



## Policy Manual

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## Section 1. INTRODUCTION

This dōTERRA<sup>®</sup> Policy Manual (Policy Manual) has been incorporated into and made part of the Terms and Conditions of the Wellness Advocate Agreement. It is effective as of July 1, 2015. This Policy Manual, the Wellness Advocate Agreement, and the Business Application Addendum constitute the entire agreement (“Contract”) between dōTERRA Enterprises Sàrl (“dōTERRA” or “Company”) and the Wellness Advocate (“WA”). To the extent of any conflict or inconsistency between this Policy Manual, the Wellness Advocate Agreement, and the Business Application Addendum (in their current form or as subsequently amended), the Policy Manual shall govern. The Contract or any part thereof may be amended at any time in the sole discretion of the Company. Notification of amendments will be published on the Company’s official website.

A WA’s failure to comply with the provisions of this Policy Manual or any of the referenced documents comprising the Contract between the Company and a WA may, in the sole discretion of the Company, result in any or all of the following: termination of the Distributorship of the WA, loss of the right to sponsor other WAs, 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 therapeutic-grade essential oils with the world. dōTERRA does this by:
1. Discovering and developing the world’s highest-quality therapeutic-grade essential oil products through a leveraged network of highly-educated and experienced botanists, chemists, health scientists, and health care professionals;
  2. Distributing our products through Wellness Advocates who, working from home, introduce, educate, and sell dōTERRA products;
  3. Providing educational opportunities for all people interested in learning how therapeutic-grade essential oils can be used as a self-care wellness alternative;
  4. Bringing together health care professionals of traditional and alternative medicine to encourage further study and application of therapeutic-grade essential oils in modern health care practices.
- 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 (WA) who has purchased dōTERRA products within the past twelve months.

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

**Bonus:** Compensation (sometimes called "commissions") paid by the Company to a WA based on the volume of products sold by a WA's organization upon meeting the requirements of the dōTERRA Sales Compensation Plan. See, Section 10 of this Policy Manual.

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

**Code of Ethics:** As defined in Section 3 of this Policy Manual.

**Company:** Company or "dōTERRA" means dōTERRA Enterprises Sàrl

**Company Credit:** Company Credit is a WA'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 WAs in the Company's Sales Compensation Plan, also used from time to time to generally describe and identify dōTERRA WAs.

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

**Convention:** As defined in Section 13D of this Policy Manual.

**Corporation:** Any business entity such as a sole proprietorship, partnership, limited liability partnership, limited partnership, company, or other form of business legally formed under the laws of Singapore, and includes a trust.

**Cross-Company Recruiting:** As defined in Section 9F.1 of this Policy Manual.

**Cross-Line Recruiting:** As defined in Section 9F.2 of this Policy Manual.

**Currently Marketable Products:** As defined in Section 6D of this Policy Manual.

**Distributorship:** The term Distributorship is another term for the business of any WA, as represented by a WA'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, and content of its publications, whether registered with relevant governmental authorities or not.

**Downline:** Another term for Organization.

**Enrollee:** An Enrollee is an WA who was enrolled by an Enroller.

**Enroller:** Enroller is a designation that entitles an WA to qualify for Ranks and Fast Start Bonuses in the Sales Compensation Plan. Enrollers also enjoy the ability to identify a new WA's Sponsor within the Enroller's Organization. An Enroller can also be the Sponsor (compare, Sponsor).

**Exceptions Committee:** Committee responsible for approving placements of Enrollees in an Organization exceeding the allotted 14 day one-time placement adjustment.

**Lemon Law Obligations:** As defined in Section 7A of this Policy Manual.

**Lists:** As defined in Section 17 of this Policy Manual.

**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 wherein a WA can set up automatic monthly deliveries of dōTERRA products, and which may qualify a WA to receive Product Credits and other benefits in the Sales Compensation Plan. See, Section 10.9 of this Policy Manual.

**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 (WAs) and Preferred Members (PMs) sponsored in a WA's direct and subsequent downline chain of sponsorship.

**Organizational Volume:** As defined in Section 10A of this Policy Manual.

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

**Personal Volume:** As defined in Section 10A of this Policy Manual.

**Ranks:** Designations (levels) earned by and given to WAs 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.

**Preferred Member (PM):** A person who has a relationship with dōTERRA that allows the person to purchase products at a discounted price. A Preferred Member has not signed an Wellness Advocate Agreement and cannot sponsor WAs or other Preferred Members. A Preferred Member may also qualify for Product Credits under the Loyalty Rewards Program.

**Product Claims:** Claims related to the efficacy or effect of dōTERRA products. Product claims are regulated by local and national regulatory authorities in which the WA does business, including the Health Sciences Authority, the Agri-Food & Veterinary Authority of Singapore, or similar governmental agencies in the jurisdiction of the WA.

**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 WAs. 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 WAs, or training of WAs, which makes reference to the Company, the Company products, the Sales Compensation Plan, or dōTERRA Intellectual Property.

**Sales Compensation Plan:** As defined in Section 10 of this Policy Manual.

**Sponsor:** An Wellness Advocate who has another WA placed directly underneath him in his Organization (compare, Enroller).

**Taxes or Tax:** All forms of taxation including but not limited to, withholdings, corporate income tax, capital gains tax, duties, imposts, contributions (including social security or central provident fund contributions), rates and levies, sales tax, services tax, business tax, goods and services tax and any other form of value-added tax imposed by any governmental authority, federal, state, provincial, municipal impositions or other body, whenever imposed and whether chargeable directly, indirectly or primarily against or attributable directly, indirectly or primarily to such company or any other person and all penalties, charges, fines, costs and interest relating thereto.

**Wellness Advocate(WA):** A Person who is an independent contractor authorized by the Company to purchase and retail products, recruit other WAs, and receive Bonuses in accordance with the requirements of the Sales Compensation Plan. A WA'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 individually has all the WA rights and obligations.

**Wellness Advocate Agreement (WAA):** The application, whether in printed or electronic form, to become an Wellness Advocate which, upon acceptance by the Company, is part of the Contract between the Wellness Advocate and the Company.

### 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 (WAs) are expected to practice the following ethical behavior when introducing people to, and representing the Company and its products (“Code of Ethics”). Any violation of the Code of Ethics may subject the WA to disciplinary action by the Company depending on the materiality of the violation. The following guidelines help ensure a uniform standard of excellence throughout the dōTERRA organization. All WAs 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. WAs should not engage in activities and behavior that would bring disrespect or embarrassment to dōTERRA, its corporate officers, employees, themselves, or other WAs.
- 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 WAs.
- E. Be truthful in representations of dōTERRA products. Do not make diagnostic, therapeutic, curative or exaggerated claims.
- F. Give support and encouragement to customers to ensure that their experience with dōTERRA is meaningful and rewarding. WAs 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. WAs should not use their own income as an indication of other’s potential success, or use compensation checks 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 WA and a WA’s Relationship with the Company

The WA relationship is the most valuable relationship at dōTERRA. The Company takes great pleasure in teaming up with WAs to present and offer our life-changing products and opportunity.

