The 5LINX Detailed Compensation Plan

Revised April 1, 2008
Compensation Plan

The 5LINX® opportunity has been designed to help build a business that can produce immediate income as well as long term residual income. 5LINX® has developed the phenomenal compensation plan where representatives are truly rewarded for their efforts.

5LINX® offers prospective representatives two starting levels:
1. Customer Representative (CR)
2. Independent Marketing Representative (IMR)

In addition there are five leadership levels:
1. Executive Trainer (ET)
2. Executive Director (ED)
3. National Director (ND)
4. Senior Vice President (SVP)
5. Platinum Senior Vice President (PSVP)

The 5LINX® compensation plan offers a simple, but powerful incentive. As higher leadership positions are achieved, income increases.

Getting Started

Regardless of which of the two starting levels is selected, the same Representative Agreement form is used.

- **Customer Representative**
  A one-time enrollment fee of $99.

- **Independent Marketing Representative (IMR)**
  A one-time enrollment fee of $499.

A Customer Representative can qualify to upgrade to Independent Marketing Representative by:

1. acquiring twenty (20) active personal customer points and personally sponsoring one qualified IMR or
2. by paying $400 to purchase the IMR Success System Kit in their first 30 days.

The 5LINX® Representative Agreement can be completed online or it can be sent to the 5LINX® corporate office by mail or fax.
Getting Qualified

IMRs must acquire and maintain at least four active customer points on any 5LINX® service (at least one of the customers must be outside of the IMR’s name/address/credit card/household) to qualify and be eligible to receive a qualification bonus.

Two Types of Customers

1. Select Customers
   Select customers are paid as a one time commission (Bounty Bonus).

2. Residual Customers
   Residual customers are paid as a monthly, recurring commission. Acquire a passive residual customer one time and commission payments continue month after month, year after year, for the life of the customer. The commission is based on the customers’ monthly usage.

Leadership Positions

Advancement through the 5LINX® leadership income levels requires additional qualifications to achieve and maintain.

Executive Trainer
As an Executive Trainer you must acquire and maintain:
- (10) personal customer points
- (3) directly sponsored and qualified IMRs
- Completion of 5LINX® University ET Preparation Module.

Executive Director
As an Executive Director you must acquire and maintain:
- (15) personal customer points
- (6) separate lines of a qualified IMR
- (2) separate lines of at least one (1) qualified Executive Trainer.
- Completion of 5LINX® University ED Preparation Module.

National Director
As a National Director you must acquire and maintain:
- (20) personal customer points
- (6) separate lines of a qualified IMR
- (3) separate lines that have at least one (1) qualified Executive Director.
- (5) total qualified Executive Directors in your marketing organization.
- Completion of 5LINX® University ND Preparation Module.
Senior Vice President
As a Senior Vice President you must acquire and maintain:

- (25) personal customer points
- (6) lines of a qualified IMR
- (3) separate lines that have at least one (1) qualified National Director (ND).
- Completion of 5LINX® University SVP Preparation Module.

Platinum Senior Vice President (PSVP)
As a Platinum Senior Vice President you must acquire and maintain:

- (25) personal customer points
- 6 separate lines of a National Director (ND)—must include at least 2 separate lines with a Senior Vice President (SVP)
- (6) lines of a qualified IMR
- 15,000 Residual Customer Points in SVP and First Generation SVP organization.
- Completion of 5LINX® University PSVP Preparation Module.

5LINX® Commissions
5LINX® representatives can earn income in variety of ways:

1. Bounty Bonuses
2. Monthly Residual
3. Weekly Customer Acquisition Bonuses (CABs)
4. Open-line promotional bonuses
5. Customer bonus pool
6. Revenue Pool
7. SVP incentive bonuses
8. PSVP Pool

Commission structure

1. Personal commission
   Personally acquire a customer and receive all personal commissions based on the acquisition of that customer.

2. Open-Line commission
   Receive all commissions on the acquisition of customers made by other representatives in your organization that have not yet attained the same position as you.

3. Generational commission
   Receive generational commissions on the acquisition of a customer by a representative in your organization who has reached the same leadership position as you.

<table>
<thead>
<tr>
<th>BOUNTY BONUS COMPENSATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Generation (PSVP)</td>
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<tr>
<td>Platinum SVP (PSVP)</td>
</tr>
<tr>
<td>2nd Generation SVP</td>
</tr>
<tr>
<td>1st Generation SVP</td>
</tr>
<tr>
<td>Senior Vice President (SVP)</td>
</tr>
<tr>
<td>1st Generation ND</td>
</tr>
<tr>
<td>National Director (ND)</td>
</tr>
<tr>
<td>Executive Director (ED)</td>
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<tr>
<td>Executive Trainer (ET)</td>
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<tr>
<td>Personal</td>
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</tbody>
</table>
Bounty Bonuses

Personal Bounty Bonus

Bounty Bonuses are paid one time when a representative acquires a Select customer point. Bounty Bonuses are paid based on the commission value (CV). The CV is determined by the service the customer selects.

