

# Distributor Compensation

## Summary

### Company Overview

Founded in 2003, LifeVantage Corporation is dedicated to creating happier, healthier lives through scientifically-validated products and rewarding entrepreneurship. We pursue visionary science and create proven solutions that revolutionize anti-aging, skincare, and energy at the cellular level. Our products are available for purchase by Independent Distributors, Preferred Customers, and Retail Customers located in the United States, Japan, Hong Kong, Australia, Canada, United Kingdom, Netherlands, Germany, Mexico, and Thailand.

### Our Products

LifeVantage Corporation is a science-based health, wellness and anti-aging company dedicated to helping people transform themselves internally and externally at a cellular level. Our scientifically-validated product lines include Protandim® Nrf2 and NRF1 Synergizers, TrueScience® Anti-Aging Skin Care Line, Petandim™, AXIO® Smart Energy and the PhysIQ™ Smart Weight Management System.

### Distributors

LifeVantage markets its products through a network of independent contractors called Distributors. For purposes of this summary, an “Active Distributor” is a Distributor who executed a LifeVantage Independent Distributor Application and placed an order for products or promotional materials during the most recent three-month period. LifeVantage reported approximately 63,000 active Distributors for the quarter ended June 30, 2017.

### Compensation

The LifeVantage compensation plan enables Distributors to earn compensation early and often as they sell our products to their customers. Some elements of our compensation plan are paid weekly, allowing new

Distributors to quickly receive compensation. We believe more frequent payments of earned compensation help retain new Distributors by allowing them to experience success soon after becoming new distributors. We also offer a variety of incentive programs to our Distributors for achieving specified sales goals. Additionally, we offer various training resources to help our Distributors become more effective. We believe our compensation plan, incentive programs, and training resources help to motivate and prepare our Distributors for success.

### Independent Distributor Motivation & Training

In addition to our compensation plan, we have established a broad array of programs and tools to support, motivate and train our Distributors, including:

- LifeVantage proprietary mobile applications;
- Professionally-designed training materials Distributors can utilize in their sales efforts;
- A wide variety of incentive programs and promotions; and
- Local, national and worldwide company-sponsored events.

LifeVantage and our Distributors conduct thousands of events to educate and motivate our Distributors each year.

### Commissions

A Distributor can earn commissions based on the sale of products in his or her network to Customers and to sponsored Distributors in all countries where LifeVantage does business. A Distributor can also earn money from retail sales of product. LifeVantage also sells promotional materials that do not generate commissions for Distributors.

## All Distributors

The below table shows the average commissions earned during the period July 1, 2016 through June 30, 2017 by U.S. Distributors at various ranks in the LifeVantage Compensation Plan, including the average percentage of total U.S. Distributors and the average earned commissions at each level. During the period, U.S. Distributors earned approximately \$65,669,827 in commissions. There were approximately 63,000 total U.S. Distributors during the period, with approximately 48,500 U.S. Distributors paid in the same period.

Note: These figures do not represent a Distributor's profit as they do not consider expenses incurred by a Distributor in the promotion of his/her business, possible retail markup income, or other incentives. The Earnings Claim Statement is required by law. To obtain additional information about LifeVantage Distributor earnings or this statement, please visit [www.lifevantage.com](http://www.lifevantage.com).

## July 1, 2016 through June 30, 2017

Paid Rank	Total Annual Earnings	Monthly Average	Monthly Minimum	Monthly Maximum	Average % of Paid Distributors as a % of Total Distributors
<b>DISTRIBUTOR</b>	\$1,731,282	\$13	\$0	\$9,440	40%
<b>PRO 1</b>	\$3,427,754	\$79	\$0	\$3,331	18%
<b>PRO 2</b>	\$6,484,651	\$261	\$0	\$13,610	9%
<b>PRO 3</b>	\$6,679,706	\$580	\$0	\$9,060	5%
<b>PREMIER PRO 4</b>	\$8,300,754	\$1,193	\$0	\$14,724	2%
<b>PREMIER PRO 5</b>	\$7,924,772	\$2,551	\$0	\$18,718	1%
<b>PREMIER PRO 6</b>	\$8,263,390	\$5,858	\$2	\$23,950	<1%
<b>ELITE PRO 7</b>	\$5,678,802	\$11,292	\$224	\$32,214	<1%
<b>ELITE PRO 8</b>	\$6,256,421	\$22,889	\$6,375	\$77,525	<1%
<b>ELITE PRO 9</b>	\$4,336,764	\$42,641	\$16,498	\$66,955	<1%
<b>MASTER PRO 10</b>	\$4,592,237	\$99,828	\$57,058	\$124,920	<1%
<b>EXECUTIVE MASTER PRO 10</b>	\$1,993,294	\$110,739	\$85,258	\$154,854	<1%

The earnings of the Distributors in this chart are not necessarily representative of the income, if any, that a Distributor can or will earn through the LifeVantage Compensation Plan. Distributors' success will depend on individual diligence, work effort and market conditions. LifeVantage does not guarantee any income or rank success.

This Summary is intended to provide truthful comprehensive information regarding the income earned by LifeVantage Distributors. A copy of this Summary must be presented to prospective Distributors any time Distributor compensation is presented or discussed, or any type of income claim or earnings representation is made, including one-on-one meetings. Earnings representations include: (1) statements of average Distributor earnings, (2) statements of non-average Distributor earnings, (3) statements of Distributor earnings ranges, (4) Distributor income testimonials, (5) Distributor lifestyle claims, and (6) hypothetical claims.

*Copies of this Summary may be printed or downloaded from the LifeVantage website, [www.LifeVantage.com](http://www.LifeVantage.com).*