

## OVERVIEW

Max International, LLC (together with its affiliates, “Max” or the “Company”) is a direct selling company with operations in the U.S.A., Canada, Philippines, Singapore, Australia, New Zealand and Colombia. The Company markets its products through independent Associates who are looking to improve their financial security through the selling of science-based health and skin care products.

## COMPENSATION

Associates earn compensation in two ways:

- Purchasing products and services (“Products and Services”) from the Company at wholesale or reduced “loyalty” prices and reselling them at higher retail prices;
- Through commissions paid by the Company based on the purchase of Products and Services by individuals that are enrolled in the distributor’s network.

Associates may also purchase promotional materials that are not considered part of retail re-selling and do not generate commissions. Max International’s published retail prices are only suggested prices; Associates are free to set their own retail prices for customers. For this reason the Company cannot provide any estimates of average income from retail sales.

## COMMISSIONS

The table below is an Income Disclosure Statement (“IDS”) that shows the commissions paid under the Max Compensation Plan in 2011 to “Active Associates” in the U.S. by rank. The amounts in the IDS are indicative of commissions **only** and do not represent an Associate’s profit. An “Active Associate” is an Associate who has qualified to earn a primary or secondary bonus check and has enrolled another Associate, during the past six months. Please refer to the [Max Compensation Plan](#) for a detailed description of the Company’s commissions plan.

The Company paid approximately \$15.3 million in commissions and sales compensation in the U.S. in 2011.

The average monthly commission paid to Active Associates in the U.S. was \$140.50, or \$1,686.03 USD annually. These figures do not account for profit or expenses in which Associates have marked-up prices on retail transactions.

Active Associate Rank	Number of Associates at this Rank	Percent of Active Associates	Percent of all Associates	Average Monthly Commissions	Annualized Average Commissions
Associate	5,881	64.83%	7.66%	18.14	\$227.02
Senior Associate*	1,595	17.58%	2.08%	45.00	\$539.31
Bronze	819	9.03%	1.07%	128.52	\$1,607.27
Silver	507	5.59%	0.66%	324.16	\$4,085.00
Gold	193	2.13%	0.25%	806.44	\$10,161.03
Platinum	45	0.50%	0.06%	3,131.08	\$37,738.01

Diamond	24	0.26%	0.03%	7,933.08	\$94,746.31
Double Diamond	4	0.04%	0.01%	16,436.48	\$192,144.68
Triple Diamond	3	0.03%	<1%	32,603.73	\$388,674.95
Crown	0	N/A	N/A	N/A	N/A
Double Crown	1	0.01%	<1%	176,095.60	\$2,049,400.12
Triple Crown	0	N/A	N/A	N/A	N/A

\* The Senior Associate position will be removed in 2012

The earnings of the Active Associates in this chart are not necessarily representative of the income, if any, that an Associate can or will earn through his or her participation in the Max Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Any representation or guarantee of earnings would be misleading. **Success with the Company results only from successful sales efforts, which require hard work, diligence, and leadership. Your success will depend on how effectively you exercise these qualities.**

#### INCOME DISCLOSURE POLICY

Following our code of ethics, specifically openness and honesty, a copy of the IDS must be presented to all prospective Associates (someone who is not a party to a current Max International Distributor Agreement) any time the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms "income claim" and/or "earnings representation" (collectively "income claim") include: (1) statements of average earnings, (2) statements of actual earnings, (3) statements of non-average or non-actual earnings (projected earnings), (4) statements of earnings ranges, (5) income testimonials, (6) lifestyle claims, and (7) hypothetical claims.

In any non-public meeting (e.g., a home meeting, one-on-one, regardless of venue) with a prospective Associate or Associates where the Compensation Plan is discussed or any type of income claim is made, you must provide the prospect(s) with a copy of the IDS. In any meeting that is open to the public in which the Compensation Plan is discussed or any income claim is made, you must provide every prospective Associate with a copy of the IDS and/or display at least one 3 foot x 5 foot poster board in the front of the room in reasonably close proximity to the presenter(s).

Copies of the IDS may be printed or downloaded without charge from the corporate website at max.com