

dōTERRA 2016 Opportunity and Earnings Disclosure Summary

A 2016 U.S. based research study by an internationally recognized research firm highlighted various aspects of the growth opportunity of dōTERRA® in the coming years. Key takeaways from this study include the following:



- **65%** of the general population looks to natural products to improve their health.



- **66%** of the general population has never used essential oils. More than 50% of those that have not tried essential oils expressed interest in trying them.



- **18%** of the general population are familiar with dōTERRA essential oils.



- **55%** of people 18-39 years old currently use natural products, pointing to the growth in popularity of natural solutions.



- The most popular methods people use to learn about natural products continue to be recommendations from family, friends, and professionals, and online research.



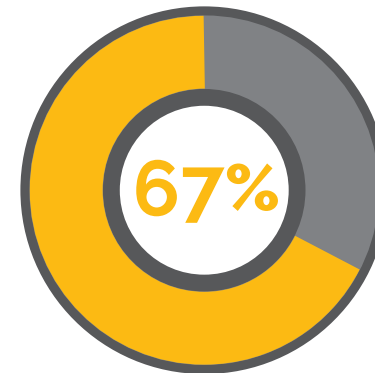
- dōTERRA ranks higher than any other company for the three most important attributes consumers consider for essential oils: effectiveness, purity, and therapeutic grade quality.

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 Certified Pure Therapeutic Grade® 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.

The vast majority of the more than three million dōTERRA members around the world are primarily focused on getting access to high quality essential oils and other products at the most reasonable price possible. dōTERRA supports this desire by offering a Wholesale Customer account and having a very generous Loyalty Rewards Program. The rewards program has extremely high participation rates and a near 100 percent point redemption rate by loyal consumers. In 2016, dōTERRA awarded more than \$230 million (retail value) of products to consumers through its Loyalty Rewards Program. A study of dōTERRA members 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 for Wellness Advocates.

During 2016, dōTERRA made it easier for people wanting to purchase products at the lowest possible price to join dōTERRA as a Wholesale Customer rather than as a

Wellness Advocate. Wholesale Customers enjoy, along with Wellness Advocates, the lowest possible prices and access to the company's Loyalty Rewards Program. Wholesale Customers are unable to recruit others or participate in the company's compensation plan. Since launching this program, 67 percent of all new dōTERRA members join as a Wholesale Customer.



67 percent of all new dōTERRA members join as Wholesale Customers. This provides an incredibly stable customer base.

As mentioned, the dōTERRA compensation plan provides a robust earnings opportunity for all Wellness Advocates. Wellness Advocates may sign up others as Wholesale Customers or Wellness Advocates. They earn commissions based on the sales of product within their organizations and to their retail customers. During 2016, the company paid commissions to approximately 259,000 Wellness Advocates in the United States. This is approximately 25 percent of all U.S. based dōTERRA members that made a purchase from the company during the year. The majority of those Wellness Advocates earned enough to pay for a significant portion, if not all, of their own purchases each month.

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Wellness Advocates

Entry-level Wellness Advocates with the rank of Consultant, Manager, Director, and Executive earn from \$350 to \$1,370 annually in commissions and account for 17 percent of all dōTERRA members. At the mid-level ranks of Elite and Premier (4 percent of all dōTERRA members), Wellness Advocates learn about participating in dōTERRA as a business and are almost always building a business on a part-time basis. Average annual earnings for these ranks range from \$3,650 to \$8,900 per year.

The highest levels in the commission plan are the leadership ranks (approximately 0.5 percent of all dōTERRA members). The 2016 average annual earnings for these ranks are shown in the following chart. Within these ranks are some dōTERRA members that conduct business on a full-time basis. This chart shows the rank, the average annual earnings of Wellness Advocates paid at that rank during 2016, and the percent of people within these leadership ranks who were paid at that specific rank in the United States.

Rank	Average Annual Earnings	Percent of Leaders
SILVER	\$26,370	62%
GOLD	\$57,370	23%
PLATINUM	\$112,700	5%
DIAMOND	\$200,800	7%
BLUE DIAMOND	\$453,100	2%
PRESIDENTIAL DIAMOND	\$1,321,000	<1%

Leadership

dōTERRA's leadership team is robust and includes thousands of individuals who are committed Wellness Advocates managing large customer organizations through training, education, and support. Many of these leaders are building dōTERRA sales organizations to supplement their household income. A smaller number of these leaders work on a full-time basis, with dōTERRA providing their main source of household income. During 2016, the company paid 49,140 people at the ranks listed (each person is only counted at their highest rank achieved during 2016). More than 95 percent of these Wellness Advocates stay with dōTERRA year after year.

ELITE	33,881
PREMIER	8,032
SILVER	4,697
GOLD	1,453
PLATINUM	418
DIAMOND	469
BLUE DIAMOND	145
PRESIDENTIAL DIAMOND	45
TOTAL	49,140

The dōTERRA business opportunity continues to grow. While the vast majority of dōTERRA customers are focused on the use of essential oils for the benefit of their family and friends, Wellness Advocates have an opportunity to earn an income, and in some cases a significant income, with dōTERRA. Of course, each Wellness Advocate's actual earnings will depend on many factors including the time and effort they put into building their own dōTERRA business.