

5LINX 2023

Benefits of Equity Long-Term Incentive Plan (LTIP)

Executive Summary

Effective January 1, 2023

STRICTLY CONFIDENTIAL

Executive Summary – The Benefits of Equity without the Capital Investment or Risk

5LINX Holdings, Inc., (5LINX or the Company) has adopted the 5LINX 2023 Long-Term Incentive Plan (the “Plan”). The Plan provides an opportunity for the Company to reinforce and reward key Independent Marketing Representatives (“IMRs”) and Corporate Management (“Management”) for their dedication and performance which creates long-term value for the Company.

Along with a competitive, dynamic, and comprehensive compensation plan and other benefits, the Plan rewards our IMRs and Management (hereinafter the “Participants”) for their dedication and allows them to share in the success they help build over a multi-year period.

In addition to motivating/rewarding strategic leadership behavior, the Plan will encourage Participants to stay with the Company over the long-term and will potentially facilitate a mutually beneficial monetization event (the “Monetization Event(s)”).

Eligible Participants will receive grants of Benefits of Equity Share (“BoE Share”) Awards (“Awards”) at the Company’s discretion.

BoE Shares will participate in a Distribution Pool, as defined in the Plan. The Distribution Pool will be capped at a maximum of 50% of the net proceeds of any Monetization Event. The Distribution Pool will be divided by the total number of outstanding BoE Shares, both vested and unvested, to determine the per unit value of each BoE Share.

Not only does the Plan allow Participants the benefits of equity ownership without the capital investment or risk, **but it also represents the ultimate incentive and a massive innovation in the Network Marketing Industry!** Your ongoing success will entitle you to be awarded additional grants of BoE Share Awards that will qualify you for an even greater stake when you participate in all of the Company’s future Monetization Events with the Company’s Equity Shareholders. Once again, for the first time in Network Marketing history, you have an opportunity to enjoy the benefits of equity ownership without the capital investment or risk.

Each BoE Share Award will be subject to vesting provisions that may include time/service periods and/or production/performance requirements (i.e., vesting amounts tied to an IMR’s Qualified Earned Position and/or production, etc.). Additionally, BoE Share Awards will be issued to IMRs for merit-based achievements over time and at the Company’s discretion, including but not limited to when an IMR promotes to a higher Qualified Earned Position for the first time, or for maintaining a qualified Qualified Earned Position for 10 of 12 months per calendar year. To the extent the respective IMR has satisfied the applicable vesting requirements, he/she will be vested and eligible to participate in Monetization Events as set forth above and as defined in the Plan document.

If the Monetization Event, as defined in the Plan, does NOT constitute a change in control (for example, a distribution of profits to the Equity Shareholders), the outstanding BoE Shares will continue to be outstanding, unvested BoE Shares will continue to vest, and vested BoE Shares will participate in any future Monetization Event if they remain outstanding.

If the Monetization Event constitutes a change in control (that is, a sale of 51% or more of the voting shares of the Company), all Participants with vested BoE Shares will participate in that

Monetization Event. Each Participant will receive compensation equal to the value of their vested BoE Shares, and the Plan will expire/terminate.

Awards will payout when there is a Monetization Event and be settled in both form and timing based on the terms of the Monetization Event (that is, like those realized by the Company/Equity Shareholders/Owners). Participants will also take part in future Shareholder distributions in a manner similar to Distribution Pool participation, as set forth above if/as provided in the BoE Share Award Agreement.

This summary is subject to the actual terms and conditions of the Plan document and particular Award agreements issued pursuant thereto.

The following examples demonstrate how the Benefits of Equity Plan provides the ultimate opportunity for success and wealth for all IMRs if the Company experiences its desired growth and achieves specific targeted Monetization Events.

