



LIFE

MEMBER COMPENSATION PLAN

November 1, 2011 - United States



TL0249



LIFE is a direct selling company that provides a compensation plan to its Members that allows them to earn income based on the sales of LIFE products to both customers and also products that are sold through a community of other Members that you register (downline). Members do not have to make a purchase in order to earn a bonus.

MEMBER COMMISSION BONUS

Member Commission Bonuses are earned monthly based on subscription and product sales volumes that are tracked using a point system. Each LIFE product has a retail price and a point value that is referred to in this document as PV. Subscription products carry a retail price to PV ratio of 1:1. For example, a LIFE monthly subscription contains 4 CDs and a book has a retail price of \$50 and 50 PV. Non subscription products carry a ratio that ranges from \$1:1PV to \$1:25PV. The PV associated with each product is clearly displayed prior to purchase.

The accumulation of PV each month is used to calculate the Member's Commission Bonus that ranges from 5% to 50%.

CUSTOMER REQUIREMENTS

In order to receive a Member Commission Bonus, a Member is required to establish subscription customers that generate a total of 50 points each month. Customers are non-Members who purchase products. A subscription customer is a customer that subscribes and pays for at least one of the three LIFE monthly subscription products during the commission period.

It is understood that in developing any business it takes time to develop customers. Therefore, a new Member has 6 months to attain the 50 point subscription customer requirement. During the time allowed to develop customers, a Member can earn commission bonuses based on downline Member PV.

The 6 month target starts on the 1st of the month following the Member registration date. The customer requirements must be met each month and are based on successful subscription transactions and not registered subscribers.

Bonus Chart	
PV	Bonus %
15,000	50%
10,000	45%
6,000	40%
4,000	35%
2,500	30%
1,500	25%
1,000	20%
600	15%
300	10%
150	5%

STUDENT 150 – STUDENT 15,000

As a Member is learning to develop a LIFE business and starts to climb the bonus chart they are referred to as a Student. For example, a Member who in a particular month had personal and downline sales that totaled 1,000 PV would be given the achievement designation of: **Student 1,000**. A Member at 2,750 PV would be a **Student 2,500**. This is simply a way to identify the level of business success a Member has had during their progression up the bonus chart.

CALCULATING YOUR MEMBER COMMISSION BONUS

1. Personal Volume Calculation:

PV generated through subscriptions and product sales multiplied by your commission bonus percentage.

2. Differential Volume Calculation:

The PV of each personally enrolled Downline Member Team multiplied by the difference between your commission bonus percentage and each personally enrolled Downline Member Team's commission bonus percentage.

The following examples explain the Commission Bonus Calculations once the Customer Requirements have been fulfilled.

Example #1

1. Total PV – 150, Commission Bonus Percentage – 5%
2. Personal Volume Calculation
 - a. Personal Volume – 150 PV
 - b. Calculation – $150 \text{ PV} \times 5\% = \mathbf{\$7.50}$

