The **LIFE** You’ve Always Wanted

**MEMBER COMPENSATION PLAN**

**INCOME DISCLOSURE STATEMENT**

JANUARY 2019

UNITED STATES - CARIBBEAN
There are no Life Member purchase, monthly purchase, or autoship requirements for participation in any part of this compensation plan.
Thank you for your interest in Life!

We are a direct sales company that produces informational and educational products and services in three primary categories: Financial Development, Professional Development, and Personal Development. Our products include audios, videos, and books in both physical and digital formats, and an extensive array of services in all three product categories. These are all accessible through both mobile and web-based platforms. Life Members earn money from the sale of our products to customers and from the overall sales volume of other Life Members they involve in the program, based upon performance.

Therefore, Life Members are in the business of improving people’s lives by providing them Life-changing products and services. To do this, they invest their time in two main activities:

1. **Merchandising Life products and services to customers**, and
2. **For those who choose to, building sales forces of people who do the same thing.**

Life Members are compensated through a multifaceted pay plan. Depending upon how you slice it, there are 11 (and ½) ways for you to make money with Life. We will go through each one briefly, just to give you a feeling for what they are, followed by some examples, and then provide a bunch of details for each at the end. Furthermore, in the pages to follow, you will find average incomes, and highs and lows, for people at the various levels in the compensation plan (along with a lot of legaleeze you should be sure to read, if you want to skip ahead!)

*All amounts presented in the document are in US dollars.
Point Value and Bonus Chart

We track sales volume through something called Point Value, or “PV,” which are merely points assigned to each product. This is usually of the ratio $1.2 = 1 PV, but for books on average it is $1 = \frac{1}{2} PV. There are other exceptions, but this is a pretty good rule of thumb.

The following is called our Bonus Chart, and is used to calculate many of the ways of making money.

<table>
<thead>
<tr>
<th>PV</th>
<th>Bonus %</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,000</td>
<td>30%</td>
</tr>
<tr>
<td>6,000</td>
<td>26%</td>
</tr>
<tr>
<td>4,000</td>
<td>22%</td>
</tr>
<tr>
<td>2,500</td>
<td>18%</td>
</tr>
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<td>1,500</td>
<td>15%</td>
</tr>
<tr>
<td>1,000</td>
<td>12%</td>
</tr>
<tr>
<td>600</td>
<td>9%</td>
</tr>
<tr>
<td>300</td>
<td>6%</td>
</tr>
<tr>
<td>150</td>
<td>3%</td>
</tr>
</tbody>
</table>

#1. Retail Sales Commission

You make 15% on the PV of all products you merchandise to Registered Customers (those verified through a free registration on our website), all the time and every time. These are totaled up and paid to you monthly.

#½. The “3 for FREE” Customer Referral Program

Okay, this isn’t really an “income,” per se. That’s why we are calling it 11 (and \(\frac{1}{2}\)) ways of making money, because since you get something from it we thought we’d tell you about it anyway. And since we’re talking about customers, this is the perfect place to do so.

You see, any month in which you get three Registered Customers who subscribe to products at or above the amount at which you are subscribing to products for yourself, you get yours for free! While that’s pretty nice, this is actually designed to be a customer referral program to incentivize your Registered Customers to bring you more Registered Customers. So this really gets exciting when one of your customers attracts three additional Registered Customers for you, each of which are subscribing to products at or above his or her amount. In such a case, that referring Registered Customer gets his or her products for free! This all occurs monthly.

#2. Customer Pool Bonus (CPB)

In addition to the 15% Retail Sales Commission explained in #1, a Member can also earn additional money based on his or her total Registered Customer sales each quarter of the calendar year. The amount paid out will vary according to the overall sales performance of the company and the individual’s total sales amount, but a minimum of at least $50 is guaranteed, with no limits on the upside amount. To be eligible, a Member must have accumulated at least 600 PV in Registered Customer sales that quarter.

#3. Cumulative Customer Bonus (CCB)

In addition to the 15% Retail Sales Commission explained in #1 and the Customer Pool Bonus explained in #2, you can earn yet another sales bonus based on the total amount of Registered Customer sales you make in a complete calendar year. Add up your total PV from Registered Customer sales from the beginning of January through the end of December, and look for the corresponding dollar amount on the chart below to determine your bonus. This amount will be paid along with your other December bonuses in the month of January.

<table>
<thead>
<tr>
<th>Annual Registered Customer PV Total</th>
<th>Annual Bonus ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000</td>
<td>500</td>
</tr>
<tr>
<td>10,000</td>
<td>1,000</td>
</tr>
<tr>
<td>15,000</td>
<td>1,500</td>
</tr>
<tr>
<td>20,000</td>
<td>2,200</td>
</tr>
<tr>
<td>30,000</td>
<td>4,000</td>
</tr>
<tr>
<td>50,000</td>
<td>7,000</td>
</tr>
<tr>
<td>100,000</td>
<td>15,000</td>
</tr>
<tr>
<td>200,000</td>
<td>40,000</td>
</tr>
</tbody>
</table>

#4, #5, and #6. Bonus Chart Commissions

As you build a sales force of Life Members, each of them will also generate product flow through sales to customers and purchases for their own personal use. This means that you will have three types of product volume:

Personal Volume = products you buy for your own use (or for use in sales demonstrations or to sell to customers directly without registering them on the website) (See 3.19 of the Statement of Policies and Procedures).
Customer Volume = products sold to your Registered Customers (those who register on the website).

