

## doTERRA® Policy Manual

There are two fundamental ways in which a Wellness Advocate can earn bonuses: (1) through retail markups; and (2) through bonuses (sometimes called commissions) paid on a Wellness Advocate's product sales and the sales of other Wellness Advocates in his Organization.

**Retail Markups.** Wellness Advocates buy doTERRA products from the Company at wholesale prices for resale to customers, for use as sales aids, or for personal consumption. The Company suggests retail prices. However, Wellness Advocates are free to set their own selling price, so long as the price is above the wholesale price, and the purchasers personally consume the products they purchase. Advertisements are to be in accordance with the Company minimum advertised price (MAP) policy.

**Bonuses.** Wellness Advocates can also earn bonuses based on the sale of products in all markets where the Company conducts business. Not all products or promotions from the Company generate bonuses. All products or promotions that will generate a bonus are assigned a Personal Volume (PV) value.

## A. Definitions

**Commissionable Order:** An order that is assigned Personal Volume points, which is timely ordered and paid for by a Wellness Advocate or Wholesale Customer.

**Company Volume:** Company Volume is the total amount of personal volume earned by all Wellness Advocates currently doing business with doTERRA, including the Wellness Advocate's own purchases, purchases by Wholesale Customers, and purchases by Retail Customers.

**Frontline Organization:** A Frontline Organization is the Organization of one of a Wellness Advocate's personally sponsored Wellness Advocates and his Customers.

**Local Market Volume:** The collective Personal Volume of all Wellness Advocates that live in a designated Local Market. Local Market Volume is a term used to define the Founder's Bonus.

**Organizational Volume (OV):** The Personal Volume of a Wellness Advocate plus the Personal Volume of all other Wellness Advocates, Wholesale Customers, and Retail Customers in the Wellness Advocate's Organization.

**Personal Volume (PV):** The point value of products purchased by a Wellness Advocate in one calendar month, primarily for resale to customers or personal consumption of the Wellness Advocate. Not all products qualify for PV value. PV does not include purchases of product with Product Credit. The PV of a product is clearly delineated on the Product Order Form.

**Primary Bonus:** The sum total of all bonuses paid to a Wellness Advocate except the Fast Start Bonus and the Founders Bonus. The Primary Bonus consists of Uni-level, , Power of Three, Infinity Performance Pool and Diamond Pool Bonuses. The Primary Bonus is paid monthly.

**Qualified Leg:** A Qualified Leg is an Enrollee who attains a designated Rank within a Frontline Organization of his Enroller. For purposes of an Enroller's Rank qualification, each Qualified Leg must be within a separate Frontline Organization of the Enroller.

**Qualified LRP Orders:** A Qualified LRP Order is a single LRP order over 100 PV in the qualifying month for a sponsored Wellness Advocate or Wholesale Customer. All Qualified LRP Orders must be paid for by credit card or check in the name of the Wellness Advocate or Wholesale Customer listed on the account, or with cash, and must be shipped to the primary address listed on the account. A Qualified LRP Order that is returned will result in recoupment of the unearned but previously paid bonus earned.

**Team:** A term used in the Power of Three Bonus. A Team is made up of a Placement Sponsor, and those Wellness Advocates, retail customers and Wholesale Customers who are organizationally on the first level of the Placement Sponsor's Organization.

**Team Volume (TV):** The combined Personal Volume of the members of a Team. A term used in the Power of Three Bonus.

**B. Bonuses.** Compensation to Wellness Advocates is geared toward rewarding the sustained efforts of everyone from the beginning Wellness Advocate to the seasoned professional Wellness Advocate. doTERRA's bonuses include the Retail Profit Bonus, Fast Start Bonus, Power of Three Bonus, Uni-level Bonus, Infinity Performance Pools, Diamond Pools, and Founder's Club Bonus.

### 1. Fast Start – an Enroller based bonus.

**Overview.** A Fast Start Bonus is paid weekly to Enrollers for all Commissionable Orders placed in the first sixty (60) days by a new Wellness Advocate's or Wholesale Customer's account. The bonus is paid to the new Wellness Advocate's first, second, and third level Enrollers. The first level Enroller receives twenty (20) percent, the second level Enroller receives ten (10) percent, and the third level Enroller receives five (5) percent. See, Figure 1.