150 PV

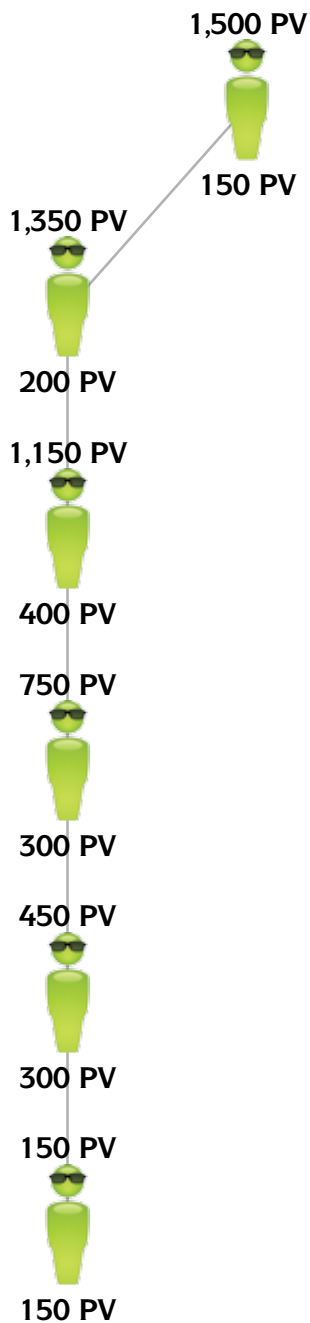


150 PV



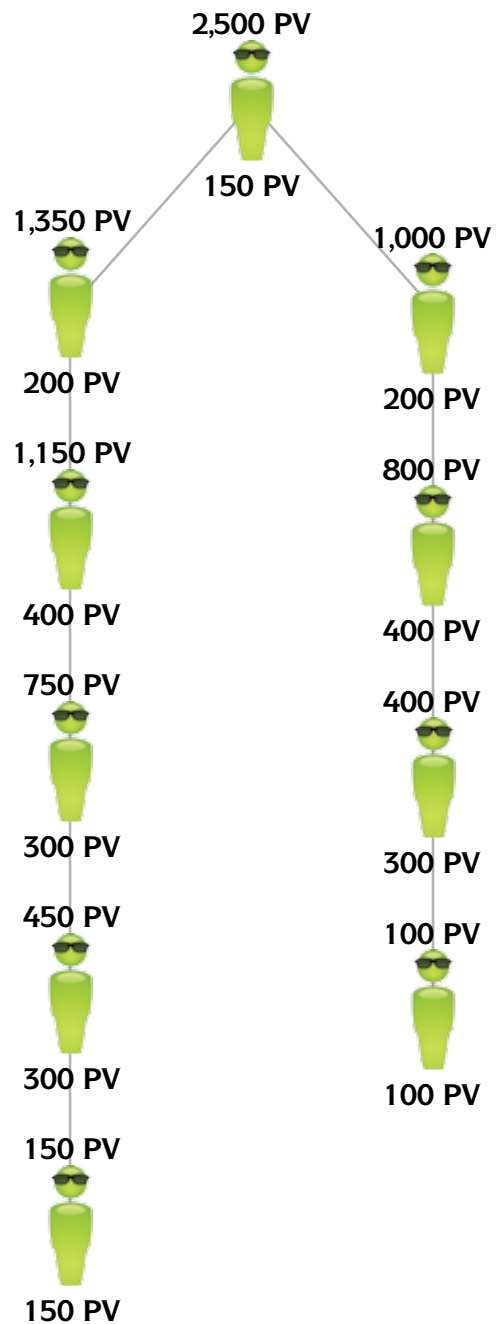
Example #2

1. Total PV – 1,500, Commission Bonus Percentage – 25%
2. Personal Volume Calculation
 - a. Personal Volume – 150 PV
 - b. Calculation – $150 \text{ PV} \times 25\% = \mathbf{\$37.50}$
3. Differential Volume Calculation
 - a. Downline Member Team PV – 1,350, Commission Bonus Percentage - 20%
 - b. Calculation $1,350 \text{ PV} \times (25\% - 20\%) = \mathbf{\$67.50}$
4. Total Member Commission Bonus Calculation
 - a. $\mathbf{\$37.50 + \$67.50 = \$105.00}$



Example #3

1. Total PV – 2,500, Commission Bonus Percentage – 30%
2. Personal Volume Calculation
 - a. Personal Volume – 150 PV
 - b. Calculation – $150 \text{ PV} \times 30\% = \mathbf{\$45.00}$
3. Differential Volume Calculation
 - a. Downline Member **Team #1** PV – 1,350, Commission Bonus Percentage - 20%
 - b. Calculation $1,350 \text{ PV} \times (30\% - 20\%) = \mathbf{\$135.00}$
 - c. Downline Member **Team #2** PV – 1,000, Commission Bonus Percentage - 20%
 - d. Calculation $1,000 \text{ PV} \times (30\% - 20\%) = \mathbf{\$100.00}$
4. Total Member Commission Bonus Calculation
 - a. $\mathbf{\$45.00 + \$135.00 + \$100.00 = \$280.00}$



LEADER DEVELOPMENT COMMISSION BONUSES

Once a Member has generated 15,000 PV or 50% on the bonus chart in a single month, they have achieved the first level of leadership within the LIFE business and become a Leader. This is a very important achievement and now the Leader can turn their attention to developing other downline Members into Leaders. As a Leader develops additional Leaders in multiple Teams they earn Leader Development Commission Bonuses.

In order to qualify for the Leader Development Commission Bonuses you must create Leaders (Members with 15,000 PV in sales) within multiple Teams.

Within the leadership ranks there are many different performance levels based on the number of Teams developed and the sales generated within each of those Teams.

LEADER

There are two ways in which you can qualify as a Leader.

