



**FreeLife's Compensation Plan** provides significant upfront and long-term residual income. Simplicity, significant residual income, minimal structure, an exciting Fast Start Bonus with dynamic compression, and an AC100 focus are just some of the highlights of the Compensation Plan. Please see the Compensation Plan Chart and explanation below for more details.

### **Customers Are Free**

Customers are free and do not take a spot in the Compensation Plan. Customers will have their own ID number but their personal points will now be automatically added to their enroller's personal points. Customers need to be on the Advantage Customer Program\* (ACP) to get AC pricing after their first order.

Free Customers will benefit you in several ways:

- You can send prospects to your website, they sign up for free as Customers and you earn a Product Rebate (see Product Rebate below), every time they order. Simple, yet so powerful.
- All of your new Customers' points will go to offset the 100 points you need to produce monthly to be a Business Builder in FreeLife®.

*\* Where available*

### **Product Rebate**

As an active AC100, you earn a 20% Product Rebate on your personal points that exceed 100 points in a given month. The Product Rebate is not available on Value Pack purchases.

*For example:*

- You have 500 personal points in January. (Remember, all of your new Customer purchases count toward your personal points.)
- You would earn 20% on the amount over 100 in a given month.
- That would be 20% of 400 points (500 - 100).
- You would earn an \$80 Product Rebate (20% X 400).

You can earn 20% on all of the points generated from your Customers' product purchases, month after month, year after year, as they order and reorder product. And, all of your Customers' points count toward your personal and Organization points (your weak leg).

**Note:** *On all personal points over 100, 25% of the points are paid Upline in the Compensation Plan.*

### **Fast Start Bonus**

The Fast Start Bonus (FSB) provides excellent immediate and long-term income for new and existing Marketing Executives (ME). The FSB pays out a dynamically compressed guaranteed total of 60%, five enrolment levels deep in your Organization - 20%, 10%, 10%, 10%, 10%. For information on how the Fast Start Bonus works with the Value Pack, please see the "Fast Start Bonus with Value Pack" section below. The FSB is paid on every new ME's first two months of product purchases, up to 100 points, five enrolment levels deep. For example, if you personally enrolled 3 MEs in January, you would earn the FSB on their product purchases, up to 100 points, made in January (their first month in FreeLife) and February (their second month in FreeLife). This continues indefinitely as new MEs will be coming into your FreeLife Organization every month.

## Fast Start Bonus with Value Pack

FreeLife's Value Pack provides you with the lowest price available on eligible FreeLife® products.

Each time a Marketing Executive within your five enrolment levels purchases a Value Pack within their first 2 months as a Marketing Executive, the Fast Start Bonus will pay as follows:

Value Pack	
1st Level	\$60
2nd Level*	\$20
3rd Level*	\$20
4th Level*	\$20
5th Level*	\$20

The Value Pack helps your new Marketing Executives get off to a fast start by providing them with FreeLife products to immediately get into the hands of their new Customers and prospects!

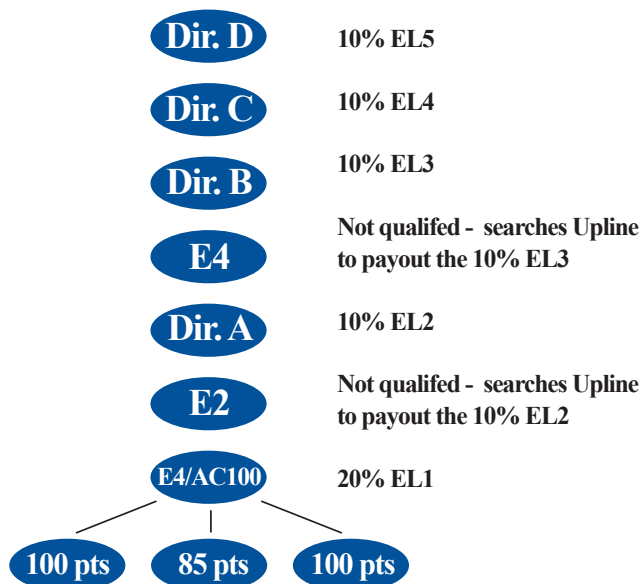
*\*Must be Director or above.*

### The Fast Start Bonus works as follows:

1. As an active AC100, you earn 20% on the product purchases (up to 100 points/month) of your personally enrolled MEs during their first two months in FreeLife. On monthly points over 100 during an ME's first two months, the ME earns 20% from the Product Rebate, and 25% of the points over 100 are paid in the Compensation Plan.
2. When you become a Director or above, you now earn 10% on the product purchases (up to 100 points/month) during the first 2 months of new MEs on your second, third, fourth, and fifth Enrolment Levels. This can be very significant income as you are earning 10%, four additional enrolment levels deep, and each enrolment level can have an unlimited number of MEs.
3. Dynamic Compression of the FSB. The FSB is dynamically compressed so the entire 60% is always paid out. There is no breakage. In other words, the computer continually searches Upline until it finds 5 qualified MEs to earn the 60% Fast Start Bonus.

