

TruConnect Direct's Compensation Plan

By enrolling as a TruConnect Direct Independent Agent (hereinafter "TCDIA") and/or continuing to signup Lifeline subscribers as a TCDIA, the following compensation plan represents all potential compensation opportunities as of May 1, 2017. No other compensation obligation exists between TruConnect Direct and its TCDIAs. TruConnect Direct reserves the right to amend the Compensation Plan at any time by updating the plan on the TCDZone website or other communications to the TCDIAs.

Compensation for Lifeline Products and Services

TCDIA will receive compensation for marketing and selling TruConnect Lifeline in California ("CA") and states other than CA ("Non-CA States") to eligible customers as approved in accordance with the state and federal government standards.

A TCDIA is entitled to receive the following types of commission: One-time Enrollment Commission, Monthly Residual Commission, Additional Top-Up Commission, and Promotion Commissions.

One-time Enrollment Commission

A TCDIA is eligible to receive this commission for TCDIA's own enrollments.

In CA, if a TCDIA successfully enrolls a subscriber and provides a TruConnect subsidized handset, the TCDIA will receive \$9 (whether the TCDIA personally provides the handset on-site or TruConnect directly mails one to the subscriber ("Dropships")). If the TCDIA provides only a SIM card (or the subscriber brings her/his own handset) for an enrollment, the TCDIA will receive \$15.

In Non-CA States, if a TCDIA successfully enrolls a subscriber and provides only a SIM card (i.e. the subscriber brings her/his own handset) for an enrollment, the TCDIA will receive \$8.

<u>Product</u>	<u>CA</u>	<u>Non-CA States</u>
Phone (on-site or dropship)	\$9.00	N/A
SIM Only/BYOD	\$15.00	\$8.00

The One-time Enrollment Commission is earned only upon the confirmation that the enrollment application is approved by the applicable federal/state administrator and by the company's internal compliance review team. This commission is payable on the Friday following the close of each weekly activity period, which occurs on Sunday at 11:59 PM.

Monthly Residual Commission

The TCDIA who enrolls a Lifeline subscriber is qualified to receive residuals monthly when the subscriber is active on the TruConnect network at 11:59PM on the last day of the applicable month. TCDIA can also receive this type of compensation for customers enrolled by her/his downline agents. A TCDIA can be eligible for a Monthly Residual Commission payment in accordance with the following schedule:

	Eligibility Based on TCDIA's Own Active Customers (CA and Non-CA States)	Monthly Residual Commission Per Active CA Customers	Monthly Residual Commission Per Active Non-CA States Customers	Additional Top Up Commission
My Own Active Customers	5	\$0.50	\$0.25	5%
Level 1 Downline Customers	10	\$0.25	\$0.10	N/A
Level 2 Downline Customers	20	\$0.30	\$0.15	N/A
Level 3 Downline Customers	30	\$0.40	\$0.20	N/A
Level 4 Downline Customers	40	\$0.50	\$0.25	N/A
Level 5 Downline Customers	50	\$0.60	\$0.30	N/A
Level 6 Downline Customers	60	\$0.75	\$0.35	N/A
Level 7 Downline Customers	100	\$1.00	\$0.40	N/A

For example, on the last day of April 2017, TCDIA Tommi has 20 of his own active CA customers, and has four (4) levels of TCDIAs below him. For April 2017, Tommi will receive residuals for each of his and his eligible downlines' active customers to be paid at either the CA or Non-CA State residual amount. Tommi will receive \$.50 for each of his own CA active customers, \$.25 for each CA active customer or \$.10 for each Non-CA State active customer enrolled by Tommi's downline at Level 1, and \$.30 for each CA active customer or \$.15 for each Non-CA State active customer enrolled by Tommi's downline at Level 2. Tommi will not receive Monthly Residual Commissions for active customers enrolled by his downline at Levels 3 and 4 as he does not have a sufficient number of his own active customers to be eligible those residual Levels. If and when Tommi has 40 of his own active customers, Tommi will be eligible to be paid for each active customer enrolled by his downline at Level 3 and Level 4 at the CA or Non-CA States Monthly Residual Commissions for so long as he maintains the minimum number of active customers at each level.

The Monthly Residual Commission is payable on the 2nd Friday following the close of each monthly activity period, which occurs on the last calendar day of each month, at 11:59PM. Starting for the July 2017, the Monthly Residual Commission, which is calculated at 11:59PM on the last day of each month, will be payable on the last Friday of the following month. For clarification, the July Monthly Residual Commission will be payable on the last Friday in August (i.e. Friday, August 25, 2017).

Additional Top-Up Commission

When a TCDIA's own customer/subscriber adds additional talk, text, data, or international service beyond the Lifeline service (i.e. top-up), the TCDIA will receive 5% of the retail top-up price paid by the consumer for that month as indicated in the above table.

The Additional Top-Up Commission is payable the same as the Monthly Residual Commission payment schedule.

TruConnect Direct Promotions

As a TCDIA, your goal is to build an organization made up of TCDIA's own active customers and downline TCDIAs who also have their own active customers ("Organization") down through 7 levels.

