

P R O - M A S Y S T E M S



Marketing and Income Plan



INCORPORATING

GRACE COSMETICS

GRACE DESIGNER JEWELLERY

OPTIMUM HEALTH

PERFORMANCE PRODUCTS

HOME PRODUCTS

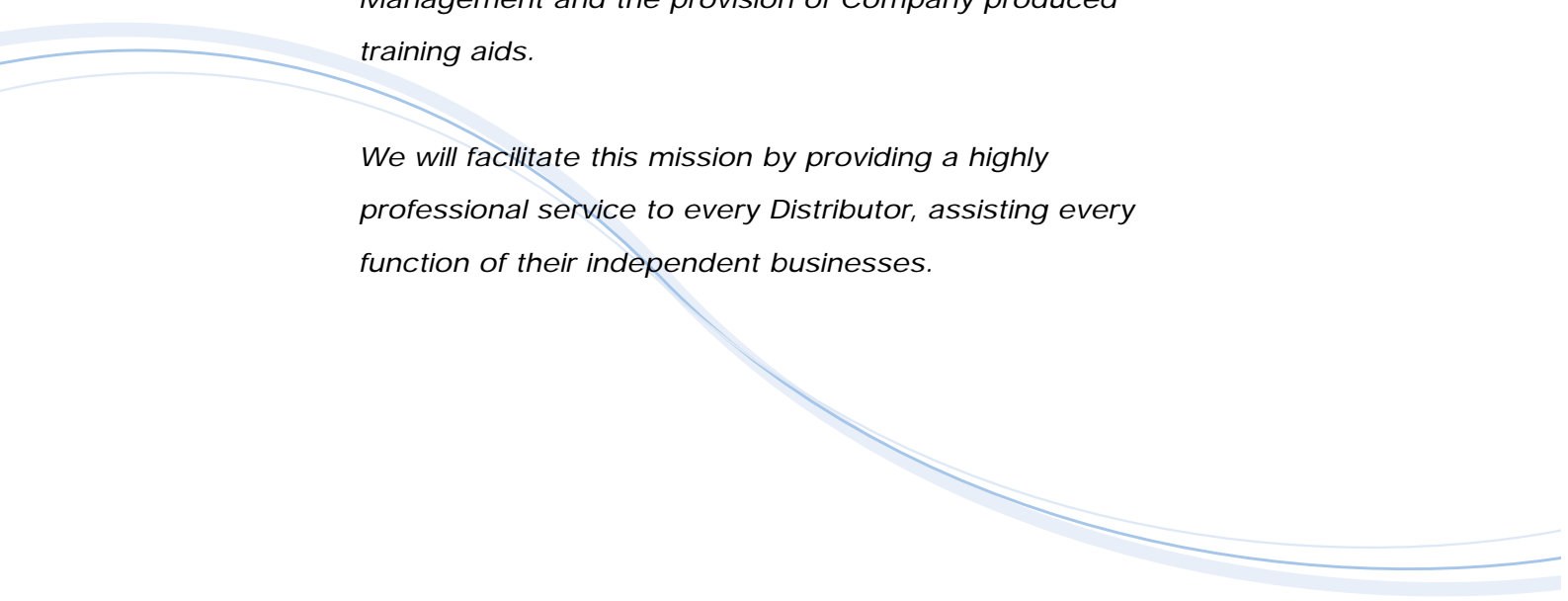


The Pro-Ma Systems mission...

...is to provide a genuine, independent business opportunity, without partiality to creed or race, that is unlimited in its ability to reward effort, marketing quality, highly consumable and reserviceable products for men and women.

Furthermore, we will provide significant inspiration, encouragement and knowledge in all areas of business and personal development through regular Company sponsored training programs, the support of Company appointed Management and the provision of Company produced training aids.

We will facilitate this mission by providing a highly professional service to every Distributor, assisting every function of their independent businesses.



