Glossary

Active: A Brand Partner is considered Active when they accumulate at least 55 Personal Volume (PV) during a rolling 31-day period (i.e., final commission weekday [Sunday] plus prior 30 days). Personal Volume includes Qualifying Volume (QV) from personal purchases as well as personally enrolled Customers.

Binary Balancing: Binary Balancing is the minimum volume from your enrollment organization required on both the left and right sides of your binary organization.

Binary Bonus: A bonus available to Brand Partners who are paid as 3-Star Managers or higher in a commission week and accumulate a minimum of 300 Bonus Volume (BV) in their Binary Pay Leg. This bonus pays a percentage, based on the Paid Rank of the Brand Partner in the commission week, on all the volume within the Binary Pay Leg up to the maximum bonus earnings allowed at each rank per week.

Binary Pay Leg: The Leg within the Binary Tree with less volume. This Leg can change from week to week.

Binary Power Leg: The Leg within the Binary Tree with more volume. This Leg can change from week to week.

Binary Tree: A team structure of each Brand Partner with a maximum of two positions directly under each account, one on the left and on the right.

Bonus Volume (BV): The amount of volume associated with product sales that is used as the basis for calculating compensation (bonuses). This figure is considered in global currency for plan calculations.

Brand Partner: An individual who has signed a Brand Partner Agreement, purchased a Starter kit or Product Pack and any subsequent business renewals as required, and is in good standing with the company.

Breakthrough Incentive: An earnings opportunity available to Brand Partners as they advance their Career Title in the Success Pathway. These incentives are broken into two payment amounts. The first payment is awarded when a Brand Partner achieves the Career Title (the first week they are paid as the applicable rank). The second payment is awarded when the Brand Partner achieves four additional weeks paid as that rank or higher if this is accomplished within 52 weeks of achieving the Career Title for the first time.

Business Launch Bonus: A bonus opportunity available to new Brand Partners during the first nine (9) weeks of business (join week plus eight (8) full commission weeks). The Brand Partner earns a bonus each week they are paid as a 1-Star Manager or higher. A qualified sponsoring Brand Partner will earn a matching bonus if eligible.

Career Title: The highest Paid Rank a Brand Partner has achieved in at least one (1) commission week during their entire business tenure with LifeWave.

Customers: Persons who are not Brand Partners and who purchased online or through a Brand Partner's replicated website. They may include Retail, Preferred, or Preferred Plus Customers.

Customer Premium: An earnings opportunity available to Brand Partners with personally enrolled purchasing Customers. A Brand Partner with a minimum of 300 Customer Qualifying Volume in a rolling 31-day period is eligible to earn a Customer Premium in the commission week.

Customer Qualifying Volume: The summation of Qualifying Volume from products sold to personally enrolled (sponsored) Customers of a Brand Partner. For purposes of the Customer Premium, the amount of Customer Qualifying Volume in a rolling 31-day period determines the premium percentage earnings rate, while the amount of weekly Customer Qualifying Volume is used as the earnings base to apply that percentage.

Downline Organization: All Brand Partners and Customers who are below an individual in their Lines of Sponsorship (Enrollment Tree).

Eligibility Quarter: For the Quarterly Leadership Pool, leaders must qualify to participate in the pool based on their Paid Rank performance in the prior quarter. The number of required Paid Rank qualification weeks differ for new Career Titled 1-Star Presidential leaders versus existing Career Titled 1-Star Presidential leaders.

Generation: All Brand Partners within an organization down to the next Brand Partner at or above a given rank. For purposes of the Mentor Matching Bonus, it is 1-Star Director. Once a Brand Partner reaches or surpasses a certain rank, that breaks a new Generation level (ex. Generation 1, Generation 2, etc.).

Level Earning Bonus: A bonus available to any Active Brand Partner in a commission week. It pays a percentage, based on the Paid Rank of the Brand Partner in the commission week, on Brand Partner's Bonus Volume up to three levels in depth within the Lines of Sponsorship.

Leg: A Brand Partner's first personally sponsored Brand Partner, along with all the Brand Partners and Customers enrolled by that Brand Partner or their team.

Lines of Sponsorship/ Enrollment Tree: The genealogy of Brand Partners and their Downline Organizations as it relates to enrollment. An enrolling Brand Partner can have an unlimited number of Brand Partners on their first level (i.e., personally sponsored); there is no restriction as found in the Binary Tree.

Maximum Volume Rule (MVR): There is a maximum amount of downline volume that can be applied to any rank qualification level from any single Line of Sponsorship (ie., Enrollment Tree Leg). The Maximum Volume Rule allows up to 50% of the required Qualified Downline Volume at any given rank to come from any one Line of Sponsorship (i.e., Enrollment Tree Leg) or Personal Volume. As an example, the 1-Star Director rank requires 5,000 in Qualified Downline Volume, the Maximum Volume Rule (MVR) allows up to 2,500 to come from any Line of Sponsorship or Personal Volume.

