

## ACTIV8 COMPENSATION PLAN

The ACTIV8 Compensation Plan is an industry-disrupting compensation method designed to pay our Representative's the highest amount for their sales. This compensation methodology is so unique that it has multiple patents filed on it. It isn't a binary, unilevel, matrix or even a hybrid. The ACTIV8 patent-pending structure is the first and only "multi-line" in the direct selling industry.

The ACTIV8 Compensation Plan is designed to overcome the industry's most prevalent tricks and "fine print" that take away from 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 payout of any other compensation plan known to date.

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

### Definition of Terms

Activation:	The date that a Member reaches twice the minimum sales threshold within their first year of enrollment.
Auto-Balancing:	A patent-pending mathematical algorithm that automatically calculates where volume from Preferred Customers should be placed, one point at a time, providing the maximum commissions to the Representative.
Auto-Delivery:	A reoccurring order established by the consumer, which automatically sends product to their doorstep. Since all products are a one-cycle supply, Auto-Delivery is generally set to reoccur once a cycle.
Auto-Delivery Price:	The price Representatives purchase ARIIX products for if they are also on Auto-Delivery. The retail price is generally 30% above this price.
Carry-Over-Volume	Volume on a Power Line that remains after deducting the sum of all Pay Line volume in a given week. Carry-over-volume cannot exceed 13,3334.
Commission Eligible:	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 particular market.
Consumer:	Any Member, Representative, Preferred Customer or Retail Customer purchasing ARIIX products.
Credit:	Associated with the Savings Bonus, a credit is a valuation converted to \$1 USD per credit, if the Savings Bonus threshold is attained.
Crossline:	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.
Cycle:	Four week period tied to commission qualification length.
Distributorship:	An Income Position controlled by an individual or person. It is loosely, although not necessarily legally, defined as a Representatives business in general.

Downline:	Refers to the placement of Income Positions in a parent/child relationship below another Income Position. Volume flows up through a downline.
Dynamic Compression:	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.
Enrollment:	The date established when a Member first purchases a Starter Kit (B.O.S.S.) and enters their personal information into ARIIX system.
Flextime:	Time granted to Representatives to place orders and/or make adjustments to the prior week, after the close of a commission week, but before the actual calculation run occurs.
Income Position:	A specifically placed "spot" in the Placement Tree of the ARIIX organization, controlled by a Member or Representative.
Minimum Sales Threshold:	The minimum amount of sales that must be generated each cycle (four weeks) above which commissions are then earned. Includes personal product purchases, and sales to personally sponsored Preferred Customers and/or Retail Customers. The minimum thresholds may vary by market.
Negative Volume:	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 the return occurred.
Optimized Line:	A line with the volume of 13,334 points or more.
Pay Line:	Any line(s) under an Income Position that does not have the largest amount of volume. Pay Lines may change from week to week. Fifteen percent of Pay Line volume is earned each week to a maximum of 2,000 points per week.
Placement Tree:	The downline organization positioned below an Income Position. Each Member has a position in the organization placed below another Income Position regardless of sponsorship.
Points:	A universal denomination by which commissions are calculated. Products with points are commission eligible. Each currency worldwide has an exchange rate associated with one point (i.e. one point = \$1 USD). Each commissionable product has a selling price and a point volume amount associated with it.
Power Line:	A single line that has the greatest volume during any week.
Promo-code:	A unique single code possessed by each Representative that may be given to their Preferred Customers to offer a 15% discount off of the retail price.
Re-Entry:	Additional Income Positions controlled by a Member or Representative that may be placed in their downline organization.
Retail Price:	Recommended price Representatives should sell ARIIX products for.
Sponsorship Tree:	The downline organization 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.
Volume:	The summation of points.
Wholesale Price:	The prices Representatives purchase ARIIX products for. The retail price is generally 30% above this price, but not the lowest purchase price possible.

## *Commission Periods*

The commission period at ARIIX begins each Saturday at 12:00 a.m. MST and closes each Friday at 11:59 p.m. MST. All the sales activity that takes place during that timeframe will be considered for commission and bonus qualification payout that week. This weekly payout 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 20<sup>th</sup> commission week period in 2017 will be designated '20/2017.'