- For Select customers — earn 10% of the assigned CV as an IMR/CR.
- Earn up to 80% of the CV as higher leadership positions are achieved.

Example 1*
As an IMR/CR, acquire a Select customer CV = $100, Bounty = $10 ($100 x 10% = $10)

Example 2*
As an Executive Director (ED), Bounty Bonus: 10% on an IMR/CR + 10% Executive Trainer (ET) + 20% Executive Director (ED) = 40% or $40 ($100 x 40% = $40)

Please Note: Bounty Bonuses are paid based on the leadership position at the time of the customer’s order date and are paid (60) days after customer activation.

Open-Line Bounty Bonus

Open-Line Bounty Bonuses are paid on the Select customers of all of the representatives in the representative’s organization based on the qualified leadership position attained at the time of the customers order date.

Example 3*
As a National Director (ND), an IMR in your organization acquires a Select customer with a CV of $100 the commission would be as follows:

IMR Personal = $10 ($100 x 10%)
ND = $50 (ET/10% + ED/20% + ND/20% = 50%)

Regardless of where the new Select customer falls in the representative’s organization, as long as there is no one who has an equivalent leadership position between that representative and the IMR, that representative would receive all open-line Bounty Bonuses up to their leadership position.

*Amounts are based on the values in the examples.
Generational Bounty Bonus

Generational Bounty Bonuses are paid when an IMR has achieved the same leadership position as you.

Example 4*

As a National Director (ND): A National Director (ND) in your organization acquires a Select customer with a CV of $100 the commission would be as follows:

ND = $60 (IMR/10%+ET/10%+ED/20%+ND/20% = 60%)

1st generation ND = $5 (1st ND/5% = 5%)

Regardless of where the new Select customer is acquired within the representative's organization, the representative would receive all Generational Bounty Bonuses, until there are multiple positions at the same leadership level in the same "leg" or organization. *(For CVs refer to Document 708 in your Virtual Office.)*

Residual Income

Residual commissions are paid in the same commission structure as a Bounty Bonus (Personal, Open-line and Generational) the only difference is instead of a one-time payout, the commission is paid every month as long as the customer remains on the service. The percent of commission is determined by the leadership position when the customer is acquired.

*Only Residential Residual Examples

Personal Residual Income (Residential)

- As an IMR/CR — earn 5% of the assigned CV
- Earn up to 75% of the CV as higher leadership positions are achieved.

Residual income commission continues each month as long as the customer remains on the service.

Example 1*

As an IMR/CR — acquire a Residual customer CV = $10. Commission = $0.50 for every month the customer remains on the service. ($10 x IMR/5% = $.50)

Example 2*

As an Executive Director (ED), commission = 5% on an IMR + 5% Executive Trainer (ET) + 5% Executive Director (ED) for a total of 15% or $1.50 ($10 x 15% = $1.50)

There is no limit on the amount of Residual customers that can be acquired.

Please Note: Residual CVs are assigned and coded based on the representative's position at the time of the customer's order date and begin paying out ninety (90) days after customer activation.

*Amounts are based on the values in the examples.
**Open-Line Residual Income**

Earn over-riding residual income on the customers acquired in your entire organization.

Open-Line Residual commissions are paid on all the Residual customers in your entire organization based on the leadership position that you are qualified for within the 5LINX® compensation plan at the time of the customer’s order date.

*Example 3*

As a National Director (ND): an IMR in your organization acquires a Select customer with a CV of $10 the commission would be as follows:

- **Personal** = $.50 ($10 x IMR/5%)
- **ND** = $2.50 (ET/5% + ED/5% + ND/15% = 25%)

Regardless of where the new Residual customer falls within the representative’s organization, as long as there is no one who has an equivalent leadership position between that representative and the IMR, that representative would receive all open-line residual commissions up to their leadership position.

**Generational Residual Income**

Generational Residual commissions are paid when an IMR has achieved the same leadership position in the 5LINX® compensation plan.

*Example 4*

As a National Director (ND): a National Director (ND) in the representative’s organization acquires a Select customer with a CV of $10 the commission would be as follows:

- **ND** = $3.00 (IMR/5% + ET/5% + ED/5% + ND/15% = 30%)
- **1st generation ND** = $.50 (1st ND = 5%)

Regardless of where the new customer is acquired in the representative’s organization, that representative would receive all Generational residual commissions, until there are multiple positions at the same leadership level in the same “leg” or organization.

**Monthly Customer Bonus Pool**

Five dollars goes into the bonus pool for every select customer activated in the month.

To be counted in pool, customers must be submitted during the production month and counting by the 10th of the following month.