Group Volume = the total volume of the Life Members in your Sales Force(s) or Team(s).

#4. Personal Bonus – This is simply the money you get back on your personal volume.

#5. Customer Bonus – This is the money you earn on Customer Volume (product sales to Registered Customers). Note that this is in addition to the money you have earned from those sales in #1, #2, and #3 on page 4, and is a fourth way of making money from those very same sales.

#6. Differential Bonus – This is the money paid to you based upon the differential of where your total volume is on the Bonus Chart and the total volume of each of your downline Sales Forces or Teams. This is where you get compensated for helping develop sales for the Life Members in your sales organizations. The building of a Sales Force allows you to spread out the workload and serve a greater number of customers.

Each of these three bonuses (#4, #5, and #6) is paid monthly.

#7. Product Scholarship Program

The Product Scholarship Program encourages a Member to assist with the sale of products through his or her Sales Teams. To qualify a Member must be a Student 1,000* with a minimum of 300PV in each of 2 different Sales Teams.

<table>
<thead>
<tr>
<th>Total PV</th>
<th>1st Team PV</th>
<th>2nd Team PV</th>
<th>Scholarship ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000</td>
<td>≥ 300</td>
<td>≥ 300</td>
<td>60</td>
</tr>
</tbody>
</table>

This Bonus is paid monthly.

#8. Scholarship Development Bonus

The Scholarship Development Bonus is designed to reward Members for assisting downline Members with their sales efforts by helping those downline Members qualify for Product Scholarships (#7 way of making money explained previously). There are three award levels for this bonus.

1. $250 bonus, to qualify, a Member must meet the following criteria:
   a. Student 2,500
   b. 2 Scholarship Qualified Members in total with 1 in one Sales Team and an additional 1 outside of that Sales Team.

2. $500 bonus, to qualify, a Member must meet the following criteria:
   a. Performer*
   b. 4 Scholarship Qualified Members in total with 2 in one Sales Team and an additional 2 outside of that Sales Team.

3. $750 bonus, to qualify, a Member must meet the following criteria:
   a. Sr. Performer*
   b. 6 Scholarship Qualified Members in total with 3 in one Sales Team and an additional 3 outside of that Sales Team.
   c. If you have a downline Leader(s)*, the maximum number of scholarship credits for all Leader Teams is 3. You then must have the remaining 3 (outside) qualifiers from non-Leader Teams.

This Bonus is paid monthly. Only the highest award achieved is given (they are not cumulative).

<table>
<thead>
<tr>
<th>Rank</th>
<th>Total Downline Scholarships</th>
<th>Scholarships Outside of Sales Team</th>
<th>Bonus ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student 2,500</td>
<td>2</td>
<td>1</td>
<td>250</td>
</tr>
<tr>
<td>Performer</td>
<td>4</td>
<td>2</td>
<td>500</td>
</tr>
<tr>
<td>Sr. Performer</td>
<td>6</td>
<td>3</td>
<td>750</td>
</tr>
</tbody>
</table>

NOTE: The developing of multiple Sales Teams is a key component in structuring the compensation plan so that it rewards those who are truly doing the work.

*See page 7 for Rank definitions.
#9. Momentum Bonus
The Momentum Bonus applies to Life Members who qualify at the Rank of Leader or above (see page 7 for Rank definitions), and is designed to reward consistent performance. Each month a Life Member qualifies at the Rank of Leader or above, the monthly bonus amount awarded increases according to the chart found on page 10. The maximum number of possible qualification months for this bonus is twelve, since it resets with the beginning of the new calendar year. Consecutive qualification months cannot be carried forward from one year to the next. If a consecutive months streak is broken during the calendar year, the Member, upon re-qualification, starts over.

#10. Fun in the Sun Cruise
A Member who qualifies as a Leader or above (see page 7 for Rank definitions) for all 12 months of the calendar year will be awarded this trip. The cruise destination may vary from year to year. First time qualifiers can do so by qualifying as a Leader for the last 6 months of the calendar year, July - December.

This is an annual award. See page 11 of this brochure for more details and the website for the information on the current year’s cruise.

#11. Balanced Business Bonus (BBB)
This is a monthly bonus paid to Life Members at the Leader Rank and above for assisting in the development of Sales Teams that produce 8,000 PV or more on a consistent basis. This bonus is paid based upon a “balanced” number of Leaders in both width and depth, so for a Life Member who has developed 2 Leaders in width (2 Sales Teams of 8,000 PV or more) would establish a potential bonus grid of 2x2 (for those who have achieved the Rank of Coordinator in this case) because it would open up the bonus potential of 2 Leaders of depth across 2 Leaders of width. Likewise, a Member that has developed 3 Leaders in width would establish a potential bonus grid of 3x3 (for those who have achieved the Rank of Sr. Coordinator in this case). The size of the bonus grid is based upon your Rank. The bonus for each 8,000 PV Sales Team (Leader) ranges from $1,300 to $1,900.

