

A man in a green jacket is crouching on a beach at sunset. The background shows the ocean and a sunset sky with warm colors. The man is looking out towards the sea.

LIFEWAVE®

LIFEWAVE COMPENSATION PLAN

COMMISSIONS AND BONUSES

PRODUCT INTRODUCTION BONUSES | BINARY COMMISSIONS | MATCHING BONUSES

PRODUCT INTRODUCTION BONUSES (PIB)

Each time you personally introduce a new Brand Partner to our products through an enrollment kit you begin earning money. The amount paid out for the various enrollment packages is outlined below:

| PREMIUM | ADVANCED | CORE |
|---------|----------|------|
| \$405 | \$75 | \$35 |

Product Introduction Bonuses (PIB) are also paid when a personally enrolled Brand Partner purchases an upgrade kit, for the purpose of increasing their inventory levels as they build their business. The bonus paid is the difference in price between the two packages.

STARTER UPGRADES

| CHANGE IN RANK | BONUS |
|---------------------|-------|
| STARTER TO CORE | \$35 |
| STARTER TO ADVANCED | \$75 |
| STARTER TO PREMIUM | \$405 |

CORE UPGRADES

| CHANGE IN RANK | BONUS |
|------------------|-------|
| CORE TO ADVANCED | \$40 |
| CORE TO PREMIUM | \$370 |

ADVANCED UPGRADES

| CHANGE IN RANK | BONUS |
|---------------------|-------|
| ADVANCED TO PREMIUM | \$330 |

ENROLLMENT PRICING*

| KIT DESCRIPTION | PRICE | VOLUMES | PIB |
|-----------------------------|------------|---------|-----------------|
| Enrollment Premium | \$1,750.00 | 745** | \$405.00 |
| Upgrade Starter to Premium | \$1,725.00 | 745** | \$405.00 |
| Upgrade Core to Premium | \$1,455.00 | 565** | \$370.00 |
| Upgrade Advanced to Premium | \$1,215.00 | 445** | \$330.00 |
| Enrollment Advanced | \$535.00 | 300 | \$75.00 |
| Upgrade Starter to Advanced | \$510.00 | 300 | \$75.00 |
| Upgrade Core to Advanced | \$240.00 | 120 | \$40.00 |
| Enrollment Core | \$295.00 | 180 | \$35.00 |
| Upgrade Starter to Core | \$270.00 | 180 | \$35.00 |
| Enrollment Starter | \$25.00 | 0 | \$0.00 |

*The prices do not include taxes or shipping.

**Only a portion of the volume listed applies to the month of purchase. Two additional months of 110 PV each is awarded with these kits so the volume less 220 PV is what is applied in the month of purchase.

BINARY COMMISSIONS

Binary Commissions are a powerful way to build residual income. The core of LifeWave's compensation plan is centered around building a team within a binary model. This means, your earnings are based on a team structure with a maximum of two positions directly under each account, one on the left and on the right (see diagram).



When you enroll new Brand Partners, you simply place them on your left or right side. If the positions immediately beneath you are taken, you place them under the first available position on your left or right. Each Brand Partner may choose to apply a placement strategy that works best for them. Your sponsor can provide advice on placement.

Once you become binary qualified, your binary commissions are based not only on member enrollments and purchases under your position, but on Customer purchases as well - no matter how far below your position they are. Each purchase by a Brand Partner and their personally enrolled customers is given a point value which is categorized as that Brand Partner's Personal Volume, or PV. The PV associated with each Brand Partner purchase flows upline through the network as Business Volume, or BV.



Binary Qualified is defined by the following criteria:

- Be active (minimum of 55 PV every 31 days) in the qualification period
- Have at least one personally sponsored Active Brand Partner* on each leg
- Member must have at least 660 BV on the power (strong) leg and 330 BV on the profit (weak) leg. Correct volume cycle ratio must be present. (Your power leg is the one with the most volume, which could possibly change from week to week)

That's it! Every time a Brand Partner meets these three simple qualifications in a commission week, you earn a binary commission worth \$50.00!