Pro-Ma Systems Marketing & Income Plan

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There are many different businesses within the Pro-Ma Systems Business Opportunity. The diverse markets within the Pro-Ma Systems product ranges allow people with many different backgrounds and experiences to find their niche with this Company, marketing the products that most appeal to them. The Pro-Ma Systems Independent Distributor has an almost unlimited business opportunity. The markets to which our many diverse product ranges penetrate have an unlimited potential to create wealth. Distributors profit directly on the sales of these product ranges without the conventional burden of start-up capital and overhead costs, including employees or buildings in which to operate. There is a choice of market that will appeal to almost everyone; making this opportunity available for people from all walks of life.

The Pro-Ma Systems Marketing and Income Plan rewards personal effort and pays a series of bonuses based upon the



efforts of other Distributors in a Distributors Downline Organisation. This creates a dynamic income earning effect - as the income being earned is not solely relying upon the efforts of one or two individuals but on multiplied numbers. This is the opportunity that creates ongoing residual income. The Independent Distributor with Pro-Ma Systems has control over the success of their own business - with the flexibility, freedom and opportunity to be their own boss and earn in direct proportion to their own efforts and the efforts of others.



IMPORTANT NOTE: POINTS DEFINITION

For the benefit of all calculations in the Pro-Ma Systems Marketing and Income Plan, products are allocated a point value based on the specific B.V. to Distributor retail ratio as defined in the Company's Distributor Price List.

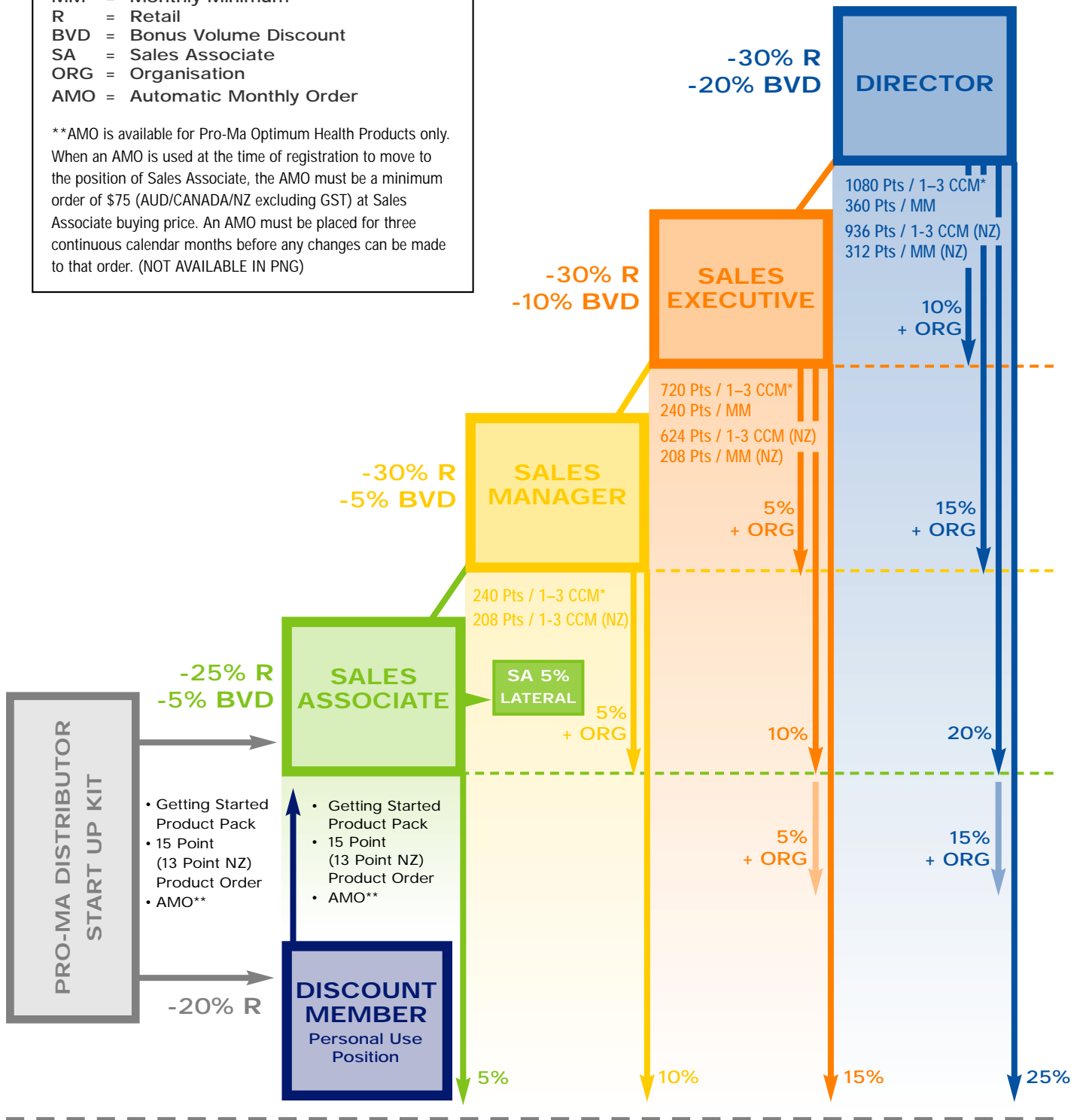
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KEY

