



A NEW DAY!

MELALEUCA'S COMPENSATION PLAN

**Creating the financial resources
to live an extraordinary life!**



OUR MISSION

*To enhance the lives of those we touch
by helping people reach their goals.*



FINANCIAL RESOURCES

In today's society, most of us spend a great deal of our lives trying to provide for our families and developing the resources necessary to have a great life. For most, getting ahead financially is a real challenge. Statistics suggest that those who make the most financial progress are often entrepreneurs who start their own businesses. But starting a business often takes an investment of hundreds of thousands of pounds or euros. And even then, the road to success is fraught with obstacles and serious financial risk.

Over the last three decades, Melaleuca has been building a financial opportunity for the average person to start a business with virtually no risk and unlimited upside potential. We see ourselves as the champion of the "little guy." We believe that those who were not born into wealth and who have not climbed the corporate ladder should still have the same opportunity to get ahead in life. Although we've all heard the old mantra "It takes money to make money," Melaleuca has developed a proven system where people with virtually no financial investment can make substantial improvements in their financial situation simply by referring customers to Melaleuca. This system has proven to be quite successful. Melaleuca has already paid out over US\$3.6 billion to households who were previously "just getting by" with their 9-to-5 jobs.

THE WELLNESS INDUSTRY

Our industry is the US\$620 billion wellness industry. The key to Melaleuca's historic growth and life-changing Financial Reward Programme is Melaleuca's tremendous line of superior wellness products. We succeed because our wellness products are the absolute best in the marketplace.

CREATING RESIDUAL INCOME FOR YOUR FAMILY

All compensation is based on the sale of products to end consumers. However, you will never have to "sell" a single product to anyone since all products are sold directly by Melaleuca to your customers. Your role is simply to refer customers to shop at Melaleuca. You will be paid commissions whenever those customers purchase products. It's all about having delighted customers who, because of their personal experience of increased energy and healthier lives, continue to purchase Melaleuca products month after month. Delighted customers create an enormous demand for Melaleuca products. Since most of Melaleuca's customers are Preferred Customers who purchase every month, that can mean substantial monthly income for you for the rest of your life! Your income will depend on how many loyal customers you have and how much they purchase each month. As with any business, your success will take hard work, diligence, perseverance, and leadership. It's a new day! Welcome to Melaleuca!

Important business principles...

Building a Melaleuca business follows the same business principles found in most businesses in that any manager can effectively manage only a limited number of direct reports. Therefore, a Melaleuca independent business is initially limited to five first-generation positions. This organisation design offers the best in personal leadership and customer service. As a Melaleuca Marketing Executive, you will be authorised to build a Marketing Organisation consisting of seven generations of management and customers. You will begin with five direct positions on your first business generation. Each of those positions will have five first-generation positions and so forth. As you develop other leaders within your organisation you can qualify for additional first-generation positions.



Supplementing your regular income with profits from your Melaleuca business can dramatically change the financial outlook of your family. Melaleuca strongly recommends that you do not leave your current employment to build a Melaleuca business. We advocate that you be the best employee you can be for your current employer but use your spare time to build a vibrant Marketing Organisation. Please do not consider leaving your current job until your Melaleuca business is producing at least three times the current income of your full-time job.

Remember, at Melaleuca anyone can be successful without investing money. There's no need to pay for advertising, marketing, or meeting rooms. All you need to invest is your time and hard work. And with that hard work, you can create significant residual income for the rest of your life.



FINANCIAL REWARDS

Commissions and Bonuses

Commissions

Commissions: You earn commissions from customers who were 1) **enrolled by you** and 2) **enrolled by others**.

You are paid commissions when customers in your Marketing Organisation purchase product from Melaleuca. The commissions are calculated based on how many Product Points each customer purchases in a given month.

Customers enrolled by YOU:

Product Introduction Commission: When you quality enrol a customer, you will receive 50% of Product Points **on purchases in the customer's first month**.

Personal Customer Commissions: Beginning with a customer's **second month**, you will receive a commission on purchases by all customers you personally enrolled. The monthly commission that you will receive will depend on how many **Active Personally Enrolled Customers*** you have during that month.

