



THE ELITE COMP PLANSM

Independent Business Owner (IBO) Compensation

November 19, 2009

Section 1 - Introduction

At Elite Cosmetique we have created a plan to reward you. We call it The Elite Plan because we feel it is one of the most generous in the industry.

There are **4 ways** to get paid in The Elite Plan!

- 1) Direct Commissions
- 2) Team Cycle Commissions
- 3) CosmoBucksSM
- 4) Residual Income

Section 2 - Direct Commissions

As an Independent Business Owner (IBO) with Elite Cosmetique you can earn commissions from the sale of our two products.

Earn \$100 for each Platinum Membership you enroll!

Earn \$50 for each Gold Membership you enroll!

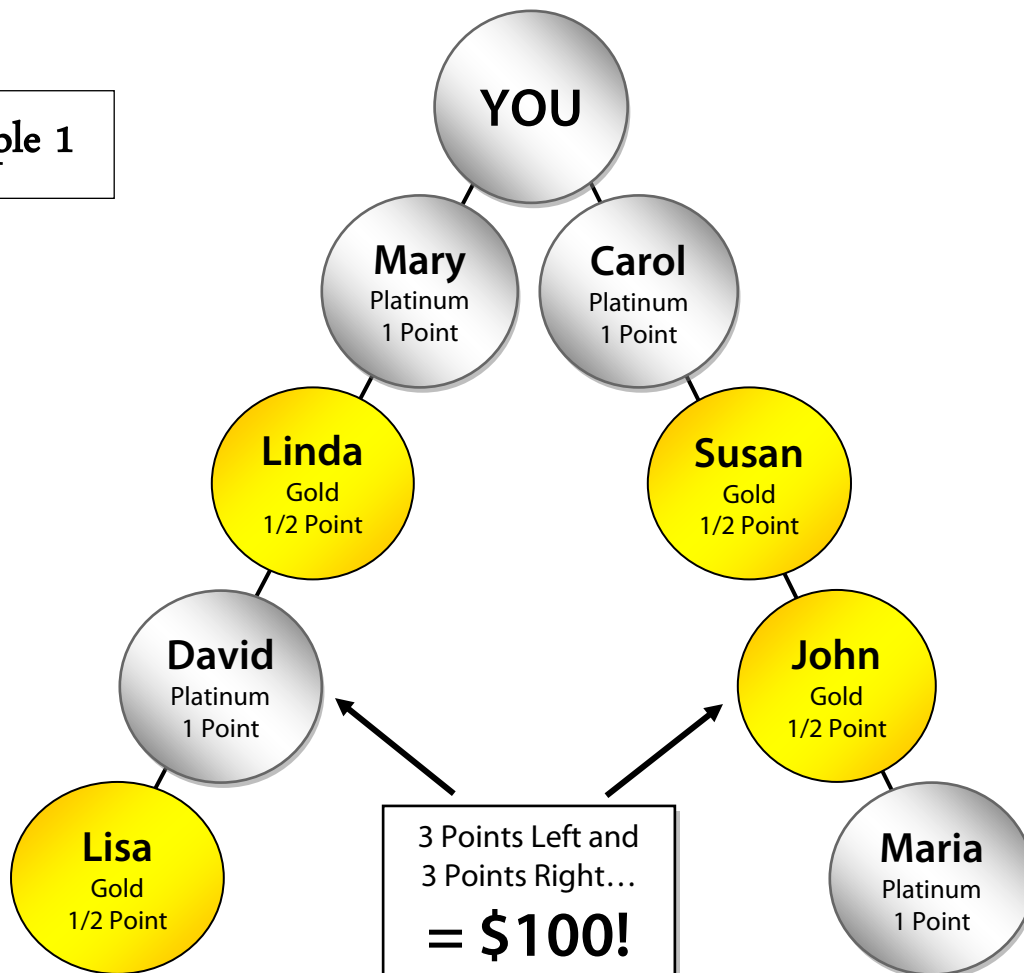
Direct Commissions are paid to a sponsor when a new IBO or customer buys either a Gold or Platinum Membership. No commissions are paid for solely recruiting an IBO; a membership must be purchased to generate a commission. **There is no limit to how much you can earn from this part of The Elite Plan and Direct Commissions are paid weekly, as soon as member enrollment fees are collected!**

Section 3 - Team Cycle Commissions

At Elite Cosmetique we chose one of the best ways to pay you for building a team. We use a compensation plan called the Binary. It's simple. As an IBO in the company you have two teams to build - a left team and a right. The two teams are often referred to as "legs". You may place new IBOs you personally sponsor on either your right or left leg.

