

THE MELALEUCA COMPENSATION PLAN

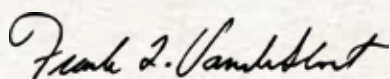
Melaleuca's Compensation Plan is designed to reward independent Marketing Executives who develop customers for Melaleuca products. The income you earn from your Melaleuca business is determined by three factors: the number of customers you have, the amount each customer purchases each month, and your effectiveness in building a marketing organization that includes other Marketing Executives who help you expand your customer base as they build their own marketing organizations.

The key to understanding the Melaleuca Compensation Plan is to remember that all commissions and bonuses earned are based on the sale of products to end consumers. "End consumers" are customers who purchase products to use in their homes. You do not earn commissions and bonuses for recruiting or signing up customers—but you will be paid commissions whenever those customers buy products. And that can mean monthly residual income for years to come.

The information on the next few pages explains the Compensation Plan, and is not representative of what any Marketing Executive will earn. Any representation or guarantee of specific earnings would be misleading. Success with any business takes hard work, diligence, perseverance, and leadership. Success with Melaleuca will depend on how effectively a Marketing Executive exercises those qualities.

"Melaleuca's Consumer Direct Marketing™ program provides the opportunity for people to succeed through their own efforts. Tens of thousands of families are now competing directly with major manufacturers of nutrition, pharmaceutical, bath & body, and home care products—and winning! When customers purchase Melaleuca products each month, profits from those sales go directly to families across North America rather than to large corporations."

Frank L. VanderSloot
Melaleuca CEO



Frank L. VanderSloot, CEO



Senior Director																								
Senior Director V	7	70	20	12	30,000	27,500	7	-	-	4	7-10	20%	✓	✓	✓	✓	7%	Unlimited	5% of PEG or 10% of PEG	\$400	-	\$500/ \$1,000	✓	✓
Senior Director VI	7	70	20	12	32,500	30,000	7	-	-	5	7-10	20%	✓	✓	✓	✓	7%	Unlimited	5% of PEG or 10% of PEG	\$400	-	\$500/ \$1,000	✓	✓
Senior Director VII	7	70	20	13	35,000	32,500	8	-	-	6	7-10	20%	✓	✓	✓	✓	7%	Unlimited	5% of PEG or 10% of PEG	\$400	-	\$500/ \$1,000	✓	✓
Senior Director VIII	7	70	20	13	40,000	35,000	8	-	-	8	7-10	20%	✓	✓	✓	✓	7%	Unlimited	5% of PEG or 10% of PEG	\$400	-	\$500/ \$1,000	✓	✓
Senior Director IX	7	70	20	14	45,000	40,000	9	-	-	10	7-10	20%	✓	✓	✓	✓	7%	Unlimited	5% of PEG or 10% of PEG	\$400	-	\$500/ \$1,000	✓	✓

Executive and Corporate Director Leadership																								
Executive Director	7	70	20	15	50,000	50,000	10	-	-	12	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	\$500/ \$1,000	✓	✓
Executive Director II	7	70	20	15	70,000	70,000	10	1	-	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Executive Director III	7	70	20	15	90,000	90,000	10	2	-	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Executive Director IV	7	70	20	15	110,000	110,000	10	3	-	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Executive Director V	7	70	20	15	130,000	130,000	10	4	-	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Executive Director VI	7	70	20	15	150,000	150,000	10	4	1	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Executive Director VII	7	70	20	15	175,000	175,000	10	3	2	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Executive Director VIII	7	70	20	15	200,000	200,000	10	2	3	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Executive Director IX	7	70	20	15	225,000	225,000	10	1	4	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Corporate Director	7	70	20	-	250,000	250,000	10	-	5	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	\$100,000 + 10% of PEG	\$1,000	-	-	✓	✓
Corporate Director II	7	70	20	-	300,000	300,000	10	-	7.5 cr.	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Corporate Director III	7	70	20	-	350,000	350,000	10	-	9.5 cr.	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Corporate Director IV	7	70	20	-	400,000	400,000	10	-	11.5 cr.	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Corporate Director V	7	70	20	-	450,000	450,000	10	-	13.5 cr.	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Corporate Director VI	7	70	20	-	525,000	525,000	10	-	15.5 cr.	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Corporate Director VII	7	70	20	-	600,000	600,000	10	-	17.5 cr.	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Corporate Director VIII	7	70	20	-	700,000	700,000	10	-	20.0 cr.	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Corporate Director IX	7	70	20	-	800,000	800,000	10	-	22.5 cr.	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	10% of PEG	\$1,000	-	-	✓	✓
Presidential Director	7	70	20	-	1,000,000	1,000,000	10	-	25.0 cr.	-	11+	20%	✓	✓	✓	✓	7%	Unlimited	\$1,000,000	\$1,000	-	-	✓	✓

Effective September 1, 2009, Additional requirements apply. Interpretation of the Compensation Plan is solely at the discretion of MetLifeUSA. See Statement of Policies #44.

