



INDEPENDENT DISTRIBUTOR AGREEMENT TERMS AND CONDITIONS

In Life LLC (“the Company” or “inLife”) of [Irvine, California, USA] promotes this selling system in the United Kingdom. The products marketed by the Company are alternative smoking devices and associated products and services marketed by inLife from time to time (“the Products”).

In consideration of the Company granting to me (and any joint or co-Distributor) the non exclusive right to promote and market the Products as an inLife Independent Distributor (referred to as “Independent Distributor” or “ID”), I agree to the following terms and conditions:

1. I am resident in and of legal age in the United Kingdom. I understand and agree that I am a self employed independent contractor responsible for determining my own business activities and the Distributor Agreement (also referred to in these terms and conditions as “the or this Agreement”) does not create a joint venture, franchise, partnership or employed relationship. I acknowledge that I have no power or authority to bind the Company or to negotiate, make representations or warranties or incur any liability on its behalf.
2. As an ID I understand that I participate in the programme as a distributor and/or order taker and agree that as such I am responsible for all expenses (including but not limited to travel, food, lodging, secretarial office, telephone, mobile phone and any other expenses) that I incur in running my inLife business including income taxes, National Insurance Contributions and VAT and for filing all necessary returns and keeping such records as are necessary to ensure the proper assessment and payment of tax and I agree to indemnify the Company for any liability in this respect. In the event that the Company is required to pay VAT on any payments due to me under the Compensation Plan or otherwise the Company reserves the right or otherwise (subject to any necessary approvals) to self bill for such sums, in which event VAT shall only be paid to me if I am registered for VAT and provide the Company with a copy of my VAT registration certificate. If having been registered, I become de-registered for VAT voluntarily or due to my turnover falling below the VAT threshold applicable at the relevant time or otherwise, I understand that I must notify the Company in writing of the fact of such de-registration within fourteen (14) days of the de-registration taking effect. If the Company is obliged or liable to make any payment of VAT to the tax authorities as a result of my failure to notify the Company of de-registration for VAT then I hereby acknowledge and agree that the Company shall be entitled to recover from me the amount of such VAT by deduction from monies due to me under the Compensation Plan or by any other means available to the Company from time to time.

3. Further as an inLife Distributor I agree to abide by any and all laws, rules and regulations and codes of conduct pertaining to this Agreement and/or pertaining to the promotion of the Products (and in particular the Trading Schemes Regulations 1997 and the Consumer Protection from Unfair Trading Regulations 2008).
4. I acknowledge that the only financial obligation on me as a Distributor is the purchase of my inLife [starter kit/website licence]. Except as stated in this clause 4 there is no other purchase or investment necessary to become an inLife Distributor and no other financial obligation following the acceptance of the Distributor Agreement and the purchase of Products and promotional or marketing literature and tools is entirely optional. Attendance at training is optional. If there is any subsequent change in an ID's financial obligations under the Distributor Agreement then the Company will give me at least sixty (60) days advance notice thereof.

I acknowledge that I am not entitled to any geographical exclusivity.

I agree that I will not under any circumstances make any payment or undertake to make any payment to or for the benefit of the Company exceeding £200 including VAT (if applicable) during the seven (7) day period after entering into the Agreement.

Only one Distributor position is permitted per household. A Distributor can only hold one position in the inLife marketing organisation whether held directly or indirectly as an individual, partnership or as an officer, manager or member of a limited company or other entity.

The Company will accept as Distributors individual persons, partnerships or limited companies subject to the terms of the Distributor Agreement. Distributors may use a trading name for the conduct of their inLife business. Spouses and/or civil partners must hold one position as joint or co-Distributors.

5. I agree that as an inLife Distributor, I shall place primary emphasis upon the promotion and support for the stated goals of the Company and the solicitation of non-ID individuals, businesses and organisations as customers. As an ID I agree that the Company may at its sole option request the production of customer retail sales receipts for random auditing purposes and to verify end customer sales at any time during the term of this Agreement. I have carefully read, understood and agree to comply with the terms of the Agreement including the application, these Terms and Conditions and Policies and Procedures and the Compensation Plan, each such document as amended from time to time and hereby incorporated by reference into the Agreement. I understand that I must be in good standing and not in violation of any of the terms of this Agreement in order to be eligible to receive any bonuses or commissions for the Company.
6. In order to maintain a viable marketing programme and to comply with the changes to applicable laws and economic conditions, the Company may from time to time provide additional terms and conditions for IDs, as well as to modify its ID Compensation Plan and these Terms and Conditions and Policies and Procedures. Such additional terms and/or modifications, and all changes thereto,

shall become a binding part of this Agreement upon publication on the official Company website or other official Company publications. The continuation of my inLife Independent Distributorship and/or my continued engagement in promoting the Products and the business opportunity as well as acceptance of bonuses or commissions shall constitute my acceptance of and agreement to any and all amendments or additional terms.

7. I understand that no government department or other regulatory body or agency ever registers or reviews, endorses or approves any product, compensation programme or company, and I will make no such claim to others.
8. I understand that none of the Products have been approved by any government department or other regulatory body or agency and the Company has not made and does not make any claims that any of its Products prevent, mitigate or treat any medical condition nor will they offer any therapeutic value. In addition, none of the Company's Products have been licensed by the MHRA for cessation (quit or reduce smoking) purposes or as nicotine replacement therapy. I agree to make no claims, implications or promises whatsoever verbally, in written form or through any sort of advertising that any of the Company's Products can be used for smoking cessation or reduction purposes or as nicotine replacement therapy or can be used to prevent, mitigate or treat, or prevent any medical condition or shall they be used for any therapeutic purpose or value. I further agree that I will not market or sell the Company's Products to anyone under the legal age of smoking as defined in their country of residence. In addition, I understand that I must verify that my enrollees in the UK are over the age of 18 years and, where I sponsor internationally, that my enrollees are of legal age to enter into and be bound by a contract in their country of residence. I also agree that I will not make any claims, statements, or representations about the Company's Products that are not found on the Company's websites or official marketing materials, or are not specifically approved by the Company. I agree to indemnify the Company and hold it harmless in the event I make any such unapproved statements that result in government investigation, government or private litigation, claims, regulatory action, or any other adverse event relating to the Company or its Products.
9. This Agreement shall take effect and come into force upon its acceptance by the Company. The Company will accept applications to become a Distributor at its Irvine, California offices either in written form, by mail or fax transmission or through the Company's on line application process on its website. The Company reserves the right in its sole discretion to accept or reject an application to become an ID.
10. I am responsible for supervising and supporting the IDs I refer or enroll into the programme and in my commissionable down-line. I agree to maintain monthly communication and support to these IDs in my commissionable down-line by the way of any of the following or combination thereof: Personal contact, telephone communication, written communication and attendance at ID meetings.
11. As an ID, I will be provided a personalised, replicated website and a welcome kit that includes basic tools to use in my capacity as an ID. The Company will provide one year of web-based, back office administration to all IDs for the first twelve months of their ID status.

