

COMPENSATION PLAN INTRODUCTION

We have 8 ways that you can earn at LifeVantage:

- _ 01 RETAIL SALES
- _ 02 SMART START BONUS
- _ 03 LAUNCH BONUS
- _ 04 ROYALTY COMMISSIONS
- _ 05 GENERATIONAL MATCHING BONUS
- _ 06 ELITE BONUS POOL
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- _ 08 BUSINESS CENTERS

_ 01 RETAIL SALES

The most obvious way to earn money through LifeVantage is by selling LifeVantage's scientifically researched products.

Products can be sold either directly from your personal inventory or by sending customers to your online retail site.

When selling products from your personal inventory, you earn the difference between the price you paid and the price your customer pays.



$$\begin{array}{rcccl} \$50 & - & \$40 & = & \$10 \\ \text{Retail Price} & & \text{Wholesale Price} & & \text{Your Profit} \end{array}$$

— 02 SMART START BONUS (paid weekly)

One of the first ways to earn a commission is by taking advantage of our **SMART START BONUS**. There are a few different ways to qualify for the **SMART START BONUS**.

LifeVantage will pay you a commission for products sold to your personally-enrolled Preferred Customers. **A Preferred Customer is defined as someone who purchases our products through a monthly autoship.** You will receive a **40% SMART START BONUS** on any product purchased by a Preferred Customer within their first calendar month.

You can also earn the **SMART START BONUS** by selling product packs (to Preferred Customers and/or new Distributors). We have three different pack options to choose from:

1. **SILVER PACK**
2. **GOLD PACK**
3. **PLATINUM PACK**

In order to qualify for the **40% SMART START BONUS** you must maintain a Personal Volume (PV) of 200. If your Personal Volume is between 100 and 199 you will receive a **30% BONUS**.

200 PV=

40%
bonus

100-199 PV=

30%
bonus

*Note: *Personal Volume is derived from your personal product purchases (which must total at least 40 PV), as well as purchases made by your personally-enrolled Retail and Preferred Customers.*

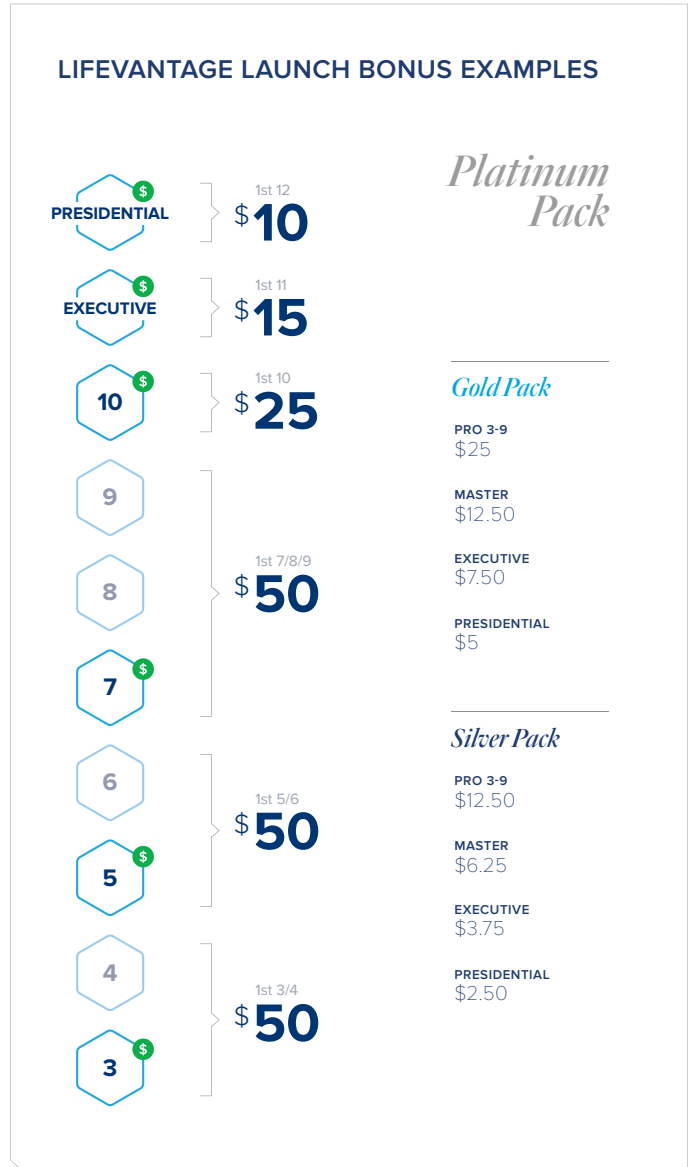
**The Smart Start Bonus will be paid on up to 1,000 Commissionable Volume purchased by a new Preferred Customer or Distributor within their first calendar month. Any additional volume purchased will fall into the dynamically compressed Unilevel Royalty Commission program.*