Active Customers Enrolled by You	Percent You Will Be Paid
1-7	7%
8-19	14%
20+	20%

* not inherited customers

Customers enrolled by others:

Organisation Commissions: You will receive 7% of Product Points on purchases by customers who were **enrolled by others** in your organisation.

The number of generations your commissions are paid on depends on your "Commission Rate."

- **Marketing Executives** are paid on **2 generations**.
- **Marketing Executives 2** are paid on **3 generations**.
- **Marketing Executives 3** are paid on **4 generations**.
- **Directors and above** are paid on **7 generations**.

Please see definition of "Marketing Executive": and "Qualifications for Commissions" in the Definitions section of this brochure.

Leadership Points

Leadership Points are a measurement of a leader's contribution toward helping others reach their goals. Leadership Points qualify you for certain Statuses and bonuses and allow you to earn commissions on customers enrolled by others in your Marketing Organisation.

How to earn Leadership Points

- Whenever a new customer is enrolled, 5 Leadership Points are awarded – 3 points are awarded to the enroler and 2 points are awarded to the person who made the presentation. An additional point is awarded to the presenter if the enrollee purchases a Value Pack.
- Every time a Marketing Executive advances to Director or above, the enroler will receive 10 Leadership Points that month.

Bonuses



You are paid bonuses: 1) **whenever you advance** in Status,
 2) when **your personal enrollees advance**
 3) as you **increase the number of customers** in your Marketing Organisation
 4) when you qualify for a **monthly car bonus**

Advancement Bonus: You will earn an Advancement Bonus **each time you advance to a new Status**.

The higher the new Status, the larger the bonus. There are 49 Statuses – each Status is higher than the previous Status. So if you work hard, it does not take long to advance from one Status to the next.

or...

Pacesetter Bonus: Those who purchase a Value or Business Value Pack in their month of enrolment or first full calendar month with Melaleuca will qualify for the **Pacesetter Bonus**. The Pacesetter Bonus will pay you **double the Advancement Bonus** each time you advance through the Director and Senior Director ranks. To receive the Pacesetter Bonus, you must advance to each status within a specific timeline. Each status has a different timeline.

The following are the timelines that qualify you for the **Pacesetter Bonus**.

Status	Months After Enrolment
Director	2
Director 2	3
Director 3	4
Director 4	5
Director 5	6
Director 6	7
Director 7	8
Director 8	9
Director 9	10
Senior Director	12

Status	Months After Achieving Senior Director
Senior Director 2	1
Senior Director 3	2
Senior Director 4	3
Senior Director 5	4
Senior Director 6	5
Senior Director 7	6
Senior Director 8	8
Senior Director 9	10

Mentoring Bonus: You can qualify to earn the **Mentoring Bonus** when your personal enrollees advance from one Status to the next. You will earn an amount equal to the Advancement or Pacesetter Bonus paid to your advancing personal Directors through Senior Directors. You will also be paid a bonus ranging from £ / € 2 200 to £ / € 5 000 for advancing personal Senior Directors 2 through the Status of Executive Director. You are paid in the same month your personally enrolled Marketing Executives are paid their Advancement or Pacesetter Bonus. Note: Melaleuca's mission is to help people reach their goals. The better you are at helping others reach their goals, the more you will benefit financially. And the more your support team helps you reach your goals, the more they will benefit financially. The following three-month average of Leadership Points per month earned in Europe qualifies you for the Mentoring Bonus:

Status	Average Leadership Points
Director - Director 2	1
Director 3 - Director 5	5
Director 6 and above	10

Leadership Growth Bonus: You can qualify to earn monthly the **Leadership Growth Bonus** when you are a Commissions Rate Director 4 or above, have New Growth in your Marketing Organisation over a two-month period, and produce the minimum Leadership Point requirements as highlighted below.

Commission Rate	Average Leadership Points	£/€
Director 4	15	75
Director 5	15	120
Director 6	20	165
Director 7	20	210
Director 8	20	255
Director 9	20	300
Sr. Director–Sr. Director 9	30	500
Exec. Director–Exec. Director 9	30	1 000
National Director and above	30	3 000



Monthly Car Bonus: Melaleuca will pay a monthly car bonus for Commission Rate Senior Directors. Melaleuca will pay a monthly **car bonus** for two cars when you become an Commission Rate Executive, National, and Corporate Director.