12. Commissions are payable to IDs in accordance with the current Compensation Plan. The Company pays no commissions or bonuses whatsoever for merely introducing new Distributors. The Company only pays commissions or bonuses on Product sales. As an ID I agree to use my active and best efforts at all times to promote inLife Products and to promote the inLife business opportunity. inLife Distributors are not guaranteed any specific amount of earnings and any earnings and success will depend upon the sale of inLife Products and the acquisition of customers for inLife Products and sales and/or the acquisition of customers by other inLife Distributors in the sales organisation. The fulfilment of published sales volumes requirements set out in the Compensation Plan as amended from time to time as well as sponsor support responsibilities and compliance with the terms of the Distributor Agreement is a condition of qualification for bonuses, commissions or rank advancements.
13. [The Distributor Agreement will renew annually on the expiration date set by the Company unless I give notice to the Company that I do not wish to renew the Distributor Agreement.] I agree to pay an annual administration fee of \$29.95 for the year 2010, (to include the Company's administration and processing of my renewal and the Company providing information, newsletters and support and my replicated website throughout the following year), (such amount to be subject to revision for subsequent years) which is payable by [deduction from my credit or debit card].
14. I will not make false, misleading or disparaging statements about the Company, its employees or founders, the Compensation Plan, ID positions or the Company mission and vision. Display of commission cheques, the making of income projections and use of income testimonials to prospective IDs is strictly prohibited. I will conduct myself as an ID in a courteous, fair and ethical manner.
15. Change of original enroller is not permitted. The person named as Enroller on the application is the original Enroller. If that person ceases at any time to be a Distributor the Enroller will become the next person in the upline. If an ID, after resigning, re-applies after a period of twelve (12) months to be an ID his or her former organisation will remain in its original position and cannot be transferred to the new line of sponsorship.
16. ID and customer lists and names are owned by the Company and in accordance with the Policies and Procedures may never be used for any commercial or business purpose (except the promotion of the ID's inLife business) without prior written consent of the Company.
17. I authorise the Company to use my name, photograph, personal story and/or likeness in advertising or promotional materials and waive all claims for remuneration for such use. On termination of this Agreement I understand that the Company will use its reasonable endeavours to remove photographs and other information relating to me from its marketing materials within a reasonable period of time.
18. I give permission to the Company to contact me by email for reasons including, but not limited to Company announcements, bonus programmes and promotions, changes in policy, etc.

19. I understand that the Company may charge me a cheque fee of \$3.00 for any payment made to me by company cheque. I further understand that the Company implements a minimum earned commission amount of at least \$20.00 before a payment will be made to me.
20. I understand and agree that I will not solicit another inLife Independent Distributor or entity to join another network marketing opportunity offered by another company during the term of the Agreement and for a period of ninety (90) days thereafter. Breach of this clause 21 may result in immediate termination. In addition, I understand that I may be subject to injunctive relief including possible claims for loss and/or monetary damages arising from my engaging in such conduct.
21. I understand that the Company provides me with a replicated website for the promotion of my inLife business. I agree that I will not use the replicated website for any purpose other than the promotion of my inLife Independent Distributorship. I further understand and agree that I will not use the inLife name, logo, pictures or trademarks as part of a website or URL that I either own or am associated with. In addition, I agree not to use the Company name, logo, pictures, trademarks or any of the Company's published written content to optimise any other website position in a search engine search (other than the Company provided replicated website). I further understand that doing any of the above may cause financial harm to the Company which may result in me being required to pay damages to the Company for such actions and may also result in termination of my status as an ID of the Company.
22. I understand and agree that I will not during the term of the Agreement and for a period of ninety (90) days thereafter market or promote any outside service or product to any other Company IDs. These include but are not limited to internet capture pages, and sales leads. It is further understood that in the course of my status as an ID of the Company, I may produce marketing tools to assist my downline organisation to grow their inLife business. In doing so, I agree that such marketing tools must first be approved by the Company in writing and I will not charge for any such marketing tools at any time. Further to this, I understand that although I am allowed to conduct independent training events for the Company, I may charge an admission fee for such events; however I acknowledge and agree that I will not charge more than necessary to cover my reasonable expenses and will not make a profit in doing so.
23. I understand that if I fail to comply with the terms of this Agreement (including the Policies and Procedures of the Company) or any part of thereof, the Company, at its discretion, may terminate my Independent Distributorship or impose upon me other enforcement action, including but not limited to, forfeiture of bonuses and commission, loss of all or part of my down-line marketing organisation or customer base list. If I am in breach, default or violation of the Agreement at termination, I shall not be entitled to receive any further bonuses or commissions, whether or not the sales of such bonuses or commissions have been completed. If this Agreement is terminated for any reason, I will forever lose my rights as an ID, including rights to my down-line marketing organisation and customer base list, and rights to compensation pursuant to the Company's Compensation Plan. If I wish to disassociate myself with the Company and terminate my Independent

Distributorship, I will not be eligible to re-apply to become an ID for a period of twelve (12) months.

24. The terms and provisions of this Distributor Agreement are governed by English law and any dispute arising thereunder shall be governed by English law and the parties hereby submit to the non-exclusive jurisdiction of the English courts.
25. The term of this agreement is one year from the date of its acceptance by the Company (subject to prior termination as provided in this Agreement). If [I fail to annually renew] my inLife Independent Distributorship, or if it is cancelled or terminated for any reason, I understand that I will permanently lose all rights as an ID. I shall not be eligible to sell the Company's Products, nor shall I be eligible to receive royalties, bonuses or other income resulting from the activities of my former down-line sales organisation or [customer base list]. In the event of cancellation, termination or non-renewal, I waive all rights I have, including but not limited to property rights, to my former down-line organisation or [customer base list] and to any bonuses, commissions or other remuneration derived through the sales and other activities of my former down-line organisation and [customer base list]. The Company reserves the right to terminate all Distributor Agreements upon thirty (30) days notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its Products via direct selling channels.
26. IDs MAY CANCEL THIS AGREEMENT AT ANY TIME, WITHOUT PENALTY AND FOR ANY REASON, UPON 14 DAYS WRITTEN NOTICE TO THE COMPANY.
The Company may terminate the Distributor Agreement without notice at any time if I breach its terms and may terminate it otherwise with or without cause by giving me not less than fourteen (14) days written notice.
27. In order to maintain a viable marketing programme 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.
28. I understand that failure to comply with the terms of this Agreement may result in the termination of the Agreement; the Company may suspend my ID status for a period of up to ninety (90) days. The Company reserves the right in its sole discretion to determine the period of suspension. The right of a suspended Distributor to receive compensation from the Company ceases immediately from the date of suspension through to the end of the suspension period. A suspended Distributor must cease selling or promoting inLife Products, enrolling new Distributors, using Company promotional materials, trademarks, trade names, service marks, logos and colour schemes, representing himself/herself as a Distributor or act in any way which may be adverse to the business of the Company or its Distributors. At the expiry of the suspension period the Distributor shall be reinstated to good standing with the Company or where the suspension is for breach of the Distributor Agreement, it may be terminated.

I acknowledge that in the event of my breach of the Agreement my Distributor Agreement and ID rights contained therein may be terminated without further commission or payments of any kind.

The right of a terminated Distributor to receive compensation from the Company ceases immediately from the date of the termination. Furthermore, a terminated Distributor must stop sponsoring the Company Distributors, using the Company promotional materials, trademarks, trade names, service marks, logos and colour schemes representing himself/herself as an inLife Distributor or act in any way which may be adverse to the business of the Company or its Distributors. [On termination of the Distributor Agreement the existing organisation of the Distributor moves up in the unlevel compensation plan but in the binary plan the position of the terminated Distributor shall remain open.]

