



# Compensation Plan

Success is measured by the number of lives you positively affect.

**1) Retail:** Earn 20% – 30% profit without warehousing product. Paid monthly.

## 2) Business Builder Program:

Up to 45% payout! Paid weekly.

- More than 100% QV (Qualifying Volume) for rank advancement
- Payout Follows the Enroller Tree.
- "Volume Carry Forward" allows Business Builder Pack volume to count toward second month's qualifications if you don't achieve the rank of Broker your first month.

BUSINESS BUILDER PACKS	Bronze	Silver	Gold
Price	\$99	\$199	\$499
QV	100	200	500
1*	\$25	\$50	\$125
2*	\$5	\$10	\$25
3*	\$5	\$10	\$25
4*	\$5	\$10	\$25
5*	\$5	\$10	\$25
<b>TOTAL PAYOUT</b>	<b>\$45</b>	<b>\$90</b>	<b>\$225</b>



### \* Bronze Pack Eligibility:

Be a qualified Associate on AutoShip and either 1) buy a Bronze, Silver or Gold Pack to immediately qualify for bonuses on ALL Bronze Pack sales, or 2) sell one Bronze, Silver or Gold Pack to qualify for bonuses on all subsequent Bronze Pack sales.



### \* Silver Pack Eligibility:

Be a qualified Associate on AutoShip and either 1) buy a Silver or Gold Pack to immediately qualify for bonuses on ALL Bronze and Silver Pack sales, or 2) sell one Silver or one Gold Pack to qualify for bonuses on all subsequent Bronze and Silver Pack sales. Qualified Associates who are Bronze Pack eligible receive \$25 bonus on the first Silver Pack sale.



### \* Gold Pack Eligibility:

Be a qualified Associate on AutoShip and either 1) buy a Gold Pack to immediately qualify for bonuses on ALL Builder Pack sales, or 2) sell one Gold Pack to qualify for bonuses on all subsequent Builder Pack sales. Qualified Associates who are Silver Pack eligible receive \$50 bonus on their first Gold Pack sale; Qualified Associates who are Bronze Pack eligible receive \$25 bonus on their first Gold Pack sale.

(Business Builder Pack Bonus available through 12/31/06)

## 3) MVP Bonus: 500! Paid weekly.

Fast Building, Fast Money!

MVP = \$500 one-time bonus!

Once earned, paid in next weekly check!

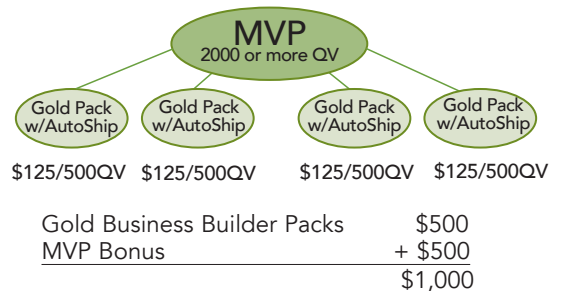
MVP = 2000 QV within first 30 days

New Distributors (in their first 30 days) will accumulate Qualifying Volume based upon their personally enrolled Business Builder Packs (Gold, Silver and Bronze) that have an accompanying AutoShip order. Only personally-enrolled Business Builder Packs with AutoShips count! This is a WEEKLY BONUS and is IN ADDITION to the regular Business Builder Pack payout plan.

- New Gold Pack enrollment with AutoShip = 500 QV
- New Silver Pack enrollment with AutoShip = 200 QV
- New Bronze Pack enrollment with AutoShip = 100 QV

(MVP Bonus is available through 12/31/06)

Example: Earn \$1,000 with 4 Gold Packs



Please see next page...

## 4) Unilevel Bonuses: 8 Levels plus Infinity Bonus. Paid monthly.

- Dynamic Compression, Horizontal Compression and Roll-up, **MAXIMIZE EARNINGS** and Minimize Levels of Blockage
- 8 Levels of Business Volume plus Infinity Bonus provides **STABLE AND PREDICTABLE INCOME**
- **10% POWERBAND** on the 5th level provides significant earning opportunity
- Simple 3-leg structure requirement allows you to focus on key leaders
- Rank Insurance allows you to have a slow month with minimal penalty

### Additional Director Benefits

- One-Time \$500 Director Bonus if rank of Director is achieved within 2+ Months of Enrollment

### Additional Diamond Benefits

- Ability to create second position once you achieve Diamond Rank
- Participation in XELR8 Stock Option program through 2006

