COMPENSATION PLAN OVERVIEW

January 2014

LIFEPHARM GLOBAL NETWORK

OVERVIEW OF CONTENTS

- We are LifePharm Global Network
- Compensation Plan Overview
- Definitions
- What is Direct Sales?
- How you earn with LifePharm Global Network
- Summary

WE ARE LIFEPHARM GLOBAL NETWORK

LifePharm Global Network has been founded on a "By You, For You" philosophy.

What does this mean?

Everything from our products to compensation, training to incentives, and approach to conducting business, places the interests of our Independent Business Owners first.

Why? Because our Independent Business Owners are our most important asset. We know that without considering the feedback and input of the people we depend on to make LifePharm Global Network an industry leader, all of our efforts for success will fall short.

We are in the business of creating Life, Livelihood, and Legacy for all our Independent Business Owners and making their dreams a reality.

WHAT IS DIRECT SALES?

Direct Sales is a method of product distribution that pays Independent Business Owners for selling their company's products and sponsoring a team of other IBOs to join them in building their own businesses.

Why is Direct Sales lucrative? Simply put: No more middle man

Companies who distribute their products and services through traditional retail businesses, infomercials and online e-commerce have massive advertising costs associated with getting their products into the hands of end users (customers). These costs are passed on to consumers in the form of higher product prices.

In the Direct Sales model, Independent Business Owners are compensated through commissions and bonuses when they share the products and services of the company they have chosen to be a part of. By eliminating advertising costs, storefronts, and inventory investments, product quality is high and costs are low. Independent Business Owners are able to build lucrative businesses with very low startup costs and profit directly for their sales and sponsoring efforts.

Why do customers prefer purchasing directly from an Independent Business Owner?

Think about it: When we see a good movie, go to a great new restaurant or read an amazing book, we tell others. Those we know and meet trust our experience. Direct Sales works in much the same way. People trust your experience with the product and opportunity you represent, and they want to benefit personally as you have.

COMPENSATION PLAN OVERVIEW

The LPGN Compensation Plan is designed to meet your goals…whatever they may be.

When you share LPGN products and the Business Opportunity with those you know and meet, you can create a lucrative business. The only requirement to becoming an LPGN Independent Business Owner is to purchase an LPGN IBO Starter Kit. This kit is designed to help you get your business off to a strong and profitable start.

The approach to the LPGN Compensation Plan is to "pay for performance." You are directly rewarded for your business-building efforts through multiple streams of income. You can earn a little extra, or a full-time income. You determine your own level of compensation.

DEFINITIONS

In order to help you understand the LifePharm Global Network Compensation Plan, we have provided some brief definitions of terms used within the plan.

TERMS & DEFINITIONS

Active IBO	IBO is considered to be "active" if he/she has placed an order within the last 30 days.
Active Personal Requirement	In order to be paid, based on rank, IBO is required to have 1-10 Active IBOs from his/her personally enrolled downline IBOs.
Annual Renewal Fee	In order to remain an Active IBO and to continue to have access to their LPGN Virtual Office and an LPGN replicated website, IBOs must renew their account by paying a $20.00 renewal fee annually on their enrollment anniversary date.
Auto-Delivery	Auto-Delivery is a standing order that is to be processed on the same day of each month. Preferred Customers and IBOs are encouraged to be on Auto-Delivery so that they are never out of product and always remain an Active IBO without having to remember to re-order.
Commission Volume (CV)	Each product sold has a CV assigned, and this CV is the basis of calculating all commissions and bonuses.
Compression	For Matrix commission, if any IBO within your pay level is not "active," then that inactive IBO is not considered to have occupied a level, and the next IBO in the tree will be "compressed up" to take that place. For Generation Leadership Bonus, Qualified Silver (or above) is considered to be a start of a new generation, and the system will compress until it finds its Qualified Silver (or above) in each of the Legs.
Generation	Often referred to on the Unilevel Generation Tree for the purpose of paying the Leadership Generation Bonus, any qualified Silver or above is considered a beginning of a new Generation. For example: if there is no qualified Silver (or above) within your first 10 levels, but the 11th level downline is a qualified Silver, he/she is your first Generation.
Group Volume (GV)	GV is the collection of all CVs from all your downline IBOs in your Unilevel Generation Tree. GV is used for the purpose of meeting the volume requirements for both achieving and maintaining a rank, but is not the basis for calculating actual commissions. Certain packs may have additional GV assigned on top of the CV they already have. Your PV is not included in your GV, but your Preferred Customers' CV can be part of your GV.
Independent Business Owner (IBO)	A LifePharm Global Network Independent Business Owner is a person over 18 years of age who has completely filled out and signed an LPGN IBO Application & Agreement Form and paid for his/her Starter Kit.
Legs	In the Matrix Tree, you only have two legs—one on the left and one on the right—and all downline IBOs belong to one of the sides. In a Unilevel Generation Tree, anyone you personally enrolled is the beginning of a new leg. So, if you have personally signed up 5 IBOs, then you have 5 legs.
Level	This is the vertical position of an IBO in your organization, and may refer to both in your Matrix Tree & Unilevel Generation Tree.