* Directors and above are guaranteed all Personal Customer Commissions even if they produce no Leadership Points in any given month. Directors are guaranteed to earn a minimum commission of \$120 per month.

† In any three month period, if a Director earns at least one Leadership Point, he/she will be eligible to earn organization and leadership bonuses as shown above.

‡ In Canada, the Director requirement for minimum Monthly Product Point Production is 50 Points.

§ New Marketing Executives may qualify for the Quality Customer Bonus in their first three months of enrollment. Thereafter, they must be a Director or above.

¶ Senior Directors and above who have developed a new Personal Director in the last three months or two Personal Directors in the last six months and whose status is equal to or greater than an advancing Personal Enrollee.

§ Leaders with a Quality Customer Score of 75% or above qualify to be paid these bonuses weekly.

COMPENSATION SUMMARY

Product Introduction Commission. As the Enroller, you earn up to 27% commission on the first 150 Product Points purchased by your personal customers when they shop in their first month (Select Pack and BackupOrders excluded). If you are the immediate Marketing Executive in the customer's support team, you earn 7%. If you are the Enroller, you earn 20%. If you are both, you will earn 27%.

The Quality Customer Bonus. When you quality enroll your first new customer for the month, you trigger your qualification to receive the Quality Customer Bonus on all future enrollments for the month.

After quality enrolling one Preferred Customer in a month, you will earn \$25 for every additional Preferred Customer you quality enroll. Therefore, you earn \$25 for your second new quality customer, third new quality customer, and so forth each month.

Definitions you need to know:

"Quality Customer Enrollment" A quality-enrolled customer will have a Membership Kit on file. All necessary paperwork must be received by Melaleuca, and they will have fulfilled their monthly Product Point commitment by placing an order in their first month of enrollment. (Receiving a Backup Order or Select Pack is not a quality customer.)

"Quality Customer Score" The Quality Customer Score is the percentage of your personal customers enrolled in the past five months (the current month plus the previous four months) who continue to be Preferred Customers.

Who can earn the Quality Customer Bonus?

- All active status Directors and above
- Marketing Executives in their month of enrollment and the two months following

Personal Enrolled Customer Commission. As an active Director, your commission paid on your personal customers' Product Point purchases increases to 14% (with 8 to 19 personal customers). When your active personal customers increase to 20, you earn 20% on all Product Points generated by those customers each month.

Organization Commissions. Each month that you qualify as an active Marketing Executive, you will receive a commission of 7% on the first 150 Product Points purchased by each customer in your Marketing Organization. You earn the Organization Commission from customer purchases after the customer's month of enrollment. To qualify for commissions in the customer's second and third months, the customer must shop and place a minimum Product Point order.

Career/Value Pack Commission. Marketing Executives earn \$30 on the Value Packs and \$50 on the Career Packs purchased by their new customers in the customer's first two months following the month of enrollment. Customers may purchase up to two packs, but the commission is only paid on the first pack purchased. A Marketing Executive may earn the Career/Value Pack Commission if they are designated as the "Assist" on the Independent Marketing Agreement form of a new Marketing Executive who is not their personal customer.

One-Time Advancement Bonuses. When you advance to Director and each Director status through Director IX for the first time, you earn a one-time advancement bonus beginning with \$100 at Director and increasing by \$100 for each status to \$1,000 at Director IX. When you advance to Senior Director for the first time you receive a one-time advancement bonus of \$2,000. However, when you advance to Senior Director for the first time in Pacesetter time frame, your advancement bonus is doubled to \$4,000! As you continue to advance, the bonuses also continue to get larger and larger. When you advance for the first time to Senior Director II through Senior Director IX, you receive a full 5% of your Personal Enrollee Group volume as a one-time bonus, or if you advance in Pacesetter time frame your advancement bonus is doubled to a full 10% of your Personal Enrollee Group volume! When you advance to Executive Director through Corporate Director IX you receive 10% of your Personal Enrollee Group volume as a one-time bonus.

