

## ACTIV8 COMPENSATION PLAN

The ACTIV8 Compensation Plan is an Industry disruptive method for compensating our Representatives for sales. This compensation methodology is so unique that it has had multiple patents filed on it. What's more, it isn't a Binary, Unilevel, Matrix or even a hi-bred. The Patent-Pending structure is a world exclusive "Multi-line", the first and only in the Direct Sales Industry.

The ACTIV8 Compensation Plan was designed from the start to overcome the industry's most prevalent tricks and "fine print" that takes away commissions. From the optimal placement of volume and people, to "The Opportunity" reward personally chosen by each Representative, ARIIX's compensation to Representatives is mathematically the highest pay-out of any other compensation plan known to date.

This document is not intended for recruitment or marketing, but to be a straight forward explanation of how the compensation plan works, the rules, and the processes involved in the technical programming for calculating commissions.

### Definition of Terms

<b>Activation:</b>	The date that a member reaches twice the minimum sales threshold within the first year of enrolment.
<b>Auto-Balancing:</b>	A patent-pending mathematical heuristic that automatically calculates where volume from Preferred Customers should be placed, one point at a time, such that the maximum commissions are earned by the Representative.
<b>Auto-Delivery:</b>	Any order established by a consumer which automatically sends product on a re-occurring basis. Since all products are a one cycle supply, the Auto-Delivery is generally set to once a cycle recurrence.
<b>Auto-Delivery price:</b>	The prices Representatives purchase ARIIX products for if they are also on Auto-Delivery. The retail price is generally 30% above this price. It is the lowest price possible for consumers ( <i>assumes IIX Membership</i> ).
<b>Carry-Over-Volume</b>	Volume on a Power Line that remains after deducting the sum of all Pay Line volume in any given week. Carry-Over-Volume cannot exceed 13,334.
<b>Commission Eligible:</b>	The requirements to be commission qualified are limited to Representatives only, who have signed a Representative Agreement, and adhere to ARIIX's Policies and Procedures. Commissions are paid above the minimum sales threshold of a market.
<b>Consumer:</b>	Any Member, Representative, Preferred Customer or Retail Customer purchasing ARIIX products.
<b>Credit:</b>	Associated with the Savings Bonus, a credit is a valuation converted to \$1 USD per credit if the savings bonus threshold is attained.
<b>Crossline:</b>	Refers to the placement of all Income Positions that are not in a parent/child relationship placed below another Income Position. Volume does not flow through crossline orders.
<b>Cycle:</b>	4 Week Period tied to commission qualification length.
<b>Distributorship:</b>	An Income Position controlled by an individual or person. It is loosely, although not necessarily legally, defined as a Representative's business in general.
<b>Downline:</b>	Refers to the placement of Income Positions in a parent/child relationship below another Income Position. Volume flows up through a downline.

<b>Dynamic Compression:</b>	A feature within Matching Bonus that allows for the removal of any commission ineligible Representative from the sponsorship tree. The result will be that all Representatives move up one generation in sponsorship. Removing and reinstating a Representative occurs on a weekly basis depending on commission eligibility.
<b>Enrolment:</b>	The date established when a member first purchases a starter pack (B.O.S.S.) and enters their personal information into ARIIX system.
<b>Flex-time:</b>	Time granted to Distributors to place orders and/or make adjustments in the prior week, after the close of a commission week but before the actual calculation run occurs.
<b>Income Position:</b>	A specifically placed "spot" in the genealogy downline tree of the ARIIX organisation, controlled by a Member or Representative.
<b>Minimum Sales Threshold:</b>	The minimum amount of sales that must be generated each cycle (four-weeks) above which commissions are then earned.
<b>Negative Volume:</b>	Points that are associated with product returns. The point(s) corresponding to the products returned, will be subtracted from the total volume on the line where said return occurred.
<b>Optimised Line:</b>	A line that has reached volume of 13,334 points or more.
<b>Pay Line:</b>	Any number of lines under any Income Position that does not have the greatest volume during any given week. Pay Lines may change from week to week and earn 15% of that line's volume up to a maximum of 2,000 commission points (1 point equals 1 USD) per week.
<b>Placement Tree:</b>	The downline organisation positioned below an Income Position. Each member has a position in the organisation placed below another Income Position regardless of sponsorship.
<b>Points:</b>	A universal denomination by which commissions are calculated. Products with points are commission eligible. Each currency worldwide has an exchange rate associated with 1 point (i.e. 1 point= \$1USD). Further, each commissionable product has a selling price and a point volume amount associated with it.
<b>Power Line:</b>	That single line that has the greatest volume in any week.
<b>Re-Entry:</b>	More than one (extra) Income Positions controlled by a Member or Representative.
<b>Retail Price:</b>	Recommended price Representatives should sell ARIIX products to end consumers for.
<b>Sponsorship Tree:</b>	The downline organisation based on sponsoring. Each personally sponsored Member is first generation. Second generation is every first generation's members they sponsored and so on down any number of generations.
<b>Volume:</b>	The summation of points.
<b>Wholesale Price:</b>	The prices Representatives purchase ARIIX products for. The retail price is generally 15% above this price, but not the lowest purchase price possible.