- A. **Signing Up as a WA.** To become a dōTERRA WA, each applicant must:
  - 1. Pay a non-refundable S\$45.00 application fee;
  - 2. Submit a properly completed Wellness Advocate Agreement (WAA) to the Company within 30 days from the date of the WAA;
  - 3. Be of legal age in his or her state of residence and be competent to enter into the WAA;
  - 4. Have and provide a Singapore NRIC number or employment pass which does not prohibit him / her from becoming a WA.
- B. **Acceptance or Rejection of WAA.** dōTERRA reserves the right, in its sole discretion, to approve or decline submitted WAAs.

- C. **Inaccurate Applications.** An incomplete, incorrect, or fraudulent WAA will be deemed invalid.
- D. **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.
- E. **Duty to Maintain Accurate WAA Information.** To help ensure that the Company has the most current information, WAs must advise the Company of changes to the submitted WAA and attachments. Proposed changes to personal information should be submitted on a new WAA or Business Application Addendum with the word “Amended” written across the top. All Parties to the Distributorship should sign this new WAA or Business Application Addendum before submitting it to the Company.
- F. **Business Application Addendum.** A Corporation may become a dōTERRA WA by submitting, with the Business Application Addendum, true and correct copies of the incorporation, registration or formation documents, together with any other related documents the Company will request. The authorized director, officer, partner, owner, agent or trustee who is legally competent to bind the Corporation will sign the WAA. The signup of a Corporation cannot be done online.
- G. **Term of Contract and Contract Renewal.** The term of the Contract is one year from the date the WAA is submitted to dōTERRA. Unless the WA notifies the Company of its intent not to renew, or unless the Contract is terminated by the Company, the Contract is automatically renewed each year on the anniversary date of acceptance of the WAA. The WA agrees to pay an annual renewal fee on or before the anniversary date of acceptance of the WAA. The WA agrees and authorizes the Company to automatically charge the credit card on file with the Company in the amount of S\$33.00 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 WA product order. The annual renewal fee helps the Company provide the WA 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.
- H. **Simultaneous Interests in Distributorships Prohibited.** An WA 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 shareholder, partner or owner of a Corporation cannot have a Distributorship in the name of a Corporation and a separate Distributorship in his or her own name individually, or another Corporation to which he or she is a shareholder, partner or owner of. An exception to this rule is the Presidential Diamond Multiplier Account. See Section 10.3 of this Policy Manual.
- I. **Independent Contractor Relationship Between WA and the Company.** An WA is an independent contractor and not an employee, agent, partner, legal representative or franchisee of dōTERRA. An WA is not authorized to and will not negotiate, conclude and/or

enter into any contract or agreement to bind dōTERRA or incur any debt, expense or obligation, or open any checking account on behalf of, for, or in the name of dōTERRA. WAs control the manner and means by which they operate their dōTERRA businesses, subject to compliance with the Contract. WAs are solely responsible for paying all expenses they incur, including but not limited to travel, food, lodging, secretarial, office, long distance telephone and other expenses. WAs are not treated as employees of the Company for all tax purposes (including but not limited to legal or tax purposes), and acknowledge and agree that the Company is not responsible for any withholding or deduction and shall not withhold or deduct Taxes of any kind from any compensation the WA receives from dōTERRA, including Bonuses, unless such withholding or deduction becomes legally required.

- J. **Company Recognition.** The Company may choose to recognize WAs 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 WAs at the highest Rank they achieved for at least three of the most recent twelve months, except for first time Rank achievement.

## Section 5. Purchasing Products

- A. **No Requirement to Purchase Products.** A Person is not required to purchase any product in order to be a dōTERRA WA.
- B. **Authorization to Resell dōTERRA Products.** Only WAs 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 WAs to only purchase inventory that the WA and the WA's family will personally consume, use as a sales tool, or that will be resold to others for their ultimate consumption. Purchasing product solely for the purpose of collecting Bonuses is prohibited. WAs 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 WA 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 violation of the Contract.
- D. **Credit Card Use.** WAs are strongly discouraged from using their own credit cards to purchase products for another WA. WAs are prohibited from using their own credit cards to purchase products for another WA who has been an WA for less than 30 days. WAs 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 WA, the Company must receive written permission from the WA 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 commissions resulting from the sale, and other disciplinary action as outlined in Section 19.



- E. **Repackaging Prohibited.** WAs may not print their own labels or repackage dōTERRA products. Products are to be sold in their original packaging only. For instance, WAs 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, WAs may not advertise the use of dōTERRA oils as ingredients to 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 an WA is governed by Section 12 of this Policy Manual.
- F. **Dishonored Check Fees.** WAs are responsible to reimburse the Company for the cost of re-depositing checks from WAs that are returned to the Company for insufficient funds.
- G. **Will Call Orders.** Will Call orders that have not been picked up within 20 days will be shipped to the WA's address of record. The Company will assess the costs of such shipment to the WA 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 60 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 an WA within sixty (60) days of purchase from the Company, less shipping costs and paid Bonuses.
  - 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 which are not Currently Marketable Products (see, Section 6.D of this Policy Manual) that are returned by an WA within (30) days of purchase, less shipping costs and paid Bonuses.
- B. **Returns Sixty-one (61) days to Ninety (90) days After Purchase.** From sixty-one (61) 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 an WA, less shipping costs and paid Bonuses.
- C. **Returns From 91 days to One year After Purchase.** After 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 an WA, 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 unopened and unused; 2) packaging and

labeling have not been altered or damaged; 3) 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; 4) the product expiration date has not elapsed; and 5) the product contains current dōTERRA labeling (collectively, “Currently Marketable Products”).

- E. **Return of Damaged Products.** dōTERRA will exchange products if the returned products were received by the purchaser in damaged condition. Such products must be returned within fifteen (15) days of receipt. Whenever possible, returned products will be replaced with undamaged products. However, when an exchange is not feasible, the Company reserves the right to issue a credit for the amount of the exchanged products.
- F. **Return of Incorrectly Sent Products.** dōTERRA will exchange products if the returned products were incorrectly sent. Such products must be returned within fifteen (15) days of receipt. Whenever possible, returned products will be replaced with undamaged products. However, when an exchange is not feasible, the Company reserves the right to issue a credit for the amount of the exchanged products.
- G. **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.
- H. **Kit Returns.** Products purchased as part of a kit or package must be returned as the entire kit.
- I. **Refund Modes.** The Company in its discretion may determine the acceptable refund modes for product returns, including but not limited to the following: dōTERRA Company Credit, Product Credit, bank check, bank transfer, or credit card charge back, and as outlined herein. The actual 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.
- J. **Return Procedure.** To obtain the refund for returned products or Sales Aids, an WA must comply with these procedures:
  - 1. Approval for the return must be received prior to the return of the shipment to the Company. This approval must be obtained, either by telephone or in writing, and the actual return shipment must be accompanied by the WA number.
  - 2. The Company will provide the WA with the correct procedures and location for returning the products or Sales Aids. All return shipping costs must be paid for by the WA.
  - 3. Products or Sales Aids returned to the Company without prior authorization will not qualify for a product credit or refund and will be returned to the WA at the WA’s expense.
  - 4. 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.
  - 5. The Company may charge a S\$10 fee for shipments that are refused at the point of delivery and returned to the Company.