CCM = Consecutive Calendar Months
 MM = Monthly Minimum
 R = Retail
 BVD = Bonus Volume Discount
 SA = Sales Associate
 ORG = Organisation
 AMO = Automatic Monthly Order

**AMO is available for Pro-Ma Optimum Health Products only. When an AMO is used at the time of registration to move to the position of Sales Associate, the AMO must be a minimum order of \$75 (AUD/CANADA/NZ excluding GST) at Sales Associate buying price. An AMO must be placed for three continuous calendar months before any changes can be made to that order. (NOT AVAILABLE IN PNG)



* Australia, Papua New Guinea & Canada

Bonus Volume Discount (B.V.D.)

PRO-MA DISTRIBUTOR

1. A Pro-Ma Distributor registers with the Company by signing the Distributor Agreement Form and by the payment of \$65.00 (Aust. & Canada), \$75.00 (NZ), or K145.00 (PNG) which includes the Pro-Ma Distributor Kit and the registration fee for the first year.

2. A Pro-Ma Distributor will immediately move to either the position of Discount Member if they elect not to purchase any products or if they place an order with a value of less than 15 points (13 points NZ) at the time of registration, or move to the position of Sales Associate if they choose to place an order for:
 - (a) a "Getting Started Product Pack" with a minimum 15 point value (13 points NZ), or
 - (b) a product order of their choice with a minimum 15 point value (13 points NZ), or
 - (c) a Bonus Start Order (refer to the Getting Started Products Pack Brochure), or
 - (d) an AMO of Pro-Ma Optimum Health of either a Daily Essentials Pack or any combination of products from the Optimum Health range with a minimum value of \$75.00 plus GST (Aust, NZ & Canada only) at the Sales Associate buying price. Any AMO must be placed for a three-month continuous period before any change can be made to that order. The AMO system is not available in P.N.G.



DISCOUNT MEMBER

1. A Discount Member purchases products at a discount of 20% off the Distributor Retail Price.

2. A Discount Member cannot sponsor other Distributors.

3. A Discount Member advances to the position of Sales Associate by placing an order for:
 - (a) a "Getting Started Product Pack" with a minimum 15 point value (13 points NZ), or
 - (b) a product order of their choice with a minimum 15 point value (13 points NZ), or
 - (c) a Bonus Start Order (refer to the Getting Started Product Packs Brochure)
 - (d) an AMO of Pro-Ma Optimum Health of either a Daily Essentials Pack or any combination of products from the Optimum Health range with a minimum value of \$75.00 plus GST (Aust, NZ & Canada only) at the Sales Associate buying price. Any AMO must be placed for a three-month continuous period before any change can be made to that order. The AMO system is not available in P.N.G.