TERMS & DEFINITIONS

Pay Rank — IBOs will be paid at the rank of their performance each month. Each Pay Rank has specific performance requirements, and may fluctuate from month to month.

Personal Volume (PV) — PV is the collection of all CVs assigned to the products you purchased or products you sold. CV assigned to the products purchased by your own Preferred Customers can be used to meet your PV requirement. In order to receive commissions and bonuses, an IBO must meet a PV requirement associated with each rank.

Personally Sponsored Downline — Often referred as "frontline," the Personally Sponsored Downline are the downline IBOs who are personally enrolled by you. You, in turn, are referred as their "sponsor."

Pin Rank — Once an IBO achieves a rank, he/she will always be "recognized" at the highest rank he/she has achieved even if he/she does not continue to meet the performance requirements for that rank. Pin Rank is NOT the basis in determining at what level the IBO would get paid on commissions, bonuses, incentives, etc.

Preferred Customer — A person who signs up to be an LPGN Preferred Customer has the ability to purchase LPGN products at the wholesale price. The IBO who has signed up the Preferred Customer will earn commissions on these sales and has the ability to count the sales volume toward their personal sales volume requirement. Preferred Customers do not take a place within the Matrix, and they do not count toward meeting the number of active requirements for the IBO.

Qualified IBO — An IBO who has met all requirements either to advance or maintain a rank AND is active.

Retail Customer — An individual who purchases LPGN products at retail from an LPGN IBO. LPGN products may ONLY be sold to retail customers through an LPGN IBO.

Starter Kit Fee — Any person wishing to become an LPGN IBO will be required to pay a $49.95 Starter Kit Fee that allows them access to tools.

Tree — There are two types of trees:

Unilevel Generation Tree – This tree, also known as the Sponsorship Tree, includes all downline IBOs that you have personally recruited (your 1st level downlines), their personally recruited downlines (your 2nd level downlines), and their personally recruited downlines (your 3rd level downlines), and so forth.

Matrix Tree – This tree includes all IBOs that are in your Unilevel Generation Tree AND those who are recruited by your sponsor & uplines and their recruits. All IBOs are placed in the Matrix Tree in the order of sign ups. LPGN has a 2x12 Matrix Tree, meaning that any IBO can only have 2 legs in his/her first level of the Matrix Tree, and any additional member will flow down to the next level.

HOW YOU EARN WITH LPGN

The LPGN Compensation Plan offers you multiple streams of income. You are rewarded for all your business-building efforts as you work toward growing and developing a strong and thriving team of IBOs who share LPGN products with those they know and meet.