- K. **Company's Right to Recoup Unearned Bonuses.** Bonuses are paid to WAs based on the purchase of Company products by customers or by members of their Downline. 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 an WA to pay the Company directly, or the Company may withhold the amount of the Bonus from future Bonus payments.
- L. **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 sixty days and in conformance with the Product Return Policy.
- M. **Credit Card Charge Backs.** WAs are required to return products under the Company's product exchange and return policies rather than doing a credit card chargeback.

## Section 7. Retail Sales Obligations and Limitations

- A. **Remedies for Defective Products.** Singapore law requires an WA to offer to his or her retail customers the remedies of replacement, refund or reduction of retail price under the **Consumer Protection (Fair Trading) Act** (Cap. 52A) for products which are defective ("Lemon Law Obligations"). This means that if the retail customer requires replacement of any defective products, WAs must do so within a reasonable time. If it is impossible or disproportionate to replace the defective products, WAs should refund or reimburse the retail customer, taking into account any prior use that the customer has had of the products. WAs are encouraged to perform the Lemon Law obligations within ten days of the customer's request.
- B. Unless provided for in Section 6 of this Policy Manual, the Company has no obligation whatsoever to perform the Lemon Law Obligations on behalf of a WA to his or her retail customers, or indemnify a WA for the performance of his or her Lemon Law Obligations to his or her retail customers. **Duty to Provide Sales Receipts.** WAs must provide the customer with two copies of a completed retail sales receipt at the time of the sale, and complete the following information.
  - 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 date of the third business day after sale, the name of the WA, business address, and business telephone number.
  - 3. The first copy is the customer's receipt of the purchase. The customer should sign and date the back of the second copy and return it to the WA if a product exchange is requested. The third copy is the WA's receipt of the purchase. If it is impossible or disproportionate to replace the defective products, the WA should refund or reimburse the customer, taking into account any prior use that the customer has had of the products.

4. WAs should keep copies of all retail sales receipts on file for at least five years. The retail sales receipts should satisfy all Goods and Services Tax (“GST”) invoicing requirements provided for under the Goods and Services Tax Act (Chapter 117A of the Republic of Singapore).

## Section 8. Enrolling or Sponsoring a WA

- A. **Duty to Accept Contractual Responsibilities.** Before a WA may act as an Enroller or Sponsor, the WA must meet all requirements and accept all responsibilities described in the Contract.
- B. **Placement.** A WA may refer Persons to the Company as applicants to become WAs. Upon acceptance by the Company of the WAA, applicants are placed in the Organization of the Enroller listed on the WAA.
- C. **Training and Support of Organization.** In order to be a successful Enroller or Sponsor, a WA should assume training and support obligations for WAs in his Organization. A WA's success can come only through the systematic sale of Company products and the product sales of other WAs within his Organization.
- D. **Open Local Markets.** A WA is entitled to enroll or sponsor other WAs only in Open Local Markets. See, Section 14 of this Policy Manual.
- E. **Becoming a Successful Enroller or Sponsor.** To be a successful Enroller or Sponsor and leader, a WA should perform the following responsibilities:
  1. Give regular sales and organizational training, guidance, and encouragement to the WA's Organization. An Enroller or Sponsor should maintain contact with everyone in his or her Organization and be available to answer questions;
  2. Exercise the WA's best efforts to ensure that all WAs in the WA's Organization properly understand and comply with the terms and conditions of the Contract and applicable laws, regulations and guidelines;
  3. Intervene in any disputes arising between a customer and any of the WA'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 WA's Organization are conducted in accordance with the Contract and in accordance with any laws, regulations and guidelines;
  5. Promptly resolve any disputes between the WA, other WAs, and the Organization of the WA; and
  6. Enroller or Sponsor will help educate the WAs in his/her Organization about the Company's policies in this Policy Manual and other guidelines the Company does implement in their respective market.

- 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. WAs should not leave the assignment of enrollership of a new WA 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 violate 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 30 days advance notice to any Enroller or Sponsor whose Organization is being moved or realigned.

## Section 9. Placement Policy, Line Switching, and Cross Recruiting Prohibition

- A. **Initial Placement.** At the time when a new WA is enrolled, the Enroller of the new WA may place the new WA anywhere in the Enroller's Organization.
- B. **Placement Changes Within Fourteen Days of Signup.** Within 14 calendar days of a new WA's signup with the Company, the Enroller may move the new WA one time anywhere in the Enroller's Organization (i.e. not outside the Enroller's Organization), subject to the Company's approval.
- C. **Placement Changes After Fourteen Days.** After the above described time period passes, a WA is in final placement and the Company will normally not approve requests to place WAs elsewhere in an Organization.
1. Placement changes are rare and must be specifically approved in writing by the Company's Exceptions Committee.
  2. Before authorizing a placement change, the Company will consider, among other factors, the following:
    - a. Whether the WA to be moved has not been active for at least six months (twelve months if Silver Rank or higher),
    - b. Whether the WA to be moved obtains written consent (verified by notarized signatures

or other means) of each WA in his Organization, the Enrollers who are three levels above the WA, and the Sponsors who are seven levels above the WA,

- c. Whether the change will cause Rank advancement,
  - d. Whether a change of historical Bonus payments will occur,
  - e. Whether an WA has breached the Contract,
  - f. The effect of the change on the Organization, and
  - g. Any other relevant facts.
- D. A WA who personally enrolls a new WA that achieves the rank of Premier within 90 days of enrollment will be allowed, upon the approval of a qualified Diamond in the Enroller's upline organization, to place the new enrollee anywhere within the Enroller's organization. This move can be made after the Enroller has filled out the Premier Move form even if a placement change had previously been made within 14 days of enrollment.
- E. **Enrollership Reassignment.** With Company approval, the Company will allow one assignment of the enrollership (after the original signup enrollment) of a WA within the Enroller's Organization. Such an assignment must first be approved by the Company in writing.
- F. **Cross-Company and Cross-Line Recruiting Prohibited.**
- 1. **Cross-Company Recruiting.** "Cross-Company Recruiting" shall mean 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), of another dōTERRA WA or customer to enroll or participate in another network marketing opportunity, even if the actions of the WA are in response to an inquiry made by another WA or customer.
  - 2. **Cross-Line Recruiting.** "Cross-Line Recruiting" shall mean 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), of the enrollment of an individual who, or entity that, already has a current Distributorship with dōTERRA, within a different line of sponsorship. Cross-Line Recruiting 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 WA with the rank of silver or higher, within the past twelve months.
  - 3. **Prohibition.** During the term of the Contract, and for the subsequent one year after termination of the Contract WAs are prohibited from Cross-Company Recruiting or Cross-Line Recruiting other WAs. The use of a spouse or relative's name, trade names, assumed names, Corporations, NRIC or employment pass numbers, or fictitious NRIC or employment numbers to circumvent this policy is prohibited. The obligations in this Section 9F.3 shall survive for one year post-termination of the Contract in relation to Cross-Company Recruiting or Cross-Line Recruiting of other WAs in Singapore. Further, WAs 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 in Singapore for another direct selling company constitutes Cross-Company Recruiting during a period of one year after termination of the Contract.

