

# dōTERRA™ | EUROPE

## Policy Manual

SECTION 1: Introduction.....	2
SECTION 2: Definitions.....	2
SECTION 3: Code of Ethics.....	4
SECTION 4: Signing Up as a Wellness Advocate.....	5
SECTION 5: Purchasing Products.....	6
SECTION 6: Product Return Policy.....	7
SECTION 7: Retail Sales Obligations and Limitations .....	8
SECTION 8: Enrolling or Sponsoring a Wellness Advocate.....	9
SECTION 9: Placement Policy, Line Switching, and Cross and Moving Prohibition.....	10
SECTION 10: Sales Compensation Plan .....	12
SECTION 11: Product Claims.....	19
SECTION 12: Advertising and Use of the Company’s Intellectual Property Rights.....	20
SECTION 13: Retail Store, Service Establishment Sales and Trade Show Policy .....	25
SECTION 14: International Business .....	26
SECTION 15: Payment of Taxes.....	27
SECTION 16: Product Liability Claims .....	28
SECTION 17: Data Protection and Authorized Use of Wellness Advocate’s Information.	28
SECTION 18: Limitation of Liability.....	29
SECTION 19: Disciplinary Action .....	30
SECTION 20: Contract Changes .....	33
SECTION 21: Successors and Claims.....	34
SECTION 22: Miscellaneous .....	35

## SECTION 1: Introduction

This dōTERRA® Policy Manual (Policy Manual) has been incorporated into and made part of the Terms and Conditions of the Wellness Advocate Agreement. This Policy Manual, the Wellness Advocate Agreement and any applicable Business Application Addendum constitute the entire agreement (“Contract”) between dōTERRA (“Company”) and the Wellness Advocate (“Wellness Advocate”). The Contract or any part thereof may be amended by the Company in accordance with the provisions of the Wellness Advocate Agreement.

A Wellness Advocate’s failure to comply with the provisions of this Policy Manual or any of the other documents comprising the Contract between the Company and the Wellness Advocate may, in the sole discretion of the Company, result in any or all of the following: termination of the Contract of the Wellness Advocate, loss of the right to sponsor other Wellness Advocates, loss of the right to receive a Bonus, loss of formal recognition by the Company, and suspension or termination of other rights and privileges.

A. dōTERRA Company Mission: dōTERRA is committed to sharing the life-enhancing benefits of CPTG Certified Pure Tested Grade® essential oils with the world. dōTERRA does this by:

1. Discovering and developing the world’s highest-quality essential oil products through a leveraged network of highly-educated and experienced botanists, chemists, health scientists, and health care professionals;
2. Producing our essential oil products to the highest standard of quality, purity, and safety used in the industry;
3. Distributing our products through Wellness Advocates who, working from home, introduce, educate, and sell dōTERRA products; and
4. Providing educational opportunities for all people interested in learning how essential oils can be used to maintain a healthy lifestyle.

B. dōTERRA Company Values: dōTERRA will conduct business in such a way as to be a positive influence for good with each person, customer, consultant, employee, vendor, and partner with whom it comes in contact by:

1. Conducting our business with absolute honesty and integrity;
2. Treating all people with kindness and respect;
3. Conducting our interactions with others in a spirit of service and caring;
4. Working hard and managing the use of company resources wisely;
5. Fostering an uplifting work environment by smiling, laughing, and having fun;
6. Being grateful for success and giving recognition to others; and by
7. Being generous with those less fortunate in our community and around the world.

## SECTION 2: Definitions

**Active:** A Wellness Advocate who has purchased dōTERRA products within the past twelve months.

**Annual Renewal Fee:** A fee that is required to be paid by a Wellness Advocate to the Company to renew his or her Distributorship each year on the Wellness Advocate’s anniversary signup date.

**Bonus:** Compensation (sometimes called “commissions”) paid by the Company to a Wellness Advocate based on the volume of products sold by a Wellness Advocate’s organization upon meeting the requirements of the dōTERRA Sales Compensation Plan. See Section 10.

**Business Application Addendum:** A supplemental document to the Wellness Advocate Agreement. The Business Application Addendum must be completed and signed by a partnership, corporation, or other legal entity (see Corporation) applying to become a Wellness Advocate. The Business Application Addendum should list all Persons who are partners, shareholders, principals, officers, beneficiaries, directors or members of a Corporation.

**Company:** Company or “dōTERRA” means dōTERRA Global Limited or any lawful assignee, successor, subsidiary or affiliate regardless of geographic location together with dōTERRA (Europe) Ltd.

**Company Credit:** Company Credit is a Wellness Advocate’s account receivable balance. Company Credit can be used to purchase product or can be redeemed for cash (compare Product Credit).

**Consultant:** The title of level one Wellness Advocates in the Company’s Sales Compensation Plan.

**Contract:** The agreement between a Wellness Advocate and the Company comprised of this Policy Manual and the Wellness Advocate Agreement together with any Business Application Addendum.

**Corporation:** Any business entity such as a corporation, partnership, limited liability company, or other form of business organization legally formed under the laws of the jurisdiction in which it is incorporated or organized.

**Customer:** The term “Customer” means a Person who purchases products but does not participate in the dōTERRA Compensation Plan and includes Wholesale Customers.

**Distributorship:** The term Distributorship is another term for the business of any Wellness Advocate, as represented by a Wellness Advocate’s contractual relationship with the Company.

**dōTERRA Intellectual Property:** dōTERRA Intellectual Property means all intellectual property which dōTERRA Holdings, LLC or an affiliated company claims to own, or claims a right to use, including but not limited to trademarks, trade names, service marks, domain names, and copyright content of its publications, whether registered with relevant governmental authorities or not.

**Downline:** Another term for Organization.

**Enrollee:** An Enrollee is a Wellness Advocate who was enrolled by an Enroller.

**Enroller:** Enroller is a Wellness Advocate who has enrolled an Enrollee. It is a designation that entitles a Wellness Advocate to qualify for Ranks and Fast Start Bonuses in the Sales Compensation Plan. Enrollers also enjoy the ability to identify a new Wellness Advocate’s Sponsor within the Enroller’s Organization. An Enroller can also be the Sponsor (compare Sponsor).

**Hospital:** Any hospital, medical health or treatment center, care home, retirement home, convalescence center or similar institution or location.

**Local Market:** A single country or grouping of countries that the Company designates.

**Loyalty Rewards Program:** The Loyalty Rewards Program (LRP) is a product ordering program whereby a Wellness Advocate can set up automatic monthly deliveries of dōTERRA products, and which may qualify a Wellness Advocate to receive Product Credits and other benefits in the Sales Compensation Plan (see Section 10).

**Open Local Market:** A country or geographical region designated in writing by the Company as officially open for dōTERRA business.

**Organization:** The group of Wellness Advocates and Customers sponsored in a Wellness Advocate’s direct and subsequent downline chain of sponsorship.

**Person:** An individual, corporation, partnership, or other legal entity.

**Ranks:** Designations (levels) earned by and given to Wellness Advocates in the Company’s Sales Compensation Plan structure, including: Consultant, Manager, Director, Executive, Elite, Premier, Silver, Gold, Platinum, Diamond, Blue Diamond, and Presidential Diamond. Ranks are earned and determined each month.

**Policy Manual:** This document which forms part of the Contract.

**Product Claims:** Claims related to the efficacy or effect of dōTERRA products. Product claims are regulated by laws and government bodies in dōTERRA's home country including the Food and Drug Administration and Federal Trade Commission, or similar governmental agencies in the jurisdiction of the Wellness Advocate.

**Product Credits:** Product Credits are non-cash redeemable points that can be used to purchase Company designated products. Product Credits are granted as part of the LRP, and in the discretion of the Company for deserving Wellness Advocates. No Personal Volume or Organizational Volume is associated with the redemption of Product Credits (compare Company Credit).

**Sales Aid:** Any material, whether physically printed or in digital form, used in the offer or sale of Company products, recruitment of prospective Wellness Advocates or Customers, or training of Wellness Advocates, which makes reference to the Company, the Company's products, the Sales Compensation Plan, or dōTERRA Intellectual Property.

**Sponsor:** A Wellness Advocate who has another Wellness Advocate placed directly underneath him/her in his/her Organization (compare Enroller).

**Wellness Advocate or WA:** A Person who is an independent contractor authorized by the Company to purchase and retail products, recruit other Wellness Advocates, and receive Bonuses in accordance with the requirements of the Sales Compensation Plan. A Wellness Advocate's relationship to the Company is governed by the Contract. More than one Person may be included on a Distributorship as a co-applicant. In such a case, 'Wellness Advocate' refers to all Persons collectively, although each Person jointly has all the Wellness Advocate rights and each Person jointly and severally has the Wellness Advocate obligations.

**Wellness Advocate Agreement:** The completed application, whether in printed or electronic form, to become a Wellness Advocate with accompanying terms & conditions which, upon acceptance by the Company, is part of the Contract between the Wellness Advocate and the Company.

**Wholesale Customer:** A Wholesale Customer is a Person who purchases products at a discount. A Wholesale Customer does not earn bonuses through or otherwise participate in the dōTERRA Compensation Plan. A Wholesale Customer, however, may earn volume discounts on products through dōTERRA's Loyalty Rewards Program.

**Wholesale Customer Agreement:** The application and agreement, whether in printed or electronic form, to become a Wholesale Customer.

### SECTION 3: Code of Ethics

dōTERRA expects and requires its independent sales force to conduct themselves in accordance with the highest standards of ethical behavior. dōTERRA Wellness Advocates are expected to practice the following ethical behavior when introducing people to, and representing the Company and its products. Breaches of behavioural standards in this Policy Manual including in the Code of Ethics may subject the Wellness Advocate to disciplinary action by the Company depending on the Company's view as to the materiality of the breach. The following standards help ensure a uniform standard of excellence throughout the dōTERRA organization. All Wellness Advocates should:

- A. Be respectful of every person while conducting dōTERRA related business.
- B. Conduct themselves and their business activities in an ethical, moral, legal and financially honest manner. Wellness Advocates should not engage in activities and behaviour that would bring disrespect or embarrassment to dōTERRA, its corporate officers, employees, themselves, or other Wellness Advocates.
- C. Refrain from making negative or disparaging statements about other companies, their employees, or their products.
- D. Refrain from making negative or disparaging statements about other dōTERRA Wellness Advocates.
- E. Be truthful in representations of dōTERRA products. Do not make any claims that dōTERRA products will cure, treat or prevent any disease or make any diagnostic, therapeutic, curative or exaggerated claims.

- F. Give support and encouragement to customers to ensure that their experience with dōTERRA is meaningful and rewarding. Wellness Advocates should provide proper support and training to those they sponsor and who are in their Organization.
- G. Accurately teach and represent the dōTERRA Sales Compensation Plan. Be honest in explaining the income one may earn under the Sales Compensation Plan. Wellness Advocates should not use their own income as an indication of another's potential success, or use compensation payments as marketing materials.
- H. Abide by all of dōTERRA policies and procedures as they are currently found in this Policy Manual and the other Contract documents, and as they may be amended in the future.

#### SECTION 4: Signing Up as a Wellness Advocate

The Wellness Advocate relationship is the most valuable relationship at dōTERRA. The Company takes great pleasure in teaming up with Wellness Advocates to present and offer our life-enhancing products and our opportunity.

- A. **Signing Up as a Wellness Advocate.** To become a dōTERRA Wellness Advocate each applicant must:
  - 1. Pay a non-refundable £20.00, VAT exclusive, application fee;
  - 2. Submit a properly completed Wellness Advocate Agreement;
  - 3. Be over 18 years old and be competent to enter into the Agreement.
- B. **Inaccurate Applications.** An incomplete, incorrect, or fraudulent Wellness Advocate application will be deemed invalid from its inception.
- C. **Binding Effect of One Member of a Distributorship.** Where there are one or more Persons who will be a part of a Distributorship as co-applicants, the action, consent or acceptance by one binds the entire Distributorship.
- D. **Duty to Maintain Accurate Information.** To help ensure that the Company has the most current information, Wellness Advocates must advise the Company of changes to the submitted forms and attachments. Proposed changes to personal information should be submitted on a new Wellness Advocate Agreement or Business Application Addendum with the word "Amended" written across the top. All parties to the Distributorship should sign the amended agreement before submitting it to the Company.
- E. **Business Application Addendum.** A Corporation may become a dōTERRA Wellness Advocate by submitting, with the Business Application Addendum, true and correct copies of the formation documents, together with any other related documents the Company will request. The authorized officer, agent or representative will sign the Wellness Advocate Agreement. The enrollment of a Corporation cannot be done online. Hospitals may not be enrolled without written permission from compliance and legal departments.
- F. **Term of Contract and Contract Renewal.** The term of the Contract is one year from the date it is submitted to dōTERRA. Unless the Wellness Advocate notifies the Company of its intent not to renew, or unless the Contract is terminated by the Company or the Wellness Advocate, the Contract is automatically renewed each year on its annual anniversary date. The Wellness Advocate agrees to pay an annual renewal fee on or before the anniversary date of acceptance of the application. The Wellness Advocate agrees and authorizes the Company to automatically charge the credit card on file with the Company in the amount of £15, VAT exclusive, each year on the anniversary date to renew the Contract with the Company. The Company may elect to add the annual renewal fee to the next product order. The annual renewal fee helps the Company to provide the Wellness Advocate with the necessary support materials and information on products and services, Company programs, policies and procedures, and related matters. The annual renewal fee also covers the costs of all direct mailings from the Company.