When you advance to Presidential Director, you receive a one-time bonus of \$1,000,000.

Advancement Bonus Payouts. Marketing Executives are paid a one-time Advancement Bonus or Pacesetter Bonus in the month they advance to Director for the first time.

As Marketing Executives advance from Director to Director II and beyond, they are paid an Advancement Bonus for each new high status they achieve. Marketing Executives who have an Organization Retention Rate of 90% or higher will receive 1/3 of the Advancement Bonus in the month of advancement, 1/3 the next month, and 1/3 the third month (assuming they maintain that status).

The Organization Retention Rate is calculated by taking the total number of cancellations in the current month divided by the total number of Preferred Customers in the organization at the end of the previous month and subtracting that from 100%. For example, if you had 100 Preferred Customers at the end of last month and a total of 5 cancellations in the current month, your Organization Retention Rate is 95% ($100 - (5/100) = 95\%$).

Marketing Executives who have an Organization Retention Rate less than 90% will be paid the Advancement Bonus after they have held that status for 3 consecutive months. If, however, the Marketing Executive increases their Organization Retention Rate to 90% or above during any of the 3 qualifying months, they will

be paid 1/3 of the Advancement Bonus as part of that month's commission check.

When a Marketing Executive qualifies for an Advancement Bonus and has a qualifying Organization Retention Rate of 90% or higher, 1/3 of the Advancement Bonus will be paid out with that month's commission check. If the Marketing Executive does not maintain that status the next month, the unpaid portion of that advancement bonus will be deferred until they reach that status again.

Pacesetter Director Bonuses. When a new enrollee advances to Director in Pacesetter timeframe, they earn a one-time Pacesetter bonus if:

The new enrollee (who earns \$200)

1. becomes a Preferred Customer, and
2. purchases a Value or Career Pack, and
3. becomes a Director within the first two calendar months following the month of enrollment.

Then as you advance through the Director ranks in Pacesetter time frame, you earn one-time bonuses equal to two times the one-time advancement bonus at each status.

The Leadership Development Bonus

How you earn this bonus: Help your personally enrolled Marketing Executive advance to Director and above. To qualify, your active status must be equal to, or higher than, that of your advancing personally enrolled Marketing Executive.

What you earn: You will earn an amount equal to 50% of the one-time Advancement (or Pacesetter) Bonus paid to your advancing personal each time they advance in status.

When this bonus is paid: You are paid in any month in which your personally enrolled Marketing Executive is paid an Advancement or Pacesetter bonus. You are paid on every advancement!

To earn the Leadership Development Bonus, your advancing personal needs to advance in the same month they achieve the organization volume required for the status or do so within the two months following the month they first achieved the required organization volume. In other words, your personal needs to have the required number of personal Directors during the first month he or she reaches the organization volume of the new status (there will be a three month "grace" period for this requirement, i.e. two additional months to develop the required number of Directors).

Senior, Executive, and Corporate Directors who have developed at least one new Director in the prior three months (or two new Directors in the previous six months) will earn 100% of the one-time Advancement (or Pacesetter) Bonus paid to their advancing personal enrollees each time their personal enrollee advances in status on each advancement up to Senior Director! You can also qualify for additional bonuses when your personal enrollee advances above Senior Director!

Senior, Executive, and Corporate Directors will earn **\$500** each time their personal advances to a status of Senior Director II through Executive Director. Or if a Senior, Executive, or Corporate Director has developed at least one new Director in the prior three months (or two new Directors in the previous six months), they will be paid **\$1,000** each time their personal advances to a status of Senior Director II through Executive Director.

Director Development Incentive. In any month in which a Director or above develops a new personal Director, the Leadership Point requirements for status will be waived for that month and the following two months as long as the personal Director remains active. Directors III and above will earn 10 or 15 Leadership Points for developing a new Director.

Monthly Car Bonus. Move your business to Senior Director, then select your new car or truck and let Melaleuca start buying it for you. Active Senior Directors receive \$400 a month towards a vehicle valued in excess of \$15,000. Active Executive and Corporate Directors receive \$1,000 a month towards a vehicle valued in excess of \$30,000. Your Melaleuca vehicle must be new or nearly new (less than 24 months old).