For a full explanation of the Balanced Business Bonus, with examples, please see page 13.
There are no Life Member purchase, monthly purchase, or autoship requirements for participation in any part of this compensation plan.

Now that you’ve seen the quick overview of the 11 (and ½) ways of making money, let’s consider the recognition for achievement that is also available for Life Members. Recognition is provided at our live and web-broadcast events, and is further commemorated with a lapel pin program. Understanding Life’s Ranks will also help you make more sense of the various ways of making money.

**Student 150 through Student 8,000**

During the time when a Life Member is working his or her way up our Bonus Chart, he or she is referred to as a “Student.” As an example, a Life Member with a total volume of 2,500 PV would be called a “Student 2,500.”

**Performer and Sr. Performer**

There are two points along your journey up the Bonus Chart in the “Student” Ranks at which you can receive special Rank recognitions based upon your total PV and the total PV outside your first Sales Team:

- Performer – 4,000 Total PV with at least 1,000 PV Outside*
- Sr. Performer – 6,000 Total PV with at least 1,500 PV Outside*

**Leader**

Once achieving the level of 8,000 PV or “the top of the chart,” a Life Member can qualify for the Rank of Leader in one of two ways:

1. *Registered Customer Volume, Personal Volume and Group Volume all totaling 8,000 PV or higher, or*
2. *One downline Sales Team generating 8,000 PV or more, with at least 2,500 PV additional volume outside* that Sales Team (This can be the total of Personal Volume, Customer Volume, and volume from additional outside Sales Teams.)

**Coordinator**

Coordinators are Life Members who have built a business that has:

1. *Two Sales Teams simultaneously generating 8,000 PV or more, and*
2. *Volume outside* of those two Sales Teams of at least 2,500 PV.

*When we say “outside”, we are referring to any and all PV generated in Sales Teams outside your largest Sales Team, as well as all of your Customer Volume and Personal Volume.*
There are no Life Member purchase, monthly purchase, or autoship requirements for participation in any part of this compensation plan.

**Senior Coordinator**
Senior Coordinators are Life Members who have built a business that has:

1. **Three Sales Teams simultaneously generating 8,000 PV or more, and**
2. **Volume outside of those three Sales Teams of at least 2,500 PV.**

**Advisor and Senior Advisor**
Advisors and Senior Advisors are Life Members who have built a business that has:

- **Advisor**: Four Sales Teams simultaneously generating 8,000 PV plus 2,500 PV outside volume.
- **Senior Advisor**: Five Sales Teams simultaneously generating 8,000 PV plus 2,500 PV outside volume.

**Life Coach**
Life Coaches are Life Members who have built a business that has:

1. **Six Sales Teams simultaneously generating 8,000 PV or more (with no outside volume requirement).**

**Executive, Double, Triple, Crown, and Crown Ambassador Life Coaches**
Additional Life Coach Rank Achievements are as follows:

- **Executive Life Coach**: Nine Sales Teams simultaneously generating 8,000 PV or more.
- **Double Life Coach**: Twelve Sales Teams simultaneously generating 8,000 PV or more.
- **Triple Life Coach**: Fifteen Sales Teams simultaneously generating 8,000 PV or more.
- **Crown Life Coach**: Eighteen Sales Teams simultaneously generating 8,000 PV or more.
- **Crown Ambassador Life Coach**: Twenty Sales Teams simultaneously generating 8,000 PV or more.
CUSTOMER SALES REQUIREMENTS

In order for Life Members to receive compensation in the Life Compensation Plan (beyond the money made from the Retail Sales Margin, Customer Pool Bonus, and Cumulative Customer Bonus), they must satisfy a minimum monthly customer sales requirement, as explained below:

• **Overall**: There is a $100 minimum monthly customer sales requirement. All Life products and services are eligible.

  To check your customer sales progress at any given time, login to the website and select “My Team” from the “My Business” drop down menu. In the upper right corner there is a section titled “Customer Requirements” where your real time progress will be displayed.

• **Enrollment Month Plus Full Months 1 & 2**: There are no sales requirements for the new Member in the month in which he or she enrolls, plus his or her first two full months beyond that. This is designed to give a new Member time to learn to make sales and establish a customer base.

  o Example: If the new Member enrolls on February 2nd, he or she does NOT have to meet the $100 minimum monthly customer sales requirement in February, March, or April, but must do so in May.

• **Full Months 3 – 6**: The minimum monthly customer sales requirement is $100 with no sales type requirement, meaning that the $100 can be generated from any combination of Self-Reported or Registered Customer sales.

  o Example: Based on the new Member above, who enrolled on February 2nd, in the months of May – August, that Member will be required to meet the $100 minimum sales requirement with no sales type requirement. (Any combination of Self-Reported or Registered Customer sales is acceptable).