4. **Injunctive Relief Available to the Company.** WAs stipulate and agree that Cross-Company Recruiting and Cross-Line Recruiting constitute an unreasonable and unwarranted interference with the contractual relationship between the Company and its WAs, and conversion of the Company's property and misappropriation of the Company's trade secrets and confidential information. WAs further stipulate and agree that any violation of Section 9F.3 of this Policy Manual will inflict immediate and irreparable harm on the Company, that the harm to the Company exceeds any benefit that the WA 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. The provisions of this Section 9F.4 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 Lists or any other violations of the Contract.

## Section 10. Sales Compensation Plan

This Section 10 sets out the details of the dōTERRA sales compensation plan ("Sales Compensation Plan"). **All monetary values in this Section 10 are represented in US Dollars (USD) unless otherwise specified.**

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

**Retail Markups.** WAs 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. However, WAs are free to set their own selling price, so long as the price is above the wholesale price, and the purchasers personally consume the products they purchase. As a result, the Company neither provides an estimate of average income from retail sales nor includes retail income in its average Bonus information.

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

### A. Definitions

**Commissionable Order:** An order that is assigned Personal Volume points, which is timely ordered and paid for by a WA.

**Company Volume:** Company Volume is the total amount of Personal Volume earned by all WAs currently doing business with dōTERRA, including the WAs' own purchases, purchases from Preferred Members, and purchases from Retail Customers.

**Frontline Organization:** A Frontline Organization is the Organization of one of a WA's personally sponsored WAs.

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

**Organizational Volume (OV):** The Personal Volume of a WA plus the Personal Volume of all other WAs in the WA's Organization.

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

**Primary Bonus:** The sum total of all Bonuses paid to a WA except the Fast Start Bonus and the Founders Bonus. The Primary Bonus consists of Uni-level, Preferred Member, Retail, 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 WA. Preferred Member and retail customer orders are not Qualified LRP Orders. All Qualified LRP Orders must be paid for by credit card or check in the name of the WA listed on the account, or with cash, and must be shipped to the primary address listed on the account. A Qualified LRP Order that is returned will result in recoupment of the unearned but previously paid Bonus earned.

**Team:** A term used in the Power of Three Bonus. A Team is made up of a Placement Sponsor, and those WAs, PMs, 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 WAs is geared toward rewarding the sustained efforts of everyone from the beginning WA to the seasoned professional WA. dōTERRA's Bonuses include the Retail Profit Bonus, Preferred Member Bonus, Fast Start Bonus, Power of Three Bonus, Uni-level Bonus, Infinity Performance Pools, Diamond Pools, and Founder's Club Bonus.

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

**Overview.** A Fast Start Bonus is paid weekly to Enrollers for all Commissionable Orders placed in the first sixty (60) days by a new WA on the new WA's account. The Bonus is paid to the new WA's first, second, and third level Enrollers. The first level Enroller receives



twenty (20) percent, the second level Enroller receives ten (10) percent, and the third level Enroller receives five (5) percent. See, Figure 1.

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

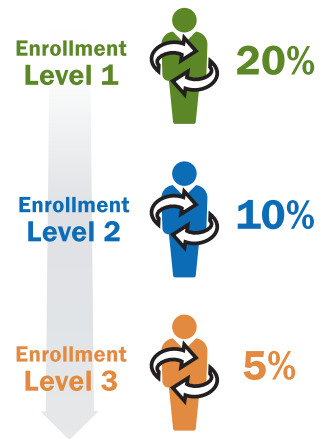


Figure 1

### 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 \$50, \$250, or \$1,500. Any Sponsor with a Qualified LRP Order may participate in the Bonus.

**The \$50 Power of Three Bonus.** In order to qualify for the \$50 Bonus, an WA must make a Qualified LRP Order. The WA must also have three personally sponsored WAs with Qualified LRP Orders, and a minimum Team Volume (TV) of 600.

**The \$250 Power of Three Bonus.** In order to qualify for the \$250 Bonus, an WA must first qualify for the \$50 Bonus. The three personally sponsored WAs who assisted him to qualify for the \$50 Bonus must also qualify for the \$50 Bonus. See, Figure 2.

**The \$1,500 Power of Three Bonus.** In order to qualify for the \$1,500 Bonus, an WA must first qualify for the \$250 Bonus. The three personally sponsored WAs who assisted him to qualify for the \$250 Bonus must also qualify for the \$250 Bonus. See, Figure 2.

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

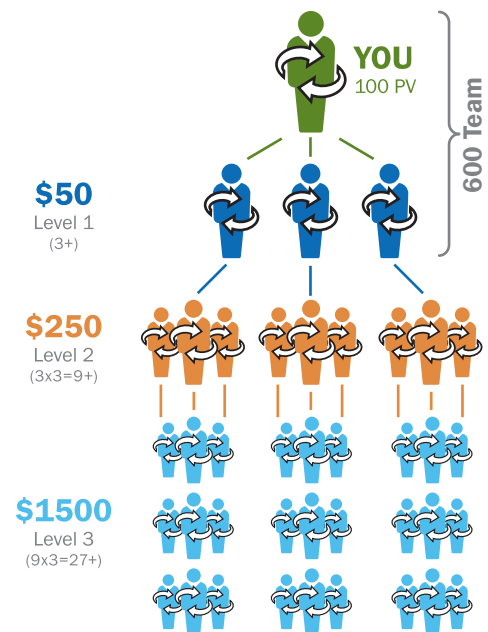


Figure 2

### 3. Uni-level Bonus – an Organizational Bonus.

**Overview.** The Uni-level Bonus is paid to WAs each month. The Uni-level Bonus is based on the monthly volume of the Organization of the WA. A particular month's Uni-level Bonus is dependent

upon the monthly Rank for which the WA has qualified and the monthly Organizational Volume of the WA. The Rank and Organizational volume requirements must be met each month. By compression, essentially all uni-level is paid to distributors. Purchases on which Fast Start Bonuses are paid do not get included in the Uni-level volume. See, Figure 3.

**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 purchase.

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

Unilevel Organizational Bonus (paid monthly on compressed organizational volume)

Paid as Title	Wellness Advocate	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												

Figure 3

The percentage of OV that is paid to an WA 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 for both level three and level four.

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

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

**Compression.** The dōTERRA Sales Compensation Plan maximizes payment to WAs through Compression. When an WA's Rank does not qualify the WA to receive a Bonus of a level associated with higher Ranks, the Bonus will roll up and be paid to higher ranked WAs who do qualify for the Bonus on the higher level.