03 LAUNCH BONUS (paid weekly)

LifeVantage wants to reward you for more than just the Customers and Distributors you personally enroll, so we have created the “LAUNCH BONUS” to reward you for Customers and Distributors enrolled by others in your organization. As with the **SMART START BONUS**, you must maintain a Personal Volume of 200 to qualify for the **LAUNCH BONUS**.*

The **LAUNCH BONUS** works as a “trickle up” bonus, paying the first “qualified paid as” Distributor of each of the following ranks as it moves up the enrollment tree.

- **PRO 3 & 4 LAUNCH BONUS** – If you are a Distributor being “paid as” a **PRO 3** or **PRO 4** you can earn up to **\$50** for each new pack purchased in your personal organization. This bonus will pay out to the first “qualified paid as” **PRO 3** or **PRO 4** when looking upline.
- **PRO 5 & PRO 6 LAUNCH BONUS** – If you are a Distributor being “paid as” **PRO 5** or **PRO 6** you can earn up to **\$50** for each new pack purchased in your personal organization. This bonus will pay out to the first “qualified paid as” **PRO 5** or **PRO 6** when looking upline.
- **PRO 7, PRO 8, & PRO 9 LAUNCH BONUS** – If you are a Distributor being “paid as” **PRO 7**, **PRO 8**, or **PRO 9** you can earn up to **\$50** for each new pack purchased in your personal organization. This bonus will pay out to the first “qualified paid as” **PRO 7**, **PRO 8** or **PRO 9** when looking upline.
- **PRO 10 LAUNCH BONUS** – If you are a Distributor being “paid as” **PRO 10** you can earn up to **\$25** for each new pack purchased in your personal organization. This bonus will pay out to the first “qualified paid as” **PRO 10** when looking upline.
- **EXECUTIVE MASTER LAUNCH BONUS**
If you are a Distributor being “paid as” **EXECUTIVE MASTER** you can earn up to **\$15** for each new pack purchased in your personal organization. This bonus will pay out to the first “qualified paid as” **EXECUTIVE MASTER PRO 10** when looking upline.
- **PRESIDENTIAL MASTER LAUNCH BONUS** – If you are a Distributor being “paid as” **PRESIDENTIAL MASTER** you can earn up to **\$10** for each new pack purchased in your personal organization. This bonus will pay out to the first “qualified paid as” **PRESIDENTIAL MASTER PRO 10** when looking upline.



If you personally enroll a Preferred Customer or Distributor who purchases a Silver, Gold or Platinum Product Pack you may be eligible to receive both the Smart Start Bonus and the Launch Bonus.

You are eligible to participate in the Launch Bonus so long as your current “paid rank” is no more than two ranks below your “lifetime” or “pin rank”.

*“Paid Rank” and being “paid as” is defined by the most recently completed and closed monthly commission period. You must be PRO 3 or higher to be eligible to earn this bonus and have 200 PV, which may come from selling product to Preferred Customers or Retail Customers of which at least 40 PV must come from personal product purchases.

04 ROYALTY COMMISSIONS (paid monthly)

The **ROYALTY COMMISSION** is your long-term, residual income opportunity. Simply put, these are commissions earned from recurring product sales within your organization.

LifeVantage pays up to 43% on each product purchase within your organization.

Your rank dictates how many levels down you can earn commission. As a **PRO 1**, you earn commissions from your first two levels. As a **PRO 2**, you earn commissions from your first four levels. As a **PRO 3**, your first five levels, and so on.