29. I agree to indemnify and hold the Company, its directors, officers or employees harmless from any and all loss, claims, damages costs or expenses (including legal fees, court costs or fines) that may arise out of my actions or conduct in breach of this Agreement. In particular I understand that I am liable for all statements I may make about the Products or the Company or the business opportunity which deviate from information issued by the Company and hereby indemnify the Company from any loss, damages, claims, and costs including legal fees or court costs or fines arising from such unauthorised representations made by me.
30. I acknowledge the Company's Compensation Plan is based on current Product range and the Company has the right to alter the price, range and specification of the Products at any time at its discretion without notice.
31. No failure by the Company to exercise, or delay by the Company in exercising, any right under the Distributor Agreement shall operate as a waiver thereof.
32. If at any time any term or provision in the Distributor Agreement shall be held to be illegal, invalid or unenforceable in whole or in part under any rule of law or enactment such term or provision or part shall to that extent be deemed not to form part of the Distributor Agreement but the enforceability of the remainder of the Distributor Agreement shall not be affected.
33. Any notice or other communication required to be given under the Distributor Agreement, shall be in writing and shall be delivered personally, or sent by pre-paid first-class post or recorded delivery or by commercial courier, to each party required to receive the notice or communication at the address set out on the application form or as otherwise specified by the relevant party by notice in writing to each other party. Any notice or other communication shall be deemed to have been duly received:
 - (a) if delivered personally, when left at the address and for the contact referred to in this clause; or
 - (b) if sent by pre-paid first-class post or recorded delivery, at 9.00 am on the second Business Day after posting; or
 - (c) if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed.

A notice or other communication required to be given under the Distributor Agreement shall not be validly given if sent by e-mail.

34. The Contract (Rights of Third Parties) Act 1999 is hereby excluded and shall not apply to the Distributor Agreement.
35. This Distributor Agreement, including the application, these Terms and Conditions and Policies and Procedures and the Compensation Plan (as amended from time to time) constitute the entire agreement between me and the Company and no other additional promises, representations, warranties or agreements of any kind shall be valid unless in writing and issued by the Company.
36. Neither party will be liable or responsible for any failure to perform, or delay in performance of any of its obligations under the Agreement that is caused by events outside their reasonable control (Force Majeure Event).

A Force Majeure Event includes any act, event, non-occurrence, omission or accident beyond our reasonable control and includes, in particular (without limitation), the following:

- (a) strikes, lock-outs or other industrial action; or
- (b) civil commotion, riot, invasion, terrorist attack or threat of terrorist attack, war (whether declared or not) or threat or preparation for war; or
- (c) fire, explosion, storm, flood, earthquake, subsidence, epidemic or other natural disaster; or
- (d) impossibility of the use of railways, shipping, aircraft, motor transport or other means of public or private transport; or
- (e) impossibility of the use of public or private telecommunications networks.

The obligations of the parties under the Agreement shall be suspended for the period that the Force Majeure Event continues, and an extension of time will be granted to perform those obligations for the duration of that period.

37. The Company may transfer any of its rights and obligations under the Agreement to another associated entity or organisation.

Policies and Procedures

These Policies and Procedures, the Compensation Plan, the Application and the Terms and Conditions are Incorporated into the Distributor Agreement:

These Policies and Procedures as presented here and as amended from time to time at the sole discretion of inLife, LLC (hereafter “inLife” or the “Company”), are incorporated into, and form an integral part of, the inLife Distributor Agreement. Throughout these Policies and Procedures, when the term “Agreement” is used, it collectively refers to the inLife Distributor Application, the inLife Policies and Procedures, the inLife Compensation Plan and the inLife Terms and Conditions. It is the responsibility of each Independent Distributor to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When enrolling a new Independent Distributor, it is the responsibility of the enrolling Independent Distributor to provide the most current version of these Policies and Procedures, the inLife Terms and Conditions and the inLife Compensation Plan to the applicant prior to his or her execution of the Distributor Agreement.

A. Ethics

The Company conducts business in an ethical and credible manner and requires its Independent Distributors to deal lawfully and ethically with their customers, with each other and with the Company and to do nothing that will reflect adversely on the goodwill and good reputation of the Company or the Products or other Distributors.

As an ID the Distributor agrees to abide by any and all laws, rules, codes of conduct and regulations, pertaining to the Distributor Agreement (and in particular the Trading Schemes Regulations 1997 and the Consumer Protection from Unfair Trading Regulations 2008) and/or pertaining to the promotion of inLife Products.

The Company permits no unethical or illegal activity and will intercede when such behaviour may exist, and the Company reserves the right to use its best judgement in deciding whether certain Independent Distributor activities are unethical. Furthermore, the Company may use its own discretion in determining the appropriate course of action.

Examples of unethical behavior include but are not limited to the following:

- A. Making any unauthorised, false or misleading remarks, statements, innuendos or circulating rumours about the Products, the business opportunity or the Company or that may disparage the Company, its Products, its Compensation Plan, its employees, its founders or another Company Independent Distributor;
- B. Using misleading, unfair or deceptive practices when promoting the Products or recruiting other Distributors;

- C. Making any medical or homeopathic or therapeutic claims about the Company's Products;
- D. Making the claim (verbal or written) that the Company's Products can be used as a smoking cessation device or as nicotine replacement therapy;
- E. Making any claim regarding the Company's Products that are not found on the Company's websites or official marketing material;
- F. Making unapproved or exaggerated income claims or revealing the amount of income you are or have received through the Company or other network marketing opportunities that you may or may not have been involved in currently or previously;
- G. Re-labeling, altering in any way or repackaging any of the Company's products; the Company's Products are to be sold in their original packaging only;
- H. Directly or indirectly disclosing any information in your back office to a third party other than an official Company authorised employee for the purpose of assisting you with a specific issue that is related to your inLife Independent Distributorship;
- I. Using any of the information in your back office or activity report in a manner to influence another inLife Independent Distributor to alter their relationship with the Company in any way;
- J. Using the information in your back office or activity report to compete with the Company in any way;
- K. Providing, selling or revealing any customer lists and/or their contact information that appears in your activity report or downline report to a third party. This includes the customer lists and/or their contact information that belongs to the Company or appears in any other Independent Distributor's activity report or downline report;
- L. Directly or indirectly disclosing the password or other access code to your back office or activity report;
- M. Using another person's credit or debit card without express written permission;
- N. Forging any signature on any document;
- O. Depositing any cheque made out to the Company in your personal accounts instead of immediately forwarding it to the Company;
- P. Making any unauthorised use of the Company's name, logos, photos, trademarks or copyrighted material in any way or fashion;
- Q. Violating of any applicable codes laws or regulations;
- R. Competing with the Company's Products directly or indirectly through association with another business or through your own personal efforts; or
- S. Using aggressive or abusive language, behaviour or treatment or any inappropriate behavior toward any Company employee, founder or another Company ID or toward any customer.

Insurance

[The Company does not extend coverage under any of its policies or products to Independent Distributors.] If you use your personal property (such as your car or computer, home, etc.) for business use, such property may not be covered for loss or damage.

Recruiting

Cross-line recruiting: An Independent Distributor may not solicit an individual or entity that has been previously sponsored by another inLife Independent Distributor (or that is considering joining the Company and being sponsored by another Independent Distributors) to join their inLife business as their direct enrollee.

The Independent Distributor may not solicit another inLife Independent Distributor or entity to join another network marketing opportunity offered by another company during the term of their inLife Independent Distributorship and for a period of ninety (90) days thereafter.

Breach of this company policy may result in immediate termination.

Cash or Monetary Incentives

The Company strictly prohibits Independent Distributors from offering cash or monetary incentives, promotions, prizes or bonuses to members of their downline or upline organisational members, or customers as a method of influencing customer acquisition.

To eliminate cross-line recruiting practices, the Company strictly prohibits the use of cash or monetary incentives/promotions/prizes/bonuses for purposes of recruiting new Independent Distributors.

The Company has put in place a specific sales model and strongly encourages its Independent Distributors to promote customer acquisition and recruiting by adhering to this sales model.

Territorial Rights/Conducting Business Across International Borders

Independent Distributors can market Products and sponsor new Independent Distributors in any country where the Company conducts business, without exclusivity. Independent Distributors may only promote the inLife business in countries where the Company currently operates.