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

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

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

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

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

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

3% Infinity Performance Pools (paid monthly on total company volume)		Leadership Performance Pool			Diamond Performance Pool		
	# of shares	1	5	10	1	2	3
Performance Pool Shares: Earn additional shares for each new personally enrolled Elite (Leadership Performance Pool) or Premier (Diamond Performance Pool)†		1+	1+	1+	1+	1+	1+
		2%			1%		

Figure 4

**Shares in the Leadership Performance Pool.** Each Silver receives one share in the Leadership Performance Pool. Each Gold receives five shares in the Leadership Performance Pool. Finally, each Platinum receives ten shares in the pool. An WA can earn an additional share for the month if the WA is the Enroller of a first-time Elite. Shares do not cumulate from one Rank to the next. For example, an WA who moves from Silver to Gold is entitled to five shares, and not one share from the Silver pool and five from the Gold pool.

**Shares in the Diamond Performance Pool.** Each Diamond receives one share in the Diamond Performance Pool. Each Blue Diamond receives two shares in the pool, and each Presidential Diamond receives three shares in the pool. An WA can earn additional shares, for the month, if the WA 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% or 2%), multiplied by the Company Volume for the same month, and divided by the number of shares of WAs who have qualified for a share or shares in the month.

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

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

Figure 5

**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 WA receives three shares in the pool of the WA'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 WA first attains the Silver Rank and the WA was personally enrolled by the Presidential Diamond.
2. **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 WA first attains the Premier Rank and the WA was personally enrolled by the Diamond or Blue Diamond.
6. **Retail Profit** – a Bonus for sales to retail customers  
When a retail customer buys product directly from dōTERRA, the WA who sponsors that retail customer receives a Bonus that is the difference between the retail price paid by the customer and the wholesale price set by dōTERRA.
7. **Preferred Member Sponsor** – a Sponsor based Bonus  
WAs receive a Bonus of up to 15% of the total monthly accumulated volume of all Preferred Members whom they sponsor. The amount of the Bonus varies by the total amount of PV earned by the Preferred Members the WA sponsors. Wellness Advocates may own one Preferred Member account, but are not permitted to have a beneficial interest in more than one Preferred Member account.
8. **Founders** - a Bonus based on market development.  
**Overview.** As an incentive to WAs 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 WAs 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 months unless otherwise indicated. Once an WA reaches the position of Founder, each year he must qualify to maintain the position by reaching the pre-determined qualifications for that twelve month period. The Company will post notice of changed qualifications prior to the beginning of the next qualifying period.

In the event a Founder fails to re-qualify or otherwise loses the Founder position, the position is no longer available to the Founder or to another WA 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 WA who initially qualified. The position cannot be conveyed, transferred, gifted or sold to another WA or Person. Not every market will be offered Founders positions.

9. **The Loyalty Rewards Program**

**Overview.** An WA can ensure that the WA will 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 WA's LRP Order is at least 50 PV every month, the WA is eligible to receive Product Credits each month.

**Redemption of Product Credits.** After the WA has been an LRP participant for 60 days, the WA can redeem Product Credits to purchase full PV products. LRP Product Credits can be redeemed for 12 months from the date of issue, after which they expire. The credits can be redeemed for a \$3.00 (S\$4.00) fee, for each 100 Product Credit redemption, by calling 6801-6900. Products purchased with LRP credits are not for resale, nor can such product be returned. Redemption orders have no PV and cannot be combined with other product orders. Product Credits have no cash redemption value and are not transferrable. All Product Credits will be cancelled if participation in the LRP program is cancelled. An WA's primary LRP order may only be cancelled by calling the Company. Any subsequent LRP order can be cancelled online.

**Acting on Behalf of Another.** An WA may not set up an LRP order on behalf of another participating WA without written permission from the participating WA, 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 WA and must be shipped to the primary address listed on the participating WA's account.

10. **Special or Promotional Bonuses or Rewards**

From time to time, special Bonuses or promotions are offered to WAs. The products offered in this way may or may not have any PV and may not qualify an WA for Bonuses resulting from the purchase of these products. The details of each of these offerings will be made available at dōTERRA.com.

11. **General and Miscellaneous Compensation Provisions**

**No Compensation Solely for Enrolling Another.** While WAs are paid for product sales, an WA receives no compensation for enrolling or sponsoring other WAs.

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

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

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

**Preconditions to Bonus Payments.** WAs 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.

**Concentrated Legs.** In the event the volume from one leg of an WA's Organization exceeds ninety percent (90%) of the WA's total Organization volume, the total Primary Bonus of the WA shall not exceed \$5,000.00 if the WA holds the Rank of Elite; \$9,000.00 if the WA holds a Rank of Premier; \$13,000.00 if the WA holds a Rank of Silver; and \$18,000.00 if the WA holds a Rank of Gold. Once the Rank of Platinum is achieved, there is no cap on the Primary Bonus.

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

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

**Recoupment of Bonuses.** In addition to any recoupment rights otherwise set forth in the Contract, the Company reserves the right to recoup any Bonuses paid to WAs 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 WA misconduct, including but not limited to, unauthorized or misleading representations regarding an offer or sale of any product or service, 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 WA or offset the amount of the recoupment against any present or future Bonuses.

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

## Section 11. Product Claims

- A. **Health Sciences Authority Standards.** Many products fall under health supplement and cosmetic product classifications set forth by the Health Sciences Authority (HSA) of Singapore. The HSA regulates and oversees the production and sale of health supplements and cosmetic products to assure their safety and proper representation to the public. The HSA also has labeling and packaging standards with which the Company must comply.
- B. **Claims and Representations.** WAs may not use, and dōTERRA does not support WAs' use of any claims and representations in relation to dōTERRA and dōTERRA products that violates any applicable laws, regulations and guidelines including those laws, regulations and guidelines promulgated by the HSA and other regulatory bodies.
- C. **Permissible Claims.** An WA may represent that dōTERRA products are safe to use and are:
1. specifically formulated to support wellness; and
  2. intended to improve personal appearance.
- D. **No Curative or Drug Claims.** An WA may not make any medical claim for any product nor specifically prescribe any given product as suitable for any specific ailment, as that type of representation implies the products are drugs rather than nutritional supplements or cosmetics. Under no circumstance should these products be likened to drug products prescribed for the treatment of specific ailments. No WA should state or infer that any product is approved by the HSA or the Agri-Food & Veterinary Authority of Singapore (AVA). The HSA or the AVA does not require or grant specific approval for individual health supplements or cosmetic products.
- E. **Disclosure.** When blogging or otherwise promoting dōTERRA or dōTERRA products, an WA must disclose the fact that the WA is a dōTERRA Wellness Advocate who receives Bonuses and commissions from the Company.