Figure 1

Fast Start Bonus (Paid Weekly)

Paid on New Enrollee volume for their first 60 days. Enroller must have a 100 PV Loyalty Rewards order to participate.



To qualify for the Fast Start Bonus each Enroller must (1) have a Loyalty Rewards Program (LRP) template set to purchase at least 100 PV for the month, and (2) purchase a Qualified LRP Order. Unearned bonuses do not roll up to any other Enroller. The previous week's commission (Monday through Sunday) is calculated and determined on Wednesday of each week. Checks are mailed weekly. No Uni-level Bonus (see below) is paid on these orders.

**2. Power of Three Bonus – a Sponsor based bonus.**

**Overview.** The Power of Three Bonus is a monthly bonus paid to Sponsors that can be \$50, \$250, or \$1,500. Any Sponsor with a Qualified LRP Order may participate in the bonus.

**The \$50 Power of Three Bonus.** In order to qualify for the \$50 bonus, a Wellness Advocate must make a Qualified LRP Order. The Wellness Advocate must also have three personally sponsored Wellness Advocates or Wholesale Customers with Qualified LRP Orders, and a minimum Team Volume (TV) of 600.

**The \$250 Power of Three Bonus.** In order to qualify for the \$250 bonus, a Wellness Advocate must first qualify for the \$50 Bonus. The three personally sponsored Wellness Advocates or Wholesale Customers who assisted him to qualify for the \$50 Bonus must also qualify for the \$50 Bonus. See, Figure 2.

**The \$1,500 Power of Three Bonus.** In order to qualify for the \$1,500 bonus, a Wellness Advocate must first qualify for the \$250 Bonus. The three personally sponsored Wellness Advocates or Wholesale Customers who assisted him to qualify for the \$250 Bonus must also qualify for the \$250 Bonus. See, Figure 2.

Figure 2

Power of 3™ Team Bonus (Paid Monthly)

See Power of 3 details page for complete description and requirements.



**Additional Power of Three Structures.** Wellness Advocates can have multiple Power of Three structures. When a Wellness Advocate completes a \$1,500 Power of Three structure, the Wellness Advocate can qualify to be paid on an additional structure. The personally sponsored Wellness Advocates and Wholesale Customers and volume counted in the first bonus structure cannot be used to qualify a Sponsor for additional bonus structures.

**3. Uni-level Bonus – an Organizational bonus.**

**Overview.** The Uni-level Bonus is paid to Wellness Advocates each month. The Uni-level Bonus is based on the monthly volume of the Organization of the Wellness Advocate. A particular month’s Uni-level Bonus is dependent upon the monthly Rank for which the Wellness Advocate has qualified and the monthly Organizational Volume of the Wellness Advocate. The Rank and Organizational Volume requirements must be met each month. By compression, essentially all uni-level is paid to Wellness Advocates. Purchases on which Fast Start Bonuses are paid do not get included in the Uni-level volume. See, Figure 3.

Figure 3

Unilevel Organizational Bonus (paid monthly on compressed organizational volume)												
Paid as Title	Consultant	Manager	Director	Executive	Elite	Premier	Silver	Gold	Platinum	Diamond	Blue Diamond	Presidential Diamond
Monthly PV	50	100	100	100	100	100	100	100	100	100	100	100
Monthly OV	*	500	1,000	2,000	3,000	5,000	*	*	*	*	*	*
Qualified Legs*	*	*	*	*	*	2	3	3	3	4	5	6
Leg Requirements	*	*	*	*	*	Executive	Elite	Premier	Silver	Silver	Gold	Platinum
Level 1	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Level 2		3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Level 3			5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 4				5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 5					6%	6%	6%	6%	6%	6%	6%	6%
Level 6						6%	6%	6%	6%	6%	6%	6%
Level 7							7%	7%	7%	7%	7%	7%
Dynamic Compression												

\*Legs must be personally enrolled. † Must be first-time qualifiers, unlimited shares. See company policies for details.