For Team Cycle purposes a Platinum Membership is worth 1 point and a Gold Membership ½ point. When you reach a total of 3 points on your left team and 3 points on your right you earn a Cycle Commission of \$100. **Team Cycles Commissions are calculated weekly, and paid seven (7) days from the close of the weekly period, as member enrollment fees are collected!**

Example 1



To earn Team Cycle Commissions you must be Active and Qualified.

To be Active: Personally have enrolled as an Independent Business Owner and be current on the monthly fee.

To be Qualified: Personally enroll at least one IBO on your left and right leg who remain active.

Additional Notes: If you are active, but not qualified, you will still accumulate and hold any points your team creates. When you personally enroll a Member, the full point or 1/2 point generated is added to whichever leg you have fewer points on to help you achieve cycles faster.

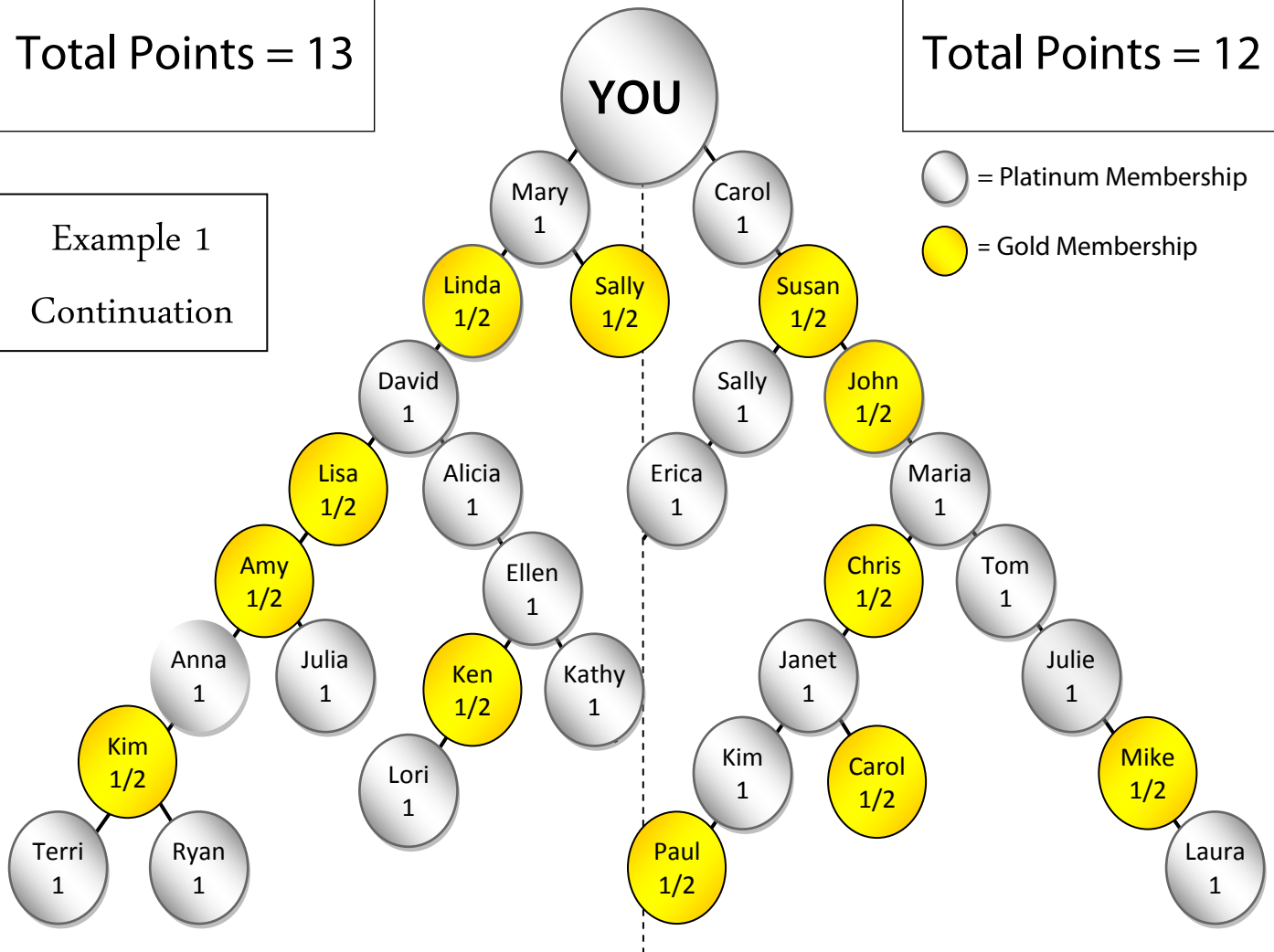
WATCH YOUR TEAM GROW!

