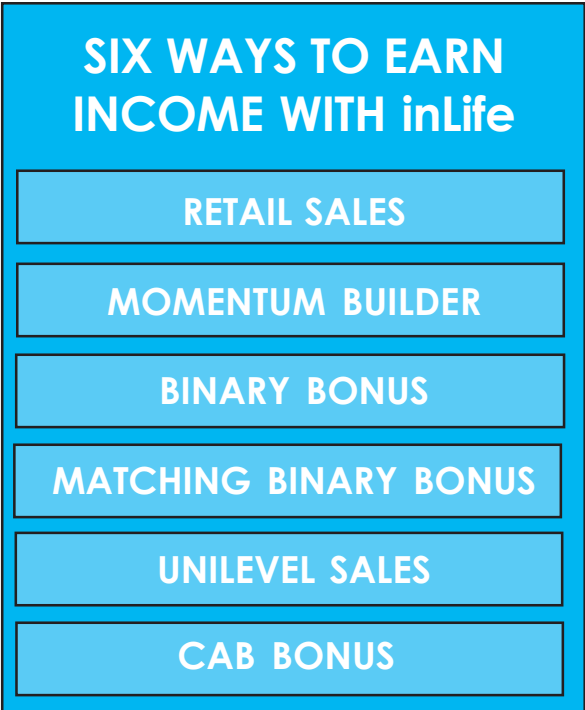




**The inLife  
COMPENSATION PLAN  
(August 1, 2010)  
U.S. AND CANADA**

**AT inLife, WE REGARD OUR INDEPENDENT DISTRIBUTORS AS ONE OF OUR MOST IMPORTANT ASSETS. WE BELIEVE THAT THEY SHOULD BE REWARDED ACCORDINGLY WITH A GENEROUS COMPENSATION PLAN**

There are two things we do at inLife, we find customers and we find "customer getters" (a.k.a. Independent Distributors). When these two things happen, everything else is in position to take full advantage of the compensation plan. Everything we do at inLife is geared toward providing our customers with relevant products that make sense at the consumer level and assisting our Independent Distributors in their goals toward financial reward and personal freedom.



Always keep in mind that this is a "people helping people" business. We have designed our compensation plan to encourage our Independent Distributors to help others in their organization succeed. When that happens, they will be in position to be financially rewarded.

The first step is really quite simple: Get started, find retail customers and help others to become independent distributors in inLife. There are six ways to get paid at inLife when selling our products. When studying these different ways it is important to keep in mind that the Unilevel sales are the surest way to maximize your commission potential and an important element in taking full advantage of the total compensation plan. In addition, there are qualifications that you must meet in order to earn income with four of the six methods below. We will outline these requirements for qualifications later on in this document.

## 1. RETAIL SALES

No Qualification Required. (Paid Weekly)

Retail Sales allow you to earn income when a product is sold to a Retail Customer at the retail price. This can occur one of two ways:

- A. For example: A Retail Customer can purchase an Alternative Smoking Device (ASD) Pack on line through your replicated web site. The company will collect the funds from the Retail Customer through the web site, ship them the product and pay you the difference between the retail price and the wholesale price. ( A check will be mailed to you the week after the sale is completed).
- B. A Retail Customer can purchase an ASD Pack directly from you personally. You may sell it to them at the retail price and profit the difference between your wholesale price and the price you sell it at.\*

RETAIL SALE EXAMPLE:	
Regal II Standard Pack Retail Price	\$79.95
Regal II Standard Pack Wholesale Price	<u>\$49.95</u>
Retail Price Gross Profit	\$30.00

\* Independent Distributors who purchase product on a wholesale level and resell them directly to individuals without using their replicated website will be required to report these earnings to all applicable Federal, State and Local taxing authorities