RANKS	A ASSOCIATE	B BROKER	C CONSULTANT	D DIRECTOR	E EXECUTIVE	DIAMOND	100K DIAMOND	250K DIAMOND
PV <small>Including Personal Customers</small>	25	100	100	100	100	100	100	100
PERSONAL AUTOSHIP		*	*	*	*	*	*	*
GV		1000	2500	5000	20K	50K	100K	250K
STRUCTURE (Legs)			3-100	3-1000	3-5000	3-10K	3-20K	3-50K
RANK INSURANCE				*	*	*	*	*
HORIZONTAL COMPRESSION				*	*	*	*	*
<b>PAYOUT</b> Unilevel with dynamic compression paid monthly <small>(See dynamic compression in the Definitions of Terms)</small>								
LEVEL 1	5%	5%	5%	5%	5%	5%	5%	5%
LEVEL 2	5%	5%	5%	5%	5%	5%	5%	5%
LEVEL 3		5%	5%	5%	5%	5%	5%	5%
LEVEL 4			5%	5%	5%	5%	5%	5%
POWERBAND LEVEL 5				10%	10%	10%	10%	10%
LEVEL 6					5%	5%	5%	5%
LEVEL 7					5%	5%	5%	5%
LEVEL 8						5%	5%	5%
<b>INFINITY BONUS</b>						2%	2%	2%
						NEXT DIAMOND	NEXT DIAMOND	NEXT DIAMOND

## 5) 4% Diamond Leadership Pool: Paid quarterly.

XELR8 has set up a 4% Diamond Leadership Pool (non-Business Builder Pack volume) split amongst the qualified Diamonds, 100k Diamonds and 250k Diamonds.

Pool to be split based upon:

- Diamonds – Volume through 2 generations of Diamonds
- 100K Diamonds – Volume through 4 generations of Diamonds
- 250K Diamonds – Volume through 6 generations of Diamonds

DIAMOND	100K DIAMOND	250K DIAMOND
Volume Through DIAMOND DIAMOND	Volume Through DIAMOND DIAMOND DIAMOND DIAMOND	Volume Through DIAMOND DIAMOND DIAMOND DIAMOND DIAMOND DIAMOND

**THIS IS A SUMMARY ONLY. All compensation plan explanations and representations are subject to the XELR8 Policies & Procedures.**

**XELR8 Income Disclaimer:** This document is not intended for residents of the States of Massachusetts or Wyoming, or residents of any country other than the United States. The examples set forth in this document are hypothetical examples that are intended to explain the components and operation of the XELR8, Inc. Compensation Plan. These hypothetical examples are not representative of the income, if any, that an XELR8 Independent Distributor can or will earn through his or her participation in the XELR8 opportunity. These figures should not be considered as guarantees or projections of actual earnings or profits. Any representation or guarantee of earnings, whether made by XELR8 or an Independent Distributor, would be misleading. Success with XELR8 results only from successful sales and downline building efforts, which require hard work, diligence, and leadership. Your success will depend upon how effectively you exercise these qualities. The average earnings for all active independent XELR8 Distributors in 2005 was \$692.02. An "active" Distributor for these purposes is defined as a Distributor who received bonus or commission earnings at least once in 2005.

# CUSTOMER ACQUISITION BONUS

► Up to 20% Profit

## PAID MONTHLY

Personal Volume (PV) includes an individual's own orders PLUS their Customer orders. PV above 150 will generate a 20% Customer Acquisition Bonus.

### Example:

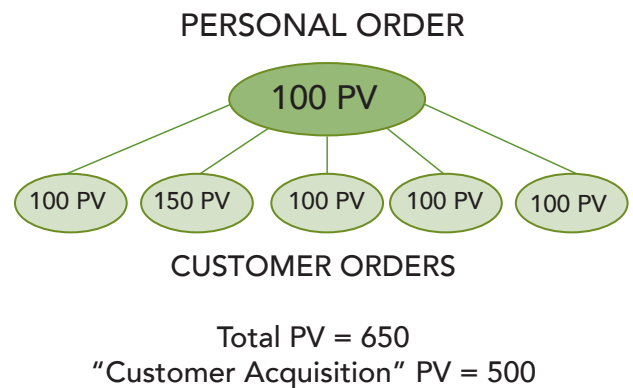
Total Personal Volume = 650

650 PV (Individual's Order and Customer Orders)  
150 PV paid through the unilevel

500 PV paid through the Customer Acquisition Bonus plus a discounted portion through the Unilevel

\$100 Customer Acquisition Incentive Bonus (20% of 500 PV)

Example:



## DEFINITIONS OF TERMS

For a complete list of Definitions and Terminology, please refer to the XELR8 Policies and Procedures.