Left Team
Total Points = 13

Right Team
Total Points = 12

Example 1
Continuation

● = Platinum Membership
● = Gold Membership



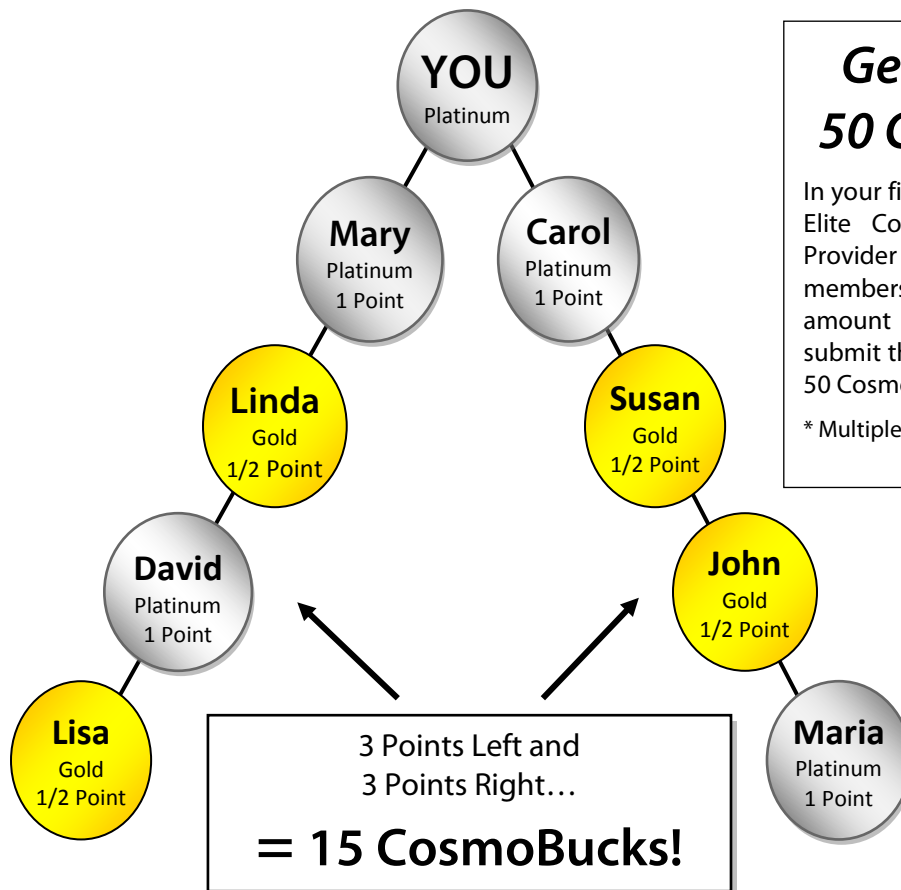
In the above illustration we continued Example 1 from the previous page to show what can happen when the people you personally sponsor begin to also make sales. You had originally sponsored 8 people (Mary, Linda, David, and Lisa on your left, and Carol, Susan, John, and Maria on your right). The sales they made in the days and weeks to come increased your team to 31 people (16 on your left team and 15 on your right!).

