

XELR8™ COMPENSATION

US BAZICOMP 8-09

COMPENSATION

The XELR8 compensation plan provides a clear and simple road to accomplish everything you've ever dreamed.

There are five ways to earn commissions:

1. Retail Sales

Purchase product at wholesale prices, sell at retail and keep the profit.



2. First Order Bonuses

A) First Order Bonus (FOB) > Paid Weekly
Receive the FOB weekly when your newly enrolled distributors purchase an initial case (or more) of Bazi™.

B) 10K Director Bonus > Paid Weekly
Leaders qualifying at the 10K Director Level or above receive 5% of all First Order Volume (FOV) down each leg to, but not including, the FOV of the next qualified 10K Director in their downline. (2 Case AutoShip Required)

C) Executive Bonus > Paid Weekly
Leaders qualifying at the Executive Level or above receive 5% of all First Order Volume (FOV) down each leg to, but not including, the FOV of the next qualified Executive in their downline. (2 Case AutoShip Required)

D) Diamond First Order Volume (FOV) Pool > Paid Monthly
Leaders qualifying at the Diamond Level or above receive a share of a 5% First Order Volume (FOV) Diamond pool. A Qualified Diamond receives one (1) share, a Qualified 100K two (2) shares and Qualified 250K's and above, three (3) shares. (2 Case AutoShip Required)

My AutoShip	1 Case of Bazi™ (100 CV)	2 Cases of Bazi™ (200 CV)
My 1 st Level FOB	\$25 per case (25%)	\$25 per case (25%)
My 2 nd Level FOB	N/A	\$10 per case (10%)
My 3 rd Level FOB	N/A	\$5 per case (5%)

3. Residual Income > Paid monthly

Pays through 8 compressed levels (*plus* Diamond Bonus) on all sales orders (excluding sales orders paid as First Order Bonus) to qualified Distributors based on the UniLevel chart below. Dynamic Compression, Horizontal Compression* and Roll-Up (see Definition of Terms for details) help maximize earnings and minimize blockage. The 10% on the 5th level provides significant earnings opportunity and Rank Insurance* keeps you paid during a slow month. (*For Directors and above.)

	QUALIFIED RANK	ASSOCIATE	BROKER	CONSULTANT	DIRECTOR	10K DIRECTOR	EXECUTIVE	DIAMOND	
	Minimum Monthly PV	100	100 A/S	100 A/S	100 A/S	100 A/S	100 A/S	100 A/S	
	Minimum Monthly GV	NONE	1,000	2,500	5,000	10,000	20,000	50,000	
	Minimum Structure (Legs)	NONE	NONE	3 - 500	3 - 1,000	3 - 1,000	3 - 5,000	3 - 10,000	
COMMISSIONS % PAID PER LEVEL	1 st	5%	5%	5%	5%	5%	5%	5%	
	2 nd	5%	5%	5%	5%	5%	5%	5%	
	3 rd	^	5%	5%	5%	5%	5%	5%	
	4 th	^	^	5%	5%	5%	5%	5%	
	5 th	^	^	^	10%	10%	10%	10%	
	6 th	^	^	^	^	5%	5%	5%	
	7 th	^	^	^	^	^	5%	5%	
	8 th	^	^	^	^	^	^	5%	
	DIAMOND BONUS							2%	
	Diamonds have the ability to create additional positions and participate in the Leadership Pool and XELR8 Stock Option Program (Subject to annual renewal).								
									V NEXT DIAMOND

4. Leadership Bonuses

A) 4% Diamond Leadership Pool – Leaders reaching the following bonus criteria can qualify to receive a percentage of total global volume (paid quarterly) in the form of a high performance bonus.

You can earn this bonus each month of the quarter that you qualify. Qualifications for participation in this pool are as follows:

DIAMOND	100K DIAMOND	250K DIAMOND
<p>Must have:</p> <p>Diamond qualifications</p> <p>Receive pro rata share based on volume through 2 generations of Diamonds</p>	<p>Must have:</p> <p>Diamond qualifications</p> <p>Three (3) 20K legs or higher*</p> <p>100,000 GV</p> <p>Receive pro rata share based on volume through 4 generations of Diamonds</p>	<p>Must have:</p> <p>Diamond qualifications</p> <p>Three (3) 50K legs or higher*</p> <p>250,000 GV</p> <p>Receive pro rata share based on volume through 6 generations of Diamonds</p>

*Horizontal Compression allows you to group the volume of all the legs beyond your largest two legs to create a combined final "leg" necessary to meet the structure requirements.

B) Infinity Bonuses – Leaders reaching the following qualified ranks are eligible to receive additional earnings (paid monthly) in the form of Infinity Bonuses:

100K Diamond: Qualified 100K Diamonds receive a 1% bonus on their entire group CV down each leg to, but not including, the volume of the next qualified 100K Diamond in their downline.

250K Diamond: Qualified 250K Diamonds receive a 1/2% bonus on their entire group CV down each leg to, but not including, the volume of the next qualified 250K Diamond in their downline.

C) Diamond Car Allowance

You can become "CAR QUALIFIED" by reaching the level of Diamond as described in the XELR8 Compensation plan and having a minimum of 75,000 GV. Meeting these qualifications will earn you a car allowance of up to \$800 per month! When you purchase or lease a new red or white car from Lexus (contact XELR8 for complete program details), send XELR8 a copy of the final sales/lease agreement with the amount of your monthly payments. Each month you remain "Diamond Car Qualified," we will send you the amount of that payment not to exceed \$800. If you miss being Diamond Car Qualified one month, the payments will resume once you meet the qualifications again.

