



LIFEWAVE®

# LifeWave Korea Compensation Plan



## PRODUCT INTRODUCTION BONUSES (PIB)

Each time you personally introduce a new Distributor to our products through an enrollment kit you begin earning money. The amount paid out for the various enrollment packages is outlined below (Currency: KRW):

PREMIUM	ADVANCED	BASIC
400,000	75,000	35,000

Product Introduction Bonuses (PIB) are also paid when a personally enrolled Distributor purchases an upgrade kit, for the purpose of increasing their inventory levels as they build their business. The bonus paid (Currency: KRW) is the difference in price between the two packages.

### STARTER UPGRADES

CHANGE IN TITLE	BONUS
STARTER TO BASIC	35,000
STARTER TO ADVANCED	75,000
STARTER TO PREMIUM	400,000

### BASIC UPGRADES

CHANGE IN TITLE	BONUS
BASIC TO ADVANCED	40,000
BASIC TO PREMIUM	365,000

### ADVANCED UPGRADES

CHANGE IN TITLE	BONUS
ADVANCED TO PREMIUM	325,000

## ENROLLMENT & UPGRADE PRICING

KIT DESCRIPTION		PRICE* (KRW)	VOLUMES (PV)	PIB*** (KRW)
<b>ENROLLMENT</b>	<b>Premium</b>	<b>2,215,400</b>	<b>355PV + 2 X 110PV</b>	<b>400,000</b>
UPGRADE	Upgrade Starter to Premium	2,205,400	355PV + 2 X 110PV	<b>400,000</b>
	Upgrade Basic to Premium	1,859,000	220PV + 2 X 110PV	<b>365,000</b>
	Upgrade Advanced to Premium	1,573,000	110PV + 2 X 110PV	<b>325,000</b>
<b>ENROLLMENT</b>	<b>Advanced</b>	<b>642,400</b>	<b>245</b>	<b>75,000</b>
UPGRADE	Upgrade Starter to Advanced	632,400	245	<b>75,000</b>
	Upgrade Basic to Advanced	286,000	110	<b>40,000</b>
<b>ENROLLMENT</b>	<b>Basic</b>	<b>356,400</b>	<b>135</b>	<b>35,000</b>
UPGRADE	Upgrade Starter to Basic	346,400	135	<b>35,000</b>
<b>ENROLLMENT</b>	<b>Starter</b>	<b>10,000**</b>	<b>0</b>	<b>0</b>

\* The prices do not include shipping. (Free shipping when the order amount of a single invoice exceeds 70,000 KRW).

\*\* This is a one-time registration fee of 10,000 KRW for a Starter.

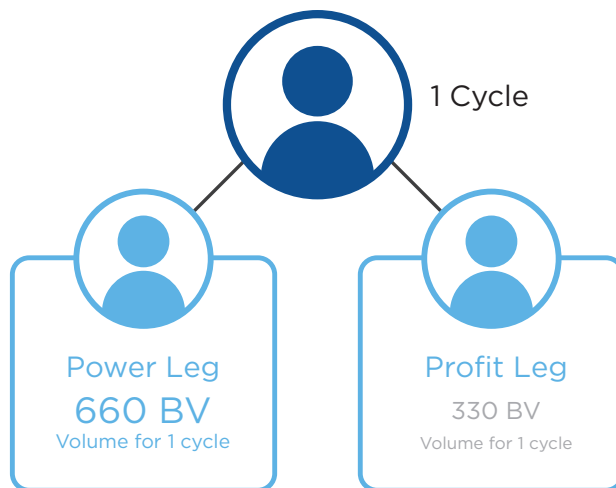
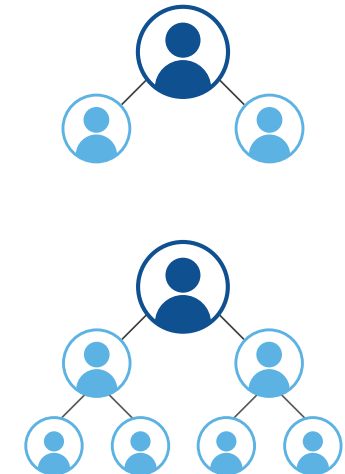
\*\*\* Brand Partner must maintain his/her 'Active' status to become PIB qualified. 'Active' status could be simply achieved when the sum of purchased volume by you and your personally sponsored customers exceeds 55PV in rolling 31-day.