See table at the bottom of this page

But wait! There is something that really sets LifeVantage apart from the rest. It's called dynamic compression. To understand dynamic compression, you need to know that every product order tries to pay 9 levels of commission up the placement tree. So the easiest way to see dynamic compression is to start with a purchase. Looking at the tree on the right, we are going to assume each of these distributors have qualifying volume. The rank of each distributor is listed.

Let's say that Sara places an order and as you move up the tree you can see how the commissions dynamically compress past distributors that do not qualify for that level of pay out.

Pro 10	You	Receives level 9 payout of 2%
Pro 3	Phyllis	Isn't a Pro 7 so doesn't qualify for level 9 payout
Pro 7	Steve	Receives level 8 payout of 5%
Pro 5	Joe	Isn't a Pro 6 so doesn't qualify for level 8 payout
Pro 5	Bob	Isn't a Pro 6 so doesn't qualify for level 8 payout
Pro 5	Mark	Receives level 7 payout of 5%
Pro 4	David	Isn't a Pro 5 so doesn't qualify for level 7 payout
Pro 4	Larry	Receives level 6 payout of 5%
Pro 4	Moses	Receives level 5 payout of 5%
Pro 2	Fred	Isn't a Pro 3 so doesn't qualify for level 5 payout
Pro 2	Michelle	Isn't a Pro 3 so doesn't qualify for level 5 payout
Pro 2	Mary	Receives level 4 payout of 5%
Pro 2	Jose	Receives level 3 payout of 9%
Pro 1	Maria	Isn't a Pro 2 so doesn't qualify for level 3 payout
Pro 1	Yuko	Isn't a Pro 2 so doesn't qualify for level 3 payout
Pro 1	Jeff	Receives level 2 payout of 5%
Pro 1	Niko	Receives level 1 payout of 2%
Sara places an order		From this order pay all 9 levels going up

As product sales increase within your organization you will advance in rank and therefore qualify to earn on additional levels.

See table below

Royalty Commission (dynamically compressed)				PREMIER			ELITE			MASTER		
PAID AS RANK	PRO 1	PRO 2	PRO 3	PRO 4	PRO 5	PRO 6	PRO 7	PRO 8	PRO 9	PRO 10	EXECUTIVE	PRESIDENTIAL
Minimum Monthly PV ⁽⁴⁾	100	100	100	200	200	200	200	200	200	200	200	200
Minimum Monthly OV	1,000	2,500	5,000	10,000	20,000	50,000	100,000	200,000	500,000	1,000,000	2,000,000	5,000,000
Minimum Leg Req.	1	2	2	2	3	3	3	3	3	3	4	5
Max/min % per Leg	100	80/20	80/20	80/20	60/30/10 ⁽⁵⁾	60/30/10 ⁽⁵⁾	60/30/10 ⁽⁵⁾	60/30/10 ⁽⁵⁾	60/30/10 ⁽⁵⁾	40/40/20	40/40/10/10	40/35/10/10/5
UNILEVEL ↓	1st	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
	2nd	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
	3rd		9%	9%	9%	9%	9%	9%	9%	9%	9%	9%
	4th		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
	5th			5%	5%	5%	5%	5%	5%	5%	5%	5%
	6th				5%	5%	5%	5%	5%	5%	5%	5%
	7th					5%	5%	5%	5%	5%	5%	5%
	8th						5%	5%	5%	5%	5%	5%
	9th							2%	2%	2%	2%	2%

The Personal Volume required may be derived from purchases from your Preferred Customers, spot orders to Retail Customers, and/or personal orders of product purchases, as long as you have personally purchased at least 40 PV during the calendar month.

***All Master Ranks must maintain the Rank for 3 consecutive months to be recognized**

Definition of terms:

CV: Commissionable Volume. A value amount assigned to each product. Amounts can be found in your back office.