MULTIPLE STREAMS OF INCOME

Weekly Earning Opportunities

- Retail Bonus
- Preferred Customer Override
- Fast Start Bonus
- Break Even Bonus
- Matrix Bonus
- Matrix Match Bonus
- Coded Bonus
- Coded Match Bonus

Monthly Earning Opportunities

- Leadership Generation Bonus
- Global Bonus Pool

Plus

- Cash Bonus & Rewards

GETTING STARTED

Becoming an LPGN IBO

- There is no personal purchase of product necessary to be an LPGN IBO.

- Start your **OWN** LPGN business by paying the $49.95 IBO Starter Kit Fee and receive:
  - Opportunity to earn commissions and bonuses
  - Participate in incentives
  - Earn Recognition
  - Your own Replicated LPGN Website
  - LPGN IBO Virtual Office to manage your LPGN Business
  - 1 year subscription to the LPGN VIP level 100 Training Platform

RETAIL BONUS

- You earn a Retail Bonus by purchasing your products at wholesale and selling it at the retail price.
- Increase your Retail Bonus with larger LPGN Product Packages as you get your products at a lower rate.

PREFERRED CUSTOMER PROGRAM

The Preferred Customer (PC) Program rewards you for acquiring Preferred Customers and teaching the IBOs in your team and your downline IBOs to do the same.

- PCs must stay on Auto-Delivery program to purchase our products at the wholesale price!
- PCs will be able to track their order history.
- PCs are not placed in your Matrix.
- A PC's volume counts toward the Personal Volume of the IBO who signed up the PC.

PREFERRED CUSTOMER OVERRIDE

LEVEL	IBO	ASSOCIATE & ABOVE
Personal PC (Level 1)	15%	25%
Level 2		5%
Level 3		5%
Level 4		5%
Level 5		5%

- Qualification to receive PC Override: Be Active & Qualified
- Your Preferred Customers' CV counts toward your PV requirement
- Full Compression

FAST START BONUS

- Active and Qualified IBOs are eligible to receive 15% of the CV of the products purchased by their personally sponsored IBOs at the time of sign up.

BREAK EVEN BONUS

- Earn a Break Even Bonus to offset the cost of your personal product purchases. Earn 15% of the CV of all your personal IBOs' orders, excluding the sign up order, each and every month.

- The new Break Even Bonus does **NOT** have a weekly or monthly cap.

PROMOTE AND EARN

RANK TITLES

RANK	TITLE+	GV*	ACTIVES
Rank 0	IBO	-	0
Rank 1	Associate	-	1
Rank 2	Builder	-	2
Rank 3	Premier	300	3
Rank 4	Silver Director	10,000	4
Rank 5	Gold Director	35,000	5
Rank 6	Platinum Director	100,000	6
Rank 7	Ruby Executive	350,000	7
Rank 8	Emerald Executive	1,000,000	8
Rank 9	Diamond Executive	3,000,000	9
Rank 10	Presidential Executive	5,000,000	10

+To achieve Rank 6 and above, an IBO must meet the GV and Actives Requirement for 2 consecutive months.
*GV – Refers to your Personal Group Volume in your Unilevel Organization.
*Leg Max – At Silver Director Rank and above, no more than 50% of the required GV can come from any one Generational Leg.

MATRIX BONUS

2x12

3% at each level
Total Payout: 36%

TEAM BUILDING

The LPGN Matrix is a Team Bonus. As an Active Associate and above, you can qualify to receive Matrix Bonuses on sales made by your personal team as well as on those who are placed under you in the Matrix by your upline leaders. This allows you to earn from the efforts of others while you build your own strong IBO Team.

MATRIX BONUS – TEAM BUILDING

PAY RANKS AND QUALIFICATIONS

Getting Started…

PAY RANK	GV VOLUME	MATRIX DEPTH	ACTIVE PERSONALS	QUALIFYING PV
ASSOCIATE	-	7	1	25
BUILDER	-	10	2	25
PREMIER	300	12	3	50

MATRIX BONUS – TEAM BUILDING

PAY RANKS AND QUALIFICATIONS

Directors in Action…

PAY RANK+	GV VOLUME*	MATRIX DEPTH	ACTIVE PERSONALS	QUALIFYING PV
SILVER DIRECTOR	10,000	12	4	100
GOLD DIRECTOR	35,000	12	5	100
PLATINUM DIRECTOR	100,000	12	6	100

+To achieve Platinum Director and above, an IBO must meet the GV and Actives Requirement for 2 consecutive months.
*Leg Max – At Silver Director Rank and above, no more than 50% of the required GV can come from any one Generational Leg.