## *Commission Periods*

Commission Periods of ARIIX begin each Saturday at 12:00 AM (MST), and close each Friday at 11:59 PM (MST). All the sales activity that takes place during the week within that timeframe will be considered for commission and bonus qualification pay-out. This weekly pay-out schedule will create 52 commission periods for every calendar year – designated by the week and year of that period. For example, the first commission week within 2017 will be designated '1/2017', while the 20th commission week in 2017 will be designated '20/2017'.

Representatives who have attained a Business, Elite, or Ultimate level or higher, have the privilege, when necessary, to call customer service to make adjustments to or generate additional sales for up to one extra Business Day, that can be applied to the prior week, at their discretion. This is referred to as "flex-time".

Individuals who have become Representatives of ARIIX, and subsequently have generated volume either from personal consumption or from volume created from purchases and subsequent sales of products to consumers reaching the minimum sales threshold, will become eligible for commissions for four subsequent weeks. This four-week period is referred to as a Cycle. A minimum Sales threshold must be generated within any given week to be eligible for commissions for an entire Cycle.

## *Types of Consumers*

ARIIX has four types of Individuals to whom we sell goods and or services; Retail Customers, Preferred Customers, Members, and Representatives. All four types are collectively referred to as consumers. Each of these Consumers are now identified below.

### *Retail Customers*

The most important consumer to an ARIIX business is a Retail Customer. These are individuals that purchase products from an ARIIX Representative or Member, either directly or through the Representative's e-store. Retail Customers are not enrolled within ARIIX. The price Retail Customers pay for ARIIX products is recommended to be at MSRP, however a Representative is only required to sell at or above their purchase price. The difference between the purchase price and selling price is referred to as "Retail Profit". Representatives may choose to buy products from ARIIX personally and then resell to these individuals, or they may wish to allow ARIIX web systems to capture the sales and distribute the difference to them.

### *Preferred Customers*

Preferred Customers are registered with ARIIX and pay the Retail Price. However, when they enrol in the Auto-Delivery Program, Preferred Customers will receive 15% of the Retail Price as long as they remain on the Auto-Delivery Program. Can receive a discount up to 30% with a IIX membership.

Preferred Customers are not allowed to sponsor Representatives or Members, and they are not able to earn commissions through the ACTIV8 Compensation Plan. They are not given any Income Positions within the ARIIX Genealogy Organisation. All volume generated from Preferred Customers are assigned to the sponsoring Representative and are placed within their organisation for that Commission Period which would generate the highest commissions for the sponsor of the Preferred Customer (see ARIIX's Patent-Pending Auto-Balancing below).

Any difference in the price the Preferred Customer pays in comparison to their sponsor, will be paid to their Sponsoring Representative in commissions, through what's called a Retail Incentive.

### *Members*

A Member is a business or individual who has been sponsored by an ARIIX Representative. Members are not eligible for commissions, but with placement in the genealogy tree of ARIIX, may become a Representative based on additional actions. Becoming a Member requires:

- A) The purchase of a Starter Pack which subsequently yields a spot in the ARIIX tree (Called an Income Position),
- B) a completed and signed Member Application Form, and
- C) a signed agreement to the Terms & Conditions as well as the Policies & Procedures of ARIIX.

Members can purchase ARIIX products at a discount, either through the Auto-Delivery Program and/or a IIX Membership. Any large product orders may also yield product rebates from the company.

### *Representative*

Representatives have a business called a Distributorship. An ARIIX Representative has all the privileges of a Member (provided they adhere to their Membership Agreement) plus additional rights. These include, but are not limited to; the ability to enrol Preferred Customers, Members, and or Representatives. Additionally, ARIIX Representatives can earn commissions on the sale of ARIIX products, based upon the terms of the ACTIV8 Compensation Plan. A Representative must meet following conditions;

1. Sign an additional Representative Agreement with ARIIX making them commission eligible and
2. they sell ARIIX products to a consumer.

### *IIX Membership*

Any consumer of ARIIX products (except retail customers) can purchase or acquire a *IIX Membership* (pronounced "Two-X"). Once the IIX Membership is acquired, that consumer will receive an additional 15% discount on the retail price of all product purchases for life. The IIX Membership status is earned as follows:

#### **Preferred Customer**

- A. Acquired immediately based on a one-time lifetime purchase price of €19.95/£16.49, or
- B. acquired Immediately with an initial order purchase of 200 points or more worth of product, or
- C. acquired after an accumulation of 200 points worth of products within a one-year period.

#### **Member**

- A. Attain Business Level or higher, or
- B. within the first cycle of enrolment, purchase the IIX Membership.