## Section 12. Advertising and Use of the Company's Intellectual Property Rights.

- A. **dōTERRA Intellectual Property.** dōTERRA Intellectual Property (see, Section 12B.8 of this Policy Manual) are valuable assets. By using dōTERRA Intellectual Property, WAs agree and acknowledge that there exists great value and good will associated with the dōTERRA



Intellectual Property, and acknowledge that the Company has all rights to the property and that the good will pertaining thereto belongs exclusively to the Company. Further, WAs also acknowledge that the intellectual property has a secondary meaning in the mind of the public. Intellectual property is protected by Singapore 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 Intellectual 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 an WA what it does not own. Accordingly, when using dōTERRA Intellectual Property and Content, WAs 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, which is quoted or published in the Singapore specific section of [www.dōTERRA.com/tools](http://www.dōTERRA.com/tools).
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 including 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 Sale 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 of Content by computer based systems, including but not limited to e-mail, blogs, social media, or web-site transmissions; and telephone or cell-phone based transmissions.
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 dōTERRA.com web site.
8. **dōTERRA Intellectual Property:** dōTERRA Intellectual Property means all intellectual property which dōTERRA Holdings, LLC or an affiliated company owns, or claims a right to use, including but not limited to trademarks, trade names, service marks, copyright, design rights, patents, know-how, confidential information and goodwill whether or not registered or registrable, and includes all such intellectual property in the Allowed Content, Company Produced Sales Aids and Content.

9. **Media Specific Guidelines:** Media Specific Guidelines are Local Market specific guidelines which set usage standards of Allowed Content for a particular media format. Media Specific Guidelines must be adhered to and are posted on the Singapore specific section of [www.doterra.com/tools](http://www.doterra.com/tools).
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 WAs, or training of WAs, 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, WAs 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, WAs are permitted to use Allowed Content, with written approval from the Company, in the following instances: Apparel, Use in WA Name; Use on Buildings and Signs; Merchandise, and Use for any uncategorized purpose.

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

1. **Branding Guidelines and Media Specific Guidelines.** Allowed Content may only be used according to the Branding Guidelines and Media Specific Guidelines that may be found only on the Allowed Content page(s) of the Singapore specific section of the dōTERRA website. Context and True Statements. WAs may not use Allowed Content 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.
2. **Variations, Takeoffs or Abbreviations.** WAs 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”
3. **Slogans and Taglines.** WAs 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”

4. **Disparaging or Offensive Use.** WAs may not use Allowed Content in a disparaging, offensive, or injurious manner.
5. **Best Light.** All Allowed Content must be shown only in the best light, in a manner or context that reflects favorably on the Company and its products.
6. **Endorsement or Sponsorship of a Third Party.** WAs 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.
7. **Use in Computer or Telephone Based Media.** The following sections apply to Computer and Telephone Based Media.
  - a. **Headers and Titles.** The name "dōTERRA" may not be used, in any title, subtitle, or header to Computer or Telephone Based Media, without the text "an Wellness Advocate" being placed in the same line as, or directly below the title or header. "An Wellness Advocate" must be of a font size that is of a minimum of half the height of the title, subtitle, or header, and must be of a color and style that is equally visible as the title, or header.
  - b. **Disclaimer.** 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.
  - c. **Domain Names.** WAs 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: "dōTERRA.com" "dōTERRAcompany.com" "dōTERRAcorporate.com," etc. WAs should consult the Media Specific Guidelines of their Local Market.
  - d. **URLs.** All Computer Web URL's must contain the words "An Wellness Advocate."
  - e. **Privacy Policy Language.** WAs must implement a written privacy policy that protects any information gathered from the website from being sold or used by anyone else.
  - f. **Spam Prohibition.** WAs may not spam. Spamming includes, but is not necessarily limited to: (1) sending unsolicited email messages that contain any email or web addresses from an WA's account to online users; (2) posting message that contain the WA's service address in new groups that are unrelated to the WA's products; (3) creating false "from sources" in an email message, or newsgroup posting with the WA'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 text / multi-media messages to mobile telephone numbers or faxes to lists of people that are not within the WA's Organization or with whom the WA has not had a prior business or personal relationship. All Company related email broadcasts must only

be sent to WAs in the Organization of the WA. Emails must not contain any false representations, income claims, or testimonials.

8. **Proper Use of Trademarks.** WAs must properly use Allowed 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.”
9. **Use of Allowed Content Within the United States.** On communications that will be distributed only in the United States, WAs must use the appropriate trademark or copyright symbol (TM, SM, ®, ©) the first time dōTERRA Intellectual Property appears.
  - a. WAs must refer to and use the correct spelling of the trademark or copyright, and generic term to use with the trademark. Generally, the symbol appears at the right shoulder of the trademark, but exceptions may exist.
  - b. WAs must include an attribution of dōTERRA’s ownership of its Allowed Content within the credit notice section of an WA’s Sales Aid, personal website, or social media. The following are the correct U.S. formats for trademarks:  
\_\_\_\_\_ is a registered trademark of dōTERRA Holdings, LLC  
\_\_\_\_\_ is a trademark of dōTERRA Holdings, LLC
10. **Use of Allowed Content Outside the United States:**
  - a. WAs should not use trademark symbols on product communications that will be distributed outside the United States.
  - b. Use of one of the following international credit notices is appropriate:  
\_\_\_\_\_ is a trademark of dōTERRA Holdings, LLC, registered in the U.S. and other countries.  
\_\_\_\_\_ is a trademark of dōTERRA Holdings, LLC.

#### E. Acknowledgement and Protection of Rights

1. **Acknowledgment of Rights.** WAs 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, WAs 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. WAs agree to assist the Company to protect the Company’s rights in the intellectual property at the Company’s request.
2. **Agreement to Protect.** WAs 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.** WAs agree that nothing contained in the Contract shall be construed as an assignment or grant to the WA of any right, title or interest in or to the dōTERRA Intellectual Property, Allowed Content, Company Produced Sales Aids and Content, it being understood that all rights relating thereto are reserved by the Company, except for the right to use the Allowed Content as expressly provided in the Contract. WAs agree that at the termination or expiration of the Contract, the right to use the Allowed Content shall immediately end. WAs 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 WAs or which may have vested in WAs in pursuance of any endeavors covered hereby, and that WAs 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. WAs may not terminate the rights granted to the Company in this Section 12.
  - b. An WA's rights granted in this Section 12 may be terminated by the Company upon immediate notice without the opportunity to cure should the WA do any of the following:
    - (a) File a petition in bankruptcy or a 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 WA and the Company or its affiliates;
    - (d) make any misrepresentations relating to the acquisition of the rights granted herein, or engage in conduct which reflects unfavorably on the Company or upon the operation and reputation of the Company's business; or
    - (e) be convicted of a felony or any other criminal misconduct which is relevant to the Contract.
  - c. In the event of termination of this license for any reason, WAs 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 WA.
5. **Rights are Personal.** The rights and duties under this section are personal to the WA and the WA 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 by the WA or by operation of law.
6. **Remedies.** Each WA and Preferred Member 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, WAs 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 WA shall not oppose such relief on the grounds that there is an adequate remedy at law; and
- c. WAs 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 WA 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. 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 Lists or any other violations of the Contract.