Your maximum weekly cycle bonus payout is limited by your earned weekly paid-as rank regardless of meeting the binary qualifications and cycle ratio. Please refer to the weekly maximum paid-as rank payout table on the next page for specifics. Additionally, volumes that could have qualified you for a cycle bonus (correct ratio of volume in power and profit legs), but exceeds the allowable payout amount per week (based on paid-as rank maximums), will be consumed weekly at a 2:1 ratio for all paid-as Managers and above (paid-as Managers are excluded for the first 52 weeks following their enrollment).

Active status is defined by one of the three following criteria:

- Place an order with a minimum of 55 PV in a rolling 31-day period
- Have a monthly subscription order containing product with a minimum of 55 PV
- Each time you personally sell product with a minimum of 55 PV to retail or preferred customers through your replicated LifeWave website in a rolling 31-day period

And as long as you maintain your active status, your uncycled and unconsumed volume will continue to accrue as banked volume. However, any volume that is older than 52 weeks will be consumed weekly on a rolling basis. Older volume will cycle first.

**A Brand Partner with a minimum 55 PV in a rolling 31 day period.*

Carry-over Volume Rule

Any uncyclable (due to missing the cycle ratio on power and profit legs) volume will be stored as carryover volume.

Cyclable Volume Rule

Excess cyclable (meets cycle ratio) volume from both power & profit legs will be consumed each week based on weekly maximum paid-as rank payouts (see chart above) at a 2:1 ratio for paid-as Managers and above. Paid-as Managers will be excluded from the cyclable volume rule for the first 52 weeks from enrollment date.

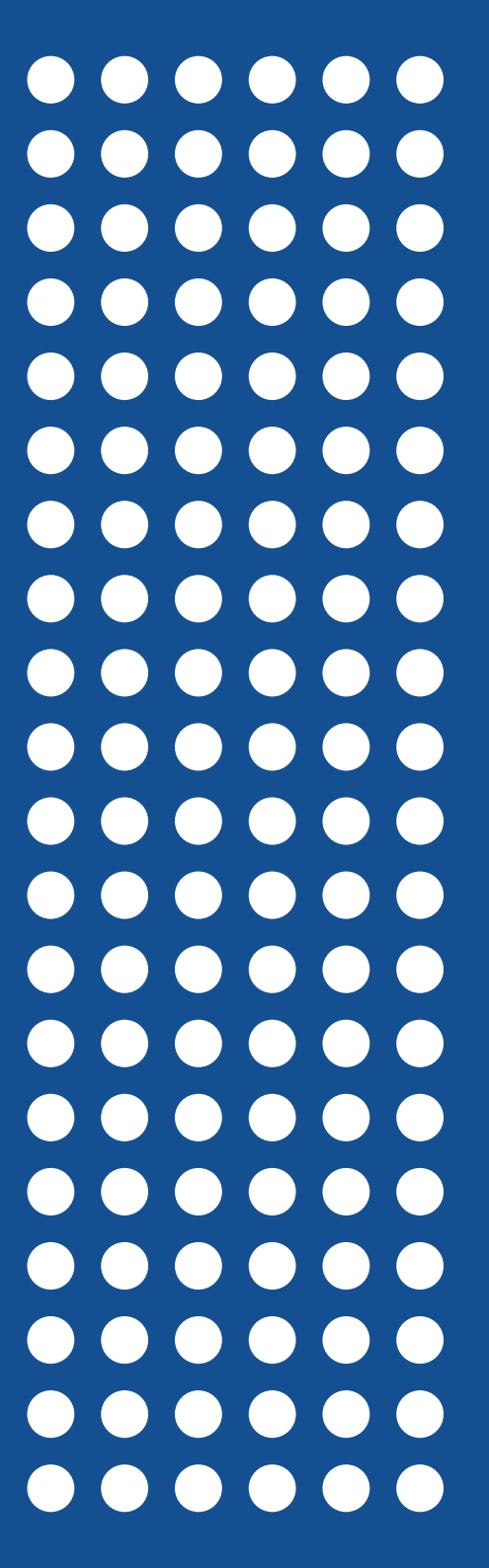
For example, if I am the paid-as rank of Director, the max I can cycle each week is 50 times or \$2,500. If I have 19,800 in my profit leg and 39,600 in my power leg, I would have earned 60 cycles or \$3,000 without weekly maximum paid-as rank payouts. As a paid-as Director, the maximum I can earn a week is \$2,500; \$500 in cycles is above the allowable amount. All volume associated with cycling (19,800 profit and 39,600 power) will be consumed at the end of the week and I will receive up to \$2,500 in commissions. The \$500 in ineligible commissions will be forfeit. All cyclable volume will have been paid out and/or consumed.