Senior Director
 £ / € 600
 PER MONTH
 Executive Directors
 and above
 £ / € 1 100
 PER MONTH

Status (Commission Rate)

	Requirements						Bonuses and Commissions			
	Number of Active Personal Customers	Average Monthly Leadership Point Production	Monthly Organisation Volume	Monthly PEG (Personal Enrollee Group Volume)	Active Personally Enrolled Directors	Active Personally Enrolled Senior Directors	Advancement Bonus	Pacesetter Bonus	Mentoring Bonus (what you receive when your personal enrollee advances to this status)	Potential Organisation Commission Available

DIRECTOR

Director	8	1					£/€ 100	£/€ 200	100%	£/€ 250
Director 2	10	2	1 000				£/€ 200	£/€ 400	100%	£/€ 375
Director 3	11	3	2 500	1 000	1		£/€ 500	£/€ 1 000	100%	£/€ 500
Director 4	12	4	5 000	2 500	2		£/€ 500	£/€ 1 000	100%	£/€ 750
Director 5	13	5	7 500	5 000	2		£/€ 500	£/€ 1 000	100%	£/€ 1 000
Director 6	14	6	10 000	7 500	3		£/€ 600	£/€ 1 200	100%	£/€ 1 250
Director 7	15	7	12 500	10 000	3		£/€ 700	£/€ 1 400	100%	£/€ 1 500
Director 8	16	8	15 000	12 500	4		£/€ 800	£/€ 1 600	100%	£/€ 1 750
Director 9	18	9	17 500	15 000	4		£/€ 1 000	£/€ 2 000	100%	£/€ 2 000

SENIOR DIRECTOR

Senior Director	20	10	20 000	17 500	5		£/€ 2 000	£/€ 4 000	100%	£/€ 3 000
Senior Director 2	20	10	22 500	20 000	5		5% of True PEG	12% of True PEG	£/€ 2 200	£/€ 3 500
Senior Director 3	20	11	25 000	22 500	6		5% of True PEG	12% of True PEG	£/€ 2 500	£/€ 4 000
Senior Director 4	20	11	27 500	25 000	6		5% of True PEG	12% of True PEG	£/€ 2 700	£/€ 4 500
Senior Director 5	20	12	30 000	27 500	7		5% of True PEG	12% of True PEG	£/€ 3 000	£/€ 5 000
Senior Director 6	20	12	32 500	30 000	7		5% of True PEG	12% of True PEG	£/€ 3 200	£/€ 5 500
Senior Director 7	20	13	35 000	32 500	8		5% of True PEG	12% of True PEG	£/€ 3 500	£/€ 6 000
Senior Director 8	20	13	40 000	35 000	8		5% of True PEG	12% of True PEG	£/€ 4 000	£/€ 6 500
Senior Director 9	20	14	45 000	40 000	9		5% of True PEG	12% of True PEG	£/€ 4 500	£/€ 7 000

EXECUTIVE DIRECTOR

Executive Director	20	15	50 000	50 000	10		10% of True PEG		£/€ 5 000	Unlimited
Executive Director 2	20	15	60 000	60 000	10		10% of True PEG			Unlimited
Executive Director 3	20	15	70 000	70 000	10	1	10% of True PEG			Unlimited
Executive Director 4	20	15	80 000	80 000	10	1	10% of True PEG			Unlimited
Executive Director 5	20	15	90 000	90 000	10	2	10% of True PEG			Unlimited
Executive Director 6	20	15	100 000	100 000	10	2	10% of True PEG			Unlimited
Executive Director 7	20	15	110 000	110 000	10	3	10% of True PEG			Unlimited
Executive Director 8	20	15	120 000	120 000	10	3	10% of True PEG			Unlimited
Executive Director 9	20	15	130 000	130 000	10	3	10% of True PEG			Unlimited

Status (Commission Rate)

	Requirements							Bonuses and Commissions	
	Number of Active Personal Customers	Average Monthly Leadership Point Production	Monthly Organisation Volume	Monthly PEG (Personal Enrollee Group Volume)	Active Personally Enrolled Directors	Active Personally Enrolled Senior Directors	Active Personally Enrolled Executive Directors	Advancement Bonus	Potential Organisation Commission Available