Representatives who have attained a Business, Elite or Ultimate Level have the privilege of Flextime, which supports them calling customer service, when necessary, to make adjustments or generate additional sales for up to three extra business days, that can be applied to the prior week.

ARIIX Representatives who have generated volume either from personal purchases or sales of products to consumers while reaching the minimum sales threshold, will become commission eligible for one cycle (four consecutive weeks). The minimum sales threshold must be reached within any given week to be commission eligible for an entire cycle.

## *Types of Consumers*

ARIIX has four types of individuals to whom they sell goods and or services: Retail Customers, Preferred Customers, Members and Representatives. All four are collectively referred to as consumers. Each of these consumers are defined below.

### *Retail Customers*

The most important consumer to an ARIIX business is a Retail Customer. These are individuals that purchase product from an ARIIX Representative, or Member, directly or through the Representative's e-store. Retail Customers are not enrolled with 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 the wholesale price. The difference between the wholesale price and selling price is referred to as "retail profit." Representatives may choose to purchase products at wholesale and then directly resell to Retail Customers. Representatives can also sell products through their online personal e-store and ARIIX will automatically distribute the price difference in retail commissions to the Representative.

### *Preferred Customers*

Preferred Customers are registered with ARIIX and pay retail price. However, when they enroll and remain in the Auto-Delivery Program, Preferred Customers will receive 15% off the retail price. If their sponsor chooses to share their promo-code, Preferred Customers may receive a total discount up to 30% when combined with their Auto-Delivery discount.

The use of promo-codes varies by market. See Appendix A.

Preferred Customers are not allowed to sponsor Representatives or Members and they are not commission eligible. They are not given any Income Positions within the ARIIX Placement Tree. All volume generated from Preferred Customers for that commission period is assigned to the

sponsoring Representative and placed strategically within their organization to generate the highest commissions (see ARIIX' Patent-Pending Auto-Balancing below).

When Preferred Customers purchase product at a price higher than what sponsoring Representative paid, the difference will be paid in retail commissions to the sponsoring Representative.

### *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 ARIIX network, also known as the placement tree, may become a Representative based on the following additional actions:

- A) Purchase a Starter Kit, which subsequently yields a spot in the Placement Tree (Income Position).
- B) Complete and sign a Member Application Form.
- C) Sign an agreement for the ARIIX Terms & Conditions as well as the ARIIX Policies & Procedures.

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 enroll Preferred Customers, Members and/or Representatives. Additionally, ARIIX Representatives are able to 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.
2. Sell ARIIX products to a consumer.

## *IIX Membership*

### *Member*

- A. Reach Business Level or higher.
- B. Purchase the IIX Membership within the first cycle of enrollment.

### *Representative*

Qualifying Representatives with a IIX Membership will be eligible for:

- A) Special perks, treatment and bonuses.
- B) Double earnings from bonuses within the ACTIV8 Compensation Plan as outlined below.

## *Auto-Delivery*

All consumers of ARIIX products can participate in the Auto-Delivery Program, which delivers product right to their door every cycle (four weeks). As an added benefit, individuals with active Auto-Deliveries (or consecutive qualifying orders) receive an additional savings up to 30% off the retail price on top of all other discounts.

## *Activation*

To activate an ARIIX membership, Members and Representatives need to sell or consume twice the minimum sales threshold within their first year of enrollment. Enrollment occurs with the purchase of a Starter Kit called the Business Orientation System (B.O.S.).

## *Eligibility*

For Members and Representatives to be eligible for rebates or commissions they must comply with the following:

Members:

1. Adhere to their Membership Agreement.
2. Purchase at least the minimum sales threshold every year.
3. 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.

Representatives do not need to make a purchase to be commission eligible.

## *Active Status*

Any time the minimum sales threshold is generated in a week, any agreements between ARIIX and consumers will be extended out 13 cycles, if there is no disagreement from either side.

Failure to generate the annual minimum sales threshold within one year of purchasing the Starter Kit, will serve as notification of cancellation of a Member's spot in the Placement Tree or a Representative's Distributorship. With a cancelled Distributorship, the Member or Representative is subject to having their Income Position removed. Representatives may continue to purchase products but ONLY as a Member. Any former Representative, now classified as a Member, will neither accrue nor be eligible for commissions.