MATRIX BONUS – TEAM BUILDING

PAY RANKS AND QUALIFICATIONS

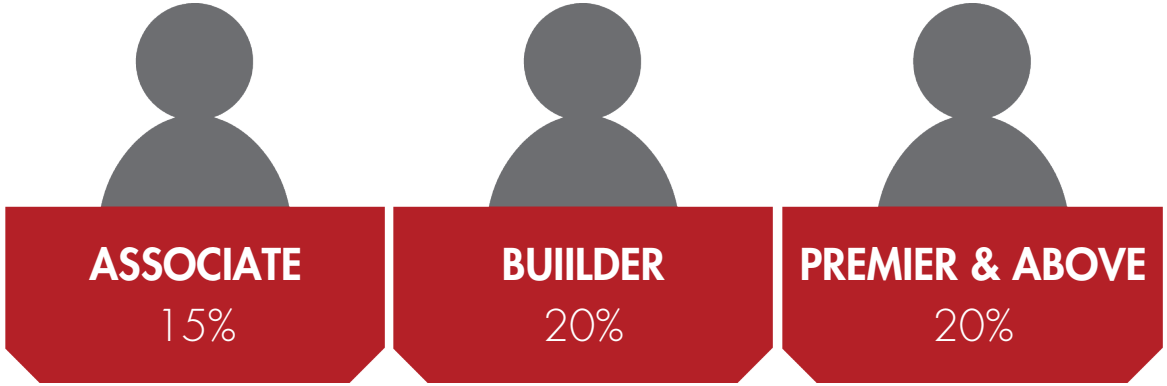
Executives Excel…

PAY RANK+	GV VOLUME*	MATRIX DEPTH	ACTIVE PERSONALS	QUALIFYING PV
RUBY EXECUTIVE	350,000	12	7	100
EMERALD EXECUTIVE	1,000,000	12	8	100
DIAMOND EXECUTIVE	3,000,000	12	9	100
PRESIDENTIAL EXECUTIVE	5,000,000	12	10	100

+To achieve Platinum Director and above, an IBO must meet the GV and Actives Requirement for 2 consecutive months.
*Leg Max – At Silver Director Rank and above, no more than 50% of the required GV can come from any one Generational Leg.

MATRIX MATCH BONUS

- As you build your team, you can earn a Matrix Match Bonus check on the first two IBOs that you enrolled. For EACH of the first two IBOs that earn their own matrix check, you can earn up to a 20% match on their matrix check each week.



