

2018 INCOME DISCLOSURE STATEMENT

WHO WE ARE

Rodan & Fields (R+F) is dedicated to giving people the best skin of their lives through dermatologically-inspired skincare solutions. Launched in 2002 and founded by renowned Stanford-trained dermatologists, Dr. Katie Rodan and Dr. Kathy Fields, Rodan + Fields mission is to give consumers the best skin of their lives. Each of our proprietary Multi-Med® Therapy Regimens offer clinically-tested results and our standard of efficacy holds true with every new innovation. The brand is driven by its disruptive consumer connected commerce business model and community of entrepreneurs and provides the closest alternative to a professional skincare experience outside of a medical office. Consistent with R+F's passion to help people create life-changing opportunities, we give back through our Prescription for Change® (PFC) Foundation, which provides youths with life-changing empowerment programs.

OUR PROGRAM

Our Consultants are independent contractors who have developed business management skills, cultivated relationships within the R+F community, and challenged themselves to become comfortable in front of audiences. Many earn fun money and income for discretionary purchases, some even earn more. A Consultant can join for a purchase of as little as a \$52 Business Portfolio. Consultants are eligible to purchase products at reduced prices, create their own schedule, and have the potential to earn retail profit and monthly commissions.

The R+F Compensation Plan is based on product sales. You cannot earn income from sponsoring or recruiting team members. Over the course of 2018, R+F had 20,611 enrolled Consultants; 10,979 (53%) were Paid Consultants who received payment in at least one month for sales that occurred during 2018; and 9,632 (47%) were Consultants who received the benefit of discounted prices, but did not earn any compensation from R+F.

Of the Paid Consultants in 2018, approximately:

- Top 1% were paid more than \$24,183/annually
- Top 10% were paid more than \$4,943/annually
- Top 50% were paid more than \$557/annually

EARNINGS

The income statistics shown below include retail profit and commissions earned by Consultants under the R+F Compensation Plan. In addition, there is potential to earn bonuses and incentives in recognition of performance. These statistics do not include expenses that may be incurred by Consultants. As a Consultant, you always earn retail profits on the sales you make. To be eligible for commissions on products, you must have monthly sales to retail customers and/or personal purchases of roughly \$125 (100 Volume*) worth of product. To receive greater commissions and maintain your status your direct Customers must purchase and/or your direct Consultants must sell 600 in Volume* of products each month. For more information regarding the compensation plan, see the Rodan + Fields Compensation Plan or contact Sales Support at 1 (415) 273-8000.

Independent Consultants' business results vary significantly, and no income is promised or guaranteed. Earnings depend on a number of factors, including leadership, business experience, expertise, quality and depth of your network, and individual effort. Potential Consultants are urged to perform their own due diligence prior to making any decision to participate. Please review the [R+F Policies & Procedures](#) before deciding whether to enroll.

Total Annual Payments Tier	Average Annual 2018 Income by Tier	Median Annual 2018 Income by Tier	% of Paid Consultants
Over \$100,000	\$149,478	\$137,383	0.09%
\$50,000 to \$100,000	\$67,045	\$66,453	0.18%
\$25,000 to \$50,000	\$35,619	\$33,972	0.67%
\$10,000 to \$25,000	\$14,610	\$13,481	2.90%
\$5,000 to \$10,000	\$6,919	\$6,637	6.00%
\$1,000 to \$5,000	\$2,316	\$1,996	26.80%
Under \$1,000	\$326	\$248	63.30%**

*Volume is determined by the Consultant price of products, and sometimes, but not always, is the same as the Consultant price.

**A typical plan participant in 2018 made \$326.

RETURNS

All products come with a 60-day empty bottle money back [Satisfaction Guarantee](#) – even if some of the product has been consumed. After 60 days and for up to one year from when you make your purchase, you may return any unsold product in resalable condition and/or Business Building Kit for a 100% refund of the purchase price (not including shipping costs) if the business does not work out for you and you terminate your Consultant account.***

***Residents of Maryland, Wyoming, Massachusetts, and Puerto Rico can receive refunds on the Business Portfolio purchase even after one year.