NATIONAL DIRECTOR

National Director	20	15	140 000	140 000	10	4		10% of True PEG	Unlimited
National Director 2	20	15	150 000	150 000	10	4	1	10% of True PEG	Unlimited
National Director 3	20	15	162 500	162 500	10	4	1	10% of True PEG	Unlimited
National Director 4	20	15	175 000	175 000	10	3	2	10% of True PEG	Unlimited
National Director 5	20	15	187 500	187 500	10	3	2	10% of True PEG	Unlimited
National Director 6	20	15	200 000	200 000	10	2	3	10% of True PEG	Unlimited
National Director 7	20	15	212 500	212 500	10	2	3	10% of True PEG	Unlimited
National Director 8	20	15	225 000	225 000	10	1	4	10% of True PEG	Unlimited
National Director 9	20	15	237 500	237 500	10	1	4	10% of True PEG	Unlimited

CORPORATE DIRECTOR

Corporate Director	20	N/A	250 000	250 000	10		5	£/€ 100 000 + 10% PEG	Unlimited
Corporate Director 2	20	N/A	300 000	300 000	10		7	10% of PEG	Unlimited
Corporate Director 3	20	N/A	350 000	350 000	10		9	10% of PEG	Unlimited
Corporate Director 4	20	N/A	400 000	400 000	10		11	10% of PEG	Unlimited
Corporate Director 5	20	N/A	450 000	450 000	10		13	10% of PEG	Unlimited
Corporate Director 6	20	N/A	525 000	525 000	10		15	10% of PEG	Unlimited
Corporate Director 7	20	N/A	600 000	600 000	10		17	10% of PEG	Unlimited
Corporate Director 8	20	N/A	700 000	700 000	10		20	10% of PEG	Unlimited
Corporate Director 9	20	N/A	800 000	800 000	10		22	10% of PEG	Unlimited

PRESIDENTIAL DIRECTOR

Presidential Director	20	N/A	1 000 000	1 000 000	10		25	£/€ 1 000 000	Unlimited
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The Fine Print: Things you need to know



When you are dealing with a programme that has already paid out over US\$4.5 billion, you've got to expect there's going to be a little fine print just to make sure our people are representing our company and products ethically and honestly, and to make sure those who are paid substantial amounts are involved in the endeavor of helping others. So here it goes...

Additional First-Generation Positions:

A Marketing Executive will earn an additional first-generation position (over the original five) for each active personally enrolled Director or above.

Membership Kit Required

All Marketing Executives must purchase a Membership Kit. No commissions will be paid on customers who have not purchased a Membership Kit.

Advancement Bonus Payout

Directors through Directors 2 will be paid their Advancement Bonus in the month of advancement. Directors 3 and above who have an Organisation Retention rate of 90% or higher will receive one-third of the Advancement Bonus or Pacesetter Bonus in the month of advancement, one-third the second month and one third in the third month (assuming they maintain that status for consecutive months). Others will be paid after they have maintained the new Status for three consecutive months.

No Commissions Paid on Backup Orders During First Three Months

Commissions will only be paid on a customer's first three months of purchases if the customer actually places an order. In other words, Backup Orders are not commissionable in the first three months.

Car Bonus

There are specific guidelines for the type of car that will qualify. For details go to eu.melaleuca.com.

Limits on Order Size

Commissions are paid on the first 150 Product Points that a customer purchases each month. No commissions are paid on amounts exceeding 150 Product Points.

Additionally, a maximum of 150

Product Points from each customer in a Marketing Executive's organisation will count for purposes of calculating Organisation Volume, True PEG and PEG Volume.

Leadership Meetings

Training, education, and knowledge are essential for leadership positions in any business or organisation. Senior Directors, Executive Directors, National Directors, and Corporate Directors must attend leadership meetings in order to qualify for bonuses.

Mentoring Bonus

For you to qualify for the Mentoring Bonuses, your advancing Marketing Executives must advance within two months after achieving the required Organisation Volume for that Status, and you must have the required Leadership Points as well as a Commission Rate equal to or higher than that of the advancing Marketing Executive for whom you are being paid. Mentoring Bonuses are paid based on the same percentage as the Advancement or Pacesetter Bonus of the advancing Marketing Executive and are paid in the same month the advancing Marketing Executive is paid.