You earn a Cycle Commission each time you have 3 points on your left and right leg. In the above example, since you have 13 points on your left and 12 on your right, you would earn 4 Cycle Commissions which would be \$400 (4 X \$100). Also, because you had 13 points on your left leg you are left over with 1 point after calculations which will count towards future Team Cycle Commissions.

* The above illustration is an example of what can occur in a Binary plan. There are no guarantees and your success will depend on the effort, skill, and leadership you display in the building of your Elite Cosmetique business.

Section 4 - CosmoBucksSM

At Elite Cosmetique we want to encourage and help you use the services in your membership as often as possible. This is why we created CosmoBucks! You can use CosmoBucks to pay for any service offered by a Provider in our company. And CosmoBucks are simple to use. Every time you cycle, meaning you get 3 points on your left leg and 3 points on your right, you are awarded 15 CosmoBucks! When you reach at least 200 CosmoBucks in your account you can cash them in to pay for things such as Microdermabrasions, Chemical Peels, Teeth Whitening, Laser Hair Removal, Botox®, Cosmetic Dentistry, and even Plastic Surgery. You get the service or procedure performed and send us the receipt and we'll reimburse you in dollars up to the amount of CosmoBucks you have in your account! It's that simple!



Get a Bonus of 50 CosmoBucks!

In your first 30 days of starting with Elite Cosmetique, simply use a Provider for one of your membership services in the amount of 100 dollars or more, submit the receipt, and we will add 50 CosmoBucks to your account!

* Multiple receipts may be combined.

CosmoBucks are redeemable for any services offered by Providers in either of Elite Cosmetique's memberships. Upon proof of receipt submitted you will receive a reimbursement in dollars equal to the amount of CosmoBucks you have in your account. 1 CosmoBuck = 1 Dollar. For a receipt to qualify (and this pertains to the 50 CosmoBuck Bonus as well), the service performed must be by one of Elite Cosmetique's Providers and also be performed on the IBO themselves and not someone else. CosmoBucks are valid for 12 months from the day they are earned and may start to be redeemed when a minimum of 200 are in your account.

Section 5 - Residual Cycle Income

An exciting part of building your Elite Cosmetique business will be when you achieve the rank of VIP. When you become a VIP you begin to receive Residual Cycle Income from the Members on your team who are paying their monthly membership fees. In the illustration below you have a team of 25 active people on both your left and right leg. Every time a Member pays their monthly fee you are awarded a point(s). **You get 2 points if a Member pays their monthly fee on Platinum Membership and 1 point for a Gold.** Every time you get 3 points on your left and 3 points on your right in this part of the plan you get \$20 Residual Cycle Commission.

**Left Team
(25 Active People)**

With all the monthly fees charging through that month you would have a total of...