- G. Simultaneous Interests in Distributorships Prohibited.** A Wellness Advocate may not have a simultaneous beneficial interest or be a co-applicant in more than one Distributorship. A beneficial interest includes, but is not limited to, any ownership interest; any rights to present or future benefits, financial or otherwise; rights to purchase at wholesale prices; recognition; or other tangible or intangible benefits associated with a Distributorship. Married spouses must be part of the same Distributorship, and cannot have more than one Distributorship between them. A business owner cannot have a Distributorship in the name of the business and a separate Distributorship in the owner's own name, or another business. An exception to this rule is the Presidential Diamond Multiplier Account. See Section 10.B.3.
- H. Independent Contractor Relationship Between Wellness Advocate and the Company.** A Wellness Advocate is an independent contractor and not an employee, agent, partner, legal representative or franchisee of dōTERRA. A Wellness Advocate is not authorized to and will not incur any debt, expense or obligation, or open any bank account on behalf of, for, or in the name of dōTERRA. Wellness Advocates have the right to determine their own hours of business and also control the manner and means by which they operate their dōTERRA businesses, subject to compliance with the Contract. Wellness Advocates are solely responsible for paying all expenses they incur, including but not limited to travel, food, accommodation, secretarial, office, long distance telephone and other expenses. Wellness Advocates are personally liable for any taxes and duties required by law, including income tax, national insurance contributions and the proper collection and payment of VAT on sales and Bonuses and shall keep all such proper records as are necessary to ensure the proper assessment and payment of any such taxes or duties. Wellness Advocates are not treated as employees of the Company for tax purposes or employment laws, and acknowledge and agree that the Company is not responsible for withholding and shall not withhold or deduct from Bonuses a taxes of any kind, unless such withholding becomes legally required. Wellness Advocates are bound by all sales tax collection and remittance agreements between the Company, all appropriate taxing jurisdictions, and all related rules and procedures.
- I. Company Recognition.** The Company may choose to recognize Wellness Advocates at selected events and in various publications including conventions and magazines. Recognition will be based upon criteria and standards adopted and changed, from time to time, by the Company. The Company will typically recognize Wellness Advocates at the highest Rank they achieved for at least three of the most recent twelve months, except for first time Rank achievement.
- J. £200 / 7 Days Rule.** A Wellness Advocate in the United Kingdom may not pay or undertake to pay any sums exceeding £200 (including VAT) to the Company or any of its other Wellness Advocates within 7 days of the date of their Wellness Advocate Agreement.

## SECTION 5: Purchasing Products

- A. No Requirement to Purchase Products.** A Person is not required to purchase any product in order to become or continue as a dōTERRA Wellness Advocate or Customer.
- B. Authorization to Resell dōTERRA Products.** Only Wellness Advocates may purchase dōTERRA products for resale.
- C. Purchasing Product Solely to Qualify for Bonuses is Prohibited.** The dōTERRA opportunity is built on retail sales to the ultimate consumer. The Company encourages Wellness Advocates to only purchase inventory that the Wellness Advocate and the Wellness Advocate's family will personally consume, use as a sales tool, or resell to others for their ultimate consumption. Purchasing product solely for the purpose of collecting Bonuses is prohibited. Wellness Advocates are not allowed to purchase inventory in an amount which unreasonably exceeds that which can be expected to be resold, used as a sales tool, or consumed within a reasonable period of time. The Company retains the right to limit the amount of purchases the Wellness Advocate may make if, in its sole judgment, it believes those purchases are being made primarily for qualification purposes instead of for consumption or resale. In addition, the Company reserves the right to recover Bonuses paid if it is discovered by the Company that the Bonuses have been generated on what the Company deems to be sales in breach of the Contract.

- D. Credit Card Use.** Wellness Advocates are strongly discouraged from using their own credit cards to purchase products for another Wellness Advocate or for a Customer. Wellness Advocates are prohibited from using their own credit cards to purchase products for another Wellness Advocate or for a Customer who has been enrolled with the Company for less than 30 days. Wellness Advocates may not place a product order using someone else's credit card without the credit card owner's written permission. In those rare circumstances where it is necessary to purchase product for another Wellness Advocate or Customer, the Company must receive written permission from the Wellness Advocate or Customer for whom the product order is being placed. Failure to produce such permission upon request of the Company may result in cancellation of the sale, forfeiture of Bonuses resulting from the sale, and other disciplinary action as outlined in Section 19.
- E. Repackaging Prohibited.** Wellness Advocates may not print their own labels for or repackage dōTERRA products. Products are to be sold in their original packaging only. For instance, Wellness Advocates may not resell individual parts of a kit separately from the original kit packaging unless the Company has established a wholesale price for the individual part. Similarly, Wellness Advocates may not advertise the use of dōTERRA oils as ingredients for non-dōTERRA products, such as components of a separate product or ingredients in food recipes, without the written consent of the Company. The use of the dōTERRA name by a Wellness Advocate is governed by Section 12 of this Policy Manual.
- F. Dishonoured Payment Fees.** Wellness Advocates are responsible to reimburse the Company for the cost of re-presenting payments or otherwise obtaining payments from Wellness Advocates that are returned to the Company for insufficient funds.
- G. Will Call Orders.** The Company will have the option of shipping a placed order to a Wellness Advocate if an order has not been picked up at Will Call within twenty (20) days of placement of an order. The Company will assess the costs of such shipment to the Wellness Advocate as if the order had been originally placed as an order to be shipped. The pickup period varies by Local Market. Please consult the Will Call Center in the Local Market from which the product was ordered.

## SECTION 6: Product Return Policy

### A. Returns on Products Within 30 Days.

1. dōTERRA will refund one hundred percent (100%) of the purchase price (plus applicable tax if prepaid) of Currently Marketable products that are returned by a Wellness Advocate or Customer within thirty (30) days of delivery by the Company. Wellness Advocates have the same 30 day refund rights as retail customers and the full refund terms are set forth herein.
2. dōTERRA will provide a Product Credit of one hundred percent (100%) of the purchase price (plus applicable tax if prepaid) or a refund of ninety percent (90%) of the purchase price (plus applicable tax if prepaid) on products not Currently Marketable (see Section 6.D.) that are returned by a Wellness Advocate or Customer within (30) days of delivery, less shipping costs and paid Bonuses.

**B. Returns Thirty-one (31) days to Ninety (90) days After Purchase.** From thirty-one (31) days and up to ninety (90) days from the date of purchase, dōTERRA will provide a Product Credit of one hundred percent (100%) or a refund of ninety percent (90%) of the purchase price (plus applicable tax if prepaid) on Currently Marketable products that are returned by a Wellness Advocate or Customer, less shipping costs and paid Bonuses.

**C. Returns From Ninety-one (91) days to One (1) year After Purchase.** After ninety-one (91) days and up to twelve (12) months from the date of purchase, dōTERRA will provide a Product Credit of ninety (90%) or a refund of (90%) of the purchase price (plus applicable tax if prepaid) on Currently Marketable products that are returned by a Wellness Advocate or Customer, less shipping costs and paid Bonuses (excludes limited time offers and expired items).

**D. Currently Marketable.** Products and Sales Aids shall be deemed 'Currently Marketable' if each of the following elements is satisfied: 1) they are unused; 2) packaging and labeling have not been altered or damaged; 3) products which are delivered sealed or protectively wrapped and which if unsealed or unwrapped cannot be resold for health or hygiene reasons (for example essential oils) have not been opened or unsealed or unwrapped; 4) the product and packaging are in a condition such that it is a

commercially reasonable practice within the trade to sell the merchandise at full price; 5) the product expiration date has not elapsed; and 6) the product contains current dōTERRA labeling. In addition, for the purposes of Section 6.B and Section 6.C above, products shall not be considered Currently Marketable if the Company discloses prior to purchase that the products are seasonal, discontinued, limited time offers, or special promotion products not subject to the Return Policy.

- E. Return of Damaged or Incorrectly Sent Products.** dōTERRA will exchange or refund products if the returned products were received by the Wellness Advocate in damaged condition or were incorrectly sent. Such products must be returned within fifteen (15) days of receipt. Whenever possible, returned products will if requested be replaced with undamaged products. However, when an exchange is not feasible, the Company reserves the right to issue a refund for the amount of the exchanged products.
- F. Duty to Retain Sales Order Number.** In order for the Company to correctly recoup the applicable Bonuses on returned products, the original sales order number from the invoice must be retained. This number must be provided to the Company at the time the request for a refund is made.
- G. Kit Returns.** Products purchased as part of a kit or package must be returned as the entire kit.
- H. Refund Alternatives.** The form of refund will be based upon payment procedures in the Local Market and the original form of payment. Refunds will only be paid to the original payor.
- I. Return Procedure.** To obtain a refund for returned products or Sales Aids, a Wellness Advocate must comply with these procedures:
1. A number for the return should be received prior to the return of the shipment to the Company. This number can be obtained, either by telephone or in writing, and the actual return shipment must be accompanied by the Wellness Advocate number.
  2. The Company will provide the Wellness Advocate with the correct procedures and location for returning the products or Sales Aids. All return shipping costs must be paid for by the Wellness Advocate.
  3. This return/refund procedure may vary in jurisdictions where different repurchase requirements are imposed by law. Applicable laws may dictate the terms of the refund policy. dōTERRA's return/refund procedures do not affect a Wellness Advocate's statutory rights.
- J. Company's Right to Recoup Unearned Bonuses.** Bonuses are paid to Wellness Advocates based on the purchase of Company products by Customers or by members of their Downline Organization. When products are returned, the Company has the right to recoup the Bonuses that were paid based on the purchase of the products that were returned. The Company may recoup these Bonuses by requiring a Wellness Advocate to pay the Company directly, or the Company may withhold the amount of the Bonus from future Bonus payments.
- K. Return of Personalized Sales Aids.** Personalized Sales Aids are not returnable or refundable, except for personalized Sales Aids with printing errors. Such sales aids must be returned within thirty days and in conformance with the Product Return Policy.
- L. Credit Card Charge Backs.** Wellness Advocates are required to return products under the Company's product exchange and return policies rather than doing a credit card chargeback. When credit card chargebacks occur, the Company has the right to recoup the Bonuses that were paid based on the products associated with the credit card chargeback.
- M.** If the Company provides any training for the Wellness Advocate at the cost of the Wellness Advocate then the Wellness Advocate may require the Company to refund such cost (less the cost of any subsistence) within 14 days of the training if the Wellness Advocate is dissatisfied with the training.

## SECTION 7: Retail Sales Obligations and Limitations

- A. Cancellation Rights.** United Kingdom consumer protection laws require a Wellness Advocate who has sold product to a retail customer to provide a fourteen (14) day money back guarantee. This means that Wellness Advocates must, for any reason and upon request, give a full refund of the purchase



price to the customer. The customer is required to request the refund within fourteen (14) days of delivery and return the products. The full refund terms are set out on the sales receipt provided by dōTERRA for use by Wellness Advocates, and Wellness Advocates should familiarise themselves with those terms and must sell products only on those terms.

The Company encourages Wellness Advocates to honour a request for a refund or product exchange even if it is made more than fourteen (14) days after delivery. The Company supports this policy by providing its generous Product Return Policy found in Section 6.

**B. Duty to Provide Sales Receipts.** Wellness Advocates must provide the customer with a completed retail sales receipt at the time of the sale.

1. The front of the retail sales receipt should be completed and include the items ordered, the amount of sale, and the customer's name, address, and telephone number.
2. The back of the retail sales receipt should be completed to include the date of the sale, the name of the Wellness Advocate, business address, and business telephone number.
3. Wellness Advocates should keep copies of all retail sales receipts on file for at least six (6) years. The amount of sales tax collected must be recorded on the retail sales receipt form.