- 1) Through customer and Member sales, accumulate 15,000 PV.
- 2) Have a Team generating 15,000 PV and carry 6,000 PV in additional volume.
- 3) Within the Leader Rank there are additional ranks that signify the number of months within the fiscal year, (January 1 – December 31), that the Member has hit the Leader level.
 - a. Leader – 1
 - b. Leader – 3
 - c. Leader – 6
 - d. Leader – 12

COORDINATOR

There is one way to qualify as a Coordinator.

- 1) Have 2 Teams generating 15,000 PV and carry 4,000 PV in additional volume.
- 2) Within the Coordinator Rank there are additional ranks that signify the number of months within the fiscal year that the Member has hit the Coordinator level.
 - a. Coordinator – 1
 - b. Coordinator – 3
 - c. Coordinator – 6
 - d. Coordinator – 12

SENIOR COORDINATOR

There is one way to qualify as a Senior Coordinator.

- 1) Have 3 Teams generating 15,000 PV and carry 2,500 PV in additional volume.
- 2) Within the Senior Coordinator Rank there are additional ranks that signify the number of months within the fiscal year that the Member has hit the Senior Coordinator level.
 - a. Senior Coordinator – 1
 - b. Senior Coordinator – 3
 - c. Senior Coordinator – 6
 - d. Senior Coordinator – 12

LIFE COACH

There is one way to qualify as a Life Coach.

- 1) Have 6 Teams generating 15,000 PV and carry 600 PV in additional volume.
- 2) Within the Life Coach Rank there are additional ranks that signify the number of months within the fiscal year that the Member has hit the Life Coach level.
 - a. Life Coach – 1
 - b. Life Coach – 3
 - c. Life Coach – 6
 - d. Life Coach – 12
- 3) A Life Coach will receive an achievement lapel pin with an interchangeable center signifying ranks within the rank.

EXECUTIVE, DOUBLE, TRIPLE AND CROWN LIFE COACH

Additional Life Coach Achievements.

- 1) Executive Life Coach – 9 Teams generating 15,000 PV
- 2) Double Life Coach – 12 Teams generating 15,000 PV
- 3) Triple Life Coach – 15 Teams generating 15,000 PV
- 4) Crown Life Coach – 20 Teams generating 15,000 PV
- 5) The additional ranks of 1, 3, 6 and 12 months are applicable for each of the Life Coach ranks.

MONTHLY LEADER DEVELOPMENT COMMISSION BONUS CALCULATIONS

The following examples explain the Commission Bonus Calculations once the Customer Requirements have been fulfilled.

1. LEADER BONUS

A Member who has developed a Team that generates a minimum of 15,000 PV with 6,000 PV outside of that Team is eligible for an 8% Leader Bonus. The calculation of this bonus is a “bottom up” bonus calculation that begins with the first Member that has 15,000 PV. The 8% of 15,000 at a minimum is always passed upline for their Leader Bonus.

Example #1:

Team #1 has 15,000 PV and Outside Volume is 6,000 PV

Calculation of Leader Bonus: 8% x total volume 21,000 PV	=	\$1,680
Less 8% of 15,000 PV	=	<u>1,200</u>
Leader Bonus		\$480

Example #2:

Team #1 has 20,000 PV and Outside Volume is 10,000 PV

Calculation of Leader Bonus: 8% x total volume 30,000 PV	=	\$2,400
Less 8% of 20,000 PV	=	<u>1,600</u>
Leader Bonus		\$800

Once the Member has 15,000 PV outside of the Team with a minimum of 15,000 PV then the commission passed up is the lesser of the 8% outside and the 8% of the Team with greater than 15,000 PV.

Example #3:

Team #1 has 20,000 PV and Outside Volume is 17,000 PV

Calculation of Leader Bonus: 8% x Team #1 20,000 PV	=	\$1,600
8% of outside 17,000 PV	=	<u>1,360</u>
Leader Bonus		\$1,600

Member A has a qualified Leader in depth.

Example #4:

Member A's Team #1 has 22,000 PV with Member B with 15,000 PV in Team #1 and 7,000 PV outside.
Member A has 16,000 PV outside of Team #1

Calculation of Leader Bonus: 8% of Member B's 15,000 is passed to Member A	=	\$1,200
Member B's Leadership Bonus is 8% of 7,000 PV	=	\$560
Member A receives 8% of 16,000 PV		\$1,280

Member A receives the 1,280 because it is greater than the amount passed to Member A from Member B. The 1,200 from Member B is then passed from Member A to his upline.

As a Member develops additional Teams that hit the 15,000 PV level, the outside PV volume requirements are gradually reduced.