Directors and above are guaranteed all Personal Commissions, even if they produce no Leadership Points in any given month. Directors are guaranteed to earn a minimum commission of \$120 per month. If a Director quality enrolls a customer, the guarantee increases to \$150 for that month. In any three-month period, if a Director earns at least one Leadership Point, he/she will be eligible to earn organization and leadership commissions as shown above.

In Canada, the Director requirement for minimum Monthly Product Point Production is 50 Product Points.



ADDITIONAL INCENTIVES

20/20 Club Marketing Executives who develop 20 personally enrolled Preferred Customers earn the 20/20 Club award. **Certificates of Achievement and Recognition** Each time Marketing Executives advance to a new status, they receive a Certificate of Achievement, a gold pin signifying the status achievement, and are recognized in the *Leadership in Action* magazine.

BONUSES PAID WEEKLY

“Quality Customer Score”

The Quality Customer Score is the percentage of your personal customers enrolled in the past five months (the current month plus the previous four months) who continue to be Preferred Customers.

When you have a Quality Customer Score of 75% or above, you can be paid the following bonuses **weekly**:

1. Quality Customer Bonus!

\$25 for every quality customer enrollment (after the first) each month

2. Product Introduction Commission!

20% of your new customer's first-month Product Point total

3. Value/Career Pack Bonus!

\$30 when your new customer purchases a Value Pack or \$50 when your new customer purchases a Career Pack

Those who have a Quality Customer Score of less than 75% will be paid the Product Introduction Commission and Value Pack and Career Pack bonuses with their monthly commission checks, and will be paid the Quality Customer Bonus after the customer has remained active for three months. So the key to receiving weekly payments is to maintain a Quality Customer Score of 75% or higher.

Each week on Monday at midnight, your previous week's quality enrollments will be calculated. On Tuesday at 1:00 p.m. Mountain Time, your weekly check amount will be posted at the Payment Center at Melaleuca.com. These bonuses will be deposited directly into your bank account when you go to the Payment Center and request to have the bonuses deposited into your account. (You must have previously provided your account information with Melaleuca so that Melaleuca can make this deposit.)



ADDITIONAL LEADERSHIP INCENTIVES AND BONUSES

DEFINITIONS

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

Organization Volume The total Product Points from products and services purchased in a Marketing Executive's organization in a calendar month.

PEG Volume Personal Enrollee Group (PEG) Volume is the total organization Product Point volume of a Marketing Executive's Personal Enrollees in any given month.

Leadership Points Leadership Points measure the level of support a Marketing Executive provides to his or her organization. Melaleuca's Compensation Plan requires each Director II and above to regularly produce Leadership Points. Up to six Leadership Points are available for enrolling a new Preferred Customer. These six Leadership Points are distributed as follows:

Enroller	3 Leadership Points	Earned by the enroller who is the Marketing Executive who provided the name of the new Preferred Customer.
Presenter	2 Leadership Points	Earned by the Marketing Executive who gave the majority of the presentation that resulted in the enrollment of the Preferred Customer.
Career/ Value Pack	1 Leadership Point	Awarded to the presenter if the new Preferred Customer purchases a Career or Value Pack during the month of enrollment.

ROAD TO EXECUTIVE DIRECTOR TRAINING

This is one of the most informative and effective events for Senior Directors working their way to Executive Director status. When Marketing Executives become Senior Directors, they are invited on an all-expenses-paid trip to Melaleuca's Home Office in Idaho Falls, Idaho for a three-day training session, with the opportunity to tour Melaleuca's facilities and meet with Management Team members.

LEADERSHIP POOLS

Active Directors III and above can participate in a monthly Leadership Pool. Directors III through IX, Senior Directors, and Executive/Corporate Directors share in the pools according to the Pool Formula. The Pool Formula is: (Status Factor x Retention Factor x Avg. Preferred Customer Growth) + Average Leadership Points.

LEADERSHIP GROWTH BONUS

Active Senior Directors and above can receive a minimum payout in the Leadership Pools. Senior Directors and above must have net growth in their organization during the current month or over a rolling 3-month average. When they qualify by having average net growth, Senior Directors receive a minimum of \$500 to be paid out of the Leadership Pools, and Executive and Corporate Directors receive \$1,000 to \$2,000 depending on their status.