In the event the minimum sales threshold is not attained, ARIIX reserves the right to grant a

grace period to a Representative at their discretion.

## *Bulk Purchasing*

Available to Members and Representatives to sell large quantities of products to either the "public sector" (government, military, etc.) in countries in which ARIIX operates, or in "private sectors" in countries in which ARIIX does NOT operate. Under very specific conditions that do not compete with the ARIIX Representative's direct selling channel, each sale will be evaluated on a case by case basis.

In the event of bulk purchasing, volume will be placed as a "personal purchase" by the Representative who made the sale. Any volume that exceeds 13,334 points will have a negotiated commission paid to the Representative. Volume will be generated for the upline of the Representative who made the sale. Contact an ARIIX executive for further details regarding this program. ARIIX reserves the right to deny bulk purchasing.

## *Return Process*

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

In the event return volume creates less than zero volume points on any line, negative carry-over-volume will remain on the line of the purchase until positive volume is generated to offset.

Any products that are returned from Preferred Customers, and individual purchases where that volume was auto-balanced, will be negatively auto-balanced in the week it was returned. Any positive volume generated during the return week will 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 optimize lines or earn maximum commissions because of returns.

If auto-balanced negative (return) volume creates less than 0 income, such volume will become negative carry-over-volume until any volume is generated to offset.

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 some times, the impact of a purchase or return may impact a Representative either negatively or positively based on the timing of the return. However, ARIIX will not "look back" on all the impact that such returns may have on titles, commissions, bonuses or incentives earned, had the purchase not occurred in the first place, or had the return not happened at a specified time.

A Member or Representative who returns more than an aggregated total \$250 USD worth of unused products within a rolling six-months is a voluntary termination unless otherwise allowed by ARIIX. The purchase(s) returned will be subject to any restocking fee and or discount. Additionally, the effect of the return will be as if the purchase(s) had never occurred. Therefore, the value of the returned items will be reduced by all commissions, bonuses, trips, incentives or

any other form of payment that was given or earned as a result of the purchase(s). Because 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 reserves the right to merge the two Distributorships into a single Distributorship.

If a merge occurs, the lower Income Position(s) becomes a Re-Entry(s) to the upline Income Position. With a merge, extra Re-Entry's may exist on any single line, but the earning of future Income Positions on that particular merged line will be subject to the rules associated with earning additional Re-Entries.

When two Distributorships merge several conditions may change:

1. The Savings Bonus will be combined, including any savings bonus points earned before the initial payment. If two Distributorships are combined, the sum of both Savings Bonuses will be used to determine payout of the Savings Bonus. The bonus is then subjected to the same terms and conditions as a single Income Position.
2. The higher of the two titles associated with the two Distributorships will be the title for recognition even after combining both Income Position earnings.
3. All accrued points/bonuses will 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. A sales threshold of twice the monthly minimum will be required to be paid for commission eligibility on all newly combined Income Positions.
4. The IIX membership status for the buyer will be the same as it was at the time the Income Position was activated. Only one of the two merged Income Positions must have a IIX membership to receive IIX Status.
5. The Gold Status for the buyer will 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 commission eligible Representatives.
6. The new combined Distributorship will receive recognition based on performance after the merge, not as a result of merging. Any growth awards or contest incentives earned as a result of the merging Distributorships will not be counted.
7. Sponsorship and Matching Bonus for the merged Distributorships will vary based on the following three conditions:
  - A. One of the merging Representative's is the Sponsor of the other. All downline second generation sponsoring will become first generation sponsoring to the upline 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 becoming first generation to the upline Income Position #1.
  - C. Merging Distributorships with two different Sponsors will be allowed. However, Matching Bonus will be split based on a fixed pro-rata at the time of the merge.
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. If multiple Distributorships are created, the resulting division may cause a reduction, or even loss in commissions. Depending on the complexity of the split, a fee will be assessed for the creation of an additional Distributorship.

ARIIX will not pay additional base commissions or bonuses because of the split of a Distributorship.

For example: a large Distributorship, with two income positions, is split between two individuals giving each person a new Distributorship with one income position. Prior to the 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 "should" qualify for \$500 a week in the Savings Bonus, but the Savings Bonus would only be paid to one of the Distributorships. Growth of one of the new Distributorship would need to earn the Savings Bonus from newly generated volume.