Independent Distributors conducting business in foreign countries must adhere to the Company Policies and Procedures governing activities in that country. Furthermore, compensation will be based on the current Compensation Plan of that specific country and be subject to conversion to U.S. funds.

Independent Distributors are responsible for knowing and adhering to all laws and accepted business practices in the countries they choose to market. This includes but is not limited to Customs and immigration laws and accepted marketing practices.

Qualification Requirements for Payment

The Company offers a variety of different ways that allows the Independent Distributor to earn income through its Compensation Plan. Some of these

payment plans require that the Independent Distributor be qualified. Qualification requirements are defined in the Compensation Plan. It is the responsibility of the Independent Distributor to continually check to make sure that they are qualified for each individual element of the Compensation Plan that requires qualifications. Where qualification is required the Company will not be obliged to pay any bonus or commission when an Independent Distributor fails to qualify in the relevant period.

Marketing Advertising Policy

inLife offers a variety of different marketing tools that are provided by the Company to help you build your business. These materials such as brochures and business cards are available through your replicated web site. There are those Independent Distributors who prefer to use their own materials or create materials for certain special events. In the event that this is the case, we have outlined our policy and procedures for personalised marketing materials.

inLife requires that all personalised marketing material be approved, in writing by the Company before an Independent Distributor can DISTRIBUTE or use such material. Any request from an Independent Distributor must be in writing and include the following:

- Independent Distributor Name;
- Independent Distributor ID Number;
- Address and telephone number;
- The complete copy or material that you wish to submit;
- When you will use the material;
- Where it will be distributed; and
- How you will distribute the material.

Please fax this request to: + 1 805 581-3037 or you may email it to compliance@myinlife.com

Once the materials are received, please allow 15 to 21 business days for processing. If you have not received a response in this time, please contact us on +1 949 250 9600 ext 202 or email us back at compliance@myinlife.com. Please do not call before the expiry of 15 to 21 business days.

Under no circumstances may an Independent Distributor place an advertisement to promote the Company's Products and/or Compensation Plan in a national publication without prior, written approval from the Company.

General Rules

- **Always introduce and refer to yourself as an Independent Distributor. You must never give the impression that you represent the Company in any way as an employee [or official agent].**
- **The use of inLife's logos and trademarks or service marks is strictly forbidden.**

- **Make sure that when you design the material, it clearly shows that it is coming from you as an Independent Distributor and not produced by inLife in any way shape or form.**
- **You may use Company written information that is commonly found in our current marketing materials.**
- **You must never make any promises or guarantees of income.**
- **You must never make any statement that implies or says directly that our Products will cure, prevent or mitigate any medical condition or offer any therapeutic benefit.**
- **Do not use the word “safer” or “healthier” or “healthy” to describe our Products. An acceptable term to describe our products is “logical” or “alternative”.**

You must never make any statement that implies or says directly that our Products will help a person to stop smoking or is nicotine replacement therapy.

Pricing

You are free to sell a unit at whatever price you choose. The Company provides a recommended retail price (“RRP”) list and where sales are made by the Company direct to consumers Products will normally be sold at RRP.

Business Cards

If you choose not to use the business cards produced by inLife you must then follow the following procedures:

- You may not use the inLife logo, however, you may use the inLife name;
- Refer to yourself as an Independent Distributor;
- Do not use any terms that imply or say that our product will help people quit smoking or cure or prevent any medical ailment or offer any therapeutic value;
- Do not make any promises of income; and
- Do not use the terms “safe,” “safer,” “better,” “health,” “healthier,” “stop,” “quit”, or “cease”.

The Promotion of International Expansion

inLife has plans to enter into the international world by marketing our Products into other countries. It is important to point out that every country has its own established rules and regulations that companies must follow in order to market their products. The process can be very precise. It is therefore important that all Independent Distributors of inLife refrain completely from trying to market our Product in other countries at this time. inLife will announce to our Independent Distributors as we receive individual approvals to market our Products, one country at a time. Upon those announcements, Independent Distributors will then be allowed to market our Product in those countries. In keeping with this policy, Independent Distributors must:

- Not market our Products and/or opportunity to anyone in a country that is not approved by inLife; and
- Not market in any form to prospects in a country that is not approved by inLife.

When marketing for any country that is approved by inLife, please refer to the appropriate guidelines the Company sets forth for that particular country.

Direct Mail Pieces, Fliers and Brochures

Independent Distributors will not be allowed to substitute their names on any materials that have been previously approved for other Independent Distributors.

Photocopying of any marketing materials provided by inLife is not permissible; however, Independent Distributors may print any current material that is provided by the Company for promotional purposes off of our website.

Spamming

inLife does not permit Independent Distributors to send unsolicited e-mails. Any e-mail sent by an Independent Distributors that promotes inLife, the inLife Opportunity, or inLife Products must comply with the following:

A Distributor may not transmit, nor instigate the transmission of, unsolicited marketing material by electronic mail or fax to an individual subscriber unless the recipient of the electronic mail or fax has previously notified the Distributor as the sender, that he consents, for the time being, to receiving such communications. A "solicited message" is one that you have actively invited. An "unsolicited marketing message that you have opted into receiving" is one that you have not invited, but you have indicated that you do not, for the time being object to receiving it.

Any email or fax sent by a Distributor whether solicited or not, to any subscriber whether corporate or not, that promotes in Life, the in Life opportunity, or in Life Products and must comply with the following:

- (a) There must be a functioning return email address or fax number to the sender.
- (b) There must be a notice in the email or fax that advises the recipient that he or she may reply to the email or fax, via the functioning return email address or fax number, to request that future email or fax solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- (c) The email or fax must include the Distributor's physical mailing address such that the identity of the sender is not disguised or concealed.
- (d) The email or fax must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- (e) The use of deceptive subject lines and/or false header information is prohibited.
- (f) All opt-out requests, whether received by email fax or regular mail, must be honoured. If a Distributor receives an opt-out request from a recipient of an email or fax, the Distributor must forward the opt-out request to the Company.

Trademarks and Copyrights

The trade names, trademarks, designs, photos, videos, audio recordings or symbols and content of marketing materials including corporate and ID

replicated sites are the property of or are licensed to the Company. The Company will not allow the use of its trade names, trademarks, designs, photos, videos, audio recordings or symbols by any person, including a Company Independent Distributor (except when distributing literature provided by or authorised the Company), without its prior, written permission. Independent Distributors may not produce for sale or distribution any recorded company events and speeches without written permission from the Company; nor may Independent Distributors reproduce for sale or for personal use any recording of company-produced audio or video tape presentations.

Media and Media Inquiries

Independent Distributors must not attempt to respond to media inquiries regarding the Company, its Products or their independent business. All enquiries by any type of media must be immediately referred to Company Public Relations Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

Return of Inventory and Sales Aids by Distributors

- a. If in accordance with the Distributor Agreement within fourteen (14) days of entering into the Distributor Agreement the ID terminates it by giving written notice to the Company the ID has the right:
 - i. To recover all monies paid to or for the benefit of the Company; and
 - ii. To return to the Company at its address stated in the Distributor Agreement any goods which the ID has purchased from the Company within that period and which remain unsold, provided that such unsold goods remain in the condition in which they were at the time of purchase (except their external wrappings may have been broken), and to recover any monies paid in respect of such goods and to require the Company to refund to the ID an amount equal to 100% of any monies paid in respect of such goods; and
 - iii. To cancel any services which the ID has ordered within that period from the Company and to recover any monies paid in respect of such services not yet supplied to the ID.
- b. In order to recover any monies under section (a) (i) or (iii) above the ID must give written notice requesting the repayment of such monies to the Company at its address as stated in the Distributor Agreement within fourteen (14) days of entering into the Agreement and the Company shall repay such monies as the ID may be legally entitled to recover after the date of receipt of such notice.
- c. In order to recover any monies paid for goods under section (a) (ii) the ID must deliver the goods to the Company within twenty-one (21) days of giving notice to terminate the Distributor Agreement to the Company's address as stated in the Agreement. The ID shall bear the

cost of such delivery. The monies paid in respect of those goods is payable on delivery of the goods or forthwith if the goods have not yet been delivered to the ID.