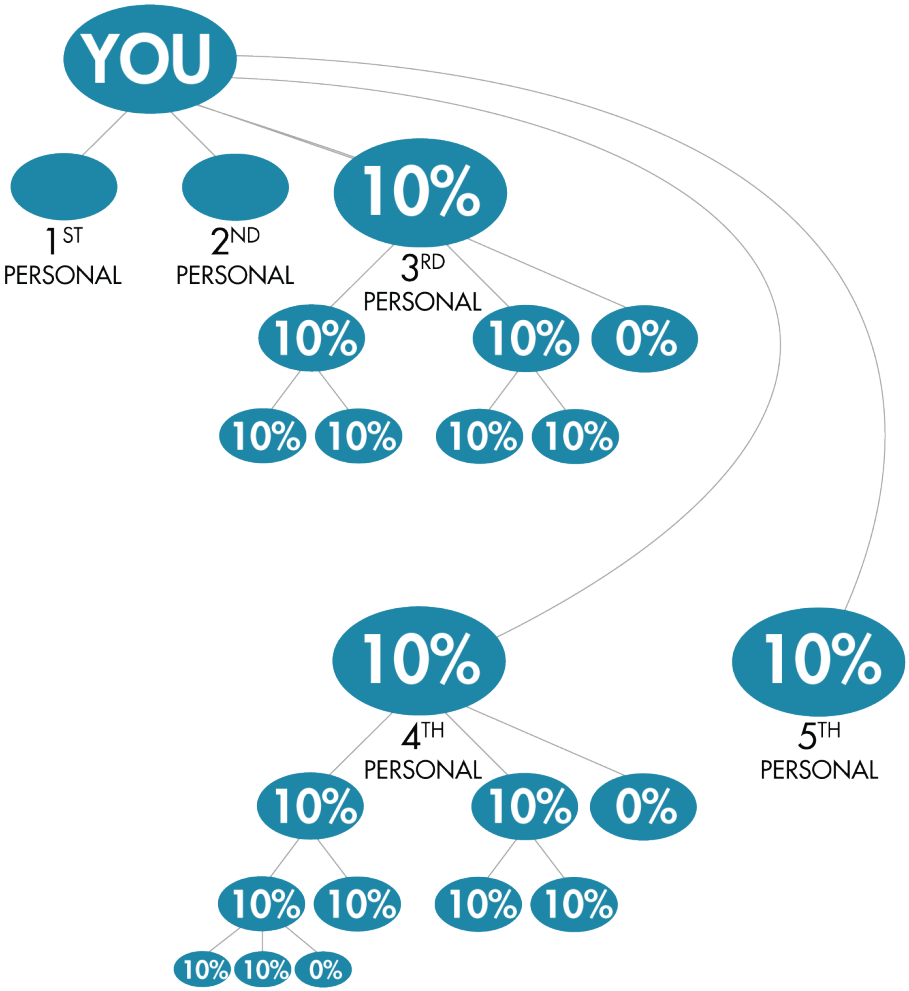
CODED BONUS

The Coded Bonus pays "infinity wide" beginning from the 3rd IBO you personally enroll and each one you personally enroll thereafter. The Coded Bonus percentage is based on your rank:

- Builder – 2% of the CV
- Premier & above – 10% of the CV

The Coded Bonus also pays "infinity deep." Beginning with your 3rd personally enrolled, and their "first two," and their "first two," and so on, infinity deep.

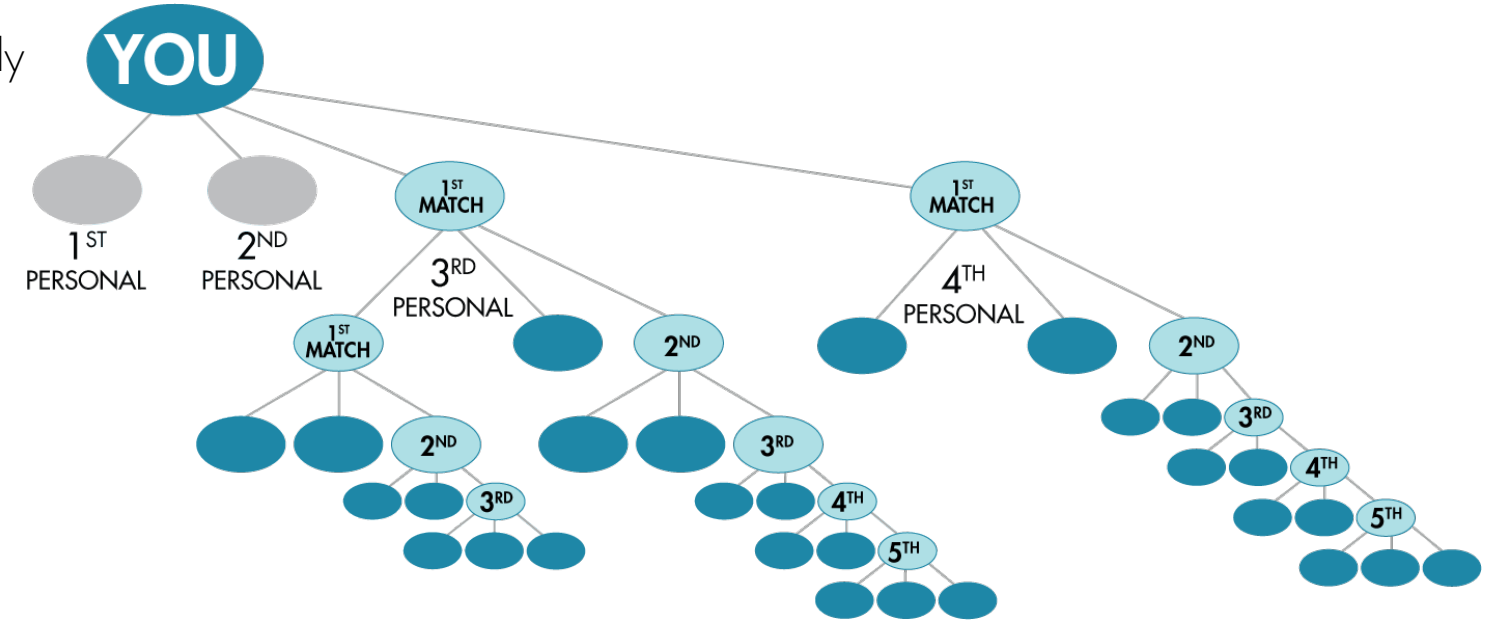
- Paid weekly
- Must maintain personal CV volume assigned to each rank