SALES ASSOCIATE

1. A Sales Associate purchases product at a discount of 25% off the Distributor Retail Price and a further discount of 5% off the B.V. value.
2. A Sales Associate is entitled to sponsor other Distributors.
3. A Sales Associate will earn a bonus of 5% of the bonus volume on the personal orders of their personally sponsored Sales Associates, and 5% of the bonus volume of their personally sponsored Discount Members. To earn this bonus, a Sales Associate must place personal orders of not less than 15 points (13 points NZ) over a two consecutive calendar month period.
4. A Sales Associate advances to the position of Sales Manager by achieving a total of 240 points (208 points NZ) personally or through their total organization during any 1 to 3 consecutive calendar month period.
5. A Sales Associate advances to the position of Sales Executive by achieving a total of 960 points (832 points NZ) personally or through their total organization during any 4 consecutive calendar month period with a minimum of 240 points (208 points NZ) per month.
6. A Sales Associate is able to advance to the position of Director by achieving:
 - a total of 2040 points (1768 points NZ) personally or through their total organization during any 7 consecutive calendar month period with a minimum of 240 points (208 points NZ) per month for the first 4 months, and 360 points (312 points NZ) per month for the last 3 months, or

- a total of 1800 points (1560 points NZ) personally or through their total organization during any 5 consecutive calendar month period with a minimum of 360 points (312 points NZ) per month, or
- a total of 1800 (1560 points NZ) points personally or through their total organization during any 3 consecutive calendar month period with no minimum monthly point requirement.

NOTE: All points accrued from the purchase of the initial Product Kits either from the Sales Associate or their entire downline will also be credited to the total amount of points required to advance to higher positions in the Marketing & Income Plan.

SALES MANAGER

1. A Sales Manager purchases product at a discount of 30% off the Distributor Retail Price and a further discount of 5% off the B.V. value.
2. A Sales Manager will earn a bonus of 5% of the bonus volume on the personal orders of their personally sponsored Sales Associates and their organizations, and 10% of the bonus volume on the personal orders of their personally sponsored Discount Members. To earn these bonus payments, a Sales Executive must achieve a total of 30 points (26 points NZ) personally or a total of 240 points (208 points NZ) through their total organization of which not less than 15 points (13 points NZ) must be personal over a two consecutive calendar month period.
3. A Sales Manager advances to the position of Sales Executive by achieving a total of 720 points (624 points NZ) personally or through their total organization during any 3 consecutive calendar month period with a minimum of 240 points (208 points NZ) per month.

4. A Sales Manager advances to the position of Director by achieving a total of 1800 points (1560 points NZ) personally or through their total organization during any 6 consecutive calendar months with a minimum of 240 points (208 points NZ) per month for the first 3 months and 360 points (312 points NZ) per month for the last 3 months.

SALES EXECUTIVE

1. A Sales Executive purchases product at a discount of 30% off the Distributor Retail Price and a further discount of 10% off the B.V. value.
2. A Sales Executive will earn a bonus of 5% of the bonus volume on the personal orders of their personally sponsored Sales Managers and their organizations, 10% of the bonus volume on the personal orders of their personally sponsored Sales Associates, 5% of the bonus volume of the personal orders of the organizations of their personally sponsored Sales Associates, and 15% of the bonus volume on the personal orders of their personally sponsored Discount Members. To earn this bonus, a Sales Executive must achieve a total of 30 points (26 points NZ) personally or a total of 240 points (208 points NZ) through their total organization of which not less than 15 points (13 points NZ) must be personal over a two consecutive calendar month period.