## SECTION 8: Enrolling or Sponsoring a Wellness Advocate

**A. Duty to Accept Contractual Responsibilities.** Before a Wellness Advocate may act as an Enroller or Sponsor, the Wellness Advocate must meet all requirements and accept all responsibilities described in the Contract.

**B. Placement.** A Wellness Advocate may refer Persons to the Company as applicants to become Wellness Advocates. An applicant who becomes a Wellness Advocate is placed in the Organization of the Enroller listed on the Wellness Advocate Agreement Form.

**C. Training and Support of Organization.** In order to be a successful Enroller or Sponsor, a Wellness Advocate should assume training and support obligations for Wellness Advocates in his Organization. A Wellness Advocate's success can come only through the systematic sale of Company products to retail customers and the product sales of other Wellness Advocates within his Organization.

**D. Open Local Markets.** A Wellness Advocate is entitled to enroll or sponsor other Wellness Advocates only in Open Local Markets. See Section 14.

**E. Becoming a Successful Enroller or Sponsor.** To be a successful Enroller or Sponsor and leader, a Wellness Advocate should perform the following responsibilities:

1. Give regular sales and organizational training, guidance, and encouragement to the Wellness Advocate's Organization. An Enroller or Sponsor should maintain contact with everyone in his or her Organization and be available to answer questions. If you have a high ranking leader in your organization, your communication to persons in the high-ranking leader's organization should go through the high-ranking leader;
2. Exercise the Wellness Advocate's best efforts to ensure that all Wellness Advocates in the Wellness Advocate's Organization properly understand and comply with the terms and conditions of the Contract and applicable national and local laws and regulations;
3. Intervene in any disputes arising between a customer and any of the Wellness Advocate's Organization and attempt to resolve the dispute promptly and amicably;
4. Provide training to ensure that product sales and opportunity meetings conducted by the Wellness Advocate's Organization are conducted in accordance with the Contract and in accordance with any applicable laws and regulations;
5. Promptly resolve any disputes between the Wellness Advocate, other Wellness Advocates, and the Organization of the Wellness Advocate; and

6. Educate those Wellness Advocates the Wellness Advocate enrolls and sponsors about the Company Policies.

**F. Enroller and Sponsor Duty of Care.** Enrollers and Sponsors have a responsibility and special duty of care to ensure that their actions or omissions do not cause or result in loss, harm or embarrassment to anyone in their Organization or the Company, and must promptly act to rectify any such loss, harm or embarrassment.

At the time of signup, Enrollers should ensure that those they enroll are informed about who is to be their Enroller. Wellness Advocates should not leave the assignment of enrollership of a new Wellness Advocate to their upline or some other person.

**G. Realignment of All or Part of an Organization.** The Company reserves the right to move or realign an Organization, or parts thereof, from Enrollers or Sponsors who breach the terms of this Policy Manual or who commit or are involved in conduct of moral turpitude as determined by the Company in its sole discretion. Nothing herein requires the Company to take any action, nor does it waive any rights by postponing or declining to do so.

Examples of conduct of moral turpitude may include but are not limited to: unwelcome sexual advances or communications, failure to repay debts, bankruptcy, physical harm, mischief or abuse, theft, and interference with family relationships.

The Company will give thirty (30) days advance notice to any Enroller or Sponsor whose Organization is being moved or realigned.

**H. Signing Up a Wholesale Customer.** A Wellness Advocate may also introduce customers to the Company who will sign up as Wholesale Customers. A Wholesale Customer does not participate in the trading scheme but a Wellness Advocate may be remunerated under the compensation plan for products purchased by Wholesale Customers introduced by the Wellness Advocate. Wellness Advocates should be aware that to sign up as a dōTERRA Wholesale Customer, each Wholesale Customer must:

1. Pay a non-refundable £20.00, VAT exclusive, application fee;
2. Submit a properly completed Wholesale Customer Application Form to the Company; and
3. Be a legal age in his or her place of residence and be competent to enter into the Wholesale Customer Agreement.

Hospitals may not be a Wholesale Customer without written permission from compliance and legal departments.

## SECTION 9: Placement Policy, Line Switching, and Cross and Moving Prohibition

**A. Initial Placement.** At the time when a new Wellness Advocate is enrolled, the Enroller of the new Wellness Advocate may place the new Wellness Advocate anywhere in the Enroller's Organization.

**B. Placement Changes After Enrollment.**

1. On or before the 10<sup>th</sup> day of the calendar month following a new Wellness Advocate's signup with the Company, the Enroller may move the new Wellness Advocate one time anywhere in the Enroller's Organization (i.e. not outside the Enroller's Organization), subject to the Company's approval.
2. After the above-described time period passes, a Wellness Advocate is in final placement and the Company will normally not approve requests to place Wellness Advocates elsewhere in an Organization.
  - a. Further placement changes are rare and must be specifically approved in writing by the Company's Exceptions Committee.
  - b. Before authorizing a placement change, the Company will consider, among other factors, the following:

- i. Whether the Wellness Advocate to be moved has not been active for at least six months (twelve months if Silver Rank or higher),
  - ii. Whether the Wellness Advocate to be moved obtains written consent of the Enrollers who are three levels above the Wellness Advocate and the Sponsors who are seven levels above the Wellness Advocate,
  - iii. Whether the change will cause Rank advancement,
  - iv. Whether a change of historical bonus payments will occur,
  - v. Whether a Wellness Advocate has breached the Contract,
  - vi. The effect of the change on the Organization, and
  - vii. Any other relevant facts.
- c. A Diamond rank or above who personally enrolls a new Wellness Advocate that achieves the rank of Premier within three months will be allowed to place the new Enrollee on their frontline or under any Wellness Advocate between the current Sponsor and the Enroller. This request can be made after the Enroller has filled out the Premier Move form, on or before the 10<sup>th</sup> day of the calendar month following the new Premier being paid as Premier. This move can be made even if a placement change had previously been made following enrollment. For the purpose of calculating three months in this paragraph, the countdown begins when the new Wellness Advocate is a sponsor of their first Wellness Advocate. If the new Wellness Advocate sponsors their first Wellness Advocate after the 10<sup>th</sup> of the calendar month, then the first month will be the following calendar month. If the new Wellness Advocate sponsors their first Wellness Advocate before the 10<sup>th</sup> of the month, the first month will be the calendar month they enroll.
- C. Enrolling a Former Wholesale Customer as a Wellness Advocate.** A Wellness Advocate may enroll Wholesale Customers as Wellness Advocates. When a Wholesale Customer becomes a Wellness Advocate, they cease to be a Wholesale Customer. An Enroller may place a new Wellness Advocate who was a Wholesale Customer in any position in the Enroller's Organization if the new Wellness Advocate has enrollership of at least one Wholesale Customer or Wellness Advocate with sales of 100 PV after becoming a Wellness Advocate and does not have an existing Organization. The placement of the new Wellness Advocate must be completed on or before the 10<sup>th</sup> day of the calendar month following the date the requirements outlined in this paragraph are met.
- D. Enrollership Reassignment.** The Company allows an Enroller to change enrollership of a Wellness Advocate (Enrollee) once, subject to Company approval. Additional Enrollership changes merited by extenuating circumstances may be applied for and are subject to the Company's Exceptions Committee approval.
- E. Cross-Company and Cross-Line Moving Prohibited.**
1. **Cross-Company Recruiting.** The actual or attempted solicitation, enrollment, encouragement, or effort to influence in any way, either directly or indirectly (including but not limited to, through a website), another dōTERRA Wellness Advocate or Customer to enroll or participate in another network marketing opportunity. This conduct constitutes recruiting even if the actions of the Wellness Advocate are in response to an inquiry made by another Wellness Advocate or Customer.
  2. **Cross-Line Moving.** The actual or attempted solicitation, enrollment, encouragement, or effort to influence in any way, either directly or indirectly (including but not limited to, through a website), the enrollment of an individual who, or entity that, already has a current Distributorship with dōTERRA, within a different line of sponsorship. Cross-Line Moving also applies to the enrollment of an

individual or entity that has had a Distributorship with dōTERRA within the past six months, or in the case of a Wellness Advocate with the rank of silver or higher, within the past twelve months.

3. **Prohibition.** Wellness Advocates are prohibited from Cross-Company Recruiting or Cross-Line Moving. The use of a spouse or relative's name, trade names, DBAs, assumed names, Corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited.
4. **Injunctive Relief Available to the Company.** Wellness Advocates stipulate and agree that Cross-Company Recruiting and Cross-Line Moving constitute an unreasonable and unwarranted interference with the contractual relationship between the Company and its Distributors, and conversion of the Company's property and misappropriation of the Company's trade secrets. Wellness Advocates further stipulate and agree that any violation of this rule will inflict immediate and irreparable harm on the Company, that the harm to the Company exceeds any benefit that the Wellness Advocate may derive, and that the Company shall be entitled, in addition to any other remedies that may be available, to immediate, temporary, preliminary and permanent injunctive relief without bond, and that such injunctive relief may extend the post-termination period of this restriction for up to one (1) year from the date of the last violation of this provision. The provisions of this Section survive the termination of the Contract. Nothing herein waives any other rights and remedies the Company may have in relation to the use of its Confidential Information or any other violations of the Contract. Further, Wellness Advocates agree that appearing in, being referenced in, or allowing their name or likeness to be featured or referenced in any promotional, recruiting or solicitation materials for another direct selling company constitutes Cross-Company Recruiting during a period of one year after termination of the Contract.

## SECTION 10: Sales Compensation Plan

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 dōTERRA 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 that are the prices at which it recommends Wellness Advocates resale to customers; however, Wellness Advocates are permitted to set their own resale prices.

**Bonuses.** Wellness Advocates can also earn bonuses based on the Company's total sales 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, Wholesale Customer, or Retail Customer.

**Company Volume:** Company Volume is the total amount of sales to all Wellness Advocates, Wholesale Customers, and 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 sales volume measured in Personal Volume, of a Wellness Advocate, and of all other Wellness Advocates, Wholesale Customers, and Retail Customers in the Wellness Advocate's Organization.

**Personal Volume (PV):** Each commissionable product sold by dōTERRA is assigned a point value. A Wellness Advocate's Personal Volume is the accumulated points of products purchased by a Wellness Advocate, or sold to his or her personally enrolled Retail Customers in one calendar month. Not all products qualify for PV value. PV does not include products purchased with Product Credit.

**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. Wholesale Customer and retail customer orders are not Qualified LRP Orders. All Qualified LRP Orders must be paid for by credit card in the name of the Wellness Advocate 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 any unearned but previously paid bonus.

**Team:** A term used in the Power of Three Bonus. A Team is made up of a Placement Sponsor, and those Wellness Advocates, PMs, Wholesale Customers, and Retail 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 new Wellness Advocate to the seasoned professional Wellness Advocate. dōTERRA's bonuses include the Retail Profit Bonus, Fast Start Bonus, Power of Three Bonus, Uni-level Bonus, Infinity Performance Pools, Diamond Pools, and Founders Club Bonus.

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

**Overview.** A Fast Start Bonus is paid weekly to Enrollers for all Commissionable Orders sold in the first sixty (60) days to a new Wellness Advocate 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 percent (20%), the second level Enroller receives ten percent (10%), and the third level Enroller receives five percent (5%). See Figure 1.

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

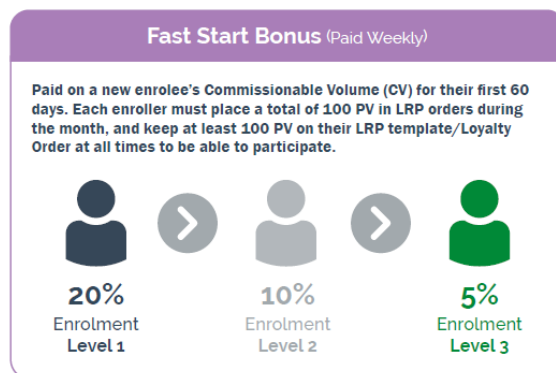


Figure 1

#### 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 the equivalent of £38, £192, or £1155. Any Sponsor with a Qualified LRP Order may participate in the bonus.

**The £38 Power of Three Bonus.** In order to qualify for the £38 bonus, a Wellness Advocate must make a Qualified LRP Order. The Wellness Advocate must also have three (3) personally sponsored Wellness Advocates or three (3) personally introduced Wholesale Customers with Qualified LRP Orders, and a minimum Team Volume (TV) of 600. See Figure 2.



**The £192 Power of Three Bonus.** In order to qualify for the £192 bonus, a Wellness Advocate must first qualify for the £38 Bonus. The three (3) personally sponsored Wellness Advocates or personally introduced Wholesale Customers who assisted him to qualify for the £38 Bonus must also qualify for the £38 Bonus. See Figure 2.