CODED MATCH BONUS

Based on your Unilevel Sponsorship Tree, you will be paid a Coded Match Bonus from a percentage of the Coded Bonus earnings when those coded to you and their coded team earn the Coded Bonus. You will be able to earn from your compressed first 5 qualified levels of Coded Teams*.

- Paid Weekly



*Any IBO coded to you who opens their coded bonus earnings, by personally sponsoring a third enrollee under them, is your 1st level coded match. You can earn a Coded Match Bonus through up to 5 coded levels with unlimited width and depth in your Unilevel Sponsorship Tree.

Must maintain personal CV sales volume assigned to each rank per month.

CODED MATCH BONUS

	BUILDER	PREMIER & ABOVE
GENERATION 1	15%	15%
GENERATION 2	5%	10%
GENERATION 3		10%
GENERATION 4		10%
GENERATION 5		5%
	Pays 15% of the Coded Bonus amount of qualifying IBOs on 1st Generation. Pays 5% on 2nd Generation.	Pays 15% of the Coded Bonus of qualifying IBOs on 1st Generation. Pays 10% on 2nd, 3rd, and 4th Generation, and 5% on 5th Generation.

LEADERSHIP GENERATION BONUS

UNILEVEL TREE

- In your Unilevel Tree, also known as the Sponsorship Tree, when you enroll a new member they will be direct to you and in your first level in your Unilevel Tree.
- When someone in your first level enrolls a new member, they will be direct to them and in their first level.
- This is your second level…and so on, your third, etc.

LEADERSHIP GENERATION BONUS
5% - 11% based on rank

LEADERSHIP GENERATION BONUS

Eligibility: Qualified Silvers and above

	SILVER DIRECTOR	GOLD DIRECTOR	PLATINUM DIRECTOR	RUBY EXECUTIVE OR HIGHER
1ST GENERATION*	5%	5%	5%	5%
2ND GENERATION*		3%	3%	3%
3RD GENERATION*			2%	2%
4TH GENERATION*				1%