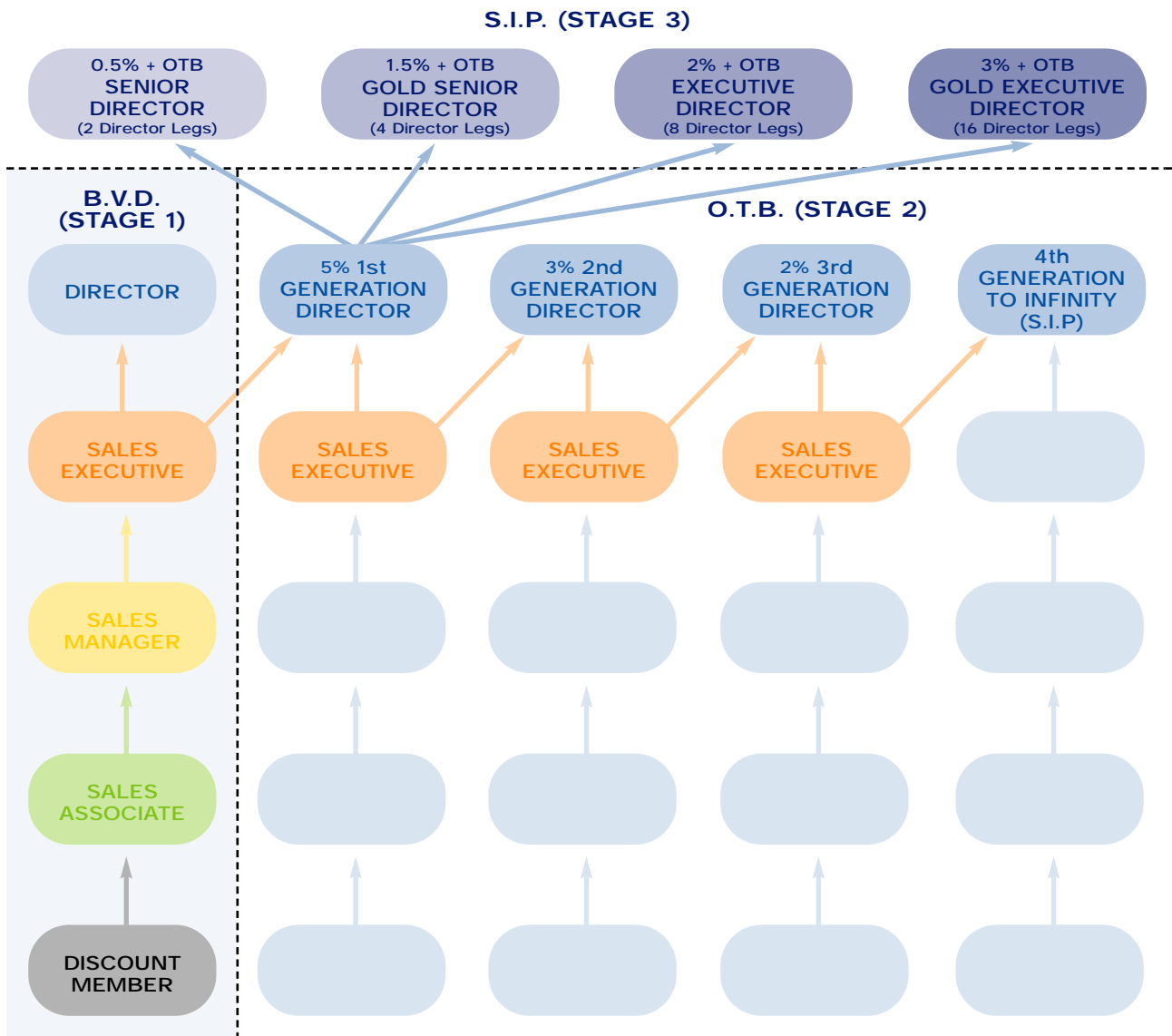
3. A Sales Executive advances to the position of Director by achieving a total of 1080 (936 points NZ) points personally or through their total organization during any 3 consecutive calendar month period with a minimum of 360 points (312 points NZ) per month.

DIRECTOR

1. A Director purchases product at a discount of 30% off the Distributor Retail Price and a further discount of 20% off the B.V. value.
2. A Director will earn a bonus of 10% of the bonus volume on the personal orders of their personally sponsored Sales Executives and their organizations, 15% of the bonus volume on the personal orders of their personally sponsored Sales Managers and their organizations, 20% of the bonus volume on the personal orders of their personally sponsored Sales Associates, 15% of the bonus volume of the organizations of their personally sponsored Sales Associates and 25% of the bonus volume on the personal orders of their personally sponsored Discount Members.
3. To earn this bonus, a Director must achieve a total of 30 points (26 points NZ) personally or a total of 240 points (208 points NZ) through their total organization of which not less than 15 points (13 points NZ) must be personal over a two consecutive calendar month period.
4. By developing other Directors from within their downline Organisation, Directors may qualify for Organisational Training Bonus (O.T.B.), and also for appointment as Senior Director, Gold Senior Director, Executive Director or Gold Executive Director and be entitled to the further bonuses paid under the Special Incentive Plan (S.I.P.) Program.

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Organisational Training Bonus (O.T.B.)

