

# Income Disclosure Statement

**THE AVERAGE ANNUAL COMPENSATION PAID BY ADVOCARE TO ACTIVE DISTRIBUTORS IN 2015 WAS \$1,586.**

*The total number of Distributors who placed a product order and/or earned a check in 2015 was 623,003. An Active Distributor is anyone who earned a check from AdvoCare in 2015 (177,443 Distributors).*

People become AdvoCare Independent Distributors for a number of reasons including the opportunity to purchase products at a discounted price, to sell products to others and receive profits, or to coach others on how to retail products and earn compensation directly from AdvoCare.

Distributors may earn compensation from AdvoCare on sales to registered customers who order through the AdvoCare website, as well as from downline Distributors ("Commissions"). Distributors at the Advisor level may earn other compensation from AdvoCare based on the buying and selling activities of downline Distributors ("Overrides" and "Leadership Bonuses"). Distributors who qualify for the Advisor level are also eligible to earn additional bonuses or incentives for their activities and the activities of their downline. For example, in 2015, 4,003 Distributors at the Advisor level earned a \$500 Rookie Bonus.

The Annual Income Ranges chart provides the compensation earned in 2015 by Distributors (Commissions, Overrides and Leadership Bonuses). Not included in these figures are the potential profits Distributors receive from selling products directly to customers, bonuses and incentives earned, or the expenses of engaging in an AdvoCare business.

## 2015 ANNUAL INCOME RANGES

RANGE	% OF ACTIVE DISTRIBUTORS	% OF ALL DISTRIBUTORS
\$0	-	71.52%
\$0.01 - \$50.00	31.86%	9.07%
\$50.01 - \$250.00	31.88%	9.08%
\$250.01 - \$500.00	12.16%	3.46%
\$500.01 - \$1,000.00	9.91%	2.82%
\$1,000.01 - \$2,500.00	7.93%	2.26%
\$2,500.01 - \$5,000.00	2.96%	0.84%
\$5,000.01 - \$7,500.00	1.01%	0.29%
\$7,500.01 - \$10,000.00	0.54%	0.15%
\$10,000.01 - \$15,000.00	0.52%	0.15%
\$15,000.01 - \$20,000.00	0.28%	0.08%
\$20,000.01 - \$30,000.00	0.29%	0.08%
\$30,000.01 - \$50,000.00	0.25%	0.07%
\$50,000.01 - \$75,000.00	0.13%	0.04%
\$75,000.01 - \$100,000.00	0.06%	0.02%
\$100,000.01 - \$150,000.00	0.08%	0.02%
\$150,000.01 - \$200,000.00	0.04%	0.01%
\$200,000.01 +	0.10%	0.03%

AdvoCare's Compensation Plan provides qualification criteria for product discounts and pin levels that indicate advancement in business building and buying and selling activities (see [AdvoCare Policies, Procedures, and Compensation Plan](#)). Distributors have the ability to earn compensation from AdvoCare for their activities each Pay Period, a total of 24 Pay Periods during a calendar year. Of course, not every Distributor chooses to be Active or sustain the same level of activity every Pay Period, so income may vary over time. The Pay Period Income chart represents Pay Period income paid at that discount level or pin level ("Pay Level") in 2015. The figures show the average top and bottom 10 percent and the median, the middle value when all checks are placed in lowest to highest order, at each Pay Level. In 2015, a total of 1,294,716 checks were earned by 177,443 Distributors.

## 2015 PAY PERIOD INCOME BY PAY LEVEL

PAY LEVEL	% OF CHECKS EARNED AT EACH LEVEL	AVERAGE # OF MONTHS TO REACH THIS LEVEL	TOP 10% AVERAGE	BOTTOM 10% AVERAGE	MEDIAN
DISTRIBUTOR	35.16%	-	\$126	\$3	\$19
ADVISOR	57.58%	4	\$355	\$8	\$46
SILVER	4.50%	14	\$1,119	\$219	\$482
GOLD	1.39%	26	\$4,194	\$823	\$1,347
GOLD 3 STAR	0.28%	26	\$2,617	\$1,177	\$1,762
RUBY	0.57%	34	\$7,036	\$2,276	\$3,358
RUBY 6 STAR	0.06%	38	\$6,085	\$3,188	\$4,486
EMERALD	0.20%	48	\$14,339	\$5,755	\$7,990
EMERALD 9 STAR	0.09%	57	\$20,576	\$7,725	\$11,940
DIAMOND +	0.15%	68	\$81,222	\$16,348	\$28,146

AdvoCare pays no compensation for recruiting new Distributors. Instead, compensation is based upon product sales, which varies based upon a number of factors, including how effectively Distributors exercise key traits like diligence, leadership, time and effort in selling products. There is no guarantee of success or short cut to success. Distributors establish their own working hours, conduct the day-to-day business, determine and pay for their own costs of doing business, and choose when and how much they would like to engage in their AdvoCare business.

AdvoCare offers a number of very encouraging consumer protections for its Distributor base including the low cost to become a Distributor, a generous 100 percent buyback policy on product purchases upon resignation, Distributor and retail customer product satisfaction guarantee and a no minimum inventory purchase requirement.

These figures show compensation paid by AdvoCare and do not include profits earned or losses incurred in reselling products. They are not guarantees or projections of actual earnings or profits, and do not include expenses incurred by Distributors while operating their businesses. AdvoCare makes no guarantee of financial success. Success with AdvoCare will depend upon how well a Distributor exercises a number of qualities including profitable sales efforts, hard work, diligence, skill, persistence, competence, ethical practices and leadership.