Mentor Matching Bonus: A bonus available to Brand Partners paid as 1-Star Directors and higher in a commission week. This bonus matches a percentage of the Binary and Level Earning Bonuses of Generations of 1-Star Directors in depth.

Outside Largest Legs Volume: The combined QV from a Brand Partner's own PV and the Total Downline Volume from all Enrollment Tree Legs, excluding the largest Legs used for Volume Leg requirements (based on the highest amount of Total Downline Volume). For most ranks, the required Volume Legs are 2 (OL2L), but for the 3-Star Presidential rank requiring 3 Volume legs (OL3L), the Outside Largest Legs Volume would be excluding the Total Downline Volume of those 3 Volume Legs.

Paid Rank: Refers to the rank at which a Brand Partner qualifies for a weekly commission period. This determines what bonuses a Brand Partner is eligible to receive and how they will earn the bonus in that given weekly period.

Pay Quarter: For the Quarterly Leadership Pool, leaders earn shares based on performance in the Pay Quarter. The leader's eligibility to participate in earning shares in the Pay Quarter is determined by the Paid Rank performance during the Eligibility Quarter.

Personal Purchase Maximum: A rule applying to the amount of Qualifying Volume that may be used to meet the Personal Volume requirements for Paid Rank qualification and achieving a new Career and/or Recognition Title. A maximum of 110 Qualifying Volume from a Brand Partner's personal purchases can be used to meet the Personal Volume requirement for rank and title. Any amount required over 110 must be obtained from personally enrolled Customers.

Personal Volume (PV): The combined Qualifying Volume (QV) from sales to one's Customers and a Brand Partner's own purchases during a rolling 31-day period. A maximum of 110 QV from personal purchase may be used to meet the Personal Volume requirement. The remaining QV will be required from personally enrolled Customers to reach the PV requirement.

Preferred Customer (PC): Any LifeWave Customer that has an active subscription order for product. This Customer receives wholesale pricing as well as loyalty samples throughout their first year of membership.

Preferred Customer Plus(PC+): Any LifeWave Customer that has an active subscription order for product and has opted in to the Preferred Plus program by paying the subscription fee annually. This Customer receives wholesale pricing and a more robust sample program than a PC every year they remain active in the Preferred Customer Plus program.

Primary Bonuses: These are the main earning opportunities of the LifeWave Compensation Plan, which are available to Brand Partners each week. The four Primary Bonuses are Product Introduction Bonuses (PIB), Level Earning Bonuses, Binary Bonuses, and Mentor Matching Bonuses.

Product Introduction Bonus (PIB): This bonus is awarded to a Brand Partner each time they personally enroll a new Brand Partner into the business. The enrolling Brand Partner must be Active the week the PIB is generated (i.e., have a minimum 55 PV in a rolling 31-day period) to be eligible for the bonus. The bonus amount is determined by the Enrollment Pack purchased by the enrolling Brand Partner.

Qualified Downline Volume (QDV): The combined Qualifying Volume (QV) from all the purchases made by a Brand Partner, sales made to their personally sponsored Customers, and the Brand Partners and their Customers within the Lines of Sponsorship (i.e., entire Enrollment Tree Downline) during a rolling 31-day period (i.e., final commission weekday [Sunday] plus prior 30 calendar days). Qualified Downline Volume considers the Maximum Volume Rule (MVR) for calculation at each rank.

Qualifying Volume (QV): The amount of volume associated with product purchases, which is used for determining Paid Rank. This volume amount is currency neutral and is the same for all Customer types and Brand Partner purchases. This is also the base used for calculating the earnings amount of the Customer Premium.

Quarterly Leadership Pool: An earnings opportunity available to the highest levels of leadership at LifeWave. This bonus award is shared with qualified leaders based on their performance and is paid once a quarter.

Recognition Title: The highest Paid Rank a Brand Partner earned in at least one commission week in their entire business tenure with LifeWave. For Brand Partners enrolled prior to Compensation Plan, a mapped Recognition Title was assigned to their account based on the Career Title held in the previous plan.

Retail Profit: The amount awarded to a Brand Partner for sales to their personally sponsored Customers. The Retail Profit amount awarded depends on the Customer type (i.e., Retail or Preferred Customer) and the products sold.

Total Downline Volume: The combined Qualifying Volume (QV) from all the purchases made by a Brand Partner, sales to their personally sponsored Customers, and the Brand Partners and their Customers within the Lines of Sponsorship (i.e., entire Enrollment Tree Downline) during a rolling 31-day period (i.e., final commission weekday [Sunday] plus prior 30 calendar days). Total Downline Volume does not consider the Maximum Volume Rule in its calculation.

Volume Leg: The count of Enrollment Tree Legs that meet or exceed the required Total Downline Volume amount. For example, a 1-Star Director rank qualification requires two Lines of Sponsorship (i.e., Enrollment Tree Legs) with a minimum of 1,000 Total Downline Volume in each.