The Power of Dynamic Compression: In the scenario below, the E4/AC100, would earn 20% on enrolment level 1 (EL1) as the enroller of the 100, 85 and 100 points, equal to \$57. The next ME Upline is the E2. The E2 is not qualified to earn the enrolment level 2 bonus (EL2) because you must be a Director or above to earn 10% on enrolment levels 2, 3, 4, or 5. Therefore, the computer continues searching enrolment levels Upline to payout the 10% EL2 to the first Director or above, Dir. A. The next ME Upline is an E4 who is also not qualified to earn the 10% EL3. The computer continues searching enrolment levels Upline to find the next ME qualified to earn the 10% EL3, the Dir. B. The 10% EL4 is then paid to the Dir. C and the 10% EL5 is paid to the Dir. D, representing a dynamically compressed 60% payout in the FSB.

**Dynamic Compression Example:**



**FreeLife’s Compensation Plan**

FreeLife’s Compensation Plan provides a tremendous opportunity for long-term residual income. As mentioned, up to 100 points generated from product purchases in a new ME’s first 2 months will be paid out in the Fast Start Bonus. After the Fast Start period (3<sup>rd</sup> month purchases and beyond), all points will be moved to the 10 Level Compensation Plan.

Some important highlights of the 10 Level Compensation Plan include:

1. 100 points is the most personal points required at even the highest leadership levels.
2. Full monthly compression (see compression explanation for more details).
3. All MEs have unlimited positions on all levels of the Compensation Plan.
4. Marketing Executives can qualify for Director in one of three ways:
  - a. Have a minimum of six personally enrolled MEs who produce at least 35 points in the current month; or
  - b. Produce 500 personal points in the current month. (Remember, all of your new Customers’ points count toward your personal points); or
  - c. Become a Star Director by having a minimum of three personally enrolled MEs who produce at least 100 points in the current month.

**Advancement Bonuses**

As Marketing Executives advance to the Star Director through Ambassador levels, they will be paid a one-time bonus on the third consecutive month upon reaching that title, or by advancing to the next title sooner will release the advancement bonus for the previous title\*. Additionally, you must be a Star Director to earn Advancement Bonuses at D1-D5.

Star Director -	\$100**	Director IV -	\$1,000
Director I -	\$150	Director V -	\$1,500
Director II -	\$300	Ambassador -	\$2,000
Director III -	\$600	Royal Ambassador -	\$15,000***

\*Marketing Executives in Brunei, Hong Kong, Macau, Singapore, and Indonesia who advance to Star Director through Ambassador levels will be paid one third of the bonus amount for 3 months beginning with the first month of qualification. The new title must be maintained each month to earn the bonus.

\*\*Marketing Executives must achieve the title of Star Director within their 1st full calendar month the be eligible to earn the \$100 Advancement Bonus.

\*\*\*\$15,000 Royal Ambassador Bonus is paid \$3,000 a month for 5 months beginning with the first month of qualification. The Royal Ambassador title must be maintained each month to earn the bonus.

## Star Director Development Bonus

Earn a one-time \$100 bonus when you develop a new personally enrolled Star Director with an application date of September 1, 2008 or later. The Star Director Development Bonus will be paid at the same time as the \$100 Advancement Bonus earned by your personal enrollee, and you must be a Star Director in each month that your enrollee is a Star Director to qualify for this bonus

## Enrolment Legs

For Ambassador I and above positions, the personally enrolled Ambassador requirement is based on personally enrolled Ambassador (Amb) legs. This enables Ambassadors to reach down an unlimited number of enrolment levels deep to identify Leaders and count Ambassadors in enrolment legs toward qualifications for Ambassador I and above.

*Example:*



In this example, Amb A did not enrol Amb B, but he or she can still count Amb B for qualification purposes IF Amb B is the enrolment leg of Amb A. In other words, Amb B has to have been enrolled by an ME who is linked through levels of enrollers Upline to Amb A. This linkage is called an enrolment leg of Amb A. (Only one Ambassador per personally enrolled leg will count toward qualification.)

## Ruby, Emerald, Diamond, and Royal Ambassador Advancements

Ambassadors who meet the qualifications below as they advance through the Ambassador ranks will earn a special Ruby, Emerald, or Diamond pin.