**Achieving Ranks.** Each Rank has minimum monthly requirements of Personal Volume and Organizational Volume. For instance, the Manager Rank requires 100 PV and 500 OV. All other Ranks require a minimum 100 PV purchase.

**Ranks and Levels.** Each Rank corresponds to the number of organizational levels from which the Wellness Advocate can receive compensation. See, Figure 3. For example, the Rank of Executive receives compensation from four levels. Generally, as a Wellness Advocate advances in Rank, he is paid from deeper levels in his Organization, until he reaches Silver. All ranks from Silver to Presidential Diamond pay from at least seven levels.

The percentage of OV that is paid to a Wellness Advocate also changes from level to level. As delineated in Figure 3, the first level pays two percent (2%), and three percent, and the percentage increases through the pin tiles until reaching seven percent (7%) on the seventh level. The bonus cumulates levels of payment, so that an Executive will receive two percent (2%) for the first level, plus three percent (3%) for the second level, and five percent for both level three and level four.

**Qualified Legs and Pin Tiles.** To achieve certain Ranks, a Wellness Advocate must have Qualified Legs on the Wellness Advocate’s Frontline Organization. See, Figure 3. For example, a Wellness Advocate wishing to attain the Rank of Silver is required to have three Elite Qualified Legs. See, Figure 3.

**Sixth and Seventh Level Conditions.** In order to qualify for bonus payments, commissions or other compensation on the sixth and seventh levels, a Wellness Advocate must (1) be Active, and (2) enroll at least one new Person into the business every three months.

**Compression.** The doTERRA Sales Compensation Plan maximizes payment to Wellness Advocates through Compression. When a Wellness Advocate’s Rank does not qualify the Wellness Advocate to receive a bonus of a level associated with higher Ranks, the bonus will roll up and be paid to higher ranked Wellness Advocates who do qualify for the bonus on the higher level.

**Presidential Diamond Multiplier Account.** Presidential Diamonds are permitted to establish an additional account directly under their main Presidential account (“PD1”) called their Multiplier 1 (“M1”) account. Presidential Diamonds who have six solid legs can add new legs to their M1 account and get additional unilevel compensation on the new volume they create through that account, allowing them the opportunity to reach down to the volume 8 levels below their PD1 account.

The M1 account can be created as soon as that leader reaches the rank of Presidential Diamond. The M1 qualifies to receive commissions each month that the PD1 account is paid as a Presidential Diamond using its own 6 Platinum legs. If the PD1 account does not qualify as a Presidential Diamond in a given month, the M1 account will not qualify for any commissions that month. The M1 account itself cannot be one of the 6 qualifying legs of the PD1 account. However, if one or more of the PD1's 6 qualifying legs does not qualify as platinum in a given month, the PD1 account could still be paid as a Presidential Diamond by using one or more M1's personally enrolled platinum legs, provided that the M1 leg, and not the M1 account, qualifies as platinum. In this case, the M1 account would not be paid, but the PD1 account would be paid.

Once the M1 account is established, the Presidential Diamond leader may choose to move any personally enrolled frontline legs from their PD1 account to their M1 account, as long as the legs have not achieved the rank of Platinum or above. The legs cannot be stacked under each other nor restructured, but will move from PD1 frontline to M1 frontline with their existing structure.

When the M1 account itself has reached Presidential Diamond rank, the Company will allow an additional "M2" account as a frontline account to the prior M1 Account, allowing a leader three accounts from which to draw income on the newest volume they create, plus letting them benefit from income 9 levels below their original Presidential Diamond account. This multiplier effect could continue as long as the necessary platinum legs themselves qualify as outlined above.