This is a further bonus payable to Directors for developing other Directors from within their own downline Organisations.

1. When a personally sponsored Sales Executive in an upline Directors Organisation achieves the position of Director they become a First Generation Director to their upline sponsor. The upline Director will then earn OTB at the rate

of 5% on the Total Bonus Volume of that First Generation Director and their downline organisation.

2. When a Directors First Generation Director develops a personally sponsored Director from within their downline organisation, that new Director will become a Second Generation Director to the original Director. The original Director will earn OTB at the rate of 3% on the Total Bonus Volume of that Second Generation Director together with their downline organisation.

3. When a Second Generation Director develops a personally sponsored Director from within their downline organisation that new Director becomes a Third Generation Director to the original upline Director. The upline Director will earn OTB at the rate of 2% on the Total Bonus Volume of that Third Generation Director and their downline organisation.
4. To qualify to receive payment of OTB a Director must produce orders of not less than 240 points (208 points NZ) from their total personal organisation over a two consecutive calendar month period, of which not less than 15 points (13 points NZ) must be personal orders.

SPECIAL INCENTIVE PLAN (S.I.P.)

The Special Incentive Plan (S.I.P.) is designed to reward Independent Distributors who progress beyond the position of Director. It is a financial incentive to encourage Directors to achieve higher income levels and build larger, wider and deeper organisations within the Company's Marketing and Income Plan. The S.I.P. bonus is payable to Senior, Gold Senior, Executive & Gold Executive Directors.

This achievement is recognised in two ways -

1. The award of a Gold and Diamond lapel pin.
2. A reduction in the qualification required to earn Organisational Training Bonus (O.T.B.).

How S.I.P. Operates

1. The S.I.P. operates separately from the Company's regular Marketing Plan.
2. A separate cheque and earnings summary is issued to those Directors who qualify for an S.I.P. payment. (They will also receive a cheque and earnings summary in respect of the regular Marketing Plan).

3. The S.I.P. operates one month in arrears. (For example - payment of S.I.P. based on sales volume for the month of July will be paid at month end August).
4. Payment of S.I.P. to a qualifying Director is based on the Bonus Volume of all their downline Directors, irrespective of generation.

SENIOR DIRECTOR 0.5%

This position is achieved when a Director and two personally sponsored Directors all qualify for O.T.B. in the same two month period.

1. The Senior Director will also enjoy a reduction in the required O.T.B. qualification, in the regular marketing plan.
2. O.T.B. qualification will be reduced from 240 points (208 Points NZ) to 120 points (104 Points NZ). The reduced qualifying points must include not less than 15 points (13 Points NZ) from personal orders.
3. A qualifying Senior Director will receive an S.I.P. payment equal to 0.5% of the Bonus Volume of all their downline Directors Organisational Volume irrespective of generation.
4. The calculation of S.I.P. will continue until a downline Senior Director is found.
5. The qualifying Senior Director will receive 0.5% S.I.P. on the Bonus Volume of that Senior Director, but no further S.I.P. benefit thereafter. The downline Senior Director is now entitled to be paid S.I.P. thereafter.



GOLD SENIOR DIRECTOR 1.5%

This position is achieved when a Director and four personally sponsored Directors all qualify for O.T.B. in the same two month period.

1. The Gold Senior Director will also enjoy a reduction in the required O.T.B. qualification.
2. O.T.B. qualification will be reduced from 120 points (104 Points NZ) to 60 points (52 Points NZ). The reduced qualifying points must include not less than 15 points (13 Points NZ) from personal orders.
3. A qualifying Gold Senior Director will receive an S.I.P payment equal to 1.5% of the Bonus Volume of all their downline Directors Organisational Volume irrespective of generation.
4. The calculation of S.I.P. payment will continue until a downline Senior Director is found.
5. The qualifying Gold Senior Director will receive 1.5% S.I.P. on the Bonus Volume of that Senior Director, and thereafter an S.I.P. of 1% until a Gold Senior Director is found.
6. The qualifying Gold Senior Director will receive 1% S.I.P. on the Bonus Volume of that Gold Senior Director, but no further benefit thereafter.