- d. The Company does not make a handling charge in respect of goods returned under section (a) (ii) or services cancelled under section (a) (iii)
- e. If the Company terminates the Distributor Agreement at any time or if the ID terminates it more than fourteen (14) days after entering into it, then the ID shall have the right to return to the Company any goods which he or she has purchased from the Company within a period of ninety (90) days prior to such termination and which remain unsold and to recover from the Company:
 - (i) Where the ID has terminated the Distributor Agreement, the price (inclusive of VAT) which the ID paid for them less (1) in the case of any goods the condition of which have deteriorated due to an act or default on the ID's part, an amount equal to the diminution in their value resulting from such deterioration; and less (2) a reasonable handling charge.
 - (ii) Where the Company has terminated the Distributor Agreement the price (inclusive of VAT), which the ID paid for them together with any cost incurred for returning the goods to the Company.
- f. The amount recoverable by the ID is payable by the Company upon proof of purchase and the delivery of the goods to the Company or, if the goods are already held by the Company, forthwith.
- g. If the ID wishes to exercise his or her rights to return goods on termination he or she must deliver any goods (not already held by the Company) which he or she wishes to return within twenty-one (21) days of such termination to the Company's address as stated in the Agreement.
- h. On termination of the Distributor Agreement for whatever reason the ID shall be entitled to retain any commission paid to him or her in accordance with the Distributor Agreement unless:
 - (i) The commission was paid in respect of goods returned to the Company; and
 - (ii) The Company has refunded any monies due to the ID in accordance with the termination provisions set out above; and
 - (iii) Repayment is claimed by the Company within one hundred and twenty (120) days of the commission having been paid in which case the ID shall repay the commission to the Company forthwith on demand and the Company may set-off the amount of such commission against any amount due from the Company to the ID.
- i. Except where the obligation on the ID is specified to apply after termination in respect of non-competition in accordance with the Distributor Agreement, the ID will be released from all future

contractual liabilities towards the Company on termination of the Distributor Agreement.

The ID agrees that payments of refunds (under this or any other provision) will be made in the same form as the original payment.

Any request for return of goods must first be approved by the Company in writing with a valid RMA Number prior to its return and all shipping charges if applicable for the return of goods must be prepaid by the ID for delivery back to the Company. Credits against a return will not include any shipping and handling charges that were paid by the ID when they originally purchased the goods. Please note that cartridges carry a shelf life of six months.

Bonus Buying

“Bonus buying” includes: (a) the sponsoring of individuals or entities without the knowledge of and/or execution of an Independent Distributor Application and Agreement by such individuals or entities; (b) the fraudulent sponsoring or enrollment of an individual or entity as an Independent Distributor or customer; (c) the sponsoring or attempted sponsoring of non-existent individuals or entities as Distributors or customers (“phantoms”); or (d) the use of a credit or debit cards by or on behalf of a Distributor or Customer when the Independent Distributor or customer is not the account holder of such credit or debit card. Bonus buying constitutes a material breach of these Policies and Procedures, and is strictly and absolutely prohibited.

Events

The Company supports the practice of Regional and local Training Events, “Personal Business Opportunity Meetings” and Private Business Receptions, as they are valuable educational tools when held properly with both professionalism and integrity. Under no circumstances are any type of meeting/training session intended to provide any additional income stream to those who are sponsoring, organising or promoting the events and must be offered as non-profit activities at all times.

Proposals for all Regionals, “Super Saturdays” or private marketing events must be submitted to the Company for approval in conjunction with the current terms of hosting Regionals/“Super Saturdays”. Regionals/Super Saturdays that do not receive prior approval will be considered to be operating outside of the Company’s approval and philosophy and will not be promoted or endorsed by the company in any manner.

Attendance at Company events is not a requirement for being an Independent Distributor, nor a prerequisite for success in this business.

Remuneration

The Company reserves the right to pursue the remuneration of any legal or operational fees or the recovery for any loss or damages as a result of any policy breach by the Company Independent Distributors.

The Company may set off any amount due to it from the ID, from any amount due from the Company to the ID. During the term of the Distributor Agreement the Company may require the repayment ("clawback") of any bonus or other payment received by the ID in the one hundred and twenty (120) days preceding the Company giving the ID notice of claw back in respect of refunds or services and goods which are subsequently returned, cancelled or refused to which such bonus or other payment relates. The ID will reimburse the Company any exceptional charges incurred in processing any payments received from him or her, including charges arising out of any need to re-present any cheque.

Further Limitations

The Company reserves the right to limit or disallow any marketing activities that cast negative aspersions on the integrity, truthfulness, and/or reputation of the Company.

Transfer/Disposition of Independent Distributors Business

An Independent Distributor's position cannot be transferred or assigned during his or her lifetime without written consent of the Company, which consent will not be unreasonably withheld. The Company will charge a \$250.00 transfer fee in respect of its reasonable legal and administrative expenses in managing the transfer process. Any sale or transfer is also subject to the purchaser(s) or transferee(s) signing a Distributor Agreement, having not been a Distributor for at least twelve (12) months prior to their purchase of the business and meeting any other eligibility criteria in force from time to time to become an inLife Distributor. Any such sale or transfer must be on terms approved by the Company. The Company shall be a party to any sale agreement to the extent that its consent is required to the sale. The seller or transferor of a Distributor position must not re-apply to become a Distributor or purchase another Distributor position for a period of twelve (12) months from the date of any such sale or transfer. The Company may in its sole discretion permit the sale or transfer of an inLife business but is not obliged to permit the same and shall be entitled to consent subject to any conditions that the Company shall in its sole discretion consider appropriate in the circumstances.

The Distributor Agreement shall terminate on the death of an individual Distributor unless the Company expressly agrees otherwise in writing with the duly appointed personal representatives and in which case the Company may in its sole discretion permit the beneficiaries of the estate either (i) to accept the Distributor position on the terms and conditions of the Distributor Agreement as if they were a party thereto or (ii) to require final payment of sums due (if any) under the Distributor Agreement. The Company reserves the right to suspend the Distributor position until receipt of documentation evidencing the entitlement of the beneficiary(ies) to your Distributor position.

If the ID is incapacitated and unable to operate his or her inLife business the rights and responsibilities under the Distributor Agreement can be assumed by his or her attorney [who may handle his or her affairs as an inLife Distributor even though he/she may him/herself hold an inLife Distributor

position]. The Company reserves the right to suspend the Distributor position until receipt of documentation evidencing the authority of the attorney.

In the case of a transfer to an existing Independent Distributor, or to an individual listed as a partner/shareholder in an existing Independent Distributor position, the individual will need to contact the Company to discuss his/her options in either maintaining the status or transferring it.

Privacy Policy

Personal Information

The Company maintains a strong commitment to protecting the privacy of our customers and Independent Distributors and their personal information. "Personal Information" means any information about an identifiable individual or entity. We protect that information. Unauthorised disclosure or access to Personal Information, including but not limited to account information or personal identification number, is a violation of the Company's privacy policy, and is strictly prohibited.

