

# Income Disclosure Statement

**THE AVERAGE ANNUAL COMPENSATION PAID BY ADVOCARE TO ACTIVE DISTRIBUTORS IN 2016 WAS \$1,429.**

*The total number of Distributors who placed a product order and/or earned a check in 2016 was 570,289. An Active Distributor is anyone who earned a check from AdvoCare in 2016 (157,905 Distributors).*

People become AdvoCare Independent Distributors for a number of reasons including the opportunity to purchase products at a discounted price to consume themselves, to sell products directly to others and receive profits, or to build a business and coach a team of Distributors on how to sell products.

Distributors may earn compensation from AdvoCare on sales to registered retail customers and Preferred Customers who order through the AdvoCare website, as well as from downline Distributors ("Commissions"). Distributors at the Advisor level may earn additional 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 bonuses or incentives for their selling activities and the selling activities of their downline. For example, in 2016, 1,670 Distributors at the Advisor level earned a \$500 Rookie Bonus.

The Annual Income Ranges chart provides the compensation earned in 2016 by Distributors (Commissions, Overrides and Leadership Bonuses). Not included in these figures are the potential profits Distributors receive from selling products in person to retail customers, bonuses and incentives earned, or the expenses of engaging in or building an AdvoCare business.

## 2016 ANNUAL INCOME RANGES

RANGE	% OF ACTIVE DISTRIBUTORS	% OF ALL DISTRIBUTORS
\$0	-	72.31%
\$0.01 - \$50.00	32.36%	8.96%
\$50.01 - \$250.00	32.86%	9.10%
\$250.01 - \$500.00	13.17%	3.65%
\$500.01 - \$1,000.00	9.86%	2.73%
\$1,000.01 - \$2,500.00	6.72%	1.86%
\$2,500.01 - \$5,000.00	2.29%	0.63%
\$5,000.01 - \$7,500.00	0.81%	0.22%
\$7,500.01 - \$10,000.00	0.38%	0.10%
\$10,000.01 - \$15,000.00	0.43%	0.12%
\$15,000.01 - \$20,000.00	0.25%	0.07%
\$20,000.01 - \$30,000.00	0.25%	0.07%
\$30,000.01 - \$50,000.00	0.23%	0.06%
\$50,000.01 - \$75,000.00	0.11%	0.03%
\$75,000.01 - \$100,000.00	0.07%	0.02%
\$100,000.01 - \$150,000.00	0.07%	0.02%
\$150,000.01 - \$200,000.00	0.04%	0.01%
\$200,000.01 +	0.09%	0.03%

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 a 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 the Distributor base including the low cost to become a Distributor, a generous 100 percent buyback policy on product purchases upon resignation, Distributor, Preferred Customer, and Retail Customer product satisfaction guarantees and no minimum inventory purchase requirement.

These figures show compensation paid by AdvoCare and do not include profits earned or losses incurred in reselling products or other expenses incurred by Distributors while operating their businesses. Additionally, AdvoCare makes no guarantee of financial success and this Disclosure Statement does not provide any projections of actual earnings or profits. 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.