

AdvoCare *Compensation Plan*



Five Ways To Earn Income (First two ways)

All AdvoCare Independent Distributors can earn income two ways: retail profits and wholesale commissions.

NOTE: Compensation Plan tab includes business training for prospects and Distributors focused on business building and earning income with AdvoCare.

5 Ways to Earn Income

First 2 Ways:

Build a Strong Foundation

1

**RETAIL
PROFITS**

2

**WHOLESALE
COMMISSIONS**

When You Retail (two of our most popular products)

Retail profits are the amount of dollars you earn when you sell the products you purchase at your discount level to others at full retail price

When *You Retail*

Two of our most popular products:
MNS® + AdvoCare Spark®



Average Retail Cost Per Day

\$4.92
(14-day supply)

\$68.90

Retail Price

- \$41.34

Your Cost
After Your
40% Discount

\$27.56

Profit
When Sold
At Full Retail

When You Retail

- Here you see the potential profit of our Top-Selling Product Bundle, the 24-Day Challenge®.

When *You Retail*

Our Top-Selling Product Bundle



\$195.70 Retail Price

- \$117.42 Your Cost After Your 40% Discount

\$78.28 Profit When Sold At Full Retail

Average Retail Cost Per Day

\$8.15
(24-day supply)

Wholesale Commission

- A Wholesale Commission is paid to you when your team member is at a discount level less than yours. The amount of Wholesale Commission is the difference between your discount level and your team member's discount level.
- This Wholesale Commission example is based on retailing our most popular product bundle – The 24-Day Challenge®.

Wholesale *Commissions*

You-Advisor
40%



Distributor
20%



40% You
- 20% Your Distributor

20% Wholesale Commission

The wholesale commission paid to you is the difference between your discount levels.

Example



24-Day Challenge®

\$195.70* Retail Price

x 20% Wholesale Commission

\$39.14

* Prices above reflect the MNS® 3 bundle of the 24-Day Challenge®. The price for the MNS® C and MNS® E bundles are \$193.70 retail and the wholesale commission is \$38.74.

Five Ways To Earn Income (Next three ways)

The next three sources of income with AdvoCare are available exclusively to those at the Advisor Level and above.

5 Ways to Earn Income

The Next 3 Ways:

Open only to those at Advisor Level and Above

3

OVERRIDES

4

**LEADERSHIP
BONUSES**

5

**INCENTIVES, TRIPS
AND PAY-PERIOD
BONUSES**

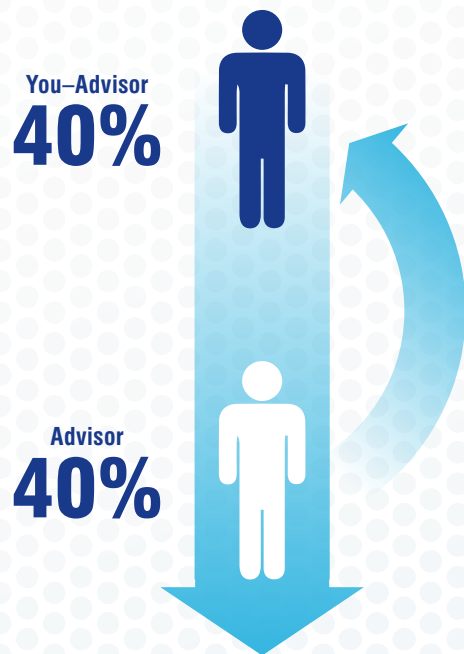
Overrides

- It is possible to earn overrides from the members of your team at the Advisor Level and above
- Overrides can grow as your team grows
- Overrides can be between five to seven percent of the Business Volume
- Business Volume is approximately half of all Product Volume underneath all of your Advisors through three levels

Overrides

Equals 5% – 7% of the Business Volume (BV)

Business Volume is 50% of all Product Volume underneath any and all of your Advisors through 3 levels



\$195.70

Retail Volume
Total Value

\$97.85

Business Volume
is 1/2 the Value

\$97.85
x 7%

\$6.85
OVERRIDE

In this example the **BUSINESS VOLUME (BV)** for the 24-Day Challenge® is \$97.85. As a result, we multiply \$97.85 x 7% (Override)

* Prices above reflect the MNS® 3 bundle of the 24-Day Challenge®. The price for the MNS® C and MNS® E bundles are \$193.70 retail, the business volume is \$96.85 and the override is \$6.78.