• **Full Months 7 and beyond**: The minimum customer sales requirement is still $100, but starting with full month 7, the Member is required to have at least $50 of that as Registered Customer sales.

  o Example: Continuing with our example, this requirement would begin with the month of September.
The Momentum Bonus is a monthly bonus paid to Life Members for qualifying at the Rank of Leader and above and increases that bonus for each consecutive month within the calendar year up to a maximum of twelve consecutive months. The consecutive month qualification may not carry over from one calendar year to the next and therefore resets each January. If a consecutive streak is broken during the calendar year, the Member will start over upon requalification.

Below is the Momentum Bonus Chart. The first month within the calendar year in which the Member qualifies as a Leader generates a $50 Momentum Bonus. You will notice that the Momentum Bonus not only increases for consecutive months, but also increases by Rank. A Coordinator starts at $75 and increases by a factor of $75 for each additional consecutive month. A Senior Coordinator starts at $100 and increases by a factor of $100 for each additional consecutive month.

For example, if a Member qualifies as a Leader for 6 consecutive months from July – December, his or her December Momentum Bonus would be $300. In January of the following year, the consecutive months would reset and assuming continued qualification as a Leader, he or she would receive a $50 Momentum Bonus.

If a Member advances in Rank, he or she will receive a Momentum Bonus based on the continuation of consecutive months from the previous Rank. For example, if a Member qualified as a Coordinator from January – March and then advances to a Sr. Coordinator in April: The Member would receive the 4th consecutive month Sr. Coordinator Momentum Bonus, which is $400.

<table>
<thead>
<tr>
<th>Consecutive Months</th>
<th>Leader</th>
<th>Coordinator</th>
<th>Sr. Coord</th>
<th>Advisor</th>
<th>Sr. Adv.</th>
<th>LC</th>
<th>ELC</th>
<th>DLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50</td>
<td>75</td>
<td>100</td>
<td>125</td>
<td>150</td>
<td>200</td>
<td>250</td>
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<td>2</td>
<td>100</td>
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<td>3</td>
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<td>2,400</td>
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<td>500</td>
<td>750</td>
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<td>2,000</td>
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<tr>
<td>11</td>
<td>550</td>
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<td>12</td>
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<td><strong>Total</strong></td>
<td>3,900</td>
<td>5,850</td>
<td>7,800</td>
<td>9,750</td>
<td>11,700</td>
<td>15,600</td>
<td>19,500</td>
<td>23,400</td>
</tr>
</tbody>
</table>
FUN IN THE SUN CRUISE

The Fun in the Sun Cruise is a four day/three night Caribbean cruise. You’ll get to experience the food, the night life, the pampering, and the endless ocean sunsets, just a few hundred nautical miles away from everyday life, all while relaxing with some of your best friends and Life’s top leadership minds.

Qualifiers are awarded their room, standard dining plan, and staff tip. Additional options are available at the qualifier’s expense and the qualifier is responsible for his/her transportation to and from the cruise ship. 

How to Qualify:

1. Member must be a Leader or above for 12 consecutive calendar months (January – December).
2. Member must meet the minimum monthly customer sales requirement in each month of qualification.
3. First time attendees must qualify as a Leader and close out the year with a minimum of 6 consecutive months of qualification (July – December minimum).
4. The cruise covers 2 people per Life Membership and can be earned every year you qualify.

*Additional family members can attend at the Member’s expense. Life must receive payment in advance and it is non-refundable.

This is an annual award. Visit the website for more information on the current year’s cruise.
The Balanced Business Bonus is a monthly bonus paid to Life Members at the Leader Rank and above that rewards a Member for developing Sales Teams that consistently produce 8,000 PV or more (Leader Rank). A bonus is given for each Sales Team that generates 8,000 PV (Leader Rank). For each Sales Team in width, you can also receive an additional bonus for each downline Sales Team of 8,000 PV (Leader Rank) in depth. The grid below outlines the maximum BBB for each Rank. For each new Leader Sales Team that you add in width, you can add a new Leader Sales Team in depth. The bonus for the first Leader (8,000 PV) in each Sales Team is $1,300 dollars. If you go straight down the grid, you’ll notice that the bonus increases by $100 per Sales Team for the next 5 Leaders you develop in depth. As a result, the 6th Leader in depth carries a maximum bonus of $1,800. An additional $100 increase is awarded at the 9th level and again at the 12th level in depth.

For example: By looking at the diagrams, a Coordinator’s maximum BBB is $5,400 based on having 2 Leader Sales Teams in width and 2 Leader Sales Teams in depth each generating 8,000 PV. A Coordinator isn’t eligible to earn a BBB on more than 2 Leader Sales Teams in his or her 2 Sales Teams. The purpose of this is to encourage growth in width and depth in new Sales Teams. Moving up in Rank, the same concept applies.