**4. Infinity Performance Pools – a bonus based on leadership performance.**

**Overview of the Infinity Performance Pools.** The Infinity Performance Pools are earned and paid each month to Premier Ranks and above. The Infinity Performance Pools collectively represent four percent of the Company Volume—the Empowerment Pool (1%), the Leadership Performance Pool (2%), and the Diamond Performance Pool (1%). See, Figure 4. A Wellness Advocate qualifies to be paid from these pools when the Wellness Advocate meets the Rank requirements in a particular month. A share's monthly bonus is equal to the designated pool's percentage (1% or 2%), multiplied by the Company Volume for the same month, and divided by the number of shares of Wellness Advocates who have qualified for a share or shares in the month.

Figure 4

4% Infinity Performance Pools (paid monthly on total company volume)								
	Empowerment Pool		Leadership Performance Pool			Diamond Performance Pool		
	Premier	Silver	Silver	Gold	Platinum	Diamond	Blue Diamond	Presidential Diamond
# of shares	1	1	1	5	10	1	2	3
	1%		2%			1%		
	Empowerment Pool is limited to one share per qualifying Premier and Silver.		Leadership Performance Pool may earn additional shares with each new personally enrolled Elite.†			Diamond Performance Pool may earn additional shares with each new personally enrolled Premier.†		

\*Legs must be personally enrolled. † Must be first-time qualifiers, unlimited shares in Leadership Performance Pool and Diamond Performance Pool. See Company Policy Manual for details.

**Shares in the Empowerment Pool.** A Wellness Advocate that qualifies as a Premier or Silver and that enrolls one new Wellness Advocate or Wholesale Customer with 100 PV or more in a month, will receive one share in the Empowerment Pool. Shares do not cumulate from one Rank to the next. A share's monthly bonus is equal to the designated pool's percentage (1%) multiplied by the Company Volume for the same month, and divided by the number of shares of Wellness Advocates who have qualified for a share in the month.

**Shares in the Leadership Performance Pool.** Each Silver receives one share in the Leadership Performance Pool. Each Gold receives five shares in the Leadership Performance Pool. Finally, each Platinum receives ten shares in the pool. A Wellness Advocate can earn an additional share for the month if the Wellness Advocate is the Enroller of a first-time Elite. Shares do not cumulate from one Rank to the next. For example, a Wellness Advocate who moves from Silver to Gold is entitled to five shares, and not one share from the Silver pool and five from the Gold pool. A share's monthly bonus is equal to the designated pool's percentage (2%) multiplied by the Company Volume for the same month, and divided by the number of shares of Wellness Advocates who have qualified for a share in the month.

**Shares in the Diamond Performance Pool.** Each Diamond receives one share in the Diamond Performance Pool. Each Blue Diamond receives two shares in the pool, and each Presidential Diamond receives three shares in the pool. A Wellness Advocate can earn additional shares, for the month, if the Wellness Advocate is the Enroller of a first-time Premier. Again, shares do not cumulate from one Rank to the next. A share's monthly bonus is equal to the designated pool's percentage (1%), multiplied by the Company Volume for the same month, and divided by the number of shares of Wellness Advocates who have qualified for a share or shares in the month.

**5. Diamond Pools – a bonus based on leadership performance.**

**Overview of the Diamond Pools.** The Diamond Pools operate in a similar fashion to the Infinity Performance Pools. The pools are earned and paid each month. The Diamond Pools are paid in addition to the shares earned in the Diamond Performance Pool. Like the Infinity Performance Pools, shares do not cumulate from one Rank to the next. A share’s monthly bonus is equal to the designated pool’s percentage (1%), multiplied by the Company Volume for the same month, and divided by the number of shares of Wellness Advocates who have qualified for a share or shares in the month. See, Figure 5.

Figure 5

3% Diamond Pools (paid monthly on total company volume)		Diamond Pool	Blue Diamond Pool	Presidential Diamond Pool
Blue Diamond & Diamond Rank Shares: Earn additional shares for each new personally enrolled Premier †. Presidential Diamond Rank Shares: Earn additional shares for each new personally enrolled Silvert	# of shares	3	3	3
		+1	+1	+1
		1%	1%	1%

\*Legs must be personally enrolled. † Must be first-time qualifiers, unlimited shares. See company policies for details.