**Note:** *Personally Linked Legs: To meet this requirement your Director and/or Ambassador leg do not have to be personally enrolled by you, however; they must be personally linked, through enrolment, to you. If your Director (III, IV or V) leg happens to be in your Ambassador leg, only the Ambassador leg will count, as it is the higher title. Therefore, your Director leg must come from outside your qualified Ambassador leg. This rule applies even if you personally enrolled the Director (III, IV or V) and/or Ambassador.*

To be active at a pay title of Ambassador or higher, a Marketing Executive must have a minimum of 3 personally enrolled Directors or Star Directors in any given month.

Title	Personally Linked Legs	Org. Volume/ Max Per Leg	Title	Personally Linked Legs	Org. Volume/ Max Per Leg
Ambassador		20,000/12,000	Royal Ambassador I	5A, 1R	250,000/150,000
Ambassador, Ruby	1DIII	25,000/15,000	Royal Ambassador I Ruby	4A, 1A1, 1R	275,000/165,000
Ambassador, Emerald	1DIV	30,000/18,000	Royal Ambassador I Emerald	4A, 1A2, 1R	300,000/180,000
Ambassador, Diamond	1DV	35,000/21,000	Royal Ambassador I Diamond	4A, 1A3, 1R	325,000/195,000
Ambassador I	1A	40,000/24,000	Royal Ambassador I Gold	4A, 1A4, 1R	350,000/210,000
Ambassador I, Ruby	1DIII, 1A	45,000/27,000	Royal Ambassador I Platinum	4A, 1A5, 1R	375,000/225,000
Ambassador I, Emerald	1DIV, 1A	50,000/30,000	Royal Ambassador II	4A, 2R	400,000/240,000
Ambassador I, Diamond	1DV, 1A	55,000/33,000	Royal Ambassador II Ruby	3A, 1A1, 2R	425,000/255,000
Ambassador II	2A	60,000/36,000	Royal Ambassador II Emerald	3A, 1A2, 2R	450,000/270,000
Ambassador II, Ruby	1DIII, 2A	65,000/39,000	Royal Ambassador II Diamond	3A, 1A3, 2R	475,000/285,000
Ambassador II, Emerald	1DIV, 2A	70,000/42,000	Royal Ambassador II Gold	3A, 1A4, 2R	500,000/300,000
Ambassador II, Diamond	1DV, 2A	75,000/45,000	Royal Ambassador II Platinum	3A, 1A5, 2R	525,000/315,000
Ambassador III	3A	80,000/48,000	Royal Ambassador III	3A, 3R	550,000/330,000
Ambassador III, Ruby	1DIII, 3A	85,000/51,000	Royal Ambassador III Ruby	2A, 1A1, 3R	575,000/345,000
Ambassador III, Emerald	1DIV, 3A	90,000/54,000	Royal Ambassador III Emerald	2A, 1A2, 3R	600,000/360,000
Ambassador III, Diamond	1DV, 3A	95,000/57,000	Royal Ambassador III Diamond	2A, 1A3, 3R	625,000/375,000
Ambassador IV	4A	100,000/60,000	Royal Ambassador III Gold	2A, 1A4, 3R	650,000/390,000
Ambassador IV, Ruby	1DIII, 4A	105,000/63,000	Royal Ambassador III Platinum	2A, 1A5, 3R	675,000/405,000
Ambassador IV, Emerald	1DIV, 4A	110,000/66,000	Royal Ambassador IV	2A, 4R	700,000/420,000
Ambassador IV, Diamond	1DV, 4A	115,000/69,000	Royal Ambassador IV Ruby	1A, 1A1, 4R	725,000/435,000
Ambassador V	5A	120,000/72,000	Royal Ambassador IV Emerald	1A, 1A2, 4R	750,000/450,000
Ambassador V, Ruby	1DIII, 5A	125,000/75,000	Royal Ambassador IV Diamond	1A, 1A3, 4R	775,000/465,000
Ambassador V, Emerald	1DIV, 5A	130,000/78,000	Royal Ambassador IV Gold	1A, 1A4, 4R	800,000/480,000
Ambassador V, Diamond	1DV, 5A	135,000/81,000	Royal Ambassador IV Platinum	1A, 1A5, 4R	825,000/495,000
Royal Ambassador	6A	150,000/90,000	Royal Ambassador V	1A, 5R	850,000/510,000
Royal Ambassador Ruby	5A, 1A1	165,000/100,000	Royal Ambassador V, Ruby	1A1, 5R	875,000/525,000
Royal Ambassador Emerald	5A, 1A2	180,000/110,000	Royal Ambassador V, Emerald	1A2, 5R	900,000/540,000
Royal Ambassador Diamond	5A, 1A3	195,000/120,000	Royal Ambassador V, Diamond	1A3, 5R	925,000/555,000
Royal Ambassador Gold	5A, 1A4	210,000/130,000	Royal Ambassador V Gold	1A4, 5R	950,000/570,000
Royal Ambassador Platinum	5A, 1A5	230,000/140,000	Royal Ambassador V Platinum	1A5, 5R	975,000/585,000
			Presidential Royal Ambassador	6RA	1,000,000/600,000