#### **Representative**

Beyond the product discounts, for qualifying Representatives with a IIX Membership they will be eligible for;

- A) special perks, treatment and bonuses.
- B) double earnings from numerous Bonuses within the ACTIV8 Compensation Plan as outlined below.

### *Auto-Delivery*

All consumers of ARIIX products are offered the opportunity to participate in the Auto-Delivery Program, which allows them to receive their product(s) at their door every cycle (four weeks). As an added benefit, individuals with active Auto-Deliveries receive an additional 15% off the retail price beyond all other discounts. The Auto-Delivery Program is an easy way to ensure consumers never run out of the products they need for optimal health.

## *Activation*

To activate your membership with ARIIX, simply sell or consume twice the minimum sales threshold within your first year of enrolment. Enrolment occurs with the purchase of a starter pack (with the Business Orientation Selling System or BOSS for short).

[The minimum sales threshold varies by market. Please refer to Appendix A.]

## *Eligibility*

For Members and Representatives to be eligible for Rebates or Commissions respectively, here is what they must do:

Members:

1. Adhere to their Membership Agreement
2. Purchase at least the minimum sales threshold every year. Any product purchased beyond the minimum sales threshold in a cycle generates a rebate.

Representatives:

1. Adhere to their Representative Agreement
2. Sell or consume at least the minimum sales threshold every year.
3. Any sales generated beyond the minimum sales threshold in a cycle generates a commission. Sales are generated by personal purchases, sales to retail customers, and sales to preferred customers.

Thus, Representatives do not need to place ANY purchases to be commission eligible.

[The minimum sales threshold varies by market. Please refer to Appendix A.]

## *Active Status*

Failure to generate the annual minimum sales threshold within one year of the purchase of a starter pack will serve as notification of cancellation of a Member's spot in the tree or a Representative's distributorship. As a cancelled Distributorship, the Member or Representative is subject to having their Income Position removed. Any time the minimum sales threshold is generated in a week, any agreements between ARIIX and consumers will be extended out 13 cycles, assuming there is no disagreement from either side.

In the event the minimum sales threshold is not attained, ARIIX may, at its discretion, grant a grace period to a Representative. Representatives may continue to purchase products but only as a Member. Hence, any former Representative now classified as a Member, shall neither accrue nor be eligible for commissions.

## *Bulk Purchasing*

This is a program available to Members and Representatives who wish to sell large quantities of products to either the "public sector" such as governments, militaries etc. in countries ARIIX is in, or in public and "private sectors" in countries where ARIIX currently does not operate. Under very specific conditions that do not compete with an ARIIX Representative's MLM channel, each sale shall be evaluated on a case by case basis.

In the event such a sale happens, volume shall be placed as a "personal purchase" by the Representative who made the sale. Any volume in excess of 13,334 volume points that would normally be flushed, shall have a negotiated

commission paid to the Representative who made the sale. Thus, the order will generate volume for the up-line of the Representative who made the sale. Contact an ARIIX executive for further details regarding this program should it be applicable.

### *Return Process*

A Member or Representative may return less than an aggregated total of \$250USD worth of products within a rolling six-month period in unused condition. Any returns shall be net of all commissions and Bonuses paid that would not have been earned had the returning purchase not been made. Negative volume shall be rolled up the tree on the week that it was returned.

In the event the return volume creates less than 0 volume points on any line, such negative volume shall remain on the line of the purchase until positive volume is generated to offset it.

Any products that are returned from Preferred Customers, and individual purchases where that volume was Auto-Balanced, shall be negatively Auto-Balanced in the week it was returned. Any positive volume generated during the return week shall then be Auto-Balanced after the negative volume is Auto-Balanced. This gives the Representative the greatest likelihood that such returns do not result in failure to optimise lines or earn maximum commissions as a result of returns.

In the event Auto-Balanced negative (return) volume creates less than 0 income, such volume shall remain "in the bucket" until any volume is generated to offset it.

ARIIX may evaluate any patterns in returns to assure that weeks of high purchases are not systematically returned on weeks with excess volume on Pay Lines. It is understood that at certain times, the impact of a purchase or return may impact a Representative either negatively or favourably based on the timing of the return. However, ARIIX shall not "look back" on all the impact that such returns may have on title, commissions, bonuses or incentives earned, had the purchase not occurred in the first place, or had the return not happened at a specified time.

An aggregated total \$250USD worth of products returned within a rolling six-months in unused condition is a voluntary termination unless otherwise allowed by ARIIX. The product(s) returned shall be subject to any restocking fee (if returned after 30 days of purchase) and/or discount. Additionally, the effect of the return shall be as if the purchase(s) had never occurred. Therefore, the value of the returned items shall be reduced by all commissions, bonuses, trips, incentives, or any other form of pay or remuneration that was given or earned as a result of the purchase(s). Furthermore, since the purchase is negated, based on the return, the very activation of the income position and or subsequent commission qualified cycles may be adversely affected.