Volume Maturity Rule

Any uncycled volume (due to unbalanced cycle ratio) that isn't consumed due to the cyclable volume rule will be stored as carryover volume and can be utilized on the next commissions cycle (when the cycle ratio is correct and it doesn't exceed the weekly maximum paid-as rank payout amount). Older volume is cycled and paid before newer volume. Volume that is more than 52 weeks old and has not yet been cycled or consumed will automatically be removed on a weekly and rolling basis. If a distributor goes inactive, their volume will be automatically consumed.

Weekly Maximum Paid-As Rank Payout

| Enrollment Title/Paid-As Rank | Maximum Commission |
|--------------------------------|--------------------|
| Binary Qualified Brand Partner | \$100 |
| Manager | \$1,500 |
| Director | \$2,500 |
| Sr. Director | \$3,500 |
| Executive Director | \$7,500 |
| Presidential Director | \$12,500 |
| Sr. Presidential Director | \$25,000 |



MATCHING BONUSES*

Matching Bonuses are another way to create residual income and are based on the organization that you build. You can earn matching bonuses based on Binary Commissions earned by the people you personally enroll, by the people they personally enroll, and the people they personally enroll.

| SPONSORSHIP LEVEL | BONUS |
|--|-------|
| LEVEL 1 BRAND PARTNERS YOU ENROLL (1st Generation) | 25% |
| LEVEL 2 BRAND PARTNERS ENROLLED BY YOUR 1ST GENERATION (Your 2nd Generation) | 20% |
| LEVEL 3 BRAND PARTNERS ENROLLED BY YOUR 2ND GENERATION (Your 3rd Generation) | 20% |

Matching Bonus Requirements

| | |
|---------------------------------|--|
| 1ST LEVEL MATCHING BONUS | <ul style="list-style-type: none"> • Must be active with a minimum of 110 PV within 31-day period • Must be paid-as Manager Rank or above |
| 2ND LEVEL MATCHING BONUS | <ul style="list-style-type: none"> • Must be active with a minimum of 110 PV within 31-day period • Must be paid-as Manager Rank or above • Have a minimum of 6 cycles in the paid commission week |
| 3RD LEVEL MATCHING BONUS | <ul style="list-style-type: none"> • Be active with a minimum of 110 PV within 31-day period • Be paid-as Manager Rank or above • Have three personally sponsored Active Brand Partners** on each Leg • One Brand Partner on each leg must qualify for 2nd Level Matching Bonus • Have a minimum of 10 cycles in the paid commission week |

*Matching Bonuses are calculated based on Binary Commission only, and not on any other bonus.

**A Brand Partner with a minimum 55 PV in a rolling 31 day period.

Payout Cap

LifeWave's Compensation Plan offers a generous 60 percent payout cap. This means that in each commission week, the total of Binary Commissions and Matching Bonuses is capped at a dollar amount equal to 60 percent of the total BV for that commission week. The Cap applies to Binary Commissions and Matching Bonuses only and does not apply to any other bonuses paid. (ex: PIB's, promotional payouts and Retail profits)

Note: The first 4 Binary Commissions each week are exempt from the payout cap.

