

STEP UP & TAKE STOCK!

Every time you STEP UP IN LEADERSHIP
Through our Star Levels from Now through December of this year...
You'll receive 1000 GeneLink Stock Options! **Yipee!**

WHO	QUALIFICATIONS	AWARDS
EXECUTIVE 4 STAR	<ul style="list-style-type: none"> • 25 Personally Enrolled Active Affiliates (2 ea. side) OR 5 personally enrolled 2 Stars • 600 PGV • 100,000 BV or more in Pursuit Team in Pay Period 	1,000 GeneLink Stock Options
4 STAR	<ul style="list-style-type: none"> • 20 Personally Enrolled Active Affiliates (2 ea. side) OR 4 personally enrolled 2 Stars • 600 PGV • 75,000 BV on Pursuit Team in Pay Period 	1,000 GeneLink Stock Options
EXECUTIVE 3 STAR	<ul style="list-style-type: none"> • 15 Personally Enrolled Active Affiliates (2 ea. side) OR 3 personally enrolled 2 Stars • 450 PGV • 40,000 BV on Pursuit Team in Pay Period 	1,000 GeneLink Stock Options
3 STAR	<ul style="list-style-type: none"> • 11 Personally Enrolled Active Affiliates (2 ea. side) OR 2 personally enrolled 2 Stars • 450 PGV • 25,000 BV on Pursuit Team in Pay Period 	1,000 GeneLink Stock Options
EXECUTIVE 2 STAR	<ul style="list-style-type: none"> • 8 Personally Enrolled Active Affiliates (2 ea. side) • 300 PGV • 10,000 BV or more in Pursuit Team in Pay Period 	1,000 GeneLink Stock Options
2 STAR	<ul style="list-style-type: none"> • 5 Personally Enrolled Active Affiliates (2 ea. side) • 300 PGV • 5000 BV on Pursuit Team in Pay Period 	1,000 GeneLink Stock Options
EXECUTIVE 1 STAR	<ul style="list-style-type: none"> • 4 Personally Enrolled Active Affiliates (2 ea. side) • 150 PGV • 2500 BV on Pursuit Team in Pay Period 	1,000 GeneLink Stock Options
1 STAR	<ul style="list-style-type: none"> • 4 Personally Enrolled Active Affiliates (2 ea. side) • 75 PGV • 1000 BV on Pursuit Team in Pay Period 	1,000 GeneLink Stock Options

What You Need To Know

How does this benefit me?

- Upon qualification you will be issued a stock option for 1000 shares of GeneLink common stock.

What is this stock option?

- The right to buy 1000 shares of GeneLink stock at a fixed price.
 - ▶ Your fixed price depends on the market price of the stock when you earned the option.
 - ▶ As the price of GeneLink's stock rises, the value of your option rises.

For more information, see the FAQ's in your Back Office.

TERMS YOU NEED TO KNOW:

PGV = Personal Group Volume: Accumulation of your BV on your personal purchases PLUS the purchases of your personally enrolled Customers
BV = Business Volume

Qualifications: "1st Time" Title Qualification

Existing Affiliate Starting Rank – for purposes of this program, your average Pursuit Team Volume the last 6 pay periods will determine your starting rank.

Q&A's Regarding the “Step Up & Take Stock” Leadership Development Program

Please note that this preliminary list of Q&A's will be further developed as more questions are received. You can refer to the FAQ's in your Back Office for additional information. The FAQ's will be updated as needed for complete clarification.

What is a stock option?

- A stock option is the right to buy stock in our parent company, GeneLink, Inc., at a fixed price, regardless of the market price at the time you exercise the option.

Why offer stock options?

- We want you to win, not only as you grow your business, but as the company grows as well. The more each grows, the more all grow. And the more all benefit.

What is “Vesting”?

- Vesting exists in most stock option plans as an incentive to continue with the company. The “vesting period” is the time that must pass before you can exercise your options. These options can be exercised one year after you earn them, but not before.

Are there any other conditions to meet before I can exercise my options.

- You must still be an active affiliate at the time of exercising the option. If you are no longer active, you forfeit your option.

What do I have to do to earn the 1000 options?

- Earning a new rank for the first time qualifies you for recognition. So a One-Star affiliate who moves to a 1 Star Executive for the first time will receive an option for 1000 shares. When they move from 1 Star Executive to 2 Star, they will receive another option for 1000 shares. Keep moving up and keep earning options for up to 8000 shares.

What is the option grant date?

- The options will be granted throughout the year as you earn a new rank for the first time. The specific grant date will be the commission payment date for the pay period in which your new rank was earned.
 - Example: Jenny Jeanwise achieves a 2 Star rank for the first time during the first pay period of June. The pay date for commission for the June Mid-Month commission is June 25th. Her Option would have a grant date of June 25th.

What are the tax implications to me?

- There are no tax consequences when the option is granted.
- When the option is exercised, i.e. you choose to buy the stock at the discounted price, you will have to recognize income on the difference between the fair market value of the stock and the price you paid
 - Example: Jenny had an option for 1000 shares at \$.15 per share. She exercises her option (i.e. pays \$150 for her shares) when the stock price is at \$1.00. Jenny will have to recognize \$850 of income (1000 shares x \$1.00 minus \$.15)
- Additionally, you may have capital gains to recognize when you sell your stock.
- Please see your own tax advisor for the best advice given your personal situation.

How do I convert the options to actual stock?

- If the options have vested and you want to buy the shares, please contact the GeneWize finance office. You will have to complete a redemption form and provide a check for the option value, unless you choose to do a 'cashless' exercise.

What is a 'cashless exercise'?

- Cashless exercise allows you to receive fewer shares by, in essence, having some shares pay for the other shares. The number of shares you receive depends on the market price of the shares when exercised. Your option document contains the formula for cashless exercise.

Why are my options a different price than someone else's?

- In order to avoid immediate tax implications to affiliates, the options are priced at the market price of the day they are granted. So, depending on the stock market, your shares may be priced differently than someone else's that were granted on a different date. All options earned for the same period will be priced the same.

What will I receive when I earn the option?

- Each time you achieve a new higher rank and earn your option, you will receive a certificate of recognition, a new formal option agreement outlining the price, terms and exercise provisions of your option. Although you earn the option immediately upon the commission date, your option documents will take an additional week for processing. So don't expect them to arrive at the same time as your commission check.

What is the 'exercise date'?

- The exercise date is the deadline by which the option must be exercised. In the case of these options, they must be exercised within three years of the grant date or they become void.