To understand how the grid works, the maximum bonus for your Rank is calculated by simply adding up the totals for each Sales Team vertically and horizontally based on the number of Leader Sales Teams you have developed in width and depth. As an example, at the Sr. Coordinator level, you can earn a maximum BBB of $12,600 for developing a total of 9 Leader Sales Teams (3x3) each generating 8,000 PV: ($1,300 x 3) + ($1,400 x3) + ($1,500 x 3) = $12,600 [4x4 for Advisor, 5x5 for Sr. Advisor, and so on].

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**RANKS AND MAXIMUM BONUS**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Maximum Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader*</td>
<td>1,300</td>
</tr>
<tr>
<td>Coordinator</td>
<td>5,400</td>
</tr>
<tr>
<td>Sr. Coordinator</td>
<td>12,600</td>
</tr>
<tr>
<td>Advisor</td>
<td>23,200</td>
</tr>
<tr>
<td>Sr. Advisor</td>
<td>37,500</td>
</tr>
<tr>
<td>Life Coach</td>
<td>55,800</td>
</tr>
<tr>
<td>Life Coach + 1</td>
<td>77,700</td>
</tr>
<tr>
<td>Life Coach + 2</td>
<td>103,200</td>
</tr>
<tr>
<td>Executive Life Coach</td>
<td>133,200</td>
</tr>
</tbody>
</table>

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*Qualifications for the Leader BBB: A Member has to be a Leader with a Leader Sales Team and the BBB is based on the PV outside of the Leader Sales Team. 8,000 outside PV is required to earn the maximum bonus of $1,300. If you have less than 8,000 PV you earn a proportionate bonus. For Example: if you had 6,000 PV your bonus would be (6,000/8,000 x 1,300 = $975)
In example 1, you are at the Rank of Leader and in Sales Team 1 you have one Leader (A) with 8,000 PV. In Sales Team 2, you have 6,000 PV and in Sales Team 3 you have 2,000 PV for a total of 8,000 PV outside. Your BBB in this example is $1,300 because you are a Leader who has one Leader in depth with an additional 8,000 PV outside of that. This is the maximum BBB you can earn at the Rank of Leader.

**EXAMPLE 1:**

In example 2, you are at the Rank of Coordinator and in Sales Team 1 you have a total of 16,000 PV, with Leader A having 8,000 PV and Leader B also having 8,000 PV. The BBB paid for Sales Team 1 is $2,700 because you have two Leaders in depth generating 8,000 PV [Leader A = $1,300] + [Leader B = $1,400] = $2,700. In Sales Team 2 you have one 8,000 PV Leader (C ) and therefore your BBB is $1,300. So your total BBB in this example would be [Leader A = $1,300] + [Leader B = $1,400] + [Leader C=$1,300] = $4,000. In order to earn the maximum BBB of $5,400 in this example, you would need to develop another Leader Team in Sales Team 2.

**EXAMPLE 2:**

In example 3, you are at the Rank of Leader earning a partial BBB. This is because in Sales Team 1 you have one Leader (A) with 8,000 PV and in Sales Team 2 you have 4,000 PV. Your total BBB in this example is $650 because you have 4,000 PV (or half of the 8,000 PV required for a full BBB) in Sales Team 2 multiplied by $1,300 [4,000 PV/8,000 PV x $1,300 = $650]. In order to earn the maximum bonus of $1,300 in this example, you would have to generate another 4,000 PV in Sales Team 2 or in an additional Sales Team.

**EXAMPLE 3:**

**NOTE:** The Balanced Business Bonus is based on developing Leader Sales Teams and therefore your Personal Volume is not factored into the qualifications or bonus calculations.
**Chart of the 11 (and 1/2) Ways of Making Money**

It may be helpful at this point to summarize the details of the various ways of making money, when they are paid, and the requirements for each.

<table>
<thead>
<tr>
<th>The 11 and ½ Ways of Making Money</th>
<th>Amount</th>
<th>Paid Out</th>
<th>Customer Sales Requirement* Necessary to Receive?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Retail Sales Commission</td>
<td>15%</td>
<td>Monthly</td>
<td>NA</td>
</tr>
<tr>
<td>½. 3 For Free</td>
<td>Free Product Subscription</td>
<td>Monthly</td>
<td>NA</td>
</tr>
<tr>
<td>2. Customer Pool Bonus (CPB)</td>
<td>$50 minimum</td>
<td>Quarterly</td>
<td>NA</td>
</tr>
<tr>
<td>3. Cumulative Customer Bonus (CCB)</td>
<td>(See CCB Chart page 4)</td>
<td>Yearly</td>
<td>NA</td>
</tr>
<tr>
<td>4. Personal Bonus</td>
<td>3 to 30%</td>
<td>Monthly</td>
<td>NA</td>
</tr>
<tr>
<td>5. Customer Bonus</td>
<td>3 to 30% (In addition to 15% Retail Sales Commission)</td>
<td>Monthly</td>
<td>NA</td>
</tr>
<tr>
<td>6. Differential Bonus</td>
<td>3 to 30%</td>
<td>Monthly</td>
<td>Yes</td>
</tr>
<tr>
<td>7. Product Scholarship Program</td>
<td>$60</td>
<td>Monthly</td>
<td>Yes</td>
</tr>
<tr>
<td>8. Scholarship Development Bonus</td>
<td>$250 - $750</td>
<td>Monthly</td>
<td>Yes</td>
</tr>
<tr>
<td>9. Momentum Bonus</td>
<td>$50 - $3,600</td>
<td>Monthly</td>
<td>Yes</td>
</tr>
<tr>
<td>10. Fun in the Sun Cruise</td>
<td>Varies</td>
<td>Yearly</td>
<td>Yes</td>
</tr>
<tr>
<td>11. Balanced Business Bonus (BBB)</td>
<td>(See BBB Chart page 12)</td>
<td>Monthly</td>
<td>Yes</td>
</tr>
</tbody>
</table>