- (a) The Independent Distributor acknowledges that during the course of the performance of this Agreement, he or she will be provided or will be exposed to or will have access to Personal Information (including but not limited to information held by the Company relating to its Distributors, which at the Company's option may include its relationships with each of its Distributors, the sponsorship of each Distributor, the Distributor's organisation and historical purchasing information for each Distributor) which is highly sensitive and valuable to the Company's business and which shall at all times remain and be treated as confidential in the nature of a trade secret and is the property of the Company. The Independent Distributor agrees that such Personal Information will be collected, used and disclosed only for the purposes for which it was collected and only in relation to the provision of the Company's services or Products or the performance of this Agreement, The Independent Distributor will safeguard such Personal Information by appropriate means and not, other than as required in relation to the provision of the Company's services or Products, disclose, transfer, sell, assign, publish or otherwise make available any Personal Information for his/her own use or the use of any other third party (directly or indirectly) except where disclosure may be required to comply with a subpoena, warrant, or court order, or if requested by a government department or regulatory agency which has the lawful authority to obtain the Personal Information, or if otherwise required by law.
- (b) Upon reasonable request, the Independent Distributor shall provide the Company access to, and the right to inspect, any or all Personal Information collected, used or disclosed by the Independent Distributor during the course of the Agreement.

- (c) The Independent Distributor shall, at the prior written request of the Company, and in any event on termination of the Agreement promptly return any Personal Information and all copies thereof in any form whatsoever under their power or control to the Company, and delete or destroy the personal information from all retrieval systems and databases as directed by the Company and furnish to the Company a certificate by the Independent Distributor or its legal representative that the deletion or destruction has occurred.
- (d) The Independent Distributor agrees to co-operate with the Company in any regulatory investigation or in any internal investigation regarding any alleged privacy or data protection breach or complaint.
- (e) In order to ensure the special integrity of Independent Distributors' Personal Information, and to protect Independent Distributors positions from unauthorised access, the Company asks that all Distributors adhere to the following procedures:

- Only new Independent Distributors shall complete and sign an Independent Distributors Agreement, or complete the distributors sign-up process on the Company website.
- Only new Independent Distributors shall complete the online Independent Distributors Agreement.
- An Independent Distributor's upline or enroller should not complete any agreement on behalf of the distributors, or obtain account information, including position numbers and passwords.
- Independent Distributors account information and passwords should not be accessed by, or provided to anyone but the Independent Distributor whose name appears on the Independent Distributor Agreement.

The ID agrees that the information which he or she gives the Company (including information in relation to him or herself, his or her address and other details) will be retained and processed by the Company as data controller on a computer database and or manually and will be used by the Company for purposes including the marketing commissions payable and performance of the inLife business and contact from the ID's upline organisation. The ID agrees that the Company may disclose and transfer this information to other inLife Distributors and affiliated or associated entities of the inLife group of companies which are situated inside and outside of the EEA and to other persons for the purposes of the inLife business and the ID hereby consents to the Company retaining, processing and disclosing this information for the purposes set out herein.

Conclusion

The rules and regulations outlined in this document are intended to protect the inLife opportunity for all involved. Please follow the Terms and Conditions as well as the Policies and Procedures as set forth here to insure that you are in compliance.

Please note that any infraction of these rules and regulations may result in suspension or immediate termination of your status as an inLife Independent Distributor.

It is the goal of the Company to introduce our Products to as many retail customers as possible with the purpose in mind of offering them a logical alternative. Coupled with this is our desire to help others achieve financial reward for being involved with us as an Independent Distributor. The Company desires to develop a long term, stable relationship of mutual respect, trust and integrity with our Independent Distributors. By assisting our Independent Distributors in achieving their goals and dreams, the Company's goal of establishing a long lasting team will be realised.

© inLife, LLC



**The inLife
COMPENSATION PLAN
(1 October 2009)
United Kingdom**



inLife, LLC of 2569 McCabe Way, Irvine, California 92614 USA is the promoter of this trading Scheme in the United Kingdom. The goods and services which are sold under this scheme are the electronic cigarette and related goods.

Important Notice Regarding Pricing of inLife Products and Compensation Methods:

The inLife Compensation Plan is based on US dollars payouts. As inLife, LLC is a US based company, all commissions and bonuses will be calculated using US dollars. United Kingdom Independent Distributors who qualify for payments of commissions and or bonuses will be paid in British Pound Sterling but that payment will be subject to the exchange rate of the card issuer at the time of payment. Figures shown in this Compensation Plan which appear in BritishPound Sterling are based on estimates against a 1.67 exchange rate and should not be confused with the actual amount that an Independent Distributor in the United Kingdom might be paid.

While the payment of commissions and or bonuses are calculated and paid using US Dollars, it is important to point out that United Kingdom customers and Independent Distributors will be able to purchase product in British Pound Sterling. These prices may be amended from time to time as required.

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 basically two things we do at inLife, we find customers and we find "customer getters" (a.k.a. Independent Distributors or IDs). When these two things happen, everything else is in place to take full advantage of the compensation plan. Everything we do at inLife is geared toward providing our customers a logical alternative, improving the environment and assisting our Independent Distributors in their goals towards financial reward and personal freedom.

FIVE WAYS TO EARN INCOME WITH inLife

RETAIL SALES

MOMENTUM BUILDER

BINARY BONUS

MATCHING BINARY BONUS

UNILEVEL SALES

Remember, this is a "people helping people" business. We have designed our compensation plan to encourage our IDs 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 become leaders in inLife. There are five ways to get paid at inLife. When studying these, keep in mind that the Unilevel program is one way to maximize your commission potential and an important element in taking advantage of the total compensation plan. In addition, there are qualifications that you must meet in order to earn income with three of the five methods below. We will outline the requirements for qualifications later on in this document. **Important: Commissions and bonuses are based on the sale of product alone. There is no compensation for the sale of marketing materials or for recruiting others into this trading scheme.**

1. RETAIL SALES - (*Important - see notes below on Exchange Rates)

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. A Retail Customer can purchase an Alternative Smoking Device 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 cheque will be mailed to you the week after the sale is completed).
- B. A Retail Customer can purchase an Alternative Smoking Device 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:		
Elite Pack Retail Price	\$142.94	£85.59
Elite Pack Wholesale Price	<u>\$109.95</u>	<u>£65.84</u>
Retail Price Gross Profit	\$32.99	£19.75

* Important: The inLife Compensation Plan is based on US dollars payouts. Figures shown in Pounds are based on estimates against a 1.67 exchange rate. IDs will be paid in British Pounds Sterling and subject to the exchange rate applied by the card issuer at the time of payment. However, customers and IDs will be purchasing product in British Pound Sterling.