## 2. MOMENTUM BUILDER - No Qualification Required (Paid Weekly)

The Momentum Builder allows you to **earn a direct bonus** every time someone you personally enroll as an ID **makes a purchase of a binary product**. Examples of the binary product include the e-cig unit pack, inLife sampler pack, coffee & tea sampler pack, inForce presentation binder, inForce tri pack, inHance starter pack and the inFocus starter pack. Binary products are sold individually or in multiple biz packs. Momentum builder amounts are valued at 20% of their Point Value (PV). For example, the binary point value of the Regal II Supreme is 100 PV. Therefore, the momentum builder amount would be \$20.00. The point value for the Regal II Supreme Biz Pack is 400 points. Therefore, the momentum builder amount would be \$80.00. Binary Products are identified in the shopping cart along with their corresponding point values. Unilevel products, such as ecig cartridges, coffee or Tea packages, single inForce bottles are not binary products. Unilevel sales do not count toward momentum builder bonuses.

Note: When an ID purchases a Biz Pack, their cost per unit goes down as inLife offers a certain number of free units that increases with a higher Biz Pack purchase. Momentum Builder Bonuses are paid the week after the transaction is complete.

Please note that sales of products purchased by those in your downline that you did not personally enroll as an ID do not count toward the Momentum Builder Bonus.



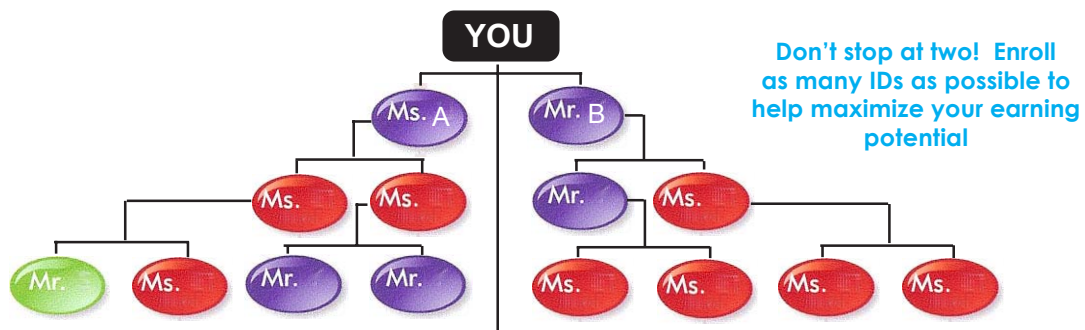
**BINARY BONUSES ARE THE BASIC BUILDING BLOCK OF THE inLife COMMISSION PLAN. AS AN INDEPENDENT DISTRIBUTOR, YOUR PRIMARY FOCUS WILL BE IN CREATING RETAIL SALES AS WELL AS BUILDING AN INDEPENDENT SALES FORCE.**

## 3. BINARY BONUS - Qualification Required (Paid Weekly)

Wealthy individuals understand the power of duplication. John D. Rockefeller is credited as once saying, "I'd rather have 1% of the efforts of 100 people than 100% of my own." The Binary Bonus is designed to allow you to earn income on the sales of the binary products by either you or anyone in your organization underneath you who does the same. When someone joins your inLife organization underneath you as an Independent Distributor they will be placed in either your right or left leg (depending on your desired computer settings). In a binary, you can only have two legs moving downward at one time. Since there are only two legs in a binary, it follows that you can only have a right and a left leg.

### POPULATING YOUR BINARY

In addition to finding and selling to Retail Customers, your first efforts should also include enrolling at least two people as Independent Distributors into your inLife organization. In this example, the first person you enroll on your left side (Ms. A) and the second person you enroll on your right side (Mr. B). In this example, everyone you personally enroll will be identified in Purple. Those who might be placed in the business by people in your upline (those who are above you) will be identified in Green\*. Those who are placed in the business by others you have personally enrolled will be identified in Red.



\* Since inLife employs a binary system, it is possible that someone in your upline may place a person into your downline. This is not guaranteed but it does happen in some cases.