When an active Senior Director or above develops a new first-time Director in the month, they receive a minimum of \$500 to be paid out of the Leadership Pool for each new Director. For example, if you develop 2 new directors, you would be guaranteed a minimum payout of \$1,000 from the Leadership Pools for that month.



LEADERSHIP POOLS

Each month, Melaleuca pays total commissions equal to 51% of total company Product Points. In any month where the payout is less than 51%, the difference between total Product Points and commissions paid out is added to the Leadership Pools. Active Directors III through Directors IX with growth in the number of Preferred Customers share in the Director Pool according to “The Pool Formula.” Senior and Executive Directors with growth in the number of Preferred Customers in their organization (over a rolling 3-month average) earn a Leadership Growth Bonus, plus share in the remaining pool dollars according to “The Pool Formula.”

Leadership Growth Bonus

Active Status	Monthly Bonus	Active Status	Monthly Bonus	Active Status	Monthly Bonus
Sr Director–Sr Director IX	\$500	Exec Director IV	\$1,400	Exec Director VIII	\$1,800
Exec Director	\$1,000	Exec Director V	\$1,500	Exec Director IX	\$1,900
Exec Director II	\$1,200	Exec Director VI	\$1,600	Corp Director	\$2,000
Exec Director III	\$1,300	Exec Director VII	\$1,700		

“The Pool Formula”

$$\begin{aligned}
 & (\text{Retention Factor} \times \text{*Average Net Preferred Customer Growth} \times \text{Active Status Factor}) \\
 + & \text{Average Leadership Points} \\
 = & \text{Pool Points (used to calculate your share of the total Pool)}
 \end{aligned}$$

**Up to 200 in any given month*

Formula Components

1) Retention Factor:

Calculated by first determining the number of Preferred Customers enrolled in the organization in each of the previous five months. Then determine how many of those originally enrolled customers are Preferred in the current month. Next the number of Preferred Customers still remaining is divided by the number of Preferred Customers originally enrolled (customers remaining/ customers originally enrolled). This process is repeated for each of the past five months. This will result in five percentages—one for each of the past five months. Finally, add those percentages together and divide by 5. The resulting number is the 5-month ARI or Average Retention Index for the current month. If the ARI is in the top third of those in the Leadership Pool, a Retention Factor of 3 will be assigned for the Pool Calculation. If the ARI is in the middle third of those in the Leadership Pool, a Retention Factor of 2 will be assigned. If the ARI is in the bottom third, a Retention Factor of 1 will be assigned.

2) Average Net Preferred Customer Growth:

Calculated by taking the greater of the average organization net Preferred Customer (PC) growth for the previous three months or the current month's PC growth divided by three (excluding roll-ups) up to a maximum of 200. Participants in the Director and Senior Director pools must have PC growth to participate in the pools. Executive and Corporate Directors can participate in the Leadership Pool without Preferred Customer growth, but will be automatically assigned an Active Status Factor (ASF) of 2.0.

3) Active Status Factor:

Dir III	1.3	Sr Dir. VIII	1.8
Dir IV	1.4	Sr. Dir. IX	1.9
Dir V	1.5	Exec Dir	2.00
Dir VI	1.6	Exec Dir II	2.25
Dir VII	1.7	Exec Dir III	2.50
Dir VIII	1.8	Exec Dir IV	2.75
Dir IX	1.9	Exec Dir V	3.00
Sr Dir.	1.0	Exec Dir VI	3.25
Sr Dir II	1.2	Exec Dir VII	3.50
Sr Dir III	1.3	Exec Dir VIII	3.75
Sr Dir IV	1.4	Exec Dir IX	4.00
Sr Dir V	1.5	Corp Dir	5.00
Sr Dir VI	1.6		
Sr Dir VII	1.7		

4) Average Leadership Points:

Any Marketing Executive who earns a 3-month average of 50–100 Leadership Points in the applicable month will receive two times the Leadership Point credit for that month. Leadership Points earned from the Marketing Executive's personal enrollments are limited to 40 for the pool formula in the pool calculation.

ADDITIONAL LEADERSHIP BONUS INFORMATION

This document outlines the leadership bonus opportunities and requirements for active Directors III and above, Senior Directors, Executive Directors, and Corporate Directors. These bonuses are designed to reward leaders who are creating growth within their organization and who continue to help others reach their goals.