**The £1155 Power of Three Bonus.** In order to qualify for the £1155 bonus, a Wellness Advocate must first qualify for the £192 Bonus. The three (3) personally sponsored Wellness Advocates or personally introduced Wholesale Customers who assisted him to qualify for the £192 Bonus must also qualify for the £192 Bonus. See Figure 2.

**Additional Power of Three Structures.** Wellness Advocates can have multiple Power of Three structures. When a Wellness Advocate completes a £1155 Power of Three structure, the Wellness Advocate can qualify to be paid on an additional structure. The personally sponsored Wellness Advocates and personally introduced Wholesale Customers and volume from sales counted in the first bonus structure cannot be used to qualify a Sponsor for additional bonus structures.

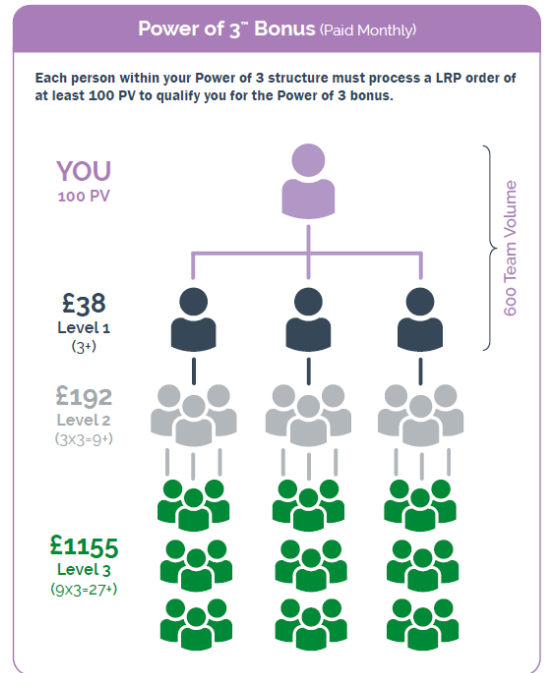


Figure 2

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 sales 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 sales of the Wellness Advocate. The Rank and Organizational volume requirements must be met each month. By compression, essentially all uni-level is paid to distributors. Sales 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		↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑

**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 Ranks, except Consultant, require a minimum 100 PV order.

**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 (7) 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 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 (5%) for both level three and level four.

**Qualified Legs and Rank Titles.** 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 (3) Elite Qualified Legs. See Figure 3.

**Sixth and Seventh Level Conditions.** In order to be eligible for bonus payments, or other compensation on the sixth and seventh levels, a Wellness Advocate must 1) be active, and 2) enroll at least one (1) new Person into the business every three (3) months.

**Compression.** The dōTERRA 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 (6) solid legs can add new legs to their M1 account and get additional uni-level compensation on the new volume they create through that account, allowing them the opportunity to reach down to the volume eight (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 Bonuses each month that the PD1 account is paid as a Presidential Diamond using its own six (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 Bonuses that month. The M1 account itself cannot be one of the six (6) qualifying legs of the PD1 account. However, if one or more of the PD1's six (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 (3) accounts from which to draw income on the newest volume they create, plus letting them benefit from income nine (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 and one quarter percent (4.25%) of the Company Volume—the Empowerment Pool (1.25%), the the Leadership Performance Pool (2%) and the Diamond Performance Pool (1%). See Figure

5. 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%, 1.25% 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

4.25% Infinity Performance Pools (paid monthly on total company volume)

	Empowerment Pool			Leadership Performance Pool			Diamond Performance Pool		
	Premier	Silver	Gold	Silver	Gold	Platinum	Diamond	Blue Diamond	Presidential Diamond
# of shares	1	1	2*	1	5	10	1	2	3
	1.25%			2%			1%		
	Empowerment Pool is limited to one share per qualifying Premier and Silver and up to two shares per qualifying Gold.			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. †		

\*Gold may qualify for up to two shares in Empowerment Pool. See Company Policy Manual for details.

† 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 who qualifies as a Premier, Silver or Gold and sells 100PV or more to a new Wellness Advocate or Wholesale Customer in a month, will receive one share in the Empowerment Pool. A Gold may qualify for a second share if they sell 100PV or more to an additional new Wellness Advocate or Wholesale Customer in the same month. Shares do not cumulate from one Rank to the next. A share’s monthly bonus is equal to the designated pool’s percentage (1.25%) multiplied by the Company Volume for the same month, and divided by the number of shares of all Wellness Advocate’s who have qualified for a share in the month.

**Shares in the Leadership Performance Pool.** Each Silver receives one (1) share in the Leadership Performance Pool. Each Gold receives five (5) shares in the Leadership Performance Pool. Finally, each Platinum receives ten (10) 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 (5) shares, and not one (1) share from the Silver pool and five (5) 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 all Wellness Advocates who have qualified for a share in the month.

**Shares in the Diamond Performance Pool.** Each Diamond receives one (1) share in the Diamond Performance Pool. Each Blue Diamond receives two (2) shares in the pool, and each Presidential Diamond receives three (3) 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 all Wellness Advocates who have qualified for a share or shares in the month.

6. **Diamond Pools Bonus** – 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 all 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
# of shares	3	3	3
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 Silver.*	+1	+1	+1
	1%	1%	1%

\*Legs must be personally enrolled. \*Must be first-time qualifiers, unlimited shares. See Company Policy Manual 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:**

- 1. 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.
- 7. 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 personally enrolled by the Diamond or Blue Diamond.
- 8. Founder’s Bonus** - a bonus based on market development.

**Overview.** As an incentive to Wellness Advocates who do business in new Local Markets, dōTERRA offers a Founders Bonus based on market development. The 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 the tools menu at dōTERRA.com. Each qualification period will be twelve (12) 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 (12) 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. Not every market will be offered Founders positions.

## 9. The Loyalty Rewards Program

**Overview.** Wellness Advocates and Wholesale Customers can ensure that they receive monthly deliveries of dōTERRA 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 sixty (60) days, he may redeem Product Credits for full PV products. LRP Product Credits can be redeemed for twelve (12) months from the date of issue, after which they expire. The credits can be redeemed for a £2 fee by calling +44 2033-180064 or emailing [europeanorders@doterra.com](mailto:europeanorders@doterra.com). Products obtained 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 Customer without written permission from the participating Wellness Advocate or 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 Customer and must be shipped to the primary address listed on the participant's account.

## 10. Special or Promotional Bonuses or Rewards

From time to time, special bonuses or promotions are offered to Wellness Advocates. The products offered in this way may or may not have any PV and may not qualify a Wellness Advocate for any other bonuses resulting from the ordering of these products. The details of each of these offerings will be made available at [dōTERRA.com](http://dōTERRA.com).

## 11. 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 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 a Wellness Advocate by the last day of the bonus period in order to be included in that period's bonus and qualification computations. Products sales must be completed, 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 dōTERRA 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 Uni-level Bonus of the Wellness Advocate shall not exceed the equivalent in British Pounds of \$2,000 USD if the Wellness Advocate holds the Rank of Elite; \$5,000 USD if the Wellness Advocate holds a Rank of Premier; \$11,000 USD if the Wellness Advocate holds a Rank of Silver; and \$18,000 USD if the Wellness Advocate holds a Rank of Gold. Once the Rank of Platinum is achieved, there is no cap on the Uni-level 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 (6) years, which evidences retail sale of products in the month for which the bonus was paid. The Wellness Advocate agrees 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:

1. Returned under the Company's Return Policy;
2. Returned to the Company under any applicable law;
3. 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 a dōTERRA Sales Compensation Plan opportunity; or
4. 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 Fees.** Occasionally, a Wellness Advocate may ask the Company to reissue a bonus payment. The Company may charge a fee to reissue the payment. In addition, the Company, in its own discretion, may request the issuing financial institution to stop payment on the original payment, and the Wellness Advocate must pay to the Company the stop payment fee.

**Effect of Placement Changes.** Placement changes made in compliance with Section 9 may affect the timing of Bonus payments.

## SECTION 11: Product Claims

**A. Product Administration Standards.** Products are regulated depending on their legal classifications, for example as foods, food supplements, or cosmetics, and the relevant regulatory body depends on the nature of the product.

**B. Advertising Standards.** Similarly, product advertising is regulated depending on the nature of the product. It is important that a product classified for use in one manner is not advertised in another manner; for example a product which is intended for use as a food supplement cannot be advertised or marketed as if it was a medicinal product used to treat or prevent a particular disease. Further, the regulatory authority requires representations about a business opportunity, including earnings claims,

to be truthful and non-misleading, which means that claims about the potential to achieve a wealthy lifestyle, career-level income, or significant income are misleading if participants generally do not achieve such results.

C. **Permissible Claims.** dōTERRA products are not medicinal products. No medicinal claims may be made about dōTERRA products and dōTERRA products may not be presented as medicinal in any way. A Wellness Advocate may represent that dōTERRA products are safe to use as described on the labelling and are:

1. Specifically formulated to support wellness / maintain a healthy lifestyle; and/or
2. Intended to improve personal appearance.

D. **No Curative or Medicinal Claims.** A Wellness Advocate may not make any medicinal claim for any product nor specifically prescribe or present any given product as suitable for any specific ailment, as that type of representation implies the products are medicines rather than nutritional supplements or cosmetics. Under no circumstance should these products be likened to medicinal products prescribed for the treatment of specific ailments or that such products alleviate disease symptoms or prevent diseases and disorders. While the Company makes every effort to achieve full compliance with complicated and periodically amended Medicines & Healthcare Products Regulatory Agency (MHRA) regulations, no Wellness Advocate should state or infer that any product is approved by the MHRA or any other government or regulatory body. The MHRA licenses medicinal products but does not require or grant specific approval for nutritional or cosmetic products.

E. **Disclosure.** When promoting dōTERRA or dōTERRA products, a Wellness Advocate must disclose the fact that the Wellness Advocate is a dōTERRA Wellness Advocate who receives Bonuses from the Company.

## SECTION 12: Advertising and Use of the Company's Intellectual Property Rights

A. **dōTERRA Intellectual Property.** dōTERRA Intellectual Property, including its trademarks, service marks, trade names, trade dress, and the content of its publications, are valuable assets. By using dōTERRA Intellectual Property, Wellness Advocates agree and acknowledge that there exists great value and goodwill associated with the dōTERRA Intellectual Property, and acknowledge that the Company has all rights to that property and that the goodwill pertaining thereto belongs exclusively to the Company. Further, Wellness Advocate's also acknowledge that dōTERRA Intellectual Property has acquired a distinctiveness in the mind of the public and is recognised as a brand for specific goods from a single source. Intellectual property is protected by domestic and international copyright and trademark laws and other proprietary rights. These rights are protected in all forms, including media and technologies existing now or hereinafter developed.

The Content in Company Approved Sales Aids and its official website, including the text, graphics, logos, audio clips, music, lyrics, video, photographs, software, and other information is the property of dōTERRA and/or its affiliates or partners, or, is licensed to dōTERRA from third parties. Because dōTERRA does not own all of the Content, dōTERRA will not license to a Wellness Advocate what it does not own. Accordingly, when using dōTERRA Intellectual Property and Content, Wellness Advocates agree to only use Allowed Content as expressly defined and granted herein.

### B. Definitions.

1. **Apparel:** Apparel includes T-shirts, hats, and other clothing articles.
2. **Allowed Content:** Allowed Content means only the Content, consisting of the Brochure, Flyers, Images, Presentations, and Videos which are quoted or published in the section of <http://doterraeveryday.eu/training/>, related to the Local Market in which a Wellness Advocate markets products or recruits other Wellness Advocates.
3. **Cinematic Media:** Live or recorded electronic channels through which news, entertainment, education, data, or promotional messages are disseminated, including broadcasting and narrowcasting mediums such as TV, radio, film, and audio or video. Cinematic Media does not include Computer and Telephone Based Media.