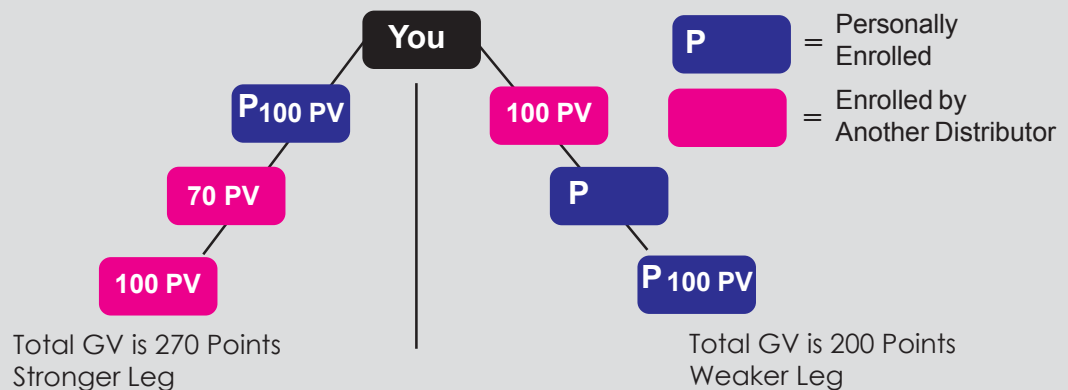
## GETTING PAID BINARY BONUSES

Upon qualification, anytime a binary product or binary biz pack is purchased anywhere in your two legs, through your replicated website or through the replicated website of a person in your binary tree, you will earn binary points. **Sales in your downline of a binary product to both Retail Customers and Independent Distributors count toward binary points.** The key for point accumulation is to make sure that the transaction takes place on the web and on the replicated website. These binary points will count toward the payout of Binary Bonus dollars. You do not have to make the sale personally as sales that result in the efforts of others below you in either your right or left leg count toward your binary points in the form of Group Volume (GV). Sales to yourself or sales that are made to your personal retail customers on line or face to face do not accumulate for your personal point volume, (PV). Binary Bonus points can be collected down to infinity. There is a \$100,000.00 per week maximum payout cap that you can earn in the Binary Bonus.

## BINARY POINT VALUES

Point values for the binary are accumulated only through the sale of binary products. Point values for the binary **are not** collected when the sale of unilevel products occur (such as e-cig cartridges, inForce single bottles or single coffee & tea bags for example). Unilevel sale commissions are paid in a completely different manner and are the 5th way you can get paid with inLife. Details on this is discussed later.

The point value for binary products are identified in the shopping cart along with their corresponding point values. If a product is a binary product, it will say so in its description on the shopping cart page. Items that are not identified as a binary product are unilevel products, (such as an e-cig cartridge or single inForce bottle).



In this example, you see group volume (GV) accumulating in both the right and left leg. You can see that Point Volume (PV) is accumulated when any sale of binary products are sold in either the right or left leg. These sales can be through your personal effort or through the efforts of those underneath you in your Binary.

**Important:** An ID will not start accumulating points in the Binary until they are qualified. See Qualification requirements on Page 6

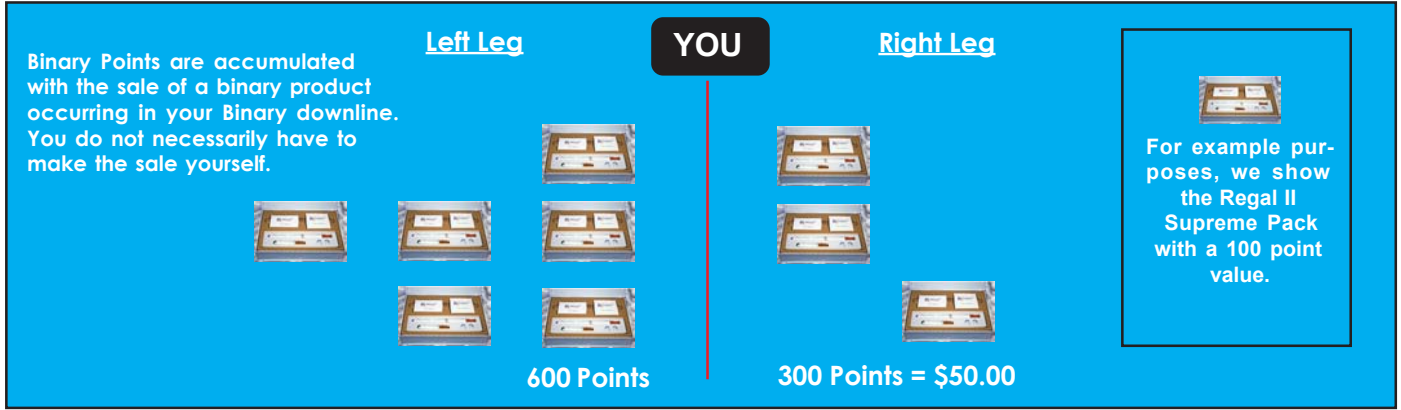
Personal Volume (PV) is only relevant as it pertains to checking to see if a particular person you have personally enrolled has made a purchase of a Binary product. Personal Volume, as it pertains to you specifically, does not hold any value in terms of you being paid in the Binary Bonus program. It is relevant to your enroller who needs to keep tabs on whether or not you have made the optional purchase of a Binary product as part of the process to qualify him/her.