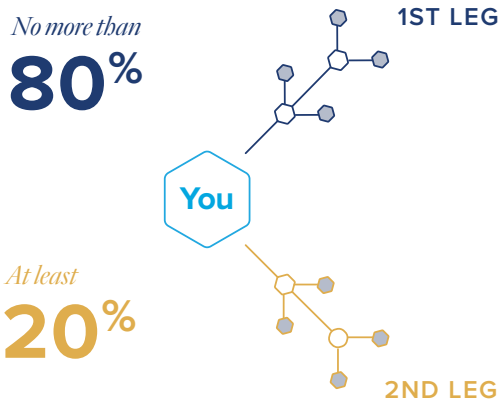
PV: Personal Volume. The combined CV value of all product personally consumed or sold by a Distributor and/or their Preferred Customers.

OV: Organizational Volume. The combined CV value of all product consumed or sold by a Distributor's entire downline organization, which includes their own PV.

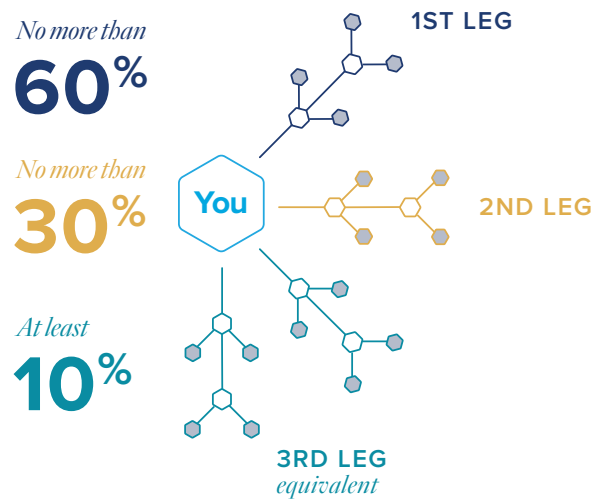
Leg: The organizational volume derived from distributors who are placed in your downline. Distributors can be placed directly by you or placed there by an upline Distributor.

% per leg: The minimum requirement to meet and hold a rank. It is the amount of product volume per leg that is counted toward meeting the OV requirement of any given rank. For example, an Elite Pro 7 whose OV requirement is 100,000 may count 60% of the OV requirement from a single leg. They may count up to 30% of the OV requirement from a second leg, and at least 10% must come from a third-leg or third leg equivalent (a combination of multiple legs). If a distributor has only three legs, they must have at least 10% and no more than 60% of the OV requirement in each leg.

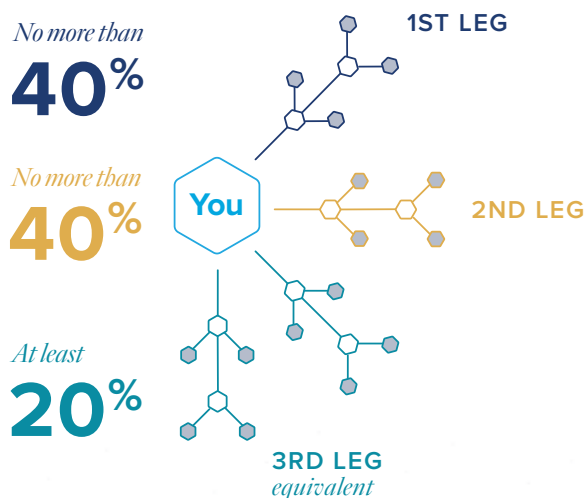
PRO 2-4



PRO 5-9



PRO 10



05 GENERATIONAL MATCHING BONUS (paid monthly)

Not only do you earn your own Royalty Commissions, but once you achieve the rank of **PRO 3**, you also earn a 10% match of your personally-enrolled Distributors' Royalty Commissions.

But that is not all. You also earn a 5% match of your 2nd, 3rd, 4th, and 5th generation's Royalty Commissions.

GENERATIONS:

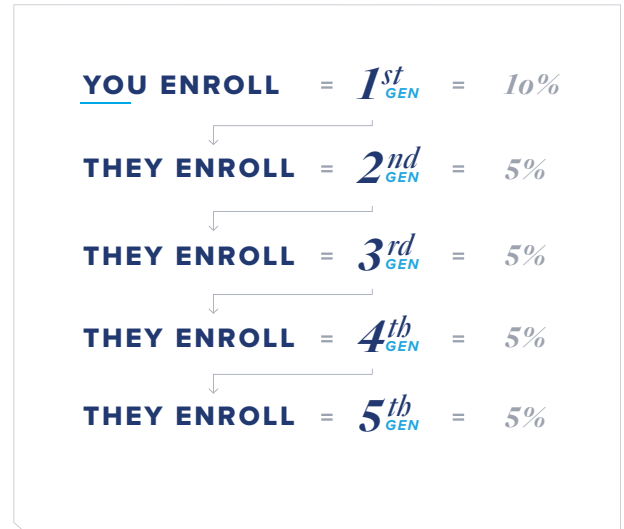
1st generation: any personally enrolled Distributors (downline)

