

Compensation Plan FAQs

Q: How often are commissions and bonuses paid out?

A: Commissions are paid daily, weekly, and monthly depending on the bonus.

- **Daily:** Retail Profit, Fast Start Bonus, Break Even Bonus
- **Weekly:** Matrix Bonus, Matrix Match Bonus, Coded Bonus, Coded Match Bonus
- **Monthly:** Business Builder Bonus, Team Leader Bonus, Global Ambassador Bonus, and Car Cash
- **One-time:** Rank Rewards (paid when you achieve a new Rank)

LIFE PHARM ACRONYM GUIDE

IBO: Independent Business Owner

CV: Commission Volume

GV: Group Volume

PV: Personal Volume

Q: How are daily, weekly, and monthly commissions paid out?

A: Commissions are paid in the following pay period, based on the type of bonus earned:

- **Daily:** If an IBO is active, they will get paid those commissions the next day.*
- **Weekly:** If an IBO is active in week 1 and earns commissions, they will get paid those commissions in week 2.*
- **Monthly:** If an IBO is active in month 1 and earns commissions, they will get paid those commissions in month 2.*

*If an IBO is not active or in good standing, they are not eligible to be paid commissions earned from the previous week or month.

Q: What does “active” mean and how do I stay active?

A: An IBO is considered “active” if they have placed an order within the last 30 days. For best results and to maximize your business growth, we recommend maintaining a Personal Volume of at least 100 CV or more, and the simplest way of doing that is by setting up a monthly Auto-Delivery subscription order of 100 CV or more.

Q: Do I need to be on Auto-Delivery to qualify for commission/bonuses?

A: Auto-Delivery subscription is not required, but it is strongly recommended. Without Auto-Delivery, you risk missing commissions and bonuses if you forget to place a monthly order. For best results and to maximize your business growth, we recommend setting up a monthly Auto-Delivery order of 100 CV or more.

Q: How are PV and GV used to calculate commissions and rank?

A: Weekly Commissions are paid based on the rank you achieved in the previous calendar month, determined by your PV and GV. If you are new to the business, Weekly Commissions begin once you achieve the required PV and GV for a rank, and they continue for the rest of that month and the following calendar month. Monthly Commissions are paid based on the rank you achieve in the current month, using your PV and GV for that month.

Q: What are the benefits of the LifePharm Business Success Starter Kit?

By enrolling as an Independent Business Owner (IBO) with the LifePharm Business Success Starter Kit, you'll be equipped with everything you need to launch your LifePharm journey. Your kit includes a personalized Replicated Website, access to your Virtual Office, full customer service support, and more tools to help you grow your LifePharm business.

Q: Can the Business Success Starter Kit fee be waived?

A: Yes. The \$29.95 Starter Kit fee is automatically waived when you enroll with any product pack of \$100 or more.

Q: What's the difference between the Unilevel Generation Tree and the Matrix Tree?

A: The Unilevel Generation Tree (also called your Team Tree view) is your sponsorship structure. It includes everyone you personally enroll (your 1st generation), their enrollees (your 2nd generation), and so on. This tree is used to calculate most commissions and bonuses, including:

- Retail Profit
- Fast Start Bonus
- Break Even Bonus
- Coded Bonus
- Coded Match Bonus
- Business Builder Bonus
- Team Leader Bonus
- Global Ambassador Bonus

The Matrix Tree is a 2x12 structure where each IBO has two spots (left and right leg). As new IBOs join, they are placed in the next available position, which can create spillover from your sponsor or upline. The Matrix Tree is only used for:

- Matrix Bonus
- Matrix Match Bonus

Q: Besides the Retail Profit, what are the other benefits related to selling retail?

A: In addition to Retail Profit, the CV from Customer purchases rolls up to your GV. These Customer sales help you meet qualification requirements for bonuses by increasing your GV.

Q: How do I benefit from the Matrix Bonus?