### *Selling Your Distributorship*

ARIIX Distributorships operated by an ARIIX Representative belong to the Representative. The Representative has the right to sell their Distributorship as they would any asset. The amount they sell it for is determined between the buyer and the 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 \$100 will be assessed for the transfer of ownership.

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

1. A Representative must not sell, or encourage the sale, of a Distributorship to any ARIIX Member or Representative with 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 be involved in the buying or selling of Distributorships.
4. A Representative cannot earn commissions on multiple Distributorships 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.
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.



The following rights and privileges will apply to any sale:

1. The IIX Membership Status for the buyer will 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 will 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 eight weeks of the sale date.
3. A title is what an individual earns from commissions generated from an Income Position. The buyer will begin with no title, but will establish whatever title is merited after the transfer of ownership.
4. All accrued points and bonuses will 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 will not be changed due to the implications of Matching Bonus.
6. The cumulative Cost of Living Adjustment will 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 after enrollment). This includes all product sold to Customers, Preferred Customers, or themselves. The higher the sales, the higher the business level. 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 may vary by market. Please refer to Appendix A.

### *Gold or Silver Status*

Representatives who attain Gold Status are entitled to perks, benefits and Matching Bonus eligibility, which remain throughout their affiliation with ARIIX, and are exclusive to those who achieve this status. To obtain Gold Status, a Representative must either a) sell twice the minimum sales threshold to four new ARIIX Consumers within the first two cycles after their enrollment or b) depending on the market, ultimate business level includes Gold Status.

See Appendix A below.

If a Representative fails to attain Gold Status, a Representative can obtain Silver Status. While there is not a time requirement to attain Silver Status, the Representative needs to 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.

## *Retailing & Retail Profits*

Representatives can qualify to buy products at wholesale (30% below MSRP) by subscribing to Auto-Delivery, and can earn retail profits by selling ARIIX products at a higher price. When retail customers buy from the Representative's e-Store, ARIIX automatically collects the difference between the price offered and wholesale price and pays retail commissions weekly.

Representatives who sell product Preferred Customers must first Activate their business (generate 200 PV or more in personal sales) and be eligible to earn commissions by achieving the Minimum Sales Threshold to receive retail profits. Any retail profits generated prior to activation will be stored in their account until such time as the Representative has met the above activation and commission eligibility requirements.

Smart Links combined with auto-delivery and promotion code discounts allow Representatives to set up a retail order for any product at a price they determine, and the retail markup is automatically paid each week as retail commissions. Per the ARIIX Policies and Procedures, all advertising online and/or from an official ARIIX e-Store **must** be at MSRP.

Retail Profits vary by market. Please refer to Appendix A.

## *Base Commissions*

Activation of a 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 where a Representative can place newly enrolled ARIIX Members. An Income Position earns commissions through the sales generated from consumers and product sales generated from subsequent consumers.

Volume that doesn't pay a Representative in Team Lead Bonus counts towards their Base Commissions. All volume generated from a Representative's downline - regardless of how many levels below - is added up each week. 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. If the cumulative sum of all volume on all Pay Lines 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 becomes 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 from the vast majority of volume from Members and Representatives, for a commission period, that Pay Line is said to be "optimized." 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 is the potential of an unlimited number of Pay Lines per Income Position. The added Pay Line is available for immediate use and will also be used for auto-balancing regardless if anyone is placed on that added Pay Line.

Earning a Re-Entry: Beyond earning another Pay Line, the first time a specific Pay Line is “optimized” from the vast majority of volume from Members and Representatives, the Representative is also eligible to have another Income Position. This extra Income Position is called a Re-Entry. There is unlimited potential when it comes to the number of Income Positions a Representative can have. The Re-Entry is placed in the downline anywhere on the optimized Pay Line, which earned the Re-Entry. The result is additional earnings and greater stabilized volume from the depth of that line.