## *Merging Distributorships*

Under unique circumstances, individuals may possess multiple Distributorships (i.e. marriage, inheritance). When multiple Distributorships are owned, ARIIX may require to merge the two Distributorships into a single Distributorship.

Merging shall mean that the lower Income Position(s) shall become a Re-Entry to the up-line Income Position. With a merger, extra Re-Entries may exist on any single line. This is allowed, but the earning of future Income Positions on the line of the merged Position will be subject to the rules associated with earning additional Re-Entries.

Going forward, the two Distributorships shall be as one. Several conditions may then change:

1. The Savings Bonus shall be combined including any Savings Bonus points earned before the initial payment. If two Distributorships are combined, the sum of both Savings Bonuses shall be used to determine pay-out of the Savings Bonus. The bonus shall then be subject to the same terms and conditions as a single Income Position.
2. The higher of the two titles associated with the two Distributorships shall be the title for recognition even after combining both Income Position earnings.
3. All accrued points/bonuses shall be calculated, and limited as combined (Savings Bonus earnings or points, bonuses, loyalty points etc.) provided the Income Positions both maintain uninterrupted commission eligibility throughout the merging of ownership. Additionally, a sales threshold of twice the monthly minimum will be required to be paid for commission eligibility on all newly combined Income Positions.
4. Only one of the two merged Income Positions must have a IIX membership to receive IIX status.
5. The Gold status for the buyer shall be the same as it was at the time either Income Position was activated. Only one of the two merged Income Positions must have a Gold Status, for the new combined Distributorship to have Gold Status. Silver status is granted when the new combined Distributorship has four sponsored commission eligible Representatives.
6. The new combined Distributorship shall receive recognition based on performance after the merge, not as a result of merging. Furthermore, any growth awards or contest incentives earned due to the merging Distributorships shall not be counted.
7. Sponsorship and hence Matching Bonus for the merged Distributorships shall vary based on the following 3 conditions:
  - A. One of the merging Distributors is the sponsor of the other. All down-line Second Generation sponsoring shall become First Generation sponsoring to up-line Income Position (one generation of Matching bonus is lost)
  - B. Both Owners are sponsored by the same Individual - no change required. All sponsoring is as before, with front line sponsored individuals become first generation to the up-line Income Position 1.
  - C. Merging Distributorships with two different Sponsors will be allowed. However, Matching Bonus shall be split based on a fixed pro-rata at the time of the merging.
8. Dividing of any Distributorship may be granted at the discretion of ARIIX. Depending on the nature of the division, an hourly rate will be assessed by compliance to accommodate the request.

## *Splitting/Dividing Your Distributorship*

It is up to the Representatives involved to decide the equitable division of a Distributorship. In the event that multiple Distributorships are created, the resulting division may cause a reduction, or even loss of commissions. Depending on the complexity of the split, a fee shall be assessed for the creation of an additional distributorship.

ARIIX shall not pay additional Base commissions or Bonuses because of the split of a Distributorship. For example: consider a situation in which a large Distributorship, with two income positions, is split between two individuals giving each person a new Distributorship with one of the income positions.

Before split, the Distributorship qualified for the maximum of \$500 a week in the Savings Bonus. After the split, since the business was so large, both income positions qualify for \$500 a week in the Savings Bonus. Under such a situation, the Savings Bonus would not be paid on one of the Distributorships until growth in the new Distributorship earned the Savings Bonus from newly generated volume.

## *Selling Your Distributorship*

The ARIIX Distributorship that you operate is yours. Hence, you have the right to sell it as you would any asset. The amount that you sell it for is determined between a buyer and a seller, but ARIIX has the option to buy (right of first refusal) on any sale of a Distributorship. Without proper notification, ARIIX may exercise its right to buy the Distributorship from the new owner. Should the new owner not sell the distributorship, ARIIX has the right to terminate their Distributor Agreement. A fee of €77 / £58 shall be assessed for the transfer of ownership.

There are several circumstances which limit the conditions under which you can sell your business. It is not the objective of ARIIX to be an impediment to the sale, but rather, to be notified so that such a sale cannot be used to circumvent our Policy regarding "moving your Income position," "owning multiple Distributorships," and/or "cross-line raiding" either directly, or in cooperation with another. Therefore, the following conditions prior to a sale must occur:

1. A Distributor must not sell or encourage any sale of a Distributorship being sold to any ARIIX Member or Representative for the intent of moving crossline.
2. Only Distributorships that have been activated for a period of six-months or more can be sold
3. Members or Representatives cannot frequently transact or be involved in the buying or selling of distributorships.
4. A Representative cannot earn commissions on multiple Distributorship that have been purchased (exceptions may include inheritance or marriage).
5. A Distributorship cannot be sold if the annual minimum sales threshold has not been met at the time of sale.