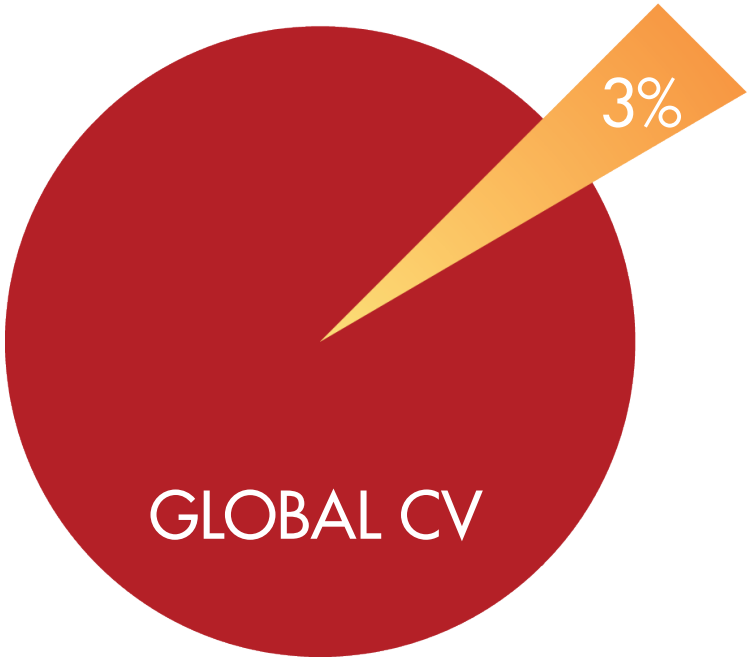
Must meet all requirements for the rank.

*"Generation" is defined as the number of levels before you hit your first qualified Silver or above in your Unilevel Tree.

GLOBAL POOL PROFIT SHARING

SHARE IN GLOBAL PROFITS

1 share per 20,000 GV leg *(minimum of 2 required)*



Earn shares in the Global Pool, which is 3% of the Global CV, by building multiple legs with a minimum of 20,000 GV. To earn your first shares, you will need a minimum of TWO 20,000 GV legs to enter the pool and receive TWO shares. For each additional 20,000 GV leg, you will earn another share.

IN SUMMARY

YOU CHOOSE YOUR LEVEL OF SUCCESS AND INCOME

As an LPGN Independent Business Owner, you have the ability to experience success on your terms and determine your own income.

Benefits of becoming an LPGN IBO:

- Set your own hours/work part-time or full-time
- Earn as much or little as you choose
- Promote yourself when you are ready
- Work at your own pace
- Learn while you earn with LPGN training and support
- Be your own boss
- Never worry about layoffs or downsizing
- Create residual income for the future
- Plan for retirement

CLAIMS

LIFEPHARM GLOBAL NETWORK

None of the examples shown in the presentation are to be interpreted as a guarantee of income.

LPGN does not guarantee income, and all commissions and bonuses are based on IBOs meeting specific activity and performance requirements.

LPGN reserves the right to change or modify this presentation and compensation plan as needed or required based on business needs.

CASH BONUS & REWARDS

In addition to our Compensation Plan, we also provide Promotional Cash Bonus & Rewards to our IBOs for achieving new ranks

RANK*	CASH	CASH DISBURSEMENT SCHEDULE	OTHER INCENTIVE**
Silver Director	$1,000	Upon achieving the Rank	Executive Portfolio
Gold Director	$2,000	Upon meeting the Rank qualification for two consecutive months	4-Day Gold/Plat Excursion
Platinum Director	$10,000	$5K upon achieving, $5K the following month if Rank Qualified	4-Day Gold/Plat Excursion
Ruby Executive	$50,000	$10K upon achieving, $5K for up to 8 following months if Rank Qualified	8-Day Executive Excursion
Emerald Executive	$100,000	$20K upon achieving, $10K for up to 8 following months if Rank Qualified	8-Day Executive Excursion
Diamond Executive	$500,000	$100K upon achieving, $50K for up to 8 following months if Rank Qualified	8-Day Executive Excursion
Presidential Executive	$1,000,000	$200K upon achieving, $100K for up to 8 following months if Rank Qualified	8-Day Executive Excursion

* Gold and above must meet the rank requirements for two consecutive months to earn this Cash Bonus & Rewards.

** Gold and above may qualify for a second trip after completing the first trip, then qualifying with 50% higher volume required for the Rank for two consecutive months.