42 Points



**Right Team
(25 Active People)**

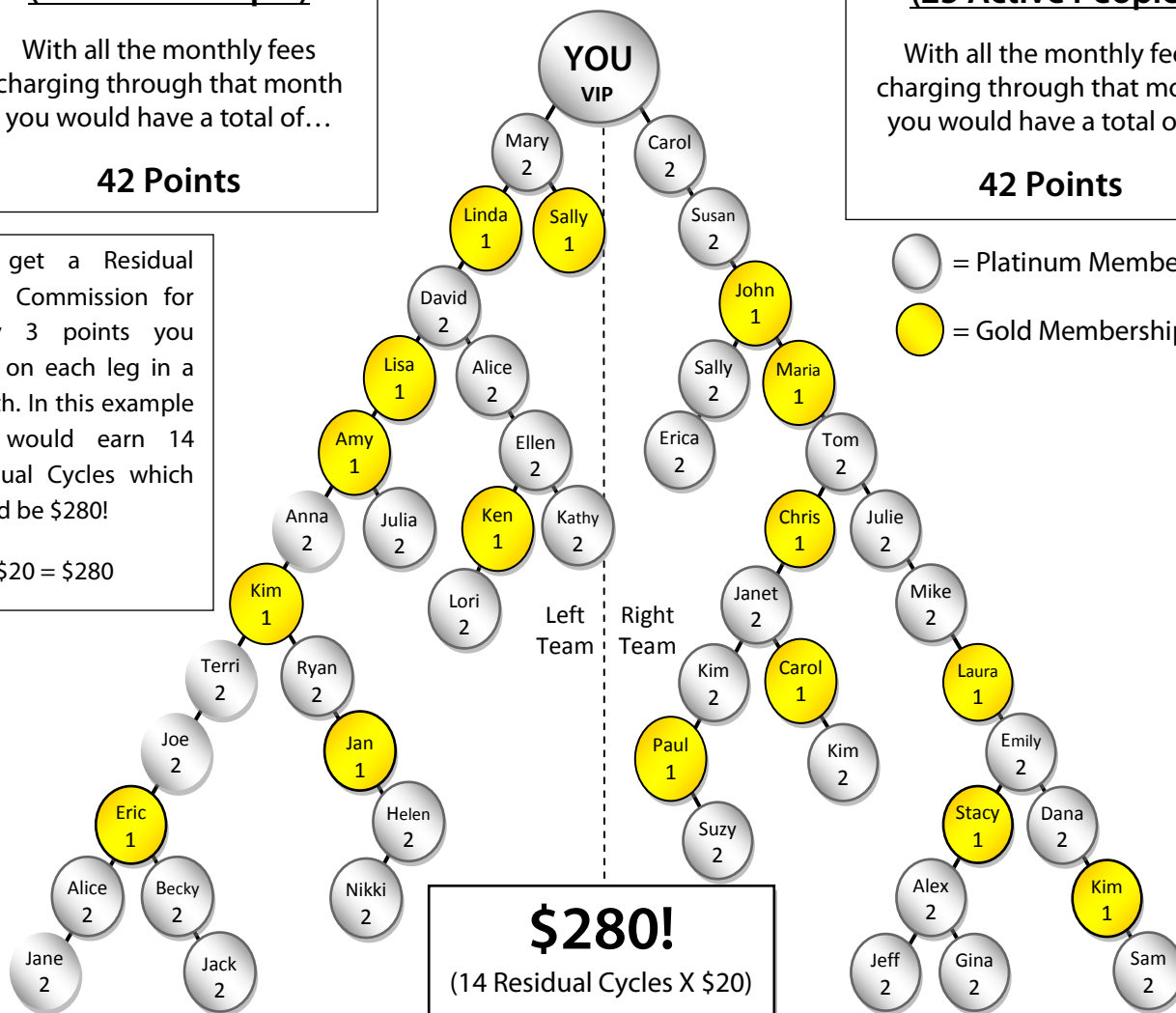
With all the monthly fees charging through that month you would have a total of...

42 Points

You get a Residual Cycle Commission for every 3 points you have on each leg in a month. In this example you would earn 14 Residual Cycles which would be \$280!

$14 \times \$20 = \280

-  = Platinum Membership
-  = Gold Membership



VIP Rank is achieved by having 25 active Members/IBOs (Distributors) on each leg. There is no time limit to achieve VIP rank.

Monthly sales point totals on each leg are reset each month after Residual Cycle Commissions are calculated.

Residual Cycles Commissions are calculated at the end of the month and paid on the 10th of the following month, as membership monthly dues are collected.

Section 6 - Ace Bonus Pool

When you reach the rank of Ace you will get the opportunity to increase your earnings with the Ace Bonus Pool! Every week Elite Cosmetique will set aside 1% of the company's sales for the pool. For every Team Commission Cycle you achieve in a week you will get one (1) share into the Ace Bonus Pool which is calculated weekly, and paid seven (7) days from the close of a weekly period.

The Ace Bonus Pool is our way of rewarding you for becoming an Ace!

Section 7 - IBO Ranks

RANK	QUALIFICATIONS	Weekly/Monthly Cycle Maximums
Apprentice	Sponsor 1 IBO (Distributor) or Member on each of your legs.	2 Team Cycles per Week N/A Monthly Residual Cycle
Ace	10 active IBOs (Distributors)/Members on each of your legs.	3 Team Cycles per week N/A Monthly Residual Cycle
VIP Residual Cycle Income Starts!	25 active IBOs (Distributors)/Members on each of your legs.	5 Team Cycles per Week 25 Monthly Residual Cycles
Celebrity	50 active IBOs (Distributors)/Members on each of your legs.	10 Team Cycles per Week 50 Monthly Residual Cycles
Rock Star	100 active IBOs (Distributors)/Members on each of your legs.	20 Team Cycles per Week 100 Monthly Residual Cycles

*You must maintain at least 1 active personally sponsored Member or IBO (Distributor) on your left and right legs to maintain your Apprentice status.

