

# FreeLife's TriMax™ Compensation Plan

FreeLife's TriMax™ 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 TriMax™ 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 TriMax™ 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 AC Program 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, month after month, year after year. 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. So if you are an AC100 and your new Customers order a total of 80 points, and you order 20 points or more before the 20th of the month, you will not be shipped your AC order.

## Product Rebate

As an active AC100, you earn a 20% Product Rebate on your personal points that exceed 100 points in a given month.

*For example:*

- You have 500 personal points in January. (Remember, all of your new Customer purchases count towards 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 towards your personal and Organization points (your weak leg).

Note: On all personal points over 100, 50% of the points are paid upline in the TriMax™ 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 enrollment levels deep in your Organization - 20%, 10%, 10%, 10%, 10%.

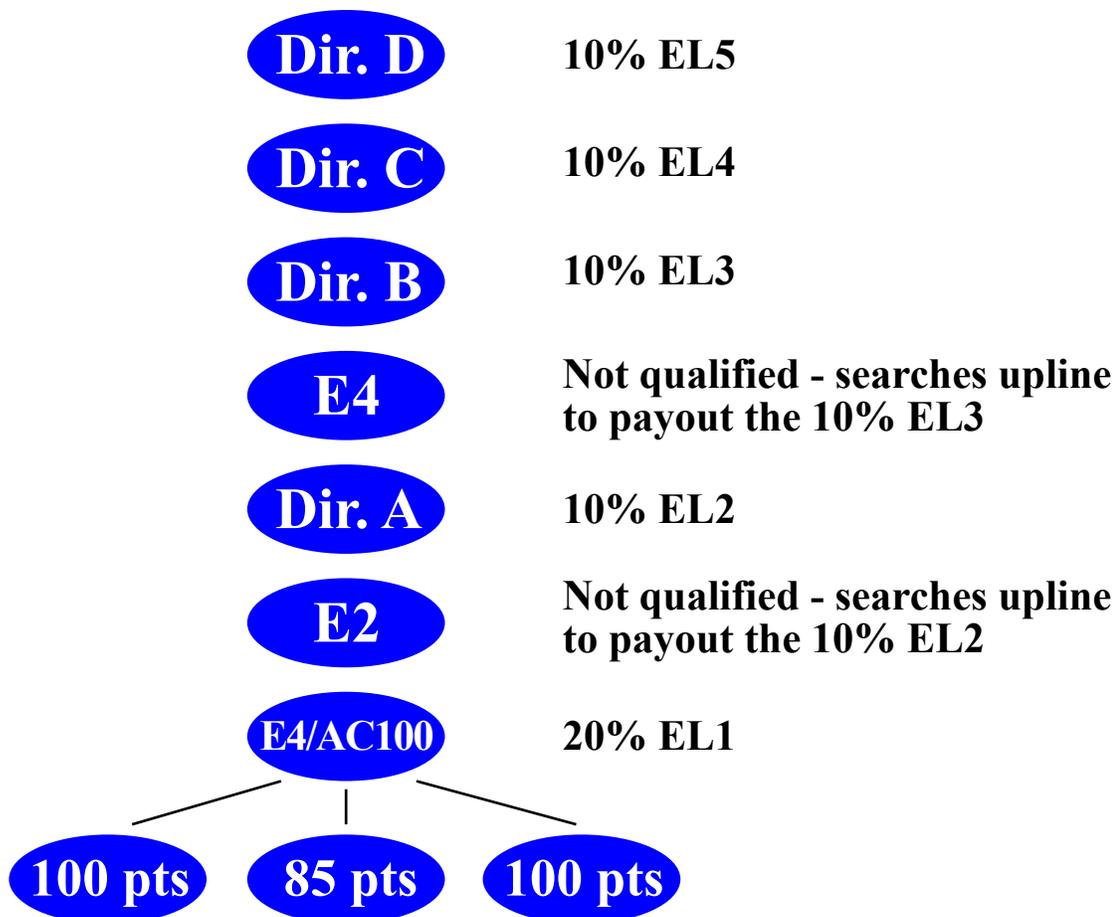
The FSB is paid on every new ME's first two months of product purchases, up to 100 points, five enrollment levels deep. For example, if you personally enrolled 3 MEs in January, you would earn the FSB on their product purchases made in January (their first month in FreeLife) and February (their second month in FreeLife). This continues indefinitely as new MEs will be coming into your FreeLife Organization every month.

**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 adjusted points from the Product Rebate are paid in the TriMax™ 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 Enrollment Levels. This can be very significant income as you are earning 10%, four additional enrollment levels deep, and each enrollment 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 enrollment 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 enrollment level 2 bonus (EL2) because you must be a Director or above to earn 10% on enrollment levels two, three, four, or five. Therefore, the computer continues searching enrollment 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 enrollment 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:



## TriMax™ Compensation Plan

FreeLife's TriMax™ 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 (3rd month purchases and beyond), all points will be moved to the 10 Level TriMax™ Plan.

Some important highlights of the 10 Level TriMax™ Plan include:

1. 100 points is the most personal points required at even the highest leadership levels in TriMax™.
2. Full monthly compression (see compression explanation for more details)
3. All MEs have unlimited positions on all levels of the TriMax™ 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. Have a minimum of three personally enrolled MEs who produce at least 100 points in the current month; or
  - c. Produce 500 personal points in the current month. (Remember, all of your new Customers' points count towards your personal points)

Note: Customers with an application date of 9/30/03 or sooner will still count towards the personally enrolled requirements needed for titles. For example, if you have Customers with an application date of 9/30/03 or sooner, they will count as one of your 35-point enrollments or 100-point enrollments needed to be a Director.