The following rights and privileges shall apply to any sale:

1. The IIX membership status for the buyer shall be the same as it was at the time the Income Position was activated. IIX membership status cannot be purchased in the event it was not earned at the time of activation of the Income position.
2. The Gold status for the independent buyer shall be the same as it was at the time the Income Position was activated. Gold status can be earned in the event it was not earned at the time of activation. The time for this must be within 8 weeks of the sale date.
3. A Title is what an individual earns from commissions generated from an Income Position. Hence, the buyer shall begin with no title, but shall establish whatever title is merited after the transfer of ownership.
4. All accrued points/bonuses shall be transferrable (Savings Bonus points, loyalty points etc.) provided the Income Position maintains uninterrupted commission eligibility throughout the transfer of ownership.
5. Sponsorship for the sold Distributorship shall not be changed due to the implications of Matching Bonus.
6. A Distributorship cannot be sold entirely, or in part, to any ARIIX member or Representative who is or has



- been a Member or Representative presently, or in the past six-months.
7. The cumulative Cost of Living Adjustment shall remain in force after the sale.

## *Business Levels*

ARIIX Representatives activate their business and achieve a Business Level by selling or consuming products within their first cycle (four weeks) of enrolment. This includes all products sold to direct customers, preferred customers, or themselves as a consumer. Simply stated, the more sales made, the higher the business level attained. The higher the business level, the more benefits and perks received. Beyond activation, the three Business levels that may be attained are as follows:

<b>Business Level</b>	<b>Business</b>	<b>Elite</b>	<b>Ultimate</b>
<b>Sales Points</b>	<b>500</b>	<b>1000</b>	<b>1500</b>

[Business Levels varies by market. Please refer to Appendix A.]

## *Gold or Silver Status*

Representatives who attain a Gold Status with ARIIX have done quite an accomplishment. This status entitles them to perks, benefits and a Matching Bonus eligibility that are exclusive to those who achieve this Status which remains throughout their affiliation with ARIIX. To obtain Gold status, a Representative must sell twice the minimum sales threshold to four new ARIIX consumers within the first two cycles of their own enrolment.

In the event that an individual fails to attain the Gold Status, a Representative can obtain Silver Status. While there is not a time requirement to attain Silver Status, a Representative need only sell twice the minimum sales threshold to four new ARIIX consumers plus have a minimum of four personally sponsored consumers who purchase the minimum sales threshold each cycle.

[The minimum sales threshold varies by market. Please refer to Appendix A.]

[Gold & Silver status varies by market. Please refer to Appendix A.]

## *Retailing*

As a Representative, you qualify to buy products at wholesale (30% below MSRP) and you can sell at any higher price you choose to earn retail profits. When retail customers buy from your cloud-powered E-Store, ARIIX automatically collects the difference of the price you offer and your wholesale price and pays you weekly as retail profits. Smart Links also let you set up a retail order for any product at a price you determine, and the difference is also automatically paid to you each week as retail profits. All advertising from you E-Store must be at MSRP.

## *Base Commissions*

Activation of your business Distributorship begins with the placement of an Income Position. Depending on the business level attained, an Income Position will start with at least two lines for placing newly enrolled ARIIX Members. An Income Position earns commissions through the sales generated from your consumers and product sales generated from their subsequent consumers. The line which accumulates the largest sales in any given week is identified as the "Power Line". All subsequent lines of the Income Position are termed "Pay Lines".

Base Commissions are 15% of the volume generated from all Pay Lines, up to \$2,000 USD per Pay Line, per week. In case the cumulative sum of all volume on all Pay Lines (in a given income position), is less than 13,334 points in a week and less than the amount of volume on the Power Line (up to 13,334 points), any remaining difference remains (Carry-Over-Volume) on that Power Line into the next Commission Period.

Base commissions are paid weekly.

Earning another Pay Line: the first time a specific Pay Line generates 13,334 volume points for a Commission Period, that Pay Line is said to be "optimised". Thereafter, a new Pay Line is added to the existing Income Position at no cost or requirement to the Representative. Each pay line can earn one additional Pay line. This means there are an unlimited potential number of Pay Lines per Income Position. The added Pay Line is available for immediate use, and shall also be used for Auto-Balancing.

Earning a Re-Entry: anytime a Pay Line is optimised on a specific Income Position, the Income Position for that week is also said to be optimised. When any Income Position is optimised the *first time*, the Representative is eligible to have another Income Position. This extra Income Position is called a Re-Entry. This means there is an unlimited potential number of Income Positions. By placing the Re-Entry in your downline anywhere on the optimised Pay Line that earned the Re-Entry, the result is additional earnings and greater stabilised volume from the depth of that line.