#### **F. Additional Advertising Provisions**

1. WAs may not answer the phone as “dōTERRA” or imply they represent the Company or are more than an WA.
2. No advertising may imply that a job or position is available at dōTERRA.
3. No specific income may be promised.
4. All media inquiries must be immediately referred to the Compliance Department of 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 WA prepared, caused to be prepared, or distributed, which also contains any dōTERRA Intellectual Property or Content, must be immediately provided to the Company. WAs must retain a copy of all Sales Aids, or other advertising material which they distributed, for seven years from the last date of distribution.
7. WAs 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, an Wellness Advocate (WA) 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 national chains. WAs may not sell products through online auctions or mall sites, such as eBay or Amazon, without specific written permission from dōTERRA. WAs who wish to sell on

sites may do so only by complying with the specific dōTERRA requirements and signing the Online Auction/Mall Agreement with dōTERRA insuring proper conduct and compliance with all dōTERRA policies.

- B. Service Establishments.** WAs may sell products through service establishments that provide services related to the products. For example, dōTERRA products may be sold through the offices of doctors and other healthcare professionals, health clubs, spas, and gyms.
- C. 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.
- D. Trade Show Policy.** WAs wishing to display, promote and sell the dōTERRA products and opportunity in connection with a trade show may rent a booth or set up an exhibit at a trade show or convention ("Convention"), subject to the Company's written approval of the Convention and the WA'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 or email your account manager to get a copy of the Event Submission Form.
  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. 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-produced WA banner, to display in the booth, is required. Exclusive rights are granted in the sole discretion of the Company.
  3. The WA 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 WA as an WA of dōTERRA, including any maps or listings prepared by the sponsor of the Convention.
  4. The WA will not make any earnings representations of any kind.
  5. The WA will not use the Convention to promote any product, service, or business opportunity other than the dōTERRA business in which the WA may be involved.
  6. During the Convention the WA 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.
  7. 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 (WA) 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 WA, does not exceed five. Participants in such meetings must be personal acquaintances of the WA or personal acquaintances of the WA'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 WA) are strictly prohibited in unopened Local Markets.

B. **Prohibited Acts in Unopened Local Markets.**

1. An WA may not import or facilitate the importation of, sale, gift, or distribution of, Company products, services, or product samples.
2. An WA 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. An WA 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, WAs may not sign up citizens or residents of unopened Local Markets in an Open Local Market or by using Wellness Advocate Agreement forms (WAA) 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 an WAA void from its inception.
4. An WA may not accept money or other consideration, or be involved in any financial transaction with a potential WA which rents, leases, or purchases facilities for the purpose of promoting or conducting Company-related business.
5. An WA 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.

C. **Foreign Corrupt Practices Act.** All dōTERRA WAs must comply with the United States Foreign Corrupt Practices Act (FCPA) and any applicable Singapore anti-bribery laws, regulations and



guidelines. 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), or 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.

**D. No Exclusive Local Markets or Franchises.** There are no exclusive Local Markets or franchises. An WA has the right to operate anywhere in the WA's country of residence.

**E. 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 WA, 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 she plans to conduct those activities is not a prohibited Local Market. An WA may obtain a list of prohibited Local Markets by calling the Company.

**F. Violation of International Policy.** In addition to other remedies allowed by the Contract, an WA 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 WA may have no right to international distribution/sponsorship rights in the affected Local Market;
2. the WA and the WA's upline may not be entitled to Bonuses generated by the WA and the WA's Downline in the respective Local Market;
3. Additionally, in all markets, for a period of up to one year, the WA may not be entitled to privileges traditionally afforded WAs such as recognition at corporate events or in corporate literature, and receipt of new WA sign up materials prior to the official opening of any new market.

An WA 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.

- G. **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. **Tax.** WAs will report all compensation, including Bonuses, if any, earned as a dōTERRA WA under the Contract, as required by any governmental authority and will pay all Taxes applicable on such compensation, including Bonuses. WAs will indemnify and hold the Company harmless from and against all liability for any Taxes which may be imposed on the Company in relation to any income, including Bonuses, if any, the WA receives from the Company. For the avoidance of doubt, the Company is not responsible for and will not withhold or deduct any kind of Tax applicable to the compensation received by an WA from the Company, unless the Company is required to do so by law.
- B. **Goods and Services Tax in relation to purchase of dōTERRA products and services by WAs.** WAs will be solely responsible for the GST under the Goods and Services Tax Act (Chapter 117A of the Republic of Singapore) which is charged or chargeable under the laws of Singapore in relation to the purchase of dōTERRA products and services under Section 5 above, and the GST will be paid to the Company in addition to the purchase price of the dōTERRA products and services provided for under the Contract. WAs will indemnify and hold the Company harmless from and against any liability for any GST which may be imposed on the Company in relation to such purchase.
- C. **Goods and Services Tax in relation to sale of dōTERRA products and services by WAs.** If and to the extent required under the laws of Singapore, WAs shall be solely responsible for charging, collecting and accounting to the Singapore tax authorities any GST charged or chargeable on the resale of dōTERRA products and services by WAs.

## Section 16. Product Liability Claims

- A. **Company Defense of Claims.** Subject to the limitations set forth in this provision, dōTERRA shall defend Wellness Advocates (WAs) from claims made by third-party customers alleging injury from use of a product, or injury due to a defective product. WAs 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 alleviate any obligation of the Company respecting such claim. WAs must allow the Company to assume the sole and absolute discretion respecting the defense of the claim, and use and choice of counsel as a condition to the Company's obligation to defend them.
- B. **Exceptions to Indemnification of WA.** The Company shall have no obligation to indemnify an WA if:
1. the WA has not complied with the Contract respecting obligations and limitations covering the distribution and/or sale of the products; or

2. the WA 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 WA settles or attempts to settle a claim without the Company's written approval.

## Section 17. Authorized Use of Wellness Advocates Information

- A. **WA Lists.** Lists of Wellness Advocates (WAs) and all contacts generated there from ("Lists") are the confidential property of dōTERRA. 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 WA information maintained by the Company is expressly reserved by the Company and may be denied at the Company's discretion.
- B. **Confidentiality of Lists.** Vendors, suppliers, or other persons obtaining access to mailing lists and contacts of WAs through their production or distribution of that material contractually 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 WAs 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.
- C. **Specific Lists.** The Company provides a uniquely tailored portion of the Lists to WAs (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.
- D. **Limitations on Use.** These Lists are provided for the exclusive and limited use of the Recipient to facilitate the training, support, and servicing of the Recipient's Downline 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.
- E. **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 WA agrees:
  1. to hold confidential and not disclose any Lists or portion thereof to any third Person, including, but not limited to, existing WAs, competitors, and the general public;
  2. to limit use of the Lists to their intended scope of furthering the WA's dōTERRA-related business. The Lists may not be used to identify and solicit dōTERRA WAs 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 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 entire section 17 will survive the termination of the Recipient's Contract.
- F. **Company Remedies for Violation.** The Company reserves the right to pursue all appropriate remedies under applicable 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

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 (WAs). The Company shall not be liable for any:

- A. general, special, indirect, incidental, punitive, or consequential damages, including loss of profits, arising from or related to the operation or use of the products including, without limitation, damages arising from loss of revenue or profits, failure to realize savings or other benefits, damage to equipment, and claims against the WA by any third person, even if the Company has been advised of the possibility of such damages;
- B. 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; or
- C. claims made a subject of legal proceeding against the Company more than two years after the alleged violation. Notwithstanding any other provision of the Contract, the Company's total liabilities hereunder shall not be greater than the amounts actually received by the Company pursuant to the terms of the Contract.