2nd generation: any personally enrolled Distributors (downline) that are enrolled by your 1st generation Distributors

3rd generation: any personally enrolled Distributors (downline) that are enrolled by your 2nd generation Distributors

4th generation: any personally enrolled Distributors (downline) that are enrolled by your 3rd generation Distributors

5th generation: any personally enrolled Distributors (downline) that are enrolled by your 4th generation Distributors



To earn a full Generational Match bonus you must be "paid as" **PRO 3** or higher and:

1. Maintain a monthly minimum of 200 PV, which may come from selling product to Preferred Customers, Retail Customers of which at least 40 PV must come from personal product purchases. If your PV is between 100-199 which may come from Preferred Customers, Retail Customers AND at least 40 PV in personal purchases you will earn half of the Matching Bonus. You must also create 100 in new volume* within your organization during the calendar month.
2. At "Paid As" **PRO 7** or higher the new volume requirement is waived.

**New volume refers to volume generated by a new Distributors, Preferred Customer, or Retail Customer.*

The Generational Matching Bonus is paid monthly and does not compress.

PRO3

- **200 PV Monthly**
40 PV from personal product purchases
- **100 OV - New**
Cannot come from new monthly subscriptions

PRO7+

- **200 PV Monthly**
40 PV from personal product purchases

_06 ELITE BONUS POOL (paid monthly)

All Distributors who maintain their qualified Elite-level rank are eligible to be paid from the **ELITE BONUS POOL** on a monthly basis.

LifeVantage takes 4% of all total global commissionable sales and places it in the **ELITE BONUS POOL**. This is then paid out to our qualified Elite-level Distributors within our organization, worldwide.

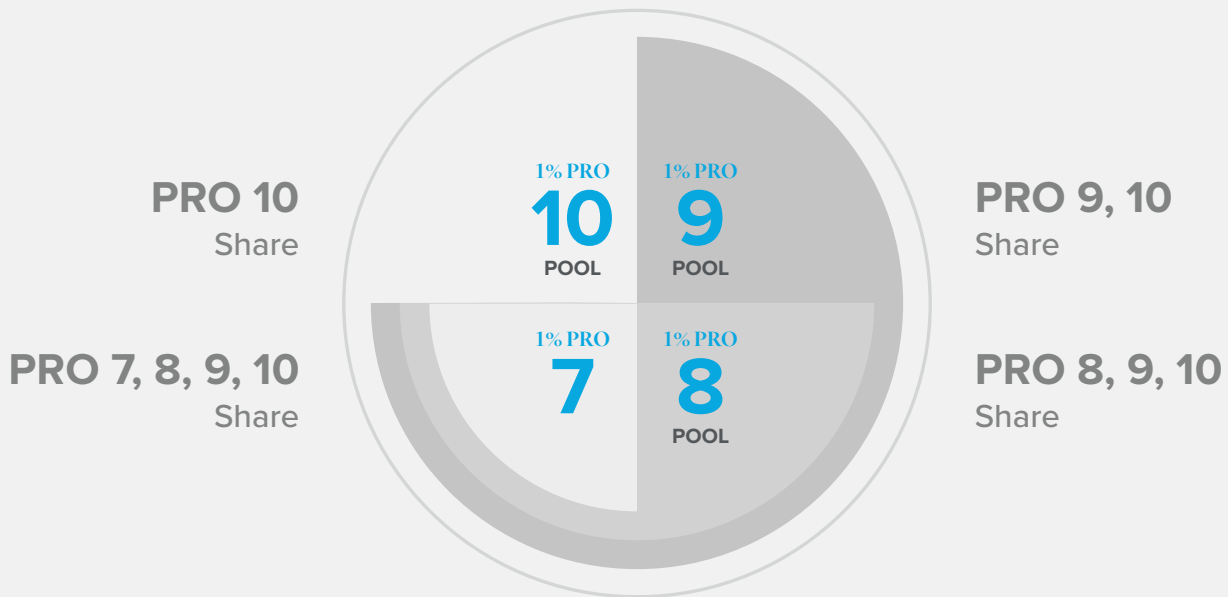
- When you are “paid as” the rank of **ELITE PRO 7** you are qualified to earn one share of the 1% **PRO 7 Pool**.