Only active IBOs (Distributors)/Members count towards the totals you need on each leg to achieve the promotion ranks. \$50 and \$100 Commissions from Direct Sales of memberships do not count towards the weekly and monthly maximums. **You may earn unlimited income from Direct Commissions.**

Being active is a requirement for all ranks in The Elite Plan. Active status can be achieved by personally enrolling as an Independent Business Owner and being current on the monthly fee.

Section 8 - Elite IBO Ranks

RANK	QUALIFICATIONS	Weekly/Monthly Cycle Maximums
Crystal	300 IBOs (Distributors)/Members in your Personal Enrollment Tree* with no more than 150 coming from one line [†] .	30 Team Cycles per Week 150 Monthly Residual Cycles
Bronze	500 IBOs (Distributors)/Members in your Personal Enrollment Tree with no more than 250 coming from one line.	50 Team Cycles per Week 250 Monthly Residual Cycles
Silver	750 IBOs (Distributors)/Members in your Personal Enrollment Tree with no more than 250 coming from one line.	75 Team Cycles per Week 375 Monthly Residual Cycles
Gold	1,000 IBOs (Distributors)/Members in your Personal Enrollment Tree with no more than 350 coming from one line.	100 Team Cycles per Week 500 Monthly Residual Cycles
Diamond	1,500 IBOs (Distributors)/Members in your Personal Enrollment Tree with no more than 500 coming from one line.	150 Team Cycles per Week 750 Monthly Residual Cycles
Platinum	2,500 IBOs (Distributors)/Members in your Personal Enrollment Tree with no more than 850 coming from one line.	200 Team Cycles per Week 1,000 Monthly Residual Cycles

*Your Personal Enrollment Tree consists of everyone you have personally sponsored, the people they personally sponsor, and so forth.

† A "line" consists of an individual IBO you personally sponsor and the Personal Enrollment Tree they build.

Weekly and Monthly Cycles Maximums should not be construed as projected earnings at each of the allocated levels. These caps are in place at each level to ensure the long-term health and viability of Elite Cosmetique and to encourage you to work towards increasing your income by achieving higher ranks within the company. Elite Cosmetique makes no guarantees of success or income. Individual results will vary and will be determined by the time, effort, skill, leadership, and various other factors you put forth in building your business.

Section 9 - Frequently Asked Questions

What is Active Status?

Active Status is necessary to receive commissions. You can be active in two ways.

1. Personally having either a Gold or Platinum Membership and being current on the monthly membership fee.
2. By personally selling one Gold or Platinum Membership in a prior 30 day period to either a customer or IBO.

When are Elite Cosmetique's pay periods?

Elite Cosmetique's pay period runs weekly from Monday at 12:01 a.m. CT until the following Sunday at midnight CT with the exception of the residual cycles which are calculated throughout and up until midnight CT of the last day of the month.

When do I get paid?

Commissions are paid weekly and monthly as follows:

- a. Direct Commissions, Team Cycle Commissions, CosmoBucksSM, and The Ace Bonus Pool are paid seven (7) days from the close of the weekly period.
- b. Residual Cycle Income is paid monthly on the 10th of the following month.

How do I get paid?

You will receive a physical check in the mail. When commissions are paid you can expect to receive your check within 2-3 business days thereafter. The same 2-3 day mailing time applies to the Residual Cycle Income.

What happens to points I've accumulated if I go inactive?

You will hold points for 30 days after going inactive. After this grace period, both legs will be reset to zero; however once you reactivate you will start accumulating points again from memberships sold in your organization.

If I sell a membership to a customer, which leg does that point/half point count towards?

Our system is set to automatically add the point/half point to your leg with the least amount of points (the "weak leg"). We do this so you can achieve cycles faster. Furthermore, during the calculation of monthly Residual Cycles all personally sponsored member points will add to your weak leg as well, helping you to earn more cycles.

