

2016 INCOME DISCLOSURE STATEMENT

WHO WE ARE

Rodan + Fields (“R+F”) is redefining the future of skincare. Dr. Katie Rodan and Dr. Kathy Fields, world-renowned dermatologists, founded R+F in 2002 as a department store brand. Today, we are a premium skincare brand built on a legacy of innovative dermatology-inspired products. We believe our products and programs empower women and men of all ages and backgrounds to make a meaningful difference in their lives and the lives of others by changing the look of their skin and offering them the potential to earn income on their own terms. Consistent with R+F’s passion to help people create life-changing opportunities, we give back through our Prescription for Change® (PFC) Foundation, which provides youths with life-changing empowerment programs.

OUR PROGRAM

Our Consultants are independent contractors who have developed business management skills, cultivated relationships within the R+F community, and challenged themselves to become comfortable in front of audiences. Many earn fun money and income for discretionary purchases, some even earn more. A Consultant can join for a purchase of as little as a \$45 Business Portfolio.* Consultants are eligible to purchase products at reduced prices, create their own schedule, and have the potential to earn retail profit and monthly commissions.

The R+F Compensation Plan is based on product sales. You cannot earn income from sponsoring or recruiting team members. Over the course of 2016, R+F had 286,709 enrolled Consultants; 161,361 were Paid Consultants (56%) who received payment in at least one month for sales that occurred during 2016; and 125,348 were Consultants (44%) who received the benefit of discounted prices, but did not earn any compensation from R+F.

Of the Paid Consultants in 2016, approximately:

- Top 1% were paid more than \$28,156/annually
- Top 10% were paid more than \$4,841/annually
- Top 50% were paid more than \$647/annually

EARNINGS

The income statistics shown below include retail profit and commissions earned by Consultants under the R+F Compensation Plan. In addition, there is potential to earn bonuses and incentives in recognition of performance. These statistics do not include expenses that may be incurred by Consultants. As a Consultant, you always earn retail profits on the sales you make. To be eligible for commissions on products, you must have monthly sales to retail customers and/or personal purchases of roughly \$100 worth of product [measured in Volume**]. To receive greater commissions and maintain your status your direct Customers must purchase and/or your direct Consultants must sell 600 in Volume ** of products each month. For more information regarding the compensation plan, see the Rodan + Fields Compensation Plan or contact Sales Support at 1 (415) 273-8000.

Independent Consultants’ business results vary significantly, and no income is promised or guaranteed. Earnings depend on a number of factors, including leadership, business experience, expertise, quality and depth of your network, and individual effort. Potential Consultants are urged to perform their own due diligence prior to making any decision to participate. Please review the [R+F Policies & Procedures](#) before deciding whether to enroll.

| Total Annual Payments Tier | Average Annual 2016 Income by Tier | Median Annual 2016 Income by Tier | % of Paid Consultants |
|----------------------------|------------------------------------|-----------------------------------|-----------------------|
| Over \$500,000 | \$1,244,441 | \$980,186 | 0.04% |
| \$250,000 to \$500,000 | \$345,565 | \$337,757 | 0.07% |
| \$100,000 to \$250,000 | \$147,581 | \$136,344 | 0.17% |
| \$50,000 to \$100,000 | \$70,105 | \$67,733 | 0.24% |
| \$25,000 to \$50,000 | \$34,116 | \$32,652 | 0.61% |
| \$10,000 to \$25,000 | \$14,845 | \$13,730 | 2.71% |
| \$5,000 to \$10,000 | \$6,912 | \$6,657 | 5.73% |
| \$1,000 to \$5,000 | \$2,304 | \$2,016 | 30.37% |
| Under \$1,000 | \$334 | \$251 | 60.04% |

* Except for residents of North Dakota, where the purchase of a Business Portfolio is optional.

**Volume is determined by the Consultant price of products, and sometimes, but not always, is the same as the Consultant price.

RETURNS

All products come with a 60-day empty bottle money back Satisfaction Guarantee – even if some of the product has been consumed. After 60 days and for up to one year from when you make your purchase, you may return any unsold product in resalable condition and/or Business Building Kit for a 100% refund of the purchase price (not including shipping costs) if the business does not work out for you and you terminate your Consultant account.***

*** Residents of Maryland, Wyoming, Massachusetts, and Puerto Rico can receive refunds on the Business Portfolio purchase even after one year.