# BINARY COMMISSIONS

Binary Commissions are a powerful way to build residual income. The core of LifeWave's compensation plan is centered around building a team within a binary model. This means, your earnings are based on a team structure with a maximum of two positions directly under each account, one on the left and on the right (see diagram).

When you enroll new Distributors, you simply place them on your left or right side. If the positions immediately beneath you are taken, you place them under the first available position on your left or right. Each Distributor may choose to apply a placement strategy that works best for them. Your sponsor can provide advice on placement.

Once you become binary qualified, your binary commissions are based not only on member enrollments and purchases under your position, but on customer purchases as well - no matter how far below your position they are. Each purchase by a Distributor is given a point value which is categorized as that Distributors Personal Volume, or PV. The PV associated with each Distributor purchase flows upline through the network as Business Volume, or BV.



## Binary Qualified is defined by the following criteria:

- Be active (minimum of 55 PV every 31 days) in the qualification period
- Have at least one personally sponsored Active Distributor with minimum 55 PV in 31 days on each leg.
- Member must have at least 660 BV on the power (strong) leg and 330 BV on the profit (weak) leg. Correct volume cycle ratio must be present. (Your power leg is the one with the most volume, which could possibly change from week to week)

That's it! Every time a Distributor meets these three simple qualifications in a commission week, you earn a binary commission as per the table above! Your maximum weekly cycle bonus payout is limited by your earned weekly paid-as rank regardless of meeting the binary qualifications and cycle ratio. Please refer to the weekly maximum paid-as rank payout table on the right for specifics.

Additionally, volumes that could have qualified you for a cycle bonus (correct ratio of volume in power and profit legs), but exceeds the allowable payout amount per week (based on paid-as rank maximums), will be consumed weekly at a 2:1 ratio for all paid-as Managers and above (paid-as Managers are excluded for the first 52 weeks following their enrollment).

Cycle Bonus Table	
Number of Cycles	Cycle Bonus (KRW)
1 - 30	50,000
31 - 120	45,000
121 - 500	40,000

### Active status is defined by one of the three following criteria:

- Place an order with a minimum of 55 PV in a rolling 31-day period
- Have a monthly subscription order containing product with a minimum of 55 PV
- Each time you personally sell product with a minimum of 55 PV to retail or preferred customers through your replicated LifeWave website in a rolling 31- day period.

And as long as you maintain your active status, your uncycled and unconsumed volume will continue to accrue as banked volume. However, any volume that is older than 52 weeks will be consumed weekly on a rolling basis. Older volume will cycle first.

Weekly Maximum Paid-As Rank Payout Table		
Paid-As Rank	Max (KRW)	Cycle Max
Binary Qualified	100,000	2
Manager	1,500,000	30
Director	2,400,000	50
Sr. Director	3,300,000	70
Executive Director	6,750,000	150
Presidential Director	10,750,000	250
Sr. Presidential Director	20,750,000	500

## CARRY-OVER VOLUME RULE

Weekly Maximum Paid-As Rank Payout Any uncyclable (due to missing the cycle ratio on power and profit legs) volume will be stored as carryover volume.

## CYCLABLE VOLUME RULE

Excess cyclable (meets cycle ratio) volume from both power & profit legs will be consumed each week based on weekly maximum paid-as rank payouts (see chart above) at a 2:1 ratio for paid-as Managers and above. Paid-as Managers will be excluded from the cyclable volume rule for the first 52 weeks from enrollment date.

For example, if I am the paid-as rank of Director, the max I can cycle each week is 50 times or 2,400,000 KRW. If I have 19,800 in my profit leg and 39,600 in my power leg, I would have earned 60 cycles or 2,850,000 KRW without weekly maximum paid-as rank payouts. As a paid-as Director, the maximum I can earn a week is 2,400,000 KRW; 450,000 KRW in cycles is above the allowable amount. All volume associated with cycling (19,800 profit and 39,600 power) will be consumed at the end of the week and I will receive up to 2,400,000 KRW in commissions. The 450,000 KRW in ineligible commissions will be forfeit. All cyclable volume will have been paid out and/or consumed.

## VOLUME MATURITY RULE

Any uncycled volume (due to unbalanced cycle ratio) that isn't consumed due to the cyclable volume rule will be stored as carryover volume and can be utilized on the next commissions cycle (when the cycle ratio is correct and it doesn't exceed the weekly maximum paid-as rank payout amount). Older volume is cycled and paid before newer volume. Volume that is more than 52 weeks old and has not yet been cycled or consumed will automatically be removed on a weekly and rolling basis. If a distributor goes inactive, their volume will be automatically consumed.