Three Important Parts of an Enrollment

Enrollments are divided into three parts by using Leadership Points that affect bonuses for leaders. Leadership Points are assigned as follows:

Lead/Enroller	3 points
Presentation	2 points
Career/Value Pack	1 point (awarded to the Presenter if the new enrollee purchases Career or Value Pack during their month of enrollment)
<hr/>	
Total	6 points available for each enrollment

Preferred Customer Membership Agreement forms require enrollers to specify which Marketing Executive helped with each part of the enrollment. To qualify for points for the current month, the Preferred Customer paperwork must be received before month's end. Please note that these Leadership Points will determine status, advancements, and commissions; therefore, enrollers should assign these points carefully and honestly. The points are allocated according to the following definitions:

LEAD / ENROLLER

The Marketing Executive who supplied the name of the enrollee.

PRESENTATION

The Marketing Executive who gave the majority of the presentation that resulted in the enrollment of the Preferred Customer. One additional Leadership Point will be given to the presenter for each presentation that results in the purchase of a Career Pack or Value Pack by the new enrollee in the month of enrollment.

Leadership Points Required for Leaders

Directors or above who have achieved 20,000 or more Organization Product Points are required to produce an average of 10 Leadership Points per month. Directors or above with an Organization Product Point Volume of 50,000 or more will be required to produce an average of 15 Leadership Points per month in order to receive all of the Organization Commission available to them. Those producing fewer Leadership Points will receive a percentage of the total commission available.

Directors or above with an Organization Product Points greater than 20,000 but with a PEG Volume less than their Organization Volume may receive an Organization Commission of up to 10% of their PEG Volume.

Leadership Pool Information & Details

Active Directors III through Corporate Directors can participate in exclusive leadership pools. The leadership pools are designed to reward those leaders who provide an ongoing contribution to their organization by creating growth and helping others reach their goals.

Active Directors III through IX can participate in the Director's Leadership Pool up to a monthly amount equal to the status caps in place for their status' organization commission or up to 90% of what they would make as a Senior Director in the Senior Director Leadership Pool, whichever is less. Directors III through IX must have a minimum of five average Leadership Points to participate in the pool. If the rolling three-month average of Leadership Points is less than 15, participants may earn up to a maximum of \$500 in the Leadership Pool. The Top 30 pool point earners will participate in an additional pool bonus. To be eligible for the Top 30 bonus, Directors must have a three-month average of at least 15 Leadership Points. In calculating the average net Preferred Customer growth, Directors III through Directors IX are limited to 200 in any given month.

Senior Directors through Senior Directors IX may earn up to \$4,000 or 7% of their PEG volume, whichever is greater (not to exceed \$10,000) from the Senior Director Leadership Pool. Senior Directors may earn up to the maximum of 90% of what they would make as an Executive Director in the Executive Director pools. New Senior Directors will, in the third consecutive month as a new Senior Director, receive double their normal status factor for that month. In that month they may earn up to \$8,000 or 7% of their PEG volume, whichever is greater (not to exceed \$10,000). The Top 20 pool point earners will participate in an additional pool bonus. To be eligible for the Top 20 bonus, Senior Directors must have a three-month average of at least 40 Leadership Points. In calculating the average net Preferred Customer growth, Senior Directors through Senior Directors IX are limited to 200 in any given month.

Top pool point earners in the Director pools may not have been active Senior Directors previously. Top pool point earners in the Senior Director pools may not have been active Executive Directors previously. To participate in the top of any Leadership Pool, Directors III and above must have a minimum three-month average net Preferred Customer growth in their organization of 20 or more Preferred Customers.

Executive and Corporate Directors may earn 14% of their PEG volume or \$20,000, whichever is less from the Executive Director Pools. The top three producers of points in the Executive Director pool may earn up to 14% of their PEG volume or \$40,000, whichever is less. The Top 20 pool point earners will participate in an additional pool bonus. To be eligible for the Top 20 bonus, Executive Directors must have a three-month average of at least 40 Leadership Points and average Preferred Customer growth of at least 20. At least 10 of these 20 positions are reserved to Masters (Active Executive Directors who have been with Melaleuca for more than 5 years since becoming a Senior Director.)

Qualifying Senior through Corporate Directors with negative growth over a rolling three-month average, but positive growth in the current month will receive one-third (1/3) of their Leadership Growth Bonus.