**Shares in the Diamond Pools.** The Diamond Pool, Blue Diamond Pool, and Presidential Diamond Pool are each equal to one percent (1%) of the total monthly Company Volume. Each qualifying Wellness Advocate receives three shares in the pool of the Wellness Advocate’s Rank.

**Qualification for Additional Shares in the Diamond Pools:**

- a. Presidential Diamond Pool.** A Presidential Diamond shall receive a one-time share in the Presidential Diamond Pool when another Wellness Advocate first attains the Silver Rank and the Wellness Advocate was personally enrolled by the Presidential Diamond.
- b. Blue Diamond and Diamond Pool.** A Diamond or a Blue Diamond shall receive a one-time share in the Diamond Pool or the Blue Diamond Pools when another Wellness Advocate first attains the Premier Rank and the Wellness Advocate was personally enrolled by the Diamond or Blue Diamond.

**6. Founders - a bonus based on market development**

**Overview.** As an incentive to Wellness Advocates who do business in new Local Markets, doTERRA offers a Founders Bonus based on market development. The Founders Bonus is paid yearly. A Founder is one of a predetermined number of Wellness Advocates in a Local Market who is one of the first to achieve and continue to maintain certain requirements established by the Company for that market. A Founder will share with other Founders a bonus based on a certain percentage of the Local Market Volume.

**Qualification.** Each market’s qualifications will be posted in the Local Market specific section of at doTERRA.com. Each qualification period will be twelve months unless otherwise indicated. Once a Wellness Advocate reaches the position of Founder, each year he must qualify to maintain the position by reaching the pre-determined qualifications for that twelve-month period. The Company will post notice of changed qualifications prior to the beginning of the next qualifying period.

In the event a Founder fails to re-qualify or otherwise loses the Founder position, the position is no longer available to the Founder or to another Wellness Advocate and ceases to exist. The percentage of interest will not change if the actual number of qualified Founders changes. Founder positions are unique to the Wellness Advocate who initially qualified. The position cannot be conveyed, transferred, gifted or sold to another Wellness Advocate or Person and does not extend beyond the death of the individual Founder. Not every market will be offered Founders positions.

**7. The Loyalty Rewards Program**

**Overview.** Wellness Advocates and Wholesale Customers can ensure to receive monthly deliveries of doTERRA products by enrolling in the Loyalty Rewards Program (LRP) after the first month of enrollment. LRP eliminates the inconvenience of placing monthly orders manually.

**Earning Product Credits.** If the Wellness Advocate’s or Wholesale Customer’s LRP Order is at least 50 PV every month, the Wellness Advocate or Wholesale Customer is eligible to receive Product Credits each month.

**Redemption of Product Credits.** After the Wellness Advocate or Wholesale Customer has been an LRP participant for 60 days, he may redeem Product Credits to purchase full PV products. LRP Product Credits can be redeemed for 12 months from the date of issue, after which they expire. The credits can be redeemed for a \$3.00 fee, for each 100 Product Credit redemption, by calling 1-



800-411-8151. Products purchased with LRP credits are not for resale, nor can such product be returned. Redemption orders have no PV and cannot be combined with other product orders. Product Credits have no cash redemption value and are not transferrable. All Product Credits will be cancelled if participation in the LRP program is cancelled. A primary LRP order may only be cancelled by calling the Company. Any subsequent LRP order can be cancelled online.

**Acting on Behalf of Another.** A Wellness Advocate may not set up an LRP order on behalf of another participating Wellness Advocate, or Wholesale Customer, without written permission from the participating Wellness Advocate or Wholesale Customer, which written permission must be on file with the Company prior to setting up the order. Such an order must be paid for by the participating Wellness Advocate or Wholesale Customer and must be shipped to the primary address listed on the participant's account.

#### **8. Special or Promotional Bonuses or Rewards**

From time to time, special bonuses or promotions are offered to Wellness Advocates and Customers. The products offered in this way may or may not have any PV and may not qualify a Wellness Advocate for bonuses resulting from the purchase of these products. The details of each of these offerings will be made available at doTERRA.com.