## MATCHING BONUSES\*

Matching Bonuses are another way to create residual income and are based on the organization that you build. You can earn matching bonuses based on Binary Commissions earned by the people you personally enroll, by the people they personally enroll, and the people they personally enroll.

SPONSORSHIP LEVEL	BONUS
<b>LEVEL 1</b> BRAND PARTNERS YOU ENROLL (1 <sup>st</sup> Generation)	25%
<b>LEVEL 2</b> BRAND PARTNERS ENROLLED BY YOUR 1 <sup>ST</sup> GENERATION (Your 2 <sup>nd</sup> Generation)	20%
<b>LEVEL 3</b> BRAND PARTNERS ENROLLED BY YOUR 2 <sup>ND</sup> GENERATION (Your 3 <sup>rd</sup> Generation)	20%

## MATCHING BONUS REQUIREMENTS

<b>1<sup>ST</sup> LEVEL MATCHING BONUS</b>	<ul style="list-style-type: none"> <li>• Must be active with a minimum of 110 PV within 31-day period</li> <li>• Must be paid-as Manager Rank or above</li> </ul>
<b>2<sup>ND</sup> LEVEL MATCHING BONUS</b>	<ul style="list-style-type: none"> <li>• Must be active with a minimum of 110 PV within 31-day period</li> <li>• Must be paid-as Manager Rank or above</li> <li>• Have a minimum of 6 cycles in the paid commission week</li> </ul>
<b>3<sup>RD</sup> LEVEL MATCHING BONUS</b>	<ul style="list-style-type: none"> <li>• Be active with a minimum of 110 PV within 31-day period</li> <li>• Be paid-as Manager Rank or above</li> <li>• Have three personally sponsored active distributors with at least 55 PV in 31 days on each leg</li> <li>• One Distributor on each leg must qualify for 2nd Level Matching Bonus</li> <li>• Have a minimum of 10 cycles in the paid commission week</li> </ul>

*\*Matching Bonuses are calculated based on Binary Commission only, and not on any other bonus*

## PAYOUT CAP

Clause 20-3 of Door-To-Door Sales Act prohibits the annual payout from exceeding 35% of total product revenue amount inclusive of VAT, the following cap policy may be applied to deduct the exceeding amount if the company's total payout is over 35%: When YTD average payout hits over 35% & a particular week's payout is over 35% thereafter, start deducting same fixed % from all commission earners above the first four cycles.

# COMMISSION QUALIFICATIONS SUMMARY

TO EARN	MINIMUM QUALIFICATION
<p><b>PRODUCT INTRODUCTION BONUS</b></p>	<ul style="list-style-type: none"> <li>• Be active with a minimum of 55 PV within a 31-day period</li> </ul>
<p><b>BINARY COMMISSIONS</b></p>	<ul style="list-style-type: none"> <li>• Be active with a minimum of 55 PV within a 31-day period</li> <li>• Have one personally sponsored active distributor with at least 55PV in 31 days above on each leg</li> <li>• Have at least 660 BV on the power leg and 330 BV on the profit leg</li> </ul>
<p><b>1<sup>ST</sup> LEVEL MATCHING BONUS</b></p>	<ul style="list-style-type: none"> <li>• Be active with a minimum of 110 PV within 31-day period</li> <li>• Be paid-as Manager Rank or above</li> </ul>
<p><b>2<sup>ND</sup> LEVEL MATCHING BONUS</b></p>	<ul style="list-style-type: none"> <li>• Be active with a minimum of 110 PV within 31-day period</li> <li>• Be paid-as Manager Rank or above</li> <li>• Have a minimum of 6 cycles in the paid commission week</li> </ul>
<p><b>3<sup>RD</sup> LEVEL MATCHING BONUS</b></p>	<ul style="list-style-type: none"> <li>• Be active with a minimum of 110 PV within 31-day period</li> <li>• Be paid-as Manager Rank or above</li> <li>• Have three personally sponsored active distributors with at least 55PV in 31 days on each leg</li> <li>• One Distributor on each leg must qualify for 2nd Level Matching Bonus</li> <li>• Have a minimum of 10 cycles in the paid commission week</li> </ul>

Bonus calculations are closed weekly on Monday.