4. **Company Approved Sales Aids:** Marketing materials approved for use in a specific Local Market designated in writing by the Company.
5. **Company Produced Sales Aids:** Company Produced Sales Aids means marketing materials created and distributed by the Company for use in a specific Local Market designated in writing by the Company.
6. **Computer and Telephone Based Media:** The transmission or display of any Content by e-mail, static websites, or Social Media; and telephone or smart phone based transmissions or display.
7. **Content:** Content means any text, graphics, logos, audio clips, video, photographs, software, or dōTERRA Intellectual Property which is found in the Company Produced Sales Aid(s), and the <http://doterraeveryday.eu/training/>.
8. **dōTERRA Intellectual Property:** dōTERRA Intellectual Property means all intellectual property which dōTERRA Holdings, LLC or an affiliated company claims to own, or claims a right to use, including but not limited to trademarks, trade names, service marks, and content of its publications, whether registered with relevant governmental authorities or not.
9. **Media Specific Guidelines:** Media Specific Guidelines are Local Market specific guidelines which set usage standards of Allowed Content for a particular format. Media Specific Guidelines must be adhered to and are posted on <http://www.doterratools.com>. Merchandise includes Sales Aids intended to be sold or sold to third parties.
10. **Merchandise:** Any item that bears dōTERRA Intellectual Property that is not Apparel, Cinematic Media, Company Approved Sales Aids, Company Produced Sales Aids, Computer and Telephone Based Media.
11. **Sales Aid:** Any material, whether physically printed or in digital form, used in the offer or sale of Company products, recruitment of prospective Wellness Advocates or Customers, or training of Wellness Advocates, which makes reference to the Company, the Company products, the Sales Compensation Plan, or dōTERRA Intellectual Property.
12. **Social Media:** The use of web-based and mobile technologies to turn communication into an interactive dialogue.

#### C. Allowed Uses.

1. Subject to the Conditions of Use, Wellness Advocates are permitted to use Allowed Content in the following instances:
  - a. The creation and use of Sales Aids.
  - b. The creation and use of a Computer or Telephone Based Media.
2. Subject to the Conditions of Use, Wellness Advocates are permitted to use Allowed Content, with written approval from the Company, in the following instances: Apparel, Cinematic Media, use on buildings and signs, and Merchandise according to Media Specific Guidelines found at [doterra.com](http://doterra.com).

#### D. Conditions of Use. The Allowed Uses of Allowed Content are conditioned on the following:

1. **Media Specific Guidelines.** Allowed Content may only be used for Apparel, Cinematic Media, on buildings and signs, and Merchandise according to the Media Specific Guidelines found on <http://doterraeveryday.eu/training/> of the specific Local Market in which the Wellness Advocate is doing business.
2. **Context and True Statements.** Wellness Advocates may not use Allowed Content in violation of the Policy Manual or out of context, or infer meaning other than the express meaning of the Allowed Content, by the use of modifiers, additional text, or other content. All content must be true and accurate.

3. **Claims and Representation Concerning dōTERRA Products.** Wellness Advocates may not use, and dōTERRA does not support the use of any content that breaches laws, including those laws applicable to the regulation of product claims. See Section 11.
4. **Variations, Takeoffs or Abbreviations.** Wellness Advocates may not use a variation of the Allowed Content for any purpose, including phonetic equivalents, foreign language equivalents, takeoffs, or abbreviations. The following examples are unacceptable variations: “do’TERRA” or “doughTERRA” or “deTIERRA”.
5. **Slogans and Taglines.** Wellness Advocates may not add to, subtract from, or modify in any way Company slogans or taglines. For example: Changing “Gift of the Earth” to “Gift from the Earth” or “Earthly Gifts”.
6. **Disparaging or Offensive Use.** Wellness Advocates may not use Allowed Content in a disparaging, offensive, or injurious manner.
7. **Best Light.** All Allowed Content must be shown only in the best light, in a manner or context that reflects favourably on the Company and its products.
8. **Endorsement or Sponsorship of a Third Party.** Wellness Advocates may not use Allowed Content in a manner that would imply the Company’s affiliation with or endorsement, sponsorship, or support of any third party product or service, or any political cause or issue.
9. **Use in Computer or Telephone Based Media.** The following sections apply to Computer and Telephone Based Media.
  - a. **Headers and Titles.** Except in a dōTERRA Replicated Website or a dōTERRA approved Certified Website, the name “dōTERRA” may not be used in any title, subtitle, or header to Computer or Telephone Based Media. dōTERRA branded Facebook pages, Instagram pages, Pinterest pins, blogs, or YouTube channels are not permitted.
  - b. **Websites.** All Wellness Advocates wishing to have a static online dōTERRA presence must meet dōTERRA quality standards including for consumer protection. dōTERRA provides all of its Wellness Advocates with an approved Replicated Website. To set up your own dōTERRA Replicated Website, login to [www.mydoterra.com](http://www.mydoterra.com) and click on the “My Website” tab, then follow the instructions to customize your site. Additionally, dōTERRA Wellness Advocates may only have an independent website using or showing dōTERRA trademarks or trade dress (dōTERRA name, pictures or logos, dōTERRA product names or pictures, etc.) provided that the website does not contain any products or other claims that violate local laws, mislabel dōTERRA products, violate any party’s intellectual property rights, violate any dōTERRA policy, or have any other material that dōTERRA determines in its sole discretion to be impermissible. The URL for an independent website cannot contain any dōTERRA intellectual property.
  - c. **Social Media.** Wellness Advocates with a Social Media presence, either personal or business, should review the static content regularly and scrub it to delete any claims in the comment or third party sections that are not legal. dōTERRA branded Facebook pages, Instagram pages, Pinterest pins, blogs, or YouTube or Vimeo channels are not permitted.
  - d. **Disclaimer.** Except for the dōTERRA Replicated Website, each Computer or Telephone Based Media shall clearly indicate that it is not authored by dōTERRA, or any of its affiliated companies, and that the owner of the site bears all responsibility for the content.
  - e. **Domain Names.** Wellness Advocates may not use dōTERRA Intellectual Property name(s) in a domain name without express written approval from the Company, which consent shall be within the sole discretion of the Company. Such use must also be through a written use agreement signed with the Company. Examples of use that are not acceptable: “doTERRA.com”, “doTERRAcompany.com”, “doTERRAcorporate.com”, etc. Wellness Advocates should consult the Media Specific Guidelines of their Local Market.
  - f. **Privacy Policy Language.** Wellness Advocates must implement a written privacy policy that complies with EU data protection laws including specifying the purpose for which any information

gathered from the website will be used and protecting that information from being sold or used by anyone else. The Wellness Advocates' obligations with respect to the processing of personal data in the context of their activities as Wellness Advocate are further described in section 17 below.

g. **Spam Prohibition.** Wellness Advocates may not Spam. Spamming includes, but is not necessarily limited to: 1) sending unsolicited email messages that contain any email or web addresses from a Wellness Advocate's account to online users; 2) posting message that contain the Wellness Advocate's service address in new groups that are unrelated to the Wellness Advocate's products; 3) creating false "from sources" in an email message, or newsgroup posting with the Wellness Advocate's service address, thereby giving the impression that the message originated from the Company or its network of Wellness Advocates; 4) sending unsolicited emails or faxes to lists of people that are not within the Wellness Advocate's Organization or with whom the Wellness Advocate has not had a prior business or personal relationship. All Company related email broadcasts must only be sent to Wellness Advocates in the Organization of the Wellness Advocate. Emails must not contain any false representations, income claims, or testimonials.

10. **Proper Use of Trademarks.** Wellness Advocates must properly use Allowed Content containing dōTERRA Intellectual Property, as follows: Trademarks are adjectives used to modify nouns; the noun is the generic name of a product or service. As adjectives, trademarks may not be used in the plural or possessive form. Correct: "You should buy two Zendocrine bottles." Not Correct: "You should buy two Zendocrines."

#### 11. Use of Allowed Content.

a. Wellness Advocates must include an attribution of dōTERRA's ownership of its Allowed Content within the credit notice section of a Wellness Advocate's Sales Aid, personal website, or social media. The following are the correct formats for trademarks:

\_\_\_\_\_ is a registered trademark of dōTERRA Holdings, LLC

\_\_\_\_\_ is a trademark of dōTERRA Holdings, LLC

Wellness Advocates must not represent that dōTERRA holds a registered trade mark in Allowed Content distributed in a country unless dōTERRA has registered the relevant trade mark in that country.

### E. Acknowledgement and Protection of Rights

1. **Acknowledgment of Rights.** Wellness Advocates agree that all Allowed Content is owned exclusively by dōTERRA Holdings, LLC, or licensed to dōTERRA Holdings, LLC. Except for the limited rights granted by the Contract for the term of the Contract, Wellness Advocates acknowledge that the Company hereby retains all legal title to and beneficial ownership of and all rights to the intellectual property and all intellectual property rights related thereto for all purposes. Wellness Advocates agree to assist the Company to protect the Company's rights in the intellectual property at the Company's request.
2. **Agreement to Protect.** Wellness Advocates agree to assist the Company to the extent necessary in the procurement of any protection or to protect any of the Company's rights to the Allowed Content.
3. **Assignments.** Wellness Advocates agree that nothing contained in the Contract shall be construed as an assignment or grant to the Wellness Advocate of any right, title or interest in or to the Content or Allowed Content, it being understood that all rights relating thereto are reserved by the Company, except for the limited licensed right to use the Allowed Content as expressly provided in the Contract. Wellness Advocates agree that at the termination or expiration of the Contract, Wellness Advocates will be deemed to have assigned, transferred and conveyed to the Company any trade rights, equities, good will, titles or other rights in and to dōTERRA Intellectual Property which may have been obtained by Wellness Advocates or which may have vested in Wellness Advocates in pursuance of any endeavours covered hereby, and that Wellness Advocates will execute any instruments requested by the Company to accomplish or confirm the foregoing. Any such assignment, transfer or conveyance shall be without other consideration other than the mutual covenants and considerations of the Contract.



#### 4. Termination.

- a. Wellness Advocates may not terminate the rights granted to the Company in this Section 12.
- b. A Wellness Advocate's rights granted in this Section 12 may be terminated by the Company upon immediate notice without the opportunity to cure should the Wellness Advocate do any of the following:
  - (a) File a petition in bankruptcy or petition to take advantage of any insolvency act;
  - (b) Commit any act of dishonesty;
  - (c) Fail or refuse to perform any other obligation created by this Contract or any other agreement between the Wellness Advocate and the Company or its affiliates (without prejudice to the right of the Wellness Advocate to determine whether or not they wish to conduct their distributorship at any time and if so their hours of business);
  - (d) Make any misrepresentations relating to the acquisition of the rights granted herein, or engage in conduct which reflects unfavourably on the Company or upon the operation and reputation of the Company's business; or
  - (e) Be convicted of a crime or commit any criminal misconduct which is relevant to the Contract.
- c. In the event of termination of the licence granted to the Wellness Advocate under this Section 12 for any reason, the Wellness Advocate shall immediately cease all use of the Allowed Content and shall not thereafter use any intellectual property, mark, or trade name similar thereto. Termination of the license under the provisions of this Section 12 shall be without prejudice to any rights which the Company may otherwise have against the Wellness Advocate.

5. **Rights are Personal.** The rights and duties under this section are personal to the Wellness Advocate and the Wellness Advocate shall not, without the written consent of the Company, which consent shall be granted or denied in the sole and absolute discretion of the Company, be assigned, mortgaged, sublicensed or otherwise encumbered or dealt with by the Wellness Advocate.

6. **Remedies.** Each Wellness Advocate acknowledges and agrees that compliance with the terms of this Section 12 is necessary to protect the goodwill and other proprietary interests of the Company. Accordingly, Wellness Advocates agree that in the event of any breach of this Section 12:

- a. The Company shall be entitled to injunctive relief and/or specific performance;
- b. The Wellness Advocate shall not oppose such relief on the grounds that there is an adequate remedy at law; and
- c. The Wellness Advocate further acknowledges and agrees that any violation of this rule will inflict immediate and irreparable harm on the Company, that the harm to the Company exceeds any benefit that the Wellness Advocate may derive, and that the Company shall be entitled, in addition to any other remedies that may be available, to immediate, temporary, preliminary and permanent injunctive relief without security, and that such injunctive relief may extend the post-termination period of this restriction for up to one (1) year from the date of the last violation of this provision. The provisions of this Section survive the termination of the Contract. Nothing herein waives any other rights and remedies the Company may have in relation to the use of its Confidential Information or any other violations of the Contract.

#### F. Additional Advertising Provisions

1. Wellness Advocates may not answer the phone as "dōTERRA" or imply they represent the Company or are more than a Wellness Advocate.
2. No advertising may imply that a job position is available at dōTERRA.
3. No specific income may be promised.
4. All media inquiries must be immediately referred to the Director of Marketing Communications for the Company.

5. No release shall be made to the news media or to the general public relating to the Contract without the prior written approval of an authorized executive officer for the Company.
6. Upon request, any Sales Aid or other medium which the Wellness Advocate prepared, caused to be prepared, or distributed, which also contains any dōTERRA Intellectual Property or Content, must be immediately provided to the Company. Wellness Advocates must retain a copy of all Sales Aids or other advertising material which they distributed, for seven (7) years from the last date of distribution.
7. Wellness Advocates agree to release and discharge the Company, and its successors, assigns, employees, and agents from any and all liability, monetary compensation, claim and/or demand arising out of or in connection with the creation and the use of any Intellectual Property of another, or of the Company, including any claims for defamation or false representations.