Override Examples

- Here's a look at Overrides paid on increasing Business Volume

Override *Examples*

with volume



24-Day Challenge®

24-Day Challenge® Retail Price
\$195.70



BV = \$98.00

\$98.00
x 7%

\$6.86
OVERRIDE

Cumulative Retail Volume
\$3,000



BV = \$1,500

\$1,500
x 7%

\$105
OVERRIDE

Cumulative Retail Volume
\$15,000



BV = \$7,500

\$7,500
x 7%

\$525
OVERRIDE

Star Legs

- Overrides of \$100+ in a single leg of business is considered a Star Leg.
- NOTE: \$3,000 (a minimum Advisor order) in retail volume yields a \$105 Override.
- The benefits of building “wide” by adding new Star Legs includes additional Overrides.

What is a *Star Leg*?

Understanding the Benefits of Sponsoring “Wide”

\$100+ of Override in a single leg of business is a STAR LEG

\$3,000+ of retail Volume = **\$105** Override



*All of the figures listed above are approximate earnings. Earnings will vary according to the amount of effort a distributor puts forth, and to the amount of products sold.

AdvoCare Income Disclosure

Here's a snapshot of income for all active AdvoCare Independent Distributors in 2014.

Income

Disclosure Statement

Distributors by Pay Level			Monthly Income by Pay Level [*]			Yearly Income by Pay Level
Pay Level [*]	% of Active Distributors ^{**}	Average Months to Reach	Top 10%	Average	Bottom 10%	Annualized Average ^{††}
Distributor	34.52%	-	\$280	\$69	\$6	\$831
Advisor	58.04%	-	\$747	\$183	\$16	\$2,190
Silver	4.70%	14	\$2,225	\$1,068	\$430	\$12,817
Gold	1.34%	25	\$8,110	\$3,204	\$1,615	\$38,444
Gold 3 Star	0.31%	26	\$5,086	\$3,509	\$2,341	\$42,104
Ruby	0.58%	34	\$13,154	\$7,154	\$4,466	\$85,848
Ruby 6 Star	0.06%	39	\$11,449	\$8,787	\$6,340	\$105,447
Emerald	0.21%	49	\$27,819	\$16,567	\$11,197	\$198,801
Emerald 9 Star	0.09%	60	\$41,057	\$24,745	\$15,269	\$296,935
Diamond	0.12%	71	\$91,411	\$53,079	\$30,620	\$636,953
Platinum & Above	0.03%	134	\$319,598	\$98,796	\$68,206	\$1,185,555

^{*} Pay Level is sorted by Discount Level and/or Leadership Pin Level. Distributor compensation is outlined further in the AdvoCare Policies, Procedures, and Compensation Plan.

^{**} Active Distributor is anyone that earned a check in 2014 (154,819 total Distributors). The overall number of Distributors on December 31, 2014 was 517,666.

[†] AdvoCare pays Distributors who earn a check semi-monthly. Distributors may receive up to 24 checks per year. The numbers represent the average monthly earnings as well as the average top and bottom 10% earnings of that Pay Level in 2014.

^{††} The Annualized Average earnings are calculated based on the assumption that the Distributor gets paid at this Pay Level. The average annual income for all Active Distributors in 2014 was \$1,610.

Total Payments from AdvoCare in 2014	\$1 - \$1,000	\$1,001 - \$5,000	\$5,001 - \$10,000	\$10,001 - \$25,000	\$25,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	> \$250,000	Total
No. of Distributors	131,141	18,327	2,545	1,597	588	303	205	113	154,819

NOTE: This includes earnings from pay periods ending between 1/1/14 and 12/31/14

AdvoCare Distributors can earn compensation pursuant to the AdvoCare Compensation Plan in the form of wholesale commissions, overrides, and leadership bonuses. The amounts above do not include the income realized by Distributors from the retail sale of products or incentive bonuses, so the actual compensation earned may be higher.

The earnings shown above are not necessarily representative of the income, if any, that an AdvoCare Distributor can or will earn through his or her participation in the AdvoCare Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Success with AdvoCare results only from successful sales efforts, which require hard work, diligence, and leadership. Your success will depend upon how effectively you exercise these qualities.