## Section 19. Disciplinary Actions

- A. **Rights Conditioned Upon Performance.** An WA's rights under the Contract are conditioned upon and subject to the WA's continued performance in accordance with the terms of the Contract. Upon failure by an WA to perform his or her obligations as set forth in the Contract, the WA's rights cease. The Company may excuse an WA's non-performance in whole or in part without waiving its rights and remedies under the Contract.

**B. Possible Disciplinary Actions.** If WAs violate any of the terms and conditions of the Contract or engage in any illegal, fraudulent, deceptive, or unethical business conduct, dōTERRA may, in its sole discretion, invoke any disciplinary action that it deems appropriate. The potential disciplinary actions are:

1. Issue an oral and/or written warning or admonition to the WA;
2. Closely monitor the conduct of the WA over a specified period of time to ensure performance of the contractual duties;
3. Require the WA to provide the Company with additional assurances that the WA's performance will be in compliance with the Contract. Further assurances may include requiring the WA 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 WA'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 WA or the WA's Organization;
6. Impose a fine, which may be imposed immediately or withheld from future Bonus or commission checks;
7. Reassign all or part of the WA's Organization;
8. Adjust the WA's Wellness Advocate status;
9. Suspend the WA, which may result in termination or reinstatement with conditions or restrictions;
10. Terminate the Distributorship of the WA; and
11. Seek injunctive relief or other remedies available by law.

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

1. The Company will either provide the WA with a verbal notice and/or send a written notice of the alleged breach of Contract. Each WA agrees that the relationship between an WA and the Company is entirely contractual. Accordingly, the Company will neither honor nor respect any claim by an WA 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 WA ten business days from the date of dispatch of a notification letter during which the WA 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 WA 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 WA. The Company will promptly notify the WA 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. **Request for Termination.** An WA may request to terminate the Contract at any time and for any reason by sending a written notice of intent to terminate to the Company. A Person whose Distributorship is terminated may not sign up again as an WA for six months from the date of last activity if the WA achieved the Rank of Premier or lower. If the WA has achieved the Rank of Silver or higher, the person must wait twelve months before signing up as an WA with dōTERRA. All obligations regarding confidentiality of information and the WA 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 Distributorship is voluntarily terminated, the account is placed in a suspended status for a period of twelve 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 WA, 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 an WA, 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. **Time Limitation on Claims Made.** The Company will not review any violation of the terms and conditions of the Contract not brought to the Company's attention within two years of the initiation of the alleged violation. Failure to report a violation within the two-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 violations must be in writing and sent to the attention of dōTERRA's legal department.

- I. **Action Against an WA.** The Company may take action against an WA 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 WA'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.

## 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 days prior written notice in Company publications, by separate mailing, or through online publication on the Company website(s). WAs agree that thirty days 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 WAs, as an effective and binding provision. By continuing to act as an WA, or engaging in any Distributorship activity, including purchasing products, after the amendments or modifications have become effective, an WA acknowledges acceptance of the new Contract and/or Sales Compensation Plan terms.
- B. **WAs Bound by Amendments.** WAs 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 WA. Ordering products or accepting commission payments confirms an WA'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 an WA 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) 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 an WA, a gift, sale, transfer or assignment is treated as a termination with respect to the transferor. In other words, an WA who gifts, sells, conveys or otherwise transfers his or her Distributorship must wait six months (if Premier rank or lower) or twelve 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. An WA 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. An WA 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 WA as part of his or her Distributorship will do so only under the WA's direct supervision.
- C. **Distributorship Succession.** In the event that an WA dies or becomes incapacitated, that WA's organization will pass to the WA'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 WAs 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 WAs of dissolving entities. The Company will recognize only one Organization and will issue only one Bonus check per Distributorship per commission 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 WAA may be involuntarily canceled.
- F. **Court Proceedings.** WAs 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 checks. 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 WA 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 WAs in their former organization or to any former customers or PMs. They must develop the new business in the same manner, as would any other new WA.

## Section 22. Miscellaneous.

### A. Waiver

The waiver by dōTERRA of any Wellness Advocate's (WA'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 an Wellness Advocate (WA) 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 WA by any employee, the express written terms and requirements of the Contract will prevail.

### C. Dispute Resolution.

#### 1. Monetary Relief:

- a. Amicable settlement: In the event of any dispute, claim, question or disagreement arising from or relating to the Contract or breach thereof, where monetary relief is sought, 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 for a period of 60 days after the receipt of a notice by a party from the other party of the existence of the dispute, claim, question or disagreement.

- b. **Mediation:** If no solution is reached by amicable settlement within a period of 60 days, then the dispute, claim, question or disagreement shall be submitted to the Singapore Mediation Centre for resolution by mediation in accordance with the Mediation Procedure for the time being in force, unless any of the parties serves a written notice on all the other parties and the Singapore Mediation Centre stating that it does not agree to submit the matter to mediation. The parties agree to participate in the mediation in good faith and undertake to abide by the terms of any settlement reached.
  - c. **Arbitration:** If the dispute, claim, question or disagreement still remains unresolved after amicable settlement and mediation, parties shall refer the dispute, claim, question or disagreement to be finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (“SIAC Rules”) for the time being in force, which rules are deemed to be incorporated by reference in this clause. The Tribunal shall consist of 1 arbitrator, to be appointed by the President of the Court of Arbitration of the SIAC. The arbitration shall be conducted in the English language and the seat or legal place of the arbitration shall be Singapore. The arbitration award(s) rendered by the Tribunal shall be final and binding on the parties. Judgment on the award(s) rendered by the Tribunal may be entered in any court having jurisdiction thereof. This agreement to arbitrate shall survive any termination or expiration of the Contract.
2. **Injunctive Relief:** Notwithstanding the above dispute resolution provision for monetary relief, nothing herein shall prevent either party from applying to and obtaining from any court having jurisdiction an interlocutory injunction, permanent injunction, or other relief available to safeguard and protect either party’s interest prior to, during, or following any mediation or 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 WA is charged with any infringement of any proprietary right of any outside third party (who is not an WA) arising from any of the Company’s proprietary assets, or if the WA becomes the subject of any claim or suit related to that WA’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 WA 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 WA shall take no action related to that claim and suit, unless the Company consents, which consent shall not unreasonably be withheld.
- E. **Governing Law/Jurisdiction.** The Contract shall be governed by and construed in accordance with Singapore law.
- F. **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.

- G. **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.
- H. **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.
- I. **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 (WA's) address as provided on the Wellness Advocate Agreement, 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 WAs.