By Way of Example #1 – 5LINX elects to distribute \$250,000 in profits to its Equity Shareholders

At the time of this Monetization Event:

- Up to \$125,000 will go into a Distribution Pool for distribution to Plan Participants (Each Distribution Pool will be capped at a maximum of 50% of the net proceeds of any Monetization Event resulting from a profit distribution).
- Total of 20,000 BoE Shares have been granted
- Participant had been granted 1,500 BoE Shares
- Participant's BoE Shares are 75% vested
- Participant holds the equivalent of 1,125 fully vested BoE Shares
- Value of each BoE Share: \$6.25 (\$125,000 Distribution Pool divided by 20,000 outstanding BoE Shares)

Participant's pro-rata share of the Profit Dividend: \$7,031 (the equivalent of 1,125 fully vested BoE Shares times \$6.25)

By Way of Example #2 - 5LINX is acquired or its operating assets are sold for \$200,000,000 in cash

At the time of this Monetization Event:

- Up to \$100,000,000 will go into the Distribution Pool for distribution to Plan Participants (The Distribution Pool is capped at a maximum of 50% of the net proceeds of any Monetization Event).
- Total of 50,000 BoE Shares have been granted
- Participant had been granted 3,000 BoE Shares
- Participant's BoE Shares are 100% vested
- Value of each BoE Share: \$2,000 (\$100,000,000 Distribution Pool divided by 50,000 outstanding BoE Shares)

Participant's vested BoE Shares: \$6,000,000 (3,000 BoE Shares times \$2,000)

By Way of Example #3 - 5LINX is acquired or its operating assets are sold for \$200,000,000 value of stock in another company, 5LINX would distribute the shares in the same manner as outlined for the distribution of cash using the cash equivalent of the stock.

At the time of this Monetization Event:

- Each share of the Acquirer is valued at \$1.00
- 100,000,000 shares of the Acquirer's stock go into the Distribution Pool for distribution to Plan Participants (The Distribution Pool is capped at a maximum of 50% of the net proceeds of any Monetization Event).
- Total of 50,000 BoE Shares have been granted
- Participant had been granted 3,000 BoE Shares
- Participant's BoE Shares are 100% vested
- Value of each BoE Share: \$2,000, to be received in shares of the Acquirer's stock (100,000,000 shares in Distribution Pool divided by 50,000 outstanding BoE Shares)

Participant's vested BoE Shares: Shares of the Acquirer's stock valued at \$6,000,000 (3,000 BoE Shares times \$2,000)

Frequently Asked Questions (FAQs):

What is the Benefits of Equity (BoE) program in one sentence? The BoE program is a win-win incentive plan that awards up to HALF of the Company's profits directly to its IMRs, above and beyond the income earned through its lucrative compensation plan.

What is a Monetization Event? There are potentially 2 types of Monetization Events. The first type is triggered when the Company distributes profits to its' Shareholders/Owners. Profit distributions to Shareholders/Owners are common within profitable private and public companies, and typically happen as often as annually.

The second type of Monetization Event occurs when some or all the shares and/or operating assets of the Company are sold (for cash and/or stock) and the proceeds from the sale are distributed to Shareholders/Owners of the Company.

What is the difference between Benefits of Equity (BoE) Shares and profit-sharing plans (i.e., 401k Plans)? Typical profit-sharing plans contribute earnings to a 401k plan which cannot be accessed without penalty until retirement. With Benefits of Equity Shares, when there's a Monetization Event, the proceeds will be distributed to Participants in a timely manner and with no limitations or restrictions, allowing the Participants the flexibility to use or invest their proceeds as they deem fit.

What is the difference between Benefits of Equity (BoE) Shares and Stock Option plans? Stock Options provide the opportunity to purchase stock from a Company at a later date, at a set price. Stock Option Plans are not stock, and they do not provide any of the benefits of owning equity in a company until the stock options are exercised and the shares are purchased with cash. There's no guarantee that the value of the stock under the option will go up, or that the Stock Option may ever result in a profit. With a Stock Option, you are not eligible to participate in any income distributions until after you exercise and purchase the stock with cash. To exercise a Stock Option, you will come out-of-pocket to purchase the stock at the set price and that money would be at risk.

By contrast, your BoE Shares are awarded to you for your hard work and continued success. Your BoE Share Awards do not require you to come out-of-pocket nor will you be required to make any additional investment! There's absolutely NO risk, but as your BoE Shares vest, you'll be eligible to participate in all future Monetization Events of the Company.

How will I earn BoE Shares? BoE Shares can be earned by ALL IMRs and are awarded primarily as a function of three (3) factors: Productivity, Qualified Earned Position, and Tenure. In addition, other merit-based awards are anticipated. In other words, you will be rewarded in direct proportion to your contributions to your own success and the success of the Company.

WHY is this program being offered? It's simple. We'd rather have 50% of a giant pie, than 100% of a small pie. That's why we want to be true partners with you. ***When the Company wins, YOU WIN!***