(Daylight Saving Time in US = 2PM, Monday, KST / No Daylight Saving Time in US = 3PM, Monday, KST)



<p><b>MANAGER</b></p>	<ul style="list-style-type: none"> <li>• Be active with at least 110 PV within 31-day period</li> <li>• Have at least two personally sponsored active with 55PV in 31 days on each leg Or,</li> <li>• Have at least one personally sponsored active with 330PV in 31 days on each leg</li> </ul>
<p><b>DIRECTOR</b></p>	<ul style="list-style-type: none"> <li>• Be active with at least 110 PV within 31-day period</li> <li>• Have three personally sponsored active with at least 55PV in 31 days on each leg Or,</li> <li>• Have at least one personally sponsored active with 330PV in 31 days on each leg</li> <li>• Have at least one personally sponsored paid-as Manager Rank distributor or above on each leg</li> </ul>
<p><b>SENIOR DIRECTOR</b></p>	<ul style="list-style-type: none"> <li>• Achieve all qualifications for Director Rank listed above</li> <li>• Have at least two personally sponsored paid-as Director Rank distributors or above</li> <li>• Earn 10,000 BV through line of sponsorship in 31-day period</li> </ul>
<p><b>EXECUTIVE DIRECTOR</b></p>	<ul style="list-style-type: none"> <li>• Achieve all qualifications for Director Rank listed above</li> <li>• Have at least two personally sponsored paid-as Director Rank distributors or above</li> <li>• Earn 50,000 BV through line of sponsorship in 31-day period</li> </ul>
<p><b>PRESIDENTIAL DIRECTOR</b></p>	<ul style="list-style-type: none"> <li>• Achieve all qualifications for Director Rank listed above</li> <li>• Have at least two personally sponsored paid-as Director Rank distributors or above</li> <li>• Earn 100,000 BV through line of sponsorship in 31-day period</li> </ul>
<p><b>SENIOR PRESIDENTIAL DIRECTOR</b></p>	<ul style="list-style-type: none"> <li>• Achieve all qualifications for Director Rank listed above</li> <li>• Have at least two personally sponsored paid-as Director Rank distributors or above</li> <li>• Earn 200,000 BV through line of sponsorship in 31-day period</li> </ul>

*Rank is calculated on a weekly basis. The Distributor must continue to achieve respective rank in order to earn bonuses specific to rank.*

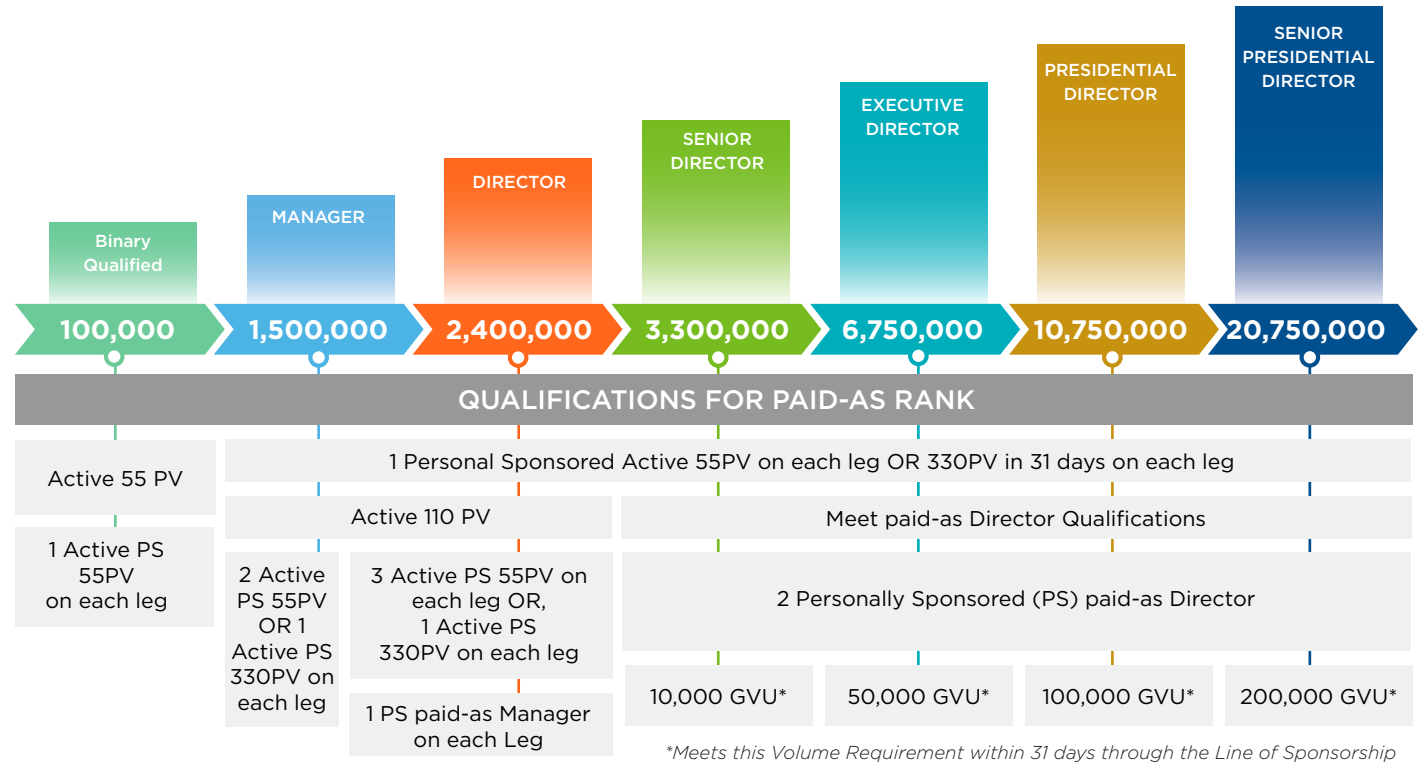
# WEEKLY BINARY COMMISSIONS MAXIMUM PAYOUTS