2. MOMENTUM BUILDER - (*Important - see notes below on Exchange Rates)

No Qualification Required (Paid Weekly)

The Momentum Builder allows you to **earn a direct \$20.00 (£11.98*)bonus** every time someone you personally enroll as an ID in the business **makes a purchase of an Elite, or \$14.00 (£8.38) in the case of a Marquee Pack**. In the event that the person you directly enroll purchases a multiple Biz Pack your bonus will be as follows:

Elite Biz Packs

<u>Biz Pack 6</u>	<u>Biz Pack 15</u>	<u>Biz Pack 30</u>	<u>Biz Pack 60</u>	<u>Biz Pack 100</u>	<u>Biz Pack 200</u>	<u>Biz Pack 500</u>	<u>Biz Pack 1000</u>
\$80.00	\$150.00	\$240.00	\$360.00	\$600.00	\$1,200.00	\$2,400.00	\$4,400.00
£47.90	£89.82	£143.71	£215.57	£359.28	£718.56	£1,437.13	£2,634.73

Marquee Biz Packs

<u>Biz Pack 6</u>	<u>Biz Pack 15</u>	<u>Biz Pack 30</u>	<u>Biz Pack 60</u>	<u>Biz Pack 100</u>	<u>Biz Pack 200</u>	<u>Biz Pack 500</u>	<u>Biz Pack 1000</u>
\$45.00	\$84.00	\$123.20	\$176.40	\$281.40	\$516.60	\$944.16	\$1,598.52
£26.95	£50.30	£73.77	£105.63	£168.50	£309.34	£563.37	£957.20

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 mailed 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. **In addition, please note:**

- A. It is illegal for a promoter or a participant in a trading scheme to persuade anyone to make a payment by promising benefits from getting others to join the scheme**
- B. Do not be misled by claims that high earnings are easily achieved**

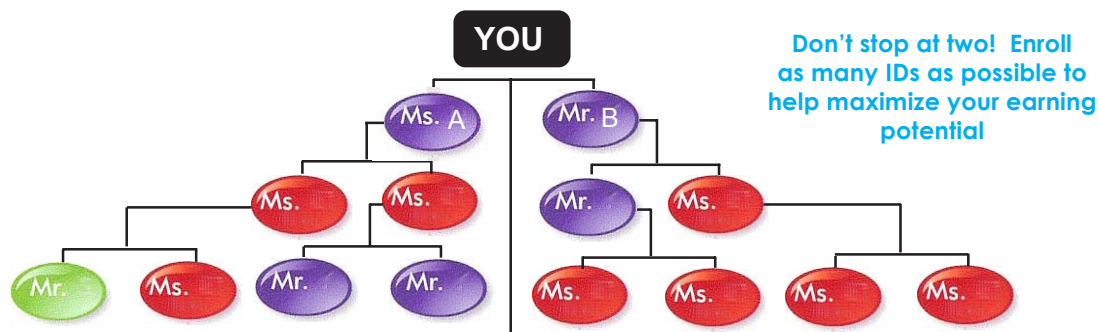
3. BINARY BONUS - (Alternative Smoking Device)

Qualification Required (Paid Weekly)

Successful 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 Alternative Smoking Device or Biz Packs sold 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. 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 is on your left side (Ms. A) and the second person you enroll is 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.



While it may be possible that your upline may place individuals into your binary, this should not be expected nor is it guaranteed. Success and rewards are extended on your efforts and the efforts of your downline and not on the activities of your upline.

* Important: The inLife Compensation Plan is based on US dollars payouts. Figures shown in Pounds are based on estimates against a 1.67 exchange rate. IDs will be paid in British Pounds Sterling and subject to the exchange rate applied by the card issuer at the time of payment. However, customers and IDs will be purchasing product in British Pound Sterling.

GETTING PAID BINARY BONUSES

Upon qualification, anytime an Alternative Smoking Device unit or 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 an Alternative Smoking Device unit or Biz Pack to both Retail Customers and Independent Distributors count toward binary points.**

Remember, the key here 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 Bonuses. 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 dollar per week maximum payout cap that you can earn in the Binary Bonus.

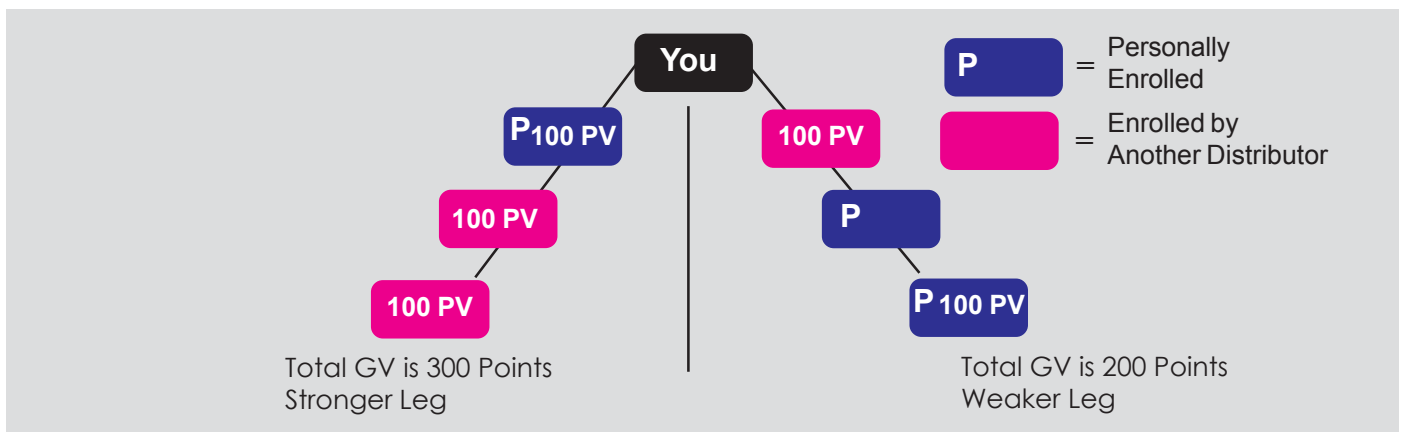
POINT VALUES

Point values for the binary are accumulated only through the sale of Alternative Smoking Device Packs or Biz Packs. Binary point values **are not** collected when the sale of cartridges or Auto-ship cartridges occur. Cartridge & Coffee sales commissions are paid in a completely different manner and are the fifth way you can get paid with **inLife**. This will be discussed a bit further on.

Point values are outlined here →

	<u>Elite/Prestige/Royale</u>	<u>Marquee</u>
Single Packs	= (100 PV*)	(70 PV)
Biz Pack 6	= (400 PV)	(270 PV)
Biz Pack 15	= (750 PV)	(525 PV)
Biz Pack 30	= (1,200 PV)	(840 PV)
Biz Pack 60	= (1,800 PV)	(1,260 PV)
Biz Pack 100	= (3,000 PV)	(2,100 PV)
Biz Pack 200	= (6,000 PV)	(4,200 PV)
Biz Pack 500	= (12,000 PV)	(8,400 PV)
Biz Pack 1000	= (22,000 PV)	(15,400 PV)

*PV = Point Volume GV = Group Volume



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 Alternative Smoking Device Packs or Biz Packs 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

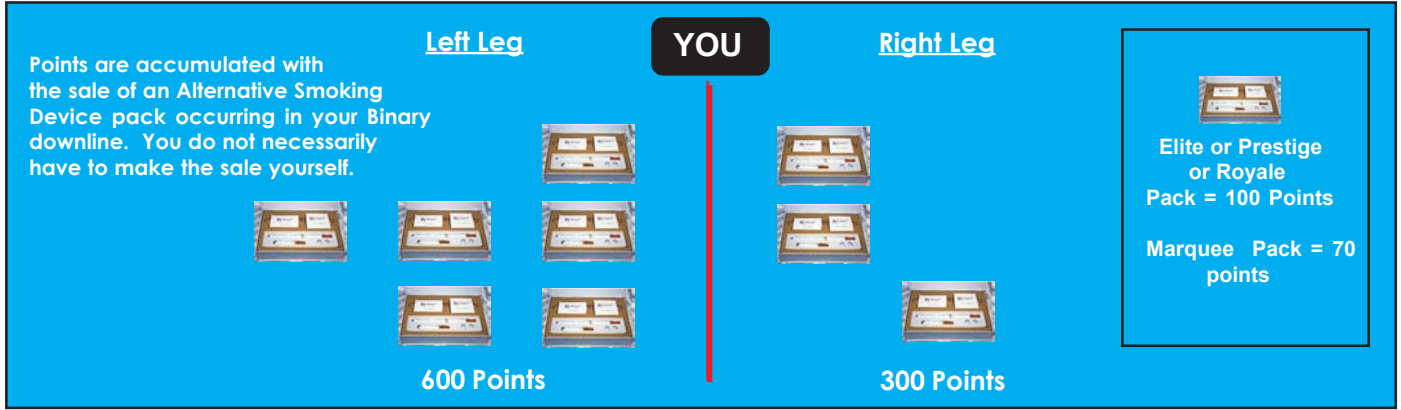
Personal Volume (PV) is only relevant as it pertains to checking to see if a particular person you have personally enrolled has made a purchase of an Alternative Smoking Device Pack. Personal Volume, as it pertains to you specifically, does not hold any value in terms of you being paid in the Binary Bonus program. It is relevant to your enroller who needs to keep tabs on whether or not you have made the optional purchase of an Alternative Smoking Device Pack 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 an Alternative Smoking Device Pack. 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 "Downline Report." Further details are available at the site by viewing the "ID Placement Tutorial."