- 2 Teams – 4,000 PV
- 3 Teams – 2,500 PV
- 4 Teams – 1,500 PV
- 5 Teams – 1,000 PV
- 6 Teams – 600 PV
- 7 Teams – 300 PV
- 8 Teams – 150 PV
- 9 and greater – N/A

Example #5:

Member A's Team #1 20,000 PV, Team #2 15,000 PV, 4,000 PV outside

Calculation of Leader Bonus: Member A receives 8% of Team #1 = \$1,600
Member A receives 8% of 4,000 PV = 320
Leader Bonus \$1,920

8% of 15,000 PV is passed up to Member A's upline.

2. LEADER DEPTH BONUS

In addition to qualifying for additional bonuses when you develop additional Teams that hit 15,000 PV in product volume, you are also rewarded with a **Leader Depth Bonus** as you develop additional qualified **Leaders** in depth within each of those teams.

Qualifications

1. Member must be a **Senior Coordinator**.
2. Member has to have at least one depth Leader under their first Leader in at least one of their 3 Teams.

A Member's Leader Depth Bonus increases as they increase the number of Teams they have at the 15,000 PV level.

Leader Depth Bonus Percentages

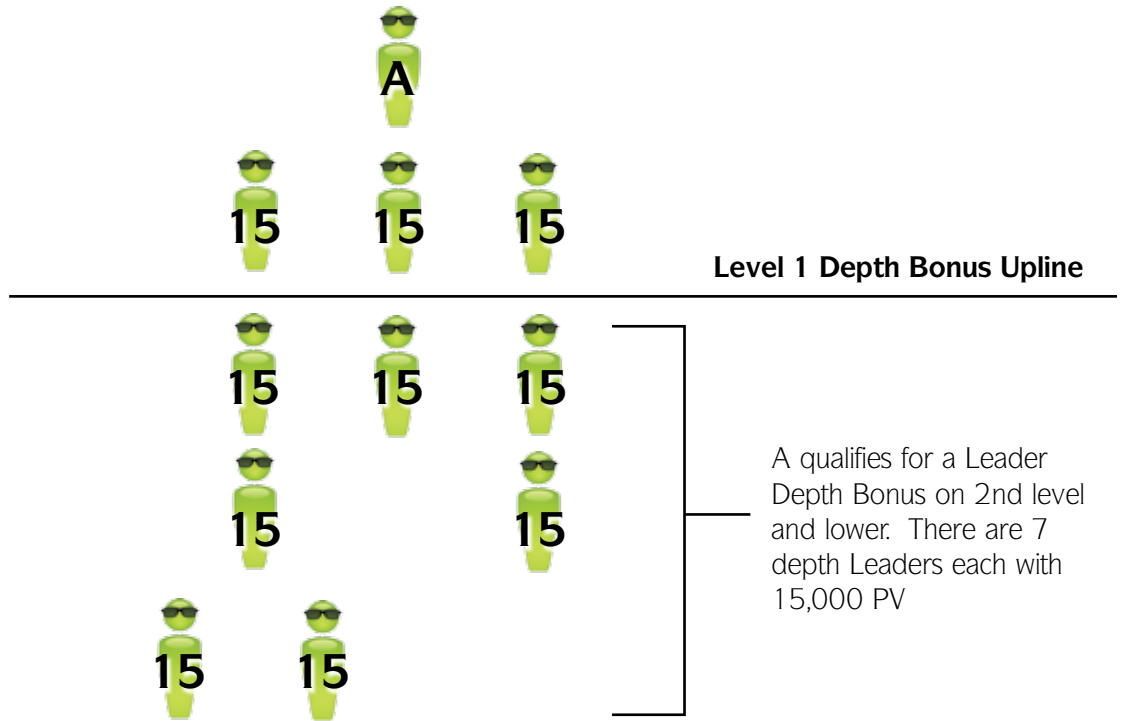
- Senior Coordinator – 4%
- Life Coach – 2%
- Executive Life Coach – 1%
- Double Life Coach – .75%
- Triple Life Coach – .50%
- Crown Life Coach – .25%

A Member will qualify for Leader Depth Bonuses on each Member Leader until a depth Member matches the achieved rank of the upline Member. At this point the upline Member will receive a Leader Depth Bonus on the first level of Leaders in each of the depth Member's teams, but the Leader Depth Bonus for the 2nd level and below will go to the depth Member with the same achieved rank. The minimum bonus on the first level is based on 15,000 points. If the first level has less than 15,000 then the shortage is taken from the 2nd level.