As you grow your business, you can increase your car allowance too by reaching the 100K Diamond Level as described in the XELR8 Compensation Plan and having 175,000 in GV! When you purchase or lease a new red or white Lexus (contact XELR8 for complete program details), send XELR8 a copy of the final sales/lease agreement with the amount of your monthly payments. Each month you remain "100K Diamond Car Qualified," we will send you the amount of that payment not to exceed \$1,200. If you miss being "100K Diamond Car Qualified" one month, you may achieve the "Diamond Car Qualified" award (up to \$800) until you can reestablish your "100K Diamond Car Qualified" status.

Car allowances are only applicable to one car, and are only valid on red or white LEXUS cars. Details on the program will be announced as the partnership progresses with LEXUS. All participants in the program are responsible for all license and registration fees as applicable to state laws. Contact XELR8 for complete program details.

5. Customer Acquisition Bonus > Up to 20% Profit – Paid monthly

Most of the people who decide not to join you in building a business will feel the benefits of BAZI™ and want to be your customer. XELR8 will take the order and ship the product and you earn up to 20%. All of the personal volume (PV) that you generate above 200* - your personal orders plus your Customer orders - will earn a 20% Customer Acquisition Bonus. (**Excluding your first order volume.*)

This is a summary only. All compensation plan explanations and representations are subject to the XELR8 Policies & Procedures.

Only Active Distributors are eligible to receive weekly, monthly and quarterly commissions and bonuses; and the amount of a Distributor's earnings is determined by performance against the applicable sales requirements and qualifications defined here and in the XELR8 Policies & Procedures.

DEFINITION of TERMS

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

Active : Only Active Distributors are eligible to receive weekly, monthly and quarterly commissions and bonuses. "Active" is defined as being qualified at any Distributor Rank, based on one's PV, GV, downline structure and other applicable requirements. The minimum monthly active rank is Associate (100 PV). For Weekly First Order Bonuses, current weekly activity is based on one's prior month's activity; however, if inactive in the prior month, then the minimum 100 PV requirement must be met prior to the end of the current weekly period. Only Active Diamond (or above) Distributors are eligible to receive quarterly bonuses.

AutoShip: An optional program in which Distributors and Customers agree to buy at least one Commissionable Product per month. Participants in the AutoShip Plan save up to 25% off Direct prices, and select the date their order will process. Processing dates may be switched at any time; however, Distributors are responsible for maintaining PV and AutoShip qualifications each month.

Commission Payment Card: As part of their enrollment, all Distributors are issued an XELR8 Card, our branded MasterCard Debit Card. XELR8 remits all commission and bonus payments to a Distributor's XELR8 Card. This payment card provides a fast, secure, dependable method of payment to our Distributors, giving them immediate access to their earnings online, at ATMs or literally anywhere on the globe that MasterCard is accepted. No more waiting for checks to arrive in the mail or to clear your bank account. With the XELR8 Card, you have your money *now*. See www.theXELR8card.com for more information.

Commission Periods: Weekly commission periods begin each Saturday at 12:00a and end the following Friday at 11:59p; period sales are then audited and commissions process and pay the following Thursday. Qualifications for weekly commissions are based on the month in which the week begins, even when a week may span two months; one's "activity" (see above) is based on one's prior month's activity, except when one was inactive in the prior month, the minimum 100 PV requirement must be met within the current weekly period. Monthly commission periods begin the first day of the calendar month at 12:00a and end the last day of the month at 11:59p; period sales are then audited and commissions process and pay the 15th of the following month. Qualifications for monthly commissions are based on that particular calendar month's activity and applicable performance, except in one's first month when an AutoShip scheduled for the next month satisfies that specific requirement.

Commissionable Products : All products for which commissions and bonuses are paid. A commissionable value (CV) is assigned against which commissions and bonuses are calculated. However, Starter Kits, tools, 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 unearned commissions and compensation (or a percentage thereof) is pushed up past an unqualified Distributor to the next qualified Distributor at a particular rank. Dynamic Compression for levels 1-3 equals 5%, Levels 4-6 equals 4%, Levels 7-8 equals 3% and level 9 Diamond 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. Our weekly First Order Bonuses pay via the Enroller tree, where our 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 his or her downline.

First Order Bonus (FOB) : A bonus paid to active qualified Distributors on new business (or "first order" sales) to new Distributors. While the volume from first order sales (First Order Volume) is included in total Group Qualifying Volume (GQV) each month, First Order Volume is excluded from the Customer Acquisition Incentive and Unilevel Bonus.

Group Volume (GV) : The total Commissionable Value (CV) of sales orders from every Customer and Distributor in a Distributor's downline. For qualification purposes (GQV) this includes a Distributor's Personal Volume and First Order Bonus 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. Horizontal Compression does NOT include a Distributor's personal volume.

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 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 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 volume amount of a product or order used to meet rank qualifications. In most cases as product's QV is the same as its CV.

Rank : The title or classification a Distributor achieves in accordance with the XELR8 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.

Retail Rebate : A benefit that pays Active Distributors a rebate on personally sponsored Direct Customer purchases. The rebate, which is paid monthly, is the difference between the Direct Price (price paid by the Direct Customer) and the Distributor's Preferred Price.

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 nonqualified 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.

Volume Carry Forward : Distributors will carry forward up to 1,000cv of their 1st Month's QV (personal orders) over to their 2nd Month's GQV. While this volume will not count toward any particular leg, it will be added as group qualifying volume, helping to more quickly reach advancement requirements. Volume Carry Forward does not count towards PV or AutoShip requirements in the 2nd Month.

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