### SECTION 13: Retail Store, Service Establishment Sales and Trade Show Policy

- A. **Retail Store Policy.** With written approval from the Company, a Wellness Advocate may sell products and/or promote the dōTERRA business opportunity through retail stores such as health food stores, grocery stores, and other such establishments, except in such stores or establishments that, in the Company's sole discretion, are large enough to be considered state, regional or national chains.
- B. **Online Sales.** Wellness Advocates may not sell dōTERRA products through online auctions or mall sites or other third party branded online platforms, including but not limited to Walmart.com, Taobao.com, Alibaba, Tmal.com, Tencent platforms, Yahoo!, eBay or Amazon. Wellness Advocates may sell dōTERRA products through dōTERRA Replicated Websites and websites that comply with Section 12.D.9. Products that have been separated from a kit or package may not be sold online.
- C. **Service Establishments.** Wellness Advocates may sell products through service establishments that provide services related to the products. For example, dōTERRA products may be sold through health clubs, spas, and gyms. Hospitals may not be enrolled without written permission from compliance and legal departments.
- D. **Suitability.** The Company reserves the right, in its sole discretion, to make a final determination as to whether an establishment is a suitable place for the sale of the products. The Company's granting of permission in a particular case does not waive its right to enforce this policy in any and all other cases.
- E. **Trade Show Policy.** Wellness Advocates wishing to display, promote and sell the dōTERRA products and opportunity in connection with a trade show or public event may rent a booth or set up an exhibit at a trade show, public event, or convention ("Convention"), subject to the Company's written approval of the Convention and the Wellness Advocate's compliance with the following requirements:
  1. Complete and submit to the Company an Event Submission Form. This form can be located in the online dōTERRA Virtual Office.
  2. In order to obtain a booth and secure exclusive rights, the Company must receive a form requesting permission to participate at least four weeks prior to the show.
  3. The Company reserves the right to only allow one booth representing the Company and products per show. Only dōTERRA products and/or opportunity may be offered in the trade show booth. Only dōTERRA produced marketing materials may be displayed or distributed. A purchase of a Company Wellness Advocate banner, to display in the booth, is required. Exclusive rights are granted in the sole discretion of the Company.
  4. The Wellness Advocate will not reference dōTERRA in any form of advertisement or promotional material that implies that dōTERRA is participating in the Convention. Instead, any Company-approved advertisement or promotional material must make specific reference to the Wellness Advocate as a Wellness Advocate of dōTERRA, including any maps or listings prepared by the sponsor of the Convention.

5. The Wellness Advocate will not make any exaggerated or unrepresentative earnings representations including any lavish lifestyle income claims.
6. The Wellness Advocate will not use the Convention to promote any product, service, or business opportunity other than the dōTERRA business in which the Wellness Advocate may be involved.
7. During the Convention the Wellness Advocate must personally comply with the Policy Manual and is responsible for (i) the actions of every person who works in the booth at the Convention, (ii) all material distributed at the Convention, and (iii) all other aspects of participation in the Convention.
8. In addition to the other remedies provided in the Policy Manual, the Company reserves the right to deny future Convention participation for any policy violation at a Convention.

## SECTION 14: International Business

- A. **Permissible Activity in Unopened Markets.** Prior to the official opening of an Open Local Market, permissible Wellness Advocate activity in an unopened Local Market is limited to providing business cards and conducting, organizing or participating in meetings where the number of attendees at any given meeting, including the Wellness Advocate, does not exceed five (5). Participants in such meetings must be personal acquaintances of the Wellness Advocate or personal acquaintances of the Wellness Advocate's personal acquaintances in attendance at the meeting. The meetings must be held in a home or a public establishment but may not be held in a private hotel room. All cold calling techniques (soliciting persons who are not prior personal acquaintances of the contacting Wellness Advocate) are strictly prohibited in unopened Local Markets.
- B. **Activity in Local Markets.** Wellness Advocates conducting business outside their Local Market are subject to and shall comply with the dōTERRA Policy Manual applicable for the Local Market in which the Wellness Advocate is conducting business. Wellness Advocates marketing products outside their Local Market shall comply with the applicable Local Market business opportunity and product claim policies when marketing the Company as a business opportunity or its products in the Local Market.
- C. **Prohibited Acts in Unopened Local Markets.**
  1. A Wellness Advocate may not import or facilitate the importation of, sale, gift, or distribution of, Company products, services, or product samples.
  2. A Wellness Advocate may not place any type of advertisement or distribute promotional materials regarding the Company, its products or the opportunity, except Company approved Sales Aids, which are specifically authorized for distribution in unopened Local Markets.
  3. A Wellness Advocate may not solicit or negotiate any agreement for the purpose of committing a citizen or resident of an unopened Local Market to the opportunity, a specific Enrolling Sponsor or specific line of sponsorship. Furthermore, Wellness Advocates may not sign up citizens or residents of unopened Local Markets in an Open Local Market or by using Wellness Advocate Agreements from an Open Local Market, unless the citizen or resident of the unopened Local Market has, at the time of sign up, permanent residence and the legal authorization to work in the Open Local Market. It is the Enrolling Sponsor's responsibility to ensure compliance with residency and work authorization requirements. Membership or participation in, or ownership of a corporation, partnership or other legal entity in an Open Local Market does not by itself fulfill the residency or legal authorization to work requirements. If a participant to a Distributorship fails to provide verification of residency and work authorization when requested by the Company, the Company may, at its election, declare a Wellness Advocate void from its inception.
  4. A Wellness Advocate may not accept money or other consideration, or be involved in any financial transaction with a potential Wellness Advocate which rents, leases, or purchases facilities for the purpose of promoting or conducting Company-related business.
  5. A Wellness Advocate may not promote, facilitate, or conduct any type of activity which exceeds the limitations set forth in this Policy Manual or which the Company, in its sole discretion, deems to be contradictory to the Company's business or ethical interests in international expansion.

**D. Foreign Corrupt Practices Act.** All dōTERRA Wellness Advocates must comply with the United States Foreign Corrupt Practices Act (FCPA) as well as any similar or equivalent laws in the local market such as the UK's Bribery Act. For a full explanation of the FCPA, see the dōTERRA handout on the tools menu of the dōTERRA website. A person or organization is guilty of violating the FCPA if there is:

1. A payment, offer, authorization, or promise to pay money or anything of value;
2. To a foreign government official (including a party official or manager of a state-owned concern), to any other person, knowing that the payment or promise will be passed on to a foreign official;
3. With a corrupt motive;
4. For the purpose of (i) influencing any act or decision of that person, (ii) inducing such person to do or omit any action in violation of his lawful duty, (iii) securing an improper advantage, or (iv) inducing such person to use his influence to affect an official act or decision;
5. In order to assist in obtaining or retaining business for or with, or directing any business to any person.

**E. No Exclusive Local Markets or Franchises.** There are no exclusive Local Markets or franchises. A Wellness Advocate has the right to operate anywhere in the Wellness Advocate's country of residence.

**F. Prohibited Local Markets.** The Company reserves the right to designate certain Local Markets wherein all pre-marketing conduct is expressly prohibited. It is the responsibility of each Wellness Advocate, prior to each instance of conducting pre-market opening activities in an unopened market, to verify through current contact with the Company that the Local Market in which he or she plans to conduct those activities is not a prohibited Local Market. A Wellness Advocate may obtain a list of prohibited Local Markets by calling the Company.

**G. Breach of International Policy.** In addition to other remedies allowed by the Contract, a Wellness Advocate who fails to comply with any provision of this Section 14 may be prohibited from participating in the affected international market for a period deemed appropriate by the Company. This prohibition could include but is not limited to the following:

1. The Wellness Advocate may have no right to international distribution/sponsorship rights in the affected Local Market;
2. The Wellness Advocate and the Wellness Advocate's upline may not be entitled to Bonuses generated by the Wellness Advocate and the Wellness Advocate's Downline Organization in the respective Local Market;
3. Additionally, in all markets, for a period of up to one year, the Wellness Advocate may not be entitled to privileges traditionally afforded Wellness Advocates such as recognition at corporate events or in corporate literature, and receipt of new Wellness Advocate sign up materials prior to the official opening of any new market.

A Wellness Advocate who has been unable to participate in a market because of non-compliance with Section 14 of this Policy Manual must petition the Company in writing for written permission to participate in the market after the period of prohibition has passed.

**H. No Waiver of Other Rights.** The provisions of this Section 14 do not waive the Company's rights as set forth elsewhere in the Contract.

## SECTION 15: Payment of Taxes

**A. Income Tax.** A Wellness Advocate accepts sole responsibility for all self-employment and income taxes due to income earned as a dōTERRA Wellness Advocate.

**B. Sales Tax.** dōTERRA is legally required to charge value added tax (VAT) on its sales to its Wellness Advocates. Wellness Advocates whose annual turnover (from their dōTERRA distributorship and any other business) are required to register for VAT and will then charge VAT on their own product sales but should be eligible to reclaim the VAT which they have paid on products purchased from the Company.

Wellness Advocates are responsible for determining whether or not they are required to register for VAT and, if so, registering and complying with all applicable VAT requirements.

## SECTION 16: Product Liability Claims

- A. **Company Defence of Claims.** Subject to the limitations set forth in this provision, dōTERRA shall defend Wellness Advocates from claims made by third-party customers alleging injury from use of a product, or injury due to a defective product. Wellness Advocates must promptly notify the Company in writing of any such claim, no later than ten (10) days from the date of the third party claimant's letter alleging injury. Failure to so notify the Company shall release any obligation of the Company in relation to such claim. Wellness Advocates must allow the Company to assume the sole defence of the claim, and to exercise its absolute discretion in all respects including as to the use and choice of counsel as a condition to the Company's obligation to defend them.
- B. **Exceptions to Indemnification of Wellness Advocate.** The Company shall have no obligation to indemnify a Wellness Advocate if:
1. The Wellness Advocate has not complied with the Contract respecting obligations and limitations covering the distribution and/or sale of the products; or
  2. The Wellness Advocate has repackaged, altered or misused the product, made claims or given instructions or recommendations respecting the use, safety, efficacy, benefits or results, which do not comply with the approved literature of the Company; or,
  3. The Wellness Advocate settles or attempts to settle a claim without the Company's written approval.

## SECTION 17: Data Protection and Authorized Use of Wellness Advocate's Information

- A. **Data Protection:** As self-employed independent contractors, Wellness Advocates are the data controller for any personal data, including customer personal data, they process in the course of their business activities as Wellness Advocate. Wellness Advocates are responsible to ensure that such personal data are processed, stored and disposed of fully in accordance with applicable data protection laws, including the EU General Data Protection Regulation 2016/679. This entails, amongst others, the responsibility:
1. to perform all of their obligations under applicable data protection laws, including data security and confidentiality obligations;
  2. to ensure that data subjects are provided with appropriate information regarding the processing of their personal data, including the sharing of their personal data with the Company;
  3. to ensure that they have a legal basis for the processing of personal data, including the sharing of personal data with the Company and obtain the data subjects' consent for the processing of their personal data, if required by applicable data protection laws;
  4. to ensure that data subjects can exercise the data protection rights granted to them under applicable data protection laws;
  5. to enter into a written agreement with data processors they rely on to process personal data on their behalf, in accordance with applicable data protection laws;
  6. to implement appropriate technical and organizational measures to ensure and to be able to demonstrate that the processing is performed in accordance with applicable data protection laws;
  7. to notify the Company, immediately, of any actual or suspected data breach affecting personal data processed by Wellness Advocates in connection with their activities as Wellness Advocate;
  8. to cooperate fully with the Company in all reasonable and lawful efforts to prevent, mitigate or rectify such personal data breach; and
  9. for implementing and providing adequate protection in the event of transfer of personal data to countries located outside de the EEA, as required under applicable data protection laws.



