

# Distributor Compensation

## Summary

### Company Overview

Founded in 2003, LifeVantage Corporation is dedicated to creating happier, healthier lives through scientifically validated products and rewarding entrepreneurship. We pursue visionary science and create proven solutions that revolutionize anti-aging, skincare, and energy at the cellular level. Our products are available for purchase by Independent Distributors, Preferred Customers, and Retail Customers located in the United States, Japan, Hong Kong, Australia, Canada, Philippines, Mexico, and Thailand.

### Our Products

Driven by better health and fueled by research, LifeVantage identifies, develops, and distributes scientifically validated products. These include: Protandim®, the Nrf2 Synergizer® patented dietary supplement, the TrueScience™ Anti-Aging Skin Care Regimen, Canine Health, the AXIO™ energy product line and the PhysIQ™ smart weight management system.

### Distributors

LifeVantage markets its products through a network of independent contractors called Distributors. For purposes of this summary, an “Active Distributor” is a Distributor who executed a LifeVantage Independent Distributor Application and placed an order for products or promotional materials during the most recent three-month period. LifeVantage reported approximately 65,000 active Distributors for the Quarter ended June 30, 2015.

### Compensation

The LifeVantage compensation plan enables Distributors to earn compensation early and often as they sell our products to their customers. Some elements of our compensation plan are paid weekly, allowing new

Distributors to quickly receive compensation. We believe more frequent payments of earned compensation help retain new Distributors by allowing them to experience success soon after becoming new distributors. We also offer a variety of incentive programs to our Distributors for achieving specified sales goals. Additionally, we offer various training resources to help our Distributors become more effective. We believe our compensation plan, incentive programs, and training resources help to motivate and prepare our Distributors for success.

### Independent Distributor Motivation & Training

In addition to our compensation plan, we have established a broad array of programs and tools to support, motivate and train our Distributors, including:

- LifeVantage proprietary mobile applications;
- Professionally-designed training materials Distributors can utilize in their sales efforts;
- A wide variety of incentive programs and promotions; and
- Local, national and worldwide company-sponsored events.

LifeVantage and our Distributors conduct thousands of events to educate and motivate our Distributors each year.

### Commissions

A Distributor can earn commissions based on the sale of products in his or her network to Customers and to sponsored Distributors in all countries where LifeVantage does business. A Distributor can also earn money from retail sales of product. LifeVantage also sells promotional materials that do not generate commissions for Distributors.

## All Distributors

The following table shows the average commissions earned during the period September 1, 2014 through August 31, 2015 by Distributors at various ranks in the LifeVantage Compensation Plan, including the average percentage of total Distributors and the average earned commissions at each level. During the period, Distributors earned approximately \$88,308,204 in commissions and sales compensation globally. There were approximately 97,000 total Distributors during the period, with approximately 59,000 Distributors paid in the same period.

Note that these figures do not represent a Distributor's profit, as they do not consider expenses incurred by a Distributor in the promotion of his/her business and do not include retail markup income.

## September 1, 2014 through August 31, 2015

Paid Rank	Total Annual Earnings	Monthly Average	Monthly Minimum	Monthly Maximum	Average % of Paid Distributors as a % of Total Distributors
<b>DISTRIBUTOR</b>	\$3,548,934	\$16	\$0	\$6,387	32.71%
<b>PRO 1</b>	\$5,905,671	\$92	\$0	\$2,723	13.49%
<b>PRO 2</b>	\$12,693,409	\$248	\$0	\$10,643	8.46%
<b>PRO 3</b>	\$8,081,380	\$501	\$2	\$10,608	2.81%
<b>PREMIER PRO 4</b>	\$10,266,150	\$1,030	\$10	\$15,601	1.54%
<b>PREMIER PRO 5</b>	\$10,068,033	\$2,101	\$16	\$15,807	0.70%
<b>PREMIER PRO 6</b>	\$11,543,872	\$5,238	\$834	\$24,629	0.28%
<b>ELITE PRO 7</b>	\$6,713,121	\$10,646	\$3,961	\$72,927	0.09%
<b>ELITE PRO 8</b>	\$7,739,355	\$23,058	\$11,505	\$109,967	0.04%
<b>ELITE PRO 9</b>	\$5,813,512	\$35,852	\$22,055	\$64,124	0.02%
<b>MASTER PRO 10</b>	\$5,934,767	\$82,331	\$53,189	\$124,920	0.01%

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

This Summary is intended to provide truthful comprehensive information regarding the income earned by LifeVantage Distributors. A copy of this Summary must be presented to prospective Distributors any time Distributor compensation is presented or discussed, or any type of income claim or earnings representation is made, including one-on-one meetings. Earnings representations include: (1) statements of average Distributor earnings, (2) statements of non-average Distributor earnings, (3) statements of Distributor earnings ranges, (4) Distributor income testimonials, (5) Distributor lifestyle claims, and (6) hypothetical claims.

Copies of this Summary may be printed or downloaded from the LifeVantage website, [www.LifeVantage.com](http://www.LifeVantage.com).