Director Commission Minimum Guarantee. Active Directors are guaranteed to earn monthly commissions of at least \$120.

Senior, Executive, and Corporate Director Guarantee. Senior Directors who grow by one net Preferred Customer will be guaranteed a minimum of \$500 from the Leadership Pools that month.

Executive Directors who grow by one net Preferred Customer are guaranteed \$1,000 from the Leadership Pools that month, Executive Director IIs who grow by one are guaranteed \$1,200, Executive Director IIIs are guaranteed \$1,300, etc.

Senior, Executive, and Corporate Directors who develop a new Director are guaranteed a minimum of \$500 for each new Director from the Leadership Pools that month.

Director Emergency Leadership Point Bank. Each time an active Director III through Director IX develops a new personal Director, Melaleuca will give the leader an extra 5 Leadership Points and automatically place those points in a "bank." In any future month in which the Director III through IX needs additional Leadership Points to qualify for Status, points will be used from the bank to meet status requirements. Up to 20 Leadership Points can be accumulated in the bank. Points can only be used by active Directors III or above.

Residual Income for Personal Customer Commissions is Guaranteed! Leaders earn personal commissions (residual income on all customers they enrolled) regardless of Leadership Point production.

Additional First Generation Position. An additional first generation position will be given to leaders who advance to Director VI for the first time!

Leadership Point Banking Program. By filling out the Leadership Point Insurance form, active Senior Directors and above are able to bank Leadership Points produced in the current month. These points will remain in the bank until they are redeemed. These points can only be banked if the Marketing Executive has Leadership Points in excess of an average of 15. These points will automatically be redeemed if the leader's monthly average is less than 15. At that time only enough Leadership Points will be redeemed to ensure that the leader's average remains at 15. At the time of banking, the Leadership Points will not be used in the calculating of status or Leadership Pools. When they are

redeemed these points will count towards Leadership Pools and status. Leaders may only have a maximum of 90 Leadership Points banked at one time.

Vesting. The Melaleuca Vesting program provides for your secure retirement. The key to vesting is enrolling customers and enrolling developing Directors over your lifetime with Melaleuca. The vesting opportunity at Melaleuca rewards those leaders who have made a significant contribution in leadership and growth to their business over a meaningful period of time. Because the Vesting Program rewards enrolling Customers and developing Directors, leaders are not only earning commissions and building residual income, but they are also establishing the vesting credits that will benefit them in the long-term.

- Directors and above accumulate "credits" in their vesting account based on the development of new Directors and enrolling Personal Customers.
- When a Director or above does any of the following activities, they earn vesting credits in addition to Leadership Points as follows:

	After 4 Consecutive Months	After 6 Consecutive Months
Enroll a Personal Customer	1 credit	1 additional credit
Develop a Personal Director	25 credits	--
Develop a Personal Director V	25 credits	--

- Once an Executive Director has achieved and maintained Executive Director status for 10 years (10 out of 12 months in a year), he or she can qualify to use their vested credits to meet their Leadership Point requirements as follows:

Executive Director	5 Vesting Credits = 1 Leadership Point (5:1)
Executive Director II	4 Vesting Credits = 1 Leadership Point (4:1)
Executive Director III	3 Vesting Credits = 1 Leadership Point (3:1)
Executive Director IV	2 Vesting Credits = 1 Leadership Point (2:1)
Executive Director V and above	1 Vesting Credit = 1 Leadership Point (1:1)

- As long as the Executive Director maintains the respective status, they can use vesting credits in the ratios shown above.

Note: all other requirements for achieving status must be met, including Personal Directors, Organization Volume, and PEG Volume.

Secure Retirement. Once a Senior Director or above has maintained active Senior Director or above status for 20 years (10 out of 12 months in each year) and the youngest person involved in the business is 69 years of age, and continues to meet all the requirements to remain an active Senior Director under the compensation plan, they can use their vesting credits in lieu of Leadership Points for maintaining status at ratio of 1 to 1 as long as they meet all the ongoing requirements to remain an active status Senior Director.

- Melaleuca's Vesting Program became effective March 1, 2008.

What is vesting?

Vesting means a Senior or Executive Director can use vesting credits to meet the Leadership Point requirements for determining status. Some have interpreted the concept of vesting as being exempt from being required to be in compliance with all of Melaleuca's policies. That is, of course, not the case. A vested Marketing Executive must still comply with all existing and future Melaleuca policies and other compensation requirements except that of producing Leadership Points.