The following conditions apply to Re-Entries (and Power Re-entries as defined below):

1. *A once in a lifetime Activation* is required for each new Re-Entry.
2. Once placed and activated, this new Income Position will be eligible for commissions beginning the very next commission week regardless of the Representative's Auto-Delivery cycle.
3. Going forward, all Income Positions are on the current cycle of Income Position one.
4. The number of lines a Re-Entry begins with is determined by the Business Level of the Representative. Said alternatively, the number of lines a Member's first Income Position has, will be the number all subsequent Re-Entries begin with.
5. A Representative may elect to accumulate a minimum sales volume requirement equal to two times the minimum sales threshold each cycle in order to make all other Income Positions commission qualified regardless of how many Income Positions there are.
6. Re-Entries have no expiration and no time requirement to place provided the Representative remains active.
7. Re-Entries cannot be transferred to another Representative.
8. Multiple Re-entries cannot be placed together in such a manner that the commissions generated from such grouping increases the commission pay-out over 50% of the sales volume from that downline organisational structure.
9. All Re-Entries (placed or unplaced) shall be part of the Distributorship in the event of a sale or transfer of the business ownership.
10. A Re-Entry may be moved to any other position on the same line anytime of placement as long as no Member or Representative has been placed underneath it.
11. A Re-Entry may also be moved to any other position on the same line anytime if there have not been any orders placed by any downline Member or Representative within the prior six-months.
12. There must always be one optimised line that does not have a Re-Entry Income Position placed on it unless a Power Re-Entry is earned and placed on the Power line, in which case all lines can have multiple Re-Entries on them.

Earning of a Power Re-Entry™: a Power Re-Entry™ is an industry first for ARIIX's ACTIV8 Compensation Plan. Becoming eligible to earn this "special" Re-Entry is achieved by attaining the ultimate Business Level in your first four weeks after joining ARIIX. The Power Re-Entry™ allows Representatives to:

- Earn two Re-Entries, with the optimisation of their first Income Position rather than just one.

- Place the Power Re-Entry on not only an optimised Pay Line, but also on their Power Line if they choose.
- Place the Power Re-Entry on any of their lines under anyone (excluding insertion); or
- Place the Power Re-Entry under any cross-line Income Position.

This single Power Re-Entry™ can generate an unlimited number of additional Re-Entries below it, extending its earning potential to infinite! Even more amazing, Representatives may elect to partner with any ARIIX Representatives with their Power Re-Entry™- an industry first! This Patent-Pending design has eliminated cross-lines!

All the normal conditions of a Re-Entry apply to the Power Re-Entry. But in the event that a Power Re-Entry™ is placed Cross-line in a Representative's organisation, the following conditions apply:

1. In order to protect the fundamental integrity of the sales organisation tree, Representatives who choose to place their Power Re-Entry™ in a cross-line position must have a minimum of 13,334 total volume points generated at or below their Income Position #1 each week, in order to earn commissions from the Power Re-Entry™ and all subsequent Re-Entries placed below it. Total volume is inclusive of sales volume generated from all consumers in the Representative's placement organisation. In the event a Representative does not have the minimum of 13,334 total volume points generated at or below their Income Position #1 in a given commission week, their cross-line Power Re-Entry™ will be considered inactive, and hence not commission qualified (ineligible to earn any commissions or bonuses from the volume below the Power Re-Entry™ that week) and volume on all lines shall be reset to 0. All volume generated under the Power Re-Entry™ shall still be paid on for all positions above the Power Re-Entry™ as typical.
2. Power Re-Entry™ Power Line volume carries over weekly as the Representative remains both commission eligible and qualified to earn on the Power Re-Entry™.
3. The Power Re-Entry™ may only be placed in open positions and may not be inserted.
4. As always, Matching Bonus follows the sponsorship tree, not the placement tree. This carries over to the placement of Power Re-Entries™ in cross-line positions. Only the original sponsor shall earn Matching Bonus on all combined earnings, including earnings from the Power Re-Entry™.
5. If the power Re-Entry is moved (based on the rules associated with any Re-Entry move), a reactivation fee may be assessed.

All Bonuses and Base Commissions earned by a Representative shall be accumulated until a minimum of \$30 USD is reached.

\*All volume paid in Team Lead Bonus will not be duplicated for Base Commission calculations.

## *Auto-Balancing*

Outside a consumer's first four weeks, all volume greater than the market's minimum sales threshold is *Auto-Balanced*. This means that this volume is placed on each line where it would generate the greatest amount of commissions or the largest Rebate for the individual during that particular week.

Depending on the Business Level that you join with, the Auto-Balancing will earn you anywhere from 7.5% to 15%. The higher the level, the more lines you begin with. The more lines an Income Position has, the more in Base Commissions or rebates from these extra sales.

The Table below identifies the extra earnings based on the Business Level attained in the first four weeks of joining ARIIX.

Business Level	Member	Business	Elite	Ultimate
Auto-Balancing %	7.5%-15%	10%-15%	11.25%-15%	12%-15%

## Bonuses

Bonuses represent additional compensation in the ACTIV8 Compensation Plan. They are designed to earn people checks quicker than from base commissions alone, encourage leadership assistance to downlines and provide additional compensation for dedicated leaders in ARIIX.