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

1. A one-time activation is required for each new Re-Entry.
2. Once placed and activated, a new Income Position will be eligible for commissions beginning the very next commission week, regardless of the Representative's Auto-Delivery cycle.
3. All Income Positions are on the same cycle as Income Position #1.
4. The number of lines a Re-Entry begins with is determined by the Business Level of the Representative. This means that 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 be placed, 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 payout over 50% of the sales volume from that downline organizational structure. When discovered, placed Re-Entry's will be removed and forfeited.
9. All Re-Entries (placed or unplaced) will be part of the Distributorship in the event of a sale or transfer of the Distributorship.
10. A Re-Entry may be moved to any other position on the same line **if** no Member or Representative has been placed underneath it or if there has not been any orders placed by any downline Member or Representative within the prior six-months.
11. There must always be one optimized line that does **not** have a Re-Entry Income Position placed below it unless a Power Re-Entry is earned and placed on the Power Line, in which case all lines can have multiple Re-Entry's on them.

Earning a Power Re-Entry™: A Power Re-Entry™ is an industry-first, created with ARIIX's ACTIV8 Compensation Plan. Becoming eligible to earn the Power Re-Entry is achieved by attaining the Ultimate Business Level in the first four weeks after joining ARIIX. The Power Re-Entry™ allows Representatives to:

1. Earn two Re-Entries, with the optimization of their first Income Position rather than just one.
2. Place the Power Re-Entry on not only an optimized Pay Line, but also on their Power Line, if they choose.
3. Place the Power Re-Entry on any of their lines under anyone (excluding insertion).

4. Place the Power Re-Entry under any crossline Income Position.

This single Power Re-Entry™ can generate an unlimited number of additional Re-Entries below it, extending its earning potential to infinite! Representatives may elect to partner with any ARIIX Representatives with their Power Re-Entry™ — an industry first! This Patent-pending design eliminates the need for crosslines.

All the normal conditions of a Re-Entry apply to the Power Re-Entry, but if that Power Re-Entry™ is placed crossline in a Representative's organization, the following conditions apply:

1. In order to protect the fundamental integrity of the Placement Tree, Representatives who choose to place their Power Re-Entry™ in a crossline 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 Tree. In the event a Representative does not have the minimum of 13,334 **total volume points** generated at or below their Income Position #1, their crossline Power Re-Entry™ will be considered inactive and 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 will be reset to "0." All volume generated under the Power Re-Entry™ will still be paid on all positions above the Power Re-Entry™.
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 crossline positions. Only the original sponsor will 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 will be accumulated until a minimum of \$30 USD is reached.

## *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 volume is placed on each line where it would generate the greatest amount of commissions or the largest rebate for the individual during that week.

Depending on the Representative's Business Level, Auto-Balancing will earn a Representative anywhere from 7.5% to 15%. The higher the level, the more lines a Representative begins with. The more lines an Income Position has, the more in base commissions or rebates.

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 payout faster compared to base commissions alone, encourage leadership assistance to downlines and provide additional compensation for dedicated ARIIX leaders.

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 will 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 participating in another MLM that is deemed “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:

- 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, have diminished due to the activity associated with the competitor.
- Discouraging any activity or event attendance.

Notwithstanding, the potential loss of bonuses, provided the terms of the agreements are maintained, a Representative will 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 products sold to new consumers. The more product sold, the higher the Team Lead Bonus percentage will be. All product 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 Line or Pay Line, ARIIX Representatives are rewarded through a 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 enrollments up to seven generations or “levels” deep. Therefore, anyone directly sponsored by a Representative is considered a first generation sponsorship to that Representative. Individuals the first generation sponsors are considered 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, their great grandchildren would be third generation and so forth down to 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 each week. The sixth generation requires having at least one optimized Income Position per week, and the seventh generation is granted with a second optimized Income Position or four lines optimized 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 Optimized Income Position
Generation 7	2.5%	5%	2nd Optimized Income Position or 4 Lines on a single Income Position

Matching Bonus is paid with dynamic compression. Commission eligible Representatives with a Gold or Silver Status will occupy a generational level. All Representatives who do not hold Gold or Silver Status will be exempt from occupying a generational level for that week. 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 optimized Income Position occurs when at least one Pay Line (and a Power Line) has optimized in a specific week. Any week that an Income Position is optimized, 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 optimized Income Position. Two additional shares (for a total of three shares) are earned for optimizing a second Income Position. Three additional shares (for a total of six shares) are earned for optimizing a third Income Position. This pattern of exponential increase continues for each additional Income Position that a Distributorship optimizes. There is no limit to the amount of Income Positions that can be optimized, 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 optimized. The Pay Line bonus is 1% of the total company volume. Shares for the Pay Line Bonus are issued for each additional optimized Pay Line a Representative has in that Income Position in each week. One share is earned for their third optimized line, two shares for their fourth (totaling three), and three shares for their fifth (totaling six), etc. There is no limit to the amount of Pay Lines that can be optimized, 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 optimized lines will payout in the Income Position Bonus, therefore the Pay Line Bonus begins with the third optimized line of a given Income Position as follows.