The following examples explain the Commission Bonus Calculation once the Customer Requirements have been fulfilled.

Example #1:

Member is a Senior Coordinator with 3 Teams with multiple depth Leaders within each.

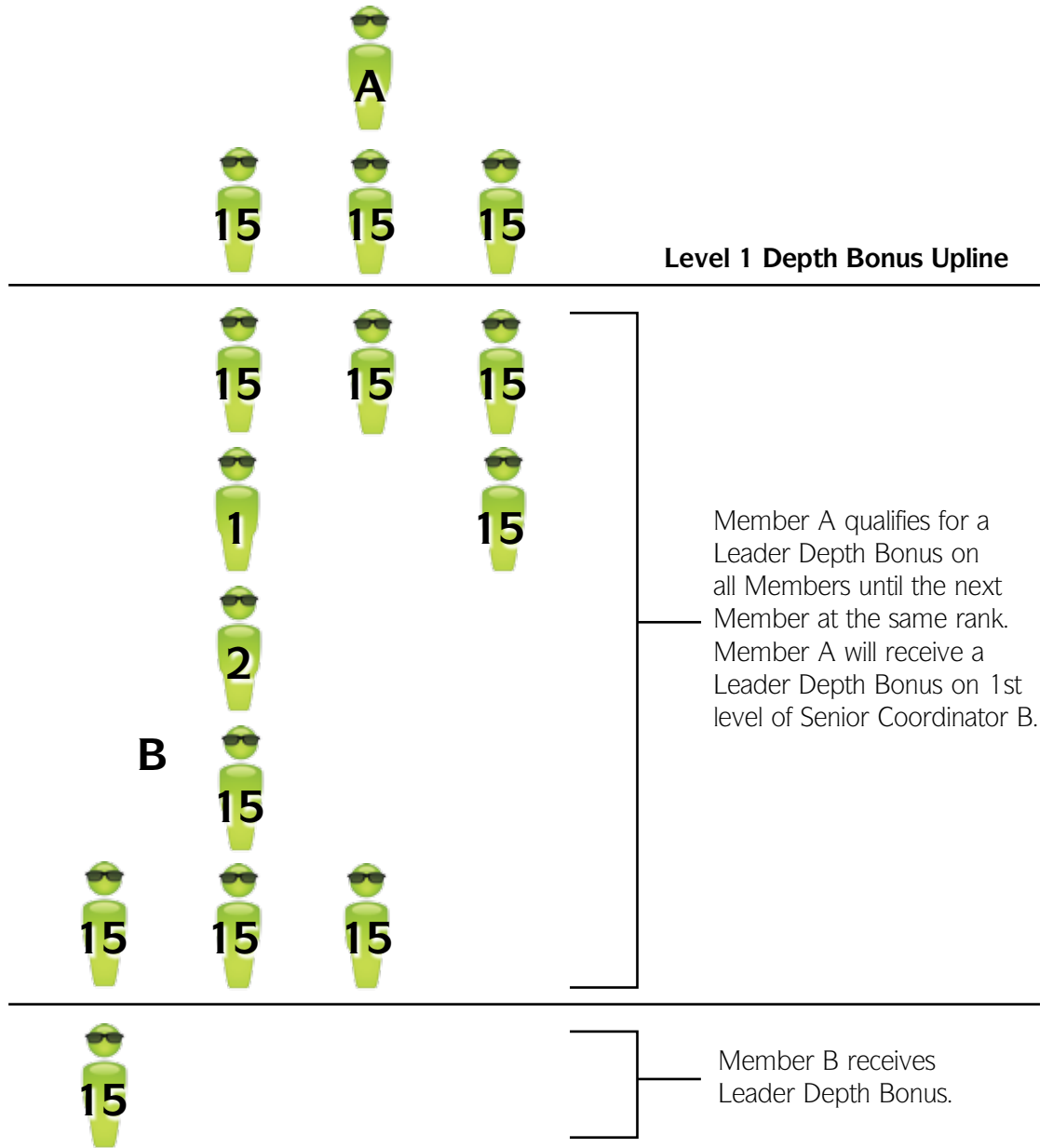


Calculation of Leader Depth Bonus: Member A gets a Leader Depth Bonus on 7 depth Leaders.
 $4\% \text{ of } 15,000 \text{ PV} = \$600 \times 7 = \mathbf{\$4,200}$



Example #2:

Member is a Senior Coordinator with 3 Teams with multiple depth Leaders including one who is also a Senior Coordinator.