A: As a qualified IBO, you earn the Matrix Bonus from orders placed by IBOs and Customers within your Matrix Tree. This bonus pays a percentage of the CV generated from your qualified matrix levels, with higher Ranks unlocking more—starting at 5 levels for Associate rank and increasing up to 12 levels at Silver and above rank. The Matrix Bonus uses compression, which means if someone becomes inactive, the next Active IBO moves up and you continue to benefit. Must maintain requirements for each rank and Group Volume criteria from the past 30 days to earn commission.

Q: How does compression work?

A: Compression ensures you don't lose out when someone in your organization becomes inactive. If an IBO or Customer does not maintain Active status (no purchase for 30 days or not meeting PV requirements), they are skipped and the next Active Associate IBO in the structure "compresses" upward. For example, if someone on your fifth level becomes inactive, the person on your sixth level moves up and is now counted as your fifth level. Compression applies to both the Matrix Bonus and the Coded Match Bonus.

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Q: In regards to the Matrix Match Bonus, what happens if my first two Personally Enrolled IBOs become inactive?

A: For the Matrix Match Bonus, your first two Personally Enrolled IBOs must remain active by placing an order every 30 days. Compression does not apply to these first two positions, so maintaining their activity is required to qualify for this bonus.

Q: How do I earn a Coded Bonus?

A: From your 3rd personally enrolled onward, those enrollments are considered “coded” to you. You earn a percentage of the CV from every coded enrollment within your Generation Tree. As those coded enrollments begin building their own teams, their first two personally enrolled are also coded to you, creating additional levels that continue infinitely wide and infinitely deep.

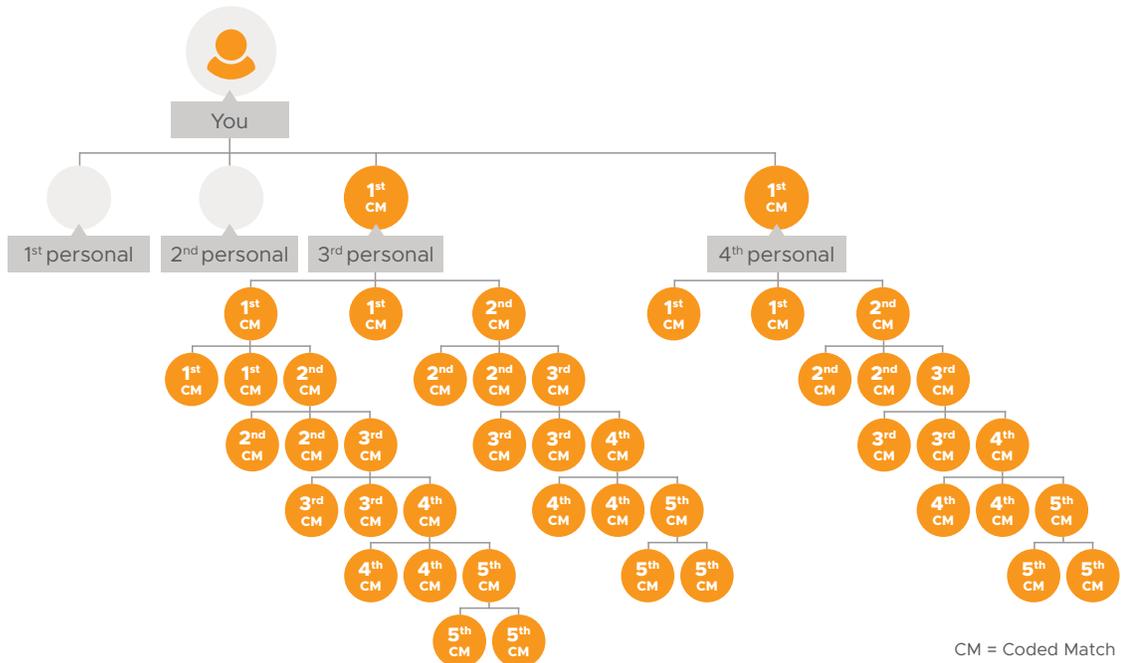


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Q: How do I earn the Coded Match Bonus?

A: You qualify for the Coded Match Bonus once you achieve Builder Rank or higher. You earn this bonus when the IBOs coded to you begin earning their own Coded Bonus.

