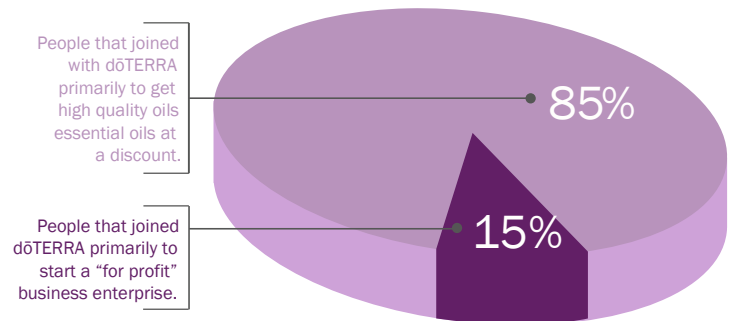


A 2014 U.S. based research study by a reputable third party organization highlighted various aspects of the growth opportunity of dōTERRA in the coming years. Key takeaways from this study include the following:

- 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 did so primarily to get high quality essential oils at a discount for themselves and their family. Only 15 percent joined primarily to start a "for profit" business enterprise.



Therefore, the vast majority of the approximately two million dōTERRA members around the world 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 members to purchase products at a discount. The above referenced 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.

Supporting this extremely high focus on products, the dōTERRA compensation plan provides a robust earnings opportunity for all Wellness Advocates. Wellness Advocates are dōTERRA members that have enrolled to receive the deepest product discounts. While more than 85% of all dōTERRA members join 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 2015, the company paid commissions to approximately 225,000 Wellness Advocates in the United States which is approx. 20% 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 portion or all of their own product purchases each month.

Specifically, 12% of dōTERRA members do not become Wellness Advocates and cannot earn commissions. Wellness Advocates classified by the rank of Consultant account for 74% of all dōTERRA members and don't generally enroll other members or earn commissions. Entry-level Wellness Advocates with the rank of Manager, Director and Executive earn up to \$1,600 annually in commissions and account for 9% of all dōTERRA members. At the mid-level ranks of Elite and Premier (4% of all dōTERRA members), Wellness Advocates learn about participating in dōTERRA as a business and are almost always doing the business on a part-time basis. Average annual earnings for these ranks range from \$3,950 to \$9,950 per year.

The highest levels in the commission plan are the leadership ranks (approx. 1% of all dōTERRA members) and the 2015 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 2015, 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	\$26,600	62%
Gold	\$59,000	23%
Platinum	\$115,000	5%
Diamond	\$205,000	7%
Blue Diamond	\$462,000	2%
Presidential Diamond	\$1,353,000	<1%

dōTERRA experienced tremendous growth during 2015 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 2015
Silver	1,894
Gold	624
Platinum	201
Diamond	184
Blue Diamond	44
Presidential Diamond	9

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 actual earnings will depend on many factors including the time and effort they put into building their own dōTERRA business.