qualified Distributor. Distributors who want to upgrade to a Qualified Distributor can purchase Success Packs at their price tier.

#### CAN A BUSINESS LEADER PURCHASE SUCCESS PACKS?

Yes. All Distributors, Associates, and Business Leaders can purchase the Success Packs at their price tier, with no additional discount, at any time.