Group Volume (GV) does pertain to you being paid in the Binary. You can see Group Volume by clicking on any particular ID box in your binary view. You will see Left Volume and Right Volume as individual amounts. These represent Group Volume in both the left and right leg. Since we pay the ID in the binary down to infinity, Group Volume in both the left and right leg accrue as a result of those underneath you who make a purchase of a Binary product. When that happens, you accrue Group Volume Points in both the right and left leg. **Note: Group volume can flush if an ID falls out of qualification that goes beyond the grace period.**

The binary view can be seen by logging into your replicated website's back office and clicking "View My Team."

## TURNING POINTS INTO DOLLARS

Points are accumulated in the binary program only **AFTER** an ID becomes qualified (see Page 6 for further details). Turning points into dollars in the binary program occurs when 900 points are accumulated. The 900 points must occur as a combination compiling the results of both your right and left legs. **inLife** employs a 2/3 - 1/3 binary model. This means that a minimum of 300 points on the weaker leg with 600 points minimum on the stronger leg will trigger a binary bonus payment. The company will pay you a \$50.00 bonus when this occurs. There are no steps to complete and likewise there are no cycles to start over and over again. It is simply a recurring bonus that can be paid out a maximum of 2000 times per week.



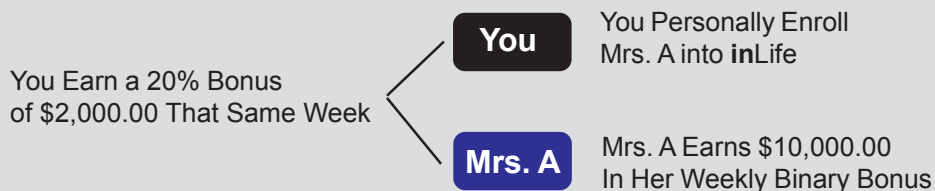
Points that accumulate in each leg will remain in place until they are claimed by banking a minimum of 300 points in the weaker leg and a minimum of 600 points in the stronger leg. There is no flushing of points unless an ID falls out of qualification that goes beyond the grace period. In other words, our present compensation plan does not typically allow you to lose any unused points in your stronger or weaker leg. The only way for points to disappear is when they are used in the payment process to the Independent Distributor or if an ID falls out of qualification.

**inLife** pays Binary Bonuses on a weekly basis for the previous week's results. A cycle period is a one week cycle that ends at 11:59 P.M. Sunday night, USA Pacific Standard Time

## 4. THE MATCHING BINARY BONUS

Qualification Required (Paid Weekly)

The Matching Binary Bonus is just one more way that we reward our Independent Distributors. This bonus allows you to earn a 20% overriding bonus on the amount that people you personally enroll earn in their Binary Bonus plan. For example, if you enroll Ms. A as an Independent Distributor in your **inLife** business, and Ms. A earned \$10,000.00 in her weekly Binary Bonus, you would be paid \$2,000.00 that same week.



As in the Binary Bonus program, there is a maximum of \$100,000.00 per week payout for the Matching Binary Bonus. Between the Binary Bonus and the Matching Binary Bonus, there is a maximum payment cap of \$200,000.00 per week collectively between these two bonuses.