- B. Wellness Advocate Lists.** Lists of Wellness Advocates and all contacts generated therefrom (“Lists”) are the confidential property of dōTERRA, which is the data controller for the processing of the personal data in such lists. The company has derived, compiled, configured, and currently maintains the Lists through the expenditure of considerable time, effort, and monetary resources. The Lists in their present and future forms constitute commercially advantageous assets and trade secrets of the Company. The right to disclose Lists and other Wellness Advocate information maintained by the Company is expressly reserved by the Company and may be denied at the Company’s discretion.
- C. Confidentiality of Lists.** Wellness Advocates obtaining access to Lists agree to the confidentiality and proprietary nature of those mailing lists and that any use of those lists or contacts generated therefrom, except for the sole purpose of furthering the Company’s business, is expressly forbidden. They also agree that the information is the property of the Company and any materials offered to the Wellness Advocates which make any reference to the Company or its programs may be done so only with the prior written consent of the Company for each separate offer.
- D. Specific Lists.** The Company provides a uniquely tailored portion of the Lists to Wellness Advocates (hereinafter in the context of Lists, the “Recipient”). Each portion of the provided List contains only information specific to the Recipient’s level and his or her own downline Organization.
- E. Limitations on Use.** These Lists are provided for the limited use of the Recipient solely to facilitate the training, support, and servicing of the Recipient’s Downline Organization for furtherance of the Company-related business only. Each Recipient agrees that each use, within its intended scope, constitutes a separate exclusive license agreement between the Recipient and the Company.
- F. Lists Belong to Company.** These Lists remain, at all times, the exclusive property of the Company, which may, at any time and in the Company’s sole discretion, reclaim and take possession of the Lists. Accordingly, each Wellness Advocate agrees:
1. To hold confidential and not disclose any Lists or portion thereof to any third Person, including, but not limited to, existing Wellness Advocates, competitors, and the general public;
  2. To limit use of the Lists to their intended scope of furthering the Wellness Advocate’s dōTERRA-related business. The Lists may not be used to identify and solicit dōTERRA Wellness Advocates to other commercial opportunities and activities;
  3. That any use or disclosure of the Lists outside of those authorized herein, or for the benefit of any third Person, constitutes misuse, misappropriation, and a violation of the Recipient’s license agreement, which causes irreparable harm to the Company;
  4. That, upon any violation under this section, the Recipient stipulates to injunctive relief as an appropriate remedy enjoining that use under applicable national or local laws, and will immediately retrieve and return to the Company all Lists previously provided to the Recipient upon the Company’s request, and that the obligations under this section will survive the termination of the Recipient’s Contract.
- G. Company Remedies for Breach.** The Company reserves the right to pursue all appropriate remedies under applicable national or local laws to protect its rights to the above-stated proprietary and trade secret information covered by the Lists. Any failure to pursue any applicable remedies will not constitute a waiver of those rights.

## SECTION 18: Limitation of Liability

The Parties agree that the following provisions apply and will survive any termination of the Contract.

- A. No Representation or Warranties.** Except as provided in this Policy Manual, dōTERRA makes no express or implied representations or warranties with respect to the dōTERRA products to be provided hereunder or their condition, merchantability, fitness for any particular purpose or use by Wellness Advocates.
- B. Limitation on Damages.** To the fullest extent allowable by English law, the Parties make the following agreements with respect to any claims for damages against the Company its members, managers,

directors, officers, shareholders, employees, assigns, and agents, regardless of the form of such claim (whether in tort, contract, or other):

1. The Company its members, managers, directors, officers, shareholders, employees, assigns, or agents will not be liable to Wellness Advocate for any special, indirect, incidental, punitive or consequential damages, including lost profits. This limitation applies to, but is not necessarily limited to, claims arising from or related to the operation of the Wellness Advocate's distributorship as well as any purchase or use of dōTERRA's products.
  2. Notwithstanding any statute of limitation to the contrary, the Company its members, managers, directors, officers, shareholders, employees, assigns, or agents will not be liable for any damages (regardless of their nature) for any delay or failure by the Company to perform its obligations under the Contract due to any cause beyond its reasonable control.
  3. Notwithstanding any other provision of the Contract, the Company, its members, managers, directors, officers, shareholders, employees, assigns, or agents will not be liable to a Wellness Advocate for any damages in excess of the total amount of money the Company actually received from the Wellness Advocate pursuant to the terms of the Contract.
- C. **Indemnification.** Wellness Advocate agrees to release and indemnify dōTERRA from any and all liability, damages, fines, penalties, or other awards or settlements arising from, or relating to Wellness Advocate's actions in the promotion or operation of Wellness Advocate's independent business and any activities related to it (for example, but not limited to, the presentation of dōTERRA products or Sales Compensation Plan, the operations of a motor vehicle, the lease of meeting or training facilities, the making of any unauthorized claims, the failure to comply with any applicable federal, state, or municipal law or regulation, etc.).
- D. The Company does not limit or exclude its liability for death or personal injury caused by its negligence or any other liability which may not be lawfully excluded or limited and all provisions of this Contract are subject to this paragraph D.

## SECTION 19: Disciplinary Action

- A. **Rights Conditioned Upon Performance.** A Wellness Advocate's rights under the Contract are conditioned upon and subject to the Wellness Advocate's continued performance in accordance with the terms of the Contract. Upon any failure by a Wellness Advocate to perform his or her obligations as set forth in the Contract, the Wellness Advocate's rights cease. The Company may excuse a Wellness Advocate's non-performance in whole or in part without waiving its rights and remedies under the Contract.
- B. **Possible Disciplinary Actions.** If a Wellness Advocate breaches any of the terms of the Contract or engages in any illegal, fraudulent, deceptive, or unethical business conduct, dōTERRA may, in its sole discretion, invoke any disciplinary measure that it deems appropriate. The potential disciplinary measures are:
1. Issue an oral and/or written warning or admonition to the Wellness Advocate;
  2. Closely monitor the conduct of the Wellness Advocate over a specified period of time to ensure performance of the contractual duties;
  3. Require the Wellness Advocate to provide the Company with additional assurances that the Wellness Advocate's performance will be in compliance with the Contract. Further assurances may include requiring the Wellness Advocate to take certain actions in an effort to mitigate or correct non-performance;
  4. Deny or suspend privileges that are awarded from time to time by the Company or cease performing the Company's obligations under the Contract, including but not limited to, awards, recognition at corporate events or in corporate literature, participation in Company-sponsored events, placement of

product orders, promotion within the Sales Compensation Plan, access to Company information and genealogies, or the Wellness Advocate's participation in other Company programs or opportunities;

5. Discontinue or limit payment of Bonuses from all or any part of the sales of the Wellness Advocate or the Wellness Advocate's Organization;
6. Impose a fine, which may be imposed immediately or withheld from future Bonus payments;
7. Reassign all or part of the Wellness Advocate's Organization;
8. Adjust the Wellness Advocate's status;
9. Suspend the Wellness Advocate, which may result in termination or reinstatement with conditions or restrictions;
10. Terminate the Distributorship of the Wellness Advocate; and
11. Seek injunctive relief or other remedies available by law.

**C. Investigation.** The following procedure applies when dōTERRA investigates an alleged breach of the Contract:

1. The Company will either provide the Wellness Advocate with a verbal notice and/or send a written notice of the alleged breach of Contract. Each Wellness Advocate agrees that the relationship between a Wellness Advocate and the Company is entirely contractual. Accordingly, the Company will neither honour nor respect any claim by a Wellness Advocate that the relationship is or has been quasi-contractual, has arisen by implication from any continuing practice or course of action, has been verbally authorized by an employee of the Company in contradiction of the terms of the Contract, or is otherwise implied in fact.
2. In a case when written notice is sent, the Company will give the Wellness Advocate ten (10) business days from the date of dispatch of a notification letter during which the Wellness Advocate may present all information relating to the incident for review by the Company. The Company reserves the right to prohibit activity (e.g. placing orders, sponsoring, modifying Wellness Advocate information, receiving Bonuses, etc.) by the Distributorship in question from the time notice is sent until a final Company decision is rendered.
3. On the basis of any information obtained from collateral sources and from the Company's investigation of the statements and facts taken together with information submitted to the Company during the response period, the Company will make a final decision regarding the appropriate remedy, which may include the termination of the Contract with the Wellness Advocate. The Company will promptly notify the Wellness Advocate of its decision. Any remedies will be effective as of the date on which notice of the Company's decision is dispatched.
4. Additional information outlining an appeal of the decision by the Company and the Company's Dispute Resolution policy noted in Section 22.C herein will be provided upon request from the Company.

**D. Terminating Contract.** A Wellness Advocate may terminate the Contract at any time and for any reason by sending a written notice of intent to terminate to the Company at [placements@doterra.com](mailto:placements@doterra.com) or Altius House, 1 North Fourth Street, Milton Keynes, MK9 1DG. A Person whose Distributorship is terminated may not sign up again as a Wellness Advocate for six (6) months from the date of last activity if the Wellness Advocate achieved the Rank of Premier or lower. If the Wellness Advocate has achieved the Rank of Silver or higher, the person must wait twelve (12) months before signing up as a Wellness Advocate with dōTERRA. Activity includes but is not limited to purchasing product, recruiting other Wellness Advocates, or earning a Bonus. All obligations regarding confidentiality of information and the Wellness Advocate network survive termination of the Contract, including but not limited to the obligations outlined in Section 12 and Section 17.

**E. Voluntary Termination.** When a Wellness Advocate voluntarily terminates their Contract, the account is placed in a suspended status for a period of twelve (12) months from the date of last activity, after which period the account is actually terminated and removed from the genealogy tree. In other words, a suspended account stays in the genealogy tree until it is actually terminated by the Company; there is no

“roll-up” of downline during the suspension period. Due to the Sale Compensation Plan’s compression, however, volume will roll-up past the suspended Wellness Advocate, allowing for maximum payout.

- F. **Inactivity.** A Distributorship may be terminated by the Company if the Distributorship is not Active or if the annual renewal fee has not been paid.
- G. **Co-applicant Binds Distributorship.** The act of any participant or co-applicant in a Distributorship, or spouse or partner of a Wellness Advocate, is attributable to the Distributorship and any remedies, including termination of the Contract, necessitated by that act may be applied to the Distributorship generally.
- H. The Company will not review any breach of the terms and conditions of the Contract not brought to the Company’s attention within two (2) years of the initiation of the alleged violation. Failure to report a breach within the two (2) year period will result in the Company not pursuing the allegations in order to prevent stale claims from disrupting the ongoing business activities of Distributorships. All reports of breaches must be in writing and sent to the attention of dōTERRA’s legal department.
- I. **Action Against a Wellness Advocate.** The Company may take action against a Wellness Advocate as outlined in this Section 19 of the Policy Manual and elsewhere in the Contract if the Company determines, in its sole discretion, that the Wellness Advocate’s conduct or the conduct of any participant in the Distributorship is detrimental, disruptive, or damaging to the well-being or reputation of the Distributor network or the Company.
- J. If the Wellness Advocate cancels this Agreement under Section 19.D within fourteen (14) days of entering into it then:
1. The Wellness Advocate may require the Company to repay the Wellness Advocate within fourteen (14) days any monies which the Wellness Advocate has paid to or for the benefit of the Company or any of its other Wellness Advocates in connection with the Wellness Advocate’s participation in this trading scheme or paid to any other Wellness Advocate in accordance with the provisions of this trading scheme; and
  2. The Wellness Advocate may return to the Company’s address referred to in Section 19.D any goods which the Wellness Advocate has purchased under the trading scheme within twenty-one (21) days of the date of cancellation and which remain unsold, provided that such unsold goods remain in the condition in which they were in at the time of purchase, whether or not their external wrappings have been broken, and may recover any monies paid in respect of such goods; and
  3. The Wellness Advocate may cancel any services which the Wellness Advocate has ordered under the trading scheme within such fourteen (14) day period and may recover any monies paid in respect of such services, provided that such services have not yet been supplied to the Wellness Advocate.
- K. In order to recover any monies paid in accordance with Section 19.J.1, J.2, and J.3. the Wellness Advocate must give notice to the Company requesting the repayment of such monies (and if applicable, returning the starter kit and any other promotional or training materials purchased by him) to the Company’s address referred to in Section 19.D within twenty-one (21) days of the date of cancellation and the Company shall repay such monies as the Wellness Advocate may be legally entitled to recover within twenty-one (21) days of the date of cancellation. In order to recover monies paid for goods under Section 19.J.2, the Wellness Advocate must deliver the goods to the Company within twenty-one (21) days of the date of cancellation to the address referred to in Section 19.D. The Wellness Advocate shall bear the cost of such delivery. The monies paid in respect of those goods is payable to the Wellness Advocate on delivery of the goods, or forthwith if the goods have not yet been delivered to the Wellness Advocate.
- L. If the Wellness Advocate gives notice to terminate this Agreement more than fourteen (14) days after the Wellness Advocate entered into the Agreement, the Wellness Advocate may return to the Company any goods (including training and promotional materials, business manuals and kits) which the Wellness Advocate has purchased under the scheme within ninety (90) days prior to such termination and which remain unsold and the Company will pay the Wellness Advocate the price (inclusive of VAT) which the Wellness Advocate paid for the goods less, where the condition of any such goods has deteriorated due to an act or default on the part of the Wellness Advocate, an amount equal to the diminution in their value resulting from such deterioration and a reasonable handling charge (which

may include the cost of repackaging returned goods for resale). The Wellness Advocate shall bear the cost of such delivery.