NOTE: The reduction in O.T.B. qualification for both Senior Directors and Gold Senior Directors is valid for six calendar months from the month of appointment. The reduced qualification is extended for a further six months from any subsequent two month period during which the Director and the required number of personally sponsored Directors achieve the reduced O.T.B. qualification. The subsequent qualifications must also include the personal order requirement of 15 points (13 points NZ) over the two month period.

EXECUTIVE DIRECTOR 2.0%

This position is achieved when a Director and eight first generation Directors all qualify for O.T.B. in each month of a three consecutive calendar month period. However Executive Directors are eligible for compensation under the S.I.P. program from the second month they and their eight first generation Directors all qualify for O.T.B.

NOTE: The appointment of Executive Director and all recognition pertaining to this position is only made by the Company after a Director and all eight first generation Directors all qualify for O.T.B. in each month of a three consecutive calendar month period.

1. From the date of appointment, the Executive Director will be exempt from O.T.B. qualification.
2. The exemption from O.T.B. qualification will be for a period of twelve months from the month of appointment and will apply in each country where Pro-Ma Systems operates, irrespective of the position held by the Executive Director in those other countries. This does not include Licensee countries.
3. If during the exemption period of twelve months, the Executive Director and eight personally sponsored Directors again attain O.T.B. qualification in the same three month period, the exemption from qualification is extended for a further twelve months from that date and so on.
4. A qualifying Executive Director will receive an S.I.P. payment equal to 2% of the Bonus Volume of all their downline Directors Organisational volume irrespective of generation.
5. The calculation of S.I.P. will continue until a downline Senior Director is found.

6. The qualifying Executive Director will receive 2% S.I.P. on the Bonus Volume of that Senior Director and thereafter an S.I.P. of 1.5% until a Gold Senior Director is found.

7. The qualifying Executive Director will receive 1.5% S.I.P. on the Bonus Volume of that Gold Senior Director and thereafter an S.I.P. of 0.5% until an Executive Director is found.

8. The qualifying Executive Director will receive 0.5% S.I.P. on the Bonus Volume of that Executive Director.

EXTENDED EXECUTIVE DIRECTOR 1.0%

1. In addition to the S.I.P. benefits payable to Executive Directors, a further benefit is payable to Executive Directors who have developed an Executive Director from within their Downline Organisation.
2. The qualifying Executive Director will receive an additional S.I.P. payment of 1% on the Directors, Senior Directors, and Gold Senior Directors of their downline Executive Director until a second downline Executive Director is found.
3. The qualifying Executive Director will receive 1% S.I.P. on the Bonus Volume of that second Executive Director, but no S.I.P. benefit thereafter.

GOLD EXECUTIVE DIRECTOR 3.0%

This position is achieved when a Director and sixteen first generation Directors all qualify for O.T.B. in each month of a three consecutive calendar month period. However Gold Executive Directors are eligible for compensation under the S.I.P. program from the second month they and their sixteen first generation Directors all qualify for O.T.B.

NOTE: The appointment of a Gold Executive Director and all recognition pertaining to this position is only made by the company after a Director and all sixteen first generation Directors all qualify for O.T.B. in each month of a three consecutive calendar month period.

1. A qualifying Gold Executive Director will receive an S.I.P. payment equal to 3% of the Bonus Volume of all their downline Directors Organisational Volume irrespective of generation.
2. The calculation of S.I.P. will continue until a downline Senior Director is found.
3. The qualifying Gold Executive Director will receive 3% S.I.P. on the Bonus Volume of that Senior Director and thereafter an S.I.P. of 2.5% until a Gold Senior Director is found.
4. The qualifying Gold Executive Director will receive 2.5% S.I.P. on the Bonus Volume of the Gold Senior Director and thereafter an S.I.P. of 1.5% until an Executive Director is found.
5. The qualifying Gold Executive Director will receive 1.5% S.I.P. on the Bonus Volume of that Executive Director, and further 1% S.I.P. benefit thereafter, until another Executive or Gold Executive Director is found.
6. If during the exemption period of twelve months, the Gold Executive Director and sixteen personally sponsored Directors again attain O.T.B. qualification in the same three month period, the exemption from qualification is extended for a further twelve months and so on.



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