It is important for the ID to make sure that they remain qualified to prevent the loss of binary points. **inLife** allows a 45 day grace period to reinstate qualification in the event this happens.

# THE UNILEVEL PROGRAM IS A GREAT WAY TO MAXIMIZE YOUR COMMISSION POTENTIAL AND AN IMPORTANT ELEMENT IN TAKING ADVANTAGE OF THE TOTAL COMPENSATION PLAN

## 5. UNILEVEL SALES

(E-Cig Cartridges, Coffee & Tea Bags, inForce & inHance & inFocus Bottles)

Qualification Required (Paid Monthly)

The Auto-Ship Unilevel Commission program is where the residual income lives. Residual income is one of the most powerful ways to earn income. Successful individuals understand the power of residual income and many employ it in their income stream. It is a way to earn income by doing the work one time and getting paid over and over again, month after month, year after year. A singer records a record, doing the work one time. Every time that



record is sold, played or performed legally, the artist earns income. inLife created the Unilevel Commission structure to reward our Independent Distributors using the same principles.

### GETTING PAID COMMISSION ON UNILEVEL

Journey Coffee & Tea, e-cig cartridges, bottles of inForce, inHance & inFocus are consumables. They need to be replaced on a fairly regular basis. It is likely that users of inLife products that fall within your Unilevel organization need to purchase these. They may purchase them when the need arises, or by signing up for a monthly Auto-ship that is sent to them on a particular, desired day. When either or both of these occur, you will receive a commission for each unilevel item sold within your first level provided you are qualified (see page 6). In addition, when cartridges or coffee are sold as a result of the efforts of your Independent Distributors that fall in your Unilevel organization between your second and seventh level, you will also receive a commission. **Note: unilevel sales are tracked in the Unilevel organization only. They are not tracked in the Binary and as such, their sales do not accumulate binary points. IDs earn commission on unilevel sales either through Auto-ship or single purchases based upon the commission structure presented on Page 6. Unilevel items purchased by both IDs and Retail Customers count for Unilevel Commissions and are paid monthly.**

### THE DEFINITION OF UNILEVEL LEVELS

**Please note: Unilevel sales to both Retail Customers and Independent Distributors count toward unilevel commissions.**

#### Level 1:

A. Unilevel sales made by you to your personal Retail Customers or to your personally enrolled IDs

#### Level 2:

A. Unilevel sales made by your Unilevel IDs on Level 1 to their personally enrolled Retail Customers and IDs

#### Level 3:

A. Unilevel sales made by your Unilevel IDs on Level 2 to their personally enrolled Retail Customers and IDs....And so on

**Your unilevel organization is populated by individuals that you personally enroll.** They would fall on your first level. Individuals that are personally enrolled by the people that you personally enroll will also fall in your unilevel organization. You will be paid on all sales that occur between your first and seventh levels. As you are promoted to higher positions, you will also have the ability to earn income on the eighth and ninth levels of your unilevel **and down to infinity if you reach the highest level of Executive Vice President.** People that might be placed in your binary by others directly and not by you will not appear in your unilevel organization.

Residual income is one of the most powerful ways to earn income. Successful individuals understand the power of residual income and many employ it in their income stream.

## COMMISSION STRUCTURE FOR UNILEVEL SALES

The commission structure for unilevel sales to both retail customers and IDs are as follows:

Notice the varying degree of commission amounts paid. Level 1 pays \$1.00 per cartridge pack. This is to reward our Independent Distributors for cartridge sales. Levels 2 through 4 pays \$1.00 per cartridge pack. But notice that on level 5, 6 & 7 the commission amount increases to \$1.50, \$2.00 & \$3.00 respectively. This is because an Independent Distributor has the potential for the most unilevel sales on levels 5, 6 & 7 in a one through seven unilevel matrix. By design, this encourages the Independent Distributor to directly enroll as many customers and IDs as possible on the first level which, in turn, allows for greater volume on your 5th, 6th & 7<sup>th</sup> levels.