Here's how the levels work: Your First Generation consists of any IBO who is part of your coded team. When someone in your First Generation enrolls their third personal IBO or customer, it opens your Second Generation. This pattern continues as your organization grows, and you can earn up to five compressed coded generations.



Q: How do I earn the Business Builder Bonus?

A: This bonus is paid monthly to qualified IBOs Bronze and above. When your GV reaches 5,000 and you achieve the Bronze rank, you will earn up to 2% of your GV, which is the Tier 1 Payout. As you achieve higher Ranks, the total payout increases.*

Q: Why am I not getting my full group volume for the Business Builder Bonus?

A: Once one of your personal enrollment legs reaches Bronze, the leg moves out of receiving the 2% payout, including the volume with it. You will not be paid 2% on that volume that moves out because this leg will begin receiving the Bronze bonus themselves.

Q: How do I earn the Team Leader Bonus?

A: You will be eligible to earn the Team Leader Bonus when you achieve Ruby rank and have another Ruby below you in your Generation Tree. You will earn 2.5 % of that Ruby's group CV. Once a second Ruby appears in the same generational leg, you will still get paid the Team Leader Bonus on the difference between the first and second Ruby's GV on that leg. Ruby through Royal Diamond earns the Team Leader Bonus.*

*You must maintain rank requirements to earn this bonus.

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Q: How do I earn the Global Ambassador Bonus?

A: You will be eligible to earn the Global Ambassador Bonus when you achieve Emerald. This bonus is paid monthly to qualified IBOs Emerald and above. At Emerald, you will earn up to 3% of your group's CV on your strong leg every month. As you achieve higher Ranks, the Payout percentage increases.*

Q: What are the Rank Rewards and how do I earn them?

A: Rank Rewards are achievement bonuses you earn for reaching new Ranks, beginning with Bronze and beyond. For Bronze through Emerald, you receive a one-time payment for each new Rank achieved. For Titanium through Royal Diamond, Rank Rewards are paid in five equal monthly installments. Only one Rank Reward can be paid in any given month. You must be active and in good standing to receive a Rank Reward. Please refer to [page 23](#) of the Compensation Plan for the full Rank achievement and maintenance requirements.

Q: If I skip a Rank—will I get the skipped Rank Reward in the same month?

A: If you skip multiple Ranks in the same month, you will be paid the higher Rank Reward that month; the lower Rank Reward you skipped may be paid if you subsequently achieve that Rank in a later month.

Example: If you first achieve Silver in June without previously achieving Bronze, Silver Rank Reward will be paid in June; if you then achieve Bronze in July, Bronze Rank Reward is paid in July.

Q: Can I lose a Rank once I've achieved it?

A: Your Highest Achieved Rank is the top Rank you've reached and you will always be recognized at that level. However, your Paid Rank is determined monthly by your current PV and GV. If you do not meet the monthly qualifications, your Paid Rank may drop, which can affect your commissions and bonuses.

Q: What is the difference between achieving a new Rank and maintaining a Rank?

A: Rank Achievement Qualifications require a certain number of personal enrollees (IBOs and Customers) and meeting your PV, GV and leg requirements in order to achieve a new Rank. From Associate through Premier, this is based on personal enrollees and PV. From Bronze and above, you must meet PV, GV, leg requirements, and the 40%/60% volume balance rule.

Rank Maintenance Requirements focus on sustaining your Rank once you've achieved it. Since you've already met the enrollment requirements, maintaining your Rank simply means continuing to meet the PV, GV, and other volume requirements each week

For full details, please see [page 22](#) of the Compensation Plan for Associate through Premier, and [page 23](#) for Bronze and above.

*You must maintain rank requirements to earn this bonus.

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Q: What are Leg requirements for Director Rank requirements?

A: A leg requirement refers to the specific number of qualified legs that you must have in your organization to qualify for a particular Rank. A leg is considered “qualified” when it meets the Generation Volume (GV) and Rank requirements specified for that Rank. For the exact leg requirements at each Rank, please see [page 23](#) of the Compensation Plan.