NA = Non applicable, since it’s already a direct customer sale.

*See page 9
There are no Life Member purchase, monthly purchase, or autoship requirements for participation in any part of this compensation plan.

Now, let’s consider some examples to help you better understand the different ways of earning bonuses.

1. **Retail Sales Commission**
   For this example, let’s say you merchandise a $120 (100 PV) product to a customer, and you do so by helping him or her register for free as a customer on our website.

   Your Retail Sales Commission income from this sale would be calculated as follows:

   \[ 100 \text{ PV} \times 15\% = 15 \text{ (since Registered Customer retail sales pay a 15\% commission)} \]

2. **Customer Pool Bonus (CPB)**
   The CPB is earned each quarter, so in this example let’s say you met the minimum Registered Customer sales total of 600 PV in the 1st quarter (January - March). As a result, you qualified for at least the minimum payout of $50. (But it could be more based upon your overall sales and the overall sales of the company.)

3. **Cumulative Customer Bonus (CCB)**
   For the current year, January through December, let’s say your Registered Customer sales totaled 15,000 PV.

   Your Cumulative Customer Bonus would be (see the chart on page 4): $1,500

4. **Personal Bonus**
   You purchase $180 (150 PV) in merchandise for personal use, sales demonstrations, and inventory for future direct sales to customers. Let’s say your total PV for the month, which is the sum of Personal Volume, Customer Volume, and Group Volume, is 1,000 PV, which places you at the 12\% level on the Bonus Chart (see Bonus Chart to the left).

   Your Personal Bonus income from the 150 PV that you purchased would be calculated as follows:

   \[ 150 \text{ PV} \times 12\% = 18 \]

5. **Customer Bonus**
   Remember the $120 (and 100 PV) sale you made to a Registered Customer that we talked about in the Retail Sales Commission example (#1 to the left)? Well, in addition to earning the Retail Sales Commission, you also earn a Customer Bonus on that sale. This is calculated by multiplying the Registered Customer PV by your Bonus Chart bonus percentage, which in this example is 12\% because your total PV is 1,000 (sticking with the level we used as an example in #4 above, see Bonus Chart to the left).

   \[ 100 \text{ PV} \times 12\% = 12.00 \]
   (So effectively, given just the Retail Sales Commission and Customer Bonus, you made $27 ($12 plus the $15 from #1) on this sale).

6. **Differential Bonus**
   The Differential Bonus is the money you earn based on the difference between your total PV Bonus Chart percentage and your downline Sales Team (or Teams) total PV Bonus Chart percentage.

   **Example #1 You have one downline Sales Team.**
   Let’s say your total PV is 1,500 and therefore 15\% on the Bonus Chart.
   
   Let’s also say that you have one downline Sales Team whose total PV is 1,000 and therefore 12\% on the Bonus Chart.

   Your Differential Bonus would be:

   \[ 15\% - 12\% = 3\% \times 1,000 \text{ PV} = 30 \]

---

**BONUS CALCULATION EXAMPLES**

<table>
<thead>
<tr>
<th>PV</th>
<th>Bonus %</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,000</td>
<td>30%</td>
</tr>
<tr>
<td>6,000</td>
<td>26%</td>
</tr>
<tr>
<td>4,000</td>
<td>22%</td>
</tr>
<tr>
<td>2,500</td>
<td>18%</td>
</tr>
<tr>
<td>1,500</td>
<td>15%</td>
</tr>
<tr>
<td>1,000</td>
<td>12%</td>
</tr>
<tr>
<td>600</td>
<td>9%</td>
</tr>
<tr>
<td>300</td>
<td>6%</td>
</tr>
<tr>
<td>150</td>
<td>3%</td>
</tr>
</tbody>
</table>
Example #2

You have multiple downline Sales Teams.

Let’s say your total PV is 6,000 and therefore 26% on the Bonus Chart.

And that your 1st downline Sales Team has a total PV of 4,000, which is 22% on the Bonus Chart.

And that your 2nd downline Sales Team has a total PV of 1,500, which is 15% on the Bonus Chart.