Personal Production Account

Failure to personally produce revenue of at least 29 Product Points per month in the Personal Production Account for two consecutive months constitutes the Marketing Executive's voluntary resignation. A Marketing Executive who has voluntarily resigned will lose his/her personal enrolees and his/her Marketing Organisation. The resignation shall become effective on the day following the last day of the second month of inactivity.

Leadership Required

Directors who produce less than one Leadership Point in the last three months may earn up to £/€ 100 in Organisation Commission.

Policies

This Compensation Plan is subject to Melaleuca's Policies and Procedures and all Marketing Executive agreements. This brochure is not intended to be a complete explanation of Melaleuca's Compensation Plan for its Marketing Executives.

Programme Interpretation

Interpretation of this brochure and Melaleuca's Compensation Plan is at Melaleuca's complete discretion.

Rapid Advancement: If a Marketing Executive meets all of the requirements to advance to Senior Director 2 or above and did NOT have the required volume in place 3 months prior to advancement, then the Advancement or Pacesetter Bonus will be paid as previously indicated. For more rules and requirements on Senior Director 2 and above Advancement and Pacesetter Bonuses please go to eu.melaleuca.com.

Definitions:

Active Customer: A customer who has completed and returned a Customer Membership Agreement and purchases at least 29 Product Points during the calendar month.

Commission Rate: The Status at which a Marketing Executive is paid in any month because the Marketing Executive has met all the qualifications to be paid at that Status.

To Enrol: The process of completing and submitting a Customer Agreement and purchasing a Membership Kit.

Marketing Executive: A person who has completed, executed, and delivered to Melaleuca an Independent Marketing Executive Agreement; has purchased a Membership Kit; has enrolled a personal customer; and has received his/ her first commission payment.

Marketing Organisation: The seven generations of customers and Marketing Executives directly below you.

New Growth: The increase in Preferred Customers in a Marketing Executive's Marketing Organisation excluding roll ups and organisation moves (i.e. enrolments – cancellations + reactivations = New Growth).

Preferred Retention Rate: The percentage of all customers in the organisation who were preferred last month who are preferred in the current month.

Organisation Volume: The total Product Points from products purchased in a Marketing Executive's organisation in a calendar month.

Personal Enrolee: Same as a Personally Enrolled Customer.

Personally Enrolled Customer: A customer you personally referred to Melaleuca and who has you listed on his/her Customer Agreement as his/her enroler.

PEG (Personal Enrolee Group Volume): The total organisation Product Point volume of a Marketing Executive's personal enrolees in any given month.

True PEG (True Personal Enrolee Group Volume): The total Organisation Volume of a Marketing Executive's Personal Enrolees in any given month. (Contrary to how "PEG" is calculated, "True PEG" counts each customer's monthly purchase volume only once, even though that customer might be under several personal enrolees in the Marketing Organisation).

Personal Production: To qualify for commissions, a Marketing Executive is required to "personally produce" revenue of at least 29 Product Points per month. Once a Marketing Executive advances to the status of Senior Director, the personal production requirement increases to 50 Product Points.

Preferred Customer: A customer who has stipulated in the Customer Agreement that the customer is committed to purchase at least 35 Product Points per month. In addition to many other benefits, Preferred Customers receive a 30% to 40% discount on Melaleuca products.

Product Point: A value assigned to each Melaleuca product upon which commissions and bonuses are calculated.

Quality Customer: A customer who enrolled as a Preferred Customer, purchased a Membership Kit, and ordered product from Melaleuca in the customer's first month of enrolment. Additionally, a Quality Customer has their own unique method of payment and shipping address on file.

Quality Enrol: To enrol a Quality Customer.

Qualification for Commissions: In order to receive commissions a Marketing Executive must have met all the qualifications as a defined "Marketing Executive" and have one active personal customer. Marketing Executives without an active personal customer in the month will receive commissions up to 15 Pounds or 15 Euros paid in Loyalty Shopping Rewards.

Status: The highest Commission Rate that a Marketing Executive has ever achieved.

Support Team: The seven Marketing Executives above an individual in a Marketing Organisation who have the potential to receive commissions based upon the purchases of that customer.



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