Calculation of Leader Depth Bonus: Member A
 4% of 15,000 PV = \$600 x 8 = \$4,800
 4% of 3,000 PV = 120
Total Leader Depth Bonus \$4,920

Member B
 4% of 15,000 PV = \$600 x 1 = **\$600**

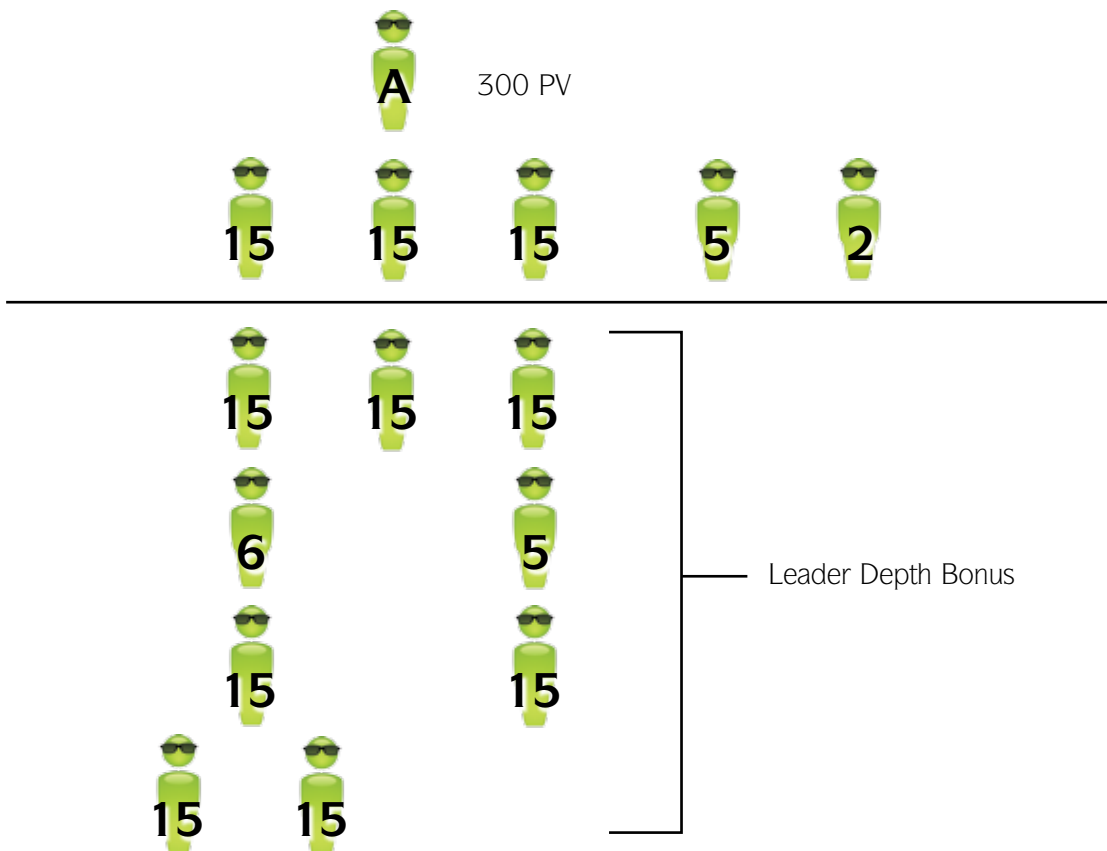
The Leader Depth Bonuses for each of the levels are calculated using the same methodology.

3. COMPLETE BONUS CALCULATION

We have discussed several different types of Member commissions and bonuses so we thought it would be beneficial to review a complete example of a Senior Coordinator.

The following example explains the Commission Bonus Calculation once the Customer Requirements have been fulfilled.

Example: Member A is a Senior Coordinator with 3 Teams with multiple depth Leaders within each.



Calculation:	Personal Volume Calculation:	300 PV x 50%	=	\$150
	Differential Volume Calculation:	5,000 PV x (50%-35%)	=	750
	Differential Volume Calculation:	2,000 PV x (50%-25%)	=	500
	Leader Bonus – 3 Leader Legs:	15,000 PV x 8% x 2	=	2,400
		7,300 PV x 8%	=	584
	Leader Depth Bonus – 7 Depth Leaders:	15,000 PV x 4% x 7	=	4,200
	Leader Depth Bonus – Misc. Volume:	(6,000 + 5,000) x 4%	=	<u>440</u>
	Total Bonus for Member A			\$9,024



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