TURNING POINTS INTO DOLLARS/POUNDS

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 (£29.95*) 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.



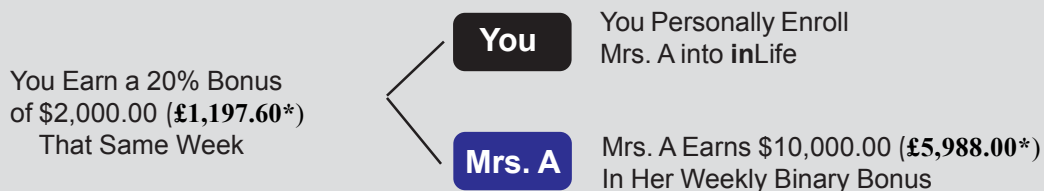
Points that accumulate in each leg will remain in place until they are claimed by banking a minimum of 300 points in the weaker leg and a minimum of 600 points in the stronger leg. There is no flushing of points unless an ID falls out of qualification that goes beyond the grace period. In other words, our present compensation plan does not 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. **Note:** unused points earned in the current week's cycle will not be visible to you until the system performs an "in week" update or the week has closed. A cycle period is a one week cycle that ends at 11:59 P.M. Sunday night, United States, Pacific Standard Time.

4. THE MATCHING BINARY BONUS (Alternative Smoking Device)

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 (£5,988.00*) in her weekly Binary Bonus, you would be paid \$2,000.00 (£1,197.60*) that same week.



As in the Binary Bonus program, there is a maximum of \$100,000.00 dollars 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 dollars per week collectively between these two bonuses.

* Important: The **inLife** Compensation Plan is based on US dollars payouts. Figures shown in Pounds are based on estimates against a 1.67 exchange rate. IDs will be paid in British Pounds Sterling and subject to the exchange rate applied by the card issuer at the time of payment. However, customers and IDs will be purchasing product in British Pound Sterling.

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

Qualification Required (Paid Monthly)

The 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

Cartridges that are used with our Alternative Smoking Devices are consumables. They need to be replaced on a fairly regular basis. Users of inLife products that fall within your Unilevel organization will most likely need to purchase cartridges. They may do so by purchasing them when the need arises, or by signing up for a monthly automatic shipment known as Auto-ship that is sent to them on a particular, desired day - a terrific and easy way to insure that they never run out of product. When either or both of these occur, you will receive a commission for each cartridge sold within your first level provided you are qualified (see page 6). In addition, when cartridges 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: cartridge 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 cartridges either through Auto-ship or single purchases based upon the commission structure presented on Page 6. Cartridges purchased by both IDs and Retail Customers count for Unilevel Commissions and are paid monthly.**

THE DEFINITION OF UNILEVEL LEVELS

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

Level 1:

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

Level 2:

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

Level 3:

A. Cartridge 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. 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 CARTRIDGE SALES

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

Notice the varying degree of commission amounts paid. Level one pays \$2.00 (£1.20*) per cartridge pack. This is to reward our Independent Distributors for cartridge sales. Levels two through six pay \$1.00 (£0.60) per cartridge pack. But notice that on level seven the commission amount is increased to \$3.00 (£1.80). This is because an Independent Distributor has the potential for the most cartridge pack sales on level seven 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 7th level. **Note: a cartridge pack carries 100 Unilevel points.**

Price of one, eight Pack Cartridge Pack = (£14.90) also = to 100 Unilevel Points	
Level	Commission Amount
Level One	\$2.00 (£1.20*) Per Cart. Pack
Level Two	\$1.00 (£0.60) Per Cart. Pack
Level Three	\$1.00 (£0.60) Per Cart. Pack
Level Four	\$1.00 (£0.60) Per Cart. Pack
Level Five	\$1.00 (£0.60) Per Cart. Pack
Level Six	\$1.00 (£0.60) Per Cart. Pack
Level Seven	\$3.00 (£1.80) Per Cart. Pack

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!



POPULATING YOUR UNILEVEL ORGANIZATION

At inLife, we operate our compensation plan as a hybrid. 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 Alternative Smoking Devices), 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 cartridges). While it might happen that someone in your upline (a person in the binary above you) might place someone in your binary, 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.



* Important: The inLife Compensation Plan is based on US dollars payouts. Figures shown in Pounds are based on estimates against a 1.67 exchange rate. IDs will be paid in British Pounds Sterling and subject to the exchange rate applied by the card issuer at the time of payment. However, customers and IDs will be purchasing product in British Pound Sterling.

QUALIFICATIONS

Of the five ways that an Independent Distributor earns income, only three 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 (qualification required)

Qualifications Required

Binary Bonus, Matching Binary Bonus and Unilevel Sales

To be qualified to earn income in the Binary Bonus commission structure for Matching Binary and Unilevel sales, an ID must personally enroll a minimum of two people as Independent Distributors who make an optional purchase of an Alternative Smoking Device. 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 100 points per month in Unilevel sales in order to qualify for the Unilevel Cartridge sales commission, (a single cartridge pack carries 100 points in the Unilevel). 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 an Alternative Smoking Device.

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 cartridge packs in your Unilevel organization and not your Binary organization.

<u>Status Rank</u>	<u>Qualifier</u>	<u>Bonus</u>
Independent Distributor	None	N/A
Qualified Independent Distributor (QID)	2 Personally enrolled IDs who make an optional purchase of an Alternative Smoking Device or Biz Pack and who maintain a minimum Unilevel purchase of 100 Unilevel points per month	N/A
Regional Manager	QID with 11 customers who are active in Auto-ship	Opens the unilevel to 8 th level (\$.05) (£0.03)
Regional Director	QID with 201 customers who are active in Auto-ship	Opens the unilevel to 8 th level (\$.50) (£0.30)
Regional Vice President (RVP)	QID with 2001 customers who are active in Auto-ship	Opens the unilevel to 8 th level (\$1.00) (£0.60)
Executive Vice President (EVP)	QID with 5001 customers who are active in Auto-ship	Opens the unilevel to 8 th level (\$1.00) (£0.60) to 9 th level (\$.50) (£0.30)
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.		

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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 dollars per week, (maximum \$200,000.00 dollars per week for both the Binary Bonus and the Matching Binary Bonus combined).

Income, rank advancement and/or success as an inLife Independent Distributor is not guaranteed. Success is influenced by an individual's specific skills, motivation, and efforts. Rewards are dependent on the efforts expended by the Independent Distributor in developing the retail sales of goods, both his/her own and those of his/her downline.

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

inLife products are not to be sold for smoking cessation purposes. Our products do not mitigate, cure or treat any medical condition nor do they offer any therapeutic value. inLife products may not be sold to minors.

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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.