M. The Company may terminate this Agreement at any time by giving written notice to the Wellness Advocate. If the Company terminates this Agreement the Wellness Advocate may return to the Company any goods which the Wellness Advocate has purchased under the scheme within ninety (90) days prior to such termination and which remain unsold for a full refund of the price (inclusive of VAT) which the Wellness Advocate has paid for them together with any costs incurred by the Wellness Advocate for returning the goods to the Company.

N. If either party terminates this Agreement the Wellness Advocate may return to the Company any goods (including training and promotional materials, business manuals and kits) which the Wellness Advocate has purchased under this trading scheme more than ninety (90) days but within one (1) year prior to such termination and which remain unsold for ninety percent (90%) of the price (inclusive of VAT) which the Wellness Advocate has paid for them, less an amount equal to:

- (i) any bonuses or other benefits (in cash or in kind) received by the Wellness Advocate in respect of those goods;
- (ii) any amount due from the Wellness Advocate to the Company on any account; and
- (iii) a reasonable handling charge (which may include the cost of repackaging returned goods for resale),

and provided that:

- (i) such goods have not been purchased or acquired by the Wellness Advocate in breach of this Agreement;
- (ii) the Wellness Advocate returns such goods to the Company in an unused, commercially resaleable condition not more than fourteen (14) days after the date of termination; and
- (iii) the Company did not clearly inform the Wellness Advocate prior to the purchase that the goods were seasonal, discontinued or special promotion products which were not to be subject to the buy-back provisions of this paragraph N.

O. In order to recover monies paid for goods in accordance with this Section 19 the Wellness Advocate must deliver the goods to the Company within twenty-one (21) days of such termination to the Company's address referred to in Section 19.D. The Company will bear the cost of such delivery. The purchase price is payable to the Wellness Advocate on delivery of the goods, or forthwith if the goods are already held by the Company.

P. If this Agreement is terminated for any reason the Wellness Advocate will have the right to be released from all future contractual liabilities towards the Company in relation to this trading scheme, except: a) liabilities relating to payments made to the Wellness Advocate under contracts which the Wellness Advocate has made for the Company (if any); and b) any liability to pay the price of goods or services already supplied to the Wellness Advocate by the Company where the Wellness Advocate has not returned such goods to the Company in accordance with this Section 19; and c) those provisions of the Contract which relate to competition with the business of the Company after termination and which shall remain in force after the date of termination.

Q. The preceding paragraphs J to P of this Section 19 set out the Wellness Advocate's statutory rights on cancellation or termination of the Contract. If any other provisions of the Contract provide the Wellness Advocate with more favourable rights in the applicable termination event then the Wellness Advocate may exercise those more favourable rights.

## SECTION 20: Contract Changes

A. **Amendments on Thirty Days' Notice.** dōTERRA expressly reserves the right to make any amendments or modifications to the Contract and/or the Sales Compensation Plan, upon thirty (30) days prior written notice in Company publications, by separate mailing, or through online publication on the Company website(s), provided that the Company shall give at least sixty (60) days advance written notice of any change in the financial obligations of Wellness Advocate. Wellness Advocates agree that thirty (30)



days (or sixty (60) days, if applicable) after publication of that notice, any amendment or modification becomes effective and is automatically incorporated into the Contract and/or Sales Compensation Plan, between the Company and its Wellness Advocates, as an effective and binding provision. By continuing to act as a Wellness Advocate, or engaging in any Distributorship activity, including purchasing products, recruiting other Wellness Advocates, or earning a Bonus, after the amendments or modifications have become effective, a Wellness Advocate acknowledges acceptance of the new Contract and/or Sales Compensation Plan terms.

**B. Wellness Advocates Bound by Amendments.** Wellness Advocates will be bound by any amendments to this Policy Manual, the Contract, and/or the Sales Compensation Plan upon notification of amendments through any of dōTERRA's official channels of communication including the Company's website, emails, newsletters or other publications or mail to the Wellness Advocate, provided that the Company shall give at least sixty (60) days advance written notice of any change in the financial obligations of Wellness Advocate. Ordering products or accepting Bonus payments confirms a Wellness Advocate's ongoing acceptance of the Contract and any amendments, and the agreement to be bound by the Contract.

## SECTION 21: Successors and Claims

**A. Binding Effects and Continuing Benefits.** The Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**B. Transfer of a Distributorship Position.** Except as otherwise noted in this Policy Manual a Wellness Advocate may dispose of, sell, transfer, or otherwise assign his or her Distributorship assets in any manner allowed by the Contract and applicable law (including sale, gift, or bequest) but only with the prior written consent of the Company. Any assets that take the form of claims to compensation or satisfaction of contractual obligations, from or by the Company, will not be recognized as assets of the transferee on the records of the Company until the Company has received written notification of the transfer and has given its formal written approval. The Distributorship transferred is subject to all remedial measures under the Contract that may have arisen prior to the transfer.

1. Upon a gift, sale, transfer, assignment or other disposition of a Distributorship, a new Distributorship is created. Notwithstanding the fact that a new Distributorship is created, the new Distributorship shall take the place of the former Distributorship organizationally. Further, unless expressly agreed to in writing by the Company, the Accounts Receivable balance, personal volume, LRP points, and enrollment date shall be retained by the former Distributorship.
2. For purposes of signing up again as a Wellness Advocate, a gift, sale, transfer or assignment is treated as a termination with respect to the transferor. In other words, a Wellness Advocate who gifts, sells, conveys or otherwise transfers his or her Distributorship must wait six (6) months (if Premier rank or lower) or twelve (12) months (if Silver rank or higher) from the official termination date (or the date of the last product purchase, if earlier than the termination or transfer date) to sign up again. A Wellness Advocate may not sell, convey, assign, or otherwise transfer any right conveyed by the Contract to any Person or entity without the express, prior written consent of the Company. A Wellness Advocate may delegate his or her responsibilities but is ultimately responsible for ensuring compliance with the Contract and applicable laws. Any Person working with or for the Wellness Advocate as part of his or her Distributorship will do so only under the Wellness Advocate's direct supervision.

**C. Distributorship Succession.** In the event that a Wellness Advocate dies or becomes incapacitated, that Wellness Advocate's organization will pass to the Wellness Advocate's legal successors under the appropriate laws. Successors should promptly notify the Company in writing of such an event and provide the proper documentation.

**D. Operation of the Distributorship During Succession.** During the pendency of a divorce or entity dissolution, the parties must adopt one of the following methods of operation:

1. One of the parties may, with consent of the other(s), operate the Distributorship pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize

the Company to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.

2. The parties may continue to operate the Distributorship jointly on a “business-as-usual” basis, whereupon all compensation paid by the Company will be paid in the joint names of the Wellness Advocates or in the name of the entity to be divided as the parties may independently agree between themselves.

**E. Distributorships are Indivisible.** Under no circumstances will the Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will the Company split Bonus checks between divorcing spouses or Wellness Advocates of dissolving entities. The Company will recognize only one Organization and will issue only one bonus check per Distributorship per bonus cycle. Checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of bonuses and the ownership of the business, the Wellness Advocate’s Contract may be terminated by the Company.

**F. Court Proceedings.** Wellness Advocates involved in court proceedings over the ownership or the management of a Distributorship are under obligation to inform the Court that the Distributorship is indivisible, and that the Company will not divide an Organization or bonus payments. The final order must expressly assign ownership of the Distributorship.

**G. Waiting Period to Sign Up Again.** If a former spouse or a former entity Wellness Advocate has completely relinquished all rights in their original Distributorship, they are thereafter free to enroll under any sponsor of their choosing, so long as they meet the waiting period requirements set forth in Section 21.B.2 In such case, however, the former spouse or partner shall have no rights to any Wellness Advocates in their former organization or to any former Customers. They must develop the new business in the same manner, as would any other new Wellness Advocate.

## SECTION 22: Miscellaneous

### A. Waiver

The waiver by dōTERRA of any Wellness Advocate’s breach of any provision of the Contract must be in writing and will not be construed as a waiver of any subsequent or additional breach. The failure by the Company to exercise any right or prerogative under the Contract will not operate as a waiver of that right or prerogative.

### B. Integrated Contract

1. The Contract is the final expression of the understanding and agreement between the Company and a Wellness Advocate concerning all matters touched upon in the Contract and supersedes all prior and contemporaneous agreements of understanding (both oral and written) between the parties. The Contract invalidates all prior notes, memoranda, demonstrations, discussions and descriptions relating to the subject matter of the Contract. The Contract may not be altered or amended except as provided therein. The existence of the Contract may not be contradicted by evidence of any alleged prior contemporaneous oral or written agreement.

2. Should any discrepancy exist between the terms of the Contract and verbal representations made to any Wellness Advocate by any employee, the express written terms and requirements of the Contract will prevail.

**C. Dispute Resolution.** In the event of any dispute, claim, question, or disagreement, or which arises from or relates to the Contract or the breach thereof, including any question regarding its existence, validity or termination of the Contract, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of 60 days, then, upon notice by either party to the other, all disputes, claims, questions, or differences shall be finally resolved by arbitration under the London Court of International

Arbitration (LCIA) Rules, which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be in London, England, and the language to be used in the arbitral proceedings shall be English. This agreement to arbitrate shall survive any termination or expiration of the Contract. Notwithstanding this arbitration provision, nothing herein shall prevent dōTERRA from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary restraining order, preliminary injunction, permanent injunction, or other relief available to safeguard and protect dōTERRA's interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

- D. Litigation and Claims.** In order to protect dōTERRA, its assets, and its reputation from claims or disputes created by outside (non- Wellness Advocate) third parties, the Company requires that if any Wellness Advocate is charged with any infringement of any proprietary right of any outside third party (who is not a Wellness Advocate) arising from any of the Company's proprietary assets, or if the Wellness Advocate becomes the subject of any claim or suit related to that Wellness Advocate's business-related conduct or any other action that directly or indirectly negatively affects or puts the Company, its reputation, or any of its tangible or intangible assets at risk, the affected Wellness Advocate shall immediately notify the Company. The Company may, at its own expense and upon reasonable notice, take whatever action it deems necessary (including, but not limited to, controlling any litigation or settlement discussion related thereto) to protect itself, its reputation, and its tangible and intangible property. The Wellness Advocate shall take no action related to that claim and suit, unless the Company consents, which consent shall not unreasonably be withheld.
- E.** The governing law of the contract shall be the substantive law of England.
- F. Limitations.** Wellness Advocates agree that, notwithstanding any statute of limitation to the contrary, any claim or action a Wellness Advocate may wish to bring against dōTERRA for any act or omission relating to the Contract must be brought within one (1) year from the date of the alleged act or omission giving rise to the claim or cause of action. Failure to bring such action within the permitted time shall act as a bar against all claims against dōTERRA for such act or omission. The Wellness Advocate waives any and all claims or rights to have any other statute of limitation apply.
- G. Severance.** Any provision of the Contract that is prohibited, judicially invalidated, or otherwise rendered unenforceable in any jurisdiction is ineffective only to the extent of the prohibition, invalidation, or unenforceability in that jurisdiction, and only within that jurisdiction. Any prohibited, judicially invalidated or unenforceable provision of the Contract will not invalidate or render unenforceable any other provision of the Contract, nor will that provision of the Contract be invalidated or rendered unenforceable in any other jurisdiction.
- H. Force Majeure.** The parties to the Contract shall not be responsible for any failure or delay in the performance of any obligations hereunder caused by acts of God, flood, fire, war or public enemy.
- I. Headings.** The headings in the Contract are for convenience of reference only and shall not limit or otherwise affect any of the terms or provisions of the Contract.
- J. Notices.** Unless otherwise provided in the Contract, any notice or other communications requested or permitted to be given under the Contract shall be in writing and shall be delivered personally, transmitted by facsimile or sent by first class, certified (or registered) or express mail, postage prepaid. Unless otherwise provided in the Contract, notices shall be deemed given when delivered personally, or if transmitted by facsimile, one day after the date of that facsimile, or if mailed, five days after the date of mailing to the address of the Company's headquarters or to the Wellness Advocate's address as provided on the Wellness Advocate Agreement Form, unless notice of an address change has been received by the Company. The Company shall have the right, as an alternative method of notice under this Section, to use mailers, Company websites, or other normal channels of communications with Wellness Advocates.