Leadership Bonus Program

- As your team grows, so does your earning potential. Here you'll see an example of Leadership progression by pin level
- Leadership Bonuses are a way to recognize pin-level earners who build and support down line teams
- These bonuses are paid in addition to other income earned

Leadership

Bonus Progression

Distributor Rank	Bonus %	Retail Volume & Star Legs
Silver	+3%	\$3,000
Gold	+2%	\$15,000
Gold 3 Star	+2%	3 Star Legs
Ruby	+2%	\$30,000
Ruby 6 Star	+2%	6 Star Legs
Emerald	+2%	\$60,000
Emerald 9 Star	+2%	9 Star Legs
Diamond	+4%	\$120,000
Platinum	+0.25%	18 Star Legs
Double Diamond	+0.25%	24 Star Legs
Triple Diamond	+0.25%	36 Star Legs

The earnings shown above are not necessarily representative of the income, if any, that an AdvoCare Distributor can or will earn through his or her participation in the AdvoCare Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Success with AdvoCare results only from successful sales efforts, which require hard work, diligence, and leadership. Your success will depend upon how effectively you exercise these qualities.

Building Your Team

- Let's look at one potential example of moving toward the Silver Pin Level
- To earn your silver pin, you need to have \$1,000 P/GV and an Override of \$100 or more in any two consecutive pay periods

Building Your Team

Silver Pin Level



Leadership Pin Level	Amount of Retail Volume	Approximate Override	Leadership Bonus	Average Annual Income 2014
Silver	\$3,000	\$100	+3%	\$12,817

You-Advisor
40%



\$1,000 PGV

You-Advisor
40%



Your-Advisor's
Cumulative Retail Volume
\$3,000

\$105 Override Qualifies you for a Silver Leadership Bonus!

$ \begin{array}{r} \$3,000 \\ \$1,500 \\ \hline \end{array} $	Retail = Business Volume	$ \begin{array}{r} \$1,500 \\ \hline \end{array} $	Business Volume
$ \begin{array}{r} \times 7\% \\ \hline \end{array} $	Override Percent	$ \begin{array}{r} \times 3\% \\ \hline \end{array} $	Leadership Bonus Percent
<p>\$105 Override</p>		<p>\$45 Leadership Bonus</p>	

\$150 Total

The earnings shown above are not necessarily representative of the income, if any, that an AdvoCare Distributor can or will earn through his or her participation in the AdvoCare Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Success with AdvoCare results only from successful sales efforts, which require hard work, diligence, and leadership. Your success will depend upon several factors including how effectively you exercise these qualities.

Building Your Team

To earn your gold pin, you need to have \$1,000 P/GV and an Override of \$500 or more in any two consecutive pay periods

Building Your Team

Gold Pin Level



Leadership Pin Level	Amount of Retail Volume	Approximate Override	Leadership Bonus	Average Annual Income 2014
Gold	\$15,000	\$500	+2%	\$38,444



$$\begin{array}{r}
 \$15,000 \text{ Retail} = \\
 \$7,500 \text{ Business Volume} \\
 \times 7\% \text{ Override Percent} \\
 \hline
 \$525 \text{ Override}
 \end{array}$$

The earnings shown above are not necessarily representative of the income, if any, that an AdvoCare Distributor can or will earn through his or her participation in the AdvoCare Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Success with AdvoCare results only from successful sales efforts, which require hard work, diligence, and leadership. Your success will depend upon several factor including how effectively you exercise these qualities.

Additional Volume Via Width

Building Star Legs is a strong foundation for pin level advancement and sustainability

Additional Volume via **Width**



Leadership
Pin Level

Gold 3 Star

Amount of
Retail Volume

\$15,000

Approximate
Override

\$500

Leadership
Bonus

+2%



You have \$15,000 of total retail volume plus 3 legs that generated \$3,000 or more volume...earning you 3 stars

Total retail volumes in each leg of business will vary from pay period to pay period.

The earnings shown above are not necessarily representative of the income, if any, that an AdvoCare Distributor can or will earn through his or her participation in the AdvoCare Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Success with AdvoCare results only from successful sales efforts, which require hard work, diligence, and leadership. Your success will depend upon how effectively you exercise these qualities. For accurate depiction of 2014 Distributor earnings, please see the *Income Disclosure Statement*.

Personal testimonials reflect individual experiences of AdvoCare Independent Distributors and are not necessarily typical of the results you may obtain. Weight loss varies with individual effort, body composition, eating patterns and exercise. If you have a medical condition or are pregnant or nursing, AdvoCare recommends that you consult your health care professional before starting an AdvoCare product regimen.

Personal testimonials reflect individual experiences of AdvoCare Independent Distributors and are not necessarily typical of the results you may obtain. Weight loss varies with individual effort, body composition, eating patterns and exercise. If you have a medical condition or are pregnant or nursing, AdvoCare recommends that you consult your health care professional before starting an AdvoCare product regimen.