*Approximately amounts are based on the values in the examples.
Customer Acquisition Bonuses (CAB)

*Note: CABs are paid based on your leadership position at the time of the new IMR enrollment.*

**CAB Requirements**

Customer Acquisition Bonuses are only paid when IMRs meet the minimum customer acquisition requirements. CABs are released when a newly sponsored IMR acquires at least four active customer points on any 5LINX® service (at least one customer outside of the IMR’s name/address/credit card/household) within the IMRs first thirty days.

Only a qualified ED or higher is eligible to earn CABs. New IMRs are eligible to receive a one-time qualification bonus of $25 when they themselves qualify within 30 days.

**CABs**

A Representative who personally sponsors an IMR and that IMR qualifies their position within 30 days of their start date, the Representative is paid a one-time CAB. The dollar amount of the CAB earned is determined by the Representative’s leadership position. Earning potential of $80–$220 depending upon the leadership position.

<table>
<thead>
<tr>
<th>CUSTOMER ACQUISITION BONUSES (CAB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMR</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td><strong>PERSONAL</strong></td>
</tr>
<tr>
<td><strong>OPEN-LINE</strong></td>
</tr>
</tbody>
</table>

CABs are earned when you help a newly sponsored IMR get qualified by acquiring at least four (4) customer points of any 5LINX® service within their first 30 days (at least one customer outside the IMR’s household).

*Example 1*  
As a qualified IMR you earn a $25 bonus when you personally qualify with four billing customer points (at least one customer outside of the IMR’s name/address/credit card/household) of any 5LINX® service.

*Example 2*  
As an Executive Director (ED), if you sponsor a representative personally you would earn a CAB of $80,

- Personal ED = $80 (ED/$80)
- Personal ND = $170 (ED/$80+ND/$90)
- Personal SVP = $210 (ED/$80+ND/$90+SVP/$40)
- Personal PSVP = $220 (ED/$80+ND/$90+SVP/$40+PSVP/$10)

*Example 3*  
As an Executive Director (ED), if a representative is sponsored in your organization and there is no other representative at the ED position or higher in between you and the new representative you would earn a CAB of $80,

- ED = $80 (ED/$80)
- ND = $90 (ND/$90)
- SVP = $40 (SVP/$40)
- PSVP = $10 (PSVP/$10)

*Amounts are based on the values in the examples.*
Regardless of where the new IMR in your organization is sponsored, if there is no one between you and that new IMR at the same leadership position as you, you receive all of the open-line CABs.

**Generational CABs**

As your organization grows, there will be many “generations” of IMRs. Every time a new IMR becomes qualified, 5LINX® pays a CAB. How much of that CAB you receive depends on your leadership position and the leadership position held by the other representatives between you and the new IMR who becomes qualified in their first 30 days.

<table>
<thead>
<tr>
<th>Generational Customer Acquisition Bonuses</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMR</td>
</tr>
<tr>
<td>1st GENERATION</td>
</tr>
<tr>
<td>2nd GENERATION</td>
</tr>
<tr>
<td>Revenue Pool</td>
</tr>
</tbody>
</table>

As this table illustrates, the CAB is paid out to multiple levels or generations within your organization.

**Example 10**

If you have earned the position of Executive Director (ED) and you have an Executive Director (ED) in your organization and they sponsor a IMR who becomes qualified in their first 30 days, you would be paid a $30 generation CAB. Additionally, you would be paid a $30 generation CAB when a new IMR is enrolled anywhere below that ED’s organization until there is another Executive Director (ED) in that organization.

**Example 11**

If you have earned the position of Senior Vice President (SVP) and you have a National Director (ND) who has an Executive Director (ED) in the same leg in your organization who sponsors a new IMR that becomes qualified in their first 30 days, the ND would be paid the (ED) $30 + (ND) $90 for a total CAB of $120. You as an SVP would be paid the 1st generation (ND) $40 + the open line (SVP) $40 for a total CAB of $80. Additionally, you would receive a $80 CAB when a new IMR qualifies anywhere below that ED’s organization until there is another Executive Director (ED) in that organization.
Open Line Bonuses

In addition to CABs which are paid on each IMR that enters your organization and qualifies within 30 days, 5LINX® also pays you when your organization is producing multiple IMRs per month. Depending on your earned position, 5LINX® will pay you an additional bonus when your organization produces two (2), five (5), twenty (20), multiples of 5, 10 or 20 qualified IMRs in your openline organization each month. In order to earn open line bonuses, all new IMRs must be enrolled in the same calendar month and must qualify with four customer points (one outside of their household) within their first 30 days.

Example 1*
If you have the earned position of Executive Trainer (ET) and your organization (not under another ET or above) produced two (2) new qualified IMRs in a month you would earn $100. If that same organization were to produce five (5) you would earn $500, ten (10) would earn you $1,000 and twenty (20) would earn you $2,000.