If multiple Income Positions have optimized Pay Lines, the number of Pay Lines eligible for shares is determined by the total number of optimized Pay Lines minus the number of Income Positions with optimized Pay Lines. For example, two Income Positions with three optimized Pay Lines on Income Position #1 and four optimized Pay Lines on Income Position #2 would earn as follows: The first with two Pay Lines (and one Power Line) on Income Position #1, and three Pay Lines (and one Power Line) on Income Position #2, would yield five (two + three optimized Pay Lines) minus two (first Pay Line on each Income Position) or three optimized Pay Lines for a total of six shares (3+2+1) or twelve 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 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 (either directly or indirectly) in 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 will increase the Cost of Living Adjustment which increases 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 receive a cumulative Cost of Living Adjustment that was associated with their years of activity. For example, if three consecutive years had a Cost of Living Adjustment of 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 two and three, they would have a Cost of Living Adjustment of only 7% ( $1.04+1.03$ ).

## *Title Advancements*

Leadership Titles in the ACTIV8 Compensation Plan are determined by the amount of accumulated Lifetime Earnings (from any form of commission or retail incentive) earned and the Pay Line volume generated by an ARIIX Representative in a given commission period. Each Pay Line of an Income Position may contribute up to 13,334 points each week towards title advancements.

<b>Title</b>	<b>Title Name</b>	<b>USD Lifetime Earnings</b>	<b>One Week Total Payline Volume</b>
1	Member / Rep	0	
2	Team Lead	100	
3	Sr Team Lead	200	
4	Supervisor	400	
5	Sr Supervisor	600	
6	Manager (both required)	800	1000
7	Sr Manager (both required)	900	1500
8	Director (both required)	1000	2000
9	Sr Director (both required)	1000	2500
10	Vice President (both required)	1000	3000
11	Sr Vice President (both required)	1000	5000
12	Officer		6667
13	Sr Officer		13334
14	President		20000
15	CEO		26668
16	Chairperson		40000
17	Chairperson Level 2		53334
18	Chairperson Level 3		66668
19	Chairperson Level 4		80000
20	Chairperson Level 5		93334
21	Chairperson Level 6		106668
22	Chairperson Level 7		120000
23	Chairperson Level 8		133334
24	Chairperson Level 9		146668
25	Crown Chairperson		160000
26	Crown Chairperson Level 2		173334
27	Crown Chairperson Level 3		186668
28	Crown Chairperson Level 4		200000
29	Crown Chairperson Level 5		213334

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

## APPENDIX A: Variances by Market

	US/CAN	EU	Taiwan	China	Japan	Korea	Mexico	CIS
<i>Minimum Sales Threshold (MST)</i>	100 pts	100 pts	100 pts	100 pts	100 pts	100 pts	100 pts	50 pts
<i>Renewal Fee</i>					25 USD			
<i>Business Levels</i>							Business:200 Elite: 400 Ultimate: 800	Business:200 Elite: 400 Ultimate: 800
<i>Gold Status</i>	Not Included with Ultimate Level							
<i>Base Commissions</i>				No Crossline Placement for Power Re-Entry				
<i>Team Lead Bonus</i>						Old Team Lead Bonus; four commission eligible Members generates TLB once per cycle		
<i>ASAP (Accelerate Sales and Profits) Bonus</i>						Pays Sponsor, Varies by Pack		
<i>Retail Profits</i>		Italy does not require Members to have Auto-Delivery to earn Retail Incentive						
<i>Return Process</i>					3 Weeks Cool Down Period			
<i>Title Advancement Levels</i>								
<i>Business Levels</i>		200 GBP Max on First Time Order for Member						