## Volume Maturity Rule & Cyclable

**Volume Rule:** Excess cyclable volume from both power & profit legs is consumed each week based on maximum payout thresholds at a 2:1 ratio for paid-as Managers and above. Paid-as Managers will be excluded from the volume cyclable volume rule for the first 52 weeks from enrollment date. Volume in both power and profit legs are consumed once it matures to over 52 weeks old.

A Member must be “binary qualified” to earn any Binary Commissions. To be binary qualified, a member must meet the active and structural requirements of an Enrollment Title (see above) and have at least 660 BV on the power (strong) leg and 330 BV on the profit (weak) leg.



## UNLIMITED MATCHING BONUSES

As a paid-as Manager or above you can qualify to earn a 20-25% match of the Weekly Binary Commissions of your Personally Sponsored (PS) distributor(s) when you meet the below qualifications. There are no maximum payouts on Matching Bonus and the earning potential is unlimited!

LEVELS	PERCENTAGE MATCH	QUALIFICATIONS
1st	25%	Active 110 PV Paid-as Manager or Above
2nd	20%	Active 110 PV Paid-as Manager or Above Minimum 6 cycles in paid commissions weekly
3rd	20%	Active 110 PV 3 Active PS 55PV on each Leg, 1 PS Distributor earning Level 2 matching on each Leg. Minimum 10 cycles in paid commissions weekly



Here are a few terms that are helpful when learning about Weekly Maximum Payouts on Binary Commissions & Matching Bonuses:

### 1. Enrollment Title:

One of the statuses a distributor can have is based on the kit they enrolled/upgraded with when joining LifeWave. Enrollment Titles would include: Starter, Basic, Advanced, and Premium.

### 2. Paid-as Rank:

A weekly status a distributor earns based on structure, volume and active status of a member's team. This weekly status determines the maximum commissions paid for the week.

### 3. Lifetime Rank:

A status or highest rank a distributor has earned in their career with LifeWave.

## FAQ

Q: If I have an enrollment title of Basic through Premium but have not yet earned an official rank, am I eligible to earn binary commissions?

A: If you have not yet achieved an official rank and/or you are not currently reaching a paid-as rank of Manager or above, you are eligible to earn binary commissions. However, the most you can earn per week is \$100 (or two cycles).

Q: The highest rank I have earned is Director; however, I typically qualify as a Manager each week. Is my weekly binary commissions check based on the highest rank I have earned or what I qualify at each week?

A: Your weekly binary maximum payout is based on the rank you qualify as or your "paid-as" rank each week.

Q: With matching bonuses, is the only requirement to earn level 1, 2 and 3 now that I am a Manager or above?

A: No, while we are adding the requirement of Manager or above as a qualification for earning matching bonuses, all other established qualifications for each level of matching bonus are still in place.

Q: What happens to BV that isn't cycled because of the paid-as rank cap?

A: Volume in both power and profit legs are removed once it matures to over 52 weeks old.

Q: How do I know what my paid-as rank is each week and if I have any cyclable volume that could be removed?

A: We have multiple tools in the back office that can be used to help a member understand their paid-as rank weekly.

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