As such, any "Bonus" paid in the ACTIV8 Compensation Plan is conditional upon dedicated effort towards the building of ARIIX exclusively. This is not to say that Bonuses shall be immediately terminated should a Representative elect to join, or participate in another MLM. Lack of active participation and commission eligibility in ARIIX while actively publicly participating in another MLM that is deemed as detrimental to ARIIX's reputation due to statements made in public, may then result in the termination of all ACTIV8 Bonuses. Conditions for determining the forfeiture of one's Bonuses include but are not limited to ARIIX in regards to:

- The extent of the publicity of the departure
- Speaking ill of ARIIX, Products, Management, and/or field leaders
- Disclosing confidential Information
- Failure to comply with Policies and Procedures or eligibility status
- Direct comparisons or contrasts of ARIIX to the competitor
- The degree to which the ARIIX sales, brought by the Representative, has diminished due to the activity associated with the competitor
- Discourage any activity or event attendance

Notwithstanding the potential loss of "Bonuses", provided the terms of your agreements are maintained, a Representative shall continue to receive Base commissions regardless of the publicity of their departure, provided they adhere to their policies and procedures and maintain commission eligibility.

## Team Lead Bonus

Representatives earn a Team Lead Bonus from the products sold to new consumers. The more products sold, the higher the Team Lead Bonus percentage will be. All products purchased within the new consumer's first four weeks earns the sponsor a Team Lead Bonus. The table below outlines the sales volume thresholds required, and the corresponding Bonus paid to the Representative selling the products.

		Business Level of Sponsoring Representative			
		Member	Business	Elite	Ultimate
Product Sold	0 – 499 PV	15%	20%	25%	30%
	500 – 999 PV	20%	20%	25%	30%
	1000 – 1499 PV	25%	25%	25%	30%
	1500 PV	30%	30%	30%	30%

## Matching Bonus

As an added incentive for building any Power or Pay Line, ARIIX Representatives are rewarded through the Matching Bonus. The Matching Bonus gives the ARIIX Representative compensation equal to a percentage of the Base

Commission earned by individuals they have enrolled as Representatives and their subsequent enrolments up to seven levels or "Generations" deep. Therefore, anyone sponsored by a Representative are considered first Generation sponsorship to that Representative. Individuals these first Generation people sponsor are second Generation to the initial Representative. Similar to a family tree, the children of grandparents would be first Generation, while their grandchildren would be second generation and so forth down seven generations.

Representatives qualify for their first three Generations of Matching Bonus through achieving Gold or Silver Status. Qualifying to earn the fourth and fifth generations of the Matching Bonus requires Base commission earnings of \$500 USD and \$1,000 USD respectively each week. The sixth generation requires having at least one optimised Income Position per week, and the seventh generation is granted with a second optimised Income Position or four lines optimised on a single Income Position per week. **A IIX Membership doubles the matching percentage on all qualified Generations.** The table below outlines the percentage of base commissions paid within the sponsorship tree, and the corresponding qualification associated with earning the bonus.

	Match %	IIX %	Qualifications
Generation 1	7.5%	15%	Gold or Silver Status Only*
Generation 2	5.0%	10%	Gold or Silver Status Only*
Generation 3	2.5%	5%	Gold or Silver Status Only*
Generation 4	2.5%	5%	\$500 USD in Base Commissions
Generation 5	2.5%	5%	\$1,000 USD in Base Commissions
Generation 6	2.5%	5%	1st Optimised Income Position
Generation 7	2.5%	5%	2nd Optimised Income Position or 4 Lines on a single Income Position

This matching bonus is paid with Dynamic Compression. Commission eligible Representatives with a Gold or Silver status will occupy a generational level. All other Representatives, will be removed for that particular week, from occupying a generational level. As a result, all generations will shift up a level to the next sponsor(s) above. If Silver status is re-attained during any week, Matching Bonus is resumed to the Representative and all subsequent generations are shifted back down a level.

\*[Gold & Silver status varies by market. Please refer to Appendix A.]

### *Income Position Bonus*

An optimised Income Position occurs when at least one Pay Line (and a Power Line) has optimised in a specific week. Any week that an Income Position is optimised, that Income Position earns shares in the Income Position Bonus pool. The pool is 2% of worldwide company volume. One share is earned for a Representative's first optimised Income Position. Two additional shares (for a total of three shares) are earned for optimising a second Income Position. Three additional shares (for a total of six shares) are earned for optimising a third income Position. This pattern of exponential increase continues for each additional Income Position that a Distributorship optimises. There is no limit to the amount of Income Positions that can be optimised, and therefore there is no limit to the number of shares that can be earned in this Bonus. **With a IIX Membership the number of shares earned within this Bonus is doubled.**

### *Pay Line Bonus*

You qualify for the Pay Line Bonus when a third line of a given Income Position is optimised. The Pay Line bonus is

1% of the Total Company Volume. Shares for the Pay Line Bonus are issued for each additional optimised Pay Line a Representative has in that Income Position in a given week. One share is earned for their third optimised line, two shares for their fourth (totalling three), and three shares for their fifth (totalling six), etc. There is no limit to the amount of Pay Lines that can be optimised, and therefore there is no limit to the number of shares that can be earned in this Bonus. **With a IIX Membership the number of shares earned within this Bonus is doubled.**

Since the first two optimised lines will pay-out in the Income Position Bonus, therefore the Pay Line bonus begins with the third optimised line of a given Income Position as follows.