#### **9. General and Miscellaneous Compensation Provisions**

**No Compensation Solely for Enrolling Another.** While Wellness Advocates are paid for product sales, a Wellness Advocate receives no compensation for enrolling or sponsoring other Wellness Advocates.

**No Guaranteed Compensation.** As with any other sales opportunity, the compensation earned by Wellness Advocates varies significantly. The cost to become a Wellness Advocate is very low. People become Wellness Advocates for various reasons. Most who wish to simply to enjoy the Company's products at wholesale prices will sign up as a Wholesale Customer, but may also sign up as a Wellness Advocate. Some join the business to improve their skills or to experience the management of their own business. Others become Wellness Advocates, but for various reasons, never purchase products from the Company. Consequently, many Wellness Advocates never qualify to receive bonuses. Wellness Advocates are neither guaranteed a specific income nor assured any level of profit or success. The profit and success of a Wellness Advocate can come only through the successful sale of products and the sales of other Wellness Advocates within the Organization of the Wellness Advocate. All success is based primarily on the efforts of each Wellness Advocate.

**Effort.** Generating meaningful compensation as a Wellness Advocate requires considerable time, effort, and commitment. This is not a get-rich-quick program. There are no guarantees of financial success.

**Inclusion in a Period's Bonus.** A Person must become an approved Wellness Advocate by the last day of the bonus period in order to be included in that period's bonus and qualification computations. Products must be purchased, and payment received, by the last day of the bonus period in order to be paid or qualify for a Rank for that period.

**Preconditions to Bonus Payments.** Wellness Advocates can receive a bonus only if they fulfill all requirements of the doTERRA Sales Compensation Plan and are not in default of any material obligations under the Contract.

**Payment of Bonus.** A bonus is paid to the primary applicant on the Wellness Advocate Agreement Form.

**Concentrated Legs.** In the event the volume from one leg of a Wellness Advocate's Organization exceeds eighty percent (80%) of the Wellness Advocate's total Organization volume, the total Primary Bonus of the Wellness Advocate shall not exceed \$5,000.00 if the Wellness Advocate holds the Rank of Elite; \$9,000.00 if the Wellness Advocate holds a Rank of Premier; \$13,000.00 if the Wellness Advocate holds a Rank of Silver; and \$18,000.00 if the Wellness Advocate holds a Rank of Gold. Once the Rank of Platinum is achieved, there is no cap on the Primary Bonus.

**Redemption of Company Credit.** If a Company Credit is issued on products ordered but not available that month, Personal Volume for those products will only be included in Bonus and Rank qualification computations for the month in which that credit is redeemed.

**Duty to Retain Documents.** Each Wellness Advocate receiving a bonus agrees to retain documentation, for at least six years, which evidences retail sale of products and services in the month for which the bonus was paid. Wellness Advocate agree to make this documentation available to the Company at the Company's request. Failure to do so constitutes a breach of the Contract and entitles the Company to recoup any bonus paid for orders in a month for which retail sales documentation is not maintained.

**Recoupment of Bonuses.** In addition to any recoupment rights otherwise set forth in the Contract, the Company reserves the right to recoup any bonuses paid to Wellness Advocates on products:

- a. returned under the Company's Return Policy;
- b. returned to the Company under any applicable law;
- c. returned in relation to any incident of Wellness Advocate misconduct, including but not limited to, unauthorized or misleading representations regarding an offer or sale of any product or service, or a doTERRA Sales Compensation Plan opportunity; or
- d. purchased in an amount which unreasonably exceeds that which can be expected to be resold and/or consumed within a reasonable period of time.

**Payment of Recouped Bonuses.** In recouping bonus payments as provided in this section, the Company, in its sole discretion, may require direct payment from an affected Wellness Advocate or offset the amount of the recoupment against any present or future bonuses.

**Returned Bonus Check Fees.** Occasionally, a Wellness Advocate may ask the Company to reissue a lost bonus check. The Company may charge a fee to reissue the lost check. In addition, the Company, in its own discretion, may request the issuing financial institution to stop payment on the original (lost) check, and the Wellness Advocate must pay to the Company the stop payment fee.

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