- When you are “paid as” the rank of **ELITE PRO 8** you are qualified to earn one share of the **PRO 7 POOL** and one share of the **PRO 8 POOL**.

- When you are “paid as” the rank of **ELITE PRO 9** you are qualified to earn one share of the **PRO 7 POOL**, one share of the **PRO 8 POOL**, and one share of the **PRO 9 POOL**.

- When you are “paid as” the rank of **MASTER PRO 10, EXECUTIVE PRO 10 or PRESIDENTIAL PRO 10** you are qualified to earn one share of each of the **PRO 7 POOL, PRO 8 POOL, PRO 9 POOL, and PRO 10 POOL**.

MONTHLY
ELITE BONUS POOL



07 ACHIEVEMENT BONUS

Once you have achieved the sales and group volume necessary to reach the ranks of **MASTER PRO 10**, **EXECUTIVE MASTER PRO 10**, and **PRESIDENTIAL MASTER PRO 10** you become eligible to receive a one-time rank achievement bonus.

MASTER PRO 10 – \$100,000*

EXECUTIVE MASTER PRO 10 – \$250,000**

PRESIDENTIAL MASTER PRO 10 – \$500,000**

MASTER

Achievement Bonus

\$ **100,000**

12 months _____

EXECUTIVE

Achievement Bonus

\$ **250,000**

24 months _____



PRESIDENTIAL

Achievement Bonus

\$ **500,000**

24 months _____

**Paid over 12 months – Must stay actively engaged and in good standing and be recognized on stage at a major event.*

***Paid over 24 months – Must stay actively engaged and in good standing and be recognized on stage at a major event.*

Must remain a qualified “paid as” Master PRO 10, Executive Master PRO 10 or Presidential Master PRO 10. If the Distributor is not a qualified “paid as” Master PRO 10, Executive Master PRO 10 or Presidential Master PRO 10, no payment is made in the month the Distributor is not qualified.

Business Centers 2, 3, and 4 are not eligible for the Achievement Bonus.

08 BUSINESS CENTERS

Once you have achieved the sales and group organizational volume to reach the **PREMIER PRO 5** ranking, you are eligible to apply for an additional **BUSINESS CENTER**. You may want to think of a Business Center as essentially allowing you to become a Distributor under yourself. This then allows you to build an additional leg for your organization that provides you commissions on two levels (yourself and your new **BUSINESS CENTER**).

You can also apply for a for a third **BUSINESS CENTER** once you have achieved the sales and group organizational volume to reach the **ELITE PRO 7** ranking, and the fourth **BUSINESS CENTER** once you have achieved the sales and group volume to reach **MASTER PRO 10**.



The placement of your 2nd Business Center will need to be directly under your 1st Business Center. The placement of your 3rd and 4th Business Centers may be directly under either your 1st or 2nd Business Center.

Business Center Benefits:

- Business Centers are eligible for Royalty Commissions and Elite Pool Commissions.
- Build an additional leg for your business.
- Business Centers are eligible for Rank Advancements when meeting organizational volume requirements.

- Distributors personally enrolled by Business Center 1 and placed under Business Center 2, 3 or 4 will count towards the leg requirement for the advancement of Business Center 1 ONLY when trying to achieve the rank of Executive Master PRO 10 or Presidential Master Pro 10.
- Business Centers 2-4 are not eligible for the Generational Matching Bonus, Smart Start Bonus, or the Launch Bonus.

Note: The earnings of Distributors are not necessarily representative of any income a Distributor can or will earn through the LifeVantage Compensation Plan. A Distributor's success will depend on individual diligence, work effort and market conditions. LifeVantage does not guarantee any income or rank success.