And your 3rd downline Sales Team has a total PV of 350, which is 6% on the Bonus Chart.

Your Differential Bonus would be:

\[ 26\% - 22\% = 4\% \times 4,000 = \$160 \]
\[ 26\% - 15\% = 11\% \times 1,500 = \$165 \]
\[ 26\% - 6\% = 20\% \times 350 = \$70 \]
\[ \$160 + \$165 + \$70 = \$395 \]

9. Momentum Bonus

A Member qualifies for a Momentum Bonus by achieving the Rank of Leader and above, and can increase that bonus by doing so in consecutive months.

In this example, you qualified as a Leader in April and maintained that qualification through December. The month of December would be the 8th consecutive month of Leader qualification.

Your Momentum Bonus earned in the month of December would be $400 (See the chart on page 10).

10. Earning the Fun in the Sun Cruise

Qualifications:

The Fun in the Sun Cruise is awarded to Members who meet one of the following qualifications:

- First time qualifiers - Achieves the Rank of Leader in July and continues to qualify as a Leader in August, September, October, November, and December, which is 6 consecutive months to close out the calendar year.

- Repeat qualifiers - Achieves the Rank of Leader or above for 12 months out of 12 months of the calendar year (January - December).

7. Product Scholarship Program

You qualify for a product scholarship by generating sales in multiple Sales Teams. Let’s say you are a new Member and you are a Student 1,000 with 2 Sales Teams greater than 300PV. (This combination meets the minimum required for this bonus). Your Product Scholarship is $60.

8. Scholarship Development Bonus

Earning a Scholarship Development Bonus is based on assisting Sales Team Members in qualifying for a Product Scholarship themselves, as you did in #7.

In this example let’s say you are a Sr. Performer, which is a Student 6,000 with at least 1,500 outside PV. You have helped a total of 6 Sales Team Members qualify for a Product Scholarship with 3 in one Sales Team and an additional 3 outside of that Sales Team.

As a result, your Scholarship Development Bonus is $750 (See the chart on page 5).
11. Balanced Business Bonus (BBB)

You qualify for a Balanced Business Bonus (BBB) when you are at least a Leader who has at least one Leader Sales Team producing 8,000 PV.

In the example below, you are a Sr. Coordinator, who is eligible for a 3 x 3 BBB, which is 3 Leader Sales Teams that each have 3 8K Leader Sales Teams. You have the following:

- Sales Team #1 - 3 Leaders each with 8K
- Sales Team #2 - 2 Leaders with 8K and 1 Leader with 4K
- Sales Team #3 - 2 Leaders with 8K

The Maximum BBB a Sr. Coordinator can earn is $12,600 for having developed 3 Teams that each have 3 Leader Sales Teams producing 8,000 PV each. See the BBB Chart on Page 11. But in the example above, you are slightly below this maximum because Sales Team 2 has a Leader with only 4,000 PV on the side, and Sales Team 3 only has two 8,000 PV Leaders. Your BBB is therefore calculated as follows:

- Sales Team #1:
  - 1st Leader Sales Team = $1,300
  - 2nd Leader Sales Team = $1,400
  - 3rd Leader Sales Team = $1,500
- Sales Team #2:
  - 1st Leader Sales Team = $1,300
  - 2nd Leader Sales Team = $1,400
  - 3rd Leader Sales Team = 4,000PV / 8,000PV x $1,500 = $750
- Sales Team #3:
  - 1st Leader Sales Team = $1,300
  - 2nd Leader Sales Team = $1,400

Total: $10,350
Thank you for taking the time to review this in-depth look at Life’s Income Disclosure Statement (IDS). The Life IDS is updated each year with the most recent year’s Member performance. This year’s IDS is based on Member performance from November 2017 through October 2018.

It might be helpful to first explain that individuals join Life for a variety of reasons. However, there are basically only two ways to participate with Life: as a Customer or as a Member. Customers simply register for one or more of Life’s monthly subscriptions, enjoy the material, and are free to shop for products at their leisure. That’s it. If a Customer refers three other Customers who sign up for an equivalent value subscription, the original Customer’s subscription is free! We call this our 3-for-Free Program (see page 4). Those are the basics of being a Customer.

Members, on the other hand, join Life with the intention of building a business and earning income, and represent a broad spectrum of entrepreneurs. Some join with the goal of earning a little extra spending money, while others join with a very aggressive action plan and high aspirations. Members are also free to take advantage of the 3-for-Free Program, but the focus of a Member is on making sales, building a business, and earning an income.

One of the most attractive aspects of joining Life as a Member is the low start-up cost of $21.95. For Members who choose the auto-renewal plan for their business, the membership fee is only $16.95 per year after that ($20.95 otherwise). Life offers its Members a way to start their own business at an extremely reasonable cost without having to invest thousands of dollars into capital or inventory. Instead of having to buy and store merchandise to support customer orders, Life Members simply sell the products and subscriptions and Life handles the fulfillment, delivery, guarantees, and financial tracking.