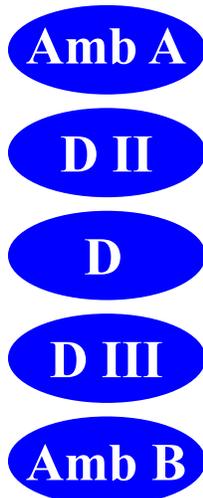
### 5. Advancement Bonuses

As Marketing Executives advance to the Director I through Ambassador levels, they will be paid a one-time bonus on the third consecutive month upon reaching that title.

Director I - \$150  
Director II - \$300  
Director III - \$600  
Director IV - \$1,000  
Director V - \$1,500  
Ambassador - \$2,000

6. 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 enrollment levels deep to identify Leaders and count Ambassadors in enrollment legs towards qualifications for Ambassador I and above.

Example:



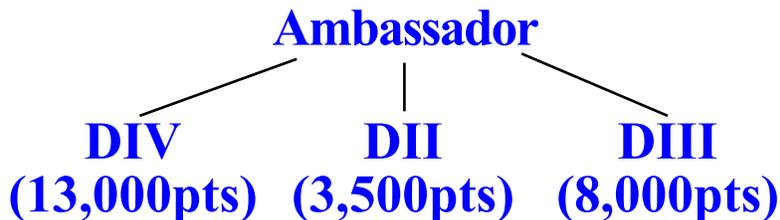
In this example, Amb A did not enroll Amb B, but he can still count Amb B for qualification purposes IF Amb B is the enrollment leg of Amb A. In other words, Amb B has to have been enrolled by an ME who is linked through levels of enrollers upline to Amb A. This linkage is called an enrollment leg of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



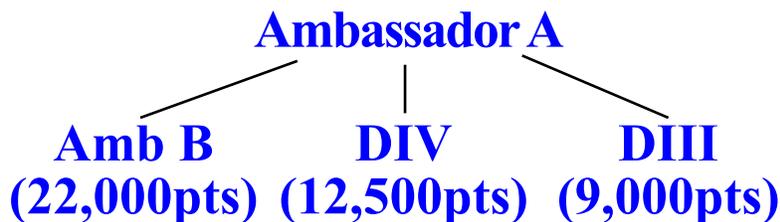
### Ambassador Generational Bonuses

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, 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.



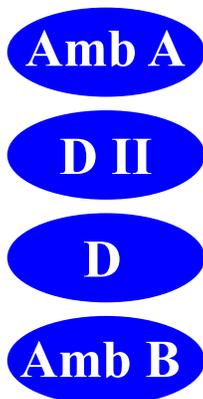
Example 2: Ambassador A has 21,500 personal infinity points because 22,000 points are in Ambassador B's Organization. Ambassador A would earn 2% on his personal infinity points (Generation 1) or \$430. Ambassador A would not earn on Ambassador B's 22,000 points because Ambassador B is a second generation 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 Legs 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 enrollment linkage upline to one of your personally enrolled MEs.

Example:

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



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### **Freedom to Move Marketing Executives**

FreeLife provides Directors and above that are on AC100 60 days to move any new personally enrolled Marketing Executive. The ME being moved must be on the first level in the TriMax™ Plan of the Director or above that enrolled him and cannot be moved beyond the Director's third level in the TriMax™ Plan. Any request to move an ME within the first 60 days needs to be put in writing on FreeLife's Transfer Request Form and faxed to FreeLife's Customer Service Department.

**RAB** - All MEs who remain on the RAB schedule will be able to earn the RAB until they either fall off the RAB schedule or earn it all the way through Ambassador, whichever is first. The old title qualifications (the compensation plan prior October 1, 2003) to hit Director I through Ambassador will still apply, but only for the qualification of achieving the RAB. For instance, to qualify for the DIV RAB, four personally enrolled Directors (the Director can be based on the new Director qualifications), plus 10,000 points with no more than 6,000 coming from any one leg.

Let's look at an example of who will be eligible to receive the RAB: If John enrolled in August, John is still eligible to earn the RAB as long as he achieves Director I by the end of October (using title qualifications prior to October 2003). If John does not, he would no longer be able to earn any more RABs. He has fallen off the RAB schedule and therefore, would not be able to earn any more RABs. If John achieves Director 1 by October, he now would have to hit Director II by the end of December to still be eligible to earn the Director II and above RABs. If he does, he can continue to earn the RAB up to and including the Ambassador RAB as long as he stays on the RAB schedule.

**ERAB** - As previously announced, ERABs are discontinued effective September 30, 2003. However, if you have any personally enrolled MEs in either their first, second, or third month of RAB qualification in September, you can still earn that single ERAB based on the RAB that your personally enrolled is qualifying for in September.

### **Annual Renewal Fee**

There is an annual renewal fee that will be charged to all Marketing Executives. The current annual renewal fee is \$20 and will be charged 12 months from the enrollment month of the ME, with the first renewals occurring in October 2004 (Any Marketing Executive who has an application date prior to October 1, 2003 will be renewed each October beginning in 2004). The renewal fee will automatically be debited from the ME's credit card on file or ACH on file.