### Unilevel Sales Commissions for e-cig cartridges, inForce, inHance and inFocus Unilevel Items

<u>Level</u>	<u>Commission Amount</u>
Level One	\$1.00 Per Cartridge Pack
Level Two	\$1.00 Per Cartridge Pack
Level Three	\$1.00 Per Cartridge Pack
Level Four	\$1.00 Per Cartridge Pack
Level Five	\$1.50 Per Cartridge Pack
Level Six	\$2.00 Per Cartridge Pack
Level Seven	\$3.00 Per Cartridge Pack

## COMMISSION STRUCTURE FOR UNILEVEL JOURNEY COFFEE SALES

Price of 2 lb. Journey Coffee Pack = \$29.95

<u>Level</u>	<u>Commission Amount</u>
Level One	\$1.00 Per 2 lb. Pack
Level Two	\$1.00 Per 2 lb. Pack
Level Three	\$1.00 Per 2 lb. Pack
Level Four	\$1.00 Per 2 lb. Pack
Level Five	\$1.50 Per 2 lb. Pack
Level Six	\$2.00 Per 2 lb. Pack
Level Seven	\$3.00 Per 2 lb. Pack

As in the case of the most Unilevel Sales, Journey Coffee operates on the same principles. The commission example at left is based on the purchase of at least 2 lbs. of journey coffee.

### The inLife Unilevel program utilizes compression.

This is an important feature that benefits the ID who builds deep and personally enrolls as many people as possible. Compression works by pushing people who reside past your 7th level upward in the event that people above them stop their unilevel sales. This can push more people into your pay levels.

**Accessories are also commissionable in the Unilevel program.** Items such as batteries, atomizers, carry cases, chargers, etc., carry a specific point value. A product with a 100 point value holds the same payout structure as the cartridges and the coffee above. A product with a 50 point value holds 1/2 of the payout as described above. Visit the order product section for point values.

## POPULATING YOUR UNILEVEL ORGANIZATION

Simply by selling the product to retail customers or by personally enrolling people in your organization as Independent Distributors, the software places them in the binary matrix (which pays bonuses upon the sale of binary products) and simultaneously places your retail customers and your personally enrolled Independent Distributors into your first level of your unilevel organization (which pays commissions on the sales of unilevel items). While it might happen that someone in your upline (a person in the binary above you) might place someone in one of your binary legs, this would not be the case in your unilevel organization. Only those retail customers that you sell product to or IDs that you personally enroll and those people who are personally enrolled by your personally enrolled individuals....and so on..... will fall in your unilevel organization.

## 6. Customer Aquisition Bonus (CAB)

### Qualification Required (Paid Monthly)

CAB bonuses pay \$50.00 for every three IDs who enter into your openline unilevel organization who get qualified and bring in two extra retail customers within their first 30 days in inLife. In addition, the ID who receives the bonus must be a Regional Manger or above. Open line is defined as IDs who are between you and the next ID below you at your same level. If you reach a higher level than the ID who cut you off from the promotion below their organization, your open line will once again open up as you reach a higher promotion. They key to maximizing the CAB bonus is to personally enroll (or "front line") as many IDs as possible.

Independent Distributors can earn income with Retail Sales & the Momentum Builder without being qualified. This allows the ID the potential to start earning income almost immediately.

## QUALIFICATIONS

Of the six ways that an Independent Distributor earns income, only four require you to be qualified in order to take advantage of their pay plan.

- A. Retail Sales (no qualification required)
- B. Momentum Builder (no qualification required)
- C. Binary Bonus (qualification required)
- D. Matching Binary Bonus (qualification required)
- E. Unilevel Cartridge & Journey Coffee Sales (qualification required)
- F. CAB Bonuses (qualification required)

### Qualifications Required

Binary Bonus, Matching Binary Bonus, Unilevel Sales and CAB Bonuses

To be qualified to earn income in the Binary Bonus commission structure for Matching Binary, Unilevel sales and CAB bonuses, an ID must personally enroll a minimum of two people as Independent Distributors who make an optional purchase of any binary product. These two people do not need to be in two separate legs. **Note: You will not start to collect any binary points until after you have become qualified.** In addition, an ID must maintain a minimum personal Unilevel purchase volume of \$24.95 month on Auto-ship in order to qualify for the Unilevel sales commission. In addition, you must also be qualified in the Binary Bonus program by personally enrolling a minimum of two Independent Distributors who make an optional purchase of any binary product.