## Compression

FreeLife's Compensation Plan now has full monthly compression. Each month, all active levels will replace inactive levels (less than 35 points). This maximizes your commissions by ensuring you are earning on the maximum number of levels possible. Additionally, it provides more organizational volume by compressing volume up close to you, making volume-based qualifications easier to achieve.

## Matching Bonus

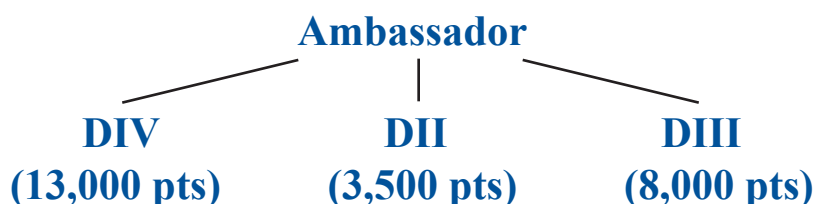
Directors and above earn a 20% to 60% bonus on the total 10 level commissions earned by all of their personally enrolled Marketing Executives. Additionally, MEs can inherit MEs in their personally enrolled hierarchy who no longer have an active enroller. Please see FreeLife's Policies and Procedures for further details.

<h3>Matching Bonus</h3>	
There is no limit to the number of Marketing Executives you can enrol and the more they earn, the more you earn! The Matching Bonus is paid as follows:	
Director - 20% Director I - 22% Director II - 24% Director III - 26% Director IV - 28% Director V - 30%	Ambassador - 32% Ambassador I - 34% Ambassador II - 36% Ambassador III - 38% Ambassador IV and V - 40% Royal Ambassador and above - 45% to 60%

## Ambassador Generational Bonuses

Qualified Ambassadors and above, can earn an additional 2% generational bonus on the total points of five generations of Ambassadors deep, starting with their own personal infinity points. Infinity points are defined as all points in an Ambassador's Organization (excluding personal points), an infinite number of levels deep, down to the next qualified Ambassador. This means that you can earn 2% on your entire Organization, potentially well beyond 10 levels.

**Example 1:** This Ambassador has 24,500 personal infinity points because none of the points are in another Ambassador's Organization. This Ambassador would earn 2% on his entire personal infinity points of 24,500 or \$490.



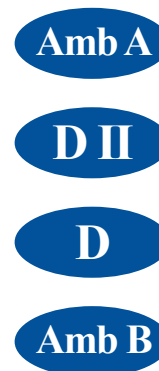
**Example 2:** Ambassador A has 21,500 personal infinity points because 22,000 points are in Ambassador B's Organization. Ambassador A would earn 2% on his personal infinity points (Generation 1) or \$430. Ambassador A would not earn on Ambassador B's 22,000 points because Ambassador B is a second generation Ambassador to Ambassador A. Ambassador A would have to be an Ambassador I in order to pick up her second generation of Ambassadors. When that happens, Ambassador A will then get 2% of her 21,500 personal infinity points and 2% of Ambassador B's 22,000 infinity points as a first generation Ambassador, resulting in a monthly Ambassador Generational Bonus of \$870.

To qualify as an Ambassador I or above, you must have one or more personally enrolled Ambassador Leg in addition to the volume requirement. Personally enrolled Ambassador legs means as an Ambassador, you can count other Ambassadors in your Organization as long as they have an enrolment linkage Upline to one of your personally enrolled MEs.



*Example:*

In this example, Ambassador A enrolled the Director II; the Director II enrolled the Director; and the Director enrolled the Ambassador. Ambassador A can count Ambassador B as one of his/her Ambassadors needed to get to Ambassador I because it is in Ambassador A enrolment genealogy. In other words, Ambassador A and Ambassador B are linked through levels of enrollments.



### Service Pool

FreeLife’s Service Pool rewards Leaders who are best living our mission of service to others by enrolling new Marketing Executives and developing new Star Directors within their Organization. The Service Pool is a worldwide pool that is available in each country that FreeLife® operates in. Share prices will vary per country based on what percentage of total worldwide sales each country represents and how many total shares are earned in that country.