**ACTIVE:** 'Active' is defined as being qualified at any Distributor Rank, based on his/her PV, GV and downline structure. The minimum active rank is Associate (25 PV). Only Active Distributors are eligible to receive commissions and bonuses.

**AUTOSHIP:** An optional program in which Distributors and Customers agree to purchase at least one Commissionable Product per month. Participants in the AutoShip Plan can save up to 25% off Direct prices. AutoShip orders are processed on or about the day you choose of each month, and usually arrive within a few days of being processed. A Distributor may choose to switch AutoShip dates at any time; however that Distributor is responsible for maintaining PV amounts in any given month.

**COMMISSIONABLE PRODUCTS:** All products for which commissions and bonuses are paid. A commissionable value (CV) is assigned from which commissions and bonuses are calculated. Starter Kits, clothing, and sales aids, for example, are not Commissionable Products.

**DOWNLINE:** The hierarchical organization of Customers and Distributors sponsored below a particular Distributor, as well as all the Customers and Distributors they sponsor, and so on. The downline can also be termed as a Distributor's sales organization or marketing organization.

**DYNAMIC COMPRESSION:** A method under the compensation plan wherein payment of compensation (or a percentage of compensation) is pushed up to the next Distributor at a particular qualified rank. Dynamic Compression for levels 1-3 equals 5%, Levels 4-6 equals 4%, Levels 7-8 equals 3% and level 9 Infinity Bonus equals 2%.

**ENROLLER VS. SPONSOR:** The Enroller is credited with introducing and bringing a new enrollee (Customer or Distributor) to the business. The Sponsor is the Distributor immediately upline, or directly above, another Distributor in the downline genealogy, or the person positioned directly above the new Enrollee. One's Sponsor may be different or change from the Enroller because of genealogy placement, but one's Enroller will never change. The Business Builder Program payout follows the Enroller tree; monthly commissions, bonuses and rebates pay via the Sponsor or placement tree. A Distributor has 30 days to change a new enrollee's sponsor (position of placement) within the downline.

**GROUP VOLUME (GV):** The total Commissionable Value (CV) of sales orders from every Customer and Distributor in a Distributor's downline. For qualification purposes, this includes a Distributor's Personal Volume.

**HORIZONTAL COMPRESSION:** A benefit that allows Distributors to group the Commissionable Volume of certain legs thereby creating a combined final "leg" necessary to meet the structure requirements to achieve a certain rank or title.

**LEG:** A first-level (or personally sponsored) line of Distributors; restated, each one of the individuals sponsored immediately underneath a Distributor, along with their respective downlines, represents one "leg."

**LEVEL:** The relative position of Customers and Distributors in a particular Distributor's downline organization; the position a Distributor has relative to another upline or downline Distributor. Front-line sponsored individuals comprise a Distributor's first level or Level One; those they in turn sponsor fall into his/her second level or Level Two, and so on.

**PERSONAL VOLUME (PV):** The total of all CV credited to a Distributor in a commission period, determined by the total CV amount of personal orders or purchases made during that period by the Distributor and his/her personally sponsored Customers.

**QUALIFYING VOLUME (QV):** The amount of Commissionable Value (CV) on an order used to meet rank qualifications. For example a Gold Pack carries 500 QV, which counts toward one's monthly volume requirements but does not pay through the monthly plan.

**RANK:** The title or classification a Distributor achieves in accordance with the XELR8, Inc. Compensation Plan, based on his/her PV, GV and downline structure.

**RANK INSURANCE:** A benefit that allows Distributors who qualify at certain ranks, for four consecutive periods, to retain their rank for one additional commission period in situations where they may not have officially qualified for that rank.

**ROLL-UP:** A method under the compensation plan wherein payment of compensation is pushed up to the next qualifying distributor level so as to avoid a break in the Distributor's downline. Roll-up keeps inactive or non-qualified distributors from occupying a payout level in the unilevel commission structure.

**STRUCTURE:** The makeup of a Distributor's downline organization, including various legs or lines of other Distributors and their associated ranks.

**UPLINE:** The single line of sponsors above a Distributor and between the Distributor and the Company.



REV/JUNE 21-2006

WHAT MOVES YOU