Beginning May 1, 2017, TCDIAs can qualify for 2 Status Promotion Levels: Senior Agent (SA) and Team Leader (TL). These promotions make a TCDIA eligible to earn additional compensation that goes beyond the standard 7 levels. A promoted TCDIA can potentially receive compensation for her/his work for unlimited levels so long as TCDIA remains eligible to receive such compensation.

Status Promotion Qualification

To qualify to be promoted to a **Senior Agent**, a TCDIA must have the following:

- **Gather 100 Personal Active Customers, and**
- **Have 1,000 Active Customers in her/his Organization (Levels 0-7)**

To qualify to be promoted to a **Team Leader**, a TCDIA must have the following:

- **Must satisfy the SA requirements,**
- **Have been promoted to an SA, and**
- **Develop 2 SAs each in separate legs within her/his TCDIA's Organization (Levels 0-7)**

Once a TCDIA receives the promotion to her/his status, the TCDIA maintains the SA or TL status and will remain qualified to receive additional compensation as an SA and/or TL. In order to be eligible for the Promotion Compensation please see below criteria.

Promotion Compensation Eligibility:

The following are the requirements to receive the SA monthly residual compensation ("SA Commission") and/or TL monthly residual compensation ("TL Commission") (collectively, "Promotion Commission"):

To be eligible to receive the SA Commission, an SA TCDIA must have the following:

- **Maintain 100 Personal Active Customers, and**
- **Have 1,000 Active Customers in her/his Organization (Levels 0-7)**

To be eligible to receive the TL Commission, a TL TCDIA must have the following:

- **Satisfy the SA requirements,**
- **Have been promoted to an SA, and**
- **Develop 2 SAs, both who are eligible to receive the SA Commission, each in a separate leg within her/his TCDIA's Organization (Levels 0-7)**

If an SA or TL TCDIA falls short of the eligibility requirements in any given month, the TCDIA has until the following second residual calculation to requalify for the Promotion Commission ("Grace Period") (i.e. a 2-month grace period to become eligible again to receive the Promotion Commission). If after the Grace Period, the TCDIA is unable to satisfy the eligibility requirements, the TCDIA will not receive the respective Promotion Commission until the TCDIA satisfies the eligibility requirements. Any missed Promotion Commission will not be paid back.

Once promoted to the SA status, the TCDIA can receive, if eligible, the SA Commission and/or the TL Commission based on *when* the new active customers enrolled as follows: 1) if the new customers enroll for Lifeline when the TCDIA is an SA, the TCDIA will receive the SA Commission for those new customers in her/his SA Organization provided that they are not part of another TCDIA SA's or TL Organization or 2) if the TCDIA is promoted to TL, the TCDIA will receive the SA and TL Commission for those new customers in her/his SA Organization and TL Organization, respectively,

provided that they are not part of another TCDIA SA's or TL's Organization. In no event shall more than one TCDIA receive a Promotion Commission on the same customers.

Eligibility Type	Monthly Promotion Commission Compensation per My Own Active Customer(s) and/or My Downline's Active Customer(s)
Senior Agent	\$.15*
Team Leader	\$.10*

* Only payable to TCD Agent if eligible to receive Promotion Commission as described above.

For example, at 11:59 PM on May 31, 2017 (i.e. the Residual Calculation Date for May), TCDIA Tommi has 100 of his own active customers and 1,000 customers in his Organization. Tommi qualifies as an SA and meets the eligibility requirements to receive the SA Commission for customers in his SA Organization. If on the following month at 11:59 PM on the last day of June (i.e. the Residual Calculation Date for June) Tommi falls below the SA eligibility requirement, he has the Grace Period to meet the eligibility requirements by the following second residual calculation (i.e. last day of August). If Tommi fails to meet the requirements within the Grace Period, he is no longer eligible to receive the SA Commission until he becomes eligible by meeting the requirements in the future. Any missed Promotion Commission will not be paid out. However, Tommi will maintain his status as an SA.

On August 31, 2017, TCDIA Tommi has 100 of his own active customers, 1,000 customers in his Organization, and two (2) SAs in each leg in his 7 level Organization. Tommi qualifies as a TL and meets eligibility requirements to receive the SA Commission for his own active customers and downline customers in his SA Organization and the SA and TL Commission for his own active customers and downline's active customers in his SA and TL Organization, respectively. Within his SA Organization to unlimited levels, Tommi will receive the SA Commission of \$0.15 for each of his and his eligible downlines' active customers who have been acquired while Tommi was an SA and that are not part of another TCDIA SA's or TL Organization. Within his TL Organization to unlimited levels, Tommi will receive an TL Commission of \$0.25 for each of his and his eligible downlines' active customers who have been acquired while Tommi was a TL and that are not part of another TCDIA SA or TL Organization. On the last day of August (i.e. the Residual Calculation Date for August), if Tommi falls below the eligibility requirement as an SA and/or TL the he has the Grace Period to become eligible or he will no longer receive the Promotion Commissions until he again satisfies the eligibility requirements. However, Tommi will maintain his status as a TL.