Compensation Plan Introduction

We have 7 ways that you can earn at LifeVantage:

1. **SMART START BONUS**
2. **LAUNCH BONUS**
3. **UNILEVEL COMMISSIONS**
4. **GENERATIONAL MATCHING BONUS**
5. **ELITE BONUS POOL**
6. **RANK ACHIEVEMENT BONUS**
7. **BUSINESS CENTERS**

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**01 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 Customers. A Customer is defined as someone who purchases our products through a monthly subscription. You will receive a **40% SMART START BONUS** on any product purchased by a Customer within their first calendar month.

You can also earn the **SMART START BONUS** by selling product packs (to 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**.

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 Customers.

*The Smart Start Bonus will be paid on up to 1,000 Commissionable Volume purchased by a new Customer or Distributor within their first calendar month. Any additional volume purchased will fall into the dynamically compressed Unilevel Unilevel Commission program.
**02 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” 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 & 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.

*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 Customers or Retail Customers of which at least 40 PV must come from personal product purchases.
The UNILEVEL 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.

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

See table below

<table>
<thead>
<tr>
<th>UNILEVEL COMMISSION (dynamically compressed)</th>
<th>PREMIER</th>
<th>ELITE</th>
<th>MASTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAID AS RANK</td>
<td>Dist.</td>
<td>Pro 1</td>
<td>Pro 2</td>
</tr>
<tr>
<td>Minimum Monthly PV</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Minimum Monthly OV</td>
<td>1,000</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>Minimum Leg Req.</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Max/Min% per Leg</td>
<td>100</td>
<td>100</td>
<td>80/20</td>
</tr>
</tbody>
</table>

The Personal Volume required may be derived from purchases from your 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 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.
04 GENERATIONAL MATCHING BONUS (paid monthly)

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

But that is not all. You also earn a 5% match of your 2nd, 3rd, 4th, and 5th generation’s Unilevel 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 either:
1. Be “paid as” PRO 3 or higher, maintain a monthly minimum of 200 PV* and generate 100 in new volume**
2. Be “paid as” PRO 7 or higher and maintain a monthly minimum of 200 PV* (40 of which must come from personal product purchases).

* If your Monthly PV is between 100-199, you will be eligible to earn half of the Matching Bonus. The monthly Personal Volume minimum may come from selling product to customers, however 40 PV must come from personal purchases.

** New volume refers to volume generated by new personally enrolled Customers or Distributors.

The Generational Matching Bonus is paid monthly and does not compress.
__ 05 ELITE BONUS POOL (paid monthly) __

All Distributors who maintain their qualified Elite 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 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.
06 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**

*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.
07 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 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 Unilevel 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.