If multiple Income Positions have optimised pay lines, the number of pay lines eligible for shares is determined by the total number of optimised pay lines minus the number of Income Positions with optimised pay lines. For example, two Income positions with three optimised lines on IP1 and four optimised lines on IP2 would earn as follows: The first with two pay lines (and one power line) on IP1, and three pay lines (and one powerline) on IP2, would yield five (2+3 optimised pay lines) minus two (first pay line on each IP) or three optimised lines for a total of six shares (3+2+1) or 12 shares (6x2) with a IIX Membership.

### *Savings Bonus*

Every time an ARIIX Representative earns at least \$250 in Base Commissions, they will collect an additional 7.5% of their weekly base commissions, held as points until a minimum of 10,000 point are reached. **With a IIX Membership you can double the Savings Bonus to 15% of Base Commissions.** Once 10,000 credits are reached, a Representative may take the points out in the form of cash at an exchange rate of 1 credit=\$1 USD. All subsequent Savings Bonus earnings are accumulated weekly and paid each cycle. A maximum of 500 credits are earned each week for this Bonus.

A Representative must remain commission eligible, without fail, during the accumulation period to 10,000 points, regardless of the amount of time that it takes to accumulate them. Additionally, the Representative will lose any accumulated points if they join, promote, or participant in (either directly or indirectly) another MLM unless such participation was prior to becoming an ARIIX Representative.

### *ASAP (Accelerate Sales and Profits) Bonus*

This bonus is given as a cash incentive for Representatives who are responsible for selling specific packs, products, or services to consumers in specific countries. The amount of the bonus will vary by pack. The Bonus will be doubled for IIX members.

[ASAP varies by market. Please refer to Appendix A.]

### *Cost of Living Adjustment*

ARIIX is one of the very few companies that offer a Cost of Living Adjustment associated with a Representative's Commissions. This periodic adjustment may occur once a year, and helps keep the value of commissions equal to inflation.

Periodically, ARIIX shall increase the Cost of Living adjustment which multiplies earnings in base commissions to account for inflation. This increase is paid to the Representative, but is not used for calculating Matching Bonus. On those years that a Representative is active, they will always enjoy a cumulative Cost of Living addition that was associated with their years of activity. For example, if three consecutive years had a Cost of Living Adjustment awarded equal to 2% the first year, 4% the second year, and 3% the third year, a Representative who was active all

three years would have a cost of living adjustment of 9% (1.02+1.04+1.03). If another Representative was active only for year 2 and 3, they would have a cost of living adjustment of only 7% (1.04+1.03). Hence, the sooner you join ARIIX, the greater the cumulative affect the Cost of Living adjustment will be for your base commissions!

### *Title Advancements*

Within the ACTIV8 Compensation Plan all leadership titles are determined by the amount of Pay Line volume generated by an ARIIX Representative in a given Commission Period. Each line of a given Income Position may contribute up to 13,334 points each week towards title advancements.

Title	1-Week Total Pay Line Volume	Title	1-Week Total Pay Line Volume
Team Lead	200	Vice President	3,000
Senior Team Lead	330	Senior Vice President	5,000
Supervisor	500	Officer	6,667
Senior Supervisor	650	Senior Officer	13,334
Manager	1,000	President	20,000
Senior Manager	1,300	Chief Executive Officer	26,668
Director	1,650	Chairperson	40,002
Senior Director	2,500	Level 2+ Chairperson	+13,334 P/Level

[Title advancements vary by market. Please refer to Appendix A.]

*APPENDIX A: Variances by Market*

	<u>US/CAN</u>	<u>EU</u>	<u>Taiwan</u>	<u>China</u>	<u>Japan</u>	<u>Korea</u>	<u>Mexico</u>
<i>Minimum Sales Threshold (MST)</i>	75 pts	100 pts	100 pts	100 pts	100 pts	100 pts	40 pts
<i>Renewal Fee</i>					25 USD		
<i>Business Levels</i>							Business:200 Elite: 400 Ultimate: 800
<i>Base Commissions</i>				No Crossline Placement			
<i>Team Lead Bonus</i>						OLD TLB; four commission eligible Members generates TLB once per cycle	
<i>Gold Status</i>					Anytime 4 active Consumers		
<i>ASAP (Accelerate Sales and Profits) Bonus</i>						Pays Sponsor, Varies by Pack	
<i>Title Advancements</i>					Officer and Above require four weeks' average of minimum Pay Line volume requirements		
<i>Return Process</i>					3 Weeks Cool Down Period		
<i>Title Advancement Levels</i>		Based on Pay-line Volume (less)					
<i>Business Levels</i>		200 GBP Max on First Time Order for Members in the UK only.					