## PROMOTIONS

At inLife, we believe that promotions are an essential part of the compensation plan. As our Independent Distributors increase Unilevel commission sales in their Unilevel organization, they are promoted to higher positions. Each level allows them to earn more income and allows for recognition among their peers. Promotions are determined by the sales of Unilevel sales in your Unilevel organization and not your Binary organization.

<u>Status Rank</u>	<u>Qualifier</u>	<u>Bonus</u>
Independent Distributor (ID)	None	N/A
Qualified Independent Distributor (QID)	2 Personally enrolled IDs who make an optional purchase of a binary product or Biz Pack and who maintain a minimum Unilevel purchase of \$24.95 per month	N/A
Regional Manager (RM)	QID with 11 customers who are active in Auto-ship	Opens the unilevel to 8th level (\$.05)
Regional Director (RD)	QID with 201 customers who are active in Auto-ship	Opens the unilevel to 8th level (\$.50)
Regional Vice President (RVP)	QID with 2001 customers who are active in Auto-ship	Opens the unilevel to 8th level (\$1.00)
Executive Vice President (EVP)	QID with 4001 customers who are active in Auto-ship with at least two RVPs in 2 separate unilevel legs	Opens the unilevel to 9th level (\$.50) & up to 2% override commission on unilevel downline (see page 8 for details)

inLife allows the Independent Distributor to earn income on the eighth and ninth levels when they reach the level of Regional Vice President and Executive Vice President respectively.

## THE POSITION OF EXECUTIVE VICE PRESIDENT

The position of Executive Vice President is a highly sought after office where the highest income potential in **inLife** exists. To qualify as an Executive Vice President, you must have at least 4001 or more IDs or Retail Customers in your Unilevel organization who are active on monthly Auto-ship and you must have at least one Regional Vice President in two separate Unilevel legs.

There are four levels of Executive Vice President:

- A. Executive (EVP) - Meeting the above qualification
- B. Executive Gold (EG) - Meeting the above qualification plus \$750,000.00 in monthly Unilevel sales volume.
- C. Executive Platinum (EP) - Meeting the above qualification plus \$1,000,000.00 in monthly Unilevel sales volume.
- D. Executive Diamond (ED) - Meeting the above qualification plus \$2,000,000.00 in monthly Unilevel sales volume.