## Four Service Pools Each Month!

PAID TITLE	POOL SIZE	MAX BONUS
Director II-Director V	2% of Company Points	up to \$6,000 each month
Ambassador-Ambassador I Diamond	2% of Company Points	up to \$12,000 each month
Ambassador IIs & Above	2% of Company Points	up to \$30,000 each month

### TOP EARNERS POOL

An additional 1% of the Total Company Points will also be used to reward the top Service Pool earners in each pool. This Top Earners Pool will be over and above the Maximum Bonuses noted above.

**Director II-Director V Pool - Top 30 earners**

**Ambassador-Ambassador I Diamond Pool - Top 20 earners**

**Ambassador II and above Pool - Top 10 earners**

## How to Participate

In order to participate in these lucrative pools, Marketing Executives are required to earn Service Points.

### Personally Enrolled (PE) Service Points are earned when you:

1. Personally enrol a new AC100 Marketing Executive with at least 100 points with application date of 1 September 2008 or later = 2 Points. 1 additional Service Point will be earned if the new enrollee purchases a Quick Start Pack.
2. Develop a new personally enrolled Star Director with application date of 1 September 2008 or later = 8 Points

### Personally Enrolled Leg (PEL) Service Points are earned by Ambassadors and higher when you:

1. Develop a new Star Director in a personally enrolled leg that is not blocked by a paid Ambassador or higher in that leg with an application date of 1 September 2008 or later = 4 Points

## Shares in the Service Pool are calculated as follows:

$$\text{Total Service Points} + (\text{Title Factor multiplied by your Average Net Growth}) = \text{Total Shares}$$

### Total Service Points

The Total Service Points for Ambassadors and higher will be your Personally Enrolled Service Points plus your Personally Enrolled Leg Service Points. To participate in the Service Pools, Ambassadors and higher must earn at least 10 Personally Enrolled Service Points each month, and 20 Total Service Points. That means Ambassadors can now count their Personally Enrolled Leg Star Directors (4 points) toward qualifying for the pool. If an Ambassador or higher achieves 60 or more Total Service Points, that Ambassador will receive double the Service Point credits for that month.

Director II-Director Vs must earn at least 10 Personally Enrolled Service Points to participate in the Service Pool. If a Director II - Director V earns 30 or more Personally Enrolled Service Points, he/she will receive double the Service Point credits for that month.

Service Points will count for up to 3 consecutive months, as long as he/she remain active in each month. For example, for a Star Director to count in January, February, and March, he/she must remain an active Star Director for all 3 months. The same rule applies for a personal enrolment of a New Marketing Executive on the AC100.

### Your Title Factor is calculated by the chart below:

Title Factor	
Director II	1.0
Director III	1.25
Director IV	1.50
Director V	1.75
Ambassador-Ambassador Diamond	2.0, 2.25, 2.50, 2.75
Ambassador I-Ambassador I Diamond	3.0, 3.25, 3.50, 3.75
Ambassador II-Ambassador II Diamond	4.0, 4.25, 4.50, 4.75
Ambassador III-Ambassador III Diamond	5.0, 5.25, 5.50, 5.75
Ambassador IV-Ambassador IV Diamond	6.0, 6.25, 6.50, 6.75
Ambassador V-Ambassador V Diamond	7.0, 7.25, 7.50, 7.75
Royal Ambassador	10.0

Average Net Growth is calculated by taking the average net Star Director growth in your 10–level Organization over a rolling three-month period. This excludes rollups and compression. Leaders without any Star Director Growth will receive a Net Growth factor of 1. Leaders who have a Net Growth factor greater than 1 will receive 3 times the credit for this multiplier.

### **Royal Ambassador Bonuses**

As you grow to leadership positions in the Company, you become eligible for many additional bonuses:

#### **Royal Ambassador**

**Matching Bonus:** Automatically increase your Matching Bonus to 45% to as high as 60%!

**Royal Advancement Bonus:** Earn up to \$15,000 Royal Advancement Bonus paid over your first 5 months as a new Royal Ambassador.

**Royal Training Bonus:** Earn up to \$5,000 per month to help pay for your training expenses.

**Worldwide Travel Bonus:** Qualify for Leadership Retreats to exotic locations throughout the world.

#### **Presidential Royal Ambassador**

**Cash Bonus:** Earn a cash bonus for \$100,000.

**Car Bonus:** Earn a cash bonus for up to \$100,000 for a vehicle of your choice.

**Rolex Watches:** Receive “his & hers” Rolex watches.

**Two Percent Bonus:** Earn based on total ten-level Organizational Points for an entire year!