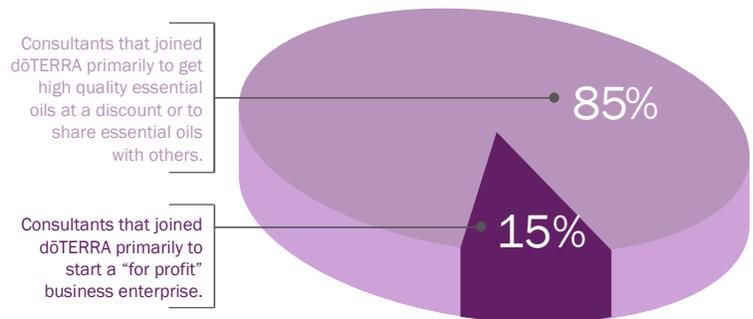


During dōTERRA's sixth year of operation in 2014, the company commissioned a national research study by a reputable third party organization. The study highlighted various aspects of the growth opportunity of dōTERRA in the coming years in the United States. Key takeaways from this study include the following:

- 73 percent of the general population looks to natural products to improve their health.
- 51 percent of the general population has used essential oils.
- Of the general population, only 13 percent are familiar with dōTERRA essential oils.
- The most popular method to find out which natural product to use and how to use those products continues to be from the recommendation of a friend. This method is 50% more common than referring to an advertisement.

Because of the tremendous potential for the continued growth of dōTERRA, and because word of mouth or personal referral is the most common method of people learning about essential oils, dōTERRA is very committed to direct selling as the vehicle by which its CPTG® essential oils are marketed. Direct selling is generally defined as the selling of goods away from a fixed retail location and includes personal involvement by someone experienced in the use of the goods being sold.

dōTERRA is an essential oils company that markets through direct selling. The above referenced study also explored dōTERRA's direct selling channel and revealed that 85 percent of the people that joined dōTERRA as a consultant did so primarily to get high quality essential oils at a discount or to share essential oils with others. Only 15 percent of consultants joined primarily to start a "for profit" business enterprise.



Therefore, the vast majority of the more than one million dōTERRA Wellness Advocates are primarily focused on getting access to high quality essential oils and other products offered by dōTERRA at the most reasonable price possible. dōTERRA supports this desire by having a very generous Loyalty Rewards Program that has extremely high participation rates and a near 100 percent point redemption rate by loyal consumers. Additionally, dōTERRA offers regular promotions and other opportunities for Wellness Advocates to purchase products at a discount. The above referenced study of Wellness Advocates showed that after the quality of the company's essential oils, the next three things respondents believe the company does best include: being a values-based organization, providing great customer support, and offering a compelling compensation plan.

Supporting this extremely high focus on products, the dōTERRA compensation plan provides a robust earnings opportunity for all Wellness Advocates. While more than 85% of all Wellness Advocates join dōTERRA to focus primarily on the ability to buy high quality oils at a discount, they can and do earn commissions for their efforts based on the sales of product within their organization. During 2014, the company paid a commission check to approximately 158,000 people throughout the world. The majority of those Wellness Advocates earned enough to pay for a portion or all of their own product purchases each month.

Specifically, entry level Wellness Advocates classified by the ranks of Consultant, Manager, Director and Executive earn up to \$1,600 annually in commissions. At the mid-level ranks of Elite and Premier, Wellness Advocates learn about participating in doTERRA as a business and are almost always doing the business on a part-time basis. Average annual earnings for these ranks range from \$3,900 to \$9,700 per year.

The highest levels in the commission plan are the leadership ranks and the 2014 average annual earnings for these ranks are shown in the following chart. This chart shows the rank, the average annual earnings of Wellness Advocates paid at that rank during 2014, and the percent of people within the leadership rank who were paid at that specific rank in the United States:

Rank	Average Annual Earnings	Percent of Leaders
Silver	\$25,500	63%
Gold	\$56,000	21%
Platinum	\$105,000	5%
Diamond	\$193,000	8%
Blue Diamond	\$438,000	2%
Presidential Diamond	\$1,282,000	1%

dōTERRA experienced tremendous growth during 2014 in large part due to an increase in the number of people achieving leadership ranks globally. During the year, the company recognized several thousand new Wellness Advocates that achieved leadership ranks with details as follows:

Rank	Number of First Time Rank Achievement in 2014
Silver	1,772
Gold	668
Platinum	197
Diamond	159
Blue Diamond	60
Presidential Diamond	15

The dōTERRA business opportunity is robust and growing. While the vast majority of Wellness Advocates are focused on the use of essential oils for the benefit of their family and friends, for those Wellness Advocates that desire to focus on developing a “for profit” business by working full time and achieving the leadership ranks, there is a significant earnings opportunity as noted above. Of course, each Wellness Advocate’s results will depend on the time and effort they put into building their own dōTERRA business.