Of course, as with any business, Life Members may incur various operational expenses such as those for their phone, computer, travel, etc. However, Life attempts to ensure the businesses of its Members are professionally operated at a fraction of the cost of more traditional businesses. After all, in order for the business to prosper and grow, so must the businesses of our Members. Therefore, in addition to the low start-up cost and no requirement for inventory, Life offers a complete online business management system, corporate-managed email blasts, and a variety of full-color, high-quality, low-cost brochures, pamphlets, and other sales aids that include the most recent and popular product information. And avoiding the costs of set-up charges, minimum orders, pre-loaded inventory, red tape, and so on, saves Life Members not only money, but also time that can be used to make sales.

It’s important to also point out that all of Life’s products and training materials are backed by a no-questions-asked, 30-day, 100% money-back guarantee.

This business isn’t for everyone. Just like joining a new fitness club or enrolling in college, it requires a commitment, and individual results are a direct reflection of the Member’s effort. Consider too that just like college freshmen, many newcomers only last a handful of weeks before quitting, yet their short stay is included in the calculation of the retention rates for the entire year. In fact, according to an article published by the New York Times in January of 2013, “Almost half of the students who begin college at a two- or four-year institution fail to earn a degree within six years.” With that in mind, we believe we are doing quite well with our retention rate.

The majority of our Members are ranked as “Students” and, as the term would imply, are still considered to be at some level of learning. The number following the Rank in the chart to follow distinguishes a Point Value (PV) level associated with the title of Student, Leader, etc. (see Bonus Chart on page 4) The first six months of any new Membership are considered to be a “Trainee” level, so you can easily distinguish newer Members on the following chart.
To give all new Members a chance to develop a customer base, Life does not require new Members to meet any customer sales requirements in their enrollment month plus their first two full months. For full months 3, 4, 5 and 6; the Customer Sales requirement is $100 and those sales can come from any combination of Self-Reported or Registered Customer sales. Starting with the seventh month after enrollment, at least $50 must come from Registered Customers. We consider this easily achieved.

A close look at the IDS Chart on the following page reveals a “flip” of the percentages moving from the Non-Qualified column to the Qualified Members column.* This is where the differences among Members can really be seen. Almost every Student level Member Ranks in the Non-Qualified Members column, which demonstrates that these people are very new or are not necessarily involved with Life to earn commissions. Those with the beginner Rank of Student don’t begin to enter the Qualified Member list until they hit about the 1,500 PV level or higher. In other words, the Members who are genuinely trying to build a business and earn income are the ones listed in the Qualified Members column; these are the entrepreneurs who are committed and are making sales.

The IDS Chart on the following page reveals that the largest area of turnover in Life rests in the Student Ranks. This is the group of Members who are trying out the business and deciding if it’s a good fit for them. Since most new Life Members make this decision within the first year, the greatest turnover is naturally seen in the beginner Ranks.

We strongly urge anyone wishing to gain a full understanding of the data in this report to study the Life Compensation Plan. We are pleased to present one of the industry’s most competitive plans. And the IDS will be a lot more fun to study and will make much more sense to those who have previously familiarized themselves with the Compensation Plan in the previous pages.

*A “Qualified” Member is one who has met the monthly customer sales requirements.
The income statistics above are for all U.S. Life Members for the period November 2017 through October 2018. A "Customer Qualified Member" is defined as a Member who has met the minimum monthly customer sales requirements and is therefore eligible to earn commissions. Non-Qualified Members are Members who have completed their 6 month training, but have not met the minimum sales requirements. During the first 6 months there is a progressive sales requirement process that allows the Member time to build up their customer sales with the 7 full month in business being the first month in which the full sales requirements are in place. The average monthly income for all Members (Trainee, Non-Customer Qualified, Qualified) was $22.50. The average monthly income for Customer Qualified Members is $207.59.

59.39% of Members do not continue with Life after their first year. From November 2017 - October 2018, 63.99% of all Members received no income at all. Note that these figures do not represent a Member's profit, as they do not consider operational or promotional business expenses incurred by the Member. The figures above refer to gross income (total income before expenses). The expenses a Member incurs in operating a Life business may vary widely. Expenses for Members can be several thousand dollars annually. You should factor in estimated expenses when projecting potential profits. Such operating expenses could include advertising and promotional expenses, product samples, training, travel, telephone, internet and miscellaneous expenses. The incomes displayed on this document do include the cash value of Life's incentive trip programs.

The table above shows the percentage of Customer Qualified Members who received compensation for 1 to 12 months during the period of November 2017 - October 2018. The earnings of the Customer Qualified Members in this chart are not necessarily representative of the income, if any, that a Customer Qualified Life Member can or will earn through his or her participation in the Life Member Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Any representation or guarantee of earnings would be misleading. Success with Life results only from successful sales efforts, which require hard work, diligence, and leadership. Your success will depend upon how effectively you exercise these qualities.

*Profit Sharing from Life Training is available to Leaders and above and is not reflected in any of the numbers on this chart.