A vested Executive Director will still have to comply with policy 23, for example, which states, in part, that "Marketing Executives have the ongoing responsibility to promote the Melaleuca business opportunity...and to service, supervise, motivate and train the Marketing Executives in their Marketing Organization to sell and market the Melaleuca products and promote the Melaleuca business opportunity."

Melaleuca reserves the option to establish whatever measurements it deems appropriate to assure compliance with any of its policies including policy 23. Of course, Melaleuca also reserves its option to change or enhance the compensation plan as it deems appropriate to reward business-building activities and to assure the health of the organization as a whole.

Additional Ways to Earn Leadership Points

In addition to enrollments and presentations, leaders can also earn Leadership Points as follows:

1. Directors II and above will earn 10 points for each new Personal Director they develop in any given month (when the Director is not a Pacesetter Director).
2. Directors II and above will earn 15 Leadership Points for each new Personal Pacesetter Director developed when they are both the enroller and they do the majority of the presentation points. Directors II and above who do the majority of the presentation points for the new Director's Personals and the new Director's Personal's Personals will earn 10 Leadership Points, and the Enroller will earn 5 Leadership Points.
3. In the cases of #1 or #2 above, if someone other than the enroller does the majority of the presentation points for customers enrolled by the new Director, the enroller earns five Leadership Points and the Director II or above doing the presentations earns 10 Leadership Points.
4. Directors II and above earn 10 Leadership Points for each Personal Enrollee who advances to a status of Director II through Senior Director in the month following the month of advancement. Please note: the advancement does not need to be a Pacesetter advancement, but the leader receiving the Leadership Points needs to have a status equal to or greater than the advancing Personal Enrollee up to but not past Senior Director.

Guaranteed Monthly Total Dollar Payout

Each year Melaleuca will pay out commissions equal to at least 51% of the total annual Product Points produced throughout the company. If Melaleuca has paid out less than 51%, Melaleuca will include the difference in the Leadership Pools.

Executive Director Credits

To advance beyond Corporate Director Status, a Corporate Director must maintain the minimum qualifications for Corporate Director, which are: at least 10 personally enrolled Directors (five of which need to be Executive Directors), achieve minimum Organization & PEG Volume equal to the status they are trying to achieve, and achieve the Personally Enrolled Executive or Corporate Director credits. Executive or Corporate Director credits are calculated each month based on the active status of your personally enrolled Executive or Corporate Directors as follows:

Status	Credit	Status	Credit
Executive Director	1.1	Executive Director VI	1.6
Executive Director II	1.2	Executive Director VII	1.7
Executive Director III	1.3	Executive Director VIII	1.8
Executive Director IV	1.4	Executive Director IX	1.9
Executive Director V	1.5	Corporate Directors	2.0

Volume Status Credits

Once a Marketing Executive becomes a Senior or Executive Director and above and maintains that status for three consecutive months, his or her Enroller can receive ongoing credit for that executive status as long as the enroller has an active status of Executive Director II through Executive Director IX and the Enrollee's Organizational Volume is maintained at the required level. This is for the purpose of calculating Personal Enrollee requirements for Executive Directors II through IX only.

Status Credit for Corporate Directors

In order for Corporate Directors to advance to Corporate Director or above by volume status, a Corporate Director needs to have net Preferred Customer growth each month. This growth includes international growth but excludes all roll-ups. A Corporate Director who advances due to volume status will not receive the 10% PEG bonus, the 2% monthly bonus, or 1% annual bonus until they have 5 active Executive Directors. Corporate Directors II and above who advance with the volume status will not receive the 2% PEG bonus and the 1% annual bonus until they qualify with normal qualifications. Corporate Directors who advance to Corporate Director II through Corporate Director IX must achieve and hold that new status for three months (may or may not be consecutive) in order to earn the one-time 10% advancement bonus.

Disability/Charitable Service Exemption

Active Senior Directors and above who are disabled may apply for a Disability Exemption from the Leadership Point production requirements. Marketing Executives who are engaged in full-time missionary or charitable service away from their homes may apply for a Charitable Exemption from the Leadership Point production requirements. Contact Melaleuca Business Development at 1-208-522-0870 for instructions on submitting an application for these exemptions.