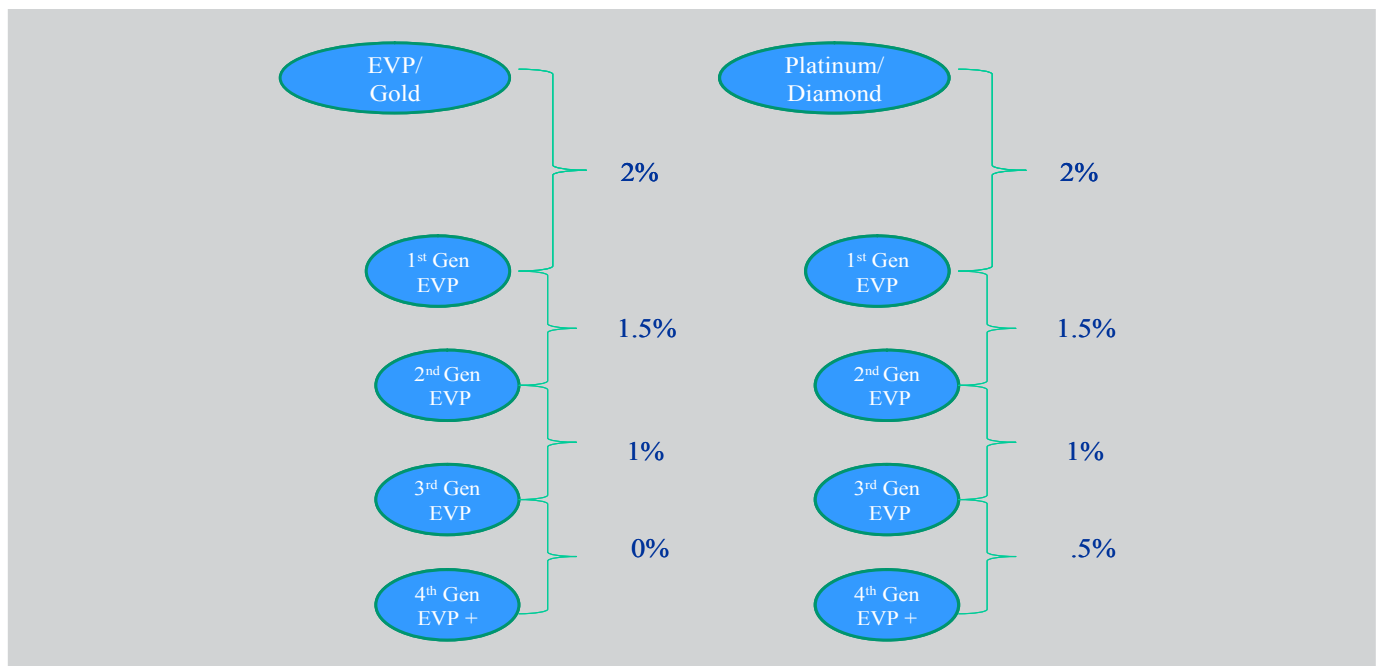
When you hit each level for the first time, you will receive the following:

- A. EVP - A Breitling or Rolex Watch
- B. EG - St. Regis Vacation in Bora Bora
- C. EP - New Jaguar XKR
- D. ED - \$150,000.00 Cash Bonus

In addition, all EVP's will receive a bonus on Total Group Volume down to the 3rd generation EVP in their unilevel downline:

- A. The 1st generation EVP override is 2% on the total Unilevel downline group volume down to the next EVP
- B. The 2nd generation EVP override is 1.5% (after the next EVP in your downline to the 2nd EVP)
- C. The 3rd generation EVP override is 1%

All Executive Platinum EVPs and above will continue to receive a 1/2% override to infinity (see below).



The position of Executive Vice President is a highly sought after position within inLife. A percentage of total group volume of your Unilevel sales is available at this position.

## MAXIMUM PAYOUT RESTRICTIONS

In order to maintain a viable marketing program the COMPANY reserves the right to enforce a stop-loss mechanism that prohibits commission payouts from exceeding eighty percent (80%) of the Binary allocated revenues received within a weekly commission period. In addition, payouts for the Binary Bonus and the Matching Binary Bonus are capped at \$100,000.00 per week, (maximum \$200,000.00 per week for both the Binary Bonus and the Matching Binary Bonus combined).

Non-internet accessible literature and sales aids and promotional products are subject to return and 90% refund within 30 days of purchase. (1 year in New Mexico, and Montana; purchases within 1 year prior to termination of ID status in Wyoming; no time limitation in Massachusetts as to Wholesale Purchase made for commission qualification.)

**Income and/or success as an inLife Independent Distributor is not guaranteed. Success is influenced by an individual's specific skills, motivation, efforts, timing and luck. Not all inLife Independent Distributors earn income through inLife, LLC. No one can be guaranteed income and/or success as an inLife Independent Distributor.**

inLife, LLC reserves the right to change the compensation plan at any time without prior notice.

*inLife products have not been evaluated by the Food and Drug Administration or the Office of the Surgeon General. The inLife electronic cigarette is not to be used for smoking cessation purposes. Our products do not mitigate, cure or treat any medical condition nor do they offer any therapeutic value. To purchase inLife products or sign up as an Independent Distributor, you must be 18 or older. To purchase or use the inLife electronic cigarette you must be of the legal age of smoking in the state where you reside.*

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inLife was founded on the principles of "people helping people." We are committed to bringing remarkable products to the market while helping our IDs toward financial independence.