Example: To qualify as a Silver Director, you must have 2 Leader Legs. This means you must have 2 personally enrolled IBOs who have achieved the Rank of Leader.

Q: How is Group Volume Requirement counted toward Director Rank requirements?

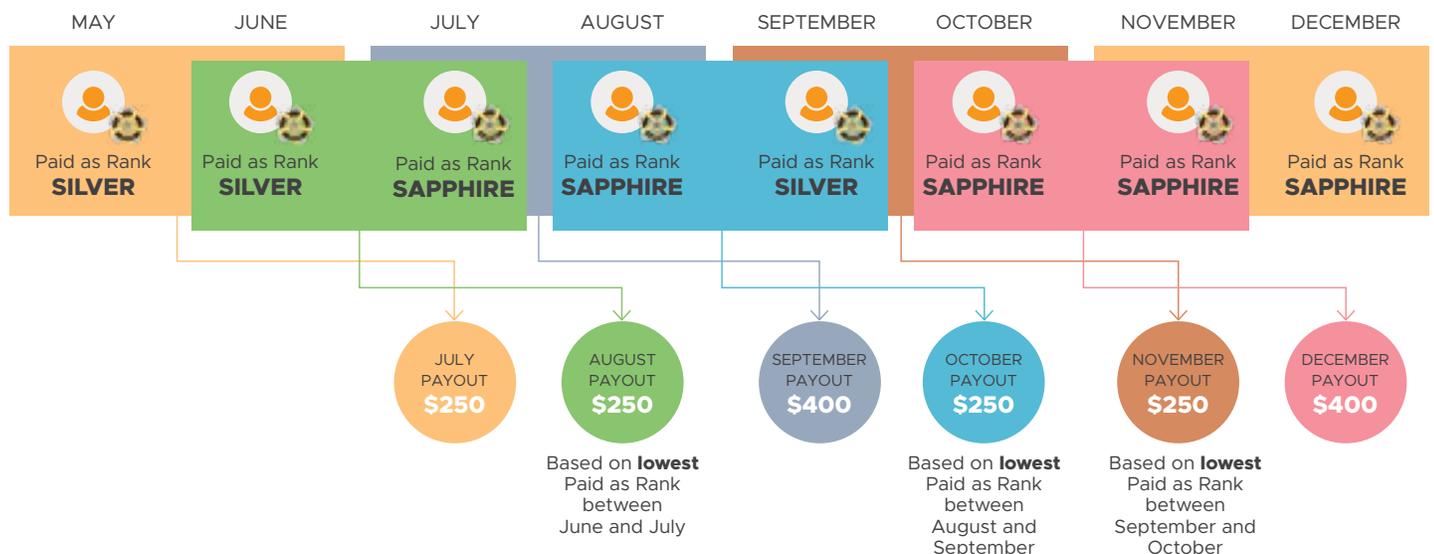
A: To qualify for each Rank, your total GV requirement must be met with at least 40% of that volume coming from outside your strongest leg. This ensures your business growth is supported by multiple legs in your organization rather than being concentrated in just one.

Q: What is Car Cash and how does it work?

A: The Car Cash Bonus is a monthly cash allowance offered by LifePharm to help IBOs with the cost of a new car. You must achieve the rank of Silver or higher and maintain your rank for two consecutive months to qualify for the Car Cash Bonus. Once qualified, you will begin receiving a monthly cash allowance. The amount you receive depends on your rank, with higher ranks earning larger bonuses. You can earn monthly Car Cash of up to \$4,000 when you reach Royal Diamond!

Q: If I previously earned the Car Cash Bonus but dropped down in my Paid Rank, how will my Car Cash be affected?

A: Your monthly Car Cash payout amount is based on the lowest Paid as Rank from the last two months. For example, if your Rank is Silver one month and Sapphire the following month, you will receive a Car Cash payout based on your Silver Rank.



LifePharm does not guarantee income and all commissions and bonuses are based on IBOs meeting specific activity and performance requirements. LifePharm reserves the rights to edit, modify and alter the Compensation Plan at any time.