(As an ET you may only be paid open-line bonuses at these four levels of production, additional production would not earn additional bonuses, nor are the bonuses additive. They are paid at these amounts only.)

Example 2*
If you have the earned position of Executive Director (ED) and your organization (not under another ED or above) produced five (5) new qualified IMRs in a month you would earn $375. If that production occurs in your organization where there is also no other ET in the leg, you would also earn the ET openline bonus of $500 for a total openline bonus payout of $875.

Example 3*
If you have the earned position of Senior Vice President (SVP) and you have a leg containing a National Director (ND) and then an Executive Director (ED) that produced twenty (20) new qualified IMRs in a month you would earn $1000. The ED would earn $1500 as they would be paid the ED openline bonus four (4) times (5 x 4 = 20 IMRs) and the ND would earn $1500 as they would receive the ND openline bonus twice (10 x 2 = 20 IMRs).

Remember, this is in addition to the CABs you will receive on these qualified IMRs.
### Three Monthly Revenue Pools

Ten dollars will go into the bonus pool for every qualified IMR in the month!

*Example:
10,000 IMRs activated in the month 
(x $10) = $100,000 into each revenue pool.

All qualified representatives would divide 60% (or $60,000) for each bonus pool.

<table>
<thead>
<tr>
<th>Qualified Pool</th>
<th>Number</th>
<th>Total Revenue</th>
<th>Division</th>
<th>Individual Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDs</td>
<td>50</td>
<td>$60,000</td>
<td>60%</td>
<td>$1,200 each</td>
</tr>
<tr>
<td>NDs</td>
<td>20</td>
<td>$60,000</td>
<td>40%</td>
<td>$3,000 each</td>
</tr>
<tr>
<td>SVPs</td>
<td>10</td>
<td>$60,000</td>
<td>10%</td>
<td>$6,000 each</td>
</tr>
</tbody>
</table>

The Top 5 Producers in each pool would divide 40% (or $40,000).

#### Platinum Bonus Pool

Twenty dollars will go in for every qualified IMR in the company plus 75¢ residual on all billing 5LINX® Home Security customers and GLOBALINX® customers on the $24.95 plan. All GLOBALINX® Annual plan customers contribute 37.5¢.

*PSVP Pool Example:

\[
500,000 \text{ customers x 75¢} = 375,000 \\
20 \times 10,000 \text{ IMRs} = 200,000 \\
\frac{375,000 + 200,000}{575,000} \text{ divided among all qualified PSVPs}
\]

Success as a 5LINX® Representative is not guaranteed, but rather influenced by an individual’s specific efforts. Not all 5LINX® Independent Representatives make a profit and no one can be guaranteed success as a 5LINX® Independent Representative.
30-Day Game Plan

Personally sponsor and qualify three independent Marketing Representatives (IMR) (#1-#3) and acquire 10 personal customer points (#4) within your first 30 days.

You*

ET

IMR
4 Customer Points

#1

IMR
4 Customer Points

#2

IMR
4 Customer Points

#3

#4 Your Customer Points

1
2
3
4
5
6
7
8
9
10

☐ SLINX® University ET Preparation module complete

Check when completed
60-Day Game Plan

You are now a qualified Executive Trainer. Now assist two separate IMRs to meet their 30-day game plans in each line. Also acquire three more qualified IMRs and five (5) additional personal customer points.

SIX LINES OF A QUALIFIED IMR

Your Customer Points

1
2
3
4
5

Check when completed

5LINX® University ED Preparation module complete.
90-Day Game Plan

You are now a qualified Executive Director. Now assist five separate Executive Trainers (ET) in each of at least three lines to meet their 60-day game plans. Also acquire five (5) additional personal customer points (#7).

Your Customer Points

1 3 5

2 4

☐ 5LINX® University ND Preparation module complete.
180-Day Game Plan

You are now a qualified National Director (ND). Now assist three separate Executive Directors (ED) to become National Directors and meet their 90-day game plans. Also acquire five (5) more personal customer points.

SVP

SIX LINES OF A QUALIFIED  IMR

ND  ND  ND

SIX LINES OF A QUALIFIED  IMR

ED  ED  ED

ED  ED  ED

ED  ED  ED

ED  ED  ED

ED  ED  ED

Your Customer Points

1

2

3

4

5

☐ 5LINX® University SVP Preparation module complete.
1 Year Game Plan

You are now a qualified Senior Vice President (SVP). Now assist two separate National Directors (ND) to meet their 180-day game plans. Also, assist four IMRs achieve National Director to meet their 90-day game plans.

You*

PSVP

SIX LINES OF A QUALIFIED IMR

ND

ND

ND

ND

SVP

SVP

Check when

SLINK® University PSVP Preparation module complete.