What if a Member wants to become an IBO?

The Member will be allowed to sign up with the IBO who initially enrolled them. The sponsor, as always, may choose to place their new IBO on either their left or right leg.

If my active number of Members/IBOs (Distributors) drops, do I move to a lower rank?

IBOs at the VIP Rank or higher are eligible to receive a maximum of two (2) grace period months per year, not consecutively, in which they may retain their current rank. If during a monthly pay period an IBO's active count lowers below the qualifications of their rank they will still receive commissions paid at that rank on the 15th of the following month. This grace period allows an IBO to fall below the requirements of their current rank during the month or even at month's end. However, the following month the IBO will need to re-achieve the requirements of their rank to maintain their status.

How much does Elite Cosmetique pay to its IBOs (Distributors)?

Elite Cosmetique's Compensation Plan is very generous and allows its representatives to create wealth by paying out up to 50% of the membership sales revenue taken in by the company.

Section 10 - Glossary

Active: To be considered active you must either be current with your monthly membership fee or have made at least one personal direct customer sale in the prior 30 days. Active status is required in order to receive commissions.

Active Count: Refers to the total Members/IBOs you have active in your organization.

Apprentice: See the definition of Qualified.

CosmoBucksSM: One way we reward you for building your business in which we reimburse you for getting services and procedures performed by Elite Cosmetique Providers. See page 4.

Direct Commission: Refers to the \$50 and \$100 commissions paid when an IBO sells either a Gold or Platinum Membership. See page 1.

Downline: Refers to your team of Members and IBOs (Distributors).

Independent Business Owner (IBO): Refers to Distributors/Enrollers of Elite Cosmetique Memberships.

Leg: Another word for team. A leg is one side of your organization. In a Binary you have two legs, a left and a right.

Monthly Membership Fee: Each of the two Elite Cosmetique products have an ongoing monthly membership fee associated with them. These membership fees support the infrastructure of the membership and pays monthly Residual Cycle Commissions.

Point: The value associated with a particular Elite Cosmetique product and counts for Team Cycle Commissions. Platinum Memberships count as 1 point and Gold Memberships ½ point for the Weekly Team Cycles. For the Monthly Residual Cycles, a Platinum Membership monthly fee counts for 2 points and a Gold for 1 point.

Qualified/Apprentice: In your first 60 days, sponsor at least one IBO on your left and right leg who buy(s) a membership and remain(s) active. After the 60 day mark, you will be required to have a total of six (6) personally sponsored active Members or IBOs (Distributors). Qualified is also referred to as Apprentice, the first rank in The Elite Plan.

Residual Cycle: Occurs when you are an active and qualified IBO and 3 points accumulate on your left leg and 3 on your right.

Residual Cycle Commission: Refers to the commissions generated from your Members paying their monthly membership fees. Residual Cycle Commission starts when you become a VIP in The Elite Plan and each one is worth \$20. See page 5.

Sponsor: The person who directly signed up a Member or IBO (Distributor). You may hear sponsor also referred to as Enroller.

Team Cycle: Occurs when you are an active and qualified IBO and 3 points accumulate on your left leg and 3 on your right.

Team Cycle Commission: The \$100 commission paid each time you earn a Team Cycle. See page 1.

Upline: Anyone above you in the Binary tree. This would include your sponsor as well as everyone above them.

Refer to Elite Cosmetique's Policies and Procedures Manual for further explanation of terms and guidelines applicable to Elite Cosmetique IBOs.

Elite Cosmetique may amend any part of the compensation plan from time to time as laws and business circumstances vary; however, notice of any amendment will be published by Elite Cosmetique on its website at least thirty (30) days before the change is made effective. It is the responsibility of all IBOs (Distributors) to regularly review the most recently published compensation plan, located at www.MyECLife.com or other company sources.

All references to income contained within this document, whether implied or stated, are for illustration purposes only. Elite Cosmetique does not guarantee any level of success or earnings to any IBO. The achievements and incomes obtained by any individual with Elite Cosmetique will depend on their skills, ability, work ethic, leadership, and various other qualities.